



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | MARCH 21, 2024

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on March 21, 2024, was called to order by President Stephen Dopudja at 5:32 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 Michael Safranski

DIRECTORS ABSENT

Director Don Chadd

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager
Lorrie Lausten, District Engineer
Roseann Lejsek, Administration Assistant
Gary Kessler, Maintenance Superintendent
Blake Smith, Wastewater Operations Chief Plant Operator

DISTRICT CONSULTANTS

Claire Collins, District General Legal Counsel - Hanson & Bridgett, LLP

PUBLIC PRESENT

There were members of the public present.

PLEDGE OF ALLEGIANCE

Director Safranski 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 adopted rates and charges, specifically the meter flat charge for a two-inch meter versus a one-inch meter. Ms. Marucci also expressed her concerns with the District’s Meter Downsizing Program indemnification form, and she inquired about the maintenance of the fire hydrants in her community.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | MARCH 21, 2024**

Tina McCarthy – Ms. McCarthy contacted the District Secretary by email on March 18, 2024 and requested that her email be read at the March 21, 2024 Regular Board Meeting. District Secretary Mr. Perea read Ms. McCarthy’s email to the Board, in which she expressed her concerns about the District’s rate increases, her increased costs, and requested clarification on the Meter Downsizing Program. Mr. Perea reported that the General Manager responded to Ms. McCarthy’s email.

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), and the City of RSM City Council meeting.

Director Dopudja reported that the District provided a brief facilities tour with Assemblywoman Kate Sanchez earlier in the month for the purpose of highlighting the District’s services and potential State grant opportunities.

Director Acosta reported on his attendance at the Municipal Water District of Orange County (MWDOC) Administration/Finance Committee Meeting.

Director Safranski had no comments.

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported on the following matters:

- Trabuco Creek Groundwater Treatment Plant (Wells) – Mr. Paludi reported that operations have started the wells, and production is currently meeting system demands at 800 gallons per minute. Mr. Paludi added that operations experienced certain SCADA programming issues, but that those matters have been mitigated.
- Golf Club Sewer Lift Station – Mr. Paludi reported that the installation of the new onsite surge tank has been completed, and that construction of the second wet well has started.

CONSENT CALENDAR

President Dopudja requested to pull Item 1: February 15, 2024 Regular Board Meeting minutes from the agenda and tabled to the following month in order to allow for his review and comments. Director Acosta brought a motion to have all other matters under the Consent Calendar approved by one motion.

MOTION: Approve the balance of the consent calendar as presented – Director Acosta

SECOND: Director Mandich

AYES: Directors Dopudja, Mandich, Acosta, & Safranski

NOES: None

ABSTAIN: None

ABSENT: Director Chadd

MOTION PASSED/FAILED: Passed 4 - 0 – 1 with Director Chadd absent.

ACTION CALENDAR

ADMINISTRATIVE MATTERS

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

Mr. Paludi presented this matter for Director consideration and comment, and he reported that this matter was reviewed with the Finance/Audit Committee.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | MARCH 21, 2024**

MOTION: Approve the tentative future meetings/attendance items and ratify the Directors’ expenses and fees from February 2024 – Director Acosta
SECOND: Director Mandich
AYES: Directors Dopudja, Mandich, Acosta & Safranski
NOES: None
ABSTAIN: None
ABSENT: Director Chadd
MOTION PASSED/FAILED: Passed 4 – 0 – 1 with Director Chadd absent.

ITEM 7: SB 1218 (NEWMAN): EMERGENCY WATER SUPPLIES - SUPPORT

Mr. Paludi presented this matter for Board consideration, and he introduced Ms. Christine Compton, Director of Strategic Communications and Advocacy/Deputy General Counsel for Irvine Ranch Water District (IRWD), to provide background information about the bill. Ms. Compton explained that many agencies, including IRWD, have invested in groundwater storage assets so that conservation is not the only tool to balance supply and demand during times of drought and imported water shortages. Ms. Compton added that the state currently only recognizes demand reduction through conservation mandates as a matter of policy in mitigation shortages, and that this bill would recognize emergency water supplies, encourage their development, and support their use during times of shortage. Ms. Compton requested that the Board take a “Support” position on this bill.

MOTION: Adopt a “SUPPORT” position on SB 1218 (Newman) and authorize the General Manager to sign the coalition letter. – Director Safranski
SECOND: Director Mandich
AYES: Directors Dopudja, Mandich, Acosta & Safranski
NOES: None
ABSTAIN: None
ABSENT: Director Chadd
MOTION PASSED/FAILED: Passed 4 – 0 – 1 with Director Chadd absent.

ITEM 6: DISTRICT ENERGY EFFICIENCY AD HOC COMMITTEE UPDATE

Mr. Paludi presented this matter for Board consideration. Director Safranski delivered a brief PowerPoint presentation that compared energy usage in 2022, 2023 and 2024 and presented the official program name and logo that was voted on by employees. Director Safranski reported that the Committee’s next steps are to work in the coming months with the District’s Southern California Edison (SCE) account representative to review energy rates and demands and discuss potential rebate opportunities. Discussion occurred concerning potential opportunities to invest in solar power for certain District facilities.

MOTION: None – Informational item only.

FINANCIAL MATTERS

ITEM 8: ANNUAL UPDATES TO DISTRICT 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 presented the proposed redlines for Board consideration. Ms. Collins stated that the changes to the policy are minimal and include language to establish regular reporting periods by the District Treasurer to the Board and that due to these changes, the policy must be re-adopted.

MOTION: Adopt Resolution No. 2024-1326 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting and Investment Policy – Director Acosta

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | MARCH 21, 2024**

SECOND: Director Safranski
AYES: Directors Dopudja, Mandich, Acosta & Safranski
NOES: None
ABSTAIN: None
ABSENT: Director Chadd
MOTION PASSED/FAILED: Passed 4 – 0 – 1 with Director Chadd absent.

ITEM 9: MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) FISCAL YEAR 2024-25 2ND DRAFT BUDGET

Mr. Paludi introduced this matter for Board consideration, and he provided an overview of the second version of the proposed budget. Mr. Paludi reported that TCWD will see an overall 3.5% cost increase, and he reviewed the preliminary budgetary assumptions. Mr. Paludi added that the District included a pass-through provision in the recently adopted rates, if necessary. Mr. Paludi stated that the MWDOC Board of Directors is scheduled to adopt their budget in April.

MOTION: None – Informational item only.

ENGINEERING MATTERS

ITEM 10: ADOPT RESOLUTION AUTHORIZING SUBMITTAL OF AN APPLICATION TO USBR’S WATERSMART PLANNING AND PROJECT DESIGN GRANT PROGRAM FOR THE HARRIS GRADE STORAGE PROJECT

Mr. Paludi introduced this matter for Board consideration, and he reported that this matter was reviewed with the Engineering/Operational Committee. Mr. Paludi reported that historically the United States Bureau of Reclamation (USBR) only offered grand funds for project construction, but that they have recently introduced a grant program for planning and design (The Planning and Design Grant Program). Mr. Paludi added that this new grant category presents an opportunity for the District to apply for federal funding for the design of new domestic water storage at the District’s existing Harris Grade reservoir site. If TCWD is awarded planning and design funds, the District will better position itself for construction funds at a future date.

MOTION: Receive project status update and adopt Resolution No. 2024-1327 – Authorizing the Submittal of an Application for the USBR WaterSMART Planning and Design Grant Program – Director Acosta.
SECOND: Director Mandich
AYES: Directors Dopudja, Mandich, Acosta & Safranski
NOES: None
ABSTAIN: None
ABSENT: Director Chadd
MOTION PASSED/FAILED: Passed 4 – 0 – 1 with Director Chadd absent.

LEGISLATIVE AND OTHER MATTERS

ITEM 11: CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BOARD OF DIRECTORS CALL FOR NOMINATIONS – SEAT A

Mr. Paludi introduced this matter for Board consideration, and he reported that CSDA Elections and Bylaws Committee is looking for independent special district board members or their general managers who are interested in leading the direction of the California Special Districts Association for the 2025 – 2027 term. The Board had no nominations at this time.

MOTION: None – Informational item only.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | MARCH 21, 2024**

ITEM 12: LOCAL GOVERNMENTAL AND LEGISLATIVE MATTER(S)

Mr. Paludi reported that MET is preparing their budget and that overall water rates are expected to increase approximately 13% in 2025 and 8% in 2026, and that the draft budget does not include all the capital improvement projects. Mr. Paludi also reported that MET is proposing to revisit the current hold on increases to the assessed value rate for all property owners system wide that was paused approximately ten years ago which could potentially impact Orange County homeowners with an increase of approximately \$30 per year on their property taxes.

MOTION: None – Informational item only.

GENERAL COUNSEL REPORT

Ms. Collins reported that she is currently tracking the three Proposition 218-related bills, and she stated that the first court cases are being heard regarding the limit on days for challenging rate-setting. Ms. Collins reported that she will be delivering a presentation at the Association of California Water Agencies (ACWA) Spring Conference on this subject.

OTHER INFORMATION/MATTERS

None

ADDITIONAL DIRECTORS' COMMENTS

None

ADJOURNMENT

President Dopudja adjourned the March 21, 2024 Regular Board Meeting at 6:30 p.m.