



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | JUNE 16, 2022

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on June 16, 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
Vice President Stephen Dopudja
Director Glenn Acosta
Director Michael Safranski
Director Edward Mandich

STAFF PRESENT

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

DISTRICT CONSULTANTS PRESENT

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

PUBLIC PRESENT

None

PLEDGE OF ALLEGIANCE

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

ITEMS TOO LATE TO BE AGENDIZED

None

VISITOR PARTICIPATION & ORAL COMMUNICATION

None

DIRECTOR'S COMMENTS

Director Acosta provided a brief report on his meeting attendance:

- City of Rancho Santa Margarita (RSM) - Planning Commission adopted the Fiscal Year 2022/2023 Capital Improvement Program (CIP).
- Water Advisory Committee of Orange County (WACO) hosted a presentation by the Department of Fish & Wildlife.
- Attended an RSM Chamber of Commerce event with speaker Orange County Supervisor Don Wagner, and he reported that he extended an invitation to Mr. Wagner to attend a District Regular Board Meeting.

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Director Safranski reported on his attendance at the City of RSM City Council Meeting, and he mentioned the City Manager provided an update on the City’s FY 2022/2023 budget and reserves.

Director Mandich reported on his attendance at the South Orange County Integrated Regional Watershed Management Area (SOCIRWM) Executive Committee Meeting, and he highlighted certain grant funding opportunities.

Director Dopudja had no comments.

Director Chadd briefly reported on his attendance at the Santiago Aqueduct Commission (SAC).

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported on the following matters:

- Irvine Ranch Water District’s (IRWD) V.P. Baker Pipeline was still offline due to certain project delays and the District’s Dimension Water Treatment Plant is offline due to SCADA Upgrade Project improvements.
- Special Board Meeting - Budget Workshop has been scheduled for Monday, May 23, 2022.
- The District’s 2021 Water Quality Reports are available on the District’s website and access information will be provided on customer statement and e-bills.
- District staff submitted a grant application to the SOCIRWM for facility expansion/improvements for the Dove Creek & Tick Creek Urban Runoff Pump Stations totaling \$2M.
- Municipal Water District of Orange County (MWDOC) has adopted their FY 2022/2023 general fund budget and Core services. Mr. Paludi reported that the firm Dopudja and Wells consultant was awarded a contract and that District General Counsel has recommended certain actions for the Board related to the adoption of the District’s budget.
- Mr. Paludi recognized and wished Mr. Perea a happy birthday.

REPORT FROM THE GENERAL MANAGER

Mr. Perea reported on the following staff updates:

- Mr. Garrett Rias, Wastewater Operator in Training, has received his Wastewater Treatment Operator I certificate.
- Mr. Blake Smith has successfully passed his Wastewater Treatment Operator Grade IV exam.
- District Staff recently met with the Laguna Beach County Water District staff to review their implementation of the Cartegraph CMMS system.
- Ferguson Waterworks will deliver a presentation on the AMR/AMI Implementation Project and a demonstration of the Dropcountr customer portal at the following Regular Board Meeting.

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 Mandich and seconded by Director Acosta to approve the Consent Calendar.
The motion was approved by a vote of 5 – 0.

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ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 4: 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 Acosta and seconded by Director Mandich to approve of the Directors' Fees and Expenses Report.
The motion was approved by a vote of 5 – 0.

ITEM 5: ADOPTION OF DISTRICT EXPENSE REIMBURSEMENT POLICY AND PROCEDURES UPDATE

Mr. Paludi introduced this matter Board approval, and he mentioned that this matter was reviewed with the Board at the April 2022 Regular Board Meeting. Mr. Perea provided a highlight of the proposed redlines based on feedback from the Board, including reimbursement for personal damages and traveling reimbursement requirements. Discussion occurred concerning the proposed policy updates. Director Mandich expressed his support for the proposed reimbursement for personal damages in the course of District-related business. The Board, through President Chadd, suggested approving the traveling reimbursement requirements, but not the proposed reimbursement for personal damages.

Action: A motion was made by Director Acosta and seconded by Director Safranski to a approve the proposed Expense Reimbursement Policy and Procedures Update, as amended, and rescind the Expense Reimbursement Guidelines approved on January 17, 1996.
The motion was approved by a vote of 4 –1 – 0 with Director Mandich voting no.

ITEM 6: CONSIDERATION OF A SPONSORSHIP OF THE URBAN WATER INSTITUTE 2022 ANNUAL WATER CONFERENCE

Mr. Paludi presented this annual matter for Board consideration, and he mentioned this matter was reviewed with the Executive Committee. Mr. Paludi provided a review of the event program schedule, and he recommended the District sponsor the event to be held in San Diego.

Action: A motion was made by Director Safranski and seconded by Director Acosta to approve a \$1,500 sponsorship for Urban Water Institute's 2022 Annual Water Conference.
The motion was approved by a vote of 5 – 0.

FINANCIAL MATTERS

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

Mr. Paludi introduced this matter for Board consideration, and he mentioned this matter was reviewed with the Finance/Audit Committee. Mr. Perea reviewed the Proposition 218 requirements for the adoption of the undeveloped land/water standby charges, and he recommended the Board maintain the proposed \$15.00 per acre fee. Discussion occurred concerning the Board adopted exemption process for parcel owners that plan to not connect to the District's domestic water system.

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Action: A motion was made by Director Acosta and seconded by Director Safranski to Authorize District staff to proceed with actions for setting the Fiscal Year 2022/2023 Undeveloped Land/Water Standby Assessment at \$15.00 per acre or portion thereof; and Agendize Public Hearing and authorize District staff to furnish Notice of Public Hearing on Proposed Fiscal Year 2022/2023 Undeveloped Land/Water Standby Assessments for the July 21, 2022 Regular Board Meeting.
The motion was approved by a vote of 5 – 0.

ITEM 8: ADOPTION OF RESOLUTION ESTABLISHING DISTRICT APPROPRIATIONS LIMIT FOR FISCAL YEAR 2022/2023

Mr. Paludi introduced this matter for Board consideration, and he reported this matter was reviewed with the Finance/Audit and Executive Committees. Mr. Perea provided an overview of the collaborative work with District General Counsel to prepare the proposed appropriations limit for FY 2022/2023, and he reviewed the approved methodology in accordance with the State Department of Finance. Mr. Perea recommended the Board adopt the proposed appropriations limit

Action: A motion was made by Director Acosta and seconded by Director Mandich to adopt Resolution No. 2022-1305 – Resolution of the Board of Directors of Trabuco Canyon Water District Establishing the Appropriations Limit Applicable to the District During Fiscal Year 2022/2023.
The motion was approved by a vote of 5 – 0.

ITEM 9: ADOPTION OF PROPOSED FISCAL YEAR 2022/2023 GENERAL FUND AND CAPITAL IMPROVEMENT PROJECT (CIP) BUDGETS

Mr. Paludi presented this matter for Board consideration, and he reported this matter was reviewed with the Finance/Audit Committee. Mr. Paludi expressed his appreciation to District staff and Eide Bailly staff for their hard work on preparing the proposed budget. Ms. Warner highlighted the changes to the proposed budget since reviewed at the Board Workshop, including budgeted revenues and expenses, salary and benefit budgets, and the results of an internal sensitivity analysis due to the potential impacts of the drought. Ms. Lausten provided an overview of the proposed Capital Improvement Projects (CIP), and she highlighted certain project budget adjustments due to known project costs and potential procurement challenges. Ms. Collins highlighted the matter concerning MWDOC approving a contract with Dopudja and Wells, and she recommended Director Dopudja recuse himself from voting on recommended action no. 2 concerning the adoption of the proposed General Fund budget to avoid any perception of conflict of interest. Director Dopudja agreed with Ms. Collins.

Action: A motion was made by Director Acosta and seconded by Director Dopudja to approve the proposed District Salary Paytable with Classifications and Monthly Salary Ranges as presented, to be effective as of July 1, 2022.
The motion was approved by a vote of 5-0.

Director Dopudja recused himself from District business and left the Board Room at 7:54 p.m.

A motion was made by Director Acosta and seconded by Director Mandich to Adopt Resolution No. 2022-1306 - Resolution of the Board of Directors of Trabuco Canyon Water District of the Trabuco Canyon Water District Approving the General Fund District Budget for Fiscal Year 2022/2023 for an amount of \$12,449,200.
The motion was approved by a vote of 4 –1- 0 with Director Dopudja absent.

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Director Dopudja returned to the Board Room and participated in the remaining District business at 7:56 p.m.

A motion was made by Director Acosta and seconded by Director Mandich to Adopt Resolution No. 2022-1307 - Resolution of the Board of Directors of Trabuco Canyon Water District of the Trabuco Canyon Water District Approving the Capital Improvement Project, Equipment, and Program Budgets for Fiscal Year 2022/2023 for an amount of \$5,662,000. The motion was approved by a vote of 5-0.

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

Mr. Paludi provided a brief update to the Board on the June Regular Board Meeting, and he reported that District staff is currently evaluating the potential impacts of working directly with the Regional Board on managing its recycled water permit. Discussion occurred concerning ongoing discussions concerning the future of the agency and member agency participation.

Action: No action was taken.

LEGISLATIVE, ADMINISTRATIVE AND OTHER MATTERS

ITEM 11: CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BOARD OF DIRECTORS ELECTION BALLOT – TERM 2023-2025, SEAT B – SOUTHERN NETWORK

Mr. Paludi introduced this matter for Board consideration. Mr. Perea provided a review of the CSDA election process and presented the candidate statements. Mr. Perea reported that the incumbent candidate had mailed a letter requesting support from the Board.

Action: A motion was made by Director Dopudja and seconded by Director Safranski to authorize Director Acosta to cast a vote for the CSDA Southern Network, Seat B, and to direct District staff to submit the completed official ballot to CSDA by the election deadline. The motion was approved by a vote of 5 – 0.

ITEM 12: LOCAL GOVERNMENTAL AND LEGISLATIVE MATTER(S)

Mr. Paludi provided highlights from a Metropolitan Water District of Southern California (MET) PowerPoint presentation concerning the Statewide Drought emergency update. There was a brief discussion on drought impacts on cities and homeowner association properties with non-functioning turf.

Director Chadd provided a brief recap of the Santiago Aqueduct Commission (SAC) meeting, and he commended IRWD on their project management of the V.P. Baker Pipeline repair project. Director Chadd provided a handout of certain highlights of the repair project.

Action: No action was taken.

CLOSED SESSION

The Board of Directors entered closed session in accordance with the agenda at 8:15 p.m. District General Counsel participated in portions of the closed session. This closed session ended at 9:15 p.m.

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

Ms. Collins reported that there was not action taken by the Board.

GENERAL COUNSEL REPORT

None

OTHER INFORMATION/MATTERS

None

ADDITIONAL DIRECTORS' COMMENTS

Director Safranski provided a brief recap of the South Orange County Agencies Group meeting concerning MET rates and charges,

ADJOURNMENT

President Chadd adjourned the June 16, 2022 Regular Board Meeting at 9:17 p.m.