

**MINUTES OF THE
ENGINEERING AND OPERATIONS
BOARD OF DIRECTORS
OF THE
MOULTON NIGUEL WATER DISTRICT**

MARCH 14, 2011

A regular meeting of the Engineering and Operations Board of the Moulton Niguel Water District (MNWD) was held at the District office, 27500 La Paz Road, Laguna Niguel, California, at 9:00 a.m. on March 14, 2011. The following Directors of the District were present:

DIRECTORS

DON FROELICH	Chairman
SCOTT COLTON	Director
RICHARD S. FIORE	Director
GARY R. KURTZ	Director
LARRY R. LIZOTTE	Director
LARRY MCKENNEY	President
BRIAN PROBOLSKY	Vice President

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL

ROBERT C. GUMERMAN	General Manager
DAVID D. CAIN	Director of Finance/Treasurer
MATT COLLINGS	Director of Engineering & Operations
PAT GIANNONE	Bowie, Arneson, Wiles & Giannone
RAY MCDOWELL	MNWD
TODD NOVACEK	MNWD
EVA PLAJZER	MNWD
PHIL LAWLER	MNWD
RONIN GOODALL	MNWD
LARRY BALLEW	MNWD
KEVIN CRAWFORD	MNWD
ROBYN EPPSTEIN	MNWD
KELLY WINSOR	MNWD
FRANI BAILEY	MNWD

PUBLIC MEMBERS

TOM ROSALES	SOCWA
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Absent was:

CHARLES J. ROY
LESLIE GRAY

Director of Customer Service
Board Secretary

Chairman Don Froelich presided at the meeting and Frani Bailey recorded the minutes thereof.

Item No. 1 - Approval of Minutes

Chairman Froelich noted that the minutes of the February 15, 2011 Engineering Board meeting were previously forwarded to those Directors present at the meeting. He reported that he would entertain a motion to approve the minutes.

THEREAFTER, UPON A MOTION DULY MADE BY DIRECTOR KURTZ AND SECONDED BY DIRECTOR FIORE THE MINUTES OF THE FEBRUARY 15, 2011 ENGINEERING AND OPERATIONS BOARD MEETING WERE UNANIMOUSLY APPROVED AS PRESENTED.

Item No. 2 - Public Comments

Chairman Froelich asked if there were any public comments. Hearing none, he closed the Public Comments portion of the meeting.

PRESENTATION ITEMS

Item No. 3 – Discussion of Proposed Water Budget Based Rate Structure

Dr. Gumerman reported that after the Community Relations Board meeting last week the Board asked staff to include on the agenda for the Engineering, Finance, and Board meetings this month a discussion of the WBBRS in case any customers wanted to discuss it. Director Lizotte asked if the information was posted on the District's website and Ms. Eppstein reported that the agenda was posted on the website, but there was not a separate notice that the WBBRS would be on the agenda. Director Lizotte commented that he thought that the Board had discussed having a special notice regarding discussions about the WBBRS posted on the website and a discussion ensued. Dr. Gumerman reported that during the discussion last Wednesday the Board directed staff to do as much community outreach as it could between last Wednesday and the date the

WBBRS comes before the Board for consideration again at the April Board meeting, and staff is working with customers one-on-one.

Item No. 4 - Presentation from Tom Rosales, SOCWA General Manager, to Review Various Topics Impacting MNWD at SOCWA

Dr. Gumerman reported that in January Mr. Tom Rosales attended the Engineering & Operations Board meeting to discuss a number of items with the Board, and due to time constraints he was not able to discuss the longevity of the cogeneration engines at the Regional Treatment Plant and the Jay B. Latham Treatment Plant relative to AQMD standards and the status of the Coastal Treatment Plant Sludge Force Main project. He invited Mr. Rosales to address the Board on these issues.

Mr. Rosales discussed Rule 1110.2 that the South Coast AQMD imposed on agencies such as SOCWA that operate cogeneration engines. He explained that in 2008 the AQMD adopted a rule governing internal combustion engines such as the cogeneration engines operated at the Regional Treatment Plant that required stricter emission control regulations. Mr. Rosales reported that in addition to the more restrictive emission limits the AQMD requires that agencies apply the Best Available Control Technology (BACT) and dramatically reduce the emissions of the engines.

Mr. Rosales reported that SOCWA operates one cogeneration engine at the Jay B. Latham Treatment Plant and three cogeneration engines at the Regional Treatment Plant. He explained the amendment to Rule 1110.2 and reported that SOCWA is required to meet the new emission limits or shut down the engines by July 2012. Mr. Rosales discussed the emission limits and how they would impact SOCWA's operation of the cogeneration engines, which generate power and heat the YMCA in Laguna Niguel.

Mr. Rosales reported that SOCWA has three options: retrofit the cogeneration engines with selective catalytic reactors (SCR's); install Nox tech units; or replace the cogeneration engines with fuel cells. He elaborated on each option and commented that the Nox tech units do not work well, which only leaves the SCR's or the fuel cells. Mr. Rosales reported that SOCWA is reviewing its options and has not taken any further action on how it will proceed. He reported

that SOCWA has extended its exemption to at least July 2012 and staff has been very active with other agencies in looking for solutions.

Mr. Rosales discussed the financial impacts of Rule 1110.2 and explained that if SOCWA were not able to meet the technology and retired the engines and did nothing it would have to buy power and SOCWA would lose the \$47,000 per month it saves by generating its own power; therefore, the cost is significant. Director Lizotte asked how much is budgeted in the District's 10-year cash flow for replacing SOCWA's cogeneration engines and Mr. Rosales reported it would cost \$4.7 million to retrofit the engines. A discussion ensued and Mr. Rosales answered the Board members' questions. Mr. Rosales reported that SOCWA met with the AQMD in October and found that the AQMD is not entirely sympathetic to SOCWA's situation. He commented that the AQMD's desire is to shut down the smaller emission power generators such as SOCWA and focus on the larger sources, such as large power plants.

Mr. Rosales reported that SOCWA could retrofit the engines, decommission them, install boilers to flare some of the gas and run micro-turbines or an alternative method of power generation on site, or clean up the gas and sell it to the grid. Further discussion ensued.

Director Probolsky arrived at 9:15 a.m.

Director Probolsky recommended that Mr. Rosales contact Supervisor Shawn Nelson, the new AQMD representative for Orange County and commented that he believes he would be a sympathetic ear. He offered to help Mr. Rosales facilitate a meeting with Supervisor Nelson.

Mr. Rosales discussed the sludge force main, which consists of two 4-inch pipelines installed in the early 1980's to bring sludge from the Coastal Treatment Plant to the Regional Treatment Plant for treatment and handling. He reported there are both internal and external corrosion issues with the pipelines and eventually they will need to be replaced. Mr. Rosales reported that both SOCWA and South Coast Water District (SCWD) managed and maintained the sludge force main at various times and SCWD replaced sections of the pipeline in two areas on the west side of the creek.

Mr. Rosales reported that the objective of the ACES project several years ago was to move the sludge force main and install a different sewer line on the west side of the creek;

however, for economic reasons the project was abandoned and SOCWA was forced to determine what to do about the force main. He reported that SOCWA did an alignment study in 2006 that focused on replacing the existing line on the east side within the same footprint in which it now resides, however, there are some areas of slide concern throughout that footprint. Mr. Rosales reported that the entire creek area is unstable, particularly on the west side. He commented that SOCWA is working with the Army Corps. of Engineers to try to resolve some of the erosion problems in the creek and shore up the creek and some of the infrastructure.

Mr. Rosales reported that in 2008-2009 SOCWA was able to shore up the footings in the area around the bridge to the Coastal Treatment Plant and did an access road realignment study two years ago to see if it would be feasible to relocate the sludge force main to the east side of the creek. Mr. Rosales reported that the sludge force main failed in December 2010 and in February 2011 and SOCWA has not determined why it failed. He reported that SOCWA will begin a project next month to replace about 1,000 feet of the pipeline and staff will do forensic testing on the pipeline removed to try to determine why it failed.

Mr. Rosales discussed the Environmental Restoration Project in which the County and SOCWA are participating and reported that the County and the Corps. of Engineers told SOCWA last year not to expect any funding or projects to happen for five years. He commented that SOCWA recognizes it must move forward without the project to replace the 30 year old sludge force main. He reported that SOCWA'S contingency plan is to truck the sludge through the park to the Regional Treatment Plant, and if this were to become a permanent option an equalization basin to store and thicken the sludge would have to be installed.

Mr. Rosales discussed the options for replacing the sludge force main, some of which are: (1) maintain the status quo, (2) install one pipeline, (3) install one pipeline and an equalization basin to also truck the sludge, and (4) install two pipelines. He reported that SOCWA's staff hired Dudek to do a preliminary design and the CEQA process for constructing one pipeline at a total cost of \$3.3 million, \$2.5 million of which is the construction cost. He showed the Board a depiction of the new alignment of the sludge force main and commented that staff is

contemplating replacing 1,000 feet of pipeline, which would be a good first step before replacing the entire sludge force main.

Mr. Rosales discussed the timing and cost of the project and answered the Board members' questions. Director Probolsky commented that the District cannot only look at the 29% it would contribute to the project versus trucking, because running trucks through the park would affect the District's customers. President McKenney commented that if the District makes a major capital investment as a part of this project it might be a good time to talk about disposing of capacity. Chairman Froelich thanked Mr. Rosales for his presentation.

Item No. 5 - Staff Presentation Regarding OSHA Safety and Health Achievement Recognition Program (SHARP) Presented to the District

Dr. Gumerman reported that about two years ago Mr. Todd Novacek, the District's Safety & Regulatory Compliance Supervisor, and the District's Field Operations crews achieved the Golden Gate Award from OSHA, which is the second highest award OSHA conveys. He commented that Mr. Novacek indicated at that time that he would like to see the District achieve the highest award, the Safety and Health Achievement Recognition Program (SHARP) Award. Dr. Gumerman reported that over the last two years Mr. Novacek and the District personnel have worked diligently with OSHA and the District was presented with the SHARP Award last Wednesday. He reported that MNWD is one of two water districts in the state that have achieved the SHARP Award. Dr. Gumerman invited Mr. Novacek to address the Board.

Mr. Novacek presented a brief overview of the changes the District made to its safety program over the last two years to achieve the SHARP Award. He reported that CalOSHA has two departments, Consultation and Enforcement, and he used the Consultation Department to advise the District on what needed to be changed or corrected within the District's safety program to bring it up to the SHARP standards. Mr. Novacek explained what the District did to achieve the Golden Gate Award and what it had to do to achieve the SHARP Award.

Mr. Novacek explained that the SHARP Award consists of implementing all of the recommended changes made by OSHA, and had it not been for the excellent work and cooperation of the crew chiefs and crewmembers the District would never have achieved it. He

explained that to achieve the SHARP standards there must be a culture of safety, which is much more difficult to achieve. Mr. Novacek commented that at MNWD responsibility for safety starts with the employees, then goes to the crew chiefs, the superintendents, the Directors, and the District's Safety Officer, Mr. Matt Collings. He reiterated that everyone at the District did an outstanding job, and the District would never have achieved the SHARP Award if it were not evident to CalOSHA that the employees are truly plugged into the safety program.

Mr. Matt Collings displayed the SHARP Award certificate that was presented to Dr. Gumerman and the staff by representatives of OSHA last Wednesday at the lunch held to acknowledge the District receiving the award. Chairman Froelich congratulated Mr. Novacek and the District in achieving the SHARP Award and commented that it would make a good article for the *WaterLines*.

DISCUSSION ITEMS

Item No. 6 – Monthly Construction Progress Report

a. Upper Salada Lift Station Oxygen Generation System, Contract 2010.110

Mr. Collings reported that last month the Board awarded a design-build proposal to S.S. Mechanical in conjunction with TetraTech to replace the oxygen generation system at the Upper Salada Lift Station with a PCI unit like the one installed at the Lower Salada Lift Station. He reported that the contract documents are being finalized and S.S. Mechanical has initiated its shop drawing review process. Mr. Collings reported that staff expects to receive a Notice to Proceed this month and S.S. Mechanical will order equipment late this month or early next month. He explained that the schedule is driven by the long lead time in getting the equipment, and he is hopeful to begin construction in June and have the unit on line in September or October.

Mr. Collings reported staff feels that the new system will be much more reliable and effective in reducing the hydrogen sulfide gases in the system in the Niguel Road/Crown Valley Parkway area. He reported that District staff is continuing to monitor hydrogen sulfide odors in the vicinity and will continue to expedite this contract and get the system online. Director Lizotte asked how the District is monitoring the odors and Mr. Collings explained that Mr. Brad

Bruington had the Collection Crew install four Odaloggers in various manholes for a week at a time to take readings of the hydrogen sulfide gas.

Director Kurtz asked if the equipment is made in Japan or Germany and Mr. Collings reported that the company producing the equipment is located in Corona, CA. Director Lizotte asked if he is correct that the Board previously had a conversation about buying American products and Dr. Gumerman reported that the discussion was about buying American and local products. He reported that both of these comments will be incorporated into the revisions to the Purchasing Policy that will be brought back to the Board in the next several months.

b. Pike Road Pipeline Relocation, Contract 2010.094

Mr. Collings reported that two months ago the Board approved contracts not-to-exceed \$100,000 to relocate an easement line that failed between two homes on Pike Road, off of La Paz Road. He reported that there was a hotel being fed by two easement lines, and when one of the Pike Road easement lines failed staff felt it was prudent to relocate the line to La Paz Road, which would provide a much more reliable service connection to the hotel.

Mr. Collings reported that Ms. Eva Plajzer expeditiously executed the contract and the new easement line is now operational and the old one has been abandoned. He reported that the project cost approximately \$80,000, including paving and permits. Director Lizotte asked if the easement would be quitclaimed back to the homeowner and Mr. Collings reported that typically the District does not do this; however, if the homeowner were to ask it probably could. Further discussion ensued regarding the wisdom of quitclaiming abandoned easement lines.

Chairman Froelich asked if the Directors had any comments on the Monthly Construction Progress Report. Mr. Collings reported that the bypass line to the Effluent Transmission Main is still operational and staff is currently discussing with several contractors and the homeowners' association the best plan to address the bypass line. Mr. Collings reported staff received pricing to remove the bypass line and construct a more permanent facility and staff is evaluating its options and he will bring a recommendation to the Board next month on how staff will address it.

Item No. 7 – Budget vs. Cost-to-Date

Mr. Collings reported that pursuant to the conversation last month regarding the Budget vs. Cost-to-Date Report the Finance Department changed the title on Column 2 to “Approved Expense Authorization” rather than “Approved Project Amount.” He commented that staff feels this title is more appropriate to indicate that this is the amount the Board has approved staff to spend on these projects. Mr. Collings answered the Board members’ questions on the Budget vs. Cost-to-Date Report.

Item No. 8 – Water Supply Reliability Projects’ Status – Monthly Summary Report

Mr. Collings reviewed the Monthly Summary Report and reported that the major change from last month was an invoice on the Upper Chiquita Reservoir. He reported that so far the District has expended \$12 million on that project. Mr. Collings reported that pursuant to Director Lizotte’s request he added a footnote to the bottom to highlight the difference between the original District costs and the current District costs, which is a mix between the original project cost estimates in the planning stages and updated cost estimates as the projects progressed, as well as additional capacity that was purchased in the Baker Water Treatment Plant.

Chairman Froelich asked if staff expects the District to incur additional costs for the damage to the Upper Chiquita Reservoir site from the heavy rains. Dr. Gumerman reported that it has not been determined which party has the final liability and Mr. Collings reported that he has not received a full report from Dan Ferons, and he was anticipating having Dan attend the Board meeting in April to discuss the project. Mr. Collings commented that the Board’s tour of Upper Chiquita Reservoir may influence whether the Board feels it wants Mr. Ferons to come to the April Board meeting. He commented that he understands that SMWD is still within the contingency but has almost used all of it and is still negotiating some final numbers on change orders submitted by the contractor as a result of the damages from the rains.

Dr. Gumerman reported that those going on the tour of Upper Chiquita Reservoir on Friday will meet in the Board Room at 9:30 a.m. and then proceed to SMWD.

Item No. 9 – 5B-1 Reservoir Refurbishment, Contract 2010.120 – Construction Contract

Reimbursement

Mr. Collings reported that the District owns approximately 9% of the 5B-1 Reservoir, which lies underneath the tennis courts at the Dana Hills Tennis Center near Golden Lantern and Camino Del Avion. He reported the reservoir contains 8 million gallons of water and the District owns 700,000 gallons of capacity. Mr. Collings reported that South Coast Water District (SCWD) recently completed a slightly more than \$1 million refurbishment of the reservoir that included the removal of calcium deposits on the reservoir floor, repair of all spalled concrete surfaces, and removal of the existing tennis court surfacing for complete structural inspection of the interior and exterior of the reservoir. He reported that further inspection increased the scope to include significant repairs to a 70-foot long interior crack and column repairs due to deterioration of the spiral rebar environment. Additionally, upgrades to various reservoir appurtenances were completed while the facility was out of service, including OSHA safety requirements and modifications to mechanical piping, valving, and appurtenances.

Mr. Collings reported the District is responsible for 9% of the capital costs for its capacity in the reservoir. He reported that the staff report included in the agenda package recommends that the Board authorize the District to reimburse SCWD for \$92,000 for its expenses related to the contract that SCWD executed. Mr. Collings reported that this item is on the Consent Calendar for Board approval of reimbursement to SCWD at the Board meeting on Thursday.

Item No. 10 – Easement Pipeline Rehabilitation Project, Contract 2010.023 – Design Contract

Award

Mr. Collings reported that this contract was initially budgeted for \$200,000, and the goal of the project was to address an increasing number of residential easement failures the District has been experiencing in Laguna Niguel. He highlighted the area where the failures have occurred and reported that the District is concerned about approximately 45 residential easements that were constructed in the 1980's and 1990's. Mr. Collings reported that at that time the District stopped using asbestos cement pipe and began using PVC C900 pipe; however, there

was concern about using PVC pipe in areas that were unpaved, such as residential easements, and in those cases ductile iron pipe was used.

Mr. Collings reported that the District has experienced a large number of failures of the ductile iron pipes in the residential easements, including six within the past five years. He reported that the pipes removed have shown a lot of exterior corrosion, many times the pipes were not properly bagged when installed, the bedding was not good, the backfill was not done well, etc. Mr. Collings reported that because the District is experiencing an increasing number of failures staff thought it was prudent to go out for RFP's to solicit engineering consulting services to evaluate what the options are regarding the easement lines. Staff is looking at solutions ranging from abandonment, relocation, reconstruction, and relining. He reported that staff is considering alternatives that would involve not only understanding the constructability issues associated with the easement lines but also the hydraulic implications.

Mr. Collings reported that the District sent RFP's to five firms and received five proposals with very diverse approaches to the project and costs ranging from \$50,000 to \$167,000. He reported staff reviewed the proposals and interviewed two firms. Based on the interviews, staff is recommending that the Board award the engineering services contract to TetraTech for an amount not-to-exceed \$82,700 and is requesting an initial project expense authorization of \$105,000. Mr. Collings reported that the end product staff would receive is a report that would identify a three-year capital improvement program that would address rehabilitation of the 45 easement lines in the Laguna Niguel area. He reported the report would be presented to the Board and staff would begin budgeting for rehabilitation of the lines in the Long Range Plan, the ten-year cash flow plan, and the current CIP budget.

Director Lizotte asked if this would raise the issue of quitclaiming the abandoned easements back to the homeowners and Mr. Collings reported that it would be a good time to have a discussion with Legal Counsel to see how staff wants to address abandoning any of the easement lines. Chairman Froelich asked if it is required by law that the proposals be looked at first without costs. Ms. Giannone explained that a statute exists that certain kinds of consulting contracts cannot be based solely on costs. She commented that Legal Counsel's advice is that

cost is a factor and that the way staff does it is a good way to implement the requirements of that statute so that cost is a factor, but is looked at separate and apart from the other qualifications, then considered in making a final decision. Further discussion ensued and Mr. Collings answered the Board's questions.

Director Probolsky commented that he would prefer that on a project like this Mr. Collings provide the Board with the cost of the total project, even if it is an estimate. Mr. Collings reported he would put a planning estimate together for the Board on Thursday based on typical jobs staff has experienced in the area where a line has been relined.

Item No. 11 – Moulton Ranch III Recycled Water Pipeline, Contract 2010.016 – Construction Contract Award

Mr. Collings reported that this project is an extension of the District's recycled water system through the area of the Moulton Ranch III Homeowners' Association. The intent will be to construct approximately 5,000 feet of recycled water pipeline through the HOA, picking up 14 use sites (13 services). He reported the HOA currently uses approximately 55 acre-feet per year of potable water and has been requesting to get on the District's recycled water system. Mr. Collings reported this had been problematic up to this point because the cost-benefit ratio at that time did not make sense; however, as the cost of potable water and the cost of the District's Water Supply Reliability Projects increases, the recycled water cost and the benefit to extending the facilities is becoming more attractive.

Mr. Collings reported that in July the Board approved the design contract with Psomas to design the facility. The construction contract was completed and the project was put out to bid, and on March 3, 2011 the District received five bids ranging from \$630,880 to \$875,600. He reported that staff completed a cost-benefit analysis to confirm that the proposed project compares favorably with the cost of imported water and/or the estimated annualized cost of water for other water supply reliability projects, and the annualized cost for the proposed project is \$792 per acre-foot.

Mr. Collings reported that on Thursday staff will recommend that the Board award the contract to Doty Bros. Equipment, the lowest responsible bidder, for an amount of \$630,880 and

approve a project expense authorization of \$800,000. Mr. Collings answered the Board members' questions regarding the project.

INFORMATION ITEMS

Item No. 12 – 2011 Metropolitan Water District Diemer Plant Shutdown

Mr. Collings reported that the Diemer Plant shutdown occurred last week and the District managed to successfully get through it. He showed slides of some of the equipment and pipelines that MET worked on during the shutdown. Mr. Collings showed a chart depicting the demand trends from January through the end of the shutdown and reported that the District was fortunate that at the beginning of the shutdown the weather was cold and rainy, which caused demands to dip sharply. He commented that as the shutdown neared the second half and the weather warmed up demands began to increase.

Mr. Collings reported that Mr. Ronin Goodall and the Water Distribution Crew were successful in negotiating supplies of up to almost 40 cfs during the shutdown. Fortunately it was not necessary to use the entire amount because the District's demands were much lower. He reported that the District utilized approximately 116 million (MG) gallons during the seven days, most of which came from the IRWD interconnection. He reported that the District used its 75 MG contracted share in the IRWD interconnection and also used an additional 14 MG from SMWD's excess supply in the interconnection. Mr. Collings reported that staff anticipates that SMWD's 14 MG will not be available once the ranch is developed. He reported that the District used in-District storage to make up the balance of its demands during the shutdown.

Mr. Collings complimented Mr. Goodall and the Water Distribution Crew, specifically Mr. Kevin Crawford, who was the water operator during the shutdown. He commented that Mr. Crawford did a masterful job managing the water and maintaining the distribution system all week. Director Lizotte asked what the incremental cost was for buying water from IRWD and SMWD, plus the in-District storage, and if there was any additional cost. Mr. Collings reported that there was some extra cost operationally, as the District will pay for some of the power and staff time for IRWD to modify its system to allow flow to come down. He reported that the cost of water is at the MWDOC rate.

Director Probolsky asked what the District's capacity is in the Upper Chiquita Reservoir and Mr. Collings reported that the District has 83 MG of capacity in the reservoir. He reported the anticipation is that during MET's 7-day shutdown next year the District will still utilize the IRWD interconnection and the capacity in Upper Chiquita Reservoir, and staff will maintain the reservoir levels where we typically would maintain them.

Item No. 13 – 2010 Urban Water Management Plan Update – Status Review

Mr. Collings reported that last July staff updated the Board on staff's timing for the next five-year approval and adoption of the Urban Water Management Plan. He reported that the Plan is due on July 1, 2011, and some of the major elements include the District's water reliability during normal dry year conditions, planned projects including recycled water, desalination, shortage contingency plans, as well as demand management measures. Mr. Collings reported that one of the biggest new things being required this year is the SBX 7x7, which is the Governor's plan for a 20% reduction by 2020. He reported the District is required to declare in the Plan which option it is utilizing to meet the goals and what the demand projects will have to be per capita.

Mr. Collings reported that this week, notifications of the District's plan to adopt the Urban Water Management Plan will be sent to the cities and the County, in April a Notice of Public Hearing will be posted, and the Public Hearing will occur in May, at which time the Board will receive comments regarding the Urban Water Management Plan. He reported that the Public Hearing and Adoption of the Plan will be scheduled for May to allow the staff to make any changes necessary and have the Board re-adopt the Plan in June to make the July 1, 2011 deadline. Mr. Collings reported that when the Notice of Public Hearing is sent, staff will provide the Board Members with a copy of the Urban Water Management Plan so they will have an opportunity to review and comment on it.

Mr. Collings commented that he plans to post the Notice of Public Hearing and Adoption for the May Board meeting as opposed to the Engineering & Operations meeting and asked if the Board felt it was appropriate to do this. Director Fiore commented that Public Hearings should be held at the regular Board meeting and the Board concurred.

Item No. 14 – Water Supply Assessment Request from the City of Laguna Niguel

Mr. Collings explained that as he reported in September or October the City of Laguna Niguel is considering a Specific Plan to redevelop the Gateway area near Costco on Crown Valley Parkway. He reported potentially there would be up to 3,000 new dwelling units, 400,000 square feet of retail, 1,000,000 square feet of office space, auto sales, and potentially one or two hotels. Mr. Collings reported that as part of the requirements of the Specific Plan the City has requested that the District perform a Water Supply Assessment. He reported that in 2005 the Board adopted a resolution that prepared an application form for the City to submit a request for the Water Supply Assessment, outlined requirements for the data, cost requirements, indemnification clauses, etc. The City executed the application and staff has initiated a services agreement with Psomas to prepare the Water Supply Assessment at a cost of \$22,000 which the City will pay. Mr. Collings reported that staff is required to bring the Water Supply Assessment to the Board for approval when it is completed.

Item No. 15 – Tour of the Upper Chiquita Reservoir, March 18, 2011 at 9:30 a.m.

Chairman Froelich reported that those going on the tour would meet in the Board Room at 9:30 a.m. on Friday. He commented that the Board was originally going to tour the Plant 3A Effluent Transmission Main; however, because the reservoir is almost finished staff thought it would be a good time to see it before it is covered. Dr. Gumerman commented that in April or May he would arrange a tour of the Plant 3A Effluent Transmission Main.

Dr. Gumerman reported that Ms. Gray provided a transcript of the Public Hearing of February 23, 2011 to the Directors. He reported that the minutes are on the agenda for approval at the Board meeting on Thursday.

ADJOURNMENT

There was no further business to come before the Engineering and Operations Board and the meeting was adjourned at 11:15 a.m.

Respectfully submitted,

Frani Bailey
Recording Secretary