



**FINANCE/AUDIT COMMITTEE MEETING AGENDA**  
**TRABUCO CANYON WATER DISTRICT**  
**32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA**  
**ADMINISTRATION FACILITY, BOARDROOM – APRIL 13, 2022 AT 1:00 PM**

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**COMMITTEE MEMBERS**

Edward Mandich, Committee Chair  
Glenn Acosta, Committee Member  
Don Chadd, Committee Member Alternate

**DISTRICT STAFF**

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

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**AGENDA NOTE:**

*Trabuco Canyon Water District will make this Finance/Audit Committee Meeting available by telephone audio as follows:*

**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.*

**COMMITTEE MEMBER COMMENTS**

**REPORT FROM THE GENERAL MANAGER**

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING AGENDA | APRIL 13, 2022**

**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. March 9, 2022

**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 March 2022 and tentative future meetings/attendance. (Action Calendar)*

**ITEM 3: DISTRICT FINANCIAL ANALYSIS AND RATE STUDY CONTRACT AWARD**

**RECOMMENDED ACTION:**

*Recommend the Board of Directors authorize the General Manager to execute an agreement with IB Consulting for a Financial Analysis and Rate Study for \$97,620 plus a 10% contingency of \$9,762, for a total not-to-exceed amount of \$107,382. (Action Calendar)*

**ITEM 4: DISTRICT EXPENSE REIMBURSEMENT POLICY AND PROCEDURES UPDATE**

**RECOMMENDED ACTION:**

*Recommend the Board of Directors approve the proposed Expense Reimbursement Policy and Procedures Update and rescind the Expense Reimbursement Guidelines approved on January 17, 1996 (Action Calendar).*

**ITEM 5: DISCUSSION CONCERNING MUNICIPAL WATER DISTRICT OF ORANGE COUNTY PROPOSED FISCAL YEAR 2022/23 RATES, CHARGES, AND BUDGET**

**RECOMMENDED ACTION:**

*Committee to receive information and make recommendation(s) as deemed appropriate.*

**ITEM 6: DISCUSSION CONCERNING DISTRICT PROPOSED FISCAL YEAR 2022/2023 GENERAL FUND AND CAPITAL IMPROVEMENT PROJECT (CIP) BUDGET ASSUMPTIONS**

**RECOMMENDED ACTION:**

*Committee to receive information and make recommendation(s) as deemed appropriate.*

**ITEM 7: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING GOLF CLUB SEWER LIFT STATION REPAIRS & IMPROVEMENTS**

**RECOMMENDED ACTION:**

*Approve and recommend the Board of Directors ratify the purchase of two (2) replacement pumps from Evans-Hydro in the amount of \$55,912, plus tax and freight, for the Golf Club Sewer Lift Station (Action Calendar).*

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING AGENDA | APRIL 13, 2022**

**ITEM 8: OTHER MATTERS**

**RECOMMENDED ACTION:**

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

**ITEM 9: FINANCIAL REPORT**

**A) PRESENTATION OF UNAUDITED FINANCIAL STATEMENTS**

**RECOMMENDED ACTION:**

*Recommend that the Board receive and file the preliminary unaudited financial statements for February 2022 (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 April 13, 2022 as presented. (Consent Calendar).*

**ADJOURNMENT**

**AVAILABILITY OF AGENDA MATERIALS**

*Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Trabuco Canyon Water District Finance/Audit Committee in connection with a matter subject to discussion or consideration at an open meeting of the Finance/Audit Committee are available for public inspection at the Trabuco Canyon Water District Administrative Facility, 32003 Dove Canyon Drive, Trabuco Canyon, California (District Administrative Facility) or will be posted online on the District's website located at [www.tcwd.ca.gov](http://www.tcwd.ca.gov). If such writings are distributed to members of the Committee less than 72 hours prior to the meeting, they will be available online at [www.tcwd.ca.gov](http://www.tcwd.ca.gov) at the same time as they are distributed to the Committee, except that, if such writings are distributed immediately prior to or during the meeting, they will be posted online on the District's website located at [www.tcwd.ca.gov](http://www.tcwd.ca.gov).*

**COMPLIANCE WITH THE REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE SECTION 54954.2**

*In compliance with California law and the Americans with Disabilities Act, if you need special disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, or if you need the agenda provided in an alternative format, please contact the District Secretary at (949) 858-0277, at least 48 hours in advance of the scheduled Board meeting. Notification at least 48 hours prior to the meeting will assist the District in making reasonable arrangements to accommodate your request. The Board Meeting Room is wheelchair accessible.*

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | APRIL 13, 2022**

**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. *March 9, 2022*

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



**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING RECAP | MARCH 9, 2022**

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**DIRECTORS PRESENT**

Director Ed Mandich, Committee Chair  
Director Glenn Acosta, Committee Member

**STAFF PRESENT**

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

**STAFF ABSENT**

Michael Perea, Assistant General Manager

**CONSULTANTS PRESENT**

None

**PUBLIC PRESENT VIA CONFERENCE CALL**

None

**CALL MEETING TO ORDER**

Director Mandich called the March 9, 2022 Finance/Audit Committee Meeting to order at 1:01p.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**

Mr. Paludi reported that District staff have completed interview with rate study consultants, and that this matter would be agendized for Committee review and consideration at the following Committee meeting.

Mr. Paludi mentioned the upcoming construction on the V.P. Baker pipeline, and he extended an invitation to the Committee for a tour of this site on April 7, 2022.

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

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

**TRABUCO CANYON WATER DISTRICT  
FINANCE AUDIT COMMITTEE MEETING RECAP | MARCH 9, 2022**

**RECOMMENDED ACTION(S)**

Director Mandich and Ms. Sangi approved the February 9, 2022 Finance/Audit Committee Meeting Recap(s) and recommend that the Board receive and file the same. (Consent Calendar)

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

Mr. Paludi presented the Directors' Fees and Expenses Report and Tentative Future Meetings/Attendance Report for Committee consideration and review. Director Acosta provided updates to his meeting attendance for February 2022.

**RECOMMENDED ACTION:**

Recommend that the Board ratify the Directors' fees and expenses for February 2022 and tentative future meetings/attendance as amended. (Action Calendar)

**ITEM 3: DISCUSSION CONCERNING OTHER POST-EMPLOYMENT BENEFITS (OPEB) BIENNIAL VALUATION REPORTING FOR CERBT TRUST FUNDING**

Mr. Paludi presented this matter for Committee consideration, and he reported that District staff solicited proposals for the preparation of a biennial valuation report of the District's Other Post-Employment Benefits (OPEB) consistent with the CalPERS CERBT requirements. Mr. Paludi briefly reviewed the proposals with the Committee, and he recommended Total Compensation Systems, Inc. Discussion occurred concerning certain CERBT requirements.

**RECOMMENDED ACTION:**

Recommend that the Board of Directors authorize the General Manager to contract with Total Compensation Systems, Inc. for GASB 74/75 and GASB 68 Biennial Annual Valuation Reporting for \$6,230 (Action Calendar).

**ITEM 4: DISCUSSION CONCERNING THE ADOPTION OF DISTRICT TREASURER'S ANNUAL STATEMENT OF INVESTMENT POLICY**

Mr. Paludi presented this matter for Committee review and consideration, and he mentioned this matter is reviewed annually in accordance with the District's rules and regulations. Mr. Paludi reported that the proposed DRAFT resolution has been reviewed by General Counsel, the District Treasurer, and Eide Bailly's General Counsel. Discussion occurred concerning the minor statutory language updates in the resolution.

**RECOMMENDED ACTION:**

Recommend the Board of Directors adopt the District Treasurer's Annual Statement of Investment Policy by resolution (Action Calendar).

**ITEM 5: OTHER MATTERS**

- Mr. Paludi provided a brief status report on Fiscal Year 2022/2023 budget preparation and that a draft budget will be presented to the Committee in May 2022.
- Mr. Paludi reported that a Municipal Water District of Orange County (MWDOC) representative will be present at the next Regular Board Meeting to discuss the MWDOC budget, the Metropolitan Water District of Southern California (MET) budget, and to highlight the impacts of the drought conditions on water supplies.
- Mr. Paludi provided a brief report on the Orange County Local Agency Formation Commission (LAFCO) draft budget, and he reported there is a scheduled increased cost to the District for Fiscal Year 2022/2023.

**RECOMMENDED ACTION:**

There was no action taken.

**TRABUCO CANYON WATER DISTRICT  
FINANCE AUDIT COMMITTEE MEETING RECAP | MARCH 9, 2022**

**ITEM 6: FINANCIAL REPORT**

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Ms. Warner presented the preliminary unaudited financials for January 2022, and he highlighted the following items:

***Operating Revenue, Residential Water***

Ms. Warner reported that water demand for the month was lower than the prior month due to decreased demand.

***Operating Revenue, Irrigation Water***

Ms. Warner reported that this line item was lower than the prior month, but the year to date was significantly higher than budgeted due to increased demand.

***Operating Revenue, Recycled & Reclaimed Water***

Ms. Warner reported that water demand for the month was lower than the prior month due to decreased demand, but the year to date was higher than budgeted.

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

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

***Non-Operating Revenue, Other Non-Operating Revenue***

Ms. Warner reported this line item was higher than budgeted due to reimbursement from ACWA JPIA for the District vehicle loss reimbursement.

***Operating Expenses, Source of Supply***

Ms. Warner reported this line item was higher than the prior month due to costs associated with increased purchased water to meet demand.

**RECOMMENDED ACTION:**

The Committee recommended the Board of Directors receive and file the preliminary unaudited financial statements for January 2022 (Consent Calendar).

The Committee signed the bills for consideration and the warrant register and recommended that the Board ratify payment of the bills for consideration for March 9, 2022 as presented (Consent Calendar).

**ADJOURNMENT**

Director Mandich adjourned the March 9, 2022 Finance/Audit Committee Meeting at 1:22p.m.

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | APRIL 13, 2022**

**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 March 2022 and tentative future meetings/attendance. (Action Calendar)*

**EXHIBIT(S):**

1. Directors' Fees and Expenses Report for March 2022
2. Directors' Tentative Future Meetings/Attendance – Calendar Year 2022.

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


**TRABUCO CANYON WATER DISTRICT  
DIRECTORS' FEES AND EXPENSES MONTHLY REPORT | MARCH 2022**

MEETING DESCRIPTION	ACOSTA	CHADD	DOPUDJA	MANDICH	SAFRANSKI
<b>DISTRICT MEETINGS</b>					
Engineering/Operational Committee Meeting			03/02/22	03/02/22	
Bell Canyon Sewer Lift Station Tour				03/30/22	03/30/22
Executive Committee Meeting		03/14/22	03/14/22		
Finance/Audit Committee Meeting		03/09/22		03/09/22	
Individual Meeting with General Manager	03/15/22	03/21/22	03/15/22	03/14/22	03/15/22
Regular Board Meeting	03/17/22	03/17/22	03/17/22	03/17/22	03/17/22
Engineering/Operational Committee Meeting			03/23/22		03/23/22
<b>REPRESENTATIVE MEETINGS</b>					
City of Rancho Santa Margarita Council Meeting					03/09/22
City of Rancho Santa Margarita Council Meeting				03/23/22	
City of Rancho Santa Margarita City Planning Commission Meeting	03/02/22				
Independent Special Districts of Orange County - Luncheon Meeting					
Independent Special Districts of Orange County - Quarterly/Meeting					
Orange County Local Agency Formation Commission (OC LAFCO)		03/09/22			
Santiago Aqueduct Commission Meeting(SAC)		03/17/22			
South Orange County Agencies Group					03/24/22
South Orange County Wastewater Authority (SOCWA) Regular Board Meeting			03/03/22		
South Orange County Wastewater Authority (SOCWA) Finance Meeting					
MO. South Orange County Integrated Regional Watershed Management Executive Committee				03/31/22	
QRTLY South Orange County Integrated Regional Watershed Management Executive Committee				03/03/22	
Water Advisory Committee of Orange County Meeting (WACO)	03/04/22				
<b>NUMBER OF MEETINGS ATTENDED</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>8</b>	<b>6</b>
<b>FEES (\$125 per each meeting*)</b>	<b>\$500.00</b>	<b>\$500.00</b>	<b>\$750.00</b>	<b>\$1,000.00</b>	<b>\$750.00</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>\$500.00</b>	<b>\$500.00</b>	<b>\$750.00</b>	<b>\$1,000.00</b>	<b>\$750.00</b>
<i>* Maximum per diem per day is one; maximum per diems per month is 10</i>					

**DIRECTOR SIGNATURE**

**TRABUCO CANYON WATER DISTRICT | 2022 PUBLIC MEETING AND CONFERENCE CALENDAR**

		2022											
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	01/05/22	02/02/22	03/02/22	04/06/22	05/04/22	06/01/22	07/06/22	08/03/22	09/07/22	10/05/22	11/02/22	12/07/22
3	Finance/Audit Committee Meeting	01/12/22	02/09/22	03/09/22	04/13/22	05/11/22	06/08/22	07/13/22	08/10/22	09/14/22	10/12/22	11/09/22	12/14/22
4	Regular Board Meeting	01/20/22	02/17/22	03/17/22	04/21/22	05/19/22	06/16/22	07/21/22	08/18/22	09/22/22	10/20/22	11/17/22	12/22/22
5	District Properties Ad Hoc Committee Meeting	-	-	-	-	-	-	-	-	-	-	-	-
<b>PUBLIC MEETINGS</b>													
6	City of RSM City Council Meeting - Meeting No. 1	01/12/22	02/09/22	03/09/22	04/13/22	05/11/22	06/08/22	07/13/22	08/10/22	09/14/22	10/12/22	11/09/22	12/14/22
7	City of RSM City Council Meeting - Meeting No. 2	01/26/22	02/23/22	03/23/22	04/27/22	05/25/22	06/22/22	07/27/22	08/24/22	09/28/22	10/26/22	11/23/22	12/28/22
8	Independent Special Districts of Orange County Meeting	01/04/22	02/01/22	03/01/22	04/05/22	05/03/22	06/07/22	07/05/22	08/02/22	09/06/22	10/04/22	11/01/22	12/06/22
9	Independent Special Districts of Orange County Meeting	01/27/22	-	-	04/28/22	-	-	07/28/22	-	-	10/27/22	-	-
10	Orange County Local Agency Formation Commission (OC LAFCO)	01/12/22	02/09/22	03/09/22	04/13/22	05/11/22	06/08/22	07/13/22	08/10/22	09/14/22	10/12/22	11/09/22	12/14/22
11	Santiago Aqueduct Commission Meeting	-	-	03/17/22	-	-	06/16/22	-	-	09/15/22	-	-	12/15/22
12	Quarterly South Orange County Integrated Regional Watershed Management Executive Committee	-	-	03/03/22	-	05/05/22	-	-	08/04/22	-	-	11/03/22	-
13	Monthly South Orange County Integrated Regional Watershed Management Executive Committee	01/27/22	02/24/22	03/24/22	04/28/22	05/26/22	06/23/22	07/28/22	08/25/22	09/22/22	10/27/22	11/24/22	12/22/22
14	South Orange County Water Agencies Group Meeting*	01/27/22	-	03/24/22	-	05/26/22	-	07/28/22	-	09/22/22	-	11/24/22	-
15	South Orange County Wastewater Authority Regular Board Meeting	01/06/22	02/03/22	03/03/22	04/07/22	05/05/22	06/02/22	07/07/22	08/04/22	09/01/22	10/06/22	11/03/22	12/01/22
16	Water Advisory Committee of Orange County	01/07/22	02/04/22	03/04/22	04/01/22	05/06/22	06/03/22	07/01/22	08/05/22	09/02/22	10/07/22	11/04/22	12/02/22
<b>CONFERENCES</b>													
17	ACWA Spring Conference - Sacramento, CA					5/3 - 5/6							
18	ACWA Fall Conference - Indian Wells, CA											11/29 - 12/2	
19	CSDA Annual Conference -Palm Springs, CA								8/22 - 8/25				
20	CSDA GM Leadership Summit - Coronado, CA						6/19 - 6/21						
21	CSDA SDLA Conference - Napa, CA									9/18 - 9/21			

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

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | APRIL 13, 2022**

**FINANCIAL MATTERS**

**ITEM 3: DISTRICT FINANCIAL ANALYSIS AND RATE STUDY CONTRACT AWARD**

Trabuco Canyon Water District’s (District) Board of Directors last adopted rates and charges for water, sewer, and recycled water services in December 2020, to be implemented January 1, 2021 and adjusted every January 1 thereafter through Calendar Year 2025 according to the adopted rate schedule. As required by California law, the District’s rates are established through a cost-of-service analysis that helps ensure that proposed rates accurately reflect the District’s costs associated with providing the services.

However, since the adoption of the current rate schedule, the District has experienced significant operating and capital cost increases due to labor adjustments and the highest inflation in the past 40 years. In addition, the District in 2021 is conducting the first update to its facility master plan since 1999 and the first comprehensive assessment of its assets, both of which will result in a more detailed Capital Investment Plan (CIP) that will show what the District needs to invest to maintain the reliability of its assets over the long term. These factors have prompted the need for an updated rate study. District staff anticipates recommending a new five-year rate schedule for adoption by the Board in 2023.

The scope of work for the rate study includes a two or more board workshops, financial and capital plan development, revenue requirements, cost-of-service and rate analyses including drought rates, Prop. 218 public hearing support, and a rate study report.

A Request for Proposals for the rate study was issued on January 18, 2022 and the District received proposals from the following consulting firms, shown with their proposed total hours and fee:

<b>Respondent</b>	<b>Hours</b>	<b>Proposed Fee</b>
Bartle Wells Associates	333	\$79,445
Harris & Associates	762	\$149,890
IB Consulting	488	\$97,620
RDN	414	\$67,800

The District’s evaluation panel conducted interviews with IB Consulting and RDN based on the strength of their written proposals, proposed level of effort and fee, and strength of references. After conducting the interviews, the evaluation panel concluded that IB Consulting performed best in a presentation and question/answer format and that, taking all the evaluation criteria into account, including accessibility of key personnel to District staff (IB’s offices located in Temecula), IB Consulting should be recommended to perform the financial plan and rate study. IB Consulting’s written proposal is included as Exhibit 1.

**FUNDING SOURCE:**

General Fund

**FISCAL IMPACT:**

Budget not-to-exceed \$107,382 (consultant fee plus 10% contingency)

**RECOMMENDED ACTION:**

*Recommend the Board of Directors authorize the General Manager to execute an agreement with IB Consulting for a Financial Analysis and Rate Study for \$97,620 plus a 10% contingency of \$9,762, for a total not-to-exceed amount of \$107,382. (Action Calendar)*

**EXHIBIT(S):**

1. IB Consulting Rate Study Proposal

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



# Solutions through Collaboration

Trabuco Canyon Water District  
Financial Analysis and Rate Study

Submittal Date:

February 14, 2022

Date: February 14, 2022  
Karen Warner - Principal Accountant  
Trabuco Canyon Water District  
32003 Dove Canyon Drive  
Trabuco Canyon, CA. 92679

Dear Ms. Warner,

IB Consulting is excited to submit this proposal to assist the Trabuco Canyon Water District (District) with updating its utility financial plans and developing corresponding cost-based rates. Our proposal includes detailed steps for preparing a comprehensive cost-of-service study for water, recycled water, and wastewater rates.

Our firm specializes in utility financial planning and rate consulting. As managing partners of the firm, myself and Andrea Boehling, will both be intimately involved throughout the entire study. The District will benefit from two seasoned utility rate experts with over 30 years of combined experience that spans the entire State of California and covers water rates, wholesale water rates, wastewater rates, recycled water rates, drought rates, and utility capacity charges.

We have assisted municipalities with long-term financial planning and structuring rates to reflect the cost-of-service, including the justification for tiered rates, and equity between customer classes. In addition, we will conduct a policy framework workshop with the District Board to obtain an understanding of what are the most important rate objectives to achieve with this rate study and to provide our insight on rate alternatives and considerations unique to the District. Our scope also includes Board meetings throughout the study to keep the District Board engaged and to receive direction on options presented.

We understand the importance of each utility's ability to be self-sufficient to meet its ongoing operating expenses as well as system reinvestment to ensure safe and reliable services. Our proposal is valid for 90 days and I will be the primary contact during the RFP review process. If you have any questions regarding the proposal or would like to discuss any section in more detail, please contact me.

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Habib Isaac - Principal | Managing Partner  
951-595-9354  
hisaac@ibconsultinginc.com  
Temecula, CA. 92592



## Overview and Approach

The District is seeking a well-versed and experienced project team to assist with updating each of its utility's financial plans, developing sound capital funding options, evaluating rate alternatives, and deriving cost-based rates in compliance with Proposition 218. The project will span approximately 12 months and our management includes periodic check-ins to ensure the project is completed on time, within budget, and reflects the unique characteristics of the District.

Throughout the study, we will have meetings scheduled with staff to ensure clear lines of communication are established from the start. We will go over pertinent data, identify outstanding items, determine if additional data is needed based on the approach we are taking and set aside time to walk-through model development at each milestone.

Collaborating with staff is a cornerstone of our business practice and generates tailored results reflecting each client's unique characteristics

We have found that this approach allows our clients to become very comfortable with our models, generates a clear understanding of our recommendations, and ensures "no surprises" occur at workshops or Board meetings.

We will develop technically defensible rates, account for changes in water demand and revenue from drought conditions, account for changes in wastewater flows, satisfy revenue requirements while minimizing rate spikes and comply with debt covenants.

Obtaining community buy-in is also important to utility rate studies. The best way to achieve community buy-in is to hold meetings throughout the project and separate the project into easily digestible components that build upon one another. We must also understand competing objectives between what's best for the utility and what's important to various stakeholders. The key is to clearly explain why certain options are recommended for each utility and obtain feedback from the District Board for each major milestone of the study.

All approaches and recommendations will be discussed with staff. We will obtain feedback and present viable rate recommendations to the District Board for consideration. The preferred rate alternative selected by the District Board will be incorporated into the Proposition 218 notice.

### IB CONSULTING APPROACH:



Discuss the utility's current financial position, customer makeup, usage characteristics, policy directives, rate objectives, and project schedule.



Review Reserve Policies and provide recommendations based on best management practices and direct experience with similar agencies throughout California. Our review will assess minimum requirements, targets, and whether any additional reserves should be considered.



Develop viable rate alternatives for consideration. The District will benefit from two rate experts with direct experience in modeling rate alternatives, including uniform rates that vary by customer class, seasonal rates, tiered water rates, and budget-based water rates. As part of setting rates, we will develop and identify rate components that make up proposed fixed charges and proposed variable rates, including tiers. We will also discuss the number of tiers that are appropriate for the District to consider.



Review existing wastewater rates with staff to understand how well current rates are performing. Residential rates were recently separated between Single-Family and Multi-Family. Non-residential rates include a monthly fixed charge and flow rates that vary by commercial type (Low, Medium, and High). Rate alternatives will be discussed and compared to current rates.



Account for the District's capital plan. Capital planning warrants its own discussion and funding approach. We will incorporate the ability to develop and select different capital scenarios that may differ by the inclusion/exclusion of capital projects, level of capital spending, the timing of projects, and available funding sources, including debt-financing. The last study reflected debt issues in FY 2022 and FY 2024 for both Water and Wastewater. We will revisit the capital funding approach with the new 10-year capital plan and if debt-financing will / should be used.



Meet with District staff as part of each task to discuss our findings, recommendations, and path moving forward. Doing so will promote our collaboration with the District, provide ongoing model training throughout the engagement, and identify progress to date.



Document our findings and recommendations in a Final Report for the District's administrative record on rates. Our reports focus on readability to make sure it's clear and easily understood by the layperson.



## Qualifications and Experience

IB Consulting, LLC (IB Consulting) is a public consulting firm located in Temecula, California. As co-founders of the firm, Habib Isaac and Andrea Boehling have specialized in the public finance consulting sector for 19 years and 16 years, respectively, and are leading experts in the utility rate industry. Prior to forming IB Consulting, Habib worked at Raftelis from 2013 to 2019 and was a Senior Manager and West Coast Staff Lead. Andrea worked at Raftelis from 2014 to 2019 and was a Manager. We are members of CSMFO and AWWA and have presented at annual conferences regarding capital funding, utility reserve policies, best management practices with developing rates, and long-term financial planning.

Our business philosophy is to establish long-term relationships with our clients, provide ongoing consulting services beyond a specific project, and become a resource to agency staff. Whether the work involves a utility rate study, capacity fee update, or fiscal impact analysis, these projects contribute to the agency's overall strategic objectives for its utility enterprises and influence other initiatives. Our clients benefit from both of us working on each project.

We focus on only working with a handful of municipalities concurrently to ensure our services generate tailored deliverables and quick responsiveness to all correspondence. Focusing on only a few clients allows a “hands-on” approach to all projects, fosters more thoughtful discussions, ensures we are available when needed, and generates viable solutions for consideration by elected officials.

Our management approach starts with determining whether or not we pursue a project. ***We only propose on RFPs if we have adequate capacity to devote the appropriate amount of time necessary to garner well-thought-out financial plans with corresponding rates that are equitable and cost-based.***

Our business model generates a competitive advantage for our clients with our availability and dedicated time to each project.

We urge you to follow up with any of our references and clients to assess our performance, work products, availability, and responsiveness.

Below is a list of relevant project experience over the last 2 years similar to what the District has requested. IB Consulting staff has experience spanning the last five years and beyond that are within each resume. The first three agencies are included within the Reference section of this proposal but please feel free to contact any clients listed below.

**Agency:** Helix Water District - *(Included as Reference)*

**Project Description:** Water Rate Study, Capacity Fee and User Fee Study, and Annual Updates

**Contact:** Jennifer Bryant, Administrative Services Director; 619.667.6259

**Key Personnel:** Habib Isaac, Andrea Boehling

**Agency:** East Valley Water District - *(Included as Reference)*

**Project Description:** Budget-Based Water Rate and Wastewater Rate Study, Capacity Fee, User Fees

**Contact:** Brian Tompkins, Finance Director; 909.645.2079

**Key Personnel:** Habib Isaac, Andrea Boehling

**Agency:** Elsinore Valley Municipal Water District - *(Included as Reference)*

**Project Description:** Water Rate, Recycled Water Rate, Drought Rates, and Sewer Rates

**Contact:** Robert Hartwig, AGM - Business Services/CFO; 951.674.3146 ext. 8242

**Key Personnel:** Habib Isaac, Andrea Boehling

**Agency:** City of Roseville

**Project Description:** Water, Recycled Water, Sewer, and Solid Waste Rate Study

**Contact:** Janet Vargas, Business Services Administrative Administrator; 916.774.5300

**Key Personnel:** Habib Isaac, Andrea Boehling

**Agency:** Delta Diablo

**Project Description:** Wastewater Rate and Recycled Water Rate Study

**Contact:** Vince De Lange, General Manager; 925.756.1920

**Key Personnel:** Habib Isaac, Andrea Boehling

**Agency:** Phelan Pinon Hills CSD

**Project Description:** Water Rate Study

**Contact:** Lori Lowrance, Administrative Services Manager; 760.868.1212

**Key Personnel:** Habib Isaac, Andrea Boehling, Lauren Demine

**Agency:** City of Livermore

**Project Description:** Sewer Rate Study and Water Rate Study

**Contact:** Anthony Smith, Management Analyst II; 925.960.8121

**Key Personnel:** Habib Isaac, Andrea Boehling, Lauren Demine

# Detailed Work Plan

As part of our Scope of Services, each task provides details regarding meetings, deliverables, and District staff impact. Through our frequent collaboration, District staff will be completely familiar with the models and their functionality. The detailed scope below describes each task and sets forth how we envision working through this engagement.

## PROJECT MANAGEMENT

Our project management approach starts with determining whether or not we pursue a project. We first ensure that we have the capacity to take on a project and provide the appropriate amount of time commitment to garner a well-thought approach to proposed rates. Throughout the study, we will have meetings scheduled with District staff to go over pertinent data, identify outstanding items, determine if additional data is needed based on the approach we are taking and set aside time to walk-through model development at each milestone of the study. Through this approach, we have found that our clients become very comfortable with our models and are aware of the approach we are taking as we work towards the next milestone.

Our project management includes the following components:

1. Prior to each milestone, models and other deliverables are peer-reviewed for quality assurance and quality control. We also ensure that all model components discussed with District staff are incorporated and reflect any requested functionality.
2. Pertinent data will be thoroughly reviewed by our project team before any discussions with District staff. Through our review, we will develop topics of discussion and questions we have to clarify our understanding of data.
3. Periodic meetings will be scheduled to collaborate with District staff as the financial plan, cost-of-service, and rate alternatives are developed. Meetings will be followed up with meeting minutes to keep track of our discussions and the direction received. Utility studies take months to complete and tracking decisions and action items throughout the study is a critical component to stay on task and meet the project timeline.
4. Billing will occur on a monthly basis with tasks worked on, hours spent on tasks, and total project cost to date.

## Task 1: Data Collection and Kick-off Meeting

As part of project initiation, we will meet with District staff to discuss the overall approach to the project, topics for the Policy and Rate Objective Workshop with Board (Task 2), an initial timeline for completion, and identify key milestones. To ensure a productive kick-off meeting, we will first provide a data request of the items required for developing the financial plans, cost-of-service analyses, and corresponding rates. Ideally, the kick-off meeting will be scheduled two to three weeks after providing the data request to allow ample time to compile and review the data. Before our kick-off meeting, we will thoroughly review District's current rate structures, the last cost-of-service rate studies, and capital-related documents. During our meeting, we will discuss the following items:

1. Questions we have regarding the data received.
2. Overview of each utility's current financial position.
3. Capital needs with funding options.
4. Reserve policies and industry best management practices.
5. Policy considerations, state mandates, and any regulatory requirements to address.
6. Identify any areas of concern and/or recommended adjustments to rate structures with reasoning for the changes. One critical component will be confirming that a 4-tier rate structure is appropriate and costs within each tier clearly differentiate between tiers.
7. Rate alternatives to evaluate while complying with Proposition 218 and Proposition 26.



The kick-off meeting will conclude with an initial framework of the study, clear lines of communication between us and District staff, and specific dates for scheduled meetings.

**Meetings:** One (1) kick-off meeting with District staff.

**Deliverable:** Data request, agenda for kick-off discussion, and meeting minutes.

**District Staff Impact:** Provide any readily available data based on request prior to the meeting and participate at the kick-off meeting. We expect a week for District staff to compile the requested data.

## Task 2: Policy and Rate Objective Workshop

Changing financial conditions and the ongoing development of a comprehensive 10-year Capital Improvement Program (CIP) have necessitated the need for a new rate study to ensure that the District meets its long-term operational and asset funding needs with adequate financial reserves. With these changing conditions, it is important to conduct a Policy and Rate Objective Workshop with the District Board to understand specific policy considerations to incorporate into the new study and rate objectives to achieve with proposed rates. We will review financial policies and reserves, rate trends in the industry, rate alternatives to evaluate, approach for adequately funding capital, and other considerations most important to the District Board.

The Policy and Rate Objective Workshop will also provide a forum to:

1. Introduce/refresh Board members in the rate-setting process.
2. Review cost-of-service requirements of Proposition 218.
3. Develop trust/familiarity between consultants and the District.
4. Obtain buy-in from the District Board on our approach.
5. Receive feedback from the District Board from the very beginning.

The workshop will conclude with all parties aware of the approach that will be taken, rate alternatives to evaluate, and next steps and meetings.

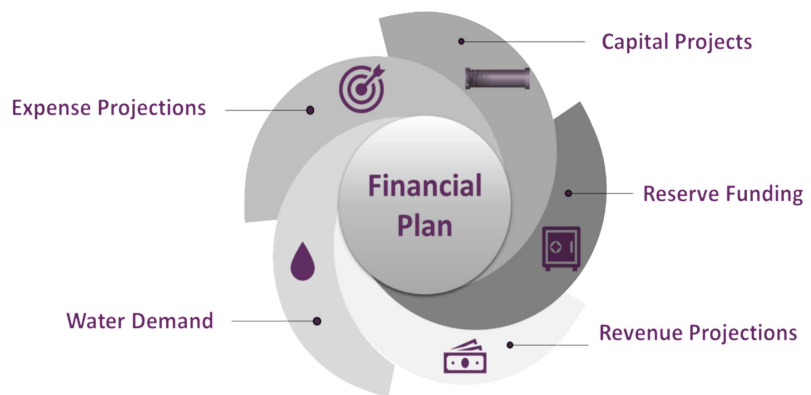
**Meetings:** One (1) Workshop with the District Board.

**Deliverable:** Presentation material, Proposition 218 and cost-of-service requirements, and meeting minutes for the Workshop.

**District Staff Impact:** Review presentation materials, provide feedback and any additions for the Workshop, and attendance at the Workshop.

## Task 3: Financial Plan Development

Financial planning incorporates numerous considerations besides projecting operating expenses. Utilities need to account for changes in water demand driven by variations in usage and changes to flows for wastewater. In addition, system reinvestment, reserves, and debt compliance also influence revenue needs in future years. Therefore, a comprehensive financial plan reviews various aspects of a utility.



We will review the District's revenue requirements to ensure all costs are captured, including debt coverage and reserve funding. We will include both historical financial performance and projected revenue requirements, including the District's long-term capital plan.

### **CAPITAL PLANNING**

Developing a funding approach to the District's CIP is a critical component to any rate study to ensure rates generate adequate revenue for maintaining and reinvesting in the utility systems. With the array of capital spending needs, identifying the timing of projects and sources of funding can generate various scenarios to consider as part of prioritizing short-term needs and long-term planning. Our model will incorporate the ability to select from different capital plan scenarios and toggle between each scenario to instantly review how the capital spending plan folds into the District's total revenue requirements and level of future rate increases. Our modeling will include:

1. Projections of each utility's revenue needs for the next 20 years to capture any significant capital costs on the horizon.
2. Annual replacement costs of the system by using the District's current assets / depreciation.
3. CIP funding sources, including existing reserves, capacity fees, grants, and debt financing.

A sound capital facility funding plan is one of the primary ways to minimize rate spikes by slowly building up reserves for future capital needs and utilizing debt instruments to amortize major capital projects over the useful life of the improvements. Our capital planning assessment will provide a means to determine impacts to customers and show how certain scenarios can smooth out rates by adjusting the capital schedules.

### **REVENUE REQUIREMENTS**

For each enterprise, we will develop a multi-year cash flow pro forma to determine revenue adjustments for the planning period. Expenses will be projected and will incorporate separate inflationary categories including, but not limited to, salaries, benefits, PERS/OPEB, energy, and detailed calculations for purchased water costs (treated and untreated). Historical financial data will provide a reference for expense trends and new line items added over the years.

Our financial plans will also include a comprehensive consumption analysis for each utility. We will calculate rate revenue using the raw billing data and compare it to actual revenues within the District's latest audited financials. Doing so will provide an initial quality assurance check that the raw billing data and units of service driving the updated model is fundamentally sound for forecasting future revenue needs. This will also allow us to model "what-if" scenarios with changes to growth, water demand, purchased water, wastewater flows, and projected usage between customer classes. As part of this task, we will also model existing reserve policies and identify any recommended adjustments to reserves based on our direct experience and industry best management practices for utilities.

The financial plan models will include an infographic interface (Financial Dashboard) created with the end-user in mind. The Financial Dashboard will include, but will not be limited to, the current financial operating position and projected annual net income, required capital needs with funding sources, the current makeup of reserves, ending reserve balances, and toggles to dynamically change assumptions and compare scenarios. Our Financial Dashboards are a key element to our models and assist with communicating the financial health of the utilities.

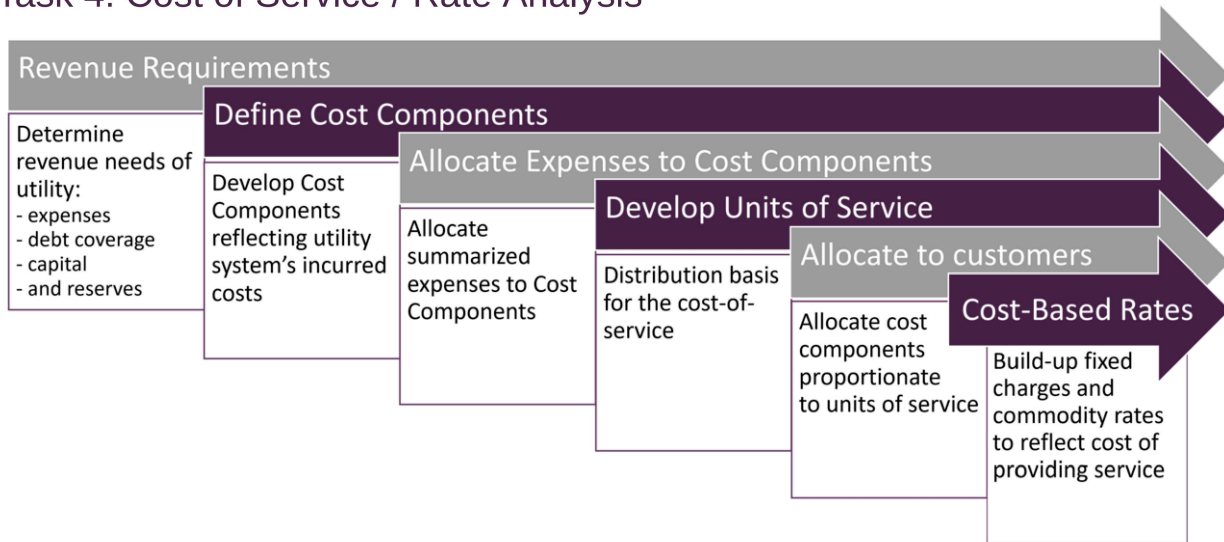


**Meetings:** Webinars as needed to review financial plans, 1 in-person meeting with District staff to finalize the financial plans. We also expect a meeting with the District Board to review the proposed long-term financial plans of each utility (Water, Recycled Water, and Wastewater).

**Deliverable:** Financial plan models including total accounts by customer classes, consumption analysis by class and tier, flows by wastewater customer class, and current fixed/variable revenue profile.

**District Staff Impact:** Available periodically to discuss utility budgets, specific costs, current reserve policies, and participate in webinars, 1 in-person meeting, and attendance at Financial Plan Board Workshop.

## Task 4: Cost of Service / Rate Analysis



The cost-of-service analysis is a critical component of any rate study and directly ties to how rates will adjust, which ultimately impacts customer bills and provides a sound nexus between costs incurred and proposed rates. Through our discussions with District staff at the kick-off meeting and from our collaboration with developing the financial plans, the initial cost-of-service analysis will reflect feedback received from District staff, and the District Board. We will walk District staff through the cost-of-service and identify recommended adjustments based on best management practices and ensure compliance with Proposition 218. Discussion points will include:

1. Comparison of revenue recovered from fixed charges versus how much is recovered from variable rates and percent change from the current rate recovery. Adjustments between the fixed / variable split will be driven by identifying how cost recovery has shifted to enhance revenue sufficiency.
2. Comprehensive consumption analysis for each utility to capture new usage trends and provide insight on the amount of revenue recovered between customer classes.
3. Rate components that make up the rates to ensure Proposition 218 compliance.
4. Surcharges for pumping by zone.
5. Sensitivity analysis with any changes to the rate structure and water demand projections, including impacts to customer classes. Representative bills within each class over the usage continuum will be incorporated into our final rate analysis.
6. Drought rates that connect to the various stages of the District's Conservation Ordinance.
7. Customer impacts for each utility and customer class.

The recycled water rate will be built up to cover the recycled water system operating costs and system reinvestment needs. We will also identify operational costs that recycled customers should cover or in which they should have a proportionate share, such as, tertiary treatment, energy costs, and capital.

**Drought rates** will also be developed to maintain the necessary revenue recovery during potential drought conditions and / or water shortages. Drought rates will curtail any revenue losses from significant usage reductions outside the District's control. We will model various reductions in water usage and develop drought rates that continue to meet the District's revenue needs.



Drought rates may be structured differently than how base rates are developed. The revenue loss could be recovered solely through increased variable rates (which is where the revenue loss occurred) or the revenue loss may be recovered through higher fixed charges when certain conservation stages are reached. These policy decisions will be discussed along with bill impacts.

With the proposed rates completed and thoroughly discussed, rate workshops will be held to discuss rate alternatives, review the financial position of each utility with proposed rates, and receive feedback from the District Board.

Each financial plan scenario and rate alternative will include impacts to customer bills for each utility. Doing so will provide insight to the District Board on affordability and help with selecting the most appropriate rate alternative for their customers.

**Meetings:** Webinars with District staff to review cost-of-service analysis and corresponding rate alternatives.

**Deliverable:** Rate models for each utility, including drought rates.

**District Staff Impact:** Meetings to review and discuss the cost-of-service analysis for each utility and an in-person meeting to finalize rate alternatives.

## TASK 5: Rate Workshops

With the proposed rate alternatives for each utility completed and thoroughly discussed with District staff, two rate workshops will be held with the District Board. During the first workshop, rate alternatives

will be discussed as well as how each alternative impacts the District's short-term and long-term financial health and how proposed rates impact customer bills.



We will also include financial metrics for the District Board to consider when determining the best rate option for its constituency including, the percent of revenue recovery between fixed / variable, revenue requirements assigned to each customer class and comparison to current revenue recovery, level of debt-financing, and explanation regarding any rate structure adjustments. **Our presentations to the District Board will also include a rate survey with neighboring agencies to compare current and proposed rates.** We expect a second Board Rate Workshop to finalize rates after receiving feedback from the District Board on our initial recommendations and rate alternatives.

**Meetings:** Webinars with District staff to review presentation material for rate workshops. Two Rate Workshops with the District Board to finalize rates.

**Deliverable:** Presentation material and rate survey.

**District Staff Impact:** Review and discuss presentation material and attend Rate Workshops.

## Task 6: Rate Study Report

Once the analysis is completed and rates finalized, we will draft a Report in compliance with Proposition 218 to serve as part of the administrative record. Our Report will document assumptions, describe the methodology, and walk the reader through the underlying calculations that derive the updated water, recycled water, and wastewater rates. We will also include an Executive Summary highlighting the primary drivers of any necessary revenue adjustments, financial plan review, and corresponding rates.

The Final Report includes all of the technical analysis as a backup to the proposed rates; however, we also focus on the readability of our reports to make sure it's easily digestible to the layperson. This is achieved by incorporating infographics that complement the narrative discussions within the Report and we limit the amount of technical jargon that may only be understandable to industry professionals.

We recognize that the Final Report serves two distinct purposes: 1) backup to our technical analysis and 2) a clear and concise story of the issues facing the District to its constituency. With this in mind, our Reports are straightforward and easy to read.

**Meetings:** Conference calls as needed to finalize Report.

**Deliverable:** Draft Report and Final Report.

**District Staff Impact:** Review Report and provide any edits/comments for Final Report.

## Task 7: Noticing and Public Hearing

We will assist the District with drafting the Prop. 218 Notice. The notice will tie directly to our analysis and Report with visuals to convey proposed rates in an easily digestible manner. We will provide any required tables and incorporate graphics showing customer impacts.

We will be in attendance at the Public Hearing to answer any technical questions and will provide a brief presentation if desired, summarizing the Report, our findings, and proposed rates.

**Meetings:** 1 meeting to attend Public Hearing.

**Deliverable:** Final Report and presentation, if requested.

**District Staff Impact:** Prepare staff report for Public Hearing and attend Public Hearing.

# Key Personnel



**Habib Isaac**

**Principal | Managing Partner**

hisaac@ibconsultinginc.com

- BS in Applied Mathematics
- 19 years experience
- Specialize in cost-of-service
- Skilled facilitator



**Andrea Boehling**

**Principal | Managing Partner**

aboehling@ibconsultinginc.com

- BS/BA in Accounting
- 16 years experience
- Specialize in financial planning
- Expert modeler



**Lauren Demine**

**Senior Consultant**

ldemine@ibconsultinginc.com

- BA in Geology
- 5 years utility experience
- Specialize in data analysis

As Principals of the firm, Habib and Andrea will be involved throughout the project with additional analytical support from Lauren Demine - Sr Consultant. Both Principals will work in concert with District staff to prepare a framework outlining the overall approach, develop long-term financial plan models that are usable for ongoing updates, establish a sound nexus for rates, deliberate on policy decisions, facilitate all meetings and workshops, and prepare final reports that are readable with a key focus on quality.

Our project team for this engagement will not change and the District will benefit from having both Principals fully engaged and available throughout the project

Collectively, the project team has completed more than 50 utility rate studies throughout California, including water rates, recycled rates, and wastewater rates. Below is a list of recent similar projects:

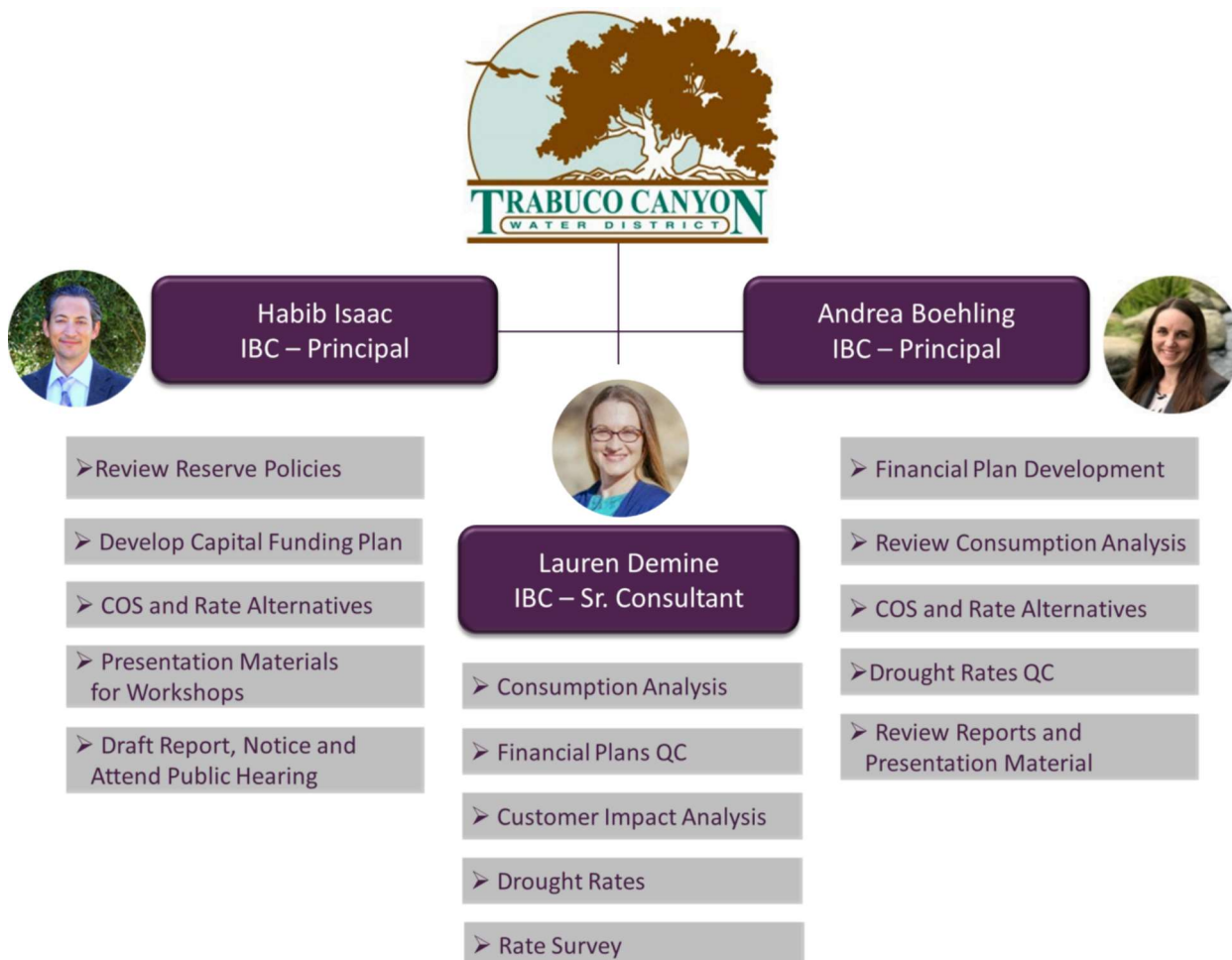
- City of Roseville (water / recycled / sewer / trash)
- City of Livermore (water / sewer)
- City of Galt (water / sewer / capacity fees)
- Delta Diablo (sewer / recycled)
- Citrus Heights WD (water)
- Sacramento Suburban WD (water)
- Helix WD (water / capacity fees / user fees)
- Rainbow MWD (fiscal impact analysis / rates)
- Elsinore Valley MWD (water / recycled / sewer)
- Phelan Pinon Hills CSD (water / capacity fees)
- Temescal Valley WD (water / recycled / sewer)
- East Valley WD (water / sewer / capacity fees)



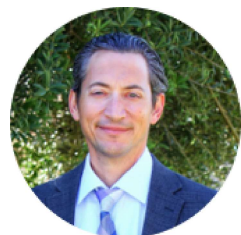


## Project Staffing

As part of our workflow and emphasis on our internal QA/QC procedures, both Principals will be responsible for developing the financial plans and rate alternatives. Andrea will lead the financial plan development of each utility with analytical support from Senior Consultant - Lauren Demine. Concurrently, Habib will develop presentation materials for the Policy and Rate Objective Workshop with the District Board, review reserve policies and capital funding options, and prepare presentation materials and the Report. Both Principals will be involved with developing the cost-of-service analysis and rate alternatives for each utility. Lauren Demine will focus on the consumption analysis, customer impacts, drought rates, and rate surveys. Our internal QA/QC includes reviews on all models, presentations, and reports prior to submitting deliverables to the District.



# Resumes



**Habib Isaac** - Principal / Managing Partner

*Habib focuses on delivering innovative solutions to water and wastewater utilities that are clearly laid out and understandable to the community at large while backed by sound technical expertise to answer unforeseen questions that may arise during each project.*

## Education

San Diego State University  
*BS in Applied Mathematics with  
Emphasis in Computational Science*

College Publications  
*Physics Letter A Journal  
Encryption Using Cycling Chaos*

## Work Experience - 19 Yrs

IB Consulting LLC: (2019 – Present)  
*Managing Partner*

Raftelis: (2013 – 2019)  
*Senior Manager / West Coast Lead*

Willdan: (2004 – 2013)  
*Principal Consultant*

David Taussig & Assoc: (2003 – 2004)  
*Senior Analyst*

## Expertise

Utility Financial Planning  
Utility Rate Consulting  
Special Tax Consulting  
Impact Fees  
Risk Assessment  
Utility Expert Witness

## Proficiency

Utility BMPs  
Financial Policies  
Rate Alternatives  
Prop. 218 Compliance  
Expert Facilitator  
Public Outreach

## Industry Involvement

CSMFO – 2021  
*Planning for Uncertainty with Utility Rates*

UMC – 2020  
*Planning and Funding 2030 Capital Needs  
in 2020 Through Community Engagement*

ACWA – 2019  
*Building Tomorrow's Water District:  
Customer Engagement & Cycle Replacement*

AWWA – NV/CA Section - 2015  
*Developing Defensible Water/Wastewater  
rates in Ca.*

AWWA – NV/CA Section - 2014  
*Long-Range Wage and Benefit Planning*

## Publications

AWWA Source Magazine - Winter 2016  
*Developing Defensible Tier Rates*

AWWA Source Magazine - Fall 2015  
*There's Opportunity in the San Juan  
Capistrano Rates Decision*

## Recent Project Experience - (Abbreviated for Proposal)

**Rubidoux CSD:** Water / Recycled / Wastewater Rate Study – **Active (Public Hearing: Dec 2022)**  
**Escondido, City:** Water / Recycled Water / Wastewater Rate Study – **Active (Public Hearing: Nov 2022)**  
**Santa Fe Irrigation District:** Water Rate Study – **Active (Public Hearing: Nov 2022)**  
**Galt, City:** Water / Wastewater Rate – **Active (Public Hearing: Jun 2022)**  
**Livermore, City:** Water Rate Study – **Active (Public Hearing: Apr 2022)**  
**Temescal Valley Water District:** Water / Recycled / Sewer Study – **Active (Public Hearing: Apr 2022)**  
**Phelan Pinon Hills CSD:** Water Rate Study / Capacity Fees – Nov 2021  
**Delta Diablo:** Wastewater / Recycled Water Rate Study / Capacity Fees – June 2021  
**Elsinore Valley Water District:** Water / Wastewater Rate Study – June 2021  
**Roseville, City:** Water / Wastewater / Solid Waste Rate Study – May 2021  
**East Valley Water District:** Water / Wastewater Rate Study – May 2021  
**Helix Water District:** Water Rate Study – April 2021  
**Tustin, City:** Water Rate Study – 2020  
**Livermore, City:** Wastewater Rate Study – 2020  
**Monterey County WRA / Monterey 1 Water:** New Source Water Funding – 2019  
**Roseville, City:** Water / Wastewater Rate Study – 2019  
**Sacramento Suburban Water District:** Water Rate Study / Capacity Fees – 2019  
**Citrus Heights Water District:** Funding Strategies for Mainline Replacement – 2019  
**Elsinore Valley Water District:** Budget-Based Water Rate Study – 2019  
**San Diego, City:** Wastewater Rate Study / IWCP Review: 2018  
**Galt, City:** Wastewater Rate Study / Capacity Fees – 2018  
**Atwater, City:** Wastewater Rate Study / Bond Refinancing – 2018  
**Lake Hemet Water District:** Water Rate Study – 2018  
**Elsinore Valley Water District:** Wastewater Plan and Rate Study – 2017  
**Livermore, City:** Water / Wastewater Rate Study – 2017  
**Sierra Madre, City:** Water / Wastewater Rate Study – 2017  
**Helix Water District:** Water Rate Study / Annual Updates – 2016 to 2020



## Andrea Boehling - Principal / Managing Partner

Andrea focuses on customizing each financial plan and utility model to the client's preferred specifications. Each model is built from scratch in concert with agency staff to provide ongoing exposure to the model from inception through completion. Model training isn't a final task, but rather, it's an underlying objective of the project.

### Education

University of Alabama  
*BS/BA – Major in Accounting*  
DeVry University  
*Studied Computer Engineering*

### Expertise

Utility Financial Planning  
Utility Rate Consulting  
Capacity Fees  
Prop. 218 Compliance  
Alt. Funding Sources  
Budget Auditing

### Industry Involvement

CSMFO – 2021  
*Planning for Uncertainty with Utility Rates*  
ACWA – 2019  
*Building Tomorrow's Water District:  
Customer Engagement & Cycle Replacement*  
UMC – 2017  
*How to Best Fund Your Agency's Critical  
Asset Repair and Replacement Needs*  
UMC Young Professionals – 2015 / 2016  
*Planning Committee Member*

### Work Experience - 16 Yrs

IB Consulting LLC: (2019 – Present)  
*Managing Partner*  
Raftelis: (2014 – 2019)  
*Manager*  
Willdan: (2012 – 2014)  
*Senior Analyst*  
State of Tennessee: (2006 – 2012)  
*Auditor II*

### Proficiency

Communications  
Excel Modeling  
Rate Design  
Data Analysis  
Presentations  
Quality Control

### Publications

WEF Manual – 2018  
*Chapter 13 – Rates for reuse or  
Reclaimed Water*

### Recent Project Experience - (Abbreviated for Proposal)

**Rubidoux CSD:** Water / Recycled / Wastewater Rate Study – **Active (Public Hearing: Dec 2022)**  
**Escondido, City:** Water / Recycled Water / Wastewater Rate Study – **Active (Public Hearing: Nov 2022)**  
**Santa Fe Irrigation District:** Water Rate Study – **Active (Public Hearing: Nov 2022)**  
**Galt, City:** Water / Wastewater Rate Study – **Active (Public Hearing: Jun 2022)**  
**Livermore, City:** Water Rate Study – **Active (Public Hearing: Apr 2022)**  
**Temescal Valley Water District:** Water / Recycled / Sewer Study – **Active (Public Hearing: Apr 2022)**  
**Phelan Pinon Hills CSD:** Water Rate Study / Capacity Fees – Nov 2021  
**Rainbow Municipal Water District:** Water Rate Study – Public Hearing: August 2021  
**Delta Diablo:** Wastewater / Recycled Water Rate Study / Capacity Fees – June 2021  
**Elsinore Valley Water District:** Water and Wastewater Rate Study – June 2021  
**Roseville, City:** Water / Wastewater / Solid Waste Rate Study – May 2021  
**East Valley Water District:** Water / Wastewater Rate Study – May 2021  
**Helix Water District:** Water Rate Study – April 2021  
**Delta Diablo:** Wastewater / Recycled Water Rate Study and Capacity Fees – 2020  
**Livermore, City:** Wastewater Rate Study – 2020  
**San Diego, City:** Water / Wastewater Financial Plan and Rate Study – 2019  
**Dublin San Ramon Services District:** Water / Wastewater Rate Study – 2019  
**Roseville:** Water / Wastewater Rate Study – 2019  
**Sacramento Suburban Water District:** Water Rate Study and Capacity Fees – 2019  
**Ramona Water District:** Water Rate Study and Capacity Fees – 2019  
**Elsinore Valley Water District:** Budget-Based Water Rate Study – 2019  
**Leucadia Wastewater District:** Wastewater Rate Study – 2018  
**San Diego, City:** Wastewater Financial Plan and Rate Study and IWCP Review – 2018  
**Galt, City:** Wastewater Rate Study and Capacity Fees – 2018  
**Livermore, City:** Water / Wastewater Plan and Rate Study – 2017  
**Rainbow Municipal Water District:** Water Rate Study – 2017  
**Western Municipal Water District:** Budget-Based Water Rate Study – 2017  
**Santa Cruz, City:** Water Rate Study – 2016  
**Helix Water District:** Annual Water Financial Plan and Rate Updates – 2016 to 2020



**Lauren Demine** - Senior Consultant  
*Lauren's primary focus is on database management and excel modeling. Utility models require significant data analysis for developing new rate structures, changes in tiers, and reviewing consumption trends. Her proficiency provides the ability to identify issues with the data, solutions for addressing anomalies, and modeling customer rate impacts.*

**Education**

San Bernardino State University  
*BA in Geology*

**Expertise**

Utility Financial Planning  
 Utility Rate Consulting  
 Capacity Fees  
 Data Analytics  
 Rate Impacts

**Industry Involvement**

WEF Member

**Work Experience - 16 Yrs**

IB Consulting LLC: (2021 – Present)  
*Senior Consultant*

Raftelis: (2017 – 2021)  
*Senior Consultant*

GEOVision: (2007 – 2017)  
*Senior Staff Geophysicist*

GeoConcepts, Inc.: (2005 – 2007)  
*Staff Geologist*

**Proficiency**

Data Management  
 Excel Modeling  
 Presentations  
 Technical Writing

**Publications**

SCEC Annual Meeting – Summer 2016  
*Geophysical Characterization of Twelve CSMIP Stations Sites in Riverside County, Ca.*

**Recent Project Experience - (Abbreviated for Proposal)**

- Rubidoux CSD:** Water / Recycled / Wastewater Rate Study – **Active (Public Hearing: Dec 2022)**
- Escondido, City:** Water / Recycled Water / Wastewater Rate Study – **Active (Public Hearing: Nov 2022)**
- Santa Fe Irrigation District:** Water Rate Study – **Active (Public Hearing: Nov 2022)**
- Galt, City:** Water / Wastewater Rate Study – **Active (Public Hearing: Jun 2022)**
- Livermore, City:** Water Rate Study – **Active (Public Hearing: Apr 2022)**
- Phelan Pinon Hills CSD:** Water Rate Study / Capacity Fees – Nov 2021
- Borrego Water District:** Water / Wastewater Rate Study – 2021
- Crescenta Valley Water District:** Water Rate Study – 2021
- Industry Public Utilities:** Water Rate Study – 2021
- Poway, City:** Wholesale Water Rate Study – 2021
- Redlands, City:** Water / Wastewater / Non-Potable Rate Study – 2021
- Rancho California Water District:** Water / Wastewater Rate Study Update – 2021
- San Geronio Pass Water Agency:** Water Financial Plan – 2021
- Baumont-Cherry Valley Water District:** Water / Recycled Water Rate Study – 2020
- Coastside County Water District:** Water Rate Study Update – 2020
- Irvine Ranch Water District:** Water / Wastewater COS & Rate Design Study – 2020
- Malibu, City:** Wastewater / Recycled Water Rate Study Update – 2020
- San Clemente, City:** Wastewater Rate Study – 2020
- San Jacinto, City:** Water / Wastewater Rate Study – 2020
- Monterey Peninsula Water Management District:** Water Rate Survey – 2019 & 2020
- Citrus Heights Water District:** Water Rate Study – 2019
- Dublin San Ramon Services District:** Water Rate Study – 2019
- East Bay Municipal Utility District:** Wastewater Rate Study & Capacity Fees – 2019
- Galt, City:** Water / Wastewater Rate Study Update – 2019
- Jurupa Community Services District:** Water / Wastewater Rate Study – 2019
- Poway, City:** Water / Wastewater Rate Study – 2019
- Rancho Santa Fe Community Services District:** Wastewater Capacity Fees – 2019
- Roseville, City:** Water / Wastewater / Recycled Water / Solid Waste Rate Study – 2019
- Sacramento Suburban Water District:** Water Rate Study – 2019
- Lake Hemet Municipal Water District:** Water / Wastewater Rate Study – 2018
- Leucadia Wastewater District:** Wastewater / Recycled Water / Capacity Fees – 2018



# References

## **Helix Water District - Water Rate Study / Capacity Fee / User Fee**

**Contact:** Jennifer Bryant, Director of Administrative Services

**Phone / Email:** 619.667.6259 / [jennifer.bryant@helixwater.org](mailto:jennifer.bryant@helixwater.org)

**Total Fee:** \$107,621



Habib and Andrea have been working with Helix Water District since 2015, starting with a cost-of-service study and ongoing annual updates to their water rates. IB Consulting was hired in 2019 to assist the District with conducting a comprehensive update to its water rates, user fees, and capacity fees. The study started in the summer of 2019 and concluded with a public hearing in April 2021. The District decided not to increase rates during the pandemic, and the project was delayed by one fiscal year. The study includes a 50-year long-term financial plan model to evaluate revenue requirements in the short-term and significant capital projects expected further out over the planning horizon.

## **East Valley Water District - Water / Wastewater Rate Study**

**Contact:** Brian Tompkins, CFO

**Phone / Email:** 909.381.6463 / [btompkins@eastvalley.org](mailto:btompkins@eastvalley.org)

**Total Fee:** \$104,112



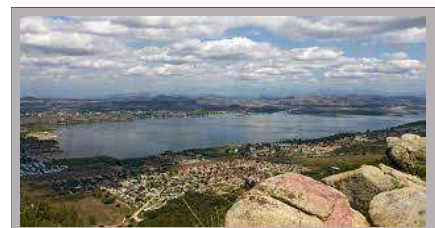
We recently completed a comprehensive study to update water rates and establish new wastewater rates. The District has multiple water supplies and tiered rates were structured to correlate to the various water supplies with local water used for tier 1 and purchased water for the higher tiers. The District is also currently constructing its own wastewater treatment plant (Sterling Natural Resource Center), and it's expected to be online by March of 2022. We worked with District staff to restructure their wastewater rates to reflect the new wastewater treatment plant operational costs. The District's previous wastewater treatment rates were a direct pass-through of the City of San Bernardino rates. With the District's new treatment plant coming online, the restructured treatment rates reflect the District's characteristics instead of the City of San Bernardino.

## **Elsinore Valley MWD - Water / Recycled / Wastewater Rate Update**

**Contact:** Robert Hartwig, CPA - Assistant General Manager

**Phone / Email:** 951.674.3146 Ext. 8242 / [rhartwig@evmwd.net](mailto:rhartwig@evmwd.net)

**Total Fee:** \$73,661



IB Consulting recently completed an update to the District's water rates, recycled rate, and wastewater rates which concluded with a Public Hearing on June 24, 2021. Habib and Andrea have been working with Elsinore Valley Water MWD since 2015, starting with updating the District's capacity fees. In 2017, the District decided to tie its wastewater rates to indoor water budgets. If a customer requests a higher water indoor budget based on the number of people per household, that same number would be used for determining expected flow and charges for wastewater. In 2019, Habib and Andrea conducted a comprehensive cost-of-service update to their budget-based rates.

# Fee Proposal

Below is our not-to-exceed cost estimate for the scope of services outlined herein. We will bill monthly based on our all-inclusive hourly rates and we do not charge for direct travel expenses. In addition, the cost for printing and mailing the Proposition 218 notices are not included as part of the cost estimate provided below. We will work with staff to adjust the fee schedule if any changes to the detailed scope or number of meetings are requested.

Tasks	Description	H. Isaac	A. Boehling	L. Demine	Estimated Hours	Estimated Cost
		Principal \$210	Principal \$210	Sr. Consultant \$180		
-	Project Management	-	-	-	-	-
1	Data Collection and Kick-Off Meeting	8	8	8	24	\$4,800
2	Policy and Rate Objective Workshop	6	6	2	14	\$2,880
3	Financial Plan Development	<u>22</u>	<u>96</u>	<u>64</u>	182	\$36,300
3.1	Consumption Analysis	2	8	32		
3.2	Water Financial Plan	8	40	16		
3.3	Recycled Water Financial Plan	4	24	8		
3.4	Wastewater Financial Plan	8	24	8		
4	Cost-of-Service / Rate Analysis	<u>58</u>	<u>40</u>	<u>72</u>	170	\$33,540
4.1	Water Rate Model	24	16	8		
4.2	Recycled Water Rate Model	8	8	16		
4.3	Wastewater Rate Model	24	8	16		
4.4	Drought Rates	2	4	16		
4.5	Customer Impacts & Rate Survey	-	4	16		
5	Rate Workshops	12	8	4	24	\$4,920
6	Rate Study Report	40	8	8	56	\$11,520
7	Noticing and Public Hearing	8	6	4	18	\$3,660
<b>Subtotal</b>		<b>154</b>	<b>172</b>	<b>162</b>	<b>488</b>	<b>\$97,620</b>

2022 Hourly Rate Schedule		\$ / Hr
Habib Isaac - Principal		\$210
Andrea Boehling - Principal		\$210
Lauren Demine - Sr. Consultant		\$180





## Affirmations

- Our firm and employees **do not** have any conflicts of interest with the District or services requested.
- Our proposal **does not** include any proprietary information.
- The project team assigned **will not change** throughout the study.
- Our insurance meets the District's guidelines and evidence is provided on the next page.



**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | APRIL 13, 2022**

**FINANCIAL MATTERS**

**ITEM 4: DISTRICT EXPENSE REIMBURSEMENT POLICY AND PROCEDURES UPDATE**

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Trabuco Canyon Water District (District) has a Code of Conduct & Expense Reimbursement Policy that was adopted by the Board of Directors on January 17, 1996. District staff has worked with General Counsel to review the existing policy for outdated practices and to ensure that the policy is consistent with current State law and Fair Political Practices Commission rules. After careful review of the policy, District staff and General Counsel determined that bifurcating the existing policy would better serve the District. Included for Committee consideration and review is a proposed Expense Reimbursement Policy and Procedures that has been prepared and reviewed by District staff and General Counsel.

Additionally, District staff is working with General Counsel to prepare an updated Ethics Policy that will address the need to update the Code of Conduct portion of the 1996 Policy. Additional information may be presented at the time of the meeting.

**RECOMMENDED ACTION:**

*Recommend the Board of Directors approve the proposed Expense Reimbursement Policy and Procedures Update and rescind the Expense Reimbursement Guidelines approved on January 17, 1996 (Action Calendar).*

**EXHIBIT(S):**

1. Code of Conduct & Expense Reimbursement Policy (1996)
2. DRAFT Expense Reimbursement Policy and Procedures

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

**TRABUCO CANYON WATER DISTRICT  
CODE OF CONDUCT AND  
EXPENSE REIMBURSEMENT GUIDELINES  
BOARD APPROVED JANUARY 17, 1996**

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The Board of Directors of the Trabuco Canyon Water District (“TCWD” or “District”) hereby establishes the following policy:

**SECTION 1.0 GIFTS BY VENDORS, CONTRACTORS AND CONSULTANTS**

- (a) The existing laws governing the acceptance and reporting of gifts are contained in the Fair Political Practices Act (Government Code, 82028 et. seq.).
- (b) The acceptance of plaques and commemorative mementos, of nominal value or of value only to the recipient, to the extent permitted by state law, is acceptable for all Directors and district employees, e.g., recognition pins, service awards, retirement mementos.

**SECTION 1.1 ENTERTAINMENT FROM VENDORS, CONTRACTORS, AND CONSULTANTS**

- (a) The acceptance of meals, travel, lodging and entertainment by vendors, contractors and consultants shall be reported on Form 730 filed annually by Directors and employees who are required to do so.

**SECTION 1.2 VENDOR, CONTRACTOR, CONSULTANT REPORT OF GIFTS**

- (a) By January 31st of each calendar year, all vendors, contractors and consultants of TCWD shall submit a summary of all gifts (including meals) made to, or on behalf of, employees or Directors of the District that have occurred in the normal course of business during the previous calendar year. Failure to provide this information to the District may result in the termination of services of the vendor, contractor or consultant.

**SECTION 1.3 OUTSIDE CONSULTING/BUSINESS ACTIVITY BY DISTRICT EMPLOYEES AND DIRECTORS**

- (a) District employees and Directors are prohibited from entering into consulting agreements or conducting work for consideration with any vendor, landowner, or consulting firm currently under contract with the District. Any outside consulting to be performed by the General Manager must receive pre-approval by the Board of Directors. District employees shall follow the guidelines as established in the current Board approved Personnel and Salary Policy.
- (b) All other business associations with vendors, contractors, consultants and District landowners shall be subject to disclosure on the annual “Statement of Economic Interest” Form 730 filed annually by each Director and District employees who are required to do so.

## **SECTION 1.4 VENDOR, CONTRACTOR AND CONSULTANT EMPLOYMENT OF DEPENDENTS OF DISTRICT EMPLOYEES**

- (a) It is expressly forbidden for vendors, contractors and consultants of TCWD to employ dependents, as defined within the current Board approved Personnel and Salary Policy, of TCWD employees.
- (b) It is expressly forbidden for employees of TCWD to solicit jobs for immediate family or immediate relatives with vendors, contractors and consultants of TCWD.

## **SECTION 2.0 TRAVEL, EXPENSES WHILE TRAVELING**

The following limits and guidelines shall apply to identified expense categories and items. Exceptions to these limits and items may be authorized by the District's Board of Directors only. This policy, its categories, limits and items shall be reviewed and approved annually by the Board of Directors. Amendments and/or adjustments in dollar values specified shall be included in the review and supported by the appropriate findings. All District travel shall be for the express purpose of performing tasks related to District business.

### **SECTION 2.1 TRAVEL AUTHORIZATION**

All business travel shall be specified and justified by the appropriate supervisory personnel. The District Treasurer shall countersign all travel authorizations. All travel arrangements, including air transportation, hotel and rental car reservations, must be made through District-approved providers. The Administrative Assistant is designated as the person responsible for coordinating all travel arrangements. The Administrative Assistant will advise which carriers, travel agents, car rental company, etc. are to be used. Each provider has been instructed to secure air transportation and hotel accommodations at the lowest reasonable fares and rates. All reasonable attempts shall be made to take advantage of promotional air, hotel and ground transportation rates.

### **SECTION 2.3 AIR TRANSPORTATION**

- (a) Cost saving opportunities are enhanced by providing general departure and arrival times, rather than specifying certain carriers and flight numbers. Significant savings are realized by planning in advance. TCWD employees *and* Directors are expected to exercise good business judgment and planning to avoid last minute ticket purchases which are most costly. Providers are instructed to provide the least expensive airline alternative.
- (b) All domestic air travel must be coach (upgrades will be paid personally). Changes to previously approved travel arrangements, while en-route, should not be taken for personal convenience purposes if it increases the cost of the flight.

- (c) Personal travel included within the itinerary of a business trip, which include additional costs, will be paid by the employee or Director.

#### **SECTION 2.4 TICKETING PROCEDURES**

- (a) Directors and employees will hold off on receiving tickets until as late as practical due to the possibility of changes or cancellations in travel plans or scheduled meetings. Changes enroute, if necessary, should be made with the travel agency office during their normal operation hours.
- (b) Unused Tickets: In the event a trip is canceled or changed and the traveler is in the possession of unused tickets, he/she is responsible for returning them to the Administrative Assistant for return to the travel agent. A photocopy of returned tickets must be kept for the traveler's records. Unused airline tickets should never be attached to the expense report.
- (c) Canceled prepaid arrangements should be reported to the District immediately so they can obtain authority to process a refund.
- (d) Lost Tickets: Lost tickets must be reported immediately so that the District can process the appropriate lost ticket application.

#### **SECTION 2.5 LODGING**

- (a) The District has requested that its designated travel agent select moderately priced facilities in reasonable proximity to the office or location where the traveler's business is being performed. Receipts for lodging must accompany the report of expenses.
- (b) When corporate rates have been negotiated locally with specific hotel properties, these hotels must be used.
- (c) All hotel rooms will be guaranteed for late arrival. In this case, if the traveler does not show up, the District will be charged for the room. Therefore, it is mandatory for the traveler to notify the travel agent or the hotel, if their itinerary changes, and a room needs to be canceled. No lodging expenses in Orange County shall be reimbursed unless specifically approved by the Board of Directors.

#### **SECTION 2.6 AUTOMOBILE RENTAL**

- (a) Rental cars should be used only when less expensive transportation is not available. Approved District travel providers shall use their best efforts to secure the most cost effective rental rates on compact and mid-size vehicles. The cost of the rental will not be reimbursed for weekend or holiday travel unless the car is required and used for District business during this time.
- (b) Do not obtain additional insurance when renting cars. Employees are covered for car rentals by existing District insurance policies, as long as the rental is being made for business purposes.

- (c) Traveling personnel must use their best efforts to fill up with fuel before returning the rental as gasoline charges from rental companies are excessive. Non compliance must be explained on the expense report.
- (d) Fines for parking or speeding violations are not reimbursable.
- (e) In the event of any accident, a police report must be obtained. The employee or Director must notify the District by telephone immediately. If the accident occurs after normal business hours, the employee or Director shall notify the District at the beginning of the next work day. Follow the accident instructions listed in the rental car company's rental agreement/receipt.
- (f) Employees driving rental vehicles on District business are bound by the same rules prohibiting alcohol consumption during working hours. Driving a rental vehicle while under the influence of alcohol or drugs will result in immediate disciplinary action, up to and including termination.

#### **SECTION 2.7 MEALS**

- (a) Actual costs of meals, plus associated tips are reimbursable. Receipts of all meals expenses must be submitted with the business purpose clearly stated. The reimbursable limit for all meals will not exceed \$50.00 per day, per Director or employee.
- (b) It is expressly stated that the District will not reimburse for alcoholic beverages consumed.
- (c) The daily meal limit is the amount that can be reimbursed. Any amount above prescribed limits will be the responsibility of the employee.

#### **SECTION 2.8 PERSONAL EXPENSES**

- (a) Personal expenses are not authorized and are not reimbursable by the District. Personal expenses are defined as those expenses not essential to the conducting of District business. Examples of such items are personal entertainment (theaters, nightclubs, sporting events, golf games, haircuts, shoe shines, newspapers, magazines, tobacco, etc.).

#### **SECTION 2.9 TELEPHONE EXPENSES**

- (a) TCWD business-related telephone calls will be reimbursed.

#### **SECTION 2.10 LAUNDRY OR VALET SERVICE**

- (a) The reasonable actual costs of such services are allowable when the travel exceeds five business days. On shorter trips, laundry or valet service will be allowed only in unusual circumstances.

## **SECTION 2.11 TIPS**

- (a) Non-meal tips will be allowed if they are reasonable and directly related with the travel. Normal non-business standards are a good guide to reasonability; 12-15% is typical in most instances.

## **SECTION 2.12 ADDITIONAL NIGHTS STAY**

- (a) When the overall net cost savings to the District is the result of an employee or Director extending a business trip to utilize lower excursion rates for airfare, the employee or Director shall be reimbursed for additional expenses incurred due to the extension of the trip. The additional expenses eligible will be limited to the cost of an additional night's lodging and a reasonable allowance for one additional day(s) meal(s) as prescribed in Section 2.7.

## **SECTION 2.13 TRAVEL REPORTING PROCEDURES**

- (a) Travel Advances. Travel expense advances, not to exceed \$200.00, will be allowed upon pre-approval by the General Manager and the Treasurer.
- (b) Travel Authorization Request. Prior to any travel estimated to exceed \$50.00, travel expenses must be itemized on a Authorization Request, a photocopy of which is attached hereto. The Authorization Request will then be forwarded to the Accounting Department with appropriate approvals. Appropriate approvals are the signatures of the Director, employee, employee's supervisor and the Treasurer.
- (c) Travel Expense Reports. All travel expenses exceeding \$50.00 must be itemized on the standard Expense Report, a photocopy of which is attached hereto, and forwarded to the Accounting Department with appropriate approvals and receipts. Appropriate approvals are the signatures of the employee's supervisor and the Treasurer. All original receipts must be included with the exception of non-meal gratuity which may not exceed \$5.00 per day.
- (d) It is not intended that an employee or Director incur any financial loss while on District business nor is it intended that he/she realize a financial gain. If an employee or Director incurs expenses which do not appear to be covered under this policy but which are believed to be charges to the District, the employee or Director should submit these charges on an expense report with a full explanation and supporting receipts. The District will not be responsible for interest payments or late charges that occur on credit cards. It is the employee's and Director's personal responsibility to submit an expense report and make the payments in a timely manner, within 30 days. The District will in turn make every effort to reimburse properly documented and approved expenses in a timely manner.
- (e) The Accounting Department will reimburse approved Expense Reports within seven business days. Check signatories are not authorized to sign reimbursement checks to themselves.

## **SECTION 3.0 PERSONAL AUTOMOBILE USE CRITERIA**

- (a) An employee or Director who uses a personal vehicle for District business will be reimbursed for mileage at the rate allowable under the District's current Board approved Personnel and Salary Policy and consistent with the most current limit permitted by the Internal Revenue Service. Parking and toll charges will be reimbursed upon submission of receipts.
- (b) No additional allowance will be paid for passengers who travel with the employee or Director, even if they are on District business.
- (c) Damage to the employee's or Director's vehicle which occurs on District business is the responsibility of the employee or Director.
- (d) All employees who are to use their personal automobile for District use are responsible for carrying the required level of general liability coverage, as required by state law. No reimbursements shall be made unless this insurance criteria is in place. Proof of insurance is required and must be kept on file with the District.

#### **SECTION 4.0 FUELING OF VEHICLES**

- (a) All District vehicles shall be fueled at a service station(s) on a monthly account established by TCWD. Purchases charged at the service station(s) shall be limited to fuel and oil.
- (b) The District shall designate, in writing, those vehicles which may be fueled or for which oil may be purchased on the District account.
- (c) At the time of the purchase the employee shall provide the license plate number of the vehicle, the vehicle mileage at the time of purchase, show identification as a designated purchaser, and provide a signature.

#### **SECTION 5.0 USE OF DISTRICT VEHICLES**

- (a) The General Manager, Sanitation Superintendent and Water Superintendent shall be provided with a district vehicle, for business purposes only, to include driving to and from the workplace. The vehicles shall be maintained in proper operating order by the District.
- (b) Standby duty personnel shall have use of a District vehicle during standby duty. The use of the vehicle shall be strictly limited to business use. Any abuse of the limitation will result in the elimination of standby duty.

#### **SECTION 6.0 DISTRICT-ISSUED CREDIT CARDS**

- (a) District credit cards shall not be issued.

#### **SECTION 7.0 DISCIPLINARY ACTIONS FOR NON-COMPLIANCE**

- (a) Intentional non-compliance with the District's Code of Conduct and Expense Reimbursement Guidelines by District employees shall subject the employee to disciplinary actions commensurate with the code violation, up to and including termination. Inadvertent non-compliance will be taken under consideration by a review committee comprised of the Budget/Personnel Review Committee and the General Manager.
- (b) The Code of Conduct and Expense Reimbursement Guidelines shall be reviewed annually by the District's Board of Directors and amended when appropriate. Amendments shall require majority consent of the Board.

attachments(2)

**TRABUCO CANYON WATER DISTRICT  
CODE OF CONDUCT AND  
EXPENSE REIMBURSEMENT GUIDELINES  
BOARD APPROVED JANUARY 17, 1996**

**REVISION TO SECTION 5.0  
BOARD APPROVED JANUARY 21, 2004**

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**SECTION 5.0 VEHICLE ACCOUNTABILITY POLICY**

- (a) The General Manager shall be provided with a District vehicle, for business purposes only, to include driving to and from the workplace. Pursuant to the Internal Revenue Code, applicable taxes will be withheld on an annual basis, as required. The vehicles shall be maintained in proper operating order by the District.
- (b) The Assistant General Manager shall be provided with a District-owned or leased vehicle, for business purposes only, to include driving to and from the workplace. Pursuant to the Internal Revenue Code, applicable taxes will be withheld on an annual basis, as required. The vehicle shall be maintained in proper operating order by the District.
- (c) At the discretion of the General Manager, the Wastewater System Chief Operator, Water System Chief Operator and Chief Mechanical Technologist may be provided with a District-owned or leased vehicle, for business purposes only, to include driving to and from the workplace. Pursuant to the Internal Revenue Code, applicable taxes will be withheld on an annual basis, as required. The vehicles shall be maintained in proper operating order by the District.
- (d) Standby duty personnel shall have use of a District vehicle during standby duty. The use of the vehicle shall be strictly limited to business use. Any abuse of the limitation will result in the elimination of standby duty. Pursuant to the Internal Revenue Code, no taxes will be withheld for standby duty personnel

**TRABUCO CANYON WATER DISTRICT  
CODE OF CONDUCT AND  
EXPENSE REIMBURSEMENT GUIDELINES  
REVISION TO SECTION 5.0  
BOARD APPROVED JANUARY 21, 2004**

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I HAVE READ, UNDERSTAND AND AGREE TO COMPLY WITH THE REVISION TO THE TRABUCO CANYON WATER DISTRICT CODE OF CONDUCT AND EXPENSE REIMBURSEMENT GUIDELINES AS STATED HEREIN:

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(TCWD Position/Title)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

cc: Employee Personnel File



Less Amount Advanced:

Room Deposit ..... ( \_\_\_\_\_ )

Cash Advance .... ( \_\_\_\_\_ )

Balance Due To:

Individual .....( \_\_\_\_\_ )

TCWD .....( \_\_\_\_\_ )

Amount Paid \_\_\_\_\_

Date Paid \_\_\_\_\_

Received by \_\_\_\_\_

**TRABUCO CANYON WATER DISTRICT  
EXPENSE REIMBURSEMENT POLICY  
BOARD APPROVED \_\_\_\_\_**

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The Trabuco Canyon Water District (**District**) is obligated to ensure that expenditures made by the District are solely for public purposes. The District also is responsible to taxpayers and the public to be prudent and wise in making those expenditures. The purpose of this **Policy** is to govern and provide for a process by which a member of the District's Board of Directors or a District employee may seek reimbursement for expenses that they have incurred in the conduct of agency business.

This Policy is adopted pursuant to Government Code Section 53232.2, which provides that if a local agency reimburses members of its legislative body for actual and necessary expenses incurred in the performance of official duties, then the agency's governing board must adopt a written policy, in a public meeting, specifying the types of activities that qualify for reimbursement of expenses such as those related to travel, meals and lodging. District Board members and employees should ensure that their proposed expenses are reimbursable before incurring the expenses. Additional procedures are set forth in Attachment A, which may be amended from time to time by the General Manager in accordance with applicable laws and in furtherance of the purposes of this Policy.

**SECTION 1. AUTHORIZED EXPENSES.** Expenses incurred in connection with the following types of activities generally constitute authorized and reimbursable expenses, and do not need pre-expense approval of the Board, as long as the other requirements of this Policy and implementing procedures are met:

- (a) Communicating with representatives of regional, state and national governments on Board-adopted policy positions;
- (b) Attending conferences or educational seminars designed to improve the skills and knowledge of Board members or District employees, so long as the skills and knowledge relate to their position with the District;
- (c) Participating in regional, state and national organizations whose activities affect the District's interests;
- (d) Performing tasks related to District business;
- (e) All other expenses must be approved by the Board, in a public meeting, before the expense is incurred.

**SECTION 2. EXPENSES NOT ELIGIBLE FOR REIMBURSEMENT.** Expenses that are not eligible for reimbursement include:

- (a) The personal portion of any trip;
- (b) Political or charitable contributions;
- (c) Family expenses, including a partner's expenses when accompanying a Board member or an employee on District-related business, as well as child- or pet-related expenses;
- (d) Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf-related expenses), or other cultural events;
- (e) Alcohol/personal hotel honor bar expenses;
- (f) Tips greater than 20 percent (unless automatically included in the bill);
- (g) Regular commuting costs and personal automobile expenses, including for vehicle maintenance and repairs, traffic and parking citations, insurance and gasoline;
- (h) Personal losses incurred while on District business; and
- (i) Visitor gym fees where the lodging includes free gym services.

Any questions regarding the propriety of a particular type of expense should be resolved by the approving authority before the expense is incurred.

**SECTION 3. TRANSPORTATION.** Board members and employees are encouraged to use public transit and carpool to the maximum extent possible when travelling on District business. If transportation is needed for Directors or employees to travel for District business other than in District vehicles, costs are eligible for reimbursement as follows:

- (a) Airfare: Airfares that are reasonable and economical (coach fare) are eligible for reimbursement. Ticket purchases should be made well in advance to take advantage of low fares when possible.
- (b) Automobile:
  - (1) Personal automobile mileage is reimbursed at Internal Revenue Service (IRS) rates in effect at the time of travel. Tolls are eligible for reimbursement, unless the charges are incurred as part of the Director or employee's normal commute to or from the District.
  - (2) An employee of the District, authorized to travel on District business by use of a privately-owned motor vehicle, shall be reimbursed for the actual miles traveled. Reimbursement for auto mileage shall not exceed the cost of coach airfare for the same trip when it would be less expensive to fly than drive.
- (c) Car Rental: Rental car costs and fees are authorized for reimbursement only when necessary and when other transportation is not feasible or car rental is more economical. Cars are to be reserved at a rate that does not exceed the standard-size car rate.
- (d) Taxis/Rideshare: Taxi/Rideshare fares and gratuity (of no more than 20%) will be reimbursed only when shuttle or public transportation is not practical.
- (e) Parking and Shuttles: Reasonable parking costs will be reimbursed. Long-term parking or shuttle service to and from the airport may be claimed as a miscellaneous expense for reimbursement.
- (f) Public Transit: Actual fares for public transit will be reimbursed.

**SECTION 4. LODGING.** Lodging costs are only reimbursable when Directors or personnel travel for purposes set forth in Section 1, above. Lodging expenses at the single-room rate will be reimbursed or paid for when travel on District business reasonably requires an overnight stay. If such lodging is in connection with a conference, training or other educational activity, lodging expenses must not exceed the group rate published by the conference sponsor or training provider for the event in question, if such rates are available at the time of booking. If the group rate or lodging is not available, reimbursement will be limited to within a reasonable percentage of the [U.S. General Services Administration \(GSA\) rate](#) at the time of travel.

**SECTION 5. MEALS & INCIDENTAL EXPENSES.** Meals and incidental expenses are reimbursable whenever Directors or personnel travel for purposes set forth in Section 1, above, and as otherwise set forth below.

- (a) Business Meetings: Actual and reasonable costs of business meals and gratuities are allowed when representing the District, regardless of geographic location.
- (b) Conference, Seminar or Training: When Directors attend conferences, seminars and trainings for the District, reimbursements will be provided for the actual cost of meals, capped by the maximum established GSA for all meals, based on the locations of the events. Employees are entitled to reimbursement at the GSA rates for all meals not provided under conference, seminar and training registration fees.
- (c) Alcohol: The District will not pay for alcohol or hotel-room personal bar/honor bar expenses.
- (d) Other: Employees may be reimbursed for other meal costs under the following conditions:
  - (i) When the employee is performing emergency work and cannot leave the job during the normal meal period.
  - (ii) When an exempt employee is required to work outside of their normal work hours.
  - (iii) When a meal is purchased for non-District personnel performing a complimentary service for the District, e.g., serving on a District oral interview panel.
  - (iv) When provided during staff meetings, open houses and other District-sponsored obligatory meetings.

## **SECTION 6. REGISTRATION FEES**

Registration fees for conferences or meetings will be reimbursed at actual cost.

## **SECTION 7. FAX/INTERNET**

Board members and employees will be reimbursed for actual fax or internet connection expenses incurred for District business.

## **SECTION 8. LAUNDRY OR VALET SERVICE**

The reasonable actual costs of laundry or valet services are allowable when the travel exceeds five business days. On shorter trips, laundry or valet service will be allowed only in unusual circumstances.

## **SECTION 9. REPORTS TO THE BOARD**

When a Board member attends a conference, training, seminar or other event for which they seek reimbursement from the District, the Board member must submit a brief oral or written report at the next regular Board meeting. If multiple members attended, a joint report may be made.

## **SECTION 10. COMPLIANCE WITH LAWS**

District Board members and employees should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All District expense reports, Travel Authorization Forms and accompanying documentation are public records subject to disclosure under the Public Records Act and other applicable laws.

## **SECTION 11. IMPLEMENTING PROCEDURES**

The District and its Board members and employees must follow the procedures adopted to implement this Policy. The procedures may be revised by the General Manager in compliance with all laws and in furtherance of this Policy.

## **SECTION 12. DISCIPLINARY ACTIONS FOR NON-COMPLIANCE**

Misuse of public resources or falsifying expense reports in violation of District Policy or procedures may result in any or all of the following:

- (a) Loss of reimbursement privileges;
- (b) Required restitution to the District;
- (c) The District reporting the expenses as income to State and Federal tax authorities;
- (d) Civil Penalties of up to \$1,000 per day and three-times the value of the resources used (Gov't Code §§53232.4 and 8314);
- (e) Prosecution for misuse of public resources;
- (f) For employees, discipline up to and including employee termination; and
- (g) For Board members, censure by the Board or such other measure as may be determined by the Board.

**ATTACHMENT A:  
PROCEDURES IMPLEMENTING  
TRABUCO CANYON WATER DISTRICT  
EXPENSE REIMBURSEMENT POLICY**

**1. PURPOSE**

These procedures implement the Trabuco Canyon Water District (**District**) Expense Reimbursement Policy (**Policy**). The procedures provide guidance for how the District will reimburse Board members and employees for authorized expenses incurred in the normal conduct of District Business. These procedures may be amended from time to time by the General Manager in accordance with applicable laws and in furtherance of the Policy.

**2. AUTHORIZING AUTHORITIES**

- a. Only the following individuals can authorize travel and approve expense report forms:
  - i. The Board for the Board of Directors and the General Manager;
  - ii. The General Manager for the Assistant General Manager; and
  - iii. The General Manager or Assistant General Manager for all other District employees. The General Manager has the discretion to approve employee expenses that occur under unusual circumstances when there is clearly a benefit to the District.
- b. Additionally, check signatories are not authorized to sign reimbursement checks to themselves. In the event that a finance audit committee member is being reimbursed, the alternative committee member must sign reimbursement checks.

**3. TRAVEL AUTHORIZATION REQUEST**

- a. Directors must obtain approval from the Board of Directors and employees must submit travel authorization forms to the General Manager and Assistant General Manager before District travel:
  - i. To attend any meeting, conference, training or other event involving overnight accommodations;
  - ii. Outside of the counties of Orange, Los Angeles, San Diego, San Bernardino or Riverside.
- b. The District Secretary or Assistant District Secretary will coordinate all travel arrangements, including air transportation, hotel and rental car reservations, through District-approved providers.

**4. TRAVEL ADVANCES – EMPLOYEES ONLY**

- a. From time to time, it may be necessary for an employee to request a cash advance to cover anticipated expenses while traveling or doing business on the District's behalf.
- b. Such requests must be submitted to the General Manager on an Expense Report Form. Completed Expense Report Forms must document that the expense in question met the requirements of the Policy.
- c. Overpayment on advances shall be repaid no later than seven calendar days after the subject purchase is made or the employee returns from the subject travel, unless an extension of time is provided by the General Manager.
- d. No employee will be permitted an advance if that employee has an outstanding expense report.

**5. EXPENSE REPORTS**

- a. Expense report forms must be submitted within 30 calendar days of an expense being incurred, and must include the following attachments:
  - i. Approved travel authorization forms, when relevant for reimbursement of travel costs;
  - ii. Original receipts showing the claimed expenses (e.g., restaurant receipts as opposed to credit card receipts or statements), except for employee meals being reimbursed at per diem rates in accordance with the Policy;

- iii. Names and positions of participating individuals, as well as a description of the purpose of the meeting, for reimbursement of meals for individuals in addition to the Director or employee submitting the request.
- iv. A copy of the Program or Agenda of the event(s) attended, when relevant;
- v. If a Director or employee does not attend a planned trip and nonrefundable expenses have been incurred for registration, lodging and/or travel, a written explanation of the reasons for non-attendance; and
- vi. When original receipts are required under these procedures, but have been lost, a duplicate receipt if available;
- vii. If neither an original nor duplicate receipt is available, or if a receipt is not available for a small expenditure (e.g., parking meters), a detailed explanation of the expenditure and explanation of which receipts are not available; and
- viii. Telephone bills identifying calls made on District business, when relevant.
- ix. It is the employee's and Director's personal responsibility to submit an expense report and make payments in a timely manner. The District will not be responsible for interest payments or late charges that occur on credit cards. The District will in turn make every effort to reimburse properly documented and approved expenses in a timely manner, typically within seven business days.
- b. It is not intended that an employee or Director incur any financial loss while on District business nor is it intended that they realize a financial gain. If an employee or Director incurs expenses which do not appear to be covered under the Policy but which are believed to be charges to the District, the employee or Director should submit these charges on an expense report with a full explanation and supporting receipts. The approving authority shall determine if the expenses were reasonable, given all the circumstances, and if so may approve the reimbursement of those expenses.

## **6. AUDITS OF EXPENSE REPORTS**

All evidence of expenses and related documentation are subject to verification that they comply with the Policy and these Procedures.

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | APRIL 13, 2022**

**FINANCIAL MATTERS**

**ITEM 5: DISCUSSION CONCERNING MUNICIPAL WATER DISTRICT OF ORANGE COUNTY PROPOSED FISCAL YEAR 2022/2023 RATES, CHARGES, AND BUDGET**

Trabuco Canyon Water District’s (District) is a member agency of Municipal Water District of Orange County (MWDOC). MWDOC is currently seeking input to the second draft operating budget for Fiscal Year Ending (FYE) 2023 (included as Exhibit 1). This budget includes the following proposals:

- A proposed increase of \$0.75 (5.8%) to the retail service charge bringing the retail rate to \$13.75 per retail meter. The impact to the District is approximately a 5.5% increase as follows:

Total Meters	Charge/ Meter	Total Charges	%
4,078	\$ 13.00	\$ 53,014	94.5%
4,078	\$ 0.75	\$ 3,059	5.5%
		<b>\$ 56,073</b>	<b>100%</b>

- The groundwater customer charge to OCWD increases by \$33,117 (9.6%) to \$368,501. These charges are calculated under the new rate structure adopted by the MWDOC Board last year.
- A budget total of \$194,461,165 (revenue) including Core & Choice, water sales, outside funding, and WEROC, which is an increase of 5.2%. This estimate is likely to increase pending Metropolitan’s adoption of new rates.
- A consolidated general fund budget is \$11,160,825 (revenue) with an increase of \$608,540 (5.8%).
- The total revenue amount for the Core budget is \$9,402,874; an increase of \$487,257 (5.5%) over the current year’s budget.
- A net planned reserves contribution of \$263,868 consisting of contributions to the Election Reserve of \$300,728 and the Building Reserve of \$437,590 offset by a budgeted I draw of \$474,450. This will result in the reserves being approximately \$374,529 below fully funded target levels.
- The proposed salary contribution pool is at 7.1% of salaries and wages and reflects the rate of inflation (CPI = 3.84%) and merit considerations. No COLA (Cost of Living Adjustment) is being proposed.

A budget workshop for member agencies was held on April 6, 2022 with a presentation by MET Chief Financial Officer (CFO) regarding the MET proposed biennial budget, and the MWDOC Elected Officials Forum was held the following day on April 7<sup>th</sup>. The final budget is scheduled for approval by the MWDOC Board of Directors at the April 20, 2022 Regular Board meeting.

District staff will present additional information regarding the MWDOC proposed budget and rate structure modifications at the Committee meeting.

**FISCAL IMPACT:**

The District’s share of the MWDOC Core budget for Fiscal Year Ending 2023, as currently proposed in the second draft, is approximately \$56,073.

**RECOMMENDED ACTION:**

*Committee to receive information and make recommendation(s) as deemed appropriate.*

**EXHIBITS**

1. MWDOC FYE 2023 Second DRAFT Budget – March 9, 2022 Administration & Finance Committee Meeting

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



**DISCUSSION ITEM**

March 9, 2022

**TO: Board of Directors**

**FROM: Administration & Finance Committee  
(Directors Seckel, Dick, Thomas)**

**Robert Hunter  
General Manager**

**Staff Contact: Hilary Chumpitazi**

**SUBJECT: Year (FY) 2022-23 Second Draft Budget**

**STAFF RECOMMENDATION**

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Staff recommends the Administration & Finance Committee, MWDOC Board of Directors, Member Agencies, and the public review, discuss and provide input and comments on the second draft of MWDOC's budget for FY 2022-23 (Fiscal Year Ending 2023, FYE'23).

Pertinent aspects of the second draft budget include:

1. The second draft budget includes a proposed increase of \$0.75 (5.8%) to the retail service charge bringing the retail rate to \$13.75 per retail meter. The groundwater customer charge to OCWD increases by \$33,117 (9.6%) to \$368,501. These charges are calculated under the new rate structure adopted by the MWDOC Board last year.
2. The second draft has a budget total of \$194,461,165 (revenue) including Core & Choice, water sales, outside funding, and WEROC. This is an increase of 5.2%. This estimate is likely to increase pending Metropolitan's adoption of new rates. This MET rate increase will not impact the MWDOC rates.
3. The consolidated general fund budget is \$11,160,825 (revenue) with an increase of \$608,540 (5.8%).
4. The total revenue amount for the Core budget is \$9,402,874; an increase of \$487,257 (5.5%) over the current year's budget.
5. Interest revenues are budgeted with a \$74,029 reduction (33.7%) to reflect decreased returns.
6. The proposed second draft budget includes a net planned reserves contribution of \$263,868 consisting of contributions to the Election Reserve of \$300,728 and the Building Reserve of \$437,590 offset by a budgeted

<b>Budgeted (Y/N): NA</b>	Budgeted amount:	Core __	Choice __
<b>Action item amount:</b>	Line item:		
<b>Fiscal Impact (explain if unbudgeted):</b>			

- draw of \$474,450. This will result in the reserves being approximately \$374,529 below fully funded target levels.
7. The unfunded CALPERS liability annual payment of \$207,000 is proposed.
  8. The proposed salary contribution pool is at 7.1% of salaries and wages and reflects the rate of inflation (CPI = 3.84%) and merit considerations. No COLA (Cost of Living Adjustment) is being proposed.
  9. There is an increase (1.41 FTE) in the Full-time Employee staffing level (33.66 FTE) driven by an increase in Choice program staffing (1.45 FTE). The total staffing level increases by 1.31 FTE.
  10. The Building Improvement expenses are reduced \$656,489 from the current budget and the carryover funds are expended in the current budget year. The Seismic Retrofit and Remodeling project will be completed in the current fiscal year. FYE'23 includes the remodel of the kitchen and breakroom and the replacement of the wooden trellis in the atrium (termite damage).
  11. The Capital Acquisition expenses decrease by \$197,059 in the FYE'23 budget and the prior year carryover funds are expended in FYE'22.
  12. Outside funding for Water Use Efficiency (WUE) from rebates and grants is budgeted at \$8,545,274; an increase of \$5,926,522 over this year's budget.
  13. Total outside funding (WUE & Local Resource Project (LRP) sources) is budgeted to be approximately \$14,053,268. This is 142% of MWDOC's Core total expenses.
  14. LRP funding is budgeted to be \$1,371,906 (33%) greater than in the previous year's budget.
  15. Expenses are increased for the Core Professional Fee expenses \$50,616 (5.9%) and Outside Consulting Expense \$30,000 (7.9%).
  16. Software Support & Expenses increase by \$65,828 (80%) and Computers and Equipment by \$20,500 (87%) largely related to cybersecurity actions and accelerated computer replacement.
  17. Conference & Travel expenses return to pre-COVID conditions as it is anticipated that in-person meetings will be the norm again in FYE'23.
  18. Similar to last year, the schedule for the budget process impacts the timing of Choice budget elections by Member Agencies. Therefore, the Choice budget estimates in the second draft budget should be considered preliminary.

Items that are not incorporated in the budget pending Committee discussion and direction include:

- A. Capital funding of the WEROC Primary Emergency Operations Center;
- B. Expenses from the future findings of the IT external audit which will not be completed until April 2022.

The fixed Retail Meter Charge and Rate and the Ground Water Customer Charge presented in this budget are based on the rate structure approved by the MWDOC Board of Directors and implemented for FYE'22.

A reminder that memberships outlined in the Budget (Exhibit D) are approved by the Board with approval of the budget and therefore, each membership will not be brought to

the Board for approval on an individual basis. Any new memberships not included in the budget will be brought to the Board for consideration.

Similar to memberships, budget approval for conferences includes Board and Staff approval for attendance at “standard conferences”. Standard conferences are those listed on Exhibits E and F and approval includes staff travel/attendance at any out of state conferences listed on Exhibits E and F. Subsequent to the budget adoption, any new, out of state conferences will be brought to the Board for consideration.

The detailed draft budget is included as Attachment A.

## **COMMITTEE RECOMMENDATION**

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Committee recommends (To be determined at Committee Meeting)

## **CHANGES FROM THE PRIOR DRAFT TO CURRENT DOCUMENT**

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This is the second draft budget and there are minimal changes from the prior draft. The total core expenses increase by \$26,849 (0.3%) between the first and second draft budgets. The decision during the February A&F meeting to implement a 5% increase in the director per diem rate accounts for \$21,618 (81%) of that change. The increase in the core revenue was only \$1,033 with the difference between the changes in expenses and revenue resulting in a slightly larger draw on reserve (\$25,817).

## **MAJOR YEAR-TO-YEAR CHANGES IN THE CURRENT BUDGET**

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The budgets and rates for the last two years, FYE'21 & FYE'22, have been significantly impacted by COVID-19. FYE'21 had an actual rate reduction for both the Retail Meter Rate (-\$0.20/meter) and the Groundwater Customer Charge (-\$2,925). Under the prior rate structure, the FYE'22 rates would have had relative minor changes for the Retail Meter Rate (increase of \$0.40/meter (3.3%) and the Groundwater Customer Charge (reduction of \$24,072 (4.0%)). For the proposed FYE'23 budget, COVID-19 impacts are expected to decline but inflation is a more prominent factor, particularly for salary costs.

The year-to-year (YTY) changes in the Core Operating Expenses are an increase of \$284,129 (3.3%). The addition of building and election costs and reserve expenses yields an YTY Core Total Expense increase of \$865,960 (9.6%).

- The largest Core expense is the combined cost categories for Employee, MWDOC Director and MWD Director salaries, wages and benefits with an YTY increase of \$246,927 (4.5%). These combined expense categories constitute 57.6% of the total core expense budget.
- The multi-year seismic retrofit and office remodel project will complete the planned phases in FYE'22. Building expenses are included in the FYE'23 budget for comparatively small projects and significantly lower than in recent years. The Building Reserve is replenished with a \$437,590 contribution.
- The other large core expense increases in descending order are Software Support & Expense (\$65,813), Professional Fees (\$50,616), WEROC

- Contribution (\$35,944), Outside Consulting Expense (\$30,000), Computers and Equipment (\$20,500), and Staff Travel & Accommodations (\$20,500).
- The Membership/Sponsorship expenses only include items previously approved by the Board of Directors.

Choice YTY expenses are largely unchanged at this early point in the budget process. The year-to-year changes in the total Choice expenses between FYE'22 and FYE'23 are an increase of \$121,283 (7.4%).

## **DETAILED REPORT**

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This committee and board item presents information and discusses the MWDOC FYE'23 budget. There is a simultaneous process being conducted to review the MWDOC Reserve Policy that was last updated in June 2017. The Metropolitan District of Southern California (MET) is also working through their budget process. MET's new rate structure may modify MWDOC's budget estimates of the value of water sales but it will not impact the proposed rates and charges in the MWDOC budget.

MWDOC's budget process normally includes three versions of draft budget with the final budget being approved at the April Board of Directors meeting. It is anticipated that the proposed changes to the rates will be approved at the same April 20<sup>th</sup> meeting. The second draft budget presents revenue figures based on the current rate structure.

The FYE'23 MWDOC Budget is developed through a transparent and iterative process. Key topics discussed below include:

1. MWDOC Budget Process & Schedule
2. Budget Principles
3. Reserves
4. Compensation Pool Guidelines
5. Budget Input from Member Agencies
6. Key Priorities & Initiatives for FYE'23
7. Core/Choice Programs
8. Water Rates and Charges
9. Proposed New Items Not Included Pending Committee Discussion

A short discussion on each item follows:

### **1. MWDOC Budget Process & Schedule**

MWDOC's budget schedule is designed to accommodate the budget and rate schedules of our Member Agencies. Under this schedule, the Year-End Projections and Conceptual Budget were discussed at the January Administration & Finance (A&F) Committee. The first draft budget is presented at the February A&F Committee meeting. The second and third draft budgets are scheduled for the March and April committee meetings. The final budget is scheduled for approval by the MWDOC Board of Directors at the April 20, 2022 Board meeting.

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | APRIL 13, 2022**

**FINANCIAL MATTERS**

**ITEM 6: DISCUSSION CONCERNING DISTRICT PROPOSED FISCAL YEAR 2022/2023 GENERAL FUND AND CAPITAL IMPROVEMENT PROJECT (CIP) BUDGET ASSUMPTIONS**

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

***PROPOSED GENERAL FUND BUDGET ASSUMPTIONS***

For FY 2022/2023, District staff has prepared the General Fund Budget with the following budgetary assumptions based on eight months of financial data in FY 2021/2022:

Description	Proposed Adjustment %
MWDOC Capacity Charges	5.5%
MET Tier 1 Untreated Water Charges	11.0%

Description	Proposed Adjustment %
Chemicals	3.0%
Contract Services	5.0%
Electricity	4.0%
Fuel	10.0%
Inflation	5.0%
Professional Services	3.0%
Salary/Compensation	<i>Under Review</i>
Health Benefits	7.0%
Ancillary Benefits (Dental/Vision)	2.0%

***PROPOSED CAPITAL IMPROVEMENT PROJECTS, EQUIPMENT, & PROGRAM BUDGETS***

Capital Improvement Projects (CIP) completed to date and status for completion by the end of the fiscal year. In addition, District staff prepares a list of proposed projects for the upcoming fiscal year in order to recommend a CIP budget to the Board of Directors. CIP projects are categorized as administrative, water, wastewater, recycled water, or engineering and general projects. District staff is currently preparing a DRAFT CIP budget for review with the Engineering/Operational Committee and Finance/Audit Committee in May 2022.

**FUNDING SOURCE:**

General Fund

**FISCAL IMPACT**

In Development

**RECOMMENDED ACTION:**

*Committee to receive information and make recommendation(s) as deemed appropriate.*

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

**FINANCIAL MATTERS**

**ITEM 7: DISCUSSION CONCERNING GOLF CLUB SEWER LIFT STATION REPAIRS & IMPROVEMENTS**

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Trabuco Canyon Water District (District) owns and operates the Golf Club Sewer Lift Station (SLS) in the Dove Canyon community adjacent to the golf club driving range. This station receives wastewater flows from the majority of the community by way of Bell Canyon and Barneburg Sewer Lift Stations and gravity sewer flows, and then conveys the wastewater to the Robinson Ranch Wastewater Treatment Plant via a sewer force main on Hillrise. The station was constructed in the early 1990s and has undergone minor improvements since that time, but there are a series of critical repairs and improvements that Wastewater Operations and Maintenance Department (O/M) staff have identified for the station (Exhibit 1).

**1. Sewer Force Main Isolation Valve**

In March 2021, the District contracted with Ferreira Construction and Koppel for the installation of an in-line isolation valve on the force main to allow for O/M staff to replace plug valves and check valves in the Station Dry Pit. *This work is complete.*

**2. Station Bypass Valve Assembly and Repair to Existing Surge Tank**

In December 2021, District staff contracted with Ferreira construction and DB Sales to install a bypass valve assembly and repair the existing surge tank. The sewer bypass valve assembly is typical for most sewer pump stations to allow for both emergency and long-term repairs and improvements. *This work is complete.*

**3. Electrical System Improvements-Motor Control Center (MCC) Panel**

Some of the components in the MCC Panel have been replaced due to failure, but there were many other system components that have reached the end of life. In March 2022, District staff began work with Hydrotech Electrical for the replacement of the MCC. *This work is ongoing and scheduled to be completed on April 8, 2022.*

**4. Surge Tank Relocation/Replacement**

The existing tank is in poor condition, difficult to maintain and has reached the end of its service life. Engineering is working with O/M to replace the tank, relocate it outside in front of the building at the new bypass assembly and construct a permanent fence and gate around the front of the station. *This design is in progress.*

**5. Wet Well Improvements**

The following items in the wet well require repair and/or replacement: pump guide rails, wet well coating, and wet well lid. *Future project.*

**6. Dry Pit Improvements**

O/M staff have identified isolation valves, piping and appurtenances needing repair and/or replacement in the station. *Future project.*

The station consists of two (2) sets of pumps, with 2 stages each (4 pumps total). In August/September 2021, both first stage pumps (Wilo Submersible) in the wet well failed and the station is utilizing a spare back-up pump, along with a series of rental equipment for redundancy (Note that the first stage pumps were overhauled/new prior to their failure). The existing pumps were sent out for inspection, but Staff is unable to get a quote for the repair work due to procurement delays. Due to the critical nature of the station, District staff procured a quote for two (2) Wilo submersible replacement pumps from Evans-Hydro Inc. (Exhibit 2) with an estimate of 18-22 weeks for delivery.

**FUNDING SOURCE:**

Capital Improvement Program

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | APRIL 13, 2022**

**FISCAL IMPACT:**

Current recommended action: \$55,912 plus tax and freight.  
Total project related expense to date: \$400,000 (excluding bypass cost).

**ENVIRONMENTAL COMPLIANCE:**

Notice of Exemption was filed with the County of Orange on November 1, 2021.

**COMMITTEE STATUS:**

This matter was reviewed with the Engineering/Operational Committee.

**RECOMMENDED ACTION:**

*Approve and recommend the Board of Directors ratify the purchase of two (2) replacement pumps from Evans-Hydro, Inc. in the amount of \$55,912, plus tax and freight, for the Golf Club Sewer Lift Station (Action Calendar).*

**EXHIBIT(S):**

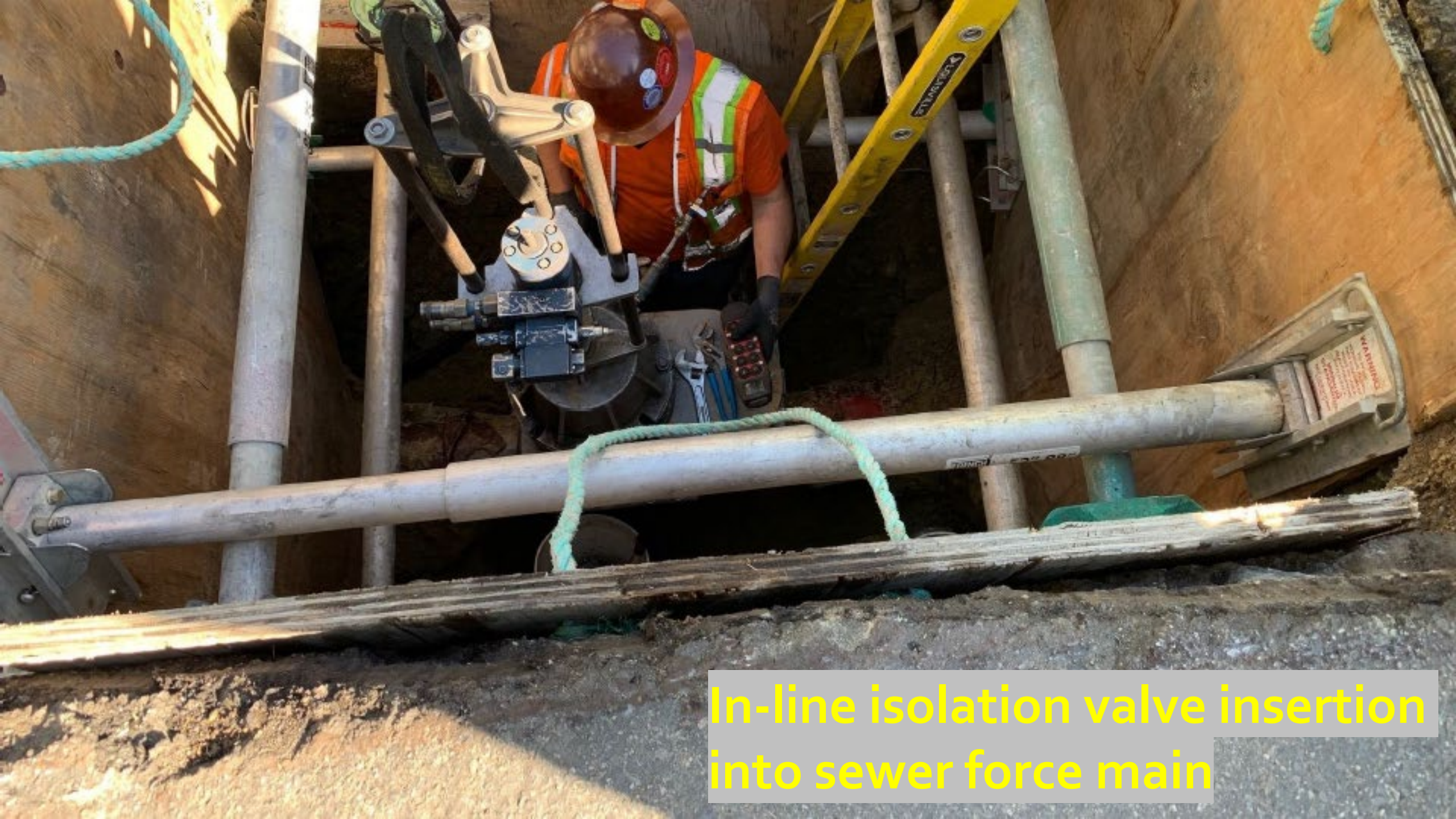
1. Project Photos
2. Evans-Hydro Quote

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

# GOLF CLUB SEWER LIFT STATION REPAIRS & IMPROVEMENTS

Trabuco Canyon Water District  
E&O Meeting  
4/6/2022





In-line isolation valve insertion into sewer force main

# Dry Pit Surge Tank Welding Repair





Finished Force Main Bypass Valve / Tee





Previous Motor Control Center



**New Motor Control Center**

# Dry Pit Surge Tank, Wet Well, Piping, and Valves



Wet Well



**Evans HYDRO, Inc.**  
18128 S. Santa Fe Ave.  
Rancho Dominguez, CA. 90221

Phone: (310) 608-5801  
Fax: (310) 608-6936



March 17, 2022

Trabuco Canyon

Attention: Tony Quinonez/Jason Stroud

Subject: Wilo Submersible Pumps  
Evans Hydro Job Nº 74540 & 74541

Dear Gentlemen,  
Evans Hydro Inc. thanks you for your interest in our quality parts and services. We have received your pumps from your location and have completed the disassembly and inspection of the units.

We found both impellers hubs are broke allowing the impellers to fall.





We have contacted Wilo for pricing and to replace the units, listed below si the information and pricing per unit.

#### WILO PUMP

(1) WILO FA10.78Z T24-4/36KEx SUBMERSIBLE PUMP SST IMP WEAR RING, 50.28HP OIL FILLED MOTOR, 460V/3PH/60Hz, 1760RPM, 49' POWER CABLE, & MOISTURE & THERMAL CABLES.STD PANTONE GREEN 334 COATING. DN100 FRAME.

#### PRICING

Per unit

\$ 27,956.00 each

Delivery

18-22 weeks ARO

Payments terms:

**NET30**

Shipment terms:

**EX-works**

Terms and conditions:

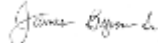
**Evans Hydro, Inc.**

Validity:

**30 Days**

Note: The prices for the above scope of work do not include any applicable taxes and freight. If you have any questions or need more information, please do not hesitate to contact us at (310) 608-5801 or e-Mail to: [kdixon@hydroinc.com](mailto:kdixon@hydroinc.com)

Sincerely,  
**Evans Hydro, Inc.**



**James R. Byrom, Sr.**  
President

cc: Jim Byrom, Jr. [jbyrom.jr@hydroinc.com](mailto:jbyrom.jr@hydroinc.com) 310.901.3462  
Kim Dixon

TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | APRIL 13, 2022

FINANCIAL MATTERS  
ITEM 8: OTHER MATTERS

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**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 | APRIL 13, 2022**

**FINANCIAL MATTERS  
ITEM 9: 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 February 2022 (Consent Calendar).*

**B) BILLS FOR CONSIDERATION**

The total of the bills for consideration will be presented at the time of the April 13, 2022 Finance/Audit Committee Meeting.

**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 April 13, 2022 as presented (Consent Calendar).*

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



# Trabuco Canyon Water District

## Statement of Revenues & Expenses

### FY 2021-22 (Unaudited)

	February 2022	January 2022	Current YTD	Annual Budget	67% YTD	Prior YTD
<b>1 Operating Revenue</b>						
2 Residential Water	\$ 246,946	\$ 223,579	\$ 2,488,873	\$ 4,116,200	60%	\$ 2,596,348
3 Business & Industrial Water	7,559	6,655	82,967	165,600	50%	109,051
4 Irrigation Water	68,747	58,336	915,365	1,075,200	85%	693,657
5 Stand-by	1,286	3,134	17,660	41,800	42%	27,333
6 Sanitation Revenue	157,575	148,492	1,213,591	1,964,200	62%	1,156,704
7 Recycled & Reclaimed Revenue	27,122	14,488	637,777	999,000	64%	590,444
8 Baker Treatment Plant Water Sales *	113,286	124,496	751,146	1,383,500	54%	889,071
9 Other Operating Revenue	13,519	13,698	110,396	179,600	61%	3,663
<b>10 Total Operating Revenue</b>	<b>636,040</b>	<b>592,877</b>	<b>6,217,774</b>	<b>9,925,100</b>	<b>63%</b>	<b>6,066,272</b>
<b>11 Non-Operating Revenue</b>						
12 Property Tax Unrestricted	2,779	91,453	1,190,206	2,006,200	59%	1,138,267
13 Interest Revenue	224	511	7,506	35,600	21%	27,277
14 Other Non-Operating Revenue	4,153	3,426	80,927	72,400	112%	43,010
<b>15 Total Non-Operating Revenue</b>	<b>7,156</b>	<b>95,390</b>	<b>1,278,639</b>	<b>2,114,200</b>	<b>60%</b>	<b>1,254,811</b>
<b>16 Total Revenues</b>	<b>643,196</b>	<b>688,267</b>	<b>7,496,413</b>	<b>12,039,300</b>	<b>62%</b>	<b>7,321,083</b>
<b>17 Operating Expenses</b>						
18 Source of Supply	162,643	164,058	1,570,654	2,262,400	69%	1,663,605
19 Baker Treatment SOS Costs	132,183	100,396	996,728	1,287,700	77%	771,892
20 Water Related Expense	149,777	190,842	1,305,191	2,032,100	64%	1,301,591
21 Sanitation Expense	97,060	117,903	936,191	1,359,200	69%	892,431
22 Recycled Expense	21,785	20,538	200,671	234,200	86%	154,458
23 Reclaimed Expense	21,785	20,508	200,575	234,100	86%	154,447
24 Salaries & Benefits	278,860	323,081	2,402,084	3,923,000	61%	2,238,522
25 Board Expense	10,065	10,293	77,559	122,600	63%	72,106
26 Miscellaneous Expense	2	218	3,404	5,000	68%	3,424
<b>27 Total Operating Expenses</b>	<b>874,158</b>	<b>947,838</b>	<b>7,693,056</b>	<b>11,460,300</b>	<b>67%</b>	<b>7,252,476</b>
<b>Net Income / (Loss) before Contributed Capital, Trust Contributions &amp; Debt Service</b>	<b>(230,962)</b>	<b>(259,572)</b>	<b>(196,643)</b>	<b>579,000</b>	<b>-34%</b>	<b>68,607</b>
29 WRES Fees for Capital	68,771	68,787	550,076	822,200	67%	547,981
30 Other Capital Contributions	-	-	-	344,000	0%	-
31 Debt Principal, Interest & Issuance Costs	(31,282)	(19,198)	(165,671)	(445,300)	37%	(153,587)
32 CalPERS UAL & Pension Trust Contributions	(19,967)	(19,967)	(159,737)	(590,500)	27%	(144,088)
33 OPEB Trust Contributions & Paygo	(11,449)	(11,449)	(84,253)	(206,100)	41%	(204,515)
<b>Net Contributed Capital, Trust Contributions &amp; Debt Service</b>	<b>6,072</b>	<b>18,172</b>	<b>140,415</b>	<b>(75,700)</b>		<b>45,791</b>
<b>35 Net Income</b>	<b>\$ (224,890)</b>	<b>\$ (241,400)</b>	<b>\$ (56,228)</b>	<b>\$ 503,300</b>		<b>\$ 114,398</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**  
February 28, 2022  
(Unaudited)

	February 2022
<b>1 Assets</b>	
<b>2 Cash &amp; Investments</b>	
3 Cash & Investments - Unrestricted	\$ (1,237,383)
4 Cash & Investments - Restricted	15,119,934
<b>5 Total Cash &amp; Investments</b>	13,882,550
<b>6 Other Current Assets</b>	
7 Accounts Receivable, Net	1,544,700
8 Due from Baker Treatment Plant Reserves	832,661
9 Prepaid & Other	239,584
<b>10 Total Other Current Assets</b>	2,616,944
<b>11 Capital Assets</b>	
12 Capital Assets, at Cost	123,623,275
13 Accumulated Depreciation	(76,179,322)
14 Construction in Progress	752,441
<b>15 Total Capital Assets</b>	48,196,394
16 Deferred Outflows of Resources (DOR)	1,486,261
<b>17 Total Assets &amp; DOR</b>	<b>\$ 66,182,149</b>
<b>18 Liabilities</b>	
<b>19 Current Liabilities</b>	
20 Accounts Payable	\$ 1,281,349
21 Due to Internal Financing Fund	832,661
22 Accrued Expenses	309,856
23 Current Portion-Long Term Debt <sup>1</sup>	182,547
24 Deposits on Hand <sup>1</sup>	106,571
<b>25 Total Current Liabilities</b>	2,712,983
<b>26 Long-Term Liabilities</b>	
27 Net Pension/OPEB Liability	3,756,404
28 State Revolving Fund Loan	1,957,505
29 Bank of the West Loan	10,000,000
<b>30 Total Long Term Liabilities</b>	15,713,909
31 Deferred Inflows of Resources (DIR)	252,438
<b>32 Total Liabilities &amp; DIR</b>	18,679,330
<b>33 Fund Balance</b>	47,502,819
<b>34 Total Liabilities, Fund Balance &amp; DIR</b>	<b>\$ 66,182,149</b>

<sup>1</sup> Liability to be paid with restricted assets

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# Trabuco Canyon Water District

## Cash & Investments Report

February 2022  
(Unaudited)

	Type	Cost	Market	% Total
<b>District Cash &amp; Investments</b>				
<b>Unrestricted</b>				
Local Agency Investment Fund (LAIF)	Investment	\$ (1,699,253)	\$ (1,694,902)	-12.2%
Bank of the West	Checking	461,870	461,870	3.3%
<b>Total Unrestricted</b>		<b>(1,237,383)</b>	<b>(1,233,032)</b>	<b>-8.9%</b>
<b>Restricted</b>				
LAIF - Water Storage Facilities	Investment	1,052,060	1,049,366	7.6%
LAIF - WRES - Rose Canyon/Lang Wells	Investment	1,402,131	1,398,540	10.1%
LAIF - WRES - Reservoir/Distribution Impr.	Investment	2,646,391	2,639,614	19.1%
LAIF - RD#5	Investment	76,631	76,434	0.6%
LAIF - Interim Sewage	Investment	117,443	117,143	0.8%
LAIF - Debt Issuance 2022	Investment	9,588,354	9,563,799	69.1%
Cash in CB&T Reserved for SRF Loan	Checking	236,924	236,924	1.7%
<b>Total Restricted</b>		<b>15,119,934</b>	<b>15,081,820</b>	<b>108.9%</b>
<b>Total District Cash &amp; Investments</b>		<b>\$ 13,882,550</b>	<b>\$ 13,848,788</b>	<b>100.0%</b>

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