



**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING RECAP | JUNE 12, 2019**

---

**DIRECTORS PRESENT**

Director Don Chadd, Committee Chair  
Director Mike Safranski, Committee Member

**DIRECTORS ABSENT**

None

**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 June 12, 2019 Finance/Audit Committee Meeting to order at 6:02 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 Mr. Bob Hill, General Manager of El Toro Water District (ETWD) will be retiring on June 30, 2019. Discussion occurred concerning plans for recognizing Mr. Hill for his work with ETWD.

Mr. Perea mentioned that he had attended the Orange County Local Agencies Formation Commission (OC LAFCO) Meeting earlier that day, and he provided a brief review of the matters discussed at the meeting.

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

The May 2019 Finance/Audit Committee Meeting Recap was presented to the Committee.

---

**TRABUCO CANYON WATER DISTRICT  
FINANCE AUDIT COMMITTEE MEETING RECAP | JUNE 12, 2019**

**RECOMMENDED ACTION:**

The Committee received the information concerning the matter. Director Chadd and Mr. Perea forwarded the Meeting Recap to the Board (Action 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 May 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'S ARBITRAGE REBATE CALCULATION FOR PERIOD ENDING DECEMBER 31, 2018**

---

Mr. Perea presented this matter to the Committee for their review, and he reported that Willdan Financial Services (Willdan) has completed the required Arbitrage Rebate Calculation Report for period ending December 31, 2018. Mr. Perea added that Willdan determined that there is no rebate owed by the District. Discussion occurred concerning the defeasement of the Series C Bond.

**RECOMMENDED ACTION:**

The Committee received the information concerning the matter recommended the Board of Directors receive and file the Trabuco Canyon Water District Arbitrage Rebate Calculation for Period Ending December 31, 2018 (Consent Calendar)

**ITEM 4: DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2019/2020**

---

Mr. Perea presented this matter for Committee review and he reported that District Legal Counsel has prepared the memorandum determining the calculation methodology for the establishing the District's Appropriations Limit for Fiscal Year 2019/2020.

**RECOMMENDED ACTION:**

The Committee received the information concerning the matter recommended the Board of Directors adopt Resolution No. 2019-1267 – Resolution of the Board of Directors of the Trabuco Canyon Water District Establishing Appropriations Limit for Fiscal Year 2019/2020 Pursuant to Article XIII B of the California Constitution (Action Calendar).

**ITEM 5: DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT'S FISCAL YEAR 2019/2020 GENERAL FUND AND CAPITAL IMPROVEMENT BUDGETS (CIP), EQUIPMENT, AND PROGRAM BUDGETS**

---

Mr. Perea presented this matter for Committee review and reported that the proposed budgetary assumptions are the same. Mr. Perea reviewed the updated proposed Capital Improvement Project Budget with the Committee.

**RECOMMENDED ACTION:**

The Committee received the information concerning the matter. No action was taken.

**ITEM 6: OTHER MATTERS**

---

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

**TRABUCO CANYON WATER DISTRICT  
FINANCE AUDIT COMMITTEE MEETING RECAP | JUNE 12, 2019**

**RECOMMENDED ACTION:**

There were no other matters received or discussed.

**ITEM 7: FINANCIAL REPORT**

---

Mr. Perea presented the preliminary unaudited financials for April 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 higher than the prior month due to increased water demands.

***Operating Revenue, Business & Industrial Water Revenue***

Mr. Perea reported that this line item was higher than the prior month due to increased water demands.

***Operating Revenue, Baker Treatment Plant Water Sales***

Mr. Perea reported that this line item was lower than the prior month due to less water sales to the City of San Clemente, and the District purchased treated water during the Baker Water Treatment Plant stress testing period.

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 June 12, 2019 as presented (Consent Calendar).

**ADJOURNMENT**

Director Chadd adjourned the June 12, 2019 Finance/Audit Committee Meeting at 6:27 PM.