

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

September 12, 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 September 12, 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
MATT COLLINGS	Director of Engineering & Operations
CHARLES J. ROY	Director of Customer Service
PAT GIANNONE	Bowie, Arneson, Wiles & Giannone
RAY MCDOWELL	MNWD
EVA PLAJZER	MNWD
TOM ROSALES	SOCWA
LARRY BALLEW	MNWD
RICHARD GARDNER	Self
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

La Paz Road Recycled Water Bridge Crossing, Contract 2010.013 – Project Agreement and Expense Authorization Approval

- The Board directed Mr. Collings to get the total contract amount from the City of Mission Viejo and report back to the Board of Directors.

Sewerage Lift Station Back-up Pumps and/or Motors, Miscellaneous Contracts – Expense Authorization Approval

- Director Probolsky asked what the cost of parts would be to build our own PLCs. Mr. Collings will investigate the inquiry and report back to the Board.

Status Report on Power Outage Experienced by District on September 8, 2011

- Chairman Froelich suggested that Mr. Collings agendize this item again next month for further discussion relative to the outcome of the After Action meeting.

Item No. 1 - Approval of Minutes

Chairman Froelich entertained a motion to approve the minutes.

THEREAFTER, UPON A MOTION DULY MADE BY DIRECTOR FIORE AND SECONDED BY DIRECTOR COLTON THE MINUTES OF THE AUGUST 15, 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.

PRESENTATION ITEMS

Item No. 4 – SOCWA Presentation on the Coastal Treatment Plant Export Sludge System

Dr. Robert Gumerman introduced Mr. Tom Rosales, General Manager of SOCWA. Mr. Rosales discussed the EIR process relative to the Coastal Treatment Plant Export Sludge System. The project began approximately eight years ago and, at that time, it was perceived as a combination project of the Aliso Creek Ecosystem Restoration Project and the Export Sludge System; however, SOCWA is only responsible for the Export Sludge System. Without federal funding, the project was postponed indefinitely. OC Watersheds cannot use their Prop 50 funds for the Restoration Project as problems exist, namely there is no Master Plan for Aliso Creek.

There are several areas of movement within the Creek which must be considered in the EIR analysis, and three areas of slope instability must also be addressed.

Vice President Probolsky arrived at 9:10 a.m.

OC Parks has a goal to relocate AWMA Road to the east side of Aliso Creek. The EIR suggests that SOCWA perform embankment repair on an as-needed basis. Alternatives are to build a new force main on the east or west side, or have the liquid sludge trucked without further processing. In order to complete the EIR, a Performance Study of Vulnerability on Creek Erosion may need to be performed at an estimated cost of between \$50,000 - \$150,000; or select an alternative with the lowest short-term vulnerability to creek erosion, e.g. trucking (perhaps 3-5 loads per day); or participate in a separate effort to develop a Master Plan for Aliso Creek stabilization.

SOCWA currently has \$1,250,000 in their remaining budget for Export Sludge System and \$1,850,000 has been budgeted for 2012/2013, for a total of \$3,100,000. There is \$150,000 in the PC 15 budget and \$15,000 in the PC 21 budget for Embankment Repair. OC Watersheds would like to maintain funding for use in the Aliso Creek Rehabilitation and will transfer approximately \$3.8 million to SOCWA and Laguna Canyon Foundation to support this effort. Construction should be completed by the end of 2013.

The Board of Directors thanked Mr. Rosales for his presentation.

DISCUSSION ITEMS

Item No. 5 – Monthly Operational Status Reports

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

Director Colton questioned the District's estimated population of 167,945. Mr. Collings stated that the estimated population number will be updated to coincide with the recent Urban Water Management Plan number of approximately 172,000.

Director Probolsky asked why there was such a change in the number of one-inch services from last year. Mr. Roy responded that they came from the reclassification surveys. The Customer Service staff made site visits to confirm the information and found several errors that were entered into the billing system when housing tracts were released years ago.

Director Colton inquired about the amount of recycled water storage throughout the District. Mr. Collings responded that there are 1,000 acre-feet (325.8 million gallons) in the Upper Oso Reservoir, plus additional operational storage throughout the District's facilities in the amount of approximately 18.7 million gallons, for a total of 344.5 million gallons.

Item No. 6 – Monthly Construction Progress Report

Mr. Collings reported that the San Juan Creek 20" Effluent Transmission Main has been removed. A new pipeline has been installed and is in service. Some cleanup work remains with the homeowner's association relative to a few punch list items. Mr. Collings also reported that the work is completed on the Moulton Ranch III Recycled Water Extension. Staff will be coordinating with the homeowner's association on getting their users online to utilize the recycled water.

a. Upper Salada Oxygen Generation System, Contract 2010.110

Mr. Collings mentioned that the Upper Salada Lift Station Oxygen Generation project is on schedule and should be online by early October.

Item No. 7 – Capital Project Budget Summary

Mr. Collings reported that the Engineering Department is moving forward with the execution of projects.

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

Mr. Collings reported that there are no changes from last month.

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

Approval

Mr. Collings stated that staff is still awaiting clarification on the requested budget adjustment and Change Order in the amount of \$4.0 million. Upper Chiquita continues to be filled. To date, the reservoir has been filled to 830 feet. Filling will resume today following a second hold period. It is anticipated that it will take an additional 20 days to complete filling the reservoir with the remaining 30 feet.

Item No. 10 – La Paz Road Recycled Water Bridge Crossing, Contract 2010.013 – Project Agreement and Expense Authorization Approval

Mr. Collings reported that the City of Mission Viejo is completing the final design to widen the bridge on La Paz Road over the Metrolink Railroad. District staff has been working with the City to incorporate a recycled water pipeline into the construction package.

Two recycled water pipelines have been completed within the cities of Mission Viejo and Laguna Hills. The line in Mission Viejo has increased the District's ability to access seasonal storage capacity at the Upper Oso Reservoir, while retrofitting additional customers to recycled water along the pipeline alignment. The second line in Laguna Hills was constructed to convey recycled water to several potential customers, including CalTrans at the I-5 Freeway. A gap exists between the pipelines along La Paz Road at the Metrolink Railroad bridge crossing. Completion of the gap will allow the District to take full advantage of these new facilities and improve system distribution from Upper Oso Reservoir.

District staff has been working with the City of Mission Viejo to incorporate a 12-inch recycled water pipeline extension into their project that would connect the pipelines constructed as part of the two recycled pipelines. The proposed pipeline would be constructed within the new bridge deck and would hang on the side. The current estimated project cost is \$370,000 and is included in the current FY Capital Budget. District staff is requesting an expense authorization of \$115,000, which includes design, District labor, and a 20% contingency.

The City of Mission Viejo has contracted with Parsons to prepare documents for the bridge widening. A contract amendment, including preparation of final design, modifications to the existing bridge design to accommodate the pipeline, and any necessary permitting and coordinating with Metrolink has been negotiated for a not-to-exceed fee of \$93,915.93. The City must award the contract amendment by September 20, 2011.

A discussion ensued regarding Parsons' design price of \$93,915.93. Mr. Collings has been working with Parsons on their design fee, whereby they have made certain adjustments; however, there is structural rework that needs to be completed and is a part of the price. The Board directed Mr. Collings to get the total contract amount from the City of Mission Viejo and report back to the Board of Directors.

Item No. 11 – Sewerage Lift Station Back-up Pumps and/or Motors, Miscellaneous Contracts – Expense Authorization Approval

Mr. Collings introduced Mr. Larry Ballew, Station Maintenance Crew Chief, who has solicited pricing for back-up pumps and/or motors for various lift stations. The idea behind this is to have additional pumps/motors available for reliability in the event one or two existing pumps and/or motors are not in service. These extra pumps/motors would be housed at the various stations and not plumbed into the system. Several contracts are in place to procure this equipment within the current FY Budget for a total amount of \$377,000. The requested expense authorization is \$239,500 based on the prices received by Mr. Ballew.

Mr. Ballew commented that during the blackout on September 8, 2011, the District did not suffer any failures with any of the auxiliary generators and the District employees' performance was stellar during the emergency. Dr. Gumerman reiterated that the recent maintenance on all of the generators proved beneficial as all equipment ran flawlessly.

Item No. 12 – Programmable Logic Controller (PLC) Panel Replacement, Contract 2011.016 – Professional Services Agreement Approval

Mr. Collings explained that the District is currently in the process of installing a Wireless Network Communication System that will provide communication from the PLC panel through the SCADA System. The existing panels range between 10 to 20 years old, do not have adequate space to support the addition of Ethernet ports, and require replacement to equipment that is supported by the manufacturer. Ultimately the District will need to replace 20 existing PLC panels over the next few years.

Staff issued a Request for Proposal (RFP) for the construction of two new PLC control panels, one at the Highlands Pump Station and one at the Highlands Reservoir ClorTec building. The two panels are different from one another with one panel constructed to support a pump station facility and the other for the District's Reservoir Maintenance Systems, or ClorTec facilities. Upon completion, staff will evaluate the feasibility of constructing the remaining PLC panels with existing staff or contract the remaining PLCs. Three firms responded to the RFP, with Brithinee Electric as the lowest proposal for an amount not-to-exceed \$52,648. Staff will be asking to authorize a project expense authorization of \$63,000.

Director Probolsky asked what the cost of parts would be to build our own PLCs. Mr. Collings replied that he would look into that and report back.

INFORMATION ITEMS

Item No. 13 – Recycled Water System Capacity Analysis – Wholesale Pricing Approach

Mr. Collings reported that the District has been approached by various local water agencies (Laguna Beach County Water District, El Toro Water District, and the City of San Juan Capistrano) inquiring about the availability of recycled water and the proposed pricing structure from the District.

The Board of Directors awarded a contract to Tetra Tech, Inc., on December 17, 2009 to complete a Recycled Water System Capacity Analysis. The Analysis has been completed and indicates that the District has sufficient treatment and seasonal storage capacity to serve its existing and potential future customer base and to meet the demands of the neighboring agencies; however, the distribution system will require improvements to convey desired flows.

District staff reviewed the Cost of Services Study completed by Red Oak Consulting in March 2009 and intends to further investigate the approach of establishing a wholesale recycled water rate and will bring a recommendation back to the Board of Directors for further consideration.

Item No. 14 – Paseo de Colinas Bridge Seismic/Structural Retrofit – Infrastructure Impact

Mr. Collings reported that the City of Laguna Niguel is pursuing a seismic retrofit of the Paseo de Colinas bridge as it crosses Camino Capistrano. The District has several utilities within Camino Capistrano that are likely in conflict with the proposed retrofit project and may require relocation of impacted District facilities. Once potholing is complete, the actual Scope of Work will be identified as to which utilities must be relocated.

Once a defined Scope of Work is in place, staff will bring a recommendation to the Board of Directors. Staff has initiated a new project with a project budget of \$170,000, and a project expense authorization of \$20,000.

Late Items

Director McKenney stated that he would like to move an item onto the agenda relative to the blackout the District experienced on September 8, 2011 after the agenda posting.

THEREAFTER, UPON A MOTION DULY MADE BY DIRECTOR MCKENNEY AND SECONDED BY DIRECTOR PROBOLSKY, THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT UNANIMOUSLY AGREED TO ADD THE ITEM OF THE POWER OUTAGE ONTO THE AGENDA FOR DISCUSSION PURPOSES.

Status Report on Power Outage Experienced by District on September 8, 2011

Dr. Gumerman reported that both he and Mr. Collings were out of the area in San Diego attending a conference at the time the power outage occurred, coinciding with the power outage occurring in San Diego. At the time he and Mr. Collings were notified by District staff, seven wastewater lift stations and four potable pump stations were out of power.

Mr. Collings continued to say that the employees went into an Emergency Operations status and Mr. Phillip Lawler was Acting Incident Commander. The District was fully operational even with the facilities mentioned that were out of power. The auxiliary generators kicked on to maintain service and no sewage spills occurred. An analysis of diesel fuel on hand was made and as a precaution, additional supplies were immediately ordered for delivery the following day.

Mr. Collings stated that the District engaged with the Web/EOC coordinating with WEROC and prepared for mutual aid if needed. One of the many challenges District staff encountered was getting to individual stations without traffic lights operating as it took upwards of one hour to drive to each station. Mr. Collings gave credit to Mr. Ballew, along with Mr. Ronin Goodall, and Mr. Lawler for their actions and quick responses during this emergency. Additional compliments to the Support Services staff, Marco Lazaro and Tony Quinonez, both who maintain all generators within the District. Some employees worked throughout the night and others were ready to continue into the next day if needed. An After Action meeting will be held this Wednesday, September 14, 2011 to critique the events that occurred and to discuss what worked or what could have been improved upon should another power outage occur.

Director McKenney asked how SOCWA faired during the outage. Dr. Gumerman responded that both Plant 3A and LB Latham took flows in; however, did not experience any spills because neither plant has intermediate pumping and no violation of treatment standards

occurred. Director McKenney suggested that Mr. Collings look into staffing levels at the After Action meeting to be certain the Operations Division has adequate resources in the future.

Director Probolsky suggested that a meeting be held with the OC Sherriff Department to coordinate efforts in getting District staff to District facilities as expeditiously as possible in the event of power failures.

Chairman Froelich suggested that Mr. Collings agendize this item again next month for further discussion relative to the outcome of the After Action meeting.

Director Fiore thanked Mr. Ballew and his crew for a great job done.

ADJOURNMENT

There was no further business to come before the Engineering and Operations Board and the meeting was adjourned at 11:05 a.m.

Respectfully submitted,

Leslie C. Gray
Board Secretary