



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | FEBRUARY 16, 2023

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on February 16, 2023, was called to order by President Dopudja at 5:30 p.m. in the Board Room at the District Administrative Facility located at 32003 Dove Canyon Drive, Trabuco Canyon, California. Mr. Michael Perea, District Board Secretary, transcribed the minutes thereof.

DIRECTORS PRESENT

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

STAFF PRESENT

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

DISTRICT CONSULTANTS PRESENT

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

PUBLIC PRESENT

There were members of the public in attendance.

PLEDGE OF ALLEGIANCE

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

ITEMS TOO LATE TO BE AGENDIZED

None

VISITOR PARTICIPATION

None

ORAL COMMUNICATION

Mr. Jay Gentile addressed the Board of Directors concerning access concerns to the District's Dove Reservoir related to the potential telecommunication improvements at the site, and he expressed concerns with Dove Canyon Master Association's (DCMA) use of the adjacent site for landscape equipment and spoils storage. Mr. Gentile commented that the road to the site is not designed for the current level of significant traffic, and he requested the Board to evaluate the condition of the road and contractual arrangement with DCMA before proceeding with the telecommunication improvements.

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DIRECTOR'S COMMENTS

Director Acosta reported on his attendance at the Municipal Water District of Orange County (MWDOC) Regular Board Meeting and the impacts of AB14 on public meetings.

Director Safranski reported on his attendance at the South Orange County Agencies Group meeting which included discussion on legislature impacts to special districts and an update on the Surplus Land Act. Director Safranski reported on his attendance at the MWDOC Water Policy Forum and Dinner, and the tribute to former General Manager Rob Hunter.

Director Mandich reported on his attendance at the Independent Special Districts of Orange County (ISDOC) meeting and his attendance at the City of Rancho Santa Margarita (RSM) City Council meeting.

Director Chadd had no comments.

Director Dopudja had no comments.

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported on the following matters:

- RSM Chamber of Commerce event for State Senator Kate Sanchez is scheduled for Friday.
- Association of California Water Agencies (ACWA) Spring Conference is scheduled for May 9 - 11 and will be held in Monterey, CA.
- Dish Wireless has approached the District for installation of mobile telecommunications equipment on the Dove Reservoir which would require an easement. Mr. Paludi reported that the District has declined to extend its existing easement and referred Dish Wireless to DCMA. Mr. Paludi added that the District has requested renderings of the proposed installation. Director Dopudja requested that District staff keep the Board updated on this matter.

CONSENT CALENDAR

President Dopudja 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.

MOTION: Approve the Consent Calendar as presented – Director Chadd

SECOND: Director Mandich

AYES: Directors Dopudja, Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 5 - 0

ACTION CALENDAR

ADMINISTRATIVE MATTERS

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

Mr. Paludi presented this matter for Board consideration, and he reported this matter was reviewed with the Finance/Audit Committee. Director Mandich commented that the monthly Community Association of Rancho (CAR) meeting and the Independent Special Districts of Orange County (ISDOC) meeting occur on the same day and time, and he requested an alternate member for CAR be designated as the primary for the meeting. Director Chadd volunteered to be designated as the primary member for CAR.

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MOTION: (1) Approve the tentative future meetings/attendance items and ratify the Directors' expenses and fees from December 2022, and (2) Designate Director Chadd as primary member for the Community Association of Rancho (CAR) meeting – Director Mandich

SECOND: Director Safranski

AYES: Directors Dopudja, Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 5 - 0

FINANCIAL MATTERS

ITEM 6: ADOPTION OF DISTRICT TREASURER'S ANNUAL STATEMENT OF INVESTMENT POLICY

Mr. Paludi presented this matter for Board consideration, and he reported that this matter was reviewed with the Finance/Audit Committee. Mr. Paludi provided an overview of the proposed policy changes based on review with the District Treasurer and general counsel. Ms. Collins reviewed the proposed redlines with the Board. Discussion occurred concerning District investment strategies and requirements.

MOTION: Adopt Resolution No. 2023-1312 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting an Investment Policy– Director Acosta

SECOND: Director Chadd

AYES: Directors Dopudja, Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 5 – 0

ITEM 7: APPROVAL OF ROBINSON ELEMENTARY SCHOOL 2023 JOG-A-THON EVENT SPONSORSHIP

Mr. Paludi presented this matter for Board consideration, and he reported that this matter was reviewed with the Finance/Audit Committee. Mr. Perea mentioned that the District has sponsored this local school event in previous years, and he recommended the Board approve a sponsorship level of \$500.

MOTION: Approve sponsorship of Robinson Elementary School 2023 Jog-A-Thon in the amount of \$500– Director Safranski

SECOND: Director Mandich

AYES: Directors Dopudja, Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 5 – 0

ENGINEERING MATTERS

ITEM 8: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING SCADA UPGRADE PROJECT ADDENDUM NO. 2 WITH TESCO CONTROLS

Mr. Paludi introduced this matter for Board consideration, and he reported that this matter was reviewed with the Engineering/Operational Committee. Director Safranski addressed the Board and District staff with his concerns with the cost and timing of the proposed change order for this project. Mr. Paludi commented that there are two issues related this matter: (1) the inability to answer Committee member questions during the initial review of the proposal in January when staff were on vacation, and (2) internal frustrations with the PLC builds without local control screens. Mr. Paludi expressed concerns with internal communication and

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accountability as it relates to this project, but he reported that staff has worked together to determine the best solution to this problem. Mr. Paludi reviewed a proposal from TESCO Controls for local control screens and indicated that District staff had prepared a PowerPoint on the critical need for the local control screens.

Mr. Perea addressed the Board of Directors concerning this matter, and he acknowledged that as the supervisor for operations and maintenance that the decision to forego the local control screens was a regrettable mistake that should not have been made and that he should have stopped the decision. Mr. Perea delivered a brief PowerPoint presentation providing an overview of the District's SCADA system and reviewed a matrix of scenarios in support of local site control. Director Dopudja expressed appreciation for Mr. Perea's comments, and he commented that the Board supports staff's goals, but requested honest feedback when mistakes are made and changes are needed. Director Chadd asked certain questions concerning the proposed local control screens, and he sought feedback from the superintendents in attendance. Mr. Kessler supported the proposed solution, and he commented that the local control screens are critical to facility operation. Mr. Stroud supported Mr. Kessler's comments. Mr. Ulloa commented that the update proposed screens are a better solution for operations than the previously proposed screens. Mr. Paludi recommended the Board of Directors approve the TESCO Controls proposal in the amount of \$124,650.

MOTION: Approve the TESCO Controls proposals for Local HMIs for Remote Water & Wastewater Sites in the amount of \$124,650 - Director Mandich

SECOND: Director Acosta

AYES: Directors Dopudja, Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 5 – 0

ITEM 9: AGREEMENT FOR WITHDRAWAL FROM SOUTH ORANGE COUNTY WASTEWATER AUTHORITY AND CONCURRENT TEMPORARY RECYCLED WATER PERMIT SERVICES

Mr. Paludi introduced this matter for Board consideration, and he reported that District staff continues to work with SOCWA staff related to this matter. Mr. Paludi presented information provided by SOCWA staff concerning the payment of certain pension and other post-employment benefits (OPEB), and he reported that District staff will schedule a meeting with SOCWA member agency managers to answer questions related to TCWD's proposed withdrawal agreement. Discussion occurred concerning alternative options available to the District for withdrawal in accordance with the joint powers agreement and certain organizational changes and impacts.

MOTION: Authorize the General Manager to execute the Agreement for SOCWA Withdrawal and Concurrent Temporary Recycled Water Permit Services between Trabuco Canyon Water District and South Orange County Wastewater Authority, subject to any revisions approved by the General Manager and legal counsel - Director Acosta

SECOND: Director Chadd

AYES: Directors Dopudja, Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 5 – 0

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LEGISLATIVE AND OTHER MATTERS

ITEM 10: DROUGHT STATUS UPDATE

Mr. Paludi provided a brief update on this matter, and he reported the State Water Project has announced that allocation for SWP water has been increased to 30% based on significant improved rainfall. Mr. Paludi briefly reported on the potential for allocations for Colorado River water and Governor Newsom's re-evaluation of water rights in the State.

MOTION: No action was taken.

ITEM 11: LOCAL GOVERNMENTAL AND LEGISLATIVE MATTER(S)

Mr. Paludi reported that the MWDOC Board of Directors has appointed Mr. Harvey De La Torre as the Interim General Manager of the agency.

Director Chadd commented that the Orange County Register published an opinion article on the proposed consolidation of Orange County Water District and MWDOC. Discussion occurred concerning the agency consolidation process under the Orange County Local Agency Formation Commission (OC LAFCO).

MOTION: No action was taken.

GENERAL COUNSEL REPORT

Ms. Collins provided a brief update on the passage of the Levine Act and the impacts on elected officials regarding political campaign contributions and contract considerations by the public agency.

OTHER INFORMATION/MATTERS

None

ADDITIONAL DIRECTORS' COMMENTS

None

ADJOURNMENT

President Dopudja adjourned the February 16, 2023, Regular Board Meeting at 7:07 p.m.