

AGENDA

Board of Directors' Meeting

December 17, 2009

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
December 17, 2009
6:00 p.m. (PST)
Approximate Meeting Time: 2 Hours**

I. CALL MEETING TO ORDER

II. PLEDGE OF ALLEGIANCE

III. APPROVE MINUTES OF NOVEMBER 19, 2009 BOARD OF DIRECTORS' MEETING

IV. PUBLIC COMMENTS

V. PRESIDENT'S REPORT

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VII. CONSENT ITEMS*

A. Meters in Service – November 20094

B. Meter Distribution – November 20094

C. Wastewater Treatment Flows – November 2009.....4

D. Potable Water Imported – November 20095

E. Recycled Water Produced – November 20095

F. Recycled Water Goals – Thru November 20095

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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 January 21, 2010 at the Moulton Niguel Water District.

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 – November 2009

Description	Beginning of Month	Added/ (Subtracted)	End of Month	One Year Ago
Single Family	33,892	15	33,907	33,830
Multi Family	14,666	14	14,680	14,633
Commercial	2,832	4	2,836	2,806
Irrigation	2,635	0	2,635	2,623
Total	54,025	33	54,058	53,892
Est. Population	167,063	76	167,139	166,816

B. METER DISTRIBUTION * – November 2009

Size	Beginning of Month	Added/ (Subtracted)	End of Month	One Year Ago
5/8"	107	0	107	107
3/4"	36,577	0	36,577	36,630
1"	10,702	30	10,732	10,540
1½"	930	0	930	929
2"	4,945	1	4,946	4,932
2-1/2"	12	0	12	12
3"	78	2	80	75
4"	152	0	152	151
6"	315	0	315	312
8"	186	0	186	183
10"	21	0	21	21
Total	54,025	33	54,058	53,892

*Includes potable and recycled water meters.

C. WASTEWATER TREATMENT FLOWS (MGD) – November 2009

Description	Current Month	One Year Ago
Total Flow	13.0	13.4

D. POTABLE WATER IMPORTED – November 2009

Source	Current Month Average Flow (cfs)	Current Month Volume (af)	Since 7/01/08 To Date Volume (af)	Year Ago To Date Volume (af)
Joint Transmission Main	3.9	232.0	1,749.6	2,558.1
Allen-McColloch Pipeline	13.3	791.2	4,412.4	2,387.4
Central Intertie Pipeline	23.9	1,421.8	8,116.3	11,352.7
Interties	0.0	0.0	0.0	0.0
Total	41.1	2,445.0	14,278.3	16,298.2

E. RECYCLED WATER PRODUCED – November 2009

Source	Current Month Average Flow (mgd)	Current Month Volume (af)	Since 7/01/08 To Date Volume (af)	Year Ago To Date Volume (af)
Regional AWT	6.84	629.7	3,580.6	3,450.0
Plant 3A AWT	1.18	108.6	597.0	518.8
SCWD AWT**	-0.50	-46.0	59.6	172.6
Total Produced	7.52	692.3	4,237.2	4,141.4
To(-)/From(+) Storage	-0.66	-60.7	+340.1	+331.8
Total Delivered	6.86	631.6	4,577.3	4,473.2

**MNWD delivered recycled water to SCWD during month.

F. RECYCLED WATER GOALS – Thru November 2009

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	1,227	3,900	3,804

G. CUSTOMER SERVICE ACTIVITY – November 2009

	<u>November 2009</u>	<u>November 2008</u>
<u>Cross Connection</u>		
Backflow notices	42	42
Inspections	13	24
<u>Customer Inquiries</u>		
Board room use	8	8
Letters of credit	0	1
Record changes	91	93
Website hits	4,512	4,651
<u>Delinquent Accounts</u>		
Delinquent Notices	787	663
Shut-offs	137	86
<u>Education Programs</u>		
Number of students	1,075	426
<u>Maintenance</u>		
Meter maintenance	90	73
Meter checks	187	261
Angle stop	10	15
Meter lids	3	3
Meter replacements	85	158
Meter box replacements	0	2
Vault replacements	3	2
<u>Meter Activity</u>		
Construction meters	34	40
Meter sales	21	1
New services	12	46
Turn-offs	190	140
Turn-ons	550	406
<u>Meters Read</u>		
Hand-held	1,141	5,221
Touch read	39,022	36,884
Radio-read	13,866	11,763
<u>Service Orders</u>		
Customer inquiries	48	42
Hydrants	7	8
Valve can/Manhole lids	0	3
Fire flow tests	4	2
Leaks	24	14
Pressure tests	17	14
Turn-offs for repairs	41	40
Site visits	1,331	64
Non-MNWD leaks/breaks	43	73
Water quality	0	1
Other service orders	1	7
<u>Total Service Orders</u>	1,980	859

VIII. GENERAL MANAGER'S REPORT

A. SUMMARY AND DISCUSSION:

1. Citizens' Advisory Committee Meetings

Discussion of the frequency the Board would like the Citizens' Advisory Committee meetings to be held.

RECOMMENDED ACTION:

THE BOARD OF DIRECTORS PROVIDE DIRECTION TO STAFF.

2. Water Supply Allocation/Usage Update

3. Baker Treatment Plant Tour – January 15, 2010

4. Upper Chiquita Reservoir Tour – Possible Dates

5. Legislative Update

6. Municipal Water District of Orange County (MWDOC) –
Update on Resolution With Client Agencies Cost Funding for MWDOC Activities

7. 2009 Financing Activity – Status Update

8. Armenta Jones Settlement

9. Happy Holidays

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

A. A presentation was given at the Engineering Board meeting on December 15, 2009 on the District's preparation for the 7-day Diemer Filtration Plant shutdown, which is planned to start on January 25, 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]

X. FINANCIAL MATTERS

A. SUMMARY OF DISBURSEMENTS DATED NOVEMBER 30, 2009

1. The Board of Directors will review the Summary of Disbursements dated November 30, 2009, for the month of November 2009 operations. The total disbursements for the period amounted to \$5,535,641.43 applicable to the following funds:

a.	General Fund	3,544,559.96
b.	Planning & Construction Fund	359,784.97
c.	Replacement & Refurbishment Fund	1,089,700.68
d.	Self Insurance Fund	1,733.00
e.	Water Supply Reliability Fund	61.50
f.	1993 COPS Fund	539,801.32

2. The major expenditures include the following:

a.	Municipal Water District of Orange County (MWDOC)	
	August Prior Period Water Purchases 10.2 AF	6,552.90
	September Water Purchases 3,099.0 AF	2,192,542.50
	August Recycled Rebates 930.2 AF	(143,250.80)
	September Capacity Charges	29,604.87
	September RTS Charges	57,380.00
	September SCP Operation Surcharge	14,645.49
b.	Paulus Engineering, Inc.	180,287.10
	Contract No. 2009.003 Augusta Recycled Water Pipeline	
c.	Sancon Engineering, Inc.	382,023.00
	Contract No. 2008.039 Outfall Repairs	
d.	SOCWA Capital Budget Deposit November 2009	603,650.00

These expenditures, pursuant to Board authorization, were previously reviewed and approved on a weekly basis by the Director of Finance/Treasurer.

B. FINANCIAL STATEMENTS

SUMMARY AND DISCUSSION:

The Financial Statements, dated November 2009, were reviewed by the Board of Directors at its Finance and Audit Board of Directors' Meeting on December 16, 2009.

RECOMMENDED ACTION:

THAT THE BOARD OF DIRECTORS RECEIVE AND ORDER FILED:

1. SUMMARY OF DISBURSEMENTS DATED NOVEMBER 30, 2009; and
2. FINANCIAL STATEMENTS DATED NOVEMBER 30, 2009.

C. COMPREHENSIVE ANNUAL FINANCIAL REPORT

SUMMARY AND DISCUSSION:

The District's Auditors, Mayer Hoffman McCann, reviewed the draft Annual Audit for the year ending June 30, 2009 at the Finance & Audit Board Meeting on November 18, 2009. After said review, the Board is being requested to receive and file the Comprehensive Annual Financial Report in final format.

RECOMMENDED ACTION:

THAT THE BOARD OF DIRECTORS RECEIVE AND ORDER FILED:

1. THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2009, AND
2. THE AUDITOR'S LETTER ADDRESSING INTERNAL CONTROLS, AND
3. THE AUDITOR'S INFORMATIONAL LETTER CONCERNING THE AUDIT.

D. 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

A. CAPITAL CONSTRUCTION PROJECTS' STATUS AND PROJECT BUDGET SUMMARY

SUMMARY AND DISCUSSION:

The Construction Progress Report is shown on pages 13 through 17 . Staff will be available to answer any questions relating to this report.

RECOMMENDED ACTION:

THAT THE BOARD OF DIRECTORS RECEIVE AND ORDER FILED:

1. THE CAPITAL CONSTRUCTION PROJECTS' STATUS AND PROJECT BUDGET SUMMARY.

B. RECYLED WATER MASTER PLAN AND HYDRAULIC MODEL UPDATE

SUMMARY AND DISCUSSION:

Requests for recycled proposals were sent to five engineering firms to prepare an update to the District's Recycled Water Hydraulic Model and System Master Plan. Staff is proposing to

update the Recycled Water Master Plan as a result of the increased efforts to add more recycled water customers and infrastructure to the current system, and in light of the regional recycled water planning alternatives currently under consideration. Three proposals were received and opened on December 3, 2009:

Tetra Tech, Inc.	\$ 69,200
HDR Engineering	\$ 78,400
RMC Water & Environment	\$ 149,900
Engineer (District Staff)	\$ 80,000
Current Fiscal Year 2009-2010 Budget	\$ -0-

This project will be financed with the Fund 7 – Replacement and Refurbishment Fund. The staff is in the process of seeking a State Water Resources Control Board (SWRCB) Recycled Water Planning Grant to finance 50% of this effort, up to a maximum grant limit of \$75,000.

RECOMMENDED ACTION:

THE BOARD OF DIRECTORS AWARD THE PROPOSAL FOR THE RECYCLED MASTER PLAN AND HYDRAULIC MODEL UPDATE TO TETRA TECH, INC. IN THE AMOUNT OF \$69,200 AND APPROVE A PROJECT BUDGET IN THE AMOUNT OF \$75,000. THIS PROJECT WILL BE FINANCED FROM FUND 7 – REPLACEMENT AND REFURBISHMENT FUND AND POSSIBLY SWRCB RECYCLED WATER PLANNING GRANT FUNDS.

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]

XII. LEGAL MATTERS

A. MEMORANDUM OF UNDERSTANDING (MOU) FOR REVISED CAPACITIES IN BAKER PIPELINE

SUMMARY AND DISCUSSION:

The Baker Water Treatment Plant (WTP) project agreement amendment approved by the Board in November establishes a rated plant capacity of 43.5 cfs, with the District's share at 13 cfs, for a percentage share of approximately 29.9%. The Baker Pipeline capacity transfers proposed under the revised MOU included as **Attachment L-1** to the Agenda correspond to the WTP participants' rated capacity interests. The pipeline MOU includes the methodology for valuation of the capacity transfers, with the District's total capacity transfer of 13 cfs cost being

approximately \$3.6 million. **Attachment L-1** also includes a Cancellation Agreement to nullify the existing Baker Pipeline MOU that was signed by only the District, SMWD, and ETWD.

RECOMMENDED ACTION:

THE BOARD OF DIRECTORS APPROVES AND AUTHORIZES EXECUTION OF THE “BAKER PIPELINE CAPACITY TRANSFER MEMORANDUM OF UNDERSTANDING” AND THE “CANCELLATION AGREEMENT” TO BE EXECUTED BY THE GENERAL MANAGER, BOTH SUBJECT TO NON-SUBSTANTIVE CHANGES APPROVED BY THE GENERAL MANAGER AND THE EXECUTION OF THE CANCELLATION AGREEMENT CONTINGENT ON FULL EXECUTION OF THE PIPELINE MOU BY ALL PARTIES.

B. FIRST AMENDMENT TO POSEIDON HUNTINGTON BEACH DESALINATION PROJECT MEMORANDUM OF UNDERSTANDING (MOU)

SUMMARY AND DISCUSSION:

MWDOC is recommending execution of the First Amendment to the Original MOU dated May 22, 2008, among Poseidon, and MWDOC, the District, ETWD, MESA, SMWD, IRWD, SCWD, LBCWD, TCWD, and the Cities of Anaheim and Santa Ana (“Original Participants”). The First Amendment will allow for additional public and private water agencies to become parties to the Original MOU and enter into negotiations under the Original MOU on an equal footing with the Original Participants. The possible benefit of allowing additional participants under the Original MOU is to “expand the potential market for Project water, increase efficiency in the dissemination and analysis of Project information by and among Orange County water retailers, and spread certain fixed costs of the negotiation process among a greater number of potential participants obtain supplies from the proposed Desalination Plant for the purpose of defraying costs of the existing Participants.” Any addition of a participant to the Original MOU is subject to any of the Original Participant’s exercise of thirty-day right of objection. **Attachment L-2** to the Agenda is the proposed First Amendment.

RECOMMENDED ACTION:

THE BOARD OF DIRECTORS APPROVES AND AUTHORIZES EXECUTION BY THE GENERAL MANAGER OF THE “FIRST AMENDMENT TO THE POSEIDON HUNTINGTON BEACH DESALINATION PROJECT MOU,” IN THE FINAL FORM INCLUDED AS ATTACHMENT L-2 TO THE AGENDA.

C. RESOLUTIONS TO APPOINT DAVID CAIN AS AUTHORIZED REPRESENTATIVE FOR DEPOSIT/DISBURSEMENTS UNDER VARIOUS DISTRICT FUNDS AND AS RETIREMENT PLAN TRUSTEE

SUMMARY AND DISCUSSION:

Included as **Attachment L-3** to the Agenda are various resolutions that require the authorization of the individual serving as Director of Finance/Treasurer for signature purposes in connection with deposits and disbursements to certain funds and for appointment as trustee under certain retirement plans.

RECOMMENDED ACTION:

THE BOARD OF DIRECTORS ADOPTS THE FOLLOWING RESOLUTIONS:

1. RESOLUTION OF THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT REVISING DESIGNATION OF DISTRICT OFFICERS AND STAFF UNDER CUSTODIAL FUND ARRANGEMENT WITH WELLS FARGO BANK, N.A., AND
2. RESOLUTION OF THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT RATIFYING CONTINUED INVESTMENT OF DISTRICT FUNDS IN THE LOCAL AGENCY INVESTMENT FUND (LAIF) AND APPROVING CHANGE IN AUTHORIZED DISTRICT REPRESENTATIVES, AND
3. RESOLUTION OF THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT REVISING DESIGNATION OF TRUSTEES AND PLAN ADMINISTRATORS FOR INTERNAL REVENUE CODE SECTION 457 DEFERRED COMPENSATION PLAN, AND
4. RESOLUTION OF THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT DESIGNATING DISTRICT OFFICERS AND STAFF AUTHORIZED TO MAKE DISBURSEMENT REQUESTS FROM “OTHER POST EMPLOYMENT PREFUNDING PLAN” PURSUANT TO CALIFORNIA EMPLOYER’S RETIREE BENEFIT TRUST (CERBT), AND
5. RESOLUTION OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT REVISING DESIGNATION OF TRUSTEES FOR INTERNAL REVENUE CODE SECTION 401(a) MONEY PURCHASE PENSION PLAN.

D. APPLICATION FOR GRANT FUNDING FOR UPDATED RECYCLED WATER FACILITIES MASTER PLAN

SUMMARY AND DISCUSSION:

Staff recommends submission of an application to the State Water Resources Control Board (SWRCB) for grant funding up to \$75,000, or 50% of the estimated project cost, for the efforts to update the District’s Master Plan for Recycled Water Facilities.

RECOMMENDED ACTION:

THE BOARD OF DIRECTORS ADOPTS THE RESOLUTION ENTITLED “RESOLUTION OF THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT AUTHORIZING A WATER RECYCLING FACILITIES PLANNING GRANT APPLICATION,” ATTACHMENT L-4 TO THE AGENDA.

E. IN ACCORDANCE WITH SUBDIVISION (c) OF GOVERNMENT CODE SECTION 54956.9, A CLOSED SESSION WILL BE CONDUCTED TO:

CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

Claim of Garforth (5-28-09 auto accident with District vehicle at Alicia and Pacific Park in Aliso Viejo; personal injuries, property damage- \$25,000 or less)

F. 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]