



MINUTES OF THE SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | MAY 23, 2022

The Special Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on May 23, 2022, was called to order by President Chadd 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 Don Chadd
Vice President Stephen Dopudja
Director Glenn Acosta
Director Michael Safranski
Director Edward Mandich

STAFF PRESENT

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

DISTRICT CONSULTANTS PRESENT VIA CONFERENCE CALL

Cindy Byerrum, District Treasurer – Eide Bailly, LLP

PUBLIC PRESENT

None

PLEDGE OF ALLEGIANCE

Director Safranski led the Board of Directors, District staff, and audience in the Pledge of Allegiance and honoring fallen soldiers and in respect for Memorial Day.

VISITOR PARTICIPATION & ORAL COMMUNICATION

None

DIRECTOR'S COMMENTS

Director Safranski recognized District staff's efforts setting up the Water Awareness Day Event (Event).

Director Mandich commended District staff for their work on the event.

Director Dopudja echoed the commendations to District staff for the event.

Director Chadd commented that the event was perhaps the best one yet.

REPORT FROM THE GENERAL MANAGER

Mr. Paludi expressed his appreciation for District staff's work for the Water Awareness Day Event, and he highlighted some of the attendees from neighboring agencies.

**TRABUCO CANYON WATER DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING MINUTES | MAY 23, 2022**

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 1: TRABUCO CANYON WATER DISTRICT FISCAL YEAR 2022/2023 BUDGET WORKSHOP

Mr. Paludi presented this matter for Board consideration, and he provided additional budgetary review handouts for review, including updated budget schedules and PowerPoint presentation handout. Mr. Paludi delivered a PowerPoint presentation which highlighted the District’s projected domestic water and recycled water demands based on known trends, as well as sources of supply challenges and constraints. Discussion occurred concerning certain proposed budgetary assumptions and unit costs, as well as, the impacts of the statewide drought on Metropolitan Water District supplies.

Mr. Perea provided an overview of the proposed organizational structure for FY 2022/23 and anticipated departmental promotions based on certification advancements. Discussion occurred concerning the impacts of inflation on District expenses and employee salaries. Mr. Paludi reported that District staff annually evaluate local Consumer Price Index (CPI) levels when preparing the proposed salaries budget similar to neighboring agencies, and he indicated that MWDOC has completed a survey of member agency proposed salary adjustments based on the unique challenges for the year. Discussion occurred concerning the survey results on the cost-of-living adjustments (COLA) and merit adjustments by agency. Mr. Paludi reported the proposed budget as presented includes a COLA of 3.5% and merit adjustment of 2.5% for a total of 6.0% cumulative salary adjustment for staff, but that he recommends an additional 1% COLA for salaries to better match the current market. Mr. Perea added that this conservative approach allows for staff to re-evaluate total expense impacts mid-year and to update the Board as necessary.

Mr. Paludi reviewed the accomplished major financial, administrative, engineering, and operational objectives for FY 2021/22, and he reviewed the planned objectives for FY 2022/23, including, the preparation of a comprehensive rate study; completion of an Annual Comprehensive Financial Report (ACFR); completion of a Facilities Master Plan and Condition Assessment; and additional grant funding opportunities.

Ms. Byerrum presented the proposed budget schedules for Board consideration, and she highlighted the anticipated revenues and expenses and the proposed budget line items. Discussion occurred concerning revenues associated with the sale of Baker Water Treatment Plant water, and the anticipated impacts of the drought on domestic water and recycled water sales. Ms. Byerrum provided a detailed review of the District’s projected reserves balances for Board consideration.

Ms. Lausten presented the proposed FY 2022/23 Capital Improvement Program (CIP) budget for Board consideration, and she highlighted the goals and needs of each of the projects. Discussion occurred concerning certain CIP projects, including Golf Club Sewer Lift Station and the Pump Replacement Program budget.

Director Chadd expressed his appreciation for District staff’s efforts in preparing the proposed budget for Board’s consideration, and he directed staff to incorporate the Board’s feedback into the final budget for adoption.

Action: There was no action taken.

ADJOURNMENT

President Chadd adjourned the May 23, 2022 Special Board Meeting at 8:14 p.m.