



**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING RECAP | JANUARY 15, 2026**

---

**DIRECTORS PRESENT**

John Horst, Committee Chair  
Mike Safranski, Committee Member

**STAFF PRESENT**

Larry McKenney, General Manager  
Michael Perea, Assistant General Manager  
Karen Warner, Principal Accountant  
Roseann Lejsek, Executive Assistant

**STAFF ABSENT**

None

**CONSULTANTS PRESENT**

Ian Berg, Starting Line Advisory

**PUBLIC PRESENT**

None

**CALL MEETING TO ORDER**

Director Horst called the January 15, 2026 Finance/Audit Committee Meeting to order at 8:03 a.m.

**VISITOR PARTICIPATION**

No visitor participation was received.

**ORAL COMMUNICATION**

No oral communication was received.

**COMMITTEE MEMBER COMMENTS**

Director Safranski reported on his attendance at the City of Rancho Santa Margarita City Council Meeting. Director Safranski also encouraged staff to continue exploring opportunities to achieve energy savings.

Director Horst noted that he welcomes input and feedback from the District Treasurer and Principal Accountant on budget-related matters.

**REPORT FROM THE GENERAL MANAGER**

Mr. McKenney concurred with Director Horst's statements.

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

---

Mr. McKenney 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).

**TRABUCO CANYON WATER DISTRICT  
FINANCE AUDIT COMMITTEE MEETING RECAP | JANUARY 15, 2026**

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

---

Mr. McKenney 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 December 2025 and tentative future meetings/attendance (Action Calendar).

**ITEM 3: MID-YEAR OPERATING AND CAPITAL BUDGET DRAFT PROPOSAL**

---

Mr. McKenney presented this matter for Committee consideration. Mr. Berg delivered a PowerPoint presentation providing an overview of the proposed mid-year budget and financial plan. Discussion occurred regarding capital financing strategy, 2026 capital project financing plan, mid-year FY 2026 10-year CIP summary of changes, operating expense budget adjustments, and net income and bottom-line impacts.

**RECOMMENDATION:** Recommend the Board of Directors approve the FY 2026 Mid-Year Operating and Capital Budget Adjustments (Action Calendar).

**ITEM 4: DISCUSSION CONCERNING RESOLUTION ON TREASURER'S ANNUAL STATEMENT OF INVESTMENT POLICY**

---

Mr. McKenney presented this matter for Committee consideration, and he reported that the draft policy has no substantive changes from the previous year. Mr. Berg provided a high-level overview of the updates to the policy. Director Horst suggested that the redlined version of the document be provided when the matter is presented to the full Board for approval.

**RECOMMENDATION:** Recommend the Board of Directors adopt Resolution No. 2026-1363 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting An Investment Policy (Action Calendar).

**ITEM 5: FINANCIAL REPORT**

---

Mr. Berg and Ms. Warner presented the preliminary unaudited financials for November 2025.

**FINANCIAL ANALYSIS SUMMARY**

Discussion occurred regarding an increase to the District's cash position from the prior month.

**DISTRICT SUMMARY BUDGET v. ACTUAL**

Discussion occurred concerning total revenue, net income from operations and net change in unrestricted cash.

Discussion occurred regarding the District's use of capacity at the Baker Water Treatment Plant.

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

**ITEM 6: OTHER MATTERS**

---

Mr. Perea reported that the District has received grant proceeds in the amount of \$248k for the Server Upgrade project.

Director Horst requested that staff continue to pursue discussions with Irvine Ranch Water District (IRWD) concerning a Baker/Ridgeline agreement.

**TRABUCO CANYON WATER DISTRICT  
FINANCE AUDIT COMMITTEE MEETING RECAP | JANUARY 15, 2026**

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

**ADJOURNMENT**

Director Horst adjourned the January 15, 2026 Finance/Audit Committee Meeting at 8:54 a.m.