



**ENGINEERING & OPERATIONS
BOARD OF DIRECTORS' MEETING
MOULTON NIGUEL WATER DISTRICT
27500 La Paz Road, Laguna Niguel
January 12, 2015
9:00 AM
Approximate Meeting Time: 3 Hours**

1. CALL MEETING TO ORDER
2. APPROVE THE MINUTES OF THE DECEMBER 15, 2014 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS' MEETING
3. 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.

DISCUSSION ITEMS

4. USBR WaterSMART Grant for AMI Implementation Program Phase I
5. Amendment to Diversion Agreement with County of Orange
6. License for Sewer Connection with City of San Juan Capistrano
7. Generator Installation at Five Sites Construction Contract Award
8. Upper Salada Header Construction Contract Award
9. Beacon Hill Pump Replacement Construction Contract Award
10. Del Avion Wet Well Coating Construction Contract Award

INFORMATION ITEMS

11. January 2015 Private Development Status
12. Quarterly Construction Progress Report

13. 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 REGULAR MEETING OF THE
ENGINEERING & OPERATIONS BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT**

December 15, 2014

A Regular Meeting of the Engineering & Operations 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 December 15, 2014. There were present and participating:

DIRECTORS

Duane Cave	Director
Scott Colton	Director/Chair
Donald Froelich	President
Gary Kurtz	Director
Larry Lizotte	Director
Brian Probolsky	Vice President (arrived at 9:07 a.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	Assistant Director of Engineering
Todd Novacek	Assistant Director of Operations
Drew Atwater	MNWD
Brad Bruington	MNWD
Todd Dmytryshyn	MNWD
Megan Geer	MNWD
Ray McDowell	MNWD
Jim Sampson	MNWD
Megan Schneider	MNWD
Adrian Tasso	MNWD
Rod Woods	MNWD

#2.

Ruth Zintzun	MNWD
Eric Troll	El Niguel Country Club
Frank Tedescucci	Aliso Viejo Country Club
Paul Kristedja	KPRS
Tom Meyers	Ware Malcomb

1. CALL MEETING TO ORDER

The meeting was called to order by Scott Colton at 9:00 a.m.

2. APPROVE THE MINUTES OF THE NOVEMBER 17, 2014 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS' MEETING

MOTION DULY MADE BY DONALD FROELICH AND SECONDED BY GARY KURTZ, MINUTES OF THE NOVEMBER 17, 2014 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS' MEETING WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, DONALD FROELICH, GARY KURTZ, AND LARRY LIZOTTE ALL VOTING 'AYE'. DIRECTOR BRIAN PROBOLSKY WAS ABSENT.

3. PUBLIC COMMENTS

None.

DISCUSSION ITEMS

4. Rebate Application for Turf Removal and Synthetic Turf

Joone Lopez and Matt Collings presented the turf removal applications for El Niguel Country Club, Aliso Viejo Country Club, five private residents, Baja Finisterra Condominium Association, and Briosa Owners' Association.

Eric Troll from El Niguel Country Club presented the plans for turf removal at the golf course.

Brian Probolsky arrived at 9:07 a.m.

Frank Tedescucci from Aliso Viejo Country Club presented the plans for turf removal at the golf course.

5. MNWD & ETWD Inter-tie Construction Contract Award

Eva Plajzer provided details on the construction contract. It was recommended that the Board of Directors award the contract to T.E. Roberts Inc. in the amount of \$362,400 and authorize the General Manager to execute the contract. Staff was asked to provide the Board with written acknowledgement from Santa Margarita Water District regarding

the selection of the contractor.

6. La Siena Mainline Construction Contract Award

Eva Plajzer provided details on the construction contract. It was recommended that the Board of Directors award the contract to T.E. Roberts Inc. in the amount of \$568,332 and authorize the General Manager to execute the contract. Discussion ensued regarding potential disruptions to the community and coordination with the HOA to keep residents apprised of the situation.

7. Valve Replacements Construction Contract Award

Eva Plajzer provided details on the construction contract. It was recommended that the Board of Directors award the contract to Paulus Engineering, Inc. in the amount of \$531,852 and authorize the General Manager to execute the contract. Discussion ensued regarding the size of the project.

8. Tree Maintenance Multi-Year Service Agreement

Todd Novacek provided details on the service agreement. It was recommended that the Board of Directors authorize the General Manager to execute an agreement with Great Scott Tree Maintenance for a not-to-exceed amount of \$215,000. Discussion ensued regarding scope of work, requirement of prevailing wage, and annual costs.

9. Amendment No. 1 to On-Call Asphalt and Concrete Repair Services Fiscal Year 2014-15 and Change of Contractor

Marc Serna provided details on the change of contractor for asphalt and concrete repair. It was recommended that the Board of Directors approve Amendment No. 1 to the agreement with Sander's Paving valued at \$310,000, for a total amount not-to-exceed \$380,000. Discussion ensued regarding reasons for the change in contractor and scope of work.

The Board took a five minute break.

INFORMATION ITEMS

10. Operations Facilities Update

Joone Lopez and Matt Collings provided details on the operations facilities. Analysis was done on the 2A site and plans are being developed. Tom Meyers, from Ware Malcomb, and Paul Kristedja, from KPRS, were present to discuss background and current plans for the operations facilities.

11. Late Items (Appropriate Findings to be Made)

#2.

Staff has none.

CLOSED SESSION

12. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8a Closed Session will be conducted regarding the following:

Property: 4 Liberty, Aliso Viejo, 92656

Under Negotiation: Price and terms of payment

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

Closed session ended 11:07 a.m.

Scott Colton stated that there was no reportable action taken on this item.

ADJOURNMENT

The meeting was adjourned at 11:08 a.m.

Respectfully submitted,

Paige Gulck
Board Secretary



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** January 12, 2015

FROM: Matt Collings, Assistant General Manager
Megan Yoo Schneider, Policy and Outreach Analyst

SUBJECT: USBR WaterSMART Grant for AMI Implementation Program Phase I

DIVISION: District-Wide

SUMMARY:

Issue: Board action is required for submitting an application to the U.S. Bureau of Reclamation for the WaterSMART Water and Energy Efficiency Grants for FY 2015.

Recommendation: It is recommended that the Board of Directors adopt the resolution entitled, "Authorizing 2015 Watersmart Water and Energy Efficiency Grant Application to United States Bureau of Reclamation and Authorizing the General Manager to Develop a Grant Agreement for the Moulton Niguel Water District Advanced Meter Infrastructure Implementation Program Phase I."

Fiscal Impact: The District is currently finalizing the anticipated cost that would be required for the grant's matching component (maximum of \$300,000). The District would not expend any funds during the current Fiscal Year, and would seek board approval for the Fiscal Year 2015-16 budget.

BACKGROUND:

In October 2014, the U.S. Bureau of Reclamation (USBR) released a Funding Opportunity Announcement (FOA) No. R15AS00002 for WaterSMART: Water and Energy Efficiency Grants for FY 2015 for projects that seek to conserve and use water more efficiently, increase the use of renewable energy and improve energy efficiency, benefit endangered and threatened species, facilitate water markets, or carry out other activities to address climate-related impacts on water or prevent any water-related crisis or conflict.

#4.

USBR WaterSMART Grant for AMI Implementation Program Phase I

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There is a request for \$19 million in funding for WaterSMART grants in the President's FY 2015 budget through two funding groups. Funding Group I provides up to \$300,000 in Federal funds for projects completed within two years of award. Funding Group II provides up to \$1 million for larger, phased, on-the-ground projects that may take up to three years to complete. No more than \$1 million is available for any single applicant, and it is expected that the majority of awards will be made for projects in Funding Group I.

Advanced Meter Infrastructure (AMI) provides real-time data on water consumption, which provides utilities and their customers with a powerful tool for tracking and monitoring water usage. Several utilities are considering moving towards AMI given its capabilities and benefits. AMI has been claimed to promote greater operational efficiency by allowing system operators to fine-tune the water distribution system with the availability of better data. For example, AMI can assist with leak detection and identification of abnormal water consumption events. On the customer end, the availability of real-time data through an online portal may allow for greater conservation opportunities and feedback on actual water usage on a regular basis.

The District is currently operating a pilot AMI system for approximately 300 potable water meters and is considering implementing AMI for the recycled water system, which includes nearly 1,300 connections. The District would like to implement AMI for the entire recycled water system to evaluate the benefits and effectiveness of this technology in optimizing the operations and identifying leaks on a system-wide basis. Implementing AMI for the recycled water connections would allow the District to evaluate the technology with a focused customer group and better evaluate the benefits and challenges associated with AMI. Lessons learned would help determine the most effective and appropriate technology for our meters.

DISCUSSION:

Implementation of AMI aligns with the District's goals to conserve and promote greater Water Use Efficiency. By installing AMI for the entire recycled water system, the District will be able to evaluate the benefits and capabilities of AMI on a system-wide basis and get a complete picture of what AMI would provide to the District in determining improvements in water use efficiency and conservation on a quantitative basis.

The District's AMI Implementation Program will serve as a key component in the District's efforts to expand the Water Loss Control Program, in addition to promoting the critical need for water conservation.

Phase I of this AMI Implementation Program will install an AMI meter reading system on all of the existing recycled water meters throughout the District. The Program will expand on efforts to promote water use efficiency by establishing a remote reading and communications network, install acoustic leak detection and pressure sensors to detect distribution leaks, and implement a meter data management system to complement the AMI. The customers would be provided with access to an interactive AMI customer portal which would provide reliable, secure, and real time access to their water usage data.

USBR WaterSMART Grant for AMI Implementation Program Phase I

January 12, 2014

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Additionally, the current recycled water program has consistently required the purchase of up to 250 acre feet of potable imported water in previous years, due to increased spikes in peak-hour demand that exceeded the available quantities of recycled water. Implementing AMI would assist the District through demand-side time-of-use management. This project would not only promote water use efficiency, it would build upon the knowledge gained from the current pilot program and provide a more complete picture of the benefits of AMI prior to determining any future expansions in the AMI program for the potable water system.

Staff recommends applying for the USBR WaterSMART Water and Energy Efficiency Grants for FY 2015 to fund the Advanced Meter Infrastructure Implementation Program Phase I, up to the maximum grant amount of \$300,000 for Funding Group I. The grant would require that MNWD share at least 50 percent of the total project costs. The District would incorporate the appropriate funding in the FY 15-16 budget. The current resolution provides provisions for submitting the USBR WaterSMART Water and Efficiency Grant application but does not obligate the District to proceed with the project should the District be selected.

Attachments:

1. Resolution
2. Letter of support from Frances Spivy-Weber, State Water Resources Control Board

RESOLUTION NO. 15-___

**RESOLUTION OF THE BOARD OF DIRECTORS OF
MOULTON NIGUEL WATER DISTRICT
AUTHORIZING 2015 WATERSMART WATER AND ENERGY EFFICIENCY GRANT
APPLICATION TO UNITED STATES BUREAU OF RECLAMATION AND
AUTHORIZING THE GENERAL MANAGER TO DEVELOP A GRANT AGREEMENT
FOR THE MOULTON NIGUEL WATER DISTRICT
ADVANCED METER INFRASTRUCTURE IMPLEMENTATION PROGRAM PHASE I**

WHEREAS, the Board of Directors of the Moulton Niguel Water District (MNWD), intends to authorize an application to the United States Bureau of Reclamation (USBR) to obtain a 2015 WaterSMART Water and Energy Efficiency Grant (“Grant”), and further to authorize MNWD to enter into an agreement to receive the Grant for the MNWD Advanced Meter Infrastructure Implementation Program Phase I (“Project”); and

WHEREAS, the Project is for the benefit of MNWD and its customers, and the Grant and the Project shall be carried out consistent with the obligations of MNWD and its policies and bylaws.

WHEREAS, the Project would accomplish the following:

- Water use efficiency goals programs, including customer education;
- Expansion of water loss control programs;
- Recycled water program benefits potable water usage.

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

SECTION 1. The foregoing recitals are incorporated in this Resolution.

SECTION 2. The General Manager of MNWD, or her designee, is hereby authorized and directed to prepare required data and to conduct any review and necessary investigation in connection with the Grant application, and to file the Grant application and execute a Grant agreement and any amendments thereto with the United States Bureau of Reclamation in connection with the Project.

SECTION 3. The General Manager of MNWD, or her designee, is hereby authorized and directed to establish related revenue and expenditure budgets for the AMI Program and for the grant funds contingent on receipt of Grant award.

SECTION 4. The General Manager of MNWD, or her designee, is hereby authorized and directed to abide by any other provisions required under the applicable USBR guidelines.

#4.

ADOPTED, SIGNED and APPROVED this 15th day of January, 2015.

President

MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof

Secretary

MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof



EDMUND G. BROWN JR.
GOVERNOR



MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

Joone Lopez
Moulton Niguel Water District
27500 La Paz Road
Laguna Niguel, CA 92677
JLopez@mnwd.com

Dear Joone,

I am very pleased to hear about your proposal to the U.S. Bureau of Reclamation for a Phase I Water Smart water and energy grant. I fully endorse your approach of starting with recycled water, then moving in Phase II to imported, potable water.

The proposed Advanced Meter Infrastructure (AMI) will be a boon for the District and its customers by giving you the ability to read and communicate with customers remotely, while also allowing customers to track and monitor their individual water usage. Importantly, I am very glad you are emphasizing leak detection and pressure sensors with demand side management.

Please keep me in the loop as you pursue AMI Phase I, and if I can be of assistance, let me know.

Sincerely,

Frances Spivy-Weber
Vice Chair, State Water Resources Control Board



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** January 12, 2015

FROM: Marc Serna, Director of Engineering and Operations
Mark Mountford, Principal Engineer

SUBJECT: Amendment to Diversion Agreement with County of Orange

DIVISION: 6 and 7

SUMMARY:

Issue: Moulton Niguel Water District (MNWD) and the County of Orange (County) have prepared a Second Amendment (Amendment) to extend the Agreement that would continue to allow backwash water to enter the MNWD wastewater collection system from the County’s Urban Low-Flow Treatment Plant located at Woodfield Park in Aliso Viejo.

Recommendation: It is recommended that the Board of Directors approve the Second Amendment to the Diversion Agreement subject to non-substantive changes approved by the General Manager and Legal Counsel; and authorize the General Manager to execute the Amendment.

Fiscal Impact: Per the terms of the Amendment, MNWD will continue to charge the County conveyance fees of \$3,664 per million gallons of flow.

BACKGROUND:

The County currently operates a small package treatment plant facility at Woodfield Park in Aliso Viejo, to divert and treat dry weather nuisance flow discharges from the stormdrain system, prior to discharging flow to Aliso Creek. Backwash water from the plant is discharged to the MNWD collection system.

The first Agreement was executed in 2002 (see Exhibit A), and was executed along with a South Orange County Wastewater Authority (SOCWA) wastewater discharge/stormwater diversion (SWD) permit. This Agreement allowed for annual renewals. The package plant encountered some operational issues, and was not in service from 2005-2009. In 2009, the operational issues were resolved, and a First Amendment to the Agreement was executed. The term of this Amendment was

#5.

Amendment to Diversion Agreement with County of Orange

January 12, 2015

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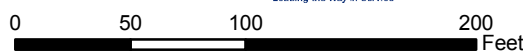
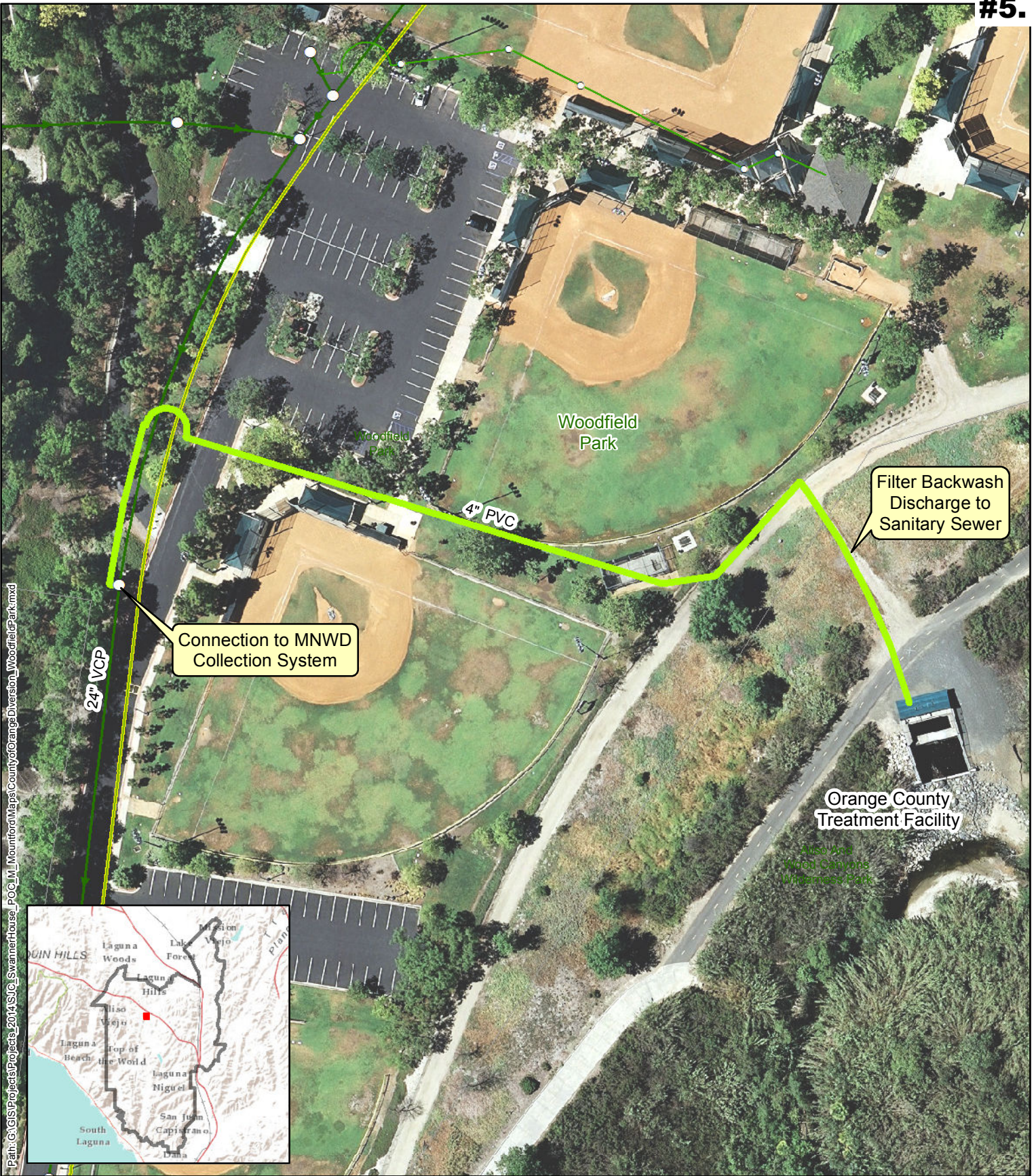
changed to 5 years to coincide with the term of the SWD permit. The First Amendment provided for: (i) renewing the term of the original agreement for up to 5 years, (ii) setting a new discharge rate in dollars per million gallons, and (iii) imposing a permit processing fee to cover MNWD administrative costs. The provisions of this Second Amendment cover these same three issues.

DISCUSSION:

The Amendment revises the cost per million gallons of discharge water based on the recently completed comprehensive cost of service analysis. Cost of service for wastewater flows was increased from \$1,620 to \$3,664 per million gallons based on the District's Cost of Service Analysis for wastewater services. The Amendment has been revised to reflect this cost. Provisions in the Amendment allow for annual adjustments to the unit cost, as deemed necessary by MNWD.

In addition, the Amendment calls for the County to reimburse MNWD \$1,000 for costs associated with engineering and legal expenses related to the Amendment.

Attachment: Exhibit A – Location Map
Exhibit B – Second Amendment (Proposed)
Exhibit C – First Amendment, 2009
Exhibit D – Original Agreement, 2002



Scale = 1:1,000
-15-

Exhibit 'A'
County of Orange Diversion
at Woodfield Park, Aliso Viejo

**SECOND AMENDMENT TO AGREEMENT
BETWEEN
MOULTON NIGUEL WATER DISTRICT AND COUNTY OF ORANGE FOR
DIVERSION OF URBAN RUNOFF FROM J01P28 URBAN RUNOFF TREATMENT
FACILITY**

This Second Amendment to the original Agreement is made and entered into as of the _____ day of _____, 20____, by and between the Moulton Niguel Water District [MNWD], a California Water District under Water Code Section 34000 *et seq.*, and County of Orange [County], a political subdivision of the State of California, hereafter sometimes jointly referred to as the Parties, with reference to the following.

RECITALS

- A. On August 6, 2002, MNWD and County entered into an Interim Diversion Agreement for the J01P28 Urban Runoff Treatment Facility per South Orange County Wastewater Authority ‘Dry Weather Nuisance Flow Diversion Policy’ - Backwash Water Diversion [Original Agreement].
- B. On November 19, 2003, the City of Aliso Viejo accepted the transfer of real estate property and easements from the County of Orange, including the 96-inch pipe known as “J01P28 Storm Drain”.
- C. On August 20, 2009, MNWD and County mutually agreed to the First Amendment to extend the Agreement for an additional five (5) years as specified.
- D. This Second Amendment shall provide the following: (i) renew the term of the First Amendment for five (5) years from the date of the re-issued SWD Permit, such permit to have an expiration date no later than five (5) years; (ii) after five (5) years of operations, the term of the Second Amendment may be extended for an additional five (5) years by written agreement of both Parties; (iii) set forth a revised annual price per million gallons of discharge from the JO1P28 Diversion Structure to be paid by County to MNWD based on a formula to be adjusted each fiscal year; and (iii) imposed a permit processing fee to cover MNWD and SOCWA administrative costs and renewal fee.
- E. MNWD and County mutually agree to amend the Agreement as specified in this Second Amendment.

NOW, THEREFORE, in consideration of the Recitals stated above, and incorporated herein by this reference and the mutual obligations of the Parties expressed herein, the MNWD and County agree as follows:

- 1. All the terms and conditions of the Original Agreement referenced above, are incorporated herein by this reference, and are of full force and effect except as expressly and specifically amended herein, and also apply to the re-issued SWD Permit and the

#5.

JO1P28 Diversion Project. In the event of any conflict or inconsistency between the terms of the Original Agreement, the First Amendment and this Second Amendment, the terms of this Second Amendment shall control.

2. Section 2 County Project Fees and Annual Costs of the Original Agreement and the First Amendment is amended to read as follows:

County Project Fees and Annual Costs. County shall reimburse MNWD for the (1) annual operation and maintenance costs associated with the conveyance, treatment and disposal of backwash from the treatment of dry weather nuisance flows from the JO1P28 Diversion Structure, including any costs MNWD incurs for the SWD Permit administration, and (2) one-time costs associated with engineering, “SWD Permit” processing and preparation of this Agreement, including the First Amendment; all, as further described in this Section 2.

The annual operation and maintenance costs will include such factors as the annual volume of dry weather nuisance flows diverted to the Sewer Facilities and SOCWA Facilities, the annual cost to repair, maintain, and operate the Sewer Facilities, including wastewater lift stations, and MNWD’s annual share of the costs to operate and maintain the SOCWA Facilities. The District performed a comprehensive cost of service in 2014 that allocated its non-rate revenue, operating expenses and capital expenses to each of the respective systems (potable water, recycled water, and wastewater). Cost of service for wastewater flows was calculated at \$3,664 per million gallons (mg). Accordingly, MNWD will charge the County \$3,664 per mg for the conveyance, pumping, treatment, and disposal of the County’s backwash during fiscal year 2014-15. This unit cost may thereafter be adjusted annually each fiscal year during the term of the re-issued SWD Permit on each July 1 to cumulative increase to this unit cost over the five year SWD Permit term and term of this Agreement shall not exceed fifteen percent (15%) of the original \$3,664 per mg unit cost. Any adjustments shall be based upon future cost of service studies. MNWD will provide written notice to County by June 15 of any increase of the unit cost to be effective the following July 1 for that following fiscal year. County will, on a quarterly basis, provide MNWD with written documentation of the quantity of flow discharged to the Sewer Facilities in the previous quarter. MNWD will then invoice County quarterly based on the unit rate per mg of flow discharged for the fiscal year, as determined in accordance with the formula set forth above in this Section 2.

County will reimburse MNWD \$1,000 for costs associated with engineering and legal expenses related to this Agreement, including the Second Amendment and the re-issuance of the SWD Permit, prior to or concurrently with the execution of this Second Amendment, and the issuance or re-issuance and renewal of the SWD Permit for the JO1P28 Diversion Structure.

[Bαpov1]

- 3. Section 17 Term of the Original Agreement and the First Amendment is amended to read as follows: "The parties agree the term of the re-issued SWD Permit shall be for no more than five (5) years. The parties further agree that the terms of this Agreement shall automatically remain in full force and effect during the SWD Permit term (unless otherwise terminated by MNWD), subject to annual adjustments to the unit rate per mg of flow discharged as set forth in Section 2 of this Agreement, as determined by MNWD. MNWD will provide County with sixty (60) days prior notice of annual adjustments to such unit rate per mg of discharge, which rate shall be effective for each successive twelve (12) month period.

IN WITNESS WHEREOF, MNWD and County hereto have executed this Second Amendment on the date first written above

APPROVED AS TO FORM:

Legal Counsel - Moulton Niguel Water District

By _____
 Print
 Name _____
 Title _____
 Date _____

MOULTON NIGUEL WATER DISTRICT

By _____
 Print
 Name _____
 Title _____
 Date _____

#5.

**APPROVED AS TO FORM:
COUNTY COUNSEL**

By _____

Deputy

Print Name _____

Date _____

COUNTY OF ORANGE PUBLIC WORKS

On behalf of the COUNTY OF ORANGE,
a political subdivision of the State of California

By _____

Print Name _____

Title _____

Date _____

FIRST AMENDMENT TO “AGREEMENT BETWEEN MOULTON NIGUEL WATER DISTRICT AND COUNTY OF ORANGE FOR INTERIM DIVERSION OF URBAN RUNOFF FROM JO1P28 STORM DRAIN PER SOUTH ORANGE COUNTY WASTEWATER AUTHORITY DRY WEATHER NUISANCE FLOW DIVERSION POLICY” (“Original Agreement”)

THIS FIRST AMENDMENT to the Original Agreement is between **MOULTON NIGUEL WATER DISTRICT**, a California Water District under California Water Code Section 34000 *et seq.* (MNWD), and the **COUNTY OF ORANGE** (“County”) is made effective as of the 20th day of August 2009. MNWD and County are sometimes referred to in this First Amendment individually as “party,” or together as “parties.”

RECITALS

A. County previously installed and operated the JO1P28 Diversion Structure in accordance with the Original Agreement and the special wastewater discharge permit (SWD Permit) issued thereunder by MNWD and SOCWA. The County has requested that MNWD renew the SWD Permit and enter into this First Amendment in order to reactivate and resume operations of the JO1P28 Diversion Structure. MNWD is willing to re-issue the SWD Permit, with such changes and revisions as may be required by MNWD and SOCWA, for the resumption of operations of the JO1P28 Diversion Structure upon the terms and conditions set forth in this First Amendment.

B. The County represents that it has undertaken all environmental proceedings for resumption of the JO1P28 Diversion Structure operation as may be required, and has received any other approvals from governmental entities necessary for such operation, save for the SWD Permit to be re-issued under this First Amendment.

C. This First Amendment shall provide the following: (i) renew the term of the Original Agreement up to and including five (5) years from the date of the re-issued SWD Permit, such permit to have an expiration date no later than five (5) years; (ii) set forth a revised annual price per million gallons of discharge from the JO1P28 Diversion Structure to be paid by County to MNWD based on a formula to be adjusted each fiscal year; and (iii) impose a permit processing fee to cover MNWD and SOCWA administrative costs and renewal fee.

D. Other than as set forth in this First Amendment, all the terms and conditions of the Original Agreement remain in full force and effect and govern the re-issuance of the SWD Permit and the County’s operation of the JO1P28 Diversion Structure.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties agree as follows:

AGREEMENT

1. The Recitals are incorporated into and made a part of the terms of this First Amendment.
2. Section 2 of the Original Agreement to be amended to read as follows:

“2. County Project Fees and Annual Costs. County shall reimburse MNWD for the (1) annual operation and maintenance costs associated with the conveyance, treatment and disposal of backwash from the treatment of dry weather nuisance flows from the JO1P28 Diversion Structure, including any costs MNWD incurs for the SWD Permit administration, and (2) one-time costs associated with engineering, “SWD Permit” processing and preparation of this Agreement, including the First Amendment; all, as further described in this Section 2.

The annual operation and maintenance costs will be based on the annual volume of dry weather nuisance flows diverted to the Sewer Facilities and SOCWA Facilities, the annual cost to repair, maintain, and operate the Sewer Facilities, including wastewater lift stations, and MNWD’s annual share of the costs to operate and maintain the SOCWA Facilities. For fiscal year 2009-10, MNWD’s budgeted share of the operations and maintenance costs for the SOCWA Facilities (Regional Treatment Plant) is approximately \$1,344 per million gallons (mg), and MNWD’s cost for pumping sewage at its Regional Lift Station is approximately \$128 per mg. For fiscal year 2009-10, MNWD’s sewer conveyance system maintenance and administrative cost is set at 10 percent (10%) of the treatment and pumping costs. Accordingly, MNWD will charge the County \$1,620 per mg for the conveyance, pumping, treatment, and disposal of the County’s backwash during fiscal year 2009-10. This unit cost will thereafter be adjusted annually each fiscal year during the term of the re-issued SWD Permit on each July 1 to incorporate increases in MNWD’s costs listed above; provided, the total cumulative increase to this unit cost over the five year SWD Permit term and term of this Agreement shall not exceed fifteen percent (15%) of the original \$1,620 per mg unit cost. MNWD will provide written notice to County by June 15 of any increase of the unit cost to be effective the following July 1 for that following fiscal year. County will, on a quarterly basis, provide MNWD with written documentation of the quantity of flow discharged to the Sewer Facilities in the previous quarter. MNWD will then invoice County quarterly based on the unit rate per mg of flow discharged for the fiscal year, as determined in accordance with the formula set forth above in this Section 2.

County will reimburse MNWD \$1,000 for costs associated with engineering and legal expenses related to this Agreement, including the First Amendment and the re-issuance of the SWD Permit, prior to or concurrently with the execution of this Agreement, or the First Amendment as applicable, and the issuance or re-issuance and renewal of the SWD Permit for the JO1P28 Diversion Structure.

County will be responsible for any other financial obligations and liabilities under the SWD Permit for the JO1P28 Diversion Structure, including but not limited to any regulator fines or penalties or settlement terms assessed or imposed as a result of such diversion.”

- 3. Section 17 Term of the Original Agreement is amended to read as follows:

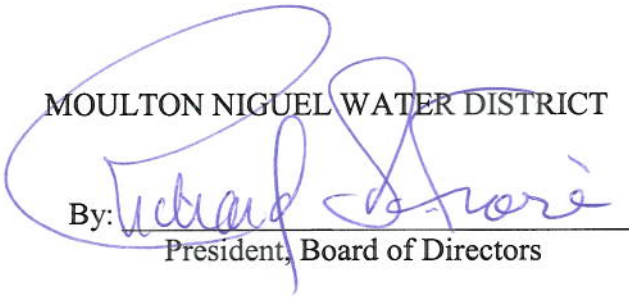
“The parties agree the term of the re-issued SWD Permit shall be for no more than five (5) years. The parties further agree that the terms of this Agreement shall automatically remain in full force and effect during the SWD Permit term (unless otherwise terminated by MNWD), subject to annual adjustments to the unit rate per mg of flow discharged as set forth in Section 2 of this Agreement, as determined by MNWD. MNWD will provide County with sixty (60) days prior notice of annual adjustments to such unit rate per mg of discharge, which rate shall be effective for each successive twelve (12) month period. Notwithstanding the foregoing, MNWD reserves the right to immediately terminate the County’s ability to discharge filter backwash into the Sewer Facilities in accordance with the termination and/or revocation terms of the Policy and the SWD Permit.”

- 4. Other than as amended by this First Amendment, all other terms and provisions of the Original Agreement shall remain in full force and effect and apply to the re-issued SWD Permit and the JO1P28 Diversion Project. In the event of any conflict or inconsistency between the terms of the Original Agreement and this First Amendment, the terms of this First Amendment shall control. The term “Original Agreement” and “Agreement” as used in this First Amendment or the Agreement includes this First Amendment and all the terms hereof.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment on the dates opposite their respective signatures.

Dated: September 17, 2009

MOULTON NIGUEL WATER DISTRICT

By:  _____
President, Board of Directors

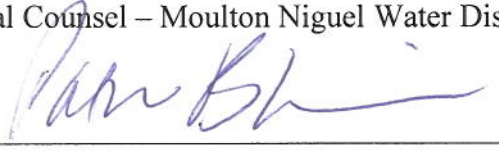
By:  _____
Secretary, Board of Directors

#5.

APPROVED AS TO FORM:

BOWIE, ARNESON,
WILES & GIANNONE
Legal Counsel – Moulton Niguel Water District


By



Patricia B. Giannone

Date: _____

ORANGE COUNTY PUBLIC WORKS
On behalf of the COUNTY OF ORANGE,
a political subdivision of the State of California

By: 
Jess A. Carbajal, Director,
Orange County Public Works

APPROVED AS TO FORM
COUNTY COUNSEL

By: 
Geoffrey Hunt, Deputy

**AGREEMENT BETWEEN MOULTON NIGUEL WATER DISTRICT
AND COUNTY OF ORANGE
FOR INTERIM DIVERSION OF URBAN RUNOFF FROM
JO1P28 STORM DRAIN PER SOUTH ORANGE COUNTY WASTEWATER
AUTHORITY 'DRY WEATHER NUISANCE FLOW DIVERSION POLICY'**

THIS AGREEMENT is made and entered into as of this _____ day of _____, 2002 by and between MOULTON NIGUEL WATER DISTRICT (MNWD), a California Water District, and COUNTY OF ORANGE (COUNTY), California, a body corporate and politic. MNWD and County are sometimes referred to in this Agreement individually as "party" or jointly as "parties".

RECITALS

- A. County owns and maintains a 96-inch storm drain facility known as the "JO1P28 Storm Drain", discharging dry weather nuisance flows and storm water to Aliso Creek.
- B. County is one of the co-permittees of the storm water National Pollution Discharge Elimination System (NPDES) permit issued by the San Diego (Region 9), Regional Water Quality Control Board to Orange County (southern area).
- C. MNWD is a member agency of South Orange County Wastewater Authority (SOCWA) and one of the owners/participants in certain of SOCWA's regional wastewater treatment and disposal facilities, the Joint Regional Treatment Plant and the Aliso Creek Ocean Outfall (the "SOCWA Facilities").
- D. MNWD owns and maintains a 24-inch sewer transmission pipeline located in the vicinity of the JO1P28 Storm Drain that conveys wastewater generated in the MNWD service area to the SOCWA Facilities.
- E. County desires to modify the JO1P28 Storm Drain to divert and treat dry weather nuisance flow discharges prior to discharge to Aliso Creek. Backwash water from the proposed package water treatment plant is proposed to be discharged to the MNWD sewer collection system (the "Sewer Facilities"). The proposed location of the diversion facilities is depicted in Exhibit A to this Agreement ("JO1P28 Interim Water Quality Improvement Package Plant BMP – Backwash Discharge Line Plan and Profile"), and such facilities are referred to as the "JO1P28 Diversion Structure" in this Agreement.

- F. The parties recognize that the SOCWA Facilities and the Sewer Facilities have limited system capacity available for acceptance of dry weather nuisance flow discharges, such diversions to be on an interim basis and with no adverse affects on the facilities' primary function of collection, treatment, and disposal of sanitary sewer discharges. SOCWA and MNWD have each adopted the "SOCWA Policy for Acceptance of Interim Dry Weather Nuisance Flow to the Wastewater Collection, Treatment and Disposal System Pursuant to Pretreatment Program and Waste Discharge Requirements" and related rules and regulations (together, the "Policy") that allows certain interim diversions of dry weather nuisance flow using those facilities, provided the diversions are strictly in accordance with the Policy.
- G. MNWD and SOCWA are willing to accept limited, interim amounts of dry weather nuisance water discharges from the JO1P28 Diversion Structure treatment facilities (1) in strict accordance with the Policy, pretreatment and waste discharge requirements applicable to the SOCWA Facilities and Sewer Facilities, any other laws, rules, regulations or permits of the parties, SOCWA or other applicable regulatory agencies governing such facilities or the proposed discharges, and the terms of this Agreement; and (2) only upon the issuance of an 'SWD Permit' under and pursuant to the Policy for the JO1P28 Diversion Structure.

IN CONSIDERATION of the promises and mutual covenants contained herein, the parties agree as follows:

AGREEMENT

1. Diversion Structure Treatment Facilities. County shall operate the JO1P28 Interim Water Quality Improvement Package Plant, and assume all responsibility and liability therefore as follows in this Agreement and under the Policy. MNWD consents to the construction, installation, maintenance and operation of the Package Plant, and discharge of backwash water from the package plant into the Sewer Facilities, at a maximum rate of 3,000 gallons/day provided those actions and all matters related to the JO1P28 Diversion Structure and package plant are (i) done in strict accordance with the terms of this Agreement, the Policy and the SWD Permit, and (ii) do not commence until issuance of the SWD Permit for such structure pursuant to the Policy.

2. County Project Fees and Annual Costs. County shall reimburse MNWD for the (1) annual operation and maintenance costs associated with the conveyance, treatment and disposal of backwash from the treatment of dry weather nuisance flows from the JO1P28 Diversion Structure, including any costs MNWD incurs for the SWD Permit administration, and, (2) one-time costs associated with engineering, 'SWD Permit' processing and preparation of this Agreement.

The annual operation and maintenance costs will be based on the annual volume of dry weather nuisance flows diverted to the Sewer Facilities and SOCWA Facilities, the cost to construct and operate the Sewer Facilities including wastewater lift stations, and the MNWD share of the cost to operate the SOCWA Facilities. The costs will be determined based upon a unit cost of \$1,200/million gallons (mg) of flow discharged into the Sewer Facilities. County will, on a quarterly basis, indicate to MNWD the quantity of flow discharged to the sewer system in the previous quarter. MNWD will then invoice County quarterly based on a unit rate of \$1,200/million gallons of flow discharged.

County will reimburse MNWD \$1,000 for costs associated with engineering and legal expenses related to this Agreement prior to or concurrently with the execution of this Agreement and the issuance of the SWD Permit for the JO1P28 Diversion Structure.

County will be responsible for any other financial obligations and liabilities under the SWD Permit for the JO1P28 Diversion Structure, including but not limited to any regulatory fines or penalties or settlement terms assessed or imposed as a result of such diversion.

3. Compliance with Policy, Rules and Regulations. County agrees to comply with and abide by the Policy, the SWD Permit, and any other rules and regulations of MNWD and SOCWA or other applicable public agencies in connection with the JO1P28 Diversion Structure. County further agrees that it shall meet all requirements and conditions of any applicable NPDES Permit and all MNWD/SOCWA pre-treatment ordinances and permits to ensure that dry weather nuisance flows will not preclude MNWD/SOCWA from meeting and complying with any waste discharge requirements or any condition of SOCWA's NPDES Permit and pre-treatment ordinances and rules.
4. No Capacity Rights or Entitlement. Nothing in this Agreement shall be construed to provide County or any of County's successors-in-interest with

any vested entitlement to discharge to the Sewer Facilities or SOCWA Facilities, or with a capacity right(s) in such facilities.

- 5. Indemnity. County agrees to indemnify and hold harmless MNWD, SOCWA and its member agencies, and each of their employees, officers and elected officials (the "indemnitees") from any and all claims, damages, lawsuits, permit or discharge violations, penalties, fines, attorneys fees or any other liability as a result of, or arising out of or in connection with, the activities (including actions or omissions) related to this Agreement and the JO1P28 Diversion Structure, including but not limited to (1) the use, development, approval, operation, maintenance, termination, discontinuance or any other aspect of the JO1P28 Diversion Structure and discharges hereunder; (2) flows from the JO1P28 Storm Drain as a result of termination or interruption of the discharge to the Sewer Facilities and the SOCWA Facilities hereunder, or this Agreement, or the SWD Permit for the JO1P28 Diversion Structure; or, (3) any matters related to any of the foregoing. County agrees that it shall pay for the defense of the indemnitees and shall be responsible for the satisfaction of any judgment, decree, settlement or court order, including but not limited to any penalties or fines or other remedies imposed by a regulatory agency, or through any regulatory proceeding. This indemnity will survive the termination or expiration of this Agreement or the SWD Permit.
- 6. Insurance. County agrees to provide evidence of general liability insurance, in amounts satisfactory to MNWD, applicable to the ownership, installation and operation of the JO1P28 Diversion Structure, and County's obligations under this Agreement. Written endorsements naming MNWD, SOCWA and its member agencies, and each of their employees, directors, and officers as additional insureds shall be provided prior to discharge of any flows to the Sewer Facilities and shall continue in effect for the entire period discharges to the sewer collection system are occurring.
- 7. Attorneys Fees. If either party hereto commences any action to enforce any provision of this Agreement, the prevailing party shall be entitled to receive from the other party, in addition to damages, equitable or other relief, all costs and expenses incurred, including reasonable attorneys fees.
- 8. Successors; Assignment. This Agreement will be binding upon and inure to the benefit of the parties' successors hereto. County shall not assign its rights and obligations hereunder without prior written notice to, and the written consent of, MNWD, and no assignment shall be effective if contrary to the terms of the Policy or the SWD Permit.

9. Waiver. The failure of either party to insist on compliance with any of the terms, covenants or conditions of this Agreement by the other party shall not be deemed a waiver of such terms, covenants or conditions, nor shall any waiver or relinquishment of any right or power conferred by this Agreement at any other time or times, by a party be deemed a waiver or relinquishment of that right or power for all or any other times.
10. Severability. If any part of this Agreement is held to be illegal or unenforceable or void for any reason by a court of competent jurisdiction, the entire Agreement shall be deemed invalid, illegal or otherwise unenforceable.
11. Entire Agreement. This Agreement supersedes any and all prior oral or written agreements between the parties with respect to the subject matter herein.
12. Amendment. No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in a writing signed by both parties.
13. Notice. Any notice required or permitted to be given hereunder shall be deemed to have been validly given or made only if in writing and when received by the party to whom it is directed by personal service, hand delivery, or United States Mail as follows:

If to MNWD: Moulton Niguel Water District
27500 La Paz Road
Laguna Niguel, CA 92677

Attn: General Manager

If to County: Orange County PFRD
300 N. Flower Street
Santa Ana, CA 92703

Attn: Director, PFRD

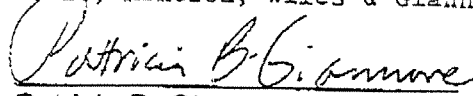
Either party may change its address above at any time by written notice to the other.

14. Recitals/Exhibits: Counterparts. The Recitals and Exhibits are incorporated in this Agreement. This Agreement may be executed in counterparts, each of which shall be deemed an original.

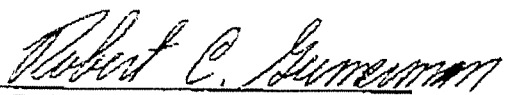
- 15. California Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of California.
- 16. Third Party Beneficiary. The parties agree that SOCWA is a third party beneficiary hereunder for purposes of enforcing the indemnity or insurance provisions of this Agreement.
- 17. Term. The term of this Agreement is for a period of one (1) year; provided, in the event the SWD Permit issued for the JO1P28 Diversion Structure under and pursuant to the Policy is for a term exceeding one (1) year, the parties agree that the terms of this Agreement shall automatically remain in full force and effect during the SWD Permit term (unless otherwise terminated by MNWD), subject to annual adjustments to the unit rate per mg of flow discharged as set forth in Section 2 of this Agreement, as determined by MNWD. MNWD will provide County with sixty (60) days prior notice of annual adjustments to such unit rate per mg of discharge, which rate shall be effective for each successive twelve (12) month period. Notwithstanding the foregoing, MNWD reserves the right to immediately terminate the County's ability to discharge filter backwash into the Sewer Facilities in accordance with the termination and/or revocation terms of the Policy and the SWD permit

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

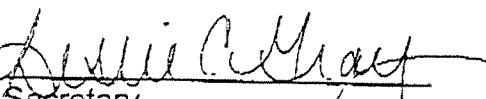
APPROVED AS TO FORM:
Bowie, Arneson, Wiles & Giannone


by Patricia B. Giannone
Attorney

Moulton Niguel Water District


Robert C. Gumerman
Assistant General Manager

ATTEST:

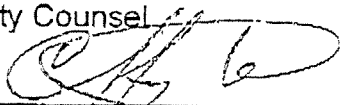

Secretary

APPROVED AS TO FORM:

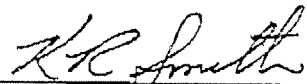
County of Orange

County Counsel

By:


Geoffrey Hunt, Deputy

By:


for Vicki Wilson, Director
PFRD *

* Per Orange County Board Of Supervisors Minute Order August 6, 2002



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** January 12, 2015

FROM: Marc Serna, Director of Engineering and Operations
Mark Mountford, Principal Engineer

SUBJECT: License for Sewer Connection with City of San Juan Capistrano

DIVISION: District-wide

SUMMARY:

Issue: Moulton Niguel Water District (MNWD) and the City of San Juan Capistrano (City) have prepared a License Agreement that would allow wastewater to be conveyed from a small San Juan Capistrano park (Northwest Open Space and Swanner House) to the jointly-owned MNWD-SMWD Oso-Trabuco Trunk Sewer.

Recommendation: It is recommended that the Board of Directors approve the License Agreement subject to non-substantive changes approved by the General Manager and Legal Counsel; and authorize the General Manager to execute the Agreement.

Fiscal Impact: Per the terms of the Agreement, MNWD will charge connection fees of \$1,500 to the City.

BACKGROUND:

The City is currently looking to develop and operate a public park and recreational facilities on an 11 acre parcel, referred to as the North West Open Space (NWOS) area. This area is located north of JSerra High School, between the OCTA-Metrolink tracks to the West and Camino Capistrano to the East. The park would include two small restroom facilities. The City also maintains an historic home referred to as the Swanner House immediately north of the NWOS. This area of the City does not have a municipal wastewater conveyance system available and is located adjacent to the MNWD-SMWD Oso-Trabuco Trunk Sewer.

#6.

License for Sewer Connection with City of San Juan Capistrano

January 12, 2014

Page 2 of 2

An existing wastewater connection to the Oso-Trabuco Trunk Sewer exists in the area and serves the backwash/purge cycles from a City-owned NWOS groundwater well.

The License Agreement (Agreement) would allow for the two public NWOS bathroom facilities and the Swanner house to receive wastewater conveyance through this existing connection to the Oso-Trabuco Trunk Sewer and specifically prohibits additional buildings or structures in the NWOS of any kind to be served by the Oso Trabuco Pipeline connection or the MNWD Sewer System without the prior written permission of MNWD. Provisions in the Agreement also allow for termination of the Agreement for any health or safety emergency, or regulatory mandate.

The Agreement was taken to the City Council on December 2, 2014, and was approved for execution.

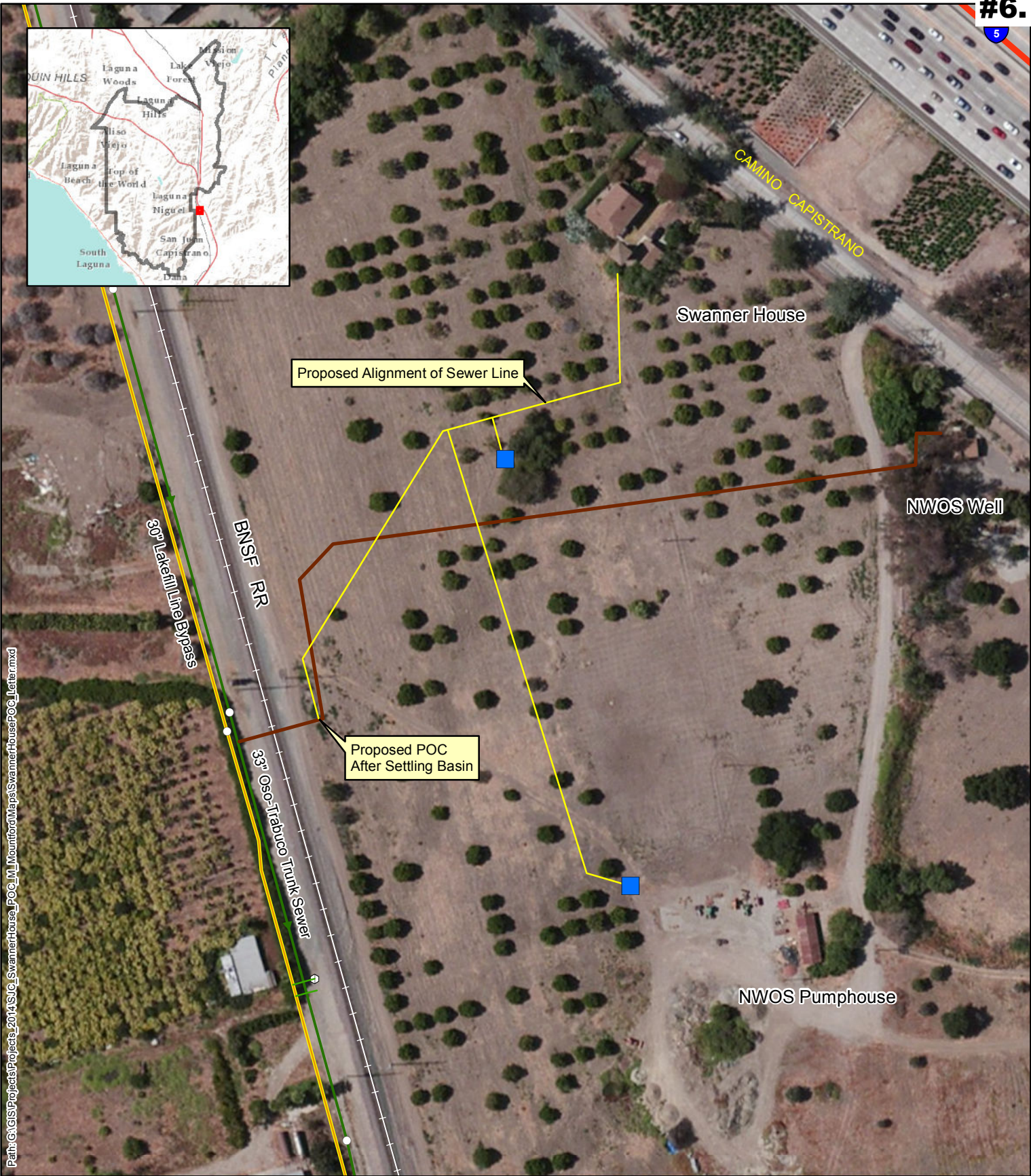
DISCUSSION:

Capacity analysis and hydraulic modeling of the Oso-Trabuco Trunk Sewer was prepared for SOCWA in 2012 by Carollo Engineers. Anticipated flow generation for the proposed uses is calculated to be minimal: 3,275 gallons per day for the three connections. The determination has been made that there is available capacity in the Oso-Trabuco Trunk Sewer for these flows.

Provisions in the Oso-Trabuco Maintenance Agreement between MNWD and SMWD state that either party can make an additional connection to the trunk sewer, upon obtaining written approval from the other party. SMWD has reviewed the connection and is currently preparing a letter of approval for the connection.

Connection Fees for these structures have been calculated at \$1,500 total (3 structures @ \$500/bldg.). As all structures are small in square footage, the connection fee per thousand square feet was below the minimum required per structure.

Attachment: Exhibit A – Location Map
Exhibit B – Agreement (Proposed)



Path: C:\GIS\Projects\Projects_2014\SJC_SwannerHouse_POC_Mountford\Maps\SwannerHousePOC_Letter.mxd

- Ex. 6" Well Discharge Pipe
- Proposed Laterals
- Proposed Restrooms



Scale = 1:1,600

Exhibit 'A'
Northwest Open Space (NWOS)
and Swanner House
WW Connection, SJC

