



MINUTES OF THE ADJOURNED REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | NOVEMBER 26, 2018

The Adjourned Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD) conducted on November 26, 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
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
Jennifer Farr (Davis Farr), District Audit Firm

PUBLIC PRESENT

Members of the public were present

PLEDGE OF ALLEGIANCE

Director Chadd 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 Mandich indicated that he had attended the South Orange County Integrated Regional Watershed Management Area Executive Committee Meeting, and he reported that the San Juan Basin Authority had been admitted as a voting member agency of the group. Director Mandich also noted that there had been a call for

**TRABUCO CANYON WATER DISTRICT
ADJOURNED REGULAR BOARD OF DIRECTORS MEETING MINUTES | NOVEMBER 26, 2018**

projects to qualify for State Proposition 1 funds. Director Mandich briefly reported on the City of Rancho Santa Margarita’s City Council meeting held the prior month.

Director Dopudja provided a brief status report on the South Orange County Water Agency (SOCWA) current status of litigation as between SOCWA and Moulton Niguel Water District (MNWD).

Directors Chadd, Safranski and Acosta had no Directors’ comments at this point in the meeting.

REPORT FROM THE INTERIM GENERAL MANAGER

Interim General Manager, Mr. Michael Perea, briefly reported on the ACWA/JPIA meeting conducted on November 26, 2018. He noted that he had been present at the ACWA/JPIA meeting to receive an award for the Trabuco Canyon Water District (Safety Award) for TCWD’s development of its valve exercising vehicle. Mr. Perea also noted that the ACWA/JPIA award had recognized TCWD staff for their part in developing the valve exercising vehicle.

Mr. Perea provided a brief outline of the Municipal Water District of Orange County (MWDOC) Fiscal Year 2019/2020 Budget Development process and mentioned that the budget would be discussed at the December 6, 2018, Elected Officials Forum.

ITEMS TOO LATE TO BE AGENDIZED

Mr. Perea noted that there were no items received 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 Mandich, and seconded by Director Dopudja, to approve the Consent Calendar with the exception of Item 5 (which needs to reflect revised date changes). There was no further discussion.
The motion carried 5 – 0.

With respect to Item 5 Director Mandich indicated that there was a revision on the Director’s fees and expenses for certain dates.

Action: A motion was made by Director Mandich, and seconded by Director Safranski, to approve Item 5 with the revised date changes as discussed above. There was no further discussion.
The motion carried 5 – 0.

ACTION CALENDAR

FINANCIAL MATTERS

ITEM 7: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TRABUCO CANYON WATER DISTRICT’S ANNUAL FINANCIAL REPORT (AUDIT) FOR FISCAL YEAR 2017/2018

Interim General Manager, Mr. Michael Perea, introduced the TCWD Annual Financial Report (Audit) for Fiscal Year 2017/18 and introduced Ms. Jennifer Farr from Davis Farr as representing the District’s independent audit firm. Mr. Perea indicated that the prepared audit had previously been reviewed by TCWD’s Finance Committee.

**TRABUCO CANYON WATER DISTRICT
ADJOURNED REGULAR BOARD OF DIRECTORS MEETING MINUTES | NOVEMBER 26, 2018**

Ms. Farr reviewed the auditing process conducted by Davis Farr as part of preparing the audit report for TCWD. She indicated that the audit report furnished to the District was an “unmodified” audit report which expresses a high degree of confidence in the District’s financial and internal financial control procedures. Ms. Farr commented that TCWD’s internal financial controls are strong, in particular for an entity TCWD’s size. Ms. Farr noted the recommendations set forth in the audit report provided to TCWD.

It was noted that Davis Farr will in the future be auditing TCWD’s Federal Emergency Management Agency (FEMA) grant funds and that this process is expected to take place in the first few months of 2019.

Action: A motion was made by Director Mandich, and seconded by Director Safranski, to receive and file the Trabuco Canyon Water District Fiscal Year Annual Financial Report (Audit) for Fiscal Year 2017/18. There was no further discussion. The motion carried 5 – 0.

ITEM 8. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) REVISED CAPACITY CHARGE FOR CALENDAR YEAR 2019 AND FISCAL YEAR 2019/2020 BUDGET PREPARATIONS

Mr. Perea introduced and discussed the MWDOC revised capacity charge which will take effect in calendar year 2018 and the MWDOC 2019/2020 budget preparations. Information regarding the increased capacity charges of MWDOC was presented to the Board.

Action: The Board requested Mr. Perea to continue to monitor the MWDOC capacity charges implementation and MWDOC budget preparations. No further action was taken on this matter.

ADMINISTRATIVE MATTERS

ITEM 9. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING UPDATES TO TRABUCO CANYON WATER DISTRICT’S ADMINISTRATIVE FACILITY BOARD ROOM USE POLICY

Mr. Perea discussed the proposed revisions to the District’s Administrative Facility Board Room Use Policy (Policy), and he indicated that the liability issues had been presented to ACWA/JPIA for their input. The proposed revised Policy had also been reviewed by the District’s Executive Committee and District Finance Committee. A description of the proposed changes to the Policy were presented to the Board.

There was Board discussion concerning the proposed Policy and Policy changes focusing on changes to the District’s administrative building’s security systems and procedures. There was Board discussion concerning the rates charged and the Board’s desire to support community activities as a member agency of the local community.

Action: A motion was made by Director Safranski, and seconded by Director Dopudja, to direct the Interim General Manager to revise the Trabuco Canyon Water District Administrative Facility Board Room Use Policy to correspond to security modifications when the security procedures and measures have been further refined. There was no further discussion. The motion carried 5 – 0.

ENGINEERING MATTERS

ITEM 10. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING SANTIAGO CANYON ROAD PIPELINE IMPROVEMENTS

Interim General Manager, Mr. Michael Perea, and Principal Engineer, Ms. Laurie Lausten, presented a report on the completed Santiago Canyon Road pipeline improvements. A Board report, including photographs, was presented as part of the discussion of the completed project and the proposed contract change order with Ferrerira Construction. Mr. Perea indicated that the proposed change order had been previously presented to the Engineering/Operational Committee for review.

Action: A motion was made by Director Mandich, and seconded by Director Dopudja, to authorize the Interim General Manager to execute Contract Change Order No. 2 with Ferrerira Construction in the amount of \$76,070.36. Following the motion, Director Safranski clarified that the change order had been necessary based on unforeseen conditions discovered during the construction work. There was no further discussion. The motion carried 5 – 0.

ITEM 11. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING ROBINSON RANCH WASTEWATER TREATMENT PLANT PUMP IMPROVEMENTS

Interim General Manager, Mr. Michael Perea, introduced this matter reviewing the need for replacement pumps at the Robinson Ranch Wastewater Treatment Plant. Mr. Perea indicated that this matter had been reviewed by the Engineering/Operations Committee, including the age and description of the condition of the current pumps.

Mr. Perea responded to Board questions regarding specific capabilities and costs of the individual replacement pumps being proposed.

Action: A motion was made by Director Safranski, and seconded by Director Dopudja, to (i) authorize the Interim General Manager to purchase two (2) replacement Aeration Mixed Liquor Pumps from Tekdraulics for a not to exceed amount of \$107,125.15; (ii) authorize the Interim General Manager to purchase one (1) replacement Aerobic Digester Decant Pump from Tekdraulics for a not to exceed amount of \$19,542.45; and (iii) authorize the Interim General Manager to purchase one (1) replacement Belt Press Feed Pump from Tekdraulics for a not to exceed amount of \$19,973.45. There was no further discussion. The motion carried 5 – 0.

LEGISLATIVE, ADMINISTRATIVE AND OTHER MATTERS

ITEM 12. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING SOUTHERN CALIFORNIA EDISON'S (SCE) ELECTRICAL SERVICES AND IMPACTS TO TRABUCO CANYON WATER DISTRICT FACILITIES

Interim General Manager, Mr. Michael Perea, discussed with the Board the current issue of potential and actual loss of electrical power at District facilities due to Southern California Edison's ("SCE") current electrical service policies. Mr. Perea indicated that this matter had been previously discussed with the Executive Committee and that the Executive Committee had recommended providing a letter to SCE to request advance notification of pre-emptive electrical outages under their Public Safety Power Shutoff (PSPS) program to the District and its facilities in the future. Director Safranski spoke in favor of the proposed actions noting that he feels that it would be beneficial to the District to put forward the impacts to District operations and customer service resulting from SCE's current policies and actions.

Action: A motion was made by Director Safranski, and seconded by Director Dopudja, to authorize the Board President and Interim General Manager to provide a letter to Southern California Edison to request advance notification of Public Safety Power Shutoff-related electrical outages to the District and District facilities in the future. There was no further discussion.
The motion carried 5 – 0.

ITEM 13. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION (OC LAFCO) ANNUAL SPECIAL DISTRICT DUES

President Acosta indicated that he had received correspondence from the President of the Board of Directors of the Yorba Linda Water District concerning the Orange County Local Agency Formation Commission (OC LAFCO) annual special district dues which fund the costs of OC LAFCO staff, operations, studies and similar OC LAFCO costs. Mr. Perea provided additional information regarding the annual special district dues for Orange County special agencies including TCWD. There was Board discussion with regard to the matter.

Action: The Board took no action on this matter.

ITEM 14. LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

Mr. Perea introduced information from the Independent Special Districts of Orange County (“ISDOC”) noting that ISDOC is currently seeking a candidate(s) to fill its Secretary position.

Action: The Board took no action on this matter.

CLOSED SESSIONS

The Board entered Closed Session(s) at 8:22 p.m.

CLOSED SESSION NO. 1. CONFERENCE WITH REAL PROPERTY NEGOTIATOR

The Board of Directors met in closed session with the District’s Interim General Manager and General Legal Counsel regarding real property negotiations pursuant to California Government Code Sections 54956.8 and 54954.5(b). The subject property, TCWD negotiator and negotiating parties are as described in the meeting Agenda.

CLOSED SESSION NO. 2. CONFIDENTIAL INFORMATION – PUBLIC EMPLOYMENT – TRABUCO CANYON WATER DISTRICT – GENERAL MANAGER POSITION

The Board of Directors met in closed session with the District’s 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. 15. REPORT OF ACTION(S) TAKEN IN CLOSED SESSION

The Board reconvened in open session at 9:00 p.m.

No announcement concerning action(s) taken in closed session was made.

**TRABUCO CANYON WATER DISTRICT
ADJOURNED REGULAR BOARD OF DIRECTORS MEETING MINUTES | NOVEMBER 26, 2018**

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

There were no items received too late to be agendized.

OTHER INFORMATION/MATTERS

None

ADDITIONAL DIRECTORS' COMMENTS

None

ADDITIONAL INTERIM GENERAL MANAGER COMMENTS

None

END ACTION CALENDAR

ADJOURNMENT

President Acosta adjourned the November 26, 2018, Adjourned Regular Board meeting at 9:02 PM.