

**APPROVED**



**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING RECAP | SEPTEMBER 11, 2019**

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**DIRECTORS PRESENT**

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

**STAFF PRESENT**

Fernando Paludi, General Manager  
Michael Perea, District Secretary  
Karen Warner, Senior Accountant  
Lisa Marie Sangi, Administrative Assistant

**DISTRICT CONSULTANT(S) PRESENT**

None

**PUBLIC PRESENT**

There were no members of the public present.

**CALL MEETING TO ORDER**

Director Chadd called the September 11, 2019 Finance/Audit Committee Meeting to order at 7:00 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 GENERAL MANAGER**

Mr. Paludi expressed his appreciation to District staff for providing him a tour of the District's Facilities.

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

The July 10, 2019 Finance/Audit Committee Meeting Recap was presented to the Committee.

**RECOMMENDED ACTION:**

The Committee recommended that the July 10, 2019 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**

Mr. Perea presented this matter for Committee consideration and review. Director Chadd indicated that he attended the South Orange County Integrated Watershed Management Area Executive Committee Meeting on

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August 7, 2019. Mr. Perea noted that the South Orange County Agencies Group (SOCAG) Meeting has been scheduled for September 25, 2019.

**RECOMMENDED ACTION:**

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

**ITEM 3: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TRABUCO CANYON WATER DISTRICT'S 2020 HEALTH BENEFIT RATES**

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Mr. Perea presented this matter to the Committee for their review, and he briefly reviewed the CalPERS 2020 health benefit rates. Mr. Perea presented a six-year health benefit rate trend analysis for Committee review and comment. Discussion occurred concerning certain health benefit plan rate changes and potential budgetary assumption impacts.

**RECOMMENDED ACTION:**

The Committee received the information and recommended that the Board of Directors adopt the CalPERS 2020 Health Benefit Rates effective January 1, 2020 by Resolution (Action Calendar).

**ITEM 4: OTHER MATTERS**

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Director Chadd reported on his attendance at the Community of Associations of Rancho (CAR) meeting held the prior day, and he mentioned that the proposed Paloma Square Development was agendaed for discussion. Discussion occurred concerning the proposed rezoning and development of the Dove Plaza. Mr. Perea mentioned that the Districts website has been updated with a webpage dedicated to the District's actions related to the proposed development.

**RECOMMENDED ACTION:**

There were no other matters received or discussed.

**ITEM 5: FINANCIAL REPORT**

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Mr. Perea presented the preliminary unaudited financials for July 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 lower than the prior month due to decreased 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 lower than the prior month due to less water sales to the City of San Clemente, and the District purchased treated water during the Baker Water Treatment Plant stress testing period.

***Operating Expenses, Recycled Expense/Reclaimed Expense***

Mr. Perea reported that both of these line items were new budget funds for Fiscal Year 2019/2020 as approved by the Board of Directors.

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***Net Income Before OPEB, Depreciation & Capital Contributions***

Discussion occurred concerning the Fiscal Year 2019/2020 budget for this line item.

***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.

**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 September 11, 2019 as presented (Consent Calendar).

**ADJOURNMENT**

Director Chadd adjourned the September 11, 2019 Finance/Audit Committee Meeting at 7:26 PM.