



**FINANCE/AUDIT COMMITTEE MEETING AGENDA
TRABUCO CANYON WATER DISTRICT
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA
ADMINISTRATION FACILITY BOARDROOM – JULY 14, 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 | JULY 14, 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. June 9, 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 June 2021 and tentative future meetings/attendance. (Action Calendar)

ITEM 3: AMENDMENT NO. 1 TO GRANT ASSISTANCE SERVICES AGREEMENT WITH SOTO RESOURCES

RECOMMENDED ACTION:

Recommend the Board of Directors authorize the General Manager to execute Amendment No. 1 to Grant Assistance Services Agreement with Soto Resources for an amount not-to-exceed \$30,000. (Action Calendar)

ITEM 4: DISCUSSION CONCERNING ESTABLISHING DISTRICT APPROPRIATIONS LIMIT FOR FISCAL YEAR 2021/2022

RECOMMENDED ACTION:

Recommend the Board of Directors adopt Resolution No. 2021- 1295 Establishing an Appropriations Limit for Fiscal Year 2021-22. (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 | JULY 14, 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 May 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 July 14, 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 | JULY 14, 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. *June 9, 2021*

CONTACTS (staff responsible): PALUDI/PEREA



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

DIRECTORS PRESENT VIA CONFERENCE CALL

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

STAFF PRESENT

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

CONSULTANTS

Ian Berg, Eide Bailly

PUBLIC PRESENT VIA CONFERENCE CALL

None

CALL MEETING TO ORDER

Director Chadd called the June 9, 2021 Finance/Audit Committee Meeting to order at 1:00 p.m.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

There were no comments received.

REPORT FROM THE GENERAL MANAGER

There were no comments received.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

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).

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

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

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

RECOMMENDED ACTION:

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

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

Mr. Paludi presented this matter for Committee review, and he reported that District staff has updated the proposed Fiscal Year 2021/2022 Budget and Capital Improvement Program (CIP) to reflect the increase in salaries and benefits due to the results of the salary survey and certain planned contract services. Discussion occurred concerning certain budget assumptions, including the proposed fuel budget adjustment based on current national fuel costs.

RECOMMENDED ACTION:

The Committee recommend the Board of Directors approve the proposed Fiscal Year 2021-22 Operating and Capital Improvement Project Budget (Action Calendar)

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

Mr. Paludi presented this matter for Committee consideration, and he reported that the current budget for special legal counsel services with Hanson Bridgett has been exhausted. Mr. Paludi recommended the Board approve an increase in the spending limit for special counsel services be increased to \$75,000 for a total not to exceed amount of \$125,000. Discussion occurred concerning the current level and quality of legal counsel services by the firm on special projects.

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).

ITEM 5: OTHER MATTERS

The following matters for Committee review and consideration:

- The CalPERS California Employers Pension Prefunding Trust (CEPPT) agreement documents had been prepared for Director Chadd's signature.
- Mr. Paludi reported that District staff has contacted Fieldman Rolapp Municipal Financial Advisory Services concerning financial advisory consulting services related to funding costs for capital improvements.
- Mr. Perea reported that District staff has procured two quotes for a trailer-mounted transfer pump for wastewater operations that had been approved in the Fiscal Year 2020/2021 CIP equipment budget. Mr. Perea provided an overview of the two quotes, and he recommended forwarding this matter to the Board of Directors for their consideration and approval.

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

- Mr. Paludi reported that District staff reviewed the proposed purchase of a trailer-mounted backup power generator with the Engineering/Operational Committee the prior week. Mr. Paludi added that District staff has successfully received State grant funding in the amount of \$100,000 towards the purchase of the equipment. Mr. Paludi recommended forwarding this matter to the Board of Directors for their consideration and approval.

RECOMMENDED ACTION:

The Committee recommended forwarding the information to the Board of Directors for consideration (Action Calendar).

ITEM 6: FINANCIAL REPORT

Mr. Berg presented the preliminary unaudited financials for April 2021 for Committee consideration and reviewed the following items:

STATEMENT OF REVENUES AND EXPENSES

Operating Revenue, Residential Water

Mr. Berg reported that this line item was slightly higher than the prior month due to increased water sales.

Operating Revenue, Irrigation Water

Mr. Berg reported that this line item was lower than the prior month due to less irrigation water usage.

Operating Revenue, Baker Treatment Plant Water Sales

Mr. Berg reported that this line item was lower than the prior month due to decreased water sales to the City of San Clemente. Mr. Perea reminded the Committee that the District would be using its capacity in the Baker Treatment Plant for a two-month period beginning mid-June.

Operating Expenses, Total Operating Expenses

Mr. Berg reported that this line item was similar to the prior month, and he provided a brief overview of the certain expenses.

BALANCE SHEET - COMPARATIVE

Utility Plant, at Cost

Mr. Berg 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.

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 June 9, 2021 as presented (Consent Calendar).

ADJOURNMENT

Director Chadd adjourned the June 9, 2021 Finance/Audit Committee Meeting at 1:21 p.m.

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JULY 14, 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 June 2021 and tentative future meetings/attendance. (Action Calendar)

EXHIBIT(S):

1. Directors' Fees and Expenses Report for June 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 | JUNE 2021**

MEETING DESCRIPTION	ACOSTA	CHADD	DOPUDJA	MANDICH	SAFRANSKI
DISTRICT MEETINGS					
Engineering/Operational Committee Meeting			06/02/21	06/02/21	
Executive Committee Meeting		06/02/21	06/02/21		
Finance/Audit Committee Meeting		06/09/21		06/09/21	
Special Engineering/Operational Committee Meeting			06/09/21		06/09/21
Individual Meeting with General Manager	06/15/21	06/14/21		06/14/21	06/14/21
Regular Board Meeting	06/16/21	06/16/21	06/16/21	06/16/21	06/16/21
Special Board Meeting	06/22/21	06/22/21	06/22/21	06/22/21	06/22/21
Special Board Meeting	06/24/21	06/24/21	06/24/21	06/24/21	06/24/21
District Property Ad Hoc Committee Meeting			06/30/21		06/30/21
REPRESENTATIVE MEETINGS					
City of Rancho Santa Margarita Council Meeting	06/09/21				
City of Rancho Santa Margarita Council Meeting					
City of Rancho Santa Margarita City Planning Commission Meeting	06/02/21				
Independent Special Districts of Orange County Meeting					
Santiago Aqueduct Commission Meeting(SAC)					
South Orange County Wastewater Authority (SOCWA) Regular Board Meeting					
South Orange County Integrated Regional Watershed Management Executive Committee					
Water Advisory Committee of Orange County Meeting (WACO)	06/04/21				
NUMBER OF MEETINGS ATTENDED	7	6	6	6	6
FEES (\$125 per each meeting*)	\$875.00	\$750.00	\$750.00	\$750.00	\$750.00
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	\$875.00	\$750.00	\$750.00	\$750.00	\$750.00
<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 | JULY 14, 2021**

FINANCIAL MATTERS

ITEM 3: AMENDMENT NO. 1 TO GRANT ASSISTANCE SERVICES AGREEMENT WITH SOTO RESOURCES

Soto Resources has provided general grant assistance to Trabuco Canyon Water District under an existing professional services agreement initiated in February 2020. With the assistance of Soto Resources, the District was successful in securing a \$500,000 grant award from the U.S. Bureau of Reclamation in early 2021 for the AMR/AMI Implementation Project. Grant applications are typically resource-intensive efforts. Virtually all of the original agreement budget of \$32,000 was used for developing, submitting, and managing grant applications in two funding categories that led to the grant award.

District staff anticipates greater grant opportunities beginning this fiscal year with heightened attention on water and wastewater infrastructure needs and an apparent willingness to provide grant and loan funding at the state and federal level. Under the recommended Amendment, Soto Resources will continue to closely track grant programs and if requested, prepare “go/no-go” analyses for opportunities that are particularly well-suited for District projects and programs. Should the District pursue one or more funding opportunities, staff could seek to further increase the Soto Resources agreement spending limit at a future time.

FUNDING SOURCE:

General Fund

FISCAL IMPACT:

\$30,000 (Amendment No. 1)

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDED ACTION:

Recommend the Board of Directors authorize the General Manager to execute Amendment No. 1 to Grant Assistance Services Agreement with Soto Resources for an amount not-to-exceed \$30,000.

EXHIBITS:

1. Proposal for General Grant Assistance and Management Services from Soto Resources

CONTACTS (staff responsible): PALUDI/PEREA



Soto Resources
Professional Funding Services
(949) 370-6079
Joey@sotoresources.com

June 1, 2021

Fernando Paludi
General Manager
Trabuco Canyon Water District
32003 Dove Canyon Drive
Trabuco Canyon, CA 92679
fpaludi@tcwd.ca.org

Subject: Proposal for General Grant Assistance and Management Services for Trabuco Canyon Water District Projects

Dear Fernando:

Thank you for the invitation to submit this proposal for Soto Resources to provide general grant assistance and grant management for Trabuco Canyon Water District's (TCWD) projects. Since 2011, Soto Resources has secured over \$60 million in grant funding and over \$200 million in loan funding for water projects, with a majority of projects located in Orange County. We are excited for this opportunity to continue our success for TCWD. Per TCWD's request, this proposal is to provide general grant assistance services on an as-needed basis for TCWD's projects. Below is the scope of work and fee schedule for providing grant assistance services.

Scope of Work

Soto Resources' general grant assistance services may include, but are not limited to, the following:

- Provide general support and grant management for TCWD's awarded projects, such as assisting with the grant agreement execution and ongoing reporting per the agreement.
- Communicate with funding agencies to clarify application or agreement requirements.
- Prepare and submit documentation required by the grant award;
- Assist with renewing TCWD's registration in the System for Award Management and grants.gov (to ensure eligibility for federal funding)
- Participate in funding related meetings with the TCWD and funding agencies; and
- Make recommendations on whether TCWD should submit a grant or loan application;
- Perform other funding-related tasks, as requested by TCWD.

Soto Resources anticipates focused management support for grant awarded projects, including the Advanced Metering Infrastructure (AMR/AMI Hybrid) Project, which was recently awarded \$500,000 by the U.S. Bureau of Reclamation WaterSMART Grants - Water and Energy Efficiency Grants Program.

Soto Resources' assistance will also support the following TCWD priority projects:

- SCADA System Upgrade Project;
- Domestic Water Storage Tank Structural Improvement Evaluation;
- Domestic Water Main Feeder Structural Evaluation and Improvements;



- Robinson Ranch Urban Runoff Capture Facility;
- Groundwater Opportunities Exploration Study;
- District Facility Backup Power Generators for Emergency Purposes; and
- Electric Vehicle Charging Station.

Soto Resources and team will work closely with TCWD to communicate with funding agencies regarding District projects to identify funding award requirements and funding opportunities for consideration. TCWD will be responsible for providing project information required to complete grant related tasks.

Fee Schedule

The table below shows the Soto Resources team, bill rate, and hours required to perform the proposed services. The services will be performed on an hourly basis, for a total cost not to exceed \$29,625. Invoices will be submitted on a monthly basis. Separate proposals will be provided to TCWD to prepare and submit selected grant/loan applications at the District's request and direction to pursue a funding opportunity.

As-needed general grant services	Principal/ Project Manager	Senior Grant Writer	Technical Editor / Admin Assistant	Total Budget
	\$165/hr.	\$165/hr.	\$105/hr.	
Total Hours	85	85	15	185 hrs.
Total Cost	\$14,025	\$14,025	\$1,575	\$29,625

Notes: Other direct costs such as copying, reproduction, delivery, postage, mileage (rates allowed by current IRS guidelines), are not included in the fee estimate and will be billed separately if incurred. Soto Resources reserves the right to adjust its hourly rates at the beginning of the calendar year for all ongoing contracts.

Please contact me with any questions. I look forward to working together to manage grants awarded to TCWD and to secure additional grant funding for TCWD Projects!

Sincerely,

Ms. Joey Soto, M.S.
Principal
Soto Resources
30767 Gateway Place #505
Rancho Mission Viejo, CA 92694
Ph. 949-370-6079
Email joey@sotoresources.com

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JULY 14, 2021**

FINANCIAL MATTERS

ITEM 4: DISCUSSION CONCERNING ESTABLISHING DISTRICT APPROPRIATIONS LIMIT FOR FISCAL YEAR 2021/2022

In July 1988, the District’s Board of Directors adopted Resolution No. 88-519 (Resolution of the Board of Directors of the Santa Ana Mountains County Water District Regarding Appropriations Policy) which codified a policy and methodology for establishing a District Appropriations Limit consistent with California Constitution Article XIII B. The State Constitution specifies that appropriations by local governments may increase annually by a factor determined by information provided by the State of California.

The District previously set its appropriations limit for Fiscal Year (FY) 2020/2021 in the amount of **\$3,332,555.90**. The calculation for FY2021/2022 utilizes the County of Orange Overall Population Change Figures, and was calculated as follows:

FISCAL YEAR 2020/2021 APPROPRIATIONS LIMIT METHODOLOGY	
Per Capita Ratio:	1.0573
Population Ratio:	(1.0080)
Calculation Factor:	1.0493
FY2021/2022 Limit:	\$3,496,850.91

It is the opinion of District staff that the proposed calculated appropriations limit does not appear to impact the District’s overall ability to generate the necessary revenue required to the District’s obligations.

FUNDING SOURCE:

Not applicable

FISCAL IMPACT

The FY 2021/2022 Appropriations Limit limits certain revenues collected by the District at \$3,496,850.91.

ENVIRONMENTAL COMPLIANCE:

Not applicable

RECOMMENDED ACTION:

1. *Receive information at the time of the Committee Meeting.*
2. *Recommend the Board of Directors adopt Resolution No. 2021-1295 – Resolution of the Board of Directors of Trabuco Canyon Water District Establishing Appropriations Limit for Fiscal Year 2021/2022, Pursuant to Article XIII B of the California Constitution (Action Calendar).*

EXHIBIT(S)

1. Resolution No. 88-516 – Resolution of the Board of Directors of the Santa Ana Mountains County Water District Regarding Appropriations Policy
2. Fiscal Year 2021/2022 Appropriations Limit Memorandum prepared by AALRR – June 17, 2021
3. Resolution No. 2021-1295 - Resolution of the Board of Directors of Trabuco Canyon Water District Establishing Appropriations Limit for Fiscal Year 2020/2021 Pursuant to Article XIII B of the California Constitution

CONTACTS (staff responsible): PALUDI/PEREA

RESOLUTION NO. 88-516

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SANTA ANA MOUNTAINS COUNTY WATER DISTRICT
REGARDING APPROPRIATIONS POLICY

WHEREAS, the Santa Ana Mountains County Water District ("SAMCWD") is a county water district formed and operating pursuant to Section 30000, et seq., of the Water Code of the State of California; and

WHEREAS, Article XIII B of the California Constitution concerns appropriations of local agencies from revenues derived from specified sources; and

WHEREAS, SAMCWD is subject to the provisions of Article XIII B of the California Constitution; and

WHEREAS, Article XIII B of the California Constitution provides that certain revenues collected by SAMCWD shall not be subject to appropriations limitations upon satisfaction of certain criteria; and

WHEREAS, under California Constitution Article XIII B, the appropriations limit of the local agency may be adjusted by increases in population within that local agency service area; and

WHEREAS, the Board of Directors of SAMCWD desires to adopt a Resolution expressing a policy on appropriations for SAMCWD.

NOW, THEREFORE, the Board of Directors of the Santa Ana Mountains County Water District DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. California Constitution Article XIII B provides that certain revenues to local agencies are not subject to the appropriations limitation set forward in that Article. Such revenues include the proceeds to an entity of government from regulatory licenses, user charges, and user fees to the extent that such proceeds do not exceed the costs to that agency of providing service for which the fees are imposed. The Board of Directors of SAMCWD hereby adopts the policies that revenues derived from the SAMCWD Capital Improvement Charge, supplemental water fee, water storage fees and sewage fees imposed upon development within SAMCWD shall be used to satisfy the financial obligations of providing water and/or sewer service by SAMCWD, including expenditures for Capital Facilities needed to provide such water and/or sewer service. The Board of Directors of SAMCWD hereby expresses its policy that such revenues are not subject to the appropriations limit established under California Constitution Article XIII B.

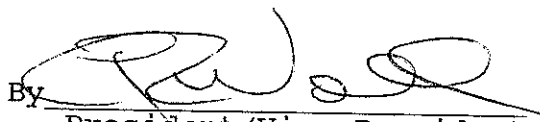
Section 2. Under California Constitution Article XIIIIB, the appropriations limit for local public agencies may be adjusted to reflect changes in populations within the area where such agency provides its service. The Board of Directors of SAMCWD notes that there has been a significant population increase within the service area of SAMCWD within the past two years for which population increased data was not available. It is the policy of the Board of Directors that when population data is made available that the appropriations limit will be adjusted to reflect the actual population within the service area of SAMCWD and will comply with the provisions and requirements of Article XIIIIB.

Section 3. The Board of Directors hereby directs the SAMCWD staff to obtain direct population data for the SAMCWD service area in order to make appropriate calculations to the SAMCWD appropriations limit for future fiscal years and to take all actions necessary to comply with the policy of the Board of Directors.

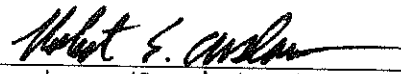
Section 4. The Board of Directors of SAMCWD hereby determines that tax revenues collected by SAMCWD for the 1962 General Obligation Bonded Indebtedness of SAMCWD are not subject to the provisions of California Constitution Article XIIIIB by way of its Section 9(a).

Section 5. The provisions and policies expressed in this Resolution shall become effective immediately.

ADOPTED, SIGNED AND APPROVED this 20th day of July, 1988.

By 
President/Vice President
SANTA ANA MOUNTAINS COUNTY WATER
DISTRICT and of the Board of
Directors thereof

ATTEST:

By 
Secretary/Assistant Secretary
SANTA ANA MOUNTAINS COUNTY
WATER DISTRICT and of the
Board of Directors thereof

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, ROBERT E. ANSLOW, Assistant Secretary of the Board of Directors of the Santa Ana Mountains County Water District do hereby certify that the above and foregoing is a full, true and correct copy of Resolution No. 88-516 of said Board, and that the same has not been amended or repealed.

DATED: July 22, 1988



Assistant Secretary

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A PROFESSIONAL CORPORATION

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OUR FILE NUMBER:
006317.00001
33379754.1

June 17, 2021

VIA E-MAIL

MEMORANDUM

TO: Mr. Fernando Paludi, General Manager
Trabuco Canyon Water District

FROM: Atkinson, Andelson, Loya, Ruud & Romo
Robert E. Anslow

RE: Trabuco Canyon Water District (TCWD) Annual Appropriations Limit -
Population & Per Capita Change / Calculation for Fiscal Year 2021-2022

Below are calculations provided for fiscal year 2021-2022 (utilizing Orange County overall population change figures*) for TCWD's Annual Appropriations Limit calculations:

Population Change**		(0.80%)
Income Change**		<u>5.73%</u>
2020/2021 Appropriations Limit	=	\$3,332,555.90
2021/2022 Calculation	=	
Population Ratio		(1.0080)
Per Capita Ratio		1.0573
Calculation Factor for 2021/2022	=	1.0493
1.0493 x \$3,332,555.90	=	\$3,496,850.91
2021-2022 Appropriations Limit	=	\$3,496,850.91

* Please see Page 2

** Figures provided by the State Department of Finance

Mr. Fernando Paludi, General Manager
Trabuco Canyon Water District
June 17, 2021
Page 2

Population Change Information:

Per California Revenue and Taxation Code Section 2228(a)(3), TCWD could utilize either the Orange County (“County”) overall population change for this calculation (-0.80% **) (this reflects the County’s negative population change reported by the State as of May 7, 2021), or use a weighted average of the population changes for (i) the Unincorporated County territory included in TCWD’s boundaries, and (ii) the City (RSM) territory included in TCWD’s boundaries. The estimated greater (least negative) figure of the two figures (County overall average) was used in the calculation on page 1 for this fiscal year’s calculations.

Given the use of the County data for Fiscal Year 2021-2022, updated information for purposes of calculation of the weighted average of the population changes for territory within TCWD was not calculated or obtained (which results in a minor cost savings to TCWD). It should be noted that if TCWD desires to use weighted average figures in the future that such updated population change figures will have to be obtained and/or calculated.

REA:tlb

** Figures provided by the State Department of Finance.

RESOLUTION NO. 2021-1295

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TRABUCO CANYON WATER DISTRICT
ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2021/2022
PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION**

WHEREAS, PURSUANT TO Article XIII B of the California Constitution, the Trabuco Canyon Water District is required to establish, by resolution, the limit to which funds derived from ad valorem taxes may be appropriated during fiscal year 2021/2022; and

WHEREAS, pursuant to the directives of Resolution No. 88-516 of the Trabuco Canyon Water District, the District staff has obtained from the California Department of Finance an estimate of the percentage change in population factor for the area within the Trabuco Canyon Water District service area; and

WHEREAS, the results of the estimate of the percentage change in population factor have been included within the determination of the Trabuco Canyon Water District appropriations limit for fiscal year 2021/2022; and

WHEREAS, the Trabuco Canyon Water District has determined that such limit should be established at **\$3,496,850.91**.

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

Section 1. The Board of Directors of the Trabuco Canyon Water District hereby establishes the limit to which funds derived from ad valorem taxes may be appropriated during the fiscal year 2021/2022 pursuant to the provisions of Article XIII B of the California constitution as **\$3,496,850.91**.

ADOPTED, SIGNED AND APPROVED this 21st day of July 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 is a full, true and correct copy of Resolution No. 2021-1295 of such Board and that the same has not been amended or repealed.

Dated this 21st day of July 2021.

District Secretary,
Trabuco Canyon Water District

DRAFT

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JULY 14, 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 | JULY 14, 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 May 2021 (Consent Calendar).

B) BILLS FOR CONSIDERATION

The total of the bills for consideration will be presented at the time of the July 14, 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 July 14, 2021 as presented (Consent Calendar).

CONTACTS (staff responsible): PALUDI/PEREA/WARNER



Trabuco Canyon Water District

Statement of Revenues & Expenses

FY 2020-21 (Unaudited)

	May 2021	April 2021	Current YTD	Annual Budget	92% YTD	Prior YTD
1 Operating Revenue						
2 Residential Water	\$ 293,635	\$ 241,523	\$ 3,357,619	\$ 3,497,400	96%	\$ 2,884,503
3 Business & Industrial Water	13,580	8,403	141,009	150,300	94%	112,963
4 Irrigation Water	85,766	42,581	869,932	823,400	106%	650,478
5 Stand-by	1,143	(5,684)	26,210	41,000	64%	48,617
6 Sanitation Revenue	151,788	151,525	1,609,517	1,859,400	87%	1,539,767
7 Recycled & Reclaimed Revenue	88,363	45,253	759,855	725,000	105%	615,903
8 Baker Treatment Plant Water Sales *	111,647	62,438	1,180,137	1,469,100	80%	1,149,753
9 Other Operating Revenue	703	320	4,967	164,600	3%	150,419
10 Total Operating Revenue	746,626	546,359	7,949,245	8,730,200	91%	7,152,402
11 Non-Operating Revenue						
12 Property Tax Unrestricted	179,523	553,761	2,013,834	1,707,400	118%	1,903,455
13 Interest Revenue	427	235	36,287	100,600	36%	93,922
14 Development Services	-	-	-	-	0%	100
15 Sale of Fixed Asset	-	-	46,158	50,000	92%	9,584
16 Other Non-Operating Revenue	2,141	33,969	81,850	70,600	116%	61,148
17 Total Non-Operating Revenue	182,091	587,965	2,178,128	1,928,600	113%	2,068,208
18 Total Revenues	928,717	1,134,324	10,127,374	10,658,800	95%	9,220,611
19 Operating Expenses						
20 Source of Supply	217,531	177,559	2,162,212	2,198,100	98%	1,879,110
21 Baker Treatment SOS Costs	89,562	-	978,127	1,155,300	85%	958,428
22 Water Related Expense	146,327	125,831	1,691,190	1,946,900	87%	1,593,526
23 Sanitation Expense	100,146	128,407	1,174,280	1,168,400	101%	1,189,322
24 Recycled Expense	9,855	20,397	197,518	225,300	88%	237,668
25 Reclaimed Expense	9,855	20,397	197,510	221,400	89%	185,819
26 Salaries & Benefits	310,222	309,447	3,326,778	3,684,700	90%	3,147,691
27 OPEB Trust Contributions & Paygo	9,194	9,194	86,697	91,000	95%	81,318
28 Board Expense	12,438	6,188	100,610	114,400	88%	99,404
29 Total Operating Expenses	905,129	797,420	9,914,923	10,805,500	92%	9,372,286
30 Non-Operating Expenses						
31 Principal and Interest Expense	19,198	19,198	211,182	230,300	92%	210,357
32 Non-Operating Expense	134	8,432	12,304	3,600	342%	12,593
33 Total Non-Operating Expenses	19,332	27,631	223,486	233,900	96%	222,950
Net Income (Loss) Before OPEB,						
34 Depreciation & Capital Contributions	4,256	309,273	(11,035)	(380,600)	3%	(374,626)
35 WRES Fees for Capital	68,679	68,628	753,920	834,300	90%	765,621
36 Developer Impact Fees	-	-	19,900	-	0%	-
37 Other Capital Contributions	1,057,926	99,750	1,157,676	-	0%	1,400,052
38 Total Capital Contributions	1,126,605	168,378	1,931,495	834,300	232%	2,165,674
39 Net Income	\$ 1,130,861	\$ 477,651	\$ 1,920,460	\$ 453,700	423%	\$ 1,791,048

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 May 31, 2021
(Unaudited)

	May 2021	April 2021	May 2020
1 Assets			
2 Current Assets			
3 Cash	\$ 931,378	\$ 809,415	\$ 700,372
4 Accounts Receivable, Net	1,277,690	1,985,991	4,112,239
5 Prepaid Expenses	146,179	164,190	148,522
6 Total Current Assets	2,355,247	2,959,596	4,961,133
7 Total Restricted Assets (see Schedule A)	7,177,069	7,177,066	3,602,777
8 Utility Plant			
9 Utility Plant, at Cost	119,044,973	116,130,580	114,526,130
10 Accumulated Depreciation	(74,224,684)	(73,913,643)	(71,286,644)
11 Construction in Progress	3,450,154	4,731,056	3,025,535
12 Total Utility Plant	48,270,443	46,947,993	46,265,021
14 Other Assets			
15 Due from BTP	1,119,196	1,150,991	1,496,909
16 Deferred Outflow (Pension Related)	1,179,514	1,179,514	1,126,151
17 Total Other Assets	2,298,710	2,330,505	2,623,060
18 Total Assets	\$ 60,101,470	\$ 59,415,159	\$ 57,451,990
19 Liabilities & Retained Earnings			
21 Current Liabilities			
22 Accounts Payable	\$ 1,179,331	\$ 1,299,966	\$ 900,492
23 Due to Internal Financing Fund	1,119,196	1,150,991	1,496,909
24 Accrued Expenses	500,725	467,872	435,352
25 Total Current Liabilities	2,799,253	2,918,830	2,832,754
26 Liabilities to be Paid from Restricted Assets			
27 Accrued Bond Interest	21,216	16,973	22,895
28 Current Portion-Long Term Debt	178,449	178,449	172,473
29 Refundable Deposits	9,500	11,500	11,500
30 Developer Deposits	76,608	74,608	121,509
31 Total Liabilities to be Paid from Restricted Assets	285,772	281,529	328,378

*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 May 31, 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	9,060,524	9,175,858	9,141,401
38	Fund Balance			
39	Invested in Capital Net of Related Debt	45,930,726	44,612,519	43,749,182
40	Restricted for Debt Service	237,051	237,048	213,229
41	Legally Restricted	3,415,956	3,424,761	1,132,273
42	Designated by Board	3,402,609	3,402,609	1,247,552
43	Unrestricted	(1,945,397)	(1,437,636)	1,968,354
44	Total Fund Balance	51,040,946	50,239,301	48,310,590
45	Total Liabilities and Fund Balance	\$ 60,101,470	\$ 59,415,159	\$ 57,451,990

*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 May 31, 2021
(Unaudited)

	May 2021	April 2021	May 2020
1 LAIF Accounts (at Cost)			
2 Internal Financing	\$ (1,649,958)	\$ (1,604,266)	\$ (4,146,314)
3 Water Storage Facilities	1,051,427	1,051,427	1,051,427
4 Sanitation Capital Improvement	-	-	460,127
5 WRES - Rose Canyon/Lang Wells	1,317,517	1,282,862	1,124,713
6 WRES - Reservoir/Distribution Improvements	2,620,508	2,618,275	2,566,541
7 RD#5	76,463	76,463	75,779
8 Developer Deposits	-	-	(482,374)
9 LAIF Interim Sewage	121,453	112,648	122,045
10 Water Rate Stabilization Funds	684,080	684,080	607,500
11 Sewer Rate Stabilization Funds	726,160	726,160	265,000
12 Working Capital Funds	1,975,776	1,975,776	1,733,144
13 Market Value Over/(Under) Cost	16,593	16,593	11,960
14 State Revolving Fund			
15 Cash in CB&T Reserved for SRF Loan	237,051	237,048	213,228
16 Total Restricted Assets	\$ 7,177,069	\$ 7,177,066	\$ 3,602,777

*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 May 31, 2021
(Unaudited)

DESCRIPTION	RATE	COST	MARKET	% OF TOTAL
District Investments in the California Local Agency Investment Fund (LAIF)				
1 Water Storage Fees	0.315%	\$ 1,051,427	\$ 1,052,328	15%
2 Trabuco Creek Wells	0.315%	1,317,517	1,318,646	19%
3 Reservoir/Distribution	0.315%	2,620,508	2,622,753	38%
4 RD#5	0.315%	76,463	76,529	1%
5 LAIF Interim Sewage	0.315%	121,453	121,557	2%
6 Water Rate Stabilization Funds	0.315%	684,080	684,666	10%
7 Sewer Rate Stabilization Funds	0.315%	726,160	726,782	10%
8 Working Capital Funds	0.315%	1,975,776	1,977,469	29%
9 Internal Financing	0.315%	(1,649,958)	(1,651,372)	-24%
Total District Investments		\$ 6,923,425	\$ 6,929,358	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
May 2021
(Unaudited)

Inflows	Current Month	Year to Date
Utility Billing Collections	\$ 489,425	\$ 7,375,706
Tax Receipts	180,532	2,051,478
Transfer From LAIF	-	2,000,000
FEMA Reimbursement	-	2,528,981
Miscellaneous	632,747	6,146,402
Total Inflows	1,302,704	20,102,567
Outflows		
Vouchers	865,792	9,427,061
Payroll	229,068	2,754,281
Transfer to LAIF	-	5,500,000
Transfer/payments for State Loan	-	121,191
Miscellaneous & Online Payments	169,922	2,373,927
Total Outflows	1,264,781	20,176,460
Net Change in Checking Account	37,923	(73,893)
Beginning Checking Account	943,602	1,055,418
Ending Checking Account	\$ 981,525	\$ 981,525

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