



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | DECEMBER 9, 2020

DIRECTORS PRESENT VIA CONFERENCE CALL

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

STAFF PRESENT VIA CONFERENCE CALL

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager/Board Secretary
Lorrie Lausten, District Engineer
Karen Warner, Senior Accountant
Lisa Marie Sangi, Administrative Assistant

PUBLIC PRESENT VIA CONFERENCE CALL

Johnathan Foster, Consultant Davis Farr
Cindy Byerrum, Consultant Eide Bally

CALL MEETING TO ORDER

Director Chadd called the December 9, 2020 Finance/Audit Committee Meeting to order at 1:01 P.M.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

No comments were received.

REPORT FROM THE GENERAL MANAGER

No comments were received.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

Mr. Paludi presented the Finance/Audit Committee Meeting Recap for Committee review in accordance with the agenda.

RECOMMENDED ACTION:

The Committee recommended that the Finance/Audit Committee Meeting Recap be forwarded to the Board of Directors for approval (Consent Calendar).

ITEM 2: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, TENTATIVE FUTURE MEETINGS/ATTENDANCE

Mr. Paludi presented the Directors' Fees and Expenses Report and Tentative Future Meetings/Attendance Report for Committee consideration and review. Mr. Safranski reported that he had provided schedule changes to Mr. Perea.

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | DECEMBER 9, 2020**

RECOMMENDED ACTION:

The Committee recommended that the Directors' Fees and Expenses Report for November 2020, and the Tentative Future Meetings/Attendance Report be forwarded to the Board of Directors for ratification (Consent Calendar).

ITEM 3: TRABUCO CANYON WATER DISTRICT ANNUAL FINANCIAL REPORT (AUDIT) FOR FISCAL YEAR ENDING JUNE 30, 2020

Mr. Paludi presented this matter for Committee review, and he reported that Mr. Foster had a PowerPoint presentation to deliver to the Committee concerning the District's annual financial report (Audit) for Fiscal Year Ending June 30, 2020. Mr. Foster expressed his appreciation to District staff for their assistance with Davis Farr staff during the audit process. Mr. Foster reported that Davis Farr has provided a clean report with no issues and an unmodified opinion. Discussion occurred concerning District assets and other post-employment benefit costs.

RECOMMENDED ACTION(S):

Committee to receive information concerning Trabuco Canyon Water District's Annual Financial Report (Audit) for Fiscal Year Ending June 30, 2020 and recommend that the Board receive and file the Audit Report (Action Calendar).

ITEM 4: OTHER MATTERS

There were no other matters reported.

RECOMMENDED ACTION:

No action was taken.

ITEM 5: FINANCIAL REPORT

Ms. Warner presented the preliminary unaudited financials for October 2020 for Committee consideration.

STATEMENT OF REVENUES AND EXPENSES

Operating Revenue, Residential Water Revenue

Ms. Warner reported that this line item was slightly lower than the previous month due to lower water demands, but that the year to date was higher than anticipated.

Operating Revenue, Baker Treatment Plant Water Sales

Ms. Warner reported that this line item was lower than the prior month due to decreased water sales to the City of San Clemente.

Operating Revenue, Other Operating Revenue

Ms. Warner reported that this line item was consistent with the prior month, and she mentioned that this the year to date was low due to the District not assessing utility bill late penalties.

Operating Expenses, Total Operating Expenses

Ms. Warner reported that this line item was higher than the prior month, but that the year to date was slightly higher than budgeted.

RESTRICTED ASSETS REPORT & INVESTMENT SCHEDULE

Ms. Warner reviewed the District's reserve account levels and investment schedule for the month of October.

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | DECEMBER 9, 2020**

Director Chadd recommended District staff discuss the impacts of COVID-19 on District financials, including, but not limited to, monthly utility bills and late penalty assessments.

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 9, 2020 as presented (Consent Calendar).

ADJOURNMENT

Director Chadd adjourned the December 9, 2020 Finance/Audit Committee Meeting at 1:23 PM.