



**BOARD OF DIRECTORS' MEETING
MOULTON NIGUEL WATER DISTRICT
27500 La Paz Road, Laguna Niguel
October 15, 2015
6:00 PM
Approximate Meeting Time: 2 Hours**

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

MINUTES OF THE SEPTEMBER 17, 2015 BOARD OF DIRECTORS MEETING

4. **PUBLIC COMMENTS:**

Persons wishing to address the Board of Directors on matters not listed on the Agenda may do so at this time. "Request To Be Heard" forms are available at the entrance to the Board Room. Comments are limited to five minutes unless further time is granted by the Presiding Officer. Submit form to the Recording Secretary prior to the beginning of the meeting.

Those wishing to address the Board of Directors on any item listed on the Agenda should submit a "Request To Be Heard" form to the Recording Secretary before the Presiding Officer announces that agenda item. Your name will be called to speak at that time.

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

Consent items: Unless the General Manager or the Board requests that an item be removed from the Consent Calendar, all items will be acted upon as a whole and by one vote. Requests for discussion of any specific item should be made to the Presiding Officer in conjunction with the discussion of the consent motion.

5. **ELECTRICAL SYSTEM ASSESSMENT OF STATION FACILITIES**

It is recommended that the Board of Directors authorize the General Manager to execute an agreement with Lee & Ro, Inc. for an amount of \$237,396, plus a 10% contingency, for a total authorized not-to-exceed amount of \$261,136 to perform the Electrical System Assessment of Station Facilities.

6. **REIMBURSEMENT AGREEMENT WITH EL TORO WATER DISTRICT**

It is recommended that the Board of Directors approve the Agreement between El Toro Water District and Moulton Niguel Water District for Recycled Water System Analysis as part of the MNWD Recycled Water Master Plan (Agreement) subject to non-substantive changes approved by the General Manager and Legal Counsel and authorize the General Manager to execute the Agreement.

7. ON-CALL GEOTECHNICAL ENGINEERING SERVICES

It is recommended that the Board of Directors approve the engineering services agreements with GMU Geotechnical, Inc., Hushmand Associates, Inc., and Petra Geosciences, Inc., each with a not-to-exceed amount of \$150,000 and duration of three years; and authorize the General Manager to execute the agreements.

8. COATING INSPECTION SERVICES

It is recommended that the Board of Directors award the engineering services agreements with Harper and Associates Engineering, Inc. and Corrpro Companies, Inc., each for a not-to-exceed amount of \$250,000 and duration of two years, and authorize the General Manager to execute the agreements.

9. REBATE APPLICATION FOR TURF REMOVAL

It is recommended that the Board of Directors consider the rebate application for the identified project without a limitation on the maximum allowable acreage for the project and direct staff accordingly.

GENERAL MANAGER MATTERS:

ENGINEERING & OPERATIONS MATTERS:

10. BEAR BRAND NO.1 RESERVOIR RE-COATING CONTRACT AWARD

It is recommended that the Board of Directors award the construction services contract for the Bear Brand No. 1 Reservoir Re-coating and Safety Improvements Project No. 2014.001 to Advanced Industrial Services in the amount of \$621,000; authorize the General Manager to execute the contract; and authorize the General Manager or designee to approve change orders up to 10% of the contract value.

FINANCE & INFORMATION TECHNOLOGY MATTERS:

11. WATER EFFICIENCY (FUND 6) BUDGET AMENDMENT (RESOLUTION NO. 15-)

It is recommended that the Board of Directors approve the resolution entitled, "Approving a Budget Amendment in Order to Fund Additional Water Efficiency Programs for fiscal year 2015-16".

LEGAL MATTERS:

PRESIDENT'S REPORT:

BOARD REPORTS:

FUTURE AGENDA ITEMS (Any items added under this section are for discussion at future meetings only.):

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.



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

September 17, 2015

A Regular Meeting of the Board of Directors of the Moulton Niguel Water District was held at the District offices, 27500 La Paz Road, Laguna Niguel, California, at 6:00 PM on September 17, 2015. There were present and participating:

DIRECTORS

Scott Colton	Vice President
Richard Fiore	Director
Donald Froelich	President
Gary Kurtz	Director
Larry Lizotte	Director
Brian Probolsky	Vice President (arrived 6:05 p.m.)

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Matt Collings	Assistant General Manager
Marc Serna	Director of Engineering & Operations
Gina Hillary	Director of Human Resources
Michael Bell	Public Financial Management
Paige Gulck	Board Secretary
Drew Atwater	MNWD
Tim Bonita	MNWD
Megan Geer	MNWD
Eva Plajzer	MNWD
Adrian Tasso	MNWD
Glen Allen	Newport Real Estate Services
Anthony Vaccaro	Newport Real Estate Services
Jeff Ferre	Best, Best, & Krieger
Jake Vollebregt	Best, Best, & Krieger

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1. **CALL MEETING TO ORDER:**

The meeting was called to order by Donald Froelich at 6:00 p.m.

2. **PLEDGE OF ALLEGIANCE:**

3. **MINUTE APPROVAL:**

a. MINUTES OF THE AUGUST 20, 2015 BOARD OF DIRECTORS MEETING

MOTION DULY MADE BY SCOTT COLTON AND SECONDED BY LARRY LIZOTTE, MINUTES OF THE AUGUST 20, 2015 BOARD OF DIRECTORS MEETING WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, AND LARRY LIZOTTE ALL VOTING 'AYE'. DIRECTOR GARY KURTZ ABSTAINED AS HE WAS ABSENT FROM THE AUGUST 20 MEETING. DIRECTOR BRIAN PROBOLSKY WAS ABSENT.

4. **PUBLIC COMMENTS:**

Joone Lopez presented the COSS Safety award, which Adrian Tasso received on behalf of the District. Adrian Tasso gave a brief history on the program.

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

Item 6 was pulled from Consent Calendar by Donald Froelich. The Board then voted on the following items:

5. **GALLUP CIRCLE SEWER CONSTRUCTION CONTRACT AWARD**

It is recommended that the Board of Directors award the construction services contract for the Gallup Circle Sewer Replacement Project No. 2013.010 to Paulus Engineering, Inc. in the amount of \$219,670; authorize the General Manager to execute the contract ; and authorize the General Manager or designee to approve change orders up to 10% of the contract value.

7. **MATHIS-OSO BYPASS CONSTRUCTION CONTINGENCY ADJUSTMENT**

It is recommended that the Board of Directors increase the construction contract contingency for the Mathis-Oso Bypass Pressure Reducing Station Relocation Project No. 2010.018, with Paulus Engineering, Inc. by \$60,000 for a total not-to-exceed construction contingency amount of \$123,970.

8. MNWD WEBSITE REDESIGN CONTRACT AWARD

It is recommended that the Board of Directors approve the Professional Services Agreement with GigaSavvy for the amount of \$90,840; and authorize the General Manager to execute the agreement.

9. REBATE APPLICATIONS FOR TURF REMOVAL

It is recommended that the Board of Directors consider the rebate application for the identified project without a limitation on the maximum allowable acreage for the project and direct staff accordingly.

MOTION DULY MADE BY LARRY LIZOTTE AND SECONDED BY GARY KURTZ, CONSENT ITEMS 5, 7, 8, 9 WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, AND LARRY LIZOTTE ALL VOTING 'AYE'. DIRECTOR BRIAN PROBOLSKY WAS ABSENT.

6. PROFESSIONAL SERVICES AGREEMENT FOR OPERATIONS CENTER CONSOLIDATION AND IMPROVEMENT PROJECT

It is recommended that the Board of Directors approve the Professional Services Agreement with Newport Real Estate Services, Inc. for an amount not-to-exceed \$220,000; authorize the General Manager to approve change orders up to 15% of the total contract value; and authorize the General Manager to execute the agreement.

Brian Probolsky arrived at 6:05 p.m.

Matt Collings introduced Glen Allen and Anthony Vaccaro from Newport Real Estate Services, who responded to questions regarding their scope of work.

MOTION DULY MADE BY LARRY LIZOTTE AND SECONDED BY GARY KURTZ, ITEM 6 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

LEGAL MATTERS:

13. AGREEMENT FOR LEGAL COUNSEL SERVICES

It is recommended that the Board of Directors approve an agreement with Best, Best, and Krieger, LLP, for general counsel services for a term not-to-exceed 1 year.

This item was taken after Item 6. Joone Lopez introduced Jeff Ferre and Jake Vollebregt, from Best, Best, & Krieger, who answered questions from the Board regarding their services.

GENERAL MANAGER MATTERS:

10. NOMINATION FOR ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) PRESIDENT (RESOLUTION NO. 15-___)

It is recommended that the Board of Directors approve the resolution entitled, "Supporting the Nomination of Director Kathleen Tiegs as President of the Association of California Water Agencies."

Joone Lopez presented the item and asked the Board to support the nomination of Kathleen Tiegs as Board President of ACWA.

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

FINANCE & INFORMATION TECHNOLOGY MATTERS:

11. WATER SHORTAGE CONTINGENCY PLAN CONTINUED IMPLEMENTATION (RESOLUTION NO. 15-___)

It is recommended that the Board of Directors approve the resolution entitled, "Declaring Water Shortage Stage 2."

Joone Lopez presented the item. Discussion ensued regarding drought conditions.

MOTION DULY MADE BY LARRY LIZOTTE AND SECONDED BY GARY KURTZ, ITEM 11 WAS APPROVED AS PRESENTED. THE VOTE WAS SPLIT WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, AND LARRY LIZOTTE ALL VOTING 'AYE', AND DIRECTOR BRIAN PROBOLSKY VOTING 'NAY'.

12. INVESTMENT POLICY UPDATE(RESOLUTION NO. 15-___)

It is recommended that the Board of Directors approve the resolution entitled, "Approving Updated Investment Policy."

Brian Probolsky reiterated the fact that the risk profile of the District is staying the same with the policy update.

MOTION DULY MADE BY GARY KURTZ AND SECONDED BY SCOTT COLTON, ITEM 12 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

PRESIDENT'S REPORT:

Donald Froelich thanked Richard Fiore and Brian Probolsky for working on the legal ad-hoc.

BOARD REPORTS:

Brian Probolsky stated that WACO had an excellent presentation entitled "Security of Water" by Special Agent Frederick J. Simon, Assistant Coordinator with the Los Angeles InfraGuard Program, Federal Bureau of Investigation.

FUTURE AGENDA ITEMS (Any items added under this section are for discussion at future meetings only.):

None.

LATE ITEMS: (Appropriate Findings to be Made)

Staff has none.

ADJOURNMENT:

The meeting was adjourned at 7:19 p.m.

Respectfully submitted,

Paige Gulck
Board Secretary

RESOLUTION NO. 15-__

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT
APPROVING A BUDGET AMENDMENT IN ORDER TO FUND
ADDITIONAL WATER EFFICIENCY PROGRAMS FOR FISCAL YEAR 2015-16**

WHEREAS, on June 18, 2015, the Board of Directors of the Moulton Niguel Water District (“Board of Directors”) adopted Resolution No. 15 - 19 (“Budget Resolution”) whereby the Board of Directors approved the Operating and Capital Improvement Program Budget for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016, which consists of the estimated and anticipated expenditures and revenues for the Fiscal Year for all funds; and

WHEREAS, since the date of adoption of the Budget Resolution, the demand for water efficiency programs, including rebate funding and drought outreach activities, has continued to grow in response to the current statewide drought. As a result, additional funds for such programs are needed in order to meet the demands of the District’s customers during the current fiscal year; and

WHEREAS, pursuant to the District’s Financial Policies, appropriations may be modified with majority approval of the Board of Directors throughout the fiscal year. Said Policy requires that any changes in appropriations at the fund level during the year must be submitted by District staff for formal Board review and approval; and

WHEREAS, a public meeting of the Board of Directors was duly noticed and conducted under the Brown Act on October 15, 2015, during which this Resolution was considered by the Board of Directors; and

WHEREAS, the Board of Directors desires to implement the procedures of the Financial Policies in order to approve amendments to the budget and appropriations at the Water Efficiency Fund (Fund 6) level in order to budget and expend additional amounts for water use efficiency programs.

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

SECTION 1. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

SECTION 2. The FY 2015-16 Budget – Water Efficiency Fund Account Descriptions are hereby amended in order to increase the Water Efficiency budgeted amount from \$3,129,624

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to \$4,849,624 and District Office Supplies budgeted amount from \$92,810 to \$489,751. This amendment reflects an increase in budgeted expenditures by \$2,116,941. Said budget and account information are more particularly described in the attachment to this Resolution and said attachment is hereby made part of this Resolution.

SECTION 3. Except as otherwise specifically set forth herein, the provisions of the Operating and Capital Improvement Budget and appropriations for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016, as adopted by way of the Budget Resolution, shall remain in full force and effect.

SECTION 4. The expenditure amounts designated to Fund 6 for which they are designated and such appropriations shall not be increased except under the procedures as described and followed herein.

SECTION 5. The appropriations for Fund 6 may only be further increased or decreased by the Board of Directors by passage of a subsequent resolution amending the Budget under the procedures described and followed herein.

SECTION 6. If any section, subsection, clause or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby. The Board of Directors hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

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

MOULTON NIGUEL WATER DISTRICT

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

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

Moulton Niguel Water District
FY 2015-16
Water Efficiency Fund Summary of Revenues and Expenses

Description	June 2015 Adopted Budget	Committed to Date	Proposed Amended Budget	Proposed Changes
<u>Operating Revenue</u>				
Water Efficiency	\$ 3,398,873	\$ 3,398,875	\$ 3,398,873	\$ -
Total Operating Revenue	\$ 3,398,873	\$ 3,398,875	\$ 3,398,873	\$ -
<u>Operating Expenses</u>				
Labor	\$ 668,156	\$ 117,364	\$ 668,156	\$ -
Educational Courses	500	-	500	-
Travel & Meetings	14,700	30	14,700	-
General Services	5,000	-	5,000	-
Dues & Memberships	500	-	500	-
Consulting Services	850,000	801,626	850,000	-
District Office Supplies	92,810	160,112	489,751	396,941
Repairs and Maintenance - Equipment	3,500	-	3,500	-
Water Efficiency	3,129,624	4,349,624	4,849,624	1,720,000
Total Operating Expenses	\$ 4,764,790	\$ 5,428,756	\$ 6,881,731	\$ 2,116,941
Net Operating Revenues/Expenses	\$ (1,365,917)	\$ (2,029,881)	\$ (3,482,858)	\$ (2,116,941)
<u>Non-Operating Revenue</u>				
Investment Income	\$ 159,792	\$ 159,792	\$ 159,792	\$ -
Total Non-Operating Revenue	\$ 159,792	\$ 159,792	\$ 159,792	\$ -
<u>Non-Operating Expenses</u>				
RW Retrofits	\$ 100,000	\$ -	\$ 100,000	\$ -
RW System Extension	1,500,000	74,000	1,500,000	-
Aliso Village RW Extension	95,611	25,900	95,611	-
Total Non-Operating Expenses	\$ 1,695,611	\$ 99,900	\$ 1,695,611	\$ -
Net Revenues/Expenses	\$ (3,061,528)	\$ (2,129,781)	\$ (5,178,469)	\$ (2,116,941)
Projected FY 2015-16 Ending Balance	\$ 4,118,663	\$ 5,050,410	\$ 2,001,722	\$ (2,116,941)

