



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | JUNE 13, 2024

DIRECTORS PRESENT

Don Chadd, Committee Chair
Glenn Acosta, Committee Member

STAFF PRESENT

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

STAFF ABSENT

Lorrie Lausten, District Engineer
Phil Serpas, SCADA/CMMS Administrator

CONSULTANTS PRESENT

None

PUBLIC PRESENT

None

CALL MEETING TO ORDER

Director Chadd called the June 13, 2024 Finance/Audit Committee Meeting to order at 8:12 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. Paludi reported that all of the Capital One loan documents have been signed and that the loan should be closed by next week. Mr. Paludi added that once the transaction is complete, the District will pay off the existing short term loan with BMO and have funds available to expend on capital projects.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

Mr. Paludi 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 Chadd

SECOND: Director Acosta

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | JUNE 13, 2024**

AYES: Directors Chadd & Acosta
NOES: None
ABSTAIN: None
MOTION PASSED/FAILED: Passed 2-0

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.

MOTION: Recommend the Board of Directors ratify the Directors' fees and expenses for May 2024 and tentative future meetings/attendance (Action Calendar) – Director Chadd
SECOND: Director Acosta
AYES: Directors Chadd & Acosta
NOES: None
ABSTAIN: None
MOTION PASSED/FAILED: Passed 2-0

ITEM 3: AUTHORIZE ACTIONS FOR TRABUCO CANYON WATER DISTRICT'S FISCAL YEAR 2024-25 UNDEVELOPED LAND/WATER STANDBY CHARGES (ASSESSMENT) AND SET PUBLIC HEARING DATE

Mr. Paludi presented this matter for Committee consideration, and he provided a brief overview of this matter. Mr. Paludi reported that the District annually levies an Undeveloped Land/Water Standby Charge (Standby Charge) for undeveloped land within District boundaries, and the amount is currently set at \$15.00 per acre. Mr. Paludi noted that the amount has not changed in many years and will remain at \$15.00 per acre for the upcoming year. Mr. Paludi stated that staff is requesting the Committee's recommendation the Board of Directors to proceed with actions for setting the FY25-25 Standby Charge at \$15 per acre and to agendize a Public Hearing and furnish Notice of Public Hearing for the July 18, 2024 Regular Board Meeting.

MOTION: 1. Recommend the Board of Directors authorize District staff to proceed with actions for setting the Fiscal Year 2024-25 Undeveloped Land/Water Standby Assessment at \$15.00 per acre or portion thereof; and
2. Agendize Public Hearing and authorize District staff to furnish Notice of Public Hearing on Proposed Fiscal Year 2024-25 Undeveloped Land/Water Standby Assessments for the July 18, 2024 Regular Board Meeting. (Action Calendar) – Director Chadd
SECOND: Director Acosta
AYES: Directors Chadd & Acosta
NOES: None
ABSTAIN: None
MOTION PASSED/FAILED: Passed 2-0

ITEM 4: ADOPTION OF PROPOSED FISCAL YEAR 2024-25 GENERAL FUND AND CAPITAL IMPROVEMENT PROJECT (CIP) BUDGETS

Mr. Paludi presented this matter for Committee consideration, and he asked Ms. Warner to provide a brief update on this matter. Ms. Warner provided a draft copy of the District's FY 24-25 budget for the Committee's review. Ms. Warner reported on minor adjustments to the budget including the total compensation survey results as well as the decrease in noticed rates.

MOTION: None – Informational item only.

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | JUNE 13, 2024**

ITEM 5: OTHER MATTERS

Mr. Paludi reported that the proposed District's Rate Adjustment Notice was sent out to the entire Board of Directors and that the notice reflects all comments from Directors, and the notice will be included in the June utility bills for all District customers.

MOTION: None – Informational item only.

ITEM 6: FINANCIAL REPORT

Ms. Warner presented the preliminary unaudited financials for April 2024, and she highlighted the following items:

WATER FUND

Total Operating Revenue

Ms. Warner reported that this line item was trending as budgeted.

Total Source of Supply

Ms. Warner reported that this line item was trending lower than budgeted due to lower than normal water sales.

Total Salaries & Benefits

Ms. Warner reported that this line item was trending lower than budgeted due to salary savings from employees on paternity leave.

Total Transmission & Distribution

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

Total General & Administrative

Ms. Warner reported that this line item was trending higher than budgeted due to the timing of insurance payments and increased public outreach costs.

Net Total Unrestricted Cash Inflow/(Outflow)

Ms. Warner reported that this line item trended a positive increase of water reserves.

District Capital – Water

Ms. Warner reviewed the capital improvement costs accrued in April 2024, including costs associated with the PSPS Transfer Switch Upgrade, DWTP Vault Improvement, and Pressure Regulating Valves.

SEWER FUND

Total Operating Revenue

Ms. Warner reported that this line item was trending as budgeted.

Total Salaries & Benefits

Ms. Warner reported that this line item was trending lower than budgeted due to salary savings from employees on paternity leave.

Total Transmission & Distribution

Ms. Warner reported that this line item was trending higher than the year-to-date amount due to increased repairs and electrical costs.

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | JUNE 13, 2024**

Net Total Unrestricted Cash Inflow/(Outflow)

Ms. Warner reported that this line item trended a positive increase of sewer reserves.

District Capital – Sewer

Ms. Warner reviewed the capital improvement costs accrued in April 2024, including costs associated with the Golf Club SLS Bypass Construction, WWTP blower building rehabilitation, and WWTP fiber optic upgrade.

RECYCLED WATER FUND

Total Operating Revenue

Ms. Warner reported that this line item was trending lower than budgeted due to lower than normal recycled water sales.

Total Source of Supply

Ms. Warner reported that this line item was trending higher than budgeted due to increased treatment costs.

Total Salaries & Benefits

Ms. Warner reported that this line item was trending lower than budgeted due to salary savings from employees on paternity leave.

Total Transmission & Distribution

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

Total General & Administrative

Ms. Warner reported that this line item was trending higher than the year-to-date amount due to the timing of insurance payments and certification renewals and professional services costs associated with a project grant application.

Net Total Unrestricted Cash Inflow/(Outflow)

Ms. Warner reported that this line item trended a decrease in contribution to recycled water reserves.

District Capital – Recycled Water

Ms. Warner reviewed the capital improvement costs accrued in April 2024, including costs associated Dove Recycled Booster Pump Station improvements.

MOTION: Recommend the Board ratify payment of the bills for consideration for June 13, 2024, as presented (Action Calendar) – Director Chadd

SECOND: Director Acosta

AYES: Directors Chadd & Acosta

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 2-0

The Committee requested that moving forward the Other Matters agenda item be moved to the end of the agenda.

ADJOURNMENT

Director Chadd adjourned the June 13, 2024 Finance/Audit Committee Meeting at 8:27 a.m.