

# **AGENDA**

Board of Directors' Meeting

June 16, 2011

5:30 p.m.

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 5:30 p.m. on July 21, 2011 at the Moulton Niguel Water District.

**BOARD OF DIRECTORS' MEETING  
MOULTON NIGUEL WATER DISTRICT  
27500 La Paz Road, Laguna Niguel  
June 16, 2011  
5:30 p.m.  
Approximate Meeting Time: 2-3 Hours**

*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.*

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

## **AGENDA**

- 1. CALL MEETING TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. MINUTE APPROVAL**
  - **REGULAR BOARD OF DIRECTORS' MEETING OF MAY 19, 2011 –  
ROLL CALL VOTE**
- 4. PUBLIC COMMENTS**

*Persons wishing to address the Board of Directors on matters not listed on the Agenda may do so at this time. "Request To Be Heard" forms are available at the entrance to the Board Room. Comments are limited to five minutes unless further time is granted by the Presiding Officer. Submit form to the Recording Secretary prior to the beginning of the meeting.*

*Those wishing to address the Board of Directors on any item listed on the Agenda should submit a "Request To Be Heard" form to the Recording Secretary before the Presiding Officer announces that agenda item. Your name will be called to speak at that time.*
- 5. PRESIDENT'S REPORT**
- 6. BOARD REPORTS**

**7. GENERAL MANAGER'S REPORT:**

**MEDIA CONTACT**

During the Board Meeting on Thursday, May 19, 2011, Director Probolsky proposed that the General Manager should be designated as the sole media contact for the District.

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

BOARD OF DIRECTORS DIRECTS THE GENERAL MANAGER TO BE THE OFFICIAL DISTRICT REPRESENTATIVE WITH REGARD TO MEDIA CONTACT AND HAVE SOLE RESPONSIBILITY FOR CONTACT WITH THE MEDIA WITH RESPECT TO DISTRICT STAFF.

8. RATIFICATION OF INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY (ISDOC) BY-LAW BALLOT RESULTS
9. SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) UPDATE
10. UPDATE ON WBBRS IMPLEMENTATION
11. RATE INCREASE EFFECTIVE JUNE 1, 2011 AND WBBRS ON JULY 1, 2011

**CONSENT CALENDAR ITEMS: (ROLL CALL VOTE)**

*Consent items: 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. Requests for discussion of any specific item should be made to the Presiding Officer in conjunction with the discussion of the consent motion.*

**The following items were previously discussed at the Engineering & Operations Board Meeting (6/13/11) and the Finance & IT Board Meeting (6/15/11).**

12. RECEIVE AND FILE MONTHLY OPERATIONAL STATUS REPORTS
13. RECEIVE AND FILE MONTHLY CONSTRUCTION PROGRESS REPORT
14. RECEIVE AND FILE CAPITAL PROJECT BUDGET SUMMARY (2010/11)
15. RECEIVE AND FILE WATER SUPPLY RELIABILITY PROJECTS' STATUS SUMMARY REPORT
16. RECEIVE AND FILE SUMMARY OF DISBURSEMENTS IN THE AMOUNT OF \$4,037,497.31 DATED MAY 31, 2011
17. ADOPTION OF RESOLUTION NO. 11-\_\_\_ APPROVING A BUDGET APPROPRIATION IN THE AMOUNT OF \$109,407,945 AND ADOPTION OF THE FISCAL YEAR 2011/2012 OPERATING & CAPITAL IMPROVEMENT BUDGETS
18. ADOPTION OF RESOLUTION NO. 11-\_\_\_ SETTING TAX RATES FOR FISCAL YEAR 2011/2012

19. AUTHORIZE GENERAL MANAGER TO ENTER INTO ANNUAL CONTRACTS AND AMENDMENTS, ISSUE OPEN PURCHASE ORDERS, AND EXECUTE ALL NECESSARY DOCUMENTS ON BEHALF OF THE DISTRICT.
20. AUTHORIZE STAFF TO MOVE FORWARD WITH SELECTION AND IMPLEMENTATION OF BOARD ROOM ENHANCEMENTS WITH SIRE TECHNOLOGIES. AWARD A CONTRACT WITH SIRE TECHNOLOGIES AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS ON BEHALF OF THE DISTRICT.

**LEGAL MATTERS:**

21. PUBLIC HEARING ON 2010 URBAN WATER MANAGEMENT PLAN (UWMP) AND FINAL APPROVAL

SUMMARY AND DISCUSSION:

Pursuant to the California Water Code, the Board is required to conduct a Public Hearing on the 2010 Urban Water Management Plan, and thereafter to adopt and approve the updated UWMP. Staff previously reviewed the UWMP at the May Engineering and Operations Board Meeting, and the plan has been posted on the District's website for public review, and was made available to the cities within the District's service area, as well as the County in accordance with the Water Code. Publication of the Notice of Public Hearing was made in the *Orange County Register* in accordance with law, and the Notice was posted at the District's Main Office, as well. **Attachment L-1** is a resolution for approval of the UWMP, after completion of the Public Hearing.

RECOMMENDED ACTIONS:

1. Staff presentation of the 2010 Urban Water Management Plan to the Board and public.
2. Staff enters into the record the Proof of Publication and Affidavit of Posting.
3. The President opens and conducts a Public Hearing on the 2010 UWMP receiving all public comments. The President closes the Public Hearing upon completion of comments.
4. **(ROLL CALL VOTE):** THE BOARD OF DIRECTORS ADOPTS THE RESOLUTION ENTITLED "RESOLUTION OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT ADOPTING 2010 URBAN WATER MANAGEMENT PLAN."

22. INITIAL READING OF PROPOSED ORDINANCE OF RULES AND REGULATIONS TO SET LAGUNA SUR/MONARCH POINT 2011-12/2012-13 SEWER SERVICE RATES AND CHARGES, ANNUAL ADOPTION OF RESOLUTION FOR COLLECTION OF SEWER SERVICE CHARGES FOR LAGUNA SUR/MONARCH POINT REORGANIZATION AREA ON PROPERTY TAX BILL

SUMMARY AND DISCUSSION:

The Laguna Sur/Monarch Point Reorganization Area was detached from South Coast Water District (“SCWD”) and annexed into MNWD, effective April, 1997. SCWD continues to provide sewer service to the Reorganization Area through contract with MNWD. As part of the terms and conditions of the reorganization, MNWD continues the prior SCWD practice of collection of the service charges and rates on the tax roll, and then remits the service charges to SCWD. SCWD is proposing to raise the usage rate component of the sewer service charges within the Reorganization Area from what is currently collected and also from what was adopted and approved in 2009 by SCWD for 2011-12 and 2012-13. The fixed sewer charge component for 2011-12 and 2012-13 will be collected at amounts different (lower) than the rates previously approved by SCWD and then adopted by the MNWD Rate Ordinance in 2009. The SCWD Board is scheduled to adopt the increased sewer usage rates and set the fixed charges on June 23, 2011.

The District will then need to adopt the same sewer rates and charges, which are included in the 218 Notice the District has mailed out. Included as **Attachment L-2** to the Agenda is a proposed Ordinance to revise the District’s Rules and Regulations with the 2011-12 and 2012-13 SCWD revised sewer rates and charges, subject to the District’s 218 Public Hearing on July 21, 2011, and **Attachment L-3** is a resolution to continue collection of the sewer service charges and rates for the Reorganization Area on the property tax bills. The collection procedure under Health and Safety Code Section 5473 *et seq.* requires SCWD to prepare a report of the assessor parcel numbers and corresponding sewer service charges and rates, and MNWD to notice a Public Hearing on the report and thereafter adopt the report after the Hearing in the absence of majority protests to the tax roll collection procedure. This property tax roll procedure is in addition to the 218 Public Hearing MNWD will conduct prior to adoption of the 2011-12 and 2012-13 charges and rates by Ordinance approval of the Rules and Regulations, pending SCWD’s own adoption on June 23rd.

RECOMMENDED ACTIONS: (ROLL CALL VOTES)

1. THE BOARD OF DIRECTORS CONDUCTS THE FIRST READING OF PROPOSED ORDINANCE NO. 11-02 “ORDINANCE OF THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT ADOPTING 2011-12/2012-13 REVISIONS TO THE SCHEDULE OF RATES AND CHARGES AS SET FORTH IN EXHIBIT B TO THE RULES AND REGULATIONS OF MOULTON NIGUEL WATER DISTRICT FOR WATER, SEWER AND RECYCLED WATER SERVICE; (LAGUNA SUR/MONARCH POINT LAFCOR-R096-05)”, IN ACCORDANCE WITH THE FOLLOWING PROCESS:
  - a. **MOTION BY BOARD:** TO CONDUCT A FIRST READING OF PROPOSED ORDINANCE 11-02 IMPLEMENTING 2011-12/2012-13 REVISIONS TO THE DISTRICT RULES AND REGULATIONS FOR SOUTH COAST WATER DISTRICT SEWER SERVICE RATE REVISIONS FOR LAGUNA SUR/MONARCH POINT REORGANIZATION AREA

- b. **PRESIDENT RECITES COMPLETE TITLE OF ORDINANCE:**  
“ORDINANCE NO. 11-02 OF MOULTON NIGUEL WATER DISTRICT ADOPTING 2011-12/2012-13 REVISIONS TO THE SCHEDULE OF RATES AND CHARGES AS SET FORTH IN EXHIBIT “B” TO THE RULES AND REGULATIONS OF MOULTON NIGUEL WATER DISTRICT FOR WATER, SEWER AND RECYCLED WATER SERVICE (LAGUNA SUR/MONARCH POINT LAFCOR-RO96-05)”
  - c. **MOTION BY BOARD:** TO WAIVE READING OF COMPLETE TEXT OF ORDINANCE NO. 11-02
  - d. **MOTION BY BOARD:** TO DIRECT THE DISTRICT SECRETARY AND LEGAL COUNSEL TO POST ORDINANCE NO. 11-02 IN ACCORDANCE WITH LAW
2. THE BOARD OF DIRECTORS ADOPT THE RESOLUTION ENTITLED, “RESOLUTION OF THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT SETTING 2011-12 SEWER SERVICE RATES AND CHARGES FOR SPECIFIED PARCELS (LAGUNA SUR/MONARCH POINT PROPERTY) TO BE COLLECTED VIA PROPERTY TAX STATEMENTS ON THE 2011-12 TAX ROLL, DIRECTING FILING OF WRITTEN REPORT WITH SECRETARY AND CALLING A HEARING THEREON.”
23. **APPROVAL OF SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) PROJECT COMMITTEE 25 AGREEMENT FOR PARTICIPATION IN MICHELSON PLANT BIOSOLIDS PROJECT**

**SUMMARY AND DISCUSSION:**

The SOCWA Board of Directors recently approved the formation of new Project Committee 25 and a PC 25 Agreement for SOCWA’s participation in the Irvine Ranch Water District’s facilities at the Michelson Water Recycling Plant to dry and pelletize biosolids. The PC 25 Agreement is subject to the approval of all SOCWA member agencies who elect to participate in the Biosolids Project. **Attachment L-4** is the proposed PC 25 Agreement, as well as the agreement between IRWD and SOCWA for the Biosolids Project. The SOCWA Board approved the agreement with IRWD, subject to approval of the PC 25 Agreement by the participating member agencies. The General Manager of SOCWA has made several presentations to the District Board about the Biosolids Project. **Attachment L-4** also includes the Staff Report discussing the proposed Biosolids Project, with recommendations for the Board’s consideration.

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

THE BOARD OF DIRECTORS ACTS ON THE RECOMMENDATIONS OF THE GENERAL MANAGER.

**24. AGREEMENT FOR PARTICIPATION IN THE UPPER CHIQUITA EMERGENCY STORAGE RESERVOIR**

**SUMMARY AND DISCUSSION:**

**Attachment L-5** is the proposed form of the agreement for participation in the Upper Chiquita Reservoir (UCR) by SMWD and MNWD, along with the cities of San Clemente and San Juan Capistrano, as well as South Coast Water District. The Staff Report also attached with L-5 discusses the project and the basic terms of the agreement. The District will have approximately 34% of the UCR capacity. The proposed agreement will supersede the District's 2006 agreement for the UCR capacity, entered into prior to the participation by other agencies, and is modeled on other water supply reliability agreements for facilities with regional participation to which the District is a party.

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

THE BOARD OF DIRECTORS APPROVES AND AUTHORIZES EXECUTION OF THE UCR PARTICIPATION AGREEMENT IN SUBSTANTIALLY THE FORM PRESENTED, SUBJECT TO NON-SUBSTANTIVE CHANGES.

**25. THE BOARD WILL CONDUCT THE FOLLOWING CLOSED SESSIONS:**

**A. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION**

Pursuant to Government Code Section 54956.9(b)(1), a Closed Session will be conducted to confer regarding the *Claim of Shapell Industries, Inc.*, presented to the District on April 1, 2011, as amended.

**B. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION (TWO CASES)**

Pursuant to Government Code Section 54956.9(b)(1), a Closed Session will be conducted to discuss significant exposure to litigation

Pursuant to Government Code, Section 54956.9(c), a Closed Session will be conducted to discuss initiation of litigation

**C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (ONE CASE):**

Pursuant to Government Code Section 54956.9(a), a Closed Session will be conducted to conference on:

*Charles Roy vs. Moulton Niguel Water District, et al*  
*CASE NO. 00448266*

**26. 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]

**27. ADJOURNMENT**