

**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT  
APRIL 20, 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 Vice President Glenn Acosta 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**

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

**DIRECTORS ABSENT**

President Stephen Dopudja

**STAFF PRESENT**

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

**DISTRICT CONSULTANTS PRESENT:**

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

**PUBLIC PRESENT**

There were no 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 had no comments

Director Safranski had no comments

Director Mandich had no comments.

Vice President Acosta had no comments.

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**REPORT FROM THE GENERAL MANAGER**

Mr. Ruiz reported on the following matters:

- Mr. Ruiz reported that the District is scheduled to host a Field Ergonomics Training Session by the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA) on May 4, 2016 at the District Administrative Facility, and that the event will be open to other ACWA/JPIA member agencies.
- Mr. Ruiz reported that the 9<sup>th</sup> Annual Orange County Water Summit is scheduled to be held at The Westin, South Coast Plaza Hotel on Friday, May 20, 2016, and that any Directors interested in attending the event may coordinate with Mr. Perea.
- Mr. Ruiz reported that he was scheduled to attend an event for the Future Scientists and Engineers of America (FSEA) presentation the following day. Mr. Ruiz added that the District has partially sponsored the FSEA since 1998 for the purpose of providing scientific and engineering learning experiences, including water-related projects, for local fifth and sixth grade students.
- Mr. Ruiz reported that he is scheduled to deliver a presentation which highlights the District to the County of Orange Board of Supervisors at a Board Meeting on May 10, 2016, and mentioned that the Directors are invited to attend the Meeting as well.

**ITEMS TOO LATE TO BE AGENDIZED**

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

**CONSENT CALENDAR**

Vice President Acosta 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 Mandich and seconded by Director Safranski to approve the Consent Calendar, Items 1 through 5.  
The motion carried 4-0-1, with President Dopudja absent.

**ACTION CALENDAR**

**ADMINISTRATIVE MATTERS**

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

Mr. Ruiz provided a status update on this matter, and commented that District staff has been coordinating with vendors and preparing necessary materials for this annual event, which is scheduled for Saturday, May 21, 2016, from 10:00 AM to 2:00 PM. Mr. Ruiz reviewed the various planned event highlights and features for attendees, mentioned that District staff will advertise the event in the On Tap Newsletter and on the District's website. Discussion occurred concerning the best method in disseminating information regarding the status of the statewide drought and the District's response to the State Water Board's mandatory conservation regulations.

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

**FINANCE MATTERS**

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

Mr. Ruiz presented this matter for Board review, and delivered a powerpoint presentation on the Municipal Water District of Orange County (MWD OC) Historic Budget Review. Mr. Ruiz provided a brief review of the Core

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and Choice Budgets from Fiscal Year 2011/2012 to current in comparison with Historical Actual Expenses for the same period. Discussion occurred concerning the terms of the Settlement Agreement and the core expenditure costs, such as election and building costs. Mr. Ruiz reviewed the District letter to MWDOC with comments on their proposed Fiscal Year 2016/2017 Budget (exhibit). Mr. Ruiz mentioned that MWDOC's final proposed Fiscal 2016/2017 Budget will be reviewed with the Finance/Audit Committee and incorporated with the District's proposed budget, as well.

**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**

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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 for presentation at the June 15, 2016, Regular Board Meeting. Mr. Ruiz recommended the scheduling of a Special Board Meeting Budget Workshop prior to the adoption of the Budgets at the June 15, 2016 Regular Board Meeting. Discussion occurred concerning schedule availability for the Budget Workshop. Mr. Ruiz presented a handout of the proposed Fiscal Year 2016/2017 Capital Improvement Program (CIP), and mentioned that the proposed projects follows the Ten Year CIP that was approved as part of the District's recently adopted rates and charges. Discussion occurred concerning the proposed SCADA Study (Study); Mr. Ruiz said that District is developing the scope of service for the Study, but stressed the project's importance as the current SCADA system is a legacy software system that is no longer supported by the developer. Discussion occurred concerning the total cost of priority projects and scheduling challenges.

**Action:** The Board of Directors, through Vice President Acosta, directed District staff to schedule a Special Board Meeting Budget Workshop for Monday, May 23, 2016, at 6:00 PM.

**ENGINEERING MATTERS**

**ITEM 9: DISCUSSION AND POSSIBLE ACTION(S) RELATING TO TCWD'S DOMESTIC WATER STORAGE AND RESERVOIR SITING STUDY**

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Mr. Ruiz provided a status update on this project, and presented the final Domestic Water Storage and Reservoir Siting Study (Study) as prepared by PSOMAS. Mr. Ruiz said that the need for emergency storage and future increase in the District's water demands as a result of new developments, like the Saddle Crest Development, is the primary driver for completing this Study. Mr. Ruiz delivered a powerpoint presentation on the Study, and said that the Study's objectives are to determine future water storage requirements while meeting the District's Master Plan requirements. Mr. Ruiz reviewed the District's Effective Total Water Storage Available based on the capacity of the current reservoirs, and highlighted the impacts of the planned new developments and potential reservoir sites to the overall water demands on the District's service area. Discussion occurred concerning District funding for the construction of new reservoirs; Mr. Ruiz said that the District will use the funds collected through the Water Reliability and Emergency Storage charge (WRESF) on customer monthly utility bills, and the potential for cost-sharing with the proposed Saddle Crest reservoir. Mr. Ruiz reviewed the future storage reservoir funding sources and proposed cost impacts. Vice President Acosta commended District staff on the quality of the Study, and expressed confidence in the District's reservoir storage and infrastructure improvement plans.

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**Action:** A motion was made by Director Mandich and seconded by Director Safranski for the Board of Directors to receive, approve, and adopt TCWD's Domestic Water Storage and Reservoir Siting Study prepared by PSOMAS.  
The motion carried 4 – 0 – 1, with President Dopudja absent.

**ITEM 10: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING HILLSIDE MONTESSORI WILL SERVE LETTER (SEWER SERVICE)**

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Mr. Ruiz presented this matter for Board review, and mentioned that the Hillside Montessori is adjacent to the new Skyridge development. Mr. Ruiz commented that the owner of the Hillside Montessori has expressed interest in transitioning from their existing failing septic system to the District's sewer system, and that the new Skyridge development has presented an opportunity for this connection. In addition, the Developer is assisting the Hillside Montessori by contributing funds for the sewer connection. Mr. Ruiz added that District staff has prepared a technical memorandum (exhibit) which analyzed the historical water demands and corresponding wastewater generation and capacity required. Mr. Ruiz advised the Board that he has reviewed this information with the Director of the Hillside Montessori who has executed the Will Serve Letter (exhibit). Mr. Ruiz said this matter was reviewed by the Engineering/Operational Committee.

**Action:** A motion was made by Director Safranski and seconded by Director Mandich to approve the Will Serve Letter (Sewer Service), and authorize President Dopudja to execute the Will Serve Letter.  
The motion carried 4 – 0 – 1, with President Dopudja absent.

**ITEM 11: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE SADDLE CREST DEVELOPMENT**

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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 said that District staff has met with the Developer to review the planned water storage requirements and projected sewer demands.

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

**ITEM 12: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE SKYRIDGE DEVELOPMENT**

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Mr. Ruiz provided a status update on this development, and mentioned that Santa Margarita Water District (SMWD) has not taken action on the Final Agreement (Exhibit). Mr. Ruiz said that the Developer cannot connect to the system until the Final Agreement is accepted by SMWD, but that this delay has not impacted the Developer to date. Discussion occurred concerning development timeline for completion and planned infrastructure improvements to accommodate the development. Mr. Ruiz advised the Board that the District will work with the Developer for early acceptance of the portion of sewer crossing El Toro Road and connecting the Montessori, in order to provide service to the school.

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

**ITEM 13: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING PLANO TRABUCO DEVELOPMENT, WILLIAM LYON HOMES, INC., CITY OF RANCHO SANTA MARGARITA (36 UNIT TRIPLEX BUILDING DESIGN)**

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Mr. Ruiz provided a status update on this development, and mentioned District staff is working with Special Legal Counsel on the appraisal offers for easement acquirement for the development. Discussion occurred concerning the onsite work at the development and ongoing traffic control on Plano Trabuco Road.

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

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**ITEM 14: COOKS RESERVOIR - REPLACEMENT**

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Mr. Ruiz provided a status update on this project, and reported that the manufacturer has notified District staff that they are unable to meet the original deadline for the replacement of the reservoir as planned due to their workload. Mr. Ruiz added that Water Operations staff has recommended that the project be delayed to the Fall of 2016 to minimize impacts on the District's water supplies during the summer months. Discussion occurred concerning project costs and timeline for completion.

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

**ITEM 15: 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 is currently reviewing the final draft 2015 Urban Water Management Plan (UWMP) as prepared by Arcadis (Consultant). Mr. Ruiz said that this project is a MWDOC Choice budget item, and that District will present the completed final draft UWMP to the Engineering/Operational Committee and the Board for review prior to approval at the June 15, 2016 Regular Board Meeting.

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

**ITEM 16: 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 April 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 April 14<sup>th</sup>. Mr. Ruiz reviewed the approved contract change orders to date and discussed the potential cost impacts due to project delays by the contractor.

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

**ITEM 17: PUBLIC HEARING CONCERNING PROPOSED MITIGATED NEGATIVE DECLARATION AND OTHER ACTION(S) REGARDING 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 to date. Mr. Ruiz said that District staff is waiting for the Federal Emergency Management Agency (FEMA) to finalize and approve the submitted environmental-related documentation for the project. Mr. Ruiz added that the required thirty-day period for the Notice of the Mitigated Negative Declaration has been completed, and that the District received and responded to one letter from IRWD concerning the project (exhibit). Mr. Ruiz reviewed the proposed Mitigation Monitoring Program with the Board.

Vice President Acosta opened the Public Hearing at 8:06 PM. There were no verbal or written comments or objections received. Vice President Acosta closed the Public Hearing at 8:07 PM.

Director Safranski commended District staff on the level of progress on this project. Discussion occurred concerning the possible impacts of strong rain events on the existing pipeline had the El Nino storm events occurred as originally predicted.

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**Action:** A motion was made by Director Safranski and seconded by Director Haselton to approve and adopt the Alternate Raw Water Transmission Line Project Proposed Mitigated Negative Declaration and the Mitigation Monitoring Program.  
The motion carried 4 – 0 – 1, with President Dopudja absent.

**LEGISLATIVE, ADMINISTRATIVE, AND OTHER MATTERS**

**ITEM 18: 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 added that the State Water Board has hinted at the possibility of relaxing statewide restrictions due to the better snowpack conditions and increased levels of rainfall. Discussion occurred concerning efforts by the Association of California Water Agencies (ACWA) on Governor Brown and the State Water Board to end the drought declaration and mandatory emergency conservation regulations. Director Safranski commented on his attendance at the MWDOC Elected Officials Forum, and that he was made aware of an ACWA sample letter for member agencies to send to the State Water Board which emphasized the importance of local resource management to address regional challenges. Discussion occurred concerning the State Water Board's use of the mandatory emergency regulations as a means to conserve water statewide.

**Action:** A motion was made by Director Safranski and seconded by Director Haselton to authorize the General Manager to work with the Board President to prepare correspondence to the State Water Board to end the mandatory emergency conservation regulations.  
The motion carried 4 – 0 – 1, with President Dopudja absent.

**ITEM 19: CONSIDERATION OF, AND POSSIBLE ACTION CONCERNING, YORBA LINDA WATER DISTRICT REQUEST FOR AMICUS CURIAE LETTER – EBINGER VS. YORBA LINDA WATER DISTRICT**

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Mr. Ruiz presented this matter for Board review, and reported that Yorba Linda Water District (YLWD) has reached out to other water agencies for support in the form of an Amicus Curiae Brief Letter in response to the legal action brought forward by the local interest group whom seeks to overturn YLWD's recently adopted rate, fees, and charge increases. Mr. Anslow provided a brief historical background on the YLWD rate setting process and subsequent public response, as well as, Proposition 218 rate setting requirements. Mr. Ruiz said that other local neighboring agencies are supporting YLWD by providing an Amicus Curiae Brief Letter, and that the District would be required to respond by May 16, 2016, if the Board approves this matter.

**Action:** A motion was made by Director Safranski and seconded by Director Haselton to authorize the General Manager and District Legal Counsel to prepare an Amicus Curiae Brief Letter for submittal to the Orange County Superior Court before May 16, 2016.  
The motion carried 4 – 0 – 1, with President Dopudja absent.

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**ITEM 20: 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 reported that the District has been asked to oppose Assembly Bill 1713 (Eggman), and provided the sample letter prepared by water agencies in opposition to the bill. Mr. Ruiz expressed his desire to execute the letter on behalf of the District.

**Action:** A motion was made by Director Mandich and seconded by Director Haselton to authorize the General Manger to execute a letter in opposition to Assembly Bill 1713 (Eggman).  
The motion carried 4 – 0 – 1, with President Dopudja absent.

**OTHER MATTERS**

There were no other matters for discussion.

**ADDITIONAL DIRECTORS' COMMENTS**

There were no additional Directors' comments received.

**ADDITIONAL GENERAL MANAGER COMMENTS**

There were no additional General Manager comments received.

**CLOSED SESSION**

The Board of Directors, through Vice President Acosta, recessed the Open Session portion of the Meeting at 8:29 PM. The Board met in Closed Session as set forth in the Meeting Agenda.

The Board, through Vice President Acosta, reconvened the Open Session of the Meeting at 8:41 PM.

**ITEM 21: REPORT OF ACTION(S) TAKEN IN CLOSED SESSION**

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**Action:** The Board of Directors provided direction to the District's Real Property Negotiator. There was no other announcement at that time.

**END ACTION CALENDAR**

**ADJOURNMENT**

Vice President Acosta adjourned the April 20, 2016, Regular Board meeting at 8:42 PM.