



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | JULY 20, 2016

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD) was called to order by President Stephen Dopudja 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 Stephen Dopudja
Vice President Glenn Acosta
Director Edward Mandich
Director Michael Safranski

DIRECTORS ABSENT

Director James Haselton

STAFF PRESENT

Hector Ruiz, General Manager
Michael Perea, District Secretary
Lorrie Lausten, Engineer
Karen Warner, Accounting Supervisor
Lisa Carmouche, Administrative Assistant

DISTRICT CONSULTANTS PRESENT:

District General Legal Counsel – Rob Anslow (Bowie, Arneson, Wiles & Giannone)
District Treasurer – Cindy Byerrum (Platinum Consultants)

PUBLIC PRESENT

Mr. Kelly Rowe

PLEDGE OF ALLEGIANCE

Vice President Acosta led the Board and District staff in the pledge of allegiance.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

Mr. Kelly Rowe addressed the Board regarding his Initial Technical Research Study on the Sespe Aquifer Development, and provided a brief historical background on completed research and studies concerning the aquifer. Mr. Rowe provided an informational handout with his contact information, mentioned that he is currently working with Rancho Mission Viejo for the construction of a monitoring well to further evaluate the aquifer, and said that this aquifer would greatly benefit the District. Mr. Ruiz mentioned that his understanding was that the general location of the aquifer and proposed well sites are outside the District's service area, but that he is interested in further reviewing Mr. Rowe's research at a future date, and thanked Mr. Rowe for his presentation.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JULY 20, 2016**

DIRECTOR'S COMMENTS

Vice President Acosta had no comments.

Director Safranski had no comments.

Director Mandich had no comments.

President Dopudja commented on his attendance at the South Orange County Wastewater Authority (SOCWA) Regular Board Meeting, and mentioned that there are ongoing discussions concerning the fiscal year budget, member agency cost allocation, and governance. President Dopudja added that more information will be presented at the following Regular Board Meeting.

REPORT FROM THE GENERAL MANAGER

Mr. Ruiz reported on the following matters:

- Mr. Ruiz reported that Director Haselton was not in attendance, and that Mrs. Haselton has expressed appreciation for the thoughts and wishes from the Board and District staff.
- Mr. Ruiz reported that the District is currently advertising an entry level Maintenance Technologist open position in the Maintenance Department.
- Mr. Ruiz reported the Mr. Neil McKenna, Water Department Superintendent, has tendered resignation. Mr. Ruiz added that the District plans to backfill the position with current staff and add an entry level position in the Water Operations Department.

ITEMS TOO LATE TO BE AGENDIZED

Mr. Ruiz commented that there were no items too late to be agendized.

CONSENT CALENDAR

President Dopudja 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 Vice President Acosta and seconded by Director Safranski to approve the Consent Calendar, Items 1 through 4.
The motion carried 4 – 0 -1, with Director Haselton absent.

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 5: PUBLIC HEARING FOR THE CONSIDERATION OF APPROVAL OF TRABUCO CANYON WATER DISTRICT'S FISCAL YEAR 2016/2017 UNDEVELOPED LAND/WATER STANDBY CHARGE & ADOPTION OF WATER STANDBY CHARGE EXEMPTION POLICY AND PROCEDURE FOR NON-DEVELOPABLE PROPERTIES

Mr. Ruiz presented this matter for Board review, and mentioned that the Undeveloped Land/Water Standby Charge (Standby Charge) is an annually recurring matter that was reviewed with the Finance/Audit Committee. Mr. Ruiz provided a brief historical background on the Standby Charge, and mentioned that the District has not received any letters or comments in protest to date.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JULY 20, 2016**

President Dopudja opened the Public Hearing at 7:11 PM. There were no verbal or written comments or objections received. President Dopudja closed the Public Hearing at 7:12 PM.

Mr. Ruiz said that District staff has worked with District Legal Counsel to prepare a process for undevelopable parcel owners that desire to be exempted from the Standby Charge. Mr. Ruiz reviewed the proposed Water Standby Charge Exemption Policy and Procedure and the Application for Exemption form with the Board, and highlighted the resulting actions for exemption from the Standby Charge, which include forfeiture of any future water availability, indemnification of the District from the requirement to provide water service to the applicant's parcel, and required retroactive payment of unpaid Standby Charges to the date of the request of exemption in the event a parcel owner requires water service after exemption. Director Safranski commented that the matter was reviewed at the Finance/Audit Committee, and commended District staff and Legal Counsel for their work in preparing the exemption policy and procedures.

Action: A motion was made by Director Mandich and seconded by Director Safranski to adopt Resolution No. 2016-1227 – Resolution of the Board of Directors of the Trabuco Canyon Water District Establishing Water Standby Charges for the Fiscal Year 2016/2017; Making Certain Findings and Taking Related Actions in Connection Therewith. The motion carried 4 – 0 -1, with Director Haselton absent.

A motion was made by Vice President Acosta and seconded by Director Mandich to adopt Resolution No. 2016-1228 – Resolution of the Board of Directors of the Trabuco Canyon Water District Adopting a Policy Concerning the Levy and Collection of Trabuco Canyon Water District Water Standby Charges for Non-Developable Properties; Making Certain Findings and Taking Related Actions in Connection Therewith. The motion carried 4 – 0 -1, with Director Haselton absent.

ITEM 6: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING REALIGNMENT OF EXISTING WATER PIPELINE EASEMENT QUITCLAIM DEED AND ACCEPTANCE OF GRANT OF EASEMENT FOR ASSESSOR PARCEL NO. 104-132-65

Mr. Ruiz presented this matter for Board review, and said that the Easement Quitclaim Deeds (Exhibits) clean up existing easements for the District and Irvine Ranch Water District. Mr. Ruiz reviewed the Easement Quitclaim Deeds and the included Grant of Easement for Underground/Buried Water Pipeline with the Board. Discussion occurred concerning the quitclaim areas in relation to existing pipelines.

Action: A motion was made by Director Mandich and seconded by Director Safranski to authorize the General Manager to execute the Easement Quitclaim Deed for Portion of Water Pipeline Easement Per O.R. 7374/655 to Irvine Ranch Water District: APN 104-132-65, 84 (IRWD), the Easement Quitclaim Deed for Portion of Water Pipeline Easement Per O.R. 7374/655 to Irvine Ranch Water District: APN 104-132-65, 84 (City of Lake Forest) and to authorize the General Manager to accept the Grant of Easement for Portion of Water Pipeline Easement Per O.R. 7374/655 from Irvine Ranch Water District: APN 104-132-65, 84. The motion carried 4 – 0 -1, with Director Haselton absent.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JULY 20, 2016**

ITEM 7: PUBLIC HEARING FOR THE CONSIDERATION OF ADOPTION OF A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TRABUCO CANYON WATER DISTRICT STATING THE NECESSITY FOR AND AUTHORIZING THE CONDEMNATION OF CERTAIN REAL PROPERTY OWNED BY BIXBY-LAKE FOREST PROPERTY COMPANY FOR THE PURPOSE OF CONSTRUCTING AND COMPLETING THE TRABUCO CANYON WATER DISTRICT ALTERNATE RAW WATER TRANSMISSION LINE PROJECT AND ADOPTION OF RESOLUTION OF NECESSITY

Mr. Ruiz presented this matter for Board review, and mentioned that the matter is related to the District's Alternate Raw Water Transmission Line project. Mr. Ruiz added that District staff has been working with the property owner of the Bixby Lake Forest Property (Bixby) since March, 2016, but has reached an impasse. Mr. Ruiz reported that he received positive feedback from Bixby concerning the necessary easement the day prior, and as such, recommends no action on this matter and the canceling of the agenda'd public hearing on the matter. Discussion occurred concerning the legal description of the twenty-foot easement in the exhibit and Department of Public Health regulatory requirements on the separation of raw water and treated water pipelines. Mr. Ruiz said that he expects significant progress on this matter by the end of the week as a result of recent conversations with Bixby.

Action: The Board received the information concerning the matter. No action taken.

ITEM 8: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE SAN JUAN BASIN AUTHORITY SALT AND NUTRIENT MANAGEMENT PLAN – MONITORING AND DATA COLLECTION

Mr. Ruiz presented this matter for Board review, and said that the South Orange County Wastewater Authority (SOCWA) adopted an updated Salt and Nutrient Plan in 2014 which included a Monitoring and Data Collection Plan for member agencies in the service area. Mr. Ruiz added that the San Juan Basin Authority assumed responsibility for the development and implementation of the Monitoring and Data Collection Plan that requires additional monitoring at existing sample points in member agency service areas, as well as expanded groundwater sampling points and the addition of surface water sampling for a one year period. Mr. Ruiz reported that sample collection for the District's wells has been waived because there is currently no available groundwater due to the impacts of the drought and their seasonal nature, and reviewed the additional sample points within the District's service area. Discussion occurred concerning the District's possible future membership with the San Juan Basin Authority; Mr. Ruiz said that this is a good opportunity to work with both SOCWA and SJBA. Mr. Ruiz mentioned that fiscal impact consists of costs related to additional sampling and monitoring that would also benefit the District. Mr. Ruiz said that the additional costs are minimal and include current sampling and laboratory tests already performed by a contracted lab, and as such, no action is required and this matter is presented for informational purposes only.

Action: The Board received the information concerning the matter. No action taken.

ITEM 9: DISPOSAL OF DESIGNATED DISTRICT SURPLUS EQUIPMENT

Mr. Ruiz presented this matter for Board review, and mentioned that the matter was reviewed with the Finance/Audit Committee. Mr. Ruiz reviewed the Surplus Equipment Survey Report (Exhibit) and highlighted the photographs of the vehicles designated for disposal through public auction.

Action: A motion was made by Director Safranski and seconded by Vice President Acosta to authorize the General Manager to dispose of designated District surplus equipment in accordance with the Board-approved Policy.
The motion carried 4 – 0 -1, with Director Haselton absent.

FINANCE MATTERS

ITEM 10: DISCUSSION AND ADOPTION OF RESOLUTION NO. 2016-1229 ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2016/2017

Mr. Ruiz presented this matter for Board review, and mentioned that this was an annual recurring matter which requires the adoption of a resolution regarding the establishment of the Fiscal Year 2016/2017 Appropriations Limit. Mr. Ruiz reviewed the memorandum (Exhibit) prepared by District Legal Counsel which determined the Fiscal Year 2016/2017 Appropriations Limit based on the overall population change figures for Orange County as provided by the State Department of Finance. Discussion occurred concerning the purpose of the Appropriations Limit and the increase in population ratio as opposed to prior years.

Action: A motion was made by Director Safranski and seconded by Director Mandich to adopt Resolution No. 2016-1229 – Resolution of the Board of Directors of Trabuco Canyon Water District Establishing Appropriations Limit for Fiscal Year 2016/2017, Pursuant to Article XIII B of the California Constitution.
The motion carried 4 – 0 -1, with Director Haselton absent.

ENGINEERING MATTERS

ITEM 11: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE SADDLECREST DEVELOPMENT

Mr. Ruiz provided a status update on this development, and said that he is currently working on the Will Serve Letter. Mr. Ruiz added that he is waiting for a design technical memorandum for the onsite water reservoir from the developer, and the final calculation of reimbursement costs to the adjacent developer for connection to the existing sewer. Mr. Ruiz said that additional information related to the matter and the planned upgrades to the District’s Ridgeline Booster Pump Station will be brought to the Engineering/Operational Committee.

Action: The Board received the information concerning the matter. No action taken.

ITEM 12: BAKER WATER TREATMENT PLANT

Mr. Ruiz provided a status update on this project, and presented the Irvine Ranch Water District (IRWD) Baker Water Treatment Plant Construction Report for July 2016 for Board review. Mr. Ruiz said that the July 14, 2016 Project Committee (PC) Meeting was cancelled, and that the PC is scheduled to meet on August 11th. Mr. Ruiz briefly reviewed the Construction Report and contract change orders to date.

Action: The Board received the information concerning the matter. No action taken.

ITEM 13: ALTERNATE RAW WATER TRANSMISSION LINE – FEMA NO. PW79

Mr. Ruiz provided a status update on this project, and said that Ms. Lausten is currently working with Tetra Tech (Consultant) on the acquisition of the project-related permits from both IRWD and the City of Lake Forest. Mr. Ruiz said that once the District receives comments from IRWD on the project that the final project design will be prepared for bid. Mr. Ruiz said that Tetra Tech is currently incorporating comments from the Federal Emergency Management Agency (FEMA) in the final design. Ms. Lausten commented that the District will contract with a consultant to perform daily inspection services and other project-related construction management services for the project. Discussion occurred concerning the construction schedule and timeline for completion; Mr. Ruiz said that the total construction will be approximately two to three months, and that some portions of the project will require nighttime work to mitigate traffic-related issues.

Action: The Board received the information concerning the matter. No action taken.

LEGISLATIVE, ADMINISTRATIVE, AND OTHER MATTERS

ITEM 14: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING STATEWIDE DROUGHT CONDITIONS, STATE WATER RESOURCES CONTROL BOARD (SWRCB) DROUGHT REGULATIONS, AND TCWD WATER CONSERVATION MEASURES/ACTIONS

Mr. Ruiz provided a status update on the matter, and reported that he has submitted the District's self certification to the State Water Board as required under the new statewide mandatory conservation regulations. Mr. Ruiz presented select slides from a State Water Board PowerPoint presentation on the Emergency Water Conservation Regulation Update which included the following information:

- Current drought conditions indicate that Southern California is still experiencing extreme to exceptional drought conditions as of June 2, 2016
- Review of Statewide Water Production Percent Reduction by month and cumulatively. Mr. Ruiz reported that the District's customers met its mandatory Conservation Standard of 28% for the nine month period, and reduced their use by 26% for the month of June 2016 in comparison with the same month in 2013.
- Approximately two-thirds to three-quarters of water agencies statewide met or were within one percentage point of their mandatory Conservation Standards.
- The State Water Board is enforcing compliance, and in some cases, issuing fines to agencies that have not met their goals for the nine-month reporting period.
- Residential gallons per capita per day fluctuated from 61 to 102 gallons; Mr. Ruiz said that the District's demand is currently 120 gallons per capita per day, but has also fluctuated throughout the year.

Mr. Ruiz reviewed the District's submitted Certification of Self-Certified Conservation Standard, and mentioned that he submitted a zero percent reduction standard due to Metropolitan Water District of Southern California's (MET) statement regarding water reliability for three drought years in compliance with the State Water Board's new mandatory regulations. Mr. Ruiz said that Municipal Water District of Orange County (MWDOC) has recommended a conservative ten percent conservation standard for member agencies, and that neighboring Santa Margarita Water District (SMWD) has adopted a ten percent conservation standard as well. Mr. Ruiz reviewed the District's Drought Response Levels based on the Water Conservation Ordinance (Ordinance No. 2008-18), and said that the Board approved the activation of a Level Two/Water Alert in May 2015 in response to the State Water Board's emergency mandatory regulations. Mr. Ruiz recommended lowering the Water Conservation Action Level to a Level One/Water Watch in response to the ease in restrictions by the State Water Board. Mr. Ruiz reviewed the specific conservation measure descriptions with the Board. Discussion occurred concerning watering schedule and watering duration options and the impacts of the ongoing drought conditions in Southern California. Director Safranski urged District staff to effectively communicate to the District's customers the Board of Directors appreciation for their conservation efforts to date, as well as the importance of continuing to conserve potable water through the remainder of the year; Mr. Ruiz agreed with Director Safranski, and mentioned that he will work with its public outreach consultant to prepare materials and will bring back sample outreach materials for Board review. Discussion occurred concerning the Water Conservation Ordinance Permanent Provisions and the newly adopted State water conservation laws.

Action: A motion was made by Director Safranski and seconded by Vice President Acosta to Adopt Resolution No. 2016-1230 – Resolution of the Board of Directors of the Trabuco Canyon Water District Making Certain Findings, Providing for Activation of Designated Measures Under Existing Water Conservation and Water Supply Shortage Ordinance and Program and Taking Related Actions

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JULY 20, 2016**

The motion carried 4 – 0 -1, with Director Haselton absent.

**ITEM 15: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING CALIFORNIA SPECIAL DISTRICTS ASSOCIATION
2016 BOARD ELECTIONS**

Mr. Ruiz presented this matter for Board consideration, and said that District staff has been notified of the California Special District Association (CSDA) 2016 Board Elections. Mr. Perea commented that the Board is requested to vote for a candidate to represent Southern Network Seat B, and that there are currently three candidates for the position. Discussion occurred concerning the candidates for the position. Mr. Perea mentioned that Vice President Acosta is the current Delegate to CSDA and would vote on behalf of the Board of Directors. Vice President Acosta requested input from the other Directors, and following a brief discussion, made a motion.

Action: A motion was made by Vice President Acosta and seconded by Director Safranski to vote for Mr. Bill Nelson of the Orange County Cemetery District for the California Special Districts Association, Southern Network Seat B.
The motion carried 4 – 0 -1, with Director Haselton absent.

ITEM 16: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

Mr. Ruiz had no matters to report.

Mr. Anslow reported on the current State Legislature measures which are agendized for review before the end of the session in August, and mentioned that there are currently eighteen statewide ballot measures scheduled for review. Discussion occurred concerning the Bay Delta and the possibility of a ballot measure related to a delta solution

Action: The Board received the information concerning the matter. No action taken.

OTHER MATTERS

There were no other matters for discussion.

ADDITIONAL DIRECTORS' COMMENTS

There were no additional Directors' comments received.

ADDITIONAL GENERAL MANAGER COMMENTS

There were no additional General Manager comments received.

END ACTION CALENDAR

ADJOURNMENT

President Dopudja adjourned the July 20, 2016, Regular Board meeting at 8:18 PM.