

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING RECAP
MARCH 6, 2013**

DIRECTORS PRESENT

Stephen Dopudja, Committee Member
Ed Mandich, Committee Alternate Member

DIRECTORS ABSENT

Jim Haselton, Committee Chair

STAFF PRESENT

Hector Ruiz, General Manager
Michael Perea, District Secretary
Karen Warner, Accounting Supervisor

PUBLIC PRESENT

No members of the public were present.

CALL MEETING TO ORDER

Committee Member Dopudja called the March 6, 2013 Finance/Audit Committee Meeting to order at 7:02 A.M.

VISITOR PARTICIPATION

No comments were received.

ORAL COMMUNICATION

No comments were received.

COMMITTEE MEMBER COMMENTS

No comments were received.

REPORT FROM THE GENERAL MANAGER

The General Manager, Mr. Hector Ruiz commented that the February 6, 2013, Finance/Audit Committee Meeting was cancelled due to lack of quorum.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

The January 2, 2013, Finance/Audit Committee Meeting Recap was presented to the Committee.

RECOMMENDED ACTION

The Committee approved and recommended that the January 2, 2013, Finance/Audit Committee Meeting Recap be received and filed by the Board. (Consent Calendar).

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

The General Manager, Mr. Hector Ruiz provided a status update on the project. Committee Alternate Member Mandich requested that his schedule be modified, as he did not attend one of the scheduled meetings.

RECOMMENDED ACTION

The Committee recommended that the Directors' expenses and fees for February, 2013, and tentative future meetings be forwarded to the Board for ratification, as amended. (Consent Calendar).

ITEM 3: DISCUSSION REGARDING DISTRICT BANKING SERVICES

The General Manager, Mr. Hector Ruiz provided a status update on the project, and commented that the District's banking account setup is complete and that staff has placed an order for checks. Mr. Ruiz commented that staff is awaiting final account transition information from Bank of the West. Discussion occurred concerning the transition process from the District's current bank to Bank of the West.

RECOMMENDED ACTION

Received status update, no action taken.

ITEM 4: FINANCIAL SOFTWARE SYSTEM UPGRADE

The General Manager, Mr. Hector Ruiz provided a status update on the project, and commented that the project is currently on schedule for implementation of the Great Plains software. Mr. Ruiz commented that the District's Information Technology Consultant Synoptek, Inc. is working well with the project Consultant to effectively execute this project. Discussion occurred concerning project timeline and implementation.

RECOMMENDED ACTION

Received status update, no action taken.

ITEM 5: COUNTY OF ORANGE PAVEMENT REHABILITATION IN SANTIAGO CANYON ESTATES – PROPOSED COUNTY OF ORANGE AGREEMENT D12-092 FOR VALVE AND MANHOLE COVER ADJUSTMENTS

The General Manager, Mr. Hector Ruiz presented this matter to the Committee and commented that this matter is not a budgeted item. Mr. Ruiz commented that the County of Orange (County) is preparing a Capital Improvement Project to address drainage issues and pavement rehabilitation in the Santiago Canyon Estates development. Mr. Ruiz commented that the District is financially responsible for the valve and manhole cover adjustments in the affected area, and that the County requires a deposit for the proposed work through an agreement with the County. Mr. Ruiz commented that District staff is working with the County to draft an agreement for the proposed work, which includes

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the District's costs for the adjustments. A copy of the Draft Agreement was presented to the Committee by Mr. Ruiz. Discussion occurred concerning the proposed costs for the adjustment of the valves and manhole covers, and the possibility of budgeting for these types of County projects. Mr. Ruiz commented that recent bid costs provided by the City of Rancho Santa Margarita were used for the Draft Agreement budgetary costs. Mr. Ruiz mention that the County would like to finalize the Agreement this week, and that it can be brought to the March Regular Board Meeting for action.

RECOMMENDED ACTION

The Committee directed staff to work with the County of Orange to finalize a DRAFT Agreement for the proposed work and bring to the Board at the next Regular Board Meeting (Action Calendar).

ITEM 6: OTHER MATTERS

The General Manager, Mr. Hector Ruiz commented on the following matters:

1. The South County Water Agency Manager Meeting is scheduled to review the Municipal Water District of Orange County (MWDOC) DRAFT Budget for Fiscal Year 2014/13. Discussion occurred concerning MWDOC budget review, member agency comment period, and approval timeline.
2. Staff will meet with the District Treasurer Cindy Byerrum to review preliminary information in preparation for District Fiscal Year 2014/13 Budget development.
3. Staff is preparing the new Engineer position job description and recruitment flyer for public announcement.

RECOMMENDED ACTION

No action taken.

ITEM 7: FINANCIAL REPORT

ITEM 7A: PRESENTATION OF JANUARY 2013 UNAUDITED FINANCIAL STATEMENT

The General Manager, Mr. Hector Ruiz presented the unaudited financial statement for January, 2013.

RECOMMENDED ACTION

The Committee recommended that the Board receive and file the January, 2013, preliminary unaudited financial statement, as presented (Consent Calendar).

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ITEM 7B: BILLS FOR CONSIDERATION

The General Manager, Mr. Hector Ruiz presented the bills for consideration.

RECOMMENDED ACTION

The Committee recommended that the Board ratify payment of bills for consideration for March 6, 2013, as presented (Consent Calendar).

ADJOURNMENT

Committee Member Dopudja adjourned the March 6, 2013 Finance/Audit Committee Meeting at 7:27 A.M.