



## **MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | AUGUST 16, 2017**

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The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD) was called to order by President 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 reported on his attendance at the South Orange County Watershed Management Area Executive Meeting, and provided brief highlights related to the South Coast Water District and South Orange County Wastewater Authority (SOCWA) projects reviewed at the meeting.

Director Dopudja had no comments.

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Vice President Safranski commented on a public notice posted in the Orange County Register article regarding litigation between the San Diego Water Authority and Metropolitan Water District of Southern California (MET).

Director Chadd reported on his attendance at the South Orange County Agencies Meeting, and provided a brief highlight of the matters discussed. Director Chadd mentioned that the group has discussed changing meeting locations, and reported that he suggested that Trabuco Canyon Water District host the group meetings during his tenure as Chair. Discussion occurred concerning the needs for the District to host the South Orange County Agencies Meeting. President Acosta expressed his support. Vice President Safranski discussed the logistics of hosting the Group at the District's Administrative Facility. Director Chadd provided a brief background on the history of the South Orange County Agencies Group.

President Acosta had no comments.

**REPORT FROM THE GENERAL MANAGER**

Mr. Ruiz reported on the following items:

- Mr. Ruiz reported that the District's auditors, The Pun Group, were currently onsite this week working with District staff to collect documents and information related to the District's audit.
- Mr. Ruiz reported that District staff is currently undergoing utility billing system training with Tyler Technologies.
- Mr. Ruiz reported that there is currently an open position in the District's Maintenance Department, and that District staff is currently working on filling the position. Mr. Ruiz added that he would return the following month to discuss the District's current organizational structure.

**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 Item No. 4 be removed from the Consent Calendar

**Action:** A motion was made by Director Mandich and seconded by Vice President Safranski to approve the Consent Calendar Item Nos. 1 - 3.  
The motion carried 5- 0.

**ACTION CALENDAR**

**ADMINISTRATIVE MATTERS**

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

Director Mandich requested that his Directors' Fees and Expenses Report be updated to reflect his attendance at the July 12, 2017 City of Rancho Santa Margarita City Council Meeting.

**Action:** A motion was made by Director Mandich and seconded by Vice President Safranski to approve the Directors' Fees and Expenses Report for July 2017, as amended.  
The motion carried 5- 0.

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**ITEM 5: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING PROPOSED REVISIONS AND ADDITIONS TO  
TRABUCO CANYON WATER DISTRICT'S PERSONNEL AND SALARY POLICY**

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Mr. Ruiz presented this matter for Board review, and mentioned that the current District Personnel and Salary Policy (Policy) was approved by the Board of Directors in 2012. Mr. Ruiz added that the Personnel Policy Ad Hoc Committee, comprised of President Acosta and Director Dopudja, has identified three priorities for the review and revision of the current Policy: (1) the bifurcation of the Personnel and Salary portions of the Policy; (2) a complete review and revision of the Policy to ensure that it comports with State law and other regulatory requirements; and (3) the implementation of an Ad Hoc Committee review and resolution process for complaints against the General Manager. President Acosta commented on the Personnel Policy Ad Hoc Committee recommendations, and highlighted the goals to overhaul the Personnel Policy and to establish a process for a committee to work with General Legal Counsel on matters related to the General Manager. Director Dopudja commented that a revision of the Policy is necessary, to bring it into compliance with new laws and Best Management Practice's (BMP'S) as well as, the implementation of a process for the Board of Directors to be responsive to certain matters concerning complaints against the General Manager. Discussion occurred concerning the Ad Hoc Committee review and resolution process for complaints against the General Manager, and the importance of balanced approach in preserving District employee due process rights as well as implementing an efficient and expedient process for resolution.

**Action:** A motion was made by Director Chadd and seconded by Director Mandich to (1) approve the proposed Resolution Process and Use of an Ad Hoc Committee for complaints made against the General Manager; and (2) authorize the Personnel Policy Ad Hoc Committee to approve the proposed special legal counsel services for the review and revision of the Trabuco Canyon Water District Personnel Policy by Liebert Cassidy Whitmore in the amount not to exceed of \$16,500.  
The motion carried 5- 0.

**ITEM 6: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TRABUCO CANYON WATER DISTRICT HEALTH  
BENEFITS**

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Mr. Ruiz presented this matter for discussion, and highlighted the approved health plan rate changes as approved by CalPERS as presented in the staff report. Mr. Ruiz indicated that the Board established health plan benchmark is scheduled to decrease by approximately 2%, and mentioned that District staff has prepared a health benefit three-year trend analysis (exhibit) for Board review. Mr. Ruiz added that the Board may choose to adopt the new lower rate for Calendar Year 2018 by resolution, or they may choose to leave the Calendar Year 2017 health plan benchmark rate amount intact at a higher amount. Discussion occurred concerning the fiscal impacts of the health plan rates on the Fiscal Year 2017/2018 budget. Mr. Perea reviewed the overall impact of the health plan changes as indicated in the staff report, and highlighted the projected costs in comparison to the Fiscal Year 2017/2018 budgeted costs. Mr. Perea provided a handout which highlighted the detailed projected health costs by District employee based on the assumption that most employees typically do not change their health plans, and mentioned that in the event that Board opts to not change the benchmark, the overall fiscal impact to the Fiscal Year 2017/2018 budget is nominal and will not exceed the adopted budget. Discussion occurred concerning the difference in monthly health benefit costs by calendar year and the historical benchmark for employee health benefits. Director Chadd commented that the District's current employee health benefit package is an excellent recruiting tool for new employees.

**Action:** A motion was made by Vice President Safranski and seconded by Director Mandich to adopt Resolution No. 2017-1245 – Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees' Medical and Hospital Care

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Act (PERS Members) and Resolution No. 2017-1246 –Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees’ Medical and Hospital Care Act (Non-PERS Members).  
The motion carried 5- 0.

**ENGINEERING MATTERS**

**ITEM 7: BAKER WATER TREATMENT PLANT**

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Mr. Ruiz provided a status update on this project, and mentioned that there was no action required. Mr. Ruiz delivered a Powerpoint presentation which highlighted the District’s proposed capital recovery plan through the sale of unused/excess Baker Water Treatment Plant (BWTP) water. Mr. Ruiz reviewed the District’s capital costs for BWTP which totaled approximately \$5.145M, and provided the District continued access to Irvine Lake as an emergency water supply source. Mr. Ruiz reviewed the Basis of Analysis for the recovery of the District’s capital investment in the BWTP which indicated a proposed agreement term of thirty years, broken down as a twenty year obligation with a ten year optional extension, and the cost of water sold indexed to the MET/MWDOC untreated water rate. Mr. Ruiz added that the agreement will include language that provides the District the first right of use of BWTP water. Mr. Ruiz briefly reviewed a comparison of projected source water costs, including current MET/MWDOC treated and untreated water costs, the current costs of treated water purchased through inter-ties with neighboring water agencies, and the proposed District Baker Water Rate. Mr. Ruiz reviewed the BWTP Agreement Schedule with the Board, and mentioned that a Final DRAFT Agreement will be reviewed with both the Finance/Audit and Engineering/Operational Committees prior to review by the Board of Directors at the September 20, 2017, Regular Board Meeting. Mr. Ruiz highlighted the City of San Clemente City Council review and approval timeline with the Board. Discussion occurred concerning the analysis assumptions and scenario challenges.

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

**ITEM 8: ALTERNATE RAW WATER TRANSMISSION LINE – FEMA NO. PW79**

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Mr. Ruiz provided a status update on this project, and mentioned that there was no action required. Ms. Lausten presented job site and construction photos for Board review, and mentioned that the District has successfully completed the connection of the new raw water transmission line which functionally completes the project. Ms. Lausten reported that the demolition and removal of the original raw water pipeline is scheduled for the following week. Director Chadd commended District staff on the completion of the project, and shared his experience when Mr. Gary Kessler, Water Department Superintendent, gave him a tour of the project site. Ms. Lausten mentioned that the Board can expect a contract change order in the coming months due to additional excavation costs and other unforeseen or permit required conditions. President Acosta expressed his appreciation for the efforts of District staff on this project.

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

**LEGISLATIVE, ADMINISTRATIVE AND OTHER MATTERS**

**ITEM 9: 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 concerning this matter, and commented there was no action required. Mr. Ruiz reported that the District’s customers have conserved approximately twenty-six percent in comparison to

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the same month in 2013. Mr. Ruiz mentioned that there were no updates related to the State Long Term Conservation Standard for review.

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

**ITEM 10: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)**

Mr. Ruiz presented a request for support in nominating Mr. Brent Halsey of Yuba County Water District for the position of Association of California Water Agencies (ACWA) President. Vice President Safranski asked the General Manager if the District has received any other requests for support; Mr. Ruiz stated that the District had not received any other requests for support.

**Action:** The Board of Directors, through President Acosta, directed the Trabuco Canyon Water District (TCWD) ACWA Representative, Director Safranski to support Mr. Brent Halsey of Yuba County Water District for nomination of the position of Association of California Water Agencies (ACWA) President.

**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 8:25 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 8:40 PM.

**ITEM 11: REPORT OF ACTION(S) TAKEN IN CLOSED SESSION**

**CLOSED SESSION NO. 1:**

**Action:** The Board of Directors met with General Legal Counsel and District staff, and received information concerning the matter.  
There were no other announcements made at that time.

**CLOSED SESSION NO. 2:**

**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 additional General Manager comments received.

**END ACTION CALENDAR**

**ADJOURNMENT**

President Acosta adjourned the August 16, 2017, Regular Board meeting at 8:41 PM.