



## **MINUTES OF THE SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | APRIL 4, 2024**

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The Special Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on April 4, 2024, was called to order by President Stephen 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 Stephen Dopudja  
Vice President Ed Mandich  
Director Don Chadd  
Director Michael Safranski

### **DIRECTORS ABSENT**

Director Glenn Acosta

### **STAFF PRESENT**

Fernando Paludi, General Manager  
Michael Perea, Assistant General Manager  
Lorrie Lausten, District Engineer

### **DISTRICT CONSULTANTS**

Claire Collins, District General Legal Counsel - Hanson & Bridgett, LLP – Virtually  
Habib Isaac, IB Consulting  
Lora Nichols, Fieldman Rolapp & Associates  
Lawrence Chan, Stradling Yocca Carlson & Rauth

### **PUBLIC PRESENT**

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**

None

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**REPORT FROM THE GENERAL MANAGER**

None

**ACTION CALENDAR**

***ADMINISTRATIVE MATTERS***

**ITEM 1: NOMINATION PERIOD AND APPOINTMENT PROCESS FOR OC LAFCO REGULAR SPECIAL DISTRICT MEMBER SEAT**

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Mr. Paludi presented this matter for Board consideration. Mr. Perea provided a summary of the OC LAFCO election process and requirements, and he indicated that the Board needs to authorize a designated voting representative and an alternate voting member to vote for the special district member seat on the Commission. Discussion occurred concerning the election process and the candidates.

**MOTION:** (1) Authorize Director Ed Mandich as the District’s designated voting representative in the OC LAFCO Declaration of Qualification to Vote, and (2) Designate Director Mike Safranski as an Alternate Voting Member – Director Chadd

**SECOND:** Director Safranski

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

**NOES:** None

**ABSTAIN:** None

**ABSENT:** Director Acosta

**MOTION PASSED/FAILED:** Passed 4 – 0 – 1 with Director Acosta absent.

**ITEM 2: AB 1827 (PAPAN) – LOCAL GOVERNMENT: FEES AND CHARGES: WATER: HIGHER-CONSUMPTIVE WATER PARCELS: SUPPORT**

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Mr. Paludi provided an overview of this legislation which has the potential to impact the rate setting process for water agencies like TCWD. Ms. Collins reported that this specific bill reinforces public agency authority to use meter size and peaking factors to proportionally allocate the costs associated with providing water service to customers and to amend Proposition 218’s implementation statute to confirm that allocation methods may continue to be used.

**MOTION:** Adopt a SUPPORT position on AB 1827 (Papan) and authorize the General Manager to sign the coalition letter – Director Safranski

**SECOND:** Director Mandich

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

**NOES:** None

**ABSTAIN:** None

**ABSENT:** Director Acosta

**MOTION PASSED/FAILED:** Passed 4 – 0 – 1 with Director Acosta absent.

**ITEM 3: FINANCIAL MODEL REVIEW**

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Mr. Paludi introduced Mr. Isaac and Ms. Nichols to the Board of Directors, and he reported that a presentation of the District’s current financial model performance and options for adjustments has been prepared for the Board’s consideration.

Mr. Isaac delivered a PowerPoint presentation that provided a review of the rates and charges impacts to date in accordance with the adopted financial plan, and he highlighted certain key financial assumptions that were used to develop the rates and charges, including the reserve balance targets and planned capital improvement projects

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(CIP). Mr. Paludi reported that the condition assessment report prepared by Hazen that was used to develop the 5-year CIP included an escalation factor to account for inflationary impacts on project costs. Discussion occurred concerning planned CIP projects for Fiscal Year 2024-25. Mr. Paludi reported that District staff has re-evaluated the feasibility of the planned Harris Grade Reservoir project and recommends the removal of this project from the planned CIP. Staff is confident that the District has adequate storage at this time and a decision on additional storage should be deferred until future drinking water demand is better understood given that new more stringent water conservation regulations are being adopted by state regulatory agencies. Mr. Paludi added that this reduced capital expenditure adjustment allows for the Board to implement alternative rate adjustments that may be lower than originally approved. Mr. Isaac presented four different options based on CIP adjustments and rate reduction scenarios for Board consideration. The Board tentatively supported proposed Option 3a which (1) eliminated the Harris Grade Reservoir project from the planned CIP; and (2) Implemented 90% of noticed rates. Discussion occurred concerning the approved process for reducing rates from a previously approved amount in accordance with Proposition 218; Mr. Isaac confirmed that the previously approved rates must be reduced pro-rata, including pumping surcharges, if applicable. Discussion occurred concerning returning this matter for further discussion at a future meeting of the Board.

**MOTION:** Approve Water Rate Implementation Scenario Option 3a – Director Chadd

**SECOND:** Director Safranski

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

**NOES:** None

**ABSTAIN:** None

**ABSENT:** Director Acosta

**MOTION PASSED/FAILED:** Passed 4 – 0 – 1 with Director Acosta absent.

**ADJOURNMENT**

President Dopudja adjourned the April 4, 2024 Special Board Meeting at 7:57 p.m.