



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | OCTOBER 17, 2018

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD) conducted on October 17, 2018, 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 Stephen Dopudja
Director Edward Mandich

DIRECTORS ABSENT

Director Don Chadd

STAFF PRESENT

Michael Perea, Interim 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)/Assistant District Secretary
Cindy Byerrum (Platinum Consulting), District Treasurer
Steve Gagnon (Raftelis Financial Consultants), District Rate Consultants

PUBLIC PRESENT

Members of the public were present

PLEDGE OF ALLEGIANCE

Vice President Safranski led the Board, District staff and audience in the Pledge of Allegiance.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

DIRECTOR'S COMMENTS

Director Mandich indicated that he had attended the City of Rancho Santa Margarita Council meeting and described certain actions taken at that City Council meeting.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | OCTOBER 17, 2018**

Director Dopudja indicated that he had attended the Municipal Water District of Orange County (MWDOC) Policy Dinner meeting and discussed certain events occurring at that meeting. Director Safranski also indicated that he had attended the MWDOC Policy Dinner meeting.

Vice President Safranski discussed certain aspects relating to Proposition 3 which will appear on the November 2018 Statewide General Election Ballot.

President Acosta indicated that he had also attended the MWDOC Policy Dinner meeting and discussed certain actions taken at that meeting.

REPORT FROM THE INTERIM GENERAL MANAGER

Mr. Perea discussed the recent high wind conditions that had occurred within the District and its effects on certain District properties and functions.

Mr. Perea indicated that there had been an emergency line break to a District domestic water transmission main located near El Toro Road. He discussed the repairs undertaken by District staff and I Contractor to date and presented a brief PowerPoint slides describing and depicting the break and the repair.

Mr. Perea indicated that two new operation staff members had started work with the District.

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.

Action: A motion was made by Director Mandich, and seconded by Director Safranski, to approve the Consent Calendar. There was no further discussion. The motion carried 4 – 0 – 1 (Director Chadd absent).

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 6: PUBLIC HEARING & ACTION(S) FOR REVISING TCWD'S RATES FOR WATER SERVICES AND METER CHARGES – PORTOLA HILLS SERVICE AREA

Interim General Manager, Mr. Michael Perea, provided a background and chronology relative to the public hearing and proposed actions for revising TCWD's rates for water services and meter charges for the Portola Hills Service Area of TCWD. Mr. Perea indicated that the subject had been discussed at previous Board meetings and that direction had been given to call and conduct the public hearing at the August Regular Meeting of the Board of Directors. He noted that there had been compliance with the Proposition 218 notice requirements in the Portola Hills Service Area subject to the proposed water rate services and meter charge changes. Mr. Perea indicated that no written protests to the proposed changes to water service rates and water meter charges had been received prior to the public hearing.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | OCTOBER 17, 2018**

Mr. Steve Gagnon of Raftelis Financial Consultants (Raftelis) presented a PowerPoint presentation discussing the background and basis for the District's current water rates and meter charges and proposed water rate structure and water and meter charges for the Portola Hills Service Area. Mr. Gagnon indicated that the Temporary Revenue Stabilization Charge (TRSC) had previously been suspended by action of the Board of Directors and as such was not included in the proposed restructured water rates and meter rates for the Portola Hills Service Area. Mr. Gagnon also discussed the basis for the District's WRESC and satisfaction of those charges as applicable to the Portola Hills Service Area as set forth in the written report provided by Raftelis to TCWD. Mr. Gagnon indicated that the capital facilities contribution levels applicable to the Portola Hills Service Area (the Baker Water Treatment Plant and TCWD Wells Facilities) had been satisfied and provided the financial basis for that proposed determination.

Action: A motion was made by Director Safranski, and seconded by Director Mandich, to receive and file the Trabuco Canyon Water District Portola Hills Service Area – Potable Water Rate Review Report as presented by Raftelis. There was no further discussion. The motion carried 4 – 0 – 1 (Director Chadd absent).

Following action to receive and file the Potable Water Rate Review Report, President Acosta indicated that the public hearing concerning the proposed revision of TCWD water rate structure for water services and meter charges for the Portola Hills Service Area was open.

Mr. Perea indicated that no written comments or protests concerning the proposed water rate structure and meter charges to the Portola Hills Service Area had been received.

Comments were received by three members of the public, Mr. Bijan Diba, Ms. Pamela Dreslin and Mr. Steve Kaveiz. Each individual presented comments to the Board concerning, or related to, the proposed changes to water rate structure and meter charges.

Following the receipt of public comments, President Acosta closed the public hearing portion of the meeting on this Agenda Item.

Following close of the public hearing there was Board discussion on the topic. Director Mandich noted that TCWD owns the facilities within the Portola Hills Service Area portion of TCWD's boundaries and that TCWD had done its due diligence relative to the proposed changes in water rates and meter charges.

Director Dopudja made a number of comments to address some of the questions put forward during the public comment session. He noted that even if no water is used through TCWD's system, there is still a need to finance the infrastructure which provides services to the Portola Hills Service Area in terms of "readiness to serve". Director Dopudja briefly discussed the costs to pump water, particularly potable water, to the elevations in the District's service area in order to be able to provide service to customers at adequate pressures and flows. Director Dopudja briefly discussed Proposition 218 and its limitations and requirements as applicable to the TCWD rate proceedings.

Director Safranski discussed the elevation of the Portola Hills Service Area and infrastructure costs necessary to be able to provide adequate service to TCWD customers located in this area. Director Safranski expressed appreciation for the public's attendance at the meeting and providing input to the Board. Director Safranski pointed out that TCWD is very fiscally aware of costs and revenues and acts in a responsible manner in terms of the representation of its customers.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | OCTOBER 17, 2018**

President Acosta brought the attention of those present to the services provided by TCWD to customers within its boundaries and also discussed the necessities and costs for infrastructure management by TCWD for those services that it provides both within the Portola Hills Service Area and other areas of the District.

Action: A motion was made by Director Mandich, and seconded by Director Safranski, to adopt Resolution No. 2018-1261 – Resolution of the Trabuco Canyon Water District Board of Directors Determining Compliance with the Procedural Requirements, Making Findings and Determinations, Revising Rates for Potable Water Services and Meter Charges for the Portola Hills Service Area, Amending the Corresponding Rate and Charge Schedules of the Trabuco Canyon Water District and Taking Related Actions. There was no further discussion and the Resolution was adopted 4 -0 – 1 (Director Chadd absent).

Following adoption of Resolution No. 2018-1261, the Board stood in recess between 8:08 p.m. and 8:25 p.m.

ITEM 7. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING CONSULTANT SERVICE TO ASSIST WITH ADMINISTRATIVE SERVICES DURING MANAGEMENT TRANSITION PERIOD

Interim General Manager, Mr. Michael Perea, provided background information regarding the current District situation with respect to the management of District human resources and personnel matters noting that these generally fell within Mr. Perea’s scope of authority but in his capacity as Interim General Manager, he had limited time in order to address such issues. Mr. Perea indicated that he would be working with District General Legal Counsel to identify an outside consulting firm with the goal of providing human resources assistance to the District during the management transition period and recommended authorizing the Interim General Manager to take action to meet this administrative need on a temporary basis.

Action: A motion was made by Director Safranski, and seconded by Director Dopudja, to authorize the Interim General Manager to select and retain suitable human resources consultants to assist the District in human resources administrative matters for a period not to exceed one year with a budget authority limited to \$36,000. There was no further discussion. The motion was adopted by a vote of 4 – 0 – 1 (Director Chadd absent).

ENGINEERING MATTERS

ITEM 8. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING VIA ALLEGRE WET WELL EXPANSION PROJECT

Interim General Manager, Mr. Michael Perea, introduced the Expansion Project and provided background information noting that the project constituted a Capital Improvement Project (CIP) for fiscal year 2018-19. District Principal Engineer, Ms. Laurie Lausten, discussed the Expansion Project in more detail specifically discussing the pumps and the basis for the recommended action. Ms. Lausten indicated that the matter had previously been reviewed with the District’s Engineering and Operations Committee.

Action: A motion was made by Director Mandich, and seconded by Director Safranski, to ratify the purchase of Wilo Pumps from Flo-Services for a not-to-exceed amount of \$56,679.72. There was no further discussion. The motion was adopted by a vote of 4 – 0 – 1 (Director Chadd absent).

Following approval of the motion, there was further discussion with regard to access to the Pump Station property and facilities and current District security management arrangements. It was proposed by District staff to explore the opportunity to have a vehicle access into the Pump Station from Plano Trabuco Road. It was noted that this

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | OCTOBER 17, 2018**

would involve discussions with the City of Rancho Santa Margarita and the applicable homeowner's association. District staff indicated that they would be further exploring this access possibility with those matters to be brought back to either the Engineering and Operations Committee and the District Board for later action(s).

ITEM 9. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING SADDLE CREST DEVELOPMENT

District Principal Engineer, Ms. Laurie Lausten, provided a status update regarding the Saddle Crest Development project and provided a PowerPoint presentation on the current status of facilities construction and completion.

Action: A motion was made by Director Dopudja, and seconded by Director Mandich, to authorize the Interim General Manager to execute a contract for construction management and inspection services with MWH Constructors for a not-to-exceed amount of \$327,858.10 with a 15% contingency of \$49,178.82 for a total project cost of \$377,036.82. There was no further discussion and the motion was adopted by a vote of 4 – 0 – 1 (Director Chadd absent).

ITEM 10. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING SANTIAGO CANYON ROAD PIPELINE IMPROVEMENTS

Interim General Manager, Mr. Michael Perea, provided a briefing on the Santiago Canyon Road Pipeline Improvements noting that the project is essentially now completed. Mr. Perea mentioned that this project was undertaken as part of the 2017-18 fiscal year CIP. Principal District Engineer, Ms. Laurie Lausten, provided a construction update and description including PowerPoint slides.

It was noted by District staff that the District will be pursuing reimbursement of certain District costs incurred as part of this project from the owners of the Rancho Los Lomas development project.

Action: A motion was made by Director Safranski, and seconded by Director Dopudja, to authorize the Interim General Manager to execute Contract Change Order No. 1 to Ferreira Construction in an amount of \$7,471.72. There was no further discussion and the motion was adopted by a vote of 4 – 0 – 1 (Director Chadd absent).

ITEM 11. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING COUNTY OF ORANGE (OC PUBLIC WORKS) PROPOSED TRABUCO CREEK ROAD IMPROVEMENTS

Interim General Manager, Mr. Michael Perea, provided a background and briefing on the proposed County access road through the District's Porter Property. The terms of the District permit which would be granted to the County of Orange (OC Public Works) were discussed and reviewed with the Board.

Action: A motion was made by Director Safranski, and seconded by Director Dopudja, to authorize the Interim General Manager to execute the County of Orange (OC Public Works/Operations and Maintenance Permit) to enter as presented to the Board at this Board meeting. There was no further discussion and the motion was adopted by a vote of 4 – 0 – 1 (Director Chadd absent).

LEGISLATIVE, ADMINISTRATIVE AND OTHER MATTERS

ITEM 12. INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY (ISDOC) 2018 ELECTION OF EXECUTIVE COMMITTEE OFFICERS

Interim General Manager, Mr. Michael Perea, provided a background on the Independent Special Districts of Orange County (ISDOC) 2018 Election for the Executive Committee Officers and the candidates and candidate statements were presented to the Board.

The Board discussed the involved candidates and the potential support by TCWD.

Action: A motion was made by Director Mandich, and seconded by Director Safranski, to direct District staff to submit the 2018 Election of Executive Committee Officers ballot to the Independent Special Districts of Orange County by the deadline of October 23, 2018 to support Ms. Sandra Jacobs and Mr. Michael Monin with the District's vote. There was no further discussion and the motion was adopted by a vote of 4 – 0 – 1 (Director Chadd absent).

ITEM 13. LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

Interim General Manager, Mr. Michael Perea, discussed recent electrical power shut downs that had occurred affecting Southern California Edison (SCE) services based upon the high wind conditions and actual and potential impacts on the District. Mr. Perea indicated that the District would be reviewing this matter and returning to the District's Engineering and Operations Committee with suggestions and recommendations.

Action: No action taken by the Board.

CLOSED SESSIONS

The Board entered Closed Session(s) at 9:37 p.m.

CLOSED SESSION NO. 1. CONFERENCE WITH LEGAL COUNSEL/SOCWA REPRESENTATIVE

The Board of Directors met in closed session with the District's Interim General Manager and General Legal Counsel concerning confidential information involving the South Orange County Water Association (SOCWA) pursuant to Government Code Section 54956.96(a)(i) and (b).

CLOSED SESSION NO. 2. CONFIDENTIAL INFORMATION – PUBLIC EMPLOYMENT

The Board of Directors met in closed session with the District's Interim General Manager and General Legal Counsel regarding Trabuco Canyon Water District – General Manager Position pursuant to California Government Code Sections 54957(b) and 54954.5(e).

ITEM NO. 14. REPORT OF ACTION(S) TAKEN IN CLOSED SESSION

The Board reconvened in open session at 9:58 p.m. No announcement concerning action(s) taken in closed session was made.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

There were no items received too late to be agendized.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | OCTOBER 17, 2018**

OTHER INFORMATION/MATTERS

None.

ADDITIONAL DIRECTORS' COMMENTS

None

ADDITIONAL INTERIM GENERAL MANAGER COMMENTS

Interim General Manager, Mr. Michael Perea, provided an update on the employment status of two new District employees noting that those employees had attended the Board meeting up until the point of the closed sessions.

END ACTION CALENDAR

ADJOURNMENT

President Acosta adjourned the October 17, 2018, Regular Board meeting at 10:00 PM.