MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT
SEPTEMBER 16, 2015

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD) was called to order by President Stephen Dopudja at 7:00 PM, in the Board Room at the District Administrative Facility, located at 32003 Dove Canyon Drive, Trabuco Canyon, California. Mr. Michael Perea, District Secretary, recorded and transcribed the minutes thereof.

DIRECTORS PRESENT
President Stephen Dopudja
Vice President Glenn Acosta
Director James Haselton
Director Edward Mandich
Director Michael Safranski

STAFF PRESENT
Hector Ruiz, General Manager
Michael Perea, District Secretary
Lisa Carmouche, Administrative Assistant
Dona Kasaboski, Lead Customer Service Representative

DISTRICT CONSULTANTS PRESENT:
District General Legal Counsel – Rob Anslow (Bowie, Arneson, Wiles & Giannone)

PUBLIC PRESENT
There were members of the public present.

PLEDGE OF ALLEGIANCE
Director Mandich 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
Director Mandich commented on his attendance at the South Orange County Watershed Management Area (SOCWMA) Executive Committee Meeting, and reported the following updates:

- Proposition 1 funds totaling $6.5M are available for projects designed to protect the Watershed Management Area
- Laguna Beach County Water District was voted in as a member of the group
- Mr. Garry Brown of Orange County Coastkeeper delivered a presentation on the value of direct and indirect potable water reuse.

- Ms. Mary Jane Foley was added as a public member of the group.

Director Safranski had no comments.

Vice President Acosta thanked District staff and Raftelis Financial Consultants (RFC) for the Rate Analysis presentation at the September 14, 2015 Special Board Meeting.

Director Haselton expressed his appreciation for District staff and RFC's efforts at the Special Board Meeting.

President Dopudja commented that the Rate Analysis presentation at the Special Board Meeting thoroughly explained the goals of the District, and commended District staff and RFC for their work.

REPORT FROM THE GENERAL MANAGER

Mr. Ruiz reported on the following matters:

1. Mr. Ruiz reported that the recent rainfall was about one-inch of rain, which increased the level in Dove Lake by approximately one foot. Mr. Ruiz added that Shadow Rock Detention Basin Facility is approximately half full due to the rainfall.
2. Mr. Ruiz mentioned that the total potable water demand during the recent rain event decreased significantly to about one cubic foot per second, which is 25% of the annual average demand. Discussion occurred concerning conservation efforts and the impacts of the statewide drought.
3. Mr. Ruiz reported that a High Heat Advisory had been issued for the following weekend, which may increase the District's potable and recycled water demands.

ITEMS TOO LATE TO BE AGENDIZED

Mr. Ruiz commented that there were no items too late to be agendized.

CONSENT CALENDAR

President Dopudja indicated that all matters under the Consent Calendar would be approved by one motion unless a Board member requested a separate action on a specific item. Director Mandich requested to remove Item No. 4 from the Consent Calendar.

Action: A motion was made by Vice President Mandich and seconded by Vice President Acosta to approve Item Nos. 1 through 3 of the Consent Calendar.
The motion carried 5 – 0.

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 4: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, AND TENTATIVE FUTURE MEETINGS/ ATTENDANCE ITEMS

Director Mandich commented that the assignment for the attendance at the Santiago Aqueduct Commission incorrectly listed Director Safranski as a secondary representative, and requested that the schedule correctly list him as the secondary representative.

Action: A motion was made by Director Mandich and seconded by Director Haselton to amend the Director Tentative Future Meetings/Attendance Items as approved at the Organizational Meeting.
The motion carried 5 – 0.

ITEM 5: DISCUSSION AND POSSIBLE ACTION CONCERNING COMMITTEE MEMBER(S) AND AGENCY REPRESENTATIVE APPOINTMENTS

President Dopudja presented this matter for Board review, and mentioned that the South Orange County Wastewater Authority (SOCWA) Regular Board Meeting has on occasion conflicted with his and the secondary representative's work schedule. President Dopudja recommended that General Manager Hector Ruiz be assigned as the third alternate representative to SOCWA as other member agencies have taken similar actions with their respective General Managers. Discussion occurred concerning the recommended assignment of the General Manager as the third representative to SOCWA.

Action: A motion was made by Vice President Acosta and seconded by Director Mandich to formally approve General Manager Hector Ruiz as the third alternate District representative to the South Orange County Wastewater Authority.
The motion carried 5 – 0.

FINANCIAL MATTERS

ITEM 6: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE DEVELOPMENT OF TCWD'S TEN YEAR CAPITAL IMPROVEMENT PROGRAM

Mr. Ruiz provided a status update on this matter, and reminded the Board that the Ten Year Capital Improvement Program (CIP) is specifically designed to facilitate the District's Financial Plan for the current Rate Analysis. Mr. Ruiz mentioned that District staff is currently reviewing the CIP and developing an Essential Ten Year CIP which represents the most essential projects that the District will need through Fiscal Year 2024/2025. Discussion occurred concerning the goals and methodology of determining which projects will remain on the Essential Ten Year CIP and the timeline for completion; Mr. Ruiz commented that the Essential Ten Year CIP will be reviewed with the Executive, Finance/Audit, and Engineering/Operational Committees, and brought to the Regular Board Meeting each month. Discussion occurred concerning rate adjustment strategies and outreach methods for public input on the CIP and Rate Analysis.

Action: The Board received the information concerning the matter. No action taken.

ITEM 7: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TCWD'S RATE ANALYSIS OF WATER, WASTEWATER AND RECYCLED WATER SYSTEMS & SERVICES

Mr. Ruiz provided a status update on this matter, and mentioned that the next Special Board Meeting/Rate Workshop is scheduled for October 19, 2015. Discussion occurred concerning different types of public outreach methods that District staff could use to notify customers of the upcoming Special Board Meeting; Mr. Ruiz mentioned that District staff have prepared a sample postcard for mass mailing purposes to each customer of record which is designed to highlight the value of water and include the information concerning the Special Board Meeting. Discussion occurred concerning the matter of the District's fixed and variable rates as discussed at the September 14, 2015 Special Board Meeting

Action: The Board received the information concerning the matter. No action taken.

ENGINEERING MATTERS

ITEM 8: ALTERNATE RAW WATER TRANSMISSION LINE – PW79

Mr. Ruiz provided a status update on this project, and mentioned that District staff has received Consent Letter Agreement for Underground Pipeline Crossing (Consent Letter) from Southern California Edison (SCE) Real Properties. Mr. Ruiz added that he signed the Consent Letter upon receipt and returned it to SCE for final acceptance and approval. Mr. Ruiz recommended that the Board approve and ratify the Consent Letter for the project. Discussion occurred concerning project-related appraiser costs and the condition of the existing pipeline; Mr. Ruiz mentioned that the condition of the existing pipeline has not substantively changed, but that District staff is concerned about the pipeline's future condition due to the anticipated El Niño events. Discussion occurred concerning District staff conveying the Board's appreciation to County of Orange Supervisor Lisa Bartlett for her assistance in creating awareness for this project.

Action: A motion was made by Vice President Acosta and seconded by Director Mandich to approve and ratify the General Manager's execution of the Southern California Edison Real Properties Response Consent Letter Agreement for Underground Pipeline Crossing. The motion carried 5 - 0.

ITEM 9: BAKER WATER TREATMENT PLANT

Mr. Ruiz provided a status update on this project, and presented the Irvine Ranch Water District (IRWD) Baker Water Treatment Plant Construction Report for September 2015 for Board review. Mr. Ruiz reviewed the project schedule, and mentioned that the contractor is approximately 66 days behind schedule with 20 weather delay days. Mr. Ruiz highlighted the contract change orders to date, which are pending approval by IRWD's construction manager. Mr. Ruiz mentioned that the Project Committee is reviewing a proposed variance in the amount of $355,900 for additional services during construction related to submitted reviews, design changes, and out-of-scope work. The proposed variance, if approved by the Project Committee with then will be presented to IRWD's Engineering Committee and Board of Directors for approval. Discussion occurred concerning contractor changes and resubmittals to date, and the timeline for project completion.

Action: The Board received the information concerning the matter. No action taken.

ITEM 10: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE SKYRIDGE DEVELOPMENT

Mr. Ruiz provided a status update on this development, and commented that the Board is required to approve the Tract Map for new developments and authorize the District Secretary's execution of the document per the District's Rules and Regulations. Discussion occurred concerning the Engineering/Operational Committee's review and comments to the Tract Map. Ms. Lausten mentioned that there were some minor adjustments and non-substantive changes requested by Santa Margarita Water District (SMWD) and SCE. Mr. Ruiz reviewed a Notice of Intent to Adopt a Mitigated Negative Declaration for the Zone E Recycled Water System Expansion filed by SMWD, and mentioned that comments are due before October 3, 2015. Discussion occurred concerning inspection services for the new development; Mr. Ruiz mentioned that District staff will procure proposals for inspection services of the water and sewer infrastructure, and that the costs for inspection services are the responsibility of the developer.

Action: A motion was made by Vice President Acosta and seconded by Director Mandich to approve Tract Map No. 17392 presented at the time of the Board Meeting and authorize the District Secretary to execute Tract Map No. 17392
The motion carried 5 – 0.

LEGISLATIVE, ADMINISTRATIVE, AND OTHER MATTERS

ITEM 11: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING STATEWIDE DROUGHT CONDITIONS, STATE WATER RESOURCES CONTROL BOARD (SWRCB) DROUGHT REGULATIONS, AND TCWD WATER CONSERVATION MEASURES/ACTIONS

Mr. Ruiz provided a status update on the matter, and mentioned that District has worked with Thomas Communications Group (TCG) to prepare the September/October issue of the On Tap Newsletter that was included in the prior utility bill cycle. Discussion occurred concerning additional public outreach methods concerning the statewide drought and State Water Board mandated emergency regulations; Mr. Ruiz mentioned that District staff is currently working with TCG to develop a quad-fold document designed to focus on the value of water and true cost to provide District services, such as water, wastewater, and recycled water treatment. Mr. Ruiz added that District staff is continuing with the Thank You Cards to customers that meet the Water Hero criteria.

Action: The Board received the information concerning the matter. No action taken.

ITEM 12: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

Mr. Ruiz had the following local governmental and/or legislative informational matter(s) to report:

- Association of California Water Agencies (ACWA) Committee Appointment Process Guidelines for 2016/2017 Term: Mr. Ruiz presented this information to the Board, and mentioned that any members of the Board that are interested in participating in the process, that the deadline is September 30, 2015.

Action: The Board received the information concerning the matter. No action taken.

OTHER MATTERS

Mr. Ruiz commented that SOCWA is currently reviewing their member agencies Recycled Water Permits process and discharge requirements in anticipation of being proactive with the Regional Board's potential renewal of permits in the near future.

ADDITIONAL DIRECTORS' COMMENTS

Director Safranski commented on the impact of the statewide drought on residential and commercial Homeowner Association (HOA) landscapes, and suggested that there may be opportunities to partner with local HOAs to determine landscape restoration solutions that are drought tolerant and use less water.

President Dopudja inquired on the status of the Metropolitan Water District of Southern California (MET) funded Turf Removal Rebate Program; Mr. Ruiz mentioned that the funding for the rebate program has been spent to date.

ADDITIONAL GENERAL MANAGER COMMENTS

Mr. Ruiz has no other comments.

END ACTION CALENDAR

ADJOURNMENT

President Dopudja adjourned the September 16, 2015, Regular Board meeting at 8:04 PM.