



## TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | OCTOBER 10, 2018

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### **DIRECTORS PRESENT**

Director Glenn Acosta, Committee Member  
Director Michael Safranski, Committee Member Alternate

### **DIRECTORS ABSENT**

Director Don Chadd, Committee Chair

### **STAFF PRESENT**

Michael Perea, Interim General Manger  
Karen Warner, Senior Accountant  
Lisa Marie Sangi, Administrative Assistant

### **DISTRICT CONSULTANT(S) PRESENT**

None

### **PUBLIC PRESENT**

There were members of the public present.

### **CALL MEETING TO ORDER**

Director Safranski called the October 10, 2018 Finance/Audit Committee Meeting to order at 6:00 P.M.

### **VISITOR PARTICIPATION**

No visitor participation was received.

### **ORAL COMMUNICATION**

No oral communication was received.

### **COMMITTEE MEMBER COMMENTS**

No Committee Member comments were received.

### **REPORT FROM THE ACTING GENERAL MANAGER**

Mr. Perea reported that he attended the Orange County Local Agency Formation Commission (OC LAFCO) Regular Meeting earlier that day, and he mentioned that the Commission received and filed the City of San Juan Capistrano Focused Municipal Services Review Reports.

Mr. Perea mentioned that District staff attended and participated in the Acorn Day Event on October 6, 2018.

Mr. Perea reported that he was coordinating for a future meeting with the owner of Upper Schwendeman Well.

Mr. Perea also reported that conditional offers of employment were accepted by the selected applicants for the Wastewater Treatment Plant Operator in Training and the Maintenance Technologist I. Mr. Perea added that the Water Operator II position remains unfilled and will be re-posted for additional applicants.

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**ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP**

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The September 12, 2018 Finance/Audit Committee Meeting Recap was presented to the Committee.

**RECOMMENDED ACTION:**

President Acosta and Mr. Perea approved and recommended that the September 12, 2018 Finance/Audit Committee Meeting Recap be received and filed by the Board (Consent Calendar).

**ITEM 2: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, TENTATIVE FUTURE MEETINGS/ATTENDANCE ITEMS**

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Mr. Perea presented this matter for Committee consideration and review. Mr. Perea mentioned that the Municipal Water District of Orange County (MWDOC) Water Policy Forum is scheduled to be held the following evening and that the MWDOC Elected Officials Forum has been rescheduled to December 6, 2018.

**RECOMMENDED ACTION:**

The Committee recommended that the Directors' Fees and Expenses for September 2018, and the tentative future meetings be forwarded to the Board of Directors for ratification (Consent Calendar).

**ITEM 3: DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT'S SPECIAL WATER RATE STUDY**

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Mr. Perea provided a brief update on this matter for Committee consideration, and he reported that District staff has not received any protests to the proposed rate structure to date. Mr. Perea mentioned that Mr. Steve Gagnon with Raftelis Financial Consultants will be in attendance to deliver a brief presentation on the proposed rate structure.

Mr. Perea mentioned that District staff is finalizing the October 2018 On Tap Newsletter which will highlight the Board approved suspension of the Temporary Rate Stabilization Charge (TRSC).

**RECOMMENDED ACTION:**

The Committee received the information concerning the matter. No recommendations were made

**ITEM 4: OTHER MATTER**

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Mr. Perea reported that the District's Customer Service Field Representative III has notified him of his intent to retire in February 2020. Mr. Perea commented that this was not foreseen when the budget was adopted, and that the District will be posting an open employment position in the coming weeks to ensure a smooth transition period.

Discussion briefly occurred concerning security improvements at the District Administration Facility. Mr. Perea mentioned that District staff is currently preparing a new Request for Proposal (RFP) for security patrol services for District facilities.

**RECOMMENDED ACTION:**

The Committee received the information concerning the matter. No recommendations were made

**ITEM 5: FINANCIAL REPORT**

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Mr. Perea presented this matter for Committee consideration and review, and he highlighted the following items:

***Operating Revenue, Residential Water Revenue***

Mr. Perea reported that this line item is higher than originally budgeted due to increased water demands.

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***Operating Revenue, Business & Industrial Water Revenue***

Mr. Perea reported that this line item is higher than originally budgeted due to increased water demands.

***Operating Revenue, Baker Water Treatment Plant Sales***

Mr. Perea reported that this line item is lower than originally budgeted due to less Baker Water Treatment Plant (BWTP) water sales to the City of San Clemente. Mr. Perea added that the District used BWTP water to meet system demands during recent emergency line breaks.

***Operating Revenue, Other Operating Revenue***

Mr. Perea reported that this line item is higher than originally budget due to an unanticipated increase in administrative charges.

Discussion occurred concerning energy costs and Southern California Edison (SCE) rate and time of use (TOU) adjustments. Mr. Perea reported that District staff are currently evaluating alternative energy options.

**RECOMMENDED ACTION:**

The Committee signed the bills for consideration and the warrant register and recommended that the Board ratify payment of the bills for consideration for October 10, 2018 as presented (Consent Calendar).

**ADJOURNMENT**

Director Safranski adjourned the October 10, 2018, Finance/Audit Committee Meeting at 6:30 PM.