



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | SEPTEMBER 19, 2018

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD) conducted on September 19, 2018, 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. Robert Anslow, Assistant District Secretary, transcribed the minutes thereof.

DIRECTORS PRESENT

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

DIRECTORS ABSENT

None

STAFF PRESENT

Michael Perea, Interim 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

Joe Berg, Director of Water Use Efficiency (Municipal Water District of Orange County)
Other members of the public were present

PLEDGE OF ALLEGIANCE

Director Dopudja led the Board, District staff and audience in the Pledge of Allegiance.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

DIRECTOR'S COMMENTS

Director Safranski reported that he had attended the "State of the City" breakfast for the City of Rancho Santa Margarita, and he indicated that the District had been mentioned with positive comments during the breakfast presentations.

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Director Dopudja indicated that he would be attending the memorial services for Moulton Niguel Water District Director, Mr. Scott Colton, who had recently passed away, at the memorial service held on September 21, 2018.

Directors Chadd, Mandich and Acosta had no Directors' comments at this point in the meeting.

REPORT FROM THE INTERIM GENERAL MANAGER

Interim General Manager, Mr. Michael Perea, indicated that a typographical error on the Agenda Item Title for Item 6 on the Board Meeting Agenda had been found and a replacement Agenda had been posted.

Mr. Perea alerted the Board Members to a Municipal Water District of Orange County (MWDOC) forum scheduled for November 1 and discussed with the Board Members the potential attendance at that forum.

Mr. Perea briefed the Board on the O'Neil Park "Acorn Day" event.

Mr. Perea indicated that currently the November regular Board meeting would fall on the Wednesday before Thanksgiving Day and discussed with the Board potential alternative meeting dates. This matter was handled under the Consent Calendar discussion.

ITEMS TOO LATE TO BE AGENDIZED

Mr. Perea stated 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 Director Chadd, and seconded by Director Mandich, to approve the Consent Calendar with the exception of Item 4. There was no further discussion. The motion carried 5 – 0.

With respect to Item 4 and tentative future meetings, there was discussion with regard to potential dates for the November regular/adjourned regular meeting of the Board of Directors. After Board discussion, the Board directed that the November regularly scheduled meeting of the Trabuco Canyon Water District Board of Directors of November 21, 2018, would be adjourned for lack of a quorum and an adjourned Regular Board Meeting would be scheduled for Monday, November 26, 2018, at 7:00 p.m. at the District Board room.

Action: A motion was made by Director Dopudja, and seconded by Director Safranski, to approve Item 4 with the change of the November Board Meeting date as discussed above. There was no further discussion. The motion carried 5 – 0.

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 5: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING PROPOSED/ENACTED STATE LEGISLATION (2018 LEGISLATIVE SESSION)

Mr. Joe Berg, Director of Water Use Efficiency of the Municipal Water District of Orange County (MWDOC) presented a PowerPoint presentation on water loss control work and technical assistance. The water loss

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requirements flow from the adoption of Senate Bill 555 adopted in 2015 requiring public agency water providers to provide water loss audit results to the State of California. Mr. Berg discussed the MWDOC program and State legislation and requirements particularly in the light of the proposed regulatory principles which will be forthcoming. Mr. Berg discussed the technical assistance provided to Orange County water agencies by MWDOC and also discussed certain policy principles which he suggested could be put into a letter to the State Water Resources Control Board staff as they consider the proposed regulatory environment that will flow from SB 555. Board discussion ensued.

Action: The Board provided direction to the Interim General Manager to draft a letter consistent with the presented policy principles to be provided by TCWD to the State Water Resources Control Board in light of the presentation and Board discussion. The goal would be to have the letter presented to the Board for consideration at the October Regular Board Meeting for presentation to the State Water Resources Control Board staff not later than the end of October 2018.

Interim General Manager, Mr. Michael Perea, briefed the Board regarding legislation approved by the State Legislature and currently on the Governor’s desk for action – Senate Bill No. 998 Statutes (2018 Legislative Session) certain aspects of SB 998 were discussed and reviewed with the Board.

Action: A motion was made Director Dopudja, and seconded by Director Mandich, to authorize the Board President and Interim General Manager to execute a letter to the office of the Governor of the State of California urging a veto of Senate Bill No. 998. There was no further discussion. The motion carried 5 – 0.

ITEM 6. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE SUSPENSION OF TRABUCO CANYON WATER DISTRICT’S TEMPORARY REVENUE STABILIZATION CHARGE (TRSC)

Interim General Manager, Mr. Michael Perea, provided an informational briefing concerning the Trabuco Canyon Water District’s Temporary Revenue Stabilization Charge (TRSC) including the prepared internal financial analysis and staff report. The background of the TRSC, and the revenues collected by the District through mid-2018, were discussed with the Board.

Action: A motion was made by Director Chadd, and seconded by Director Safranski, to adopt Resolution No. 2018-1260 – “Resolution of the Board of Directors of the Trabuco Canyon Water District Making Findings and Determinations, Suspending Imposition and Collection of the Temporary Revenue Stabilization Charge and Taking Related Actions”. There was no further discussion. The motion was approved on a roll call vote by a vote of 5 – 0.

ITEM 7. DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT’S WATER RATES AND CHARGES

Interim General Manager, Mr. Michael Perea, updated the Board concerning the proposed adjustment of water rates and charges for the District’s Portola Hills Service Area. Mr. Perea reported that the Notice of Public Hearing set for the October 17, 2018 Regular Board Meeting had been mailed out to District customers and also posted on the District’s website in accordance with Proposition 218. Mr. Perea discussed customer contacts concerning the adjustment of water rates and service charges to the Portola Hills Service Area with the Board.

Action: There was no action taken on this matter.

FINANCIAL MATTERS

ITEM 8. DISCUSSION CONCERNING AND REVIEW OF TRABUCO CANYON WATER DISTRICT'S PRELIMINARY UNAUDITED FINANCIALS FOR THE END OF FISCAL YEAR 2017/2018

Interim General Manager, Mr. Michael Perea, and District Treasurer, Cindy Byerrum, presented the preliminary unaudited financial report for the District for fiscal year 2017/2018. It was noted that the unaudited financial report had also been presented to the Finance/Audit Committee and that the Finance/Audit Committee recommended that the report be forwarded to the Board for their review. Ms. Byerrum discussed that there had been revisions to the TCWD budget as adopted principally relating to repairs and maintenance expenses being higher than anticipated during the 2017/2018 fiscal year. There was further discussion of individual budgeted and expense items with the Board.

Action: There was no action taken on this matter.

ENGINEERING MATTERS

ITEM 9. SANTIAGO CANYON ROAD PIPELINE IMPROVEMENTS

Interim General Manager, Mr. Michael Perea, and Principal Engineer, Ms. Lorrie Lausten, presented a report on the Santiago Canyon Road Pipeline Improvements Project. Ms. Lausten provided an update, including photographs, for Board review as part of the discussion of the project. Mr. Perea commented that the project has been very successful and has helped improve the District's water system in that area.

Action: There was no action taken on this matter.

LEGISLATIVE, ADMINISTRATIVE AND OTHER MATTERS

ITEM 10. LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

Interim General Manager, Mr. Michael Perea, presented information regarding the Independent Special Districts of Orange County ("ISDOC") candidates for various ISDOC officer positions. He noted that candidates have been presented on behalf of Santa Margarita Water District and El Toro Water District.

Action: There was no action taken on this matter, however, it is anticipated that action on ISDOC candidate support will be returned to the Board at the Regular District Board Meeting in October 2018.

CLOSED SESSIONS

The Board entered Closed Session(s) at 8:02 p.m.

CLOSED SESSION NO. 1. CONFERENCE WITH LEGAL COUNSEL/SOCWA REPRESENTATIVE

The Board of Directors met in closed session with the District's Interim General Manager and General Legal Counsel concerning confidential information involving the South Orange County Water Association (SOCWA) pursuant to Government Code Section 54956.96(a)(i) and (b).

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CLOSED SESSION NO. 2. CONFIDENTIAL INFORMATION – PUBLIC EMPLOYMENT

The Board of Directors met in closed session with the District’s Interim General Manager and General Legal Counsel regarding Trabuco Canyon Water District – General Manager Position pursuant to California Government Code Sections 54957(b) and 54954.5(e).

ITEM NO. 11. REPORT OF ACTION(S) TAKEN IN CLOSED SESSION

The Board reconvened in open session at 8:50 p.m. No announcement concerning action(s) taken in closed session was made.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

There were no items received too late to be agendized.

OTHER INFORMATION/MATTERS

The Interim General Manager indicated that there was a possibility of entering into a contract for purchase of groundwater from the current owner(s) of the Upper Schwendeman (US) well located within Trabuco Canyon. The Interim General Manager indicated that he would be bringing this matter to the Executive Committee during their meeting in September.

ADDITIONAL DIRECTORS’ COMMENTS

None

ADDITIONAL INTERIM GENERAL MANAGER COMMENTS

None

END ACTION CALENDAR

ADJOURNMENT

President Acosta adjourned the September 19, 2018, Regular Board meeting at 8:52 PM.