



## **TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | FEBRUARY 10, 2021**

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### **DIRECTORS PRESENT VIA CONFERENCE CALL**

Director Don Chadd, Committee Chair  
Director Ed Mandich, 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**

Cindy Byerrum, Consultant Eide Bally

### **CALL MEETING TO ORDER**

Director Chadd called the February 10, 2021 Finance/Audit Committee Meeting to order at 1:03 P.M.

### **VISITOR PARTICIPATION**

No visitor participation was received.

### **ORAL COMMUNICATION**

No oral communication was received.

### **COMMITTEE MEMBER COMMENTS**

Director Chadd welcomed Director Mandich to the Finance Committee.

Director Mandich stated it was a pleasure to be back on the Committee.

### **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:**

Director Chadd and Mr. Perea 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.

**TRABUCO CANYON WATER DISTRICT  
FINANCE AUDIT COMMITTEE MEETING RECAP | FEBRUARY 10, 2021**

Director Chadd asked to remove the attendance for the Independent Special Districts of Orange County (ISDOC) meeting; Mr. Perea indicated that it would be amended as such.

Director Mandich suggested that all District Board members be sent the South Orange County Agencies Group meeting invite. Discussion occurred concerning Brown Act compliance on actionable groups and meetings.

**RECOMMENDED ACTION:**

The Committee recommended that the Directors' Fees and Expenses Report for January 2021, and the Tentative Future Meetings/Attendance Report be forwarded to the Board of Directors for ratification (Consent Calendar).

**ITEM 3: DISCUSSION CONCERNING DISTRICT CLASSIFICATION COMPENSATION REVIEW**

Mr. Paludi introduced this matter for Committee consideration, and he mentioned that this matter has been reviewed by the District Organization Ad Hoc Committee. Mr. Paludi provided a brief review of the Classification Compensation Review (salary survey) process to date as performed by Ralph Anderson & Associates (Consultant), and he highlighted the base criteria approved by the Ad Hoc Committee which was utilized to develop the proposed classification benchmarks. Discussion occurred concerning the salary survey results and associated fiscal impacts of the proposed adjustments to the District's salaries and benefits budget. Mr. Perea presented and reviewed a fiscal impact report prepared by District staff for Committee consideration. Mr. Paludi reported that the Consultant has identified certain classifications for new titles, and he recommended implementing the proposed changes. Mr. Paludi added that District staff recommends additional salary alignments for certain Water and Wastewater Operations classifications in addition to the benchmarked salary adjustments to preserve internal departmental equity based on the District's unique characteristics. Director Chadd recommended that District staff present this recommendation to the District Organization Ad Hoc Committee for additional review prior to the Regular Board Meeting.

**RECOMMENDED ACTION(S):**

The Committee recommended District staff to meet with the District Organization Ad Hoc Committee to review additional classification compensation information, and to forward the Classification Compensation Review Report completed by Ralph Anderson & Associates to the Board of Directors for their consideration (Action Calendar).

**ITEM 4: OTHER MATTERS**

Mr. Paludi indicated there were no other matters.

**RECOMMENDED ACTION:**

No action was taken.

**ITEM 5: FINANCIAL REPORT**

Mr. Paludi presented this matter for Committee review, and he provided a brief review of the financial impacts related to COVID-19.

Ms. Warner presented the preliminary unaudited financials for December 2020 for Committee consideration and reviewed the following items:

**TRABUCO CANYON WATER DISTRICT  
FINANCE AUDIT COMMITTEE MEETING RECAP | FEBRUARY 10, 2021**

***STATEMENT OF REVENUES AND EXPENSES***

***Operating Revenue, Residential Water Revenue***

Ms. Warner reported that this line item was lower than the prior month, but it was trending ten percent higher than anticipated year to date due to more customers working from home.

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

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

***Operating Expenses, Total Operating Expenses***

Ms. Warner reported that this line item was trending two-percent higher than anticipated due to operating expenses.

***RESTRICTED ASSETS REPORT & INVESTMENT SCHEDULE***

Ms. Warner highlighted the Local Agency Interest Fund (LAIF) rate of return on District investments.

Discussion occurred concerning the planned reinstatement of utility bill penalty payment assessments and a process for customer assistance for high past due balances.

**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 10, 2021 as presented (Consent Calendar).

**ADJOURNMENT**

Director Chadd adjourned the February 10, 2021 Finance/Audit Committee Meeting at 2:08 PM.