



## **MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | JUNE 20, 2018**

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The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD) was called to order by Vice President Safranski at 7:00 PM, in the Board Room at the District Administrative Facility, located at 32003 Dove Canyon Drive, Trabuco Canyon, California. Mr. Robert Anslow, Assistant District Secretary, transcribed the minutes thereof.

### **DIRECTORS PRESENT**

Vice President Michael Safranski  
Director Don Chadd  
Director Stephen Dopudja  
Director Edward Mandich

### **DIRECTORS ABSENT**

President Glenn Acosta

### **STAFF PRESENT**

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

### **DISTRICT CONSULTANTS PRESENT:**

Rob Anslow, District General Legal Counsel (Atkinson, Andelson, Loya, Ruud & Romo)/Assistant District Secretary  
Cindy Byerrum (Platinum Consulting), District Treasurer

### **PUBLIC PRESENT**

There were members of the public in the audience during the course of the meeting.

### **PLEDGE OF ALLEGIANCE**

Jason Stroud, Maintenance Superintendent, 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**

No Director comments were provided at this point of the meeting.

**TRABUCO CANYON WATER DISTRICT  
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 20, 2018**

**REPORT FROM THE ACTING GENERAL MANAGER**

Mr. Perea briefly reported that there had been four (4) wildfire episodes in the District's vicinity so far this year. He noted that the District is working to maintain adequate levels of storage in District reservoirs in order to be prepared for fire suppression demands in addition to customer demands.

Mr. Perea noted the handouts presented with regard to the Orange County Local Agency Formation Commission ("LAFCO") meeting and input from some Orange County special districts on the LAFCO MSR process and OC LAFCO policies.

Mr. Perea briefly discussed the letter received from Laura's House expressing appreciation for the donation of surplus food from the District's Water Awareness Day event.

Mr. Perea presented a video made in cooperation with the Rancho Santa Margarita (RSM) Police with respect to on-going security efforts at the District's Dove Lake property and facilities.

**ITEMS TOO LATE TO BE AGENDIZED**

Mr. Perea stated that there were no items too late to be agendized.

**CONSENT CALENDAR**

Vice 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 Director Chadd, and seconded by Director Mandich, to approve the Consent Calendar. The motion carried 4 – 0 – 1 (Director Acosta absent)

**ACTION CALENDAR**

**FINANCIAL MATTERS**

**ITEM 6: AUTHORIZE ACTIONS FOR FISCAL YEAR 2018/2019 UNDEVELOPED LAND/WATER STANDBY CHARGES (ASSESSMENT) AND SET PUBLIC HEARING**

Mr. Perea provided a brief presentation concerning the proposed Fiscal Year 2018/2019 Undeveloped Land/Water Standby Assessments proposed to be set at \$15.00 per acre or portion thereof (consistent with the amount per parcel approved by the Board in prior Fiscal Years) and the proposed actions to schedule the public hearing and provide notice to affected property owners. The Directors provided comments on the form of the proposed notice with respect to District policies concerning non-developable property and consistency with prior Fiscal Years' Standby Charge amount.

**Action:** Motion made by Director Mandich, seconded by Director Chadd, to agendize a public hearing and authorize District staff to furnish notice of public hearing on the proposed Fiscal Year 2018/2019 Undeveloped Land/Water Standby Assessments for the July 18, 2018, regular Board meeting. There was no further Board discussion and the motion carried 4 – 0 – 1 (Director Acosta absent).

**TRABUCO CANYON WATER DISTRICT  
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 20, 2018**

**ITEM 7. DISCUSSION AND ADOPTION OF RESOLUTION 2018-1255 ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2018/2019**

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Mr. Perea provided a brief introduction concerning the Fiscal Year 2018/2019 District Appropriations Limit action noting that this is an annual item and referencing the memorandum provided by General Legal Counsel and supporting data.

**Action:** Motion made by Director Dopudja, seconded by Director Chadd, to adopt Resolution No. 2018-1255 - Resolution of the Board of Directors of Trabuco Canyon Water District Establishing Appropriations Limit for Fiscal Year 2018/2019, Pursuant to Article XIII B of the California Constitution. There was no further Board discussion and the motion carried 4 – 0 – 1 (Director Acosta absent).

**ITEM 8. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) FISCAL YEAR 2018/2019 PROPOSED RATES, CHARGES, AND PROPOSED FISCAL YEAR 2018/2019 BUDGET**

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Mr. Perea presented and discussed the Municipal Water District of Orange County (MWDOC) budgeted items for participating agencies and the MWDOC Choice Programs. This matter had previously been discussed with the Finance/Audit Committee and the Board

**Action:** Motion by Director Dopudja, seconded by Director Chadd, to approve the Fiscal Year 2018/2019 Municipal Water District of Orange County Choice Programs for Trabuco Canyon Water District in the amount of \$52,701. There was no further discussion and the motion carried 4 – 0 – 1 (Director Acosta absent).

**ITEM 9. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TRABUCO CANYON WATER DISTRICT'S FISCAL YEAR 2018/2019 CAPITAL IMPROVEMENT PROGRAM (CIP) AND GENERAL FUND BUDGETS**

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Mr. Perea presented and discussed the proposed Fiscal Year 2018/2019 General Fund Budget, Capital Improvement Program (CIP) Budget, proposed Organizational chart and actions and proposed District Salary Plan and District Paytable with Classifications and Monthly Salary Ranges through a PowerPoint presentation and supporting materials. Discussion followed and various Director questions were responded to.

**Action:** Motion by Director Chadd, seconded by Director Mandich, to (i) approve the proposed Fiscal Year 2018/2019 District Organizational Chart, as presented and described, to be effective as of July 1, 2018; (ii) approved the proposed District Salary Plan and District Paytable with Classifications and Monthly Salary Ranges, as presented, effective as of July 1, 2018; and (iii) authorize the Acting General Manager to implement the organizational changes as approved by the Board of Directors. After the motion was made, Director Safranski raised questions concerning the proposed District labor cost increases in light of the most recent District rate study tables and projections. It was noted by the District Treasurer that labor costs would be higher than projected in the rate study, but that other projected costs have not increased as much as had been anticipated in the rate study and that this factor more than offset the projected increased labor costs as proposed. After those items were addressed, there was no further discussion and the motion carried 4 – 0 – 1 (Director Acosta absent).

**TRABUCO CANYON WATER DISTRICT  
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 20, 2018**

**Action:** Motion by Director Chadd, seconded by Director Dopudja, to adopt Resolution No. 2018-1253 – Resolution of the Board of Directors of Trabuco Canyon Water District of the Trabuco Canyon Water District Approving the General Fund District Budget for Fiscal Year 2018/2019 for an amount of \$10,755,100, as updated pursuant to the staff presentation. There was no further discussion and the motion carried 4 - 0 - 1 (Director Acosta absent). **(NOTE – this motion was subsequently superseded by later action of the Board, see below).**

**Action:** Motion by Director Dopudja, seconded by Director Mandich, to adopt Resolution No. 2018-1254 - Resolution of the Board of Directors of Trabuco Canyon Water District of the Trabuco Canyon Water District Approving the Capital Improvement Program Budget for Fiscal Year 2018/2019 for an amount of \$3,521,405.66

The District Treasurer brought to the attention of the Board and staff that the change to “Option B” in the employee COLA and merit increases approved by the Board changed the total of the adopted District General Fund Budget to \$11,218,700 and that this figure and the option should be used in the adoption of Resolution No. 2018-1253 and the budget figures adopted therein.

**Action:** Motion by Director Chadd, seconded by Director Dopudja, to adopt Resolution No. 2018-1253 – Resolution of the Board of Directors of Trabuco Canyon Water District of the Trabuco Canyon Water District Approving the General Fund District Budget for Fiscal Year 2018/2019 for an amount of \$11,218,700, as updated pursuant to the staff presentation and utilizing “Option B” in terms of included employee COLA and merit increases (superseding prior motion on this subject). There was no further discussion and the motion carried 4 - 0 - 1 (Director Acosta absent).

**ITEM 10. DISCUSSION AND POSSIBLE ACTIONS(S) CONCERNING ATKINSON, ANDELSON, LOYA, RUUD & ROMO (AALRR) PROPOSED LEGAL SERVICES AGREEMENT REVISED FEE SCHEDULE**

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Mr. Perea noted that the District had received a request from Atkinson, Andelson, Loya, Ruud & Romo (AALRR) for consideration of changed rates for legal services, to be effective as of July 1, 2018. Mr. Anslow responded to various Board questions on the matter and the request.

**Action:** Motion by Director Chadd, seconded by Director Mandich, to approve the Atkinson, Andelson, Loya, Ruud & Romo proposed Legal Services Agreement Revised Fee Schedule, as presented. There was no further discussion and the motion carried 4 - 0 - 1 (Director Acosta absent).

**ITEM 11. DISCUSSION CONCERNING THE AUTHORIZATION OF DISTRICT OFFICERS TO ORDER THE DEPOSIT OR WITHDRAWAL OF MONIES TO AND FROM THE LOCAL AGENCY INVESTMENT FUND (LAIF)**

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Mr. Perea discussed the request made by the Local Agency Investment Fund (LAIF) for an updated authorization for District officers to order the deposit or withdrawal of monies to and from LAIF, noting that this is an administrative action and is desirable from the standpoint of management of District funds for investment.

**Action:** Motion by Director Dopudja, seconded by Director Mandich, to adopt Resolution No. 2018-1251 – Resolution of the Board of Directors of the Trabuco Canyon Water District Authorizing Investment Monies in the Local Agency Investment Fund. There was no further discussion and the motion carried 4 - 0 - 1 (Director Acosta absent).

**TRABUCO CANYON WATER DISTRICT  
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 20, 2018**

**ADMINISTRATIVE MATTERS**

**ITEM 12. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TRABUCO CANYON WATER DISTRICT'S PURCHASING POLICY**

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Mr. Perea presented Resolution No. 2018-1252, including the proposed District guidelines for the procurement of goods and services and cash disbursements. He noted that current requirements from the federal government (including FEMA requirements) and requirements from the California Department of Industrial Relations (DIR) had been integrated into the proposed policy. He noted that the FEMA requirements were required to be adopted by June 30, 2018. There was discussion concerning the threshold level for competitive bidding as set out in the "Written Agreements" section as the stated level might cause delays or loss of potential bidders. A revised threshold level was discussed.

**Action:** Motion by Director Mandich, seconded by Director Chadd, to adopt Resolution No. 2018-1252 – Resolution of the Board of Directors of the Trabuco Canyon Water District Adopting Guidelines for the Procurement of Goods and Services and Cash Disbursements, with a revision to the threshold level for competitive bidding as set out in the "Written Agreements" section to \$15,000. There was no further discussion and the motion carried 4 - 0 - 1 (Director Acosta absent).

**ITEM 13. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA)**

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Director Dopudja provided an update on the South Orange County Water Authority ("SOCWA") Fiscal Year 2018/2019 budget adoption noting that TCWD's requested budget action item had been included in the SOCWA Fiscal Year 2018/2019 budget. The cost reductions to TCWD were discussed. SOCWA General Manager Betty Burnett, then present in the audience, commented to the Board that she appreciates TCWD's participation in SOCWA and Director Dopudja's participation on the SOCWA Board.

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

**ENGINEERING MATTERS**

**ITEM 14. VIA ALLEGRE WET WELL EXPANSION PROJECT**

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Mr. Perea provided a presentation concerning the Capital Improvement Project (CIP) budgeted projects, as carried over from Fiscal Year 2017/2018 into Fiscal Year 2018/2019. Principal Engineer Lorrie Lausten provided a presentation on the Via Allegre Wet Well Expansion Project and the bids provided. There was discussion between Board members and staff concerning the budget for the CIP as related to Fiscal Year 2018/2019.

**Action:** Motion by Director Chadd, seconded by Director Dopudja, to authorize the Acting General Manager to execute a construction contract with Hydrotech Electrical for the Via Allegre Wet Well Expansion Project Electrical Upgrades for a not to exceed amount of \$40,200.00. There was no further discussion and the motion carried 4 - 0 - 1 (Director Acosta absent).

**ITEM 15. RIDGELINE BOOSTER PUMP STATION IMPROVEMENTS AND CAPACITY INCREASE PROJECT**

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Ms. Lausten provided a presentation on the Ridgeline Booster Pump Station Improvements and Capacity Increase Project and the bids provided. It was noted that the Engineering Committee supported the recommendation of staff for the award of the construction work as presented.

**TRABUCO CANYON WATER DISTRICT  
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 20, 2018**

**Action:** Motion by Director Chadd, seconded by Director Dopudja, to authorize the Acting General Manager to execute a Contract for Engineering Design Services for the Ridgeline Booster Pump Station Improvements and Capacity Increase Project to Hazen in the not to exceed amount of \$242,625. There was no further discussion and the motion carried 4 - 0 - 1 (Director Acosta absent).

**ITEM 16. SADDLE CREST DEVELOPMENT (65 DUs / WSL)**

Ms. Lausten provided a presentation on the contract for the Construction Inspection Services for the On-Site and Off-Site Water and Sewer Improvements for the Saddle Crest Development. It was noted that the cost for the construction inspection services is a developer covered cost per the existing agreement between TCWD and the developer. There were questions from the Board concerning the total costs for the Saddle Crest Development project and TCWD facilities involved.

**Action:** Motion by Director Mandich, seconded by Director Dopudja, to approve, ratify, and authorize the Acting General Manager to execute the Contract for Construction Inspection Services for the On-Site and Off-Site Water and Sewer Improvements for the Saddle Crest Development to MWH Constructors in the not to exceed amount of \$139,150.23. There was no further discussion and the motion carried 4 - 0 - 1 (Director Acosta absent).

**LEGISLATIVE, ADMINISTRATIVE AND OTHER MATTERS**

**ITEM 17. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING WATER MANAGEMENT PLANNING LEGISLATION (SB 606 / AB 1668)**

Mr. Perea provided information to the Board concerning legislation passed at the end of May 2018, concerning State standards for indoor water use and referenced the legislative alert provided to the District by General Legal Counsel on Senate Bill 606 and Assembly Bill 1668 as provided. The Board briefly discussed the matter and raised some questions to General Legal Counsel concerning the effects and timing of the referenced legislation.

**Action:** There was no action taken.

**ITEM 18. LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)**

Director Chadd reported on the South County Agencies meeting/presentation which will be held at the District facilities in July of 2018.

There was discussion concerning the correspondence provided by the Acting General Manager concerning OC LAFCO, the Municipal Service Review (MSR) process and OC LAFCO policies affecting the MSR process which will be taken up by the OC LAFCO Board at a future LAFCO meeting.

**Action:** There was no action taken.

**CLOSED SESSIONS**

The Board of Directors, through Vice President Safranski recessed the Open Session portion of the Meeting at 8:20 PM.

The Board met in 2 Closed Sessions as set forth in the Meeting Agenda.

The Board, through Vice President Safranski, reconvened the Open Session of the Meeting at 9:25 PM.

**TRABUCO CANYON WATER DISTRICT  
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 20, 2018**

**ITEM 19. REPORT OF ACTION(S) TAKEN IN CLOSED SESSION**

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**Closed Session No.1**

**Report:** The Board of Directors met with General Legal Counsel, the Acting General Manager and the District's South Orange County Wastewater Authority (SOCWA) Representative as set forth in the agenda, and received information concerning the matter. There were no other announcements were made at that time.

**Closed Session No.2**

**Report/Action:** The Board of Directors met with General Legal Counsel pursuant to Government Code Section 54957 as stated on the Agenda. Assistant District Secretary Robert Anslow announced the following action taken by the Board: Motion by Director Chadd, seconded by Director Safranski, to (i) designate and appoint Mr. Michael Perea as Interim General Manager of the Trabuco Canyon Water District, effective immediately; and (ii) Adjust Mr. Perea's salary to Step 1 of the TCWD General Manager Salary Schedule retroactive to May 1, 2018, and effective through December 31, 2018. The motion carried 4 - 0 - 1 (Director Acosta absent). The Board provided additional directives to District General Legal Counsel in closed session. No other announcements were made at that time.

**OTHER INFORMATION/MATTERS**

There was no other information or matters presented.

**ADDITIONAL DIRECTORS' COMMENTS**

There were no additional Director comments received.

**ADDITIONAL ACTING (INTERIM) GENERAL MANAGER COMMENTS**

There were no additional Interim General Manager comments received.

**END ACTION CALENDAR**

**ADJOURNMENT**

Vice President Safranski adjourned the June 20, 2018 Regular Board meeting at 9:27 PM.