



FINANCE/AUDIT COMMITTEE MEETING AGENDA
TRABUCO CANYON WATER DISTRICT
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA
ADMINISTRATION FACILITY, BOARDROOM – FEBRUARY 9, 2023 - 1:00 PM

COMMITTEE MEMBERS

Don Chadd, Committee Chair
Glenn Acosta, Committee Member
Edward Mandich, Committee Member Alternate

DISTRICT STAFF

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

AGENDA NOTE:

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

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

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

CALL MEETING TO ORDER

VISITOR PARTICIPATION

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

ORAL COMMUNICATION

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

COMMITTEE MEMBER COMMENTS

REPORT FROM THE GENERAL MANAGER

FINANCIAL MATTERS

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

RECOMMENDED ACTION:

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

1. January 11, 2023

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

RECOMMENDED ACTION:

Recommend the Board of Directors approve the Directors' fees and expenses for January 2023 and tentative future meetings/attendance (Action Calendar).

RECOMMENDED ACTION:

ITEM 3: ADOPTION OF DISTRICT TREASURER'S ANNUAL STATEMENT OF INVESTMENT POLICY

RECOMMENDED ACTION:

Recommend the Board of Directors adopt Resolution No. 2023-1312 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting an Investment Policy (Action Calendar).

ITEM 4: OTHER MATTERS

RECOMMENDED ACTION:

Hear Other Matters from the General Manager or District Staff.

ITEM 5: FINANCIAL REPORT

A) PRESENTATION OF UNAUDITED FINANCIAL STATEMENTS

RECOMMENDED ACTION:

Recommend that the Board receive and file the preliminary unaudited financial statements for December 2022 (Consent Calendar).

B) BILLS FOR CONSIDERATION

RECOMMENDED ACTION:

Approve and ratify the bills for consideration and warrant register and recommend that the Board ratify payment of the Bills for Consideration for February 9, 2023 as presented (Consent Calendar).

ADJOURNMENT



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING AGENDA | FEBRUARY 9, 2023**

AVAILABILITY OF AGENDA MATERIALS

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

COMPLIANCE WITH THE REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE SECTION 54954.2

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



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | FEBRUARY 9, 2023**

FINANCIAL MATTERS

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

RECOMMENDED ACTION:

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

1. *January 11, 2023*

CONTACTS (staff responsible): PALUDI/PEREA



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING RECAP | JANUARY 11, 2023**

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

CONSULTANTS PRESENT

Ian Berg, Eide Bailly

PUBLIC PRESENT

None

CALL MEETING TO ORDER

Director Mandich called the January 11, 2023 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 on the following matters:

- A proposed schedule for upcoming special board meeting workshops in February 2023 related to the District's Capital Improvement Program (CIP) and Rate Study.
- A brief project update on the repairs made to the Dove Lake vent pipe.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

Mr. Paludi presented the Finance/Audit Committee Meeting Recap for Committee review in accordance with the agenda. Mr. Perea recommended the clarification of certain language related to the costs for the OC Rescue Mission potable services improvements.

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | JANUARY 11, 2023**

MOTION: Approve the Finance/Audit Committee Meeting Recap and recommended that the Board receive and file the same as amended (Consent Calendar) – Director Mandich
SECOND: Director Chadd
AYES: Directors Mandich & Chadd
NOES: None
ABSTAIN: None
MOTION PASSED/FAILED: Passed 2-0

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.

MOTION: Recommend the Board of Directors ratify the Directors' fees and expenses for December 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 TRABUCO CANYON WATER DISTRICT FISCAL YEAR 2021-22 ANNUAL COMPREHENSIVE FINANCIAL REPORT

Mr. Paludi provided a brief overview of the District's Draft Annual Comprehensive Financial Report (ACFR), and he indicated that a comprehensive report would be presented at the Regular Board meeting for Board consideration. Mr. Paludi introduced Mr. Ian Berg to the Committee, and he provided a handout of the Draft ACFR for their review. Mr. Berg delivered a presentation to the Committee on the ACFR findings, and he expressed his appreciation for Ms. Warner's assistance in preparation of the report. Mr. Berg reported that the District has received a clean, unmodified opinion based on the auditor's review and findings and that only minor, non-substantive adjustments were made to the final Draft ACFR and Financial Report.

MOTION: Recommend forwarding this matter to the Board of Directors for their consideration (Action Calendar) – Director Mandich
SECOND: Director Chadd
AYES: Directors Mandich & Chadd
NOES: None
ABSTAIN: None
MOTION PASSED/FAILED: Passed 2-0

ITEM 4: OTHER MATTERS

Mr. Perea mentioned that the annual meetings for the Trabuco Canyon Improvement Corporation (TCIC) and Trabuco Canyon Public Financing Authority (TCPFA) and any related materials will be provided at the time of the Regular Board meeting in February.

MOTION: None – Informational item only.

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | JANUARY 11, 2023**

ITEM 5: FINANCIAL REPORT

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

DISTRICT OPERATIONS UNAUDITED

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.

Operating Expense, Source of Supply

Ms. Warner reported that this line item was higher than budgeted for the year due to the repairs on the Dove Dam Outlet Vent Pipe.

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 the production water.

Total Expenses

Ms. Warner reported that the District's Total Expenses for the year were tracking as budgeted.

DISTRICT CAPITAL FY 2022-23 (UNAUDITED)

Ms. Warner reviewed the capital expenditures to date by project and provided a brief overview of the November 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 property in order to meet the District's standards and specifications.

District Capital, Programs, Pressure Relief Valve Improvements

Director Mandich inquired how this line item has exceeded its annual budget. Mr. Perea indicated that Water Operations has 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 on their efforts.

MOTION: Recommend the Board ratify payment of the bills for consideration for January 11, 2023, as presented (Action 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 | JANUARY 11, 2023**

Discussion occurred concerning the current rate of return on the District's investments in the Local Agency Investment Fund (LAIF) and potential opportunities for alternative investment strategies. Mr. Paludi reported that CSDA has instituted a similar investment JPA called California CLASS, and that staff can present more information on this matter to the Committee if desired.

ADJOURNMENT

Director Mandich adjourned the January 11, 2023 Finance/Audit Committee Meeting at 1:28 p.m.

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**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | FEBRUARY 9, 2023**

FINANCIAL MATTERS

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

Directors' Fees and Expenses

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

Future Meetings

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

RECOMMENDED ACTION:

Recommend that the Board ratify the Directors' fees and expenses for January 2023 and tentative future meetings/attendance. (Action Calendar)

EXHIBIT(S):

1. Directors' Fees and Expenses Report for January 2023
2. Directors' Tentative Future Meetings/Attendance – Calendar Year 2023.

CONTACTS (staff responsible): PALUDI/PEREA


**TRABUCO CANYON WATER DISTRICT
DIRECTORS' FEES AND EXPENSES MONTHLY REPORT | JANUARY 2023**

MEETING DESCRIPTION	ACOSTA	CHADD	DOPUDJA	MANDICH	SAFRANSKI
DISTRICT MEETINGS					
Engineering/Operational Committee Meeting			01/04/23		01/04/23
Executive Committee Meeting			01/03/23	01/03/23	
Finance/Audit Committee Meeting		01/11/23		01/11/23	
Individual Meeting with General Manager	01/17/23	01/17/23	01/17/23	01/17/23	01/18/23
Regular Board Meeting	01/19/23	01/19/23	01/19/23	01/19/23	01/19/23
Special Board Meeting	01/09/23	01/09/23	01/09/23	01/09/23	01/09/23
REPRESENTATIVE MEETINGS					
City of Rancho Santa Margarita Council Meeting				01/25/23	01/11/23
City of Rancho Santa Margarita Planning Commission	01/04/23				
Independent Special Districts of Orange County (ISDOC) Monthly Meeting					
Independent Special Districts of Orange County (ISDOC) Quarterly Meeting					
OC LAFCO		01/11/23			
OCWD Reception/Metropolitan Water District Chair - Adan Ortega	01/31/23				
MWDOC Board Meeting	01/18/23				
MWDOC Special Board	01/11/23				
Southern California Water Coalition	01/27/23				
South Orange County Wastewater Authority (SOCWA) Regular Board Meeting			01/05/23		
Santiago Aqueduct Commission					
South Orange County Agencies Group					01/26/23
Quarterly - South Orange County Integrated Regional Watershed Management Executive Committee					
Water Advisory Commission of Orange County (WACO)	01/06/23				
NUMBER OF MEETINGS ATTENDED	9	4	6	6	6
FEES (\$125 per each meeting*)	\$1,125.00	\$500.00	\$750.00	\$750.00	\$750.00
DIRECT REIMBURSABLE EXPENSES					
DIRECT REIMBURSABLE EXPENSES TOTALS	\$0.00				
INDIRECT REIMBURSABLE EXPENSES					
INDIRECT REIMBURSABLE EXPENSES TOTALS					
TOTAL	\$1,125.00	\$500.00	\$750.00	\$750.00	\$750.00
<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	01/11/23	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	11/15/23	12/13/23
7	City of RSM City Council Meeting - Meeting No. 2	01/25/23	02/22/23	03/22/23	04/26/23	05/24/23	06/28/23	07/26/23	08/23/23	09/27/23	10/25/23	11/29/23	12/27/23
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	Municipal Water District of Orange County (MWDOC) Board Meeting	01/18/23	02/15/23	03/15/23	04/19/23	05/17/23	06/21/23	07/19/23	08/16/23	09/20/23	10/18/23	11/15/23	12/20/23
13	Santiago Aqueduct Commission Meeting	-	-	03/16/23	-	-	06/15/23	-	-	09/21/23	-	-	12/21/23
14	Quarterly South Orange County Integrated Regional Watershed Management Executive Committee	-	-	03/02/23	-	05/04/23	-	-	08/03/23	-	-	11/02/23	-
15	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
16	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	-
17	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
18	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													
19	ACWA Spring Conference - Sacramento, CA												
20	ACWA Fall Conference - Indian Wells, CA												
21	CSDA Annual Conference -Monterey, CA								8/28 - 8/31				
22	CSDA GM Leadership Summit - Olympic Valley, CA						6/25 - 6/27						
23	Urban Water Institute (UWI) Annual Conference - Palm Springs, CA		2/22 - 2/24										
24	CSDA SDLA Conference - Napa, CA												
25	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
FINANCE/AUDIT COMMITTEE MEETING | FEBRUARY 9, 2023**

FINANCIAL MATTERS

ITEM 3: ADOPTION OF DISTRICT TREASURER'S ANNUAL STATEMENT OF INVESTMENT POLICY

Effective January 1, 1997, legislation was passed which affected the language of investment policies for local agencies. The changes under the legislative mandates included the addition of Section 2 (Prudence), and Section 3 (Objectives), which specifies that the safety, liquidity, and return on investments shall be primary objectives.

On March 17, 2022, the Board of Directors adopted Resolution No. 2022–1304 in compliance with the legislative mandated annual requirement. District staff has worked with General Counsel and District Treasurer to review current resolution and propose certain updates consistent with regulations. The attached resolution has been reviewed by the District Treasurer and District staff.

More information may be presented at the time of the meeting.

RECOMMENDED ACTION:

Recommend the Board of Directors adopt Resolution No. 2023-1312 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting an Investment Policy (Action Calendar).

EXHIBIT:

1. Resolution No. 2023-1312 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting an Investment Policy – REDLINED
2. Resolution No. 2023-1312 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting an Investment Policy – CLEAN

CONTACTS (staff responsible): PALUDI/PEREA

RESOLUTION NO. 20232-XX1304
RESOLUTION OF THE BOARD OF DIRECTORS
OF TRABUCO CANYON WATER DISTRICT ADOPTING
DISTRICT TREASURER'S ANNUAL STATEMENT OF AN INVESTMENT POLICY

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~~The Legislature of the State of California ("State" or "California") has declared that the deposit and investment of public funds by local officials and local agencies is an issue of Statewide concern (California Government Code Section 53600.6).~~

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The legislative body of a local agency may invest surplus monies not required for the immediate necessities of that local agency in accordance with California Government Code Sections 5920 *et seq.* and 53600 *et seq.*

The Treasurer of the Trabuco Canyon Water District ("**District**") ~~shall~~ annually prepares and submits a statement of investment policy ~~and that policy, including any changes, shall be for consideration~~ by the Board of Directors ("**Board**") at a public meeting (California Government Code Section 53646(a)).

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The Board intends by adopting this investment policy to establish clear requirements and limitations on the District's authorized investment activities.

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THE BOARD OF DIRECTORS OF THE TRABUCO CANYON WATER DISTRICT HEREBY RESOLVES, DETERMINES AND ORDERS AS FOLLOWS:

Section 1. Scope of Policy: This resolution constitutes the District's Investment Policy ("Policy") and applies to all financial assets of the District. These funds are accounted for in the annual District audited financial statements and include:

- General Fund
- Bond Funds consisting of debt service reserve funds and construction funds
- Reserve Funds

Funds in the deferred compensation plan and funds in California Employers' Retiree Benefit Trust fund plan for retiree benefits are not included in the scope of this Resolution.

Section 2. Prudence: Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and anticipated financial needs of the District, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (as set out in California Government Code Section 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures

and the Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Section 3. Objectives: As specified in California Government Code Section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

a. **Safety:** Safety of principal is the foremost objective of the Policy. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

b. **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements that might be reasonably anticipated.

c. **Return on Investment(s):** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

Section 4. Delegation of Authority: Authority to manage the Policy is derived from California Government Code Section 53600, *et seq.* Management responsibility for the Policy is hereby delegated to the Treasurer. No person may engage in an investment transaction except as provided under the terms of the Policy. The Board shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of the Treasurer or any other subordinate officials. Under the provisions of California Government Code Section 53600.3, in exercising the powers set out in this Resolution and under the Policy the Treasurer is, and shall act as, a trustee and a fiduciary subject to the prudent investor standard.

Section 5. Ethics and Conflicts of Interest: District officers and employees involved in the investment process shall fully comply with the District's current Conflict of Interest Code in the execution of the Policy. District officers and employees involved in the investment process shall refrain from personal business activity that could conflict, or appear to conflict, with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Section 6. Authorized Financial Institutions and Dealers:

a. The Treasurer shall maintain a list of financial institutions, selected on the basis of credit-worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list may also be maintained of approved security brokers/dealers selected by credit worthiness who are authorized to provide investment and

financial advisory services in the State. No public deposit shall be made except in a qualified public depository as established by State laws.

b. For brokers/dealers of government securities and other investments, the Treasurer shall select only brokers/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

c. Before engaging in investment transactions with a broker/dealer, the Treasurer shall have received from such firm a signed certification form. This certification form shall attest that the individual responsible for the District's account(s) with that firm has reviewed the Policy and that the firm understands the Policy and intends to present investment recommendations and transactions to the District that are appropriate under the terms and conditions of the Policy.

d. Where all funds of the District not placed in FDIC insured accounts are invested through the State of California Local Agency Investment Fund ("LAIF"), the District's Authorized Investment Officers shall not be required to investigate the qualifications of those financial institutions and broker/dealers with whom LAIF transacts business.

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Section 7. Authorized and Suitable Investments:

a. **Permitted Investments:** District funds may be invested as authorized by, and subject to the limitations and special conditions of California Government Code Sections 53601 *et seq.*, and 53635.

b. **Prohibited Investments:** Under the provisions of California Government Code Sections 53601.6 and 53635, the District shall not invest any funds covered by the Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools. In addition, and more generally, investments are further restricted as follows:

- A security purchased will not have a forward settlement date exceeding 45 days from the time of investment.
- No investment will be made that has either (1) an embedded option or characteristic which could result in a loss of principal if the investment is held to maturity, or (2) an embedded option or characteristic which could seriously limit accrual rates or which could result in zero interest accrual periods.
- No investment will be made that could cause the portfolio to be leveraged.

Section 8. Collateralization: All certificates of deposits must be collateralized by U. S. Treasury obligations. Such collateral must be held by a third-party trustee and valued on a monthly basis. The percentage of collateralization on repurchase and reverse repurchase

agreements will adhere to the amount required under California Government Code Section 53601(j).

Section 9. Safekeeping and Custody: All security transactions entered into by the District shall be conducted on a delivery-versus-payment basis. All securities purchased or acquired shall be delivered to the District by book-entry, physical delivery or by third party custodial agreement as required by California Government Code Section 53601.

Section 10. Diversification: The District shall diversify its investments by security type and institution. It is the policy of the District to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- a. Portfolio maturities shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- b. Maturities selected shall provide for stability of income and liquidity.
- c. Disbursement and payroll dates shall be covered through maturities investments, marketable U. S. Treasury Bills or other cash equivalent instruments such as money market mutual funds.

Section 11. Reporting:

a. In accordance with California Government Code Section 53646(b)(1), the Treasurer shall submit to each member of the Board a quarterly investment report. Such report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values on current market values of each component of the portfolio, including funds managed for the District by third party contracted managers, if applicable. The report will also include a certification that: (1) all investment actions executed since the last report have been made in full compliance with the Policy and (2) the District will meet its expenditure obligations for the next six months as required by California Government Code Sections 53646(b)(2) and (3), respectively. The Treasurer shall maintain a complete and timely written record of all investment transactions.

b. In accordance with California Government Code Section 53607, the Treasurer shall make a monthly report of transactions to the Board. The Treasurer shall make monthly reports until the delegation to invest is revoked or expires.

Section 12. Investment Policy Adoption: The Policy shall be adopted by resolution adopted by the Board. The Policy shall be reviewed on at least an annual basis, and any modifications ~~thereto~~ must be approved by the Board.

ADOPTED, SIGNED AND APPROVED _____ March 17, 2023.

TRABUCO CANYON WATER DISTRICT

By: _____
President/Vice President

By: _____
District Secretary

APPROVED AS TO FORM:
Hanson Bridgett, LLP

By: _____
General Counsel

DRAFT

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, hereby certify that the foregoing resolution was duly adopted by the Board of the District at a meeting held on , 2023~~March 17, 2022~~, at which a quorum was present and acting throughout and for which notice and an agenda was prepared and posted as required by law, and the resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

District Secretary
Trabuco Canyon Water District

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, hereby certify that the foregoing is a full, true and correct copy of Resolution No. 202~~32~~-XX and it has not been amended or repealed.

Dated March 17 , 202~~32~~.

District Secretary
Trabuco Canyon Water District

DRAFT

RESOLUTION NO. 2023-1312
RESOLUTION OF THE BOARD OF DIRECTORS
OF TRABUCO CANYON WATER DISTRICT ADOPTING
AN INVESTMENT POLICY

The legislative body of a local agency may invest surplus monies not required for the immediate necessities of that local agency in accordance with California Government Code Sections 5920 *et seq.* and 53600 *et seq.*

The Treasurer of the Trabuco Canyon Water District (“**District**”) annually prepares and submits a statement of investment policy for consideration by the Board of Directors (“**Board**”) at a public meeting (California Government Code Section 53646(a)).

The Board intends by adopting this investment policy to establish clear requirements and limitations on the District’s authorized investment activities.

THE BOARD OF DIRECTORS OF THE TRABUCO CANYON WATER DISTRICT HEREBY RESOLVES, DETERMINES AND ORDERS AS FOLLOWS:

Section 1. Scope of Policy: This resolution constitutes the District's Investment Policy (“Policy”) and applies to all financial assets of the District. These funds are accounted for in the annual District audited financial statements and include:

- General Fund
- Bond Funds consisting of debt service reserve funds and construction funds
- Reserve Funds

Funds in the deferred compensation plan and funds in California Employers’ Retiree Benefit Trust fund plan for retiree benefits are not included in the scope of this Resolution.

Section 2. Prudence: Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and anticipated financial needs of the District, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the “prudent investor” standard (as set out in California Government Code Section 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the Policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Section 3. Objectives: As specified in California Government Code Section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

a. **Safety:** Safety of principal is the foremost objective of the Policy. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

b. **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements that might be reasonably anticipated.

c. **Return on Investment(s):** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

Section 4. Delegation of Authority: Authority to manage the Policy is derived from California Government Code Section 53600, *et seq.* Management responsibility for the Policy is hereby delegated to the Treasurer. No person may engage in an investment transaction except as provided under the terms of the Policy. The Board shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of the Treasurer or any other subordinate officials. Under the provisions of California Government Code Section 53600.3, in exercising the powers set out in this Resolution and under the Policy the Treasurer is, and shall act as, a trustee and a fiduciary subject to the prudent investor standard.

Section 5. Ethics and Conflicts of Interest: District officers and employees involved in the investment process shall fully comply with the District's current Conflict of Interest Code in the execution of the Policy. District officers and employees involved in the investment process shall refrain from personal business activity that could conflict, or appear to conflict, with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Section 6. Authorized Financial Institutions and Dealers:

a. The Treasurer shall maintain a list of financial institutions, selected on the basis of creditworthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list may also be maintained of approved security brokers/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State. No public deposit shall be made except in a qualified public depository as established by State laws.

b. For brokers/dealers of government securities and other investments, the Treasurer shall select only brokers/dealers who are licensed and in good standing with the

California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

c. Before engaging in investment transactions with a broker/dealer, the Treasurer shall have received from such firm a signed certification form. This certification form shall attest that the individual responsible for the District's account(s) with that firm has reviewed the Policy and that the firm understands the Policy and intends to present investment recommendations and transactions to the District that are appropriate under the terms and conditions of the Policy.

d. Where all funds of the District not placed in FDIC insured accounts are invested through the State of California Local Agency Investment Fund ("LAIF"), the District's Authorized Investment Officers shall not be required investigate the qualifications of those financial institutions and broker/dealers with whom LAIF transacts business.

Section 7. Authorized and Suitable Investments:

a. **Permitted Investments:** District funds may be invested as authorized by, and subject to the limitations and special conditions of California Government Code Sections 53601 *et seq.*, and 53635.

b. **Prohibited Investments:** Under the provisions of California Government Code Sections 53601.6 and 53635, the District shall not invest any funds covered by the Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools. In addition, and more generally, investments are further restricted as follows:

- A security purchased will not have a forward settlement date exceeding 45 days from the time of investment.
- No investment will be made that has either (1) an embedded option or characteristic which could result in a loss of principal if the investment is held to maturity, or (2) an embedded option or characteristic which could seriously limit accrual rates or which could result in zero interest accrual periods.
- No investment will be made that could cause the portfolio to be leveraged.

Section 8. Collateralization: All certificates of deposits must be collateralized by U. S. Treasury obligations. Such collateral must be held by a third-party trustee and valued on a monthly basis. The percentage of collateralization on repurchase and reverse repurchase agreements will adhere to the amount required under California Government Code Section 53601(j).

Section 9. Safekeeping and Custody: All security transactions entered into by the District shall be conducted on a delivery-versus-payment basis. All securities purchased or acquired shall be delivered to the District by book-entry, physical delivery or by third party custodial agreement as required by California Government Code Section 53601.

Section 10. Diversification: The District shall diversify its investments by security type and institution. It is the policy of the District to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- a. Portfolio maturities shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- b. Maturities selected shall provide for stability of income and liquidity.
- c. Disbursement and payroll dates shall be covered through maturities investments, marketable U. S. Treasury Bills or other cash equivalent instruments such as money market mutual funds.

Section 11. Reporting:

- a. In accordance with California Government Code Section 53646(b)(1), the Treasurer shall submit to each member of the Board a quarterly investment report. Such report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values on current market values of each component of the portfolio, including funds managed for the District by third party contracted managers, if applicable. The report will also include a certification that: (1) all investment actions executed since the last report have been made in full compliance with the Policy and (2) the District will meet its expenditure obligations for the next six months as required by California Government Code Sections 53646(b)(2) and (3), respectively. The Treasurer shall maintain a complete and timely written record of all investment transactions.
- b. In accordance with California Government Code Section 53607, the Treasurer shall make a monthly report of transactions to the Board. The Treasurer shall make monthly reports until the delegation to invest is revoked or expires.

Section 12. Investment Policy Adoption: The Policy shall be adopted by resolution adopted by the Board. The Policy shall be reviewed on at least an annual basis, and any modifications must be approved by the Board.

ADOPTED, SIGNED AND APPROVED FEBRUARY 16, 2023.

TRABUCO CANYON WATER DISTRICT

By: _____
President/Vice President

By: _____
District Secretary

APPROVED AS TO FORM:
Hanson Bridgett, LLP

By: _____
General Counsel

DRAFT

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, hereby certify that the foregoing resolution was duly adopted by the Board of the District at a meeting held on February 16, 2023, at which a quorum was present and acting throughout and for which notice and an agenda was prepared and posted as required by law, and the resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

District Secretary
Trabuco Canyon Water District

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 2023-1312 and it has not been amended or repealed.

Dated February 16, 2023.

District Secretary
Trabuco Canyon Water District

DRAFT

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | FEBRUARY 9, 2023**

**FINANCIAL MATTERS
ITEM 4: OTHER MATTERS**

RECOMMENDED ACTION:

Hear Other Matters from the General Manager or District Staff.

CONTACTS (staff responsible): PALUDI/PEREA

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | FEBRUARY 9, 2023**

**FINANCIAL MATTERS
ITEM 5: FINANCIAL REPORT**

A) PRESENTATION OF PRELIMINARY UNAUDITED FINANCIAL STATEMENTS

RECOMMENDED ACTION:

Recommend that the Board receive and file the preliminary unaudited financial statements for December 2022 (Consent Calendar).

B) BILLS FOR CONSIDERATION

The total of the bills for consideration will be presented at the time of the February 9, 2023 Finance/Audit Committee Meeting.

RECOMMENDED ACTION:

Approve and ratify the bills for consideration and warrant register and recommend that the Board ratify payment of the Bills for Consideration for February 9, 2023 as presented (Consent Calendar).

CONTACTS (staff responsible): PALUDI/PEREA/WARNER



Trabuco Canyon Water District

District Operations

FY 2022/23 (Unaudited)

	December 2022	YTD Actual	FY 23 Adopted Budget	YTD 50%
1 Operating Revenue				
2 Water Commodity Sales	\$ 299,954	\$ 2,346,467	\$ 4,237,600	55%
3 Service Charges - Water	97,302	587,780	1,207,000	49%
4 Service Charges - Sewer	148,109	895,448	1,844,900	49%
5 Service Charges - Recycled/Reclaimed	6,066	37,788	84,000	45%
6 Baker Treatment Plant (BTP) Water Sales	315,377	763,009	1,110,000	69%
7 Reclaimed Water Sales	31,032	463,900	771,300	60%
8 Recycled Water Sales	3,325	122,629	227,500	54%
9 Customer Charges	36,438	223,662	318,300	70%
10 Other Operating Revenue	-	-	91,800	0%
11 Standby Charges	1,580	12,563	46,200	27%
12 Uncollectable Accounts	-	-	(26,400)	0%
13 Total Operating Revenue	939,182	5,453,245	9,912,200	55%
14 Non-Operating Revenue				
15 Property Taxes	751,978	1,159,935	2,140,200	54%
16 Water Recovery & Emergency Storage Fees - BTP	31,875	191,513	382,000	50%
17 Water Recovery & Emergency Storage Fees - SRF	19,183	115,100	230,200	50%
18 Interest Revenue	417	36,903	18,800	196%
19 Other Non-Operating Revenue	3,941	23,352	76,200	31%
20 Total Non-Operating Revenue	807,394	1,526,804	2,847,400	54%
21 Total Revenues	1,746,576	6,980,049	12,759,600	55%
22 Operating Expense				
23 Source of Supply	167,632	1,379,421	2,822,500	49%
24 Baker Treatment Plant Water for Resale	260,006	685,255	1,022,500	67%
25 Water Related Expenses	78,974	537,024	911,300	59%
26 Sanitation Related Expenses	17,257	168,172	315,200	53%
27 Recycled & Reclaimed Expenses	(16,817)	101,382	207,900	49%
28 Salaries and Benefits	346,819	2,077,503	4,203,200	49%
29 CalPERS Unfunded Accrued Liability Minimum	-	273,674	290,000	94%
30 General and Administrative	161,100	1,178,634	2,323,100	51%
31 Total Operating Expense	1,014,973	6,401,066	12,095,700	53%
32 Non-Operating Expense				
33 Debt Service - State Revolving Fund	115,191	115,191	230,200	50%
34 Debt Service - Credit Line	73,306	73,306	145,000	51%
35 Total Non-Operating Expense	188,496	188,496	375,200	50%
36 Total Expenses	1,203,469	6,589,562	12,470,900	53%
37 Net Income / (Loss) Before Capital & Pension	543,107	390,487	288,700	
38 Use of District Reserves for Capital Projects	-	-	-	N/A
39 Developer Impact Fees (Restricted)	-	40,795	-	N/A
40 Increase / (Decrease) to Reserves	\$ 543,107	\$ 431,282	\$ 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)

	December 2022	YTD Actual	FY 23 Adopted Budget	YTD 50%
1 Funding Sources				
2 Grant Revenue	\$ -	\$ -	\$ 500,000	0%
3 Bank of the West Credit Line Proceeds	323,311	2,176,731	5,162,000	42%
4 Use of District Reserves for Capital Projects	-	-	-	0%
5 Funding Sources Total	323,311	2,176,731	5,662,000	38%
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) *	53,875	1,154,446	1,700,000	68%
10 Golf Club SLS Bypass Construction	9,200	117,414	870,000	13%
11 Dimension Water Treatment Plant (DWTP) Office & Storage	6,031	10,373	300,000	3%
12 Master Plan and Condition Assessment Study	-	192,150	250,000	77%
13 Live Oak Pipeline Scoping	-	-	100,000	0%
14 ETRSLs Surge Tank Improvements	144,899	146,599	250,000	59%
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 Dove Lake Dam Repair	55,837	55,837	-	0%
20 Capital Improvements / Replacements Total	214,006	1,827,523	4,785,000	38%
21 Equipment				
22 Chiquita Capital Replacement	-	120,582	178,000	68%
23 Wastewater Treatment Plant Hoffman Blower Building Rehab	-	526	250,000	0%
24 Equipment Trailer	-	-	39,000	0%
25 Wastewater Treatment Plant New Mixers	-	-	150,000	0%
26 Dove Lake Barge/Pump	14,878	27,946	20,000	140%
27 Domestic Water Turbidimeter Replacement	-	-	15,000	0%
28 Flow Meter - Tick Creek	-	8,908	-	0%
29 Equipment Total	14,878	149,053	652,000	23%
30 Programs				
31 Pressure Relief Valve Improvements	12,492	45,075	15,000	300%
32 Valve Replacement Program	-	9,660	45,000	21%
33 Manhole Recoating Program - Sewer	-	-	20,000	0%
34 Pressure Relief Valve Vault Improvements - Reclaimed	-	-	45,000	0%
35 Pump Replacement Program	26,099	80,676	100,000	81%
36 Programs Total	38,590	135,411	225,000	60%
37 District Capital Total	323,311	2,176,731	5,662,000	38%
38 Net Budget	\$ -	\$ -	\$ -	

*Partially funded by Grant / Loan Proceeds



Trabuco Canyon Water District

Balance Sheet

December 31, 2022

(Unaudited)

		December 2022
1	Assets	
2	Cash & Investments	
3	Cash & Investments - Unrestricted	\$ (1,892,718)
4	Cash & Investments - Restricted	11,490,213
5	Total Cash & Investments	<u>9,597,495</u>
6	Other Current Assets	
7	Accounts Receivable, Net	1,861,452
8	Due from Baker Treatment Plant Reserves	514,750
9	Prepaid & Other	43,990
10	LAIF - Market Value Adjustment ¹	533
11	Total Other Current Assets	<u>2,420,192</u>
12	Capital Assets	
13	Capital Assets, at Cost	124,666,643
14	Accumulated Depreciation	(78,671,718)
15	Construction in Progress	3,459,022
16	Total Capital Assets	<u>49,453,947</u>
17	Net OPEB Asset	201,692
18	Deferred Outflows of Resources (DOR)	1,473,729
19	Total Assets & DOR	<u><u>\$ 63,147,587</u></u>
20	Liabilities	
21	Current Liabilities	
22	Accounts Payable	\$ 1,110,189
23	Due to Internal Financing Fund	514,750
24	Accrued Expenses	158,208
25	Current Portion-Long Term Debt	92,840
26	Deposits on Hand	80,587
27	Total Current Liabilities	<u>1,956,573</u>
28	Long-Term Liabilities	
29	Net Pension Liability	1,597,778
30	State Revolving Fund Loan	1,749,475
31	Bank of the West Loan	10,000,000
32	Total Long Term Liabilities	<u>13,347,253</u>
33	Deferred Inflows of Resources (DIR)	2,448,966
34	Total Liabilities & DIR	<u>17,752,792</u>
35	Net Position	45,394,796
36	Total Liabilities, Net Position & DIR	<u><u>\$ 63,147,587</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

December 31, 2022
(Unaudited)

	Type	Cost	Market	% Total
District Cash & Investments				
Unrestricted				
Local Agency Investment Fund (LAIF)	Investment	\$ (3,106,092)	\$ (3,046,334)	-32.3%
Bank of the West	Checking	1,213,374	1,213,374	12.9%
Total Unrestricted		(1,892,718)	(1,832,960)	-19.4%
Restricted				
LAIF - Water Storage Facilities	Investment	1,060,119	1,039,724	11.0%
LAIF - WRES - Rose Canyon/Lang Wells	Investment	1,527,185	1,497,803	15.9%
LAIF - WRES - Reservoir/Distribution Impr.	Investment	2,684,837	2,633,183	27.9%
LAIF - Interim Sewage	Investment	119,670	117,367	1.2%
LAIF - Debt Issuance 2022	Investment	5,861,514	5,748,744	60.9%
Cash in CB&T Reserved for SRF Loan	Checking	236,888	236,888	2.5%
Total Restricted		11,490,213	11,273,710	119.4%
Total District Cash & Investments		\$ 9,597,495	\$ 9,440,750	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, Treasurer