



Dedicated to  
Satisfying our Community's  
Water Needs

**AGENDA**  
**MESA WATER DISTRICT**  
**SPECIAL EXECUTIVE COMMITTEE MEETING**  
**Monday, February 12, 2024 at 12:00 p.m.**  
**Panian Conference Room**

Committee Members:      Shawn Dewane, President  
                                     Marice H. DePasquale, Vice President  
                                     Paul E. Shoenberger, P.E., General Manager  
                                     Denise Garcia, Chief Administrative Officer

**PUBLIC COMMENTS**

**Items Not on the Agenda:** Members of the public are invited to address the Board regarding items which are not appearing on the posted agenda. Each speaker shall be limited to three minutes. The Executive Committee will set aside 30 minutes for public comments for items not appearing on the posted agenda.

**Items on the Agenda:** Members of the public shall be permitted to comment on agenda items before action is taken, or after the Executive Committee has discussed the item. Each speaker shall be limited to three minutes. The Executive Committee will set aside 60 minutes for public comments for items appearing on the posted agenda.

**PRESENTATION AND DISCUSSION ITEMS:**

*Items recommended for approval at this meeting may be agendaized for approval at a future Board meeting.*

1.      Directors' Compensation and Expense Reimbursement
2.      Board Meeting Procedures

**ACTION ITEMS:**

3.      Preference to Buy American-Made Manufactured Goods

**REPORTS:**

4.      Future Agenda Topics
5.      Report of the General Manager
6.      Directors' Reports and Comments

*In compliance with California law and the Americans with Disabilities Act, if you need disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, or if you need the agenda provided in an alternative format, please call the District Secretary at (949) 631-1205. Notification 48 hours prior to the meeting will enable Mesa Water District (Mesa Water®) to make reasonable arrangements to accommodate your requests.*

*Members of the public desiring to make verbal comments using a translator to present their comments into English shall be provided reasonable time accommodations that are consistent with California law.*

*Agenda materials that are public records, which have been distributed to a majority of the Mesa Water Board of Directors (Board), will be available for public inspection at the District Boardroom, 1965 Placentia Avenue, Costa Mesa, CA and on Mesa Water's website at [www.MesaWater.org](http://www.MesaWater.org). If materials are distributed to the Board less than 72 hours prior or during the meeting, the materials will be available at the time of the meeting.*

**ADJOURNMENT**



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## MEMORANDUM

TO: Executive Committee  
FROM: Denise Garcia, Chief Administrative Officer  
DATE: February 12, 2024  
SUBJECT: Directors' Compensation and Expense Reimbursement

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### RECOMMENDATION

Recommend that the Board of Directors discuss Directors' fees and, if determined, direct staff to schedule a public hearing for the April 10, 2024 Board meeting.

### STRATEGIC PLAN

- Goal #1: Provide an abundant, local, reliable and safe water supply.
- Goal #2: Perpetually renew and improve our infrastructure.
- Goal #3: Be financially responsible and transparent.
- Goal #4: Increase favorable opinion of Mesa Water.
- Goal #5: Attract, develop and retain skilled employees.
- Goal #6: Provide excellent customer service.
- Goal #7: Actively participate in regional and statewide water issues.

### PRIOR BOARD ACTION/DISCUSSION

At its January 11, 2023 meeting, the Board adopted Ordinance No. 34 Directors Compensation and Expense Reimbursement, setting the rate in Section 1 to \$336 effective March 12, 2023 and \$352 effective July 1, 2023.

At its March 22, 2023 meeting, the Board adopted Ordinance No. 35 Directors Compensation and Expense Reimbursement, approving a change to the Board's deferred compensation plan – an increase to the dollar or dollar match of the greater of \$2,000 per month or three percent of gross wages, effective May 21, 2023.

### BACKGROUND

At its October 31, 2008 workshop, the Board directed staff to prepare an ordinance increasing Directors' fees concurrent with the District's budget cycle, thus changing from a calendar year to a fiscal year.

In addition, a public hearing must be held prior to the Board taking action to increase Directors compensation. Prior to the date of the public hearing, Mesa Water is required to place an advertisement once a week for two weeks, each published with at least five days intervening between publication dates, in a local newspaper announcing the public hearing. If the Board approves the ordinance, a minimum of sixty days must elapse prior to the increase becoming effective.

### DISCUSSION

The current Directors compensation amount of \$352 per meeting was approved January 11, 2023 and effective July 1, 2023. The Board reviews the topic of Directors compensation annually.



At this time, the Water Code allows for an increase of up to five percent per year; the Board may approve an increase for an amount not to exceed \$369.60. If the Board approves an increase in 2024, the next available increase could be no sooner than one year later. If the Board directs staff to schedule a public hearing, staff will place the required advertisements in the newspaper.

#### FINANCIAL IMPACT

In Fiscal Year 2024, \$3,000 is budgeted for Regulatory Compliance/Permits; \$1,675 has been spent to date.

Should the Board approve an increase, staff will include the additional cost in the Fiscal Year 2025 budget, as well as the mandatory payroll-related Social Security (FICA), Medicare, and Workers' Compensation costs.

#### ATTACHMENTS

- Attachment A: Agency Board of Directors Fees Survey
- Attachment B: Ordinance No. 35

**AGENCY BOARD OF DIRECTORS' FEES SURVEY  
(February 2024)**

<b>Agency</b>	<b>Effective Date</b>	<b>Per Diem/Mtg.</b>	<b>Max Mtgs. Per Month</b>
Yorba Linda Water District	January 2003	\$150.00	10
El Toro Water District	March 2018	\$219.00	10
South Coast Water District	August 2019	\$255.00	10
Moulton Niguel Water District	April 2023	\$280.00	10
Newport Mesa Unified School District	January 2023	\$284.99	Per Meeting   17 Per Year
Costa Mesa Sanitary District	July 2015	\$295.00	6
Santa Margarita Water District	August 2023	\$324.00	10
Municipal Water District of OC <sup>1</sup>	January 2020	\$327.43	10
Orange County Water District <sup>1</sup>	October 2023	\$330.75	10
Irvine Ranch Water District	January 2024	\$331.00	10
Mesa Water District	July 2023	\$352.00	10
City of Costa Mesa - City Council	April 2009	\$904.40	Per Month

<sup>1</sup> Compensation automatically increases each year unless suspended.

## ORDINANCE NO. 35

### ORDINANCE OF THE MESA WATER DISTRICT BOARD OF DIRECTORS REGARDING DIRECTORS COMPENSATION AND EXPENSE REIMBURSEMENT SUPERSEDING ORDINANCE NO. 34

WHEREAS, Mesa Water District (Mesa Water®) is a county water district organized and operating pursuant to the provisions of the laws of the State of California (State or California); and

WHEREAS, the California Water Code (Water Code) governs compensation of the Mesa Water District Board of Directors (collectively, the “Board” and individually, a “Director”) for each day of service rendered as a Director by request of the Board, together with any expenses incurred in the performance of his or her duties required or authorized by the Board; and

WHEREAS, the Board of Directors has previously adopted Ordinance No. 34 regarding compensation for Directors attendance at Board meetings, days of service at committee meetings, attendance at conferences, seminars, and other water related agencies’ meetings and other activities, as specified by action of the Board, and the Board desires to supersede Ordinance No. 34 by adoption of this Ordinance, including the provisions hereof; and

WHEREAS, notice of the consideration of this Ordinance, and the proposed Director compensation changes set forth herein, has been provided consistent with the applicable requirements of California law; and

WHEREAS, it is the further desire of the Board to provide for reimbursement to Directors for expenses incurred in the performance of his or her duties as required or authorized by the Board.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF MESA WATER DISTRICT AS FOLLOWS:

**Section 1: Board of Directors Meetings; Days of Service:**

- (a) Effective March 12, 2023, sixty (60) days after the adoption of Ordinance No. 34 the compensation paid to Directors shall be Three Hundred and Thirty-Six Dollars (\$336.00) per day for each day’s attendance at Board meetings, or for each day’s service rendered as a Director by request of, or with the authorization of, the Board as further set forth herein.

- (b) Effective as of July 1, 2023, the compensation paid to Directors shall be Three Hundred and Fifty-Two Dollars (\$352.00) per day for each day's attendance at Board meetings, or for each day's service rendered as a Director by request of, or with the authorization of, the Board as further set forth herein.

**Section 2: Meetings/Activities that Constitute Days of Service for the Purpose of Section 1:** The following meetings and activities shall constitute a day of service for purposes of Section 1 of this Ordinance:

- (a) Committee and Other Agency Meetings: Committee meetings for those Directors assigned, or attending, as applicable, shall include the following:
  - (i). Engineering & Operations Committee;
  - (ii). Executive Committee;
  - (iii). Finance Committee;
  - (iv). Legislative and Public Affairs Committee;
  - (v). Other public agency meetings (including regular, adjourned regular and special meetings of the governing bodies of such public agencies as shall be designated and/or authorized by the Board from time to time); and
  - (vi). Other Mesa Water committees, including, but not limited to, *ad hoc* committees, as the Board shall designate by Board action from time to time.
- (b) Teleconferencing: Participation at any public agency meeting that is covered under Section 2(a) by teleconference, or equivalent means, shall be considered as a day of service for the purpose of this Ordinance.
- (c) Conferences and Seminars: Attendance at authorized conferences or seminars as assigned, designated and/or authorized by action of the Board.
- (d) Meetings with Agencies, Organizations, and/or Representatives Concerning or Relating to Water, Governmental or Environmental Matters or Issues: Meetings by Director(s) of or with agencies or organizations, and/or representatives of such, in or related to the public water industry or governmental or environmental matters or issues to discuss, review, and/or receive information relating to Mesa Water, Mesa Water's business or operations, governmental or environmental matters or issues and/or water industry standards, operations, policy matters and/or fiscal issues.

- (e) Other Activities Approved by Action(s) of the Board: Activities by Director(s) other than as described in Sections 2 (a), (b), (c), or (d) above, as authorized by action(s) of the Board in advance of such activity(ies).

**Section 3:**     **Limitations:**

- (a) Maximum Number of Meetings/Days: The fee paid to the Directors shall be made for no more than one meeting per each day of service, and the maximum number of days for which any Director may receive compensation under Sections 1 or 2 hereof, in any calendar month shall be ten (10).
- (b) No Duplicate Compensation: Notwithstanding the foregoing provisions of Sections 1 or 2, any Director that receives compensation from any other entity for attendance and/or participation of any meeting(s), conference(s), seminar(s) or other activity(ies) set out in Sections 1 or 2 shall not be compensated by Mesa Water.

**Section 4:**     **Matching Contributions:** Effective as of May 21, 2023, the District shall make a matching contribution to the Mesa Water District 401(a) Plan (401(a) Plan) on behalf of a Director equal to the amount of such Director's salary deferrals to the District's Section 401(a) deferred compensation plan but not to exceed Two Thousand (\$2,000) per month. The General Manager, or his or her designee, is hereby directed to determine the appropriate amendments to the 401(a) Plan, if any, in order to implement the terms of this section, and shall be authorized to execute said amendments on behalf of the District.

**Section 5:**     **Director Reimbursement(s):** In addition to the compensation described in Section 1, and subject to applicable California law, Director's expenses shall be reimbursed if they are reasonable and necessary to conduct Mesa Water's business pursuant to provisions of the Mesa Water Director reimbursement policy(ies) as adopted by the Board, as are in effect on the date the expense is incurred.

**Section 6:**     **Authorization (Statutory Requirements):** This Ordinance is adopted pursuant to Water Code Sections 20203 and 30523. To the extent required by law, this Ordinance shall satisfy the requirements of Water Code Sections 20201 and 20202 and California Government Code Section 53232.1.

**Section 7:**     **Effective Date:** This Ordinance No. 35 shall take effect upon adoption hereof, subject to the provisions of Section 1 and Section 4 hereof (Effective Date).

**Section 8:**     **Superseding Prior Ordinance:** This Ordinance No. 35 shall supersede Ordinance No. 34 upon the Effective Date hereof, subject to the provisions of Section 1 and Section 2 hereof.

PASSED AND APPROVED at the regular meeting of the Board of Directors held on the 22nd day of March 2023 and adopted by the following roll call vote:

AYES:             DIRECTORS:             Atkinson, Bockmiller, Fisler, DePasquale, Dewane  
NOES:             DIRECTORS:  
ABSTAIN:         DIRECTORS:  
ABSENT:          DIRECTORS:

ATTEST:

DocuSigned by:  
*Denise Garcia*  
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\_\_\_\_\_  
Denise Garcia  
District Secretary

DocuSigned by:  
*Shawn Dewane*  
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Shawn Dewane  
President, Board of Directors





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## MEMORANDUM

TO: Executive Committee  
FROM: Denise Garcia, Chief Administrative Officer  
DATE: February 12, 2024  
SUBJECT: Board Meeting Procedures

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### RECOMMENDATION

This item is provided for discussion.

### STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.  
Goal #4: Increase favorable opinion of Mesa Water.  
Goal #6: Provide excellent customer service.

### PRIOR BOARD ACTION/DISCUSSION

None.

### DISCUSSION

This item has been agendaized at the request of the Board of Directors (Board).

Mesa Water District (Mesa Water®) holds regular Board meetings on the second and fourth Wednesday of each month at 4:30 p.m. at the District Offices at 1965 Placentia Avenue, Costa Mesa in the Boardroom. All Mesa Water Board and Committee meetings are open to the public and are conducted in accordance with Federal and State law.

Mesa Water recently received the Special District Leadership Foundation's (SDLF) District Transparency Certificate of Excellence in recognition of its outstanding efforts to promote transparency and good governance. This is the fifth time Mesa Water has received this certificate. Mesa Water was also recently accredited for the eighth time by SDLF as a "District of Distinction" for its sound fiscal management policies and practices in District operations. At their January 24, 2024 meeting, the Board requested to revisit current meeting procedures for audio recording.

Mesa Water does not currently livestream or videotape their Board meetings, but does audio record for purposes of proper minute documentation.

### FINANCIAL IMPACT

There is no financial impact for the discussion of this matter.

### ATTACHMENTS

None.



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## MEMORANDUM

TO: Executive Committee  
FROM: Marwan Khalifa, Chief Financial Officer  
DATE: February 12, 2024  
SUBJECT: Preference to Buy American-Made Manufactured Goods

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### RECOMMENDATION

Recommend that the Board of Directors adopt, Resolution No. 1589 Providing Guidelines for The Procurement of Goods and Services and Cash Disbursements, Superseding Resolution No. 1581.

### STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.  
Goal #6: Provide excellent customer service.  
Goal #7: Actively participate in regional and statewide water issues.

### PRIOR BOARD ACTION/DISCUSSION

None.

### DISCUSSION

Mesa Water District (Mesa Water®) has a long-standing practice of supporting local business in Costa Mesa. The effort includes promoting businesses in the community by procuring goods and services locally when the option is available. The practice of locally sourcing materials, supplies and services benefits the local economy by directly investing money through the issuance of orders and contracts to local businesses.

In recent years, there has been a growing interest in promoting domestic manufacturing and reducing reliance on foreign-produced goods. The current global landscape highlights the importance of having a reliable supply chain to maintain Mesa Water's critical infrastructure. By favoring American-made manufactured goods, staff can mitigate potential vulnerabilities and ensure a stable flow of essential products.

Adopting a preference to purchase American-made manufactured goods is another strategic step toward supporting our local economy. By prioritizing American-made products, Mesa Water can help stimulate the local economy by enhancing job opportunities and economic stability here in our country.

Staff recommends incorporating language in the procurement guidelines that expresses a preference for purchasing American-made manufactured goods, in cases where quality and availability are comparable to the foreign alternatives.

### FINANCIAL IMPACT

None.



ATTACHMENTS

Attachment A: Draft Resolution No. 1589

Attachment B: Resolution No. 1581, Redline

## RESOLUTION NO. 1589

### RESOLUTION OF THE MESA WATER DISTRICT BOARD OF DIRECTORS PROVIDING GUIDELINES FOR THE PROCUREMENT OF GOODS AND SERVICES AND CASH DISBURSEMENTS, SUPERSEDING RESOLUTION NO. 1581

WHEREAS, Mesa Water District (Mesa Water®) is a county water district organized and operating pursuant to the provisions of the laws of the State of California (State or California); and

WHEREAS, as a county water district, Mesa Water is not obligated to solicit competitive bids on its contracts for goods or services or for its construction projects; and

WHEREAS, Mesa Water's goal is to acquire needed goods and services for fair and competitive prices from reliable vendors or providers, as applicable; and

WHEREAS, the Board of Directors (Board) of the Mesa Water District desires to adopt a policy statement relative to the procurement of goods and services, certain matters relating to public works contracts and concerning funds leaving Mesa Water's control.

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE MESA WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

- Section 1.** This Resolution establishes the guidelines for the procurement of goods and services for Mesa Water use as set forth in Attachment A, attached hereto and incorporated herein by this reference.
- Section 2.** This Resolution establishes the controls governing disbursement of funds as set forth in Attachment B, attached hereto and incorporated herein by this reference.
- Section 3.** This Resolution shall be effective immediately upon adoption by the Board.
- Section 4.** Mesa Water's General Manager and Chief Financial Officer are authorized to take such other and further actions as may be necessary or convenient to implement the directives of this Resolution.

ADOPTED, SIGNED, and APPROVED this 14th day of February 2024 by the following roll call vote:

AYES: DIRECTORS:  
NOES: DIRECTORS:  
ABSTAIN: DIRECTORS:  
ABSENT: DIRECTORS:

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Shawn Dewane  
President, Board of Directors

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Denise Garcia  
District Secretary

DRAFT

# **ATTACHMENT A**

## **RESOLUTION NO. 1589**

### **RESOLUTION OF THE MESA WATER DISTRICT BOARD OF DIRECTORS PROVIDING GUIDELINES FOR THE PROCUREMENT OF GOODS AND SERVICES AND CASH DISBURSEMENTS, SUPERSEDING RESOLUTION NO. 1581**

#### **PROCUREMENT GUIDELINES**

**The use of all Mesa Water funds is subject to Resolution No. 1507, Delegation of Authority to the General Manager.**

#### **Authorization**

The General Manager is authorized to operate Mesa Water in accordance with the approved budget.

#### **Procurement Statement**

Mesa Water's procurement objectives shall be to obtain the best quality materials, supplies, labor, services, and equipment in the most optimal time frame for the minimum appropriate price. Quality of performance, as well as cost, may be considered in the procurement selection process.

#### **Buy American-Made Preference**

Mesa Water recognizes the importance of supporting domestic industries and promoting economic growth within the United States. In alignment with this commitment, Mesa Water District hereby adopts a Buy American-Made Preference Policy to govern procurement activities.

Vendors participating in the procurement process with Mesa Water shall be informed that priority will be given to vendors who supply goods that are produced, manufactured, or substantially transformed in the United States. American-made products will be the preference in cases where quality and availability are comparable to foreign alternatives.

#### **Written Agreements**

Competitive procurement and written agreements will be required for the acquisition of all goods and services that are anticipated to cost \$25,000 or more per year. Written agreements for the purposes of these Procurement Guidelines include contracts (Mesa Water Contracts) and purchase orders. The General Manager is authorized to approve and execute all agreements for the acquisition of goods and services in accordance with the approved annual budget. Written agreements within the limits set by the annual budget may be for one-year, or multi-year with annual renewals. Mesa Water's policy is that contracts shall not normally include terms for automatic renewal.

## **GENERAL PROCUREMENT**

For materials, supplies, labor, services (not including Capital Construction, Maintenance Services or Professional Services) and equipment, the following procedures will apply:

It shall be Mesa Water's goal to utilize a competitive procurement process, which includes soliciting a minimum of three written quotes, bids, or proposals, as applicable. The receipt of less than three quotes, bids or proposals shall not invalidate the solicitation process or require the solicitation of additional quotes, bids, or proposals.

Exceptions: Competitive procurement may not be required in the following situations: (1) procurement where it appears only one viable source exists, (2) there is a compelling reason, a preferred brand, material to match existing District equipment or facilitate effective maintenance and support, or (3) purchases from vendors who have been awarded the same type of purchase by a federal agency, a state agency or other public agency after a competitive procurement process.

Exceptions to competitive procurement must be deemed appropriate by the authority of the General Manager. Mesa Water District's Board of Directors (Board) will be notified annually of all contracts entered into by Mesa Water under the exceptions to competitive procurement process.

## **CAPITAL CONSTRUCTION PROJECTS**

For capital construction projects, the following procedures will apply:

### **Bid and Award**

Mesa Water's Board will review all bids on a project when Mesa Water staff proposes to recommend approval of a bid for a project that is anticipated to cost \$250,000 or more per bid. The Board may award the bid and authorize an amount for the project/construction that may include a contingency. Unless otherwise directed by the Board, the General Manager shall execute approved construction contracts.

### **Change Orders**

- a. The General Manager is authorized to approve change orders until the cumulative amount of those change orders is anticipated to exceed the amount authorized by the Board for construction by 30 percent or \$75,000, whichever is less.
- b. If the cumulative change orders are anticipated to exceed the amount authorized for construction by 30 percent or \$75,000, whichever is less, there will be no further change orders until the Board authorizes additional funds for the project under the terms of the agreement (subject to change order terms).

- c. The General Manager is authorized to approve an emergency field change order when failure to authorize the change order will cause Mesa Water to incur significant additional costs or significant delays, even if the change order will exceed the General Manager's delegated authority. The General Manager will promptly inform the Board of such action(s) and the Board will review ratification of the General Manager's decision(s).

## **MAINTENANCE SERVICES**

For maintenance services defined as routine, recurring, and usual work for the preservation or protection of District facilities and operations, the following procedures will apply:

- a. If the maintenance services are anticipated to cost \$75,000 or more per year, the selection of the maintenance service provider will be reviewed by the Board and will be subject to approval by the Board. The Board will authorize a budgeted amount for the specified work. Unless otherwise specified by the Board, the General Manager is authorized to approve and execute the agreement between Mesa Water and the approved maintenance service provider.
- b. If the cost of the work is anticipated to exceed the amount authorized by the Board, there will be no further work until the Board authorizes additional funds. The Board will review all requests for additional funds.

## **PROFESSIONAL SERVICES**

When professional services are required, the following procedures will apply:

- a. Professional service providers are defined as attorneys, engineering consultants, water quality consultants, architects, auditors, actuarial consultants, financial advisors, human resource consultants, information systems/technology consultants, public relations services, management consultants, meeting facilitators and firms hired to perform construction inspection, construction management and/or engineering surveying. If the work of a professional service provider is anticipated to cost \$75,000 or more per year, the selection of the professional service provider will be reviewed by the Board and subject to approval by the Board. The Board will authorize a budgeted amount for the specified work. Unless otherwise specified by the Board, the General Manager is authorized to approve and execute the agreement between Mesa Water and the approved professional service provider.
- b. If the cost of the work is anticipated to exceed the amount authorized by the Board, there will be no further work until the Board authorizes additional funds. The Board will review all requests for additional funds.

In the event of an emergency, the General Manager has full authority to commit Mesa Water funds in excess of the approved budget limits, or reallocation of funds within those limits, in accordance with, and subject to, the limitations set out in Resolution No. 1507.



## ATTACHMENT B

### RESOLUTION NO. 1589

#### RESOLUTION OF THE MESA WATER DISTRICT BOARD OF DIRECTORS PROVIDING GUIDELINES FOR THE PROCUREMENT OF GOODS AND SERVICES AND CASH DISBURSEMENTS, SUPERSEDING RESOLUTION NO. 1581

##### GUIDELINES FOR DISBURSEMENTS

**The use and expenditure of all Mesa Water funds is subject to Resolution No. 1507, Delegation of Authority to the General Manager.**

All checks, wires, electronic funds transfer authorizations and other documents (except petty cash requests) containing instructions that cause funds to leave Mesa Water's control shall have two authorized signatures. Authorized signers are:

Members of the Board of Directors  
General Manager  
Assistant General Manager  
District Secretary  
Treasurer/Chief Financial Officer  
Assistant Treasurer

Facsimile signatures may be used on routine payments provided adequate safeguards are used to protect the signature plates, chip, or other source. Such safeguards shall be set out in writing.

An authorized manager or supervisor can approve petty cash requests subject to the limits of Mesa Water's current petty cash policy.

The Chief Financial Officer and Controller may authorize inter-bank transfers for the purpose of satisfying payroll requirements.

The Board shall review and sign, or approve, as applicable, checks, wires and electronic funds transfer authorizations that meet the following criteria:

1. \$40,000 or more will leave Mesa Water's control except when paying for:
  - a. Payroll or payroll related expenses, including employee benefits
  - b. Utilities
  - c. Chemicals used in water treatment
  - d. Water and water related costs to Orange County Water District or the Municipal Water District of Orange County

2. \$1,000 or more payable to employees for any purpose other than payroll, except when the reimbursement request has been previously approved through the Board process. All reimbursements to Board members shall be subject to Mesa Water's current Board Reimbursement Policies.

DRAFT

**RESOLUTION NO. ~~15811589~~**

**RESOLUTION OF THE  
MESA WATER DISTRICT BOARD OF DIRECTORS  
PROVIDING GUIDELINES FOR THE PROCUREMENT  
OF GOODS AND SERVICES AND CASH DISBURSEMENTS,  
SUPERSEDING RESOLUTION NO. ~~15811508~~**

WHEREAS, Mesa Water District (Mesa Water®) is a county water district organized and operating pursuant to the provisions of the laws of the State of California (State or California); and

WHEREAS, as a county water district, Mesa Water is not obligated to solicit competitive bids on its contracts for goods or services or for its construction projects; and

WHEREAS, Mesa Water's goal is to acquire needed goods and services for fair and competitive prices from reliable vendors or providers, as applicable; and

WHEREAS, the Board of Directors (**Board**) of the Mesa Water District desires to adopt a policy statement relative to the procurement of goods and services, certain matters relating to public works contracts and concerning funds leaving Mesa Water's control.

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE MESA WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

**Section 1.** This Resolution establishes the guidelines for the procurement of goods and services for Mesa Water use as set forth in Attachment A, attached hereto and incorporated herein by this reference.

**Section 2.** This Resolution establishes the controls governing disbursement of funds as set forth in Attachment B, attached hereto and incorporated herein by this reference.

**Section 3.** This Resolution shall ~~take-be~~ effective immediately upon adoption ~~on July 1, 2023~~ by the Board.

**Section 4.** Mesa Water's General Manager and Chief Financial Officer are authorized to take such other and further actions as may be necessary or convenient to implement the directives of this Resolution.

ADOPTED, SIGNED, and APPROVED this 14th day of ~~June 2023~~ **February 2024** and ~~adopted~~ by the following roll call vote:

AYES: DIRECTORS: ~~Atkinson, Bockmiller, Fisler, DePasquale, Dewane~~  
NOES: DIRECTORS:  
ABSTAIN: DIRECTORS:  
ABSENT: DIRECTORS:

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Shawn Dewane  
President, Board of Directors

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Denise Garcia  
District Secretary

DRAFT

# ATTACHMENT A

## RESOLUTION NO. ~~15811589~~

### RESOLUTION OF THE MESA WATER DISTRICT BOARD OF DIRECTORS PROVIDING GUIDELINES FOR THE PROCUREMENT OF GOODS AND SERVICES AND CASH DISBURSEMENTS, SUPERSEDING RESOLUTION NO. ~~15081581~~

#### PROCUREMENT GUIDELINES

The use of all Mesa Water ~~District (Mesa Water or District)~~ funds is subject to Resolution No. 1507, Delegation of Authority to the General Manager.

#### Authorization

The General Manager is authorized to operate Mesa Water in accordance with the approved budget.

#### Procurement Statement

Mesa Water's procurement objectives shall be to obtain the best quality materials, supplies, labor, services, and equipment in the most optimal time frame for the minimum appropriate price. Quality of performance, as well as cost, may be considered in the procurement selection process.

#### **Buy American-Made Preference**

Mesa Water recognizes the importance of supporting domestic industries and promoting economic growth within the United States. In alignment with this commitment, Mesa Water District hereby adopts a Buy American-Made Preference Policy to govern procurement activities.

Vendors participating in the procurement process with Mesa Water shall be informed that priority will be given to vendors who supply goods that are produced, manufactured, or substantially transformed in the United States. American-made products will be the preference in cases where quality and availability are comparable to foreign alternatives.

#### Written Agreements

Competitive procurement and written agreements will be required for the acquisition of all goods and services that are anticipated to cost \$25,000 or more per year. Written agreements for the purposes of these Procurement Guidelines include contracts (Mesa Water Contracts) and purchase orders. The General Manager is authorized to approve and execute all agreements for the acquisition of goods and services in accordance with the approved annual budget. Written agreements within the limits set by the annual budget may be for one-year, or multi-year with annual renewals. Mesa Water's policy is that contracts shall not normally include terms for automatic renewal.

## **GENERAL PROCUREMENT**

For materials, supplies, labor, services (not including Capital Construction, Maintenance Services or Professional Services) and equipment, the following procedures will apply:

It shall be Mesa Water's goal to utilize a competitive procurement process, which includes soliciting a minimum of three written quotes, bids, or proposals, as applicable. The receipt of less than three quotes, bids or proposals shall not invalidate the solicitation process or require the solicitation of additional quotes, bids, or proposals.

Exceptions: Competitive procurement may not be required in the following situations: (1) procurement where it appears only one viable source exists, (2) there is a compelling reason, a preferred brand, material to match existing District equipment or facilitate effective maintenance and support, or (3) purchases from vendors who have been awarded the same type of purchase by a federal agency, a state agency or other public agency after a competitive procurement process.

Exceptions to competitive procurement must be deemed appropriate by the authority of the General Manager. Mesa Water District's Board of Directors (Board) will be notified annually of all contracts entered into by Mesa Water under the exceptions to competitive procurement process.

## **CAPITAL CONSTRUCTION PROJECTS**

For capital construction projects, the following procedures will apply:

### **Bid and Award**

Mesa Water's Board will review all bids on a project when Mesa Water staff proposes to recommend approval of a bid for a project that is anticipated to cost \$250,000 or more per bid. The Board may award the bid and authorize an amount for the project/construction that may include a contingency. Unless otherwise directed by the Board, the General Manager shall execute approved construction contracts.

### **Change Orders**

- a. The General Manager is authorized to approve change orders until the cumulative amount of those change orders is anticipated to exceed the amount authorized by the Board for construction by 30 percent or \$75,000, whichever is less.
- b. If the cumulative change orders are anticipated to exceed the amount authorized for construction by 30 percent or \$75,000, whichever is less, there will be no further change orders until the Board authorizes additional funds for the project under the terms of the agreement (subject to change order terms).

- c. The General Manager is authorized to approve an emergency field change order when failure to authorize the change order will cause Mesa Water to incur significant additional costs or significant delays, even if the change order will exceed the General Manager's delegated authority. The General Manager will promptly inform the Board of such action(s) and the Board will review ratification of the General Manager's decision(s).

## **MAINTENANCE SERVICES**

For maintenance services defined as routine, recurring, and usual work for the preservation or protection of District facilities and operations, the following procedures will apply:

- a. If the maintenance services are anticipated to cost \$75,000 or more per year, the selection of the maintenance service provider will be reviewed by the Board and will be subject to approval by the Board. The Board will authorize a budgeted amount for the specified work. Unless otherwise specified by the Board, the General Manager is authorized to approve and execute the agreement between Mesa Water and the approved maintenance service provider.
- b. If the cost of the work is anticipated to exceed the amount authorized by the Board, there will be no further work until the Board authorizes additional funds. The Board will review all requests for additional funds.

## **PROFESSIONAL SERVICES**

When professional services are required, the following procedures will apply:

- a. Professional service providers are defined as attorneys, engineering consultants, water quality consultants, architects, auditors, actuarial consultants, financial advisors, human resource consultants, information systems/technology consultants, public relations services, management consultants, meeting facilitators and firms hired to perform construction inspection, construction management and/or engineering surveying. If the work of a professional service provider is anticipated to cost \$75,000 or more per year, the selection of the professional service provider will be reviewed by the Board and subject to approval by the Board. The Board will authorize a budgeted amount for the specified work. Unless otherwise specified by the Board, the General Manager is authorized to approve and execute the agreement between Mesa Water and the approved professional service provider.
- b. If the cost of the work is anticipated to exceed the amount authorized by the Board, there will be no further work until the Board authorizes additional funds. The Board will review all requests for additional funds.

In the event of an emergency, the General Manager has full authority to commit Mesa Water funds in excess of the approved budget limits, or reallocation of funds within those limits, in accordance with, and subject to, the limitations set out in Resolution No. 1507.

## ATTACHMENT B

### RESOLUTION NO. ~~1581~~1589

#### RESOLUTION OF THE MESA WATER DISTRICT BOARD OF DIRECTORS PROVIDING GUIDELINES FOR THE PROCUREMENT OF GOODS AND SERVICES AND CASH DISBURSEMENTS, SUPERSEDING RESOLUTION NO. ~~1508~~1581

##### GUIDELINES FOR DISBURSEMENTS

The use and expenditure of all Mesa Water funds is subject to Resolution No. 1507~~7~~, Delegation of Authority to the General Manager.

All checks, wires, electronic funds transfer authorizations and other documents (except petty cash requests) containing instructions that cause funds to leave Mesa Water's control shall have two authorized signatures. Authorized signers are:

Members of the Board of Directors  
General Manager  
Assistant General Manager  
District Secretary  
Treasurer/Chief Financial Officer  
Assistant Treasurer

Facsimile signatures may be used on routine payments provided adequate safeguards are used to protect the signature plates, chip, or other source. Such safeguards shall be set out in writing.

An authorized manager or supervisor can approve petty cash requests subject to the limits of Mesa Water's current petty cash policy.

The Chief Financial Officer and Controller/~~Auditor~~ may authorize inter-bank transfers for the purpose of satisfying payroll requirements.

The Board shall review and sign, or approve, as applicable, checks, wires and electronic funds transfer authorizations that meet the following criteria:

1. \$40,000 or more will leave Mesa Water's control except when paying for:
  - a. Payroll or payroll related expenses, including employee benefits-
  - b. Utilities-
  - c. Chemicals used in water treatment-
  - d. Water and water related costs to Orange County Water District or the Municipal Water District of Orange County-



2. \$1,000 or more payable to employees for any purpose other than payroll, except when the reimbursement request has been previously approved through the Board process. All reimbursements to Board members shall be subject to Mesa Water's current Board Reimbursement Policies.

DRAFT



*Dedicated to  
Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Executive Committee  
FROM: Paul E. Shoenberger, P.E., General Manager  
DATE: February 12, 2024  
SUBJECT: Future Agenda Topics

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### RECOMMENDATION

Review future agenda topics.

### STRATEGIC PLAN

- Goal #1: Provide an abundant, local, reliable and safe water supply.
- Goal #2: Perpetually renew and improve our infrastructure.
- Goal #3: Be financially responsible and transparent.
- Goal #4: Increase favorable opinion of Mesa Water.
- Goal #5: Attract, develop and retain skilled employees.
- Goal #6: Provide excellent customer service.
- Goal #7: Actively participate in regional and statewide water issues.

### PRIOR BOARD ACTION/DISCUSSION

None.

### DISCUSSION

Staff will provide a list of future agenda topics at the Executive Committee meeting.

### FINANCIAL IMPACT

None.

### ATTACHMENTS

None.

**REPORTS:**

5. REPORT OF THE GENERAL MANAGER

**REPORTS:**

6. DIRECTORS' REPORTS AND COMMENTS