



**TRABUCO CANYON WATER DISTRICT**  
**FINANCE/AUDIT COMMITTEE MEETING RECAP | APRIL 10, 2025**

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**DIRECTORS PRESENT**

John Horst, Committee Chair  
Mike Safranski, Committee Member

**STAFF PRESENT**

Fernando Paludi, General Manager  
Michael Perea, Assistant General Manager  
Lorrie Lausten, District Engineer  
Karen Warner, Principal Accountant  
Roseann Lejsek, Executive Assistant  
Phil Serpas, SCADA/CMMS Administrator

**STAFF ABSENT**

None

**CONSULTANTS PRESENT**

Ian Berg, Starting Line Advisory

**PUBLIC PRESENT**

A member of the public joined virtually

**CALL MEETING TO ORDER**

Director Horst called the April 10, 2025 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. Paludi reported that the Board of Directors Special Meeting scheduled for 10:00 a.m. that morning would be cancelled due to a Board member's family emergency, and that he would consult with the Board President for clarity on rescheduling the meeting.

**ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP**

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Mr. Paludi presented the Finance/Audit Committee Meeting Recap for Committee review in accordance with the agenda. A brief discussion occurred concerning the comments made in Item 6 of the recap comparing TCWD's rates and charges with other agencies.

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**RECOMMENDATION:** The Committee recommended forwarding this matter to the Board of Directors (Consent Calendar).

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

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

**RECOMMENDATION:** Recommend the Board of Directors ratify the Directors' fees and expenses for March 2025 and tentative future meetings/attendance (Action Calendar).

**ITEM 3: FINANCIAL REPORT**

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Ms. Warner presented the preliminary unaudited financials for February 2025.

**FINANCIAL ANALYSIS SUMMARY**

Ms. Warner provided an overview of the report for the Committee. Discussion occurred concerning various bullet points in the summary report.

**CASH & INVESTMENTS REPORT (UNAUDITED)**

Ms. Warner provided an overview of the report for the Committee. Discussion occurred concerning the District's banking investment requirements and strategies.

**DISTRICT SUMMARY BUDGET v. ACTUAL**

Discussion occurred concerning Net Revenue/Expenses year to date.

**WATER FUND**

**Budget v. Actual**

Discussion occurred regarding Baker Treatment Plant Water Sales, and Board Conference, Trainings and Travel costs.

**District Capital – Water**

Discussion occurred regarding Unplanned Repairs/Expenses for Miscellaneous Electrical work – Water.

Discussion also occurred regarding adoption of a Capital Policy to address depreciation of assets.

**SEWER FUND**

**General and Administrative**

Discussion occurred regarding the District's Public Outreach costs.

**RECYCLED WATER FUND**

**General and Administrative**

Discussion occurred regarding the District's Public Outreach costs.

**RECOMMENDATION:** Recommend the Board of Directors receive and file this information (Action Calendar).

**ITEM 4: OTHER MATTERS**

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Director Horst reported that he met with the 59<sup>th</sup> State Assembly District Representative, Assemblyman Phillip Chen, regarding the State's budget process and a potential opportunity to request State funds for the District's

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capital infrastructure improvements, including the transmission main pipeline repair. Director Horst reported that although Assemblyman Chen does not represent the District's service area, he provided guidance on what steps the District would need to take in order to request State funds. Director Safranski recommended that any discussions should include the District's representative, Assemblywoman Kate Sanchez.

Discussion occurred regarding the District's investment in the Baker Water Treatment Plant, the purpose behind partnering in the joint project, and the District's agreement to sell water to the City of San Clemente. Discussion occurred regarding the District's rate of return, and Director Horst suggested that the District consider creative approaches on the District's investment, including, but not limited to, selling the capacity to another agency.

Discussion occurred regarding the District's process for evaluation of potential vendors, and the District's requirements under Department of Industrial Relations (DIR) rules and regulations for approved contractors/vendors.

**RECOMMENDATION:** None – Informational item only.

**ADJOURNMENT**

Director Horst adjourned the April 10, 2025 Finance/Audit Committee Meeting at 9:11 a.m.