



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING RECAP | DECEMBER 11, 2019**

DIRECTORS PRESENT

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

STAFF PRESENT

Michael Perea, District Secretary
Karen Warner, Senior Accountant
Lisa Marie Sangi, Administrative Assistant

DISTRICT CONSULTANT(S) PRESENT

None

PUBLIC PRESENT

There were no members of the public present.

CALL MEETING TO ORDER

Director Chadd called the December 11, 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 ASSISTANT GENERAL MANAGER

Mr. Perea mentioned that Mr. Paludi was out of the office and in attendance at the Colorado River Water Association (CRWA) Annual Conference.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

The November 13, 2019 Finance/Audit Committee Meeting Recap was presented to the Committee.

RECOMMENDED ACTION:

The Committee recommended that the November 13, 2019 Finance/Audit Committee Meeting Recap be forwarded to the Board of Directors (Consent Calendar).

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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 November 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 WATER, WASTEWATER, AND NON-DOMESTIC WATER RATES AND CHARGES ANALYSIS

Mr. Perea provided an update on this matter, and he reported that District staff had a conference call with Raftelis Financial Consultants (RFC) this week. Mr. Perea provided a brief overview of the matters discussed, which included the analysis of domestic water peaking costs and financial plan development. Mr. Perea mentioned that District staff recommends the scheduling of a Special Board Meeting Rates Workshop in late January 2020. Discussion occurred concerning rate adoption and implementation timeline.

RECOMMENDED ACTION:

Committee to receive information at the time of Committee Meeting.

ITEM 4: OTHER MATTERS

There were no other matters presented for discussion.

RECOMMENDED ACTION:

Committee to receive information at the time of Committee Meeting.

ITEM 5: FINANCIAL REPORT

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

STATEMENT OF REVENUES AND EXPENSES

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, 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.

Net Income Before OPEB, Depreciation & Capital Contributions

Discussion occurred concerning the Fiscal Year 2019/2020 budget for this line item.

COMPARATIVE BALANCE SHEET

Construction in Progress

Mr. Perea provided a brief review of projects/work completed and the associated costs during the month of October.

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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 11, 2019 as presented (Consent Calendar).

ADJOURNMENT

Director Chadd adjourned the December 11, 2019 Finance/Audit Committee Meeting at 6:11 PM.