



## **MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | OCTOBER 19, 2016**

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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 Don Chadd  
Director Edward Mandich  
Director Michael Safranski

### **STAFF PRESENT**

Hector Ruiz, General Manager  
Michael Perea, District Secretary  
Lorrie Lausten, Engineer  
Karen Warner, Accounting Supervisor  
Lisa Sangi, Administrative Assistant  
Dona Bozeman, Lead Customer Service Representative

### **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**

Director Safranski led the Board and District staff in the pledge of allegiance.

### **VISITOR PARTICIPATION**

No visitor participation was received.

### **ORAL COMMUNICATION**

No oral communication was received.

### **SPECIAL ACTION ITEM: RECOGNITION OF THE CONTRIBUTIONS OF DIRECTOR JAMES HASELTON TO THE TRABUCO CANYON WATER DISTRICT AND BOARD OF DIRECTORS**

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President Dopudja presented this item for consideration, and acknowledged Mrs. Kathy Haselton and the Haselton Family in the audience. President Dopudja thanked Mrs. Haselton for sharing Jim Haselton with the Board of Directors and District staff, and mentioned that it was a pleasure to know and serve with Director Haselton on the Board of Directors. President Dopudja presented a Proclamation Expressing Appreciation for the Dedicated Public Service and Leadership of Director Haselton, and read the said Proclamation in its entirety.

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President Dopudja said that on a personal note that this matter was very difficult. President Dopudja provided his fellow Board Members an opportunity to speak about Director Haselton.

Director Chadd recognized that his seat was formerly Director Haselton's seat at the dais. Director Chadd provided a background of his friendship with Director Haselton, and mentioned that after he was elected to the Board in the mid-1990s, that he encouraged Jim to run for a vacant position on the Board. Director Chadd commented that Jim was a great Director that understood the water industry, and was a good man. Director Chadd highlighted some of Director Haselton's accomplishments during his tenure as a Director, which included working with the County of Orange for the installation of a traffic light at Robinson Ranch Road and Lindsay Drive for the benefit of the students at Robinson Ranch Elementary School; his involvement with the purchase of the District's current Administrative Facility; his steadfastness during periods of uncertain times of water agency consolidations in Orange County; and his constant level of involvement and dedication to the District and its projects. Director Chadd said that Director Haselton was a good friend and that he missed him.

Vice President Acosta expressed his deepest condolences to the Haselton Family, and said that he liked Director Haselton a lot. Vice President Acosta commented that he knew Director Haselton for approximately twelve years, and that he was a decent man. Vice President Acosta added that he did not use that term lightly, and that Director Haselton represented to him what a father figure should be, and that he would like to be like Jim.

Director Safranski reflected that when Director Haselton was appointed to the Board of Directors, the District and the Board had undergone a major restructuring. Director Safranski added that at the time there was a big push for agency consolidation in Orange County, and there was an incredible amount of uncertainty for the District, but that Director Haselton proved to be a strong Director and advocate for the District. Director Safranski related a brief story about a time that he helped Director Haselton with a personal matter.

Director Mandich said that Director Haselton was of great value to the Board, and that he could always count on him to share a good story about his hunting or fishing trips. Director Mandich commented on Director Haselton's Memorial Service, and mentioned that he appreciated the Haselton Family for sharing Jim with the Board and District.

President Dopudja thanked his fellow Board members for the shared wonderful memories of Director Haselton. President Dopudja shared a story about the first time that he filed for Directorship on the Board, and mentioned that Director Haselton joined him at the County of Orange Registrar of Voters office. President Dopudja added that he planned on filing with Director Haselton again this year, but due to the circumstances, his filing was a hollow visit. President Dopudja thanked Mrs. Haselton for her support of the Board's appointment of Director Chadd to fill Director Haselton's position for the remainder of his term.

**Action:** A motion was made by Director Safranski and seconded by Director Chadd to approve the Proclamation of the Board of Directors of Trabuco Canyon Water District Expressing Appreciation for the Dedicated Public Service and Leadership of Director James Haselton, and authorize the delivery of said Proclamation, and dedicate an oak tree at the District Administrative Facility in honor of Director James Haselton, and the plaque indicating such dedication.  
The motion carried 5 - 0.

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**DIRECTOR'S COMMENTS**

Director Mandich had no comments.

Director Safranski had no comments.

Vice President Acosta had no comments.

Director Chadd had no comments.

President Dopudja had no comments.

**REPORT FROM THE GENERAL MANAGER**

Mr. Ruiz reported on the following matters:

- Mr. Ruiz reported that the District has filled the Water Operations Department Operator II vacancy, and that the new employee had started on Monday, October 17, 2016.

**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 5 – 0.

**ACTION CALENDAR**

**FINANCE MATTERS**

**ADMINISTRATIVE MATTERS**

**ITEM 5: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TRABUCO CANYON WATER DISTRICT HEALTH BENEFITS**

Mr. Ruiz provided a status update on this matter, and said that this matter was originally approved by the Board in August 2016. Mr. Ruiz added that District staff had been notified by CalPERS that the resolutions adopted by the Board at that time did not include recently required language pertaining to Internal Revenue Services Code and Government Code requirements. Mr. Perea said that District staff has worked with CalPERS staff to present the revised resolutions with the required language for Board adoption.

**Action:** A motion was made by Vice President Acosta and seconded by Director Chadd to adopt Resolution No. 2016-1234 – Resolution of the Board of Directors of the Trabuco Canyon Water District Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees' Medical and Hospital Care Act.  
The motion carried 5 – 0.

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A motion was made by Vice President Acosta and seconded by Director Safranski to adopt Resolution No. 2016-1235 – Resolution of the Board of Directors of the Trabuco Canyon Water District Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees’ Medical and Hospital Care Act. The motion carried 5 - 0.

**ENGINEERING MATTERS**

**ITEM 6: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE PROVISION OF DRAFT CONSTRUCTION PLANS FOR THE EXISTING TRABUCO CANYON WATER DISTRICT RIDGELINE BOOSTER PUMP STATION BY CALIFORNIA QUARTET, LP**

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Mr. Ruiz presented this matter for Board consideration, and mentioned that the matter was discussed with the Engineering/Operational Committee. Mr. Ruiz introduced Mr. Kris Weber from Hunsaker and Associates in the audience, and mentioned that District staff has requested the release of the DRAFT Construction Plans for the District’s Ridgeline Booster Pump Station from California Quartet, LP (Exhibit). Mr. Ruiz added that the DRAFT Construction Plans will be helpful with the reservoir plans for the Saddlecrest development. Director Mandich said that he would recuse himself from voting on this matter due to a possible conflict of interest with his employer.

**Action:** A motion was made by Vice President Acosta and seconded by Director Safranski to approve the letter from California Quartet, LP, regarding the release of the DRAFT Plans and to authorize the General Manager to execute the letter agreement with California Quartet, LP, dated as of October 19, 2016.  
The motion carried 4 – 0 – 1, with Director Mandich abstaining from the vote.

**ITEM 7: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE SADDLECREST DEVELOPMENT**

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Mr. Ruiz provided a status update on this development, and said that District staff is currently working with Rutter-Santiago (Developer) to prepare the Will Serve Letter (WSL) for this development. Mr. Ruiz added that originally the WSL was to be agendized for approval, but that the Developer and District staff agreed that there are additional matters which require clarification. Mr. Ruiz mentioned the need for the preparation of the onsite reservoir technical memorandum, and mentioned that District staff will have a more active role in its preparation prior to its review with the Engineering/Operational Committee.

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

**ITEM 8: BAKER WATER TREATMENT PLANT**

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Mr. Ruiz provided a status update on this project, and mentioned that Irvine Ranch Water District (IRWD) has scheduled a Project Celebration for October 25, 2016. Mr. Ruiz briefly reviewed Baker Water Treatment Plant (WTP) Construction Report for October 2016 with the Board. Mr. Ruiz said that the Project Committee (PC) met on October 6, 2016, and that project completion is a few months out. Mr. Ruiz reviewed the planned startup schedule with the Board, and mentioned that he will be working with MWDOC to review and update the proposed billing process per the Board’s direction at the October 14, 2016 Special Board Meeting.

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

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**ITEM 9: ALTERNATE RAW WATER TRANSMISSION LINE – FEMA NO. PW79**

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Mr. Ruiz provided a status update on this project and reviewed the Final Project Schedule (schedule) for Board review and discussion. Mr. Ruiz added that the schedule includes the Bid Process and Bid-related Event Dates, and mentioned that District staff has scheduled two Publicly Noticed Pre-Bid Meetings over the next two weeks in accordance with Federal Emergency Management Agency (FEMA) requirements. Mr. Ruiz highlighted that the project bid proposals are due November 29, 2016, and that District staff will complete the bid proposal review within fifteen days per FEMA requirement. Mr. Ruiz said that more information concerning the bid process will be presented to the Engineering/Operational Committee. Director Safranski commended the Mr. Ruiz and District staff on the completeness of the schedule and project timeline.

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

**LEGISLATIVE, ADMINISTRATIVE, AND OTHER MATTERS**

**ITEM 10: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING STATEWIDE DROUGHT CONDITIONS, STATE WATER RESOURCES CONTROL BOARD (SWRCB) DROUGHT REGULATIONS, AND TCWD WATER CONSERVATION MEASURES/ACTIONS**

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Mr. Ruiz provided a status update on the matter, and reported that the District's customers demand reduced by 18% in the month of September 2016 in comparison to the same month in 2013. Mr. Ruiz added that the District did not assess any conservation-related penalties due to the continued positive response from its customers.

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

**ITEM 11: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)**

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Mr. Ruiz reported the following matters:

- Mr. Ruiz reported that the South County Water Agencies have drafted a comment letter to the State Water Board and Department of Water Resources in response to Governor Brown's Executive Order B-37-16, and presented a copy of the DRAFT letter for Board review. Mr. Ruiz added that the State Water Board has proposed long-term regulations for indoor and outdoor water usage. Mr. Anslow mentioned that the matter could be agendized at a future Board Meeting to authorize the General Manager to execute the letter on behalf of the District.
- Mr. Ruiz reported that the Orange County Flood Control District (OCFCD) has notified District staff of their proposal to require Utility License Agreements (Exhibit) for the use of OCFCD property unless the agency has an existing exclusive easement. Discussion occurred concerning the proposed methodology for determining the Utility License Agreement fee. Discussion occurred concerning potential impacts and challenges that this matter may present for public utilities and special districts. The Board directed Mr. Ruiz to monitor this matter and participate if necessary, and to notify the Board in the event that further action is required.
- Director Chadd reported to the Board on his attendance to the South County Water Agencies Meeting, and provided a brief review of the meeting proceedings. Director Chadd commended the group for their collaborative efforts, and reported that it was discussed that SMWD Director Sandra Jacobs will continue as Chair for the group for another year, and then he will Chair the group. Discussion occurred concerning the proposed State Water Board regulations and the potential impact of a mandatory

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statewide water budgets set by the State as a method to promote water conservation. Director Chadd expressed concern that a statewide mandatory process would not account for or preserve local agency resource management. Director Chadd added that MWDOC notified the group that they will accept Fiscal Year 2017/2018 Budget input in December, and will provide a draft budget in March 2017.

**Action:** The Board received the information concerning the matters, and provided direction to the General Manager.

**OTHER INFORMATION/MATTERS**

Mr. Ruiz had no other information or matters to report.

**CLOSED SESSIONS**

The Board of Directors, through President Dopudja, 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.

The Board, through President Dopudja, reconvened the Open Session of the Meeting at 9:27 PM.

**ITEM 12: REPORT OF ACTION(S) TAKEN IN CLOSED SESSIONS**

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**Action:** The Board of Directors, through President Dopudja, made the following announcement related to the Closed Sessions:

**CLOSED SESSION NO. 1**

The Board of Directors provided direction to the South Orange County Wastewater Authority (SOCWA) Representative.

**CLOSED SESSION NO. 2**

The Board of Directors authorized the General Manager to solicit a proposal related to the matter for presentation at another time.

**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 October 19, 2016, Regular Board meeting at 9:28 PM.