

# **AGENDA**

Board of Directors' Meeting

October 21, 2010

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  
October 21, 2010  
6:00 p.m. (PDT)  
Approximate Meeting Time: 1-2 Hours**

**\*THIS BOARD MEETING WILL INCLUDE TELECONFERENCING AT THE  
FOLLOWING LOCATION:  
12025 CEDAR SHORE ROAD, ELLISON BAY, WISCONSIN**

<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 SEPTEMBER 16, 2010 AND SPECIAL MEETING OF SEPTEMBER 17, 2010 – <u>ROLL CALL VOTE</u></b>	
<b>IV.</b>	<b>PUBLIC COMMENTS</b>	
<b>V.</b>	<b>PRESIDENT’S REPORT</b>	
<b>VI.</b>	<b>BOARD/COMMITTEE OR OTHER REPORTS .....</b>	<b>3</b>
<b>VII.</b>	<b>CONSENT ITEMS</b>	
	A. Meters in Service – September 2010 .....	4
	B. Meter Distribution – September 2010.....	4
	C. Wastewater Treatment Flows – September 2010 .....	4
	D. Potable Water Imported – September 2010.....	5
	E. Recycled Water Produced – September 2010.....	5
	F. Recycled Water Goals – Thru September 2010.....	5
	G. District Activity – September 2010.....	6
<b>VIII.</b>	<b>GENERAL MANAGER’S REPORT .....</b>	<b>9</b>
<b>IX.</b>	<b>OPERATIONS MATTERS .....</b>	<b>9</b>
<b>X.</b>	<b>FINANCIAL MATTERS .....</b>	<b>10</b>
<b>XI.</b>	<b>ENGINEERING MATTERS.....</b>	<b>10</b>
<b>XII.</b>	<b>LEGAL MATTERS.....</b>	<b>11</b>
	<b>SPECIAL MEETING OF THE PUBLIC FACILITIES CORPORATION</b>	

\* 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 November 18, 2010 at the Moulton Niguel Water District.

\* All votes must be by roll call vote.

**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 – September 2010**

Description	Beginning of Month	Added/ (Subtracted)	End of Month	One Year Ago
Single Family	34,012	15	34,027	33,891
Multi Family	14,741	17	14,758	14,660
Commercial	2,849	4	2,853	2,835
Irrigation	2,641	-1	2,640	2,634
Total	54,243	35	54,278	54,020
Est. Population	167,572	84	167,656	167,045

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

Size	Beginning of Month	Added/ (Subtracted)	End of Month	One Year Ago
5/8"	110	0	110	108
3/4"	36,543	0	36,543	36,577
1"	10,931	32	10,963	10,696
1½"	932	0	932	930
2"	4,955	2	4,957	4,945
2-1/2"	18	0	18	12
3"	81	0	81	78
4"	151	2	153	152
6"	315	-1	314	315
8"	186	0	186	186
10"	21	0	21	21
Total	54,243	35	54,278	54,020

\*Includes potable and recycled water meters.

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

Description	Current Month	One Year Ago
Total Flow	13.178	13.242

D. POTABLE WATER IMPORTED – September 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	5.9	356.2	1,096.7	1,124.4
Allen-McColloch Pipeline	13.9	831.6	2,404.8	2,840.4
Central Intertie Pipeline	27.9	1,665.3	5,277.5	5,558.9
Interties	0.0	0.0	-15.5	0.0
Total	47.7	2,853.1	8,763.5	9,523.7

E. RECYCLED WATER PRODUCED – September 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	7.74	712.9	2,170.4	2,346.8
Plant 3A AWT	1.40	128.4	400.7	379.9
SCWD AWT**	-.16	-14.73	21.91	97.0
Total Produced	8.98	826.5	2,593.0	2,823.7
To(-)/From(+) Storage	.85	79.23	281.5	425.3
Total Delivered	9.83	905.8	2,874.5	3,249.0

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

F. RECYCLED WATER GOALS – Thru September 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 – September 2010

	<u>September 2010</u>	<u>September 2009</u>
<u>Cross Connection</u>		
Backflow notices	805	631
Inspections	17	16
<u>Customer Inquiries</u>		
Board room use	6	7
Letters of credit	7	5
Record changes	89	102
Website hits	6,108	5,092
<u>Delinquent Accounts</u>		
Delinquent Notices	1,076	884
Shut-offs	162	159
<u>Education Programs</u>		
Number of students	0	0
<u>Maintenance</u>		
Meter maintenance	268	176
Meter checks	210	175
Angle stop	12	18
Meter lids	176	116
Meter replacements	302	169
Meter box replacements	4	1
Vault replacements	6	1
<u>Meter Activity</u>		
Construction meters	37	39
Meter sales	0	22
New services	36	23
Turn-offs	153	210
Turn-ons	544	578
<u>Meters Read</u>		
Hand-held	553	1,419
Touch read	39,092	38,726
Radio-read	14,607	13,850
<u>Service Orders</u>		
Customer inquiries	91	72
Hydrants	9	4
Valve can/Manhole lids	2	7
Fire flow tests	3	3
Leaks	20	23
Pressure tests	23	19
Turn-offs for repairs	32	37
Site visits	1,273	1,861
Non-MNWD leaks/breaks	43	75
Water quality	0	0
Other service orders	8	2
<u>Total Service Orders</u>	2,578	2,878



**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. MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC)  
“FINAL AGREEMENT” DATED SEPTEMBER 17, 2010
4. RESPONSE TO ORANGE COUNTY REGISTER WATCHDOG  
INFORMATION REQUEST
5. ORANGE COUNTY GRAND JURY REQUEST FOR INFORMATION
6. WATER BUDGET BASED RATE STRUCTURE (WBBRS)  
KEY DATES LEADING TO IMPLEMENTATION
7. DISCUSSION OF THE POSSIBILITY OF RESCEDULING THE NOVEMBER 9  
STRATEGIC PLANNING BOARD WORKSHOP

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 \$6,529,965

DATED SEPTEMBER 30, 2010.

RECEIVE AND FILE.

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 (ROLL CALL VOTE)

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.

B. GEOGRAPHIC INFORMATION SYSTEM (GIS) ASSET VERIFICATION PROGRAM

Staff has been confirming the District's assets as represented in the Geographic Information System (GIS) for the past three fiscal years. Staff is requesting additional funds to continue the program through the remainder of the fiscal year which will allow for completion of the recycled water system and certain wastewater assets that would not be reviewed during general system maintenance. A staff report was provided on this matter at the Engineering Board Meeting on October 19, 2010.

**RECOMMENDED ACTION: (ROLL CALL VOTE)**

THE BOARD OF DIRECTORS AUTHORIZE STAFF TO INCREASE THE OPERATIONS AND MAINTENANCE BUDGET, LINE ITEM 24 – SALARIES, BY \$40,000 FROM \$7,504,995 TO \$7,544,995. THE FUNDS SHALL BE APPROPRIATED FROM CONTINGENCY OR FROM THE GENERAL RESERVES PER DIRECTION OF THE BOARD.

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. REVISION TO CONFLICT OF INTEREST CODE – DESIGNATED PERSONS APPENDIX**

**SUMMARY AND DISCUSSION:**

Staff and Legal Counsel recommend revising positions listed as Designated Persons who must file annual reporting statements under Appendix A to the District's Conflict of Interest Code to reflect the current District Organizational Chart and Staff positions. Designated Persons include positions that participate in the making of decisions in the course of District business. **Attachment L-1** to the Agenda is a proposed resolution to amend Appendix A-1 to the District's Code.

**RECOMMENDED ACTION:**

THE BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 10- \_\_\_\_ ENTITLED "RESOLUTION OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT ADOPTING A REVISED LIST OF DESIGNATED PERSONS FOR CONFLICT OF INTEREST CODE."

**B. RECYCLED WATER RETROFIT LOAN PROGRAM - REVISIONS TO PROGRAM STANDARDS, LOAN AGREEMENT TERMS**

**SUMMARY AND DISCUSSION:**

Staff recommends revisions to the current recycled water retrofit loan terms under the 1996 Program, as outlined in the **Staff Report** included in **Attachment L-2** to the Agenda. Legal Counsel has reviewed the proposed loan agreement form that incorporates these recommended Program loan revisions. Staff will discuss the possibility of making these loans available to additional entities. **Attachment L-2** includes the proposed resolution, which has the revised Program Standards and loan agreement form as an addendum.

**RECOMMENDED ACTION:**

THE BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 10- \_\_ ENTITLED "RESOLUTION OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT REVISING RECYCLED WATER RETROFIT INCENTIVE PROGRAM STANDARDS AND LOAN TERMS."

**C. RESOLUTION TO DESIGNATE AUTHORIZED REPRESENTATIVES FOR DEPOSIT TO AND DISBURSEMENTS FROM WELLS FARGO ACCOUNT**

**SUMMARY AND DISCUSSION:**

**Attachment L-3** to the Agenda is a **Staff Report** outlining the requirement for changing the existing banking procedure and resolution that sets forth the current District employees and officers for authorized signature purposes in connection with deposits and disbursements to District funds held by Wells Fargo Bank. Pursuant to current District practice and as requested by Wells Fargo auditors, the resolution includes all four staff members who need authorization

for day-to-day business banking purposes, with the addition of the District Accountant position.

RECOMMENDED ACTION:

THE BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 10-\_\_ ENTITLED “RESOLUTION OF THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT DESIGNATING DISTRICT OFFICERS AND STAFF UNDER CUSTODIAL FUND ARRANGEMENT WITH WELLS FARGO BANK, N.A.”

D. ESTABLISH TIME OF REGULAR THURSDAY BOARD MEETING

SUMMARY AND DISCUSSION:

**Attachment L-4** to the Agenda is a proposed resolution to establish the hour of 6:00 p.m. for the regular Thursday Board of Directors, commencing with the November 2010 Board meeting, without any sunset period. This resolution would set the 6:00 p.m. time unless or until Board action revised the meeting time in the future.

RECOMMENDED ACTION:

THE BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 10-\_\_\_ ENTITLED “RESOLUTION OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT ESTABLISHING 6:00 P.M. TIME FOR REGULAR THURSDAY BOARD MEETING.”

E. EXECUTION AND DELIVERY OF 2010 CERTIFICATES OF PARTICIPATION (1993 REFUNDING)

SUMMARY AND DISCUSSION:

Staff recommends the refinancing of the 1993 Certificates of Participation currently outstanding in the approximate amount of \$9 million for an anticipated net present value savings of \$780,000 until final maturity in 2017, as outlined in the **Staff Report** included as **Attachment L-5** to the Agenda. The Board will take action to approve the refinancing acting as the District Board and as the MNWD Public Facilities Corporation Board.

RECOMMENDED ACTIONS:

1. THE BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 10-\_\_\_ ENTITLED “RESOLUTION OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT APPROVING, AUTHORIZING AND DIRECTING EXECUTION OF CERTAIN INSTALLMENT SALE FINANCING DOCUMENTS, APPROVING SALE OF CERTIFICATES OF PARTICIPATION, APPROVING A PRELIMINARY OFFICIAL STATEMENT, AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO.”
2. BOARD OF DIRECTORS TO CONVENE TO THE MOULTON NIGUEL WATER

DISTRICT PUBLIC FACILITIES CORPORATION MEETING

The Board of Directors will conduct a Special Meeting of its Public Facilities Corporation immediately following Action Item E.1 above. See, **Attachment L-6** to the Agenda for the related Notice of Special Meeting and Agenda.

*(District Board to reconvene after conclusion of Corporation Board Meeting)*

F. 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 (materials provided to Board under separate cover)

G. 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]