



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | JULY 11, 2018

DIRECTORS PRESENT

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

STAFF PRESENT

Michael Perea, Acting General Manger
Karen Warner, Senior Accountant
Lisa Marie Sangi, Administrative Assistant

DISTRICT CONSULTANTS PRESENT

Cindy Byerrum, Platinum Consultants

PUBLIC PRESENT

There were members of the public present.

CALL MEETING TO ORDER

Director Chadd called the July 11, 2018, 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

None

REPORT FROM THE ACTING GENERAL MANAGER

Mr. Perea commented that he, Mr. Jason Stroud, Maintenance Superintendent, and Mr. Kessler, Water Operations Superintendent, attended the County of Orange OC Parks Trabuco Creek Road Dust Control Project Kick-Off Meeting earlier in the week. Mr. Perea mentioned that the County requested the installation of a project sign and security camera at the edge of the District's Porter Property, and he subsequently provided approval for the installation of the sign after reviewing the proposed site with Water Operations staff.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

The June 13, 2018, Finance/Audit Committee Meeting Recap was presented to the Committee.

RECOMMENDED ACTION:

The Committee approved and recommended that the June 13, 2018, 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

Director Chadd requested to adjust his schedule as he did not attend City of Rancho Santa Margarita City Council Meeting and the SAC Commission Meeting was cancelled. Mr. Perea also mentioned the upcoming Municipal Water District of Orange County (MWDOC) Policy Dinner in August.

RECOMMENDED ACTION:

The Committee recommended that the Directors' Fees and Expenses for June 2018, as amended, 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 SPECIAL WATER RATE STUDY FOR THE SETTING OF A PORTOLA HILLS ZONE WATER RATE

Mr. Perea reviewed and discussed the District's proposed 2018 water rate study activities including several individual items, such as: (i) review of the Temporary Rate Stabilization Charge ("TRSC"), (ii) review of the Water Reliability Emergency Storage Charge ("WRESC") and (iii) preparing water rate studies for the Plano service area and the Portola Hills service area. Mr. Perea briefly reviewed the basis for the proposed rate changes with the Committee, and the anticipated overall impact to District customer monthly utility bills.

RECOMMENDED ACTION:

The Committee received the information concerning the matter. No recommendations were made.

ITEM 4: OTHER MATTERS

Mr. Perea stated there were no other matters to report.

RECOMMENDED ACTION:

The Committee received the information concerning the matter. No recommendations were made.

ITEM 5: FINANCIAL REPORT

Mr. Perea presented the bills for consideration for July 11, 2018. Mr. Perea highlighted the following items:

Statement of Revenues and Expenses, Operating Revenue, Business & Industrial Water:

Mr. Perea reported that the anomaly on this line item was due to a register error, but that Customer Service corrected the utility bill before it was mailed.

Ms. Byerrum briefly reported on presented preliminary financial report and commented on any anomalies. Discussion occurred concerning the decrease in total water demand for the months of April and May; Mr. Perea commented that this lower water demand was a regional trend that was observed and reported by the Municipal Water District of Orange County (MWDOC) at the recent Manager's Meeting.

RECOMMENDED ACTION:

The Committee recommended that the Board receive and file the preliminary unaudited Financial Statement for May 2018 as presented (Consent Calendar).

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ITEM 5B: BILLS FOR CONSIDERATION

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 11, 2018, as presented (Consent Calendar).

ADJOURNMENT

Director Chadd adjourned the July 11, 2018, Finance/Audit Committee Meeting at 6:43 PM.