



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | FEBRUARY 15, 2017

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD) was called to order by 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

President Glenn Acosta
Vice President Michael Safranski
Director Don Chadd
Director Edward Mandich
Director Stephen Dopudja

STAFF PRESENT

Hector Ruiz, General Manager
Michael Perea, District Secretary
Lorrie Lausten, Principal Engineer
Karen Warner, Senior Accountant
Lisa Sangi, Administrative Assistant
Dona Bozeman, Lead Customer Service Representative

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 Dopudja 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 Mandich commented on his attendance at the South Orange County Watershed Management Area Executive Committee Meeting on February 2, 2017, and mentioned that the District's annual share is expected to increase from \$6,700 to \$9,000. Director Mandich added that he provided a copy of the meeting agenda to District staff for future discussion and consideration.

Director Dopudja welcomed the Municipal Water District of Orange County (MWDOC) representatives in the audience.

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Vice President Safranski had no comments.

Director Chadd welcomed the Municipal Water District of Orange County (MWDOC) representatives in the audience.

President Acosta welcomed the Municipal Water District of Orange County (MWDOC) representatives in the audience.

REPORT FROM THE GENERAL MANAGER

Mr. Ruiz reported on the following matters:

- Mr. Ruiz welcomed MWDOC Representatives Director Jeff Thomas, Director Brett Barbre, Mr. Joe Berg, and Mr. Jonathan Volzke to the Regular Board Meeting, and mentioned that they were in attendance to deliver presentations on agendized matters.
- Mr. Ruiz reported that a Flood and High Wind Warning has been issued for the upcoming weekend, and added that District Operations and Standby personnel were preparing for the appropriate emergency response measures to District facilities, if necessary.
- Mr. Ruiz reported that Metropolitan Water District of Southern California (MET) has scheduled the shutdown of the Santiago Lateral Pipeline for the week of March 6 - 12, 2017.
- Mr. Ruiz reported that Water Operations and Maintenance Department staff is currently working on repairs to equipment at the Trabuco Creek Wells Facility related to the startup of the facility.

ITEMS TOO LATE TO BE AGENDIZED

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

CONSENT CALENDAR

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 Chadd to approve the Consent Calendar, Items 1 through 5.
The motion carried 5 – 0.

President Acosta requested that Item 13 follow immediately after Item 7 on the agenda.

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 6: DISCUSSION AND ADOPTION OF RESOLUTION IN SUPPORT FOR THE CALIFORNIA WATER FIX AND CALIFORNIA ECORESTORE

Mr. Ruiz presented this matter for Board consideration, and introduced Director Jeff Thomas to the Board. Director Thomas expressed his appreciation to the Board for agendizing this matter for discussion, and delivered a PowerPoint presentation on the California Water Fix which highlighted the following items:

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- The challenges associated with the Sacramento-San Joaquin Bay Delta (Delta) which includes wasted water, an outdated and unreliable system, environmental decline, and significant restoration costs.
- The current major threats to the Delta include earthquakes, rising sea levels, and environmental decline.
- The proposed solution includes the construction of two 40-foot tunnels to move water from the Sacramento River to the State Water Project pump facility which will include allowance and projects for habitat restoration of the Delta.
- The cost for the project is projected to be \$14.9 billion, but according to estimates, the project will create thousands of jobs and will provide support to the economic activity that is dependent on the Delta. The estimated cost to rate payers for the project is approximately \$5 per month, but it will be more expensive in the future if the California Water Fix is not implemented at this time.

Director Thomas encouraged the Board of Directors to support the California Water Fix and California EcoRestore. Director Barbre addressed the Board of Directors, and concurred with Director Thomas concerning the importance of the California Water Fix. Director Barbre provided a brief historical background on the construction and challenges associated with the Delta, and the need for a fix solution extending as far back as the 1970s. Discussion occurred concerning the recent damages to the dam at Lake Oroville, and the projected costs for the repair of the dam. Director Chadd expressed his appreciation for the information presented and asked if there is a known estimated timeline for the completion of the repairs to the dam at Lake Oroville; Director Barbre replied that the initial estimated completion date is approximately 2026/27, and mentioned that the fiscal impacts to Metropolitan Water District of Southern California (MET) is projected to be \$100 to \$200 million. Discussion occurred concerning the impact of the recent rain events throughout the State on the reservoir storage levels.

Action: A motion was made by Director Safranski and seconded by Director Mandich to adopt Resolution No. 2017-1236 – Resolution of the Board of Directors of Trabuco Canyon Water District in Support for the California Water Fix and California EcoRestore. The motion carried 5 – 0.

ITEM 7: MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWD OC) BUDGET DEVELOPMENT PROCESS AND OTHER INFORMATIONAL MATTERS

Mr. Ruiz presented this matter for Board review, and highlighted the MWD OC Fiscal Year 2017/2018 Budget Preparation Schedule. Mr. Ruiz indicated that Mr. Joe Berg would review the District's current Choice Service Program participation levels. Mr. Berg addressed the Board of Directors, and delivered a PowerPoint presentation on the District's current Choice Programs participation which includes the Water Use Efficiency (WUE) Program, the School Program, and the County-Wide Communications Program. Mr. Berg reviewed the District's summary of participation with the WUE Program device rebates for its customers for years 2013 through 2015, and highlighted the positive impact these water efficient devices have on the District's total water savings. Mr. Berg reviewed the impacts of the District's investment in the School Program which is partnered with the Discovery Science Center and is designed for K-12 schools. Mr. Berg added that the District's participation in the Countywide Communications Program has provided an opportunity for the District to reach thousands of its customers through the Orange County Register newspaper Sunday full page campaign District profile. Mr. Berg briefly reviewed a summary analysis of the District's contributions and benefits through its participation in the Choice Service Programs for the prior three fiscal years, and reported that the District has

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received a significant return on its investment based on the regional and local outreach programs managed by MWDOC. Mr. Berg expressed his appreciation for District staff and the opportunity to update the Board on the District's participation in the Choice Service Programs. Mr. Ruiz added that District is also participating in the Annual Water Audit under the Choice Service Program which includes the water meter accuracy testing and the preparation of a water loss report, and that this item would be indicated during the Choice Service Program budget review at a later date.

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

ITEM 13: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING STATEWIDE DROUGHT CONDITIONS, STATE WATER RESOURCES CONTROL BOARD (SWRCB) DROUGHT REGULATIONS, AND TCWD WATER CONSERVATION MEASURES/ACTIONS

Mr. Ruiz provided a status update on the matter, and reported that the District's customers demand reduced by 31% in the month of January 2017 in comparison to the same month in 2013. Mr. Ruiz added that many of the District's customers have responded to the public outreach methods which includes the most recent postcard mailer, and that January 2017 was historically one of the lowest monthly demand periods for the District at 109 acre feet. Mr. Ruiz added that the District also sold twenty-two acre feet of the District's portion of Baker Water Treatment Plant production water to another water agency, and that he was currently working with MWDOC staff on the billing process. Mr. Berg addressed the Board and mentioned that MWDOC adopted a resolution that recommends that the Governor end the emergency drought measures and requirements due to the impacts of the recent statewide rain events. Mr. Berg provided a brief review of MWDOC's efforts with the State Water Board to reconsider an end to the extension of the emergency drought measures due to the results of the individual agency stress test results and increase in snowpack and rainfall. Discussion occurred concerning statewide reservoir storage and the regional benefits of desalination treatment facilities.

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 STATE WATER BOARD PERMIT AMENDMENT – LEAD SAMPLING AT K – 12 SCHOOLS

Mr. Ruiz presented this matter for Board review, and mentioned that the State Water Board has issued a permit amendment to water agencies to perform lead monitoring and sampling for K-12 schools in their respective service areas. Mr. Ruiz said that the District will be required to respond within sixty days of a request from a school and will be responsible for preparing and implementing a sampling plan, but that the school will be responsible for repairs related to the testing results. Mr. Ruiz added that this testing is in addition to the District's Lead and Copper Sampling Plan performed every three years. Mr. Ruiz said that more information concerning the matter would be presented after the full implementation of the permit amendment process.

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

ENGINEERING MATTERS

ITEM 9: BAKER WATER TREATMENT PLANT

Mr. Ruiz provided a status update on this project, and reported that the Baker Water Treatment Plant (BWTP) is online, and that the District's portion during the month of January accounts for 98.5 acre feet of water. Mr. Ruiz added that twenty-two acre feet of water were used by the District. Mr. Ruiz mentioned that he was currently in discussion with City of San Clemente (City) staff to develop a Memorandum of Understanding or Agreement for

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the sale of excess BWTP water to the City. Discussion occurred concerning the possible impact of Proposition 218 requirements and water rate development in relation to inter-agency water wheeling agreements.

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

ITEM 10: ALTERNATE RAW WATER TRANSMISSION LINE – FEMA NO. PW79

Mr. Ruiz provided a status update on this project, and mentioned that there was no action required. Ms. Lausten provided a brief review of the contracts approved by the Board of Directors at the January 18, 2106 Regular Board Meeting, and mentioned that all of the contracts have been issued to date. Ms. Lausten added that she is scheduled to meet with the Construction Management and Environmental Services firms to review their respective responsibilities related to the project, and that the first pre-construction meeting is scheduled for March 1, 2017. Discussion occurred concerning project timeline for start and completion; Mr. Ruiz reviewed the project schedule and mentioned that District staff is preparing a timeline extension request for submittal to the Federal Emergency Management Agency (FEMA). Director Mandich asked about the condition of the District's existing raw water transmission pipeline after the recent rain events; Mr. Ruiz reported that the pipeline was operational and had not been significantly compromised despite the impact of the heavy rain events.

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

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

Mr. Ruiz provided a status update on this project, and delivered a PowerPoint presentation which provided an overview of the Will Serve Letter for the Saddle Crest Development. Mr. Ruiz provided a brief review of the development's water system requirements, including pumping requirements and onsite potable water storage needs. Mr. Ruiz reviewed the water storage cost sharing summary in detail based on the Board of Directors' action at the February 1, 2017 Special Board Meeting. Mr. Ruiz presented photographs of the District's existing Ridgeline Booster Pump Station for Board review, and highlighted the cost sharing summary for the facility improvements to meet the pumping requirements for the development. Mr. Ruiz briefly discussed the facility improvement plans including the replacement of an existing pump and the addition of a mobile generator. Mr. Ruiz reviewed the wastewater system requirements for the development and the options available to the developer, which includes the construction of a new sewer line to the wastewater system or purchasing capacity to connect to the Santiago Canyon Road Gravity Sewer which is reimbursable to another developer per an existing agreement.

Mr. Rutter addressed the Board, and expressed his appreciation for hearing the matter concerning the WSL. Mr. Rutter apologized for the cancellation of the February 2, 2017 Special Board Meeting, and commented that he did not fully understand the WSL approval process and costs associated with the Ridgeline Booster Pump Station. Mr. Rutter added that his request for assurance from the Board for water for possible future developments was inconsistent with County of Orange requirements, and as such, he was withdrawing this request. Discussion occurred concerning storage reservoir cost sharing options and the options proposed to the developer. Mr. Ruiz said that once the WSL is approved by the Board that Mr. Rutter will have forty-five days from the date of the WSL to execute and return the WSL to the District. Director Mandich commented that due to a conflict of interest related to his employer that he would recuse himself from any decision related to this matter. President Acosta expressed his confidence in the WSL as presented.

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Action: A motion was made by Director Safranski and seconded by Director Dopudja to approve the Will Serve Letter (Water and Sewer) for the Saddle Crest Development as modified. The motion carried 4 – 0 – 1, with Director Mandich’s recusal.

LEGISLATIVE, ADMINISTRATIVE, AND OTHER MATTERS

ITEM 12: RESOLUTION CONCURRING IN NOMINATION TO THE EXECUTIVE COMMITTEE OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY (ACWA JPIA)

Mr. Ruiz presented this matter for Board review, and mentioned that ACWA JPIA has notified District staff that four currently vacant Executive Committee positions will be filled by election at the Spring Conference on May 8, 2017. Mr. Ruiz briefly reviewed the process for nominating candidates for the election, and mentioned that the District has received requests for the support of concurring nomination resolutions from El Toro Water District and Cucamonga Valley Water District. Mr. Ruiz added that the resolutions must reach ACWA JPIA by Friday, March 24, 2017 at 4:30 PM.

Action: A motion was made by Director Chadd and seconded by Director Dopudja to adopt Resolution No. 2017-1237 – Resolution of the Board of Directors of Trabuco Canyon Water District Concurring in Nomination of Mr. Frederick J. Adjarian to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority (“ACWA JPIA”) The motion carried 5 – 0.

A motion was made by Director Chadd and seconded by Director Dopudja to adopt Resolution No. 2017-1238 – Resolution of the Board of Directors of Trabuco Canyon Water District Concurring in Nomination of Ms. Kathleen J. Tieg to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority (“ACWA JPIA”) The motion carried 5 – 0.

ITEM 14: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

There were no local governmental and legislative informational matters received.

Action: There was no action taken.

OTHER INFORMATION/MATTERS

Mr. Ruiz reported that a sewer spill of approximately 200 gallons of sewage occurred in the Dove Canyon Community on Monday, February 13, 2017, but that all of the sewage was captured and contained within Dove Lake. Mr. Ruiz added that the spill was caused by a blockage at a manhole, and that local traffic was successfully redirected to allow Wastewater Operations to clear the blockage and clean the affected roadway area.

CLOSED SESSIONS

The Board of Directors, through President Acosta, recessed the Open Session portion of the Meeting at 8:42 PM. The Board met in Closed Session as set forth in the Meeting Agenda.

The Board, through President Acosta, reconvened the Open Session of the Meeting at 9:37 PM.

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ITEM 15: REPORT OF ACTION(S) TAKEN IN CLOSED SESSIONS

Action:

Closed Session No. 1:

The Board of Directors met with General Legal Counsel and the District's Real Property Negotiator and received information concerning the matter. There were no announcements made at that time.

Closed Session No. 2:

The Board of Directors met with General Legal Counsel and received information concerning the matter. There were no announcements made at that time.

ADDITIONAL DIRECTORS' COMMENTS

There were no additional Directors' comments received.

ADDITIONAL GENERAL MANAGER COMMENTS

Mr. Ruiz reported that he is obtaining more information, including a survey, as it pertains to the District's Administration Facility property with costs allowed within his spending authority.

END ACTION CALENDAR

ADJOURNMENT

President Acosta adjourned the February 15, 2017, Regular Board meeting at 9:39 PM.