

**MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT
MARCH 18, 2015**

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD) was called to order by President Stephen Dopudja 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 Stephen Dopudja
Vice President Glenn Acosta
Director James Haselton
Director Edward Mandich
Director Michael Safranski

STAFF PRESENT

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

DISTRICT CONSULTANTS PRESENT:

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

PUBLIC PRESENT

There were no members of the public present

PLEDGE OF ALLEGIANCE

Vice President Acosta 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

Vice President Acosta commented on a recently NASA published article that reported that California has a projected one year of groundwater. Discussion occurred concerning the Statewide Drought. Vice

**REGULAR BOARD OF DIRECTORS MEETING MINUTES
MARCH 18, 2015**

President Acosta commented on his attendance at the South Orange County Watershed Management Area Executive Committee Meeting, and mentioned the following:

- Laguna Beach County Water District has expressed interest in joining the group;
- A Call for Projects has been issued to participating agencies;
- Santa Margarita Water District (SMWD) Director Sandra Jacobs has expressed interest serving as Committee Chair.

Director Haselton commented on a recent KABC7 televised report on the adverse impact of the drought on California reservoirs.

Director Safranski commented on his attendance at the Municipal Water District of Orange County (MWDOC) Board Meeting, and highlighted the following matters:

- MWDOC's Administrative Code Review – Director Safranski mentioned that the South County Water Agencies have set up a Sub-Committee to review the proposed Administrative Code updates. Discussion occurred concerning the settlement agreement between MWDOC and the South County Agencies.
- Fiscal Year 2015/2016 Budget – Director Safranski reviewed specific proposed budget items.
- Statewide Drought impacts

Discussion occurred concerning the South County Water Agencies group and the overall positive impact on the review process and collaborative efforts with the participating agencies.

Director Mandich had no comments.

President Dopudja commented on a recent Los Angeles Times published article which highlighted the impacts of the Statewide Drought on the Colorado River Basin.

REPORT FROM THE GENERAL MANAGER

Mr. Ruiz reported on the following matters:

1. The District is hosting a California Friendly Landscape Training workshop at the District Administrative Facility on Saturday, March 28th from 9:00 am to 12:00 pm, which is free to attend.
2. District staff is scheduled to meet with District Legal Counsel and ACWA/JPIA to review new Labor Compliance requirements on public agencies and contractors due to recently passed legislation (SB854). Discussion occurred concerning prevailing wage requirements and the impact mandatory registration fees.

ITEMS TOO LATE TO BE AGENDIZED

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

**REGULAR BOARD OF DIRECTORS MEETING MINUTES
MARCH 18, 2015**

CONSENT CALENDAR

President Dopudja 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 Safranski and seconded by Director Mandich to approve the Consent Calendar.
The motion carried 5 – 0.

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 5: ACCEPT AND FILE EXECUTIVE COMMITTEE MEETING RECAP

Mr. Ruiz presented this matter for Board review, and commented that the newly assigned Executive Committee members recommended that the Board accept and file the November 6, 2014, Executive Committee Meeting recap.

Action: A motion was made by Director Safranski and seconded by Director Mandich to accept and file the November 6, 2015, Executive Committee Meeting Recap.
The motion carried 5 – 0.

ITEM 6: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING ACTIVITIES FOR WATER AWARENESS MONTH

Mr. Ruiz presented this matter for discussion, and commented that the month of May is Water Awareness Month. Mr. Ruiz mentioned that last year's event was held at the Administration Facility on the last Saturday of May, and that District staff recommends that the event be scheduled on Saturday, May 30th, from 10:00 a.m. to 2:00 p.m. Mr. Ruiz mentioned that the theme for the event will be the statewide drought and water use efficiency. Discussion occurred concerning the types of educational opportunities for attendees concerning the impacts of the Statewide Drought, a description of water use efficiency rebates available to District customers, the Governor's Emergency Regulations concerning water conservation, and planned invitees.

Action: The Board of Directors, through President Dopudja, directed the General Manager to schedule the Water Awareness Event for Saturday, May 30, 2015, at the District Administration Facility from 10:00 am to 2:00 pm.

ITEM 7: FAIR POLITICAL PRACTICES COMMISSION (FPPC) CONFLICT OF INTEREST FILINGS (FORM 700)

Mr. Ruiz presented this matter for discussion, and reminded the Board that the annual filing for the FPPC Form 700 is April 1, 2015. Mr. Perea added that this item was an opportunity for the Board to inquire about filing requirements and questions concerning current assignments, and added that Mr. Anslow was prepared to answer questions from the Board.

**REGULAR BOARD OF DIRECTORS MEETING MINUTES
MARCH 18, 2015**

Discussion occurred concerning certain assignments and potential conflicts of interest.

Action: The Board received the information concerning the matter. No action taken.

**ITEM 8: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING SOUTH ORANGE COUNTY
WASTEWATER AUTHORITY (SOCWA) WASTEWATER DISCHARGE PRETREATMENT & SOURCE
CONTROL PROGRAM**

Mr. Ruiz presented this matter for Board review, and mentioned that SOCWA has proposed updates to the Wastewater Discharge Pretreatment & Source Control Program (Program) for member agencies. Mr. Ruiz added that the adoption of the proposed updates to the Program requires the adoption of an Ordinance with the required notification of a public hearing. Mr. Ruiz reviewed the proposed adoption schedule and public hearing notification process. Discussion occurred concerning the proposed updates to Section 814: Notification of the Discharge of Hazardous Waste and the required notification process. Mr. Ruiz mentioned that District staff will post the Notice of Public Hearing and Intention on the District's website and in the Orange County Register.

Action: A motion was made by Vice President Acosta and seconded by Director Haselton to approve the Wastewater Discharge Pretreatment and Source Control Program Ordinance Adoption Schedule and direct Staff to move forward with the preparation of Notice of Public Hearing and other related matters for the May 20, 2015, Regular Board Meeting.
The motion carried 5 – 0.

FINANCE MATTERS

**ITEM 9: DISCUSSION AND POSSIBLE ACTION CONCERNING AUDITING SERVICES FOR TCWD AND
RELATED ENTITIES**

Mr. Ruiz presented this matter for Board review, and mentioned that the matter had been reviewed by the Finance/Audit Committee. Mr. Ruiz commented that the District has retained Charles Fedak & Company (Fedak) for auditing services for the past three years, but that the firm has undergone significant staffing changes and lost several key staff members. Mr. Ruiz added that many of the same key staff members have transitioned to The Pun Group, and that the District Treasurer requested a Proposal for Auditing Services from The Pun Group for Trabuco Canyon Water District, Trabuco Canyon Public Financing Authority, and Trabuco Canyon Improvement Corporation. Mr. Ruiz mentioned that District staff has reviewed and compared The Pun Group's proposal with proposals received from other auditing firms in prior years, and found that their cost of services is lower, and The Pun Group can meet the District's requirements for auditing services. Mr. Ruiz reviewed Section 8.8 of the District's Rules and Regulations which specifies that the independent auditor is selected by and works for the Board of Directors.

Action: A motion was made by Director Haselton and seconded by Director Safranski to authorize the General Manager to contract with The Pun Group to provide auditing services for the years ending 06/30/15, 06/30/16, and 06/30/17 for

**REGULAR BOARD OF DIRECTORS MEETING MINUTES
MARCH 18, 2015**

Trabuco Canyon Water District, Trabuco Canyon Public Financing Authority, and Trabuco Canyon Improvement Corporation for an annual cost of \$20,000.

The motion carried 5 – 0.

ENGINEERING MATTERS

ITEM 10: ALTERNATE RAW WATER TRANSMISSION LINE – PW79

Mr. Ruiz provided a status update on this project, and mentioned that District staff has received notification from the Federal Emergency Management Agency (FEMA) of the District's time extension request approval through March 29, 2016. Mr. Ruiz reviewed the major project tasks remaining as follows:

- County of Orange Permit was issued to the District earlier in the day. Mr. Ruiz mentioned that District staff experienced challenges with the permitting process, but commended Ms. Lausten's hard work to acquire the permit.
- Southern California Edison (SCE) Easement Procurement: Mr. Ruiz mentioned District staff has communicated project status to the SCE point of contact. Mr. Ruiz added that District staff intends to submit the Notice to Proceed to Integra Realty Resources for the appraisal of SCE's exclusive easement. Discussion occurred concerning the condemnation process and timeline for completion.
- Emergency Bypass Plan: Mr. Ruiz mentioned that Tetra Tech is currently working on the Plan, and that District staff has scheduled an onsite meeting with GCI (Consultant) for design input. Discussion occurred concerning timeline for completion of the Plan; Mr. Ruiz mentioned that the Plan is scheduled to be completed six weeks from the approval of the Contract Change Order, and that District staff will bring the Plan to the Engineering/Operational Committee for review.

Discussion occurred concerning coordination and notification with the County of Orange Supervisors due to the planned impact to the local public trails, and the timeline for notification to the private property owners which will be affected by the project; Mr. Ruiz mentioned that Ms. Lausten is coordinating a meeting with the City of Lake Forest to facilitate the permitting process and review the project with private property owners.

Action: The Board received the information concerning the matter. No action taken.

ITEM 11: BAKER WATER TREATMENT PLANT

Mr. Ruiz presented the March 2015 Construction Report and mentioned that there was no additional project updates. Mr. Ruiz highlighted project photos and reviewed the Electrical Duct Bank Concrete Encasement at the Product Water Pump Station. Mr. Ruiz added that Irvine Ranch Water District is scheduling a tour of the facility for participating agency Directors on June 23, 2015.

Action: The Board received the information concerning the matter. No action taken.

**REGULAR BOARD OF DIRECTORS MEETING MINUTES
MARCH 18, 2015**

ITEM 12: SHADOW ROCK DETENTION BASIN FACILITY

Mr. Ruiz provided a status update on this project, and reviewed project status photos of the wet well and inlet structure at the facility. Mr. Ruiz mentioned that District staff is currently preparing an amendment to the Proposition 84 Agreement to restructure the project budget. Discussion occurred concerning the proposed revised budget and fund reimbursement timeline. Mr. Ruiz added that District staff will coordinate with the Trabuco Highlands Community Association (THCA) concerning the reuse of the plant and brush clearing in the form of mulch which has been completed onsite. Discussion occurred concerning the operation of the inlet structure at the facility and effluent connection. Mr. Ruiz mentioned that the project is scheduled to be completed at the end of April, and suggested a potential dedication ceremony in late May or June.

Action: The Board received the information concerning the matter. No action taken.

ITEM 13: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING CONDITIONAL WILL SERVE LETTER FOR SKYRIDGE DEVELOPMENT (84 DUs)

Mr. Ruiz provided a status update on this project, and mentioned that this matter has been reviewed by the Engineering/Operational Committee. Mr. Ruiz presented the DRAFT Conditional Will Serve Letter for the development which had been reviewed by District Legal Counsel and the Developer, and highlighted the following matters:

- District staff, Santa Margarita Water District (SMWD), and the Developer met to review the conditions of the Conditional Will Serve Letter;
- Environmental compliance for the offsite recycled water system will be met by SMWD;
- Reviewed DRAFT Conditional Will Serve Letter Summary Calculation of Water and Wastewater Capacity Fees and Charges. Mr. Ruiz mentioned that the additional potable water equivalent dwelling units (EDUs) is 89.5.

Mr. Ruiz mentioned that District staff is coordinating with SMWD for the development of a letter of commitment or memorandum of understanding. Discussion occurred concerning the recycled water system for the development.

Action: A motion was made by Vice President Acosta and seconded by Director Mandich to approve the Conditional Will Serve Letter for Standard Pacific Homes Skyridge Development.
The motion carried 5 – 0.

ITEM 14: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TCWD'S DIMENSION WATER TREATMENT PLANT CLEARWELL TANK REPLACEMENT

Mr. Ruiz presented this matter for Board review, and mentioned that this matter was reviewed by the Engineering/Operational Committee. Mr. Ruiz mentioned that the Dimension Water Treatment Plant's (DWTP) Clearwell is an 80,000 gallon treated water storage tank that was constructed in 1994 and has been periodically inspected. Mr. Ruiz presented photos of the Clearwell's degraded support beams, and mentioned that this project is a scheduled Capital Improvement Project. Ms. Lausten commented that the District invited and received for quotes which included a wide range of repair and replacement

**REGULAR BOARD OF DIRECTORS MEETING MINUTES
MARCH 18, 2015**

options. Ms. Lausten reviewed the project bid comparison with the Board, and recommended that the District proceed with Superior Tank for the Replace option for \$85,549 utilizing the existing foundation and repairing the Clearwell panels. Ms. Lausten added that the project will require a two to three week shutdown of the DWTP in mid-April, but that Water Operations will need the facility's service restored by May 1, 2015 due to historically projected system-wide demands. Discussion occurred concerning the lifespan of the new Clearwell and the value of cathodic protection. Mr. Ruiz added that the District had budgeted for and planned to purchase approximately 250 acre feet of potable water through emergency inter-ties with Irvine Ranch Water District and Santa Margarita Water District during the shutdown period.

Action: A motion was made by Director Safranski and seconded by Director Haselton to authorize the General Manager to contract with Superior Tank Company, Inc. for an amount of \$85,549.
The motion carried 5 – 0.

**ITEM 15: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TCWD ADMINISTRATIVE FACILITY
PARKING LOT REHABILITATION PROJECT**

Mr. Ruiz presented this project for Board review, and mentioned that this matter has been reviewed with the Engineering/Operational Committee and is a scheduled Capital Improvement Project. Ms. Lausten mentioned that District staff has obtained quotes for the repair which range from approximately \$7,000 for a seal and coating project to approximately \$17,500 for a grind and overlay project. Ms. Lausten added that based on discussion with the Engineering/Operational Committee that the recommended project is to grind and overlay with a petromat installation which adds an approximate \$3,000. Discussion occurred concerning project scheduling and timeline for completion; Ms. Lausten recommended a project completion by mid-May. Ms. Lausten reviewed the additional project components with the Board.

Action: A motion was made by Director Safranski and seconded by Vice President Acosta to authorize the General Manager to complete the TCWD Administrative Facility Parking Lot Rehabilitation Project for a not to exceed amount of \$20,000.
The motion carried 5 – 0.

LEGISLATIVE, ADMINISTRATIVE, AND OTHER MATTERS

**ITEM 16: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING MWDOC'S PROPOSED FISCAL YEAR
2015/2016 BUDGET**

Mr. Ruiz presented this matter for Board review, and highlighted the MWDOC DRAFT Fiscal Year 2015/2016 Budget exhibit. Mr. Ruiz mentioned that District staff will present the CORE and CHOICE Budget Items as they are released to MWDOC-member agencies. Discussion occurred concerning preparation of the 2015 Urban Water Management Plan as a proposed CHOICE budget item.

Action: The Board received the information concerning the matter. No action taken.

**REGULAR BOARD OF DIRECTORS MEETING MINUTES
MARCH 18, 2015**

ITEM 17: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING STATEWIDE DROUGHT CONDITIONS

Mr. Ruiz provided a status update concerning this matter, and mentioned that the State Water Board adopted expanded emergency regulations. Mr. Perea presented a Powerpoint presentation which reviewed the expanded emergency regulations, highlighted the District's current Water Conservation Ordinance Level One/Water Watch conditions, the District's Water Use Efficiency Rebate Programs, and reviewed the District's Drought Communication Process. Mr. Ruiz mentioned that the month of February was characterized with unusually warm weather, and that the District's overall potable water demand increased by approximately 36%. Discussion occurred concerning public outreach and notification process concerning the adverse impacts of the statewide drought. Mr. Ruiz mentioned that District staff continues to use the On Tap Newsletter as its primary public outreach method to discuss water conservation issues and the impact of the statewide drought. Mr. Ruiz added that the District has seen an increase in online reports through its website "Report an Issue" button. Mr. Ruiz mentioned that the next On Tap will report the new expanded emergency regulations, and any other new developments concerning the statewide drought. Discussion occurred concerning the expected Metropolitan Water District of Southern California water allocations for member agencies, and the efficacy of weather station online reporting.

Action: The Board received the information concerning the matter. No action taken.

ITEM 18: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

Mr. Ruiz presented the following matters:

- The Orange County Local Agency Formation Commission (OCLAFCO) is scheduled to meet on March 20, 2015, and will conduct their 2015 Strategic Planning Session.

Action: There was no action taken.

OTHER MATTERS

There were no other matters for discussion.

ADDITIONAL DIRECTORS' COMMENTS

There were no additional Director comments received.

ADDITIONAL GENERAL MANAGER COMMENTS

Mr. Ruiz commented on the following matters:

- Mr. Ruiz commended Ms. Lisa Carmouche for her work on the District's Records Retention Project with the District's files. Ms. Carmouche provided a status update on the project, and mentioned that District staff expects to complete the preliminary work by June, 2015.
- Mr. Ruiz provided an update on the District's succession plan concerning the planned retirement of the District's Maintenance Superintendent. Mr. Ruiz mentioned that the prospective candidates did not meet the requirements of the advertised position of Lead Mechanical Technician. Mr. Ruiz added that District Management has determined that an internal candidate from the Wastewater

**REGULAR BOARD OF DIRECTORS MEETING MINUTES
MARCH 18, 2015**

Operations Department is better suited for the position, and that an entry level position will be backfilled into the Wastewater Operations Department.

END ACTION CALENDAR

ADJOURNMENT

President Dopudja adjourned the March 18, 2015, Regular Board meeting at 9:00 PM.