

ENGINEERING AND OPERATIONS
BOARD OF DIRECTORS' MEETING
MOULTON NIGUEL WATER DISTRICT

27500 La Paz Road, Laguna Niguel

July 15, 2013

9:00 a.m.

Approximate Meeting Time: 2 Hours

1. Call Meeting to Order
2. Approve the Minutes of the June 17, 2013 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.

PRESENTATION ITEMS

4. Presentation by Brian Peck, Director of Engineering for the South Orange County Wastewater Authority regarding Project Committee 17, Regional Treatment Plant, Disinfection System Alternatives

DISCUSSION ITEMS (Action will be taken when appropriate for certain items at the Thursday Board Meeting)

5. Public Health Goals Tri-Annual Report
6. Transfer of Equipment (Potable Water Trailer) for FY2011 Urban Areas Security Initiative (UASI) – Agreement Approval
7. Tree Maintenance Services for FY 2013/2014 – Contract Amendment
8. Communication Cell Site License Program Support Services for FY 2013/2014 – Contract Amendment
9. Contract Services for Professional Engineering Support and Recycled Water Contract Inspector for FY 2013/2014 – Contract Amendment

10. Fire Hydrant Cleaning and Painting Services for FY 2013/2014 – Contract Amendment

INFORMATION ITEMS

11. Quarterly Construction Progress Report

12. Quarterly Report on Communications License Program

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]

14. 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) 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 seventy-two 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 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.

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

June 17, 2013

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 June 17, 2013. There were present and participating:

DIRECTORS

Scott Colton	Director
Richard Fiore	Director
Gary Kurtz	Director (via Teleconference)
Larry Lizotte	Director
Larry McKenney	President
Brian Probolsky	Vice President

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Matt Collings	Director of Engineering & Operations
Gina Hillary	Director of Human Resources
Michael Gomez	Director of Finance
Eva Plajzer	Assistant Director of Engineering
Todd Novacek	Assistant Director of Operations
Ray McDowell	MNWD
Eva Plajzer	MNWD
Kelly Winsor	MNWD
Amber Leaverton	MNWD
Leslie Gray	Board Secretary

1. Call Meeting to Order
2. Approve the Minutes of the May 13, 2013 Engineering and Operations Board of Directors' Meeting - **ROLL CALL VOTE**

MOTION DULY MADE BY SCOTT COLTON AND SECONDED BY GARY KURTZ, THE MINUTES OF THE MAY 13, 2013 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS MEETING WERE APPROVED AS PRESENTED BY ROLL CALL VOTE. AYES: LIZOTTE, MCKENNEY, FIORE, PROBOLSKY, KURTZ, COLTON. MOTION CARRIED.

3. Public Comments

None

DISCUSSION ITEMS

5. South Orange County Wastewater Authority, Plant 3A Wastewater Treatment Plant Operating Agreement

Joone Lopez stated that an updated draft agreement was distributed to the Board this morning. The current agreement entitled "Operations and Maintenance Agreement Relating to Santa Margarita Water District's Treatment Capacity Rights in Moulton Niguel Water District Plant 3A and Moulton Niguel Water District's Storage Transmission Capacity Rights in the Santa Margarita Water District Upper Oso Reservoir" expired in 2008. This new Agreement will be for one-year period of time with optional renewals, during which time the staffs of MNWD, SMWD, and SOCWA can investigate possibly a more cost-effective way for handling the operation of the Plant to maximize its full capacity. The Board will be asked to execute the Agreement at the Thursday Board meeting, followed by the SMWD Board action. The information will be presented to the SOCWA Board at its next meeting.

6. Public Health Goals Tri-Annual Report

Matt Collings explained that the District last adopted its Public Health Goals Report in 2010 as a result of SB 1307, which mandates that every three years, a Public Health Goals Report be provided to the public in addition to the Annual Water Quality Report.

Brian Probolsky arrived at 9:12 a.m.

The District's water system complies with all of the health-based drinking water standards and maximum contaminant levels (MCLs) required by the California Department of Health Services and the EPA. The new law requires that a public hearing be held for the purpose of accepting and responding to public comments on the report. The public hearing will be scheduled as part of our regular Board meeting on July 18, 2013.

PRESENTATION ITEMS

4. Review of Proposed FY 2013/2014 Operating and Capital Budgets

Joone Lopez noted that two handouts were distributed this morning. She asked for comments on the draft budget transmittal letter that prefaces the Budget document. Another handout is the District's organizational chart, which will be discussed later.

Joone Lopez stated that staff will present the budget today by reviewing the background, process, staffing plan, Operations and Maintenance Budget, Capital Improvement

Projects Budget, key impacts to long term finances, and financial considerations. She reminded the Board that last July 2012, the two-year budget was reviewed and the 2012/2013 Budget was adopted. The Board will be asked to adopt the 2013/2014 Budget prior to July 1, 2013.

Joone Lopez discussed the staffing plans for the future. She referred to the organizational chart. Joone Lopez noted that with the Board's concurrence, she will not be coming back to the Board for staff changes unless the budget is exceeded, the headcount is exceeded, any structural change at the executive management level has been made, or an increase to the maximum of any given salary range. This will give her flexibility to make changes in a timely fashion. Matt Collings then reviewed the operational structure of the organizational chart and discussed various vacancies.

Michael Gomez reviewed the Operations and Maintenance Budget with the Board of Directors in detail. A lengthy discussion ensued regarding the Budget and the Board suggested various changes that will be updated and brought back to Finance & IT Board meeting on Wednesday.

Larry McKenney left at 10:22 a.m.

Eva Plajzer next discussed the Capital Improvement Projects (CIP) Budget. She discussed how the CIP is a planning document and a budget tool. The ten-year CIP Budget is \$233 million. She then discussed the key projects for the 2013/2014 fiscal year.

7. Landscape and Irrigation Services Contract for FY 2013/2014 – Contract Amendment

Joone Lopez stated that staff executed a Service Agreement with ParkWest on October 2, 2012; however, staff has since terminated the Agreement. Staff has now contracted with Sunset Landscape Maintenance, Inc., who was the second lowest RFP respondent when this project was originally advertised. Staff is recommending that the Board award the Service Agreement for landscape and irrigation services for Fiscal Year 2013/2014 in the amount of \$163,622 to Sunset Landscape Maintenance, Inc., and authorize the General Manager to execute the service agreement on behalf of the District at the Thursday Board meeting.

8. Asphalt and Concrete Repair Construction Services for FY 2012/2013 and FY 2013/2014 – Expense Authorization

Joone Lopez reported that the Board approved a two-year asphalt and concrete repair construction services contract last year along with an expense authorization of \$321,500 for FY 2012/2013. Several emergencies have caused the District to exceed the original agreed amount; therefore, the Board will be requested to increase the expense authorization with Sanders Paving through FY 2012/2013 by \$50,000 for a total amount not-to-exceed \$371,500, and approve an expense authorization with Sanders Paving for FY 2013/2014 for an amount not-to-exceed \$375,000.

Gary Kurtz terminated the teleconference at 11:39 a.m.

9. AlertOC Memorandum of Understanding

Joone Lopez reported that the District executed a Memorandum of Understanding (MOU) last year; however, the County of Orange has made minor revisions and a new MOU is necessary. The Board will be asked to authorize the General Manager or her designee to execute the AlertOC MOU for the period July 1, 2013 through June 30, 2017 at the Thursday Board meeting.

INFORMATION ITEMS

10. Long Range Water Resources Plan

Matt Collings reported that staff has negotiated a scope of work and fee for the Long Range Water Resources Plan with CDM Smith, Inc. for a total of \$221,820. This work should begin on July 3, 2013. Any expenditure above \$240,000 will be brought back to the Board of Directors for authorization.

11. Quarterly Report on Joint Powers Authority Activity

Matt Collings updated the Board on JPA activities. The SOCWA Board adopted the 2013/2014 Annual Budget on June 6, 2013. The Budget was reduced from its original draft by nearly \$500,000, primarily with the reduction of contingency line items. The San Juan Basin Authority has submitted the draft Groundwater Management Plan to the Technical Advisory Committee and SJBA staff is anticipating the report be available for public review and comment beginning in July.

The Joint Water Regional Supply System (JWRSS) approved their budget on June 13, 2013. The SCWD Board of Directors returned approximately \$400,000 being held on deposit for the Emergency Relief Fund back to the District.

12. 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 11:50 a.m.

Respectfully submitted,

Leslie C. Gray
Board Secretary



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** July 15, 2013
FROM: Matt Collings, Director of Engineering and Operations
SUBJECT: 2013 Public Health Goals

SUMMARY:

Issue: The District is required to prepare a Public Health Goals report every three years and to adopt that report following a Public Hearing for the purposes of accepting and responding to public comments regarding the report.

Recommendation: The Board of Directors conducts a Public Hearing on July 18, 2013, and following completion of the Public Hearing, the Board of Directors adopt Resolution No. 13-XX to approve the 2013 Public Health Goals report.

Fiscal Impact: None

BACKGROUND/DISCUSSION:

At the June 20, 2013 Board Meeting, the Board of Directors called for a public hearing to be conducted at the July 18, 2013 Board Meeting. The purpose of the public hearing is to receive and respond to any comments on the draft 2013 Public Health Goals report. Following completion of the public hearing, the attached Resolution No. 13-XX will be presented for consideration by the Board of Directors.

The Resolution includes the final draft of the report prepared by staff comparing the District's drinking water quality with Public Health Goals (PHGs) adopted by California Environmental Protection Agency's (EPA) Office of Environmental Health Hazard Assessment (OEHHA) and with maximum contaminant level goals (MCLGs) adopted by the EPA. PHGs and MCLGs are not enforceable standards and no action to meet them is mandated. Our water system complies with all of the health-based drinking water standards and maximum contaminant levels (MCLs) required by the California Department of Health Services and the EPA. No additional actions are recommended.

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.

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/ μ g (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 μ g/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 μ g/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

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.



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** July 15, 2013

FROM: Matt Collings, Director of Engineering and Operations
Todd Novacek, Assistant Director of Operations

SUBJECT: Authorization to execute the “Agreement for Transfer of Equipment (Potable Water Trailer) for FY2011 Urban Areas Security Initiative (UASI)”.

SUMMARY:

Issue: The Municipal Water District of Orange County has secured several Potable Water Trailers. The District is considering the attached transfer agreement to acquire one of the available Potable Water Trailers.

Recommendation: The Board of Directors authorizes the General Manager to execute the “Agreement for Transfer of Equipment (Potable Water Trailer) for FY2011 Urban Area Security Initiative (UASI)” (Transfer Agreement) with the Municipal Water District of Orange County (MWDOC).

Fiscal Impact: The fiscal impact is limited to licensing, insurance and minor appurtenances. The annual costs are \$3,000 and are included in the FY 2013/2014 Annual Budget.

BACKGROUND:

Following the Baja Earthquake in 2010, the water utilities of Orange County assessed their systems for vulnerabilities and most probable concerns following a major disaster, natural or otherwise. It was determined that utilities will likely have potable water remaining in storage in numerous locations, but no ability to distribute the water to where it is needed for public use. A panel of several dozen water experts representing most of the water utilities in the county determined that the acquisition and strategic use of water distribution trailers would be the most efficient solution to this concern.

The Potable Water Trailers (Trailers) are approximately 2,000 gallon containers on a trailer bed that includes a small pump, food grade hoses, and a 10 manifold spigot system. The primary purpose of the trailer is to provide a system to deliver drinking

water to the residents of Orange County following a major disaster. The trailer could also be used for other emergency response purposes, such as a small decontamination shower unit. The District also has the option to use the trailer for day to day operations, such as maintenance related service interruptions.

DISCUSSION:

The Municipal Water District of Orange County (MWDOC) secured a \$431,000 Homeland Security Urban Area Security Initiative (UASI) grant to purchase potable water trailers that will be used as mutual aid equipment during disasters. MWDOC executed a Grant Agreement with the City of Santa Ana, as the Grant Administrator on behalf of the Urban Area Security Initiative (UASI). In Orange County, all UASI funds are administered through either Santa Ana or Anaheim as part of the Anaheim/Santa Ana Urban Area (ASAUA).

MWDOC staff announced a Request for Bids for the Procurement of Potable Drinking Water Trailers on March 7, 2013 and Addendum #1 to that Request for Bids was released on March 25, 2013. Staff requested competitive proposals from a number of firms and indicated that the selection of the proposals would be based on a competitive process. Three proposals were received. The lowest bidder, Arizona Trailer Specialist, has signed a purchase agreement with MWDOC for the purchase of twelve trailers.

The District has been working with the MWDOC to receive and take ownership of one trailer. In order to do so, the District must execute the attached Transfer Agreement. District staff and legal counsel have worked with the MWDOC staff and legal counsel to provide input on the Transfer Agreement. Many of the provisions of the agreement are required by the grant that facilitated the purchase of the trailers. The agreement will transfer legal responsibility for the trailers, including responsibility for future costs associated with the operation of the trailers, to the water utilities who receive them.

MWDOC staff has coordinated with the City of Santa Ana's UASI grant staff throughout this process and at times, the Cal/EMA grant staff. MWDOC staff has followed their direction and guidance to ensure compliance with applicable requirements and minimize exposure to risk during future grant audits. The Transfer Agreement and the grant include the following provisions and requirements:

- The trailer, including the associated staffing and vehicle to operate the trailer, will be available to other agencies for mutual aid when it is reasonable and not otherwise in use by the retail agency.
- Records, a physical inventory (ledger) and a control system are to be maintained and a label shall be affixed to the equipment noting it was provided from an Anaheim/Santa Ana Urban Area Grant Funds.
- Adequate maintenance must be performed to keep the equipment in working order.

- Agency must store the trailer at a secure site and provide adequate UV protection.
- The equipment must be maintained until it is no longer needed for the original project or until it is no longer a useful asset and needs replacing.
- Final disposition with a value of \$5,000 or less can be made without any further obligation to the awarding agency; if the value is greater than \$5,000, the awarding agency has a right to its proportionate share of the final disposition amount based on the original contribution percentage towards the equipment.

The following is a complete list of the agencies anticipated to receive a trailer assuming all agreements and requirements are met:

- City of Anaheim
- City of Garden Grove
- Irvine Ranch Water District
- Laguna Beach County Water District
- Moulton Niguel Water District
- City of Orange
- Santa Margarita Water District
- City of Seal Beach
- South Coast Water District
- City of Tustin
- Yorba Linda Water District

SUMMARY OF PROJECT BUDGET

The table below summarizes the project budget.

Annual Estimated Costs				
Registration/ Licensing Title	Regulatory Agency	Initial Estimated Cost (2012)	Renewal Period	Renewal Cost (2012 rates)
Commercial Class A Driver's License	Ca DMV	TSA Background \$94 + License Fee \$66 = \$160	5 yrs	\$39
Tanker Endorsement	Ca DMV	\$34	5 yrs	\$34
Permanent Trailer Identification (PTI)	Ca DMV	\$10 registration fee + \$18 nonresident transfer fee = \$28	5 years	\$10
Water Haulers License	CPH – Food & Drug Branch	\$473	annual	\$473
Insurance	Ca DMV/JPA	\$2300	annual	\$2300

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:

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)

**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

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.

- 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

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.

- 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.

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: _____

Moulton Niguel Water District



STAFF REPORT

TO: Board of Directors **MEETING DATE:** July 15, 2013

FROM: Matt Collings, Director of Engineering and Operations
Eva Plajzer, Assistant Director of Engineering

SUBJECT: Amendment No. 1 to the Service Agreement for Tree Maintenance Services for Fiscal Year 2013-14.

SUMMARY:

Issue: Amendment No. 1 is required to fund the Tree Maintenance Service Agreement for Fiscal Year (FY) 2013-14.

Recommendation: 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.

Fiscal Impact: The funds for this amendment have been included in the FY 2013/2014 Annual Budget.

BACKGROUND:

Most of the District's facilities require some level of site and tree maintenance. The District must maintain about 32 acres of landscape and 15 acres of hardscape at approximately 70 sites. At 34 of these sites, about 2,450 trees will also require periodic tree maintenance. Tree maintenance is important in order to keep the trees healthy and appropriately sized and to remove diseased and damaged trees. Overgrown, diseased trees pose a hazard to our facilities when they interfere with access or become prone to falling branches or trunks that could damage District or neighboring properties.

Staff performed an inventory and assessment of the trees in 2011. As a result of this activity, staff understands the species and sizes of trees on District properties and is able to better understand the maintenance requirements of the various tree types. Generally, the trees are maintained on a periodic basis based on tree size and

species, with some trees only requiring attention every one to three years. Based on the tree inventory, staff developed a schedule for tree maintenance. During FY 2012/2013, approximately 1,003 trees required maintenance and during FY 2013/2014, 832 trees will need maintenance. The maintenance includes tree pruning, including structural pruning, crown raising, and crown cleaning, palm tree pruning, tree removal for diseased, dead, or damaged trees, emergency tree removal, and maintenance of the tree inventory. Annual expenditures for the tree maintenance program are listed in Table 1.

Table 1	
Summary of Annual Expenditures for Tree Maintenance	
Fiscal Year	Payment
2009-10	\$57,096
2010-11	\$62,957
2011-12	\$81,707
2012-13*	\$67,334

*Estimated.

DISCUSSION:

The District began soliciting proposals for tree maintenance services starting with the 2009-10 fiscal year. In 2011, the District amended and extended the service agreement for one year to match the one-year budget cycle. In July 2012, staff issued a Request for Proposals (RFPs) for tree maintenance services for two one-year terms to 10 firms. Two firms, Great Scott Tree Service, Inc, and West Coast Arborists, Inc., responded with Great Scott Tree Service, Inc providing the more responsive proposal. On September 20, 2012, the Board of Directors awarded the contract to Great Scott Tree Service, Inc for FY 2012/2013 in the amount of \$77,749, with an option to extend the contract to FY 2013/2014, based on performance. Great Scott Tree Service, Inc provided satisfactory performance this past fiscal year and qualifies for a contract extension for FY 2013/2014.

Moulton Niguel Water District



STAFF REPORT

TO: Board of Directors

MEETING DATE: July 15, 2013

FROM: Matt Collings, Director of Engineering and Operations
Eva Plajzer, Assistant Director of Engineering

SUBJECT: Amendment No. 4 to the Professional Services Agreement with ATS Communications for the Communication Cell Site License Program for FY2013-14

SUMMARY:

Issue: Staff requests an amendment to the professional services agreement for Telecom Group Partners Corp., a California Corporation, d/b/a ATS Communications (ATS) and an increase in the contract amount.

Recommendation: 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.

Fiscal Impact: The funds for this amendment to the agreement have been included in the FY 2013/2014 Annual Budget.

BACKGROUND:

In the 1990s, the District approved the first communication facility to be constructed at one of the District's sites. As the communication industry grew, the District was repeatedly approached about use of District sites for communication facilities. The District developed the Communications License Program (Program) with a primary objective to provide an economic benefit to the District's ratepayers through a monthly lease program. The District's first responsibility is to provide water and wastewater service to its customers, and development of the Program should not interfere with the District's ability to provide that quality service. With those objectives in place, the District's Board of Directors (Board) approved a Communications Lease Agreement and Lease Policy, which was implemented on January 1, 2001 and updated to a Communication License Agreement and License Policy on March 15, 2012. Since that time, the District's Program has grown to include 56 agreements. These communications facilities are distributed among 17 of

the District's sites. The Program currently generates about \$1.5 million in revenues to the District each Fiscal Year.

Since the Program began in the 1990s, the District's engineering staff has administered the development of new agreements and modifications to existing agreements. The administration of the Program included implementation of Board policy, point of contact with the existing or proposed cell carrier, plan check review of the construction documents, approval of new agreements or amendments, inspection of communication facility construction activities, and oversight of the monthly lease payments. As the number of agreements grew, the Program required a significant time commitment from staff.

DISCUSSION:

Staff issued a request for proposals (RFP) for On-Call Professional Services in August 2010 for technical assistance and administration of the District's Communication Cell Site Lease Program (Program). Staff received five proposals and selected ATS. The scope of the project was to be determined based on support needs for the Program. ATS assists staff with cell site plan reviews, technical expertise regarding cell site issues, new license and existing lease amendment negotiations, site assessments, review of existing leases for compliance, implementation of policies and procedures for the Program, and various day to day communication with cell site carriers.

This agreement is funded through the Operating Budget and the historical and proposed expenditures are listed in the table below:

Fiscal Year	Expenditures	Cumulative Contract Amount
2010-11	\$8,357	\$8,357
2011-12	\$70,000	\$78,357
2012-13	\$80,000	\$158,357
Proposed 2013-14	\$90,000	\$248,357

Staff is proposing a budget of \$90,000 for ATS for the FY2013-14. ATS will continue to assist the District at a similar service level as the previous fiscal year. However, the number of projects that the cell carriers have proposed or are currently in the process has increased this past year and remains high. Currently, staff has 26 active projects and 7 lease amendments with the cell carriers in addition to regular activities. If the level of effort from ATS to process these projects is less than the proposed budget, ATS will utilize the funds to review cell facilities at each site and determine if additional space can be made available for licensing purposes.

Moulton Niguel Water District



STAFF REPORT

TO: Board of Directors **MEETING DATE:** July 15, 2013

FROM: Matt Collings, Director of Engineering and Operations
Eva Plajzer, Assistant Director of Engineering

SUBJECT: Amendment No. 1 to the Professional Services Agreement for Project Partners for FY 2013-14

SUMMARY:

Issue: Amendment No. 1 is required to fund the Professional Services Contract for a contract engineer and recycled water program inspections for the 2013-14 Fiscal Year.

Recommendation: 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.

Fiscal Impact: The funds for this amendment to the agreement have been included in the FY 2013/2014 Annual Budget for the recycled water inspection services and the contract engineer position will be funded by unrealized expenses in the salaries line item of the FY 2013/2014 Annual Budget until the budgeted Senior Engineer position is filled.

BACKGROUND:

On June 21, 2012, the Board of Directors authorized the General Manager to execute an agreement with Project Partners for a not-to-exceed fee of \$340,000 for FY 2012/2013. Project Partners provides temporary engineers and technical staff on an out-source basis. In the District's case, contract support from Project Partners is utilized to assist the District with the execution of the Capital Improvement Program (CIP) and the implementation and inspection of recycled water irrigation conversions.

Staff has researched various options of contracting technical support for previous fiscal years. The local firms that provide professional engineering services and firms

providing temporary technical services were evaluated. Staff looked at hourly billing rates submitted to the District with the various proposals that the District receives throughout the year and compared those to the rates provided by Project Partners. Project Partners provides temporary engineers and technical staff, but does not do design work in-house. Their hourly rates are 20 to 50 percent lower than other consulting firms. Staff is requesting a recycled water inspector and a licensed engineer capable of supporting execution of the Capital Improvement Program.

DISCUSSION:

One engineer from Project Partners was retained at a 75% full-time equivalent (FTE) basis starting July 2011. At the end of the Fiscal Year (FY) 2011-12, an assessment was performed of the CIP needs and the contract for FY 2012-13 was negotiated with Project Partners for one FTE at \$208,000. Staff evaluated the needs of the CIP at the end of the FY 2012-13 and determined that the engineering needs of the CIP will not diminish over time and requested that the position be converted to a permanent position. Staff will begin the recruitment for this position shortly. However, until this permanent position is filled, staff is recommending the engineering needs of the CIP continue to be served by Project Partners. The contract that the District executed with Project Partners contains a 10-day termination clause, thus allowing the District to terminate the contracted position once a permanent hire is made. At this time, staff anticipates hiring a District employee to replace the contract staff by December 2013. As such, approximately 1,000 hours of contract engineering staff will be necessary to bridge the time which equates to \$104,000 to fund this contract positions for FY 2013/2014.

The District also has an aggressive program to convert existing potable irrigation users to recycled water whenever possible. In the last few years, the District has been able to achieve significant increases in the acreage converted to recycled water due to the efforts of the Recycled Water Coordinator and the contract help provided by various consultants. The consultants that held the contract for the recycled water inspector over the last few years included HDR, Inc. and TWNiemann, Inc. Last fiscal year, the contract for this position was awarded to Project Partners for \$132,000 for FY 2012/2013. Staff continuously evaluates the needs of the recycled water program and at this time anticipates that this position will be necessary for FY 2013/2014, and possibly two to three years longer depending on the pace of the conversions. As such, staff recommends that this contract position be funded at \$132,000 from the annual budget.

Moulton Niguel Water District



STAFF REPORT

TO: Board of Directors **MEETING DATE:** July 15, 2013

FROM: Matt Collings, Director of Engineering and Operations
Eva Plajzer, Assistant Director of Engineering
Brad Bruington, Superintendent of Utilities

SUBJECT: Amendment No. 1 to Service Agreement for Fire Hydrant Cleaning and Painting Services for Fiscal Year 2013-14

SUMMARY:

Issue: Staff requests an amendment to the Service Agreement for Ayala Engineering for Fire Hydrant Cleaning and Painting Services for FY 2013/2014.

Recommendation: The Board of Directors approves Amendment No. 1 to the Service Agreement with Ayala Engineering for a not-to-exceed fee \$30,000 for FY 2013/2014 for a total agreement value of \$60,010; and authorizes the General Manager to execute Amendment No.1.

Fiscal Impact: The funds for this amendment have been included in the FY 2013/2014 Annual Budget.

BACKGROUND:

The District operates and maintains over 7,200 potable water hydrants. In order to maintain the District assets, the fire hydrants are placed on a rotating maintenance schedule with each hydrant cleaned and painted every seven years. Approximately 1,000 hydrants were cleaned and painted in Laguna Niguel area as shown in Exhibit A during the last fiscal year. For FY 2013/2014, the work will be done in Laguna Hills as shown in Exhibit B.

The work to be performed includes removal of overgrown vegetation that could block access to or damage the hydrant; pressure washing of the hydrants and bollards; removal of debris, stickers, markings, surface oxidations, loose paint, and rust; painting of the hydrants and bollards with “safety yellow” alkyd emulsion; and replacement of broken or missing plastic hydrant caps and chains.

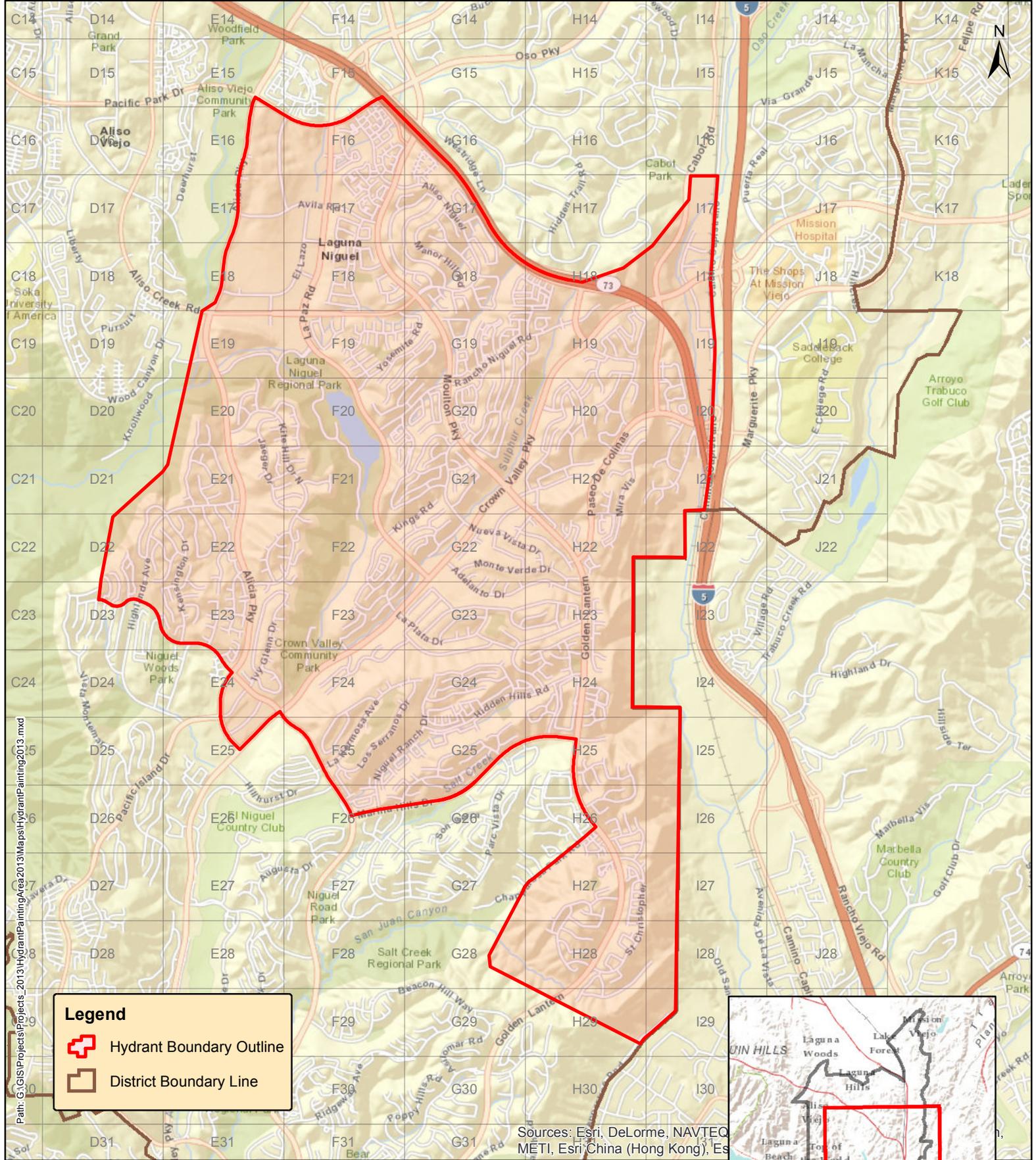
DISCUSSION:

Staff issued a Request for Proposals (RFPs) for Fire Hydrant Cleaning and Painting Services to 4 firms in January 2013. The request was for two, one-year proposals for the FY 2012/2013 and FY 2013/2014. On February 4, 2013, four proposals were received. Table 1 below summarizes the totals for each proposer.

Contractor	FY2012-13 Proposed Fee	FY2013-14 Proposed Fee	Total
Ayala Engineering	\$32,800.00	\$32,800.00	\$65,600.00
IWater, Inc.	\$41,000.00	\$41,000.00	\$82,000.00
Glaeser Builders Inc	\$79,400.00	\$79,400.00	\$158,800.00
Mueller Service Co	\$116,500.00	\$122,200.00	\$238,700.00

The proposals were evaluated based on service fee, related experience, understanding of the objectives and scope of work, responsiveness to the request for proposal, and unique qualifications. The firm that prepared the most responsive proposal was Ayala Engineering.

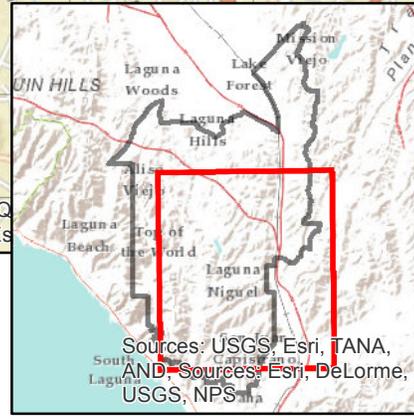
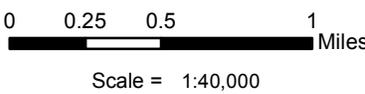
The annual budget for hydrant painting is \$30,000. Staff executed a contract with Ayala Engineering for \$30,010.00 for FY 2012/2013 with an extension to FY 2013/2014 pending their performance and Board approval. Ayala met the performance requirements of the agreement, and as such staff is recommending the execution of the amendment.

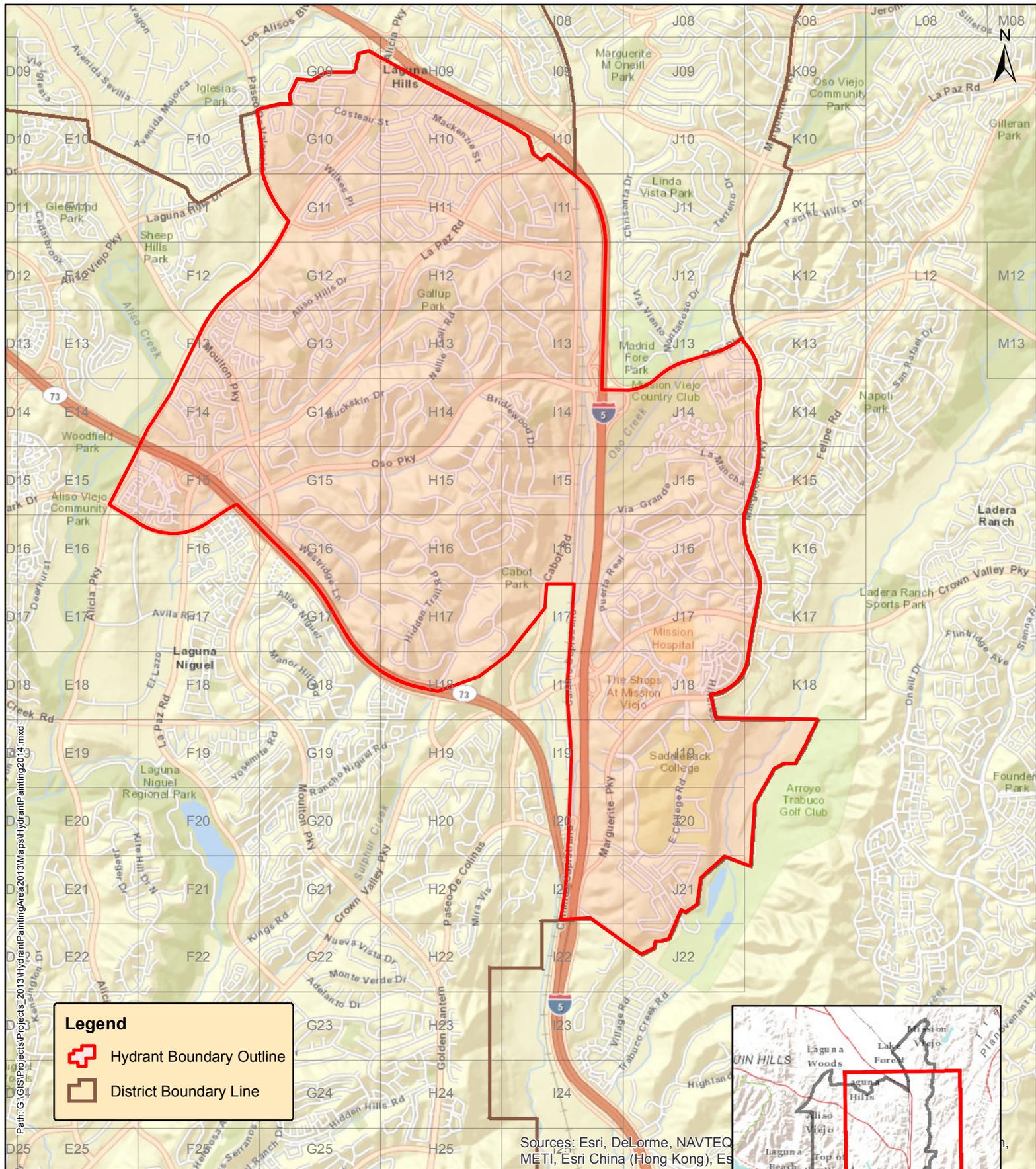


Legend

-  Hydrant Boundary Outline
-  District Boundary Line

Exhibit A
Hydrant Painting Area
2013





Legend

-  Hydrant Boundary Outline
-  District Boundary Line

Sources: Esri, DeLorme, NAVTEQ, METI, Esri China (Hong Kong), Esri

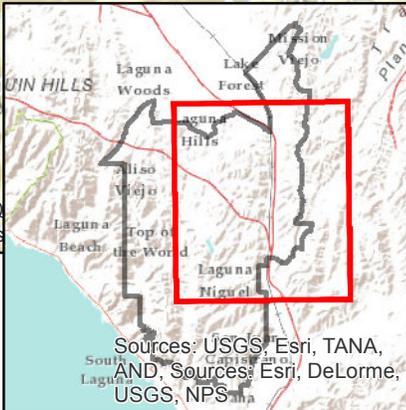
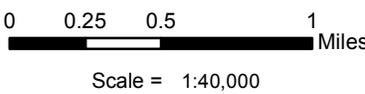
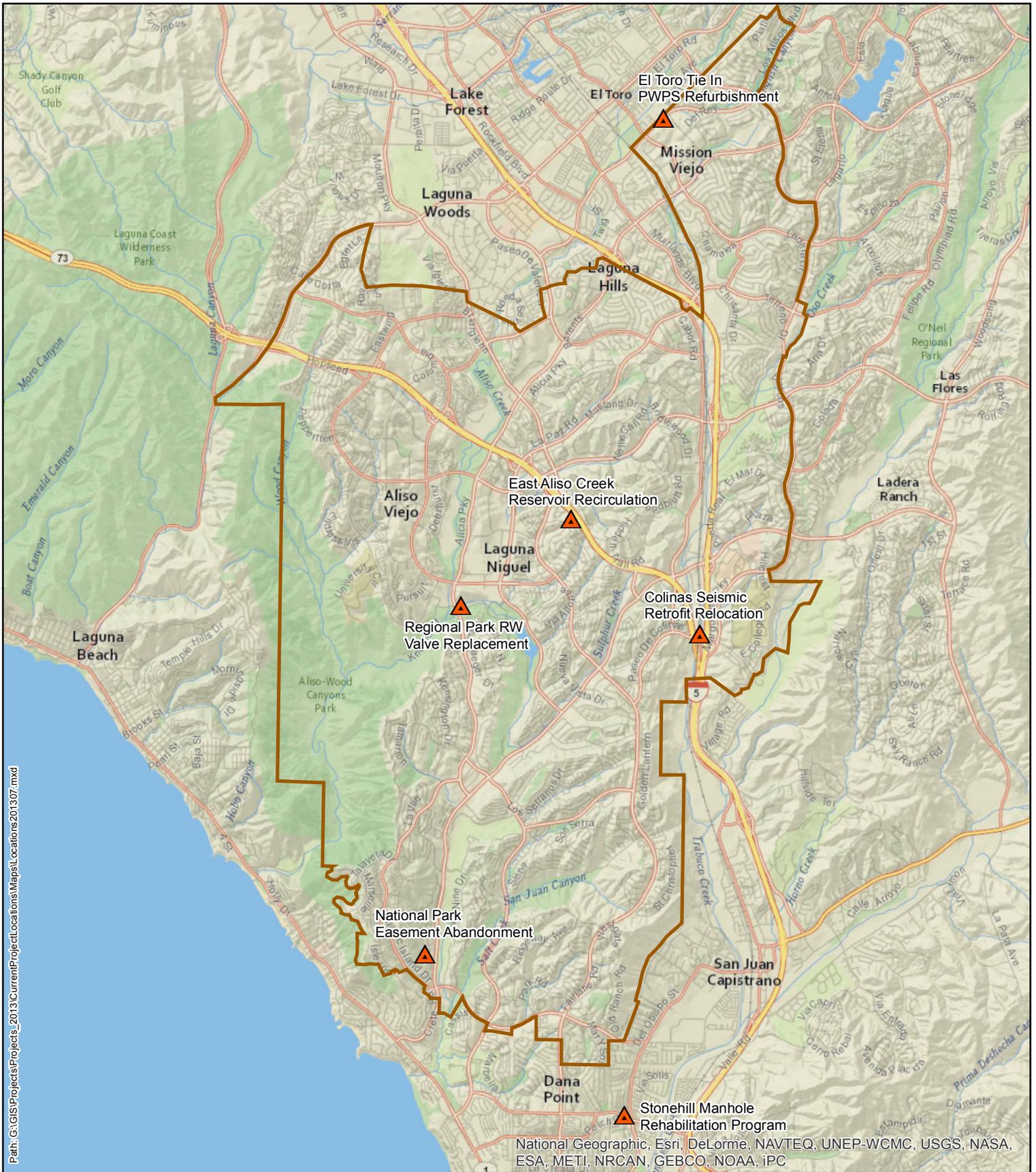


Exhibit B
Hydrant Painting Area
2014





Path: G:\GIS\Projects\Projects_2013\Current\ProjectLocations\Mapst\Locations\MapstLocations2013.07.mxd

National Geographic, Esri, DeLorme, NAVTEQ, UNEP-WCMC, USGS, NASA, ESA, METI, NRCAN, GEBCO, NOAA, IPC

-  July Projects
-  District Boundary



Scale = 1:85,000

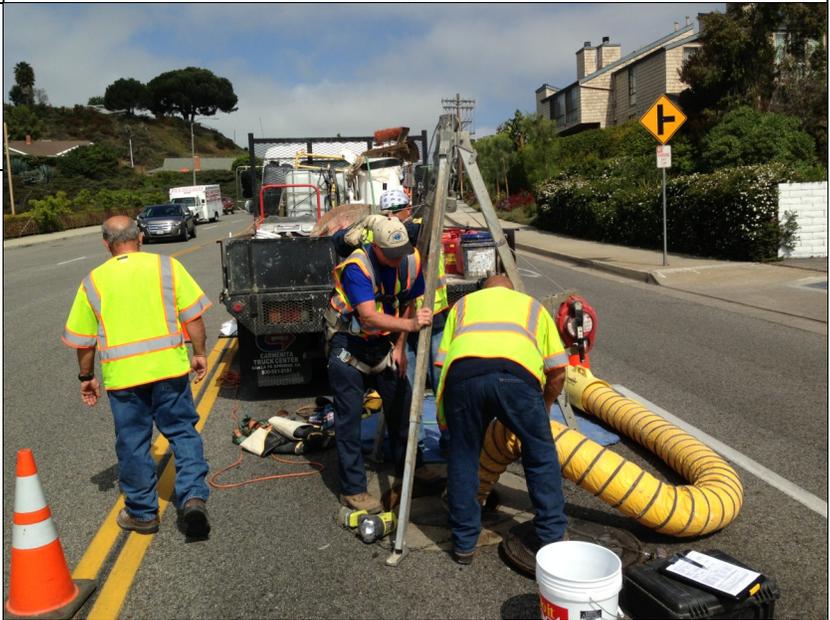
Quarterly Construction Progress Report July 2013



Project : Manhole Rehabilitation Program FY 12-13
 Contract No: 2012.004
 Contractor : Ayala Eng.
 Engineer : District Staff

**MANHOLE REHABILITATION PROGRAM
FY 12-13**

SCOPE OF WORK : Rehabilitation of 8 existing Sewer Manholes on Stonehill Dr.



DETAILS :

Fund 07 Replace and Refurbishment
 Notice To Proceed 05/01/13
 Est. Completion Date 06/30/13
 Authorized Expense \$ 58,000
 Paid To Date \$ 32,822
 Percent Completed 50%

NOTES : Additional Manhole work (8) per change order to take place in July.

Stonehill Dr. Manholes

Project East Aliso Creek Res. Recirculation Project
 Contract No: 2011.038
 Contractor : Crosno
 Engineer : District Staff

**EAST ALISO CREEK RESERVOIR
RECIRCULATION PROJECT**

SCOPE OF WORK : Install sample ports, man ways, railing and recirculation and injection system.



DETAILS :

Fund 07 Replace and Refurbishment
 Notice To Proceed 05/01/13
 Est. Completion Date 06/30/13
 Authorized Expense \$ 141,000
 Paid To Date \$ 78,350
 Percent Completed 50%

NOTES : Structural work to the tank is complete. Replacement of the circulation system is currently being scheduled.

East Aliso Creek Reservoir



**QUARTERLY CONSTRUCTION
PROGRESS REPORT**

AS OF 07/02/13

<p>Project: Colinas Seismic Retrofit Relocation Contract No: 2011.071 Contractor : Paulus Engineering Inc. Engineer : CivilSource</p>	<p>COLINAS SEISMIC RETROFIT UTILITY RELOCATION</p>
<p>SCOPE OF WORK : Relocate the 20” outfall sewer line and the 12” potable water line in advance of proposed retrofits being implemented by the City of Laguna Niguel.</p>	
<p>DETAILS :</p> <p>Fund 07 Replace and Refurbishment</p> <p>Notice To Proceed 06/04/12</p> <p>Est. Completion Date 05/31/13</p> <p>Authorized Expense \$ 342,000</p> <p>Paid To Date \$ 246,190</p> <p>Percent Completed 100%</p>	
<p>NOTES : Notice of completion filed on 05/15/13. SMWD has been invoiced \$73,321 for their share of the project.</p>	

<p>Project : El Toro Tie In PS Refurbishment Contract No: 2011.025 Contractor : F.T. Ziebarth Engineer : In House</p>	<p>EL TORO TIE IN POTABLE WATER PUMP STATION REFURBISHMENT</p>
<p>SCOPE OF WORK : Installation of a new pump and motor, replacement of the existing pump control valve and isolation valves, and modifications to the electrical system.</p>	
<p>DETAILS :</p> <p>Fund 07 Replace and Refurbishment</p> <p>Notice To Proceed 06/21/12</p> <p>Est. Completion Date 05/31/13</p> <p>Authorized Expense \$ 135,200</p> <p>Paid To Date \$ 94,167</p> <p>Percent Completed 100%</p>	
<p>NOTES : Notice of completion filed on 04/08/13.</p>	



**QUARTERLY CONSTRUCTION
PROGRESS REPORT**

AS OF 07/02/13

Project: National Park Easement Abandonment
 Contract No: 2011.030
 Contractor : Paulus Engineering Inc.
 Engineer : District Staff

**NATIONAL PARK EASEMENT
ABANDONMENT**

SCOPE OF WORK : Abandon an 8” Easement and relocate an existing water service.



DETAILS :

Fund 07 Replace and Refurbishment
 Notice To Proceed 02/05/13
 Est. Completion Date 04/31/13
 Authorized Expense \$ 38,000
 Paid To Date \$ 33,658
 Percent Completed 100%

NOTES : Notice of completion filed on 06/10/13.

National Park

Project : Regional Park RW Valve Replacement
 Contract No: 2011.017
 Contractor : Paulus Engineering Inc.
 Engineer : District Staff

**REGIONAL PARK RECYCLED WATER
VALVE REPLACEMENT**

SCOPE OF WORK : Replace three existing 16” recycled water valves.



DETAILS :

Fund 07 Replace and Refurbishment
 Notice To Proceed 02/05/13
 Est. Completion Date 06/30/13
 Authorized Expense \$ 35,000
 Paid To Date \$ 28,722
 Percent Completed 100%

NOTES : Notice of completion filed on 05/15/13.

Regional Park

Moulton Niguel Water District



STAFF REPORT

TO: Board of Directors **MEETING DATE:** July 15, 2013

FROM: Matt Collings, Director of Engineering and Operations
Eva Plajzer, Principal Engineer

SUBJECT: Quarterly Update on the Activities within the Communications License Program

SUMMARY:

Issue: The District staff is responsible for administering the Communications License Program per the Communication License Agreement and License Policy adopted by the Board of Directors in March 2012.

Recommendation: Information item only.

Fiscal Impact: The Communication License Program is a revenue generating activity that has historically generated up to \$1.5 million per year.

BACKGROUND:

In the 1990s, the District approved the first communication facility to be constructed at one of the District's sites. As the communication industry grew, the District was repeatedly approached about use of District sites. The District developed the Communications License Program (Program) with a primary objective to provide an economic benefit to the District's ratepayers through a monthly lease program. The District's first responsibility is to provide water and wastewater service to its customers, and development of the Program should not interfere with the District's ability to provide that quality service. With those objectives in place, the District's Board of Directors (Board) approved a Communications Lease Agreement and Lease Policy, which was implemented on January 1, 2001 and updated to a Communication License Agreement and License Policy on March 15, 2012. Since that time, the District's Program has grown to include 56 agreements with various amendments on several of those agreements. These communications facilities are distributed among 17 of the District's sites. The Program currently generates about \$1.5 million in revenue for the District each Fiscal Year.

DISCUSSION:

During the period covered by this quarterly update (March, April, and May) staff has performed various internal and external activities for the Program:

Program implementation activities:

- Continue to assess internal and external processes for processing applications and agreements and look for improvements

Program administration activities:

- No new applications for improvements or lease amendments were received.
- Application fees received to date for the Fiscal Year 2012-13 are \$41,300.
- Expenses for the program include:
 - About \$16,000 paid to ATS Communications for program support during this reporting period for a fiscal year total of about \$76,500.
 - Approximately 120 staff hours for administration, submittal review, inspections, billing, etc., for this report period for a fiscal year total of about 830 hours.
- Continued processing of 25 existing outstanding applications, 10 applications have been processed during this period
- Continued lease amendment negotiations on Verizon, AT&T and T-Mobile leases; lease amendment with MetroPCS at Rancho Reservoir was executed by staff.
- Inspected cell carrier improvements at various sites.
- Issued letters of default to T-Mobile at three sites (Seville Reservoir, Plant 3A, and Moulton Peak Lift Station). T-Mobile is attempting to transfer the leases to Crown Castle, a third party property management company. This type of lease transfer is prohibited in our leases. T-Mobile has not paid rent on these sites since March. Staff issued default letters June 3, 2013 for none payment of rent.
- Staff issues a “cure of default” letter to MetroPCS for Rancho Reservoir as MetroPCS addressed all issues at the site.