



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | DECEMBER 19, 2024

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on December 19, 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 Mark Anderson
Director John Horst
Director Michael Safranski

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager
Lorrie Lausten, District Engineer
Karen Warner, Principal Accountant
Roseann Lejsek, Executive Assistant

DISTRICT CONSULTANTS

Claire Collins, District General Legal Counsel - Hanson & Bridgett, LLP
Ian Berg, Starting Line Advisory

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 RECEIVED TOO LATE TO BE AGENDIZED

Mr. Paludi reported that District staff request to add an item that was prepared after the posting of the agenda, and requested that the item too late to be agendized be added as follows:

ITEM 14: JOINT COMMENT LETTER RE: PUBLIC REVIEW DRAFT OF THE OCWD MUNICIPAL SERVICE REVIEW

MOTION: Approve adding Item 14 to the agenda for Board consideration – Director Acosta

SECOND: Director Safranski

AYES: Directors Mandich, Acosta, Anderson, Horst and Safranski

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 – 0

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VISITOR PARTICIPATION

None

ORAL COMMUNICATION

Ray Chandos – Mr. Chandos addressed the Board of Directors with his concerns related to the acoustics in the District’s Board Room, which he stated makes hearing the meeting difficult. Mr. Chandos requested improved communication at meetings and made suggestions to improve the transparency of meetings. Mr. Chandos expressed his concern with the release date of meeting minutes. Mr. Chandos also expressed his concern with the District’s marketing consultant costs. Mr. Chandos suggested adding rates as an item on the Regular Board Meeting agenda every month along with a progress report, as well as exploring consolidation.

Al Burnham -Mr. Burnham addressed the Board of Directors with his concerns regarding the Regular Board Meeting time, and he suggested changing the meeting time to later in the evening. Mr. Burnham requested that the District look into a new Audio/Visual (A/V) System in the Board Room to assist with the poor acoustics as well as improved transparency with meeting recordings. Mr. Burnham expressed his concerns with the General Manager’s proposed employment contract amendment, and he stated that this item should be tabled until the rate issue is resolved.

Gloria Sefton – Ms. Sefton addressed the Board of Directors with her concerns regarding the District’s rates and charges. Ms. Sefton echoed Mr. Chandos’ and Mr. Burnham’s comments, and she expressed her opposition to the General Manager’s proposed employment contract amendment. Ms. Sefton requested information regarding the work being done at the Ground Water Treatment Facility (GWTF), and she expressed her concerns with proper permitting for completion of the work.

DIRECTOR’S COMMENTS

Director Anderson thanked staff for providing the onboarding binder, which he stated will help inform him about the District.

Director Horst commented that he has been reading the onboarding material and is ready to dive in.

Director Safranski wished everyone Happy Holidays and a Happy New Year.

Director Acosta commented that the results of the election have shown that the District can do things better, and that he is looking forward to working with the new Directors.

Director Mandich had no comments.

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported on the following matters:

- The District’s January Engineering/Operational Committee Meeting has been rescheduled from January 1, 2025 to January 8, 2025, due to the New Year’s Day holiday.
- The Golf Club Sewer Lift Station Rehabilitation Project has been completed, and staff would like to schedule a site visit for the Board of Directors. Mr. Paludi stated that Mr. Perea will be reaching out to the Board members to schedule the visit.
- Due to the Airport Fire, Orange County Public Works (OCPW) is performing work at Trabuco Creek to prepare for debris flows down the watershed during the wet season.

Mr. Perea provided a reminder to the Board members that their Statement of Economic Interests Form (Form 700) will need to be completed no later than April 1, 2025.

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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 Mandich
AYES: Directors Mandich, Acosta, Anderson, Horst & Safranski
NOES: None
ABSTAIN: None
ABSENT: None
MOTION PASSED/FAILED: Passed 5 – 0

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 4: 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.

MOTION: Approve the tentative future meetings/attendance items and ratify the Directors' expenses and fees from November 2024 – Director Acosta
SECOND: Director Safranski
AYES: Directors Mandich, Acosta, Anderson, Horst & Safranski
NOES: None
ABSTAIN: None
ABSENT: None
MOTION PASSED/FAILED: Passed 5 – 0

ITEM 5: ELECTION OF BOARD OFFICERS

Pursuant to the District's rules and regulations, Mr. Paludi requested nominations for the position of President of the Trabuco Canyon Water District Board of Directors.

Director Safranski nominated Director Mandich for the position and Director Mandich accepted the nomination.

Director Horst nominated Director Anderson for the position and Director Anderson accepted the nomination.

Discussion occurred among the Board members regarding the position of Board President.

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

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

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Director Horst nominated Director Anderson for the position and Director Anderson accepted the nomination.

Director Mandich nominated Director Acosta for the position and Director Acosta accepted the nomination.

Discussion occurred among the Board members regarding the position of Board Vice President.

MOTION: Elect Director Mark Anderson as Vice President of the Board of Directors of Trabuco Canyon Water District – Director Horst

SECOND: Director Anderson

AYES: Directors Anderson & Horst

NOES: Directors Mandich, Acosta & Safranski

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Failed 2 – 3

MOTION: Elect Director Glenn Acosta as Vice President of the Board of Directors of Trabuco Canyon Water District – Director Mandich

SECOND: Director Safranski

AYES: Directors Mandich, Acosta & Safranski

NOES: Directors Anderson & Horst

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 3 –2

ITEM 6: DISCUSSION AND POSSIBLE ACTION(S) RELATED TO CALENDAR YEAR 2025 BOARD MEMBER COMMITTEE APPOINTMENTS AND AGENCY REPRESENTATIVE ASSIGNMENTS

Mr. Paludi presented this matter for Board consideration, and he reported that a current Committee Members and Agency Representatives list and meeting descriptions have been included for Board review and consideration. Discussion occurred regarding the basis for Committee meetings in vetting items before being forwarded to the Board for consideration. Director Horst expressed his concerns about voting on Board items, if not a part of the discussion at the Committee level and requested to change all Committee meetings to Board meetings. Ms. Collins stated that a Board member may attend a Committee meeting but may not contribute to the meeting as not to violate quorum rules in relation to the Brown Act. Further discussion occurred concerning certain meeting assignments and schedules. President Mandich assigned positions and representative assignments for Calendar Year 2025. President Mandich indicated that Directors Anderson and Horst will hold the member positions of their respective District committee assignments for three months, and then assume the position of Committee Chair.

ACTION: President Mandich assigned the Director positions and representative assignments for Calendar Year 2025

ITEM 7: DISCUSSION AND POSSIBLE ACTION(S) RELATED TO TCWD'S METER DOWNSIZING PROGRAM

Mr. Paludi presented this matter for Board consideration, and he provided a brief history of the program. President Mandich suggested eliminating the indemnity form requirement from the Meter Downsizing Program, and provided alternative solutions for customers with fire suppression systems wanting to downsize their meter. Discussion occurred regarding changes to the application form and Ms. Collins shared a redline draft of changes to the application for discussion. Discussion also occurred regarding crediting customers who apply for a meter downsizing and the timeline for submission.

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Jay Gentile - Mr. Gentile addressed the Board of Directors regarding his concerns with the current Meter Downsizing program and the District's concerns with future liability.

Catalina Garcia – Ms. Garcia allotted her time to Sue Marucci. Ms. Marucci provided the Board with multiple handouts, and she addressed the Board of Directors with her concerns over the District's rates versus the cost of service. Ms. Marucci also expressed her concerns with the hydrant pressure in her neighborhood, and she stated that she would like the Board to consider refunding customers who participate in the Meter Downsizing Program for the difference in rates.

Fred Yeakel – Mr. Yeakel stated that the current meeting time is difficult for him to arrive on time, and he asked that the Board change the meeting time to 6:00 p.m.

President Mandich summarized the proposed changes to the program application and approval process for Board consideration.

- MOTION:** Amend the Meter Downsizing Program to remove the Indemnity Form and approve the redlined changes to the Meter Downsizing Application Form – Director Acosta
- SECOND:** Director Horst
- AYES:** Directors Mandich, Acosta, Anderson, Horst & Safranski
- NOES:** None
- ABSTAIN:** None
- ABSENT:** None
- MOTION PASSED/FAILED:** Passed 5 – 0

ITEM 8: UPDATE ON METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (MET) REVERSE CYCLIC PROGRAM

Mr. Paludi presented this matter for Board consideration, and he provided an overview of MET's Reverse Cyclic Program. Mr. Paludi reported that MET has developed the program as a financial and resource management tool which will allow member agencies to pre-purchase both treated and untreated water at the current full-service rate for deferred delivery in a future year. Mr. Paludi provided a brief summary of MET's large rate increases in the coming years, and he stated that although the Program does help to lock in water purchases at the current rates, the District is not in the financial position to take advantage of the Program.

MOTION: None. Informational item only.

**ACTION CALENDAR
FINANCIAL MATTERS**

ITEM 9: PRESENTATION OF TRABUCO CANYON WATER DISTRICT'S FISCAL YEAR 2023-24 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

Mr. Paludi presented this matter for Board consideration, and he introduced the District's accounting and financial services consultant, Ian Berg, with Starting Line Advisory. Mr. Berg delivered a PowerPoint presentation that highlighted the District's financial position as of FY 2023-24 in comparison to FY 2022-23. Discussion occurred regarding an annual review of the District's rates and charges and potential for reduction, dependent upon the District's financial position.

MOTION: None. Informational item only.

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ITEM 10: CONSIDERATION OF LINE BREAK BILLING ADJUSTMENT FOR DOVE CANYON MASTER ASSOCIATION

Mr. Paludi presented this matter for Board consideration, and he reported this matter was reviewed with the Finance/Audit Committee. Mr. Perea provided a summary of Dove Canyon Master Association’s (DCMA) request for a line break adjustment due to a series of line breaks to their recycled water distribution system in May 2024. Mr. Perea provided an overview of the District’s long-standing administrative procedure, which allows customers to request an account adjustment due to line breaks. Discussion occurred among the Board regarding the District’s financial responsibility versus the customer’s financial responsibility for line breaks within their system. The Board failed to move this item forward for a vote and the adjustment was not approved.

MOTION: No action was taken.

ACTION CALENDAR

ENGINEERING MATTERS

ITEM 11: DOVE RECYCLED WATER PUMP STATION IMPROVEMENTS DESIGN AWARD

Mr. Paludi presented this matter for Board consideration, and he reported that this item was reviewed with the Engineering/Operations Committee. Ms. Lausten provided a summary of Phase 1 of the project, and she provided an overview of the RFP process for phase 2. Mr. Lausten stated that the District solicited proposals from eight firms for Design Engineering Services and received two bids. Ms. Lausten provided a proposal comparison and discussion occurred regarding the difference in bid amounts as well as the bid process.

MOTION: Award a professional services agreement for the Dove Recycled Pump Station Improvements for Engineering Design to JIG Consultants in the amount of \$253,450, plus a 10% contingency of \$25,345, for a not-to-exceed amount of \$278,795 – Director Acosta

SECOND: Director

AYES: Directors Mandich, Acosta, Anderson, Horst & Safranski

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 –0

ITEM 12: ROBINSON RANCH WASTEWATER TREATMENT PLANT BLOWER MODIFICATIONS PROJECT – SOUND STUDY

Mr. Paludi presented this matter for Board consideration, and he reported that this item was reviewed with the Engineering/Operations Committee. Ms. Lausten provided a summary of the current issues with the locations of the blowers. Discussion occurred regarding the possibility of unforeseen noise issues and potential solutions. Ms. Lausten added that sound panels are currently being designed in order to seek reliable quotes on construction and installation costs in the event they are necessary to mitigate any potential noise issues.

MOTION: None. Informational item only.

ACTION CALENDAR

LEGISLATIVE AND OTHER MATTERS

ITEM 13: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

There were no items presented.

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ITEMS RECEIVED TOO LATE TO BE AGENDIZED

ITEM 14: JOINT COMMENT LETTER RE: PUBLIC REVIEW DRAFT OF THE OCWD MUNICIPAL SERVICE REVIEW

Mr. Paludi presented this matter for Board consideration, and he reported that Orange County Water District (OCWD) paid for a feasibility study through Orange County Local Agency Formation Commission (OC LAFCO) for potential consolidation with Municipal Water District of Orange County (MWDOC). Mr. Paludi noted that the District has a voice in this matter due to its predominant dependency on imported water purchased from Metropolitan Water District of Southern California (MET) and does not see a potential benefit to the consolidation of OCWD and MWDOC. Mr. Paludi added that South Orange County Agencies Group (SOCAG) has requested that member agencies collectively provide comments to the Orange County Agency Formation Commission (OC LAFCO) by December 30.

MOTION: Authorize Trabuco Canyon Water District’s participation in the South Orange County Agencies Group’s comment letter to LAFCO on the Public Review Draft of the OCWD MSR – Director Safranski

SECOND: Director Acosta

AYES: Directors Mandich, Acosta, Anderson, Horst & Safranski

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 –0

GENERAL COUNSEL REPORT

None

OTHER INFORMATION/MATTERS

None

ADDITIONAL DIRECTORS’ COMMENTS

Director Acosta wished everyone a Happy Holidays, and he requested to add two items to the agenda for January’s Regular Board Meeting concerning the Board Meeting time as well as revisiting the District’s proposal for Board Room Audio/Visual System upgrades.

Director Anderson stated that the General Manager’s compensation will be deferred until the January Regular Board Meeting Closed Session.

ADJOURNMENT

President Mandich adjourned the December 19, 2024 Regular Board Meeting at 8:40 p.m.