



**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING RECAP | NOVEMBER 9, 2023**

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**DIRECTORS PRESENT**

Don Chadd, Committee Chair  
Ed Mandich, Committee Member Alternate

**DIRECTORS ABSENT**

Glenn Acosta, Committee Member

**STAFF PRESENT**

Fernando Paludi, General Manager  
Michael Perea, Assistant General Manager  
Karen Warner, Principal Accountant  
Roseann Lejsek, Administrative Assistant  
Phil Serpas, SCADA/CMMS Administrator

**CONSULTANTS PRESENT**

None

**PUBLIC PRESENT**

None

**CALL MEETING TO ORDER**

Director Chadd called the November 9, 2023 Finance/Audit Committee Meeting to order at 8:00 a.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.

**MOTION:** Approve the Finance/Audit Committee Meeting Recap and recommended that the Board receive and file the same as amended (Consent Calendar) – Director Chadd

**SECOND:** Mr. Perea

**AYES:** Directors Chadd & Mr. Perea

**NOES:** None

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**ABSTAIN:** None  
**MOTION PASSED/FAILED:** Passed 2-0

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

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Mr. Paludi presented the Directors' Fees and Expenses Report and Tentative Future Meetings/Attendance Report for Committee consideration and review. Discussion occurred concerning a correction on Director Mandich's meeting report; Mr. Perea commented that staff will update the report for Board approval.

**MOTION:** Recommend the Board of Directors ratify the Directors' fees and expenses for October 2023 and tentative future meetings/attendance (Action Calendar) – Director Mandich

**SECOND:** Director Chadd

**AYES:** Directors Mandich & Chadd

**NOES:** None

**ABSTAIN:** None

**MOTION PASSED/FAILED:** Passed 2-0

**ITEM 3: OTHER MATTERS**

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Mr. Paludi provided updates on the following matters:

**Debt Issuance update**

Mr. Paludi reported that District staff is working with its financial consultants to refinance the existing \$10M loan by the end of the fiscal year consistent with the adopted financial plan. Director Chadd requested that staff present a proposed timeline of the issuance and associated project funding.

**Meter Downsizing Program update**

Mr. Paludi reported that this matter was reviewed with the Executive Committee related to minor changes after Board approval, and that staff will update the District's website with a dedicated webpage and the permit application for public use.

**MOTION:** None

**ITEM 4: FINANCIAL REPORT**

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Ms. Warner presented the preliminary unaudited financials for September 2023, and she indicated that the format has been updated to show expenses by separate fund. Ms. Warner highlighted the following items:

***WATER FUND***

***Total Operating Revenue***

Ms. Warner reported that this line item was trending slightly lower than budgeted.

***Fixed Water Purchases***

Ms. Warner reported that this line item was trending higher than budgeted due to the annual one-time payment of charges paid to MWDOC.

***Total Salaries & Benefits***

Ms. Warner reported that this line item was trending slightly higher than the year-to-date amount due to the UAL payment in full to CalPERS.

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***Safety, Supplies, & Testing***

Ms. Warner reported that this line item was higher than budgeted due to increased lab testing and supply purchases.

***District Insurance***

Ms. Warner reported that this line item was trending higher than the year-to-date amount due to the timing of insurance payments.

***Miscellaneous Expense***

Ms. Warner reported that this line item is trending higher than budgeted due to the District working with customers on payment arrangement plans consistent with District policy and SB 998.

***Capital Improvement Program***

Ms. Warner reported that this line item was higher than normal due to CIP spending, and she reviewed project expenses to date.

Director Acosta inquired on the status of the SCADA System Upgrades FY 22-23; Mr. Perea provided a brief status update on the project, and he reported on recent challenges with the contractor due to reduced staffing.

**MOTION:** Recommend the Board ratify payment of the bills for consideration for November 9, 2023, as presented (Action Calendar) – Director Mandich

**SECOND:** Director Chadd

**AYES:** Directors Mandich & Chadd

**NOES:** None

**ABSTAIN:** None

**MOTION PASSED/FAILED:** Passed 2-0

**ADJOURNMENT**

Director Chadd adjourned the November 9, 2023, Finance/Audit Committee Meeting at 8:23 a.m.