



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | JUNE 17, 2020

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on June 17, 2020 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. Michael Perea, District Secretary, transcribed the minutes thereof.

DIRECTORS PRESENT

President Michael Safranski
Vice President Don Chadd
Director Glenn Acosta
Director Stephen Dopudja
Director Edward Mandich

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager/District Secretary
Lorrie Lausten, Principal Engineer
Karen Warner, Senior Accountant
Lisa Marie Sangi, Administrative Assistant

DISTRICT CONSULTANTS PRESENT AT ADMINISTRATION FACILITY

Rob Anslow, District General Legal Counsel (Atkinson, Andelson, Loya, Ruud & Romo - AALRR)

DISTRICT CONSULTANTS PRESENT ON CONFERENCE CALL

Cyndy Byerrum, District Treasurer Eide Bailey

PUBLIC PRESENT ON THE CONFERENCE CALL

Greg Mills, Serrano Water District Director
There were other members of the public present via conference call.

PLEDGE OF ALLEGIANCE

All callers and attendees were instructed to face the nearest flag and site the Pledge of Allegiance. Director Mandich 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

None

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DIRECTOR'S COMMENTS

Director Mandich expressed that it was great to see his fellow Directors and District staff in person. Director Mandich indicated that he planned to recuse himself from Item Nos. 6 and 10.

Director Dopudja thanked District staff for their hard work at this time, and he expressed his appreciation to meet in person with his fellow Directors.

Director Chadd complimented District staff for their hard work, and he commented that he was impressed with the completed Spillway project.

Director Acosta commented on the uncertain financial impacts of COVID-19 on other agencies and cities. Discussion occurred on the neighboring agencies financial considerations.

Director Safranski recommended adjusting certain agenda items to accommodate Director Mandich's recusal and Mr. Mills.

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported the following matters:

- Mr. Paludi commented that he was glad to meet with the Board of Directors in person, and he thanked District staff for their hard work during this period.
- Mr. Paludi provided an organizational update by reporting District staff promotions:
 - Kyle Sitzmann to Mechanical Technologist I
 - Lorrie Lausten to District Engineer.
- Mr. Paludi reported that the District participated in a Duke University study to evaluate the impacts of COVID-19 on a small group of water agencies across the nation.

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 Acosta to approve the presented Consent Calendar Items. There was no further discussion.
The motion was approved by a vote of 5 - 0.

LEGISLATIVE, ADMINISTRATIVE AND OTHER MATTERS

ITEM 14: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) 2020 BOARD OF DIRECTORS ELECTION

Mr. Paludi presented this matter for Board consideration, and he introduced Mr. Greg Mills, Serrano Water District Director, and candidate for CSDA 2020 Board of Directors Election was present via conference call to request support from the Board of Directors.

Mr. Mills commented on his position platform and he requested the support from the Board of Directors in the 2020 Board of Directors Election.

Discussion occurred concerning the California Special District's Association (CSDA) 2020 Board of Directors Election ballot and voting process. Mr. Paludi indicated that Director Acosta was the District's CSDA Delegate.

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Action: A motion was made by Director Chadd and seconded by Director Dopudja for the Board of Directors to vote for Mr. Greg Mills for the Southern Network, Seat C position in the CSDA 2020 Board of Directors Election, and to authorize Director Acosta to cast the ballot on behalf of the District. There was no further discussion.
The motion was approved by a vote of 5 - 0.

ADMINISTRATIVE MATTERS

ITEM 5: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING CURRENT PUBLIC HEALTH CONCERNS INCLUDING DISTRICT GOVERNANCE TO ADDRESS THE CORONAVIRUS, SAFETY OF DISTRICT SERVICES AND EMPLOYEES, AND/OR IMPACT TO BOARD & COMMITTEE MEETINGS

Mr. Paludi provided a brief update on this matter to the Board, and he reported that the County of Orange has moved to phase three of opening. Discussion occurred concerning the District's current level of business resumption; Mr. Paludi commented that the Administration Facility is open for customer business only and that face masks are recommended, but not mandatory, consistent with State and County requirements. Mr. Paludi reported that the District has contracted with an independent janitorial services firm for the cleaning of the Administration Facility.

Action: The Board took no action on this matter.

Director Mandich recused himself from discussion on the following matters by physically leaving the Board Room at 7:27 PM.

ITEM 6: DISCUSSION AND POSSIBLE ACTION(S) RELATED TO THE PROPOSED PALOMA SQUARE DEVELOPMENT (DOVE CANYON PLAZA) AND OTHER RELATED MATTERS

Mr. Paludi presented this matter for the Board, and he provided a handout with a revised recommended action. Director Dopudja provided an update from the District Properties' Ad Hoc Committee concerning the Special Legal Counsel interviews and the recommended firm selection. Discussion occurred concerning certain issues related to property impacts. Mr. Paludi presented the DRAFT District Property Newsletter which had been prepared from the District's perspective as a property owner, and not that of a water purveyor. Discussion occurred concerning the newsletter distribution frequency and publication costs. Director Chadd expressed his compliments to his fellow Directors for their feedback and input on preparation of the District Property Newsletter.

Action: A motion was made by Director Dopudja and seconded by Director Chadd to engage the services of Hanson Bridgett LLP as Special Legal Counsel to provide property-related legal services to the District for a not-to-exceed amount of \$50,000 and to authorize the General Manager to sign a Professional Services Agreement with such Firm in a form to be approved by the General Counsel. There was no further discussion.
The motion was approved by a vote of 4 – 0 – 1 with Director Mandich abstaining.

A motion was made by Director Acosta and seconded by Director Chadd to approve Property Owner Newsletter – June 2020 for public release. There was no further discussion.

The motion was approved by a vote of 4 – 0 – 1 with Director Mandich abstaining and was not present in the room.

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ITEM 10: DISCUSSION AND RATIFICATION OF CONTRACT CHANGE ORDER NO. 6 TO PACIFIC HYDROTECH FOR THE RIDGELINE BOOSTER PUMP STATION IMPROVEMENTS AND CAPACITY INCREASE PROJECT

Mr. Paludi presented this matter for Board consideration, and he mentioned this matter was reviewed with the Engineering/Operational Committee. Ms. Lausten provided a brief project updated, and she commented that the project would be completed by the end of the week. Ms. Lausten presented a Contract Change Order No. 6 for asbestos concrete pipeline (ACP) removal and disposal in the amount of \$1,330. Discussion occurred concerning ongoing negotiations with the developer concerning the cost sharing agreement.

Action: A motion was made by Director Acosta and seconded by Director Dopudja to ratify Contract Change Order No. 6 to Pacific Hydrotech in the not to exceed amount of \$1,330 for ACP Removal and Disposal. There was no further discussion.
The motion was approved by a vote of 4 – 0 – 1 with Director Mandich abstaining and was not present in the room.

Director Mandich returned to the Board Room at 7:47 PM and resumed his participation on the remaining business.

FINANCIAL MATTERS

ITEM 7: AUTHORIZE ACTION FOR TRABUCO CANYON WATER DISTRICT'S FISCAL YEAR 2020/2021 UNDEVELOPED LAND/WATER STANDBY CHARGES (ASSESSMENT) AND SET PUBLIC HEARING

Mr. Paludi presented this matter for Board consideration, and he mentioned that this matter was reviewed on an annual basis. Mr. Perea briefly reviewed the assessment adoption process consistent with Proposition 218, and he presented the DRAFT Public Hearing Notice for Board review and comment. Mr. Perea added that District staff do not propose increasing the assessment, and he recommended the Board of Directors schedule the Public Hearing for the July 15, 2020 Regular Board Meeting.

Action: A motion was made by Director Acosta and seconded by Director Mandich to authorize District staff to proceed with actions for setting the Fiscal Year 2020/2021 Undeveloped Land/Water Standby Assessment at \$15.00 per acre or portion thereof; and agendize Public Hearing and authorize District staff to furnish Notice of Public Hearing on Proposed Fiscal Year 2020/2021 Undeveloped Land/Water Standby Assessments for the July 15, 2020 Regular Board Meeting. There was no further discussion.
The motion was approved by a vote of 5 – 0.

ITEM 8: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) FISCAL YEAR 2020/2021 BUDGET

Mr. Paludi presented this matter for Board consideration, and he commented that this matter was reviewed with the Finance/Audit Committee. Mr. Perea reviewed the District's proposed Water Use Efficiency (WUE) Rebate Enhancement budget, and he provided a handout which trended overall rebate performance. Mr. Perea reviewed the total Municipal Water District of Orange County (MWDOC) Choice budget for the District for Fiscal Year 2020/2021.

Action: A motion was made by Director Chadd and seconded by Director Mandich to approve the Fiscal Year 2020/2021 Municipal Water District of Orange County Choice Programs for Trabuco Canyon Water District in the amount of \$39,714. There was no further discussion.
The motion was approved by a vote of 5 – 0.

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ITEM 9: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TRABUCO CANYON WATER DISTRICT FISCAL YEAR 2020/2021 GENERAL FUND AND CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGETS

Mr. Paludi presented this matter for Board consideration, and he mentioned that the proposed Fiscal Year 2020/2021 General Fund and Capital Improvement Program (CIP), Equipment, and Programmatic budgets were reviewed with both the Engineering/Operational and Finance/Audit Committees. Director Safranski expressed his appreciation to District staff for their hard work during this difficult time, and he recognized the significant impacts of COVID-19 on the overall proposed budget. Mr. Paludi presented a brief update on the proposed budgets, and he reviewed certain changes made to the budget based on feedback from the Board of Directors after the Special Board Meeting – Budget Workshop noting the financial uncertainties due the impact of COVID-19. Ms. Lausten provided a brief review of the District’s multi-year SCADA System Upgrade Project, and she highlighted comparisons with similar upgrade projects at other water agencies. Mr. Paludi briefly reviewed the proposed organizational and salary changes, and he indicated that District staff have completed an internal salary survey for Board consideration. Mr. Perea expressed his appreciation for Ms. Warner and Ms. Sangi for their work collecting the data for the proposed internal salary survey results, and he reviewed the salary survey summary. Mr. Perea added that many of the concerns about the current pay table structure and position classification placements stem from the salary survey performed by an independent third-party consultant in 2016, and he highlighted the concerns that were provided to the Board of Directors in the form of a memo. Discussion occurred concerning the internal salary survey methodology and comparator agency pool selection process. Ms. Byerrum provided her perspective concerning the salary survey conducted in 2016. Discussion occurred concerning further evaluation of the internal salary survey results in conjunction with a different independent third-party consultant, and further review by a District Ad Hoc Committee.

Action: A motion was made by Director Chadd and seconded by Director Mandich to approve the proposed Fiscal Year 2020/2021 District Organizational Chart, as adjusted, to be effective as of July 1, 2020. There was no further discussion.
The motion was approved by a vote of 5 – 0.

A motion was made by Director Chadd and seconded by Director Acosta to adopt Resolution No. 2020-1278 - Resolution of the Board of Directors of Trabuco Canyon Water District Approving the General Fund District Budget for Fiscal Year 2020/2021, without the proposed salary adjustments totaling \$187,400, for an amount of \$11,257,500. There was no further discussion.
The motion was approved by a vote of 5 – 0.

A motion was made by Director Acosta and seconded by Director Mandich to Adopt Resolution No. 2020-1279 - Resolution of the Board of Directors of Trabuco Canyon Water District Approving the Capital Improvement Project, Equipment, and Program Budgets for Fiscal Year 2020/2021 for an amount of \$3,480,000. There was no further discussion.
The motion was approved by a vote of 5 – 0.

A motion was made by Director Chadd and seconded by Director Acosta to direct the General Manager to conduct a review of the internal salary survey with an independent consultant and present the results to the Board of Directors no later than December 2020.

ENGINEERING MATTERS

ITEM 11: DISCUSSION AND APPROVAL OF CONTRACT CHANGE ORDER NO. 1 TO FERREIRA CONSTRUCTION FOR DOVE/ROBINSON RANCH RECYCLED WATER PUMP STATION REHABILITATION PROJECT

Mr. Paludi presented this matter to the Board for consideration, and he mentioned that this matter was reviewed with the Engineering/Operational Committee. Ms. Lausten provided a brief project status update, and she mentioned that the contractor is preparing for the seven-day test of the facility. Ms. Lausten presented a contract change order for work related to the replacement of suction and discharge piping for Board consideration.

Action: A motion was made by Director Chadd and seconded by Director Mandich to Approve Contract Change Order No. 1 to Ferreira Construction in the not to exceed amount of \$138,943.28 for Suction and Discharge Pipe Replacement. There was no further discussion.
The motion was approved by a vote of 5 – 0.

ITEM 12: DISCUSSION AND CONTRACT AWARD FOR CONSTRUCTION MANAGEMENT SERVICES TO BUTIER ENGINEERING, INC. FOR BELL CANYON SEWER LIFT STATION REHABILITATION PROJECT

Mr. Paludi introduced this matter for Board review, and he mentioned that this matter was reviewed with the Engineering/Operational Committee. Ms. Lausten reported that District staff requested proposals for construction management services from pre-approved consultants, and she presented a proposal evaluation summary for Board consideration. Ms. Lausten recommended Butier Engineering, Inc. for construction management services for the project.

Action: A motion was made by Director Mandich and seconded by Director Dopudja to authorize the General Manager to execute contract for construction management services with Butier Engineering, Inc. for a not to exceed amount of \$180,830. There was no further discussion.
The motion was approved by a vote of 5 – 0.

ITEM 13: DISCUSSION AND APPROVAL OF AGREEMENT WITH IRVINE RANCH WATER DISTRICT TO TRANSFER CAPACITY IN EL TORO TRUNK SEWER SYSTEM TO TRABUCO CANYON WATER DISTRICT

Mr. Paludi presented this matter to the Board, and he mentioned that this matter was reviewed with both the Engineering/Operational and Finance/Audit Committees. Mr. Paludi presented the DRAFT El Toro Trunk Sewer System Wastewater Capacity Assignment Agreement (Agreement) between TCWD and Irvine Ranch Water District (IRWD) for Board consideration, and he reported that the IRWD Board of Directors have approved the Agreement. Mr. Paludi added that Santa Margarita Water District (SMWD) has consented to the Agreement.

Action: A motion was made by Director Acosta and seconded by Director Dopudja to approve and authorize the General Manager to execute El Toro Trunk Sewer System Wastewater Capacity Assignment Agreement between Trabuco Canyon Water District and Irvine Ranch Water District. There was no further discussion.
The motion was approved by a vote of 5 – 0.

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LEGISLATIVE, ADMINISTRATIVE AND OTHER MATTERS

ITEM 15: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

Mr. Paludi provided updates on the following matters:

- SB 1386 (Moorlach) – Mr. Paludi highlighted certain provision of the proposed legislation, and he reported that this bill is currently in the State Assembly. Mr. Anslow provided a brief update on the status of this legislation.
- SB 1385 – Mr. Paludi mentioned that this bill has been amended multiple times, and he reported there is currently no pending action related to this legislation.

Action: The Board took no action on this matter.

OTHER INFORMATION/MATTERS

There were no other information or matters received.

ADDITIONAL DIRECTORS' COMMENTS

There were no additional Directors' comments received.

ADDITIONAL GENERAL MANAGER COMMENTS

There were no additional General Manager comments received.

ADJOURNMENT

President Safranski adjourned the June 17, 2020 Regular Board Meeting at 9:11 PM.