

**MINUTES OF THE REGULAR MEETING  
OF THE  
BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT  
FEBRUARY 19, 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 Safranski 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 James Haselton

**DIRECTORS ABSENT**

Director Stephen Dopudja

**STAFF PRESENT**

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

**DISTRICT CONSULTANTS PRESENT:**

District General Legal Counsel – Rob Anslow (Bowie, Arneson, Wiles & Giannone)  
District Treasurer – Cindy Byerrum

**PUBLIC PRESENT**

There were members of the public present

**PLEDGE OF ALLEGIANCE**

Mr. Cole McClanahan led the Board and staff in the pledge of allegiance.

**VISITOR PARTICIPATION**

No visitor participation was received

**ORAL COMMUNICATION**

Mr. Cole McClanahan, Candidate for Eagle Scout, Troop 752, addressed the Board concerning a proposed Eagle Scout project consisting of the installation of a split rail fence at the Trabuco Creek Wells Facility, as presented in the original facility design. Mr. Safranski thanked Mr. McClanahan for his

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project proposal, and requested that District staff work with Mr. McClanahan to present additional information to the Board to make a decision concerning a mutually agreeable project for both Troop 752 and the District. Mr. Ruiz commented that he would work with Mr. McClanahan in order to present additional information to the Board. Discussion occurred concerning the Eagle Scout Program, roles, and expectations.

**DIRECTOR'S COMMENTS**

Mr. Acosta commented on his attendance at the January 22, 2014, City of Rancho Santa Margarita City Council Meeting, and mentioned that there was discussion concerning copper pipe leaks in homes within the City.

Mr. Haselton commented on his attendance at the Independent Special Districts of Orange County (ISDOC) Meeting which included a presentation delivered by Mr. Aaron Kushner, owner of the Orange County Register (OCR). Mr. Haselton commended Mr. Kushner's presentation and delivery, and complimented the OCR on the sense of community that is promoted in the paper. Discussion occurred concerning the OCR's sections of coverage and recent expansion into Los Angeles and the Inland Empire.

Mr. Mandich commented on his attendance at the City of Rancho Santa Margarita City Council Meeting, and mentioned that Councilman Petrilla addressed recent issues highlighted in local media sources. Discussion occurred concerning comments made from members of the audience during the Council Meeting. Mr. Mandich commented on his attendance at the Watershed Management Area Executive Committee Meeting concerning the inclusion of South Orange County in the San Diego Region, as opposed to the Santa Ana Region, and that an Ad Hoc Committee has been formed to review the matter.

Mr. Safranski commented on the impact of the Statewide Drought on water supplies and agencies throughout California. Mr. Safranski mentioned that he recently met with Councilmember Mr. Brad McGirr as a private citizen to discuss the City Council's process during their Meetings. Mr. Safranski suggested that there may be an opportunity to highlight the District through a meeting or service area tour with City Councilmembers and/or staff in the near future. Mr. Safranski commented on his attendance at the South Orange County Water Agencies Meeting, which included the following matters:

1. Review of the upcoming Municipal Water District of Orange County (MWDOC) Budget. Discussion occurred concerning the budget review process and the possibility of an invitation to MWDOC staff to attend a South Orange County Water Agencies Meeting to receive feedback on the budget update.
2. Drought Response Update by Mr. Paul Cook, General Manager of Irvine Ranch Water District (IRWD) and a meeting on this topic in Sacramento. Discussion occurred concerning local water supplies and the statewide drought issue.
3. Consolidation of Orange County Water District (OCWD) and MWDOC, and the goals of the potential merger of the two agencies.
4. Review of the Association of California Water Agencies (ACWA) Statewide Water Action Plan

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(SWAP) by Mr. Bob Hill, General Manager of El Toro Water District.

**REPORT FROM THE GENERAL MANAGER**

Mr. Ruiz commented on the following matters:

1. District staff updated the District website with information concerning the Statewide Drought and the District's current response efforts which includes the District Water Conservation Ordinance.
2. District staff responded to mild odors emanating from Dove Lake with the application of copper sulfate to control an increased algae population. Discussion occurred concerning the water quality of Dove Lake; Mr. Ruiz commented that Dove Lake is healthy and has good levels of dissolved oxygen.
3. Mr. Ruiz welcomed Ms. Jennifer Ziv of URS (Consultant) who is working with the District on the Shadow Rock Detention Basin Facility Project.
4. Mr. Ruiz commented on the bronze cast plaque mounted at the entrance of the Administration Facility's garden for former District employee and Treasurer Ms. Sharon Smith. Discussion occurred concerning Ms. Smith's contributions to the District.

**ITEMS TOO LATE TO BE AGENDIZED**

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

**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 4.  
The motion carried 4 – 0, with Director Dopudja absent.

**ACTION CALENDAR**

**ADMINISTRATIVE MATTERS**

**ITEM 5: DISTRICT WEBSITE UPGRADE PROJECT**

Mr. Ruiz provided a status update on this matter and commented that staff has met weekly on this matter, and presented the final homepage design to the Board for review and comment. Discussion occurred concerning the overall design of the homepage and the project timeline for completion; Mr. Ruiz commented that the website should be completed by April, 2014, and that some of the pages on the new website will be under construction and updated as needed.

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

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**ITEM 6: DISCUSSION AND POSSIBLE ACTION CONCERNING STATEWIDE DROUGHT CONDITIONS**

Mr. Ruiz presented this matter to the Board for review and added that staff had prepared a powerpoint presentation concerning the impact of the statewide drought conditions on water supplies statewide and locally, the effects of Governor Brown's Proclaimed State of Emergency, and the District's response to the call for action. Mr. Ruiz and Mr. Perea reviewed the following matters in the presentation:

- Current conditions which included Governor Brown's Proclamation and comments concerning the drought;
- Drought timeline since June 4, 2008, and subsequent Declarations of Emergencies;
- CalOES recommended conservation measure of a voluntary twenty percent reduction in water use;
- Metropolitan Water District of Southern California's (MET) conservation efforts to date, which included the adoption of a Water Supply Alert Resolution on February 11, 2014;
- Review of MET's Colorado River supplies and conditions;
- Municipal Water District of Orange County's (MWDOC) conservation efforts to date, which included calls for enhanced water use efficiency efforts to extend regional water supplies for Orange County residents and businesses;
- The District's conservation efforts to date, which included Ordinance No. 2008-18 (Ordinance) and its Permanent Provisions, and public outreach efforts through the District's On Tap Newsletter;
- A detailed review of the Permanent Provisions and the Ordinance's Water Supply Shortage Levels and triggers;
- A review of the historical water demand trend since the 2008 Drought Declaration to date.

Discussion occurred concerning voluntary conservation efforts and the effect of the Permanent Provisions on District customer water demand. Mr. Ruiz commented that the Ordinance has been in place since its adoption and that in the past the District's customers have responded to the call for water conservation. Discussion occurred concerning the adoption of a resolution for additional conservation measures; Mr. Ruiz mentioned that if there is a call for formal action that staff will notify the Board, but that any additional action is optional at the discretion of the Board.

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

**FINANCIAL MATTERS**

**ITEM 7: MID-YEAR BUDGET REVIEW**

Mr. Ruiz presented this matter and commented that per the District's General Policy and Rules and Regulations that a semi-annual budget review may be conducted in a manner similar to the annual budget review. Mr. Ruiz added that Ms. Byerrum was in attendance to review the Mid-Year Budget with the Board and answer any of their questions. Ms. Byerrum presented the Mid-Year Budget handout to the Board and reviewed the following matters:

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- Operation Revenue, Irrigation Water: Ms. Byerrum commented that this line item was higher due to greater irrigation water demand to date.
- Non-Operating Revenue, Sale of Fixed Asset: Ms. Byerrum commented that this line item was higher due to the sale of District surplus property at public auction, per District Policy.
- Operating Expenses, Source of Supply: Ms. Byerrum commented that this line item was higher due to increased costs related to water purchases.
- Operating Expenses, Water Related Expense: Ms. Byerrum commented that this line item was higher due to increased energy costs from Southern California Edison.
- Operating Expenses, Sanitation Expense: Ms. Byerrum commented that this line item is projected to be lower than originally budgeted by the end of the fiscal year.
- Operating Expenses, Salaries and Benefits: Ms. Byerrum commented that this line item was lower than originally budgeted due to lower than expected health benefit costs for the year.
- Operating Expenses, Board Expense: Ms. Byerrum commented that this line item was lower than originally budgeted.
- Operating Expenses, Supplies and Services: Ms. Byerrum commented that this line item was a mix of costs and was lower than originally budgeted.
- Net Income (Loss): Ms. Byerrum commented that the District's Mid-Year Budget shows a net increase of \$423,677.

Discussion occurred concerning the potential impact that the statewide drought and subsequent water conservation efforts may have on the District's budget; Mr. Ruiz commented that the District may experience a potential reduction in water demand due to conservation efforts. Mr. Safranski commented that the mid-year budget review demonstrates the local warm winter season effects on irrigation water demand. Discussion occurred concerning sewer rates, recycled water costs and sales, and overall water demands. Ms. Byerrum mentioned that the anticipated extra revenue from Fiscal Year 2013/2014 may be needed in the next Fiscal Year as a result of the combination of increased water costs and reduction in water sales. Discussion occurred concerning the potential costs due to District employee succession planning and new employees.

**Action:** The Board received the District Mid-Year Budget Review. No action taken.

**ITEM 8: DISCUSSION AND POSSIBLE ACTION CONCERNING THE TRABUCO CANYON WATER DISTRICT WATER RELIABILITY AND EMERGENCY STORAGE FEE (WRESF)**

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Mr. Ruiz presented this matter to the Board, and discussed the purpose of the Water Reliability and Emergency Storage Fee (WRESF). Mr. Ruiz mentioned that the Board approved the WRESF after conducting a Proposition 218 Hearing at the November 18, 2009, Regular Board Meeting, and became effective on January 1, 2010. Mr. Ruiz reviewed the original and revised WRESF Budgets, the three Capital Projects, and the Public Notice provided to District customers which detailed the WRESF. Mr. Ruiz mentioned that the District avoided finance charges costs on the projects by funding the projects through accumulated WRES Funds and borrowing from the reserves, which results in an overall

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potential savings to the District and the possibility of a future adjustment to the WRESF for District customers. Discussion occurred concerning the Proposition 218 Public Hearing criteria concerning fee adjustments and implementation.

**Action:** The Board received information concerning the Water Reliability and Emergency Storage Fee, and the Board, through President Safranski, directed the General Manager to work with District staff, General Legal Counsel, and the District Treasurer to evaluate potential modifications to the current Fee Structure. No other action was taken.

**ENGINEERING MATTERS**

**ITEM 9: 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 Tetra Tech (Consultant) to comply with agency requests. Discussion occurred concerning the removal of the existing pipeline after the completion of the project. Mr. Ruiz commented that staff is working with the County of Orange County OC Parks and Trails Department for the appropriate media and public outreach as the local trails are frequently used for recreational purposes. Mr. Ruiz added that staff is working with County of Orange Flood Control Office for the appropriate permits and compliance. Mr. Ruiz commented that staff has been notified by Southern California Edison (SCE) that they are sympathetic to the limitations placed on the project, and are working to resolve the exclusive easement issue to implement the project in a cost effective manner. Discussion occurred concerning project timeline.

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

**ITEM 10: 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) and the Project Contractor has mobilized onsite, and that the District has received the first Project Invoice in the amount of \$111,000 for the 8 cubic feet per second of water capacity in the Baker Pipeline per the terms of the Project Agreement. Discussion occurred concerning the Baker Water Treatment Plant Project Kickoff and the demonstration of South Orange County water agency cooperation on an integral water reliability project. Mr. Safranski mentioned some of the positive comments shared with him from other water agency Board Members, as well as commended Mr. Ruiz for his well-earned good reputation within the South County water community.

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

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**ITEM 11: 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 mentioned that the Water Quality Control Board has notified District staff that the District can move forward with the project, and that no monitoring plan is required for this project. Discussion occurred concerning project costs and potential cost savings. Mr. Ruiz commented that staff is currently coordinating with the Trabuco Highlands Community Association (THCA) on the tree and brush removal and trimming/clearing/grubbing of the project site which began earlier in the week, which is before the bird nesting season begins. Discussion occurred concerning the remaining tasks for completion including the City or Rancho Santa Margarita Encroachment Permit and the Army Corps of Engineers (ACOE) Permit; Mr. Ruiz added that the ACOE Permit has been completed since last year, but that there has been no formal notification to date. Discussion occurred concerning the City's Permitting process, and the possibility of providing City staff a tour of the project site. Ms. Lorrie Lausten presented the Board with a handout of the photo simulations of the facility presented to the THCA Board, as well as photos of basin maintenance work completed by Bemus Landscape. Discussion occurred concerning project timeline for completion and the success of public outreach efforts.

**Action:** A motion was made by Director Haselton and seconded by Vice-President Mandich to ratify the proposal for service dated February 10, 2014, for brush clearing and tree removal from Bemus Landscape, Inc., for a not to exceed amount of \$23,960. The motion carried 4 – 0, with Director Dopudja absent.

**LEGISLATIVE MATTERS**

**ITEM 12: DISCUSSION AND POSSIBLE ACTION CONCERNING ACWA'S STATEWIDE WATER ACTION PLAN**

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Mr. Ruiz presented this matter for Board review, and discussed the background and purpose of ACWA's Statewide Water Action Plan (SWAP), including the SWAP's guiding principles. Mr. Ruiz presented an infographic which demonstrated the 86 agencies throughout California that have supported the SWAP by resolution adoption. Mr. Ruiz provided a brief comparison overview of the similarities and differences between the Brown Administration Plan and the SWAP, and presented a sample resolution in support of the SWAP for Board review. Discussion occurred concerning the possible adoption of the resolution in support of the SWAP at the time of the meeting versus an opportunity to review the sample resolution and bring back to the Board for review at the next Regular Board Meeting; Mr. Anslow recommended that the Board direct District staff to prepare a formal resolution in support of the SWAP and bring back to the Board for review at the March 19, 2014, Regular Board Meeting.

**Action:** The Board, through President Safranski, directed the General Manager and District staff to prepare a formal resolution in support of the ACWA

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Statewide Water Action Plain for the March 19, 2014, Regular Board Meeting.

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

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Mr. Ruiz commented on the following matters:

- District staff has been notified of an upcoming Orange County Local Agency Formation Commission Special District Seats Election, and presented a timeline of key election events and responsibilities;
- Municipal Water District of Orange County Fiscal Year 2014/2015 Budget Process will begin in March, 2014, and that the District has provided comments on the proposed budget in past years. Mr. Ruiz commented that more information will be presented at the March 19, 2014, Regular Board Meeting.

**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**

There were no other additional Directors' comments.

**ADDITIONAL GENERAL MANAGER COMMENTS**

Mr. Ruiz had no additional comments.

**CLOSED SESSION**

The Board, through President Safranski, recessed the Open Session portion of the Meeting at 8:45 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 8:53 PM.

**Announcement:** The Board of Directors met in closed session pursuant to Government Code Section 54956.9(a) with legal counsel with respect to existing litigation (the case being identified in the agenda). The Board approved a settlement in the matter, with the settlement agreement to be finalized by legal counsel, which settlement agreement will, upon execution, become a public record. Such settlement action was approved by the Board by a 4 – 0 vote, with Director Dopudja absent.



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**END ACTION CALENDAR**

**ADJOURNMENT**

President Safranski adjourned the January 15, 2014, Regular Board meeting at 8:54 PM