



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | MAY 8, 2019

DIRECTORS PRESENT

Director Don Chadd, Committee Chair
Director Edward Mandich, Committee Member Alternate

DIRECTORS ABSENT

Director Mike Safranski, Committee Member

STAFF PRESENT

Michael Perea, Interim General Manger
Lorrie Lausten, Principal Engineer
Karen Warner, Senior Accountant
Lisa Marie Sangi, Administrative Assistant

DISTRICT CONSULTANT(S) PRESENT

None

PUBLIC PRESENT

There were members of the public present.

CALL MEETING TO ORDER

Director Chadd called the May 8, 2019 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 INTERIM GENERAL MANAGER

Mr. Perea reported that he had attended the Orange County Local Agencies Formation Commission (OC LAFCO) Meeting earlier that day, and he provided a brief highlight on the approved Fiscal Year 2019/2020 Budget which included an increase of three percent (3%) to the District's annual costs.

Mr. Perea reported that the District Water Awareness Day is this Saturday, May 11, 2019.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

The April 10, 2019 Finance/Audit Committee Meeting Recap was presented to the Committee.

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FINANCE AUDIT COMMITTEE MEETING RECAP | MAY 8, 2019**

RECOMMENDED ACTION:

Director Chadd and Mr. Perea recommended that the April 10, 2019 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

Mr. Perea presented this matter for Committee consideration and review.

RECOMMENDED ACTION:

The Committee recommended that the Directors' Fees and Expenses for April 2019, and the tentative future meetings be forwarded to the Board of Directors for ratification (Consent Calendar).

ITEM 3: DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT FISCAL YEAR 2018/2019 FINANCIAL REPORT (AUDIT)

Mr. Perea presented this matter to the Committee for their review, and he commented that Davis Farr LLC, the District's auditors, were onsite last week for preliminary audit preparation. Mr. Perea reported that Davis Farr requested that District staff present the standard audit engagement letter for the preparation of the District's Fiscal Year 2018/2019 Audit with the Finance/Audit Committee.

RECOMMENDED ACTION:

The Committee received the information concerning the matter and received and filed the Fiscal Year 2018/2019 Audit Engagement Letter from Davis Farr LLC.

ITEM 4: DISCUSSION CONCERNING MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) FISCAL YEAR 2019/2020 BUDGET

Mr. Perea presented this matter for Committee review and he provided a brief update on the Water Use Efficiency Program (WUE) rebates. Mr. Perea added that the proposed District WUE Rebate enhancement budget will be reviewed at the following Committee Meeting.

RECOMMENDED ACTION:

The Committee received the information concerning the matter. No actions were taken.

ITEM 5: DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT FISCAL YEAR 2019/2020 GENERAL FUND AND CAPITAL IMPROVEMENT BUDGETS

Mr. Perea presented this matter for Committee review and, he reported that there were a few changes to the proposed Fiscal Year 2019/2020 General Fund Budget assumptions and the proposed Capital Improvement Projects, Equipment, and Program Budgets. Discussion occurred concerning certain proposed project budget changes. Mr. Perea briefly discussed District staff's re-evaluation of the proposed Dimension Water Treatment Plant Backup Generator project and plans.

RECOMMENDED ACTION:

The Committee received the information concerning the matter. No actions were taken.

ITEM 6: OTHER MATTERS

Mr. Perea reported there were no other matters to discuss.

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RECOMMENDED ACTION:

There were no other matters received or discussed.

ITEM 7: FINANCIAL REPORT

Mr. Perea presented the preliminary unaudited financials for March 2019 to the Committee for review and comment, and he highlighted the following items:

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, Business & Industrial 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 more water sales to the City of San Clemente.

Discussion occurred concerning groundwater production at the Trabuco Creek Groundwater Treatment Facility.

INVESTMENT SCHEDULE

Mr. Perea reported that the District's investments in the California Local Agency Investment Fund (LAIF) was currently receiving greater than a two-percent interest rate.

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 May 8, 2019 as presented (Consent Calendar).

ADJOURNMENT

Director Chadd adjourned the May 8, 2019 Finance/Audit Committee Meeting at 6:28 PM.