



*Dedicated to
Satisfying our Community's
Water Needs*

**AGENDA
MESA WATER DISTRICT
EXECUTIVE COMMITTEE MEETING
Wednesday, September 4, 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 agendized for approval at a future Board meeting.

1. Directors' Compensation and Expense Reimbursement

ACTION ITEMS:

None

REPORTS:

2. Future Agenda Topics
3. Report of the General Manager
4. 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**. 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: September 4, 2024
SUBJECT: Directors' Compensation and Expense Reimbursement

RECOMMENDATION

Recommend that the Board of Directors discuss Directors' fees and, if determined, direct staff to schedule a public hearing for the October 23, 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 August 8, 2019 meeting, the Board of Directors (Board) approved an agreement with Empower for fiduciary services for the 457(b) and 401(a) retirement plans, consolidating the District's two existing deferred compensation plans to one provider.

At its April 27, 2021 Committee meeting, the Board adopted Ordinance No. 31 Directors Compensation and Expense Reimbursement Superseding Ordinance No. 30 amending the deferred compensation/matching contributions (Section 4) of the ordinance and did not change the Directors compensation amounts that had been changed in Ordinance No. 30.

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 for dollar match of the greater of \$2,000 per month or three percent of gross wages, effective May 21, 2023.

At its February 28, 2024 meeting, the Board did not take action to change the Directors Compensation, and directed staff to agendize Directors Compensation and Expense Reimbursement biennially, rather than annually, beginning in 2025.

DISCUSSION

At the October 31, 2008 Board 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 February 2024, the Board directed staff to agendaize Directors Compensation and Expense Reimbursement biennially for the Board to review instead of annually.

The Water Code allows an increase for Directors Compensation of up to five percent on a calendar year basis. The Water Code is silent on whether a multi-year increase can be compounded. The current Directors compensation amount of \$352 per meeting was approved January 11, 2023 by way of Ordinance No. 34 and became effective July 1, 2023.

The Board may approve an increase of up to five percent for an amount not to exceed \$369 effective January 1, 2025. If the Board approves an increase in 2025, the next available increase could be effective no sooner than one year later.

In addition, a public hearing must be held prior to the Board taking action to increase or modify 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.

FINANCIAL IMPACT

In Fiscal Year 2025, \$3,000 is budgeted for Regulatory Compliance/Permits; \$0 has been spent to date.

Should the Board approve an increase or adjustments to the Deferred Compensation Plan, the additional cost in Fiscal Year 2025 will come from Cash on Hand. Staff will include the following in the FY 2026 budget -- Directors' fee increase as well as the mandatory payroll-related Social Security (FICA), Medicare, Workers' Compensation and additional costs.

ATTACHMENTS

Attachment A: Ordinance No. 35

Attachment B: Agency Board of Directors Fees Survey

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
27DA17D0F23344E...

Shawn Dewane
President, Board of Directors

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

Agency	Effective Date	Per Diem/Mtg.	Max Mtgs. Per Month
Yorba Linda Water District	January 2003	\$150.00	10
El Toro Water District	March 2018	\$219.00	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
South Coast Water District	May 2024	\$310.00	10
Santa Margarita Water District	August 2023	\$324.00	10
Municipal Water District of OC ¹	January 2020	\$327.43	10
Orange County Water District ¹	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

¹ Compensation automatically increases each year unless suspended.



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MEMORANDUM

TO: Executive Committee
FROM: Paul E. Shoenberger, P.E., General Manager
DATE: September 4, 2024
SUBJECT: Future Agenda Topics

RECOMMENDATION

Review future agenda topics.

STRATEGIC PLAN

- Goal #1: Provide an abundant, local, reliable and safe water supply.
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- 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:

3. REPORT OF THE GENERAL MANAGER

REPORTS:

4. DIRECTORS' REPORTS AND COMMENTS