

**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT  
MARCH 16, 2016**

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The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD) was called to order by President Stephen Dopudja at 7:00 PM, in the Board Room at the District Administrative Facility, located at 32003 Dove Canyon Drive, Trabuco Canyon, California. Mr. Michael Perea, District Secretary, recorded and transcribed the minutes thereof.

**DIRECTORS PRESENT**

President Stephen Dopudja  
Vice President Glenn Acosta  
Director James Haselton  
Director Edward Mandich  
Director Michael Safranski

**STAFF PRESENT**

Hector Ruiz, General Manager  
Michael Perea, District Secretary  
Lorrie Lausten, Engineer  
Lisa Carmouche, Administrative Assistant

**DISTRICT CONSULTANTS PRESENT:**

District General Legal Counsel – Rob Anslow (Bowie, Arneson, Wiles & Giannone)

**PUBLIC PRESENT**

There were members of the public present.

**PLEDGE OF ALLEGIANCE**

Director Safranski led the Board and District staff in the pledge of allegiance.

**VISITOR PARTICIPATION**

No visitor participation was received.

**ORAL COMMUNICATION**

No oral communication was received.

**DIRECTOR'S COMMENTS**

Director Haselton commented on his meeting with the General Manager, and expressed his appreciation of District staff's hard work. Discussion occurred concerning historical background on the District's Series A and B Bond refinancing in early 1990's.

Vice President Acosta had no comments.

Director Safranski commented on his attendance at the South Orange County Agencies Meeting, and mentioned that the group discussed the upcoming expiration of the South County Agencies Settlement Agreement. Discussion occurred concerning the necessity to formally draft a document concerning the closure of the Settlement Agreement. Director Safranski commented on his attendance at the MWDOC Budget Workshop, and

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highlighted the challenges associated with fixed costs and cost controls. Director Safranski commented that he plans to attend the 2016 Association of California Water Agencies (ACWA) Spring Conference.

Director Mandich had no comments.

President Dopudja had no comments.

**REPORT FROM THE GENERAL MANAGER**

Mr. Ruiz reported on the following matters:

- Mr. Ruiz presented a copy of a letter addressed to the developer Baldwin & Sons concerning Community Facilities District (CFD) No. 2. Mr. Ruiz added that the letter has been reviewed by District Legal Counsel and NBS for accuracy, and would like to forward this letter to Baldwin & Sons.
- Mr. Ruiz reviewed the South Orange County Wastewater Authority (SOCWA) Press Release dated March 10, 2016, concerning the closure of the AWMA Road Bridge in Aliso Viejo for safety reasons.
- Mr. Ruiz reported that the MWDOC Elected Official's Forum is scheduled for April 7, 2016, and that Directors interesting in attending the event may coordinate with Mr. Perea.
- Mr. Ruiz reported that the Orange County Water Summit is scheduled for May 20, 2016, and that Directors interesting in attending the event may coordinate with Mr. Perea.
- Mr. Ruiz reported that the Independent Special Districts of Orange County Quarterly Meeting and Luncheon is scheduled for March 31, 2016, and that he is to deliver a presentation to the group that highlights the District's services. Mr. Ruiz added that Directors interesting in attending the event may coordinate with Mr. Perea.

**ITEMS TOO LATE TO BE AGENDIZED**

Mr. Ruiz commented that there were no items too late to be agendized.

**CONSENT CALENDAR**

President Dopudja indicated that all matters under the Consent Calendar would be approved by one motion unless a Board member requested a separate action on a specific item.

**Action:** A motion was made by Director Acosta and seconded by Director Safranski to approve the Consent Calendar, Items 1 through 4.  
The motion carried 5 – 0.

**ACTION CALENDAR**

**ADMINISTRATIVE MATTERS**

**ITEM 5: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE FAIR POLITICAL PRACTICES COMMISSION (FPPC) CONFLICT OF INTEREST FILINGS (FORM 700)**

Mr. Ruiz presented this matter for Board review, and mentioned that this is an annually reviewed matter as the Form 700 is required to be filed on an annual basis by April 1<sup>st</sup>. Discussion occurred concerning online filing of the Form 700; Mr. Perea commented that online filing is an acceptable process for the District, and that he is available to answer any questions regarding access to the online portal.

**Action:** The Board received the information concerning the matter. No action taken.

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**ITEM 6: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING ACTIVITIES FOR WATER AWARENESS MONTH**

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Mr. Ruiz presented this matter for discussion, and commented that the month of May is Water Awareness Month. Mr. Ruiz mentioned that last year's event was held at the Administration Facility on the last Saturday of May, and that District staff recommends that the event be scheduled for Saturday, May 21 from 10:00 a.m. to 2:00 p.m. Mr. Ruiz mentioned that the theme for the event will be what happens when the statewide drought is over. Discussion occurred concerning the types of water use efficiency educational displays for attendees concerning the impacts of the Statewide Drought, a description of water use efficiency rebates available to District customers and planned invitees.

**Action:** The Board of Directors, through President Dopudja, directed the General Manager to schedule the Water Awareness Event for Saturday, May 21, 2016, at the District Administration Facility from 10:00 am to 2:00 pm.

**FINANCE MATTERS**

**ITEM 7: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) FISCAL YEAR 2016/2017 PROPOSED RATES, CHARGES, AND BUDGET**

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Mr. Ruiz presented this matter for Board review, and mentioned that MWDOC has requested input from member agencies on the rate study and structure. Mr. Ruiz reviewed a letter from MWDOC which highlighted their Annual Budget Process Schedule, and presented the February 10, 2016 MWDOC Administration and Finance Committee Meeting Rate Study Presentation for Committee review. Mr. Ruiz reviewed the Guiding Principles used by Raftelis Financial Consultants (RFC) and MWDOC which included legal compliance with Proposition 26, fairness/equity, revenue stability, administrative complexity, and communication. Mr. Ruiz presented a sample of the survey submitted to member agencies for their input on the rate study and structure. Mr. Ruiz reviewed the survey comparison results with the Board, and highlighted the top three rate structures based on member agency responses, as well as, MWDOC staff input. Discussion occurred concerning MWDOC Core Services cost increase trends over the prior five years and total budget comparisons from Fiscal Year 2015/2016 to the proposed Fiscal Year 2016/2017 budget; Mr. Ruiz presented handouts of the proposed total budgets for Board review. Mr. Ruiz reviewed MWDOC's proposed draft rate scenarios which were designed to allocate costs to Orange County Water District (OCWD) and allocating the remaining costs to retail agencies by one of the following criteria: (1) number of meters; (2) number of equivalent meters; and (3) service area population. Mr. Ruiz commented that MWDOC is requesting a response regarding the District's preferred draft rate scenario.

Mr. Ruiz presented the MWD Finance and Insurance Committee Meeting presentation on the proposed water rates and charges for calendar years 2017 and 2018. Mr. Ruiz reviewed the proposed Full Service Costs and Charges through 2018, and mentioned that MWD proposes to increase the charge for Tier 1 Full Service Untreated Water from \$594 to \$666, which represents a 12.1% increase. Discussion occurred concerning related treatment costs that impact MWD's Full Service Charges. Mr. Ruiz mentioned that MWD has completed an eighteen-month internal engineering study that provided guidance for the proposed Treatment Surcharge charge adjustment and treatment function reclassification. Discussion occurred concerning Full Service Untreated Water charge increase and the possible impacts to the District's rates and charges. Mr. Ruiz reviewed the Readiness to Serve charge which is scheduled to decrease by approximately 11.8% and the 21.5% decrease for the MWD Capacity Charge. Mr. Ruiz added that based on the proposed rate and charge adjustments, the overall increase to untreated water purchase is approximately 8%. Discussion occurred concerning the

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difference between the costs of MWD untreated water and the anticipated cost of untreated water through IRWD's Baker Water Treatment Plant, once completed.

**Action:** The Board received the information concerning the matter. No action taken.

**ITEM 8: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TRABUCO CANYON WATER DISTRICT'S FISCAL YEAR 2016/2017 CAPITAL IMPROVEMENT PROGRAM (CIP) AND GENERAL FUND BUDGETS**

Mr. Ruiz presented this matter for Board review, and mentioned that District staff is working with the District Treasurer on the Fiscal Year 2016/2017 General Fund Budget. Mr. Ruiz added that much of the work was completed at the time of the adoption of the District's new rate structure, but that District staff will account for the changes to the MWD and MWDOC rate structure changes, as well as the District's current revenue resulting from the recent rate increase. Mr. Ruiz mentioned that he is currently working with District staff on the Fiscal Year 2016/2017 Capital Improvement Program.

**Action:** The Board received the information concerning the matter. No action taken.

**ENGINEERING MATTERS**

**ITEM 9: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE SADDLE CREST DEVELOPMENT**

Mr. Ruiz provided a status update on this development, and mentioned that District staff is currently preparing a Will Serve Letter for the development based on the SAMP. Mr. Ruiz commented that the developer plans to start grading at the project site this summer, and that only potable water can be used for construction purposes and dust control due to the location of the development. Discussion occurred concerning the amount of construction water used for the development and the impacts to the District's State Water Board mandated Conservation Standard; Mr. Ruiz commented that the development requires approximately one million gallons of water per day for construction water purposes and dust control. Mr. Ruiz provided an update on the required upgrades planned for the District's Ridgeline Water Booster Pump Station and the impacts of the sewer cost reimbursement from the neighboring development. Discussion occurred concerning options for the provision of construction water for the development without adversely impacting the District's conservation efforts during the statewide drought.

**Action:** The Board received the information concerning the matter. No action taken.

**ITEM 10: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE SKYRIDGE DEVELOPMENT**

Mr. Ruiz provided a status update on this development, and mentioned that the District staff anticipates the completion and receipt of the Final Agreement (Exhibit) from SMWD. Ms. Lausten provided photos of the development site and the installation of the sewer manhole and water pipelines.

**Action:** The Board received the information concerning the matter. No action taken.

**ITEM 11: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING PLANO TRABUCO DEVELOPMENT, WILLIAM LYON HOMES, INC., CITY OF RANCHO SANTA MARGARITA (36 UNIT TRIPLEX BUILDING DESIGN)**

Mr. Ruiz provided a status update on this development, and mentioned that DMc Engineering (Consultant) is doing an excellent job on inspection services for the District. Mr. Ruiz commented that District staff is currently working to secure the off-site water and sewer easements for utilities within the adjacent shopping center.

**Action:** The Board received the information concerning the matter. No action taken.

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**ITEM 12: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING COOKS RESERVOIR - REPLACEMENT**

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Mr. Ruiz presented this matter for Board review, and mentioned that District staff has determined that the Cooks Reservoir, constructed in 1963, has shown severe corrosion of select areas and beams which support the roof structure and sidewalls. Mr. Ruiz added that this facility provides necessary water storage for the District, but more importantly, is a pressure buffer for the Ridgeline Booster Pump Station and the Field House Pump Station. Mr. Ruiz commented that based on the bid proposal and work completed by Superior Tank Company, Inc., on the District's Clearwell at the Dimension Water Treatment Plant, that District staff has secured a proposal for the replacement of the reservoir with a bolted steel storage tank. Mr. Ruiz reviewed photographs of the condition of the existing reservoir with the Board, discussed prior bid proposals, and recommended Superior Tank Company, Inc. for the project.

**Action:** A motion was made by Director Safranski and seconded by Director Mandich to approve the contract with Superior Tank Company, Inc. for a not to exceed amount of \$83,466. The motion carried 5 - 0.

**ITEM 13: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TCWD'S 2015 URBAN WATER MANAGEMENT PLAN**

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Mr. Ruiz provided a project status update for the Board, and mentioned that District staff has completed the 60-Day Notification to affected Cities and Counties, including an advertisement in the local newspaper. Mr. Ruiz commented that a Public Hearing for public input and questions is required prior to the adoption of the 2015 Urban Water Management Plan, and that District staff recommends scheduling the Public Hearing for the June 15, 2016, Regular Board Meeting in order to file the UWMP with the Department of Water Resources and other required agencies by the July 1, 2016 deadline.

**Action:** A motion was made by Director Mandich and seconded by Director Mandich to direct District staff to schedule a Public Hearing for the adoption of the 2015 Urban Water Management Plan on June 15, 2016. The motion carried 5 - 0.

**ITEM 14: BAKER WATER TREATMENT PLANT**

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Mr. Ruiz provided a status update on this project, and presented the Irvine Ranch Water District (IRWD) Baker Water Treatment Plant Construction Report for March 2016 for Board review. Mr. Ruiz mentioned that IRWD is currently planning for a project completion date in October 2016, and provided updates from the Project Committee Meeting on March 10<sup>th</sup>. Mr. Ruiz reviewed the approved contract change orders to date, and highlighted the costs incurred due to the implementation of a re-sequenced replacement meter for the OC-33 MWD meter station. Discussion occurred concerning the project schedule and the 117 working days of negative float.

**Action:** The Board received the information concerning the matter. No action taken.

**ITEM 15: ALTERNATE RAW WATER TRANSMISSION LINE – PW79**

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Mr. Ruiz provided a status update on this project, and reviewed the major project tasks remaining including the filing of the required CEQA/NEPA documentation. Mr. Ruiz added that District staff filed and posted the CEQA/NEPA documentation on the prior Friday with the County of Orange, the City of Lake Forest, and the City of Lake Forest Public Library, as required. Discussion occurred concerning project timeline for completion and

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the current status of the Federal Emergency Management Agency (FEMA)-required environmental documentation.

**Action:** The Board received the information concerning the matter. No action taken.

**LEGISLATIVE, ADMINISTRATIVE, AND OTHER MATTERS**

**ITEM 16: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING STATEWIDE DROUGHT CONDITIONS, STATE WATER RESOURCES CONTROL BOARD (SWRCB) DROUGHT REGULATIONS, AND TCWD WATER CONSERVATION MEASURES/ACTIONS**

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Mr. Ruiz provided a status update on the matter, and commented that the District's cumulative water conservation was at 27.5% and within one-half a percent of the State Water Board mandated Conservation Standard cumulative 28% reduction for the emergency drought regulation initial 9-month period. Mr. Ruiz mentioned that the District did not reduce its use for the month of February 2016 in comparison to February 2013, due to hotter than normal weather and a significant emergency pipeline break. Mr. Ruiz highlighted the recently completed Plano Trabuco Recycled Waterline Extension Project (Project) which is designed to provide recycled water to T-Y Nursery, as well as, Robinson Ranch Homeowners Association for landscape irrigation purposes. Discussion occurred concerning Project costs and the reimbursement of project-related costs to the customer through the MWD On-site Retrofit Program Incentives for Recycled Water Use.

**Action:** The Board received the information concerning the matter. No action taken.

**ITEM 17: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE NOMINATION PERIOD FOR ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION (OCLAFCO) SPECIAL DISTRICTS SEATS ELECTION**

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Mr. Ruiz presented this matter for Board review, and commented that District staff has included the OCLAFCO Nomination Form for the 2016 Regular Special District Member. Mr. Ruiz added that SMWD Director Charley Wilson (incumbent) has submitted his resume' to District staff and is seeking the Board of Director's nomination for the position. Discussion occurred concerning the nomination process and the form completion requirements.

**Action:** A motion was made by Vice President Acosta and seconded by Director Mandich to nominate Mr. Charley Wilson for the Special Districts Seat in the 2016 Orange County Local Agency Formation Commission Election.  
The motion carried 4 -1 with Director Safranski voting against the motion.

A motion was made by Director Mandich and seconded by Director Safranski to nominate Vice President Acosta as the Alternate Voting Member for the 2016 Orange County Local Agency Formation Commission Election.  
The motion carried 5 – 0.

**ITEM 18: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)**

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Mr. Ruiz reported on the following local governmental and/or legislative informational matter(s):

- Mr. Ruiz presented the California Special Districts Association (CSDA) Board of Directors Call for Nominations Seat B, and mentioned that the deadline for receiving nominations is May 20, 2016. Discussion occurred concerning AB1234 Ethics training for the Board of Directors.

**Action:** No action taken.

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**OTHER MATTERS**

None

**ADDITIONAL DIRECTORS' COMMENTS**

There were no Additional Directors' Comments received.

**ADDITIONAL GENERAL MANAGER COMMENTS**

Mr. Ruiz commented that the District has hired a new Wastewater Operator in Training full time employee that will start on Monday, March 21, 2016.

**END ACTION CALENDAR**

**ADJOURNMENT**

President Dopudja adjourned the March 16, 2016, Regular Board meeting at 9:05 PM.