



## **MINUTES OF THE SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | MAY 27, 2025**

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The Special Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on May 27, 2025, was called to order by President Edward Mandich at 6:00 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

### **STAFF PRESENT**

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

### **DISTRICT CONSULTANTS**

Claire Collins, District General Legal Counsel – Hanson Bridgett, LLP  
Ian Berg, Starting Line Advisory  
Lora Nichols, Financial Consultant – Fieldman Rolapp & Associates

### **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**

Ray Chandos – Mr. Chandos requested an update from the Board on the status of the Request for Proposals (RFP) for Rate Relief that was provided to both Irvine Ranch Water District (IRWD) and Santa Margarita Water District (SMWD) and any information related to interagency collaboration.

### **DIRECTOR'S COMMENTS**

Director Safranski reported on his attendance at the South Orange County Agencies Group meeting.

Director Acosta had no comments.

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Director Horst responded to Mr. Chandos by replying that the responses from IRWD and SMWD are due by June 15<sup>th</sup>. Director Horst reported that both he and Mr. Perea met with the State Water Resources Control Board (SWRCB) on financial opportunities to assist the District, including State Revolving Fund (SRF) loans and Proposition 4 funding opportunities.

Director Anderson had no comments.

Director Mandich had no comments.

**REPORT FROM THE GENERAL MANAGER**

Mr. Paludi reported that District staff hosted a tour of the Robinson Ranch Wastewater Treatment Plant (WWTP) for a local Cub Scout group on Saturday, May 24<sup>th</sup>. Mr. Perea provided a brief overview of the tour and thanked Wastewater Operations staff for their preparation and participation in the event.

**ACTION CALENDAR**

***FINANCIAL MATTERS***

**ITEM 1: RECOGNITION OF EMPLOYEE BARGAINING UNITS**

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Mr. Paludi introduced this matter for Board consideration, and he reported that District staff have formed two bargaining units and unionized with the International Brotherhood of Electrical Workers (IBEW) Local 47. Mr. Paludi added that General Counsel advised that the District's General Manager grant voluntary recognition of each bargaining group and that the Board ratify the General Manager's response to the Public Employment Relations Board (PERB). Discussion occurred concerning the process for recognition with PERB and the next steps for District management. Director Safranski expressed concern with this update and inquired what triggered the need for an employee union; Ms. Collins indicated that unless there is a legal basis for disputing the appropriateness of the proposed unit(s), the District is required to recognize IBEW as the representative of TCWD employees' bargaining units.

Director Mandich recognized public comments on this matter.

Ray Chandos – Mr. Chandos expressed concern on the recognition process as the Board should have an opportunity to review this matter prior to the General Manager's approval. Mr. Chandos recommended the Board rescind the initial approval.

Director Mandich asked Ms. Collins the legality of rescinding the initial approval of the voluntary recognition; Ms. Collins replied that there is no legal basis to prevent this action.

**MOTION:** Ratification of General Manager's response to the Public Employment Relations Board (PERB) on behalf of Trabuco Canyon Water District to voluntarily recognize the International Brotherhood of Electrical Workers, Local 47, as the exclusive representative of the General and Mid-Manager bargaining units of District employees - Director Acosta

**SECOND:** Director Anderson

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

**NOES:** Director Safranski

**ABSTAIN:** None

**ABSENT:** None

**MOTION PASSED/FAILED:** Passed 4 -1 with Director Safranski voting No.

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**ITEM 2: TRABUCO CANYON WATER DISTRICT FISCAL YEAR 2025-26 BUDGET WORKSHOP**

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Mr. Paludi presented this matter for Board consideration, and he introduced Ian Berg with Starting Line Advisory to present the FY 2025-26 proposed budget draft and financial plan.

Mr. Berg delivered a PowerPoint presentation which detailed the proposed Fiscal Year 2025-26 budget including input from the Board from the April 28<sup>th</sup> Special Board Meeting Budget Workshop. Mr. Berg reviewed two different rate scenario options with the Board consistent with the approved noticed rates; operating and capital improvement plan (CIP) budget updates and financing strategies; an overview of the District's reserves; and 10-Year financial plan dashboard for planning purposes. Discussion occurred concerning the implementation of alternative rate strategies to decrease impacts on customers while meeting the District's financial obligations and capital investments. Mr. Berg suggested further evaluating additional rate strategies, including a two-phased approach over the fiscal year, and that this can be presented at the regular board meeting or another special meeting, if necessary. Discussion occurred regarding community outreach efforts on the proposed budget and rates. Mr. Paludi indicated that staff will bring additional updates for Board consideration at the following regular meeting.

The Board, through President Mandich, expressed their appreciation to Mr. Berg for his presentation on the proposed budget and rates.

**MOTION:** None

**ITEM 3: CONSIDERATION OF PROPOSED UPDATED DISTRICT RESERVES POLICY**

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Mr. Paludi introduced this matter for Board consideration, and he reported that staff has worked with Mr. Berg to review the District's current reserve policy (adopted in 2015) for potential restructuring and updates. Mr. Berg provided a report which reviewed a proposed updated Cash Reserve Policy which would restructure the reserves into three (3) pools of cash reserves with individualized levels and designated purposes and uses. Mr. Berg reviewed the proposed reserve consolidations with the Board and recommended reviewing this matter in detail with the Finance/Audit Committee and then approval by the Board in June.

**MOTION:** None

**ADJOURNMENT**

President Mandich adjourned the May 27, 2025 Special Board Meeting at 7:55 p.m.