

**MINUTES OF THE BOARD OF DIRECTORS  
MESA CONSOLIDATED WATER DISTRICT  
1965 Placentia Avenue, Costa Mesa, CA  
Tuesday, February 24, 2009  
7:00 p.m. Regular Board Meeting**

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**CALL TO ORDER**

The meeting of the Board of Directors was called to order on February 24, 2009 at 7:00 p.m. by Acting President Bockmiller at the District Office Boardroom, located at 1965 Placentia Avenue, Costa Mesa, California.

**PLEDGE OF ALLEGIANCE**

Director Shoenberger led the Pledge of Allegiance.

**ROLL CALL**

District Secretary Monteleone called the roll.

Directors Present

Fred R. Bockmiller, First Vice President  
Trudy Ohlig-Hall, Vice President  
Paul E. Shoenberger, Vice President

Directors Absent

Shawn Dewane, President  
James F. Atkinson, Vice President

Staff Present

Victoria L. Beatley, Financial Services Manager/Treasurer  
Coleen L. Monteleone, Administrative Services Manager/  
District Secretary  
Robert R. McVicker, District Engineer  
Jerry Vilander, Water Operations Manager  
Barbara Wiseman, Human Resources Manager

Others Present

Thomas Johnson, Principal, Fieldman Rolapp and Associates  
Frank Ohlig, Guest

**PUBLIC COMMENTS**

Acting 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, Acting President Bockmiller proceeded with the meeting.

**ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA**

There were no items to be added, withdrawn, or reordered.

**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.

Director Ohlig-Hall pulled Items G and H. There were no objections by the Board.

*Mission: Dedicated to satisfying our community's water needs*

- A. Approve minutes of adjourned regular Board meeting of January 28, 2009.
- B. Approve minutes of regular Board meeting of February 10, 2009.
- C. Approve attendance considerations (additions, changes, deletions).
  - 1. City of Newport Beach WaterMiser Workshop; Newport Beach, CA; March 5, 2009.
  - 2. Orange County LAFCO Stakeholder Summit, Best Practices in Orange County Government; Costa Mesa, CA; March 27, 2009.
- D. Receive the January 2009 Investment Transaction Report.
- E. Approve the Chamber of Commerce President's Circle at the Friends level, in the amount of \$1,100.
- F. Deny Claim of Bruce McAllister and Amelie Hunter and refer it to ACWA/Joint Powers Insurance Authority for handling.
- G. Approve a stipend increase for the District Secretary and District Treasurer/Auditor to \$250 per month effective March 1, 2009.
- H. Approve a professional services contract with Tetra Tech for an amount not to exceed \$23,000 to estimate the capital cost and operation costs for membrane treatment of colored water at the Colored Water Treatment Facility and authorize the General Manager to execute the contract. Appropriate \$23,000 from Working Capital Cash for this unbudgeted expenditure.
- I. Approve a one-year agreement with Enernoc to provide an Energy Demand Response Program that could net Mesa up to \$53,550 in energy rebates.
- J. Approve support of AB 28 (Jeffries) Natural Gas Engines: Water Pumps and authorize the Board President to send a letter on behalf of Mesa.

MOTION 2009-20

Motion by Director Shoenberger, seconded by Director Ohlig-Hall, to approve Items A – F, I and J of the Consent Calendar. Motion passed 3-0-2 with Directors Dewane and Atkinson absent.

Item G - Approve a stipend increase for the District Secretary and District Treasurer/Auditor to \$250 per month effective March 1, 2009.

Director Ohlig-Hall recommended that the word stipend be changed to officer compensation.

MOTION 2009-21

Motion by Director Ohlig-Hall, seconded by Director Shoenberger, to approve Item G of the Consent Calendar as amended changing the word stipend to compensation. Motion passed 3-0-2 with Directors Dewane and Atkinson absent.

Item H - Approve a professional services contract with Tetra Tech for an amount not to exceed \$23,000 to estimate the capital cost and operation costs for membrane treatment of colored water at the Colored Water Treatment Facility and authorize the General Manager to execute the contract. Appropriate \$23,000 from Working Capital Cash for this unbudgeted expenditure.

Director Ohlig-Hall first thanked District Engineer McVicker and his staff for the excellent work they do for the District.

Director Ohlig-Hall expressed concern about the time and money Mesa is investing in the Colored Water Treatment Facility: UCI, Basin Water and now the Tetra Tech contract. The results or work products and updates have not been forth coming to the Board and more funds are being expended.

Director Shoenberger noted that this project is to cost out one alternative: membrane treatment system.

District Engineer McVicker noted that Tetra Tech is one of the most experienced companies with membrane treatment systems for colored water as well as ocean desalination systems. Their work project for Mesa will be a good stepping-stone for moving forward with the design, if Mesa decides to move forward with a membrane treatment system.

Director Shoenberger also noted that a report was presented to the Engineering and Operations Committee regarding the Basin Water pilot project with membranes and would be presented to the Board in the near future.

Staff was given direction to provide Board members with a copy of the proposal from Tetra Tech.

MOTION 2009-22

Motion by Director Ohlig-Hall, seconded by Director Shoenberger, to approve Item H of the Consent Calendar. Motion passed 3-0-2 with Directors Dewane and Atkinson absent.

## **II. PRESENTATION AND DISCUSSION ITEMS:**

None.

### III. ACTION ITEMS:

#### A. FINANCIAL ADVISOR SERVICES REQUEST FOR QUOTE:

Director Ohlig-Hall requested that Financial Services Manager Beatley provide the report from the Special Finance Committee. Ms. Beatley reported that staff requested quotes for a financial advisor who would present the costs and benefits to the District to address the following three components:

- ◆ Feasibility of refinancing existing debt
- ◆ Achieving the optimal credit rating
- ◆ Evaluating Board policies including debt and designated fund policies

Ms. Beatley reported that eight requests for quotes were sent out and two proposals were received. She noted that the two firms that responded were interviewed by the Finance Committee at the Special Finance Committee meeting February 20, 2009. Through the evaluation and selection process the Finance Committee recommended Fieldman Rolapp and Associates. After independent review, staff recommended Fieldman Rolapp and Associates as well.

Acting President Bockmiller asked for clarification on the need for the project. He noted that Mesa is in excellent financial position and he does not support changing Mesa's basic policy of pay-as-you-go or the issuance of new debt.

Director Shoenberger responded noting that it is important for Mesa to have a high credit rating and this is not a prelude to issue more debt. It is intended to reaffirm that Mesa is a strong agency and in excellent financial position.

Director Bockmiller noted that he is very concerned with certain items in the presentation regarding debt and wants to make sure that Mesa is not looking at issuing new debt. Financial Services Manager Beatley responded that we absolutely are not.

Mr. Tom Johnson, Principal, Fieldman Rolapp and Associates, responded to questions from the Board and provided information regarding the cost of the contract.

#### MOTION 2009-23

Motion by Director Shoenberger, seconded by Director Ohlig-Hall, to approve a contract with Fieldman Rolapp and Associates to make recommendations for improving the financial strength of Mesa with the understanding that a recommendation be brought forth to restructure Mesa's existing debt, but no new debt will be recommended. Funds for the project to be taken out of unallocated working capital cash for an amount not to exceed \$30,000 and to authorize the General Manager to sign the contract. Motion passed 3-0-2 with Directors Dewane and Atkinson absent.

**IV. REPORTS AND INFORMATION ITEMS:**

**A. REPORT OF THE GENERAL MANAGER:**

1. January Key Indicators Report
2. Items of general interest:
  - ◆ Update on Colored Water Treatment Facility (CWTF) bromate treatment system
  - ◆ Other

**B. STANDING COMMITTEE REPORTS:**

1. Director Shoenberger reported on the following meeting:
  - a. Engineering and Operations Committee Meeting, 2/19
2. Director Ohlig-Hall reported on the following meeting:
  - a. Special Finance Committee Meeting, 2/20
3. Director Bockmiller reported on the following meeting:
  - a. Executive Committee Meeting, 2/12

**C. DIRECTORS' REPORTS AND COMMENTS:**

1. Director Atkinson - not present for this meeting
  - a. OCWD Meeting, 2/18
  - b. Other
2. Director Ohlig-Hall reported on the following meeting:
  - a. MWDOC Public Affairs & Legislation Committee Meeting, 2/17
  - b. Other
3. Director Shoenberger – no meeting reports:
  - a. Other
4. Director Bockmiller reported on the following meeting:
  - a. Water Issues Study Group Meeting, 2/17
  - b. Other
5. President Dewane – not present for this meeting:
  - a. Other

**V. BOARD SCHEDULE:**

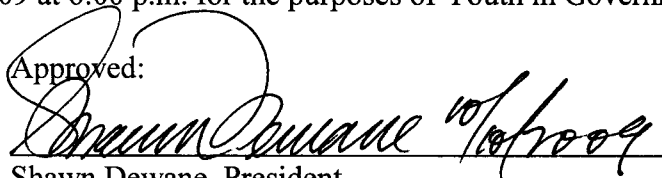
- A. TENTATIVE MEETING TOPICS:
- B. CONFERENCES, SEMINARS, AND MEETINGS:
- C. BOARD CALENDAR:

**VI. INFORMATION ITEMS:**

- A. ITEMS OF GENERAL INTEREST:

Acting President Bockmiller adjourned the meeting at 7:55 p.m. to an adjourned regular Board meeting to be held on Monday, March 2, 2009 at 6:00 p.m. for the purposes of Youth in Government.

Approved:



Shawn Dewane, President



Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer