

**MINUTES OF THE REGULAR MEETING  
OF THE  
BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT  
AUGUST 21, 2013**

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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 Mandich 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 Ed Mandich  
Vice President Jim Haselton  
Director Glenn Acosta  
Director Stephen Dopudja  
Director Mike Safranski

**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**

District Secretary Michael Perea 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 Dopudja had no comments

Vice President Haselton had no comments.

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Director Acosta had no comments.

Director Safranski provided a status update on his attendance at the South Orange County Agencies Meeting. Discussion occurred concerning the group's accomplishments, and the future meetings. Director Safranski added that the South Orange County Agencies Group discussed the ongoing matter of the possible Municipal Water District of Orange County (MWDOC) and Orange County Water District (OCWD) agencies merger, and the creation of an Ad Hoc Committee to review the matter. Director Safranski commented that Irvine Ranch Water District (IRWD) advised the South Orange County Agencies Group that IRWD staff has scheduled visits to review the Baker Water Treatment Facility Project with participating agencies. Discussion occurred concerning the information presented by Director Safranski, and the history of the South Orange County Agencies Meetings.

President Mandich had no comments.

**REPORT FROM THE GENERAL MANAGER**

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

1. Mr. Ruiz reported that the City of Rancho Santa Margarita invited District staff and Board Members to the upcoming fourth annual Patriot Day Celebration on September, 15, 2013, from 2:00 PM to 6:00 PM.
2. Mr. Ruiz reported on an Orange County Register article concerning the defeasement of Community Facility Districts (CFDs) in the District's service area, dated August 19, 2013.
3. Mr. Ruiz reported on an Orange County Register article concerning the City of San Juan Capistrano (SJC) tiered water-rate billing structure, dated August 7, 2013. Discussion occurred concerning the possible impacts on other water district tiered rate billing structures as a result of the ruling by Orange County Superior Court. District General Legal Counsel Mr. Rob Anslow commented that the ruling is specific to SJC, and the development and compliance of their tiered rate billing structure under Proposition 218. Mr. Anslow commented that any appeal of the ruling is specific to SJC. Mr. Anslow added that there are a variety of tiered water rate billing structures throughout the State, and that this ruling may embolden groups to further scrutinize water districts and their billing structures. President Mandich asked Mr. Anslow for his advice concerning the matter and the potential impacts on the District; Mr. Anslow commented that it would be prudent to wait to see if SJC appeals the decision.

**ITEMS TOO LATE TO BE AGENDIZED**

The General Manager, Mr. Hector Ruiz, commented that there were no items too late to be agendized.

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**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. Director Dopudja requested to remove Item No. 1, Approval of Minutes of Board Meeting(s), as he was absent at the July 17, 2013, Regular Board Meeting.

**Action:** A motion was made by Director Acosta and seconded by President Mandich to approve the Consent Calendar, Item Nos. 2 through 5. The motion carried 5 – 0.

**ACTION CALENDAR**

**ADMINISTRATIVE MATTERS**

**ITEM 1: APPROVAL OF MINUTES OF BOARD MEETING(S)**

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The General Manager, Mr. Mr. Hector Ruiz, presented the July 17, 2013, Regular Board Meeting Minutes for approval.

**Action:** A motion was made by Director Acosta and seconded by President Mandich to approve the July 17, 2013, Regular Board Meeting Minutes. The motion carried 4 – 0 – 1, with Director Dopudja abstaining from the vote due to his absence from the meeting.

**ITEM 6: DISTRICT WEBSITE UPGRADE PROJECT**

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The General Manager, Mr. Hector Ruiz, provided a status update on this matter and commented that staff has submitted the standard District contract for consultant services to Vision Internet (Consultant) for their legal review of the terms. Mr. Ruiz added that staff will review Consultant's comments, and then, discuss the terms of the agreement with District General Legal Counsel. Discussion occurred concerning the contract language; Mr. Ruiz commented that the standard District contract for consultant services is typically used for engineering projects, whereas the District website upgrade project requires additional technical language concerning internet usage, development, and accessibility. Director Safranski asked about the updated website deployment timeline; Mr. Ruiz reviewed the project schedule with the Board, but commented that the design of the website may be subjective and require the most amount of time for completion.

**Action:** Received status update. No action taken.

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**ITEM 7: CALPERS TAX DEFERRED DEDUCTION PLAN FOR EMPLOYEE SERVICE CREDIT PURCHASES**

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The General Manager, Mr. Hector Ruiz commented that District employees, as members of CalPERS, who have previously and voluntarily purchased retirement service credit can pay through post-tax deductions. Mr. Ruiz added that staff has been notified by CalPERS that District employees can elect to have pre-tax deductions, but that this action requires approval by Board resolution. Mr. Ruiz commented that this matter has no fiscal impact to the District as the purchase of retirement service credit is voluntary, and at employee cost. Discussion occurred concerning retirement service credit purchases.

**Action:** A motion was made by Director Safranski and seconded by Director Dopudja to adopt Resolution No. 2013-1192, Resolution of the Board of Directors of Trabuco Canyon Water District Approving CalPERS Tax Deferred Deduction Plan for Service Credit Purchases.  
The motion carried 5 – 0.

**ITEM 8: ACTION CONCERNING DISTRICT BENEFITS**

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The General Manager, Mr. Hector Ruiz commented that CalPERS has released the health insurance provider rates for CalPERS members for calendar year 2014, and that open enrollment is scheduled for mid-September through mid-October. Mr. Ruiz added that the Board-established benchmark for medical care coverage is scheduled to increase by 0.16% over the 2013 rate. Discussion occurred concerning health benefit rates and the impact of the federal Affordable Care Act. The District Secretary, Mr. Michael Perea, presented the scheduled 2014 health benefit rates table for Board review, and commented that there are some significant price adjustments on some of the plans. Mr. Perea added that some employees may experience a monthly savings as a result of the negotiations between CalPERS and the medical care providers, but that board members and employees should investigate if these cost savings translate into benefit level reductions or losses prior to open enrollment. Mr. Perea commented that two resolutions are required to be adopted due to CalPERS language concerning Director and employee health benefits.

Mr. Ruiz commented that the Director Benefits Ad Hoc Committee met on Thursday, June 13, 2013, and presented the Director Total Compensation Survey information which was reviewed at the Committee for Board review. Discussion occurred concerning the total compensation survey results. Mr. Ruiz added that the Committee recommended that Board dissolve the Committee, as the survey results demonstrated that the Board total compensation was low in comparison with neighboring water districts in South Orange County. Discussion occurred concerning surveyed water agencies and survey methodology. Mr. Perea commented that most of this information is readily available on water district websites, and that there was some information which required the contact of water district staff members.

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- Action:**
1. A motion was made by Director Safranski and seconded by Director Haselton to adopt Resolution No. 2013-1193, Resolution of the Board of Directors of Trabuco Canyon Water District Fixing the Employer's Contribution Under the Public Employees' Medical and Hospital Care Act. The motion carried 5 – 0.
  2. A motion was made by Director Safranski and seconded by Director Mandich to adopt Resolution No. 2013-1194, Resolution of the Board of Directors of Trabuco Canyon Water District Fixing the Employer's Contribution Under the Public Employees' Medical and Hospital Care Act. The motion carried 4 – 0 – 1, with Director Acosta abstaining from the vote.
  3. A motion was made by President Mandich and Director Safranski to dissolve the Director Benefits Ad Hoc Committee. The motion carried 5 – 0.

**ENGINEERING MATTERS**

**ITEM 9: 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) representatives are scheduled to deliver a Baker Regional Water Treatment Facility (BRWTF) project presentation to the Board at the September 18, 2013, Regular Board Meeting. Mr. Ruiz added that project bids are tentatively due on September 25, 2013. Discussion occurred concerning project timeline. Mr. Ruiz presented the DRAFT Agreement Relating to Baker Pipeline Capacity Transfers Among Baker Water Treatment Plant Participants (Agreement) for Board review. Discussion occurred concerning a scope of work for the third-party legal review of the DRAFT Agreement. Mr. Ruiz commented that staff is working with District General Legal Counsel drafting the language for the scope of work, and that he expects to complete the scope of work in the coming weeks. Mr. Ruiz presented an aerial map which demonstrated the Baker Pipeline Reaches for Board review. Discussion occurred concerning the pipeline reaches, capacity allotments per reach, and participating agencies. Mr. Ruiz mentioned that hydrologic pressures and pipeline grade-line adjustments can have an impact on flows, but that the District will receive its allotted capacity per the Agreement. Discussion occurred concerning the DRAFT Agreement and participating agency capacity allotments. Mr. Ruiz presented and reviewed the Baker Pipeline Capacity Map, and provided clarification concerning water sales and purchases by pipeline reach among the participating agencies. Discussion occurred concerning project costs.

**Action:** Received status update. No action taken.

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**ITEM 10: SHADOW ROCK DETENTION BASIN FACILITY**

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The General Manager, Mr. Hector Ruiz, provided a status update on the project, and reviewed the project schedule with the Board. Mr. Ruiz commented that URS (Consultant) is coordinating for the acquisition of the project permits with the US Army Corps of Engineers, the State Department of Fish and Wildlife, and the State Regional Water Quality Control Board (Control Board). Mr. Ruiz added that Engineer Ms. Lorrie Lausten is working with Southern California Edison (SCE) for the procurement of easements for the project. Mr. Ruiz reviewed an aerial map of the project site, which included a discussion concerning SCE power poles, the planned transformer location at the site, and the planned underground power lines. Mr. Ruiz added that the Consultant has completed the 50% project design, and that the 90% project design is scheduled for completion in the coming weeks. Discussion occurred concerning project timeline, receipt of environmental permits, and the coordination of work with SCE.

**Action:** Received status update. No action taken.

**ITEM 11: ALTERNATE RAW WATER TRANSMISSION LINE – PW79**

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The General Manager, Mr. Hector Ruiz, provided a status update on the project, and presented the project Preliminary Design Report, which included information concerning right of way (ROW) and easement procurement assistance. Mr. Ruiz added that staff is requesting assistance for ROW and easement procurement, title reports, appraisal(s) and plans. Discussion occurred concerning project timeline and costs, and the potential impact of ROW and easement procurement. Mr. Ruiz presented Consultant's Final Preliminary Design Technical Memorandum, Figure No. 2, for Board review of affected easements. Mr. Ruiz commented that Tetra Tech (Consultant) has recommended Cornerstone (Sub-Consultant) for the ROW and easement. Mr. Ruiz commented that the procurement of easements is complex and specialized, and staff requires assistance. Mr. Ruiz mentioned that Consultant and its Sub-Consultant are familiar with this specialized work and in meeting FEMA's requirements. Mr. Ruiz recommended Contract Amendment No. 5 for additional work for Board review and approval. Discussion occurred concerning project timeline and costs.

**Action:** A motion was made by Director Acosta and seconded by Director Safranski to approve Contract Amendment No. 5 in the amount not to exceed \$56,000 to Tetra Tech for work required for Right of Way and Easement Procurement.  
The motion carried 5 – 0.

**ITEM 12: 2013 SOUTH ORANGE COUNTY INTEGRATED REGIONAL WATERSHED MANAGEMENT PLAN**

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The General Manager, Mr. Hector Ruiz, provided background concerning the South Orange County Integrated Regional Watershed Plan (Plan) update for 2013. Mr. Ruiz commented that the original Plan was first approved in 2005, and that adoption of 2013 Plan update is a

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requirement of the State Proposition 84 in order to continue to receive grant funds, such as the District's Shadow Rock Detention Basin Facility Project. Discussion occurred concerning the County of Orange website access to the 2013 Plan update. President Mandich commented that the Plan had also been approved at the Executive Committee Meeting of the South Orange County Watershed Management Area.

**Action:** A motion was made by Director Acosta and seconded by Director Safranski to adopt Resolution No. 2013-1191, Resolution of the Board of Directors of Trabuco Canyon Water District Adopting the South Orange County Integrated Regional Watershed Management Plan.  
The motion carried 5 – 0.

**LEGISLATIVE MATTERS**

**ITEM 13: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)**

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

1. Mr. Ruiz presented the Orange County Local Agency Formation Commission (OC LAFCO) Legislative Quarterly Report for the Third Quarter, 2013, to the Board for review.
2. Mr. Ruiz presented information concerning the Independent Special Districts of Orange County (ISDOC), which included a letter dated August 9, 2013, concerning ISDOC's membership renewal in the Orange County Council of Governments (OCCOG). Mr. Ruiz added that ISDOC's OCCOG membership renewal requires a vote by the Board, and subsequent submittal of the enclosed ballot. Discussion occurred concerning OCCOG Membership renewal cost and benefits for continued membership. Mr. Ruiz commented that the total renewal cost is for \$5,000 for ISDOC.

Discussion occurred concerning ISDOC Amended and Restated Bylaws, which are proposed for amendment on October 31, 2013. Mr. Ruiz presented the proposed ISDOC Bylaw amendments for Board review.

**Action:**

1. A motion was made by President Mandich and seconded by Director Dopudja to support ISDOC's membership in OCCOG.  
The motion carried 5 – 0.
2. Received information, and President Mandich directed staff to agendize the ISDOC Proposed Bylaw Amendments for the September, 18, 2013, Regular Board Meeting (Action).

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**OTHER MATTERS**

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

**Action:**           There was no action taken.

**ADDITIONAL DIRECTORS' COMMENTS**

President Mandich commented that he will be unavailable to attend the September 10, 2013, Engineering/Operational Committee Meeting, and requested that staff coordinate the attendance of an Alternate Committee Member in his absence.

**ADDITIONAL GENERAL MANAGER COMMENTS**

Mr. Ruiz commented on the following matters:

1. Mr. Ruiz expects to receive the revisions to the Limited License Use Agreement between the District and Dove Canyon Master Association (DCMA) in the coming weeks, and will agendize the matter for next Regular Board Meeting (Action).

2. Mr. Ruiz commented that he will be out of the office for remainder of the week, and that the Board may contact Mr. Michael Perea, District Secretary, in his absence.

**CLOSED SESSION**

The Board, through President Mandich, recessed the Open Session portion of the Meeting at 7:57 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: POSSIBLE ACTION CONCERNING GENERAL MANAGER'S SERVICE AGREEMENT**

The Board of Directors met in Closed Session with District General Legal Counsel and the District Secretary to discuss possible action concerning the General Manager's Service Agreement.

**Action:**           There was no announcement concerning this matter, and no action was taken.

**END ACTION CALENDAR**

**ADJOURNMENT**

President Mandich adjourned the August 21, 2013, Regular Board meeting at 8:36 P.M.