

**MINUTES OF THE BOARD OF DIRECTORS
MESA CONSOLIDATED WATER DISTRICT
1965 Placentia Avenue, Costa Mesa, CA
Tuesday, June 9, 2009
7:00 p.m. Regular Board Meeting**

CALL TO ORDER

The meeting of the Board of Directors was called to order on June 9, 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

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 (*departed at 9:22 p.m.*)

Directors Absent

None

Staff Present

Lee Pearl, General Manager
Coleen L. Monteleone, Administrative Services Manager/
District Secretary
Victoria L. Beatley, Financial Services Manager/Treasurer
Jerry Vilander, Water Operations Manager
Barbara Wiseman, Human Resources Manager
Rob Anslow, Attorney, Bowie, Arneson, Wiles & Giannone

Others Present

Larry Porter, Residents for Responsible Desalination
Robin Leffler, Mesa Verde Community, Inc.

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 Mesa customer Robin Leffler who asked when the Board would be making its decision on the Poseidon Desalination Project. She mentioned a letter she sent to the District asking for a 10-day notice of any public hearings pursuant to Government Code Section 65092. She commented that the District responded with a letter stating that Section 65092 does not apply to a water board however staff would make an effort to notify her. She noted that she appreciated receiving a response to her letter and that staff had phoned her. She offered that she received less than 24-hours notice of this meeting. She asked why the code section did not apply to a water board.

President Dewane responded to the question regarding a vote on the Poseidon project. He noted that the Board is not in a position to make a decision and the item is still under consideration.

Director Ohlig-Hall commented that desalination is a viable and much needed water source for Orange County.

Ms. Leffler commented that Poseidon Resources needs to be investigated very thoroughly and that it may be the right project, but the wrong company. She noted that she appreciated Director Shoenberger and General Manager Pearl attending their meeting on June 3 and providing information.

Attorney Anslow responded to the question regarding California Civil Code 65092 noting it relates to city planning. The water board is not subject to that particular civil code.

Director Shoenberger offered that the Mesa Verde Community, Inc. (MVCI) is very interested in the proposed desalination plant project. The District has met with MVCI at various times in an effort to keep them informed and to respond to their issues and concerns. He also recommended that when Mesa is in a position to take a vote on the issue that the presentation and vote be conducted at two Board meetings so that all interested parties have an opportunity to participate.

President Dewane acknowledged Larry Porter, representative for Residents for Responsible Desalination. Mr. Porter reported on a conversation he had with Municipal Water District of Orange County's General Manager Kevin Hunt on Friday at the WACO meeting. He noted that Poseidon Resources Carlsbad project has lost its Met subsidy. Additionally, Poseidon has asked the Coastal Commission for an extension on its permit. Mr. Porter continued with comments.

Staff was asked to research the statements made by Mr. Porter that the Carlsbad project has lost its Met subsidy and if Poseidon has asked the Coastal Commission for a permit extension.

President Dewane proceeded with the meeting.

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

Director Shoenberger confirmed that he would excuse himself from the second Closed Session.

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. Approve attendance considerations (additions, changes, deletions).
 1. California Coastal Commission Meeting; Marina del Rey, CA; June 11, 2009 (for Directors' fees approval; event is at no cost).
 2. Community Leaders' Breakfast Briefing; Irvine, CA; June 12, 2009.
 3. Irvine Ranch Water District San Joaquin Marsh Campus Dedication; Irvine, CA; July 1, 2009.

4. Design and Operations Considerations for Seawater Reverse Osmosis Desalination Facilities Workshop; El Segundo, CA; July 22, 2009.
 5. American Membrane Technology Association 2009 Annual Conference and Expo; Austin, TX; July 13 – 16, 2009.
- B. Board Schedule:
1. Tentative Meeting Topics
 2. Conference, Seminars, and Meetings
 3. Board Calendar
- C. Approve July/August issue of the District newsletter.
- D. Approve two water vending machine promotions not to exceed \$3,300.
- E. Approve an ad hoc Committee consisting of Director Ohlig-Hall and President Dewane for Mesa's 50th Anniversary.
- F. Approve the annual membership dues to Water Research Foundation (formerly AwwaRF) in the amount of \$2,285.40 and appropriate \$1,186 from Working Capital Cash.
- G. Receive the Preliminary FY09 Third Quarter Financial Report.
- H. Deny Claim of Catherine, Corvi, Mesa Claim No. 03-09 and refer it to ACWA/Joint Powers Insurance Authority for handling.

Customer Robin Leffler asked for clarification on Item A. 4 Design and Operations Considerations for Seawater Reverse Osmosis Desalination Facilities Workshop; El Segundo, CA; July 22, 2009.

Director Shoenberger responded that this is a one-day workshop organized by the Desalination Committee of CA-NV American Water Works Association and is being held in El Segundo on July 22, 2009. It is an industry meeting to present an overview of various aspects of seawater reverse osmosis desalination projects. In order for Mesa's Board members to attend the meeting must be approved by the Board of Directors.

Director Ohlig-Hall pulled Item D and commented on Item H that she would appreciate a report regarding staff's procedures and the cost to replace meter boxes. There were no objections by the Board of Directors.

MOTION 2009-48

Motion by Director Shoenberger, seconded by Director Bockmiller, to approve items A, B, C, E, F, G, and H of the Consent Calendar as amended. Motion passed 5-0.

Item D - Approve two water vending machine promotions not to exceed \$3,300.

Director Ohlig-Hall asked that the Board refer item D to the Public Information Committee meeting report for discussion. There were no objections by the Board of Directors.

II. PRESENTATION AND DISCUSSION ITEMS:

No Items.

III. ACTION ITEMS:

A. RESOLUTION NO. 1375, CAPACITY CHARGES:

Directors Bockmiller and Shoenberger complimented staff and the consultant for the excellent report.

President Dewane asked for public comments. There being none he proceeded with the vote.

MOTION 2009-49

Motion by Director Bockmiller, seconded by Director Ohlig-Hall, to adopt Resolution No. 1375 determining compliance with procedural requirements, making findings, amending Capacity Charge Rates, and amending the rules and regulations of the Mesa Consolidated Water District superseding Resolution No. 1336. Motion passed 5-0 with the following roll call vote.

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

B. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION PROPOSED BYLAWS AMENDMENTS:

Administrative Services Manager Monteleone clarified that the Board's reply/vote is due July 31, 2009.

The item was referred to the Executive Committee for review. A committee recommendation will be forthcoming.

C. CLOSED SESSION:

Closed Session was moved to follow Item V. Information Items.

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
Negotiating Parties: Poseidon Resources
Under Negotiation: Possible use of Mesa Consolidated Water District property by outside company for purposes of delivering desalinated potable water to other sources.

2. PUBLIC EMPLOYEE APPOINTMENT
PURSUANT TO GOVERNMENT CODE SECTION 54957:
Title: General Manager

IV. REPORTS AND INFORMATION ITEMS:

A. REPORT OF THE GENERAL MANAGER:

1. Items of general interest:
 - Other
 - The 6/11 tour has been cancelled
 - Mesa employees who received the ACWA/JPIA safety awards received the following monetary compensation: \$75- Drew Gardner, \$75-Piet Pijl, \$100-Frank Schafer, \$100-Bob Mitchell and \$100-Tom Neville.

B. STANDING COMMITTEE REPORTS:

1. Director Ohlig-Hall reported on the following meeting:
 - a. Finance Committee Meeting, 5/29
 - The Committee reviewed disbursements to Directors and employees as reported on the Accounts Paid Listing per California Government Code §53065.5.
2. Director Bockmiller reported on the following meeting:
 - a. Public Information Committee Meeting, 6/1

Director Ohlig-Hall commented on the Water Vending Machine Promotion, Cool Off at Mesa, and questioned the need to spend \$3,000 on the event. She noted with the current economic climate, she believes it is a waste of the public's money. However, if the District chooses to move forward with the event, the items passed out should be water related.

Director Atkinson spoke in support of the program as long as the giveaways are water related.

Director Bockmiller spoke in favor of the promotion. He noted it is part of the District's commitment to public outreach. He noted that the Cool Off at Mesa is a program to reach out to all Mesa water users including a large part of the public who are renters who do not receive a water bill and who buy bottled water. The purpose is to bring water quality awareness to everyone.

MOTION 2009-50

Motion by Director Bockmiller, seconded by Director Atkinson, to approve the Cool Off at Mesa event noting that the giveaway items consist of more water related items with no change in the funds approved for the event. Motion passed 5-0.

3. President Dewane reported on the following meeting:
 - a. Executive Committee Meeting, 6/4

C. DIRECTORS' REPORTS AND COMMENTS:

1. Director Bockmiller reported on the following meeting:
 - a. Other
2. Director Shoenberger reported on the following meetings:
 - a. Mesa Verde Community, Inc. Meeting, 6/3
 - b. WACO Meeting, 6/5
 - c. Other
3. Director Ohlig-Hall reported on the following meetings:
 - a. Jt. MWDOC Meeting 6/3
 - b. Other
4. Director Atkinson reported on the following meetings:
 - a. Other
5. President Dewane reported on the following meetings:
 - a. ISDOC Meeting, 6/2
 - b. Other

V. INFORMATION ITEMS:

A. ITEMS OF GENERAL INTEREST:

1. Online Bill Pay Activity Update
2. Water Vending Machine Activity Update
3. Orange County Water Agency 2008 Rate Survey
4. Groundwater Producers meeting minutes, 5/13/09
5. Thank you letters for bottled water donations from the following organizations:
 - ◆ Costa Mesa High School PTSA, letter dated 5/18/09
 - ◆ Youth Employment Service, letter dated 05/26/09
 - ◆ Coastline Regional Occupational Program, letter dated 5/28/09
 - ◆ Orange County Department of Education, letter dated 5/28/09

General Manager Pearl explained the purpose of the Closed Session for the public in attendance.

RECESS

President Dewane declared a recess at 8:42 p.m. The Board meeting reconvened at 8:50 p.m.

III. ACTION ITEMS:

C. CLOSED SESSION:

President Dewane announced that the Board of Directors was going into Closed Session at 8:51 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
Negotiating Parties: Poseidon Resources
Under Negotiation: Possible use of Mesa Consolidated Water District property by outside company for purposes of delivering desalinated potable water to other sources.

Director Shoenberger departed the Closed Session at 9:22 p.m.

2. PUBLIC EMPLOYEE APPOINTMENT
PURSUANT TO GOVERNMENT CODE SECTION 54957:
Title: General Manager

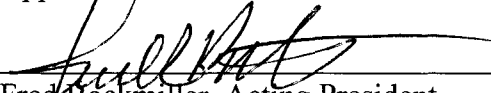
RETURN TO OPEN SESSION.

The Board returned to Open Session at 9:49 p.m.

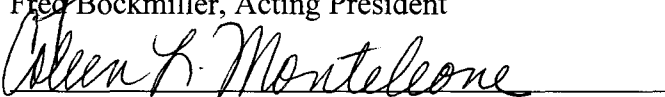
President Dewane announced that the Board conducted two Closed Sessions pursuant to Government Code Sections 54956.8 and 54957. Director Shoenberger did not attend the second Closed Session. The Board received information and no other announcement was made.

President Dewane adjourned the meeting at 9:51 p.m. to adjourned regular Board meetings to be held on Thursday, June 11, 2009 at 6:00 p.m. and Friday, June 12, 2009 at 6:00 p.m. for the purpose of Closed Sessions for Public Employee Appointment: General Manager.

Approved:



Fred Bockmiller, Acting President



Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer