



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | JANUARY 17, 2018

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD) was called to order by President Acosta at 7:03 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
Director Stephen Dopudja

STAFF PRESENT

Hector Ruiz, General Manager
Michael Perea, District Secretary
Lorrie Lausten, Principal Engineer
Karen Warner, Senior Accountant
Lisa Sangi, Administrative Assistant
Jason Stroud, Maintenance Superintendent

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 Chadd 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 commented on his attendance at the City of Rancho Santa Margarita City Council Meeting, and provided an update concerning street sweeping days that will likely have an impact on Dove Canyon residents. Director Mandich mentioned that City of Lake Forest Councilmember Andrew Hamilton, and a member of the South Orange County Watershed Management Area Executive Committee has been recalled.

Director Dopudja had no comments.

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Director Chadd mentioned that the District will host the South Orange County Agencies' Group on January 30, 2018, and provided background on the formation of the Group. Director Chadd added that the Group informally meets to discuss unique issues that impact water agencies in South Orange County.

Vice President Safranski had no comments.

President Acosta commended District staff on their work on a recent emergency line break in the Dove Canyon Community.

REPORT FROM THE GENERAL MANAGER

Mr. Ruiz reported that the Administrative Facility parking lot was full with District vehicles due to the ongoing project work on the Robinson Ranch Wastewater Treatment Plant Access Road. Mr. Ruiz added that District staff had strategically stationed District vehicles at other District facilities as well to be able to respond in the event of an emergency.

Mr. Ruiz reported that District staff repaired an emergency line break in the Dove Canyon community, as well as, a sheared fire hydrant in the Trabuco Marketplace.

Mr. Ruiz commented that the newly purchased Valve Turning Truck designed by District staff was on display in the Administrative Facility parking lot.

Mr. Ruiz reported that Mr. Perea prepared a memo indicating that AB 1234 Ethics Training for the Board is due before the end of calendar year 2018.

Mr. Ruiz reported that the members of the San Juan Watershed Project are holding a public meeting at the City of San Juan Capistrano on January 30, 2018, and that he would be in attendance.

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. Director Dopudja requested the removal of Item No. 3 from the Consent Calendar.

Action: A motion was made by Director Mandich and seconded by Vice President Safranski to approve the Consent Calendar Item Nos. 1 – 5, excluding Item No. 3.
The motion carried 5- 0.

ACTION CALENDAR

ADMINISTRATIVE MATTERS

**ITEM 3: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, AND TENTATIVE FUTURE MEETINGS/
ATTENDANCE**

Director Dopudja requested that his schedule be updated as some of the listed South Orange County Wastewater Authority (SOCWA) Meetings were meetings but not SOCWA Regular Board Meetings.

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Action: A motion was made by Director Dopudja and seconded by Vice President Safranski to approve the Directors' Fees and Expenses Report as amended.
The motion carried 5- 0.

ITEM 6: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING DISTRICT TREASURER'S ANNUAL STATEMENT OF INVESTMENT POLICY

Mr. Ruiz presented this matter for Board review, and mentioned that this was an annually recurring matter. Mr. Ruiz added that the District Treasurer had reviewed the Resolution and was in agreement with the requirement language. Discussion occurred concerning compliance with legal requirements since the prior year; Mr. Anslow commented that there had not been any regulatory changes in that time that would require modifying the policy as presented.

Action: A motion was made by Vice President Safranski and seconded by Director Mandich to adopt Resolution No. 2018-1248 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting Treasurer's Annual Statement of Investment Policy.
The motion carried 5 – 0.

ITEM 7: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING UNFILLED DISTRICT EMPLOYEE POSITIONS

Mr. Ruiz presented this matter for Board review, and highlighted the recent challenges with unexpected vacancies in the Customer Service Department and filling unfilled approved employee positions. Mr. Ruiz reviewed the District's Organizational Chart, and highlighted the Electrical/Instrumentation Technologist open position. President Acosta expressed a desire to provide the General Manager the authority to reorganize the District Organization with authorized positions without Board action, and asked if Board action was required each time an organizational change was necessary; Mr. Anslow commented that although CalPERS may require a formal District Organization Chart with Board approved positions, that it is not necessary for the Board to authorize classification changes for budget approval purposes. Vice President Safranski recommended maintaining general positions and titles to provide flexibility, and commented that the Board is responsible for the approval of District policy and budgets. President Acosta asked if the existence of the unfilled positions trigger CalPERS action; Mr. Ruiz replied that only the approved classifications, pay tables, and salaries trigger CalPERS action. Mr. Ruiz commented that the Board has historically approved an organizational chart with positions that correspond to a Board approved salary, but welcomed the opportunity to have an organizational chart with more general position descriptions and titles to provide greater flexibility to meet the District's needs. President Acosta recommended the addition of approved positions to fill without Board action. Director Chadd commented that it is not the interest of the Board to manage the District.

Action: A motion was made Director Mandich and seconded by Director Dopudja to approve the proposed District Organizational changes as presented at the time of the Board Meeting.
The motion carried 5 – 0.

ITEM 8: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING SITE SECURITY IMPROVEMENTS TO DISTRICT PROPERTIES

Mr. Ruiz presented this matter for Board consideration, and mentioned that this matter has been reviewed with the District Property Ad Hoc Committee. Mr. Ruiz mentioned that there has been an increase in trespassing, vandalism, and unauthorized access to District properties, and related that trespassers had significantly damaged the District's entry gate to the Porter Property and Trabuco Highlands Community Association's (THCA) Shadow Rock entry gate on the evening of October 31, 2017. Mr. Ruiz commented on the current challenges not

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knowing the precise location of property lines of District properties, including Porter Property as well as the Trabuco Creek Groundwater Treatment Facility and adjacent property. Mr. Ruiz reported that District staff recommends surveying the District's properties, which includes obtaining Title Reports and contracting with a surveyor and a fence installation company for the installation of survey markers. Mr. Ruiz added that District staff recommends replacing existing signage with installing new more visible signage that comports with California Penal Code 602 based on feedback from the Orange County Sheriff's Department. Mr. Ruiz commented that although the necessary site security improvements are not budgeted for Fiscal Year 2017/2018 that the increase in trespassing and unauthorized access as well as the costs associated with vandalism, damages, and potential liability to District property warrants District response and action. Director Dopudja briefly reviewed possible alternatives to the Porter Property entry gate as discussed with the District Property Ad Hoc Committee.

Vice President Safranski expressed an understanding of the security issues with the District's properties, but expressed concern with the recommended budget and associated actions by requesting that District staff prepare a more thorough line item budget and planned response. Director Chadd mentioned that although he agreed with Vice President Safranski in spirit that these issues represent a risk management liability for the District, and that the Ad Hoc Committee recommended a budget which would allow District staff to implement site security improvements without returning to the Board requesting additional funding. Director Chadd added that the Board may request a reconciliation of budget expenditures before the end of the fiscal year. President Acosta mentioned that this issue is not unique to the District, and highlighted the experiences shared by City of San Clemente residents at their December 2017 City Council Meeting regarding an increase in trespassing, vandalism, and unauthorized access on City property. President Acosta expressed his confidence in District staff and agreed with the recommended action. Director Dopudja commented on the challenges with large properties including the proliferation of trespassing as well as the increased response by the District to prevent trespassing and unauthorized access. Director Dopudja supported Director Chadd's recommendation of budget reconciliation for site security improvements.

Mr. Bob Dewert, District customer, approached the Board concerning the matter, and commented that his life was threatened by trespassers on the Porter Property. Mr. Dewert related his experience with an increase of trespassers on dirt bikes in the open space area beginning last summer, and mentioned that the trespassing frequency increased significantly over a short period of time. Mr. Dewert added that he contacted the Orange County Sheriff's Department, who subsequently escorted the trespassers off of the Porter Property and recommended that he notify the District of the matter. Mr. Dewert mentioned that he contacted Mr. Perea regarding the matter, and expressed his appreciation for both Mr. Perea and Mr. Stroud's efforts to control the trespassing and unauthorized access issues. Mr. Dewert added that the activity has significantly decreased since the District installed additional signage on the property and increased patrols of the property.

Discussion occurred concerning security fence improvements and associated costs. Vice President Safranski recommended completing the survey of the District's properties and then reviewing the security fence improvements with the Engineering/Operational Committee.

Action:

A motion was made by Director Chadd and seconded by Director Dopudja for the following:

- Authorize the General Manager to contract with right-of-way consulting and title report companies to obtain property data, information, maps, agreements, and any other information pertaining to or concerning District owned properties;

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- Authorize the General Manager to install new signs and to replace existing signs with new signs to include California Penal Code 602 at various locations throughout the District's properties;
- Authorize the General Manager to contract with surveying services to locate property lines of District Properties;
- Authorize the General Manager to contract with La Habra Fence Company to:
 - Construct at and below grade survey bench mark posts, where deemed appropriate, at property lines of select District owned properties and areas;
 - Construct a new entrance gate at Porter Property;
 - Install new fencing with signage, where deemed appropriate, including along property lines of select District owned properties and areas.
- Authorize the expenditures for the above contracted services, items 2 through 5, including labor and materials, for a not-to-exceed amount of \$100,000.

The motion carried 4 – 1, with Director Safranski in opposition.

ITEM 9: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA)

Mr. Ruiz presented this matter for Board review, and expressed his appreciation for Director Dopudja's dedicated work as the District's South Orange County Wastewater Authority (SOCWA) Director. Director Dopudja provided an update on the presentation of the proposed budget structure to the General Fund allocation, and mentioned that there was an overall positive response to the presentation. Director Dopudja added that a Joint Board and Finance Committee Meeting will be scheduled to review the proposed budget structure in concept, and mentioned that the proposal may require analysis of the Joint Powers Agreement. Discussion occurred concerning perceived possible challenges with the adoption of the proposed budget structure; Director Dopudja commented that there may be possible modifications to the overall approach. President Acosta expressed his appreciation for Director Dopudja's leadership.

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

ENGINEERING MATTERS

ITEM 10: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING EASEMENT AT 21532 HIGH COUNTRY DRIVE, TRABUCO CANYON

Mr. Ruiz presented this matter for Board consideration, and mentioned that this matter was reviewed with the Engineering/Operational Committee. Mr. Ruiz provided an overview of the easement relinquishment area and associated tract map, and related that the property owner would like to construct a wall at the rear of the property on the easement. Mr. Ruiz added that the District does not currently have any infrastructure in the proposed easement area. Ms. Lausten commented that she met with the property owner to review the easement area and the wall construction plans. Director Mandich briefly highlighted the discussion of the matter at the Engineering/Operational Committee, and mentioned that he was in agreement with Director Chadd's comments regarding a disinclination to relinquish the easement. Director Chadd commented that the Board could consider allowing the property owner to build the proposed wall with the understanding that the District will maintain the easement and that any future need to use the easement for District purposes would require the property owner to remove the wall at his cost. Vice President Safranski agreed with Director Chadd, and commented that any request for easement relinquishment should meet specific criteria of a compelling nature. Director Chadd commented that any and all costs related the easement relinquishment should be borne by the property owner. Discussion occurred concerning the property owner's plans for improvement and potential impacts to the District's pipelines in the public right-of-way. Ms. Lausten reviewed photographs of the easement

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relinquishment area with the Board which indicated that the property owner intends to build a wall on the property, and that she was unsure if any of the District's infrastructure in the public right-of-way would be impacted. President Acosta expressed hesitation with relinquishing the easement, and recommended that District staff request that the property owner provide a definitive proposal on the planned improvements highlighting the District's Brookseed/Dove Intertie Project as an unforeseen project which required the use of established District easements on private property. Director Mandich recommended that District staff further evaluate and review the easement language. President Acosta requested that District staff obtain additional information related to the matter for future Board review.

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

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

Mr. Ruiz reported on the following matters:

- Mr. Ruiz reported on his attendance at the January 10, 2018, Regular Meeting of the Local Agency Formation Commission of Orange County (OC LAFCO), and mentioned that the Commission Chair will serve an additional year in the position. Mr. Ruiz added that the Commission approved the Fiscal Year Audit, and that the Executive Officer was directed to seek feedback related to the Municipal Service Review (MSR).
- Mr. Ruiz reported that District staff has received notice from OC LAFCO of a planned MSR Stakeholder Meeting consisting of thirty-four cities and thirty-five special districts. Mr. Ruiz noted that the MSR is five-year process which is comprised of six regions, and that OC LAFCO will be subsequently releasing a survey questionnaire. Discussion occurred concerning the Little Hoover Commission report on special districts in the State.

Action: There was no action taken.

**ITEM 3: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, AND TENTATIVE FUTURE MEETINGS/
ATTENDANCE**

Director Dopudja corrected his earlier comments related to his attendance at the SOCWA Meetings, and requested that his schedule reflect his attendance at the December 5, 6, and 14, 2017 meetings concerning SOCWA.

Action: A motion was made by Director Chadd and seconded by Vice President Safranski to approve the Directors' Fees and Expenses Report as amended.
The motion carried 5- 0.

OTHER INFORMATION/MATTERS

There was no other information or matters presented.

CLOSED SESSIONS

The Board of Directors, through President Acosta recessed the Open Session portion of the Meeting at 8:32 PM.

The Board met in Closed Session as set forth in the Meeting Agenda.

The Board, through President Acosta, reconvened the Open Session of the Meeting at 8:52PM.

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

Action: The Board of Directors met with General Legal Counsel and the District's South Orange County Wastewater Authority (SOCWA) Representative, and received information concerning the matter. There were no other announcements made at that 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 Acosta adjourned the January 17, 2018, Regular Board meeting at 8:54 PM.