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Water Needs

**MINUTES OF THE BOARD OF DIRECTORS  
MESA WATER DISTRICT  
Thursday, December 10, 2020  
1965 Placentia Avenue, Costa Mesa, CA 92627  
6:00 p.m. Regular Board Meeting**

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<b>CALL TO ORDER</b>	The meeting of the Board of Directors was called to order at 6:00 p.m. by President Dewane.
<b>PLEDGE OF ALLEGIANCE</b>	Director Bockmiller led the Pledge of Allegiance.
Directors Present	Shawn Dewane, President <i>(teleconference)</i> Marice H. DePasquale, Vice President <i>(teleconference)</i> Jim Atkinson, Director <i>(teleconference)</i> Fred R. Bockmiller, P.E., Director <i>(teleconference)</i> James R. Fisler, Director <i>(teleconference)</i>
Directors Absent	None
Staff Present	Paul E. Shoenberger, P.E., General Manager <i>(teleconference)</i> Phil Lauri, P. E., Assistant General Manager <i>(teleconference)</i> Denise Garcia, Administrative Services Manager/ District Secretary Wendy Duncan, Records Management Specialist/ Assistant District Secretary <i>(teleconference)</i> Marwan Khalifa, CPA, MBA, Chief Financial Officer/ District Treasurer <i>(teleconference)</i> Tracy Manning, Water Operations Manager <i>(teleconference)</i> Stacy Taylor, Water Policy Manager <i>(teleconference)</i> Kurt Lind, Business Administrator <i>(teleconference)</i> Celeste Carrillo, Public Affairs Coordinator <i>(teleconference)</i> Rob Anslow, Partner, Atkinson, Andelson, Loya, Ruud & Romo <i>(teleconference)</i>
Others Present	Jonathan Aparicio, IT Support Engineer, T2 Technology Robert Porr, Executive Vice President, Fieldman, Rolapp & Associates <i>(teleconference)</i> Kimera Hobbs, Senior Consultant, Moran Consulting, Inc. <i>(teleconference)</i> Harry Lorick, Founder, LA Consulting, Inc. <i>(teleconference)</i> Wendy H. Wiles, Partner, Atkinson, Andelson, Loya, Ruud & Romo <i>(teleconference)</i> Gregory J. Newmark, Principal, Meyers Nave <i>(teleconference)</i> Christina Parker, Member of the Public <i>(teleconference)</i>

President Dewane 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 Dewane 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 Dewane proceeded with the meeting.

### ***PRESENTATION OF AAA CREDIT RATINGS FROM STANDARD & POOR'S AND FITCH***

General Manager Shoenberger introduced District Treasurer Khalifa, who introduced Fieldman, Rolapp and Associates Executive Vice President Robert Porr who acknowledged the certification of Mesa Water's AAA Credit Ratings from Standard & Poor's and Fitch.

President Dewane thanked Mr. Porr for presenting the certification to the Board and thanked Mesa Water staff for their contributions in obtaining this high achievement.

### ***OATH OF OFFICE TO RE-ELECTED DIRECTORS***

District Secretary Garcia administered the Oath of Office to Vice President DePasquale, Director Bockmiller, and Director Fisler.

### ***PRESENTATION OF DIRECTOR SERVICE AWARD PINS***

President Dewane reviewed the backgrounds and achievements of the three listed directors and presented service award pins to Vice President DePasquale, Director Bockmiller, and Director Fisler.

### ***PUBLIC COMMENTS***

President Dewane asked for comments on items not on the agenda.

There were no public comments on non-agendized topics and President Dewane proceeded with the meeting.

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

General Manager Shoenberger reported there were no items to be added, removed, or reordered on the agenda.

### ***ACTION ITEMS:***

#### ***1. ELECTION OF BOARD OFFICERS:***

President Dewane introduced District Secretary Garcia who proceeded to explain the election process, noting that the Election of Officers is conducted in accordance with Resolution No. 1479.

Office of the President

District Secretary Garcia noted that nominations were opened for the position of President. Director DePasquale was nominated. Ms. Garcia asked for additional nominations from the floor. There were none.

MOTION

Motion by Director Bockmiller, second by Director Atkinson, to nominate Director DePasquale to the position of President. Motion passed 5-0, by the following roll call vote:

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

Office of Vice President

District Secretary Garcia noted that nominations were opened for the position of Vice President. Director Dewane was nominated. Ms. Garcia asked for additional nominations from the floor. There were none.

MOTION

Motion by President DePasquale, second by Director Fisler, to nominate Director Dewane to the position of Vice President. Motion passed 5-0, by the following roll call vote:

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

District Secretary Garcia reviewed the length of term noting that officers are elected on even-numbered years for a two-year term and begin serving their term as soon as the officers are elected. Newly elected President DePasquale deferred to Immediate Past President Dewane to preside over the remainder of the meeting.

**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.

2. Approve minutes of adjourned regular Board meeting of October 27, 2020.
3. Approve minutes of regular Board meeting of November 12, 2020.
4. Approve attendance considerations (additions, changes, deletions).
5. Board Schedule:
  - Conferences, Seminars, and Meetings
  - Board Calendar

Past-President Dewane asked for comments from the Board. There were no comments.

Past-President Dewane asked for comments from the public. There were no comments.

**MOTION**

Motion by Director Bockmiller, second by Director Atkinson, to approve Items 2 – 5 of the Consent Calendar. Motion passed 5-0, by the following roll call vote:

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

**ACTION ITEMS (CONT.):**

**6. SUPPORT OF ENERGY SOLUTIONS:**

Past-President Dewane asked for comments from the Board. There were no comments.

Past-President Dewane asked for comments from the public. There were no comments.

**MOTION**

Motion by Director Bockmiller, second by President DePasquale, to adopt Resolution No. 1536 Supporting Balanced Energy Solutions and Maintaining Local Control of Energy Solutions. Motion passed 5-0, by the following roll call vote:

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

**7. STATE ADVOCACY CONSULTING SERVICES:**

Past-President Dewane asked for comments from the Board. There were no comments.

Past-President Dewane asked for comments from the public. There were no comments.

**MOTION**

Motion by President DePasquale, second by Director Atkinson, to award a five-year contract to California Advocates for State Advocacy Consulting Services for a total amount not to exceed \$93,000 annually for Calendar Years 2021-2022 and \$97,000 annually for Calendar Years 2023-2025. Motion passed 5-0, by the following roll call vote:

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

**8. ORDINANCE NO. 29 – DIRECTORS COMPENSATION AND EXPENSE REIMBURSEMENT:**

District Secretary Garcia explained the procedure for changing Directors' Compensation. She offered staff would comply with all legal requirements for notification, and a public hearing would be scheduled for the January 14, 2021 Board meeting. The Ordinance would take effect 60 days after the public hearing. She offered the Board is eligible to receive a maximum of a 5 percent increase. As of July 1, 2021, the Board would be entitled to a second adjustment of a 5 percent increase.

Discussion ensued amongst the Board.

Attorney Anslow responded to questions from the Board.

Past-President Dewane asked for comments from the Board. There were no comments.

Past-President Dewane asked for comments from the public. There were no comments.

## MOTION

Motion by President DePasquale, second by Vice President Dewane, to direct staff to schedule a public hearing for the January 14, 2021 Board meeting to address Directors compensation and expense reimbursement. Motion passed 4-1, by the following roll call vote:

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

## 9. DISTRICT OFFICERS:

Director Bockmiller recommended modifying the stipends in item 9f from \$380 to \$400 for the District Secretary and District Treasurer and \$190 to \$200 for the Assistant District Secretary and Assistant District Treasurer.

Attorney Anslow responded to questions from the Board.

Past-President Dewane asked for comments from the Board. There were no comments.

Past-President Dewane asked for comments from the public. There were no comments.

## MOTION

Motion by Director Bockmiller, second by President DePasquale, to:

- a. Confirm Denise Garcia as District Secretary;
- b. Confirm Wendy Duncan as Assistant District Secretary;
- c. Confirm Marwan Khalifa as District Treasurer;
- d. Confirm Phil Lauri as Assistant District Treasurer;
- e. Confirm the delegation of the same authority to the Assistant District Secretary and Assistant Treasurer, as the District Secretary and District Treasurer respectively, as previously authorized and approved by the Board of Directors and as authorized by the California Water Code; and

- f. Authorize the continuance of the monthly stipends for the offices of District Secretary and District Treasurer in the amount of \$400 and a prorated stipend of \$200 per meeting for the Assistant District Secretary and Assistant District Treasurer. The new stipends will be effective January 1, 2021.

Motion passed 5-0, by the following roll call vote:

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

**PRESENTATION AND DISCUSSION ITEMS:**

10. FISCAL YEAR 2020 CUSTOMER SERVICE AUDIT:

GM Shoenberger provided a brief overview of the topic.

GM Shoenberger introduced Business Administrator Lind who then introduced Moran Consulting, Inc. Senior Consultant Kimera Hobbs who proceeded with a presentation that highlighted the following:

- Overview of Customer Service Department Activity
- The Year of Disruption
- Scorecard
- The Road to Excellence - Current Performance
- Recommendations for Improvement

Discussion ensued amongst the Board.

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

Past-President Dewane asked for comments from the Board. There were no comments.

Past-President Dewane asked for comments from the public. There were no comments.

**MOTION**

Motion by Director Bockmiller, second by President DePasquale, to adjust the operational goal of the Customer Service Metric Speed to Answer from 90 percent of calls answered in 10 seconds to 100 percent of calls answered in 20 seconds to align with the industry standard. Motion passed 5-0, by the following roll call vote:

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

11. ANNUAL PERFORMANCE MEASURES AND AUDITS:

GM Shoenberger provided a brief overview of the topic.

GM Shoenberger introduced Business Administrator Lind who then introduced LA Consulting, Inc. Founder Harry Lorick who proceeded with a presentation that highlighted the following:

- Business Management Process
- Performance Measures & Audit Change Process
- Fiscal Year 2019 Mock Audit
- Background
- Performance Audit Process
- Dry-Run
- Benefits

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

**REPORTS:**

12. REPORT OF THE GENERAL MANAGER:

- November Key Indicators Report
- Other (no enclosure)
- Closed Session Announcement from July 9, 2020 Board Meeting:

District Secretary Garcia read into the record, "Pursuant to California Government Code Sections 54954.5(c) and 54956.9(d)(4), the Board of Directors conducted a Closed Session on July 9, 2020 to discuss anticipated litigation. At that time, a proposed settlement for the resolution of the issue was proposed and approved by the Board on a vote of 5-0. A final settlement agreement to resolve the property and billing matters has been agreed to between Mesa Water District and CJ Segerstrom & Sons. A copy of the final executed Settlement Agreement is now on file with the District Secretary."

13. DIRECTORS' REPORTS AND COMMENTS

**INFORMATION ITEMS:**

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

15. OTHER (NO ENCLOSURE)

**RECESS**

Past-President Dewane declared a recess at 8:02 p.m.

The Board meeting reconvened at 8:04 p.m.

Past-President Dewane announced the Board was going into Closed Session at 8:05 p.m.

**CLOSED SESSIONS:**

16. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:  
Pursuant to California Government Code Sections 54956.9 (d)(1) and 54954.5 (c)  
Case: *Mesa Water District v. KDC, INC., dba KDC SYSTEMS, INC., dba DYNALECTRIC*  
Orange County Superior Court Case No. 30-2016-00832860-CU-BC-CJC
  
17. CONFERENCE WITH SPECIAL LEGAL COUNSEL – EXISTING LITIGATION:  
Pursuant to California Government Code Section 54956.9 (d)(1)  
Case: *Irvine Ranch Water District v. Orange County Water District and related cross-actions*, Los Angeles County Superior Court Case Nos. BS168278 and BS 175192

The Board returned to Open Session at 9:04 p.m.

District Secretary Garcia announced that the Board conducted two Closed Sessions.

Item 16 – The Board met with the General Manager, Assistant General Manager, District Secretary, and General Legal Counsel Pursuant to California Government Code Sections 54956.9 (d)(1) and 54954.5 (c).


The Board received information and gave direction to General Legal Counsel.

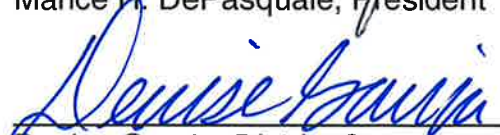
Item 17 – The Board met with the General Manager, Assistant General Manager, District Secretary, and Special Legal Counsel Pursuant to California Government Code Section 54956.9 (d)(1).

The Board received information and there was no further announcement.

Past-President Dewane adjourned the meeting at 9:06 p.m. to an Adjourned Regular Board Meeting scheduled for Thursday, December 17, 2020 at 3:30 p.m.

Approved:

  
Marice H. DePasquale, President

  
Denise Garcia, District Secretary