

**BOARD OF DIRECTORS' MEETING
MOULTON NIGUEL WATER DISTRICT
27500 La Paz Road, Laguna Niguel
July 18, 2013
5:30 PM
Approximate Meeting Time: 2 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.

1. CALL MEETING TO ORDER

2. PLEDGE OF ALLEGIANCE

3. MINUTE APPROVAL:

REGULAR MEETING OF JUNE 20, 2013

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:

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. TRANSFER OF EQUIPMENT (POTABLE WATER TRAILER) FOR FY 2011 URBAN AREAS SECURITY INITIATIVE

THE BOARD OF DIRECTORS AUTHORIZES THE GENERAL MANAGER TO EXECUTE THE "AGREEMENT FOR TRANSFER OF EQUIPMENT (POTABLE WATER TRAILER) FOR FY 2011 URBAN AREA SECURITY INITIATIVE (UASI)" WITH THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC).

6. TREE MAINTENANCE SERVICES FOR FY 2013/2014

THE BOARD OF DIRECTORS APPROVES AMENDMENT NO. 1 TO THE SERVICE AGREEMENT WITH GREAT SCOTT TREE SERVICE, INC. FOR A NOT-TO-EXCEED FEE OF \$71,490 FOR FY 2013/2014 FOR A TOTAL AGREEMENT VALUE OF \$149,239; AND AUTHORIZES THE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 1 TO THE SERVICE AGREEMENT.

7. COMMUNICATION CELL SITE LICENSE PROGRAM SUPPORT SERVICES FOR FY 2013/2014

THE BOARD OF DIRECTORS APPROVES AMENDMENT NO. 4 TO THE PROFESSIONAL SERVICES AGREEMENT WITH TELECOM GROUP PARTNERS CORP., A CALIFORNIA CORPORATION, D/B/A/ ATS COMMUNICATIONS FOR A NOT-TO-EXCEED FEE OF \$90,000 FOR FY 2013/2014 FOR A TOTAL CONTRACT VALUE OF \$248,357; AND AUTHORIZES THE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 4 TO THE PROFESSIONAL SERVICES AGREEMENT.

8. PROFESSIONAL ENGINEERING SUPPORT AND RECYCLED WATER CONTRACT INSPECTOR CONTRACT SERVICES FOR FY 2013/2014

THE BOARD OF DIRECTORS APPROVES AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH PROJECT PARTNERS FOR A NOT-TO-EXCEED FEE OF \$236,000 FOR FY 2013/2014 FOR A TOTAL CONTRACT VALUE OF \$576,000; AND AUTHORIZES THE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT.

9. FIRE HYDRANT CLEANING AND PAINTING SERVICES FOR FY 2013/2014

THE BOARD OF DIRECTORS APPROVES AMENDMENT NO. 1 TO THE SERVICE AGREEMENT WITH AYALA ENGINEERING FOR A NOT-TO-EXCEED FEE OF \$30,000 FOR FY 2013/2014 FOR A TOTAL AGREEMENT VALUE OF \$60,010; AND AUTHORIZES THE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 1.

10. ADOPT RESOLUTION SETTING TAX RATES FOR FY 2013/14

THE BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 13-__ SETTING TAX RATES FOR FISCAL YEAR 2013/2014 FOR GENERAL OBLIGATION BOND INDEBTEDNESS IN IMPROVEMENT DISTRICT NOS. 6 AND 7.

11. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) 2013 BOARD ELECTIONS

THE BOARD OF DIRECTORS VOTES FOR ONE CANDIDATE FOR THE CSDA BOARD.

GENERAL MANAGER MATTERS:

ADMINISTRATIVE MATTERS/GENERAL DISTRICT BUSINESS (UPDATE AS NECESSARY)

LEGAL MATTERS:

12. PUBLIC HEARING - 2013 REPORT WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS

SUMMARY AND DISCUSSION:

Pursuant to the Federal Safe Drinking Water Act, as well as implementing State legislation contained in Health and Safety Code Section 116470 et seq., public water systems serving more than 10,000 service connections must prepare a brief written report every three years to review constituents that exceed "public health goals." "Public health goals" are not mandatory, enforceable standards. The District just issued its 2013 Consumer Confidence Report which demonstrates full compliance with all health-based drinking water standards and maximum contaminant level limits. Staff previously prepared the 2013 Report with input from a water quality specialist, and the Board called a public hearing as required by the statutes. Included with the Agenda is the Resolution and 2013 Report to receive and file and direct a copy to be filed with appropriate State agencies.

RECOMMENDED ACTIONS:

1. STAFF: REVIEW CONTENT OF 2013 REPORT ON WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS
2. CONDUCT A PUBLIC HEARING ON 2013 REPORT ON WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS -

BOARD PRESIDENT OPENS THE HEARING, CALLS FOR PUBLIC COMMENTS, RECEIVES ANY COMMENTS AND CLOSSES THE HEARING
3. THE BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 13-__ ENTITLED "RESOLUTION OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT APPROVING TO RECEIVE AND FILE 2013 REPORT ON WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS."

PRESIDENT'S REPORT

BOARD REPORTS

CLOSED SESSION

13. 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 claims:

- a. Claim of Auto Club Enterprises/subrogation re insured Neal Massick [29522 Via Alto Cerro, Laguna Niguel, 92677]: for property damage related to water damage, pipe replacement.
Date of Occurrence: 6-27-2012
Amount Claimed: \$5,909.42
Date of Claim: 6-25-2013, received 6-28-2013
- b. Claim of Mission Point HOA for property damages related to 3A Effluent Transmission Main relocation project (San Juan Capistrano).
Date of Occurrence: 12-2010 through 8-2011
Amount Claimed: \$46,724
Date Formal Claim Submitted: 4-12-2013

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

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.

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

**JUNE 20, 2013
5:30 PM**

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. There were present and participating:

DIRECTORS

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

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Matt Collings	Director of Engineering & Operations
Gina Hillary	Director of Human Resources
Michael Gomez	Director of Finance
Eva Plajzer	MNWD
Kelly Winsor	MNWD
Pat Giannone	Bowie, Arneson, Wiles & Giannone
Leslie Gray	Board Secretary
Geisheimer Family	Residents

- 1. CALL MEETING TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. MINUTE APPROVAL:**

MOTION DULY MADE BY DONALD FROELICH AND SECONDED BY SCOTT COLTON, THE SPECIAL MEETING MINUTES OF THE MARCH 27, 2013 AND THE REGULAR MEETING OF MAY 16, 2013 WERE APPROVED AS PRESENTED.

4. PUBLIC COMMENTS

Larry McKenney recognized the winner of the “MWDOC and the Family of Orange County Water Agencies 2013 Water Awareness Poster and Slogan Contest and Photography and Digital Arts Contest”, Molly Geisheimer, a first grader of Glen Yermo Elementary School. President McKenney displayed her poster to those present and presented her with a goodie bag as a recognition of her award.

CONSENT CALENDAR ITEMS: (ROLL CALL VOTE)

Larry McKenney reported that Consent Calendar Items 5-12 were extensively discussed by the Board of Directors at the Engineering and Operations and Finance and Information Technology Board meetings prior to taking action today; however, he asked for Item 5 to be pulled as an updated agreement was distributed to the Board. Brian Probolsky also requested that Item 10 be pulled for further discussion as the Board had requested changes be incorporated within the Personnel & Salary Policy.

MOTION DULY MADE BY RICHARD FIORE, SECONDED BY LARRY MCKENNEY, THE BOARD OF DIRECTORS APPROVED CONSENT CALENDAR ITEMS 6-9 AND 11-12 AS PRESENTED.

MOTION DULY MADE BY LARRY LIZOTTE, SECONDED BY SCOTT COLTON, THE BOARD OF DIRECTORS APPROVED CONSENT CALENDAR ITEM 5 AS PRESENTED.

MOTION DULY MADE BY RICHARD FIORE, SECONDED BY LARRY MCKENNEY, THE BOARD OF DIRECTORS APPROVED CONSENT CALENDAR ITEM 10 AS PRESENTED.

GENERAL MANAGER MATTERS:

Joone Lopez announced that there will be two upcoming MWDOC sponsored tours primarily for members of the OC Grand Jury; however, they are also open to member agencies. The Colorado River tour is slated for October 18-19, 2013 and the State Water Project tour will be on January 31-February 1, 2014. If anyone would like to attend, please see Leslie for details. MET Chairman, John Foley, will be the host for both tours.

The OC Grand Jury Report entitled: “Orange County Water Sustainability: Who Cares?” was just released and discusses the Orange County Water Situation. The Board requested a copy, and Leslie will forward one to each Board member.

The MWDOC/MET Workshop will be held on July 3 regarding the cost of the Bay Delta Conservation Plan. Leslie will email the agenda to all Board members.

The Southern California Water Committee will be hosting two additional Workshops on the Bay Delta Conservation Plan. One on June 28 from 10:00 – 12:00 p.m., at Western

Municipal Water District and the other on July 3 from 10:00 – 12:00 p.m., at Irvine Ranch Water District.

Joone Lopez reminded the Board of the upcoming MWDOC Water Policy dinner on July 24.

The Regional Blood Drive is on June 25 at the City of Laguna Niguel from 9:00a.m. – 3:00 p.m.

The District is one of five participants in the South Orange County Ocean Desalination (SOCOD) project, which is a MWDOC choice program. To date, the District has spent \$660,000 in that effort. Phase 3 should be completed by the end of the month. The District will continue to participate in closing out Phase 3 and discuss with the other participants the scope for Phase 4, the next phase of SOCOD. MNWD will not include its name in the MET Foundational Program application until key questions are answered regarding Phase 3.

FINANCE & INFORMATION TECHNOLOGY MATTERS:

13. ADOPTION OF FY 2013/2014 OPERATING AND CAPITAL IMPROVEMENT PROJECTS BUDGETS:

Larry McKenney stated that the Board of Directors has discussed the Annual Budgets at the Engineering & Operations and Finance & Information Technology Board meetings and are ready to adopt the Fiscal Year 2013/2014 Operating Budget & CIP Budget. Staff noted that the budget cover letter had minor changes made, as well as minor changes to the Budgets per the Board’s request

MOTION DULY MADE BY BRIAN PROBOLSKY AND SECONDED BY SCOTT COLTON, THE BOARD OF DIRECTORS APPROVED A BUDGET APPROPRIATION AND ADOPTED THE FISCAL YEAR 2013/2014 OPERATING BUDGET AND THE 2013/2014 CAPITAL IMPROVEMENT PROJECTS (CIP) BUDGET BY RESOLUTION NO. 13-10.

14. ANNUAL GANN APPROPRIATIONS LIMIT FOR FY 2013/2014:

MOTION DULY MADE BY BRIAN PROBOLSKY AND SECONDED BY LARRY LIZOTTE, THE BOARD OF DIRECTORS APPROVED ITS APPROPRIATIONS LIMIT OF \$6,716,339 FOR FISCAL YEAR 2013/2014 AND FINDS COMPLIANCE WITH ARTICLE XIII B OF THE CONSTITUTION OF THE STATE OF CALIFORNIA BY RESOLUTION NO. 13-11.

LEGAL MATTERS:

15. INITIAL READING OF PROPOSED ORDINANCE OF RULES AND REGULATIONS TO SET LAGUNA SUR/MONARCH POINT 2013/14, 2014/15, 2015/16 SEWER SERVICE ANNUAL CHARGES AND USAGE RATES; ANNUAL ADOPTION OF RESOLUTION FOR COLLECTION OF SEWER SERVICE CHARGES/RATES FOR LAGUNA SUR/MONARCH POINT REORGANIZATION AREA ON PROPERTY TAX BILL

UPON MOTION DULY MADE BY SCOTT COLTON, SECONDED BY DONALD FROELICH, THE BOARD OF DIRECTORS CONDUCTED THE FIRST READING OF PROPOSED ORDINANCE NO. 13-01 "ORDINANCE OF THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT ADOPTING REVISIONS TO THE 2013/14, 2014/15, 2015/16 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)"

LARRY MCKENNEY RECITED THE COMPLETE TITLE OF THE ORDINANCE, TO WIT: "ORDINANCE NO. 13-01 OF MOULTON NIGUEL WATER DISTRICT ADOPTING 2013/14, 2014/15, 2015/16 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)."

THEREAFTER, UPON MOTION DULY MADE BY SCOTT COLTON, SECONDED BY RICHARD FIORE, THE BOARD OF DIRECTORS WAIVED THE READING OF COMPLETE TEXT OF ORDINANCE NO. 13-01.

THEREAFTER, UPON MOTION DULY MADE BY DONALD FROELICH, SECONDED BY SCOTT COLTON, THE BOARD OF DIRECTORS DIRECTED THE DISTRICT SECRETARY TO POST ORDINANCE NO. 13-01 IN ACCORDANCE WITH LAW.

THEREAFTER, UPON MOTION DULY MADE BY RICHARD FIORE, SECONDED BY DONALD FROELICH, THE BOARD OF DIRECTORS ADOPTED RESOLUTION NO. 13-12 ENTITLED, "RESOLUTION OF THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT SETTING 2013/2014 SEWER SERVICE CHARGES AND USAGE RATES FOR SPECIFIED PARCELS (LAGUNA SUR/MONARCH POINT PROPERTY) TO BE COLLECTED VIA PROPERTY TAX STATEMENTS ON THE 2013/2014 TAX ROLL, DIRECTING FILING OF WRITTEN REPORT WITH SECRETARY AND CALLING FOR A HEARING THEREON."

Pat Giannone noted that the table attached to the draft resolution would be updated to conform with the table attached to draft Ordinance 13-01.

16. 2013 WATER QUALITY REPORT RELATIVE TO PUBLIC HEALTH GOALS

MOTION DULY MADE BY DONALD FROELICH, SECONDED BY RICHARD FIORE, THE BOARD OF DIRECTORS ADOPTED RESOLUTION NO. 13-13 ENTITLED “RESOLUTION OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT CALLING PUBLIC HEARING ON MOULTON NIGUEL WATER DISTRICT 2013 REPORT ON WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS”.

PRESIDENT'S REPORT

Larry McKenney noted that he continues to participate on the Southern California Water Committee Legislative Task Force and reported that the State adopted its budget. Coinciding with the budget adoption, the legislature will now continue on the path of amending the 2014 Water Bond.

BOARD REPORTS

Richard Fiore attended the Independent Special District of Orange County (ISDOC) meeting on May 30. There was an interesting presentation on “Effective Communications and Bargaining During Labor Negotiating”.

Scott Colton attended the Santiago Aqueduct Commission meeting today. Bids will be issued on July 2 for the Baker Water Treatment Plant project with an anticipated contract award in December. The project should take approximately 27 months for completion. Joone will provide more information to the Board in the future on the progress of the project.

The meeting was adjourned to Closed Session at 6:40 p.m.

CLOSED SESSION

17. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (THREE 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:

- a. Claim of Amy Blackburn for property damage related to water damage, pipe replacement [25372 Barents Street, Laguna Hills, 92653]
 Date of Occurrence: 3/2012-5/2013
 Amount Claimed: <=/ \$25,000
 Date of Claim: 5-21-2013, received 5-23-2013

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- b. Claim of Cenicerros, Caito, Homeowners/Village Cottages, Aliso Viejo [22, 24 Halycon Lane, Aliso Viejo, 902656]: for property damage related to water damage, pipe replacement
Date of Occurrence: "on or about 12-15-2012"
Amount Claimed: unlimited
Date of Claims: 5-31-2013, received 6-3-2013
- c. Claim of Auto Club Enterprises/subrogation re insured Neal Massick [29522 Via Alto Cerro, Laguna Niguel, 92677]: for property damage related to water damage, pipe replacement
Date of Occurrence: 6-17-2012
Amount Claimed: \$8,446.28
Date of Claim: 5-6-2013, received 5-13-2013

18. A CLOSED SESSION WILL BE CONDUCTED IN ACCORDANCE WITH GOVERNMENT CODE SECTION 54957 FOR:

PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

Title: General Manager

19. A CLOSED SESSION WILL BE CONDUCTED IN ACCORDANCE WITH GOVERNMENT CODE SECTION 54957.6 TO:

CONFERENCE WITH LABOR NEGOTIATORS:

District Representative: Larry McKenney, President, Board of Directors

Unrepresented Employee: General Manager

The meeting was reconvened to open session at 8:24 p.m. Larry McKenney reported on item 17 as follows:

Claim of Blackburn: The Board of Directors rejected the claim of Blackburn 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 prepared by staff in consultation with legal counsel.

Claim of Cenicerros, Caito, and class of homeowners in Village Cottages: The Board of Directors rejected the claims of Cenicerros, Caito, and class of homeowners in Village Cottages (class) 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 prepared by staff in consultation with legal counsel.

Claim of Auto Club Enterprises/insured Massick: The Board of Directors rejected the claim of Auto Club Enterprises/insured Massick and authorized staff to send a notice of claim rejection in accordance with ACWA/JPIA's recommended form.

Larry McKenney also reported there was nothing to report regarding items 18 and 19.

20. CONSIDERATION OF AN AMENDMENT TO THE GENERAL MANAGER'S CONTRACT (ROLL CALL VOTE)

AMEND THE GENERAL MANAGER'S CONTRACT.

Larry McKenney reported that the Board of Directors amended the General Manager's contract to a base salary of \$205,000 per year, with a one-time merit payment of \$9,500. Her new salary will take effect with the next pay period of June 29 – July 12, 2013. He also noted that an additional contract amendment can be considered at any time.

LATE ITEMS (Appropriate Findings to be Made)

There were no late items presented.

ADJOURNMENT

Thereafter, the Regular Meeting of the Board of Directors of the Moulton Niguel Water District was adjourned at 8:39 p.m.

Respectfully submitted,

Leslie C. Gray
Board Secretary

**AGREEMENT FOR TRANSFER
OF EQUIPMENT (POTABLE WATER TRAILER)
FOR FY2011 URBAN AREAS SECURITY INITIATIVE (UASI)**

THIS AGREEMENT is entered into this _____ day of _____, 2013 (dated for identification purposes only) by and between the MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, a municipal water district (MWDOC) and CITY OF _____, a municipal corporation [or _____ WATER DISTRICT, a California Water District] (RECIPIENT), also referred to collectively as “Parties” and individually as “Party.”

WHEREAS, the City of Santa Ana (CITY), acting through its Police Department, in its capacity as a Core City of the MWDOC/Santa Ana Urban Area under the FY2011 Urban Areas Security Initiative, has applied for, received and accepted a grant entitled “FY2011 Urban Areas Security Initiative” (UASI) from the federal Department of Homeland Security, Federal Emergency Management Agency (FEMA), through the State of California Emergency Management Agency (Cal EMA) to enhance countywide emergency preparedness (the GRANT); and

WHEREAS, MWDOC, acting through the Water Emergency Response Organization of Orange County (WEROC), is eligible to receive financial assistance under the GRANT in its capacity as the Sub-Recipient under the agreement between MWDOC and the CITY entitled “Agreement for Transfer or Purchase of Equipment/Services or For Reimbursement of Training Costs For FY2011 Urban Areas Security Initiative (UASI)” (GRANT AGREEMENT), a copy of which is attached hereto as Attachment A and incorporated herein by this reference; and

WHEREAS, the terms of the GRANT AGREEMENT require that MWDOC use certain GRANT funds to purchase authorized equipment, exercises, services or training that will be

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transferred to sub-recipients, including RECIPIENT, to be used for GRANT purposes in a manner consistent with the GRANT, as set forth in the FY 2011 Urban Areas Security Initiative Grant Program Anaheim/Santa Ana UASI Sub-Recipient Grant Guide Standard Operating Procedures, Policies and Forms (GRANT GUIDELINES), a copy of which is attached hereto as Attachment B and incorporated herein by this reference; and

WHEREAS, RECIPIENT desires to acquire a potable water trailer(s) as conditioned herein and authorized by the GRANT.

NOW, THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. As more specifically set forth herein, MWDOC shall purchase and transfer to RECIPIENT a potable water trailer ("TRAILER") as specified in Attachment C, attached hereto and incorporated herein by this reference, in accordance with the GRANT GUIDELINES and the California Emergency Management Agency (Cal EMA) Fiscal Year (FY) 2011 Grant Assurances (GRANT ASSURANCES), a copy of which are a component of Attachment A and incorporated herein by this reference. When purchasing the TRAILER, MWDOC shall comply with its purchasing and bidding procedures and applicable state laws and shall meet federal procurement requirements for the GRANT as set forth in 2 Code of Federal Regulations (CFR) Part 225 "Cost principles for State, Local, and Indian Tribal Governments" and 44 CFR Part 13 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments." Further, as required by FEMA and established by the Office of Federal Procurement Policy in the Office of Management and Budget, this Agreement includes the FEMA Required Provisions specified in Attachment D, attached hereto and incorporated herein by this reference.

2. Within ten (10) days of receiving the TRAILER, RECIPIENT shall initiate action to transfer title, ownership and financial responsibility of the TRAILER from MWDOC to RECIPIENT pursuant to applicable California Department of Motor Vehicles procedures.

3. Throughout its useful life, RECIPIENT shall use the TRAILER acquired with GRANT funds only for those purposes permitted under the terms of the GRANT AGREEMENT, and shall make the TRAILER available for mutual aid response to other governmental entities to the maximum extent practicable and when not in use by the RECIPIENT.

4. Care of the TRAILER. Once in RECIPIENT's possession and control, RECIPIENT shall exercise due care to preserve and safeguard the TRAILER from undue wear, damage or destruction and shall provide such regular maintenance, service and repairs for the TRAILER as are reasonable and consistent with responsible ownership. These shall include, without limitation, maintenance, service and repairs recommended by any warranty or owner's manual to keep the TRAILER continually in good working order. Such maintenance and servicing shall be the sole responsibility of RECIPIENT, which shall assume full joint and several responsibility for maintenance and repair of the equipment throughout the life of the TRAILER. RECIPIENT's exercise of due care as provided in this section shall include (1) the provision of a structure or other physical barrier to protect the TRAILER from direct sunlight, rain and other elements, and (2) the provision of procedures, facilities and equipment to protect the TRAILER from theft, unauthorized use and vandalism.

a. At all times RECIPIENT has possession and control of the TRAILER as provided herein, it shall procure and maintain insurance against claims for injuries to persons or damage to property which may arise from or in connection with the TRAILER. The minimum scope and limits of insurance coverage shall be:

i. CGL coverage (ISO Occurrence Form No. CG 0001, or equivalent); \$1,000,000 per occurrence of Bodily Injury, Personal Injury and Property Damage, and \$2,000,000 Aggregate Total Bodily Injury and Property Damage.

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- ii. Automobile Liability, Any Auto (ISO Form No. CA 0001, or equivalent); \$1,000,000 for Bodily Injury and Property Damage, each accident.
- b. The cost of such insurance shall be borne by the RECIPIENT. Proof of insurance acceptable to MWDOC shall be provided prior to delivery of TRAILER.
- c. As respects the liability insurance required herein, RECIPIENT may elect to (i) self-insure, (ii) provide coverage through a joint powers insurance authority (JPIA) duly formed under the laws of the State of California, or (iii) utilize a combination of self-insurance and JPIA coverage. Proof of self-insurance and/or JPIA coverage acceptable to MWDOC shall be provided prior to delivery of TRAILER.

5. In the event of loss, damage, disposal or theft of equipment, RECIPIENT shall notify WEROC and the CITY in writing as soon as practicable, and no later than 30 calendar days after discovery of same. RECIPIENT shall be responsible for all costs of repair. If the TRAILER is lost, stolen, or damaged beyond repair, the TRAILER shall be replaced by the RECIPIENT, at its sole cost, with equipment of like kind and capability, subject to approval by WEROC and the CITY. The RECIPIENT's liability for repair and replacement costs shall not be limited to insurance proceeds.

6. Permits. RECIPIENT shall obtain and maintain all permits, licenses, certificates or other authorizations (collectively PERMITS) necessary for storing, maintaining and operating the TRAILER as provided herein, and RECIPIENT shall pay any and all fees required for such PERMITS. RECIPIENT shall notify MWDOC immediately of any suspension, termination, lapse, non-renewal, or restriction, of PERMITS relative to the TRAILERS. Necessary PERMITS include, without limitation:

- a. California Department of Motor Vehicles Trailer Registration

- b. California Department of Public Health Food and Drug Branch Water Hauler License
- c. At least 1 Class A, Tanker Classification driver per Trailer received
- d. At least 1 vehicle of appropriate size and capacity to tow the trailer when full, per Trailer received
- e. All PERMITS required by State and Federal regulation, as they may change from time to time.

7. All equipment acquired or obtained with GRANT funds and transferred to RECIPIENT, including without limitation the TRAILERS:

- a. Shall be made available under the California Disaster and Civil Defense Master Mutual Aid Agreement in consultation with representatives of WEROC and the various fire, emergency medical, hazardous materials response services, and law enforcement agencies within the Orange County Operational Area, when not in use by the RECIPIENT;
- b. Shall be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan, when not in use by the RECIPIENT;
- c. Shall be subject to the following provisions in FEMA's "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments": 44 CFR 13.32 ("Equipment") and 13.33 ("Supplies") regarding title to, maintenance and use of, and disposition of equipment and supplies acquired under a federal grant.
- d. Shall be made available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will

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not interfere with the work on the projects or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by Cal EMA as awarding agency under the GRANT.

- e. Shall be added to the WebEOC Resource Manager system as a mutual aid resource that can be tracked, requested and deployed.
- f. Shall be recorded on a ledger maintained by RECIPIENT. The initial ledger shall be prepared by RECIPIENT and provided to MWDOC within 30 days of receiving the TRAILER and then biannually on a schedule set by MWDOC. The ledger, shall include: (a) description of the TRAILER, (b) manufacturer's model and serial number, if any, (c) Federal Stock number, national stock number, or other identification number, if any; (d) the source of acquisition of the TRAILER, including the award number, (e) date of acquisition; (f) the per unit acquisition cost of the TRAILER, (g) records showing maintenance procedures that been undertaken to keep the TRAILER in good running order, and (h) location and condition of TRAILER. Records constituting the ledger must be retained pursuant to 44 C.F.R. Part 13.42, and the Office of Grants & Training.
- g. Shall have an Anaheim/Santa Ana Urban Area ("ASAUA") identification decal affixed to it in a location where, whenever practicable, it is readily visible, and RECIPIENT shall not remove or obscure the decal.
- h. Shall have a physical inventory taken of the equipment, including the TRAILER, by RECIPIENT at least once every year, and the inventory results shall be reconciled by RECIPIENT against its equipment records. In addition, inventory shall be taken prior to any UASI, State or Federal monitor visits.

8. If the TRAILER acquired with GRANT funds becomes obsolete or unusable, RECIPIENT shall notify MWDOC of such condition. RECIPIENT shall transfer or dispose of the GRANT-funded TRAILER only in accordance with the instructions of MWDOC or the CITY in its capacity as the agency from which MWDOC received the GRANT funds.

9. RECIPIENT agrees to comply with and be fully bound by all applicable provisions of the GRANT and Attachments A through D to this Agreement.

10. In the event MWDOC, as the result of a grant audit or other occurrence, becomes responsible for reimbursing the CITY or FEMA some portion of the funding provided for the TRAILERS, MWDOC will make every effort to minimize the amount of the trailer purchase for which funding will be disallowed. If trailer purchase costs remain unfunded despite their efforts MWDOC will look to the receiving agencies to cover these costs for the trailer(s) they receive.

11. Indemnification. Each of the Parties to this Agreement is a public entity. In contemplation of the provisions of Section 895.2 of the Government Code of the State of California imposing certain tort liability jointly upon public entities, solely by reason of such entities being parties to an Agreement as defined by Section 895 of said Code, the Parties hereto, as between themselves, pursuant to the authorization contained in Section 895.4 and 895.6 of said Code, will each assume the full liability imposed upon it or upon any of its directors, officers, agents, or employees by law, for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement, to the same extent that such liability would be imposed in the absence of Section 895.2 of said Code. To achieve this above-stated purpose, each Party indemnifies and holds harmless the other Party for liability that may be imposed on the other Party solely by virtue of Section 895.2. The provision of Section 2778 of the California Civil Code is made a part hereto as if fully set forth herein.

12. Public Records Act. MWDOC and RECIPIENT are public agencies subject to the California Public Records Act (Ca. Gov. Code, § 6250 et seq.) (Act). All requests for records related to this Agreement will be handled pursuant to the Act.

13. Conflict Of Interest. Under the provisions of the GRANT AGREEMENT, MWDOC and RECIPIENT are required to include the following Conflict of Interest provisions in this Agreement.

- a. The RECIPIENT covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administrating any subcontract supported (in whole or in part) by Federal funds where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:
 - i. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract;
 - ii. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
 - iii. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 et seq. if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.

- b. Definitions:
 - i. The term "immediate family" includes but is not limited to domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father in law, mother in law, brother in law, sister in law, son in law, daughter in law.
 - ii. The term "financial or other interest" includes but is not limited to:

- (1) Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
 - (2) Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.
- c. The RECIPIENT further covenants that no officer, director, employee, or agent shall solicit or accept gratuities, favors, anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).
 - d. The RECIPIENT shall not subcontract with a former director, officer, or employee within a one year period following the termination of the relationship between said person and the RECIPIENT.
 - e. Prior to obtaining MWDOC'S Approval of any subcontract, the RECIPIENT shall disclose to MWDOC any relationship, financial or otherwise, direct or indirect, of the RECIPIENT or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.
 - f. For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the RECIPIENT, State of California, and Federal regulations regarding conflict of interest.

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- g. The RECIPIENT warrants that it has not paid or given and will not pay or give to any third person any money or other consideration for obtaining this Agreement.
- h. The RECIPIENT covenants that no member, officer or employee of RECIPIENT shall have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with the TRAILERS during his/her tenure as such employee, member or officer or for one year thereafter.

14. Incorporation By Reference Of GRANT AGREEMENT. Pursuant to Section 7 of the GRANT AGREEMENT (Attachment A hereto), the terms of the GRANT AGREEMENT are hereby incorporated by reference and binding on the RECIPIENT.

15. Nondiscrimination and Affirmative Action. RECIPIENT shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the CITY. In performing this Agreement, RECIPIENT shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, mental disability, marital status, domestic partner status or medical condition. RECIPIENT shall comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 C.F.R. Part 60).

- a. If required, RECIPIENT shall submit an Equal Employment Opportunity Plan ("EEOP") to the DOJ Office of Civil Rights ("OCR") in accordance with guidelines listed at <http://www.ojp.usdoj.gov/ocr/eeop.htm>.
- b. Any subcontract entered into by RECIPIENT relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this section.

16. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by duly authorized representatives of MWDOC and RECIPIENT, and no oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto.

17. RECIPIENT may not assign this Agreement in whole or in part without the express written consent of MWDOC.

18. For a period of three years after final delivery hereunder or until all claims related to this Agreement are finally settled, whichever is later, RECIPIENT shall preserve and maintain all documents, papers and records relevant to the TRAILER acquired in accordance with this Agreement. For the same period of time, RECIPIENT shall make said documents, papers and records available to MWDOC and the agency from which MWDOC received GRANT funds or their duly authorized representative(s), for examination, copying, or mechanical reproduction on or off the premises of RECIPIENT, upon request during usual working hours.

19. RECIPIENT shall provide to MWDOC all records and information requested by MWDOC for inclusion in quarterly reports and such other reports or records as MWDOC may be required to provide to the agency from which MWDOC received GRANT funds or other persons or agencies.

20. MWDOC may terminate this Agreement and be relieved of the delivery of any consideration to RECIPIENT if (a) RECIPIENT fails to perform any of the covenants contained in this Agreement, at the time and in the matter herein provided, or (b) MWDOC loses funding under the GRANT. If at any point WEROC/MWDOC or the CITY reasonably believes that RECIPIENT is in breach of this Agreement, MWDOC may send a Corrective Action Notification Letter to RECIPIENT identifying the breach and the corrective actions that are needed. If corrective actions are not taken within the time frame stated in the letter, further actions by MWDOC or the CITY may include repossession and reassignment of the TRAILER in cooperation with the Anaheim/Santa Ana UASI grant office, invoicing of the CITY for costs attributable to breach of the Agreement, and denial of participation in future UASI grant projects.

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21. RECIPIENT and its agents and employees and independent contractors shall act in an independent capacity in the performance of this Agreement, and shall not be considered officers, agents or employees of MWDOC or of the agency from which MWDOC received GRANT funds.

22. In the performance of this Agreement, RECIPIENT and its governing body, officers, agents and employees shall comply with by all applicable federal, state and local laws, including all applicable statutes, regulations, executive orders and ordinances.

IN WITNESS HEREOF, the MUNICIPAL WATER DISTRICT OF ORANGE COUNTY and [_____member agency] have executed this Agreement through their authorized representatives on the date first set forth above.

MUNICIPAL WATER DISTRICT
OF ORANGE COUNTY

RECIPIENT
(Member Agency)

By: _____
Karl Seckel
Interim General Manager

By: _____

(Printed Name)

Title: _____

APPROVED AS TO FORM:

BEST BEST & KRIEGER LLP

[FIRM NAME]

By: _____
Daniel J. Payne
Legal Counsel

By: _____

(Printed Name)

Its: _____

Title: _____

RESOLUTION NO. 13- _

RESOLUTION OF THE BOARD OF DIRECTORS OF
MOULTON NIGUEL WATER DISTRICT TO RECEIVE AND FILE
2013 REPORT ON WATER QUALITY
RELATIVE TO PUBLIC HEALTH GOALS

WHEREAS, under the federal Safe Drinking Water Act of 1996 and implementing State legislation, water systems with more than 10,000 service connections are required to prepare a report every three years by July for constituents that exceed either public health goals or federal maximum contaminant level goals, which are non-enforceable goals established by the California Environmental Protection Agency’s Office of Environmental Health Hazard Assessment;

WHEREAS, Moulton Niguel Water District (MNWD) previously prepared such a report pursuant to California Health and Safety Code Section 116470 entitled, *Moulton Niguel Water District 2013 Report on Water Quality Relative to Public Health Goals* (“2013 Report”), which generally contains the following information about the detection of ‘contaminants’ in water supplied by MNWD to its customers, using water quality data from 2010, 2011 and 2012: (1) the numerical public health risks associated with any contaminant; (2) the type of health risk associated with each contaminant; (3) the best treatment technology available that could be used to reduce the contaminant level; (4) an estimate of the cost to install that treatment if such treatment is appropriate and feasible; and (5) any actions to reduce contaminants and the basis for such actions;

WHEREAS, California Health and Safety Code Section 116470 requires that MNWD hold a public hearing for the purposes of accepting and responding to public comments on the 2013 Report, and the Board of Directors adopted Resolution No. 13-13 on June 20, 2013, setting a hearing on the Report for July 18, 2013, at 5:30 pm (or as soon thereafter as possible) at the regular meeting of the Board on such date (“Hearing”), and the 2013 Report has been made available for review by the public;

WHEREAS, a *Notice of Public Hearing* on the 2013 Report was published in the *Orange County Register* and posted at MNWD’s offices, as evidenced by affidavits of publication and posting entered in the record of these proceedings; and

WHEREAS, the Board of Directors of MNWD, in compliance with Health and Safety Code Section 116470, has reviewed the contents of the 2013 Report, conducted the Hearing thereon to accept and respond to comments from the public, and desires to receive and file the 2013 Report as presented.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

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Section 1. *The Moulton Niguel Water District 2013 Report on Water Quality Relative to Public Health Goals*, attached as Exhibit A to this Resolution, is hereby received and filed.

Section 2. The Secretary of MNWD is directed to file the 2013 Report with applicable State, local and/or federal agencies, as may be required and directed by the Director of Engineering & Operations.

APPROVED, SIGNED and ADOPTED this 18th day of July, 2013.

MOULTON NIGUEL WATER DISTRICT

President
MOULTON NIGUEL WATER DISTRICT and the
Board of Directors thereof

Secretary
MOULTON NIGUEL WATER DISTRICT and the
Board of Directors thereof

APPROVED AS TO FORM:

BOWIE, ARNESON, WILES & GIANNONE
Legal Counsel - MNWD

By: _____
Patricia B. Giannone

EXHIBIT A

(2013 Report)

MOULTON NIGUEL WATER DISTRICT
2013 REPORT ON WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS

Pursuant to SB 1307 (Calderone-Sher; effective 01/01/97) provisions were added to the California Health and Safety Code which mandate that a Public Health Goals report be prepared by July 1, 1998, and every three years thereafter. The report is intended to provide information to the public in addition to the Annual Water Quality Consumer Confidence Reports mailed to each customer.

Moulton Niguel Water District's (District) water system complies with all of the health-based drinking water standards and Maximum Contaminant Levels (MCLs) required by the California Department of Public Health (CDPH) and the Environmental Protection Agency (EPA). The District is not required to make any changes, and is not proposing to make any changes or modifications that would affect the quality of water delivered to its customers.

Background:

Provisions of the California Health and Safety Code specify that water systems larger than 10,000 service connections prepare a special report by July 1, 2013, if their water quality measurements have exceeded any Public Health Goals (PHGs). PHGs are non-enforceable goals established by the California Office of Environmental Health Hazard Assessment (OEHHA). The law also requires that where OEHHA has not adopted a PHG for a constituent, the water suppliers are to use the Maximum Contaminant Level Goals (MCLGs) adopted by the United States Environmental Protection Agency (EPA). Only constituents which have a California primary drinking water standard and for which either a PHG or MCLG has been set are to be addressed.

There are a few constituents that are routinely detected in water systems at levels usually well below the drinking water standards for which no PHG or MCLG has yet been adopted by the OEHHA or EPA including Total Trihalomethanes. These will be addressed in a future report once a PHG has been adopted.

What are Public Health Goals?:

Public Health Goals (PHGs) are established by the California Office of Environmental Health Hazard Assessment (OEHHA), which is part of California Environment Protection Agency (Cal-EPA), and are based solely on public health risk considerations. None of the practical risk-management factors that are considered by the EPA or the Department of Public Health (CDPH) in setting drinking water standards, Maximum Contaminant Levels (MCLs), are considered in setting the PHGs. These factors include analytical detection capability, treatment technology available, and the associated benefits and costs of those various treatments. The PHGs are not enforceable, and are not required to be met by any public water system. Maximum Contaminant Level Goals (MCLGs) are the federal equivalent to PHGs.

Water Quality Data Considered:

All of the water quality data collected in the District's water system between January 1, 2010 and December 31, 2012 for purposes of determining compliance with drinking water standards was considered. This data was summarized in the District's 2010, 2011, and 2012 Annual Water Quality Reports, which were mailed to all of our customers during the months of June and July of each year.

Best Available Treatment Technology and Cost Estimates:

Both the EPA and CDPH have adopted what are known as Best Available Technologies (BATs), which are the best known methods of reducing contaminant levels to the MCLs. Costs can be estimated for such technologies. However, since many PHGs and all MCLGs are set much lower than the MCL, it is not always possible nor feasible to determine what treatment is needed to further reduce a constituent downward to or near the PHGs or MCLGs, many of which are set at zero. In some cases, installing treatment to try and further reduce very low levels of one constituent may have adverse effects on other aspects of water quality.

Constituents Detected That Exceed a Public Health Goals (PHGs) or Maximum Contaminant Level Goals (MCLGs):

The water distributed by the Moulton Niguel Water District during the period met the MCLs for these constituents. During the 2010-2012 period, our supplier detected minor levels of Gross Alpha, Gross Beta, and Uranium activity, as indicated below:

Parameter	Units	State or Federal MCL	PHG or (MCLG)	Range Average	2010	2011	2012	PHG Report Required
Gross Alpha (particle activity)	pCi/L	15	(0)	Range	3.8 – 9.3	ND - 3	ND – 3	YES
				Average	5.6	3	3	
Gross Beta (particle activity)	pCi/L	50	(0)	Range	ND – 6.4	ND – 4	ND – 4	YES
				Average	4.3	ND	ND	
Uranium (particle activity)	pCi/L	20	0.43	Range	2.9 – 3.7	2	2	YES
				Average	3.3	2	2	
Arsenic	ppb	10	0.004	Range	ND – 2.7	ND	ND	YES
				Average	2.2	ND	ND	
Coliform Bacteria	%	5.0	(0)	Highest Monthly %	1.5	0.6	0.8	YES

pCi/L = picocuries per liter

ppb = parts per billion

ND = Not Detected

The Public Health Goals (PHGs) for Gross Alpha and Gross Beta was set at zero while Uranium was set at 0.43 as targets or goals by regulatory agencies. It is often not possible to remove or reduce a constituent to the PHGs, especially when the PHG is set at zero, because either the technology does not exist or the cost of treatment would be so expensive that the tap water would be unaffordable.

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The following is an explanation of constituents that were detected in one or more of our drinking water sources at levels above the PHGs, or if no PHGs, above the MCLGs.

Gross Alpha (particle activity):

Although other health impacts are possible, cancer has been recognized as the major health effect of most studied radionuclides. Moreover, risk assessment procedures to estimate the cancer risk from radionuclides have been well developed. Thus cancer is the principal endpoint that will be used to evaluate the health risk from alpha particle emitters present discussion.

Gross Beta (particle activity):

Although other health impacts are possible, cancer has been recognized as the major health effect of most studied radionuclides. Moreover, risk assessment procedures to estimate the cancer risk from radionuclides have been well developed. Thus, cancer is the principal endpoint that will be used to evaluate the health risk from beta particle/photon emitters. Cancer risk estimates for exposure to beta/photon radioactivity vary with particle energy and how certain organs handle that energy. Therefore, risk-based health protective values vary for the different beta/photon emitting isotopes.

Uranium (particle activity):

A Public Health Goal (PHG) has been developed for uranium in drinking water based on its radioactivity. All isotopes of uranium are radioactive, and the total radioactivity depends on the ratio of isotopes. The ionizing radiation from uranium is considered to be inherently carcinogenic. The PHG for uranium is based on the United States Environmental Protection Agency's (EPA) latest cancer risk calculations for uranium exposure (EPA, 1999), and recent data on ratio of uranium isotopes in California drinking water (Wong et al., 1999), from which is calculated the uranium specific activity of 0.79 pCi/μg (radioactivity output per mass unit). The resulting PHG of 0.5 ppb (0.43 pCi/L) developed for natural uranium in drinking water is based on a *de minimis* 10⁻⁶ lifetime cancer risk for exposure to ionizing radiation. OEHHA considers cancer risks below the *de minimis* one in a million theoretical risk to be negligible.

Uranium is a naturally occurring radioactive element that is ubiquitous in the earth's crust. Uranium is found in ground and surface waters due to its natural occurrence in geological formations. Uranium occurs as a trace element in many types of rocks. Because its abundance in geological formations varies from place to place, uranium is a highly variable source of contamination in drinking water.

The EPA has established a Maximum Contaminant Level (MCL) for natural uranium of 30 μg/L (ppb), based on a cost-benefit analysis (EPA, 2000). The EPA Maximum Contaminant Level Goal (MCLG) is zero. The State of California has an MCL for uranium of 20 pCi/L based on earlier studies of toxicity to the kidney in rabbits.

Arsenic:

Arsenic is a naturally occurring element in the earth's crust and is very widely distributed in the environment. All humans are exposed to microgram quantities of arsenic (inorganic and organic) largely from food (25 to 50 μg/day) and to a lesser degree from drinking water and air. Some edible

seafood may contain higher concentrations of arsenic, which is predominantly in less acutely toxic organic forms.

The EPA's final rule on arsenic in drinking water (EPA, 2001) developed an MCLG of zero. The MCLG is the functional equivalent of the California PHG for drinking water. The EPA also established a national primary drinking water regulation or MCL for arsenic of 10 ppb. EPA's upper bound (90th percentile) estimates of lifetime cancer risk at 10 ppb ranged up to 6.1 in 10,000. This federal regulation did not become fully effective until 2006. In California, the MCL for arsenic will be determined by the Department of Health Services to be as close to the PHG as possible considering other factors such as cost and analytical feasibility.

The EPA's final rule on arsenic in drinking water (EPA, 2001) established an MCL of 10 ppb and a MCLG of zero.

Coliform Bacteria:

The following discussion relates to the detection within the water system of coliform bacteria above the MCLG for coliform. The District collects between 124-155 samples each month for coliform bacteria analysis. Occasionally, a sample was found to be positive for coliform bacteria, but re-test samples were negative and follow up actions were taken. A maximum of 1.5% of these samples was positive in any given month during the reporting period. The MCL for coliform is 5.0% positive samples of all samples analyzed per month and the MCLG is zero. The District complies with the requirements set by the EPA.

The reason for the coliform drinking water standard is to minimize the possibility of the water containing pathogens, which are organisms that cause waterborne disease. Because coliform is only a surrogate indicator of potential presence of pathogens, it is not possible to estimate a specific numerical health risk.

While EPA normally sets MCLGs "at a level where no known or anticipated adverse effects on persons would occur," they indicate they cannot do so with coliforms. Coliform bacteria are indicator organisms that are ubiquitous in nature and are not generally considered harmful. They are used because of the ease in monitoring and analysis. If a positive sample is found, it indicates a potential problem that needs to be investigated and follow up sampling must be performed. It is not unusual for a system to have an occasional positive sample. It is difficult, if not impossible, to assure that a system will never get a positive coliform sample.

Chloramines are added as a disinfectant to the water to ensure that the water is microbiologically safe. The chloramines residual levels are carefully controlled to provide optimum health protection without causing the water to have undesirable taste and odor, or increasing the disinfection by-product levels. This careful balance of treatment processes is essential to continue supplying our customers with safe drinking water.

Other equally important measures that the District has implemented include an effective cross-connection control program, maintenance of a disinfectant residual throughout our system, an effective monitoring and surveillance program and maintaining positive pressures in our distribution system. The District has installed disinfection residual systems at all of its reservoir sites. These systems help maintain higher disinfectant residuals throughout the entire distribution system. The total capital cost of

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installing these systems was approximately \$2.6 million dollars. The District's annual operating cost for providing this best available treatment technology is approximately \$150,000 dollars.

The District's system has already taken all of the steps described by CDPH as "best available technology" for coliform bacteria.

Recommendations:

The drinking water quality of the Moulton Niguel Water District meets all State of California Department of Public Health and United States Environmental Protection Agency drinking water standards set to protect public health. Additional costly treatment processes would be required to further reduce the levels of the constituents identified in this report that are already significantly below the health-based Maximum Contaminant Levels established to provide "safe drinking water." The effectiveness of the treatment processes to provide any significant reductions in constituent levels at these already low values is uncertain. The health protection benefits of these further hypothetical reductions are not at all clear and may not be quantifiable. Therefore, the District is not proposing any further action to implement further water treatment processes.