

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING RECAP
JUNE 5, 2013**

DIRECTORS PRESENT

Jim Haselton, Committee Chair
Stephen Dopudja, Committee Member

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 Chair Haselton called the June 5, 2013 Finance/Audit Committee Meeting to order at 7:01 A.M.

VISITOR PARTICIPATION

No comments were received.

ORAL COMMUNICATION

No comments were received.

COMMITTEE MEMBER COMMENTS

Director Haselton commended staff on the quality of the presentation of the proposed District Budget information at the June 4, 2013, Special Board Workshop, and expressed his confidence in staff's work and documentation of financial matters.

REPORT FROM THE GENERAL MANAGER

The General Manager, Mr. Hector Ruiz had no comments.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

The May 1, 2013, Finance/Audit Committee Meeting Recap was presented to the Committee.

RECOMMENDED ACTION

The Committee approved and recommended that the May 1, 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 Committee reviewed the information presented. Committee Member Dopudja commented on his schedule concerning two meetings which he attended in May, and that he will contact the District Secretary, Mr. Michael Perea to advise of the schedule adjustments.

RECOMMENDED ACTION

The Committee recommended that the Directors' expenses and fees for May, 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 transition to the Bank of the West has been completed. Mr. Ruiz added that the District's general banking account was closed on Friday, May 31, 2013, but that the State Revolving Fund account is still open, and the transfer of this account will occur over the coming months. Mr. Ruiz commented that this will be the last recurring staff report at the Finance/Audit Committee on this matter. Mr. Ruiz commented that he spoke with the District account manager at Cal Bank and Trust, and submitted a letter to the bank Vice President concerning the closure of the account. Discussion occurred concerning the quality and level of service with Bank of the West, and current account balances.

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 on schedule for completion by July 1, 2013. Mr. Ruiz commented that staff will undergo additional training during the following weeks on the use of the new software and new system setup. The Accounting Supervisor, Ms. Karen Warner commented that the software training has been successful thus far, and the system is very user-friendly and requires fewer steps to complete her financial reports. Mr. Ruiz added that there will be one more recurring staff report on this matter at the next scheduled Committee Meeting, and then the matter will be closed. Discussion occurred concerning financial system and information migration and transition.

RECOMMENDED ACTION

Received status update, no action taken.

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ITEM 5: FISCAL YEAR 2103/2014 BUDGET DEVELOPMENT PROCESS AND REVIEW

The General Manager, Mr. Hector Ruiz commented that the District's Rules and Regulations require that staff present the proposed fiscal year budgets to the Financial/Audit Committee for review. Mr. Ruiz presented the Committee with a handout showing the format for the major items of the upcoming fiscal year budget line items. Director Dopudja commented on a matter concerning the Capital Improvement Program proposed budget. Discussion occurred concerning current staffing levels, and the possible addition of a permanent or temporary employee to complete specific work.

RECOMMENDED ACTION

The Committee received the staff report and supplemental Fiscal Year 2013/2014 Budget information, and recommended that staff agendize the proposed Fiscal Year 2013/2014 General Budget and Capital Improvement Program Budget for consideration at the June 19, 2013, Regular Board Meeting.

ITEM 6: OTHER MATTERS

The General Manager, Mr. Hector Ruiz commented that there were no other matters for discussion.

RECOMMENDED ACTION

No action taken.

ITEM 7: FINANCIAL REPORT

ITEM 7A: PRESENTATION OF APRIL, 2013 UNAUDITED FINANCIAL STATEMENT

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

RECOMMENDED ACTION

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

ITEM 7B: BILLS FOR CONSIDERATION

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

RECOMMENDED ACTION

The Committee signed the bills for consideration and the warrant register and recommended that the Board ratify payment of bills for consideration for June 5, 2013, as presented (Consent Calendar).

ADJOURNMENT

Committee Chair Haselton adjourned the June 5, 2013 Finance/Audit Committee Meeting at 7:32 A.M.