



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | APRIL 19, 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

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 Mandich had no comments.

Director Dopudja had no comments.

Director Chadd had no comments.

Vice President Safranski commented on a recent home plumbing repair over the Easter holiday weekend. Discussion occurred concerning the challenges associated with copper pipe pinhole leak repairs.

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President Acosta thanked District staff in the audience for all of their hard work.

REPORT FROM THE GENERAL MANAGER

Mr. Ruiz reported on the following matters:

- Mr. Ruiz commented that District staff has provided the Board of Directors individual, personalized business cards for their use at interagency meetings and representative assignments. Mr. Ruiz added that all of District staff has been provided individual, personalized business cards as well.

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

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 5: DISCUSSION AND POSSIBLE APPROVAL OF STATE OF CALIFORNIA, GOVERNOR'S OFFICE OF EMERGENCY SERVICES DESIGNATION OF APPLICANT'S AGENT RESOLUTION FOR NON-STATE AGENCIES (CalOES 130)

Mr. Ruiz presented this matter for Board consideration, and mentioned that the Designation of Applicant's Agent Resolution (Form CalOES 130) is required to be adopted by non-State agencies every three years or after the federal declaration of a disaster. Mr. Ruiz added that after the rain events during the period of January 18 through 23, 2017, President Trump issued a declaration which makes federal disaster aid available, and that District staff filed a Public Assistance Damage Assessment Report for damage to District facilities. Mr. Ruiz reviewed the Damage Assessment Report (Exhibit) with the Board. Discussion occurred concerning timeline for project completion.

Action: A motion was made by Director Chadd and seconded by Vice President Safranski to approve and authorize the Board President to execute the Designation of Applicant's Agent Resolution for Non-State Agencies.
The motion carried 5 – 0.

ITEM 6: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING 2017 WATER AWARENESS DAY EVENT

Mr. Ruiz provided a status update on this matter, and briefly reviewed the 2017 Water Awareness Day Event Planned Overview – Site Aerial Figure (Exhibit) with the Board. Mr. Ruiz added that District staff advertised the event through the District's Facebook page, utility bill envelopes, postcard mailer, and the On Tap Newsletter, and mentioned that District staff is currently working on banner designs for the event. Discussion occurred concerning additional exhibits and proposed vendors. President Acosta requested that District staff prepare materials to express the Board of Director's appreciation for District customers' conservation efforts during the

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statewide drought. Mr. Ruiz mentioned that the Future Scientists and Engineers of America (FSEA) has confirmed their attendance for the event, and will display and demonstrate recent projects.

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

ITEM 7: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING REVIEW AND REVISION(S) TO TRABUCO CANYON WATER DISTRICT PERSONNEL AND SALARY POLICY

President Acosta presented this item to the Board, and mentioned that he requested that Mr. Ruiz agendize this matter for discussion. President Acosta recommended the formation of an Ad Hoc Committee to review the District's current Personnel and Salary Policy comprised of himself and Director Dopudja. President Acosta requested that the Ad Hoc Committee meet in the month of May to review this matter.

Action: President Acosta formed the District Personnel Policy Review Ad Hoc Committee comprised of President Acosta and Director Dopudja, and recommended that the Committee meet in the month of May 2017.

ITEM 8: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) BOARD OF DIRECTORS, SOCWA COMMITTEE(S), AND SOCWA PROJECT COMMITTEE MEETINGS

President Acosta presented this item to the Board for their review, and mentioned that he requested that Mr. Ruiz agendize this matter for discussion. President Acosta commented on the letters included in the staff report concerning the matter, and asked Director Dopudja, the District's primary representative to SOCWA, to provide an update concerning the SOCWA Project Committee (PC) 15 matter. Director Dopudja briefly reviewed the historical background concerning the budgetary challenges and fiscal disagreements between SOCWA and the current PC 15 member agencies. Director Dopudja discussed the current legal questions concerning the remaining balance owed to SOCWA for PC 15-related operational and maintenance costs. Discussion occurred concerning the origins and purpose of SOCWA as a joint powers authority and public meeting notification requirements under the Brown Act. Director Chadd asked when the next SOCWA Regular Board Meeting is scheduled and expressed concern regarding the purpose of the current challenges; Director Dopudja commented that the next SOCWA Regular Board Meeting is scheduled for May 4, 2017. President Acosta requested that Director Dopudja provide an update to the Board of Directors at the next Regular Board Meeting.

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

FINANCIAL MATTERS

ITEM 9: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) FISCAL YEAR 2017/2018 PROPOSED RATES, CHARGES, AND BUDGET

Mr. Ruiz provided a status update on this matter, and reviewed the MWDOC Fiscal Year 2017/2018 Budget Preparation Schedule with the Board. Mr. Ruiz mentioned that he has submitted a comment letter to MWDOC concerning certain items in the proposed budget, namely, recommending that the CORE full time employment (FTE) Federal Government Affairs position and Grants-focused position be reclassified as CHOICE options. President Acosta questioned the nature of the FTE positions, and suggested that the positions be listed as optional for member agencies; Mr. Ruiz commented that the MWDOC Administrative & Financial Committee discussed the matter based on initial feedback from member agencies, and recommended changing the FTEs to consultant-based positions. Mr. Ruiz mentioned that the MWDOC Budget will be further discussed at the upcoming MWDOC Semi-Annual Elected Officials Forum scheduled for Wednesday, May 26, 2017 at 6:00PM.

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

ITEM 10: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TRABUCO CANYON WATER DISTRICT'S FISCAL YEAR 2017/2018 CAPITAL IMPROVEMENT PROGRAM (CIP) AND GENERAL FUND BUDGETS

Mr. Ruiz provided a status update on this matter, and commented that the proposed Fiscal Year 2017/2018 Capital Improvement Program (CIP) project budget has been reviewed at the Committee level. Mr. Ruiz added that District staff is currently working to prioritize and finalize the list of proposed CIP projects for next year. Mr. Ruiz reported that the first draft of the proposed Fiscal Year 2017/2018 General Fund Budget will be presented at the next Finance/Audit Committee Meeting, which has been rescheduled for Thursday, May 4, 2017 at 6:00PM due to scheduling conflicts related to the Association of California Water Agencies (ACWA) 2017 Spring Conference. Discussion occurred concerning the scheduling of a Special Board Meeting - Budget Workshop; President Acosta directed District staff to schedule a Special Board Meeting – Budget Workshop for Monday, May 22, 2017 at 6:00PM.

Action: President Acosta directed District staff to schedule a Special Board Meeting – Budget Workshop for Monday, May 22, 2017 at 6:00PM.

ENGINEERING MATTERS

ITEM 11: BAKER WATER TREATMENT PLANT

Mr. Ruiz provided a status update on this project, and reported the major project items remaining and completed to date. Mr. Ruiz added that Irvine Ranch Water District (IRWD) is in the process of completing the permanent sound mitigation measures, and has installed a temporary sound dampening curtain to control facility and equipment-related noise. Mr. Ruiz mentioned that the repairs to the Serrano Creek Outfall Structure were completed in March and approved by the County of Orange. President Acosta asked Mr. Ruiz to explain the purpose of the outfall structure; Mr. Ruiz said that the outfall structure is used for the emergency disposal of raw water supplies. Mr. Ruiz mentioned that IRWD has planned a project partner meeting to review the water treatment costs on May 1, 2017.

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

ITEM 12: ALTERNATE RAW WATER TRANSMISSION LINE – FEMA NO. PW79

Mr. Ruiz provided a status update on this project, and reported that he has received informal confirmation that CalOES has approved the District project timeline extension to September 15, 2017. Ms. Lausten reported that the project-required Bird Survey was completed the prior week, but that the onsite biologist observed a nesting red-shouldered hawk which has forced the implementation of a temporary protective buffer in compliance with the Department of Fish and Wildlife regulations. Ms. Lausten added that the clearing and grubbing portion of the project has been completed, and potholing will be performed later in the week. Discussion occurred concerning project timeline for completion and possible mobilization delays due to the Bird Survey results; Ms. Lausten said that the Bird Survey has forced the removal of the existing pipeline to be completed after nesting season this year.

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

ITEM 13: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING SADDLE CREST DEVELOPMENT (65 DUs)

Mr. Ruiz provided a status update and a brief historical background on this development. Mr. Ruiz mentioned that the Will Serve Letter (WSL) for this development was approved by the Board of Directors at the February

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17, 2017 Regular Board Meeting, and that the developer requested an additional week extension to the WSL due date, to which President Acosta approved the request. Mr. Ruiz reported that the developer has agreed to proceed with the construction and cost sharing with the District of the 1.5 million gallon onsite reservoir tank and upgrades to the District's Ridgeline Booster Pump Station, and that the developer has paid the \$1.8 million developer fee and charges. Mr. Ruiz presented the Agreement for Construction of Water and Sewer Facilities (Application for Water Services) for Board review. Mr. Ruiz mentioned that the Agreement has been reviewed by the District's Legal Counsel and the developer's legal counsel, and District staff recommends its approval. Mr. Ruiz mentioned that there were a few items in the Agreement that were of an engineering nature which will be determined later by District staff and the developer, but that the Agreement can be approved at this time. 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.

Action: A motion was made by Vice President Safranski and seconded by Director Dopudja to approve as to form the Agreement for Construction of Water and Sewer Facilities – Santiago Saddle Crest Development Project (Tract 17388) and to authorize District Officers to execute the Agreement when finalized.
The motion carried 4 – 0 – 1, with Director Mandich's recusal.

LEGISLATIVE, ADMINISTRATIVE, AND OTHER MATTERS

ITEM 14: 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 this matter, and mentioned that Governor Brown's Executive Order B-40-17 was issued on April 7, 2017 and ended the statewide drought emergency in California. Mr. Ruiz briefly reviewed the Fact Sheet and Legislative Fact Sheet regarding the implementation of the "Making Water Conservation a California Way of Life" under Executive Order B-37-16. Mr. Ruiz presented a handout titled Update on State Water Project Activities from the MWDOC April 5, 2017 Board Workshop for Board review. Mr. Ruiz recommended that the Water Conservation Measures Review Ad Hoc Committee reconvene in the month of May to review the impacts of Executive Order B-40-17, and make recommendations to the Board of Directors concerning the cessation of the Level 1 Water Supply Shortage (Water Watch).

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

ITEM 15: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

Mr. Ruiz reported on the following items:

- Mr. Ruiz reported that the Orange County Local Agency Formation Commission (OC LAFCO) has notified the District by letter that OC LAFCO is accepting applications for the four-year term of the Alternate Public Member position.
- Mr. Ruiz provided and briefly reviewed support letters for Assembly Bills 968 (Rubio) and 1654 (Rubio) to which the District has taken a position of support.

Discussion occurred concerning the ACWA Joint Powers Insurance Authority (JPIA) Executive Committee election at the ACWA 2017 Spring Conference.

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

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OTHER INFORMATION/MATTERS

Mr. Ruiz briefly reported and presented a handout on the Little Hoover Commission Review of Special Districts prepared by the California Special Districts Association (CSDA).

CLOSED SESSIONS

The Board of Directors, through President Acosta, recessed the Open Session portion of the Meeting at 8:01 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 8:36 PM.

ITEM 16: 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 Negotiator, and received information concerning the matter. There were no other announcements made at that time.

Closed Session No. 2

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

ADDITIONAL DIRECTORS' COMMENTS

There were no additional Directors' comments received.

ADDITIONAL GENERAL MANAGER COMMENTS

There were no other General Manger comments received.

END ACTION CALENDAR

ADJOURNMENT

President Acosta adjourned the April 19, 2017, Regular Board meeting at 9:45 PM.