



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | AUGUST 21, 2019

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on August 21, 2019 was called to order by President Safranski at 7:01 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 Edward Mandich
Director Stephen Dopudja

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
Travis Jones, Chief Wastewater Plant Operator

DISTRICT CONSULTANTS PRESENT:

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

PUBLIC PRESENT

Fernando Paludi
Elise Goldman
There were no other members of the public present

PLEDGE OF ALLEGIANCE

Interim General Manager, Mr. Michael Perea, led the Board, District staff and audience in the Pledge of Allegiance.

ITEMS TOO LATE TO BE AGENDIZED

None

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

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DIRECTOR'S COMMENTS

The Directors each thanked District staff for their efforts during the transition period for the District's General Manager position. President Safranski particularly thanked Mr. Perea for acting as the District's Interim General Manager during the management transition period.

REPORT FROM THE INTERIM GENERAL MANAGER

Mr. Perea noted that on Thursday, August 22, 2019, there would be staff CPR/First Aid Training classes conducted with the goal of renewing District staff certifications.

Mr. Perea noted that there had been an odor complaint relating to Reclaimed Water usage within the Dove Canyon community. Mr. Perea indicated that the matter was being reviewed by Operations and Maintenance, and that an update had been provided to the relevant District customer and the Dove Canyon Property Manager.

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. A request was made for separate action on Consent Item No. 3.

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

Action: A motion was made by Director Acosta, seconded by Director Chadd, to approve revised Consent Calendar Item 3 as corrected. There was no further discussion. The motion was approved on a vote of 5 – 0.

ACTION CALENDAR

CLOSED SESSION(S):

CLOSED SESSION

The Board entered Closed Session at 7:07 p.m.

CLOSED SESSION NO. 1. CONFIDENTIAL INFORMATION – PUBLIC EMPLOYMENT – TRABUCO CANYON WATER DISTRICT – GENERAL MANAGER POSITION

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

The Board reconvened in open session at 7:22 p.m.

ITEM NO. 4 - REPORT OF ACTION(S) TAKEN IN CLOSED SESSION

Reported Action: Mr. Anslow reported that the following motion had been undertaken by the Board in closed session - Motion made by Director Chadd, seconded by Director Acosta, to (i) approve the Agreement Concerning General Manager Services between the District and Fernando Paludi in the form presented by District

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General Legal Counsel to the Board and, upon acceptance thereof by Mr. Paludi, (ii) authorize execution and delivery of such Agreement by the Board President, and (iii) following formal acceptance authorize District General Legal Counsel to announce such Board action in open session as required by law. There was no further discussion and the motion was approved on a vote of 5 – 0. Mr. Anslow noted that copies of the approved General Manager Services Agreement were available for public review.

A press release concerning the District’s General Manager was presented to, and discussed by, the Board.

Action: Motion by Director Dopudja, seconded by Director Chadd, to authorize the District press release concerning contracting with Mr. Fernando Paludi as General Manager of the Trabuco Canyon Water District. There was no further discussion and the motion was approved on a vote of 5 – 0.

ADMINISTRATIVE MATTERS

ITEM 5. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE PROPOSED PALOMA SQUARE DEVELOPMENT (DOVE CANYON PLAZA)

Director Mandich recused himself from discussion and voting on this Agenda Item.

Interim General Manager, Mr. Michael Perea, presented the staff report concerning the proposed Paloma Square development project. He noted that the William Lyon Company had filed a Re-zoning and Development Application (Application) to the City of Rancho Santa Margarita (City), and he indicated that the Application had been included with the staff report for Board review.

Mr. Perea provided a proposed letter to the City that had been prepared by District General Legal Counsel providing comments concerning the Paloma Square development project on behalf of the District. There was discussion concerning the content and manner of service of the proposed letter to the City prepared by General Legal Counsel.

Action: Motion made by Director Acosta, seconded by Director Dopudja, to direct District General Legal Counsel to finalize and provide the comment letter to the designated City Officers, including the Planning Commissioners, with delivery to take place on Thursday, August 22, 2019, by way of messenger. There was no further discussion. The motion was approved on a vote of 4 – 0 – 1 with Director Mandich abstaining.

ITEM 6. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE ADOPTION OF THE ORANGE COUNTY REGIONAL WATER AND WASTEWATER HAZARDOUS MITIGATION PLAN

Interim General Manager, Mr. Michael Perea, introduced this item referencing the resolution text recommended by staff. Principal Engineer, Ms. Lorrie Lausten, noted that this was part of a five year cycle for hazardous mitigation planning and had the potential to provide funding through the Municipal Water District of Orange County (MWDOC).

Action: Motion made by Director Chadd, seconded by Director Dopudja, to adopt **Resolution No. 2019-1271 – Resolution of the Board of Directors of the Trabuco Canyon Water District Approving and Adopting the Orange County Regional Water and Wastewater**

Hazardous Mitigation Plan. There was no further discussion. The motion was approved on a roll call vote of 5 – 0.

ITEM 7. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TRABUCO CANYON WATER DISTRICT CONTRACTS FOR SUPPLIES WITH SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA)

Interim General Manager, Mr. Michael Perea, introduced this item noting that the two contracts for services would be provided through the South Orange County Wastewater Authority (SOCWA) for the referenced chemical purchasing. Mr. Perea discussed the SOCWA request for proposals (RFP) process which were undertaken relative to the supply contracts.

Action: Motion made by Director Acosta, seconded by Director Dopudja, to: (i) authorize the Interim General Manager to execute the South Orange County Wastewater Authority Polydyne Contract for Polymer; and (ii) authorize the Interim General Manager to execute the South Orange County Wastewater Authority Amendment No. 3 to the Contract for the Delivery and Supply of Chlor-Alkali Products. There was no further discussion. The motion was approved on a vote of 5 – 0.

FINANCIAL MATTERS

ITEM 8. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TRABUCO CANYON WATER DISTRICT’S RATE ANALYSIS FOR WATER, WASTEWATER, AND NON-DOMESTIC WATER RATES AND CHARGES AND RELATED MATTERS

Interim General Manager, Mr. Michael Perea, reviewed the current planning and efforts to date relative to the District’s update of water, wastewater and non-domestic water rates and charges and related matters. Mr. Perea noted that the Technical Memorandum concerning the Plano Service Area non-domestic water users being prepared by Psomas Engineers was currently in review by District staff. Mr. Perea provided the Board with a proposed calendar of events relative to the rate study, Board review, public notice period, effective date of rate changes and related actions. Director Acosta presented questions concerning the District’s reserve policy with the District’s Treasurer.

Action: The Board took no action on this matter.

ENGINEERING MATTERS

ITEM 9. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING DOVE AND ROBINSON RANCH RECYCLED WATER PUMP STATION REHABILITATION PROJECT

Interim General Manager, Mr. Michael Perea, introduced this item noting that the District’s Engineering & Operations Committee had reviewed this item and had recommended approval of the identified items. Principal Engineer, Lorrie Lausten, provided background on the change orders proposed to the Board, and she noted that the amounts of the change orders were covered within the current District contingency amounts.

Action: Motion made by Director Mandich, seconded by Director Acosta, to: (i) ratify Contract Amendment No. 2 to DMc Engineering in the amount of \$2,650; and (ii) ratify Change Order No. 1 to Tesco Controls, Inc., in the amount of \$3,070. There was no further discussion. The motion was approved on a vote of 5 – 0.

ITEM 10. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING ROBINSON RANCH WASTEWATER TREATMENT PLANT ELECTRICAL EQUIPMENT UPGRADES

Interim General Manager, Mr. Michael Perea, introduced the item noting that the matter had been reviewed with the District’s Engineering & Operations Committee which had reviewed the matter and recommended approval of the identified actions to the Board. Mr. Perea provided photographs concerning the current electrical equipment’s condition noting that the equipment has suffered from serious corrosion issues and presents safety issues to District staff.

Action: Motion made by Director Chadd, seconded by Director Acosta, to ratify the purchase of one Motor Control Center (MCC) unit for the Robinson Ranch Wastewater Treatment Plant Belt Press Building from Hydrotech Electric in the amount of \$65,000. There was no further discussion. The motion was approved on a vote of 5 – 0.

ITEM 11. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING DOVE CANYON PRESSURE REDUCING VALVE EQUIPMENT

Interim General Manager, Mr. Michael Perea, introduced this item noting that the District’s Engineering & Operations Committee had reviewed this matter and had recommended the ratification of the contract as presented. Principal Engineer, Ms. Lorrie Lausten, reviewed the budgeted amounts and quotes received for installation of the valve equipment and appurtenances. Photographs of the equipment were presented to the Board noting that there may, at some point in time, be an installation of a sump pump for keeping the pressure reducing valve equipment chamber clear of water or a gravity draw may be used. Various questions concerning the equipment from the Board were responded to by District staff.

Action: Motion made by Director Acosta, seconded by Director Mandich, to ratify the contract with Ferreira Construction for the replacement of pressure reducing valve equipment and appurtenances in the amount of \$126,034. There was no further discussion. The matter was approved on a vote of 5 – 0.

ITEM 12. SADDLECREST DEVELOPMENT (63 DUs)

Interim General Manager, Mr. Michael Perea, indicated that the Saddlecrest development project had been reviewed by the Engineering & Operations Committee. Staff provided status update staff reports to the Board concerning the current status of development. Principal Engineer, Ms. Lorrie Lausten, presented the status and currently pending change orders with regard to the development project. Various Board questions were responded to by staff.

Action: The Board took no action on this matter.

ITEM 13. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE URBAN WATER & STORMWATER RUNOFF CONVEYANCE STRUCTURE TO DOVE LAKE

Interim General Manager, Mr. Michael Perea, indicated that this matter had been reviewed by the Engineering & Operations Committee. The geotechnical services and construction services proposals for the repair of the stormwater runoff conveyance structure were provided to the Board for their consideration.

There was discussion by the Board, District staff and General Legal Counsel concerning the potential acquisition of property rights by the District and potential recovery of the repair costs through the District’s Recycled Water rates. It was noted that recovery of the repair costs through the District’s Recycled Water rates may occur over a period of years.

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Action: Motion made by Director Chadd, seconded by Director Acosta, for the Interim General Manager to draft a letter to the Trabuco Highlands Community Association (THCA) to open a dialogue concerning the potential repair by the District of the stormwater runoff conveyance structure, recovery of the repair costs through the Recycled Water rates and acquisition by the District of access and easement rights relative to the William Lyon Pond for Recycled Water purposes. There was no further discussion. The motion was approved on a vote of 4 – 0 – 1 with President Safranski abstaining.

LEGISLATIVE, ADMINISTRATIVE AND OTHER MATTERS

ITEM 14. LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

Interim General Manager, Mr. Michael Perea, noted that the election of the LAFCO Officers had been completed with Director Jim Fidler of Mesa Water District being elected as the LAFCO Director and Ms. Katherine Freshley from El Toro Water District being appointed as the alternate member.

Mr. Perea indicated that the District had received the Municipal Services Review data request from OC LAFCO and was in the process of collecting data and documents to respond to that data request.

Action: The Board took no action on this matter.

OTHER INFORMATION/MATTERS

None

ADDITIONAL DIRECTORS' COMMENTS

The Board repeated their thanks to District staff and Mr. Perea for their efforts during the District's General Manager transition period.

Director Dopudja commented on water quality discussions relative to various disinfection by-products which may be a coming issue in the future.

ADDITIONAL INTERIM GENERAL MANAGER COMMENTS

Mr. Perea extended his thanks to the Board for the opportunity to serve as the District's Interim General Manager during the General Manager transition period. Mr. Perea especially thanked District staff members and General Legal Counsel for their support in his efforts as Interim General Manager and extended a welcome to Fernando Paludi as the District's incoming General Manager.

Mr. Perea also noted that Mesa Water District Director Jim Fidler had extended an offer to come and visit the Trabuco Canyon Water District Board with the goal of gathering input to him as one of the OC LAFCO Special District representatives.

END ACTION CALENDAR

ADJOURNMENT

President Safranski adjourned the August 21, 2019 Regular Board meeting at 8:19 PM.