



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING RECAP | MAY 8, 2025**

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 - Remotely
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

None

CALL MEETING TO ORDER

Director Horst called the May 8, 2025 Finance/Audit Committee Meeting to order at 8:05 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

None

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

Mr. Paludi presented the Finance/Audit Committee Meeting Recap for Committee review in accordance with the agenda.

RECOMMENDATION: The Committee recommended forwarding this matter to the Board of Directors (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.

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

ITEM 3: FINANCIAL REPORT

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

FINANCIAL ANALYSIS SUMMARY

Discussion occurred concerning various bullet points in the summary report, including a billing calculation error from Southern California Edison (SCE). Mr. Perea reported that District staff has worked with a new SCE representative to resolve the issue.

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 concerning System Repairs and Maintenance, and Interest Revenue – Restricted.

Discussion also occurred concerning the effects of debris flow from the Airport Fire to the District's groundwater supply.

SEWER FUND

Budget v. Actual

Discussion occurred concerning the District's Debt Proceeds for Capital.

RECYCLED WATER FUND

Budget v. Actual

Discussion occurred concerning Year to Date Net Total Unrestricted Cash Inflow Year to Date Actual, and the difference between the Recycled and Sewer funds.

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

ITEM 4: PROPOSED DRAFT TRABUCO CANYON WATER DISTRICT FISCAL YEAR (FY) 2026 OPERATING AND CAPITAL BUDGETS

Mr. Paludi presented this matter for Committee consideration. Mr. Berg presented the 10-Year Financial Plan, Draft FY 2026 Operating Budget Summary, and the proposed 10-Year Capital Improvement Program handout. Discussion occurred concerning the difference in rates between systems and rate increase options. The Committee requested that Mr. Berg bring multiple rate increase options to the full Board for consideration. Discussion also occurred concerning the proposed CIP budget, and Director Horst expressed his concerns with

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moving forward with the transmission main rehabilitation at this time. Director Safranski stated that the District is responsible for providing reliable water to its customers. Discussion occurred regarding the importance of water reliability in order to provide critical basic services to District customers. Discussion also occurred regarding various options for debt placement and reserve policy targets.

RECOMMENDATION: None – Informational item only.

ITEM 5: OTHER MATTERS

Mr. Perea reported that Wastewater Operations and Maintenance staff hosted a group of approximately 80 Boy Scouts and 25 parents on a tour of the District’s Wastewater Treatment Plant. Mr. Perea noted that the event was coordinated with the Municipal Water District of Orange County (MWDOC), and he added that MWDOC plans to attend the District’s next Regular Board Meeting to present a certificate of appreciation to staff for all their hard work putting on the event.

RECOMMENDATION: None – Informational item only.

ADJOURNMENT

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