



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

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on March 16, 2023, was called to order by Vice President Mandich 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 Secretary, transcribed the minutes thereof.

DIRECTORS PRESENT

Vice President Ed Mandich
Director Glenn Acosta
Director Don Chadd
Director Michael Safranski

DIRECTORS ABSENT

President Stephen Dopudja

STAFF PRESENT

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

DISTRICT CONSULTANTS PRESENT

Claire Collins, Hansen & Bridgett
Ian Berg, Eide Bailly
Robin Rockey, Rockspark Communications

DISTRICT CONSULTANTS VIA CONFERENCE CALL

Cindy Byerrum, Eide Bailly

PUBLIC PRESENT

There were members of the public in attendance.

PLEDGE OF ALLEGIANCE

Mr. Perea 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

Ms. Patti Gentile, Dove Canyon resident, addressed and thanked the Board of Directors for their transparency with District customers on matters related to the Dove Canyon community.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | MARCH 16, 2023**

DIRECTOR'S COMMENTS

Director Acosta expressed his appreciation to the members of the public in the audience, and he thanked District staff for their work on the proposed general fund budget and capital improvement program (CIP).

Director Safranski reported on his attendance at a Assemblywoman Kate Sanchez local event the prior week, and he provided a brief report on the City of Rancho Santa Margarita City Council meeting.

Director Mandich reported on his attendance at the Independent Special Districts of Orange County (ISDOC) meeting and his attendance at the South Orange County Integrated Regional Watershed Management Area (IRWM) meeting.

Director Chadd had no comments.

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported on the following matters:

- Municipal Water District of Orange County (MWDOC) Elected Officials Forum is scheduled for April 6, 2023
- Association of California Water Agencies (ACWA) Spring Conference is scheduled for May 9 – 11, 2023 in Monterey, CA.
- Southern California Water Coalition (SCWC) Quarterly Lunch is scheduled for April 28, 2023 in Temecula, CA.
- Contract with Fieldman-Rolapp on debt issuance matters was approved under the General Manager's authority.
- Dish Wireless cellular antenna in Dove Canyon Community. Mr. Paludi reported that he provided clarifications to the Dove Canyon Master Association (DCMA) Board President concerning certain information presented in the DCMA newsletter to their residents. Mr. Paludi provided a brief update on the District's actions related to this matter, and he added that District staff will provide a summary of this information on its website.

REPORT FROM THE ASSISTANT GENERAL MANAGER

Mr. Perea reported on the following matters:

- The District has filled a CMMS/SCADA Administrator position by internally promoting Mr. Phil Serpas from the Water Operations department
- The District has advertised an open Water Operator II position.
- TCWD/SMWD Town Hall event. The District is hosting a joint-town hall event with Santa Margarita Water District on March 23, 2023 to provide information related to SMWD's reservoir rehabilitation project impacts to TCWD customers.

CONSENT CALENDAR

Vice President Mandich 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 Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

ABSENT: Director Dopudja

MOTION PASSED/FAILED: Passed 4 – 0 - 1

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | MARCH 16, 2023**

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.

MOTION: Approve the tentative future meetings/attendance items and ratify the Directors' expenses and fees from February 2023– Director Acosta

SECOND: Director Safranski

AYES: Directors Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

ABSENT: Director Dopudja

MOTION PASSED/FAILED: Passed 4 – 0 - 1

ITEM 5: DRAFT STRATEGIC COMMUNICATIONS PLAN

Mr. Paludi presented this matter for Board consideration and review, and he introduced Ms. Robin Rockey to the Board. Ms. Rockey delivered a PowerPoint presentation and provided a handout with a proposed draft strategic communications plan for Board feedback. Discussion occurred concerning certain recommended communication strategies including increased social media outreach, media branding refresh, and external communication improvements. The Board provided input to Ms. Rockey, including agency goals and emphasis on the District's role as a small, but complex special district. Director Acosta emphasized the importance of the District serving as the definitive source of all information related to District matters.

MOTION: No action was taken.

FINANCIAL MATTERS

ITEM 6: ADOPTION OF PROPOSED UPDATED PROCUREMENT GUIDELINES

Mr. Paludi presented this matter for Board consideration, and he reported this matter was reviewed with the Finance/Audit Committee. Mr. Perea provided an overview of the proposed changes in the updated procurement policy. Discussion occurred concerning certain proposed changes, including the updated General Manager signing authority limits and subsequent notification to the Board of large purchases. Mr. Perea recommended the Board adopt the proposed procurement guidelines by resolution.

MOTION: Adopt Resolution No. 2023-1313 – Resolution of the Board of Directors of the Trabuco Canyon Water District Adopting Updated Guidelines for the Procurement of Goods and Services and Cash Disbursements – Director Acosta

SECOND: Director Chadd

AYES: Directors Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

ABSENT: Director Dopudja

MOTION PASSED/FAILED: Passed 4 – 0 - 1

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | MARCH 16, 2023**

ITEM 7: INVESTMENT OF DISTRICT FUNDS IN COOPERATIVE LIQUID ASSETS SECURITIES SYSTEM (CLASS)

Mr. Paludi presented this matter for Board consideration, and he reported this matter was reviewed with the Finance/Audit Committee. Mr. Berg delivered a PowerPoint presentation on the CLASS investment opportunity, including current earnings projection and meeting the District investment policy priorities for safety and liquidity. Discussion occurred concerning other agencies or cities that are currently invested in CLASS and the differences between CLASS and the Local Agency Investment Fund (LAIF).

MOTION: Authorize the District Treasurer to open a Cooperative Liquid Assets Securities System (CLASS) account and invest in CLASS \$5,000,000 in funds currently held in Local Asset Investment Fund (LAIF) – Director Chadd

SECOND: Director Acosta

AYES: Directors Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

ABSENT: Director Dopudja

MOTION PASSED/FAILED: Passed 4 – 0 - 1

ITEM 8: APPROVAL OF AMENDMENT NO. 1 TO AGREEMENT WITH IB CONSULTING FOR RATE STUDY AND CAPACITY CHARGE UPDATES

Mr. Paludi presented this matter for Board consideration, and he reported this matter was reviewed with the Finance/Audit Committee. Mr. Paludi reported that IB Consulting has incurred certain costs greater than the original scope of work and that District staff wants IB Consulting to evaluate the District’s current capacity charges to determine appropriate cost levels for capacity coverage. Director Chadd provided a brief overview of the discussion at the Finance/Audit Committee meeting, and he expressed support for this proposal.

MOTION: Authorize the General Manager to execute Amendment No. 1 to Agreement with IB Consulting for Rate Study and Capacity Charge Updates in the not-to-exceed amount of \$31,645 – Director Acosta

SECOND: Director Chadd

AYES: Directors Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

ABSENT: Director Dopudja

MOTION PASSED/FAILED: Passed 4 – 0 – 1

Mr. Paludi recommended moving Item 10 up on the agenda as Ms. Collins needed to leave the meeting early. The Board, through Vice President Mandich, approved the proposed agenda change.

ENGINEERING MATTERS

ITEM 10: SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) JPA DISCUSSION UPDATES

Mr. Paludi presented this matter for Board consideration, and he reported this matter was for informational purposes only. Ms. Collins provided an update on this matter, and she reported that District staff has met with the managers and general counsels of each of the nine SOCWA agencies to answer their questions and concerns related to the District’s proposed withdrawal agreement. Discussion occurred concerning certain remaining terms of negotiation.

MOTION: Informational item only. No action was taken.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | MARCH 16, 2023**

ITEM 9: APPROVAL OF AMENDMENT NO. 1 TO AGREEMENT WITH J.S. HELD FOR CONSTRUCTION MANAGEMENT SERVICES RELATED TO SADDLECREST DEVELOPMENT

Mr. Paludi presented this matter for Board consideration, and he reported this matter was reviewed with the Engineering/Operational Committee meeting. Ms. Lausten provided an update on the Saddlecrest development and the related onsite potable water reservoir and pump station, and she reported that the District has contracted with J.S. Held for construction management services. Ms. Lausten added that certain costs have exceeded the original scope of work, and she recommended the Board approve the proposed agreement amendment no. 1.

MOTION: Authorize the General Manager to execute Amendment No. 1 to Agreement with J.S. Held for Construction Management Services related to Saddlecrest Development in the not-to-exceed amount of \$15,000 – Director Chadd

SECOND: Director Safranski

AYES: Directors Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

ABSENT: Director Dopudja

MOTION PASSED/FAILED: Passed 4 – 0 - 1

LEGISLATIVE AND OTHER MATTERS

ITEM 11: SUPPORT FOR SOLVE THE WATER CRISIS COALITION

Mr. Paludi presented this matter for Board consideration, and he reported that the Solve the Water Crisis Coalition was formed to provide education to lawmakers and increase awareness on key water infrastructure and policy efforts in the State, specifically, engagement with local and regional leadership to increase messaging on water system improvements to meet future drought challenges. Mr. Paludi recommended the District join the coalition as a Coalition Partner which does not require a financial contribution.

MOTION: Authorize the General Manager to have Trabuco Canyon Water District join the Solve the Water Crisis Coalition as a coalition partner– Director Chadd

SECOND: Director Safranski

AYES: Directors Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

ABSENT: Director Dopudja

MOTION PASSED/FAILED: Passed 4 – 0 - 1

ITEM 12: DROUGHT STATUS UPDATE

Mr. Paludi provided a brief update on the statewide drought, and he provided a handout which indicated the Northern Sierra precipitation levels to date (55.2 inches of rain). Mr. Paludi reported that the snowpack levels are currently at 185% of normal, and that the State Water Project allocation is expected to increase from the current level of 35%. Discussion occurred concerning the impacts of the of the recent rain events to the Colorado River and Lake Mead.

MOTION: No action was taken.

ITEM 13: LOCAL GOVERNMENTAL AND LEGISLATIVE MATTER(S)

Mr. Paludi provided an update on MWD's 2nd Draft Budget and he provided a handout which summarized the proposed budget impacts to the District. Discussion occurred concerning certain proposed budget changes,

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | MARCH 16, 2023**

including a proposed meter charge increase, WEROC mobile Emergency Operations Center (EOC) vehicle, and the potential for MWDOC's consolidation with Orange County Water District (OCWD).

Director Chadd provided a brief update on matters discussed at the Santiago Aqueduct Commission (SAC) meeting, specifically, repairs at the Baker Water Treatment Plant and proposed repairs to SAC Pipeline Reach 1.

MOTION: No action was taken.

GENERAL COUNSEL REPORT

None

OTHER INFORMATION/MATTERS

None

ADDITIONAL DIRECTORS' COMMENTS

None

ADJOURNMENT

Vice President Mandich adjourned the March 16, 2023, Regular Board Meeting at 7:18 p.m.