

AGENDA

Board of Directors' Meeting
September 17, 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
September 17, 2009
1:30 p.m. (PDT)
Approximate Meeting Time: 2 -3 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 AUGUST 20, 2009 BOARD OF DIRECTORS' MEETING, AUGUST 31, 2009 SPECIAL BOARD OF DIRECTORS' MEETING AND THE CLOSED SESSION MINUTES OF JULY 16, 2009 AND AUGUST 20, 2009 - <u>ROLL CALL VOTE</u>	
IV.	PUBLIC COMMENTS	
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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 October 15, 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

McKenney

Rate Review

Kurtz

VII. CONSENT ITEMS

A. METERS IN SERVICE – August 2009

Description	Beginning of Month	Added/ (Subtracted)	End of Month	One Year Ago
Single Family	33,869	0	33,869	33,799
Multi Family	14,660	0	14,660	14,611
Commercial	2,834	0	2,834	2,792
Irrigation	2,633	1	2,634	2,616
Total	53,996	1	53,997	53,818
Est. Population	166,964	0	166,964	166,677

B. METER DISTRIBUTION * – August 2009

Size	Beginning of Month	Added/ (Subtracted)	End of Month	One Year Ago
5/8"	108	0	108	106
3/4"	36,581	- 3	36,578	36,632
1"	10,670	3	10,673	10,477
1½"	931	-1	930	924
2"	4,943	2	4,945	4,929
2-1/2"	12	0	12	11
3"	78	0	78	74
4"	152	0	152	150
6"	315	0	315	311
8"	185	0	185	183
10"	21	0	21	21
Total	53,996	1	53,997	53,818

*Includes potable and recycled water meters.

C. WASTEWATER TREATMENT FLOWS (MGD) – August 2009

Description	Current Month	One Year Ago
Total Flow	13.3	13.6

D. POTABLE WATER IMPORTED – August 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	6.5	424.2	786.9	965.8
Allen-McColloch Pipeline	15.6	959.0	1,936.4	1,063.5
Central Intertie Pipeline	29.1	1,788.9	3,559.3	5,145.3
Interties	0.0	0.0	0.0	0.0
Total	51.6	3,172.1	6,282.6	7,173.9

E. RECYCLED WATER PRODUCED – August 2009

UOR Storage at End of Month: 144.9 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	8.51	809.6	1,599.2	1,559.2
Plant 3A AWT	1.25	118.9	247.3	213.1
SCWD AWT**	0.45	42.8	66.6	79.0
Total Produced	10.21	971.3	1,913.1	1,851.3
To(-)/From(+) Storage	+1.47	+139.8	+320.6	+320.5
Total Delivered	11.68	1,111.1	2,233.7	2,171.8

**MNWD delivered recycled water to SCWD during month.

F. RECYCLED WATER GOALS – Thru August 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	1,222	3,900	3,997

G. CUSTOMER SERVICE ACTIVITY – August 2009

	<u>August 2009</u>	<u>August 2008</u>
<u>Cross Connection</u>		
Backflow notices	663	197
Inspections	19	23
<u>Customer Inquiries</u>		
Board room use	8	8
Letters of credit	5	2
Record changes	116	113
Website hits	6,012	4,549
<u>Delinquent Accounts</u>		
Door hanger notices	473	536
Shut-offs	110	94
<u>Education Programs</u>		
Number of students	0	0
<u>Maintenance</u>		
Meter maintenance	161	188
Meter checks	135	279
Angle stop	12	13
Meter lids	66	270
Meter replacements	49	347
Meter box replacements	2	3
Vault replacements	0	5
<u>Meter Activity</u>		
Construction meters	37	41
Meter sales	17	74
New services	0	0
Turn-offs	209	194
Turn-ons	582	715
<u>Meters Read</u>		
Hand-held	1,546	6,250
Touch read	38,574	35,811
Radio-read	13,850	11,734
<u>Service Orders</u>		
Customer inquiries	76	56
Hydrants	9	17
Valve can/Manhole lids	1	1
Fire flow tests	2	4
Leaks	14	17
Pressure tests	19	22
Turn-offs for repairs	65	34
Site visits	1,753	52
Non-MNWD leaks/breaks	76	87
Water quality	0	0
Other service orders	4	10
<u>Total Service Orders</u>	2,549	1,509

VIII. GENERAL MANAGER'S REPORT

A. SUMMARY AND DISCUSSION:

1. WATER SUPPLY ALLOCATION/USAGE UPDATE
2. SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA)
3. LEGISLATIVE UPDATE
4. ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION (LAFCO)/
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC)
GOVERNANCE STUDY UPDATE
5. DISCUSSION OF BOARD MEETINGS VS. COMMITTEE MEETINGS

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS PROVIDE DIRECTION TO STAFF REGARDING
CHANGING BOARD MEETINGS TO COMMITTEE MEETINGS.

B. LATE ITEMS (with appropriate findings)

- 1.
- 2.
- 3.

IX. OPERATIONS MATTERS

A. A report was given at the Engineering Board meeting of September 15, 2009 on the following items:

1. Change in Imported Water Flows from the AMP
2. Renewal of Storm Drain Diversion Permit, Amend Agreement with County of Orange Pursuant to Interim Dry Weather Nuisance Water Diversion Policy

B. LATE ITEMS (with appropriate findings)

- 1.
- 2.
- 3.

X. FINANCIAL MATTERS

A. SUMMARY OF DISBURSEMENTS DATED AUGUST 31, 2009

1. The Board of Directors will review the Summary of Disbursements dated August 31, 2009, for the month of August 2009 operations. The total disbursements for the period amounted to \$13,305,140.56 applicable to the following funds:
 - a. General Fund 3,539,832.65
 - b. Planning & Construction 10,000.00
 - c. Replacement & Refurbishment Fund 749,633.98
 - d. SRF Fund 1,184,594.90
 - e. Water Supply Reliability Fund 435,704.02
 - f. 1993 COPS Fund 1,888,121.74
 - g. 2003 COPS Refunding 428,989.80
 - h. 2003 GOB Consolidated Refunding 5,068,263.47

2. The major expenditures include the following:

- a. Municipal Water District of Orange County (MWDOC)

June Water Purchases 2761.4 AF	1,666,504.90
May Recycled Rebates 1101.9 AF	(169,692.60)
June RTS Charges	55,390.27
June Capacity Charges	29,604.87
June SCP Operation Surcharge	10,572.36
- b. Municipal Water District or Orange County (MWDOC) 284,768.00
Annual Retail Service Connection Charges 2009/2010
- c. Irvine Ranch Water District (IRWD) 435,704.02
C#2006.071 Baker Water Treatment Plant
- d. San Juan Basin Authority (SJBA) 104,500.00
Annual Budget 2009/2010
- f. South Coast Water District (SCWD) JRWSS 101,204.00
O&M Budget 1st Quarter 2009/2010
- g. SOCWA Capital Budget Deposit August 2009 544,090.00

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 August 2009, were reviewed by the Board

of Directors at its Finance and Audit Board of Directors' Meeting on September 16, 2009.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THAT THE BOARD OF DIRECTORS RECEIVE AND ORDER FILED:

1. SUMMARY OF DISBURSEMENTS DATED AUGUST 31, 2009; and
2. FINANCIAL STATEMENTS DATED AUGUST 31, 2009.

C. **2009 WATER SUPPLY RELIABILITY (WSR) FINANCING TEAM RECOMMENDATION**

SUMMARY AND DISCUSSION:

At the Finance and Audit Board of Directors' Meeting on September 16, 2009, staff discussed the various components of the 2009 WSR Financing Team. Staff recommends the firm of Jones Hall for Bond Counsel and Disclosure Counsel, Stone & Youngberg for Underwriting Services, and US Bank for Trustee Services.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS APPROVE THE BOND COUNSEL AND DISCLOSURE COUNSEL TO JONES HALL IN THE AMOUNT OF \$65,000, THE UNDERWRITING SERVICES TO STONE & YOUNGBERG IN THE AMOUNT NOT-TO-EXCEED \$285,000, AND THE TRUSTEE SERVICES TO US BANK IN THE AMOUNT NOT-TO-EXCEED \$1,250.

D. **REVISED FISCAL YEAR 2009-2010 ANNUAL OPERATING BUDGET**

SUMMARY AND DISCUSSION:

At the Finance and Audit Board of Directors' Meeting on September 16, 2009, staff reviewed with the Board of Directors the necessary change to the Fiscal Year 2009-2010 Annual Operating Budget that was originally adopted on June 18, 2009.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS ADOPT A RESOLUTION AMENDING THE 2009-2010 ANNUAL OPERATING BUDGET WITH THE NECESSARY REVISION.

E. **PURCHASING POLICY**

SUMMARY AND DISCUSSION:

The Board of Directors reviewed and discussed the Purchasing Policy at the Finance and Audit Board of Directors' meeting on September 16, 2009.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS ADOPT THE PURCHASING POLICY.

F. **PROPOSITION 1A SUSPENSION**

SUMMARY AND DISCUSSION:

The Board of Directors reviewed and discussed the Proposition 1A Suspension at the Finance and Audit Board of Directors' meeting on September 16, 2009.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS PROVIDE DIRECTION TO STAFF TO ENROLL IN THE PROGRAM.

G. **LATE ITEMS (with appropriate findings)**

- 1.
- 2.
- 3.

XI. ENGINEERING MATTERS

A. No report.

B. **LATE ITEMS:**

- 1.
- 2.
- 3.

XII. LEGAL MATTERS

A. **ADOPTION OF UPDATED PRETREATMENT ORDINANCE OF RULES AND REGULATIONS-CONFORMITY TO REVISED SOCWA ORDINANCE; APPROVAL OF RELATED ENFORCEMENT RESPONSE PLAN**

SUMMARY AND DISCUSSION:

The Board conducted the first reading of the proposed Pretreatment Ordinance at its regular meeting in August. The updated terms include EPA streamlining rules for the incorporation of slug control requirements in a significant industrial user's control mechanism; revisions to the 'significant noncompliance' definition; modifications to the sampling requirements; and a clarification for reporting all monitoring results. The SOCWA member agencies periodically update and revise the Pretreatment Rules and Regulations upon the advice of the SOCWA Industrial Waste Administrator, who prepared these most recent revisions. The SOCWA Industrial Waste Administrator administers the District's Pretreatment Program in coordination with District Operations staff. SOCWA is responsible for ensuring enforcement under the Pretreatment Programs of its member agencies in accordance with the SOCWA National Pollution Discharge and Elimination System (NPDES) Permits for the Aliso Creek Outfall and the San Juan Creek Outfall. The Enforcement Response Plan (ERP) encapsulates the enforcement terms set forth in the Ordinance and outlines the specific options for enforcement actions that are available to the District and SOCWA upon violations by users in the District's service area.

A public hearing is held in conjunction with adoption of the Ordinance and ERP to satisfy public participation requirements under federal regulations applicable to pretreatment rules. A notice of hearing was posted and published. **Attachment L-1** to the Agenda is a draft summary of the general terms of the Ordinance. **Attachment L-2** is a resolution for adoption of the ERP. **The complete text of Ordinance No. 09-2 and the ERP are provided under separate cover.**

LEGAL COUNSEL ENTERS PROOF PUBLICATION, AFFIDAVIT OF POSTING HEARING NOTICE.

RECOMMENDED ACTIONS: (ROLL CALL VOTE)

1. PUBLIC HEARING

PRESIDENT OPENS PUBLIC HEARING ON ORDINANCE NO. 09-2
AND ERP

PRESIDENT ASKS FOR PUBLIC COMMENTS

STAFF REPORTS ON ANY WRITTEN COMMENTS RECEIVED FOR
THE RECORD

PRESIDENT CLOSSES PUBLIC HEARING

2. ADOPTION OF ORDINANCE NO. 09-2: (ROLL CALL VOTE)

MOTION BY BOARD: TO CONDUCT A SECOND READING OF PROPOSED
ORDINANCE OF RULES AND REGULATIONS FOR THE DISCHARGE OF
WASTEWATER TO SEWERAGE FACILITIES OF THE MOULTON NIGUEL WATER
DISTRICT SERVICE AREA (ORDINANCE NO. 09-2)

PRESIDENT RECITES COMPLETE TITLE OF ORDINANCE: "ORDINANCE NO. 09-2 - ORDINANCE OF RULES AND REGULATIONS FOR THE DISCHARGE OF WASTEWATER TO SEWERAGE FACILITIES OF THE MOULTON NIGUEL WATER DISTRICT SERVICE AREA"

MOTION BY BOARD: TO WAIVE READING OF THE COMPLETE TEXT OF ORDINANCE NO. 09-2

MOTION BY BOARD: TO ADOPT ORDINANCE NO. 09-2

3. NEXT THREE MOTIONS CAN BE TAKEN TOGETHER: (ROLL CALL VOTE)

MOTION BY BOARD: TO ADOPT RESOLUTION APPROVING ENFORCEMENT RESPONSE PLAN

MOTION BY BOARD: TO APPROVE A 2009 PRETREATMENT ORDINANCE SUMMARY FOR PUBLICATION AND DIRECT SECRETARY AND LEGAL COUNSEL TO PUBLISH

MOTION BY BOARD: TO DIRECT FILING OF NOTICE OF CEQA EXEMPTION FOR PRETREATMENT ORDINANCE/ENFORCEMENT RESPONSE PLAN ADOPTION

B. RENEWAL OF STORM DRAIN DIVERSION PERMIT, AMEND AGREEMENT WITH COUNTY OF ORANGE PURSUANT TO INTERIM DRY WEATHER NUISANCE WATER DIVERSION POLICY

SUMMARY AND DISCUSSION:

The County of Orange has requested the District to renew the 2002 Permit for an additional five year term, and to amend the existing agreement for the "JO1P28 Storm Drain Diversion" project located at Woodfield Park in Aliso Viejo. This diversion project accepts flows comprised of back-wash from a package treatment plant facility into the District's sewage collection system for treatment at the Regional Plant facilities. The project was dormant for some time, undergoing rehabilitation since 2005, and the County is ready to resume operations. The permissible maximum diverted flow is 3,000 gallons daily. In 2001, the District adopted a "Policy for Acceptance of Interim Dry Weather Nuisance Flow to the Wastewater Collection, Treatment and Disposal System Pursuant to Pretreatment Program and Waste Discharge Requirements" as part of the District's Pretreatment Rules and Regulations. **Attachment L-3** is a brief summary of the 2001 Diversion Policy. **Attachment L-4** to the Agenda is a proposed form of an amendment to the original 2002 Agreement that establishes the annual unit cost (\$1,620/mg for Fiscal Year 2009-10) charged to the County for the treated flow, which is based on the District's costs of operation and maintenance of its sewer facilities and treatment capacity used in connection with the diversion, with annual increases through the five-year permit term.

The original 2002 Agreement is also included for information purposes. The renewal permit will be consistent with the Diversion Policy, as well as the First Amendment, and all other applicable Pretreatment Rules and Regulations of the District.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS APPROVE THE FIRST AMENDMENT TO AGREEMENT BETWEEN MOULTON NIGUEL WATER DISTRICT AND COUNTY OF ORANGE FOR

DIVERSION OF URBAN RUNOFF FROM JO1P28 STORM DRAIN PER SOUTH ORANGE COUNTY WASTEWATER AUTHORITY DRY WEATHER NUISANCE FLOW DIVERSION POLICY FOR RENEWAL OF THE DIVERSION PROJECT PERMIT FOR FIVE (5) YEARS, SUBJECT TO NON-SUBSTANTIVE CHANGES APPROVED BY THE DIRECTOR OF OPERATIONS AND LEGAL COUNSEL

C. CHANGE IN TIME OF REGULAR THURSDAY BOARD MEETING

SUMMARY AND DISCUSSION:

Attachment L-5 to the Agenda is a Resolution to re-set the time of the regular monthly Board of Directors meetings held the third Thursday of each month from 1:30 pm to 6:00 pm for a period of six months commencing with the October 2009 meeting.

RECOMMENDED ACTION: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 09-___ ENTITLED “RESOLUTION OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT CHANGING TIME FOR REGULAR THURSDAY BOARD MEETINGS FOR INTERIM PERIOD”.

D. ADOPTION OF RESOLUTIONS TO AUTHORIZE INITIATION OF STATE REVOLVING LOAN (SRF) FUNDING FOR TWO RECYCLED WATER PIPELINE PROJECTS

SUMMARY AND DISCUSSION:

Staff is working to secure a State Revolving Fund (SRF) low interest loan from the State Water Resources Control Board (SWRCB) for two major recycled water pipelines. One pipeline will deliver recycled water from the Upper Oso Reservoir to additional service areas. The other pipeline will convey future recycled water from the planned AWT facilities at the SOCWA J.B. Latham Plant. The alignments of these recycled water pipelines are described in **Attachment L-6** to the Agenda, which is a Reimbursement Resolution to permit future SRF Loan proceeds to reimburse MNWD for District funds advanced to cover project expenses prior to loan execution and delivery. **Attachment L-7** is a Resolution approving the application for a \$5 million loan from SRF, and **Attachment L-8** is a Resolution dedicating revenues to repay the loan. SRF loans typically have 15-20 year terms. These Resolutions are the initial actions necessary to begin the loan process, and more details will emerge over the next 2-3 months. The SRF Loan will be on parity with the 2009 COPs, prior SRF and other state loans, and outstanding COPs, and are payable from the same revenue sources and subject to the same debt service coverage requirements as those other obligations.

RECOMMENDED ACTIONS: (ROLL CALL VOTE)

THE BOARD OF DIRECTORS ADOPTS THE FOLLOWING RESOLUTIONS (MOTIONS CAN BE TAKEN TOGETHER):

1. RESOLUTION OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT FOR REIMBURSEMENT OF EXPENDITURES PRIOR TO ISSUANCE OF OBLIGATIONS OR APPROVAL BY STATE WATER RESOURCES BOARD OF RECYCLED

WATER PIPELINE PROJECT FUNDS (SWRCB STATE REVOLVING FUND LOAN PROGRAM) (RECYCLED WATER PIPELINE PROJECT-UPPER OSO RESERVOIR PIPELINE, SOCWA AWT PIPELINE)

2. RESOLUTION OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT AUTHORIZING STATE REVOLVING FUND (SRF) FINANCIAL ASSISTANCE APPLICATION AND ASSISTANCE AGREEMENT FOR RECYCLED WATER PIPELINE PROJECT (UPPER OSO RESERVOIR PIPELINE; SOCWA AWT PIPELINE)
3. RESOLUTION OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT DEDICATING SOURCES OF REVENUE FOR REPAYMENT OF THE STATE REVOLVING FUND LOAN FOR 2009 RECYCLED WATER PIPELINE PROJECT (UPPER OSO RESERVOIR PIPELINE; SOCWA AWT PIPELINE) IN ACCORDANCE WITH THE STATE WATER RESOURCES CONTROL BOARD'S REQUIREMENTS OF THE STATE REVOLVING FUND LOAN PROGRAM

E. LATE ITEMS (with appropriate findings)

- 1.
- 2.
- 3.