

**MINUTES OF THE
MOULTON NIGUEL WATER DISTRICT
FINANCE & INFORMATION TECHNOLOGY
BOARD OF DIRECTORS' MEETING**

OCTOBER 19, 2011

The regular meeting of the Finance & Information Technology Board of Directors was held at the District offices, 27500 La Paz Road, Laguna Niguel, California, at 9:00 a.m. on Wednesday, October 19, 2011. There were present and participating:

DIRECTORS

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

Also present and participating were:

STAFF MEMBERS

ROBERT C. GUMERMAN	General Manager
DAVID D. CAIN	Director of Finance/Treasurer
CHARLES J. ROY	Director of Customer Service
NANCY DESAI	Controller
EVA PLAJZER	Associate Engineer
KARREN MADDOX	MNWD
ROBYN EPPSTEIN	MNWD
LESLIE GRAY	MNWD

DISTRICT CONSULTANTS

LOREN LILLISTRAND	LILLISTRAND & ASSOCIATES
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Absent was:

GARY R. KURTZ	Director
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As Chairman Probolsky had not yet arrived, President Larry McKenney called the meeting to order and Leslie Gray recorded the minutes thereof.

ACTION ITEMS:

Review of Water Efficiency Fund Rebate Program

- **Directors Probolsky and Lizotte will sit with staff to create a report that will be brought back monthly relative to the gross billing of the Water Efficiency Fund and Rebate Program.**

Financial Statements for the Period Ended August 30, 2011

- **Mr. Director Lizotte questioned Legal Services for Outside Counsel and stated he would like to see a more detailed report provided to the Board. Director Fiore concurred and asked staff to provide research back one year. Chairman Probolsky asked staff to present the detailed report at future Personnel & Salary Board Meetings on a quarterly basis.**

Auditing Services

- **It was suggested that an RFP for auditing services be brought to the Board next month for review and discussion and that staff be prepared to present their case to extend the current Auditor contract by one year.**

Late Items

- **Director Lizotte requested that the Board Members be provided a copy of the Salary Schedule as quoted in the Personnel & Salary Policy under Section 5. Compensation (G) Salary Schedule, that “Salary schedules will be reviewed annually by the Board of Directors.” Dr. Gumerman stated that he would discuss this with President McKenney and place this item on a future Personnel & Salary Board Meeting, perhaps on November 9, 2011.**

APPROVAL OF MINUTES OF SEPTEMBER 14, 2011 FINANCE & INFORMATION TECHNOLOGY BOARD OF DIRECTORS MEETING AND THE SEPTEMBER 26, 2011 SPECIAL MEETING OF THE BOARD OF DIRECTORS (PURCHASING POLICY WORKSHOP)

President McKenney requested approval of the minutes of the September 14, 2011 Finance & Information Technology Board of Directors meeting and the September 26, 2011 Special Meeting of the Board of Directors (Purchasing Policy Workshop).

THEREAFTER, UPON A MOTION DULY MADE BY DIRECTOR FROELICH AND SECONDED BY DIRECTOR FIORE, THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT UNANIMOUSLY APPROVED THE MINUTES OF THE SEPTEMBER 14, 2011 FINANCE & INFORMATION TECHNOLOGY BOARD OF DIRECTORS MEETING AND THE SEPTEMBER 26, 2011 SPECIAL MEETING OF THE BOARD OF DIRECTORS (PURCASING POLICY WORKSHOP).

PUBLIC COMMENTS

President McKenney opened the Public Comments portion of the meeting. Hearing no public comments he closed the Public Comments portion of the meeting.

PRESENTATION ITEMS

IT Strategic Plan Update Overview

Mr. Cain introduced Ms. Cindy Abbott with NexLevel. Ms. Abbott discussed the IT Strategic Plan Update with the Board Members, which included the benefits, purpose, and activities of the Plan.

Chairman Probolsky arrived at 9:07 a.m.

Progress continues on the 2009 IT Plan, with updated requirements and needs to reflect the current status and priorities of the District. Ms. Abbott then discussed the new projects indentified through the use of an online IT user survey, which approximately 80 District employees participated in. The Board thanks Ms. Abbott for her presentation.

DISCUSSION ITEMS

Review of Water Efficiency Fund Rebate Program

Mr. Roy made a presentation to the Board Members on the Water Efficiency Fund and policies regarding the Rebate Program. The Water Efficiency Fund will stipulate allowable uses and provide transparency into the uses and accounting of the revenue collected. The Board will be asked to adopt a resolution approving the Rebate Program under the Water Efficiency Fund established for application of certain related rebate amounts at the Board Meeting on October 20, 2011. Additionally the Board will be asked to approve an expenditure appropriation of \$750,000 to fund the Water Efficiency Fund Rebate Program and other authorized expenditures for the Fiscal Year 2011/2012 budget.

After a lengthy discussion, it was decided that Directors Probolsky and Lizotte will sit with staff to create a report that will be brought back monthly relative to the gross billing of the Water Efficiency Fund and Rebate Program.

Financial Statements for the Period Ended August 30, 2011

Ms. Desai reviewed the Investment Activity Summary for the period ending August 31, 2011. Mr. Director Lizotte questioned Legal Services for Outside Counsel and stated he would like to see a more detailed report provided to the Board. Director Fiore concurred and asked staff to provide research back one year. Chairman Probolsky asked staff to present the detailed report at future Personnel & Salary Board Meetings on a quarterly basis.

Summary of Disbursements for the Period Ended September 30, 2011

Ms. Desai reviewed the Summary of Disbursements for the month of September 2011.

Auditing Services

Mr. Cain requested the Board of Directors extend the current five-year contract with the Auditor for one more year as staff will be involved with the ERP go-live and will not have enough time to devote to a new Auditor. A discussion ensued as to circumstances of continuing with the current Auditor in light of the prior events that had taken place at the City of Bell. It was suggested that an RFP for auditing services be brought to the Board next month for review and discussion and that staff be prepared to present their case to extend the current Auditor contract by one year.

INFORMATION ITEMS

Purchasing Policy

Mr. Cain stated that staff is continuing to update the Purchasing Policy incorporating legal counsel's comments. The Policy will be brought back next month for further discussion, with final adoption being scheduled for December.

Public Facilities Corporation Annual Meeting – October 20, 2011

Mr. Cain reminded the Board Members that the Annual Public Facilities Corporation meeting will be take place at tomorrow night's Board Meeting.

Late Items

Director Lizotte requested that the Board Members be provided a copy of the Salary Schedule as quoted in the Personnel & Salary Policy under Section 5. Compensation (G) Salary Schedule, that "Salary schedules will be reviewed annually by the Board of Directors." Dr. Gumerman stated that he would discuss this with President McKenney and place this item on a future Personnel & Salary Board Meeting, perhaps on November 9, 2011.

ADJOURNMENT

THEREAFTER, UPON A MOTION DULY MADE AND SECONDED, THE MEETING WAS ADJOURNED AT 11:40 A.M.

Respectfully submitted,

Leslie C. Gray
Board Secretary