



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | JUNE 20, 2024

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on June 20, 2024, was called to order by Vice President Ed Mandich 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

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
Roseann Lejsek, Administrative Assistant
Other Staff were present

DISTRICT CONSULTANTS

Laura Ratcliffe, District Assistant 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 impact of the meter flat charge. Ms. Marucci also expressed her concerns with the District's Meter Downsizing Program indemnification form and release of liability, and she stated that no other water district uses this type of form for this process. Ms. Marucci provided feedback to the Board on the rate setting process based on her understanding of Proposition 218, and expressed her concerns with fire flow service to her home.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 20, 2024**

Fred Yeakel – Mr. Yeakel addressed the Board of Directors with his concerns on the meter flat charge at his residence. Mr. Yeakel briefly shared his long-standing history of living in the District. Mr. Yeakel expressed his concerns with the District’s rates and stated that he would like the Board to reduce his monthly charge or change the meter.

DIRECTOR’S COMMENTS

Director Acosta had no comments.

Director Safranski reported on his attendance at the City of Rancho Santa Margarita City Council Meeting which included an update on Fiscal Year 2024-25 budget and capital improvement plan. Director Safranski added that the City Council approved an increase in the police services contract with the Orange County Sheriff’s Department (OCSD) and a salary plan with a 3% cost of living adjustment (COLA).

Director Chadd had no comments.

Director Mandich reported on his attendance at the South Orange County Integrated Regional Watershed Management Executive Committee Meeting which included a presentation from the Department of Water Resources.

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported on the following matters:

- Mr. Paludi reported that this year’s MWDOC/OCWD sponsored 2024 OC Water Summit will be held on September 27, 2024 in Costa Mesa.
- Mr. Paludi noted that Ms. Ratcliffe was in attendance as Assistant General Counsel in Ms. Collins’ absence.
- Mr. Paludi recognized Mr. Perea’s 50th birthday.

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 Acosta

AYES: Directors Mandich, Acosta, Chadd & Safranski

NOES: None

ABSTAIN: None

ABSENT: Director Dopudja

MOTION PASSED/FAILED: Passed 4 – 0 – 1 with Director Dopudja 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. Director Mandich requested that the meetings/attendance sheet be adjusted to remove his attendance at the OC LAFCO meeting. Director Safranski requested that the meetings/attendance sheet be adjusted to remove his attendance at the City of Rancho Santa Margarita City Council meeting. Mr. Safranski noted that he attended the meeting as a citizen and not in his capacity as Director.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 20, 2024**

- MOTION:** Approve the tentative future meetings/attendance items and ratify the Directors' expenses and fees from May 2024 with changes – 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 with Director Dopudja 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 2021, 2022 and 2023 and presented year to date usage for 2024. Director Safranski reported that the next step is to formalize conservation efforts by scheduling a meeting with the District's Southern California Edison (SCE) account representative to review energy rates and demands and discuss potential rebate opportunities.

- MOTION:** None – Informational item only.

ITEM 7: APPROVAL OF DISTRICT WORKPLACE VIOLENCE PREVENTION PLAN

Mr. Paludi presented this matter for Board consideration, and he provided a brief overview of Senate Bill 553 – Occupational Safety: Workplace Violence. Mr. Paludi stated that in response to this law, the District has drafted a Workplace Violence Prevention Plan (WVPP) in order to meet the State's new requirements. Mr. Paludi stated that he appreciates the efforts of staff and General Counsel in putting the plan together. Mr. Perea reported that although the District has a long standing Workplace Violence Prevention Policy in place, SB 553 has specific requirements that the District must meet. Mr. Perea stated that staff met and evaluated the unique challenges of the District and tailored the plan accordingly. Mr. Perea also stated that once the Plan is approved staff will be provided with training, and that the plan will be updated for additional compliance as necessary. Mr. Perea noted that the plan has been fully reviewed by the District's Legal Counsel.

- MOTION:** Approve the Trabuco Canyon Water District Workplace Violence Prevention Plan (WVPP) as presented and authorize the General Manager to implement the WVPP effective July 1, 2024 – 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 with Director Dopudja absent.

FINANCIAL MATTERS

ITEM 8: AUTHORIZE ACTION FOR TRABUCO CANYON WATER DISTRICT'S FISCAL YEAR 2024-25 UNDEVELOPED LAND/WATER STANDBY CHARGES (ASSESSMENT) AND SET PUBLIC HEARING DATE

Mr. Paludi presented this matter for Board consideration, and he reported that this matter was reviewed with the Finance/Audit Committee. Mr. Paludi provided a brief overview of this matter, and he reported that the District annually levies an Undeveloped Land/Water Standby Charge (Standby Charge) for undeveloped land within District boundaries, and the amount is currently set at \$15.00 per acre. Mr. Perea reported that the Standby Charge amount of \$15.00 per acre was adopted by the Board of Directors in 1997. Mr. Perea noted that the amount has not changed since that time and will remain at \$15.00 per acre for the upcoming year. Mr. Perea stated that staff

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 20, 2024**

is requesting the Board of Directors to proceed with actions for setting the FY 24-25 Standby Charge at \$15.00 per acre and to agendize a Public Hearing and furnish Notice of Public Hearing for the July 18, 2024 Regular Board Meeting.

- MOTION:** 1. Authorize District staff to proceed with actions for setting the Fiscal Year 2024-25 Undeveloped Land/Water Standby Assessment at \$15.00 per acre or portion thereof; and
2. Agendize Public Hearing and authorize District staff to furnish Notice of Public Hearing on Proposed Fiscal Year 2024-25 Undeveloped Land/Water Standby Assessments for the July 18, 2024 Regular Board Meeting – Director Safranski

SECOND: Director Acosta

AYES: Directors Mandich, Acosta, Chadd & Safranski

NOES: None

ABSTAIN: None

ABSENT: Director Dopudja

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

ITEM 9: ADOPTION OF PROPOSED FISCAL YEAR 2024-25 GENERAL FUND AND CAPITAL IMPROVEMENT PLAN (CIP) BUDGETS

Mr. Paludi presented this matter for Board consideration, and he reported that this matter was reviewed with the Finance/Audit Committee. Mr. Paludi stated that the proposed Salary Paytable recommendations have been included in the presented budget.

Jay Gentile – Mr. Gentile addressed the Board of Directors and he stated that he believes his comments are related to Item 9 on the agenda. Mr. Gentile expressed his concerns regarding the meter flat rates and the manner in which costs are allocated to meters by size. Mr. Gentile stated that the baseline for smaller meters negatively impacts customers with larger meters. Mr. Gentile expressed his concerns with the legal standing of the District's Proposition 218 Notice in regards to the meter flat charges and expressed the methodology is failed logic.

Vice President Mandich stated that although not part of the agenda, he appreciates Mr. Gentile's comments.

Director Safranski expressed his concerns regarding the Total Compensation Survey results as related to the proposed increases to the District's Salary Paytable. Director Safranski stressed the importance of the District's responsibility to its customers in seeking cost-saving measures while recognizing the need to value employees through fair compensation. Director Safranski stated that he would support staff's recommendations with a commitment from staff to continually look at all cost-saving initiatives in order to keep costs down.

Mr. Paludi stated that staff is committed to seeking out cost-saving initiatives and has already secured \$1 million in grant funds in order help drive down Capital Project costs. Mr. Paludi added that it is important to ensure the District is competitive in recruitment and retention of highly trained staff. Mr. Paludi expressed his gratitude for staff and stated that he stands behind the District's labor budget.

Director Acosta expressed his support of staff recommendations and believes the adjustment percentage is reasonable. Director Acosta added that staff does a great job.

Director Chadd gave kudos to all staff.

- MOTION:** 1. Approve the proposed District Salary Paytable with Classifications and Monthly Salary Ranges as presented, to be effective as of July 1, 2024.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 20, 2024**

2. Adopt Resolution No. 2024-1332 – Resolution of the Board of Directors of Trabuco Canyon Water District Approving the General Fund District Budget for Fiscal Year 2024-25 for an amount of \$14,066,200.

3. Adopt Resolution No. 2024-1333 – Resolution of the Board of Directors of Trabuco Canyon Water District Approving Capital Improvement Project, Equipment, and Program Budgets for Fiscal Year 2024-25 for an amount of \$5,441,589 – 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 with Director Dopudja absent.

ENGINEERING MATTERS

ITEM 10: PROJECT PARTNERS CONTRACT FOR DISTRICT STAFF AUGMENTATION

Mr. Paludi presented this matter for Board consideration, and he reported that this matter was reviewed with the Engineering/Operational Committee. Mr. Paludi reported that staff proposes to contract with Project Partners for a second year to provide as-needed project management support services to the District Engineer. Mr. Paludi stated that the District’s consultant, Dave Rodriguez, has provided critical support to the District Engineer and is confident that with Mr. Rodriguez’s assistance, the District will be able to complete its Capital Improvement Plan (CIP) projects for FY 24-25. Ms. Lausten added that Mr. Rodriguez works well with staff and his assistance is greatly appreciated. A brief discussion occurred regarding the District’s continued cost-savings efforts by contracting with Project Partners versus hiring a full-time District employee.

MOTION: Authorize the General Manager to execute a contract for As-Needed Project Management Support to Project Partners for Fiscal Year 2024-2025 in the not-to-exceed amount of \$155,000 – 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 with Director Dopudja absent.

ITEM 11: GOLF CLUB SEWER LIFT STATION EASEMENT

Mr. Paludi presented this matter for Board consideration, and he reported that this matter was reviewed with the Engineering/Operations Committee. Mr. Paludi complimented Ms. Lausten for discovering the missing easements and asked Ms. Lausten to provide a brief update. Ms. Lausten provided a brief history of the easement issue, and she stated that three of the District’s Sewer Lift Stations are situated on Homeowners Association property. Ms. Lausten added that temporary easements were granted during construction, but that permanent easements were never finalized. Ms. Lausten reported that the Golf Club Sewer Lift Station permanent easement has been approved and that permanent easements for the other two facilities are approved and will be brought to the Board next month.

MOTION: Receive the Grant of Easement to the Trabuco Canyon Water District by SJS Tomorrow, LLC, for the Dove Canyon Golf Club Sewer Lift Station and authorize the District Secretary to execute said Grant of Easement – Director Safranski

SECOND: Director Acosta

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 20, 2024**

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

LEGISLATIVE AND OTHER MATTERS

ITEM 12: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

There were no matters presented.

MOTION: None

GENERAL COUNSEL REPORT

Ms. Ratcliffe reported that the current Legislative session is still in session, and she reported that a high-profile tax initiative has been stopped from being placed on the November ballot. Ms. Ratcliffe stated that the measure as proposed would have made substantive changes to California’s constitution.

Ms. Ratcliffe provided a brief update on the District’s Surplus Land, and she reported that that the required sixty-day Notice of Availability has passed with no expressed interest. Director Mandich recommended that staff schedule a District Properties Committee meeting in the near future.

OTHER INFORMATION/MATTERS

None

ADDITIONAL DIRECTORS’ COMMENTS

Director Chadd requested that staff provide the full Board of Directors with an update on the Saddle Crest facilities at the next Regular Board Meeting in closed session, if necessary.

Director Acosta expressed his appreciation to staff for all of the hard work they do in providing water and sewer services to the community.

ADJOURNMENT

Vice President Mandich adjourned the June 20, 2024 Regular Board Meeting at 6:27 p.m.