

- C. Approve attendance considerations (additions, changes, deletions).
 - 1. Emergency Management Training Workshop for Special District Officials; Thursday, August 11, 2011.
- D. Board Schedule:
 - 1. Tentative Meeting Topics
 - 2. Conferences, Seminars, and Meetings
 - 3. Board Calendar
- E. Receive the FY11 Third Quarter Financial Report.
- F. Approve the change of Mesa Consolidated Water District's business hours to 7:30 a.m. – 5:00 p.m.

President Bockmiller asked for comments from the public. There were no comments.

MOTION 2011-63

Motion by Director Ohlig-Hall, seconded by Director Atkinson, to approve the Consent Calendar items A through F. Motion passed 5-0.

PRESENTATION AND DISCUSSION ITEMS:

A. RECYCLED WATER ECONOMICS ANALYSIS:

General Manager Shoenberger introduced the subject noting that the Board asked staff to conduct an economic analysis for serving TeWinkle Park and other properties that may be candidates for recycled water supply. District Engineer McVicker was introduced and proceeded with a report.

Mr. McVicker noted that staff developed cost estimates for converting the irrigation systems at twelve sites from potable to recycled water. He reviewed the proposed economics of the recycled water sites conversion with and without water from the Colored Water Treatment Facility (CWTF). He noted that since there would be a net cost to Mesa Water for converting irrigation systems to recycled water with the CWTF, staff recommends that Mesa Water does not pursue conversions; however, Mesa Water staff would continue to encourage the use of recycled water for new developments where feasible and would facilitate requests for conversion to the use of recycled water.

Director Ohlig-Hall offered that one of her concerns is the cost of the pipes and the expectation that Mesa Water would finance the infrastructure.

Director Atkinson noted that TeWinkle Elementary School and Costa Mesa High School already have recycled water piping installed. In that case, the costs would be significantly less for the customer and for Mesa Water. They would have reasonable pay backs for the customer.

Motion by Director Atkinson, seconded by Director Fisler, to authorize staff to address TeWinkle Elementary and Costa Mesa High schools in the FY13 budget and to begin negotiations with the school district to add the sites to the recycled water program and to continue negotiations with the Orange County Fair management in the FY14 budget.

The motion was later withdrawn.

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MOTION 2011-64

A substitute motion was offered by President Bockmiller, seconded by Director Dewane, to support staff's recommendation to discontinue Mesa Water's expansion efforts of the recycled water program (purple pipes) and to support Orange County Water District's (OCWD) program Groundwater Replenishment System (GWRS). Motion passed 5-0.

Director Fisler asked for an explanation as to how Mesa Water loses money with its recycled water program. He commented that he brought the subject to the Board because Councilmember Mensinger asked him about Mesa Water's program.

Mr. McVicker responded that with the technology improvements over the past few years and the expansion of the CWTF, the melded cost of potable water for Mesa Water is very close to the cost of recycled water.

Mr. McVicker commented it is currently the Board's policy to discount recycled water. Once the CWTF is operational, Mesa Water will lose net revenue under its current pricing plan for recycled water.

Director Dewane asked where the recycled water comes from.

Mr. McVicker responded that the recycled water comes from the Orange County Sanitation District (OCSD), who treats sewer water and then passes the majority of that treated sewer water onto the Orange County Water District who then treats it at its Green Acres Project. Some portion of the recycled water produced by the OCSD is sold to customers, like Mesa Water.

Director Dewane asked that if the District does not purchase the recycled water from the OCWD, what happens to the water?

Mr. McVicker reported that the water would be released to OCWD for its GWRS that uses the water to recharge the basin for use as potable water.

Director Dewane stated that OCWD's GWRS is a recycling water project. He asked if there was a financial benefit for Mesa Water's participation/cooperation in the GWRS project.

Mr. McVicker responded that the benefit is that Mesa Water gets credit for the GWRS water under the requirements of the 20% by 2020. It is counted as recycled water and it helps Mesa Water meet the goals of conserving water. Additionally, it provides economic benefit by increasing the Basin Production Percentage and increasing Mesa Water's access to lower cost groundwater.

Director Dewane noted that it is a reasonable assumption that the water OCWD treats through the GWRS is beneficial to Mesa Water. He recommended that the Board establish a policy on whether Mesa Water wants to continue to encourage its customers to convert to recycled water (purple pipes) at their own cost or to encourage them to understand the regional economics of the issue and that Mesa Water has a system to deal with water conservation. He further noted that perhaps Mesa Water may want to discourage customers from converting to the purple pipe system because the economics do not support the conversion.

He recommended a letter be written to the Costa Mesa City Council, Costa Mesa Sanitary District, and the Newport-Mesa Unified School District to explain the most cost effective way to use reclaimed/recycled water.

Director Ohlig-Hall offered that Mesa Water should again extend an invitation to the Costa Mesa City Council and other city representatives to participate in the Water Issues Study Group. She noted that this is an excellent forum to learn about Mesa Water and water resources. Additionally, invite them to a tour of the Groundwater Replenishment System – Green Acres Project.

Director Atkinson noted that based on the discussion by the Board he withdrew his motion.

President Bockmiller asked for comments from the public. There were no comments.

President Bockmiller commented that it would be appropriate to schedule a presentation before the Costa Mesa City Council on the information discussed at this meeting regarding recycled vs. reclaimed water to explain the reasons why recycled water was good in the '80s, but that the economics changed and the water produced from the Groundwater Replenishment System is the highest and best use. He noted that better results in water conservation and water use could be achieved by changing landscaping to climate appropriate and changing water habits.

Director Dewane recommended that Mesa Water write a White Paper on the subject discussed this evening.

Director Ohlig-Hall commented that the City and school district need to change their water use habits to be more efficient and cost effective.

Director Dewane asked if Mesa Water was going to discourage customers from incurring the costs to install and use water through the purple pipe system.

Attorney Anslow recommended the staff review the contracts for recycled (purple pipe) water to ensure the District is not in conflict with previously agreed to terms and conditions.

Motion by President Bockmiller, seconded by Director Dewane, to adopt a policy to discourage the expansion of recycled water within Mesa Consolidated Water District's service area and any new connections to the recycled water system to be sold at the full potable water rate.

Motion withdrawn and staff was directed to research the contracts to ensure there was no conflict with the proposed policy.

President Bockmiller asked for comments from the public. There were no comments.

MOTION 2011-65

Motion by President Bockmiller, seconded by Director Dewane, to direct staff to develop a White Paper discussing the economics on the use of recycled water within the Mesa Consolidated Water District service area and to present the White Paper to the Costa Mesa City Council, to work in conjunction with Orange County Water District and distribute the White Paper as appropriate. Motion passed 5-0.

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RECESS

President Bockmiller declared a recess at 7:51 p.m. The meeting reconvened at 8:03 p.m.

B. MESA WATER BRANDING CAMPAIGN-LOGO:

General Manager Shoenberger introduced the Mesa Water branding campaign topic and the District's process to develop a new logo. He noted that the Board voted to move forward with its branding campaign at its April 26, 2011 Board meeting. The purpose of today's presentation is to review the 23 logos presented for consideration. Communications Manager Stacy Taylor introduced Ben Boyce, Vice President, Laer Pearce & Associates who was engaged by the District for public relations support.

Ms. Taylor commented this is the first presentation of draft logos for Board review. The Public Information Committee (PIC) has reviewed the logos, but has not brought a recommendation to the Board. The purpose of this presentation is for the Board to review the draft logos for look, design, color and other style elements.

President Bockmiller commented that at a previous meeting he noted that he would like any logo as long as it was round. He believes they look classic. However, the three round logos which were presented today were disappointing. He noted he sketched several designs and gave them to staff with the hope that they would be refined and presented at the next presentation. He noted the colors need to be bright so they don't blend into the background. Mesa uses its logo on its trucks and it has to look good on the door of a pick-up truck.

Director Fisler commented on the first three round logos noting they were adequate but not his favorites. He noted he would like the darkest blue possible. The lighter blues look old and faded.

Director Dewane noted the logos are grouped in similar styles for ease of review.

President Bockmiller noted that because of the differences of opinion he believes it would be appropriate to review the components of the logos: Color, font and then discuss if any of the logos are acceptable. He does not see this being a quick task, noting the Board should take as much time as needed.

Director Fisler noted his preference is the one with the smaller water drop. His next favorite is the one with worm like element above Mesa Water District.

Director Ohlig-Hall offered she was disappointed in all the first set of 23. She noted she passed the samples by former Director Panian. He provided recommendations noting he likes the circular logos but they should consist of four circles representing the four districts previously consolidated into Mesa Water. She noted she would like the logo introduced to Mesa customers at the same time the Colored Water Treatment Facility is re-opened in 2012. She said she looked at other business' cards in her files and showed the Board certain business cards that she says sends a message. She commented that the 23 draft logos are not impressive nor do they send a message.

Director Atkinson noted he would not like a circular logo as this type is very common. He recommended the words say Mesa Water without the word District. The light blue does not stand out. In addition, the blue colors do not contrast enough.

Director Dewane commented there were several in the current offering that would be acceptable. He believes all the logos presented were very well done. He does not like the circle or the water drop, both are overused.

Attorney Anslow answered a question regarding the legality of removing the word District from the logo. He noted there are no legal requirements relative to the design of logos and it does not have to contain the full legal name of the District. The legal name of the District will appear in contracts, but is not required in the logo.

President Bockmiller noted he believes round and water drops are popular for a reason. He agreed that the word "District" does not need to be in the logo. He noted that when dealing with social media, the softer colors are not popular. The stronger colors, green, red, brown are more popular. To test the colors that were presented, he used a black and white printer and found that the lighter blues faded and components of the logos were unrecognizable. He commented he would like darker, stronger colors that will be appealing in social media and would not fade when applied to pick-up trucks.

Director Ohlig-Hall noted that the trucks are white and the magnetic logo attachments could have a darker color in the background.

President Bockmiller recapped the 23 logos with the Board.

Endorsed	Not Endorsed
2, 6, 7, 9, 11, 12, 14, 15, 19, 20, 21	1, 3, 4, 5, 8, 10, 13, 16, 17, 18, 22, 23

Direction was given to staff to work with the public relations firm, consider comments presented at the meeting and bring modified or new designs back to the Board for another review.

ACTION ITEMS:

President Bockmiller announced that the Board of Directors was going into Closed Session at 8:50 p.m.

A. 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

RETURN TO OPEN SESSION.

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The Board returned to Open Session at 9:25 p.m.

Attorney Anslow reported one Closed Session was conducted with the General Manager, District Engineer and General Legal Counsel regarding the negotiations with real property pursuant to Government Code Sections 54956.8. The Board received information. There were no other announcements.

REPORTS AND INFORMATION ITEMS:

A. REPORT OF THE GENERAL MANAGER:

1. Items of general interest:

- ◆ Other
 - The Municipal Water District of Orange County is hosting the Water Policy Forum & Dinner on July 21, 2011.
 - The City/District Liaison meeting is July 22, 2011.
 - Staff has received only a few calls on the July 1, 2011 rate increase.
 - Staff has provided an opportunity for the Board members to sign up for the Mesa display at the Orange County Fair
 - The Orange County Register has submitted a records request for Board and General Manager expenses from January 2011 to present.

B. DIRECTORS' REPORTS AND COMMENTS:

1. Director Fisler reported on the following meetings:

- a. Jt. MWDOC/MWD Meeting, 7/6
- b. ISDOC Meeting, 7/12
- c. Other

2. Director Ohlig-Hall:

- a. Other

3. Director Dewane:

- a. Other

4. Director Atkinson reported on the following meeting:

- a. OCWD Meeting, 7/6
- b. WACO Meeting, 7/8 – did not attend meeting
- c. Other

5. President Bockmiller:

- a. Other


INFORMATION ITEMS:

A. ITEMS OF GENERAL INTEREST:


1. General Manager's Weekly Reports
2. Groundwater Producers' Meeting Minutes for June 8, 2011

President Bockmiller adjourned the meeting at 9:36 p.m.

Approved:



Fred R. Bockmiller, Jr., P. E., President



Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer