



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | FEBRUARY 12, 2020

DIRECTORS PRESENT

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

STAFF PRESENT

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

DISTRICT CONSULTANT(S) PRESENT

Cindy Byerrum, District Treasurer (Platinum Consultants)

PUBLIC PRESENT

There were no members of the public present.

CALL MEETING TO ORDER

Director Chadd called the February 12, 2020 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 ASSISTANT GENERAL MANAGER

Mr. Perea reported on the following matters:

- The General Manager and the other Directors were in attendance at the Municipal Water District of Orange County (MWDOC) Water Policy Forum Dinner.
- A Special Board Meeting – District Facilities' Tour has been scheduled for Saturday, February 15, 2020 at 8:00 A.M.
- The District is currently advertising a Customer Service Field Technician open position.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

The January 8, 2020 Finance/Audit Committee Meeting Recap was presented to the Committee.

RECOMMENDED ACTION:

The Committee recommended that the January 8, 2020 Finance/Audit Committee Meeting Recap be forwarded to the Board of Directors (Consent Calendar).

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | FEBRUARY 12, 2020**

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

Mr. Perea presented this matter for Committee consideration and review. Mr. Perea indicated that the date for the January 26, 2020 Special Board Meeting will be corrected on the Fees and Expenses Report.

RECOMMENDED ACTION:

The Committee recommended that the Directors' Fees and Expenses for January 2020, 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. Perea provided a brief update on this matter, and he reported that Raftelis Financial Consultants (Raftelis) has provided a contract change order to complete additional tasks based on Board of Directors' feedback at the January 26, 2019 Special Board Meeting – Rate Workshop. Mr. Perea added that District staff will review the input from the Board with Raftelis over the next few weeks which will result in a subsequent rate workshop.

RECOMMENDED ACTION:

The Committee received the status update and recommended the Board of Directors approve the Raftelis Financial Consultants Contract Change Order No. 1 in the amount of \$19,988 (Action Calendar).

ITEM 4: DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT'S PROPOSED DISCONNECTION OF RESIDENTIAL WATER SERVICE POLICY

Mr. Perea presented this matter for Committee consideration, and he provided a brief review of the impacts of SB 998 on water agency disconnection of residential water services due to non-payment. Mr. Perea reported that MWDOC has worked with Best, Best, & Krieger (BBK) to develop a policy template for member agencies to use for compliance with the new law. Mr. Perea reviewed certain provisions of the DRAFT Policy with the Committee including the additional proposed documents for customer communication, and he highlighted the impacts to the District's current policies and practices.

RECOMMENDED ACTION:

The Committee receive the information concerning this matter and recommended the Board of Directors approve and adopt the DRAFT Trabuco Canyon Water District Disconnection of Residential Water Service Policy by Resolution (Action Calendar).

ITEM 5: OTHER MATTERS

Discussion occurred concerning the potential impacts of SB 50.

RECOMMENDED ACTION:

Committee to receive information at the time of Committee Meeting.

ITEM 6: FINANCIAL REPORT

Mr. Perea presented the preliminary unaudited financials for December 2019 to the Committee for review and comment. Ms. Byerrum provided a brief review of the following items in the preliminary unaudited financial report:

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | FEBRUARY 12, 2020**

STATEMENT OF REVENUES AND EXPENSES

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, Baker Treatment Plant Water Sales

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

Operating Expenses, Total Operating Expenses

Mr. Perea reported that this line item was higher than the prior month due to increased operating expenses and he highlighted certain associated sanitation costs and expenses.

Discussion occurred concerning the status of Federal Emergency Management Agency (FEMA) reimbursement funds associated with the Alternate Raw Water Transmission Line Project.

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 February 12, 2020 as presented (Consent Calendar).

ADJOURNMENT

Director Chadd adjourned the February 12, 2020 Finance/Audit Committee Meeting at 6:26 PM.