



**BOARD OF DIRECTORS' MEETING
MOULTON NIGUEL WATER DISTRICT
27500 La Paz Road, Laguna Niguel
July 17, 2014
5:30 PM
Approximate Meeting Time: 2 Hours**

1. CALL MEETING TO ORDER:

2. PLEDGE OF ALLEGIANCE:

3. MINUTE APPROVAL:

Minutes of the June 11, 2014 Special Board of Directors Meeting

Minutes of the June 19, 2014 Board of Directors Meeting

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.

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.

5. ADOPTION OF INITIAL STUDY/MITIGATED NEGATIVE DECLARATION FOR THE PLANT 3A EFFLUENT TRANSMISSION MAIN REPLACEMENT, PROJECT NO. 2009.115 (RESOLUTION NO. 14-___)

It is recommended that the Board of Directors approve Resolution No. 14-___ to adopt the Final Initial Study/Mitigated Negative Declaration for the Plant 3A Effluent Transmission Main Replacement, Project No. 2009.115 and approve the Project.

6. LA PAZ/MOULTON POTABLE WATER SYSTEM RECONFIGURATION PROJECT NO. 2012.034

It is recommended that the Board of Directors award the construction services contract to GCI Construction, Inc. in the amount of \$416,797; authorize the General Manager to execute the contract; and authorize the General Manager or designee to authorize change orders up to 10% of the contract value from the project contingency.

7. REIMBURSEMENT AGREEMENT WITH CITY OF MISSION VIEJO, PROJECT NO. 2012.037

It is recommended that the Board of Directors approve the Agreement between the City of Mission Viejo and MNWD for Relocation of the District Recycled Water Pipeline within the Oso Parkway Widening, Interstate 5 to Country Club Drive Project (Agreement) subject to non-substantive changes approved by the General Manager and Legal Counsel; authorize the General Manager to execute the Agreement; and authorize the General Manager or designee to execute construction change orders up to 10% of the MNWD's portion of the City of Mission Viejo construction contract value.

8. WASTEWATER CONVEYANCE AGREEMENT WITH SANTA MARGARITA WATER DISTRICT

It is recommended that the Board of Directors approve the Wastewater Conveyance Agreement (Agreement) subject to non-substantive changes approved by the General Manager and Legal Counsel; and authorize the General Manager to execute the Agreement.

9. AMENDMENT NO. 2 TO AGREEMENT WITH ENVIRONMENTAL COMPLIANCE INSPECTION SERVICES (ECIS)

It is recommended that the Board of Directors authorize the General Manager to execute Amendment No. 2 to the Agreement with ECIS for an amount not-to-exceed \$140,000 for Fiscal Year 2014-15, and an option to extend for \$140,000 for Fiscal Year 2015-16.

10. BACKHOE PURCHASE FOR FISCAL YEAR 2014-2015

It is recommended that the Board of Directors approve the purchase of a new Caterpillar 420F BHL Backhoe from Quinn Caterpillar for \$136,000.

11. VIA LOMAS SLOPE REPAIR

It is recommended that the Board of Directors award a construction contract to GCI Construction Inc. in the not-to-exceed amount of \$63,000; 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.

12. REPAIR SERVICES FOR ON-SITE MONITORING SYSTEMS

It is recommended that the Board of Directors authorize the General Manager to execute a service agreement with Superior Water Technologies, Inc. for a not-to-exceed amount of \$80,000.

13. AMMONIA PRODUCTS AND DELIVERY SERVICE AGREEMENT

It is recommended that the Board of Directors authorize the General Manager to execute a service agreement with Airgas, Inc. for a total not-to-exceed amount of \$50,000 during Fiscal Years 2014-15 and 2015-16.

14. SALT DELIVERY SERVICE AGREEMENT

It is recommended that the Board of Directors authorize the General Manager to execute a services agreement with Stepsaver, Inc., (Stepsaver) for a total not-to-exceed amount of \$66,000 during Fiscal Years 2014-15 and 2015-16.

15. ORANGE COAST WATERSHED AND ENVIRONMENTAL CENTER

It is recommended that the Board of Directors authorize the General Manager to expend \$18,000 to the Orange Coast Watershed and Environmental Center to support the watershed education programs in Laguna Niguel.

16. BAY DELTA CONSERVATION PLAN COMMENT LETTER

It is recommended that the Board of Directors approve the Letter of Support from Municipal Water District of Orange County for the Bay Delta Conservation Plan Preferred Alternative (No. 4).

17. ADOPTION OF THE PURCHASING POLICY (RESOLUTION NO. 14-___)

It is recommended that the Board of Directors adopt Resolution 14-__ to approve and adopt the terms of the updated Purchasing Policy.

GENERAL MANAGER MATTERS:

FINANCE & INFORMATION TECHNOLOGY MATTERS:

18. REBATE PROGRAM ADMINISTRATION

It is recommended that the Board of Directors authorize staff to modify the rebate incentives to eliminate maximum limitations on various water saving devices as part of the transfer to the WaterSmart program.

LEGAL MATTERS:

19. PUBLIC HEARING AND ANNUAL ADOPTION OF RESOLUTION FOR COLLECTION OF 2014-15 [SOUTH COAST WATER DISTRICT] SEWER SERVICE CHARGES AND RATES FOR LAGUNA SUR/MONARCH POINT REORGANIZATION AREA ON PROPERTY TAX BILL (RESOLUTION NO. 14-___)

The District is required to annually collect the sewer charges and rates set by South Coast Water District (SCWD) for the Reorganization Area. The District has continued the long-time practice of collecting those charges and rates on the tax roll, in lieu of monthly or bimonthly billings, as

permitted under Health and Safety Code Sections 5471 et seq. A noticed public hearing is required for consideration of the tax roll collection procedure for 2014-15. Staff has made available the assessor parcel report that includes the 2014-15 sewer charges and rates previously adopted by SCWD.

RECOMMENDED ACTIONS:

It is recommended that the Board of Directors conduct a public hearing for the fiscal year 2014-15 report for the Laguna Sur/Monarch Point Reorganization Area Tax Roll Collection Process.

(Board President opens the hearing, calls for public comments, receives any comments or protests, and closes the hearing)

Upon hearing no protest, it is recommended that the Board of Directors adopt Resolution No. 14-__ entitled, "Adopting Report of Annual Sewer Service Charges to be Collected via Property Tax Statements on Tax Roll for the Period Commencing July 1, 2014 (Laguna Sur/Monarch Point LAFCO Reorganization RO96-05)."

PRESIDENT'S REPORT:

BOARD REPORTS:

CLOSED SESSION:

20. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (FOUR CASES)

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

*Claim of Hansen
Claim of Mercury Insurance Group/Espinoza
Claim of Mercury Insurance Group/Shon
Claim of Mercury Insurance Group/Goddard*

21. CONFERENCE INVOLVING A JOINT POWERS AGENCY: SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA)

Pursuant to Government Code Section 54956.96 (a) (1) and (b), Closed Sessions will be conducted for the following purposes (Legal Counsel in attendance):

i. Discussion will concern: Government Code Section 54956.9(a)-(d)(1), Existing Litigation of SOCWA: One Case South Orange County Wastewater Authority vs Michael Demaree, Does 1 through 25, related cross complaint (Orange County Superior Court).

ii. Discussion will concern: Conference with Real Property Negotiators, conveyance of AWMA Bridge/easement to County of Orange PROPERTY - the AWMA Bridge and associated easement is located at the intersection of AWMA Road and Alicia Parkway at the entrance to the County's Woods Canyon/Aliso Canyon Wilderness Parks

NEGOTIATING PARTIES - SOCWA, County of Orange/Stacy Blackwood, Mark Denny

SOCWA NEGOTIATORS - General Manager, Interim General Manager, Director of Operations
UNDER NEGOTIATION - Price, terms of payment

Name of MNWD representative on SOCWA Board: Director Larry Lizotte

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

June 11, 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 June 11, 2014. There were present and participating:

DIRECTORS

| | |
|-----------------|---------------------------------|
| Scott Colton | Director |
| Richard Fiore | Director |
| Donald Froelich | Vice President |
| Larry Lizotte | Director |
| Larry McKenney | President (arrived at 9:21a.m.) |
| 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 |
| Paige Gulck | Board Secretary |
| Eva Plajzer | MNWD |
| Todd Novacek | MNWD |
| Karren Maddox | MNWD |
| Drew Atwater | MNWD |
| Michael Bell | Public Financial Management |

1. CALL MEETING TO ORDER

The meeting was called to order by Donald Froelich at 9:06 a.m.

#3.

2. PUBLIC COMMENTS

None.

DISCUSSION ITEMS

3. Fiscal Years 2014-15 and 2015-16 Budget

Joone Lopez stated that over the past two months, staff has been providing the Board of Directors with portions of the budget. Final numbers will be presented today.

Matt Collings presented the final fund summary, budget summary, debt repayments, capital outlay, and staffing plan. Michael Bell presented the final 10-year cash flow model. Discussion ensued regarding all aspects of the final proposed budget.

4. Metropolitan Water District (MET) Representative Selection Update

Larry McKenney stated that he has submitted his letter of interest for the Metropolitan Water District of Southern California (MET) representative and will be available for questions, but will not be participating in the discussion.

Joone Lopez gave a brief overview of the selection process and stated that the deadline for submission is June 16, 2014 and board action needs to be taken on this item.

Brian Probolsky stated he was very pleased with the District's coordination of the MET representative nomination committee.

It is recommended that the Board of Directors approve submitting Larry B. McKenney to the Nomination Committee to further evaluate and provide a nominee to the Municipal Water District of Orange County, which is the agency responsible for appointing representatives to the MET Board of Directors.

MOTION DULY MADE BY RICHARD FIORE AND SECONDED BY DONALD FROELICH, ITEM 4 WAS APPROVED AS DISCUSSED. THE ROLL CALL VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, DONALD FROELICH, RICHARD FIORE, GARY KURTZ, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'. DIRECTOR LARRY MCKENNEY ABSTAINED.

CLOSED SESSION

5. **PURSUANT TO GOVERNMENT CODE SECTION 54957, A CLOSED SESSION WILL BE CONDUCTED FOR:**

Public Employee Annual Performance Evaluation

Title: General Manager

ADJOURNMENT

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

The meeting was adjourned at 12:27 p.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

June 19, 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 June 19, 2014. There were present and participating:

DIRECTORS

| | |
|-----------------|---------------------------------------|
| Scott Colton | Director |
| Richard Fiore | Director |
| Donald Froelich | Vice President |
| Larry Lizotte | Director |
| Larry McKenney | President |
| Brian Probolsky | Vice President (arrived at 5:40 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 |
| Gina Hillary | Director of Human Resources |
| Kelly Winsor | Assistant to the General Manager |
| Pat Giannone | Bowie, Arneson, Wiles & Giannone |
| Paige Gulck | Board Secretary |
| Megan Geer | MNWD |
| Ruth Zintzun | MNWD |
| Drew Atwater | MNWD |
| Michael Bell | Public Financial Management |
| Bob Gokoo | Attorney, ACWA/JPIA |
| Susan Hinman | MWDOC |
| Carol Lagner | CAC Member |
| Tom Levy | Member of the Public |
| Bob Hill | Member of the Public |

#3.

Peyton Hill
Susie Griffin

Member of the Public
Member of the Public

1. **CALL MEETING TO ORDER:**

The meeting was called to order by Larry McKenney at 5:32 p.m.

2. **PLEDGE OF ALLEGIANCE:**

3. **PUBLIC COMMENTS - OPEN SESSION:**

- a. Metropolitan Water District of Southern California Poster Contest Winner

Larry McKenney honored the winner of the poster contest, Peyton Hill, from Laguna Elementary School. Peyton stated she was happy that she participated and won.

4. **PUBLIC COMMENTS - CLOSED SESSION:**

None.

5. **CLOSED SESSION:**

- a. **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (1 CASE)**

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

Supplemental Claim of Cantora Community Association

- b. **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (5 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. Briosa Owners Association, a California Corporation vs Moulton Niguel Water District (Orange County Superior Court)

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

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

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

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

6. RETURN TO PUBLIC SESSION:

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

7. REPORT OF CLOSED SESSION:

Larry McKenney reported that the Board of Directors rejected the claim of Cantora Community Association as to those portions that were not time barred, and authorized return of the claim as a late claim as to those portions that were filed un-timely, pursuant to notice to be prepared by Staff and Legal Counsel.

There was no other action taken during closed session.

8. PUBLIC COMMENTS - OPEN SESSION:

Susan Hinman provided updates from Municipal Water District of Orange County (MWDOC) regarding implementation of the Bay Delta Conservation Plan and the Water Policy dinner.

Tom Levy presented his nomination as the City of San Clemente's candidate for the South Orange County Agencies representative on Metropolitan Water District's board.

9. MINUTE APPROVAL:

Minutes of the May 2, 2014 Special Board of Directors Meeting - Long Range Financial Plan Workshop

Minutes of the May 15, 2014 Board of Directors' Meeting

Minutes of the May 27, 2014 Special Board of Directors Meeting - Proposed Budget Review for Fiscal Years 2014/15 and 2015/16

MOTION DULY MADE BY BRIAN PROBOLSKY AND SECONDED BY SCOTT COLTON, MINUTES OF THE MAY 2, 2014 SPECIAL BOARD OF DIRECTORS MEETING - LONG RANGE FINANCIAL PLAN WORKSHOP, AND MINUTES OF THE MAY 27, 2014 SPECIAL BOARD OF DIRECTORS MEETING - PROPOSED BUDGET REVIEW FOR FISCAL YEARS 2014/15 AND 2015/16 WERE APPROVED AS PRESENTED. MINUTES OF THE MAY 15, 2014 BOARD OF DIRECTORS' MEETING WERE APPROVED WITH AMENDMENTS. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, LARRY LIZOTTE, LARRY MCKENNEY, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

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

10. AMENDMENT NO. 5 TO AGREEMENT WITH ATS COMMUNICATIONS FOR FY 2014-15

It is recommended that the Board of Directors approve Amendment No. 5 with ATS Communications for a not-to-exceed amount of \$90,000 for FY 2014-15 for a total contract value of \$338,357; and authorize the General Manager to execute Amendment No. 5 to the Professional Services Agreement.

11. AMENDMENT NO. 2 TO AGREEMENT WITH ENVIRONMENTAL COMPLIANCE INSPECTION SERVICES (ECIS)

It is recommended that the Board of Directors authorize the General Manager to execute Amendment No. 2 to the Agreement with ECIS for a total amount not-to-exceed \$280,000 to perform the FOG Inspection Services during Fiscal Years 2014-15 and 2015-16.

12. FISCAL YEAR 2014-15 METER MAINTENANCE AND REPLACEMENT PROGRAM

It is recommended that the Board of Directors authorize meter and meter-related purchases for an amount not-to-exceed \$815,000 for FY 2014-15.

13. ANNUAL GANN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2014-15 (RESOLUTION NO. 14 - __)

It is recommended that the Board of Directors approve Resolution No. 14-__ "Approving Its Appropriations Limit for Fiscal Year 2014-15 and Finding Compliance with Article XIII B of the Constitution of the State of California."

14. SELECTION OF THE ANNUAL LUMP SUM PREPAYMENT OPTION FOR EMPLOYER CONTRIBUTIONS TO CALPERS FOR FY 2014-15

It is recommended that the Board of Directors elect the annual lump sum prepayment option for employer contributions to CalPERS for FY 2014-15.

15. SECURITY SERVICES FOR FISCAL YEAR 2014-15

It is recommended that the Board of Directors approve Amendment No. 3 with G4S to extend the term of the agreement to June 30, 2015 and increase the agreement amount by \$60,000 for a total agreement amount not-to-exceed \$250,000.

Item 11 was pulled per staff.

MOTION DULY MADE BY LARRY LIZOTTE AND SECONDED BY BRIAN PROBOLSKY, ITEMS 10, 12-15, WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, LARRY LIZOTTE, LARRY MCKENNEY, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

ENGINEERING & OPERATIONS MATTERS:

16. REVISION TO TURF REMOVAL REBATE INCENTIVE

It is recommended that the Board of Directors authorize the reduction of rebate incentives for turf removal from \$1.50 per square foot to \$0.50 per square foot, in response to increased rebate incentives from the Metropolitan Water District of Southern California.

Joone Lopez provided background on the rebate incentive. No action will be taken on the item.

17. REBATE APPLICATIONS FOR TURF REMOVAL

It is recommended that the Board of Directors authorize the additional rebate applications received by the District for the identified projects without a limitation on the maximum allowable acreage for each rebate application, in response to the drought emergency.

Matt Collings provided background on the item. Discussion ensued regarding the District's policy for turf removal.

MOTION DULY MADE BY DONALD FROELICH AND SECONDED BY LARRY LIZOTTE, ITEM 17 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, LARRY LIZOTTE, LARRY MCKENNEY, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

FINANCE & INFORMATION TECHNOLOGY MATTERS:

18. FISCAL YEARS 2014-15 AND 2015-16 BUDGET (RESOLUTION NO. 14-__)

It is recommended that the Board of Directors approve Resolution No. 14 - __
"Approving a Budget Appropriation and Adopting Operating Budgets for Fiscal Years 2014-15 & 2015-16 and Capital Improvement Program Budget for Fiscal Year 2014-15."

MOTION DULY MADE BY LARRY LIZOTTE AND SECONDED BY DONALD FROELICH, ITEM 18 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, LARRY LIZOTTE, LARRY MCKENNEY, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

LEGAL MATTERS:

19. LAGUNA SUR SEWER RATES (RESOLUTION NO. 14-)

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 sewer service charges and rates on the tax roll, and then remits the charges and rates to SCWD. Attached 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 in the absence of majority protests to the tax roll collection procedure. The proposed charges and rates are anticipated to be the same as those adopted for FY 2014-15 by SCWD and MNWD in July 2013 pursuant to a 218 notice/hearing process.

RECOMMENDED ACTION:

It is recommended that the Board of Directors adopt Resolution No. 14-__ entitled, “Setting FY 2014-15 Sewer Service Charges and Usage Rates for Specified Parcels Laguna Sur/Monarch Point Property to be Collected via Property Tax Statements on the FY 2014-15 Tax Roll, Directing Filing of Written Report and Calling a Hearing thereon (Laguna Sur/Monarch Point LAFCO Reorganization RO96-05)”

Richard Fiore recused himself from the topic and left the room.

Pat Giannone provided background on the item in relation to Prop. 218.

MOTION DULY MADE BY LARRY LIZOTTE AND SECONDED BY SCOTT COLTON, ITEM 19 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, DONALD FROELICH, LARRY LIZOTTE, LARRY MCKENNEY, AND BRIAN PROBOLSKY ALL VOTING 'AYE'. DIRECTOR RICHARD FIORE ABSTAINED.

GENERAL MANAGER MATTERS:

Joone Lopez was pleased to announce that the District received the Government Finance Officers Association (GFOA) award for Excellence in Financial Reporting for the second year in a row.

The MET rep selection process is proceeding well. The deadline for submission of nominations was June 16, 2014. The next South Orange County Agencies Meeting is June 24, 2014.

The MWDOC Water Policy dinner is July 30, 2014.

Laguna Hills and MNWD have a joint project up for consideration of a Golden Hub Innovation Award from the Association of California Cities – Orange County.

The Grand Jury report was discussed at the MWDOC managers meeting.

PRESIDENT'S REPORT:

No report.

BOARD REPORTS:

Scott Colton attended the Santiago Aqueduct Committee Meeting. The pipeline will be repaired and capacity rights have been delegated.

CLOSED SESSION:

20. PURSUANT TO GOVERNMENT CODE SECTION 54957, A CLOSED SESSION WILL BE CONDUCTED FOR:

Public Employee Annual Performance Evaluation

Title: General Manager

21. PURSUANT TO GOVERNMENT CODE SECTION 54957.6, A CLOSED SESSION WILL BE CONDUCTED FOR:

Conference with Labor Negotiators

District Representative: Larry McKenney, President, Board of Directors

Unrepresented Employee: General Manager

OPEN SESSION:

22. CONSIDERATION OF AN AMENDMENT TO THE GENERAL MANAGER'S CONTRACT

Amend the General Manager's Contract

Larry McKenney stated the Board has concluded the General Manager's performance evaluation. The contract was amended to reflect an annual compensation of \$235,750 starting June 28, 2014. The Board arrived at this amount after reviewing a salary survey of General Managers in the area, and believes that this amount reflects the level of work and dedication the General Manager has provided thus far. Additionally, the Board noted that when the General Manager was hired, she started below former General Manager's compensation.

LATE ITEMS: (Appropriate Findings to be Made)

None.

ADJOURNMENT:

The meeting was adjourned at 7:43 p.m.

Respectfully submitted,

Paige Gulck
Board Secretary

RESOLUTION NO. 14-_____

RESOLUTION OF THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT ADOPTING REPORT OF ANNUAL SEWER SERVICE CHARGES TO BE COLLECTED VIA PROPERTY TAX STATEMENTS ON TAX ROLL FOR THE PERIOD COMMENCING JULY 1, 2014

(LAGUNA SUR/MONARCH POINT LAFCO REORGANIZATION RO96-05)

WHEREAS, the Moulton Niguel Water District (MNWD or District) is a California Water District organized and existing under the California Water District Law (California Water Code Section 34000 *et seq.*), and all of the land within the boundaries of said District are located in the County of Orange, State of California;

WHEREAS, pursuant to Orange County Local Agency Formation Commission (LAFCO) Reorganization RO96-05, certain real property commonly known as the Laguna Sur/Monarch Point area (“Property”) was detached from South Coast Water District (SCWD) and annexed to Moulton Niguel Water District (MNWD), subject to the terms and conditions approved by LAFCO for Reorganization RO96-05. Reference is made to the map and legal description depicting the boundaries of the Property under Reorganization RO96-05 attached to LAFCO’s Certificate of Completion recorded on April 30, 1997;

WHEREAS, included within the terms and conditions of Reorganization RO96-05 is the requirement that SCWD continue to provide for sewage collection, conveyance, treatment and disposal services to the Property, and annually furnish MNWD with SCWD’s authorized sewer service charges (“Reorganization Sewer Service Charges”) in sufficient time for MNWD to arrange for the continued collection of such charges on the tax roll, which has been SCWD’s practice commencing 1995;

WHEREAS, after individual notice to property owners of parcels within the Property, a public hearing pursuant to Health and Safety Code Section 5473 *et seq.*, and adoption of Ordinance No. 180 entitled “An Ordinance of the Board of Directors of South Coast Water District Establishing Method for Billing Sewer Service Charges for the Fiscal Year Commencing July 1, 1995,” on July 25, 1995, as thereafter supplemented, SCWD approved the Reorganization Sewer Service Charges to be collected from parcels within the Property via the property tax statements on the tax roll;

WHEREAS, SCWD thereafter from time-to-time revised the Reorganization Sewer Service Charges, and MNWD has continuously provided for the collection of the Reorganization Sewer Service Charges, as revised from time to time by SCWD, via the property tax statements on the tax roll;

WHEREAS, SCWD most recently revised the Reorganization Sewer Service Charges for the Property for years 2013-14 and 2014-15 in July, 2013 (“2013 SCWD Rate Revisions”);

WHEREAS, MNWD adopted Ordinance No. 13-01 authorizing the 2013 SCWD Rate Revisions for the Property;

WHEREAS, the Board of Directors of MNWD (the “Board”) finds it in MNWD’s best interest to continue to collect the Reorganization Sewer Service Charges on the tax roll via the property tax statements;

WHEREAS, by Resolution No. 14-07 adopted on June 19, 2014, the Board elected to continue to have the Reorganization Sewer Service Charges for parcels within the Property collected on the tax roll in the same manner, by the same persons, and at the same time as, together with and not separately from, general taxes, pursuant to Section 5473 *et seq.* of the California Health and Safety Code, effective July 1, 2014, subject to a public hearing thereon and the consideration of all protests and objections to such collection practice;

WHEREAS, pursuant to Resolution No. 14-07, a report (“Report”) has been filed with the District Secretary containing a description of such parcels and the corresponding Reorganization Sewer Service Charges to be collected effective July 1, 2014, which Report is attached hereto as Exhibit A and incorporated herein by this reference;

WHEREAS, pursuant to Health and Safety Code Section 5473.1, the filing of the Report and notice of public hearing thereon was duly noticed as required by law by publication once each week for two successive weeks in the *Orange County Register*, a newspaper of general circulation, printed and published in the Property boundaries, such hearing to be held on July 17, 2014, at 5:30 p.m. (or as soon thereafter as practicable) at the Board Meeting Room located at 27500 La Paz Road, Laguna Niguel, California 92677;

WHEREAS, at the time set, the duly noticed public hearing was held and all persons interested were given an opportunity to be heard concerning the Report and to submit any objections or protests to the Report; and

WHEREAS, the Board finds it in MNWD’s best interest to continue to collect the Reorganization Sewer Service Charges in accordance with the 2013 SCWD Rate Revisions on the tax roll via the property tax statements.

NOW, THEREFORE, the Board of Directors of Moulton Niguel Water District does hereby **RESOLVE, DETERMINE and ORDER** as follows:

Section 1. The Recital clauses and findings set forth above are incorporated herein.

Section 2. The Board hereby determines that protests to the Report were not made by the owners of a majority of separate parcels of the Property described in the Report.

Section 3. The Board hereby adopts the Report attached as Exhibit A to this Resolution containing a description of the parcels comprising the Property for which the Reorganization Sewer Service Charges shall be collected via property tax statements on the tax roll and containing the amount of the charges for each parcel effective July 1, 2014, computed in conformity with the schedule of rates and charges approved by the Board pursuant to MNWD Ordinance No. 13-1, which ordinance adopted the SCWD 2013 Rate Revisions, as described above in the Recitals.

Section 4. The Secretary is hereby authorized and directed to endorse on the Report a statement that the Report was adopted by this Board of Directors on July 17, 2014, and to take

whatever other action is required by the County of Orange Auditor-Controller (or other County officers) in regard thereto.

Section 5. The Secretary is hereby authorized and directed to file a copy of the Report with the County of Orange Auditor-Controller (or such other County officers as may request same).

Section 6. The County of Orange Auditor-Controller (and such other County officers as required) be, and hereby is, ordered and directed to add the Reorganization Sewer Service Charges to the 2014-2015 secured tax roll in accordance with the Report.

Section 7. The Secretary shall cause a copy of this Resolution and the Report, in either written or electronic form, to be filed with the County of Orange Auditor-Controller (or such County officers as required) on or before August 10, 2014, or such other date as permitted by the County officers.

APPROVED, ADOPTED and SIGNED this 17th day of July 2014.

MOULTON NIGUEL WATER DISTRICT

President
MOULTON NIGUEL WATER DISTRICT and of the
Board of Directors thereof

Secretary
MOULTON NIGUEL WATER DISTRICT and of the
Board of Directors thereof

APPROVED AS TO FORM:

BOWIE, ARNESON, WILES & GIANNONE
Legal Counsel - MNWD

By: _____
Patricia B. Giannone

#19.

Exhibit A

Report of Assessor Parcels – Reorganization Sewer Service Charges Fiscal Year 2014-15