



FINANCE/AUDIT COMMITTEE MEETING AGENDA
TRABUCO CANYON WATER DISTRICT
ADMINISTRATION FACILITY
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA
JULY 13, 2023 at 8:00 AM

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 7:00 a.m. (PDT) on the day of the meeting.

CALL MEETING TO ORDER

VISITOR PARTICIPATION

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

ORAL COMMUNICATION

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

COMMITTEE MEMBER COMMENTS

REPORT FROM THE GENERAL MANAGER

TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING AGENDA | JULY 13, 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. June 8, 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 May 2023 and tentative future meetings/attendance (Action Calendar).

ITEM 3: NOTICE OF UNDEVELOPED LAND/WATER STANDBY ASSESSMENT FOR FISCAL YEAR 2023-24

RECOMMENDED ACTION:

Recommend the Board of Directors hold a public hearing at the July 20, 2023 Regular Board Meeting, and adopt the proposed Undeveloped Land/Water Standby Assessment for Fiscal Year 2023-24 by resolution (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 PRELIMINARY UNAUDITED FINANCIAL STATEMENTS

RECOMMENDED ACTION:

Recommend that the Board receive and file the preliminary unaudited financial statements for May 2023 (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 July 13, 2023 as presented (Consent Calendar).

ADJOURNMENT



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING AGENDA | JULY 13, 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 | JULY 13, 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. June 8, 2023

CONTACTS (staff responsible): PALUDI/PEREA



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | JUNE 8, 2023

DIRECTORS PRESENT

Don Chadd, Committee Chair
Glenn Acosta, Committee Member

STAFF PRESENT

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

CONSULTANTS PRESENT

Ian Berg, Eide Bailley

PUBLIC PRESENT

None

CALL MEETING TO ORDER

Director Chadd called the June 8, 2023 Finance/Audit Committee Meeting to order at 8:00 a.m.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

None

REPORT FROM THE GENERAL MANAGER

Mr. Perea reported on the following matters:

- Mr. Paludi was out of the office for the remainder of the week.
- Mr. Garrett Rias, Wastewater Operator I, has passed his Wastewater Treatment Operator Grade II examination. The Committee expressed their appreciation for Mr. Rias' hard work in passing the State examination.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

Mr. Perea 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 as amended (Consent Calendar) – Director Acosta

SECOND: Director Chadd

AYES: Directors Acosta & Chadd

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | JUNE 8, 2023**

NOES: None
ABSTAIN: None
MOTION PASSED/FAILED: Passed 2-0

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

Mr. Perea 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 May 2023 and tentative future meetings/attendance (Action Calendar)– Director Acosta
SECOND: Director Chadd
AYES: Directors Acosta & Chadd
NOES: None
ABSTAIN: None
MOTION PASSED/FAILED: Passed 2-0

ITEM 3: TRABUCO CANYON WATER DISTRICT PROPOSED FISCAL YEAR 2023/24 BUDGET

Mr. Perea presented this matter for Committee consideration, and he introduced Mr. Berg to the Committee. Mr. Berg provided a handout which included updated budgetary considerations, including the impacts of actual costs for the month of May, which impacted the final proposed budgetary assumptions for Fiscal Year 2023-24. Mr. Perea reported that this information will be presented to the Board of Directors at the Regular Board Meeting.

MOTION: None – Informational item only.

ITEM 4: NOTICE OF DETERMINATION OF APPROPRIATIONS LIMIT FOR FISCAL YEAR 2023-24

Mr. Perea presented this matter for Committee consideration, and he reported this matter was reviewed annually in accordance with State law. Mr. Perea presented a memorandum prepared by general counsel which outlined the methodology for determining the proposed appropriations limit for Fiscal Year 2023-24, and he reviewed the proposed changes for Board adoption by resolution.

MOTION: The Committee recommended the Board of Directors adopt the proposed Appropriations Limit for Fiscal Year 2023-24 of \$3,912,103.63 by resolution (Action Calendar) – Director Acosta
SECOND: Director Chadd
AYES: Directors Acosta & Chadd
NOES: None
ABSTAIN: None
MOTION PASSED/FAILED: Passed 2-0

ITEM 5: OTHER MATTERS

Discussion occurred concerning a presentation delivered to the Engineering/Operational Committee by Hazen and Sawyer (Consultant), and that this presentation will be repeated for the Board of Directors at the Regular Board Meeting.

MOTION: None – Informational item only.

TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | JUNE 8, 2023

ITEM 6: FINANCIAL REPORT

Ms. Warner presented the preliminary unaudited financials for April 2023, and she highlighted the following items:

DISTRICT OPERATIONS UNAUDITED

Operating Revenue, Water Commodity Sales

Ms. Warner reported that this line item was trending lower than budgeted due to less water sales as a result of cooler weather conditions.

Operating Revenue, Baker Treatment Plant Water Sales

Ms. Warner reported that water demand for the month was trending significantly higher than budgeted due to more water sold to the City of San Clemente.

Operating Expense, Source of Supply

Ms. Warner reported that this line item was lower than budgeted for this time of the year due to less water purchases to date.

Operating Expense, Water Related Expenses

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

Operating Expense, Sanitation Related Expenses

Ms. Warner reported that this line item was trending higher than budgeted for the year due to increased chemical repair costs and repairs/maintenance costs related to wastewater treatment.

Operating Expense, Recycled & Reclaimed Expenses

Ms. Warner reported that this line item was trending lower than budgeted for the year.

Total Operating Expenses

Ms. Warner reported that the District's Total Operating Expenses for the year were trending lower than budgeted.

DISTRICT CAPITAL FY 2022-23 (UNAUDITED)

Ms. Warner reviewed the capital expenditures to date by project and provided a brief overview of the costs for April 2023.

MOTION: Recommend the Board ratify payment of the bills for consideration for June 8, 2023, as presented (Action Calendar) – Director Acosta

SECOND: Director Chadd

AYES: Directors Acosta & Chadd

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 2-0

ADJOURNMENT

Director Chadd adjourned the June 8, 2023, Finance/Audit Committee Meeting at 8:23 a.m.

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JULY 13, 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 have been identified for reference purposes and the 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.

FUNDING SOURCE:

General Fund

FISCAL IMPACT (PROJECT BUDGET)

FY 2023/2024 Budgeted Board Expenses: \$45,000

RECOMMENDED ACTION:

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

EXHIBIT(S):

1. Directors' Fees and Expenses Report for June 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 | JUNE 2023

MEETING DESCRIPTION	ACOSTA	CHADD	DOPUDJA	MANDICH	SAFRANSKI
DISTRICT MEETINGS					
Executive Committee Meeting			06/05/23	06/05/23	
Engineering/Operational Committee Meeting			06/07/23		06/07/23
Finance/Audit Committee Meeting	06/08/23	06/08/23			
Individual Meeting with General Manager	06/13/23	06/13/23	06/13/23	06/12/23	06/15/23
Regular Board Meeting	06/15/23	06/15/23	06/15/23	06/15/23	06/15/23
Chat with TCWD			06/20/23	06/20/23	
Director & GM Meeting with ACWA Representative					06/22/23
Special Board Meeting	06/29/23	06/29/23	06/29/23	06/29/23	06/29/23
REPRESENTATIVE MEETINGS					
Community Associations of Rancho (CAR) Meeting			06/06/23	06/06/23	
City of Rancho Santa Margarita Council Meeting				06/28/23	06/14/23
City of Rancho Santa Margarita Planning Commission	06/07/23				
Independent Special Districts of Orange County (ISDOC) Monthly Meeting					
OC LAFCO Regular Commission Meeting				06/14/23	
MWDOC Board Meeting	06/21/23				
MWDOC Water Policy Forum & Dinner	06/22/23	06/22/23	06/22/23	06/22/23	06/22/23
SOCWMA Executive Committee				06/08/23	
South Orange County Wastewater Authority (SOCWA) Regular Board Meeting			06/01/23		
Water Advisory Commission of Orange County (WACO)	06/02/23				
NUMBER OF MEETINGS ATTENDED	8	5	9	10	5
PER DIEMS (\$125 per each meeting*)	\$1,000.00	\$625.00	\$1,125.00	\$1,250.00	\$625.00
DIRECT REIMBURSABLE EXPENSES					
DIRECT REIMBURSABLE EXPENSES TOTALS					
INDIRECT REIMBURSABLE EXPENSES					
INDIRECT REIMBURSABLE EXPENSES TOTALS					
TOTAL (PER DIEMS + DIRECT REIMBURSABLE EXPENSES)	\$1,000.00	\$625.00	\$1,125.00	\$1,250.00	\$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

LINE ITEM	MEETING DESCRIPTION	2023											
		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 - Monterey, 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		2/22 - 2/24						8/23 - 8/25				
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 | JULY 13, 2023

FINANCIAL MATTERS

ITEM 3: NOTICE OF UNDEVELOPED LAND/WATER STANDBY ASSESSMENT FOR FISCAL YEAR 2023-24

BACKGROUND

The Trabuco Canyon Water District (District) annually levies an Undeveloped Land/Water Standby Charge (Standby Charge), currently set at \$15.00 per acre or portion thereof, for undeveloped land within District boundaries. The standby charge is levied to cover the fixed costs of the existing District water system to make water available, when requested, to serve currently undeveloped land.

At the March 18, 1997, Regular Board Meeting, District general legal counsel addressed the standby charge as it related to Proposition 218 (adopted in November 1996), noting that the District can continue to levy the standby charge if the amount of the charge is not increased over the previously existing rate (\$15.00) and if the standby charge was levied using the same methodology. Under the provisions of Proposition 218, the water standby charges are “assessments.” Provided that the amount of water standby charges (Assessments) do not increase, they are “grandfathered” under Proposition 218 and do not have to comply with the more extensive assessment proceedings and voting process required for new assessments under Proposition 218. The procedure for the adoption of the water standby charge (assessment) for Fiscal Year 2023-24 is shown below:

DATE	DESCRIPTION OF ACTION
June 15, 2023	At the Regular Board Meeting, the Board: <ul style="list-style-type: none">• Directs staff to prepare the required written Water Standby Charge (Assessment) Report. The Report contains a description of each parcel of real property and the amount of the Water Standby Charges (Assessments) for each parcel for the year.• Directs staff to agendize a Public Hearing concerning the proposed Water Standby Charges (Assessments) Report to be held at the July 20, 2023 Regular Board Meeting.
Late June 2023	The Notice to Property Owners is published in conformance with the statutory requirements, once a week for two successive weeks in the Orange County Register newspaper. The Notice is mailed not less than fifteen (15) days prior to the public hearing to each effected property owner within the District. At the time the Notice is mailed, the Report must be made available for public review upon request.
July 20, 2023	A Public Hearing is held for public comments concerning the proposed FY 2023-24 Water Standby Charges (Assessments). Following the conclusion of the Public Hearing, the Board considers adoption of a resolution to set and collect the Water Standby Charges (Assessments) for FY 2023-24.

FUNDING SOURCE:

Levy and collection of the annual water standby charges results in an estimated \$45,000 annual credit to the District’s General Fund.

FISCAL IMPACT

The cost of completing the report, publication and mailing of the Notice - *Approximately \$3,500*

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JULY 13, 2023**

ENVIRONMENTAL COMPLIANCE:

Not applicable

RECOMMENDED ACTION:

Recommend the Board of Directors hold a public hearing at the July 20, 2023 Regular Board Meeting, and adopt the proposed Undeveloped Land/Water Standby Assessment for Fiscal Year 2023-24 by resolution (Action Calendar).

EXHIBITS:

1. Notice of Undeveloped Land/Water Standby Assessment for Fiscal Year 2023-24

CONTACTS (staff responsible): PALUDI/PEREA



NOTICE TO PROPERTY OWNERS WITHIN THE TRABUCO CANYON WATER DISTRICT SERVICE AREA

Dear Property Owner:

The Trabuco Canyon Water District (*formerly named the Santa Ana Mountains County Water District*) plans to fix a water standby or availability assessment on all undeveloped land within the District for the fiscal year 2023/2024. This assessment will remain at \$15.00 per acre for undeveloped developable parcels over one acre or \$15.00 for each undeveloped parcel of less than one acre, per year.

This assessment or charge is being imposed by the District because the Board of Directors has determined that this is an equitable means of raising funds necessary to make water available to your property.

A report has been prepared and filed with the District that lists all undeveloped parcels of land and the assessment on each. This report is available for public inspection at the District Administration Facility during normal business hours. The District Administration Facility is located at:

**32003 Dove Canyon Drive
Trabuco Canyon, California 92679
(949) 858-0277**

The Board of Directors will hear and consider all public comments to this report at a public hearing to be held on **July 20, 2023** at **5:30 p.m.**, or as soon thereafter as the agenda permits, at the District Administration Facility at the above-stated address.

TRABUCO CANYON WATER DISTRICT

By: _____

Michael Perea

Secretary to the Board of Directors

TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JULY 13, 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 | JULY 13, 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 May 2023 (Consent Calendar).

B) BILLS FOR CONSIDERATION

The total of the bills for consideration will be presented at the time of the July 13, 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 July 13, 2023 as presented (Consent Calendar).

CONTACTS (staff responsible): PALUDI/PEREA/WARNER



Trabuco Canyon Water District

Budget to Actual

For the period July 1, 2022 through May 31, 2023
(Unaudited)

	May 2023	YTD Actual	FY 23 Adopted Budget	YTD 92%
1 Operating Revenue				
2 Water Commodity Sales	\$ 224,053	\$ 3,217,153	\$ 4,237,600	76%
3 Service Charges - Water	105,635	1,107,158	1,207,000	92%
4 Service Charges - Sewer	159,223	1,673,339	1,844,900	91%
5 Service Charges - Recycled/Reclaimed	6,551	70,058	84,000	83%
6 Baker Treatment Plant (BTP) Water Sales	221,662	1,292,385	1,110,000	116%
7 Water Recovery & Emergency Storage Fees	69,135	758,608	612,200	124%
8 Reclaimed Water Sales	37,867	518,914	771,300	67%
9 Recycled Water Sales	13,228	215,024	227,500	95%
10 Customer Charges	37,620	398,696	318,300	125%
11 Other Operating Revenue	-	-	91,800	0%
12 Standby Charges	204	27,111	46,200	59%
13 Uncollectable Accounts	-	-	(26,400)	0%
14 Total Operating Revenue	875,179	9,278,446	10,524,400	88%
15 Non-Operating Revenue				
16 Property Taxes	210,218	2,159,423	2,140,200	101%
17 Interest Revenue	19,958	155,278	18,800	826%
18 Other Non-Operating Revenue	3,160	68,707	76,200	90%
19 Total Non-Operating Revenue	233,336	2,383,408	2,235,200	107%
20 Total Revenues	1,108,515	11,661,854	12,759,600	91%
21 Operating Expense				
22 Source of Supply	112,304	1,947,787	2,822,500	69%
23 Baker Treatment Plant Water for Resale	167,969	1,120,982	1,022,500	110%
24 Water Related Expenses	69,857	848,025	911,300	93%
25 Sanitation Related Expenses	8,819	325,742	315,200	103%
26 Recycled & Reclaimed Expenses	11,285	168,302	207,900	81%
27 Salaries and Benefits	356,070	3,870,476	4,203,200	92%
28 CalPERS Unfunded Accrued Liability Minimum	-	273,674	290,000	94%
29 General and Administrative	198,035	1,946,846	2,323,100	84%
30 Total Operating Expense	924,339	10,501,834	12,095,700	87%
31 Non-Operating Expense				
32 Debt Service - State Revolving Fund	-	115,191	230,200	50%
33 Debt Service - Credit Line	-	73,306	145,000	51%
34 Total Non-Operating Expense	-	188,496	375,200	50%
35 Total Expenses	924,339	10,690,330	12,470,900	86%
36 Net Income / (Loss) Before Capital & Pension	184,176	971,524	288,700	337%
37 Use of District Reserves for Capital Projects	-	-	-	N/A
38 Developer Impact Fees (Restricted)	-	40,795	-	N/A
39 Increase / (Decrease) to Reserves	\$ 184,176	\$ 1,012,319	\$ 288,700	351%

**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)

	May 2023	YTD Actual	FY 23 Adopted Budget	YTD 92%
1 Funding Sources				
2 Grant Revenue	\$ -	\$ -	\$ 500,000	0%
3 Bank of the West Credit Line Proceeds	267,629	3,870,719	5,162,000	75%
4 Use of District Reserves for Capital Projects	-	-	-	N/A
5 Funding Sources Total	267,629	3,870,719	5,662,000	68%
6 District Capital				
7 Capital Improvements / Replacements				
8 SCADA System Upgrades FY 22/23	204,000	793,011	1,210,000	66%
9 AMI/AMR System Implementation (USBR) *	10	1,532,259	1,700,000	90%
10 Golf Club SLS Bypass Construction	25,187	195,686	870,000	22%
11 Dimension Water Treatment Plant (DWTP) Office & Storage	-	25,529	300,000	9%
12 Master Plan and Condition Assessment Study	17,513	240,121	250,000	96%
13 Live Oak Pipeline Scoping	-	-	100,000	0%
14 ETRSLs Surge Tank Improvements	85	217,878	250,000	87%
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	5,642	114,918	-	N/A
19 Dove Lake Dam Repair	-	182,954	-	N/A
20 Capital Improvements / Replacements Total	252,436	3,119,402	4,785,000	65%
21 Equipment				
22 Chiquita Capital Replacement	-	231,647	178,000	130%
23 Wastewater Treatment Plant Hoffman Blower Building Rehab	11,439	11,965	250,000	5%
24 Equipment Trailer	-	44,720	39,000	115%
25 Wastewater Treatment Plant New Mixers	-	53,066	150,000	35%
26 Dove Lake Barge/Pump	-	27,946	20,000	140%
27 Domestic Water Turbidimeter Replacement	-	-	15,000	0%
28 Flow Meter - Tick Creek	-	8,908	-	N/A
29 Equipment Total	11,439	369,344	652,000	57%
30 Programs				
31 Pressure Relief Valve Improvements	-	54,458	15,000	363%
32 Valve Replacement Program	3,754	52,555	45,000	117%
33 Manhole Recoating Program - Sewer	-	-	20,000	0%
34 Pressure Relief Valve Vault Improvements - Reclaimed	-	2,422	45,000	5%
35 Pump Replacement Program	-	80,676	100,000	81%
36 Programs Total	3,754	190,111	225,000	84%
37 District Capital Total	267,629	3,870,719	5,662,000	68%
38 Net Budget	\$ -	\$ -	\$ -	

*Partially funded by Grant / Loan Proceeds

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



Trabuco Canyon Water District

Balance Sheet

May 31, 2023

(Unaudited)

	May 2023
1 Assets	
2 Cash & Investments	
3 Cash & Investments - Unrestricted	\$ 2,623,627
4 Cash & Investments - Restricted	5,651,638
5 Total Cash & Investments	8,275,265
6 Other Current Assets	
7 Accounts Receivable, Net	1,776,629
8 Prepaid & Other	94,307
9 LAIF - Market Value Adjustment ¹	533
10 Total Other Current Assets	1,870,935
11 Capital Assets	
12 Capital Assets, at Cost	124,675,651
13 Accumulated Depreciation	(80,392,788)
14 Construction in Progress	5,153,009
15 Total Capital Assets	49,435,872
16 Net OPEB Asset	201,692
17 Deferred Outflows of Resources (DOR)	1,473,729
18 Total Assets & DOR	\$ 61,258,026
19 Liabilities	
20 Current Liabilities	
21 Accounts Payable	\$ 999,035
22 Accrued Expenses	175,379
23 Current Portion-Long Term Debt	92,840
24 Deposits on Hand	46,859
25 Total Current Liabilities	1,314,114
26 Long-Term Liabilities	
27 Net Pension Liability	1,597,778
28 State Revolving Fund Loan	1,749,475
29 Bank of the West Loan	10,000,000
30 Total Long Term Liabilities	13,347,253
31 Deferred Inflows of Resources (DIR)	2,448,966
32 Total Liabilities & DIR	17,110,332
33 Net Position	44,147,694
34 Total Liabilities, Net Position & DIR	\$ 61,258,026

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.

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Trabuco Canyon Water District

Cash Investments Report

May 31, 2023

(Unaudited)

	Type	Cost	Market	% Total
District Cash & Investments				
Unrestricted				
Local Agency Investment Fund (LAIF)	Investment	\$ (3,170,243)	\$ (3,127,478)	-37.9%
California Cooperative Liquid Assets Securities System (CLASS)	Investment	5,019,808	5,019,808	60.9%
Bank of the West	Checking	774,062	774,062	9.4%
Total Unrestricted		2,623,627	2,666,393	32.3%
Restricted				
LAIF - Water Storage Facilities	Investment	1,073,206	1,058,729	12.8%
LAIF - Interim Sewage	Investment	118,102	116,509	1.4%
LAIF - Debt Issuance 2022	Investment	4,223,226	4,166,256	50.5%
CLASS - Debt Issuance	Investment	-	-	0.0%
Cash in CB&T Reserved for SRF Loan	Checking	237,104	237,104	2.9%
Total Restricted		5,651,638	5,578,598	67.7%
Total District Cash & Investments		\$ 8,275,265	\$ 8,244,990	100.0%

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