



moulton niguel water district

BOARD OF DIRECTORS' MEETING MOULTON NIGUEL WATER DISTRICT

27500 La Paz Road, Laguna Niguel

July 20, 2017

6:00 PM

Approximate Meeting Time: 2 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.

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.

4. **MINUTES OF THE JUNE 15, 2017 REGULAR BOARD OF DIRECTORS' MEETING**

5. **ADOPTION OF INITIAL STUDY/MITIGATED NEGATIVE DECLARATION FOR THE ETM PIPELINE REMOVAL IN SAN JUAN CREEK PROJECT (RESOLUTION 17-)**

It is recommended that the Board of Directors approve the resolution entitled, "Approving the Mitigated Negative Declaration and the Mitigation, Monitoring, and Reporting Program for the ETM Pipeline Removal in San Juan Creek Projects (MNWD Project 2016.001)."

6. **FISCAL YEAR 2017-18 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 \$440,000 for Fiscal Year 2017-18.

7. REQUEST FOR APPROVAL TO JOIN THE ORANGE COUNTY 800MHZ RADIO SYSTEM

It is recommended that the Board of Directors approve and authorize the General Manager to execute the following agreement documents:

- 1) Joint Agreement for the Operation, Maintenance and Financial Management of the Orange County 800MHz Countywide Coordinated Communications System (November 2004)
- 2) Amendment to the Joint Agreement for the Operation, Maintenance and Financial Management of the Orange County 800MHz Countywide Coordinated Communications System (June 2015)
- 3) New Participating Agency Rider to Joint Agreement for the Operation, Maintenance and Financial Management of the Orange County 800MHz Countywide Coordinated Communications System

LEGAL MATTERS:

8. PUBLIC HEARING AND ANNUAL ADOPTION OF RESOLUTION FOR COLLECTION OF 2017-18 SEWER SERVICE CHARGES AND RATES FOR LAGUNA SUR/MONARCH POINT REORGANIZATION AREA ON PROPERTY TAX BILL

RECOMMENDED ACTIONS:

1. Conduct a Public Hearing on Fiscal Year 2017-18 Report for the Laguna Sur/Monarch Point Reorganization Area Tax Roll Collection Process – Staff/Legal Counsel enters Proof of Hearing Publication and Posting for the Record. Board President Opens The Hearing, Calls for Public Comments, receives any comments or protests, and closes the Hearing.
2. At the Conclusion of the Public Hearing, and after consideration by the Board, it is recommended that the Board adopt a resolution entitled, “Adopting Report of Annual Sewer Service Charges to be Collected via Property Tax Statements on Tax Roll for the Period Commencing July 1, 2017.”

GENERAL MANAGER MATTERS:(Brief general updates on District matters and/or brief general updates from staff - Informational purposes only.)

9. LONG-TERM EFFICIENCY FRAMEWORK

Recommended Action: As directed by the Board of Directors

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.



moulton niguel water district

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

June 15, 2017

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 June 15, 2017. There were present and participating:

DIRECTORS

Duane Cave	Director
Scott Colton	Vice President
Richard Fiore	Director
Larry Lizotte	Director
Brian Probolsky	Vice President

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Matt Collings	Assistant General Manager
Gina Hillary	Director of Human Resources
Drew Atwater	Director of Planning
Jake Vollebregt	Director of Regional & Legal Affairs
Jeff Ferre	Best, Best, & Krieger (General Counsel)
Paige Gulck	Board Secretary
Tim Bonita	Recording Secretary
Trevor Agrelius	MNWD
Johnathan Cruz	MNWD
Dori Dennis	MNWD
Todd Novacek	MNWD
Medha Patel	MNWD
Lindsey Stuvick	MNWD
Rod Woods	MNWD
Jayson Schmidt	Chandler Asset Management
Mike Dunbar	General Manager, Emerald Bay Service District

#4.

Bob Murillo
Jeremy Jungreis
Steven Moore

Member of the Public
Rutan & Tucker, LLP
Vice Chair, State Water Resources Control Board

1. **CALL MEETING TO ORDER:**

The meeting was called to order by Brian Probolsky at 6:02 p.m.

2. **PLEDGE OF ALLEGIANCE:**

Duane Cave led the Pledge of Allegiance.

3. **PUBLIC COMMENTS:**

None.

PRESENTATION

4. State Water Resources Control Board Update

Joone Lopez introduced Steven Moore, Vice Chair of the State Water Resources Control Board (SWRCB). Steven Moore provided a brief SWRCB update.

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

5. **MINUTES OF THE MAY 3, 2017 SPECIAL BOARD OF DIRECTORS' MEETING**

6. **MINUTES OF THE MAY 18, 2017 REGULAR BOARD OF DIRECTORS' MEETING**

7. **REIMBURSEMENT AGREEMENT WITH JOINT REGIONAL WATER SUPPLY SYSTEM FOR VAULT ABANDONMENTS**

It is recommended that the Board of Directors approve the Reimbursement Agreement with JRWSS and authorize the General Manager or Assistant General Manager to execute the Agreement.

8. **CONSTRUCTION CONTRACT AWARD FOR UPPER SALADA LIFT STATION ELECTRICAL SWITCHGEAR REPLACEMENT**

It is recommended that the Board of Directors award the construction services contract to Southern Contracting Company in the amount of \$476,000; authorize the General Manager or Assistant General Manager to execute the contract; and to approve change orders up to 10% of the contract value.

9. DEL AVION LIFT STATION AUXILIARY GENERATOR REPLACEMENT CONSTRUCTION CONTRACT ADJUSTMENT

It is recommended that the Board of Directors increase the construction contract for Pacific Hydrotech Corporation by \$141,886 for a total contract amount of \$583,786; and authorize the General Manager or Assistant General Manager to execute the contract change order.

10. ON-CALL CONSTRUCTION MANAGEMENT AND INSPECTION SUPPORT SERVICES

It is recommended that the Board of Directors authorize the General Manager or Assistant General Manager to execute one-year Construction Management and Inspection Support Services Agreements with Krieger & Stewart, Inc. and Vali Cooper & Associates, Inc. for total not-to-exceed agreement amounts of \$350,000 each, with the option to renew for two additional one-year, \$200,000 extensions.

11. PUMP REFURBISHMENT SERVICE AGREEMENTS

It is recommended that the Board of Directors approve and authorize the General Manager or Assistant General Manager to execute the following agreement documents:

1) Pump Refurbishment Services Agreement with Evans Hydro, Inc. for a not-to-exceed amount of \$125,000 for FY 2017-18, a not-to-exceed amount of \$125,000 for FY 2018-19, and a not-to-exceed amount of \$125,000 for FY 2019-20 for a total three-year agreement amount of \$375,000.

2) Pump Refurbishment Services Agreement with Weber Water Resources for a not-to-exceed amount of \$65,000 for FY 2017-18, a not-to-exceed amount of \$65,000 for FY 2018-19, and a not-to-exceed amount of \$65,000 for FY 2019-20 for a total three-year agreement amount of \$195,000.

13. AMENDMENT NO. 1 TO THE JANITORIAL SERVICES AGREEMENT – PRIORITY BUILDING SERVICES, LLC

It is recommended that the Board of Directors approve Amendment No. 1 to the agreement with Priority Building Services, LLC for another one year term; authorize the General Manager or Assistant General Manager to execute Amendment No. 1 with the option to renew for two additional one-year extensions.

14. DEBT MANAGEMENT POLICY

It is recommended that the Board of Directors adopt the proposed debt management policy.

16. UPDATED PURCHASING POLICY

It is recommended that the Board of Directors approve the proposed changes to the purchasing policy.

17. GENERAL OBLIGATION BOND TAX RATES FOR FISCAL YEAR 2017-18 (RESOLUTION 17-___)

It is recommended that the Board of Directors approve the resolution entitled, "Setting Tax Rates for Outstanding General Obligation Bonds of Improvement District No. 7 for Fiscal Year 2017-18".

18. ANNUAL GANN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2017-18 (RESOLUTION 17-___)

It is recommended that the Board of Directors approve the resolution entitled "Approving Appropriations Limit for Fiscal Year 2017-18 and Finding Compliance with Article XIII B of the Constitution of the State of California."

19. SELECTION OF THE ANNUAL LUMP SUM PREPAYMENT OPTION FOR UNFUNDED ACCRUED LIABILITY TO CALPERS FOR FISCAL YEAR 2017-18

It is recommended that the Board of Directors elect the annual lump sum prepayment option to pay for the unfunded accrued liability to CalPERS for Fiscal Year (FY) 2017-18.

20. PROFESSIONAL SERVICES AGREEMENT FOR PUBLIC AFFAIRS SERVICES

It is recommended that the Board of Directors approve a two-year professional services agreement with Faubel Public Affairs for an amount not-to-exceed \$192,000; and authorize the General Manager or Assistant General Manager to execute the agreement.

Items #12, #15 and #21 were pulled from the consent calendar.

MOTION DULY MADE BY LARRY LIZOTTE AND SECONDED BY DUANE CAVE, CONSENT ITEMS 5, 6, 7, 8, 9, 10, 11, 13, 14, 16, 17, 18, 19, AND 20 WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'

12. FUEL DELIVERY SERVICE AGREEMENT

It is recommended that the Board of Directors approve a two-year service agreement with California Fuel and Lubricants for a total not-to-exceed amount of \$720,000 (\$360,000 per year) with two one year options to extend for the purchase and delivery of unleaded fuel, diesel fuel, and motor oil lubricants; and authorize the General Manager

or Assistant General Manager to execute the Agreement.

This item was pulled from consent by Richard Fiore. Matt Collings provided details on the item.

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

15. UPDATED INVESTMENT POLICY

It is recommended that the Board of Directors approve the proposed changes to the investment policy.

This item was pulled from consent by Richard Fiore. A brief presentation by Jayson Schmidt of Chandler Asset Management to clarify the proposed changes to the policy. Discussion ensued regarding the policy.

MOTION DULY MADE BY LARRY LIZOTTE AND SECONDED BY SCOTT COLTON, ITEM 15 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

21. AMENDMENT NO. 1 TO THE MASTER SERVICES AGREEMENT WITH SMART UTILITY SYSTEMS

It is recommended that the Board of Directors authorize the General Manager or Assistant General Manager to execute Amendment No. 1 to the agreement with Smart Utility Systems, for the licensed use of the Customer Portal Software Application, in the amount of \$267,250 and to fund water efficient devices consistent with current rebate funding levels through the Marketplace Module.

This item was pulled from consent by Brian Probolsky. Drew Atwater provided details on the item. Discussion ensued regarding the Amendment.

Revised recommendation: In addition to above recommendation, staff was directed to return to the Board in 12 months with an update and potential action regarding whether to proceed further with the marketplace module.

MOTION DULY MADE BY LARRY LIZOTTE AND SECONDED BY SCOTT COLTON, ITEM 21 WAS APPROVED AS AMENDED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

GENERAL MANAGER MATTERS:(Brief general updates on District matters and/or brief general updates from staff - Informational purposes only.)

Joone Lopez stated that Southern California Water Committee is having their Water Energy Task Force Workshop on June 27, 2017. Joone also stated that staff will be scheduling a valve replacement project site visit for Board members who are interested and that our workers compensation experience modification (EMOD) factor came in at 0.58 which is the lowest the District has ever seen.

ENGINEERING & OPERATIONS MATTERS:

22. PROFESSIONAL SERVICES AGREEMENT FOR REGIONAL LIFT STATION FORCE MAIN REPLACEMENT

It is recommended that the Board of Directors approve the Professional Services Agreement with Tetra Tech, Inc. in an amount of \$655,000; authorize the General Manager or Assistant General Manager to execute the agreement; and to approve amendments up to 10% of the contract value.

MOTION DULY MADE BY LARRY LIZOTTE AND SECONDED BY SCOTT COLTON, ITEM 22 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

FINANCE & INFORMATION TECHNOLOGY MATTERS:

24. FISCAL YEAR 2017-18 PROPOSED BUDGET (RESOLUTION 17-)

It is recommended that the Board of Directors approve the resolution entitled, "Approving a Budget Appropriation and Adopting the Operating Budget and Capital Improvement Program Budget for Fiscal Year 2017-18".

This item was taken after item #22.

Bob Murillo provided public comment on the General Manager's Salary, the travel budget and the proposed operations center project.

Mike Dunbar provided public comment on the District's proposed budget.

Jeremy Jungreis provided public comment on the District's proposed budget.

MOTION DULY MADE BY SCOTT COLTON AND SECONDED BY DUANE CAVE, ITEM 24 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

ENGINEERING & OPERATIONS MATTERS CONTINUED:

23. Cedarbrook Line Break Update

This item will be brought back at the July 17, 2015 Engineering & Operations Board of Directors meeting.

PRESIDENT'S REPORT:

None.

BOARD REPORTS:

Richard Fiore stated that he attended the Mission Viejo Chamber of Commerce Annual Breakfast on June 15, 2017. The District sponsored the event and received an award for their participation.

Duane Cave stated that he attended the Metropolitan Water District Delta Trip. The trip included a tour of Lake Oroville Dam, the Lundberg Farm and Metropolitan Water District's Headquarters in Sacramento.

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

None.

LATE ITEMS: (Appropriate Findings to be Made)

None.

ADJOURNMENT:

The meeting was adjourned at 7:56 p.m.

Respectfully submitted,

Tim Bonita
Recording Secretary

RESOLUTION NO. 17-____

**RESOLUTION OF THE BOARD OF DIRECTORS OF
MOULTON NIGUEL WATER DISTRICT
APPROVING THE MITIGATED NEGATIVE DECLARATION AND THE
MITIGATION, MONITORING, AND REPORTING PROGRAM FOR
THE ETM PIPELINE REMOVAL IN SAN JUAN CREEK PROJECT
(MNWD PROJECT 2016.001)**

WHEREAS, the Moulton Niguel Water District (“District”) has recently completed the Plant 3A Effluent Transmission Main Replacement (“ETM”) Project near the San Juan Creek confluence with Trabuco Creek to replace an exposed reach of the ETM;

WHEREAS, as a condition of permit approval for the Plant 3A Effluent Transmission Main Replacement Project, the County of Orange required the removal of the abandoned pipe within the limits of the San Juan Creek channel;

WHEREAS, the District has proposed to complete the ETM Pipeline Removal in San Juan Creek Project as further described in this Resolution (“Project”);

WHEREAS, in order to remove the abandoned ETM pipeline within the limits of the San Juan Creek, it is necessary to enter the channel, which requires new environmental documents to be completed;

WHEREAS, the Project is more particularly described in the Mitigated Negative Declaration prepared for the Project, entitled “Final Initial Study/Mitigated Negative Declaration for the ETM Pipeline Removal in San Juan Creek Project” dated June 2017 (“Final MND”), which is on-file at the District’s Administrative Office and available on request;

WHEREAS, the Final MND is incorporated in this Resolution by this reference;

WHEREAS, the District, acting as lead agency as defined in Section 21067 of the Public Resources Code, undertook the preparation of an “Initial Study” and draft mitigated negative declaration (“IS/MND”) for the Project;

WHEREAS, the District circulated the draft IS/MND, by way of a Notice of Intent to Adopt Mitigated Negative Declaration (“NOI”), for an extended public review period commencing on May 9, 2017, through and including June 8, 2017, in compliance with the California Environmental Quality Act (CEQA) and related regulations as set forth in Section 15105 of Title 14 of the California Code of Regulations (“CEQA Guidelines”);

WHEREAS, the draft IS/MND and NOI for the Project were circulated both to the public and affected governmental agencies for review and comment, and all comments have been received and considered;

#5.

WHEREAS, the District published the NOI in *The Orange County Register* on May 10, 2017;

WHEREAS, the Project, as set forth and described in the Final MND, includes those “Mitigation Measures” necessary to ensure the identified potentially significant environmental effects of the Project remain at less than significant levels (“Mitigation Measures”);

WHEREAS, the Final MND includes a Mitigation Monitoring and Reporting Program (“MMRP”), which is set forth in Section 4.0 of the Final MND;

WHEREAS, the District has determined based on the Initial Study, which is incorporated within the Final MND, that the potentially significant impacts resulting from the construction and operation of the Project will be reduced to a level below significance because of the Mitigation Measures that have been incorporated into the Project, and based thereon, the District has prepared the Final MND in accordance with the requirements of the CEQA;

WHEREAS, the District’s Board of Directors (“Board”) has determined that the Final MND, along with the MMRP, are adequate, complete, and have been prepared in accordance with CEQA, and reflect the Board’s independent judgment and analysis;

WHEREAS, the Board has reviewed and considered all written and oral comments made to the District in connection with the Project and the Final MND by affected governmental agencies and other interested persons and responded, as appropriate, to comments received; and

WHEREAS, the Final MND and all supporting materials, which constitute a record of these proceedings, are kept at the District’s operations offices, located at 26161 Gordon Road, Laguna Hills, California 92653, under the care and control of the Engineering Department.

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

Section 1. Each of the recitals set forth above is true and correct and incorporated in this Resolution.

Section 2. The Final MND for the Project, inclusive of the MMRP contained therein, is adequate and in compliance with CEQA.

Section 3. The Final MND reflects the Board’s independent judgment and analysis.

Section 4. The Board has considered all comments received in regard to the Project.

Section 5. The Board hereby finds that there is no fair argument that the Project, with the incorporated Mitigation Measures and the MMRP, will have a significant impact on the environment, based on the whole of the record before the Board including, but not limited to, the IS/MND and comments received relative to the Project and IS/MND.

Section 6. The Board hereby approves and adopts the Final MND for the Project, inclusive of the MMRP set forth therein.

Section 7. The Board hereby directs staff to proceed with the Project and solicit cost proposals for the completion of the construction work in accordance with provisions of the Final MND.

Section 8. The Board hereby delegates authority to the District’s General Manager, or her designee, to take any action reasonably required to cause a Notice of Determination to be filed with the Orange County Clerk and the State Clearinghouse including, but not limited to, the issuance of payment of those Fish and Game fees that may be required pursuant to Fish and Game Code Section 711.4.

Section 9. The Final MND and all supporting materials, which constitute a record of these proceedings, will be kept at the District’s operations offices, located at 26161 Gordon Road, Laguna Hills, California 92653, under the care and control of the Engineering Department.

APPROVED, ADOPTED and SIGNED this 20th day of July, 2017.

MOULTON NIGUEL WATER DISTRICT

By: _____
President
MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof

By: _____
Secretary
MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof

RESOLUTION NO. 17-_____

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT
ADOPTING REPORT OF ANNUAL SEWER SERVICE CHARGES TO
BE COLLECTED VIA PROPERTY TAX STATEMENTS ON TAX ROLL
FOR THE PERIOD COMMENCING JULY 1, 2017**

(LAGUNA SUR/MONARCH POINT LAFCO REORGANIZATION RO96-05)

WHEREAS, the Moulton Niguel Water District (MNWD or District) is a California Water District organized and existing under the California Water District Law (California Water Code Section 34000 *et seq.*), and all of the land within the boundaries of said District are located in the County of Orange, State of California;

WHEREAS, pursuant to Orange County Local Agency Formation Commission (LAFCO) Reorganization RO96-05, certain real property commonly known as the Laguna Sur/Monarch Point area (“Property”) was detached from South Coast Water District (SCWD) and annexed to Moulton Niguel Water District (MNWD), subject to the terms and conditions approved by LAFCO for Reorganization RO96-05. Reference is made to the map and legal description depicting the boundaries of the Property under Reorganization RO96-05 attached to LAFCO’s Certificate of Completion recorded on April 30, 1997;

WHEREAS, included within the terms and conditions of Reorganization RO96-05 is the requirement that SCWD continue to provide for sewage collection, conveyance, treatment and disposal services to the Property, and annually furnish MNWD with SCWD’s authorized sewer service charges (“Reorganization Sewer Service Charges”) in sufficient time for MNWD to arrange for the continued collection of such charges on the tax roll;

WHEREAS, after individual notice to property owners of parcels within the Property, a public hearing pursuant to Health and Safety Code Section 5473, *et seq.*, and adoption of Ordinance No. 180 entitled “An Ordinance of the Board of Directors of South Coast Water District Establishing Method for Billing Sewer Service Charges for the Fiscal Year Commencing July 1, 1995,” on July 25, 1995, as thereafter supplemented by SCWD Ordinance Nos. 186 and 188 and subsequent ordinances and resolutions, SCWD approved the Reorganization Sewer Service Charges to be collected from parcels within the Property via the property tax statements on the tax roll, and the District thereafter provided for the collection of the Reorganization Sewer Service Charges, as revised from time to time by SCWD, via the property tax statements on the tax roll;

WHEREAS, SCWD most recently revised the Reorganization Sewer Service Charges for the Property for years 2017-18 in June, 2016 (“2016 SCWD Rate Revisions”);

WHEREAS, MNWD adopted Ordinance No. 16-01 authorizing the 2016 SCWD Rate Revisions for the Property;

#8.

WHEREAS, the Board of Directors of MNWD (the “Board”) finds it in MNWD’s best interest to continue to collect the Reorganization Sewer Service Charges on the tax roll via the property tax statements;

WHEREAS, a report (“Report”) has been filed with the District Secretary containing a description of such parcels and the corresponding Reorganization Sewer Service Charges to be collected effective July 1, 2017, which Report is attached hereto as Exhibit A and incorporated herein by this reference;

WHEREAS, pursuant to Health and Safety Code Section 5473.1, the filing of the Report and notice of public hearing thereon was duly noticed as required by law by publication once each week for two successive weeks in the *Orange County Register*, a newspaper of general circulation, printed and published in the Property boundaries, such hearing to be held on July 20, 2017, at 6:00 p.m. (or as soon thereafter as practicable) at the Board Meeting Room located at 27500 La Paz Road, Laguna Niguel, California 92677;

WHEREAS, at the time set, the duly noticed public hearing was held and all persons interested were given an opportunity to be heard concerning the Report and to submit any objections or protests to the Report; and

WHEREAS, the Board finds it in MNWD’s best interest to collect the Reorganization Sewer Service Charges in accordance with the 2016 SCWD Rate Revisions on the tax roll via the property tax statements.

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

Section 1. The Recital clauses and findings set forth above are incorporated herein.

Section 2. The Board hereby determines that protests to the Report were not made by the owners of a majority of separate parcels of the Property described in the Report.

Section 3. The Board hereby adopts the Report attached as Exhibit A to this Resolution containing a description of the parcels comprising the Property for which the Reorganization Sewer Service Charges shall be collected via property tax statements on the tax roll and containing the amount of the charges for each parcel effective July 1, 2017, computed in conformity with the schedule of rates and charges approved by the Board pursuant to MNWD Ordinance No. 16-01, which ordinance adopted the SCWD 2016 Rate Revisions, as described above in the Recitals.

Section 4. The Secretary is hereby authorized and directed to endorse on the Report a statement that the Report was adopted by this Board of Directors on July 20, 2017, and to take whatever other action is required by the County of Orange Auditor-Controller (or other County officers) in regard thereto.

Section 5. The Secretary is hereby authorized and directed to file a copy of the Report with the County of Orange Auditor-Controller (or such other County officers as may request same).

Section 6. The County of Orange Auditor-Controller (and such other County officers as required) be, and hereby is, ordered and directed to add the Reorganization Sewer Service Charges to the 2017-2018 secured tax roll in accordance with the Report.

Section 7. The Secretary shall cause a copy of this Resolution and the Report, in either written or electronic form, to be filed with the County of Orange Auditor-Controller (or such County officers as required) on or before August 10, 2017, or such other date as permitted by the County officers.

ADOPTED, SIGNED and APPROVED this 20th day of July 2017.

MOULTON NIGUEL WATER DISTRICT

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

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

#8.

Exhibit A

Report of Assessor Parcels – Reorganization Sewer Service Charges Fiscal Year 2017-18