

**MINUTES OF THE BOARD OF DIRECTORS
MESA CONSOLIDATED WATER DISTRICT
1965 Placentia Avenue, Costa Mesa, CA
Tuesday, April 13, 2010
7:00 p.m. Regular Board Meeting**

CALL TO ORDER

The meeting of the Board of Directors was called to order on April 13, 2010 at 7:03 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
Jerry Vilander, Water Operations Manager
Barbara Wiseman, Human Resources Manager
Denise Garcia, Executive Assistant
Rob Anslow, Attorney, Bowie, Arneson, Wiles & Giannone
Jeff Hoskinson, Attorney, Bowie, Arneson, Wiles & Giannone

Others Present

Mike Markus, General Manager, Orange County Water District
(OCWD)
Jan Debay, Director, OCWD
Kevin Hunt, General Manager, Municipal Water District of Orange
County (MWDOC)
Joan C. Finnegan, Director, MWDOC

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.

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

General Manager Shoenberger noted there was an item to add to the agenda under Item D.2. A recommendation was made to re-order the agenda to take the Presentation and Discussion Items before the Consent Calendar. In addition, Presentation and Discussion Item A will not be heard as the presenters, John Withers, Irvine Ranch Water District and Charley Wilson, Santa Margarita Water District were not in attendance.

PRESENTATIONS AND DISCUSSION ITEMS:

B. ORANGE COUNTY WATER DISTRICT BRIEFING:

OCWD Director Jan Debay thanked the Board for an opportunity to provide an update on the agency activities. Ms. Debay then introduced General Manager Mike Markus who proceeded with the update. He addressed the following topics:

1. Current Talbert Barrier Operations
2. Ground Water Replenishment (GWR) System Plant
 - a. Operations
 - b. Potential Expansion
3. Basin Accumulated Overdraft
4. FY10-11 Replenishment Assessment (RA) and Basin Production Percentage (BPP) Rates and Charges
5. Annexation

Mr. Markus responded to questions by the Board including injections to the barrier, Groundwater Replenishment System plant increased flows and expansion, accumulated overdraft of the groundwater basin, and RA and BPP charges.

President Dewane thanked OCWD Director Debay and General Manager Markus for the update.

C. MUNICIPAL WATER DISTRICT OF ORANGE COUNTY BRIEFING:

MWDOC Director Joan Finnegan thanked the Board for this opportunity to address the Directors. Ms. Finnegan then introduced General Manager Kevin Hunt who proceeded with the update. He addressed the following topics:

1. MWDOC
 - a. North/South Dispute – Settlement
 - b. Budget & Rates
 - c. Orange County Water Forum
2. Metropolitan Water District of Southern California (MET)
 - a. Budget & Rates
 - b. Water Outlook

Mr. Hunt responded to questions by the Board including specifics about the North/South settlement, MWDOC's draft budget, proposed rates, and Met's rates. President Dewane thanked MWDOC Director Finnegan and Mr. Hunt for the update.

RECESS

President Dewane declared a recess at 8:09 p.m. The Board of Directors meeting reconvened at 8:18 p.m.

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.

Director Atkinson pulled items D.1. and J. Director Ohlig-Hall pulled items G and K. There were no objections.

- A. Approve minutes of special Board meeting of March 12, 2010.
- B. Approve minutes of regular Board meeting of March 23, 2010.
- C. Approve minutes of adjourned regular Board meeting of March 31, 2010.
- D. Approve attendance considerations (additions, changes, deletions).
 - 1. Youth Employment Service 40th Anniversary Celebration Event; Costa Mesa, CA; May 13, 2010.
 - 2. The Urban Water Research Center Spring Seminar 2010; Irvine, CA; May 4, 2010.
- E. Board Schedule:
 - 1. Tentative Meeting Topics
 - 2. Conference, Seminars, and Meetings
 - 3. Board Calendar
- F. Approve the May/June issue of the District newsletter.
- G. Confirm the Board of Directors of Mesa Consolidated Water District discussion at the July 28, 2009 Board Workshop to continue its past practice of reviewing requests for donations on a case by case basis.
- H. Authorize Director Fred R. Bockmiller to be Mesa's alternate voting delegate for the election of the special district member seats of Orange County Local Agency Formation Commission (LAFCO) at the Independent Special Districts of Orange County quarterly meeting in the absence of President Shawn Dewane and direct staff to notify LAFCO.
- I. Rescind motion 2010-13 by the Board of Directors of Mesa Consolidated Water District on February 19, 2010 to schedule the review of Directors' Compensation at the April 27, 2010 Board meeting.
- J. Affirm recommendation to: 1) proceed with the budgeted Annual Board Breakfast; 2) rename the event in honor of former Director Dana Haynes; and approve the proposed date of Wednesday, June 9, 2010.
- K. Authorize staff to transfer \$55,100 from CSM10-03 Capital Small Meters to the Capital Account W1001-03 and issue a purchase order in the amount of \$55,100 to Valley Power Systems for an engine rebuild at Reservoir 1.

Item D. 1. – Approve attendance considerations (additions, changes deletions). Youth Employment Service (YES) 40th Anniversary Celebration Event; Costa Mesa, CA; May 13, 2010.

Director Atkinson noted that he did not believe this is an event the District should be supporting. He noted it was a worthwhile event, but it should be a personal investment of time and money.

Director Bockmiller asked for the item to be removed from the Consent Calendar. He noted he serves on the Board of Directors of the organization and it would be a conflict of interest for him to vote on this item.

President Dewane noted that he asked to have the item agendaized for consideration but mainly to acknowledge Director Bockmiller's involvement. President Dewane noted that he would personally be supporting YES.

Director Ohlig-Hall noted that she has attended the annual event many times.

No action was taken on Item D. 1.

Item G. – Confirm the Board of Directors of Mesa Consolidated Water District discussion at the July 29, 2009 Board Workshop to continue its past practice of reviewing requests for donations on a case by case basis.

Director Ohlig-Hall clarified her position regarding contributions to non-profit organizations. She noted she supports service donations, but does not support cash donations. There should be a budget which would track service and other types of donations.

Director Atkinson offered the District has certain items (i.e. computers) which could be donated, but he does not support cash contributions.

Staff was asked to put together a list of including the amount of monetary donations paid by the District over the past five years. The item was referred to the Executive Committee to review and prepare a report to the Board.

Item J – Affirm recommendation to (1) proceed with the budgeted Annual Board Breakfast; (2) rename the event in honor of former Director Dana Haynes; and approve the proposed date of Wednesday, June 9, 2010.

Director Atkinson expressed concerns regarding naming events after past Directors. He favors retaining the current name, Annual Board Breakfast.

MOTION 2010-35

Motion by Director Bockmiller, seconded by Director Atkinson, to adopt Item J. 1. to proceed with the budgeted Annual Board Breakfast. Motion passed 5-0.

MOTION 2010-36

Motion by Director Atkinson, seconded by President Dewane, to approve Wednesday, June 9, 2010 as the date of the Annual Board Breakfast. Motion passed 5-0.

By consensus, the Board agreed to retain the name of the breakfast as Annual Board Breakfast.

Item K. – Authorize staff to transfer \$55,100 from CSM10-03 Capital Small Meters to the Capital Account W1001-03 and issue a purchase order in the amount of \$55,100 to Valley Power Systems for an engine rebuild at Reservoir 1.

Director Ohlig-Hall asked that the item be added to the agenda as an information item to the Board. General Manager Shoenberger noted it was an emergency expenditure. The item was brought to the Board to confirm how the transaction would be accounted for.

MOTION 2010-37

Motion by Director Ohlig-Hall, seconded by President Dewane, to authorize staff to transfer \$55,100 from CSM10-03 Capital Small Meters to the Capital Account W1001-03 and issue a purchase order in the amount of \$55,100 to Valley Power Systems for an engine rebuild at Reservoir 1. Motion passed 5-0.

MOTION 2010-38

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

PRESENTATION AND DISCUSSION ITEMS:

A. SPECIAL DISTRICT MEMBER SEATS OF ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION:

Item not taken at this meeting.

B. ORANGE COUNTY WATER DISTRICT BRIEFING:

Item taken prior to the Consent Calendar.

C. MUNICIPAL WATER DISTRICT OF ORANGE COUNTY BRIEFING:

Item taken prior to the Consent Calendar.

ACTION ITEMS:

A. DIRECTORS COMMUNICATION POLICY:

It was noted that this item was discussed at the Board Workshop and at that time the Board agreed to change the reimbursement process and eliminate receipts for some reimbursable categories. Director Ohlig-Hall requested that the attorney take minutes at the next workshop to ensure discussions are appropriately documented. She also noted that she would like additional research relative to cost savings and efficient accounting practices.

Attorney Anslow commented on appropriate accounting to comply with the Resolution 1392. He noted that averages may be used (i.e. paper costs, toner, cell phone etc). It was confirmed that the Director should keep all the receipts, but they do not need to be provided for reimbursement.

President Dewane reviewed the cost to Directors of doing business for the District.

Director Fisler spoke in favor of the policy.

MOTION 2010-39

Motion President Dewane, seconded by Director Fisler, to approve Resolution 1392 Mesa Consolidated Water District Board of Directors Communications Equipment and Service Policy as amended. Motion passed 4-1 with the follow roll call vote:

AYES: DIRECTORS: Atkinson, Fisler, Bockmiller, Dewane
NOES: DIRECTORS: Ohlig-Hall
ABSENT: DIRECTORS:
ABSTAIN: DIRECTORS:

REPORTS AND INFORMATION ITEMS:

A. REPORT OF THE GENERAL MANAGER:

1. Items of general interest:

◆ Other

- Staff met Karen McGlenn, CEO of SOS, which is an organization established to help customers in need of assistance with their water bills. The Board agreed to move forward with the concept and authorized staff to develop a memo of understanding (MOU).
- Two studies were submitted to the Engineering and Operations Committee with subsequent direction to present the studies to the Board for review: Draft Preliminary Design for the CWTF and an Operations Study.
- A letter regarding the proposed settlement between north and south Orange County agencies on MWDOC costs and services was distributed to the Directors.
- Malcolm Pirnie, on behalf of Poseidon, developed a document that explains how water trades and transfers are accomplished.
- Staff is moving forward to fill a part time Office Assistant position in the Administrative Services Department.
- The General Manager met with the AWWA Desal Group regarding CalDesal. Plans are underway to hold a CalDesal meeting at the next ACWA conference.
- Completed job shadowing with the Information Technology technician.
- Staff is working with Steve Mesinger, Planning Commission, to investigate providing the school districts with recycled water for their landscape systems.

B. STANDING COMMITTEE REPORTS:

1. Director Bockmiller reported on the following meeting:
 - a. Engineering and Operations Committee Meeting, 4/8
2. President Dewane reported on the following meetings:
 - a. IT Ad Hoc Committee Meeting, 3/30
 - b. Special Executive Committee Meeting, 3/30
 - c. Public Information Committee Meeting, 4/6

C. DIRECTORS' REPORTS AND COMMENTS:

1. Director Atkinson:
 - a. WACO Meeting, 4/2 (Did not attend the meeting.)
 - b. Other
2. Director Ohlig-Hall attended the following meetings:
 - a. MWDOC/OCWD Jt. Planning Committee Meeting, 3/24
 - b. CA-NV AWWA Spring Conference, 3/29 – 3/30
 - c. Jt. MWDOC Meeting, 4/7
 - d. Other
3. Director Fisler attended the following meeting:
 - a. Children's Water Education Festival, 3/25
 - b. Other
4. Director Bockmiller attended the following meeting:
 - a. OCWD Meeting, 4/7
 - b. Other
5. President Dewane attended the following meeting:
 - a. ISDOC Meeting, 4/6
 - b. Other

ACTION ITEMS: (continued)

President Dewane announced that the Board of Directors was going into Closed Session at 9:57 p.m.

B. 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 an 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

RETURN TO OPEN SESSION.

The Board returned to Open Session at 10:05 p.m.

Attorney Anslow announced that the Board conducted two 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.

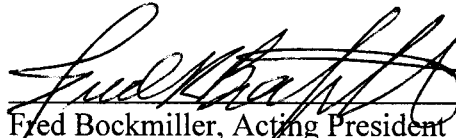
INFORMATION ITEMS:

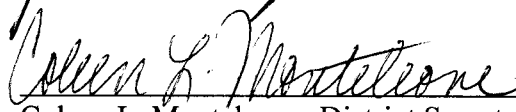
A. ITEMS OF GENERAL INTEREST:

1. General Manager's Weekly Reports
2. Online Bill Pay Activity Update
3. Water Vending Machine Activity Update
4. Support letters for the Local Agency Formation Commission Special District Seats

President Dewane adjourned the Board meeting at 10:06 p.m. to the regular Board meeting scheduled for Tuesday, April 27, 2010 at 7:00 p.m.

Approved:


Fred Bockmiller, Acting President


Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer