

**MINUTES OF THE SPECIAL MEETING
OF THE
BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT
MAY 29, 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 6:00 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 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 (Platinum Consulting Group)

PUBLIC PRESENT

There were members of the public present

PLEDGE OF ALLEGIANCE

Mr. Haselton 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
MAY 29, 2014**

DIRECTOR'S COMMENTS

Mr. Safranski mentioned that he was looking forward to the Water Awareness Event planned for Saturday, May 31, 2014. Mr. Safranski expressed his appreciation for Mr. Mandich's assistance at the May 21, 2014, Regular Board Meeting.

Mr. Acosta had no comments.

Mr. Haselton had no comments.

Mr. Mandich commented that he is looking forward to the Water Awareness Event as well.

Mr. Dopudja had no comments.

Discussion occurred concerning the South County Agencies MET Director Nominating Committee.

REPORT FROM THE GENERAL MANAGER

Mr. Ruiz had the following comments:

- District staff received a Notice of Proposed Contractual Assessment Program via certified mail from the California Statewide Communities Development Authority. Mr. Ruiz added that the Program is designed to permit the installation of renewable energy and energy efficient devices.
- Water Operations staff responded to an emergency line break at Santiago Canyon Road, and coordinated the repair with Doty Brothers. Mr. Ruiz added that the repair did not impact traffic, and only three customers were temporarily impacted, and the line and full-service to the customers was restored by the end of the following day.
- The District received a Public Records Request from Transparent California for employee total compensation by name. Mr. Ruiz added that District staff is preparing a memo with the assistance of General Legal Counsel to notify District staff of this request. Discussion occurred concerning employee total compensation and the District employee pay table.

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 1: SHADOW ROCK DETENTION BASIN FACILITY

Mr. Ruiz presented this matter for review, and commented that the matter was discussed at the May 21, 2014, Regular Board Meeting. Mr. Ruiz added that District staff has received the Easement Relocation Agreement from the adjacent property owner, and that the Agreement has been reviewed by District staff and General Legal Counsel. Discussion occurred concerning onsite power for the project.

**REGULAR BOARD OF DIRECTORS MEETING MINUTES
MAY 29, 2014**

Action: A motion was made by Director Acosta and seconded by Director Haselton to approve the Easement Relocation Agreement Between TCWD and Robinson Ranch Ridge Owner, LLC, subject to non-substantive changes.
The motion carried 5 – 0.

ITEM 2: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING METROPOLITAN WATER DISTRICT (MET) DIRECTOR NOMINATING COMMITTEE

Mr. Ruiz presented this matter for review, and commented that the matter was discussed at the May 21, 2014, Regular Board Meeting. Mr. Ruiz added that the South County Agencies is comprised of ten agencies, and that a representative from each agency will be assigned to the Nominating Committee. Discussion occurred concerning the nomination process and candidates to date. Mr. Acosta mentioned that the general consensus of the Board was to support Mr. Safranski for the position. Discussion occurred concerning the nomination timeline and meeting schedule. Mr. Ruiz reviewed the tentative meeting schedule with the Board, and mentioned that representative names to the Committee from each agency are due by the end of May. Discussion occurred concerning the South County Agencies participation process, the current list of candidates and their qualifications, and the Nominating Committee responsibilities. Mr. Safranski recommended that the matter be agendaized for discussion at the June 18, 2014 Regular Board Meeting.

Action: A motion was made by Vice President Mandich and seconded by Director Dopudja to appoint President Safranski to the South County Agencies MET Director Nominating Committee.
The motion carried 5 – 0.

ITEM 3: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION (OCLAFCO) ELECTION FOR SPECIAL DISTRICT ALTERNATE SEAT

Mr. Ruiz presented this matter for discussion, and commented that the matter was discussed at the May 21, 2014, Regular Board Meeting. Mr. Ruiz added that District staff has learned that Mr. Richard Freschi, Serrano Water District, has withdrawn his candidacy from the election, but that the District is formally required to complete an election ballot, as presented.

Action: A motion was made by Vice President Mandich and seconded by Director Dopudja to appoint President Safranski as the Primary Voting Member and Director Haselton as the Alternate Voting Member for the OCLAFCO Election for the Special District Alternate Seat.
The motion carried 5 – 0.

**REGULAR BOARD OF DIRECTORS MEETING MINUTES
MAY 29, 2014**

**ITEM 4: FISCAL YEAR 2014/2015 GENERAL FUND AND CAPITAL IMPROVEMENT PROGRAM BUDGETS
WORKSHOP**

Mr. Ruiz presented this matter for discussion, and mentioned that the entire budget development process has been a group effort by District staff and the District Treasurer. Mr. Ruiz added that there was no action required on this matter, as it is a budget workshop only. Mr. Ruiz provided a revised Fiscal Year 2014/2015 Budget Guideline (Guideline) for Board review, and mentioned that the District Treasurer was in attendance to answer any questions concerning the information presented. Mr. Perea delivered a Powerpoint presentation on the District Water Use Efficiency (WUE) Program Rebates, which included proposed rebate enhancements as approved by the Board at the May 21, 2014, Regular Board Meeting. Discussion occurred concerning the method of advertising the rebate programs and devices to District customers; Mr. Ruiz mentioned that District staff will advertise the rebate programs in the On Tap Newsletter, on the District's website, and at the upcoming Water Awareness Event.

Mr. Ruiz reviewed the Guideline with the Board, and highlighted the following matters:

- Annual Water Demands – Projected FY2014/2015 and Historical & Current Demands
- MWDOC Rates and Charges
- Budgetary Assumptions
 - SCE Electrical Costs Increase
 - Health Care Benefits Increase
 - Fuel Cost Increase
 - Election Costs
 - MET/MWDOC Rates and Charges
 - SAC Surcharge Increase from \$9 to \$11 per Acre Foot. Mr. Ruiz mentioned that the Baker Water Treatment Plant will help control future SAC surcharge costs.
 - SAC Fixed and Capital Costs
 - District Operator Standby Pay Increase from \$300 to \$500 for seven-day period
 - Salary increases per the District's Personnel and Salary Policy

Discussion occurred concerning the purchase of a new vehicle for Operations; Mr. Ruiz mentioned that District staff has included the replacement of one pickup truck in the budget. Discussion occurred concerning employee total compensation and the District employee pay table; Mr. Ruiz mentioned that District staff is reviewing the District employee pay table and the impacts of benefits on employee total compensation, but that it is the District's goal to stay competitive, as well as attract and retain good employees and that there are no proposed changes to the employee pay table. Discussion occurred concerning the proposed Operating Budget, and the type of reporting methodology. Mr. Ruiz reviewed the Capital Improvement Project (CIP) Budget with the Board, which included highlights of the following select projects:

- The replacement of four Sludge Bins for the Wastewater Operations Department
- Administration Facility Security/Building Upgrades
- Proposed Professional Engineering Studies
 - Recycled Water Pump Station Replacement Study/Pre-Design

**REGULAR BOARD OF DIRECTORS MEETING MINUTES
MAY 29, 2014**

- SCADA System Assessment
- Urban Water Management Plan for 2015

Discussion occurred concerning the CIP Budget and proposed select projects, and the priority structure; Mr. Ruiz explained that projects classified as “A” Projects are high priority projects and are scheduled for completion during the Fiscal Year. Discussion occurred concerning the Dimension Water Treatment Plant Backup Generator, and the impacts of planned/emergency energy outages on the District’s facilities and infrastructure; Mr. Safranski recommended that staff perform an in-house study and coordinate with vendors for emergency backup generator design/build or a turn-key bids. Mr. Ruiz mentioned that District will complete a study on the best type of application of a Backup Generator for the District’s facilities. Discussion occurred concerning the Emergency Fuel Tender, and the importance of Emergency Preparedness in the event of a disaster. Mr. Safranski recommended changing the Emergency Fuel Tender to an ‘A’ Project, and Mr. Ruiz commented that District staff will make that change to the CIP Budget. Discussion occurred concerning the Meter Change-Out Program and the implementation of Automatic Meter Read water meters; Mr. Ruiz mentioned that the Project is listed as a ‘B’ Project. Discussion occurred concerning Major Repairs and Expenses, including the Urban Water Management Plan for 2015 and the District’s Rate Stabilization Funds; Ms. Byerrum mentioned that the District will revisit the District Reserve Policy and Rate Stabilization Funds Policy and calculations, and report back to the Board. Mr. Ruiz mentioned that the final General Budget will be presented to the Finance/Audit Committee, and the final CIP Budget will be presented to the Engineering/Operational Committee for review and recommendation.

Action: The Board, through President Safranski, directed the General Manager to revise the proposed Fiscal Year 2014/2015 General Fund and Capital Improvement Program Budgets as discussed during the Budget Workshop.

END ACTION CALENDAR

ADJOURNMENT

President Safranski adjourned the May 29, 2014, Special Board Meeting at 7:59 PM