



**REGULAR BOARD MEETING AGENDA
TRABUCO CANYON WATER DISTRICT
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CALIFORNIA
ADMINISTRATIVE FACILITY, BOARD ROOM
AUGUST 18, 2022 AT 7:00 PM**

BOARD OF DIRECTORS

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

DISTRICT STAFF

Fernando Paludi, General Manager
Michael Perea, District Secretary
Cindy Byerrum, District Treasurer
Hanson Bridgett LLP, District General Legal Counsel

AGENDA NOTE:

Trabuco Canyon Water District (District) will make this Regular Board Meeting available by telephone audio as follows:

Telephone Audio: 1 (669) 900-6833 (Toll Free) **Access Code:** 913-8681-1652

Persons desiring to monitor the Board meeting agenda items may download the Board meeting agenda and documents on the internet at www.tcwd.ca.gov. You may submit public comments by email to the Board at mperea@tcwd.ca.gov. In order to be part of the record, emailed comments on meeting agenda items must be received by the District, at the referenced e-mail address, not later than 6:00 p.m. (PDT) on the day of the meeting.

CALL MEETING TO ORDER & PLEDGE OF ALLEGIANCE

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action on item(s) that arose subsequent to posting the Regular Board Meeting agenda.

VISITOR PARTICIPATION

Members of the public wishing to address the Board regarding a particular item on the agenda are requested to submit public comments by email to the Board at mperea@tcwd.ca.gov. Public comments may also be submitted by teleconference during the meeting. The Board President will call on the visitor following the Board's discussion about the matter. Members of the public will be given the opportunity to speak prior to the Board taking action on that item. For persons desiring to make verbal comments and utilizing a translator to present their comments into English reasonable time accommodations, consistent with State law, shall be provided. Please limit comments to three minutes.

ORAL COMMUNICATION

Members of the public who wish to make comment on matters not appearing on the agenda are requested to submit oral communication by email to the Board at mperea@tcwd.ca.gov. Public comments may also be submitted by teleconference during the meeting. Under the requirements of State Law, Directors cannot take action on items not identified on the agenda and will not make decisions on such matters. The Board President may direct District Staff to follow up on issues as may be deemed appropriate. For persons desiring to make verbal comments and utilizing a translator to present their comments into English reasonable time accommodations, consistent with State law, shall be provided. Please limit comments to three minutes.

DIRECTORS' COMMENTS AND MEETING REPORTS

REPORT FROM THE GENERAL MANAGER

CONSENT CALENDAR

All matters under the Consent Calendar will be approved by one motion unless a Board member or staff member requests a separate action on a specific item.

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

RECOMMENDED ACTION

Approve the minutes of the following Board Meetings:

1. July 21, 2022 Regular Board Meeting

ITEM 2: TREASURER'S REPORT

a. FINANCE/AUDIT COMMITTEE MEETING

RECOMMENDED ACTION:

Receive and file the following Finance/Audit Committee Meeting Recap(s):

1. July 13, 2022

b. PRESENTATION OF FINANCIALS

RECOMMENDED ACTION:

There are no preliminary unaudited financials for presentation.

c. PAYMENT OF BILLS FOR CONSIDERATION

RECOMMENDED ACTION:

Ratify the payment of bills for consideration, Payroll and Payroll Taxes for July 2022.

ITEM 3: ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP

RECOMMENDED ACTION:

Receive and file the following Engineering/Operational Committee Meeting Recap(s):

1. July 6, 2022

ITEM 4: EXECUTIVE COMMITTEE MEETING

RECOMMENDED ACTION:

Receive and file the following Executive Committee Meeting Recap(s):

1. July 5, 2022



ACTION CALENDAR

All matters under the Action Calendar have been reviewed by the General Manager and Staff prior to the Board's consideration.

ADMINISTRATIVE MATTERS

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

RECOMMENDED ACTION:

Approve the tentative future meetings/attendance items and ratify the Directors' expenses and fees from the following period(s):

1. July 2022

ITEM 6: DISCUSSION AND CONSIDERATION OF RESOLUTION CONCERNING THE HOLDING OF REGULAR MEETINGS OF THE BOARD OF DIRECTORS AND AMENDING THE RULES AND REGULATIONS OF THE TRABUCO CANYON WATER DISTRICT

RECOMMENDED ACTION:

1. Receive information at the time of the Board Meeting.
2. Adopt Resolution No. 2022-1309 – Resolution of the Board of Directors of the Trabuco Canyon Water District Providing for the Holding of Regular Meetings of the Board of Directors and Amending the Rules and Regulations of the Trabuco Canyon Water District.

ITEM 7: APPROVAL OF PARTICIPATION IN THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) OC WATER SUMMIT

RECOMMENDED ACTION:

Approve District participation in the Municipal Water District of Orange County (MWDOC) OC Water Summit and a table sponsorship level of \$1,600.

ITEM 8: APPROVAL OF GENERAL MANAGER EMPLOYMENT CONTRACT

RECOMMENDED ACTION:

1. Receive information at the time of the Board Meeting.
2. Announce the compensation terms of the proposed contract pursuant to Government Code Section 54953.
3. Authorize the Board President to execute the General Manager employment contract.

ITEM 9: GRAND JURY REPORT "WATER IN ORANGE COUNTY NEEDS 'ONE VOICE'"

RECOMMENDED ACTION:

Receive information at the time of the Board Meeting.



FINANCIAL MATTERS

ITEM 10: DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT HEALTH BENEFIT COSTS FOR CALENDAR YEAR 2023

RECOMMENDED ACTION:

1. Receive information at the time of the Board Meeting.
2. Adopt Resolution No. 2022-1310 – Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees’ Medical and Hospital Care Act (PERS Members).
3. Adopt Resolution No. 2022-1311 – Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees’ Medical and Hospital Care Act (Non-PERS Members).

ENGINEERING MATTERS

ITEM 11: SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) JOINT POWERS AGREEMENT (JPA) DISCUSSIONS UPDATE

RECOMMENDED ACTION:

Receive information at the time of the meeting and take action(s) as deemed appropriate.

LEGISLATIVE AND OTHER MATTERS

ITEM 12: INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY (ISDOC) 2022 EXECUTIVE COMMITTEE ELECTION SCHEDULE AND NOMINATION PROCESS

RECOMMENDED ACTION:

Receive information at the time of the meeting and take action(s) as deemed appropriate.

ITEM 13: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

RECOMMENDED ACTION(S):

Receive information at the time of the meeting and take action(s) as deemed appropriate.

CLOSED SESSION(S):

ITEM 14: REPORT OF ACTION(S) TAKEN IN CLOSED SESSION

RECOMMENDED ACTION(S):

Receive information at the time of the meeting and take action(s) as deemed appropriate.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

ITEM 15: _____

ITEM 16: _____



**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING AGENDA | AUGUST 18, 2022**

GENERAL COUNSEL REPORT

Reports or comments from the District's General Counsel

OTHER INFORMATION/MATTERS

Reports or comments from the General Manager and/or Staff

ADDITIONAL DIRECTORS' COMMENTS

Additional reports or comments from Directors

END ACTION CALENDAR & ADJOURNMENT

AVAILABILITY OF AGENDA MATERIALS

Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Trabuco Canyon Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection at the Trabuco Canyon Water District Administrative Facility, 32003 Dove Canyon Drive, Trabuco Canyon, California (District Administrative Facility) and will be posted online on the District's website located at www.tcwd.ca.gov. If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available online at www.tcwd.ca.gov at the same time as they are distributed to the Board Members, except that, if such writings are distributed immediately prior to or during the meeting, they will be posted online on the District's website located at www.tcwd.ca.gov.

COMPLIANCE WITH THE REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE SECTION 54954.2

In compliance with California law and the Americans with Disabilities Act, if you need special disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, or if you need the agenda provided in an alternative format, please contact the District Secretary at (949) 858-0277, at least 48 hours in advance of the scheduled Board meeting. Notification at least 48 hours prior to the meeting will assist the District in making reasonable arrangements to accommodate your request. The Board Meeting Room is wheelchair accessible.

FUTURE SCHEDULED REGULAR BOARD MEETINGS OF THE BOARD OF DIRECTORS

Upcoming Regular Meetings of the Board are expected to be held at the District Administrative Facility (Board Meeting Room) located at 32003 Dove Canyon Drive, Trabuco Canyon, California 92679 and are currently scheduled as follows:

September 22, 2022 | October 20, 2022 | November 17, 2022



**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | AUGUST 18, 2022**

CONSENT CALENDAR

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

RECOMMENDED ACTION

Approve the minutes of the following Board Meetings:

- 1. July 21, 2022 Regular Board Meeting*

CONTACTS (staff responsible): PALUDI/PEREA/SANGI



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | JULY 21, 2022

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on July 21, 2022, was called to order by President Chadd at 7:01 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
Director Glenn Acosta
Director Michael Safranski
Director Edward Mandich

DIRECTORS ABSENT

Vice President Stephen Dopudja

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

Claire Collins, General Legal Counsel – Hanson Bridgett LLP
Adam Milauskas, Ferguson Waterworks

PUBLIC PRESENT

None

PLEDGE OF ALLEGIANCE

Director Acosta 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

None

DIRECTOR'S COMMENTS

Director Mandich had no comments.

Director Safranski reported on his attendance at the City of Rancho Santa Margarita (RSM) City Council meeting which included a presentation by Santa Margarita Water District (SMWD) on their drought response efforts.

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REGULAR BOARD OF DIRECTORS MEETING MINUTES | JULY 21, 2022

Director Acosta reported on his attendance at the Water Advisory Committee of Orange County (WACO) meeting which included a presentation by Moulton Niguel Water District (MNWD) on response efforts to the recent fires in their service area.

Director Chadd commended District staff on the format of the recent On Tap Newsletter. Director Chadd reported on an email from SMWD Director Chuck Gibson concerning the current issues related to the treatment issues of Colorado River.

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported on the following matters:

- SMWD Director Gibson extended an invitation to the Board of Directors to participate in a program on a resilient water future for Association of California Water Agencies (ACWA) Region 10.
- The South Orange County Agencies Group meeting is scheduled for July 28th.
- Mr. Paludi will deliver a drought response efforts presentation to the City of RSM City Council on September 14th.

REPORT FROM THE ASSISTANT GENERAL MANAGER

Mr. Perea reported on the following staff updates:

- The District has issued a construction notice to affected residents on Golf View Drive in the Dove Canyon community for planned improvements to a sewer manhole.
- Recognized Mr. Chris Holbrook for successfully passing his Distribution Operator Certification Grade II.

Mr. Perea noted that certain pages of the June 16, 2022 Regular Board Meeting minutes was not included in the meeting packet, and he recommended pulling this item from the Consent Calendar. Mr. Perea added that a full copy of the minutes was included in the red folder for Board review and consideration. The Board of Directors, through President Chadd, removed Agenda Item No. 1 from the Consent Calendar.

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 Acosta and seconded by Director Safranski to approve the Consent Calendar Items 2 through 5.
The motion was approved by a vote of 4 –0- 1 with Director Dopudja absent.

ACTION CALENDAR

ADMINISTRATIVE MATTERS

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

Action: A motion was made by Director Mandich and seconded by Director Acosta to approve the minutes of the following Board Meetings:
1. June 16, 2022 Regular Board Meeting
2. June 30, 2022 Special Board Meeting
The motion was approved by a vote of 4 –0- 1 with Director Dopudja absent.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JULY 21, 2022**

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.

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

ITEM 6: PRESENTATION BY FERGUSON WATERWORKS ON THE DISTRICT'S AUTOMATIC METERING INFRASTRUCTURE/AUTOMATIC METER READING (AMI/AMR) IMPLEMENTATION PROJECT

Mr. Paludi presented this matter for Board consideration, and he reported that this project is in the District's Fiscal Year 2022/2023 Capital Improvement Program (CIP). Mr. Perea introduced Mr. Adam Milauskas with Ferguson Waterworks, and he briefly discussed the implementation of Neptune Meters in the District's service area. Mr. Milauskas delivered a PowerPoint presentation which provided an overview of the District's AMR/AMI Implementation Project goals and project schedule, and he highlighted the integration of the Dropcountr customer portal. Discussion occurred concerning service area topography challenges for system communications; Mr. Milauskas reported that approximately less than ten percent of the District's service area will be radio reads due to topography issues, but that the affected customers will still have access to their data for the month after the meters are read. Additional discussion occurred concerning data security and system implementation goals. Mr. Milauskas shared his contact information with the Board in the event they have any further questions.

Action: No action was taken.

FINANCIAL MATTERS

ITEM 7: PUBLIC HEARING FOR TRABUCO CANYON WATER DISTRICT'S FISCAL YEAR 2022/2023 UNDEVELOPED LAND/WATER STANDBY CHARGES (ASSESSMENT)

Mr. Paludi introduced this matter for Board consideration, and he reported this matter was reviewed with the Finance/Audit Committee. Mr. Perea presented a brief overview of the purpose of this assessment, and he highlighted the District's compliance with Proposition 218 and State law requirements, including the affidavit of publication. Mr. Perea reported that District staff does not recommend increasing the assessment amount. Discussion occurred concerning the requirements or limitations for passing a multi-year assessment as opposed to annually reviewing this matter; Mr. Perea reported that District staff will evaluate this option with the District's consultant on the rates analysis.

President Chadd opened the public hearing at approximately 7:45 p.m.

Mr. Perea reported that the District has not received written protests, and there were no verbal protests at the time of the meeting. Mr. Perea did note that the District did receive one returned notice of public hearing from the post office.

President Chadd closed the public hearing at approximately 7:47 p.m.

Action: A motion was made by Director Mandich and seconded by Director Acosta to adopt Resolution No. 2022-1308 – Resolution of the Board of Directors of Trabuco Canyon Water District Establishing Water Standby Charges for the Fiscal Year 2022/2023; Making Certain Findings and Taking Related Action Connected Therewith.

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REGULAR BOARD OF DIRECTORS MEETING MINUTES | JULY 21, 2022**

The motion was approved by a vote of 4 –0- 1 with Director Dopudja absent.

ITEM 8: APPROVAL OF CONTRACT WITH JIG CONSULTANTS FOR DESIGN SERVICES FOR GOLF CLUB SEWER LIFT STATION REPAIRS & IMPROVEMENTS

Mr. Paludi introduced this matter for Board consideration, and he reported this matter was reviewed the Engineering/Operational Committee. Mr. Paludi commended District Operations and Maintenance staff for their efforts to secure redundant equipment in order to remove much of the temporary equipment onsite at the facility. Ms. Lausten provided an update on the planned surge tank replacement, and she reviewed a summary of FY 2022/2023 facility improvements. Director Acosta commended District staff on meeting the challenges with upgrading this facility. Discussion occurred concerning asset management and the implementation of a proactive maintenance program in conjunction with the system condition assessment plan.

Action: A motion was made by Director Acosta and seconded by Director Safranski to authorize the General Manager to execute an agreement with JIG Consultants for the design of Golf Club Sewer Lift Station Improvements for \$87,000 with a contingency of \$8,700, for a not to exceed amount of \$95,700.
The motion was approved by a vote of 4 –0- 1 with Director Dopudja absent.

ITEM 9: APPROVAL OF FISCAL YEAR 2022-2023 AGREEMENT WITH TESCO CONTROLS, INC. FOR DISTRICT'S SCADA UPGRADE PROJECT

Mr. Paludi presented this matter for Board consideration, and he commented this was reviewed with Engineering/Operational Committee. Ms. Lausten mentioned that this was the final project phase, and she provided highlights of the annual phased approach to this project. Ms. Lausten reviewed the planned system improvements for FY 2022/2023, and she provided a summary of the communication backbone of the system.

Action: A motion was made by Director Acosta and seconded by Director Mandich to authorize the General Manager to execute a contract for the Fiscal Year 2022-2023 SCADA Upgrades to TESCO Controls, Inc. in the not to exceed amount of \$960,000.
The motion was approved by a vote of 4 –0- 1 with Director Dopudja absent.

ITEM 10: SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) JOINT POWERS AGREEMENT (JPA) DISCUSSIONS UPDATE

Mr. Paludi provided a brief update on this matter for Board consideration, and he reported that Director Dopudja has met with Ohlund Management & Technical Services (OMTS) concerning the facilitated discussion concerning the Joint Powers Agency (JPA) current impacts to agencies and potential organizational structure changes. Mr. Paludi provided handout which summarized the facilitated discussion/interview, and he reported that SOCWA will be scheduling a meeting to review the results of the facilitated discussions with member agency representatives. Mr. Paludi provided a brief update on the process for an updated Engineering Tech Memo from DBB Engineering, and that an update will be provided at future Regular Board Meeting related to this matter.

Action: No action was taken.

LEGISLATIVE, ADMINISTRATIVE AND OTHER MATTERS

ITEM 11: LOCAL GOVERNMENTAL AND LEGISLATIVE MATTER(S)

Mr. Paludi provided updates on the following matters:

- Metropolitan Water District of Southern California (MET) has notified MWDOC member agencies of an emergency shutdown of the Upper Feeder pipeline at the Santa Ana River crossing for fourteen days beginning

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JULY 21, 2022**

September 6th due to the replacement of an expansion joint. Mr. Paludi reported that MET is initially requesting agencies that receive water from Weymouth and Diemer plants to go to no outdoor watering during the shutdown period, but that MET staff will be meeting with MWDOC member agencies to coordinate on the appropriate messaging for the region.

Mr. Paludi provided a brief update on current drought conditions and state water project conditions as reported by MET.

- MWDOC is continuing the facilitated interviews with member agencies concerning their role.
- Orange County Grand Jury Report: Mr. Paludi reported that District staff are currently preparing responses to the report as appropriate, and he will have an update for the Board at the following Regular Board Meeting.

Action: No action was taken.

CLOSED SESSION

The Board of Directors entered closed session in accordance with the agenda at 8:08 p.m. District General Counsel participated in portions of the closed session.

This closed session ended at 8:21 p.m.

ITEM 12: REPORT OF ACTION(S) TAKEN IN CLOSED SESSION

Ms. Collins reported that there was no actions to report at that time. Ms. Collins recommended agendaizing a related open session item on the agenda for the following Regular Board Meeting.

GENERAL COUNSEL REPORT

None

OTHER INFORMATION/MATTERS

None

ADDITIONAL DIRECTORS' COMMENTS

None

ADJOURNMENT

President Chadd adjourned the July 21, 2022, Regular Board Meeting at 8:22 p.m.

TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | AUGUST 18, 2022

CONSENT CALENDAR

ITEM 2: TREASURER'S REPORT

a. *FINANCE/AUDIT COMMITTEE MEETING*

RECOMMENDED ACTION:

Receive and file the following Finance/Audit Committee Meeting Recap(s):

1. *July 6, 2022*

b. *PRESENTATION OF FINANCIALS*

RECOMMENDED ACTION:

There are no preliminary unaudited financials for presentation.

c. *PAYMENT OF BILLS FOR CONSIDERATION*

RECOMMENDED ACTION:

Ratify the payment of bills for consideration, Payroll and Payroll Taxes for July 2022.

EXHIBITS:

1. Revenue Report – July 2022
2. Disbursement Report – July 2022
3. Summary of Disbursements – July 2022
4. General Fund Warrant Register – July 2022
5. General Fund Payroll Warrant Register – July 2022

CONTACTS (staff responsible): PEREA/WARNER



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | JULY 13, 2022

DIRECTORS PRESENT

Ed Mandich, Committee Chair
Glenn Acosta, Committee Member

STAFF PRESENT

Michael Perea, Assistant General Manager
Karen Warner, Principal Accountant
Lisa Sangi, Executive Assistant

STAFF ABSENT

Fernando Paludi, General Manager

PUBLIC PRESENT

None

CALL MEETING TO ORDER

Director Mandich called the July 13, 2022 Finance/Audit Committee Meeting to order at 1:00p.m.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

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

REPORT FROM THE GENERAL MANAGER

Mr. Perea reported on the following matters:

- Mr. Paludi was out of the office on vacation.
- Mr. Perea was quarantining due to exposure to COVID-19 but was feeling well.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

Mr. Perea presented the Finance/Audit Committee Meeting Recap for Committee review in accordance with the agenda. Director Mandich commented that Director Acosta was not in attendance, and requested the recap be updated to reflect this correction.

RECOMMENDED ACTION(S)

Director Mandich and Mr. Perea approved the June 8, 2022 Finance/Audit Committee Meeting Recap(s) as amended and recommend that the Board receive and file the same (Consent Calendar).

TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | JULY 13, 2022

ITEM 2: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, TENTATIVE FUTURE MEETINGS/ATTENDANCE

Mr. Paludi presented the Directors' Fees and Expenses Report and Tentative Future Meetings/Attendance Report for Committee consideration and review. Director Acosta confirmed certain meeting attendance updates to his schedule.

RECOMMENDED ACTION:

The Committee recommended that the Board ratify the Directors' fees and expenses for June 2022 and tentative future meetings/attendance as amended. (Action Calendar)

ITEM 3: OTHER MATTERS

Mr. Perea reported that Ferguson Waterworks is scheduled to deliver a presentation on the District's Automatic Meter Reading/Automatic Meter Infrastructure (AMR/AMI) Implementation Project at the following Regular Board Meeting.

RECOMMENDED ACTION:

There was no action taken.

ITEM 4: FINANCIAL REPORT

Ms. Warner presented the preliminary unaudited financials for May 2022, and she highlighted the following items:

Operating Revenue, Residential Water

Ms. Warner reported that this line item was slightly above the prior month due to increased residential water demand.

Operating Revenue, Irrigation Water

Ms. Warner reported that this line item was higher than the prior month, and the year to date was significantly higher than budgeted due to increased demand.

Operating Revenue, Recycled & Reclaimed Water

Ms. Warner reported that water demand for the month was lower than the prior month due to decreased demand.

Operating Revenue, Baker Treatment Plant Sales

Ms. Warner reported that there was no revenue generated for the month due to the District using its supply from the Baker Water Treatment Plant due to ongoing repairs to the V.P. Baker Pipeline.

Ms. Warner reported that overall revenue and expenses are tracking lower than budgeted. Director Acosta recommended that District staff perform an internal revenue sensitivity analysis due to drought impacts.

RECOMMENDED ACTION:

The Committee recommended the Board of Directors receive and file the preliminary unaudited financial statements for May 2022 (Consent Calendar).

The Committee signed the bills for consideration and the warrant register and recommended that the Board ratify payment of the bills for consideration for July 13, 2022 as presented (Consent Calendar).

ADJOURNMENT

Director Mandich adjourned the July 13, 2022 Finance/Audit Committee Meeting at 1:19 p.m.



Trabuco Canyon Water District, CA

Bank Transaction Report

Transaction Detail

Issued Date Range: 07/01/2022 - 07/31/2022

Cleared Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
Accounts Payable							
Bank Draft							
07/01/2022		DFT0002731	ADP	Accounts Payable	Outstanding	Bank Draft	-108.00
07/01/2022		DFT0002732	CalPERS	Accounts Payable	Outstanding	Bank Draft	-45,662.90
07/01/2022		DFT0002733	CalPERS	Accounts Payable	Outstanding	Bank Draft	-5,519.92
07/01/2022		DFT0002734	CalPERS	Accounts Payable	Outstanding	Bank Draft	-7,213.83
07/01/2022		DFT0002735	CalPERS	Accounts Payable	Outstanding	Bank Draft	-12,789.52
07/01/2022		DFT0002736	CalPERS	Accounts Payable	Outstanding	Bank Draft	-4,718.65
07/01/2022		DFT0002737	ADP	Accounts Payable	Outstanding	Bank Draft	-104,549.88
07/01/2022		DFT0002738	Guardian	Accounts Payable	Outstanding	Bank Draft	-3,955.78
07/01/2022		DFT0002739	VSP	Accounts Payable	Outstanding	Bank Draft	-776.20
07/01/2022		DFT0002740	Wex Fleet Universal	Accounts Payable	Outstanding	Bank Draft	-6,269.75
07/05/2022		DFT0002741	Shred-it USA LLC	Accounts Payable	Outstanding	Bank Draft	-113.00
07/05/2022		DFT0002742	TAB AnswerNetwork	Accounts Payable	Outstanding	Bank Draft	-196.85
07/05/2022		DFT0002743	Santa Margarita Water District	Accounts Payable	Outstanding	Bank Draft	-2,902.35
07/05/2022		DFT0002744	Pace Payment Systems, Inc.	Accounts Payable	Outstanding	Bank Draft	-5,241.80
07/08/2022		DFT0002746	Cox Communications	Accounts Payable	Outstanding	Bank Draft	-2,431.69
07/08/2022		DFT0002749	Pace Payment Systems, Inc.	Accounts Payable	Outstanding	Bank Draft	-231.05
07/08/2022		DFT0002750	Southern California Edison	Accounts Payable	Outstanding	Bank Draft	-70,735.44
07/08/2022		DFT0002754	Home Depot	Accounts Payable	Outstanding	Bank Draft	-61.84
07/10/2022		DFT0002730	ADP	Accounts Payable	Outstanding	Bank Draft	-1,763.89
07/11/2022		DFT0002747	Cox Communications	Accounts Payable	Outstanding	Bank Draft	-1,728.73
07/11/2022		DFT0002751	CalPERS	Accounts Payable	Outstanding	Bank Draft	-273,492.00
07/11/2022		DFT0002752	CalPERS	Accounts Payable	Outstanding	Bank Draft	-182.00
07/12/2022		DFT0002755	Wage Works, Inc.	Accounts Payable	Outstanding	Bank Draft	-67.06
07/12/2022		DFT0002756	Wage Works, Inc.	Accounts Payable	Outstanding	Bank Draft	-1.07
07/13/2022		DFT0002757	Wage Works, Inc.	Accounts Payable	Outstanding	Bank Draft	-15.00
07/13/2022		DFT0002758	Wex Fleet Universal	Accounts Payable	Outstanding	Bank Draft	-6,425.81
07/18/2022		DFT0002745	Cox Communications	Accounts Payable	Outstanding	Bank Draft	-692.24
07/18/2022		DFT0002764	Wage Works, Inc.	Accounts Payable	Outstanding	Bank Draft	-20.00
07/18/2022		DFT0002766	Xerox Corporation	Accounts Payable	Outstanding	Bank Draft	-321.32
07/18/2022		DFT0002767	Umpqua Bank	Accounts Payable	Outstanding	Bank Draft	-19,410.70
07/19/2022		DFT0002759	ADP	Accounts Payable	Outstanding	Bank Draft	-110,853.57
07/19/2022		DFT0002760	CalPERS	Accounts Payable	Outstanding	Bank Draft	-7,826.33
07/19/2022		DFT0002761	CalPERS	Accounts Payable	Outstanding	Bank Draft	-13,721.95
07/19/2022		DFT0002762	CalPERS	Accounts Payable	Outstanding	Bank Draft	-5,567.70
07/19/2022		DFT0002763	The Toll Roads	Accounts Payable	Outstanding	Bank Draft	-140.00

Bank Transaction Report

Issued Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
07/19/2022		DFT0002765	Wage Works, Inc.	Accounts Payable	Outstanding	Bank Draft	-35.00
07/20/2022		DFT0002768	Bank of the West	Accounts Payable	Outstanding	Bank Draft	-200.54
07/21/2022		DFT0002769	Home Depot	Accounts Payable	Outstanding	Bank Draft	-553.21
07/21/2022		DFT0002770	Lowe's	Accounts Payable	Outstanding	Bank Draft	-368.22
07/22/2022		DFT0002748	Cox Communications	Accounts Payable	Outstanding	Bank Draft	-112.35
07/25/2022		DFT0002771	AT&T Mobility	Accounts Payable	Outstanding	Bank Draft	-2,201.56
07/25/2022		DFT0002772	Wage Works, Inc.	Accounts Payable	Outstanding	Bank Draft	-75.00
07/28/2022		DFT0002773	South Coast AQMD	Accounts Payable	Outstanding	Bank Draft	-4,652.08
07/28/2022		DFT0002774	South Coast AQMD	Accounts Payable	Outstanding	Bank Draft	-2,026.89
07/28/2022		DFT0002775	South Coast AQMD	Accounts Payable	Outstanding	Bank Draft	-620.61
07/28/2022		DFT0002776	South Coast AQMD	Accounts Payable	Outstanding	Bank Draft	-1,089.37
07/29/2022		DFT0002777	ADP	Accounts Payable	Outstanding	Bank Draft	-108.00
07/29/2022		DFT0002778	Guardian	Accounts Payable	Outstanding	Bank Draft	-3,955.78
Bank Draft Total: (48)							-731,706.43
Check							
07/08/2022		11045	American Water College	Accounts Payable	Outstanding	Check	-249.99
07/08/2022		11046	American Water Works Association	Accounts Payable	Outstanding	Check	-410.00
07/08/2022		11047	AT&T Mobility	Accounts Payable	Outstanding	Check	-53.23
07/08/2022		11048	Blake Smith	Accounts Payable	Outstanding	Check	-798.32
07/08/2022		11049	Butler Engineering, Inc.	Accounts Payable	Outstanding	Check	-2,480.00
07/08/2022		11050	Delco Service, Inc.	Accounts Payable	Outstanding	Check	-2,244.00
07/08/2022		11051	DMc Engineering	Accounts Payable	Outstanding	Check	-3,257.56
07/08/2022		11052	Duthie Electric Service Corporation	Accounts Payable	Outstanding	Check	-805.45
07/08/2022		11053	Elite Automotive Services	Accounts Payable	Outstanding	Check	-909.01
07/08/2022		11054	FedEx	Accounts Payable	Outstanding	Check	-62.57
07/08/2022		11055	Ferreira Construction Company	Accounts Payable	Outstanding	Check	-28,716.25
07/08/2022		11056	Haaker Equipment Company	Accounts Payable	Outstanding	Check	-4,228.48
07/08/2022		11057	Harbor Pointe Air Conditioning & Control Systems, Inc.	Accounts Payable	Outstanding	Check	-300.00
07/08/2022		11058	Hazen and Sawyer	Accounts Payable	Outstanding	Check	-171,430.11
07/08/2022		11059	HighRoad Information Technology, LLC.	Accounts Payable	Outstanding	Check	-3,645.00
07/08/2022		11060	Hydrotech Electric	Accounts Payable	Outstanding	Check	-5,320.98
07/08/2022		11061	InfoSend, Inc.	Accounts Payable	Outstanding	Check	-2,559.36
07/08/2022		11062	Irvine Ranch Water District	Accounts Payable	Outstanding	Check	-200,762.98
07/08/2022		11063	iWater, Inc.	Accounts Payable	Outstanding	Check	-625.00
07/08/2022		11064	JIG Consultants	Accounts Payable	Outstanding	Check	-10,102.50
07/08/2022		11065	Lausten, Lorrie	Accounts Payable	Outstanding	Check	-90.00
07/08/2022		11066	Napa Auto Parts	Accounts Payable	Outstanding	Check	-182.08
07/08/2022		11067	Orange County Pumping, Inc.	Accounts Payable	Outstanding	Check	-3,195.00
07/08/2022		11068	Orkin Commercial Services	Accounts Payable	Outstanding	Check	-648.00
07/08/2022		11069	Quincy Compressor	Accounts Payable	Outstanding	Check	-465.85
07/08/2022		11070	S & J Supply Company	Accounts Payable	Outstanding	Check	-947.13
07/08/2022		11071	Santa Margarita Water District	Accounts Payable	Outstanding	Check	-660.00

Bank Transaction Report

Issued Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
07/08/2022		11072	Sierra Analytical	Accounts Payable	Outstanding	Check	-6,480.50
07/08/2022		11073	Sparkletts	Accounts Payable	Outstanding	Check	-36.00
07/08/2022		11074	Superior Tank Company Inc.	Accounts Payable	Outstanding	Check	-36,595.28
07/08/2022		11075	Tesco Controls, Inc.	Accounts Payable	Outstanding	Check	-637,250.00
07/08/2022		11076	Touch Tel Mobile	Accounts Payable	Outstanding	Check	-625.00
07/08/2022		11077	Unifirst First Aid Corp	Accounts Payable	Outstanding	Check	-590.55
07/08/2022		11078	USA BlueBook	Accounts Payable	Outstanding	Check	-1,326.50
07/08/2022		11079	Weck Laboratories, Inc.	Accounts Payable	Outstanding	Check	-356.16
07/08/2022		11080	Xylem	Accounts Payable	Outstanding	Check	-20,333.31
07/11/2022		11081	SWRCB Accounting Office	Accounts Payable	Outstanding	Check	-44.77
07/21/2022		11084	AT&T Mobility	Accounts Payable	Outstanding	Check	-53.23
07/21/2022		11085	BBP Services	Accounts Payable	Outstanding	Check	-850.00
07/21/2022		11086	County of Orange	Accounts Payable	Outstanding	Check	-19,152.59
07/21/2022		11087	CWEA Membership	Accounts Payable	Outstanding	Check	-389.00
07/21/2022		11088	DMc Engineering	Accounts Payable	Outstanding	Check	-3,879.70
07/21/2022		11089	DMS Facility Services	Accounts Payable	Outstanding	Check	-1,872.02
07/21/2022		11090	Hanson Bridgett LLP	Accounts Payable	Outstanding	Check	-19,857.86
07/21/2022		11091	HighRoad Information Technology, LLC.	Accounts Payable	Outstanding	Check	-13,417.52
07/21/2022		11092	IB Consulting	Accounts Payable	Outstanding	Check	-22,560.00
07/21/2022		11093	Industrial Metal Supply Company	Accounts Payable	Outstanding	Check	-33.67
07/21/2022		11094	Irvine Ranch Water District	Accounts Payable	Outstanding	Check	-20,301.66
07/21/2022		11095	iWater, Inc.	Accounts Payable	Outstanding	Check	-11,425.00
07/21/2022		11096	NBS	Accounts Payable	Outstanding	Check	-885.76
07/21/2022		11097	Orange County Health Care Agency	Accounts Payable	Outstanding	Check	-514.00
07/21/2022		11098	O'Reilly Automotive, Inc.	Accounts Payable	Outstanding	Check	-71.07
07/21/2022		11099	Orkin Commercial Services	Accounts Payable	Outstanding	Check	-679.00
07/21/2022		11100	Sierra Analytical	Accounts Payable	Outstanding	Check	-1,532.50
07/21/2022		11101	SOCWA	Accounts Payable	Outstanding	Check	-15,382.00
07/21/2022		11102	Tesco Controls, Inc.	Accounts Payable	Outstanding	Check	-2,509.11
07/21/2022		11103	Trench Shoring Company	Accounts Payable	Outstanding	Check	-445.00
07/21/2022		11104	Underground Service Alert/SC	Accounts Payable	Outstanding	Check	-135.40
07/21/2022		11105	USA BlueBook	Accounts Payable	Outstanding	Check	-6,269.46
07/21/2022		11106	Vituity - Urgent Care Services	Accounts Payable	Outstanding	Check	-35.00
07/21/2022		11107	VSS Sales Inc.	Accounts Payable	Outstanding	Check	-6,045.59
07/21/2022		11108	Weck Laboratories, Inc.	Accounts Payable	Outstanding	Check	-356.16
07/21/2022		11109	Xylem	Accounts Payable	Outstanding	Check	-15,620.45
07/27/2022		11110	Vaughan's Industrial Repair Co., Inc.	Accounts Payable	Outstanding	Check	-2,737.50
Check Total: (64)							-1,315,797.17
EFT							
07/11/2022		145	ALS - Truesdail Laboratories	Accounts Payable	Outstanding	EFT	-2,592.00
07/11/2022		146	Eide Bailly	Accounts Payable	Outstanding	EFT	-5,275.00
07/11/2022		147	MWDOC	Accounts Payable	Outstanding	EFT	-17,223.61

Bank Transaction Report

Issued Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
07/11/2022		148	Olin Chemicals	Accounts Payable	Outstanding	EFT	-2,675.41
07/11/2022		149	UniFirst Corporatio	Accounts Payable	Outstanding	EFT	-237.25
07/11/2022		150	United Water Works, Inc.	Accounts Payable	Outstanding	EFT	-610.68
07/22/2022		151	ACWA/JPIA - Benefits (WC & Life)	Accounts Payable	Outstanding	EFT	-14,885.13
07/22/2022		152	ACWA/JPIA - Property & Liability	Accounts Payable	Outstanding	EFT	-63,293.13
07/22/2022		153	Amazon	Accounts Payable	Outstanding	EFT	-2,450.90
07/22/2022		154	DLT Solutions	Accounts Payable	Outstanding	EFT	-4,724.72
07/22/2022		155	MWDOC	Accounts Payable	Outstanding	EFT	-49,780.56
07/22/2022		156	Pebble Spring Water	Accounts Payable	Outstanding	EFT	-81.50
07/22/2022		157	UniFirst Corporatio	Accounts Payable	Outstanding	EFT	-174.42
07/22/2022		158	Woodard & Curran, Inc.	Accounts Payable	Outstanding	EFT	-8,036.25
EFT Total: (14)							-172,040.56
Accounts Payable Total: (126)							-2,219,544.16

Accounts Receivable

Deposit							
07/08/2022		DEP0017779	County of Orange payment	Accounts Receivable	Outstanding	Deposit	22,660.86
07/11/2022		DEP0017800	LAIF - Transfer to BOTW - 7/11/22	Accounts Receivable	Outstanding	Deposit	1,500,000.00
07/12/2022		DEP0017823	payments	Accounts Receivable	Outstanding	Deposit	738.33
07/12/2022		DEP0017831	PAYMENT MWDOC	Accounts Receivable	Outstanding	Deposit	2,500.00
07/14/2022		DEP0017849	MWD Payment	Accounts Receivable	Outstanding	Deposit	2,000.00
07/14/2022		DEP0017873	County of Orange - Payment 7/14/22	Accounts Receivable	Outstanding	Deposit	26,481.26
07/19/2022		DEP0017897	tmobile payment	Accounts Receivable	Outstanding	Deposit	2,405.66
07/21/2022		DEP0017918	OC FIRE AUTHORITY	Accounts Receivable	Outstanding	Deposit	150.00
Deposit Total: (8)							1,556,936.11
Accounts Receivable Total: (8)							1,556,936.11

Utility Billing

Check							
07/19/2022		11082	MICHAEL J WEBER	Utility Billing	Outstanding	Check	-1.11
07/19/2022		11083	RYAN PETERS	Utility Billing	Outstanding	Check	-157.38
Check Total: (2)							-158.49

Deposit							
07/01/2022		DEP0017731	Utility Payment Packet UBPKT07686	Utility Billing	Outstanding	Deposit	1,431.02
07/01/2022		DEP0017734	Utility Payment Packet UBPKT07687	Utility Billing	Outstanding	Deposit	4,774.74
07/03/2022		DEP0017728	Utility Payment Packet UBPKT07684	Utility Billing	Outstanding	Deposit	5,987.79
07/05/2022		DEP0017737	Utility Payment Packet UBPKT07688	Utility Billing	Outstanding	Deposit	2,060.59
07/05/2022		DEP0017743	Utility Payment Packet UBPKT07690	Utility Billing	Outstanding	Deposit	4,063.28
07/05/2022		DEP0017749	Utility Payment Packet UBPKT07692	Utility Billing	Outstanding	Deposit	2,511.83
07/06/2022		DEP0017740	Utility Payment Packet UBPKT07689	Utility Billing	Outstanding	Deposit	2,283.96
07/06/2022		DEP0017746	Utility Payment Packet UBPKT07691	Utility Billing	Outstanding	Deposit	1,454.36
07/06/2022		DEP0017752	Utility Payment Packet UBPKT07693	Utility Billing	Outstanding	Deposit	4,525.00
07/07/2022		DEP0017755	Utility Payment Packet UBPKT07694	Utility Billing	Outstanding	Deposit	5,916.81

Bank Transaction Report

Issued Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
07/07/2022		DEP0017758	Utility Payment Packet UBPKT07695	Utility Billing	Outstanding	Deposit	2,151.50
07/07/2022		DEP0017761	Utility Payment Packet UBPKT07696	Utility Billing	Outstanding	Deposit	20,174.58
07/08/2022		DEP0017764	Utility Payment Packet UBPKT07697	Utility Billing	Outstanding	Deposit	1,203.00
07/08/2022		DEP0017767	Utility Payment Packet UBPKT07698	Utility Billing	Outstanding	Deposit	5,047.28
07/08/2022		DEP0017770	Utility Payment Packet UBPKT07700	Utility Billing	Outstanding	Deposit	14,627.22
07/08/2022		DEP0017773	Utility Payment Packet UBPKT07701	Utility Billing	Outstanding	Deposit	5,227.85
07/08/2022		DEP0017776	Utility Payment Packet UBPKT07699	Utility Billing	Outstanding	Deposit	3,474.41
07/10/2022		DEP0017782	Utility Payment Packet UBPKT07707	Utility Billing	Outstanding	Deposit	27,377.74
07/11/2022		DEP0017785	Utility Payment Packet UBPKT07708	Utility Billing	Outstanding	Deposit	872.42
07/11/2022		DEP0017788	Utility Payment Packet UBPKT07706	Utility Billing	Outstanding	Deposit	3,317.49
07/11/2022		DEP0017791	Utility Payment Packet UBPKT07712	Utility Billing	Outstanding	Deposit	7,754.93
07/12/2022		DEP0017794	Utility Payment Packet UBPKT07713	Utility Billing	Outstanding	Deposit	9,992.90
07/12/2022		DEP0017797	Utility Payment Packet UBPKT07714	Utility Billing	Outstanding	Deposit	5,342.67
07/12/2022		DEP0017803	Utility Payment Packet UBPKT07709	Utility Billing	Outstanding	Deposit	5,269.42
07/12/2022		DEP0017806	Utility Payment Packet UBPKT07710	Utility Billing	Outstanding	Deposit	12,247.10
07/12/2022		DEP0017809	Utility Payment Packet UBPKT07711	Utility Billing	Outstanding	Deposit	3,690.51
07/12/2022		DEP0017813	Utility Payment Packet UBPKT07715	Utility Billing	Outstanding	Deposit	2,579.83
07/12/2022		DEP0017828	Deposit Input Packet UBPKT07719	Utility Billing	Outstanding	Deposit	2,000.00
07/13/2022		DEP0017816	Utility Reverse Payment Packet UBPKT07717	Utility Billing	Outstanding	Deposit	-128.84
07/13/2022		DEP0017819	Utility Payment Packet UBPKT07718	Utility Billing	Outstanding	Deposit	4,753.04
07/13/2022		DEP0017825	Utility Payment Packet UBPKT07716	Utility Billing	Outstanding	Deposit	4,329.28
07/13/2022		DEP0017837	Utility Payment Packet UBPKT07722	Utility Billing	Outstanding	Deposit	56,819.95
07/14/2022		DEP0017834	ACH Draft Packet UBPKT07620	Utility Billing	Outstanding	Deposit	157,007.57
07/14/2022		DEP0017840	Utility Payment Packet UBPKT07723	Utility Billing	Outstanding	Deposit	9,644.58
07/14/2022		DEP0017843	Utility Payment Packet UBPKT07724	Utility Billing	Outstanding	Deposit	4,812.90
07/14/2022		DEP0017846	Utility Payment Packet UBPKT07725	Utility Billing	Outstanding	Deposit	14,453.39
07/14/2022		DEP0017852	Utility Payment Packet UBPKT07727	Utility Billing	Outstanding	Deposit	164,520.30
07/15/2022		DEP0017855	Utility Payment Packet UBPKT07728	Utility Billing	Outstanding	Deposit	3,736.85
07/15/2022		DEP0017858	Utility Payment Packet UBPKT07729	Utility Billing	Outstanding	Deposit	307.87
07/17/2022		DEP0017861	Utility Payment Packet UBPKT07731	Utility Billing	Outstanding	Deposit	10,651.58
07/18/2022		DEP0017864	Utility Payment Packet UBPKT07732	Utility Billing	Outstanding	Deposit	909.72
07/18/2022		DEP0017867	Utility Payment Packet UBPKT07730	Utility Billing	Outstanding	Deposit	580.25
07/18/2022		DEP0017870	Utility Payment Packet UBPKT07733	Utility Billing	Outstanding	Deposit	4,194.83
07/18/2022		DEP0017885	Utility Payment Packet UBPKT07745	Utility Billing	Outstanding	Deposit	15,555.53
07/19/2022		DEP0017888	Utility Payment Packet UBPKT07747	Utility Billing	Outstanding	Deposit	834.71
07/19/2022		DEP0017891	Utility Payment Packet UBPKT07746	Utility Billing	Outstanding	Deposit	401.20
07/19/2022		DEP0017900	Utility Payment Packet UBPKT07751	Utility Billing	Outstanding	Deposit	10,339.40
07/20/2022		DEP0017903	Utility Payment Packet UBPKT07752	Utility Billing	Outstanding	Deposit	591.91
07/20/2022		DEP0017906	Utility Payment Packet UBPKT07753	Utility Billing	Outstanding	Deposit	327.86
07/20/2022		DEP0017909	Utility Payment Packet UBPKT07756	Utility Billing	Outstanding	Deposit	27,605.00
07/21/2022		DEP0017912	Utility Payment Packet UBPKT07758	Utility Billing	Outstanding	Deposit	575.10
07/21/2022		DEP0017915	Utility Payment Packet UBPKT07757	Utility Billing	Outstanding	Deposit	1,343.21
07/21/2022		DEP0017921	Utility Payment Packet UBPKT07760	Utility Billing	Outstanding	Deposit	1,772.12

Bank Transaction Report

Issued Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
07/21/2022		DEP0017924	Utility Payment Packet UBPKT07762	Utility Billing	Outstanding	Deposit	4,652.27
07/22/2022		DEP0017927	Utility Payment Packet UBPKT07765	Utility Billing	Outstanding	Deposit	2,075.98
07/22/2022		DEP0017930	Utility Payment Packet UBPKT07763	Utility Billing	Outstanding	Deposit	5,667.31
07/24/2022		DEP0017942	Utility Payment Packet UBPKT07770	Utility Billing	Outstanding	Deposit	6,926.65
07/25/2022		DEP0017933	Utility Reverse Payment Packet UBPKT07766	Utility Billing	Outstanding	Deposit	-86.06
07/25/2022		DEP0017936	Utility Payment Packet UBPKT07768	Utility Billing	Outstanding	Deposit	3,437.90
07/25/2022		DEP0017939	Utility Payment Packet UBPKT07769	Utility Billing	Outstanding	Deposit	3,685.75
07/25/2022		DEP0017945	Utility Payment Packet UBPKT07772	Utility Billing	Outstanding	Deposit	3,467.53
07/26/2022		DEP0017948	Utility Payment Packet UBPKT07773	Utility Billing	Outstanding	Deposit	5,227.32
07/26/2022		DEP0017951	Utility Payment Packet UBPKT07774	Utility Billing	Outstanding	Deposit	5,162.82
07/26/2022		DEP0017954	Utility Payment Packet UBPKT07776	Utility Billing	Outstanding	Deposit	6,531.93
07/26/2022		DEP0017957	Utility Payment Packet UBPKT07779	Utility Billing	Outstanding	Deposit	110.00
07/26/2022		DEP0017960	Utility Payment Packet UBPKT07777	Utility Billing	Outstanding	Deposit	5,881.42
07/26/2022		DEP0017963	Utility Payment Packet UBPKT07778	Utility Billing	Outstanding	Deposit	4,887.15
07/26/2022		DEP0017966	Utility Payment Packet UBPKT07780	Utility Billing	Outstanding	Deposit	3,252.12
07/27/2022		DEP0017969	Utility Payment Packet UBPKT07782	Utility Billing	Outstanding	Deposit	6,400.72
07/27/2022		DEP0017972	Utility Payment Packet UBPKT07781	Utility Billing	Outstanding	Deposit	1,786.75
07/27/2022		DEP0017975	Utility Payment Packet UBPKT07783	Utility Billing	Outstanding	Deposit	2,053.73
07/27/2022		DEP0017978	Utility Payment Packet UBPKT07784	Utility Billing	Outstanding	Deposit	1,021.87
07/28/2022		DEP0017981	Utility Payment Packet UBPKT07785	Utility Billing	Outstanding	Deposit	1,375.88
07/28/2022		DEP0017984	Utility Payment Packet UBPKT07786	Utility Billing	Outstanding	Deposit	5,972.15
07/28/2022		DEP0017993	Utility Payment Packet UBPKT07789	Utility Billing	Outstanding	Deposit	20,557.40
07/29/2022		DEP0017987	Utility Payment Packet UBPKT07787	Utility Billing	Outstanding	Deposit	3,303.51
07/29/2022		DEP0017996	Utility Payment Packet UBPKT07790	Utility Billing	Outstanding	Deposit	3,689.71
07/31/2022		DEP0017999	Utility Payment Packet UBPKT07791	Utility Billing	Outstanding	Deposit	8,612.98
Deposit Total: (78)							778,954.33
Utility Billing Total: (80)							778,795.84
Report Total: (214)							116,187.79

Bank Transaction Report

Issued Date Range: -

Summary

Bank Account	Count	Amount
030866939 Bank of the West Checking	214	116,187.79
Report Total:	214	116,187.79

Cash Account	Count	Amount
99 99-000-1004 Bank of the West Checking (Pooled Cash)	214	116,187.79
Report Total:	214	116,187.79

Transaction Type	Count	Amount
Bank Draft	48	-731,706.43
Check	66	-1,315,955.66
Deposit	86	2,335,890.44
EFT	14	-172,040.56
Report Total:	214	116,187.79



Warrant Registry
Trabuco Canyon Water District
County of Orange
State of California


GENERAL FUND PAYROLL WARRANT REGISTER

For the Month of: July 2022

\$ 230,130.70

I hereby certify that the claims or demands covered by the above listed warrants have been audited as to accuracy and the availability of funds for payment thereof; and that the said claims or demands are accurate and that the funds are available.

This is to certify that claims or demands covered by the above listed warrants have been audited by the Finance/Audit Committee of the Trabuco Canyon Water District and that all of the said warrants are approved for payment.

 8-10-22
General Manager / Assistant General Manager

By

Date

By

Date

Net Pay	Checks					1,582.10	
	Direct Deposits					71,178.71	
	Subtotal Net Pay						72,760.81
	Adjustments					.00	
	Total Net Pay Liability (Net Cash)						72,760.81
Taxes							
		You are responsible for		Amount debited			
		Depositing these amounts		from your account			
Federal	Agency	Rate	EE withheld	ER contrib.	EE withheld	ER contrib.	
	Federal Income Tax					14,599.56	
	Earned Income Credit Advances						
	Social Security					6,322.26	6,322.28
	Medicare					1,654.44	1,654.43
	Medicare Surtax						
	Federal Unemployment Tax						
	Subtotal Federal		22,576.26		7,976.71		30,552.97
	FMLA-PSL Payments Credit						
	FMLA-PSL ER FICA Credit						
	FMLA-PSL Health Care Premium Credit						
	Employee Retention Qualified Payments Cre						
	Employee Retention Qualified Health Care						
	Cobra Premium Assistance Payments						
	Total Federal		22,576.26		7,976.71		30,552.97
State	CA State Income Tax					6,375.19	
	CA State Unemployment Insurance-ER 3000					44.41	
	CA State Disability Insurance-EE					1,120.19	
	Subtotal CA		7,495.38		44.41		7,539.79
	Total Taxes	.00	.00	30,071.64	8,021.12		38,092.76
	Amount ADP Debited From AccountXXXX6939		Tran/ABA XXXXXXXXXX				38,092.76
							Excludes Taxes That Are Your Responsibility
Other	ADP Direct Deposit					71,178.71	26 Employee Transactions
Transfers	ADP Check					1,582.10	
	Amount ADP Debited From AccountXXXX6939		Tran/ABA XXXXXXXXXX				72,760.81
Total Amount ADP Debited From Your Accounts							110,853.57



Statistical Summary Detail

TRABUCO CANYON WATER

Region Name : **GKN**
Company Code : ADP RESOURCE

Batch : **8672**
Quarter Number : **3**
Service Center: **580**

Period Ending : **07/15/2022**
Pay Date : **07/20/2022**
Current Date : **07/18/2022**

Week **29**
Page 2

Net Pay	<u>Checks</u>				332.50		
	<u>Direct Deposits</u>				77,409.65		
	Subtotal Net Pay						77,742.15
		<u>Adjustments</u>		3,180.40			
		Total Net Pay Liability (Net Cash)				80,922.55	
Taxes		You are responsible for		Amount debited			
		Depositing these amounts		from your account			
Federal	Agency	Rate	EE withheld	ER contrib.	EE withheld	ER contrib.	
		<u>Federal Income Tax</u>		15,971.42			
		<u>Earned Income Credit Advances</u>					
		<u>Social Security</u>		6,990.76		6,990.76	
		<u>Medicare</u>		1,810.78		1,810.77	
		<u>Medicare Surtax</u>					
		<u>Federal Unemployment Tax</u>					
		<u>Subtotal Federal</u>		24,772.96		8,801.53	
		<u>FMLA-PSL Payments Credit</u>				33,574.49	
		<u>FMLA-PSL ER FICA Credit</u>					
		<u>FMLA-PSL Health Care Premium Credit</u>					
		<u>Employee Retention Qualified Payments Cre</u>					
		<u>Employee Retention Qualified Health Care</u>					
		<u>Cobra Premium Assistance Payments</u>					
		<u>Total Federal</u>		24,772.96		8,801.53	
						33,574.49	
State			<u>CA State Income Tax</u>		6,690.62		
			<u>CA State Unemployment Insurance-ER 3000</u>				66.79
			<u>CA State Disability Insurance-EE</u>		1,203.08		
			<u>Subtotal CA</u>		7,893.70		66.79
						7,960.49	
		<u>Total Taxes</u>		.00		.00	32,666.66
						8,868.32	
						41,534.98	
		<u>Amount ADP Debited From AccountXXXX6939</u>		Tran/ABA XXXXXXXXXX		41,534.98	
						Excludes Taxes That Are Your Responsibility	
Other	<u>ADP Direct Deposit</u>		77,409.65				31 Employee Transactions
Transfers	<u>ADP Check</u>		332.50				
		<u>Amount ADP Debited From AccountXXXX6939</u>		Tran/ABA XXXXXXXXXX		77,742.15	
		Total Amount ADP Debited From Your Accounts				119,277.13	



Statistical Summary Detail

TRABUCO CANYON WATER

Region Name : **GKN**
Company Code : ADP RESOURCE

Batch : **1144**
Quarter Number : **3**
Service Center: **580**

Period Ending : **07/31/2022**
Pay Date : **08/05/2022**
Current Date : **08/02/2022**

Week **31**
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Trabuco Canyon Water District
General Fund Warrant Register
7/13/2022

Summary of Disbursements

Computer Checks	1,428,063.19
UB Refund Checks	321.68
Void UB Refund	-
Bank Drafts	885,196.00
Bank EFTs	100,245.68
Voided Checks	(693.32)
Total Disbursements	2,413,133.23

I hereby certify that the claims or demands covered by the above listed warrants have been audited as to accuracy and the availability of funds for payment thereof; and that the said claims or demands are accurate and that the funds are available.

General Manager / Assistant General Manager

This is to certify that claims or demands covered by the above listed warrants have been audited by the Finance/Audit Committee of the Trabuco Canyon Water District and that all of the said warrants are approved for payment.

By:

7-13-22

Date:

By:

7/13/22

Date:

TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | AUGUST 18, 2022

CONSENT CALENDAR

ITEM 3: ENGINEERING/OPERATIONAL COMMITTEE MEETING

RECOMMENDED ACTION:

Approve the following Engineering/Operational Committee Meeting Recap(s) and recommend that the Board receive and file same (Consent Calendar):

1. July 6, 2022

CONTACTS (staff responsible): PALUDI/PEREA/SANGI



TRABUCO CANYON WATER DISTRICT ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP | JULY 6, 2022

DIRECTORS PRESENT

Stephen Dopudja, Committee Chair
Mike Safranski, Committee Member

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager
Lorrie Lausten, District Engineer
Karen Warner, Principal Accountant
Lisa Marie Sangi, Executive Assistant
Gary Kessler, Water Superintendent
Jason Stroud, Maintenance Superintendent
Oscar Ulloa, Wastewater Superintendent

PUBLIC PRESENT

None

CALL MEETING TO ORDER

Director Dopudja called the July 6, 2022 Engineering/Operational Committee Meeting to order at 7:00 AM.

VISITOR PARTICIPATION

No comments were received.

ORAL COMMUNICATION

No comments were received.

COMMITTEE MEMBER COMMENTS

No comments were received.

REPORT FROM THE GENERAL MANAGER

No comments were received.

ITEM 1: ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP

Mr. Paludi presented the Engineering/Operational Committee Meeting Recap for Committee review in accordance with the agenda.

RECOMMENDED ACTION

The Committee recommended that the Engineering/Operational Committee Meeting Recap(s) be forwarded to the Board of Directors for approval (Consent Calendar).

**TRABUCO CANYON WATER DISTRICT
ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP | JULY 6, 2022**

ITEM 2: DESIGN SERVICES FOR GOLF CLUB SEWER LIFT STATION REPAIRS & IMPROVEMENTS

Mr. Paludi introduced this matter for Committee consideration. Ms. Lausten provided a brief review of staff efforts to date on the rehabilitation of this facility, and she presented a proposal from JIG Consultants for engineering design services. Discussion occurred concerning project costs to date and project schedule for completion. Ms. Lausten recommended the Board of Directors approve and authorize the General Manager to contract with JIG Consultants for the engineering design services.

RECOMMENDED ACTION:

The Committee recommended the Board of Directors authorize the General Manager to execute an agreement with JIG Consultants for design services for Golf Club Sewer Lift Station Improvements for \$87,000 with a contingency of \$8,700, for a not to exceed amount of \$95,700 (Action Calendar).

ITEM 3: SCADA UPGRADE PROJECT PHASE SIX AGREEMENT WITH TESCO CONTROLS

Mr. Paludi introduced this matter for Committee consideration, and he reported that this project phase will finalize the project systemwide. Ms. Lausten provided a review of the project phases completed to date, and she presented a proposal from TESCO Controls for upgrades at the remaining remote sites, the Robinson Ranch Wastewater Treatment Plant (WWTP), and SCADA/PLC Programming. Discussion occurred concerning project costs to date. Ms. Lausten recommended the Board of Directors approve and authorize the General Manager to contract with TESCO Controls for the SCADA system upgrades for Fiscal Year 2022-2023. Mr. Paludi reported that District staff will provide an updated fiscal impact report with costs outside of the original scope of work.

RECOMMENDED ACTION:

The Committee recommended the Board of Directors authorize the General Manager to execute a contract for the Fiscal Year 2022-2023 SCADA Upgrades to TESCO Controls, Inc. in the not to exceed amount of \$960,000 (Action Calendar).

ITEM 4: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING ROSE AND LANG WELLS

Mr. Paludi introduced this information item for Committee consideration. Ms. Lausten presented a technical memorandum prepared by Hazen and Sawyer which provided a condition assessment of the facility. Ms. Lausten provided a brief review of the proposed costs for cleaning the wells and perceived costs for well casing improvements. Discussion occurred concerning the long-term goals for the facility and a recommendation to perform an internal analysis water production and cost comparison with other water sources.

RECOMMENDED ACTION:

No action was taken.

ITEM 5: OTHER ENGINEERING AND OPERATIONS PROJECTS

1. OC Rescue Mission Service relocation

Ms. Lausten provided a brief project status update, and she delivered a PowerPoint presentation which reviewed the work completed to date. Ms. Lausten provided background information related to this project work, and she mentioned that District staff is requesting a perpetual, non-exclusive grant of easement related to onsite pipelines and access. Discussion occurred concerning ongoing collaboration between the District and the property owner.

2. Master Plan and Condition Assessment Update

Ms. Lausten provided a project update for the Committee, and she mentioned that representatives from Hazen and Sawyer will deliver a project status update presentation at the following committee meeting.

**TRABUCO CANYON WATER DISTRICT
ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP | JULY 6, 2022**

3. South Orange County IRWM Grant Project

Mr. Paludi reported that the South Orange County IRWM grant funding application period has ended and that District staff submitted an application for the expansion of the District's Dove Creek/Tick Creek Dry Season Recovery facilities. Ms. Lausten provided a brief review of the proposed project scope and the environmental factors and considerations. Discussion occurred concerning the District's recycled water production levels.

4. Other Projects

There were no other project updates.

RECOMMENDED ACTION

The Committee received the status updates. There was no action taken.

ITEM 6: WATER SYSTEM UPDATES

Mr. Kessler reviewed the projects and repairs for June 2022, and he reported that Water Operations staff has completed the following tasks:

1. Worked with Tesco Controls and Hydrotech Electric on the Dimension Water Treatment Plant SCADA upgrades.
2. Worked with GCI Construction to install a new water service line to the OC Rescue Mission.
3. Continued to work with Cartigraph on the new CMMS program and visited the Laguna Beach Water District to view its operation.
4. Performed maintenance on the Trabuco PRV, as well as the Rose Altitude Valve, which are located in the Canyon Community.
5. Performed weed abatement and general site cleanup at Dimension Water Treatment Plant, Trabuco Tanks and Robinson Ranch.

Mr. Kessler reviewed the Monthly Water System Operations Summary with the Committee.

RECOMMENDED ACTION

The Committee received the status update. There was no action taken.

ITEM 7: WASTEWATER SYSTEM UPDATES

Mr. Ulloa reviewed the projects and repairs for June 2022, and he reported that Wastewater Operations staff had completed the following tasks:

1. Installed a temporary pump at Dove Lake to supplement the reclaim reservoir.
2. Adjusted wastewater plant operations to comply with Southern California Edison, Time of Use program.
3. Installed a low flow, circulating pump to maintain chlorine residual during time of use.
4. Cleaned the Bell Canyon Lift Station wet well, located in Dove Canyon Community.
5. Removed a 12-inch corroded section of pipe from the chlorine contact chamber Wastewater Treatment Plant.
6. Conducted the Fats, Oil, Grease (F.O.G.) interceptor inspections.

Mr. Ulloa reviewed the Monthly Non-Domestic Water System Summary report for June 2022. Mr. Paludi reported that the Rancho Cielo Community Association has requested a meeting with District staff to evaluate onsite irrigation system improvements and conversion to recycled water.

**TRABUCO CANYON WATER DISTRICT
ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP | JULY 6, 2022**

RECOMMENDED ACTION

The Committee received the status update. There was no action taken.

ITEM 8: MAINTENANCE DEPARTMENT UPDATES

Mr. Stroud reviewed the projects and repairs for June 2022, and he reported that Maintenance staff completed the following tasks:

1. Attended an Ignition Software tour at the City of Orange.
2. Swapped out a failed air blower at the Wastewater Treatment Plant blower room.
3. Worked with Flo-Services at the Dimension Water Treatment Plant on the backwash sump pump.
4. Quarterly Basic Inspection Terminals (BIT) inspections were performed.
5. Heritage Lift Station emergency generator cooling system replaced (water pump, radiator, coolant, hoses).
6. Worked with the Sanitation Department on the Xylem rental pump for Dove Lake.
7. Went to the City of Laguna Beach for Cartograph Software Tour.
8. Performed preventative maintenance on the F650 dump truck.

RECOMMENDED ACTION

The Committee received the status update. There was no action taken.

ITEM 7: OTHER MATTERS/REPORTS

There were no other matters presented for consideration.

RECOMMENDED ACTION

There was no action taken.

ADJOURNMENT

Director Dopudja adjourned the July 6, 2022 Engineering/Operational Committee Meeting at 8:21 AM.

TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | AUGUST 18, 2022

CONSENT CALENDAR

ITEM 4: EXECUTIVE COMMITTEE MEETING

RECOMMENDED ACTION:

Approve the following Executive Committee Meeting Recap(s) and recommend that the Board receive and file same (Consent Calendar):

1. July 5, 2022

CONTACTS (staff responsible): PALUDI/PEREA/SANGI



TRABUCO CANYON WATER DISTRICT EXECUTIVE COMMITTEE MEETING RECAP | JULY 5, 2022

DIRECTORS PRESENT

Vice President Stephen Dopudja, Committee Chair
President Don Chadd, Committee Member

STAFF PRESENT

Michael Perea, Assistant General Manager

STAFF PRESENT VIRTUALLY

Fernando Paludi, General Manager

PUBLIC PRESENT

None

CALL MEETING TO ORDER

Vice President Dopudja called the July 5, 2022 Executive Committee Meeting to order at 5:00 PM.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

No comments were received.

REPORT FROM THE GENERAL MANAGER

No comments were received.

DISCUSSION MATTERS

ITEM 1: APPROVAL OF EXECUTIVE COMMITTEE MEETING RECAP

Mr. Paludi presented the Executive Committee Meeting Recap for the following meeting(s) for Committee consideration.

RECOMMENDED ACTION:

The Committee approved and recommended the Executive Committee Recap be forwarded to the Board of Directors for approval (Consent Calendar):

ITEM 2: BOARD AGENDA PLANNING CALENDAR

Mr. Paludi presented this matter for Committee consideration, and he provided a handout highlighting certain proposed Board agenda planning calendar updates including, but not limited to:

July 2022 Regular Board Meeting

- Presentation by Adam Milauskas, Ferguson Waterworks

**TRABUCO CANYON WATER DISTRICT
EXECUTIVE COMMITTEE MEETING RECAP | JULY 5, 2022**

- Undeveloped Land/Water Standby Charge Public Hearing
- CalPERS Health Benefit Rates for FY 2022/2023
- Design Services Contract for Golf Club Sewer Lift Station
- SCADA Upgrade Project Phase Six Contract with TESCO Controls

August 2022 Regular Board Meeting

- General Manager Employment Contract
- Dimension Water Treatment Plant Office Trailer Improvement Project Contract

September 2022 Regular Board Meeting

- 2022 Biennial Review of TCWD's Conflict of Interest Code
- Update on Consultant Analysis of SOCWA PC 12 vs TCWD individual Recycled Water Permit

Other Future Board Items

- Review of Hazen & Sawyer Condition Assessment
- Review of Ten-Year Capital Improvement Plan
- Adoption of Updated Capacity Charges for Water Service
- Adoption of Updated Procurement Policy

RECOMMENDED ACTION:

There was no action taken.

OTHER MATTERS

ITEM 3: REPORTS OR COMMENTS FROM THE GENERAL MANAGER AND/OR STAFF

Mr. Paludi reported on the following items for Committee consideration:

1. Orange County Grand Jury (OCGJ) Report "Water in Orange County Needs "One Voice"": Mr. Paludi provided a handout of the OCGJ report for Committee review, and he reported that this matter was reviewed at the Municipal Water District of Orange County (MWDOC) Planning and Operations Committee Meeting earlier that day. Discussion occurred concerning the findings and recommendations provided in the report and the timeline for reporting to the OCGJ.
2. SOCWA PC 12: Mr. Paludi provided a brief update on the SOCWA Facilitated Discussion process, and he presented a handout to the Committee which highlighted certain topics related to the matter.
3. Mr. Paludi reported that the Rancho Cielo Community Association has reached out to District staff concerning converting to recycled water for irrigation purposes. Discussion occurred concerning certain infrastructure needs to complete this type of conversion.
4. Mr. Perea provided a brief update on the Biological Resource Assessment Report process, and he reported that Psomas has completed the site review and a preliminary report is forthcoming.

RECOMMENDED ACTION:

None

ADJOURNMENT

Vice President Dopudja adjourned the July 5, 2022 Executive Committee Meeting at 6:20 p.m.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | AUGUST 18, 2022**

ACTION CALENDAR

ADMINISTRATIVE MATTERS

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

FEES AND EXPENSES

Consistent with Board policy, Directors are reimbursed for expenses incurred while serving in their capacity as Directors. Additionally, Directors earn a per diem stipend for attendance at meetings or functions in a Director capacity. The attached spreadsheet provides a recap of the meetings, seminars, conferences attended by Directors along with expenses recorded to date.

TENTATIVE FUTURE MEETINGS

The attached spreadsheet provides a schedule of the tentative future meetings and attendance items.

FUNDING SOURCE:

General Fund

FISCAL IMPACT

FY 2021/2022 Budgeted Board Expenses: \$38,400

COMMITTEE STATUS:

This matter was reviewed with the Finance/Audit Committee.

RECOMMENDED ACTIONS:

Approve the tentative future meetings/attendance items and ratify the Directors' expenses and fees from the following period(s):

1. *July 2022*

EXHIBIT(S):

1. Directors Fees and Expenses Monthly Report for July 2022
2. Directors Future/Tentative Meeting/Attendance Schedule for Calendar Year 2022

CONTACTS (staff responsible): PALUDI/PEREA/SANGI


TRABUCO CANYON WATER DISTRICT
DIRECTORS' FEES AND EXPENSES MONTHLY REPORT | JULY 2022

MEETING DESCRIPTION	ACOSTA	CHADD	DOPUDJA	MANDICH	SAFRANSKI
DISTRICT MEETINGS					
Engineering/Operational Committee Meeting			07/06/22		07/06/22
Executive Committee Meeting		07/05/22	07/05/22		
Finance/Audit Committee Meeting	07/13/22			07/13/22	
Individual Meeting with General Manager	07/19/22	07/19/22	07/19/22	07/18/22	07/18/22
Regular Board Meeting	07/21/22	07/21/22		07/21/22	07/21/22
REPRESENTATIVE MEETINGS					
City of Rancho Santa Margarita Council Meeting					07/13/22
City of Rancho Santa Margarita City Planning Commission Meeting	07/06/22				
Independent Special Districts of Orange County - Monthly Luncheon Meeting	07/05/22				
Independent Special Districts of Orange County - Quarterly/Meeting					
Municipal Water District of Orange County (MWDOC) Board Meeting	07/20/22				
Santiago Aqueduct Commission Meeting (SAC)					
South Orange County Agencies Group		07/28/22			
South Orange County Wastewater Authority (SOCWA) Regular Board Meeting			07/07/22		
Southern California Water Coalition Quarterly Luncheon	07/22/22				
MO. South Orange County Integrated Regional Watershed Management Executive Committee					
QRTLY South Orange County Integrated Regional Watershed Management Executive Committee					
Water Advisory Committee of Orange County Meeting (WACO)	07/08/22				
NUMBER OF MEETINGS ATTENDED	8	4	4	3	4
FEES (\$125 per each meeting*)	\$1,000.00	\$500.00	\$500.00	\$375.00	\$500.00
DIRECT REIMBURSABLE EXPENSES					
DIRECT REIMBURSABLE EXPENSES TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INDIRECT REIMBURSABLE EXPENSES					
INDIRECT REIMBURSABLE EXPENSES TOTALS					
TOTAL	\$1,000.00	\$500.00	\$500.00	\$375.00	\$500.00
<i>* Maximum per diem per day is one; maximum per diems per month is 10</i>					

DIRECTOR SIGNATURE

TRABUCO CANYON WATER DISTRICT | 2022 PUBLIC MEETING AND CONFERENCE CALENDAR

2022													
LINE ITEM	MEETING DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
DISTRICT PUBLIC MEETINGS													
1	Executive Committee Meeting	TBD			TBD			TBD			TBD		
2	Engineering/Operational Committee Meeting	01/05/22	02/02/22	03/02/22	04/06/22	05/04/22	06/01/22	07/06/22	08/03/22	09/07/22	10/05/22	11/02/22	12/07/22
3	Finance/Audit Committee Meeting	01/12/22	02/09/22	03/09/22	04/13/22	05/11/22	06/08/22	07/13/22	08/10/22	09/14/22	10/12/22	11/09/22	12/14/22
4	Regular Board Meeting	01/20/22	02/17/22	03/17/22	04/21/22	05/19/22	06/16/22	07/21/22	08/18/22	09/22/22	10/20/22	11/17/22	12/22/22
5	District Properties Ad Hoc Committee Meeting	-	-	-	-	-	-	-	-	-	-	-	-
PUBLIC MEETINGS													
6	City of RSM City Council Meeting - Meeting No. 1	01/12/22	02/09/22	03/09/22	04/13/22	05/11/22	06/08/22	07/13/22	08/10/22	09/14/22	10/12/22	11/09/22	12/14/22
7	City of RSM City Council Meeting - Meeting No. 2	01/26/22	02/23/22	03/23/22	04/27/22	05/25/22	06/22/22	07/27/22	08/24/22	09/28/22	10/26/22	11/23/22	12/28/22
8	Independent Special Districts of Orange County Meeting	01/04/22	02/01/22	03/01/22	04/05/22	05/03/22	06/07/22	07/05/22	08/02/22	09/06/22	10/04/22	11/01/22	12/06/22
9	Independent Special Districts of Orange County Meeting	01/27/22	-	-	04/28/22	-	-	07/28/22	-	-	10/27/22	-	-
10	Orange County Local Agency Formation Commission (OC LAFCO)	01/12/22	02/09/22	03/09/22	04/13/22	05/11/22	06/08/22	07/13/22	08/10/22	09/14/22	10/12/22	11/09/22	12/14/22
11	Santiago Aqueduct Commission Meeting	-	-	03/17/22	-	-	06/16/22	-	-	09/15/22	-	-	12/15/22
12	Quarterly South Orange County Integrated Regional Watershed Management Executive Committee	-	-	03/03/22	-	05/05/22	-	-	08/04/22	-	-	11/03/22	-
13	Monthly South Orange County Integrated Regional Watershed Management Executive Committee	01/27/22	02/24/22	03/24/22	04/28/22	05/26/22	06/23/22	07/28/22	08/25/22	09/22/22	10/27/22	11/24/22	12/22/22
14	South Orange County Water Agencies Group Meeting*	01/27/22	-	03/24/22	-	05/26/22	-	07/28/22	-	09/22/22	-	11/24/22	-
15	South Orange County Wastewater Authority Regular Board Meeting	01/06/22	02/03/22	03/03/22	04/07/22	05/05/22	06/02/22	07/07/22	08/04/22	09/01/22	10/06/22	11/03/22	12/01/22
16	Water Advisory Committee of Orange County	01/07/22	02/04/22	03/04/22	04/01/22	05/06/22	06/03/22	07/01/22	08/05/22	09/02/22	10/07/22	11/04/22	12/02/22
CONFERENCES													
17	ACWA Spring Conference - Sacramento, CA					5/3 - 5/6							
18	ACWA Fall Conference - Indian Wells, CA											11/29 - 12/2	
19	CSDA Annual Conference -Palm Springs, CA								8/22 - 8/25				
20	CSDA GM Leadership Summit - Coronado, CA						6/19 - 6/21						
21	Urban Water Institute (UWI) Annual Conference - San Diego, CA								8/24 - 8/26				
22	CSDA SDLA Conference - Napa, CA									9/18 - 9/21			

LEGEND
 District Observed Holiday - Reschedule Meeting
**4th Tuesday of the Odd Numbered Month*

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | AUGUST 18, 2022**

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 6: DISCUSSION AND CONSIDERATION OF RESOLUTION CONCERNING THE HOLDING OF REGULAR MEETINGS OF THE BOARD OF DIRECTORS AND AMENDING THE RULES AND REGULATIONS OF THE TRABUCO CANYON WATER DISTRICT

Trabuco Canyon Water District (District) is a county water district organized and operating pursuant to Water Code Sections 30000 and following and related California law. The District's Board of Directors are required to provide for the time and place of holding its regular meetings [Section 30521(a)], and as such, adopted Resolution No. 96-803 which established the third Wednesday of each month at 7:00 p.m. for holding a Regular Board Meeting to conduct District business. In July 2021, the Board of Directors adopted Resolution No. 2021-1298 which changed the date of the Regular Board Meeting to the third Thursday of each month.

At this time, District staff recommends the Board of Directors amend the Rules and Regulations by resolution to change the time of the Regular Board Meeting from 7:00 p.m. to **5:30 p.m.** to better address District business.

FUNDING SOURCE:

Not applicable

FISCAL IMPACT (PROJECT BUDGET):

Not applicable

ENVIRONMENTAL COMPLIANCE:

Not applicable

COMMITTEE STATUS:

This matter was reviewed with the Executive Committee.

RECOMMENDED ACTION:

1. *Receive information at the time of the Board Meeting.*
2. *Adopt Resolution No. 2022-1309 – Resolution of the Board of Directors of the Trabuco Canyon Water District Providing for the Holding of Regular Meetings of the Board of Directors and Amending the Rules and Regulations of the Trabuco Canyon Water District.*

EXHIBIT(S):

1. Resolution No. 2022-1309 – Resolution of the Board of Directors of the Trabuco Canyon Water District Providing for the Holding of Regular Meetings of the Board of Directors and Amending the Rules and Regulations of the Trabuco Canyon Water District.

CONTACTS (staff responsible): PALUDI/PEREA/COLLINS

RESOLUTION NO. 2022-1309

RESOLUTION OF THE BOARD OF DIRECTORS OF THE TRABUCO CANYON WATER DISTRICT PROVIDING FOR THE HOLDING OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS AND AMENDING THE RULES AND REGULATIONS OF THE TRABUCO CANYON WATER DISTRICT

WHEREAS, the Trabuco Canyon Water District (District) is a county water district organized and operating pursuant to Water Code Sections 30000 and following and related California law; and

WHEREAS, the District's Board of Directors (Board) currently hold regular meetings of the Board on the third Thursday of each month at 7:00 p.m. at the District's Administration Facility pursuant to its Rules and Regulations, Section 2.5.1 and Appendix C; and

WHEREAS, the Board of Directors has considered and reviewed the amendment of the current time of the month of regular meetings of the Board of Directors, as established pursuant to Water Code Section 30521; and

WHEREAS, it is appropriate to provide for the holding of such meetings by way of a resolution of the Board and to provide for corresponding amendment of the District's Rules and Regulations.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TRABUCO CANYON WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. Pursuant to Water Code Section 30521(a), the Board of Directors do hereby provide that a regular meeting of the Board of Directors of the Trabuco Canyon Water District shall be held as follows:

- (a) Third Thursday of each month at 5:30 p.m. at the District Administration Facility located at 32003 Dove Canyon Drive, Trabuco Canyon, California 92679.

The new schedule of the Regular Meeting of the Board of Directors of the Trabuco Canyon Water District shall be effective beginning September 1, 2022.

Section 2. Section 2.5.1 and Appendix C of the Trabuco Canyon Water District Rules and Regulation is hereby amended to read as follows:

- (a) As of September 1, 2022, the Regular Meeting of the Board of Directors of Trabuco Canyon Water District shall be the third Thursday of each month at 5:30 p.m. at the District Administration Facility located at 32003 Dove Canyon Drive, Trabuco Canyon, California 92679. This is subject to change and interested persons should contact the District Administration Facility or visit the District website at www.tcwd.ca.gov to determine the current time and place for the regular meeting.

The remainder of this page is blank.

ADOPTED, SIGNED, AND APPROVED this 18th day of August 2022

TRABUCO CANYON WATER DISTRICT

By: _____
President/Vice President

By: _____
District Secretary

DRAFT

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing resolution was duly adopted by the Board of said District at a regular meeting of such Board held on the 18th day of August 2022, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at said meeting such resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

District Secretary,
Trabuco Canyon Water District

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 2022-1309 of such Board and that the same has not been amended, rescinded, or repealed.

Dated this 18th day of August 2022.

District Secretary,
Trabuco Canyon Water District

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | AUGUST 18, 2022**

ACTION CALENDAR

ADMINISTRATIVE MATTERS

**ITEM 7: APPROVAL OF PARTICIPATION IN THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC)
OC WATER SUMMIT**

Trabuco Canyon Water District (District or TCWD) is a member agency of the Municipal Water District of Orange County (MWDOC). Now in its fourteenth year, the OC Water Summit is hosted by MWDOC and Orange County Water District (OCWD) is a gathering of business professionals, elected officials, water industry stakeholders, and community leaders from throughout Southern California and surrounding areas. In 2021, TCWD sponsored a table for the event which includes the District's name and logo featured on the Summit program, website, and a table for eight at the Summit. District staff recommends sponsoring the event at the same level of a table. More information may be presented at the meeting.

FUNDING SOURCE:

General Fund

FISCAL IMPACT (PROJECT BUDGET):

\$1,600

ENVIRONMENTAL COMPLIANCE:

Not applicable

COMMITTEE STATUS:

This matter was not reviewed at the Committee level.

RECOMMENDED ACTION:

Approve District participation in the Municipal Water District of Orange County (MWDOC) OC Water Summit and a table sponsorship level of \$1,600.

EXHIBIT(S):

1. OC Water Summit Sponsorship Brochure 2022

CONTACTS (staff responsible): PALUDI/PEREA

CALIFORNIA DREAMIN'

Making Water Infrastructure a Reality

Sponsorship Opportunities

September 16, 2022
7:30 a.m. – 1:30 p.m.

Grand Californian Hotel and Spa
Disneyland Resort, Anaheim

ocwatersummit.com



CALIFORNIA DREAMIN'

Making Water Infrastructure a Reality

These are pivotal times in the water industry. Drought is once again ravaging the west and decrees to conserve are upon us. Meanwhile, critical infrastructure projects that could enhance supply and reliability for the state are still years from breaking ground. Climate change, rising population, and more stringent regulations are crippling California's existing water system, which has not been upgraded since the '60s. Now more than ever before, water managers, policymakers, agriculture, and business need to work together to build projects that will keep the water flowing for generations to come.

Join more than 400 business professionals, elected officials, academics, and water leaders on September 16, 2022, as the OC Water Summit **California Dreamin'** explores Making Water Infrastructure a Reality.

ABOUT THE OC WATER SUMMIT

Currently in its 14th year, the OC Water Summit is an innovative, interactive forum that brings together hundreds of business professionals, elected officials, water industry stakeholders, and community leaders from throughout Southern California and beyond.

Co-hosted by the **Municipal Water District of Orange County (MWDOC)** and **Orange County Water District (OCWD)**, this one-of-a-kind event engages participants in discussion on new and ongoing water supply challenges, water policy issues, and other important topics that impact our economy and public health.

Prominent authors, world-renowned experts, and distinguished speakers will deliver presentations and engage in dialogue with participants on these critical issues. By sponsoring the OC Water Summit, you are investing in water reliability for Southern California. A variety of sponsorship opportunities are available to meet your organization's strategic goals. Please visit ocwatersummit.com for more information.

SPONSORSHIP INFORMATION

We are currently seeking sponsorships from organizations like yours for our 2022 event.

Please confirm your sponsorship commitment no later than Monday, September 12, 2022, to guarantee inclusion in all of the sponsorship benefits.

Send a high-resolution electronic version of your logo to Katie Vincent at kvincent@mwdoc.com. EPS, PDF or AI file formats are preferred for best image quality.

Payments may be made via credit card or check. Please make checks payable to "Municipal Water District of Orange County" and mail to: Municipal Water District of Orange County, 18700 Ward Street, Fountain Valley, CA 92708

Questions? Contact:

Katie Vincent
(714) 916-0763
kvincent@mwdoc.com

Crystal Nettles
(714) 378-3202
cnettles@ocwd.com

PRESENTED BY



SPONSOR LEVELS

Logo exclusively featured alongside Presenting Sponsors on event invitations, program cover, transitional slides, event website, event signage, and on advertising, marketing, and other materials

Opportunity to have a promotional item distributed to each guest attending the Summit

Opportunity to host an exhibit table at the Summit

Marketing piece distributed in the exhibit area

Logo featured in the Summit program

Name featured in the Summit program

Logo featured on the event website, www.ocwatersummit.com

Name featured on the event website, www.ocwatersummit.com

Logo featured on slides during the program

Logo featured on independent slide before session

Full page color advertisement on the back cover of the Summit program (This is the ONLY ad space in the program)

Table for eight at Summit with logo on table signs

Two complimentary tickets to the Summit

Signage located at buffet stations featuring company name and logo

Logo featured on each table

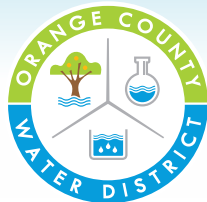
	\$10,000* TITLE	\$7,500* LUNCHEON	\$6,000* PROGRAM	\$5,000* DECOR	\$4,000 OC CITIES	\$3,500** SESSION	\$2,000 ASSOCIATE	\$1,600 TABLE	\$1,000 BREAKFAST
Logo exclusively featured alongside Presenting Sponsors on event invitations, program cover, transitional slides, event website, event signage, and on advertising, marketing, and other materials									
Opportunity to have a promotional item distributed to each guest attending the Summit									
Opportunity to host an exhibit table at the Summit									
Marketing piece distributed in the exhibit area									
Logo featured in the Summit program									
Name featured in the Summit program									
Logo featured on the event website, www.ocwatersummit.com									
Name featured on the event website, www.ocwatersummit.com									
Logo featured on slides during the program									
Logo featured on independent slide before session									
Full page color advertisement on the back cover of the Summit program (This is the ONLY ad space in the program)									
Table for eight at Summit with logo on table signs									
Two complimentary tickets to the Summit									
Signage located at buffet stations featuring company name and logo									
Logo featured on each table									

*Limited to One Sponsor
(Luncheon and Program levels reserved)

**Limited to One Sponsor
(5 sessions available)

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PRESENTING



LUNCHEON



PROGRAM



DÉCOR



SESSION



ASSOCIATE



TABLE

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Black & Veatch
CDM Smith
Eastern Municipal Water District
El Toro Water District

Hazen and Sawyer
Innovative Construction Solutions
Irvine Ranch Water District
Metropolitan Water District
Moulton Niguel Water District

Pacific Hydrotech Corporation
South Coast Water District
Tetra Tech
Trabuco Canyon Water District
Yorba Linda Water District

BREAKFAST

Dopudja & Wells Consulting

Rutan & Tucker

EXHIBITOR

Aquflow - Metering Pumps

CA-NV Section, American Water
Works Association

Orange County's Credit Union

Municipal Water District of Orange County | Orange County Water District
18700 Ward Street, Fountain Valley, CA 92708 ----- 714.963.3058 --- 714.378.3200
mwdoc.com ocwatersummit.com ocwd.com

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | AUGUST 18, 2022**

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 8: APPROVAL OF FIRST AMENDMENT TO GENERAL MANAGER'S EMPLOYMENT AGREEMENT

Trabuco Canyon Water District's (District) General Manager (GM) is a contract position, and the Board of Directors has met to review the terms of the GM's employment contract and give direction to the District's negotiator, President Chadd, in closed session at both the June 16, 2022 and July 21, 2022 Regular Board Meetings. The Board President recommends an amendment to the General Manager's employment contract to provide for a salary of \$273,240 per year and an automobile allowance of \$1200 per month. All other provisions of his employment agreement will remain unchanged.

FUNDING SOURCE:

General Fund

FISCAL IMPACT (PROJECT BUDGET):

Proposed Salary Adjustment: \$ 20,240

Proposed Auto Allowance Adjustment: \$ 3,600

Proposed Total Fiscal Impact: \$ 23,840

ENVIRONMENTAL COMPLIANCE:

Not applicable

COMMITTEE STATUS:

This matter has not been reviewed at the Committee level.

RECOMMENDED ACTION:

1. *Receive information at the time of the Board Meeting.*
2. *Announce the compensation terms of the proposed contract pursuant to Government Code Section 54953.*
3. *Authorize the Board President to execute the General Manager employment contract.*

EXHIBIT(S):

1. First Amendment to Employment Agreement

CONTACTS (staff responsible): PALUDI/COLLINS

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

This First Amendment to Employment Agreement ("**First Amendment**") is effective as of September 1, 2022 and is between the **TRABUCO CANYON WATER DISTRICT**, a County Water District ("**District**") acting by and through its Board of Directors ("**Board**"), and **FERNANDO PALUDI**, an individual ("**Mr. Paludi**") (individually sometimes referred to as "**Party**" or collectively as "**Parties**").

The Parties entered into an Employment Agreement effective September 1, 2021, which establishes the terms under which Mr. Paludi serves as General Manager to the District. The Employment Agreement provides that Mr. Paludi's compensation will be subject to renegotiation each August for the annual period beginning each September.

The Employment Agreement also provides for an auto allowance for Mr. Paludi.

The District intends by this First Amendment to adjust Mr. Paludi's compensation and his auto allowance.

The Parties therefore amend the Employment Agreement as follows:

Section 1. Compensation Adjustment.

Mr. Paludi's gross annual salary beginning September 1, 2022 will be **\$273,240** for his services as General Manager, and the Employment Agreement at Section 3 is hereby amended to that effect.

Section 2. Auto Allowance Adjustment.

The District shall provide Mr. Paludi **\$1200.00 per month** as an allowance for automobile expenses, and the Employment Agreement at Section 4(c) is hereby amended to that effect.

Section 3. No Other Changes.

Except as described in this First Amendment, there are no other changes to the Employment Agreement.

The Parties are signing this Agreement to be effective as of the Effective Date.

TRABUCO CANYON WATER DISTRICT

By: _____
Don Chadd, President



Fernando Paludi

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | AUGUST 18, 2022**

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 9: DISCUSSION AND POSSIBLE ACTION REGARDING TCWD RESPONSE TO 2021-2022 ORANGE COUNTY GRAND JURY REPORT WATER IN ORANGE COUNTY NEEDS "ONE VOICE"

During its 2021-2022 session, the Orange County Grand Jury evaluated the roles, governance structure, and effectiveness of the County's wholesale water entities, Municipal Water District of Orange County (MWDOC) and Orange County Water District (OCWD) and concluded that the County would be better served by a single wholesale water supplier speaking with "one voice." The Grand Jury interviewed key stakeholders from a cross-section of wholesale and retail water providers (including Trabuco Canyon Water District) to obtain a diversity of perspectives, in addition to conducting independent research into the subject agencies and related issues. The Grand Jury published its findings and recommendations in a report titled *Water in Orange County Needs 'One Voice'* (Report) included as an Exhibit.

Per the California Penal Code, the public agencies that are the subject of a Grand Jury report (MWDOC and OCWD in this case) are required to comment to the Presiding Judge of the Superior Court on the findings and recommendations no later than 90 days after the Grand Jury publishes the report. For the subject Report, the Grand Jury has also *requested* responses from TCWD and 17 other entities, including 15 other water agencies that are either members of MWDOC, OCWD, or both, and the Metropolitan Water District. The Penal Code also specifies the manner in which comments or responses are to be made. In brief, as to each finding, the response shall indicate whether the responding entity agrees, or disagrees wholly or partially, with the finding. As to each recommendation, the responding entity shall report whether the recommendation has been implemented; will be implemented in the future; requires further analysis; or will not be implemented because it is not warranted or is not reasonable.

The District's draft response letter will be presented at the time of the meeting.

FUNDING SOURCE:

General Fund

FISCAL IMPACT:

Not applicable

ENVIRONMENTAL COMPLIANCE:

Not applicable

COMMITTEE STATUS:

This matter has not been reviewed at the Committee level.

RECOMMENDED ACTION:

Receive information at the time of the Board Meeting.

EXHIBIT(S):

Orange County Grand Jury Report *Water in Orange County Needs "One Voice"*

CONTACTS (staff responsible): PALUDI/PEREA

Water in Orange County Needs “One Voice”



GRAND JURY 2021-2022

Water in Orange County Needs “One Voice”

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Water in Orange County Needs “One Voice”

SUMMARY

The future of a reliable water supply for California, as well as Orange County (OC), is at risk. The intense dry spell in the West, the worst in 1,200 years, is being labeled a “Mega Drought.”¹ Multiple years of drought and inconsistent availability of imported surface water from Northern California and the Colorado River should inspire OC leaders responsible for a reliable water supply to consider new ways to offset the likely depletion of aquifers and reservoirs.

Ronald Reagan once said: “No government ever voluntarily reduced itself in size.” However, it is important that Orange County water providers consolidate their resources and establish a unified voice to lead the County more efficiently in its water policies and planning. Multiple water experts agree it is time to coordinate strategies in water conservation, development of new supply and infrastructure, and preparation for the possibility of continued drought, disaster, and State-mandated water cutbacks.

Providing water to Orange County residents is a complicated process and requires the work of water wholesalers and retailers. Retail water agencies (districts and cities) are the direct link to residential and commercial customers. It is they who set the retail price for the water that is delivered. Providers of drinkable water to these retail entities are the wholesalers (suppliers) of imported and local groundwater from the aquifer.

The current structure of wholesale water supply and operations in Orange County, although fragmented between Orange County Water District (OCWD), Metropolitan Water District of Southern California (MET), and Municipal Water District of Orange County (MWDOC), has been successful in providing reliable, high-quality drinking water. While differences in geology and geography dictate different water supplies, no single governmental body is solely responsible for wholesale water policy and operations in Orange County, even though providing future reliable water supply is becoming more challenging.

While the processes of supplying wholesale groundwater and imported water are arguably dramatically different, complex, and should remain separated in OC, the Orange County Grand Jury (OCGJ) has determined that all sources of water are interconnected and would be best administered by one governmental entity. All the water flowing to OC taps looks the same, whether imported or groundwater, so why do we need two wholesale agencies?

This single leadership structure, whether through consolidation of existing dual entities (OCWD and MWDOC) or creation of a new water authority, is achievable through a combination of governance and local and State legislative changes that authorizes the single organization to lead all aspects of Orange County wholesale water. Although any consolidation or formation of a new water agency would pose political, administrative, and operational challenges, the OCGJ concluded that, at long last, it is time for Orange County to operate with “one water voice.”

¹ February 14, 2022, Peer reviewed study published in the journal *Nature Climate Change*
<https://doi.org/10.1038/s41558-022-01290-z>

Water in Orange County Needs “One Voice”

BACKGROUND

Multiple prior Grand Jury Reports have addressed water issues, including water challenges and opportunities jointly being faced by all of Orange County. One report pointed out disparities between the North/Central and South County’s water sources, the fragmented governance, and the significant differences in topography.² Another report informed the public about sustainability of the local water supply and future needs, along with evaluating the efforts of the two major wholesale water agencies in the County.³

Orange County relies heavily on imported water for its ongoing supply, as well as some of its groundwater storage replenishment needs. Metropolitan Water District of Southern California (MET) supplies imported water to Southern California. Municipal Water District of Orange County (MWDOC) buys imported water from MET and sells it to Orange County’s retail water agencies (cities and special districts). Orange County Water District (OCWD) supplies ground water to the retail water agencies and cities geographically served by the aquifer and wells.

REASON FOR THE STUDY

The consolidation of OCWD and MWDOC has been explored in the past, debated by wholesale and retail water agencies, but ultimately never accomplished. The formation of a new Joint Powers Authority is one option. But no matter how a consolidation would be accomplished, the OCGJ concluded that now is the time to have a single wholesale water supply agency in Orange County. Based on statements made during numerous OCGJ interviews, multiple water professionals support moving from two to one wholesale entity for Orange County.

The OCGJ is concerned that opportunities to operate, innovate, lobby, capitalize and coordinate communication are not being optimized with Orange County’s current wholesale water structure, which is split between two key, but very different, agencies. This report will, among other things, address the merits related to the formation of “One Voice” in the Orange County wholesale water structure. It will highlight ways in which Orange County can better address water supply, operations, and infrastructure. The report will not recommend specifically how a single structure comes to fruition legislatively.

METHOD OF STUDY

The Grand Jury evaluated the efforts of the existing primary water entities in Orange County—MWDOC and OCWD—to determine what is working well, and the challenges and opportunities currently existing. In its investigation, the OCGJ used the following sources.

² 2009-2009 Grand Jury report titled *Paper Water*

³ 2012-2013 Grand Jury report titled *Orange County Water Sustainability: Who Cares?*

Water in Orange County Needs “One Voice”

- In-person and virtual interviews. Specifically, interviews of current and former Water District Managers, City and Regional Water Managers and other involved State entities and individuals.
- Water District website meeting minutes and document review.
- Independent research (articles, websites, reports, minutes, documents, etc.).
- Research of applicable State and local water-related statutes and ordinances.
- Site tours of water and sanitation districts’ operations.
- Past Grand Jury reports.
- 2021 Orange County Water Summit.

The interviews included personnel from water agencies that represented a cross section of regional and local wholesalers and retailers to obtain a diversity of perspectives based on geography, demographics, and practices. The investigation took into consideration the variety of characteristics that exist in the County, including:

- North compared to South County sources of water supply (reliance on imported water).
- Variety of projects to provide water supplies during normal and emergency times.
- Diversity of projects and plans to increase reliable sources of water supply including categories related to conservation, recycling for irrigation and potable use, storage, desalination options, etc.
- Multi-agency collaboration.

INVESTIGATION AND ANALYSIS

Overall, California water sources come from imported supplies (State Water Project in Northern California and the Colorado River), groundwater, stormwater, water transfers, desalination, and water recycling. Orange County, like the rest of California, relies on a variety of sources, with the exception of desalination which is currently in the planning stage.

Status Quo

To best understand the background of wholesale water in California, and specifically Orange County, one must examine the three major governmental agencies involved: Metropolitan Water District of Southern California (MET), Municipal Water District of Orange County (MWDOC), and Orange County Water District (OCWD). These agencies have similar names but very different responsibilities. The role of retail water districts will also be explained.

Metropolitan Water District of Southern California

MET provides water from the Colorado River and the State Water Project from Northern California to Southern California. It wholesales this imported water to its Orange County member agencies, MWDOC and the independent cities of Anaheim, Fullerton, and Santa Ana.

Water in Orange County Needs “One Voice”

MET provides most of the water imported into Orange County. MET currently delivers an average of 1.7 billion gallons of water per day to a 5,200 square mile service area. MET is a group of 26 cities and water districts providing drinking water to over 19 million people in Los Angeles, Orange, San Diego, Riverside, San Bernardino, and Ventura counties.



Municipal Water District of Orange County

MWDOC acts as a pass-through agency for MET's imported water. This imported water is sold to MWDOC's 27 member agencies which, except for Fullerton, Anaheim and Santa Ana, covers the entire County. MWDOC also sell untreated water to OCWD for ground water discharge. MWDOC does not own or operate any water infrastructure.

Water in Orange County Needs “One Voice”

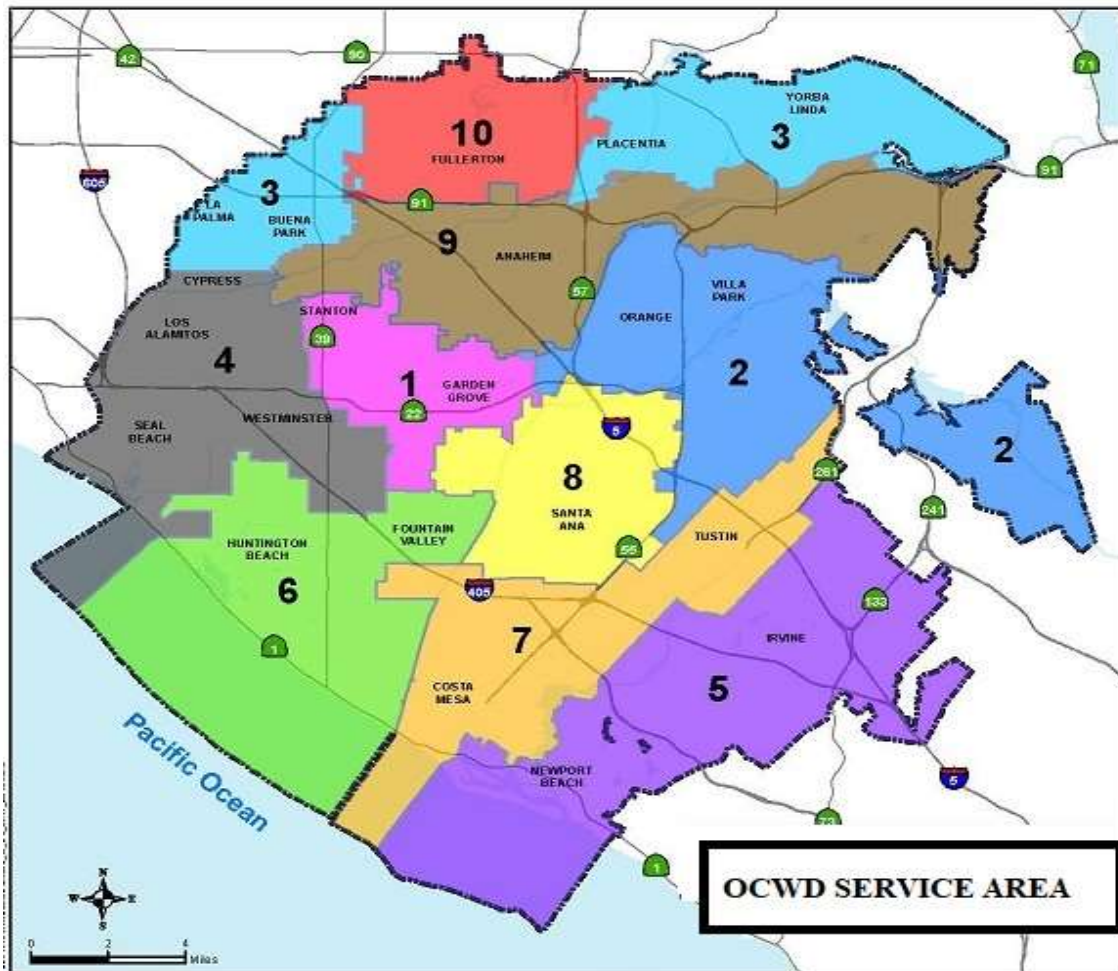


Orange County Water District

OCWD manages the groundwater basin in the north and central part of the County. OCWD does not directly provide water to any residents or businesses, except treated wastewater for irrigation in the Green Acres Project. The Green Acres Project is a water reuse effort that provides recycled water for landscape irrigation at parks, schools and golf courses and some industrial

Water in Orange County Needs “One Voice”

uses.⁴ OCWD’s primary role is to manage the basin and provide local water retailers with a reliable, adequate, and high-quality supply of water.⁵ In addition, OCWD operates the Groundwater Replenishment System (GWRs) in partnership with the Orange County Sanitation District (OCSAN). This state-of-the-art water purification project can produce over 100 million gallons of high-quality potable water per day for aquifer recharge. OCWD provides groundwater to 19 municipal and special water districts and supplies approximately 77 percent of the water



supply for North and Central Orange County. OCWD is the only wholesale groundwater agency for Orange County and is a customer of MWD OC for imported needs to supplement the aquifer recharge serving North/Central County. OCWD currently has \$1.5 billion in capital infrastructure assets.

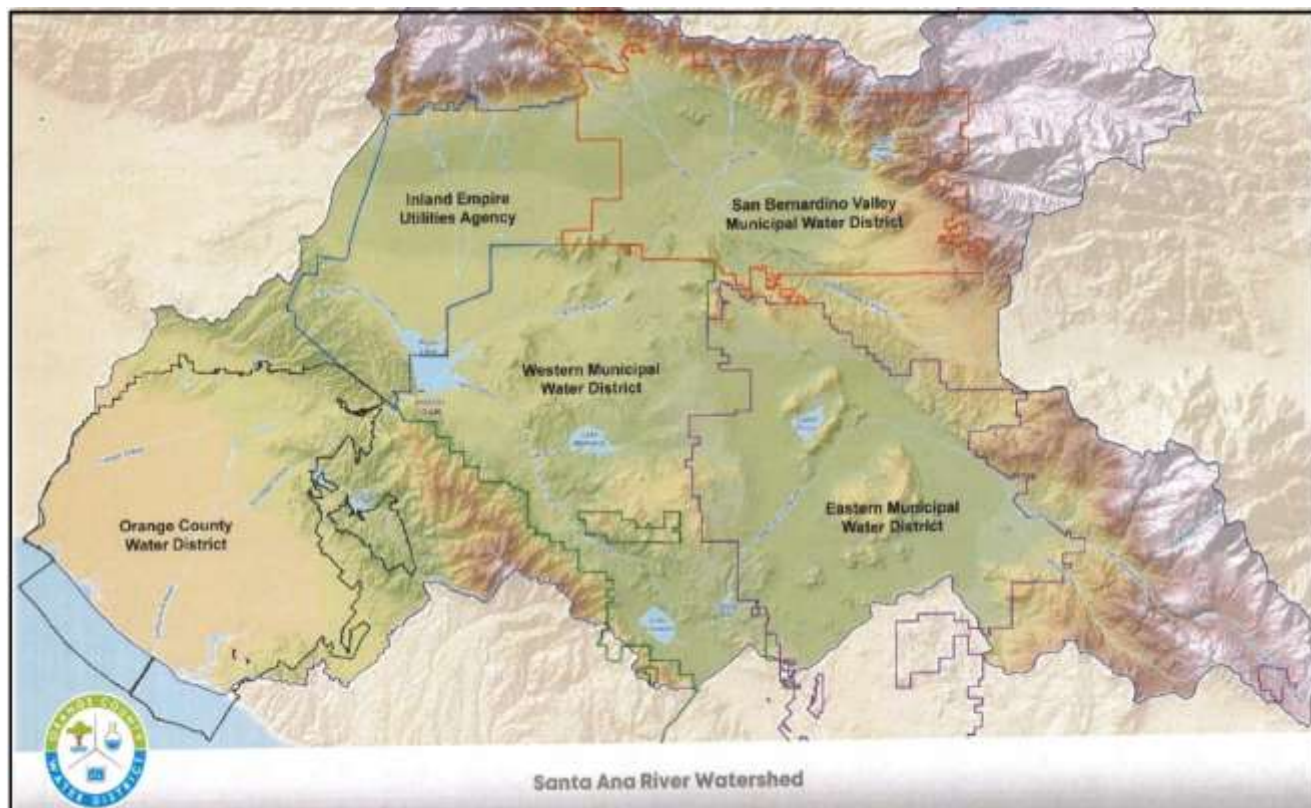
⁴ www.ocwd.com/about/

⁵ *Ibid.*

Water in Orange County Needs “One Voice”

Additional Supply for OCWD

The Santa Ana River is the largest coastal stream in Southern California. Flowing west from the San Bernardino Mountains, the river winds through San Bernardino and Riverside Counties before reaching Orange County at Prado Dam, then traveling through the OCWD aquifer to supplement recharge, before terminating at the Pacific Ocean. The river is joined by Santiago Creek and flows to the ocean between Huntington Beach and Newport Beach.⁶



Retail Water Districts

Retail water organizations are the direct connection of supplying water to residential and commercial consumers. There are 29 retail water providers throughout Orange County. These water providers include cities, special water districts/agencies and one private water company.

⁶ www.ocwd.com/what-we-do/

Water in Orange County Needs “One Voice”



Differences in Supply Sources

South Orange County’s approximate 600,000 residents rely primarily on imported water (70-100 percent of needed supply depending on location) from hundreds of miles away. The imported water is purchased through the Municipal Water District of Orange County (MWDOC).⁷

North and Central County’s roughly 2.8 million residents rely primarily (19-99 percent depending on location) on groundwater supplied OCWD, which refills the Orange County Groundwater Basin with many different water supplies: water from the Santa Ana River; local rainfall; treated and purified wastewater through the Groundwater Replenishment System (GWRs); and imported water from the Colorado River and Northern California.⁸

⁷ www.ocwd.com/about & www.mwdoc.com/wp-content/uploads/2017/05/Water-Supply.pdf

⁸ www.mwdoc.com/wp-content/uploads/2017/05/Water-Supply.pdf

Water in Orange County Needs “One Voice”

History, Governance and Authorizing Legislation

MET

In 1928, the Metropolitan Water District Act was established by the California Legislature. The original purpose was to construct and operate the 242-mile Colorado River Aqueduct, which runs from an intake at Lake Havasu on the California-Arizona border to an endpoint at Lake Mathews reservoir in Riverside County. MET has a 38-member board of directors representing the district’s 26 agencies. Orange County is represented on the MET Board by seven Board members. MET has imported water from the Colorado River since 1941 and from Northern California since the early 1970s.⁹

MWDOC

MWDOC is a wholesale water supplier and resource planning agency that was established in 1951. Governed by a seven-member Board of Directors,¹⁰ MWDOC is MET’s third largest member agency and appoints four representatives to advocate the interests of Orange County on the Metropolitan Water District Board.¹¹

OCWD

The Orange County Water District was formed in 1933 by a special act of the California Legislature to protect Orange County’s rights to water in the Santa Ana River. OCWD is governed by a 10-member Board of Directors, seven of whom are elected, and three are appointed by the city councils of Anaheim, Fullerton, and Santa Ana.¹²

Retail Water Districts

Each retail water district was established throughout Orange County’s history and provides water directly to consumers. They are each governed by an elected board of directors, respective city councils, or private investors.

Local Agency Formation Commission (LAFCO)

As part of California’s water governance, LAFCO oversees geographic boundaries, evaluates cost-effective and efficient public service delivery, and explores potential alternatives to meet the service demands of the existing and future County population. Orange County LAFCO was founded in 1963 and strives to ensure the delivery of effective and efficient public services, including water, by local governments to the County’s residents.¹³ Orange County water

⁹ www.mwdoc.com/about-mwdoc; www.mwdh2o.com/who-we-are/our-story/

¹⁰ www.mwdoc.com/about-us/about-mwdoc

¹¹ www.mwdoc.com/wp-content/uploads/2017/06/So-Cal-Water-Wholesale-Retailers.pdf

¹² www.ocwd.com/about/

¹³ www.oclafco.org/about-us/agency/

Water in Orange County Needs “One Voice”

professionals believe the process of creating one wholesale water agency would first go through LAFCO formation before moving on to State legislation and approval.

Services Provided by Wholesalers & Retailers

The following water services are currently in operation for Orange County.

MET

- Delivering wholesale water supplies from the Colorado River and State Water Project.
- Managing water resources including water storage programs (groundwater banking and reservoir), transfers and exchanges, groundwater recovery, recycling, stormwater capture, and potential seawater desalination.
- Operating water system including treatment, quality monitoring, conveyance, distribution, and support.
- Engineering, safety, and regulatory services such as infrastructure protection, maintenance, and improvement programs.
- Managing energy operations.
- Planning for emergency water supply interruption due to earthquake, fire, power failure, public health, and other unexpected crises.
- Planning for capital investment.

MWDOC

- Purchases wholesale water from MET, approximately 70.2 billion gallons of water annually, and delivers to its 27 member agencies.
- Provides studies, analysis and programs related to water supply development, including desalination, and system reliability and use efficiency.
- Offers planning assistance and local resource development in areas of water recycling, groundwater recharge, and conservation.
- Offers residential and commercial rebate programs.
- Offers leak detection services to its members.
- Develops and administrates disaster preparedness, response, and recovery strategies through the Water Emergency Response Organization of Orange County (WEROC). This organization involves both water and wastewater agencies.
- Provides public education and community outreach.

OCWD

- Manages Orange County’s wholesale groundwater supplies: the basin consisting of a large underground aquifer to ensure a reliable supply, the Santa Ana River watershed, and the Groundwater Replenishment System (GWRS).

Water in Orange County Needs “One Voice”

- Replaces groundwater that is pumped out of the basin every year with Santa Ana River watershed, recycled, imported, storm and natural incidental water recharge.
- Ensures groundwater supply safety and quality through monitoring and testing.
- Recycles water primarily through the GWRS which takes treated wastewater that otherwise would be sent to the Pacific Ocean and purifies it for aquifer recharge.
- Participates in legislative and community engagement and education.
- Develops additional innovative programs such as Forecast Informed Reservoir Operations (FIRO) at Prado Dam, capturing and recharging stormwater in the Santa Ana River, and anticipating and optimizing stormwater runoff.
- Coordinates contaminant treatment, financial resource needs, and policy such as for Per- and polyfluoroalkyl substances (PFAS) which enter the aquifer and wells primarily through the Santa Ana River flows. Additionally, organizes litigation and accountability for the contaminant sources.

Retail Water Districts

In addition to being the direct link to consumers, retail agencies provide several additional services beyond those provided by wholesalers. Those services include maintaining water quality and testing throughout their distribution systems, repair and replacement of critical infrastructure, regulatory compliance, customer service, water use conservation, recycled water for irrigation or other non-potable uses, and public outreach and health-related services.

Where Do We Go from Here?

Assessment of Current State

Reliable sources shared opinions with the OCGJ that the current OC wholesale structure is “dysfunctional”, “prevents speaking with one voice for all of Orange County water interests” involving the aquifer and imported water sources, and “currently provides redundant services with redundant costs.” Also, multiple member agencies of MWDOC have expressed dissatisfaction with MWDOC’s operating effectiveness related to MET board and legislative representation, member charges for provided services, and the scope of emergency preparedness.¹⁴

In addition, this dual structure of MWDOC and OCWD has resulted in missed opportunities for the County in the form of more extensive multiple agency collaboration, increased operating efficiency, decreased reliance on imported water, and the creation of a more reliable water

¹⁴ Information based on multiple interviews, past agreements between MWDOC and MWDOC member agencies, and LAFCO Municipal Service Reviews.

Water in Orange County Needs “One Voice”

supply.¹⁵ Currently, many projects are undertaken by individual or small groups of retail agencies that could be more expansive if guided by a single wholesale water supplier providing diverse water sources.

Another missed opportunity is a lack of coordinated County analysis about the benefits and drawbacks related to potential desalination projects. Even though desalination projects potentially impact the water supply for all of Orange County, OCWD and MWDOC independently consider these desalination projects and their impact.

Furthermore, many water experts believe that this fragmentation results in less than optimum legislative lobbying effectiveness. This affects programs such as water conservation, related water consumption standards such as State storage projects to capture more water supply during wet years, contamination treatment standards, and the Delta Conveyance System, which is a proposed more efficient and effective system to move water from Northern California to the central and southern part of the State.

Benefits of a Single County Agency - “One Voice”

The Orange County Grand Jury found that creation of a single County wholesale water agency to serve as a conduit for both imported and groundwater would be most effective in coordinating water supply diversification, major infrastructure investments, and developing forward-thinking policies and practices. This single agency would also help facilitate fiscal and environmental responsibility.

Orange County water agencies have earned a tremendous reputation for innovative projects and strategies related to increasing a reliable water supply, even in drought conditions. How do we leverage what already is exemplary and collaborative in Orange County water operations?

- Groundwater Replenishment System (GWRS)
- Santa Ana River Conservation and Conjunctive Use program (SARCCUP)¹⁶
- Inter-county perspective with neighboring jurisdictions of the Inland Empire, San Diego, and Los Angeles Counties.
- Purple water recycling for irrigation coming from treated waste and stormwater capture.
- Burris Basin conversion to Anaheim Coves Trail (OCWD / City partnership).¹⁷

Water experts believe “One Voice” would result in increased influence on the MET Board. The OCJG concluded that having all types (groundwater and imported water) of wholesale water

¹⁵ Information based on multiple water professional interviews.

¹⁶ www.ieua.org/read-our-reports/santa-ana-river-conservation-and-conjunctive-use-program/

¹⁷ http://www.santa-ana-river-trail.com/trail/burris_basin.asp

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providers occupy “seats at the table” would be beneficial to Orange County as a whole and for MET. Additional benefits of a one wholesale water entity include:

- Increased coordination of financial support and capital resources from local, State, and federal sources. An example is in the funding for well contamination remediation utilizing an ionization process.
- More influence at the local, State, and federal levels. Examples include the Delta Conveyance¹⁸ system, additional storage capacity, and preservation of imported supplies from the State Water Project.
- Increased collaboration leading to additional infrastructure shared by wholesale and retail, both for emergency and longer-term everyday use, to move water around as needed.
- Centralized planning for emergency water supply interruptions rather than independent efforts of wholesale and retail water organizations.
- Increased coordination between North and South County for matters such as water banking in Central County for use in South County.
- Cost savings by eliminating duplication of administrative, professional, consultant, lobbying and other expenses currently existing at OCWD and MWDOC.
- Singular County leadership in forming conservation strategies, public outreach, and education.

Concerns related to creating “One Voice”

The Orange County Grand Jury recognizes that with any governance or business model change obstacles will exist to forming a consolidated or new wholesale water agency. Overall, proponents of this change are concerned that there is a lack of political will and that “protecting my own turf” philosophies will get in the way of doing the right thing for reliable water supply in the future. Some additional hesitation exists from some Orange County water board and management professionals that believe:

- Imported versus groundwater requires specialized knowledge and a unique operational approach and should not be combined.
- Staff reductions will occur.
- Merging of retirement pension and benefit liabilities will be complicated and expensive.
- Development of a new Board of Directors structure may cause a loss of representation of the unique water needs of different parts of the County.

¹⁸ www.mwdoc.com/wp-content/uploads/2020/06/Delta-Conveyance-Project-and-EcoRestore.pdf

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- Consolidation of the existing two wholesale water districts, OCWD and MWDOC, or the forming of a new agency would be complicated. The process would likely begin through Orange County LAFCO before moving to State legislative level, both of which would be divisive and risk political influence and interference when revising local and State water acts.

Despite these complications and challenges, the OCGJ concluded that the County will be better served by creating a “one voice” agency to lead and represent all aspects of wholesale water operations in Orange County.

FINDINGS

- F1 A singular water authority for Orange County’s wholesale water supply likely would result in further opportunities at the local, State, and federal levels in legislation, policy making and receiving subsidies and grants.
- F2 The current fragmented water system structure and operations provides challenges as it relates to development of new interconnected infrastructure as well as maintenance of existing systems.
- F3 There is a great disparity between the North/Central and South Orange County water sources, management, and operations carried out by OCWD and MWDOC.
- F4 South Orange County has many smaller retail water districts that lack a formal centralized leadership. Notwithstanding this lack of structure, South Orange County retail water districts have displayed effective collaboration when dealing with one another.
- F5 Orange County Water District is a recognized worldwide leader in groundwater resource management and reclamation. Its leadership, innovation, and expertise can be further utilized to serve all of Orange County in developing additional innovative and beneficial programs.
- F6 Orange County currently does not have a countywide coordinated policy regarding water conservation, which results in difficulty when complying with any new State-mandated conservation regulations.

RECOMMENDATIONS

- R1 By January 2023, Orange County wholesale water agencies should formally begin analysis and collaboration towards forming a single wholesale water authority or comparable agency to operate and represent wholesale water operations and interests of all imported and ground water supplies. (F1, F2, F3, F4, F6)

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- R2 Any future “One Voice” consolidated Orange County wholesale water authority should have Directors that examine and vote on issues considering the unique needs of all water districts. (F1, F2, F3, F4, F6)

COMMENDATIONS

- Orange County Water District (OCWD) commitment to sound planning and state-of-the-art technology to provide water to the people of Orange County. Highly recognized, OCWD, along with Orange County Sanitation District, has the world’s largest Groundwater Replenishment System (GWRS).
- Municipal Water District of Orange County (MWDOC) for many provided services related to emergency planning, public education, water reliability and delivery reports, leak detection service, rebate and conservation programs and many other “choice” services.
- All the current wholesale and retail water districts in Orange County for their efforts to collaborate and strategize to better serve Orange County Citizens despite the lack of a centralized administration.

RESPONSES

The following excerpts from the California Penal Code provide the requirements for public agencies to respond to the Findings and Recommendations of this Grand Jury report:

California Penal Code Section 933 requires the governing body of any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the governing body. Such comment shall be made *no later than 90 days* after the Grand Jury publishes its report (filed with the Clerk of the Court). Additionally, in the case of a report containing findings and recommendations pertaining to a department or agency headed by an elected County official (e.g. District Attorney, Sheriff, etc.), such elected County official shall comment on the findings and recommendations pertaining to the matters under that elected official’s control *within 60 days* to the Presiding Judge with an information copy sent to the Board of Supervisors.

Furthermore, California Penal Code Section 933.05 specifies the manner in which such comment(s) are to be made as follows:

(a) As to each Grand Jury finding, the responding person or entity shall indicate one of the following:

- (1) The respondent agrees with the finding.

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- (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
- (b) As to each Grand Jury recommendation, the responding person or entity shall report one of the following actions:
- (1) The recommendation has been implemented, with a summary regarding the implemented action.
 - (2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
 - (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the Grand Jury report.
 - (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.
- (c) If a finding or recommendation of the Grand Jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the Grand Jury, but the response of the Board of Supervisors shall address only those budgetary /or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

Responses Required

Comments to the Presiding Judge of the Superior Court in compliance with Penal Code §933.05 are required from:

90 Day Response Required	F1	F2	F3	F4	F5	F6
OCWD Board of Directors	X	X	X		X	X

90 Day Response Required	R1	R2
OCWD Board of Directors	X	X

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90 Day Response Required	F1	F2	F3	F4	F5	F6
MWDOC Board of Directors	X	X	X	X	X	X

90 Day Response Required	R1	R2
MWDOC Board of Directors	X	X

Responses Requested

90 Day Response Requested	F1	F2	F3	F4	F5	F6
East Orange County Water District	X	X	X		X	X

90 Day Response Requested	R1	R2
East Orange County Water District	X	X

90 Day Response Requested	F1	F2	F3	F4	F5	F6
El Toro Water District	X	X	X		X	X

90 Day Response Requested	R1	R2
El Toro Water District	X	X

90 Day Response Requested	F1	F2	F3	F4	F5	F6
Emerald Bay Service District	X	X	X		X	X

90 Day Response Requested	R1	R2
Emerald Bay Service District	X	X

90 Day Response Requested	F1	F2	F3	F4	F5	F6
Golden State Water Co	X	X	X		X	X

90 Day Response Requested	R1	R2
Golden State Water Co	X	X

90 Day Response Requested	F1	F2	F3	F4	F5	F6
Irvine Ranch Water District	X	X	X	X	X	X

90 Day Response Requested	R1	R2
Irvine Ranch Water District	X	X

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90 Day Response Requested	F1	F2	F3	F4	F5	F6
Laguna Beach County Water District	X	X	X	X	X	X

90 Day Response Requested	R1	R2
Laguna Beach County Water District	X	X

90 Day Response Requested	F1	F2	F3	F4	F5	F6
Mesa Water District	X	X	X		X	X

90 Day Response Requested	R1	R2
Mesa Water District	X	X

90 Day Response Requested	F1	F2	F3	F4	F5	F6
Moulton Niguel Water District	X	X	X	X	X	X

90 Day Response Requested	R1	R2
Moulton Niguel Water District	X	X

90 Day Response Requested	F1	F2	F3	F4	F5	F6
Santa Margarita Water District	X	X	X	X	X	X

90 Day Response Requested	R1	R2
Santa Margarita Water District	X	X

90 Day Response Requested	F1	F2	F3	F4	F5	F6
Serrano Water District	X	X	X	X	X	X

90 Day Response Requested	R1	R2
Serrano Water District	X	X

90 Day Response Requested	F1	F2	F3	F4	F5	F6
South Coast Water District	X	X	X		X	X

90 Day Response Requested	R1	R2
South Coast Water District	X	X

90 Day Response Requested	F1	F2	F3	F4	F5	F6
Trabuco Canyon Water District	X	X	X	X	X	X

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90 Day Response Requested	R1	R2
Trabuco Canyon Water District	X	X

90 Day Response Requested	F1	F2	F3	F4	F5	F6
Yorba Linda Water District	X	X	X		X	X

90 Day Response Requested	R1	R2
Yorba Linda Water District	X	X

90 Day Response Requested	F1	F2	F3	F4	F5	F6
City of Anaheim	X	X	X		X	X

90 Day Response Requested	R1	R2
City of Anaheim	X	X

90 Day Response Requested	F1	F2	F3	F4	F5	F6
City of Fullerton	X	X	X		X	X

90 Day Response Requested	R1	R2
City of Fullerton	X	X

90 Day Response Requested	F1	F2	F3	F4	F5	F6
City of Santa Ana	X	X	X		X	X

90 Day Response Requested	R1	R2
City of Santa Ana	X	X

90 Day Response Requested	F1	F2	F3	F4	F5	F6
City of Brea	X	X	X		X	X

90 Day Response Requested	R1	R2
City of Brea	X	X

90 Day Response Requested	F1	F2	F3	F4	F5	F6
Metropolitan Water District	X	X				X

90 Day Response Requested	R1	R2
Metropolitan Water District	X	X

Water in Orange County Needs “One Voice”

GLOSSARY

AQUEDUCT	A structure for transporting water from one place to another by means of a pipeline, canal, conduit, tunnel, or a combination of these things.
AQUIFER	A geologic formation of sand, rock and gravel through which water can pass and which can store, transmit and yield significant quantities of water to wells and springs.
DELTA CONVEYANCE SYSTEM	Refers to State Water Project (SWP) infrastructure in the vast network of waterways comprising the Sacramento-San Joaquin Delta (Delta) that collects and moves fresh, clean, and affordable water to homes, farms, and businesses throughout major regions of the State from the Bay Area to Southern California.
FIRO	Forecast Informed Reservoir Operations is a flexible water management approach that uses data from watershed monitoring and improved weather forecasting to help water managers selectively retain or release water from reservoirs for increased resilience to droughts and floods.
GWRS	Groundwater Replenishment System. A process where water is replaced in the aquifer.
GREEN ACRES PROJECT	OCWD's Green Acres Project (GAP) is a water reuse effort that provides recycled water for landscape irrigation at parks, schools, and golf courses; industrial uses, such as carpet dying; toilet flushing; and power generation cooling.
GROUNDWATER BANKING	A process of diverting surface water into an aquifer where it can be stored until needed
JPA	Joint Power Authority. two or more public agencies to join together, under a joint powers authority (JPA), to provide more effective or efficient government services or to solve a service delivery problem.

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LAFCO	Local Agency Formation Commission. Governed by State law, the Commission oversees proposed changes to local agency and county unincorporated boundaries and prepares special studies to encourage the orderly and efficient delivery of public services to Orange County residential and business communities.
MET	Metropolitan Water District, provides water from the Colorado River and the State Water Project from northern California to Southern California.
MWDOC	Municipal Water District of Orange County represents all of Orange County, excluding the three independent city members of MET, and acts as a pass-through agency for MET water sold to its constituent members and sells additional untreated water to OCWD for groundwater recharge.
OCSAN	Orange County Sanitation District treats and recycles sewer and grey water.
OCWD	Orange County Water District manages the groundwater basin of the north and central part of the County.
ONE VOICE	Orange County needs to have a central entity to speak for water and legislative matters.
PAPER WATER	Transfer water via paper, not physically.
PFAS	Per and polyfluoroalkyl substances chemical by product of past aerospace manufacturing in Orange County.
PURPLE WATER	Recycled water that has been treated for reuse in landscaping, agriculture, and commerce.
SAR	Santa Ana River.
SARCCUP	Santa Ana River Conservation and Conjunctive Use program. Guides the use and conservation of the Santa Ana River basin.
SPECIAL DISTRICTS	Special districts are public agencies created to provide one or more specific services to a community, such as water service, sewer service, and parks.

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WATER TRANSFERS	A water transfer is a voluntary sale of water proposed and initiated by willing sellers who have legal rights to a supply of water to an interested buyer.
WEROC	Water Emergency Response Organization of Orange County, administered through MWDOC, develops disaster preparedness, response, and recovery strategies.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | AUGUST 18, 2022**

**ACTION CALENDAR
FINANCIAL MATTERS**

ITEM 10: DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT HEALTH BENEFIT COSTS FOR CALENDAR YEAR 2023

Each year, the CalPERS Board of Directors reviews medical benefits, negotiates with the medical providers, and establishes medical rates that are effective January 1st of the following year. The CalPERS Board of Directors has released the medical rates that will be effective January 1, 2022; a six-year trend analysis of the CalPERS Health Benefit Rates prepared by District staff is included as an exhibit for Committee review.

In September of 2001, the Board established the **PERSChoice, employee plus two dependents** level as the benchmark for medical care coverage; this plan was renamed **PERS Platinum** in 2022. If an employee selects a provider which is higher than the benchmark level, then the employee is responsible for the additional monthly premium. The monthly premium for PERS Platinum in 2023 is set at **\$2,638.48**. The current Employer Contribution benchmark level is **\$2,293.67**, which was approved by the Board by Resolution Nos. 2021-1299 (*PERS Members*) and 2021-1300 (*Non-PERS Members*) at the August 19, 2021 Regular Board Meeting. The CalPERS Open Enrollment period begins September 19th and ends on October 14th this year. At that time, employees can change health plan providers. *Please note that this change does not affect employee dental or vision insurance.*

Additional information concerning the potential fiscal impact to the budgeted amount is shown below.

Benefit Classification	FY 2022/23 Budget	FY 2022/23 Projected Costs	Percent Change
Employees	\$ 473,500.00	\$ 469,220.75	-0.9%
Directors	\$ 69,200.00	\$ 68,053.62	-1.7%
Retired	\$ 148,200.00	\$ 153,786.48	3.8%
Total Projected Impact			1.2%

Due to the impacts of the recruitment of new employees that have selected lower cost plans, it is anticipated that the District will experience a health benefits budget savings this year as demonstrated in the table above. District staff recommends the Board of Directors increase the medical care coverage benchmark to the PERS Platinum premium of \$2,638.48 by resolution at the next Regular Board Meeting.

FUNDING SOURCE:

General Fund

FISCAL IMPACT

Employee Health Benefits Budget:	\$ 473,500
Director Health Benefits Budget:	\$ 69,200
Retired Health Benefits Budget:	\$ 148,200
Total Health Benefits Budget:	\$ 690,900

RECOMMENDED ACTION:

1. Receive information at the time of the Board Meeting.
2. Adopt Resolution No. 2022-1310 – Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees’ Medical and Hospital Care Act (PERS Members).
3. Adopt Resolution No. 2022-1311 – Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees’ Medical and Hospital Care Act (Non-PERS Members).

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | AUGUST 18, 2022**

EXHIBIT(S):

1. CalPERS 2023 Health Benefit Rates PPO & HMO
2. District Multi-Year Trend Analysis of CalPERS Health Benefit Rates
3. Resolution No. 2022-1310 – Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees’ Medical and Hospital Care Act (PERS Members).
4. Resolution No. 2022-1311 – Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees’ Medical and Hospital Care Act (Non-PERS Members).

CONTACTS (staff responsible): PALUDI/PEREA

Regional 2023 PPO Health Premiums (PSPM)
July Board of Administration Offsite Final Proposed Premiums

Basic Plans	2022 ¹			2023 ²			Percent Change
	Single	2-Party	Family	Single	2-Party	Family	
Basic Premiums - Region 1							
Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tuolumne, Yolo and Yuba							
Anthem Blue Cross Del Norte County EPO	\$1,057.01	\$2,114.02	\$2,748.23	\$1,200.12	\$2,400.24	\$3,120.31	13.54%
PERS Gold	701.23	1,402.46	1,823.20	825.61	1,651.22	2,146.59	17.74%
PERS Platinum	1,057.01	2,114.02	2,748.23	1,200.12	2,400.24	3,120.31	13.54%
Basic Premiums - Region 2							
Fresno, Imperial, Inyo, Kern, Kings, Madera, Orange, San Diego, San Luis Obispo, Santa Barbara, Tulare and Ventura							
PERS Gold	\$587.78	\$1,175.56	\$1,528.23	\$695.93	\$1,391.86	\$1,809.42	18.40%
PERS Platinum	882.18	1,764.36	2,293.67	1,014.80	2,029.60	2,638.48	15.03%
Basic Premiums - Region 3							
Los Angeles, Riverside and San Bernardino							
PERS Gold	\$575.56	\$1,151.12	\$1,496.46	\$680.37	\$1,360.74	\$1,768.96	18.21%
PERS Platinum	863.37	1,726.74	2,244.76	992.59	1,985.18	2,580.73	14.97%
Basic Premiums - Out of State							
PERS Platinum	\$847.71	\$1,695.42	\$2,204.05	\$1,003.90	\$2,007.80	\$2,610.14	18.42%

¹2022 Premium reflects the first year of the two-year risk mitigation phase-in.
²2023 Premium reflects the second year (full impact of risk mitigation) of the two-year risk mitigation phase-in.
PPO Medicare Supplement Regional premiums are the same as the PPO Medicare Supplement Statewide premiums.

Regional 2023 HMO Health Premiums (PSPM)
July Board of Administration Offsite Final Proposed Premiums

Basic Plans	2022 ¹			2023 ²			Percent Change
	Single	2-Party	Family	Single	2-Party	Family	
Basic Premiums - Region 1							
Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tuolumne, Yolo and Yuba							
Anthem Blue Cross Select HMO	\$1,015.81	\$2,031.62	\$2,641.11	\$1,128.83	\$2,257.66	\$2,934.96	11.13%
Anthem Blue Cross Traditional HMO	1,304.00	2,608.00	3,390.40	1,210.71	2,421.42	3,147.85	(7.15%)
Blue Shield Access+ HMO	1,116.01	2,232.02	2,901.63	1,035.21	2,070.42	2,691.55	(7.24%)
Blue Shield Trio HMO	898.54	1,797.08	2,336.20	888.94	1,777.88	2,311.24	(1.07%)
Health Net SmartCare	1,153.00	2,306.00	2,997.80	1,174.50	2,349.00	3,053.70	1.86%
Kaiser Permanente	857.06	1,714.12	2,228.36	913.74	1,827.48	2,375.72	6.61%
UnitedHealthcare SignatureValue Alliance	1,020.28	2,040.56	2,652.73	1,044.07	2,088.14	2,714.58	2.33%
Western Health Advantage HMO	741.26	1,482.52	1,927.28	760.17	1,520.34	1,976.44	2.55%
Basic Premiums - Region 2							
Fresno, Imperial, Inyo, Kern, Kings, Madera, Orange, San Diego, San Luis Obispo, Santa Barbara, Tulare and Ventura							
Anthem Blue Cross Select HMO	\$712.43	\$1,424.86	\$1,852.32	\$765.37	\$1,530.74	\$1,989.96	7.43%
Anthem Blue Cross Traditional HMO	1,007.13	2,014.26	2,618.54	935.12	1,870.24	2,431.31	(7.15%)
Blue Shield Access+ HMO	900.22	1,800.44	2,340.57	842.61	1,685.22	2,190.79	(6.40%)
Blue Shield Trio HMO	742.70	1,485.40	1,931.02	760.71	1,521.42	1,977.85	2.42%
Health Net Salud y Más	548.26	1,096.52	1,425.48	698.91	1,397.82	1,817.17	27.48%
Health Net SmartCare	845.69	1,691.38	2,198.79	834.65	1,669.30	2,170.09	(1.31%)
Kaiser Permanente	706.02	1,412.04	1,835.65	756.21	1,512.42	1,966.15	7.11%
Sharp Performance Plus	699.21	1,398.42	1,817.95	764.96	1,529.92	1,988.90	9.40%
UnitedHealthcare SignatureValue Alliance	775.09	1,550.18	2,015.23	793.63	1,587.26	2,063.44	2.39%
UnitedHealthcare SignatureValue Harmony	782.74	1,565.48	2,035.12	781.58	1,563.16	2,032.11	(0.15%)
Basic Premiums - Region 3							
Los Angeles, Riverside and San Bernardino							
Anthem Blue Cross Select HMO	\$676.48	\$1,352.96	\$1,758.85	\$737.91	\$1,475.82	\$1,918.57	9.08%
Anthem Blue Cross Traditional HMO	935.57	1,871.14	2,432.48	942.73	1,885.46	2,451.10	0.77%
Blue Shield Access+ HMO	779.87	1,559.74	2,027.66	738.29	1,476.58	1,919.55	(5.33%)
Blue Shield Trio HMO	668.13	1,336.26	1,737.14	661.49	1,322.98	1,719.87	(0.99%)
Health Net Salud y Más	463.87	927.74	1,206.06	606.34	1,212.68	1,576.48	30.71%
Health Net SmartCare	764.96	1,529.92	1,988.90	755.29	1,510.58	1,963.75	(1.26%)
Kaiser Permanente	719.78	1,439.56	1,871.43	754.64	1,509.28	1,962.06	4.84%
UnitedHealthcare SignatureValue Alliance	771.85	1,543.70	2,006.81	790.46	1,580.92	2,055.20	2.41%
UnitedHealthcare SignatureValue Harmony	714.28	1,428.56	1,857.13	713.55	1,427.10	1,855.23	(0.10%)
Basic Premiums - Out of State							
Kaiser Permanente Out of State	\$1,138.95	\$2,277.90	\$2,961.27	\$1,155.43	\$2,310.86	\$3,004.12	1.45%

¹2022 Premium reflects the first year of the two-year risk mitigation phase-in.
²2023 Premium reflects the second year (full impact of risk mitigation) of the two-year risk mitigation phase-in.
HMO Medicare Advantage Regional premiums are the same as the HMO Medicare Advantage Statewide premiums.

TRABUCO CANYON WATER DISTRICT
CALPERS HEALTH BENEFIT RATES SIX-YEAR TREND ANALYSIS

2023 HEALTH BENEFIT RATES				
HEALTH BENEFIT PROVIDER	SINGLE	TWO-PARTY	FAMILY	PERCENT CHANGE FROM PRIOR YEAR
Anthem Select HMO	\$ 765.37	\$ 1,530.74	\$ 1,989.96	7.43%
Anthem Traditional HMO	\$ 935.12	\$ 1,870.24	\$ 2,431.31	-7.15%
Blue Shield Access Plus	\$ 842.61	\$ 1,685.22	\$ 2,190.79	-6.40%
Health Net SmartCare	\$ 834.65	\$ 1,669.30	\$ 2,170.09	-1.31%
Kaiser CA	\$ 756.21	\$ 1,512.42	\$ 1,966.15	7.11%
PERS Platinum	\$ 1,014.80	\$ 2,029.60	\$ 2,638.48	15.03%
PERS Gold	\$ 695.93	\$ 1,391.86	\$ 1,809.42	18.40%
Sharp	\$ 764.96	\$ 1,529.92	\$ 1,988.90	9.40%
UnitedHealthcare Alliance	\$ 793.63	\$ 1,587.26	\$ 2,063.44	2.39%
UnitedHealthcare Harmony	\$ 781.58	\$ 1,563.16	\$ 2,032.11	-0.15%

2022 HEALTH BENEFIT RATES				
HEALTH BENEFIT PROVIDER	SINGLE	TWO-PARTY	FAMILY	PERCENT CHANGE FROM PRIOR YEAR
Anthem Select HMO	\$ 712.43	\$ 1,424.86	\$ 1,852.32	5.59%
Anthem Traditional HMO	\$ 1,007.13	\$ 2,014.26	\$ 2,618.54	-3.72%
Blue Shield Access Plus	\$ 900.22	\$ 1,800.44	\$ 2,340.57	-4.13%
Health Net SmartCare	\$ 845.69	\$ 1,691.38	\$ 2,198.79	9.96%
Kaiser CA	\$ 706.02	\$ 1,412.04	\$ 1,835.65	5.41%
PERS Platinum	\$ 882.18	\$ 1,764.36	\$ 2,293.67	12.64%
PERS Gold	\$ 587.78	\$ 1,175.56	\$ 1,528.23	23.25%
Sharp	\$ 699.21	\$ 1,398.42	\$ 1,817.95	10.59%
UnitedHealthcare Alliance	\$ 775.09	\$ 1,550.18	\$ 2,015.23	7.08%
UnitedHealthcare Harmony	\$ 782.74	\$ 1,565.48	\$ 2,035.12	-

2021 HEALTH BENEFIT RATES				
HEALTH BENEFIT PROVIDER	EMPLOYEE	EMPLOYEE PLUS ONE DEPENDENT	EMPLOYEE PLUS TWO DEPENDENTS	PERCENT CHANGE FROM PRIOR YEAR
Anthem Blue Cross Select HMO	\$ 674.69	\$ 1,349.38	\$ 1,754.19	3.06%
Anthem Blue Cross Traditional HMO	\$ 1,046.04	\$ 2,092.08	\$ 2,719.70	10.62%
Blue Shield Access Plus	\$ 938.96	\$ 1,877.92	\$ 2,441.30	3.10%
Health Net SmartCare	\$ 769.11	\$ 1,538.22	\$ 1,999.69	6.48%
Kaiser Permanente	\$ 669.77	\$ 1,339.54	\$ 1,741.40	3.66%
PERS Choice	\$ 783.19	\$ 1,566.38	\$ 2,036.29	5.99%
PERS Select	\$ 476.92	\$ 953.84	\$ 1,239.99	5.32%
PERS Care	\$ 1,115.68	\$ 2,231.36	\$ 2,900.77	11.56%
Sharp	\$ 632.27	\$ 1,264.54	\$ 1,643.90	4.33%
UnitedHealthcare Signature Value Alliance	\$ 723.84	\$ 1,447.68	\$ 1,881.98	7.22%

**TRABUCO CANYON WATER DISTRICT
CALPERS HEALTH BENEFIT RATES SIX-YEAR TREND ANALYSIS**

2020 HEALTH BENEFIT RATES				
HEALTH BENEFIT PROVIDER	EMPLOYEE	EMPLOYEE PLUS ONE DEPENDENT	EMPLOYEE PLUS TWO DEPENDENTS	PERCENT CHANGE FROM PRIOR YEAR
Anthem Select HMO	\$ 654.00	\$ 1,308.08	\$ 1,700.50	4.43%
Anthem Traditional HMO	\$ 934.95	\$ 1,869.90	\$ 2,430.87	11.13%
Blue Shield Access Plus	\$ 909.87	\$ 1,819.74	\$ 2,365.66	16.47%
Health Net SmartCare	\$ 719.26	\$ 1,438.52	\$ 1,870.08	10.64%
Kaiser Permanente	\$ 645.24	\$ 1,290.48	\$ 1,677.62	2.57%
PERS Choice	\$ 736.28	\$ 1,472.56	\$ 1,914.33	2.06%
PERS Select	\$ 451.54	\$ 903.08	\$ 1,174.00	-2.47%
PERS Care	\$ 986.66	\$ 1,973.32	\$ 2,565.32	8.04%
Sharp	\$ 606.02	\$ 1,212.04	\$ 1,575.65	2.04%
UnitedHealthcare	\$ 671.60	\$ 1,343.20	\$ 1,746.16	3.72%

2019 HEALTH BENEFIT RATES				
HEALTH BENEFIT PROVIDER	EMPLOYEE	EMPLOYEE PLUS ONE DEPENDENT	EMPLOYEE PLUS TWO DEPENDENTS	PERCENT CHANGE FROM PRIOR YEAR
Anthem Select HMO	\$ 625.07	\$ 1,250.14	\$ 1,625.18	-5.54%
Anthem Traditional HMO	\$ 830.89	\$ 1,661.78	\$ 2,160.31	11.53%
Blue Shield Access Plus	\$ 760.04	\$ 1,520.08	\$ 1,976.10	8.43%
Health Net SmartCare	\$ 642.71	\$ 1,285.42	\$ 1,671.05	5.45%
Kaiser Permanente	\$ 628.63	\$ 1,257.26	\$ 1,634.44	-6.07%
PERS Choice	\$ 721.11	\$ 1,442.22	\$ 1,874.89	3.07%
PERS Select	\$ 462.71	\$ 925.42	\$ 1,203.05	-41.50%
PERS Care	\$ 907.29	\$ 1,814.58	\$ 2,358.95	19.15%
Sharp	\$ 593.66	\$ 1,187.32	\$ 1,543.52	-4.12%
UnitedHealthcare	\$ 646.65	\$ 1,293.30	\$ 1,681.29	4.64%

2018 HEALTH BENEFIT RATES				
HEALTH BENEFIT PROVIDER	EMPLOYEE	EMPLOYEE PLUS ONE DEPENDENT	EMPLOYEE PLUS TWO DEPENDENTS	PERCENT CHANGE FROM PRIOR YEAR
Anthem Select HMO	\$ 659.69	\$ 1,319.38	\$ 1,715.19	0.10%
Anthem Traditional HMO	\$ 735.08	\$ 1,470.16	\$ 1,911.21	-8.72%
Blue Shield Access Plus	\$ 695.97	\$ 1,391.94	\$ 1,809.52	-11.85%
Health Net SmartCare	\$ 607.68	\$ 1,215.36	\$ 1,579.97	11.60%
Kaiser	\$ 666.80	\$ 1,333.60	\$ 1,733.68	10.09%
PERS Choice	\$ 698.96	\$ 1,397.92	\$ 1,817.30	-2.21%
PERS Select	\$ 654.74	\$ 1,309.48	\$ 1,702.32	3.25%
PERS Care	\$ 733.50	\$ 1,467.00	\$ 1,907.10	-9.37%
Sharp	\$ 618.14	\$ 1,236.28	\$ 1,607.16	0.59%
UnitedHealthcare	\$ 616.66	\$ 1,233.32	\$ 1,603.32	10.85%

RESOLUTION NO. 2022-1310
FIXING THE EMPLOYER CONTRIBUTION AT AN EQUAL AMOUNT FOR EMPLOYEES AND
ANNUITANTS UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

- WHEREAS,** (1) Trabuco Canyon Water District is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act"); and
- WHEREAS,** (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and
- WHEREAS,** (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and
- RESOLVED,** (a) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of **\$2,638.48** per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further
- RESOLVED,** (b) Trabuco Canyon Water District has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
- RESOLVED,** (c) That the participation of the employees and annuitants of Trabuco Canyon Water District shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that Trabuco Canyon Water District would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.
- RESOLVED,** (d) That the executive body appoint and direct, and it does hereby appoint and direct, the District Secretary to file with the Board a verified copy of this resolution, and to perform on behalf of Trabuco Canyon Water District all functions required of it under the Act.

Adopted at a Regular Board meeting of the Board of Directors of the Trabuco Canyon Water District at 32003 Dove Canyon Drive, Trabuco Canyon, CA 92679, this 18th day August, 2022.

[Reminder of this page intentionally left blank]

ADOPTED, SIGNED AND APPROVED this 18th day of August, 2022.

TRABUCO CANYON WATER DISTRICT:

President/Vice President

Secretary/Assistant Secretary

DRAFT

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing resolution was duly adopted by the Board of said District at a meeting of said Board held on the 18th day of August, 2022, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at such meeting such resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

District Secretary,
Trabuco Canyon Water District

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2022-1310 of such Board and that the same has not been amended or repealed.

Dated this 18th day of August, 2022.

District Secretary,
Trabuco Canyon Water District

DRAFT

RESOLUTION NO. 2022-1311
FIXING THE EMPLOYER CONTRIBUTION AT AN EQUAL AMOUNT FOR EMPLOYEES AND
ANNUITANTS UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

- WHEREAS,** (1) Trabuco Canyon Water District is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act"); and
- WHEREAS,** (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and
- WHEREAS,** (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and
- RESOLVED,** (a) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of **\$2,638.48** per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further
- RESOLVED,** (b) Trabuco Canyon Water District has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
- RESOLVED,** (c) That the participation of the employees and annuitants of Trabuco Canyon Water District shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that Trabuco Canyon Water District would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.
- RESOLVED,** (d) That the executive body appoint and direct, and it does hereby appoint and direct, the District Secretary to file with the Board a verified copy of this resolution, and to perform on behalf of Trabuco Canyon Water District all functions required of it under the Act.

Adopted at a Regular Board Meeting of the Board of Directors of the Trabuco Canyon Water District at 32003 Dove Canyon Drive, Trabuco Canyon, CA 92679, this 18th day of August, 2022.

[Reminder of this page intentionally left blank]

ADOPTED, SIGNED AND APPROVED this 18th day of August, 2022.

TRABUCO CANYON WATER DISTRICT:

President/Vice President

Secretary/Assistant Secretary

DRAFT

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing resolution was duly adopted by the Board of said District at a meeting of said Board held on the 18th day of August, 2022, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at such meeting such resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

District Secretary,
Trabuco Canyon Water District

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2022-1311 of such Board and that the same has not been amended or repealed.

Dated this 18th day of August, 2022.

District Secretary,
Trabuco Canyon Water District

DRAFT

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | AUGUST 18, 2022**

ENGINEERING MATTERS

**ITEM 11: SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) JOINT POWERS AGREEMENT (JPA)
DISCUSSIONS UPDATE**

The South Orange County Wastewater Authority (SOCWA) is a Joint Powers Authority (JPA) established in 2001 to facilitate and manage the collection, treatment, reuse, and disposal of wastewater across South Orange County. Each of the JPA's ten member agencies have different levels of financial participation in SOCWA depending on the services and infrastructure they rely on through specific Project Committees, or PCs.

As a member of SOCWA, Trabuco Canyon Water District's (District) participation in Project Committees is limited to PC-12 for the purpose of maintaining a Regional Board waste discharge permit for our wastewater recycling operations. The District also purchases chemicals through SOCWA in order to receive a modest pricing discount and is a partner to a sludge hauling contract with an independent third-party vendor. In total, the District is responsible for approximately 0.1% of the total SOCWA budget, including its allocation of O&M, PC-12, and SOCWA workforce unfunded pension liability (UAL) and retiree health benefits (OPEB). The approved SOCWA budget for FY 2022-23 includes the District's obligation of \$61,528 and the District's actual expenses towards SOCWA have averaged approximately \$46,000 over the past four years.

August 2022 Update

Ohlund Management and Technical Services (OMTS) was hired by SOCWA in May 2022 to facilitate discussions regarding the organizational restructuring concept presented by the Task Force of Santa Margarita Water District, Moulton Niguel Water District, South Coast Water District, and El Toro Water District, in March 2022. OMTS' Scope of Work includes meeting with the Task Force, conducting interviews of all SOCWA members, preparing a summary report, and meeting with the SOCWA board of directors. OMTS has completed its interviews of SOCWA member agencies and issued a draft summary report "Facilitation of Organizational Feedback Alternative Wastewater Delivery, July 2022," included as an Exhibit.

The District has retained the consulting firm DDB Engineering (DDBE) to prepare an evaluation of the estimate costs of acquiring and maintaining a recycled water permit directly with the San Diego Regional Water Quality Control Board, a service currently provided to the District by SOCWA. DDBE prepared a similar evaluation for the District in 2017. A draft technical memorandum from DDBE is anticipated later in August 2022.

FUNDING SOURCE:

Not applicable

FISCAL IMPACT:

Undetermined at this time

ENVIRONMENTAL COMPLIANCE:

Not applicable

RECOMMENDED ACTION:

Receive information at the time of the meeting and take action(s) as deemed appropriate

EXHIBIT(S):

Ohlund Management and Technical Services summary report *Facilitation of Organizational Feedback Alternative Wastewater Delivery, July 2022*

CONTACTS (staff responsible): PALUDI/PEREA/COLLINS

DRAFT

FACILITATION OF ORGANIZATIONAL FEEDBACK ALTERNATIVE WASTEWATER DELIVERY



Prepared for:

SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

Prepared by:



July 2022

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1. Introduction

The South Orange County Wastewater Authority (SOCWA) is a joint powers authority (JPA) formed on July 1, 2001, as the legal successor to three other JPAs: 1) the Aliso Water Management Agency (AWMA), which was originally formed on March 1, 1972; 2) the South East Regional Reclamation Authority (SERRA) originally formed on March 9, 1970 and; 3) the South Orange County Reclamation Authority (SOCRA); originally formed November 29, 1994. As stated in Section G of the SOCWA JPA Agreement, the consolidation of the three JPAs into SOCWA was done “...in the interests of furthering a regional approach to wastewater treatment and reclamation, and additional operational and administrative efficiencies....”

SOCWA holds two NPDES permits and a Waste Discharge Permit: 1) San Juan Creek Ocean Outfall (CA0107417/R9-2022-0005), 2) Aliso Creek Ocean Outfall (CA0107611/R9-2022-0006) and, 3) Regional Recycled Water Permit (97-52). The outfalls are authorized to dispose of discharges from three conventional wastewater treatment plants, seven reclamation plants, two desalter plants, two groundwater treatment plants, one runoff plant and one ocean desalination plant.

1.1. SOCWA Membership and Governance

SOCWA is comprised of nine member agencies including the City of Laguna Beach (CLB), the City of San Clemente (CSC), El Toro Water District (ETWD), Emerald Bay Service District (EBSD), Irvine Ranch Water District (IRWD), Moulton Niguel Water District (MNWD), Santa Margarita Water District (SMWD), South Coast Water District (SCWD), and Trabuco Canyon Water District (TCWD).

SOCWA has a Board of Directors to which each agency appoints one person to act as its director on the Board; each agency also appoints one alternate director and may appoint a second alternate director. There are three standing advisory committees that provide input to the Board: 1) Executive Committee, 2) Engineering Committee and 3) Finance Committee. There is also an Ad-Hoc “Task Force” that is examining a change to the existing organizational structure of SOCWA.

1.2. Project Committees

The SOCWA general governance structure is further subdivided into ten Project Committees (PCs). Each PC was formed to construct and/or manage specific facilities or activities. Member agencies, as participants in the PCs and capacity owners in the corresponding facilities, contribute their portion of funding revenues necessary for all personnel, facilities, and services necessary to operate, maintain,

plan, construct or rehabilitate the programs or purpose of each committee. The terms of the 2001 consolidation included the continuation of all PCs, PC agreements and left unchanged the rights duties and liabilities of the respective Member Agencies.

The Project Committee Agreements have varying terms; six of the project committee agreements are set to expire (see below) in the next eight years (shown in order of expiration):

Table 1. Project Committee Agreements Expiring by 2030

Project Committee	Expiration Date
2 (Latham Plant)	June 28, 2023
24 (Aliso Creek Ocean Outfall)	September 24, 2026
23 (North Coast Interceptor)	November 4, 2026
5 (San Juan Creek Ocean Outfall)	August 18, 2027
17 (Regional Treatment Plant)	December 11, 2029
15 (Coastal Treatment Plant)	February 19, 2030

In addition to the expiring agreements, several other significant issues have occurred or are occurring:

- 1) SMWD and the CSJC have completed a transfer of the City's water and wastewater operations into SMWD; the City's capacity ownership and rights, duties and responsibilities have been transferred to SMWD and CSJC has withdrawn from SOCWA, reducing the membership to nine agencies.
- 2) IRWD has proposed withdrawing from SOCWA and assigning their interests to ETWD.
- 3) SMWD and MNWD have proposed alternative delivery of wastewater treatment service
- 4) A restated Joint Powers Agreement is being discussed.

The following Background Section discusses how the Member Agencies have begun to address these issues and the purpose for this report.

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2. Background

Commencing as early as 2013, SOCWA Member Agencies discussed changes to the organization and examining the services provided by SOCWA to assess if it was operating consistent with the intent of the consolidation. In 2016, concerns about budgets, weighted voting and other issues resulted in litigation that clarified some issues and left others unresolved. A 2017 Audit by the California State Auditor identified four areas that SOCWA needed to address:

- Improve practices to track available cash by Member Agency
- Determine responsibility for Unfunded Retirement Benefits
- Continue to remedy historical financial reporting issues
- Comply with the Public Records Act.

Additionally, the State Auditor found that SOCWA's governance and voting structure is similar to that of other wastewater and water JPAs.

In early 2019, SOCWA Member Agencies met and began discussions on a restated Joint Powers Agreement. SOCWA General Counsel met with general counsel from the Member Agencies and identified areas of initial focus.

By September 2019, an Ad-Hoc Task Force focused their discussion on four categories:

1. **Exit/Change of Governance** – Should changes be made to the structure, service profile and governance of SOCWA?
2. **Alternative Delivery of Wastewater Treatment Services** – What would need to be analyzed to determine viability of another service provider?
3. **Alternative Delivery of Other SOCWA Services** – What services should be delivered by SOCWA or are there alternative service options?
4. **Re-Vision SOCWA with a future focus** – Should the current governance structure be retained or are there alternatives to update the structure?

One output from the meeting was further discussion of Item #2, Alternative Delivery of Wastewater Treatment Services; specifically, developing a summary of the elements that should be evaluated when

considering potential alternative service providers for wastewater treatment. By March 2020, recommended components of analysis for alternative delivery were presented to the Member Agency General Managers.

An August 11, 2020 RoundTable Meeting was held with the Member Agency Managers to discuss specific issues identified for the restated Joint Powers Agreement, and to discuss the next steps for the Task Force.

A RoundTable Meeting of the Member Agency Managers was held on October 8, 2020 to review further progress on the restated Joint Powers Agreement and to review a SOCWA staff prepared list of strategic and governance issues in response to Item #4, Re-Vision SOCWA with a future focus.

By November 2020, the Task Force produced a list of items that would need to be addressed if an agency desired to prepare a proposal to operate one or more of the treatment plants in lieu of SOCWA staff.

The Task Force subsequently presented potential operating/governance structures at a SOCWA Board Meeting in September 2021. In March 2022, an “All Hands” presentation was prepared by MNWD and SMWD which outlined a conceptual operational framework for restructuring SOCWA’s governance and operations that also included financial impact estimates. It should be noted that while Task Force Members SCWD and ETWD provided some comments on the MNWD/SMWD proposal, they were not involved in the financial impact analysis presented in that proposal.

The March 11, 2022 All-Hands Task Force presentation identified potential benefits and concerns, as well as cost savings for the member agencies, and recommended that feedback be solicited from the SOCWA member agencies. Based upon this presentation, the Task Force prepared an RFP and Scope of Work and solicited proposals from consultants to meet with member agency representatives to solicit feedback.

2.1. Consultant Retention and Scope of Work

Ohlund Management & Technical Services (OMTS) was retained to perform the interviews with the member agencies and was issued a Notice to Proceed on May 19, 2022.

The Scope of Work included four tasks:

1. Background Review/Meeting with Task Force
2. Meetings with Member Agencies and SOCWA Staff
3. Prepare Summary Report
4. Meet with Board of Directors

This summary report is submitted in accordance with Task 3.

2.2. Background Review/Meeting with Task Force

OMTS met with the Task Force on May 27, 2022, to review the scope and to obtain input on the parameters for the agency meetings. This task included review of historic documents and materials that was anticipated to occur prior to the meeting with the Task Force, however, because the accelerated timeline for the project, documentation review occurred after the meeting – during the month when interviews were conducted, as well as during preparation of this report. A list of documents reviewed is provided in Attachment A.

During the meeting with the Task Force, it was reported that discussion of several options, including voting changes, had been discussed over the past three years, however the alternative delivery presentation of March 11, 2022 was the option that the agencies were generally open to further exploring. The Task Force noted that changes had occurred with the SMWD/CSJC transfer, and that other changes may be imminent and that they wanted to get feedback on the proposal and better understand individual member agency perspectives and potential concerns – on the record.

A proposed agenda for the agency meetings, along with the specific questions that were to be the basis for the discussion with the agencies, was reviewed and approved by the Task Force. A copy of the agenda and questions is included as Attachment B.

2.3. Agency Meetings

Meetings with the nine entities were scheduled during the month of June through the first week of July. It must be noted that IRWD declined to be interviewed; as stated previously, they are seeking to transfer their interests to ETWD.

The meeting schedule and list of attendees is shown in Table 2.

Table 2. Facilitated Meeting Schedule and Attendees
(In alphabetical order)

Agency	Meeting Date	Attending
CLB	June 29, 2022	Shohreh Dupuis – City Manager Ken Domer – Assistant City Manager David Shissler – Director of Water Quality Hanna Broida – Senior Project Manager Jeremy Jungreis – Special Counsel
CSC	June 22, 2022	David Rebensdorf, Utilities Director
EBS	June 2, 2022	Mike Dunbar, General Manager
ETWD	June 20, 2022	Kathryn Freshley, President Mike Gaskins, Director Dennis Cafferty, General Manager
MNWD	June 21, 2022	Brian Probolsky, President Joone Lopez, General Manager Matt Collings, Assistant General Manager Rod Woods, Director of Engineering Trevor Agrelius, Controller
SCWD	June 20, 2022	Rick Erkeneff, President Scott Goldman, Director Rick Shintaku, General Manager Marc Serna, Chief Engineer/Assistant GM Pamela Arends-King, Chief Financial Officer/ Assistant GM
SMWD	June 7, 2022	Dan Ferons, General Manager Don Buntz, Assistant General Manager Erica Castillo, Chief Financial Officer
SOCWA Staff	June 22, 2022	Betty Burnett, General Manager Jim Burror, Director of Operations/Acting Engineering Manager Mary Carey, Finance Controller Amber Baylor, Director of Environmental Compliance David Baranowski, Senior Engineer
TCWD	July 6, 2022	Stephen Dopudja, Director

2.4. Facilitated Discussion Questions

The RFP included five specific questions that were to be posed to each agency; during the Task Force Meeting on May 27th, a sixth was added. The final list of questions is as follows:

1. What does your agency like or dislike about the proposed concept?
2. What concerns does your agency have and how can they be addressed?
3. What benefits does your agency see from the proposed change?
4. What risks does your agency see from the proposed change?
5. Do you have other organizational proposals to address the future needs of SOCWA and its member agencies?
6. Would you be open to ANY other operational proposal and/or governance structure

3. Agency Responses

3.1. City of Laguna Beach

Question	Responses
<p>1. What does your agency like or dislike about the proposed concept?</p>	<p>A. Ms. Dupuis stated that the proposal lacks the detail necessary to understand how the proposal has any benefit for the City. Ms. Dupuis noted that the lawsuit was a very painful and costly process for the City and this proposal doesn't address the outstanding issues identified in the judgment.</p> <p>B. Mr. Shissler indicated that after going through the lawsuit there is a lack of trust; receiving a proposal that lacks details makes it difficult to get past that.</p> <p>C. Mr. Jungreis questioned why there is discussion about the proposal when there is not enough information, i.e., when, how, why and supporting detail is missing.</p>

2. What concerns does your agency have and how can they be addressed?

- A. Ms. Dupuis stated that because of the lack of detail in the proposal the City can't make any decision regarding the proposal. Primary concerns include: no backup to substantiate the proposed savings, no detailed information regarding how the treatment plants would be operated and how costs would be allocated, and no discussion of how liability would be handled.
- B. Ms. Dupuis stated that the City is very concerned that there could be significant liabilities for the City that don't exist under the current structure.
- C. Ms. Dupuis stated the City doesn't understand how this will address the expiring PC 15 Agreement.
- D. Mr. Domer noted that the proposal doesn't include a term and that the existing project committee agreements had been in place for almost 50 years; any proposal should provide a framework for a similar horizon.
- E. Mr. Jungreis stated that there is continuing oversight by the Court after the CTP lawsuit settlement and this needs to be considered as this proposal or any proposal is discussed.
- F. Mr. Shissler expressed concerns about how regulatory agencies would view the proposal.
- G. Mr. Shissler noted that discussions about weighted votes had been held, but the one vote per agency and veto voting provisions are important to the City to retain; he noted that a ratepayer in Laguna Beach is as important as a ratepayer in any other agency and should have the same rights.
- H. Mr. Jungreis stated that the level of bureaucracy between the nine agencies and the number of meetings has the potential to place a considerable burden on City staff; there is no information in the proposal regarding how this will be reduced in the alternative structure.
- I. Mr. Jungreis noted that the need for failsafe disposal of sewage will be necessary into the future and that all agencies are tied together at the Outfalls; the presentation focuses primarily on the treatment plants and fails to address this.
- J. Ms. Broida expressed concerns that the agencies "don't know what they don't know" but are contemplating substantial changes to their organizational structure.

<p>3. What benefits does your agency see from the proposed change?</p> <p>4. What risks does your agency see from the proposed change?</p>	<p>A. Mr. Domer indicated that the City was unable to determine benefits due to the lack of detail provided.</p> <p>A. Mr. Shissler noted that in the past, when the Outfall experienced a leak, the City was the entity that was identified with it and whose reputation was impacted, not AWMA. The City has a high degree of concern for the ocean environment and desires that the operators of any of the facilities operate and maintain them to the highest degree – the City desires a structure that protects their ability to continue to have the voting power they currently have to set policy for this important function.</p> <p>B. Mr. Shissler noted that EPA, the State and Regional Board may encumber the agencies with new and additional requirements because of the change from third-party operations to operations by member agencies via contracts.</p> <p>C. Mr. Jungreis expressed his concern about the risks posed by emerging contaminants such as PFAS and the BKK CERCLA lawsuit, and how the proposal would address these liabilities for current members as well as those contaminants that can emerge years after an agency has “left.”</p> <p>D. Mr. Jungreis questioned the transfer of assets that were constructed with grant funding for regional facilities and whether this could trigger reconsideration by the funding agencies.</p> <p>E. Mr. Shissler noted his concerns that the City’s solids are treated at the Regional Plant and that they currently have substantial input into the budgeting, staffing, and disposal practices at the Regional Plant that they do not want to lose.</p> <p>F. Mr. Shissler questioned whether regional water reuse planning would be enhanced or reduced through this proposal.</p>
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<p>5. Do you have other organizational proposals to address the future needs of SOCWA and its member agencies?</p>	<p>A. Mr. Jungreis stated that the City would like to see the status quo evaluated as an alternative to any suggested reorganizations to the existing structure.</p> <p>B. Mr. Jungreis, and others, noted that the AWMA structure could be considered as an alternative if SOCWA, in its current form is not to be maintained. However, some type of JPA structure will be required.</p>
<p>6. Would you be open to ANY other operational proposal and/or governance structure other than the current operational modality?</p>	<p>A. Mr. Domer indicated that the City would be open to alternatives as part of the development of a long-term Strategic Plan that addresses both governance structure and facility capital requirements.</p>

Supplemental City Comments: the City Council directed the City Manager to provide the following comments to OMTS and the Ad Hoc Task Force. The comments are being presented as submitted by the City:

1. That the City of Laguna Beach has significant issues and concerns with the current framework/proposal for the dissolution of SOCWA to include;
 - a. More detail is necessary before making any conclusions on the takeover proposal. The City must clearly understand what agency is operating and maintaining each treatment plant facility and each outfall facility.
 - b. The benefit of taking over the SOCWA facilities must be shown to result in less expense and less liability to the City. Provide a detailed cost analysis showing current performance/costs of WWTP 3A and other actively functioning wastewater treatment plants within south orange county. Provide detailed cost breakdowns of the proposed cost savings and provide cost savings guarantees.
 - c. More detail is necessary to understand how the handling of solid waste contracts will be addressed. Who will take them over? What control will the participating agencies maintain?
 - d. More detail is necessary for the City to understand how the disposition of the City's water will occur after its first use. The City places a value on the water treated at the SOCWA run wastewater treatment plant and needs to ensure that its future ability to reuse that water is not compromised under any proposed reorganization. The City reserves the right on how

and where the water from the City is used after treatment.

2. That any resolution reached would need to be consistent with the Consent Judgment entered by the Riverside Superior Court and be fully protective of the City's interests such that the City is not reliant for services on an agency that in the recent past has intentionally tried to harm the City's interests by refusing to pay for its legal obligations at the Coastal Treatment Plant.

After the meeting with Lisa Ohlund and Marilyn Thoms, a letter was received from Orange County LAFCO. The letter, dated July 7, 2022, was sent to SOCWA and many of the SOCWA members informing us of the following:

The Orange County Local Agency Formation Commission (OC LAFCO) is required to periodically conduct Municipal Service Reviews (MSRs) for all cities and special districts within Orange County. At this time, our staff, in conjunction with our consultant, RSG, Inc., is undertaking the MSR for the Southwest MSR region, which will include a comprehensive review that the following agencies will be included in the review:

(6) Cities:	Aliso Viejo	Dana Point
	Laguna Beach	Laguna Hills
	Laguna Niguel	Laguna Woods
(4) Water Districts:	El Toro	Laguna Beach County
	Moulton Niguel	South Coast
(3) Community Service Districts:	Capistrano Bay	Emerald Bay
	Three Arch Bay	
(1) Wastewater Authority:	South Orange County	

Considering the forthcoming Municipal Service Reviews, we view this process as an opportunity for the SOCWA members to advance the opportunity to make progress in improving the JPA structure.

If you have questions regarding our responses to the interview, please contact David Shissler, Director of Water Quality, at (949) 497-0328 or Ken Domer, Assistant City Manager, at (949) 497-0704.

Cc:

Ken Domer, Assistant City Manager

David Shissler, Director of Water Quality

Jeremy Jungreis, City Attorney

Hannah Broida, Senior Project Manager

3.2. City of San Clemente

Question	Responses
<p>1. What does your agency like or dislike about the proposed concept?</p>	<p>A. Mr. Rebensdorf likes the proposed framework that separates out facilities and ultimately decreases San Clemente’s liability, although he desires more details as to how this would be accomplished.</p> <p>B. Mr. Rebensdorf likes that the proposal includes potential cost savings and that, particularly in the regulatory area, SOCWA would operate more like a “consultant.”</p> <p>C. Mr. Rebensdorf likes the potential for reduced number of meetings as it is difficult for him or his staff to attend all of the meetings.</p> <p>D. Mr. Rebensdorf does not like the potential for loss of control or capacity in the outfall.</p> <p>E. Mr. Rebensdorf feels that the Proposal is silent on how voting would change but does not want to lose control of outfall capacity or allocation of costs.</p> <p>F. Mr. Rebensdorf feels that the current Proposal has a lack of functional detail and that agencies need more information.</p>
<p>2. What concerns does your agency have and how can they be addressed?</p>	<p>A. Mr. Rebensdorf would like to ensure that the cost savings outlined in the proposal are substantiated, that costs wouldn’t be shifted, and he would like to see additional detailed information provided as to how the savings will be achieved.</p> <p>B. Mr. Rebensdorf is concerned with future outfall use and how the outfall will be used during high- and low-flow periods, particularly storm events and seasonal changes in discharges, and how regulatory requirements will be met. He noted that it is imperative that the agencies coordinate closely on future plans for the outfall.</p> <p>C. Mr. Rebensdorf is concerned that more information is needed regarding the transfer of assets to agencies and which agencies would own/operate the different assets.</p>

	<p>D. Mr. Rebensdorf is concerned that the regional purchasing contracts may not continue so would like to see that addressed moving forward.</p> <p>E. Mr. Rebensdorf is concerned that there still needs to be a functional agency similar to SOCWA in place if the assets are split off, but other services remain.</p> <p>F. Mr. Rebensdorf is concerned that the process is being rushed and that the current deadlines discussed should be extended. He noted that it will take a significant amount of time to develop a detailed proposal and then have it go through the review process in the City (i.e., City Attorney, City Manager, Council).</p>
<p>3. What benefits does your agency see from the proposed change?</p>	<p>A. Mr. Rebensdorf agrees that the assumption of liability by an operating agency would be a significant benefit.</p> <p>B. Mr. Rebensdorf considers the potential cost savings and reduction of staff time attending meetings as a significant benefit.</p> <p>C. Mr. Rebensdorf sees an opportunity for total water management coordination with the current proposal.</p>
<p>4. What risks does your agency see from the proposed change?</p>	<p>A. Mr. Rebensdorf anticipates that there could be a loss of control and/or capacity under the Proposal.</p> <p>B. Mr. Rebensdorf indicated that he is concerned that there could be decisions made by the operating agency of an asset without input from user agencies; this could be detrimental to San Clemente.</p>
<p>5. Do you have other organizational proposals to address the future needs of SOCWA and its member agencies?</p>	<p>A. Mr. Rebensdorf did not have any specific organizational proposals to share but would like to see the management of the outfall infrastructure addressed in any proposals considered.</p>

6. Would you be open to ANY other operational proposal and/or governance structure other than the current operational modality?

A. Mr. Rebensdorf is open to other organizational structures that would keep in place current protections including protecting voting rights and existing capacity levels while keeping costs down.

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3.3. Emerald Bay Service District

Question	Responses
<p>1. What does your agency like or dislike about the proposed concept?</p>	<p>A. EBSD disagrees with the premise in the March 11 proposal that expiration of the Coastal Plant agreement means that change is inevitable with regards to the Coastal Plant Project Committee Agreement.</p> <p>B. Mr. Dunbar indicated that, generally, there were not enough specifics in the March 11 proposal for EBSD to provide an informed opinion.</p> <p>C. Mr. Dunbar is doubtful regarding the potential cost savings due to his experience with other consolidations he was involved with at South Coast Water District. He noted that cost savings are often offset by integration costs. He requested specific information on projected short-and long-term costs versus projected short- and long-term savings.</p> <p>D. Mr. Dunbar noted that, if the Regional Plant operations were to be transferred to MNWD, he is very concerned about EBSD's inability to have input on planning and financial issues surrounding biosolids transmission, treatment, and disposal. He based his concerns on his inability to determine costs of treatment after reviewing the MNWD IIIA Treatment Plant budget.</p> <p>E. Mr. Dunbar stated that there is a lack of clarity in the proposal regarding voting rights. This issue is of significant concern as well as how solids capacity, planning and operations and maintenance issues will be handled in the future.</p> <p>F. Mr. Dunbar stated that there are lingering issues after the lawsuit, including a lack of trust with MNWD.</p> <p>G. Mr. Dunbar stated that it is EBSD's position that the benefits desired by SMWD and MNWD don't require operational changes and can be accomplished with the current operating structure.</p>

2. What concerns does your agency have and how can they be addressed?

- A. Mr. Dunbar stated that loss of the veto voting right is a significant concern of theirs. He noted that EBSD believes that this right is an important protection for all agencies, but particularly for smaller agencies. Mr. Dunbar stated that any transfer of operations must include continuance of current voting rights.
- B. Mr. Dunbar stated that EBSD supports having the existing third-party operational structure for SOCWA as the staff have provided liability protection under the Clean Water Act for the member agencies. With regards to overall liability, Mr. Dunbar said that this issue has not been adequately addressed and is poorly understood with regards to how it would affect the NPDES permit. He questioned whether an agency could self-police itself in the event of a violation as this would appear to be a conflict, especially given the multiple participants. EBSD suggests having both extensive legal and regulatory review once a detailed proposal is provided.
- C. Mr. Dunbar noted that he is concerned that the SOCWA agencies do not well understand the treatment plant performance records for the other agencies and whether there could be increased liability due to increased violations and/or additional costs for poor performance.
- D. Mr. Dunbar noted that SOCWA has been independently audited by the State Auditor as well as undergone a Performance Management Study by Carollo Engineers that included benchmarking comparisons to other regional wastewater agencies. EBSD would like to see the three agencies that have the potential to operate the SOCWA facilities undergo a similar performance review/audit to ensure due diligence is observed when presenting this significant operating change to the member agencies and regulatory agencies.
- E. Mr. Dunbar stated that EBSD is concerned about transparency and sensitivity towards coastal environmental issues. EBSD is confident in the existing staff's concern and culture towards these issues and that they balance inland and coastal concerns as well.

3. What benefits does your agency see from the proposed change?

- A. Mr. Dunbar agreed that the Facilitated Discussion will be helpful in providing the opportunity for agencies to state their concerns with the March 11 proposal.

<p>4. What risks does your agency see from the proposed change?</p>	<p>A. Mr. Dunbar indicated the following concerns for EBSD:</p> <ul style="list-style-type: none"> (i) Would potentially be giving up their veto vote. (ii) EBSD would potentially lose the ability to have input into solids treatment costs, planning and operations and maintenance under the proposal. (iii) EBSD could be gaining significant additional liability if the agencies that assume operations experience increased violations or if inherent self-policing conflicts give rise to additional legal conflicts between the member agencies (iv) Regulatory agencies could take a dim view of the proposal and reject it after significant effort and expense has gone into discussing and developing a proposal. (v) Key staff have already left and additional key staff may leave during this period of instability and expose the agency to overburdening remaining staff and serious other unintended consequences if they think they are going to lose their jobs or they will substantially change due to the proposed reorganization. (vi) Treatment costs could increase due to loss of economies of scale
<p>5. Do you have other organizational proposals to address the future needs of SOCWA and its member agencies?</p>	<p>A. Mr. Dunbar stated that there should be a proposal discussed for SOCWA to continue to provide these services, and that includes a plan to achieve the benefits cited by SMWD and MNWD under the March 11 proposal.</p> <p>B. Mr. Dunbar requested that the March 11 proposal examine how operating efficiency could be negatively impacted by the transfer proposal.</p> <p>C. Mr. Dunbar requested that any proposal examine the liability implications of changing from operations by a neutral third-party to operations by individual agencies with potentially conflicting goals.</p>

	<p>D. Mr. Dunbar proposed that the SOCWA Agencies consider requiring elected officials, not Member Agency staff members, to sit on the Board.</p> <p>E. Mr. Dunbar proposed that a policy be adopted to limit member agency staff contacting SOCWA staff directly; rather, they should go through the SOCWA General Manager so that he/she is able to allocate their resources most efficiently.</p>
<p>6. Would you be open to ANY other operational proposal and/or governance structure other than the current operational modality?</p>	<p>Mr. Dunbar stated the following:</p> <p>A. EBSD would entertain a proposal for MNWD to exit the Coastal Plant under acceptable financial and contractual terms.</p> <p>B. EBSD will only entertain a proposal for MNWD to operate the Regional Plant under specific circumstances.</p> <p>C. EBSD would be open to hearing proposals for other operating options.</p>

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3.4. El Toro Water District

Question	Responses
<p>1. What does your agency like or dislike about the proposed concept?</p>	<p>A. Mr. Cafferty stated that there is potential for cost savings as well as the potential for staff efficiencies. He likes that MNWD is willing to “guarantee” those savings.</p> <p>B. Director Freshley and Director Gaskins indicated that the lack of specifics in the proposal made it difficult to provide a comprehensive answer to the question.</p> <p>C. Director Gaskins noted that the current JPA is an outgrowth of evolutionary change that occurred in the 1990s and that the agencies were at an evolutionary stage again; he appreciates that this proposal is an attempt to move the discussion forward, but sees SOCWA as very dysfunctional and unable to reach agreement on any substantive issue.</p>
<p>2. What concerns does your agency have and how can they be addressed?</p>	<p>A. Director Gaskins is concerned that the real issue is that of personalities and that forward progress won’t be made until that is addressed.</p> <p>B. Director Freshley is concerned that the proposal address a reduction in reserve levels and that the complexity of the accounting system is similarly reduced. She noted that less reserves and more trust would create a less complex accounting system that could result in further cost savings.</p> <p>C. Director Freshley agreed that the JPA needs revision and that includes how to address the smaller agencies’ voting issues; Mr. Cafferty similarly noted that voting issues have been a concern amongst the SOCWA member agencies for some time.</p> <p>D. Director Gaskins stated his concern that the proposal doesn’t answer how the remaining SOCWA functions would be overseen, as it would be difficult for SOCWA permitting staff to be in a pseudo-regulatory position but be employed by one of the agencies they “regulate.”</p>

	<p>E. Mr. Cafferty stated that there have been discussions regarding how overhead costs will be divided between the agencies noting that, with the consolidation of SMWD and the City of San Juan Capistrano, as well as IRWD’s pending exit, there will be less agencies to absorb overhead costs.</p> <p>F. Mr. Cafferty indicated that he does not understand how the management structure for “New SOCWA” or “SOCWA Light” would function; he noted that there will still be administrative functions (budget, personnel, accounting) that will need to be performed, but like Director Gaskins, doesn’t understand how this would work.</p> <p>G. Mr. Cafferty noted that more details on how the proposed liability shift would occur are needed.</p> <p>H. Mr. Cafferty noted that an attempt was made in 2019 to resolve “low hanging fruit” aspects of the JPA Agreement, but that no progress was able to be made on the relatively easy elements, so he was doubtful that significant timely progress could be made on resolving substantive issues such as liability.</p> <p>I. Director Freshley is concerned that the proposal does not address regional water planning – including changing technology and regulations, ETWD options for solids handling and the associated impacts on the JPA system.</p>
<p>3. What benefits does your agency see from the proposed change?</p>	<p>A. Director Freshley stated that the biggest benefit she saw in the proposal was the cost savings.</p>
<p>4. What risks does your agency see from the proposed change?</p>	<p>A. Mr. Cafferty notes that there is a risk that the cost savings shown in the proposal could creep up after implementation and erode the savings, or that the cost savings were in effect for only a year or two.</p> <p>B. Mr. Cafferty noted that there is a risk that the liability issues can’t be adequately addressed under a JPA structure.</p>

5. Do you have other organizational proposals to address the future needs of SOCWA and its member agencies?

A. The attendees reported that they have not identified an alternate proposal, however the ETWD Board would like to streamline the existing process. The Board has not taken a position on any organizational structure.

6. Would you be open to ANY other operational proposal and/or governance structure other than the current operational modality?

A. Yes.

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3.5. Moulton Niguel Water District

Question	Responses
<p>1. What does your agency like or dislike about the proposed concept?</p>	<p>A. Mr. Collings stated that MNWD is supportive of the proposal and interested in resuming operation of the Regional Treatment Plant. The ability to optimize their wastewater operations, from collection to disposal, as well as develop additional water supplies is very important to them.</p> <p>B. Mr. Collings indicated that the proposal offers the opportunity to focus liability on just the agencies participating in a facility rather than to all agencies.</p> <p>C. Mr. Collings noted that there is an opportunity to reduce costs, and thus reduce costs to all of the affected agencies' customers also.</p> <p>D. Mr. Collings noted that the proposal will simplify, streamline, and make more efficient the operation of all of the joint facilities.</p> <p>E. Mr. Agrelus noted that the proposal gives everyone the opportunity to provide input instead of waiting for an agreement to expire.</p> <p>F. Mr. Collings stated that all agencies are connected at the outfall and that the concept retains SOCWA permit assistance/compliance as well as other regional services such as source control and laboratory services. There is also the opportunity for regional planning or other services that may be desired in the future.</p> <p>G. Ms. Lopez noted that while the proposal may seem to lack specificity, it was meant to be a good faith effort to move forward, particularly in recognition of the imminent expiration of some of the project committee agreements. She indicated that there is a lot of benefit to all agencies in the proposal.</p>

2. What concerns does your agency have and how can they be addressed?

- A. Mr. Collings stated that there are expiring project agreements and that an expedited approach is needed to address them prior to expiration. Mr. Collings noted that MNWD is open to taking care of “pieces at a time,” but prefers a comprehensive solution and emphasized that this would have to be completed expeditiously – the agencies don’t have a lot of time given upcoming expiring agreements and they need to figure out a resolution quickly.
- B. Ms. Lopez stated that the JPA is antiquated and needs significant change in order to address future water needs. She likened the existing JPA structure to “trying to drive a stagecoach on the freeway.” The antiquated system created situations such as having agencies pay for operations from which they receive no benefit. Ms. Lopez indicated that all agencies acknowledge that the system is broken, particularly around liability, and is concerned that the JPA structure is too rigid and doesn’t recognize changing and evolving needs of the member agencies that could prevent MNWD from doing the things they need to do to expand water reuse goals.
- C. Mr. Collings noted that the current agreements are ambiguous and don’t address shared liabilities. Mr. Collings and Mr. Probolsky are concerned that member agencies don’t grasp the importance of the shared liability issue.
- D. Ms. Lopez indicated her concerns about the capital programs that have not been implemented by SOCWA, as well as those that are being proposed. Ms. Lopez and Mr. Collings noted that MNWD is expected to fund approximately \$130 Million towards SOCWA’s capital improvement program over the next 10-12 years, most of which is at the Regional Treatment Plant. This equates to roughly 20% of MNWD’s total 10-Year CIP. MNWD is concerned about SOCWA’s ability to effectively and efficiently execute this CIP while ensuring MNWD’s reuse goals are met.
- E. Ms. Lopez noted that while JPAs can work, particularly for financing, this JPA has too many people trying to drive the stagecoach, and that there are so many conflicts that it’s hard to see a way forward. She knows that more details are needed for agencies to feel comfortable moving forward, but also desires that constructive feedback is obtained from the Facilitated Discussions process.

	<p>F. President Probolsky expressed his concern that, as part of the Facilitated Discussions, any agency(s) that is unwilling to proceed with further negotiations/discussions is clearly identified.</p>
<p>3. What benefits does your agency see from the proposed change?</p>	<p>A. President Probolsky stated that currently, SOCWA is struggling to provide the services needed by the member agencies and is falling farther behind because they aren't equipped to build the critical infrastructure needed by MNWD and others. The proposal would provide for reduced costs, reduced liability and better career opportunities for staff and provide the ability for MNWD to move forward with their water reclamation and supply plans.</p> <p>B. Ms. Lopez noted that each agreement developed under the proposal is going to be unique to its facility and overseen by an Operations Committee that would meet regularly as desired by the different facility partners. This will reduce the meeting burden that currently exists and facilitate more efficiency overall.</p> <p>C. Mr. Agrelus noted that the current organizational structure makes it difficult to actually focus on regional planning, while the proposal would enhance this ability.</p>
<p>4. What risks does your agency see from the proposed change?</p>	<p>A. Mr. Collings noted that in putting together the proposal, they looked at several options, including the old AWMA/SERRA/SOCWRA model, but this was the preferred approach primarily because the other models don't address the shared liability issue.</p> <p>B. Mr. Collings noted that the proposal has risks and opportunities for staff members: Risk in that existing employees may be concerned about change and look for opportunities elsewhere leading to staffing issues. He noted that it is important to communicate with SOCWA staff regarding the increased career opportunities that may arise from this approach and the ability to broaden their skills set that will be available to them as part of a full-service organization.</p>

<p>5. Do you have other organizational proposals to address the future needs of SOCWA and its member agencies?</p>	<p>A. Mr. Collings noted that in putting the proposal together, the Task Force looked at several options, including the old AWMA/SERRA model, but none of them addressed the shared liability issues that was included in this proposal.</p> <p>B. Mr. Collings noted that the overarching goal of the proposal was to address and resolve many of the outstanding issues facing the member agencies. MNWD is open to modifications and enhancements to the proposal. Ms. Lopez concurred, stating that the proposal is not so rigid that it can't be molded further.</p>
<p>6. Would you be open to ANY other operational proposal and/or governance structure other than the current operational modality?</p>	<p>A. Mr. Collings indicated that MNWD would be open to other proposals.</p>

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3.6. Santa Margarita Water District

Question	Responses
<p>1. What does your agency like or dislike about the proposed concept?</p>	<ul style="list-style-type: none"> A. Mr. Ferons stated that the organization (SOCWA) needs change and that the proposed concept reflects a step towards an ownership and operations methodology that reflects the value of wastewater as a source of water supply, which was not foreseen in the 1990s when the entity was reorganized into SOCWA. B. Mr. Bunts noted that the current JPA framework is inefficient and inequitable. There are nine agencies involved in the running of the three treatment plants (Latham, Regional and Coastal) and that four of those agencies don't pay any of the costs of those plants or realize any benefit from them – and yet they have a veto vote that can have a direct impact on those agencies that are paying for the treatment plant costs. He also noted that in addition to the SOCWA Board Members and staff, there are Board Members and staff from each of the agencies (totaling more than 60 people), ultimately involved in decision-making. This proposal would streamline the decision-making process and allow the affected agencies to have direct control over the facilities that they have direct interest in (pay for). C. Mr. Ferons noted the proposal recognizes that there are some SOCWA functions that are efficient and make sense to stay with SOCWA (recycled water permitting, source control, laboratory services and regulatory compliance), but that ownership and operations of the treatment plants belongs at the agency level. D. Mr. Ferons stated that the proposal to transfer ownership and operation of the treatment plants to the member agencies was not made because of administrative, management or operational issues. Rather, integrating these facilities into their agencies' operations recognizes that the effluent from the three plants will become the influent for current and future advanced treatment facilities, resulting in efficient and coordinated operations.

2. What concerns does your agency have and how can they be addressed?

- E. Mr. Ferons noted that recently, SMWD and MNWD have operated Plant 3A and had both financial and operating success doing that because of their need for higher output and already being staffed for 7/24 operations. He noted that several agencies also operate water treatment and storage facilities by contract (without JPAs) very successfully.
- F. Ms. Castillo noted that the proposal addresses efficiencies gained in relation to the current tracking and allocation of costs between the various project committees and would potentially save \$1.8 million.
- A. Mr. Ferons stated that he is concerned that a piecemeal approach will be taken over several years to address the issues rather than a holistic approach.
- B. Mr. Ferons indicated that the “trust” issue keeps coming up. He’s concerned that the discussion of what’s best for the member agencies will be based upon past history and not future opportunities.
- C. Ms. Castillo noted concerns about the timeline with regards to the expiring project agreements and allocating unfunded liabilities payments. She is concerned that agreements need to be finalized within the year to meet these deadlines.
- D. Mr. Ferons and Mr. Bunts noted that they are concerned that the project committee agreements will be extended by one or two years each, which could end up being done repeatedly, and nothing gets resolved.
- E. Mr. Bunts was concerned that discussions might not take place via public workshops so that all parties can engage and discuss their concerns, but rather in separate meetings outside the ability of all parties to participate.
- F. Mr. Bunts noted that the Board is comprised primarily of staff members and a few elected members, adding a layer of inefficiency to Board deliberations.
- G. Mr. Ferons expressed concerns about the SOCWA employees and how the continuing uncertainty affects them and could increase attrition rates at SOCWA.

3. What benefits does your agency see from the proposed change?

- A. Mr. Ferons pointed out the \$1.8 M cost savings identified in the March 11 Proposal attained through operational and staffing efficiencies. He noted that currently, SMWD is picking up the City of San Juan Capistrano's costs, thus allowing General Fund and Administration costs to be divided by 10 agencies rather than 9 agencies.
- B. Mr. Ferons stated that financial guarantees could be included in the agreements.
- C. Mr. Ferons noted the potential to produce indirect and direct potable water (IPR and DPR) at Latham.
- D. Mr. Ferons and Mr. Bunts noted that the proposal would reduce the amount of time the member agencies spend on SOCWA issues that do not directly affect them and reduce the number of meetings that both member agency and SOCWA staff must prepare for and attend.
- E. Mr. Ferons noted that the proposed changes would provide the opportunity for the affected agencies to talk directly instead of hiring intermediaries.
- F. Mr. Ferons noted that there would be a streamlined ability to address capital projects, stating that SMWD has an existing and substantial engineering and construction management team that has the capacity to handle proposed capital projects.
- G. Mr. Ferons reiterated the operational efficiencies that could be obtained by agencies being able to take a holistic approach to providing recycled water as a part of the total water distribution system.

<p>4. What risks does your agency see from the proposed change?</p>	<p>Mr. Ferons indicated the following risks for SMWD:</p> <ul style="list-style-type: none"> (i) An agreement that addresses all of the outstanding issues isn't developed by December 31, 2022 so that it could be executed by all agencies prior to June 30, 2023, when the Project Committee No. 2 Agreement expires. Further delays and inaction increase the amount of work and uncertainty (ii) If SMWD operated the Latham plant and erred in some way operating the facility, it would be SMWD's responsibility to address the regulatory issues and if necessary, pay the resulting fines/penalties. (iii) Similarly, they would want the same risk transfer in an operating agreement if any other agency operated the Latham plant: i.e., if SCWD erred in operating the facility, it would be SCWD's responsibility to address the regulatory issues and pay the resulting fines/penalties.
<p>5. Do you have other organizational proposals to address the future needs of SOCWA and its member agencies?</p>	<p>A. Mr. Ferons indicated that another approach could be creating an independent special district that has its own board with weighted voting.</p>
<p>6.</p>	<p>Mr. Ferons stated the following:</p> <ul style="list-style-type: none"> A. If there are other operational proposals, SMWD is open to considering them if they are proposed in a timely manner and don't delay the timeline identified previously. He noted that there has been substantial discussion of alternatives, and that the proposal that was submitted reflects the best option identified after other options had been considered and discarded.

3.7. South Coast Water District

Question	Responses
<p>1. What does your agency like or dislike about the proposed concept?</p>	<p>A. Mr. Serna indicated that potentially retaining SOCWA for permit compliance and to limit liability made sense, particularly in light of State Lands Commission requirements on top of NPDES permit requirements. There may be new or additional permitting requirements in the future that haven't been identified and having an entity to hold those permits and ensure compliance is important, although this depends on the final resolution of the future structure of SOCWA. A thorough understanding of how the permitting/regulatory component could be kept with SOCWA needs to be obtained in order to assess how this structure will be managed and what additional staff/cost is needed for SOCWA to function as an independent agency with a limited role.</p> <p>B. District stated that SCWD supports an alternative proposal that has SCWD operating the CTP and JBL treatment plants and both outfalls, as all these facilities are located within their service area and their coastal locations need to align with SCWD's level of service requirements (i.e., no-spill policy, environmental stewardship of coastal community).</p> <p>C. District indicated that substantially more detail needs to be provided about the proposals (from both SMWD and MNWD) so that SCWD doesn't incorrectly infer elements that aren't actually being proposed.</p> <p>D. Mr. Erkeneff stated that SCWD dislikes the lack of details in the proposal and suggests developing a term sheet prior to receiving a comprehensive proposal. He stated further that the issue of a loss of control is significant to SCWD and discussion of this must be part of any proposal.</p> <p>E. Mr. Shintaku indicated that he is open to considering a proposal(s) but also wants to have dialogue on terms and conditions prior to receiving proposals. In order to fully assess an operational proposal, there needs to be more definition, both in the terms and the data supplied. Additional time may be necessary and the agencies should not be constrained by the current expiration date of PC 2.</p>

2 What concerns does your agency have and how can they be addressed?

- A. Mr. Shintaku stated that resolution of the expiring project committee agreements and SOCWA’s future is a high priority for SCWD. He noted that these issues have been discussed for three years and not much progress has been made, and he is concerned that a thoughtful agreement cannot be negotiated and approved by the member agencies by June 30, 2023. SCWD believes that seeking an amendment to extend the PC2 Agreement (i.e., amendment for time) will benefit all agencies and provide time to ensure an adequate assessment can be made that will address long-term operational and capital management of all related facilities.
- B. Mr. Erkeneff noted that there are many variables over the next 50 years, and SCWD desires an organizational structure and/or agreement(s) that includes regional water management coordination so that all water and wastewater needs – from recycled water, IPR/DPR, Desalination, etc., can be accommodated by the treatment plants and outfalls and not limited because of poor planning and coordination. He also noted that the next 50 years will require significant legislative coordination and advocacy to ensure water supply reliability and the potential for long-term financing – how these issues will be addressed should be identified in the proposal.
- C. Mr. Shintaku noted that SCWD has been asking that SOCWA define a level of service, but there hasn’t been a consensus (by the SOCWA member agencies) on defining the performance level (e.g., is it a no-spill agency, is it a low-cost agency, etc.). Defining a member-agency consensus service level for SOCWA is the proper first step in: (1) evaluating the effectiveness of the current SOCWA; and (2) negotiating agreement terms if an agency would take over operating a respective treatment plant. Mr. Shintaku was concerned that varying levels of service could be defined differently by various operating agencies, and that could impact potential liability.
- D. Mr. Goldman, Mr. Shintaku and Mr. Serna expressed concerns about the unknown and/or apparent poor condition of specific facilities and the impression that some member agencies may be responsible via their feedback at SOCWA Committee/Board meetings for SOCWA staff to run equipment to fail. A third-party condition assessment funded through SOCWA should be considered so that potential owners (if SOCWA no longer exists) can understand what may be needed to bring the facilities up to an operating agency’s level of service requirements.

- E. Mr. Erkeneff noted that when he was Chair of SOCWA, there was always an emphasis to keep costs low – at the expense of capital projects. He is concerned that current ratepayers will be asked to bring facilities up to an operating agency’s level of service standards and that those costs may need to be born on a multi-generational basis (debt financed) through the JPA (or resulting organization) rather than as PAYGO.
- F. Mr. Goldman stated that SCWD is concerned that the organizational structure that results from this process meet the changing regulatory and operating environment that is coming, and that SCWD’s assets and interests are protected. He further noted that SCWD doesn’t clearly understand if the proposed structure will be simpler or more complicated than the existing structure – particularly with regards to how the permits will be written – and that this should be assessed as part of the review process.
- G. Mr. Erkeneff noted that dismantling SOCWA for cost savings is an attractive idea, but there are liability and reliability concerns that must be addressed; he was also concerned that the savings haven’t been substantiated with detailed information and requested that this information be provided.
- H. Ms. Arends-King indicated that the March 11th proposal lacked specificity about accountability and checks and balances for operating agencies. She also requested more specific information with regards to how liability will be reduced for member agencies.
- I. Mr. Serna noted SCWD concerns about the March 11 proposal including the fact that it would seem like the remaining SOCWA entity functions (outfalls, permits, lab), such as permitting and compliance, would still require staff management structure and staffing. Also noted that it is unclear what specific issues need to be resolved with current SOCWA operations and that a better understanding of SOCWA performance via metrics and expected level of service should be established in order to properly assess alternative operator proposals.
- J. District noted that the weighted voting concept needs to be addressed in the existing SOCWA structure to address those agencies that aren’t sending flow to a treatment plant.

3 What benefits does your agency see from the proposed change?

- A. Mr. Shintaku noted that this process offered an opportunity to address the systemic issues facing SOCWA, but a realistic time frame, inclusive of milestones and deadlines, needs to be developed.
- B. Mr. Goldman noted that there is an opportunity to better define the problem(s) to be solved and to address them holistically.
- C. Mr. Serna indicated that SCWD sees that the opportunity for a weighted vote that would provide more control for agencies with greater ownership and cost responsibilities.
- D. Ms. Arends-King noted that this process should provide an opportunity to address a lack of coordination between Finance and Engineering Committees at SOCWA, particularly with regards to funding capital expenses.
- E. Mr. Shintaku and Mr. Serna stated that if the future of SOCWA and the proposed concept (i.e., threat) of agency takeover of the treatment plants(s) isn't resolved in the near future, then recruiting and retaining all staff, but particularly high-level staff, will be threatened.

4 What risks does your agency see from the proposed change?

- (i) Mr. Shintaku noted that the years of discussion and turmoil have limited SOCWA's ability to recruit/retain higher level staff and that they may lose existing key staff leading to unintended consequences.
- B. Mr. Serna noted the expiring PC2 Agreement and indicated concern that an extension to the PC2 Agreement - that would enable time to resolve these issues – would not occur.
- C. Mr. Serna indicated that there is a risk and likelihood the cost savings being proposed may not be realized, and that the agencies will still need a high level of involvement, if not more, in the oversight of operations regardless of who is operating them.
- D. The operating agencies may utilize the respective treatment plants to their agency's advantage (e.g., inland agencies use JBL as a peaking plant), or require agencies that use the facility on a frequent basis to pay a disproportionate share of costs despite maintaining plant for another agency's peak use. These issues will need to be addressed in Agreements that might be as complicated or more than the existing JPA arrangement.

5 Do you have other organizational proposals to address the future needs of SOCWA and its member agencies?	A. A consensus of the attendees proposed the option of restructuring the JPA to have the ability to debt finance, set levels of service, protect voting rights, and provide regional water management coordination.
6 Would you be open to ANY other operational proposal and/or governance structure other than the current operational	A. The attendees agreed that they would be open to other organizational structures that would provide the ability to debt finance, set levels of service, incorporates weighted voting rights, and provides support for regional water management.

DRAFT

3.8. SOCWA Staff

Question	Responses
<ol style="list-style-type: none"> 1. What does your agency like or dislike about the proposed concept? 2. What concerns does your agency have and how can they be addressed? 3. What benefits does your agency see from the proposed change? 4. What risks does your agency see from the proposed change? 	<p>A. Ms. Burnett stated that the Orange County economy is one of the largest in the world and relies upon a beautiful ocean, reflective of a community committed to health for persons and the environment. SOCWA balances the interests of inland and coastal partners in its mission. Staff is of the opinion that SOCWA benefits are its neutrality, regional focus, transparency, lean and expert staff focused solely on wastewater treatment and compliance unincumbered by potential for conflicting interests. SOCWA staff work at the direction and within the scope set by the SOCWA Board of Directors and report under the SOCWA General Manager. The capacity for SOCWA facilities is an asset of each member agency and it is within the discretion of the agencies in accord with the JPA Agreement to determine the manner of operation of the SOCWA owned facilities. SOCWA staff will abide within the decision of the SOCWA agencies as to the future.</p>
<ol style="list-style-type: none"> 5 Do you have other organizational proposals to address the future needs of SOCWA and its member agencies? 	<p>A. Ms. Burnett stated that there are a number of statutory options for the formation of organizations that treat and dispose of wastewater and its residuals. Through existing legal expertise these could be considered for compatibility to member agency needs for services.</p>
<ol style="list-style-type: none"> 6 Would you be open to ANY other operational proposal and/or governance structure other than the current operational modality? 	

3.9. Trabuco Canyon Water District

Question	Responses
<p>1. What does your agency like or dislike about the proposed concept?</p> <p>2. What concerns does your agency have and how can they be addressed?</p>	<p>A. Mr. Dopudja stated TCWD likes the potential cost savings and assignment of liability of assets to the project agreements; however, nothing specific is demonstrated within the proposal so it's difficult to express an opinion beyond the theoretical.</p> <p>B. Mr. Dopudja noted TCWD's willingness to consider issues of fairness and equity within an alternate SOCWA structure, and was hopeful all agencies would engage. He noted that the proposal seems to be a movement forward in this direction. Mr. Dopudja noted there had been previous discussions at SOCWA regarding weighted voting, but no proposal has ever been advanced.</p> <p>A. Mr. Dopudja stated that TCWD's primary concern is the apparent lack of value proposition to their ratepayers from the proposed concept. In participating, TCWD could face the opposite of what the proponents of the concept are advocating for on behalf of their ratepayers. Mr. Dopudja suggested that the proponents of the concept demonstrate how TCWD benefits from the outcome or at least is kept whole through the process.</p> <p>B. Mr. Dopudja stated that there is a concern that TCWD ratepayers could end up paying more for the same services than they currently do. He was particularly concerned that the cost of the process to examine changing the organization could be costly and again, could also result in higher annual costs than TCWD would have experienced had there been no changes.</p> <p>C. Mr. Dopudja noted that it appears that a motivation for the proposed concept and its timeline is the impending expiration of the JPA agreements, but questioned whether this is a valid driver. He suggested that these could be addressed or clarified through a definitive legal opinion on what will happen when the agreements expire.</p>

<p>3 What benefits does your agency see from the proposed change?</p> <p>4 What risks does your agency see from the proposed change?</p> <p>5 Do you have other organizational proposals to address the future needs of SOCWA and its member agencies?</p>	<p>D. Mr. Dopudja stated that TCWD has concerns about the liability exposure that was raised because of the PC15 lawsuit.</p> <p>A. Mr. Dopudja stated that TCWD sees some potential benefits of the proposed concept such as facilitating water reuse objectives, enhancing grant opportunities, streamlining governance, and reducing exposure to liability. It could also help answer questions regarding the expiration of existing JPA agreements.</p> <p>B. Mr. Dopudja noted, however, that some or all of these potential benefits, as well as other efficiencies and opportunities, could be pursued without a wholesale change of organizational structure.</p> <p>C. Mr. Dopudja observed that this process is an opportunity to get everyone on the same page with regards to the expiration of the agreements and what it means.</p> <p>A. Mr. Dopudja stated that, similar to the question about concerns, the business case of the proposed concept and its aftermath are not apparent to TCWD. TCWD could be spending its ratepayer funds to enable other SOCWA agencies to save their ratepayers' funds. What if the anticipated savings of the proposed concept don't materialize, and who/what entity(ies) own the risk if that happens? How does SOCWA cap the risk to TCWD of participating in an organizational restructuring?</p> <p>A. Mr. Dopudja suggested that perhaps an OC Sanitation or other sanitation district model could serve as examples.</p>
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6 Would you be open to ANY other operational proposal and/or governance structure other than the current operational modality?

- A. Mr. Dopudja stated that TCWD is open to discussing other operational or governance proposals that offer a clear and convincing case for increasing value to TCWD ratepayers, either by lowering the cost of current services or enhancing needed services in a cost-effective manner.
- B. Mr. Dopudja noted that the original agreements were developed 50 years ago and questioned whether the participants would structure the agreements the same way today. He stated that all parties should keep an open mind about changes.

Supplemental Agency Comments: Subsequent to the Meeting, General Manager Paludi provided written comments that have been incorporated into this document, but for the record, are included below:

SOCWA Facilitated Discussions

TCWD Response to Questions July 5, 2022

1. What does your agency like or dislike about the proposed concept?

TCWD likes the potential cost savings and assignment of liability of assets to the project agreements; however, nothing specific is demonstrated within the proposal so it's difficult to express an opinion beyond the theoretical.

2. What concerns does your agency have and how can they be addressed?

TCWD's primary concern is the apparent lack of value proposition to our ratepayers from the proposed concept. In participating, TCWD could face the opposite of what that the proponents of the concept are advocating for on behalf of their ratepayers. Perhaps the proponents of the concept can demonstrate how TCWD benefits from the outcome or at least is kept whole through the process?

It appears that a motivation for the proposed concept and its timeline is the impending expiration of the JPA agreements, but should this be considered a valid driver? Maybe this can be addressed or clarified through a legal opinion on what will happen when the agreements expire.

3. What benefits does your agency see from the proposed change?

TCWD sees some potential benefits of the proposed concept as facilitating water reuse objectives, enhancing grant opportunities, streamlining governance, and reducing exposure to liability. It could also help answer questions regarding the expiration of existing JPA agreements.

It should be noted, however, that some or all of these potential benefits, as well as other efficiencies and opportunities, could be pursued without a wholesale change of organizational structure.

4. What risks does your agency see from the proposed change?

Similar to the answer to Question #2, the business case of the proposed concept and its aftermath are not apparent to TCWD. TCWD could be spending its ratepayer funds to enable other SCOWA agencies to save their ratepayers' funds. What if the anticipated savings of the proposed concept don't materialize, and who/what entity(ies) own the risk if that happens? How does SOCWA cap the risk to TCWD of participation in an organizational restructuring?

5. Do you have other organizational proposals to address the future needs of SOCWA and its member agencies?

Perhaps OC Sanitation or other sanitation district models could serve as examples.

6. Would you be open to ANY other operational proposal and/or governance structure other than the current operational modality?

TCWD is open to discussing other operational or governance proposals that offer a clear and convincing case for increasing value to TCWD ratepayers, either by lowering the cost of current services or enhancing needed services in a cost-effective manner.

4. Agency Responses Grouped by Questions

The following pages contain the member agencies responses grouped together by each of the questions that were posed. Please note that the response for SOCWA Staff is shown on the table with Question 1 responses and Question 6 responses, as they submitted a written response that covered multiple points, but was formatted differently.

DRAFT

Question 1 – What does your agency like or dislike about the proposed concept?

CLB

- A. Ms. Dupuis stated that the proposal lacks the detail necessary to understand how the proposal has any benefit for the City. Ms. Dupuis noted that the lawsuit was a very painful and costly process for the City and this proposal doesn't address the outstanding issues identified in the judgment.
- B. Mr. Shissler indicated that after going through the lawsuit there is a lack of trust; receiving a proposal that lacks details makes it difficult to get past that.
- C. Mr. Jungreis questioned why there is discussion about the proposal when there is not enough information, i.e., when, how, why and supporting detail is missing.

CSC

- A. Mr. Rebensdorf likes the proposed framework that separates out facilities and ultimately decreases San Clemente's liability, although he desires more details as to how this would be accomplished.
- B. Mr. Rebensdorf likes that the proposal includes potential cost savings and that, particularly in the regulatory area, SOCWA would operate more like a "consultant."
- C. Mr. Rebensdorf likes the potential for reduced number of meetings as it is difficult for him or his staff to attend all of the meetings.
- D. Mr. Rebensdorf does not like the potential for loss of control or capacity in the outfall.
- E. Mr. Rebensdorf feels that the Proposal is silent on how voting would change but does not want to lose control of outfall capacity or allocation of costs.
- F. Mr. Rebensdorf feels that the current Proposal has a lack of functional detail and that agencies need more information.

EBSD

- A. EBSD disagrees with the premise in the March 11 proposal that expiration of the Coastal Plant agreement means that change is inevitable with regards to the Coastal Plant Project Committee Agreement.
- B. Mr. Dunbar indicated that, generally, there were not enough specifics in the March 11 proposal for EBSD to provide an informed opinion.
- C. Mr. Dunbar is doubtful regarding the potential cost savings due to his experience with other consolidations he was involved with at South Coast Water District. He noted that cost savings are often offset by integration costs. He requested specific information on projected short-and long-term costs versus projected short- and long-term savings.
- D. Mr. Dunbar noted that, if the Regional Plant operations were to be transferred to MNWD, he is very concerned about EBSD's inability to have input on planning and financial issues surrounding biosolids transmission, treatment, and disposal. He based his concerns on his inability to determine costs of treatment after reviewing the MNWD IIIA Treatment Plant budget.
- E. Mr. Dunbar stated that there is a lack of clarity in the proposal regarding voting rights. This issue is of significant concern as well as how solids capacity, planning and operations and maintenance issues will be handled in the future.

Question 1 – What does your agency like or dislike about the proposed concept? (Cont’d)

ETWD

- A. Mr. Cafferty stated that there is potential for cost savings as well as the potential for staff efficiencies. He likes that MNWD is willing to “guarantee” those savings.
- B. Director Freshley and Director Gaskins indicated that the lack of specifics in the proposal made it difficult to provide a comprehensive answer to the question.
- C. Director Gaskins noted that the current JPA is an outgrowth of evolutionary change that occurred in the 1990s and that the agencies were at an evolutionary stage again; he appreciates that this proposal is an attempt to move the discussion forward, but sees SOCWA as very dysfunctional and unable to reach agreement on any substantive issue.

MNWD

- A. Mr. Collings stated that MNWD is supportive of the proposal and interested in resuming operation of the Regional Treatment Plant. The ability to optimize their wastewater operations, from collection to disposal, as well as develop additional water supplies is very important to them.
- B. Mr. Collings indicated that the proposal offers the opportunity to focus liability on just the agencies participating in a facility rather than to all agencies.
- C. Mr. Collings noted that there is an opportunity to reduce costs, and thus reduce costs to all of the affected agencies’ customers also.
- D. Mr. Collings noted that the proposal will simplify, streamline, and make more efficient the operation of all of the joint facilities.
- E. Mr. Agrelius noted that the proposal gives everyone the opportunity to provide input instead of waiting for an agreement to expire.
- F. Mr. Collings stated that all agencies are connected at the outfall and that the concept retains SOCWA permit assistance/compliance as well as other regional services such as source control and laboratory services. There is also the opportunity for regional planning or other services that may be desired in the future.
- A. Ms. Lopez noted that while the proposal may seem to lack specificity, it was meant to be a good faith effort to move forward, particularly in recognition of the imminent expiration of some of the project committee agreements. She indicated that there is a lot of benefit to all agencies in the proposal.

SMWD

- A. Mr. Ferons stated that the organization (SOCWA) needs change and that the proposed concept reflects a step towards an ownership and operations methodology that reflects the value of wastewater as a source of water supply, which was not foreseen in the 1990s when the entity was reorganized into SOCWA.
- B. Mr. Bunts noted that the current JPA framework is inefficient and inequitable. There are nine agencies involved in the running of the three treatment plants (Latham, Regional and Coastal) and that four of those agencies don’t pay any of the costs of those plants or realize any benefit from them – and yet they have a veto vote that can have a direct impact on those agencies that are paying for the treatment plant costs. He also noted that in addition to the SOCWA Board Members and staff, there are Board Members and staff from each of the agencies (totaling more than 60 people), ultimately involved in decision-making. This proposal would streamline the decision-making process and allow the affected agencies to have direct control over the facilities that they have direct interest in (pay for).

Question 1 – What does your agency like or dislike about the proposed concept? (Cont’d)

SMWD
(Cont’d)

- C. Mr. Ferons noted the proposal recognizes that there are some SOCWA functions that are efficient and make sense to stay with SOCWA (recycled water permitting, source control, laboratory services and regulatory compliance), but that ownership and operations of the treatment plants belongs at the agency level.
- D. Mr. Ferons stated that the proposal to transfer ownership and operation of the treatment plants to the member agencies was not made because of administrative, management or operational issues. Rather, integrating these facilities into their agencies’ operations recognizes that the effluent from the three plants will become the influent for current and future advanced treatment facilities, resulting in efficient and coordinated operations.
- E. Mr. Ferons noted that recently, SMWD and MNWD have operated Plant 3A and had both financial and operating success doing that because of their need for higher output and already being staffed for 7/24 operations. He noted that several agencies also operate water treatment and storage facilities by contract (without JPAs) very successfully.
- F. Ms. Castillo noted that the proposal addresses efficiencies gained in relation to the current tracking and allocation of costs between the various project committees and would potentially save \$1.8 million.

SCWD

- A. Mr. Serna indicated that potentially retaining SOCWA for permit compliance and to limit liability made sense, particularly in light of State Lands Commission requirements on top of NPDES permit requirements. There may be new or additional permitting requirements in the future that haven’t been identified and having an entity to hold those permits and ensure compliance is important, although this depends on the final resolution of the future structure of SOCWA. A thorough understanding of how the permitting/regulatory component could be kept with SOCWA needs to be obtained in order to assess how this structure will be managed and what additional staff/cost is needed for SOCWA to function as an independent agency with a limited role.
- B. District stated that SCWD supports an alternative proposal that has SCWD operating the CTP and JBL treatment plants and both outfalls, as all these facilities are located within their service area and their coastal locations need to align with SCWD’s level of service requirements (i.e., no-spill policy, environmental stewardship of coastal community).
- C. District indicated that substantially more detail needs to be provided about the proposals (from both SMWD and MNWD) so that SCWD doesn’t incorrectly infer elements that aren’t actually being proposed.
- D. Mr. Erkeneff stated that SCWD dislikes the lack of details in the proposal and suggests developing a term sheet prior to receiving a comprehensive proposal. He stated further that the issue of a loss of control is significant to SCWD and discussion of this must be part of any proposal.
- E. Mr. Shintaku indicated that he is open to considering a proposal(s) but also wants to have dialogue on terms and conditions prior to receiving proposals. In order to fully assess an operational proposal, there needs to be more definition, both in the terms and the data supplied. Additional time may be necessary and the agencies should not be constrained by the current expiration date of PC 2.

SOCWA
Staff

Question 1 – What does your agency like or dislike about the proposed concept? (Cont’d)

- A. Ms. Burnett stated that the Orange County economy is one of the largest in the world and relies upon a beautiful ocean reflective of a community committed to health for persons and the environment. SOCWA balances the interests of inland and coastal partners in its mission. Staff is of the opinion that SOCWA benefits are its neutrality, regional focus, transparency, lean and expert staff focused solely on wastewater treatment and compliance unincumbered by potential for conflicting interests. SOCWA staff work at the direction and within the scope set by the SOCWA Board of Directors and report under the SOCWA General Manager. The capacity for SOCWA facilities is an asset of each member agency and it is within the discretion of the agencies in accord with the JPA Agreement to determine the manner of operation of the SOCWA owned facilities. SOCWA staff will abide within the decision of the SOCWA agencies as to the future.
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TCWD

- A. Mr. Dopudja stated TCWD likes the potential cost savings and assignment of liability of assets to the project agreements; however, nothing specific is demonstrated within the proposal so it's difficult to express an opinion beyond the theoretical.
- B. Mr. Dopudja noted TCWD's willingness to consider issues of fairness and equity within an alternate SOCWA structure, and was hopeful all agencies would engage. He noted that the proposal seems to be a movement forward in this direction. Mr. Dopudja noted there had been previous discussions at SOCWA regarding weighted voting, but no proposal has ever been advanced.

CLB

Question 2 – What concerns does your agency have and how can they be addressed?

- A. Ms. Dupuis stated that because of the lack of detail in the proposal the City can't make any decision regarding the proposal. Primary concerns include: no backup to substantiate the proposed savings, no detailed information regarding how the treatment plants would be operated and how costs would be allocated, and no discussion of how liability would be handled.
- B. Ms. Dupuis stated that the City is very concerned that there could be significant liabilities for the City that don't exist under the current structure.
- C. Ms. Dupuis stated the City doesn't understand how this will address the expiring PC 15 Agreement.
- D. Mr. Domer noted that the proposal doesn't include a term and that the existing project committee agreements had been in place for almost 50 years; any proposal should provide a framework for a similar horizon.
- E. Mr. Jungreis stated that there is continuing oversight by the Court after the CTP lawsuit settlement and this needs to be considered as this proposal or any proposal is discussed.
- F. Mr. Shissler expressed concerns about how regulatory agencies would view the proposal.
- G. Mr. Shissler noted that discussions about weighted votes had been held, but the one vote per agency and veto voting provisions are important to the City to retain; he noted that a ratepayer in Laguna Beach is as important as a ratepayer in any other agency and should have the same rights.
- H. Mr. Jungreis stated that the level of bureaucracy between the nine agencies and the number of meetings has the potential to place a considerable burden on City staff; there is no information in the proposal regarding how this will be reduced in the alternative structure.
- I. Mr. Jungreis noted that the need for failsafe disposal of sewage will be necessary into the future and that all agencies are tied together at the Outfalls; the presentation focuses CSD
- J. Ms. Broida expressed concerns that the agencies "don't know what they don't know" but are contemplating substantial changes to their organizational structure.

CSC

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- A. Mr. Rebensdorf would like to ensure that the cost savings outlined in the proposal are substantiated, that costs wouldn't be shifted, and he would like to see additional detailed information provided as to how the savings will be achieved.
 - B. Mr. Rebensdorf is concerned with future outfall use and how the outfall will be used during high- and low-flow periods, particularly storm events and seasonal changes in discharges, and how regulatory requirements will be met. He noted that it is imperative that the agencies coordinate closely on future plans for the outfall.
 - C. Mr. Rebensdorf is concerned that more information is needed regarding the transfer of assets to agencies and which agencies would own/operate the different assets.
 - D. Mr. Rebensdorf is concerned that the regional purchasing contracts may not continue so would like to see that addressed moving forward.
 - E. Mr. Rebensdorf is concerned that there still needs to be a functional agency similar to SOCWA in place if the assets are split off, but other services remain.
 - F. Mr. Rebensdorf is concerned that the process is being rushed and that the current deadlines discussed should be extended. He noted that it will take a significant amount of time to develop a detailed proposal and then have it go through the review process in the City (i.e., City Attorney, City Manager, Council).

Question 2 – What concerns does your agency have and how can they be addressed? (Cont’d)

EBSD

- A. Mr. Dunbar stated that loss of the veto voting right is a significant concern of theirs. He noted that EBSD believes that this right is an important protection for all agencies, but particularly for smaller agencies. Mr. Dunbar stated that any transfer of operations must include continuance of current voting rights.
 - B. Mr. Dunbar stated that EBSD supports having the existing third-party operational structure for SOCWA as the staff have provided liability protection under the Clean Water Act for the member agencies. With regards to overall liability, Mr. Dunbar said that this issue has not been adequately addressed and is poorly understood with regards to how it would affect the NPDES permit. He questioned whether an agency could self-police itself in the event of a violation as this would appear to be a conflict, especially given the multiple participants. EBSD suggests having both extensive legal and regulatory review once a detailed proposal is provided.
 - C. Mr. Dunbar noted that he is concerned that the SOCWA agencies do not well understand the treatment plant performance records for the other agencies and whether there could be increased liability due to increased violations and/or additional costs for poor performance.
 - D. Mr. Dunbar noted that SOCWA has been independently audited by the State Auditor as well as undergone a Performance Management Study by Carollo Engineers that included benchmarking comparisons to other regional wastewater agencies. EBSD would like to see the three agencies that have the potential to operate the SOCWA facilities undergo a similar performance review/audit to ensure due diligence is observed when presenting this significant operating change to the member agencies and regulatory agencies.
 - E. Mr. Dunbar stated that EBSD is concerned about transparency and sensitivity towards coastal environmental issues. EBSD is confident in the existing staff's concern and culture towards these issues and that they balance inland and coastal concerns as well.
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ETWD

- A. Director Gaskins is concerned that the real issue is that of personalities and that forward progress won't be made until that is addressed.
- B. Director Freshley is concerned that the proposal address a reduction in reserve levels and that the complexity of the accounting system is similarly reduced. She noted that less reserves and more trust would create a less complex accounting system that could result in further cost savings.
- C. Director Freshley agreed that the JPA needs revision and that includes how to address the smaller agencies' voting issues; Mr. Cafferty similarly noted that voting issues have been a concern amongst the SOCWA member agencies for some time.
- D. Director Gaskins stated his concern that the proposal doesn't answer how the remaining SOCWA functions would be overseen, as it would be difficult for SOCWA permitting staff to be in a pseudo-regulatory position but be employed by one of the agencies they "regulate."
- E. Mr. Cafferty stated that there have been discussions regarding how overhead costs will be divided between the agencies noting that, with the consolidation of SMWD and the City of San Juan Capistrano, as well as IRWD's pending exit, there will be less agencies to absorb overhead costs.
- F. Mr. Cafferty indicated that he does not understand how the management structure for "New SOCWA" or "SOCWA Light" would function; he noted that there will still be administrative functions (budget, personnel, accounting) that will need to be performed, but like Director Gaskins, doesn't understand how this would work.
- G. Mr. Cafferty noted that more details on how the proposed liability shift would occur are needed.

Question 2 – What concerns does your agency have and how can they be addressed? (Cont’d)

ETWD
(Cont’d)

- A. Mr. Cafferty noted that an attempt was made in 2019 to resolve “low hanging fruit” aspects of the JPA Agreement, but that no progress was able to be made on the relatively easy elements, so he was doubtful that significant timely progress could be made on resolving substantive issues such as liability.
- B. Director Freshley is concerned that the proposal does not address regional water planning – including changing technology and regulations, ETWD options for solids handling and the associated impacts on the JPA system.

MNWD

- A. Mr. Collings stated that there are expiring project agreements and that an expedited approach is needed to address them prior to expiration. Mr. Collings noted that MNWD is open to taking care of “pieces at a time,” but prefers a comprehensive solution and emphasized that this would have to be completed expeditiously – the agencies don’t have a lot of time given upcoming expiring agreements and they need to figure out a resolution quickly.
- B. Ms. Lopez stated that the JPA is antiquated and needs significant change in order to address future water needs. She likened the existing JPA structure to “trying to drive a stagecoach on the freeway.” The antiquated system created situations such as having agencies pay for operations from which they receive no benefit. Ms. Lopez indicated that all agencies acknowledge that the system is broken, particularly around liability, and is concerned that the JPA structure is too rigid and doesn’t recognize changing and evolving needs of the member agencies that could prevent MNWD from doing the things they need to do to expand water reuse goals.
- C. Mr. Collings noted that the current agreements are ambiguous and don’t address shared liabilities. Mr. Collings and Mr. Probolsky are concerned that member agencies don’t grasp the importance of the shared liability issue.
- D. Ms. Lopez indicated her concerns about the capital programs that have not been implemented by SOCWA, as well as those that are being proposed. Ms. Lopez and Mr. Collings noted that MNWD is expected to fund approximately \$130 Million towards SOCWA’s capital improvement program over the next 10-12 years, most of which is at the Regional Treatment Plant. This equates to roughly 20% of MNWD’s total 10-Year CIP. MNWD is concerned about SOCWA’s ability to effectively and efficiently execute this CIP while ensuring MNWD’s reuse goals are met.
- E. Ms. Lopez noted that while JPAs can work, particularly for financing, this JPA has too many people trying to drive the stagecoach, and that there are so many conflicts that it’s hard to see a way forward. She knows that more details are needed for agencies to feel comfortable moving forward, but also desires that constructive feedback is obtained from the Facilitated Discussions process.
- F. President Probolsky expressed his concern that, as part of the Facilitated Discussions, any agency(s) that is unwilling to proceed with further negotiations/discussions is clearly identified.

SMWD

- A. Mr. Ferons stated that he is concerned that a piecemeal approach will be taken over several years to address the issues rather than a holistic approach.
- B. Mr. Ferons indicated that the “trust” issue keeps coming up. He’s concerned that the discussion of what’s best for the member agencies will be based upon past history and not future opportunities.
- C. Ms. Castillo noted concerns about the timeline with regards to the expiring project agreements and allocating unfunded liabilities payments. She is concerned that agreements need to be finalized within the year to meet these deadlines.
- D. Mr. Ferons and Mr. Bunts noted that they are concerned that the project committee agreements will be extended by one or two years each, which could end up being done repeatedly, and nothing gets resolved.

Question 2 – What concerns does your agency have and how can they be addressed? (Cont’d)

SMWD
(Cont’d)

- E. Mr. Bunts was concerned that discussions might not take place via public workshops so that all parties can engage and discuss their concerns, but rather in separate meetings outside the ability of all parties to participate.
- F. Mr. Bunts noted that the Board is comprised primarily of staff members and a few elected members, adding a layer of inefficiency to Board deliberations.
- G. Mr. Ferons expressed concerns about the SOCWA employees and how the continuing uncertainty affects them and could increase attrition rates at SOCWA.

SCWD

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- A. Mr. Shintaku stated that resolution of the expiring project committee agreements and SOCWA’s future is a high priority for SCWD. He noted that these issues have been discussed for three years and not much progress has been made, and he is concerned that a thoughtful agreement cannot be negotiated and approved by the member agencies by June 30, 2023. SCWD believes that seeking an amendment to extend the PC2 Agreement (i.e., amendment for time) will benefit all agencies and provide time to ensure an adequate assessment can be made that will address long-term operational and capital management of all related facilities.
 - B. Mr. Erkeneff noted that there are many variables over the next 50 years, and SCWD desires an organizational structure and/or agreement(s) that includes regional water management coordination so that all water and wastewater needs – from recycled water, IPR/DPR, Desalination, etc., can be accommodated by the treatment plants and outfalls and not limited because of poor planning and coordination. He also noted that the next 50 years will require significant legislative coordination and advocacy to ensure water supply reliability and the potential for long-term financing – how these issues will be addressed should be identified in the proposal.
 - C. Mr. Shintaku noted that SCWD has been asking that SOCWA define a level of service, but there hasn’t been a consensus (by the SOCWA member agencies) on defining the performance level (e.g., is it a no-spill agency, is it a low-cost agency, etc.). Defining a member-agency consensus service level for SOCWA is the proper first step in: (1) evaluating the effectiveness of the current SOCWA; and (2) negotiating agreement terms if an agency would take over operating a respective treatment plant. Mr. Shintaku was concerned that varying levels of service could be defined differently by various operating agencies, and that could impact potential liability.
 - D. Mr. Goldman, Mr. Shintaku and Mr. Serna expressed concerns about the unknown and/or apparent poor condition of specific facilities and the impression that some member agencies may be responsible via their feedback at SOCWA Committee/Board meetings for SOCWA staff to run equipment to fail. A third-party condition assessment funded through SOCWA should be considered so that potential owners (if SOCWA no longer exists) can understand what may be needed to bring the facilities up to an operating agency’s level of service requirements.
 - E. Mr. Erkeneff noted that when he was Chair of SOCWA, there was always an emphasis to keep costs low – at the expense of capital projects. He is concerned that current ratepayers will be asked to bring facilities up to an operating agency’s level of service standards and that those costs may need to be born on a multi-generational basis (debt financed) through the JPA (or resulting organization) rather than as PAYGO.
 - F. Mr. Goldman stated that SCWD is concerned that the organizational structure that results from this process meet the changing regulatory and operating environment that is coming, and that SCWD’s assets and interests are protected. He further noted that SCWD doesn’t clearly understand if the proposed structure will be simpler or more complicated than the existing structure – particularly with regards to how the permits will be written – and that this should be assessed as part of the review process.

Question 2 – What concerns does your agency have and how can they be addressed? (Cont’d)

SCWD
(Cont’d)

- A. Mr. Erkeneff noted that dismantling SOCWA for cost savings is an attractive idea, but there are liability and reliability concerns that must be addressed; he was also concerned that the savings haven’t been substantiated with detailed information and requested that this information be provided.
- B. Ms. Arends-King indicated that the March 11th proposal lacked specificity about accountability and checks and balances for operating agencies. She also requested more specific information with regards to how liability will be reduced for member agencies.
- C. Mr. Serna noted SCWD concerns about the March 11 proposal including the fact that it would seem like the remaining SOCWA entity functions (outfalls, permits, lab), such as permitting and compliance, would still require staff management structure and staffing. Also noted that it is unclear what specific issues need to be resolved with current SOCWA operations and that a better understanding of SOCWA performance via metrics and expected level of service should be established in order to properly assess alternative operator proposals.
- D. District noted that the weighted voting concept needs to be addressed in the existing SOCWA structure to address those agencies that aren’t sending flow to a treatment plant.

TCWD

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- A. Mr. Dopudja stated that TCWD’s primary concern is the apparent lack of value proposition to their ratepayers from the proposed concept. In participating, TCWD could face the opposite of what the proponents of the concept are advocating for on behalf of their ratepayers. Mr. Dopudja suggested that the proponents of the concept demonstrate how TCWD benefits from the outcome or at least is kept whole through the process.
 - 2. Mr. Dopudja stated that there is a concern that TCWD ratepayers could end up paying more for the same services than they currently do. He was particularly concerned that the cost of the process to examine changing the organization could be costly and again, could also result in higher annual costs than TCWD would have experienced had there been no changes.
 - 3. Mr. Dopudja noted that it appears that a motivation for the proposed concept and its timeline is the impending expiration of the JPA agreements, but questioned whether this is a valid driver. He suggested that these could be addressed or clarified through a definitive legal opinion on what will happen when the agreements expire.
 - D. Mr. Dopudja stated that TCWD has concerns about the liability exposure that was raised because of the PC15 lawsuit.

Question 3 – What benefits does your agency see from the proposed change?

CLB A. Mr. Domer indicated that the City was unable to determine benefits due to the lack of detail provided.

CSC A. Mr. Rebensdorf agrees that the assumption of liability by an operating agency would be a significant benefit.
B. Mr. Rebensdorf considers the potential cost savings and reduction of staff time attending meetings as a significant benefit.
C. Mr. Rebensdorf sees an opportunity for total water management coordination with the current proposal.

EBSD A. Mr. Dunbar agreed that the Facilitated Discussion will be helpful in providing the opportunity for agencies to state their concerns with the March 11 proposal.

ETWD A. Director Freshley stated that the biggest benefit she saw in the proposal was the cost savings.

MNWD A. President Probolsky stated that currently, SOCWA is struggling to provide the services needed by the member agencies and is falling farther behind because they aren't equipped to build the critical infrastructure needed by MNWD and others. The proposal would provide for reduced costs, reduced liability and better career opportunities for staff and provide the ability for MNWD to move forward with their water reclamation and supply plans.
B. Ms. Lopez noted that each agreement developed under the proposal is going to be unique to its facility and overseen by an Operations Committee that would meet regularly as desired by the different facility partners. This will reduce the meeting burden that currently exists and facilitate more efficiency overall.
C. Mr. Agrelius noted that the current organizational structure makes it difficult to actually focus on regional planning, while the proposal would enhance this ability.

SMWD A. Mr. Ferons pointed out the \$1.8 M cost savings identified in the March 11 Proposal attained through operational and staffing efficiencies. He noted that currently, SMWD is picking up the City of San Juan Capistrano's costs, thus allowing General Fund and Administration costs to be divided by 10 agencies rather than 9 agencies.
B. Mr. Ferons stated that financial guarantees could be included in the agreements.
C. Mr. Ferons noted the potential to produce indirect and direct potable water (IPR and DPR) at Latham.
D. Mr. Ferons and Mr. Bunts noted that the proposal would reduce the amount of time the member agencies spend on SOCWA issues that do not directly affect them and reduce the number of meetings that both member agency and SOCWA staff must prepare for and attend.
E. Mr. Ferons noted that the proposed changes would provide the opportunity for the affected agencies to talk directly instead of hiring intermediaries.

Question 3 – What benefits does your agency see from the proposed change? (Cont’d)

SMWD
(Cont’d)

- A. Mr. Ferons noted that there would be a streamlined ability to address capital projects, stating that SMWD has an existing and substantial engineering and construction management team that has the capacity to handle proposed capital projects.
- B. Mr. Ferons reiterated the operational efficiencies that could be obtained by agencies being able to take a holistic approach to providing recycled water as a part of the total water distribution system.

SCWD

- A. Mr. Shintaku noted that this process offered an opportunity to address the systemic issues facing SOCWA, but a realistic time frame, inclusive of milestones and deadlines, needs to be developed.
- B. Mr. Goldman noted that there is an opportunity to better define the problem(s) to be solved and to address them holistically.
- C. Mr. Serna indicated that SCWD sees that the opportunity for a weighted vote that would provide more control for agencies with greater ownership and cost responsibilities.
- D. Ms. Arends-King noted that this process should provide an opportunity to address a lack of coordination between Finance and Engineering Committees at SOCWA, particularly with regards to funding capital expenses.
- E. Mr. Shintaku and Mr. Serna stated that if the future of SOCWA and the proposed concept (i.e., threat) of agency takeover of the treatment plants(s) isn’t resolved in the near future, then recruiting and retaining all staff, but particularly high-level staff, will be threatened.

TCWD

- A. Mr. Dopudja stated that TCWD sees some potential benefits of the proposed concept such as facilitating water reuse objectives, enhancing grant opportunities, streamlining governance, and reducing exposure to liability. It could also help answer questions regarding the expiration of existing JPA agreements.
- B. Mr. Dopudja noted, however, that some or all of these potential benefits, as well as other efficiencies and opportunities, could be pursued without a wholesale change of organizational structure.
- C. Mr. Dopudja observed that this process is an opportunity to get everyone on the same page with regards to the expiration of the agreements and what it means.

Question 4 – What risks does your agency see from the proposed change?

CLB

- A. Mr. Shissler noted that in the past, when the Outfall experienced a leak, the City was the entity that was identified with it and whose reputation was impacted, not AWMA. The City has a high degree of concern for the ocean environment and desires that the operators of any of the facilities operate and maintain them to the highest degree – the City desires a structure that protects their ability to continue to have the voting power they currently have to set policy for this important function.
- B. Mr. Shissler noted that EPA, the State and Regional Board may encumber the agencies with new and additional requirements because of the change from third-party operations to operations by member agencies via contracts.
- C. Mr. Jungreis expressed his concern about the risks posed by emerging contaminants such as PFAS and the BKK CERCLA lawsuit, and how the proposal would address these liabilities for current members as well as those contaminants that can emerge years after an agency has “left.”
- D. Mr. Jungreis questioned the transfer of assets that were constructed with grant funding for regional facilities and whether this could trigger reconsideration by the funding agencies.
- E. Mr. Shissler noted his concerns that the City’s solids are treated at the Regional Plant and that they currently have substantial input into the budgeting, staffing, and disposal practices at the Regional Plant that they do not want to lose.
- F. Mr. Shissler questioned whether regional water reuse planning would be enhanced or reduced through this proposal.

CSC

- A. Mr. Rebensdorf anticipates that there could be a loss of control and/or capacity under the Proposal.
- B. Mr. Rebensdorf indicated that he is concerned that there could be decisions made by the operating agency of an asset without input from user agencies; this could be detrimental to San Clemente.

EBSD

Mr. Dunbar indicated the following concerns for EBSD:

- (i) Would potentially be giving up their veto vote.
- (ii) EBSD would potentially lose the ability to have input into solids treatment costs, planning and operations and maintenance under the proposal.
- (iii) EBSD could be gaining significant additional liability if the agencies that assume operations experience increased violations or if inherent self-policing conflicts give rise to additional legal conflicts between the member agencies
- (iv) Regulatory agencies could take a dim view of the proposal and reject it after significant effort and expense has gone into discussing and developing a proposal.
- (v) Key staff have already left and additional key staff may leave during this period of instability and expose the agency to overburdening remaining staff and serious other unintended consequences if they think they are going to lose their jobs or they will substantially change due to the proposed reorganization.
- (vi) Treatment costs could increase due to loss of economies of scale.

Question 4 – What risks does your agency see from the proposed change? (Cont’d)

ETWD

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- A. Mr. Cafferty notes that there is a risk that the cost savings shown in the proposal could creep up after implementation and erode the savings, or that the cost savings were in effect for only a year or two.
 - B. Mr. Cafferty noted that there is a risk that the liability issues can’t be adequately addressed under a JPA structure.
-

MNWD

- A. Mr. Collings noted that in putting together the proposal, they looked at several options, including the old AWMA/SERRA/SOCWRA model, but this was the preferred approach primarily because the other models don’t address the shared liability issue.
 - B. Mr. Collings noted that the proposal has risks and opportunities for staff members: Risk in that existing employees may be concerned about change and look for opportunities elsewhere leading to staffing issues. He noted that it is important to communicate with SOCWA staff regarding the increased career opportunities that may arise from this approach and the ability to broaden their skills set that will be available to them as part of a full-service organization.
-

SMWD

Mr. Ferons indicated the following risks for SMWD:

- (i) An agreement that addresses all of the outstanding issues isn’t developed by December 31, 2022 so that it could be executed by all agencies prior to June 30, 2023, when the Project Committee No. 2 Agreement expires. Further delays and inaction increase the amount of work and uncertainty
 - (ii) If SMWD operated the Latham plant and erred in some way operating the facility, it would be SMWD’s responsibility to address the regulatory issues and if necessary, pay the resulting fines/penalties.
 - (iii) Similarly, they would want the same risk transfer in an operating agreement if any other agency operated the Latham plant: i.e., if SCWD erred in operating the facility, it would be SCWD’s responsibility to address the regulatory issues and pay the resulting fines/penalties.
-

SCWD

- A. Mr. Shintaku noted that the years of discussion and turmoil have limited SOCWA’s ability to recruit/retain higher level staff and that they may lose existing key staff leading to unintended consequences.
- B. Mr. Serna noted the expiring PC2 Agreement and indicated concern that an extension to the PC2 Agreement - that would enable time to resolve these issues – would not occur.
- C. Mr. Serna indicated that there is a risk and likelihood the cost savings being proposed may not be realized, and that the agencies will still need a high level of involvement, if not more, in the oversight of operations regardless of who is operating them.

Question 4 – What risks does your agency see from the proposed change? (Cont'd)

SCWD
(Cont'd)

- A. The operating agencies may utilize the respective treatment plants to their agency's advantage (e.g., inland agencies use JBL as a peaking plant), or require agencies that use the facility on a frequent basis to pay a disproportionate share of costs despite maintaining plant for another agency's peak use. These issues will need to be addressed in Agreements that might be as complicated or more than the existing JPA arrangement.
-

TCWD

- A. Mr. Dopudja stated that, similar to the question about concerns, the business case of the proposed concept and its aftermath are not apparent to TCWD. TCWD could be spending its ratepayer funds to enable other SOCWA agencies to save their ratepayers' funds. What if the anticipated savings of the proposed concept don't materialize, and who/what entity(ies) own the risk if that happens? How does SOCWA cap the risk to TCWD of participating in an organizational restructuring?

Question 5 – Do you have other organizational proposals to address the future needs of SOCWA and its member agencies?

CLB

- A. Mr. Jungreis stated that the City would like to see the status quo evaluated as an alternative to any suggested reorganizations to the existing structure.
- B. Mr. Jungreis, and others, noted that the AWMA structure could be considered as an alternative if SOCWA, in its current form is not to be maintained. However, some type of JPA structure will be required.

CSC

- B. Mr. Rebensdorf did not have any specific organizational proposals to share but would like to see the management of the outfall infrastructure addressed in any proposals considered.

EBSD

- A. Mr. Dunbar stated that there should be a proposal discussed for SOCWA to continue to provide these services, and that includes a plan to achieve the benefits cited by SMWD and MNWD under the March 11 proposal.
- B. Mr. Dunbar requested that the March 11 proposal examine how operating efficiency could be negatively impacted by the transfer proposal.
- C. Mr. Dunbar requested that any proposal examine the liability implications of changing from operations by a neutral third-party to operations by individual agencies with potentially conflicting goals.
- D. Mr. Dunbar proposed that the SOCWA Agencies consider requiring elected officials, not Member Agency staff members, to sit on the Board.
- E. Mr. Dunbar proposed that a policy be adopted to limit member agency staff contacting SOCWA staff directly; rather, they should go through the SOCWA General Manager so that he/she is able to allocate their resources most efficiently.

ETWD

- A. The attendees reported that they have not identified an alternate proposal, however the ETWD Board would like to streamline the existing process. The Board has not taken a position on any organizational structure.

MNWD

- A. Mr. Collings noted that in putting the proposal together, the Task Force looked at several options, including the old AWMA/SERRA model, but none of them addressed the shared liability issues that was included in this proposal.
- B. Mr. Collings noted that the overarching goal of the proposal was to address and resolve many of the outstanding issues facing the member agencies. MNWD is open to modifications and enhancements to the proposal. Ms. Lopez concurred, stating that the proposal is not so rigid that it can't be molded further.

**Question 5 – Do you have other organizational proposals to address the future needs of SOCWA and its member agencies?
(Cont’d)**

SMWD

A. Mr. Ferons indicated that another approach could be creating an independent special district that has its own board with weighted voting.

SCWD

A. A consensus of the attendees proposed the option of restructuring the JPA to have the ability to debt finance, set levels of service, protect voting rights, and provide regional water management coordination.

TCWD

A. Mr. Dopudja suggested that perhaps an OC Sanitation or other sanitation district model could serve as examples.

Question 6 – Would you be open to ANY other operational proposal and/or governance structure other than the current operational modality?

CLB

- A. Mr. Domer indicated that the City would be open to alternatives as part of the development of a long-term Strategic Plan that addresses both governance structure and facility capital requirements.

CSC

- A. Mr. Rebensdorf is open to other organizational structures that would keep in place current protections including protecting voting rights and existing capacity levels while keeping costs down.

EBSD

Mr. Dunbar stated the following:

- A. EBSD would entertain a proposal for MNWD to exit the Coastal Plant under acceptable financial and contractual terms.
- B. EBSD will only entertain a proposal for MNWD to operate the Regional Plant under specific circumstances.
- C. EBSD would be open to hearing proposals for other operating options.

ETWD

- A. Yes.

MNWD

- A. Mr. Collings indicated that MNWD would be open to other proposals.

SMWD

Mr. Ferons stated the following:

- A. If there are other operational proposals, SMWD is open to considering them if they are proposed in a timely manner and don't delay the timeline identified previously. He noted that there has been substantial discussion of alternatives, and that the proposal that was submitted reflects the best option identified after other options had been considered and discarded.

Question 6 – Would you be open to ANY other operational proposal and/or governance structure other than the current operational modality? (Cont'd)

SCWD

- A. The attendees agreed that they would be open to other organizational structures that would provide the ability to debt finance, set levels of service, incorporates weighted voting rights, and provides support for regional water management.
-

OCWA
Staff

- A. Ms. Burnett stated that there are a number of statutory options for the formation of organizations that treat and dispose of wastewater and its residuals. Through existing legal expertise these could be considered for compatibility to member agency needs for services.
-

TCWD

- A. Mr. Dopudja stated that TCWD is open to discussing other operational or governance proposals that offer a clear and convincing case for increasing value to TCWD ratepayers, either by lowering the cost of current services or enhancing needed services in a cost-effective manner.
- B. Mr. Dopudja noted that the original agreements were developed 50 years ago and questioned whether the participants would structure the agreements the same way today. He stated that all parties should keep an open mind about changes.

5. Summary of Similar Responses

The following tables identify Member Agency responses, that in the opinion of OMTS, have similar general or specific elements that a reasonable person could link them together. In preparing these tables we have endeavored to do so in as judgement free and unbiased manner as possible.

DRAFT

Table3a. Proposal Likes

Agency	Cost Savings/ Guarantees	Member Staff Efficiencies	Decentralize And Optimize Operations	Streamline Decision Making	SOCWA Retains Permitting/ Compliance	Providing Input Into Process Prior to Agreement Expiration	Reduce Liability
EBS							
SMWD	✓		✓	✓	✓		
SCWD			✓		✓		✓
ETWD	✓	✓					
MNWD	✓		✓	✓		✓	✓
SOCWA Staff							
CSC	✓	✓			✓		✓
CLB							
TCWD	✓					✓	✓

Table 3b. Proposal Dislikes

Agency	Lacks Detail and Specifics	Short-term vs. Long-term Savings	Doesn't Address Lawsuit And Lack of MNWD Trust	Benefits Desired May Be Accomplished With Current Operating Structure	Loss of Voting Rights	Loss of Control, Capacity and Input for TPs and Outfall	Should Not Be Constrained By Current Expiration Of PC2 Agreement	Expiration of CPT Doesn't Mean Change is Inevitable
EBS	✓	✓	✓	✓	✓	✓		✓
SMWD								
SCWD	✓					✓	✓	
ETWD								
MNWD								
SOCWA Staff								
CSC	✓				✓	✓		
CLB	✓		✓					
TCWD	✓							

Table 4. Overall Concerns (Some overlapping with Table 3b Dislikes and Table 4 Risks)

Agency	Treatment Plant Performance	Audit Accounting Requirements	JPA Governance	Liability Unable to be mitigated	Permit Performance	PC Agreement Expirations	Inequitable Buy-outs/ Lawsuit Settlement	Piecemeal Rather than Holistic Approach to water management	Will Regional Platform/ Regional Contracts Remain	Conduct Condition Assessment to Assess Facilities and need for CIP	Loss of Voting Rights	Member Agencies to Meet Performance Standard to Qualify for TP Operations	Trust /Relationships Too Damaged	Discussions Need to be Open Meeting Format	SOCWA Staff Subject to Continuing Uncertainty	Cost Savings Need to be Substantiated	Need Specificity about Accountability and Checks and Balances on Operating Agencies	Address Voting Concepts (Weighted)	Burden on Member Agency Staff Time	How will Financial Issues (Overhead, etc.) be Handled	Future Outfall Use	Who Will Own Assets and How Will Transfers Occur	Lack of detail in Proposal	Failsafe disposal preserved	Lack of Value for Ratepayers Cost of Resolution
CLB				✓	✓	✓	✓				✓					✓			✓				✓	✓	
CSC			✓			✓			✓							✓					✓	✓			
EBS				✓	✓						✓	✓													
ETWD		✓	✓	✓	✓								✓					✓		✓				✓	
MNWD	✓		✓	✓		✓				✓															
SMWD			✓			✓		✓					✓	✓	✓										
SCWD	✓		✓	✓	✓	✓		✓		✓		✓				✓	✓	✓							
SOCWA Staff																									
TCWD						✓										✓									✓

Table 5. Benefits

Agency	Forum for Agencies to State Concerns	Cost Savings / Guarantee	Total Water Mgt./ Regional Planning	Less Burden on Member Agency Staff Time*	Communication Efficiencies	Reduce Owner Liability*	Streamline Ability to Address CIPs	Benefits Pursued Without Change of Organizational structure	Opportunity to Address Systemic Issues	Opportunity to Address Voting Concepts	Opportunity to Better Define the Problem(s) to be Solved	Opportunity to Address Better Coordination of Funding Capital Expenses
CLB	Unable to determine benefits due to lack of detail provided											
CSC		✓	✓	✓		✓						
EBSD	✓											
ETWD		✓										
MNWD		✓	✓	✓		✓	✓					
SMWD		✓	✓	✓	✓		✓					
SCWD						✓			✓	✓	✓	✓
SOCWA Staff												
TCWD	✓		✓					✓				

Table 6. Risks

Agency	Loss of Voting Power	Loss of Cost Control/ Capacity in TP's and/or Outfall	Impact to Regulatory Permits	Loss of Input for Operations	Impacts From Delayed Response to Expiring Agreement	Liability/ Risk Transfer	Ownership Financing	Costs Could Increase	SOCWA Staff Retention*	Loss of Grant Funding	Regional Water Use Planning Could be Enhanced or Reduced	May Need to Extend PC2 Agreement to Enable Time to Resolve Issues	May Require More Complicated Agreements to Protect Current Member Agency Rights
CLB	✓		✓	✓		✓				✓	✓		
CSC		✓		✓									
EBSD	✓		✓	✓		✓		✓	✓				
ETWD							✓	✓					
MNWD						✓			✓				
SMWD					✓	✓							
SCWD								✓	✓			✓	✓
SOCWA Staff	See SOCWA Staff Task Force Answers for Facilitated Discussions												
TCWD								✓					

Table 7. Other Organizational Proposals

Agency	Evaluate Status-Quo Proposal	Independent Special District with Own Board, Weighted Voting	Restructure JPA to Debt Finance, Set Level of Service, Protect Voting Rights, IRWM	SCWD Operation of CTP & JBL Treatment Plants	Baker Plant Model	Need to Address Outfall Infrastructure In Any Proposal Considered	AWMA Model if Current Form not Maintained	OC Sanitation District or Other Sanitation District Model	Operating Efficiency Could Be Negatively Impacted By Transfer Proposal	Examine Liability implications of Changing Operations By Neutral 3 rd Party to Individual Agencies	SOCWA Agencies Need to Consider Requiring Elected Official to Serve On Board	Policy Should Be Adopted That Limit Member Agency Staff From Contacting SOCWA Staff Directly
CLB	✓						✓					
CSC						✓						
EBSD	✓											
ETWD					✓				✓	✓	✓	✓
MNWD		Task Force looked at several options including the AWMA/SERRA model, but none addressed the shared liability issues. They are open to modifications and enhancements to the proposal.										
SMWD		✓										
SCWD			✓	✓								
SOCWA Staff												
TCWD								✓				

Table 8. Other Operational Proposal or Governance Structure

Agency	Open to Discussion of Proposals Other Than Current Operational Modality	Statutory Options for Similar Organizations as Recommended by Legal Experts
CLB	✓	
CSC	✓	
EBSD	✓	
ETWD	✓	
MNWD	✓	
SMWD	✓	
SCWD	✓	
SOCWA Staff		✓
TCWD	✓	

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | AUGUST 18, 2022**

ACTION CALENDAR

ENGINEERING MATTERS

**ITEM 12: INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY (ISDOC) 2022 EXECUTIVE COMMITTEE
ELECTION SCHEDULE AND NOMINATION PROCESS**

Trabuco Canyon Water District (District) is a member agency of the Independent Special Districts of Orange County (ISDOC). As a member agency, the District is provided an opportunity to nominate officer positions for the Executive Committee for the 2023-2024 term. ISDOC is currently seeking candidates for the following positions:

- President
- 1st Vice President
- 2nd Vice President
- 3rd Vice President
- Secretary
- Treasurer

The nomination period closes on September 14th and ISDOC requires certain actions to be taken by agencies that nominate candidates. The election ballots will be sent out on September 16th and are due by October 21st. More information concerning the 2022 Executive Committee election is included in the exhibits for reference purposes.

FUNDING SOURCE:

Not applicable

FISCAL IMPACT:

None to the District

ENVIRONMENTAL COMPLIANCE:

Not applicable

COMMITTEE STATUS:

This matter has not been reviewed at the Committee level.

RECOMMENDED ACTION:

Receive information at the time of the Board Meeting and take action(s) as deemed appropriate.

EXHIBIT(S):

1. ISDOC 2022 Election Timeline
2. ISDOC Call to Nomination Form

CONTACTS (staff responsible): PALUDI/PEREA



Mailing Address

P.O. Box 20895
Fountain Valley, CA 92728

Meeting Location

MWDOC/OCWD
18700 Ward Street
Fountain Valley, CA 92708

(714) 963-3058
(714) 964-5930 fax

Executive Committee

President

Hon. Mark Monin
El Toro Water District

1st Vice President

Hon. Arlene Schafer
Costa Mesa Sanitary District

2nd Vice President

Hon. Bob McVicker
*Municipal Water District of
Orange County*

3rd Vice President

Hon. Brooke Jones
Yorba Linda Water District

Secretary

Hon. Greg Mills
Serrano Water District

Treasurer

Hon. Bill Green
South Coast Water District

Immediate Past President

Hon. Sandra Jacobs
Santa Margarita Water District

Staff Administration

Heather Baez

*Municipal Water District of Orange
County*

Tina Dubuque

*Municipal Water District of Orange
County*

Independent Special Districts of Orange County

2022 Election Timeline

August 1, 2022	Call for nominations sent out for the 2023-2024 Executive Committee officer positions. We are seeking candidates for President, 1 st Vice President, 2 nd Vice President, 3 rd Vice President, Secretary, Treasurer, Programs, membership and legislation to the 1 st , 2 nd , 3 rd VP.
September 14, 2022	The Nomination period for Executive Committee officer positions closed. Nominations should include the following: <ol style="list-style-type: none"> 1. Board Resolution authorizing your candidacy; 2. Position for which you are running; 3. What you will bring to ISDOC, and; 4. Introductory about yourself.
September 16, 2022	Ballots sent out – Via US mail and email.
October 21, 2022	Ballots are due – Via US mail or email to Heather Baez: P.O. Box 20895 Fountain Valley, CA 92728 or hbaez@mwdoc.com
October 27, 2022	The names of officers elected announced at ISDOC quarterly meeting.
January 1, 2023	Executive Committee officers begin new term.



August 1, 2022

PLEASE DISSEMINATE TO ALL BOARD MEMBERS

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<https://isdoc.specialdistrict.org/>

Executive Committee

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Municipal Water District of Orange County

Tina Dubuque

Municipal Water District of Orange County

This email shall serve as official notice and call for candidates for the positions of President, First Vice President, Second Vice President, Third Vice President, Secretary and Treasurer on the Executive Committee of the Independent Special Districts of Orange County (ISDOC).

Terms of office are for two years, commencing on January 1, 2023.

The election will be by mail ballot and new officers will be announced at the October 27, 2022 Quarterly Meeting. Ballots will be mailed to all regular ISDOC members in good standing on **Friday, September 16, 2022 and are due by October 21, 2022.**

Nominations will close on Wednesday, September 14, 2022. Any Board Member/Trustee of a regular ISDOC member agency is eligible for nomination to any of the open positions. Individuals who wish to be considered for a position should submit a letter of interest for that position, together with a resolution from their Board authorizing their candidacy.

Responsibilities of the positions are as follows:

PRESIDENT: The President is the chief executive officer of ISDOC. He or she presides at all meetings of the Board of Directors and the Executive Committee, appoints all committees, and represents ISDOC as its official spokesperson.

FIRST VICE PRESIDENT: The First Vice President chairs the Program Committee. Duties include planning the Quarterly Luncheon program, inviting and coordinating with the invited speaker, and in the absence of the President, shall perform all duties of the President.

SECOND VICE PRESIDENT: The Second Vice President chairs the Membership Committee. Duties include maintaining a list of current regular and associate members, follow up with any outstanding membership dues as needed, and in the absence of the President and First Vice President, shall perform all duties of the President.

THIRD VICE PRESIDENT: The Third Vice President chairs the Legislative Committee. Duties include providing a legislative update, making legislative position recommendations to the Executive Committee, and in the absence of the President, First Vice President, and Second Vice President, shall perform all duties of the President.

SECRETARY: The Secretary is responsible for all correspondence and the dissemination of information to members. Duties include preparing and distributing agendas and minutes for the Executive Committee meeting, and editing and publishing the quarterly newsletter. All official correspondence to the members will be approved in advance by the President or President's designee.

TREASURER: The Treasurer maintains the complete financial records and bank accounts in the name of the Organization, and pays all bills duly approved by the Executive Committee, with a report to be presented to the membership at the Organizations next membership meeting.

Meetings of the Executive Committee are held virtually on the first Tuesday of each month at 7:30 a.m. Please see ISDOC website for details. <https://isdoc.specialdistrict.org/>

If you are seeking nomination to a position on the Executive Committee, please send your letter/email of interest and a copy of your Board's authorizing resolution to Heather Baez at hbaez@mwdoc.com. All nomination requests must be received by **Wednesday, September 14, 2022.**

If you have any questions about the any of the positions or the election process, please contact either Heather Baez at hbaez@mwdoc.com or Tina Dubuque at tdubuque@mwdoc.com.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | AUGUST 18, 2022**

ACTION CALENDAR

LEGISLATIVE AND OTHER MATTERS

ITEM 13: LOCAL GOVERNMENTAL AND LEGISLATIVE MATTER(S)

Staff may provide information at the time of the meeting.

RECOMMENDED ACTION:

Receive information at the time of the meeting and take action(s) as deemed appropriate

CONTACTS (staff responsible): PALUDI

TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | AUGUST 18, 2022

ACTION CALENDAR
LEGISLATIVE AND OTHER MATTERS
ITEM 14: REPORT OF ACTION(S) TAKEN IN CLOSED SESSION

RECOMMENDED ACTION:

Receive information at the time of the meeting and take action(s) as deemed appropriate

CONTACTS (staff responsible): PALUDI/PEREA