

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

CALL TO ORDER

The meeting of the Board of Directors was called to order on October 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 Ohlig-Hall led the Pledge of Allegiance. Director Ohlig-Hall asked for a moment of silence for the soldiers killed in Afghanistan.

ROLL CALL

District Secretary Monteleone called the roll.

Directors Present

Shawn Dewane, President
Fred R. Bockmiller, First Vice President
James F. Atkinson, Vice President
Jim Fisler, Vice President
Trudy Ohlig-Hall, Vice President

Directors Absent

None

Staff Present

Paul E. Shoenberger, P.E., 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
Denise Garcia, Executive Assistant
Rob Anslow, Attorney, Bowie, Arneson, Wiles & Giannone

Others Present

Joan C. Finnegan, Director, Municipal Water District of Orange County (MWDOC)

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 recognized Director Joan Finnegan from MWDOC. Ms. Finnegan announced Mr. Jeffery Thomas was appointed to the MWDOC Board of Directors.

President Dewane thanked Ms. Finnegan for her attendance and proceeded with the meeting.

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

There were no items to be added, withdrawn, or reordered.

Director Bockmiller pulled Item D of the Consent Calendar. The Board agreed to remove Item B.4 Urban Water Institute 8th Annual Clean Water Conference, Irvine, CA, November 16-17, 2009 from the Consent Calendar as no one will be attending. There were no objections from 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. Approved minutes of regular Board meeting of October 13, 2009.
- B. Approve attendance considerations (additions, changes, deletions).
 - 1. "Meet Your Elected Officials" Event; Irvine, CA; Thursday, October 29, 2009.
 - 2. Municipal Water District of Orange County Water Policy Forum; Costa Mesa, CA; Thursday, November 5, 2009.
 - 3. Orange County Forum Luncheon; "The OC: Perceptions and Realities; Irvine, CA; Thursday, November 12, 2009.
 - 4. Urban Water Institute 8th Annual Clean Water Conference; Irvine, CA; November 16 – 17, 2009 (*removed*)
 - 5. Workshop with Neil Callahan from R. W. Beck, November 17, 2009
- C. Board Schedule:
 - 1. Tentative Meeting Topics
 - 2. Conference, Seminars, and Meetings
 - 3. Board Calendar
- D. Receive the September 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. Approve the annual membership dues to the American Water Works Association in the amount of \$3,243.

MOTION 2009-92

Motion by Director Bockmiller, seconded by Director Fisler, to approve Items A, B 1-3, and 5, C, E and F of the Consent Calendar as amended. Motion passed 5-0.

Item D - Receive the September 2009 Investment Transaction Report.

Director Bockmiller commented that the law requires that the Board be informed of the monthly Investment Transaction Report. However, he noted the report does not provide sufficient information to understand the transactions or the reason for the transactions.

Financial Services Manager Beatley explained that Government Code Section 53607 does not require the level of detail requested by Director Bockmiller. She noted that the Finance Committee receives a copy of the Investment Report which shows the detail regarding the earnings of the Local Agency Investment Fund (LAIF) as well as funds on deposit at other banks.

The Board agreed to continue with existing reporting.

MOTION 2009-93

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

II. PRESENTATION AND DISCUSSION ITEMS:

No Items.

III. ACTION ITEMS:

A. INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY (ISDOC) SPECIAL ELECTION TO APPROVE ANNUAL DUES INCREASE:

Director Ohlig-Hall questioned the reason for the increase. She noted that she is in opposition to the increase.

It was noted that the increase is necessary for ISDOC to maintain its membership and voting status with the Orange County Council of Governments (OCCOG). OCCOG recently approved the charging of annual dues for its 40 members to cover increased expenses related to its regional leadership role with the South California Council of Governments (SCAG). The annual OCCOG dues for ISDOC will be \$5,000.

The Board questioned the reason for the fee increase as there is duplication of membership and the procedure does not allow Mesa to opt out as Mesa does not want to be a member of OCCOG.

MOTION 2009-94

Motion by Director Ohlig-Hall, seconded by Director Atkinson, to abstain from voting for an ISDOC annual increase until the Board has enough information upon which to base its decision. Motion passed 3-0-0-2 with President Dewane and Director Fisler abstaining.

RECESS

President Dewane declared a recess at 7:31 p.m. The Board reconvened at 7:38 p.m.

B. CLOSED SESSION:

President Dewane announced that the Board was going into Closed Session at 7:39 p.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 and District Engineer
Negotiating Parties: Poseidon Resources

Under Negotiation: Possible use of Mesa Consolidated Water District property by an outside company for purposes of delivering desalinated potable water to other agencies.

RETURN TO OPEN SESSION.

The Board returned to Open Session at 8:28 p.m.

Attorney Anslow reported a Closed Session was conducted pursuant to Government Code Section 54956.8 with the General Manager and District Engineer. The Board received information and gave direction to its District Negotiator. There was no other announcement.

IV. REPORTS AND INFORMATION ITEMS:

A. REPORT OF THE GENERAL MANAGER:

1. September Key Indicators Report
2. Items of general interest:
 - Other
 - Basin Water entered into bankruptcy. Mesa was notified however, that the District has no contract or financial obligations with Basin Water.
 - Mesa was one of the first water districts within the California Special Districts Association to receive the District of Distinction Award.
 - The District has been re-accredited for 2009/2010.
 - The District tests its water throughout the year. Mesa does in excess of 44,000 water quality tests per year.
 - Segerstrom has extended Mesa's lease on Well 4 to February 28, 2010.
 - The Board Workshop is being conducted on Friday, October 30, 2009 at 8:00 a.m.
 - Kay Rojek will be retiring after 26 years with Mesa. Her final day is May 4, 2010 with her last day at Mesa being March 26, 2010. A retirement party will be planned as the day gets closer.
 - As the District has selected the membrane technology for the upgrade to the Colored Water Treatment Facility, the District is joining the Southwest Membrane Operators Association (SWMOA). Water Operations Manager Jerry Vilander and several operators will attend a hands-on training workshop November 4, 2009.
 - Mr. Vilander and other operations personnel will visit the Hydranautics Membrane Manufacturing Facility in Northern San Diego County to see how the membranes are manufactured. This session is scheduled for Thursday, October 29, 2009.
 - A 3-year Memo of Understanding (MOU) was signed with Mesa's Union in 2008. The MOU is in its second year. In the third year, the entities agreed to a Classification and

- Compensation Study. General Manager Shoenberger noted that employees may expect a 2.5% increase for the 2nd year.
- Human Resources Manager Barbara Wiseman explained that in year three there is no general increase for all of Mesa's employees, rather the salary ranges will be guided by the Classification and Compensation Study.
 - Director Ohlig-Hall reiterated that the 2nd year increase is in accordance with the MOU signed by Mesa and Mesa's union in 2008.
 - General Manager Shoenberger met with Townsend and Associates on Monday, October 26, 2009. Townsend is working to set up meetings in Sacramento with legislative representatives regarding the District's search for grant funding.

B. STANDING COMMITTEE REPORTS:

1. Director Ohlig-Hall reported on the following meetings:
 - a. Finance Committee Meeting, 10/15
The Committee reviewed disbursements to Directors and employees as reported on the Accounts Paid Listing" per California Government Code Section 53065.5.
 - b. City/Districts Liaison committee Meeting, 10/16
2. Director Bockmiller reported on the following meetings:
 - a. City/Districts Liaison Committee Meeting, 10/16
 - b. Information Technology ad hoc Committee Meeting, 10/22
3. President Dewane reported on the following meeting:
 - a. Special Executive Committee Meeting, 10/26

C. DIRECTORS' REPORTS AND COMMENTS:

1. Director Atkinson:
 - a. Other
2. Director Ohlig-Hall reported on the following meetings:
 - a. OCWD Water Quality Assurance Laboratory Dedication, 10/15
 - b. MWDOC Public Affairs and Legislative Committee Meeting, 10/19
 - c. MWDOC Meeting, 10/21
 - d. Other
3. Director Fisler reported on the following meetings:
 - a. LAFCO Meeting, 10/14
 - b. Huntington Beach Desalination Plant Tour, 10/22
 - c. Other
4. Director Bockmiller:
 - a. Other

5. President Dewane:
 - a. Other

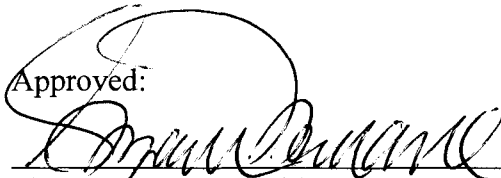
V. INFORMATION ITEMS:

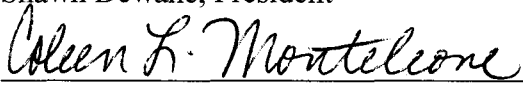
A. ITEMS OF GENERAL INTEREST:

1. Groundwater Producers Meeting Minutes, 10/14/09
2. Thank you letters for bottled water donations from the following organizations:
 - ◆ Saint John the Baptist Catholic Church, letter dated 09/17/09
 - ◆ Kiwanis Club of Costa Mesa, letter dated 10/12/09

President Dewane adjourned the regular Board meeting at 9:22 p.m. to an adjourned regular Board meeting to be held on Friday, October 30, 2009 at 8:00 a.m.

The next regular Board Meeting will be held on Tuesday, November 10, 2009 at 7:00 p.m.

Approved:


Shawn Dewane, President


Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer