



## TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | JULY 12, 2017

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### **DIRECTORS PRESENT**

Director Don Chadd, Committee Chair  
Director Michael Safranski, Committee Member Alternate

### **STAFF PRESENT**

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

### **DISTRICT CONSULTANTS PRESENT**

None

### **PUBLIC PRESENT**

There were no members of the public present

### **CALL MEETING TO ORDER**

Committee Chair Chadd called the July 12, 2017 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 GENERAL MANAGER**

- Mr. Perea reported that Mr. Ruiz was not in attendance as he was on vacation, but that he would be returning to the office the following week.
- Mr. Perea reported that The Pun Group, the District's auditors, were onsite that day for preliminary work related to the annual audit, and expressed his appreciation for Ms. Warner's assistance in facilitating and meeting their requests.

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

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The June 14, 2017 Finance/Audit Committee Meeting Recap was presented to the Committee.

### **RECOMMENDED ACTION:**

The Committee approved and recommended that the June 14, 2017, 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. Mr. Perea mentioned that the Municipal Water District of Orange County (MWDOC) Water Policy Forum and Dinner is scheduled for August 28, 2017 at the Great Wolf Lodge in Garden Grove.

**RECOMMENDED ACTION:**

The Committee recommended that the Directors' expenses and fees for June 2017, and the tentative future meetings be forwarded to the Board for ratification as presented (Consent Calendar).

**ITEM 3: CALPERS CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) FUND & OTHER POST-EMPLOYMENT BENEFITS (OPEB) ANNUAL UPDATE**

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Mr. Perea presented this informational matter for Committee review, and mentioned that there was no action required. Mr. Perea briefly provided background on the District's participation in the CalPERS California Employers' Retiree Benefit Trust (CERBT), and reported that the District's current Other Post Employment Benefits (OPEB) obligation is approximately 76% funded. Discussion occurred concerning the bi-annual valuation report process and the CERBT total assets under management.

**RECOMMENDED ACTION:**

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

**ITEM 4: OTHER FINANCE AND ADMINISTRATION PROJECTS**

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1. Network Infrastructure Upgrade/Replacement:

Mr. Perea provided a project status update, and reported that the project is essentially complete, including the hardware and software implementation. Mr. Perea added that District staff is currently working with Synoptek (District IT Consultant) to finalize the project documentation, and highlighted some of the challenges that were experienced during the migration process.

2. Utility Billing and Financial Management System Replacement update:

Mr. Perea provided a status update on this project, and reported that District staff is currently working with Tyler Technologies (Tyler) on the utility billing portion of the project. Mr. Perea added that Ms. Warner has been reviewing the migrated utility billing data with Tyler to ensure consistency with the District's records.

3. Baker Water Treatment Plant Partner Agency Billing

Mr. Perea reported that Mr. Ruiz met with the City of San Clemente staff the prior week to review the development of agreement language for the sale of excess/unused Baker Water Treatment Plant water. Mr. Perea had no other updates concerning this matter.

4. Other Projects

Mr. Perea commented that District staff is currently focusing on the recently approved Fiscal Year 2017/2018 Capital Improvement Project, and highlighted some of the planned project work.

**RECOMMENDED ACTION:**

The Committee received the information. No action was taken.

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**ITEM 5: OTHER MATTERS**

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Mr. Perea had no other matters to report.

**RECOMMENDED ACTION:**

The Committee received the information. No action was taken.

**ITEM 6: FINANCIAL REPORT**

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Mr. Perea presented the unaudited financials for May, 2017, for Committee review, and reported that there were no anomalies. Discussion occurred concerning the following matter(s):

***Statement of Revenues and Expenses***

• *Operating Revenue, Residential Water:*

Mr. Perea reported that although the unaudited financials reflect 92% of Fiscal Year 2016/2017, that this line item is lower due to the impact on ongoing water conservation by District customers.

• *Operating Revenue, Irrigation Water:*

Mr. Perea reported that the prior month was lower for this line item as less water sold to agricultural customers due to the winter rain events providing an increase in local well water supplies.

Director Safranski commented that the impact of the District's 2015 Water, Wastewater, and Recycled Water Rates are evident in the Net Income before OPEB and Depreciation and Net Income line items.

***Balance Sheet***

• *Assets, Construction in Progress:*

Mr. Perea highlighted the project activity for this line item, which included costs associated with the following project: Alternate Raw Water Transmission Line Project, Via Allegre Sewer Lift Station Upgrade Project, Financial/Utility Billing Upgrade Project, Network Infrastructure Upgrade Project, Plano Sewer Lift Station Upgrade Project, and the Santiago Sewer Lift Station Control Panel Upgrade Project.

**RECOMMENDED ACTION:**

The Committee recommended that the Board receive and file the unaudited Financial Statement for May, 2017, as presented (Consent Calendar).

**ITEM 6B: FINANCIAL REPORT**

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Mr. Perea presented the bills for consideration for July 12, 2017.

**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 July 12, 2017, as presented (Consent Calendar).

**ADJOURNMENT**

Committee Chair Chadd adjourned the July 12, 2017 Finance/Audit Committee Meeting at 6:17 P.M.