



**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING RECAP | OCTOBER 11, 2017**

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**DIRECTORS PRESENT**

Director Don Chadd, Committee Chair  
Director Glenn Acosta, Committee Member

**STAFF PRESENT**

Hector Ruiz, General Manager  
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 October 11, 2017 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 GENERAL MANAGER**

No report from the General Manager was received.

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

The September 13, 2017 Finance/Audit Committee Meeting Recap was presented to the Committee.

**RECOMMENDED ACTION:**

The Committee approved and recommended that the September 13, 2017, 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. President Acosta requested that his schedule be updated to reflect his meeting with the General Manager on September 29, 2017. Director Chadd requested that his schedule be revised to reflect that he did not attend the City of Rancho Santa Margarita City Council Meeting on September 27, 2017.

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**RECOMMENDED ACTION:**

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

**ITEM 3: BAKER WATER TREATMENT PLANT PARTNER AGENCY BILLING**

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Mr. Ruiz presented this matter for Committee review, and mentioned that there was no action required on the matter. Mr. Ruiz added that this matter had been reviewed with the Engineering/Operational Committee the prior week. Mr. Ruiz reported that the DRAFT Agreement for the sale of excess/unused Baker Water Treatment Plant water to the City of San Clemente was currently being reviewed by the City's General Legal Counsel. Mr. Ruiz briefly reviewed certain sections of the DRAFT Agreement, which included the billing terms and terminology of billing rates and charges. Mr. Ruiz added that Ms. Warner was currently working on the Exhibit "C" for the agreement, and added that the DRAFT Agreement is scheduled to be presented to the City Council in late November. Discussion occurred concerning the timeline for Board approval of the DRAFT Agreement; Mr. Ruiz mentioned that District staff plans to present the final agreement to the Board for approval in November.

**RECOMMENDED ACTION:**

The Committee received the information. No action was taken.

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

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1. Utility Billing and Financial Management System Replacement Update:

Mr. Perea provided a status update on this project, and commented that District staff is currently working with Tyler Technologies to resolve identified issues with the preliminary migrated data in both the Financial and Utility Billing systems. Discussion occurred concerning the overall impacts to the project; Mr. Perea commented that the issues are not long term, and that District staff is working to resolve the issues.

2. Other Projects

Mr. Ruiz mentioned that the Customer Service Department is currently staffed with two temporary full time employees, and added that District staff intends to advertise open full time permanent positions after the beginning of the calendar year 2018.

**RECOMMENDED ACTION:**

The Committee received the information. No action was taken.

**ITEM 5: OTHER MATTERS**

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Mr. Ruiz reported that District staff will hold their Annual Chili Cook-Off on Friday, October 27, 2017, at 11:30 AM, and extended an invitation to the Committee.

**RECOMMENDED ACTION:**

The Committee received the information. No action was taken.

**ITEM 6: FINANCIAL REPORT**

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Mr. Ruiz presented the preliminary unaudited financials for August, 2017, for Committee review, and reported that there were no anomalies. Mr. Ruiz reviewed the following items:

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***Statement of Revenues and Expenses***

**Operating Revenue, Total Operating Revenue** – Mr. Ruiz noted that the current month was higher than the same month in the prior year, and attributed the increase to the impact of the District’s water, wastewater, and recycled water rates.

**Operating Expenses, Sanitation Expense** – Mr. Ruiz commented that the current month was higher than the prior month due to sanitation-related projects, including work on the belt press at the Robinson Ranch Wastewater Treatment Plant and improvements to Plano Trabuco Sewer Lift Station.

Discussion occurred concerning the current month costs associated with Net Income Before OPEB & Depreciation & Capital Contributions.

**RECOMMENDED ACTION:**

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

**ITEM 5B: FINANCIAL REPORT**

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Mr. Ruiz presented the bills for consideration for October 11, 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 October 11, 2017, as presented (Consent Calendar).

**ADJOURNMENT**

Committee Chair Chadd adjourned the October 11, 2017, Finance/Audit Committee Meeting at 6:10 P.M.