



**AMENDED**  
**BOARD OF DIRECTORS' MEETING**  
**MOULTON NIGUEL WATER DISTRICT**  
**27500 La Paz Road, Laguna Niguel**  
**August 21, 2014**  
**5:30 PM**  
**Approximate Meeting Time: 3 Hours**

1. **CALL MEETING TO ORDER:**

2. **PLEDGE OF ALLEGIANCE:**

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

4. **CLOSED SESSION:**

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

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

*a) United States, the States of California, Delaware, Florida, Illinois, Indiana, Nevada, New Mexico, New York, and Tennessee, the Commonwealths of Massachusetts and Virginia, and the District of Columbia ex rel. John Hendrix vs. J-M Manufacturing Company, Inc., d/b/a JM Eagle, a Delaware corporation, and Formosa Plastics Corporation, U.S.A., a Delaware corporation: Federal and State court cases*

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

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

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

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

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

b. 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*

5. **RETURN TO PUBLIC SESSION:**

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

6. **REPORT OF CLOSED SESSION:**

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

8. **MINUTE APPROVAL:**

Minutes of the July 1, 2014 Special Board of Directors Meeting

Minutes of the July 17, 2014 Board of Directors Meeting

Minutes of the July 28, 2014 Special Board of Directors Meeting

**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. **ON-CALL SERVICE AGREEMENT FOR MANHOLE REHABILITATION PROGRAM, PROJECT NO. 2014.009**

It is recommended that the Board of Directors award the service agreement for the Manhole Rehabilitation Program to Ayala Engineering for a total not-to-exceed amount of \$600,000

(\$300,000 per year) during Fiscal Years 2014-15 and 2015-16; and authorize the General Manager to execute the agreement.

**10. AMENDMENT TO ENGINEERING DESIGN SERVICES AGREEMENT FOR THE PRESSURE REDUCING STATIONS RELOCATION PROJECT**

It is recommended that the Board of Directors approve Amendment No. 4 to the Engineering Design Services Agreement with Tetra Tech, Inc. valued at \$9,400, for a total not-to-exceed contract amount of \$143,700; authorize the General Manager to execute the Amendment; and authorize the General Manager or designee to authorize change orders up to 10% of the agreement value from the project contingency.

**11. BULK FUEL DELIVERY SERVICES AGREEMENT**

It is recommended that the Board of Directors award a two-year service agreement to Nickey Petroleum Co., Inc. for a total not-to-exceed amount of \$680,000 (\$340,000 per year) for the purchase and delivery of unleaded fuel, diesel fuel, and motor oil lubricants during Fiscal Years 2014-15 and 2015-16; and authorize the General Manager to execute the agreement.

**12. REVISED RESERVE POLICY**

It is recommended that the Board of Directors approve the revised Reserve Policy.

**GENERAL MANAGER MATTERS:**

**13. AT-LARGE ELECTIONS**

Recommend action: As directed by the Board of Directors

**ENGINEERING & OPERATIONS MATTERS:**

**14. DESIGNATION OF APPLICANT'S AGENT FOR FEMA GRANT**

It is recommended that the Board of Directors adopt Resolution 14-\_\_\_ designating District agent for Hazard Mitigation Grant Program and execution of application and authorizing other actions in connection with the grant program application.

**FINANCE & INFORMATION TECHNOLOGY MATTERS:**

**15. AMENDMENT NO. 1 TO AGREEMENT WITH MWH AMERICAS, INC.**

It is recommended that the Board of Directors authorize the General Manager to execute Amendment No. 1 to the Agreement with MWH for an amount not-to-exceed \$17,000.

**PRESIDENT'S REPORT:**

**BOARD REPORTS:**

**CLOSED SESSION:**

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

*Property: 4 Liberty, Aliso Viejo, 92656*

*Under Negotiation: Price and terms of payment*

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

**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](http://www.mnwd.com).



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

**July 1, 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 2:00 PM on July 1, 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

Also present and participating were:

**STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC**

Joone Lopez	General Manager
Matt Collings	Assistant General Manager
Paige Gulck	Board Secretary
Ruth Zintzun	MNWD
Michael Bell	Public Financial Management
Matt Weber	Downey Brand
Mike Hartel	Voit
Kevin Turner	Voit
Tim Strader Jr.	Starpointe Ventures
Patrick Strader	Starpointe Ventures

**1. CALL MEETING TO ORDER**

*The meeting was called to order by Larry McKenney at 2:03 p.m.*

**#8.**

2. PUBLIC COMMENTS

*None.*

**CLOSED SESSION**

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

*Property: 4 Liberty, Aliso Viejo, 92656*

*Under Negotiation: Price and terms of payment*

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

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

**ADJOURNMENT**

*The meeting was adjourned at 3:46 p.m.*

Respectfully submitted,

Paige Gulck  
Board Secretary



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

**July 17, 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 July 17, 2014. There were present and participating:

**DIRECTORS**

Scott Colton	Director
Richard Fiore	Director (left approx. 8:10 p.m.)
Donald Froelich	Vice President (left approx. 7:30 p.m.)
Gary Kurtz	Director
Larry Lizotte	Director
Larry McKenney	President
Brian Probolsky	Vice President (left approx. 8:20 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
Eva Plajzer	MNWD
Megan Geer	MNWD
Drew Atwater	MNWD
Craig Crawford	MWND
Claudio Weinstein	Member of the Public
Bryce Froelich	Member of the Public
Cal Olsen	Member of the Public

## #8.

### 1. CALL MEETING TO ORDER:

*The meeting was called to order by Larry McKenney at 5:30 p.m.*

### 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

*MOTION DULY MADE BY RICHARD FIORE AND SECONDED BY LARRY MCKENNEY, MINUTES OF THE JUNE 11, 2014 SPECIAL BOARD OF DIRECTORS MEETING WERE APPROVED AS PRESENTED AND MINUTES OF THE JUNE 19, 2014 BOARD OF DIRECTORS MEETING WERE APPROVED AS AMENDED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, AND LARRY MCKENNEY ALL VOTING 'AYE'. DIRECTOR BRIAN PROBOLSKY WAS ABSENT.*

### 4. PUBLIC COMMENTS:

*Claudio Weinstein made a comment in regards to using technology to accelerate notification to customers when their usage is getting higher than usual.*

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

*Items 10, 16, and 17 were pulled per staff.*

*MOTION DULY MADE BY LARRY LIZOTTE AND SECONDED BY GARY KURTZ, ITEMS 5-9 AND 11-15 WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, AND LARRY MCKENNEY ALL VOTING 'AYE'. DIRECTOR BRIAN PROBOLSKY WAS ABSENT.*

### 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. 14-08 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.

*Matt Collings provided a brief background on the item and presented a revised recommendation.*

*REVISED: It is recommended that the Board of Directors approve the purchase of a new Caterpillar 420F BHL Backhoe from Quinn Caterpillar for \$136,841 and authorize the trade-in of five vehicles - Units 185, 196, 168, 195 and 173 to be credited towards the purchase of the backhoe.*

## #8.

*MOTION DULY MADE BY LARRY LIZOTTE AND SECONDED BY GARY KURTZ, ITEM 10 WITH THE REVISED RECOMMENDATION WAS APPROVED AS AMENDED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, AND LARRY MCKENNEY ALL VOTING 'AYE'. DIRECTOR BRIAN PROBOLSKY WAS ABSENT.*

### 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 and conservation 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).

*Drew Atwater presented the Bay Delta Conservation Plan. Discussion ensued regarding impact of the drought, plan costs, and implementation of the plan. Revisions to the letter of support were also discussed. Videos regarding the plan are available to the public at www.baydeltaconservationplan.com.*

*Brian Probolsky arrived at 5:55 p.m.*

*MOTION DULY MADE BY RICHARD FIORE AND SECONDED BY GARY KURTZ, ITEM 16 WAS APPROVED AS REVISED WITH ANY SUBSTANTIVE CHANGES TO BE REVIEWED BY LARRY MCKENNEY AND JOONE LOPEZ. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, LARRY MCKENNEY, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.*

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.

*Joone Lopez presented the item. Discussion ensued regarding changes to the policy. Staff will implement comments and changes to the policy. The revised policy will be brought back to the Board at the next finance meeting.*

**GENERAL MANAGER MATTERS:**

*Joone Lopez provided a briefing on the emergency regulations set by the State Water Resources Control Board (SWRCB). The SWRCB recognizes the allocation based rate structure as an effective conservation measure. Districts with such rate structures will be able to submit an alternate plan that would not require mandatory enforcement. Monthly updates will be provided to the State Board. Staff has been informed on appropriate public messaging.*

*The Municipal Water District of Orange County (MWDOC) Managers meeting was held earlier today. The OC Register reporter was in attendance to hear thoughts on the drought and the emergency regulations.*

*The Metropolitan Water District of Southern California (MET) Representative selection process is almost at an end. The goal is to have a nominee to present to MWDOC by the end of the month. The South Orange County Agencies meeting is July 29, 2014 at noon.*

*The final letter supporting the nominee will be distributed at the meeting. Seating of the MET representative should be sometime in September.*

*Groundbreaking for the artificial turf fields at Laguna Hills Athletic Fields is confirmed for July 24, at 2:00 p.m.*

*Special Board meetings will be held in August in regards to the Operations Facility Assessment Study. Confirmation of dates and times will be sent via email.*

*Thank you to all the Board members who attended the Orange County Employees Association (OCEA) hot dog day on July 15, 2014.*

*Staff identified inaccurate meter readings at the South County Pipeline (OC-88) Potential reimbursement to the three agencies using the pipeline is being pursued. Details are to follow next month.*

*Richard Fiore was excused from the meeting.*

**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.

*There was no further discussion on this item as it was covered at the Finance Board meeting.*

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

**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. 14-09)**

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)."

*Pat Giannone stated that to conclude this proceeding a hearing is needed to pass through rates set by South Coast Water District. The rates are the same as last year. An affidavit and proof of posting have been entered for the record.*

*Larry McKenney opened the hearing. There were no protests from public or staff. Upon hearing no protests, the public hearing was closed.*

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

**PRESIDENT'S REPORT:**

*None.*

**BOARD REPORTS:**

*Brian Probolsky asked the Board to start thinking about potential ramifications if Larry McKenney were to be selected as the MET representative.*

**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*

*Claim of Hansen: Larry McKenney reported that the Board of Directors rejected the claim of Hansen 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.*

*Claim of Mercury Insurance Group/Espinoza: Larry McKenney reported that the Board of Directors rejected the claim of Mercury Insurance/Espinoza and authorized staff to send a notice of claim rejection in accordance with ACWA/JPIA's recommended form.*

*Claim of Mercury Insurance Group /Shon: Larry McKenney reported that the Board of Directors rejected the claim of Mercury Insurance/Shon and authorized staff to send a notice of claim rejection in accordance with ACWA/JPIA's recommended form.*

*Claim of Mercury Insurance Group /Goddard: Larry McKenney reported that the Board of Directors rejected the claim of Mercury Insurance/Goddard and authorized staff to send a notice of claim rejection in accordance with ACWA/JPIA's recommended form.*

**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*

*Larry McKenney reported that Brian Probolsky recused himself on this item. There was no reportable action from Item 21.*

**LATE ITEMS: (Appropriate Findings to be Made)**

*Larry McKenney stated that the vote wasn't captured for the General Manager's performance compensation. Action was taken on the contract, but not on the compensation portion. The item needs to be added as a late item.*

*MOTION DULY MADE BY LARRY LIZOTTE AND SECONDED BY SCOTT COLTON, AMENDMENT OF THE GENERAL MANAGER'S COMPENSATION WAS ADDED AS A LATE ITEM. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, GARY KURTZ, LARRY LIZOTTE, AND LARRY MCKENNEY ALL VOTING 'AYE'. DIRECTORS DONALD FROELICH, RICHARD FIORE, AND BRIAN PROBOLSKY WERE ABSENT.*

*The recommendation is to amend the contract 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 this amount reflects the level of work and dedication the General Manager has provided thus far.*

*MOTION DULY MADE BY LARRY LIZOTTE AND SECONDED BY GARY KURTZ, AMENDMENT OF THE GENERAL MANAGER'S COMPENSATION WAS APPROVED AS DISCUSSED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, GARY KURTZ, LARRY LIZOTTE, AND LARRY MCKENNEY ALL VOTING 'AYE'. DIRECTORS DONALD FROELICH, RICHARD FIORE, AND BRIAN PROBOLSKY WERE ABSENT.*

**#8.**

**ADJOURNMENT:**

*The meeting was adjourned at 8:48 p.m.*

Respectfully submitted,

Paige Gulck  
Board Secretary

DRAFT





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

**July 28, 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 5:30 PM on July 28, 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 5:50 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
Paige Gulck	Board Secretary
Ruth Zintzun	MNWD
Michael Bell	Public Financial Management
Matt Weber	Downey Brand
Mike Hartel	Voit
Kevin Turner	Voit
Tim Strader Jr.	Starpointe Ventures
Patrick Strader	Starpointe Ventures
Carter Ewing	CT Realty Investors

**1. CALL MEETING TO ORDER**

*The meeting was called to order by Larry McKenney at 5:30 p.m.*

# #8.

## 2. PUBLIC COMMENTS

*None.*

### **INFORMATION ITEMS**

## 3. SITE VISIT TO 4 LIBERTY, ALISO VIEJO, 92656

*Joone Lopez gave a brief background on the site. Board and staff members then proceeded to visit the site.*

### **CLOSED SESSION**

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

*Property: 4 Liberty, Aliso Viejo, 92656*

*Under Negotiation: Price and terms of payment*

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

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

### **ADJOURNMENT**

*The meeting was adjourned at 8:04 p.m.*

Respectfully submitted,

Paige Gulck  
Board Secretary