



*Dedicated to  
Satisfying our Community's  
Water Needs*

**MINUTES OF THE BOARD OF DIRECTORS  
MESA WATER DISTRICT  
Thursday, May 18, 2017  
1965 Placentia Avenue, Costa Mesa, CA 92627  
6:00 p.m. Adjourned Regular Board Meeting**

**CALL TO ORDER**

The meeting of the Board of Directors was called to order on May 18, 2017 at 6:00 p.m. by President Temianka at the District Office Boardroom, located at 1965 Placentia Avenue, Costa Mesa, California.

**PLEDGE OF ALLEGIANCE**

Municipal Water District of Orange County (MWDOC) Director Joan C. Finnegan led the Pledge of Allegiance.

**Directors Present**

Ethan Temianka, President  
Jim Atkinson, Vice President  
Fred R. Bockmiller, P.E., Director  
Shawn Dewane, Director  
James R. Fisler, Director

**Directors Absent**

None

**Staff Present**

Paul E. Shoenberger, P.E., General Manager  
Coleen L. Monteleone, Assistant General Manager/  
District Secretary  
Phil Lauri, P.E., Assistant General Manager  
Tracy Manning, Water Operations Manager  
Stacie Sheek, Customer Services Manager  
Shannon Widor, Public Affairs Manager  
Denise Garcia, Executive Assistant to the General Manager/  
Assistant District Secretary  
Jeff Frey, Attorney, Bowie, Arneson, Wiles & Giannone (*left at 8:07 p.m.*)  
Jeff Hoskinson, Attorney, Bowie, Arneson, Wiles & Giannone (*arrived at 7:43 p.m.*)

**Others Present**

Joan C. Finnegan, Director, MWDOC  
Nitin P. Patel, CPA, Audit Partner, White Nelson Diehl Evans, LLP  
Robert Konishi, Managing Partner, T2 Tech Group  
Matthew Williams, Systems Engineer, T2 Tech Group  
Douglas S. Brown, Attorney, Stradling Yocca Carlson & Rauth, P.C  
Paul D. Pender, Vice President, Fieldman, Rolapp & Associates  
Lora Carpenter, Senior Associate, Fieldman, Rolapp & Associates  
Kent Loose, Principal, Orange County Consultancy

Louis C. Klein, Partner, Foley & Mansfield  
Benjamin S. Tragish, Attorney, Foley & Mansfield

## **PUBLIC COMMENTS**

President Temianka asked for public comments on non-agendized items. There were no comments and President Temianka proceeded with the meeting.

## **ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA**

General Manager Shoenberger noted there were no items to be added, withdrawn, or reordered.

## **CONSENT CALENDAR ITEMS:**

1. Approve minutes of special Board meeting of April 3, 2017.
2. Approve minutes of regular Board meeting of April 13, 2017.
3. Approve minutes of special Board meeting of April 17, 2017.
4. Approve minutes of special Board meeting of April 18, 2017.
5. Approve minutes of special Board meeting of April 27, 2017.
6. Approve attendance considerations (additions, changes, deletions).
7. Board Schedule:
  - Conferences, Seminars, and Meetings
  - Board Calendar
  - Upcoming Community Outreach Events
8. Receive the Quarterly Training Report for January 1, 2017 – March 31, 2017.
9. Approve an additional fee for the increase in scope of audit work performed by White Nelson Diehl Evans LLP in the amount of \$6,000.
10. Declare certain property as surplus and authorize the General Manager to dispose of the property within the established rules and regulations set forth by Resolution No. 1463, Disposal of Surplus Property.
11. Award contracts for a period of three years with two one year renewable options with an annual amount of \$200,000 each to Ben's Asphalt, Inc., Copp Contracting, Inc., and The RJ Noble Company for the cumulative annual not-to-exceed amount of \$200,000 across all contracts to provide on-call Concrete and Paving Services and to authorize execution of the contracts.
12. Approve a contract with Hoover Printing for three years for printing services and authorize the General Manager to execute the contract.

President Temianka asked for public comments. There were no comments.

## **MOTION**

Motion by Director Bockmiller, second by Director Fisler, to approve Items 1 – 12 of the Consent Calendar. Motion passed 5-0.

**PRESENTATION AND DISCUSSION ITEMS:**

13. FISCAL YEAR 2016 AUDIT RESULTS AND COMPREHENSIVE ANNUAL FINANCIAL REPORT:

General Manager Shoenberger introduced White Nelson Diehl Evans, LLP Audit Partner & CPA Nitin Patel who proceeded with a presentation that highlighted the following:

- Scope of Services
- Auditors' Opinion and Reports
- Communication with Those Charged with Governance

Mr. Patel responded to questions from the Board and they thanked him for the presentation.

14. INFORMATION TECHNOLOGY MASTER PLAN UPDATE:

GM Shoenberger acknowledged Customer Services Manager Sheek, Project Manager for the Information Technology (IT) Master Plan. He also thanked T2 Tech Group's Managing Partner Robert Konishi and Systems Engineer Matthew Williams for their efforts with the project.

GM Shoenberger proceeded with a presentation that highlighted the following:

- 2013 Assessment
- Accomplishments
- Reliability – 2013 vs. 2017
- Monthly IT Management Reports

The Board offered comments and thanked GM Shoenberger for the presentation.

**ACTION ITEMS:**

15. ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 10 BOARD NOMINATION:

Vice President Atkinson offered that Orange County Water District Director Cathy Green and Santa Margarita Water District Director Chuck Gibson, both incumbents, have expressed interest in continued service on the ACWA Region 10 Board of Directors and would like the Mesa Water Board to consider resolutions supporting their nominations.

President Temianka asked for public comments. There were no comments.

**MOTION**

Motion by Director Bockmiller, second by Director Dewane, to adopt Resolution No. 1494 Placing in Nomination Jim Atkinson as a Board Member of the Association of California Water Agencies Region 10 and to prepare resolutions supporting the nominations of Orange County Water District Director Cathy Green and Santa Margarita Water District Director Chuck Gibson. Motion passed 5-0, by the following roll call vote:

AYES: DIRECTORS Bockmiller, Dewane, Fisler, Atkinson, Temianka  
NOES: DIRECTORS None  
ABSENT: DIRECTORS None  
ABSTAIN: DIRECTORS None

## RECESS

President Temianka declared a recess at 6:42 p.m. in order to conduct the Mesa Consolidated Water District Improvement Corporation Special Meeting.

### 16. MESA CONSOLIDATED WATER DISTRICT IMPROVEMENT CORPORATION SPECIAL MEETING:

The Board meeting reconvened at 6:44 p.m.

### 17. 2017 REVENUE CERTIFICATES OF PARTICIPATION DOCUMENTS:

GM Shoenberger introduced the topic and acknowledged Stradling Yocca Carlson & Rauth Attorney Douglas Brown and Fieldman, Rolapp & Associates' Vice President Paul Pender and Senior Associate Lora Carpenter.

Attorney Brown provided comments about the Preliminary Official Statement and responded to questions from the Board.

President Temianka asked for public comments. There were no comments.

## MOTION

Motion by Director Bockmiller, second by Director Fisler, to adopt Resolution No. 1496 of the Mesa Water District Board of Directors Authorizing the Execution and Delivery of Revenue Certificates of Participation and Approving the Execution and Delivery of Certain Documents in Connection Therewith and Certain Other Matters. Motion passed 5-0, by the following roll call vote:

AYES: DIRECTORS Bockmiller, Dewane, Fisler, Atkinson, Temianka  
NOES: DIRECTORS None  
ABSENT: DIRECTORS None  
ABSTAIN: DIRECTORS None

## RECESS

President Temianka declared a recess at 6:53 p.m.

The Board meeting reconvened at 7:15 p.m.

18. PROPOSED FISCAL YEAR 2018 BUDGET:

GM Shoenberger thanked Orange Coast Consultancy Inc.'s Principal Kent Loose for his contributions in developing the FY 2018 Budget.

GM Shoenberger proceeded with a presentation that highlighted the following:

- District Achievement
- Strategic Plan Goals
- Financially Strong, AAA ratings
- Mesa Water Reliability Facility Benefits
- Committed to Transparency
- Designated Funds
- Debt Service Coverage Ratio/Payments
- Budget Assumptions
- Operating Expenses by Department as a Percentage
- Organizational Chart
- Capital Replacement and Refurbishment
- Community Outreach
- District Memberships
- Board Conferences and Seminars

GM Shoenberger responded to questions and the Board thanked him for the presentation.

President Temianka asked for public comments. There were no comments.

MOTION

Motion by Director Bockmiller, second by Director Dewane, to adopt the proposed Fiscal Year 2018 Budget. Motion passed 5-0.

19. CLOSED SESSION:

President Temianka announced the Board was going into Closed Session at 8:26 p.m.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR:

Pursuant to Government Code Section 54956.8:

Properties (2): (1) 3120 S Croddy Way, Santa Ana (APN: 415-024-17);

(2) 2644 S Croddy Way, Santa Ana (APN: 415-012-35)

District Negotiator: General Manager

Negotiating Parties: (1) Lowers Leasing Inc.; (2) Custer Sharon E Tr of the Stancil Family Trust

Under Negotiation: Price and/or terms of purchase or acquisition of rights

Participants in Closed Session: Board of Directors, GM Shoenberger, AGM's Monteleone and Lauri, and General Legal Counsel.

**CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

Pursuant to Government Code Section 54956.9 (a)

Case: Irvine Ranch Water District v. OCWD, et al. - Superior Court Case No. 30-2016-00858584-CU-WM-CJC.

Participants in Closed Session: Board of Directors, GM Shoenberger, AGM Monteleone, and Special Legal Counsel.

**PURSUANT TO GOVERNMENT CODE SECTION 54957(b):**

**PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Title: General Manager and Assistant General Manager

Participants in Closed Session: Board of Directors and GM Shoenberger.

The Board returned to Open Session at 8:40 p.m.

Attorney Hoskinson announced the Board met in three separate Closed Sessions. The Board received information in the first and second closed sessions and there is no other announcement. The Board received information in the third closed session and indicated that action would be taken in open session.

**20. PERFORMANCE EVALUATION FOR GENERAL MANAGER:**

**MOTION**

Motion by Director Dewane, second by Vice President Atkinson, to approve a one-time incentive payment of \$10,000 for the General Manager. Motion passed 5-0.

**21. ASSISTANT GENERAL MANAGER RETIREMENT:**

**MOTION**

Motion by Director Bockmiller, second by Director Dewane, to authorize an after-hours event, as provided in Resolution No. 1400, for the retirement of Assistant General Manager Monteleone. Motion passed 5-0.

**REPORTS:**

**22. REPORT OF THE GENERAL MANAGER:**

- April Key Indicators Report
- Other (no enclosure)

**23. DIRECTORS' REPORTS AND COMMENTS:**

**INFORMATION ITEMS:**

**24. DIRECTORS' REPORTS (AB 1234) PER CA GOVERNMENT CODE SECTION 53232.3 (D)**

**25. OTHER (NO ENCLOSURE)**

*Mesa Water® Board Meeting May 18, 2017*

President Temianka adjourned the meeting at 9:20 p.m. to a Regular Board Meeting scheduled for Thursday, June 8, 2017 at 6:00 p.m.

Approved:



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Ethan Temianka, President



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Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer