



**FINANCE/AUDIT COMMITTEE MEETING AGENDA  
TRABUCO CANYON WATER DISTRICT  
ADMINISTRATION FACILITY  
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA  
MARCH 14, 2024 at 8:00 AM**

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**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

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**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](http://www.tcwd.ca.gov). You may submit public comments by email to the Committee at [mperea@tcwd.ca.gov](mailto: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 | MARCH 14, 2024**

**FINANCIAL MATTERS**

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**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. February 8, 2024

**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 February 2024 and tentative future meetings/attendance (Action Calendar).*

**ITEM 3: ANNUAL UPDATES TO DISTRICT INVESTMENT POLICY**

**RECOMMENDED ACTION:**

*Recommend the Board of Directors adopt Resolution No. 2024-1326 – 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 PRELIMINARY UNAUDITED FINANCIAL STATEMENTS**

**RECOMMENDED ACTION:**

*Recommend that the Board receive and file the preliminary unaudited financial statements for January 2024 (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 March 14, 2024 as presented (Consent 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 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](http://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](http://www.tcwd.ca.gov) at the same time as they are*



**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING AGENDA | MARCH 14, 2024**

*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](http://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 | MARCH 14, 2024**

**FINANCIAL MATTERS**

**ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP**

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**RECOMMENDED ACTION:**

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

1. *February 8, 2024*

**CONTACTS (staff responsible): PALUDI/PEREA**



## TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | FEBRUARY 8, 2024

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### **DIRECTORS PRESENT**

Don Chadd, Committee Chair  
Glenn Acosta, Committee Member

### **STAFF PRESENT**

Fernando Paludi, General Manager  
Michael Perea, Assistant General Manager  
Lorrie Lausten, District Engineer  
Karen Warner, Principal Accountant  
Roseann Lejsek, Administrative Assistant  
Phil Serpas, SCADA/CMMS Administrator

### **CONSULTANTS PRESENT**

None

### **PUBLIC PRESENT**

None

### **CALL MEETING TO ORDER**

Director Chadd called the February 8, 2024 Finance/Audit Committee Meeting to order at 8:11 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**

None

### **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 as amended (Consent Calendar) – Director Chadd
- SECOND:** District Secretary Mr. Perea
- AYES:** Director Chadd & Mr. Perea
- NOES:** None
- ABSTAIN:** None
- MOTION PASSED/FAILED:** Passed 2-0

**TRABUCO CANYON WATER DISTRICT  
FINANCE AUDIT COMMITTEE MEETING RECAP | FEBRUARY 8, 2024**

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

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Mr. Paludi presented the Directors' Fees and Expenses Report and Tentative Future Meetings/Attendance Report for Committee consideration and review. Discussion occurred concerning meeting frequency and occurrences. Mr. Perea indicated that staff has received corrections from Director Mandich after the posting of the agenda, and that the corrections will be reflected in the updated report at the Regular Board Meeting. Director Acosta requested that his schedule be amended to reflect that there was no City of Rancho Santa Margarita Planning Commission meeting in January.

**MOTION:** Recommend the Board of Directors ratify the Directors' fees and expenses for January 2024 and tentative future meetings/attendance as amended (Action Calendar) – Director Acosta

**SECOND:** Director Chadd

**AYES:** Directors Acosta & Chadd

**NOES:** None

**ABSTAIN:** None

**MOTION PASSED/FAILED:** Passed 2-0

**ITEM 3: DISCUSSION CONCERNING OTHER POST-EMPLOYMENT BENEFITS (OPEB) BIENNIAL ANNUAL VALUATION REPORTING FOR CERBT TRUST FUNDING**

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Mr. Perea presented this matter for Committee consideration, and he reported that the District is obligated under the Governmental Accounting Standards Board (GASB) to prepare a biennial actuarial valuation of the District's Other Post-Employment Benefits (OPEB) in order to comply with GASB 74 & 75. Mr. Perea stated that the District withdrew approximately \$160,000 from the trust last year to cover retired employee benefits and noted that the trust was currently funded at 90% and performing well. Mr. Perea reported that Total Compensation Systems, Inc. prepared the District's last report in 2022 and that their quoted fee includes a 10% discount.

**MOTION:** Recommend the Board of Directors authorize the General Manager to contract with Total Compensation Systems, Inc. for GASB 74/75 Biennial Annual Valuation Reporting for \$5,400 (Action Calendar) – Director Acosta

**SECOND:** Director Chadd

**AYES:** Directors Acosta & Chadd

**NOES:** None

**ABSTAIN:** None

**MOTION PASSED/FAILED:** Passed 2-0

**ITEM 4: OTHER MATTERS**

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Mr. Paludi presented the following matters for Committee consideration:

***Rate Study***

Mr. Paludi reported that in accordance with the adopted 2023 Rate study the District will issue new debt to pay off the short-term debt obligation as well as provide new funding for capital projects until they can be funded from current revenues. Mr. Paludi stated that the District has contracted with IB Consulting to evaluate the performance of the rate increases in FY 2023-24 and to determine whether they can be restructured to minimize impact on our customers. Mr. Paludi added that the debt will need to be issued before the end of the current fiscal year.

**MOTION:** None – Informational item only.

**TRABUCO CANYON WATER DISTRICT  
FINANCE AUDIT COMMITTEE MEETING RECAP | FEBRUARY 8, 2024**

**ITEM 5: FINANCIAL REPORT**

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Ms. Warner presented the preliminary unaudited financials for December 2023, and she indicated that the format has been updated to show expenses by separate fund. Ms. Warner additionally prepared a Budget to Actual Summary of All Funds for FY23/24 for the Committee’s review. The Committee requested that this summary be added to future financial reporting packets. Ms. Warner highlighted the following items:

**WATER FUND**

**Total Operating Revenue**

Ms. Warner reported that this line item was trending slightly higher than budgeted.

**Total Source of Supply**

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

**Total Salaries & Benefits**

Ms. Warner reported that this line item was trending as budgeted.

**Total Transmission & Distribution**

Ms. Warner reported that this line item was trending higher than the year-to-date amount due to increased water quality testing.

**Total General & Administrative**

Ms. Warner reported that this line item was trending higher than the year-to-date amount due to the timing of insurance payments at the beginning of the fiscal year.

**Net Total Unrestricted Cash Inflow/(Outflow)**

Ms. Warner reported that this line item trended a positive increase of water reserves.

**District Capital – Water**

Ms. Warner reviewed the capital improvement costs accrued in December 2023, including costs associated with PRV and Valve Replacements.

**SEWER FUND**

**Total Operating Revenue**

Ms. Warner reported that this line item was trending as budgeted.

**Total Salaries & Benefits**

Ms. Warner reported that this line item was trending as budgeted.

**Net Total Unrestricted Cash Inflow/(Outflow)**

Ms. Warner reported that this line item trended a positive increase of sewer reserves.

**District Capital – Sewer**

Ms. Warner reviewed the capital improvement costs accrued in December 2023, including costs associated with Golf Club Sewer Lift Station.

**RECYCLED WATER FUND**

**Total Operating Revenue**

**TRABUCO CANYON WATER DISTRICT  
FINANCE AUDIT COMMITTEE MEETING RECAP | FEBRUARY 8, 2024**

Ms. Warner reported that this line item was trending higher than budgeted due to increased recycled water sales earlier in the fiscal year.

***Total Source of Supply***

Ms. Warner reported that this line item was trending higher than budgeted.

***Total Salaries & Benefits***

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

***Total Transmission & Distribution***

Ms. Warner reported that this line item was trending higher than the year-to-date amount due to system repairs.

***Total General & Administrative***

Ms. Warner reported that this line item was trending higher than the year-to-date amount due to the timing of insurance payments and certification renewals.

***Net Total Unrestricted Cash Inflow/(Outflow)***

Ms. Warner reported that this line item trended a positive increase of recycled water reserves.

***District Capital – Sewer***

Ms. Warner reported that there were no capital improvement costs accrued in December 2023.

Mr. Paludi reported that the District has contracted with Ralph Anderson & Associates to perform an updated total compensation survey as the previous survey was completed three years prior. Mr. Paludi added that additional information will be reviewed in a following meeting.

**MOTION:** Recommend the Board ratify payment of the bills for consideration for February 8, 2024 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 February 8, 2024 Finance/Audit Committee Meeting at 8:31 a.m.



**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | MARCH 14, 2024**

**FINANCIAL MATTERS**

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

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***Directors' Fees and Expenses***

Consistent with Board policy, Directors are reimbursed for expenses incurred while serving in their capacity as Directors. Additionally, Directors earn a per diem stipend for attendance at meetings or functions in a Director capacity. Per Ordinance No. 91-15 (adopted July 17, 1991), Directors per diem amount is limited to \$125 per meeting for a maximum of ten days per calendar month. The attached spreadsheet provides a recap of the meetings, seminars, conferences attended by Directors along with expenses recorded to date.

***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 February 2024 and tentative future meetings/attendance. (Action Calendar)*

**EXHIBIT(S):**

1. Directors' Fees and Expenses Report for February 2024
2. Directors' Tentative Future Meetings/Attendance – Calendar Year 2024.

**CONTACTS (staff responsible): PALUDI/PEREA**


**TRABUCO CANYON WATER DISTRICT  
DIRECTORS' FEES AND EXPENSES MONTHLY REPORT | FEBRUARY 2024**

MEETING DESCRIPTION	ACOSTA	CHADD	DOPUDJA	MANDICH	SAFRANSKI
<b>DISTRICT MEETINGS</b>					
District Properties Committee Meeting			02/08/24	02/08/24	
Engineering/Operational Committee Meeting			02/07/24		02/07/24
Executive Committee Meeting			02/08/24	02/08/24	
Finance/Audit Committee Meeting	02/08/24	02/08/24			
Individual Meeting with General Manager	02/13/24	02/13/24	02/13/24	02/12/24	02/13/24
Regular Board Meeting	02/15/24	02/15/24	02/15/24	02/15/24	02/15/24
<b>REPRESENTATIVE MEETINGS</b>					
Community Associations of Rancho (CAR) Meeting		02/06/24			
City of Rancho Santa Margarita - City Council Meeting				02/28/24	
City of Rancho Santa Margarita - Planning Commission Meeting	02/07/24				
Independent Special Districts of Orange County (ISDOC) Monthly Meeting				02/06/24	
MWDOC Administration/Finance Committee Meeting	02/14/24				
MWDOC Board Meeting	02/21/24				
Water Advisory Commission of Orange County (WACO)	02/02/24				
<b>NUMBER OF MEETINGS ATTENDED</b>	<b>7</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>3</b>
<b>PER DIEMS (\$125 per each meeting*)</b>	<b>\$875.00</b>	<b>\$500.00</b>	<b>\$500.00</b>	<b>\$625.00</b>	<b>\$375.00</b>
<b>DIRECT REIMBURSABLE EXPENSES</b>					
<b>DIRECT REIMBURSABLE EXPENSES TOTALS</b>					
<b>INDIRECT REIMBURSABLE EXPENSES</b>					
<b>INDIRECT REIMBURSABLE EXPENSES TOTALS</b>					
<b>TOTAL (PER DIEMS + DIRECT REIMBURSABLE EXPENSES)</b>	<b>\$875.00</b>	<b>\$500.00</b>	<b>\$500.00</b>	<b>\$625.00</b>	<b>\$375.00</b>
<i>* Maximum per diem per day is one; maximum per diems per month is 10</i>					

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**DIRECTOR SIGNATURE**

**TRABUCO CANYON WATER DISTRICT | 2024 PUBLIC MEETING AND CONFERENCE CALENDAR**

		2024											
LINE ITEM	MEETING DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
<b>DISTRICT PUBLIC MEETINGS</b>													
1	Executive Committee Meeting	01/08/24	02/05/24	03/04/24	04/01/24	05/06/24	06/03/24	07/01/24	08/05/24	09/02/24	10/07/24	11/04/24	12/02/24
2	Engineering/Operational Committee Meeting	01/03/24	02/07/24	03/06/24	04/03/24	05/01/24	06/05/24	07/03/24	08/07/24	09/04/24	10/02/24	11/06/24	12/04/24
3	Finance/Audit Committee Meeting	01/11/24	02/08/24	03/07/24	04/11/24	05/09/24	06/13/24	07/11/24	08/08/24	09/12/24	10/10/24	11/14/24	12/12/24
4	Regular Board Meeting	01/18/24	02/15/24	03/14/24	04/18/24	05/16/24	06/20/24	07/18/24	08/15/24	09/19/24	10/17/24	11/21/24	12/19/24
5	District Properties Ad Hoc Committee Meeting	-	-	-	-	-	-	-	-	-	-	-	-
<b>PUBLIC MEETINGS</b>													
6	City of RSM City Council Meeting - Meeting No. 1	01/09/24	02/13/24	03/12/24	04/09/24	05/14/24	06/11/24	07/09/24	08/13/24	09/10/24	10/08/24	11/12/24	12/10/24
7	City of RSM City Council Meeting - Meeting No. 2	01/23/24	02/24/24	03/26/24	04/23/24	05/28/24	06/25/24	07/23/24	08/27/24	09/24/24	10/22/24	11/26/24	12/24/24
8	City of RSM Planning Commission Meeting	01/03/24	02/07/24	03/06/24	04/03/24	05/01/24	06/05/24	07/03/24	08/07/24	09/04/24	10/02/24	11/06/24	12/04/24
9	Independent Special Districts of Orange County Meeting - Executive	01/02/24	02/06/24	03/05/24	04/02/24	05/14/24	06/04/24	07/02/24	08/06/24	09/03/24	10/01/24	11/05/24	12/10/24
10	Independent Special Districts of Orange County Meeting - Quarterly	01/25/24	-	-	04/25/24	-	-	07/25/24	-	-	10/31/24	-	-
11	Orange County Local Agency Formation Commission (OC LAFCO)	01/10/24	02/14/24	03/13/24	04/10/24	05/08/24	06/12/24	07/10/24	08/14/24	09/11/24	10/09/24	11/13/24	12/11/24
12	Municipal Water District of Orange County (MWDOC) Board Meeting	01/17/24	02/21/24	03/20/24	04/17/24	05/15/24	06/19/24	07/17/24	08/21/24	09/18/24	10/16/24	11/20/24	12/18/24
13	Santiago Aqueduct Commission Meeting	-	-	03/21/24	-	-	06/20/24	-	-	09/19/24	-	-	12/12/24
14	Quarterly South Orange County Integrated Regional Watershed Management Executive Committee												
15	Monthly South Orange County Integrated Regional Watershed Management Executive Committee												
16	South Orange County Water Agencies Group Meeting*	01/23/24	-	03/26/24	-	05/28/24	-	07/23/24	-	09/23/24	-	11/25/24	-
18	Water Advisory Committee of Orange County	01/05/24	02/02/24	03/01/24	04/05/24	05/03/24	06/07/24	07/12/24	08/02/24	09/06/24	10/04/24	11/01/24	12/13/24
<b>CONFERENCES</b>													
19	ACWA Spring Conference - Sacramento, CA					05/07-05/09							
20	ACWA Fall Conference - Palm Desert, CA												12/03-12/05
21	CSDA Annual Conference -Indian Wells, CA									09/09-09/12			
22	CSDA GM Leadership Summit - Anaheim, CA						06/23-06/25						
24	CSDA SDLA Conference - San Diego, CA				04/14-04/17								
25	Colorado River Water User’s Association (CRWUA) Annual Conference – Las Vegas, NV												12/04-12/06
23	Urban Water Institute (UWI) Annual Conference - Palm Springs, CA		02/21-02/23										

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

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | MARCH 14, 2024**

**FINANCIAL MATTERS**

**ITEM 3: ANNUAL UPDATES TO DISTRICT INVESTMENT POLICY**

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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 safety, liquidity, and return on investments shall be primary objectives.

On February 16, 2023, the Board of Directors adopted Resolution No. 2023–1312 in compliance with the legislative mandated annual requirement. District staff has worked with General Counsel and District Treasurer to review current resolution to propose certain updates consistent with applicable new state laws and 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.

**FUNDING SOURCE:**

Not applicable

**FISCAL IMPACT**

Not applicable

**ENVIRONMENTAL COMPLIANCE:**

Not applicable

**RECOMMENDED ACTION(S):**

*Recommend the Board of Directors adopt Resolution No. 2024-1326 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting an Investment Policy (Action Calendar).*

**EXHIBITS:**

1. Resolution No. 2024-1326 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting an Investment Policy – REDLINED
2. Resolution No. 2024-1326 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting an Investment Policy – CLEAN

**CONTACTS (staff responsible): PALUDI/PEREA/BYERRUM**

**RESOLUTION NO. 2024-XXXX**  
**RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF TRABUCO CANYON WATER DISTRICT ADOPTING**  
**AN INVESTMENT POLICY**

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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**”) 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~~ **by** 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 orderso~~ 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.* This delegation of authority will expire one year from the policy effective date and may be renewed by the Board of Directors from year to year, or revoked at the discretion of the Board of Directors. 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.

**Commented [JAV1]:** Government Code section 53607 allows the Board to delegate investment authority for a one-year period. This is one of the reasons why we renew the investment policy every year--to renew the delegation of authority. Consistent with the law, we have suggested language clarifying the length of the delegation of authority.

**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 [United States](#) 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 ~~may~~ shall submit to each member of the Board a quarterly investment report. ~~If the Treasurer submits a quarterly investment report to the Board, the report must comply with California Government Code Section 53646(b)(1).~~ 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.

**Commented [JAV2]:** There are two reporting provisions for investments: Government Code Section 53646 and Government Code Section 53607.

Section 53646 discusses quarterly reports, which are **permissive**. That is, the Treasurer is not required to make quarterly reports. However, if the Treasurer does make the quarterly reports, then those reports **must** comply with the requirements of Section 53646(b).

Section 53607 discusses monthly reports, which are **mandatory** if the legislative body delegates authority to make investments. There is no specific information that is required to be reported in monthly reports--the statute simply says the officer delegated investment authority will make a monthly report of the transactions to the legislative body.

We have suggested edits here to provide more flexibility for the District, while acknowledging the legal requirements.



ADOPTED, SIGNED AND APPROVED FEBRUARY 16, 20243.

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, 2024, 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. 20243-XXXX1312 and it has not been amended or repealed.

Dated            February 16, 20234.

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District Secretary  
Trabuco Canyon Water District

DRAFT

**RESOLUTION NO. 2024-1326**  
**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 by 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 so 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.* This delegation of authority will expire one year from the policy effective date and may be renewed by the Board of Directors from year to year, or revoked at the discretion of the Board of Directors. 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.

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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 United States 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.

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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.

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a. The Treasurer may submit to each member of the Board a quarterly investment report. If the Treasurer submits a quarterly investment report to the Board, the report must comply with California Government Code Section 53646(b)(1). 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 MARCH 21, 2024.

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 March 21, 2024, 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. 2024-1326 and it has not been amended or repealed.

Dated March 21, 2024

---

District Secretary  
Trabuco Canyon Water District

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | MARCH 14, 2024**

**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 | MARCH 14, 2024**

**FINANCIAL MATTERS  
ITEM 5: FINANCIAL REPORT**

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**A) PRESENTATION OF PRELIMINARY UNAUDITED FINANCIAL STATEMENTS**

**RECOMMENDED ACTION:**

*Recommend that the Board receive and file the preliminary unaudited financial statements for January 2024 (Consent Calendar).*

**B) BILLS FOR CONSIDERATION**

The total of the bills for consideration will be presented at the time of the March 14, 2024 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 March 14, 2024 as presented (Consent Calendar).*

**CONTACTS (staff responsible): PALUDI/PEREA/WARNER**



**Trabuco Canyon Water District**  
**Balance Sheet**  
**January 31, 2024**  
**(Unaudited)**

		January 2024
<b>1</b>	<b>Assets</b>	
<b>2</b>	<b>Cash &amp; Investments</b>	
3	Cash & Investments - Unrestricted	\$ 3,753,495
4	Cash & Investments - Restricted	3,839,957
<b>5</b>	<b>Total Cash &amp; Investments</b>	<u>7,593,452</u>
<b>6</b>	<b>Other Current Assets</b>	
7	Accounts Receivable, Net	2,514,504
8	Prepaid & Other	57,537
9	Fair Market Value Adjustment <sup>1</sup>	(35,057)
<b>10</b>	<b>Total Other Current Assets</b>	<u>2,536,984</u>
<b>11</b>	<b>Capital Assets</b>	
12	Capital Assets, at Cost	127,911,283
13	Accumulated Depreciation	(82,906,091)
14	Construction in Progress	3,212,224
<b>15</b>	<b>Total Capital Assets</b>	<u>48,217,415</u>
16	Net OPEB Asset	201,692
17	Deferred Outflows of Resources (DOR)	2,508,005
<b>18</b>	<b>Total Assets &amp; DOR</b>	<b>\$ 61,057,548</b>
<b>19</b>	<b>Liabilities</b>	
<b>20</b>	<b>Current Liabilities</b>	
21	Accounts Payable	\$ 827,238
22	Accrued Expenses	268,003
23	Current Portion-Long Term Debt	94,972
24	Deposits on Hand	81,745
<b>25</b>	<b>Total Current Liabilities</b>	<u>1,271,958</u>
<b>26</b>	<b>Long-Term Liabilities</b>	
27	Net Pension Liability	4,449,117
28	State Revolving Fund Loan	1,675,794
29	Bank of the West Loan	10,000,000
<b>30</b>	<b>Total Long Term Liabilities</b>	<u>16,124,911</u>
31	Deferred Inflows of Resources (DIR)	647,305
<b>32</b>	<b>Total Liabilities &amp; DIR</b>	<u>18,044,174</u>
<b>33</b>	<b>Net Position</b>	<u>43,013,374</u>
<b>34</b>	<b>Total Liabilities, Net Position &amp; DIR</b>	<b>\$ 61,057,548</b>

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



**Trabuco Canyon Water District**  
**Cash Investments Report**  
**January 31, 2024**  
**(Unaudited)**

	Type	Cost	Market	% Total
<b>District Cash &amp; Investments</b>				
<b>Unrestricted</b>				
Local Agency Investment Fund (LAIF)	Investment	\$ (1,790,140)	\$ (1,778,581)	-23.5%
California Cooperative Liquid Assets Securities System (CLASS)	Investment	3,665,648	3,666,226	48.4%
Bank of the West	Checking	1,877,986	1,877,986	24.8%
<b>Total Unrestricted</b>		<b>3,753,495</b>	<b>3,765,632</b>	<b>49.7%</b>
<b>Restricted</b>				
LAIF - Water Storage Facilities	Investment	1,110,092	1,102,924	14.5%
LAIF - Interim Sewage	Investment	122,071	121,283	1.6%
LAIF - Debt Issuance 2022	Investment	2,369,372	2,354,073	31.0%
CLASS - Debt Issuance	Investment	-	-	0.0%
Cash in CB&T Reserved for SRF Loan	Checking	238,422	238,422	3.1%
<b>Total Restricted</b>		<b>3,839,957</b>	<b>3,816,702</b>	<b>50.3%</b>
<b>Total District Cash &amp; Investments</b>		<b>\$ 7,593,452</b>	<b>\$ 7,582,334</b>	<b>100.0%</b>

**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**



**Trabuco Canyon Water District**  
**Budget to Actual - Water**  
**For the period July 1, 2023 through January 31, 2024**  
**(Unaudited)**

	January 2024	YTD Actual	FY 24 Adopted Budget	YTD 58%
<b>1 Operating Revenue</b>				
2 Fixed / Capital Service Charges	\$ 269,478	\$ 1,782,619	\$ 3,113,000	57%
3 Variable Consumption Charges	240,762	2,487,053	3,978,400	63%
4 Baker Treatment Plant Water Sales	79,521	963,850	1,560,500	62%
5 Customer Fees	19,392	96,193	238,800	40%
6 Standby Charges	118	20,376	32,300	63%
7 Uncollectable Accounts	-	-	(23,000)	0%
<b>8 Total Operating Revenue</b>	<b>609,270</b>	<b>5,350,091</b>	<b>8,900,000</b>	<b>60%</b>
<b>9 Operating Expense</b>				
<b>10 Source of Supply</b>				
11 Fixed Water Purchases	25,218	217,764	348,900	62%
12 Variable Water Purchases	49,944	701,022	2,015,100	35%
13 Baker Treatment Plant Water Sold	71,090	756,374	1,338,400	57%
14 Water Treatment	1,423	100,181	394,300	25%
15 Pumping Electricity	18,193	187,873	244,300	77%
<b>16 Total Source of Supply</b>	<b>165,868</b>	<b>1,963,214</b>	<b>3,992,100</b>	<b>49%</b>
<b>17 Salaries and Benefits</b>				
18 Employee/Director Wages	147,982	1,059,138	1,954,800	54%
19 Employee/Director Benefits	47,535	281,622	510,400	55%
20 Retiree Health Insurance	11,675	73,672	115,300	64%
21 Transfer In - 115 OPEB Trust Reimbursement	(11,675)	(73,672)	(115,300)	64%
22 CalPERS Retirement (Normal)	25,254	177,345	323,400	55%
23 CalPERS Unfunded Accrued Liability (Minimum)	-	164,806	170,300	97%
24 Payroll Taxes	13,189	80,410	146,000	55%
<b>25 Total Salaries and Benefits</b>	<b>233,961</b>	<b>1,763,322</b>	<b>3,104,900</b>	<b>57%</b>
<b>26 Transmission and Distribution</b>				
27 System Repairs and Maintenance	3,040	183,589	258,700	71%
28 Vehicles and Equipment	3,928	48,106	101,200	48%
29 Safety, Supplies and Testing	3,885	39,628	45,400	87%
<b>30 Total Transmission and Distribution</b>	<b>10,852</b>	<b>271,324</b>	<b>405,300</b>	<b>67%</b>
<b>31 General and Administrative</b>				
32 Professional Services	60,275	282,079	513,400	55%
33 Office Maintenance, Supplies and Software	13,610	213,684	310,600	69%
34 District Insurance	-	116,597	109,300	107%
35 Dues and Memberships	6,755	87,310	95,400	92%
36 Public Outreach	4,799	72,531	103,300	70%
37 Customer Service and Billing	5,782	31,869	68,400	47%
38 Conference, Trainings and Travel	1,468	20,830	34,100	61%
<b>39 Total General and Administrative</b>	<b>92,689</b>	<b>824,899</b>	<b>1,234,500</b>	<b>67%</b>
<b>40 Total Operating Expense</b>	<b>503,370</b>	<b>4,822,759</b>	<b>8,736,800</b>	<b>55%</b>
<b>41 Net Operating Revenue / (Expense)</b>	<b>105,900</b>	<b>527,332</b>	<b>163,200</b>	<b>323%</b>
<b>42 Non-Operating Revenue / (Expense)</b>				
43 Property Tax Revenue	155,354	667,956	1,245,000	54%
44 Interest Revenue - Unrestricted	(22,881)	21,201	115,700	18%
45 Other Revenue and Reimbursements	3,343	75,378	54,400	139%
46 Miscellaneous Expense	(85)	(107,550)	(6,200)	1735%
<b>47 Net Non-Operating Revenue / (Expense)</b>	<b>135,732</b>	<b>656,984</b>	<b>1,408,900</b>	<b>47%</b>
<b>48 Net Total Revenue / (Expense)</b>	<b>241,631</b>	<b>1,184,316</b>	<b>1,572,100</b>	<b>75%</b>
<b>49 Other Unrestricted Cash Inflow / (Outflow)</b>				
50 Transfer In - Debt Proceeds for Capital	2,403	492,422	1,206,000	41%
51 Capital Improvement Program (CIP)	(2,403)	(492,422)	(1,206,000)	41%
52 Debt Service - Principal and Interest	-	(115,191)	(901,100)	13%
<b>53 Net Other Unrestricted Cash Inflow / (Outflow)</b>	<b>-</b>	<b>(115,191)</b>	<b>(901,100)</b>	<b>13%</b>
<b>54 Net Total Unrestricted Cash Inflow / (Outflow)</b>	<b>\$ 241,631</b>	<b>\$ 1,069,125</b>	<b>\$ 671,000</b>	<b>159%</b>



**Trabuco Canyon Water District**  
**District Capital - Water**  
**FY 23-24**  
**(Unaudited)**

	Project	January 2024	YTD Actual	FY 24 Adopted Budget	YTD 58%
1	<b>Water CIP</b>				
2	<b>Capital Improvements / Replacements</b>				
3	Dimension Water Treatment Plant (DWTP) Office & Storage	\$ 930	\$ 930	\$ 350,000	0%
4	SCADA System Upgrades FY 24	543	155,034	280,000	55%
5	10" Pipeline Replacement - Cooks to Harris Grade	-	-	250,000	0%
6	PSPS Transfer Switch Upgrade - Water	465	1,705	60,000	3%
7	DWTP Vault Improvement	465	2,325	75,000	3%
8	Administration Office Remodel	-	29,014	-	N/A
9	<b>Total Capital Improvements / Replacements</b>	<b>2,403</b>	<b>189,008</b>	<b>1,015,000</b>	<b>19%</b>
10	<b>Equipment</b>				
11	Fleet	-	174,950	91,000	192%
12	<b>Total Equipment</b>	<b>-</b>	<b>174,950</b>	<b>91,000</b>	<b>192%</b>
13	<b>Programs</b>				
14	Pump Replacement Program - Water	-	13,750	50,000	28%
15	Pressure Regulating Valves (PRV) - Water	-	4,743	20,000	24%
16	Valve Replacements - Water	-	109,970	30,000	367%
17	<b>Total Programs</b>	<b>-</b>	<b>128,463</b>	<b>100,000</b>	<b>128%</b>
18	<b>Total Water CIP</b>	<b>\$ 2,403</b>	<b>\$ 492,422</b>	<b>\$ 1,206,000</b>	<b>41%</b>



**Trabuco Canyon Water District**  
**Budget to Actual - Sewer**  
**For the period July 1, 2023 through January 31, 2024**  
**(Unaudited)**

	January 2024	YTD Actual	FY 24 Adopted Budget	YTD 58%
<b>1 Operating Revenue</b>				
2 Sewer Residential Charges	\$ 167,732	\$ 1,146,906	\$ 1,933,800	59%
3 Sewer Commercial Charges	16,472	129,364	189,800	68%
4 Customer Fees	16,457	105,187	281,100	37%
5 Uncollectable Accounts	-	-	(3,500)	0%
<b>6 Total Operating Revenue</b>	<b>200,661</b>	<b>1,381,457</b>	<b>2,401,200</b>	<b>58%</b>
<b>7 Operating Expense</b>				
<b>8 Salaries and Benefits</b>				
9 Employee/Director Wages	73,558	538,655	961,500	56%
10 Employee/Director Benefits	17,947	108,916	235,700	46%
11 Retiree Health Insurance	4,170	26,312	41,200	64%
12 Transfer In - 115 OPEB Trust Reimbursement	(4,170)	(26,312)	(41,200)	64%
13 CalPERS Retirement (Normal)	9,084	64,006	115,600	55%
14 CalPERS Unfunded Accrued Liability (Minimum)	-	76,658	79,200	97%
15 Payroll Taxes	4,710	28,718	73,200	39%
<b>16 Total Salaries and Benefits</b>	<b>105,300</b>	<b>816,953</b>	<b>1,465,200</b>	<b>56%</b>
<b>17 Transmission and Distribution</b>				
18 System Repairs and Maintenance	55,581	221,801	295,600	75%
19 T&D Electricity	20,544	144,299	196,300	74%
20 Vehicles and Equipment	1,284	21,101	39,300	54%
21 Safety, Supplies and Testing	1,159	9,535	41,200	23%
<b>22 Total Transmission and Distribution</b>	<b>78,569</b>	<b>396,737</b>	<b>572,400</b>	<b>69%</b>
<b>23 General and Administrative</b>				
24 Professional Services	23,107	109,636	184,900	59%
25 Office Maintenance, Supplies and Software	9,144	107,060	159,300	67%
26 District Insurance	-	41,642	42,600	98%
27 Dues and Memberships	4,271	60,117	122,000	49%
28 Public Outreach	1,714	7,579	18,300	41%
29 Customer Service and Billing	1,575	7,170	19,200	37%
30 Conference, Trainings and Travel	524	7,439	12,000	62%
<b>31 Total General and Administrative</b>	<b>40,335</b>	<b>340,643</b>	<b>558,300</b>	<b>61%</b>
<b>32 Total Operating Expense</b>	<b>224,204</b>	<b>1,554,332</b>	<b>2,595,900</b>	<b>60%</b>
<b>33 Net Operating Revenue / (Expense)</b>	<b>(23,543)</b>	<b>(172,875)</b>	<b>(194,700)</b>	<b>89%</b>
<b>34 Non-Operating Revenue / (Expense)</b>				
35 Property Tax Revenue	111,855	480,928	896,000	54%
36 Interest Revenue - Unrestricted	42,208	106,839	105,500	101%
37 Other Revenue and Reimbursements	27,253	43,385	7,300	594%
38 Miscellaneous Expense	(61)	(45,140)	(7,200)	627%
<b>39 Net Non-Operating Revenue / (Expense)</b>	<b>181,256</b>	<b>586,012</b>	<b>1,001,600</b>	
<b>40 Net Total Revenue / (Expense)</b>	<b>157,713</b>	<b>413,137</b>	<b>806,900</b>	
<b>41 Other Unrestricted Cash Inflow / (Outflow)</b>				
42 Transfer In - Debt Proceeds for Capital	100,409	511,715	2,979,500	17%
43 Capital Improvement Program	(100,409)	(514,468)	(2,979,500)	17%
44 Debt Service - Principal and Interest	-	-	(554,100)	0%
<b>45 Net Other Unrestricted Cash Inflow / (Outflow)</b>	<b>-</b>	<b>(2,753)</b>	<b>(554,100)</b>	<b>0%</b>
<b>46 Net Total Unrestricted Cash Inflow / (Outflow)</b>	<b>\$ 157,713</b>	<b>\$ 410,385</b>	<b>\$ 252,800</b>	





**Trabuco Canyon Water District**  
**District Capital - Sewer**  
**FY 23-24**  
**(Unaudited)**

	Project	January 2024	YTD Actual	FY 24 Adopted Budget	YTD 58%
1	<b>Wastewater CIP</b>				
2	<b>Capital Improvements / Replacements</b>				
3	Golf Club Sewer Lift Station (SLS) Bypass Construction	\$ 4,100	\$ 147,846	\$ 1,800,000	8%
4	SCADA System Upgrades FY 24	194	55,369	100,000	55%
5	WWTP Hoffman Blower Building Rehabilitation	12,452	46,696	400,000	12%
6	Chiquita FY 24	61,824	90,849	178,000	51%
7	Heritage SLS Rehabilitation	2,017	2,665	100,000	3%
8	PSPS Transfer Switch Upgrade - Sewer	775	2,093	60,000	3%
9	WWTP Fiber Optic Upgrade	4,030	6,820	130,000	5%
10	El Toro SLS System Improvements	-	37,469	79,000	47%
11	Administration Office Remodel	-	10,362	-	N/A
12	<b>Total Capital Improvements / Replacements</b>	<b>85,392</b>	<b>400,169</b>	<b>2,847,000</b>	<b>14%</b>
13	<b>Equipment</b>				
14	Fleet	-	62,482	32,500	192%
15	<b>Total Equipment</b>	<b>-</b>	<b>62,482</b>	<b>32,500</b>	<b>192%</b>
16	<b>Programs</b>				
17	Manhole Recoating Program - Sewer	-	-	20,000	0%
18	Pump Replacement Program (Sewer)	15,017	34,797	50,000	70%
19	Wet Well Recoating	-	17,020	30,000	57%
20	<b>Total Programs</b>	<b>15,017</b>	<b>51,817</b>	<b>100,000</b>	<b>52%</b>
21	<b>Total Wastewater CIP</b>	<b>\$ 100,409</b>	<b>\$ 514,468</b>	<b>\$ 2,979,500</b>	<b>17%</b>



**Trabuco Canyon Water District**  
**Budget to Actual - Recycled**  
 For the period July 1, 2023 through January 31, 2024  
 (Unaudited)

	January 2024	YTD Actual	FY 24 Adopted Budget	YTD 58%
<b>1 Operating Revenue</b>				
2 Fixed / Capital Service Charges	\$ 11,857	\$ 77,694	\$ 142,200	55%
3 Variable Consumption Charges	32,627	748,287	995,400	75%
4 Customer Fees	1,015	10,489	7,300	144%
5 Uncollectable Accounts	-	-	(4,000)	0%
<b>6 Total Operating Revenue</b>	<b>45,500</b>	<b>836,471</b>	<b>1,140,900</b>	<b>73%</b>
<b>7 Operating Expense</b>				
<b>8 Source of Supply</b>				
9 Recycled Water Purchases	1,457	19,207	25,900	74%
10 Water Treatment	5,876	66,433	99,400	67%
<b>11 Total Source of Supply</b>	<b>7,333</b>	<b>85,640</b>	<b>125,300</b>	<b>68%</b>
<b>12 Salaries and Benefits</b>				
13 Employee/Director Wages	17,619	130,005	231,400	56%
14 Employee/Director Benefits	5,746	36,974	75,400	49%
15 Retiree Health Insurance	834	5,262	8,200	64%
16 Transfer In - 115 OPEB Trust Reimbursement	(834)	(5,262)	(8,200)	64%
17 CalPERS Retirement (Normal)	1,960	13,796	24,800	56%
18 CalPERS Unfunded Accrued Liability (Minimum)	-	17,340	18,000	96%
19 Payroll Taxes	942	5,744	16,800	34%
<b>20 Total Salaries and Benefits</b>	<b>26,266</b>	<b>203,859</b>	<b>366,400</b>	<b>56%</b>
<b>21 Transmission and Distribution</b>				
22 T&D Electricity	25,825	189,348	282,000	67%
23 System Repairs and Maintenance	935	33,730	29,600	114%
24 Vehicles and Equipment	294	4,878	8,600	57%
25 Safety, Supplies and Testing	6,051	61,070	157,600	39%
<b>26 Total Transmission and Distribution</b>	<b>33,104</b>	<b>289,027</b>	<b>477,800</b>	<b>60%</b>
<b>27 General and Administrative</b>				
28 Professional Services	4,305	26,398	36,800	72%
29 Office Maintenance, Supplies and Software	1,615	19,245	27,600	70%
30 District Insurance	-	8,328	8,800	95%
31 Dues and Memberships	413	32,477	36,600	89%
32 Public Outreach	343	1,516	3,600	42%
33 Customer Service and Billing	315	1,434	4,000	36%
34 Conference, Trainings and Travel	105	1,488	2,200	68%
<b>35 Total General and Administrative</b>	<b>7,096</b>	<b>90,886</b>	<b>119,600</b>	<b>76%</b>
<b>36 Total Operating Expense</b>	<b>73,799</b>	<b>669,411</b>	<b>1,089,100</b>	<b>61%</b>
<b>37 Net Operating Revenue / (Expense)</b>	<b>(28,299)</b>	<b>167,060</b>	<b>51,800</b>	
<b>38 Non-Operating Revenue / (Expense)</b>				
39 Property Tax Revenue	43,499	187,027	349,200	54%
40 Interest Revenue - Unrestricted	4,777	14,036	21,800	64%
41 Other Revenue and Reimbursements	72	3,299	1,800	183%
42 Miscellaneous Expense	(24)	(2,002)	(1,100)	182%
<b>43 Net Non-Operating Revenue / (Expense)</b>	<b>48,325</b>	<b>202,360</b>	<b>371,700</b>	<b>54%</b>
<b>44 Net Total Revenue / (Expense)</b>	<b>20,026</b>	<b>369,420</b>	<b>423,500</b>	<b>87%</b>
<b>45 Other Unrestricted Cash Inflow / (Outflow)</b>				
46 Transfer In - Debt Proceeds for Capital	39	26,108	326,500	8%
47 Capital Improvement Program	(39)	(26,108)	(326,500)	8%
48 Debt Service - Principal and Interest	-	-	(81,400)	0%
<b>49 Net Other Unrestricted Cash Inflow / (Outflow)</b>	<b>-</b>	<b>-</b>	<b>(81,400)</b>	<b>0%</b>
<b>50 Net Total Unrestricted Cash Inflow / (Outflow)</b>	<b>\$ 20,026</b>	<b>\$ 369,420</b>	<b>\$ 342,100</b>	<b>108%</b>



**Trabuco Canyon Water District**  
**District Capital - Recycled**  
**FY 23-24**  
**(Unaudited)**

Project		January 2024	YTD Actual	FY 24 Adopted Budget	YTD 58%
1	<b>Recycled Water CIP</b>				
2	<b>Capital Improvements / Replacements</b>				
3	SCADA System Upgrades FY 24	\$ 39	\$ 11,074	\$ 20,000	55%
4	Dove Recycled Booster Pump Station	-	-	100,000	0%
5	Recycled PRV Vault Improvements - Dove Canyon	-	465	200,000	0%
6	Administration Office Remodel	-	2,072	-	N/A
7	<b>Capital Improvements / Replacements Total</b>	<b>39</b>	<b>13,611</b>	<b>320,000</b>	<b>4%</b>
8	<b>Equipment</b>				
9	Fleet	-	12,496	6,500	192%
10	<b>Equipment Total</b>	<b>-</b>	<b>12,496</b>	<b>6,500</b>	<b>192%</b>
11	<b>Total Recycled Water CIP</b>	<b>\$ 39</b>	<b>\$ 26,108</b>	<b>\$ 326,500</b>	<b>8%</b>