



**FINANCE/AUDIT COMMITTEE MEETING AGENDA  
TRABUCO CANYON WATER DISTRICT  
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA  
VIDEO/AUDIO BROADCAST MEETING – JANUARY 13, 2021 AT 1:00 PM**

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**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

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**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](http://www.tcwd.ca.gov).*

*You may submit public comments by email to the Board 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 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 | JANUARY 13, 2021**

**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**

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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. December 9, 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 December 2020 and tentative future meetings/attendance. (Consent Calendar)*

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

**RECOMMENDED ACTION:**

1. Receive information concerning the matter at the time of the Board meeting.
2. Adopt Resolution No. 2021-1289 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting District Treasurer's Annual Statement of Investment Policy.

**ITEM 4: DISCUSSION AND POSSIBLE ACTION(S) RELATED TO CALENDAR YEAR 2021 BOARD MEMBER COMMITTEE APPOINTMENTS AND AGENCY REPRESENTATIVE ASSIGNMENTS**

**RECOMMENDED ACTION(S):**

*Discuss at the time of the Board meeting and take action(s) as deemed appropriate.*

**ITEM 5: DISCUSSION AND POSSIBLE ACTION(S) RELATED TO URBAN WATER INSTITUTE 2021 VIRTUAL SPRING WATER CONFERENCE SPONSORSHIP**

**RECOMMENDED ACTION(S):**

*Recommend the Board of Directors approve a \$1,000 sponsorship of the Urban Water Institute's 2021 Spring Water Conference.*

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING AGENDA | JANUARY 13, 2021**

**ITEM 6: OTHER MATTERS**

**RECOMMENDED ACTION:**

*Hear Other Matters from the General Manager or District Staff.*

**ITEM 7: FINANCIAL REPORT**

**A) PRESENTATION OF UNAUDITED FINANCIAL STATEMENTS**

**RECOMMENDED ACTION:**

*Recommend that the Board receive and file the preliminary unaudited financial statements for November 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 January 13, 2021 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 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.*

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

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | JANUARY 13, 2021**

**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. *December 9, 2020*

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



**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING RECAP | DECEMBER 9, 2020**

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**DIRECTORS PRESENT VIA CONFERENCE CALL**

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

**STAFF PRESENT VIA CONFERENCE CALL**

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**

Johnathan Foster, Consultant Davis Farr  
Cindy Byerrum, Consultant Eide Bally

**CALL MEETING TO ORDER**

Director Chadd called the December 9, 2020 Finance/Audit Committee Meeting to order at 1:01 P.M.

**VISITOR PARTICIPATION**

No visitor participation was received.

**ORAL COMMUNICATION**

No oral communication was received.

**COMMITTEE MEMBER COMMENTS**

No comments were received.

**REPORT FROM THE GENERAL MANAGER**

No comments were received.

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

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

**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**

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Mr. Paludi presented the Directors' Fees and Expenses Report and Tentative Future Meetings/Attendance Report for Committee consideration and review. Mr. Safranski reported that he had provided schedule changes to Mr. Perea.

**TRABUCO CANYON WATER DISTRICT  
FINANCE AUDIT COMMITTEE MEETING RECAP | DECEMBER 9, 2020**

**RECOMMENDED ACTION:**

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

**ITEM 3: TRABUCO CANYON WATER DISTRICT ANNUAL FINANCIAL REPORT (AUDIT) FOR FISCAL YEAR ENDING JUNE 30, 2020**

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Mr. Paludi presented this matter for Committee review, and he reported that Mr. Foster had a PowerPoint presentation to deliver to the Committee concerning the District's annual financial report (Audit) for Fiscal Year Ending June 30, 2020. Mr. Foster expressed his appreciation to District staff for their assistance with Davis Farr staff during the audit process. Mr. Foster reported that Davis Farr has provided a clean report with no issues and an unmodified opinion. Discussion occurred concerning District assets and other post-employment benefit costs.

**RECOMMENDED ACTION(S):**

Committee to receive information concerning Trabuco Canyon Water District's Annual Financial Report (Audit) for Fiscal Year Ending June 30, 2020 and recommend that the Board receive and file the Audit Report (Action Calendar).

**ITEM 4: OTHER MATTERS**

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There were no other matters reported.

**RECOMMENDED ACTION:**

No action was taken.

**ITEM 5: FINANCIAL REPORT**

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

***STATEMENT OF REVENUES AND EXPENSES***

***Operating Revenue, Residential Water Revenue***

Ms. Warner reported that this line item was slightly lower than the previous month due to lower water demands, but that the year to date was higher than anticipated.

***Operating Revenue, Baker Treatment Plant Water Sales***

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

***Operating Revenue, Other Operating Revenue***

Ms. Warner reported that this line item was consistent with the prior month, and she mentioned that this the year to date was low due to the District not assessing utility bill late penalties.

***Operating Expenses, Total Operating Expenses***

Ms. Warner reported that this line item was higher than the prior month, but that the year to date was slightly higher than budgeted.

***RESTRICTED ASSETS REPORT & INVESTMENT SCHEDULE***

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

**TRABUCO CANYON WATER DISTRICT  
FINANCE AUDIT COMMITTEE MEETING RECAP | DECEMBER 9, 2020**

Director Chadd recommended District staff discuss the impacts of COVID-19 on District financials, including, but not limited to, monthly utility bills and late penalty assessments.

**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 December 9, 2020 as presented (Consent Calendar).

**ADJOURNMENT**

Director Chadd adjourned the December 9, 2020 Finance/Audit Committee Meeting at 1:23 PM.

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**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | JANUARY 13, 2021**

**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. 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 December 2020 and tentative future meetings/attendance. (Consent Calendar)*

**EXHIBIT(S):**

1. Directors' Fees and Expenses Report for December 2020
2. Directors' Tentative Future Meetings/Attendance – Calendar Year 2021.

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

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

<b>MEETING DESCRIPTION</b>	<b>ACOSTA</b>	<b>CHADD</b>	<b>DOPUDJA</b>	<b>MANDICH</b>	<b>SAFRANSKI</b>
<b>DISTRICT MEETINGS</b>					
Engineering/Operational Committee Meeting			12/02/20	12/02/20	
Finance/Audit Committee Meeting		12/09/20			12/09/20
Individual Meeting with General Manager	12/14/20	12/15/20	12/15/20	12/14/20	12/15/20
Regular Board Meeting	12/16/20	12/16/20	12/16/20	12/16/20	12/16/20
<b>REPRESENTATIVE MEETINGS</b>					
City of Rancho Santa Margarita City Council Meeting	12/09/20				
City of Rancho Santa Margarita Planning Commission	12/02/20				
City of Rancho Santa Margarita Special City Council Meeting	12/22/20				
Independent Special Districts of Orange County		12/01/21			
Santiago Aquaduct Commission		12/17/21			
South Orange County Agencies Group Meeting					
South Orange County Wastewater Authority (SOCWA) Regular Board Meeting			12/03/20		
Water Advisory Committee of Orange County Meeting (WACO)	12/04/21				
<b>NUMBER OF MEETINGS ATTENDED</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>3</b>
<b>FEES (\$125 per each meeting*)</b>	<b>\$750.00</b>	<b>\$625.00</b>	<b>\$500.00</b>	<b>\$375.00</b>	<b>\$375.00</b>
<b>DIRECT REIMBURSABLE EXPENSES</b>					
<b>DIRECT REIMBURSABLE EXPENSES TOTALS</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>INDIRECT REIMBURSABLE EXPENSES</b>					
<b>INDIRECT REIMBURSABLE EXPENSES TOTALS</b>					
<b>TOTAL</b>	<b>\$750.00</b>	<b>\$625.00</b>	<b>\$500.00</b>	<b>\$375.00</b>	<b>\$375.00</b>
<i>* Maximum per diem per day is one; maximum per diems per month is 10</i>					

**DIRECTOR SIGNATURE**

**TRABUCO CANYON WATER DISTRICT | 2021 PUBLIC MEETING AND CONFERENCE CALENDAR**

2021													
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	TBD			TBD			TBD			TBD		
2	Engineering/Operational Committee Meeting	01/06/21	02/03/21	03/03/21	04/07/21	05/05/21	06/02/21	07/07/21	08/04/21	09/01/21	10/06/21	11/03/21	12/01/21
3	Finance/Audit Committee Meeting	01/13/21	02/10/21	03/10/21	04/14/21	05/12/21	06/09/21	07/14/21	08/11/21	09/08/21	10/13/21	11/10/20	12/08/21
4	Regular Board Meeting	01/20/21	02/17/21	03/17/21	04/21/21	05/19/21	06/16/21	07/21/21	08/18/21	09/15/21	10/20/21	11/17/21	12/15/21
5	District Properties Ad Hoc Committee Meeting	-	-	-	-	-	-	-	-	-	-	-	-
<b>PUBLIC MEETINGS</b>													
6	City of RSM City Council Meeting - Meeting No. 1	01/13/21	02/10/21	03/10/21	04/14/21	05/12/21	06/09/21	07/14/21	08/11/21	09/08/21	10/13/21	11/10/21	12/08/21
7	City of RSM City Council Meeting - Meeting No. 2	01/27/21	02/24/21	03/24/21	04/28/21	05/26/21	06/23/21	07/28/21	08/25/21	09/22/21	10/27/21	11/24/21	12/22/21
8	Independent Special Districts of Orange County Meeting	01/05/21	02/02/21	03/02/21	04/06/21	05/04/21	06/01/21	07/06/21	08/03/21	09/07/21	10/05/21	11/02/21	12/07/21
9	Independent Special Districts of Orange County Meeting	01/28/21	-	-	04/29/21	-	-	07/29/21	-	-	10/28/21	-	-
10	Orange County Local Agency Formation Commission (OC LAFCO)	01/13/21	02/10/21	03/10/21	04/14/21	05/12/21	06/09/21	07/14/21	08/11/21	09/08/21	10/13/21	11/10/21	12/08/21
11	Santiago Aqueduct Commission Meeting	-	-	03/18/21	-	-	06/17/21	-	-	09/16/21	-	-	12/16/21
12	South Orange County Water Agencies Group Meeting*	01/28/21	-	03/25/21	-	05/27/21	-	07/22/21	-	09/23/21	-	11/25/21	-
13	South Orange County Wastewater Authority Regular Board Meeting	01/07/21	02/04/21	03/04/21	04/07/21	05/06/21	06/03/21	07/01/21	08/05/21	09/02/21	10/07/21	11/04/21	12/02/21
14	Water Advisory Committee of Orange County	01/01/21	02/05/21	03/05/21	04/02/21	05/07/21	06/04/21	07/02/21	08/07/21	09/03/21	10/01/21	11/06/21	12/04/21
<b>CONFERENCES</b>													
15	ACWA Spring Conference - Monterey, CA					5/11 - 5/14							
16	ACWA Fall Conference - Pasadena, CA											11/30 12/3	
17	CSDA Annual Conference -Monterey, CA								8/3 - 9/2				
18	CSDA GM Leadership Summit - Olympic Valley, CA						6/27 - 6/29						
19	CSDA SDLA Conference - Lake Tahoe, CA									9/26 - 9/29			

**LEGEND**

 District Observed Holiday - Reschedule Meeting

\*4th Tuesday of the Odd Numbered Month

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | JANUARY 13, 2021**

**FINANCIAL MATTERS**

**ITEM 3: ADOPTION OF DISTRICT TREASURER'S ANNUAL STATEMENT OF 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 the safety, liquidity, and return on investments shall be primary objectives.

On January 15, 2020, the Board of Directors adopted Resolution No. 2020–1274 in compliance with the legislative mandated annual requirement. The attached resolution has been reviewed by the District Treasurer and District staff.

There are no changes proposed within the existing policy, and Resolution No. 2021–1289 is included for Committee review and consideration.

**FUNDING SOURCE:**

Not applicable

**FISCAL IMPACT:**

None

**ENVIRONMENTAL COMPLIANCE:**

Not applicable.

**RECOMMENDED ACTION(S)**

- 1. Receive information concerning the matter at the time of the Board meeting.*
- 2. Adopt Resolution No. 2021-1289 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting District Treasurer's Annual Statement of Investment Policy.*

**EXHIBITS:**

- 1. Resolution No. 2021-1289 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting District Treasurer's Annual Statement of Investment Policy.*

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

**RESOLUTION NO. 2021-1289**  
**RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF TRABUCO CANYON WATER DISTRICT ADOPTING**  
**DISTRICT TREASURER'S ANNUAL STATEMENT OF INVESTMENT POLICY**

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

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

**WHEREAS**, the Treasurer of the Trabuco Canyon Water District ("Treasurer" and "District") shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the Board of Directors ("Board") at a public meeting (California Government Code Section 53646(a)).

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TRABUCO CANYON WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

**Section 1. Scope of Policy:** This Investment Policy ("Policy") 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 (CERBT) fund plan for retiree benefits are not included in the scope of this Resolution.

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

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

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

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

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

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

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

**Section 6. Authorized Financial Institutions and Dealers:** The Treasurer shall maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list may also be maintained of approved security brokers/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State. No public deposit shall be made except in a qualified public depository as established by State laws.

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

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

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.

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 Section 53601 *et. seq.*

b. **Prohibited Investments:** Under the provisions of California Government Code Section 53601.6 and 53631.5, the District shall not invest any funds covered by the Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

**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(i)(2).

**Section 9. Safekeeping and Custody:** All security transactions entered into by the District shall be conducted on a delivery-versus-payment (DVP) 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:** In accordance with California Government Code Section 53646(b)(1), the Treasurer shall submit to each member of the Board a quarterly investment report. Such report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values on current market values of each component of the portfolio, including funds managed for the District by third party contracted managers, if applicable. The report will also include a certification that: (1) all investment actions executed since the last report have been made in full compliance with the Policy and (2) the District will meet its expenditure obligations for the next six months as required by California Government Code Sections 53646(b)(2) and (3), respectively. The Treasurer shall maintain a complete and timely written record of all investment transactions.

**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 modifications thereto must be approved by the Board.

ADOPTED, SIGNED AND APPROVED THIS 20th DAY OF JANUARY, 2021.

TRABUCO CANYON WATER DISTRICT

By: \_\_\_\_\_  
President/Vice President

By: \_\_\_\_\_  
District Secretary

STATE OF CALIFORNIA        )  
  ) ss.  
COUNTY OF ORANGE        )

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing resolution was duly adopted by the Board of said District at a meeting of said Board held on the 20th day of January, 2021, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at said meeting such resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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District Secretary  
Trabuco Canyon Water District

STATE OF CALIFORNIA     )  
  ) ss.  
COUNTY OF ORANGE     )

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2021-1289 of such Board and that the same has not been amended or repealed.

Dated this 20th day of January, 2021.

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District Secretary  
Trabuco Canyon Water District

DRAFT

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | JANUARY 13, 2021**

**FINANCIAL MATTERS**

**ITEM 4: DISCUSSION AND POSSIBLE ACTION(S) RELATED TO CALENDAR YEAR 2021 BOARD MEMBER COMMITTEE APPOINTMENTS AND AGENCY REPRESENTATIVE ASSIGNMENTS**

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

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

**FUNDING SOURCE:**

General Fund

**FISCAL IMPACT (PROJECT BUDGET)**

FY 2020/2021 Budgeted Board Expenses: \$39,600

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

**ENVIRONMENTAL COMPLIANCE:**

Not applicable

**RECOMMENDED ACTION(S):**

*Discuss at the time of the Board meeting and take action(s) as deemed appropriate.*

**EXHIBIT(S):**

1. Board Member Committee Appointments and Agency Representative Assignments, Calendar Year 2021

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

**TRABUCO CANYON WATER DISTRICT**

**BOARD MEMBER COMMITTEE APPOINTMENTS & AGENCY REPRESENTATIVE ASSIGNMENTS | CALENDAR YEAR 2021**

<b>DISTRICT STANDING COMMITTEES</b>		<b>CHAIR</b>	<b>MEMBER</b>	<b>ALTERNATE</b>	
Engineering/Operational Committee		Mandich	Dopudja	Chadd	
Executive Committee		Vice President	President	-	
Finance/Audit Committee		Chadd	Safranski	Mandich	
<b>AD HOC COMMITTEES</b>		<b>CHAIR</b>	<b>MEMBER</b>	<b>ALTERNATE</b>	
Paloma Square Project Ad Hoc Committee		Dopudja	Chadd	-	
District Organization Ad Hoc Committee		Dopudja	Chadd	-	
<b>MEMBER AGENCY REPRESENTATIVE ASSIGNMENTS</b>		<b>TITLE</b>	<b>PRIMARY</b>	<b>SECONDARY</b>	<b>THIRD</b>
Association of California Water Agencies		Director	Safranski	-	-
Baker Water Treatment Plant Project Committee		Member	Paludi	Dopudja	-
California Special Districts Association		Delegate	Acosta	-	-
Independent Special Districts of Orange County		Member	Chadd	Dopudja	-
Santiago Aqueduct Commission		Commissioner	Chadd	Mandich	-
South Orange County Wastewater Authority Board		Director	Dopudja	Acosta	Paludi
South Orange County Wastewater Authority Engineering Committee		Staff	Lausten	Paludi	-
South Orange County Agencies Group		Liaison	Chadd	Paludi	-
South Orange County Watershed Management Area Executive Committee		Member	Mandich	Chadd	-
<b>ORGANIZATION REPRESENTATIVE ASSIGNMENTS</b>		<b>TITLE</b>	<b>PRIMARY</b>	<b>SECONDARY</b>	<b>THIRD</b>
American Water Works Association		Liaison	Paludi	-	-
City of Santa Margarita City Council Meeting No. 1		Liaison	Acosta	Mandich	-
City of Santa Margarita City Council Meeting No. 2		Liaison	Acosta	Mandich	-
Local Agency Formation Commission		Liaison	Paludi	Chadd	-
Municipal Water District of Orange County Board		Liaison	Dopudja	-	-
Water Advisory Committee of Orange County		Member	Acosta	-	-

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | JANUARY 13, 2021**

**ITEM 5: DISCUSSION AND POSSIBLE ACTION(S) RELATED TO URBAN WATER INSTITUTE 2021 VIRTUAL SPRING WATER CONFERENCE SPONSORSHIP**

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The District became a member of the Urban Water Institute (UWI) in 2020 and the District's General Manager holds a position on the UWI Board of Directors. UWI hosts two water policy conferences annually (February and August) and like other similar conferences is currently implementing a virtual format for its 2021 Spring Water Conference to be held on February 17-18, 2021. A conference sponsorship at the Silver Sponsor level is \$1,000 and includes promotion of District logo and one conference registration valued at \$195. The list of sponsorship opportunities and the UWI Spring Newsletter which includes the conference program, are included as Exhibits.

**FUNDING SOURCE:**

General Fund

**FISCAL IMPACT (PROJECT BUDGET)**

\$1,000

**ENVIRONMENTAL COMPLIANCE:**

Not applicable

**RECOMMENDED ACTION(S):**

*Recommend the Board of Directors approve a \$1,000 sponsorship of the Urban Water Institute's 2021 Spring Water Conference.*

**EXHIBITS:**

1. UWI 2021 Spring Water Conference Premium Sponsorship Opportunities
2. UWI Winter Newsletter (with Conference Program)

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



## 2021 Spring Water Conference February 17-18, 2021 – Virtual

### **PREMIUM SPONSORSHIP OPPORTUNITIES**

#### **PLATINUM SPONSOR: \$2,000**

- Company logo listed in all promotional materials
- Company logo on program
- Company logo displayed during reception
- Priority position on conference landing page
  - Includes brief company biography
  - Link to website
  - Contact information
  - Video
- Large AD in UWI monthly newsletter
  - includes logo and 150-word small blurb about company
- 4 conference registrations
- 1 complimentary registration for August conference

#### **GOLD SPONSOR: \$1,500**

- Company logo listed in all promotional materials
- Company logo on program
- Company logo displayed during reception
- Priority position on conference landing page
  - Includes brief company biography
  - Link to website
  - Contact information
  - Video
- Small AD in UWI monthly newsletter
  - includes logo
- 2 conference registrations

#### **SILVER SPONSOR: \$1,000**

- Company logo listed in all promotional materials
- Company logo on program
- Company logo displayed during reception
- Priority position on conference landing page
  - Includes brief company biography
  - Link to website
  - Contact information
- 1 conference registrations



## ADDITIONAL SPONSORSHIP OPPORTUNITIES

- **Preconference Tutorial Sponsor – February 17<sup>th</sup> \$750**
- **Break Question 1: Game Sponsor – February 17<sup>th</sup> \$500**
- **Break Question 2: Game Sponsor – February 17<sup>th</sup> \$500**
- **Break Question 3: Game Sponsor – February 17<sup>th</sup> \$500**
- **Break Question 4: Game Sponsor – February 17<sup>th</sup> \$500**
- **Break Question 5: Game Sponsor – February 17<sup>th</sup> \$500**
- **Virtual Wine Tasting, Sharing Reception – February 17<sup>th</sup> \$750**
- **Break Question 6: Game Sponsor – February 18<sup>th</sup> \$500**
- **Social Media Sponsor \$750**
- **Marketing Sponsor \$750**
- **Audio Visual Sponsor \$750**

### ALL SPONSORSHIP OPPORTUNITIES INCLUDE THE FOLLOWING BENEFITS

- Company logo will be included in conference program agenda
- Company logo will be on our conference landing page
- Company logo will be displayed on Urban Water Institute registration page
- Company logo will appear on the Urban Water Institute website

**To sponsor the Urban Water Institute conference, please see the attached registration form or contact the Urban Water Institute at (949) 679-9676 or [stacy@urbanwater.com](mailto:stacy@urbanwater.com)**

# URBAN WATER INSTITUTE NEWSLETTER



Term: Winter | Issue 9 | Date: January 1, 2021

## UWI Virtual Conference - February 17 and 18, 2021

Finally, 2021 is here! As we all take a deep breath and consider how 2021 might shape up one thing to put at the top of your list is the **UWI Virtual Conference - February 17 and 18, 2021**.

In past years we would have held the conference for three days in Palm Springs. But the uncertainties of COVID-related restrictions moved us into the virtual conference world.

We will begin at 1:00 pm on February 17th with speakers and panels, plus game questions that will appear throughout the conference.

The conference opens with a report from the United States Capitol – describing changes and expectations. The recent Water Education Foundation Water Leaders class is one of the panels featured on day 1 – where they will discuss climate change adaptations. Other presentations that day are led by utility General Managers reflecting on COVID impacts. We will end day 1 with a virtual reception with six UWI Board members sharing a favorite wine and telling a story about why it is their favorite. At the end participants will vote on whether these stories are true or a tall tale! You don't want to miss that!



HAPPY NEW YEAR



The second day begins at 9:00 am, concluding at noon. The final two panel presentations are linked – providing a deep dive into the SGMA impacts on California Central Valley farmers.

We have purposefully constructed the conference to reduce Zoom-fatigue and allow participants to create their own side meetings – virtually. We will send out techno-tips a few times before the conference explaining the innovative networking opportunities and ways to maneuver the conference site. Lots of bells and whistles will be revealed so the conference participants can make the most of the event!

Watch for announcements for the conference or check out the UWI website to register and get this conference on your calendar.

## UWI Virtual Conference - February 17, (Day One)



### Report From Capitol Hill

Eric Sapirstein and **Congressman Ken Calvert** will open the conference with a robust report from the Hill. February news will be timely and provide insights to early changes and other activities underway in Washington, DC. We will learn how the administration changes may affect California water agencies. We are looking forward to what promises to be a scintillating presentation.



### Leading The Way With Climate Change Adaptions

#### *Water Leaders Stepping into the Spotlight*

On Day 1 the most recent class of the respected Water Education Foundation Water Leaders program will lead a presentation on Climate Change Adaptations – Moving Forward.

**Cora Kammeyer** from the Pacific Institute will moderate this panel featuring presentations by 3 of her classmates. They will discuss water infrastructure adaptations, regulatory flexibility needs, and data and technology compatibility. The best and the brightest are shining a light for the future of California water management.



### Wildfires – Navigating Our New Normal

Following the climate change panel will be a panel on one of the most pressing and pertinent effects – wildfire.

Our panel of experts from CAL FIRE (**Thom Porter**), Sonoma Water Agency, and Cal EPA will be shedding light on the drivers behind the mega fires in the west, impacts on our water supplies, and what's needed to protect our resources and communities.

### Virtual Wine Reception – With Some Deception

All conference participants are invited to attend the virtual wine reception. We suggest you have your favorite wine or other adult beverage at hand while several UWI board members share a story about their favorite wine.

We have heard that some of these stories may be more tall tale than factual accounts.

The participants will vote at the end on who is telling the truth and who is quite frankly telling a tale.



**For More Information**  
**[www.urbanwater.com/webinar](http://www.urbanwater.com/webinar)**

## UWI Virtual Conference - February 17, (Day Two)



### COVID-Related Water Management

Long time UWI Board member and co-founder, **Kevin Hunt** kicks off the second day moderating a panel of newly appointed General Managers.

Eavesdrop on the conversation that Kevin will navigate with three top utility GMs who began a new position in the pandemic. Being a General Manager in California water is never easy, but COVID may have brought some truly unforeseen impacts. Listen as they share their experiences, adaptations, and vision going forward.



### SGMA Realities – Unintended Consequences?

The conference concludes with back-to-back panels and roundtable discussions focused on SGMA. Now that the plans have been submitted and implementation is in the works, what are the realities? Listen to what the experts and media covering Central Valley happenings are saying and writing about.

Up to 1 million acres of productive farmland could be retired. That is up from the 750,000 acres projected in 2019 as the more likely scenario by the Public Policy Institute of California (PPIC). Up to 85,000 jobs will be lost each year, with 45,000 of those being farmers, farmworkers and others agricultural roles. The unemployment rate will increase by 4% for the region, which is already among the highest rates in the state and will rise to as much as 12%. Wages will take a \$2-billion hit.

Annual farm revenue losses will be \$7.1 billion. The valley's lowest-income communities will take a disproportionately large share of these impacts . . . and the worst part is that this will happen every year into perpetuity (reported in the AgriPulse December 2, 2020).

**Jason Phillips**, CEO of Friant Water Authority and UWI Board member, will moderate these two sessions.



### Winner-Winner Chicken Dinner!

Closing out the conference: don't miss Board Chair **John Rossi's** announcement of who won the Water Game.

Chairman Rossi will report on who received the most correct answers to the water related questions sprinkled throughout the conference.

There is a prize!

**For more information about the UWI Virtual Conference "A New Way Forward," please contact Urban Water Institute at (949) 679-9676 or [stacy@urbanwater.com](mailto:stacy@urbanwater.com).**

**Conference registration is \$195. Sponsorship opportunities available!**

**This webinar conference will be made available by Zoom. Registered guests will need to additionally obtain a free Zoom account and download all necessary technical components at <https://zoom.us/>.**

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | JANUARY 13, 2021**

**ITEM 6: OTHER MATTERS**

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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 | JANUARY 13, 2021**

**FINANCIAL MATTERS  
ITEM 7: FINANCIAL REPORT**

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**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 November 2020 (Consent Calendar).*

**B) BILLS FOR CONSIDERATION**

The total of the bills for consideration will be presented at the time of the January 13, 2021 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 January 13, 2021 as presented (Consent Calendar).*

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



# Trabuco Canyon Water District

## Statement of Revenues & Expenses

### FY 2020-21 (Unaudited)

	November 2020	October 2020	Current YTD	Annual Budget	42% YTD	Prior YTD
<b>1 Operating Revenue</b>						
2 Residential Water	\$ 336,329	\$ 371,868	\$ 1,832,738	\$ 3,497,400	52%	\$ 1,586,619
3 Business & Industrial Water	22,676	14,974	79,175	150,300	53%	63,771
4 Irrigation Water	131,130	63,727	515,381	823,400	63%	379,024
5 Stand-by	3,417	3,417	17,083	41,000	42%	11,708
6 Sanitation Revenue	146,335	145,915	719,431	1,859,400	39%	694,106
7 Recycled & Reclaimed Revenue	79,147	103,569	498,277	725,000	69%	471,870
8 Baker Treatment Plant Water Sales	105,133	106,366	506,538	1,469,100	34%	424,420
9 Other Operating Revenue	378	340	2,639	164,600	2%	100,061
<b>10 Total Operating Revenue</b>	<b>824,545</b>	<b>810,176</b>	<b>4,171,262</b>	<b>8,730,200</b>	<b>48%</b>	<b>3,731,579</b>
<b>11 Non-Operating Revenue</b>						
12 Property Tax Unrestricted	142,283	142,283	711,417	1,707,400	42%	697,500
13 Interest Revenue	350	633	14,470	100,600	14%	36,099
14 Development Services	-	-	-	-	0%	100
15 Sale of Fixed Asset	-	42,952	42,952	50,000	86%	-
16 Other Non-Operating Revenue	2,070	5,762	15,729	70,600	22%	34,678
<b>17 Total Non-Operating Revenue</b>	<b>144,703</b>	<b>191,630</b>	<b>784,567</b>	<b>1,928,600</b>	<b>41%</b>	<b>768,378</b>
<b>18 Total Revenues</b>	<b>969,249</b>	<b>1,001,806</b>	<b>4,955,829</b>	<b>10,658,800</b>	<b>46%</b>	<b>4,499,957</b>
<b>19 Operating Expenses</b>						
20 Source of Supply	346,753	255,167	1,167,203	2,198,100	53%	1,040,276
21 Baker Treatment SOS Costs	83,854	84,837	450,613	1,155,300	39%	354,820
22 Water Related Expense	142,023	208,819	830,392	1,946,900	43%	671,709
23 Sanitation Expense	91,587	192,876	567,009	1,168,400	49%	554,371
24 Recycled Expense	17,570	24,726	106,781	225,300	47%	91,952
25 Reclaimed Expense	15,654	22,821	97,245	221,400	44%	77,166
26 Salaries & Benefits	290,106	283,143	1,467,945	3,684,700	40%	1,405,022
27 OPEB Trust Contributions & Paygo	7,063	7,063	35,640	91,000	39%	37,226
28 Board Expense	8,803	9,083	45,707	114,400	40%	46,336
<b>29 Total Operating Expenses</b>	<b>1,003,413</b>	<b>1,088,536</b>	<b>4,768,535</b>	<b>10,805,500</b>	<b>44%</b>	<b>4,278,880</b>
<b>30 Non-Operating Expenses</b>						
31 Principal and Interest Expense	19,198	19,198	95,992	230,300	42%	95,992
32 Non-Operating Expense	746	849	1,666	3,600	46%	2,620
<b>33 Total Non-Operating Expenses</b>	<b>19,945</b>	<b>20,048</b>	<b>97,659</b>	<b>233,900</b>	<b>42%</b>	<b>98,612</b>
<b>Net Income Before OPEB, Depreciation &amp;</b>						
<b>34 Capital Contributions</b>	<b>(54,109)</b>	<b>(106,778)</b>	<b>89,635</b>	<b>(380,600)</b>		<b>122,465</b>
35 WRES Fees for Capital	68,553	68,491	342,213	834,300	41%	352,646
36 Developer Impact Fees	-	-	-	-	0%	-
37 Other Capital Contributions	-	-	-	-	0%	-
<b>38 Total Capital Contributions</b>	<b>68,553</b>	<b>68,491</b>	<b>342,213</b>	<b>834,300</b>	<b>41%</b>	<b>352,646</b>
<b>39 Net Income</b>	<b>\$ 14,444</b>	<b>\$ (38,287)</b>	<b>\$ 431,848</b>	<b>\$ 453,700</b>	<b>95%</b>	<b>\$ 475,111</b>

*\*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 November 30, 2020**  
**(Unaudited)**

	November 2020	October 2020	November 2019
<b>1 Assets</b>			
<b>2 Current Assets</b>			
3 Cash	\$ 510,092	\$ 1,025,394	\$ 811,013
4 Accounts Receivable, Net	2,149,235	2,165,143	2,686,969
5 Property Tax Receivable	1,402,573	1,714,867	1,379,283
6 Prepaid Expenses	321,452	357,687	304,576
<b>7 Total Current Assets</b>	<b>4,383,352</b>	<b>5,263,090</b>	<b>5,181,841</b>
<b>8 Total Restricted Assets (see Schedule A)</b>	<b>8,146,043</b>	<b>8,146,036</b>	<b>6,033,040</b>
<b>9 Utility Plant</b>			
10 Utility Plant, at Cost	115,729,687	115,729,687	114,286,621
11 Accumulated Depreciation	(72,455,575)	(72,158,739)	(69,635,774)
12 Construction in Progress	3,594,460	3,201,513	1,281,224
<b>13 Total Utility Plant</b>	<b>46,868,571</b>	<b>46,772,461</b>	<b>45,932,070</b>
<b>14 Other Assets</b>			
15 Due from BTP	1,309,796	1,341,533	1,683,947
16 Deferred Outflow (Pension Related)	1,179,514	1,179,514	1,126,151
<b>17 Total Other Assets</b>	<b>2,489,310</b>	<b>2,521,047</b>	<b>2,810,098</b>
<b>18 Total Assets</b>	<b>\$ 61,887,277</b>	<b>\$ 62,702,633</b>	<b>\$ 59,957,051</b>
<b>19 Liabilities &amp; Retained Earnings</b>			
<b>20 Current Liabilities</b>			
21 Accounts Payable	\$ 1,407,508	\$ 1,759,558	\$ 1,521,599
22 Due to Internal Financing Fund	1,309,796	1,341,533	1,683,947
23 Accrued Expenses	408,102	381,853	322,065
24 Deferred Property Tax Revenue	1,019,900	1,165,600	992,892
<b>25 Total Current Liabilities</b>	<b>4,145,306</b>	<b>4,648,543</b>	<b>4,520,502</b>
<b>26 Liabilities to be Paid from Restricted Assets</b>			
27 Accrued Bond Interest	22,061	17,648	23,720
28 Current Portion-Long Term Debt	178,449	178,449	172,473
29 Refundable Deposits	13,500	13,500	9,500
30 Developer Deposits	67,763	83,726	448,922
<b>31 Total Liabilities to be Paid from Restricted Assets</b>	<b>281,772</b>	<b>293,323</b>	<b>654,615</b>

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



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

	November 2020	October 2020	November 2019
<b>32 Long Term Debt</b>			
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
<b>36 Total Long Term Debt</b>	<b>5,975,499</b>	<b>5,975,499</b>	<b>5,980,269</b>
<b>37 Total Liabilities</b>	<b>10,402,576</b>	<b>10,917,365</b>	<b>11,155,387</b>
<b>38 Fund Balance</b>			
39 Invested in Capital Net of Related Debt	44,528,010	44,436,312	43,415,407
40 Restricted for Debt Service	225,143	225,136	201,287
41 Legally Restricted	4,402,679	4,399,129	2,714,785
42 Designated by Board	3,402,609	3,402,609	2,980,582
43 Unrestricted	(1,073,741)	(677,918)	(510,398)
<b>44 Total Fund Balance</b>	<b>51,484,701</b>	<b>51,785,268</b>	<b>48,801,664</b>
<b>45 Total Liabilities and Fund Balance</b>	<b>\$ 61,887,277</b>	<b>\$ 62,702,633</b>	<b>\$ 59,957,051</b>

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



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

	November 2020	October 2020	November 2019
<b>1 LAIF Accounts (at Cost)</b>			
2 Internal Financing	\$ (702,038)	\$ (840,499)	\$ (3,445,302)
3 Capital Improvement Charges	-	-	804,540
4 Water Storage Facilities	1,051,427	1,051,427	1,051,427
5 Sanitation Capital Improvement	154,852	326,587	691,366
6 WRES - Rose Canyon/Lang Wells	1,221,952	1,187,356	1,020,906
7 WRES - Reservoir/Distribution Improvements	2,600,225	2,597,997	2,516,963
8 RD#5	76,261	76,261	74,886
9 Developer Deposits	-	-	384,141
10 LAIF Interim Sewage	115,612	119,162	115,224
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
<b>15 State Revolving Fund</b>			
16 Cash in CB&T Reserved for SRF Loan	225,143	225,136	201,287
<b>17 Total Restricted Assets</b>	<b>\$ 8,146,043</b>	<b>\$ 8,146,036</b>	<b>\$ 6,033,040</b>

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



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

DESCRIPTION	RATE	COST	MARKET	% OF TOTAL
<b>District Investments in the California Local Agency Investment Fund (LAIF)</b>				
1 Water Storage Fees	0.576%	\$ 1,051,427	1,055,753	13%
2 Sanitation Capital Improvement	0.576%	154,852	155,489	2%
3 Trabuco Creek Wells	0.576%	1,221,952	1,226,980	15%
4 Reservoir/Distribution	0.576%	2,600,225	2,610,924	33%
5 RD#5	0.576%	76,261	76,575	1%
6 LAIF Interim Sewage	0.576%	115,612	116,087	1%
7 Water Rate Stabilization Funds	0.576%	684,080	686,895	9%
8 Sewer Rate Stabilization Funds	0.576%	726,160	729,148	9%
9 Working Capital Funds	0.576%	1,975,776	1,983,905	25%
10 Internal Financing	0.576%	(702,038)	(704,926)	-9%
<b>Total District Investments</b>		<b>\$ 7,904,307</b>	<b>\$ 7,936,829</b>	<b>100%</b>

*\* 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***

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



**Trabuco Canyon Water District**  
**Checking Account Activity**  
**November 2020**  
**(Unaudited)**

<b>Inflows</b>	<b>Current Month</b>	<b>Year to Date</b>
Utility Billing Collections	\$ 690,900	\$ 3,801,768
Tax Receipts	311,548	367,063
Transfer From LAIF	-	1,000,000
FEMA Reimbursement	-	2,528,981
Miscellaneous	133,915	5,109,437
<b>Total Inflows</b>	<b>1,136,363</b>	<b>12,807,249</b>
<b>Outflows</b>		
Vouchers	1,117,220	5,001,156
Payroll	232,391	1,232,448
Transfer to LAIF	-	5,500,000
Miscellaneous & Online Payments	189,769	1,503,348
<b>Total Outflows</b>	<b>1,539,381</b>	<b>13,236,951</b>
<b>Net Change in Checking Account</b>	<b>(403,017)</b>	<b>(429,702)</b>
<b>Beginning Checking Account</b>	<b>1,028,733</b>	<b>1,055,418</b>
<b>Ending Checking Account</b>	<b>\$ 625,716</b>	<b>\$ 625,716</b>

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