



**FINANCE/AUDIT COMMITTEE MEETING AGENDA
TRABUCO CANYON WATER DISTRICT
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA
VIDEO/AUDIO BROADCAST MEETING – NOVEMBER 10, 2020 AT 1:00 PM**

COMMITTEE MEMBERS

Don Chadd, Committee Chair
Michael Safranski, Committee Member

DISTRICT STAFF

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

AGENDA NOTE:

Meeting attendees should be aware that the meetings of the Board of Directors are, as required by law, open to the public and the District has very limited powers to regulate who attends Board meetings.

CONFERENCE CALL INFORMATION

Due to the spread of COVID-19 and as authorized by the Governor's Executive Order, Trabuco Canyon Water District will be holding all upcoming public meetings by Go To Meeting, and will be available by either computer or telephone audio as follows:

Computer Audio: *You can join the meeting from your computer, tablet, or smartphone by clicking on the following link: <https://global.gotomeeting.com/join/349651253>*

Telephone Audio: *1 866 899 4679 (Toll Free)*

Access Code: *349-651-253*

Persons desiring to monitor the Board meeting agenda items may download the Board meeting agenda and documents on the internet at www.tcwd.ca.gov.

You may submit public comments by email to the Board at mperea@tcwd.ca.gov. In order to be part of the record, emailed comments on meeting agenda items must be received by the District, at the referenced e-mail address, not later than 10:00 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.

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING AGENDA | NOVEMBER 10, 2020**

ORAL COMMUNICATION

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

COMMITTEE MEMBER COMMENTS

REPORT FROM THE GENERAL MANAGER

FINANCIAL MATTERS

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

RECOMMENDED ACTION:

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

1. October 14, 2020

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

RECOMMENDED ACTION:

Recommend the Board of Directors ratify the Directors' fees and expenses for October 2020 and tentative future meetings/attendance. (Consent Calendar)

ITEM 3: DISCUSSION AND ACTION ON CONTRACT CHANGE ORDER NO. 2 FOR RAFTELIS FINANCIAL CONSULTANTS FOR TRABUCO CANYON WATER DISTRICT'S RATE ANALYSIS FOR WATER, WASTEWATER, AND NON-DOMESTIC WATER RATES AND CHARGES AND RELATED MATTERS

RECOMMENDED ACTION(S)

Receive information concerning the matter at the time of the Committee meeting and recommend the Board of Directors authorize the General Manager to execute the Raftelis Financial Consultants Contract Change Order No. 2 in the amount of \$8,950 (Action Calendar).

ITEM 4: DISCUSSION AND ACTION ON COMMON INTEREST AGREEMENT REGARDING THE ALLEN MCCOLLOCH PIPELINE SALE AGREEMENT TO METROPOLITAN WATER DISTRICT

RECOMMENDED ACTION(S)

Receive information concerning this matter at time of the Committee meeting and recommend the Board of Directors authorize the General Manager to execute the Common Interest Agreement Regarding the Allen McColloch Pipeline Sale Agreement to Metropolitan Water District (Action Calendar).

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING AGENDA | NOVEMBER 10, 2020**

ITEM 5: OTHER MATTERS

RECOMMENDED ACTION:

Hear Other Matters from the General Manager or District Staff.

ITEM 6: FINANCIAL REPORT

A) PRESENTATION OF UNAUDITED FINANCIAL STATEMENTS

RECOMMENDED ACTION:

Recommend that the Board receive and file the preliminary unaudited financial statements for September 2020 (Consent Calendar).

B) BILLS FOR CONSIDERATION

RECOMMENDED ACTION:

Approve and ratify the bills for consideration and warrant register and recommend that the Board ratify payment of the Bills for Consideration for November 10, 2020 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. 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.

The District may conduct future meetings electronically (via teleconferencing) during the current ongoing emergency situation.

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | NOVEMBER 10, 2020**

FINANCIAL MATTERS

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

RECOMMENDED ACTION:

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

1. *October 14, 2020*

CONTACTS (staff responsible): PALUDI/PEREA



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | OCTOBER 14, 2020

DIRECTORS PRESENT

Director Don Chadd, Committee Chair
Director Mike Safranski, Committee Member

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager / Board Secretary
Lorrie Lausten, District Engineer
Karen Warner, Senior Accountant
Lisa Marie Sangi, Administrative Assistant

PUBLIC PRESENT VIA CONFERENCE CALL

There was one caller.

CALL MEETING TO ORDER

Director Chadd called the October 14, 2020 Finance/Audit Committee Meeting to order at 1:00 P.M.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

None

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported the following matters:

- **Silvertree Lane Domestic Pipeline Repair:** Mr. Paludi reported that the project is scheduled to begin the following day. Ms. Lausten mentioned; potholing has already started, and the old line will be abandoned in place.
- **District Water, Wastewater, and Recycled Water Rates and Charges Analysis:** Mr. Paludi provided a brief update on the District's Rate Study with Raftelis Financial Consultants, and he reported that District staff have completed a thorough review of the user peaking and demand impacts on the District's non-domestic water supplies and system.
- **Salary Survey Analysis:** Mr. Paludi provided a brief status report update on the salary survey as performed by Ralph Anderson & Associates.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

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

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | OCTOBER 14, 2020**

RECOMMENDED ACTION:

The Committee recommended that the Finance/Audit Committee Meeting Recap be forwarded to the Board of Directors for approval (Consent Calendar).

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

Mr. Paludi presented the Directors' Fees and Expenses Report and Tentative Future Meetings/Attendance Report for Committee consideration and review.

RECOMMENDED ACTION:

The Committee recommended that the Directors' Fees and Expenses Report for September 2020, and the Tentative Future Meetings/Attendance Report be forwarded to the Board of Directors for ratification (Consent Calendar).

ITEM 3: OTHER MATTERS

Discussion occurred concerning the partnership between the District and the Orange County Registrar of Voters for General Election early voting center at the District's Administration Facility.

RECOMMENDED ACTION:

No action was taken.

ITEM 4: FINANCIAL REPORT

Ms. Warner presented the preliminary unaudited financials for August 2020 for Committee consideration.

STATEMENT OF REVENUES AND EXPENSES

Operating Revenue, Residential Water Revenue

Ms. Warner reported that this line item was higher than anticipated for the time of the year due to increased water demands.

Operating Revenue, Baker Treatment Plant Water Sales

Ms. Warner reported that this line item was higher than the prior month due to decreased water sales to the City of San Clemente.

Operating Expenses, Total Operating Expenses

Ms. Warner reported that this line item was higher than the prior month but was below the year to date budget.

RESTRICTED ASSETS REPORT & INVESTMENT SCHEDULE

Ms. Warner reviewed the District's reserve account levels and investment schedule for the month of August.

There was brief discussion concerning Federal Emergency Management Agency (FEMA) reimbursement for the Alternate Raw Water Transmission Line project. Mr. Paludi reported that FEMA has approved the project for reimbursement, but the District has not received the funds to date.

RECOMMENDED ACTION:

The Committee signed the bills for consideration and the warrant register and recommended that the Board ratify payment of the bills for consideration for October 14, 2020 as presented (Consent Calendar).

ADJOURNMENT

Director Chadd adjourned the October 14, 2020 Finance/Audit Committee Meeting at 1:16 PM.

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | NOVEMBER 10, 2020**

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 a Director capacity. The attached spreadsheet provides a recap of the meetings, seminars, and/or conferences attended by Directors including direct reimbursables paid to each Director.

Future Meetings

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

RECOMMENDED ACTION:

Recommend that the Board ratify the Directors' fees and expenses for October 2020 and tentative future meetings/attendance. (Consent Calendar)

EXHIBIT(S):

1. Directors' Fees and Expenses Report for October 2020
2. Directors' Tentative Future Meetings/Attendance – Calendar Year 2020.

CONTACTS (staff responsible): PALUDI/PEREA

**TRABUCO CANYON WATER DISTRICT
DIRECTORS' FEES AND EXPENSES MONTHLY REPORT | OCTOBER 2020**


MEETING DESCRIPTION	ACOSTA	CHADD	DOPUDJA	MANDICH	SAFRANSKI
<i>DISTRICT MEETINGS</i>					
Engineering/Operational Committee Meeting			10/07/20	10/07/20	
Finance/Audit Committee Meeting		10/14/20			10/14/20
Individual Meeting with General Manager	10/20/20	10/20/20	10/20/20	10/19/20	10/16/20
Ad Hoc Committee		10/12/20	10/12/20		
Regular Board Meeting	10/21/20	10/21/20	10/21/20	10/21/20	10/21/20
<i>REPRESENTATIVE MEETINGS</i>					
City of Rancho Santa Margarita City Council Meeting	10/14/20				
City of Rancho Santa Margarita City Council Meeting	10/28/20				
Rancho Santa Margarita Trampas Dam Reservoir Virtual Tour			10/09/20	10/09/20	10/09/20
South Orange County Watershed Management Agency (SOCWMA)					
South Orange County Wastewater Authority (SOCWA) Regular Board Meeting			10/01/20		
Water Advisory Committee of Orange County Meeting (WACO)	10/02/20				
<i>NUMBER OF MEETINGS ATTENDED</i>	5	4	6	4	4
<i>FEES (\$125 per each meeting*)</i>	\$625.00	\$500.00	\$750.00	\$500.00	\$500.00
<i>DIRECT REIMBURSABLE EXPENSES</i>					
<i>DIRECT REIMBURSABLE EXPENSES TOTALS</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<i>INDIRECT REIMBURSABLE EXPENSES</i>					
<i>INDIRECT REIMBURSABLE EXPENSES TOTALS</i>					
TOTAL	\$625.00	\$500.00	\$750.00	\$500.00	\$500.00
<i>* Maximum per diem per day is one; maximum per diems per month is 10</i>					

DIRECTOR SIGNATURE

TRABUCO CANYON WATER DISTRICT | 2020 PUBLIC MEETING AND CONFERENCE CALENDAR

2020													
LINE ITEM	MEETING DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
DISTRICT PUBLIC MEETINGS													
1	Executive Committee Meeting	01/08/20			TBD			TBD			TBD		
2	Engineering/Operational Committee Meeting	01/08/20	02/05/20	03/04/20	04/01/20	05/06/20	06/03/20	07/01/20	08/05/20	09/02/20	10/07/20	11/04/20	12/02/20
3	Finance/Audit Committee Meeting	01/08/20	02/12/20	03/11/20	04/08/20	05/13/20	06/10/20	07/08/20	08/12/20	09/09/20	10/14/20	11/10/20	12/09/20
4	Regular Board Meeting	01/15/20	02/19/20	03/18/20	04/15/20	05/20/20	06/17/20	07/15/20	08/19/20	09/16/20	10/21/20	11/18/20	12/16/20
5	District Properties Ad Hoc Committee Meeting	-	-	-	-	-	-	-	-	-	-	-	-
PUBLIC MEETINGS													
6	City of RSM City Council Meeting - Meeting No. 1	01/08/20	02/12/20	03/11/20	04/08/20	05/13/20	06/10/20	07/08/20	08/12/20	09/09/20	10/14/20	11/11/20	12/09/20
7	City of RSM City Council Meeting - Meeting No. 2	01/22/20	02/26/20	03/25/20	04/22/20	05/27/20	06/24/20	07/22/20	08/26/20	09/23/20	10/28/20	11/25/20	12/23/20
8	Independent Special Districts of Orange County Meeting	01/07/20	02/04/20	03/03/20	04/07/20	05/05/20	06/02/20	07/07/20	08/04/20	09/01/20	10/06/20	11/03/20	12/01/20
9	Independent Special Districts of Orange County Meeting	01/30/20	-	-	04/30/20	-	-	07/30/20	-	-	10/29/20	-	-
10	Orange County Local Agency Formation Commission (OC LAFCO)	01/08/20	02/12/20	03/11/20	04/08/20	05/13/20	06/10/20	07/08/20	08/12/20	09/09/20	10/14/20	11/11/20	12/09/20
11	Santiago Aqueduct Commission Meeting	-	-	-	-	-	06/18/20	-	-	09/17/20	-	-	12/17/20
12	South Orange County Water Agencies Group Meeting*	01/28/20	-	03/24/20	-	05/26/20	-	07/28/20	-	09/22/20	-	11/24/20	-
13	South Orange County Wastewater Authority Regular Board Meeting	01/09/20	02/06/20	03/05/20	04/02/20	05/07/20	06/04/20	07/02/20	08/06/20	09/03/20	10/01/20	11/05/20	12/03/20
14	Water Advisory Committee of Orange County	01/03/20	02/07/20	03/06/20	04/03/20	05/01/20	06/05/20	07/03/20	08/07/20	09/04/20	10/02/20	11/06/20	12/04/20
CONFERENCES													
15	ACWA Spring Conference - Monterey, CA					5/5 - 5/8							
16	ACWA Fall Conference - Indian Wells, CA												12/1 - 12/4
17	CSDA Annual Conference - Palm Desert, CA								8/24 - 8/27				
18	CSDA GM Leadership Summit - Newport Beach, CA						6/28 - 6/30						
19	CSDA SDLA Conference - San Diego, CA				4/19 - 4/22								

LEGEND

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

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | NOVEMBER 10, 2020**

ITEM 3: DISCUSSION AND ACTION ON CONTRACT CHANGE ORDER NO. 2 FOR RAFTELIS FINANCIAL CONSULTANTS FOR TRABUCO CANYON WATER DISTRICT'S RATE ANALYSIS FOR WATER, WASTEWATER, AND NON-DOMESTIC WATER RATES AND CHARGES AND RELATED MATTERS

Raftelis Financial Consultants (Raftelis) has assisted Trabuco Canyon Water District (District) with the current cost of service rate study since March 2019. The original contract approved by the Board of Directors included a not to exceed amount of \$66,489. The scope of the original contract was based on an estimated level of effort that did not account for the number of revisions that have been necessary to the financial model and the proposed rates and charges for water, wastewater, and recycled water services.

After the first of two Board workshops on the rate study on January 28, 2020, Raftelis requested a change order to the original contract to address the Board's input through the development of new rate scenarios. The Board approved Change Order No. 1 in February 2020 for \$19,988. After the second Board workshop on October 6, Raftelis further revised the financial model and assisted staff in developing a final proposed rate adjustment for recycled water and developed a Notice of Public Hearing with enhanced graphics also not contemplated in the original contract. Accordingly, Raftelis is requesting Change Order No. 2 for \$8,950. Staff has reviewed this request and finds it to be reasonable and justified. More information may be provided at the time of the meeting.

FUNDING SOURCE:

General Fund.

FISCAL IMPACT:

\$8,950.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDED ACTION(S)

Receive information concerning the matter at the time of the Committee meeting and recommend the Board of Directors authorize the General Manager to execute the Raftelis Financial Consultants Contract Change Order No. 2 in the amount of \$8,950 (Action Calendar).

EXHIBITS:

1. Raftelis request for Change Order No. 2

CONTACTS (staff responsible): PALUDI/PEREA

October 19, 2020

Mr. Fernando Paludi
General Manager
Trabuco Canyon Water District
32003 Dove Canyon Drive
Trabuco Canyon, CA 92679

Subject: Amendment #2

Dear Mr. Paludi:

As we discussed after the second board workshop, we updated the model two extra times with new CIP, reserve balances, prepared two presentations to discuss with staff. We also revised the non-domestic rates from tiered to uniform and will update the public notice and report. These unplanned efforts used the budget with two items remaining. These two items are a public hearing notice and a public hearing presentation. Therefore, Raftelis cordially submits this request to amend the contract amount to complete the project based on a time and materials basis. We estimate the time to complete these two items as shown in the table below.

Tasks	Number of Meetings	Hours					Total Fees & Expenses
		PD	PM	SC	Graphics	Total	
1. Public Hearing Notice			4	8	10	22	\$4,290
2. Public Hearing Presentation	1		8	4		12	\$3,250
3. Update Non-Domestic Rates and Revise Report			1	5		6	\$1,410
Total Estimated Meetings / Hours	1	0	13	17	10	40	
Hourly Billing Rate		\$295	\$275	\$215	\$125		
Total Professional Fees		\$0	\$3,575	\$3,655	\$1,250	\$8,480	

PD - Project Director, Sanjay Gaur
PM - Project Manager, Steve Gagnon, PE
SC - Staff Consultants
Graphics
Admin - Administrative Staff

Total Fees	\$8,480
Total Expenses	\$470
Total Fees & Expenses	\$8,950

We have included a signature block at the end of this request to amend the contract. We are also happy to amend the contract more formally if required.

We are delighted to assist to the District. If you agree with the proposed fees and expenses documented in this letter, please sign in the space below and return one copy for our files. If you have any questions, please don't hesitate to contact me at 714.351.2013.

Sincerely,

RAFTELIS FINANCIAL CONSULTANTS, INC.



Steve Gagnon, PE (AZ)

Sr. Manager

The District accepts the terms of this engagement letter

_____	_____
Signature	Name of authorized agent
_____	_____
Date	Title

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | NOVEMBER 10, 2020**

ITEM 4: DISCUSSION AND ACTION ON COMMON INTEREST AGREEMENT REGARDING THE ALLEN MCCOLLOCH PIPELINE SALE AGREEMENT TO METROPOLITAN WATER DISTRICT

The Allen McColloch Pipeline (AMP) was sold to Metropolitan Water District of Southern California (MET) in 1995. Trabuco Canyon Water District (District) was a participant in both the AMP Sale Agreement and the Agreement for Allocation of AMP Proceeds. Although the terms of the contracts and the parties' performance obligations expired or extinguished as of July 1, 2016, there are questions as to whether in fact some terms may remain in effect and some obligations remain enforceable.

Given these questions and uncertainties, MWDOC had its Legal Counsel review the multiple agreements related to the sale of the AMP and provide their understanding of the on-going responsibilities and obligations on behalf of the AMP Participants. The AMP Participants include MWDOC, City of Anaheim, Yorba Linda Water District, East OC Water District, Santa Margarita Water District, Moulton Niguel Water District, Irvine Ranch Water District, El Toro Water District, City of Orange, City of San Juan Capistrano, South Coast Water District, City of San Clemente, and Trabuco Canyon Water District.

MWDOC Legal Counsel has prepared a legal analysis and is recommending a meeting be convened of the AMP Participants to review and discuss the legal analysis to determine if any changes in the provisions are warranted. Given that MWDOC and the AMP Participants are all aligned under the various contracts and share a common interest, in the reliability of the AMP, its operations, and delivery of water to the Participants, MWDOC's Legal Counsel has recommended that MWDOC and the twelve current AMP Participants enter into the attached "Common Interest Agreement" so that MWDOC can share its legal research on this issue and maintain confidentiality. Absent such an agreement, any shared legal analysis and related communications about the parties' rights and obligations may not be protected. Staff is recommending that the District execute the Common Interest Agreement in order to benefit from MWDOC's legal analysis and participate in any discussions regarding revision of terms still in effect.

FUNDING SOURCE:

Not applicable.

FISCAL IMPACT:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDED ACTION(S)

Receive information concerning this matter at time of the Committee meeting and recommend the Board of Directors authorize the General Manager to execute the Common Interest Agreement Regarding the Allen McColloch Pipeline Sale Agreement to Metropolitan Water District (Action Calendar).

EXHIBITS:

1. "Common Interest Agreement Regarding the Allen McColloch Pipeline Sale Agreement to Metropolitan Water District."

CONTACTS (staff responsible): PALUDI/PEREA

**COMMON INTEREST AGREEMENT REGARDING THE ALLEN-MCCOLLOCH
PIPELINE SALE AGREEMENT TO METROPOLITAN WATER DISTRICT
PRIVILEGED AND CONFIDENTIAL ATTORNEY WORK PRODUCT**

This Common Interest ("Agreement") is entered into among the undersigned parties and their attorneys, by and through their attorneys or other authorized representative (sometimes referred to herein individually as a "Party" or collectively as the "Parties").

WHEREAS, the Parties shall be the Municipal Water District of Orange County ("MWDOC") and each of the participating agencies including the City of Anaheim, Yorba Linda Water District, East Orange County Water District, City of San Juan Capistrano, Santa Margarita Water District, Moulton-Niguel Water District, Irvine Ranch Water District, El Toro Water District, Trabuco Canyon Water District, South Coast Water District, City of San Clemente, and the City of Orange (collectively the "Participants") that agree to be bound by this Agreement;

WHEREAS, in 1978, certain Participants and MWDOC entered agreements for the construction, operation, and maintenance of the Allen-McColloch Pipeline ("AMP"), and for subleases concerning the Diemer Filtration Plant/Santiago Aqueduct Intertie;

WHEREAS, the AMP is an approximately 27 mile long water pipeline, built by MWDOC and certain Participants, that conveys water from the point of delivery from The Metropolitan Water District of Southern California ("Metropolitan") at the Robert B. Diemer Filtration Plant in Yorba Linda, to a point near El Toro Reservoir;

WHEREAS, on July 1, 1994, as part of the planned sale of the AMP, MWDOC, certain Participants, and two non-participant lessees of capacity in the pipeline agreed to allocate the proceeds of the sale of the pipeline ("AMP Proceeds" contract);

WHEREAS, on March 27, 1995, after years of discussion, MWDOC closed on its contract with certain Participants, and Metropolitan for the sale of the AMP to Metropolitan ("AMP Sale" contract) and Metropolitan assumed related obligations under certain financing documents;

WHEREAS, under the AMP Sale and AMP Proceeds contracts, the expected discharge date for all required payments under the financing documents is July 1, 2016;

WHEREAS, following the expected discharge date of July 1, 2016, the AMP Sale's and AMP Proceeds' terms of agreement have expired, and the parties' performance obligations are extinguished, except as expressly or impliedly provided otherwise;

WHEREAS, the Parties and their respective counsel believe, based on currently available information, that each of the Parties shares a common interest in successfully prosecuting or defending their interests in any actions related to the AMP Sale and AMP Proceeds contracts, and any obligations that survive the term of the agreements and remain expressly or impliedly enforceable (collectively, "Actions"), as well as their interactions with Metropolitan regarding the interpretation of their rights and obligations in the AMP because the issues underlying the

Actions may affect their common interest in the reliability of the AMP, its operations, and delivery of water to the Participants;

WHEREAS, the purpose of this Agreement is to protect oral, electronic, and/or written communications made between and among the Parties and/or their respective counsel, and to allow them to disclose privileged and/or confidential information and materials to each other while avoiding any suggestion of waiver and preserving, to the fullest extent possible, attorney-client privilege, attorney work product protections, and any other applicable privileges and protections applying to confidentiality of information, to allow for consistent representation and/or prosecution and defense of claims on issues of common interest raised in the Actions;

WHEREAS, this Agreement is consistent with the common interest and joint defense doctrines and concepts recognized and articulated in California Evidence Code section 912(d) and in *OXY Resources California LLC v. Superior Court* (2004) 115 Cal.App.4th 874, *STI Outdoor LLC v. Superior Court* (2001) 91 Cal.App.4th 334, *California Oak Foundation v. County of Tehama* (2009) 174 Cal.App.4th 1217, and their progeny, and in Rule 26(b)(3) of the Federal Rules of Civil Procedure, as construed in, and in accordance with the joint and common interest concepts articulated in cases such as *Hunydee v. United States*, 355 F.2d 183 (9th Cir. 1965); *Continental Oil Co. v. United States*, 330 F.2d 347 (9th Cir. 1964), and other cases decided regarding communication of information to further the interest of the client and communication of information that is necessary to the accomplishment of the purpose for which the Parties herein have retained counsel regarding the Actions.

THEREFORE, the Parties hereby agree as follows:

1. The Parties share certain common objectives and interests in the Actions and the interpretation of their rights and obligations pursuant to the AMP Sale and AMP Proceeds contracts. Accordingly, the Parties wish to pursue their common objectives and interests in a manner that allows their respective counsel to exchange information, including confidential information, work product, litigation strategies, and confidential factual information, in a manner that precludes the waiver of any applicable privilege or similar protection. In that regard, documents and other materials and information, written or oral, that are otherwise privileged or immune from discovery under either the work product doctrine, attorney-client privilege, or any other privilege or confidentiality doctrine, but that are exchanged between and among the Parties or their counsel in connection with or concerning the Actions, and any materials derived directly or indirectly from such documents and other materials and information, shall not lose their privilege or protected status as a result of such exchange. Such disclosed documents and other materials and information, whether previously or hereafter disclosed, are hereinafter referred to as "Common Interest Information."

2. The Parties agree to keep all Common Interest Information confidential, provided, however: Common Interest Information may be shared with board members, employees, consultants, and/or other agents of each Party, pursuant to paragraph 6 below. Any party wishing to designate any written document as containing Common Interest Information shall clearly mark any such written document containing Common Interest Information, as "PRIVILEGED AND CONFIDENTIAL." The Parties will use their best efforts to so mark all such written materials, and will instruct all attorneys, paralegals, clerical, and other personnel to do so; provided,

however, that failure to mark such exchanged written materials shall not be treated as waiving any applicable privilege as to any materials not so marked. To the maximum extent permitted by law, the sharing of Common Interest Information shall be undertaken in a manner that protects Common Interest Information from public disclosure under the Ralph M. Brown Act, the California Public Records Act, or other applicable law.

3. The Parties intend for this Agreement to apply to all confidential and/or privileged communications, including but not limited to those made in the course of all proceedings leading up to the initiation of the Actions, and throughout the proceedings of all Actions until finally and conclusively determined by the court of last resort.

4. Nothing contained in this Agreement shall obligate any Party to disclose any information to any other Party or any other person or entity.

5. All Common Interest Information will remain privileged and protected, notwithstanding disclosure to a Party or the Parties. Additionally, discussions between or among the Parties and/or their counsel shall be protected by the attorney work product doctrine, the attorney-client privilege, and/or any other privileges or confidentiality doctrines that may apply.

6. The Parties understand and agree that periodic meetings and conversations pursuant to this Agreement, as well as any Common Interest Information that has been or will be produced to counsel by any Party, and any Common Interest Information obtained from any expert or consultant to any of the Parties which has been or will be produced to any Party or its counsel pursuant to this Agreement shall remain confidential and shall not be disclosed to any third party, including to any consultant retained by any Party, except as provided in Paragraph 7 immediately below or as required by law. Should a Party wish to disclose any Common Interest Information, it shall notify in writing all other Parties 10 days prior to doing so, and any Party may prohibit such disclosure of any Common Interest Information generated by that Party by notifying the Party intending to disclose the information within 48 hours therefrom.

7. To protect Common Interest Information from potential compelled disclosure pursuant to discovery, the Parties understand and agree, regarding any expert or consultant to whom Common Interest Information has been provided, that such consultants will not be later designated to provide testimony in litigation without first obtaining the consent and agreement of any Party whose confidential information was provided to that expert or consultant, and to the waiver of confidentiality that may result from such designation.

8. This Agreement applies to Common Interest Information that may have been communicated between and/or among the Parties before the formal execution of the Agreement, and to that extent, this Agreement is intended to continue the prior understanding of the Parties regarding the confidentiality of such materials and information.

9. The Parties shall each take all necessary and appropriate measures to ensure that any person who is granted access to Common Interest Information is familiar with the terms of this Agreement and complies with its terms. Common Interest Information shall be transmitted and maintained in such a manner so that no intentional or unintentional disclosure is made which might compromise any asserted privilege or immunity.

10. At the request and option of any Party, Common Interest Information generated by that Party shall be returned to that Party or shall be destroyed by the receiving Party, subject to any applicable federal and state laws mandating record-keeping.

11. Disclosure of Common Interest Information to a Party, or any agent as specified in Paragraphs 2 or 6 will be conditioned upon their agreeing to maintain the confidentiality of the Common Interest Information. If Common Interest Information is disclosed to any person or entities hired to assist in the Actions, the recipient, as a precondition to such disclosure, must agree in writing to maintain the confidentiality of the materials.

12. If any Common Interest Information is divulged, disclosed, or provided to any person or entity not a Party, except as otherwise provided in this Agreement or disclosed by the author of the information, without the written consent of all Parties, it shall be construed as a violation of this Agreement and will not serve as or constitute a waiver of the attorney-client privilege, attorney work-product doctrine, or other privilege or confidentiality doctrine that may apply.

13. The Parties agree that if Common Interest Information is sought by a non-party to this Agreement by discovery request, subpoena, deposition question, interrogatories, California Public Records Act request, or otherwise sought through a bona fide requirement by law or regulation (collectively a "Requirement") such Common Interest Information shall not be disclosed except as required by applicable law or court order. The Party receiving a California Public Records Act request shall be the Party that determines whether the disclosure of Common Interest Information in its possession is required by law or court order. The Party receiving a request or demand for Common Interest Information through a Requirement shall immediately provide written notice to all other Parties of the existence, terms, and circumstances of the request or demand, and will not disclose the Common Interest Information at issue for at least 10 calendar days from the date of the demand or request, to give each other Party an opportunity to seek an order to prevent such disclosure. If such an order is sought, the Party that received the request or demand shall refrain from disclosing the requested or demanded Common Interest Information until such time as a final determination is made on that order; provided, however, that the Party that received the request or demand shall not be required to refrain from disclosing the requested or demanded information if doing so would violate the law. The costs and expenses for seeking a protective order shall be borne only by the Party(ies) seeking the protective order. If a Party subject to a request or demand described in this paragraph is compelled, in the opinion of its legal counsel, to disclose Common Interest Information in order to avoid being found in contempt or other substantial penalty, that Party shall furnish only that portion of the Privileged Information which is legally required pursuant to the order of a court and will not be liable to any other Party for the disclosure of Common Interest Information.

14. Nothing in this Agreement shall be construed to affect the separate and independent representation of each Party by its respective counsel according to what its counsel believes to be the respective Party's best interest. While counsel are obligated to preserve the confidentiality of Common Interest Information, and it is expected that counsel for one Party may from time to time prepare pleadings addressing issues which counsel for another Party may decide his or her client has a common interest in and elect to join in for efficiency or other

reasons, this Agreement does not provide authority or obligation for counsel for any one Party to act for or represent the rights or interests of any Party other than the one(s) it represents.

15. This Agreement shall not create any joint venture, agency, or similar relationship among the Parties. No Party or counsel of any Party to this Agreement shall have any vote, control, or influence over the decisions of any other Party or its counsel related to the Actions. No Party shall have the authority to waive any applicable privilege or doctrine on behalf of any other Party. Nor shall any waiver of an applicable privilege or protection by any Party be construed to apply to any other Party.

16. In the event any Party ceases participating in the Actions, or for any other reason ceases to participate in this Agreement, such Party shall be obligated to continue to preserve the confidentiality of Common Interest Information and any and all privileges pertaining to Common Interest Information as though the Party was still part of the joint prosecution/defense arrangement.

17. The Parties agree that, in the event any Party determines that it no longer has, or no longer will have, mutuality of interest in a joint prosecution or defense for any reason, that Party will promptly notify the other Parties of its intent to withdraw from this Agreement. A written notice of withdrawal shall constitute a termination of this Agreement as to the withdrawing Party; provided, however, that no such termination shall affect or impair the obligations of confidentiality and privilege with respect to Common Interest Information previously imposed on the withdrawing Party pursuant to this Agreement.

18. The Parties agree that the existence of this Agreement shall not be disclosed or used offensively or defensively in the Actions or any other proceeding (except that this Agreement may be disclosed or used by any Party hereto in any proceeding to maintain and protect, consistent with the intent of this Agreement, the confidentiality of any or all Common Interest Information); nor will any Party claim that any counsel to a Party is disqualified from any proceeding by reason of this Agreement or the sharing of Common Interest Information under this Agreement.

19. The Parties expressly acknowledge and agree that no adequate remedy is at law for breach of this Agreement and that, in addition to any other remedies available, performance of this Agreement may be specifically ordered or a breach hereof may be enjoined, or both.

20. This Agreement, by itself, does not obligate or authorize any Party to be responsible for or share costs of any of the Actions with any other Party.

21. The execution of and participation in this Agreement by the Parties shall not provide the grounds for the disqualification of any attorney, consultant, or any other representative of any Party hereto, from the Actions or any future administrative or judicial proceeding arising out of the Actions.

22. To the extent that the Parties have previously agreed orally to operate under a common-interest or joint defense agreement with respect to the issues anticipated in any of the Actions, all information shared under such prior agreements shall continue to be protected by all applicable privileges. This Agreement memorializes any earlier oral agreements and incorporates

and supersedes any prior oral agreement between the Parties pursuant to which confidential Common Interest Information has been exchanged.

23. No amendment, modification, waiver, or termination of this Agreement shall be binding unless executed in writing by all Parties, other than a withdrawal by a Party as provided in Paragraph 17.

24. This Agreement shall be interpreted in accordance with the laws of the State of California.

25. If any provision of this Agreement is determined to be invalid or unenforceable, the remaining provisions shall continue to be fully operative.

26. Each signatory to this Agreement hereby represents and warrants that he/she executed this Agreement on behalf of his/her client only after fully apprising his/her client of the provisions of this Agreement and their meaning and obtaining all necessary authority to enter into this Agreement on his/her client's behalf.

27. The Parties intend that this Agreement may be signed in separate counterparts, each of which shall be binding on all parties who are signatory to any counterpart.

28. This Agreement shall become effective upon two or more entities executing this Agreement. Copies of this Agreement signed by any entity, other than MWDOC shall be returned to the general counsel for MWDOC, who shall distribute a fully executed copy to each Party upon request.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written

**MUNICIPAL WATER DISTRICT OF ORANGE
COUNTY**

By: _____

Name (Print): _____

Title: _____

Date:

CITY OF ANAHEIM

By: _____

Name (Print): _____

Title: _____

Date:

YORBA LINDA WATER DISTRICT

By: _____

Name (Print): _____

Title: _____

Date:

EAST ORANGE COUNTY WATER DISTRICT

By: _____

Name (Print): _____

Title: _____

Date:

CITY OF SAN JUAN CAPISTRANO

By: _____

Name (Print): _____

Title: _____

Date:

SANTA MARGARITA WATER DISTRICT

By: _____

Name (Print): _____

Title: _____

Date:

MOULTON NIGUEL WATER DISTRICT

By: _____
Name (Print): _____
Title: _____
Date:

IRVINE RANCH WATER DISTRICT

By: _____
Name (Print): _____
Title: _____
Date:

EL TORO WATER DISTRICT

By: _____
Name (Print): _____
Title: _____
Date:

TRABUCO CANYON WATER DISTRICT

By: _____
Name (Print): _____
Title: _____
Date:

SOUTH COAST WATER DISTRICT

By: _____

Name (Print): _____

Title: _____

Date:

CITY OF SAN CLEMENTE

By: _____

Name (Print): _____

Title: _____

Date:

CITY OF ORANGE

By: _____

Name (Print): _____

Title: _____

Date:

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | NOVEMBER 10, 2020**

FINANCIAL MATTERS

ITEM 5: OTHER MATTERS

Other financial matters may have arisen after the posting of the agenda and will be brought forward for discussion and/or information at the time of the Finance/Audit Committee Meeting.

RECOMMENDED ACTION:

Hear Other Matters from the General Manager or District Staff.

CONTACTS (staff responsible): PALUDI/PEREA

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | NOVEMBER 10, 2020**

FINANCIAL MATTERS

ITEM 6: FINANCIAL REPORT

A) PRESENTATION OF PRELIMINARY UNAUDITED FINANCIAL STATEMENTS

The following preliminary unaudited financial statements are included for Committee review:

- Statement of Revenues and Expenses
- Comparative Balance Sheet
- Restricted Assets Report
- Investment Schedule
- Summary of Checking Account Activity

RECOMMENDED ACTION:

Committee to recommend that the Board receive and file the preliminary unaudited financial statements for September 2020 (Consent Calendar).

B) BILLS FOR CONSIDERATION

The total of the bills for consideration will be presented at the time of the November 10, 2020 Finance/Audit Committee Meeting.

RECOMMENDED ACTION:

Committee to approve and ratify the bills for consideration and warrant register and recommend that the Board ratify payment of the Bills for Consideration for November 10, 2020 as presented (Consent Calendar).

CONTACTS (staff responsible): PALUDI/PEREA/WARNER



Trabuco Canyon Water District

Statement of Revenues & Expenses

FY 2020-21 (Unaudited)

	September 2020	August 2020	Current YTD	Annual Budget	25% YTD	Prior YTD
1 Operating Revenue						
2 Residential Water	\$ 384,517	\$ 392,580	\$ 1,124,541	\$ 3,497,400	32%	\$ 983,182
3 Business & Industrial Water	16,672	13,414	41,525	150,300	28%	39,982
4 Irrigation Water	124,735	99,358	320,523	823,400	39%	206,663
5 Stand-by	3,417	3,417	10,250	41,000	25%	7,025
6 Sanitation Revenue	143,211	141,926	427,181	1,859,400	23%	419,050
7 Recycled & Reclaimed Revenue	102,403	121,697	315,560	725,000	44%	296,137
8 Baker Treatment Plant Water Sales	175,496	76,219	295,039	1,469,100	20%	250,430
9 Other Operating Revenue	357	450	1,921	164,600	1%	52,792
10 Total Operating Revenue	950,809	849,061	2,536,541	8,730,200	29%	2,255,261
11 Non-Operating Revenue						
12 Property Tax Unrestricted	142,283	142,283	426,850	1,707,400	25%	418,500
13 Interest Revenue	12,445	438	13,486	100,600	13%	37,992
14 Development Services	-	-	-	-	0%	100
15 Sale of Fixed Asset	-	-	-	50,000	0%	-
16 Other Non-Operating Revenue	2,070	3,728	7,898	70,600	11%	30,079
17 Total Non-Operating Revenue	156,798	146,449	448,234	1,928,600	23%	486,671
18 Total Revenues	1,107,607	995,510	2,984,775	10,658,800	28%	2,741,933
19 Operating Expenses						
20 Source of Supply	244,968	199,325	565,283	2,198,100	26%	603,710
21 Baker Treatment SOS Costs	164,120	81,888	281,923	1,155,300	24%	216,966
22 Water Related Expense	191,660	138,596	479,549	1,946,900	25%	331,619
23 Sanitation Expense	96,637	108,338	282,546	1,168,400	24%	359,826
24 Recycled Expense	22,252	25,950	64,485	225,300	29%	79,935
25 Reclaimed Expense	20,347	24,045	58,770	221,400	27%	64,329
26 Salaries & Benefits	302,311	303,009	894,695	3,684,700	24%	832,979
27 OPEB Trust Contributions & Paygo	7,063	7,063	21,514	91,000	24%	22,921
28 Board Expense	9,029	9,708	27,821	114,400	24%	29,789
29 Total Operating Expenses	1,058,386	897,923	2,676,586	10,805,500	25%	2,542,074
30 Non-Operating Expenses						
31 Principal and Interest Expense	19,198	19,198	57,595	230,300	25%	57,595
32 Non-Operating Expense	65	6	71	3,600	2%	926
33 Total Non-Operating Expenses	19,263	19,205	57,666	233,900	25%	58,521
Net Income Before OPEB, Depreciation &						
34 Capital Contributions	29,958	78,383	250,523	(380,600)		141,337
35 WRES Fees for Capital	68,406	68,335	205,168	834,300	25%	211,528
36 Developer Impact Fees	-	-	-	-	0%	-
37 Other Capital Contributions	-	-	-	-	0%	-
38 Total Capital Contributions	68,406	68,335	205,168	834,300	25%	211,528
39 Net Income	\$ 98,364	\$ 146,718	\$ 455,691	\$ 453,700	100%	\$ 352,866

*No assurance is provided on these financial statements. The financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the U.S. are not included.

** Baker Treatment Plant O&M revenues and expenses are billed quarterly. As a result the % of budget may appear skewed until billing occurs.



Trabuco Canyon Water District
Balance Sheet - Comparative
As of September 30, 2020
(Unaudited)

	September 2020	August 2020	September 2019
1 Assets			
2 Current Assets			
3 Cash	\$ 582,608	\$ 833,270	\$ 788,304
4 Accounts Receivable, Net	4,946,769	4,833,329	2,763,213
5 Property Tax Receivable	1,718,981	1,745,370	1,670,093
6 Prepaid Expenses	371,873	306,452	369,301
7 Total Current Assets	7,620,231	7,718,421	5,590,911
8 Total Restricted Assets (see Schedule A)	6,127,690	6,127,728	6,244,592
9 Utility Plant			
10 Utility Plant, at Cost	116,126,899	116,004,288	114,242,662
11 Accumulated Depreciation	(72,318,615)	(72,030,075)	(69,074,536)
12 Construction in Progress	3,115,934	3,074,443	585,060
13 Total Utility Plant	46,924,218	47,048,655	45,753,186
14 Other Assets			
15 Due from BTP	1,373,240	1,404,222	1,748,711
16 Deferred Outflow (Pension Related)	1,179,514	1,179,514	1,126,151
17 Total Other Assets	2,552,754	2,583,736	2,874,862
18 Total Assets	\$ 63,224,894	\$ 63,478,540	\$ 60,463,551
19 Liabilities & Retained Earnings			
20 Current Liabilities			
21 Accounts Payable	\$ 1,752,730	\$ 1,645,177	\$ 1,226,568
22 Due to Internal Financing Fund	1,373,240	1,404,222	1,748,711
23 Accrued Expenses	349,328	290,076	259,208
24 Deferred Property Tax Revenue	1,311,300	1,457,000	1,276,575
25 Total Current Liabilities	4,786,599	4,796,475	4,511,062
26 Liabilities to be Paid from Restricted Assets			
27 Accrued Bond Interest	13,236	8,824	14,232
28 Current Portion-Long Term Debt	178,449	178,449	172,473
29 Refundable Deposits	13,500	13,500	11,000
30 Developer Deposits	110,793	139,899	494,175
31 Total Liabilities to be Paid from Restricted Assets	315,979	340,672	691,880



Trabuco Canyon Water District
Balance Sheet - Comparative
As of September 30, 2020
(Unaudited)

32 Long Term Debt			
33 Accrued Post Employment Benefits	533,587	533,587	570,267
34 Accrued Pension Liability	3,301,860	3,301,860	3,089,532
35 State Revolving Fund Loan	2,140,052	2,140,052	2,320,470
36 Total Long Term Debt	5,975,499	5,975,499	5,980,269
37 Total Liabilities	11,078,076	11,112,647	11,183,211
38 Fund Balance			
39 Invested in Capital Net of Related Debt	44,592,481	44,721,330	43,246,010
40 Restricted for Debt Service	219,142	219,180	201,257
41 Legally Restricted	2,395,813	2,392,618	2,928,639
42 Designated by Board	3,402,609	3,402,609	2,992,443
43 Unrestricted	1,536,772	1,630,156	(88,010)
44 Total Fund Balance	52,146,818	52,365,893	49,280,340
45 Total Liabilities and Fund Balance	\$ 63,224,894	\$ 63,478,540	\$ 60,463,551



Trabuco Canyon Water District
Restricted Assets Report
As of September 30, 2020
(Unaudited)

	September 2020	August 2020	September 2019
1 LAIF Accounts (at Cost)			
2 Internal Financing	\$ (2,863,970)	\$ (2,843,904)	\$ (3,124,935)
3 Capital Improvement Charges	-	-	807,809
4 Water Storage Facilities	1,051,427	1,051,427	1,044,772
5 Sanitation Capital Improvement	391,521	405,646	686,990
6 WRES - Rose Canyon/Lang Wells	1,150,394	1,116,231	943,273
7 WRES - Reservoir/Distribution Improvements	2,590,340	2,587,116	2,496,318
8 RD#5	76,102	76,102	74,412
9 Developer Deposits	-	-	390,071
10 LAIF Interim Sewage	110,126	113,321	107,021
11 Water Rate Stabilization Funds	684,080	684,080	607,500
12 Sewer Rate Stabilization Funds	726,160	726,160	265,000
13 Working Capital Funds	1,975,776	1,975,776	1,733,144
14 Market Value Over/(Under) Cost	16,593	16,593	11,960
15 State Revolving Fund			
16 Cash in CB&T Reserved for SRF Loan	219,142	219,180	201,257
17 Total Restricted Assets	\$ 6,127,690	\$ 6,127,728	\$ 6,244,592



Trabuco Canyon Water District
Investment Schedule
As of September 30, 2020
(Unaudited)

DESCRIPTION	RATE	COST	MARKET	% OF TOTAL
District Investments in the California Local Agency Investment Fund (LAIF)				
1 Water Storage Fees	0.685%	\$ 1,051,427	1,055,753	18%
2 Sanitation Capital Improvement	0.685%	391,521	393,132	7%
3 Trabuco Creek Wells	0.685%	1,150,394	1,155,128	20%
4 Reservoir/Distribution	0.685%	2,590,340	2,600,998	44%
5 RD#5	0.685%	76,102	76,415	1%
6 LAIF Interim Sewage	0.685%	110,126	110,579	2%
7 Water Rate Stabilization Funds	0.685%	684,080	686,895	12%
8 Sewer Rate Stabilization Funds	0.685%	726,160	729,148	12%
9 Working Capital Funds	0.685%	1,975,776	1,983,905	34%
10 Internal Financing	0.685%	(2,863,970)	(2,875,754)	-49%
Total District Investments		\$ 5,891,955	\$ 5,916,197	100%

** A negative number indicates the use of reserves to fund operations.*

*** Market values are adjusted on a quarterly basis and recorded in the District's financials statements at the end of the fiscal year.*

CERTIFICATION

I certify that (1) all investment actions executed since the last report have been made in full compliance with the District's Investment Policy and, (2) the District will meet its expenditure obligations for the next six months as required by California Government Code Sections 53646(b)(2) and (3), respectively.

Cindy Byerrum, CPA

Contract CPA and Treasurer



Trabuco Canyon Water District
Checking Account Activity
September 2020
(Unaudited)

Inflows	Current Month	Year to Date
Utility Billing Collections	\$ 844,753	\$ 2,275,017
Tax Receipts	26,325	51,407
Transfer From LAIF	-	500,000
Transfer From State Revolving Loan	-	-
Developer Fees	-	-
Miscellaneous	4,109	4,654,331
Total Inflows	875,187	7,480,755
Outflows		
Vouchers	579,560	3,115,411
Payroll	284,164	765,506
Transfer to LAIF	-	3,000,000
Miscellaneous & Online Payments	142,488	924,099
Total Outflows	1,006,211	7,805,016
Net Change in Checking Account	(131,024)	(131,024)
Beginning Checking Account	862,181	862,181
Ending Checking Account	\$ 731,157	\$ 731,157