

**MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT
JULY 17, 2013**

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD) was called to order by President Mandich at 7:07 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 Ed Mandich
Vice President Jim Haselton
Director Glenn Acosta
Director Mike Safranski

DIRECTORS ABSENT

Director Stephen Dopudja

STAFF PRESENT

Hector Ruiz, General Manager
Michael Perea, District Secretary
Laurie Lausten, Engineer
Karen Warner, Accounting Supervisor

DISTRICT CONSULTANTS PRESENT:

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

PUBLIC PRESENT

There were members of the public present

PLEDGE OF ALLEGIANCE

Vice President Jim Haselton led the Board and staff in the pledge of allegiance

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

DIRECTOR'S COMMENTS

Director Acosta had no comments.

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Director Safranski had no comments.

Vice President Haselton had no comments.

President Mandich had no comments.

REPORT FROM THE GENERAL MANAGER

The General Manager, Hector Ruiz, commented on the following items:

1. Mr. Ruiz reported that a 20-inch recycled water transmission line break had occurred on the Dove Lake access road at the entrance gate to the Dove Canyon Community on Tuesday, July 9, 2013. Mr. Ruiz added that some land erosion occurred due to the pipeline break, but there was no spill, as the recycle water was recovered at Dove Lake. Discussion occurred concerning the effects of the shutdown on the community and golf course and repair costs. Mr. Ruiz commented that the line break resulted in a disruption in service of the recycled water system, but there were no adverse effects on the District customers despite the warm weather. Mr. Ruiz added that JES was the contractor for the emergency repair, and that they had completed work for the District on the Federal Emergency Management Agency (FEMA) approved projects during the aftermath of the 2010 Winter Storm Event.
2. Mr. Ruiz reported on an Orange County Register article concerning Irvine Ranch Water District's (IRWD) Baker Regional Water Treatment Facility Project, dated July 12, 2013.
3. Mr. Ruiz reported that the Directors have been cordially invited to attend El Toro Water District's Recycled Water Expansion Project Groundbreaking Ceremony scheduled for Friday, July 19, 2013, at 9:00 AM. Mr. Ruiz requested that Directors contact Mr. Michael Perea, District Secretary, if they are interested in attending this event.

ITEMS TOO LATE TO BE AGENDIZED

The General Manager, Hector 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 Director Acosta and seconded by Director Safranski to approve the Consent Calendar, Item Nos. 1 through 5. The motion carried 4 – 0.

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ACTION CALENDAR
ADMINISTRATIVE MATTERS

ITEM 6: DISTRICT WEBSITE UPGRADE PROJECT

The General Manager, Hector Ruiz, commented that staff received five proposals for consultant services, shortlisted three of the companies, and subsequently, conducted interviews with each of the three companies for this project. Mr. Ruiz reviewed the project timeline and costs from the three companies, and added that staff recommends Vision Internet for the District Website Upgrade Project. Mr. Ruiz introduced Ms. Susan Nguyen, Vision Internet Regional Sales Manager, and commented that she was in attendance to present the proposed scope of work and services which Vision Internet can provide to the District.

Ms. Nguyen's presentation addressed the following concerns: the importance of government transparency, compliance with federal and state regulations, and the necessity of front-end website security through authentication protocols and security certification, and back-end security through full redundancy and remote backup facilities. Ms. Nguyen reviewed the VisionLive Maintenance Plan and Vision Internet's Content Management System (CMS) with the Board. President Mandich inquired about the VisionLive Maintenance Plan provision of a full website redesign after four years; Ms. Nguyen confirmed that after four years using the Maintenance Plan, the District will receive a full website redesign at no cost. Director Safranski inquired about Vision Internet's ability to host the District's website, and the level of security that they will provide to the District. Ms. Nguyen commented that Vision Internet's proposal for service included website hosting in the project costs, and that images of the District's updated website will be stored on two redundant servers located at their Los Angeles facility. Discussion occurred concerning project timeline for completion and project budget.

Action: A motion was made by Director Acosta and seconded by Director Haselton to authorize the General Manager to negotiate and execute an Agreement for Services with Vision Internet for the District Website Upgrade Project for a not to exceed amount of \$23,975, and the VisionLive Maintenance plan, as presented.
The motion carried 4 – 0.

ITEM 7: FISCAL YEAR 2013/2014 UNDEVELOPED LAND WATER STANDBY ASSESSMENT AND PUBLIC HEARING

The General Manager, Hector Ruiz provided a status update on this matter, and reported that staff has followed Proposition 218 procedures concerning this matter, and that the Public Notices have been mailed to the parcel owners on the Standby List. Mr. Ruiz added that the Public Notice was published by the Orange County Register in the Saddleback Valley News on two successive Fridays, June 21, and June 28, 2013. Director Safranski asked if staff had received any comments from the public; Mr. Ruiz commented that staff has received a few phone calls inquiring about the notice, but no formal responses.

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President Mandich opened the Public Hearing at 7:30 PM, and called for any public comments concerning the Fiscal Year 2013/2014 Undeveloped Land Water Standby Assessment. No comments were received. President Mandich closed the Public Hearing at 7:32 PM.

Action: A motion was made by Director Acosta and seconded by Director Haselton to adopt Resolution No. 2013-1190, Resolution of the Board of Directors of Trabuco Canyon Water District Establishing Water Standby Assessment for Fiscal Year 2013/2014; Making Certain Findings and Taking Related Actions in Connection Therewith.
The motion carried 4 – 0.

ENGINEERING MATTERS

ITEM 8: BAKER REGIONAL WATER TREATMENT FACILITY

The General Manager, Mr. Hector Ruiz, provided a status update on the project, and commented that Irvine Ranch Water District (IRWD) Baker Water Treatment Facility (BWTF) Committee met on July 11, 2013. Mr. Ruiz commented on the Orange County Register article dated July 12, 2013, which focused on the BWTF, and presented to the Board the BWTF updated project budget with revised Engineer cost estimates. Discussion occurred concerning the estimated Construction Management costs for the project. Mr. Ruiz commented that these costs are estimated at fifteen percent of the total cost for the District's portion of the project.

Mr. Ruiz reported the District's Engineering/Operational Committee's (Committee) recommendation of contracting with a third-party law firm to review the DRAFT Agreement, and the necessity of scheduling a Project presentation by IRWD on the project sometime in September or October, 2013. Discussion occurred concerning the Committee's recommendations. Mr. Rob Anslow, District General Legal Counsel, commented that an independent, third-party legal review of the DRAFT Agreement is perfectly acceptable, although in his opinion, there is currently no conflict of interest concerning his firm's review on this matter. Discussion occurred concerning the potential cost for additional legal review. Director Acosta commented on the prudent nature and protection for the District which a third-party review of the DRAFT Agreement would present. Discussion occurred concerning General Legal Counsel's representation of the District. Mr. Anslow commented that if the Board chooses to pursue additional legal review of the DRAFT Agreement, it is important to clearly define the scope of the review because a new firm would need additional background to provide an accurate legal opinion and necessary commentary.

Discussion occurred concerning the Orange County Register article which focused on the increase in project costs. Mr. Ruiz commented that the costs are based on an Engineer's Estimates, and this may be a moot point if project bids received are below the engineer estimates. Discussion occurred concerning the development of a letter to IRWD regarding

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project support for reducing project costs through control measures. Director Safranski commented that the letter would need to be tactful, sensitive to project costs and timelines, but address cost control measures, such as value engineering. Director Acosta agreed with the comments concerning a letter, and mentioned additional concerns regarding construction costs.

Action: After receiving input from the other Board members, the Board President, Mr. Ed Mandich, directed staff to draft a letter to IRWD in support of the project, and ways that the District could assist in reducing project costs, should the project bids received be at or higher than the Engineer's Estimates.

ITEM 9: ALTERNATE RAW WATER TRANSMISSION LINE – PW79

The General Manager, Mr. Hector Ruiz, provided a status update on the project, and commented that Tetratex (Consultant) is coordinating with the California Emergency Management Agency (CalEMA) and Federal Emergency Management Agency (FEMA) on Environmental Documentation which includes the preparation of a required Cultural Services Report. Mr. Ruiz commented that staff has been notified by Consultant that FEMA has recommended a historical evaluation of the pipeline, and presented Amendment No. 4 for the change in scope of services in the amount of \$6,900 for Board review. Mr. Ruiz added that although this work is not required, it is necessary to complete this evaluation so as to not stall the project. Discussion occurred concerning FEMA's determination process for the historical evaluation of the project.

Action: A motion was made by Director Safranski and seconded by Director Acosta to ratify Tetra Tech Inc., (Consultant) Professional Services Contract – Change in Scope of Work, Amendment No. 4 in the amount of \$6,900 for additional work related to historical evaluation of the transmission line.

ITEM 10: SHADOW ROCK DETENTION BASIN FACILITY

The General Manager, Mr. Hector Ruiz, provided a status update on the project, and reviewed the project schedule with the Board. Mr. Ruiz reviewed the project components that URS (Consultant) has completed, which included a Tree Survey for the Army Corps of Engineers permit, and permit requirements for the California Fish and Wildlife Service and Regional Water Quality Control Board. Mr. Ruiz commented that staff will have more updated information in September for Board review, and that staff expects to bid the project at that time. Discussion occurred concerning highlighting this project on the District's updated website, when completed.

Action: Received status update. No action taken.

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LEGISLATIVE MATTERS

ITEM 11: 2013 BOARD ELECTIONS FOR CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA)

The General Manager, Hector Ruiz, commented that staff has received notification from CSDA concerning their 2013 Board Elections and that election ballots are due by August 2, 2013. Mr. Ruiz presented the Region Six, Seat B Candidate Statements for Board review, and added that Candidate Mr. Bill Nelson was in attendance and addressed the Board at the June 19, 2013, Regular Board Meeting. Discussion occurred concerning the information in the Candidate Statements.

Action: A motion was made by Director Acosta and seconded by Director Safranski to vote for Mr. Bill Nelson in the 2013 Board Elections for California Special Districts Association, Region Six, Seat B. The motion carried 4 – 0.

ITEM 12: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

The General Manager, Hector Ruiz, commented on the following matters:

1. Mr. Ruiz commented that Mr. Jeffrey Thomas, Board Vice President of Municipal Water District of Orange County (MWDOC), had forwarded a MWDOC Memorandum dated July 17, 2013, which reviewed the Monthly Water Usage Data, Tier 2 Projection and Water Supply Information, and presented this information for their review. Mr. Ruiz asked the Board for direction concerning MWDOC forwarding this type information directly to the Board via email in the future. President Mandich requested that this information and corresponding future reports to be forwarded directly to the Board via email.

Action: Received information, and President Mandich directed staff to request MWDOC to forward Memoranda and Monthly Water Usage Data Reports, and other Reports, to Board Members via email directly.

OTHER MATTERS

The General Manager, Hector Ruiz, commented there were no other matters.

Action: There was no action taken.

ADDITIONAL DIRECTORS' COMMENTS

Director Acosta commented on his attendance at the Santiago Aqueduct Commission Meeting. Discussion occurred concerning the renewal of the Agreement and comments made at the Commission Meeting concerning the adequacy of the current government structure and

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governance. Director Safranski commented that it is incumbent upon the Commission to clarify their comments.

ADDITIONAL GENERAL MANAGER COMMENTS

There were no additional General Manager comments.

CLOSED SESSION

The Board through President Mandich, recessed the Open Session portion of the Meeting at 8:09 PM. The Board met in Closed Session as set forth in the Meeting Agenda.

CLOSED SESSION NO. 1

The Board, through President Mandich reconvened the Open Session of the Meeting at 8:33 PM.

ITEM 13: GENERAL MANAGER'S MID-YEAR PERFORMANCE EVALUATION AND POSSIBLE RELATED ACTION CONCERNING GENERAL MANAGER'S SERVICE AGREEMENT

Action: There was no action taken.

END ACTION CALENDAR

ADJOURNMENT

President Mandich adjourned the July 17, 2013, Regular Board meeting at 8:34 P.M.

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