

**MINUTES OF THE BOARD OF DIRECTORS
MESA CONSOLIDATED WATER DISTRICT
1965 Placentia Avenue, Costa Mesa, CA
Monday, November 23, 2009
3:00 p.m. Adjourned Regular Board Meeting**

CALL TO ORDER

The meeting of the Board of Directors was called to order on November 10, 2009 at 3:00 p.m. by Acting President Bockmiller at the District Office Boardroom, located at 1965 Placentia Avenue, Costa Mesa, California.

PLEDGE OF ALLEGIANCE

Director Ohlig-Hall led the Pledge of Allegiance.

Directors Present

Shawn Dewane, President (arrived at 3:06 p.m.)
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
Barry Carlson, Conservation/Customer Service Coordinator
Amanda Gavin, Public Information Specialist
Denise Garcia, Executive Assistant

Others Present

Laer Pearce, Laer Pearce and Associates
Ben Boyce, Laer Pearce and Associates

PUBLIC COMMENTS

President Dewane invited members of the public to address the Board of Directors (Board) on matters that were not on the agenda. No comments were made on items not on the agenda. President Dewane proceeded with the meeting.

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

General Manager Shoenberger commented there were no items to be added, withdrawn, or reordered.

I. DISCUSSION ITEMS:

A. BOARD DISCUSSION:

The Board discussed various District matters. No comments were provided at the conclusion of the discussion.

B. BRANDING/MESSAGING WORKSHOP:

General Manager Shoenberger introduced the subject and noted that there was a pre-meeting with staff for their input. The purpose of this effort is to identify Mesa's strong points and to come out of the meeting with a message that will be brought forth to the community. Following this effort, Mesa will roll out Mesa's outreach program.

General Manager Shoenberger introduced Messrs. Laer Pearce and Ben Boyce. Mr. Pearce proceeded with the presentation.

The agenda will cover:

- Uncover Mesa's DNA:
 - Core Values and Strengths
 - Positions on Key Issues
 - Where Mesa wants to be tomorrow
- Consider Mesa's current brand identity
- Chart the course for aligning Mesa's brand identity

Mr. Pearce reviewed logos with which people identify: i.e. Coca Cola, Hersey's, Pepsi, etc. He then proceeded to review water industry logos and evaluate their impact and identification quotient.

He reviewed the definition of a Brand. "A brand is not a company's logo or advertising. Those are controlled by the company. Instead, a brand is a customer's gut feeling about a product, service or company. It's not what you say it is. It's what they say it is. The best you can do is influence it."

Mr. Pearce identified the components of a good brand:

- Deliver Mesa's message clearly
- Confirm credibility
- Connect emotionally with customers
- Motivate customers
- Solidify a positive customer/District relationship

He reviewed the public opinion survey that was done in May 2009 and Mesa's Strategic Plan Priorities. He noted the messaging must be in alignment with the Strategic Plan Priorities.

Conservation: He noted that it is his understanding that conservation for Mesa is currently a voluntary effort and driven by education. A discussion ensued on what conservation means to the Board.

Reliability: The Board's mandate is to continue to insure a reliable, adequate water supply and make Mesa as drought proof as possible.

Infrastructure: A discussion ensued on how to pay for the maintenance of the infrastructure. It was noted that Mesa has a very low water loss rate, 4 percent, which indicates it has been successful in maintaining its infrastructure. It was also noted that Mesa's fire hydrant system has a high rating.

Finances and Rates: It was noted that generally the Board's position has been to adopt a rate structure that funds the capital replacement and infrastructure improvement fund on-going in the District, the orderly replacement of capital facilities, to fully fund the staffing needs necessary to maintain the distribution system and to increase the designated funds balance sufficient to obtain a AAA bond rating.

The Board briefly discussed the Water Bond that will be on the November 2010 ballot. It was the general feeling that Mesa will take no position on the Water Bond.

Water Quality: Provide a safe and reliable water supply, continue to meet and surpass water quality standards and enhance the operating and treatment procedures. A brief discussion ensued regarding bottled water and the feasibility of discontinuing the program as it may be sending a mixed message. This was discussed regarding the fact that the bottled water industry is not regulated. It was agreed that one of Mesa's priority messages are its high standards and production of high quality water.

Recognized Leader in Orange County: An important element to Mesa's leadership is it strives for excellence.

Colored Water Treatment Facility: A discussion ensued regarding the CWTF and the assumptions made relative to that name and the appropriate words that could be used to re-name the facility.

Revising Mesa's Mission: It was noted that the Board was open to re-examining Mesa's Mission Statement.

Changing the District's Name and Logo: A discussion ensued regarding the feasibility of changing the District's name and logo. The general consensus was the Board would like to have a new, improved logo.

Mr. Pearce reviewed the next steps in the project. He noted the objective of his company's efforts is to give Mesa's staff a deck of tools that they need to carry out Mesa's objectives. The first product will be a message deck that incorporates the discussions conducted at this meeting. It will consist of key messages that can be used in newsletters and all communication tools. A subset will be a tag line, new logo, and identification of the function of the 50th anniversary in the branding of Mesa.

The Board thanked Mr. Pearce for facilitating the workshop.

C. COLORED WATER TREATMENT FACILITY EXPANSION NAME:

This item was discussed during the branding exercise.

D. COMMUNITY OUTREACH MESSAGING:

General Manager Shoenberger reviewed the proposed messages a response to several ratepayers letters regarding the proposed pipeline.

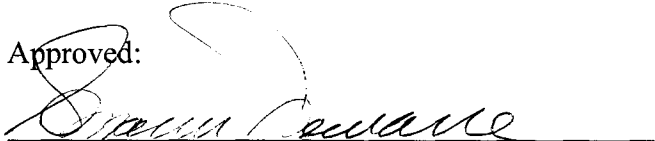
II. DIRECTORS' COMMENTS:

A. DIRECTORS' COMMENTS:

1. Director Atkinson: No closing comments.
2. Director Ohlig-Hall: No closing comments.
3. Director Fisler: No closing comments.
4. Director Bockmiller: No closing comments.
5. President Dewane: No closing comments.

President Dewane adjourned the adjourned regular Board meeting at 5:30 p.m. to a regular Board meeting to be held on Tuesday, November 24, 2009 at 7:00 p.m.

Approved:



Shawn Dewane, President



Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer