



## **MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | FEBRUARY 20, 2019**

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The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD) conducted on February 20, 2019, was called to order by 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**

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

### **DIRECTORS ABSENT**

Director Stephen Dopudja

### **STAFF PRESENT**

Michael Perea, Interim General Manager/District Secretary  
Lorrie Lausten, Principal Engineer  
Karen Warner, Accounting Supervisor  
Lisa Carmouche, Administrative Assistant  
Jason Stroud, Maintenance Superintendent  
Gary Kessler, Water Department Superintendent

### **DISTRICT CONSULTANTS PRESENT:**

Rob Anslow, District General Legal Counsel (Atkinson, Andelson, Loya, Ruud & Romo)/Assistant District Secretary  
Mr. Keith Webb and Mr. Lewis Smith from TESCO Controls, Inc.

### **PUBLIC PRESENT**

Members of the public were present.

### **PLEDGE OF ALLEGIANCE**

Director Acosta 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**

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

Director Acosta reported briefly on the January ISDOC meeting and the City of Ranch Santa Margarita Council Meeting at which the proposed Paloma Square development project was discussed.

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**REPORT FROM THE INTERIM GENERAL MANAGER**

Mr. Perea indicated that Director Dopudja was absent from the February 20, 2019 Board meeting due to a death in the family.

Mr. Perea indicated that the District's General Manager Recruiter Consultant, Mr. Bill Avery, had requested a Special Board Meeting with the Board of Directors to discuss matters concerning the General Manager position recruitment with the Board. It was determined that the Special Board Meeting would be scheduled for the evening of February 27, 2019, at 6:00 p.m. at the District's administrative offices.

Mr. Perea brought to the attention of the Board members a recent article from *The Orange County Register* newspaper dealing with special districts and special district funds particularly focusing on larger scale California transportation special districts.

Mr. Perea discussed the letter provided at the direction of the Board to Southern California Edison ("SCE") and indicated that following the provision of that letter a meeting had been conducted with SCE representatives to express the District's concerns relative to service interruptions. President Safranski also provided additional briefing to the Board concerning the matters conveyed to SCE during that meeting.

Mr. Perea commented briefly on the recent rain events noting that there had been no direct impacts to District facilities, structures or pipelines but there had been loss of soil and embankment protections for certain District pipelines and the District's well treatment facility. The District has requested the County of Orange to declare a local emergency concerning Trabuco Creek conditions.

Mr. Perea also introduced Mr. Keith Webb from TESCO Controls, Inc., who would be making a presentation to the Board on the District's SCADA system and proposed contracts.

**ITEMS TOO LATE TO BE AGENDIZED**

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

**CONSENT CALENDAR**

President Safranski 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 Mandich noted some corrections which needed to be made to the Director compensation/reimbursement listings as applicable to his Director meetings.

**Action:** A motion was made by Director Acosta, and seconded by Director Mandich, to approve the Consent Calendar with the exception of Item 4. There was no further discussion. The motion carried 4 – 0 with Director Dopudja absent.

There was additional discussion with regard to the Director attendance listing and fees and expenses as set forth in Consent Item 4. Based on comments received the proposed attendance listing shall be revised.

**Action:** A motion was made by Director Mandich, and seconded by Director Acosta, to approve Item 4 on the Consent Calendar Item as revised. There was no further discussion. The motion carried 4 – 0 with Director Dopudja being absent.

**ACTION CALENDAR**

**ADMINISTRATIVE MATTERS**

**ITEM 6: DISCUSSION CONCERNING THE PROPOSED PALOMA SQUARE DEVELOPMENT (DOVE CANYON PLAZA)**

Interim General Manager, Mr. Michael Perea, provided a presentation concerning the developer information circulated at a public meeting regarding the proposed Paloma Square Development (Dove Canyon Plaza) project. Mr. Perea noted that William Lyon Homes had presented various development concepts and information at a Community Open House Event on February 2, 2019 and presented photos of some of the development project concept images which had been presented to the public.

A meeting of the District’s Ad Hoc Property Committee had been conducted on February 19, 2019, and a recap of the Ad Hoc Committee meeting was provided to the Directors for their consideration. Director Chadd briefly reported to the Board on the sum and substance of the Committee meeting. There was additional Board discussion concerning the potential impacts of the development project on TCWD’s administrative facilities and associated real property including parking. It was noted that TCWD’s general position is that any development of the adjacent Dove Canyon Plaza property is an incompatible use with the District’s Administrative Facility and should not have an impact on access or property utilization by the District of its administrative facilities.

**Action:** A motion was made by Director Chadd, and seconded by Director Acosta, to receive and file the Ad Hoc Committee meeting recap of February 19, 2019, as presented. There was no further discussion.  
The motion carried 3 – 0 – 1 with Director Mandich abstaining and Director Dopudja absent.

**ITEM 7: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING PORTOLA HILLS SERVICE AREA ZONE WATER RATES AND CHARGES**

Mr. Perea introduced the matter noting the prior action by the Board of Directors in 2018 to designate and change the water rates and charges in the Portola Hills Service Area Zone. It was noted that based upon the changes in rates from the wholesale water provider, Irvine Ranch Water District, that it was appropriate to modify the Portola Hills Service Area Zone water rates and charges to reflect a pass-through of the wholesale water rate changes.

There was Board discussion regarding the current rate modifications and potential need for future rate modifications based on changes in rates which may result from wholesale water cost changes from Irvine Ranch Water District.

**Action:** Motion was made by Director Chadd, and seconded by Director Acosta, to (i) approve the form of the Portola Hills Service Area Zone Notice of Water Rate Adjustment, and (ii) adopt **Resolution No. 2019-1264** Resolution of the Board of Directors of the Trabuco Canyon Water District Making Findings and Determinations, Revising Rates for Potable Water Services for the Portola Hills Service Area, Amending the Corresponding Rate and Charge Schedules of the Trabuco Canyon Water District and Taking Related Actions. There was no further discussion.  
The motion was approved on a roll call vote by a vote of 4 – 0 with Director Dopudja being absent.

**ITEM 8. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TRABUCO CANYON WATER DISTRICT'S CONSENT TO AGREEMENT BETWEEN IRVINE RANCH WATER DISTRICT AND SANTA MARGARITA WATER DISTRICT TRANSFER OF SEWER CAPACITY IN EL TORO TRUNK SEWER**

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Interim General Manager, Mr. Michael Perea, introduced this matter to the Board, and he noted that the El Toro Trunk Sewer has capacity rights owned by Santa Margarita Water District, Irvine Ranch Water District and Trabuco Canyon Water District. Based upon operation and maintenance costs, an agreement has been reached as between Irvine Ranch Water District and Santa Margarita Water District for transfer of sewer capacity for which it has been requested that TCWD provide a written consent. Director Mandich indicated that the Engineering/Operational Committee had reviewed this matter and had recommended approval of the provision of TCWD's consent to this Item. This will result in a minor re-allocation of capacity rights for TCWD.

**Action:** Motion made by Director Mandich, and seconded by Director Acosta, to authorize the Interim General Manager to execute the consent to Wastewater Capacity Exchange Agreement between Irvine Ranch Water District and Santa Margarita Water District. There was no further discussion.  
The motion was passed on a vote of 4 – 0 with Director Dopudja being absent.

**ITEM 9. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) JOINT POWERS AGREEMENT AMENDMENT(S)**

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Interim General Manager, Mr. Michael Perea, introduced this Item indicating that TCWD had previously sent a comment letter to the South Orange County Wastewater Authority ("SOCWA") to identify TCWD's principal issues with regard to any proposed amendments of the Joint Powers Agreement and structure of SOCWA. That letter was received by SOCWA and was included in the initial commentary and issues listing circulated by SOCWA's legal counsel.

Mr. Anslow provided a report on the principal issues discussed at the SOCWA attorneys' roundtable and indicated that a memorandum had been provided to the Interim General Manager and Board members from District General Legal Counsel regarding the initial discussions of the involved attorneys concerning SOCWA's Joint Powers Agreement amendments and prioritization of issues.

**Action:** No action was taken on this matter.

**ENGINEERING MATTERS**

**ITEM 10. DOVE AND ROBINSON RANCH RECYCLED WATER PUMP STATION REHABILITATION PROJECT**

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Interim General Manager, Mr. Michael Perea, introduced this Item in terms of principal project elements. Mr. Perea indicated that this project was a Fiscal Year 2018/2019 Capital Improvement Project (CIP) and indicated that the project had been reviewed by the District's Engineering/Operational Committee. Mr. Perea indicated that the pump station rehabilitation will result in greater efficiencies and Ms. Lausten indicated that the pump station rehabilitation will result in increased safety of the facility.

Principal Engineer, Ms. Lorrie Lausten, presented the principal elements of the study and proposed contracts. She indicated that bids had been presented and that currently the projects are within the anticipated budget amounts.

**Action:** Motion made by Director Acosta, and seconded by Director Chadd, to (i) receive and file the final draft engineering study for Dove Canyon and Robinson Ranch Recycled Water Pump Station Rehabilitation – Phase 1 prepared by JIG Consultants, (ii) authorize the

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Interim General Manager to execute a contract with Ferreira Construction for the Dove and Robinson Ranch Recycled Water Pump Station upgrades (mechanical) in the amount of \$58,921 with a contingency amount of \$10,079, and (iii) authorize the Interim General Manager to execute a contract with TESCO Controls, Inc., for the Dove and Robinson Ranch Recycled Water Pump Station upgrades (electrical/controls) in the amount of \$400,000 with a contingency amount of \$31,000. There was no further discussion. The motion was approved by a vote of 4 – 0 with Director Dopudja being absent.

**ITEM 11. CANYON CREEK BOOSTER PUMP STATION EVALUATION**

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Interim General Manager, Mr. Michael Perea, introduced the matter noting that the District had previously entered into a contract with JIG Consultants for the preparation and presentation of the evaluation of the Canyon Creek Pump Station Rehabilitation in terms of potential actions and estimated costs. Mr. Perea briefly detailed the history of the facility and noted that the matter had been reviewed by the District’s Engineering & Operations Committee.

There was discussion amongst the Board members as to potential options for cost recovery given the limited number of customers which are served by the Canyon Creek Pump Station and the anticipated costs of the rehabilitation project options. There was additional discussion regarding potential means for cost recovery possibly based on assessment district proceedings or some other financing mechanism(s). It was indicated that financing alternatives would still need to be reviewed relative to the overall cost distribution of the project given the limited number of customer services currently connected.

**Action:** Motion made by Director Mandich, and seconded by Director Acosta, to receive and file the final draft evaluation of the Canyon Creek Pump Station Recommended Rehabilitation Report prepared by JIG Consultants. There was no further discussion. The motion was approved by a vote of 4 – 0 with Director Dopudja being absent.

**ITEM 12. DIMENSION WATER TREATMENT PLANT DELIVERY ACCESS IMPROVEMENT PROJECT**

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Following introduction by the Interim General Manager, Principal Engineer, Ms. Lorrie Lausten, described the project noting that the District’s delivery access improvement project would be a piggyback contract on the City’s Dimension Drive Rehabilitation contracts for cost efficiency reasons.

There was discussion with regard to how vehicles would access the District’s Dimension Water Treatment Plant. It was indicated that this matter had been reviewed by the District’s Engineering & Operations Committee.

**Action:** Motion made by Director Acosta, and seconded by Director Chadd, to authorize the Interim General Manager to execute the Reimbursement Agreement between Trabuco Canyon Water District and the City of Lake Forest for Certain Driveway Widening Improvements as part of the City of Lake Forest’s 2019 City-Wide Roadway Improvement Project. There was no further discussion. The motion was approved by a vote of 4 – 0 with Director Dopudja being absent.

**ITEM 13. TRABUCO CANYON WATER DISTRICT’S SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEM UPGRADE PROJECT**

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Interim General Manager, Mr. Michael Perea, introduced the areas of concern with regard to the District’s Supervisory Control and Data Acquisition (SCADA) System Upgrade project. Mr. Perea indicated that a staff report

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had been prepared and submitted to the Board as part of the Board's consideration of the actions recommended by staff concerning the proposed District's SCADA System Upgrade Project.

Mr. Perea introduced Mr. Keith Webb of TESCO Controls. Mr. Webb presented their initial assessment as prepared by TESCO Controls, Inc. indicating that the District's SCADA System was a legacy software solution that has reached the end of its life. Mr. Webb discussed the necessity for integration of software and hardware requirements and described the proposed studies and evaluations which will furnish the District with an assessment of its SCADA System and proposed rehabilitation and upgrade projects.

There was Board discussion with regard to evaluation of the District's current systems and software and future SCADA needs.

**Action:** Motion made by Director Acosta, and seconded by Director Mandich, to: (i) authorize the Interim General Manager to approve Beavens System, Inc. Amendment No. 1 in the amount of \$23,760; (ii) authorize the Interim General Manager to execute a contract with TESCO Controls, Inc. for the radio frequency (RF) System Analysis and Field Study in the amount of \$134,900; and (iii) authorize the Interim General Manager to execute a contract with TESCO Controls, Inc. for the SCADA Platform Evaluation and Selection Services in the amount of \$8,950. There was no further discussion.  
The motion was approved on a vote of 4 – 0 with Director Dopudja being absent.

**ITEM 14. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE URBAN WATER RUNOFF CONVEYANCE STRUCTURE TO DOVE LAKE**

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Interim General Manager, Mr. Michael Perea, presented a PowerPoint presentation concerning the current damage to the concrete spillway located between William Lyon Pond and Dove Lake which spillway crosses over property owned by the Trabuco Canyon Highlands Association (TCHA) and TCWD property. He noted that the damages to the spillway had occurred following the recent large-scale storm events. Mr. Perea also indicated that the matter had been presented and reviewed with the District's Engineering/Operational Committee.

Mr. Perea indicated that he was currently undertaking research on the ownership of the relevant property and the actual spillway structure itself in an attempt to determine whether the spillway is owned by some other entity or some other entity has rights to it.

A letter provided to the District from TCHA was discussed.

Director Mandich indicated that he had undertaken some individual research on documents in the custody of his firm in terms of investigating the background of the construction of the facility and ownership of the facilities and potential easement rights.

There was discussion among the Board members concerning the ownership and responsibility for the facilities repair.

District General Legal Counsel, Mr. Robert Anslow, recommended that the District undertake a title review to understand the specific ownership rights, potential easements/easement rights and potential contractual obligations applicable to the spillway.

**Action:** The Board gave direction to District General Legal Counsel and District staff to provide further investigation with regard to matters of record concerning the TCHA property and

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Dove Canyon property as may affect the spillway. The Board also requested estimates on repair costs which may be needed to return the spillway to a satisfactory condition. Lastly, the Board authorized District General Legal Counsel to undertake investigation as to what potential steps may be required under the California Environmental Quality Act (“CEQA”) as applicable to a spillway repair.

**LEGISLATIVE, ADMINISTRATIVE AND OTHER MATTERS**

**ITEM 15. LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)**

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Mr. Perea noted that the City of San Juan Capistrano City Council had announced their intent to select Santa Margarita Water District (SMWD) to be the successor agency to assume control of the City’s water and wastewater facilities and operations. It was noted that following this step the matter would return to the Orange County Local Agency Formation Commission (OC LAFCO) for further review and potential future OC LAFCO Board action.

**Action:** No action was taken on this matter.

No closed session was conducted.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

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There were no items received too late to be agendized.

**OTHER INFORMATION/MATTERS**

Mr. Perea indicated that a new Water Operations Department employee had been hired and would be joining the TCWD team.

**ADDITIONAL DIRECTORS’ COMMENTS**

There were no additional Director comments provided.

**ADDITIONAL INTERIM GENERAL MANAGER COMMENTS**

No additional Interim General Manager comments were submitted.

**END ACTION CALENDAR**

**ADJOURNMENT**

President Safranski adjourned the February 20, 2019, Regular Board meeting at 8:51 PM.