

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING RECAP
OCTOBER 3, 2012**

DIRECTORS PRESENT

Jim Haselton, Committee Chair
Stephen Dopudja, Committee Member Alternate

STAFF PRESENT

Don Chadd, General Manager
Hector Ruiz, Assistant General Manager/District Engineer
Michael Perea, District Secretary/Administrative Services Manager
Karen Warner, Accounting Supervisor
Cindy Navaroli, District Treasurer

PUBLIC PRESENT

No members of the public were present.

CALL MEETING TO ORDER

Committee Chair Haselton called the October 3, 2012 Finance/Audit Committee Meeting to order at 7:03 a.m.

VISITOR PARTICIPATION

No comments were received.

ORAL COMMUNICATION

No comments were received.

COMMITTEE MEMBER COMMENTS

There were no Committee Member comments.

REPORT FROM THE GENERAL MANAGER

There were no General Manager comments.

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FINANCIAL MATTERS

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

The September 5, 2012 Finance/Audit Committee Meeting Recap was presented to the Committee.

Recommendation:

The Committee approved and recommended that the September 5, 2012, Finance/Audit Committee Meeting Recap be received and filed by the Board. (Consent Calendar).

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

The Committee reviewed the information presented. Director Haselton commented that there was a correction to his attendance scheduled for the month of September, and requested the correction prior to sending to the Board for approval.

Recommendation:

The Committee recommended that the Directors' expenses and fees for September 2012, and tentative future meetings be forwarded to the Board for ratification, as corrected. (Consent Calendar).

ITEM 3: DISCUSSION AND POSSIBLE ACTION REGARDING ARBITRAGE REBATE CALCULATION (SERIES A & B)

The General Manager, Don Chadd commented that this matter is required by the bond covenant, and is reviewed on an annual basis. The Arbitrage Rebate Calculation for Bond Series A and B was presented to the Committee for review.

Recommendation:

The Committee recommended that the information be forwarded to the Board (Consent Calendar).

ITEM 4: DISCUSSION AND POSSIBLE ACTION REGARDING DISTRICT BANKING SERVICES

The General Manager, Don Chadd commented that staff have discussed with the District Treasurer, Cindy Navaroli the District's current banking services and the level of service. Discussion occurred concerning the quality of service from the District's current bank and the impact of fee schedule increases. Mr. Chadd commented that staff will gather more information concerning this matter and bring back to the Committee.

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Recommendation:

The Committee recommended that staff gather more information concerning this matter and bring back to the Committee.

ITEM 5: STATUS UPDATE REGARDING FISCAL YEAR 2012/2013 AUDIT OF DISTRICT FINANCES

The General Manager, Don Chadd introduced the District Treasurer, Cindy Navaroli to the Committee, and handed the matter over to her for discussion. Ms. Navaroli reviewed the draft Fiscal Year Audit and commented on the following items:

- For the Fiscal Year, the District experienced a lower level of revenues, but the same level of expenditures.
- Discussion occurred concerning Restricted Fund Categories.
- Discussion occurred concerning receipt of funds, accruals, and the District's accounting reporting and fiscal strategies.
- Discussion occurred concerning Ad Valorem Property Tax Fees.

Recommendation:

The Committee received the draft Fiscal Year Audit of District Finances, and recommended that the information be forwarded to the Board (Action Calendar).

ITEM 6: OTHER MATTERS

The General Manager, Don Chadd commented that there were no other matters for discussion.

Recommendation:

No recommendation was made.

ITEM 7: FINANCIAL REPORT

ITEM 7A: PRESENTATION OF JULY 2012 UNAUDITED FINANCIAL STATEMENT

The General Manager, Don Chadd presented the August 2012 preliminary unaudited financial statements to Staff and the Committee. Discussion occurred concerning check signatures.

Recommendation:

The Committee recommended that the Board receive and file the August 2012 preliminary unaudited financial statement, as presented. (Consent Calendar)

ITEM 7B: BILLS FOR CONSIDERATION

The Bills for Consideration for October 3, 2012, were presented to the Committee.

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Recommendation:

The Committee recommended that the Board ratify payment of bills for consideration for October 3, 2012, as presented. (Consent Calendar).

ADJOURNMENT

Committee Chair Haselton adjourned the October 3, 2012 Finance/Audit Committee Meeting at 7:47 a.m.