

AGENDA

Board of Directors' Meeting

July 16, 2009

1:30 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
July 16, 2009
1:30 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 JUNE 18, 2009 REGULAR BOARD OF DIRECTORS' MEETING & THE SPECIAL MEETING OF JUNE 30, 2009 - <u>ROLL CALL VOTE</u>	
IV.	PUBLIC COMMENTS	
V.	PRESIDENT'S REPORT	
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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 1:30 p.m., on August 17, 2009 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 Fiore

Rate Review Kurtz

VII. CONSENT ITEMS

A. METERS IN SERVICE – June 2009

Description	Beginning of Month	Added/ (Subtracted)	End of Month	One Year Ago
Single Family	33,869	0	33,869	33,799
Multi Family	14,651	0	14,651	14,611
Commercial	2,825	1	2,826	2,792
Irrigation	2,633	0	2,633	2,608
Total	53,978	1	53,979	53,810
Est. Population	166,964	0	166,964	166,677

B. METER DISTRIBUTION * – June 2009

Size	Beginning of Month	Added/ (Subtracted)	End of Month	One Year Ago
5/8"	108	0	108	106
3/4"	36,589	- 3	36,586	36,656
1"	10,651	2	10,653	10,451
1½"	930	1	931	923
2"	4,939	1	4,940	4,924
2-1/2"	12	0	12	11
3"	77	0	77	74
4"	152	0	152	150
6"	315	0	315	311
8"	184	0	184	183
10"	21	0	21	21
Total	53,978	1	53,979	53,810

*Includes potable and recycled water meters.

C. WASTEWATER TREATMENT FLOWS (MGD) – June 2009

Description	Current Month	One Year Ago
Total Flow	13.5	14.1

D. POTABLE WATER IMPORTED – June 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	5.6	366.5	4,908.7	6,281.1
Allen-McColloch Pipeline	14.0	916.1	6,859.4	5,257.3
Central Intertie Pipeline	25.3	1,655.6	21,333.6	23,258.8
Interties	0.0	0.0	0	67.6
Total	44.9	2,938.2	30,101.7	34,864.8

E. RECYCLED WATER PRODUCED – June 2009

UOR Storage at End of Month: 457.7 af	Current Month Average Flow (mgd)	Current Month Volume (af)	Since 7/01/08 To Date Volume (af)	Year Ago To Date Volume (af)
Source				
Regional AWT	7.01	645.4	6,901.3	6,601.6
Plant 3A AWT	1.06	97.6	889.3	1,049.9
SCWD AWT**	-0.03	-2.8	188.6	191.2
Total Produced	8.04	740.2	7,979.2	7,842.7
To(-)/From(+) Storage	+0.33	+30.4	-80.6	+411.6
Total Delivered	8.37	770.6	7,898.6	8,254.3

**MNWD delivered recycled water to SCWD during month.

F. RECYCLED WATER GOALS – Thru June 2009

Fiscal Year	Users Planned	Users Online	Acreage Planned	Acreage Online
01-02	1,000	952	3,000	3,026
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

G. CUSTOMER SERVICE ACTIVITY – June 2009

	<u>June 2009</u>	<u>June 2008</u>
<u>Cross Connection</u>		
Backflow notices	651	854
Inspections	19	30
<u>Customer Inquiries</u>		
Board room use	8	8
Letters of credit	2	9
Record changes	126	119
Website hits	5,925	4,457
<u>Delinquent Accounts</u>		
Door hanger notices	671	586
Shut-offs	101	81
<u>Education Programs</u>		
Number of students	528	0
<u>Maintenance</u>		
Meter maintenance	107	149
Meter checks	147	206
Angle stop	19	14
Meter lids	6	7
Meter replacements	68	113
Meter box replacements	0	1
Vault replacements	5	4
<u>Meter Activity</u>		
Construction meters	37	40
Meter sales	0	0
New services	1	5
Turn-offs	226	178
Turn-ons	597	558
<u>Meters Read</u>		
Hand-held	3,419	6,428
Touch read	38,140	35,626
Radio-read	12,393	11,734
<u>Service Orders</u>		
Customer inquiries	60	37
Hydrants	8	9
Valve can/Manhole lids	2	3
Fire flow tests	0	4
Leaks	10	12
Pressure tests	14	20
Turn-offs for repairs	25	33
Site visits	1,792	50
Non-MNWD leaks/breaks	65	74
Water quality	0	0
Other service orders	13	95
<u>Total Service Orders</u>	2,442	881

VIII. GENERAL MANAGER'S REPORT

A. SUMMARY AND DISCUSSION:

1. WATER SUPPLY ALLOCATION/USAGE UPDATE
2. SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA)
 - DISCUSSION OF P.C. 3A BUDGET
 - DISCUSSION OF P.C. 17 BUDGET
3. LEGISLATION UPDATE
4. ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION (LAFCO)/
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC)
GOVERNANCE STUDY UPDATE

B. LATE ITEMS (with appropriate findings)

- 1.
- 2.
- 3.

IX. OPERATIONS MATTERS

A. No report.

B. LATE ITEMS (with appropriate findings)

- 1.
- 2.
- 3.

X. FINANCIAL MATTERS

A. SUMMARY OF DISBURSEMENTS DATED JUNE 30, 2009

1. The Board of Directors will review the Summary of Disbursements dated June 30, 2009, for the month of June 2009 operations. The total disbursements for the period amounted to \$5,260,982.60 applicable to the following funds:

a.	General Fund	4,179,392.08
b.	Water Supply Reliability Fund	3,004.05
c.	Replacement & Refurbishment Fund	1,036,011.91
d.	Planning & Construction	42,574.56

2. The major expenditures include the following:

a.	Municipal Water District of Orange County (MWDOC) April Water Purchases 2708.4 AF	1,634,519.40
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	April Recycled Rebates 107.3 AF	(46,200.00)
	April RTS Charges	55,390.27
	April Capacity Charges	33,229.42
	April SCP Operation Surcharge	10,620.79
b.	Municipal Water District or Orange County (MWDOC) Debt Service – 1989 AMP Flow Augmentation	631,321.00
c.	SOCWA Monthly Capital Budget Deposit – June 2009	430,390.00
d.	CalPERS Annual CERBT Contributions for OPEB (GASB 45)	315,290.61
e.	All American Asphalt Construction Contract No. 2008.119 Crown Valley/Cabot Recycled Line Break	102,267.45
f.	Santa Margarita Water District Construction Contract No. 2007.009 Finisterra Pump Station	102,222.01

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 June 2009, will also be reviewed by the Board of Directors at its Finance and Audit Board Meeting on July 15, 2009.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THAT THE BOARD OF DIRECTORS RECEIVE AND ORDER FILED:

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

**C. SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA)
FISCAL YEAR 2009/10 OPERATIONS & MAINTENANCE AND CAPITAL
PROJECTS COMMITTEE BUDGETS**

SUMMARY AND DISCUSSION:

The SOCWA Board of Directors reviewed and adopted the Fiscal Year 2009/10 Project Committee Budget on June 4, 2009 subject to Member Agency Board Approval. The O&M Project Committee Budget totaled \$18,102,500 and the Capital Projects Committee Budget totaled \$17,376,300 for a combined budget total of \$35,478,800.

The District's share of the O&M Project Committee Budget is \$8,539,220. The District's share of the Capital Projects Committee Budget is \$9,628,980. Based on historical trends, the SOCWA Capital Projects Committee Budget has an 80% completion rate of the adopted budgeted amount. Therefore, for Fiscal Year 2009/10, the District has budgeted \$7,703,184, which represents 80% of SOCWA Capital Projects Committee Budget for MNWD. Should it become necessary to increase the District's Budget for SOCWA Capital Projects, an amendment to the Budget will be proposed to the Board of Directors. Ratification of these budgets are required by participating member agencies.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS APPROVE THE SOCWA FISCAL YEAR 2009/10 BUDGETS AS PRESENTED.

D. **SAN JUAN BASIN AUTHORITY (SJBA) FISCAL YEAR 2009/10 OPERATIONS & MAINTENANCE BUDGET**

SUMMARY AND DISCUSSION:

The Board of Directors of the San Juan Basin Authority (SJBA) approved the Fiscal Year 2009/10 Operations & Maintenance Budget at their July 2, 2009 meeting. The total Project Committee Budget amounted to \$411,000, with the District's share being \$104,500. Ratification of this budget is required by participating member agencies.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS APPROVE THE SJBA FISCAL YEAR 2009/10 BUDGET AS PRESENTED.

E. **JOINT REGIONAL WATER SUPPLY SYSTEM (JRWSS) FISCAL YEAR 2009/10 OPERATIONS & MAINTENANCE AND CAPITAL PROJECTS COMMITTEE BUDGETS**

SUMMARY AND DISCUSSION:

The South Coast Water District Board of Directors approved the proposed Fiscal Year 2009/10 Operations & Maintenance Budget and Capital Budget for the Joint Regional Water Supply System (JRWSS) at their Board Meeting on June 11, 2009. The total O&M budget amounted to \$1,889,843 and the Capital Projects Budget amounted to \$1,859,400, with the District's share being \$411,425 and \$585,008 respectively for a total amount of \$996,433. Ratification of these budgets are required by participating member agencies.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS APPROVE THE JRWSS FISCAL YEAR 2009/10 BUDGETS AS PRESENTED.

F. **2009 WATER SUPPLY RELIABILITY FINANCING**

SUMMARY AND DISCUSSION:

The 2009/10 Budget includes approximately a \$50 million borrowing to finance the Water Supply Reliability Projects. In order to proceed with the borrowing, the General Manager and the Director of Finance/Treasurer recommend the engagement of a Financial Advisor. Financial Advisors play a key role in the borrowing process advising on the structure, size, timing and credit rating for the offering. The Financial Advisor serves as an independent advisor and has no financial ties to the underwriter or broker/dealers.

On May 20, 2009, a Request for Proposal was sent to four (4) financial advisory firms. All four of the firms responded and interviews were held on July 9, 2009. Staff used the firm's qualifications, capability to provide the required services, and past experience on financing water and wastewater infrastructure as the criteria for selection of the best firm to serve the District. Staff recommends Bartle Wells to serve as the District's Financial Advisor. Mr. Reed Schmidt and Mr. Alex Handlers will head up the services to be provided to the District.

The Request for Proposal was written to cover the upcoming borrowing and any future work needed by the District until terminated by either party. The expected cost of the services is \$70,000. In addition, the District will reimburse Bartle Wells for any costs they pay on behalf of the District i.e. rating agency fees. The cost of the service will be paid by debt proceeds and may change if additional tasks are added to the Scope of Work or if the amount of the borrowing changes materially from the proposed amount.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS ENGAGE THE FIRM OF BARTLE WELLS TO SERVE AS THE DISTRICT'S FINANCIAL ADVISOR AND APPROVE AN AMOUNT NOT-TO-EXCEED \$70,000 FOR THEIR SERVICES AS ADVISORS FOR THE 2009 BORROWING.

G. BILL PRINTING AND MAILING SERVICES – INFOSEND

SUMMARY AND DISCUSSION:

At the July 15, 2009 Finance Board Meeting, the benefits and cost savings of outsourcing the printing and mailing of customer statements to InfoSend was discussed. Staff recommends InfoSend to provide these services. Staff also recommends that InfoSend provide the District's e.Bill services.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS AUTHORIZE STAFF TO ENTER INTO AN AGREEMENT WITH INFOSEND TO PROVIDE PRINTING AND MAILING SERVICES AT A COST NOT-TO-EXCEED \$70,000 AND TO PROVIDE E.BILL SERVICES AT A COST NOT-TO-EXCEED \$18,000.

H. LATE ITEMS (with appropriate findings)

- 1.
- 2.
- 3.

XI. ENGINEERING MATTERS

A. VIA CARISSA RECYCLED WATER MAIN, CONTRACT NO. 2009.001

SUMMARY AND DISCUSSION:

Bids were solicited to install 470 feet of recycled water pipeline and install several service connections to serve an average annual demand of 18.2 acre-feet along Via Carissa in Laguna Niguel. Bids were opened on July 2, 2009 as follows:

L&S Construction	\$ 80,430
SRD Engineering	\$ 83,270
Bebek Construction	\$ 84,885
E.J. Meyer	\$ 95,555
T.E. Roberts, Inc.	\$ 95,575
Paulus Engineering	\$ 97,186
Double D Pipeline, Inc.	\$ 105,990
Doty Bros.	\$ 121,535
Kennedy Pipeline	\$ 124,618
Engineer (District Staff)	\$ 95,000

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS AWARD VIA CARISSA RECYCLED WATER MAIN, CONTRACT 2009.001 TO L&S CONSTRUCTION IN THE AMOUNT OF \$80,430, AND SUBJECT TO EXPIRATION OF THE 30-DAY STATUTE OF LIMITATIONS ON THE MITIGATED NEGATIVE DECLARATION AND APPROVE A PROJECT BUDGET IN THE AMOUNT OF \$96,000. THIS PROJECT WILL BE FINANCED WITH FUND 14 – PLANNING AND CONSTRUCTION FUND.

B. RESOLUTION NO. 09- MITIGATED NEGATIVE DECLARATION, MITIGATION MEASURES AND MONITORING PROGRAM FOR VIA CARISSA RECYCLED WATER MAIN (PROJECT)

SUMMARY AND DISCUSSION:

MNWD serves as the lead agency in the Project, described in Item A above. As lead agency, it prepared and distributed the Initial Study, developed the Mitigation Plan, and is responsible to process the CEQA compliance.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS APPROVE THE PROJECT, CERTIFY THE MITIGATED NEGATIVE DECLARATION, AND ADOPT THE MITIGATION MEASURES AND MONITORING PROGRAM BY ADOPTION OF RESOLUTION 09-___, AS ATTACHED AT ATTACHMENT E-1.

C. LAS ONDAS RECYLED WATER MAIN, CONTRACT 2009.002

SUMMARY AND DISCUSSION:

Bids were solicited to install 490 feet of recycled water pipeline and install a service connection to serve an average annual demand of 7 acre-feet to a park along Las Ondas in Mission Viejo. Bids were opened on July 2, 2009 as follows:

L&S Construction	\$ 73,400
Bebek Company	\$ 73,520
E.J. Meyer	\$ 79,999
SRD Engineering	\$ 81,990
Paulus Engineering	\$ 83,086
T.E. Roberts, Inc.	\$ 91,858
Double D Pipeline, Inc.	\$ 99,020
Doty Bros.	\$100,189
Kennedy Pipeline	\$104,400
Engineer (District Staff)	\$ 90,000

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS AWARD LAS ONDAS RECYCLED WATER MAIN, CONTRACT 2009.002 TO L&S CONSTRUCTION IN THE AMOUNT OF \$73,400, AND SUBJECT TO EXPIRATION OF THE 30-DAY STATUTE OF LIMITATIONS ON THE MITIGATED NEGATIVE DECLARATION AND APPROVE A PROJECT BUDGET IN THE AMOUNT OF \$87,000. THIS PROJECT WILL BE FINANCED WITH FUND 14 – PLANNING AND CONSTRUCTION FUND.

D. **RESOLUTION NO. 09- MITIGATED NEGATIVE DECLARATION, MITIGATION MEASURES AND MONITORING PROGRAM FOR LAS ONDAS RECYCLED WATER MAIN (PROJECT)**

SUMMARY AND DISCUSSION:

MNWD serves as the lead agency in the Project, described in Item C above. As lead agency, it prepared and distributed the Initial Study, developed the Mitigation Plan, and is responsible to process the CEQA compliance.

RECOMMENDED ACTION: (ROLL CALL VOTE)

MNWD BOARD OF DIRECTORS APPROVE THE PROJECT, CERTIFY THE MITIGATED NEGATIVE DECLARATION, AND ADOPT THE MITIGATION MEASURES AND MONITORING PROGRAM BY ADOPTION OF RESOLUTION 09-___, AS ATTACHED IN ATTACHMENT E-2.

E. **LATE ITEMS:**

- 1.
- 2.
- 3.

XII. LEGAL MATTERS

A. **PUBLIC HEARING ON PROPOSED SEWER SERVICE RATE INCREASE SET BY SOUTH COAST WATER DISTRICT FOR LAGUNA SUR/MONARCH POINT REORGANIZATION AREA**

ADOPTION OF ORDINANCE NO. 09-01 "ORDINANCE OF THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT ADOPTING 2009 REVISIONS TO THE SCHEDULE OF RATES AND CHARGES AS SET FORTH IN EXHIBIT B TO THE RULES

AND REGULATIONS OF MOULTON NIGUEL WATER DISTRICT FOR WATER, SEWER AND RECYCLED WATER SERVICE (LAGUNA SUR/MONARCH POINT LAFCO R096-05)”

SUMMARY AND DISCUSSION:

The District previously authorized mailed written notice (218 Notice) to customers and property owners in the Reorganization Area of this Public Hearing on the proposed sewer rate increases set by SCWD pursuant to LAFCO Reorganization R096-05. SCWD provides sewer service to the area, and the District collects the sewer rates and remits the service charges to SCWD under the terms of the reorganization. A copy of the 218 Notice is at **Attachment L-1** to the Agenda. The Board also conducted the first reading of the Ordinance to revise the District Rules and Regulations and adopt the increased sewer service rates set forth in maximum amounts in the 218 Notice. On June 25, 2009, the SCWD Board approved the increased rates set forth in proposed Ordinance No. 09-01 included as **Attachment L-2** to the Agenda, which are lower than those set forth in the 218 Notice.

RECOMMENDED ACTIONS: (ROLL CALL VOTE)

I. CONDUCT PUBLIC HEARING ON PROPOSED SEWER RATES

The Public Hearing will be conducted in accordance with the following general guidelines:

- a. The President of the Board opens the public hearing.
- b. Public testimony is given on the proposed SCWD sewer rate increases, including the proposed reductions.
- c. The Board accepts all written protests against the proposed increased sewer rates.
- d. The President of the Board closes the public hearing.
- e. Staff tabulates all written protests received, including those received before and during the public hearing. Staff provides the Board with a final tabulation of written protests.
- f. If written protests against the proposed increased rate(s) are presented by a majority of customers, the Board may not approve the increased rate(s).
- g. The Public Hearing having been conducted, all written protests tabulated, and assuming no majority protest by customers, the Board may approve and adopt the sewer rate increases set by SCWD as set forth in **Attachment L-2** to the Agenda, and as presented at the Public Hearing, as follows:

II. SECOND READING OF ORDINANCE NO. 09-01 "ORDINANCE OF THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT ADOPTING 2009 REVISIONS TO THE SCHEDULE OF RATES AND CHARGES AS SET FORTH IN EXHIBIT B TO THE RULES AND REGULATIONS OF MOULTON NIGUEL WATER DISTRICT FOR WATER, SEWER AND RECYCLED WATER SERVICE (LAGUNA SUR/MONARCH POINT LAFCO R096-05)", INCLUSIVE OF THE RATES AS REVISED BY SCWD, AND ADOPTION OF ORDINANCE NO. 09-01 IN ACCORDANCE WITH THE FOLLOWING PROCESS: (ROLL CALL VOTE)

- a. MOTION BY BOARD: TO CONDUCT THE SECOND READING OF PROPOSED ORDINANCE NO. 09-01 IMPLEMENTING 2009 REVISIONS TO THE DISTRICT RULES AND REGULATIONS FOR SOUTH COAST WATER DISTRICT SEWER SERVICE RATE REVISIONS FOR LAGUNA SUR/MONARCH POINT REORGANIZATION AREA.
- b. PRESIDENT RECITES COMPLETE TITLE OF ORDINANCE: "ORDINANCE NO. 09-01 OF MOULTON NIGUEL WATER DISTRICT ADOPTING REVISIONS TO THE SCHEDULE OF RATES AND CHARGES AS SET FORTH IN EXHIBIT "B" TO THE RULES AND REGULATIONS OF MOULTON NIGUEL WATER DISTRICT FOR WATER, SEWER AND RECYCLED WATER SERVICE (LAGUNA SUR/MONARCH POINT LAFCOR-RO96-05)".
- c. MOTION BY BOARD: TO WAIVE READING OF COMPLETE TEXT OF ORDINANCE NO. 09-01.
- d. MOTION BY BOARD: TO ADOPT ORDINANCE NO. 09-01, AS PRESENTED AND DIRECT IMPLEMENTING REVISIONS TO THE DISTRICT RULES AND REGULATIONS FOR SEWER SERVICE BY STAFF AND LEGAL COUNSEL.

B. PUBLIC HEARING AND ADOPTION OF ANNUAL RESOLUTION TO COLLECT SEWER SERVICE CHARGES ON TAX ROLL FOR LAGUNA SUR/MONARCH POINT REORGANIZATION AREA: FISCAL YEAR 2009-2010

SUMMARY AND DISCUSSION:

South Coast Water District ("SCWD") provides sewer service to the Laguna Sur/Monarch Point Reorganization Area. As part of the terms and conditions of the 1996 reorganization, MNWD continues the prior SCWD practice of collecting such service charges on the tax roll, and the Auditor-Controller of the County of Orange includes a reference on the tax bills to this effect. SCWD's adopted revised sewer service rates applicable to the Reorganization Area in June, 2009, and MNWD will incorporate the schedule of SCWD sewer service rates into its Rules and Regulations.

At the June Board Meeting, the Board adopted a resolution to continue the practice of collecting these sewer service charges on the tax roll, as SCWD also does, in lieu of monthly or bimonthly billings, as permitted under Health and Safety Code Sections 5471 *et seq.* Pursuant to the resolution adopted at the June meeting, a Public Hearing was called for consideration of the tax roll collection procedure.

Notice of the hearing has been published, as required by law, and staff has made available the assessor parcel report, including the revised sewer charges and rates, in compliance with the statute. The Board will be advised to conduct the Public Hearing, receive comments, if any, and adopt a resolution indicated by title below.

RECOMMENDED ACTIONS: (ROLL CALL VOTE)

- 1. CONDUCT A PUBLIC HEARING ON FISCAL YEAR 2009/10 REPORT FOR THE LAGUNA SUR/MONARCH POINT REORGANIZATION AREA TAX ROLL COLLECTION PROCESS.

BOARD PRESIDENT OPENS THE HEARING, CALLS FOR PUBLIC COMMENTS, RECEIVES ANY COMMENTS OR PROTESTS, AND CLOSES THE HEARING

2. AT THE CONCLUSION OF THE PUBLIC HEARING, ABSENT SUFFICIENT PROTEST, ADOPT A RESOLUTION ENTITLED, "RESOLUTION OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT ADOPTING REPORT OF SEWER SERVICE CHARGES TO BE COLLECTED VIA PROPERTY TAX STATEMENTS ON TAX ROLL FOR THE PERIOD COMMENCING JULY 1, 2009 (LAGUNA SUR/MONARCH POINT LAFCO REORGANIZATION R096-05)".

C. WITHDRAWAL FROM WATEREUSE FINANCE AUTHORITY

SUMMARY AND DISCUSSION:

The District became a member of the WateReuse Finance Authority in 2001 in order to issue a variable rate lease financing through the Authority. In 2008, the District paid all the outstanding lease payments and defeased its lease agreement. The Joint Powers Agreement allows a member to withdraw from the Authority once it has no further financing obligations. Since there is no further purpose served by remaining in the Authority, the Director of Finance/Treasurer and Legal Counsel recommend the District withdraw from the Authority.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS APPROVES WITHDRAWAL FROM MEMBERSHIP IN THE WATEREUSE FINANCE AUTHORITY AND THE JOINT POWERS AGREEMENT AND AUTHORIZES THE DIRECTOR OF FINANCE/TREASURER WITH LEGAL COUNSEL REVIEW TO TAKE ANY FURTHER ACTIONS NECESSARY TO COMPLETE THE WITHDRAWAL.

D. IN ACCORDANCE WITH SUBDIVISION (a) OF GOVERNMENT CODE SECTION 54956.9, A CLOSED SESSION WILL BE CONDUCTED TO CONFERENCE WITH LEGAL COUNSEL REGARDING THE FOLLOWING LITIGATION:

Nora Armenta v. James Jones Company, et al.; City of Banning, et al. v. James Jones Company, et al.

E. LATE ITEMS (with appropriate findings)

- 1.
- 2.
- 3.