

# **AGENDA**

Board of Directors' Meeting

November 18, 2010

5:30 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  
November 18, 2010  
5:30 p.m. (PST)  
Approximate Meeting Time: 1-2 Hours**

<b>I.</b>	<b>CALL MEETING TO ORDER</b>	
<b>II.</b>	<b>PLEDGE OF ALLEGIANCE</b>	
<b>III.</b>	<b>APPROVE MINUTES OF THE BOARD MEETING OF OCTOBER 21, 2010; SPECIAL PUBLIC FACILITIES CORPORATION MEETING OF OCTOBER 21, 2010; AND THE SPECIAL MEETING OF NOVEMBER 1, 2010</b>	
<b>IV.</b>	<b>PUBLIC COMMENTS</b>	
<b>V.</b>	<b>PRESIDENT'S REPORT</b>	
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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 5:30 p.m. on December 16, 2010 at the Moulton Niguel Water District.

**VI. BOARD/COMMITTEE OR OTHER REPORTS**

A. BOARD MEETINGS CHAIRMAN

Community Relations	Probolsky
Engineering & Facilities	Froelich
Finance & Information Technology	Buck
Investment	Lizotte
Personnel & Salary	McKenney

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

Audit	Buck
Citizens' Advisory	Probolsky
Legal & Legislation	McKenney
Rate Review	Kurtz

**VII. CONSENT ITEMS**

**A. METERS IN SERVICE – October 2010**

Description	Beginning of Month	Added/ (Subtracted)	End of Month	One Year Ago
Single Family	34,027	1	34,028	33,892
Multi Family	14,758	0	14,758	14,666
Commercial	2,853	0	2,853	2,832
Irrigation	2,640	-1	2,639	2,635
Total	54,278	0	54,278	54,025
Est. Population	167,656	3	167,659	167,063

**B. METER DISTRIBUTION \* – October 2010**

Size	Beginning of Month	Added/ (Subtracted)	End of Month	One Year Ago
5/8"	110	0	110	107
3/4"	36,543	-68	36,475	36,577
1"	10,963	68	11,031	10,702
1½"	932	0	932	930
2"	4,957	0	4,957	4,945
2-1/2"	18	0	18	12
3"	81	0	81	78
4"	153	0	153	152
6"	314	0	314	315
8"	186	0	186	186
10"	21	0	21	21
Total	54,278	0	54,278	54,025

\*Includes potable and recycled water meters.

**C. WASTEWATER TREATMENT FLOWS (MGD) – October 2010**

Description	Current Month	One Year Ago
Total Flow	13.210	12.074

D. POTABLE WATER IMPORTED – October 2010

Source	Current Month Average Flow (cfs)	Current Month Volume (af)	Since 7/01/10 To Date Volume (af)	Year Ago To Date Volume (af)
Joint Transmission Main	4.5	277.8	1,374.5	1,474.8
Allen-McColloch Pipeline	8.7	533.7	2,938.5	3,621.1
Central Intertie Pipeline	21.3	1,314.0	6,591.5	7,120.3
Interties	0.0	0.0	-15.5	0.0
Total	34.5	2,125.5	10,889.0	12,216.2

E. RECYCLED WATER PRODUCED – October 2010

Source	Current Month Average Flow (mgd)	Current Month Volume (af)	Since 7/01/10 To Date Volume (af)	Year Ago To Date Volume (af)
Regional AWT	3.97	377.2	2,547.6	2,950.9
Plant 3A AWT	1.10	104.5	505.2	488.4
SCWD AWT**	.01	1.20	23.11	105.6
Total Produced	5.08	482.9	3,075.9	3,544.9
To(-)/From(+) Storage	-1.15	-109.4	172.1	400.8
Total Delivered	3.93	373.5	3,248.0	3,945.7

\*\*MNWD received recycled water from SCWD during month.

F. RECYCLED WATER GOALS – Thru October 2010

Fiscal Year	Users Planned	Users Online	Acreage Planned	Acreage Online
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	1,251	3,900	3,870
10-11	1,275	1,253	3,925	3,872

G. DISTRICT ACTIVITY – October 2010

	<u>October 2010</u>	<u>October 2009</u>
<u>Cross Connection</u>		
Backflow notices	290	205
Inspections	20	17
<u>Customer Inquiries</u>		
Board room use	11	12
Letters of credit	2	5
Record changes	96	106
Website hits	5,869	4,724
<u>Delinquent Accounts</u>		
Delinquent Notices	805	787
Shut-offs	112	133
<u>Education Programs</u>		
Number of students	381	916
<u>Maintenance</u>		
Meter maintenance	436	154
Meter checks	206	194
Angle stop	13	17
Meter lids	118	119
Meter replacements	128	258
Meter box replacements	7	5
Vault replacements	6	3
<u>Meter Activity</u>		
Construction meters	33	39
Meter sales	4	21
New services	0	12
Turn-offs	245	190
Turn-ons	489	550
<u>Meters Read</u>		
Hand-held	493	1,198
Touch read	38,940	38,945
Radio-read	14,815	13,859
<u>Service Orders</u>		
Customer inquiries	87	62
Hydrants	6	5
Valve can/Manhole lids	2	4
Fire flow tests	2	2
Leaks	17	18
Pressure tests	21	9
Turn-offs for repairs	24	37
Site visits	474	1,866
Non-MNWD leaks/breaks	51	56
Water quality	0	0
Other service orders	8	4
<u>Total Service Orders</u>	1,681	2,914



**VIII. GENERAL MANAGER'S REPORT**

*Unless the General Manager or the Board requests that an item be removed from the Consent*

*Calendar, all items will be acted upon as a whole and by one vote.*

A. SUMMARY AND DISCUSSION:

1. CURRENT WATER SUPPLY USAGE UPDATE
2. SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA)
3. UPDATE ON MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC)  
“FINAL AGREEMENT” DATED SEPTEMBER 17, 2010
4. WATER BUDGET BASED RATE STRUCTURE (WBBRS) –  
KEY DATES LEADING TO IMPLEMENTATION
5. 1993 CERTIFICATES OF PARTICIPATION (COPS) REFUNDING –  
STATUS UPDATE
6. UTILITY EXECUTIVES WORKSHOP – OCTOBER 14 - 15, 2010
7. ACWA CONFERENCE – DECEMBER 1 - 3, 2010

B. LATE ITEMS (Appropriate Findings to be Made)

- a. Need to take immediate action; and
- b. Need for action came to District’s attention after Agenda posting  
[Requires 2/3 vote (5 members) or unanimous vote if less than 2/3 are present]

IX. OPERATIONS MATTERS

*Unless the General Manager or Board requests that an item be removed from the Consent Calendar, all items will be acted upon as a whole and by one vote.*

A. No report.

B. LATE ITEMS (Appropriate Findings to be Made)

- a. Need to take immediate action; and
- b. Need for action came to District’s attention after Agenda posting  
[Requires 2/3 vote (5 members) or unanimous vote if less than 2/3 are present]

**X. FINANCIAL MATTERS**

*Unless the General Manager or the Board requests that an item be removed from the Consent Calendar, all items will be acted upon as a whole and by one vote.*

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

1. SUMMARY OF DISBURSEMENTS IN THE AMOUNT OF \$9,385,405 DATED OCTOBER 31, 2010.

RECEIVE AND FILE.

2. MET/MWDOC EAST FEEDER JOINT PROJECT O&M COSTS

There will be an increase in the O&M costs for MET's East Orange County Feeder No. 2 due to ongoing maintenance costs and a special improvement project. See Staff Report at Attachment **F-1**.

RECOMMENDED ACTION:

THE BOARD OF DIRECTORS APPROPRIATE \$132,000 FROM THE GENERAL OPERATING RESERVES FOR AN INCREASE IN O&M COSTS RELATED TO THE EAST ORANGE COUNTY FEEDER NO. 2.

3. SOCWA USE AUDIT/SIDE FUND PAYOFF/PROMOTION PROGRAM

There is a need to allocate the SOCWA Use Audit Refund to the original funds and appropriate the funds for the CalPERS Side Fund Payoff and fund the Special State Petition Assessment. See Staff Report at Attachment **F-2**.

RECOMMENDED ACTION:

1.) ACCEPT SOCWA USE AUDIT REFUND REVENUE TO BE ALLOCATED TO GENERAL OPERATIONS FUND - SOCWA EXPENDITURE \$973,792.48, CIP FUND NO. 7 FOR \$117,438.59, AND GENERAL OPERATIONS INTEREST EARNED \$26,091.30;

2.) APPROPRIATE \$336,715 FROM GENERAL OPERATING RESERVES FOR PAYMENT OF THE SOCWA CALPERS SIDE FUND PAYOFF; AND

3.) APPROPRIATE \$10,640 FROM GENERAL OPERATING RESERVES FOR THE SOCWA SPECIAL ASSESSMENT – STATE PETITION.

**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]

**XI. ENGINEERING MATTERS**

*Unless the General Manager or the Board requests that an item be removed from the Consent Calendar, all items will be acted upon as a whole and by one vote.*

A. CONSENT CALENDAR ITEMS

1. CAPITAL CONSTRUCTION PROJECTS' STATUS AND PROJECT BUDGET SUMMARY

RECEIVE AND FILE.

2. MONTHLY CONSTRUCTION PROGRESS REPORT

RECEIVE AND FILE.

3. WATER SUPPLY RELIABILITY PROJECTS' STATUS SUMMARY REPORT

RECEIVE AND FILE.

4. Quitclaim of Easement for Joint Transmission Main (JTM)

The City of Laguna Niguel is under construction to build a new Civic Center on property that is encumbered with an easement for the Joint Transmission Main (JTM) which was recorded in 1966 for the benefit of the Moulton Niguel Water District and the Tri-Cities Municipal Water District. As part of an agreement with the City of Laguna Niguel, South Coast Water District relocated a portion of the pipeline at the City's expense. In return, the South Coast Water District and the Moulton Niguel Water District would quitclaim the easement to the City of Laguna Niguel to allow for maximum use of the property.

A staff report, including the Quitclaim Deed (Attachment E-1) was provided on this matter at the Engineering Board Meeting on November 16, 2010.

RECOMMENDED ACTION:

THE BOARD OF DIRECTORS AUTHORIZE THE GENERAL MANAGER TO EXECUTE A QUITCLAIM DEED OF THE EASEMENT FOR THE JOINT TRANSMISSION MAIN TO THE CITY OF LAGUNA NIGUEL.

B. LATE ITEMS: (Appropriate Findings to be Made)

- a. Need to take immediate action; and
- b. Need for action came to District's attention after Agenda posting)  
[Requires 2/3 vote (5 members) or unanimous vote if less than 2/3 are present]

XII. LEGAL MATTERS

A. REVIEW OF WATER BUDGET BASED RATES (WBBRS) AND SEWER RATE 218 NOTICE FOR RATE ADJUSTMENTS THROUGH JUNE 2012

SUMMARY AND DISCUSSION:

Pursuant to the Board's consideration of changing from the current tiered water rate methodology to a water budget based rate formula, with the corresponding increase of water rates for Fiscal Years 2011 and 2012, as well as a sewer rate increase commencing Fiscal Year 2012, a revised draft of a 218 Notice has been prepared by Staff and Laer Pearce & Associates, with input from Legal Counsel on the formal requirements for 218 compliance. The WBBRS will be reviewed by the Board at the Finance Board Meeting, and incorporated in the 218 Notice. The revised Notice will be provided under separate cover by Staff prior to the Board meeting.

RECOMMENDED ACTION:

THE BOARD OF DIRECTORS REVIEWS THE DRAFT 218 NOTICE, DIRECTS FINAL CHANGES AND AUTHORIZES THE GENERAL MANAGER AND STAFF TO MAIL THE 218 NOTICE WITH FINAL CHANGES IN ACCORDANCE WITH ALL LEGAL REQUIREMENTS FOR A PUBLIC HEARING ON FEBRUARY 23, 2011.

B. IN ACCORDANCE WITH GOVERNMENT CODE SECTION 54956.8, A CLOSED SESSION WILL BE CONDUCTED TO:

**CONFER WITH REAL PROPERTY NEGOTIATORS** – City of Laguna Niguel offer to purchase portion of District parcel for Crown Valley @ I-5 road widening project (to add eastbound lanes from Cabot Road to I-5 northbound off ramp)

**PROPERTY:** 'Vacant' District parcel, no facilities under current use, located at southerly side of Crown Valley Parkway, west of Forbes Road Laguna Niguel, CA  
Assessor Parcel No. 637-202-5

**AGENCY NEGOTIATOR:** General Manager

**UNDER NEGOTIATION:** Conveyance, Price

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]