



moulton niguel water district

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

May 14, 2020

A Regular Meeting of the Board of Directors of the Moulton Niguel Water District was held telephonically at 6:00 PM on May 14, 2020. There were present and participating:

DIRECTORS

Duane Cave	Vice President
Richard Fiore	Director
Donald Froelich	Vice President
Kelly Jennings	Director
Gary Kurtz	Director
Bill Moorhead	Director
Brian Probolsky	President

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Matt Collings	Assistant General Manager
Rod Woods	Director of Engineering
Drew Atwater	Director of Finance & Water Resources
Gina Hillary	Director of Human Resources
Todd Novacek	Director of Operations
Jose Solorio	Government Affairs Officer
Jeff Ferre	Best, Best, & Krieger (General Counsel)
Paige Gulck	Board Secretary
Tim Bonita	Recording Secretary
Trevor Agrelius	MNWD
Matt Brown	MNWD
Johnathan Cruz	MNWD
Todd Dmytryshyn	MNWD
Rhonda Himley	MNWD
David Larsen	MNWD

Deena Malone-Collom	MNWD
Mark Mountford	MNWD
Medha Patel	MNWD
Nancy Park	Best, Best, & Krieger
Jeff Probst	Chandler Asset Management
Jayson Schmidt	Chandler Asset Management
Skylar Kennedy	Community Roots Academy, Student
Michelle Vocolla	Community Roots Academy, Teacher
Kevin Turner	Cushman & Wakefield
Tim Strader Jr.	Starpointe Ventures
Shannon Roback	UC Irvine

1. CALL MEETING TO ORDER:

The meeting was called to order by President Probolsky at 6:06 p.m. President Probolsky stated that the meeting was being conducted by teleconference pursuant to the Brown Act waivers provided for under the Governor's Executive Orders in response to the COVID-19 State of Emergency. As stated on the agenda, there was no public location for attending the meeting in person. The agenda also stated that the public could listen and provide comment telephonically by calling the number listed on the agenda.

CLOSED SESSION:

2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8
 Property: 27500 La Paz Road, Laguna Niguel, CA
 Agency Negotiator: Joone Lopez, General Manager
 Negotiating Parties: Cypress Express Partners, LLC
 Under Negotiation: Price and terms of payment for a ground lease

OPEN SESSION - 6:00 PM

3. REPORT OUT OF CLOSED SESSION:

Jeff Ferre stated that prior to the open session agenda, the Board met in closed session for a Conference with Real Property Negotiators, under Government Code Section 54956.8 regarding the property located at 27500 La Paz Road in Laguna Niguel. There was no reportable action. However, a proposed ground lease for said property is included on the agenda for the open session and was the subject of direction given to real property negotiators in closed session. The draft lease is now available to the public on the District's website to meet the requirement that all documents distributed in open session must be also be made available to the public.

4. PUBLIC COMMENTS:

President Probolsky stated that as permitted under the Brown Act, and in order to provide an equal opportunity for members of the public to provide comment without everyone talking over one another, public comments, on items on or off the agenda, would be taken during the Public Comment portion of the meeting. President Probolsky then asked if there was anyone on the phone who would like to provide comment. Hearing none, the Public Comment portion of the meeting was closed.

PRESENTATION ITEM:

5. QUARTERLY INVESTMENT REPORT - CHANDLER ASSET MANAGEMENT

Jeff Probst from Chandler Asset Management provided the Quarterly Investment Report.

CONSENT CALENDAR ITEMS:(Items on the Consent Calendar have been discussed at the regularly scheduled Administrative and Technical Committee meetings)

6. MINUTES OF THE APRIL 9, 2020 BOARD OF DIRECTORS MEETING

7. MINUTES OF THE APRIL 23, 2020 BOARD OF DIRECTORS MEETING

8. AMENDMENT NO. 1 TO THE CONSTRUCTION MANAGEMENT AND INSPECTION AGREEMENT FOR RESERVOIR MANAGEMENT SYSTEMS REPLACEMENT PHASE 2

It is recommended that the Board of Directors approve Amendment No. 1 to the PSA with Butier Engineering, Inc. (Butier) in the amount of \$110,000 for a new total not-to-exceed amount of \$468,990; and authorize the General Manager or Assistant General Manager to execute the amendment.

9. WARE MALCOMB PROFESSIONAL SERVICES AGREEMENT CONTINGENCY FOR UPGRADES AT PLANT 2A

It is recommended that the Board of Directors approve a \$75,000 not-to-exceed contingency for a total not-to-exceed authorization of \$1,363,360 with Ware Malcomb and authorize the General Manager or Assistant General Manager to execute any required amendments through June 2021.

10. DESIGNATION OF AUTHORIZED AGENTS WITH CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES

It is recommended that the Board of Directors approve CalOES Form 130, designating the General Manager, Assistant General Manager, and the Controller as authorized agents to work with CalOES.

MOTION DULY MADE BY GARY KURTZ AND SECONDED BY RICHARD FIORE, ITEMS 6 THRU 10 WERE APPROVED AS PRESENTED. A ROLL CALL VOTE WAS TAKEN, AND THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, RICHARD FIORE, DONALD FROELICH, KELLY JENNINGS, GARY KURTZ, BILL MOORHEAD, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

ADMINISTRATIVE MATTERS:

11. APPROVAL OF A GROUND LEASE OF 27500 LA PAZ ROAD, LAGUNA NIGUEL TO CYPRESS EXPRESS PARTNERS, LLC

It is recommended that the Board approve a ground lease of 27500 La Paz Road, Laguna Niguel to Cypress Express Partners, LLC for a 25-year term.

Matt Collings provided information on the item.

MOTION DULY MADE BY DUANE CAVE AND SECONDED BY GARY KURTZ, ITEM 11 WAS APPROVED AS PRESENTED. A ROLL CALL VOTE WAS TAKEN, AND THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, RICHARD FIORE, DONALD FROELICH, KELLY JENNINGS, GARY KURTZ, BILL MOORHEAD, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

12. AMENDMENT NO. 1 TO THE LISTING AGREEMENT FOR 27500 LA PAZ ROAD

It is recommended that the Board approve Amendment No. 1 to the Listing Agreement with Colliers International Greater Los Angeles, Inc. ("Colliers"); and authorize the General Manager or Assistant General Manager to execute Amendment.

Matt Collings provided details on the item. Discussion ensued regarding the amendment.

MOTION DULY MADE BY GARY KURTZ AND SECONDED BY BILL MOORHEAD, ITEM 12 WAS APPROVED AS PRESENTED. A ROLL CALL VOTE WAS TAKEN, AND THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, RICHARD FIORE, DONALD FROELICH, KELLY JENNINGS, GARY KURTZ, BILL MOORHEAD, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

13. SB 1386 (MOORLACH) LOCAL GOVERNMENT: ASSESSMENTS, FEES, AND CHARGES

It is recommended that the Board of Directors take a "Support" position on SB 1386 and prepare a letter consistent with this position to share with Senator Moorlach's office and other interested parties.

Jose Solorio provided information on the item.

MOTION DULY MADE BY GARY KURTZ AND SECONDED BY RICHARD FIORE,

ITEM 13 WAS APPROVED AS PRESENTED. A ROLL CALL VOTE WAS TAKEN, AND THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, RICHARD FIORE, DONALD FROELICH, KELLY JENNINGS, GARY KURTZ, BILL MOORHEAD, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

TECHNICAL MATTERS:

14. CONSTRUCTION CONTRACT AWARD FOR ALISO CREEK AND SOUTHWING LIFT STATIONS AUXILIARY GENERATOR REPLACEMENTS

It is recommended that the Board of Directors award the construction services contract to Pascal & Ludwig Constructors in the amount of \$1,241,000; authorize the General Manager or Assistant General Manager to execute the contract; and to approve change orders up to 10% of the contract value.

Todd Dmytryshyn provided details on the item. Discussion ensued regarding the operation of the generators.

MOTION DULY MADE BY DONALD FROELICH AND SECONDED BY BILL MOORHEAD, ITEM 14 WAS APPROVED AS PRESENTED. A ROLL CALL VOTE WAS TAKEN, AND THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, RICHARD FIORE, DONALD FROELICH, KELLY JENNINGS, GARY KURTZ, BILL MOORHEAD, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

15. CONSTRUCTION MANAGEMENT AND INSPECTION SUPPORT FOR REGIONAL LIFT STATION ENHANCEMENTS

It is recommended that the Board of Directors approve the Professional Services Agreement with Butier Engineering in the amount of \$492,386; authorize the General Manager or Assistant General Manager to execute the agreement; and to approve amendments up to 10% of the contract value.

David Larsen provided information on the item. Discussion ensued regarding the selection of the contractor.

MOTION DULY MADE BY GARY KURTZ AND SECONDED BY BILL MOORHEAD, ITEM 12 WAS APPROVED AS PRESENTED. A ROLL CALL VOTE WAS TAKEN, AND THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, RICHARD FIORE, DONALD FROELICH, KELLY JENNINGS, GARY KURTZ, BILL MOORHEAD, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

INFORMATION ITEMS:

16. MONTHLY FINANCIAL REPORT

Trevor Agrelius presented the Monthly Financial Report.

17. FISCAL YEAR 2020-21 PROPOSED BUDGET

Matt Collings provided information on the item. Discussion ensued regarding the proposed budget.

18. PURCHASING POLICY ANNUAL REVIEW

Trevor Agrelius provided details on the item.

22. CAPITALIZATION & SURPLUS POLICY ANNUAL REVIEW

This item was taken after item #18. Trevor Agrelius provided information on the item.

23. FEDERAL GRANTS MANAGEMENT POLICY ANNUAL REVIEW

Trevor Agrelius provided details on the item.

19. INVESTMENT POLICY ANNUAL REVIEW

This item was taken next. Johnathan Cruz provided information on the item.

20. RESERVE POLICY ANNUAL REVIEW

Drew Atwater provided details on the item.

21. DEBT MANAGEMENT POLICY ANNUAL REVIEW

Drew Atwater provided information on the item.

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

24. COMMUNITY ROOTS ACADEMY WATER PROJECT CLASS PRESENTATIONS

Drew Atwater provided a brief introduction to the item. Shannon Roback from UC Irvine provided information on the program. The Board viewed a video presentation from students of the Community Roots Academy.

The Board also viewed a video presentation of the Plant 2A Upgrades project.

PRESIDENT'S REPORT:

No Report.

BOARD REPORTS:

Bill Moorhead provided comments on wastewater operations.

Richard Fiore stated that he attended the Varuna Webinar on May 7th.

Kelly Jennings stated that she attended the Southern California Water Coalition webinar on May 14th.

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 7:55 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'T. Bonita', is written over a horizontal line.

Tim Bonita
Recording Secretary