



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | JUNE 8, 2023

DIRECTORS PRESENT

Don Chadd, Committee Chair
Glenn Acosta, Committee Member

STAFF PRESENT

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

CONSULTANTS PRESENT

Ian Berg, Eide Bailley

PUBLIC PRESENT

None

CALL MEETING TO ORDER

Director Chadd called the June 8, 2023 Finance/Audit Committee Meeting to order at 8:00 a.m.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

None

REPORT FROM THE GENERAL MANAGER

Mr. Perea reported on the following matters:

- Mr. Paludi was out of the office for the remainder of the week.
- Mr. Garrett Rias, Wastewater Operator I, has passed his Wastewater Treatment Operator Grade II examination. The Committee expressed their appreciation for Mr. Rias' hard work in passing the State 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.

MOTION: Approve the Finance/Audit Committee Meeting Recap and recommended that the Board receive and file the same as amended (Consent Calendar) – Director Acosta

SECOND: Director Chadd

AYES: Directors Acosta & Chadd

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | JUNE 8, 2023**

NOES: None
ABSTAIN: None
MOTION PASSED/FAILED: Passed 2-0

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.

MOTION: Recommend the Board of Directors ratify the Directors' fees and expenses for May 2023 and tentative future meetings/attendance (Action Calendar)– Director Acosta
SECOND: Director Chadd
AYES: Directors Acosta & Chadd
NOES: None
ABSTAIN: None
MOTION PASSED/FAILED: Passed 2-0

ITEM 3: TRABUCO CANYON WATER DISTRICT PROPOSED FISCAL YEAR 2023/24 BUDGET

Mr. Perea presented this matter for Committee consideration, and he introduced Mr. Berg to the Committee. Mr. Berg provided a handout which included updated budgetary considerations, including the impacts of actual costs for the month of May, which impacted the final proposed budgetary assumptions for Fiscal Year 2023-24. Mr. Perea reported that this information will be presented to the Board of Directors at the Regular Board Meeting.

MOTION: None – Informational item only.

ITEM 4: NOTICE OF DETERMINATION OF APPROPRIATIONS LIMIT FOR FISCAL YEAR 2023-24

Mr. Perea presented this matter for Committee consideration, and he reported this matter was reviewed annually in accordance with State law. Mr. Perea presented a memorandum prepared by general counsel which outlined the methodology for determining the proposed appropriations limit for Fiscal Year 2023-24, and he reviewed the proposed changes for Board adoption by resolution.

MOTION: The Committee recommended the Board of Directors adopt the proposed Appropriations Limit for Fiscal Year 2023-24 of \$3,912,103.63 by resolution (Action Calendar) – Director Acosta
SECOND: Director Chadd
AYES: Directors Acosta & Chadd
NOES: None
ABSTAIN: None
MOTION PASSED/FAILED: Passed 2-0

ITEM 5: OTHER MATTERS

Discussion occurred concerning a presentation delivered to the Engineering/Operational Committee by Hazen and Sawyer (Consultant), and that this presentation will be repeated for the Board of Directors at the Regular Board Meeting.

MOTION: None – Informational item only.

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | JUNE 8, 2023**

ITEM 6: FINANCIAL REPORT

Ms. Warner presented the preliminary unaudited financials for April 2023, and she highlighted the following items:

DISTRICT OPERATIONS UNAUDITED

Operating Revenue, Water Commodity Sales

Ms. Warner reported that this line item was trending lower than budgeted due to less water sales as a result of cooler weather conditions.

Operating Revenue, Baker Treatment Plant Water Sales

Ms. Warner reported that water demand for the month was trending significantly higher than budgeted due to more water sold to the City of San Clemente.

Operating Expense, Source of Supply

Ms. Warner reported that this line item was lower than budgeted for this time of the year due to less water purchases to date.

Operating Expense, Water Related Expenses

Ms. Warner reported that this line item was trending higher than budgeted for the year due to increased electrical and chemical costs for water treatment purposes.

Operating Expense, Sanitation Related Expenses

Ms. Warner reported that this line item was trending higher than budgeted for the year due to increased chemical repair costs and repairs/maintenance costs related to wastewater treatment.

Operating Expense, Recycled & Reclaimed Expenses

Ms. Warner reported that this line item was trending lower than budgeted for the year.

Total Operating Expenses

Ms. Warner reported that the District's Total Operating Expenses for the year were trending lower than budgeted.

DISTRICT CAPITAL FY 2022-23 (UNAUDITED)

Ms. Warner reviewed the capital expenditures to date by project and provided a brief overview of the costs for April 2023.

MOTION: Recommend the Board ratify payment of the bills for consideration for June 8, 2023, as presented (Action Calendar) – Director Acosta

SECOND: Director Chadd

AYES: Directors Acosta & Chadd

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 2-0

ADJOURNMENT

Director Chadd adjourned the June 8, 2023, Finance/Audit Committee Meeting at 8:23 a.m.