



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | JUNE 21, 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. Perea led the Board and District staff in the pledge of allegiance.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

Mr. Jay Gentile, District customer, addressed the Board of Directors concerning his most recent billing period which amounted to thirty-six days. Mr. Gentile added that his water use for the month exceeded into Tier Four due to the longer than normal billing period, which resulted in additional incurred costs, as opposed to a normal thirty-day billing period. Mr. Gentile expressed his appreciation for Customer Service staff working with him for an equitable resolution, but requested that the Board of Directors examine a better solution to the inconsistent billing periods. Mr. Ruiz responded that the District makes every attempt to keep billing periods consistent, but that District staff will further examine the matter. President Acosta expressed his appreciation for Mr. Gentile's concerns, and directed District staff to investigate a permanent solution.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 21, 2017**

DIRECTOR'S COMMENTS

Director Mandich had no comments.

Director Dopudja reported on his attendance at the 2017 OC Water Summit, and mentioned that the Keynote Speaker highlighted the desalination efforts and water conservation/irrigation practices in the nation of Israel which result in lower soft costs and overall more costs effective desalination of water in comparison to the United States.

Director Safranski had no comments.

Director Chadd reported on his recent collaborative efforts with representatives from Moulton Niguel Water District (MNWD) and Santa Margarita Water District (SMWD) on the preparation of the South County Water Agencies Meeting agenda.

President Acosta reported on his attendance at a District staff luncheon, and expressed his appreciation on the discussion of District staff's accomplishments for the year. President Acosta commended District staff on their presentations, and acknowledged their dedication to the District. President Acosta encouraged his fellow Directors to reach out to District staff to learn more about their daily work, and mentioned that he appreciated their team work. President Acosta invited District staff in attendance to provide any additional information concerning the presentations; District staff in attendance expressed their appreciation for the opportunity to demonstrate their work accomplishments.

REPORT FROM THE GENERAL MANAGER

- Mr. Ruiz reported that the District Treasurer was not in attendance due to being ill, but that the District's Senior Accountant was present to answer any budget-related questions.
- Mr. Ruiz reported that District Operations staff will assist with the provision of water for a Boy Scout event at O'Neill Park.

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 requests a separate action on a specific item. Director Mandich requested that Items 1 and 4 be removed from the Consent Calendar for separate action.

Action: A motion was made by Director Mandich and seconded by Vice President Safranski to approve the Consent Calendar, Items 2, 3 and 5.
The motion carried 5 – 0.

Director Mandich requested changes to the following items:

ITEM 1: APPROVAL OF MINUTES OF BOARD MEETING(S)

Director Mandich corrected the May 17, 2017 Regular Board Meeting Minutes by stating that Mr. Andrew Hamilton was appointed as the Chair of the South Orange County Watershed Management Area (SOCWMA).

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 21, 2017**

**ITEM 4: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, AND TENTATIVE FUTURE MEETINGS/
ATTENDANCE ITEMS**

Director Mandich corrected that Vice President Safranski was assigned to the Executive Committee this year, and not Director Dopudja.

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

ACTION CALENDAR
ADMINISTRATIVE MATTERS

**ITEM 6: AUTHORIZE ACTIONS FOR FISCAL YEAR 2017/2018 UNDEVELOPED LAND/WATER STANDBY CHARGES
(ASSESSMENT) AND SET PUBLIC HEARING**

Mr. Ruiz presented this matter for discussion, and mentioned that this is an annually recurring matter for Board review. Mr. Ruiz added that District staff has prepared the required Notice to Property Owners (Exhibit) and reviewed the procedure for adoption of the Fiscal Year 2017/2018 Undeveloped Land/Water Standby Charges with the Board of Directors. President Acosta commented on the exemption process that was adopted the prior year; Mr. Ruiz said that the exemption process was implemented after Board approval in Fiscal Year 2016/2017, and that a small number of undeveloped parcel owners have requested exemption to date.

Action: A motion was made by Vice President Safranski and seconded by Director Mandich to authorize District staff to proceed with actions to set the Fiscal Year 2017/2018 Undeveloped Land/Water Standby Assessments at \$15.00 per acre or portion thereof; and agendize Public Hearing and authorize District staff to furnish Notice of Public Hearing on Proposed Fiscal Year 2017/2018 Undeveloped Land/Water Standby Assessments for the July 19, 2017 Regular Board.
The motion carried 5 – 0.

FINANCIAL MATTERS

**ITEM 7: DISCUSSION AND ADOPTION OF RESOLUTION 2017-1243 ESTABLISHING APPROPRIATIONS LIMIT
FOR FISCAL YEAR 2017/2018**

Mr. Ruiz presented this matter for discussion, and mentioned that this is an annually recurring matter for Board review. Mr. Ruiz added that District staff has worked District General Legal Counsel to prepare a memorandum to determine the Fiscal Year 2017/2018 Appropriations Limit on the established methodology utilizing County of Orange overall population change figures and per capita changes.

Action: A motion was made by Director Dopudja and seconded by Director Mandich to adopt Resolution No. 2017-1243 – Resolution of the Board of Directors of Trabuco Canyon Water District Establishing Appropriations Limit for Fiscal Year 2017/2018, Pursuant to Article XIII B of the California Constitution.
The motion carried 5 – 0.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 21, 2017**

ITEM 8: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) FISCAL YEAR 2017/2018 PROPOSED RATES, CHARGES, AND PROPOSED FISCAL YEAR 2017/2018 BUDGET

Mr. Ruiz provided a status update on this matter, and commented that the Municipal Water District of Orange County (MWDOC) Fiscal Year 2017/2018 Budget, Rates, and Charges were reviewed extensively with the Finance/Audit Committee. Mr. Ruiz reviewed the costs associated with the District's CHOICE Program participation, and highlighted the proposed District Fiscal Year 2017/2018 Water Use Efficiency (WUE) Program Enhancements (Exhibit). Mr. Ruiz reviewed the Water Loss Control Program, and mentioned that this was a new State mandate, beginning in 2016. Mr. Ruiz introduced the WEROC radio system transition to the County of Orange 800MHz system, and mentioned that he recommended that the Board authorize him to execute the standard agreement with the County of Orange to participate in the countywide system. Discussion occurred concerning certain budgeted expenses in the adopted MWDOC Fiscal Year 2017/2018 Budget in comparison with the prior year. President Acosta asked about the status of the proposed Federal Lobbyist Position; Mr. Ruiz reported that the position was not approved by the MWDOC Board of Directors due to member agency protest. Director Chadd expressed his concerns with the MWDOC budget adoption process and timeline, and mentioned that it would be helpful if MWDOC adopted their budget earlier for the benefit of their member agencies. Director Chadd informed his fellow Board Members that Mr. Ruiz is scheduled to discuss, at the next South County Water Agencies Meeting, the group's expectations and recommended key principles for the MWDOC budget adoption process and timeline, and that Mr. Paul Cook, Irvine Ranch Water District General Manager, was scheduled to discuss recommended MWDOC reserve policy uses. Discussion occurred concerning other challenges related to the MWDOC adoption process.

Action: A motion was made by Vice President Safranski and seconded by Director Dopudja approve the Fiscal Year 2017/2018 Municipal Water District of Orange County CHOICE Programs for Trabuco Canyon Water District in the amount of \$54,400; and authorize the General Manager to executed the Orange County Sheriff's Department New Participating Rider to Joint Agreement for the Operation, Maintenance, and Financial Management of the Orange County 800MHz Countywide Coordinated Communication System.
The motion carried 5 – 0.

ITEM 9: 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 presented this matter for Board consideration, and commented that the District's proposed Fiscal Year 2017/2018 Capital Improvement Program (CIP) and General Fund Budgets have been extensively reviewed with both the Engineering/Operational and the Finance/Audit Committees and the Board of Directors for the past two and a half months, including a Special Board Meeting – Budget Workshop. Mr. Ruiz delivered a Power point presentation which reviewed the updates to the proposed Fiscal Year 2017/2018 General Fund and Capital Improvement Program (CIP) Budgets, which included the following additional items for consideration based on direction from the Board of Directors at the May 22, 2017 Special Board Meeting – Budget Workshop and the June 14, 2017 Finance/Audit Committee:

MWDOC/MET Rates & Charges

Mr. Ruiz briefly reviewed the MWDOC/MET rates and charges as discussed earlier, and briefly reviewed the previously approved CHOICE Programs and associated costs.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 21, 2017**

District Fire Hydrant Repainting

Mr. Ruiz said that the District has approximately 550 fire hydrants, and that District staff has received a cost proposal for the contracting the repainting of the fire hydrants for budgeting purposes only. Mr. Ruiz mentioned that the cost for the service is \$170 per fire hydrant, and that District staff is proposing a budget of \$85,000 for completing the work over a twelve month period. Director Dopudja commented that a twelve month schedule is aggressive, and that the program might be better served over an extended period; Mr. Ruiz said that District staff will further evaluate the implementation of a maintenance program schedule and timeline for completion.

Temporary Staff or Contracted Part-Time Staff

Mr. Ruiz introduced this matter, and briefly discussed the challenges associated with the District's current staffing level completing the planned capital and maintenance projects for Fiscal Year 2017/2018. Mr. Ruiz highlighted areas in which additional staffing would greatly assist with the completion of time-sensitive projects and programs, such as the District's new Valve Turning/Hydrant Flushing Program and the Sanitary Sewer System Cleaning Program. Director Chadd recommended that the Board authorize the General Manager to proceed with the implementation of temporary staff in order to augment District staff to facilitate the new programs. Discussion occurred concerning the District's Valve Turning Program frequency, and the challenges associated with the District's current staffing level.

Seasonal Monitoring, Patrol, and Security of District Property

Mr. Ruiz introduced this matter for Board review, and noted in his Power point presentation that there is a need for seasonal monitoring, patrol, and security of District property. Mr. Ruiz mentioned that the District has been notified of instances of increased level of trespassing, vandalism, and littering at certain District properties on weeknights and weekends. Mr. Ruiz proposed that the District contract with a security vendor for the seasonal monitoring of Dove Lake, Porter Property, Shadow Rock Detention Basin Facility, Robinson Ranch Wastewater Treatment Plant, and the Wells Site Property. Mr. Ruiz mentioned that District staff received a cost proposal from G4S for budgeting purposes, and briefly reviewed the proposed monitoring costs. Mr. Ruiz recommended an annual budget of \$36,000 for seasonal monitoring, patrol, and security of District property.

Proposed Fiscal Year 2017/2018 Capital Improvement Program (CIP)

Mr. Ruiz presented an updated proposed Fiscal Year 2017/2018 CIP handout for Committee review, and mentioned that proposed projects have been reviewed extensively for the prior three months. Mr. Ruiz briefly highlighted certain proposed projects, and mentioned that the total costs for Fiscal Year 2017/2018 is approximately \$5.3 million.

Director Dopudja commented on the District's proposed increased member costs approved at the South Orange County Wastewater Authority (SOCWA) Regular Board Meeting. Mr. Ruiz mentioned that the approved increased costs were reviewed with the District's Finance/Audit Committee. Director Dopudja reported that SOCWA's Board approved the budget the prior week which included an annual fee increase of 158%, and increased the District's annuals membership fees from \$27,917 to \$71,958. Director Dopudja reported that he voted against the budget on principle due to the inability to review this matter with the District Board of Directors prior to a vote, but mentioned that the SOCWA Board approved the budget subject to future review of the District's costs during the first quarter of the Fiscal Year. Director Chadd recommended that this matter be agendized for discussion at future District Regular Board Meetings to monitor any new developments, as well as recommending that District Legal Counsel review the SOCWA Joint Powers Agreement language concerning the process for agency membership termination. Director Dopudja mentioned that the SOCWA General Manager acknowledged that the increase was not entirely fair, but would work to determine an equitable solution.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 21, 2017**

Action: A motion was made by Director Chadd and seconded by Vice President Safranski to approve proposed Fiscal Year 2017/2018 Salaries Budget increase from \$1,744,092 to \$1,763,342 and Fiscal Year 2017/2018 Total Compensation Budget from \$2,226,860 to \$2,252,610; adopt Resolution No. 2017-1241 – Resolution of the Board of Directors of the Trabuco Canyon Water District Approving the General Fund District Budget for Fiscal Year 2017/2018 for an amount of \$9,595,900; adopt Resolution No. 2017-1242 – Resolution of the Board of Directors of the Trabuco Canyon Water District Approving the Capital Improvement Program Budget for Fiscal Year 2017/2018 for an amount of \$5,308,400.
The motion carried 5 – 0.

ENGINEERING MATTERS

ITEM 10: DISCUSSION AND POSSIBLE ACTION CONCERNING DOVE CANYON & ROBINSON RANCH RECYCLED WATER PUMP STATIONS REPLACEMENT PROJECT – PHASE 1

Mr. Ruiz presented this matter for Board consideration, and mentioned that this matter was reviewed with the Engineering/Operational Committee. Mr. Ruiz said that this approved Fiscal Year 2016/2017 Capital Improvement Program (CIP) project is the phase one design work for the two facilities that provide recycled water to the Dove Canyon and Robinson Ranch communities. Mr. Ruiz reviewed the Evaluation Summary of the received proposals, and highlighted the strengths of each proposal. Mr. Ruiz recommended that the Board award the contract to JIG Consultants for the preliminary engineering work, and mentioned that additional scope was added to include recycled water storage evaluation, and this subsequently increased the budget from \$40,000 to \$43,840. Ms. Lausten commented on the proposal review process, and mentioned that District Operations and Maintenance staff conducted site walk-throughs with both firms. Ms. Lausten said that JIG Consultants had more extensive experience on similar facilities and applications. Discussion occurred concerning the goals of the design work and facility replacement. Director Dopudja commented that the Engineering/Operational Committee reviewed the proposals in depth, and concurred with the General Manager's recommendation. Director Mandich asked that District staff consider including a no project option for comparison with the proposed projects.

Action: A motion was made by Director Dopudja and seconded by Director Mandich to authorize the General Manager to contract with JIG Consultants for Engineering Design Services for a not to exceed amount of \$43,840.
The motion carried 5 – 0.

ITEM 11: BAKER WATER TREATMENT PLANT

Mr. Ruiz provided a status update on this project, and mentioned that Irvine Ranch Water District (IRWD) is currently conducting additional performance testing that will occur through November 2017 per existing contractual requirements. Mr. Ruiz added that this matter will remain on the agenda through the end of the year. Mr. Ruiz mentioned that there are no more regularly scheduled Project Committee (PC) meetings, and future PC Meetings will be held only if necessary. Mr. Ruiz commented that he is currently working with the City of San Clemente to further develop agreement language for the sale of excess Baker Water Treatment Plant water.

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

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 21, 2017**

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

Ms. Lausten provided a status update on this project, and reported that there has been significant progress on this project. Ms. Lausten reviewed the project challenges associated with the bird nesting season, and reviewed project construction photos with the Board. Ms. Lausten reported that due to onsite project challenges that additional potholing was increased to determine pipeline and underground services locations, and that Michael Baker International (Environmental Services) did not budget for the additional Biological Monitoring, Archaeological, and Native American Monitoring work for certain project areas due to the fact that the project area was already disturbed ground. Ms. Lausten briefly reviewed the Contract Amendment No. 2 (Exhibit) submitted by Michael Baker International for the additional required monitoring work, and mentioned that these costs are reimbursable by the Federal Emergency Management Agency (FEMA). Discussion occurred concerning the project-related work in Contract Amendment No. 2 and the timeline for completion; Ms. Lausten mentioned that the Contract Amendment No. 2 was for work performed in the month of June 2017. Director Chadd expressed concern that the Contract Amendment was in excess of the original contract amount, and asked how District staff are managing the consultant’s work that would allow an increase of over 100 percent which he has never seen such an increase in his career; Ms. Lausten mentioned that the original scope of work was based on a fixed number of days per the original schedule, however the new amount follows the revised FEMA-approved schedule submitted by the contractor and requires more work per FEMA regulations. Ms. Lausten mentioned that there may be additional Contract Amendments depending on FEMA requirements and unforeseen challenges, and that District staff currently monitors and reviews the Construction Manager’s daily work log prior to approval. Discussion occurred concerning the reimbursement of project-related costs from FEMA; Mr. Ruiz commented that District staff will submit costs to FEMA for reimbursement as the project proceeds in order to expedite the reimbursement process. Ms. Lausten reviewed the remaining work on Prism Place and the bridge on Dimension Drive, and mentioned that the contractor will coordinate with the City of Lake Forest for the necessary night work permits.

Action: A motion was made by Vice President Safranski and seconded by Director Mandich to approve and authorize the General Manager to execute Michael Baker International Professional Services Contract Amendment No. 2 for additional Biological Monitoring, Archaeological, and Native American Monitoring for not to exceed amount of \$87,933. The motion carried 5 – 0.

LEGISLATIVE, ADMINISTRATIVE, AND OTHER MATTERS

ITEM 13: DISCUSSION AND POSSIBLE ACTION CONCERNING INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY (ISDOC) PROPOSED BYLAWS AMENDMENTS

Mr. Ruiz presented this matter for Board consideration, and reported that District staff has been notified by the Independent Special Districts of Orange County (ISDOC) of a vote on proposed changes to the bylaws (Exhibit). Mr. Ruiz mentioned that Director Chadd is the District’s current Member Agency Representative to ISDOC, and briefly provided background on the proposed bylaw amendments.

Action: A motion was made by Vice President Safranski and seconded by Director Mandich to authorize Director Chadd, the District’s Member Agency Representative to ISDOC, to cast a supportive ballot for the proposed Independent Special Districts of Orange County proposed bylaws amendments. The motion carried 5 – 0.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 21, 2017**

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 District staff completed the Water Conservation Ordinance notification requirements after the Board's adoption of Resolution 2017-1240, which ended the District's Level 1 Water Supply Shortage, through publication in the Orange County Register and on the District's website. Mr. Ruiz reported that the District's customers conserved approximately nineteen percent in the month of May 2017 in comparison to the same month in 2013.

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 MWDOC was polling member agencies' interest for review and engagement of legislative support letters, and inquired the Board of their opinion on the matter. Discussion occurred concerning the effectiveness of legislative support letters, and the best manner in providing local government response to state or federal government.

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

OTHER INFORMATION/MATTERS

There was no other information or matters presented.

CLOSED SESSIONS

The Board of Directors, through President Acosta, recessed the Open Session portion of the Meeting at 8:35 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 9:15 PM.

ITEM 16: REPORT OF ACTION(S) TAKEN IN CLOSED SESSIONS

Action: The Board of Directors met with General Legal Counsel and the District's South Orange County Wastewater Authority (SOCWA) Representative 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 June 21, 2017, Regular Board meeting at 9:17 PM.