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Satisfying our Community's  
Water Needs*

**MINUTES OF THE BOARD OF DIRECTORS  
MESA WATER DISTRICT  
Thursday, March 10, 2016  
1965 Placentia Avenue, Costa Mesa, CA 92627  
6:00 p.m. Regular Board Meeting**

**CALL TO ORDER**

The meeting of the Board of Directors was called to order on March 10, 2016 at 6:03 p.m. by President Dewane at the District Office Boardroom, located at 1965 Placentia Avenue, Costa Mesa, California.

**PLEDGE OF ALLEGIANCE**

Director Fisler led the Pledge of Allegiance.

**Directors Present**

Shawn Dewane, President  
Ethan Temianka, Vice President  
Jim Atkinson, Director  
Fred R. Bockmiller, 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, Assistant General Manager  
Andrew Hamilton, Chief Financial Officer  
Stacy Taylor, Public & Government Affairs Manager  
Stacie Sheek, Customer Services Manager  
Denise Garcia, Executive Assistant to the General Manager/  
Assistant District Secretary  
Jeff Hoskinson, Attorney, Bowie, Arneson, Wiles & Giannone

**Others Present**

Joan C. Finnegan, Director, Municipal Water District of Orange County (MWDOC)  
Andy Sells, CEO, ACWA/JPIA  
Peter Kuchinsky II, Lead Risk Management Consultant, ACWA/JPIA  
Renee Fraser, President/CEO/Founder, Fraser Communications  
Ilene Prince, Senior Vice President and Director of Client Services, Fraser Communications

**PUBLIC COMMENTS**

President Dewane recognized MWDOC Director Joan Finnegan, who was in attendance.

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

## **ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA**

General Manager Shoenberger noted that ACWA/JPIA representatives may be arriving for a non-action item and asked the Board to accommodate them when they arrive. He noted that staff would like to reorder the agenda to take Item 10 prior to Item 9; there were no objections.

### **CONSENT CALENDAR ITEMS:**

1. Approve minutes of special Board meeting of February 10, 2016.
2. Approve minutes of regular Board meeting of February 11, 2016.
3. Approve minutes of special Board meeting of February 16, 2016.
4. Approve minutes of special Board meeting of February 22, 2016.
5. Approve minutes of special Board meeting of February 24, 2016.
6. Approve minutes of special Board meeting of February 25, 2016.
7. Approve attendance considerations (additions, changes, deletions).
8. Board Schedule:
  - Conferences, Seminars, and Meetings
  - Board Calendar
  - Upcoming Community Outreach Events

President Dewane asked for comments. There were no comments.

### **MOTION**

Motion by Director Bockmiller, second by Director Fisler, to approve the Consent Calendar. Motion passed 5-0.

### **PRESENTATION AND DISCUSSION ITEMS:**

#### **ITEM 10 – MEMORANDUM OF UNDERSTANDING (MOU) UPDATE:**

GM Shoenberger introduced the item. He offered the current four-year MOU was adopted two years ago. This year, Mesa Water® is undergoing a classification and compensation study to prepare for the 2017 MOU negotiations.

Assistant General Manager Monteleone was introduced and proceeded with the Memorandum of Understanding update. She offered the MOU is between Mesa Water® and the represented employees. It addresses wages, hours, and working conditions. The current MOU was adopted by the Board in February of 2014 and expires at the end of 2017.

The following was highlighted:

- Summary of MOU
- Status
- Next Steps

In response to questions from the Board, AGM Monteleone offered that the classification and compensation study will use 16 different agencies to benchmark criteria against (8 local water agencies and 8 local cities).

A discussion ensued regarding venturing outside the governmental agency structure to obtain benchmarking information. It was agreed the current process is sufficient.

9. DROUGHT-REACH UPDATE:

Public & Government Affairs Manager Taylor acknowledged Fraser Communications' President/CEO/Founder Renee Fraser and Senior Vice President and Director of Client Services Ilene Prince. Ms. Fraser proceeded with an update on the Mesa Water® Saver Campaign during May 2015 – March 2016.

Ms. Fraser highlighted the following:

- Campaign Effectiveness & Objectives
- “Drought Reach 2.0” – Mid-May 2015 – October 2015
- “Drought Reach 3.0” – Mid-November 2015 – Mid-December 2015
- “Drought Reach 3.0B” – Mid-December 2015 – February 2016
- “Drought Reach 3.0C” – March 2016 – April 2016
- Campaign Impact

Ms. Fraser responded to questions and the Board thanked her for the presentation.

10. MEMORANDUM OF UNDERSTANDING UPDATE:

This item was taken earlier in the meeting.

11. FISCAL YEAR 2017 BUDGET PREVIEW:

GM Shoenberger provided an overview of the budget and budget process. He then introduced Chief Financial Officer Andrew Hamilton who proceeded with the presentation.

Mr. Hamilton highlighted the following:

- Cash on Hand & Days Cash Ratio
- FY 2017 Budget – Key Drivers & Budget Impacts
- Permanent Impacts
- Projected/Actual Water Sales
- Replenishment Assessment
- Potential Budget Options
- Capital Spending – Options
- Draft FY 2017 Budget Results
- Budget Assumptions/Recommendations

Mr. Hamilton responded to questions from the Board.

President Dewane asked for comments.

Director Bockmiller spoke in opposition to using debt issuance to solve a short term problem. He suggested staff remove this option from future consideration. The Board concurred with the recommendation.

**MOTION**

Motion by Director Bockmiller, second by President Dewane, to extend the Board's financial goals in Cash on Hand and Days Cash Ratio to \$36.1 million and 547 days in the FY 2017 budget and to conduct a Water Rate Study in FY 2017. Motion passed 5-0.

**12. BOARD OF DIRECTORS GOVERNANCE ROTATION:**

GM Shoenberger introduced the topic.

A discussion ensued. No action was taken.

**ACTION ITEMS:**

**13. ORDINANCE NO. 25 – DIRECTORS COMPENSATION AND EXPENSE REIMBURSEMENT**

It was noted that the topic was reviewed by the Executive Committee who recommended the Board take no action.

**MOTION**

Motion by Director Fisler, second by Director Temianka, to defer action on Ordinance No. 25 – Directors Compensation and Expense Reimbursement. Motion passed 5-0.

**RECESS**

President Dewane declared a recess at 7:25 p.m. in order to conduct the Mesa Consolidated Water District Improvement Corporation Annual Meeting.

**14. MESA CONSOLIDATED WATER DISTRICT IMPROVEMENT CORPORATION ANNUAL MEETING:**

The Board meeting reconvened at 7:30 p.m.

**REPORTS:**

- 15. REPORT OF THE GENERAL MANAGER**
- February Key Indicators Report
  - Other (no enclosure)

**ACWA/JPIA PRESENTATION**

GM Shoenberger introduced ACWA/JPIA's CEO Andy Sells and Lead Risk Management Consultant Peter Kuchinsky II.

Mr. Sells offered that he and Mr. Kuchinsky were at the meeting to present Mesa Water® with a refund check for \$85,447. Mr. Sells congratulated Mesa Water® staff for its educational efforts and safety record.

Mr. Kuchinsky thanked the Board for its leadership and support of staff which lays the foundation for a well-trained and knowledgeable workforce.

The Board thanked Messrs. Sells and Kuchinsky for attending the meeting.

Photographs were taken.

**RECESS**

President Dewane declared a recess at 7:43 p.m. The meeting reconvened at 7:45 p.m.

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 7:58 p.m. to a Regular Board Meeting scheduled for Thursday, April 14, 2016, at 6:00 p.m.

Approved:

  
Shawn Dewane, President

  
Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer