

**MINUTES OF THE BOARD OF DIRECTORS
MESA CONSOLIDATED WATER DISTRICT
1965 Placentia Avenue, Costa Mesa, CA
Friday, July 10, 2009
9:00 a.m. Adjourned Regular Board Meeting**

CALL TO ORDER

The meeting of the Board of Directors was called to order on July 10, 2009 at 9:13 a.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

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

Others Present

None

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 no comments from the public President Dewane proceeded with the meeting.

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

I. ACTION ITEMS:

A. CLOSED SESSION:

President Dewane announced that the Board of Directors was going into Closed Session at 9:14 a.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.

Director Shoenberger left the Closed Session at 10:00 a.m.

2. PUBLIC EMPLOYEE APPOINTMENT
PURSUANT TO GOVERNMENT CODE SECTION 54957:
Title: General Manager

RETURN TO OPEN SESSION.

The Board returned to Open Session at 11:01 a.m.

Director Shoenberger returned to the meeting.

President Dewane announced that the Board conducted two Closed Sessions. The first Closed Session was conducted with the Board, General Manager, and District Engineer pursuant to Government Code Sections 54956.8. The Board received information and direction was given to staff. The second Closed Session was conducted with the Board and Human Resources Manager pursuant to Government Code Section 54957. The Board received information and direction was given to staff. There were no other announcements.

B. DISTRICT MANAGEMENT:

No discussion or action was taken on this item.

II. DISCUSSION ITEMS:

A. COLORED WATER TREATMENT FACILITY (CWTF) EXPANSION:

President Dewane introduced District Engineer McVicker who proceeded to review information about the proposal for the expansion of the Colored Water Treatment Facility. Mr. McVicker offered information on what the potential costs would be for design/build project and design/bid/build project due to the increased need for imported water. He noted there appears to be, depending upon the basin pumping percentage (BPP), a potential cost savings of approximately \$600,000 to \$800,000 in overall water supply water costs, if the Board were to select the design/build method.

He noted that since the CWTF was brought on-line, it has produced about 30,000 AF as of the end of June 2009. Estimated water supply cost implications were reviewed.

Mr. McVicker responded to questions from the Board.

A discussion ensued regarding the project delivery method and the amount of oversight that will be needed for the project.

Director Ohlig-Hall noted that the Board might want to tour and receive a presentation on the Twin Oaks water plant in San Diego.

MOTION 2009-53

Motion by Director Bockmiller, seconded by Director Ohlig-Hall, to re-confirm the Board's original decision to proceed with the traditional process delivery (design/bid/build project delivery method) for the expansion of the Colored Water Treatment Facility. Motion passed 5-0.

RECESS

President Dewane declared a recess at 11:50 a.m. The meeting reconvened at 12:17 p.m.

B. EMERGENCY INTERTIE STUDY:

District Engineer McVicker reviewed the purpose of this study. He noted that this study is a multi-agency study whose participants are the cities of Newport Beach and Santa Ana, Irvine Ranch Water District and Mesa Consolidated Water District. The purpose of the study is to identify, map, and quantify the amount of water that can be moved between agencies in the event of an emergency(s). The study will look at existing interties as well as consideration for additional interties, if needed. The preliminary estimate for the cost of the work is \$120,000, which would be divided between the participating agencies.

Mr. McVicker responded to questions from the Board.

MOTION 2009-54

Motion by Director Ohlig-Hall, seconded by Director Bockmiller, to proceed with the Emergency Intertie Study to quantify the amount of water than can be moved between agencies in the event of emergencies and develop a protocol for the use of the interties; and authorize an expenditure not to exceed \$30,000 to be appropriated from Working Capital Cash. Motion passed 5-0.

C. FINANCIAL POLICIES:

Financial Services Manager Beatley reported that representatives from Fieldman Rolapp attended the May and June Finance Committee meetings and presented information regarding the types of and minimum/maximum amounts recommended for Designated Funds. The Financial Advisors are scheduled to present recommendations at the July Finance Committee meeting. Following acceptance by the Finance Committee these draft financial policies will be presented to the Board. Once the fund types and levels are determined, the Board can decide how and over what period of time to fund the balances.

A discussion ensued regarding the importance of having a high bond rating and how that rating is determined. Ms. Beatley reported that the District should have its rating by mid-July.

The Board thanked Ms. Beatley for the update.


III. DIRECTORS' COMMENTS:


A. DIRECTORS' COMMENTS:

1. Director Ohlig-Hall:
2. Director Atkinson:
3. Director Shoenberger:
4. Director Bockmiller:
5. President Dewane:

President Dewane adjourned the meeting at 1:15 p.m. to a regular Board meeting to be held on Tuesday, July 14, 2009 at 7:00 p.m.

Approved:


Shawn Dewane, President


Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer