



## **MINUTES OF THE SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | JUNE 30, 2022**

The Special Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on June 30, 2022, was called to order by President Chadd at 5:07 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 Michael Safranski  
Director Edward Mandich

### **STAFF PRESENT**

Fernando Paludi, General Manager  
Michael Perea, Assistant General Manager  
Karen Warner, Principal Accountant  
Lisa Marie Sangi, Executive Assistant

### **DISTRICT CONSULTANTS PRESENT VIA CONFERENCE CALL**

Cindy Byerrum, District Treasurer – Eide Bailly, LLP

### **DISTRICT CONSULTANTS PRESENT**

Habib Isaac, IB Consulting  
Ian Berg, Eide Bailly, LLP

### **PLEDGE OF ALLEGIANCE**

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

### **VISITOR PARTICIPATION & ORAL COMMUNICATION**

None

### **DIRECTOR'S COMMENTS**

Director Mandich reported on his attendance at the City of Rancho Santa Margarita City Council Meeting, and he highlighted the discussion on reserves, strategic planning, pension liability payment strategies.

There were no other comments received.

### **REPORT FROM THE GENERAL MANAGER**

Mr. Paludi reported on the following matters:

- Southern California Water Coalition is hosting their quarterly luncheon at the Long Beach Yacht Club on July 22<sup>nd</sup>.
- Mr. Paludi expressed to the Board and District staff a happy and safe Independence Day Holiday.

**TRABUCO CANYON WATER DISTRICT  
SPECIAL BOARD OF DIRECTORS MEETING MINUTES | JUNE 30, 2022**

**ACTION CALENDAR**

**ADMINISTRATIVE MATTERS**

**ITEM 1: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE DISTRICT’S FINANCIAL ANALYSIS AND RATE STUDY**

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Mr. Paludi presented this matter for Board consideration, and he introduced Mr. Habib Isaac, IB Consulting. Mr. Isaac delivered a PowerPoint presentation that highlighted the overall long-term goals of the financial analysis and rate development process. Discussion occurred concerning the incorporation of the condition assessment results and master plan update goals, as well as re-evaluating reserve targets and weighing the short-term and long-term impacts of inflation. Mr. Isaac reviewed the approach to evaluating rate options, including reviewing existing rates, rate objectives, rate alternatives, and cost of services analysis to cover District costs water, wastewater, and recycled water. Mr. Isaac summarized the types of rate objectives that can be achieved through a financial rate analysis, and he requested feedback from the Board on the optimal strategic cost recovery goals. Discussion occurred concerning the desired strategic goals, including cost recovery, system and facility reliability, and a focus on public safety. Mr. Isaac complimented District staff for sharing their strategic ideas for cost recovery and meeting current regional challenges.

Director Chadd recommended that District staff and IB Consultants evaluate the impacts of the wholesale rates and charges for the District’s Portola Hills Service Area.

Director Acosta recommended an in-depth analysis of planned capital expenditures, especially in wastewater and recycled water, and he commended District staff and IB Consultants on the presentation of information to date.

Director Safranski expressed that the presentation of the information was the most comprehensive to date.

**Action:** There was no action taken.

**CLOSED SESSION**

The Board of Directors entered closed session in accordance with the agenda at 6:53 p.m. District General Counsel participated in portions of the closed session. The closed session ended at 7:09 p.m.

**ITEM 2: REPORT OF ACTION(S) TAKEN IN CLOSED SESSION**

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Ms. Collins reported that no action taken in closed action. Director Chadd requested this item be included on the agenda for the following Regular Board Meeting.

**Action:** There was no action taken.

**ADJOURNMENT**

President Chadd adjourned the June 30, 2022 Special Board Meeting at 7:11 p.m.