



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | JUNE 19, 2019

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on June 19, 2019, was called to order by President Safranski 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 Michael Safranski
Vice President Don Chadd
Director Glenn Acosta
Director Stephen Dopudja
Director Edward Mandich

DIRECTORS ABSENT

None

STAFF PRESENT

Michael Perea, Interim General Manager/District Secretary
Lorrie Lausten, Principal Engineer
Lisa Carmouche, Administrative Assistant
Karen Warner, Accounting Supervisor
Jason Stroud, Maintenance Superintendent
Blake Smith, District Employee

DISTRICT CONSULTANTS PRESENT:

Rob Anslow, District General Legal Counsel (Atkinson, Andelson, Loya, Ruud & Romo)/Assistant District Secretary
Cindy Byerrum, District Treasurer

PUBLIC PRESENT

Representatives of Pacific Hydrotech were present in the audience.

PLEDGE OF ALLEGIANCE

Director Acosta led the Board, District staff and audience in the Pledge of Allegiance.

ITEMS TOO LATE TO BE AGENDIZED

Interim General Manager, Mr. Michael Perea, noted that the District had very recently been informed that Mr. Robert (Bob) Hill would be retiring as General Manager of El Toro Water District (ETWD) after a long term of service, that Mr. Hill's departure from service from ETWD would be June 30, 2019, and that the Board might wish to add an item to the Agenda to discuss, and possibly approve, a proclamation recognizing Mr. Hill's service and achievements.

Action:

A motion was made by Director Acosta, and seconded by Director Mandich, to add to the **Agenda Item No. 17 – Consideration and Possible Action(s) Concerning Recognition of Mr. Robert (Bob) Hill in light of his Coming Retirement** and, finding (i) this matter arose

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after the Agenda for the June 19, 2019, Regular Board meeting was posted; and (ii) there was a need to consider this matter in advance of Mr. Hill's departure from service with ETWD on June 30, 2019. There was no further discussion. The motion was approved on a vote of 5 – 0.

Item 17 was added to the Agenda for Board consideration and possible action.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

DIRECTOR'S COMMENTS

Director Mandich briefly reported on the South Orange County Integrated Regional Watershed Management Agency Executive Committee Meeting.

Directors Chadd, Dopudja and Acosta had no Director's comments at this point in the meeting.

President Safranski commented on his tour of the new District Saddle Crest reservoir facility.

REPORT FROM THE INTERIM GENERAL MANAGER

Interim General Manager, Mr. Michael Perea, discussed the proposed Trabuco Canyon Water District vactor truck purchase and noted that a vactor truck model had been present for review at the District's Administrative Facility prior to the Board meeting.

Mr. Perea noted that representatives of Pacific Hydrotech were present in the audience in order to respond to any potential Board or public questions relating to the Ridgeline Booster Station contract proposal.

Mr. Perea also noted that the Consent Calendar under Item 4 concerning the District's Water Awareness Day Event was not reflected and requested that the Board members act separately on the amended Board member attendance report under Consent Item 4.

CONSENT CALENDAR

President Safranski indicated that all matters under the Consent Calendar would be approved by one motion unless a Board member or staff member requests a separate action on a specific item. Mr. Perea reminded the Board members that an amended Board member attendance report for Consent Item 4 had been prepared and requested separate action on this Item.

Action: A motion was made by Director Acosta, and seconded by Director Dopudja, to approve the Consent Calendar Items 1, 2, 3 and 4. There was no further discussion. The motion was approved on a vote of 5 – 0.

Action: A motion was made by Director Acosta, and seconded by Director Chadd, to approve Consent Item 4 with the amended Board member attendance report as presented to the Board. There was no further discussion. The motion was approved on a vote of 5 – 0.

ACTION CALENDAR
FINANCIAL MATTERS

ITEM 6: AUTHORIZE ACTIONS FOR TRABUCO CANYON WATER DISTRICT'S FISCAL YEAR 2019/2020 UNDEVELOPED LAND/WATER STANDBY CHARGES (ASSESSMENT) AND SET PUBLIC HEARING

Interim General Manager, Mr. Michael Perea, introduced the item concerning the proposed District undeveloped land/water Standby Charges noting that it was proposed to conduct the hearing concerning such at the July Regular Board meeting. Samples of the notice to be provided to property owners subject to the Standby Charges were provided.

Director Acosta raised questions with regard to the setting of the Standby Charge rates. Mr. Anslow indicated that the District's water Standby Charge level had been in place since at least 1992 and had not been changed since the adoption of Proposition 218 in 1996 which (would have required a revised report and a property owner voting and protest process).

Action: A motion was made by Director Mandich, and seconded by Director Acosta, to agendize the public hearing and authorize District staff to furnish notice of the public hearing on the proposed fiscal year 2019/20 undeveloped land/water Standby Charges and that such public hearing be scheduled for the July 17, 2019 Regular Board meeting. There was no further discussion.
The motion was approved on a vote of 5 – 0.

ITEM 7. DISCUSSION AND ADOPTION OF RESOLUTION NO. 2019-1267 ESTABLISHING DISTRICT APPROPRIATIONS LIMIT FOR FISCAL YEAR 2019/2020

Interim General Manager, Mr. Michael Perea, introduced this item noting that the Board had been provided a memorandum from General Legal Counsel as to the basis of calculations for the District appropriations limit for Fiscal Year 2019/20. Mr. Anslow briefly commented on the basis of calculation for the appropriations limit memorandum provided to the Board and which is available for public review.

Action: A motion was made by Director Chadd, and seconded by Director Acosta, to adopt Resolution No. 2019-1267 – Resolution of the Board of Directors of the Trabuco Canyon Water District Establishing an Appropriations Limit for Fiscal Year 2019/2020, Pursuant to Article XIII B of the California Constitution. There was no further discussion.
The motion was approved on a roll call vote of 5 – 0.

ITEM 8. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) FISCAL YEAR 2019/2020 PROPOSED RATES, CHARGES, AND PROPOSED FISCAL YEAR 2019/2020 BUDGET

Interim General Manager, Mr. Michael Perea, introduced this item noting that the MWDOC Fiscal Year 2019/2020 rates, charges and fiscal year budget had been adopted. Documentation concerning the rates, charges and proposed budget was provided to the Board. Mr. Perea briefly commented on the TCWD choices for services to be provided by MWDOC.

Action: A motion was made by Director Acosta, and seconded by Director Mandich to approve the Fiscal Year 2019/2020 Municipal Water District of Orange County choice programs for Trabuco Canyon Water District in the amount of \$40,653.00. There was no further discussion.
The motion was approved on a vote of 5 – 0.

ITEM 9: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TRABUCO CANYON WATER DISTRICT FISCAL YEAR 2019/2020 GENERAL FUND AND CAPITAL IMPROVEMENT PROJECT (CIP), EQUIPMENT, AND PROGRAM BUDGETS

Interim General Manager, Mr. Michael Perea, introduced this item noting that the various budgets and organizational change descriptions had previously been provided to the Board members for their review at prior Board meetings and workshops. Mr. Perea noted the current corrections provided on the budget descriptions and listings. He noted that the budget and personnel descriptions, including the District's proposed Fiscal Year 2019/2020 District organizational chart, had been provided for Board consideration. Schedules to the various budget proposals had also been provided to the Board members. Mr. Perea noted that District water supplies had been somewhat changed from initial budget projections inasmuch as the District has produced more groundwater than had been projected and was anticipated to continue to be able to use groundwater sources of supply for a period of time going forward.

Personnel recommendations and proposed personnel changes in terms of placement and salary were discussed with the Board. Mr. Perea presented his personnel recommendations relative to Fiscal Year 2019/2020 and briefly commented on the proposed District organizational chart, as presented, to be effective as July 1, 2019.

Several Board members indicated that they were pleased with the in-house activities of District employees and the progress of District employees in obtaining advanced certifications and qualifications to be able to provide service to District customers.

Action: A motion was made by Director Chadd, and seconded by Director Mandich, to: (i) approve the proposed Fiscal Year 2019/2020 District organizational chart, as presented, to be effective as of July 1, 2019; (ii) approve the proposed District salary plan and District pay table with classifications and monthly salary ranges, as presented, to be effective as of July 1, 2019; and (iii) authorize the Interim General Manager to implement the organizational changes as approved by the Board of Directors. There was no further discussion.
The motion was approved on a vote of 5 – 0.

Action: A motion was made by Director Chadd, and seconded by Director Acosta, to: (i) adopt **Resolution No. 2019-1268 – Resolution of the Board of Directors of the Trabuco Canyon Water District Approving the General Fund Budget for Fiscal Year 2019/2020 in an Amount of \$11,574,600**; and (ii) adopt **Resolution No. 2019-1269 – Resolution of the Board of Directors of the Trabuco Canyon Water District Approving the Capital Improvement Project, Equipment and Program Budgets for Fiscal Year 2019/2020 in an Amount of \$4,211,000** with Resolution No. 2019-1269 to be voted upon separately. Following the motion there was a roll call vote for the adoption of Resolution No. 2019-1268. There was no further discussion. That motion was approved on a roll call vote by a vote of 5 – 0. Subsequently, there was a roll call vote on Resolution No. 2019-1269. The adoption of Resolution No. 2019-1269 was approved on a roll call vote of 5 – 0.

ADMINISTRATIVE MATTERS

ITEM 10. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) JOINT POWERS AGREEMENT AMENDMENT(S)

Interim General Manager, Mr. Michael Perea, noted that the SOCWA budget had been adopted by the SOCWA Board on June 20, 2019. He noted that a SOCWA survey regarding proposed SOCWA services was currently out for consideration and would be returned to SOCWA by the stated deadline.

Director Dopudja reported on the current SOCWA officers noting that he will continue as the Vice-Chair of the SOCWA Board. Director Dopudja also noted that the SOCWA PC 15 litigation matter has been settled.

Action: The Board took no action on this matter.

ITEM 11. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE PROPOSED PALOMA SQUARE DEVELOPMENT (DOVE CANYON PLAZA)

Mr. Perea indicated that he had no current update with regard to the proposed Paloma Square Development other than noting that District staff has been monitoring City of Rancho Santa Margarita (City) agendas for any action on this item and nothing has occurred.

There was Board discussion with regard to this matter noting that various parties are monitoring the proposed development and no current action appears to be pending at the City.

Action: The Board took no action on this matter.

ENGINEERING MATTERS

ITEM 12. RIDGELINE BOOSTER PUMP STATION IMPROVEMENTS AND CAPACITY INCREASE PROJECT

Director Mandich indicated that he would recuse himself from discussion or voting on any issues relating to the Ridgeline Booster Pump Station improvements and capacity increase project.

Mr. Perea introduced the project description discussing the prior bid process wherein bids have been evaluated and then all rejected. Following the competitive bid process, the District, with the knowledge of rudder development, had engaged in a proposal process for receipt of a revised project. Mr. Perea indicated that District staff was recommending entering into a contract to Pacific Hydrotech Corporation for the Ridgeline Pump Station improvements based upon the proposals received. It was noted that the matter had been reviewed by the District's Engineering Committee and no concerns relative to the proposals submitted had been presented by the Engineering Committee.

There was Board discussion with regard to the proposals presented and potential alternates to the proposals as submitted.

Action: A motion was made by Director Acosta, and seconded by Director Dopudja, to authorize the Interim General Manager to execute a contract with Pacific Hydrotech Corporation for the Ridgeline Booster Pump Station improvements in the amount of \$2,073,600 with a 10% contingency of \$207,360. Following the motion some additional questions were provided by Board members relative to the proposals as presented. Following discussion the motion was approved on a vote of 3-1-1 with Director Chadd voting no and Director Mandich abstaining.

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Action: A motion was made by Director Acosta, and seconded by Director Dopudja, to authorize the Interim General Manager to execute the Hazen Contract Addendum No. 1 in the amount of \$10,800. There was no further discussion of this motion. The motion was approved on a vote of 4 – 0 – 1 with Director Mandich abstaining.

Action: A motion was made by Director Acosta, and seconded by Director Dopudja, to authorize the Interim General Manager to execute the DMc Engineering Contract Addendum No. 1 in the amount of \$2,100. There was no further discussion of this motion. The motion was approved on a vote of 4 – 0 – 1 with Director Mandich abstaining.

ITEM 13. DOVE AND ROBINSON RANCH RECYCLED WATER PUMP STATION REHABILITATION PROJECT

Interim General Manager, Mr. Michael Perea, reviewed the current status of the Dove and Robinson Ranch Recycled Water Pump Station Rehabilitation project. He noted that the matter had been reviewed with the District’s Engineering & Operations Committee. The proposed Change Order No. 1 with DMc Engineering had been necessary in order to provide additional information to Southern California Edison for the electrical hook-up for the rehabilitation project.

Action: A motion was made by Director Mandich, and seconded by Director Acosta, to authorize the Interim General Manager to execute Change Order No. 1 with DMc Engineering in the amount of \$2,990. There was no further discussion. The motion was approved on a vote of 5 – 0.

ITEM 14. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE URBAN WATER & STORMWATER RUNOFF CONVEYANCE STRUCTURE TO DOVE LAKE

Interim General Manager, Mr. Michael Perea, provided the Board with conceptual proposals for potential repair of the runoff conveyance structure noting that there was a significant variation between the “high” and “low” costs for doing so. The proposals were presented as conceptual proposals rather than as definitive proposals.

There was Board and staff discussion with regard to variations in costs and potential actions which might be taken by TCWD in this regard.

Action: The Board provided direction to the Interim General Manager and staff to open a dialogue with the Trabuco Highlands Homeowners’ Association with regard to (i) potential repairs of the facilities; and (ii) potential acquisition of District property or right-of-way rights concerning the pond and immediate surrounding area.

LEGISLATIVE, ADMINISTRATIVE AND OTHER MATTERS

ITEM 15. LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

Mr. Perea noted that additional candidate information for the vacant seat on Orange County Local Agency Formation Commission (OC LAFCO) had been provided. It is anticipated that direction will be sought from the Board relative to candidate support at the July Regular Board meeting.

CLOSED SESSION

No Closed Session was conducted.

ITEM 17. CONSIDERATION AND POSSIBLE ACTION(S) CONCERNING RECOGNITION OF MR. ROBERT (BOB) HILL IN LIGHT OF HIS COMING RETIREMENT

Mr. Perea provided information to the Board regarding Mr. Bob Hill’s impending retirement which is to be effective as of June 30, 2019. He noted that the El Toro Water District is conducting a Board meeting on June 27, 2019, which will be the last opportunity to present a proclamation to Mr. Hill prior to his retirement. Mr. Perea provided a proposed proclamation form for the Board’s consideration.

Action: A motion was made by Director Dopudja, and seconded by Director Chadd, to allow the Board President, Vice President and Interim General Manager to complete, sign and deliver a final form of proclamation honoring Mr. Bob Hill upon his impending retirement consistent with the timing referenced above. There was no further discussion on this motion. The motion was approved on a vote of 5 – 0.

OTHER INFORMATION/MATTERS

None

ADDITIONAL DIRECTORS’ COMMENTS

Director Acosta expressed his appreciation for District staff’s efforts to continue self-education and advancement in terms of their certification and educational background as part of providing service to the District’s customers.

ADDITIONAL INTERIM GENERAL MANAGER COMMENTS

No additional Interim General Manager comments were submitted.

END ACTION CALENDAR

ADJOURNMENT

President Safranski adjourned the June 19, 2019 Regular Board meeting at 8:14 PM.