



**FINANCE/AUDIT COMMITTEE MEETING AGENDA
TRABUCO CANYON WATER DISTRICT
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA
ADMINISTRATION FACILITY BOARDROOM – JUNE 9, 2021 AT 1:00 PM**

COMMITTEE MEMBERS

Don Chadd, Committee Chair
Edward Mandich, Committee Member

DISTRICT STAFF

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

AGENDA NOTE:

*Due to the spread of COVID-19 and as authorized by the Governor's Executive Order, Trabuco Canyon Water District will be holding this Finance/Audit Committee Meeting by video broadcast (**Zoom**), and will be available by either video conference or telephone audio as follows:*

Video Conferencing: You can join the meeting from your computer, tablet, or smartphone by clicking on the following link: <https://zoom.us/j/96930019067>

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

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

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

CALL MEETING TO ORDER

VISITOR PARTICIPATION

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

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

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. May 12, 2021

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 May 2021 and tentative future meetings/attendance. (Action Calendar)

ITEM 3: DISCUSSION AND ACTION CONCERNING TRABUCO CANYON WATER DISTRICT PROPOSED FISCAL YEAR 2021-22 GENERAL FUND AND CAPITAL IMPROVEMENT PROJECT (CIP) BUDGET

RECOMMENDED ACTION:

Recommend the Board of Directors approve the proposed Fiscal Year 2021-22 Operating and Capital Improvement Project (CIP) Budget. (Action Calendar)

ITEM 4: DISCUSSION AND ACTION CONCERNING AN INCREASE IN THE SPENDING LIMIT TO AGREEMENT WITH SPECIAL COUNSEL

RECOMMENDED ACTION:

Recommend the Board of Directors an increase in the spending limit to Agreement with Hanson Bridgett LLP for Special Counsel Legal Services in an amount of \$75,000, for a total not-to-exceed amount of \$125,000. (Action Calendar)

ITEM 5: OTHER MATTERS

RECOMMENDED ACTION:

Hear Other Matters from the General Manager or District Staff.

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING AGENDA | JUNE 9, 2021**

ITEM 6: FINANCIAL REPORT

A) PRESENTATION OF UNAUDITED FINANCIAL STATEMENTS

RECOMMENDED ACTION:

Recommend that the Board receive and file the preliminary unaudited financial statements April 2021 (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 June 9, 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. 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 | JUNE 9, 2021**

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. *May 12, 2021*

CONTACTS (staff responsible): PALUDI/PEREA



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | MAY 12, 2021

DIRECTORS PRESENT VIA CONFERENCE CALL

Director Don Chadd, Committee Chair
Director Ed Mandich, Committee Member

STAFF PRESENT

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

PUBLIC PRESENT VIA CONFERENCE CALL

None

CALL MEETING TO ORDER

Director Chadd called the May 12, 2021 Finance/Audit Committee Meeting to order at 4:00 p.m.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

There were no comments received.

REPORT FROM THE ASSISTANT GENERAL MANAGER

Mr. Perea provided the following report to the Committee:

- Mr. Perea reported that Mr. Paludi was out of the office due to a schedule conflict.
- Mr. Perea updated the Committee that a Special Board Meeting – Budget Workshop has been scheduled for Monday, May 24, 2021 at 6:00 p.m.
- Mr. Perea provided a brief update on the Bureau of Labor Statistics Western Consumer Price Index (CPI) data summary.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

Mr. Perea 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).

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | MAY 12, 2021**

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

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

RECOMMENDED ACTION:

The Committee recommended that the Directors' Fees and Expenses Report for March 2021 and April 2021, and the Tentative Future Meetings/Attendance Report be forwarded to the Board of Directors for consideration (Action Calendar).

ITEM 3: OTHER MATTERS

Mr. Perea provided a brief report on the Dimension Water Treatment Plant (DWTP) Backwash Tank Replacement Project and the project timeline and impacts. Ms. Lausten provided additional project-related information, including the DWTP shutdown to accommodate the project work.

RECOMMENDED ACTION:

The information was received. No action was taken.

ITEM 4: FINANCIAL REPORT

Ms. Warner presented the preliminary unaudited financials for March 2021 for Committee consideration and reviewed the following items:

STATEMENT OF REVENUES AND EXPENSES

Operating Revenue, Residential Water

Ms. Warner reported that this line item was slightly higher than the prior month.

Operating Revenue, Irrigation Water

Ms. Warner reported that this line item was higher than the prior month due to less irrigation water usage.

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. Mr. Perea added that the District will likely utilize its Baker Treatment Plant water production during the DWTP Backwash Tank Replacement Project period.

Operating Expenses, Total Operating Expenses

Ms. Warner reported that this line item was lower than the prior month due to overall lower expenses and was trending close to budget.

BALANCE SHEET - COMPARATIVE

Utility Plant, at Cost

Ms. Warner reported that this line item was higher than the prior month due to project costs associated with paving and slurry improvements on the Robinson Ranch Wastewater Treatment Plant access road.

RESTRICTED ASSETS REPORT & INVESTMENT SCHEDULE

Ms. Warner highlighted the Local Agency Interest Fund (LAIF) rate of return on District investments.

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | MAY 12, 2021**

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 May 12, 2021 as presented (Consent Calendar).

ADJOURNMENT

Director Chadd adjourned the May 12, 2021 Finance/Audit Committee Meeting at 4:14 p.m.

DRAFT

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JUNE 9, 2021**

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 May 2021 and tentative future meetings/attendance. (Action Calendar)

EXHIBIT(S):

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

CONTACTS (staff responsible): PALUDI/PEREA


**TRABUCO CANYON WATER DISTRICT
DIRECTORS' FEES AND EXPENSES MONTHLY REPORT | MAY 2021**

MEETING DESCRIPTION	ACOSTA	CHADD	DOPUDJA	MANDICH	SAFRANSKI
DISTRICT MEETINGS					
Special Board Meeting	05/03/21	05/03/21	05/03/21	05/03/21	05/03/21
Engineering/Operational Committee Meeting			05/05/21	05/05/21	
Finance/Audit Committee Meeting		05/12/21		05/12/21	
Bell Canyon Lift Station Site Visit				05/13/21	05/13/21
District Property Ad Hoc Committee Meeting			05/17/21		05/17/21
Individual Meeting with General Manager	05/11/21	05/18/21		05/17/21	
Regular Board Meeting		05/19/21	05/19/21	05/19/21	05/19/21
Special Board Meeting - Budget Workshop	05/24/21	05/24/21	05/24/21	05/24/21	05/24/21
REPRESENTATIVE MEETINGS					
City of Rancho Santa Margarita Council Meeting	05/12/21				
City of Rancho Santa Margarita Council Meeting					05/26/21
City of Rancho Santa Margarita City Planning Commission Meeting	05/05/21				
Independent Special Districts of Orange County Meeting					
South Orange County Water Agencies Group Meeting					05/27/21
South Orange County Wastewater Authority (SOCWA) Regular Board Meeting			05/06/21		
South Orange County Integrated Regional Watershed Management Executive Committee				05/06/21	
Water Advisory Committee of Orange County Meeting (WACO)	05/07/21				
NUMBER OF MEETINGS ATTENDED	6	5	6	8	7
FEES (\$125 per each meeting*)	\$750.00	\$625.00	\$750.00	\$1,000.00	\$875.00
DIRECT REIMBURSABLE EXPENSES					
DIRECT REIMBURSABLE EXPENSES TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INDIRECT REIMBURSABLE EXPENSES					
INDIRECT REIMBURSABLE EXPENSES TOTALS					
TOTAL	\$750.00	\$625.00	\$750.00	\$1,000.00	\$875.00
<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
DISTRICT PUBLIC MEETINGS													
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	-	-	-	-	-	-	-	-	-	-	-	-
PUBLIC MEETINGS													
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 Integrated Regional Watershed Management Executive Committee	-	-	03/04/21	-	05/06/21	-	-	08/05/21	-	-	11/04/21	-
13	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	-
14	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
15	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
CONFERENCES													
16	ACWA Spring Conference - Monterey, CA					5/11 - 5/14							
17	ACWA Fall Conference - Pasadena, CA											11/30 12/3	
18	CSDA Annual Conference -Monterey, CA								8/3 - 9/2				
19	CSDA GM Leadership Summit - Olympic Valley, CA						6/27 - 6/29						
20	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 | JUNE 9, 2021**

FINANCIAL MATTERS

ITEM 3: DISCUSSION AND ACTION CONCERNING TRABUCO CANYON WATER DISTRICT PROPOSED FISCAL YEAR 2020-21 OPERATING AND CAPITAL IMPROVEMENT PROJECT (CIP) BUDGET

The District fiscal year runs from each July 1 through each June 30. During the last quarter of each fiscal year, District staff reviews financial information and performs analyses relating to projected costs for the upcoming fiscal year in order to recommend a budget to the Board of Directors.

PROPOSED GENERAL FUND BUDGET ASSUMPTIONS

For FY 2021/2022, District staff has prepared the General Fund Budget with the following budgetary assumptions based on nine months of financial data in FY 2020/2021:

FY2021/2022 BUDGETARY ASSUMPTIONS	
DESCRIPTION	% ADJUSTMENT
TCWD Water Sales/Consumption	2.0%
MET Treated Rate	3.5%
MET Untreated Rate	2.8%
MWDOC Capacity Charges	12.0%
MWDOC Readiness to Serve Charge	(12.0%)
MWDOC Water Loss Control Program	Pending
MWDOC Water Education Program	(27.0%)
MWDOC Water Use Efficiency Programs	No Change
Health Benefits	
Health Benefits	7.0%
Dental Benefits	2.0%
Vision Benefits	2.0%
Life Insurance Benefits	2.0%
Utilities	
Electricity	4.0%
Chemicals	2.0%
Fuel	2.0%
Inflation	2.0%
Property Taxes	2.0%

**Actual increase of \$7,744 for the year; based on the District's overall MET rebate activity from year to year*

Total revenues proposed for the FY 2021/2022 budget equal \$12,039,300, a 9.3% increase compared to the projected results of the current FY 2020/2021. Total proposed expenses are \$12,284,500, an 8% increase compared to current fiscal year projected results. Overall, when capital contributions and debt service are accounted for, the proposed budget results in a net income of \$475,700. The District's total reserve balance will increase by \$475,000 in net income and an estimated \$4,680,000 in borrowing as planned in the 2019 rate study to help fund the CIP program. Total reserves ending balance is projected to be \$9,324,902.

PROPOSED CAPITAL IMPROVEMENT PROJECTS, EQUIPMENT, & PROGRAM BUDGETS

District staff prepares a list of proposed projects for the upcoming fiscal year in order to recommend a CIP budget to the Board of Directors. The FY 2021/2022 CIP budget is \$4,817,500 and includes 22 projects. A proposed ten-year CIP, Equipment, & Program Budget for years FYE 2022 through 2026 is included for Board consideration and comment.

Additional information may be provided at the time of the meeting.

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JUNE 9, 2021**

FUNDING SOURCE:

General Fund

FISCAL IMPACT:

Proposed Fiscal Year 2021/2022 General Fund Budget:	\$12,284,500
Proposed Fiscal Year 2020/2021 Capital Improvement Projects, Equipment and Program Budgets:	\$ 4,680,000

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This matter will be reviewed by the Finance and Audit Committee.

RECOMMENDED ACTION:

Recommend the Board of Directors approve the proposed Fiscal Year 2021-22 Operating and Capital Improvement Project (CIP) Budget. (Action Calendar)

EXHIBITS:

1. Proposed Fiscal Year 2021/2022 Budget DRAFT Schedules A-D.

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



TCWD
Proposed Budget Summary
FY 2021/22

Schedule A

	A		B		C
	FY 20/21		FY 20/21		FY 21/22
	Adopted Budget		Projected Results		Proposed Budget
1 GENERAL FUND					
2 Sources of Funds from Operating Budget (Revenues)	\$ 10,658,800	\$	11,014,300	\$	12,039,300
3 Uses of Funds from Budget* (Expenses)	(11,027,200)		(11,374,200)		(12,284,500)
4 Surplus / (Deficit) Available to Fund CIP & Debt Service	(368,400)		(359,900)		(245,200)

General Fund Cash Flow includes sources and uses of funds to operate the District's water, wastewater, recycled and reclaimed systems. General Fund Cash Flow does not include non-cash expenses such as depreciation, amortization, capital restricted revenues/expenses, or WRES (SRF) assessment revenues/expenses, all of which are not available to fund general operations. It does include Series C debt service, paid by General Fund.

**Includes Series C principal payments, and major repairs in the CIP budget.*

5 RESTRICTED CAPITAL CONSTRUCTION REVENUES - EXCLUDES DEVELOPER FEES & GRANT REIMBURSEMENTS					
6 Water Reliability and Emergency Storage Fees (WRES)					
7 WRES - Baker Treatment Plant	<i>a.</i>	\$	373,400	\$	377,900
8 WRES - Reservoir/Distribution Funding	<i>b.</i>	\$	54,100	\$	30,700
9 WRES - Wells Facilities	<i>c.</i>	\$	406,800	\$	413,600

a. Dedicated for the District's share of costs for the construction of the Baker Treatment Plant.

b. Dedicated for constructing a new reservoir and/or distribution improvements.

c. Dedicated for repayment of the State Revolving Fund (SRF) loan, which funded the construction of the Trabuco Creek Wells Facility.



TCWD
Proposed Budget Detail
FY 2021/22

Schedule B

	FY 2019/20 Actual Results	FY 2020/21 Adopted Budget	FY 2020/21 Projected Results	FY 2021/22 Proposed Budget	\$ Change	% Change
1 Operating Revenue						
2 Residential Water Revenues	\$ 3,244,641	\$ 3,497,400	\$ 3,710,000	\$ 4,116,200	\$ 406,200	10.9%
3 Business & Industrial Water Revenues	123,985	150,300	150,100	165,600	15,500	10.3%
4 Irrigation Water Revenues	763,726	823,400	964,300	1,075,200	110,900	11.5%
5 Stand-By Revenue	65,930	41,000	41,000	41,800	800	2.0%
6 Sanitation Revenue	1,918,114	1,859,400	1,830,900	1,964,200	133,300	7.3%
7 Recycled & Reclaimed Revenue	723,088	725,000	827,300	999,000	171,700	20.8%
8 Baker Treatment Plant Water Sales	1,210,433	1,469,100	1,344,100	1,383,500	39,400	2.9%
9 Other Operating Revenue	151,158	164,600	5,100	179,600	174,500	3421.6%
10 Total Operating Revenue	8,201,075	8,730,200	8,872,800	9,925,100	1,052,300	11.9%
11 Non-Operating Revenue						
12 Property Tax Unrestricted	1,936,412	1,707,400	1,966,200	2,006,200	40,000	2.0%
13 Interest Revenue	109,736	100,600	47,400	35,600	(11,800)	-24.9%
14 Development Services	-	-	-	-	-	-
15 Sale of Fixed Assets	9,584	50,000	46,100	-	(46,100)	-100.0%
16 Other Non-Operating Revenue	67,227	70,600	81,800	72,400	(9,400)	-11.5%
17 Total Non-Operating Revenue	2,122,959	1,928,600	2,141,500	2,114,200	(27,300)	-1.3%
18 Total Revenues	10,324,034	10,658,800	11,014,300	12,039,300	1,025,000	9.3%
19 Operating Expenses						
20 Source of Supply	2,103,788	2,198,100	2,271,800	2,262,400	(9,400)	-0.4%
21 Baker Treatment SOS Costs	1,046,475	1,155,300	1,201,700	1,287,700	86,000	7.2%
22 Water Related Direct Expenses	1,808,832	1,946,900	1,963,400	2,031,100	67,700	3.4%
23 Sanitation Direct Expenses	1,364,825	1,168,400	1,355,100	1,358,600	3,500	0.3%
24 Reclaimed & Recycled Expenses	454,442	446,700	458,800	468,300	9,500	2.1%
25 Salaries & Benefits	3,320,139	3,462,600	3,483,700	3,952,000	468,300	13.4%
26 CalPERS UAL & Pension Trust Contributions	452,254	222,100	216,200	590,700	374,500	173.2%
27 OPEB Trust Contributions & Paygo OPEB	112,319	309,100	309,300	206,100	(103,200)	-33.4%
28 Board Expenses	108,957	114,400	109,200	122,600	13,400	12.3%
29 Total Operating Expenses	10,772,032	11,023,600	11,369,200	12,279,500	910,300	8.0%
30 Non-Operating Expenses						
31 Other Non-Operating Expense	12,696	3,600	5,000	5,000	-	0.0%
32 Total Non-Operating Expenses	12,696	3,600	5,000	5,000	-	0.0%
33 Total Expenses	10,784,728	11,027,200	11,374,200	12,284,500	910,300	8.0%
Net Income/(Loss) Before Capital						
34 Contributions & Debt Service	(460,694)	(368,400)	(359,900)	(245,200)	114,700	
35 Capital Contributions & Debt Service						
36 WRES	833,511	834,300	822,200	822,200	-	
37 Developer Impact Fees	-	-	19,900	-	(19,900)	
38 Capital Contributions & Grants Proceeds	5,926,052	-	99,700	344,000	244,300	
39 Debt Principal, Interest & Issuance Costs	(230,381)	(230,300)	(230,300)	(445,300)	(215,000)	
40 Total Capital Contributions & Debt Service	6,529,182	604,000	711,500	720,900	9,400	
41 Net Income	\$ 6,068,488	\$ 235,600	\$ 351,600	\$ 475,700	\$ 124,100	



TCWD
Proposed CIP Detail
FY 2021/2022

Schedule C

Item #	Project	Project Basis	Proposed
WATER			
1	PRV Improvements	Reliability	55,000
2	Valve Replacement Program	End of Service Life	37,500
3	DWTP Chlorine Building Improvement - Doors & Roof	Safety; End of Service Life	35,000
4	DWTP Office & Storage	Safety; End of Service Life	200,000
5	Live Oak Transmission Main Upgrade	Reliability	900,000
WATER SUBTOTAL			1,227,500
DISTRICT-WIDE			
6	SCADA System Upgrades	Reliability; End of Service Life	1,000,000
7	Meter Replacement Program	Water Use Efficiency	35,000
8	AMI/AMR System Implementation - USBR Grant Funded	Water Use Efficiency	600,000
9	District Facility Security Improvements	Security	100,000
10	Skiploader - AQMD Tier 1 Compliant	End of Life	100,000
11	Pump Replacement Program	End of Life	100,000
12	Generators (Grant - spend by Nov21)	Reliability	300,000
13	Master Plan and Condition Assessment Study	Reliability; Safety	600,000
14	Field Office Remediation (Excavation, French Drain, Retaining Wall)	Safety	20,000
DISTRICT-WIDE SUBTOTAL			2,855,000
WASTEWATER / RECLAIMED / RECYCLED			
15	Wet Well Recoating Program - Via Allegre, Barneburg, Bell Canyon - Sewer	General Maintenance	25,000
16	Manhole Recoating Program - Sewer	General Maintenance	20,000
17	PRV Vault Improvements Program - Reclaimed	General Maintenance	45,000
18	SLS Surge Tank Improvements/Rehabilitation Program (Barneburg & Bell Canyon) - Sewer	General Maintenance	25,000
19	Heritage SLS Improvements - Security, Asphalt, Piping, Bypass, Electrical	End of Service Life	240,000
20	Golf Club SLS Bypass Construction - Sewer ByPass, MCC, Wet Well Rehab	End of Service Life	150,000
21	WWTP Headworks Climber Screen - Sewer	End of Service Life	110,000
22	RW PS Header, Filters, Pump	End of Service Life	120,000
WASTEWATER / RECLAIMED / RECYCLED SUBTOTAL			735,000
TOTAL PROPOSED CIP			4,817,500

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TCWD
Projected Reserve Balances
FY 2021/22

Schedule D

	Beginning Balance	Net Cash Changes from P&L	WRES	Capital Contributions / New Debt	CIP / Fixed Assets	Adjustments	Projected Ending Balance
Unrestricted							
1100 Internal Financing	\$ (553,464)	\$ 475,700	\$ (615,819)	\$ 6,744,000	\$ (4,641,817)	\$ 79,346	\$ 1,487,946
1102 CIC DIF	-	-	-	-	-	-	-
1103 Water Storage DIF	1,051,427	-	-	-	-	-	1,051,427
1104 Sanitation DIF	(1,363,632)	-	-	-	(38,183)	-	(1,401,815)
Total Unrestricted	(865,670)	475,700	(615,819)	6,744,000	(4,680,000)	79,346	1,137,558
Restricted							
1105 WRES - Wells	1,226,621	-	183,219	-	-	-	1,409,840
1106 WRES - Treatment	-	-	377,900	-	-	-	377,900
1107 WRES - Res/Dist	2,600,440	-	30,700	-	-	-	2,631,140
1108 RD#5	75,779	-	-	-	-	-	75,779
1109 Goren Deposit	118,850	-	-	-	-	-	118,850
1111 Developer Deposit	-	-	-	-	-	-	-
1112 District Capital Projects	-	-	-	-	-	-	-
1009 SRF Loan	243,165	-	24,000	-	-	-	267,165
Total Restricted	4,264,856	-	615,819	-	-	-	4,880,675
Target							
1114 Water Rate Stab.	684,080	-	-	-	-	108,750	792,830
1115 Sewer Rate Stab.	726,160	-	-	-	-	(177,040)	549,120
1116 Working Capital	1,975,776	-	-	-	-	(11,056)	1,964,720
Total Target	3,386,016	-	-	-	-	(79,346)	3,306,670
Grand Total	\$ 6,785,202	\$ 475,700	\$ -	\$ 6,744,000	\$ (4,680,000)	\$ -	\$ 9,324,902

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**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JUNE 9, 2021**

FINANCIAL MATTERS

ITEM 4: DISCUSSION AND ACTION CONCERNING AN INCREASE IN THE SPENDING LIMIT TO AGREEMENT WITH SPECIAL COUNSEL

The law firm of Hanson Bridgett, LLP (HB) is providing legal services to the District in the capacity of Special Counsel. HB's services are focused primarily on real property related matters but include other areas as directed by the Board of Directors or the General Manager. HB's services are under a professional services contract with the District entered into in June 2020. The original budget for this contract was \$50,000. In anticipation of increased activity related to the District's real properties, staff recommends an increase in the spending authority related to the agreement with HB in the amount of \$75,000.

FUNDING SOURCE:

General Fund.

FISCAL IMPACT:

Original Contract Amount \$50,000.

Proposed increase budget \$75,000.

Total Fiscal Impact: \$125,000.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This matter will be reviewed by the Finance and Audit Committee.

RECOMMENDED ACTION(S):

That the Board of Directors approve an increase in the spending limit for the Agreement with Hanson Bridgett for Special Counsel services in the amount of \$75,000, for a total not-to-exceed amount of \$125,000. (Action Calendar)

EXHIBITS:

None

CONTACTS (staff responsible): PALUDI/PEREA

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JUNE 9, 2021**

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 | JUNE 9, 2021**

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 April 2021 (Consent Calendar).

B) BILLS FOR CONSIDERATION

The total of the bills for consideration will be presented at the time of the June 9, 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 June 9, 2021 as presented (Consent Calendar).

CONTACTS (staff responsible): PALUDI/PEREA/WARNER



Trabuco Canyon Water District

Statement of Revenues & Expenses

FY 2020-21 (Unaudited)

	April 2021	March 2021	Current YTD	Annual Budget	83% YTD	Prior YTD
1 Operating Revenue						
2 Residential Water	\$ 241,523	\$ 226,013	\$ 3,063,984	\$ 3,497,400	88%	\$ 2,659,848
3 Business & Industrial Water	8,403	9,975	127,428	150,300	85%	106,491
4 Irrigation Water	42,581	47,927	784,165	823,400	95%	604,538
5 Stand-by	(5,684)	3,417	25,066	41,000	61%	47,820
6 Sanitation Revenue	151,525	149,500	1,457,729	1,859,400	78%	1,401,351
7 Recycled & Reclaimed Revenue	45,253	35,795	671,492	725,000	93%	591,430
8 Baker Treatment Plant Water Sales *	62,438	116,981	1,068,490	1,469,100	73%	1,055,711
9 Other Operating Revenue	320	281	4,264	164,600	3%	150,209
10 Total Operating Revenue	546,359	589,888	7,202,619	8,730,200	83%	6,617,397
11 Non-Operating Revenue						
12 Property Tax Unrestricted	553,761	142,283	1,834,311	1,707,400	107%	1,800,225
13 Interest Revenue	235	8,348	35,860	100,600	36%	93,285
14 Development Services	-	-	-	-	0%	100
15 Sale of Fixed Asset	-	-	46,158	50,000	92%	-
16 Other Non-Operating Revenue	33,969	2,729	79,708	70,600	113%	58,176
17 Total Non-Operating Revenue	587,965	153,361	1,996,037	1,928,600	103%	1,951,786
18 Total Revenues	1,134,324	743,250	9,198,656	10,658,800	86%	8,569,183
19 Operating Expenses						
20 Source of Supply	177,559	103,518	1,944,682	2,198,100	88%	1,722,211
21 Baker Treatment SOS Costs	-	116,674	888,566	1,155,300	77%	883,196
22 Water Related Expense	118,530	117,441	1,537,562	1,946,900	79%	1,440,254
23 Sanitation Expense	125,799	53,296	1,071,526	1,168,400	92%	1,102,048
24 Recycled Expense	20,137	12,808	187,403	225,300	83%	191,009
25 Reclaimed Expense	20,137	12,810	187,394	221,400	85%	171,126
26 Salaries & Benefits	309,447	324,499	3,016,556	3,684,700	82%	2,865,404
27 OPEB Trust Contributions & Paygo	9,194	9,194	77,503	91,000	85%	73,930
28 Board Expense	6,188	9,879	88,172	114,400	77%	91,571
29 Total Operating Expenses	786,989	760,119	8,999,364	10,805,500	83%	8,540,748
30 Non-Operating Expenses						
31 Principal and Interest Expense	19,198	19,198	191,984	230,300	83%	191,324
32 Non-Operating Expense	8,432	313	12,170	3,600	338%	12,525
33 Total Non-Operating Expenses	27,631	19,511	204,153	233,900	87%	203,849
Net Income (Loss) Before OPEB,						
34 Depreciation & Capital Contributions	319,704	(36,381)	(4,861)	(380,600)	1%	(175,414)
35 WRES Fees for Capital	68,628	68,632	685,241	834,300	82%	697,199
36 Developer Impact Fees	-	19,900	19,900	-	0%	-
37 Other Capital Contributions	99,750	-	99,750	-	0%	1,400,052
38 Total Capital Contributions	168,378	88,532	804,891	834,300	96%	2,097,251
39 Net Income	\$ 488,081	\$ 52,151	\$ 800,030	\$ 453,700	176%	\$ 1,921,837

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 April 30, 2021
(Unaudited)

	April 2021	March 2021	April 2020
1 Assets			
2 Current Assets			
3 Cash	\$ 809,415	\$ 273,325	\$ 1,331,790
4 Accounts Receivable, Net	1,985,991	1,914,845	3,974,637
5 Property Tax Receivable	-	429,730	-
6 Prepaid Expenses	164,190	177,172	175,218
7 Total Current Assets	2,959,596	2,795,072	5,481,645
8 Total Restricted Assets (see Schedule A)	7,177,066	7,369,106	4,602,770
9 Utility Plant			
10 Utility Plant, at Cost	116,130,580	116,029,463	114,584,371
11 Accumulated Depreciation	(73,913,643)	(73,611,795)	(71,059,393)
12 Construction in Progress	4,731,056	4,228,893	2,930,830
13 Total Utility Plant	46,947,993	46,646,561	46,455,808
14 Other Assets			
15 Due from BTP	1,150,991	1,182,762	1,527,898
16 Deferred Outflow (Pension Related)	1,179,514	1,179,514	1,126,151
17 Total Other Assets	2,330,505	2,362,276	2,654,049
18 Total Assets	\$ 59,415,159	\$ 59,173,015	\$ 59,194,272
19 Liabilities & Retained Earnings			
20 Current Liabilities			
21 Accounts Payable	\$ 1,289,536	\$ 783,626	\$ 2,234,199
22 Due to Internal Financing Fund	1,150,991	1,182,762	1,527,898
23 Accrued Expenses	467,872	434,568	386,919
24 Deferred Property Tax Revenue	-	437,100	-
25 Total Current Liabilities	2,908,399	2,838,056	4,149,016
26 Liabilities to be Paid from Restricted Assets			
27 Accrued Bond Interest	16,973	12,730	18,316
28 Current Portion-Long Term Debt	178,449	178,449	172,473
29 Refundable Deposits	11,500	9,500	9,500
30 Developer Deposits	74,608	77,108	121,509
31 Total Liabilities to be Paid from Restricted Assets	281,529	277,786	321,799

*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 April 30, 2021
(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	9,165,428	9,091,341	10,451,084
38	Fund Balance			
39	Invested in Capital Net of Related Debt	44,612,519	44,315,331	43,944,549
40	Restricted for Debt Service	237,048	237,041	213,222
41	Legally Restricted	3,424,761	3,613,387	2,115,539
42	Designated by Board	3,402,609	3,402,609	1,296,500
43	Unrestricted	(1,427,205)	(1,486,695)	1,173,378
44	Total Fund Balance	50,249,732	50,081,673	48,743,188
45	Total Liabilities and Fund Balance	\$ 59,415,159	\$ 59,173,015	\$ 59,194,272

*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 April 30, 2021
(Unaudited)

	April 2021	March 2021	April 2020
1 LAIF Accounts (at Cost)			
2 Internal Financing	\$ (1,604,266)	\$ (1,403,026)	\$ (3,154,151)
3 Capital Improvement Charges	-	-	-
4 Water Storage Facilities	1,051,427	1,051,427	1,051,427
5 Sanitation Capital Improvement	-	28,650	488,671
6 WRES - Rose Canyon/Lang Wells	1,282,862	1,246,836	1,090,497
7 WRES - Reservoir/Distribution Improvements	2,618,275	2,613,123	2,563,316
8 RD#5	76,463	76,378	75,779
9 Developer Deposits	-	-	(457,900)
10 LAIF Interim Sewage	112,648	116,068	114,305
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	237,048	237,041	213,222
17 Total Restricted Assets	\$ 7,177,066	\$ 7,369,106	\$ 4,602,770

*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 April 30, 2021
(Unaudited)

DESCRIPTION	RATE	COST	MARKET	% OF TOTAL
District Investments in the California Local Agency Investment Fund (LAIF)				
1 Water Storage Fees	0.339%	\$ 1,051,427	\$ 1,052,485	15%
2 Trabuco Creek Wells	0.339%	1,282,862	1,284,153	19%
3 Reservoir/Distribution	0.339%	2,618,275	2,620,911	38%
4 RD#5	0.339%	76,463	76,540	1%
5 LAIF Interim Sewage	0.339%	112,648	112,761	2%
6 Water Rate Stabilization Funds	0.339%	684,080	684,769	10%
7 Sewer Rate Stabilization Funds	0.339%	726,160	726,891	10%
8 Working Capital Funds	0.339%	1,975,776	1,977,765	29%
9 Internal Financing	0.339%	(1,604,266)	(1,605,881)	-23%
Total District Investments		\$ 6,923,425	\$ 6,930,396	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

*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
April 2021
(Unaudited)

Inflows	Current Month	Year to Date
Utility Billing Collections	\$ 544,427	\$ 6,886,281
Tax Receipts	532,274	1,870,946
Transfer From LAIF	200,000	2,000,000
FEMA Reimbursement	-	2,528,981
Miscellaneous	152,672	5,513,655
Total Inflows	1,429,374	18,799,863
Outflows		
Vouchers	401,262	8,561,270
Payroll	244,827	2,525,213
Transfer to LAIF	-	5,500,000
Transfer/payments for State Loan	-	121,191
Miscellaneous & Online Payments	156,386	2,204,005
Total Outflows	802,475	18,911,679
Net Change in Checking Account	626,899	(111,816)
Beginning Checking Account	316,703	1,055,418
Ending Checking Account	\$ 943,602	\$ 943,602

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