



## **MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | APRIL 16, 2025**

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The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on April 16, 2025, was called to order by President Ed Mandich at 6:02 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 Ed Mandich  
Vice President Glenn Acosta  
Director Mark Anderson  
Director John Horst  
Director Michael Safranski

### **DIRECTORS ABSENT**

None

### **STAFF PRESENT**

Fernando Paludi, General Manager  
Michael Perea, Assistant General Manager  
Lorrie Lausten, District Engineer  
Oscar Ulloa, Wastewater Operations Superintendent  
Jason Stroud, Maintenance Superintendent  
Karen Warner, Principal Accountant  
Roseann Lejsek, Executive Assistant  
Phil Serpas, CMMS/SCADA Administrator

### **DISTRICT CONSULTANTS**

Claire Collins, District General Legal Counsel - Hanson Bridgett, LLP

### **PUBLIC PRESENT**

There were members of the public present.

### **PLEDGE OF ALLEGIANCE**

Director Anderson led the Board of Directors, District staff, and audience in the Pledge of Allegiance.

### **ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

None

### **VISITOR PARTICIPATION**

None

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**ORAL COMMUNICATION**

Director Mandich acknowledged the members of the public who submitted written comments via email before the Regular Board meeting, related to items not on the agenda.

Pat Lawrence – Mr. Lawrence addressed the Board of Directors with his concerns regarding consolidation with another agency. Mr. Lawrence commented on the various projects that the District has completed in the Dove Canyon community throughout the years, and he provided a brief history of the District’s joint work with Dove Canyon and the Department of Dam Safety to capture dry weather run off. Mr. Lawrence expressed his concerns regarding potential annexation due to the amount of money that the Dove Canyon community has invested in this project and loss of local representation.

Fred Yeakel – Mr. Yeakel expressed his appreciation to District operations and office staff for their assistance in changing out his meter.

Ric Heard – Mr. Heard addressed the Board of Directors, and he stated that his wife submitted a written comment before the meeting. Mr. Heard requested to read his wife’s comment aloud which expressed opposition to the District merging with any other agencies and requested that the District remain an independent agency to maintain local representation.

**DIRECTOR’S COMMENTS**

Director Safranski reported on his attendance at a memorial service for Irvine Ranch Water District (IRWD) Director Mary Aileen Matheis. Director Safranski shared his fond memories of Director Matheis along with some of her personal and professional background. Director Safranski also reported on his attendance at the City of Rancho Santa Margarita City Council Meeting.

Director Acosta reported on his attendance at the Municipal Water District of Orange County (MWDOC) Elected Officials Forum.

Director Horst reported on his attendance at the MWDOC Administration & Finance Committee Meeting and Regular Board Meeting, and he stated that a vote was passed to increase the Board’s stipend by 2.5%. Director Horst noted that TCWD has not increased its stipend of \$125 for many years, and he expressed his appreciation to his fellow Board members for watching costs. Director Horst also reported that he scheduled one-on-one meetings with IRWD as well as Santa Margarita Water District (SMWD), and he stated that he would discuss the details of those meetings at the Special Board Meeting scheduled for the following day. Director Horst reported that he was invited to speak on a panel at the 2025 ACWA Spring Conference, and he requested the Board’s input on his attendance. The Board provided their full support of Director Horst’s attendance at the ACWA Conference.

Director Anderson had no comments.

Director Mandich had no comments.

**REPORT FROM THE GENERAL MANAGER**

Mr. Paludi reported on the following matters:

- The Robinson Ranch community experienced a brief power outage event that lasted approximately 10 minutes. Mr. Paludi reported on the impact to District facilities, and he thanked Operations for their quick response.
- TCWD and MWDOC will be hosting the Boy Scouts of America at the District’s Robinson Ranch Wastewater Treatment Plant this Saturday. Approximately 80 scouts will be in attendance, and Mr. Paludi thanked Wastewater operations for their hard work and time in readying the Plant for the tour.
- Mr. Paludi offered his condolences to Director Mandich for the death in his family.

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**CONSENT CALENDAR**

Director Mandich indicated that all matters under the Consent Calendar would be approved by one motion unless a Board member or staff member requests separate action on a specific item. Mr. Paludi presented Items 1-4 for Board consideration and approval in accordance with the agenda.

**ITEM 1: APPROVAL OF MINUTES OF BOARD MEETING(S)**

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1. February 20, 2025 Regular Board Meeting
2. March 19, 2025 Regular Board Meeting

**ITEM 2: TREASURER’S REPORT**

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1. March 13, 2025 Finance/Audit Committee Meeting Recap
2. February 2025 Preliminary Unaudited Financials
3. March 2025 Bills for Consideration, Payroll and Payroll Taxes

Public Comment was received in relation to Item 2 on the agenda.

Alan Burnham – Mr. Burnham addressed the Board of Directors to clarify his previous public comments discussed at the March 13, 2025 Finance/Audit Committee Meeting in relation to a bill comparison with IRWD not being a true comparison. Mr. Burnham acknowledged that his original remarks did not provide a true comparison, and he stated that he researched median home values in the IRWD service area which average out to ten dollars a month per customer. Mr. Burnham commented that the District should be making efforts to look into annexation and he suggested this matter should be agendized monthly.

**ITEM 3: APPROVAL OF ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP(S)**

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1. March 5, 2025 Engineering/Operational Committee Meeting Recap

**ITEM 4: APPROVAL OF EXECUTIVE COMMITTEE MEETING RECAP(S)**

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1. March 3, 2025 Executive Committee Meeting Recap

**MOTION:** Approve the consent calendar as presented – Director Horst

**SECOND:** Director Acosta

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

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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 March 2025 – Director Horst

**SECOND:** Director Acosta

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

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**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** None  
**MOTION PASSED/FAILED:** Passed 5 – 0

**ITEM 6: CONSIDERATION OF ACCOUNT ADJUSTMENTS RESULTING FROM METER DOWNSIZING**

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Mr. Paludi presented this matter for Board consideration, and he reported that the Board directed staff to agendize this item to vote on a one-time approval applicable to all approved meter downsizing application related account adjustments prior to February 17, 2025.

**MOTION:** Authorize the General Manager to approve individual meter-downsizing account adjustments that exceed \$1,001.00 in accordance with the modified program requirements approved by the Board of Directors on December 19, 2024 and submitted prior to February 17, 2025 – Director Horst  
**SECOND:** Director Acosta  
**AYES:** Directors Mandich, Acosta, Anderson, Horst & Safranski  
**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** None  
**MOTION PASSED/FAILED:** Passed 5 – 0

**ITEM 7: PUBLIC OUTREACH AD HOC COMMITTEE UPDATE – MARCH 27, 2025 MEETING**

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Mr. Paludi presented this matter for Board consideration. Director Horst reported that the Committee met and discussed sending out a survey to all customers regarding the District’s current methods of public outreach and communication. Mr. Paludi advised the Board that a draft copy of the survey was provided as a handout for their review.

Director Acosta commented that the District is interested in understanding how the District can do a better job with communication, and he noted that Director Horst contributed good suggestions to the discussion.

Discussion occurred regarding the Board’s 60-day freeze on consultant public outreach work, and the Board agreed to revisit the 60-day freeze timeline at the following month’s Regular Board Meeting once the survey results are received.

Director Horst reported that he met with Santa Margarita Water District’s (SMWD) General Manager and discussed potential cost sharing opportunities for public outreach that may be more cost-effective for the District.

Director Mandich recommended that his fellow Directors and District staff review the recent SMWD video on their website discussing rate increases that may be helpful for District customers.

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

**FINANCIAL MATTERS**

**ITEM 8: DISCUSSION CONCERNING FY 2026 OPERATING BUDGET ASSUMPTIONS AND BUDGET WORKSHOP SCHEDULES**

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Public Comment was received in relation to Item 8 on the agenda.

Jay Gentile – Mr. Gentile addressed the Board of Directors with his concerns regarding the District’s infrastructure reliability in light of the pipeline break that damaged the V-Ditch. Mr. Gentile stated that he had no issue with the

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costs or repair of the V-Ditch, but he stated that he was aware of the causes and would like to know how the Board will keep this from happening in the future.

Mr. Paludi presented this matter for Board consideration, and he thanked Mr. Gentile for comments. Mr. Paludi addressed Mr. Gentile’s comments, and he stated that the District is addressing pipeline repairs whenever possible. Ms. Lausten provided further background information related to the pipeline break, and she reported that staff had previously completed repairs to the pipeline as well as patches to the V-Ditch approximately 10 years ago. Ms. Lausten provided a summary of the bid process, and she requested that the Board award the construction contract to JES Engineering.

Discussion occurred regarding the age of the V-Ditch and staff’s challenges in maintaining the structure. Director Acosta encouraged the public to attend the Engineering/Operational Committee meetings to gain a broader understanding of the District’s system, staff’s efforts to complete projects where possible in order to provide cost-savings, and insight into the discussions that go into decision making before presentation to the full Board.

- MOTION:** Award a construction contract for the Recycled Water Reservoir Dam V-Ditch and Culvert Repairs to JES Engineering in the amount of \$162,365.35 plus a 10% contingency of \$16,000, for a not to exceed amount of \$178,365.35 – Director Acosta
- SECOND:** Director Anderson
- AYES:** Directors Mandich, Acosta, Anderson, Horst & Safranski
- NOES:** None
- ABSTAIN:** None
- ABSENT:** None
- MOTION PASSED/FAILED:** Passed 5 – 0

***ENGINEERING MATTERS***

**ITEM 9: AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT WITH HAZEN & SAWYER FOR TRANSMISSION MAIN REHAB ENGINEERING SERVICES**

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Public Comment was received in relation to Item 9 on the agenda.

Ray Chandos – Mr. Chandos addressed the Board of Directors requesting clarification on the purpose of the \$75,000 amount being requested in the recommended action. Mr. Chandos commented that he would like to know how much the project will cost and a timeline as time is of the essence due to the high costs of purchasing water.

Mr. Paludi presented this matter for Board consideration, and he reported that the District hired Hazen & Sawyer for Engineering Services related to the transmission main rehabilitation project. Mr. Paludi added that the proposed amendment is for the next phase of the project. Ms. Lausten provided an update on the project, and she provided a summary of each phase of the project along with options for repair.

Discussion occurred regarding staff’s evaluation of the entire length of the pipeline and phasing of the project in order to focus on rehabilitation of the critical portion of the pipeline. Discussion also occurred regarding the estimated cost of each phase of the project as well as the potential challenges with peak demands during the summer months.

- MOTION:** Authorize the General Manager to execute Amendment No. 1 to Professional Services Agreement with Hazen & Sawyer for Transmission Main Rehabilitation Engineering Services in an amount not-to-exceed \$75,000, for a total agreement not-to-exceed amount of \$173,360 – Director Horst
- SECOND:** Director Acosta

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

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

**MOTION PASSED/FAILED:** Passed 5 – 0

**ITEM 10: QUARTERLY CAPITAL IMPROVEMENT PROGRAM (CIP) UPDATE**

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Mr. Paludi presented this matter for Board consideration, and he reported that an updated summary handout was provided to the Board for their review. Ms. Lausten presented the Capital Improvement Program (CIP) budget update for FY 2024-25. Ms. Lausten highlighted projects that are anticipated to be carried over into FY 2025-26. Ms. Lausten also highlighted projects that staff completed in-house in order to reduce costs and reported that two recoating projects have been removed at this time. A brief discussion occurred regarding wet well recoating and the importance of maintaining wet wells due to the corrosive environment. Mr. Perea added that Wastewater Operations staff inspects the District’s manholes and wet wells annually, and that all are currently in good condition. Mr. Paludi added that the budget summary does not reflect any grant funding awarded to the District.

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

**ITEM 11: ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION (OC LAFCO) REORGANIZATION APPLICATION PROCESS OVERVIEW**

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Mr. Paludi presented this matter for Board consideration, and he asked Ms. Collins to provide an overview of the LAFCO reorganization process. Ms. Collins presented a flow chart of LAFCO’s reorganization proceedings, along with a memorandum drafted by Hanson Bridgett outlining the process in further detail. Ms. Collins reported that the Board requested information identifying the steps involved in consolidation in response to customer requests, and she provided a high-level summary and explanation of the LAFCO process. Ms. Collins reported that customers have cited rate relief as the reason for requesting consolidation, and she noted that consolidation may or may not provide the relief that customers are seeking. Ms. Collins stated that there’s no way to know if rate relief is possible without exploring it, and that one option moving forward is to issue a Request for Proposals (RFP) to gauge other agencies’ interest in submitting a proposal that would provide more data to make decisions. Ms. Collins added that a financial analysis would need to be completed for feasibility before moving forward with any proposals, and that the District can consider hiring an independent consultant for this purpose. Ms. Collins stated that District debt obligations must be considered, which can take time to evaluate.

Director Mandich commented that the District’s CIP projects, the transmission main pipeline rehabilitation project, and budget are priorities, and he questioned whether the rates would go down if the District were to consolidate with another agency.

Director Horst commented that all agencies are entering into budget season, and he noted to the public that action on this matter would most likely happen after July. Director Horst requested a bigger forum with IRWD and SMWD’s General Managers to gauge their agency’s interest, and he suggested inviting OC LAFCO to be a part of the conversation.

Director Safranski thanked Ms. Collins for her presentation, and he expressed the importance of financial responsibility related to funding an analysis without understanding other agencies’ interest. Director Safranski stressed that the District must set expectations of equal or greater service, lower long-term rates, and protection of the District’s employees. Director Safranski added that he believes an RFP is important in order to answer questions of what is best for customers, employees, and the District. Director Safranski cautioned the Board that there are no guarantees at this time and that good solid data is needed.

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Director Anderson stated that he would like the RFP sent to IRWD and SMWD and that it needs to ask each agency to answer the question of what actions, if any, they would take in relation to the transmission main pipeline rehabilitation.

Director Acosta commented that he does not believe that the District is in a position to take any action at this time, and he stated that he is unsure if rate relief is possible. Director Acosta also commented that staff has not fully explored other options for rate relief, such as sale of the District’s surplus property. Director Acosta stated that he is not opposed to the RFP, however, he would like the District to explore what it can do. Director Acosta cautioned against the possibility of relinquishing local control for minimal to no financial savings.

Mr. Paludi stated that regardless of the RFP, the District still has a responsibility to ensure long-term reliable water service to its customers and that staff would continue its work on bringing the transmission main rehab project to a Board decision in the coming weeks.

Discussion occurred regarding the next steps on the RFP matter; Ms. Collins stated that a resolution would need to be adopted by the Board before an RFP of this type could be provided to the agencies. Director Mandich directed staff to agendize this item at the Special Board Meeting FY 25-26 Budget Workshop scheduled for April 28, 2025 with a draft of the resolution and the RFP.

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

**LEGISLATIVE AND OTHER MATTERS**

**ITEM 12: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)**

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There were no items presented.

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

**GENERAL COUNSEL REPORT**

None

**OTHER INFORMATION/MATTERS**

None

**ADDITIONAL DIRECTORS’ COMMENTS**

Director Horst commented that he is looking forward to the Special Board Meeting scheduled for the following day, and that he is vetting comments on ways to cut costs and find alternative sources of funding.

Director Safranski wished everyone a Happy Easter.

**ADJOURNMENT**

President Mandich adjourned the April 16, 2025 Regular Board Meeting at 8:13 p.m.