



MINUTES OF THE SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | MAY 24, 2021

The Special Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD) was called to order by President Chadd at 6:00 p.m., in the Board Room at the District Administrative Facility, located at 32003 Dove Canyon Drive, Trabuco Canyon, California. Mr. Michael Perea, District Secretary, transcribed the minutes thereof.

DIRECTORS PRESENT

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

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager
Lorrie Lausten, Principal Engineer
Karen Warner, Senior Accountant
Lisa Sangi, Administrative Assistant

DISTRICT CONSULTANTS PRESENT:

Cindy Byerrum, District Treasurer (Eide Bailly Consulting)

PUBLIC PRESENT

None

PLEDGE OF ALLEGIANCE

Director Acosta 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 Safranski expressed his appreciation for staff efforts to put together the proposed Fiscal Year 2021/2022 Budget materials and to provide to the Board well in advance of the meeting.

Director Acosta briefly reported on his attendance at the Water Advisory Commission of Orange County (WACO) meeting.

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REPORT FROM THE GENERAL MANAGER

- Mr. Paludi expressed his appreciation to staff for their hard work on the budget materials preparation.
- Mr. Paludi recommended moving agenda item no. 2 to the front of the agenda.

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 2: DISCUSSION AND POSSIBLE ACTION CONCERNING ESTABLISHING A SECTION 115 PENSION TRUST AND FUNDING POLICY

Mr. Paludi introduced this matter for Board consideration, and he reported that the District Treasurer has recommended the District participate in a pension trust for the purpose of reducing past and future pension unfunded actuarial liabilities. Ms. Byerrum reported that District staff requested proposals from and met virtually with two pension trust firms, and she recommended that District contract with CalPERS California Employers' Pension Prefunding Trust (CEPPT) Program. Discussion occurred concerning the most effective manner to fund the pension trust and potential investment liabilities.

RECOMMENDED ACTION(S):

A motion was made by Director Acosta and seconded by Director Mandich to:

- 1) Approve the California Employers' Pension Prefunding Trust Program Agreement with CalPERS.
- 2) Approve the Delegation of Authority, appointing the General Manager and Assistant General manager, to administer and request disbursements from the California Employer's Pension Prefunding Trust.
- 3) Approve the California Employers' Pension Prefunding Trust (CEPPT) Certification of Funding Policy.
- 4) Approve an initial funding investment of \$50,000 to develop the CEPPT account and evaluate future contributions in during the budget development process.
- 5) Approve an ADP in \$226,423 in FY 21/22 for the Classic plan to allow for a "Soft Fresh Start" to the 10-year amortization schedule to pay off the Classic plan's UAL.
- 6) Approve an ADP of \$12,978 in FY 21/22 for the PEPRA plan to entirely pay off the PEPRA plan's UAL.

The motion was approved by a vote of 5 – 0. There was no other action on this matter.

ITEM 1: TRABUCO CANYON WATER DISTRICT FISCAL YEAR 2021/2022 BUDGET WORKSHOP

Mr. Paludi presented this matter for Board consideration, and he delivered a PowerPoint presentation on the District's proposed Fiscal Year 2021/2022 Budget outlines and background supporting information. Mr. Perea provided an organizational update to the Board and highlighted the anticipated personnel changes due to retirement in FY 2021/2022. Director Dopudja recommended an opportunity for the Board of Directors to recognize the retiring employees during the year.

Ms. Lausten provided a comprehensive overview of the proposed Capital Improvement Projects (CIP) and Programmatic budgets for FY 2021/2022. Discussion occurred concerning certain project budgets, goals, and timelines for completion.

Discussion occurred concerning various budgetary considerations related to the presentations. The Board requested additional information be made available as part of further consideration of the proposed organizational changes and budgetary assumptions. Mr. Paludi reported that the proposed FY 2021/2022 General

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Fund, CIP, Equipment, and Program budgets will be considered by the Board at the Regular Board meeting scheduled for June 16, 2021.

RECOMMENDED ACTION(S):

The Board of Directors received the information. No action was taken.

END ACTION CALENDAR

ADJOURNMENT

President Chadd adjourned the May 24, 2021 Special Board Meeting – Budget Workshop at 8:02 p.m.