

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP
DECEMBER 9, 2015**

DIRECTORS PRESENT

Committee Chair Michael Safranski
Committee Member Alternate Glenn Acosta

STAFF PRESENT

Michael Perea, District Secretary
Karen Warner, Accounting Supervisor
Lisa Carmouche, Administrative Assistant

PUBLIC PRESENT

There were no members of the public present

CALL MEETING TO ORDER

Director Safranski called the December 9, 2015, 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

Director Acosta had no comments.

Director Safranski had no comments.

REPORT FROM THE GENERAL MANAGER

Mr. Perea reported the following matters:

- Mr. Perea reported that the General Manager was out of the office for the remainder of the week on vacation, and would be returning to the office on Monday, December 14, 2015.
- Mr. Perea reported that Director Haselton was absent due to a hospitalization, but was doing well. Mr. Perea added that as a result, Director Haselton may not be able to attend the Public Hearing scheduled for December 16, 2015.
- Mr. Perea reported that the District's customers conserved 16% of potable water use in November 2015 in comparison with November 2013, and did not meet the State Water Board mandated Conservation Standard of 28%. Mr. Perea added that November 2013 was a colder and wetter period than November 2015, and that these different conditions contributed to a lower level of conservation. Mr. Perea mentioned that the General Manager is currently working with the District's Engineer on recycled water projects for the service area, which includes a recycled water hydrant for construction water use and street cleaning.

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ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

The November 12, 2015, Finance/Audit Committee Meeting Recap was presented to the Committee.

RECOMMENDED ACTION:

Director Safranski, Committee Chair, and Mr. Perea, District Secretary, approved and recommended that the November 12, 2015, Finance/Audit Committee Meeting Recap be received and filed by the Board (Consent Calendar).

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

The Committee reviewed the information presented. Mr. Perea commented that he had received schedule adjustments after the publication of the meeting materials that will be included at the Regular Board Meeting. Discussion occurred concerning Board President Dopudja's planned comments regarding the District's Public Hearing on rates at the City of Rancho Santa Margarita Council Meeting during public comments.

RECOMMENDED ACTION:

The Committee recommended that the Directors' expenses and fees for November, 2015, and the tentative future meetings be forwarded to the Board for ratification (Consent Calendar).

ITEM 4: OTHER MATTERS

Mr. Perea had no comments on other matters.

RECOMMENDED ACTION:

There was no recommended action.

ITEM 5A: FINANCIAL REPORT

Mr. Perea presented the unaudited financials for October, 2015, for Committee review, and highlighted the following items:

Statement of Revenues and Expenses

- Operating Revenue – Residential Water:

Mr. Perea commented that the current month is lower than the previous due to less water sold.

- Operating Revenue – Recycled & Reclaimed Revenue:

Mr. Perea commented that the current month is lower than the previous month due to less water used by the Dove Canyon Golf Course and Dove Canyon Master Association.

- Developer Impact Fees:

Mr. Perea commented that the prior month is higher than the current month due to the connection fees paid by William Lyon Homes for the Plano Trabuco Development.

Comparative Balance Sheet

- Construction In Progress:

Mr. Perea commented that the current month is higher than the prior month due to \$135,000 for the District's Quarterly Baker Water Treatment Plant fees, \$1,000 for costs associated with the Alternate Raw Water Transmission Line Project, and \$28,000 for the Rate Analysis.

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Discussion occurred concerning the interest return on the District's investments from the Local Agency Investment Fund (LAIF) on the Unaudited Investment Schedule.

RECOMMENDED ACTION:

The Committee recommended that the Board receive and file the October, 2015, unaudited Financial Statement, as presented (Consent Calendar).

ITEM 5B: FINANCIAL REPORT

Mr. Perea presented the bills for consideration for December 9, 2015.

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 December 9, 2015, as presented (Consent Calendar).

ADJOURNMENT

Director Safranski adjourned the December 9, 2015, Finance/Audit Committee Meeting at 7:10 A.M.