

**MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT
SEPTEMBER 17, 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. Michael Safranski led the Board and District staff in the pledge of allegiance.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

DIRECTOR'S COMMENTS

Mr. Dopudja had no comments.

Mr. Mandich had no comments.

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Mr. Haselton had no comments.

Mr. Acosta had no comments.

Mr. Safranski commented on.

REPORT FROM THE GENERAL MANAGER

Mr. Ruiz reported on the following matters:

1. Mr. Ruiz mentioned that a California Friendly Landscape Training (CFLT) Class is scheduled to held at the District Administration Facility on September 27th at 9:00 AM. Mr. Ruiz added that District Staff advertised with three banners placed in the District's service area. Discussion occurred concerning the CFLT Class and the type of information to be presented to the attendees. Mr. Ruiz commented that the Class is sponsored by Metropolitan Water District of Southern California (MET), and that District Staff planned the event earlier this year.
2. Mr. Ruiz mentioned that the County of Orange and O'Neill Park has invited District Staff to participate in the Acorn Day event scheduled for October 4th from 10:00 AM to 2:00 PM at O'Neill Park. Mr. Ruiz added that any Directors that may be interested in attending the event should coordinate with Mr. Perea.
3. Mr. Ruiz mentioned that KNBC 4 News and Irvine Ranch Water District (IRWD) have scheduled a roundtable event on the drought for October 11th starting at 10:30 AM. Mr. Ruiz added that a District representative has been requested to attend the event, and that any Directors that may be interested in attending the event should coordinate with him.

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 Vice President Mandich to approve the Consent Calendar, Items 1 through 4.
The motion carried 5 – 0.

ACTION CALENDAR
ADMINISTRATIVE MATTERS

ITEM 5: DISCUSSION AND POSSIBLE ACTION CONCERNING THE DISPOSAL OF DISTRICT SURPLUS PROPERTY (VEHICLES)

Mr. Ruiz presented this matter for Board review and mentioned that this matter had been reviewed with the Finance/Audit Committee. Mr. Ruiz presented and reviewed the exhibit District Fleet handout to the Board. Discussion occurred concerning the condition of certain vehicles. Mr. Ruiz commented that three vehicles have been designated as surplus equipment and disposal through public auction. Mr. Ruiz reviewed the Property and Equipment Survey Report and the three vehicles designated as surplus, and commented on other vehicles which District Staff will likely consider replacement in the coming year. Discussion occurred concerning the surplus equipment and the lifespan of District Fleet vehicles.

Action: A motion was made by Director Acosta and seconded by Director Dopudja to authorize the General Manager to dispose of District Surplus Property (vehicles) in accordance with the Board-approved Policy.
The motion carried 5 – 0.

ITEM 6: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TCWD'S 2014 SEWER SYSTEM MANAGEMENT PLAN (SSMP)

Mr. Ruiz presented this matter for Board review and commented the District's Sewer System Management Plan (SSMP) is required by the State Water Resources Control Board (SWRCB) to be updated every five years. Mr. Ruiz mentioned that both Administrative and Wastewater Operations District Staff internally reviewed the SSMP in order to comply with the requirement. Discussion occurred concerning Sanitary Sewer Overflows and District Legal Counsel review of the SSMP; Mr. Anslow mentioned that he had not reviewed the document. Mr. Ruiz mentioned that the SSMP Communication Program is reviewed on a monthly basis at each Engineering/Operational Committee Meeting. Discussion occurred concerning internal controls and the management of the District's sanitary sewer system.

Action: A motion was made by Director Acosta and seconded by Director Haselton to approve and certify Trabuco Canyon Water District's 2014 Sewer System Management Plan.
The motion carried 5 -0.

ITEM 7: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TCWD'S RECORDS RETENTION ACT POLICY

Mr. Ruiz presented this matter for Board review and mentioned there is no action required, but that the matter will return at the October 15, 2014, Regular Board Meeting for approval and adoption by resolution. Mr. Ruiz mentioned that District Staff have been working on this updated Records Retention Act Policy, and have used the 2006 Secretary of State Local Government Records Management Guidelines as a basis for its development. Discussion occurred concerning the

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importance of the identification and retention of documents and records, records concerning wastewater discharge requirements, and claims against the District; Mr. Anslow mentioned that the Secretary of State Guidelines address specific retention periods, statutes, and personnel-related legal matters. Discussion occurred concerning inconsistencies in the Draft Policy and methods of record disposal; Mr. Perea commented that the inconsistencies will be corrected. Mr. Safranski commended District Staff for the preparation of the Policy.

Action: Received information concerning the matter. No action taken.

ENGINEERING MATTERS

ITEM 8: ALTERNATE RAW WATER TRANSMISSION LINE – PW79

Mr. Ruiz provided a status update concerning this project, and mentioned that there was no action required on this matter. Mr. Ruiz mentioned that there had been communication with Southern California Edison (SCE) multiple times during the day concerning the project. Discussion occurred concerning feedback from SCE on the progress of the project. Mr. Ruiz commented that District Staff have received notification from the Federal Emergency Management Agency (FEMA) of their concerns regarding the inactivity on the project to date. Mr. Ruiz added that District Staff has prepared a letter in response to FEMA's concerns and that copies of the letter will be forwarded to the County of Orange and SCE. Mr. Ruiz reviewed the major project tasks remaining and the project schedule. Discussion occurred concerning potential price adjustments due to project challenges and project timeline for completion. Mr. Ruiz commented that the project timeline for completion is late 2015 or early 2016, and that an upcoming planned shutdown of the Santiago Lateral and Irvine Lake Pipelines for five days in late October will be a good indicator of the type of impact on meeting the District's water demands if the Dimension Water Treatment Plant were to be offline temporarily. Discussion occurred concerning the plans for existing pipeline removal post- project completion and environmental impacts; Mr. Ruiz mentioned that the existing pipeline will be removed when the project is completed, and the District will comply with the appropriate environmental requirements.

Action: Received status update. No action taken.

ITEM 9: BAKER REGIONAL WATER TREATMENT PLANT

Mr. Ruiz provided a status update on this project, and reviewed the Baker Water Treatment Plant (BWTP) Construction Report for September 2014. Mr. Ruiz added that Irvine Ranch Water District (IRWD) has noted that the Contractor is behind schedule, and that they have requested the Contractor to update their schedule and projected labor workforce to comply with their contract. Mr. Ruiz commented that IRWD has notified the Project Committee their intent to recommend approval of the budgeted secondary Construction Inspector at their October 13, 2014, Regular Board Meeting. Discussion occurred concerning IRWD's recommendation; Mr. Ruiz mentioned that HDR (Consultant) was the firm selected to provide the secondary Construction Inspector. Mr. Ruiz mentioned that IRWD has submitted a variance for Project Committee review, and presented a handout with the proposed costs. Discussion occurred concerning project costs and timeline for completion.

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Action: Received status update. No action taken.

ITEM 10: SHADOW ROCK DETENTION BASIN FACILITY

Mr. Ruiz provided a status update on this project, and mentioned that District Staff has made good progress over the last month. Mr. Ruiz commented that the recommended action is to reject all pending bid proposals, to authorize the value engineering of the project with URS (Consultant), and to authorize the General Manger to bid the project in accordance with the District's Rules and Regulations, Chapter Nine which allows for a select bid list and process. Discussion occurred concerning the project bids received and re-bid plans; Mr. Ruiz mentioned that the bids received exceed the project budget, and that District Staff plans to re-bid the pump station and site earthwork portions of the project separately. Mr. Ruiz presented and reviewed a handout of the proposed Revised Proposition 84 Budget Summary for Board review and comment. Discussion occurred concerning opportunities to return to the State for additional funds for the project and value engineering goals. Mr. Ruiz reviewed the URS Proposal for Value Engineering Design Services and mentioned that planned design and work modifications include earthwork spoils retention onsite.

Mr. Ruiz provided a status update on the matter of Labor Compliance, and reviewed the letter of Termination of Labor Compliance Services from CVL Consulting. Mr. Ruiz added that District Staff have received a proposal for services from Golden State Labor Compliance for the amount of \$7,600.

Action: A motion was made by Director Acosta and seconded by Vice President Mandich to (1) Reject all pending bid proposals for the Shadow Rock Detention Basin Urban Water Recovery Project No. 6147, in accordance with General Provisions, section 3-1 of the Contract Documents, (2) Authorize and ratify the Value Engineering Contract for Services with URS for a not to exceed amount of \$15,000 in accordance with the provided proposal, (3) Authorize and direct the General Manager to bid the Shadow Rock Detention Basin Facility Project(s) in accordance with the District's General Policy and Rules and Regulations, Chapter 9, Section 9.2.1.f – Competitive Bidding, and Section 9.2.2.1 – Select Bid List and Process, and (4) Authorize the General Manager to execute the Agreement for Labor Compliance Services as required by Proposition 84 with Golden State Labor Compliance for a not to exceed amount of \$7,600.

The motion carried 5 -0.

LEGISLATIVE MATTERS

ITEM 11: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING STATEWIDE DROUGHT CONDITIONS

Mr. Ruiz provided a status update concerning this matter, and presented the newly redesigned District Water Conservation Door Hanger for Board review. Mr. Ruiz mentioned that District Staff will use the Door Hanger to notify and educate customers of observed Ordinance violations. Discussion occurred concerning the quality of the Door Hanger and the listed Ordinance violations. Mr. Ruiz commented and reviewed an article that was recently published in the Orange County Register which highlighted Orange County water agencies Conservation Ordinance restrictions on filling swimming pools with

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potable water due to the impact of the drought. Mr. Ruiz added that the District was mentioned in the article as having a pool restriction with exemptions. Discussion occurred concerning consistency of messaging during the drought. Mr. Ruiz added that he had the opportunity to speak with the Orange County Register and the California Pool and Spa Association concerning the District's current restrictions on the draining and refilling of pools and spas. Mr. Ruiz mentioned that he was clear that the District allows the draining and refilling of pools and new pool construction. Mr. Ruiz added that the District does require that its customers work with a pool supplier, vendor, or maintenance professional to determine the need to empty and refill their pool or spa. Discussion occurred concerning the Turf Removal Rebate Program; Mr. Perea commented that District Staff has received an influx of Turf Removal Rebate applications, and that a District customer recently completed Turf Removal projects and replaced the live turf with synthetic turf which has an additional rebate incentive. Mr. Perea mentioned that the District is the first MWDOC member agency to have a synthetic turf application rebate incentive. Discussion occurred concerning synthetic turf application. Mr. Ruiz mentioned that the District's retail water demand has decreased from the prior month's demand. Discussion occurred concerning water conservation and water use efficiency rebates.

Action: Received status update. No action taken.

ITEM 12: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING METROPOLITAN WATER DISTRICT (MET) DIRECTOR NOMINATING COMMITTEE

Mr. Ruiz presented this matter for discussion, and mentioned that after the Nominating Committee had selected Mr. Larry McKenney as the South County Agencies' candidate for the MET Director position, that MWDOC formed an Ad Hoc Committee to review the nomination and perform a background review. Mr. Safranski added that the matter has been agendized for closed session discussion at the MWDOC Board Meeting scheduled for October 1, 2014. Discussion occurred concerning the agendized matter and inter-agency relations.

Action: Received status update. No action taken.

ITEM 13: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE INDEPENDENT SPECIAL DISTRICTS' OF ORANGE COUNTY (ISDOC) 2014 ELECTION OF OFFICERS

Mr. Ruiz presented this matter for discussion, and reviewed the candidates named on the official ballot for the Independent Special District's of Orange County (ISDOC) 2014 Election of Officers. Mr. Ruiz mentioned that Mr. Haselton is the Primary District Representative to ISDOC, and that the ballot is due no later than 5:00 PM on October 17, 2014. Discussion occurred concerning the candidates on the ballot. Mr. Haselton mentioned that each candidate listed on the ballot is well-qualified for their respective positions and suggested voting for the slate of candidates.

Action: The Board of Directors, through President Safranski, directed District Staff to submit a vote for the slate of candidates on the Official Ballot for the ISDOC 2014 Election of Officers on behalf of Director Haselton.

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

Mr. Ruiz had commented on the following matters:

- Mr. Ruiz presented handouts prepared by the Association of California Water Agency (ACWA) concerning the 2014 Water Bond and specifics of the Bond approved by the Legislature. Discussion occurred concerning the Water Bond and the allocation of funds for projects. Mr. Ruiz added that the Board may direct District Staff to prepare a resolution in support of the Water Bond, and that the District can educate customers about the Water Bond, but not advocate support for it.
- Mr. Ruiz presented and reviewed selected sections of the County of Orange 2015 Legislative Platform for the Board. Mr. Ruiz added that the County has requested comments on the matter.
- Mr. Ruiz mentioned that the Orange County Local Agency Formation Commission (OC LAFCO) is seeking applications for the Alternate Public Member position.

Action: There was no action taken.

OTHER MATTERS

Mr. Ruiz commented that MWDOC is currently preparing to conduct an Orange County Water Reliability Study, and is currently working with the member agencies on the scope of work and level of effort.

ADDITIONAL DIRECTORS' COMMENTS

There were no additions Directors' comments received.

ADDITIONAL GENERAL MANAGER COMMENTS

Mr. Ruiz commented on the advantages of using digital Board Packets on tablet devices as opposed to the hardcopy printouts.

END ACTION CALENDAR

ADJOURNMENT

President Safranski adjourned the September 17, 2014, Regular Board meeting at 8:24 PM