



**MINUTES OF THE BOARD OF DIRECTORS  
MESA WATER DISTRICT**

**Tuesday, April 18, 2023**

**1965 Placentia Avenue, Costa Mesa, CA 92627**

**3:30 p.m. Adjourned 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 at 3:31 p.m. by President Dewane.

**PLEDGE OF ALLEGIANCE**

Vice President DePasquale led the Pledge of Allegiance.

**Directors Present**

Shawn Dewane, President  
Marice H. DePasquale, Vice President  
Jim Atkinson, Director *(arrived at 3:49 p.m.)*  
Fred R. Bockmiller, P.E., Director  
James R. Fisler, Director

**Directors Absent**

None

**Staff Present**

Paul E. Shoenberger, P.E., General Manager  
Denise Garcia, Chief Administrative Officer/  
District Secretary  
Wendy Duncan, Records Management Specialist/  
Acting District Secretary  
Marwan Khalifa, CPA, MBA, Chief Financial Officer/  
District Treasurer  
Tracy Manning, Chief Operating Officer  
Stacie Sheek, Customer Services Manager  
Andrew D. Wiesner, P.E., District Engineer  
Stacy Taylor, Water Policy Manager  
Kurt Lind, Business Administrator  
Celeste Carrillo, Senior Public Affairs Specialist

**Others Present**

Karl W. Seckel, Director, Municipal Water District of Orange County (MWDOC)  
Charles Busslinger, Director of Engineering/District Engineer, MWDOC

**PUBLIC COMMENTS**

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

There were no comments 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 ITEM:

#### 1. REGIONAL WATER ISSUES:

GM Shoenberger and Chief Operating Officer Manning provided a presentation that highlighted the following:

- Regional Water Issues
- Per- and Polyfluoroalkyl Substances (PFAS) Conditions and Status
- Groundwater Producers in PFAS Program
- First 58 Wells Costs and Financing
- Funding PFAS Treatment Systems for the Additional Wells
- Estimated Necessary Annual Replenishment Assessment Increases for FY24-25 to FY27-28
- Projected Headroom Between the Unit Cost of MWD Imported Water vs Groundwater
- District Debt Credit Ratings
- Going Forward
- Potential Impacts to Mesa Water Supplies
- Mesa Water Supply
- Mesa Water Supply – Local SiP
- OC Groundwater Basin
- South County Storage Exchange Program
- Legal Work
- Our Read of Some Key Points
- Key Questions

GM Shoenberger and COO Manning responded to questions from the Board and they thanked them for the presentation.

### RECESS

President Dewane declared a recess at 4:45 p.m.

The Board meeting reconvened at 4:56 p.m.

### CLOSED SESSIONS:

President Dewane announced the Board was going into Closed Session at 4:56 p.m.

2. 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 BS175192
3. CONFERENCE WITH GENERAL MANAGER:  
Pursuant to California Government Code Sections 54957(a) and 54954.5(e)  
Potential Threat to Public Services or Facilities

*Mesa Water Adjourned Regular Board Meeting of April 18, 2023*

4. CONFERENCE WITH LABOR NEGOTIATOR:  
Pursuant to California Government Code 54957.6(a)  
District Negotiator: General Manager  
Employee Organization: Represented and Non-Represented Employees

The Board returned to Open Session at 5:40 p.m.

District Secretary Garcia announced that the Board conducted Closed Session Item 2 with the General Manager, District Secretary, Chief Financial Officer, Chief Operating Officer and District Engineer pursuant to California Government Code 54956.9(d)(1). The Board gave direction to staff and there was no further announcement.

District Secretary Garcia announced that the Board conducted Closed Session Item 3 with the General Manager, District Secretary, Chief Financial Officer, Chief Operating Officer and District Engineer pursuant to California Government Code 54957(a) and 54954.5(e). The Board gave direction to staff and there was no further announcement.

District Secretary Garcia announced that the Board conducted Closed Session Item 4 with the General Manager, District Secretary, Chief Financial Officer, and Chief Operating Officer pursuant to California Government Code 54957.6(a). The Board gave direction to staff and there was no further announcement.

**ACTION ITEMS (CONT.):**

5. FINANCIAL GOALS AND RESERVES:

Chief Financial Officer Khalifa provided a presentation that highlighted the following:

- Strategic Plan Goals
- Mesa Water, Financially Strong, AAA Ratings
- Current Designated Fund Targets
- Current Designated Funds Amounts
- Debt Service Coverage
- Investment Policy
- Mesa Water Reserves
- Debt Service Coverage
- Designated Funds Revisited
- Investment Policy Revisited

CFO Khalifa answered questions from the Board and they thanked him for the presentation.

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

**MOTION**

- Motion by Director Bockmiller, second by Vice President DePasquale, to direct staff to:
- a. Agendize *Designated Funds* at a future meeting, including recommended updates to the policy;
  - b. Agendize *Investment Policy Statement* at a future meeting; and

Motion passed 5 – 0.

*Mesa Water Adjourned Regular Board Meeting of April 18, 2023*

6. WATER RATES:

Chief Financial Officer Khalifa provided a presentation that highlighted the following:

- Rate Recap
- Inflationary Assumption
- Rate Study Days Cash
- Rate Study Cash on Hand
- Projected Inflation
- Forecast
- Projected Days Cash
- Projected Cash on Hand
- Conclusion

CFO Khalifa responded to questions from the Board and they thanked him for the presentation.

The Board directed staff to agendize Rate Adjustment Options at a future meeting.

7. FISCAL YEAR 2024 STRATEGIC PLAN:

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

MOTION

Motion by Vice President DePasquale, second by President Dewane, to approve the Fiscal Year 2024 Strategic Plan. Motion passed 5 – 0.

**REPORTS:**

8. REPORT OF THE GENERAL MANAGER

9. DIRECTORS' REPORTS AND COMMENTS

President Dewane adjourned the meeting at 6:38 p.m. to a Regular Board Meeting scheduled for Wednesday, April 26, 2023 at 4:30 p.m.

Approved:

DocuSigned by:  
*Shawn Dewane*  
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Shawn Dewane, President

DocuSigned by:  
*Denise Garcia*  
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Denise Garcia, District Secretary

Recording Secretary: Sharon D. Brimer