



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | SEPTEMBER 18, 2019

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on September 18, 2019 was called to order by President Safranski at 7:00 PM, in the Board Room at the District Administrative Facility, located at 32003 Dove Canyon Drive, Trabuco Canyon, California. Mr. Robert Anslow, Assistant District Secretary, transcribed the minutes thereof.

DIRECTORS PRESENT

President Michael Safranski
Vice President Don Chadd
Director Edward Mandich

DIRECTORS ABSENT

Director Glenn Acosta
Director Stephen Dopudja

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager/District Secretary
Lorrie Lausten, Principal Engineer
Lisa Marie Sangi, Administrative Assistant
Karen Warner, Accounting Supervisor
Jason Stroud, Maintenance Superintendent

DISTRICT CONSULTANTS PRESENT:

Rob Anslow, District General Legal Counsel (Atkinson, Andelson, Loya, Ruud & Romo)/Assistant District Secretary

PUBLIC PRESENT

There were members of public present.

PLEDGE OF ALLEGIANCE

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

ITEMS TOO LATE TO BE AGENDIZED

None

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

DIRECTOR'S COMMENTS

The Board of Directors present welcomed Mr. Fernando Paludi, the District's new General Manager.

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REPORT FROM THE GENERAL MANAGER

Mr. Paludi expressed his appreciation to the Board of Directors and District staff. Mr. Paludi briefly reported on his recent and planned meeting attendance items, including the South Orange County Agencies' Group Joint Meeting with the Municipal Water District of Orange County (MWDOC) and Orange County Water District (OCWD), and the South Orange County Wastewater Authority (SOCWA) Joint Powers Agreement Manager's Meeting.

Mr. Perea briefly updated the Board on employee-related matters, and reported that Mr. Blake Smith, Wastewater Operator III, had recently passed his California Water Environmental Association (CWEA) Collection Systems II certification examination.

CONSENT CALENDAR

President Safranski 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.

Action: A motion was made by Director Mandich, and seconded by Director Chadd, to approve the presented Consent Calendar Items. There was no further discussion.
The motion was approved by a vote of 3-0-2 with Directors Acosta and Dopudja absent.

ADMINISTRATIVE MATTERS

ITEM 5. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE PROPOSED PALOMA SQUARE DEVELOPMENT (DOVE CANYON PLAZA)

Director Mandich recused himself from discussion and voting on this Agenda Item.

Mr. Paludi presented this matter for Board review, and he indicated that the matter concerning the proposed rezoning and Paloma Square development was previously discussed at the prior Regular Board Meeting. Mr. Paludi reported that a representative from Hunsaker & Associates, the Developer's Engineering Firm, had contacted the District's Principal Engineer, Ms. Lorrie Lausten, concerning a request for the preparation of water and sewer capacity study. Discussion occurred concerning the District's process for the preparation of a Sub-Area Master Plan (SAMP). Mr. Paludi highlighted that the District has updated its website with a webpage with updated information concerning the District's correspondence with the City of Rancho Santa Margarita concerning the proposed rezoning effort and development. Mr. Paludi reported that the District and the Board of Directors had received a letter from a customer in the Dove Canyon community which expressed concerns with the overall process.

Discussion occurred concerning the District's response to the proposed rezoning and development, as well as, the potential impacts to the District's Administration Facility. President Safranski highlighted the District Properties' Ad Hoc Committee's recommendations concerning the matter, and he indicated that it appeared to be an incompatible use with the District's current operations at the Administration Facility. Discussion occurred concerning the history of the acquisition of the District's Administration Facility and the existing easements, rights, and entitlements associated with the property.

Ms. Susan White, Dove Canyon resident and District customer, addressed the Board with her concerns about the potential for the District relocating its Administrative operations.

Action: The Board took no action on this matter.

ITEM 6. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TRABUCO CANYON WATER DISTRICT'S 2020 HEALTH BENEFIT RATES

Mr. Perea presented this annual item for Board consideration, and he mentioned that this was previously reviewed with the Finance/Audit Committee. Mr. Perea briefly highlighted the CalPERS health benefit rates for 2020 and reviewed a District staff prepared trend analysis with the Board. Discussion occurred concerning certain health benefit plan options and provisions.

Action: A motion was made by Director Chadd and seconded by Director Mandich to Adopt Resolution No. 2019-1272 Fixing the Employer Contribution at an equal amount for Employees and Annuitants under the Public Employees' Medical and Hospital Care Act. There was no further discussion.
The motion was approved on a roll call vote of 3-0-2 with Directors Acosta and Dopudja absent.

A motion was made by Director Chadd and seconded by Director Mandich to Adopt Resolution No. 2019-1273 Fixing the Employer Contribution at an equal amount for Employees and Annuitants under the Public Employees' Medical and Hospital Care Act. There was no further discussion.
The motion was approved on a roll call vote of 3-0-2 with Directors Acosta and Dopudja absent.

ITEM 7. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TRABUCO CANYON WATER DISTRICT'S RATE ANALYSIS FOR WATER, WASTEWATER, AND NON-DOMESTIC WATER RATES AND CHARGES AND RELATED MATTERS

Mr. Paludi presented this informational item for Board consideration, and he indicated that no action was required. Mr. Perea reported that District staff were scheduled to meet with Raftelis Financial Consultants (RFC) to review the initial Costs of Services analysis, and he reviewed the Tentative Project Schedule with the Board. Discussion occurred concerning the costs associated with both domestic and non-domestic water, and the District's history as a non-domestic water purveyor.

Action: The Board took no action on this matter.

ENGINEERING MATTERS

ITEM 8. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING EL TORO SEWER LIFT STATION NORTH SIDE WET WELL PUMP IMPROVEMENTS

Mr. Paludi presented this item for Board consideration, and he mentioned that this matter had been reviewed with the Engineering/Operational Committee. Ms. Lausten reported that District staff requested proposals for the replacement of the El Toro Sewer Lift Station South Side Wet Well Pumps in Fiscal Year 2018/2019 and selected vendor Flo-Services. Ms. Lausten added that District staff budgeted for the replacement of the North Side Wet Well in Fiscal Year 2019/2020 and planned to match the same pumps for operational purposes. Mr. Stroud provided a brief review of the operational functions and equipment requirements at the facility. Discussion occurred concerning backup power generation in the event of an electrical power outage and the impacts of state regulatory requirements on certain types of equipment.

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Action: A motion was made by Director Mandich and seconded by Director Chadd to authorize the General Manager to purchase replacement pumps and appurtenances for El Toro Sewer Lift Station from Flo-Services, Inc. in the amount of \$231,786.
The motion was approved by a vote of 3-0-2 with Directors Acosta and Dopudja absent.

ITEM 9. SADDLE CREST DEVELOPMENT (63 DUs)

Ms. Lausten provided a brief update on the District's onsite reservoir and pump station in this development, and she reviewed the monthly Construction Update with the Board. Ms. Lausten reported that the developer has experienced some delays due to the lack of permanent electrical power supply from Southern California Edison (SCE).

Action: The Board took no action on this matter.

ITEM 10. DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE URBAN WATER & STORMWATER RUNOFF CONVEYANCE STRUCTURE TO DOVE LAKE

Mr. Paludi presented this matter for Board consideration, and he reported that District staff had provided a letter to Trabuco Highlands Community Association (THCA) consistent with the Board's direction at the prior Regular Board Meeting. Mr. Perea added that THCA had indicated that they were receptive to the District's terms with the condition that any repairs made to the spillway would take into consideration the general aesthetics of the surrounding area. Mr. Paludi recommended that District staff and General Legal Counsel prepare a DRAFT Agreement consistent with the terms provided to THCA for review and approval at their next Regular Board Meeting, and he mentioned that District staff will bring the DRAFT Agreement back to the District Board for their consideration at the October 16, 2019 Regular Board Meeting. Discussion occurred concerning the potential impacts of a winter rain season on the proposed repairs.

Action: A motion was made by Director Chadd and seconded by Director Mandich to direct District staff and District General Legal Counsel to draft an Agreement By and Between Trabuco Canyon Water District and Trabuco Highlands Community Association for the repair of the Urban Water & Stormwater Runoff Conveyance Structure to Dove Lake and other related matters.
The motion was approved by a vote of 3-0-2 with Directors Acosta and Dopudja absent.

LEGISLATIVE, ADMINISTRATIVE AND OTHER MATTERS

ITEM 11: ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) REGION 10 BOARD ELECTION FOR THE 2020-2021 TERM

Mr. Paludi presented this matter for Board consideration, and he reviewed the candidate slate recommended by the Association of California Water Agencies (ACWA) Region 10 Nominating Committee with the Board. Discussion occurred concerning the Region 10 voting rules and bylaws. Mr. Perea added that the official ballot was due to ACWA by September 30, 2019, and he briefly highlighted other neighboring agency selections.

Action: A motion was made by Director Mandich and seconded by Director Chadd with concurrence of the Board Members present for the District Voting Representative to support the ACWA Region 10 Nominating Committee Candidate Slate per District staff recommendation.
The motion was approved by a vote of 3-0-2 with Directors Acosta and Dopudja absent.

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ITEM 12. LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

Mr. Paludi presented a brief update on certain state legislative water-related matters, including, but not limited to, State Water Resources Control Board (SWRCB) PFAS monitoring legislation, and SB 307 (Roth) which impacts the manner in which water is conveyed in certain areas in the State and has a direct impact on the Cadiz Project by subjecting the project to additional environmental review. Discussion occurred concerning other state legislative matters.

Action: The Board took no action on this matter.

CLOSED SESSION

The Board entered Closed Session at 8:19 p.m.

CLOSED SESSION NO. 1. CONFIDENTIAL INFORMATION – PUBLIC EMPLOYMENT – TRABUCO CANYON WATER DISTRICT – GENERAL MANAGER POSITION

The Board of Directors met in closed session regarding Trabuco Canyon Water District - ANTICIPATED/THREATENED LITIGATION - Meeting with Legal Counsel Pursuant to Government Code Sections 54954.5(c) & 54956.9(a). The District's General Manager, Assistant General Manager, Principal Engineer, and General Legal Counsel participated in the Closed Session.

The Board reconvened in open session at 8:23 p.m.

ITEM 13: REPORT OF ACTION(S) TAKEN IN CLOSED SESSION

Action: A motion was made by Director Chadd and seconded by Director Mandich to accept the claim submitted to the District in an amount not to exceed \$15,000; with the final amount to be determined by District staff; pay the determined amount; and to obtain a written release and settlement.
The motion was approved by a vote of 3-0-2 with Directors Acosta and Dopudja absent.

OTHER INFORMATION/MATTERS

None

ADDITIONAL DIRECTORS' COMMENTS

There were no additional Directors' comments received.

ADDITIONAL GENERAL MANAGER COMMENTS

There were no additional General Manager comments received.

END ACTION CALENDAR

ADJOURNMENT

President Safranski adjourned the September 18, 2019 Regular Board meeting at 8:24 PM.