



moulton niguel water district

**NOTICE AND CALL OF SPECIAL MEETING
OF THE BOARD OF DIRECTORS
MOULTON NIGUEL WATER DISTRICT
26161 Gordon Road, Laguna Hills CA. 92653
June 27, 2016
6:00 PM
Approximate Meeting Time: 2 Hours**

NOTICE IS HEREBY GIVEN that a Special Meeting of the Board of Directors of the Moulton Niguel Water District (“MNWD”) has been called by the Chairman of the Board of Directors to be held on June 27, 2016, at 6:00 PM, at MNWD’s Administrative Office located at the address above. The following business will be transacted and is the Agenda for this Special Meeting:

AGENDA

1. CALL MEETING TO ORDER

2. PUBLIC COMMENTS

Persons 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. (As required by law, public comments during a Special Meeting may address only specific items listed on the agenda, no other matters.)

DISCUSSION ITEMS

3. **CONDUCT PUBLIC HEARING AND CONSIDERATION OF INCREASES IN SEWER FEES – LAGUNA SUR/MONARCH POINT**

The Board will conduct a public hearing pursuant to the requirements of Proposition 218. Following the close of the public hearing, and if a majority protest does not exist, the Board will consider taking action to adopt increases in the sewer service fees in the Laguna Sur/Monarch Point area. The increased fees are the result of increased fees imposed by the South Coast Water District and then passed through to Laguna Sur/Monarch Point customers.

CLOSED SESSION

4. **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

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 twenty-four (24) 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.

The foregoing Notice was personally delivered, faxed, mailed or e-mailed to each member of the MNWD Board of Directors at least twenty-four (24) hours prior to the scheduled time of the Special Meeting so noticed above; and posted twenty-four (24) hours prior to the time of the Special Meeting at the usual agenda posting location of MNWD (bulletin board outside main office entrance).

ORDINANCE NO. ____

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF
MOULTON NIGUEL WATER DISTRICT
ADOPTING INCREASES IN THE RATES OF DISTRICT SEWER SERVICE
FEES**

WHEREAS, the Moulton Niguel Water District (“District”) is a California Water District organized and operating pursuant to the California Water Code section 34000, *et seq.*; and

WHEREAS, the District is authorized to prescribe and collect rates and charges for the provision of sewer services pursuant to Water Code section 35501; and

WHEREAS, in 1997, property owners located within the Laguna Sur/Monarch Point community elected to withdraw from the South Coast Water District (“SCWD”) and have the District provide water services within their service area. Due to geographic and operational reasons, however, SCWD continues to provide sewer collection and treatment services to properties located within the Laguna Sur/Monarch Point community; and

WHEREAS, when SCWD increases the rates for its sewer service, the District must pass on those rate increases to property owners to ensure that there are sufficient revenues to cover the costs of providing those services to sewer service customers within the District who are served by SCWD; and

WHEREAS, SCWD advised the District that beginning July 1, 2016, it will be implementing increases in the rates that it charges for the sewer services over a five-year period; and

WHEREAS, the District has determined to pass through those rate increases to its sewer service customers; and

WHEREAS, the rate structure for SCWD’s sewer service fees within the Laguna Sur/Monarch Point service area is comprised of three customer classes—Single Family Residential, Multi-Family Residential (duplexes, triplexes, and fourplexes), and Commercial; and

WHEREAS, the rate structure for Single-Family Residential customers consists of a new Variable Charge block rate structure that is based on a Winter Quarter Average of metered water usage. The Winter Quarter Average is a proxy for the volume of wastewater discharged and assumptions of the amount of water returned to the sewer. It is defined as the average of the prior year of water usage in CCF during the winter months (December, January, and February), when outdoor usage is minimal; and

WHEREAS, the rate structure for Multi-Family Residential customers consists of a per one hundred cubic feet (CCF) Variable Charge, plus a uniform per dwelling unit Fixed Charge applicable to all multi-family residences, regardless of type; and

WHEREAS, the rates for Commercial customers were simplified from 29 existing categories into three categories based on assumptions pertaining to the strength (Low, Medium,

#3.

and High) of the wastewater discharged (i.e., chemical oxygen demand and total suspended solids) into the system and the volume of wastewater discharged based on their metered water usage in CCF; and

WHEREAS, the revenues derived from the proposed rates and sewer service fees will not exceed the funds required to provide the services and shall be used exclusively for the operation and maintenance of the water and wastewater systems; and

WHEREAS, the amount of the proposed sewer service fees will not exceed the proportional cost of the services attributable to each parcel upon which they are proposed for imposition; and

WHEREAS, the proposed sewer service fees will not be imposed on a parcel unless the services are actually used by, or immediately available to, the parcel; and

WHEREAS, Article XIII D, section 6 of the California Constitution (“Article XIII D”) requires that prior to imposing any increase to the sewer service fees, the District shall provide written notice (the “Notice”) by mail of the proposed fees to the record owner of each parcel upon which the fees are proposed for imposition and any tenant directly liable for the payment of the fees, the amount of the fees proposed to be imposed on each parcel, the basis upon which the fees were calculated, the reason for the fees, and the date time and location of a public hearing (the “Hearing”) on the proposed Fees; and

WHEREAS, pursuant to Article XIII D such Notice is required to be provided to the affected property owners and any tenant directly liable for the payment of the sewer service fees not less than forty-five days prior to the Hearing on the proposed fees; and

WHEREAS, the District did provide such Notice to the affected property owners and tenants in compliance with Article XIII D; and

WHEREAS, the Hearing was held on June 27, 2016; and

WHEREAS, at the Hearing, the Board of Directors of the District (“Board”) considered all written materials and heard and considered all oral testimony concerning the establishment and imposition of the proposed increases to the sewer service fees, and at the close of the Hearing the District determined that it did not receive written protests against the establishment and imposition of the proposed increases to the sewer service fees from a majority of the affected property owners and tenants directly liable for the payment of such fees; and

WHEREAS, the Board of Directors now desires to establish and adopt the proposed sewer service fees.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT AS FOLLOWS:

Section 1. Incorporation of Recitals

The Recitals set forth above are made findings and determinations of the Board of Directors

and are incorporated herein and made an operative part of this Ordinance.

Section 2. Inconsistency with other Fees

To the extent any sewer service fees established by this Ordinance are inconsistent with Fees previously adopted; it is the explicit intention of the Board of Directors of the District that the sewer service fees adopted pursuant to this Ordinance shall prevail.

Section 3. Sewer Service Fees

The Board hereby adopts the sewer service fees in the amounts, at the rates, and on the effective dates set forth in Exhibit A, attached hereto and incorporated herein by reference.

Section 4. Authorization

The General Manager is hereby authorized and directed to take all actions necessary to implement and collect the sewer service fees set forth herein.

Section 5. CEQA Compliance

The Board of Directors finds that the administration, operation, maintenance, and improvements of the District sewer system, which is to be funded by the sewer service fees and set forth herein, are necessary to maintain service within the District's existing service area as described herein. The Board of Directors further finds that the administration, operation, maintenance and improvements of the District sewer system, to be funded by the sewer service fees, will not expand the District's sewer system. The Board of Directors further finds that the adoption of the rates and fees is necessary and reasonable to fund the administration, operation, maintenance and improvements of the District sewer system. Based on these findings, the Board determines that the adoption of the sewer service fees established by this Ordinance are exempt from the requirements of the California Environmental Quality Act pursuant to section 21080(b)(8) of the Public Resources Code and section 15273(a) of the State CEQA Guidelines.

Section 6. Severability

If any section, subsection, clause or phrase in this Ordinance or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Ordinance or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board hereby declares that it would have passed Ordinance 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 to any person or circumstance be held invalid.

Section 7. Effective Date

This Ordinance shall take effective immediately upon its adoption.

#3.

PASSED AND ADOPTED at a special meeting of the Board of Directors of Moulton Niguel Water District held on June 27, 2016 by the following vote:

Duane Cave:
Scott Colton:
Richard Fiore:
Donald Froelich:
Gary Kurtz:
Larry Lizotte:
Brian Probolsky:

PRESIDENT
MOULTON NIGUEL WATER DISTRICT
and the Board of Directors thereof

BOARD SECRETARY
MOULTON NIGUEL WATER DISTRICT
and the Board of Directors thereof

I, PAIGE GULCK, Secretary of the Board of Directors of the MOULTON NIGUEL WATER DISTRICT, do hereby certify that the foregoing is a full, true, and correct copy of Ordinance No. _____ of said Board and that the same has not been amended or repealed.

Dated this ____ day of _____, 2016.

Paige Gulck
Secretary
MOULTON NIGUEL WATER DISTRICT
and the Board of Directors thereof

**EXHIBIT A
SCHEDULE OF RATES FOR SEWER SERVICE CHARGES**

Single Family Residential Rates for the Annual Variable Charge \$/CCF (Effective July 1)					
Winter Quarter Average Water Usage	2016	2017	2018	2019	2020
0-5 CCF	\$554	\$597	\$638	\$676	\$696
6-10 CCF	\$603	\$650	\$695	\$736	\$758
11+ CCF	\$690	\$744	\$796	\$843	\$868

Multi-Family Residential Rates for Fixed Charge \$/Dwelling Unit (Effective July 1)					
Customer Type	2016	2017	2018	2019	2020
Duplex, Triplex, Fourplex	\$1.03	\$1.11	\$1.19	\$1.26	\$1.30

Commercial Customers Rates for Sewer Service Charges \$/CCF (Effective July 1)					
Commercial Customer Categories	2016	2017	2018	2019	2020
Low Strength (e.g., office building)	\$6.83	\$7.36	\$7.87	\$8.34	\$8.59
Medium Strength (e.g., mixed use)	\$7.74	\$8.35	\$8.93	\$9.46	\$9.74
High Strength (e.g., restaurant)	\$9.99	\$10.78	\$11.53	\$12.22	\$12.58