

**MINUTES OF THE BOARD OF DIRECTORS
MESA CONSOLIDATED WATER DISTRICT
1965 Placentia Avenue, Costa Mesa, CA
Tuesday, January 26, 2010
7:00 p.m. Regular Board Meeting**

CALL TO ORDER

The meeting of the Board of Directors was called to order on January 26, 2010 at 7:00 p.m. by President Dewane at the District Office Boardroom, located at 1965 Placentia Avenue, Costa Mesa, California.

PLEDGE OF ALLEGIANCE

Director Fisler led the Pledge of Allegiance.

Directors Present

Shawn Dewane, President
Fred R. Bockmiller, First Vice President
James F. Atkinson, Vice President
Jim Fisler, Vice President
Trudy Ohlig-Hall, Vice President

Directors Absent

None

Staff Present

Paul E. Shoenberger, P.E., General Manager
Coleen L. Monteleone, Administrative Services Manager/
District Secretary
Victoria L. Beatley, Chief Financial Officer/Treasurer
Rob Anslow, Attorney, Bowie, Arneson, Wiles & Giannone

Others Present

Andy Sells, Chief Financial & Operations Officer, ACWA/JPIA
Melody McDonald, Member Executive Committee, ACWA/JPIA
Joan C. Finnegan, Vice Chair, ACWA/JPIA and President,
Municipal Water District of Orange County (MWDOC)
Merle Moshiri, President, Resident for Responsible Desalination

RECOGNITION OF DISTRICT FOR RECEIVING ACWA/JPIA PRESIDENT'S SPECIAL AWARD FOR ACHIEVING A LOW LOSS RATIO.

Director Bockmiller introduced representatives from ACWA/JPIA Andy Sells and Melody McDonald.

Ms. McDonald offered comments regarding the check issued to Mesa Consolidated Water District for its excellent loss ratio history. She noted that 28 of Mesa's employees attended ACWA/JPIA classes and thanked Mesa for hosting some of the sessions. She commented that JPIA commends the Board and staff for their contributions to maintain an exceptional loss ratio. She announced the check was over \$76,000.

Photographs were taken.

Mr. Sells commented that Mesa has received a refund from ACWA/JPIA for the past five years. He noted Mesa's dedication to safety and risk management has been beneficial to the District. In addition

Mission: Dedicated to satisfying our community's water needs

Mesa received the President's Special Award for achieving a low loss ratio which is below 20%. He congratulated everyone at Mesa for all their hard work and dedication. He noted that Mesa is one of the cutting edge agencies.

President Dewane thanked Ms. McDonald, Ms. Finnegan, and Mr. Sells.

Director Ohlig-Hall thanked Mr. Sells for the development programs available to Mesa's staff.

PUBLIC COMMENTS

President Dewane invited members of the public to address the Board of Directors (Board) on matters that were not on the agenda.

Ms. Merle Moshiri was recognized. She noted she is the President of Residents for Responsible Desalination. She commented on the closed session scheduled for this evening to address Poseidon Resources and its negotiations with the District. She commented that the group she represents feels they have an obligation to help the District in the deliberations by expressing their concern about this company. The group is not against desalination and that after careful scrutiny towards reclamation, water efficiency, retention, recycling and conservation have been exhausted then desalination must be included in the portfolio. The group does not believe this is the case in Orange County. She noted that in the beginning this proposal was to be a private venture and would not cost taxpayers any money. However, tomorrow Poseidon goes before the California Debt Limit Allocation Committee at which time the committee will decide if they will issue \$250M in tax-exempt bonds for the private desalination plant in Carlsbad. The group feels that all due diligence must be exercised with this company. She thanked the Board for allowing her to speak.

There being no other members of the public wanting to address the Board, President Dewane proceeded with the meeting.

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

President Dewane noted that additional attendance considerations were provided for the Board's consideration.

I. CONSENT CALENDAR ITEMS:

All matters on the Consent Calendar will be approved by one motion unless a Board member, staff, or a member of the public requests a separate action.

General Manager Shoenberger pulled item IA: Approved minutes of regular Board meeting of January 12, 2010. Two items were added for attendance considerations. There were no objections.

- A. Approved minutes of regular Board meeting of January 12, 2010.
- B. Approve attendance considerations (additions, changes, deletions).
 - 1. CSDA Special District Leadership Academy, Various Dates.
 - 2. Orange County Business Council Annual Dinner; February 11, 2010; Irvine.

- C. Board Schedule:
 - 1. Tentative Meeting Topics
 - 2. Conference, Seminars, and Meetings
 - 3. Board Calendar
- D. Approve the annual membership dues for the Southern California Water Committee, Inc. in the amount of \$850.
- E. Receive the December 2009 Investment Transaction Report

MOTION 2010-08

Motion by President Dewane, seconded by Director Atkinson, to approve Items B, C, D, and E of the Consent Calendar as amended. Motion passed 5-0.

General Manager Shoenberger responded to Director Ohlig-Hall's question regarding the cost of the Orange County Business Council Annual Dinner noting the District is a member of the Council and the cost is \$200 per person.

Director Bockmiller noted he would not be attending. Director Ohlig-Hall commented she would not be attending because of the high cost of the dinner.

II. PRESENTATION AND DISCUSSION ITEMS:

A. BOARD WORKSHOP PLANNING:

Attorney Anslow responded to a question from Director Ohlig-Hall regarding attendance of the Attorney and the public at the workshop. Attorney Anslow noted that it is not necessary for District Counsel to be present.

Director Ohlig-Hall asked to have a discussion on a policy regarding directors' attendance at various events and meetings. She noted that in the past the Board liaison attended an event or meeting and if another Director wished to attend the request was presented to the Directors for a discussion and approval. She does not believe all Directors need to attend certain events or meetings.

District Governance was added to the list of agenda items for the workshop.

MOTION 2010-09

Motion by Director Atkinson, seconded by Director Ohlig-Hall, to approve the start time of the workshop to 8:00 a.m. Motion passed 4-0-0-1 with Director Bockmiller abstaining.

III. ACTION ITEMS:

A. CLOSED SESSION:

General Manager Shoenberger reported that there was no additional information and the closed session scheduled for the evening was not necessary.

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS –
PURSUANT TO GOVERNMENT CODE SECTION 54956.8:
Property: Capital Project # CM-394 (OC-44 FEEDER)
District Negotiator: General Manager and District Engineer
Negotiating Parties: Poseidon Resources
Under Negotiation: Possible use of Mesa Consolidated Water District property by an outside company for purposes of delivering desalinated potable water to other agencies.

IV. REPORTS AND INFORMATION ITEMS:

A. REPORT OF THE GENERAL MANAGER:

1. December Key Indicators Report
2. Items of general interest:
 - ◆ Other
 - Staff met with Atlantis Desalination, Inc. which is a virtual company started by the students at Costa Mesa High School. Five members of the group were present to discuss their business plan. The group finished in the top five of a recent California competition and will be going to New York in March to compete against 40 different teams from across the U. S.
 - General Manager Shoenberger continues to meet with other general managers in Orange County. He met with Scott Carroll who is the new general manager for Costa Mesa Sanitary District (CMSD). He discussed a possible joint venture with Mesa and CMSD to set up a system wherein water is taken from the Sanitary District and treated to produce Title 22 water.
 - General Manager Shoenberger met with Mark Lewis, the Public Works Director for the City of Fountain Valley and with Lisa Ohlund, General Manager for East Orange County Water. He reviewed upcoming meetings.
 - Mesa's crew responded in a timely manner to repair a mainline break on Coolidge.
 - Three air compressors that were recently purchased have been widely used by the Operations department.
 - Kay Rojek, a 26 year employee, has announced her retirement. A small farewell gathering will be held on April 1, 2010.
 - The District received 243 applications for the Office Customer Service Representative position. The top 80 candidates were tested and 11 are being interviewed.

- A submersible pump was installed at Well 11 this week.
- The Colored Water Treatment Facility is up and running during the shut-down of the Diemer Filtration Plant in Yorba Linda.

B. STANDING COMMITTEE REPORTS:

1. Director Atkinson attended the following meeting:
 - a. Engineering and Operations Committee Meeting, 1/14
2. Director Ohlig-Hall attended the following meeting:
 - a. 50th Anniversary ad hoc Committee Meeting, 1/25

C. DIRECTORS' REPORTS AND COMMENTS:

2. Director Atkinson:
 - a. OCWD Meeting, 1/20 – Meeting not attended
 - b. Other
3. Director Ohlig-Hall attended the following meeting:
 - MWDOC Meeting, 1/20
 - Other – attended OC Supervisor Norby's Farewell Event 1/26
4. Director Fislser attended the following meetings:
 - a. LAFCO Meeting, 1/13
 - b. Other – attended MWDOC Public Affairs and Legislative Committee, 1/18
5. Director Bockmiller:
 - a. Other
6. President Dewane:
 - a. Other
 - President Dewane and General Manager Shoenberger met with Senator Harman's representative Kevin Gilhooley to discuss water issues.

V. INFORMATION ITEMS:

A. ITEMS OF GENERAL INTEREST:

1. Groundwater Producers Meeting Minutes, 12/09/09
2. General Manager's Weekly Reports

President Dewane adjourned the regular Board meeting at 8:38 p.m. to a regular Board meeting to be held on Tuesday, February 9, 2010 at 7:00 p.m.

Approved:



Shawn Dewane, President



Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer