



## **MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | OCTOBER 18, 2017**

---

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

### **DIRECTORS ABSENT**

Director Stephen Dopudja

### **STAFF PRESENT**

Hector Ruiz, General Manager  
Michael Perea, District Secretary  
Lorrie Lausten, Principal Engineer

### **DISTRICT CONSULTANTS PRESENT:**

District General Legal Counsel – Rob Anslow (Bowie, Arneson, & Wiles)

### **PUBLIC PRESENT**

There were members of the public present.

### **PLEDGE OF ALLEGIANCE**

Mr. Anslow 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.

### **DIRECTOR'S COMMENTS**

Director Mandich had no comments.

Vice President Safranski had no comments.

Director Chadd had no comments.

**TRABUCO CANYON WATER DISTRICT  
REGULAR BOARD OF DIRECTORS MEETING MINUTES | OCTOBER 18, 2017**

President Acosta commented on his attendance at a meeting with the new Director of the County of Orange Division of Waste and Recycling, and provided a brief overview of the discussion related to bio-solids management.

**REPORT FROM THE GENERAL MANAGER**

Mr. Ruiz reported on the following matters:

1. Mr. Ruiz reported that District staff participated in the County of Orange OC Parks Acorn Day Event, and mentioned that the District has participated in the last three years. Mr. Ruiz shared a thank you card from the County Park Ranger for supporting and hosting an exhibit booth at the event.
2. Mr. Ruiz reported that the Municipal Water District of Orange County (MWDOC) Semi-Annual Elected Official Forum is scheduled for November 2, 2017. President Acosta commented that he was unable to attend the Forum, and requested that Vice-President Safranski attend in his absence. Vice-President Safranski requested a calendar invite as a reminder.
3. Mr. Ruiz reported that the Customer Service Area Rehabilitation Project is scheduled the following week.
4. Mr. Ruiz reported that the District staff Annual Chili Cook-off is scheduled for Friday, October 27, 2017 at 11:30 AM, and extended an invitation to the Board of Directors.

**ITEMS TOO LATE TO BE AGENDIZED**

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

**CONSENT CALENDAR**

President Acosta indicated that all matters under the Consent Calendar would be approved by one motion unless a Board member requests a separate action on a specific item.

**Action:** A motion was made by Vice President Safranski and seconded by Director Chadd to approve the Consent Calendar Item Nos. 1 - 5.  
The motion carried 4- 0-1, with Director Dopudja absent.

**ACTION CALENDAR**

**ADMINISTRATIVE MATTERS**

**ITEM 6: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TRABUCO CANYON WATER DISTRICT'S CALPERS ACTUARIAL VALUATION REPORT**

Mr. Ruiz presented this matter for Board review, and mentioned that this was an annually recurring matter. Mr. Ruiz added that there was no action required, and that the Board receive and file the CalPERS Annual Actuarial Valuation Reports (Reports) for both the Miscellaneous Pension Plan and the PEPRA Miscellaneous Pension Plan. Mr. Perea briefly reviewed the anticipated contribution rates highlighted in the staff report, and indicated the planned increase in employer contribution rates through Fiscal Year 2020/2021. Mr. Ruiz commented that the increases are based on lower returns for CalPERS. Discussion occurred concerning the Amortization Schedule presented in the Reports and the impacts of Governmental Accounting Standards Board (GASB) 68 on the District's pension plans.

**TRABUCO CANYON WATER DISTRICT  
REGULAR BOARD OF DIRECTORS MEETING MINUTES | OCTOBER 18, 2017**

**Action:** The Board received and filed the CalPERS June 30, 2016, Actuarial Valuation Report of the Miscellaneous Pension Plan, and the CalPERS June 30, 2016 Actuarial Valuation Report of the PEPRA Miscellaneous Pension Plan.

**ITEM 7: DISCUSSION AND POSSIBLE ACTION CONCERNING THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA)**

---

Mr. Ruiz presented this matter for Board review, and mentioned that Director Dopudja (TCWD's SOCWA Director) had attended the SOCWA Finance Committee on September 21, 2017, and at the October 5, 2017, SOCWA Board Meeting where he provided an update on his progress and requested that he would like to continue his work and coordinate with SOCWA staff through the next quarter. The SOCWA Board recommended that TCWD continue to lead further review of the budget and return with a method of allocation for SOCWA Board review during the second quarter of Fiscal Year 2017/2018.

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

**ENGINEERING MATTERS**

**ITEM 8: BAKER WATER TREATMENT PLANT**

---

Mr. Ruiz provided a status update on this project, and mentioned that there was no action required. Mr. Ruiz reported that he was scheduled to meet with the City of San Clemente staff the following week to finalize the details on the DRAFT Agreement Exhibits which includes the proposed water rates and charges. Mr. Ruiz briefly reviewed the tentative agreement adoption schedule with the Board, and mentioned that City staff will present the DRAFT Agreement to the City Council in November for their review. Discussion occurred concerning the partnership between the District and the City of San Clemente. President Acosta recommended that District staff prepare a cover letter for the DRAFT Agreement for the City of San Clemente.

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

**LEGISLATIVE, ADMINISTRATIVE AND OTHER MATTERS**

**ITEM 9: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING WATER SUPPLY CONDITIONS, STATE WATER RESOURCES CONTROL BOARD (SWRCB) REGULATIONS, AND TCWD WATER CONSERVATION MEASURES/ACTIONS**

---

Mr. Ruiz presented this matter for Board review, and mentioned that the staff report had been updated to reflect pending legislation that has possible significant impact on the District and water agencies statewide. Mr. Ruiz presented a handout prepared by Irvine Ranch Water District (IRWD) to the Board for their review that was presented to the MWDOC member agencies at the Conservation Legislation Working Group on October 12, 2017. Mr. Ruiz delivered a PowerPoint presentation which reviewed the Governor's Long-Term Framework for Water Use Efficiency and Drought Planning which has been termed the "Making Water Conservation a Way of Life". Mr. Ruiz briefly highlighted the impacts of Executive Order B-37-16 which was effective May 9, 2016, and included a thirteen point action plan. Mr. Ruiz reviewed the proposed legislation AB 1668 (Friedman) and SB 606 (Skinner/Hertzberg) which were amended, but failed at the floor, and then made two-year bills at the end of the legislative session. Mr. Ruiz mentioned that he had participated in coalition letters that took an Oppose, Unless Amended position on this proposed legislation. Mr. Ruiz reviewed the key areas of the legislation that required amending in the District's viewpoint, which included the following:

1. Standard setting
2. Treatment of recycled water and potable reuse water

**TRABUCO CANYON WATER DISTRICT  
REGULAR BOARD OF DIRECTORS MEETING MINUTES | OCTOBER 18, 2017**

3. Water efficiency requirements for Commercial/Industrial/Institutional (CII) water users
4. Calculating water use objectives
5. Water use objective enforcement
6. Drought response effort clarification

Mr. Ruiz added that this proposed legislation is directed at retail water agencies only, and does not impact wholesale water agencies like MWDOC. Discussion occurred concerning the District efforts for opposing the proposed legislations. Director Chadd recommended that the General Manager and Board representatives meet with the District's MWDOC Director to discuss this matter more fully and to convey the District's position concerning the proposed legislation.

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

**ITEM 10: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION (OC LAFCO) NOMINATION PERIOD FOR REDEVELOPMENT AGENCY OVERSIGHT BOARD APPOINTMENT**

---

Mr. Ruiz presented this matter for Board review, and mentioned that OC LAFCO has notified District staff of the start of the Nomination Period for Redevelopment Agency Oversight Board Appointment for the County of Orange. Mr. Ruiz provided background on the dissolution of Redevelopment Agencies (RDA) throughout the State, and mentioned that there is a new countywide RDA Oversight Board for the County of Orange. Mr. Ruiz reviewed the OC LAFCO letter related to the Nomination Period, and highlighted the schedule for nomination. Discussion occurred concerning possible candidates for nomination. President Acosta mentioned that Mr. Brian Probolsky of Moulton Niguel Water District had expressed interest as a potential candidate, but also sought Board feedback. Discussion occurred concerning the matter being part of Independent Special Districts of Orange County (ISDOC). Director Chadd, being the ISDOC representative, was not supportive of the recommendation, noting that other candidates may also approach the District following the Nomination Period. Discussion occurred concerning the Declaration of Qualification to Vote document for submission to OC LAFCO; President Acosta assigned Director Chadd as the voting member for the Orange County Redevelopment Agency Oversight Board Appointment Election, noting that this is part of ISDOC.

**Action:** A motion was made by President Acosta and seconded by Director Mandich to authorize Director Chadd to vote in the Orange County Redevelopment Agency Oversight Board Appointment Election.  
The motion carried 4 – 0 – 1, with Director Dopudja absent.

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

---

Mr. Ruiz reported on his attendance at the October 11, 2017, OC LAFCO Meeting, and briefly reviewed the discussion concerning past agency consolidations, including Los Alisos Water District, Santiago Canyon Water District, and Orange Park Acres consolidations with IRWD. Mr. Ruiz added that in instances of agency consolidation, OC LAFCO primarily considers the agency's ability to provide reliable customer service as a driving factor.

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

**TRABUCO CANYON WATER DISTRICT  
REGULAR BOARD OF DIRECTORS MEETING MINUTES | OCTOBER 18, 2017**

**ADDITIONAL DIRECTORS' COMMENTS**

Director Chadd briefly commented on the impacts of the proposed Toll Road to the City of San Clemente, and highlighted the overall opposition to the toll road extension. Discussion occurred concerning the political impacts of the toll road extension and the growth of South Orange County.

**ADDITIONAL GENERAL MANAGER COMMENTS**

There were no additional General Manager comments received.

**END ACTION CALENDAR**

**ADJOURNMENT**

President Acosta adjourned the October 18, 2017, Regular Board meeting at 7:49 PM.