

**MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT
SEPTEMBER 18, 2013**

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD) was called to order by President Mandich at 7:00 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 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

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 welcomed the representatives from Irvine Ranch Water District (IRWD) in the audience.

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Vice President Haselton expressed his appreciation that the IRWD representatives were in attendance to present information concerning the Baker Water Treatment Plant.

Director Dopudja expressed his appreciation for the IRWD representatives, as well. Director Dopudja shared with the Board that the non-profit organization Empty Bowls, which provides utility bill assistance to the public, has scheduled a fundraiser on October 24, 2013, and that the group has invited the members of the Board.

Director Safranski expressed his appreciation for the IRWD representatives, as well. Director Safranski commented on the impact of the heavy rains and flooding in Colorado.

President Mandich expressed his appreciation for the IRWD representatives, as well. President Mandich commented on the notification from the South Orange County Wastewater Authority (SOCWA) concerning the discontinuance of General Manager Contract with Mr. Tom Rosales and the search for an Interim General Manager.

REPORT FROM THE GENERAL MANAGER

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

1. Mr. Ruiz reported that the Rancho Santa Margarita Chamber of Commerce “State of the City” Breakfast is scheduled for Thursday, October 3, 2013, at 7:30 AM at the Dove Canyon Golf Club. Mr. Ruiz added that District Secretary, Mr. Michael Perea, will coordinate Director attendance for this event.
2. Mr. Ruiz commented that Fedak and Company representatives have completed the onsite fieldwork for the Audit of the District’s Financials for the Fiscal Year, and that the formal Audit will be completed in late October.

ITEMS TOO LATE TO BE AGENDIZED

The General Manager, Mr. 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 4. The motion carried 5 – 0.

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ACTION CALENDAR
ADMINISTRATIVE MATTERS

ITEM 5: DISTRICT WEBSITE UPGRADE PROJECT

The General Manager, Mr. Hector Ruiz, provided a status update on this matter and commented that he has executed the contract for consultant services with Vision Internet for the Website Upgrade Project. Mr. Ruiz added that staff will provide a Notice to Proceed for the project once the insurance requirements are satisfied, per the terms of the contract. Discussion occurred concerning the website development and review process. President Mandich commented that he looks forward to the first design sample of the updated website.

Action: Received status update. No action taken.

ITEM 6: DOVE CANYON MASTER ASSOCIATION (DCMA)

The General Manager, Mr. Hector Ruiz, commented that the Dove Canyon Master Association (DCMA) Limited Use License Agreement (Agreement) was approved by the Board at the May 15, 2013, Regular Board Meeting. Mr. Ruiz commented that DCMA requested that insurance requirements for the District be added to the Agreement, and that the revised language has been reviewed by District General Legal Counsel and the District's Insurer ACWA/JPIA. President Mandich inquired the need for additional insurance for the District's property. Mr. Ruiz mentioned that the insurance is for liability related to the connection and use of DCMA's electrical power.

Action: A motion was made by Director Safranski and seconded by Vice President Haselton to approve form of Limited Use License Agreement with the Dove Canyon Master Association for Landscape Storage on Trabuco Canyon Water District Property in Dove Canyon.
The motion carried 5 – 0.

ITEM 7: DISTRICT SURPLUS EQUIPMENT

The General Manager, Mr. Hector Ruiz, presented the District Surplus Equipment/Vehicles Report (Report) for Board review, and commented that staff has designated the vehicles listed in the Report for disposal through public auction with the General Auction Company (GAC). President Mandich asked about the status of the vehicle ordered to replace the surplus utility body truck. Mr. Ruiz commented that the ordered vehicle is scheduled for delivery to the District in October, and once the new vehicle is received, the surplus utility body truck will go to public auction with GAC.

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Action: A motion was made by Director Acosta and seconded by President Mandich to authorize the General Manager to dispose of District surplus equipment in accordance with the Board-approved Policy.
The motion carried 5 – 0.

ENGINEERING MATTERS

ITEM 8: ALTERNATE RAW WATER TRANSMISSION LINE – PW79

The General Manager, Mr. Hector Ruiz, provided a status update on the project, and reviewed the environmental permitting process through the Federal Emergency Management Agency (FEMA). Mr. Ruiz commented that FEMA is coordinating directly with the US Department of Fish and Wildlife, the US Army Corps of Engineers, and other agencies. Mr. Ruiz commented the Tetra Tech (Consultant) started working on the 50% project design, and presented the Figure No. 2 from the Final Preliminary Design Technical Memorandum for Board review of the proposed pipeline alternatives. Discussion occurred concerning the project schedule and the proximity with Irvine Ranch Water District's Baker Water Treatment Plant project.

Action: Received status update. No action taken.

ITEM 9: BAKER REGIONAL WATER TREATMENT PLANT

The General Manager, Mr. Hector Ruiz, commented that representatives from Irvine Ranch Water District (IRWD) were in attendance to deliver a Baker Water Treatment Plant (BWTP) Project (Project) Presentation concerning the project status. Mr. Kevin Burton, Executive Director of Engineering and Water Quality, IRWD, opened the presentation and commented that the BWTP is a multi-agency local water reliability project for Southern Orange County and the participating agencies. Mr. Burton commented that the presentation was an opportunity to review the Project objectives, cost evolution since Project inception, ongoing activities at the Project site, and the Project schedule. Mr. Burton added that the same presentation had been delivered to Santa Margarita Water District and Moulton Niguel Water District.

Mr. Richard Mori, Principal Engineer, IRWD, distributed a Project presentation handout for Board review, and commented that the Project is designed to improve local water reliability in Southern Orange County. Mr. Mori reviewed the participating agency capacity commitments, the history of the multi-agency collaboration efforts, and highlighted the treatment methods to be used. Discussion occurred concerning the Project site and architecture design. Mr. Mori commented that aesthetics and noise control are important considerations for the Project, and reviewed the Project architectural design. Discussion occurred concerning the Project's cost evolution and engineer estimated costs. Director Acosta inquired about the IRWD's solids handling process for the Project. Mr. Mori commented on IRWD's solids handling process for the Los Alisos Reclamation Plant, the Michelson Water Recycling Plant, and the Baker Water Treatment Plant. President Mandich commented on the Cost of Water Projections information

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as presented. Discussion occurred concerning Metropolitan Water District of Southern California (MET) water rates, and the comparison of the cost of water between MET and the BWTP.

Mr. Mori reviewed the ongoing activities at the Project site and commented on the Project bid phase. Discussion occurred concerning Project schedule milestones and construction management. Mr. Mori mentioned that Project bid opening for the Baker Water Treatment Plant is scheduled for September 26, 2013, and that IRWD staff are finalizing the permit process. Director Safranski asked about IRWD's plans on addressing energy cost uncertainties and energy efficiency considerations on this Project. Mr. Mori commented that IRWD has coordinated with Southern California Edison (SCE) to implement equipment efficiencies, as well as implemented High Efficiency equipment in the Project design. Discussion occurred concerning contract change orders and IRWD's approval process.

Director Acosta commended the IRWD staff on the Project development and the detailed presentation concerning the cost evolution. Vice President Haselton expressed his appreciation to the IRWD representatives for the detailed Project presentation, and asked about the bid status. Mr. Mori commented that IRWD initially pre-qualified six general contractors, but that amount has been reduced to three general contractors, and that a pre-qualification will be a definite part of the bid phase. President Mandich thanked the IRWD representatives for the Project presentation. Director Dopudja expressed his appreciation for the presentation, and requested a digital copy of the cost comparison for further analysis. Mr. Paul Cook, IRWD General Manager commented on the information presented in recent Orange County Register articles concerning the Project costs and timeline, and that IRWD staff will continue with public outreach in an effort to provide information on the Project. Mr. Doug Reinhardt, IRWD Board President, commented that it is important to note that the Project is a South Orange County reliability project, and not just an IRWD project. Mr. Reinhardt commended the Board for its participation and partnership in the Project. President Mandich thanked Mr. Reinhardt and the IRWD representatives, and recommended a meeting recess to the Board to allow for the IRWD representatives to leave the Regular Board Meeting.

Action: Received status update. No action taken.

OPEN SESSION RECESS

The Board, through President Mandich, recessed the Open Session portion of the Meeting at 8:05 PM.

The Board, through President Mandich, reconvened the Open Session portion of the Meeting at 8:12 PM.

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ITEM 10: SHADOW ROCK DETENTION BASIN FACILITY

The General Manager, Mr. Hector Ruiz, provided a status update on the project, and reviewed the permitting process with the Board. Mr. Ruiz commented that Lorrie Lausten, Engineer, is currently working with Southern California Edison (SCE) to coordinate easement procurement for the project site. Mr. Ruiz added that staff is scheduled to meet with URS (Consultant) the next day to review the project design status, and that staff plan on starting the project bid phase late October, 2013, pending receipt of all permits. Discussion occurred concerning staff preparation of a project presentation for the Trabuco Highlands Community Association (THCA). Mr. Ruiz commented that a project presentation could occur in October, and he will coordinate with THCA on the meeting date.

Mr. Ruiz presented the exhibit of the proposed project to the Board for review, and highlighted and presented photos of the planned use of Mulefat Scrub native plants at the project site. President Mandich asked about the status of the permitting process. Mr. Ruiz commented that staff is coordinating with the applicable permit agencies, including the City of Rancho Santa Margarita for a grading permit. Ms. Lausten added that she is scheduled to meet with City staff in the following week to review the permit. Director Safranski asked about the easement procurement for the project site. Mr. Ruiz reviewed the easement procurement process and added that staff are coordinating with SCE, and will coordinate with THCA for easement procurement. President Mandich asked how staff will report the prevention of non-native plants invasion at the facility. Mr. Ruiz commented that a possible monitoring plan will assess the successful prevention of non-native plant growth. President Mandich recommended that staff field document the Mulefat Scrub limits at the project site in order to prevent spreading throughout the surrounding area.

Action: Received status update. No action taken.

LEGISLATIVE MATTERS

ITEM 11: ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) REGION 10 BOARD ELECTION FOR THE 2014/2015 TERM

The General Manager, Mr. Hector Ruiz, commented that the Association of California Water Agencies (ACWA) has requested from member agencies to submit nominees for the Region 10 Board Election for the 2014/2015 Term. Mr. Ruiz added that Director Safranski is Board Representative to ACWA. Director Safranski commented that the nomination form presented was a new format, and different than in past elections. Discussion occurred concerning the nominees for the Region 10 Board and the voting requirements per ACWA's election rules. Director Safranski recommended voting for Individual Board Candidate Nominations, and nominated the following candidates for the Region 10 Board:

Chair: Mr. Larry McKenney, Moulton Niguel Water District
Vice Chair: Ms. DeAna Verbeke, Helix Water District

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Board Members: Ms. Sandra Jacobs, Santa Margarita Water District
Ms. Cathy Green, Orange County Water District

Action: A motion was made by President Mandich and seconded by Vice President Haselton to nominate the ACWA Region 10 Board Candidates as recommended by Director Safranski.
The motion carried 5 – 0.

ITEM 12: INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY (ISDOC) BYLAWS UPDATE

The General Manager, Mr. Hector Ruiz, provided a status update on this matter, and commented that Director Dopudja is the Board Representative to the Independent Special Districts of Orange County (ISDOC). Director Dopudja presented an update on the matter of ISDOC's proposed amendments to their Bylaws, and added that after review of the documents he has the following questions: (1) how are the bylaws affected by the proposed amendments, and (2) what is the intent of the proposed bylaws. Discussion occurred concerning the questions posed by Director Dopudja. Director Dopudja commented that ISDOC has requested that member agencies respond by Friday, September 20, 2013, and that he recommends that the Board respond to ISDOC to make another attempt to address member agency concerns on the proposed amendments to the Bylaws. Director Dopudja commented that the proposed amendments are convoluted and appear to miss the mark in addressing member agency concerns. Director Safranski commented that ISDOC should further review the member agency comments on the proposed amendments, and provide enough response time to member agencies to comment on the proposed amendments to the Bylaws. District General Legal Counsel, Mr. Rob Anslow suggested to the Board that a letter to ISDOC be drafted to address the Board's concerns, the structural issues inherent in the proposed amendments to the Bylaws, and the desire for more response time the proposed amendments.

Action: A motion was made by Director Acosta and seconded by Director Safranski to draft a letter for the Board President's signature, to go to ISDOC to state that TCWD believes that the proposed ISDOC By-Laws, as presented, have internal inconsistencies, that TCWD was not provided sufficient time to fully review, consider and comment on the revised By-Laws and that TCWD recommends that the ISDOC By-Laws be revised in light of comments received and when re-presented that the ISDOC member agencies have sufficient time to fully review, consider and comment on them.
The motion carried 5 – 0.

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

The General Manager, Mr. Hector Ruiz, had no comment or updates on this matter.

President Mandich advised the General Manager that he may not be in attendance at Rancho Santa Margarita Chamber of Commerce "State of the City" Breakfast due to a scheduling conflict.

Action: There was no action taken.

OTHER MATTERS

The General Manager, Mr. Hector Ruiz, commented that staff has received notice of an upcoming Metropolitan Water District of Southern California (MET) and Municipal Water District of Orange County (MWDOC) Lake Oroville and State Water Project Tour in October. Mr. Ruiz added that staff can coordinate the tour arrangements if there was any interest from the Board to attend this event, but that it is limited to only two representatives from member agencies. Discussion occurred concerning Director schedule availability.

The District General Legal Counsel, Mr. Rob Anslow, commented on the City of San Juan Capistrano water rate legal case, and reported that the City has filed an appeal to the recent decision. Mr. Anslow added that the appeal process may take up to six to nine weeks to begin and that no legal briefs have been filed to date. Discussion occurred concerning the potential legal impacts of the case on municipal water agencies and special district water agencies.

Action: There was no action taken.

ADDITIONAL DIRECTORS' COMMENTS

Director Acosta commented on the Director Water Consumption table for Board review.

ADDITIONAL GENERAL MANAGER COMMENTS

Mr. Ruiz had no additional comments.

END ACTION CALENDAR

ADJOURNMENT

President Mandich adjourned the September 18, 2013, Regular Board meeting at 8:47 PM