



**REGULAR BOARD MEETING AGENDA
TRABUCO CANYON WATER DISTRICT
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CALIFORNIA
ADMINISTRATIVE FACILITY, BOARD ROOM
JANUARY 19, 2023 AT 5:30 PM**

BOARD OF DIRECTORS

Stephen Dopudja, President
Edward Mandich, Vice President
Glenn Acosta, Director
Don Chadd, Director
Michael Safranski, Director

DISTRICT STAFF

Fernando Paludi, General Manager
Michael Perea, District Secretary
Cindy Byerrum, District Treasurer
Hanson Bridgett LLP, District General Legal Counsel

AGENDA NOTE:

Trabuco Canyon Water District (District) will make this Regular Board Meeting available by telephone audio as follows:

Telephone Audio: 1 (669) 900-6833 (Toll Free) **Access Code:** 913-8681-1652

Persons desiring to monitor the Board meeting agenda items may download the Board meeting agenda and documents on the internet at www.tcwd.ca.gov. You may submit public comments by email to the Board 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 5:00 p.m. (PDT) on the day of the meeting.

CALL MEETING TO ORDER & PLEDGE OF ALLEGIANCE

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action on item(s) that arose subsequent to posting the Regular Board Meeting agenda.

VISITOR PARTICIPATION

Members of the public wishing to address the Board regarding a particular item on the agenda are requested to submit public comments by email to the Board at mperea@tcwd.ca.gov. Public comments may also be submitted by teleconference during the meeting. The Board President will call on the visitor following the Board's discussion about the matter. Members of the public will be given the opportunity to speak prior to the Board taking action on that item. 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 requested to submit oral communication by email to the Board at mperea@tcwd.ca.gov. Public comments may also be submitted by teleconference during the meeting. Under the requirements of State Law, Directors cannot take action on items not identified on the agenda and will not make decisions on such matters. The Board President 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.

DIRECTORS' COMMENTS AND MEETING REPORTS

REPORT FROM THE GENERAL MANAGER

CONSENT CALENDAR

All matters under the Consent Calendar will be approved by one motion unless a Board member or staff member requests a separate action on a specific item.

ITEM 1: APPROVAL OF MINUTES OF BOARD MEETING(S)

RECOMMENDED ACTION

Approve the minutes of the following Board Meetings:

1. December 15, 2022 Regular Board Meeting

ITEM 2: TREASURER'S REPORT

a. FINANCE/AUDIT COMMITTEE MEETING

RECOMMENDED ACTION:

Receive and file the following Finance/Audit Committee Meeting Recap(s):

1. December 14, 2022

b. PRESENTATION OF FINANCIALS

RECOMMENDED ACTION:

Receive and file the preliminary statement(s) of revenues and expenses and preliminary unaudited financials for the following month(s):

1. November 2022

c. PAYMENT OF BILLS FOR CONSIDERATION

RECOMMENDED ACTION:

Ratify the payment of bills for consideration, Payroll and Payroll Taxes for December 2022.

ITEM 3: APPROVAL OF ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP

RECOMMENDED ACTION:

Receive and file the following Engineering/Operational Committee Meeting Recap(s):

1. December 7, 2022

ITEM 4: APPROVAL OF EXECUTIVE COMMITTEE MEETING RECAP

RECOMMENDED ACTION:

Receive and file the following Executive Committee Meeting Recap(s):

1. December 5, 2022



ACTION CALENDAR

All matters under the Action Calendar have been reviewed by the General Manager and Staff prior to the Board's consideration.

ADMINISTRATIVE MATTERS

ITEM 5: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, AND TENTATIVE FUTURE MEETINGS/ ATTENDANCE

RECOMMENDED ACTION:

Approve the tentative future meetings/attendance items and ratify the Directors' expenses and fees from the following period(s):

1. December 2022

ITEM 6: DISCUSSION AND POSSIBLE ACTION(S) RELATED TO CALENDAR YEAR 2023 BOARD MEMBER COMMITTEE APPOINTMENTS AND AGENCY REPRESENTATIVE ASSIGNMENTS

RECOMMENDED ACTION:

Board President to appoint Board Members and District staff to District committee(s) and make other agency representative assignments pursuant to District Policy and District Rules and Regulations Section 2.4.1.

ITEM 7: DISCUSSION AND POSSIBLE ACTION CONCERNING WATER AWARENESS DAY 2023

RECOMMENDED ACTION:

Approve scheduling the District's "Water Awareness Day" public education event for May 6, 2023.

ENGINEERING MATTERS

ITEM 8: PARTH DEVELOPMENT EASEMENT

RECOMMENDED ACTION:

Recommend that the Board of Directors receive the Grant of Easement to the Trabuco Canyon Water District by The Frank R. Parth, Trustee of the Frank R. Parth Trust dated August 31, 2015, for Water Pipelines, and authorize the District Secretary to execute said Grant of Easement.

ITEM 9: SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) JOINT POWERS AGREEMENT (JPA) DISCUSSIONS UPDATE

RECOMMENDED ACTION:

Receive information at the time of the meeting and take action(s) as deemed appropriate.

FINANCIAL MATTERS

ITEM 10: TRABUCO CANYON WATER DISTRICT FISCAL YEAR 2021-22 ANNUAL COMPREHENSIVE FINANCIAL REPORT

RECOMMENDED ACTION:

1. Receive and file the Trabuco Canyon Water District DRAFT Financial Statements and Independent Auditors' Report for Fiscal Years Ended June 30, 2022 and 2021



**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING AGENDA | JANUARY 19, 2023**

2. *Approve the Trabuco Canyon Water District Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2022.*

LEGISLATIVE AND OTHER MATTERS

ITEM 11: DROUGHT STATUS UPDATE

RECOMMENDED ACTION:

Receive information at the time of the meeting and take action(s) as deemed appropriate.

ITEM 12: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

RECOMMENDED ACTION(S):

Receive information at the time of the meeting and take action(s) as deemed appropriate.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

ITEM 13: _____

ITEM 14: _____

GENERAL COUNSEL REPORT

Reports or comments from the District's General Counsel

OTHER INFORMATION/MATTERS

Reports or comments from the General Manager and/or Staff

ADDITIONAL DIRECTORS' COMMENTS

Additional reports or comments from Directors

END ACTION CALENDAR & 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 Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection at the Trabuco Canyon Water District Administrative Facility, 32003 Dove Canyon Drive, Trabuco Canyon, California (District Administrative Facility) and will be posted online on the District's website located at www.tcwd.ca.gov. If such writings are distributed to members of the Board 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 Board Members, 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
REGULAR BOARD MEETING AGENDA | JANUARY 19, 2023**

FUTURE SCHEDULED REGULAR BOARD MEETINGS OF THE BOARD OF DIRECTORS

Upcoming Regular Meetings of the Board are expected to be held at the District Administrative Facility (Board Meeting Room) located at 32003 Dove Canyon Drive, Trabuco Canyon, California 92679 and are currently scheduled as follows:

February 16, 2023 | March 16, 2023 | April 20, 2023



**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JANUARY 19, 2023**

CONSENT CALENDAR

ITEM 1: APPROVAL OF MINUTES OF BOARD MEETING(S)

RECOMMENDED ACTION

Approve the minutes of the following Board Meetings:

- 1. December 15, 2022 Regular Board Meeting*

CONTACTS (staff responsible): PALUDI/PEREA/SANGI



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | DECEMBER 15, 2022

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on December 15, 2022, was called to order by President Chadd at 5:30 p.m. in the Board Room at the District Administrative Facility located at 32003 Dove Canyon Drive, Trabuco Canyon, California. Mr. Michael Perea, District Board Secretary, transcribed the minutes thereof.

DIRECTORS PRESENT

President Don Chadd
Vice President Stephen Dopudja
Director Glenn Acosta
Director Edward Mandich
Director Michael Safranski

STAFF PRESENT

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

DISTRICT CONSULTANTS PRESENT

Claire Collins, General Legal Counsel – Hanson Bridgett LLP
Robin Rockey, Rock Spark Communications

PUBLIC PRESENT

There were members of the public in attendance

PLEDGE OF ALLEGIANCE

Director Acosta led the Board of Directors, District staff, and audience in the Pledge of Allegiance.

ITEMS TOO LATE TO BE AGENDIZED

Mr. Paludi reported that District staff request to add an item that was prepared after the posting of the agenda, and Ms. Collins prepared an addendum to the agenda listing the item too late to be agendized as follows:

ITEM 14: AUTHORIZE THE GENERAL MANAGER TO ENTER INTO A CONTRACT FOR THE DOVE AND ROBINSON RANCH RECYCLED WATER PUMP STATION VARIABLE FREQUENCY DRIVE (“VFD”) AND REPLACEMENT COMPONENTS TO TESCO CONTROLS IN THE NOT TO EXCEED AMOUNT OF \$40,190.

MOTION: Approve adding Item 14 to the agenda for Board consideration – Director Acosta

SECOND: Director Mandich

AYES: Directors Dopudja, Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 5 - 0

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | DECEMBER 15, 2022**

VISITOR PARTICIPATION & ORAL COMMUNICATION

None

OATH OF OFFICE

Mr. Perea conducted the Oath of Office for Directors Acosta, Mandich, and Safranski.

DIRECTOR'S COMMENTS

Director Safranski reported on his attendance at the South Orange County Agencies Group meeting, the Association of California Water Agencies (ACWA) Fall Conference, and the City of Rancho Santa Margarita (RSM) City Council meeting.

Director Acosta expressed his appreciation for District staff and legal counsel for the hard work this year and wished everyone Happy Holidays.

Director Mandich wished all in attendance Happy Holidays.

Director Dopudja reported on his attendance at Moulton Niguel Water District's (MNWD) Regular Board Meeting in which their Board of Directors recognized Director Richard Fiore for his years of service on their Board. He wished everyone in attendance a safe holiday and happy new year.

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported on the following matters:

- Introduced Ms. Robin Rockey of Rockspark Communications to the Board of Directors, and he reported that he has executed a contract for professional communication services with Rockspark beginning January 2023. Ms. Rockey briefly highlighted the communications and public outreach services that have been provided to similar agencies in Orange County.
- The Municipal Water District of Orange County (MWDOC) Water Policy Forum & Dinner is scheduled for February 9, 2023, and District staff will follow up with Directors interested in attending the event.
- Mr. Paludi reviewed the District Office Closure holiday schedule and wished everyone Happy Holidays.

CONSENT CALENDAR

Mr. Perea recommended the Board of Directors pull Agenda Item No. Two from the Consent Calendar for the consideration and approval of matters that had been reviewed by the Finance/Audit Committee after the posting of the Board Meeting agenda.

MOTION: Approve pulling Agenda Item No. Two from the Consent Calendar and approve the balance of items— Director Acosta

SECOND: Director Mandich

AYES: Directors Dopudja, Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 5 - 0

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | DECEMBER 15, 2022**

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 2: TREASURER'S REPORT

Mr. Perea reported that the Finance/Audit Committee met the prior day and approved the General Fund Payroll Warrant Registry, but that the approval occurred after the posting of the Board Meeting agenda in accordance with the Brown Act. Mr. Perea indicated the approved Registry was included in the Action Calendar folder for their consideration and approval.

- MOTION:** Approve the November 2022 General Fund Payroll Warrant Registry– Director Dopudja
- SECOND:** Director Acosta
- AYES:** Directors Dopudja, Mandich, Acosta, Chadd, & Safranski
- NOES:** None
- ABSTAIN:** None
- MOTION PASSED/FAILED:** Passed 5 - 0

ITEM 5: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, AND TENTATIVE FUTURE MEETINGS/ ATTENDANCE

Mr. Paludi presented this matter for Board consideration, and he reported this matter was reviewed with the Finance/Audit Committee. Discussion occurred concerning certain scheduled updates.

- MOTION:** Approve the Directors' Fees and Expenses Report – Director Acosta
- SECOND:** Director Mandich
- AYES:** Directors Dopudja, Mandich, Acosta, Chadd, & Safranski
- NOES:** None
- ABSTAIN:** None
- MOTION PASSED/FAILED:** Passed 5 - 0

ITEM 6: ELECTION OF BOARD OFFICERS

Pursuant to the District's rules and regulations, Mr. Paludi took control of the gavel during the nominations and voting for President of the Board of Directors. Mr. Paludi requested nominations for the position of President of the Trabuco Canyon Water District Board of Directors.

- MOTION:** Elect Director Stephen Dopudja as President of the Board of Directors of Trabuco Canyon Water District– Director Acosta
- SECOND:** Director Safranski
- AYES:** Directors Dopudja, Mandich, Acosta, Chadd, & Safranski
- NOES:** None
- ABSTAIN:** None
- MOTION PASSED/FAILED:** Passed 5 – 0

Mr. Paludi requested nominations for the position of Vice President of the Trabuco Canyon Water District Board of Directors

- MOTION:** Elect Director Edward Mandich as Vice President of the Board of Directors of Trabuco Canyon Water District– Director Acosta
- SECOND:** Director Dopudja
- AYES:** Directors Dopudja, Mandich, Acosta, Chadd, & Safranski

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | DECEMBER 15, 2022**

NOES: None
ABSTAIN: None
MOTION PASSED/FAILED: Passed 5 – 0

ENGINEERING MATTERS

ITEM 7: AWARD OF APPROVAL OF DOVE DAM AIR VENT PIPE REPAIR

Mr. Paludi presented this matter for Board consideration, and he reported that this matter was reviewed with the Engineering/Operational Committee. Ms. Lausten provided an overview of the repairs completed to date on the dam air vent pipe, and she recommended a temporary repair of the vent pipe to ensure proper operation of the dam outlet structure and to prevent the loss of recycled water collected and stored in Dove Lake. Ms. Lausten presented a proposal from Myers Marine Division for the repair work including a schematic design of proposed repair. Discussion occurred concerning the proposed repair design and costs associated with the repair and timeline for completion. Mr. Paludi highlighted the importance of the proposed temporary repair and current efforts to develop a permanent long-term solution to Dove Dam improvements with the assistance of Hazen and Sawyer.

Director Mandich recommended that District staff continue developing a permanent solution for these issues, but he cautioned on the completion of any temporary repairs at this time. Discussion occurred concerning the potential impacts of a failed dam vent pipe. Director Chadd provided some historical background on the capture of irrigation runoff downstream of Dove Lake and the benefits of the Dry Season Recovery Pump Stations.

Mr. Paludi indicated that District staff will accelerate the technical memorandum preparation with Hazen and Sawyer, and that District staff will provide an update at the following regular Engineering/Operational Committee meeting. Mr. Paludi stated that in the event of an emergency that he would utilize General Manager Emergency Authority and schedule a Special Board Meeting for consideration of this matter, if necessary.

MOTION: No action was taken.

ITEM 8: APPROVAL OF CONTRACT CHANGE ORDER WITH FERGUSON WATERWORKS FOR AUTOMATIC METER READING/AUTOMATED METERING INFRASTRUCTURE (AMR/AMI) PROJECT

Mr. Paludi introduced this matter for Board consideration, and he commented that this matter was reviewed with the Engineering/Operational Committee. Mr. Paludi reported this project has gone very well to date, and that District staff is presenting a contract change order for Board consideration. Mr. Perea indicated that during the initial review of the bid that he mistakenly read the two-inch meter description as Ferguson had listed all two-inch meters as positive displacement (PD) meters instead of turbine meters, and he reported that a majority of the District's two-inch meters are domestic irrigation meters (DIM) which require turbine meters to monitor higher flowrates. Mr. Perea recommended the Board approve the proposed Contract Change Order No. 1 for \$19,076.

MOTION: Approve Contract Change Order No. 1 with Ferguson Waterworks for the District's Automatic Meter Reading/Automated Metering Infrastructure (AMR/AMI) Project for a not to exceed amount of \$19,076 - Director Mandich
SECOND: Director Safranski
AYES: Directors Dopudja, Mandich, Acosta, Chadd, & Safranski
NOES: None
ABSTAIN: None
MOTION PASSED/FAILED: Passed 5 - 0

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | DECEMBER 15, 2022**

**ITEM 9: SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) JOINT POWER AGREEMENT (JPA)
DISCUSSIONS UPDATE**

Mr. Paludi introduced this matter for Board consideration. Director Dopudja reported on his attendance at the SOCWA Regular Board Meeting, and he commented on recent Board action related to Project Committee (PC) 2 action which terminates SOCWA as the operator of the JB Latham Treatment Plant. Discussion occurred concerning certain matters discussed at the Board meeting.

Mr. Paludi provided a brief update on TCWD's efforts to obtain its own permit with the Regional Board.

MOTION: No action was taken.

ITEM 10: URBAN WATER INSTITUTE 2023 SPRING WATER CONFERENCE SPONSORSHIP

Mr. Paludi presented this matter for Board consideration, and he provided an overview of the scheduled 2023 spring conference and sponsorship benefits. Mr. Paludi added that he would be moderating a group panel on communication strategies. Mr. Paludi recommended the District sponsor the conference for an amount of \$1,250.

MOTION: Approve sponsorship of the Urban Water Institute's 2023 Spring Water Conference in the amount of \$1,250 – Director Acosta

SECOND: Director Mandich

AYES: Directors Dopudja, Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 5 - 0

ITEM 11: MEMBERSHIP IN SOUTHERN CALIFORNIA WATER COALITION

Mr. Paludi presented this matter for Board consideration, and he provided an overview of the benefits of membership in the Southern California Water Coalition (SCWC). Mr. Paludi recommended the District join the SCWC for the amount of \$2,500 annually. Discussion occurred concerning planned SCWC events for 2023.

MOTION: Approve Trabuco Canyon Water District's membership in the Southern California Water Coalition in the amount to \$2,500 annually – Director Acosta

SECOND: Director Mandich

AYES: Directors Dopudja, Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 5 - 0

LEGISLATIVE AND OTHER MATTERS

ITEM 12: DROUGHT STATUS UPDATE

Mr. Paludi provided a brief update on this matter, and he provided a handout to the Board that trended Northern Sierra precipitation over the five previous years versus wettest and driest water years. Discussion occurred concerning average precipitation levels and impacts to long-term water supplies.

MOTION: No action was taken.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | DECEMBER 15, 2022**

ITEM 13: LOCAL GOVERNMENTAL AND LEGISLATIVE MATTER(S)

Mr. Paludi had no matters for Board consideration.

Director Chadd reported on his attendance at the Santiago Aqueduct Commission (SAC) meeting and highlighted the approval of the financial report (audit) and commended Irvine Ranch Water District (IRWD) on the completion of the SAC pipeline repair project.

MOTION: No action was taken.

ITEM 15: APPROVAL OF PURCHASE OF ONE (1) VARIABLE FREQUENCY DRIVE AND RELATED EQUIPMENT FOR DOVE RECYCLED WATER PUMP STATION

Mr. Paludi introduced this matter for Board consideration, and he mentioned that a variable frequency drive (VFD) at the Dove Recycled Water Pump Station (RWPS) has failed. Mr. Paludi reported that District staff has requested a quote from TESCO Controls for the replacement of the VFD and related equipment for this critical facility. Ms. Lausten provided a review of the quote, and she mentioned that the failure was likely due to corrosion based on inspection of the equipment. Discussion occurred concerning procurement timelines and potential impacts to the facility and recycled water services. Ms. Lausten recommended the Board of Directors approve the quote for the VFD and related equipment in the not to exceed amount of \$40,190.

MOTION: Authorize the General Manager execute a contract for the Dove & Robinson Ranch Recycled Water Pump Station VFD's and Replacement Components to TESCO Controls in the not to exceed amount of \$40,190 – Director Acosta

SECOND: Director Mandich

AYES: Directors Dopudja, Mandich, Acosta, Chadd, & Safranski

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 5 - 0

GENERAL COUNSEL REPORT

Ms. Collins provided a brief update on the passage of the Levine Act and the impacts on elected officials.

OTHER INFORMATION/MATTERS

Mr. Perea reported that Mr. Robbie Bargeron successfully passed his Wastewater Treatment Operator Grade III examination, and Mr. Richard Hurtado successfully passed his Water Treatment Operator Grade III examination.

ADDITIONAL DIRECTORS' COMMENTS

Director Safranski noted he was no longer on the Trabuco Highlands Community Association Board.

ADJOURNMENT

President Dopudja adjourned the December 15, 2022, Regular Board Meeting at 6:55 p.m.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JANUARY 19, 2023**

CONSENT CALENDAR

ITEM 2: TREASURER'S REPORT

a. *FINANCE/AUDIT COMMITTEE MEETING*

RECOMMENDED ACTION:

Receive and file the following Finance/Audit Committee Meeting Recap(s):

1. *December 14, 2022*

b. *PRESENTATION OF FINANCIALS*

RECOMMENDED ACTION:

Receive and file the preliminary statement(s) of revenues and expenses and preliminary unaudited financials for the following month(s):

1. *November 2022*

c. *PAYMENT OF BILLS FOR CONSIDERATION*

RECOMMENDED ACTION:

Ratify the payment of bills for consideration, Payroll and Payroll Taxes for December 2022.

EXHIBITS:

1. Revenue Report – *December 2022*
2. Disbursement Report – *December 2022*
3. Summary of Disbursements – *December 2022*
4. General Fund Warrant Register – *December 2022*
5. General Fund Payroll Warrant Register – *December 2022*

CONTACTS (staff responsible): PEREA/WARNER



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING RECAP | DECEMBER 14, 2022**

DIRECTORS PRESENT

Ed Mandich, Committee Chair
Don Chadd, Committee Chair Alternative

DIRECTORS ABSENT

Glenn Acosta, Committee Member

STAFF PRESENT

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

PUBLIC PRESENT

None

CALL MEETING TO ORDER

Director Mandich called the December 14, 2022 Finance/Audit Committee Meeting to order at 1:00 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 ASSISTANT GENERAL MANAGER

Mr. Paludi reported that District staff will be presenting an item too late to be agendaized at the December 15, 2022 Regular Board Meeting related to the repair and replacement of variable frequency drives (VFDs) for the District's Dove Recycled Water Pump Station.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

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

MOTION: Approve the Finance/Audit Committee Meeting Recap and recommended that the Board receive and file the same (Consent Calendar) – Director Mandich

SECOND: Director Chadd

AYES: Directors Mandich & Chadd

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 2-0

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | DECEMBER 14, 2022**

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. Mr. Perea indicated the fees and expenses report for November 2022 has been updated since the posting of the agenda with Director Safranski's attendance and related expenses for the ACWA Conference.

- MOTION:** Recommend the Board of Directors ratify the Directors' fees and expenses for November 2022 and tentative future meetings/attendance. (Action Calendar)– Director Mandich
- SECOND:** Director Chadd
- AYES:** Directors Mandich & Chadd
- NOES:** None
- ABSTAIN:** None
- MOTION PASSED/FAILED:** Passed 2-0

ITEM 3: URBAN WATER INSTITUTE 2023 SPRING WATER CONFERENCE SPONSORSHIP

Mr. Paludi presented this matter for Committee consideration, and he reported the District is a member of the Urban Water Institute (UWI). Mr. Paludi recommended the Board of Directors approve a sponsorship level of \$1,250 for the 2023 Spring Water Conference. Discussion occurred concerning the conference program and previous sponsorship levels.

- MOTION:** Recommend the Board of Directors approve sponsorship of the Urban Water Institute's 2023 Spring Water Conference in the amount of \$1,250 (Action Calendar) – Director Mandich
- SECOND:** Director Chadd
- AYES:** Directors Mandich & Chadd
- NOES:** None
- ABSTAIN:** None
- MOTION PASSED/FAILED:** Passed 2-0

ITEM 4: MEMBERSHIP IN SOUTHERN CALIFORNIA WATER COALITION

Mr. Paludi presented this matter for Committee consideration, and he highlighted the efforts of the Southern California Water Coalition (SCWC) in the water industry. Mr. Paludi reported that Board members and District staff have attended SCWC events in the past and found them to be informative and beneficial.

- MOTION:** Recommend the Board of Directors approve Trabuco Canyon Water District's membership in the Southern California Water Coalition in the amount of \$2,500 annually (Action Calendar) – Director Mandich
- SECOND:** Director Chadd
- AYES:** Directors Mandich & Chadd
- NOES:** None
- ABSTAIN:** None
- MOTION PASSED/FAILED:** Passed 2-0

ITEM 5: OTHER MATTERS

Mr. Paludi reported that District staff will present the Draft Fiscal Year 2021/2022 Financial Report at the January Finance/Audit Committee meeting.

- MOTION:** None – Informational item only.

ITEM 6: FINANCIAL REPORT

Ms. Warner presented the preliminary unaudited financials for October 2022, and she highlighted the following items:

Operating Revenue, Water Commodity Sales

Ms. Warner reported that this line item was higher than budgeted due to the current warmer weather conditions.

Operating Revenue, Reclaimed Water Sales

Ms. Warner reported that water demand for the month was significantly higher than budgeted due to increased system demands.

Non-Operating Revenue, Property Taxes

Ms. Warner reported that this line item is adjusted only two times per year due to property tax collection periods.

Non-Operating Revenue, Interest Revenue

Ms. Warner reported that this line item is significantly higher than budgeted due to the impacts of increased interest rates.

Operating Expense, Source of Supply

Ms. Warner reported that this line item was higher than budgeted for the year due to increased electrical and chemical costs for treatment.

Operating Expense, Sanitation Related Expenses

Ms. Warner reported that this line item was higher than budgeted for the year due to increased odor control costs.

Operating Expense, Recycled & Reclaimed Expenses

Ms. Warner reported that this line item was higher than budgeted for the year due to increased laboratory testing. Mr. Perea added that staff has increased its recycled water sampling frequency to confirm the high quality of production water.

District Capital FY 2022-23 (Unaudited)

Ms. Warner reviewed the capital expenditures to date by project and provided a brief overview of the October costs, including the following:

District Capital, Capital Improvements/Replacements

Orange County Rescue Mission (District Customer)

Ms. Warner reported that these costs were transferred expenses to capital costs related to the relocation and installation of potable water services for the Orange County Rescue Mission (customer) property in order to meet the District's standards and specifications.

District Capital, Equipment

PRV Improvements

Director Mandich inquired how this line item has exceeded its annual budget. Mr. Perea indicated that Water Operations performed more PRV repairs/improvements than originally budgeted due to necessity. The Committee agreed that the repairs/improvements are critical in nature and commended Operations staff for staying on top the District's facilities.

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | DECEMBER 14, 2022**

MOTION: Recommend the Board ratify payment of the bills for consideration for December 14, 2022, as presented (Action Calendar) – Director Mandich

SECOND: Director Chadd

AYES: Directors Mandich & Chadd

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 2-0

ADJOURNMENT

Director Mandich adjourned the December 14, 2022, Finance/Audit Committee Meeting at 1:20 p.m.

DRAFT



Trabuco Canyon Water District

District Operations

FY 2022/23 (Unaudited)

	November 2022	YTD Actual	FY 23 Adopted Budget	YTD 42%
1 Operating Revenue				
2 Water Commodity Sales	\$ 346,081	\$ 2,046,513	\$ 4,237,600	48%
3 Service Charges - Water	97,554	490,478	1,207,000	41%
4 Service Charges - Sewer	148,342	747,339	1,844,900	41%
5 Service Charges - Recycled/Reclaimed	6,308	31,722	84,000	38%
6 Baker Treatment Plant (BTP) Water Sales	88,529	447,632	1,110,000	40%
7 Reclaimed Water Sales	40,364	432,868	771,300	56%
8 Recycled Water Sales	37,168	119,304	227,500	52%
9 Customer Charges	28,953	187,224	318,300	59%
10 Other Operating Revenue	-	-	91,800	0%
11 Standby Charges	10,983	10,983	46,200	24%
12 Uncollectable Accounts	-	-	(26,400)	0%
13 Total Operating Revenue	804,282	4,514,063	9,912,200	46%
14 Non-Operating Revenue				
15 Property Taxes	364,562	407,958	2,140,200	19%
16 Water Recovery & Emergency Storage Fees - BTP	31,946	159,639	382,000	42%
17 Water Recovery & Emergency Storage Fees - SRF	19,183	95,917	230,200	42%
18 Interest Revenue	413	36,486	18,800	194%
19 Other Non-Operating Revenue	2,445	19,410	76,200	25%
20 Total Non-Operating Revenue	418,549	719,409	2,847,400	25%
21 Total Revenues	1,222,831	5,233,473	12,759,600	41%
22 Operating Expense				
23 Source of Supply	178,988	1,211,788	2,831,200	43%
24 Baker Treatment Plant Water for Resale	88,639	425,249	1,013,800	42%
25 Water Related Expenses	60,309	458,050	911,300	50%
26 Sanitation Related Expenses	13,279	150,914	315,200	48%
27 Recycled & Reclaimed Expenses	39,231	118,199	207,900	57%
28 Salaries and Benefits	343,077	1,730,684	4,203,200	41%
29 CalPERS Unfunded Accrued Liability Minimum	-	273,674	290,000	94%
30 General and Administrative	142,801	1,017,534	2,323,100	44%
31 Total Operating Expense	866,324	5,386,093	12,095,700	45%
32 Non-Operating Expense				
33 Debt Service - SRF	-	-	230,200	0%
34 Debt Service - Credit Line	-	-	145,000	0%
35 Total Non-Operating Expense	-	-	375,200	0%
36 Total Expenses	866,324	5,386,093	12,470,900	43%
37 Net Income / (Loss) Before Capital & Pension	356,507	(152,620)	288,700	
38 Use of District Reserves for Capital Projects	-	-	-	0%
39 Developer Impact Fees (Restricted)	40,795	40,795	-	0%
40 Increase / (Decrease) to Reserves	\$ 397,302	\$ (111,825)	\$ 288,700	

*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

District Capital

FY 2022/23 (Unaudited)

	November 2022	YTD Actual	FY 23 Adopted Budget	YTD 42%
1 Funding Sources				
2 Grant Revenue	\$ -	\$ -	\$ 500,000	0%
3 Bank of the West Credit Line Proceeds	189,231	1,853,420	5,162,000	36%
4 Use of District Reserves for Capital Projects	-	-	-	0%
5 Funding Sources Total	189,231	1,853,420	5,662,000	33%
6 District Capital				
7 Capital Improvements / Replacements				
8 SCADA System Upgrades FY 2122	-	99,351	1,210,000	8%
9 AMI/AMR System Implementation (USBR) *	153,306	1,100,571	1,700,000	65%
10 Golf Club SLS Bypass Construction	-	108,214	870,000	12%
11 Dimension Water Treatment Plant (DWTP) Office & Storage	-	4,342	300,000	1%
12 Master Plan and Condition Assessment Study	30,616	192,150	250,000	77%
13 Live Oak Pipeline Scoping	-	-	100,000	0%
14 ETRSLs Surge Tank Improvements	-	1,700	250,000	1%
15 Trabuco Creek Water Main Potholing	-	-	20,000	0%
16 Dimension Water Treatment Plant Vault Lids	-	-	50,000	0%
17 ETRSLs Discharge Valve Replacement	-	-	35,000	0%
18 OC Rescue Mission	-	107,190	-	0%
19 Capital Improvements / Replacements Total	183,922	1,613,517	4,785,000	34%
20 Equipment				
21 Chiquita Capital Replacement	-	120,582	178,000	68%
22 Wastewater Treatment Plant Hoffman Blower Building Rehab	-	526	250,000	0%
23 Equipment Trailer	-	-	39,000	0%
24 Wastewater Treatment Plant New Mixers	-	-	150,000	0%
25 Dove Lake Barge/Pump	-	13,068	20,000	65%
26 Domestic Water Turbidimeter Replacement	-	-	15,000	0%
27 Flow Meter - Tick Creek	-	8,908	-	0%
28 Equipment Total	-	134,175	652,000	21%
29 Programs				
30 Pressure Relief Valve Improvements	5,309	32,583	15,000	217%
31 Valve Replacement Program	-	9,660	45,000	21%
32 Manhole Recoating Program - Sewer	-	-	20,000	0%
33 Pressure Relief Valve Vault Improvements - Reclaimed	-	-	45,000	0%
34 Pump Replacement Program	-	54,578	100,000	55%
35 Programs Total	5,309	96,821	225,000	43%
36 District Capital Total	189,231	1,853,420	5,662,000	33%
37 Net Budget	\$ -	\$ -	\$ -	

*Partially funded by Grant / Loan Proceeds



Trabuco Canyon Water District

Balance Sheet

November 30, 2022

(Unaudited)

		November 2022
1	Assets	
2	Cash & Investments	
3	Cash & Investments - Unrestricted	\$ (2,944,302)
4	Cash & Investments - Restricted	11,934,802
5	Total Cash & Investments	<u>8,990,499</u>
6	Other Current Assets	
7	Accounts Receivable, Net	1,918,635
8	Due from Baker Treatment Plant Reserves	546,625
9	Prepaid & Other	43,990
10	LAIF - Market Value Adjustment ¹	533
11	Total Other Current Assets	<u>2,509,249</u>
12	Capital Assets	
13	Capital Assets, at Cost	124,639,237
14	Accumulated Depreciation	(78,325,191)
15	Construction in Progress	3,135,711
16	Total Capital Assets	<u>49,449,756</u>
17	Net OPEB Asset	201,692
18	Deferred Outflows of Resources (DOR)	1,473,729
19	Total Assets & DOR	<u><u>\$ 62,625,459</u></u>
20	Liabilities	
21	Current Liabilities	
22	Accounts Payable	\$ 730,700
23	Due to Internal Financing Fund	546,625
24	Accrued Expenses	176,992
25	Current Portion-Long Term Debt	92,840
26	Deposits on Hand	79,312
27	Total Current Liabilities	<u>1,626,468</u>
28	Long-Term Liabilities	
29	Net Pension Liability	1,597,778
30	State Revolving Fund Loan	1,864,665
31	Bank of the West Loan	10,000,000
32	Total Long Term Liabilities	<u>13,462,443</u>
33	Deferred Inflows of Resources (DIR)	2,448,966
34	Total Liabilities & DIR	<u>17,537,877</u>
35	Fund Balance	45,087,582
36	Total Liabilities, Fund Balance & DIR	<u><u>\$ 62,625,459</u></u>

¹ LAIF Market Value adjusted annually at June 30th. This balance may be different from the cash and investments report during the year based on updated market conditions.

**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

Cash Investments Report

November 30, 2022

(Unaudited)

	Type	Cost	Market	% Total
District Cash & Investments				
Unrestricted				
Local Agency Investment Fund (LAIF)	Investment	\$ (3,550,665)	\$ (3,482,354)	-39.4%
Bank of the West	Checking	606,363	606,363	6.9%
Total Unrestricted		(2,944,302)	(2,875,991)	-32.6%
Restricted				
LAIF - Water Storage Facilities	Investment	1,060,119	1,039,724	11.8%
LAIF - WRES - Rose Canyon/Lang Wells	Investment	1,607,653	1,576,724	17.8%
LAIF - WRES - Reservoir/Distribution Impr.	Investment	2,682,598	2,630,988	29.8%
LAIF - Interim Sewage	Investment	124,285	121,894	1.4%
LAIF - Debt Issuance 2022	Investment	6,223,241	6,103,512	69.1%
Cash in CB&T Reserved for SRF Loan	Checking	236,905	236,905	2.7%
Total Restricted		11,934,802	11,709,746	132.6%
Total District Cash & Investments		\$ 8,990,499	\$ 8,833,755	100.0%

Quarterly 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.

Cindy Byerrum

Cindy Byerrum, Contract CPA

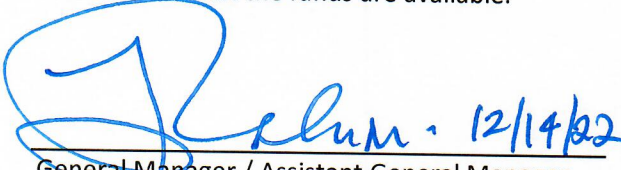


Trabuco Canyon Water District
General Fund Warrant Register
12/14/2022


Summary of Disbursements

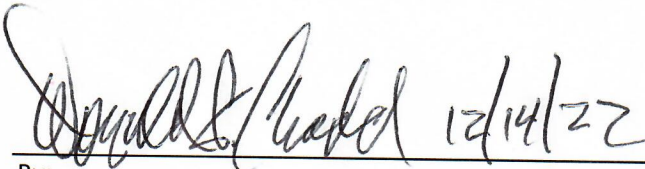
Computer Checks	555,496.17
UB Refund Checks	51.46
Void UB Refund	-
Bank Drafts	473,035.57
Bank EFTs	319,528.74
Voided Checks	(1,020.81)
Total Disbursements	1,347,091.13

I hereby certify that the claims or demands covered by the above listed warrants have been audited as to accuracy and the availability of funds for payment thereof; and that the said claims or demands are accurate and that the funds are available.


General Manager / Assistant General Manager

This is to certify that claims or demands covered by the above listed warrants have been audited by the Finance/Audit Committee of the Trabuco Canyon Water District and that all of the said warrants are approved for payment.


By: _____ Date: 12-14-22


By: _____ Date: 12/14/22



Trabuco Canyon Water District, CA

Check Report

By Check Number

Date Range: 11/08/2022 - 12/13/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
AMAZ0001	AMAZON	11/18/2022	EFT	0.00	582.60	222
DUTH0001	DUTHIE ELECTRIC SERVICE CORPORATION	11/18/2022	EFT	0.00	7,418.56	223
EIDE0001	EIDE BAILLY	11/18/2022	EFT	0.00	7,526.55	224
IRVI0002	IRVINE PIPE SUPPLY	11/18/2022	EFT	0.00	3,865.49	225
J.S.0001	J. S. HELD LLC	11/18/2022	EFT	0.00	5,412.18	226
MWDO0001	MWDOC	11/18/2022	EFT	0.00	17,829.99	227
OLIN0001	OLIN CHEMICALS	11/18/2022	EFT	0.00	5,460.87	228
PEBB0001	PEBBLE SPRING WATER	11/18/2022	EFT	0.00	81.50	229
UNIF0001	UNIFIRST CORPORATION	11/18/2022	EFT	0.00	372.77	230
UNIT0001	UNITED WATER WORKS, INC.	11/18/2022	EFT	0.00	12,700.26	231
ACWA0002	ACWA/JPIA - WC, PROP., & LIAB	11/30/2022	EFT	0.00	66,490.00	232
ACWA0003	ACWA/JPIA - LIFE	11/30/2022	EFT	0.00	484.09	233
IRVI0002	IRVINE PIPE SUPPLY	11/30/2022	EFT	0.00	153.30	234
MWDO0001	MWDOC	11/30/2022	EFT	0.00	183,112.90	235
OLIN0001	OLIN CHEMICALS	11/30/2022	EFT	0.00	1,599.15	236
UNIF0001	UNIFIRST CORPORATION	11/30/2022	EFT	0.00	117.92	237
EVAN0001	EVANS-HYDRO, INC.	12/09/2022	EFT	0.00	719.35	238
OLIN0001	OLIN CHEMICALS	12/09/2022	EFT	0.00	2,891.34	239
TRUE0001	ALS - TRUESDAIL LABORATORIES	12/09/2022	EFT	0.00	2,592.00	240
UNIF0001	UNIFIRST CORPORATION	12/09/2022	EFT	0.00	117.92	241
KESS0001	GARY KESSLER	11/16/2022	Regular	0.00	2,473.25	11337
MONS0001	BRENT MONSON	11/16/2022	Regular	0.00	295.85	11338
SERP0001	PHIL SERPAS	11/16/2022	Regular	0.00	1,934.50	11339
SMIT0001	BLAKE SMITH	11/16/2022	Regular	0.00	599.00	11340
APPL0001	APPLIED INDUSTRIAL TECHNOLOGIES	11/17/2022	Regular	0.00	690.85	11341
ARCO001	ARC	11/17/2022	Regular	0.00	47.83	11342
ASBU0001	ASBURY ENVIRONMENTAL SERVICES	11/17/2022	Regular	0.00	95.00	11343
AT&T0001	AT&T	11/17/2022	Regular	0.00	912.80	11344
AT&T0003	AT&T MOBILITY	11/17/2022	Regular	0.00	53.23	11345
CHEM0001	CHEMTRADE CHEMICALS US LLC	11/17/2022	Regular	0.00	10,976.58	11346
CONSO004	CONSUMER PIPE & SUPPLY	11/17/2022	Regular	0.00	262.54	11347
COUN0001	COUNTY OF ORANGE	11/17/2022	Regular	0.00	7,987.76	11348
DMCE0001	DMC ENGINEERING	11/17/2022	Regular	0.00	6,993.78	11349
FERG0001	FERGUSON WATERWORKS	11/17/2022	Regular	0.00	82,428.75	11350
HARR0001	HARRINGTON INDUSTRIAL PLASTICS LLC	11/17/2022	Regular	0.00	3,581.57	11351
HIGH0001	HIGHROAD INFORMATION TECHNOLOGY, LLC.	11/17/2022	Regular	0.00	6,087.00	11352
HYDR0002	HYDROTECH ELECTRIC	11/17/2022	Regular	0.00	4,550.24	11353
IBCO0001	IB CONSULTING	11/17/2022	Regular	0.00	11,280.00	11354
IRVI0001	IRVINE RANCH WATER DISTRICT	11/17/2022	Regular	0.00	23,454.00	11355
IWAT0001	IWATER, INC.	11/17/2022	Regular	0.00	6,000.00	11356
JIGC0001	JIG CONSULTANTS	11/17/2022	Regular	0.00	2,145.00	11357
LAHA0001	LA HABRA FENCE COMPANY, INC.	11/17/2022	Regular	0.00	1,948.00	11358
MATE0002	MATERIAL SPECIALTIES CORP.	11/17/2022	Regular	0.00	1,336.06	11359
OCWA0001	OC WASTE & RECYCLING	11/17/2022	Regular	0.00	2,460.37	11360
ORAN0004	ORANGE COUNTY PUMPING, INC.	11/17/2022	Regular	0.00	2,840.00	11361
ORKI0001	ORKIN, INC.	11/17/2022	Regular	0.00	124.00	11362
PSOM0001	PSOMAS	11/17/2022	Regular	0.00	840.50	11363
S&JS0001	S & J SUPPLY COMPANY	11/17/2022	Regular	0.00	822.14	11364
SANT0003	SANTA MARGARITA WATER DISTRICT	11/17/2022	Regular	0.00	139,324.34	11365
SIER0002	SIERRA ANALYTICAL	11/17/2022	Regular	0.00	1,895.00	11366
SITZ0001	KYLE SITZMANN	11/17/2022	Regular	0.00	29.21	11367
SOUT0012	DELCO SERVICE, INC.	11/17/2022	Regular	0.00	13,289.49	11368
STAN0001	STANLEY CONVERGENT SECURITY SOLUTIONS	11/17/2022	Regular	0.00	2,713.80	11369
Tech0002	TECHNO FLO SYSTEMS	11/17/2022	Regular	0.00	2,896.32	11370

Check Report

Date Range: 11/08/2022 - 12/13/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
TESC0001	TESCO CONTROLS, INC.	11/17/2022	Regular	0.00	2,431.41	11371
Unif0002	UNIFIRST FIRST AID CORPORATION	11/17/2022	Regular	0.00	236.11	11372
USAB0001	USA BLUEBOOK	11/17/2022	Regular	0.00	5,569.07	11373
VITU0001	VITUIITY - URGENT CARE SERVICES	11/17/2022	Regular	0.00	105.00	11374
WECK0001	WECK LABORATORIES	11/17/2022	Regular	0.00	356.16	11375
WEST0007	WESTERLY METER SERVICES CO.	11/17/2022	Regular	0.00	450.00	11376
IRVI0001	IRVINE RANCH WATER DISTRICT	11/30/2022	Regular	0.00	23,887.70	11378
ORAN0004	ORANGE COUNTY PUMPING, INC.	11/30/2022	Regular	0.00	1,420.00	11379
SIER0002	SIERRA ANALYTICAL	11/30/2022	Regular	0.00	2,531.50	11380
TOUC0001	TOUCH TEL MOBILE	11/30/2022	Regular	0.00	625.00	11381
USAB0001	USA BLUEBOOK	11/30/2022	Regular	0.00	292.72	11382
TUTT0003	TUTTLE CLICK COLLISION CENTER	12/05/2022	Regular	0.00	27,405.88	11383
GIRL0001	GIRL SCOUTS OF OC #7650	12/06/2022	Regular	0.00	500.00	11386
AT&T0001	AT&T	12/08/2022	Regular	0.00	896.64	11387
BARG0001	ROBERT BARGERON	12/08/2022	Regular	0.00	2,741.89	11388
CHEM0001	CHEMTRADE CHEMICALS US LLC	12/08/2022	Regular	0.00	5,450.37	11389
HANS0001	HANSON BRIDGETT LLP	12/08/2022	Regular	0.00	23,459.90	11390
HAZE0001	HAZEN & SAWYER	12/08/2022	Regular	0.00	30,616.25	11391
HIGH0001	HIGHROAD INFORMATION TECHNOLOGY, LLC.	12/08/2022	Regular	0.00	6,247.00	11392
HOLB0001	CHRIS HOLBROOK	12/08/2022	Regular	0.00	387.00	11393
HYDR0002	HYDROTECH ELECTRIC	12/08/2022	Regular	0.00	10,838.41	11394
IBCO0001	IB CONSULTING	12/08/2022	Regular	0.00	4,260.00	11395
INFO0001	INFOSEND, INC.	12/08/2022	Regular	0.00	3,132.38	11396
MYER0001	MYERS MARINE DIVISION, LLC	12/08/2022	Regular	0.00	24,560.00	11397
NIGR0001	NIGRO & NIGRO, PC	12/08/2022	Regular	0.00	10,500.00	11398
ORAN0004	ORANGE COUNTY PUMPING, INC.	12/08/2022	Regular	0.00	1,420.00	11399
ORKI0001	ORKIN, INC.	12/08/2022	Regular	0.00	778.00	11400
PERE0001	MICHAEL PEREA	12/08/2022	Regular	0.00	1,020.81	11401
PERE0001	MICHAEL PEREA	12/08/2022	Regular	0.00	-1,020.81	11401
ROBE0002	ROBERT'S WASTE & RECYCLING	12/08/2022	Regular	0.00	680.00	11402
SANT0007	SANTA MARGARITA TOYOTA	12/08/2022	Regular	0.00	625.23	11403
SIER0002	SIERRA ANALYTICAL	12/08/2022	Regular	0.00	1,750.00	11404
SMIT0001	BLAKE SMITH	12/08/2022	Regular	0.00	3,147.04	11405
SOUT0011	SOUTHWEST TOYOTA LIFT	12/08/2022	Regular	0.00	3,246.70	11406
STAN0001	STANLEY CONVERGENT SECURITY SOLUTIONS	12/08/2022	Regular	0.00	742.65	11407
TREN0001	TRENCH SHORING COMPANY	12/08/2022	Regular	0.00	738.50	11408
UNDE0001	UNDERGROUND SERVICE ALERT/SC	12/08/2022	Regular	0.00	114.57	11409
USAB0001	USA BLUEBOOK	12/08/2022	Regular	0.00	7,303.08	11410
VITU0001	VITUIITY - URGENT CARE SERVICES	12/08/2022	Regular	0.00	488.00	11411
WECK0001	WECK LABORATORIES	12/08/2022	Regular	0.00	237.44	11412
WIEN0001	WIENHOFF DRUG TESTING	12/08/2022	Regular	0.00	935.00	11413
WAGE0001	WAGE WORKS, INC.	11/08/2022	Bank Draft	0.00	148.73	DFT0002920
PACE0001	PACE PAYMENT SYSTEMS, INC.	11/09/2022	Bank Draft	0.00	208.10	DFT0002921
ADP0001	ADP	11/10/2022	Bank Draft	0.00	1,891.01	DFT0002923
COXC0001	COX COMMUNICATIONS	11/10/2022	Bank Draft	0.00	1,903.38	DFT0002924
WEXF0001	WEX FLEET UNIVERSAL	11/10/2022	Bank Draft	0.00	7,426.15	DFT0002925
COXC0001	COX COMMUNICATIONS	11/15/2022	Bank Draft	0.00	129.65	DFT0002926
XERO0001	XEROX CORPORATION	11/15/2022	Bank Draft	0.00	380.11	DFT0002927
SOUT0002	SOUTHERN CALIFORNIA EDISON	11/16/2022	Bank Draft	0.00	93,193.94	DFT0002928
TOLL0001	THE TOLL ROADS	11/16/2022	Bank Draft	0.00	140.00	DFT0002929
UMPQ0001	UMPQUA BANK	11/18/2022	Bank Draft	0.00	5,288.66	DFT0002931
ADP0001	ADP	11/17/2022	Bank Draft	0.00	111,855.83	DFT0002932
WAGE0001	WAGE WORKS, INC.	11/17/2022	Bank Draft	0.00	40.00	DFT0002933
COXC0001	COX COMMUNICATIONS	11/18/2022	Bank Draft	0.00	702.24	DFT0002934
CALP0001	CALPERS	11/18/2022	Bank Draft	0.00	27,433.77	DFT0002935
TABA0001	TAB ANSWER NETWORK	11/18/2022	Bank Draft	0.00	180.51	DFT0002936
WAGE0001	WAGE WORKS, INC.	11/22/2022	Bank Draft	0.00	5.00	DFT0002937
ADP0001	ADP	11/25/2022	Bank Draft	0.00	112.00	DFT0002938
AT&T0003	AT&T MOBILITY	11/25/2022	Bank Draft	0.00	2,381.86	DFT0002939
TOLL0001	THE TOLL ROADS	11/25/2022	Bank Draft	0.00	140.00	DFT0002940
WAGE0001	WAGE WORKS, INC.	11/25/2022	Bank Draft	0.00	75.00	DFT0002942

Check Report

Date Range: 11/08/2022 - 12/13/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
WAGE0001	WAGE WORKS, INC.	11/28/2022	Bank Draft	0.00	20.00	DFT0002943
HOME0001	HOME DEPOT CREDIT SERVICES	11/30/2022	Bank Draft	0.00	160.84	DFT0002944
WAGE0001	WAGE WORKS, INC.	12/01/2022	Bank Draft	0.00	134.40	DFT0002945
ADP0001	ADP	12/02/2022	Bank Draft	0.00	112,615.36	DFT0002947
CALP0001	CALPERS	12/02/2022	Bank Draft	0.00	81,047.77	DFT0002948
PACE0001	PACE PAYMENT SYSTEMS, INC.	12/02/2022	Bank Draft	0.00	6,456.66	DFT0002949
SANT0003	SANTA MARGARITA WATER DISTRICT	12/02/2022	Bank Draft	0.00	2,531.46	DFT0002950
VSP0001	VSP	12/02/2022	Bank Draft	0.00	814.55	DFT0002951
GUAR0001	GUARDIAN	12/05/2022	Bank Draft	0.00	4,150.84	DFT0002952
SHRE0001	SHRED-IT USA, LLC	12/05/2022	Bank Draft	0.00	68.00	DFT0002953
WAGE0001	WAGE WORKS, INC.	12/05/2022	Bank Draft	0.00	109.70	DFT0002954
PACE0001	PACE PAYMENT SYSTEMS, INC.	12/07/2022	Bank Draft	0.00	215.80	DFT0002955
HOME0001	HOME DEPOT CREDIT SERVICES	12/08/2022	Bank Draft	0.00	1,167.94	DFT0002956
COXC0001	COX COMMUNICATIONS	12/08/2022	Bank Draft	0.00	2,540.08	DFT0002957
TOLL0001	THE TOLL ROADS	12/09/2022	Bank Draft	0.00	140.00	DFT0002958
WEXF0001	WEX FLEET UNIVERSAL	12/09/2022	Bank Draft	0.00	5,436.86	DFT0002959
COXC0001	COX COMMUNICATIONS	12/12/2022	Bank Draft	0.00	1,749.37	DFT0002960
WAGE0001	WAGE WORKS, INC.	12/12/2022	Bank Draft	0.00	40.00	DFT0002961

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	142	74	0.00	555,496.17
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	-1,020.81
Bank Drafts	84	38	0.00	473,035.57
EFT's	42	20	0.00	319,528.74
	268	133	0.00	1,347,039.67

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	142	74	0.00	555,496.17
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	-1,020.81
Bank Drafts	84	38	0.00	473,035.57
EFT's	42	20	0.00	319,528.74
	268	133	0.00	1,347,039.67

Fund Summary

Fund	Name	Period	Amount
99	Pooled Cash	11/2022	948,298.34
99	Pooled Cash	12/2022	398,741.33
			1,347,039.67



Refund Check Register

Refund Check Detail

UBPKT08260 - Refunds 01 UBPKT08256 Regular

Account	Name	Date	Check #	Amount	Code	Receipt	Amount	Type
100-0526-013	ZHENG, JIE	11/28/2022	11377	51.46			51.46	Generated From Billing
Total Refunds: 1			Total Refunded Amount:	51.46				

Revenue Code Summary

Revenue Code	Amount
996 - UNAPPLIED CREDITS	51.46
Revenue Total:	51.46

General Ledger Distribution

Posting Date: 11/28/2022

	Account Number	Account Name	Posting Amount	IFT
Fund:	10 - Water Fund			
	10-000-1010	Claim on Cash	-51.46	Yes
	10-000-2501	Customer Credit	51.46	
		10 Total:	0.00	
Fund:	99 - Pooled Cash			
	99-000-1004	Bank of the West Checking (Pooled Cash)	-51.46	
	99-000-2120	Due to Other Fund	51.46	Yes
		99 Total:	0.00	
		Distribution Total:	0.00	



Trabuco Canyon Water District, CA

Bank Transaction Report

Transaction Detail

Issued Date Range: 12/01/2022 - 12/31/2022

Cleared Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
Accounts Payable							
Bank Draft							
12/01/2022		DFT0002945	WAGE WORKS, INC.	Accounts Payable	Outstanding	Bank Draft	-134.40
12/02/2022		DFT0002947	ADP	Accounts Payable	Outstanding	Bank Draft	-112,615.36
12/02/2022		DFT0002948	CALPERS	Accounts Payable	Outstanding	Bank Draft	-81,047.77
12/02/2022		DFT0002949	PACE PAYMENT SYSTEMS, INC.	Accounts Payable	Outstanding	Bank Draft	-6,456.66
12/02/2022		DFT0002950	SANTA MARGARITA WATER DISTRICT	Accounts Payable	Outstanding	Bank Draft	-2,531.46
12/02/2022		DFT0002951	VSP	Accounts Payable	Outstanding	Bank Draft	-814.55
12/05/2022		DFT0002952	GUARDIAN	Accounts Payable	Outstanding	Bank Draft	-4,150.84
12/05/2022		DFT0002953	SHRED-IT USA, LLC	Accounts Payable	Outstanding	Bank Draft	-68.00
12/05/2022		DFT0002954	WAGE WORKS, INC.	Accounts Payable	Outstanding	Bank Draft	-109.70
12/07/2022		DFT0002955	PACE PAYMENT SYSTEMS, INC.	Accounts Payable	Outstanding	Bank Draft	-215.80
12/08/2022		DFT0002956	HOME DEPOT CREDIT SERVICES	Accounts Payable	Outstanding	Bank Draft	-1,167.94
12/08/2022		DFT0002957	COX COMMUNICATIONS	Accounts Payable	Outstanding	Bank Draft	-2,540.08
12/09/2022		DFT0002958	THE TOLL ROADS	Accounts Payable	Outstanding	Bank Draft	-140.00
12/09/2022		DFT0002959	WEX FLEET UNIVERSAL	Accounts Payable	Outstanding	Bank Draft	-5,436.86
12/12/2022		DFT0002960	COX COMMUNICATIONS	Accounts Payable	Outstanding	Bank Draft	-1,749.37
12/12/2022		DFT0002961	WAGE WORKS, INC.	Accounts Payable	Outstanding	Bank Draft	-40.00
12/15/2022		DFT0002962	SOUTH COAST AQMD	Accounts Payable	Outstanding	Bank Draft	-620.61
12/15/2022		DFT0002963	WAGE WORKS, INC.	Accounts Payable	Outstanding	Bank Draft	-1.07
12/16/2022		DFT0002964	ADP	Accounts Payable	Outstanding	Bank Draft	-1,891.01
12/16/2022		DFT0002965	COX COMMUNICATIONS	Accounts Payable	Outstanding	Bank Draft	-97.81
12/19/2022		DFT0002966	ADP	Accounts Payable	Outstanding	Bank Draft	-109,313.27
12/19/2022		DFT0002967	TAB ANSWER NETWORK	Accounts Payable	Outstanding	Bank Draft	-175.64
12/19/2022		DFT0002968	XEROX CORPORATION	Accounts Payable	Outstanding	Bank Draft	-318.83
12/20/2022		DFT0002969	UMPQUA BANK	Accounts Payable	Outstanding	Bank Draft	-7,448.13
12/20/2022		DFT0002970	CALPERS	Accounts Payable	Outstanding	Bank Draft	-27,209.80
12/20/2022		DFT0002971	COX COMMUNICATIONS	Accounts Payable	Outstanding	Bank Draft	-702.24
12/20/2022		DFT0002972	SOUTHERN CALIFORNIA EDISON	Accounts Payable	Outstanding	Bank Draft	-69,492.96
12/21/2022		DFT0002973	HOME DEPOT CREDIT SERVICES	Accounts Payable	Outstanding	Bank Draft	-1,598.78
12/21/2022		DFT0002974	THE TOLL ROADS	Accounts Payable	Outstanding	Bank Draft	-140.00
12/23/2022		DFT0002975	WAGE WORKS, INC.	Accounts Payable	Outstanding	Bank Draft	-75.00
12/27/2022		DFT0002976	AT&T MOBILITY	Accounts Payable	Outstanding	Bank Draft	-2,359.66
12/29/2022		DFT0002977	PITNEY BOWES GLOBAL FINANCIAL SERVICES LLC	Accounts Payable	Outstanding	Bank Draft	-190.02
12/29/2022		DFT0002978	THE TOLL ROADS	Accounts Payable	Outstanding	Bank Draft	-140.00
12/30/2022		DFT0002979	ADP	Accounts Payable	Outstanding	Bank Draft	-112.00
12/30/2022		DFT0002980	SWRCB ACCOUNTING OFFICE	Accounts Payable	Outstanding	Bank Draft	-3,453.00

Bank Transaction Report

Issued Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
12/30/2022		DFT0002981	WAGE WORKS, INC.	Accounts Payable	Outstanding	Bank Draft	-8.60
Bank Draft Total: (36)							-444,567.22
Check							
12/05/2022		11383	TUTTLE CLICK COLLISION CENTER	Accounts Payable	Outstanding	Check	-27,405.88
12/06/2022		11386	GIRL SCOUTS OF OC #7650	Accounts Payable	Outstanding	Check	-500.00
12/08/2022		11387	AT&T	Accounts Payable	Outstanding	Check	-896.64
12/08/2022		11388	ROBERT BARGERON	Accounts Payable	Outstanding	Check	-2,741.89
12/08/2022		11389	CHEMTRADE CHEMICALS US LLC	Accounts Payable	Outstanding	Check	-5,450.37
12/08/2022		11390	HANSON BRIDGETT LLP	Accounts Payable	Outstanding	Check	-23,459.90
12/08/2022		11391	HAZEN & SAWYER	Accounts Payable	Outstanding	Check	-30,616.25
12/08/2022		11392	HIGHROAD INFORMATION TECHNOLOGY, LLC.	Accounts Payable	Outstanding	Check	-6,247.00
12/08/2022		11393	CHRIS HOLBROOK	Accounts Payable	Outstanding	Check	-387.00
12/08/2022		11394	HYDROTECH ELECTRIC	Accounts Payable	Outstanding	Check	-10,838.41
12/08/2022		11395	IB CONSULTING	Accounts Payable	Outstanding	Check	-4,260.00
12/08/2022		11396	INFOSEND, INC.	Accounts Payable	Outstanding	Check	-3,132.38
12/08/2022		11397	MYERS MARINE DIVISION, LLC	Accounts Payable	Outstanding	Check	-24,560.00
12/08/2022		11398	NIGRO & NIGRO, PC	Accounts Payable	Outstanding	Check	-10,500.00
12/08/2022		11399	ORANGE COUNTY PUMPING, INC.	Accounts Payable	Outstanding	Check	-1,420.00
12/08/2022		11400	ORKIN, INC.	Accounts Payable	Outstanding	Check	-778.00
12/08/2022		11401	MICHAEL PEREA	Accounts Payable	Outstanding	Check	-1,020.81
12/08/2022		11402	ROBERT'S WASTE & RECYCLING	Accounts Payable	Outstanding	Check	-680.00
12/08/2022		11403	SANTA MARGARITA TOYOTA	Accounts Payable	Outstanding	Check	-625.23
12/08/2022		11404	SIERRA ANALYTICAL	Accounts Payable	Outstanding	Check	-1,750.00
12/08/2022		11405	BLAKE SMITH	Accounts Payable	Outstanding	Check	-3,147.04
12/08/2022		11406	SOUTHWEST TOYOTA LIFT	Accounts Payable	Outstanding	Check	-3,246.70
12/08/2022		11407	STANLEY CONVERGENT SECURITY SOLUTIONS	Accounts Payable	Outstanding	Check	-742.65
12/08/2022		11408	TRENCH SHORING COMPANY	Accounts Payable	Outstanding	Check	-738.50
12/08/2022		11409	UNDERGROUND SERVICE ALERT/SC	Accounts Payable	Outstanding	Check	-114.57
12/08/2022		11410	USA BLUEBOOK	Accounts Payable	Outstanding	Check	-7,303.08
12/08/2022		11411	VITUIITY - URGENT CARE SERVICES	Accounts Payable	Outstanding	Check	-488.00
12/08/2022		11412	WECK LABORATORIES	Accounts Payable	Outstanding	Check	-237.44
12/08/2022		11413	WIENHOFF DRUG TESTING	Accounts Payable	Outstanding	Check	-935.00
12/14/2022		11414	ARC	Accounts Payable	Outstanding	Check	-152.08
12/14/2022		11415	CARQUEST OF ORANGE COUNTY	Accounts Payable	Outstanding	Check	-898.96
12/14/2022		11416	CINTAS CORPORATION	Accounts Payable	Outstanding	Check	-1,016.09
12/14/2022		11417	DMS FACILITY SERVICES	Accounts Payable	Outstanding	Check	-2,106.01
12/14/2022		11418	FERGUSON WATERWORKS	Accounts Payable	Outstanding	Check	-71,618.78
12/14/2022		11419	RICHARD HURTADO	Accounts Payable	Outstanding	Check	-148.81
12/14/2022		11420	OC WASTE & RECYCLING	Accounts Payable	Outstanding	Check	-1,722.32
12/14/2022		11421	ORANGE COUNTY PUMPING, INC.	Accounts Payable	Outstanding	Check	-1,065.00
12/14/2022		11422	ORKIN, INC.	Accounts Payable	Outstanding	Check	-124.00
12/14/2022		11423	JUAN A. QUINONEZ	Accounts Payable	Outstanding	Check	-311.49

Bank Transaction Report

Issued Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
12/14/2022		11424	MIKE SAFRANSKI	Accounts Payable	Outstanding	Check	-725.34
12/14/2022		11425	SANTA MARGARITA WATER DISTRICT	Accounts Payable	Outstanding	Check	-660.00
12/14/2022		11426	SIERRA ANALYTICAL	Accounts Payable	Outstanding	Check	-1,497.50
12/14/2022		11427	UNITED PUMPING SERVICE, INC.	Accounts Payable	Outstanding	Check	-4,040.50
12/14/2022		11428	WECK LABORATORIES	Accounts Payable	Outstanding	Check	-118.72
12/21/2022		11429	AT&T MOBILITY	Accounts Payable	Outstanding	Check	-53.23
12/21/2022		11430	BAVCO BACKFLOW APPARATUS & VALVE CO.	Accounts Payable	Outstanding	Check	-703.74
12/21/2022		11431	CONSOLIDATED WATER TECHNOLOGIES, INC.	Accounts Payable	Outstanding	Check	-14,410.87
12/21/2022		11432	GRAINGER	Accounts Payable	Outstanding	Check	-77.10
12/21/2022		11433	HANSON BRIDGETT LLP	Accounts Payable	Outstanding	Check	-13,856.96
12/21/2022		11434	HYDROTECH ELECTRIC	Accounts Payable	Outstanding	Check	-7,478.85
12/21/2022		11435	NBS	Accounts Payable	Outstanding	Check	-944.82
12/21/2022		11436	ORANGE COUNTY FIRE AUTHORITY	Accounts Payable	Outstanding	Check	-347.00
12/21/2022		11437	ORANGE COUNTY PUMPING, INC.	Accounts Payable	Outstanding	Check	-1,065.00
12/21/2022		11438	SANTA MARGARITA TOYOTA	Accounts Payable	Outstanding	Check	-63.46
12/21/2022		11439	DELCO SERVICE, INC.	Accounts Payable	Outstanding	Check	-9,571.20
12/21/2022		11440	STATE WATER RESOURCES CONTROL BOARD	Accounts Payable	Outstanding	Check	-60.00
12/21/2022		11441	SWRCB ACCOUNTING OFFICE	Accounts Payable	Outstanding	Check	-3,453.00
12/21/2022		11442	TESCO CONTROLS, INC.	Accounts Payable	Outstanding	Check	-1,156.50
12/21/2022		11443	UNIFIRST FIRST AID CORPORATION	Accounts Payable	Outstanding	Check	-34.42
12/21/2022		11444	WECK LABORATORIES	Accounts Payable	Outstanding	Check	-118.72
12/21/2022		11445	GLENN ACOSTA	Accounts Payable	Outstanding	Check	-843.96
Check Total: (61)							-314,667.17
Check Reversal							
12/08/2022		11401	MICHAEL PEREA Reversal	Accounts Payable	Outstanding	Check Reversal	1,020.81
12/31/2022		11441	SWRCB ACCOUNTING OFFICE Reversal	Accounts Payable	Outstanding	Check Reversal	3,453.00
Check Reversal Total: (2)							4,473.81
EFT							
12/09/2022		238	EVANS-HYDRO, INC.	Accounts Payable	Outstanding	EFT	-719.35
12/09/2022		239	OLIN CHEMICALS	Accounts Payable	Outstanding	EFT	-2,891.34
12/09/2022		240	ALS - TRUESDAIL LABORATORIES	Accounts Payable	Outstanding	EFT	-2,592.00
12/09/2022		241	UNIFIRST CORPORATION	Accounts Payable	Outstanding	EFT	-117.92
12/15/2022		242	ACWA/JPIA - LIFE	Accounts Payable	Outstanding	EFT	-551.19
12/15/2022		243	UNIFIRST CORPORATION	Accounts Payable	Outstanding	EFT	-117.92
12/15/2022		244	UNITED WATER WORKS, INC.	Accounts Payable	Outstanding	EFT	-2,012.90
12/15/2022		245	WOODARD & CURRAN, INC.	Accounts Payable	Outstanding	EFT	-2,717.50
12/22/2022		246	AMAZON	Accounts Payable	Outstanding	EFT	-1,021.12
12/22/2022		247	BANK OF THE WEST	Accounts Payable	Outstanding	EFT	-73,305.55
12/22/2022		248	CALIFORNIA BANK & TRUST	Accounts Payable	Outstanding	EFT	-115,190.52
12/22/2022		249	IRVINE PIPE SUPPLY	Accounts Payable	Outstanding	EFT	-3,047.16
12/22/2022		250	MWDOC	Accounts Payable	Outstanding	EFT	-148,593.12
12/22/2022		251	OLIN CHEMICALS	Accounts Payable	Outstanding	EFT	-1,514.83

Bank Transaction Report

Issued Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
12/22/2022		252	UNIFIRST CORPORATION	Accounts Payable	Outstanding	EFT	-117.92
EFT Total: (15)							-354,510.34
Accounts Payable Total: (114)							-1,109,270.92
Accounts Receivable							
Check							
12/06/2022		11384	GIRL SCOUTS OF OC #7650	Accounts Receivable	Outstanding	Check	-125.00
12/06/2022		11384	GIRL SCOUTS OF OC #7650	Accounts Receivable	Outstanding	Check	-12.50
12/06/2022		11384	GIRL SCOUTS OF OC #7650	Accounts Receivable	Outstanding	Check	-350.00
12/06/2022		11384	GIRL SCOUTS OF OC #7650	Accounts Receivable	Outstanding	Check	-12.50
12/06/2022		11384	Void Check	Accounts Receivable	Voided	Check	0.00
12/06/2022		11385	Void Check	Accounts Receivable	Voided	Check	0.00
Check Total: (6)							-500.00
Deposit							
12/01/2022		DEP0019110	Payment - County of Orange	Accounts Receivable	Outstanding	Deposit	155,504.89
12/06/2022		DEP0019155	Reverse refund	Accounts Receivable	Outstanding	Deposit	500.00
12/08/2022		DEP0019192	County of Orange - Property Taxes	Accounts Receivable	Outstanding	Deposit	6,719.12
12/14/2022		DEP0019250	INVOICES	Accounts Receivable	Outstanding	Deposit	24,410.24
12/14/2022		DEP0019256	payment t mobile	Accounts Receivable	Outstanding	Deposit	2,405.66
12/19/2022		DEP0019298	INVOICE PAYMENTS	Accounts Receivable	Outstanding	Deposit	1,657.09
12/20/2022		DEP0019380	County of Orange - Property Taxes	Accounts Receivable	Outstanding	Deposit	548,504.24
12/29/2022		DEP0019383	County of Orange - Property Taxes	Accounts Receivable	Outstanding	Deposit	196,870.12
Deposit Total: (8)							936,571.36
Accounts Receivable Total: (14)							936,071.36
Utility Billing							
Deposit							
12/01/2022		DEP0019103	Utility Payment Packet UBPKT08323	Utility Billing	Outstanding	Deposit	6,474.98
12/01/2022		DEP0019106	Utility Payment Packet UBPKT08322	Utility Billing	Outstanding	Deposit	3,389.33
12/01/2022		DEP0019113	Utility Payment Packet UBPKT08328	Utility Billing	Outstanding	Deposit	3,615.01
12/02/2022		DEP0019116	Utility Payment Packet UBPKT08329	Utility Billing	Outstanding	Deposit	4,527.01
12/02/2022		DEP0019119	Utility Payment Packet UBPKT08331	Utility Billing	Outstanding	Deposit	3,088.66
12/04/2022		DEP0019122	Utility Payment Packet UBPKT08332	Utility Billing	Outstanding	Deposit	17,695.92
12/05/2022		DEP0019125	Utility Payment Packet UBPKT08334	Utility Billing	Outstanding	Deposit	5,030.83
12/05/2022		DEP0019128	Utility Payment Packet UBPKT08333	Utility Billing	Outstanding	Deposit	2,873.25
12/05/2022		DEP0019131	Utility Payment Packet UBPKT08335	Utility Billing	Outstanding	Deposit	4,819.25
12/05/2022		DEP0019134	Utility Payment Packet UBPKT08336	Utility Billing	Outstanding	Deposit	4,619.33
12/05/2022		DEP0019137	Utility Payment Packet UBPKT08337	Utility Billing	Outstanding	Deposit	6,364.05
12/05/2022		DEP0019140	Utility Payment Packet UBPKT08338	Utility Billing	Outstanding	Deposit	5,721.61
12/05/2022		DEP0019143	Utility Payment Packet UBPKT08339	Utility Billing	Outstanding	Deposit	35,508.15
12/06/2022		DEP0019146	Utility Payment Packet UBPKT08340	Utility Billing	Outstanding	Deposit	3,375.56
12/06/2022		DEP0019149	Utility Payment Packet UBPKT08341	Utility Billing	Outstanding	Deposit	3,348.83
12/06/2022		DEP0019159	Utility Payment Packet UBPKT08342	Utility Billing	Outstanding	Deposit	5,431.94

Bank Transaction Report

Issued Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
12/06/2022		DEP0019162	Utility Payment Packet UBPKT08343	Utility Billing	Outstanding	Deposit	5,429.54
12/06/2022		DEP0019165	Utility Payment Packet UBPKT08344	Utility Billing	Outstanding	Deposit	6,986.77
12/06/2022		DEP0019168	Utility Payment Packet UBPKT08345	Utility Billing	Outstanding	Deposit	3,334.17
12/07/2022		DEP0019171	Utility Payment Packet UBPKT08346	Utility Billing	Outstanding	Deposit	6,018.10
12/07/2022		DEP0019174	Utility Payment Packet UBPKT08347	Utility Billing	Outstanding	Deposit	1,720.70
12/07/2022		DEP0019177	Utility Payment Packet UBPKT08349	Utility Billing	Outstanding	Deposit	2,033.25
12/08/2022		DEP0019180	Utility Payment Packet UBPKT08351	Utility Billing	Outstanding	Deposit	2,661.09
12/08/2022		DEP0019184	Utility Reverse Payment Packet UBPKT08352	Utility Billing	Outstanding	Deposit	-166.73
12/08/2022		DEP0019186	Utility Payment Packet UBPKT08350	Utility Billing	Outstanding	Deposit	2,236.82
12/08/2022		DEP0019189	Utility Payment Packet UBPKT08355	Utility Billing	Outstanding	Deposit	4,505.79
12/09/2022		DEP0019195	Utility Payment Packet UBPKT08356	Utility Billing	Outstanding	Deposit	3,103.18
12/09/2022		DEP0019198	Utility Payment Packet UBPKT08357	Utility Billing	Outstanding	Deposit	4,556.63
12/11/2022		DEP0019202	Utility Payment Packet UBPKT08361	Utility Billing	Outstanding	Deposit	13,705.25
12/12/2022		DEP0019205	Utility Payment Packet UBPKT08360	Utility Billing	Outstanding	Deposit	4,843.84
12/12/2022		DEP0019208	Utility Payment Packet UBPKT08362	Utility Billing	Outstanding	Deposit	5,109.08
12/12/2022		DEP0019211	Utility Payment Packet UBPKT08363	Utility Billing	Outstanding	Deposit	4,875.30
12/12/2022		DEP0019214	Utility Payment Packet UBPKT08364	Utility Billing	Outstanding	Deposit	29,416.77
12/12/2022		DEP0019217	Utility Payment Packet UBPKT08365	Utility Billing	Outstanding	Deposit	28,846.38
12/12/2022		DEP0019220	Utility Payment Packet UBPKT08366	Utility Billing	Outstanding	Deposit	4,816.73
12/12/2022		DEP0019223	Utility Payment Packet UBPKT08367	Utility Billing	Outstanding	Deposit	5,932.72
12/13/2022		DEP0019226	Utility Payment Packet UBPKT08368	Utility Billing	Outstanding	Deposit	4,485.81
12/13/2022		DEP0019229	Utility Payment Packet UBPKT08369	Utility Billing	Outstanding	Deposit	9,633.88
12/13/2022		DEP0019235	Utility Payment Packet UBPKT08370	Utility Billing	Outstanding	Deposit	3,670.33
12/13/2022		DEP0019241	Utility Payment Packet UBPKT08371	Utility Billing	Outstanding	Deposit	211,177.61
12/14/2022		DEP0019233	ACH Draft Packet UBPKT08263	Utility Billing	Outstanding	Deposit	128,813.87
12/14/2022		DEP0019238	Utility Payment Packet UBPKT08372	Utility Billing	Outstanding	Deposit	1,203.00
12/14/2022		DEP0019244	Utility Payment Packet UBPKT08373	Utility Billing	Outstanding	Deposit	4,514.59
12/14/2022		DEP0019247	Utility Payment Packet UBPKT08374	Utility Billing	Outstanding	Deposit	3,345.34
12/14/2022		DEP0019253	Deposit Input Packet UBPKT08383	Utility Billing	Outstanding	Deposit	2,000.00
12/14/2022		DEP0019259	Utility Payment Packet UBPKT08385	Utility Billing	Outstanding	Deposit	3,669.98
12/15/2022		DEP0019262	Utility Payment Packet UBPKT08386	Utility Billing	Outstanding	Deposit	401.06
12/15/2022		DEP0019266	Utility Reverse Payment Packet UBPKT08389	Utility Billing	Outstanding	Deposit	-40.92
12/15/2022		DEP0019268	Utility Payment Packet UBPKT08387	Utility Billing	Outstanding	Deposit	2,651.78
12/15/2022		DEP0019280	Utility Payment Packet UBPKT08398	Utility Billing	Outstanding	Deposit	3,464.61
12/16/2022		DEP0019283	Utility Payment Packet UBPKT08399	Utility Billing	Outstanding	Deposit	673.78
12/16/2022		DEP0019286	Utility Payment Packet UBPKT08400	Utility Billing	Outstanding	Deposit	139.43
12/18/2022		DEP0019289	Utility Payment Packet UBPKT08401	Utility Billing	Outstanding	Deposit	16,511.37
12/19/2022		DEP0019277	Utility Reverse Payment Packet UBPKT08397	Utility Billing	Outstanding	Deposit	-89.04
12/19/2022		DEP0019292	Utility Payment Packet UBPKT08403	Utility Billing	Outstanding	Deposit	302.66
12/19/2022		DEP0019295	Utility Payment Packet UBPKT08404	Utility Billing	Outstanding	Deposit	369.78
12/19/2022		DEP0019301	Utility Payment Packet UBPKT08408	Utility Billing	Outstanding	Deposit	12,505.31
12/19/2022		DEP0019304	Utility Payment Packet UBPKT08413	Utility Billing	Outstanding	Deposit	3,486.59
12/20/2022		DEP0019307	Utility Payment Packet UBPKT08415	Utility Billing	Outstanding	Deposit	810.30

Bank Transaction Report

Issued Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
12/20/2022		DEP0019310	Utility Payment Packet UBPKT08414	Utility Billing	Outstanding	Deposit	5,868.28
12/20/2022		DEP0019386	Utility Payment Packet UBPKT08450	Utility Billing	Outstanding	Deposit	8,923.47
12/21/2022		DEP0019313	Utility Reverse Payment Packet UBPKT08416	Utility Billing	Outstanding	Deposit	-80.94
12/21/2022		DEP0019316	Utility Reverse Payment Packet UBPKT08417	Utility Billing	Outstanding	Deposit	-227.56
12/21/2022		DEP0019319	Utility Payment Packet UBPKT08418	Utility Billing	Outstanding	Deposit	5,053.26
12/21/2022		DEP0019322	Utility Payment Packet UBPKT08419	Utility Billing	Outstanding	Deposit	1,783.46
12/21/2022		DEP0019325	Utility Payment Packet UBPKT08421	Utility Billing	Outstanding	Deposit	2,319.91
12/22/2022		DEP0019328	Utility Payment Packet UBPKT08424	Utility Billing	Outstanding	Deposit	6,797.22
12/22/2022		DEP0019331	Utility Payment Packet UBPKT08425	Utility Billing	Outstanding	Deposit	1,180.20
12/22/2022		DEP0019334	Utility Payment Packet UBPKT08426	Utility Billing	Outstanding	Deposit	1,659.95
12/23/2022		DEP0019337	Utility Payment Packet UBPKT08427	Utility Billing	Outstanding	Deposit	3,021.21
12/23/2022		DEP0019340	Utility Payment Packet UBPKT08428	Utility Billing	Outstanding	Deposit	3,538.08
12/27/2022		DEP0019343	Utility Payment Packet UBPKT08429	Utility Billing	Outstanding	Deposit	3,390.52
12/27/2022		DEP0019346	Utility Payment Packet UBPKT08430	Utility Billing	Outstanding	Deposit	1,550.40
12/27/2022		DEP0019350	Utility Payment Packet UBPKT08436	Utility Billing	Outstanding	Deposit	45,979.11
12/28/2022		DEP0019353	Utility Payment Packet UBPKT08437	Utility Billing	Outstanding	Deposit	1,847.39
12/28/2022		DEP0019356	Utility Payment Packet UBPKT08438	Utility Billing	Outstanding	Deposit	2,596.83
12/28/2022		DEP0019359	Utility Payment Packet UBPKT08440	Utility Billing	Outstanding	Deposit	3,966.76
12/29/2022		DEP0019362	Utility Payment Packet UBPKT08441	Utility Billing	Outstanding	Deposit	2,730.85
12/29/2022		DEP0019365	Utility Payment Packet UBPKT08442	Utility Billing	Outstanding	Deposit	807.05
12/29/2022		DEP0019368	Utility Payment Packet UBPKT08446	Utility Billing	Outstanding	Deposit	2,335.61
12/30/2022		DEP0019371	Utility Payment Packet UBPKT08447	Utility Billing	Outstanding	Deposit	2,919.15
12/30/2022		DEP0019374	Utility Payment Packet UBPKT08448	Utility Billing	Outstanding	Deposit	2,700.80
Deposit Total: (82)							780,211.22
Utility Billing Total: (82)							780,211.22
Report Total: (210)							607,011.66

Summary

Bank Account	Count	Amount
030866939 Bank of the West Checking	210	607,011.66
Report Total:	210	607,011.66

Cash Account	Count	Amount
No Cash Account	2	0.00
99 99-000-1004 Bank of the West Checking (Pooled Cash)	208	607,011.66
Report Total:	210	607,011.66

Transaction Type	Count	Amount
Bank Draft	36	-444,567.22
Check	67	-315,167.17
Check Reversal	2	4,473.81
Deposit	90	1,716,782.58
EFT	15	-354,510.34
Report Total:	210	607,011.66



Warrant Registry
Trabuco Canyon Water District
County of Orange
State of California

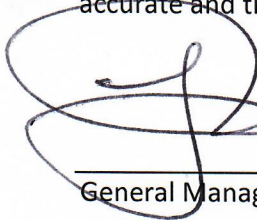
GENERAL FUND PAYROLL WARRANT REGISTER

For the Month of: December 2022

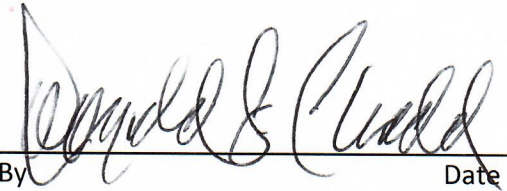
\$ 226,727.83

I hereby certify that the claims or demands covered by the above listed warrants have been audited as to accuracy and the availability of funds for payment thereof; and that the said claims or demands are accurate and that the funds are available.

This is to certify that claims or demands covered by the above listed warrants have been audited by the Finance/Audit Committee of the Trabuco Canyon Water District and that all of the said warrants are approved for payment.

 1-11-2023
General Manager / Assistant General Manager

 1-11-23
By Date

 1/11/23
By Date

Net Pay	<u>Checks</u>				.00
	<u>Direct Deposits</u>				75,447.14
	Subtotal Net Pay				75,447.14
	<u>Adjustments</u>				5,888.93
	Total Net Pay Liability (Net Cash)				81,336.07

Taxes		You are responsible for		Amount debited		
		Depositing these amounts		from your account		
Federal	Agency	Rate	EE withheld	ER contrib.	EE withheld	ER contrib.
	Federal Income Tax				15,468.69	
	Earned Income Credit Advances					
	Social Security				3,708.30	3,708.30
	Medicare				1,757.91	1,757.91
	Medicare Surtax				199.38	
	Federal Unemployment Tax					
	Subtotal Federal		21,134.28		5,466.21	26,600.49
	FMLA-PSL Payments Credit					
	FMLA-PSL ER FICA Credit					
	FMLA-PSL Health Care Premium Credit					
	Employee Retention Qualified Payments Cre					
	Employee Retention Qualified Health Care					
	Cobra Premium Assistance Payments					
	Total Federal		21,134.28		5,466.21	26,600.49
State	CA State Income Tax				6,609.06	
	CA State Unemployment Insurance-ER 3000					
	CA State Disability Insurance-EE				656.58	
	Subtotal CA				7,265.64	7,265.64
	Total Taxes		.00	.00	28,399.92	5,466.21
	Amount ADP Debited From AccountXXXX6939					33,866.13

Excludes Taxes That Are Your Responsibility

Other	ADP Direct Deposit				75,447.14	28 Employee Transactions
	Transfers Amount ADP Debited From AccountXXXX6939					75,447.14
	Total Amount ADP Debited From Your Accounts					109,313.27



Statistical Summary Detail

TRABUCO CANYON WATER

Region Name : **GKN**
 Company Code : ADP RESOURCE

Batch : **2742**
 Quarter Number : **4**
 Service Center : **580**

Period Ending : **12/15/2022**
 Pay Date : **12/20/2022**
 Current Date : **12/15/2022**

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Net Pay	Checks				336.56
	Direct Deposits				76,944.87
	Subtotal Net Pay				77,281.43
	Adjustments				.00
	Total Net Pay Liability (Net Cash)				77,281.43

Taxes		You are responsible for		Amount debited		
		Depositing these amounts		from your account		
Federal	Agency	Rate	EE withheld	ER contrib.	EE withheld	ER contrib.
	Federal Income Tax				13,158.57	
	Earned Income Credit Advances					
	Social Security				7,308.06	7,308.06
	Medicare				1,709.14	1,709.14
	Medicare Surtax					
	Federal Unemployment Tax					
	Subtotal Federal		22,175.77	9,017.20		31,192.97
	FMLA-PSL Payments Credit					
	FMLA-PSL ER FICA Credit					
	FMLA-PSL Health Care Premium Credit					
	Employee Retention Qualified Payments Cre					
	Employee Retention Qualified Health Care					
	Cobra Premium Assistance Payments					
	Total Federal		22,175.77	9,017.20		31,192.97
State	CA State Income Tax				5,541.13	
	CA State Unemployment Insurance-ER3000					2,375.41
	CA State Disability Insurance-EE				1,023.62	
	Subtotal CA		6,564.75	2,375.41		8,940.16
	Total Taxes	.00	.00	28,740.52	11,392.61	40,133.13
	Amount ADP Debited From AccountXXXX6939					40,133.13 Excludes Taxes That Are Your Responsibility
	Tran/ABA XXXXXXXXXX					

Other	ADP Direct Deposit				76,944.87	32 Employee Transactions
Transfers	ADP Check				336.56	
	Amount ADP Debited From AccountXXXX6939					77,281.43
	Tran/ABA XXXXXXXXXX					
	Total Amount ADP Debited From Your Accounts					117,414.56



Statistical Summary
Detail

TRABUCO CANYON WATER

Region Name : **GKN**
Company Code : ADP RESOURCE

Batch : **4114**
Quarter Number : **1**
Service Center : **580**

Period Ending : **12/31/2022**
Pay Date : **01/05/2023**
Current Date : **01/03/2023**

Week 01
Page 2

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JANUARY 19, 2023**

CONSENT CALENDAR

ITEM 3: APPROVAL OF ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP

RECOMMENDED ACTION:

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

1. *December 7, 2022*

CONTACTS (staff responsible): PALUDI/PEREA/SANGI



**TRABUCO CANYON WATER DISTRICT
ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP | DECEMBER 7, 2022**

DIRECTORS PRESENT

Stephen Dopudja, Committee Chair
Mike Safranski, Committee Member

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager
Lorrie Lausten, District Engineer
Gary Kessler, Water Superintendent
Oscar Ulloa, Wastewater Superintendent
Jason Stroud, Maintenance Superintendent

PUBLIC PRESENT

None

CALL MEETING TO ORDER

Director Dopudja called the December 7, 2022 Engineering/Operational Committee Meeting to order at 7:00 a.m.

VISITOR PARTICIPATION

No comments were received.

ORAL COMMUNICATION

No comments were received.

COMMITTEE MEMBER COMMENTS

No comments were received.

REPORT FROM THE ASSISTANT GENERAL MANAGER

No comments were received.

ITEM 1: ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP

Mr. Paludi presented the Engineering/Operational Committee Meeting Recap for Committee review in accordance with the agenda.

MOTION: Approve the Engineering/Operational Committee Meeting Recap and recommended that the Board receive and file the same (Consent Calendar) – Director Dopudja

SECOND: Director Safranski

AYES: Directors Dopudja & Safranski

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 2 - 0

**TRABUCO CANYON WATER DISTRICT
ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP | DECEMBER 7, 2022**

ITEM 2: DOVE DAM AIR VENT PIPE REPAIR

Mr. Paludi introduced this matter for Committee consideration. Ms. Lausten provided an overview of the recent repairs to the six-inch PVC air vent pipe that is connected to the discharge drainpipe, and she reported that District staff has requested a proposal from Myers Marine Division LLC for a substantial repair of the vent pipe, including epoxy and fiberglass wrap and supports, for \$95,620 in order to prevent vent pipe failure and loss of Dove Lake water. Discussion occurred concerning the timeline for repair and ongoing challenges for the lake. The Committee expressed concerns with the proposed costs for a temporary repair of the vent pipe and recommended forwarding this matter to the Board of Directors for consideration.

- MOTION:** Forward this matter to the Board of Directors for consideration and approval (Action Calendar) – Director Dopudja
SECOND: Director Safranski
AYES: Directors Dopudja & Safranski
NOES: None
ABSTAIN: None
MOTION PASSED/FAILED: Passed 2 - 0

ITEM 3: PROPOSED CONTRACT CHANGE ORDER WITH FERGUSON WATERWORKS FOR AUTOMATIC METER READING/AUTOMATED METERING INFRASTRUCTURE (AMR/AMI) PROJECT

Mr. Paludi presented this matter for Committee consideration. Mr. Perea provided an update on this project, and he reported that the Ferguson installation team has installed new meters in approximately 85% of the District's service area. Mr. Perea indicated that during the initial review of the bid that he mistakenly read the two-inch meter description as Ferguson had listed all two-inch meters as positive displacement (PD) meters instead of turbine meters. Mr. Perea indicated that a majority of the District's two-inch meters are domestic irrigation meters (DIM) which require turbine meters to monitor higher flowrates. Discussion occurred concerning project impacts and timeline for completion. Mr. Perea indicated that the meters will be delivered later in the year.

- MOTION:** Recommended the Board of Directors approve Contract Change Order No. 1 with Ferguson Waterworks for the District's Automatic Meter Reading/Automatic Metering Infrastructure (AMR/AMI) Project for a not to exceed amount of \$19,076 (Action Calendar) – Director Dopudja
SECOND: Director Safranski
AYES: Directors Dopudja & Safranski
NOES: None
ABSTAIN: None
MOTION PASSED/FAILED: Passed 2 - 0

ITEM 4: OTHER ENGINEERING AND OPERATIONS PROJECTS

1. Other Projects

There were no other projects discussed.

- MOTION:** None – Informational item only.

**TRABUCO CANYON WATER DISTRICT
ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP | DECEMBER 7, 2022**

ITEM 5: WATER SYSTEM UPDATES

Mr. Kessler reviewed the projects and repairs for the prior month, and he reported that Water Operations staff has completed the following tasks:

1. Worked with Ferreira Construction to repair a failed service saddle on Falcon and Santiago.
2. Two Water Department Operators travelled to Tesco Controls in Temecula to field test the PLC's for Falcon Pump Station, Cooks Reservoir, Field Office and Topanga Booster Pump Station.
3. Worked with the Maintenance Department, Hydrotech Electric and Tesco Controls to install a new PLC at the Falcon Pump Station.
4. Worked with Tesco Controls on the radio change over at Falcon Pump Station, Saddle Crest Development, Joplin and Dove Reservoir.
5. Serviced seven (7) Clavals with Delco Sales.
6. Flushed forty-two (42) hydrants in the Robinson Ranch Community.
7. Excavated to locate a Raw Water Line for the new office at Dimension Water Treatment Plant (DWTP) and relocate a sample site.

Mr. Kessler reviewed the Monthly Water System Operations Summary with the Committee.

MOTION: None – Informational item only.

ITEM 6: WASTEWATER SYSTEM UPDATES

Mr. Ulloa reviewed the projects and repairs for the prior month, and he reported that Wastewater Operations staff had completed the following tasks:

1. Replaced old solenoids on the surge tank at Golf Club Lift Station in the Dove Canyon Community.
2. Ran a new blow off lines for the surge tank at the Golf Club Lift Station in the Dove Canyon Community.
3. Cleaned a V-Ditch at the Dove Canyon Pump Station.
4. Inspected grease interceptors at the local businesses for Fat, Oil and Grease (FOG).
5. Completed the Cla-Val Maintenance on the recycled distribution system.
6. Assisted divers at the Dove Lake air vent repair.
7. Cleaned the O'Neil wet well.
8. Removed the old lighting at Robinson Ranch Wastewater Treatment Plant (RRWWTP) and replaced it with LED's at key locations.

Mr. Ulloa reviewed the Monthly Non-Domestic Water System Summary with the Committee, and he reported that District staff will be providing a tour of the Robinson Ranch WWTP and Dove Recycled Water Pump Station to the DCMA Water Quality Ad Hoc Committee later that day at their request.

MOTION: None – Informational item only.

ITEM 7: MAINTENANCE DEPARTMENT UPDATES

Mr. Stroud reviewed the projects and repairs for the prior month, and he reported that Maintenance staff completed the following tasks:

1. Attended the WEROC quarterly meeting in person at the Fountain Valley location.
2. Attended TCWD Master Plan/CIP workshop.

**TRABUCO CANYON WATER DISTRICT
ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP | DECEMBER 7, 2022**

3. Assisted TESCO Controls with upgrading the PLC's at the Falcon booster pump station, and Dove Lake pump station.
4. Assisted Wastewater Operations and Myers Marine (divers) with the air vent repair at Dove Lake.
5. Worked with SS Mechanical starting up the surge tank at El Toro sewer lift station.
6. Picked up truck #12 from the collision center.

MOTION: None – Informational item only.

ITEM 8: OTHER MATTERS/REPORTS

There were no other matters presented.

MOTION: None

ADJOURNMENT

Director Dopudja adjourned the December 7, 2022 Engineering/Operational Committee Meeting at 7:40 a.m.

DRAFT

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JANUARY 19, 2023**

CONSENT CALENDAR

ITEM 4: APPROVAL OF EXECUTIVE COMMITTEE MEETING RECAP

RECOMMENDED ACTION:

Approve the following Executive Committee Meeting Recap(s) and recommend that the Board receive and file same (Consent Calendar):

1. *December 5, 2022*

CONTACTS (staff responsible): PALUDI/PEREA/SANGI



TRABUCO CANYON WATER DISTRICT EXECUTIVE COMMITTEE MEETING RECAP | DECEMBER 5, 2022

DIRECTORS PRESENT

Vice President Stephen Dopudja, Committee Chair
President Don Chadd, Committee Member

STAFF PRESENT

Fernando Paludi, General Manager
Lisa Marie Sangi, Assistant Board Secretary

PUBLIC PRESENT

None

CALL MEETING TO ORDER

Vice President Dopudja called the December 5, 2022 Executive Committee Meeting to order at 5:03 PM.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

No comments were received.

REPORT FROM THE GENERAL MANAGER

No comments were received.

DISCUSSION MATTERS

ITEM 1: APPROVAL OF EXECUTIVE COMMITTEE MEETING RECAP

Mr. Paludi presented the Executive Committee Meeting Recap for Committee consideration in accordance with the agenda.

MOTION: Approve the Executive Committee Meeting Recap and recommended that the Board receive and file the same (Consent Calendar) – Director Dopudja

SECOND: Director Chadd

AYES: Directors Dopudja & Chadd

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 2 - 0

**TRABUCO CANYON WATER DISTRICT
EXECUTIVE COMMITTEE MEETING RECAP | DECEMBER 5, 2022**

ITEM 2: BOARD AGENDA PLANNING CALENDAR

Mr. Paludi presented this matter for Committee consideration, and he provided a handout highlighting certain proposed Board agenda planning calendar updates including, but not limited to:

December 2022

Special Board Meeting/Workshop (12/7)

- Rate Study Workshop re Financial Plan: presentation by IB Consulting

Regular Board Meeting (12/15)

- Receive/file Annual Audit for FY 2021-22 (F/A) (tent.)
- Contract with Myers Marine for Dove Dam Outlet Vent Pipe Repair (E/O)
- Contract Change Order with Ferguson Waterworks (E/O)
- Sponsorship of UWI Conference (F/A)
- Membership in Southern Cal Water Coalition (F/A)
- Election of Board Officers – Action

January 2023

Regular Board Meeting (1/19)

- Approve Scheduling 2023 Water Awareness Day Event (Exec)
- Adoption of Treasurer’s Annual Statement of Investment Policy (F/A)
- CY 2023 Committee Appointments and Agency Rep Assignments

Special Board Meeting (TBD)

- 10-year CIP Workshop
- Rate Study Workshop RE: Preliminary Rates & Charges

February 2023

Regular Board Meeting (2/16)

- Adoption of updated Procurement Policy (Exec)
- Contract award for Golf Club SLS Rehab (E/O)

Special Board Meeting (TBD)

- Rate Study Workshop re Preliminary Rates & Charges

Other Future Board Items

- Adoption of rates and charges for 2023 – 2027 (Spring 2023)
- Adoption of updated capacity charges for water service (Spring 2023)

MOTION: None – Informational item only.

OTHER MATTERS

ITEM 3: REPORTS OR COMMENTS FROM THE GENERAL MANAGER AND/OR STAFF

Mr. Paludi reported on the following matters:

- Provided a brief overview of the upcoming rates adjustments and paying for debt service.
- Proposed repair on Dove Lake.

**TRABUCO CANYON WATER DISTRICT
EXECUTIVE COMMITTEE MEETING RECAP | DECEMBER 5, 2022**

MOTION: None – Informational item only.

ADJOURNMENT

Vice President Dopudja adjourned the December 5, 2022 Executive Committee Meeting at 5:31 p.m.

DRAFT

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JANUARY 19, 2023**

ACTION CALENDAR

ADMINISTRATIVE MATTERS

**ITEM 5: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, AND TENTATIVE FUTURE MEETINGS/
ATTENDANCE**

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, conferences attended by Directors along with expenses recorded to date.

TENTATIVE FUTURE MEETINGS

The attached spreadsheet provides a schedule of the tentative future meetings and attendance items.

FUNDING SOURCE:

General Fund

FISCAL IMPACT

FY 2022/2023 Budgeted Board Expenses: \$43,000

COMMITTEE STATUS:

This matter was reviewed with the Finance/Audit Committee.

RECOMMENDED ACTIONS:

Approve the tentative future meetings/attendance items and ratify the Directors' expenses and fees from the following period(s):

1. *December 2022*

EXHIBIT(S):

1. Directors Fees and Expenses Monthly Report for December 2022
2. Directors Future/Tentative Meeting/Attendance Schedule for Calendar Year 2023

CONTACTS (staff responsible): PALUDI/PEREA/SANGI


**TRABUCO CANYON WATER DISTRICT
DIRECTORS' FEES AND EXPENSES MONTHLY REPORT | DECEMBER 2022**

MEETING DESCRIPTION	ACOSTA	CHADD	DOPUDJA	MANDICH	SAFRANSKI
DISTRICT MEETINGS					
Engineering/Operational Committee Meeting			12/07/22		12/07/22
Executive Committee Meeting		12/05/22	12/05/22		
Finance/Audit Committee Meeting		12/14/22		12/14/22	
Individual Meeting with General Manager	12/12/22	12/13/22	12/13/22	12/12/22	12/13/22
Regular Board Meeting	12/15/22	12/15/22	12/15/22	12/15/22	12/15/22
Special Board Meeting	12/07/22	12/07/22	12/07/22	12/07/22	12/07/22
REPRESENTATIVE MEETINGS					
City of Rancho Santa Margarita Council Meeting					12/14/22
City of Rancho Santa Margarita Planning Commission					
Independent Special Districts of Orange County (ISDOC) Monthly Meeting	12/06/22				
Independent Special Districts of Orange County (ISDOC) Quarterly Meeting					
MWDOC Board Meeting	12/21/22				
South Orange County Wastewater Authority (SOCWA) Regular Board Meeting			12/01/22		
Santiago Aqueduct Commission		12/15/22			
South Orange County Agencies Group					
Monthly - South Orange County Integrated Regional Watershed Management Executive Committee					
Quarterly - South Orange County Integrated Regional Watershed Management Executive Committee					
Water Advisory Commission of Orange County (WACO)	12/09/22				
ACWA Conference - Indian Wells, CA December 1, 2022	12/01/22				12/01/22
NUMBER OF MEETINGS ATTENDED	7	5	5	4	5
FEES (\$125 per each meeting*)	\$875.00	\$625.00	\$625.00	\$500.00	\$625.00
DIRECT REIMBURSABLE EXPENSES					
DIRECT REIMBURSABLE EXPENSES TOTALS	\$0.00				
INDIRECT REIMBURSABLE EXPENSES					
INDIRECT REIMBURSABLE EXPENSES TOTALS					
TOTAL	\$875.00	\$625.00	\$625.00	\$500.00	\$625.00
<i>* Maximum per diem per day is one; maximum per diems per month is 10</i>					

DIRECTOR SIGNATURE _____

TRABUCO CANYON WATER DISTRICT | 2023 PUBLIC MEETING AND CONFERENCE CALENDAR

2023													
LINE ITEM	MEETING DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
DISTRICT PUBLIC MEETINGS													
1	Executive Committee Meeting	01/03/23	02/06/23	03/06/23	04/03/23	05/01/23	06/05/23	07/03/23	08/07/23	09/05/23	10/02/23	11/06/23	12/04/23
2	Engineering/Operational Committee Meeting	01/04/23	02/01/23	03/01/23	04/05/23	05/03/23	06/07/23	07/05/23	08/02/23	09/06/23	10/04/23	11/01/23	12/06/23
3	Finance/Audit Committee Meeting	01/11/23	02/08/23	38//2023	04/12/23	05/10/23	06/14/23	07/14/23	08/09/23	09/13/23	10/11/23	11/08/23	12/13/23
4	Regular Board Meeting	01/19/23	02/16/23	03/16/23	04/20/23	05/18/23	06/15/23	07/20/23	08/17/23	09/21/23	10/19/23	11/16/23	12/21/23
5	District Properties Ad Hoc Committee Meeting	-	-	-	-	-	-	-	-	-	-	-	-
PUBLIC MEETINGS													
6	City of RSM City Council Meeting - Meeting No. 1	01/10/23	02/14/23	03/14/23	04/11/23	05/09/23	06/13/23	07/11/23	08/08/23	09/12/23	10/10/23	11/14/23	12/12/23
7	City of RSM City Council Meeting - Meeting No. 2	01/24/23	02/28/23	03/28/23	04/25/23	05/23/23	06/27/23	07/25/23	08/22/23	09/26/23	10/24/23	11/28/23	12/26/23
8	City of RSM Planning Commission Meeting	01/04/23	02/01/23	03/01/23	04/05/23	05/03/23	06/07/23	07/05/23	08/02/23	09/06/23	10/04/23	11/01/23	12/06/23
9	Independent Special Districts of Orange County Meeting - Executive	01/03/23	02/07/23	03/07/23	04/04/23	05/02/23	06/06/23	07/04/23	08/01/23	09/05/23	10/02/23	11/07/23	12/05/23
10	Independent Special Districts of Orange County Meeting - Quarterly	01/26/23	-	-	04/27/23	-	-	07/27/23	-	-	10/26/23	-	-
11	Orange County Local Agency Formation Commission (OC LAFCO)	01/11/23	02/08/23	03/08/23	04/12/23	05/10/23	06/14/23	07/12/23	08/09/23	09/13/23	10/11/23	11/08/23	12/13/23
12	Santiago Aqueduct Commission Meeting	-	-	03/16/23	-	-	06/15/23	-	-	09/21/23	-	-	12/21/23
13	Quarterly South Orange County Integrated Regional Watershed Management Executive Committee	-	-	03/02/23	-	05/04/23	-	-	08/03/23	-	-	11/02/23	-
14	Monthly South Orange County Integrated Regional Watershed Management Executive Committee	01/26/23	02/23/23	03/23/23	04/27/23	05/25/23	06/22/23	07/27/23	08/24/23	09/28/23	10/26/23	11/23/23	12/28/23
15	South Orange County Water Agencies Group Meeting*	01/26/23	-	03/23/23	-	05/25/23	-	07/27/23	-	09/28/23	-	11/23/23	-
16	South Orange County Wastewater Authority Regular Board Meeting	01/05/23	02/02/23	03/02/23	04/06/23	05/04/23	06/01/23	07/06/23	08/03/23	09/07/23	10/05/23	11/02/23	12/07/23
17	Water Advisory Committee of Orange County	01/06/23	02/03/23	03/03/23	04/07/23	05/05/23	06/02/23	07/07/23	08/04/23	09/01/23	10/06/23	11/03/23	12/01/23
CONFERENCES													
18	ACWA Spring Conference - Sacramento, CA												
19	ACWA Fall Conference - Indian Wells, CA												
20	CSDA Annual Conference -Monterey, CA								8/28 - 8/31				
21	CSDA GM Leadership Summit - Olympic Valley, CA						6/25 - 6/27						
22	Urban Water Institute (UWI) Annual Conference - Palm Springs, CA		2/22 - 2/24										
23	CSDA SDLA Conference - Napa, CA												
24	Colorado River Water User's Association (CRWUA) Annual Conference – Las Vegas, NV												12/13 - 12/15

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

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JANUARY 19, 2023**

ACTION CALENDAR

ADMINISTRATION MATTERS

ITEM 6: DISCUSSION AND POSSIBLE ACTION(S) RELATED TO CALENDAR YEAR 2023 BOARD MEMBER COMMITTEE APPOINTMENTS AND AGENCY REPRESENTATIVE ASSIGNMENTS

The District's Annual Organizational Meeting is held for the purpose of determining Committee Member and Agency Representative assignments by the President of the Board of Directors.

A list of the current Committee Members and Agency Representatives has been included for Board review and consideration. If Directors have a preference to serve on specific Committees or as an Agency Representative, they should communicate with the General Manager. A current list of preferences will be provided to the President of the Board of Directors at the time of the Regular Board Meeting, if any.

FUNDING SOURCE:

General Fund

FISCAL IMPACT:

FY 2022/2023 Budgeted Board Expenses: \$43,000

Directors receive \$125.00 per diem, not to exceed ten (10) per diems per month, for meetings approved by the Board.

RECOMMENDED ACTION:

Board President to appoint Board Members and District staff to District committee(s) and make other agency representative assignments pursuant to District Policy and District Rules and Regulations Section 2.4.1.

EXHIBIT(S):

1. Board Member Committee Appointments and Agency Representative Assignments, Calendar Year 2022

CONTACTS (staff responsible): PALUDI/PEREA/SANGI

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JANUARY 19, 2023**

ACTION CALENDAR

ADMINISTRATION MATTERS

ITEM 7: DISCUSSION AND POSSIBLE ACTION CONCERNING WATER AWARENESS DAY 2023

Staff is recommending that the Board of Directors approve May 6, 2023 for the Water Awareness Day Event. More information to be provided at the time of the meeting.

RECOMMENDED ACTION:

Approve scheduling the District's "Water Awareness Day" public education event for May 6, 2023.

CONTACTS (staff responsible): PALUDI/PEREA/SANGI

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JANUARY 19, 2023**

ACTION CALENDAR

ENGINEERING MATTERS

ITEM 8: PARTH DEVELOPMENT EASEMENT

The Parth development is a proposed single-family residence located at 30845 Hamilton Trail, Trabuco Canyon, CA. District staff executed a Will Serve letter in November 2022, and the owner has completed final plans, including a District easement for execution (Exhibit 1).

FUNDING SOURCE:

Developer Funded

FISCAL IMPACT (PROJECT BUDGET):

None

ENVIRONMENTAL COMPLIANCE:

Any required environmental compliance and permits are to be met by the property owner.

RECOMMENDED ACTION:

Recommend that the Board of Directors receive the Grant of Easement to the Trabuco Canyon Water District by The Frank R. Parth, Trustee of the Frank R. Parth Trust dated August 31, 2015, for Water Pipelines, and authorize the District Secretary to execute said Grant of Easement.

EXHIBIT(S):

Grant of Easement to the Trabuco Canyon Water District by The Frank R. Parth, Trustee of the Frank R. Parth Trust dated August 31, 2015, for Water Pipelines

CONTACTS (staff responsible): LAUSTEN

**FREE RECORDING REQUESTED
BY AND RETURN TO:**

**TRABUCO CANYON WATER DISTRICT
32003 Dove Canyon Drive
Trabuco Canyon, CA 92679
Attention: District Secretary**

**ASSESSOR PARCEL NO: 856-111-23 AND 24
PORTION OF LOT 3, 4, AND 5
SECTION 4, T65, R4W, SBM**

(Space above for Recorder's use only)

Exempt from recording fee pursuant to Gov. Code §6103.
Exempt from documentary transfer tax pursuant to Rev. and Tax. Code §11922.

**GRANT OF EASEMENT
TO THE
TRABUCO CANYON WATER DISTRICT
BY
FRANK R. PARTH, TRUSTEE OF THE FRANK R. PARTH TRUST DATED AUGUST 31, 2015
FOR
WATER PIPELINES**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **FRANK R. PARTH, TRUSTEE OF THE FRANK R. PARTH TRUST DATED AUGUST 31, 2015** ("Grantor") hereby grants and conveys to **TRABUCO CANYON WATER DISTRICT**, a County water district formed and existing pursuant to Water Code Sections 30000 et seq. ("Grantee"), and its successors and assigns, a perpetual non-exclusive easement and right-of-way for water distribution facilities and purposes. This easement shall include, but not by way limitation, the right to install, construct, reconstruct, remove and replace, renew, inspect, maintain, repair, improve, and relocate water pipeline or meter, together with incidental appurtenances, connections and structures in, over, under, upon, along, through and across the respective portions of the real property hereinafter described and depicted.

Said easement shall lie in, over, under, upon, along, through and across that certain real property situated in Unincorporated Territory, Orange County, described in Exhibit "A" and depicted in Exhibit "B", both of which are attached hereto and by this reference incorporated herein (the "Easement Area"), together with the right to enter upon and to pass and repass over and along the Easement Area for the construction, reconstruction, operation, and maintenance of the facilities to be constructed in the Easement Area by Grantee or its successors and assigns, its officers, agents and employees and by persons under contract with Grantee or its successors and assigns.

It is understood and agreed that the easement and right-of-way acquired herein are acquired subject to the rights of the Grantor, and its successors and assigns, and any other parties holding easement rights over the Easement Area, to use the surface of the Easement Area to the extent that such use is compatible with the full and free exercise of said easement and rights-of-way by the Grantee, provided, however, that no streets, alleys, roadways, fences, block walls, landscaping, trees, or other structures or other improvements shall be constructed upon, over, and along the Easement Area without first obtaining the prior written consent of the Grantee.

Whenever Grantee, in the exercise of its rights hereunder, makes any repair or replacement which requires the uncovering of its facilities, Grantee shall replace any asphaltic or concrete pavement which may be removed, lost or damaged in connection with making of any such repair or replacement. Grantee shall not be responsible to any person for any damage to any grass, trees, shrubs, sidewalks, ornamental pavement, or structural facilities which may be removed, lost, or damaged in connection with the making of any such repairs or replacements.

No earth, dirt, fill or any other material shall be deposited, placed or maintained on or over the surface of the Easement Area, nor shall any earth be removed from the cover of said pipeline or pipelines and incidental facilities without first obtaining the prior written consent of Grantee.

The Grantor and persons or concerns executing this Grant of Easement represent and warrant to Grantee that Grantor is the owner in fee title of the herein described property, or has the right to make this conveyance, and that it has advised the Grantee in writing of any and all outstanding easements, encumbrances, or deeds of trust.

Grantee shall have the right to use gates in all of Grantor's fences which presently or hereafter cross the easement, and to remove, trim, cut, and clear away any trees and brush whenever in Grantee's reasonable judgment the same shall be necessary for the convenient and safe exercise of the rights granted hereby.

This Grant of Easement and the provisions contained herein shall be binding upon Grantor, Grantee, and their respective successors and assigns.

IN WITNESS WHEREOF, Grantor executed this Grant of Easement as evidenced by Grantor's signature below.

Dated this _____ day of _____, 2022

FRANK R. PARTH, TRUSTEE OF THE FRANK R. PARTH TRUST DATED AUGUST 31, 2015,

By: _____

Name: Frank R. Parth

Title: Trustee

NOTE: Signatures must be notarized

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s)
is/are subscribed to the within instrument and acknowledged to me that he/she/they executed
the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the
instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

**CERTIFICATE OF ACCEPTANCE
TRABUCO CANYON WATER DISTRICT**

This is to certify that the interest in the real property conveyed by that certain GRANT OF EASEMENT dated _____, 2022 from **FRANK R. PARTH, TRUSTEE OF THE FRANK R. PARTH TRUST DATED AUGUST 31, 2015**, to **TRABUCO CANYON WATER DISTRICT**, a County water district, is hereby accepted by the undersigned officer on behalf of the Board of Directors, pursuant to authority conferred by Resolution No. 2012-1177 of the Board of Directors, adopted on July 18, 2012, and the TRABUCO CANYON WATER DISTRICT consents to recordation thereof by its duly authorized officer.

Dated this _____ day of _____, 2022

Michael Perea
District Secretary
Trabuco Canyon Water District

EXHIBIT "A"
LEGAL DESCRIPTION

IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA, BEING A PORTION OF THE LAND DESCRIBED IN A GRANT DEED RECORDED DECEMBER 21, 2016 AS INSTRUMENT NO. 2016000649311 OFFICIAL RECORDS OF SAID COUNTY, LYING WITHIN SECTION 3, TOWNSHIP 6 SOUTH, RANGE 7 WEST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, BEING A STRIP OF LAND 12.00 FEET WIDE, LYING 6.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING (POC) AT A POINT ON THE CENTERLINE OF HAMILTON TRAIL, ALSO BEING THE SOUTHEASTERLY CORNER OF THE LAND DESCRIBED IN SAID GRANT DEED, SAID POINT ALSO BEING THE SOUTHWESTERLY CORNER OF PARCEL 1 OF A PARCEL MAP, RECORDED IN BOOK 101, PAGES 9 AND 10, OF PARCEL MAPS, RECORDS OF SAID COUNTY;

THENCE, ALONG THE CENTERLINE OF SAID HAMILTON TRAIL AND THE SOUTHERLY LINE OF THE LAND DESCRIBED IN SAID GRANT DEED, NORTH 89°58'36" WEST, A DISTANCE OF 93.47 FEET TO AN ANGLE POINT THEREIN;

THENCE, CONTINUING ALONG SAID CENTERLINE AND SAID SOUTHERLY LINE, NORTH 34°46'24" WEST, A DISTANCE OF 357.58 FEET;

THENCE, LEAVING SAID CENTERLINE AND SAID SOUTHERLY LINE, NORTH 55°13'36" EAST, A DISTANCE OF 10.00 FEET TO THE NORTHEASTERLY LINE OF A 10.00 FOOT WIDE STRIP OF LAND DESCRIBED IN A GRANT DEED TO THE SANTA ANA MOUNTAIN WATER DISTRICT, RECORDED APRIL 26, 1978 IN BOOK 11716, PAGE 362, OFFICIAL RECORDS OF SAID COUNTY AND THE **TRUE POINT OF BEGINNING** (TPOB);

THENCE, NORTH 55°13'36" EAST, A DISTANCE OF 11.00 FEET TO THE **TERMINUS** OF SAID STRIP OF LAND.

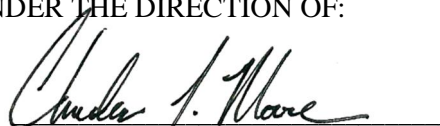
CONTAINING 132 S.F., MORE OR LESS.

ALSO AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

SUBJECT TO COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS AND RIGHTS-OF-WAY OF RECORD, IF ANY.



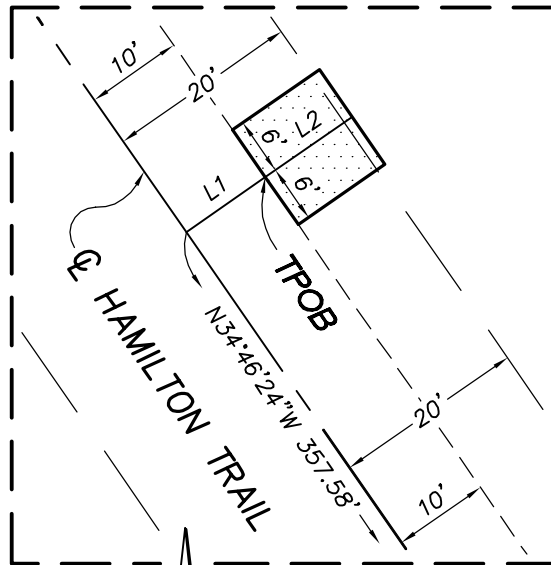
PREPARED BY: PROACTIVE ENGINEERING CONSULTANTS
UNDER THE DIRECTION OF:


CHARLES J. MOORE, L.S. 9106
JANUARY 11, 2023

LINE TABLE		
NO.	BEARING	DISTANCE
L1	N55°13'36"E	10.00'
L2	N55°13'36"E	11.00'

 **EASEMENT AREA**
±132 S.F.

SEE DETAIL 'A'
HEREON



DETAIL "A"
NO SCALE

GRANT DEED
INST. NO. 2016000649311 O.R.
REC. 12/21/2016

PARCEL 1
PARCEL MAP P.M.B. 101/9-10

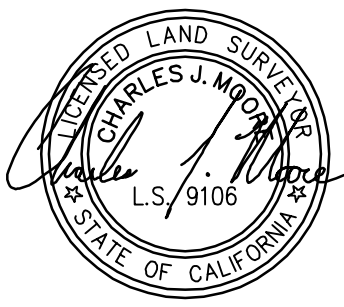
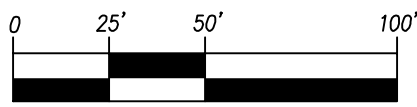
HAMILTON TRAIL

10' EASEMENT TO SANTA ANA
MOUNTAINS COUNTY WATER DISTRICT.
REC. 4/26/1976. BK 11716/362 O.R.

40' ROAD AND PUBLIC UTILITY
EASEMENT PER GRANT DEED REC.
10/14/1964, BK 7259/438 O.R.

93.47'
N89°58'36"W
POC

SCALE: 1" = 50'



PROACTIVE
ENGINEERING CONSULTANTS
200 S. MAIN ST. STE 300 • CORONA CA • 92882

EXHIBIT "B"
WATER EASEMENT

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JANUARY 19, 2023**

ACTION CALENDAR

ENGINEERING MATTERS

ITEM 9: SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) JOINT POWERS AGREEMENT (JPA)

DISCUSSIONS UPDATE

The South Orange County Wastewater Authority (SOCWA) is a Joint Powers Authority (JPA) established in 2001 to facilitate and manage the collection, treatment, reuse, and disposal of wastewater across South Orange County. Each of the JPA's ten member agencies have different levels of financial participation in SOCWA depending on the services and infrastructure they rely on through specific Project Committees, or PCs.

As a member of SOCWA, Trabuco Canyon Water District's (District) participation in Project Committees is limited to PC-12 for the purpose of maintaining a Regional Board waste discharge permit for our wastewater recycling operations at the Robinson Ranch Wastewater Treatment Plant (RRWWTP). Although the District hauls its own sludge from RRWWTP, it is a partner to a sludge hauling contract with an independent third-party vendor through SOCWA. In total, the District is responsible for approximately 0.1% of the total SOCWA budget, including its allocation of O&M, PC-12, and SOCWA workforce unfunded pension liability (UAL) and retiree health benefits (OPEB). The approved SOCWA budget for FY 2022-23 includes the District's obligation of \$61,528 and the District's actual expenses towards SOCWA have averaged approximately \$46,000 over the past four years.

In December 2022, General Counsel presented SOCWA's counsel with proposed agreement terms whereby the District, subject to approval by SOCWA and all other JPA members, would withdraw from the JPA and contract back for the same services currently provided by SOCWA through membership in the JPA and PC-12 specifically. Receipt of the draft agreement was mentioned in a staff update to the SOCWA board during their regular meeting in December. All SOCWA member agencies have been asked to provide any comments to the draft agreement.

FUNDING SOURCE:

Not applicable

FISCAL IMPACT:

Undetermined at this time

ENVIRONMENTAL COMPLIANCE:

Not applicable

RECOMMENDED ACTION:

Receive information at the time of the meeting and take action(s) as deemed appropriate.

EXHIBITS:

None

CONTACTS (staff responsible): PALUDI/PEREA/COLLINS

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JANUARY 19, 2023**

**ACTION CALENDAR
FINANCIAL MATTERS**

ITEM 10: TRABUCO CANYON WATER DISTRICT FISCAL YEAR 2021-22 ANNUAL COMPREHENSIVE FINANCIAL REPORT

Trabuco Canyon Water District's (District) auditor Nigro & Nigro LLP, with the assistance of the District Treasurer and District staff, has completed the annual audit of the District's financial statements for the Fiscal Year (FY) ended June 30, 2022. As stated in its report, Nigro & Nigro concluded that in all material aspects, the statements fairly present the District's financial position as of June 30, 2022, and conform with generally accepted accounting principles.

This is the first year that the District will present its audited financials within an Annual Comprehensive Financial Report (ACFR). Formerly called Comprehensive Annual Financial Report (or CAFR), the ACFR includes an Introductory Section, audited financial statements, accompanying auditor's report, Management's Discussion and Analysis, and Statistical Section and is prepared in accordance with generally accepted auditing standards. Because an ACFR often contains ten consecutive years of financial and statistical information, the report can provide a broader perspective of an agency's financial performance. The ACFR has been prepared by District staff with the guidance and assistance of District Treasurer Cindy Byerrum and Eide Bailly with the intent to earn a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).

The District ACFR will be presented for Board consideration and additional information regarding the financial audit process may be provided at the time of the meeting.

FUNDING SOURCE:

General Fund

FISCAL IMPACT:

\$61,500 total for a three-year period

ENVIRONMENTAL COMPLIANCE:

Not applicable

COMMITTEE STATUS:

This matter was reviewed with the Finance/Audit Committee.

RECOMMENDED ACTION(S):

1. *Receive and file the Trabuco Canyon Water District DRAFT Financial Statements and Independent Auditors' Report for Fiscal Years Ended June 30, 2022 and 2021*
2. *Approve the Trabuco Canyon Water District Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2022.*

EXHIBITS:

1. Trabuco Canyon Water District DRAFT Financial Statements and Independent Auditors' Report for Fiscal Years Ended June 30, 2022 and 2021

CONTACTS (staff responsible): PALUDI/BYERRUM/WARNER

**TRABUCO CANYON WATER DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Years Ended
June 30, 2022 and 2021**

DRAFT

NIGRO & NIGRO^{PC}

TRABUCO CANYON WATER DISTRICT
For the Fiscal Years Ended June 30, 2022 and 2021
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Financial Section

DRAFT



INDEPENDENT AUDITORS' REPORT

Board of Directors
Trabuco Canyon Water District
Trabuco Canyon, California

Opinion

We have audited the accompanying financial statements of the Trabuco Canyon Water District (District), which comprise the balance sheets as of June 30, 2022 and 2021, and related statements of revenue, expenses, and changes in net position, and cash flows for the years then ended, and related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2022 and 2021, and the respective changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As described in Notes 1 and 5 to the financial statements, as of July 1, 2020, the Agency adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Agency's Proportionate Share of the Plan's Net Pension Liability, Schedule of the Agency's Contributions to the Pension Plan, Schedule of Changes in the Agency's Net OPEB Liability and Related Ratios, and Schedule of the Agency's Contributions to the OPEB Plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements as a whole. The Balance Sheets – Combined – Internal Funds and Schedule of Revenues, Expenses and Changes in Net Position – Combined – Internal Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated December 15, 2022, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Murrieta, California
December 15, 2022

TRABUCO CANYON WATER DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Years Ended June 30, 2022 and 2021

Management's Discussion and Analysis (MD&A) offers readers of Trabuco Canyon Water District's (District's) financial statements a narrative overview of the District's financial activities for the years ended June 30, 2022 and 2021. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- In fiscal year 2022, the District's net position decreased 7.19%, or \$3,617,916 from the prior year's net position of \$50,317,353 to \$46,699,437, as a result of the year's operations.
- In fiscal year 2021, the District's net position decreased 4.42%, or \$2,323,468 from the prior year's net position of \$52,640,821 to \$50,317,353, as a result of the year's operations.
- In fiscal year 2022, operating revenues increased by 1.00%, or \$89,571 from \$8,929,020 to \$9,018,591, from the prior year, primarily due to increases in water consumption sales as well as increases in other water service charges and reclaimed water sales.
- In fiscal year 2021, operating revenues increased by 8.88%, or \$727,945 from \$8,201,075 to \$8,929,020, from the prior year, primarily due to increases in water consumption sales as well as increases in other water, sewer, reclaimed and recycled service charges.
- In fiscal year 2022, operating expenses before depreciation expense decreased by 4.43% or \$518,443 from \$11,710,353 to \$11,191,910, from the prior year, primarily due to decreases in sewer operation costs related to reduced repairs and maintenance expenses, and general and administrative expenses.
- In fiscal year 2021, operating expenses before depreciation expense increased by 8.71% or \$938,319 from \$10,772,034 to \$11,710,353, from the prior year, primarily due to increases in costs for source of supply, transmission and distribution, and general and administrative expenses.

REQUIRED FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Balance Sheet, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Balance Sheet includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

TRABUCO CANYON WATER DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Years Ended June 30, 2022 and 2021

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Balance Sheet and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position – the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation.

Condensed Balance Sheets

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>	<u>June 30, 2020</u>	<u>Change</u>
Assets:					
Current assets	\$ 1,816,129	\$ 3,646,458	\$ (1,830,329)	\$ 10,188,899	\$ (6,542,441)
Non-current assets	12,644,370	5,221,939	7,422,431	\$ 3,254,760	\$ 1,967,179
Capital assets, net	49,313,230	50,053,318	(740,088)	47,295,351	2,757,967
Total assets	<u>63,773,729</u>	<u>58,921,715</u>	<u>4,852,014</u>	<u>60,739,010</u>	<u>(1,817,295)</u>
Deferred outflows of resources	<u>1,411,844</u>	<u>1,486,262</u>	<u>(74,418)</u>	<u>1,277,369</u>	<u>208,893</u>
Total assets and deferred outflows of resources	<u>\$ 65,185,573</u>	<u>\$ 60,407,977</u>	<u>\$ 4,777,596</u>	<u>\$ 62,016,379</u>	<u>\$ (1,608,402)</u>
Liabilities:					
Current liabilities	\$ 2,735,477	\$ 3,727,201	\$ (991,724)	\$ 3,066,128	\$ 661,073
Non-current liabilities	13,565,271	5,975,665	7,589,606	6,060,462	(84,797)
Total liabilities	<u>16,300,748</u>	<u>9,702,866</u>	<u>6,597,882</u>	<u>9,126,590</u>	<u>576,276</u>
Deferred inflows of resources	<u>2,387,080</u>	<u>387,758</u>	<u>1,999,322</u>	<u>248,968</u>	<u>138,790</u>
Net position:					
Net investment in capital assets	44,617,301	47,913,266	(3,295,965)	44,976,850	2,936,416
Restricted	5,292,370	5,104,320	188,050	3,254,760	1,849,560
Unrestricted	(3,210,234)	(2,700,233)	(510,001)	4,409,211	(7,109,444)
Total net position	<u>46,699,437</u>	<u>50,317,353</u>	<u>(3,617,916)</u>	<u>52,640,821</u>	<u>(2,323,468)</u>
Total liabilities, deferred outflows of resources and net position	<u>\$ 65,387,265</u>	<u>\$ 60,407,977</u>	<u>\$ 4,979,288</u>	<u>\$ 62,016,379</u>	<u>\$ (1,608,402)</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$46,699,437 and \$50,317,353 as of June 30, 2022 and June 30, 2021, respectively.

TRABUCO CANYON WATER DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Years Ended June 30, 2022 and 2021

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Condensed Balance Sheets (continued)

By far the largest portion of the District's net position (96% and 95% as of June 30, 2022 and 2021, respectively) reflects the District's net investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

At the end of year 2022, the District showed a negative (deficit) balance in its unrestricted net position of (\$3,210,234) which was due to the estimated \$3,939,488 amount for the net pension and net OPEB liabilities and their related deferred outflows/inflows. At the end of year 2021, the District showed a negative (deficit) balance in its unrestricted net position of (\$2,700,233) which was due to the estimated \$4,008,843 amount for the net pension and net OPEB liabilities and their related deferred outflows/inflows.

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>	<u>June 30, 2020</u>	<u>Change</u>
Operating revenues	\$ 9,018,591	\$ 8,929,020	\$ 89,571	\$ 8,201,075	\$ 727,945
Operating expenses	(11,191,910)	(11,710,353)	518,443	(10,772,034)	(938,319)
Operating income before depreciation	(2,173,319)	(2,781,333)	608,014	(2,570,959)	(210,374)
Depreciation expense	(4,129,429)	(3,689,570)	(439,859)	(3,428,661)	(1,148,693)
Operating income	(6,302,748)	(6,470,903)	168,155	(5,999,620)	938,319
Non-operating revenues(expenses), net	1,861,731	2,147,079	(285,348)	6,580,323	(4,433,244)
Capital contributions	823,101	2,000,356	(1,177,255)	2,233,563	(233,207)
Change in net position	(3,617,916)	(2,323,468)	(1,294,448)	2,814,266	(4,853,992)
Net position:					
Beginning of year	50,317,353	52,640,821	(2,323,468)	49,826,555	2,814,266
End of year	<u>\$ 46,699,437</u>	<u>\$ 50,317,353</u>	<u>\$ (3,617,916)</u>	<u>\$ 52,640,821</u>	<u>\$ (2,039,726)</u>

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years.

A closer examination of the sources of changes in net position reveals that:

In fiscal year 2022, the District's net position decreased 7.19%, or \$3,617,916 from the prior year's net position of \$50,317,353 to \$46,699,437, as a result of the year's operations.

In 2021, the District's net position decreased 4.42%, or \$2,323,468 from the prior year's net position of \$52,640,821 to \$50,317,353, as a result of the year's operations.

The following table presents the detailed breakdown of the information presented in the condensed summary.

TRABUCO CANYON WATER DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Years Ended June 30, 2022 and 2021

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Total Revenues

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase (Decrease)</u>	<u>June 30, 2020</u>	<u>Increase (Decrease)</u>
Operating revenues:					
Water consumption sales	\$ 3,995,932	\$ 3,758,473	\$ 237,459	\$ 3,165,259	\$ 593,214
Water service charges	1,150,052	1,059,237	90,815	1,033,023	26,214
Sewer service charges	1,881,560	1,955,995	(74,435)	1,918,114	37,881
Reclaimed water sales	716,515	613,962	102,553	541,972	71,990
Recycled water sales	222,925	245,799	(22,874)	181,116	64,683
Wholesale water sales - BTP	865,032	1,278,778	(413,746)	1,210,433	68,345
Other operating revenues	186,575	16,776	169,799	151,158	(134,382)
Total operating revenues	<u>9,018,591</u>	<u>8,929,020</u>	<u>89,571</u>	<u>8,201,075</u>	<u>727,945</u>
Non-operating revenues:					
Property taxes	2,077,576	2,048,224	29,352	1,936,412	111,812
Investment earnings	(109,229)	29,813	(139,042)	119,066	(89,253)
Rental revenue	27,064	27,064	-	24,112	2,952
Capacity assignment revenue	-	-	-	4,526,000	(4,526,000)
Other non-operating revenues	205,537	106,338	99,199	48,064	58,274
Total non-operating revenues	<u>2,200,948</u>	<u>2,211,439</u>	<u>(10,491)</u>	<u>6,653,654</u>	<u>(4,442,215)</u>
Total revenues	<u>\$ 11,219,539</u>	<u>\$ 11,140,459</u>	<u>\$ 79,080</u>	<u>\$ 14,854,729</u>	<u>\$ (3,714,270)</u>

In fiscal year 2022, operating revenues increased by 1.00%, or \$89,571 from \$8,929,020 to \$9,018,591, from the prior year, primarily due to increases in water consumption sales as well as increases in other water service charges and reclaimed water sales. Non-operating revenues decreased by \$10,491 primarily due to a decrease in investment earnings.

In fiscal year 2021, operating revenues increased by 8.88%, or \$727,945 from \$8,201,075 to \$8,929,020, from the prior year, primarily due to increases in water consumption sales as well as increases in other water, sewer, reclaimed and recycled service charges. Non-operating revenues decreased by \$4,442,215 due to the one-time capacity assignment revenue of \$4,526,000 in fiscal year 2020.

TRABUCO CANYON WATER DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Years Ended June 30, 2022 and 2021

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Total Expenses

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase (Decrease)</u>	<u>June 30, 2020</u>	<u>Increase (Decrease)</u>
Operating expenses:					
Source of supply	\$ 3,724,291	\$ 3,631,094	\$ 93,197	3,150,263	480,831
Pumping and power	283,159	295,308	(12,149)	252,227	43,081
Water treatment	266,246	346,674	(80,428)	303,281	43,393
Transmission and distribution	224,226	278,777	(54,551)	149,577	129,200
Sewer operations	443,417	760,445	(317,028)	770,329	(9,884)
Reclaimed operations	250,643	162,089	88,554	110,299	51,790
Recycled operations	250,711	164,044	86,667	129,746	34,298
General and administrative	5,749,217	6,071,922	(322,705)	5,906,312	165,610
Total operating expenses	<u>11,191,910</u>	<u>11,710,353</u>	<u>(518,443)</u>	<u>10,772,034</u>	<u>938,319</u>
Depreciation expense	4,129,429	3,689,570	439,859	3,428,661	260,909
Non-operating expenses:					
Interest expense	102,610	51,932	50,678	60,635	(8,703)
Cost of debt issuance	84,501	-	84,501	850	(850)
Property tax administration expense	11,508	12,428	(920)	11,846	582
Uncollectable federal grant	140,598	-	140,598	-	-
Total non-operating expenses	<u>339,217</u>	<u>64,360</u>	<u>274,857</u>	<u>73,331</u>	<u>(8,971)</u>
Total expenses	<u>\$ 15,660,556</u>	<u>\$ 15,464,283</u>	<u>\$ 196,273</u>	<u>\$ 14,274,026</u>	<u>\$ 929,348</u>

In fiscal year 2022, operating expenses before depreciation expense decreased by 4.43% or \$518,443 from \$11,710,353 to \$11,191,910, from the prior year, primarily due to decreases in sewer operation costs related to reduced repairs and maintenance expenses, and general and administrative expenses. Non-operating expenses increased by \$274,857 due to an increase in interest expense and a one-time uncollectable federal grant expense of \$140,598.

In fiscal year 2021, operating expenses before depreciation expense increased by 8.71% or \$938,319 from \$10,772,034 to \$11,710,353, from the prior year, primarily due to increases in costs for source of supply, transmission and distribution, and general and administrative expenses. Total expenses increased by \$929,348.

Capital Assets

	<u>Balance June 30, 2022</u>	<u>Balance June 30, 2021</u>	<u>Balance June 30, 2020</u>
Capital assets:			
Non-depreciable assets	\$ 3,630,311	\$ 2,407,104	\$ 5,335,924
Depreciable assets	122,571,597	121,073,132	113,393,594
Accumulated depreciation	<u>(76,888,678)</u>	<u>(73,426,918)</u>	<u>(71,434,167)</u>
Total capital assets, net	<u>\$ 49,313,230</u>	<u>\$ 50,053,318</u>	<u>\$ 47,295,351</u>

At June 30, 2022 and 2021, the District's investment in capital assets amounted to \$49,313,230 and \$50,053,318 (net of accumulated depreciation), respectively. Capital asset additions for 2022 amounted to \$3,389,341 for various projects and equipment. See Note 6 for further information.

TRABUCO CANYON WATER DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Years Ended June 30, 2022 and 2021

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Debt Administration

The long-term debt of the District is summarized below:

Long-term debt:	Balance	Balance	Balance
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Loans payable	<u>\$ 11,957,505</u>	<u>\$ 2,140,052</u>	<u>\$ 2,318,501</u>

For the years ended June 30, 2022 and 2021, long-term debt increased by \$9,817,453 and decreased by \$178,449, respectively. See Note 8 for further information.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

CONDITIONS AFFECTING CURRENT AND FUTURE FINANCIAL POSITION

The District's Board of Directors and management considered many factors when setting the fiscal year 2022 user fees and charges. A projection is made on the acre feet of water that will be purchased and sold. The District also looks at the increased cost of the source of supply. Since the District heavily relies on imported water, the costs are directly passed through by Metropolitan Water District. Some are fixed costs that do not vary depending upon the amount of water sold. Other expenses are budgeted individually to account for increases in such things as vehicle expenses and insurance coverages. The District's customer base has not changed significantly; therefore, revenue and costs are more easily projected. Questions concerning the information about the economic analysis, revenue and expense assumptions, and other budgetary process parameters utilized in the annual budget preparation can be obtained from the District's Finance Officer.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's General Manager, at 32003 Dove Canyon Drive, Trabuco Canyon, California 92679, (949) 858-0277.

TRABUCO CANYON WATER DISTRICT

Balance Sheets

June 30, 2022 and 2021

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>2022</u>	<u>2021</u>
Current assets:		Restated
Cash and cash equivalents (Note 2)	\$ 200,527	\$ 2,055,746
Accrued interest receivable	4,271	2,069
Accounts receivable, net (Note 4)	1,177,530	1,101,812
Accounts receivable - due from other governments	-	140,598
Lease receivable (Note 5)	27,195	22,979
Other receivables	311,459	246,451
Prepaid expenses	95,147	76,803
Total current assets	1,816,129	3,646,458
Non-current assets:		
Restricted – cash and cash equivalents (Note 2 and 3)	12,535,603	5,100,793
Restricted – accrued interest receivable (Note 3)	18,343	3,527
Lease receivable - (Note 5)	90,424	117,619
Net OPEB asset (Note 9)	201,692	-
Capital assets – not being depreciated (Note 6)	3,630,311	2,407,104
Capital assets – being depreciated, net (Note 6)	45,682,919	47,646,214
Total non-current assets	62,159,292	55,275,257
Total assets	63,975,421	58,921,715
Deferred outflows of resources:		
Deferred amounts related to net OPEB obligation (Note 9)	553,614	418,881
Deferred amounts related to net pension liability (Note 10)	858,230	1,067,381
Total deferred outflows of resources	1,411,844	1,486,262
Total assets and deferred outflows of resources	\$ 65,387,265	\$ 60,407,977
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,402,684	\$ 3,341,665
Deposits and unearned revenues	184,584	203,261
Long-term liabilities – due within one year:		
Compensated absences (Note 7)	55,369	91,520
Loans payable (Note 8)	92,840	90,755
Total current liabilities	2,735,477	3,727,201
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 7)	102,828	169,963
Loans payable (Note 8)	11,864,665	2,049,297
Net OPEB obligation (Note 9)	-	356,590
Net pension liability (Note 10)	1,597,778	3,399,815
Total non-current liabilities	13,565,271	5,975,665
Total liabilities	16,300,748	9,702,866
Deferred inflows of resources:		
Deferred amounts related to leases (Note 5)	108,256	135,320
Deferred amounts related to net OPEB obligation (Note 9)	747,880	185,600
Deferred amounts related to net pension liability (Note 10)	1,530,944	66,838
Total deferred inflows of resources	2,387,080	387,758
Net position:		
Net investment in capital assets (Note 11)	44,617,301	47,913,266
Restricted (Note 3)	5,292,370	5,104,320
Unrestricted (Defecit) (Note 12)	(3,210,234)	(2,700,233)
Total net position	46,699,437	50,317,353
Total liabilities, deferred inflows of resources and net position	\$ 65,387,265	\$ 60,407,977

TRABUCO CANYON WATER DISTRICT

Statements of Revenues, Expenses and Changes in Net Position For the Fiscal Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		Restated
Water consumption sales	\$ 3,995,932	\$ 3,758,473
Water service charges	1,150,052	1,059,237
Sewer service charges	1,881,560	1,955,995
Reclaimed water sales	716,515	613,962
Recycled water sales	222,925	245,799
Wholesale water sales – Baker Treatment Plant	865,032	1,278,778
Other operating revenues	186,575	16,776
Total operating revenues	<u>9,018,591</u>	<u>8,929,020</u>
Operating expenses:		
Source of supply	3,724,291	3,631,094
Pumping and power	283,159	295,308
Water treatment	266,246	346,674
Transmission and distribution	224,226	278,777
Sewer operations	443,417	760,445
Reclaimed operations	250,643	162,089
Recycled operations	250,711	164,044
General and administrative	5,749,217	6,071,922
Total operating expenses	<u>11,191,910</u>	<u>11,710,353</u>
Operating loss before depreciation	<u>(2,173,319)</u>	<u>(2,781,333)</u>
Depreciation expense	(4,129,429)	(3,689,570)
Operating loss	<u>(6,302,748)</u>	<u>(6,470,903)</u>
Non-operating revenues(expenses):		
Property taxes	2,077,576	2,048,224
Investment earnings	(109,229)	29,813
Rental revenue	27,064	27,064
Interest expense	(102,610)	(51,932)
Cost of debt issuance	(84,501)	-
Property tax administration charge	(11,508)	(12,428)
Uncollectable capital grants	(140,598)	-
Other non-operating revenues	205,537	106,338
Total non-operating revenues(expenses), net	<u>1,861,731</u>	<u>2,147,079</u>
Change in net position before capital contributions	<u>(4,441,017)</u>	<u>(4,323,824)</u>
Capital contributions:		
Water reliability and emergency storage fees	823,101	822,779
Capital grants	-	99,751
Contributed capital – other	-	1,077,826
Total capital contributions	<u>823,101</u>	<u>2,000,356</u>
Change in net position	<u>(3,617,916)</u>	<u>(2,323,468)</u>
Net position:		
Beginning of year, as restated (Note 13)	<u>50,317,353</u>	<u>52,640,821</u>
End of year	<u>\$ 46,699,437</u>	<u>\$ 50,317,353</u>

TRABUCO CANYON WATER DISTRICT
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		Restated
Cash receipts from customers and others	\$ 9,133,445	\$ 9,709,071
Cash paid to employees for salaries and wages	(2,594,683)	(2,413,438)
Cash paid to vendors and suppliers for materials and services	(9,761,402)	(8,591,954)
Net cash used in operating activities	<u>(3,222,640)</u>	<u>(1,296,321)</u>
Cash flows from non-capital financing activities:		
Proceeds from property taxes	2,062,116	2,092,916
Net cash provided by non-capital financing activities	<u>2,062,116</u>	<u>2,092,916</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(3,389,341)	(6,494,378)
Capacity assignment revenue	-	4,526,000
Capital grants	-	2,628,732
Capital contributions	823,101	1,900,605
Proceeds from loan payable	9,915,499	-
Principal paid on long-term debt	(182,547)	(178,449)
Interest paid on long-term debt	(102,610)	(51,932)
Net cash provided by (used in) capital and related financing activities	<u>7,064,102</u>	<u>2,330,578</u>
Cash flows from investing activities:		
Change in investments	(197,740)	533
Investment earnings	(126,247)	27,771
Net cash provided by investing activities	<u>(323,987)</u>	<u>28,304</u>
Net increase(decrease) in cash and cash equivalents	5,579,591	3,155,477
Cash and cash equivalents:		
Beginning of year	7,156,539	4,001,062
End of year	<u>\$ 12,736,130</u>	<u>\$ 7,156,539</u>
Reconciliation of cash and cash equivalents:		
Cash and cash equivalents	\$ 200,527	\$ 2,055,746
Restricted – cash and cash equivalents	12,535,603	5,100,793
Total cash and cash equivalents	<u>\$ 12,736,130</u>	<u>\$ 7,156,539</u>

TRABUCO CANYON WATER DISTRICT
Statements of Cash Flows (continued)
For the Fiscal Year Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Reconciliation of operating income to net cash used in operating activities:		
Operating income	\$ (6,302,748)	\$ (6,470,903)
Adjustments to reconcile operating income to net cash used in operating activities:		
Depreciation	4,129,429	3,689,570
Rental and contract revenue	27,064	27,064
Other non-operating revenues	205,537	106,338
Change in assets - (increase)decrease:		
Accounts receivable, net	(75,718)	(58,888)
Lease receivable	22,979	(140,598)
Other receivables	(65,008)	846,135
Prepaid expenses	(18,344)	20,339
Change in deferred outflows of resources - (increase)decrease		
Deferred amounts related to net OPEB obligation	(134,733)	(1,961)
Deferred amounts related to net pension liability	209,151	(206,932)
Change in liabilities - increase(decrease):		
Accounts payable and accrued expenses	(938,981)	723,152
Deposits and unearned revenues	(18,677)	(76,789)
Compensated absences	(103,286)	36,292
Net OPEB obligation	(356,590)	(176,998)
Net pension liability	(1,802,037)	249,068
Change in deferred inflows of resources - increase(decrease)		
Deferred amounts related to leases	(27,064)	135,320
Deferred amounts related to net OPEB obligation	562,280	87,745
Deferred amounts related to net pension liability	1,464,106	(84,275)
Total adjustments	<u>3,080,108</u>	<u>5,174,582</u>
Net cash used in operating activities	<u>\$ (3,222,640)</u>	<u>\$ (1,296,321)</u>

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Trabuco Canyon Water District (District) was organized in January 1962, under provisions of the County Water District Act (Sections 30000 et. seq. of the Water Code of the State of California). The District is governed by a Board of Directors made up of five members elected by the qualified voters in the District. The purpose of the District is to finance, construct, operate and maintain a water system and wastewater system to serve properties within the District's boundaries. The Trabuco Canyon Water District includes the accounts of the District, Trabuco Canyon Improvement Corporation and Trabuco Canyon Public Financing Authority as blended component units.

The Trabuco Canyon Public Financing Authority (Authority) was organized on August 8, 1993, pursuant to the Government Code of the State of California (Title 1, Division 7 Section 6500 of the California Government Code), as a Joint Powers Agency, solely for the purpose of providing financial assistance to the District. Complete financial statements for the Authority are available at the District's office or upon request of the District's Treasurer at 32003 Dove Canyon Drive, Trabuco Canyon, California 92679.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, The Financial Reporting Entity (GASB Statement No. 61). The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

B. Basis of Presentation, Basis of Accounting

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

Operating revenues are those revenues that are generated from the primary operations of the District. The District reports a measure of operations by presenting the change in net position from operations as operating income in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the District as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, and other infrequently occurring transactions of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of 90 days or less, when purchased, to be cash equivalents. Cash deposits are reported at the carrying amount, which reasonably estimates fair value.

2. Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

3. Restricted Assets

Amounts shown as restricted assets have been restricted by either bond indentures, external constraints, or laws and regulations of other governments.

4. Receivables and Allowance for Doubtful Accounts

Customer accounts receivable consist of amounts owed by private individuals and organizations for services rendered in the regular course of business operations. Receivables are shown net of allowances for doubtful accounts. Uncollectable accounts are based on prior experience and management's assessment of the collectability of existing accounts.

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

5. Prepays

Certain payments of vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

6. Lease Receivable and Deferred Inflows of Resources

The primary objective is to enhance the relevance and consistency of information about the governments' leasing activities. As a lessor, the District is required to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions. The District's lease receivable is measured at the present value of the lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

7. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District's policy to capitalize assets costing over \$5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Estimated service lives for the District's classes of assets are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Transmission and distribution system	5-40 years
Wastewater system	4-40 years
Structures and improvements	10-30 years
Equipment	3-15 years

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

9. Compensated Absences

The District's policy is to permit employees to accumulate earned vacation up to a total of 240 hours with amounts exceeding the limit being paid out as part of the employee's regular compensation. Upon termination of employment, employees are paid all unused vacation and forfeit any unused sick time. Upon retirement employees are paid all unused vacation and 50% of any unused sick time.

10. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans and addition to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

	2022	2021
Valuation Date	June 30, 2020	June 30, 2019
Measurement Date	June 30, 2021	June 30, 2020
Measurement Period	July 1, 2020 to June 30, 2021	July 1, 2019 to June 30, 2020

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systemically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows as deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining lives of all members that are provided the benefits (active, inactive and retirees) as of the beginning of the measurement period.

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

11. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Retiree Benefits Plan ("the Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments which are reported at cost.

The following timeframes are used for OPEB reporting:

	<u>2022</u>	<u>2021</u>
Valuation Date	June 30, 2020	June 30, 2019
Measurement Date	June 30, 2021	June 30, 2020
Measurement Period	July 1, 2020 to June 30, 2021	July 1, 2019 to June 30, 2020

12. Net Position

Net position is classified into three components: net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** - This component of net position consists of external constraints placed on net position imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

The Orange County Assessor's Office assesses all real and personal property within the County each year. The Orange County Tax Collector's Office bills and collects the District's share of property taxes. The Orange County Auditor-Controller's Office remits current property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article XIII A of the State Constitution at one percent (1%) of countywide assessed valuations. Property taxes receivable at year-end are related to property taxes collected by the Orange County Tax Collector's Office, which have not been credited to the District's cash balance as of June 30.

The property tax calendar is as follows:

Lien date March 1
Levy date July 1
Due dates November 1 and March 1
Collection dates December 10 and November 10

F. New Pronouncements – Governmental Accounting Standards Board (GASB)

During the fiscal year ended June 30, 2022, the District has implemented a new pronouncement as follows:

GASB Statement No. 87 – Leases

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement were effective for reporting periods beginning after December 15, 2019. However, GASB Statement No. 95 postponed its effective date by 18 months due to the COVID-19 pandemic and its effect on the audit/accounting industry. The District adopted the Statement as of July 1, 2021. See Note 5 for the effect of this Statement.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents were classified in the accompanying financial statements as follows:

<u>Description</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Cash and cash equivalents	\$ 200,527	\$ 2,055,746
Restricted – cash and cash equivalents	12,535,603	5,100,793
Total cash and cash equivalents	\$ 12,736,130	\$ 7,156,539

Cash and cash equivalents consisted of the following:

<u>Description</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Cash on hand	\$ 416	\$ 450
Demand deposits held with financial institutions	1,294,996	732,131
Local Agency Investment Fund (LAIF)	11,440,718	6,423,958
Total cash and cash equivalents	\$ 12,736,130	\$ 7,156,539

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

Demand Deposits with Financial Institutions

At June 30, 2022 and 2021, the carrying amount of the District's demand deposits were \$1,294,996 and \$732,131, respectively, and the financial institution's balances were \$1,510,902 and \$737,775, respectively. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the District's balance for each year.

The California Government Code requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits. The entity's Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an agent of depositor has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California agents of depository are considered to be held for, and in the name of, the local government.

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's investment policy requires that collateral be held by an independent third party with whom the District has a current custodial agreement.

Local Agency Investment Fund (LAIF)

The California State Treasurer, through the Pooled Money Investment Account (PMIA), invests taxpayers' money to manage the State's cash flow and strengthen the financial security of local governmental entities. PMIA policy sets as primary investment objectives safety, liquidity and yield. Through the PMIA, the Investment Division manages the Local Agency Investment Fund (LAIF). The LAIF allows cities, counties and special districts to place money in a major portfolio and, at no additional costs to taxpayers, use the expertise of Investment Division staff. Participating agencies can withdraw their funds from the LAIF at any time as LAIF is highly liquid and carries a dollar-in dollar-out amortized cost methodology.

The District is a voluntary participant in LAIF. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis and it is Not Rated under the current credit risk ratings format. For financial reporting purposes, the District considers LAIF a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2022, and 2021, the District held \$11,440,718 and \$6,423,958 in LAIF, respectively.

Concentration of Credit Risk

The District's investment policy contains no limitations on the amount that can be invested in any one governmental agency or non-governmental issuer beyond that stipulated by the California Government Code. There were no investments in any one governmental or non-governmental issuer that represented 5% or more of the District's total investments that are subject to disclosure.

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 3 – RESTRICTED – ASSETS AND RESTRICTED – NET POSITION

Restricted assets as of June 30, were classified in the accompanying financial statements as follows:

<u>Description</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Restricted – cash and cash equivalents	\$ 12,535,603	\$ 5,100,793
Restricted - accrued interest receivable	18,343	3,527
Total restricted assets	\$ 12,553,946	\$ 5,104,320

Restricted assets for the year ended June 30, were restricted as follows:

<u>Description</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Unspent proceeds from loan issuance	\$ 7,261,576	\$ -
Developer and other capital improvements	1,243,335	1,241,880
Water reliability and emergency storage	4,049,035	3,862,440
Total restricted assets	12,553,946	5,104,320
Less: Unspent proceeds from loan issuance	(7,261,576)	-
Total restricted – net position	\$ 5,292,370	\$ 5,104,320

NOTE 4 – ACCOUNTS RECEIVABLE, NET

Accounts receivable, net of allowance for doubtful accounts consisted of the following:

<u>Description</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Accounts receivable	\$ 1,296,566	\$ 1,177,071
Allowance for doubtful accounts	(119,036)	(75,259)
Total accounts receivable, net	\$ 1,177,530	\$ 1,101,812

NOTE 5 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES

Changes in the District’s lease receivable for the year ended June 30, 2022 was as follows:

<u>Description</u>	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2022</u>
Cellular antenna site rental	\$ 140,598	\$ -	\$ (22,979)	\$ 117,619

Changes in the District’s lease receivable for the year ended June 30, 2021 was as follows:

<u>Description</u>	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2021</u>
Cellular antenna site rental	\$ 162,385	\$ -	\$ (21,787)	\$ 140,598

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 5 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)

The District is reporting a total lease receivable of \$117,619 and \$140,598 and a total related deferred inflows of resources of \$108,256 and \$135,320 for the years ending June 30, 2022 and 2021, respectively. Also, the District is reporting total lease revenue of \$22,979 and \$21,787 and interest revenue of \$2,602 and \$3,049 related to lease payments received for the years ending June 30, 2022 and 2021, respectively.

The lease held by the District does not have an implicit rate of return, therefore the District used their incremental borrowing rate of 2.00% to discount the lease revenue to the net present value. In some cases leases contain termination clauses. In these cases the clause requires the lessee or lessor to show cause to terminate the lease. Also, certain leasing-types are considered “volatile leases.” Those volatile leases were not extended past their initial lease period for financial statement recognition due to their volatility. The District’s lease is summarized as follows:

Cellular Antenna Site Rental

The District, on July 1, 2020, renewed a continuous lease for 72 months as lessor for the use of a cellular antenna site rental. An initial lease receivable was recorded in the amount of \$162,385. As of June 30, 2022, the value of the lease receivable was \$117,619. The lease is required to make monthly fixed payments of \$2,070 for the first 12-month period, then increasing 3.0% per year. The lease has an interest rate of 2.00%. The value of the deferred inflow of resource was \$108,256 as of June 30, 2022. The District recognized lease revenue of \$22,979 and interest revenue of \$2,602 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

Minimum future lease receipts for the next four fiscal years are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	27,195	2,106	29,301
2024	28,631	1,549	30,180
2025	30,122	963	31,085
2026	31,671	347	32,018
Total	117,619	\$ 4,965	\$ 122,584
Current	(27,195)		
Long-term	\$ 90,424		

Changes in the District’s deferred inflows of resources related to leases for June 30, 2022 is as follows:

<u>Description</u>	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2022</u>
Cellular antenna site rental	\$ 135,320	\$ -	\$ (27,064)	\$ 108,256

Changes in the District’s deferred inflows of resources related to leases for June 30, 2021 is as follows:

<u>Description</u>	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2021</u>
Cellular antenna site rental	\$ 162,385	\$ -	\$ (27,065)	\$ 135,320

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 5 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)

The amounts reported as deferred inflows of resources related to leases for the year ended June 30, 2022, will be amortized in future periods as follows:

Amortization Period Fiscal Year Ended June 30	Deferred Inflows of Resources
2023	\$ 27,064
2024	27,064
2025	27,064
2026	27,064
Total	\$ 108,256

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Changes in capital assets for the fiscal year ended June 30, 2022, were as follows:

Description	Balance July 1, 2021	Additions	Deletions/ Transfers	Balance June 30, 2022
Non-depreciable assets:				
Land	\$ 2,339,113	\$ -	\$ -	\$ 2,339,113
Construction-in-process	67,991	3,215,492	(1,992,285)	1,291,198
Total non-depreciable assets	2,407,104	3,215,492	(1,992,285)	3,630,311
Depreciable assets:				
Water transmission and distribution system	58,614,541	441,890	(364,754)	58,691,677
Recycled water and wastewater system	58,160,697	714,558	(164,372)	58,710,883
Structures and improvements	1,624,771	74,244	(78,830)	1,620,185
Machinery and equipment	2,673,123	935,442	(59,713)	3,548,852
Total depreciable assets	121,073,132	2,166,134	(667,669)	122,571,597
Accumulated depreciation:				
Water transmission and distribution system	(33,551,590)	(1,703,636)	364,754	(34,890,472)
Recycled water and wastewater system	(37,926,913)	(1,952,483)	164,372	(39,715,024)
Structures and improvements	(1,262,499)	(61,990)	78,830	(1,245,659)
Machinery and equipment	(685,916)	(411,320)	59,713	(1,037,523)
Total accumulated depreciation	(73,426,918)	(4,129,429)	667,669	(76,888,678)
Total depreciable assets, net	47,646,214	(1,963,295)	-	45,682,919
Total capital assets, net	\$ 50,053,318	\$ 1,252,197	\$ (1,992,285)	\$ 49,313,230

In fiscal year 2022, major capital asset additions amounted to \$3,389,341, and depreciation expense amounted to \$4,129,429.

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION (continued)

Changes in capital assets for the fiscal year ended June 30, 2021, were as follows:

Description	Balance July 1, 2020	Additions	Deletions/ Transfers	Balance June 30, 2021
Non-depreciable assets:				
Land	\$ 2,339,113	\$ -	\$ -	\$ 2,339,113
Construction-in-process	2,996,811	4,137,281	(7,066,101)	67,991
Total non-depreciable assets	5,335,924	4,137,281	(7,066,101)	2,407,104
Depreciable assets:				
Water transmission and distribution system	55,665,198	3,937,174	(987,831)	58,614,541
Recycled water and wastewater system	55,086,321	3,830,205	(755,829)	58,160,697
Structures and improvements	1,609,622	15,149	-	1,624,771
Machinery and equipment	1,032,453	1,640,670	-	2,673,123
Total depreciable assets	113,393,594	9,423,198	(1,743,660)	121,073,132
Accumulated depreciation:				
Water transmission and distribution system	(32,894,822)	(1,644,599)	987,831	(33,551,590)
Recycled water and wastewater system	(36,872,437)	(1,763,464)	708,988	(37,926,913)
Structures and improvements	(1,202,630)	(59,869)	-	(1,262,499)
Machinery and equipment	(464,278)	(221,638)	-	(685,916)
Total accumulated depreciation	(71,434,167)	(3,689,570)	1,696,819	(73,426,918)
Total depreciable assets, net	41,959,427	5,733,628	(46,841)	47,646,214
Total capital assets, net	\$ 47,295,351	\$ 9,870,909	\$ (7,112,942)	\$ 50,053,318

In fiscal year 2021, major capital asset additions amounted to \$6,494,378, and depreciation expense amounted to \$3,689,570.

NOTE 7 – COMPENSATED ABSENCES

Changes in compensated absences amounts for the year ended June 30, 2022, were as follows:

Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Due in More Than One Year
\$ 261,483	\$ 241,934	\$ (345,220)	\$ 158,197	\$ 55,369	\$ 102,828

Changes in compensated absences amounts for the year ended June 30, 2021, were as follows:

Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year	Due in More Than One Year
\$ 225,191	\$ 251,901	\$ (215,609)	\$ 261,483	\$ 91,520	\$ 169,963

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 8 – LOANS PAYABLE

Changes in loans payable amounts for the year ended June 30, 2022, were as follows:

Loans Payable	Balance			Balance June 30, 2022	Current Portion	Long-term Portion
	July 1, 2021	Additions	Deductions			
SRF Loan Payable	\$ 2,140,052	\$ -	\$ (182,547)	\$ 1,957,505	\$ 92,840	\$ 1,864,665
Bank of the West Loan Payable	-	10,000,000	-	10,000,000	-	10,000,000
Total loans payable	\$ 2,140,052	\$ 10,000,000	\$ (182,547)	\$ 11,957,505	\$ 92,840	\$ 11,864,665

Changes in loans payable amounts for the year ended June 30, 2021, were as follows:

Loans Payable	Balance			Balance June 30, 2021	Current Portion	Long-term Portion
	July 1, 2020	Additions	Deductions			
SRF Loan Payable	\$ 2,318,501	\$ -	\$ (178,449)	\$ 2,140,052	\$ 90,755	\$ 2,049,297

2011 State Revolving Fund Loan

In fiscal year 2011, the District and the State of California, Department of Public Health, entered into a contract for a construction loan in the amount of \$3,694,264 under the Safe Drinking Water State Revolving Fund Law of 1977. The purpose of the loan was to assist the District in financing construction of the Trabuco Creek Wells Facility, which will enable the District to meet the State of California's safe drinking water standards. The loan proceeds were disbursed to the District based upon project expenditures submitted. The final construction costs totaled and submitted were \$3,682,316, which was \$11,948 less than the original contracted amount. The loan is scheduled to mature in fiscal year 2032. Principal and interest installments are payable each fiscal year at a rate of 2.2836% on July 1st and January 1st. Annual debt service requirements on the loan are as follows:

Fiscal Year	Principal	Interest	Total
2023	92,840	22,351	115,191
2024	188,872	41,509	230,381
2025	193,209	37,172	230,381
2026	197,647	32,734	230,381
2027	202,186	28,195	230,381
2028-2032	1,082,751	69,153	1,151,904
Total	1,957,505	\$ 231,114	\$ 2,188,619
Current	(92,840)		
Long-term	\$ 1,864,665		

2022 – Loan Payable

On February 15, 2022, the District entered into a loan payable agreement of \$10,000,000 with Bank of the West to provide funds for various capital improvement projects. The terms of the agreement provide for interest payable semi-annually on January 1st and July 1st at a rate of 1.45% per annum. The principal of the note is payable on the maturity date of July 1, 2024, or on any date prior. This loan is considered a short-term loan agreement until other financing is secured by the District. No loan amortization schedule is available.

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

Description	2022	2021
OPEB related deferred outflows	\$ 553,614	\$ 418,881
Net other post-employment benefits obligation(asset)	(201,692)	356,590
OPEB related deferred inflows	747,880	185,600

A. General Information about the OPEB Plan

Plan Description

The post-retirement health benefit provided to eligible employees at retirement is a continuation of the available active medical coverage. An employee is eligible for continuation of medical coverage at retirement provided they are vested in their CalPERS pension benefit and commence payment of their pension benefit upon retirement with the District. Vesting requires at least 5 years of CalPERS eligible service. All employee with at least 5 years of CalPERS service will be eligible to continue coverage if retiring from the District and CalPERS and receive the CalPERS minimum required contribution. Vesting is based on years-of-service increasing 5% per year from 10-years (50%) to 20+years (100%).

Employees Hired Prior to April 1, 2014

The District's financial obligation is to pay for the retiree and eligible dependent coverage up to a monthly maximum which is targeted at the PERSChoice Plan at the family coverage level (currently \$1,914.33). The District's contribution will continue for the lifetime of the retiree and any surviving eligible spouse.

Employees Hired on or After April 1, 2014

The District's contribution is 100% of the coverage level elected by the retiree up to the 100/90 State Annuitant rates multiplied by a vesting schedule (below). 100/90 amount is 100% of the weighted average of single coverage and 90% of the weighted average of the additional premium for two party and family coverage for the 4 PEMHCA plans with the highest State enrollment in the prior year. The 100/90 State Annuitant rates are published each year. The current 2019 monthly rates are \$734 single, \$1,398 two-party and \$1,788 family and the 2021 monthly rates are \$767 single, \$1,461 two-party and \$1,868 family.

Employees Covered

As of the June 30, 2021 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

	2021	2020
Inactive plan members or beneficiaries currently receiving benefit payments	9	7
Inactive plan members entitled to but not yet receiving benefit payments	-	-
Active plan members	21	20
Total	30	27

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

A. General Information about the OPEB Plan (continued)

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District and/or the District's Board of Directors. Currently, contributions are not required from plan members. The District has been typically funding this OPEB plan on a pay-as-you-go basis; however, contributions have been made to a CalPERS CERBT OPEB Trust.

Contributions

Benefit provisions and contribution requirements are established and may be amended through agreements and memorandums of understanding between the District and its employees. The plan does not require employee contributions. Administrative costs of this plan are financed by the District. For fiscal year ended June 30, 2021, the measurement period, the District's contributions totaling \$160,346 included \$0 placed in its CERBT OPEB Trust, \$134,348 in current year premium payments, and an implied subsidy of \$25,998.

Accounting for the Plan

The other post-employment benefit trust is prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments

Investments are reported in the accompanying financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measure date. Securities for which market quotations are not readily available are valued at their fair value as determined by the custodian with the assistance of a valuation service.

B. Net OPEB Liability

The District's total OPEB liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2021. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	June 30, 2021	June 30, 2020
Valuation Date	June 30, 2021	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2020
Actuarial Cost Method	Entry age normal, level percentage of payroll	Entry age normal, level percentage of payroll
Asset Valuation Method	Market value of assets as of the measurement date	Market value of assets as of the measurement date
Actuarial Assumptions:		
Discount Rate	6.75%	7.00%
Long-Term Expected Rate of Return on Investments	6.75%	7.00%
Inflation	2.50%	2.75%
Payroll increases	2.75%	2.75%
Healthcare Trend Rates	6.50% trending down 0.25% annually to 4.50% in 2029+	6.50% trending down 0.25% annually to 4.50% in 2029+
Morbidity	Healthy Actives and Retirees: SOA Pub-2010 Scale MP-2019	Healthy Actives and Retirees: SOA Pub-2010 Scale MP-2019
Mortality	Healthy Actives and Retirees: SOA Pub-2010 Scale MP-2019	Healthy Actives and Retirees: SOA Pub-2010 Scale MP-2019
Disability	Not Valued	Not Valued
Retirement	CalPERS Public Agency Miscellaneous 2.5% @55 and 2% @62	CalPERS Public Agency Miscellaneous 2.5% @55 and 2% @62
Percent Married	85% of future retirees would enroll a spouse	85% of future retirees would enroll a spouse

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

B. Net OPEB Liability (continued)

Actuarial Assumptions (continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
CERBT:		
Global Equities	59.00%	5.50%
Global Debt Securities	25.00%	2.35%
Inflation Assets	5.00%	1.50%
REITs	8.00%	3.65%
Commodities	3.00%	1.75%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the City's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. Changes in the Net OPEB Liability

The changes in the total OPEB liability for June 30, 2022, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021 (Measurement date June 30, 2020)	\$ 3,086,116	\$ 2,729,526	\$ 356,590
Changes for the year:			
Service cost	105,855	-	105,855
Interest	216,193	-	216,193
Differences in experience	305,472	-	305,472
Changes in assumption	(226,454)	-	(226,454)
Employer contributions	-	108,754	(108,754)
Net investment income	-	194,837	(194,837)
Investment gains and losses	-	555,649	(555,649)
Employer contributions as benefit payments	-	117,348	(117,348)
Benefit payments	(117,348)	(117,348)	-
Administrative expenses	16,207	(1,033)	17,240
Net changes	299,925	858,207	(558,282)
Balance at June 30, 2022 (Measurement date June 30, 2021)	\$ 3,386,041	\$ 3,587,733	\$ (201,692)

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

C. Changes in the Net OPEB Liability (continued)

The changes in the total OPEB liability for June 30, 2021, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020 (Measurement date June 30, 2019)	\$ 3,011,438	\$ 2,477,851	\$ 533,587
Changes for the year:			
Service cost	103,022	-	103,022
Interest	213,932	-	213,932
Differences in experience	(123,689)	-	(123,689)
Changes in assumption	-	-	-
Employer contributions	-	281,864	(281,864)
Net investment income	-	89,611	(89,611)
Benefit payments	(118,587)	(118,587)	-
Administrative expenses	-	(1,213)	1,213
Net changes	74,678	251,675	(176,997)
Balance at June 30, 2021 (Measurement date June 30, 2020)	\$ 3,086,116	\$ 2,729,526	\$ 356,590

Changes of Assumptions

In fiscal year 2020-21, the measurement period, discount rate decreased to 6.75% and inflation decreased to 2.50%.

Change of Benefit Terms

In fiscal year 2020-21, the measurement period, there were no changes to the actuarial assumptions.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1 percentage point higher than the current discount rate:

Sensitivity of the Net OPEB liability(asset) to changes in the discount rate for the fiscal year ended June 30, 2022:

1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
\$ 196,265	\$ (201,692)	\$ (535,503)

Sensitivity of the Net OPEB liability(asset) to changes in the discount rate for the fiscal year ended June 30, 2021:

1% Decrease 6.0%	Discount Rate 7.0%	1% Increase 8.0%
\$ 777,832	\$ 356,590	\$ 8,913

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

C. Changes in the Net OPEB Liability (continued)

Sensitivity of the Total OPEB Liability to Changes in Medical Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using medical trend rates that are 1-percentage point lower:

Sensitivity of the Net OPEB liability(asset) to changes in the healthcare trend rate for June 30, 2022:

Healthcare Cost		
7.5% Decreasing to 5.5%	6.5% Decreasing to 4.5%	5.5% Decreasing to 3.5%
\$ (591,896)	\$ (201,692)	\$ 274,113

Sensitivity of the Net OPEB liability(asset) to changes in the healthcare trend rate for June 30, 2021:

Healthcare Cost		
7.5% Decreasing to 5.5%	6.5% Decreasing to 4.5%	5.5% Decreasing to 3.5%
\$ (60,106)	\$ 356,590	\$ 874,184

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, and 2021, the District recognized OPEB expense of \$29,615 and \$134,888, respectively.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions made after the measurement date	\$ 160,346	\$ -
Changes in assumptions	-	(266,950)
Differences between expected and actual experience	393,268	(96,203)
Differences between projected and actual earnings on OPEB plan investments	-	(384,727)
Total Deferred Outflows/(Inflows) of Resources	\$ 553,614	\$ (747,880)

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (continued)

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions made after the measurement date	\$ 226,102	\$ -
Changes in assumptions	-	(75,654)
Differences between expected and actual experience	123,874	(109,946)
Differences between projected and actual earnings on OPEB plan investments	68,905	-
Total Deferred Outflows/(Inflows) of Resources	\$ 418,881	\$ (185,600)

The differences between projected and actual earnings on plan investments is amortized over five years. The District reported \$160,346 and \$226,102 in 2022 and 2021, respectively, as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2023, and 2022, respectively.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense in fiscal year 2023 as follows:

<u>Amortization Period Fiscal Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2023	\$ (87,837)
2024	(85,745)
2025	(89,862)
2026	(107,744)
2027	3,385
Thereafter	13,191
Total	\$ (354,612)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense in fiscal year 2022 as follows:

<u>Amortization Period Fiscal Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2022	\$ 2,259
2023	13,053
2024	15,145
2025	11,028
2026	(6,855)
Thereafter	(27,451)
Total	\$ 7,179

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 10 – PENSION PLAN

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

Description	2022	2021
Pension related deferred outflows	\$ 858,230	\$ 1,067,381
Net pension liability	1,597,778	3,399,815
Pension related deferred inflows	1,530,944	66,838

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees' Retirement System (CalPERS), or "The Plan".

A. General Information about the Pension Plan

The Plan

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	Miscellaneous Plans	
	Classic Tier 1	PEPRA Tier 2
Hire date	Prior to <u>January 1, 2013</u>	On or after <u>January 1, 2013</u>
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.0%
Required member contribution rates	8.000%	6.750%
Required employer contribution rates – FY 2021	13.457%	7.686%
Required employer contribution rates – FY 2020	12.431%	7.863%

Plan Description

The District contributes to the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2021 Annual Actuarial Valuation Reports. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 10 – PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

At June 30, 2021 measurement date, the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	12	11	23
Transferred and terminated members	26	6	32
Retired members and beneficiaries	13	-	13
Total plan members	51	17	68

At June 30, 2020 measurement date, the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	14	8	22
Transferred and terminated members	25	6	31
Retired members and beneficiaries	12	-	12
Total plan members	51	14	65

All qualified permanent and probationary employees are eligible to participate in the District's cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five years of service. The death benefit is one of the following the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each Plan are applied as specified by the Public Employees' Retirement Law.

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 10 – PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Contributions for the year ended June 30, 2022, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 432,284	\$ 55,519	\$ 487,803

Contributions for the year ended June 30, 2021, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 649,647	\$ 59,249	\$ 708,896

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

Proportionate Share of Net Pension Liability and Pension Expense

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2021, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employees, actuarially determined.

The following table shows the District's proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2022:

Measurement Date	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2022	Fiscal Year Ending June 30, 2021	
Measurement Date	June 30, 2021	June 30, 2020	
Percentage of Risk Pool Net Pension Liability	0.084147%	0.080601%	0.003546%
Percentage of Plan Net Pension Liability	0.029543%	0.031247%	-0.001704%

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 10 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)

The following table shows the District’s proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2021:

	<u>Percentage Share of Risk Pool</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2021</u>	<u>Fiscal Year Ending June 30, 2020</u>	
Measurement Date	<u>June 30, 2020</u>	<u>June 30, 2019</u>	
Percentage of Risk Pool Net Pension Liability	0.080601%	0.078680%	0.001921%
Percentage of Plan Net Pension Liability	0.031247%	0.030748%	0.000499%

The District’s proportionate share percentage of the net pension liability for the June 30, 2021, measurement date was as follows:

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2020 (Measurement Date)	\$ 13,700,289	\$ 10,300,474	\$ 3,399,815
Balance as of June 30, 2021 (Measurement Date)	\$ 14,596,115	\$ 12,998,337	\$ 1,597,778
Change in Plan Net Pension Liability	\$ 895,826	\$ 2,697,863	\$ (1,802,037)

The District’s proportionate share percentage of the net pension liability for the June 30, 2020, measurement date was as follows:

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2019 (Measurement Date)	\$ 11,720,295	\$ 8,569,548	\$ 3,150,747
Balance as of June 30, 2020 (Measurement Date)	\$ 13,700,289	\$ 10,300,474	\$ 3,399,815
Change in Plan Net Pension Liability	\$ 1,979,994	\$ 1,730,926	\$ 249,068

TRABUCO CANYON WATER DISTRICT*Notes to Financial Statements**June 30, 2022 and 2021***NOTE 10 – PENSION PLAN (continued)****B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)****Proportionate Share of Net Pension Liability and Pension Expense (continued)**

For the fiscal year ended June 30, 2022, the District recognized pension expense of \$359,022. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 487,803	\$ -
Difference between actual and proportionate share of employer contributions	144,232	(21,955)
Adjustment due to differences in proportions	47,022	(114,213)
Differences between expected and actual experience	179,174	-
Differences between projected and actual earnings on pension plan investments	-	(1,394,775)
Changes in assumptions	-	-
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 858,231</u>	<u>\$ (1,530,943)</u>

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$666,757. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 708,896	\$ -
Difference between actual and proportionate share of employer contributions	-	(37,588)
Adjustment due to differences in proportions	82,285	(5,001)
Differences between expected and actual experience	175,203	-
Differences between projected and actual earnings on pension plan investments	100,997	-
Changes in assumptions	-	(24,249)
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 1,067,381</u>	<u>\$ (66,838)</u>

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 10 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years.

An amount of \$487,803 and \$708,896 for 2022, and 2021, respectively, were reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023 and 2022, respectively.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2022 will be recognized as a reduction to pension expense as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>
2022	\$ (221,163)
2023	(253,734)
2024	(300,175)
2025	(385,443)
Total	<u>\$ (1,160,515)</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2021 will be recognized as a reduction to pension expense as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>
2022	\$ 53,587
2023	110,686
2024	78,933
2025	48,441
Total	<u>\$ 291,647</u>

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 10 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2021 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2020, total pension liability. The June 30, 2021, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class.

Investment Type	New Strategic Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	<u>100.0%</u>		

¹ An expected inflation of 2.0% is used for years 1-10.

² An expected inflation of 2.9% is used for years 11+.

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 10 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

Changes in the discount rate for the year ended June 30, 2022, was as follows:

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate	Current Discount	Discount Rate +
	- 1%	Rate 7.15%	1%
	6.15%		8.15%
CalPERS – Miscellaneous Plan	3,524,916	\$ 1,597,778	\$ 4,640

Changes in the discount rate for the year ended June 30, 2021, was as follows:

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate	Current Discount	Discount Rate +
	- 1%	Rate 7.15%	1%
	6.15%		8.15%
CalPERS – Miscellaneous Plan	5,222,989	\$ 3,399,815	\$ 1,893,383

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

C. Payable to the Pension Plans

At June 30, 2022, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2022.

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 11 – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets consisted of the following as of June 30:

Description	June 30, 2022	June 30, 2021
Net investment in capital assets:		
Capital assets – not being depreciated	3,630,311	2,407,104
Capital assets, net – being depreciated	45,682,919	47,646,214
Loans payable – current portion	(92,840)	(90,755)
Loans payable – non-current portion	(11,864,665)	(2,049,297)
Unspent proceeds from loan issuance (Note 3)	7,261,576	-
Total net investment in capital assets	\$ 44,617,301	\$ 47,913,266

NOTE 12 – NET ASSETS – UNRESTRICTED (DEFECIT)

As of June 30, 2022 and 2021, the District had an unrestricted net position deficit of (\$3,210,234) and (\$2,700,233), respectively. Due to the nature of the deficit from the implementation of GASB Statements No. 68 (net pension liability) and No. 75 (net OPEB obligation) in the prior fiscal years, the District will continue to make its actuarial determined contributions to CalPERS and annually review its outstanding net pension and net OPEB obligations funding requirements for future periods to reduce its deficit position.

NOTE 13 – PRIOR PERIOD ADJUSTMENT

Beginning net position as of July 1, 2020 was restated by \$0, for the District's retroactive restatement for the adoption of *GASB No. 87 - Leases* as noted below as the lease started on July 1, 2020:

Description	Balance
Net position:	
Beginning of year, as previously stated	\$ 52,640,821
Lease receivable	162,385
Deferred amounts related to leases	(162,385)
Net adjustment	-
Beginning of year, as restated	<u>\$ 52,640,821</u>

Beginning net position as of July 1, 2021 was restated by \$5,278, for the District's restatement for the adoption of *GASB No. 87 - Leases* as noted below as the lease continued through July 1, 2021:

Description	Balance
Net position:	
Beginning of year, as previously stated	\$ 50,312,075
Lease receivable	140,598
Deferred amounts related to leases	(135,320)
Net adjustment	5,278
Beginning of year, as restated	<u>\$ 50,317,353</u>

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 14 – DEFERRED COMPENSATION SAVINGS PLAN

For the benefit of its employees, the District participates in two 457 Deferred Compensation Programs (Programs). The purpose of these Programs is to provide deferred compensation for public employees that elect to participate in the Programs. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the accompanying financial statements.

NOTE 15 – RISK MANAGEMENT POOL

The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Insurance Authority). The Insurance Authority is a risk-pooling and self-insurance authority, created under provisions of California Government Code Sections 6500 et seq. The purpose of the Insurance Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. Further information about the Insurance Authority is as follows:

A. Entity	ACWA-JPIA
B. Purpose	To pool member contributions and realize the advantages of self-insurance
C. Participants	As of September 30, 2021 – 396 member districts
D. Governing board	Nine representatives employed by members
E. Condensed financial information	September 30, 2021
Audit signed	March 30, 2022
Statement of financial position:	
Total assets	<u>\$ 271,770,359</u>
Deferred outflows	<u>1,189,142</u>
Total liabilities	<u>123,558,690</u>
Deferred inflows	<u>(409,721)</u>
Net position	<u>\$ 149,810,532</u>
Statement of revenues, expenses and changes in net position:	
Total revenues	\$ 200,883,781
Total expenses	<u>(174,760,456)</u>
Change in net position	26,123,325
Beginning – net position	<u>123,687,207</u>
Ending – net position	<u>\$ 149,810,532</u>
F. Member agencies share of year-end financial position	Not Calculated

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 15 – RISK MANAGEMENT POOL (continued)

The District participated in the self-insurance programs of the Insurance Authority as follows:

Property Loss - The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence and has purchased excess insurance coverage up to \$500,000,000 (total insurable value of \$48,405,017). The District has a \$2,500 deductible for buildings, personal property and fixed equipment, a \$25,000/\$50,000 deductible for accidental mechanical breakdown, a \$1,000 deductible for mobile equipment, and a \$500 deductible for licensed vehicles.

General Liability - The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to of \$60,000,000. This program does not have a deductible.

Auto Liability - The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to \$60,000,000. This program does not have a deductible.
Public Officials' Liability - The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to \$60,000,000.

Cyber Liability - The Insurance Authority has purchased insurance coverage of \$3,000,000 per occurrence/\$5,000,000 aggregate. This program does not have a deductible.

Crime - The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence. The District has a \$1,000 deductible.

Public Official Bond - The District has purchased a \$200,000 bond to cover the general manager's faithful performance of duty.

Workers' Compensation - The Insurance Authority is self-insured up to \$2,000,000 and excess insurance coverage has been purchased up to the statutory limit for workers' compensation coverage. The Insurance Authority is self-insurance up to \$2,000,000 and has purchased excess insurance coverage of \$2,000,000 for employer's liability coverage.

Underground Storage Tank Pollution Liability - The Insurance Authority is self-insured up to \$500,000 per occurrence and has purchased excess coverage of \$3,000,000. The District has a \$10,000 deductible.

The District pays annual premiums for these coverages. They are subject to retrospective adjustments based on claims expended. The nature and amount of these adjustments cannot be estimated and are charged to expenses as invoiced. There were no instances in the past three years where a settlement exceeded the District's coverage.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2022, 2021, and 2020. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2022, 2021, and 2020.

TRABUCO CANYON WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Economic Dependency

The District purchases a majority of its source of supply from the Santiago Aqueduct Commission. Interruption of this source would impact the District negatively.

Excluded Leases – Short-Term Leases and De Minimis Leases

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months (or less), including any options to extend, regardless of their probability of being exercised.

Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Construction Contracts

The District has a variety of agreements with private parties relating to the installation, improvement or modification of water and wastewater facilities and distribution systems within its service area. The financing of such construction contracts is being provided primarily from the District's replacement reserves and capital contributions.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

NOTE 17 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 15, 2022, the date which the financial statements were available to be issued.

Required Supplementary Information

DRAFT

TRABUCO CANYON WATER DISTRICT

Schedule of the District's Proportionate Share of the Net Pension Liability For the Years Ended June 30, 2022 and 2021

Last Ten Fiscal Years*

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2014	0.024334%	\$ 1,514,199	\$ 1,619,883	93.48%	83.03%
June 30, 2015	0.029498%	2,024,702	1,659,539	122.00%	76.75%
June 30, 2016	0.028990%	2,508,531	1,602,525	156.54%	72.83%
June 30, 2017	0.295680%	2,932,288	1,688,233	173.69%	72.81%
June 30, 2018	0.030022%	2,892,988	1,537,659	188.14%	73.98%
June 30, 2019	0.030748%	3,150,747	1,695,414	185.84%	73.12%
June 30, 2020	0.031247%	3,399,815	2,011,870	168.99%	75.18%
June 30, 2021	0.029543%	1,597,778	2,133,046	74.91%	89.05%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 and June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no significant changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no significant changes in assumptions.

*Fiscal year 2014 was the first measurement date year of implementation; therefore, only seven years are shown. Certain amounts have been updated per the 2020 CalPERS Actuarial Valuations

TRABUCO CANYON WATER DISTRICT

Schedule of the District's Contributions to the Defined Benefit Pension Plan For the Years Ended June 30, 2022 and 2021

Last Ten Fiscal Years*

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2014	\$ 255,864	\$ (255,864)	\$ -	1,619,883	15.80%
June 30, 2015	265,436	(265,436)	-	1,659,539	15.99%
June 30, 2016	264,450	(264,450)	-	1,602,525	16.50%
June 30, 2017	278,521	(278,521)	-	1,688,233	16.50%
June 30, 2018	301,990	(301,990)	-	1,537,659	19.64%
June 30, 2019	347,954	(347,954)	-	1,695,414	20.52%
June 30, 2020	417,043	(417,043)	-	2,011,870	20.73%
June 30, 2021	469,516	(708,896)	(239,380)	2,133,046	22.01%
June 30, 2022	487,803	(487,803)	-	2,185,024	22.32%

Notes to Schedule:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Inflation	Investment Rate of Return
June 30, 2014	June 30, 2011	Entry Age	Market Value	2.75%	7.65%
June 30, 2015	June 30, 2012	Entry Age	Market Value	2.75%	7.65%
June 30, 2016	June 30, 2013	Entry Age	Market Value	2.75%	7.65%
June 30, 2017	June 30, 2014	Entry Age	Market Value	2.75%	7.65%
June 30, 2018	June 30, 2015	Entry Age	Market Value	2.75%	7.15%
June 30, 2019	June 30, 2016	Entry Age	Market Value	2.50%	7.15%
June 30, 2020	June 30, 2017	Entry Age	Market Value	2.50%	7.15%
June 30, 2021	June 30, 2018	Entry Age	Market Value	2.50%	7.15%
June 30, 2022	June 30, 2019	Entry Age	Market Value	2.50%	7.15%

Amortization Method

Level percentage of payroll, closed

Salary Increases

Depending on age, service, and type of employment

Investment Rate of Return

Net of pension plan investment expense, including inflation

Retirement Age

50 years (2.5%@55), 52 years (2.0%@62)

Mortality

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

*Fiscal year 2014 was the first measurement date year of implementation; therefore, only eight years are shown. Certain amounts have been updated per the 2020 CalPERS Actuarial Valuations

TRABUCO CANYON WATER DISTRICT

Schedule of Changes in the District's Net OPEB Liability and Related Ratios For the Years Ended June 30, 2022 and 2021

Fiscal Year Ended	Last Ten Fiscal Years*				
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability:					
Service cost	\$ 105,855	\$ 103,022	\$ 101,477	\$ 98,521	\$ 92,077
Interest	216,193	213,932	195,787	181,652	167,849
Changes of assumptions	(226,454)	-	(97,270)	-	-
Differences between expected and actual experience	305,472	(123,689)	159,266	-	-
Changes of benefit terms	-	-	-	-	-
Benefit payments	(117,348)	(118,587)	(86,591)	(75,817)	(62,564)
Administrative expense	16,207	-	-	-	-
Net change in total OPEB liability	299,925	74,678	272,669	204,356	197,362
Total OPEB liability - beginning	3,086,116	3,011,438	2,738,769	2,534,413	2,337,051
Total OPEB liability - ending	3,386,041	3,086,116	3,011,438	2,738,769	2,534,413
Plan fiduciary net position:					
Contributions - employer	108,754	281,864	259,180	245,243	175,489
Net investment income	194,837	89,611	137,226	146,228	168,197
Investment gains and losses	555,649	-	-	-	-
Employer contributions as benefit payments	117,348	-	-	-	-
Administrative expense	(1,033)	(1,213)	(467)	(993)	(852)
Other expense	-	-	-	(2,457)	-
Benefit payments	(117,348)	(118,587)	(86,591)	(75,817)	(62,564)
Net change in plan fiduciary net position	858,207	251,676	309,348	312,204	280,270
Plan fiduciary net position - beginning	2,729,526	2,477,850	2,168,502	1,856,298	1,576,028
Plan fiduciary net position - ending	3,587,733	2,729,526	2,477,850	2,168,502	1,856,298
District's net OPEB liability	\$ (201,692)	\$ 356,590	\$ 533,588	\$ 570,267	\$ 678,115
Plan fiduciary net position as a percentage of the total OPEB liability	105.96%	88.45%	82.28%	79.18%	73.24%
Covered-employee payroll	2,133,046	1,753,930	1,706,988	1,668,352	1,668,352
District's net OPEB liability as a percentage of covered-employee payroll	-9.46%	20.33%	31.26%	34.18%	40.65%

Notes to Schedule:

Benefit Changes:

Measurement Date June 30, 2017 – There were no changes in benefits
 Measurement Date June 30, 2018 – There were no changes in benefits
 Measurement Date June 30, 2019 – There were no changes in benefits
 Measurement Date June 30, 2020 – There were no changes in benefits
 Measurement Date June 30, 2021 – There were no changes in benefits

Changes in Assumptions:

Measurement Date June 30, 2017 – There were no changes in assumptions
 Measurement Date June 30, 2018 – There were no changes in assumptions
 Measurement Date June 30, 2019 – Inflation decreased to 2.50% and payroll increases include merit increases
 Measurement Date June 30, 2020 – Inflation increased to 2.75%
 Measurement Date June 30, 2021 – Discount rate decreased to 6.75% and inflation decreased to 2.50%

* Fiscal year 2018 was the first year of implementation; therefore, only five years are shown.

TRABUCO CANYON WATER DISTRICT

Schedule of the District Contributions to the Other Post-Employment Benefits (OPEB) Plan For the Years Ended June 30, 2022 and 2021

Fiscal Year Ended	Last Ten Fiscal Years*				
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution	\$ 108,754	\$ 166,309	\$ 172,589	\$ 169,426	\$ 175,489
Contributions in relation to the actuarially determined contributions	(108,754)	(281,864)	(259,180)	(245,243)	(175,489)
Contribution deficiency (excess)	\$ -	\$ (115,555)	\$ (86,591)	\$ (75,817)	\$ -
Covered payroll	\$ 2,133,046	\$ 1,753,930	\$ 1,706,930	\$ 1,668,352	\$ 1,668,352
Contributions as a percentage of covered payroll	5.10%	16.07%	15.18%	14.70%	10.52%

Notes to Schedule:

Valuation Date	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)
Amortization period	20-years	20-years	20-years	20-years	20-years
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value
Discount rate	7.00%	7.00%	7.00%	7.00%	7.00%
Inflation	2.75%	2.75%	2.50%	2.75%	2.75%
Payroll increases	2.75%+Merit	2.75%+Merit	2.75%+Merit	3.00%	3.00%
Mortality	(2)	(2)	(2)	(2)	(2)
Morbidity	(3)	(3)	(3)	(3)	(3)
Disability	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued
Retirement	(4)	(4)	(4)	(4)	(4)
Percent Married	85%	85%	85%	85%	85%
Healthcare trend rates	(5)	(5)	(5)	(5)	(5)

(1) Closed period, level percent of pay

(2) Healthy Actives and Retirees: SOA Pub-2010 Scale MP-2019

(3) Healthy Actives and Retirees: SOA Pub-2010 Scale MP-2019

(4) CalPERS Public Agency Miscellaneous 2.5% @55 and 2% @62

(5) 6.50% trending down 0.25% annually to 4.50% in 2029+

* Fiscal year 2018 was the first year of implementation; therefore, only five years are shown.

Supplementary Information

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TRABUCO CANYON WATER DISTRICT
Balance Sheets – Combined – Internal Funds
June 30, 2022 (With Comparative Amounts as of June 30, 2021)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Water	Sewer	Recycled Water	Reclaimed Water	2022	2021
Current assets:						
Cash and cash equivalents	\$ (701,321)	\$ 1,432,901	\$ (937,818)	\$ 406,765	\$ 200,527	\$ 2,055,746
Accrued interest receivable	-	3,425	423	423	4,271	2,069
Accounts receivable, net	810,562	208,908	30,303	127,757	1,177,530	1,101,812
Accounts receivable - due from other governments	-	-	-	-	-	140,598
Lease receivable	27,195	-	-	-	27,195	22,979
Other receivables	42,714	266,691	1,976	78	311,459	246,451
Prepaid expenses	33,563	33,356	14,114	14,114	95,147	76,803
Total current assets	212,713	1,945,281	(891,002)	549,137	1,816,129	3,646,458
Non-current assets:						
Restricted – cash and cash equivalents	11,225,469	1,310,134	-	-	12,535,603	5,100,793
Restricted - accrued interest receivable	15,759	2,584	-	-	18,343	3,527
Lease receivable	90,424	-	-	-	90,424	117,619
Net OPEB asset	141,184	50,424	5,042	5,042	201,692	-
Capital assets – not being depreciated	2,002,401	1,488,698	69,606	69,606	3,630,311	2,407,104
Capital assets – being depreciated, net	25,639,707	16,056,125	2,799,323	1,187,764	45,682,919	47,646,214
Total non-current assets	39,114,944	18,907,965	2,873,971	1,262,412	62,159,292	55,275,257
Total assets	39,327,657	20,853,246	1,982,969	1,811,549	63,975,421	58,921,715
Deferred outflows of resources:						
Deferred amounts related to net OPEB obligation	387,530	138,402	13,841	13,841	553,614	418,881
Deferred amounts related to net pension liability	600,761	214,557	21,456	21,456	858,230	1,067,381
Total deferred outflows of resources	988,291	352,959	35,297	35,297	1,411,844	1,486,262
Total assets and deferred outflows of resources	\$ 40,315,948	\$ 21,206,205	\$ 2,018,266	\$ 1,846,846	\$ 65,387,265	\$ 60,407,977
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION						
Current liabilities:						
Accounts payable and accrued expenses	\$ 1,733,460	\$ 538,934	\$ 65,145	\$ 65,145	\$ 2,402,684	\$ 3,341,665
Deposits and unearned revenues	52,474	130,582	764	764	184,584	203,261
Long-term liabilities – due within one year:						
Compensated absences	35,814	15,917	1,819	1,819	55,369	91,520
Loans payable	92,840	-	-	-	92,840	90,755
Total current liabilities	1,914,588	685,433	67,728	67,728	2,735,477	3,727,201
Non-current liabilities:						
Long-term liabilities – due in more than one year:						
Compensated absences	66,511	29,559	3,379	3,379	102,828	169,963
Loans payable	8,864,665	2,500,000	250,000	250,000	11,864,665	2,049,297
Net OPEB obligation	-	-	-	-	-	356,590
Net pension liability	1,118,445	399,445	39,944	39,944	1,597,778	3,399,815
Total non-current liabilities	10,049,621	2,929,004	293,323	293,323	13,565,271	5,975,665
Total liabilities	11,964,209	3,614,437	361,051	361,051	16,300,748	9,702,866
Deferred inflows of resources:						
Deferred amounts related to leases	108,256	-	-	-	108,256	135,320
Deferred amounts related to net OPEB obligation	523,517	186,969	18,697	18,697	747,880	185,600
Deferred amounts related to net pension liability	1,071,661	382,735	38,274	38,274	1,530,944	66,838
Total deferred inflows of resources	1,703,434	569,704	56,971	56,971	2,387,080	387,758
Net position:						
Net investment in capital assets	24,831,085	16,159,917	2,618,929	1,007,370	44,617,301	47,913,266
Restricted	5,094,746	197,624	-	-	5,292,370	5,104,320
Unrestricted	(3,277,526)	664,523	(1,018,685)	421,454	(3,210,234)	(2,700,233)
Total net position	26,648,305	17,022,064	1,600,244	1,428,824	46,699,437	50,317,353
Total liabilities, deferred inflows of resources and net position	\$ 40,315,948	\$ 21,206,205	\$ 2,018,266	\$ 1,846,846	\$ 65,387,265	\$ 60,407,977

TRABUCO CANYON WATER DISTRICT

Schedule of Revenues, Expenses and Changes in Net Position – Combined – Internal Funds For the Year Ended June 30, 2022 (With Comparative Amounts as of June 30, 2021)

	Water	Sewer	Recycled Water	Reclaimed Water	2022	2021
Operating revenues:						
Water consumption sales	\$ 3,995,932	\$ -	\$ -	\$ -	\$ 3,995,932	\$ 3,758,473
Water service charges	1,150,052	-	-	-	1,150,052	1,059,237
Sewer service charges	-	1,881,560	-	-	1,881,560	1,955,995
Reclaimed water sales	-	-	-	716,515	716,515	613,962
Recycled water sales	-	-	222,925	-	222,925	245,799
Wholesale water sales – BTP	865,032	-	-	-	865,032	1,278,778
Other operating revenues	144,517	40,104	-	1,954	186,575	16,776
Total operating revenues	6,155,533	1,921,664	222,925	718,469	9,018,591	8,929,020
Operating expenses:						
Source of supply	3,724,291	-	-	-	3,724,291	3,631,094
Pumping and power	283,159	-	-	-	283,159	295,308
Water treatment	266,246	-	-	-	266,246	346,674
Transmission and distribution	224,226	-	-	-	224,226	278,777
Sewer operations	-	443,417	-	-	443,417	760,445
Reclaimed operations	-	-	-	250,643	250,643	162,089
Recycled operations	-	-	250,711	-	250,711	164,044
General and administrative	3,709,929	1,679,734	178,614	180,940	5,749,217	6,071,922
Total operating expenses	8,207,851	2,123,151	429,325	431,583	11,191,910	11,710,353
Operating income(loss) before depreciation	(2,052,318)	(201,487)	(206,400)	286,886	(2,173,319)	(2,781,333)
Depreciation expense	(2,038,187)	(1,829,927)	(172,507)	(88,808)	(4,129,429)	(3,689,570)
Operating income(loss)	(4,090,505)	(2,031,414)	(378,907)	198,078	(6,302,748)	(6,470,903)
Non-operating revenues(expenses):						
Property taxes	1,038,788	1,038,788	-	-	2,077,576	2,048,224
Investment earnings	(74,323)	(30,518)	(2,194)	(2,194)	(109,229)	29,813
Rental revenue	27,064	-	-	-	27,064	27,064
Interest expense	(86,178)	(13,694)	(1,369)	(1,369)	(102,610)	(51,932)
Cost of debt issuance	(59,150)	(21,125)	(2,113)	(2,113)	(84,501)	-
Property tax administration charge	(5,754)	(5,754)	-	-	(11,508)	(12,428)
Uncollectable FEMA receivable	(140,598)	-	-	-	(140,598)	-
Transfers In/(Out)	2,252	(1,689)	33,006	(33,569)	-	-
Other non-operating revenues	152,494	46,441	3,301	3,301	205,537	106,338
Total non-operating revenues(expenses), net	854,595	1,012,449	30,631	(35,944)	1,861,731	2,147,079
Change in net position before capital contribs.	(3,235,910)	(1,018,965)	(348,276)	162,134	(4,441,017)	(4,323,824)
Capital contributions:						
Water reliability and emergency storage fees	823,101	-	-	-	823,101	822,779
Capital grants	-	-	-	-	-	99,751
Contributed capital – other	-	-	-	-	-	1,077,826
Total capital contributions	823,101	-	-	-	823,101	2,000,356
Change in net position	(2,412,809)	(1,018,965)	(348,276)	162,134	(3,617,916)	(2,323,468)
Net position:						
Beginning of year	29,061,114	18,041,029	1,948,520	1,266,690	50,317,353	52,640,821
End of year	<u>\$ 26,648,305</u>	<u>\$ 17,022,064</u>	<u>\$ 1,600,244</u>	<u>\$ 1,428,824</u>	<u>\$ 46,699,437</u>	<u>\$ 50,317,353</u>

Other Independent Auditors' Reports

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Trabuco Canyon Water District
Trabuco Canyon, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Trabuco Canyon Water District (District), which comprise the balance sheet as of June 30, 2022, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Murrieta, California
December 15, 2022

DRAFT

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JANUARY 19, 2023**

**ACTION CALENDAR
LEGISLATIVE AND OTHER MATTERS
ITEM 11: DROUGHT UPDATE**

Staff may provide information at the time of the meeting.

RECOMMENDED ACTION:

Receive information at the time of the meeting and take action(s) as deemed appropriate

CONTACTS (staff responsible): PALUDI/PEREA

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JANUARY 19, 2023**

LEGISLATIVE AND OTHER MATTERS

ITEM 12: LOCAL GOVERNMENTAL AND LEGISLATIVE MATTER(S)

Staff may provide information at the time of the meeting.

RECOMMENDED ACTION:

Receive information at the time of the meeting and take action(s) as deemed appropriate

CONTACTS (staff responsible): PALUDI