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Satisfying our Community's
Water Needs

**MINUTES OF THE BOARD OF DIRECTORS
MESA WATER DISTRICT
Wednesday, December 13, 2023
1965 Placentia Avenue, Costa Mesa, CA 92627
4:30 p.m. Regular Board Meeting**

CALL TO ORDER

The meeting of the Board of Directors was called to order at 4:30 p.m. by President Dewane.

PLEDGE OF ALLEGIANCE

Director Bockmiller led the Pledge of Allegiance.

Directors Present

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

Directors Absent

None

Staff Present

Paul E. Shoenberger, P.E., General Manager
Denise Garcia, Chief Administrative Officer/
District Secretary
Marwan Khalifa, CPA, MBA, Chief Financial Officer/
District Treasurer
Tracy Manning, Chief Operating Officer
Andrew D. Wiesner, P.E., District Engineer
Stacy Taylor, Water Policy Manager
Kurt Lind, District Business Administrator
Kaitlyn Norris, Public Affairs Specialist
Celeste Carrillo, Senior Public Affairs Specialist
Rob Anslow, Partner, Atkinson, Andelson, Loya, Ruud & Romo

Others Present

Eloise Ott, Member of the Public
Wendy Leece, Member of the Public
David Martinez, Member of the Public
Bernie Parish, Member of the Public
Steve Gagnon, Vice President, Raftelis Financial Consultants, Inc.
Theresa Jurotich, Manager, Raftelis Financial Consultants, Inc. *(teleconference)*
James Makil, Senior Security Consultant, Nth Generation
Jim Westover, Enterprise Solutions Architect, Nth Generation
James Gonzalez, Senior Account Manager, Nth Generation

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

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.”

PUBLIC COMMENTS

President Dewane asked for public comments.

President Dewane recognized Member of the Public Eloise Ott. Ms. Ott provided comments regarding the great quality of her water and thanked the Board for its good work.

President Dewane recognized Member of the Public Wendy Leece. Ms. Leece provided comments regarding the accessibility of Mesa Water’s Board meetings and her appreciation for the District’s hard work.

President Dewane recognized Member of the Public David Martinez. Mr. Martinez provided comments regarding public access to Mea Water’s Board meetings.

President Dewane thanked the members of the public for their comments and proceeded with the meeting.

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

General Manager Shoenberger noted there was a request to pull Item 6. There was no support for this request.

CONSENT CALENDAR ITEMS:

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. Confirm the Board of Directors’ Regular Board Meeting schedule for Calendar Year 2024 and cancel the May 8, 2024, November 27, 2024 and December 25, 2024 Board of Directors’ Meetings.

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

MOTION

Motion by Vice President DePasquale, second by Director Bockmiller, to approve Items 1 – 4 of the Consent Calendar. Motion passed 5 – 0, by the following roll call vote:

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

PRESENTATION AND DISCUSSION ITEMS:

None.

ACTION ITEMS:

5. HONORING THE CAREER OF TRACY MANNING:

Director Bockmiller read the Day of Recognition for the Career of Tracy Manning Proclamation into the record:

Tracy Manning began her career at Mesa Water District (Mesa Water ®) in 1994 as a Meter Reader and, following several promotions, she has served as the District’s Chief Operating Officer since 2022; and

Whereas, as the Chief Operating Officer, Tracy was responsible for planning, directing, managing, and overseeing all activities, operations projects and programs of the Water Operations and Engineering Departments, including all water utilities operations and maintenance activities and managed the Capital Improvement Program planning, design, and construction programs and activities; and

Whereas, Tracy served on the Board of the Southwest Membrane Operator Association since 2019 and has been an active speaker at the association’s symposiums and workshops since 2012. She also served on the Association of California Water Agencies’ Water Quality Committee; and

Whereas, Tracy’s certifications and recognitions include State Water Resources Control Board Drinking Water Treatment Operator T4 and Water Distribution Operator Grade D5, American Water Works Association’s Water Quality Analyst Grade II, Conservation Professional Grade I and Cross Control Specialists Certificates, Association of California Water Agencies Joint Powers Insurance Authority’s Supervisor Basics Specialty Certificate, and Mesa Water’s Distinctive Service and Excellent Service Awards.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of Mesa Water District hereby recognizes and honors you for 29 years of dedicated and committed service to the District and wishes you the best as you begin your retirement.

Directors provided comments of appreciation and thanked Ms. Manning for her service to Mesa Water.

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

MOTION

Motion by Director Bockmiller, second by Vice President DePasquale, to approve a proclamation and direct staff to conduct a District Event honoring Tracy Manning for her dedicated and committed service to Mesa Water District. Motion passed 5 – 0, by the following roll call vote:

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

6. ORANGE COUNTY WATER DISTRICT DIVISION SEVEN BOARD VACANCY:

GM Shoenberger provided a review of the topic.

Discussion ensued amongst the Board.

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

Motion by Director Fisler, second by Director Atkinson, to adopt Resolution No. 1585 Requesting the Orange County Water District Board of Directors Consider the Appointment of James R. Fisler to Fill Orange County Water District's Division Seven Board Vacancy.

After further discussion, Director Atkinson withdrew his second and the motion failed.

No action was taken on this item.

7. MESA WATER DISTRICT INFRASTRUCTURE:

GM Shoenberger provided a review of the topic that highlighted the following:

- Mesa Water Dedicated to Efficient, Cost-Saving Operations
- Review of the District's Infrastructure

The Board thanked GM Shoenberger for the presentation.

8. PUBLIC HEARING REGARDING PROPOSED CHANGES TO WATER RATES AND CHARGES:

President Dewane announced the Public Hearing was now opened for the purpose of receiving comments on proposed changes to Water Rates and Charges.

District Secretary Garcia reported that the Notice of Public Hearing was mailed to customers more than 45 days prior to the hearing in compliance with state law and Mesa Water's adopted policy. On November 24, 2023, notices were posted at Mesa Water District's kiosk and website and at Costa Mesa City Hall. Legal advertisements were published in the Daily Pilot on November 24, 2023 and December 2, 2023.

Mesa Water created a dedicated Rate Study page on its website to provide information about the proposed changes to water rates and changes. Additionally, Mesa Water staff responded to five customer calls and three social media comments.

Chief Financial Officer Khalifa proceeded with a presentation that highlighted the following:

- Rate Discussions
- Infrastructure
- Croddy Well Site
- Reservoir 2 Construction
- Inflation Assumptions
- Financial Plan Considerations

- Proposed Financial Plan:

- Days Cash
- Cash on Hand
- Debt Coverage
- Source of Potable Water Income – FY 2024
- Basic Charge Derivation – FY 2024
- Bi-Monthly Basic Charge
- Monthly Basic Charge
- Annual Capital Charge
- Consumption Rate – Hundred Cubic Feet
- Average Single Family:
 - Customer Charges
 - Bi-Monthly Charges
 - Monthly Charges
- Household Use Per Day

President Dewane thanked CFO Khalifa for the presentation.

President Dewane opened the floor to the Board for discussion.

Comments were offered.

President Dewane opened the floor for public comments.

Member of the Public Wendy Leece commented on cost-saving measures and how Mesa Water can economize.

As there were no other comments to be received, President Dewane declared the public comments segment portion of the Public Hearing closed.

District Secretary Garcia reported that seven written comments were received from four customers in opposition, including zero walk-in protest letters received during the Public Hearing. Ms. Garcia reported that the number of written protests and comments received did not represent a majority of the property owners within Mesa Water’s service area.

President Dewane opened the floor for additional discussion by the Board.

The Board offered comments.

President Dewane declared the Public Hearing closed.

MOTION

Motion by Director Atkinson, second by President Dewane, to adopt Resolution No. 1584 Determining Compliance with Procedural Requirements, Making Findings, Revising Water Rates, Revising Meter Rates, Revising Capital Charges, Revising Fireline Stand-By Charges, Adopting a Rate and Charge Implementation Schedule, Amending the Water and Charge Schedule, Taking Related Actions and Superseding Resolution No. 1559.

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

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

ABSTAIN: DIRECTORS None
ABSENT: DIRECTORS None

RECESS

President Dewane declared a recess at 5:40 p.m.

The Board meeting reconvened at 5:48 p.m.

9. ENVIRONMENTAL, HEALTH AND SAFETY PROGRAM SUPPORT SERVICES:

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

MOTION

Motion by Vice President DePasquale, second by Director Bockmiller, to award a five-year contract to British Standards Institute American Professional Services, Inc. for an amount not to exceed \$230,000 per year to provide Environmental, Health and Safety Program Support Services, and authorize execution of the contract. Motion passed 5 – 0, by the following roll call vote:

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

REPORTS:

10. REPORT OF THE GENERAL MANAGER:

- November Key Indicators Report

11. DIRECTORS' REPORTS AND COMMENTS

INFORMATION ITEMS:

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

President Dewane announced the Board was going into Closed Session at 6:07 p.m.

CLOSED SESSION:

13. CONFERENCE WITH CYBER SECURITY CONSULTANT PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54957(A):

The Board will meet in Closed Session with its cyber security consultant concerning cyber security risks and protections.

The Board returned to Open Session at 6:30 p.m.

Attorney Anslow announced that the Board conducted one Closed Session with the General Manager, District Secretary, District Business Administrator, Nth Generation Consultants and General Legal Counsel, pursuant to California Government Code

Section 54957(a). The Board received information and there was no further announcement.

Item 6 – ORANGE COUNTY WATER DISTRICT DIVISION SEVEN BOARD VACANCY:

Director Bockmiller requested the Board reconsider Item 6.

Discussion ensued amongst the Board.


MOTION

Motion by Director Atkinson, second by Vice President DePasquale, to adopt Resolution No. 1585 Requesting the Orange County Water District Board of Directors Consider the Appointment of James R. Fisler to Fill Orange County Water District’s Division Seven Board Vacancy. Motion passed 5 – 0, by the following roll call vote:

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

President Dewane adjourned the meeting at 6:34 p.m. to a Regular Board Meeting scheduled for Wednesday, January 10, 2024 at 4:30 p.m.

Approved:

DocuSigned by:

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 Shawn Dewane, President

DocuSigned by:

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 Denise Garcia, District Secretary

Recording Secretary: Sharon D. Brimer