



**FINANCE/AUDIT COMMITTEE MEETING AGENDA  
TRABUCO CANYON WATER DISTRICT  
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA  
ADMINISTRATION FACILITY BOARDROOM – SEPTEMBER 8, 2021 AT 1:00 PM**

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**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

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

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

**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.*

TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING AGENDA | SEPTEMBER 8, 2021

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. August 11, 2021

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

**RECOMMENDED ACTION:**

*Recommend the Board of Directors approve the Directors' fees and expenses for August 2021 and tentative future meetings/attendance. (Action Calendar)*

ITEM 3: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING PROFESSIONAL INFORMATION TECHNOLOGY CONTRACT SERVICES

**RECOMMENDED ACTION:**

*Committee recommends the Board of Directors authorize the General Manager to contract with Highroad IT for professional information technology contract services for a one-year period with standard annual costs not to exceed \$70,000 (Action Calendar).*

ITEM 4: OTHER MATTERS

**RECOMMENDED ACTION:**

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

ITEM 5: FINANCIAL REPORT

**A) PRESENTATION OF UNAUDITED FINANCIAL STATEMENTS**

**RECOMMENDED ACTION:**

*Recommend that the Board receive and file the preliminary unaudited financial statements for July 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 September 8, 2021 as presented. (Consent Calendar).*

ADJOURNMENT

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING AGENDA | SEPTEMBER 8, 2021**

**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 | SEPTEMBER 8, 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. *August 11, 2021*

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



**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING RECAP | AUGUST 11, 2021**

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**DIRECTORS PRESENT**

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

**STAFF PRESENT**

Fernando Paludi, General Manager  
Michael Perea, Assistant General Manager  
Karen Warner, Principal Accountant  
Lisa Marie Sangi, Executive Assistant  
Gary Kessler, Water Operations Superintendent  
Jason Stroud, Maintenance Superintendent

**STAFF VIA CONFERENCE CALL**

Lorrie Lausten, District Engineer

**CONSULTANTS VIA CONFERENCE CALL**

Cindy Byerrum, Eide Bailly

**PUBLIC PRESENT VIA CONFERENCE CALL**

None

**CALL MEETING TO ORDER**

Director Chadd called the August 11, 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:**

President Chadd and Mr. Perea 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 | AUGUST 11, 2021**

**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.

**RECOMMENDED ACTION:**

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

**ITEM 3: DISCUSSION AND ACTION RELATED TO URBAN WATER INSTITUTE'S 2021 ANNUAL WATER CONFERENCE**

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Mr. Paludi presented this matter for Committee consideration, and he provided a brief overview of the Urban Water Institute (UWI) 2021 Annual Water Conference. Mr. Paludi recommended the Board of Directors approve a sponsorship for the event for a not to exceed amount of \$1,500. Discussion occurred concerning the conference agenda.

**RECOMMENDED ACTION:**

The Committee recommended the Board of Directors approve a sponsorship of the Urban Water Institute's 2021 Annual Water Conference in an amount not to exceed \$1,500. (Action Calendar)

**ITEM 4: DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT HEALTH BENEFIT COSTS FOR CALENDAR YEAR 2022**

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Mr. Paludi introduced this matter for Committee consideration. Mr. Perea provided a brief overview of the CalPERS approved health plan monthly rates for calendar year 2022, and he highlighted the changes of certain health plans. Mr. Perea reported that the Board approved benchmark plan of PERS Choice has been consolidated with the PERS Care plan for the new PERS Platinum plan. Mr. Perea provided an overview of an internal analysis of health costs and projected costs for Fiscal Year 2021/2022.

**RECOMMENDED ACTION(S):**

The Committee recommended that the Board of Directors adopt the CalPERS 2022 Health Benefit Rates effective January 1, 2022 by Resolution (Action Calendar).

**ITEM 5: OTHER MATTERS**

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Mr. Paludi reported that District staff prepared a memo concerning a proposal for the repair of the 3 cfs vertical turbine pump at the Dimension Water Treatment Plant (DWTP) that was an item too late to be agenized. Mr. Perea provided an overview of the proposed work to repair the pump, and he indicated that the DWTP was currently offline due to the Backwash Tank Replacement Project. Mr. Kessler reported that the DWTP was scheduled to return to normal operations in mid-September, and Flo-Services proposes to complete the repair and installation prior to the re-start date. Mr. Stroud provided an overview of the mechanical failures and planned repairs.

Mr. Paludi reported the District received a letter from Ducks Unlimited soliciting for donations to their organization, he mentioned that the District has not contributed to this organization in the past. Discussion occurred concerning the organization's mission statement and goals.

**RECOMMENDED ACTION:**

The Committee approved the purchase of the emergency pump for the Dimension Water Treatment Plant.

**TRABUCO CANYON WATER DISTRICT  
FINANCE AUDIT COMMITTEE MEETING RECAP | AUGUST 11, 2021**

**ITEM 6: FINANCIAL REPORT**

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Mr. Paludi reported that there were no preliminary unaudited financial statements for Committee review as the District’s auditors were currently preparing the Fiscal Year 2020/2021 Financial Report (Audit). Director Chadd mentioned that he requested the Ms. Byerrum provide an overview of the District’s current and projected financial standing.

Ms. Byerrum provided an overview of the District’s current financial position and she recommended the District complete and rates and charges analysis sooner than the end of the currently adopted five-year rates due to anticipated increased capital improvement project costs and conservation impacts due to statewide drought impacts.

**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 August 11, 2021 as presented (Consent Calendar).

**ADJOURNMENT**

Director Chadd adjourned the August 11, 2021 Finance/Audit Committee Meeting at 1:29 p.m.

DRAFT

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | SEPTEMBER 8, 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 their 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 August 2021 and tentative future meetings/attendance. (Action Calendar)*

**EXHIBIT(S):**

1. Directors' Fees and Expenses Report for August 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 | AUGUST 2021**

<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			08/04/21	08/04/21	
Finance/Audit Committee Meeting		08/11/21		08/11/21	
Individual Meeting with General Manager	08/17/21	08/16/21		08/16/21	08/17/21
Regular Board Meeting	08/19/21	08/19/21	08/19/21	08/19/21	08/19/21
<b>REPRESENTATIVE MEETINGS</b>					
City of Rancho Santa Margarita Council Meeting	08/11/21				
City of Rancho Santa Margarita Council Meeting					08/25/21
City of Rancho Santa Margarita City Planning Commission Meeting	08/04/21				
Independent Special Districts of Orange County Meeting		08/03/21			
Santiago Aqueduct Commission Meeting(SAC)					
South Orange County Agencies Group					
South Orange County Wastewater Authority (SOCWA) Regular Board Meeting			08/05/21		
South Orange County Wastewater Authority (SOCWA) Finance Meeting			08/17/21		
South Orange County Integrated Regional Watershed Management Executive Committee				08/05/21	
Southern California Water Conference	08/13/21				
Water Advisory Committee of Orange County Meeting (WACO)	08/06/21				
<b>NUMBER OF MEETINGS ATTENDED</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>3</b>
<b>FEES (\$125 per each meeting*)</b>	<b>\$750.00</b>	<b>\$500.00</b>	<b>\$500.00</b>	<b>\$625.00</b>	<b>\$375.00</b>
<b>DIRECT REIMBURSABLE EXPENSES</b>					
<b>DIRECT REIMBURSABLE EXPENSES TOTALS</b>	<b>\$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>\$500.00</b>	<b>\$500.00</b>	<b>\$625.00</b>	<b>\$375.00</b>
<i>* Maximum per diem per day is one; maximum per diems per month is 10</i>					

**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 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
<b>CONFERENCES</b>													
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 | SEPTEMBER 8, 2021**

**FINANCIAL MATTERS**

**ITEM 3: DISCUSSION CONCERNING CONTRACTING WITH HIGHROAD IT FOR PROFESSIONAL INFORMATION TECHNOLOGY CONTRACT SERVICES**

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Trabuco Canyon Water District (District) owns and operates a small business information technology (IT) system that provides essential programs and tools for staff to complete everyday tasks, including, but not limited to, public meeting documents, regulatory agency reports, general administrative and engineering documents, etc. Since 2010, the District has contracted with Synoptek for professional IT contract services, and as such, the District's small business system has significantly grown over that time. After careful review of the current level of service, overall quality of responsiveness to service requests, and the length of time with the same service provider, District staff issued a request for proposals (RFP) for professional IT contract services to six IT firms, including Synoptek. The District received interest from three firms and subsequently, received one proposal from the firm Highroad IT for IT contract services.

Highroad IT has water agency/special district experience as some of their clients include Laguna Beach County Water District, Rowland Water District, San Gabriel County Water District, and more. Furthermore, Highroad IT has been recommended by District Treasurer Cindy Byerrum as she has experience working with them at some of her clients. The proposed monthly managed services costs for services needed by the District is approximately \$4,960 per month (approximately \$59,520 annually); this represents an 3.9% increase over the current managed services costs with Synoptek for Fiscal Year 2020/2021. This amount may increase as the District replaces and/or expands its small business system in the future.

District staff recommends the Board of Directors authorize the General Manager contract with Highroad IT for professional IT contract services effective October 1, 2021. More information may be presented at the time of the meeting.

**FUNDING SOURCE:**

General Fund

**FISCAL IMPACT:**

\$70,000

**ENVIRONMENTAL COMPLIANCE:**

Not applicable.

**RECOMMENDED ACTION:**

*Committee recommends the Board of Directors authorize the General Manager to contract with Highroad IT for professional information technology contract services for a one-year period with standard annual costs not to exceed \$70,000 (Action Calendar).*

**EXHIBITS:**

1. Highroad IT Proposal for Professional Information Technology Contract Services

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

# HIGHROAD IT

Proposal

TRABUCO CANYON WATER DISTRICT  
Professional Information Technology Contract Services  
August 20, 2021



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## TABLE OF CONTENTS

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1. Introductory Letter .....	2
2. Service Provider Description .....	4
3. Project Understanding, Management, and Approach .....	5
4. Team and Experience .....	6
5. Scope of Services .....	10
6. Comparable Projects .....	19
7. Service Pricing and Rate Schedule .....	20
8. Appendix .....	21

## 1. INTRODUCTORY LETTER

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Highroad IT is pleased to submit our response to the Trabuco Canyon Water District's (TCWD) Request for Proposal (RFP). We understand that you're looking to secure Professional Information Technology Contract Services to provide support and management of the TCWD Information Technology (IT) network. We understand the objectives which have been clearly outlined in the RFP issued on Wednesday, July 23, 2021, and are honored to be considered as part of this process.

Highroad IT intends to support TCWD's business network by providing technical support services and technology to maintain, monitor, and service the District's IT infrastructure. As a Microsoft Certified Partner, with Microsoft Certified Professionals (MCP), we have extensive experience supporting all versions of Windows server and desktop operating systems, as well as MS 365 and Azure.

We establish and adhere to strict Service Level Agreements (SLA) to ensure timely responses to all service requests and escalations. A technician will be scheduled onsite, twice a month to establish a strong IT presence while providing best-in-class support. We will also be installing our monitoring software tools which allow us to watch over your network 24/7/365, helping your network run more efficiently, effectively, and reliably.

In addition to ongoing maintenance and support, Highroad IT will establish a clear plan of action with the development of the IT Roadmap, IT Budget, Asset Inventory and Hardware Replacement Plans, promoting transparency and collaboration.

It is our goal to partner with you to expand IT competencies with the addition of our technical experience and knowledge. Whether driving strategic projects or providing impact assessments on initiatives managed by other vendors, we will approach all projects with a focus on promoting adherence to IT best practices and compatibility with your IT system.

Highroad IT does not require the TCWD to make any changes to your existing hardware or software to match our model; it is our intention to maintain your current system. We will always collaborate with you to come to a unified decision on any infrastructure improvements or enhancements including items such as extended warranties, parts, and other support contracts. Our partnership will allow us to strategically implement emerging computer technology that will provide a safer, more secure, efficient, and effective IT infrastructure.

As we understand the critical service the Water Distribution sector provides to its customers, we strive to ensure that our clients not only receive top tier IT support and management, but have access to the IT resources necessary to perform at the highest level. The relationships we have cultivated, and advocacy we receive from the organizations we support, serves as a direct reflection of our dedication and commitment to serve as a premier IT Managed Services Provider.



**Authorization**

I certify I am authorized to submit a binding proposal on behalf of Highroad Information Technology, LLC., and this proposal and cost schedule will be valid and binding for ninety (90) days following the proposal due date, and will become part of the contract negotiated with the Trabuco County Water District.

**Authorizing Signature**

\_\_\_\_\_

Michael G. Parra / CEO

\_\_\_\_\_

Date

## 2. SERVICE PROVIDER DESCRIPTION

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Highroad IT is a premiere IT Managed Services Company located in Newport Beach, California, offering a wide array of professional services, both technical and administrative, that go to the heart of business systems and management. We are a full computer service systems provider with extensive experience and expertise in support & integration projects, focused upon delivering services that support high uptime of business system environments.

Our customer-centric approach is built on a foundation of professionalism and dedication that extends beyond our organization to our customers—Their success is our success.

In addition to our highly skilled internal staff, we have built a network of specialized vendor partnerships which entitles us to priority response with expert knowledge and execution. These partners perform as an extension of our organization with direct support to the daily operation of Highroad IT.

We are an authorized reseller of all major brands of computer hardware and software, allowing us to provide TCWD with complete support in all areas of your information technology and computer needs.

While we support businesses in various industries, Highroad IT has specialized in serving the Water Distribution sector, proactively joining organizations such as CUEMA, PWAG, CalMutuals and SCWUA. The investment toward understanding how the Water Distribution industry functions, the requirements and regulations they must follow, and the difficulties they face, have proven extremely valuable in providing successful and focused support.

### Company Details

Name of Company:	Highroad Information Technology, LLC.
Company Address:	4060 Campus Drive, Suite 150, Newport Beach CA. 92660
Office Number:	(949) 885-9891
Support E-mail Address:	Support@Highroadit.com
Website Address:	www.Highroadit.com
Federal Tax ID Number:	72-1584083
State Tax ID Number:	200420210095
Type of Business:	Limited Liability Company (LLC)
Years in Business:	17 Years – Established in 2004
Highroad IT Officer:	Michael G. Parra, CEO (949) 683-3514
Number of Employees:	9

**FOR ADDITIONAL DETAIL ON HIGHROAD’S CAPABILITIES AND SERVICES, PLEASE VISIT APPENDIX A**

### 3. PROJECT UNDERSTANDING, MANAGEMENT, AND APPROACH

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Highroad IT has a clear understanding of the Scope of Work for IT Managed Services, which covers 3 main objectives:

1. **Administer, Secure, and Maintain the District's Small Business Network and Devices** – Providing support and management of the TCWD's small business system infrastructure, ensuring the network performs with maximum availability, sustainability, and reliability. This includes, but is not limited to annual IT reviews that identify areas of weakness and opportunities for enhancement, such as hardware replacements, software updates, and security measures to implement.
2. **IT Support** - Provide priority support to District staff on IT related issues, with onsite support twice a month. This includes prompt response to service request, troubleshooting with effective resolutions, and escalation as necessary.
3. **Special Projects** – Highroad IT will partner with TCWD on all projects that require an IT element. This includes management of projects to enhance the District's IT infrastructure, including collaborating with other vendors to ensure adherence to IT Best practices.

During TCWD's standard hours of operation, our support team will be available to support the District's staff as needed. Each technician is set up to work from any location promoting rapid response and support. With the application of our Highroad IT monitoring tool, TCWD will benefit from 24/7/365 observation of your critical computing infrastructure regardless of operating hours. Any maintenance or project work that may inhibit productivity will be scheduled outside of the District's normal operating hours ensuring business continuity.

Our commitment to staff, extends beyond standard support, with training sessions on various subjects including Email Best Practices and Phishing Training. This session teaches employees quick tips on how to identify cyberattacks sent via email and how to take action if one is received; critical information they can share with friends and family.

#### 4. TEAM AND EXPERIENCE

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Highroad IT takes great pride in the strength of our team, with each player providing critical care for our clients through a proactive, prepared and professional approach. The combined experience, skill and expertise of the team is what makes Highroad IT a top-tier IT Managed Services provider.

Should you have any questions during the consideration of our proposal, please email the following Points of Contact (POC):

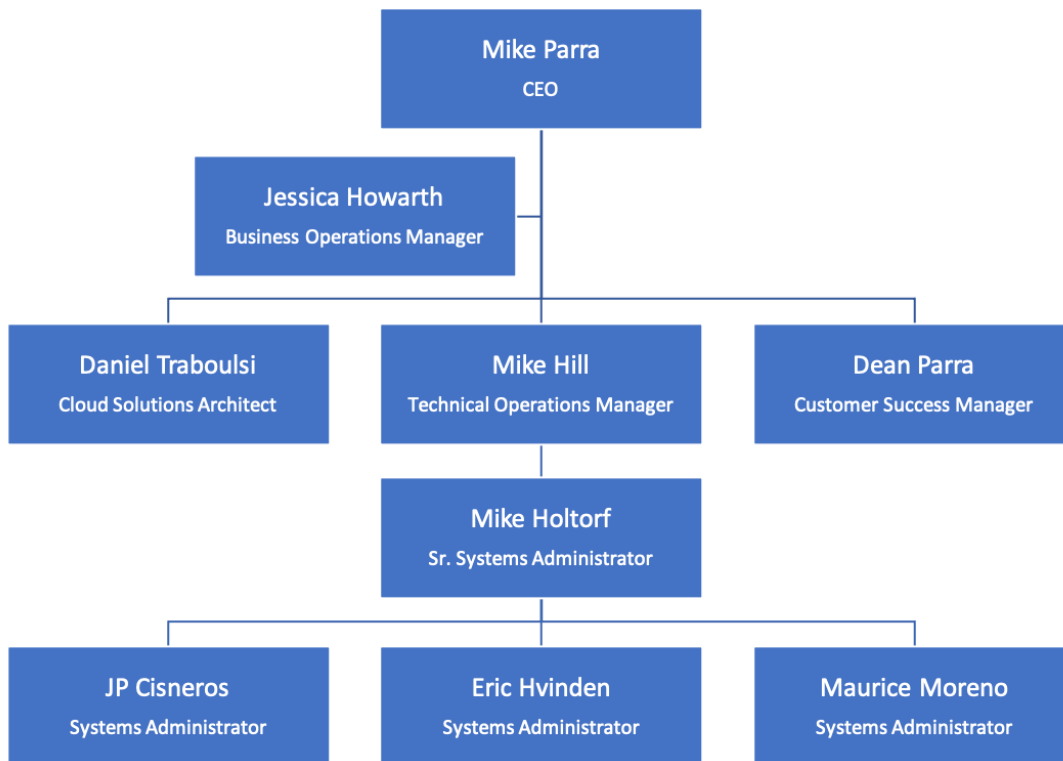
**Technical Inquiries**

Michael Holtorf  
 Sr. Systems Administrator  
 mholtorf@highroadit.com

**Business Inquiries**

Jessica Howarth  
 Business Operations Manager  
 jhowarth@highroadit.com

**ORGANIZATIONAL CHART**



## RESUMES AND QUALIFICATIONS OF PERSONNEL

### **Mike Parra – CEO**

Mike is the CEO of Highroad IT, providing over 27 years of direct IT experience. With his customer centric ideology, Mike has established Highroad IT as a premier IT Managed Services provider to the Water Distribution industry.

### **Jessica Howarth – Business Operations Manager** (Point of Contact – Business)

Jessica Howarth brings 20 years of operational experience, with particular focus on product and project management. After graduating from USC with a degree in Business Administration, Jessica has worked for prestigious brands such as Rip Curl, Asics and Ralph Lauren, leading product development, overseeing complex project deliveries, and driving operational excellence.

### **Dean Parra – Customer Success Manager**

Dean brings over 13 years of Business Management experience to Highroad IT. Dedicated to the success of our clients, Dean maintains customer relations through open communication and a proactive approach; identifying and understanding the needs of each organization and its employees.

List of responsibilities include:

- Establish and maintain healthy customer relationships
- Onboards New Clients
- Evaluates and Analyzes Customer Needs
- Acts as a Customer Advocate

### **Daniel Traboulsi – Cloud Solutions Architect**

Daniel brings over 8 years of experience with an expansive technical skillset. His ability to identify enhancement opportunities and provide technical solutions resulted in the development and implementation of the Highroad IT Data Center. Daniel is currently working on a cloud-based disaster recovery solution that will ensure uptime maximization through rapid data recovery in the event of a natural or human-induced disaster.

List of responsibilities and projects include:

- Design and develop cloud-based data architectures
- Technical discovery, identifying pain points, business and technical requirements
- Analysis and proof of concepts of cloud services, as it relates to a client's journey to the Cloud

**Mike Hill – Technical Operations Manager**

Mike Hill brings over 27 years of technical operations experience to Highroad IT, having worked on multi-state projects in IT management, overseeing critical Banking and Healthcare infrastructures, Data Storage, Encryption and Multi-factor Authentication. Mike plays a critical role in the maintenance of the Highroad Cloud Infrastructure.

List of responsibilities and projects include:

- Exchange Administration & Support
- Active Directory and Group Policy Management
- Networking & Communications
- Virtual Server Support

**Michael Holtorf – Sr. Systems Administrator** (Primary Point of Contact - Technical)

Michael brings over 21 years of System administration experience to Highroad IT. As manager of our system administrators, he is responsible for technician scheduling and dispatching. All support requests submitted filter through Michael to ensure prompt attention and effective solution to all service tickets. Michael also plays a key role in the onboarding of new clients, leading all technical processes and assisting in the development of the IT Roadmap.

List of responsibilities and projects include:

- Microsoft Exchange/VMWare vSphere
- Telecommunications
- Network Configuration
- Policy and Program Development

**Eric Hvinden – Systems Administrator**

Eric brings over 27 years of IT & Management experience to Highroad IT. As a Microsoft Certified Professional, he is proficient at analyzing, troubleshooting and evaluating technological issues to ensure quick and effective resolutions.

List of responsibilities and projects include:

- Exchange Support
- Backup Maintenance
- Networking & Communications
- Hardware Support

**JP Cisneros – Systems Administrator**

JP (Juan Pablo) brings 5 years of direct IT Experience – Bilingual (English/Spanish), he has provided direct customer support to International Resort Industries. JP manages Virtual Backup System (Veeam). He has also helped manage the Highroad IT E-Waste Program, where we assist customers in properly disposing of Electronic Components. He also assists with Workstation Builds, as necessary.

List of responsibilities include:

- Desktop Support
- Physical and Virtual Backup Management
- Bilingual support & Website Translation
- E-Waste Management

**Maurice Moreno – Systems Administrator**

Maurice brings 5 years of direct IT support and provides or Level 1 services. He is adept at troubleshooting customer concerns and provides technical support on the desktop and application level. Maurice performs workstations builds and deployment, customizing each unit to meet specified requirements.

List of responsibilities include:

- Ticket Monitoring and Triage
- Desktop and Vendor support
- On-site Customer Liaison
- Custom Desktop Hardware Builds
- IT Audits and Data collections

Highroad IT utilizes ADP for background checks, which include drug testing and credit checks. During the hiring process, Highroad IT verifies all personal and business-related references.

## 5. SCOPE OF SERVICES

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### **TASK 1 – ADMINISTER, SECURE AND MAINTAIN THE DISTRICTS SMALL BUSINESS NETWORK AND DEVICES**

#### **ONBOARDING**

During the first 30 Days, Highroad IT will become familiar with the TCWD personnel, business processes, and IT requirements. Understanding the current IT infrastructure and systems is critical to providing proper IT management and support. The task list below details the onboarding process that would equip us with the tools and information necessary to effectively support TCWD and its employees:

1. Conduct IT Information Gathering interviews
  - a. IT Policies
  - b. Hardware and Software
  - c. Network and Systems
  - d. Vendors
2. Perform onsite survey of IT infrastructure
  - a. Identify Physical Locations
  - b. Review Organizational Chart and Identify Personnel
  - c. Understand Data Flow between Business Units
  - d. Identify Remote Users
  - e. Probe of Network
    - i. Identify Major hardware
      1. Servers
      2. Workstations
      3. Printers
      4. Network Devices
    - ii. Map Out Logical Address Space
      1. Identify Devices by IP
      2. Naming Conventions
      3. External Connections
        - a. Remote Connections into TCWD network
        - b. Remote Connections from TCWD network to external sites
    - iii. Identify Administrative Permissions on IT devices
      1. Identify all Administrative Users
      2. Lock Down Administrative Access
      3. Work with Management to Identify and manage Admin Access
      4. Obtain Administrative Access to all critical IT devices
        - a. Active Directory Passwords
        - b. Workstation Administrative Permissions
        - c. Firewall Passwords
3. Perform remote monitoring of the IT Network and Systems
  - a. Connect TCWD to the Highroad IT surveying technology
  - b. Review and assess interview and survey results
  - c. Generate findings and recommendation reports

4. As required, implement critical security measures
  - a. Identify and disable open Remote Desktop Protocol (RDP) ports from the internet closing security vulnerabilities.
  - b. Establish regularly scheduled updates and patches on all servers and workstations to ensure recommended security compliance.
  - c. Antivirus: Establish ongoing updates of virus definition to protect against the latest known
5. Introduction of Highroad Staff to Management
6. Introduction of Highroad Staff to TCWD Staff
7. User Interviews
8. Physical Access to Sites
  - a. External Access
    - i. Keys
    - ii. Fobs
    - iii. Alarm and Security Codes

**Required TCWD Resources:**

The following will be required of TCWD after acceptance of services by Highroad IT:

1. List of Management and Employees that utilize IT resources
2. Description of Business Units within TCWD that use IT resources
3. Key TCWD Personnel that Highroad IT will be directly interfacing
4. Access to existing IT documentation
  - a. Network Maps
  - b. User Lists
  - c. Server Configurations
5. List of Employees that Utilize IT services
6. List of Vendors who supply services to TCWD
7. Administrative Passwords and Access Codes to access IT Resources
8. Contact numbers for Services pertaining to IT Services
  - a. Building Maintenance
  - b. Telecom (ISP) Numbers
9. Telephone Numbers for Management with knowledge of IT service needs
10. Emergency Contacts for TCWD pertaining to IT service issues (After Hours)
11. Access to building after hours/weekend/Holidays
  - a. Maintenance
  - b. Upgrades
  - c. Equipment Malfunctions

**FULL SYSTEM ANALYSIS FOR QA/QC**

It is our intention to be the Information Technology Management and Support Services Provider to the TCWD. In order to provide our full professional services in support of your IT infrastructure, we will need to conduct a full system analysis of your current network. This will be a collaborative effort between the

TCWD staff and our technical professionals. We anticipate the participation of your staff to be limited in the amount of time they will need to be involved. We plan to expand upon the documentation provided in the original Request for Proposal, and to work with you to begin charting out a solid roadmap for your computing infrastructure. It will be important for us to work together during the analysis for us to get hands on experience as well as provide you with a different perspective of your IT infrastructure from our knowledge & expertise.

The following bullet points contain the areas of concentration on which the analysis will focus. There may be additional steps required once the onsite inspection begins. Highroad IT will notify the TCWD staff should additional areas of inspection be warranted. Once the data is gathered, a consolidated report will be generated and presented to you for additions and/or approval.

**Current Infrastructure:**

- Physical Assessment
- Cooling
- Electrical
- Networking
- Rack Space
- Manufacturer Maintenance

**Existing Hardware:**

- Servers
- Workstations
- Printers (if applicable)
- Network Switches
- Routers
- Firewalls

**Storage Capabilities:**

- DAS (Direct Access Storage)
- NAS (Network Attached Storage)
- SAN (Storage Area Networks)

**Data Preservation:**

- Backup Configuration
- Data Backup Procedures
- Data Verification Procedures
- Data Restoration Procedures
- Offsite Backup
- Live Data
- Archival

**Network Analysis:**

- Local Area Network Infrastructure
- Switches
- VLANS
- Multi-Building Connections
- Wireless Access Points
- Wide Area Network Infrastructure
- Routers
- Switches
- Firewalls
- Bandwidth

**Intrusion Detection:**

- Audit Procedures (System Logs)
- Remote Server Monitoring
- 24/7/365 Services
- Active/Passive Monitoring
- Alert Levels
- Performance Counters
- Log Reviews

**Systems Charting:**

- Business
- Disaster Recovery

**Multi-User Capabilities:**

- License/CALS
- Database Infrastructure (SQL)
- Security
- Authentication
- Auditing (Log files, etc.)

**Remote Access Methods:**

- VPN
- SSL/IPSEC
- Multi-Factor Authentication
- Web Based Access
- Existing Remote Clients
- Wireless Access
- Mobile Devices

**Security Methods:**

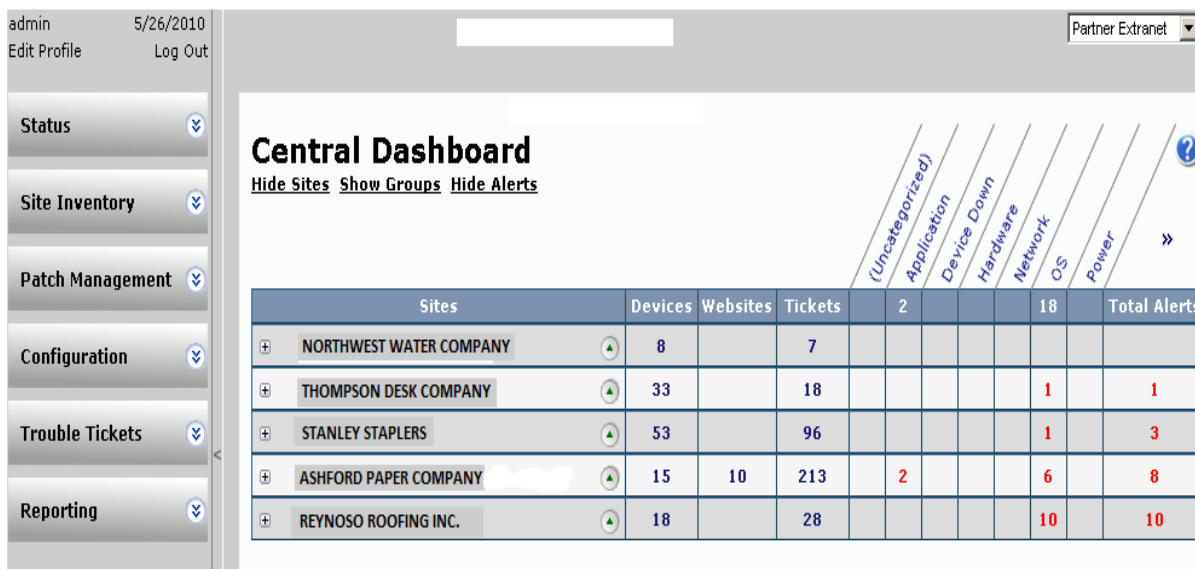
- Internal Security Measures
- Physical Security of IT Equipment
- Auditing of IT access
- External Security Methods

**Access Logs:**

- Access Control Lists
- Authentication Methods
- Compliance Standards
- Internal Record Requirements
- Board Certification Requirements

**Monitoring**

Highroad IT will implement our full-service Highroad IT monitoring system during the start of the first week of the Full System Analysis of the TCWD’s IT infrastructure. Listed below are examples of our Highroad IT monitoring system. We install an agent program onto the servers at your location. This agent utilizes Windows Management Instrumentation (WMI) to monitor your internal systems.



The screenshot shows a web interface for the Highroad IT monitoring system. At the top left, it displays 'admin' and '5/26/2010' with links for 'Edit Profile' and 'Log Out'. A 'Partner Extranet' dropdown menu is visible at the top right. The main content area is titled 'Central Dashboard' and includes links for 'Hide Sites', 'Show Groups', and 'Hide Alerts'. Below this is a table with columns for 'Sites', 'Devices', 'Websites', 'Tickets', and several alert categories: '(Uncategorized)', 'Application', 'Device Down', 'Hardware', 'Network', 'OS', and 'Power'. A 'Total Alerts' column is on the far right. The table lists five sites: Northwest Water Company, Thompson Desk Company, Stanley Staplers, Ashford Paper Company, and Reynoso Roofing Inc., each with corresponding counts for the various categories.

Sites	Devices	Websites	Tickets	(Uncategorized)	Application	Device Down	Hardware	Network	OS	Power	Total Alerts
NORTHWEST WATER COMPANY	8		7								
THOMPSON DESK COMPANY	33		18						1		1
STANLEY STAPLERS	53		96						1		3
ASHFORD PAPER COMPANY	15	10	213	2					6		8
REYNOSO ROOFING INC.	18		28						10		10

The example directly above shows the central dashboard for Highroad IT monitoring. This Interface will allow us to monitor your systems. The status of each device will then be sent to our centralized collection server.

Each component (server, workstation, printer, and network device) will be monitored against a standard set of parameters. When the thresholds for those parameters are exceeded, an alert will be generated, and a

service ticket will be created in our call tracking system. The status of each ticket is sent to all Highroad IT personnel using our technology. Customized threshold levels will be generated for the TCWD during this phase. The following page contains examples of the data collected.

CPUs		
CPU	Version	Clock Speed
Intel(R) Xeon(R) CPU 3060 @ 2.40GHz	Model 15, Stepping 6	2.4 GHz
Intel(R) Xeon(R) CPU 3060 @ 2.40GHz	Model 15, Stepping 6	2.4 GHz

Disk Drives			
Drive	Capacity (MB)	Used (MB)	Free (MB)
C:	34,003	25,582	8,421
E:	610,478	222,998	387,480
F:	60,001	23,794	36,207

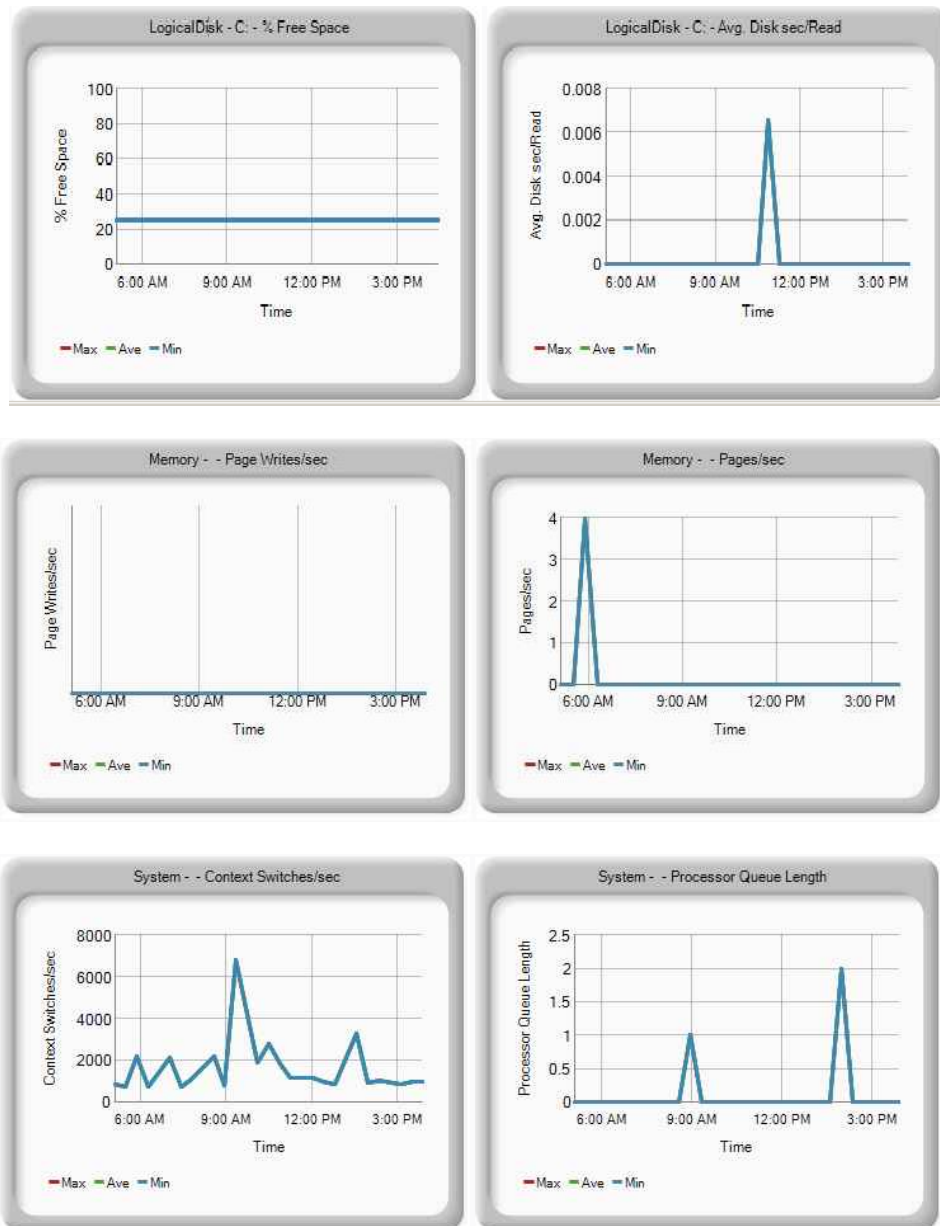
Network Cards		
Name	MAC Address	DHCP
HP NC324i PCIe Dual Port Gigabit Server Adapter	00:1C:C4:C2:6B:E5	False
HP NC324i PCIe Dual Port Gigabit Server Adapter	00:1C:C4:C2:6B:E4	False
WAN Miniport (PPTP)	50:50:54:50:30:30	False
WAN Miniport (PPPOE)	33:50:6F:45:30:30	False
Teefer2 Miniport	44:D0:20:52:41:53	False
Teefer2 Miniport	00:1C:C4:C2:6B:E4	False
Teefer2 Miniport	00:1C:C4:C2:6B:E5	False

Video Cards				
Name	Color Depth	Resolution	RAM	Driver
ATI ES1000	32	1024 x 768	16	6.14.10.6606
LogMeIn Mirror Driver	0		0	2.50.596

The information collected is transmitted back to the Highroad IT centralized server. This information will help us analyze and diagnose issues related to your hardware. When a server failure occurs, this information is required in order to start the diagnosis. Often, the information gathered is more detailed than what is available onsite. This information will be customized during weeks one and two of this phase of the project.

Additionally, Highroad IT monitoring will inventory each of the TCWD Servers, allowing us to keep track of all the installed programs. This could be used for license assurance, and identification of software that is no longer being used.

We will then install the Highroad IT monitoring management console which will allow us to review all Windows Performance Counters. We will see trends such as CPU utilization, memory spikes, and disk drive space available, helping us to detect potential issues with the TCWD’s current server environment (see examples directly below).



With the successful addition of TCWD to the Highroad IT monitoring platform, the full IT Management and Support Services will be officially in affect. Highroad IT will be actively monitoring, maintaining and supporting the TCWD IT network and infrastructure.

## TASK 2 – IT SUPPORT

### Support Request Submission Process

The primary method of communicating support request is through our ticketing system. Customers can submit tickets over the phone, by email, or through our Web Portal. Current Service Level Agreements (SLA) call for an initial support time of 2 hours. This means initial contact from ticket to response can be as high as 2 hours, but are often detected and responded to in as little as 15 minutes.

Actual service will take place after the initial response. If remote work is required, the ticket will be assigned to an authorized Service Technician. If On-site work is required, the ticket will be “Triaged” to determine the criticality of the service issue and Technicians will be dispatched as required.

Service Level Agreement (SLA) – There are 4 levels of Service Tickets:

- **LEVEL 1 – EMERGENCY RESPONSE** (High priority)  
Urgently handled within 15 minutes. These include Server Down, Data Corruption, Data Theft, or other “Business Critical” items.
- **LEVEL 2 – QUICK RESPONSE** (Medium priority)  
Non-urgent, but critical issues are usually handled in 15-60 minutes. These include urgent issues outside of the Level 1 emergency response.
- **LEVEL 3 – STANDARD RESPONSE** (Low priority)  
Non-critical issues can take up to 2 hours. These include general support requests.
- **LEVEL 4 – SCHEDULED MAINTENANCE**  
Pre-planned events, or long-term items where multiple resources are required.

In addition to support requests submitted manually, tickets are also generated through our monitoring system. These tickets are generated to better support the customer base and are usually technical in nature (Low Disk Space, CPU Utilization, Memory Full, etc.). These follow the same triage process as regular tickets and are reacted to according to the SLA listed above.

Ticket escalation can be performed on a needed basis. Normal tickets can be escalated to Quick Response, or Emergency if the issue is deemed to be serious or time sensitive.

### Support Hours

Monday – Friday from 7:00 A.M to 4:00 P.M.

*Weekend, Holiday and Special agreements can be arranged on separate agreements.*

### **TASK 3 – SPECIAL PROJECTS**

Highroad IT will evaluate the needs and requirements of all special projects. We will partner with TCWD in our evaluation to determine the proper project scope and budget, while maintaining adherence with IT best practices. With our extensive experience of successfully implementing projects of all sizes, for Water Districts throughout Southern California, TCWD will have the confidence in knowing that their project will be properly managed.

All Special projects will be handled on a case-by-case bases with work commencing as outlined in each executed Project Agreement.

## 6. COMPARABLE PROJECTS

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Highroad IT specializes in supporting the Water Distribution sector, currently serving 8 Water Districts and 4 Water Companies. We have selected 5 Water Districts which are of small to medium size (15-50 users) with similar complexity, demographics, and IT needs as TCWD.

All client references detailed below receive full IT network management services and user support, including, but not limited to the following: Server Administration, Monitoring, Backups (Local and Offsite), Fail-Over, Networking, Desktop and PC Maintenance, Firewall, Security, Antivirus/AntiSpam, Mobile devices including Smart Phones, SCADA hardware support, and GIS application integration with the business system support.

### **Crescenta Valley Water District**

Attn: Nem Ochoa (General Manager)  
2700 Foothill Boulevard  
La Crescenta, CA 91214  
Phone: (818) 248-3925  
Users: 35 / Length of Tenure: 2 Years

### **Rowland Water District**

Attn: Tom Coleman (General Manager)  
3021 Fullerton Road  
Rowland Heights, CA 91748  
Phone: (562) 697-1726  
Users: 35 / Length of Tenure: 16 Years

### **Laguna Beach County Water District**

Attn: Christopher Regan (Asst General Manager)  
306 Third Street  
P.O. Box 987  
Laguna Beach, CA 92652  
Phone: (949) 494-1041  
Users: 50 / Length of Tenure: 8 Years

### **San Gabriel County Water District**

Attn: Jim Prior (General Manager)  
8366 Grand Ave.  
Rosemead, CA 91770  
Phone: (626) 287-0341  
Users: 15 / Length of Tenure: 7 Years

### **La Habra Heights County Water District**

Attn: Mike Gualtieri (General Manager)  
1271 Hacienda Road  
La Habra Heights, CA 90631  
Phone: (562) 697-6769  
Users: 10 / Length of Tenure: 7 Years

## 7. SERVICE PRICING AND RATE SCHEDULE

### Managed Services Costs

Highroad IT provides complete Managed Services, billed monthly at a fixed rate and on the first day of each month, with 30 day terms. Monthly rate is based upon information provided in the RFP and may be increased or decreased following the IT Audit performed during the onboarding process.

Standard Monthly Maintenance = Monday thru Friday 7am to 4pm	
Description	Monthly Cost
Physical Servers (Includes 24/7/364 HIT monitoring)	\$300
Virtual Servers (Includes 24/7/364 HIT monitoring)	\$600
Personal Computers / Laptops / Tablets	\$1,525
VoIP Phones Support	\$140
Networking Hardware	\$475
Printers	\$55
Mobile Phones Support	\$75
Semimonthly Onsite Dedicated Support	\$1000
IT Administrative Services (IT Budget, Vendor Mngt, Asset Mngt, Roadmap)	\$1000
<b>Standard Monthly Total</b>	<b>\$5,170.00</b>

*All applicable taxes, shipping and handling will be applied at the time of invoice.*

*Please note, HIT Managed Services Maintenance Contract do not include Product Costs or Special Project work such as Additions, Upgrades, Installations, Development, Relocations and Programming. Monthly rates subject to change as new products are added or removed.*

## APPENDIX

## A. HIGHROAD IT CAPABILITIES

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### **Strength & Stability of Highroad IT**

Highroad IT has built a powerful working knowledge in all areas of information technology which has afforded us the ability to provide excellent computer professional services to a wide array of companies of all sizes and industries. Because we have the great fortune of working with so many differing technologies, it has required us to attract some of the most talented IT Professionals in the industry to support our clients as well as establish ourselves as a proficient partner with all of the major hardware & software manufacturers in the computer industry. Over the years we have also gained a strong reputation as a great partner amongst our peers, offering our expertise in support of their clients on projects or other maintenance needs, and they in turn work with us to provide their specialized services to all of our clients. The result is our ability to provide a full network of computer support from our own dedicated staff as well as our strong alliances with our specialists, consultants, IT partners and all major computer manufacturers.

As we head into our 17th year of business, we are excited about the future of our company. We have been able to withstand the changing economic climate over the past that has affected every business and have made strategic adaptations to our business model that has put us in a position of growth for the future. One of the major reasons for our optimism is our educational focus to bring our clients a true understanding of emerging technologies like Virtualization and Cloud Computing. We have been very successful in educating our clients on how those technologies can allow them to transition from paying large upfront capital costs to manageable operational costs. We know that equipping our clients with knowledge, and a true understanding of technology, are vitally important to their businesses and it allows us to be the strong partner we strive every day to be. Being in the computer industry, where changes are fast and furious, we are very proud of our ability to deliver the best IT professional services in the industry as well as help our clients gain the necessary knowledge to maximize their existing investments while keeping them ahead of the curve with all of the latest technology.

Below is the official Highroad IT list of Professional Services:

### **Professional Services**

- Network Installation and Configuration
- Hardware and Software Installation and Configuration
- 24/7/365 Full Monitoring of All Networked Servers/Devices
- Hosting Services Including Website, Servers, Applications, Backups, etc.
- Web & Database Integration
- Email and Web Filtering Installation and Implementation
- System Administration and Setup
- Database and Server Maintenance
- Operating System Installation, Administration & Support – Windows
- Disaster Prevention/Recovery Planning and Implementation
- Information Technology Analysis
- Software Package Selection
- Application Software Design and Development

- Database Migration, Installation and Support
- System/Server Security Assessments and Recommendations
- Imaging Software Installation and Configuration
- Disable open Remote Desktop Protocol (RDP) ports from the internet closing all known threats.
- Business Process Improvement
- Web Development
- Training: User Application and Basic Office Technology

### **Hosting**

- Data Centers/Co-Location
- Servers
- Backups
- Website
- Exchange
- SharePoint
- Off-site Storage
- Office Applications

### **Software**

- Microsoft Office
- Operating Systems – Microsoft Windows
- Virtualization – VMWare, Hyper V
- Server-Based Computing/Thin Client – Windows Terminal Server (RDP), Citrix (ICA)
- Database –SQL
- Programming/Web Enabling – ASP.NET, Visual Basic,
- Document Imaging & Delivery – Ecopy
- Email & Productivity – Microsoft Exchange Server, Microsoft Office
- Antivirus & Filtering – ESET, Symantec, Trend Micro, Cymphonix, Open Relay Filter
- Remote Connectivity – VPN, VNC, PC Anywhere
- System Backup – Veeam, Symantec
- Disaster Recovery – Veeam, Azure

### **Hardware**

- Servers, PCs, & Notebooks – HP/Compaq, Dell, IBM, Lenovo
- Network Attached Storage – Buffalo, Netgear ReadyNAS
- Fail-Over Systems – Zenith
- Windows & General-Purpose Terminals – Wyse
- Firewalls – Cisco, SonicWall, WatchGuard, Netgear, Linksys
- Hubs, Switches, Routers & Wireless Access Points – HP, Cisco, Netgear, Linksys
- Printers – HP, Brother, Ricoh, OkiData, Kyocera
- Uninterruptible Power Supplies – APC

## **Track Record**

At Highroad IT we are very proud of our track record of providing the highest expertise in computing professional services. We monitor all our client's networks and we have installed/configured/implemented numerous HP servers and Microsoft operating systems. We have deployed multiple Exchange servers at multiple clients, setup multiple backup procedures, implemented all types of Antivirus/AntiSpam, and worked with all types of firewall appliances & software. Our ability to provide networking, system maintenance and upgrades, consulting, training, as well as any other related support makes us an ideal candidate to support TCWD's computing environment. Specifically, our trained professionals have extensive knowledge in every aspect of the TCWD's computer infrastructure, including experience with HP Servers, Microsoft Operating Systems, MS 365, MS Office, SonicWall firewalls, Netgear Switches, NAS devices, and UPS units.

## **Service Partnership**

As an Information Technology Management and Support Services Provider we understand our reason for being is to support our client's existing computing environments as a true partner. We have the understanding that our success as a professional services provider is measured by the satisfaction, we bring to the people using the computing equipment and not just solving computer problems. Simply put, we care about the people as well as the equipment we are privileged to work on, and that is how we separate ourselves from other service providers. At Highroad IT, we have a true culture of caring, and that culture of caring is why we are very responsive to any support request that we receive and go the extra mile to resolve those issues in a timely fashion. It is also why we have positioned ourselves to bring the TCWD a full staff of support professionals from our own internal staff, to computer specialists, IT partners and our certified manufacturer relationships. We also know that our support relationships require us to be educators on all the latest trends in technology, so we can bring that information to those we provide our professional services to. This requirement to share our knowledge with our clients leads us to always being aware, and proficient, of all new computing technology.

Finally, we intend to be a truly dedicated Information Technology Management and Support Services Provider to the TCWD. Our care for our customers and our honesty is what we are known for. Our rapid response time to support requests and our technical ability to solve support issues separates us from other IT service providers. We thrive in challenging high-pressure situations and always take care to deliver support that will provide the lowest impact to you. Our certifications with all the major manufacturers provide additional evidence of our dedicated commitment to understanding the technologies we work with, which we will bring to TCWD in support of your business and computer infrastructure.

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | SEPTEMBER 8, 2021**

**FINANCIAL MATTERS**

**ITEM 4: 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 | SEPTEMBER 8, 2021**

**FINANCIAL MATTERS  
ITEM 5: FINANCIAL REPORT**

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

**RECOMMENDED ACTION:**

*Recommend that the Board receive and file the preliminary unaudited financial statements for July 2021 (Consent Calendar).*

**B) BILLS FOR CONSIDERATION**

The total of the bills for consideration will be presented at the time of the August 11, 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 August 11, 2021 as presented (Consent Calendar).*

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



# Trabuco Canyon Water District

## Statement of Revenues & Expenses

### FY 2021-22 (Unaudited)

	July 2021	Current YTD	Annual Budget	8% YTD	Prior YTD
<b>1 Operating Revenue</b>					
2 Residential Water	\$ 368,687	\$ 368,687	\$ 4,116,200	9%	\$ 347,344
3 Business & Industrial Water	10,948	10,948	165,600	7%	11,438
4 Irrigation Water	136,670	136,670	1,075,200	13%	96,431
5 Stand-by	-	-	41,800	0%	3,417
6 Sanitation Revenue	154,051	154,051	1,964,200	8%	142,044
7 Recycled & Reclaimed Revenue	119,055	119,055	999,000	12%	91,460
8 Baker Treatment Plant Water Sales *	-	-	1,383,500	0%	43,324
9 Other Operating Revenue	11,600	11,600	179,600	6%	1,114
<b>10 Total Operating Revenue</b>	<b>801,010</b>	<b>801,010</b>	<b>9,925,100</b>	<b>8%</b>	<b>736,571</b>
<b>11 Non-Operating Revenue</b>					
12 Property Tax Unrestricted	-	-	2,006,200	0%	142,283
13 Interest Revenue	400	400	35,600	1%	604
14 Other Non-Operating Revenue	2,532	2,532	72,400	3%	2,100
<b>15 Total Non-Operating Revenue</b>	<b>2,932</b>	<b>2,932</b>	<b>2,114,200</b>	<b>0%</b>	<b>145,087</b>
<b>16 Total Revenues</b>	<b>803,942</b>	<b>803,942</b>	<b>12,039,300</b>	<b>7%</b>	<b>881,658</b>
<b>17 Operating Expenses</b>					
18 Source of Supply	224,664	224,664	2,262,400	10%	120,989
19 Baker Treatment SOS Costs	94,134	94,134	1,287,700	7%	35,916
20 Water Related Expense	105,866	105,866	2,032,100	5%	149,294
21 Sanitation Expense	63,480	63,480	1,359,200	5%	77,571
22 Recycled Expense	22,248	22,248	234,200	9%	16,283
23 Reclaimed Expense	22,248	22,248	234,100	10%	14,378
24 Salaries & Benefits	310,847	310,847	4,020,400	8%	278,752
25 Board Expense	10,062	10,062	122,600	8%	9,083
26 Miscellaneous Expense	40	40	5,000	1%	-
<b>27 Total Operating Expenses</b>	<b>853,590</b>	<b>853,590</b>	<b>11,557,700</b>	<b>7%</b>	<b>702,267</b>
<b>Net Income / (Loss) before Contributed Capital,</b>					
<b>28 Trust Contributions &amp; Debt Service</b>	<b>(49,648)</b>	<b>(49,648)</b>	<b>481,600</b>	<b>-10%</b>	<b>179,391</b>
29 WRES Fees for Capital	68,754	68,754	822,200	8%	68,427
30 Other Capital Contributions	-	-	344,000	0%	-
31 Debt Principal, Interest & Issuance Costs	(19,198)	(19,198)	(445,300)	4%	(19,198)
32 CalPERS UAL & Pension Trust Contributions	(19,967)	(19,967)	(590,500)	3%	(18,011)
33 OPEB Trust Contributions & Paygo	(9,063)	(9,063)	(108,700)	8%	(18,175)
<b>Net Contributed Capital, Trust Contributions</b>					
<b>34 &amp; Debt Service</b>	<b>20,526</b>	<b>20,526</b>	<b>21,700</b>	<b>95%</b>	<b>13,043</b>
<b>35 Net Income</b>	<b>\$ (29,123)</b>	<b>\$ (29,123)</b>	<b>\$ 503,300</b>		<b>\$ 192,434</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 July 31, 2021 (Unaudited)

	July 2021	June 2020	July 2020
<b>1 Assets</b>			
<b>2 Current Assets</b>			
3 Cash	\$ 498,709	\$ 495,735	\$ 417,394
4 Accounts Receivable, Net	1,625,613	1,536,563	4,832,862
5 Property Tax Receivable	-	-	1,748,400
6 Prepaid Expenses	360,808	39,560	348,663
<b>7 Total Current Assets</b>	<b>2,485,130</b>	<b>2,071,857</b>	<b>7,347,320</b>
<b>8 Total Restricted Assets (see Schedule A)</b>	<b>5,666,554</b>	<b>6,660,954</b>	<b>6,627,721</b>
<b>9 Utility Plant</b>			
10 Utility Plant, at Cost	123,412,244	123,412,244	115,732,708
11 Accumulated Depreciation	(73,781,106)	(73,426,919)	(71,731,138)
12 Construction in Progress	71,030	67,991	3,158,346
<b>13 Total Utility Plant</b>	<b>49,702,168</b>	<b>50,053,316</b>	<b>47,159,916</b>
<b>14 Other Assets</b>			
15 Due from BTP	1,055,488	1,087,318	1,435,171
16 Deferred Outflow (Pension Related)	1,179,514	1,179,514	1,179,514
<b>17 Total Other Assets</b>	<b>2,235,002</b>	<b>2,266,832</b>	<b>2,614,685</b>
<b>18 Total Assets</b>	<b>\$ 60,088,855</b>	<b>\$ 61,052,960</b>	<b>\$ 63,749,641</b>
<b>19 Liabilities &amp; Retained Earnings</b>			
<b>20 Current Liabilities</b>			
21 Accounts Payable	\$ 2,896,541	\$ 3,320,073	\$ 1,607,394
22 Due to Internal Financing Fund	1,055,488	1,087,318	1,435,171
23 Accrued Expenses	286,442	421,989	257,312
24 Deferred Property Tax Revenue	-	-	1,602,700
<b>25 Total Current Liabilities</b>	<b>4,238,472</b>	<b>4,829,379</b>	<b>4,902,577</b>
<b>26 Liabilities to be Paid from Restricted Assets</b>			
27 Accrued Bond Interest	4,073	-	4,412
28 Current Portion-Long Term Debt	182,547	182,547	178,449
29 Refundable Deposits	13,500	7,500	11,500
30 Developer Deposits	113,123	113,123	140,916
<b>31 Total Liabilities to be Paid from Restricted Assets</b>	<b>313,242</b>	<b>303,170</b>	<b>335,277</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 July 31, 2021**  
**(Unaudited)**

32	<b>Long Term Debt</b>			
33	Accrued Post Employment Benefits	533,587	533,587	533,587
34	Accrued Pension Liability	3,301,860	3,301,860	3,301,860
35	State Revolving Fund Loan	1,957,505	1,957,505	2,140,052
36	<b>Total Long Term Debt</b>	<b>5,792,952</b>	<b>5,792,952</b>	<b>5,975,499</b>
37	<b>Total Liabilities</b>	<b>10,344,666</b>	<b>10,925,501</b>	<b>11,213,354</b>
38	<b>Fund Balance</b>			
39	Invested in Capital Net of Related Debt	47,558,084	47,913,264	44,837,003
40	Restricted for Debt Service	237,000	236,996	219,173
41	Legally Restricted	2,006,836	3,009,788	2,995,846
42	Designated by Board	3,301,027	3,301,027	3,296,542
43	Unrestricted	(3,358,758)	(4,333,617)	1,187,725
44	<b>Total Fund Balance</b>	<b>49,744,189</b>	<b>50,127,458</b>	<b>52,536,288</b>
45	<b>Total Liabilities and Fund Balance</b>	<b>\$ 60,088,855</b>	<b>\$ 61,052,960</b>	<b>\$ 63,749,641</b>

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**Trabuco Canyon Water District**  
**Restricted Assets Report**  
**As of July 31, 2021**  
**(Unaudited)**

	<b>July 2021</b>	<b>June 2021</b>	<b>July 2020</b>
<b>1 LAIF Accounts (at Cost)</b>			
2 LAIF Unrestricted	\$ (3,021,172)	\$ (1,977,862)	\$ (2,218,821)
3 Water Storage Facilities	1,051,427	1,051,427	1,051,427
4 WRES - Rose Canyon/Lang Wells	1,272,785	1,237,014	1,082,059
5 WRES - Reservoir/Distribution Improvements	2,627,266	2,622,746	2,583,895
6 RD#5	76,530	76,463	76,102
7 LAIF Interim Sewage	121,691	113,143	116,161
8 Water Rate Stabilization Funds	792,830	792,830	684,080
9 Sewer Rate Stabilization Funds	547,360	547,360	726,160
10 Working Capital Funds	1,960,304	1,960,304	1,975,776
11 Market Value Over/(Under) Cost	533	533	16,593
<b>12 State Revolving Fund</b>			
13 Cash in CB&T Reserved for SRF Loan	237,000	236,996	219,173
<b>14 Total Restricted Assets</b>	<b>\$ 5,666,554</b>	<b>\$ 6,660,954</b>	<b>\$ 6,627,721</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 July 31, 2021**  
**(Unaudited)**

DESCRIPTION	RATE	COST	MARKET	% OF TOTAL
<b>District Investments in the California Local Agency Investment Fund (LAIF)</b>				
1 Water Storage Fees	0.221%	\$ 1,051,427	\$ 1,049,422	19%
2 Trabuco Creek Wells	0.221%	1,272,785	1,270,359	23%
3 Reservoir/Distribution	0.221%	2,627,266	2,622,257	48%
4 RD#5	0.221%	76,530	76,384	1%
5 LAIF Interim Sewage	0.221%	121,691	121,459	2%
6 Water Rate Stabilization Funds	0.221%	792,830	791,318	15%
7 Sewer Rate Stabilization Funds	0.221%	547,360	546,316	10%
8 Working Capital Funds	0.221%	1,960,304	1,956,567	36%
9 LAIF Unrestricted	0.221%	(3,021,172)	(3,015,412)	-56%
<b>Total District Investments</b>		<b>\$ 5,429,021</b>	<b>\$ 5,418,671</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*

**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***

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**Trabuco Canyon Water District**  
**Checking Account Activity**  
**July 2021**  
**(Unaudited)**

<b>Inflows</b>	<b>Current Month</b>	<b>Year to Date</b>
Utility Billing Collections	\$ 735,367	\$ 735,367
Tax Receipts	22,571	22,571
Transfer From LAIF	1,000,000	1,000,000
Miscellaneous	15,247	15,247
<b>Total Inflows</b>	<b>1,773,186</b>	<b>1,773,186</b>
<b>Outflows</b>		
Vouchers	800,712	800,712
Payroll	248,609	248,609
Miscellaneous & Online Payments	520,632	520,632
<b>Total Outflows</b>	<b>1,569,953</b>	<b>1,569,953</b>
<b>Net Change in Checking Account</b>	203,232	203,232
<b>Beginning Checking Account</b>	500,779	500,779
<b>Ending Checking Account</b>	<b>\$ 704,011</b>	<b>\$ 704,011</b>

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