

**MINUTES OF THE SPECIAL MEETING
OF THE
BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT
DECEMBER 10, 2014**

The Special 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 Stephen Dopudja
Director James Haselton

STAFF PRESENT

Hector Ruiz, General Manager
Michael Perea, District Secretary
Lorrie Lausten, Engineer
Mr. Neil McKenna, Water Department Superintendent
Mr. Gary Kessler, Water Department Chief Plant Operator

DISTRICT CONSULTANTS PRESENT:

District General Legal Counsel – Rob Anslow (Bowie, Arneson, Wiles & Giannone)
Mr. Mark Bush, Project Manager P.E., Tetra Tech

PUBLIC PRESENT

There were members of the public present

PLEDGE OF ALLEGIANCE

Mr. Dopudja 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.

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DIRECTOR'S COMMENTS

Mr. Acosta commented on his attendance at the Association of California Water Agencies (ACWA) Conference and mentioned that the District was highlighted during the President's Award for Excellence for Workers' Compensation. Mr. Acosta commended District management and staff for their commitment to a safe workplace.

Mr. Haselton had no comments.

Mr. Mandich had no comments.

Mr. Dopudja had no comments.

Mr. Safranski thanked the Board and District staff for attending the meeting due to the importance and criticality of the Alternate Raw Water Transmission Line Project (Project). Mr. Safranski commented that the project is the most important project for the District to date because of its critical nature, and commended District staff and Tetra Tech (Consultant) for their hard work on the project. Discussion occurred concerning the purpose of the meeting and Mr. Safranski highlighted the importance of the project schedule and timeline for completion

REPORT FROM THE GENERAL MANAGER

Mr. Ruiz introduced the following individuals in attendance that have contributed to this project to date:

1. Mr. Mark Bush, Project Manager P.E., Tetra Tech
2. Mr. Neil McKenna, TCWD Water Department Superintendent
3. Mr. Gary Kessler, TCWD Water Department Chief Plant Operator
4. Ms. Lorrie Lausten, TCWD Engineer

Mr. Ruiz mentioned that Mr. McKenna and Kessler worked with the District's Department of Public Health representative to conduct the Annual Water System Survey, and commended them for successful completion of the survey in a single day.

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 1: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE ALTERNATE RAW WATER TRANSMISSION LINE PROJECT – PW79

Mr. Ruiz provided a status update on this matter and reviewed a Powerpoint presentation with the Board. Mr. Ruiz highlighted a photograph of the District's Raw Water Transmission Line as viewed from the bottom of the Serrano Creek and emphasized its vulnerability to failure. Mr. Ruiz reviewed the presentation agenda with the Board and provided background on the project based on the proposed project alternatives referenced in the Federal Emergency Management Agency's (FEMA) letter dated December 14, 2012. Mr. Ruiz added that FEMA approved Alternate No. 2 – Dimension Drive for

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\$1,269,527 on March 6, 2013. Discussion occurred concerning easement acquisition and project feasibility.

Mr. Ruiz reviewed FEMA's funding criteria which includes reimbursable costs, costs not covered by FEMA and project caps. Mr. Ruiz reviewed with the Board that FEMA covers 75% of approved project costs, CalOES covers 18.75% of approved project costs, and the District is responsible for the remaining 6.25% of project costs. Mr. Ruiz added that land acquisition and environmental mitigation is not considered reimbursable by FEMA. Mr. Ruiz mentioned that approved projects are not subject to a project cap, but that alternate project choices are capped at the approved project cost level. Discussion occurred concerning project funding and clarification of project caps. Mr. Ruiz mentioned that the District has requested a project schedule extension through August 2015 to begin construction, and FEMA has requested a revised schedule and project status update by January 25, 2015. Discussion occurred concerning the impact of project challenges and delays on project funding and cost reimbursement from FEMA; Mr. Bush mentioned that unforeseen factors that have been out of the District's control have caused project delays. Discussion occurred concerning Southern California Edison (SCE) easement acquisition timeline and status; Mr. Ruiz commented that District staff has been formally working with SCE since April, 2014, and that SCE has formally denied the District's request for access.

Mr. Ruiz reviewed the options available to the District concerning the project:

- **OPTION ONE: ALTERNATE NO. 2**

Mr. Ruiz commented that this is the ideal project design due to the work completed to date and that the project has been approved by FEMA. Discussion occurred concerning easement acquisition; Mr. Ruiz commented that District staff is prepared to begin condemnation of the SCE exclusive easement and reviewed the condemnation process and timeframe. Mr. Anslow provided input concerning the condemnation process including the necessity of an appraisal, title, and the impact of statutory requirements. Discussion occurred concerning the condemnation process and effective cost strategies.

- **OPTION TWO: ALTERNATIVE NO. 1 – SOIL CEMENT/SOIL STABILIZATION**

Mr. Ruiz mentioned that this project design was the next best option for the District in the event Option One is unlikely to be completed. Mr. Ruiz added that as part of the FEMA project evaluation process, Tetra Tech has completed a preliminary project analysis for this option. Mr. Ruiz added that there are significant challenges and issues with this design, which include Army Corps of Engineer approval, County of Orange and City of Lake Forest permits, unknown environmental mitigation impacts, and National Environmental Policy Act (NEPA) approval process. Discussion occurred concerning project impacts and funding. Mr. Ruiz mentioned that this this project has the second lowest cost of the proposed solutions and is further complicated due to the various unknown environmental permitting and mitigation requirements.

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- **OPTION 3 – ALTERNATE NO. 5A - MICROTUNNELING**

Mr. Ruiz reviewed this project design and associated challenges. Mr. Ruiz mentioned that Tetra Tech has completed the preliminary project analysis as part of the FEMA project evaluation process. Discussion occurred concerning project risks and geotechnical challenges. Similar to the soil/cement/soil stabilization option, there are various unknown issues including geotechnical conditions, site dewatering, and site access.

- **OPTION 4 – NEW ALIGNMENT**

Mr. Ruiz reviewed the Final Preliminary Design Technical Memorandum, Figure No. 2 (Figure No. 2) with the Committee and highlighted the reviewed options. Mr. Ruiz presented a fourth option in event that none of the other project designs prove to be feasible which would involve collaboration with Irvine Ranch Water District (IRWD) and may avoid the current easement encroachment issues with SCE. Mr. Ruiz mentioned that due to the District's participation in the Baker Water Treatment Plant that this project alignment may be feasible but has not been thoroughly evaluated. Mr. Ruiz highlighted a new potential transmission line alignment and mentioned that there may be fewer easement and environmental mitigation issues with this project alignment.

Mr. Ruiz summarized the presentation and commented that District staff's recommended order of preferred alternate solutions is the FEMA-approved Alternated No. 2 Option, then Option Three, or Option Four. Discussion occurred concerning collaboration with IRWD and project option timelines. Mr. Ruiz reviewed the planned timeline and project milestones with the Board, and mentioned that District staff will work with District Legal Counsel to prepare the title report and issue a request for proposal for an appraiser. Discussion occurred concerning the necessity of emergency preparedness responses in the event of failure of the pipeline; Mr. Ruiz commented that District staff will codify the emergency preparedness response for the pipeline in the event of failure.

Action:

The following motion was made by Director Acosta and seconded by Director Haselton:

1. Authorize the General Manager to work with District General Legal Counsel in preparation of documents necessary for initial process of condemnation of the SCE easement at a cost not to exceed \$20,000;
2. Direct the General Manager to work with Tetra Tech to prepare a detailed Easement Alignment Study;
3. Direct the General Manager to submit a letter to SCE's Board President concerning the criticality of the project and request assistance for access to SCE's exclusive easement;
4. Direct the General Manager to review all project alternatives with Tetra Tech;
5. Direct the General Manager to coordinate with President Safranski and Director Acosta to meet with the Orange County Board of Supervisors concerning the project and potential impacts to County property;
6. Authorize the General Manager to issue a variance to Tetra Tech for a total

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cost not to exceed of \$30,000 for:

- a. Assisting the District with SCE-related dialogue and FEMA work required for continuing to pursue Alternative No. 2.
- b. Conduct further engineering evaluations and studies related to Alternative No. 5 – Microtunneling that reduce risks and determine updated costs for construction.
- c. Evaluation of a new alternate route.

The motion carried 5 – 0.

END ACTION CALENDAR

ADJOURNMENT

President Safranski adjourned the December 10, 2014, Special Board meeting at 8:38 PM