

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT

MEETING DATE: DECEMBER 19, 2012

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 P.M. at TCWD's Main Office located at 32003 Dove Canyon Drive, Trabuco Canyon, California. Michael Perea, District Secretary, recorded and transcribed the minutes thereof.

DIRECTORS PRESENT

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

STAFF PRESENT

Don Chadd, Advisory General Manager
Hector Ruiz, Acting General Manager/District Engineer
Michael Perea, District Secretary
Karen Warner, Accounting Supervisor

DISTRICT CONSULTANTS PRESENT:

District General Legal Counsel - Robert E. Anslow (Bowie, Arneson, Wiles & Giannone)

PUBLIC PRESENT

There were members of the public present

PLEDGE OF ALLEGIANCE

Director Stephen Dopudja led the Board and staff in the pledge of allegiance

VISITOR PARTICIPATION

No comments were received.

ORAL COMMUNICATION

No comments were received.

EMPLOYEE RECOGNITION

The Board of Directors recognized the Advisory General Manager, Mr. Don Chadd, for his years of service as the General Manager of the District. President Mandich presented Mr. Chadd with a Proclamation and Award, and commented on his years of service as General Manager. Director Safranski commented on Mr. Chadd's history with the District as a former Director, and then as the General Manager. Vice President Haselton commented on Mr. Chadd's history with the District as a former Director. Director Acosta commented on Mr. Chadd's impact as the

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District General Manager over the years. Director Dopudja commented that his attraction to Directorship with the District was a result of Mr. Chadd's leadership as General Manager.

Ms. Michelle Miller, Public Affairs Coordinator of Santa Margarita Water District, and Mr. Bob Hill, General Manager of El Toro Water District, presented a Proclamation signed by the South Orange County Water District General Managers in honor of Mr. Chadd. Mr. Hill commented on his professional relationship with Mr. Chadd as a fellow water district General Manager.

DIRECTOR'S COMMENTS

There were no Director comments.

REPORT FROM THE GENERAL MANAGER

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

1. Mr. Ruiz thanked Mr. Chadd for his leadership, vision, and friendship as General Manager of the District.
2. The District had received a Public Records Request from the Orange County Register, and that staff were identifying the requested documents. Mr. Ruiz commented that a response would be prepared in accordance with the Public Records Act.
3. The District had received a copy of a petition for Writ of Mandate regarding a Notice of Filing CEQA Litigation which affected a proposed development within the District's service area. Discussion occurred concerning potential liability for the District; Mr. Ruiz commented that at this time the District was being notified because it was responsible for water service to the proposed development.
4. Mr. Ruiz commented an upcoming Cyber Security training session which was offered by the Association of California Cities, Orange County Chapter, on January 10, 2013. Mr. Ruiz commented that if any Board Members are interested, to schedule with the District Secretary.
5. Mr. Ruiz commented an article in the online blog for the Surf City Voice concerning recent election results.
6. Mr. Ruiz commented on upcoming California Special District Association (CSDA) free online AB1234 Ethics Training for Board Members and Managers, and that if any of the Board would like to complete the training to schedule it with the District Secretary.

ITEMS TOO LATE TO BE AGENDIZED

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.

Action: President Mandich asked to remove Item No. 4 from the Consent Calendar to make a correction to the Directors' Fees and Expenses schedule.

Action: A motion was made by Director Safranski and seconded by Director Acosta to approve the Consent Calendar, Item Nos. 1 through 5, minus Item No. 4. The motion carried 5 - 0.

ITEM 4: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, AND TENTATIVE FUTURE MEETINGS/ATTENDANCE ITEMS

President Mandich commented that his Attendance Schedule did not include his attendance at the South Orange County Watershed Management Meeting. Also, President Mandich commented that the South Orange County Wastewater Agency (SOCWA) meeting was cancelled, and that he did not attend the City of Rancho Santa Margarita City Council Meeting. President Mandich requested that the Schedule be amended as such.

Action: A motion was made by Director Acosta and seconded by Director Safranski to approve the Directors' Fees and Expenses schedule as corrected. The motion carried 5 - 0.

ACTION CALENDAR
ADMINISTRATIVE MATTERS

ITEM 6: ELECTION OF BOARD OFFICERS

The Acting General Manager, 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.

Action: A motion was made by Director Haselton and seconded by Director Acosta nominating Director Ed Mandich as Board President. There were no further nominations, and Mr. Ruiz closed the nominations. Director Mandich was voted Board President with a 5 - 0 vote.

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ELECTION OF VICE PRESIDENT

President Mandich opened the nominations for the office of Vice President.

Action: A motion was made by President Mandich and seconded by Director Acosta nominating Director Jim Haselton as Board Vice President. There were no further nominations, and President Mandich closed the nominations for the Office of Vice President. Director Haselton was voted Board Vice President with a 5 – 0 vote.

ITEM 7: COMMITTEE MEMBER AND AGENCY REPRESENTATIVE APPOINTMENTS

President Mandich assigned Directors to Committees and as Agency Representatives as follows:

STANDING COMMITTEES	DIRECTORS	
Finance/Audit Committee	Haselton Dopudja Acosta	(Chair) (Member) (Alternate)
Engineering/Operational Committee	Safranski Mandich Acosta	(Chair) (Member) (Alternate)
Executive Committee	Haselton Mandich Designated Staff Members	(Chair) (Member)
COMMISSIONS & AGENCY REPRESENTATIVES	DIRECTORS	
Santiago Aqueduct Commission	Acosta Mandich	(Commissioner) (Alternate)
South Orange County Wastewater Authority	Mandich Dopudja Ruiz	(Commissioner) (Alternate) (Alternate No. 2)
Independent Special Districts of Orange County	Dopudja Haselton	(Alternate)
Water Advisory Committee of Orange County	Acosta	
<u>Government Affairs Liaisons</u>		
City of Rancho Santa Margarita	Acosta Mandich	(2 nd Wednesday) (4 th Wednesday)

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Local Agency Formation Commission	Ruiz, General Manager
Association of California Water Agencies/ Joint Powers Insurance Authority (ACWA/JPIA)	Safranski
American Water Works Association (AWWA)	Ruiz, General Manager
Municipal Water District of Orange County (MWDOC)	Dopudja
California Special Districts Association (CSDA)	Acosta (Delegate)

FINANCIAL MATTERS

ITEM 8: DISCUSSION AND POSSIBLE ACTION REGARDING DISTRICT BANKING SERVICES

The Acting General Manager, Hector Ruiz, provided a status update on this matter, and commented that staff had submitted Request for Proposal of Services to seven banks, and received a total of four responses. Mr. Ruiz commented that staff interviewed the two shortlisted banks, Bank of the West and Citizens Bank. Mr. Ruiz commented that banking services with either of these institutions would result in a 50% to 70% annual savings in costs for the District. Discussion occurred concerning banking firm references, and additional possible savings for the District.

Mr. Ruiz commented that following the interviews that Bank of the West had presented a more thorough transition plan for services, and had more available resources. Additionally, the District Treasurer had received positive and high recommendations from other water agencies for Bank of the West. Based on the cost savings, higher level of service, proposal, and reference check, the District Treasurer and staff recommended changing bank services to Bank of the West.

Action: President Mandich directed staff to engage Bank of the West for preparation of an Agreement for District Banking Services and present it to the Finance/Audit Committee for their review at the next regularly scheduled Committee Meeting.

ENGINEERING MATTERS

ITEM 9: BAKER REGIONAL WATER TREATMENT FACILITY

The Acting General Manager, Hector Ruiz, provided a status update on the project. Mr. Ruiz commented that the December 2012 project meeting was cancelled, and was tentatively

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rescheduled for January 2013. Mr. Ruiz commented that Irvine Ranch Water District (IRWD) has not received design work according to the project schedule, and that more information would be available in January or February 2013. Mr. Ruiz suggested the possibility of a project review workshop at that time. Discussion occurred concerning the project timeline, schedule and costs.

Action: None

ITEM 10: ALTERNATE RAW WATER TRANSMISSION LINE – PW79

The Acting General Manager, Hector Ruiz provided a status update on the project. Mr. Ruiz commented that Tetra Tech has completed the project funding analysis and submitted the final version to California Emergency Management Agency (CalEMA) the previous week. Mr. Ruiz commented a copy of the funding analysis will be presented to the Engineering/Operational Committee and Board in January 2013. Mr. Ruiz commented that he had received good informal feedback from CalEMA on the submitted analysis. Discussion occurred concerning the current state of the transmission line due to the recent rain storms.

Action: None.

ITEM 11: SHADOW ROCK DETENTION BASIN FACILITY

The Acting General Manager, Hector Ruiz provided a status update on the project. Mr. Ruiz commented that staff was actively working with URS (Consultant) to finalize an agreement for this project, and should have a draft agreement in the coming weeks. Mr. Ruiz commented that this project was still on schedule. Mr. Ruiz commented that he was contacted by the local chapter of the Watereuse Foundation with interest in hosting a meeting at the District's Administrative Facility. Mr. Ruiz agreed to host the February, 2013, Watereuse Chapter Meeting at the District's Administrative Facility.

Action: None.

LEGISLATIVE MATTERS

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

The Acting General Manager, Hector Ruiz, commented there were no matters for discussion on this item. District General Legal Counsel commented that a Legislative Summary for 2013 was available for Board review, if so desired; the Board requested copies of the Legislative Summary via email.

Action: None

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OTHER MATTERS

The Acting General Manager, Hector Ruiz, commented that the local chapter of the Wateruse Foundation had notified the staff of an upcoming meeting concerning a special initiative on direct/indirect potable water reuse, and were soliciting funds and support for the initiative. Mr. Ruiz commented that this matter can be agendized for future discussion at a later date. Discussion occurred concerning possible research ideas and contribution level. Mr. Ruiz commented on the importance of District participation and support of local and state water reuse and conservation initiatives.

Action: The President directed staff to agendize this matter for discussion at the January 2013, Regular Board Meeting.

ADDITIONAL DIRECTORS' COMMENTS

None

ADDITIONAL GENERAL MANAGER COMMENTS

No additional General Manager comments were provided.

CLOSED SESSION

The Board, through President Mandich, recessed the Open Session portion of the Meeting at 8:02 P.M. The Board met in Closed Session with District General Legal Counsel, as set forth in the Meeting Agenda.

CLOSED SESSION #1

The Board, through President Mandich reconvened the Open Session of the Meeting at 8:34 P.M.

ACTION ITEM 13: DISCUSSION AND POSSIBLE ACTION CONCERNING GENERAL MANAGER SERVICES AGREEMENT

Action: A Motion was made by Director Acosta and seconded by Director Safranski to approve the Agreement for General Manager Services between TCWD and Hector Ruiz in the form presented by the District's special employment legal counsel, subject to the following changes and additions:

1. Section 3 - Annual salary to be \$172,000;
2. Section 4(b) - annual vacation accrual to be four (4) weeks; and
3. Section 4(c) - the second paragraph to be used for the General

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Manager vehicle, with the car allowance to be \$650/month and the required insurance to be carried by the GM at \$250,000/\$500,000.

The Board President and Board Secretary are authorized to execute and deliver such Agreement once the changes are input.

The motion passed 5 – 0.

END ACTION CALENDAR

ADJOURNMENT

President Mandich adjourned the December 19, 2012, Regular Board meeting at 8:36 P.M.

Respectfully Submitted,

Michael Perea, District Secretary

M:\BOARD Minutes\2012 MINUTES\Regular Board Minutes December 19, 2012 **APPROVED**