

AGENDA

Board of Directors' Meeting

April 21, 2011

5:30 p.m.

A copy of the agenda and attachments is available for review at the District office. The Board of Directors' Meeting Room is wheelchair accessible. If you require any special disability related accommodations (i.e., access to an amplified sound system, etc.), please contact the Moulton Niguel Water District Secretary's office at (949) 643-2006 at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in alternate format upon written request to the Moulton Niguel Water District Secretary at least seventy-two (72) hours prior to the scheduled meeting. The next Regular Board Meeting will be held at 5:30 p.m. on May 19, 2011 at the Moulton Niguel Water District.

MOULTON NIGUEL WATER DISTRICT
27500 La Paz Road, Laguna Niguel
April 21, 2011
5:30 p.m.
Approximate Meeting Time: 1-2 Hours

Agenda exhibits and other writings that are disclosable public records distributed to all, or a majority of, the members of the Moulton Niguel Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection at the District Office, 27500 La Paz Road, Laguna Niguel, CA ("District Office"). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available in the reception area of the District Office at the same time as they are distributed, except that, if such writings are distributed immediately prior to, or during, the meeting, they will be available in the Board meeting room.

AGENDA

1. CALL MEETING TO ORDER

2. PLEDGE OF ALLEGIANCE

3. MINUTE APPROVAL:

- CLOSED SESSION OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS' DATED FEBRUARY 25, 2011 (Under Separate Cover)
- SPECIAL MEETING OF THE BOARD OF DIRECTORS DATED FEBRUARY 25, 2011 (ETHICS TRAINING)
- JOINT MEETING OF COMMUNITY RELATIONS/PERSONNEL & SALARY BOARD OF DIRECTORS DATED MARCH 9, 2011
- REGULAR BOARD OF DIRECTORS' MEETING DATED MARCH 17, 2011
- SPECIAL MEETING OF THE BOARD OF DIRECTORS DATED MARCH 18, 2011 (TOUR OF UPPER CHIQUITA RESERVOIR)

4. PUBLIC COMMENTS

Persons wishing to address the Board of Directors on matters not listed on the Agenda may do so at this time. "Request To Be Heard" forms are available at the entrance to the Board Room. Comments are limited to five minutes unless further time is granted by the Presiding Officer. Submit form to the Recording Secretary prior to the beginning of the meeting.

Those wishing to address the Board of Directors on any item listed on the Agenda should submit a "Request To Be Heard" form to the Recording Secretary before the Presiding Officer announces that agenda item. Your name will be called to speak at that time.

5. PRESIDENT'S REPORT

6. BOARD REPORTS

GENERAL MANAGER'S REPORT:

7. SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA)
 - IRWD BIOSOLIDS PROJECT UPDATE
 - PC 15 SLUDGE FORCE MAIN UPDATE
 - SOCWA PETITION TO THE STATE WATER RESOURCES CONTROL BOARD
8. PLANT 3A EFFLUENT TRANSMISSION MAIN (ETM) TOUR – SET DATE
9. WATER AWARENESS DAY AT UPPER OSO RESERVOIR – MAY 14, 2011
10. WATER SUPPLY ALLOCATION/USAGE UPDATE

CONSENT CALENDAR ITEMS:

Consent items: Unless the General Manager or the Board requests that an item be removed from the Consent Calendar, all items will be acted upon as a whole and by one vote. Requests for discussion of any specific item should be made to the Presiding Officer in conjunction with the discussion of the consent motion.

The following items were previously discussed at the Engineering & Operations Board Meeting (4/18/11) and the Finance & IT Board Meeting (4/20/11).

11. RECEIVE AND FILE MONTHLY OPERATIONAL STATUS REPORTS - **Attachment CC-1 (Provided for historical purposes)**
12. RECEIVE AND FILE SUMMARY OF DISBURSEMENTS IN THE AMOUNT OF \$4,388,249 DATED MARCH 31, 2011
13. RECEIVE AND FILE MONTHLY CONSTRUCTION PROGRESS REPORT
14. RECEIVE AND FILE CAPITAL PROJECT BUDGET SUMMARY
15. RECEIVE AND FILE WATER SUPPLY RELIABILITY PROJECTS' STATUS SUMMARY REPORT

ENGINEERING & OPERATIONS MATTERS:

16. SHEEP HILLS RESERVOIR RECOATING, CONTRACT 2008.013 – CONSTRUCTION CONTRACT REIMBURSEMENT

Staff issued a Notice Inviting Sealed Proposals (Bids) for the coating of the interior and exterior of the 3.3 Million Gallon (MG) Sheep Hills Reservoir located in Aliso Viejo. A staff report was provided on this matter at the Engineering and Operations Meeting on April 18, 2011.

RECOMMENDED ACTION:

THE BOARD OF DIRECTORS AWARDS THE CONTRACT FOR THE SHEEP HILLS RESERVOIR RECOATING, CONTRACT 2008.013, TO ADVANCED INDUSTRIAL SERVICES, LOWEST RESPONSIVE AND RESPONSIBLE BIDDER, FOR AN AMOUNT OF \$385,800; AND APPROVES AN EXPENSE AUTHORIZATION IN THE AMOUNT OF \$480,000. THIS PROJECT WILL BE FINANCED FROM FUND 7 – REPLACEMENT AND REFURBISHMENT FUND.

17. PLANT 3A ETM REFURBISHMENT, CONTRACT 2010.084 – DESIGN-BUILD CONTRACT AWARD

Staff issued a Request for Design-Build Proposals for construction services to repair the Plant 3A Effluent Transmission Main (ETM) at the location of the temporary bypass that has been operational since the December failure. A staff report was provided on this matter at the Engineering and Operations Meeting on April 18, 2011.

RECOMMENDED ACTION:

THE BOARD OF DIRECTORS AWARDS THE DESIGN-BUILD CONTRACT FOR THE PLANT 3A ETM REFURBISHMENT TO KENNEDY PIPELINE, INC. FOR AN AMOUNT OF \$59,750; INCREASE THE PROJECT BUDGET AND EXPENSE AUTHORIZATION FROM \$100,000 TO \$164,000. THIS PROJECT WILL BE FINANCED FROM FUND 7 – REPLACEMENT AND REFURBISHMENT FUND.

18. CROWN VALLEY PARKWAY VALVE REPLACEMENT, CONTRACT 2010.019 - CONSTRUCTION CONTRACT AWARD

Staff issued a Notice Inviting Sealed Proposals (Bids) for the replacement of valves along the 450-zone pipeline within Crown Valley Parkway from Cabot Road to Niguel Road. A staff report was provided on this matter at the Engineering and Operations Meeting on April 18, 2011.

RECOMMENDED ACTION:

THE BOARD OF DIRECTORS AWARDS THE CONTRACT FOR THE CROWN VALLEY PARKWAY VALVE REPLACEMENT, CONTRACT 2010.019, TO PAULUS ENGINEERING, LOWEST RESPONSIVE AND RESPONSIBLE BIDDER, FOR AN AMOUNT OF \$544,850; AND INCREASE THE PROJECT BUDGET AND EXPENSE AUTHORIZATION TO \$660,000. THIS PROJECT WILL BE FINANCED FROM FUND 7 – REPLACEMENT AND REFURBISHMENT FUND.

LEGAL MATTERS:

19. RESOLUTION TO ADOPT WATER BUDGET-BASED RATE STRUCTURE (WBBRS) AND RESULTING WATER SERVICE RATE INCREASES

The 218 Public Hearing on the WBBRS was conducted on February 23, 2011. The Board did not adopt a rate resolution after the close of that hearing, and instead conducted a series of workshops and meetings to allow further public questions and input, and to have Staff provide information to customers in response to specific concerns raised by public comments at the hearing.

The Board may approve and adopt the WBBRS and resulting water service rate increases reviewed at the Public Hearing by adoption of the resolution included as **Attachment L-1** to the Agenda.

RECOMMENDED ACTION:

BOARD OF DIRECTORS ADOPTS THE RESOLUTION TO APPROVE WATER BUDGET-BASED RATE STRUCTURE (WBBRS) AND RESULTING WATER SERVICE RATE INCREASES AND DIRECTS IMPLEMENTING REVISIONS TO THE DISTRICT RULES AND REGULATIONS FOR WATER AND SEWER SERVICE BY STAFF AND LEGAL COUNSEL.

20. RESOLUTION TO ADOPT WATER BUDGET-BASED RATE STRUCTURE (WBBRS) VARIANCE TERMS FOR RULES AND REGULATIONS

The WBBRS contemplates the ability of customers to seek certain variances from the basic water allocations that otherwise apply. These can be applied to residential, commercial, and landscape acreage use. **Attachment L-2** to the Agenda is the proposed *Rules and Regulations* for the basic WBBRS variance terms and process. The actual implementation is accomplished at Staff level.

RECOMMENDED ACTION:

BOARD OF DIRECTORS ADOPTS THE RESOLUTION TO APPROVE WATER BUDGET-BASED RATE STRUCTURE (WBBRS) VARIANCE TERMS AND PROCEDURES FOR THE RULES AND REGULATIONS FOR WATER AND SEWER SERVICE.

21. ESTABLISHMENT OF CONSERVATION FUND FOR CERTAIN WATER BUDGET-BASED RATE STRUCTURE (WBBRS) REVENUES

Revenues generated from the Inefficient, Excessive, and Wasteful Tiers under the WBBRS must be segregated in a separate fund and used for purposes generally related to water efficiency or conservation goals and policies. These uses can include, but are not limited to, conservation BMPs, education and devices; water system retrofitting; recycled and alternative water uses and supplies; and dry-year supply arrangements. **Attachment L-3** to the Agenda is Staff's proposed policy for establishment of a Water Conservation Fund and application of the revenues, and a resolution for adoption of the policy.

RECOMMENDED ACTION:

BOARD OF DIRECTORS ADOPTS THE RESOLUTION TO ESTABLISH THE WATER CONSERVATION FUND AND APPLICATION OF WATER BUDGET-BASED RATE STRUCTURE (WBBRS) REVENUES DEPOSITED THEREIN.

22. REPEAL OF WATER SUPPLY RESPONSE (WSR) LEVEL 2-WATER ALERT CONDITION UNDER WATER CONSERVATION PROGRAM

Staff recommends the Board end the WSR Level 2 alert under the District's Water Conservation Program, in light of Metropolitan Water District's restoration of full imported water deliveries to MWDOC. The WSR Level 2 requirements, designed to reduce consumer water demand by 20%, include the three day irrigation-watering limitation. The mandatory water conservation rules prohibiting waste under the program would still remain in effect, and those include irrigation watering hour limits, and limits on automatic irrigation watering duration to 15 minutes/day/station. **Attachment L-4** to the Agenda is a resolution to end the current WSR Level 2 alert, as required by the Program for repeal.

RECOMMENDED ACTION:

BOARD OF DIRECTORS ADOPTS THE RESOLUTION TO END THE WATER SUPPLY RESPONSE (WSR) LEVEL 2-WATER ALERT CONDITION UNDER WATER CONSERVATION PROGRAM.

23. CLAIM OF DEAN, PERSONAL INJURIES FROM AUTOMOBILE ACCIDENT

District staff has reviewed and investigated the below-referenced claim, working with ACWA/JPIA, and the recommended action:

Description: Claim for personal injury damage resulting from automobile accident caused by a water line break on Niguel Road that displaced a manhole cover, resulting in claimant's auto hitting the open manhole. (Property damage claim to claimant's automobile and loss of use settled.) According to the claim, Ms. Dean suffered personal injuries as a direct result of the accident.

Amount Claimed: To be determined, Superior Court jurisdiction
(approximately \$12,000 in medical expenses claimed to-date)

Date of Incident: 9-19-2010

Date of Claim: 3-9-2011

RECOMMENDED ACTION:

THE BOARD OF DIRECTORS REJECTS THE CLAIM OF DEAN AND AUTHORIZES STAFF TO SEND A NOTICE OF REJECTION ON ACWA/JPIA APPROVED FORM.

24. THE BOARD WILL CONDUCT THE FOLLOWING THREE (3) CLOSED SESSIONS:

- a. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION (ONE CASE)

Pursuant to Government Code Section 54956.9(b)(1), a Closed Session will be conducted to confer regarding the *Claim of Shapell Industries, Inc.* presented to the District on April 1, 2011

- b. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION (ONE CASE)

Pursuant to Government Code Section 54956.9(b)(1), a Closed Session will be conducted to discuss significant exposure to litigation

Pursuant to Government Code, Section 54956.9(c), a Closed Session will be conducted to discuss initiation of litigation

- c. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION (ONE CASE):

Pursuant to Government Code Section 54956.9(a), a Closed Session will be conducted to

conference on:

Charles Roy vs. Moulton Niguel Water District, et al
CASE NO. 00448266

25. LATE ITEMS: (Appropriate Findings to be Made)

- a. Need to take immediate action; and
- b. Need for action came to District's attention after Agenda posting)
[Requires 2/3 vote (5 members) or unanimous vote if less than 2/3 are present]

26. ADJOURNMENT