



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | OCTOBER 15, 2025

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on October 15, 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 Safranski 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

Sue Marucci – Ms. Marucci addressed the Board of Directors with her concerns regarding the District’s outgoing expenses. Ms. Marucci expressed her opinion that a forensic audit should be conducted of the District’s finances.

DIRECTOR’S COMMENTS

Director Safranski provided a brief report on the meetings he attended during the previous month, and he reported on his status update to the Community Associations of Rancho (CAR) group regarding the District’s potential consolidation.

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

Director Anderson provided information on the District’s upcoming Special Board Meetings.

Director Mandich reported that there were no new updates on the District’s RFP for Rate Relief, but that the District expects to receive information in December. Director Mandich also reported that a Special Board meeting was held earlier in the day to review candidates for the position of General Manager. Lastly, Director Mandich reported that the District will hold two Special Board meetings on October 21 and October 29, to discuss potential disposition of the Porter property and water rates, respectively.

Director Acosta had no comments.

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported on the following matters:

- The General Manager recruitment should conclude in the first two weeks of November.
- The General Manager’s last day will be November 19.
- Both agencies that received the RFP for rate relief are working on proposals that should go to their Boards in November.
- Mr. Paludi expressed his appreciation to staff for their professionalism during the RFP process.
- The District is well below the average losses and claims with insurance carrier ACWA JPIA. Thanks to Mr. Perea for being the liaison and working with ACWA JPIA throughout the year.

Mr. Perea provided information on the H2O for HOA’s event taking place October 23rd. Mr. Perea noted that Director Safranski would be sitting on a panel related to home fire hardening.

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 1-3 for Board consideration and approval in accordance with the agenda.

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

1. September 9, 2025 Special Board Meeting Minutes
2. September 17, 2025 Regular Board Meeting Minutes
3. September 18, 2025 Special Board Meeting Minutes

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ITEM 2: TREASURER’S REPORT

1. September 11, 2025 Finance/Audit Committee Meeting Recap
2. August 2025 Preliminary Unaudited Financials
3. September 2025 Bills for Consideration, Payroll and Payroll Taxes

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

1. September 3, 2025 Engineering/Operational Committee Meeting Recap

MOTION: Approve the consent calendar as presented – Director Acosta

SECOND: Director Anderson

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 amended Directors’ expenses and fees from September 2025 – 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: INFORMATIONAL UPDATES FROM BOARD COMMITTEES

Mr. Paludi reported that the standing Committees met this month, and there were no additional updates to provide.

MOTION: None. Informational item only.

ITEM 6: APPROVAL OF GENERAL MANAGER CONTRACT AMENDMENT

Director Mandich announced the proposed changes to the General Manager’s contract that renewed on September 1, 2025, stating that there would be no change in compensation but that a \$5,000 bonus would be paid upon separation from the District.

Director Safranski expressed his appreciation to the General Manager for his help and that a retention bonus is well-deserved.

Director Anderson echoed Director Safranski’s comments.

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Mr. Paludi commented that he would remain available to the District after his separation.

MOTION: Approve an amendment to the General Manager’s employment agreement to provide for a lump sum bonus of \$5,000 to be paid upon separation from the District and that all other provisions of the employment agreement remain unchanged – 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 7: MID-YEAR OPERATING AND CAPITAL BUDGET PLANNING UPDATE

Mr. Paludi presented this matter for Board consideration. Mr. Berg delivered a Fiscal Year 2026 Mid-Year Budget and Financial Plan presentation to the Board, discussing mid-year budget key objectives, strategic considerations, and a budget timeline.

Director Safranski expressed his appreciation to Mr. Berg for his clear and comprehensive financial reporting.

Director Acosta expressed his hope for the potential sale of the Porter property to offset the costs of the Dimension transmission main line rehabilitation project.

MOTION: None. Informational item only.

ENGINEERING MATTERS

ITEM 8: DIMENSION WATER TREATMENT PLANT TRANSMISSION MAIN & FILTER 4 REHAB PROJECT

Mr. Paludi presented this matter for Board consideration. Ms. Lausten reported that Phase 1A of the project was close to completion, and that Phase 1B was scheduled to be completed in early January. Ms. Lausten provided a construction report and presented photos documenting progress of the project. Ms. Lausten also reported that the Filter 4 structural improvement project was complete.

Discussion occurred regarding the pipe bursting portion of the project in Phase 1B, and the Board expressed interest touring the project site. Ms. Lausten stated that she would schedule a tour for the Board to view the process.

MOTION: None – Informational item only.

ITEM 9: QUARTERLY CAPITAL IMPROVEMENT PROGRAM UPDATE

Mr. Paludi presented this matter for Board consideration. Ms. Lausten presented a FY25-26 Capital Improvement Plan Budget update, and she provided a high-level status update on all projects.

MOTION: None – Informational item only.

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LEGISLATIVE AND OTHER MATTERS

ITEM 10: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

Mr. Paludi reported that Metropolitan Water District of Southern California (MET) Board appointed Mr. Shivaji Deshmukh as General Manager.

Ms. Collins reported on various bills that passed in the most recent legislative session.

MOTION: None.

CLOSED SESSION

The Board of Directors entered closed session in accordance with the agenda at 7:09 p.m. The General Manager and District General Counsel participated in closed session.

The closed session ended at 8:39 p.m.

ITEM 11: REPORT OF ACTION(S) TAKEN IN CLOSED SESSION

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.

GENERAL COUNSEL REPORT

Ms. Collins reported that she is working on gathering information for the Board related to the Division Based Election process, and she stated that she will bring further information at a future Board meeting.

OTHER INFORMATION/MATTERS

None

ADDITIONAL DIRECTORS' COMMENTS

None

ADJOURNMENT

Director Mandich adjourned the October 15, 2025 Regular Board Meeting at 8:48 p.m.