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Satisfying our Community's
Water Needs

**MINUTES OF THE BOARD OF DIRECTORS
MESA WATER DISTRICT
Tuesday, November 16, 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 3:30 p.m. by President DePasquale.

PLEDGE OF ALLEGIANCE Vice President Dewane led the Pledge of Allegiance.

Directors Present Marice H. DePasquale, President
Shawn Dewane, Vice President
Jim Atkinson, Director *(teleconference)*
Fred R. Bockmiller, P.E., Director
James R. Fisler, Director

Directors Absent None

Staff Present Paul E. Shoenberger, P.E., General Manager
Phil Lauri, P.E., Assistant General Manager
Denise Garcia, Administrative Services Manager/
District Secretary
Marwan Khalifa, CPA, MBA, Chief Financial Officer/
District Treasurer
Tracy Manning, Water Operations Manager
Stacy Taylor, Water Policy Manager
Kurt Lind, Business Administrator
Celeste Carrilo, Public Affairs Coordinator
Rob Anslow, Partner, Atkinson, Andelson, Loya, Ruud & Romo

Others Present Scott Brehmer, Principal, Citadel EHS, Inc.
Steve Gagnon, Senior Manager, Raftelis Financial Consultants, Inc.
Theresa Jurotich, Manager, Raftelis Financial Consultants, Inc. *(teleconference)*

PUBLIC COMMENTS:

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

There were no comments.

There were no public members present at the teleconference site.

District Secretary Garcia stated that one Mesa Water Director was attending the meeting via teleconference.

Ms. Garcia 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.

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

Vice President Dewane reported that there was an item that arose after the agenda was posted and action needs to be taken prior to the next Board meeting. Vice President Dewane recommended adding Item 1A – Citizens Redistricting Commission.

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

MOTION

Motion by Director Bockmiller, second by Director Fisler, to add Item 1A – Citizens Redistricting Commission to the agenda. Motion passed 5 – 0, by the following roll call vote:

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

ITEM 1A – CITIZENS REDISTRICTING COMMISSION:

Discussion ensued amongst the Board.

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

MOTION

Motion by Vice President Dewane, second by Director Bockmiller, to:

- a. Adopt Resolution No. 1556 Requesting that the California Citizens Redistricting Commission Keep the Cities of Costa Mesa and Newport Beach in the Same Assembly, Senate and Congressional Districts; and
- b. Authorize the Board President and Vice President to work with staff to finalize a letter to the Citizens Redistricting Commission, and subject to approval by the Board President and General Manager. Motion passed 4 – 1, by the following roll call vote:

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

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. Receive and file the Developer Project Status Report.

2. Receive and file the Mesa Water and Other Agency Projects Status Report.
3. Receive and file the Water Quality Call Report.
4. Receive and file the Water Operations Status Report.
5. Receive and file the Accounts Paid Listing.
6. Receive and file the Monthly Financial Reports.
7. Receive and file the Major Staff Projects.
8. Receive and file the State Advocacy Update.
9. Receive and file the Orange County Update.
10. Receive and file the Outreach Update.
11. Receive and file the Fiscal Year 2022 First Quarter Financial Update.

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

MOTION

Motion by Director Fisler, second by Vice President Dewane, to approve Items 1 – 11 of the Consent Calendar. Motion passed 4 – 1, by the following roll call vote:

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

PRESENTATION AND DISCUSSION ITEMS:

12. FISCAL YEAR 2021 ENVIRONMENTAL, HEALTH AND SAFETY PROGRAM AUDIT:

Business Administrator Lind introduced Citadel EHS, Inc. Principal Scott Brehmer who provided a presentation that highlighted the following:

- The Road to Excellence
- Scorecard
- 2021 Significant Improvements
- Experience Modification Rate (EMR)
- 2021 Areas That Require Improvement
- Next Steps

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

13. WATER RATE STUDY:

Chief Financial Officer Khalifa introduced Raftelis Financial Consultants, Inc. Senior Manager Steve Gagnon who provided a presentation that highlighted the following:

- Summary
- Financial Plan Assumptions
- Proposed Financial Plan
- Days Cash
- Debt Coverage
- Rate Design
 - Changes Since Last Study
 - October 26, 2021 Committee Recommendation

- Rates
 - Basic Charge Derivation of FY 2023
 - Bi-Monthly Basic Charge, \$/bill
 - Monthly Basic Charge, \$/bill
 - Approximate Annual Capital Charge by Meter Size, \$/yr
 - Consumption Rate, \$/ccf
 - Bi-Monthly Private Fireline Service, \$/bill
 - Monthly Private Fireline Service, \$/bill
- Typical Bill & Next Steps
 - Average Single Family Customer Bill Impact (5/8” meter) and 24 ccf bi-monthly
 - Average Single Family Customer Bill Impact
 - Next Steps

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

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

MOTION

Motion by Vice President Dewane, second by Director Bockmiller, to:

- a. Receive the draft report of the Water Rate Study;
- b. Direct staff to finalize the proposed rate schedule for Calendar Years 2023 through 2027;
- d. Direct staff to schedule two public hearings for January 12, 2022.

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

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

Discussion ensued amongst the Board.

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

MOTION

Motion by Vice President Dewane, second by Director Bockmiller, to:

- c. Direct staff to proceed with Proposition 218 notice preparation and mailing, with modifications.

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

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

ACTION ITEMS:

14. TRAVEL AND BUSINESS EXPENSE REIMBURSEMENT POLICY:

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

MOTION

Motion by Director Bockmiller, second by Vice President Dewane, to adopt Resolution No. 1552 Revising the Travel and Business Expense Reimbursement Policy, with modifications, Superseding Resolution No. 1467. Motion passed 5 – 0, by the following roll call vote:

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

15. COMMUNICATIONS EQUIPMENT AND SERVICE POLICY:

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

MOTION

Motion by Vice President Dewane, second by Director Bockmiller, to adopt Resolution No. 1553 Revising the Communications Equipment and Service Policy Superseding Resolution No. 1474. Motion passed 5 – 0, by the following roll call vote:

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

16. DEPARTMENT OF WATER RESOURCES 2021 URBAN AND MULTIBENEFIT DROUGHT RELIEF GRANT PROGRAM:

GM Shoenberger provided a brief overview of the topic.

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

MOTION

Motion by Vice President Dewane, second by Director Atkinson, to:

- a. Adopt Resolution No. 1554 Authorizing the Grant Application, Acceptance, and Execution for the Mesa Water Drought-Resilient Water Supply Project; and,
- b. Adopt Resolution No. 1555 Authorizing the Grant Application, Acceptance, and Execution for the Mesa Water Drought-Resilient Water Storage Project.

Motion passed 4 – 1, by the following roll call vote:

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

REPORTS:

- 17. REPORT OF THE GENERAL MANAGER
- 18. DIRECTORS' REPORTS AND COMMENTS

INFORMATION ITEMS:

- 19. FISCAL YEAR 2021 ANNUAL REIMBURSEMENT REPORT
- 20. OTHER (NO ENCLOSURE)

RECESS

President DePasquale declared a recess at 4:56 p.m.

The Board meeting reconvened at 4:59 p.m.

CLOSED SESSION:

President DePasquale announced that the Board was going into Closed Session at 5:00 p.m.

- 21. PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54957.6:
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
TITLE: GENERAL MANAGER

The Board returned to Open Session at 6:05 p.m.

President DePasquale announced that the Board conducted one Closed Session with the General Manager pursuant to California Government Code Section 54957.6. Action will be taken under Item 22.

ACTION ITEMS (CONT.):

- 22. ANNUAL PERFORMANCE EVALUATION FOR THE GENERAL MANAGER:

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

MOTION

Motion by President DePasquale, second by Director Bockmiller, to approve a 6.5 percent increase to the General Manager's base salary effective September 24, 2021 and a one-time performance incentive of \$23,000 payable for the pay period ending December 30, 2021. Motion passed 5 – 0, by the following roll call vote:

Mesa Water Adjourned Regular Board Meeting November 16, 2021

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

President DePasquale adjourned the meeting at 6:05 p.m. to a Regular Board Meeting scheduled for Thursday, December 8, 2021 at 4:30 p.m.

Approved:

DocuSigned by:

Marice DePasquale

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Marice H. DePasquale, President

DocuSigned by:

Denise Garcia

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Denise Garcia, District Secretary

Recording Secretary: Sharon D. Brimer