

**MINUTES OF THE BOARD OF DIRECTORS
MESA CONSOLIDATED WATER DISTRICT
1965 Placentia Avenue, Costa Mesa, CA
Tuesday, January 27, 2009
7:00 p.m. Regular Board Meeting**

CALL TO ORDER

The meeting of the Board of Directors was called to order on January 27, 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 Bockmiller led the Pledge of Allegiance.

ROLL CALL

District Secretary Monteleone called the roll.

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
Steve Bancroft, Production Supervisor
Rob Anslow, Attorney, Bowie, Arneson, Wiles & Giannone

Others Present

Joan C. Finnegan, Director, Municipal Water District of Orange
County (MWDOC)
Jim Fitzpatrick, Mesa Customer

***RECOGNITION OF DISTRICT FOR RECEIVING ACWA/JPIA PRESIDENT'S SPECIAL AWARDS
FOR ACHIEVING A LOW LOSS RATIO***

Director Bockmiller announced that Mesa has again achieved a low loss ratio and read a letter from Walter A. Sells, Chief Financial Officer of the Joint Power Insurance Authority, acknowledging Mesa's achievement. The President's Special Recognition Award for a low ratio of paid claims and case reserves to deposit premiums for the period July 1, 2004 to June 30, 2007. In addition, Mesa received an award for achieving a low ratio of paid claims and case reserves to deposit premiums in the property program for the period April 1, 2004 to March 31, 2007. The awards were presented to General Manager Pearl.

Mission: Dedicated to satisfying our community's water needs

PUBLIC COMMENTS

President Dewane invited members of the public to address the Board of Directors (Board) on matters that were not on the agenda. President Dewane acknowledged Production Supervisor Steve Bancroft, Mesa Customer Jim Fitzpatrick, and MWDOC Director Joan Finnegan.

Mr. Fitzpatrick, eastside Costa Mesa resident and graduate of the Water Issues Study Group thanked the Board and staff for supporting the car wash fund raiser event for a Marine battalion out of Camp Pendleton. He noted the event was a great success and they washed over 200 cars using only 50 gallons of water.

Joan Finnegan reported that the MWDOC Board was re-organized and Wayne Clark will continue a second year as president and she as Vice President. She continued with a report on upcoming industry meetings.

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

General Manager Pearl recommended that the legal counsel assessment, Item II. A, be moved prior to Item V. Board Schedule. 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.

- A. Approve minutes of regular Board meeting of January 13, 2009.
- B. Approve minutes of adjourned regular Board meeting of January 20, 2009.
- C. Approve attendance considerations (additions, changes, deletions).
 - 1. International Water Efficiency Conference; Newport Beach, CA; March 30 – April 2, 2009.
- D. Receive the December 2008 Investment Transaction Report.
- E. Receive the December 2008 Treasurer's Report on Investments.
- F. Approve the annual membership dues for the Southern California Water Committee, Inc. in the amount of \$850.

Director Ohlig-Hall pulled Items A and B. There were no objections by the Board.

MOTION 2009-08

Motion by Director Bockmiller, seconded by Director Atkinson, to approve Consent Calendar Items C through F as amended. Motion passed 5-0.

Item A - Approve minutes of regular Board meeting of January 13, 2009.

Item B - Approve minutes of adjourned regular Board meeting of January 20, 2009.

Director Ohlig-Hall commented on the brevity of comments in the meeting minutes and would like the Board to provide summary statements of discussion items. The Board agreed to discuss content of the meeting minutes at the next Board Workshop.

Addressing motion 2009-04 in the minutes of January 13, 2009, Director Bockmiller acknowledged that Mrs. Feeney was reimbursed for her costs of the Board packet.

MOTION 2009-09

Motion by Director Ohlig-Hall, seconded by Director Bockmiller, to approve Items A and B of the Consent Calendar. Motion passed 5-0.

II. PRESENTATION AND DISCUSSION ITEMS:

A. GENERAL LEGAL COUNSEL ASSESSMENT:

Item II. A was re-ordered to be taken later in the meeting.

III. ACTION ITEMS:

A. PROCLAMATION HONORING BRIAN HUNT UPON HIS RETIREMENT FROM MESA CONSOLIDATED WATER DISTRICT AND FOR HIS MORE THAN 26 YEARS OF SERVICE:

General Manager Pearl reported there would be a retirement party on February 9, 2009 at 3:30 p.m. in the Boardroom. All Directors are invited.

MOTION 2009-10

Motion by Director Bockmiller, seconded by Director Shoenberger, to approve the proclamation honoring Brian Hunt upon his retirement from Mesa Consolidated Water District and for his more than 26 years of service. Motion passed 5-0 with the following roll call vote.

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

- B. PROCLAMATION HONORING TUCKEY STATUM UPON HER RETIREMENT FROM MESA CONSOLIDATED WATER DISTRICT AND FOR HER MORE THAN SEVEN YEARS OF SERVICE:

MOTION 2009-11

Motion by Director Bockmiller, seconded by Director Shoenberger, approve the proclamation honoring Tuckey Statum upon her retirement from Mesa Consolidated Water District and for her more than seven years of service. Motion passed 5-0 with the following roll call vote.

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

- C. COLOR REMOVAL TESTING AT WELL NO. 5:

District Engineer McVicker reported on the testing that is being done at Well 5 to reduce the color units in the water. The purpose of this request is to obtain authorization to increase the limit of the as contract with Carollo Engineers up to \$32,000, which is an \$18,000 increase, and to appropriate money from working capital cash to fund the research and development.

Director Shoenberger noted that the E & O Committee did not discuss this issue but the Committee was briefed, and due to the pressing nature of this project, it was brought directly to the Board for consideration. It was noted that if Well 5 is shut down, it would cost Mesa approximately \$2,500 a day to purchase imported water, or \$75,000 a month.

Director Atkinson re-affirmed the timeliness of this issue and the financial significance of the matter.

Director Ohlig-Hall expressed concern regarding the funds that Mesa is using to solve its colored water problems. She expressed an interest in a progress report on how Basin Water, UCI, and Carollo are working to reduce the color in the Mesa's water.

General Manager Pearl responded that there will be an update at the Board Workshop.

Director Bockmiller noted that this is one step to solve an immediate problem, but would like an order of magnitude relative to the cost of improving the color levels.

District Engineer McVicker responded noting that staff is investigating two technologies: 1) adding hydrogen peroxide in addition to UV Lamps, which are already being used. 2) Addition of Ozone dosing. He estimated the cost to be less than \$75,000.

Director Bockmiller commented that the reduction of color is an aesthetic consideration not a water purity issue.

MOTION 2009-12

Motion by Director Ohlig-Hall, seconded by Director Bockmiller, to authorize the General Manager to execute a change order to increase the limit of the as-needed contract with Carollo Engineers to \$32,000, which would allow for the issuance of a task order for an amount not to exceed \$18,000, to perform color removal testing at Well No. 5, and appropriate \$18,000 from Active Working Capital Cash for this unbudgeted expense. Motion passed 5-0.

IV. REPORTS AND INFORMATION ITEMS:

A. REPORT OF THE GENERAL MANAGER:

1. December Key Indicators Report
2. Items of general interest:
 - ◆ Update on Colored Water Treatment Facility (CWTF) bromated treatment system
 - ◆ Other
 - President Dewane and General Manager Pearl attended the January 26, 2009, Irvine Ranch Water District Board of Directors meeting and presented former Director Darryl Miller with Mesa's proclamation for his years of service.
 - MWDOC has asked other agencies to meet and review MWD's budget. Director Ohlig-Hall, Financial Services Manager Beatley, and General Manager Pearl will attend the February 4, 2009, meeting. It is the understanding of the staff that this is a brainstorming session regarding cost saving measures. This item will be discussed at Mesa's Board Workshop on January 28, 2009.
 - Attorney Anslow provided an update on AB3030. The issue of AB3030 was referred to the Finance Committee for further discussion.

B. STANDING COMMITTEE REPORTS:

1. Director Shoenberger reported on the following meeting:
 - a. Engineering and Operations Committee Meeting, 1/14
 - Director Shoenberger confirmed a seismic evaluation was done for Reservoir 1.

- Director Bockmiller commented on the Reservoir 1 seismic evaluation that was conducted. Based upon his experiences he noted that UCI engages in structural peer reviews which are done by outside contractors who were not involved with the original design and have no financial interest in the outcome of the report. The item was referred to the Engineering and Operations Committee.

C. DIRECTORS' REPORTS AND COMMENTS:

1. Director Atkinson reported on the following meeting:
 - a. Water Issues Study Group Meeting, 1/20
 - b. Other

2. Director Ohlig-Hall reported on the following meetings:
 - a. MWDOC Public Affairs and Legislative Committee Meeting, 1/19
 - b. Water Issues Study Group Meeting, 1/20
 - A discussion ensued to consider changing the day of the Water Issues Study Group (WISG) as it is currently held on the same day as the City Council Meeting. Changing the date may allow more people to attend the WISG.
 - A discussion ensued regarding a Costa Mesa resident, Mr. Doane, who has been recently been in the news for violations of the City of Costa Mesa's landscape regulations. The purpose of the communication is to help Mr. Doane design a landscape that is drought tolerant and attractive.
 - c. MWDOC Meeting, 1/21
 - d. Other

3. Director Shoenberger reported on the following meetings:
 - a. Water Issues Study Group Meeting, 1/20
 - b. OCWD Meeting, 1/21
 - c. Other

4. Director Bockmiller reported on the following meeting:
 - a. Water Issues Study Group Meeting, 1/20
 - b. Other

5. President Dewane reported on the following meetings:
 - a. Water Issues Study Group Meeting, 1/20
 - b. Other

V. BOARD SCHEDULE:

- A. TENTATIVE MEETING TOPICS:
- B. CONFERENCES, SEMINARS, AND MEETINGS:
- C. BOARD CALENDAR:

VI. INFORMATION ITEMS:

- A. ITEMS OF GENERAL INTEREST:
 - 1. OCWD Groundwater Producers meeting minutes, 01/14/09.

RECESS

President Dewane declared a recess at 8:26 p.m. The Board meeting reconvened at 8:36 p.m.

II. PRESENTATION AND DISCUSSION ITEMS:

A. GENERAL LEGAL COUNSEL ASSESSMENT:

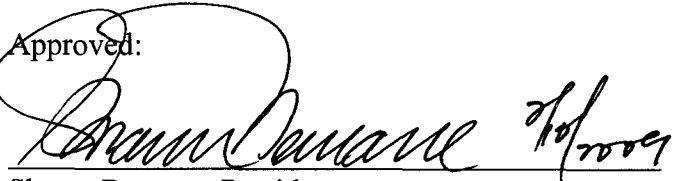
Attorney Anslow provided an overview and update of the firm’s partners, associate attorneys, and services.

Mr. Anslow responded to questions from the Board.

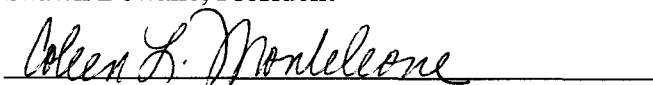
President Dewane thanked Mr. Anslow for the information.

President Dewane adjourned the Board meeting at 8:50 p.m. to an adjourned regular Board meeting to be held on Wednesday, January 28, 2009 at 8:00 a.m.

Approved:



Shawn Dewane, President



Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer