



**BOARD OF DIRECTORS' MEETING
MOULTON NIGUEL WATER DISTRICT
27500 La Paz Road, Laguna Niguel
March 20, 2014
5:30 PM
Approximate Meeting Time: 2 Hours**

***PLEASE NOTE* REGULAR MEETING SCHEDULE:
CLOSED SESISON: 5:30 – 6:00PM/ PUBLIC SESSION: 6:00PM**

1. **CALL MEETING TO ORDER**
2. **PUBLIC COMMENTS - CLOSED SESSION**

Persons may address the Board of Directors on items listed in Closed Session at this time. If you wish to speak regarding an item not appearing on the Closed Session agenda, please make your comments during the Public Session (see below under Public Comments - Public Session)

3. **CLOSED SESSION:**

- a. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (FIVE CASES)**

Pursuant to Government Code Section 54956.9(A), a Closed Session will be conducted to confer with Legal Counsel regarding the following cases:

i. Shapell Industries, Inc., a Delaware Corporation vs Moulton Niguel Water District (Orange County Superior Court)

ii. Briosa Owners Association, a California Corporation vs Moulton Niguel Water District (Orange County Superior Court)

iii. Cantora Community Association vs Metropolitan Water District of Southern California, Moulton Niguel Water District (Orange County Superior Court)

iv. Eckert, Repetti vs. Metropolitan Water District of Southern California, Moulton Niguel Water District (Orange County Superior Court)

v. Caito, Cenicerros vs. Metropolitan Water District of Southern California, Moulton Niguel Water District (Orange County Superior Court)

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

Pursuant to Government Code Section 54956.9(b)(1), a Closed Session will be conducted to confer with Legal Counsel regarding the following claim:

i. Claim of Mercury Insurance Group for Subrogation – I. Yomorta

4. RETURN TO PUBLIC SESSION:

The Board of Directors will return to Public Session at 6:00 p.m.

5. REPORT OF CLOSED SESSION:

6. PLEDGE OF ALLEGIANCE

7. MINUTE APPROVAL:

Minutes of the February 12, 2014 Special Board of Directors Meeting - Operations Facilities Assessment Study Workshop

Minutes of the February 20, 2014 Board of Directors Meeting

8. PUBLIC COMMENTS - PUBLIC SESSION

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.

CONSENT CALENDAR ITEMS:(Items on the Consent Calendar have been discussed at the regularly scheduled Engineering/Operations and Finance/IT Board meetings)

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.

9. AGREEMENT FOR CONSULTING SERVICES TO PERFORM A COST OF SERVICE AND RATE DESIGN STUDY

It is recommended that the Board of Directors approve a Professional Services Agreement in an amount not-to-exceed \$146,000 with MWH Americas, Inc. (MWH) for the provision of a Water, Recycled Water, and Wastewater Cost of Service and Rate Design Study; and authorize the General Manager to execute change orders up to 10% of the contract value.

10. AGREEMENT FOR INDEPENDENT AUDIT SERVICES

It is recommended that the Board of Directors approve a Professional Services Agreement in an amount not-to-exceed \$119,000 with Lance, Soll & Lunghard, LLP for the provision of independent audits.

GENERAL MANAGER MATTERS:

LEGAL MATTERS:

PRESIDENT'S REPORT:

BOARD REPORTS:

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]

ADJOURNMENT

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) 831-2500 at least forty-eight (48) 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 forty-eight (48) hours prior to the scheduled meeting.

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 seventy-two (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 and on the District website at www.mnwd.com.



DRAFT
MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT

OPERATIONS FACILITIES ASSESSMENT STUDY (OFAS) WORKSHOP

February 12, 2014

A Special 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 9:00 AM on February 12, 2014. There were present and participating:

DIRECTORS

Scott Colton	Director
Richard Fiore	Director
Donald Froelich	Vice President
Gary Kurtz	Director
Larry Lizotte	Director
Larry McKenney	President
Brian Probolsky	Vice President

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Matt Collings	Assistant General Manager
Marc Serna	Director of Engineering & Operations
Gina Hillary	Director of Human Resources
Kelly Winsor	Assistant to the General Manager
Brian Thomas	Public Financial Management
Michael Bell	Public Financial Management
Matt Weber	Legal Counsel, Downey Brand
Kevin Turner	Voit
Mike Vartel	Voit
Nick Velasquez	Voit
Jack Panichapan	Gillis & Panichapan Architects
Paige Gulck	Board Secretary

#7.

1. CALL MEETING TO ORDER

The meeting was called to order by Larry McKenney at 9:07 a.m.

2. PUBLIC COMMENTS

None.

PRESENTATION ITEMS

3. Operations Facilities Assessment Study (OFAS)

Joone Lopez gave a short background on the item.

Matt Collings presented results of the Operations Facilities Assessment Study including project objectives, assessment of existing facilities, spacing issues, program options, and next steps. Discussion ensued regarding different scenarios including the pros, cons, and costs related to each scenario.

4. Late Items (Special Meeting - No Additions)

None.

CLOSED SESSION

Closed session convened at 10:30 a.m.

5. CONFERENCE WITH REAL PROPERTY NEGOTIATORS, Pursuant to Government Code Section 54956.8

Property: 27500 La Paz Road, Laguna Niguel CA 92677 & 26161 Gordon Road, Laguna Hills, CA 92653

Under Negotiation: Price and terms of payment

Real Property Negotiators: Joone Lopez, Matt Collings, Kevin Turner, Mike Hartel

Open session reconvened at 11:42 a.m.

Larry McKenney stated that there was no reportable action from closed session.

ADJOURNMENT

The meeting was adjourned by Larry McKenney at 11:44 a.m.

Respectfully submitted,

Paige Gulck
Board Secretary

DRAFT



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

February 20, 2014

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 PM on February 20, 2014. There were present and participating:

DIRECTORS

Scott Colton	Director
Richard Fiore	Director
Donald Froelich	Vice President
Gary Kurtz	Director
Larry Lizotte	Director
Larry McKenney	President
Brian Probolsky	Vice President (arrived at 5:38 p.m.)

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Matt Collings	Assistant General Manager
Marc Serna	Director of Engineering & Operations
Kelly Winsor	Assistant to the General Manager
Pat Giannone	Bowie, Arneson, Wiles & Giannone
Ruby Yuen	MNWD
Bob Gokoo	Attorney, ACWA/JPIA
Nancy Palmer	City of Laguna Niguel
Paige Gulck	Board Secretary

1. **CALL MEETING TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. MINUTE APPROVAL:

MOTION DULY MADE BY GARY KURTZ AND SECONDED BY DONALD FROELICH, MINUTES OF THE REGULAR BOARD OF DIRECTORS' MEETING DATED JANUARY 16, 2014 WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, LARRY LIZOTTE, AND LARRY MCKENNEY ALL VOTING 'AYE'. BRIAN PROBOLSKY WAS ABSENT.

4. PUBLIC COMMENTS:

None.

CONSENT CALENDAR ITEMS:(Items on the Consent Calendar have been discussed at the regularly scheduled Engineering/Operations and Finance/IT Board meetings)

5. REGIONAL LIFT STATION PUMP REPLACEMENT CONTRACT

It is recommended that the Board of Directors award the Construction Services Contract to Schuler Engineering Corporation in the amount of \$246,400; authorize the General Manager to execute the contract; and authorize the General Manager or designee to execute contract change orders up to 10% of the contract value.

6. AWARD OF ENGINEERING SERVICES AGREEMENT FOR INSPECTION SERVICES, PROJECT NO. 2013.003 & 2013.011

It is recommended that the Board of Directors approve the Engineering Services Agreement with Harper and Associates, Inc. in the amount of \$68,919; and authorize the General manager to execute the agreement.

7. ARCON CONTRACT AMENDMENT, PROJECT NO. 2006.038

It is recommended that the Board of Directors approve Amendment No. 1 to the Professional Services Agreement with Arcon Structural Engineers, Inc. for a not-to-exceed fee of \$6,930.00 and a total contract value not-to-exceed \$66,318.00; and authorize the General Manager to execute the amendment.

8. CONTRACT AMENDMENT FOR ASPHALT AND CONCRETE REPAIR CONSTRUCTION SERVICES FISCAL YEAR 2013/14

It is recommended that the Board of Directors authorize the General Manager to execute a contract amendment to increase the contract with Sanders Paving by \$225,000 for a total contract value not-to-exceed \$600,000.

Staff pulled Item 9 for return in March.

9. AGREEMENT FOR PARTICIPATION AND CO-FUNDING IN MUNICIPAL WATER DISTRICT OF ORANGE COUNTY REBATE PROGRAM

It is recommended that the Board of Directors authorize the General Manager to execute the “Agreement for Participation and Co-Funding by Moulton Niguel Water District in Specified Municipal Water District of Orange County Rebate Programs” subject to non-substantive changes approved by Legal Counsel and the District staff.

10. CITY OF LAGUNA NIGUEL CROWN VALLEY PARKWAY MEDIANS PROJECT

It is recommended that the Board of Directors authorize an expenditure of \$417,119 from the Efficiency Fund for the City of Laguna Niguel Crown Valley Parkway Medians Project subject to the execution of a reimbursement agreement with the city of Laguna Niguel.

MOTION DULY MADE BY GARY KURTZ AND SECONDED BY SCOTT COLTON, THE BOARD OF DIRECTORS APPROVED CONSENT CALENDAR ITEMS 5-8, 10 AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, AND LARRY MCKENNEY VOTING ‘AYE’. BRIAN PROBOLSKY WAS ABSENT.

GENERAL MANAGER MATTERS:

11. ASSOCIATION OF CALIFORNIA WATER AGENCIES STATEWIDE WATER ACTION PLAN FOR CALIFORNIA, RESOLUTION NO. 14-

It is recommended that the Board of Directors approve and adopt Resolution No. 14-__ entitled "SUPPORTING THE ASSOCIATION OF CALIFORNIA WATER AGENCIES STATEWIDE WATER ACTION PLAN".

Kelly Winsor presented the Association of California Water Agencies (ACWA) Statewide Water Action Plan with an amended resolution.

Larry McKenney stated that the Governor's key intent was to show statewide participation in a drought plan.

MOTION DULY MADE BY GARY KURTZ AND SECONDED BY LARRY LIZOTTE, THE BOARD OF DIRECTORS APPROVED ITEM 11 AS AMENDED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, LARRY MCKENNEY, AND BRIAN PROBOLSKY ALL VOTING ‘AYE’.

12. DROUGHT UPDATE, RESOLUTION NO. 14-

It is recommended that the Board of Directors approve and adopt Resolution No. 14-____ entitled "IMPLEMENTING CONSERVATION MEASURES IN RESPONSE TO 2014 DROUGHT CONDITIONS".

Joone Lopez presented a powerpoint on the drought in California. Discussion ensued regarding snow fall, dry year storage, amendments to the resolution, and recommended actions.

After discussions ended, Larry McKenney stated the Board will support the resolution with the conceptual amendments stated during the discussion. The revision includes the following statement: "The Board hereby encourages all of its customers to reduce their water usage by 20 percent as called upon by the Governor in order to help the State get through this dry period, extend available water reserves, and help reduce the severity of potential water shortages in the future. The District will continue to evaluate usage and in the event that the reduction is not being achieved, the Board of Directors will consider further actions to enforce conservation to ensure reliability."

The District's conservation program will be reviewed with the Board in the next few months.

MOTION DULY MADE BY LARRY MCKENNEY AND SECONDED BY DONALD FROELICH, THE BOARD OF DIRECTORS APPROVED ITEM 12 WITH AMENDMENTS FROM STAFF. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, LARRY MCKENNEY, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

FINANCE & INFORMATION TECHNOLOGY MATTERS:

13. UPDATED METER PACKAGE PRICING, RESOLUTION NO. 14-

It is recommended that the Board of Directors approve and adopt Resolution No. 14-____ entitled, "RESOLUTION OF THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT APPROVING WATER METER CHARGE INCREASE AND ADOPTING REVISIONS TO THE SCHEDULE OF RATES AND CHARGES SET FORTH IN EXHIBIT B TO THE RULES AND REGULATIONS OF MOULTON NIGUEL WATER DISTRICT FOR WATER AND SEWER SERVICE".

MOTION DULY MADE BY GARY KURTZ AND SECONDED BY SCOTT COLTON, THE BOARD OF DIRECTORS APPROVED ITEM 13 AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, LARRY MCKENNEY, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

PRESIDENT'S REPORT:

Larry McKenney stated he attended the Urban Water Institute Conference. He also attended the South Orange County Watershed Management Area meeting facilitated by the county. They discussed messaging related to the drought and encouraged everyone to be clear in their drought messages.

BOARD REPORTS:

Don Froelich stated that he attended the MWDOC planning meeting regarding retiree medical premiums. He also mentioned the memo regarding the second lower cross feeder project.

Gary Kurtz stated that the Doheny Desalination meeting is scheduled for March 10, 2014.

Richard Fiore stated that he attended the ISDOC luncheon with guest speaker Aaron Kushner, owner of the Orange County Register. He also mentioned the town paper and the article on water conservation published online. The guide is available at www.cityofmissionviejo.org/green.

Larry McKenney added that the South Orange County Agencies will be meeting regarding the MWDOC draft budget.

CLOSED SESSION:

14. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Pursuant to Government Code Section 54956.9(b)(1), a Closed Session will be conducted to confer with Legal Counsel regarding the following two claims:

- a. Claim of Mercury Insurance Group for Subrogation – K. & E. Tiber*
- b. Claim of USAA for Subrogation – C. Jones*

Larry McKenney reported the following actions from closed session:

(1) The Board rejected the claim of Mercury Insurance Group for subrogation regarding insured K. & E. Tiber by unanimous vote, with Directors Scott Colton, Richard Fiore, Donald Froelich, Gary Kurtz, Larry Lizotte, Larry McKenney, and Brian Probolsky voting 'aye'.

(2) The Board rejected the claim of USAA for subrogation regarding insured C. Jones by unanimous vote, with Directors Scott Colton, Richard Fiore, Donald Froelich, Gary Kurtz, Larry Lizotte, Larry McKenney, and Brian Probolsky voting 'aye'.

15. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (FIVE CASES)

Pursuant to Government Code Section 54956.9(A), a Closed Session will be conducted to confer with Legal Counsel regarding the following cases:

a. Shapell Industries, Inc., a Delaware Corporation vs Moulton Niguel Water District (Orange County Superior Court)

b. Briosa Owners Association, a California Corporation vs Moulton Niguel Water District (Orange County Superior Court)

c. Cantora Community Association vs Metropolitan Water District of Southern California, Moulton Niguel Water District (Orange County Superior Court)

d. Eckert, Repetti vs. Metropolitan Water District of Southern California, Moulton Niguel Water District (Orange County Superior Court)

e. Caito, Cenicerros vs. Metropolitan Water District of Southern California, Moulton Niguel Water District (Orange County Superior Court)

Larry McKenney reported that no reportable action was taken on this item.

16. CONFERENCE ON EXISTING LITIGATION (ONE CASE)

Pursuant to Government Code Section 54956.96 (a) (1) and (b), a Closed Session will be conducted to CONFERENCE INVOLVING A JOINT POWERS AGENCY: SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA)

Discussion will concern: Government Code Section 54956.9(a)-(d)(1), Existing Litigation of SOCWA: One Case (Legal Counsel will be present)

South Orange County Wastewater Authority vs Michael Demaree, Does 1 through 25, related cross complaint (Orange County Superior Court).

Name of MNWD representative on SOCWA Board: Director Larry Lizotte

Larry McKenney reported that no reportable action was taken on this item.

Closed session ended at 8:15p.m.

LATE ITEMS: (Appropriate Findings to be Made)

Staff has none.

ADJOURNMENT

The meeting was adjourned at 8:17 p.m.

Respectfully submitted,

Paige Gulck
Board Secretary

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