



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | MAY 17, 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

Mr. Anslow 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 that the Water Awareness Day Event was a successful event despite the light rainfall, and expressed his appreciation for District staff's work on the event. Director Mandich commented on his attendance on the Metropolitan Water District of Southern California (MET) Diamond Valley Lake tour, and provided tour highlights. Director Mandich mentioned that the South Orange County Watershed Management Area (SOCWMA) has appointed Mr. Andrew Hamilton, City of Lake Forest, as its new Vice Chair. Director Mandich reported on his attendance at the City of Rancho Santa Margarita City Council Meeting, and provided highlights of the meeting which included discussions on the City's fiscal year budget and the impact of increased costs for police services. Discussion occurred concerning planned Director attendance at the Santa Margarita Water District (SMWD) Water Awareness Day Event.

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Director Dopudja expressed his appreciation for District staff's work on the Water Awareness Day Event. Director Dopudja provided brief highlights on his attendance at the MET Diamond Valley Lake tour.

Vice President Safranski commented that the Water Awareness Day Event was a success, and commended District staff for all of their hard work. Vice President Safranski reported on his attendance at the Association of California Water Agencies (ACWA) Spring Conference, and provided the following brief highlights:

- Vice President Safranski reported the election results of the ACWA Executive Committee Meeting.
- Vice President Safranski briefly highlighted a discussion on the topic of proposed State legislation for two tiers of water conservation regulations and lifeline water rates.
- Vice President Safranski briefly highlighted a discussion on impacts of increased solar energy on energy peak rates during time of use periods.

Director Chadd commented on his attendance at the ACWA Spring Conference, and provided the following brief highlights:

- Director Chadd briefly reported an opportunity for participating in a planned Bay Delta Flow Agreement Support Letter.
- Director Chadd briefly highlighted a presentation that included a letter on water quality issues from a student from New Delhi, India.
- Director Chadd briefly highlighted a presentation delivered by the Oroville Dam General Manager which stressed the importance of emergency planning and response. Director Chadd recommended that the General Manager coordinate with the Orange County Sheriff's Department and the Orange County Fire Authority for tours of the District's service area and certain facilities.

President Acosta thanked staff for their hard work on the Water Awareness Day Event.

REPORT FROM THE GENERAL MANAGER

Mr. Ruiz reported on the following matters:

- Mr. Ruiz thanked the Board of Directors for their attendance and assistance at the Water Awareness Day Event.
- Mr. Ruiz reported that the District was a recent victim of a ransomware attempt, and that Mr. Perea worked with Synoptek (District IT Manager) to ensure that the files were restored from backups and that the appropriate software patches were deployed. Mr. Ruiz added that a planned District staff meeting for May 26th will be held to review best management practices to prevent ransomware attempts.
- Mr. Ruiz mentioned that District staff met with Federal Emergency Management Agency (FEMA) representatives to review the January 2017 storm-related projects, and that another meeting and site visit is planned for the following week. Discussion occurred concerning the reuse of onsite spoil materials and soil for other projects.

ITEMS TOO LATE TO BE AGENDIZED

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

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CONSENT CALENDAR

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

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

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 6: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) BOARD OF DIRECTORS, SOCWA COMMITTEE(S), AND SOCWA PROJECT COMMITTEE MEETINGS

Mr. Ruiz presented this matter for discussion, and mentioned that Director Dopudja was prepared to provide an update concerning this matter. Director Dopudja commented on the legal impacts and binding authority presented in open session at the SOCWA Board Meeting that discussed the SOCWA Joint Powers Agreement, and indicated that although it is allowed for a Project Committee (PC) to act on SOCWA's behalf that ultimately, the PC retains full liability for its actions. Discussion occurred concerning the recent matters discussed at the SOCWA Board Meeting open session which carried over into an agendaized closed session. Director Dopudja briefly highlighted the memorandum prepared by Emerald Bay Service District General Manager Mike Dunbar which provided historical background of PC15 and Moulton Niguel Water District's (MNWD) participation in the PC. Discussion occurred concerning MNWD's conditional offer to pay its obligation to SOCWA. Director Dopudja mentioned that SOCWA conducted a Strategic Planning Session Agenda for the purpose of establishing strategic priorities and reviewing member agency fiscal responsibilities. Mr. Ruiz commented on his experience at the Strategic Planning Session, and mentioned that he commented on the need for the SOCWA Board to have transparency as a foundation for communicating with its member Agencies. Discussion occurred concerning the adverse impact of the current climate at SOCWA on South County Water Agency relationships and resources.

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

FINANCIAL MATTERS

ITEM 7: 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 distributed a handout of MWDOC's Resolution No. 2051 which adopted their Fiscal Year 2017/2018 Budget. Mr. Ruiz highlighted certain sections of the Resolution, including the adopted member agency meter charge increase and the proposed new Federal Government Liaison Full Time Employee (FTE) position. Mr. Ruiz commented on the letter he wrote in opposition of adding a Federal Government Liaison position as a Core staff position, and that he recommended it be a CHOICE Program position in his letter. Discussion occurred concerning the member agency comment letters provided to MWDOC and the appropriate use of reserve funds. Mr. Ruiz mentioned that he planned to attend the MWDOC General Manager's Meeting the following day and provide the Board's concerns and comments related to the adopted budget. Discussion occurred concerning the role of MWDOC and Core versus CHOICE Programs. Director Chadd requested that Mr. Ruiz advise MWDOC that the Board was not happy with the meter charge increase and the new FTE position. Discussion occurred concerning the origins and impact of the South County Agencies settlement agreement. Mr. Ruiz mentioned that he will provide additional information concerning this at the Special Board Meeting – Budget Workshop scheduled for Monday, May 22, 2017.

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

ITEM 8: 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 District staff is currently preparing for the Special Board Meeting – Budget Workshop scheduled for Monday, May 22, 2017 at 6:00pm. Mr. Ruiz added that the meeting will consist of a Presentation (PPT) of the proposed Fiscal Year 2017/2018 General Fund and Capital Improvement Program (CIP) Budgets. Discussion occurred regarding the fiscal impact of the 2015 adopted Water, Wastewater, and Recycled Rates and Charges on the District's Financial Reserves.

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

ENGINEERING MATTERS

ITEM 9: EL TORO ROAD SEWER LIFT STATION FORCE MAIN VALVE REPLACEMENT – POTENTIAL ACTION(S) ON CONTRACT BIDS

Mr. Ruiz presented this matter for Board consideration, and commented that this multi-agency project is shared with Santa Margarita Water District (SMWD) and Irvine Ranch Water District (IRWD). Mr. Ruiz reported that District staff has received two (2) bids for the project, and presented a bid summary for Board review and consideration. Mr. Ruiz mentioned that District staff has met with City of Lake Forest staff to review the project and coordinate the permitting conditions. Mr. Ruiz added that due to the long lead time on the manufacture of the force main valve, the costs for the project will be encumbered in Fiscal Year 2017/2018. Discussion occurred concerning the impacts of the City of Lake Forest moratorium on street work due to past improvements and the current status of project-related permits.

Action: A motion was made by Vice President Safranski and seconded by Director Dopudja to authorize the General Manager to execute the contract with GCI Construction, Inc. for construction services for the amount of \$25,100.
The motion carried 5 – 0.

ITEM 10: MOUNTAIN VIEW DRIVE – POTABLE WATER DISTRIBUTION MAIN REPLACEMENT PROJECT (END OF MAIN SECTION) – POTENTIAL ACTION(S) ON CONTRACT BIDS

Ms. Lausten presented this matter for Board consideration, and mentioned that District staff has received four (4) bids for this project. Ms. Lausten provided a bid summary for Board review, and mentioned that JES Construction was the lowest bidder. Discussion occurred concerning the cost for materials and certain services indicated in the bid. Ms. Lausten commented that timeline for review of the bids has been challenging due to other project responsibilities, and requested additional time to review the bids prior to Board approval. Ms. Lausten requested to bring this matter for Board consideration at the May 22, 2017 Special Board Meeting – Budget Workshop. Ms. Lausten briefly reviewed the history of District pipeline proposed upgrades, and noted that an existing section of pipeline is 4-inches in diameter and does not meet the Districts Standards, and as such, will be replaced with an 8-inch line. Ms. Lausten indicated other benefits of this proposed pipeline upgrade which include the installation of additional fire hydrants, the relocation of the residential meters to the parcel property lines, and the installation of backflow prevention devices where necessary. Ms. Lausten added that the GPS locations of meters and back flows will be integrated into the District GIS system. Discussion occurred concerning challenges associated with bid review and costs presented in the JES bid.

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Action: The Board of Directors received the information concerning the matter. President Acosta directed staff to agendaize this matter for the May 22, 2017 Special Board Meeting – Budget Workshop.

ITEM 11: BAKER WATER TREATMENT PLANT

Mr. Ruiz provided a status update on this project, and reported that Project Committee (PC) Meetings will be scheduled by IRWD on an as needed basis, and that there will no longer be regularly scheduled PC meetings. Mr. Ruiz provided a brief review of the major project items remaining including the completion of permanent sound mitigation and the closure of outstanding change order requests. Mr. Ruiz added that IRWD is currently in a twenty-six week test period of the facility filter membranes. Discussion occurred concerning the flow of Baker Water Treatment Plant (BWTP) water through the South County System. Mr. Ruiz mentioned that he met with City of San Clemente staff the prior week to review proposed agreement language for the sale of excess BWTP water. Discussion occurred concerning costs associated with the treatment of BWTP water and the proposed capital recovery scenarios through the sale of water. Director Dopudja recommended that District staff prepare proposed capital recovery scenarios and proposed water sale pricing structures to the May 22, 2017 Special Board Meeting – Budget Workshop. Discussion occurred concerning the overall goal concerning the sale of excess BWTP water to other agencies and the importance of water supply reliability.

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

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

Ms. Lausten provided a status update on this project, and provided a brief summary of the ongoing project-related bird survey. Ms. Lausten reported that initial construction was originally planned for mid-April, but that due to bird nesting season there have been significant delays to the project that were outside of the District's control. Ms. Lausten reviewed additional project milestones, including the completion of an additional fifty-six potholes and the recent relocation of a Southern California Edison (SCE) pole that impacted the planned pipeline alignment. Discussion occurred concerning the financial impacts of the increased potholing and potential impacts to the trail; Ms. Lausten confirmed that there will be additional costs associated with the increased potholing and bird surveys, and that there have been no impacts to the use of the trail to date.

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

LEGISLATIVE, ADMINISTRATIVE, AND OTHER MATTERS

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 this matter, and presented draft Resolution 2017-1240 which would end the current Level 1 Water Supply Shortage and enforce the water conservation ordinance Permanent Provisions and recently enacted State Water Board water waste prohibitions indicated in Section 5 of the resolution. Discussion occurred concerning current water waste and State Water Board authority expansion legislation currently in development.

Action: A motion was made by Director Chadd and seconded by Director Safranski to adopt Resolution No. 2017-1240 – Resolution of the Board of Directors of the Trabuco Canyon Water District Making Certain Findings, Declaring a Termination of Level 1 Water Supply Shortage, Providing for Change in Designated Measures Under Trabuco Canyon Water

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District's Water Conservation and Water Supply Shortage Ordinance and Program and Taking Related Actions.
The motion carried 5- 0.

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

Mr. Ruiz reported on the following items:

- Mr. Ruiz reported that District staff has been notified by the Independent Special Districts of Orange County (ISDOC) of a vacancy of the Secretary position, and that ISDOC is currently accepting applications for the position.

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

OTHER INFORMATION/MATTERS

Mr. Ruiz reported the following other information and matters:

- Mr. Ruiz reported that on the prior Friday, three (3) District Operators and one (1) Maintenance Technician completed the Commercial Driver's License (Class A) Driver Training.
- Mr. Ruiz reported that the District Telecommunications Improvement Project with Cox Communications (Cox) has been completed, and Mr. Perea, the Project Manager, provided a brief description of the project which provides a fiber wire internet connection to the Robinson Ranch Wastewater Treatment Plant (WWTP) from Cox's infrastructure termination point on Hillrise in Dove Canyon. Mr. Ruiz added that Cox complimented District staff work on the installation of the fiber wire conduit at the WWTP, and thanked Ms. Sangi and Mr. Perea for their work on the project. President Acosta expressed his appreciation for District staff's efforts on the project, but mentioned that the underground service alert paint markings on driveways were not removed effectively and remain.
- Mr. Ruiz reported that District staff are currently reviewing proposals for professional services for the Dove/Robinson Ranch Recycled Water Stations – Phase 1 Project, and indicated that additional information may be reviewed at the May 22, 2017 Special Board Meeting – Budget Workshop.

CLOSED SESSIONS

The Board of Directors, through President Acosta, recessed the Open Session portion of the Meeting at 8:40 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 8:57 PM.

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

Action: 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.

ADDITIONAL DIRECTORS' COMMENTS

There were no additional Directors' comments received.

ADDITIONAL GENERAL MANAGER COMMENTS

There were no other General Manger comments received.

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END ACTION CALENDAR

ADJOURNMENT

President Acosta adjourned the May 17, 2017, Regular Board meeting at 8:59 PM.