



MINUTES OF THE SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | MAY 30, 2024

The Special Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on May 30, 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 Don Chadd
Director Michael Safranski

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager
Karen Warner, Principal Accountant
Roseann Lejsek, Administrative Assistant
Gary Kessler, Water Operations Superintendent
Other staff

STAFF ABSENT

Lorrie Lausten, District Engineer

DISTRICT CONSULTANTS

Claire Collins, District General Legal Counsel - Hanson & Bridgett, LLP
Habib Isaac, IB Consulting
Lora Nichols, Fieldman Rolapp & Associates

PUBLIC PRESENT

None

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

None

DIRECTOR'S COMMENTS

**TRABUCO CANYON WATER DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS MINUTES | MAY 30, 2024**

Director Safranski reported that he attended the May 14, 2024 City of Rancho Santa Margarita (RSM) City Council Meeting as a citizen and not in his capacity as a TCWD Director. Director Safranski added that he will not request a per diem for attending the city council meetings unless there is an item on the agenda that directly relates or impacts District business.

Director Mandich concurred with Director Safranski's comments and stated that he will not request a per diem for attending the RSM City Council Meeting unless there is an item on the agenda that directly relates or impacts District business.

Director Chadd apologized for arriving late to the meeting due to his out-patient knee surgery post-op earlier that morning.

Director Dopudja had no comments.

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported on the following matters:

- Mr. Paludi reported that the Water Infrastructure Networking Summit (WINS) will be held on May 31, 2024 at the Westin in Costa Mesa.
- Mr. Paludi reported on staff vacations in the coming weeks and to contact the General Manager directly with any questions.
- Mr. Paludi introduced Ms. Nichols to the Board as the District's financial consultant with Fieldman Rolapp. Ms. Nichols briefly commented that Capital One is looking forward to working with the District and that the final terms and conditions of the loan are being worked out. Ms. Nichols added that the District's current loan with BMO is set to be paid in full on June 18th.

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 1: ADOPTION OF RESOLUTION NO. 2024-1331 – ESTABLISHING A POLICY REGARDING HEALTH INSURANCE BENEFIT DETERMINATION POLICY

Mr. Paludi introduced this matter for the Board's consideration, and he reported that this matter was reviewed with the Executive Committee. Mr. Paludi indicated that the Board of Directors provided direction to staff to present a methodology for establishing a health benefit determination for Board consideration. Mr. Paludi reported that staff worked with Ralph Andersen & Associates to perform a total compensation survey and that this review included identifying the health benefit contribution methodologies of comparator agencies. Mr. Paludi presented the results of the survey of agency health benefit methodologies, and he stated that staff recommends utilizing a calculation methodology of 90% of the highest enrollment PPO plan offered. Mr. Paludi added that this methodology has potential cost-savings for the District.

Mr. Paludi also reported that staff was asked to look into a Health Plan Opt-Out Provision which may also result in cost savings for the District. Mr. Paludi stated that staff recommends the monthly opt-out stipend to be indexed at 50% of the Kaiser Health Plan – Single. Discussion occurred regarding the opt-out provision and how to set the indexed amount as well as future opt-in options. Discussion also occurred regarding minor edits to the language of the draft resolution. Director Acosta remarked that he is supportive of establishing the health benefit contribution methodology as well as the opt-out provision. Director Dopudja stated that he appreciates staff's input and hard work on this matter.

**TRABUCO CANYON WATER DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS MINUTES | MAY 30, 2024**

- MOTION:** 1. Adopt Resolution No. 2024-1331 Amended with General Legal Counsel Edits — Resolution of the Board of Directors of Trabuco Canyon Water District Establishing a Policy Regarding the Determination Methodology of Health Insurance Premium Benefit Available to District Health Insurance Benefit Recipients - Director Acosta
2. Establish a Health Benefit Opt-Out Provision for District staff consistent with State and CalPERS rules that establishes a monthly stipend indexed at 50% of the Kaiser Health Plan – Single – Director Acosta

SECOND: Director Chadd

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

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 -0.

ITEM 2: REVIEW OF DISTRICT TOTAL COMPENSATION SURVEY RESULTS AND PROPOSED SALARY ADJUSTMENTS

Mr. Paludi introduced this matter for the Board’s consideration, and he reported that this matter was reviewed with the Executive Committee. Mr. Paludi reported that the District worked with Ralph Andersen & Associates to perform a total compensation survey and that the areas of review included Total Compensation Labor Market Summary, Employer-paid health benefits coverage & methodologies, and Standby Duty compensation. Mr. Paludi provided the Board with a brief summary of the consultant’s findings and staff’s recommended adjustments to the District’s salary table and Standby duty flat fee. Discussion occurred regarding the presentation of the proposed salary adjustments and their fiscal impact to the District’s proposed Fiscal Year 2024-25 budget. Director Mandich stated that he would like to see an additional column with the adjustment amounts to base salary to demonstrate the full fiscal impact. Director Chadd expressed his concern over how compensation is presented to current employees, and he expressed his concern that this item was discussed at the Executive Committee instead of with the full Board for their input consideration. Director Acosta stated that the analysis is good and that he is supportive of what staff is proposing, however, he would like clarification on the monetary impact. After further discussion, the Board requested that staff bring this item back to the June Regular Board Meeting with clarification on the actual monetary impact to each filled position before approval.

MOTION: None – Informational item only.

ITEM 3: TRABUCO CANYON WATER DISTRICT FISCAL YEAR 2024-25 BUDGET WORKSHOP

Mr. Paludi introduced this matter for the Board’s consideration, and he provided a brief summary regarding the projected impacts of Metropolitan Water District of Southern California (MET) rate increases on the proposed FY 2024-25 budget assumptions. Mr. Paludi added that the Board of Directors approved a pass-through provision in its 2023 Proposition 218 Notice, and that the District’s current rate model does not include any pass-through increases to cover the MET rate increases. Mr. Paludi introduced Mr. Isaac with IB Consulting to the Board of Directors, and he reported that Mr. Isaac has prepared an overview of the potential rate scenarios beginning July 1, 2024. Mr. Isaac delivered a PowerPoint presentation that provided the Board with various pass-through notice examples and explained the potential financial impacts to the District with and without a pass-through charge to customers to cover the MET rate increases. Discussion occurred regarding decreasing the adopted rates for FY24-25 based on staff recommendation to eliminate and/or the re-prioritization of certain capital improvement projects. The Board voiced their concerns with the lengthy discussion on pass-through rates and stated the focus should be more on cost-savings to the customers through decreasing the FY24-25 noticed rates. Mr. Isaac presented a summary of options to adopt a percentage of the Noticed rates and their potential financial impact to

**TRABUCO CANYON WATER DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS MINUTES | MAY 30, 2024**

the District. After further discussion, the Board requested that staff bring this item forward to a Special Board Meeting the following week after they review the Summary of Options provided by the rate consultant.

Mr. Kessler addressed the Board of Directors and he expressed his concerns with certain results of the salary survey. Mr. Kessler stated that the majority of staff has not had an opportunity to review the final draft salary changes and requested that the position of Water Chief Plant Operator and Wastewater Chief Plant Operator be equalized in salary in order to stay competitive based on the small number of similar positions in the comparator agencies.

Ms. Warner provided a brief overview of proposed FY 2024-25 budgetary assumptions by individual fund with the Board of Directors and the planned capital improvement projects. Mr. Paludi highlighted projects associated with the Dimension Water Treatment Plant and Robinson Ranch Wastewater Treatment Plant.

MOTION: None – Informational item only.

ADJOURNMENT

President Dopudja adjourned the May 30, 2024 Special Board Meeting at 8:03 p.m.