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Water Needs

**MINUTES OF THE BOARD OF DIRECTORS
MESA WATER DISTRICT
Tuesday, April 27, 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 Vice President Dewane led the Pledge of Allegiance.

Directors Present Marice H. DePasquale, President *(teleconference)*
Shawn Dewane, Vice President *(teleconference)*
Jim Atkinson, Director *(joined the teleconference at 3:37 p.m.)*
Fred R. Bockmiller, P.E., Director *(teleconference)*
James R. Fisler, Director *(teleconference)*

Directors Absent None

Staff Present Paul E. Shoenberger, P.E., General Manager
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)*
Kurt Lind, Business Administrator *(teleconference)*
Andrew D. Wiesner, P.E., Principal Engineer *(teleconference)*
Celeste Carrillo, Public Affairs Coordinator *(teleconference)*

Others Present Jonathan Aparicio, IT Support Engineer, T2 Technology Group
Dennis Albani, Vice President, California Advocates, Inc. *(teleconference)*
Anthony Molina, Legislative Advocate, California Advocates, Inc. *(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.

There were no comments and President DePasquale 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.

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.

Director Bockmiller pulled Item 8 for discussion. There were no objections.

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.

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

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

MOTION

Motion by Vice President Dewane, second by Director Fisler, to approve Items 1 - 7 and 9 - 10 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

ITEM 8 – 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.

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

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

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

MOTION

Motion by Director Fisler, second by Vice President Dewane, to approve Item 8 of the Consent Calendar. 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:

11. CHANDLER & CRODDY WELLS AND PIPELINE PROJECT PIPELINE CONSTRUCTION:

Assistant General Manager Lauri provided a brief overview of the topic.

AGM Lauri 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.

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

MOTION

Motion by Director Bockmiller, second by Director Fisler, to award a contract to Ferreira Construction Co. Inc. dba Ferreira Coastal Construction for \$3,938,360 and a 10% contingency of \$393,836 for a contract amount not to exceed \$4,332,196 to provide Pipeline Construction to the Chandler & Croddy Wells and Pipeline Project, and authorize the execution of the contract. 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

12. STATEMENT OF INVESTMENT POLICY:

Chief Financial Officer Khalifa provided a brief overview of the topic.

Discussion ensued amongst the Board.

Director Bockmiller stated that mortgage pass-through securities are inherently risky and in the previous Resolution No. 1506, the District deliberately allowed a smaller percentage than the state limits due to the mortgage collapse. Consequently, he will not be supporting this change to Resolution 1540.

CFO Khalifa 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.

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

MOTION

Motion by Vice President Dewane, second by President DePasquale, to

- a. Approve the administrative changes to Resolution No. 1540 - Statement of Investment Policy to reflect the same data on both the resolution and Exhibit B;
- b. Approve Mesa Water District's authorized limits to match those allowed by statute, including Mortgage Pass-Through Securities, increasing the limit from 10% to 20%, and increasing the Local Agency Investment Fund (LAIF) maximum per account from \$50MM to \$75MM; and
- c. Adopt Resolution No. 1540 Delegating Authority Relative to Investment or Reinvestment of Specified Funds, and Adopting a Revised Statement of Investment Policy, Superseding Resolution No. 1506.

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

13. SPECIAL LEGAL COUNSEL SERVICES:

GM Shoenberger provided a brief overview of the topic.

GM Shoenberger 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.

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

MOTION

Motion by Vice President Dewane, second by Director Fisler, to add to the next regular Board meeting Consent Calendar approval of legal fees to Meyers Nave, A Professional Corporation for an amount not to exceed \$150,000 to provide Special Legal Counsel Services. 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

14. DEFERRED COMPENSATION MATCH 401(A):

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

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

MOTION

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

- a. Approve the formation of a 401(a) for all employees; and
- b. Approve an employee dollar for dollar match up to three percent of gross wages, effective July 1, 2021.

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. PUBLIC HEARING – ORDINANCE NO. 31 – DIRECTORS COMPENSATION AND EXPENSE REIMBURSEMENT:

President DePasquale announced the Public Hearing was now opened for the purpose of receiving comments regarding a proposed change in Directors' Compensation.

District Secretary Garcia reported that public notices were posted at Mesa Water District's office and website, and at Costa Mesa City Hall. Additionally, legal advertisements were published in the Daily Pilot on April 15, 2021 and on April 22, 2021.

President DePasquale opened the floor to the Board of Directors. Comments were offered.

Discussion ensued amongst the Board.

District Secretary Garcia reported that the District had not received any written or verbal comments regarding proposed Ordinance No. 31.

President DePasquale asked for public comment. There were no members of the public present.

President DePasquale declared the public comments segment closed.

President DePasquale opened the floor for discussion by the Board. Comments were offered.

President DePasquale declared the Public Hearing was closed.

MOTION

Motion by Vice President Dewane, second by Director Bockmiller, to adopt Ordinance No. 31 – Directors Compensation and Expense Reimbursement. 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

PRESENTATION AND DISCUSSION ITEMS:

16. DELINQUENT PAYMENTS:

Customer Services Manager Sheek provided a brief overview of the topic.

The Board thanked Ms. Sheek for the presentation.

17. MESA WATER DISTRICT FIXED FEES:

CFO Khalifa provided a brief overview of the topic.

Discussion ensued amongst the Board.

GM Shoenberger and CFO Khalifa responded to questions from the Board and they thanked them for the information.

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

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

MOTION

Motion by Vice President Dewane, second by Director Fisler, to direct staff to further explore fixed fee collection through property tax bills. 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

18. GENERAL LEGAL COUNSEL SERVICES:

Administrative Services Manager Garcia provided a brief overview on the topic.

GM Shoenberger and Ms. Garcia responded to questions from the Board and they thanked them for the information.

The Board directed staff to move forward with conducting in-person interviews for General Legal Counsel Services.

REPORTS:

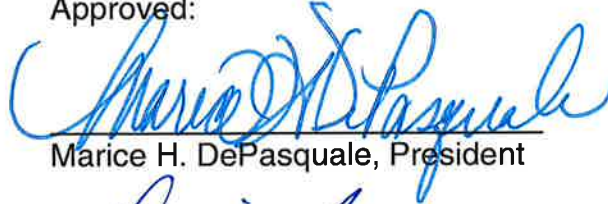
19. REPORT OF THE GENERAL MANAGER
20. DIRECTORS' REPORTS AND COMMENTS

INFORMATION ITEMS:

21. POTABLE AND RECYCLED WATER RATE STUDY
22. OTHER (NO ENCLOSURE)

President DePasquale adjourned the meeting at 5:12 p.m. to a Regular Board Meeting scheduled for Thursday, May 13, 2021 at 6:00 p.m.

Approved:



Marice H. DePasquale, President



Denise Garcia, District Secretary

Sharon D. Brimer, Recording Secretary