

**MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT
DECEMBER 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 Edward Mandich
Vice President James 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

President Mandich 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 commented on his attendance at the Association of California Water Agencies (ACWA) Fall Conference. Discussion occurred concerning the topics reviewed and general comments from attendees at the Conference.

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Vice President Haselton had no comments.

Director Dopudja had no comments.

Director Safranski commented on his attendance at the ACWA Fall Conference which included the following matters:

- A report on the results of the Region Ten Board Election results;
- An update on the ACWA Statewide Water Action Plan for California (ACWA Plan) which was presented and discussed at the conference luncheon. Director Safranski mentioned that the speakers included three members from the Governor’s Office in attendance, and there was a review of both the ACWA Plan and the Bay Delta Conservation Plan.

President Mandich thanked Directors Safranski and Acosta for their reports on the ACWA Fall Conference.

REPORT FROM THE GENERAL MANAGER

The General Manager, Mr. Hector Ruiz, had no comments

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

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 5: ELECTION OF BOARD OFFICERS

The General Manager, Mr. Hector Ruiz, commented that pursuant to the District’s General Policy and Rules and Regulations, the annual election for the offices of President and Vice President of the Board of Directors were to be held.

OFFICE OF PRESIDENT

Mr. Ruiz opened the nominations for the Office of Board President (President). Director Acosta nominated Director Haselton for President; Director Haselton expressed his appreciation for the nomination, but discussed personal reasons which in his opinion would preclude him from serving as

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President for calendar year 2014. Discussion occurred concerning the potential for Director Haselton to serve as President; Director Haselton reaffirmed his disinclination to serve as President due to a scheduled surgical procedure, and that he did not want this personal issue to create disruption for the District. Director Mandich wished Director Haselton a quick recovery from his scheduled surgical procedure.

Director Mandich nominated Director Safranski for President. Discussion occurred concerning the nomination of Director Safranski; Mr. Ruiz commented that the floor was open for nominations per the District General Policy and Rules and Regulations. There were no other nominations for the Office of President, and Mr. Ruiz declared the nominations for the Office of President closed.

Action: Mr. Ruiz called for votes in favor of Director Safranski for the Office of President. Votes were cast orally, and Director Safranski was voted for the Office of President with a 4 – 1 vote.

OFFICE OF VICE PRESIDENT

President Safranski opened the nominations for the Office of Vice President. President Safranski nominated Director Mandich for Vice President. There were no other nominations for the Office of Vice President.

Action: A nomination was made by President Safranski nominating Director Mandich for the Office of Vice President. There were no further nominations, and Mr. Ruiz closed the nominations. Director Mandich was voted for the Office of Vice President with a 5 – 0 vote.

ITEM 6: COMMITTEE MEMBER AND AGENCY REPRESENTATIVE APPOINTMENTS

President Safranski received a list from the General Manager, Mr. Hector Ruiz, of Directors interested in Committee and Agency assignments, and assigned Directors as Committee Members and Agency Representatives as follows:

DISTRICT STANDING COMMITTEES	CHAIR	MEMBER	ALTERNATE
Engineering/Operational Committee	Mandich	Safranski	Acosta
Executive Committee	Mandich	Safranski	None
Finance/Audit Committee	Dopudja	Haselton	Acosta
MEMBER AGENCY REPRESENTATIVE ASSIGNMENTS	TITLE	PRIMARY	SECONDARY
Association of California Water Agencies	Director	Safranski	None
Baker Water Treatment Plant Project Committee	Member	Dopudja	Ruiz
California Special Districts Association	Delegate	Acosta	None
Independent Special Districts of Orange County	Member	Haselton	Mandich
Santiago Aqueduct Commission	Commissioner	Acosta	Mandich

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MEMBER AGENCY REPRESENTATIVE ASSIGNMENTS, cont.	TITLE	PRIMARY	SECONDARY
South Orange County Wastewater Authority Board Meeting	Director	Dopudja	Mandich
South Orange County Wastewater Authority Engineering Committee (Staff)	Staff Member	Ruiz	None
South Orange County Water Agencies	Liaison	Safranski	None
South Orange County Watershed Management Area Executive Committee	Member	Mandich	None
ORGANIZATION REPRESENTATIVE ASSIGNMENTS	TITLE	PRIMARY	SECONDARY
American Water Works Association	Liaison	Ruiz	None
City of Santa Margarita City Council Meeting No. 1	Liaison	Mandich	None
City of Santa Margarita City Council Meeting No. 2	Liaison	Acosta	None
Local Agency Formation Commission	Liaison	Ruiz	None
Municipal Water District of Orange County Board Meeting	Liaison	Dopudja	None
Water Advisory Committee of Orange County	Member	Acosta	None

Mr. Ruiz provided a Calendar of the scheduled meetings for 2014 for Board review. President Safranski expressed his appreciation for Director Mandich and his service as President of the Board of Directors for two terms. President Safranski expressed his appreciation for Director Haselton’s candor concerning his personal situation and wished him the best.

Action: President Safranski assigned the Committee Members and Agency Representatives; and the Board approved the 2014 Meeting Calendar, as presented.

ITEM 7: DISCUSSION AND POSSIBLE ACTION RELATING TO MET/MWDOC RATE INCREASE

The General Manager, Mr. Hector Ruiz, presented information concerning the Metropolitan Water District of Southern California (MET) and Municipal Water District of Orange County (MWDOC) water rates and charges effective January 1, 2014, for Board review. Mr. Ruiz commented that the District purchases both Untreated and Treated Tier 1 water from MET and MWDOC, but that the 5% percent rate increase applies to Treated Tier 1 water, only. Mr. Ruiz added that there is no scheduled rate increase for Untreated Tier 1 water, and that majority of the water purchased by the District is untreated. Mr. Ruiz commented that staff analysis of the projected water purchase costs to the District through June, 2014, will be approximately 0.1 to 0.3%, depending on total use. Mr. Ruiz added that staff recommends that the District’s does not adjust the Water Rate Schedule, and absorb the nominal MET/MWDOC water rate increase, effective January 1, 2014.

Mr. Ruiz added that the Orange County Register published a comment in the local section that the Board was scheduled to review this matter. Discussion occurred concerning the Orange County Register local section comment, and the types of methods to notify customers of the Board’s action;

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Mr. Ruiz commented that staff will notify customers through the On Tap Newsletter and the District website of the action concerning the District's Water Rate Schedule.

Action: A motion was made by Director Mandich and seconded by Director Acosta to approve staff recommendation to not adjust the District's Water Rate Schedule, and absorb the MET/MWDOC rate increase, effective January 1, 2014. The motion carried 5 – 0.

ITEM 8: MET REPRESENTATIVE SELECTION PROCESS FOR SOUTH COUNTY AGENCIES

The General Manager, Mr. Hector Ruiz, commented that this matter is related to the agreement between the Municipal Water District of Orange County (MWDOC) and ten of its South Orange County member agencies to facilitate its working relationship, and that the goal of the Selection Process is to develop a clear and comprehensive process to select a nominee for any future vacancy of a MET Director position. Discussion occurred concerning the Selection Process and the goals of the South County Agencies' Nomination Committee.

Action: A motion was made by Director Dopudja and seconded by Director Acosta to approve the MET Representative Selection Process for South County Agencies. The motion carried 5 – 0.

ITEM 9: DISTRICT WEBSITE UPGRADE PROJECT

The General Manager, Mr. Hector Ruiz, provided a status update on this matter and commented that staff has met weekly with the Website Project Manager from Vision Internet (Consultant) to review the development of the website. Mr. Michael Perea, Administrative Services Manager, presented two website homepage designs for Board review and comment. Discussion occurred concerning the design, homepage layout, and site map organization. Mr. Rob Anslow, District General Legal Counsel, provided comments on the website homepage design which included site map organization and compliance with legal requirements. President Safranski commended staff on the website work to date.

Action: Received status update. No action taken.

ENGINEERING MATTERS

ITEM 10: ALTERNATE RAW WATER TRANSMISSION LINE – PW79

The General Manager, Mr. Hector Ruiz, provided a status update on this project and commented that the Federal Emergency Management Agency (FEMA) has required that the District coordinate with the Army Corps of Engineers (ACOE) for a letter of permission for the project. Mr. Ruiz added that this work was being done by FEMA and is outside of the Consultant's scope of work, and that staff has been unable to schedule a meeting with the ACOE Branch Chief to date. Mr. Ruiz presented the Consultant's Figure No. 2 – Alignment Alternative for Board review, and discussed staff's planned coordination

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efforts with Irvine Ranch Water District (IRWD), the County of Orange, Southern California Edison (SCE), and the property owners who will be impacted by the project. Discussion occurred concerning easement procurement, project completion timelines, and collaborative efforts with the groups affected by this project. Mr. Ruiz mentioned that staff has met with IRWD staff to review the project. Mr. Ruiz added that IRWD staff have demonstrated their willingness to collaborate with District staff on this project, and will be assisting the District by including the District's easements on their future tract map. Discussion occurred concerning easement coordination and procurement with SCE; Mr. Ruiz commented that staff has been unable to coordinate with SCE to date on this matter.

Action: Received status update. No action taken.

ITEM 11: BAKER REGIONAL WATER TREATMENT PLANT

The General Manager, Mr. Hector Ruiz, provided a status update on this project, and commented that Irvine Ranch Water District (IRWD) approved the Baker Water Treatment Plant (Project) Agreements and subsequently, awarded the construction contracts at their December 16, 2013, Regular Board Meeting. Discussion occurred concerning recent articles published by the Orange County Register concerning the Project. Mr. Ruiz mentioned that staff has received the final Project Agreements from IRWD for execution by Director Mandich, as approved at the November 20, 2013, Regular Board Meeting.

Action: Received status update. No action taken.

ITEM 12: SHADOW ROCK DETENTION BASIN FACILITY

The General Manager, Mr. Hector Ruiz, provided a status update on the project, and commented that staff has updated the staff report with a Quarterly Project Budget for Board review. Mr. Ruiz added that staff has coordinated with Southern California Edison (SCE) for easement procurement language. Discussion occurred concerning the status of Project permitting requirements by the City of Rancho Santa Margarita (City); Mr. Ruiz reviewed the status of City permit requirements and commented that staff has been notified of additional permit requirements for the Project. Mr. Ruiz presented a handout with the updated additional Project permit requirements and additional required services to be completed by URS (Consultant), which included:

- Water Quality Management Plan
- Erosion Control Plan
- Hydrologic Analysis and Drainage Report
- Photo Simulations of Completed Project.

Discussion occurred concerning the additional required services, the project site water quality, and project design. Mr. Ruiz mentioned that staff is coordinating with the City concerning possible conveyance improvements for the Project. Discussion occurred concerning recycled water system access, storm drain system access, and the overall design of the Project's conveyance system; Mr. Ruiz

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added that staff will coordinate with the City for the most cost effective conveyance design solution for the Project. Ms. Lorrie Lausten, Engineer, presented a handout which reviewed the proposed locations for a Photo Simulation of the completed Project, as prepared by the Consultant. Discussion occurred concerning the Consultant's proposed photograph locations.

Action: A motion was made by Director Dopudja and seconded by Director Acosta to authorize the General Manager to negotiate a variance to URS's professional services contract for the additional required services with a not to exceed amount of \$29,685.
The motion carried 5 - 0.

LEGISLATIVE MATTERS

ITEM 13: INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY (ISDOC) BYLAWS UPDATE

The General Manager, Mr. Hector Ruiz, provided a status update on this matter and presented the Independent Special Districts of Orange County (ISDOC) Amended and Restated Bylaws (Bylaws), which were adopted by ISDOC on December 10, 2013, and the 2014 ISDOC Meeting Schedule for Board review. Discussion occurred concerning the margin of vote on the Bylaws, and the District's participation in the vote as a member agency; Mr. Ruiz confirmed that District staff did complete a ballot based on the Board's vote on the adoption of the Bylaws.

Action: Received status update. No action taken.

ITEM 14: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

The General Manager, Mr. Hector Ruiz commented that staff had received information concerning the following matters and presented handouts to the Board for review and discussion:

- Association of California Water Agencies (ACWA) State Water Action Plan for California and Policy Principles on Delta Conveyance;
- Bay Delta Conservation Plan (BDCP): Commenting on the Draft BDCP and associated Draft Environmental Impact Report and Environmental Impact Statement.

Discussion occurred concerning information presented at the Water Advisory Committee of Orange County (WACO) December 13, 2013, Committee Meeting by ACWA Executive Director, Mr. Tim Quinn, and the significant differences and distinctions between the two plans.

Action: There was no action taken.

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OTHER MATTERS

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

Mr. Rob Anslow, District General Legal Counsel, reported that the Annual Legislative Update Report for 2014 from Bowie, Arneson, Wiles, Giannone (Firm) will be provided to the District Secretary to forward to the Board for their review.

Action: There was no action taken.

ADDITIONAL DIRECTORS' COMMENTS

President Safranski wished everyone in attendance a Happy Holiday season. There were no other additional Directors' comments.

ADDITIONAL GENERAL MANAGER COMMENTS

Mr. Ruiz had no additional comments.

CLOSED SESSION

The Board, through President Safranski, recessed the Open Session portion of the Meeting at 8:23 PM. The Board met in Closed Session as set forth in the Meeting Agenda.

CLOSED SESSION NO. 1

The Board, through President Safranski reconvened the Open Session of the Meeting at 9:03 PM.

ITEM 15: DISCUSSION AND POSSIBLE ACTION RELATED TO THE GENERAL MANAGER'S YEAR END PERFORMANCE EVALUATION

The Board of Directors met in Closed Session with the General Manager, District General Legal Counsel, and the District Secretary to discuss possible action concerning the General Manager's Year End Performance Evaluation.

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

END ACTION CALENDAR

ADJOURNMENT

President Safranski adjourned the December 18, 2013, Regular Board meeting at 9:04 PM