



## TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | FEBRUARY 13, 2019

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### **DIRECTORS PRESENT**

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

### **STAFF PRESENT**

Michael Perea, Interim General Manger  
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 February 13, 2019 Finance/Audit Committee Meeting to order at 6:04 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 on the expected rain event and briefly discussed the collaborative efforts between the District and Orange County Public Works (OCPW) in response to the increased debris flow at Trabuco Creek.

Mr. Perea reported that he attended the Orange County Local Agency Formation Commission ("OCLAFCO") Meeting, and he mentioned that Ms. Cheryl Brothers was elected Commission Chair and that Mr. Doug Davert was elected Vice Chair at their Annual Organizational Meeting.

Mr. Perea provided copies of an email from William Lyon Homes ("WLH") related to the proposed Paloma Square Development, and he mentioned that this matter was scheduled to be discussed at the next District Properties Ad Hoc Committee. Discussion occurred concerning WLH outreach efforts to date.

### **ITEM 1: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, TENTATIVE FUTURE MEETINGS/ATTENDANCE ITEMS**

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Mr. Perea presented this matter for Committee consideration and review. Mr. Perea highlighted that Municipal Water District of Orange County (MWDOC) Water Policy & Forum Dinner was scheduled for February 21, 2019.

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**RECOMMENDED ACTION:**

The Committee recommended that the Directors' Fees and Expenses for January 2019, and the tentative future meetings be forwarded to the Board of Directors for ratification (Consent Calendar).

**ITEM 2: DISCUSSION CONCERNING ARBITRAGE REBATE CALCULATION REPORT FOR 1994 SERIES C BONDS**

Mr. Perea presented this matter for Committee review, and he commented that this report is required to be completed every five years; Mr. Perea mentioned that the last time this was presented to the Board of Directors was April 2014. Discussion occurred concerning bond fulfillment timelines.

**RECOMMENDED ACTION:**

The Committee received the information concerning the matter and recommended that District staff proceed with contracting with Willdan Financial Services for the Arbitrage Rebate Calculation Report for 1994 Series C Bonds.

**ITEM 3: DISCUSSION CONCERNING PORTOLA HILLS ZONE RATES AND CHARGES**

Mr. Perea presented this matter for Committee review and he provided a Draft Notice of Rate Adjustment for review and comment. Discussion occurred concerning the proposed rate adjustment and Proposition 218 requirements. Director Chadd requested that District staff prepare a rate comparison analysis of an average user.

**RECOMMENDED ACTION:**

The Committee received the information concerning the matter and recommended forwarding the information to the Board of Directors (Action Calendar).

**ITEM 4: OTHER MATTERS**

Mr. Perea reported that the District filled an open position in the Water Operations Department, and he mentioned the District's work truck fleet was short one vehicle. Mr. Perea recommended purchasing another vehicle for the fleet and he presented a quote for Committee consideration.

**RECOMMENDED ACTION:**

The Committee received the information concerning the matter and recommended the Board of Directors ratify the purchase of the vehicle in the amount of \$40,934 (Consent Calendar).

**ITEM 5: FINANCIAL REPORT**

Mr. Perea presented the preliminary unaudited financials for December 2018 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 lower than the prior month due to decreased water demands.

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

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

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

Mr. Perea reported that this line item was higher than the prior month due to more water sales to the City of San Clemente.

Discussion occurred concerning Federal Emergency Management Agency ("FEMA") funding reimbursement related to the Alternate Raw Water Line project; Mr. Perea commented that the funding was scheduled for this

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fiscal year. Discussion occurred concerning Baker Water Treatment Plant Source of Supply costs and billing schedules.

***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 February 13, 2019 as presented (Consent Calendar).

**ADJOURNMENT**

Director Chadd adjourned the February 13, 2019 Finance/Audit Committee Meeting at 6:36 PM.