

**MINUTES OF THE REGULAR MEETING  
OF THE  
BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT  
APRIL 15, 2015**

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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 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  
Director James Haselton  
Director Edward Mandich  
Director Michael Safranski

**DIRECTORS ABSENT**

Vice President Glenn Acosta

**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)  
District Treasurer – Cindy Byerrum (Platinum Consultants)

**PUBLIC PRESENT**

There were no members of the public present

**PLEDGE OF ALLEGIANCE**

Director 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.

## **REGULAR BOARD OF DIRECTORS MEETING MINUTES**

**APRIL 15, 2015**

### **DIRECTOR'S COMMENTS**

Director Haselton commented on media reports of the drought's impact on the California agricultural community. Discussion occurred concerning state environmental-related issues.

Director Safranski commented on the following matters:

- Orange County Business Council Meeting attendance and a discussion concerning the following:
  - Bay Delta Conservation Plan and the need for additional storage capacity;
  - Irvine Ranch Water District's Policy on Metropolitan Water District of Southern California (MET) water and desalination;
  - Poseidon Desalination Project and Coastal Commission requirements.
- South County Water Agencies Meeting attendance and a group discussion of the Municipal Water District of Orange County (MWDOC) Administrative Rules update.

Discussion occurred concerning reservoir storage and the environmental challenges.

Director Mandich commented on his attendance at the City of Rancho Santa Margarita City Council Meeting, and mentioned that Mayor Brad McGirr acknowledged the General Manager's Drought Emergency Regulations presentation at the recent Communities of Rancho (CAR) Meeting.

President Dopudja commented on his attendance at the recent Orange County Water Agencies Meeting which highlighted atmospheric rivers and water quality from the proposed Poseidon desalination plant. Discussion occurred concerning the Poseidon Project conveyance system.

### **REPORT FROM THE GENERAL MANAGER**

Mr. Ruiz reported on the following matters:

1. District staff participated in the AlertOC countywide system test, and approximately 4,000 subscribers District-wide were contacted during the test. Mr. Ruiz mentioned that the message was unfortunately pre-empted by the City of San Clemente's message, but that the administrators of the test, MWDOC, and the County of Orange have been notified of the system error.
2. District staff completed an emergency pipeline repair in the Portola Hills community which impacted approximately twenty homes. Mr. Ruiz added that a homeowner's driveway was damaged by the pipeline rupture, and that District staff will coordinate with the homeowner for the repair of the driveway.
3. Mr. Ruiz reviewed an announcement concerning the State Water Board's Proposition 1 Water Recycling Funding Program Public Workshop scheduled through mid-April. Discussion occurred concerning expansion of the District's recycled water system.
4. Mr. Ruiz mentioned that the Orange County Water Summit is scheduled for Friday, May 15, 2015, and that any Directors that are interested in attending the event should coordinate with Mr. Perea.

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**ITEMS TOO LATE TO BE AGENDIZED**

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

**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 4 – 0 – 1, with Vice President Acosta absent.

**ACTION CALENDAR**

**ADMINISTRATIVE MATTERS**

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

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Mr. Ruiz provided a status update on this matter, and mentioned that District staff has been coordinating with vendors and preparing materials for this event, which is scheduled for Saturday, May 30, 2015, from 10:00 AM to 2:00 PM. Mr. Ruiz presented a handout which demonstrated the various planned event highlights and interactive demonstrations. Discussion occurred concerning planned agency representatives and information booths.

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

**ITEM 7: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) WASTEWATER DISCHARGE PRETREATMENT & SOURCE CONTROL PROGRAM**

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Mr. Ruiz provided a status update on this matter, and mentioned that District staff has complied with the notification requirements for the scheduled Public Hearing at the May 20, 2015, Regular Board Meeting.

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

**FINANCE MATTERS**

**ITEM 8: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING MWDOC'S PROPOSED FISCAL YEAR 2015/2016 BUDGET**

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Mr. Ruiz presented this matter for Board review, and mentioned that the matter had been reviewed with both the Finance/Audit and Engineering/Operational Committees. Mr. Ruiz reviewed MWDOC CHOICE items, which included the Water Use Efficiency, Value of Water Communications, and School Programs. Discussion occurred concerning possible participation in the Urban Water Management Plan, Water Loss Control and the Poseidon Ocean Desalination Programs; Mr. Ruiz mentioned that no contributions are needed for participating in the Poseidon Program for Fiscal Year 2015/2016. Mr. Ruiz

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reviewed the proposed Retail Meter Charges and Purchase Water Rates. Discussion occurred concerning the preparation of the Urban Water Management Plan and cost control strategies.

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

**ITEM 9: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TCWD FISCAL YEAR 2015/2016  
GENERAL FUND AND CAPITAL IMPROVEMENT PLAN BUDGETS**

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Mr. Ruiz presented this matter for Board review, and mentioned that Ms. Byerrum was in attendance to answer the Director's questions concerning the proposed budgets. Mr. Ruiz added that District staff are currently preparing the General Fund and Capital Improvement Project budgets for Fiscal Year 2015/2016, and recommended the scheduling of a Special Board Meeting/Budget Workshop on Monday, May 11, 2015 at 5:30 PM. Mr. Ruiz mentioned that District staff is currently reviewing an updated merit-based Employee Salary Schedule designed with additional incremental steps, as well as an employee succession plan. Ms. Byerrum mentioned that the budgets will be set up to accommodate loss in revenue due to mandatory restrictions, and suggested a planned 25% reduction in budgeted revenues. Discussion occurred concerning the District's Reserves Policy and current Reserves; Mr. Ruiz mentioned that due to the mandatory restrictions that District staff proposes the use of the Water Rate Stabilization Reserve to offset the expected loss in revenue. Discussion occurred concerning the preparation of a comprehensive rate study to determine the appropriate water, sewer, and recycled water rates, and the required Proposition 218 process for the adoption of new rates; Mr. Ruiz mentioned that District staff would like to issue requests for proposals immediately and select a consultant at the June 17, 2015, Regular Board Meeting. Discussion occurred concerning fixed versus volumetric costs and assumptions, and the impact of the ongoing City of San Juan Capistrano water rate case.

**Action:** The Board received the information concerning the matter, and through President Dopudja, directed District staff to schedule a Special Board Meeting/Budget Workshop on Monday, May 11, 2015, at 5:30 PM.

**ENGINEERING MATTERS**

**ITEM 10: ALTERNATE RAW WATER TRANSMISSION LINE – PW79**

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Mr. Ruiz provided a status update on this project, and mentioned that the Site Survey, Potholing and Geotechnical work for this project has been completed. Mr. Ruiz mentioned that the work was completed in approximately five days, and that Irvine Ranch Water District's (IRWD) pipeline and Southern California Edison's (SCE) easement has been located. Mr. Ruiz added that Tetra Tech is currently redesigning the project alignment as result of this new information. Mr. Ruiz reviewed the updated project schedule with the Board, and highlighted the property appraisal timelines. Discussion occurred concerning communication with the property owners and timeline for completion of the required notification process; Mr. Ruiz mentioned that the contracted appraiser has submitted the required letters to the property owners, and the property appraisals are scheduled to be completed by the end of May with a report to follow. Discussion occurred concerning the status of the SCE easement acquisition and timeline for completion.

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

**ITEM 11: BAKER WATER TREATMENT PLANT**

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Mr. Ruiz presented the April 2015 Construction Report and mentioned that there was no additional project updates. Mr. Ruiz mentioned that the last two Project Committee Meetings were cancelled, and the next Meeting is scheduled for May 14, 2015. Mr. Ruiz highlighted project construction photos in the report. Mr. Ruiz added that Irvine Ranch Water District is scheduling a tour of the facility for participating agency Directors and staff on June 23, 2015.

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

**ITEM 12: SHADOW ROCK DETENTION BASIN FACILITY**

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Mr. Ruiz provided a status update on this project, and mentioned that the Contractor has completed the electrical conduit and cabinet installation. Discussion occurred concerning the remaining project tasks; Mr. Ruiz mentioned that SCE is scheduled to provide electrical power to the facility in the coming weeks, and District staff will coordinate the hydroseeding and planting during the same time. Discussion occurred concerning the storm drain intertie and discharge pipeline composition. Mr. Ruiz reviewed updated project photos with the Board, and presented a proposal for media outreach services from Thomas Communications Group (TCG) for the planned dedication ceremony. Mr. Ruiz mentioned that TCG is coordinating with County of Orange Supervisor Lisa Bartlett to attend the event, and that an invitation will be extended to the residents along Shadow Rock Lane. Discussion occurred concerning event staging and coordination for attendees.

**Action:** A motion was made by Director Safranski and seconded by Director Mandich to authorize the General Manager to coordinate with Thomas Communications Group, LLC, for the Shadow Rock Detention Basin Facility Dedication Ceremony Plan for a not to exceed amount of \$10,000.  
The motion carried 4 – 0 – 1, with Vice President Acosta absent.

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

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Mr. Ruiz provided a status update on this project, and mentioned that District staff has prepared the Conditional Will Serve Letter (WSL) for the President Dopudja's signature. Mr. Ruiz mentioned that once the WSL is executed by the Board President, that the Developer is required to return the WSL and deliver the applicable fees to the District within 45 days. Discussion occurred concerning the status of the development and the developer fees; Mr. Ruiz mentioned that District staff has already received all of the required developer fees to date. Mr. Ruiz mentioned that District staff is coordinating with Santa Margarita Water District for the preparation of the inter-agency agreement for the potable water inter-tie and connection to the recycled water infrastructure.

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

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**LEGISLATIVE, ADMINISTRATIVE, AND OTHER MATTERS**

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

Mr. Ruiz provided a status update concerning this matter, and delivered a Powerpoint presentation which reviewed the State Water Board's proposed emergency regulation updates. Mr. Ruiz added that the State Water Board's formal notice of the regulations is planned for April 28, 2015, and the regulations are expected to be adopted by May 5, 2015. Discussion occurred concerning public outreach and communication to District customers concerning the State Water Board's proposed mandatory regulations, and the necessity of a Special Board Meeting to review the final mandatory regulations; the Board of Directors suggested the scheduling of a Special Board Meeting on Friday, May 15, 2015 at 5:30 PM. Discussion occurred concerning possible public outreach methods for District staff preparation; Mr. Ruiz mentioned that District staff is preparing various methods of public outreach and education of the District customers for Board review and signature, if necessary. Mr. Ruiz mentioned that District staff will coordinate with General Legal Counsel to draft a Resolution for review and adoption at the Special Board Meeting.

**Action:** The Board received the information concerning the matter, and through President Dopudja, directed District staff to schedule a Special Board Meeting on Friday, May 15, 2015, at 5:30 PM.

**ITEM 15: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)**

Mr. Ruiz presented the following matters:

- Mr. Ruiz reviewed a letter from the Orange County Local Agency Formation Commission (OCLAFCO) that announced that Ms. Kathryn Freshley has been selected as the Alternate Public Member at Large.

**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**

There were no additional General Manager comments received.

**END ACTION CALENDAR**

**ADJOURNMENT**

President Dopudja adjourned the April 15, 2015, Regular Board meeting at 9:07 PM.