



AMENDED
BOARD OF DIRECTORS' MEETING
MOULTON NIGUEL WATER DISTRICT
27500 La Paz Road, Laguna Niguel
January 15, 2015
5:30 PM
Approximate Meeting Time: 2 Hours

1. **CALL MEETING TO ORDER:**

2. **PLEDGE OF ALLEGIANCE:**

3. **MINUTE APPROVAL:**

Minutes of the December 18, 2014 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. **USBR WATERSMART GRANT FOR AMI IMPLEMENTATION PROGRAM PHASE I (RESOLUTION NO. 15-)**

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

6. **AMENDMENT TO DIVERSION AGREEMENT WITH COUNTY OF ORANGE**

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

7. LICENSE FOR SEWER CONNECTION WITH CITY OF SAN JUAN CAPISTRANO

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

8. GENERATOR INSTALLATION AT FIVE SITES CONSTRUCTION CONTRACT AWARD (RESOLUTION NO. 15-)

It is recommended that the Board of Directors award the construction services contract for Generator Installation at Five Sites, Project Nos. 2012.028, 2012.029, 2012.030, 2012.031 and 2012.033 to S.S. Mechanical Corporation, in the amount of \$258,930; authorize the General Manager to execute the contract; authorize the General Manager or designee to approve change orders up to 10% of the contract value, and approve the resolution entitled, "Approving Revised budget and Appropriations for Funds 7 and 14 of Fiscal Year 2014-15 Capital Improvement Program Budget."

9. UPPER SALADA HEADER CONSTRUCTION CONTRACT AWARD

It is recommended that the Board of Directors award the construction services contract for Upper Salada Lift Station Header Replacement Project No. 2014.006 to Schuler Engineering Corporation, in the amount of \$89,421; 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.

10. BEACON HILL PUMP REPLACEMENT CONSTRUCTION CONTRACT AWARD

It is recommended that the Board of Directors reject all bids for the Beacon Hill Pump Station High-Flow Pump and Gas Engine Drive Replacement, Project No. 2012.009.

11. DEL AVION WET WELL COATING CONSTRUCTION CONTRACT AWARD

It is recommended that the Board of Directors reject all bids for the Del Avion Lift Station Wet Well Coating Rehabilitation, Project No. 2014.003.

12. PERSONNEL & SALARY POLICY REVISIONS AND MOU SIDE LETTERS (RESOLUTION NO. 15-)

It is recommended that the Board of Directors adopt the resolution entitled, "Approving the Personnel & Salary Policy" and authorize the General Manager to sign Side Letter Agreement #1 for the General and Supervisory Units.

13. REBATE APPLICATION FOR TURF REMOVAL AND SYNTHETIC TURF

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 each project and direct staff accordingly.

GENERAL MANAGER MATTERS:

- 14. Proposition 218 Update
- 15. 2015 Board Meeting Calendar

LEGAL MATTERS:

16. ELECTION OF BOARD OFFICERS

The District By-laws require the election of Board officers every two years. These officers are the President and two Vice Presidents.

It is recommended that the Board of Directors conduct an election for the following officers of the Board and District: President, First Vice President, and Second Vice President with office terms effective at the conclusion of the Board Meeting.

PRESIDENT'S REPORT:

BOARD REPORTS:

CLOSED SESSION:

17. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Pursuant to Government Code Section 54956.9(b)(1), a Closed Session will be Conducted to confer with Legal Counsel regarding the following two claims:

*Claim of Thu L. Nguyen
Claim of Peter Suk*

18. CONFERENCE WITH LEGAL COUNSEL - CLAIM/EXISTING LITIGATION (ONE CASE - SMALL CLAIMS)

Pursuant to Government Code Section 54956.9(a), (b)(1) a Closed Session will be conducted to confer with Legal Counsel regarding the following claim:

Claim of Tarvaran; Tarvaran vs MNWD

LATE ITEMS: (Appropriate Findings to be Made)

- a. Need to take immediate action; and
- b. Need for action came to District's attention after Agenda Posting. [Requires 2/3 vote (5 members) or unanimous vote if less than 2/3 are present]

ADJOURNMENT:

The Board of Directors' Meeting Room is wheelchair accessible. If you require any special disability related accommodations (i.e., access to an amplified sound system, etc.), please contact the Moulton Niguel Water District Secretary's office at (949) 831-2500 at least forty-eight (48) hours prior to the scheduled meeting. This agenda can be obtained in alternate format upon written request to the Moulton Niguel Water District Secretary at least forty-eight (48) hours prior to the scheduled meeting.

Agenda exhibits and other writings that are disclosable public records distributed to all, or a majority of, the members of the Moulton Niguel Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection at the District Office, 27500 La Paz Road, Laguna Niguel, CA ("District Office"). If such writings are distributed to members of the Board less than seventy-two (72) hours prior to the meeting, they will be available in the reception area of the District Office at the same time as they are distributed except that, if such writings are distributed immediately prior to, or during the meeting, they will be available in the Board meeting room and on the District website at www.mnwd.com.



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

December 18, 2014

A Regular Meeting of the Board of Directors of the Moulton Niguel Water District was held at the District offices, 27500 La Paz Road, Laguna Niguel, California, at 5:30 PM on December 18, 2014. There were present and participating:

DIRECTORS

Duane Cave	Director
Scott Colton	Director
Donald Froelich	President
Gary Kurtz	Director
Larry Lizotte	Director
Brian Probolsky	Vice President (arrived at 5:35 p.m.)

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Matt Collings	Assistant General Manager
Marc Serna	Director of Engineering & Operations
Gina Hillary	Director of Human Resources
Kelly Winsor	Assistant to the General Manager
Pat Giannone	Bowie, Arneson, Wiles & Giannone
Paige Gulck	Board Secretary
Kelly Salt	Best, Best, and Krieger
Michael Bell	Public Financial Management
Brian Thomas	Public Financial Management
Mark Hildebrand	MWH
Drew Atwater	MNWD
Megan Geer	MNWD
Bob Gokoo	ACWA/JPIA Attorney
Megan Schneider	MNWD
Carole Wayman-Piascik	MNWD
Ruth Zintzun	MNWD
Karen Langer	Member of CAC

#3.

Brian Archbold
Frank Tedescucci

El Niguel Country Club
Aliso Viejo County

1. **CALL MEETING TO ORDER:**

The meeting was called to order by Donald Froelich at 5:30 p.m.

2. **PLEDGE OF ALLEGIANCE:**

3. **MINUTE APPROVAL:**

Minutes of the November 12, 2014 Special Board of Directors Meeting

MOTION DULY MADE BY GARY KURTZ AND SECONDED BY LARRY LIZOTTE, MINUTES OF THE NOVEMBER 12, 2014 SPECIAL BOARD OF DIRECTORS MEETING WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, DONALD FROELICH, GARY KURTZ, AND LARRY LIZOTTE ALL VOTING 'AYE'. DIRECTOR DUANE CAVE ABSTAINED. DIRECTOR BRIAN PROBOLSKY WAS ABSENT.

Minutes of the November 20, 2014 Board of Directors Meeting

MOTION DULY MADE BY GARY KURTZ AND SECONDED BY SCOTT COLTON, MINUTES OF THE NOVEMBER 20, 2014 BOARD OF DIRECTORS MEETING WERE APPROVED AS AMENDED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, DONALD FROELICH, GARY KURTZ, AND LARRY LIZOTTE ALL VOTING 'AYE'. DIRECTOR BRIAN PROBOLSKY WAS ABSENT.

Brian Probolsky arrived at 5:35 p.m.

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

None.

CLOSED SESSION:

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

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

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

b) Briosa Owners Association, a California Corporation vs Moulton Niguel Water

District (Orange County Superior Court)

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

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

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

RETURN TO OPEN SESSION:

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

Donald Froelich stated that there was no reportable action taken on the closed session item.

PUBLIC COMMENTS - OPEN SESSION:

Brian Archbold from El Niguel Country Club thanked the Board for their support in the turf removal project.

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

Consent Items 6 and 7 were pulled per staff. Consent Items 11 and 12 were pulled per Brian Probolsky.

The Board voted on the remainder of the Consent Calendar Items 8, 9, and 10, and approved those items by unanimous vote, and then proceeded to Item 6.

6. REBATE APPLICATION FOR TURF REMOVAL AND SYNTHETIC TURF

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 each project.

Matt Collings presented details on bill impacts and estimated water savings for Aliso Viejo Country Club and El Niguel Country Club. Discussion ensued regarding allocation limitations.

Action: Removal of Aliso Viejo Country Club, and approval of the balance; El Niguel Country Club, all the residential applicants, along with the condominium and home owners' associations; with cap amounts as listed in the staff report or no greater than 5% for commercial or \$1000 for residential contingency. Aliso Viejo Country Club is not

#3.

included in this approval and will be discussed separately and immediately following action on this portion of the item.

MOTION DULY MADE BY SCOTT COLTON AND SECONDED BY BRIAN PROBOLSKY, THE FIRST PORTION OF ITEM 6 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, DONALD FROELICH, GARY KURTZ, AND BRIAN PROBOLSKY ALL VOTING 'AYE'. DIRECTOR LARRY LIZOTTE ABSTAINED.

The Board then discussed the turf removal project at Aliso Viejo Country Club.

Action: Allocate a rebate value of \$500,000 to Aliso Viejo Country Club.

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

7. MNWD & ETWD INTER-TIE CONSTRUCTION CONTRACT AWARD

It is recommended that the Board of Directors award the construction services contract to T.E. Roberts, Inc. in the amount of \$362,400; 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.

Larry Lizotte left at 6:54 p.m.

Joone Lopez presented a letter from Santa Margarita Water District acknowledging selection of the contractor and that costs will be reimbursed by SMWD.

MOTION DULY MADE BY DUANE CAVE AND SECONDED BY GARY KURTZ, ITEM 7 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, DONALD FROELICH, GARY KURTZ, AND BRIAN PROBOLSKY ALL VOTING 'AYE'. DIRECTOR LARRY LIZOTTE WAS ABSENT.

8. LA SIENA MAINLINE CONSTRUCTION CONTRACT AWARD

It is recommended that the Board of Directors award the construction services contract to T.E. Roberts, Inc. in the amount of \$568,332; authorize the General Manager to execute the contract; and authorize the General Manager or designee to authorize change orders up to 10% of the contract value.

9. VALVE REPLACEMENTS CONSTRUCTION CONTRACT AWARD

It is recommended that the Board of Directors award the construction services contract to Paulus Engineering, Inc. in the amount of \$531,852; 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.

10. TREE MAINTENANCE MULTI-YEAR SERVICE AGREEMENT

It is recommended that the Board of Directors authorize the General Manager to execute an agreement with Great Scott Tree Maintenance, Inc., for a not-to-exceed amount of \$215,000 for Fiscal Years 2014-15 through 2016-17.

MOTION DULY MADE BY SCOTT COLTON AND SECONDED BY GARY KURTZ, CONSENT ITEMS 8, 9, AND 10 WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

11. AMENDMENT NO. 1 TO ON-CALL ASPHALT AND CONCRETE REPAIR SERVICES FISCAL YEAR 2014-15 AND CHANGE OF CONTRACTOR

It is recommended that the Board of Directors approve Amendment No. 1 to the Agreement with Sander's Paving, Inc. valued at \$310,000 for a total not-to-exceed Agreement amount of \$380,000 for the 2014-15 Fiscal Year; and authorize the General Manager to execute the Amendment.

Brian Probolsky requested more detail on the amount requested by staff. Discussion ensued regarding scope of work and use of different vendors.

Revised Action: Approve Amendment No. 1 for the use of Sander's Paving at a cost not-to-exceed the balance of the remaining amount under the original contract with Ben's Asphalt.

MOTION DULY MADE BY BRIAN PROBOLSKY AND SECONDED BY SCOTT COLTON, ITEM 11 WAS APPROVED AS REVISED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, DONALD FROELICH, GARY KURTZ, AND BRIAN PROBOLSKY ALL VOTING 'AYE'. DIRECTOR LARRY LIZOTTE WAS ABSENT.

12. COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2014

It is recommended that the Board of Directors receive and file the CAFR.

Brian Probolsky asked to pull this item due to the nature of the content and asked that future items containing similar content be separately listed for action on the agenda.

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

FINANCE & INFORMATION TECHNOLOGY MATTERS:

13. CONSIDERATION OF PUBLIC HEARING FOR ADOPTING RATE INCREASES IN WATER, SEWER, AND RECYCLED WATER SERVICE FEES

It is recommended that the Board of Directors direct the General Manager to determine a Public Hearing date and finalize and mail the Notice a Public Hearing for Adopting Rate Increases in Water, Sewer, and Recycled Water Service Fees.

MOTION DULY MADE BY GARY KURTZ AND SECONDED BY DUANE CAVE, ITEM 13 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, DONALD FROELICH, GARY KURTZ, AND BRIAN PROBOLSKY ALL VOTING 'AYE'. DIRECTOR LARRY LIZOTTE WAS ABSENT.

GENERAL MANAGER MATTERS:

The District received an Orange County Grand Jury inquiry.

The ACWA Commitment to Excellence Program comes at no cost and with no obligation to the District. It shows that the District is committed to a safe work environment and requires the signature of every board member.

The State Water Resources Control Board (SWRCB) requested feedback in regards to next steps for statewide drought regulations. Staff submitted oral and written comments to SWRCB at Metropolitan Water District on December 17, 2014. MWDOC has also submitted a comment letter to capture comments of all the Orange County agencies.

The billing department received a letter from a resident thanking the District for the excellent customer service.

PRESIDENT'S REPORT:

Donald Froelich stated that he attended the MWDOC Planning committee meeting this past week.

BOARD REPORTS:

Scott Colton stated that the San Juan Basin Authority hired a new project manager to oversee water quality in the basin.

14. 2015 BOARD MEETING CALENDAR

Recommended Action: As directed by the Board of Directors

Discussion ensued regarding start times for the regularly scheduled meetings. Proposed times are 8:00 a.m. for the Engineering and Operations, and Finance and Information Technology Board meetings, and 6:00 p.m. for the Board of Directors' meeting. The Board asked to bring this topic back to the early January Special Board meeting.

LATE ITEMS: (Appropriate Findings to be Made)

Staff has none.

CLOSED SESSION:

15. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Pursuant to Government Code Section 54956.9(b)(1), a Closed Session will be conducted to confer with Legal Counsel regarding the following claim:

Claim of Joan Somo

Donald Froelich reported that the Board of Directors rejected the claim of Jane Somo.

THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, DONALD FROELICH, GARY KURTZ, AND BRIAN PROBOLSKY ALL VOTING 'AYE'. DIRECTOR LARRY LIZOTTE WAS ABSENT.

#3.

ADJOURNMENT:

The meeting was adjourned by Donald Froelich at 7:47 p.m.

Respectfully submitted,

Paige Gulck
Board Secretary

DRAFT