

**MINUTES OF THE BOARD OF DIRECTORS  
MESA CONSOLIDATED WATER DISTRICT  
1965 Placentia Avenue, Costa Mesa, CA  
Tuesday, April 28, 2009  
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 April 28, 2009 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 Ohlig-Hall led the Pledge of Allegiance.

**ROLL CALL**

Directors Present

Shawn Dewane, President  
Fred R. Bockmiller, First Vice President  
James F. Atkinson, Vice President  
Trudy Ohlig-Hall, Vice President  
Paul E. Shoenberger, Vice President (*departed at 9:00 p.m.*)

Directors Absent

None

Staff Present

Lee Pearl, General Manager  
Coleen L. Monteleone, Administrative Services Manager/  
District Secretary  
Victoria L. Beatley, Financial Services Manager/Treasurer  
Robert R. McVicker, District Engineer  
Jerry Vilander, Water Operations Manager  
Barbara Wiseman, Human Resources Manager  
Glynis Litvak, Financial Analyst  
Rob Anslow, Attorney, Bowie, Arneson, Wiles & Giannone

Others Present

Benjamin Legbandt, Policy Analyst, Local Agency Formation  
Commission (LAFCO)  
Steve Sheldon, Friends of the Delta  
David Graham, Friends of the Delta  
Ernie Feeney, 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.

**ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA**

General Manager Pearl recommended the re-ordering of the agenda. Item IV.A, Report of the General Manager to be taken after item V.A. Information Items. Item II.B, Orange County Local Agency Formation Commission, to be before Item II.A, Friends of the Delta. Director Shoenberger noted he would excuse himself from the meeting before the Board's discussion of the Report of the General Manager: Status of General Manager Recruitment. There were no objections by the Board.

**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.

Director Ohlig-Hall pulled Item C.3. There were no objections by the Board.

- A. Approve minutes of regular Board meeting of April 14, 2009.
- B. Approve attendance considerations (additions, changes, deletions).
  - 1. Costa Mesa Chamber of Commerce Student Awards; Costa Mesa, CA; May 15, 2009.
- C. Board Schedule:
  - 1. Tentative Meeting Topics
  - 2. Conference, Seminars, and Meetings
  - 3. Board Calendar
- D. Receive the March 2009 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. 1195.
- F. Authorize staff to pursue refinancing Mesa Consolidated Water District outstanding Certificates of Participation using Fieldman Rolapp & Associates as Financial Advisors and Bowie, Arneson, Wiles & Giannone as Bond Counsel.

**MOTION 2009-38**

Motion by Director Bockmiller, seconded by Director Ohlig-Hall, to approve Items A–C 2 and D–F of the Consent Calendar. Motion passed 5-0.

**Item I .C – Board Schedule**

Director Ohlig-Hall asked to have the time rescheduled for the General Manager interviews on June 11 and June 12 from 5 p.m. - 8 p.m. to 4 p.m. - 7 p.m. or 6 p.m. - 9 p.m. and not to provide dinner.

A discussion ensued and the Board agreed to change the interview times to 6 p.m. - 9 p.m. on June 11 and 12.

**MOTION 2009-39**

Motion by Director Bockmiller, seconded by Director Ohlig-Hall, to approve Item C.2 of the Consent Calendar. Motion passed 5-0.

## II. PRESENTATION AND DISCUSSION ITEMS:

Item II. B. was re-ordered to be taken prior to II. A.

### B. ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION:

President Dewane introduced Benjamin Legbandt, Policy Analyst, Local Agency Formation Commission (LAFCO). Mr. Legbandt apologized for the absence Joyce Crosthwaite, Executive Officer, who planned to attend the meeting but was unable to due to an illness.

Mr. Legbandt proceeded with a presentation. He noted that the purpose for the presentation is to familiarize the Board with LAFCO personnel, highlight LAFCO's major projects, and respond to the Board's questions.

LAFCO's major projects:

- 1) Review the Best Practices process for the new Municipal Service Reviews (MSRs), which were presented at the Stakeholders Summit on March 27, 2009. The Summit was attended by over 100 elected officials and staff members. Mr. Legbandt thanked Director Ohlig-Hall for her attendance. He noted that LAFCO is working on a report which will be forthcoming.
- 2) LAFCO's final draft budget will go before the Commission at LAFCO's May meeting. It will then be distributed to the funding agencies for review and comment with the final budget to be presented to the Commission at its June meeting.
- 3) On May 6, the Municipal Water District of Orange County (MWDOC) Governance document will be presented to the Commission. He thanked Mesa's staff for their input to the MWDOC Governance document. He noted the Commission would receive and file the document later in the year.

Director Ohlig-Hall asked if he knew how much Mesa will be required to pay in funding fees. Mr. Legbrandt noted that he believes Mesa's contribution may be higher in the upcoming fiscal year.

Director Ohlig-Hall asked about the impact and possible amendments of the Best Practices for the MSRs on Mesa.

Mr. Legbrandt noted that in light of the previous MSR process LAFCO staff and the Commission realized there was an enormous amount of strain on the various agencies to respond. LAFCO is re-evaluating the process to make it more efficient, effective, and meaningful. The Stakeholders Summit was the beginning of the process.

Director Bockmiller asked about the Banning Ranch annexation noting that Mesa is currently providing water to the area and would like to know who would be the water provider once annexed.

Mr. Legbrandt responded that Banning Ranch is outside Mesa's service area. He noted that the LAFCO application has not been presented to the Commission; however, LAFCO would welcome comments from Mesa in regards to the ability to provide water services to the Banning Ranch residents during the review process.

The Board thanked Mr. Legbrandt for his presentation.

The agenda was re-ordered to take Item II. C. Proposed Fiscal Year 2010 Budget. There were no objections.

C. PROPOSED FISCAL YEAR 2010 BUDGET:

Financial Services Manager Beatley commented that due to additional discussion needed on various items, a request was made to refer the 2010 Budget to a special Finance Committee meeting on April 29, 2009.

Director Ohlig-Hall commented that this special Finance Committee meeting was scheduled to address the outstanding items.

The Board concurred with the recommendation to defer the Board discussion to its next meeting.

**RECESS**

President Dewane declared a recess at 7:37 p.m. The meeting reconvened at 7:45 p.m.

***PRESENTATION***

Director Bockmiller presented President Dewane with a Certificate of Award from the Mesa Board of Directors for his outstanding presentation at the Costa Mesa Chamber of Commerce Meeting.

President Dewane thanked the Board for the honor.

A. FRIENDS OF THE DELTA:

President Dewane introduced David Graham, Friends of the Delta, a non-profit group. Mr. Graham proceeded with an overview of the water user education process that is being done by the Friends of the Delta. He noted summits are being conducted throughout California for local elected officials to begin developing the ground swell of support for what will eventually be the fixes to restore the Delta in order to provide a sustainable water supply. He noted that by crafting successful messages that are compelling on a state, regional, and local level and choosing the most effective vehicles and spokesperson for these messages, the Friends of the Delta will generate aid for the creation of a comprehensive solution and its implementation.

Director Shoenberger noted that he supported the Friends of the Delta mission.

Director Atkinson asked if the group is seeking support from environmental agencies. Mr. Graham responded that they were seeking support as long as the group supports the larger goals adopted by the Friends of the Delta.

MOTION 2009-40

Motion by Director Ohlig-Hall, seconded by Director Shoenberger, to adopt Resolution 1374 – Support of Governmental Action to Restore California’s Delta and Provide a Reliable Water Supply. Motion passed 5-0 with the following roll call vote.

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

Director Bockmiller asked if Friends of the Delta was committed to spend the next 20 years on its mission for the Delta. Mr. Sheldon noted that the program has the commitment of long term efforts to address the issues with the Delta. Director Bockmiller suggested that the Board provide a \$10,000 contribution to Friends of the Delta in support of its mission.

Director Shoenberger commented on excess revenues in this year’s budget. Financial Services Manager Beatley noted that although there may be additional revenues this year, the Board has funded many projects this year, including GIS and SCADA, with monies originally planned for next year. Director Shoenberger noted that using the funds this year will reduce the expenses in next year’s budget.

Director Ohlig-Hall commented that she strongly opposed a contribution to the Friends of the Delta until the 2010 budget is completed.

Director Atkinson commented that he concurred with Director Ohlig-Hall’s comment regarding waiting until the FY10 budget process was completed and would support a lower contribution, but not \$10,000.

MOTION 2009-41

Motion by Director Bockmiller, seconded by Director Shoenberger, to authorize the General Manager to allocate \$10,000 to the Friends of the Delta with an allocation from Working Capital Cash to the Public Outreach budget. Motion passed 3-2 with Directors Ohlig-Hall and Atkinson voting no.

President Dewane thanked Messrs. Sheldon and Graham for their presentation.

Items II. B. and C. were taken prior to Item A.

**III. ACTION ITEMS:**

None.

**IV. REPORTS AND INFORMATION ITEMS:**

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

The Report of the General Manager was moved to follow Item V. Information Items.

1. March Key Indicators
2. Items of general interest:
  - ◆ Status of General Manager Recruitment
  - ◆ Other

**B. STANDING COMMITTEE REPORTS:**

1. Director Ohlig-Hall reported on the following meeting:
  - a. Finance Committee Meeting, 4/16
    - The Committee reviewed disbursements to Directors and employees as reported on the Accounts Paid Listing per California Government Code §53065.5.
2. Director Bockmiller reported on the following meeting:
  - a. IT Ad Hoc Committee Meeting, 4/22

**C. DIRECTORS' REPORTS AND COMMENTS:**

1. Director Atkinson reported on the following meetings:
  - a. OCWD Meeting, 4/15
  - b. Costa Mesa Chamber of Commerce Presentation, 4/16
  - c. Other
2. Director Ohlig-Hall reported on the following meetings:
  - a. MWDOC Meeting, 4/15
  - b. Costa Mesa Chamber of Commerce Presentation, 4/16
  - c. MWDOC Public Affairs & Legislation Committee Meeting, 4/20
  - d. 2009 Hall of Fame Awards, 4/23
  - e. Spring Garden Show, 4/23
  - f. Other
3. Director Shoenberger reported on the following meeting:
  - a. Water Issues Study Group Meeting, 4/21
  - b. Other
    - Discussed ways to make it easier for the rate payer to know how much a gallon of water costs. The issue was referred to the Public Information Committee (PIC).
    - Spoke in favor of renaming the CWTF for the 50<sup>th</sup> Anniversary Celebration. The item was referred to PIC.

4. Director Bockmiller reported on the following meeting:
  - a. Costa Mesa Chamber of Commerce Presentation, 4/16
  - b. Other
    - A recommendation was made to refer issues regarding the Banning Ranch annexation to the Executive Committee for discussion and the Engineering and Operations Committee for consideration of water supply issues.
5. President Dewane reported on the following meetings:
  - a. Costa Mesa Chamber of Commerce Presentation, 4/16
  - b. 2009 Hall of Fame Awards, 4/23
  - c. Other

**V. INFORMATION ITEMS:**

**A. ITEMS OF GENERAL INTEREST:**

1. OCWD Groundwater Producers meeting minutes, 03/13/09
2. OCWD Groundwater Producers meeting minutes, 04/08/09

Director Shoenberger departed the meeting at 9:00 p.m.

**IV. REPORTS AND INFORMATION ITEMS:**

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

1. March Key Indicators
2. Items of general interest:
  - ◆ Status of General Manager Recruitment – President Dewane noted that he spoke with Ms. Teri Black-Brann and there were 18 applications.
  - ◆ Other
    - The May 1, 2009 WACO meeting is in memory of the Honorable Donn Hall.
    - Reviewed and invited the Board to meetings scheduled with public officials to discuss funding for the CWTF.
    - Director Atkinson is scheduled to represent the Board at the April 30 Behind the Scenes Mesa Tour.
    - The Children’s Water Education Festival VIP is April 29, 2009 at the Nixon Library.
    - An air conditioning unit that was scheduled to be replaced next year has failed. For all three high efficiency units, including the cost of cranes is \$45,000. One unit plus crane is \$16,600. It was noted that the failed unit has been in service for 17 years.

Director Ohlig-Hall asked why the discussion of the air conditioning unit replacement was not on the agenda since staff knew about it in advance and noted that she does not want to discuss an item at the last minute.

General Manager Pearl replied that he was bringing the item to the Board’s attention and was not looking for a decision tonight.

Director Ohlig-Hall noted that the Board could have been emailed or called with the information.

General Manager Pearl mentioned that the staff received two bids late in the afternoon.

MOTION 2009-42

Motion by Director Bockmiller, seconded by President Dewane, to add to the agenda the replacement of air conditioning units 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 Director Shoenberger absent.

Director Bockmiller mentioned that the General Manager could have taken emergency action to replace the failed unit, but it would save money to replace all three units at one time.

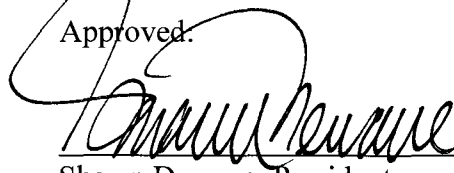
Director Ohlig-Hall noted that in the future when staff has the information she would like to have the bid information at the dais prior to the meeting. She further noted that she has no problem with the expense and appreciated that staff received two bids in such a short time frame.

MOTION 2009-43

Motion by Director Bockmiller, seconded by President Dewane, to authorize the General Manager to expend up to \$50,000 for three air conditioning units with funds to be taken from Working Capital Cash and authorize staff to remove the expense from the 2010 budget. Motion passed 4-0-1 with Director Shoenberger absent.

President Dewane adjourned the regular Board meeting at 9:17 p.m. to an adjourned regular Board meeting to be held on Thursday, May 7, 2009 at 7:00 a.m.

Approved:



Shawn Dewane, President



Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer