

AGENDA

Board of Directors' Meeting

June 17, 2010

6:00 p.m.

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.

**BOARD OF DIRECTORS' MEETING
MOULTON NIGUEL WATER DISTRICT
27500 La Paz Road, Laguna Niguel
June 17, 2010
6:00 p.m. (PDT)
Approximate Meeting Time: 2 Hours**

***THIS BOARD MEETING WILL INCLUDE TELECONFERENCING AT THE
FOLLOWING LOCATION:
12025 CEDAR SHORE ROAD, ELLISON BAY, WISCONSIN**

I.	CALL MEETING TO ORDER	
II.	PLEDGE OF ALLEGIANCE	
III.	APPROVE MINUTES OF BOARD OF DIRECTORS' MEETINGS OF MAY 20, 2010 - <u>ROLL CALL VOTE</u>	
IV.	PUBLIC COMMENTS	
V.	PRESIDENT'S REPORT	
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VII.	CONSENT ITEMS* - <u>ROLL CALL VOTE</u>	
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	B. Meter Distribution – May 2010	4
	C. Wastewater Treatment Flows – May 2010	4
	D. Potable Water Imported – May 2010	5
	E. Recycled Water Produced – May 2010	5
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* Consent items: All items will be approved by Board action as received and filed. Requests for discussion of any specific item should be made to the President of the Board in conjunction with the discussion of the consent motion.

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 6:00 p.m. on July 17, 2010 at the Moulton Niguel Water District.

*** All votes must be by roll call vote.**

VI. BOARD/COMMITTEE REPORTS

A. BOARD MEETINGS

CHAIRMAN

Community Relations

Probolsky

Engineering & Facilities

Froelich

Finance & Audit

Buck

Investment

Lizotte

Personnel & Salary

McKenney

B. STANDING COMMITTEES - (MEETINGS ON CALL OF CHAIRMAN)

Legal & Legislation

McKenney

Rate Review

Kurtz

VII. CONSENT ITEMS

A. METERS IN SERVICE – May 2010

Description	Beginning of Month	Added/ (Subtracted)	End of Month	One Year Ago
Single Family	33,956	16	33,972	33,869
Multi Family	14,688	22	14,710	14,651
Commercial	2,841	4	2,845	2,825
Irrigation	2,635	2	2,637	2,633
Total	54,120	44	54,164	53,978
Est. Population	167,288	99	167,387	166,964

B. METER DISTRIBUTION * – May 2010

Size	Beginning of Month	Added/ (Subtracted)	End of Month	One Year Ago
5/8"	109	0	109	108
3/4"	36,544	-1	36,543	36,589
1"	10,820	40	10,860	10,651
1½"	933	0	933	930
2"	4,948	2	4,950	4,939
2-1/2"	13	3	16	12
3"	80	0	80	77
4"	151	0	151	152
6"	315	0	315	315
8"	186	0	186	184
10"	21	0	21	21
Total	54,120	44	54,164	53,978

*Includes potable and recycled water meters.

C. WASTEWATER TREATMENT FLOWS (MGD) – May 2010

Description	Current Month	One Year Ago
Total Flow	13.308	13.582

D. POTABLE WATER IMPORTED – May 2010

Source	Current Month Average Flow (cfs)	Current Month Volume (af)	Since 7/01/09 To Date Volume (af)	Year Ago To Date Volume (af)
Joint Transmission Main	5.5	338.1	3,803.9	4,542.2
Allen-McColloch Pipeline	12.1	743.8	8,114.8	5,943.3
Central Intertie Pipeline	25.2	1,549.1	14,596.4	19,678.0
Interties **	0.0	0.0	43.7	0.0
Total	42.8	2,631.0	26,558.8	30,163.5

** Flowed water to CSJC and JRWSS during JTM shutdown.

E. RECYCLED WATER PRODUCED – May 2010

Source	Current Month Average Flow (mgd)	Current Month Volume (af)	Since 7/01/09 To Date Volume (af)	Year Ago To Date Volume (af)
UOR Storage at End of Month: 872.39 af				
Regional AWT	7.41	705.0	6,321.9	6,901.3
Plant 3A AWT	1.34	127.5	1,169.0	889.3
SCWD AWT **	-.18	-17.1	-21.0	52.3
Total Produced	8.57	815.4	7,472.8	7,842.9
To(-)/From(+) Storage	.28	26.6	-415.3	-111.0
Total Delivered	8.85	842.0	7,057.4	7,731.9

** MNWD delivered recycled water to SCWD during month.

F. RECYCLED WATER GOALS – Thru May 2010

Fiscal Year	Users Planned	Users Online	Acreage Planned	Acreage Online
02-03	1,100	1,096	3,400	3,364
03-04	1,130	1,141	3,688	3,641
04-05	1,155	1,166	3,700	3,694
05-06	1,189	1,183	3,736	3,727
06-07	1,220	1,197	3,798	3,748
07-08	1,250	1,206	3,858	3,768
08-09	1,250	1,218	3,858	3,797
09-10	1,260	1,241	3,900	3,838

G. DISTRICT ACTIVITY – May 2010

	<u>May 2010</u>	<u>May 2009</u>
<u>Cross Connection</u>		
Backflow notices	187	1,345
Inspections	26	26
<u>Customer Inquiries</u>		
Board room use	6	8
Letters of credit	8	4
Record changes	103	100
Website hits	5,406	4,358
<u>Delinquent Accounts</u>		
Delinquent Notices	486	499
Shut-offs	61	75
<u>Education Programs</u>		
Number of students	0	1,007
<u>Maintenance</u>		
Meter maintenance	140	93
Meter checks	195	185
Angle stop	14	9
Meter lids	65	1
Meter replacements	43	67
Meter box replacements	0	2
Vault replacements	4	3
<u>Meter Activity</u>		
Construction meters	31	42
Meter sales	1	2
New services	44	5
Turn-offs	178	164
Turn-ons	539	565
<u>Meters Read</u>		
Hand-held	710	3,871
Touch read	39,034	38,028
Radio-read	14,388	12,052
<u>Service Orders</u>		
Customer inquiries	51	51
Hydrants	3	9
Valve can/Manhole lids	0	2
Fire flow tests	0	10
Leaks	22	11
Pressure tests	14	14
Turn-offs for repairs	47	48
Site visits	1,145	192
Non-MNWD leaks/breaks	36	53
Water quality	0	0
Other service orders	0	18
<u>Total Service Orders</u>	1,902	851

VIII. GENERAL MANAGER'S REPORT

At this time, members of the public may present testimony as to why an item should be

removed from the Consent Calendar for separate discussion. Unless a member of the public, 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.

A. SUMMARY AND DISCUSSION:

1. THE BOARD OF DIRECTORS HAS REQUESTED TO CONTRIBUTE TOWARDS THE POINT OF SERVICE (POS) HEALTH INSURANCE INCREASE.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS THAT ARE CURRENTLY ON THE POS PLAN WILL CONTRIBUTE FIFTY PERCENT (50%) OF THE HEALTH INSURANCE INCREASES EFFECTIVE JULY 1, 2010.

2. STRATEGIC PLANNING WORKSHOP TIMING AND EXPECTED OUTCOME
3. MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) – UPDATE ON RESOLUTION WITH CLIENT AGENCIES COST FUNDING FOR MWDOC ACTIVITIES
4. SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) UPDATE
5. H.R. LABOUNTY SAFETY AWARD
6. WATER SUPPLY ALLOCATION/USAGE UPDATE
7. RATE INCREASE EFFECTIVE JUNE 1, 2010

B. 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]

IX. OPERATIONS MATTERS

At this time, members of the public may present testimony as to why an item should be removed from the Consent Calendar for separate discussion. Unless a member of the public, General Manager, or Board requests that an item be removed from the Consent Calendar, all items will be acted upon as a whole and by one vote.

- A. No report.

B. 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]

X. FINANCIAL MATTERS

At this time, members of the public may present testimony as to why an item should be removed from the Consent Calendar for separate discussion. Unless a member of the public,

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.

A. **CONSENT CALENDAR ITEMS: (ROLL CALL VOTE)**

1. RECEIVE AND FILE SUMMARY OF DISBURSEMENTS IN THE AMOUNT OF \$3,324,962 DATED MAY 31, 2010.
2. RECEIVE AND FILE FINANCIAL STATEMENTS DATED MAY 31, 2010.

B. **ADOPTION OF FISCAL YEAR 2010/2011 ANNUAL BUDGET**

SUMMARY AND DISCUSSION:

The Board of Directors reviewed the staff's proposed changes to the Fiscal Year 2010/2011 Annual Budget at their Regular Finance & Audit Board Meeting on Wednesday, June 16, 2010.

RECOMMENDED ACTION: (ROLL CALL VOTE)

ADOPT A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT ESTABLISHING THE BUDGET AND TAX RATES FOR FISCAL YEAR 2010/2011; AND

ADOPT TWELVE INDIVIDUAL RESOLUTIONS FOR EACH IMPROVEMENT DISTRICT, ENTITLED, "RESOLUTION OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT ESTABLISHING STANDBY CHARGES FOR FISCAL YEAR 2010/2011"; AND

ADOPT A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT APPROVING APPROPRIATIONS LIMITS FOR FISCAL YEAR 2010/2011 IN THE AMOUNT OF \$5,866,205 AND FINDING COMPLIANCE WITH ARTICLE XIII B OF THE CONSTITUTION OF THE STATE OF CALIFORNIA.

C. **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]

XI. **ENGINEERING MATTERS**

At this time, members of the public may present testimony as to why an item should be removed from the Consent Calendar for separate discussion. Unless a member of the public, 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.

A. CONSENT CALENDAR ITEMS: (ROLL CALL VOTE)

1. RECEIVE AND FILE CAPITAL CONSTRUCTION PROJECTS' STATUS AND PROJECT BUDGET SUMMARY.
2. PLANT 3A EFFLUENT TRANSMISSION MAIN (ETM) PROTECTION AT SAN JUAN CREEK, CONTRACT 2009.115

The District operates the ETM in co-ownership with Santa Margarita Water District and primarily uses it as a secondary effluent disposal pipeline for the Plant 3A Wastewater Treatment Plant. District staff recently discovered that the encasement structure for the 30-inch diameter pipeline crossing was found to be exposed in the channel near the easterly side. The District initiated an emergency protection of this facility to prevent the ETM from being severely damaged or lost entirely.

The District has engaged an engineer, Pacific Advanced Civil Engineering (PACE), to evaluate and prepare alternatives for permanent pipeline protection measures. PACE is currently finalizing the Alternatives Analysis report with a recommendation to install a vertical sheet pile method for protecting the existing pipeline. The District has solicited a proposal to prepare the construction documents, provide construction support services, and provide technical support for the CEQA effort.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS AWARD THE CONTRACT FOR THE FINAL DESIGN AND CONSTRUCTION SUPPORT SERVICES FOR THE PLANT 3A EFFLUENT TRANSMISSION MAIN PROTECTION AT SAN JUAN CREEK TO PACIFIC ADVANCED CIVIL ENGINEERING IN THE AMOUNT NOT-TO-EXCEED \$51,000, AND APPROVE A REVISED PROJECT BUDGET AND EXPENSE AUTHORIZATION IN THE AMOUNT OF \$216,000. THIS PROJECT WILL BE FINANCED FROM FUND 7 - REPLACEMENT AND REFURBISHMENT FUND AND 50% FROM SANTA MARGARITA WATER DISTRICT.

B. 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]

XII. LEGAL MATTERS

At this time, members of the public may present testimony as to why an item should be removed from the Consent Calendar for separate discussion. Unless a member of the public, 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.

A. ANNUAL ADOPTION OF RESOLUTION FOR COLLECTION OF SEWER SERVICE CHARGES FOR LAGUNA SUR/MONARCH POINT REORGANIZATION AREA ON PROPERTY TAX BILL

SUMMARY AND DISCUSSION:

The Laguna Sur/Monarch Point Reorganization Area was detached from South Coast Water District (“SCWD”) and annexed into MNWD, effective April, 1997. SCWD continues to provide sewer service to the Reorganization Area through contract with MNWD. As part of the terms and conditions of the reorganization, MNWD continues the prior SCWD practice of collecting such service charges and rates on the tax roll, and the Auditor-Controller of the County of Orange includes a reference on the tax bills to this effect. SCWD increased the annual sewer service charges and rates for years 2009/2010 through 2012/2013, on June 25, 2009. The District adopted the same sewer rates and charges for the three year-period through an Ordinance procedure in 2009, in accordance with the Proposition 218 noticed hearing process. **Attachment L-1** to the Agenda is the resolution to continue collection of the sewer service charges and rates for the Reorganization Area on the property tax bills. The collection procedure under Health and Safety Code Section 5473 *et seq.* requires SCWD to prepare a report of the Assessor parcel numbers and corresponding sewer service charges and rates, and MNWD to notice a Public Hearing on the report and thereafter adopt the report after the Public Hearing in the absence of majority protests to the tax roll collection procedure.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS ADOPT THE RESOLUTION ENTITLED, “RESOLUTION OF THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT SETTING 2010/2011 SEWER SERVICE CHARGES FOR SPECIFIED PARCELS (LAGUNA SUR/MONARCH POINT PROPERTY) TO BE COLLECTED VIA PROPERTY TAX STATEMENTS ON THE 2010/2011 TAX ROLL, DIRECTING FILING OF WRITTEN REPORT WITH SECRETARY AND CALLING A HEARING THEREON.”

B. COOPERATIVE AGREEMENT WITH COUNTY OF ORANGE, OTHER DISTRICTS, AND CITIES FOR COORDINATING PLANNING AND IMPLEMENTATION OF WATER MANAGEMENT STRATEGIES IN THE SOUTH ORANGE COUNTY WATERSHED MANAGEMENT AREA (SOC WMA); APPROVAL OF ANNUAL COST BUDGET FOR SOC WMA

SUMMARY AND DISCUSSION:

The County of Orange is proposing that the South County cities and water agencies execute an agreement to establish a cooperative framework for planning and implementing water management strategies in the South County Watershed Management Area. **Attachment L-2** to the Agenda is a Summary Sheet describing the terms of the Cooperative Agreement, including the Executive Committee process, and the form of the proposed agreement.

Annual budgets and any expenditure and other contractual commitment require approval by each member’s own governing body in accordance with a member’s own budget process and expenditure policies. Also included in **Attachment L-2** is the [draft] 2010/2011 annual cost budget in the total amount of \$138,000, and for information-only purposes, a description of prior work plan costs expended during 2004 through 2009. Budget costs are allocated equally among the participating agencies.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS (1) APPROVE AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE COOPERATIVE AGREEMENT; (2) APPROVE THE ANNUAL 2010/2011 COST-SHARED BUDGET FOR THE SOC WMA AND THE DISTRICT'S ALLOCATED SHARE

C. ADOPTION OF RESOLUTION APPROVING AND EXECUTING AN AMENDED AND RESTATED ORANGE COUNTY COUNCIL OF GOVERNMENTS (OCCOG) JOINT POWERS AGREEMENT

SUMMARY AND DISCUSSION:

The District has been a member of OCCOG in the past (2003) as part of the Independent Special Districts of Orange County (ISDOC), and the ISDOC membership recently approved a 2010 dues increase to cover membership in OCCOG. Collective dues for ISDOC members in OCCOG are \$5,000. OCCOG has amended and restated the Joint Powers Agreement that establishes the organization, and therefore ISDOC has requested its special district membership to approve the revised agreement. **Attachment L-3** to the Agenda is a copy of an Information Sheet about OCCOG, and the amended Joint Powers Agreement.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS ADOPT A RESOLUTION TO APPROVE AND AUTHORIZE THE EXECUTION OF THE AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT ESTABLISHING THE ORANGE COUNTY COUNCIL OF GOVERNMENTS.

D. ADOPTION OF RESOLUTION OF SUPPORT FOR SOCWA/SCWD EFFORTS ON REVISED NPDES PERMIT TERMS TO FACILITATE GROUNDWATER RECOVERY FACILITY AND FOR REVISED STATEWIDE POLICIES TO ADVANCE LOCAL WATER SUPPLIES

SUMMARY AND DISCUSSION:

As previously discussed with the Board on several occasions, SOCWA and SCWD are involved in ongoing efforts to overturn the imposition of mandatory minimum penalties (MMP) in the amount of \$204,000 on past discharges from SCWD's Groundwater Recovery Facility (GRF), located in Dana Point. That effort is now in Orange County Superior Court, as an appeal of the MMP order from Region 9, since the State Water Resources Control Board (SWRCB) summarily refused to hear the appeal itself, and let the MMP order stand. Additionally, in late 2009, SOCWA and SCWD together petitioned Region 9 to revise the NPDES Permit for the San Juan Creek Ocean Outfall in order to recognize that discharges from the GRF (a mixture of salt and 'dirt' compounds basically) should be measured at the point of commingling and dilution with sewage wastewater flows in the Outfall, and not measured at the actual GRF, upstream of the Outfall. Despite earlier comments by the Region 9 Board that it would consider such a permit revision, it denied any revision. SOCWA and SCWD appealed this Region 9 denial of the permit revision to the SWRCB. SWRCB's decision to hear that appeal is still pending. SOCWA and SCWD are joining together in a statewide outreach effort to enlist strong support of their administrative and legal efforts to change Region 9 and SWRCB policies, based on the necessity for development of local water supplies like the GRF. **Attachment L-4** to the Agenda is a proposed resolution of support for these efforts. It is anticipated that support will be forthcoming from MET, ACWA, CASA, WateReuse, and other water suppliers and dischargers in California,

some of whom have registered prior support on these issues in the past.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS ADOPTS THE RESOLUTION ENTITLED, “RESOLUTION OF THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT IN SUPPORT OF SOUND STATEWIDE POLICIES THAT ADVANCE CLEAN AND SUSTAINABLE LOCAL WATER SUPPLIES.”

E. **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]

The Board of Directors will conduct the Annual Meeting of its Public Facilities Corporation immediately following adjournment of the MNWD Board of Directors’ Meeting.

F. **ANNUAL MEETING OF MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION**

SUMMARY AND DISCUSSION:

The MNWD Public Facilities Corporation was originally formed in order to execute and deliver the District's 1993 Certificates of Participation (COPs). The Corporation Bylaws and resolutions adopted for the Corporation's organization (and State law) require the Corporation to meet on an annual basis. **Attachment L-4** to the Agenda is the **Notice** and **Agenda** for the Corporation's Annual Meeting.

RECOMMENDED ACTION: (BY ROLL CALL VOTE)

THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION CONVENE THE ANNUAL MEETING OF THE CORPORATION.

G. **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]