



## **MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | JUNE 15, 2023**

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on June 15, 2023, was called to order by President Stephen Dopudja at 5:30 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 Stephen 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  
Jason Stroud, Maintenance Superintendent

### **DISTRICT CONSULTANTS PRESENT**

Claire Collins, Hansen & Bridgett – General Counsel  
Ian Berg, Eide Bailley  
Tori Yokoyama, Hazen & Sawyer  
Cindy Miller, Hazen & Sawyer

### **PUBLIC PRESENT**

There were members of the public present.

### **PLEDGE OF ALLEGIANCE**

Director Chadd 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**

Jim Fisler, OC LAFCO Commissioner, addressed the Board of Directors concerning ongoing matters related to special districts in the county, and he provided a handout which summarized LAFCO outreach efforts to date. Discussion occurred concerning the current municipal services review process.

### **DIRECTOR'S COMMENTS**

Director Acosta had no comments.

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Director Safranski reported on his attendance at the City of Rancho Santa Margarita City Council meeting which included a Flag Day celebration and the approval of the City’s Fiscal Year (FY) 2023-24 budget and salary plan.

Director Mandich reported on his attendance at the following meetings:

- Community Associations of Rancho (CAR) which included a presentation by the RSM Voice group.
- District Meeting with HOA Representatives to review the proposed rates and charges.
- South Orange County Integrated Regional Watershed Management Area Executive Committee meeting which included a presentation on the Round 2 Grants, and he provided a status update on the District’s Tick Creek/Dove Creek Expansion Project.
- OCLAFCO Meeting which included an update on the Orange County Water District (OCWD) and Municipal Water District of Orange County (MWDOC) consolidation discussions.

Director Chadd reported on the following matters:

- Recognize District staff for their hard work in preparing for public meetings and materials.
- Patch article on anticipated El Nino event impacts for 2023.
- Orange County Register article on state regulatory impacts on water agency rates and charges.

Director Dopudja reported on the following matters:

- South Orange County Wastewater Authority (SOCWA) meeting which included the approval of the FY 2023-24 budget.
- District Meeting with HOA Representatives to review the proposed rates and charges, and he complimented the presentation by the General Manager and reported the overall discussion was productive.
- Briefly discussed the recently released Orange County Grand Jury report.

**REPORT FROM THE GENERAL MANAGER**

Mr. Paludi reported on the following matters:

- Expressed appreciation for the Board’s recognition of District staff’s efforts.
- Notice of Public Hearing for the proposed rates and charges was mailed in compliance with Proposition 218. The public hearing is scheduled for May 29, 2023, at 5:00 p.m.
- MWDOC Water Policy Forum and Dinner is scheduled for June 22, 2023, and the District has reserved a table for the event.
- Provided the following District public outreach method items for Board review: a copy of the Proposition 218 Notice of Public Hearing, a special On Tap Newsletter mailed to District customers, and an invitation to the Chat with TCWD event on June 20, 2023.

**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 Acosta
- SECOND:** Director Mandich
- 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***

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The Board, through President Dopudja, moved agenda item 9 after item 5 due to a presentation by District consultants.

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

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Mr. Paludi presented this matter for Board consideration, and he reported this matter was reviewed with the Finance/Audit Committee.

- MOTION:** Approve the tentative future meetings/attendance items and ratify the Directors' expenses and fees from May 2023– Director Acosta
- SECOND:** Director Safranski
- AYES:** Directors Dopudja, Mandich, Acosta, Chadd, & Safranski
- NOES:** None
- ABSTAIN:** None
- ABSENT:** None
- MOTION PASSED/FAILED:** Passed 5 – 0

**ITEM 9: PRESENTATION OF TRABUCO CANYON WATER DISTRICT MASTER PLAN REPORT BY HAZEN SAWYER**

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Ms. Lausten presented this matter for Board consideration and review, and she reported this matter was reviewed at the Engineering/Operational Committee Meeting. Ms. Lausten introduced Mr. Yokoyama and Ms. Miller to the Board. Mr. Yokoyama delivered a PowerPoint presentation on the preparation of the District's Master Plan report, which included a detailed analysis of the District's services by type, including water supplies and demands, sewer system hydraulic modeling analysis results and system recommendations, and capital improvement project budgeting targets based on the condition assessment results. Discussion occurred concerning domestic water system fire hydrants testing results and collaboration with the Orange County Fire Authority (OCFA) and the systems meeting demands. Mr. Yokoyama responded that the water and sewer system pipeline analyses are age-based, and that the systems are currently meeting demands.

- MOTION:** No action was taken. Informational item only.

***FINANCIAL MATTERS***

**ITEM 6: AUTHORIZE ACTIONS FOR TRABUCO CANYON WATER DISTRICT'S FISCAL YEAR 2023-24 UNDEVELOPED LAND/WATER STANDBY CHARGES (ASSESSMENT) AND SET PUBLIC HEARING DATE**

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Mr. Paludi presented this annual matter for Board consideration, and he reported that this matter is reviewed on an annual basis in accordance with State law. Mr. Perea provided a brief review of the notification requirements for the adoption of the standby charge, and he stated that District staff does not recommend increasing the charge due to its grandfathered status under Proposition 218.

- MOTION:** Authorize District staff to proceed with actions for setting the Fiscal Year 2023-24 Undeveloped Land/Water Standby Assessment at \$15.00 per acre or portion thereof; and Agendize Public Hearing and authorize District staff to furnish Notice of Public Hearing on Proposed Fiscal Year 2023-24 Undeveloped Land/Water Standby Assessments for the July 20, 2023, Regular Board Meeting – Director Chadd.
- SECOND:** Director Acosta
- AYES:** Directors Dopudja, Mandich, Acosta, Chadd, & Safranski

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**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** None  
**MOTION PASSED/FAILED:** Passed 5 – 0

**ITEM 7: ADOPTION OF RESOLUTION ESTABLISHING DISTRICT APPROPRIATIONS LIMIT FOR FISCAL YEAR 2023-24**

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Mr. Paludi presented this matter for Board consideration, and he mentioned that this matter was reviewed with the Finance/Audit Committee. Mr. Perea provided an overview of the purpose of establishing appropriations limits, and he reviewed the approved methodology for determining the limit for FY 2023-24. Mr. Perea reviewed a memorandum prepared by general counsel that concurred with the determination.

**MOTION:** Adopt Resolution No. 2023-1316 – Resolution of the Board of Directors of Trabuco Canyon Water District Establishing the Appropriations Limit Applicable to the District During Fiscal Year 2023-24 – 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 8: ADOPTION OF PROPOSED FISCAL YEAR 2023-24 GENERAL FUND AND CAPITAL IMPROVEMENT PROJECT (CIP) BUDGETS**

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Mr. Paludi presented the matter for Board consideration. Director Dopudja commented that due to his professional consulting relationship with MWDOC that he would abstain from voting on the proposed MWDOC budget items. Mr. Paludi briefly reviewed the minor changes to the proposed budget from the Special Board Meeting – Budget Workshop citing the inclusion of actual expenses from May 2023. Mr. Berg highlighted the impacts of the proposed rates and charges on the budget, specifically the impacts on the District’s reserves. Ms. Collins presented updated recommended actions based on Director Dopudja’s abstention from acting on the MWDOC budgets.

**MOTION:** Approve the proposed District Salary Paytable with Classifications and Monthly Salary Ranges as presented, to be effective as of July 1, 2023 - Director Acosta  
**SECOND:** Director Chadd  
**AYES:** Directors Dopudja, Mandich, Acosta, Chadd, & Safranski  
**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** None  
**MOTION PASSED/FAILED:** Passed 5 – 0

Director Dopudja left the room at 6:49 p.m. Director Mandich continued the meeting to conduct District business.

**MOTION:** Approve the General Fund District Budget for Fiscal Year 2023-24 for an amount of \$12,785,200 – Director Chadd.  
**SECOND:** Director Acosta  
**AYES:** Directors Mandich, Acosta, Chadd, & Safranski

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**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** Director Dopudja  
**MOTION PASSED/FAILED:** Passed 4 – 0 – 1 with Director Dopudja absent.

Director Dopudja returned to the room at 6:51 p.m., and he continued the meeting conduct District business.

**MOTION:** Adopt Resolution No. 2023-1317 - Resolution of the Board of Directors of Trabuco Canyon Water District of the Trabuco Canyon Water District Approving the General Fund District Budget for Fiscal Year 2023-24 for an amount of \$12,785,200 minus the MWDOC budget component. – Director Acosta

**SECOND:** Director Safranski  
**AYES:** Directors Dopudja, Mandich, Acosta, Chadd, & Safranski  
**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** None  
**MOTION PASSED/FAILED:** Passed 5 – 0

**MOTION:** Adopt Resolution No. 2023-1318 - Resolution of the Board of Directors of Trabuco Canyon Water District of the Trabuco Canyon Water District Approving the Capital Improvement Project, Equipment, and Program Budgets for Fiscal Year 2023-24 for an amount of \$4,512,000 – Director Mandich.

**SECOND:** Director Chadd  
**AYES:** Directors Dopudja, Mandich, Acosta, Chadd, & Safranski  
**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** None  
**MOTION PASSED/FAILED:** Passed 5 – 0

***ENGINEERING MATTERS***

**ITEM 10: SADDLECREST DEVELOPMENT GRANT DEED FOR THE WATER RESERVOIR AND PUMP STATION**

Mr. Paludi introduced this matter for Board consideration, and he reported that the District is close to accepting the onsite facilities. Ms. Lausten reported that District staff is working towards the formal start up of the facilities and that the developer is working on providing the District extended warranties as the initial warranties have expired. Mr. Paludi provided copies of both a redlined and clean version of the draft grant deed for Board consideration.

**MOTION:** Authorize the General Manager and District Secretary to accept the Grant Deed from Rutter Santiago, L.P. for the 1604 Zone Hydro-Pneumatic Booster Station and 1.5 MG Domestic Water Tank and Facilities for Tract 17388, TCWD Project No. 2400 in a form substantially similar to the attached Draft and approved by General Counsel – Director Acosta

**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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**LEGISLATIVE AND OTHER MATTERS**

**ITEM 11: CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BOARD OF DIRECTORS ELECTION – SOUTHERN NETWORK, SEAT C**

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Mr. Paludi presented this matter for Board consideration, and he briefly reviewed the updated voting methods adopted by CSDA. Mr. Perea provided a brief overview of the candidate statements submitted to the District, and he reported that Director Acosta was the District’s CSDA representative. Discussion occurred concerning the candidate qualifications and statements.

**MOTION:** Authorize the District Voting Representative to cast votes for the CSDA Southern Network, Seat C by the election deadline – Director Mandich.

**SECOND:** Director Chadd

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

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

**MOTION PASSED/FAILED:** Passed 5 – 0

**ITEM 12: LOCAL GOVERNMENTAL AND LEGISLATIVE MATTER(S)**

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Mr. Paludi provided a brief report on the Orange County Grand Jury (OCGJ) report titled “*Historic Rain, Yet the Drought Remains*”, and he provided some context to the concerns raised the OCGJ, specifically imported water supply costs, facility improvements/expansion costs, and the costs associated with advanced treatment technologies in response to enhanced testing requirements. Mr. Paludi reported that the District is requested, not required, to respond to OCGJ findings within ninety days. Discussion occurred concerning the OCGJ findings and the appropriate response to the findings. Ms. Collins recommended agendaing this matter for Board consideration in two months.

**MOTION:** Informational item only. No action was taken.

**GENERAL COUNSEL REPORT**

None

**OTHER INFORMATION/MATTERS**

Mr. Perea reported that Mr. Garrett Rias, Wastewater Operator I, has successfully passed his State Water Board Wastewater Treatment Operator II examination, and he commended Mr. Rias on his hard work for the District.

**ADDITIONAL DIRECTORS’ COMMENTS**

None

**ADJOURNMENT**

President Dopudja adjourned the June 15, 2023, Regular Board Meeting at 7:07 p.m.