



moulton niguel water district

FINANCE & INFORMATION TECHNOLOGY

BOARD OF DIRECTORS' MEETING

MOULTON NIGUEL WATER DISTRICT

27500 La Paz Road, Laguna Niguel

August 16, 2017

8:30 AM

Approximate Meeting Time: 3 Hours

THIS BOARD MEETING WILL INCLUDE TELECONFERENCING AT THE FOLLOWING LOCATION: 12025 CEDAR SHORE ROAD, ELLISON BAY, WISCONSIN

1. CALL MEETING TO ORDER
2. THE MEMBERS OF THE CITIZEN'S ADVISORY COMMITTEE HAVE BEEN INVITED TO ATTEND AND PARTICIPATE IN THIS MEETING
3. APPROVE THE MINUTES OF THE JULY 19, 2017 FINANCE AND INFORMATION TECHNOLOGY 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.

DISCUSSION/ACTION ITEMS

5. TRANSPARENCY, ACCESS, AND PARTICIPATION (TAP) INITIATIVE (RESOLUTION 17-)

It is recommended that the Board of Directors approve the resolution entitled, "Support of the Transparency, Access, and Participation (TAP) Initiative."

6. TRANSPARENCY, ACCESS, AND PARTICIPATION (TAP) ADVISORY COMMITTEE

It is recommended that the Board authorize the formation of the Transparency, Access, and Participation (TAP) Advisory Committee.

7. OPERATIONS CENTER CONSOLIDATION AND IMPROVEMENT PROJECT – AUDIO/VISUAL SCOPE OF SERVICES

It is recommended that the Board of Directors direct staff to incorporate video recording capabilities into the Board Room for the proposed OCCI project.

8. AT-LARGE VOTING (RESOLUTION 17-___)

It is recommended that the Board of Directors approve the resolution entitled, "Ordering the Reversion to At-Large Voting by Which Elections will be Conducted Beginning with the Next General District Election."

CLOSED SESSION

9. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

(Paragraph (1) of subdivision (d) of Government Code Section 54956.9)

Name of case: SOCWA, City of Laguna Beach, South Coast Water District and Emerald Bay Service District v. Moulton Niguel Water District

Case number 30-2017-00923143-CU-BC-CJC

INFORMATION ITEMS

10. Future Agenda Items (Any items added under this section are for discussion at future meetings only)
11. 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 FINANCE & INFORMATION TECHNOLOGY BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT

July 19, 2017

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 19, 2017. There were present and participating:

DIRECTORS

Duane Cave	Director
Scott Colton	Vice President
Richard Fiore	Director
Donald Froelich	President
Gary Kurtz	Director
Larry Lizotte	Director
Brian Probolsky	Vice President/Chair (arrived at 8:31 a.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
Jeff Ferre	Best, Best, & Krieger (General Counsel)
Paige Gulck	Board Secretary
Tim Bonita	Recording Secretary
Trevor Agrelius	MNWD
Johnathan Cruz	MNWD
Dori Dennis	MNWD
Medha Patel	MNWD
Lindsey Stuvick	MNWD

#3.

Roger Faubel
Mike Dunbar
Joel Bishop

Faubel Public Affairs
General Manager, Emerald Bay Service District
Member of the Public

1. CALL MEETING TO ORDER

The meeting was called to order by Richard Fiore at 8:30 a.m.

2. APPROVE THE MINUTES OF THE JUNE 14, 2017 FINANCE AND INFORMATION TECHNOLOGY BOARD OF DIRECTORS' MEETING

MOTION DULY MADE BY DUANE CAVE AND SECONDED BY SCOTT COLTON, MINUTES OF THE JUNE 14, 2017 FINANCE AND INFORMATION TECHNOLOGY BOARD OF DIRECTORS' MEETING WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, AND LARRY LIZOTTE ALL VOTING 'AYE'. BRIAN PROBOLSKY WAS ABSENT.

Brian Probolsky arrived at 8:31 a.m.

3. PUBLIC COMMENTS

Mike Dunbar provided comment and requested a copy of the District's check register for the last three months.

DISCUSSION ITEMS

4. Laguna Sur Sewer Rates

Matt Collings provided information on the item. Staff recommends that the Board of Directors approve the 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 (Laguna Sur/Monarch Point LAFCO Reorganization RO96-05)."

INFORMATION ITEMS

5. Monthly Financial Report

Trevor Agrelius provided the Monthly Financial Report.

6. Long Range Financial Plan Update

Joone Lopez provided a brief introduction to the item. Johnathan Cruz and Drew Atwater provided the Long Range Financial Plan update. Key topics covered included success of the plan implementation to date, cost drivers and system specific revenue requirements, the revenue requirement plan, and the rate study timeline.

7. Rate Study Update

Drew Atwater provided the Rate Study update. Key items covered during the presentation included, the rate study policy review, rate structure successes and defining success going forward, wastewater costs, water budget factors, evaluation of fixed vs. variable costs, and recommendations.

8. Water Usage Update

Lindsey Stuvick provided the Water Usage Update.

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

None.

10. Late Items (Appropriate Findings to be Made)

None.

CLOSED SESSION

11. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

(Paragraph (1) of subdivision (d) of Government Code Section 54956.9)

Name of case: SOCWA, City of Laguna Beach, South Coast Water District and Emerald Bay Service District v. Moulton Niguel Water District

Case number 30-2017-00923143-CU-BC-CJC

The Board did not enter closed session on the matter.

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ADJOURNMENT

The meeting was adjourned at 10:58 a.m.

Respectfully submitted,

Tim Bonita
Recording Secretary

DRAFT



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STAFF REPORT

TO: Board of Directors **MEETING DATE:** August 16, 2017

FROM: Joone Lopez, General Manager
Medha Patel, Communications Coordinator

SUBJECT: Transparency, Access, and Participation (TAP) Initiative

DIVISION: District-wide

SUMMARY:

Issue: The Transparency, Access, and Participation (TAP) initiative looks at building upon the District’s commitment to community service and outreach with a renewed focus on enhancing Transparency, Access and Participation.

Recommendation: It is recommended that the Board of Directors approve the resolution entitled, “Support of the Transparency, Access, and Participation (TAP) Initiative.”

Fiscal Impact: Communications tools that will be utilized to implement the Transparency, Access, and Participation (TAP) Initiative are included in the District’s FY 2017-2018 Budget.

Reviewed by Legal: Not applicable

BACKGROUND:

Following a year of historic conditions in the water industry that included both extreme drought and rains, Moulton Niguel Water District customers discovered a renewed relationship with one of our most precious resources – water. Using that revitalized passion as a foundation, the TAP Initiative looks at building on Moulton Niguel Water District’s commitment of delivering high levels of service to its customers.

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Transparency, Access, and Participation (TAP) Initiative

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DISCUSSION:

The goal of the TAP Initiative is to enhance civic engagement, strengthen our relationships with our customers by proactively providing information and insight into District activities and programs, inviting feedback to enhance our services, and actively participating in the community.

Attachments:

1. Moulton Niguel Water District Transparency, Access, and Participation (TAP) Initiative
2. Resolution entitled, "Support of the Transparency, Access and Participation (TAP) Initiative"



Transparency, Access, and Participation (TAP) Initiative

PURPOSE

Devoted to serving our customers, the Moulton Niguel Water District pledges to uphold the highest level of service while developing meaningful relationships with our communities through: *Transparency, Access & Participation*

BACKGROUND

Following a year of historic conditions in the water industry that included both extreme drought and rains, a renewed relationship was established regarding one of our most precious resources - water. Through increased conservation, efficiency and awareness, great strides were made by our customers to enhance their relationship with water, and our customers continue to ask what more they can do to be more efficient.

Using that revitalized notion as a foundation, the TAP Initiative looks at building on Moulton Niguel Water District's commitment of delivering high levels of service to its customers. While service and community outreach has always been a key focus for the District, this is an opportune time to strengthen our relationships with our customers and communities by asking what more we can do to better serve them, inviting feedback and advancing, *together*.

GOALS

Our goal is to strengthen our relationships with our customers and enhance communications through *Transparency, Access and Participation* within the community, and *with* our community.

1. *Transparency: Transparency, Delivered.*
Expand transparency efforts by proactively pushing information out to our customers using the latest tools and technologies.
2. *Access: Creating a Greater Line of Communication.*
Elevate access to the District by inviting customer feedback to enhance our services and programs.
3. *Participation: Building Relationships beyond the Bill.*
Promote a two-way dialogue and highlight the value of relationships by actively participating in our community and encouraging the community to participate in District programs.

KEY COMMITMENTS

The following commitments will be reflected into each of the communications activities, and reinforced to our ratepayers and communities on an ongoing basis.

Moulton Niguel Water District is dedicated to:

1. Providing high-quality water at low rates
2. Continuing high levels of excellent customer service
3. Operating in an open, transparent and accountable manner
4. Developing cost-effective programs and projects to ensure water reliability for our customers and the region
5. Protecting our infrastructure, assets and the environment
6. Encouraging efficiency through innovative demand management programs
7. Embracing tools and technologies that continue to save our ratepayers money
8. Maintaining excellence in long-term planning through capital improvement projects, stable financial planning, and sound financial investments
9. Forming partnerships to expand District footprint and elevate leadership and expertise in water resource management
10. Empowering customers to understand the value of water, be efficient with their water use, and participate in District programs and services

IMPLEMENTATION

The TAP Initiative will maximize the use of existing tools and resources to achieve structured and sustained communications with our customers. As we gather feedback from customers and community leaders, we will continue to learn and evolve, and take iterative steps to incorporate feedback.

RESOLUTION NO. 17- __

**RESOLUTION OF BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT
IN SUPPORT OF THE TRANSPARENCY, ACCESS, AND PARTICIPATION (TAP)
INITIATIVE**

WHEREAS, Moulton Niguel Water District remains committed to providing excellent customer service, strengthening its relationships with customers and increasing community engagement; and

WHEREAS, the District will expand transparency efforts by delivering information to customers in a variety of methods; and

WHEREAS, the District will elevate access and availability to enhance District services and programs; and

WHEREAS, the District will encourage a two-way dialogue by actively participating in our communities and inspiring customers to participate in District programs;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Moulton Niguel Water District formally supports the Transparency, Access, and Participation (TAP) Initiative.

ADOPTED, SIGNED and APPROVED this 16th day of August, 2017.

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

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



moulton niguel water district

STAFF REPORT

TO: Board of Directors **MEETING DATE:** August 16, 2017

FROM: Matt Collings, Assistant General Manager

SUBJECT: Operations Center Consolidation and Improvement Project – Audio/Visual Scope of Services

DIVISION: District-Wide

SUMMARY:

Issue: To further the District's initiative to enhance transparency with its customers, considering video recording in development of the Operations Center Consolidation and Improvement (OCCI) Project is appropriate and timely.

Recommendation: It is recommended that the Board of Directors direct staff to incorporate video recording capabilities into the Board Room for the proposed OCCI project.

Fiscal Impact: Sufficient funds are included in the Capital Budget associated with the OCCI budget adopted by the Board of Directors.

BACKGROUND:

The District has operated from the Main Office and Plant 2A sites for more than 40 years with intermittent upgrades and improvements to both facilities to support growth or infrastructure needs. The District initiated the Operations Center Consolidation and Improvement Project in 2013 with the development of a Needs Assessment evaluating current spacing needs, future growth potential, and long-term space requirements. After completion of the Needs Assessment and a review of potential site alternatives to construct the necessary Operations Center, the District concluded that remaining at the Plant 2A site and consolidating all of the District personnel and operations into a single site was the best course of action.

Early planning efforts on the proposed project included preliminary site layout and architecture work with Ware Malcomb to develop a proposed project for further evaluation through the necessary California Environmental Quality Act (CEQA)

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Operations Center Consolidation and Improvement Project – Audio/Visual Scope of Services

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process, as well as the permitting with the City of Laguna Hills. The District continues to work with Ware Malcomb to advance the design of the proposed Operations Center and development of construction documents for the facility improvements. At the current stage of the project development, staff is preparing a Request for Proposals for design/build services for all low voltage work, which includes audio/visual components, data/communication, and security requirements.

DISCUSSION:

District staff provided a presentation to the District's Board of Directors at the June 12, 2017 Engineering and Operations Board Meeting to review the proposed scope for the audio/visual components of the Board Room being considered as part of the OCCI project. The scope of work included:

- Projection screens behind the Dais
- Individual monitors mounted into the Dais for Board members and staff
- Multiple inputs in the floor, Dais, and wireless connections
- Audio conferencing/recording capabilities with reinforcement from overhead, in-ceiling speakers
- Goose-neck style microphones for audio conferencing and recording

As the District is finalizing the scope of work for a design/build Request for Proposals associated with all low voltage needs for the proposed OCCI project, the District staff is proposing to include video recording capabilities in the proposed Board Room. Providing a video recording would allow members of the public to live stream District Board Meetings or watch a recording of a past meeting at their convenience, which would enhance the level of transparency and access for our customers to monitor the District's Board Meetings.



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STAFF REPORT

TO: Board of Directors **MEETING DATE:** August 16, 2017

FROM: Joone Lopez, General Manager

SUBJECT: At-large Voting

DIVISION: District-wide

SUMMARY:

Issue: Consider reverting back to voting at-large.

Recommendation: It is recommended that the Board of Directors approve the resolution entitled, "Ordering the Reversion to At-Large Voting by Which Elections will be Conducted Beginning with the Next General District Election."

Fiscal Impact: N/A

Reviewed by Legal: Yes

BACKGROUND:

In June 1981, the Moulton Niguel Water District’s (MNWD) Board of Directors adopted a resolution to change from at-large voting and created seven election divisions. Over the years, the Board of Directors reviewed the divisional voting with the last discussion taking place in 2014.

DISCUSSION:

The MNWD is a California Water District organized under California Water Code. Elections in the District are governed by a special enactment found in Water Code sections 35185 through 35195, and secondarily by the Uniform District Elections law.

Water Code section 35189 provides that by default, directors shall be elected on an at-large basis, “unless the board of directors determines that directors shall be elected by divisions.” Since the formation of MNWD in 1960, elections were based

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At-large Voting
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on at-large voting; however, in 1981, the Board of Directors adopted a resolution to change to divisional voting as the area was being developed and growing.

Over the years, the communities within MNWD's service area have been established and much of the infrastructure for potable, recycled and wastewater are interconnected and operated on a district-wide basis. The Board of Directors have emphasized the importance of serving all of the District's communities and make decisions that takes into account the best interest of all of our customers. In evaluating major initiatives and Board decisions over the last several years, these actions have district-wide impacts rather than limited to any one division. Going forward, we see that statewide and regional issues, as well as District priorities, all have broad impact across all of our communities.

In looking at other special districts in Orange County, of the 23 agencies, only five have voting by division. All of the South Orange County water agencies, with exception of MNWD, have at-large voting. Of the six cities that MNWD serves, five of them have at-large voting for their councils: Laguna Niguel, Laguna Hills, Mission Viejo, Aliso Viejo and Dana Point.

Transitioning back to at-large voting would allow all of the District's customers to determine the leadership of MNWD. The current staggered four-year terms that each Board member serves would not be impacted by a change to at-large voting. However, all of the District's customers would have an opportunity to vote every two years. Additionally, current and future board members will continue to represent all of the MNWD's constituents and serve all customers rather than just those in their divisions. The at-large voting would memorialize the current Board practice of deliberating and decision-making on behalf of all of the District's customers.

Water Code sections 34806 and 34807 give the Board the authority to adopt resolutions governing the business and affairs of the District, and the voting procedures of the District as a whole are within the scope of that directive. Accordingly, in order to restore the at-large voting, it would be appropriate for the District to adopt a resolution repealing Resolution No. 81-37, and restoring the District to an at-large voting. The District elections will continue to be conducted as resident voter elections under the provisions of the Water Code and the Uniform District Elections Law.

Attached: Resolution entitled, ""Ordering the Reversion to At-Large Voting by Which Elections will be Conducted Beginning with the Next General District Election."

RESOLUTION NO. 17-___

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT
ORDERING THE REVERSION TO AT-LARGE VOTING BY WHICH
ELECTIONS WILL BE CONDUCTED BEGINNING WITH THE NEXT
GENERAL DISTRICT ELECTION**

WHEREAS, the Moulton Niguel Water District (“District”) is a California Water District duly formed, organized and existing pursuant to and under the provisions of Division 13 of the Water Code; and

WHEREAS, Water Code Sections 35185 – 35195 set forth the method of elections for the District. Water Code Section 35189 provides that Directors shall be elected on an at-large basis unless the Board determines that Directors shall be elected by divisions; and

WHEREAS, as the area serviced by the District was continuing to grow, the Board took action on June 18, 1981 to adopt Resolution No. 81-37 which ordered the creation of divisions for conducting elections. On that same date, the Board adopted Resolution No. 81-38 which designated divisions in which elections are to be conducted; and

WHEREAS, since the change to by-division voting in 1981, the communities within the District’s service area have become established and much of the infrastructure for potable, recycled and wastewater are interconnected and operated on a District-wide basis; and

WHEREAS, the Board emphasizes the importance of serving all of the District’s communities and making decisions that take into account the best interests of all customers; and

WHEREAS, in evaluating major initiatives and Board decisions over the last several years, it can be concluded that Board actions have had District-wide impacts, rather than impacts limited to any one division. Looking to the future, the Board foresees that statewide and regional issues, as well as District priorities, will likely all have broad impacts across all communities served by the District; and

WHEREAS, transitioning back to at-large voting would allow all of the District’s customers to determine the leadership of the District and all of the District’s customers would have an opportunity to vote every 2 years. In addition, at-large voting would memorialize the current Board practice of deliberating and decision-making on behalf of all of the District’s customers; and

WHEREAS, the Board desires to take action to restore the method for District elections to at-large voting.

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NOW, THEREFORE, the Board of Directors of 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. Directors of the District shall be elected on an at-large basis, as provided for under Water Code Section 35189, beginning with the next general district election.

Section 3. Except as otherwise specifically set forth in this Resolution, all other laws, rules, regulations and District policies pertaining to elections shall remain in full force and effect. For example, and not by way of limitation: (a) elections shall continue to be conducted as resident voter elections in accordance with the law; (b) the current staggered 4-year terms that each current Director serves shall not be impacted by the change to at-large voting; and (c) current and future Directors will continue to represent all of the District and all of its customers.

Section 4. The General Manager, and/or her designees, are hereby authorized to take any and all actions, and execute any and all documents, which may be necessary to implement this Resolution including, for example and not by way of limitation, compliance with requirements of the Orange County Registrar of Voters. Nothing in this Section shall authorize any implementation which would constitute a material change to: (a) the action taken by this Resolution; or (b) the laws, rules, regulations and District policies that are not impacted by this Resolution.

Section 5. This Resolution No. 17-__ shall be effective upon adoption. As of the effective date of this Resolution No. 17-__, Resolution Nos. 81-37 and 81-38 shall be of no further force or effect.

ADOPTED, SIGNED and **APPROVED** this 16th day of August, 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