

**MINUTES OF REGULAR MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY**

Finance Committee

January 20, 2026

Approved

The Regular Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee was held on January 20, 2026, at 10:30 a.m. in-person and via teleconference from the Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Finance Committee were present:

GAVIN CURRAN	City of Laguna Beach	Alternate Director
DENNIS CAFFERTY	El Toro Water District	Alternate Director
ERICA CASTILLO	South Coast Water District	Alternate Director
PAUL PENDER	Santa Margarita Water District	Alternate Director

Staff Participation:

AMBER BOONE	General Manager
JIM BURROR	Deputy GM/Chief Engineer
JACK BECK	Accountant
ANNA SUTHERLAND	Staff Accountant
RONI GRANT	Capital Improvement Program Manager
MATT CLARKE	Chief Technology Officer
LYNDA MAY	Administrative Assistant/ Assistant Secretary
DINA ASH	Human Resources Administrator

Also Participating:

KATHRYN FRESHLEY	El Toro Water District
SANDER HUANG	South Coast Water District
KELSEY DECASAS	Moulton Niguel Water District
MATT COLLINGS	Moulton Niguel Water District

1. Call Meeting to Order

Chairperson Paul Pender called the meeting to order at 10:34 a.m.

2. Public Comments

None.

3. Approval of Committee Member Request for Remote Participation (Standing Item)

None.

4. Approval of Minutes

- Finance Committee Meeting of November 18, 2025.

ACTION TAKEN

A motion was made by Director Castillo and seconded by Director Pender to approve the Minutes for November 18, 2025, as submitted.

Motion carried:	Aye 3, Nay 0, Abstained 1, Absent 0
	Director Curran Aye
	Director Cafferty Abstained
	Director Pender Aye
	Director Castillo Aye

5. Annual Financial Audit and Annual Use Audit

An open discussion ensued starting with Director Castillo suggesting the inclusion of the MD&A (Management Discussion and Analysis) for the next year, and for the auditors to give a brief presentation to clear up any material weakness and control deficiencies. Ms. Boone briefed on the late timing of the board's approval partially being due to mid-year adjustments for reorganization. Director Curran advised on having proper internal authority to make urgent changes like this, followed by a prompt explanation to the Board for approval going forward. Ms. Decasas from Moulton Niguel Water District offered comments on the Use Audit. Director Cafferty and Director Castillo discussed the need to break down the Care-of allocations. Ms. Boone stated the items discussed will be brought back with a presentation from the auditors.

6. Internal Controls Review

An open discussion ensued on the items identified for improvement by the auditors, and parts of the upcoming financial manual that will help identify these issues. Director Castillo requested an explanation on the third item, regarding the addition of labor accruals to the depreciation schedule. Ms. Boone explained that it was a practice being done by Finance without documentation or communication, so they immediately added it as part of the documented capital close out procedure.

7. SOCWA Financial Manual Draft Outline

An open discussion ensued on the content of the outline, with a suggestion by Director Cafferty to add internal controls. Ms. Boone reported that internal controls can be included, and that this item will be brought back to the committee for further review.

8. Other Post-Employment Benefits (OPEB) Trust Account Annual Review

A brief discussion ensued with Ms. Boone suggesting having another actuarial for the next year, even though the requirement is every two years to help inform some future liabilities stemming from Moulton Niguel's exit. This item's action was tabled for the next meeting due to the committee requesting a presentation on the PARS report.

9. PC 15 Special Fund Discussion

A brief discussion ensued on options for retaining the funds from the Moulton Niguel Water District's asset transfer. Director Castillo noted that the timing of spending is important in the decision. Director Curran offered to send a list of investors from the City of Laguna Beach.

10. Engineering Capital Overrun Procedure Draft

An open discussion ensued on procedures including thresholds for estimates deviating during a project. Director Pender and Director Cafferty suggested the threshold should trigger a review with the Engineering Committee, instead of the Finance Committee, followed by an approval by the board since the Finance Committee wouldn't have a lot of input on a project's engineering decisions, unless it is significant enough to affect the billing cycle.

11. Cost Allocation Policy

An open discussion ensued on the latest draft of the Cost Allocation Policy. Ms. Boone updated the committee on the status including the agency working with the engineering committee on their percentage allocations and feedback from the auditors on revising the policy for any procedural handling of balance sheet items.

12. Budget vs. Actuals for Q2, FY 25-26

A discussion opened on the Budget vs. Actuals ending December 2025 and the need for a standard business practice for closing books including a pattern analysis for recurring vendors, which will be brought back to the next Finance Committee meeting. Director Pender and Director Castillo provided input on their practices.

13. FY 26-27 Budget Schedule

Ms. Boone briefed on the budget schedule, noting they will likely have a draft budget ready for the committee in February, thus accelerating the previously distributed budget schedule.

14. FY 26-27 Budget Assumptions

An open discussion ensued on the budget assumptions and what will be included in the upcoming draft budget. Director Pender requested the first draft contain all of the assumptions.

15. FY 26-27 Flows vs. Capacity Discussion

An open discussion ensued beginning with the use of agreed-upon capacity for efficiency. Director Curran suggested to consider trends over multiple years rather than one year to understand consistent issues which will be brought back to the next Financial Committee meeting.

16. Adjournment

There being no further business, Chairperson Pender adjourned the meeting at 12:00 p.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Special Meeting of the South Orange County Wastewater Authority Finance Committee of November 18, 2025, and approved by the Finance Committee and received and filed by the Board of Directors of the South Orange County Wastewater Authority.



Lynda May/ Assistant Secretary
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY