



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | SEPTEMBER 21, 2023

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on September 21, 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
Roseann Lejsek, Administration Assistant

DISTRICT CONSULTANTS PRESENT

Claire Collins, Hanson & Bridgett, LLP – General Counsel

PUBLIC PRESENT

Harvey De La Torre, General Manager, Municipal Water District of Orange County
Charles Busslinger, District Engineer, Municipal Water District of Orange County
There were members of the public present.

PLEDGE OF ALLEGIANCE

Director Safranski 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

None

DIRECTOR'S COMMENTS

Director Chadd had no comments.

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Director Mandich reported on his attendance at the City of Rancho Santa Margarita (RSM) City Council meeting, and he mentioned that the city has approved a project to install license plate reader cameras in certain locations in the city.

Director Safranski reported on his attendance at the City of RSM City Council meeting, and he mentioned an update concerning a staff presentation on the districting process for the city council. Director Safranski provided a brief update on the District’s Energy Efficiency Ad Hoc Committee first meeting and that a presentation to the Board of Directors is forthcoming.

Director Acosta welcomed the members of the public in attendance as well as Municipal Water District of Orange County (MWDOC) representatives.

Director Dopudja welcomed the members of the public in attendance, and he provided an update on the RSM Cares volunteer group which provides utility assistance.

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported on the following matters:

- The Energy Efficiency Ad Hoc Committee will be agendized at a future meeting.
- District staff recommends the completion of a salary survey this fiscal year as the last survey was completed three years prior.
- The District has advertised two open positions for a Water Operator II and Customer Service Representative.
- Orange County Water District (OCWD) is hosting the annual OC Water Summit on October 13th in Costa Mesa, and the District has sponsored the event by reserving a table for the Board and staff.
- The District is participating in the annual H2O for HOAs event on October 26th at the Norman P. Murray Center in Mission Viejo.

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 Mandich

SECOND: Director Acosta

AYES: Directors Dopudja, Mandich, Acosta, & Safranski

NOES: Chadd

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 4 – 1

ACTION CALENDAR

ADMINISTRATIVE MATTERS

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

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

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MOTION: Approve the tentative future meetings/attendance items and ratify the Directors' expenses and fees from August 2023– 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: PRESENTATION BY MUNICIPAL WATER DISTRICT OF ORANGE COUNTY REGARDING 2023 ORANGE COUNTY WATER RELIABILITY STUDY

Mr. Paludi presented this matter for Board consideration, and he introduced Mr. Busslinger to the Board of Directors. Mr. Busslinger delivered a PowerPoint presentation which provided an overview of the final results of the 2023 Orange County Water Reliability Study (Study), and he reported that this Study is an update to the 2018 Study. Mr. Busslinger reported that Southern California is doing well concerning water conservation, but there is a need to focus on the impacts of climate change on Metropolitan Water District of Southern California (MET) water supplies for the region. Discussion occurred concerning the key findings of the Study, including water demand hardening, economic impacts on local businesses and residents, and potable water system project planning. The Board expressed their appreciation to Mr. Busslinger and Mr. De La Torre for the presentation.

MOTION: None

ITEM 7: DISCUSSION REGARDING RESIDENTIAL WATER METERS

Mr. Paludi presented this matter for Board consideration, and he provided an overview on the purpose of the District's meter flat charge. Mr. Paludi reported that District staff have received requests from a shortlist of customers with concerns about the meter flat charge rate increase. Director Dopudja opened the floor to customers in attendance to speak on this matter.

Mr. Jay Gentile addressed the Board with his concerns on the meter flat charge increase, and he asked why the Board did not consider this type of policy prior to the adoption of the new rates and charges. Mr. Gentile asked the Board to clarify the significant difference between a ¾" meter and a 1" meter, and how much capacity is necessary for residential interior fire sprinklers in relation to the meter size. Mr. Gentile asked the Board to review this process and the impacts on District customers.

Ms. Sue Marucci addressed the Board with her concerns about the meter flat charge increase, and she mentioned that she has been a customer for more than thirty years. Ms. Marucci commented that she represented the elderly in her community who are impacted by this rate increase, and she asked the Board to explain the costs associated with the meter flat charge. Ms. Marucci asked when she would receive a site evaluation by District engineering staff to determine the water demands to assign her a reduced sized meter like her neighbor as she does not believe her property needs a large meter.

Director Dopudja provided a brief overview of the basis of the meter flat charges and the purpose of this type of resizing program. Ms. Collins briefly reviewed the findings of the cost of service study and the methodology for determining the charge. Ms. Collins stated that the District does not determine the size of the meter for residences, but rather, it is determined by developers, and that the fixed charge is based on the costs to operate the District's system. Director Dopudja reported that the Board has directed staff to develop a policy and program that will assist customers.

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Director Safranski requested that District staff minimize the District’s liability in the development of this policy and to clarify that it is the owner’s responsibility to request the resizing.

Director Acosta expressed his appreciation to District staff for their work on this matter.

The Board of Directors, through President Dopudja, directed staff to agendize this matter for the following Regular Board Meeting for Board consideration.

MOTION: None

ITEM 8: DISTRICT FACILITIES TOUR PLANNING UPDATE

Mr. Paludi presented this matter to update the Board of Directors on the planning efforts for the District Facilities Tour scheduled for October 14th, and he reported that District staff have set up a registration site for interested customers. Discussion occurred concerning staffing for the event and facility improvements.

MOTION: None

ITEM 9: ADDENDUM TO GENERAL COUNSEL ENGAGEMENT LETTER AND FEE AGREEMENT

Mr. Paludi presented this matter to the Board for consideration, and he reported that this proposed addendum updates the District’s agreement with Hanson Bridgett, LLP for general legal counsel services. Ms. Collins reported there is no cost to the District, but rather modifies and clarifies certain terms of the original engagement letter specific to development work.

MOTION: Authorize the General Manager to execute Addendum to Letter of Engagement dated July 21, 2021– 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 10: APPROVAL OF POLICY FOR HANDLING CLAIMS AND LAWSUITS, CONFLICT WAIVERS AND RELATED AGREEMENTS

Mr. Paludi presented this matter to the Board for consideration, and he mentioned that this matter was briefly discussed at the prior regular meeting. Mr. Paludi commented that the proposed policy would amend the District’s administrative code to allow the District’s General Manager to reject or accept general claims of less than \$50,000 and workers’ compensation claims of less than \$100,000. Discussion occurred concerning reducing the Workers’ Compensation claim limit to \$50,000 and a requirement that the General Manager report to the Board of any approved claims.

MOTION: Adopt a policy for handling claims and lawsuits, conflict waivers and related agreements– Director Safranski.

SECOND: Director Mandich

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

NOES: None

ABSTAIN: None

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ABSENT: None
MOTION PASSED/FAILED: Passed 5 – 0

FINANCIAL MATTERS

ITEM 11: DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT HEALTH BENEFIT COSTS FOR CALENDAR YEAR 2024

Mr. Paludi presented this matter for Board consideration, and he reported this matter was reviewed with the Finance/Audit Committee. Mr. Perea presented the 2024 CalPERS approved health benefit rates and highlighted the fiscal impacts to the benchmarked plan, PERS Platinum, including a multi-year trend analysis. Mr. Perea reviewed the potential impacts to the FY 2023-24 benefits budget, and he reported the significant increase in retiree benefits. Discussion occurred concerning the overall increase in health rates, the differences between PERS Platinum and PERS Gold plans, and what neighboring agencies provide in health benefits. Mr. Perea provided an overview of the different coverage levels between the PERS Platinum and PERS Gold health plans, and he indicated the increases in costs to staff in the lower PERS Gold health plan. Mr. Perea reviewed the open enrollment schedule and the deadline for submitting an employer contribution fix to CalPERS.

Director Chadd recommended the Board continue with the practice of fixing the employer contribution on health benefits to match the PERS Platinum plan.

MOTION: Adopt Resolution No. 2023-1323 and Resolution No. 2023-1324 Fixing the Employer Contribution at an Equal Amount of Employees and Annuitants Under the Public Employees’ Medical and Hospital Care Act (PERS Members and Non-PERS Members)– Director Chadd.

SECOND: Director Mandich

AYES: Directors Mandich & Chadd

NOES: Directors Dopudja, Acosta, & Safranski

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Failed 2 – 3

Discussion occurred concerning options for the employer contribution for employee health benefits. Director Mandich recommended holding the current contribution level through calendar year 2024. Director Acosta recommended evaluating the health benefit plans at a future meeting.

MOTION: Amend Resolution No. 2023-1323 and Resolution No. 2023-1324 to fix the Employer Contribution to the current contribution rate for Calendar Year 2024 – Director Mandich.

SECOND: Director Acosta

AYES: Directors Dopudja, Mandich, Acosta, & Safranski

NOES: Director Chadd

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 4 – 1

ITEM 12: LOCAL GOVERNMENTAL AND LEGISLATIVE MATTER(S)

Mr. Paludi provided an update on the Orange County Local Agency Formation Commission (OC LAFCO) enhanced Municipal Services Review (MSR), and he reported both MWDOC and OCWD are currently recruiting for a new General Manager.

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MOTION: None

GENERAL COUNSEL REPORT-

Ms. Collins provided an update on the following matters:

- The State Legislature has ended their session and a report on new laws will be provided at a future meeting.
- General Counsel has requested a proposal from the California State University of Fullerton Center for Demographics Research to perform an analysis on the potential to establish division positions. Ms. Collins reviewed the scope of work with the Board, and she provided an overview of the potential risks to the District. The Board indicated that the District has higher priorities with capital improvement projects and the development of the meter resizing program.

OTHER INFORMATION/MATTERS

None

ADDITIONAL DIRECTORS' COMMENTS

None

ADJOURNMENT

President Dopudja adjourned the September 21, 2023, Regular Board Meeting at 7:32 p.m.