



## **MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | SEPTEMBER 17, 2025**

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The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on September 17, 2025, was called to order by President Ed 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

### **DIRECTORS ABSENT**

None

### **STAFF PRESENT**

Michael Perea, Assistant General Manager  
Lorrie Lausten, District Engineer  
Karen Warner, Principal Accountant  
Roseann Lejsek, Executive Assistant  
Phil Serpas, CMMS/SCADA Administrator  
Gary Kessler, Water Operations Superintendent  
Other staff were present

### **STAFF ABSENT**

Fernando Paludi, General Manager

### **DISTRICT CONSULTANTS**

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

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

None

### **VISITOR PARTICIPATION**

None

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**ORAL COMMUNICATION**

Director Mandich read the names of members of the public that submitted e-comments after the posting of the agenda.

**DIRECTOR'S COMMENTS**

Director Anderson provided a report on the Local Agency Formation Commission of Orange County (OC LAFCO) meeting he attended earlier in the month.

Director Horst provided a brief report on the Municipal Water District of Orange County (MWDOC) meetings he attended earlier in the month.

Director Acosta provided a report on his attendance at the Urban Water Institute conference.

Director Safranski expressed his appreciation to Director Anderson for chairing the previous month's Regular Board meeting.

Director Mandich had no comments.

**REPORT FROM THE ASSISTANT GENERAL MANAGER**

Mr. Perea reported on the following matters:

- The General Manager was currently on vacation and returning at the end of the month.
- District staff was monitoring forecasted potential weather impacts and the related Airport Fire Debris Flow Plan response efforts, if needed.
- A Special Board meeting would be held the following evening to discuss possible disposition of the District's Porter Property.
- A dedicated webpage was published on the District's website to provide updates on the ongoing rate relief exploration efforts.
- A small sewer overflow event happened on a private owner's sewer system earlier in the week, and District staff notified the owner.
- A tour of the transmission main pipeline repair project was scheduled for the following week for any Board members who would like to attend.

**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. Perea presented Items 1-5 for Board consideration and approval in accordance with the agenda.

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

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1. August 20, 2025 Regular Board Meeting Minutes

**ITEM 2: TREASURER'S REPORT**

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1. August 14, 2025 Finance/Audit Committee Meeting Recap
2. July 2025 Preliminary Unaudited Financials
3. August 2025 Bills for Consideration, Payroll and Payroll Taxes

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

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1. August 6, 2025 Engineering/Operational Committee Meeting Recap

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

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1. August 4, 2025 Executive Committee Meeting Recap

**ITEM 5: APPROVAL OF DISTRICT PROPERTIES COMMITTEE MEETING RECAP(S)**

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1. March 13, 2025 District Properties Committee Meeting Recap

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

**SECOND:** Director Safranski

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

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

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

**ACTION CALENDAR**

**ADMINISTRATIVE MATTERS**

**ITEM 6: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, AND TENTATIVE FUTURE MEETINGS/ATTENDANCE**

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Mr. Perea 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 amended Directors' expenses and fees from August 2025 – Director Acosta

**SECOND:** Director Anderson

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

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

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

**ITEM 7: INFORMATIONAL UPDATES FROM BOARD COMMITTEES**

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Committee members provided updates on the following Committees:

Executive Committee – Director Mandich reported that the Committee discussed sunsetting the Shared Services Ad Hoc Committee and creating a new Rate Relief Ad Hoc Committee related to ongoing rate relief discussions. Director Mandich also reported that he attended a meeting with Irvine Ranch Water District (IRWD) and Santa Margarita Water District (SMWD) at the Board and General Manager level, and he stated that the agencies advised that the analysis, review and conceptual proposal would be completed and presented in the coming months. Director Mandich requested that staff update the District's website accordingly.

District Properties Committee – Director Mandich reported that the Committee met with the District's land consultant, Stadia Realty, and reviewed their completed report on potential disposition options for the Porter Property.

Public Outreach Committee – Director Horst reported that the third Community chat forum was held on September 8, and he stated that all discussions were open and positive. Director Horst added that the Committee is looking to schedule quarterly meetings in the future.

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

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**ITEM 8: AUTHORIZATION TO SUBMIT APPLICATION FOR INCLUSION ON THE FIRE RISK REDUCTION COMMUNITY LIST**

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Mr. Perea presented this matter for Board consideration, and he reported that Director Safranski requested to bring this matter to the Board. Mr. Perea provided background information on the Fire Risk Reduction Community List (FRRCL) maintained by the Board of Forestry and Fire Protection (BOF) as well as the benefits to achieving a Fire Risk Reduction Community designation. Mr. Perea added that there is no cost to the District and that if approved, the District would remain on the list for two years.

- MOTION:** 1. Receive and file the application for inclusion on the California Board of Forestry and Fire Protection Fire Risk Community List and provide input as necessary.  
2. Authorize staff to submit the application for inclusion on the California Board of Forestry and Fire protection Fire Risk Community List – Director Acosta

**SECOND:** Director Safranski

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

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

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

**FINANCIAL MATTERS**

**ITEM 9: DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT'S FIXED CHARGES METHODOLOGY**

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Public Comment was received in relation to this item on the agenda.

Jay Gentile – Mr. Gentile addressed the Board of Directors with his concerns regarding the current 1-inch meter fixed charge. Mr. Gentile asked the Board to explore all options to reduce the fixed meter charge.

Mr. Perea presented this matter for Board consideration, and he reported that this matter was reviewed with the Finance/Audit Committee. Mr. Perea provided an overview of the Finance/Audit Committee's recent discussions related to the fixed charges methodology, and he stated that the Committee requested a proposed schedule for a new cost of service study with the goal of implementing updated rates in January 2027.

Discussion occurred among the Board weighing potential short-term and long-term solutions.

Director Horst suggested that the 1-inch meter fixed charge be reduced by \$30 to provide immediate relief until a new cost of service study can be completed.

Director Anderson provided alternate calculations for potential reduction of the 1-inch meter fixed charge. Director Anderson commented that he believes a new cost of service study should be completed, focusing on domestic water only, to accelerate the timeline for new rate implementation. Director Anderson also commented that the new study should implement a four-tier variable rate structure to more fairly allocate costs to higher water users, and a meter fixed charge that is the same for all customers with meters 1-inch or smaller. Director Anderson expressed his concerns regarding neighboring agencies' evaluation of the District for potential consolidation based on the current rates.

Director Acosta commented that he is not in favor of deviating from the current cost of service study rates due to the Capital Improvement Program projects that have been calculated into the current methodology and the potential to have a negative impact to our current standing with lenders. Director Acosta was of the opinion that

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neighboring agencies should not drive the District’s decisions on setting rates, and that the District should look at implementing a fair methodology.

Director Safranski thanked Director Anderson for his efforts in calculating potential reduction scenarios for the 1-inch meter fixed charge. Director Safranski expressed his support in moving forward with a new rate study.

Ms. Collins encouraged the Board not to make any decisions on the current rates until an extensive review and discussion of the current rate structure could be had with the District Treasurer and rate consultant, due to the complexities of rate setting. Mr. Perea cautioned the Board to consider the potential financial impacts to the District’s planned capital improvement project schedule as a result of reducing the fixed charges without performing a detailed analysis.

Director Mandich directed staff to poll the Board members to schedule a Special Board Meeting to further discuss the current cost of service study methodology and financial impacts with the District Treasurer and rate consultant.

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

**ITEM 10: DISTRICT WEBSITE REDESIGN DEVELOPMENT AND SUPPORT SERVICES CONTRACT AWARD**

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Public Comment was received in relation to this item on the agenda.

Ray Chandos – Mr. Chandos addressed the Board of Directors and requested this matter be tabled until the decision on consolidation is made. Mr. Chandos added that this may not be a necessary expenditure once the District hears back from the two neighboring agencies.

Mr. Perea presented this matter for Board consideration, and he reported that the Public Outreach Committee directed staff to issue a Request for Qualifications (RFQ) for Website Redesign Development and Support Services. He added that this direction was based on the Committee’s shared concerns with staff concerning the current website configuration, layout constraints, and customer feedback. Mr. Perea provided a summary of the three proposals as well as staff’s meeting with each firm. Mr. Perea noted the website accessibility legislative requirements adopted by the U.S. Department of Justice (DOJ) under the Americans with Disabilities Act, adding that small governments and special districts must comply by April 26, 2027. Mr. Perea stated that staff recommends awarding a website redesign development and support services contract to Streamline.

Discussion occurred regarding the timing of this matter in relation to the pending results of the RFP for rate relief. The Board recommended that District staff not proceed on this matter until after the end of December when there is more clarity related to the rate relief exploration efforts.

**MOTION:** Table the Website Redesign Development and Support Services Contract Award Until January 1, 2026 – Director Horst

**SECOND:** Director Acosta

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

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

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

**ENGINEERING MATTERS**

**ITEM 11: ROBINSON RANCH WASTEWATER TREATMENT PLANT BLOWER MODIFICATION PROJECT CONSTRUCTION MANAGEMENT CONTRACT AWARD**

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Mr. Perea presented this matter for Board consideration. Ms. Lausten reported that the Board awarded a construction contract to SS Mechanical for this project, and that staff went out to bid for construction management services. Ms. Lausten reported that staff solicited proposals from five firms, three firms attended the pre-proposal meeting and received one proposal from MCM Consulting. Ms. Lausten provided an overview of the proposal evaluation and recommended awarding a construction management contract for the blower modification project to MCM Consulting.

A brief discussion occurred regarding the importance of construction management, as well as the construction management contract amount in relation to the overall project budget.

**MOTION:** Award a Construction Management Services contract for the WWTP Blower Modification Project to MCM Consulting for a fee not-to-exceed \$118,310 with a 10% contingency, for a total not-to-exceed amount of \$130,141 – Director Acosta

**SECOND:** Director Anderson

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

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

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

**ITEM 12: RATIFICATION OF ROBINSON RANCH WASTEWATER TREATMENT PLANT BLOWER EQUIPMENT PURCHASE**

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Mr. Perea presented this matter for Board consideration. Ms. Lausten reported that the existing Hoffman centrifuge air blowers have reached their end of life, and she provided photos of the existing Hoffman blowers internal components, pointing out extreme wear and severe surface pitting. Mr. Smith reported that the blowers have been rebuilt multiple times throughout the years and are now failing at a fast rate due to efficiency losses and failures from the rebuilds.

**MOTION:** Ratify the purchase of two blower/motor assemblies and one blower only from Lone Star Blower in the amount of \$177,635 – Director Safranski

**SECOND:** Director Acosta

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

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

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

**ITEM 13: DOVE RESERVOIR MAINTENANCE ROAD ASPHALT RESURFACING PROJECT**

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Mr. Perea presented this matter for Board consideration, and he reported that this matter was reviewed with the Engineering/Operational Committee. Mr. Perea reported that the District owns and operates Dove Reservoir, and that the District shares a road with Dove Canyon Master Association leading to the reservoir. Mr. Perea reported that DCMA reached out to the District requesting to share the cost of road paving, and he noted that the work has already been completed.

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**MOTION:** Ratify the District’s cost-share for the asphalt resurfacing project to the Dove Reservoir maintenance road in the amount of \$13,639 – Director Acosta

**SECOND:** Director Mandich

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

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

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

**LEGISLATIVE AND OTHER MATTERS**

**ITEM 14: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)**

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There were no matters presented.

**MOTION:** None.

**CLOSED SESSION**

The Board of Directors entered closed session in accordance with the agenda at 7:32 p.m. District General Counsel participated in closed session.

District General Counsel left closed session at 8:08 p.m.

The closed session ended at 8:12 p.m.

**ITEM 15: REPORT OF ACTION(S) TAKEN IN CLOSED SESSION**

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Ms. Collins reported that the Board of Directors met in closed session to review the matters as agendized, and that there was no action to be reported in closed session.

**ITEM 16: APPROVAL OF GENERAL MANAGER CONTRACT AMENDMENT**

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Ms. Collins reported that this matter would be tabled for discussion at a future meeting.

**GENERAL COUNSEL REPORT**

None

**OTHER INFORMATION/MATTERS**

None

**ADDITIONAL DIRECTORS’ COMMENTS**

None

**ADJOURNMENT**

Director Mandich adjourned the September 17, 2025 Regular Board Meeting at 8:13 p.m.