



**MINUTES OF THE BOARD OF DIRECTORS  
MESA WATER DISTRICT  
Thursday, May 14, 2015**

**1965 Placentia Avenue, Costa Mesa, CA 92627  
6:00 p.m. Regular Board Meeting**

*Dedicated to  
Satisfying our Community's  
Water Needs*

**CALL TO ORDER**

The meeting of the Board of Directors was called to order on May 14, 2015 at 6:10 p.m. by Acting President Temianka at the District Office Boardroom, located at 1965 Placentia Avenue, Costa Mesa, CA 92627.

**PLEDGE OF ALLEGIANCE**

Director Fisler led the Pledge of Allegiance.

**Directors Present**

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

**Directors Absent**

Shawn Dewane, President

**Staff Present**

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

**Others Present**

Mike Howard, Executive Director, Operation Clean Slate  
Dan Thompson, Director, Operation Clean Slate  
Carmen Funk, Mesa Water® customer  
Beth Refakes, Mesa Water® customer  
Wayne Dutro, Mesa Water® customer  
Jim Washington, Mesa Water® customer  
Ellen Webster, Mesa Water® customer  
Susan Manildi, Mesa Water® customer  
Don Maher, Mesa Water® customer  
Frank Selley, Mesa Water® customer  
Rick Willis, Mesa Water® customer  
Rosemary Pheasant, Mesa Water® customer  
Cecil Fraser, Mesa Water® customer  
Steven La Motte, Mesa Water® customer  
Matt Eichenbaum, Mesa Water® customer  
Joan Morrow, Mesa Water® customer  
Ron Honespain, Mesa Water® customer  
Martie O'Meara, Mesa Water® customer

Douglas Stewart, Mesa Water® customer  
Jim MacLay, Mesa Water® customer  
Clinton Pace, Mesa Water® customer  
Angel Lopez, Mesa Water® customer  
Mark Abrams, Mesa Water® customer

### **OPERATION CLEAN SLATE WATER EDUCATION MURAL PRESENTATION**

Public & Government Affairs Manager Taylor introduced Executive Director Mike Howard with Costa Mesa based charity Operation Clean Slate. The organization has participated in the Children's Water Education Festival for the past two years. Mr. Howard offered comments and thanked the Board for its partnership with Operation Clean Slate. He noted that this was the 23rd year for the group, and the latest mural is the 980th that has been produced. Director Dan Thompson of Operation Clean Slate was present to unveil the mural. Acting President Temianka thanked the group for the education mural.

Photographs were taken.

### **PUBLIC COMMENTS**

Acting President Temianka asked for public comments on non-agendized items.

Mesa Water® customer Carman Funk offered comments on water service and meter upgrade as a result of a bathroom renovation. She requested a waiver of the \$4,106 charge. The Board received Ms. Funk's comments.

Mesa Water® customer Beth Refakes commented on the notification process stating that in light of the topics to be discussed, an RSVP process should have been considered.

Mesa Water® customer Mark Abrams commented regarding the absence of President Dewane, who was attending a Special Orange County Water District board meeting.

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

General Manager Shoenberger recommended the agenda be reordered to first take Item 15 - PUBLIC HEARING: ORDINANCE NO. 26 – WATER CONSERVATION AND WATER SUPPLY EMERGENCY PROGRAM. There were no objections.

**ITEM 15 – PUBLIC HEARING ORDINANCE NO. 26 – WATER CONSERVATION AND WATER SUPPLY EMERGENCY PROGRAM:**

General Manager Shoenberger introduced the subject noting this public hearing is being held in response to the water emergency declared by the Governor of California. The Executive Order from the Governor requires that all agencies cut back water use. Mesa Water® has been ordered to cut water use by 20 percent. The State Water Resources Control Board has published the regulations. Mesa Water® has initiated an educational campaign in response to the regulations. He noted that in the past, Mesa Water® has asked its customers to voluntarily cutback water use. This strategy has worked well in the past.

Mr. Shoenberger thanked the Mesa Water® customers who were in attendance and explained the process that will be followed for the Public Hearing.

Resource Efficiency Specialist Finch was introduced and proceeded with a presentation. The following topics were highlighted:

- The Drought
- Costa Mesa Rainfall
- How is Mesa Water® Helping
- Drought Timeline
- New Water Conservation Regulations
- New Mesa Water® Conservation Ordinance Summary
- Tools That Can Help You Save Water
- New Mesa Water® Program Pool Cover Incentive Pilot Program

Mr. Shoenberger offered that in evaluating the water reduction requirements, the Board is anticipating a reduction in income. The Board has determined that with adjustments to the operating fund, deferral of some projects and using the Rate Stabilization Fund, Mesa Water® will be able to withstand a 20 percent reduction in water sales; the Board has not included a supplementary rate increase in the 2016 proposed budget.

Mr. Finch responded to questions from the Board, and the Board thanked Mr. Finch for the presentation.

Acting President Temianka opened the floor to the Directors for comment.

Administrative Services Manager Monteleone reported that public notices were posted on May 7, 2015 at: Mesa Water District (on the kiosk and website), Costa Mesa City Hall, and the Adams Street Post Office. Additionally, paid legal ads were published in the Daily Pilot on May 7, 2015. In addition to the legal notices, post cards were mailed to Mesa Water® customers. Information was included in the Mesa Water® May/June, 2015 newsletter regarding the Public Hearing. Newspaper articles were also published in the Orange County Register and the Daily Pilot.

Acting President Temianka declared the Public Hearing open and invited attendees to offer comments.

The following Mesa Water® customers offered comments:

Wayne Dutro reviewed his water saving efforts. He believes he has done everything he can do to lower his water use. His comments were directed to staff for review.

Jim Washington asked questions regarding the level of response by individual users.

Ellen Webster offered comments on her efforts to save water. She suggested offering a program for gray water. Her comments were referred to staff.

Susan Manildi offered ways to save water.

Don Maher offered comments on meter readings.

Frank Selley offered comments on water use with pools.

Rick Willis asked questions about the City's code enforcement and the requirement for green grass.

Rosemary Pheasant asked to change Saturday as a watering day.

Cecil Fraser comments on the potential for implementation of level three. As the owner of a pool construction company, he offered comments on pools and pool construction. He spoke in opposition to eliminating pool construction and spoke in favor of efforts to improve the efficiencies of pools.

Beth Refakes spoke in opposition to everyone watering on the same day. She recommended an odd/even schedule and coordination with the City's code enforcement.

Steven LaMotte spoke on home construction. He offered comments on water saving efforts in new home construction.

Matt Eichenbaum offered comments on how to get new ideas on water savings.

Joan Morrow spoke in opposition on the recommendation to take vehicles to local car washes.

Ron Honespian asked about the process to reverse the ordinance requirements when the emergency is over.

Martie O'Meara asked about the cost for converting turf to an alternate landscape.

Douglas Stewart spoke on his efforts to reduce residential water use.

Jim MacLay shared his in-home water reduction efforts.

Clinton Pace offered a recommendation to develop a mulch program for the City, apps that allow the user to manage information, and installing smart water meters.

Angel Lopez, spoke in favor of leaving the watering schedule at three days a week.

Mark Abrams, offered water saving strategies he has implemented in his home.

Acting President Temianka asked for further comments from the public. There were no additional comments. He declared the Public Comments segment closed.

He asked if the District had received any written comments. Ms. Monteleone reported the District had received five written comments.

Acting President Temianka asked for comments from the Board. The Directors offered comments.

A recommendation was made to move new swimming pools and spas from level 2 to level 3. A discussion ensued regarding a restriction on new water meters. It was agreed that properties with meters could add meters. No new meters would be allowed if a property never had a meter. It was noted that requests for variances may be brought before the Board for consideration.

Acting President Temianka declared the Public Hearing closed.

**MOTION**

Motion by Director Fisler, seconded by Director Atkinson, to adopt Ordinance No. 26 of the Mesa Water District Board of Directors Water Conservation and Water Supply Emergency Program, Rescinding Ordinance Nos. 8, 19, and 24 with the following amendments: 1) combining the language regarding pools and spas into section 9.4 which changes the level from 2 to level 3; and 2) Section 9.5 no new potable water service restriction would not be attributed to properties with current meters. Motion passed 4-0-1 with the following roll call vote:

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

General Manager Shoenberger clarified that the watering schedule in Resolution No. 1460 is two days a week.

#### MOTION

Motion by Director Bockmiller, seconded by Director Atkinson, to adopt Resolution No. 1460 of the Mesa Water® Board of Directors Making Certain Findings, Activating the Mesa Water District Water Conservation and Water Supply Emergency Program Reducing Water Consumption by Twenty (20) Percent and Taking Related Actions. Motion passed 4-0-1 with the following roll call vote:

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

#### RECESS

Acting President Temianka declared a recess at 8:12 p.m. The Board meeting reconvened at 8:20 p.m.

#### CONSENT CALENDAR ITEMS:

1. Approve minutes of regular Board meeting of April 9, 2015.
2. Approve minutes of special Board meeting of April 20, 2015.
3. Approve minutes of special Board meeting of April 21, 2015.
4. Approve minutes of special Board meeting of April 23, 2015.
5. Approve attendance considerations (additions, changes, deletions).
6. Board Schedule:
  - Conferences, Seminars, and Meetings
  - Board Calendar
  - Upcoming Community Outreach Events
7. Receive the Quarterly Training Report for January 1, 2015 – March 31, 2015.
8. Award a contract to Carollo Engineers for professional engineering services for a not-to-exceed amount of \$227,399 and authorize the General Manager to execute the contract.

9. Award a contract to Carollo Engineering in the amount of \$248,746 to perform a Nitrification Control Study and provide a Nitrification Mitigation and Control Plan, and authorize the General Manager to execute the contract.
10. Adopt a formal policy requiring the Property Owner of a new development or remodel which requires a Dominquez Tee meter upgrade to be responsible for installing a new service line where a shared service exists, at the owner's expense and Mesa Water® to add the language to the Rules and Regulations for Water Service.
11. Award a contract to IBI Group for professional engineering services for a not-to-exceed amount of \$184,699 and authorize the General Manager to execute the contract.
12. Renew the Water Industry Liaison Support Services contract for two years and four months for \$75,000 per year with Brady and Associates (Brady) for a total not to exceed amount of \$170,000.
13. Approve the extension of the District's "Drought-Reach" campaign with Fraser Communications, from May 15, 2015 through September 15, 2015, at a total cost of \$240,000.

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

#### MOTION

Motion by Director Bockmiller, seconded by Director Atkinson, to approve the Consent Calendar. Motion passed 4-0-1 with Director Dewane absent.

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

##### 14. FISCAL YEAR 2016 BUDGET:

Mr. Shoenberger introduced the Fiscal Year 2016 Budget. He noted that this budget represents the 7<sup>th</sup> year of a seven-year plan that the Board adopted in 2009. In addition, the budget is balanced, does not include a supplementary rate increase, and will be able to withstand a 20 percent reduction in water sales.

Chief Financial Officer Hamilton proceeded with a presentation of the 2016 Budget. The following topics were reviewed:

- District Achievement
- State Mandated Conservation
- Strategic Plan Goals
- FY 2016 Proposed Budget
- Board's Financial Goals
- FY 2016 Budget Summary
- Designated Funds
- Debt Service Coverage Ratio
- Debt Service Payments
- Budget Assumptions
- Cash Inflows
- Cash Outflows
- Budgeted Water Sales and Production (AF)
- Water Supply Needs (Historical and Projected)
- Operating Expenses by Department
- Organizational Chart

- Staffing Changes
- Compensation
- Capital
- Capital Replacement and Refurbishment (R&R)
- Community Outreach
- District Memberships
- Board Conferences and Seminars
- FY 2016 Budget Summary

Acting President Temianka asked for comments from the Board. Board members offered comments.

Acting President Temianka thanked Mr. Hamilton for the presentation.

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

#### MOTION

Motion by Director Bockmiller, seconded by Vice President Temianka, to adopt the proposed Fiscal Year 2016 Budget, 2016 Organizational Chart, Salary Ranges, and Staffing Levels, as presented. Motion passed 4-0-1 with Director Dewane absent.

#### ACTION ITEMS:

15. PUBLIC HEARING: ORDINANCE NO. 26 – WATER CONSERVATION AND WATER SUPPLY EMERGENCY PROGRAM:

The Public Hearing was conducted earlier in the meeting.

#### REPORTS:

16. REPORT OF THE GENERAL MANAGER:
  - April Key Indicators Report
  - Other Information
    - OC Water Summit is May 15, 2015, 7:30 a.m. to 1:30 p.m.

17. DIRECTORS' REPORTS AND COMMENTS:

#### INFORMATION ITEMS:

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

Acting President Temianka adjourned the meeting at 8:53 p.m. to a Regular Board Meeting scheduled for Thursday, June 11, 2015 at 6:00 p.m.

Approved:

A handwritten signature in blue ink, appearing to read "Shawn Dewane", written over a horizontal line.

Shawn Dewane, President

A handwritten signature in blue ink, appearing to read "Coleen L. Monteleone", written over a horizontal line.

Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer