

**TRABUCO CANYON WATER DISTRICT  
FINANCE AUDIT COMMITTEE MEETING RECAP  
NOVEMBER 5, 2014**

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**DIRECTORS PRESENT**

Committee Chair Stephen Dopudja  
Committee Member James Haselton

**STAFF PRESENT**

Hector Ruiz, General Manager  
Michael Perea, District Secretary  
Karen Warner, Accounting Supervisor

**PUBLIC PRESENT**

There were no members of the public present

**CALL MEETING TO ORDER**

Mr. Dopudja called the November 5, 2014, Finance/Audit Committee Meeting to order at 7:00 A.M.

**VISITOR PARTICIPATION**

No visitor participation was received.

**ORAL COMMUNICATION**

No oral communication was received.

**COMMITTEE MEMBER COMMENTS**

Mr. Haselton had no comments.

Mr. Dopudja commented on his attendance at the Orange County Water District event which hosted Governor Jerry Brown. Discussion occurred concerning event attendance and water conservation.

**REPORT FROM THE GENERAL MANAGER**

Mr. Ruiz had no comments.

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

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The October 1, 2014, Finance/Audit Committee Meeting Recap was presented to the Committee.

**RECOMMENDED ACTION:**

The Committee approved and recommended that the October 1, 2014, Finance/Audit Committee Meeting Recap be received and filed by the Board (Consent Calendar).

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

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The Committee reviewed the information presented, and had no comments. Mr. Haselton commented on his attendance at the Independent Special Districts of Orange County (ISDOC) Quarterly Meeting on October 30<sup>th</sup>, and mentioned that Orange County Local Agency Formation Commission (OCLAFCO) Executive Officer Ms. Carolyn Emory was the guest speaker for the event.

**RECOMMENDED ACTION:**

The Committee recommended that the Directors' expenses and fees for October, 2014, and the tentative future meetings be forwarded to the Board for ratification, as amended (Consent Calendar).

**ITEM 3: ARBITRAGE REBATE CALCULATION (SERIES A & B)**

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Mr. Ruiz presented this matter to the Committee for consideration and mentioned that this is an annually recurring matter. Mr. Ruiz added that the Arbitrage Rebate Calculation is the difference between the interest on bonds and securities, and that there is no rebate at this time. Discussion occurred concerning the methodology for determining the Arbitrage Rebate Calculation.

**RECOMMENDED ACTION:**

The Committee recommended that the Board receive and file the Arbitrage Rebate Calculation (Series A & B) for the Senior Lien Series A and Junior Lien Series B, period ending through September 30, 2014 (Consent Calendar).

**ITEM 4: OTHER MATTERS**

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Mr. Ruiz commented that there were no other matters for discussion.

**RECOMMENDED ACTION:**

There was no recommended action.

**ITEM 6A: FINANCIAL REPORT**

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Mr. Ruiz presented the unaudited financials for September, 2014, for Committee review, and commented that the report represents the end of the first quarter. Mr. Ruiz highlighted the following items:

***Statement of Revenues and Expenses***

- Operating Revenue, Residential Water/Business & Industrial Water/Irrigation Water: Mr. Ruiz mentioned that the residential users' system demands are lower although the months have been warmer than usual. Discussion occurred concerning the impacts of water conservation.
- Operating Revenue, Other Non-Operating Revenue: Mr. Ruiz mentioned that this line item was higher than the previous month due to payment received from Southern California Gas Company per an agreement for installation of a data collection unit at the Dove Canyon Reservoir site.

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- Operating Expenses, Source of Supply: Mr. Ruiz mentioned that this line item was lower than the previous month due to a decrease in water purchases.

***Comparative Balance Sheet***

- Current Assets, Investments, at Cost: Mr. Ruiz mentioned that the adjustment in this line item was due to a LAIF transfer of funds.
- Utility Plant, Construction in Progress: Mr. Ruiz mentioned that this line item was higher than the previous month due to costs related to the Baker Water Treatment Plant Project, Shadow Rock Detention Basin Facility Project, and the SAC Line Cathodic Protection Project.

Discussion occurred concerning the project status of the Shadow Rock Detention Basin Facility Project. Mr. Ruiz mentioned that District staff will present progress photos at the Regular Board Meeting for review. Discussion occurred concerning project timeline for completion and permit requirements by the City of Rancho Santa Margarita.

**RECOMMENDED ACTION:**

The Committee recommended that the Board receive and file the September, 2014, unaudited Financial Statement, as presented (Consent Calendar).

**ITEM 6B: FINANCIAL REPORT**

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Mr. Ruiz presented the bills for consideration for November 5, 2014.

**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 5, 2014, as presented (Consent Calendar).

**ADJOURNMENT**

Mr. Dopudja adjourned the November 5, 2014, Finance/Audit Committee Meeting at 7:15 A.M.