



## **MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | JANUARY 18, 2024**

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on January 18, 2024, was called to order by President Stephen 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 Secretary, transcribed the minutes thereof.

### **DIRECTORS PRESENT**

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

### **STAFF PRESENT**

Fernando Paludi, General Manager  
Michael Perea, Assistant General Manager  
Lorrie Lausten, District Engineer  
Karen Warner, Principal Accountant  
Roseann Lejsek, Administration Assistant  
Phil Serpas, CMMS/SCADA Administrator

### **DISTRICT CONSULTANTS**

Claire Collins, District General Legal Counsel - Hanson & Bridgett, LLP  
Cindy Byerrum, District Treasurer – Eide Bailly

### **PUBLIC PRESENT**

There were members of the public present.

### **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**

None

### **ORAL COMMUNICATION**

Sue Marucci – Ms. Marucci addressed the Board of Directors with her concerns about the impact of the District's rates and charges on certain customers with large water meter services. Ms. Marucci explained that the fixed meter charge for meters larger than one inch is too high and that the meters are larger than necessary for many of these customers. Ms. Marucci expressed her concerns with the District's Meter Downsizing Program indemnification form running with the land on title and the potential fire insurance impacts to the applicant. She recommended the District leave the existing meter in the ground and adjust the meter charge for applicants.

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Director Dopudja thanked Ms. Marucci for her comments, and he explained that the Board cannot respond to her questions as the matter was not agendized for discussion.

Ms. Collins responded to Ms. Marucci's concerns, and she explained that she has attempted to contact the attorney representing certain customers in her community multiple times to no avail, but she is willing to talk to the neighbors and/or attorney.

**DIRECTOR'S COMMENTS**

Director Mandich reported on his attendance at the following meetings: Independent Special Districts of Orange County (ISDOC), Local Agency Formation Commission of Orange County (OC LAFCO), TCWD Executive, District Properties, and Energy Efficiency Committee Meetings.

Director Safranski reported on his attendance at the City of Rancho Santa Margarita (RSM) on January 10, 2024, and he recommended that there should be no obligation for a Board representative to attend the City Council meetings unless there are substantive matters agendized.

Director Acosta reported on his attendance at the Municipal Water District of Orange County (MWDOC) regular board meeting in which the Board recognized the appointment of their new General Manager Harvey De La Torre and reviewed the proposed draft fiscal year 2024-25 budget.

Director Chadd reported on his attendance at the Community Associations of Rancho (CAR) meeting the prior week and that the group is seeking a State fire grant of approximately \$2.5M. Director Chadd added that the District hosted their Residential Fire Hardening Workshop later that morning which included a demonstration on how to fire harden homes.

Director Dopudja had no comments.

**REPORT FROM THE GENERAL MANAGER**

Mr. Paludi reported on the following matters:

- Meter Downsizing Program – Mr. Paludi reported that District staff has received two applications and completed one meter downsizing request.
- Engineering/Operational Committee Special Meeting – Mr. Paludi reported that a special meeting of the Committee with a closed session has been scheduled for January 25, 2024.
- MWDOC Water Policy Forum & Dinner – Mr. Paludi reported that District staff has reserved a table for the Board and staff for this event scheduled for January 31, 2024.

**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

**ABSENT:** None

**MOTION PASSED/FAILED:** Passed 5 -0

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**ACTION CALENDAR**

**ADMINISTRATIVE MATTERS**

**ITEM 3: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, AND TENTATIVE FUTURE MEETINGS/ATTENDANCE**

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Mr. Paludi presented this matter for Director consideration and comment, and he reported that 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 December 2023 – Director Chadd

**SECOND:** Director Acosta

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

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

**MOTION PASSED/FAILED:** Passed 5 -0.

**ITEM 4: DISTRICT ENERGY EFFICIENCY AD HOC COMMITTEE UPDATE**

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Mr. Paludi presented this matter for Board consideration, and he reported that District staff has met with the Ad Hoc Committee to evaluate opportunities for energy efficiency and cost controls. Director Safranski delivered a brief PowerPoint presentation that highlighted the efforts of the ad hoc committee to date, including the planned formalization of the District's energy efficiency plan and program. Discussion occurred concerning planned capital improvement project projected energy impacts and energy-related impacts based on source supply use.

**MOTION:** None – Informational item only.

**ITEM 5: DISCUSSION AND POSSIBLE ACTION(S) RELATED TO CALENDAR YEAR 2024 BOARD MEMBER COMMITTEE APPOINTMENTS AND AGENCY REPRESENTATIVE ASSIGNMENTS**

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Mr. Paludi presented this matter for Board consideration, and he reported that a list of the 2023 committee appointments and assignments was included for review. Director Dopudja indicated that a future change on the District Properties Committee may be necessary but would be reviewed at a later date. The committee appointments and agency representative assignments remained unchanged for calendar year 2024.

**MOTION:** None – Informational item only.

**ITEM 6: RECAP OF DISTRICT PROPERTIES COMMITTEE DISCUSSION**

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Mr. Paludi presented this matter for Board consideration, and he reported that the District Properties Committee met General Legal Counsel to review the impacts of the Surplus Land Act (SLA) on the potential listing of certain District properties as surplus land. Mr. Paludi provided a handout which summarized the discussion on both the Porter Property and property adjacent to the planned Saddleback Meadows residential development. Ms. Collins counseled that the Board would need to designate all or some of the properties as surplus land and then staff would then notify the the State Housing and Community Development (HCD) of property(ies) designation. Ms. Collins added that District is allowed to notify the Saddleback Meadows developer of the listing of the property adjacent to the development, but is not allowed to negotiate any terms of sale according to State law. Mr. Paludi added that this matter would be further reviewed with the Committee and then agendized for Board consideration.

**MOTION:** None – Informational item only.

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**ITEM 7: PRESENTATION OF TRABUCO CANYON WATER DISTRICT'S FISCAL YEAR 2022-23 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)**

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Mr. Paludi introduced this matter for Board consideration, and he reported that this matter was reviewed with the Finance/Audit Committee. Ms. Byerrum provided a high-level review of the ACFR for the Board, and she highlighted the District's recognition by the Government Finance Officers Association (GFOA) for FYE June 30, 2022 which was documented in the ACFR. Ms. Byerrum reviewed the balance sheet liabilities and debt service coverage for the prior ten years, and she reported that the total assets decreased the capital spending net position. Ms. Byerrum reported that the ACFR indicated that water sales revenue decreased despite the rate increase in prior years due to water demand hardening, and that the new rates will improve the District's overall financial position.

Discussion occurred concerning the planned debt issuance and the associated placement; Ms. Byerrum commented that the completion of ACFR will help with the debt issuance. Director Chadd commended Ms. Byerrum on the comprehensive presentation of the ACFR, and he complimented District staff's efforts in preparing the ACFR.

**MOTION:** The Board of Directors received and filed the Trabuco Canyon Water District Fiscal Year 2022-23 Annual Comprehensive Financial Report (ACFR).

**LEGISLATIVE AND OTHER MATTERS**

**ITEM 8: 2023 YEAR-END LEGISLATIVE REPORT**

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Mr. Paludi introduced this matter for Board review, and he provided a handout of the Association of California Water Agencies (ACWA) Summary of Legislation for 2023. Mr. Paludi and Ms. Collins provided a high-level overview of proposed legislation and enacted bills, including the following:

**AB 1572 – Potable Water: Non-Functional Turf** – Prohibits the use of potable water for irrigation of non-functional turf on commercial, industrial properties, other than a cemetery, and on properties of homeowner associations, common interest developments and community service organizations, as specified. Mr. Paludi reported that this bill was sponsored by MET, and that this bill would grant enforcement powers to the District. Ms. Collins added that this matter may be agendized later for Board consideration. Director Dopudja encouraged staff to communicate this propose legislation to HOA customers.

**AB 755 – Water Usage Demand Analysis** -Requires the preparation of a water usage demand analysis prior to completing, or as a part of, a cost-of-service analysis for setting rates and charges and identifying both the costs of water for highest users and the associated average annual volume of water delivered to those customers. Ms. Collins commented that this proposed legislation has significant impact to water agencies and provides an opportunity for agencies to explain cost-of-service as opposed to the cost of water.

**MOTION:** None – Informational item only.

**ITEM 9: LOCAL GOVERNMENTAL AND LEGISLATIVE MATTER(S)**

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Mr. Paludi reported that MWDOC is preparing their draft FY 2024-25 budget for member agency review, and that this matter would agendized for Board consideration at a future regular meeting.

**MOTION:** None – Informational item only.

**GENERAL COUNSEL REPORT**

None

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**OTHER INFORMATION/MATTERS**

Mr. Perea reported that Wastewater Chief Plant Operator Blake Smith has successfully passed and received his Wastewater Treatment Plant Operator Grade IV Certificate from the State Water Resources Control Board.

**ADDITIONAL DIRECTORS' COMMENTS**

None

**ADJOURNMENT**

President Dopudja adjourned the January 18, 2024 Regular Board Meeting at 6:58 p.m.