



MINUTES OF THE SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | FEBRUARY 8, 2022

The Special Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on February 8, 2022 was called to order by President Chadd at 4:00 p.m., via conference call 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, District Engineer
Karen Warner, Principal Accountant
Lisa Marie Sangi, Executive Assistant

DISTRICT CONSULTANTS VIA CONFERENCE CALL

Claire Collins, Hanson Bridgett LLP – District General Counsel
Cindy Byerrum, Eide Bailly – District Treasurer
Lora Carpenter, Fieldman Rolapp
Robert Porr, Fieldman Rolapp
Brent Scharnberg, Stadia Realty
Cyrus Torabi, Stradling Law

PUBLIC PRESENT

None

PLEDGE OF ALLEGIANCE

Director Dopudja led the Board of Directors, District staff, and the audience in the Pledge of Allegiance.

ITEMS TOO LATE TO BE AGENDIZED

None

DIRECTOR'S COMMENTS

Director Mandich reported on his attendance at the City of Rancho Santa Margarita (RSM) City Council Meeting, and he mentioned that Santa Margarita Water District delivered a presentation on a proposed recycled water expansion project in the city.

Director Safranski shared positive feedback that he received concerning District employees and commended their hard work.

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REPORT FROM THE GENERAL MANAGER

There were no comments received.

ACTION CALENDAR

ITEM 1: CONSIDERATION AND POSSIBLE ACTION(S) REGARDING ADOPTING A DEBT MANAGEMENT POLICY FOR THE TRABUCO CANYON WATER DISTRICT

Mr. Paludi introduced the District’s consultants on this matter to the Board of Directors, and he reported that the adoption of the proposed debt management policy is an integral component to this issuance of debt as proposed. Ms. Collins reported that the District’s bond council has prepared a debt management policy with a prudent approach to the issuance and refinancing of debt.

Director Safranski expressed his appreciation for everyone’s hard work and effort on the preparation of this policy, and he recommended including additional language related to generational equity, specifically related to District investment in facilities and infrastructure. Ms. Collins indicated that District legal counsel will incorporate this recommended language into the policy.

Director Acosta thanked staff for their work on this matter, and he suggested the addition of language concerning funding and maintaining reliable infrastructure as well as the including the District’s mission statement

Director Dopudja commended staff and consultants for their work on this policy, and he suggested additional language regarding generational equity.

Action: A motion was made by Director Dopudja and seconded by Director Acosta to approve and adopt the Debt Management Policy for the Trabuco Canyon Water District.
The motion carried 5 – 0.

ITEM 2: CONSIDERATION AND POSSIBLE ACTION(S) REGARDING A RESOLUTION APPROVING THE ISSUANCE OF A NEGOTIABLE PROMISSORY NOTE FOR THE PURPOSE OF FINANCING CAPITAL PROJECTS & AUTHORIZING THE EXECUTION & DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH & CERTAIN OTHER MATTERS

Mr. Paludi introduced this matter, and he commended the Board for their support of District staff to pursue this funding in accordance with the 2020 Rates and Charges Study. Ms. Carpenter delivered a PowerPoint presentation on the specifics of the proposed promissory note of \$10M, including interest rates and payback periods. Discussion occurred concerning the loan structure and other financial-related matters. Ms. Carpenter highlighted the semi-annual payment periods and issuance costs. Mr. Paludi provided a brief review of the projected capital expenditures (CIP) with the Board of Directors. Discussion occurred concerning the CIP schedule and the flexibility of project postponement in the event market costs exceed planned project costs.

Action: A motion was made by Director Safranski and seconded by Director Mandich to Adopt Resolution No. 2022-1303 – Resolution of the Board of Directors of the Trabuco Canyon Water District Approving the Issuance of a Negotiable Promissory Note for the Purpose of Financing Capital Projects and Authorizing the Execution and Delivery of Certain Documents in Connection Therewith and Certain Other Matters.
The motion carried 5 – 0.

ADJOURNMENT

President Chadd adjourned the February 8, 2022 Special Board Meeting 4:50 p.m.