

**MINUTES OF THE BOARD OF DIRECTORS
MESA CONSOLIDATED WATER DISTRICT
1965 Placentia Avenue, Costa Mesa, CA
Tuesday, April 27, 2010
7:00 p.m. Regular Board Meeting**

CALL TO ORDER

The meeting of the Board of Directors was called to order on April 27, 2010 at 7:00 p.m. by Acting 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.

Directors Present

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

Directors Absent

Shawn Dewane, President

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
Kurt Lind, Senior Management Analyst
Rob Anslow, Attorney, Bowie, Arneson, Wiles & Giannone

Others Present

Christopher Townsend, Townsend Public Affairs, Inc.
Heather Dion-Stratman, Townsend Public Affairs, Inc.

PUBLIC COMMENTS

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

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

General Manager Shoenberger noted there was one item to be added to the agenda: ACWA/JPIA Board Member Election to the Executive Committee, May 3, 2010 to be added as ACTION ITEM: B.

MOTION 2010-41

Motion by Director Atkinson, seconded by Director Fisler, to add the ACWA/JPIA Election to the agenda as the matter arose after the agenda was posted and action is required prior to the next Board Meeting. Motion passed 4-0-1 with President Dewane absent.

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 Ohlig-Hall pulled item A. There were no objections.

- A. Approve minutes of regular Board meeting of April 13, 2010.
- 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 March 2010 Investment Transaction Report.
- E. Declare certain property as surplus and authorize the General Manager to dispose of the property within the established rules and regulations set forth by Resolution No. 1388.
- F. Approve a one-year agreement with EnerNOC to provide an Energy Demand Response Program that could net Mesa up to \$20,282 in demand response rebates.
- G. Deny Claim of Claim Jumper Restaurants, Mesa Claim No. 02-10 and refer it to ACWA/Joint Powers Insurance Authority for handling.

Acting President Bockmiller asked for public comments. There were no public comments.

MOTION 2010-42

Motion by Director Atkinson, seconded by Director Fisler, to approved items B through G of the Consent Calendar. Motion passed 4-0-1 with President Dewane absent.

Item A – Approve minutes of regular Board meeting of April 13, 2010.

Director Ohlig-Hall asked about the way the Board made its decision to retain the name of the Annual Board Breakfast. She noted that the Board did not take an action on the item at its last meeting, but did reach a consensus to retain the name of the breakfast as Annual Board Breakfast.

A discussion ensued and the Board agreed that no further action was needed.

Acting President Bockmiller asked for public comments. There were no public comments.

MOTION 2010-43

Motion by Director Ohlig-Hall, seconded by Director Fisler, to approved item A of the Consent Calendar. Motion passed 4-0-1 with President Dewane absent.

PRESENTATION AND DISCUSSION ITEMS:

A. TOWNSEND PUBLIC AFFAIRS UPDATE:

General Manager Shoenberger introduced Heather Dion-Stratman. He noted that Townsend Public Affairs, Inc. (TPA) is the District's funding advocate for the Colored Water Treatment Facility (CWTF). Ms. Dion-Stratman provided an update on their efforts to obtain federal and state funding for the CWTF.

Ms. Dion-Stratman proceeded with the update and informed the Board of the firm's efforts to obtain funds for the CWTF project. She noted that in February many meetings were held in Washington D.C. including:

- ◆ Representative Dana Rohrabacher
- ◆ Representative Ken Calvert
- ◆ Office of Representative Jerry Lewis
- ◆ Office of Senator Diane Feinstein
- ◆ Office of Senator Barbara Boxer
- ◆ Senate Energy and Water Subcommittee on Appropriations
- ◆ House Energy and Water Subcommittee on Appropriations

Director Ohlig-Hall asked that the agenda be re-ordered to take the State Water Bond-The Safe, Clean, and Reliable Drinking Water Act Of 2010 so that Ms. Dion-Stratman and Mr. Townsend could provide the Board with information. There were no objections.

ACTION ITEMS:

A. STATE WATER BOND – THE SAFE, CLEAN, AND RELIABLE DRINKING WATER ACT OF 2010:

Ms. Dion-Stratman proceeded with an update. Ms. Stratman reported the State Water Bond was a legislative measure (SBX7-2) signed by Governor Schwarzenegger in November 2009. This is an \$11.14 billion general obligation bond that will appear on the November 2010 ballot for voter consideration. It would provide funding for California's water infrastructure and projects and programs to address ecosystem and water supply issues in California. She continued with a review of the conditions and debt repayment and reviewed the Bay Delta Conservation Plan.

It was noted that the Bond makes provisions for the following water issues:

- ◆ Conservation Watershed Protection
- ◆ Drought Relief
- ◆ Delta Sustainability
- ◆ Water Supply Reliability
- ◆ Statewide Water Systems Operational Improvement
- ◆ Groundwater Protection and Water Quality
- ◆ Water Recycling and Water Conservation

Ms. Dion-Stratman responded to questions from the Board. She noted that a preliminary estimate by the California Department of Water Resources (DWR) indicates that the South Coast Hydrologic Region, which includes Orange and parts of Los Angeles, Riverside, San Bernardino, San Diego and Ventura Counties, will receive funding in the following areas:

- ◆ \$413 million for Water Supply Reliability programs and projects
- ◆ \$443 million in additional funding for specified South Coast programs and projects
- ◆ Eligible for a share of \$6.38 billion in other regional and statewide funding for water management programs and projects

Mr. Townsend reviewed various requirements in the Bond, the proposed convenience system and the complexities of the process. Mr. Townsend clarified that the Bond does not deliver or guarantee new water from Northern California to Southern California. It can guarantee that new water sources will be available within southern California through recycling and recovery processes.

The Board discussed the position the Board may take on the Bond. ACWA's Guidelines for Public Agencies Regarding Ballot Measures was reviewed.

MOTION 2010-44

Motion by Director Atkinson, seconded by Director Ohlig-Hall, to take a supporting position for The Safe, Clean and Reliable Drinking Water Act of 2010, direct staff to develop a resolution in support of the Act and prepare talking points which may be used when Directors address the public on the topic. Motion passed 4-0-1 with President Dewane absent.

The Board thanked Mr. Townsend and Ms. Dion-Stratman for their presentation.

RECESS

Acting President Bockmiller declared a recess at 7:51 p.m. The Board of Directors meeting reconvened at 8:01 p.m.

PRESENTATION AND DISCUSSION ITEMS:

B. WATER OPERATIONS ACTION PLAN UPDATE:

General Manager Shoenberger reported that in 2006 Mesa's staff performed a management and efficiency review of water operations and provided 41 recommendations. A number of items were recommended to increase efficiencies. The report was provided and discussed at a recent Engineering and Operations Committee. The report is included in tonight's packet for the Directors.

Operations Manager Jerry Vilander introduced Senior Management Analyst Kurt Lind who proceeded with an update on the action plan for water operations improvement. Mr. Lind reported that 22 of the recommendations have been completed, 19 are in process, two require management review and one recommendation remains under consideration. The remaining recommendations are related to utilizing technology, training and coaching supervisors and staff in work scheduling and using the information to improve operations.

Mr. Lind highlighted various processes implemented to improve efficiencies.

ACTION ITEMS:

- A. STATE WATER BOND – THE SAFE, CLEAN, AND RELIABLE DRINKING WATER ACT OF 2010

This item was taken prior to Presentation and Discussion Items.

- B. ACWA/JPIA Board Member Election; May 3, 2010; Monterey, CA

MOTION 2010-45

Motion by Director Ohlig-Hall, seconded by Director Atkinson, to support Joan Finnegan's candidacy for ACWA/JPIA's Office of President. Motion passed 4-0-1 with President Dewane absent.

MOTION 2010-46

Motion by Director Atkinson, seconded by Director Ohlig-Hall, to authorize Mesa's ACWA/JPIA representative to vote his conscience for the Office of Vice President and in subsequent rounds of voting for the position of President. Motion passed 4-0-1 with President Dewane absent.

REPORTS AND INFORMATION ITEMS:

- A. REPORT OF THE GENERAL MANAGER:

1. March Key Indicators Report
2. Items of general interest:
 - ◆ Other
 - Job shadowing continued with the buyer, Lori Muller.
 - ACWA itinerary packages were distributed to the Board.
 - At the ACWA/JPIA Conference on Wednesday, there is a Cal Desal Mixer from 4:00 p.m. to 5:30 p.m.
 - The State has released funding for Brown Act compliance. Within the next 18 months, Mesa should receive a reimbursement of about \$50,000 which covers the past three years.
 - Mesa is advertising for two staff positions: a part-time office assistance and a Communications Manager.
 - Orange County Water District set its Basin Pumping Percentage (BPP) at 62% and the Replenishment Assessment (RA) was set at \$249 per acre foot.
 - The Strategic Planning Workshop was scheduled for May 27, 2010 beginning at 3:30 p.m. which created a conflict with the Finance Committee Meeting. The Finance Committee meeting was rescheduled to May 28, 2010 at 9:00 a.m.

- B. STANDING COMMITTEE REPORTS:

1. Director Atkinson reported on the following meeting:
 - a. Finance Committee Meeting, 4/15
The Committee reviewed disbursements to Directors and employees as reported on the Accounts Paid Listing" per California Government Code Section 53065.5.

Director Atkinson offered that the Director's monthly reimbursement for communication devices, printer/fax, fax line, internet service and related supplies will be a taxable item.

MOTION 2010-47

Motion by Director Bockmiller, seconded by Director Ohlig-Hall, to add the Director Communication Policy to the agenda as the matter arose after the agenda was posted and action is required prior to the next Board Meeting. Motion passed 4-0-1 with President Dewane absent.

The Board discussed Resolution 1392, which was adopted at the April 13, 2010 Board meeting. It was noted that the issue of the reimbursement being categorized as taxable income was not presented to the Board for consideration.

MOTION 2010-48

Motion by Director Bockmiller, seconded by Director Fisler, to suspend the implementation of the Communications Equipment and Service Policy (Resolution 1392) and direct staff to bring the item back to the Board for review regarding the taxable status of reimbursable items. Motion passed 4-0-1 with President Dewane absent.

2. Director Ohlig-Hall reported on the following meeting:
 - a. City/Districts Liaison Meeting, 4/16
3. Director Bockmiller reported for on the following meeting:
 - a. Executive Committee Meeting, 4/20

C. DIRECTORS' REPORTS AND COMMENTS:

1. Director Atkinson reported on the following meetings:
 - a. Costa Mesa Chamber of Commerce Meeting, 4/15
 - b. OCWD Meeting, 4/21
 - c. Other
2. Director Ohlig-Hall reported on the following meetings:
 - a. MWDOC Public Affairs & Legislation Committee Meeting, 4/19
 - b. MWDOC Meeting, 4/21
 - c. Costa Mesa Chamber of Commerce Meeting, 4/15
 - d. Water Issues Study Group Meeting, 4/21
 - e. Spring Garden Show, 4/22 & 4/24
 - f. Other
3. Director Fisler reported on the following meetings:
 - a. LAFCO Meeting, 4/14
 - b. Costa Mesa Chamber of Commerce Meeting, 4/15
 - c. Other
4. Director Bockmiller:
 - a. Other

5. President Dewane not present at this meeting to report on the following meeting:
 - a. Costa Mesa Chamber of Commerce Meeting, 4/15
 - b. Other

ACTION ITEMS: (continued)

Acting President Bockmiller announced the Board of Directors was going into Closed Session at 9:10 p.m.

C. 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

The Closed Session was not conducted for item 2.

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 9:29 p.m.

Attorney Anslow announced the Board conducted one Closed Session 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

Acting President Bockmiller adjourned the regular Board meeting at 9:33 p.m. to the regular Board meeting scheduled for Tuesday, May 11, 2010 at 7:00 p.m.

Approved:



Shawn Dewane, President



Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer