



## **MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | MAY 16, 2024**

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The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on May 16, 2024, was called to order by Vice President Ed Mandich 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**

Vice President Ed Mandich  
Director Glenn Acosta  
Director Don Chadd  
Director Michael Safranski

### **DIRECTORS ABSENT**

President Stephen Dopudja

### **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  
Lora Nichols, Fieldman Rolapp & Associates  
Lawrence Chan, Stradling Yocca Carlson & Rauth  
Dan Shaw, Oppenheimer & Co.

### **PUBLIC PRESENT**

There were members of the public present.

### **PLEDGE OF ALLEGIANCE**

Director Acosta 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**

Sue Marucci – Ms. Marucci addressed the Board of Directors with her concerns about the adopted rates and charges, specifically the impact of the meter flat charge on her and her community. Ms. Marucci also expressed her concerns with the District’s Meter Downsizing Program indemnification form and release of liability, and she stated that she has provided information and would like her concerns addressed. Ms. Marucci provided feedback to the Board on the rate setting process based on her understanding of Proposition 218.

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Fred Yeakel – Mr. Yeakel addressed the Board of Directors with his concerns on the meter flat charge at his residence. Mr. Yeakel briefly shared his long-standing history of living in the District. Mr. Yeakel expressed his concerns with the District’s rates and the Meter Downsizing Program indemnification form and release of liability. Mr. Yeakel stated that he would like the issue resolved as soon as possible and he stated that his cost for water use is low in comparison to the meter charge.

**DIRECTOR’S COMMENTS**

None

**REPORT FROM THE GENERAL MANAGER**

Mr. Paludi reported on the following matters:

- Mr. Paludi noted President Dopudja’s absence.
- Mr. Paludi reported that the General Manager will be out of office May 21 – May 27.
- Oso Creek Water Reclamation Plant Groundbreaking – Mr. Paludi reported that SMWD is hosting this groundbreaking event on May 21 at 11:00 am and that any Directors interested in attending should notify District staff for registration.
- Mr. Paludi reported that the District was awarded a federal grant from the Bureau of Reclamation in the amount of \$577,000 for the Dove & Tick Creek project. Mr. Paludi added that the District was also awarded a grant from the State in the amount of \$378,000 and that with these two grants, the project will be approximately 100% funded with grant funds. Mr. Paludi noted that an article on this will be in the upcoming On Tap newsletter.

**CONSENT CALENDAR**

Vice President Mandich 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 Safranski
- AYES:** Directors Mandich, Acosta, Chadd & Safranski
- NOES:** None
- ABSTAIN:** None
- ABSENT:** Director Dopudja
- MOTION PASSED/FAILED:** Passed 4 – 0 – 1 with Director Dopudja absent.

**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. Director Mandich requested that the meetings/attendance sheet be adjusted to remove his attendance at the City of Rancho Santa Margarita City Council meeting and the OC LAFCO meeting.

- MOTION:** Approve the tentative future meetings/attendance items and ratify the Directors’ expenses and fees from April 2024 with changes – Director Mandich
- SECOND:** Director Acosta
- AYES:** Directors Mandich, Acosta, Chadd & Safranski
- NOES:** None
- ABSTAIN:** None
- ABSENT:** Director Dopudja

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

**ITEM 6: 2024 ANNUAL WATER AWARENESS DAY EVENT RECAP**

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Mr. Paludi presented this matter for Board consideration, and he reported that the District’s annual community outreach and education event was held on Saturday, May 11<sup>th</sup> at the Administration Facility. Mr. Paludi reported that the District secured a grant from the Metropolitan Water District in the amount of \$3,000 to help offset event costs. Mr. Paludi reported that the event had lower attendance this year compared to previous years and that various factors may have contributed to this change.

Director Safranski thanked staff for all their efforts and he stated that the community members he engaged with at the event were supportive of the District. Director Acosta commended staff for their great job with the event and stated that he enjoyed seeing the Operations displays outside the building. Director Mandich agreed that he liked the new set up and locations of the Operations displays and that the community members he spoke with were supportive of the District.

Mr. Paludi stated that we have greater opportunities for education and welcomed input from the Directors. Discussion occurred regarding possible future opportunities for education as well as tentatively moving next year’s event to April. Mr. Paludi thanked staff for dedicating their time and efforts to putting on the event.

**MOTION:** None – Informational item only.

**FINANCIAL MATTERS**

**ITEM 7: SELECTION OF PRIVATE PLACEMENT BANK FOR REFINANCING AND FINANCING OF CAPITAL IMPROVEMENT PROJECTS**

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Mr. Paludi introduced this matter for Board consideration, and he reported that this matter was reviewed with the Finance/Audit Committee. Mr. Paludi introduced Mr. Shaw as the District’s placement agent, joining remotely, and Ms. Nichols with Fieldman, Rolapp & Associates. Mr. Paludi provided a brief background on the District’s current credit agreement with BMO and the opportunity to refinance this loan and obtain additional funds for capital improvement projects. Mr. Shaw reported that the RFP was sent out to 16 banks and received 5 proposals. Mr. Shaw reviewed the re-payment terms and options for each lender. Director Acosta informed the Board of what was discussed at the Finance/Audit Committee meeting. Discussion occurred regarding the summary of proposals and which lender would best serve the District’s needs.

**MOTION:** Select Capital One Public Funding, LLC as Private Placement Bank for refinancing and financing of capital projects pursuant to Installment Purchase Agreement between the Trabuco Canyon Water District and the Trabuco Canyon Public Financing Authority – Director Safranski.

**SECOND:** Director Acosta

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

**NOES:** None

**ABSTAIN:** None

**ABSENT:** Director Dopudja

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

**LEGISLATIVE AND OTHER MATTERS**

**ITEM 8: LOCAL GOVERNMENTAL AND LEGISLATIVE MATTER(S)**

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Mr. Paludi reported on the following matters:

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- OC LAFCO Ballot – Mr. Paludi provided a copy of the Regular Special District Member Ballot along with candidacy letters from both candidates. Mr. Paludi noted that the Official Election Ballot is due by June 10, 2024. Mr. Paludi reported that Mr. Muller dropped out of the race after the ballot was sent out. A brief discussion among the Board occurred regarding the candidates. The Board, through Director Mandich, voted for Jim Fidler and directed staff to return the official ballot to OC LAFCO.
- SB 1072 (Padilla) – Mr. Paludi provided a copy of the District’s support letter that was mailed to Senator Padilla’s office.

**MOTION:** None – Informational item only.

**GENERAL COUNSEL REPORT**

None

**OTHER INFORMATION/MATTERS**

Mr. Perea reported that two staff members of the Wastewater Department are out on paternity leave, and he congratulated the respective employee’s families on the birth of their children.

**ADDITIONAL DIRECTORS’ COMMENTS**

Director Safranski provided a brief update on the next steps of the Energy Efficiency Committee and he stated that the Committee is looking to set up a meeting with Southern California Edison to discuss current rates and grant opportunities.

**ADJOURNMENT**

Vice President Mandich adjourned the May 16, 2024 Regular Board Meeting at 6:12 p.m.