

**MINUTES OF THE BOARD OF DIRECTORS
MESA CONSOLIDATED WATER DISTRICT
1965 Placentia Avenue, Costa Mesa, CA
Tuesday, November 8, 2011
7:00 p.m. Regular Board Meeting**

CALL TO ORDER

The meeting of the Board of Directors was called to order on November 8, 2011 at 7:00 p.m. by President Bockmiller at the District Office Boardroom, located at 1965 Placentia Avenue, Costa Mesa, California.

Director Atkinson to participate in the meeting via teleconference from 2871 Alanzo Lane, Costa Mesa, CA 92626

PLEDGE OF ALLEGIANCE

Director Ohlig-Hall led the Pledge of Allegiance.

Directors Present

Fred R. Bockmiller, President
James F. Atkinson, First Vice President
Shawn Dewane, Vice President
Jim Fislser, 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, Chief Financial Officer/Treasurer
Robert R. McVicker, District Engineer
Jerry Vilander, Water Operations Manager
Stacy Taylor, Communications Manager
Barry Carlson, Customer Services Manager
Kurt Lind, Senior Management Analyst
Denise Garcia, Executive Assistant
Rob Anslow, Attorney, Bowie, Arneson, Wiles & Giannone

Others Present

Ethan Temianka, Mesa Customer

PUBLIC COMMENTS

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ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA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

General Manager Shoenberger requested deferring the scheduled Closed Session until the November 22, 2011 Board meeting. There were no objections.

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RECOGNITION OF DISTRICT FOR CERTIFICATE OF ACHIEVEMENT FROM THE GOVERNMENT FINANCE OFFICERS ASSOCIATION FOR EXCELLENCE IN FINANCIAL REPORTING FOR THE JUNE 2010 COMPREHENSIVE ANNUAL FINANCIAL REPORT.

General Manager Shoenberger acknowledged Chief Financial Officer Beatley for the award the District received for its excellence in Financial Reporting for the June 2010 Comprehensive Annual Financial Report. President Bockmiller presented Ms. Beatley with the plaque. Photographs were taken.

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 Fisler pulled item H. Director Atkinson pulled item D. There were no objections.

- A. Approve minutes of regular Board meeting of October 11, 2011.
- B. Approve attendance considerations (additions, changes, deletions).
- C. Board Schedule:
 - 1. Tentative Meeting Topics
 - 2. Conferences, Seminars, and Meetings
 - 3. Board Calendar
- D. Award a contract to Carollo Engineering for an Arc Flash Study for FY12 for the not to exceed amount of \$45,140 and authorize the General Manager to execute the contract.
- E. Approve the Colored Water Treatment Facility Improvements Project Outreach Brochure Fall/Winter 2011.
- F. Receive the September 2011 Investment Transaction Report.
- G. Approve contract change orders to MWH in the amount of \$175,000, Prime Systems Industrial Automation Inc. in the amount of \$178,920 and MWH Constructors in the amount of \$160,000, approve a post budget allocation of \$775,771 from the Capital Replacement Designated Fund and authorize the General Manager to execute the change orders.
- H. Approve contract Change Order No. 3 with Carollo Engineers for \$28,662 to conduct a comprehensive startup-training workshop for the Colored Water Treatment Facility Technology Replacement and Expansion and authorize the General Manager to execute the change order.

Item D - Award a contract to Carollo Engineering for an Arc Flash Study for FY12 for the not to exceed amount of \$45,140 and authorize the General Manager to execute the contract.

Director Atkinson expressed concern there were only two bidders. He noted there was a large difference in bid costs, yet the scoring was very close. He thought the District should have received additional bids.

Director Fisler commented this contract involved an evaluation of Mesa Consolidated Water District's (Mesa Water) electrical panels and development of a long-term maintenance plan to ensure safe, reliable, maximum service life potential for switchgears, and electrical panels at all Mesa Water facilities. He asked if staff had the capability and resources to evaluate the electrical systems, document warranty and develop maintenance programs.

Operations Manager Jerry Vilander reviewed the process that was followed. He noted four firms were sent requests for bid on this project. The proposals were reviewed and evaluated by staff and Mehul Patel,

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GWR System Program Manager, Orange County Water District and ranked based on firm qualifications, experience, staff availability, references and proposal quality. It was determined that Carollo Engineering was the most qualified. He noted that staff did not have the intricate knowledge necessary to perform the assessment and evaluation. Staff decided it would be better to outsource this project.

General Manager Shoenberger noted that while he and Mr. Vilander were satisfied with the Carollo proposals, the project is not time dependent and if the Board wished to obtain additional bids staff would support the Board's decision.

Director Dewane commented that President Bockmiller brought this project to the attention of the Board as a result of a report to JPIA where a similar situation was brought to JPIA after someone was seriously injured. He noted there is an unknown risk to the District of the same type of event occurring at Mesa.

General Manager Shoenberger reviewed the scope of the project. Once the assessment is done and a maintenance program documented, bids will be sent out for the first level of maintenance on the panels.

President Bockmiller commented that the purpose of an Arc Flash Study is to identify potential hazards and evaluate the condition of the equipment. After the assessment component of the study is completed, a scope of work for a maintenance program will be developed and work will be done by staff or outsourced depending upon resource availability. He noted that no funds were budgeted for the Arc Flash Study. Funds are available from CMV12-03 Capital Mainline Valve Replacement. An appropriation from CMV12-03 Capital Mainline Valve Replacement in the amount of \$45,140 is required.

RECESS

President Bockmiller declared a recess at 7:20 p.m. to re-establish communication with Director Atkinson. The meeting reconvened at 7:25 p.m. when the teleconference was reconnected.

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

MOTION 2011-105

Motion by Director Dewane, seconded by Director Fisler, to approve Item D of the Consent Calendar. Motion passed 4-1 with the following roll call vote:

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

Item H - Approve contract Change Order No. 3 with Carollo Engineers for \$28,662 to conduct a comprehensive startup-training workshop for the Colored Water Treatment Facility Technology Replacement and Expansion and authorize the General Manager to execute the change order.

Director Fisler offered he supports the startup-training workshop but wanted to highlight the Budget vs. Expenditures. He noted the costs are tracking very closely.

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

MOTION 2011-106

Motion by President Dewane, seconded by Director Fisler, to approve Item H of the Consent Calendar. 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

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

MOTION 2011-107

Motion by Director Dewane, seconded by Director Atkinson, to approve Items A, B, C, E, F, and G of the Consent Calendar. 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

PRESENTATION AND DISCUSSION ITEMS:

A. COMPUTERIZED MAINTENANCE MANAGEMENT SYSTEM (CMMS) – IMPROVEMENT PROCESS:

Water Operations Manager Vilander introduced Senior Management Analyst Kurt Lind who proceeded with the presentation. Mr. Vilander noted this is the final presentation on the subject.

He noted this presentation is about applying technology to improve valve maintenance. He noted that other local agencies have visited the District to obtain information about Mesa Water's maintenance program. He commented that Mesa Water is innovative in this area by having a plan, implementing the plan and using technology to effectively maintain the valves. The valves are exercised every two years. The District's valves have been identified on a grid that shows the location of each valve and the valves locations divided into three grids (West Side, North Side and East Side). There are 5,000+ valves.

He highlighted the following:

- ◆ Mesa Water has had a valve maintenance program for 30 plus years.
- ◆ Valve Maintenance Planning and Scheduling is done in a two year cycle.
- ◆ Valve maintenance saves time, water and costs.
- ◆ Reviewed the valve turning program for the past 11 years.

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He explained the process using laptops in the trucks and the syncing process between the laptops and the Geographic Information Systems (GIS) that helps eliminate paper and improves timeliness of recording data.

Director Dewane asked why the District uses gate valves instead of ball valves.

Mr. Vilander responded that gate valves are the industry standard for large size valves in inline distribution systems. Ball valves are typically used in residential homes.

Messrs. Vilander and Lind responded to questions from the Board.

ACTION ITEMS:

A. STRATEGIC PLAN UPDATE:

General Manager Shoenberger commented on Mesa Water's Strategic Goal #6, "Provide Outstanding Customer Service". There was direction from the Board to include "in a timely courteous and effective manner." He noted that the change has been incorporated into Objective A and Objective D "Service to the community" was rewritten and includes a bullet – "Measure service to maintain customer satisfaction."

Director Ohlig-Hall commented on Objective B and recommended a change to the third bullet point – Change to "Encourage the customer to participate." She also recommended change Outcome 1 – Conduct District-side sample survey periodically, rather than annually. She would prefer not to hinder the Board to performing the sample survey annually, due to costs and availability of resources in the future.

Director Atkinson pointed out that Objective C, there were two bullet points which were identical to each other – bullet points one and four – Support employee decisions - empower.

General Manager Shoenberger noted that the second identical bullet would be removed.

Customer Services Manager Barry Carlson commented on Objective B – Exceed current customer services standards and bullet point 3. He noted this bullet point was inserted as it touches on the art of customer service.

The Board agreed to leave Objective B, bullet point 3 and Outcome 1 as written.

President Bockmiller asked for comments from the public. There was no public in attendance.

MOTION 2011-108

Motion by Director Dewane, seconded by Director Atkinson, to approve the amendments to Strategic Plan Goal No. 6: Provide Outstanding Customer Service. Motion passed 5-0 with the following roll call vote:

AYES: DIRECTORS Ohlig-Hall, Dewane, Fislser, Atkinson, Bockmiller

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NOES: DIRECTORS None
ABSENT: DIRECTORS None
ABSTAIN: DIRECTORS None

B. CLOSED SESSION:

The Closed Session was withdrawn at the request of the General Manager.

1. PURSUANT TO SECTION 54957:
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: General Manager

REPORTS AND INFORMATION ITEMS:

A. REPORT OF THE GENERAL MANAGER:

1. September Key Indicator Report
2. Items of general interest:
 - ◆ Other
 - Mesa Customer William Burke wrote a letter to President Bockmiller which was received by the District. The letter was referred to the Executive Committee for review.
 - Huntington Beach resident John Earl submitted a public records request to the District for documents regarding desalination. The request was completed. Staff responded to the request delivering approximately 400 pages on a CD to Mr. Earl at a staff cost of approximately \$17,000. Mr. Earl was charged \$3.00 for 3 CDs.
 - The District will distribute turkeys to employees on November 21, 2011 at 4:00 p.m. – all Board members are invited to attend.
 - The OC-44 Update: All permits have been obtained. The crane will be put on the site on Monday, November 14, 2011, to begin work on removing damaged pipe and installing new pipe. Mr. McVicker provided information on how the pipe will be cleaned and disinfected.
 - There is a new section in the Board agenda – Consent Calendar Items following the calendar section showing upcoming community outreach events.
 - There are new information tabs on the website – Board Policies and Desalination.
 - Mesa Water was recognized at a legislative conference committee on pension reform during a hearing in Carson, California. Legislative Director Kyle Pakum, California Special Districts Association (CSDA), recognized Mesa Water as a standout example of a special district that has managed their pensions extremely well and has no unfunded liabilities. Mr. Pakum used Mesa Water as an example of great local control as they have managed themselves very well, and are not experiencing the same problems other special districts are dealing with.

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- The Orange County Investment Pool (OCIP) has a higher interest rate than LAIF. Five million dollars have been transferred into OCIP, with \$3 million remaining with LAIF.
- The Banning Ranch Environment Impact Report (EIR) comments were due November 8, 2011. Mesa's comment letter was submitted.
- There will be some after-hours work at the Colored Water Treatment Facility applying a coating over the cement. Residents will be notified via telephone. One night the contractor will work until 7 p.m. The second night will be until 11 p.m.
- The goal sign behind the dais has been updated to include the Board's newest Goal regarding Customer Service.
- President Bockmiller and Director Dewane are celebrating a birthday on November 14, 2011.

RECESS

President Bockmiller declared a recess at 8:38 p.m. The meeting reconvened at 8:50 p.m.

B. DIRECTORS' REPORTS AND COMMENTS:

1. Director Fisler reported on the following meetings:
 - a. MWDOC Water Policy Forum, 10/20
 - b. MWDOC/OCWD Jt. Planning Committee Meeting, 10/26 (did not attend)
 - c. ISDOC Meeting, 11/1
 - d. Jt. MWDOC/MWD Meeting, 11/2
 - e. Special MWDOC Meeting – Elected Officials' Forum, 11/3
 - f. Other

2. Director Ohlig-Hall reported on the following meetings:
 - a. Upper Chiquita Reservoir Dedication Event, 10/14
 - b. MWDOC Water Policy Forum, 10/20
 - c. Other

3. Director Dewane:
 - a. Other

4. Director Atkinson:
 - a. Finance Committee Meeting, 10/17. Report provided by Director Fisler
The Committee reviewed disbursements to Directors and employees as reported on the Accounts Paid Listing" per California Government Code Section 53065.5.
 - b. Other

5. President Bockmiller reported on the following meetings:
 - a. MWDOC Water Policy Forum, 10/20
 - b. Executive Committee Meeting, 10/26
 - c. Special Engineering & Operations Committee Meeting, 10/27
 - d. OCWD Meeting, 11/2

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- e. WACO Meeting, 11/4
- f. California Society of Professional Engineers, 11/3
- g. Other


INFORMATION ITEMS:

A. ITEMS OF GENERAL INTEREST:

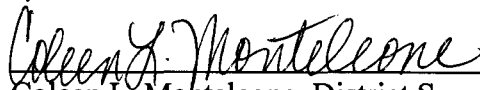
- 1. General Manager's Weekly Reports
- 2. Reservoir No. 1 – Double Wall Heat Exchanger

President Bockmiller adjourned the meeting at 9:21 p.m.

Approved:



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



Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer