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Water Needs

**MINUTES OF THE BOARD OF DIRECTORS
MESA WATER DISTRICT
Tuesday, February 23, 2021
1965 Placentia Avenue, Costa Mesa, CA 92627
3:30 p.m. Adjourned Regular Board Meeting**

BOARD OF DIRECTORS COMMITTEE MEETING

- CALL TO ORDER** The meeting of the Board of Directors was called to order at 3:31 p.m. by President DePasquale.
- PLEDGE OF ALLEGIANCE** Director Bockmiller led the Pledge of Allegiance.
- Directors Present** Marice H. DePasquale, President *(teleconference)*
Shawn Dewane, Vice President *(teleconference)*
Jim Atkinson, Director *(teleconference)*
Fred R. Bockmiller, P.E., Director *(teleconference)*
James R. Fisler, Director *(teleconference)*
- Directors Absent** None
- Staff Present** Paul E. Shoenberger, P.E., General Manager *(teleconference)*
Phil Lauri, P.E., Assistant General Manager *(teleconference)*
Denise Garcia, Administrative Services Manager/
District Secretary
Wendy Duncan, Records Management Specialist/
Assistant District Secretary *(teleconference)*
Marwan Khalifa, CPA, MBA, Chief Financial Officer/
District Treasurer
Stacie Sheek, Customer Services Manager *(teleconference)*
Tracy Manning, Water Operations Manager *(teleconference)*
Stacy Taylor, Water Policy Manager *(teleconference)*
Celeste Carrillo, Public Affairs Coordinator *(teleconference)*
- Others Present** Jonathan Aparicio, IT Support Engineer, T2 Technology Group
Dennis Albiani, Vice President, California Advocates, Inc. *(teleconference)*
Anthony Molina, Legislative Advocate, California Advocates, Inc. *(teleconference)*
Chris Palmer, Senior Public Affairs Field Coordinator, California Special Districts Association *(teleconference)*
Roy Herndon, Chief Hydrogeologist, Orange County Water District *(teleconference)*
Mitch Barker, Executive Vice President, Public Agency Retirement Services *(teleconference)*
Christiane Tsuda, Vice President, Senior Portfolio Manager, HighMark Capital Management *(teleconference)*

Mike Harrington, FCAS, MAAA, President and Principal,
Bickmore Actuarial *(teleconference)*
Richard R. Huntington, CPCU, ARM, President, The Huntington
Group, LLC *(teleconference)*
Lisa M. Kaderabek, Partner, McDermott Will & Emery, LLP
(teleconference)

President DePasquale stated that the Board of Directors was attending the meeting via teleconference per Governor Newsom's Executive Order N-29-20 which suspended certain provisions of the Ralph M. Brown Act.

President DePasquale stated that for each action, a roll call vote was taken in accordance with California Government Code Section 54953(b)(2), which states, "all votes taken during a teleconferenced meeting shall be by roll call."

President DePasquale proceeded with the meeting.

PUBLIC COMMENTS

President DePasquale asked for public comments on items not on the agenda.

President DePasquale proceeded with the meeting.

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

General Manager Shoenberger recommended deferring Item 15 to the March Committee meeting. There were no objections.

CONSENT CALENDAR ITEMS:

Approve all matters under the Consent Calendar by one motion unless a Board member, staff, or a member of the public requests a separate action.

1. Approve minutes of adjourned regular Board meeting of January 26, 2021.
2. Receive and file the Developer Project Status Report.
3. Receive and file the Mesa Water and Other Agency Projects Status Report.
4. Receive and file the Water Quality Call Report.
5. Receive and file the Water Operations Status Report.
6. Receive and file the Accounts Paid Listing.
7. Receive and file the Monthly Financial Reports.
8. Receive and file the Major Staff Projects.
9. Receive and file the State Advocacy Update.
10. Receive and file the Orange County Update.
11. Receive and file the Outreach Update.
12. Receive and file the Fiscal Year 2021 Second Quarter Financial Update.

President DePasquale asked for comments from the Board. There were no comments.

MOTION

Motion by Vice President Dewane, second by Director Atkinson, to approve Items 1 - 12 of the Consent Calendar. Motion passed 5-0, by the following roll call vote:

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

ACTION ITEMS:

13. COSTA MESA SANITARY DISTRICT EVENT:

President DePasquale asked for comments from the Board. There were no comments.

MOTION

Motion by Director Bockmiller, second by Vice President Dewane, to approve the contribution of 150 reusable water bottles branded with the Mesa Water District logo for Costa Mesa Sanitary District's Citizens Environmental Protection Academy event. Motion passed 5-0, by the following roll call vote:

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

14. BILLING AND MAILING SERVICES:

President DePasquale asked for comments from the Board. There were no comments.

MOTION

Motion by Vice President Dewane, second by Director Fisler, to approve a one-year contract, with the option for one additional three-year period renewal, with InfoSend Inc. for an amount not to exceed \$100,000 annually to provide billing and mailing services. Motion passed 5-0, by the following roll call vote:

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

15. WATER SUPPLY, ENERGY, AND SUPPLY CHAIN RELIABILITY ASSESSMENT:

Item deferred to the March Committee meeting.

PRESENTATION AN DISCUSSION ITEMS:

ITEM 9 – RECEIVE AND FILE THE STATE ADVOCACY UPDATE.

Water Policy Manager Taylor introduced California Advocates, Inc. Vice President Dennis Albiani who proceeded with the State Advocacy update. Mr. Albiani introduced California Advocates, Inc. Legislative Advocate Anthony Molina who provided a brief budget update.

Messrs. Albiani and Molina responded to questions from the Board and they thanked them for the update.

16. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION 2021 LEGISLATION:

Water Policy Manager Taylor introduced California Special Districts Association Senior Public Affairs Field Coordinator Chris Palmer who provided an overview of the topic.

Mr. Palmer responded to questions from the Board and they thanked him for the information.

President DePasquale asked for comments from the Board. There were no comments.

MOTION

Motion by Director Atkinson, second by Vice President Dewane, to approve the recommended positions on the California Special Districts Association 2021 Legislation. Motion passed 5-0, by the following roll call vote:

AYES:	DIRECTORS	Atkinson, Bockmiller, Fislser, Dewane, DePasquale
NOES:	DIRECTORS	None
ABSENT:	DIRECTORS	None
ABSTAIN:	DIRECTORS	None

17. ORANGE COUNTY WATER DISTRICT BRIEFING:

Assistant General Manager Lauri introduced Orange County Water District Chief Hydrogeologist Roy Herndon who proceeded with a presentation that highlighted the following:

- 2004 Inland Movement of Chlorides (Seawater Intrusion)
- 2012 Reverse the Inland Movement of Brackish Groundwater
- 2020 Controlling Seawater Intrusion by Maintaining Protective Groundwater Elevations
- OCWD Well M26 Water Levels and Chloride Concentrations
- OCWD Well M40 Chloride Concentrations
- Groundwater Flows Toward Mesa Water District's Wells

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

18. CHANDLER & CRODDY WELLS AND PIPELINE PROJECT – CRODDY WELL WATER QUALITY AND YIELD:

AGM Lauri provided an overview of the topic and proceeded with a presentation that highlighted the following:

- Background
- Croddy Well Zone Sampling

Mr. Lauri responded to question from the Board and they thanked him for the presentation.

19. PENSION & OTHER POST-EMPLOYMENT BENEFITS TRUST UPDATE:

Chief Financial Officer Khalifa introduced Public Agency Retirement Services Executive Vice President Mitch Barker who proceeded with a presentation on the Other Post-Employment Benefits (OPEB) Pre-Funding Trust Program & Pension Rate Stabilization Program (PRSP) Client Review that highlighted the following:

- Summary of Agency's OPEB Plan
- OPEB Actuarial Results
- Summary of Agency's Pension Plan
- Pension Funding Status
- Projected Employer Contributions

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

Mr. Barker introduced HighMark Capital Management Vice President Senior Portfolio Manager Christiane Tsuda who proceeded with a presentation on Public Agency Retirement Services (PARS) that highlighted the following:

- Annualized Return Comparison
- Disclosures
- Discussion Highlights
- Administrative Review

Ms. Tsuda responded to questions from the Board and they thanked her for the presentation.

20. CAPTIVE INSURANCE:

Chief Financial Officer Khalifa provided an overview of the topic and introduced Bickmore Actuarial President and Principal Mike Harrington, The Huntington Group President Richard Huntington, and McDermott Will & Emery, LLP Partner Lisa Kaderabek.

GM Shoenberger, Mr. Harrington, and Ms. Kaderabek responded to questions from the Board.

Discussion ensued amongst the Board.

Director Bockmiller offered comments on the development of a governance structure. This recommendation will be taken under advisement.

MOTION

Motion by Vice President Dewane, second by Director Bockmiller, to direct staff to form a captive insurance company (captive) to include hiring consultants and to fund the captive with an amount of \$30 million from reserves and retaining \$10 million in working capital. Motion passed 5-0, by the following roll call vote:

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

REPORTS:

21. REPORT OF THE GENERAL MANAGER
22. DIRECTORS' REPORTS AND COMMENTS

INFORMATION ITEMS:


23. WELL NO. 6 REHABILITATION
24. OTHER (NO ENCLOSURE)

President DePasquale adjourned the meeting at 5:51 p.m. to a Regular Board Meeting scheduled for Thursday, March 11, 2021 at 6:00 p.m.

Approved:

A handwritten signature in black ink, reading "Marice H. DePasquale".

Marice H. DePasquale, President

A handwritten signature in blue ink, reading "Denise Garcia".

Denise Garcia, District Secretary