



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | SEPTEMBER 8, 2021

DIRECTORS PRESENT

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

STAFF PRESENT

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

PUBLIC PRESENT VIA CONFERENCE CALL

None

CALL MEETING TO ORDER

Director Chadd called the September 8, 2021 Finance/Audit Committee Meeting to order at 1:04 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 ASSISTANT GENERAL MANAGER

Mr. Perea reported on the following items:

- General Manager Mr. Paludi was out of the office due to his attendance at the Urban Water Institute Annual Conference.
- Municipal Water District of Orange County (MWDOC) Water Policy Forum and Dinner is scheduled for September 30, 2021.
- The District implemented the approved alternative work schedule (9/80) on August 30, 2021, and that the District's Administration Facility will be closed on Friday, September 10, 2021.

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:

The Committee 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 August 2021 and the Tentative Future Meetings/Attendance Report be forwarded to the Board of Directors for consideration (Action Calendar).

ITEM 3: DISCUSSION CONCERNING CONTRACTING WITH HIGHROAD IT FOR PROFESSIONAL INFORMATION TECHNOLOGY CONTRACT SERVICES

Mr. Perea presented this matter for Committee consideration, and he provided a brief overview of the recent challenges with the current information technology consultant. Mr. Perea reported that District staff issued a Request for Proposal (RFP) to five firms, including the current consultant, and he mentioned that three firms (3) expressed interest. Mr. Perea reported that only one firm, Highroad IT, submitted a proposal. Mr. Perea reviewed the feedback from the client reference check, and he recommended the Board of Directors authorize the General Manager to contract with Highroad IT for professional information technology services.

RECOMMENDED ACTION:

Committee recommends the Board of Directors authorize the General Manager to contract with Highroad IT for professional information technology contract services for a one-year period with standard annual costs not to exceed \$70,000 (Action Calendar).

ITEM 4: OTHER MATTERS

There were no other matters for discussion.

RECOMMENDED ACTION:

No action was taken.

ITEM 5: FINANCIAL REPORT

Ms. Warner presented the preliminary unaudited financials for July 2021, and she highlighted the following items:

Operating Revenue, Residential Water

Ms. Warner reported that water demand for the month was higher than the current year to date due to warmer temperatures.

Operating Revenue, Baker Treatment Plant Sales

Ms. Warner reported that the District did not receive any revenue from the sale of Baker Treatment Plant water from the City of San Clemente as the District utilized its capacity during the Dimension Water Treatment Plant (DWTP) Backwash Tank Replacement Project.

Operating Expenses, Source of Supply

Ms. Warner reported that this line item was higher than the current year to date due to warmer weather purchasing treated water from Santa Margarita Water District (SMWD) due to the DWTP Backwash Tank Replacement Project project.

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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 September 8, 2021 as presented (Consent Calendar).

ADJOURNMENT

Director Chadd adjourned the September 8, 2021 Finance/Audit Committee Meeting at 1:16 p.m.