



moulton niguel water district

BOARD OF DIRECTORS' MEETING MOULTON NIGUEL WATER DISTRICT

27500 La Paz Road, Laguna Niguel

August 18, 2016

6:00 PM

Approximate Meeting Time: 3 Hours

1. **CALL MEETING TO ORDER:**

2. **PLEDGE OF ALLEGIANCE:**

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.

LEGAL MATTERS:

4. **2016 REPORT ON WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS –
PUBLIC HEARING AND ADOPTION OF REPORT**

It is recommended that the Board of Directors conduct a public hearing to receive public testimony regarding the proposed adoption of the 2016 Public Health Goals Report. Upon completion of the public hearing, it is recommended that the Board of Directors take action to approve the 2016 Report On Water Quality Relative To Public Health Goals as required under the Health And Safety Code.

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. **MINUTES OF THE JULY 18, 2016 ENGINEERING AND OPERATIONS BOARD OF
DIRECTORS' MEETING**

6. **MINUTES OF THE FEBRUARY 16, 2016 SPECIAL BOARD OF DIRECTORS' MEETING**

7. **MINUTES OF THE JULY 21, 2016 REGULAR BOARD OF DIRECTORS' MEETING**

8. RESERVOIR MANAGEMENT SYSTEMS REPLACEMENT PROFESSIONAL SERVICES AGREEMENT FOR FISCAL YEAR 2016-17

It is recommended that the Board of Directors approve the Professional Services Agreement for engineering services with LEE & RO, Inc. in the amount of \$199,663; authorize the General Manager to execute the agreement; and authorize the General Manager to or designee to approve amendments up to 10% of the contract value.

9. VALVE CREW - CAPITAL EQUIPMENT PURCHASES

It is recommended that the Board of Directors authorize the purchase of a new 2017 Hydro-Excavator from Haaker Equipment Company for \$429,751; authorize the purchase of a new 2016 Caterpillar 420F Backhoe Loader for \$132,742; and authorize the purchase of a 2017 Peterbilt dump truck for \$153,744.

10. INSERTION VALVE EQUIPMENT PURCHASES FOR FISCAL YEAR 2016-17

It is recommended that the Board of Directors authorize the purchase of new Hydra-Stop Insertion valve equipment for an amount not-to-exceed \$186,592 for Fiscal Year 2016-17.

11. FUEL AGREEMENT EXTENSION FOR FISCAL YEAR 2016-17

It is recommended that the Board of Directors authorize the General Manager to execute Amendment No.1 to the Agreement with Nickey Petroleum Co. Inc., for an amount not-to-exceed \$280,000 for Fiscal Year 2016-17.

12. CITY OF LAGUNA NIGUEL CROWN VALLEY COMMUNITY PARK TIER II IMPROVEMENTS - MNWD PIPELINE RELOCATIONS

It is recommended that the Board of Directors authorize the General Manager to execute the Agreement with the City of Laguna Niguel for financial reimbursement of the facility relocations, subject to non-substantive changes made by legal counsel, and authorize the reimbursement for an amount not-to-exceed \$325,000.

13. CITY OF LAGUNA NIGUEL TURF REMOVAL REBATE APPLICATION

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.

14. WATER EFFICIENCY (FUND 6) BUDGET AMENDMENT (RESOLUTION 16-___)

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 2016-17

15. AMENDMENT NO. 2 TO THE CONSULTING SERVICES AGREEMENT - WARE MALCOMB

It is recommended that the Board of Directors approve Amendment No. 2 to the Consulting Services Agreement with Mare Malcomb for an amount not-to-exceed \$16,800 for a total contract amount of \$140,800; authorize the General Manager to approve change orders up to 10% of the total contract value; and authorize the General Manager to execute Amendment No. 2.

16. COPIER LEASING AND PRINTING SERVICES

It is recommended that The Board of Directors authorize the General Manager to execute the three-year Lease Agreement (the "Lease") in the amount of \$100,692 for copier leasing and a three-year Service and Maintenance Agreement for printer and copier services in the amount of \$60,000 with Kyocera Document Solutions America, Inc. ("Kyocera").

GENERAL MANAGER MATTERS:

ENGINEERING & OPERATIONS MATTERS:

17. San Juan Basin Authority Update

PRESIDENT'S REPORT:

BOARD REPORTS:

CLOSED SESSION:

18. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation and initiation of litigation pursuant to paragraphs (2) and (4) of subdivision (d) of Government Code Section 54956.9

One potential case

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.



moulton niguel water district

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

July 18, 2016

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 8:30 AM on July 18, 2016. There were present and participating:

DIRECTORS

Scott Colton	Vice President/Chair
Richard Fiore	Director
Donald Froelich	President
Gary Kurtz	Director
Larry Lizotte	Director

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
Jeff Ferre	Best, Best, & Krieger (General Counsel)
Paige Gulck	Board Secretary
Tim Bonita	Recording Secretary
Trevor Agrelius	MNWD
Drew Atwater	MNWD
Johnathan Cruz	MNWD
Todd Dmytryshyn	MNWD
Megan Emami	MNWD
Megan Geer	MNWD
Ronin Goodall	MNWD
Steve Merk	MNWD
Mark Mountford	MNWD

#5.

Todd Novacek MNWD
Rod Woods MNWD

1. CALL MEETING TO ORDER

The meeting was called to order by Scott Colton at 8:30 a.m.

2. APPROVE THE MINUTES OF THE JUNE 13, 2016 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS' MEETING

MOTION DULY MADE BY DONALD FROELICH AND SECONDED BY RICHARD FIORE, MINUTES OF THE JUNE 13, 2016 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS' MEETING WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, AND LARRY LIZOTTE ALL VOTING 'AYE'.

3. PUBLIC COMMENTS

None.

DISCUSSION ITEMS

4. 2016 Public Health Goals Report

Marc Serna provided information on the item. Staff recommends that the Board of Directors review the Public Health Goals Report and authorize the setting of a Public Hearing for August 18, 2016, to receive public testimony prior to consideration of approval of the Public Health Goals Report. Discussion ensued regarding the report.

5. Aliso Village Recycled Water Extension Construction Contract Award

Rod Woods provided background information on the item. Staff recommends that the Board of Directors award the construction services contract to Paulus Engineering, Inc. in the amount of \$79,250; authorize the General Manager or designee to approve changes orders up to 10% of the contract value. Discussion ensued regarding the contract.

6. Pressure Reducing Station Relocation Project Construction Contract Award

Rod Woods presented the item. Staff recommends that the Board of Directors award the construction services contract to Ferreira Construction Co., Inc. in the amount of \$788,863; 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. Discussion ensued regarding the item.

7. Del Avion Lift Station Auxiliary Generator Replacement Construction Contract Award

Rod Woods provided background information on the item. Staff recommends that the Board of Directors award the construction services contract to Pacific Hydrotech Corporation in the amount of \$441,900; 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. Discussion ensued regarding the contract.

8. Amendment No. 5 to Agreement with Environmental Compliance Inspection Services (ECIS) for FOG Inspection Services

Mark Mountford presented the item. Staff recommends that the Board of Directors authorize the General Manager to execute Amendment No. 5 to the Agreement with ECIS for an amount not-to-exceed \$130,000 for Fiscal Year (FY) 2016-17. Discussion ensued regarding the Fats, Oils, and Grease program.

INFORMATION ITEMS**9. Baker Water Treatment Plant Project Update**

Marc Serna stated that the expected completion date for the project is mid-October 2016.

10. Operations Center Consolidation Improvement Project Update

Matt Collings provided an update on the Operations Center Consolidation Improvement Project. The District is currently working on the planning components of the project. Staff continues to inform Homeowners surrounding the site on project details.

11. Quarterly Construction Progress Report

Steve Merk provided the quarterly construction progress report. Questions were answered regarding the report.

12. Quarterly Communications License Program Report

Megan Emami provided the quarterly communications license program report. Discussion ensued regarding the report.

13. Future Agenda Items (Any items added under this section are for discussion at future meetings only)

None.

14. Late Items (Appropriate Findings to be Made)

#5.

Staff has none.

ADJOURNMENT

The meeting was adjourned at 9:37 a.m.

Respectfully submitted,

Tim Bonita
Recording Secretary

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moulton niguel water district

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

February 16, 2016

A Special Meeting of the Board of Directors of the Moulton Niguel Water District was held at the Laguna Niguel Community Room, 30111 Crown Valley Parkway, Laguna Niguel, California, at 12:00 PM on February 16, 2016. There were present and participating:

DIRECTORS

Duane Cave	Director
Scott Colton	Vice President
Richard Fiore	Director
Donald Froelich	President
Gary Kurtz	Director

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
Paige Gulck	Board Secretary
Tim Bonita	Recording Secretary
Frederick Adjarian	El Toro Water District
Scott Goldman	El Toro Water District
Bob Hill	El Toro Water District
William Kahn	El Toro Water District
Mark Monin	El Toro Water District
Paul Cook	Irvine Ranch Water District
Steve Lamar	Irvine Ranch Water District
Renaë Hinchey	Laguna Beach County Water District
Debbie Neev	Laguna Beach County Water District
Drew Atwater	Moulton Niguel Water District
Dick Ackerman	Municipal Water District of Orange County

#6.

Linda Ackerman	Municipal Water District of Orange County
Harvey De La Torre	Municipal Water District of Orange County
Larry Dick	Municipal Water District of Orange County
Joan Finnegan	Municipal Water District of Orange County
Maribeth Goldsby	Municipal Water District of Orange County
Susan Hinman	Municipal Water District of Orange County
Rob Hunter	Municipal Water District of Orange County
Larry McKenney	Municipal Water District of Orange County
Wayne Osborn	Municipal Water District of Orange County
Karl Seckel	Municipal Water District of Orange County
Sat Tamaribuchi	Municipal Water District of Orange County
Jeffrey Thomas	Municipal Water District of Orange County
Philip Anthony	Orange County Water District
Shawn Dewane	Orange County Water District
Mike Markus	Orange County Water District
Liz Mendelosa	San Diego County Water Authority
Dan Ferons	Santa Margarita Water District
Charles Gibson	Santa Margarita Water District
Sandra Jacobs	Santa Margarita Water District
Jim Leach	Santa Margarita Water District
Justin McCusker	Santa Margarita Water District
Charley Wilson	Santa Margarita Water District
Dennis Erdman	South Coast Water District
Wayne Rayfield	South Coast Water District
Betty Burnett	South Orange County Wastewater Authority
Hector Ruiz	Trabuco Canyon Water District
Michael Safranski	Trabuco Canyon Water District

1. CALL MEETING TO ORDER

The meeting was called to order by Sandra Jacobs at 12:00 p.m.

2. PLEDGE OF ALLEGIANCE

3. WELCOME AND INTRODUCTIONS

Sandra Jacobs asked for a round of introductions.

4. PUBLIC COMMENTS

None.

DISCUSSION ITEMS

5. Metropolitan Water District of Southern California Issues

Discussion ensued regarding communication. Key topics of discussion included:

- *Improving the Board Workshop meetings by having more dialogue and discussions and less presentations*
- *Increasing agency participation in open meetings*
- *Sharing of information between MWDOC and South OC Agencies*

Discussion continued regarding MET's 2 Year Budget and Long Range Financial Plan. The MWDOC Board has not yet had time to analyze the information. It was recommended that there be more agency participation at the MWDOC/MET workshops in order to identify questions and concerns regarding the budget and long range financial plan.

6. Rate Setting Outlook for Orange County Agencies

Discussion ensued regarding the item. Key topics of discussion included:

- *MWDOCs role, if any, in the retail rate discussion and issues with proposition 218*
- *MWDOC Rate Study*
- *How to get the cities more involved*

7. Orange County Reliability Planning

Discussion ensued regarding reliability planning. Key topics of discussion included:

- *MWDOC's reliability study*
- *Desalination*
- *Recycled Water Plans*

Saundra Jacobs and Joone Lopez gave a brief recap of the meetings key points and thanked everyone for attending.

ADJOURNMENT

The meeting was adjourned at 2:07 p.m.

Respectfully submitted,

Tim Bonita
Recording Secretary



moulton niguel water district

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

July 21, 2016

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 July 21, 2016. There were present and participating:

DIRECTORS

Duane Cave	Director (via teleconference)
Scott Colton	Vice President
Richard Fiore	Director (arrived at 6:25 p.m.)
Donald Froelich	President
Gary Kurtz	Director
Larry Lizotte	Director
Brian Probolsky	Vice President (arrived at 6:11 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
Jeff Ferre	Best, Best, & Krieger (General Counsel)
Paige Gulck	Board Secretary
Tim Bonita	Recording Secretary
Trevor Agrelius	MNWD
Drew Atwater	MNWD
Johnathan Cruz	MNWD
Tracy Ingebrigtsen	MNWD
Michael Bell	Michael Bell Consulting, Inc.
Karen Langer	Member of the Public

#7.

1. **CALL MEETING TO ORDER:**

The meeting was called to order by Donald Froelich at 6:08 p.m.

2. **PLEDGE OF ALLEGIANCE:**

3. **PUBLIC COMMENTS:**

None.

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

4. **MINUTES OF THE JUNE 7, 2016 SPECIAL BOARD OF DIRECTORS MEETING**

5. **MINUTES OF THE JUNE 16, 2016 REGULAR BOARD OF DIRECTORS MEETING**

6. **MINUTES OF THE JUNE 27, 2016 SPECIAL BOARD OF DIRECTORS MEETING**

7. **2016 PUBLIC HEALTH GOALS REPORT**

It is recommended that the Board of Directors review the Public Health Goals Report and authorize the setting of a Public Hearing for August 18, 2016 to receive public testimony prior to consideration of approval of the Public Health Goals Report.

8. **ALISO VILLAGE RECYCLED WATER EXTENSION CONSTRUCTION CONTRACT AWARD**

It is recommended that the Board of Directors award the construction services contract to Paulus Engineering, Inc. in the amount of \$79,250; 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.

9. **DEL AVION LIFT STATION AUXILIARY GENERATOR REPLACEMENT CONSTRUCTION CONTRACT AWARD**

It is recommended that the Board of Directors award the construction services contract to Pacific Hydrotech Corporation in the amount of \$441,900; 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. AMENDMENT NO. 5 TO AGREEMENT WITH ENVIRONMENTAL COMPLIANCE INSPECTION SERVICES (ECIS) FOR FOG INSPECTION SERVICES

It is recommended that the Board of Directors authorize the General Manager to execute Amendment No. 5 to the Agreement with ECIS for an amount not-to-exceed \$130,000 for Fiscal Year 2016-17.

11. FISCAL YEAR 2016-17 METER MAINTENANCE AND REPLACEMENT PROGRAM METER PURCHASE

It is recommended that the Board of Directors authorize meter and meter-related purchases for an amount not-to-exceed \$548,220 for Fiscal Year 2016-17.

12. REBATE APPLICATIONS FOR TURF REMOVAL

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

MOTION DULY MADE BY LARRY LIZOTTE AND SECONDED BY GARY KURTZ, CONSENT ITEMS 4 THROUGH 12 WERE APPROVED AS PRESENTED. A ROLL CALL VOTE WAS TAKEN AND THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, DONALD FROELICH, GARY KURTZ, AND LARRY LIZOTTE ALL VOTING 'AYE'. DIRECTORS RICHARD FIORE AND BRIAN PROBOLSKY WERE ABSENT.

ENGINEERING & OPERATIONS MATTERS:

13. 2011 PRESSURE REDUCING STATION RELOCATION PROJECT CONSTRUCTION CONTRACT AWARD

It is recommended that the Board of Directors award the construction services contract to Ferreira Construction Co., Inc. in the amount of \$788,863; 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.

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

GENERAL MANAGER MATTERS:

Joone Lopez stated that the California Data Collaborative, in partnership with Stanford University, is hosting the 1st Annual Data Summit on September 9, 2016 at Stanford

University.

Brian Probolsky arrived at 6:11 p.m.

Joone Lopez also provided information on the County of Orange Water Summit that is being held on October 1, 2016, at the Norman P. Murray Center in Mission Viejo. Supervisor Lisa Bartlett's office is coordinating the event. Many of the South County agencies will be participating in this event.

LEGAL MATTERS:

14. CONDUCT PUBLIC HEARING AND CONSIDER ADOPTION OF RESOLUTION ADOPTING REPORT ON ANNUAL SEWER SERVICE CHARGES TO BE COLECTED ON THE TAX ROLLS AND PLACING SAID AMOUNTS ON THE TAX ROLLS FOR COLLECTION - LAGUNA SUR/MONARCH POINTS AREA

The Board will conduct a duly noticed public hearing. Upon completion of the hearing, the Board will consider adoption of a Resolution adopting the report containing a description of the parcels of real property subject to the sewer service charges for sewer service to parcels located in the area commonly known as the Laguna Sur/Monarch Points area. The Resolution also provides for the collection of said charges on the property tax statements on the tax rolls for 2016-17.

Donald Froelich opened the public hearing. Upon hearing no public comments, the hearing was closed.

MOTION DULY MADE BY GARY KURTZ AND SECONDED BY SCOTT COLTON, ITEM 14 WAS APPROVED AS PRESENTED. A ROLL CALL VOTE WAS TAKEN AND THE VOTE WAS SPLIT WITH DIRECTORS DUANE CAVE, SCOTT COLTON, DONALD FROELICH, GARY KURTZ, AND LARRY LIZOTTE VOTING 'AYE', AND DIRECTOR BRIAN PROBOLSKY VOTING 'NAY'. DIRECTOR RICHARD FIORE WAS ABSENT.

15. CONDUCT PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE TO INCREASE PER DIEM COMPENSATION FOR BOARD MEMBERS

The Board of Directors will conduct the duly noticed public hearing regarding the proposed Ordinance which would increase the amount of per diem compensation for the members of the Board of Directors for attendance at meetings of the Board or for each day's service rendered as a Director. Upon completion of the public hearing, the Board may consider adoption of the Ordinance to increase the amount of per diem compensation. Occurrences constituting District business, official duties or each day's service rendered as a "day of service" are defined and authorized by separate policy of the District and by law.

Donald Froelich opened the public hearing. Upon hearing no public comments, the

hearing was closed.

Richard Fiore arrived at 6:25 p.m.

MOTION DULY MADE BY BRIAN PROBOLSKY AND SECONDED BY SCOTT COLTON, A ROLL CALL VOTE WAS TAKEN AND THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

PRESIDENT'S REPORT:

Donald Froelich stated that he attended a Municipal Water District of Orange County committee meeting on July 5, 2016. There was some discussion regarding the Poseidon project.

BOARD REPORTS:

Scott Colton stated that he attended the San Juan Basin Authority meeting and asked if the Board would be interested in a presentation on their proposed project. Joone Lopez stated that staff would provide an update on the project in August so the Board has some background and understanding regarding the project.

Brian Probolsky had some questions regarding the Poseidon project. Jeff Ferre stated that details pertaining to this particular topic can be agendized if desired at a future meeting.

Brian Probolsky also attended an Independent Special Districts of Orange County (ISDOC) meeting on June 30, 2016. Representatives of the home building industry discussed requirements/voluntary practices and reducing reliance on potable use in new home construction.

Duane Cave left at 6:40 p.m.

CLOSED SESSION:

16. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9

Receipt of claim: Jayne Dove Saxe

Receipt of claim: Michael Nishiki

Receipt of claim: El Niguel Terrace Homeowners Association

#7.

The Board entered closed session at 6:44 p.m. and exited at 6:59 p.m. Richard Fiore returned to the meeting. Jeff Ferre made the following report.

In regard to the claim filed by Jayne Saxe, a motion was made by Director Colton, seconded by Director Kurtz, to reject the claim and to direct staff to send the applicable notice to the claimant.

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

In regard to the claim filed by Michael Nishiki, a motion was made by Director Lizotte, seconded by Director Kurtz, to reject the claim, direct staff to send the applicable notice, and to direct the General Manager to follow up on this matter in her discretion.

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

In regard to the claim filed by the El Niguel Terrace Homeowners Association, Director Fiore announced that in order to avoid even the appearance of a conflict of interest, he would recuse himself and leave the closed session since his law firm has done work for this HOA in the past. The closed session then continued without Director Fiore and a motion was made by Director Kurtz, seconded by Director Colton, to reject the claim and to direct staff to send the applicable notice to the claimant.

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

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 7:02 p.m.

Respectfully submitted,

Tim Bonita
Recording Secretary

DRAFT

RESOLUTION NO. 16-__

**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 2016-17**

WHEREAS, on June 16, 2016, the Board of Directors of the Moulton Niguel Water District (“Board of Directors”) adopted Resolution No. 16 - 12 (“Budget Resolution”) whereby the Board of Directors approved the Operating and Capital Improvement Program Budget for the Fiscal Year beginning July 1, 2016, and ending June 30, 2017, 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, 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 August 18, 2016, 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 2016-17 Budget – Water Efficiency Fund Account Descriptions are hereby amended in order to increase the Water Efficiency budgeted amount from \$2,898,457 to \$3,222,027. This amendment reflects an increase in budgeted expenditures by \$323,570. Said

#14.

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, 2016, and ending June 30, 2017, 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 18th day of August, 2016.

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
WATER EFFICIENCY FUND STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	FY 2017 Approved Budget	FY 2017 Proposed Budget	FY 2017 Difference	FY 2017 % Change
Fund 6 Beginning balance	\$5,299,019	\$5,299,019	-	0.0%
<u>Operating Revenues:</u>				
Projected Water Efficiency Revenue	3,303,844	3,303,844	-	0.0%
<u>Non-Operating Revenues:</u>				
Investment Income	106,436	106,436	-	0.0%
<u>Operating Expenses:</u>				
Labor	1,068,280	1,068,280	-	0.0%
Educational Courses	2,500	2,500	-	0.0%
Travel & Meetings	24,700	24,700	-	0.0%
General Services	-	-	-	0.0%
Dues & Memberships	500	500	-	0.0%
Consulting Services	1,300,000	1,300,000	-	0.0%
Legal Services	10,000	10,000	-	0.0%
Conservation supplies	380,500	380,500	-	0.0%
Repairs & Maint. - Equipment	2,500	2,500	-	0.0%
Water Efficiency	2,898,457	3,222,027	323,570	6.7%
Total Operating Expenses	5,687,437	6,011,007	323,570	4.7%
Change in Operating Position	(2,277,156)	(2,600,726)	(323,570)	14.2%
<u>Non-Operating Expenses:</u>				
AMI Phase I - Potable Irrigation	490,000	490,000	-	0.0%
AMI Phase I - RW Meters	490,000	490,000	-	0.0%
Total Non-Operating Expenses	980,000	980,000	-	-35.3%
Projected Change in Fund	(3,257,156)	(3,580,726)	(323,570)	9.9%
Projected Fund 6 Ending Balance	\$2,041,863	\$1,718,293	(323,570)	-15.8%

