



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING RECAP | MARCH 10, 2021**

DIRECTORS PRESENT VIA CONFERENCE CALL

Director Don Chadd, Committee Chair
Director Ed Mandich, Committee Member

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager/Board Secretary
Lorrie Lausten, District Engineer
Karen Warner, Principal Accountant
Lisa Marie Sangi, Executive Assistant

PUBLIC PRESENT VIA CONFERENCE CALL

Cindy Byerrum, Consultant Eide Bally

CALL MEETING TO ORDER

Director Chadd called the March 10, 2021 Finance/Audit Committee Meeting to order at 1:05 P.M.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

There were no comments received.

REPORT FROM THE GENERAL MANAGER

There were no comments received.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

Mr. Paludi presented the Finance/Audit Committee Meeting Recap for Committee review in accordance with the agenda.

RECOMMENDED ACTION:

The Committee recommended that the Finance/Audit Committee Meeting Recap be forwarded to the Board of Directors for approval (Consent Calendar).

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

Mr. Paludi presented the Directors' Fees and Expenses Report and Tentative Future Meetings/Attendance Report for Committee consideration and review. Director Mandich asked staff to update the meeting calendar to include the South Orange County Integrated Regional Watershed Management Executive Committee meeting

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RECOMMENDED ACTION:

The Committee recommended that the Directors' Fees and Expenses Report for February 2021, and the Tentative Future Meetings/Attendance Report be forwarded to the Board of Directors for ratification (Consent Calendar).

ITEM 3: DISCUSSION CONCERNING THE PURCHASE OF A NEW HEAVY EQUIPMENT VEHICLE – ONE FORKLIFT

Mr. Paludi introduced this matter for Committee consideration. Mr. Perea provided an overview of the operations and maintenance needs at the Robinson Ranch Wastewater Treatment Plant (WWTP) which includes loading, unloading, and movement of heavy equipment like pumps and motors, but that the current equipment used for this work have certain ergonomic challenges, including pinch points and weight limitations. Mr. Perea mentioned that District staff has rented a forklift for the prior six months and have identified many benefits from its use. Mr. Perea reported that District staff has procured three quotes for the purchase of a new forklift, and he reviewed the quotes with the Committee. Discussion occurred concerning the types and benefits of the proposed forklifts. Mr. Perea recommended the purchase of the Toyota forklift from Southwest Toyota Lift.

RECOMMENDED ACTION(S):

Receive information at the time of the meeting and recommend the Board of Directors authorize the General Manager to purchase one Toyota forklift from Southwest Toyota Lift for an amount not to exceed \$35,000 (Action Calendar).

ITEM 4: OTHER MATTERS

Mr. Paludi mentioned that District staff is currently evaluating the benefits of Section 115 Pension Trust, and he reported that staff, including the District Treasurer, have met with both CalPERS and PARS to learn more about the long-term benefits to the District. Mr. Paludi added that this matter will be agendaized for a future discussion.

RECOMMENDED ACTION:

No action was taken.

ITEM 5: FINANCIAL REPORT

Ms. Warner presented the preliminary unaudited financials for January 2021 for Committee consideration and reviewed the following items:

STATEMENT OF REVENUES AND EXPENSES

Operating Revenue, Residential Water

Ms. Warner reported that this line item was higher than the prior month, and it was trending ten percent higher than anticipated year to date due to more customers working from home.

Operating Revenue, Irrigation Water

Ms. Warner reported that this line item was higher than the prior month due to more irrigation water usage due to the impacts of a drier winter season than the prior year.

Operating Revenue, Baker Treatment Plant Water Sales

Ms. Warner reported that this line item was lower than the prior month due to less water sales to the City of San Clemente.

Operating Expenses, Total Operating Expenses

Ms. Warner reported that this line item was trending higher than anticipated due to operating expenses.

RESTRICTED ASSETS REPORT & INVESTMENT SCHEDULE

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Ms. Warner highlighted the Local Agency Interest Fund (LAIF) rate of return on District investments.

Mr. Paludi mentioned the planned reinstatement of utility bill penalty payment assessments will be brought to the Regular Board Meeting April 2021.

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 March 10, 2021 as presented (Consent Calendar).

ADJOURNMENT

Director Chadd adjourned the March 10, 2021 Finance/Audit Committee Meeting at 1:33 PM.