



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | JUNE 8, 2022

DIRECTORS PRESENT

Ed Mandich, Committee Chair
Don Chadd, Committee Member Alternate

DIRECTORS PRESENT

Glenn Acosta, Committee Member

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager
Karen Warner, Principal Accountant

PUBLIC PRESENT

None

CALL MEETING TO ORDER

Director Mandich called the June 8, 2022 Finance/Audit Committee Meeting to order at 1:00p.m.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

Director Mandich reported the South Orange County Integrated Regional Watershed Management Area (SOCIRWM) has opened the application period for a second round of grant funding for local projects.

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported on the following matters:

- District staff plans to submit an application to the SOCIRWM Management Area second round of grant funding for a capacity expansion project for the Dove Creek/Tick Creek Dry Season Recovery Stations.
- General Counsel Ms. Claire Collins father has passed away, and District staff have sent condolences with a flower arrangement and note on behalf of the Board of Directors.
- District staff will poll the Board for scheduling a Special Board Meeting – Rate Study Workshop at the end of the month.

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(S)

Director Mandich and Mr. Perea approved the May 11, 2022 Finance/Audit Committee Meeting Recap(s) and recommend that the Board receive and file the same (Consent Calendar).

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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. Director Acosta confirmed certain meeting attendance updates to his schedule.

RECOMMENDED ACTION:

The Committee recommended that the Board ratify the Directors' fees and expenses for May 2022 and tentative future meetings/attendance as amended. (Action Calendar)

ITEM 3: DISCUSSION CONCERNING ESTABLISHING DISTRICT APPROPRIATIONS LIMIT FOR FISCAL YEAR 2022-2023

Mr. Paludi introduced this matter for Committee consideration, and he reported that this matter is presented for consideration annually. Mr. Perea provided a brief overview of the methodology for determining the annual appropriations limit, and he reviewed the memo prepared by District General Counsel which included the proposed limit amount. Mr. Perea recommended the Board adopt the proposed appropriations limit by resolution at the following Regular Board Meeting.

RECOMMENDED ACTION:

The Committee recommended the Board of Directors adopt Resolution No. 2022-1305 – Resolution of the Board of Directors of Trabuco Canyon Water District Establishing the Appropriations Limit Applicable to the District During Fiscal Year 2022/2023 (Action Calendar).

ITEM 4: DISCUSSION CONCERNING DISTRICT PROPOSED FISCAL YEAR 2022/2023 GENERAL FUND AND CAPITAL IMPROVEMENT PROJECT (CIP) BUDGET ASSUMPTIONS

Mr. Paludi provided a brief overview of the changes to the proposed Fiscal Year 2022/2023 budgetary assumptions, and he reviewed the proposed capital improvement project (CIP) budgets. Discussion occurred concerning the proposed Golf Club Sewer Lift Station improvement project and the AMR/AMI Implementation project. Mr. Paludi added that District staff may complete a mid-year budget review to address any budgetary concerns.

RECOMMENDED ACTION:

Committee received the information presented. No action was taken.

ITEM 5: OTHER MATTERS

Mr. Perea reported that District staff was conducting interviews for the open Customer Service Field Representative I position.

RECOMMENDED ACTION:

There was no action taken.

ITEM 6: FINANCIAL REPORT

Ms. Warner presented the preliminary unaudited financials for April 2022, and she highlighted the following items:

Operating Revenue, Residential Water

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

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Operating Revenue, Irrigation Water

Ms. Warner reported that this line item was lower than the prior month, but the year to date was significantly higher than budgeted due to increased demand.

Operating Revenue, Recycled & Reclaimed Water

Ms. Warner reported that water demand for the month was significantly higher than the prior month due to increased demand.

Operating Revenue, Baker Treatment Plant Sales

Ms. Warner reported that there was no revenue generated for the month due to the District using its supply from the Baker Water Treatment Plant due to ongoing repairs to the V.P. Baker Pipeline.

Ms. Warner reported that overall revenue and expenses are tracking lower than budgeted.

RECOMMENDED ACTION:

The Committee recommended the Board of Directors receive and file the preliminary unaudited financial statements for April 2022 (Consent Calendar).

The Committee signed the bills for consideration and the warrant register and recommended that the Board ratify payment of the bills for consideration for June 8, 2022 as presented (Consent Calendar).

ADJOURNMENT

Director Mandich adjourned the June 8, 2022 Finance/Audit Committee Meeting at 1:25 p.m.