

Mr. Ridge was interested in the purpose of the Mesa Consolidated Water District Improvement Corporation (MCWDIC).

President Bockmiller noted that while the subject was not on the agenda, he would provide a definition of the Corporation. It is an organization through which Mesa finances its bond indebtedness. It allows Mesa to issue Certificates of Participation for the construction of public works.

Attorney Anslow offered that Mesa Consolidated Water District Improvement Corporation (MCWDIC) is a nonprofit corporation formed to assist Mesa Consolidated Water District in conducting financial transactions. MCWDIC meetings are conducted in an open forum with published agendas.

President Bockmiller commented that District Secretary Monteleone would provide Mr. Ridge with copies of MCWDIC meeting minutes.

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, President Bockmiller proceeded with the meeting.

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

At the discretion of the Board, all items appearing on this agenda, whether or not expressly listed as an Action Item, may be deliberated and may be subject to action by the Board.

Director Atkinson asked to add item to the agenda: Clean Water and Jobs for California. He noted there are meetings being conducted the week of September 26, 2011 and would like the District to express support for this organization. This item arose after the agenda was published. There is an urgent need for the Board to consider potential support for this organization immediately so that support be it a resolution or letter can be conveyed to the organization in the very near future relative to the water bond

Attorney Anslow explained the procedure to add this item to the agenda.

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

MOTION 2011-80

Motion by Director Ohlig-Hall, seconded by Director Atkinson, to add Clean Water and Jobs for California as the matter arose after the agenda was posted and action is required prior to the next Board Meeting. Motion passed 5-0.

President Bockmiller noted that the item would be considered Action Item D. on the agenda.

CONSENT CALENDAR ITEMS:

Approve all matters under the Consent Calendar by one motion unless a Board member, staff, or member of the public requests a separate action.

Director Dewane pulled item G and Director Fisler pulled item D. There were no objections.

- A. Approve minutes of regular Board meeting of September 13, 2011.
- B. Approve attendance considerations (additions, changes, deletions).
- C. Board Schedule:
 - 1. Tentative Meeting Topics
 - 2. Conferences, Seminars, and Meetings
 - 3. Board Calendar
- D. Approve the Association of California Water Agencies Committee Nominations as designated for President Fred R. Bockmiller, Jr., Director James F. Atkinson, Paul E. Shoenberger, and Stacy Taylor.
- E. Approve letter to the Delta Stewardship Council regarding the Fifth Draft Delta Plan and amend Mesa Consolidated Water's Policy Positions to include support of the co-equal goals of improved water supply reliability and Delta ecosystem health; and oppose the inclusion of Delta economic development goals in this plan.
- F. Approve letter to Governor Edmund G. Brown, Jr., regarding veto of SB 293 and amend Mesa Consolidated Water's Policy Positions to include support of the current law requiring retentions of at least five percent on public works projects.
- G. Approve Option 3: Remove six palm trees and plants and lower planter below slab to slope toward sidewalk. Demo plant material; install drip irrigation system; installation of native plants; installation of landscape lighting of the Street Frontage Action Plan/Analysis and have staff proceed with developing a request for proposal for landscape architectural design services.
- H. Receive the FY11 Fourth Quarter Financial Report.
- I. Receive the August 2011 Monthly Investment Transaction Report.
- J. Approve professional services contracts with Winzler & Kelly and Bush & Associates Inc. for On-Call Surveying Services and authorize the General Manager to execute the contracts.

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

MOTION 2011-81

Motion by Director Dewane, seconded by Director Ohlig-Hall, to approve Items A, B, C, E, F, H, I, and J of the Consent Calendar. Motion passed 5-0.

Director Ohlig-Hall asked for a copy of the approved Board meeting minutes for September 13, 2011.

Item D - Approve the Association of California Water Agencies (ACWA) Committee Nominations as designated for President Fred R. Bockmiller, Jr., Director James F. Atkinson, Paul E. Shoenberger, and Stacy Taylor.

Director Fisler commented on the timeliness of notifying the Board on Item D and noted that he would have liked to have served on the Local Government Committee, but because of his time constraints he would not have been able to attend all required meetings.

President Bockmiller commented the nominations to ACWA Committees were addressed at the Executive Committee level; however direction was given to staff to bring this issue earlier before the Board for discussion next year.

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

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MOTION 2011-82

Motion by Director Dewane, seconded by Director Atkinson, to approve Item D of the Consent Calendar. Motion passed 5-0.

Item G - Approve Option 3: Remove six palm trees and plants and lower planter below slab to slope toward sidewalk. Demo plant material; install drip irrigation system; installation of native plants; installation of landscape lighting of the Street Frontage Action Plan/Analysis and have staff proceed with developing a request for proposal for landscape architectural design services.

Director Dewane asked what the District would be doing with the six palm trees that are being removed.

General Manager Shoenberger commented the District has no need for the palms on this site and thought they would be offered to the contractor who bid on the job and reduce the contracted amount by the market value of the palms.

Director Dewane suggested the District's landscape architect evaluate another location for one or more of the palms.

Director Ohlig-Hall recommended selling the palms, if the market is available.

Director Atkinson asked for clarification on some of the measurements on the landscape plans.

President Bockmiller asked Guy Stivers, Stivers and Associates, Landscape Architects to explain the measurements on the landscape plans.

Mr. Stivers reported that the measurements in the plans were preliminary and were obtained through site observations.

As a follow up to Director Dewane's question, President Bockmiller asked about other uses for the palms on other District property.

Mr. Stivers commented there is a possibility of relocating the six palms to other District property. He also commented the market for palms is very soft at this time. Another downside is these palms are over 30' tall and there is a less of a market for tall palms.

President Bockmiller asked for comments from the public. Mr. Ridge noted that possible use of the palms along Placentia or offer the palms to the City.

MOTION 2011-83

Motion by President Bockmiller, seconded by Director Atkinson, to approve Item G of the Consent Calendar. Motion passed 5-0.

RECESS

President Bockmiller declared a recess at 7:35 p.m. The meeting reconvened at 7:50 p.m.

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PRESENTATION AND DISCUSSION ITEMS:

A. WATER COST COMPARISON STUDY:

Chief Financial Officer Beatley introduced Sanjan Gaur with Raftus Financial Consultants. She described his educational and business experience.

Mr. Gaur proceeded with the presentation. He noted the objective of the study was to develop a water cost comparison analysis with the intent of identifying a feasible methodology for measuring the operational efficiency of water districts in Orange County. The following highlights were reviewed:

- ◆ Average Monthly Water Rate Comparison by Selected Counties – 2009
- ◆ Sample Water Rates - 2009
- ◆ Using Water Rates to Measure Operational Efficiency
- ◆ Comparison of Revenue Sources – 2009
- ◆ Total Expenditure per Capita: Proxy to Measure Efficiency
- ◆ Total Expenditures per Capita – 2009
- ◆ Population vs. Total Expenditures per Capita
- ◆ The Value of Water and Water Conservation
- ◆ Comparison of Revenue Sources (includes fixed/commodity Breakdown) – 2009
- ◆ Comparison of Commodity Revenues – 2009
- ◆ Limitation of Study
 - The study focuses on 2009 only
 - Agency's total expenditures fluctuate
 - Recommend updating the study annually

Director Dewane commented that it might be beneficial if the American Water Works Association (AWWA) established a standard rate structure system. This would give the consumer an ability to compare the efficiency of the agencies upon which they are relying. He asked if there was a movement in AWWA to formulate such a system, which would strip out extraneous sources of revenue used to disguise the cost of the water.

Mr. Gaur commented that AWWA represents a variety of agencies so it tends to be neutral.

Director Dewane asked for information on how a decrease in water consumption; i.e. 1%, impacts the District in lost revenue. He also commented that Mesa's customers have already met the 20% by 2020 water reduction requirement, and it might be appropriate for the Board to consider a decrease in water rates to encourage consumption, which will increase the revenue to the District and reward the consumer for meeting the goal.

Mr. Gaur commented on water consumption and rate increases. He noted that generally a 10% increase in the cost of water produces a 1% decrease in the consumption of water.

Director Ohlig-Hall commented that water conservation is an important message for the ratepayers without raising the rates for the upcoming year. She commented it is difficult to compare rates because there are different elements in the rate structure. She noted she believes Mesa is doing an excellent job and noted she wasn't sure why this presentation was made at this time.

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Director Atkinson noted the reason for the presentation is about communicating the value of water and giving Mesa a measurement about how well Mesa is doing. This presentation tells the Board that they are doing very well.

President Bockmiller thanked Mr. Gaur for his presentation.

ACTION ITEMS:

A. ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 10 ELECTION:

President Bockmiller commented this item was discussed at the Executive Committee.

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

MOTION 2011-84

Motion by President Bockmiller, seconded by Director Fisler, to re-agendize the Association of California Water Agencies Region 10 Election for discussion. Motion passed 5-0.

President Bockmiller noted that at the Board's August 23, 2011 meeting Mesa Water's passed a motion authorizing Director Bockmiller as Mesa Water's representative to ACWA Region 10 to vote for individual regional Board Members for the positions of Chair, Vice Chair and Board Members: Darrell W. Gentry, Chair; Larry McKinney, Vice Chair; and James F. Atkinson, Candidate for Board Member. On August 26, 2011 ACWA revised the Region 10 ballot to include MWDOC Director Joan C. Finnegan as a vice chair candidate under the individual/write in section.

MOTION 2011-85

Motion by Director Dewane, seconded by Director Fisler, to nominate Joan C. Finnegan as vice chair for ACWA Region 10 ballot 2012-2013 with James F. Atkinson for Board member and the balance of the ballot to be blank with no vote for Chair. Motion passed 5-0.

B. MISCELLANEOUS FEES AND CHARGES:

Director Atkinson noted this item was considered at the Finance Committee. He noted the updates are to the section that contains the actual fees. The purpose is to charge fees and charges to cover Mesa's costs.

Director Ohlig-Hall recommended an announcement to the rate payers regarding the proposed changes to support the District's policy on transparency. She would like the resolution to span more than to save time addressing the issue annually. Fees related to payments should be put in the rate stabilization fund. She asked for more clarification on returned items. She is unclear on what is being returned. The payment extension terms need to be clarified relative to the time frame to which the extension is granted. She also questioned the District's costs for service trips; i.e. turning on/off a meter.

Director Atkinson noted the issue of costs for services costs was addressed at the Finance Committee.

General Manager Shoenberger noted the purpose for the fees and charges is to allow the District to recover 100% of its costs. He noted that detailed information was used to compute the various fees and charges.

Director Atkinson noted the Finance Committee feels the review of fees and charges should be reviewed every year because Mesa's costs change from year to year. The purpose of the review is to ensure Mesa is recovering its costs.

Ms. Beatley responded to a question from Director Ohlig-Hall regarding notifying the ratepayer of various issues in their native language. Ms. Beatley noted that the District complies with SB 120. The bill has been in effect for about a year. The tag notices are designed to include 16 different languages.

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

MOTION 2011-86

Motion by Director Atkinson, seconded by President Bockmiller, to approve Resolution No. 1412 Establishing Fees and Charges for Miscellaneous Services and Establishing Related Fees and Charges, Rescinding Resolution No. 1401. Motion passed 5-0 with the following roll call vote.

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

C. GROUNDWATER REPLENISHMENT SYSTEM (GWRS) EXPANSION:

President Bockmiller asked why staff drafted a Resolution in support of the Groundwater Replenishment System Expansion.

General Manager Shoenberger responded that the reason for the resolution is that there have been various water re-use projects that have been upended because of a lack of support. Orange County Water District has been involved in educating the public and newly elected politicians on the GWRS Expansion Project.

Communications Manager Taylor noted that OCWD does not want to take its support for granted., since support had been given many years ago.

Director Dewane commented there are other water re-use projects that are getting negative publicity and this project is of high importance.

In response to President Bockmiller's question regarding the need for a resolution, Administrative Services Manager Monteleone noted that other forms of documentation are retained for seven years or less, while a resolution is retained permanently and there is no administrative burden.

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

MOTION 2011-87

Motion by President Bockmiller, seconded by Director Fisler, to approve Resolution No. 1413 – Support the efforts of Orange County Water District (OCWD) to expand its Groundwater Replenishment System (GWRS) and include the support for the GWRS in Mesa's adopted policy positions. Motion passed 5-0 with the following roll call vote.

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

D. CLEAN WATER AND JOBS

Director Atkinson reported "Clean Water and Jobs for California" was included in a briefing from ACWA CEO Tim Quinn. The purpose of this organization is to provide outreach for the 2012 Water Bond. He noted he would like the organization added to the list of organizations the District supports. He recommended Mesa Water support the organization.

President Bockmiller asked Attorney Anslow if there were any legal implications to Mesa.

Attorney Anslow responded there were no legal implications at this time, however, once the bond is placed on the ballot, as with all election issues, Mesa Water would have to take a neutral informational provision and could not lobby or provide support for or against it. Public funds cannot be used to show favor or disfavor.

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

MOTION 2011-88

Motion by Director Atkinson, seconded by Director Dewane, to support "Clean Water and Jobs" and provide notification to the organization that Mesa Water has voted to support its efforts for lobbying and outreach for the 2012 Water Bond. Motion passed 5-0

Director Ohlig-Hall asked for clarification regarding the scope of the bond.

General Manager Shoenberger responded that the Governor is in support of part of the bond. Mr. Quinn's purpose is to keep as much of the bond as feasible on the ballot.

President Bockmiller asked for a staff report for the next Board meeting regarding possible funding for the organization.

REPORTS AND INFORMATION ITEMS:

A. REPORT OF THE GENERAL MANAGER:

1. August Key Indicators Report
2. Items of general interest:
 - ◆ Other
 - The District received a letter from the Orange County Grand Jury asking for information about special districts.
 - Repairs to Well #1 are will begin shortly.
 - OC44 main break: Metropolitan Water District (Met) divers were on site to inspect the pipe line and Met has completed 90% of the design to replace one section of the pipe. They have also completed a layout plan. Permit applications are being submitted to the appropriate agencies. Once design is complete, the pipe will be fabricated and the contractor will begin the repair subject to getting the permits. Work should begin in about three to four weeks.
 - September 29, 2011 at 3:30 p.m. Mesa Water will have its open enrollment and health fair.
 - Mesa Water will acknowledge staff for its safety record of over six consecutive months of no lost time on Monday, October 3, 2011.
 - Mesa Water has been the recipient of an award for exceptional public outreach from California Special Districts Association.
 - GM had a meeting with OCWD GM Mike Marcus to discuss basin levels, protective elevations and the GWRS.

B. DIRECTORS' REPORTS AND COMMENTS:

1. Director Fisler attended the following meetings:
 - a. LAFCO Meeting, 9/14
 - b. IRWD 50th Anniversary Event, 9/17
 - c. MWDOC Meeting, 9/21
 - d. Other
2. Director Ohlig-Hall attended the following meetings:
 - a. IRWD 50th Anniversary Event, 9/17
 - b. ACWA Legal Education Workshop, 9/22-9/23
 - c. Other
 - Asked for a brief report on the banner at Estancia High School. President Bockmiller referred the issue to the Executive Committee.
3. Director Dewane:
 - a. Other

4. Director Atkinson reported on the following meetings:
 - a. Finance Committee Meeting, 9/19
The Committee reviewed disbursements to Directors and employees as reported on the Accounts Paid Listing” per California Government Code Section 53065.5.
 - b. OCWD Meeting, 9/21
 - c. Other

5. President Bockmiller reported on the following meetings:
 - a. Executive Committee Meeting, 9/15
 - b. Special Executive Committee Meeting, 9/23
 - c. Other

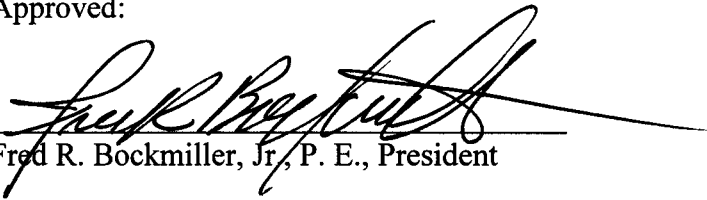
INFORMATION ITEMS:

A. ITEMS OF GENERAL INTEREST:


1. General Manager’s Weekly Reports
2. FY12 Communications Plan
3. Financing of OC-44 Repairs
4. Groundwater Producers’ Meeting Minutes for September 14, 2011

President Bockmiller adjourned the meeting at 9:44 p.m.

Approved:



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



Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer