



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | DECEMBER 16, 2021

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on December 16, 2021 was called to order by President Chadd at 7:00 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 Don Chadd
Vice President Stephen Dopudja
Director Michael Safranski
Director Edward Mandich

DIRECTORS ABSENT

Director Glenn Acosta

STAFF PRESENT

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

DISTRICT CONSULTANTS PRESENT

Claire Collins, General Legal Counsel – Hanson Bridgett LLP
Ian Berg, Eide Bailly LLP

PUBLIC PRESENT ON THE CONFERENCE CALL

None

PLEDGE OF ALLEGIANCE

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

ITEMS TOO LATE TO BE AGENDIZED

None

VISITOR PARTICIPATION & ORAL COMMUNICATION VIA CONFERENCE CALL

None

DIRECTOR'S COMMENTS

Director Safranski reported on his attendance at the Association of California Water Agencies (ACWA) Fall Conference

Director Mandich reported on his attendance at the South Orange County Integrated Regional Watershed Management Area (IRWM) Executive Committee Meeting, and he mentioned that the group will meet monthly

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for the foreseeable future. Director Mandich reported on his attendance at the Community Associations of Rancho (CAR) meeting.

Director Dopudja reported on his attendance at the ACWA Fall Conference.

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported on the following matters:

- Southern California Water Coalition (SCWC) Quarterly Lunch is scheduled for January 21, 2022, and he mentioned that TCWD will share a table with South Coast Water District (SCWD).
- Extended holiday wishes to the Board of Directors and District staff.
- Expressed gratitude to District Wastewater Operations and Maintenance staff for their work at the Golf Club Lift Station, and he provided a brief overview of the critical work.
- Dove Canyon Plaza experienced an emergency domestic water fire service pipeline break, and District staff responded to isolate the break and contacted the Orange County Fire Authority (OCFA) and the Center Property Manager for the repairs.

Mr. Perea provided the following District staff update:

- Mr. Garret Rias successfully passed the State Water Resources Control Board (SWRCB) Wastewater Treatment Operator Grade I Certification exam.
- Mr. Oscar Ulloa is scheduled to take SWRCB Wastewater Treatment Operator Grade V Certification exam the following week.
- Mr. Thinkh Nguyen will be retiring in early January 2022 after 20 years of service and that District staff plans to honor his service to the District at a lunch the following week. Mr. Perea extended an invitation to the Board to attend this event.

PRESENTATION TO THE BOARD OF DIRECTORS FROM THE ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION (OCLAFCO) SPECIAL DISTRICT COMMISSIONERS

Commissioners Doug Davert and James Fisler delivered brief comments on the OCLAFCO planned Municipal Services Review (MSR), and they highlighted the Commission's goal of improved communication with agencies throughout the County.

CONSENT CALENDAR

President Chadd 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 Dopudja and seconded by Director Mandich to approve the Consent Calendar.
The motion was approved by a vote of 4 – 0 – 1 with Director Acosta absent.

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 5: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, AND TENTATIVE FUTURE MEETINGS/ ATTENDANCE

Mr. Paludi presented this matter for Board consideration, and he reported this matter was reviewed with the Finance/Audit Committee.

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Action: A motion was made by Director Mandich and seconded by Director Dopudja to approve of the Directors' Fees and Expenses Report as presented.
The motion was approved by a vote of 4 – 0 – 1 with Director Acosta absent.

ITEM 6: DISCUSSION ELECTION OF BOARD OFFICERS

Pursuant to the District's rules and regulations, Mr. Paludi took control of the gavel during the nominations and voting for President of the Board of Directors. Mr. Paludi requested nominations for the position of President of the TCWD Board of Directors.

Actions: Motion made by Director Dopudja and seconded by Director Mandich to elect Director Don Chadd as President of the Board of Directors of TCWD. Following the motion Mr. Paludi requested any other nominations. There were no further nominations and the motion was approved by a vote of 4 – 0 – 1 with Director Acosta absent.

Motion made by Director Mandich and seconded by Director Chadd to elect Director Stephen Dopudja as Vice President of the Board of Directors of TCWD. There were no further nominations and the motion was approved by a vote of 4 – 0 – 1 with Director Acosta absent.

Following election of the President and Vice President of the Board, Director Chadd assumed the gavel and took over as chair of the remaining portion of the Regular Board Meeting of December 16, 2021.

ITEM 7: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING CALENDAR YEAR 2022 BOARD MEMBER COMMITTEE APPOINTMENTS AND AGENCY REPRESENTATIVE ASSIGNMENTS

Mr. Paludi provided the Board Members with the current listing of Board Member Committee Appointments and Agency Representative Assignments. Discussion occurred concerning Board Member preferences for various Committee appointments and assignments, but no further action was taken.

Action: Following Board discussion, President Chadd provided direction for the Committee Appointments and other agency representative assignments. There was no other action taken.

ITEM 8: PUBLIC HEARINGS ON THE ADOPTION OF ORDINANCE NO. 2021-22 AND RESOLUTION OF THE BOARD OF DIRECTORS OF THE TRABUCO CANYON WATER DISTRICT DECLARING A LEVEL 2 WATER SUPPLY SHORTAGE CONDITION

Mr. Paludi introduced this item for Board consideration, and he provided a brief report on the current statewide drought conditions. Mr. Paludi added that the District is required by the Department of Water Resources (DWR) to update its existing Water Conservation Ordinance with an Ordinance that meets the minimum standards and supersedes the previous version. Additionally, Mr. Paludi recommended the Board approve a Level 2 Water Shortage consistent with the District's Water Shortage Contingency Plan (WSCP) There was a brief review of the summary handout. Mr. Perea reported that the District has complied with the public hearing notification requirements and highlighted the receipt of the publication affidavit from the Orange County Register. Director Safranski recommended that District staff perform an appropriate level of public outreach concerning this matter; Mr. Paludi added that the current budget allows for consultant services on public messaging on such matters.

President Chadd opened the public hearing to receive public comments relating to the proposed adoption of Ordinance No. 2021-22 – Water Conservation Program Ordinance at 7:46 p.m. There were no public comments

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received, and Mr. Perea reported the District received no written comments or phone calls in protest to the proposed ordinance prior to the public hearing. President Chadd closed the public hearing at 7:47 p.m.

Action: A motion was made by Director Mandich and seconded by Director Dopudja to adopt Ordinance No. 2021-22 – Water Conservation Program Ordinance
The motion was approved by a vote of 4 – 0 – 1 with Director Acosta absent.

President Chadd opened the public hearing to receive public comments relating to the adoption of Resolution No. 2021-1301 – Resolution of the Board of Directors of the Trabuco Canyon Water District Declaring a Level 2 Water Shortage Condition per the District’s Water Shortage Contingency Plan at 7:47 p.m. There were no public comments received, and Mr. Perea reported the District received no written comments or phone calls in protest to the proposed resolution prior to the public hearing. President Chadd closed the public hearing at 7:47p.m.

Action: A motion was made by Director Dopudja and seconded by Director Mandich to adopt Resolution No. 2021-1301 – Resolution of the Board of Directors of the Trabuco Canyon Water District Declaring a Level 2 Water Shortage Condition per the District’s Water Shortage Contingency Plan.
The motion was approved by a vote of 4 – 0 – 1 with Director Acosta absent.

FINANCIAL MATTERS

ITEM 9: DISCUSSION AND APPROVAL OF ADMINISTRATIVE FACILITY BOARD ROOM USE APPLICATION AND PERMIT

Mr. Paludi introduced this matter for Board consideration, and he mentioned this matter was reviewed with the Executive Committee. Mr. Perea provided a brief review of the District’s Board Room Use Policy and the typical use of the room pre-COVID-19, which included local non-profit groups, homeowner associations (HOAs), and youth sport groups. Mr. Perea reported that District staff has worked with General Counsel to develop a more streamlined application and permit for use of the room. Discussion occurred concerning certain terms proposed in the application, including, but not limited to onsite facility security and security/cleaning deposits. The Board recommended addressing the cost of staff time for onsite facility monitoring and to agendize this matter for Board consideration at the following Regular Board Meeting. Mr. Perea expressed his appreciation for General Counsel’s assistance on this matter.

Action: There was no action taken.

ITEM 10: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING ADOPTION OF A RESOLUTION AUTHORIZING AN APPLICATION TO THE DEPARTMENT OF WATER RESOURCES’ 2021 URBAN AND MULTIBENEFIT DROUGHT RELIEF GRANT PROGRAM

Mr. Paludi introduced this matter for Board consideration, and he provided an overview of the Department of Water Resources (DWR) 2021 Urban and Multibenefit Drought Relief Grant Program to the Board of Directors. Mr. Paludi reported that District staff is currently working with Soto Resources to pursue this grant to supplement funding for the Disrict’s AMR/AMI Implementation Project. Mr. Paludi added that the adoption of this resolution is a requirement to apply for the grant.

Action: A motion was made by Director Safranski and seconded by Director Dopudja to adopt Resolution No. 2021-1302 – Resolution of the Board of Directors of Trabuco Canyon Water District Authorizing the Grant Application, Acceptance, and Execution for the Automatic Meter Reading/Advanced Metering Infrastructure Implementation Project.
The motion was approved by a vote of 4 – 0 – 1 with Director Acosta absent.

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ITEM 11: TRABUCO CANYON WATER DISTRICT ANNUAL FINANCIAL REPORT (AUDIT) FOR FISCAL YEAR ENDING JUNE 30, 2021

Mr. Paludi introduced this matter for Board consideration, and he mentioned that this matter was reviewed with the Finance/Audit Committee. Mr. Paludi added that Mr. Paul Kaymark of Nigro & Nigro, the District’s auditors, presented the Financial Report for FYE June 30, 2021 to the Finance/Audit Committee, but was unable to attend the Regular Board Meeting due to a scheduling conflict. Mr. Perea briefly reviewed certain highlights of the Financial Report with the Board, and he reported that the auditors found no issues and provided an unmodified opinion. Mr. Berg briefly reviewed the year end revenues and expenses with the Board.

Action: A motion was made by Director Mandich and seconded by Director Safranski to receive and file the Trabuco Canyon Water District Annual Financial Report (Audit) for Fiscal Year Ending June 30, 2021.
The motion was approved by a vote of 4 – 0 – 1 with Director Acosta absent.

LEGISLATIVE, ADMINISTRATIVE AND OTHER MATTERS

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

Mr. Paludi mentioned that there were no updates.

Action: No action was taken.

GENERAL COUNSEL REPORT

Ms. Claire Collins provided the following updates:

- Ms. Collins reported on her attendance at the ACWA Fall Conference.
- Taxpayer Governmental Accountability Act is currently proposed by the Howard Jarvis Association for the 2022 State election ballot.
- “Water Infrastructure Funding Act of 2022” voter initiative seeking signatures, which would require the transfer of 2% of the State’s General Fund towards the development of new water resources up to five million acre-feet per year.

OTHER INFORMATION/MATTERS

Mr. Paludi reported that District staff are currently working with its financial consultant Fieldman Rolapp to prepare a Request for Proposal for borrowing consistent with the 2020 Rate Study, and that this matter will be reviewed at a Finance/Audit Committee Special Meeting the following week.

ADDITIONAL DIRECTORS’ COMMENTS

President Chadd announced that Mr. Gilbert “Gil” Leach, a customer and former District Director from 1977 to 1984, had recently passed away, and he closed the meeting in his memory.

ADJOURNMENT

President Chadd adjourned the December 16, 2021 Regular Board Meeting at 8:25 p.m.