



## **MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | MAY 16, 2018**

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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. Robert Anslow, Assistant District Secretary, transcribed the minutes thereof.

### **DIRECTORS PRESENT**

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

### **STAFF PRESENT**

Michael Perea, Acting General Manager/District Secretary  
Lorrie Lausten, Principal Engineer  
Karen Warner, Senior Accountant  
Lisa Sangi, Administrative Assistant  
Jason Stroud, Maintenance Superintendent

### **DISTRICT CONSULTANTS PRESENT:**

Rob Anslow, District General Legal Counsel (Atkinson, Andelson, Loya, Ruud & Romo)

### **PUBLIC PRESENT**

There were members of the public in the audience.

### **PLEDGE OF ALLEGIANCE**

Director Chadd 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 Chadd expressed his appreciation for the Board accommodating his teleconference requests for certain Board meetings held in April, 2018.

No other Director comments were provided.

### **REPORT FROM THE ACTING GENERAL MANAGER**

Mr. Perea reported on the adoption of the Integrated Management Plan by the South Orange County Watershed Agencies.

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Mr. Perea indicated that he had attended the meeting of the Municipal Water District of Orange County (“MWDOC”) wherein the MWDOC Board of Directors had approve their new leak detection program.

Mr. Perea indicated that he would be attending the MWDOC Manager’s Meeting on May 17, 2018.

Mr. Perea indicated that District staff had been working on a number of capital items including dredging out of the urban runoff recovery pump stations and related capital facilities upgrades.

Mr. Perea also reported on the May 5, 2018 Girl Scout visit to the District headquarters and facilities.

**ITEMS TOO LATE TO BE AGENDIZED**

Mr. Perea stated 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.

Mr. Perea indicated to the Board Members that the proposed Minutes of the Special Board meeting of April 30, 2018, had been discovered to contain a typographical error and that a revised set of Minutes, with the error corrected, had been circulated to the Board for Board consideration.

**Action:** A motion was made by Director Mandich, and seconded by Director Chadd, to approve the Consent Calendar with the noted revision to the April 30, 2018 meeting minutes. The motion carried 5 - 0.

**ACTION CALENDAR**

**FINANCIAL MATTERS**

**ITEM 6: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING INDEPENDENT AUDITING SERVICES FOR TRABUCO CANYON WATER DISTRICT AND RELATED AGENCIES**

Mr. Perea provided a handout on the independent auditing services proposals and discussed the District staff evaluation and recommendation. It was noted that Cindy Byerrum and Paul Kaymark concur with the staff recommendation to execute a contract with Davis Farr LLP. The Board discussed the proposals for independent auditing services and a question was raised as to whether the District was committed to the winning bidder for a three year period or could terminate the auditing services prior to the end of the contract term. It was noted that the District would be using its normal consultant retention agreement which authorizes the District to terminate service with or without cause prior to the termination of the contract subject to compensation for work having been performed.

**Action:** Motion made by Director Chadd, seconded by Director Mandich, to authorize the Acting General Manager to execute a contract with Davis Farr LLP for independent auditing services for Trabuco Canyon Water District, Trabuco Canyon Public Financing Authority and the Trabuco Canyon Improvement Corporation for a three-year period (beginning fiscal year 2017/2018) for a not-to-exceed amount of \$88,330.00. There was no further Board discussion and the motion carried 5-0.

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**ITEM 7: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING WATER AND RECYCLED WATER SPECIAL RATE ANALYSIS FOR TRABUCO CANYON WATER DISTRICT**

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Acting General Manager Perea provided a handout referencing the prior water rate study and water rate adjustment which occurred in 2015 noting that the Portola Hills area of Trabuco Canyon Water District had its own separate rate zone prior to the rate adjustment in 2015. Beginning in 2015 the Portola Hills service area of Trabuco Canyon Water District became subject to the same rate structure as other areas of the District. The Acting General Manager provided the Raftelis Financial Consultants (“Raftelis”) proposal to the Board.

There was discussion by the Board of the various factors for consideration as part of the water and recycled water special rate analysis including water costs contributory factors to be considered as part of the study.

**Action:** Motion made by Director Chadd, seconded by Director Dopudja, to authorize the Acting General Manager to execute a contract with Raftelis Financial Consultants for water and recycled water special rate analysis not-to-exceed \$25,000.00 consistent with the provided Raftelis proposal. There was no further Board discussion and the motion carried 5-0.

**ITEM 8: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TRABUCO CANYON WATER DISTRICT’S PURCHASING POLICY**

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Acting General Manager Perea indicated that based upon the recommendation from the District’s outside auditors, current requirements of California State Department of Industrial Relations (“DIR”) and given the federal requirements relative to maintaining eligibility to receive emergency and disaster grants, that District staff was recommending that the Trabuco Canyon Water District prepare and adopt a purchasing policy not later than the end of June, 2018. The purchasing policy would reflect current District requirements, statutory provisions and would comply with federal requirements and requirements of DIR. District staff requested that the purchasing policy, when prepared, would be presented to the Finance/Audit Committee in June and returned to the Board of Directors for consideration at the June 20, 2018, Board Meeting.

**Action:** Motion by Director Mandich, seconded by Director Safranski, to authorize the Acting General Manager and District staff to work with District General Legal Counsel to prepare an updated District purchasing policy for future consideration along the timelines recommended by District staff. There was no further discussion and the motion carried 5-0.

**ADMINISTRATIVE MATTERS**

**ITEM 9: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING COUNTY OF ORANGE REGISTRAR OF VOTERS ELECTION INFORMATION FOR THE 2018 GENERAL ELECTION**

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Acting General Manager Perea noted that the District had received a request from the Orange County Registrar of Voters (“Registrar”) to provide direction to the Registrar concerning the length of candidate statements (400 words v. 200 words) and whether or not the District would pay for candidate statements for election of members of the Board conducted in November, 2018. He noted that historically the Board has limited candidate statements to 200 words and that the District has not in the past paid for the publication of candidate statements in the ballot pamphlet.

**Action:** Motion by Director Safranski, seconded by Director Mandich, to provide direction to the Orange County Registrar of Voters that candidate statements for the office of Members

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of the Board of Directors of the Trabuco Canyon Water District would be limited to 200 words and that the District would not pay for publication of candidate statements. There was no further discussion and the motion carried 5-0.

**ITEM 10: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA)**

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Director Dopudja provided an update on TCWD's requested South Orange County Water Authority ("SOCWA") budget revision and that this had been tentatively agreed to for fiscal year 2018/2019 and would hopefully continue in future years. Budget action by the SOCWA Board of Directors is expected in June, but Director Dopudja indicated that it is not expected that TCWD's budget action item would be declined. Director Dopudja indicated that SOCWA was in the process of selecting replacement general legal counsel. Director Dopudja noted that the PC-15 matter is currently in mediation and indicated that in light of the budget revisions that certain other of the SOCWA Project Committees ("PCs") would have to be reviewed, as they are renewed (based on the applicable agreement terms) in terms of participation of individual participating agencies.

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

**ITEM 11: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE GENERAL MANAGER POSITION**

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It was noted that with the resignation of Mr. Ruiz as District General Manager, that there was a need for appointment of a person or persons to fill the Committee appointments and agency representative assignments which had previously been assigned to the office of TCWD General Manager.

**Action:** Motion made by Director Chadd, seconded by Director Safranski, that the Acting General Manager, Mr. Michael Perea, would fill all current General Manager Committee appointments and representative assignments until otherwise directed by the Board. There was no further discussion and the motion carried 5-0.

At the direction of the Board, staff recommendation on Agenda Item 11(3) was re-ordered to the end of the Action Calendar.

**ENGINEERING MATTERS**

**ITEM 12: WATER RESERVOIR RECOATING STUDY AND SITE IMPROVEMENT PROJECT**

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District Principal Engineer Lorrie Lausten discussed the recoating study and site improvement project reviews made to date. This included a proposal for a contract with Michael Baker International for engineering services for evaluating reservoir coating and site improvements. Ms. Lausten discussed which of the District's reservoirs would be covered in the evaluation and the proposed contract with Michael Baker International.

There was discussion regarding the evaluation report end product, scheduling the work and potential requests for proposals relative to a selection of consultants rather than a sole-source contract with Michael Baker International.

Director Chadd requested that the matter be returned to the District's Engineering Committee for further discussion.

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**Action:** Based upon discussion, Board direction was given to consider requests for proposals and return the recoating study and site improvement evaluation to the Board at a later period in time.

**LEGISLATIVE, ADMINISTRATIVE AND OTHER MATTERS**

**ITEM 13: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)**

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Mr. Perea provided an update regarding Assembly Bill (AB) 3045 noting that MWDOC had taken a position opposing that legislation.

District General Legal Counsel, Mr. Robert Anslow, provided a brief update to the Board regarding the current status of the water tax both as an independent piece of legislation and as a potential State budget trailer bill.

**Action:** There was no action taken.

**CLOSED SESSIONS**

The Board of Directors, through President Acosta recessed the Open Session portion of the Meeting at 8:30 PM.

The Board met in 2 Closed Sessions as set forth in the Meeting Agenda.

The Board, through President Acosta, reconvened the Open Session of the Meeting at 9:10 PM.

**ITEM 14: REPORT OF ACTION(S) TAKEN IN CLOSED SESSION**

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**Closed Session No.1**

**Action:** The Board of Directors met with General Legal Counsel, the Acting General Manager and the District's South Orange County Wastewater Authority (SOCWA) Representative as set forth in the agenda, 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 Acting General Manager pursuant to Government Code Section 54957 as stated on the Agenda. There were no other announcements made at that time.

**ITEM 11(3) DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE GENERAL MANAGER POSITION  
(Continued)**

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Based on the information provided in Closed Session No. 2, no action was taken on this item.

**OTHER INFORMATION/MATTERS**

There was no other information or matters presented.

**ADDITIONAL DIRECTORS' COMMENTS**

There were no additional Director comments received.

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**ADDITIONAL GENERAL MANAGER COMMENTS**

Mr. Perea reminded the Board Members and staff that the District's Water Awareness Event was scheduled for Saturday, May 19, 2018.

**END ACTION CALENDAR**

**ADJOURNMENT**

President Acosta adjourned the May 16, 2018, Regular Board meeting at 9:12 PM.