



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | MARCH 20, 2019

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 Stephen Dopudja
Director Edward Mandich

DIRECTORS ABSENT

None

STAFF PRESENT

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

DISTRICT CONSULTANTS PRESENT:

Rob Anslow, District General Legal Counsel (Atkinson, Andelson, Loya, Ruud & Romo)/Assistant District Secretary
Jennifer Ziv (Woodard & Curran)

PUBLIC PRESENT

Members of the public were present.

PLEDGE OF ALLEGIANCE

Director Mandich 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 Acosta had no Director's comments at this point in the meeting.

Director Chadd commented on the upcoming Santiago Aqueduct Commission (SAC) meeting and also briefly apprised the Board concerning the upcoming South Orange Counties Agencies Group meeting.

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Director Mandich briefly commented on the South Orange County Watershed Executive Committee Meeting in terms of anticipated projects by the Executive Committee.

President Safranski reminded all of the Board members that Form 700's are due not later than April 1, 2019.

Director Dopudja indicated that he appreciated the support of fellow Board members and staff during the recent occurrence of a death in his family.

REPORT FROM THE INTERIM GENERAL MANAGER

Interim General Manager, Mr. Michael Perea, noted that there would be a presentation on the Groundwater Well Feasibility Study Proposal and introduced Jennifer Ziv (Woodard & Curran) to the Board who was present and would be presenting to the Board as part of the Groundwater Well Study proposal.

Mr. Perea also noted that there had recently been damage to a District's access gate within Trabuco Canyon.

ITEMS TOO LATE TO BE AGENDIZED

Interim General Manager, Mr. Michael Perea, indicated that he had recently received information related to the ongoing TCWD General Manager recruitment efforts and recommended that a discussion item be added to the Board Meeting Agenda based upon the recent receipt of the information and the priority nature of the recruitment efforts.

Action: A motion was made by Director Chadd, seconded by Director Acosta, to add to the March 20, 2019, Board meeting an agenda item concerning the District's General Manager recruitment efforts, finding that: (i) the matter had arisen after the agenda for the March 20, 2019, Board meeting was posted; and (ii) that there was a need to take action on this matter at the Board meeting of March 20, 2019, based upon the District's General Manager recruitment schedule. There was no further discussion. The motion carried 5 – 0.

Based on the foregoing motion Agenda Item 21 (Discussion of General Manager Recruitment Efforts) was added to the Agenda for the Regular Meeting of March 20, 2019.

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.

Action: A motion was made by Director Acosta, and seconded by Director Mandich, to approve the Consent Calendar. There was no further discussion. The motion carried 5 – 0.

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 6: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING 2019 WATER AWARENESS DAY EVENT

Interim General Manager, Mr. Michael Perea, indicated that there was a need to select a date for the District's 2019 Water Awareness Day event. After discussion, and based upon recommendation by staff, the Board concurred with an event date of May 11, 2019.

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There was discussion between Board and staff members regarding actual and potential participants as part of the Water Awareness Day event including vendors and exhibitors. Potential designs for District employee and Director shirts for Water Awareness Day were discussed.

Action: No Board action was taken on this item.

ITEM 7: DISCUSSION CONCERNING THE PROPOSED PALOMA SQUARE DEVELOPMENT (DOVE CANYON PLAZA)

It was noted by General Legal Counsel, Mr. Robert Anslow, that no closed session on this matter was needed at this Board meeting.

Interim General Manager, Mr. Michael Perea, provided an update on current events concerning the Paloma Square Development project. He noted that there had been discussion with William Lyon Homes in terms of District information provided and information provided to other agencies including the City of Rancho Santa Margarita.

Directors Chadd and Acosta both provided comments on information that they had seen provided by William Lyon Homes. There was Board discussion on the need to protect the District's property rights relative to the Administrative Center Building and surrounding parking areas.

Action: No Board action was taken on this item.

ITEM 8. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TRABUCO CANYON WATER DISTRICT 2019 WATER, WASTEWATER & NON-DOMESTIC WATER RATE STUDY

Interim General Manager, Mr. Michael Perea, discussed the proposed 2019 Water, Wastewater and Non-Domestic Water Rate Study issues noting that the matter had previously been reviewed by the District's Finance and Engineering and Operation Committees. The District has received a proposal Raftellis Financial Consultants to prepare the 2019 Water, Wastewater and Non-Domestic Water Rate Study. Mr. Perea briefly discussed issues relating to the Raftellis proposal.

Action: Motion made by Director Acosta, seconded by Director Mandich, to authorize the Interim General Manager to execute a contract with Raftellis Financial Consultants for preparation of the 2019 Water, Wastewater and Non-Domestic Water Rate Study in the amount of \$66,489.00, with a contingency of 15% in an amount of \$9,973.00, for a total authorized amount of \$76,462.00. There was no further discussion.
The motion was approved on a 5 – 0 vote.

It was noted that the Water Rate Study would be integrated with the District's current financial planning work and would also be predicated upon progress being made on the District's non-domestic water allocation study concerning the Plano area.

ITEM 9. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) PROPOSAL FOR A SAFE DRINKING WATER TRUST

Interim General Manager, Mr. Michael Perea, introduced the agenda item noting that the Association of California Water Agencies (ACWA) had introduced a proposal for a safe drinking water trust as an alternative to Governor Newsom's current proposal for a water tax. The item had been agendized at the request of Board President given the introduction of the water tax in the Governor's State of the State Address.

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Action: A motion was made by Director Chadd, seconded by Director Dopudja, to take the following actions: (i) adopt **Resolution No. 2019-1265 - Resolution of the Trabuco Canyon Water District Board of Directors Supporting SB 669 (Caballero) and the Establishment of a Safe Drinking Water Trust**; (ii) approve a Trabuco Canyon Water District letter in support of SB 669 (Caballero) to Senator Pat Bates and Assembly Member Bill Brough; and (iii) authorize TCWD staff to provide information and letters opposing a statewide water tax. There was no further discussion. The motion was approved on a 5 – 0 vote.

ITEM 10. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) JOINTS POWERS AGREEMENT AMENDMENT(S)

Director Dopudja noted that there had been very little action concerning the South Orange County Wastewater Authority (SOCWA) Joint Powers Amendments. General Legal Counsel, Mr. Robert Anslow, reported briefly on the attorney meeting that had been conducted among the legal counsels for SOCWA to review principal issues on the proposed Joint Powers Agreement Amendments.

Action: The Board took no action on this matter.

It was noted that under the current circumstances no closed session (as agendaized) needed to be conducted or would be conducted at this Board meeting.

FINANCIAL MATTERS

ITEM 11. DISCUSSION CONCERNING MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) FISCAL YEAR 2019/2020 BUDGET

Interim General Manager, Mr. Michael Perea, introduced the proposed Municipal Water District of Orange County (MWDOC) Fiscal Year 2019-2020 Budget which he noted had been provided to the Board Members for their review. Mr. Perea briefly noted the process for review and comment by TCWD as a member agency of MWDOC. There was a brief Board discussion concerning the MWDOC agenda/budget. It was noted that further reviews of the MWDOC budget would probably be necessary.

Action: The Board took no action on this item.

ITEM 12. DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT FISCAL YEAR 2019/2020 GENERAL FUND AND CAPITAL IMPROVEMENT PROJECT BUDGETS

Interim General Manager, Mr. Michael Perea, provided a status update on the District's general fund and capital improvement project budgets noting that half-year numbers are now available. Mr. Perea indicated that staff is currently working toward a fiscal and capital plan which will cover both 5 and 10 year projections for capital projects and proposed expenditures. Mr. Perea recommended no action currently be taken with regard to this item.

Action: The Board designated a budget workshop date (Special Board Meeting) of May 20, 2019, at 6:00 p.m. by way of Board concurrence.

Director Acosta requested that emergency fiscal reserve levels be reviewed as part of planning for the fiscal year 2019/2020 general fund and capital improvement projects.

ENGINEERING MATTERS

ITEM 13. VIA ALLEGRE WET WELL EXPANSION PROJECT

Interim General Manager, Mr. Michael Perea, introduced the wet well expansion project noting that the item has been previously reviewed by the Engineering & Operations Committee. A handout was provided to the Board noting the conditions encountered during the recent wet weather period and necessary relocation of an existing telecommunications line which was relocated as part of the request for change order.

Action: Motion made by Director Acosta, seconded by Director Chadd, to authorize the Interim General Manager to execute Change Order No. 1 with GCI Construction in the amount of \$30,256.93. There was no further discussion.
The motion was approved on a 5 0- 0 vote.

Both Director Chadd and Director Mandich complimented District staff on the management and overcoming the challenges encountered during this contract and change order process.

ITEM 14. EL TORO SEWER LIFT STATION IMPROVEMENTS

Interim General Manager, Mr. Michael Perea, introduced the item and noted that the lift station improvements had been reviewed with the Engineering & Operations Committee and were part of the District's Fiscal Year 2018-2019 capital improvement project list. There was discussion concerning the nature of the project. It was noted that the lift station improvements were Phase 1 of the project involving the replacement of the existing diesel-driven pumps and that Phase 2 of the project is scheduled to be part of the District's Fiscal Year 2019-2020 capital improvement project listings. It was also noted that the cost of this project would be shared with Irvine Ranch Water District (IRWD) and Santa Margarita Water District (SMWD).

Action: Motion made by Director Acosta, seconded by Director Mandich, to authorize the Interim General Manager to purchase replacement pumps for the El Toro Sewer Lift Station from Flo-Services in the amount of \$223,535 with a 10% contingency in the amount of \$22,355 for a total not-to-exceed contract amount of \$245,890. There was no further discussion.
The motion was approved on a 5 – 0 vote.

Various Board questions were responded to after the motion was completed.

ITEM 15. DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT GROUNDWATER WELL FEASIBILITY STUDY

Interim General Manager, Mr. Michael Perea, introduced this item and also introduced Jennifer Ziv, Senior Project Manager with Woodard & Curran who has proposed to provide the consultant services for the well feasibility study. The proposal was provided for Board review as part of the Agenda item presentation. There were questions relating to the lower Porter property (which the District owns). It was noted that the proposal includes two test well sites. General Legal Counsel, Mr. Robert Anslow, indicated that there had been previously a study involving BCI Geonetics in the early 1990's and that some of that information might be currently available to the District. There was Board discussion with regard to the possibility of exploring obtaining State grant monies as part of the well feasibility study and potential well construction in the future.

Action: Motion made by Director Acosta, seconded by Director Mandich, to authorize the Interim General Manager to contract with Woodard & Curran for consultant services for the municipal well feasibility study in the amount of \$84,962, with a 10% contingency in the

amount of \$8,496, for a total not-to-exceed contract amount of \$93,458. There was no further discussion. The motion was approved on a 5 – 0 vote.

ITEM 16. SADDLE CREST DEVELOPMENT

Interim General Manager, Mr. Michael Perea, discussed the current status of the Saddlecrest Development and sign off on the tract map. Director Mandich indicated that we would recuse himself from discussion or voting on this matter. He indicated that the matter had been reviewed with the Engineering & Operations Committee. There was discussion regarding the reservoir construction status.

Action: Motion made by Director Acosta, seconded by Director Dopudja, to approve Tract Map No. 17388 and authorize the District Secretary to execute Tract Map No. 17388. Director Mandich indicated that he would abstain from the voting based on his recusal on this matter. There was no further discussion. The motion was approved on a vote of 4 – 0 – 1 with Director Mandich abstaining.

ITEM 17. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE URBAN WATER RUNOFF CONVEYANCE STRUCTURE TO DOVE LAKE

Prior to the discussion on the Urban Water Runoff Conveyance Structure to Dove Lake President Safranski indicated that he would not participate in the discussion because of his position on the Trabuco Highlands Homeowners’ Association Board of Directors. President Safranski did not absent himself from the Board meeting room during the discussion and review of this matter.

Interim General Manager, Mr. Michael Perea, presented information to the Board relating to the District’s Dove Lake property and recycled water facilities in the area. Mr. Perea presented a PowerPoint presentation on the area and the property involving Dove Lake and near William Lyon Pond. There was Board discussion relative to the property ownership and potential acquisition of the William Lyon Pond property by the District. Costs relating to the District and potential revenue sources for payment of such were discussed. Potential next steps in the process were discussed.

Action: No formal Board action was taken on this matter.

LEGISLATIVE, ADMINISTRATIVE AND OTHER MATTERS

ITEM 18. DISCUSSION CONCERNING POSSIBLE ACTION(S) CONCERNING CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BOARD OF DIRECTORS CALL FOR NOMINATIONS SEAT B

Mr. Perea introduced the discussion relative to potential nominations for the CSDA Board of Directors Seat B. It was noted that nominations were currently open and the District had received some requests for support.

Action: The Board took no action on this matter.

ITEM 19. LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

Mr. Perea indicated that he had attended the Orange County Local Agency Formation Commission (OC LAFCO) Planning Meeting and provided a brief update with regard to items discussed by Orange County LAFCO Board.

Action: No action was taken on this matter.

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CLOSED SESSION

No closed session was conducted at this Board meeting.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Item No. 21 (added pursuant to Board action noted earlier in these minutes)

ITEM 21. TRABUCO CANYON WATER DISTRICT GENERAL MANAGER RECRUITMENT EFFORTS

There was discussion with regard to the proposed timeline presented by William Avery & Associates regarding the General Manager recruitment efforts. The Board gave direction to General Legal Counsel to communicate with Mr. Avery with regard to the Board's preference for interview dates on potential General Manager candidates.

OTHER INFORMATION/MATTERS

None

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 March 20, 2019, Regular Board meeting at 8:56 PM.