



FINANCE/AUDIT COMMITTEE MEETING AGENDA
TRABUCO CANYON WATER DISTRICT
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA
ADMINISTRATION FACILITY BOARDROOM – MAY 12, 2021 AT 4:00 PM

COMMITTEE MEMBERS

Don Chadd, Committee Chair
Edward Mandich, Committee Member

DISTRICT STAFF

Fernando Paludi, General Manager
Michael Perea, District Secretary
Cindy Byerrum, District Treasurer
Karen Warner, Principal Accountant

AGENDA NOTE:

*Due to the spread of COVID-19 and as authorized by the Governor's Executive Order, Trabuco Canyon Water District will be holding this Finance/Audit Committee Meeting by video broadcast (**Zoom**), and will be available by either video conference or telephone audio as follows:*

Video Conferencing: You can join the meeting from your computer, tablet, or smartphone by clicking on the following link: <https://zoom.us/j/96930019067>

Telephone Audio: 1 (669) 900-6833
Access Code: 969-3001-9067

Persons desiring to monitor the Committee meeting agenda items may download the agenda and documents on the internet at www.tcwd.ca.gov.

You may submit public comments by email to the Committee at mperea@tcwd.ca.gov. In order to be part of the record, emailed comments on meeting agenda items must be received by the District, at the referenced e-mail address, not later than 12:00 p.m. (PDT) on the day of the meeting.

CALL MEETING TO ORDER

VISITOR PARTICIPATION

Members of the public wishing to address the Committee regarding a particular item on the agenda are requested to complete a speaker card and submit it to staff. The Committee Chair will call on the visitor following the Committee's discussion about the matter. Committees do not constitute a quorum of the Board of Directors and Committee Members cannot make decisions on matters. The Committee makes recommendations only to the Board of Directors. Members of the public will be given the opportunity to speak to the Committee prior to making a recommendation on the matter. For persons desiring to make verbal comments and utilizing a translator to present their comments into English reasonable time accommodations, consistent with State law, shall be provided. Please limit comments to three minutes.

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING AGENDA MAY 12, 2021**

ORAL COMMUNICATION

Members of the public who wish to make comment on matters not appearing on the agenda are invited to identify themselves and encouraged to make comment at this time. The Committee Chair will call on the visitor following the Committee's discussion about the matter. Committees do not constitute a quorum of the Board of Directors and Committee Members cannot make decision on matters. The Committee makes recommendations only to the Board of Directors. Under the requirements of State Law, Committee Members cannot take action on items not identified on the agenda and will not make decisions on such matters. The Committee Chair may direct District Staff to follow up on issues as may be deemed appropriate. For persons desiring to make verbal comments and utilizing a translator to present their comments into English reasonable time accommodations, consistent with State law, shall be provided. Please limit comments to three minutes.

COMMITTEE MEMBER COMMENTS

REPORT FROM THE GENERAL MANAGER

FINANCIAL MATTERS

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

RECOMMENDED ACTION:

Approve the following Finance/Audit Committee Meeting Recap(s) and recommend that the Board receive and file the same. (Consent Calendar):

1. April 14, 2021

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

RECOMMENDED ACTION:

Recommend the Board of Directors ratify the Directors' fees and expenses for March 2021 and April 2021 and tentative future meetings/attendance. (Consent Calendar)

ITEM 3: OTHER MATTERS

RECOMMENDED ACTION:

Hear Other Matters from the General Manager or District Staff.

ITEM 4: FINANCIAL REPORT

A) PRESENTATION OF UNAUDITED FINANCIAL STATEMENTS

RECOMMENDED ACTION:

Recommend that the Board receive and file the preliminary unaudited financial statements March 2021 (Consent Calendar).

B) BILLS FOR CONSIDERATION

RECOMMENDED ACTION:

Approve and ratify the bills for consideration and warrant register and recommend that the Board ratify payment of the Bills for Consideration for May 12, 2021 as presented. (Consent Calendar).

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING AGENDA MAY 12, 2021**

ADJOURNMENT

AVAILABILITY OF AGENDA MATERIALS

*Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Trabuco Canyon Water District Finance/Audit Committee in connection with a matter subject to discussion or consideration at an open meeting of the Finance/Audit Committee are available for public inspection at the Trabuco Canyon Water District Administrative Facility, 32003 Dove Canyon Drive, Trabuco Canyon, California (District Administrative Facility) or will be posted online on the District's website located at **www.tcwd.ca.gov**. If such writings are distributed to members of the Committee less than 72 hours prior to the meeting, they will be available online at **www.tcwd.ca.gov** at the same time as they are distributed to the Committee, except that, if such writings are distributed immediately prior to or during the meeting, they will be posted online on the District's website located at **www.tcwd.ca.gov**.*

COMPLIANCE WITH THE REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE SECTION 54954.2

In compliance with California law and the Americans with Disabilities Act, if you need special disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, or if you need the agenda provided in an alternative format, please contact the District Secretary at (949) 858-0277, at least 48 hours in advance of the scheduled Board meeting. Notification at least 48 hours prior to the meeting will assist the District in making reasonable arrangements to accommodate your request. The Board Meeting Room is wheelchair accessible.

The District may conduct future meetings electronically (via teleconferencing) during the current ongoing emergency situation.

TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | MAY 12, 2021

FINANCIAL MATTERS

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

RECOMMENDED ACTION:

Approve the following Finance/Audit Committee Meeting Recap(s) and recommend that the Board receive and file the same. (Consent Calendar):

1. April 14, 2021

CONTACTS (staff responsible): PALUDI/PEREA



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | APRIL 14, 2021

DIRECTORS PRESENT VIA CONFERENCE CALL

Director Don Chadd, Committee Chair
Director Ed Mandich, Committee Member

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager/Board Secretary
Lorrie Lausten, District Engineer
Jason Stroud, Maintenance Superintendent
Karen Warner, Principal Accountant
Lisa Marie Sangi, Executive Assistant

PUBLIC PRESENT VIA CONFERENCE CALL

Cindy Byerrum, District Treasurer (Eide Bally LLP)

CALL MEETING TO ORDER

Director Chadd called the April 14, 2021 Finance/Audit Committee Meeting to order at 1:05 P.M.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

There were no comments received.

REPORT FROM THE GENERAL MANAGER

There were no comments received.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

Mr. Paludi presented the Finance/Audit Committee Meeting Recap for Committee review in accordance with the agenda.

RECOMMENDED ACTION:

The Committee recommended that the Finance/Audit Committee Meeting Recap be forwarded to the Board of Directors for approval (Consent Calendar).

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

Mr. Paludi presented the Directors' Fees and Expenses Report and Tentative Future Meetings/Attendance Report for Committee consideration and review. Director Mandich asked staff to update the meeting calendar to include the South Orange County Integrated Regional Watershed Management Executive Committee meeting on the report.

TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | APRIL 14, 2021

RECOMMENDED ACTION:

The Committee recommended that the Directors' Fees and Expenses Report for March 2021, and the Tentative Future Meetings/Attendance Report be forwarded to the Board of Directors for ratification (Consent Calendar).

ITEM 3: DISCUSSION AND POSSIBLE ACTION CONCERNING INDEPENDENT AUDITING SERVICES FOR TRABUCO CANYON WATER DISTRICT

Mr. Paludi introduced this matter for Committee consideration, and he reported that Ms. Byerrum requested proposals from six accounting firms in February 2021. Ms. Byerrum reported that four firms responded to the RFP, and she provided a brief overview of the proposals. Ms. Byerrum recommended Nigro & Nigro LLP for the District's independent auditing services based on the proposed lower cost of services for three consecutive fiscal years. Discussion occurred concerning the qualifications of each firm and reasons why the District's independent auditor did not submit a proposal for consideration; Ms. Byerrum commented that Nigro & Nigro's pricing was very competitive and may have contributed to their decision to not provide a proposal.

RECOMMENDED ACTION(S):

The Committee recommended that the Board of Directors authorize the General Manager to execute a contract for independent auditing services for Trabuco Canyon Water District, Trabuco Canyon Improvement Corporation, and Trabuco Canyon Public Financing Authority, with Nigro & Nigro LLP for a three-year period and not-to-exceed amount of \$61,500 (Action Calendar).

ITEM 4: DISCUSSION AND POSSIBLE ACTION TO ADOPT AN "OPPOSE" POSITION ON AB 1434 (FRIEDMANN) - INDOOR RESIDENTIAL WATER USE STANDARDS

Mr. Paludi presented this matter for Committee review, and he provided a brief overview of Assembly Bill (AB) 1434 as presented by Assemblymember Laura Friedman (D, Glendale). Mr. Paludi reported that this proposed legislation is opposed by the Association of California Water Agencies (ACWA) and a majority of the member water agencies. Mr. Paludi commented on the current adopted State conservation framework, including indoor and outdoor standards, and he mentioned that AB 1434, if adopted, would lower the standard from the planned 50 gallons per capita per day (GPCD) to 40 GPCD. Mr. Paludi recommended the Board adopt an "Oppose" position on this proposed legislation and author a letter indicating such.

RECOMMENDED ACTION:

The Committee recommended the Board of Directors adopt an "OPPOSE" position on AB 1434 [Friedman] (Action Calendar).

ITEM 5: DISCUSSION AND POSSIBLE ACTION TO PURCHASE TWO VEHICLES FOR TRABUCO CANYON WATER DISTRICT'S FIELD VEHICLE FLEET

Mr. Paludi introduces this item for Committee review, and he provided a brief overview of District Operation's Field Vehicle Fleet needs due to the recent disposal of surplus equipment that had reached their end of life. Mr. Stroud reported a shortage of two fleet vehicles in the Operations department, and he presented quotes for two new trucks for Committee review and consideration. Discussion occurred concerning the global market impacts on vehicle manufacturing and availability. Mr. Stroud recommended the Board of Directors authorize the General Manager to purchase the two vehicles for the District's Field Vehicle Fleet.

RECOMMENDED ACTION(S):

The Committee recommended that the Board of Directors authorize the General Manager to purchase two District fleet vehicles for a total amount not-to-exceed \$80,000 (Action Calendar).

TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | APRIL 14, 2021

ITEM 6: DISCUSSION AND POSSIBLE ACTION CONCERNING CUSTOMER BILLING AND UNPAID BALANCES

Mr. Paludi introduced this matter for Committee consideration, and he reported on the overall financial impacts of COVID-19 to the District, including the Governor's Executive Order prohibiting water service shut-offs due to non-payment. Mr. Paludi reported that the District has voluntarily suspended past due charges since the beginning of the pandemic, but that the District's internal data does not indicate that unpaid balances are driven by pandemic impacts. Ms. Warner provided a review of the average number of past due accounts during and pre-pandemic, and she reported that there was no significant increase. Mr. Paludi added that District staff propose offering extended payment plan options to these customers in order to minimize the overall impact of past due balances. The Committee recommended forwarding this matter to the Board for further discussion and consideration.

RECOMMENDED ACTION(S):

The Committee recommended forwarding this matter for Board consideration and review (Action Calendar).

ITEM 7: DISCUSSION AND POSSIBLE ACTION CONCERNING ESTABLISHING A SECTION 115 PENSION TRUST

Ms. Byerrum presented this matter for Committee review, and she provided a brief review of the financial benefits establishing a Section 115 Pension Trust. Ms. Byerrum mentioned that this type of Trust is similar to the existing Other Post-Employment Benefits (OPEB) Trust the District set up with California Public Employees Retirement System (CalPERS) California Employers' Retiree Benefit Trust (CERBT) in 2013. Mr. Paludi reported that District staff and Ms. Byerrum interviewed potential fund managers, including Public Agency Retirement Service (PARS) and CalPERS. Ms. Byerrum recommended the Board adopt a Pension Trust Funding Policy and establish a Pension Trust to reserve funds to absorb potential future pension costs associated with market volatility. Discussion occurred concerning financial security and overall risks associated with Pension Trusts. Mr. Paludi added that District staff will bring more information to the following Committee Meeting for review and consideration.

RECOMMENDED ACTION(S):

The Committee received the information. No action was taken.

ITEM 8: DISCUSSION AND POSSIBLE ACTION CONCERNING SANTIAGO AQUEDUCT COMMISSION PROPOSED FISCAL YEARS 2021-22 AND 2022-23 O&M AND CAPITAL PROJECT BUDGET

Mr. Paludi introduced this matter for Committee review, and he commented that the District is a member of the Santiago Aqueduct Commission (SAC). Mr. Paludi reported that the fiscal year budgets for years ending 2022 and 2023 were approved at the SAC March 2021 Quarterly Meeting and that the District's portion of costs associated with the capital repairs to the Baker Pipeline Relocation Project is approximately 8.15% or \$68,583. Mr. Paludi added that the total portion due for FYE 2022 is \$81,796, and for FYE 2023 is \$13,241 due to no planned capital improvements that year. Director Chadd commended Irvine Ranch Water District (IRWD) on their management of the Baker Pipeline. Discussion occurred concerning District reserves for capital improvements associated with participation in joint power associations.

RECOMMENDED ACTION(S):

The Committee received the information. No action was taken.

ITEM 9: DISCUSSION AND POSSIBLE ACTION CONCERNING MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) PROPOSED FISCAL YEAR 2021/2022 RATES, CHARGES, AND BUDGET

Mr. Paludi presented this matter for Committee review, and he presented the Municipal Water District of Orange County (MWDOC) FY 2021-22 Second Draft Budget for Committee review and consideration. Mr. Paludi reviewed the proposed budgetary changes from the current year, including the Retail Meter Charge increase based on the

TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | APRIL 14, 2021

results of a rate study performed by Raftelis Financial Consultants. Discussion occurred concerning certain rates and charges proposed for FY 2021-22 and the potential for pass-through charges to District customers to cover these costs. Mr. Paludi added that the MWDOC Board of Directors have agendaized this matter for consideration and adoption at their Regular Board Meeting the following week. Director Chadd recommended agendaizing this matter for District Board consideration at the following Regular Board Meeting.

RECOMMENDED ACTION(S):

The Committee recommended forwarding this matter for Board consideration and review (Action Calendar).

ITEM 10: OTHER MATTERS

Mr. Paludi reported that District staff are currently evaluating municipal fund advisors for issuing bonds consistent with the Board-approved 2020 Water, Wastewater, and Recycled Water Rates and Charges Study. The Committee recommended forwarding this matter to the Board for consideration.

Director Chadd reported on his attendance at the recent Community Associations of Rancho (CAR) meeting, and he highlighted the City of Rancho Santa Margarita staff presentation concerning the potential impacts of the State's Regional Housing Needs Assessment (RHNA) requirements and timelines. Discussion occurred concerning the potential impacts to the District's ability to provide services consistent with its Master Plan despite the construction of Accessory Dwelling Units (ADUs) that may exceed individual water allocation.

RECOMMENDED ACTION:

The Committee recommended forwarding this matter for Board consideration and review (Action Calendar).

ITEM 11: FINANCIAL REPORT

Ms. Warner presented the preliminary unaudited financials for February 2021 for Committee consideration and reviewed the following items:

STATEMENT OF REVENUES AND EXPENSES

Operating Revenue, Residential Water

Ms. Warner reported that this line item was lower than the prior month, but that it was trending higher than anticipated year to date due to more customers working from home.

Operating Revenue, Irrigation Water

Ms. Warner reported that this line item was lower than the prior month due to less irrigation water usage.

Operating Revenue, Baker Treatment Plant Water Sales

Ms. Warner reported that this line item was higher than the prior month due to increased water sales to the City of San Clemente.

Operating Expenses, Total Operating Expenses

Ms. Warner reported that this line item was lower than the prior month due to overall lower expenses and was trending close to budget.

BALANCE SHEET - COMPARATIVE

Utility Plant, at Cost

Ms. Warner reported that this line item was higher than the prior month due to project costs associated with repairs at the Robinson Ranch Wastewater Treatment Plant and Golf Club Sewer Lift Station.

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | APRIL 14, 2021**

RESTRICTED ASSETS REPORT & INVESTMENT SCHEDULE

Ms. Warner highlighted the Local Agency Interest Fund (LAIF) rate of return on District investments.

RECOMMENDED ACTION:

The Committee signed the bills for consideration and the warrant register and recommended that the Board ratify payment of the bills for consideration for April 14, 2021 as presented (Consent Calendar).

ADJOURNMENT

Director Chadd adjourned the April 14, 2021 Finance/Audit Committee Meeting at 2:01 PM.

DRAFT

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | MAY 12, 2021**

FINANCIAL MATTERS

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

Directors' Fees and Expenses

Consistent with Board policy, Directors are reimbursed for expenses incurred while serving in their capacity as Directors. Additionally, Directors earn a per diem stipend for attendance at meetings or functions in a Director capacity. The attached spreadsheet provides a recap of the meetings, seminars, and/or conferences attended by Directors including direct reimbursables paid to each Director.

Future Meetings

Future meetings are identified for reference and designated directors are anticipated to attend. In the event an unanticipated meeting occurs that requires attendance by a director, the meeting attendance will be subsequently presented to the Board of Directors for ratification.

RECOMMENDED ACTION:

Recommend that the Board ratify the Directors' fees and expenses for March 2021 and April 2021 and tentative future meetings/attendance. (Consent Calendar)

EXHIBIT(S):

1. Directors' Fees and Expenses Report for March 2021
2. Directors' Fees and Expenses Report for April 2021
3. Directors' Tentative Future Meetings/Attendance – Calendar Year 2021.

CONTACTS (staff responsible): PALUDI/PEREA

TRABUCO CANYON WATER DISTRICT
DIRECTORS' FEES AND EXPENSES MONTHLY REPORT | MARCH 2021

MEETING DESCRIPTION	ACOSTA	CHADD	DOPUDJA	MANDICH	SAFRANSKI
DISTRICT MEETINGS					
Engineering/Operational Committee Meeting			03/03/21	03/03/21	
Special Engineering Committee Meeting			03/15/21		03/15/21
Finance/Audit Committee Meeting		03/10/21		03/10/21	
District Property Ad Hoc Committee Meeting					
Individual Meeting with General Manager	03/16/21	03/15/21	03/16/21	03/15/21	03/15/21
Executive Committee Meeting		03/09/21	03/09/21		
Executive Committee Meeting		03/23/21	03/23/21		
Regular Board Meeting	03/17/21	03/17/21	03/17/21	03/17/21	03/17/21
REPRESENTATIVE MEETINGS					
City of Rancho Santa Margarita Council Meeting	03/10/21				
City of Rancho Santa Margarita Council Meeting					03/24/21
City of Rancho Santa Margarita City Planning Commission Meeting	03/03/21				
MWDOC Water Policy Meeting					
South County Nominating Committee					
South Orange County Water Agencies Group Meeting		03/25/21			03/25/21
South Orange County Wastewater Authority (SOCWA) Regular Board Meeting			03/04/21		
South Orange County Integrated Regional Watershed Management Executive Committee				03/04/21	
Water Advisory Committee of Orange County Meeting (WACO)	03/05/21				
NUMBER OF MEETINGS ATTENDED	5	6	7	5	4
FEES (\$125 per each meeting*)	\$625.00	\$750.00	\$875.00	\$625.00	\$500.00
DIRECT REIMBURSABLE EXPENSES					
DIRECT REIMBURSABLE EXPENSES TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INDIRECT REIMBURSABLE EXPENSES					
INDIRECT REIMBURSABLE EXPENSES TOTALS					
TOTAL	\$625.00	\$750.00	\$875.00	\$625.00	\$500.00
<i>* Maximum per diem per day is one; maximum per diems per month is 10</i>					

DIRECTOR SIGNATURE


**TRABUCO CANYON WATER DISTRICT
DIRECTORS' FEES AND EXPENSES MONTHLY REPORT | APRIL 2021**

MEETING DESCRIPTION	ACOSTA	CHADD	DOPUDJA	MANDICH	SAFRANSKI
DISTRICT MEETINGS					
Engineering/Operational Committee Meeting			04/07/21	04/07/21	
Finance/Audit Committee Meeting		04/14/21		04/14/21	
District Property Ad Hoc Committee Meeting			04/14/21		04/14/21
Special Engineering Committee Meeting			04/19/21		04/19/21
Individual Meeting with General Manager	04/20/21	04/19/21		04/19/21	04/20/21
Regular Board Meeting	04/21/21	04/21/21	04/21/21	04/21/21	04/21/21
REPRESENTATIVE MEETINGS					
City of Rancho Santa Margarita Council Meeting	04/14/21				
City of Rancho Santa Margarita Council Meeting					04/28/21
City of Rancho Santa Margarita City Planning Commission Meeting	04/07/21				
Independent Special Districts of Orange County Meeting					
MWDOC Elected Officials Forum			04/01/21	04/01/21	
South Orange County Water Agencies Group Meeting					
South Orange County Wastewater Authority (SOCWA) Regular Board Meeting			04/01/21		
South Orange County Integrated Regional Watershed Management Executive Committee					
Water Advisory Committee of Orange County Meeting (WACO)	04/02/21				
NUMBER OF MEETINGS ATTENDED	5	3	5	5	5
FEES (\$125 per each meeting*)	\$625.00	\$375.00	\$625.00	\$625.00	\$625.00
DIRECT REIMBURSABLE EXPENSES					
DIRECT REIMBURSABLE EXPENSES TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INDIRECT REIMBURSABLE EXPENSES TOTALS					
TOTAL	\$625.00	\$375.00	\$625.00	\$625.00	\$625.00
* Maximum per diem per day is one; maximum per diems per month is 10					

DIRECTOR SIGNATURE

TRABUCO CANYON WATER DISTRICT | 2021 PUBLIC MEETING AND CONFERENCE CALENDAR

2021													
LINE ITEM	MEETING DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
DISTRICT PUBLIC MEETINGS													
1	Executive Committee Meeting	TBD			TBD			TBD			TBD		
2	Engineering/Operational Committee Meeting	01/06/21	02/03/21	03/03/21	04/07/21	05/05/21	06/02/21	07/07/21	08/04/21	09/01/21	10/06/21	11/03/21	12/01/21
3	Finance/Audit Committee Meeting	01/13/21	02/10/21	03/10/21	04/14/21	05/12/21	06/09/21	07/14/21	08/11/21	09/08/21	10/13/21	11/10/20	12/08/21
4	Regular Board Meeting	01/20/21	02/17/21	03/17/21	04/21/21	05/19/21	06/16/21	07/21/21	08/18/21	09/15/21	10/20/21	11/17/21	12/15/21
5	District Properties Ad Hoc Committee Meeting	-	-	-	-	-	-	-	-	-	-	-	-
PUBLIC MEETINGS													
6	City of RSM City Council Meeting - Meeting No. 1	01/13/21	02/10/21	03/10/21	04/14/21	05/12/21	06/09/21	07/14/21	08/11/21	09/08/21	10/13/21	11/10/21	12/08/21
7	City of RSM City Council Meeting - Meeting No. 2	01/27/21	02/24/21	03/24/21	04/28/21	05/26/21	06/23/21	07/28/21	08/25/21	09/22/21	10/27/21	11/24/21	12/22/21
8	Independent Special Districts of Orange County Meeting	01/05/21	02/02/21	03/02/21	04/06/21	05/04/21	06/01/21	07/06/21	08/03/21	09/07/21	10/05/21	11/02/21	12/07/21
9	Independent Special Districts of Orange County Meeting	01/28/21	-	-	04/29/21	-	-	07/29/21	-	-	10/28/21	-	-
10	Orange County Local Agency Formation Commission (OC LAFCO)	01/13/21	02/10/21	03/10/21	04/14/21	05/12/21	06/09/21	07/14/21	08/11/21	09/08/21	10/13/21	11/10/21	12/08/21
11	Santiago Aqueduct Commission Meeting	-	-	03/18/21	-	-	06/17/21	-	-	09/16/21	-	-	12/16/21
12	South Orange County Integrated Regional Watershed Management Executive Committee	-	-	03/04/21	-	05/06/21	-	-	08/05/21	-	-	11/04/21	-
13	South Orange County Water Agencies Group Meeting*	01/28/21	-	03/25/21	-	05/27/21	-	07/22/21	-	09/23/21	-	11/25/21	-
14	South Orange County Wastewater Authority Regular Board Meeting	01/07/21	02/04/21	03/04/21	04/07/21	05/06/21	06/03/21	07/01/21	08/05/21	09/02/21	10/07/21	11/04/21	12/02/21
15	Water Advisory Committee of Orange County	01/01/21	02/05/21	03/05/21	04/02/21	05/07/21	06/04/21	07/02/21	08/07/21	09/03/21	10/01/21	11/06/21	12/04/21
CONFERENCES													
16	ACWA Spring Conference - Monterey, CA					5/11 - 5/14							
17	ACWA Fall Conference - Pasadena, CA											11/30 12/3	
18	CSDA Annual Conference -Monterey, CA								8/3 - 9/2				
19	CSDA GM Leadership Summit - Olympic Valley, CA						6/27 - 6/29						
20	CSDA SDLA Conference - Lake Tahoe, CA									9/26 - 9/29			

LEGEND
 District Observed Holiday - Reschedule Meeting
**4th Tuesday of the Odd Numbered Month*

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | MAY 12, 2021**

FINANCIAL MATTERS

ITEM 3: OTHER MATTERS

Other financial matters may have arisen after the posting of the agenda and will be brought forward for discussion and/or information at the time of the Finance/Audit Committee Meeting.

RECOMMENDED ACTION:

Hear Other Matters from the General Manager or District Staff.

CONTACTS (staff responsible): PALUDI/PEREA

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | MAY 12, 2021**

FINANCIAL MATTERS

ITEM 4: FINANCIAL REPORT

A) PRESENTATION OF PRELIMINARY UNAUDITED FINANCIAL STATEMENTS

The following preliminary unaudited financial statements are included for Committee review:

- Statement of Revenues and Expenses
- Comparative Balance Sheet
- Restricted Assets Report
- Investment Schedule
- Summary of Checking Account Activity

RECOMMENDED ACTION:

Committee to recommend that the Board receive and file the preliminary unaudited financial statements for March 2021 (Consent Calendar).

B) BILLS FOR CONSIDERATION

The total of the bills for consideration will be presented at the time of the May 12, 2021 Finance/Audit Committee Meeting.

RECOMMENDED ACTION:

Committee to approve and ratify the bills for consideration and warrant register and recommend that the Board ratify payment of the Bills for Consideration for May 12, 2021 as presented (Consent Calendar).

CONTACTS (staff responsible): PALUDI/PEREA/WARNER



Trabuco Canyon Water District

Statement of Revenues & Expenses

FY 2020-21 (Unaudited)

	March 2021	February 2021	Current YTD	Annual Budget	75% YTD	Prior YTD
1 Operating Revenue						
2 Residential Water	\$ 226,013	\$ 221,925	\$ 2,822,461	\$ 3,497,400	81%	\$ 2,029,650
3 Business & Industrial Water	9,975	8,432	119,025	150,300	79%	80,207
4 Irrigation Water	47,927	42,764	741,584	823,400	90%	469,262
5 Stand-by	3,417	3,417	30,750	41,000	75%	16,391
6 Sanitation Revenue	149,500	150,175	1,306,204	1,859,400	70%	977,843
7 Recycled & Reclaimed Revenue	35,795	26,387	626,239	725,000	86%	579,009
8 Baker Treatment Plant Water Sales *	116,981	120,231	1,006,052	1,469,100	68%	700,491
9 Other Operating Revenue	281	417	3,944	164,600	2%	140,658
10 Total Operating Revenue	589,888	573,747	6,656,260	8,730,200	76%	4,993,511
11 Non-Operating Revenue						
12 Property Tax Unrestricted	142,283	142,283	1,280,550	1,707,400	75%	976,500
13 Interest Revenue	8,348	7	35,625	100,600	35%	67,547
14 Development Services	-	-	-	-	0%	100
15 Sale of Fixed Asset	-	-	46,158	50,000	92%	-
16 Other Non-Operating Revenue	2,729	9,351	45,740	70,600	65%	49,177
17 Total Non-Operating Revenue	153,361	151,641	1,408,072	1,928,600	73%	1,093,324
18 Total Revenues	743,250	725,388	8,064,332	10,658,800	76%	6,086,835
19 Operating Expenses						
20 Source of Supply	103,518	137,516	1,767,123	2,198,100	80%	1,322,822
21 Baker Treatment SOS Costs	116,674	80,847	888,566	1,155,300	77%	586,160
22 Water Related Expense	116,703	157,404	1,418,294	1,946,900	73%	1,063,229
23 Sanitation Expense	53,065	57,730	945,496	1,168,400	81%	839,705
24 Recycled Expense	12,785	7,395	167,243	225,300	74%	175,927
25 Reclaimed Expense	12,787	20,731	167,234	221,400	76%	156,325
26 Salaries & Benefits	324,499	320,909	2,707,109	3,684,700	73%	2,042,235
27 OPEB Trust Contributions & Paygo	9,194	9,194	68,309	91,000	75%	52,505
28 Board Expense	9,879	9,188	81,985	114,400	72%	71,462
29 Total Operating Expenses	759,104	800,914	8,211,359	10,805,500	76%	6,310,371
30 Non-Operating Expenses						
31 Principal and Interest Expense	19,198	19,198	172,786	230,300	75%	134,224
32 Non-Operating Expense	313	2	3,737	3,600	104%	4,353
33 Total Non-Operating Expenses	19,511	19,200	176,523	233,900	75%	138,576
Net Income (Loss) Before OPEB,						
34 Depreciation & Capital Contributions	(35,366)	(94,725)	(323,549)	(380,600)	85%	(362,112)
35 WRES Fees for Capital	68,632	68,607	616,613	834,300	74%	491,781
36 Developer Impact Fees	19,900	-	19,900	-	0%	-
37 Other Capital Contributions	-	-	-	-	0%	-
38 Total Capital Contributions	88,532	68,607	636,513	834,300	76%	491,781
39 Net Income	\$ 53,166	\$ (26,118)	\$ 312,964	\$ 453,700	69%	\$ 129,669

No assurance is provided on these financial statements. The financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the U.S. are not included.

*Baker Treatment Plant O&M revenues and expenses are billed quarterly. As a result the % of budget may appear skewed until billing occurs.



Trabuco Canyon Water District **Balance Sheet - Comparative** **As of March 31, 2021** **(Unaudited)**

	March 2021	February 2021	March 2020
1 Assets			
2 Current Assets			
3 Cash	\$ 273,325	\$ 634,697	\$ 779,274
4 Accounts Receivable, Net	1,914,845	1,840,564	2,508,939
5 Property Tax Receivable	429,730	564,500	406,854
6 Prepaid Expenses	177,172	211,843	162,797
7 Total Current Assets	2,795,072	3,251,604	3,857,864
9 Total Restricted Assets (see Schedule A)	7,369,106	7,563,157	4,578,149
11 Utility Plant			
12 Utility Plant, at Cost	116,029,463	116,012,063	114,441,034
13 Accumulated Depreciation	(73,611,795)	(73,311,321)	(70,773,587)
14 Construction in Progress	4,228,893	4,185,393	2,499,355
15 Total Utility Plant	46,646,561	46,886,135	46,166,802
16 Other Assets			
17 Due from BTP	1,182,762	1,214,535	1,558,912
18 Deferred Outflow (Pension Related)	1,179,514	1,179,514	1,126,151
19 Total Other Assets	2,362,276	2,394,049	2,685,063
20 Total Assets	\$ 59,173,015	\$ 60,094,946	\$ 57,287,877
21 Liabilities & Retained Earnings			
22 Current Liabilities			
23 Accounts Payable	\$ 782,610	\$ 1,226,393	\$ 1,139,780
24 Due to Internal Financing Fund	1,182,762	1,214,535	1,558,912
25 Accrued Expenses	434,568	478,003	485,387
26 Deferred Property Tax Revenue	437,100	582,800	425,525
27 Total Current Liabilities	2,837,041	3,501,732	3,609,604
28 Liabilities to be Paid from Restricted Assets			
29 Accrued Bond Interest	12,730	8,487	13,737
30 Current Portion-Long Term Debt	178,449	178,449	172,473
31 Refundable Deposits	9,500	9,500	7,500
32 Developer Deposits	77,108	73,108	188,778
33 Total Liabilities to be Paid from Restricted Assets	277,786	269,543	382,489

*No assurance is provided on these financial statements. Substantially all disclosures required by accounting principles generally accepted in the U.S. are not included.



Trabuco Canyon Water District **Balance Sheet - Comparative** **As of March 31, 2021** **(Unaudited)**

34	Long Term Debt			
35	Accrued Post Employment Benefits	533,587	533,587	570,267
36	Accrued Pension Liability	3,301,860	3,301,860	3,089,532
37	State Revolving Fund Loan	2,140,052	2,140,052	2,320,470
38	Total Long Term Debt	5,975,499	5,975,499	5,980,269
39	Total Liabilities	9,090,326	9,746,774	9,972,362
40	Fund Balance			
41	Invested in Capital Net of Related Debt	44,315,331	44,559,148	43,660,121
42	Restricted for Debt Service	237,041	231,092	213,215
43	Legally Restricted	3,613,387	3,810,547	1,768,880
44	Designated by Board	3,402,609	3,402,609	1,934,817
45	Unrestricted	(1,485,680)	(1,655,225)	(242,626)
46	Total Fund Balance	50,082,689	50,348,172	47,334,407
47	Total Liabilities and Fund Balance	\$ 59,173,015	\$ 60,094,946	\$ 57,306,768

*No assurance is provided on these financial statements. Substantially all disclosures required by accounting principles generally accepted in the U.S. are not included.



Trabuco Canyon Water District **Restricted Assets Report** **As of March 31, 2021** **(Unaudited)**

	March 2021	February 2021	March 2020
1 LAIF Accounts (at Cost)			
2 Internal Financing	\$ (1,403,026)	\$ (1,180,192)	\$ (3,924,535)
3 Capital Improvement Charges	-	-	279,261
4 Water Storage Facilities	1,051,427	1,051,427	1,051,427
5 Sanitation Capital Improvement	28,650	39,783	691,366
6 WRES - Rose Canyon/Lang Wells	1,246,836	1,212,259	1,050,314
7 WRES - Reservoir/Distribution Improvements	2,613,123	2,610,892	2,545,694
8 RD#5	76,378	76,378	75,353
9 Developer Deposits	-	-	(138,742)
10 LAIF Interim Sewage	116,068	118,908	117,193
11 Water Rate Stabilization Funds	684,080	684,080	607,500
12 Sewer Rate Stabilization Funds	726,160	726,160	265,000
13 Working Capital Funds	1,975,776	1,975,776	1,733,144
14 Market Value Over/(Under) Cost	16,593	16,593	11,960
15 State Revolving Fund			
16 Cash in CB&T Reserved for SRF Loan	237,041	231,092	213,215
17 Total Restricted Assets	\$ 7,369,106	\$ 7,563,157	\$ 4,578,149

*No assurance is provided on these financial statements. Substantially all disclosures required by accounting principles generally accepted in the U.S. are not included.



Trabuco Canyon Water District **Investment Schedule** **As of March 31, 2021** **(Unaudited)**

DESCRIPTION	RATE	COST	MARKET	% OF TOTAL
District Investments in the California Local Agency Investment Fund (LAIF)				
1 Water Storage Fees	0.357%	\$ 1,051,427	\$ 1,051,561	15%
2 Sanitation Capital Improvement	0.357%	28,650	28,654	0%
3 Trabuco Creek Wells	0.357%	1,246,836	1,246,995	18%
4 Reservoir/Distribution	0.357%	2,613,123	2,613,457	37%
5 RD#5	0.357%	76,378	76,387	1%
6 LAIF Interim Sewage	0.357%	116,068	116,083	2%
7 Water Rate Stabilization Funds	0.357%	684,080	684,167	10%
8 Sewer Rate Stabilization Funds	0.357%	726,160	726,253	10%
9 Working Capital Funds	0.357%	1,975,776	1,976,028	28%
10 Internal Financing	0.357%	(1,403,026)	(1,403,205)	-20%
Total District Investments		\$ 7,115,471	\$ 7,116,379	100%

** A negative number indicates the use of reserves to fund operations.*

*** Market values are adjusted on a quarterly basis and recorded in the District's financials statements at the end of the fiscal year.*

CERTIFICATION

I certify that (1) all investment actions executed since the last report have been made in full compliance with the District's Investment Policy and, (2) the District will meet its expenditure obligations for the next six months as required by California Government Code Sections 53646(b)(2) and (3), respectively.

Cindy Byerrum, CPA

Contract CPA and Treasurer

*No assurance is provided on these financial statements. Substantially all disclosures required by accounting principles generally accepted in the U.S. are not included.



Trabuco Canyon Water District **Checking Account Activity** **March 2021** **(Unaudited)**

Inflows	Current Month	Year to Date
Utility Billing Collections	\$ 558,911	\$ 6,341,854
Tax Receipts	134,458	1,338,672
Transfer From LAIF	200,000	1,800,000
FEMA Reimbursement	-	2,528,981
Miscellaneous	31,049	5,360,982
Total Inflows	924,418	17,370,489
Outflows		
Vouchers	821,883	8,160,008
Payroll	279,903	2,280,387
Transfer to LAIF	-	5,500,000
Transfer/payments for State Loan	-	121,191
Miscellaneous & Online Payments	177,082	2,047,620
Total Outflows	1,278,869	18,109,204
Net Change in Checking Account	(354,451)	(738,715)
Beginning Checking Account	671,153	1,055,418
Ending Checking Account	\$ 316,703	\$ 316,703

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