



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | JULY 14, 2021

DIRECTORS PRESENT

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

DIRECTORS PRESENT VIA CONFERENCE CALL

None

STAFF PRESENT

Michael Perea, Assistant General Manager
Lorrie Lausten, District Engineer
Karen Warner, Principal Accountant
Lisa Marie Sangi, Executive Assistant

CONSULTANTS

None

PUBLIC PRESENT VIA CONFERENCE CALL

None

CALL MEETING TO ORDER

Director Chadd called the July 14, 2021 Finance/Audit Committee Meeting to order at 1:00 p.m.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

There were no comments received.

REPORT FROM THE GENERAL MANAGER

Mr. Perea reported that Mr. Paludi was out of the office due to a scheduling conflict.

Mr. Perea reported that Mr. Brent Monson had passed his Water Treatment Operator 3 examination and Mr. Tony Quinonez had passed his Wastewater Treatment Operator 2 examination.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

Mr. Perea 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).

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

Mr. Perea presented the Directors' Fees and Expenses Report and Tentative Future Meetings/Attendance Report for Committee consideration and review.

RECOMMENDED ACTION:

The Committee recommended that the Directors' Fees and Expenses Report for May 2021 and the Tentative Future Meetings/Attendance Report be forwarded to the Board of Directors for consideration (Action Calendar).

ITEM 3: AMENDMENT NO. 1 TO GRANT ASSISTANCE SERVICES AGREEMENT WITH SOTO RESOURCES

Mr. Perea presented this matter for Committee consideration, and he reported that Soto Resources has been a great extension of the District's team in securing grant funding for District projects. Mr. Perea highlighted the Prop. 84 funding for the Shadow Rock Detention Basin Facility and Bureau of Reclamation AMR/AMI Metering System grant. Mr. Perea recommended the Board of Directors authorize the General Manager to execute the agreement amendment with Soto Resources.

RECOMMENDED ACTION:

Recommend the Board of Directors authorize the General Manager to execute Amendment No. 1 to Grant Assistance Services Agreement with Soto Resources for an amount not-to-exceed \$30,000 (Action Calendar).

ITEM 4: DISCUSSION CONCERNING ESTABLISHING DISTRICT APPROPRIATIONS LIMIT FOR FISCAL YEAR 2021/2022

Mr. Perea presented this matter for Committee consideration, and he reported that this was an annually recurring matter for the District. Mr. Perea reviewed the Board adopted Appropriations Policy and the Fiscal Year 2021/2022 Appropriations Memo prepared by legal counsel with the Committee. Mr. Perea recommended the Board of Directors establish the new appropriations limit by resolution.

RECOMMENDED ACTION(S):

Recommend the Board of Directors adopt Resolution No. 2021- 1295 Establishing an Appropriations Limit for Fiscal Year 2021-22. (Action Calendar)

ITEM 5: OTHER MATTERS

There were no other matters reported.

RECOMMENDED ACTION:

No action was taken.

ITEM 6: FINANCIAL REPORT

Ms. Warner presented the preliminary unaudited financials for May 2021 for Committee consideration and reviewed the following items:

STATEMENT OF REVENUES AND EXPENSES

Operating Revenue, Residential Water

Ms. Warner reported that this line item was slightly higher than the prior month due to increased water demand.

Operating Revenue, Irrigation Water

Ms. Warner reported that this line item was higher than the prior month due to increased irrigation water demand.

Operating Revenue, Baker Treatment Plant Water Sales

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Ms. Warner reported that this line item was higher than the prior month due to increased water sales to the City of San Clemente. Mr. Perea reminded the Committee that the District would be using its capacity in the Baker Treatment Plant for a two-month period beginning mid-June.

Operating Expenses, Total Operating Expenses

Ms. Warner reported that this line item was higher than the prior month, and she provided a brief overview of certain related operating expenses.

BALANCE SHEET - COMPARATIVE

Utility Plant, at Cost

Ms. Warner reported that this line item was higher than the prior month due to project costs associated with Ridgeline Booster Pump Station, pump replacement at El Toro Sewer Lift Station, and the District's proportional share of capital repairs in Santa Margarita Water District's Chiquita System.

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 14, 2021 as presented (Consent Calendar).

ADJOURNMENT

Director Chadd adjourned the July 14, 2021 Finance/Audit Committee Meeting at 1:12 p.m.