



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | APRIL 20, 2023

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on April 20, 2023, was called to order by President Dopudja at 5:31 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 Dopudja
Vice President Ed Mandich
Director Glenn Acosta
Director Don Chadd
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 PRESENT

Claire Collins, Hansen & Bridgett

DISTRICT CONSULTANTS VIA CONFERENCE CALL

Cindy Byerrum, Eide Bailly
Habib Isaac, IB Consulting

PUBLIC PRESENT

There were members of the public in attendance.

PLEDGE OF ALLEGIANCE

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

ITEMS TOO LATE TO BE AGENDIZED

None

VISITOR PARTICIPATION

None

ORAL COMMUNICATION

Mr. Rick Heard, customer, addressed the Board of Directors, and he proposed that the District consider the installation of electrical vehicle charging stations at the District's Administration Building.

DIRECTOR'S COMMENTS

Director Acosta had no comments.

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Director Safranski reported on his attendance at the following meetings:

- City of Rancho Santa Margarita City Council meeting – Director Safranski briefly reported on the City’s grant funded programs.
- South County Agencies Meeting – Director Safranski provided highlights on MWDOC’s FY 2023-24 general fund budget, grant funding, and the revised reserve policy, and he highlighted certain proposed legislation.

Director Mandich reported on his attendance at the Independent Special Districts of Orange County (ISDOC) meeting. Director Mandich highlighted his attendance at the OC LAFCO meeting, and he reported that the Commission approved certain contracts related to the proposed municipal services review (MSR) analysis on the consolidation of Orange County Water District (OCWD) and MWDOC.

Director Chadd reported that he was not in attendance at the Finance/Audit Committee meeting, and he apologized to the Board. Director Chadd reported on his attendance at the Community Associations of Rancho (CAR) meeting, and he provided an update on discussion Orange County Fire Authority regulatory requirements.

Director Dopudja reported on his attendance at the OCWD Groundwater Recovery System Final Expansion event, and he provided highlights from the event. Director Dopudja reported on his attendance at the Water Infrastructure Network Summit.

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported on the following matters:

- Southern California Water Coalition (SCWC) is hosting a lunch in Temecula on April 28th, and the Board can notify District of their interest to attend this event.
- MWDOC has announced the next Water Policy Forum and Dinner will be held on June 22nd.
- OCWD has requested support for Director Cathy Green for the position of ACWA President.
- District general counsel is preparing a memorandum related to the District’s relationship with the developer of The Oaks at Trabuco community.
- Introduced Mr. Habib Isaac to the Board of Directors as he was participating in the meeting over the phone.
- Assistant General Manager to procure an upgrade to the District’s Boardroom audio/visual system.
- Attendance at the Dove Canyon Master Association (DCMA) Regular Board meeting concerning the proposed request for an easement for Dish Wireless. Mr. Paludi provided a brief review of the matters discussed at the meeting.

CONSENT CALENDAR

President Dopudja indicated that all matters under the Consent Calendar would be approved by one motion unless a Board member or staff member requests a separate action on a specific item.

MOTION: Approve the Consent Calendar as presented – Director Chadd

SECOND: Director Safranski

AYES: Directors Dopudja, Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 - 0

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ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 5: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, AND TENTATIVE FUTURE MEETINGS/ ATTENDANCE

Mr. Paludi presented this matter for Board consideration, and he reported this matter was reviewed with the Finance/Audit Committee. Director Mandich requested a correction to his schedule to remove his attendance at the District Properties Committee meeting.

MOTION: Approve the tentative future meetings/attendance items and ratify the Directors' expenses and fees from March 2023 as amended– Director Acosta

SECOND: Director Mandich

AYES: Directors Dopudja, Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 - 0

ITEM 6: DRAFT MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) PROPOSED FISCAL YEAR 2023/24 BUDGET AND RATES

Mr. Paludi presented this informational matter for Board consideration, he provided a high-level review of the adopted MWDOC FY 2023-24 Budget highlights, and he reviewed the adjusted charges and increases which affect the District's costs. Mr. Perea provided a brief update on MWDOC's CPI-based merit pool salary adjustments and certain concerns expressed at the monthly Manager's Meeting earlier that day.

MOTION: No action was taken.

FINANCIAL MATTERS

ITEM 7: DISTRICT RATES AND CHARGES DEVELOPMENT WORKSHOP PRESENTATION BY IB CONSULTANTS

Mr. Paludi presented this matter for Board consideration, and he reported this matter was a follow up to the previous Special Board Meeting – Rates Workshop. Mr. Isaac delivered a PowerPoint presentation which proposed fixed cost recovery of sewer charges via property tax roll collection. Discussion occurred concerning the impacts of planned capital improvement projects on all enterprise funds – water, sewer, and recycled water. Mr. Paludi reviewed the planned public outreach methods to update District customers, including the District's newsletter, website, and in person events like the Water Awareness Day event. Discussion occurred concerning fixed cost impacts to recycled water users due to capital improvement project demands and revenue requirements. The Board, through President Dopudja, directed District staff to optimize the recycled water fixed charges by removing the Dove Dam Outlet Improvement Project for comparison purposes. Mr. Paludi summarized the Board's position on the rates as follows: (1) Fixed Cost Recovery set at 40%; (2) Sewer charges placed on the property tax roll; (3) Enhance public outreach through the District's website; (4) Schedule the Public Hearing for late June 2023.

MOTION: The Board of Directors provided direction to the General Manager and IB Consulting related to the proposed rates and charges.

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ENGINEERING MATTERS

ITEM 8: DIMENSION WATER TREATMENT PLANT OFFICE IMPROVEMENTS

Mr. Paludi introduced this matter for Board consideration, he mentioned this matter was reviewed with the Engineering/Operational Committee. Ms. Lausten provided background on this project indicating that the purpose of the project was to replace the onsite trailer due to safety concerns, and she reported that the District has invested approximately \$60,000 in project design, and has received two bids for this project. Ms. Lausten provided an overview of the bids, and she mentioned that they were very competitive. Discussion occurred concerning potential alternative solutions and timing considerations. Director Safranski indicated that he was not in support of the project at this time. Director Dopudja mentioned that the Engineering/Operational Committee has asked staff to value engineer this project, and that he understands the safety concerns. The Board, through President Dopudja, deferred action on this matter until after the adoption of the new rates and charges. Mr. Paludi recommended a site visit for the Directors in the near future.

MOTION: No action was taken.

ITEM 9: DOVE DAM OUTLET REPAIR ALTERNATIVES EVALUATION

Mr. Paludi introduced this matter for Board consideration, and he reported this matter was reviewed with the Engineering/Operational Committee. Ms. Lausten reported that Hazen has prepared an analysis of the proposed repair alternatives, and she provided an overview of repair alternatives. Ms. Lausten reviewed the current condition of the dam outlet structure, valve stem, and supports, and she reported that the recommended repair is approximately \$1.95M. Discussion occurred concerning funding strategies and suggested timeline for repair of the dam outlet structure. Ms. Lausten added that a bathymetric study has been performed which indicates that lake has lost approximately 19% capacity due to increased soils, but that Hazen does not recommend dredging the lake due as it is cost prohibitive.

MOTION: Informational item only. No action was taken.

ITEM 10: SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) WITHDRAWAL UPDATE

Mr. Paludi presented this matter for Board consideration, and he mentioned that all the SOCWA member agencies less El Toro Water District (ETWD) has approved the District's proposed withdrawal agreement from SOCWA. Mr. Paludi added that ETWD has agendized the matter for Board consideration at their regular board meeting, and then this matter will be presented to the SOCWA Board of Directors at their regular board meeting in May. Mr. Paludi provided a brief update on the District's efforts to acquire its own permit with the Regional Board. The Board members expressed their appreciation to Director Dopudja for his leadership on this matter.

MOTION: Informational item only. No action was taken.

LEGISLATIVE AND OTHER MATTERS

ITEM 11: DROUGHT UPDATE

Mr. Paludi provided a brief update on current statewide drought conditions, and he reported that Metropolitan Water District of Southern California (MET) announced via press release that the State Water Project Table A Water allocation has been increased to 100%. Mr. Paludi provided an update on Colorado River conditions, and he reported that a multi-state solution is likely to occur in the summer months. Mr. Paludi reported that District staff will remove this standing item from the agenda due to overall improved water supply conditions, and he proposed rescinding the current Water Shortage Contingency Plan Level 2 by resolution at the next meeting.

MOTION: Informational item only. No action was taken.

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ITEM 12: LOCAL GOVERNMENTAL AND LEGISLATIVE MATTER(S)

Mr. Paludi reported that the District has prepared two letters opposing unless amended on Senate Bills 34 and 229, and copies of the letters were provided to the Board for their review.

Mr. Paludi provided a brief update on the proposed MSR analysis of the consolidation of OCWD and MWDOC currently under review with OC LAFCO, and he reported that MWDOC is holding a study session on April 28th.

MOTION: Informational item only. No action was taken.

GENERAL COUNSEL REPORT

Ms. Collins reported that she will have a presentation at the ACWA Spring Conference on agency procurement, and she extended an invitation to the Board members scheduled to attend the event. Ms. Collins reported on the Brown Act rules update concerning Board member remote access/teleconferencing, audio/video limitation impacts to meetings, and in-person quorum requirement for Board and Committee meetings.

OTHER INFORMATION/MATTERS

None

ADDITIONAL DIRECTORS' COMMENTS

None

ADJOURNMENT

President Dopudja adjourned the April 20, 2023, Regular Board Meeting at 8:06 p.m.