

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

November 14, 2011

A regular meeting of the Engineering and Operations Board of Directors of the Moulton Niguel Water District (MNWD) was held at the District offices, 27500 La Paz Road, Laguna Niguel, California, at 9:00 a.m. on November 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
MATT COLLINGS	Director of Engineering & Operations
DAVID D. CAIN	Director of Finance/Treasurer
CHARLES J. ROY	Director of Customer Service
PAT GIANNONE	Bowie, Arneson, Wiles & Giannone
RAY MCDOWELL	MNWD
EVA PLAJZER	MNWD
MARK MOUNTFORD	MNWD
TODD NOVACEK	MNWD
RONIN GOODALL	MNWD
LESLIE GRAY	Board Secretary

PUBLIC MEMBERS

DAN FERONS	Santa Margarita Water District
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Absent was:

There were no absences.

Item No. 1 – Call Meeting to Order

Chairman Don Froelich presided at the meeting and Leslie Gray recorded the minutes thereof.

ACTION ITEMS

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

- **Director Lizotte questioned if this report could be amended to include the amount of emergency water supply available. Mr. Collings will incorporate that data into the report in the future.**

Item No. 2 - Approval of Minutes

Chairman Froelich entertained a motion to approve the minutes.

THEREAFTER, UPON A MOTION DULY MADE BY DIRECTOR MCKENNEY AND SECONDED BY DIRECTOR LIZOTTE, THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT APPROVED THE MINUTES OF THE OCTOBER 17, 2011 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS' MEETING WITH DIRECTOR KURTZ ABSTAINING.

Item No. 3 - Public Comments

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

Chairman Froelich asked that Item 9 be addressed first as Mr. Dan Ferons with Santa Margarita Water District was present to answer any technical questions the Board may have relative to the Upper Chiquita Reservoir. Mr. Collings then proceeded with his discussion.

DISCUSSION ITEMS

Item No. 9 – Upper Chiquita Reservoir, Contract 2008.032 – Project Budget Adjustment

Approval

Mr. Collings explained that staff will be asking the Board to approve an increase to the project budget and expense authorization from \$16,891,000 to \$18,590,000. The additional budget will be funded from Fund 12, Water Reliability Fund, and will be appropriated from the bond proceeds secured to fund the water reliability projects.

Director Probolsky arrived at 9:15 a.m.

Santa Margarita Water District anticipates the final project budget to be \$54.5 million, an increase of nearly \$5 million as a result of project change orders, which will increase the District's financial commitment from \$16.89 million to \$18.59 million.

PRESENTATION ITEMS

Item No. 4 – MNWD D5 Water Distribution System

Mr. Collings made a presentation to the Board on how the District's distribution system is classified and what requirements are needed for having Certified Operators. A Class D4 distribution system is classified by serving a population of between 50,001 and 5 million; however, regulations state that the class shall be upgraded should other factors affect the system, i.e., pressure zones, disinfectants added, pump horsepower, amount of reservoirs, and amount of customers served by non-potable water. The District is classified as a D5 system, which requires a Chief Operator within a D5 certification. Chief Operator is defined as a person who has the overall responsibility for the day-to-day, hands-on, operation of a distribution system. The District currently employs six D5 Certified Operators. Mr. Collings presented the testing and education requirements necessary to obtain various levels of operator certifications.

DISCUSSION ITEMS, CONTINUED

Item No. 5 – Monthly Operational Status Reports

Mr. Collings reported that the Monthly Operational Status Report will be on the Consent Calendar on Thursday.

Item No. 6 – Monthly Construction Progress Report

Mr. Collings stated there are several projects wrapping up. This report will be on the Consent Calendar on Thursday.

a. Upper Salada Oxygen Generation System, Contract 2010.110

Mr. Collings mentioned that the existing Oxygen system has been offline for 3 weeks beginning on October 27, 2011 and will start up on approximately November 16, 2011.

Item No. 7 – Capital Project Budget Summary

Mr. Collings reported that the Engineering Department is moving forward with the execution of projects. This report will be on the Consent Calendar on Thursday.

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

Mr. Collings reported that there a few minor changes from last month. One item to note is that the Baker WTP and pipeline project has been delayed and the construction contract will go out for bid at the end of the fiscal year and should come before the Board in approximately June 2012. Director Lizotte questioned if this report could be amended to include the amount of emergency water supply available. Mr. Collings will incorporate that data into the report in the future. This report will be on the Consent Calendar on Thursday.

Item No. 10 – Seismic and Structural Assessment of Steel Tanks, Contract 2011,014 – Professional Services Agreement Approval

Director McKenney noted that he was formerly employed with RBF Consulting and it hasn't been quite one year yet; therefore, he stated he would step out of the room during the discussion. (Director McKenney leaves the room)

Mr. Collings stated that staff issued a Request for Proposals for engineering consulting services to prepare a seismic, structural and safety assessment of the District's existing steel reservoirs. Staff will be asking the Board to award the contract to RBF Consulting for an amount not-to-exceed \$179,780, and authorize a project expense of \$200,000.

Item No. 11 – Seville Reservoir Nos. 1 and 2 Interior and Exterior Coating, Contract 2011.021 – Contract Inspection Services – Professional Services Agreement Approval

(Director McKenney returns)

Mr. Collings stated that staff issued a Request for Proposals for contract inspection services for the coating of the interior and exterior of the two 1.2 million gallon Seville Reservoirs. Staff will be asking the Board to award the contract to Don Nicholson & Associates, Inc., for an amount not-to-exceed \$48,000.

Item No. 12 – Asphalt and Concrete Repair Construction Services, Operation and Maintenance Budget for Fiscal Year 2011/2012 – Expense Authorization Approval

Mr. Collings stated that staff issued a Request for Proposals for asphalt and concrete repair construction services for the remainder of the 2011/2012 fiscal year. Staff will be asking the Board to award a service agreement to Sanders Paving for an amount not-to-exceed \$250,000.

INFORMATION ITEMS

Item No. 13 – Update on Local Water Supply Policy – Status of Presentation on Metropolitan Water District Supply Reliability

Mr. Collings reported that Mr. Karl Seckel of Municipal Water District of Orange County will make a presentation at the December 12, 2011 Engineering & Operations Board Meeting on the Local Supply Reliability. Staff plans to prepare a draft policy outlining the District's goals and objectives regarding participation in local water supply projects.

Item No. 14 – Regional Water Reliability Project Agreements – Emergency Use by Non-Participants

Mr. Collings provided pertinent sections of all (IRWD Interconnection Project, Upper Chiquita Reservoir, and the Baker Water Treatment Plant) regional water system reliability project agreements for emergency use by non-participants for the Board's information.

Item No. 15 – Joint Regional Water Supply System – Update on Capital Improvement Projects

Mr. Collings stated that the Joint Regional Water Supply System (JRWSS), which operates the Joint Transmission Main, is undertaking or has plans for significant capital improvement projects. The current fiscal year 2011/2012 capital improvement budget is approximately \$2.9 million. The District has integrated their projections into the 10-year cash flow and will continue to update the Board as the Joint Transmission Main planning efforts are updated.

Item No. 16 – Water Quality Complaints – Information Update on Imported Water Taste and Odor Concerns

Mr. Collings reported that the blend of State Water Project water at the Diemer Plant has been increased from 25 to 40 percent as of November 5, 2011 due to the improving conditions on the East Branch of the State Water Project and the taste and odor complaints seem to have subsided.

Item No. 17 – Update on Chiquita Water Reclamation Plant Biosolids Project

Mr. Collings mentioned that SMWD staff will make a report at the December SOCWA Board Meeting to update the status of this project, which is referred to as the CAKE project.

Item No. 18 – Update on Senate Bill 293 (Padilla)

Mr. Collings and Ms. Pat Giannone will discuss this topic relative to the draft Purchasing Policy and will update the Board in the future. SB 293 will become law in January 2012.

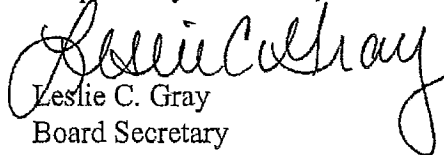
Late Items

There were no late items.

ADJOURNMENT

There was no further business to come before the Engineering and Operations Board and the meeting was adjourned at 11:20 a.m.

Respectfully submitted,


Leslie C. Gray
Board Secretary