



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | APRIL 10, 2019

DIRECTORS PRESENT

Director Don Chadd, Committee Chair
Director Mike Safranski, Committee Member

STAFF PRESENT

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

DISTRICT CONSULTANT(S) PRESENT

Ms. Cindy Byerrum - Platinum Consulting, District Treasurer

PUBLIC PRESENT

There were members of the public present.

CALL MEETING TO ORDER

Director Chadd called the April 10, 2019 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 INTERIM GENERAL MANAGER

Mr. Perea reported on that he had attended the Orange County Local Agencies Formation Commission (OC LAFCO) Meeting earlier that day, and he mentioned that Commissioner Charlie Wilson announced his resignation from the Commission.

Mr. Perea reported that the District was currently advertising an open Customer Service Representative position.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

The March 13, 2019 Finance/Audit Committee Meeting Recap was presented to the Committee.

RECOMMENDED ACTION:

The Committee recommended that the March 13, 2019 Finance/Audit Committee Meeting Recap be received and filed by the Board (Consent Calendar).

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

Mr. Perea presented this matter for Committee consideration and review.

RECOMMENDED ACTION:

The Committee recommended that the Directors' Fees and Expenses for March 2019, and the tentative future meetings be forwarded to the Board of Directors for ratification (Consent Calendar).

ITEM 3: DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT 2019 NON-DOMESTIC WATER ALLOCATION STUDY

Mr. Perea presented this matter to the Committee for their review, and he mentioned that this matter was presented to the Engineering/Operational Committee. Mr. Perea commented that District staff had met with PSOMAS to discuss the preparation of an analysis of the allocation of non-domestic water. Discussion occurred concerning the goals of the study and the planned considerations in relation to wastewater collection and non-domestic water production.

RECOMMENDED ACTION:

The Committee received the information concerning the matter and recommended the Board of Directors authorize the Interim General Manager to contract with PSOMAS for the 2019 Non-Domestic Water Allocation Study in the amount of \$35,500 (Action Calendar).

ITEM 4: DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT ADMINISTRATION FACILITY SECURITY SYSTEM IMPROVEMENTS AND MONITORING SERVICES

Mr. Perea presented this matter for Committee review and, he reported that this matter was discussed with the Engineering/Operational Committee. Mr. Perea highlighted the proposals for services from the three vendors and discussed the similarities and differences between the proposals and hardware/software. Discussion occurred concerning the planned security improvements to the Administrative Facility.

RECOMMENDED ACTION:

The Committee received the information concerning the matter and recommended the Board of Directors authorize the Interim General Manager to contract with Cox Business Security Solutions for Administration Facility Security System Improvements and Monitoring for a three-year term in the amount of \$1,073 and a monthly recurring payment of \$264 (Action Calendar).

ITEM 5: DISCUSSION CONCERNING DIMENSION WATER TREATMENT PLANT TRUCK DELIVERY ACCESS IMPROVEMENTS

Mr. Perea presented this matter for Committee review and, he reported that this matter was discussed with the Engineering/Operational Committee. Mr. Perea highlighted the approved project plans and project timeline with the Committee, and he mentioned that the District partnered with the City of Lake Forest on their street improvement project for this facility improvement.

RECOMMENDED ACTION:

The Committee received the information concerning the matter and approved and recommended the Board of Directors ratify the Dimension Water Treatment Plant Truck Delivery Access Project budget of \$137,194 (Action Calendar).

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ITEM 6: DISCUSSION CONCERNING MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) FISCAL YEAR 2019/2020 BUDGET

Mr. Perea presented this matter for Committee review, and he mentioned that both President Safranski and he were in attendance of the MWDOC Elected Officials Forum the prior week. Mr. Perea provided a brief overview of MWDOC's proposed Fiscal Year 2019/2020 Budget.

RECOMMENDED ACTION:

The Committee received the information concerning the matter and recommended forwarding the information to the Board of Directors (Action Calendar).

ITEM 7: DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT FISCAL YEAR 2019/2020 GENERAL FUND AND CAPITAL IMPROVEMENT BUDGETS

Mr. Perea presented this matter for Committee review and he mentioned that this item was discussed with the Engineering/Operational Committee. Mr. Perea reviewed the preliminary assumptions for the 2019/2020 Fiscal Year General Fund Budget. Discussion occurred concerning the potential impact of future energy costs. Mr. Perea presented the proposed Capital Improvement Project (CIP), Equipment, and Program Budgets for Fiscal Year 2019/2020 for Committee review.

RECOMMENDED ACTION:

The Committee received the information concerning the matter and recommended forwarding the information to the Board of Directors (Action Calendar).

ITEM 8: OTHER MATTERS

Mr. Perea reported there were no other matters to discuss.

RECOMMENDED ACTION:

There were no other matters received or discussed.

ITEM 9: FINANCIAL REPORT

Mr. Perea presented the preliminary unaudited financials for February 2019 to the Committee for review and comment, and he highlighted the following items:

Operating Revenue, Residential Water Revenue

Mr. Perea reported that this line item was trending near target due to water demands.

Operating Revenue, Business & Industrial Water Revenue

Mr. Perea reported that this line item was lower than the prior month due to decreased water demands.

Operating Revenue, Baker Treatment Plant Water Sales

Mr. Perea reported that this line item was higher than the prior month due to more water sales to the City of San Clemente.

Discussion occurred concerning groundwater production at the Trabuco Creek Groundwater Treatment Facility.

INVESTMENT SCHEDULE

Mr. Perea reported that the District's investments in the California Local Agency Investment Fund (LAIF) was currently receiving greater than a two-percent interest rate.

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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 April 10, 2019 as presented (Consent Calendar).

ADJOURNMENT

Director Chadd adjourned the April 10, 2019 Finance/Audit Committee Meeting at 7:02 PM.