

**TRABUCO CANYON WATER DISTRICT
EXECUTIVE COMMITTEE MEETING RECAP
JUNE 5, 2012**

DIRECTORS PRESENT

Jim Haselton, Committee Chair
Ed Mandich, Committee Member

STAFF PRESENT

Don Chadd, General Manager
Teresa Teichman, Secretary to the Board of Directors
Michael Perea, Special Projects Manager

PUBLIC PRESENT

No members of the public were present.

CALL MEETING TO ORDER

Committee Chair Haselton called the June 5, 2012 Executive Committee Meeting to order at 6:05 p.m.

VISITOR PARTICIPATION

Public comments were announced. No comments were received.

ORAL COMMUNICATION

Oral communication was announced. No comments were received.

COMMITTEE MEMBER COMMENTS

Director Haselton provided a brief summary from the Independent Special District of Orange County (ISDOC) meeting he attended on May 31, 2012. Director Haselton discussed information regarding an agency coordinated response to the Grand Jury regarding the April 27, 2012 Grand Jury Report

REPORT FROM THE GENERAL MANAGER

The General Manager advised the committee that he has received four applications for the vacant Director position, and that the applications will be reviewed by the Director Candidacy Ad Hoc Committee members.

EXECUTIVE COMMITTEE MEETING RECAP

JUNE 5, 2012

Page 2 of 4

BOARD AGENDA MATTERS

ITEM NO. 1) EXECUTIVE COMMITTEE MEETING REAP

The December 11, 2011 Executive Committee Meeting Recap was presented to the Committee.

The Executive Committee recommended the Board receive and file the December 11, 2011 Executive Committee Recap. (Consent Calendar).

ITEM NO. 2) DISCUSSION RELATING TO PENDING/FUTURE BOARD AGENDA TOPICS

The General Manager provided background information and the purpose of a three-month look ahead to Vice President Haselton as it relates to the functions of the Executive Committee meeting. This is the first Executive Committee meeting of 2012 with Committee Chair Haselton as the new committee representative. The General Manager provided tentative outlines of discussion topics for future Board meeting for the months July through September 2012.

Discussion occurred relating to the Baker Regional Water Treatment Facility (BRWTF). The General Manager advised there is no additional information at this time, however; this item is kept on each Engineering/Operation Committee agenda and each Board meeting agenda as an informational item as it is a large district project.

The General Manager relayed information relating to the Alternate Raw Water Transmission Line (ARWTL) and the status of TCWD's appeal to FEMA. The General Manager advised TCWD has received the revised Tetra Tech appeal letter and Cal FEMA is reviewing it prior to TCWD's submittal to FEMA. The General Manager stated TCWD will move forward with the project with or without the FEMA approval as a necessary repair to TCWD's main raw water transmission line. The General Manager stated if FEMA approves the project, TCWD may be eligible for approximately 1.2 – 1.5 million dollars in reimbursement.

The General Manager briefly discussed the Trabuco Highlands Reservoir Inter-Tie/Trabuco Highlands Pressure Reducing Stations projects. The General Manager commented that L&S Construction is a very good company with qualified staff and the District is very pleased with the work performed on this project.

The General Manager provided information as it relates to the July 26, 2012 response by the District to the Grand Jury. The General Manager confirmed information Vice President Haselton had provided from the recent ISDOC meeting as it relates to Municipal Water District of Orange County(MWDOC), Local Agency Formation Orange County (LAFCO), and Special Districts collaborating on a united response to the Grand Jury.

EXECUTIVE COMMITTEE MEETING RECAP

JUNE 5, 2012

Page 3 of 4

The District Special Project Manager briefly discussed fixing the employer's health benefits and advised this annual item is brought to the Board sometime after June, once information is disseminated from the Public Employee Retirement System (PERS) to the District.

The General Manager advised that at the time of the May 16, 2012 Regular Board meeting, the Board gave direction to form a Director's Health Benefit Ad Hoc Committee for the purpose of exploring options for the possible phase out of District paid health benefits for Board Members and their dependents. Board President Ed Mandich advised he will provide Mrs. Teichman, Secretary to the Board of Directors, dates of his availability to coordinate with the other Ad Hoc committee member in order to facilitate a meeting.

The General Manager advised the Committee that the Public Hearing related to the Districts Water Standby Assessment will be heard at the time of the July 18, 2012 Regular Board meeting.

The General Manager also reminded the Board that July is the month in which TCWD conducts the annual meeting of the Trabuco Canyon Improvement Corporation and the Trabuco Canyon Public Financing Authority meetings.

The General Manager asked the committee if there were any questions on information presented or any information which the committee would like staff to agendize for committee or board meetings in the future. Discussion occurred relating to a non-performing land asset of the District, the Porter property. President Mandich discussed convening the Land Asset Ad Hoc committee in the near future to discuss the timing of possible actions relating to the property.

The Executive Committee discussed the information presented and recommended forwarding to the Board. (Action Calendar).

EXECUTIVE COMMITTEE MEETING RECAP

JUNE 5, 2012

Page 4 of 4

LEGISLATIVE MATTERS

ITEM NO. 3) REVIEW OF LEGISLATIVE INFORMATIONAL ITEMS

The General Manager provided information relating to the proposed MWDOC budget for fiscal year 2012/2013 and commented that the new format is easier to read.

The Executive Committee discussed the information presented. No action taken.

OTHER MATTERS

ITEM NO. 4) REPORTS OR COMMENTS FROM THE GENERAL MANAGER AND/OR STAFF

The General Manager briefly discussed future potential uses of TCWD's Porter property.

The General Manager advised the committee that he made a few minor adjustments in TCWD's budget since the time of the May 21, 2012 Special Budget Workshop. The General Manager advised he calculated the proposed 2% increase for staff and it would be an approximate additional \$50,000 to the fiscal year 2012/2013 budget. The General Manager advised he also adjusted the proposed Southern California Edison electric budget down to a possible 5% increase from the original 7% potential increase which was the amount presented at the time of the May Budget Workshop. The General Manager advised there were no other changes to the budget and asked the committee if they had any questions or would like staff to investigate any additional or alternate figures as it relates to the fiscal year 2012/2013 budget presented. Both committee members commented they had no additional questions.

The General Manager advised that TCWD's Treasurer, Ms. Cindy Navaroli, will be attending the June 20, 2012, Regular Board meeting.

Lastly, The General Manager advised he has had Mrs. Teichman secure quotes for several Ford trucks but that this information has not been included for consideration in the budget as TCWD's rolling stock is a bit older looking though is in very good mechanical condition with moderate mileage.

ADJOURNMENT

Committee Chair Haselton adjourned the June 5, 2012 Executive Committee Meeting at 7:48 a.m.