

**MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT
APRIL 16, 2014**

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD) was called to order by President Safranski at 7:01 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)
District Treasurer – Cindy Byerrum

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

Mr. James Fidler, Board President of Mesa Water District addressed the Board concerning his candidacy for Orange County Local Agency Formation Commission Special District Alternate Position and requested the Board's support.

ORAL COMMUNICATION

No oral communication was received.

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DIRECTOR'S COMMENTS

Mr. Acosta had no comments.

Mr. Haselton had no comments.

Mr. Mandich had no comments.

Mr. Dopudja had no comments.

Mr. Safranski commented on his attendance at the Municipal Water District of Orange County (MWDOC) Elected Officials Forum Meeting on April 3, 2014. Discussion occurred concerning MWDOC's Fiscal Year 2014/2015 Budget and the information presented at the meeting. Mr. Safranski mentioned that the Metropolitan Water District of Southern California (MET) Director Vacancy selection process and the process for the organization of the Nominating Committee was reviewed. Discussion occurred concerning memorial services for Colonel Jack Foley on Saturday, April 26, 2014. Mr. Safranski commented on his attendance at the County of Orange Crime Victims Monument on Saturday, April 12, 2014.

REPORT FROM THE GENERAL MANAGER

Mr. Ruiz commented on the following matters:

1. Water Reuse letter dated April 9, 2014, which thanked the Board of Directors and the District for their support and contribution of \$4,000 to the Direct Potable Reuse Initiative.
2. State Parks, Doheny State Beach Visitor Center Re-Opening Flyer and Information, dated April 11, 2014. Mr. Ruiz mentioned that this document was provided for informational purposes.

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 Vice President Mandich and seconded by Director Haselton to approve the Consent Calendar, Item Nos. 1 through 4. The motion carried 5 – 0.

ACTION CALENDAR
ADMINISTRATIVE MATTERS

ITEM 5: TCWD NETWORK INFRASTRUCTURE AND DESKTOP SYSTEM UPGRADES

Mr. Ruiz presented this matter to the Board, and discussed the District's current Network Infrastructure which was implemented in 2005. Mr. Ruiz added that the Small Business Server was upgraded in early-2011, but that the computer workstations currently used by District staff are approximately nine years old and are approaching the end of their service life. Mr. Perea commented that District staff had requested a proposal from Synoptek, Inc. (the District's Contract Information Technology Manager) for a solution to address the discontinued support for Windows XP by Microsoft. Mr. Perea commented that this matter was presented to the Finance/Audit Committee, and based on the recommendations made by the Committee, the proposal has been revised to include additional workstations and the option of purchasing monitors. Mr. Perea reviewed the proposal which includes upgraded computer workstations and a Citrix Server overlay on the existing Windows Small Business Server environment from Synoptek for Board review. Discussion occurred concerning the hardware and labor costs proposed in the proposal. Mr. Ruiz added that this Project was approved at a "C" level, but that due to the recent developments concerning Microsoft Windows XP Operating System that District staff would like to move this Project to an "A" level. Discussion occurred concerning the hardware and labor costs proposed in the proposal. Mr. Ruiz mentioned that a request for proposals from other vendors was made, but given the quick turnaround required, other vendors declined to submit. A quick turnaround is required to minimize the vulnerability of the continued use of Microsoft Windows XP. Discussion occurred concerning project costs and measures District staff can take to control labor costs.

Action: A motion was made by Director Acosta and seconded by Director Haselton to authorize the General Manager to implement the Network Infrastructure and Desktop Upgrades as presented with a not to exceed amount of \$45,000. The motion carried 5 – 0.

ITEM 6: DISTRICT WEBSITE UPGRADE PROJECT

Mr. Ruiz provided a status update on this matter, which included a review of the work completed on the District's website upgrade to date. Mr. Ruiz added that Vision Internet (Consultant) has completed the website prototype for Board review. Mr. Perea reviewed the website prototype, highlighted the completed sections and information/data that has been migrated to date, and discussed the project timeline. Discussion occurred concerning the significance of the project's completion and the importance of the project's completion. Mr. Ruiz mentioned that District staff expects to have the website completed by late July or early August, and that this estimate is based on discussions with other water agencies that have undergone similar projects. Discussion occurred concerning the original project schedule and subsequent delays, and the opportunity to highlight District staff and facilities.

Action: Received status update. No action taken.

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ITEM 7: ACTIVITIES FOR WATER AWARENESS MONTH

Mr. Ruiz presented this matter for discussion, and commented that District staff has been preparing for Water Awareness Event to be held at the Administrative Facility on Saturday, May 31, 2014. Mr. Ruiz mentioned that the theme for the event is the Statewide Drought and Water Use Efficiency. Mr. Ruiz reviewed the planned activities for the event, which included informational items like water use efficiency rebate items and interactive displays, as well as some fun ideas like face painting for children and water-related giveaways. Mr. Ruiz requested input and ideas for the event from the Board. Discussion occurred concerning informational items like a display that could highlight the Dry Season Recovery and Urban Runoff Collection System and ideas for updating the banners for event advertisement. Mr. Ruiz mentioned that staff has brainstormed on the type of food for the event, and that the Directors have barbecued hot dogs at past events. Discussion occurred concerning event cost control and the importance of focusing on the message of the event.

Action: Received status update. No action taken.

ITEM 8: DISCUSSION AND REVIEW OF POTENTIAL AMENDMENTS TO THE DISTRICT'S GENERAL POLICY AND RULES AND REGULATIONS FOR CERTAIN DISTRICT OFFICERS

Mr. Ruiz presented this matter for discussion, and commented that this matter was discussed at the March 19, 2014, Regular Board Meeting per Section 12 of the District's General Policy and Rules and Regulations (Rules). Mr. Ruiz added that the proposed amendments purpose were to provide clear definition of the following officers: General Manager, District Secretary, and District Treasurer. Mr. Ruiz presented Draft Resolution No. 2014-1197 – Resolution of the Board of Directors of the Trabuco Canyon Water District Amending District's Rules and Regulations Regarding Certain District Officers, in accordance with District General Policy and Rules and Regulations, Section 12.2.3 for Board review and adoption. Discussion occurred concerning the consistency of the amendment to the Rules; Mr. Anslow commented that the drafted amendment is consistent with existing statutory framework. Mr. Ruiz added that the amendment was a requirement of the District's insurer Association of California Water Agencies Joint Powers Insurance Association (ACWA/JPIA). Discussion occurred concerning officer powers, including signature authority, and the development of a master list of District Officers.

Action: A motion was made by Director Acosta and seconded by Director Haselton to adopt Resolution No. 2014-1197 – Resolution of the board of Directors of the Trabuco Canyon Water District Amending District's Rules and Regulation Regarding Certain District Officers, in accordance with District General Policy and Rules and Regulations, Section 12.2.3. The motion carried 5 – 0.

A motion was made by Director Acosta and seconded by Director Haselton to approve the Professional Services Contract with Platinum Consulting Group for Accounting and Treasurer Services, and to appoint Mr. Josh Byerrum as Assistant District Treasurer. The motion carried 5 -0.

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FINANCIAL MATTERS

ITEM 9: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) FISCAL YEAR 2014/2015 BUDGET

Mr. Ruiz commented that this matter was introduced at the March 19, 2014 Regular Board Meeting with information provided in the Red Folder, and has been reviewed with the Finance/Audit Committee. Mr. Ruiz reviewed the MWDOC Fiscal Year 2014/2015 CORE and CHOICE Budget Preparation Schedule and adoption timeline with the Board. Discussion occurred concerning Metropolitan Water District of Southern California (MET) approved rates and charges and the impacts on the District; Mr. Ruiz commented that based on the proposed information provided by MET, the Tier One Untreated Water Rate is scheduled to decrease by 1.9% and the Tier One Treated Water Rate is scheduled to increase by 3.7%. Mr. Ruiz reviewed the First Draft of MWDOC's Budget for Fiscal Year 2014/2015 with the Board which included the following highlights:

- MWDOC Rate History and Projections – a ten year analysis of the water increment charge per acre-foot and the retail meter charge per meter;
- MET Proposed Budget Revenue Requirement for Fiscal Year 2014/2015 and Fiscal Year 2015/2016;
- MET Proposed Full Service Rates for 2015 and 2016;
- MWDOC Proposed CORE Budget for Fiscal Year 2014/2015 and Key CORE Expense Variances
- MWDOC CORE and CHOICE Programs Changes for Fiscal Year 2014/2015
- DRAFT MWDOC CHOICE Services Programs – Discussion occurred concerning the programs and the associated proposed costs versus actual expenditures, and the impact of regional projects throughout the County.
- DRAFT MWDOC Water Use Efficiency Choice Allocation for Fiscal Year 2014/2015 – Mr. Ruiz mentioned that District staff has reviewed the current level of participation in these programs, and plans to meet with MWDOC staff to learn about ways that the District can enhance its participation as a result of the statewide drought.

Discussion occurred concerning a DRAFT joint-member agency letter to MWDOC to provide review comments to the Fiscal Year 2014/2015 Budget, and the request for additional details on MWDOC proposed expenses. Mr. Anslow suggested a recommended action to authorize the Board President to execute the joint letter and provide review comments on MWDOC's budget. Discussion occurred concerning the South County Agencies' MET Representative Selection Process Guidelines and the potential for incompatible offices held by nominees. Mr. Ruiz mentioned that the matter will be agendaized for discussion at the May 21, 2014, Regular Board Meeting.

Action:

A motion was made by Mr. Acosta and seconded by Mr. Dopudja to authorize the Board President to execute the joint-member agency letter to MWDOC providing review comments to MWDOC's DRAFT Fiscal Year 2014/2015 Budget. The motion carried 5 – 0.

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ITEM 10: DISCUSSION AND POSSIBLE ACTION CONCERNING TCWD FISCAL YEAR 2014/2015 GENERAL AND CAPITAL IMPROVEMENT BUDGETS

Mr. Ruiz presented this matter for discussion, and distributed a proposed Budget schedule handout for Board review which included the internal budget planning activities and planned budget reviews. Mr. Ruiz added that the DRAFT General Budget will be reviewed at the May 7th Financial/Audit Committee Meeting, and the Capital Improvement Project Budget will be reviewed at the May 13th Engineering/Operational Committee Meeting. Mr. Ruiz mentioned that District staff would like to schedule a Special Board Meeting for a Budget Workshop. Discussion occurred concerning schedule availability.

Action: The Board of Directors, through President Safranski, directed the General Manager to agendize a Budget Workshop at a Special Board Meeting to be held on May 29, 2014, at 6:00 PM at the Administrative Facility.

ENGINEERING MATTERS

ITEM 11: ALTERNATE RAW WATER TRANSMISSION LINE – PW79

Mr. Ruiz provided a status update on this project and commented that District staff has been notified that Federal Emergency Management Agency (FEMA) is making considerable progress on this project. Mr. Ruiz mentioned that Southern California Edison (SCE) has requested a formal letter from the District concerning the location of the proposed pipeline installation. Mr. Ruiz added that SCE has expressed that the proposed location for the project is located within their exclusive easement, but that District staff has scheduled an onsite meeting with an SCE representative for the following week to review the limited options for this project and the significant impact this project has for the District and the customers in its service area. Discussion occurred concerning obstacles that have hindered this project, and potential outreach and requests for support from other agencies, municipalities, and government officials. Mr. Safranski inquired about the status of the other remaining tasks, which included Orange County Parks, Flood Control, and the likelihood of successful completion of the SCE task; Mr. Ruiz responded that the remaining tasks with the County Offices are more likely to be completed than the SCE task, and that assistance from the Board would be welcomed. Discussion occurred concerning opportunities for assistance from agencies located within the District's service area, as well as throughout the County which could be negatively impacted if the project is not completed. Mr. Safranski commented that it is essential to convey the significance of this project to SCE and these County agencies, and to stress the potential hazards to the local community's health and safety needs if the District is prevented from proceeding on this project.

Action: Received status update. No action taken.

ITEM 12: BAKER REGIONAL WATER TREATMENT PLANT

Mr. Ruiz provided a status update on this project, and commented that Irvine Ranch Water District (IRWD) will be providing Project Construction Reports on a monthly basis for participating agencies,

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and that District staff will be updating the Engineering/Operational Committee with this information. Mr. Ruiz mentioned that the April 10, 2014, Project Committee Meeting was cancelled.

Action: Received status update. No action taken.

ITEM 13: SHADOW ROCK DETENTION BASIN FACILITY

Mr. Ruiz provided a status update on this project, and reviewed the sample project media board prepared by URS (Consultant). Mr. Ruiz reviewed the remaining projects tasks, which included:

- Adjacent Property Owner Easement for onsite electrical power from Southern California Edison (SCE). Mr. Ruiz added that District staff met with the Owner the previous week to review easement agreement language and conditions, and that the owner has expressed their willingness to assist the District and proceed. Discussion occurred concerning possible onsite power generation to provide temporary power during the construction of the future adjacent property development.
- City of Rancho Santa Margarita Encroachment Permit;
- Army Corps of Engineers Public Notice Period is in effect, however, District staff has not received formal notification of its approval;
- Southern California Edison Site Procurement and Easement acquisition;

Discussion occurred concerning project timeline for completion and the remaining project tasks.

Action: Received status update. No action taken.

LEGISLATIVE MATTERS

ITEM 14: DISCUSSION AND POSSIBLE ACTION CONCERNING STATEWIDE DROUGHT CONDITIONS

Mr. Ruiz provided a status update concerning this matter, and mentioned that MET has started the planned public outreach and Drought Awareness campaign with radio announcements and commercials. Discussion occurred concerning District outreach and customer assistance during the statewide drought; Mr. Ruiz mentioned that District staff are reviewing the current level of participation in water use efficiency rebate programs, and will update the Board with information concerning the matter at the next Regular Board Meeting.

Action: Received status update. No action taken.

ITEM 15: DISCUSSION AND POSSIBLE ACTION CONCERNING ACWA BYLAW AMENDMENTS AND ACWA/JPIA's COMMITMENT TO EXCELLENCE PROGRAM

Mr. Ruiz presented this matter for discussion, and commented that Mr. Safranski was scheduled to attend the upcoming ACWA Spring Conference (Conference) as a District representative. Discussion occurred concerning the proposed ACWA Bylaw Amendments, and the planned sessions and

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conference schedule. Mr. Safranski requested Board input concerning the Bylaw Amendment voting procedure; the Board expressed their confidence in Mr. Safranski as the District's voting representative at the Conference.

Mr. Ruiz presented the ACWA/JPIA Commitment to Excellence Program (Program), and mentioned that Mr. Peter Kuchinsky, ACWA/JPIA Lead Risk Management Consultant, had introduced the Program to the District during his recent visit. Mr. Perea added that the Program is designed to increase awareness of the JPIA's five most common claims and injuries, and serves as a pledge to implement best management practices to prevent those types of claims. Mr. Perea mentioned that the Program will be highlighted at the Conference. Discussion occurred concerning Director required Ethics Training; Mr. Perea mentioned that he will provide an update to the Board concerning their required training and deadlines for completion.

Action: A motion was made by Director Acosta and seconded by Vice-President Mandich for President Safranski to represent and vote on behalf of the District on matters pertaining to ACWA and ACWA/JPIA, and to adopt and execute ACWA/JPIA's Commitment to Excellence Program and Certificate. The motion carried 5 – 0.

ITEM 16: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

Mr. Ruiz commented on the following matters:

- The seat for the Orange County Local Agency Formation Commission (OCLAFCO) Special District Alternate Position is open, and the District has received information from candidates Mr. James Fisler, Board President of Mesa Water District, and Mr. Rich Freschi, Board President of the Independent Special Districts of Orange County (ISDOC). Discussion occurred concerning the OCLAFCO election process and timeline; Mr. Ruiz mentioned that the election ballots will be mailed to agencies on April 25th and are due by June 10th.

Action: The Board of Directors, through President Safranski, directed the General Manager to agendize this matter for discussion at the May 21, 2014, Regular Board Meeting.

- The California Special Districts Association (CSDA) Board of Directors Call for Nominations, Seat C, and deadline for receiving nominations is May 23, 2014.

Action: Received status update. No action taken.

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OTHER MATTERS

Mr. Ruiz commented on the following other matters:

- Administration Facility Roof Repair Project has been completed within budget. Mr. Ruiz added that the Contractor found some wood rot and replaced damaged beams, as well as some tiles and all of the underlayment paper.
- District employee John Gonzalez, Wastewater Operator, retires at the end of the month, and District staff wishes him well.
- The District has advertised for two entry-level Wastewater Operator positions and will be accepting employment applications and resumes through Friday, May 16, 2014. Mr. Ruiz added that the District has received more than sixty-five applications in from candidates. Mr. Perea added that the District used multiple sources to advertise the open positions, which included the District's website, the Orange County Register, Brown and Caldwell, and CSDA.

ADDITIONAL DIRECTORS' COMMENTS

Mr. Acosta requested that the meeting be adjourned in memory of Colonel Jack Foley.

ADDITIONAL GENERAL MANAGER COMMENTS

Mr. Ruiz had no additional comments.

END ACTION CALENDAR

ADJOURNMENT

President Safranski adjourned the April 16, 2014, Regular Board meeting at 9:02 PM