



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | NOVEMBER 16, 2023

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on November 16, 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 – arrived at approximately 5:40 p.m.
Director Don Chadd
Director Michael Safranski

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager
Karen Warner, Principal Accountant
Roseann Lejsek, Administration Assistant

DISTRICT CONSULTANTS

Claire Collins, Hanson & Bridgett, LLP – General Counsel

PUBLIC PRESENT

There were members of the public present.

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

None

DIRECTOR'S COMMENTS

Director Safranski reported on his attendance at the City of RSM City Council meeting, and he provided a brief update concerning their presentation honoring military veterans for the Veteran's Day holiday. Director Safranski reported on the District media release on the Government Finance Officers Association (GFOA) recognition of the District's Accounting Comprehensive Financial Report (ACFR), and he acknowledged Ms. Warner's contributions.

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Director Mandich reported on his attendance at the South Orange County Integrated Regional Watershed Management Area (IRWM) meeting, and he mentioned that there were presentations on the H2O for HOAs annual event and the State Water Resources Control Board limits on water use beginning January 2024.

Director Chadd reported on his attendance at the Community Associations of Rancho (CAR) meeting, and he commented that the group presented an update on home hardening consistent with Orange County Fire Authority (OCFA) and the potential use of the District’s administration facility marquee for a banner highlighting the importance of home hardening due to high fire concerns.

Director Dopudja had no comments.

REPORT FROM THE GENERAL MANAGER

Mr. Perea reported on the following matters:

- Mr. Paludi was out of the office and will be returning in early December.
- Ms. Lausten was out of the office due to illness.
- District staff is launching its water user mobile application Dropcountr in the month of December and will advertise the application through social media and newsletter.
- The District is participating in the Spark of Love toy drive and will be accepting unwrapped and unopened toys through December 12, 2024.

Director Acosta arrived and entered the Board Room at approximately 5:40 p.m.

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, Chadd & Safranski
NOES: None
ABSTAIN: None
ABSENT: None
MOTION PASSED/FAILED: Passed 5 -0.

ACTION CALENDAR

ADMINISTRATIVE MATTERS

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

Mr. Perea presented this matter for Director consideration and comment, and he reported that 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 October 2023– Director Acosta
SECOND: Director Safranski
AYES: Directors Dopudja, Mandich, Acosta, Chadd & Safranski
NOES: None
ABSTAIN: None

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ABSENT: None

MOTION PASSED/FAILED: Passed 5 -0.

ITEM 6: DISTRICT ENERGY EFFICIENCY AD HOC COMMITTEE UPDATE

Mr. Perea presented this matter for Board consideration, and he reported that District staff has met with the ad hoc committee to evaluate opportunities for energy efficiency and cost controls. Director Safranski delivered a PowerPoint presentation that highlighted the efforts of the ad hoc committee to date, including the evaluation of the District facilities with the highest energy demands based on Southern California Edison (SCE) data and next steps. Director Safranski reported that the District's total energy use has been reduced by 1.5% based on staff efforts and other energy efficiencies. Director Acosta recommended that staff work to improve efficiencies at the Robinson Ranch Wastewater Treatment Plant as it is the District's most energy intensive facility, as well as, identify other opportunities for onsite power storage through batteries.

MOTION: None

ITEM 7: DISCUSSION CONCERNING RESIDENTIAL WATER METER RESIZING PROCEDURE

Mr. Perea presented this matter for Board consideration, and he mentioned that this matter was approved by the Board at the previous regular meeting and subsequently reviewed with the Executive Committee. Mr. Perea reported that District staff made the application materials publicly available on the District's website and at the main office front desk this week for customers. Mr. Perea reported that the District's website has a dedicated webpage for this procedure and he reviewed the approval process with the Board, and he mentioned that customer service staff will track applications consistent with the process.

Director Dopudja opened the floor to public speakers on this matter.

Mr. Fred Yeakel addressed the Board of Directors and he expressed his concerns about the adopted procedure and policy. Mr. Yeakel commented that the increased water meter flat charge has been a financial hardship and that he does not require a two-inch water meter for his normal water use. Mr. Yeakel added that his daughter is a real estate attorney and that she would be willing to discuss the legality of the notice and indemnity agreement form with District general counsel.

Ms. Sue Marucci addressed the Board of Directors and expressed her concerns about the adopted procedure and policy, and she commented that reducing the meter size is not the appropriate solution but that the charges are too high. Mr. Marucci expressed her concerns with the notice and indemnity agreement form as it creates a burden on the homeowner, and she commented that this type of form is not used at other agencies.

Ms. Sue Marucci, on behalf of Mr. Jeff Foster, addressed the Board of Directors and further expressed her concerns about the notice and indemnity agreement form. Ms. Marucci stated that the form does not address the customers infrastructure or the potential of fire damage to neighboring structures after a water meter size is reduced.

Director Dopudja commented that the purpose of the notice and indemnity agreement form is to serve as a protection to both the homeowner and the District, as well as to provide notice to future homeowners in the event the home is sold to another party. Director Dopudja added that the District may be willing to modify the form requirement after further discussion with general counsel. Ms. Collins added that she will discuss this matter with the real estate attorney.

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Discussion occurred concerning a motion to authorize general counsel to consult with the real estate attorney concerning the notice and indemnity agreement form requirement, but it was withdrawn per general counsel recommendation.

MOTION: The Board of Directors delegated authority to the General Manager to work with general counsel to address customer concerns on the legality of the Notice of Indemnity Agreement and the placement on property title

ITEM 8: APPROVAL OF UPDATES TO THE DISTRICT'S EXPENSE REIMBURSEMENT POLICY AND PROCEDURES

Mr. Perea presented this matter for Board consideration, and he reported that this matter was reviewed with the Executive Committee. Ms. Collins provided an overview of the proposed changes, both minor, non-substantive changes for consistency and the proposed changes to Section 4-Lodging requirements which would update the language regarding overnight stays related to conferences.

Director Chadd expressed concerns on the proposed lodging requirement language, and he commented that limiting the number of nights to the number of conference days can be challenging for directors that drive to conferences in distant locations. Director Chadd recommended that the lodging requirements should allow for bookending the event, and he did not support the proposed language.

Director Safranski supports the goal to minimize District costs, but he echoed Director Chadd's concerns with the proposed language. Director Safranski recommended that the policy needs to consider conference attendees in different circumstances as the purpose of attending these events is for District business, not personal use.

Director Acosta supported the proposed updated language as the lodging should be for District-related business only, but the policy should include some flexibility related to travel.

Ms. Collins responded that the purpose of the language is to apply to typical conferences that directors and/or staff may attend and that there will be exceptions that may be subject to approval by the authorizing authority per the policy. Discussion occurred concerning US General Services Administration (GSA) rates for lodging and travel.

Director Acosta recommended clarifying who is the authorizing authority referenced in the policy. Director Dopudja commented that the intent was for the Board of Directors to be authorizing authority.

MOTION: Approve the updated District Expense Reimbursement Policy and Procedures – Director Acosta

SECOND: None

MOTION PASSED/FAILED: Failed for lack of a second.

Director Mandich commented that the proposed language inadvertently created a requirement for approval by the Board of Directors, and instead, he recommended approving the minor changes only and leaving the lodging reimbursement language unchanged by using a reason standard.

MOTION: Approve the proposed minor changes to the District Expense Reimbursement Policy and Procedures only – Director Mandich

SECOND: Director Chadd

AYES: Directors Mandich, Acosta, Chadd & Safranski

NOES: Director Dopudja

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ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 4 - 0 – 1 with Director Dopudja voting no.

ENGINEERING MATTERS

ITEM 9: APPROVAL OF CONTRACT WITH P2S FOR SYSTEM WIDE ARC FLASH AND COORDINATION STUDY

Mr. Perea presented this matter for Board consideration, and he reported that this matter was reviewed with the Engineering/Operational Committee. Mr. Perea reported that District staff issued a request for proposals (RFP) to eight qualified firms to bring the District’s facilities into regulatory compliance and that five firms responded to the RFP. Mr. Perea reviewed a proposal evaluation with the Board, and he recommended the Board award the contract to P2S, Inc. for the study. Director Acosta expressed his support for that work to ensure that operations employees are safe while carrying out their duties.

MOTION: Authorize the General Manager to execute a contract for the System Wide Arc Flash and Coordination Study to P2S, Inc. in the amount of \$136,800, plus a 10% contingency of \$13,680, for a total not-to-exceed amount of \$150,480 – Director Safranski

SECOND: Director Mandich

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

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 -0.

ITEM 10: LOCAL GOVERNMENTAL AND LEGISLATIVE MATTER(S)

Mr. Perea reported on his attendance at the Municipal Water District of Orange County (MWDOC) Managers Meeting, and he provided an update on certain matters discussed at the meeting, including the MWDOC 2024-25 budget development process and the projected impacts of Metropolitan Water District of Southern California (MET) rate strategy for future years.

Ms. Collins provided a brief update and short PowerPoint presentation on the Surplus Land Act impacts to public agency-owned land. Discussion occurred about agendizing this matter for a future regular meeting for Board consideration.

MOTION: None

GENERAL COUNSEL REPORT

Ms. Collins reported that she would provide a legislative update to the Board at the next regular meeting, and that she is scheduled to deliver a presentation at the ACWA Fall Conference on proposition 218.

OTHER INFORMATION/MATTERS

Mr. Perea wished all in attendance a happy and safe Thanksgiving holiday.

ADDITIONAL DIRECTORS’ COMMENTS

None

ADJOURNMENT

President Dopudja adjourned the November 16, 2023, Regular Board Meeting at 7:00 p.m.