

**MINUTES OF THE REGULAR MEETING  
OF THE  
BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT  
JANUARY 15, 2014**

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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 Mandich at 7:01 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 Michael Safranski  
Vice President Edward Mandich  
Director Glenn Acosta  
Director Stephen Dopudja  
Director James Haselton

**STAFF PRESENT**

Hector Ruiz, General Manager  
Michael Perea, District Secretary  
Laurie Lausten, Engineer  
Karen Warner, Accounting Supervisor

**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 Acosta led the Board and staff in the pledge of allegiance.

**VISITOR PARTICIPATION**

Mr. Jay Gentile submitted a speaker card to President Safranski to address the Board regarding Item 9: Customer Service Administrative Policies, Utility Billing Practices, and Adjustment of Certain Fees and Charges.

**ORAL COMMUNICATION**

No oral communication was received.

**DIRECTOR'S COMMENTS**

Director Dopudja had no comments.

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Vice President Mandich commented on his attendance at the City of Rancho Santa Margarita City Council Meeting, and complimented his fellow Board Members for their courteous and respective nature, and thanked District staff for their professionalism.

Director Haselton had no comments.

Director Acosta had no comments.

President Safranski commented on his attendance at the City of Rancho Santa Margarita City Council Meeting. President Safranski commented on the recent Orange County Register articles on Special Districts throughout the County which included the positive description of the singular purpose of Special Districts. President Safranski commented on the positive impacts of Special District's emphasis on water conservation in the current drought conditions, both individually and collectively, as well as the benefits of inter-agency cooperation and collaboration on South Orange County projects to preserve local resources. Discussion occurred concerning successful District water reliability projects and the impact of water recycling and reuse throughout the District's service area. President Safranski added that the District has demonstrated prudent fiscal responsibility and infrastructure management through joint projects, such as the Baker Water Treatment Plant and the District's Groundwater Treatment Facility.

**REPORT FROM THE GENERAL MANAGER**

Mr. Ruiz commented on the following matters:

1. Metropolitan Water District of Southern California (MET) Allen-McColloch Pipeline (AMP) is scheduled for an eleven day shutdown from January 13<sup>th</sup> through the 23<sup>rd</sup>. Mr. Ruiz added that there has been no adverse impact to the District's water supply since the beginning of the shutdown, and that the MET-issued press release concerning the shutdown noted that residents can contact their respective local water agency for more information.
2. Association of California Water Agencies (ACWA) Joint Powers Insurance Authority (JPIA) has presented the District with their "*President's Special Recognition Award*" for achieving a low ratio of claims to reserves in a three year period.
3. Board Member contact information update was requested for future communication of relevant information.
4. Mr. Ruiz advised the Board that he will out of the office for a portion of the following week due to the passing of a family member, and that the Board may contact Mr. Michael Perea, Administrative Services Manager, during that time, if necessary.

**ITEMS TOO LATE TO BE AGENDIZED**

Mr. Ruiz commented that there were no items too late to be agendized.

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**CONSENT CALENDAR**

The Board President indicated that all matters under the Consent Calendar would be approved by one motion unless a Board member requested a separate action on a specific item.

**Action:** A motion was made by Director Acosta and seconded by Director Haselton to approve the Consent Calendar, Item Nos. 1 through 6.  
The motion carried 5 – 0.

**ACTION CALENDAR**

**ADMINISTRATIVE MATTERS**

**ITEM 7: DISTRICT WEBSITE UPGRADE PROJECT**

Mr. Ruiz provided a status update on this matter and commented that staff has provided the Website Project Manager from Vision Internet (Consultant) the review comments from the Board on the Website Homepage Design at the December 18, 2013, Regular Board Meeting. Mr. Ruiz added that staff plans to have a final Website Homepage Design for presentation to the Board at the February, 2014, Regular Board Meeting. Discussion occurred concerning project timeline for completion.

**Action:** Received status update. No action taken.

**FINANCIAL MATTERS**

**ITEM 8: DISTRICT TREASURER ANNUAL STATEMENT OF INVESTMENT POLICY**

Mr. Ruiz commented that this matter was a requirement per the District General Policy and Rules and Regulations, and is presented to the Board on an annual basis. Mr. Ruiz added that the matter had been reviewed by the District Treasurer and the Finance/Audit Committee, and that there had been no changes to the Resolution language. Mr. Ruiz mentioned that the requirement of the Annual Statement of Investment Policy specifies that the primary objectives of the Policy are safety, liquidity, and return on investments.

**Action:** A motion was made by Director Acosta and seconded by Vice-President Mandich to adopt Resolution No. 2014-1195, Resolution of the Board of Directors of Trabuco Canyon Water District Adopting Treasurer's Annual Statement of Investment Policy. The motion carried 5 - 0.

**ITEM 9: CUSTOMER SERVICE ADMINISTRATION POLICIES, UTILITY BILLING PRACTICES, AND ADJUSTMENT OF CERTAIN SERVICE FEES AND CHARGES**

President Safranski welcomed Mr. Jay Gentile to the Regular Board Meeting, and asked him to address the Board concerning this matter. Mr. Gentile explained that he originally believed the matter

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concerned the District's Flat Rate Schedule, but realized that the matter concerned other select fees and charges. Mr. Gentile commented that his residence has a one-inch meter due to the proximity to the Wildlife Interface and fire sprinkler requirements, and added that the water pressure at his residence can be as low as 45 PSI at times. Mr. Gentile addressed the Board concerning the methodology and implementation of the District's Water Reliability and Emergency Storage Fee (WRESF), and requested that the Board re-evaluate the WRESF. Mr. Gentile requested that the Board consider the median number of District users impacted by the WRESF, the number of homes with fire sprinkler systems, and the high water demands due to fuel modification zones. Mr. Gentile requested that the Board modify the District's Flat Rate Structure, as well. Discussion occurred concerning the WRESF and the Fee Reduction Program approval process; Mr. Ruiz commented that staff is currently reviewing the effectiveness of the WRESF Fee Reduction Program, but that there are an unknown number of customer residences with fire sprinkler systems in mandated fuel modification zones that would be impacted by changes to the WRESF. Mr. Ruiz mentioned that staff would like to work with Mr. Gentile in order address his concerns to the WRESF.

Mr. Ruiz commented that this matter had been reviewed with the Finance/Audit Committee, and mentioned that staff has streamlined multiple Customer Service processes and procedures to improve overall efficiency and effectiveness. Mr. Michael Perea, Administrative Services Manager, commented that the staff report was comprised of two separate, but related, Customer Service matters. Mr. Perea presented and reviewed the District Customer Service Fees table, and mentioned that the fees and charges were service-related charges, not property-related charges, and are not subject to the Proposition 218 process. Discussion occurred concerning the proposed processes for the District's New Service Administration Fee, Reconnection Fees, Returned Check Fees, and Temporary Connection Fees. Mr. Perea added that staff had considered the Administrative Staff overhead costs in the proposed fee and charge reductions.

Mr. Perea reviewed the current and proposed District Lock-Off Policy and Procedures, as presented in the staff report. Mr. Perea added that staff had tested this new process in the months of November and December, 2013, and found that there had been no accounts scheduled for lock-off during those billing periods. Discussion occurred concerning District cost recovery and the potential impact to the District's budget; Mr. Perea commented that the fees and charges are considered to be unanticipated revenue, and have a negligible overall impact on the District's budget. Discussion occurred concerning opportunities for customer utility bill payment assistance, and the methods which the District would use to notify customers of the changes to the fees and charges; Mr. Ruiz commented that staff would notify customers through the District website and the monthly On Tap Newsletter. Discussion occurred concerning the benefit of a one-time waiver provision in the District Lock-Off Policy and Procedures, and ongoing monitoring of the impact of the proposed changes in the coming months.

**Action:** A motion was made by Director Acosta and seconded by Director Haselton to approve the proposed select Customer Service Fee reductions and Lock-Off Procedure modifications, and to adopt the General Policy and Rules and Regulations of the District, Appendix D, Miscellaneous Fees and Charges, as presented, to be effective January 16, 2014. The motion carried 5 - 0.

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**ENGINEERING MATTERS**

**ITEM 10: ALTERNATE RAW WATER TRANSMISSION LINE – PW79**

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Mr. Ruiz provided a status update on this project and commented that staff has been working with the Federal Emergency Management Agency (FEMA), the State Historical Preservation Office, the Army Corps of Engineers, and the Department of Fish and Wildlife in an effort to complete this project. Discussion occurred concerning the need of a sense of urgency for the completion of this project; Mr. Ruiz commented that staff and Tetra Tech (Consultant) have complied with agency requests, and the project is in good standing. Discussion occurred concerning easement acquisition and coordination with Southern California Edison (SCE); Mr. Ruiz commented that SCE has an exclusive easement, but District staff will coordinate with SCE to determine the potential project impacts and cost effective methods to implement the project. Discussion occurred concerning other options for the project; Mr. Ruiz commented the District staff will coordinate with other agencies to address project design impacts in the event of unsuccessful easement acquisition, if necessary. Mr. Ruiz added that District staff will be coordinating with the County of Orange to evaluate the impacts to the local trails. Discussion occurred concerning project timeline.

**Action:** Received status update. No action taken.

**ITEM 11: BAKER REGIONAL WATER TREATMENT PLANT**

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Mr. Ruiz provided a status update on this project, and commented that Irvine Ranch Water District (IRWD) has scheduled a Baker Project Construction Kickoff for January 30, 2014, at 10:00 A.M., and that the Board and District staff has been invited to attend. Mr. Ruiz added that the event will review the planning and design of the planned facility, and that there will be a photo opportunity for attendees. Discussion occurred concerning Director schedules and possible event attendance. Mr. Ruiz advised the Board to notify Mr. Perea, District Secretary, if they planned to attend the event.

**Action:** Received status update. No action taken.

**ITEM 12: SHADOW ROCK DETENTION BASIN FACILITY**

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Mr. Ruiz provided a status update on the project, and commented that staff has updated the staff report to demonstrate the major project tasks completed and remaining. Mr. Ruiz reviewed the major project tasks remaining which included Permit Procurement from the City of Rancho Santa Margarita, the Regional Water Quality Control Board, and the U.S. Army Corps of Engineers (ACOE). Mr. Ruiz added that staff has not received a response from the ACOE, which has exceeded the defined response timeframe. Discussion occurred concerning coordination with Southern California Edison (SCE) easement procurement and requirements. Mr. Ruiz commented that staff will coordinate with the Trabuco Highlands Community Association (THCA) on the planned tree and brush trimming/clearing/grubbing of the project site before the bird nesting season begins in the spring months. Discussion occurred concerning the Consultant's proposed photograph locations for project simulations; Mr. Ruiz commented that staff expects to have photograph simulations at the next Regular Board Meeting for

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Board review, and staff will coordinate with THCA to share the photograph simulations at their next public meeting. Discussion occurred concerning further methods of public outreach concerning the project; Mr. Ruiz commented that in addition to the THCA public meeting, staff would notify customers through the District website and the monthly On Tap Newsletter.

**Action:** Received status update. No action taken.

**LEGISLATIVE MATTERS**

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

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Mr. Ruiz commented that Mr. Rob Anslow, District General Legal Counsel, had provided staff with the Bowie, Arneson, Wiles and Giannone 2013 Legislative Update for Board review, and was prepared to answer any questions concerning the information therein. Discussion occurred concerning the legislative update concerning the requirement of the manner of reporting of votes on matters decided at public meetings in minutes.

Mr. Ruiz commented that the Municipal Water District of Orange County (MWDOC) had scheduled a Water Policy Forum and Dinner to discuss, "The 2014 Economic Outlook: A Focus on California and Water", on Thursday, February 6, 2014, and that any interested Directors should coordinate with Mr. Perea, District Secretary, to register for the event.

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

**OTHER MATTERS**

Mr. Ruiz commented that there were no other matters for discussion.

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

**ADDITIONAL DIRECTORS' COMMENTS**

Director Acosta thanked Mr. Jay Gentile for his attendance and his input concerning Item 9.

President Safranski wished everyone in attendance a Happy New Year.

There were no other additional Directors' comments.

**ADDITIONAL GENERAL MANAGER COMMENTS**

Mr. Ruiz had no additional comments.

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**CLOSED SESSION**

The Board, through President Safranski, recessed the Open Session portion of the Meeting at 8:08 PM. The Board met in Closed Session as set forth in the Meeting Agenda.

**CLOSED SESSION NO. 1**

The Board, through President Safranski reconvened the Open Session of the Meeting at 8:30 PM.

**Announcement:** General Legal Counsel announced that the Board of Directors had met in closed session with General Legal Counsel and TCWD's representatives to the South Orange County Wastewater Authority (SOCWA) pursuant to Government Code Section 54956.96 (a) and (b). The Board received information and provided direction to its representatives to SOCWA. There was no other announcement made at such time.

**END ACTION CALENDAR**

**ADJOURNMENT**

President Safranski adjourned the January 15, 2014, Regular Board meeting at 8:31 PM