

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
MOULTON NIGUEL WATER DISTRICT**

**OCTOBER 20, 2011**

A Regular Meeting of the Board of Directors of the Moulton Niguel Water District was held at the District offices, 27500 La Paz Road, Laguna Niguel, California, at 5:30 p.m. on Thursday, October 20, 2011. There were present and participating:

**DIRECTORS**

LARRY MCKENNEY	President
SCOTT COLTON	Director
RICHARD S. FIORE	Director
DON FROELICH	Vice President
LARRY R. LIZOTTE	Director
BRIAN PROBOLSKY	Vice President

Also present and participating were:

**STAFF MEMBERS, LEGAL COUNSEL**

ROBERT C. GUMERMAN	General Manager
CHARLES J. ROY	Director of Customer Service
PAT GIANNONE	Bowie, Arneson, Wiles & Giannone
NANCY DESAI	MNWD
EVA PLAJZER	MNWD
MARK MOUNTFORD	MNWD
KELLY WINSOR	MNWD
ROBYN EPPSTEIN	MNWD
GREGG HOOPER	MNWD
LYNNE HERRON	MNWD
RHONDA HIMLEY	MNWD
AMBER CUTLER	MNWD
DAVID FOELL	MNWD
NOLAN KING	MNWD
JODY KROENERT	MNWD
LESLIE GRAY	Board Secretary

**PUBLIC MEMBERS**

KAREN LANGER	Resident
RON LANGER	Resident
STEVE MAGDZIAK	Resident
PATTI LAWLER	Self
LOREN LILLISTRAND	Lillistrand & Associates

Absent was:

GARY R. KURTZ  
MATT COLLINGS  
DAVID CAIN

Director  
Director of Engineering & Operations  
Director of Finance/Treasurer

President Larry McKenney presided and Leslie Gray recorded the minutes of the meeting. President McKenney then led the Pledge of Allegiance.

**ACTION ITEMS:**

**GENERAL MANAGER'S REPORT**

**Chiquita Water Reclamation Plant Biosolids Project**

- President McKenney requested that staff keep this topic on future Engineering & Operations Board Meeting agendas in order to keep the Board up-to-date on this project.

**Senate Bill 293 (Padilla) Update**

- President McKenney stated that this now opens up the District to exposure and should be discussed at a future Engineering & Operations Board Meeting.

**CONSENT CALENDAR ITEMS**

- The Board approved Consent Calendar Items 6 through 14 as presented.

**ENGINEERING & OPERATIONS/LEGAL MATTERS:**

**2011 Pressure Reducing Stations Relocation Project, Miscellaneous Contracts**

- The Board awarded the Professional Services Agreement to Tetra Tech, Inc. for an amount not-to-exceed \$108,000, authorized the General Manager to execute the Agreement; and approved a project expense authorization of \$130,000.

**Seville Reservoir Nos. 1 and 2 Interior and Exterior Coating, Contract 2011.021**

- The Board awarded the contract to Advanced Industrial Services for an amount of \$752,700 and approved a project budget and expense authorization of \$925,000.

**LEGAL MATTERS**

- The Board convened the Moulton Niguel Water District Public Facilities Corporation Meeting.

## MINUTE APPROVAL

### APPROVAL OF MINUTES OF REGULAR MEETING OF SEPTEMBER 15, 2011

President McKenney reported that he would entertain a motion to approve the minutes of the Regular Meeting of September 15, 2011. He asked if any of the Board Members had comments on the minutes. Director Lizotte stated that he would like to have a sentence added at the top of Page 4 as follows: *“Director Lizotte noted that he disapproved of the rate increase in May 2009 and the WBBRS in April 2011.”*

THEREAFTER, UPON MOTION MADE BY DIRECTOR FIORE AND SECONDED BY DIRECTOR COLTON, THE BOARD OF DIRECTORS APPROVED THE MINUTES OF THE REGULAR BOARD OF DIRECTORS MEETING OF SEPTEMBER 15, 2011 AS AMENDED.

## PUBLIC COMMENTS

President McKenney opened the Public Comments portion of the meeting and asked if there were any public comments.

Mrs. Patti Lawler addressed the Board. President McKenney confirmed with Mrs. Lawler that she is the wife of an employee, and asked her if she planned to discuss his employment. Mrs. Lawler confirmed that she was and President McKenney stated that the Board of Directors is not able to respond at tonight’s Board Meeting should it have to do with a personnel matter. Mrs. Lawler agreed and then proceeded to speak.

Mrs. Lawler expressed her displeasure with the hostile environment her husband has been working within for the past year. She stated that stress and harassment has affected her family and she is holding the Board Members accountable for anything that may happen to her husband’s health. She then thanked the Board of Directors for their time.

Hearing no further public comments, President McKenney closed the Public Comments portion of the meeting.

## GENERAL MANAGER’S REPORT

Dr. Gumerman reported on numerous projects. The SWRCB has increased the NPDES permit fees to the South Orange County Wastewater Authority (SOCWA). SOCWA’s PC 15 has been offered \$3.9 million of Proposition 50 funds with the most likely project being the trucking of sludge from the Coastal Plant to the Joint Regional Plant.

The Chiquita Water Reclamation Plant Biosolids Project continues at a slow pace. President McKenney requested that staff keep this topic on future Engineering & Operations Board Meeting agendas in order to keep the Board up-to-date on this project.

Dr. Gumerman continued his report and updated the Board and audience on the WBBRS implementation. President McKenney called upon Mrs. Karen Langer who had put in a Request to Speak form relative to the WBBRS matter.

Mrs. Langer stated she is representing her homeowners' association (HOA), including 34 common acres and 120 homeowners. Her HOA has managed to reduce their water by 20% with the assistance of the District staff and her landscapers, even though they use recycled water, she says her HOA is happy with the new rate structure and considers it a "good deal".

Director Probolsky arrived at 5:50 p.m.

Dr. Gumerman continued his report stating that the Nine South County Agencies will meet on October 26, 2011 and Col. Foley, former MNWD General Manager and Chairman of Metropolitan Water District of Southern California and Linda Ackerman, Director of Municipal Water District of Orange County will both speak about their advocacy efforts on behalf of the south county agencies at MET.

Dr. Gumerman reported that the District received the CalDesal Award as a founding member of the organization which advocates for desalination.

#### LEGISLATIVE UPDATE

##### Senate Bill 607 (Walters) Update

Dr. Gumerman stated that the District sent a letter of support relative to this bill that will help make treated brackish groundwater a more viable and plentiful resource. The bill was passed and will be incorporated in the Water Code.

##### Senate Bill 293 (Padilla) Update

Dr. Gumerman reported that this bill would put limited public funds for water and sewer projects at risk by limiting retention amounts to 5%. Dr. Gumerman sent a veto request letter to the Governor; however, Governor Brown signed the bill and it will become effective in January 2012. President McKenney stated that this now opens up the District to exposure and should be discussed at a future Engineering & Operations Board Meeting.

## CONSENT ITEMS

President McKenney asked if there were any items the Directors would like to pull off the Consent Calendar. Hearing none, President McKenney reported that he would entertain a motion to approve the Consent Calendar Items.

MOTION MADE BY DIRECTOR FROELICH AND SECONDED BY DIRECTOR COLTON, THE BOARD OF DIRECTORS APPROVED CONSENT ITEMS 6 THROUGH 14 AS PRESENTED.

## ENGINEERING & OPERATIONS MATTERS:

### 2011 Pressure Reducing Stations Relocation Project, Miscellaneous Contracts

MOTION DULY MADE BY DIRECTOR PROBOLSKY AND SECONDED BY DIRECTOR FROELICH, THE BOARD OF DIRECTORS AWARDED THE PROFESSIONAL SERVICES AGREEMENT TO TETRA TECH, INC., FOR AN AMOUNT NOT-TO-EXCEED \$108,000; AUTHORIZED THE GENERAL MANAGER TO EXECUTE THE AGREEMENT; AND APPROVED A PROJECT EXPENSE AUTHORIZATION OF \$130,000.

### Seville Reservoir Nos. 1 and 2 Interior and Exterior Coating, Contract 2011.021

MOTION DULY MADE BY DIRECTOR FROELICH AND SECONDED BY DIRECTOR COLTON, THE BOARD OF DIRECTORS AWARDED THE CONTRACT TO ADVANCED INDUSTRIAL SERVICES, LOWEST RESPONSIVE AND RESPONSIBLE BIDDER, FOR AN AMOUNT OF \$752,000 AND APPROVED A PROJECT BUDGET AND EXPENSE AUTHORIZATION OF \$925,000, CONTINGENT UPON COMPLIANCE WITH THE CONTRACT DOCUMENTS.

Director Probolsky reiterated his request for staff to provide a matrix of prior recoating jobs for cost comparison when recoating jobs are issued in the future.

## LEGAL MATTERS

### Special Annual Meeting of Moulton Niguel Water District Public Facilities Corporation

President McKenney asked for an explanation of why the Public Facilities Corporation was formed for the benefit of the audience.

Director Fiore reported that the MNWD Public Facilities Corporation was originally formed in order to execute and deliver the District's 1993 Certificates of Participation (COPS). The Corporation Bylaws and resolutions adopted for the Corporation's organization, and state law, require the Corporation to meet on an annual basis.

President McKenney directed the Board's attention to Attachment L-1 to the Agenda, the Notice and Agenda for the Corporation's Annual Meeting. The Board convened a Special Meeting of the Public Facilities Corporation at 6:10 p.m. The Special Meeting of the Public Facilities Corporation was adjourned at 6:25 p.m., and the Regular Board meeting was reconvened.

#### PRESIDENT'S REPORT

President McKenney reported on the San Juan Basin Authority (SJBA) Board Meeting in which he attended.

#### BOARD REPORTS

Vice President Froelich reported that he attended the Joint Planning Committee meeting of MWDOC/OCWD. Additionally, he attended the City of Laguna Niguel Grand Opening on October 15, 2011.

Vice President Probolsky reported that he attended the Irvine Ranch Water District Board Meeting. An interesting topic was discussed relative to water banking. Mr. Probolsky stated that this topic is very important and that the Board of Directors should continue to become educated about water banking. President McKenney concurred and stated that the next Nine South County Agencies' meeting will address this topic and he will report back to the Board his findings.

#### LATE ITEMS

President McKenney asked if there were any late items to come before the Board. There were none.

#### CLOSED SESSION IN ACCORDANCE WITH GOVERNMENT CODE SECTION 54956.9(B)(L)

President McKenney reported that in accordance with Government Code Section 54956.9(b)(1), a Closed Session would be conducted to confer regarding the *Claim of Shapell Industries, Inc.*

The Board briefly paused and adjourned to Closed Session at 6:40 p.m.

The Closed Session was adjourned at 6:58 p.m. and the open session of the Board was reconvened. President McKenney stated there were no reportable actions regarding the Closed Session.

ADJOURNMENT

Thereafter, the Regular Meeting of the Board of Directors of the Moulton Niguel Water District was adjourned at 7:00 p.m.

Respectfully submitted,

Leslie C. Gray  
Board Secretary