

**THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
TRABUCO CANYON WATER DISTRICT
FEBRUARY 15, 2012**

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD) was called to order by President Mandich at 7:01 p.m. at Trabuco Canyon Water District's office located at 32003 Dove Canyon Drive, Trabuco Canyon, California. Teresa Teichman, Secretary to the Board of Directors, recorded and transcribed the minutes thereof.

DIRECTORS PRESENT

Ed Mandich, President
Jim Haselton, Vice President
Glenn Acosta, Director
Mike Safranski, Director
Matt Disston, Director

STAFF PRESENT

Don Chadd, General Manager
Hector Ruiz, District Engineer
Teresa Teichman, Secretary to the Board of Directors
Michael Perea, Special Projects Manager
Karen Warner, Accounting Supervisor

LEGAL COUNSEL PRESENT

Robert E. Anslow, District Legal Counsel
Melanie Poturica, Special Legal Counsel

TCWD CONSULTANT PRESENT

Michael Zizzi, C.P.A.

PUBLIC PRESENT

There were several members of the public present.

PLEDGE OF ALLEGIANCE

Director Safranski led the Board and staff in the pledge of allegiance.

VISITOR COMMENTS

There were no visitor comments.

ORAL COMMUNICATION

There were no oral comments.

DIRECTOR'S COMMENTS

President Mandich reported on the South Orange County Wastewater Authority (SOCWA) meeting he attended in February.

REPORT FROM THE GENERAL MANAGER

The General Manager advised the Board that TCWD received a check from TCWD's worker's compensation and general liability carrier, ACWA JPIA, in the amount of \$27,000. The check represents distribution of unused funds from the self-funded Joint Powers Authority. Mr. Chadd complimented TCWD's Staff and Safety Program for the low number of claims.

Mr. Chadd also advised TCWD has begun pumping from the wells today. Mr. Chadd stated there are pre-and post-testing requirements prior to the wells coming fully on-line.

ITEMS TOO LATE TO BE AGENDIZED

There were no items too late to be agendized.

CONSENT CALENDAR

President Mandich announced that all matters under the Consent Calendar would be approved by one motion unless a Board Member requests a separate action on a specific item.

ACTION CALENDAR

President Mandich stated that the General Manager and staff had reviewed all matters under the Action Calendar prior to the Board's consideration.

MOTION: A motion was made by Director Safranski and seconded by Director Disston to approve the Consent Calendar, Item Nos. 1A through 1E. The motion carried 5-0.

ADMINISTRATIVE MATTERS

ITEM NO. 1F: PRESENTATION, DISCUSSION AND ACTION RELATING TO FISCAL YEAR 2010/2011 AUDIT

The General Manager introduced Mr. Mike Zizzi, Certified Public Accountant, from Leaf & Cole LLP. Mr. Zizzi provided a very brief power point presentation and reviewed TCWD's statement of cash flow and cash equivalents. Mr. Zizzi reviewed long term debt and amortization. Mr. Zizzi commented on the current rate of return relating to interest rates. Mr. Zizzi stated the audit was conducted in accordance with auditing standards generally accepted in the United States, the State Controller's Audit Requirements for California Special Districts and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Mr. Zizzi explained the scope of the testing Leaf & Cole performed during TCWD's audit. Mr. Zizzi also discussed findings relating to the need for a separate bank account for an Interim Sewage Service account.

The Board received and filed the information.

ENGINEERING MATTERS

ITEM NO. 1G STATUS UPDATE AND POSSIBLE ACTION RELATING TO BAKER REGIONAL WATER TREATMENT FACILITY

The District Engineer advised the 100-percent design submittal for the project was completed on February 6, 2012, TCWD currently has the documents for review and comment.

The District Engineer advised the Baker Regional Water Treatment Facility Committee met on January 26, 2012, and had discussions relating to bio-solid issues and sludge handling options. Discussion occurred concerning issues relating to the sludge heat drying system at Irvine Ranch Water District's Michelson Water Recycling Plant (MWRP). IRWD is in the processes of commissioning a new study to investigate the impact and options relating to sludge. Further discussion occurred concerning the project schedule as it relates to potential design cost increases to Baker Plant participants.

The Board received and filed the information. No action required.

ITEM NO. 1H: STATUS UPDATE AND POSSIBLE ACTION RELATING TO THE ALTERNATE RAW WATER TRANSMISSION LINE (ARWTL) (16-inch Raw Water Transmission Line – Serrano Creek Crossing Alternate Route – PW79)

The General Manager advised TCWD staff, along with a Federal Emergency Management Agency(FEMA) representative, and a representative from Tetra Tech, met last week as it relates to the amendment that TCWD has submitted to FEMA for this project. The General Manager advised the group went on a site visit of the Serrano Creek Crossing and the FEMA representative confirmed it would not be possible to re-build in place on this project. The District Engineer advised he anticipates hearing formally from FEMA in a few months. The District Engineer advised the representative from Tetra Tech will perform an analysis of each of the options discussed with FEMA.

The Board received and filed the information. No action required.

ITEM NO. 1I: STATUS REPORT AND POSSIBLE ACTION RELATING TO DOVE RESERVOIR TO TRABUCO RESERVOIR INTER-TIE AND TRABUCO HIGHLANDS PRESSURE REDUCING STATIONS PROJECTS

The District Engineer advised he has issued the Notice of Award and has scheduled a pre-construction meeting for this project. The District Engineer advised TCWD has received the Grant of Easement from the Trabuco Highlands Community Association. The District Engineer also advised letters have been sent to the residents on Brookseed Drive relating to any potential impact during the project construction.

The Board received and filed the information. No action required.

ITEM NO. 1J: DISCUSSION AND ACTION RELATING TO THE 2012 ORANGE COUNTY REGIONAL WATER AND WASTEWATER MULTI-HAZARD MITIGATION (HAZMIT) PLAN UPDATE

The District Engineer advised TCWD and 19 other water and wastewater agencies in the County of Orange worked with Municipal Water District of Orange County (MWDOC) staff to complete an update to the 2007 Orange County Regional Water and Wastewater Multi-Hazard Mitigation Plan (HAZMIT). Mr. Ruiz stated the HAZMIT plan is required to be updated every 5 years. The District Engineer also advised, beginning in 2004, FEMA began restricting grant applications for pre- and post-disaster hazard mitigation funds for any agencies not covered by an approved HAZMIT Plan. The District Engineer distributed a spreadsheet reflecting TCWD's projects and reviewed information with Staff and the Board.

Mr. Michael Perea, Special Project Manager, advised there is a link on TCWD's website to the HAZMIT plan.

MOTION: A motion was made by Director Safranski and seconded by Director Acosta to move Staff recommendation. The motion carried 5-0.

LEGISLATIVE MATTERS

ITEM NO. 1K: DISCUSSION AND POSSIBLE ACTION RELATING TO LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL ITEMS

Mr. Chadd provided information received from the Local Agency Formation Commission of Orange County (LAFCO) relating to an upcoming Orange County LAFCO Special District seat vacancy. Discussion occurred relating to supporting Mr. Charles Wilson, should he decide to run for the position.

END ACTION CALENDAR

OTHER MATTERS

ADDITIONAL DIRECTORS' COMMENTS

There were no additional Director's comments.

ADDITIONAL GENERAL MANAGER COMMENTS

There were no additional General Manager comments.

ADJOURNMENT

At 7:50 p.m. President Mandich adjourned the February 15, 2012 Regular Board meeting to Closed Session.

At 7:51 TCWD's Board of Directors, General and Special Legal Counsels, and TCWD's Human Resources Supervisor, reconvened in TCWD's conference room for a Closed Session.

At 10:41 TCWD's Board of Directors, General and Special Legal Counsel, and TCWD Staff present, reconvened for Open Session in TCWD's Boardroom. Mr. Rob Anslow, TCWD General Legal Counsel, announced that the Board met in one Closed Session, pursuant to Government Code Section 54957, to consider a complaint against a public employee; District Personnel and Salary Policy, Section 5 – Grievance procedure and advised there are no other announcements to make at this time.

President Mandich adjourned the February 15, 2012 Regular Board Meeting at 10:41 p.m.

Respectfully Submitted,

Michael Perea
District Secretary

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