

**MINUTES OF THE BOARD OF DIRECTORS  
MESA CONSOLIDATED WATER DISTRICT  
1965 Placentia Avenue, Costa Mesa, CA  
Tuesday, February 22, 2011  
7:00 p.m. Regular Board Meeting**

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**CALL TO ORDER**

The meeting of the Board of Directors was called to order on February 22, 2011 at 7:00 p.m. by President Bockmiller at the District Office Boardroom, located at 1965 Placentia Avenue, Costa Mesa, California.

**PLEDGE OF ALLEGIANCE**

Director Ohlig-Hall led the Pledge of Allegiance. There was a moment of silence in memory of the four U. S. citizens murdered at sea by the Somalia pirates.

Directors Present

Fred R. Bockmiller, President  
James F. Atkinson, First Vice President  
Shawn Dewane, 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  
Robert R. McVicker, District Engineer  
Stacy Taylor, Communications Manager  
Denise Garcia, Executive Assistant  
Rob Anslow, Attorney, Bowie, Arneson, Wiles & Giannone

Others Present

Joan C. Finnegan, Director, Municipal Water District of Orange County (MWDOC)  
Kevin Hunt, General Manager, MWDOC  
Karl Seckel, Assistant General Manager, MWDOC  
Christopher Townsend, President, Townsend Public Affairs  
Heather Stratman, Senior Director, Townsend Public Affairs

**PUBLIC COMMENTS**

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

President Bockmiller welcomed Christopher Townsend and Heather Stratman of Townsend Public Affairs. He acknowledged Director Joan C. Finnegan, General Manager Kevin Hunt, Assistant General Manager Karl Seckel representing the Municipal Water District of Orange County.

*Mission: Dedicated to satisfying our community's water needs*

RECESS

President Bockmiller declared a recess at 7:04 p.m. The meeting reconvened at 7:05 p.m.

Ms. Stratman representing Townsend Public Affairs provided an update to the Board on the firm's involvement with the scheduling of meetings and information for the upcoming ACWA Washington D.C. conference. Ms. Stratman responded to questions by the Board.

**ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA**

General Manager Shoenberger announced there was no need for the Closed Session.

**CONSENT CALENDAR:**

Approve all matters under the Consent Calendar by one motion unless a Board member, staff, or member of the public requests a separate action.

Director Ohlig-Hall pulled items G and H. There were no objections.

- A. Approve minutes of regular Board meeting of February 8, 2011.
- B. Approve attendance considerations (additions, changes, deletions).
- C. Board Schedule:
  - 1. Tentative Meeting Topics
  - 2. Conference, Seminars, and Meetings
  - 3. Board Calendar
- D. Receive the January 2011 Investment Transaction Report.
- E. Authorize staff to write-off water accounts after 90 days at the same time they are sent to collections.
- F. Approve a professional services contract with Pacific Advanced Civil Engineers for an amount not to exceed \$175,320 to design and provide construction phase services for the Groundwater Well Upgrade and authorize the General Manager to execute the contract.
- G. Approve table sponsorship for Allan Roeder's retirement tribute in the amount of \$1,250.
- H. Approve Mesa's participation in the Operation Clean Slate water conservation/education mural at Adams Elementary School.

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

MOTION 2011-21

Motion by Director Ohlig-Hall, seconded by Director Atkinson, to approve Items A through F of the Consent Calendar. Motion passed 5-0.

Item G – Approve table sponsorship for Allan Roeder's retirement tribute in the amount of \$1,250.

A discussion ensued regarding the cost of a table vs paying for individual tickets. Director Ohlig-Hall asked which members of the Board and staff planned to attend. General Manager Shoenberger responded that several Directors planned to attend as well as several staff members. Director

Atkinson noted that he will be out of town and suggested that seating by attendance would be more appropriate than sponsoring a table.

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

Motion by Director Atkinson, seconded by Director Ohlig-Hall, to approve Directors and staff to attend the retirement tribute with staff as designated by the General Manager at the individual ticket price.

Further discussion took place and Director Dewane offered a substitute motion.

Communications Manager Taylor responding to a question by the Board noted that the difference between the cost of individual tickets vs sponsoring a table is name recognition in several key areas and a portion of the tickets being given to Mr. Roeder's favorite charity.

A discussion ensued regarding the use of public funds being used for charity.

Attorney Anslow responded that it would be a good outreach effort to acknowledge a long standing public employee, however the public may have a problem with public funds being used for charity.

President Bockmiller and Director Atkinson noted that they would vote against the motion due to the concerns about public funds being used for a charity.

#### MOTION 2011-22

Motion by Director Dewane, seconded by Director Fisler, to approve table sponsorship. Motion failed 2-3 with President Bockmiller and Directors Atkinson and Ohlig-Hall voting no.

The Board discussed again the original motion.

#### MOTION 2011-23

Motion by Director Atkinson, seconded by Director Ohlig-Hall, to approve Directors and staff to attend the retirement tribute with staff as designated by the General Manager at the individual ticket price. Motion passed 5-0.

Item H – Approve Mesa's participation in the Operation Clean Slate water conservation/education mural at Adams Elementary School.

Director Ohlig-Hall asked for additional information. General Manager Shoenberger offered that Operation Clean Slate will work with Adams Elementary School, in the Mesa Verde area, on a water conservation/education mural. As part of the District's participation, Mesa's Board is invited to attend an assembly, which will be given by Discovery Science Center. The mural will include the District's logo and staff will have input on the design of the mural. When the mural is complete the Board of Directors will be invited back to the school for a ceremony and photo and/or video opportunity.

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

MOTION 2011-24

Motion by Director Ohlig-Hall, seconded by Director Atkinson, to approve Item H of the Consent Calendar. Motion passed 5-0.

**PRESENTATION AND DISCUSSION ITEMS:**

**A. AGREEMENT BETWEEN MUNICIPAL WATER DISTRICT OF ORANGE COUNTY AND ITS MEMBER AGENCIES:**

President Bockmiller recognized MWDOC Director Joan Finnegan.

General Manager Shoenberger provided the Board with a general overview of the long standing item. He noted that the Board could choose to take action or receive the presentation from Mr. Seckel and discuss the item at a future Board meeting.

Assistant General Manager Karl Seckel proceeded with the presentation.

Mr. Seckel provided a brief introduction explaining MWDOC's responsibilities and governance structure.

The following topics were presented:

- ◆ Genesis of the Dispute
- ◆ Efforts to Resolve the Dispute
- ◆ Terms of Settlement Agreement
  - Member agencies will have a choice whether to participate in the following programs:
    - South Orange Coastal Ocean Desalination Project
    - Huntington Beach Ocean Desalination
    - MWDOC's School Program
    - MWDOC's Water Use Efficiency Programs
  - Five year transition to a 100% fixed connection charge
    - Currently 65% on the retail connection charge and 35% on the per acre-foot charge
  - Signatories to the agreement will be given the opportunity to nominate candidates to be appointed to the Metropolitan Water District of Southern CA (MET) Board of Directors
    - First vacancy by the 10 South County Agencies
    - Second vacancy by the 18 North County Agencies
  - MWDOC will hold additional meetings to increase member agency involvement
    - Semi-annual meetings for elected representatives of the 28 member agencies
    - Coordination with the MET Member Agency cities of Anaheim, Fullerton and Santa Ana
- ◆ Impacts to Mesa
  - Likely reduced costs from MWDOC choice programs
    - No longer paying for South Orange Coastal Ocean Desalination Project
    - Choice of number of students reached in school program
    - Water Use Efficiency costs will reflect participation in program
  - Increased costs from transition to fixed charge
    - OCWD benefits from \$0 charge from MWDOC
  - Benefit from increased access and participation
- ◆ Impacts if Mesa DOES NOT Approve the Agreement

- Costs remain the same
- Lose ability to help select MET director from the North County agencies
- Lose ability to participate in content and approved of future amendments to the agreement.
- ◆ Approval of Agreement
  - MWDOC Board to take action after two-thirds (19) of the 28 member agencies have approved the agreement
  - 10 member agencies have approved the agreement to date
- ◆ Recommendation
  - The settlement agreement is in the best interests of the water community and residents of Orange County
  - Working together as a unified District will further assure the future water supply reliability in Orange County at a lower cost for all its citizens

Director Fisler commented on the connection charge and Mr. Seckel responded that currently 80% is fixed and 20% is variable with 5% increase for the next five years to get to the 100% fixed. Director Fisler asked if Mesa was included in taking water from the Huntington Beach Desal facility and Mr. Seckel responded that currently Mesa is in but could opt out. Director Fisler asked if Mesa would be bound to the agreement if Mesa took no action yet the agreement passed from the majority of agencies. Mr. Seckel responded yes, but would still have some choices.

Director Atkinson asked about the school program and Mr. Seckel replied that last year 70,000 students in MWDOC's area went to the Discovery Science Center. Mr. Seckel noted that there is a spreadsheet with the last five year's attendance by district and Director Atkinson asked that the spreadsheet be provided to the Board when they further discussed the agreement.

Director Ohlig-Hall asked about the three MET cities being included and Mr. Seckel replied that the cities recognized that it is the best deal for them. Director Ohlig-Hall commented that the MET Director is currently wholesale agency Directors and Mesa should be considered.

Director Dewane inquired about participation in the Huntington Beach Desal facility and Mr. Seckel responded that project participation is based on the acre feet divided by all agencies.

President Bockmiller asked that the item be brought back to a future Board meeting for consideration. He asked that staff obtain a third-party legal opinion on how Mesa could be bound by the agreement if it is not approved by Mesa.

President Bockmiller asked that the full cost impact, choices, and staff recommendation be included when the item comes back to the Board.

President Bockmiller thanked Mr. Seckel for the presentation.

## RECESS

President Bockmiller declared a recess at 8:09 p.m. The meeting reconvened at 8:17 p.m.

## B. ORDINANCE NO. 22 – DIRECTORS' FEES:

A discussion ensued regarding an increase in Director's fees.

President Bockmiller commented that fees paid to Directors on water district boards in Orange County range from \$190 for South Coast Water District to \$237 at Irvine Ranch Water District. He noted that Director's fees for Mesa are currently at \$207 and were approved at the October 28, 2008 meeting with an effective date of January 1, 2009. It was noted that the Water Code allows an increase up to 5% each calendar year.

Director Ohlig-Hall inquired about MWDOC Director Fees to which General Manager Shoenberger replied that the item was discussed in January 2011 but the Board did not raise its fees. Director Ohlig-Hall stated that she would not vote for an increase.

General Manager Shoenberger noted that if the Board foregoes the fee increase of \$20 per meeting the savings would be approximately \$12,500 if all five Directors were paid for ten meetings for twelve months, plus the cost of newspaper ads.

Director Atkinson recommended deferring consideration of a Directors' fee increase to January 2012. There were no objections.

#### **ACTION ITEMS:**

No items.

#### **REPORTS AND INFORMATION ITEMS:**

##### **A. REPORT OF THE GENERAL MANAGER:**

1. January Key Indicators Report
2. OCWD Activities Update
3. MWDOC Activities Update
4. Items of general interest:
  - Other
    - There was an article in the ACWA newsletter last month on CalDesal.
    - A CalDesal presentation will be made at the March 4, 2011 WACO meeting
    - There was an article in the February 15, 2011 Daily Pilot regarding Director Fisler's appoint to an alternate seat on the Local Agency Formation Commission of Orange County.
    - Staff is updating the Directors' biographies with the goal of completing the task by February 25, 2011.
    - March 11, 2011 at 4:00 p.m. the Board is scheduled to meet for photographs at the Color Water Treatment Facility.
    - Thursday, February 24, 2011, the General Manager will be in Sacramento for the ACWA Desalination Committee meeting.
    - The February 25, 2011 Board Workshop begins at 9:00 a.m.

##### **B. DIRECTORS' REPORTS AND COMMENTS:**

1. Director Fisler:
  - a. LAFCO Meeting, 2/9
  - b. MWDOC Meeting, 2/16

- c. WISG Meeting, 2/16
- d. Other
- 2. Director Ohlig-Hall:
  - a. CALGreen Seminar, 2/9
  - b. Other
- 3. Director Dewane:
  - a. Other
- 4. Director Atkinson:
  - a. City/Districts Liaison Committee Meeting, 2/11
  - b. OCWD Meeting, 2/16
  - c. Finance Committee Meeting, 2/18  
Director Atkinson reported the Committee reviewed disbursements to Directors and employees as reported on the Accounts Paid Listing per California Government Code 53065.5
  - d. Other
- 5. President Bockmiller
  - a. Engineering & Operations Committee Meeting, 2/10
  - b. City/Districts Liaison Committee Meeting, 2/11
  - c. Executive Committee Meeting, 2/15
  - d. Other

**ACTION ITEMS: (continued)**

The Closed Session was not conducted.

**A. CLOSED SESSION:**

- 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  
Negotiating Parties: Poseidon Resources  
Under Negotiation: Possible use of Mesa Consolidated Water District property by outside company for purposes of delivering desalinated potable water to other agencies


**INFORMATION ITEMS:**

A. ITEMS OF GENERAL INTEREST:

- 1. General Manager's Weekly Reports
- 2. Groundwater Producers' meeting minutes for February 9, 2011

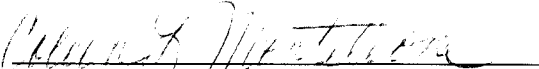
President Bockmiller adjourned the meeting at 8:55 p.m. to an adjourned regular Board meeting scheduled for Friday, February 25, 2011 at 7:00 p.m.

Approved:



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Fred R. Bockmiller, President



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Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer