

# moulton niguel water district

## BOARD OF DIRECTORS' MEETING MOULTON NIGUEL WATER DISTRICT

27500 La Paz Road, Laguna Niguel

September 21, 2017

6:00 PM

Approximate Meeting Time: 1 Hour

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 AUGUST 17, 2017 REGULAR BOARD OF DIRECTORS' MEETING**

5. **CONSTRUCTION CONTRACT AWARD FOR 920 ZONE LOOP PIPELINE**

It is recommended that the Board of Directors award the construction services contract to T.E. Roberts, Inc. in the amount of \$165,892; authorize the General Manager or Assistant General Manager to execute the contract; and to approve change orders up to 10% of the contract value.

6. **CONSTRUCTION CONTRACT AWARD FOR ETM PIPELINE REMOVAL IN SAN JUAN CREEK**

It is recommended that the Board of Directors award the construction services contract to Paulus Engineering, Inc. in the amount of \$113,183 contingent upon a determination by the General Manager or Assistant General Manager that all regulatory permits have been secured with favorable conditions; authorize the General Manager or Assistant General Manager to execute the contract; and to approve change orders up to 10% of the contract value. Santa Margarita Water District will reimburse 50% of the costs as partners in the project.

7. CONSTRUCTION CONTRACT AWARD FOR PLANT 3A FLOOD PROTECTION

It is recommended that the Board of Directors award the construction services contract to Paulus Engineering, Inc. in the amount of \$369,789; authorize the General Manager or Assistant General Manager to execute the contract; and to approve change orders up to 10% of the contract value. Santa Margarita Water District will reimburse 28% of costs as partners in the project.

8. PROFESSIONAL SERVICES AGREEMENT FOR POTABLE, RECYCLED, AND SEWER PIPELINE REPLACEMENTS AT I-5 AND OSO CREEK

It is recommended that the Board of Directors approve the Professional Services Agreement with GHD, Inc. in an amount of \$472,033; authorize the General Manager or Assistant General Manager to execute the agreement; and to approve amendments up to 10% of the contract value.

9. PROFESSIONAL SERVICES AGREEMENT FOR THE RECYCLED WATER OPTIMIZATION STUDY

It is recommended that the Board of Directors approve the Professional Services Agreement for engineering services with AKM Consulting Engineers in the amount of \$192,726; authorize the General Manager or Assistant General Manager to execute the Agreement; and to approve amendments up to 10% of the contract value.

10. FISCAL YEAR 2017-18 RESERVE TARGETS RESOLUTION (17- )

It is recommended that the Board of Directors approve the resolution entitled, "Approving a transfer Appropriation in Accordance with District Reserve Policy for Fiscal Year 2017-18."

11. SMART TIMER PROGRAM – AMENDMENT NO. 1

It is recommended that the Board of Directors approve increasing the ‘not-to-exceed’ funding amount from \$480,113 to \$624,000 with Valley Soil, Inc. with the subcontractor of Rachio; and authorize the General Manager or Assistant General Manager to execute Amendment No. 1.

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.

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

13. Proclamation for Turf Removal Milestone

14. Outreach and Communications Update

**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)**

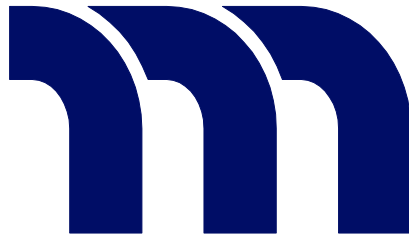
- a. Need to take immediate action; and
- b. Need for action came to District's attention after Agenda Posting. [Requires 2/3 vote (5 members) or unanimous vote if less than 2/3 are present]

**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](http://www.mnwd.com).





# moulton niguel water district

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

**August 17, 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 August 17, 2017. There were present and participating:

**DIRECTORS**

Scott Colton	Vice President
Richard Fiore	Director
Donald Froelich	President
Larry Lizotte	Director
Brian Probolsky	Vice President (arrived at 6:01 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
Gina Hillary	Director of Human Resources
Drew Atwater	Director of Planning
Jake Vollebregt	Director of Regional & Legal Affairs
Rod Woods	Director of Engineering
Todd Novacek	Director of Operations
Jeff Ferre	Best, Best, & Krieger (General Counsel)
Paige Gulck	Board Secretary
Tim Bonita	Recording Secretary
Trevor Agrelius	MNWD
Johnathan Cruz	MNWD
Medha Patel	MNWD
Lindsey Stuvick	MNWD
Joel Bishop	Member of the Public

## #4.

1. **CALL MEETING TO ORDER:**

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

2. **PLEDGE OF ALLEGIANCE:**

*The Pledge of Allegiance was led by Richard Fiore.*

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)**

*Item 4 was pulled from consent by Scott Colton.*

5. **MINUTES OF THE JULY 20, 2017 REGULAR BOARD OF DIRECTORS' MEETING**

*MOTION DULY MADE BY LARRY LIZOTTE AND SECONDED BY SCOTT COLTON, CONSENT ITEM 5 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.*

4. **MINUTES OF THE JULY 5, 2017 SPECIAL BOARD OF DIRECTORS' MEETING**

*This item was pulled by Scott Colton. Scott Colton stated that he was not in attendance for the July 5, 2017 Board meeting so he would abstain from voting on the item.*

*MOTION DULY MADE BY RICHARD FIORE AND SECONDED BY LARRY LIZOTTE, ITEM 4 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, RICHARD FIORE, DONALD FROELICH, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'. DIRECTOR SCOTT COLTON ABSTAINED.*

**INFORMATION ITEMS:**

6. Monthly Financial Report

*Trevor Agrelius presented the Monthly Financial Report.*

7. Quarterly Capital Improvement Program Report

*Rod Woods provided the Quarterly Capital Improvement Program Report.*

8. Quarterly Construction Progress Report

*Rod Woods provided the Quarterly Construction Progress Report.*

9. Quarterly Operations Report

*Todd Novacek provided the Quarterly Operations Report.*

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

*Joone Lopez provided information on a few upcoming events:*

- *Joint briefing with the State Water Resources Control Board – August 23, 2017*
- *Municipal Water District of Orange County Water (MWDOC) Policy Forum – August 30, 2017*
- *South OC Agencies meeting – August 31, 2017*

*Joone Lopez also stated that the Association of California Cities-Orange County (ACC-OC) is hosting a Leadership Symposium for elected officials. If any Board member is interested in attending they can contact Paige for more information.*

**PRESIDENT'S REPORT:**

*Don Froelich provided an update on the Joint MWDOC/MET meeting he attended on August 2, 2017.*

**BOARD REPORTS:**

*Richard Fiore stated that he attended the MWDOC presentation on the California Water Fix, the Laguna Niguel Dedication at the Crown Valley Park, and the Water Reliability event in Mission Viejo. All the events were very interesting and informative.*

**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.*

**#4.**

**ADJOURNMENT:**

*The meeting was adjourned at 6:58 p.m.*

Respectfully submitted,

Tim Bonita  
Recording Secretary

DRAFT



**RESOLUTION NO. 17-\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MOULTON NIGUEL WATER DISTRICT  
APPROVING FUND TRANSFERS TO MEET RESERVE TARGETS FOR FISCAL  
YEAR 2017-2018 IN ACCORDANCE WITH THE DISTRICT RESERVE POLICY**

**WHEREAS**, the District’s Reserve Policy outlines the funding, utilization and replenishment of the District’s reserves consistent with the financial controls established as part of the District’s annual budget process. Additionally, the Policy establishes target reserve balances. A copy of the Policy is attached hereto and incorporated herein by reference; and

**WHEREAS**, the Policy includes a target reserve balance for the Self-Insurance Reserve (Fund 4) in an amount equal to five times the current JPIA property insurance deductible. The Policy also includes a target reserve balance for the Rate Stabilization Reserve (Fund 52) in an amount equal to fifty percent of the District’s budgeted one percent ad valorem property tax revenue; and

**WHEREAS**, the Long Range Financial Plan that provides a ten-year financial forecast of revenues and expenses relies on the Board adopted reserve policy and associated reserve targets; and

**WHEREAS**, Section (F) of the Policy provides that the General Manager or Director of Finance/Treasurer will submit a reserve analysis to the Board upon occurrence of certain events such as the Board’s consideration of the annual budget or when a change in conditions could impact the reserve levels established within the Policy. In such events, the Policy requires that the analysis include actions needed to bring reserve levels within the target levels. Such actions can be taken by way of a resolution; and

**WHEREAS**, on June 15, 2017, the Board adopted Resolution No. 17-15 which approved the budget for Fiscal Year 2017-18 and also authorized the General Manager to transfer amounts between certain Funds only to the extent of the specific Funds and maximum amounts set forth in said Resolution No. 17-15. Said Resolution No. 17-15 did not address potential transfers involving Funds 4 and 52; and

**WHEREAS**, the Board desires to adopt this Resolution in order to authorize the transfer of amounts between certain funds in order to bring the reserve target balances for Funds 4 and 52 within the levels set forth in the Policy. This Resolution shall not impact the actions taken under Resolution No. 17-15.

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

# #10.

**SECTION 1.** The General Manager may authorize the transfer of amounts between the Funds only to the extent of the specific Funds and maximum amounts set forth below. Said transfers may be made at one or more times during the Fiscal Year so long as the total amounts do not exceed the maximum amounts for the specific Funds set forth below. The General Manager may delegate authority to transfer amounts as necessary.

1. The maximum amount which may be transferred by the General Manager from Fund 1 to Funds 4, and 52 shall be \$762,961 to replenish/meet the reserve balances in Funds 4 and 52.

<b>Fund</b>	<b>June 30, 2017 Unaudited Balance</b>	<b>Fiscal Year 2017-18 Approved Target Balance</b>	<b>Maximum Fiscal Year 2017-18 Transfer</b>
Self-Insurance Fund (Fund 4)	\$ 239,981	\$ 250,000	\$ 10,019
Rate Stabilization Fund (Fund 52)	13,747,488	14,500,430	752,942
<b>Total</b>	<b>\$ 13,987,469</b>	<b>\$ 14,750,430</b>	<b>\$ 762,961</b>

**SECTION 2.** 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 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.

**SECTION 3.** The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

**ADOPTED, SIGNED and APPROVED** this 21<sup>st</sup> day of September, 2017.

## **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