



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

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on December 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
Phil Serpas, CMMS/SCADA Administrator

DISTRICT CONSULTANTS

Claire Collins, Hanson & Bridgett, LLP – General Counsel

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

None

DIRECTOR'S COMMENTS

Director Safranski reported on his attendance at the South Orange County Agencies Group meeting and the City of Rancho Santa Margarita (RSM) City Council meeting. Director Safranski wished all in attendance a Happy Christmas. Director Safranski commented on the current recall effort to remove members of the Board. He read a statement and provided a copy of his comments to the District Secretary, requesting that his comments be placed in the public record.

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Director Acosta welcomed all in attendance, including staff, and he expressed his appreciation for the staff's hard work throughout the year. Director Acosta reported on his attendance at the Municipal Water District of Orange County (MWDOC) Regular Board Meeting, and he reported that Director McVicker has been elected President and Director Thomas is Vice President. Director Acosta briefly reviewed the proposed Metropolitan Water District of Southern California (MET) PURE Project potential financial impacts to participating agencies.

Director Mandich reported that the City of RSM City Council second monthly meeting was cancelled due to the holiday. Director Mandich wished all in attendance a Merry Christmas and Happy New Year.

Director Chadd reported on his attendance at the Santiago Aqueduct Commission meeting, and he reported on a presentation delivered by Charles Busslinger (MWDOC) on the planned State Water Project allocations for 2024.

Director Dopudja wished all in attendance happy holidays. Director Dopudja commented on the recall effort, and he recommended that the Board and District staff not be distracted by the effort. Director Dopudja reported on the State's new regulations on direct potable reuse, and he mentioned that TCWD has been recycling water for decades and commended District staff's efforts in providing a reliable source of water.

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported on the following matters:

- Mr. Paludi expressed his appreciation to the Board and District staff for their hard work throughout the year and wished all in attendance a happy holiday.
- New General Managers – Mr. Paludi announced that MWDOC has appointed Interim GM Harvey De La Torre as their new General Manager, and Orange County Water District (OCWD) has appointed John Kennedy as their new General Manager.
- Mr. Paludi reviewed the District's holiday office closure schedule.
- Direct Potable Reuse (DPR) Regulations – Mr. Paludi briefly reviewed the newly adopted DPR regulations.
- District Meter Downsizing Policy – Mr. Paludi recommended that the Notice of Indemnification Agreement be a recommendation instead of a requirement for applicants, and that he would proceed updating the process as such unless the Board objects. Mr. Paludi reported that the District has received two applications to date.

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. Director Dopudja requested to remove item no. 1 from the consent calendar.

MOTION: Remove item no. 1 from the consent calendar and approve the balance of 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

ITEM 1: APPROVAL OF MINUTES

Director Dopudja requested that the minutes for the November 16, 2023 Regular Board Meeting on item no . 7 be updated to include the following language related to the 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.” Mr. Perea commented that the minutes would be updated as such.

MOTION: Approve the tentative future meetings/attendance items and ratify the Directors’ expenses and fees from November 2023– Director Mandich

SECOND: Director Acosta

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

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 -0.

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. Director Mandich reported that he attended the South Orange County Integrated Regional Watershed Management Area (IRWM) Executive Committee meeting on November 9th, and that although it did not affect his compensation for the month of November, he did want his meeting report to be amended as such. Director Acosta commented that the Directors attend many meetings each month to stay informed of current water/wastewater issues which can impact their personal and professional time.

MOTION: Approve the tentative future meetings/attendance items and ratify the Directors’ expenses and fees from November 2023 as amended– Director Mandich

SECOND: Director Acosta

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

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 -0.

ITEM 6: DISTRICT ENERGY EFFICIENCY AD HOC COMMITTEE UPDATE

Mr. Paludi 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 brief PowerPoint presentation that highlighted the efforts of the ad hoc committee to date, including the development of a program name and logo highlighting staff submissions and the current facility energy demands. Mr. Paludi highlighted the recent sequencing batch reactor (SBR) aeration system improvements performed by operations and maintenance staff as an example of installing energy efficient equipment to reduce energy demands as well as controlling capital expenses by completing the work in-house. The Board of Directors commended District staff for their efforts.

MOTION: None

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ITEM 7: ELECTION OF BOARD OFFICERS

Pursuant to the District’s rules and regulations, Mr. Paludi took control of the gavel during the nominations and voting for President of the Board of Directors. Mr. Paludi requested nominations for the position of President of the Trabuco Canyon Water District Board of Directors.

- MOTION:** Elect Director Stephen Dopudja as President of the Board of Directors of Trabuco Canyon Water District– Director Mandich
- SECOND:** Director Acosta
- AYES:** Directors Dopudja, Mandich, Acosta, Chadd, & Safranski
- NOES:** None
- ABSTAIN:** None
- MOTION PASSED/FAILED:** Passed 5 – 0

Mr. Paludi requested nominations for the position of Vice President of the Trabuco Canyon Water District Board of Directors

- MOTION:** Elect Director Edward Mandich as Vice President of the Board of Directors of Trabuco Canyon Water District– Director Dopudja
- SECOND:** Director Chadd
- AYES:** Directors Dopudja, Mandich, Acosta, Chadd, & Safranski
- NOES:** None
- ABSTAIN:** None
- MOTION PASSED/FAILED:** Passed 5 – 0

Director Dopudja expressed his appreciation to the Board for their continued support after a difficult year.

ITEM 8: DISCUSSION AND POSSIBLE ACTION(S) RELATED TO CALENDAR YEAR 2024 BOARD MEMBER COMMITTEE APPOINTMENTS AND AGENCY REPRESENTATIVE ASSIGNMENTS

Mr. Paludi presented this matter for Board consideration, and he reported that this matter is reviewed annually. Director Dopudja recommended tabling this matter for consideration at the January 2024 regular meeting.

- MOTION:** The Board of Directors recommended agendizing this matter for consideration at the following regular board meeting.

ITEM 9: DISCUSSION OF DISTRICT HUMAN RESOURCES AND BENEFITS ADMINISTRATION SUPPORT

Mr. Paludi presented this matter for Board consideration, and he reported that this matter was reviewed with the Executive Committee at Director Mandich’s request. Mr. Paludi added that the purpose of this matter is to provide a level of independence on these types of matters and to reduce certain responsibilities for the Assistant General Manager. Mr. Paludi added that District staff are preparing a scope of work (SOW) for the development of a request for proposals (RFP) for Executive Committee review. Director Dopudja commented that this proposal is not a reflection of Mr. Perea’s performance, but rather an opportunity to provide a dedicated, independent source for all staff on human resources and benefits related matters. Director Safranski commented that this matter needs to be reviewed by the Board prior to approval.

- MOTION:** None

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ITEM 10: APPROVAL OF URBAN WATER INSTITUTE (UWI) SPRING CONFERENCE SPONSORSHIP

Mr. Paludi presented this matter for Board consideration, and he reported that this matter was reviewed with the Finance/Audit Committee. Mr. Paludi commented that the District has sponsored this event in the past, and he reported that UWI has restructured its sponsorship opportunities from a per event sponsorship to an annual sponsorship. Mr. Paludi recommended that the Board approve an annual sponsorship level consistent with previous levels of sponsorship.

MOTION: Approve an annual sponsorship of the Urban Water Institute for 2024 in the amount of \$3,000 – Director Acosta

SECOND: Director Safranski

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

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 -0.

ENGINEERING MATTERS

ITEM 11: CAPITAL IMPROVEMENT PROGRAM (CIP) MID-YEAR UPDATE

Mr. Paludi presented this matter for Board consideration, and he reported this matter was reviewed with the Engineering/Operational Committee. Mr. Paludi commented that capital improvement is a significant driver of the District's rates and charges. Ms. Lausten reviewed the approved Fiscal Year 2023-24 CIP and provided project status updates for the Board. Discussion occurred concerning certain project status updates and project budgets. Director Mandich recommended including total project costs for multi-year projects in the report for transparency purposes. Director Dopudja recommended that the District provide project highlights in the On Tap newsletter to update customers on how rates and charges are used for facility improvements. Director Acosta expressed that the District has had public outreach challenges during the year, and that he did want the District to repeat previous outreach mistakes.

MOTION: None

ITEM 12: APPROVAL OF CONTRACT AWARD TO PACIFIC HYDROTECH FOR GOLF CLUB SEWER LIFT STATION IMPROVEMENTS

Mr. Paludi presented this matter for Board consideration, and he reported that this matter was reviewed with the Engineering/Operational Committee. Ms. Lausten provided an overview of the planned improvements to this facility, and she reported that District staff publicly bid this project to six pre-qualified contractors and received three bids. Ms. Lausten provided a bid comparison for Board consideration and review, and she recommended the Board award the contract to Pacific Hydrotech. Discussion occurred concerning a bid error in a submitted bid that was subsequently corrected. Director Mandich cited certain differences in bid costs, specifically the proposed shoring costs. Director Acosta asked Ms. Lausten which contractor worked on the Bell Canyon Sewer Lift Station improvement project; Ms. Lausten responded that Ferreira Construction completed that project.

MOTION: Authorize the General Manager to execute a construction contract for the Golf Club Sewer Lift Station Improvements with Pacific Hydrotech Corporation in the amount of \$1,889,300 plus a 5% contingency of \$94,465, for a total not-to-exceed amount of \$1,983,765 – Director Acosta

SECOND: Director Safranski

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

NOES: None

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ABSTAIN: None
ABSENT: None
MOTION PASSED/FAILED: Passed 5 -0.

ITEM 13: APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) FOR LEAD AND COPPER RULE REVISION (LCRR) COMPLIANCE

Mr. Paludi presented this matter for Board consideration, and he reported that this matter was reviewed with the Engineering/Operational Committee. Mr. Paludi reported that the US Environmental Protection Agency (USEPA) updated the Lead and Copper Rule Revisions (LCRR) in 2021 with a compliance requirement by October 16, 2024. Mr. Paludi added that this regulatory requirement is an unfunded requirement that the District is mandatorily required to perform. Ms. Lausten reported that MWDOC has retained Hazen and Sawyer (Hazen) to assist member agencies to meet this requirement as a choice program, but that Hazen has provided a separate hybrid option to the District that is a lower cost than the initial choice program option. Ms. Lausten recommended the Board approve a professional services agreement with Hazen for the LCRR Service Line Inventory with MWDOC.

MOTION: Authorize the General Manager to execute a professional services agreement for the LCRR Service Line Inventory with MWDOC (Choice Program) in the not-to exceed amount of \$98,008 – 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 14: APPROVAL OF AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT WITH JIG CONSULTANTS FOR HERITAGE SEWER LIFT STATION IMPROVEMENTS

Mr. Paludi presented this matter for Board consideration, and he reported that the total project costs with this proposed amendment exceeds his approval authority. Ms. Lausten provided an overview of the project costs to date and that the proposed amendment no. 2 reflects time and material costs for engineering services during construction. Ms. Lausten recommended the Board approve the proposed amendment no. 2 with JIG Consultants.

MOTION: Authorize the General Manager to execute Amendment No. 2 in the amount of \$15,130 to the Professional Services Agreement for Construction Support Services with JIG Consultants for a total agreement not-to-exceed amount of \$111,960 – 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 15: APPROVAL OF AMENDMENT NO. 3 TO PROFESSIONAL SERVICES AGREEMENT WITH JIG CONSULTANTS FOR GOLF CLUB SEWER LIFT STATION IMPROVEMENTS

Mr. Paludi presented this matter for Board consideration, and he reported that the total project costs with this proposed amendment exceeds his approval authority. Ms. Lausten reported that this item is similar to the previous agenda item, and that this proposed amendment no. 3 reflects time and material costs for engineering

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services during construction. Ms. Lausten recommended the Board approve the proposed amendment no. 3 with JIG Consultants. Discussion occurred concerning a significant increase in construction management services costs.

- MOTION:** Authorize the General Manager to execute Amendment No. 3 in the amount of \$75,590 to the Professional Services Agreement for Construction Support Services with JIG Consultants for a total agreement not-to-exceed amount of \$219,085 – Director Acosta
- SECOND:** Director Mandich
- AYES:** Directors Dopudja, Mandich, Acosta, Chadd & Safranski
- NOES:** None
- ABSTAIN:** None
- ABSENT:** None
- MOTION PASSED/FAILED:** Passed 5 -0.

LEGISLATIVE AND OTHER MATTERS

ITEM 16: DISCUSSION AND POSSIBLE ACTION(S) REGARDING POTENTIAL USES OF DISTRICT PROPERTY CONSISTENT WITH THE SURPLUS LAND ACT

Mr. Paludi presented this matter for Board consideration, and he reported that this matter was reviewed with the District Properties Committee. Ms. Collins delivered a PowerPoint presentation which provided an overview of the Surplus Land Act regulations and requirements and the potential impacts on the District’s decision-making process to designate District-owned property as surplus land. Discussion occurred concerning the disposition process requirements and associated timelines. The Board recommended the District Properties Committee review potential next steps and provide an update at the next regular meeting.

MOTION: None

ITEM 17: LOCAL GOVERNMENTAL AND LEGISLATIVE MATTER(S)

There were no matters discussed.

MOTION: None

GENERAL COUNSEL REPORT

Ms. Collins reported that she delivered a presentation on Proposition 218 and rate affordability at the California Foundation on the Environment and the Economy (CFEE) Conference in December 2024.

OTHER INFORMATION/MATTERS

None

ADDITIONAL DIRECTORS’ COMMENTS

None

ADJOURNMENT

President Dopudja adjourned the December 21, 2023, Regular Board Meeting at 7:18 p.m.