



**FINANCE/AUDIT COMMITTEE MEETING AGENDA
TRABUCO CANYON WATER DISTRICT
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA
ADMINISTRATION FACILITY BOARDROOM – NOVEMBER 10, 2021 AT 1:00 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:

Trabuco Canyon Water District will make this Finance/Audit Committee Meeting available by telephone audio as follows:

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.

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

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING AGENDA | NOVEMBER 10, 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. October 13, 2021

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

RECOMMENDED ACTION:

Recommend the Board of Directors approve the Directors' fees and expenses for October 2021 and tentative future meetings/attendance. (Action Calendar)

ITEM 3: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING PROPOSED FISCAL YEAR 2021/2022 CAPITAL IMPROVEMENT PROGRAM BUDGET REALLOCATIONS

RECOMMENDED ACTION:

Receive information at the time of the meeting and recommend forwarding DRAFT Proposed Reallocated Fiscal Year 2021/2022 Capital Improvement Program Budget to the Board of Directors (Action Calendar).

ITEM 4: OTHER MATTERS

RECOMMENDED ACTION:

Hear Other Matters from the General Manager or District Staff.

ITEM 5: FINANCIAL REPORT

A) PRESENTATION OF UNAUDITED FINANCIAL STATEMENTS

RECOMMENDED ACTION:

Recommend that the Board receive and file the preliminary unaudited financial statements for September 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 November 10, 2021 as presented. (Consent Calendar).

ADJOURNMENT

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING AGENDA | NOVEMBER 10, 2021**

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.

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | NOVEMBER 10, 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. *October 13, 2021*

CONTACTS (staff responsible): PALUDI/PEREA



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING RECAP | OCTOBER 13, 2021**

DIRECTORS PRESENT

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

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager
Karen Warner, Principal Accountant
Lorrie Lausten, District Engineer
Lisa Marie Sangi, Executive Assistant

PUBLIC PRESENT VIA CONFERENCE CALL

None

CALL MEETING TO ORDER

Director Chadd called the October 13, 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

Mr. Paludi reminded that Committee that he would be on vacation for the second half of the month, and that two Board members would not be in attendance at the Regular Board Meeting.

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 Chadd reported certain changes to his Fees & Expenses Report and requested that District amend his reported schedule.

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | OCTOBER 13, 2021**

RECOMMENDED ACTION:

The Committee recommended that the Directors' Fees and Expenses Report for September 2021 and the Tentative Future Meetings/Attendance Report be forwarded to the Board of Directors for consideration as amended (Action Calendar).

ITEM 3: OTHER MATTERS

Mr. Paludi provided a brief report on the planned rates and charges study, and he reported that District staff met with the Executive Committee to review a proposed schedule for adoption and overarching goals, including the use of a new Master Plan and Condition Assessment to guide the process.

RECOMMENDED ACTION:

No action was taken.

ITEM 4: FINANCIAL REPORT

Ms. Warner presented the preliminary unaudited financials for August 2021, and she highlighted the following items:

Operating Revenue, Residential Water

Ms. Warner reported that water demand for the month was higher than the prior month due to warmer temperatures and increased sales.

Operating Revenue, Recycled & Reclaimed Water

Ms. Warner reported that this line item was higher than the prior month due to warmer temperatures and increased sales. Mr. Perea added that Operations was currently supplementing the recycled water reservoir with domestic water, and that non-domestic water users that exceed their allocation according to the Board-adopted policy would be invoiced for their proportional share.

Operating Revenue, Baker Treatment Plant Sales

Ms. Warner reported that this line item was higher than the prior month as the District resumed the sale of Baker Water Treatment Plant water to the City of San Clemente as the Dimension Water Treatment Plant (DWTP) Backwash Tank Rehabilitation Project has completed.

Operating Expenses, Source of Supply

Ms. Warner reported that this line item was higher than the current year to date due to warmer weather purchasing treated water from Santa Margarita Water District (SMWD) due to the DWTP Backwash Tank Replacement Project.

RECOMMENDED ACTION:

The Committee recommended the Board of Directors receive and file the preliminary unaudited financial statements for August 2021 (Consent Calendar).

The Committee signed the bills for consideration and the warrant register and recommended that the Board ratify payment of the bills for consideration for October 13, 2021 as presented (Consent Calendar).

ADJOURNMENT

Director Chadd adjourned the October 13, 2021 Finance/Audit Committee Meeting at 1:13 p.m.

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | NOVEMBER 10, 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 their 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 October 2021 and tentative future meetings/attendance. (Action Calendar)

EXHIBIT(S):

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

CONTACTS (staff responsible): PALUDI/PEREA


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

MEETING DESCRIPTION	ACOSTA	CHADD	DOPUDJA	MANDICH	SAFRANSKI
DISTRICT MEETINGS					
Engineering/Operational Committee Meeting			10/06/21	10/06/21	
Special Board Meeting	10/05/21	10/05/21	10/05/21	10/05/21	10/05/21
Executive Committee Meeting		10/11/21	10/11/21		
Finance/Audit Committee Meeting		10/13/21		10/13/21	
Special Engineering Committee Meeting			10/18/21	10/18/21	
Individual Meeting with General Manager	10/12/21				10/19/21
Regular Board Meeting	10/21/21			10/21/21	10/21/21
REPRESENTATIVE MEETINGS					
City of Rancho Santa Margarita Council Meeting	10/13/21				
City of Rancho Santa Margarita Council Meeting					10/27/21
City of Rancho Santa Margarita City Planning Commission Meeting	10/06/21				
Independent Special Districts of Orange County - Luncheon Meeting		10/05/21			
Independent Special Districts of Orange County - Quarterly/Meeting		10/28/21			
OC Water Summit	10/15/21		10/15/21	10/15/21	
Santiago Aqueduct Commission Meeting(SAC)					
South Orange County Agencies Group					
South Orange County Wastewater Authority (SOCWA) Regular Board Meeting			10/07/21		
South Orange County Wastewater Authority (SOCWA) Finance Meeting					
South Orange County Integrated Regional Watershed Management Executive Committee					
Water Advisory Committee of Orange County Meeting (WACO)	10/01/21				
NUMBER OF MEETINGS ATTENDED	7	4	6	6	4
FEES (\$125 per each meeting*)	\$875.00	\$500.00	\$750.00	\$750.00	\$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	\$875.00	\$500.00	\$750.00	\$750.00	\$500.00
<i>* Maximum per diem per day is one; maximum per diems per month is 10</i>					

DIRECTOR SIGNATURE _____

TRABUCO CANYON WATER DISTRICT | 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 | NOVEMBER 10, 2021**

FINANCIAL MATTERS

ITEM 3: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING PROPOSED FISCAL YEAR 2021/2022 CAPITAL IMPROVEMENT PROGRAM BUDGET REALLOCATIONS

Trabuco Canyon Water District’s (District) fiscal year runs from July 1 through June 30 each year, and District staff prepares a list of proposed capital improvement projects (CIP) for Board consideration and adoption at the June Regular Board Meeting. On June 16, 2021, the Board of Directors approved the following CIP Budget:

ITEM NO.	PROJECT	PROJECT BASIS	APPROVED BUDGET
WATER			
1	PRV Improvements	Reliability	\$ 55,000
2	Valve Replacement Program	End of Service Life	\$ 37,500
3	DWTP Chlorine Building Improvements - Doors & Roof	Safety; End of Service Life	\$ 35,000
4	DWTP Office & Storage	Safety; End of Service Life	\$ 200,000
5	Live Oak Transmission Main Upgrade	Reliability	\$ 900,000
WATER SUBTOTAL			\$ 1,227,500
DISTRICT-WIDE			
6	SCADA System Upgrades	Reliability; End of Service Life	\$ 1,000,000
7	Meter Replacement Program	Water Use Efficiency	\$ 35,000
8	AMR/AMI System Implementation - Grant Funding	Water Use Efficiency	\$ 600,000
9	District Facility Security Improvements	Security	\$ 100,000
10	Skiploader - AQMD Tier 1 Compliant	End of Service Life	\$ 100,000
11	Pump Replacement Program	End of Service Life	\$ 100,000
12	Portable Generator - Grant Funding	Reliability	\$ 300,000
13	Master Plan and Condition Assessment	Reliability; Safety	\$ 600,000
14	Field Office Remediation-Excavation, French Drain, Retaining Wall	Safety	\$ 20,000
DISTRICT-WIDE SUBTOTAL			\$ 2,855,000
WASTEWATER / RECLAIMED / RECYCLED			
15	Wet Well Recoating Program - Sewer	General Maintenance	\$ 25,000
16	Manhole Recoating Program - Sewer	General Maintenance	\$ 20,000
17	PRV Vault Improvements Program - Reclaimed	Reliability	\$ 45,000
18	SLS Surge Tank Improvements/Rehabilitation Program - Sewer	General Maintenance	\$ 25,000
19	Heritage SLS Improvements - Security, Asphalt ,Piping, Bypass, Elect.	End of Service Life	\$ 240,000
20	Golf Club SLS Improvements - MCC & Sewer Bypass	End of Service Life	\$ 150,000
21	WWTP Headworks Climber Screen - Sewer	End of Service Life	\$ 110,000
22	Recycled Water Pump Station Improvements- Header, Filters	End of Service Life	\$ 120,000
WASTEWATER / RECLAIMED / RECYCLED SUBTOTAL			\$ 735,000
TOTAL ANNUAL CIP			\$ 4,817,500

After a careful review of the adopted FY 2021/2022 CIP and recognizing the impacts of current supply chain challenges as well as the critical nature of high priority projects, District staff proposes to reallocate certain approved budgets to other projects within the respective funds (Exhibit 1). More information will be provided at the time of the meeting.

FUNDING SOURCE:

General Fund

FISCAL IMPACT:

Adopted FY 2021/2022 CIP Budget: \$4,817,500
Proposed Reallocated FY 2021/2022 CIP Budget: \$4,705,500

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | NOVEMBER 10, 2021**

ENVIRONMENTAL COMPLIANCE:

Not applicable

RECOMMENDED ACTION:

Receive information at the time of the meeting and recommend forwarding DRAFT Proposed Reallocated Fiscal Year 2021/2022 Capital Improvement Program Budget to the Board of Directors (Action Calendar).

EXHIBIT(S):

1. DRAFT Proposed Reallocated Fiscal Year 2021/2022 Capital Improvement Program Budget

CONTACTS (staff responsible): PALUDI/PEREA/LAUSTEN

TRABUCO CANYON WATER DISTRICT
CAPITAL IMPROVEMENT PLAN BUDGET - REALLOCATION
FY 21/22

ITEM NO.	PROJECT	PROJECT BASIS	APPROVED BUDGET	GRANT FUNDS	REVISED BUDGET
WATER					
1	PRV Improvements	Reliability	\$ 55,000		\$ 55,000
2	Valve Replacement Program	End of Service Life	\$ 37,500		\$ 37,500
3	DWTP Chlorine Building Improvements - Doors & Roof	Safety; End of Service Life	\$ 35,000		\$ 35,000
4	DWTP Office & Storage	Safety; End of Service Life	\$ 200,000		\$ 400,000
5	Live Oak Transmission Main Upgrade	Reliability	\$ 900,000		\$ -
5B	DWTP Tanks	End of Service Life	\$ -		\$ 90,000
5C	Live Oak Pipeline Scoping	Reliability	\$ -		\$ 200,000
WATER SUBTOTAL			\$ 1,227,500	\$ -	\$ 817,500
DISTRICT-WIDE					
6	SCADA System Upgrades	Reliability; End of Service Life	\$ 1,000,000		\$ 1,000,000
7	Meter Replacement Program	Water Use Efficiency	\$ 35,000		\$ 35,000
8	AMR/AMI System Implementation - Grant Funding	Water Use Efficiency	\$ 600,000	\$ 250,000	\$ 850,000
9	District Facility Security Improvements	Security	\$ 100,000		\$ 100,000
10	Skiploader - AQMD Tier 1 Compliant	End of Service Life	\$ 100,000		\$ -
11	Pump Replacement Program	End of Service Life	\$ 100,000		\$ 250,000
12	Portable Generator - Grant Funding	Reliability	\$ 300,000	\$ 99,750	\$ 190,000
13	Master Plan and Condition Assessment	Reliability; Safety	\$ 600,000		\$ 600,000
14	Field Office Remediation-Excavation, French Drain, Retaining Wall	Safety	\$ 20,000		\$ 15,000
DISTRICT-WIDE SUBTOTAL			\$ 2,855,000	\$ 349,750	\$ 3,040,000
WASTEWATER / RECLAIMED / RECYCLED					
15	Wet Well Recoating Program - Sewer	General Maintenance	\$ 25,000		
16	Manhole Recoating Program - Sewer	General Maintenance	\$ 20,000		\$ 20,000
17	PRV Vault Improvements Program - Reclaimed	Reliability	\$ 45,000		\$ -
18	SLS Surge Tank Improvements/Rehabilitation Program - Sewer	General Maintenance	\$ 25,000		\$ -
19	Heritage SLS Improvements - Security, Asphalt ,Piping, Bypass, Elect.	End of Service Life	\$ 240,000		\$ -
20	Golf Club SLS Improvements - MCC & Sewer Bypass	End of Service Life	\$ 150,000		\$ 420,000
21	WWTP Headworks Climber Screen - Sewer	End of Service Life	\$ 110,000		\$ -
22	Recycled Water Pump Station Improvements- Header, Filters	End of Service Life	\$ 120,000		\$ -
23	El Toro SLS Surge Tank Improvements	End of Service Life	\$ -		\$ 225,000
24	El Toro SLS Improvements - Electrical for pumps/MCC	End of Service Life	\$ -		\$ 193,000
WASTEWATER / RECLAIMED / RECYCLED SUBTOTAL			\$ 735,000	\$ -	\$ 858,000
TOTAL ANNUAL CIP			\$ 4,817,500	\$ 349,750	\$ 4,715,500

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | NOVEMBER 10, 2021**

FINANCIAL MATTERS

ITEM 4: 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 | NOVEMBER 10, 2021**

**FINANCIAL MATTERS
ITEM 5: FINANCIAL REPORT**

A) PRESENTATION OF PRELIMINARY UNAUDITED FINANCIAL STATEMENTS

RECOMMENDED ACTION:

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

B) BILLS FOR CONSIDERATION

The total of the bills for consideration will be presented at the time of the November 10, 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 November 10, 2021 as presented (Consent Calendar).

CONTACTS (staff responsible): PALUDI/PEREA/WARNER



Trabuco Canyon Water District

Statement of Revenues & Expenses

FY 2021-22 (Unaudited)

	September 2021	August 2021	Current YTD	Annual Budget	25% YTD	Prior YTD
1 Operating Revenue						
2 Residential Water	\$ 363,595	\$ 386,482	\$ 1,118,764	\$ 4,116,200	27%	\$ 1,124,441
3 Business & Industrial Water	13,147	14,130	38,225	165,600	23%	41,525
4 Irrigation Water	146,200	139,270	422,140	1,075,200	39%	320,523
5 Stand-by	-	-	-	41,800	0%	10,250
6 Sanitation Revenue	151,166	151,619	456,836	1,964,200	23%	427,181
7 Recycled & Reclaimed Revenue	121,647	125,366	366,068	999,000	37%	315,560
8 Baker Treatment Plant Water Sales *	75,282	2,619	77,901	1,383,500	6%	295,039
9 Other Operating Revenue	12,833	11,871	36,305	179,600	20%	1,921
10 Total Operating Revenue	883,870	831,359	2,516,239	9,925,100	25%	2,536,441
11 Non-Operating Revenue						
12 Property Tax Unrestricted	31,407	2,973	34,380	2,006,200	2%	426,850
13 Interest Revenue	3,087	417	3,903	35,600	11%	13,486
14 Other Non-Operating Revenue	3,077	2,174	7,783	72,400	11%	7,898
15 Total Non-Operating Revenue	37,571	5,564	46,066	2,114,200	2%	448,334
16 Total Revenues	921,441	836,922	2,562,305	12,039,300	21%	2,984,775
17 Operating Expenses						
18 Source of Supply	218,945	49,747	493,356	2,262,400	22%	565,283
19 Baker Treatment SOS Costs	163,731	96,235	354,100	1,287,700	27%	281,923
20 Water Related Expense	184,647	255,002	545,593	2,032,100	27%	479,549
21 Sanitation Expense	96,445	103,231	264,981	1,359,200	19%	282,546
22 Recycled Expense	24,063	33,213	80,215	234,200	34%	64,485
23 Reclaimed Expense	24,063	33,215	80,217	234,100	34%	58,770
24 Salaries & Benefits	306,040	309,117	916,809	3,923,000	23%	840,662
25 Board Expense	8,869	9,562	28,494	122,600	23%	27,821
26 Miscellaneous Expense	78	6	124	5,000	2%	71
27 Total Operating Expenses	1,026,880	889,328	2,763,890	11,460,300	24%	2,601,110
Net Income / (Loss) before Contributed Capital, Trust Contributions & Debt Service	(105,439)	(52,405)	(201,585)	579,000		383,665
28 Trust Contributions & Debt Service						
29 WRES Fees for Capital	68,751	68,760	206,264	822,200	25%	205,168
30 Other Capital Contributions	-	-	-	344,000	0%	-
31 Debt Principal, Interest & Issuance Costs	(15,126)	(19,198)	(53,523)	(445,300)	12%	(57,595)
32 CalPERS UAL & Pension Trust Contributions	(19,967)	(19,967)	(59,902)	(590,500)	10%	(54,033)
33 OPEB Trust Contributions & Paygo	(9,173)	(9,864)	(28,231)	(206,100)	14%	(76,039)
Net Contributed Capital, Trust Contributions & Debt Service	24,484	19,730	64,609	(75,700)	-85%	17,501
35 Net Income	\$ (80,955)	\$ (32,675)	\$ (136,976)	\$ 503,300		\$ 401,166

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 September 30, 2021
(Unaudited)

	September 2021	August 2021	September 2020
1 Assets			
2 Current Assets			
3 Cash	\$ 419,768	\$ 725,025	\$ 582,608
4 Accounts Receivable, Net	1,590,458	1,601,647	4,946,769
5 Property Tax Receivable	-	-	1,718,981
6 Prepaid Expenses	341,897	349,609	371,873
7 Total Current Assets	2,352,122	2,676,280	7,620,231
9 Total Restricted Assets (see Schedule A)	4,166,517	4,166,558	6,127,690
11 Utility Plant			
12 Utility Plant, at Cost	123,450,627	123,412,244	116,126,899
13 Accumulated Depreciation	(74,488,719)	(74,135,078)	(72,318,615)
14 Construction in Progress	242,957	154,825	3,115,934
15 Total Utility Plant	49,204,865	49,431,992	46,924,218
16 Other Assets			
17 Due from BTP	991,828	1,023,656	1,373,240
18 Deferred Outflow (Pension Related)	1,486,261	1,486,261	1,277,368
19 Total Other Assets	2,478,089	2,509,917	2,650,608
20 Total Assets	\$ 58,201,593	\$ 58,784,747	\$ 63,322,748
21 Liabilities & Retained Earnings			
22 Current Liabilities			
23 Accounts Payable	\$ 1,394,640	\$ 1,564,143	\$ 1,752,730
24 Due to Internal Financing Fund	991,828	1,023,656	1,373,240
25 Accrued Expenses	411,226	362,453	349,328
26 Deferred Property Tax Revenue	-	-	1,311,300
27 Total Current Liabilities	2,797,695	2,950,253	4,786,599
28 Liabilities to be Paid from Restricted Assets			
29 Accrued Bond Interest	8,145	8,145	13,236
30 Current Portion-Long Term Debt	182,547	182,547	178,449
31 Refundable Deposits	19,500	15,500	13,500
32 Developer Deposits	114,123	114,123	110,793
33 Total Liabilities to be Paid from Restricted Assets	324,315	320,315	315,979

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Trabuco Canyon Water District
Balance Sheet - Comparative
As of September 30, 2021
(Unaudited)

34	Long Term Debt			
35	Accrued Post Employment Benefits	356,589	356,589	533,587
36	Accrued Pension Liability	3,652,253	3,652,253	3,399,715
37	State Revolving Fund Loan	1,957,505	1,957,505	2,140,052
38	Total Long Term Debt	5,966,347	5,966,347	6,073,354
39	Total Liabilities	9,088,357	9,236,915	11,175,931
40	Fund Balance			
41	Invested in Capital Net of Related Debt	47,056,668	47,283,794	44,592,481
42	Restricted for Debt Service	236,963	237,004	219,142
43	Legally Restricted	512,516	510,386	2,395,813
44	Designated by Board	3,301,027	3,301,027	3,508,677
45	Unrestricted	(1,993,937)	(1,784,379)	1,430,703
46	Total Fund Balance	49,113,236	49,547,833	52,146,817
47	Total Liabilities and Fund Balance	\$ 58,201,593	\$ 58,784,747	\$ 63,322,748

*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 September 30, 2021
(Unaudited)

	September 2021	August 2021	September 2020
1 LAIF Accounts (at Cost)			
2 LAIF Unrestricted	\$ (4,589,305)	\$ (4,554,553)	\$ (2,863,970)
3 Water Storage Facilities	1,051,427	1,051,427	1,051,427
4 WRES - Rose Canyon/Lang Wells	1,342,128	1,307,481	1,150,394
5 WRES - Reservoir/Distribution Improvements	2,631,736	2,629,501	2,590,340
6 RD#5	76,530	76,530	76,102
7 LAIF Interim Sewage	116,011	118,141	110,126
8 Water Rate Stabilization Funds	792,830	792,830	684,080
9 Sewer Rate Stabilization Funds	547,360	547,360	726,160
10 Working Capital Funds	1,960,304	1,960,304	1,975,776
11 Market Value Over/(Under) Cost	533	533	16,593
12 State Revolving Fund			
13 Cash in CB&T Reserved for SRF Loan	236,963	237,004	219,142
14 Total Restricted Assets	\$ 4,166,517	\$ 4,166,558	\$ 6,127,690

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Trabuco Canyon Water District
Investment Schedule
As of September 30, 2021
(Unaudited)

DESCRIPTION	RATE	COST	MARKET	% OF TOTAL
District Investments in the California Local Agency Investment Fund (LAIF)				
1 Water Storage Fees	0.206%	\$ 1,051,427	\$ 1,051,294	27%
2 Trabuco Creek Wells	0.206%	1,342,128	1,341,958	34%
3 Reservoir/Distribution	0.206%	2,631,736	2,631,404	67%
4 RD#5	0.206%	76,530	76,520	2%
5 LAIF Interim Sewage	0.206%	116,011	115,997	3%
6 Water Rate Stabilization Funds	0.206%	792,830	792,730	20%
7 Sewer Rate Stabilization Funds	0.206%	547,360	547,291	14%
8 Working Capital Funds	0.206%	1,960,304	1,960,056	50%
9 LAIF Unrestricted	0.206%	(4,589,305)	(4,588,725)	-117%
Total District Investments		\$ 3,929,021	\$ 3,928,525	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



Trabuco Canyon Water District
Checking Account Activity
September 2021
(Unaudited)

Inflows	Current Month	Year to Date
Utility Billing Collections	\$ 884,033	\$ 2,466,073
Tax Receipts	31,329	56,868
Transfer From LAIF	-	2,500,000
Miscellaneous	7,847	140,607
Total Inflows	923,209	5,163,548
Outflows		
Vouchers	615,775	3,051,391
Payroll	248,661	741,598
Transfer to LAIF	-	-
Miscellaneous & Online Payments	134,413	852,548
Total Outflows	998,849	4,645,537
Net Change in Checking Account	(75,640)	518,011
Beginning Checking Account	1,094,429	500,779
 Ending Checking Account	 \$ 1,018,790	 \$ 1,018,790

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