



*Dedicated to
Satisfying our Community's
Water Needs*

**MINUTES OF THE BOARD OF DIRECTORS
MESA WATER DISTRICT
1965 Placentia Avenue, Costa Mesa, CA 92627
Thursday, January 8, 2015
6:00 p.m. Regular Board Meeting**

CALL TO ORDER

The meeting of the Board of Directors was called to order on January 8, 2015 at 6:00 p.m. by President Dewane at 1965 Placentia Avenue, Costa Mesa, CA 92627.

PLEDGE OF ALLEGIANCE

Director Bockmiller led the Pledge of Allegiance. He asked for a moment of silence for those killed in Paris, France.

Directors Present

Shawn Dewane, President
Ethan Temianka, Vice President
James F. Atkinson, Director
Fred R. Bockmiller, Director
James R. Fisler, Director

Directors Absent

None

Staff Present

Paul E. Shoenberger, General Manager
Coleen L. Monteleone, Administrative Services Manager/
District Secretary
Andrew Hamilton, Chief Financial Officer
Phil Lauri, Engineering & Operations Manager
Stacy Taylor, Public & Government Affairs Manager
Stacie Sheek, Customer Services Manager
Denise Garcia, Executive Assistant to the General
Manager/Assistant District Secretary
Rob Anslow, Attorney, Bowie, Arneson, Wiles & Giannone

Others Present

Joan C. Finnegan, Director, Municipal Water District of Orange
County (MWDOC)
Lewis C. Klein, Partner, Foley & Mansfield
John O'Malley, Sr. Legislative Advocate, California Advocates
Dennis Albiani, Vice President, California Advocates
Jeff Arthur, Mesa Water® Ratepayer

President Dewane presented a plaque to past-President Fisler acknowledging his contributions and term of service. Each Director offered comments.

Photographs were taken.

PUBLIC COMMENTS

President Dewane asked for public comments. Mesa Water® Ratepayer Jeff Arthur spoke encouraging the Board to explore new options for water sources including desalination.

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

General Manager Shoenberger reported staff pulled Item 5.

CONSENT CALENDAR ITEMS:

1. Approve minutes of regular Board meeting of December 11, 2014.
2. Approve minutes of special Board meeting of December 15, 2014.
3. Approve minutes of special Board meeting of December 16, 2014.
4. Approve minutes of special Board meeting of December 18, 2014.
5. Approve attendance considerations (additions, changes, deletions).
6. Board Schedule:
 - Conferences, Seminars, and Meetings
 - Board Calendar
 - Upcoming Community Outreach Events
7. Affirm Mesa Water District's current Capacity Charge practices related to revenue recognition and refundability.
8. Declare certain property as surplus and authorize the General Manager to dispose of the property within the established rules and regulations in accordance with Resolution No. 1417.
9. Accept a Grant of Easement from the property owner at 2775 Mesa Verde Drive for fire hydrant located on the northerly side of Golf Course Drive just west of Mesa Verde Drive and authorize the District Secretary to execute the Acceptance of Grant of Easement.
10. Approve contract renewal for Legislative Consulting Services with Townsend Public Affairs for \$5,000 per month during the calendar year 2015.
11. Ratify the 2015 Board Committee & Other Agency Liaison Assignments.

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

MOTION

Motion by Director Fisler, seconded by Director Bockmiller, to approve the Consent Calendar Items 1 - 4 and 6 - 11. Motion passed 5-0.

Item 5 – Approve attendance considerations (additions, changes, deletions).

General Manager Shoenberger reviewed the proposed list of attendance considerations noting the Mesa Water® Director meetings with Mesa Water® Directors are proposed through June 30, 2015. President Dewane commented that these meetings would allow the new Board Officers to communicate with individual Directors and the meetings comply with Mesa Water's ordinance.

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

MOTION

Motion by Director Fisler, seconded by Director Temianka, to approve Item 5 of the Consent Calendar. Motion passed 5-0.

PRESENTATION AND DISCUSSION ITEMS:

12. ADVOCACY UPDATE:

General Manager Shoenberger introduced Public & Government Affairs Manager Taylor who provided an update on the legislative proposal regarding recycled water. She noted that Mesa Water® has opposed this proposed legislation. Industry discussions continue regarding the proposed legislation.

Ms. Taylor introduced Dennis Albiani, California Advocates, and John O'Malley, California Advocates. Messrs. Albiani and O'Malley provided a summary on 2014 legislative activity and 2015 key issues.

Mr. O'Malley proceeded with the presentation. The following was highlighted:

- Water Bond Approved, Prop 1
- Sustainable Groundwater Management Act
- Department of Public Health (DPH) Drinking Water program was transferred from DPH to the State Water Board

Mr. Albiani provided an Election Overview and Key Committee Chairs.

Mr. O'Malley gave an update on legislative leadership, drought issues and 2015 Key Issues.

A brief discussion ensued on the potential for changes to Prop 218. One issue is some districts want to subsidize water rates for disadvantage communities (ratepayer class subsidization).

Messrs. Albiani and O'Malley responded to questions from the Board and President Dewane thanked them for their presentations.

Director Bockmiller offered that a way to meet the need to vary rates for the disadvantaged would be to have a voluntary program where people would contribute to a fund that is then used to subsidize lower rates for individuals or communities. He noted he is in favor of charitable giving which is not legislated.

General Manager Shoenberger introduced Lewis C. Klein, Partner, Foley & Mansfield who represents Mesa Water® on the issue of Prop 218.

Attorney Klein is advocating for Mesa Water® in an upcoming appeal in the case of the Capistrano Taxpayers Association vs. the City of San Juan Capistrano regarding Prop 218. Mr. Klein provided a review of the process. The hearing is January 21, 2015.

Attorney Klein responded to questions from the Board.

President Dewane commented on water rates. He noted that the Municipal Water District of Orange County (MWDOC) sells water to the Orange County Water District (OCWD) at different rates based on treatment level (treated, untreated, imported, etc.).

RECESS

President Dewane declared a recess at 7:23 p.m. The Board meeting reconvened at 7:37 p.m.

13. BOARD WORKSHOP PLANNING:

General Manager Shoenberger reviewed the proposed topics for the March 20 – 21, 2015 Board Workshop. Two topics were added to the agenda.

ACTION ITEMS:

14. CLOSED SESSION:

Attorney Anslow announced the Board was going into Closed Session pursuant to Government Codes Section 54956.9 (d) (1) and 54954.5 (c) at 7:41 p.m.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

Pursuant to Government Codes Section 54956.9 (d) (1) and 54954.5 (c)
Case: Synetcom Digital, Inc. vs. Mesa Water District.

The Board returned to Open Session at 7:54 p.m.

Attorney Anslow announced the Board conducted one Closed Session pursuant to Government Codes Section 54956.9 (d) (1) and 54954.5 (c) with the General Manager, Administrative Services Manager and Engineering & Operations Manager. Direction was given to legal counsel. There was no announcement.

REPORTS:

15. REPORT OF THE GENERAL MANAGER:

- December Key Indicators Report
- Other Information
 - The OC Register reported that Mesa Water® increased water use in October and November 2014 over the same period for the previous year. The average use in 2013 was 84 gallons per capita per day vs 2014 of 91 gallons per capita per day. While there was an increase, the water users were still below the statewide average of 126 gallons per capita per day.
 - The new Customer Services Manager Stacie Sheek joined Mesa Water® on December 22, 2014.
 - Cross Connection Specialist Piet Pijl who has served Mesa Water for 27 years is retiring on March 7, 2015.
 - A new Water Quality and Compliance Supervisor was hired and will begin on January 26, 2015.
 - ACWA/JPIA Executive Committee has five positions for its upcoming elections. Three incumbents are running.
 - On January 15, 2015, the General Manager will speak at the ACWA Rate Making Seminar in San Francisco.

- The Finance Committee meeting was rescheduled to Friday, January 23, 2015 as the regularly scheduled meeting.
- Mesa Water® rate increase went into effect January 1, 2015.

16. DIRECTORS' REPORTS AND COMMENTS:

INFORMATION ITEMS:

- 17. Directors' Reports (AB 1234) Per CA Government Code Section 53232.3 (d)
- 18. Other (no enclosure)

President Dewane adjourned the meeting at 8:23 p.m. to a Regular Board Meeting scheduled for Thursday, February 12, 2015 at 6:00 p.m.

Approved:



Shawn Dewane, President



Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer