

**MINUTES OF THE BOARD OF DIRECTORS
MESA CONSOLIDATED WATER DISTRICT
1965 Placentia Avenue, Costa Mesa, CA
Tuesday, February 10, 2009
7:00 p.m. Regular Board Meeting**

CALL TO ORDER

The meeting of the Board of Directors was called to order on February 10, 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.

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
Kurt Lind, Management Analyst
Rob Anslow, Attorney, Bowie, Arneson, Wiles & Giannone

Others Present

Heather Dion, Director, Townsend Public Affairs, Inc.
Larry Porter, Residents for Responsible Desalination

PUBLIC COMMENTS

President Dewane invited members of the public to address the Board of Directors (Board) on matters that were not on the agenda. There being no members of the public present, President Dewane proceeded with the meeting.

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

Director Ohlig-Hall asked to have an item added to the agenda for discussion: ACWA Excellence in Water Leadership Award.

MOTION 2009-13

Motion by Director Shoenberger, seconded by Director Ohlig-Hall, to add to the agenda the ACWA Excellence in Water Leadership Award as the matter arose after the agenda was posted and action is required prior to the next Board Meeting. Motion passed 5-0.

President Dewane placed the item on the agenda as III. B.

Director Ohlig-Hall requested the status of the Board Workshop meeting minutes. District Secretary Monteleone responded that the minutes would be on the agenda for approval at the next meeting.

I. CONSENT CALENDAR ITEMS:

All matters under 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 27, 2009.
- B. Approve attendance considerations (additions, changes, deletions).
 - a. California Coastal Commission Meetings; various dates and locations.
 - b. Water Issues Study Group Alumni Meeting, Orange County Water District, May 14, 2009.
- C. Approve the March/April issue of the District newsletter.
- D. Approve the annual utility membership dues to the Independent Special Districts of Orange County in the amount of \$50.

MOTION 2009-14

Motion by Director Shoenberger, seconded by Director Atkinson, to approve the Consent Calendar. Motion passed 5-0.

II. PRESENTATION AND DISCUSSION ITEMS:

A. TARGET AUDIT:

Director Atkinson reviewed the audit items recommended by Paul J. Kaymark, CPA, Charles Z. Fedak & Company, CPAs:

- Board member reimbursements to confirm compliance with AB 1234
- Budgets and financial forecasts
- Check issuance and wire transfers
- Cash collection management
- Investment management
- Investment portfolio administration
- Investment policies and modifications
- Analysis of investment yields to mark returns
- Water and wastewater billing procedures
- Contractual agreement compliance

- Central purchasing
- Warehouse controls and inventory systems
- Card-Lock fueling systems
- Inter-District cost-sharing charges and charge-backs
- Analysis of input and access controls related to the new financial software system
- Organization analysis of finance and accounting departments
- Accounting for development projects and fees to comply with AB 1600 revenues
- Capacity fee and developer contribution revenue usage

It was noted that this subject was discussed at the Finance Committee meeting. The Finance Committee concurs with the approach and targeted audit items.

MOTION 2009-15

Motion by Director Bockmiller, seconded by Director Atkinson, to approve a targeted audit in the areas of Central Purchasing, Warehouse Controls, and Inventory Systems. Motion passed 5-0.

B. CAPITAL PROJECTS STATUS REPORT:

President Dewane introduced District Engineer McVicker who proceeded with a presentation. He presented an update on capital expenditures compared to budgets, including an update on the Supervisory Control and Data Acquisition Upgrade, Valve Replacements, Meter Replacements, Fire Hydrant Replacements and Well No. 4 Rehabilitation.

Mr. McVicker responded to questions from the Board and the Board thanked Mr. McVicker for the update.

III. ACTION ITEMS:

A. GRANT SUPPORT SERVICES:

General Manager Pearl reported that the reason Mesa selected Townsend Public Affairs was their expertise working with other Orange County agencies. Staff and the Board have worked to find a solution to obtaining funds for the Colored Water Treatment Facility (CWTF). The purpose of granting this contract is to make every effort possible to obtain outside funding within the next six months. The goal of staff and the Board is to obtain a minimum of \$6,000,000 in outside funding to offset the cost of the improvements to the CWTF.

Heather Dion, Director, Townsend Public Affairs, Inc. provided a brief update on the process that will be followed and the various funding opportunities available.

President Dewane asked for comments from the public on this motion. There being none, the Board proceeded with a vote.

MOTION 2009-16

Motion by Director Bockmiller, seconded by Director Atkinson, to award a month-to-month contract to Townsend Public Affairs, Inc. for \$5,000 per month not to exceed \$25,000 for grant support services with funds to be used from the Special Legal Services budget. Motion passed 5-0.

RECESS

President Dewane declared a recess at 7:40 p.m. The Board of Directors meeting reconvened at 7:45 p.m.

B. ACWA EXCELLENCE IN WATER LEADERSHIP AWARD:

Director Ohlig-Hall reviewed the award. It was noted that the nominations need to be submitted by March 2, 2009. A discussion ensued. The Board directed staff to evaluate the program and determine who Mesa could submit as a nomination. Director Ohlig-Hall suggested the Water Issues Study Group in the outreach and education category.

Administrative Services Manager Monteleone read the description of the program to the Board. The award sponsored by Black and Vetch Corporation recognizes individuals or groups that have made a remarkable and visible contribution to the enhancement, protection, or development of water resources in California. The 2009 Excellence in Water Leadership Award will be presented at the ACWA Spring Conference in Sacramento. Individuals or groups from the following areas may be nominated for the award: water resources, business, environmental, education, media, and public service.

MOTION 2009-17

Motion by Director Ohlig-Hall, seconded by Director Shoenberger, to direct staff to pursue an application for the ACWA Excellence in Water Leadership Award in a category for which Mesa is best suited. Motion passed 5-0.

IV. REPORTS AND INFORMATION ITEMS:

A. REPORT OF THE GENERAL MANAGER:

1. Items of general interest:
 - ◆ Update on Colored Water Treatment Facility (CWTF) bromate treatment system

- ◆ Other
 - Mesa received a refund of approximately \$74,000 from ACWA/JPIA for the retrospective premium adjustment.
 - ACWA/JPIA settled a claim for \$275,000 on behalf of Mesa. The claim was settled without admitting liability.
 - The Youth and Government meeting is scheduled for March 2, 2009.
 - There was a broken water main on Jamboree, February 10, 2009. The OC 44 was shut down in order to address the broken water main. It was determined to be MWD's line and they have taken the operation to repair the line.
 - Staff is working on ways to reduce Mesa's overtime costs. These proposed savings will be presented to the Board at a future date.

B. STANDING COMMITTEE REPORTS:

1. Director Bockmiller reported on the following meeting:
 - a. Public Information Committee Meeting, 2/2
2. Director Ohlig-Hall reported on the following meeting:
 - a. Finance Committee Meeting, 2/3
 - The Committee reviewed disbursements to Directors and employees as reported on the Accounts Paid Listing per California Government Code §53065.5.

C. DIRECTORS' REPORTS AND COMMENTS:

1. Director Atkinson reported on the following meetings:
 - a. State of the Santa Ana River Watershed Conference, 1/29
 - b. OCWD Meeting, 2/4
 - c. WACO Meeting, 2/6
 - d. Other
 - It was noted that both Director Atkinson and Barry Carlson attended the Newport Mesa HOA Board of Directors Meeting on February 9, 2009.
2. Director Ohlig-Hall reported on the following meeting:
 - a. State of the Santa Ana River Watershed Conference, 1/29
 - b. Other
3. Director Shoenberger :
 - a. Other
4. Director Bockmiller:
 - a. Other
 - On March 5, 2009, the City of Newport Beach is conducting an open meeting with the residents "WaterMiser Workshop" at the Newport Beach Central Library and asked to have the meeting added to the next Board agenda for attendance consideration.

5. President Dewane:
 - a. ISDOC Quarterly Meeting, 1/29 – Did not attend this meeting.
 - b. Other

V. BOARD SCHEDULE:

- A. TENTATIVE MEETING TOPICS:
- B. CONFERENCES, SEMINARS, AND MEETINGS:
- C. BOARD CALENDAR:
Reschedule the March 5, 2009 Executive Committee meeting to March 12, 2009.
Reschedule February 27, 2009 Special Finance Workshop to March 11, 2009.

VI. INFORMATION ITEMS:

- A. ITEMS OF GENERAL INTEREST:
 1. Orange County Water Cost Comparison.


MOTION 2009-18


Motion by President Dewane, seconded by Director Ohlig-Hall, to direct staff to incorporate the information from the Orange County Water Cost Comparison developed by Mesa into various materials released by Mesa. Motion passed 5-0.

2. Operational Overhead and Fleet/Vehicle Rates.
3. Vending Machine Activity Update.
4. Online Bill Pay Activity Update.
5. Thank you letter for bottled water donations from the following organizations:
 - Estancia High School
 - Orange County Girl Scout Association

President Dewane adjourned the Board meeting at 8:56 p.m. to a regular Board meeting to be held on Tuesday, February 24, 2009 at 7:00 p.m.

Approved:


Fred R. Bockmiller, First Vice President


Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer