



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING RECAP | NOVEMBER 13, 2019**

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 November 13, 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 GENERAL MANAGER

Mr. Paludi mentioned that he would be out of the office on Friday, November 15, 2019 and Monday, November 18, 2019.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

The October 9, 2019 Finance/Audit Committee Meeting Recap was presented to the Committee.

RECOMMENDED ACTION:

The Committee recommended that the October 9, 2019 Finance/Audit Committee Meeting Recap be forwarded to the Board of Directors (Consent Calendar).

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

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

RECOMMENDED ACTION:

The Committee recommended that the Directors' Fees and Expenses for October 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 WATER, WASTEWATER, AND NON-DOMESTIC WATER RATES AND CHARGES ANALYSIS

Mr. Paludi provided an update on this matter, and he reported that District staff are working with Raftelis Financial Consultants (RFC) to prepare the proposed financial plan for Board consideration. Mr. Paludi added that the final year of the multi-year rate adjustments, as approved by the Board in 2015, is scheduled to take effect on January 1, 2020. Discussion occurred concerning the rate adjustment timeline and the financial impacts to District revenues and reserves. Mr. Paludi provided brief updates concerning the critical review and impacts of the ten-year capital improvement program on the water, wastewater, and non-domestic water rates. Discussion occurred concerning the potential funding opportunities for capital projects.

RECOMMENDED ACTION:

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

ITEM 4: DISCUSSION CONCERNING THE PURCHASE OF A VEHICLE FOR TRABUCO CANYON WATER DISTRICT'S FIELD VEHICLE FLEET

Mr. Paludi presented this matter to the Committee for their review, and he mentioned that the Wastewater Operations Department requires the replacement of one field vehicle which has reached its end of life. Mr. Paludi added that District staff procured quotes from two local dealerships for the replacement vehicle. Discussion occurred concerning the District's field vehicle fleet rotation program.

RECOMMENDED ACTION:

Committee approved and recommended the Board of Directors ratify the purchase of one new Toyota Tacoma truck from Santa Margarita Toyota for a not to exceed amount of \$34,747 (Consent Calendar).

ITEM 5: OTHER MATTERS

There were no other matters.

RECOMMENDED ACTION:

Committee to receive information at the time of Committee Meeting.

ITEM 6: FINANCIAL REPORT

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

Operating Revenue, Residential Water Revenue

Mr. Paludi reported that this line item was higher than the prior month due to increased water demands.

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Operating Revenue, Baker Treatment Plant Water Sales

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

Operating Expenses, Sanitation Expense

Mr. Paludi reported that this line item was higher than the prior month due to capital repairs, including Bell Canyon Sewer Lift Station.

Net Income Before OPEB, Depreciation & Capital Contributions

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

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 November 13, 2019 as presented (Consent Calendar).

ADJOURNMENT

Director Chadd adjourned the November 13, 2019 Finance/Audit Committee Meeting at 6:32 PM.