

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

October 17, 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 October 17, 2011. The following Directors of the District were present:

DIRECTORS

DON FROELICH	Chairman
SCOTT COLTON	Director
RICHARD S. FIORE	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
DAVID D. CAIN	Director of Finance/Treasurer
CHARLES J. ROY	Director of Customer Service
PAT GIANNONE	Bowie, Arneson, Wiles & Giannone
EVA PLAJZER	MNWD
TODD NOVACEK	MNWD
STEVE MERK	MNWD
GREG MCDOWELL	MNWD
KELLY WINSOR	MNWD
BOB OHLUND	Dudek
LESLIE GRAY	Board Secretary

Absent was:

Director Gary Kurtz was absent.

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

ACTION ITEMS

Staff Presentation on the SDG&E Power Outage on September 8, 2011

- **Director Probolsky suggested contracting with a security company during emergencies for security purposes at the gate to Plant 2A which may be a viable and less expensive option. Mr. Novacek will look into this suggestion.**

Item No. 11 – Seville Reservoir Nos. 1 and 2 Interior and Exterior Coating, Contract 2011.021 – Construction Contract Award

- **Director Probolsky asked staff for a matrix of prior recoating jobs for cost comparison when recoating jobs are issued in the future.**

Item No. 1 - 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 COLTON THE MINUTES OF THE SEPTEMBER 12, 2011 ENGINEERING AND OPERATIONS BOARD MEETING WERE UNANIMOUSLY APPROVED.

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.

Director Fiore congratulated Director Probolsky on the birth of his new baby boy. Dr. Gumerman also mentioned that Matt Collings is out today due to the birth of his new baby girl.

PRESENTATION ITEMS

Item No. 4 – Staff Presentation on the SDG&E Power Outage on September 8, 2011

Chairman Froelich turned the meeting over to Eva Plajzer who was sitting in for Matt Collings. Ms. Plajzer then introduced Mr. Todd Novacek, Safety and Regulatory Compliance Supervisor. Mr. Novacek proceeded with his presentation on the District's response to the San Diego Gas and Electric power outage that occurred on September 8, 2011 which impacted several District facilities in approximately 50% of the District. The Board Members had previously been provided with the Incident Debriefing and Critique report, which was the first time this document had been written and utilized.

Mr. Novacek reported on the areas of concern as noted in the report:

- The gate at the entrance to Plant 2A is not hooked up to the standby generator and a solution needs to be implemented. Director Probolsky suggested contracting with a

security company during emergencies for security purposes at the gate to Plant 2A which may be a viable and less expensive option. Mr. Novacek will look into this suggestion.

- Certain key facilities do not have auxiliary power and had to be fitted with small portable generators. These facilities will be addressed and changes will be made for future permanent auxiliary power.
- Some cell phones received busy signals and it was difficult to communicate. The GETS Program will be extended to allow better communication for cell and land lines.
- A backup generator needs to be installed at the Main Office as there currently is no backup power at the Main Office.
- Storage of bulk diesel fuel and reviewing the need for an additional service vehicle is necessary.

Director Fiore thanked Mr. Novacek for a fabulous job on his presentation. The Board of Directors all concurred.

DISCUSSION ITEMS

Item No. 5 – Monthly Operational Status Reports

Ms. Plajzer reported that the Monthly Operational Status Report will be on the Consent Calendar on Thursday night.

Item No. 6 – Monthly Construction Progress Report

Ms. Plajzer stated there are currently seven construction projects underway.

a. Upper Salada Oxygen Generation System, Contract 2010.110

Ms. Plajzer mentioned that the Upper Salada Lift Station Oxygen Generation project is experiencing a small delay. Certain items have been special ordered, thus the delay. Project completion should be by the end of November.

Item No. 7 – Capital Project Budget Summary

Ms. Plajzer reported that the Engineering Department is moving forward with the execution of projects. One project has been closed with the addition of five more projects to be closed by the end of the month.

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

Ms. Plajzer reported that there are no changes from last month.

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

Ms. Plajzer stated that staff is still awaiting clarification on the requested budget adjustment and Change Order in the amount of \$4.0 million. The dedication ceremony was held on October 14, 2011 and many of the Board Members and staff attended

Item No. 10 – 2011 Pressure Reducing Stations Relocation Project, Miscellaneous Contracts – Professional Services Agreement Approval

Ms. Plajzer reported this project will relocate four pressure reducing stations. A Request for Proposals was issued and five proposals were received with Tetra Tech, Inc. providing the best qualified proposal with a negotiated fee in the amount not-to-exceed \$108,000. Staff is requesting a project expense authorization of \$130,000.

Item No. 11 – Seville Reservoir Nos. 1 and 2 Interior and Exterior Coating, Contract 2011.021 – Construction Contract Award

Ms. Plajzer reported that staff issued a Notice Inviting Sealed Proposals for the coating of the interior and exterior of the two 1.2 million gallon Seville Reservoirs. In addition to the coating, spiral staircases and other safety features will also be constructed. Four sealed bids were received with Advanced Industrial Services being the lowest responsive and responsible bidder in the amount of \$752,700. Staff will be requested a project expense authorization of \$925,000.

Director Probolsky asked staff for a matrix of prior recoating jobs for cost comparison when recoating jobs are issued in the future.

Item No. 12 – Los Serranos/Vista Hermosa Sewer Refurbishment, Contract 2011.036 – Professional Services Agreement Approval

Ms. Plajzer reported that staff issued a Request for Proposals for engineering design services to rehabilitate sewer lines in the Los Serranos/Vista Hermosa area. Five proposals were received, with Dudek as the firm demonstrating the best understanding of the project and most qualified team. Dudek's proposal is not-to-exceed \$71,598 and staff will be asking for a project expense authorization of \$85,000.

Item No. 13 – Programmable Logic Controller (PLC) Panel Replacement, Contract 2011.016 – Expense Authorization Approval

Ms. Plajzer mentioned that the Board approved a contract with Brithinee Electric at the September 15, 2011 Board Meeting to build two PLC panels. At that meeting, Director Probolsky asked what the cost of parts would be to build a PLC by District staff. As a result of his inquiry, staff estimated the costs of parts for the two PLC panels at about \$35,000. Labor to assemble the panels and program them is not included in this amount. Staff has identified four sites (Alicia Pump Station, Audubon Lift Station, Cabot Pressure Reducing Station, and Crown Valley Highlands Recycled Water Pump Station) where minor improvements can be made to bring the sites to the technology level required for the new Wireless Network Communication System being installed. This work can be done while Brithinee Electric is building the two panels. The cost of the improvements at each site is \$3,500 for materials, plus an additional \$1,500 for District labor and contingency for a total of \$20,000 for four sites.

Staff will be requesting an increase to the previously approved expense authorization of \$63,000, for a contract to purchase two complete new PLC control panels for the Highlands Pump Station and the Highlands Reservoir ClorTec building, to \$83,000 for the additional four sites.

INFORMATION ITEMS

Item No. 14 – Response to Public Comments from September 15, 2011 Board Meeting Regarding Water Budget Based Rate Structure, Including South Peak Development

Mr. Roy explained that at the September 15, 2011 Board Meeting a few customers spoke before the Board voicing their concerns regarding inaccurate water bills and questioning their individual water meter for accuracy. Mr. Roy completed his investigation into those inquiries and found that the paperwork for 18 meters never reached the Billing Department. Therefore, the customer's first bill was for two weeks of consumption and the following bill was for six weeks of consumption, thus the high bills. Adjustments have been made to those affected customer bills without any penalties.

Item No. 15 – La Paz Road Recycled Water Bridge Crossing – City of Mission Viejo Action and Project Status

Ms. Plajzer stated that the City of Mission Viejo has approved the project agreement and the proposed contract amendment with Parsons. The contract amendment was approximately \$350,000, with the District's portion for the pipeline design approximately \$94,000. The total Parsons contract with the project amendment is approximately \$1.5 million.

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

Ms. Plajzer reported that beginning on September 23, 2011, the District began receiving complaints regarding taste and odor concerns associated with the District's potable water supply. After proper investigation, it was detected that one or two chemicals [2-methyl-isoborneal (MIB) or geosmin] caused by algae along the East Branch of the State Water Project were responsible for the odor. This problem is purely aesthetic, and does not pose a health hazard to the public and it is expected that the taste and odors complaints may last for another two weeks.

Metropolitan Water District reduced the blend to the Diemer Filtration Plant of State Water Project Water from 50% to 25%, which markedly improved the situation.

Late Items

ADJOURNMENT

There was no further business to come before the Engineering and Operations Board and the meeting was adjourned at 10:55 a.m.

Respectfully submitted,

Leslie C. Gray
Board Secretary