

**MINUTES OF THE BOARD OF DIRECTORS
MESA CONSOLIDATED WATER DISTRICT
1965 Placentia Avenue, Costa Mesa, CA
Tuesday, March 9, 2010
7:00 p.m. Regular Board Meeting**

CALL TO ORDER The meeting of the Board of Directors was called to order on March 9, 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 Atkinson 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
Robert R. McVicker, District Engineer
Jerry Vilander, Water Operations Manager
Barbara Wiseman, Human Resources Manager
Barry Carlson, Conservation/Customer Service Supervisor
Kurt Lind, Senior Management Analyst
Rob Anslow, Attorney, Bowie, Arneson, Wiles & Giannone

Others Present Tim Depies, Business Development Representative, USA Fleet Solutions
Bob Laabs, Northwestern District Manager, Network Fleet Solutions
Dr. William J. Cooper, Urban Water Research Center, UCI
Tracey Dewane, Mesa Customer

PUBLIC COMMENTS

President Dewane invited members of the public to address the Board of Directors (Board) on matters that were not on the agenda. There being none, President Dewane proceeded with the meeting.

President Dewane announced that Chief Financial Officer Beatley received an award on behalf of the District from the California Society of Municipal Finance Officers for meritorious service in operational budgeting for fiscal year 2009/2010. Photographs were taken.

Mission: Dedicated to satisfying our community's water needs

President Dewane read a letter from the AWWA Research Foundation (now the Water Research Foundation). It reads that a subscription program was established with an unprecedented objective to create an industry centered research program dedicated to anticipating issues and providing solutions to the challenges of the industry and its individual members. The letter acknowledged the many years Mesa Consolidated Water District has been a subscriber. Mesa was commended for its contributions. Present Dewane gave the plaque to General Manager Shoenberger. The award read "20 years in appreciation of your support to the advancement of drinking water science and technology." Photographs were taken.

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

General Manager Shoenberger suggested that item II.A – Fleet Efficiency Presentation/Demonstration be taken prior to the Consent Calendar.

MOTION 2010-18

Motion by Director Bockmiller, seconded by Director Atkinson, to take item II.A – Fleet Efficiency Presentation/Demonstration prior to the Consent Calendar. Motion passed 5-0.

II. PRESENTATION AND DISCUSSION ITEMS:

A. FLEET EFFICIENCY PRESENTATION/DEMONSTRATION:

Water Operations Manager Vilander introduced Tim Depies and Bob Laabs.

Bob Laabs with Network Fleet noted that his company is the manufacturer of the fleet efficiency product and Tim Depies is with Fleet Solutions, the distributor of the product. Mr. Laabs proceeded with his presentation. He commented that Fleet Solutions offers both GPS tracking and diagnostic benefits for maintaining a fleet of vehicles.

Mr. Laabs covered the following:
An introduction to Networkfleet Inc. and Fleet Solutions.

Mr. Depies provided the remainder of the presentation covering:

- Fleet Utilization
- Reduce Idle Time
- Reduced vehicle emissions
- Risk Management – monitors driving behavior, and sends alerts i.e. theft and unauthorized usage.
- Improved, Pro-Active Maintenance
- Roadside Assistance

The Board thanked Messrs. Laabs and Depies for the presentation. It was noted that this is a very dynamic program which may be more than is needed by the District. The

Board commented the need for further investigation. It was agreed that the Engineering and Operations Committee would be involved with the evaluation of this technology and vehicle management system.

MOTION 2010-19

Motion by President Dewane seconded by Director Atkinson, to authorize staff to move forward with the investigation and due diligence of a fleet management system for possible implementation at the District. Motion passed 4-0-0-1 with Director Ohlig-Hall abstaining.

RECESS

President Dewane declared a recess at 7:36 p.m. The meeting reconvened at 7:52 p.m.

I. CONSENT CALENDAR ITEMS:

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

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

- A. Approve minutes of regular Board meeting of February 9, 2010.
- B. Approve minutes of adjourned regular Board meeting of February 17, 2010.
- C. Approve minutes of adjourned regular Board meeting of February 19, 2010.
- D. Approve attendance considerations (additions, changes, deletions).
 - 1. California's Comprehensive Water Package Informational Forum; Santa Ana, CA; March 12, 2010.
- E. Board Schedule:
 - 1. Tentative Meeting Topics
 - 2. Conference, Seminars, and Meetings
 - 3. Board Calendar
- F. Receive the January 2010 Investment Transaction Report.
- G. Approve membership to the Orange County Forum for the amount of \$5,000 and approve an appropriation of \$5,000 from Working Capital Cash.
- H. Approve the annual membership dues to the Urban Water Research Center in the amount of \$15,000.

MOTION 2010-20

Motion by Director Bockmiller, seconded by Director Atkinson, to approve Items A, B, D and F of the Consent Calendar. Motion passed 5-0.

Item C – Approve minutes of adjourned regular Board meeting of February 19, 2010.

Director Fisler asked for clarification on Motion 2010-14 and the amount of \$8,000 that was approved. Administrative Services Manager Monteleone responded that the \$8,000 was for additional conferences that have been identified through the remainder of the current fiscal year.

Director Ohlig-Hall asked for clarification on reimbursement expenses. President Dewane explained that the Executive Committee recommended that \$20,000 be allocated to each Director for attendance considerations of their choice. Once a Director exhausted the \$20,000, he/she would be required to request approval from the Board for any other attendance considerations. After extensive deliberations at the February Board Workshop, it was agreed that functional practicality of it was that not all Directors could/would attend every meeting approved for attendance considerations. He noted that previously, the Board has not implemented a cap on the attendance considerations for Directors. The consensus from the workshop was that a cap would not be implemented.

Director Ohlig-Hall asked for clarification on page 2, Item II Action Items, B, Adjustment to the Maximum Legal Services Rate for Board Meetings. She noted she did not recall a directive to proceed with a Request for Proposal for legal services, nor was it her understanding that the Board changed its legal counsel protocol requiring that any communication from the Board would be through the Board President to the attorney. Discussion ensued.

MOTION 2010-21

Motion by Director Bockmiller, seconded by Director Atkinson, to amend the February 29, 2010 meeting minutes, page 2 of 6 to strike the last sentence of the first paragraph in Item B – Adjustment to the Maximum Legal Services Rate for Board Meetings in its entirety. Motion passed 5-0.

Director Bockmiller reviewed his understanding on the legal counsel protocol as documented in the February 19, 2010 meeting minutes. He noted that various scenarios were discussed; however, it has not been the habit of this Board to incur attorney consultation fees that were extraordinary or out of line with the budget.

It was agreed that the legal counsel protocol would be re-addressed at the Executive Committee and a recommendation from the Committee will be forthcoming.

It was agreed that the second paragraph under item B would be amended as follows: the Board established a Legal Counsel protocol wherein communication from the Board would generally be through the Board President to the attorney and back to the Board.

MOTION 2010-22

Motion by Director Bockmiller, seconded by Director Ohlig-Hall, to approve item C of the Consent Calendar as amended. Motion passed 5-0.

Item E – Board Schedule

Director Ohlig-Hall noted her question was previously answered.

MOTION 2010-23

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

Item G - Approve membership to the Orange County Forum for the amount of \$5,000 and approve an appropriation of \$5,000 from Working Capital Cash.

Director Ohlig-Hall noted that she had asked for the establishment of a policy on non-profit organization contributions. Had the policy been in place, this request could have been addressed through that non-profit organization policy. However, the Board did not approve establishing the policy. She also noted that there was a range of sponsorship levels available ranging from \$1,000 to \$10,000. Director Ohlig-Hall recommended a \$1,000 sponsorship level.

Director Fisler also noted that he did not support a \$5,000 contribution, but would support a reduced sponsorship level.

President Dewane commented that he believes the District should be more proactive in engaging the decision makers and business community. On a policy level, he believes the Board should foster good communication and become more engaged with the business community.

MOTION 2010-24

Motion by Director Atkinson seconded by Director Ohlig-Hall, to approve item G (Membership in the Orange County Forum) for the amount of \$1,000 and approve an appropriation of \$1,000 from Working Capital Cash. Motion passed 5-0.

Item H – Approve the annual membership dues to the Urban Water Research Center in the amount of \$15,000.

Director Bockmiller reminded the Board that because he is employed by UCI he has recused himself from any Executive Committee discussion on this matter, as the Urban Water Research Center is affiliated with UCI. As a note, Attorney Anslow commented that, in this particular case based on information provided by Director Bockmiller, there was no conflict of interest.

Director Bockmiller departed the meeting at 8:20 p.m.

Director Ohlig-Hall discussed the students affiliated with the Urban Water Research Center who have visited Mesa. She noted that she has concerns regarding how the District is following Homeland Security guidelines for students visiting the facility. Because of the vulnerability of

the District's facilities, she believes all individuals should be subject to a higher level of scrutiny than has been the practice in the past.

Dr. Cooper discussed various projects that would be beneficial to Mesa and the Urban Water Research Center. One project is "Changing Times", which is a video program. It could include an interview with a Mesa Director about rates to be aired on the Center's website with a link to Mesa's website. The second project would be a white paper on the current technology at the CWTF and include an explanation of the nano-filtration system that will be installed at the CWTF and why this technology has been selected to replace the current filtration system. He noted he believes this would provide science based information for the ratepayers.

Director Fisler noted that he had met with Dr. Cooper and supports the white paper project since he receives questions from his constituents regarding the technology selected when the CWTF was built.

Director Ohlig-Hall expressed concerns regarding the cost of membership in the Urban Water Research Center. She thought it would be a better approach to pay for individual projects rather than pay a membership fee.

President Dewane noted that he believes the contributions of the Urban Water Research Center are invaluable to the District. The Urban Water Research Center presents an opportunity for Mesa to engage with one of the best universities in the United States and create an institution that could lead the world in water and wastewater infrastructure and how to manage that resource for the public good. It is consistent with the goal of the District and consistent with the ratepayer that uses these technologies.

MOTION 2010-25

Motion by Director Atkinson seconded by Director Fisler, to approve item H – Membership in the Urban Water Research Center in the amount of \$15,000 and authorize staff to work with the Urban Water Research Center to develop two educational programs: 1) "Changing Times" and 2) the white paper for the CWTF. Motion passed 3-1-1 with Director Ohlig-Hall voting no and Director Bockmiller absent.

RECESS

President Dewane declared a recess at 8:39 p.m. The Board of Directors' meeting reconvened at 8:50 p.m.

Director Bockmiller rejoined the meeting at 8:50 p.m.

II. PRESENTATION AND DISCUSSION ITEMS:

A. FLEET EFFICIENCY PRESENTATION/DEMONSTRATION:

Topic taken earlier in the meeting.

III. ACTION ITEMS:

A. DISPOSAL OF DISTRICT PROPERTY POLICY:

It was noted that the Finance Committee has reviewed the proposed Resolution No. 1388 and recommends approval.

MOTION 2010-26

Motion by Director Ohlig-Hall seconded by Director Atkinson, to adopt Resolution No. 1388 Updating the Disposal of District Property, Rescinding Resolution No. 1195. Motion passed 5-0 with the following roll call vote.

AYES: DIRECTORS Ohlig-Hall, Atkinson, Fislser, Bockmiller, and Dewane
NOES: DIRECTORS None
ABSENT: DIRECTORS None
ABSTAIN: DIRECTORS None

B. GUIDELINES FOR THE REIMBURSEMENT OF EXPENSES TO DIRECTORS:

The resolution was reviewed and discussed at the Board Workshop on February 19, 2010.

MOTION 2010-27

Motion by Director Bockmiller seconded by President Dewane, to adopt Resolution No. 1389 Establishing Guidelines for Reimbursement of Expenses to Directors, Rescinding Resolution No. 1341. Motion passed 5-0 with the following roll call vote.

AYES: DIRECTORS Ohlig-Hall, Atkinson, Fislser, Bockmiller, and Dewane
NOES: DIRECTORS None
ABSENT: DIRECTORS None
ABSTAIN: DIRECTORS None

C. ASSOCIATION OF CALIFORNIA AGENCIES JOINT POWERS INSURANCE NOMINATION:

General Manager noted that the Board has received a request to support Merle Aleshire for the office of Vice President of the ACWA/JPIA. After discussion the Board took no action on Mr. Aleshire.

MOTION 2010-28

Motion by President Dewane seconded by Director Bockmiller, to adopt Resolution No. 1390 Concurring in Nomination of Joan C. Finnegan to the office of President of the Association of California Water Agencies Joint Powers Insurance authority. Motion passed 5-0 with the following roll call vote.

AYES: DIRECTORS Ohlig-Hall, Atkinson, Fidler, Bockmiller, and Dewane
NOES: DIRECTORS None
ABSENT: DIRECTORS None
ABSTAIN: DIRECTORS None

D. CLOSED SESSION:

President Dewane announced that the Board of Directors was going into Closed Session at 9:00 p.m.

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.
2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS – PURSUANT TO GOVERNMENT CODE SECTION 54956.8:
Property: 1965 Placentia Avenue
District Negotiator: General Manager
Negotiating Parties: Costa Mesa Sanitary District
Under Negotiation: Possible use of district facilities for purposes of fleet maintenance.
3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS – PURSUANT TO GOVERNMENT CODE SECTION 54956.8:
Property: APN 140-041-55
District Negotiator: General Manager
Negotiating Parties: C. J. Segerstrom & Sons, LLC

Under Negotiation: Possible purchase of property for well site.

Director Ohlig-Hall departed the meeting at 9:40 p.m.

RETURN TO OPEN SESSION.

The Board returned to Open Session at 10:00 p.m.

Attorney Anslow announced that the Board conducted three Closed Sessions. Each Closed Session was conducted pursuant to Government Code Section 54956.8. The Board received information, gave direction and no other announcement was made.

IV. REPORTS AND INFORMATION ITEMS:

A. REPORT OF THE GENERAL MANAGER:

1. January Key Indicators Report
2. Items of general interest:
 - Other
 - General Manager Shoenberger has met with 10 General Managers and has an upcoming meeting with Paul Jones, Irvine Ranch Water District.

B. STANDING COMMITTEE REPORTS:

1. Director Atkinson reported on the following meetings:
 - a. Engineering and Operations Committee Meeting, 2/11
 - b. Finance Committee Meeting, 2/18

The Committee reviewed disbursements to Directors and employees as reported on the Accounts Paid Listing per California Government Code Section 53065.5.

C. DIRECTORS' REPORTS AND COMMENTS:

1. Director Atkinson attended the following meetings:
 - a. OCWD Meeting, 2/17
 - b. ACWA DC Conference, 2/23-2/25
 - c. OCWD Meeting, 3/3
 - d. WACO Meeting, 3/5
 - e. Other
2. Director Ohlig-Hall attended the following meetings:
 - a. ACWA Legislative Workshop, 2/10/27
 - b. MWDOC/OCWD Jt. Planning Committee Meeting, 2/24
 - c. Jt. MWDOC Meeting, 3/5
 - d. Other

3. Director Fisler attended the following meetings:
 - a. LAFCO, 2/10
 - b. ACWA Legislative Workshop, 2/10
 - c. ISDOC Quarterly Meeting, 2/25
 - d. Other

4. Director Bockmiller attended the following meeting:
 - a. ACWA DC Conference, 2/23-2/25
 - b. Other

5. President Dewane attended on the following meetings:
 - a. ACWA Legislative Workshop, 3/20
 - b. ACWA DC Conference, 2/23-2/25
 - c. ISDOC Meeting, 3/2
 - d. Other

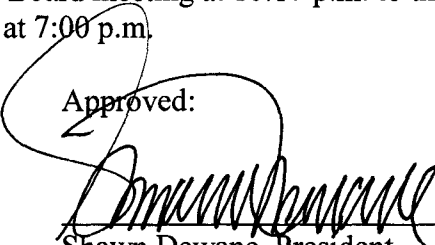
V. INFORMATION ITEMS:

A. ITEMS OF GENERAL INTEREST:


1. Letter to OCWD related to the Basin Percentage Program
2. General Manager's Weekly Reports
3. Groundwater Producers' Meeting Minutes for February 10, 2010.

President Dewane adjourned the regular Board meeting at 10:17 p.m. to the regular Board meeting scheduled for Tuesday, March 23, 2010 at 7:00 p.m.

Approved:



Shawn Dewane, President



Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer