

**MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT
JULY 16, 2014**

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD) was called to order by President Michael Safranski at 7:00 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
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)

PUBLIC PRESENT

There were members of the public present

PLEDGE OF ALLEGIANCE

Mr. Derek McGregor led the Board and District staff in the pledge of allegiance.

VISITOR PARTICIPATION

Mr. Derek McGregor, volunteer coordinator for the Future Scientists and Engineers of America (FSEA) program at the Robinson Ranch Elementary School and District customer, addressed and thanked the Board and District staff for their support and continued contribution to the FSEA. Mr. McGregor spoke to the process, development and project challenges for the participating students. Discussion occurred concerning the commendable work Mr. McGregor and FSEA Program have done for the local students and the community at large.

ORAL COMMUNICATION

No oral communication was received.

**REGULAR BOARD OF DIRECTORS MEETING MINUTES
JULY 16, 2014**

DIRECTOR'S COMMENTS

Mr. Dopudja had no comments.

Mr. Mandich commented on his attendance at the City of Rancho Santa Margarita City Council Meeting, and mentioned that it is a pleasure serving with his fellow board members.

Mr. Haselton had no comments.

Mr. Acosta commented on his attendance at the Water Advisory Commission Meeting on July 11th, and mentioned the Environmental Protection Agency proposed rule concerning Surfacewaters of the United States classification and criteria. Discussion occurred concerning the proposed rule.

Mr. Safranski had no comments.

REPORT FROM THE GENERAL MANAGER

Mr. Ruiz reported on the following matters:

1. Mr. Ruiz referenced the number of members in the audience and mentioned that they were in attendance concerning Agenda Item regarding the SoCalGas easement request at the Dove Reservoir parcel.
2. Mr. Ruiz mentioned that the Board-approved Thin Client/Citrix project has been completed and fully functional.
3. Mr. Ruiz mentioned that the Administration Facility Security Upgrades were currently in progress, and the project is anticipated to be completed by the following week.
4. Mr. Ruiz reminded the Board of the Declaration of Candidacy period for the upcoming General Election is from July 14th to August 8th.

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. Mr. Safranski requested to have Item 5 to be removed from the Consent Calendar.

Action: A motion was made by Director Acosta and seconded by Vice President Mandich to approve the Consent Calendar, Items 1 through 4, and Item 6, and to move Item 5 to the Action Calendar.
The motion carried 5 – 0.

**REGULAR BOARD OF DIRECTORS MEETING MINUTES
JULY 16, 2014**

ACTION CALENDAR
ADMINISTRATIVE MATTERS

ITEM 5: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, AND TENTATIVE FUTURE MEETINGS/ATTENDANCE ITEMS

Mr. Safranski requested to revise the Fees and Expenses Report to include his attendance at the Municipal Water District of Orange County (MWDOC) Special Board Meeting on June 26, 2014; Mr. Perea commented that the Report will be updated to reflect the change.

Action: A motion was made by Director Acosta and seconded by Director Mandich to approve the Directors' Fees and Expenses Report as amended. The motion carried 5 – 0.

ITEM 7: DISCUSSION AND POSSIBLE ACTION CONCERNING THE SOUTHERN CALIFORNIA GAS COMPANY EASEMENT REQUEST FOR INSTALLATION OF ADVANCE METER INFRASTRUCTURE (AMI) AT THE DOVE RESERVOIR PARCEL

Mr. Ruiz presented this matter for Board review and mentioned that the matter was reviewed by the Engineering/Operational Committee. Mr. Ruiz discussed the background of the Southern California Gas Company's (SoCalGas) AMI Project, and introduced Mr. Dennis Lord, Mr. Juan Gonzalez, and Mr. Paul Simonds, the Representatives from SoCalGas. Mr. Ruiz mentioned that delegates from Dove Canyon and District customers were present in the audience to speak on this agenda item. Mr. Ruiz presented a letter from the Dove Canyon Master Association (DCMA) which requested the District's participation in the project. Mr. Ruiz provided photographic examples of the Data Collector Units (DCUs), SoCalGas DCU Radio Frequency Output Comparison Analysis, and highlighted the proposed DCU installation locations. Discussion occurred concerning the number of installation locations throughout the City of Rancho Santa Margarita and the District's service area. Mr. Ruiz highlighted SoCalGas' request for a proposed DCU installation adjacent to the District's Dove Reservoir on District property. Mr. Ruiz added that District Staff met with representatives from SoCalGas, DCMA, and Dove Canyon Delegates to review the design modifications, composition, and color of the DCU pole.

Ms. Patti Gentile, Dove Canyon resident and delegate representing areas in the Dove Canyon Community, addressed the Board concerning the matter, and expressed her concern for the potential adverse impacts that the installation will have on the residents on Field Point in Dove Canyon. Ms. Gentile mentioned that after some discussion with SoCalGas Representative Mr. Dennis Lord that a tentative agreement concerning the lowering of the solar panels on the pole and the color of the pole at the installation site had been reached, but that she requested that SoCalGas consider alternate locations within the District's service for installation. Discussion occurred concerning the additional DCU installation sites in the District's service area, including a higher elevation than the proposed location. Mr. Safranski expressed his appreciation for Ms. Gentile's concerns.

Mr. Dennis Lord, SoCalGas Representative, addressed the Committee concerning the matter, and provided background concerning the selection of the location and the significance of the AMI project. Mr. Lord added that SoCalGas agreed to lower the solar panels to an approximate height of 15 feet and

**REGULAR BOARD OF DIRECTORS MEETING MINUTES
JULY 16, 2014**

the antenna at the top of the 26-foot pole per the concerns expressed by the residents on Field Point. Mr. Lord added that the pole for the installation site will be specially constructed and colored green at the request of the community. Discussion occurred concerning the total number of DCUs installed throughout the City of Rancho Santa Margarita, and the language for Easement Agreement between SoCalGas and the District for the installation of the pole. Mr. Safranski commended SoCalGas for their cooperation with the residents on Field Point, and expressed concern for potential costs to the District concerning this matter. Discussion occurred concerning possible costs to the District. Mr. Ruiz mentioned that the costs associated with the project would be paid for by SoCalGas.

Action: A motion was made by Director Acosta and seconded by Vice President Mandich to direct the General Manager to proceed with filing a Notice of Exemption for the proposed SoCalGas Data Collection Unit at the Dove Reservoir parcel; direct the General Manager to work with District Legal Counsel and SoCalGas and prepare an Agreement for Grant of an Easement for the installation of a Data Collection Unit at the Dove Reservoir parcel; direct the General Manager to collect the necessary funds from SoCalGas or Dove Canyon Master Association for work related to the installation of a Data Collection Unit at the Dove Reservoir parcel. The motion carried 5 – 0.

ITEM 8: FISCAL YEAR 2014/2015 UNDEVELOPED LAND/WATER STANDBY ASSESSMENT AND PUBLIC HEARING

Mr. Ruiz provided a status update concerning this matter, and reported that staff has followed Proposition 218 procedures concerning this matter, and that the Public Notices have been mailed to the parcel owners on the Standby List. Mr. Ruiz reviewed the attached exhibits with the Board, which included the District Notice to Property Owners within the District's Service Area, Completion of Mailing of Notice to Property Owners Letter from NBS (Consultant) dated July 11, 2014, and the Affidavit of Publication in the Orange County Register on June 13 and 20, 2014. Mr. Safranski asked if staff had received any comments from the public; Mr. Perea commented that staff has not received any phone calls or correspondence inquiring about the notice.

Mr. Safranski opened the Public Hearing at 7:39 PM, and called for any public comments concerning the Fiscal Year 2014/2015 Undeveloped Land Water Standby Assessment. Mr. Rich Gomez addressed the Board concerning the matter, and commented on the impact the assessment will have on his eleven acres of property within the District's service area. Discussion occurred concerning the purpose of the assessment and the manner in which the funds are used. Mr. Ruiz added that the funds are used for the maintenance and operation of the District's system and infrastructure, and this allows for the capacity to meet additional future needs of the District's customers on the water standby list. Discussion occurred concerning anecdotal historical account of the District's infrastructure and the development and purpose of the assessment. Mr. Safranski closed the Public Hearing at 7:47 PM.

Discussion occurred concerning the Proposition 218 process and the definition of developable land. Mr. Ruiz presented a letter from the Orange County Auditor-Controller dated April 23, 2014, which stated that the County will no longer be accepting special assessments from the State of California to

**REGULAR BOARD OF DIRECTORS MEETING MINUTES
JULY 16, 2014**

be placed on the secured property tax bills. Mr. Ruiz presented a letter from the County of Orange Office of the Treasurer-Tax Collector which requested to cancel the assessment on State-owned parcels within the District's service area. Mr. Ruiz added that District staff notified the State of California of the unpaid levies and proposed water standby assessment and the Public Hearing, but that no communication had been received from their office concerning the matter. Discussion occurred concerning releasing the State-owned parcels and writing off the unpaid levies owed by the State.

Action: A motion was made by Director Acosta and seconded by Director Haselton to adopt Resolution No. 2014-1203, Resolution of the Board of Directors of Trabuco Canyon Water District Establishing Water Standby Assessment for Fiscal Year 2014/2015; Making Certain Findings and Taking Related Actions in Connection Therewith. The motion carried 5 – 0.

ITEM 9: DISTRICT WEBSITE UPGRADE PROJECT

Mr. Ruiz presented a status update on this project, and commented that the District's website was live online earlier in the day. Mr. Perea presented the District's website and highlighted certain areas of importance, which included a news page on the new website, the On Tap Newsletter page, and the Director's individual pages that included biographies and photographs. Discussion occurred concerning Director biographies and supplemental information.

Action: Received status update. No action taken.

FINANCIAL MATTERS

ITEM 10: DISCUSSION AND POSSIBLE ACTION CONCERNING LEGAL SERVICES RATE INCREASES FROM BOWIE, ARNESON, WILES & GIANNONE

Mr. Ruiz presented this matter for Board consideration, and mentioned that Bowie, Arneson, Wiles & Giannone (BAWG) has not adjusted its rates since 2009. Mr. Anslow provided background to the proposed new rates, and mentioned that the billing will begin on August 1, 2014. Discussion occurred concerning BAWG staff and the impacts of increased insurance costs on BAWG billable rates.

Action: A motion was made by Director Haselton and seconded by Director Acosta to approve the Legal Services Hourly Rate Increases for Partners from \$205 to \$220, Associates from \$180 to \$185, and Paralegals from \$75 to \$85, effective August 1, 2014. The motion carried 5 – 0.

**REGULAR BOARD OF DIRECTORS MEETING MINUTES
JULY 16, 2014**

ENGINEERING MATTERS

ITEM 11: ALTERNATE RAW WATER TRANSMISSION LINE – PW79

Mr. Ruiz provided a status update concerning this project, and mentioned that the 50% Design Plans are completed and that District staff will be submitting them to Southern California Edison (SCE) and the County of Orange Flood, Parks and Trails (County) for their review and comment. Discussion occurred concerning the significance and urgency of the project to the District and types of assistance from the Board. Mr. Ruiz mentioned that the assistance provided by the Board to date has been critical to the progress of the project, and has been recognized by SCE and the County. Discussion occurred concerning project timeline for completion and public outreach and notification processes.

Action: Received status update. No action taken.

ITEM 12: BAKER REGIONAL WATER TREATMENT PLANT

Mr. Ruiz provided a status update on this project, and mentioned that the Project Committee met the prior week to review the status of construction. Mr. Ruiz presented the Project Construction Report for July 2014 for Board review. Discussion occurred concerning certain construction photos and project change orders to date.

Action: Received status update. No action taken.

ITEM 13: SHADOW ROCK DETENTION BASIN FACILITY

Mr. Ruiz provided a status update on this project, and mentioned that District staff has updated the District website with information concerning the project and bid process. Mr. Ruiz reviewed the major project tasks remaining, which included the following:

- Mr. Ruiz mentioned that District staff has met with City of Rancho Santa Margarita staff to review the applicable project permits, and that City staff are currently working on the matter.
- Mr. Ruiz commented that the District's Labor Compliance Consultant has closed their business, and that District staff is currently preparing a Request for Proposal for Consultant Services for the work. Mr. Ruiz added that additional updates concerning this matter will be provided to the Engineering/Operational Committee.

Discussion occurred concerning the timeline for project completion and the use of reinforced concrete pipe (RCP) on the project. Mr. Ruiz added that limited supply and manufacturing of RCP has caused a delay in projects, and mentioned that District staff will address this matter at the project pre-bid meeting.

Action: Received status update. No action taken.

**REGULAR BOARD OF DIRECTORS MEETING MINUTES
JULY 16, 2014**

LEGISLATIVE MATTERS

ITEM 14: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING STATEWIDE DROUGHT CONDITIONS

Mr. Ruiz provided a status update concerning this matter, and mentioned that he attended the Municipal Water District of Orange County (MWDOC) Regular Board Meeting which included local water district representatives and discussions concerning the proposed State Water Board drought regulations. Mr. Ruiz added that the State Water Board's proposed regulations, which primarily affect outdoor potable water use, will be presented to the Office of Administrative Law for review and approval. Mr. Ruiz presented a State Water Board Fact Sheet concerning the Statewide Drought and the Notice of Proposed Emergency Rulemaking, dated July 8, 2014, for Board review. Mr. Ruiz suggested the scheduling of a Special Board Meeting later in the month to review the State Water Board regulations and the possibility of activating a Level One Water Watch Condition per the District's Water Conservation Ordinance. Discussion occurred concerning public outreach concerning the Statewide Drought, and the necessity of a special mailer to District customers; Mr. Ruiz mentioned that District will promote awareness through the District's website and the On Tap Newsletter, but that a special mailer could be prepared. Discussion occurred concerning the District's Water Conservation Ordinance and the compliance with the State Water Board's proposed regulations; Mr. Anslow mentioned that the District's Permanent Provisions are compliant. Mr. Ruiz added that if approved, the State Water Board proposed regulations would be effective August 1, 2014. Discussion occurred concerning water use efficiency rebate programs and methods of public outreach.

Action: Received status update. No action taken.

ITEM 15: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING CALIFORNIA SPECIAL DISTRICTS' ASSOCIATION (CSDA) 2014 BOARD ELECTIONS

Mr. Ruiz presented this matter for Board review, and commented that District staff has received the CSDA 2014 Board Elections official ballot, and that the ballot is due by August 1, 2014. Mr. Ruiz reviewed the candidates listed on the ballot, and mentioned that Director Acosta is the District Representative to CSDA. Discussion occurred concerning the candidates' qualifications and contributions to CSDA.

Action: A motion was made by Director Acosta and seconded by Director Haselton to support Ms. Arlene Schafer for the California Special Districts' Association Southern Network Region 6, Seat C. The motion carried 5 - 0.

ITEM 16: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING METROPOLITAN WATER DISTRICT (MET) DIRECTOR NOMINATING COMMITTEE

Mr. Ruiz presented this matter for discussion, and mentioned that Mr. Safranski had a status update on the matter to share with the Board. Mr. Safranski provided an update of the July 7, 2014, MET Director Nominating Committee to the Board. Mr. Safranski mentioned that the Candidates addressed the Committee during the meeting, and that the Committee selected the following three candidates for further consideration: Ms. Mary Jane Foley, Ms. Betty Olson, and Mr. Larry McKenney. Mr. Safranski mentioned that the Committee is scheduled to meet on July 21st to conduct interviews with the three

**REGULAR BOARD OF DIRECTORS MEETING MINUTES
JULY 16, 2014**

selected candidates, and to finalize a letter to MWDOC concerning the Committee's candidate selection. Discussion occurred concerning the three selected candidates for further Committee review, the Committee's selection process and protocol, and the anticipated timeline for completion.

Action: Received status update. No action taken.

ITEM 17: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

Mr. Ruiz had commented on the following matters:

- WateReuse letter of support for funding of Recycled Water Projects, dated May 20, 2014.
- Orange County Local Agency Formation Commission (OC LAFCO) appointment of Mr. Derek McGregor as Regular Public Member.
- OC LAFCO Alternate Public Member Press Release dated July 10, 2014, and application for consideration.

Action: There was no action taken.

OTHER MATTERS

Mr. Ruiz commented that the District had selected an Operator In Training Candidate, and that the newly hired employee will start on July 21st.

ADDITIONAL DIRECTORS' COMMENTS

Mr. Safranski commented on his attendance at the City of Rancho Santa Margarita City Council Meeting, and commended his fellow Board Members on their professionalism and collegial nature.

ADDITIONAL GENERAL MANAGER COMMENTS

Mr. Ruiz had no additional comments.

END ACTION CALENDAR

ADJOURNMENT

President Safranski adjourned the July 16, 2014, Regular Board meeting at 9:01 PM