

**TRABUCO CANYON WATER DISTRICT
EXECUTIVE COMMITTEE MEETING RECAP
SEPTEMBER 28, 2015**

DIRECTORS PRESENT

Vice President Glenn Acosta, Committee Chair
President Stephen Dopudja, Committee Member

STAFF PRESENT

Hector Ruiz, General Manager
Michael Perea, District Secretary

PUBLIC PRESENT

There were no members of the public present

CALL MEETING TO ORDER

Vice President Acosta called the September 28, 2015, Executive Committee Meeting to order at 6:00 P.M.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

President Dopudja had no comments.

Vice President Acosta had no comments.

REPORT FROM THE GENERAL MANAGER

Mr. Ruiz had no matters to report.

ITEM 1: EXECUTIVE COMMITTEE MEETING RECAP

The March 9, 2015, Executive Committee Meeting Recap was presented to the Committee.

RECOMMENDED ACTION:

The Committee recommended that the March 9, 2015, Executive Committee Meeting Recap be received and filed by the Board (Consent Calendar).

ITEM 2: PENDING/FUTURE BOARD AGENDA TOPICS

Mr. Ruiz presented this matter to the Committee and reviewed the Pending/Future Board Agenda Topics through January, 2016:

**TRABUCO CANYON WATER DISTRICT
EXECUTIVE COMMITTEE MEETING RECAP | SEPTEMBER 28, 2015**

- **Monthly Recurring Matters**

- Baker Water Treatment Facility
Mr. Ruiz mentioned that this project will remain on the agenda through June, 2016, and that Irvine Ranch Water District (IRWD) is currently reviewing project contract change orders.
- Alternate Raw Water Transmission Line – PW79
Mr. Ruiz mentioned that District staff has received the Letter of Consent from Southern California Edison (SCE). Mr. Ruiz mentioned that Tetra Tech (Consultant) is currently preparing the updated 90% Project Design Draft Proposal, and reviewed the CEQA and NEPA process with the Committee. Mr. Ruiz added that District staff is coordinating with the City of Lake Forest to obtain the appropriate permits for the structural work for the bridge crossing, as well as additional work with SCE. Discussion occurred concerning the status of the required private property appraisals and easement acquisition. Mr. Ruiz mentioned that Tetra Tech expects to complete the Draft 100% Project Design in the next two months, and that District staff plans to finalize project bid documents in early 2016. Discussion occurred concerning FEMA and United States Congress approval process and timeline, and total project fees incurred to date; Mr. Ruiz added that District staff will provide a summary of total project fees to date for Board review.
- Discussion Concerning Statewide Drought Conditions
- Local Governmental and Legislative Informational Matter(s)

- **October, 2015**

- Discussion and Possible Action(s) Concerning TCWD's Rate Analysis for Water, Wastewater and Recycled Water Systems & Services
Mr. Ruiz mentioned that a Special Board Meeting for this matter has been scheduled for Monday, October 19, 2015. Mr. Ruiz added that Raftelis Financial Consultants (RFC) and District staff will work to prepare a Draft Notice of Adoption of Rates in compliance with Proposition 218. Discussion occurred concerning public outreach and additional notification efforts for the planned Proposition 218-required Public Hearing. Discussion occurred concerning the impact of the proposed Ten Year Capital Improvement Program (CIP) on the Rate Analysis. Vice President Acosta expressed concern that an underfunded CIP could undermine an accurate Rate Analysis, and inquired about the contingency percentage built in to the CIP; Mr. Ruiz replied that the CIP is based on District staff experience and the contingency is set at 25%. Discussion occurred concerning Rate Analysis challenges and timeline; Mr. Ruiz mentioned that due to the timeline for adoption that an additional Special Board Meeting may be required before the end of October to finalize and approve the Proposition 218 required Notice of Adoption of Rates.
- Discussion and Possible Action(s) Concerning TCWD's Water Conservation Ordinance
Mr. Ruiz mentioned that District staff will be meeting with the Water Conservation Ordinance and Measures Ad Hoc Committee on September 29, 2015, to review possible updates to the District's Water Conservation Ordinance. Mr. Ruiz discussed the District's current conservation trend rate and mentioned that currently the District's customers have reduced their usage by 39%, but that the trend appears to have plateaued. Discussion occurred concerning the overall trend rate and the possible impact of another warm winter season. Mr. Ruiz added that the District's Watering Schedule is set to decrease to one day per week per the Ordinance No. 2008-18, but that District staff are proposing the continue with the current two day per week schedule and enforcement measures. Mr. Ruiz commented

**TRABUCO CANYON WATER DISTRICT
EXECUTIVE COMMITTEE MEETING RECAP | SEPTEMBER 28, 2015**

that a one day per week watering schedule seems far too punitive in light of the conservation efforts taken by District customers.

- **November, 2015**
 - Arbitrage Rebate Calculation (Series A & B) [Consent Calendar]
 - District Annual Financial Report (Audit) for Fiscal Year 2014/2015
- **December, 2015**
 - Election of Board Officers
 - Committee Member/Agency Representative Assignments for Calendar Year 2016
 - CalPERS Annual Valuation Report
 - Discussion and Possible Action(s) Concerning TCWD's Rate Analysis for Water, Wastewater and Recycled Water Systems & Services
- **January, 2016**
 - District Treasurer's Annual Statement of Investment Policy
- **February, 2016**
 - Mid-Year Budget Review Workshop

RECOMMENDED ACTION

The Committee received the information. No action taken.

ITEM 3: LEGISLATIVE INFORMATIONAL ITEMS

Mr. Ruiz had no legislative informational items for discussion.

RECOMMENDED ACTION

The Committee received the information. No action taken.

ITEM 4: REPORTS OR COMMENTS FROM THE GENERAL MANAGER AND/OR STAFF

Mr. Ruiz reported the following matters:

- Notification of October 19, 2015, Special Board Meeting Postcard: Mr. Ruiz presented a sample of the postcard to be mailed to the District's customers which emphasizes the value of water and true cost of services in the development of the District's Rate Analysis.
- Response to the Orange County Grand Jury Report, "Joint Powers Authorities: Issues of Viability, Control, Transparency, and Solvency": Mr. Ruiz reviewed a copy of the District's response letter to the Orange County Grand Jury Report.
- Orange County Water District (OCWD) Email Correspondence regarding Poseidon Water Huntington Beach Desalination Plant: Mr. Ruiz reviewed the email correspondence concerning the matter, and mentioned that OCWD is requesting information from South Orange County water agencies regarding anticipated water demands and flow rates. Discussion occurred concerning the District's possible level of participation and water demands; President Dopudja suggested forwarding this matter to the Board of Directors for review and possible action.
- Orange County Cemetery District (OCCD) letter dated September 14, 2015: Mr. Ruiz reviewed a letter from the OCCD concerning the need to purchase additional land within the County to develop a new memorial park to meet the future interment needs of the residents of Orange County. Discussion occurred concerning

TRABUCO CANYON WATER DISTRICT
EXECUTIVE COMMITTEE MEETING RECAP | SEPTEMBER 28, 2015

the opportunities to work with the OCCD.

- Irvine Ranch Conservancy letter dated September 16, 2015 RE: 2015 South County Disaster Preparedness Expo: Mr. Ruiz reviewed this matter with the Committee, and suggested that the District participate in this event as a sponsor. Discussion occurred concerning the level of sponsorship.
- DRAFT Resolution in Honor of MNWD Director Larry Lizotte: Mr. Ruiz reviewed the Draft Resolution in Honor of MNWD Director Lizotte, and mentioned that the final version will be agendized for Board review at the October 21, 2015, Regular Board Meeting.
- SOCWA Bylaws: Mr. Ruiz mentioned that SOCWA is currently reviewing their Organizational Bylaws concerning Board Quorum.
- Annual Meeting of the Trabuco Canyon Public Finance Authority (TCPFA) and Trabuco Canyon Improvement Corporation (TCIC): Mr. Ruiz mentioned that District staff have reviewed the current schedule for the Annual Meetings of the TCPFA and TCIC, and propose moving the Annual Meetings from July to another month. Discussion occurred concerning moving the Annual Meetings to December or January; Mr. Ruiz suggested moving the Annual Meetings to January, as the District's Organizational Meeting is held in December and may impact the TCPFA and TCIC, per the bylaws of the respective groups. Mr. Ruiz added that District General Legal Counsel is preparing the appropriate Resolution for review and adoption at the November 18, 2015, Regular Board Meeting to facilitate the schedule change.
- Water Conservation Ordinance and Measures Ad Hoc Committee: Discussion occurred concerning the preparation of a press release of the extended two day per week watering schedule.
- General Manager Salary Survey: Mr. Ruiz mentioned that he has met with a few companies concerning this matter, and that he plans to include senior administrative staff in the salary survey. Discussion occurred concerning the timeline for completion of this matter; Mr. Ruiz mentioned that District staff has been very busy with the compliance with the State Water Board's mandated drought requirements, but that he expects to have this project completed within the next six months.
- San Juan Basin Authority Stakeholder Workshop: Mr. Ruiz mentioned that he will be attending this meeting on September 29, 2015, although the District is not a stakeholder of the group. Discussion occurred concerning the impact of the Groundwater Management Rule and the District's future participation in this group.

RECOMMENDED ACTION

No action taken.

ADJOURNMENT

Vice President Acosta adjourned the September 28, 2015, Executive Committee Meeting at 7:00 P.M.