

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING RECAP  
JANUARY 4, 2012**

**DIRECTORS PRESENT**

Jim Haselton, Committee Chair  
Ed Mandich, Committee Alternate

**STAFF PRESENT**

Don Chadd, General Manager  
Hector Ruiz, District Engineer  
Teresa Teichman, District Secretary  
Michael Perea, Special Project Manager  
Karen Warner, Accounting Supervisor

**PUBLIC PRESENT**

No members of the public were present.

**CALL MEETING TO ORDER**

Committee Chair Haselton called the January 4, 2012 Finance/Audit Committee Meeting to order at 7:03 a.m.

**VISITOR PARTICIPATION**

Public comments were announced. No comments were received.

**ORAL COMMUNICATION**

Oral communication was announced. No comments were received.

**COMMITTEE MEMBER COMMENTS**

There were no committee member comments.

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**REPORT FROM THE GENERAL MANAGER**

Mr. Don Chadd, General Manager, advised he will be attending the MET/MWDOC Manager's meeting later today.

**FINANCIAL MATTERS**

**ITEM NO. 1) FINANCE/AUDIT COMMITTEE MEETING RECAP**

The December 7, 2011 Finance/Audit Committee Meeting Recap was presented to the Committee.

**Recommendation:** *The Committee recommended that the December 7, 2011 Finance/Audit Committee Meeting Recap be received and filed by the Board. (Consent Calendar).*

**ITEM NO. 2) RATIFICATION OF DIRECTORS' FEES AND EXPENSES  
AND FUTURE MEETINGS**

The Committee reviewed this matter.

**Recommendation:** *The Committee recommended that the Directors' expenses for November/December 2011 and fees for November/December 2011 be forwarded to the Board for ratification. (Consent Calendar.)*

**ITEM NO. 3) DISCUSSION RELATING TO FISCAL YEAR 2010/2011  
DRAFT AUDIT**

Mr. Chadd advised he received questions back from the audit firm of Leaf & Cole. Mr. Chadd advised once TCWD's Treasurer returns from vacation they will respond to the questions. Mr. Chadd stated the draft audit has not been received at this time, though he does anticipate bringing the audit to the board at the time of the February meeting.

**Recommendation:** *The committee received and filed the information. No action necessary.*

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**ITEM NO. 4) DISCUSSION RELATING TO BAKER REGIONAL WATER  
TREATMENT FACILITY FINANCING**

Mr. Chadd advised he anticipates meeting with staff of the Irvine Ranch Water District (IRWD) later this week.

**Recommendation:** *The committee received and filed the information.*

**ITEM NO. 5) DISCUSSION RELATING TO ADOPTION OF TREASURER'S  
ANNUAL STATEMENT OF INVESTMENT POLICY**

Mr. Chadd advised the committee this is an annual function. TCWD's Treasurer has reviewed the information and proposed Resolution.

**Recommendation:** *The committee recommended the information be forwarded to the Board (Action Calendar).*

**ITEM NO. 6) DISCUSSION RELATING TO ADJUSTMENT TO SEWER  
SERVICE FEES**

Mr. Chadd advised there is no new information to report. Mr. Chadd anticipates working with TCWD's Accountant and Treasurer and anticipates having further information in February.

**Recommendation:** *The committee received and filed the information.*

**ITEM NO. 7) OTHER MATTERS**

Mr. Chadd advised there are no other matters.

**ITEM NO. 8A) PRESENTATION OF OCTOBER 2011 UNAUDITED  
FINANCIAL STATEMENT**

Mr. Chadd presented the November 2011 unaudited financial information to the committee noting the new format which reflects a more contemporary style of reporting and alleviates redundancy of information.

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Mr. Chadd advised since Ms. Navaroli has taken over, she has brought in an assistant to work with the District Engineer in order to bringing information pertaining to TCWD's capital projects current and reflect more accurately on the books.

Mr. Chadd reviewed TCWD's non-operating revenues and broke down where the Water Reliability and Emergency Storage (WRES) fund fees are attributed. Mr. Chadd noted TCWD's operating expenses as compared to same month last year are higher. Mr. Chadd reviewed TCWD's operating expenses and noted the increased columns are water purchases and salary & benefits. Mr. Chadd reminded the committee of the water rate stabilization and sewer rate stabilization fund that the District formed in the early to mid 1990's and briefly discussed building up a reserve for potential sewage spill fines. Mr. Chadd reviewed the balance remaining in Reassessment District 5, noting this bond was defeased in 2011. Mr. Chadd reviewed TCWD's Debit Services A, B, and C. Mr. Chadd discussed restricted accounts and their allowable uses.

**Recommendation:** *The Committee recommended that the Board receive and file the November 30, 2011 preliminary unaudited financial statement, as presented. (Consent Calendar).*

**ITEM NO. 8B)      BILLS FOR CONSIDERATION**

The bills for consideration were presented.

**Recommendation:** *The Committee recommended that the Board ratify payment of December 20, 2011 bills for consideration in the amount of \$105,496.92, and the January 4, 2012 bills for consideration in the amount of \$223,731.56 and the December 2011 payroll in the amount of \$154,942.19 as presented. (Consent Calendar).*

**ADJOURNMENT**

Committee Chair Haselton adjourned the January 4, 2012 Finance/Audit Committee Meeting at 7:26 a.m.