



**FINANCE/AUDIT COMMITTEE MEETING AGENDA**  
**TRABUCO CANYON WATER DISTRICT**  
**32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA**  
**ADMINISTRATION FACILITY, BOARDROOM – JANUARY 11, 2023 - 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 | JANUARY 11, 2023**

**FINANCIAL MATTERS**

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

**RECOMMENDED ACTION:**

*Approve the following Finance/Audit Committee Meeting Recap(s) and recommend that the Board receive and file the same (Consent Calendar):*

1. December 14, 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 December 2022 and tentative future meetings/attendance (Action Calendar).*

**ITEM 3: TRABUCO CANYON WATER DISTRICT FISCAL YEAR 2021-22 ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**RECOMMENDED ACTION:**

*Approve the Trabuco Canyon Water District Fiscal Year 2021-22 Annual Comprehensive Financial Report*

**ITEM 4: OTHER MATTERS**

**RECOMMENDED ACTION:**

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

**ITEM 5: FINANCIAL REPORT**

**A) PRESENTATION OF UNAUDITED FINANCIAL STATEMENTS**

**RECOMMENDED ACTION:**

*Recommend that the Board receive and file the preliminary unaudited financial statements for November 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 January 11, 2023 as presented (Consent Calendar).*

**ADJOURNMENT**

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING AGENDA | JANUARY 11, 2023**

**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 | JANUARY 11, 2023**

**FINANCIAL MATTERS**

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

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**RECOMMENDED ACTION:**

*Approve the following Finance/Audit Committee Meeting Recap(s) and recommend that the Board receive and file the same. (Consent Calendar):*

1. *December 14, 2022*

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



**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING RECAP | DECEMBER 14, 2022**

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**DIRECTORS PRESENT**

Ed Mandich, Committee Chair  
Don Chadd, Committee Chair Alternative

**DIRECTORS ABSENT**

Glenn Acosta, Committee Member

**STAFF PRESENT**

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

**PUBLIC PRESENT**

None

**CALL MEETING TO ORDER**

Director Mandich called the December 14, 2022 Finance/Audit Committee Meeting to order at 1:00 p.m.

**VISITOR PARTICIPATION**

No visitor participation was received.

**ORAL COMMUNICATION**

No oral communication was received.

**COMMITTEE MEMBER COMMENTS**

There were no comments received.

**REPORT FROM THE ASSISTANT GENERAL MANAGER**

Mr. Paludi reported that District staff will be presenting an item too late to be agendaized at the December 15, 2022 Regular Board Meeting related to the repair and replacement of variable frequency drives (VFDs) for the District's Dove Recycled Water Pump Station.

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

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

**MOTION:** Approve the Finance/Audit Committee Meeting Recap and recommended that the Board receive and file the same (Consent Calendar) – Director Mandich

**SECOND:** Director Chadd

**AYES:** Directors Mandich & Chadd

**NOES:** None

**ABSTAIN:** None

**MOTION PASSED/FAILED:** Passed 2-0

**TRABUCO CANYON WATER DISTRICT  
FINANCE AUDIT COMMITTEE MEETING RECAP | DECEMBER 14, 2022**

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

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Mr. Paludi presented the Directors' Fees and Expenses Report and Tentative Future Meetings/Attendance Report for Committee consideration and review. Mr. Perea indicated the fees and expenses report for November 2022 has been updated since the posting of the agenda with Director Safranski's attendance and related expenses for the ACWA Conference.

- MOTION:** Recommend the Board of Directors ratify the Directors' fees and expenses for November 2022 and tentative future meetings/attendance. (Action Calendar)– Director Mandich
- SECOND:** Director Chadd
- AYES:** Directors Mandich & Chadd
- NOES:** None
- ABSTAIN:** None
- MOTION PASSED/FAILED:** Passed 2-0

**ITEM 3: URBAN WATER INSTITUTE 2023 SPRING WATER CONFERENCE SPONSORSHIP**

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Mr. Paludi presented this matter for Committee consideration, and he reported the District is a member of the Urban Water Institute (UWI). Mr. Paludi recommended the Board of Directors approve a sponsorship level of \$1,250 for the 2023 Spring Water Conference. Discussion occurred concerning the conference program and previous sponsorship levels.

- MOTION:** Recommend the Board of Directors approve sponsorship of the Urban Water Institute's 2023 Spring Water Conference in the amount of \$1,250 (Action Calendar) – Director Mandich
- SECOND:** Director Chadd
- AYES:** Directors Mandich & Chadd
- NOES:** None
- ABSTAIN:** None
- MOTION PASSED/FAILED:** Passed 2-0

**ITEM 4: MEMBERSHIP IN SOUTHERN CALIFORNIA WATER COALITION**

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Mr. Paludi presented this matter for Committee consideration, and he highlighted the efforts of the Southern California Water Coalition (SCWC) in the water industry. Mr. Paludi reported that Board members and District staff have attended SCWC events in the past and found them to be informative and beneficial.

- MOTION:** Recommend the Board of Directors approve Trabuco Canyon Water District's membership in the Southern California Water Coalition in the amount of \$2,500 annually (Action Calendar) – Director Mandich
- SECOND:** Director Chadd
- AYES:** Directors Mandich & Chadd
- NOES:** None
- ABSTAIN:** None
- MOTION PASSED/FAILED:** Passed 2-0

**ITEM 5: OTHER MATTERS**

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Mr. Paludi reported that District staff will present the Draft Fiscal Year 2021/2022 Financial Report at the January Finance/Audit Committee meeting.

- MOTION:** None – Informational item only.

**ITEM 6: FINANCIAL REPORT**

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

***Operating Revenue, Water Commodity Sales***

Ms. Warner reported that this line item was higher than budgeted due to the current warmer weather conditions.

***Operating Revenue, Reclaimed Water Sales***

Ms. Warner reported that water demand for the month was significantly higher than budgeted due to increased system demands.

***Non-Operating Revenue, Property Taxes***

Ms. Warner reported that this line item is adjusted only two times per year due to property tax collection periods.

***Non-Operating Revenue, Interest Revenue***

Ms. Warner reported that this line item is significantly higher than budgeted due to the impacts of increased interest rates.

***Operating Expense, Source of Supply***

Ms. Warner reported that this line item was higher than budgeted for the year due to increased electrical and chemical costs for treatment.

***Operating Expense, Sanitation Related Expenses***

Ms. Warner reported that this line item was higher than budgeted for the year due to increased odor control costs.

***Operating Expense, Recycled & Reclaimed Expenses***

Ms. Warner reported that this line item was higher than budgeted for the year due to increased laboratory testing. Mr. Perea added that staff has increased its recycled water sampling frequency to confirm the high quality of production water.

***District Capital FY 2022-23 (Unaudited)***

Ms. Warner reviewed the capital expenditures to date by project and provided a brief overview of the October costs, including the following:

***District Capital, Capital Improvements/Replacements***

***OC Rescue Mission***

Ms. Warner reported that these costs were transferred expenses to capital costs related to the relocation and installation of potable water services.

***District Capital, Equipment***

***PRV Improvements***

Director Mandich inquired how this line item has exceeded its annual budget. Mr. Perea indicated that Water Operations performed more PRV repairs/improvements than originally budgeted due to necessity. The Committee agreed that the repairs/improvements are critical in nature and commended Operations staff for staying on top the District's facilities.

**TRABUCO CANYON WATER DISTRICT  
FINANCE AUDIT COMMITTEE MEETING RECAP | DECEMBER 14, 2022**

**MOTION:** Recommend the Board ratify payment of the bills for consideration for December 14, 2022, as presented (Action Calendar) – Director Mandich

**SECOND:** Director Chadd

**AYES:** Directors Mandich & Chadd

**NOES:** None

**ABSTAIN:** None

**MOTION PASSED/FAILED:** Passed 2-0

**ADJOURNMENT**

Director Mandich adjourned the December 14, 2022, Finance/Audit Committee Meeting at 1:20 p.m.

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**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | JANUARY 11, 2023**

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

**EXHIBIT(S):**

1. Directors' Fees and Expenses Report for December 2022
2. Directors' Tentative Future Meetings/Attendance – Calendar Year 2023.

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


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

MEETING DESCRIPTION	ACOSTA	CHADD	DOPUDJA	MANDICH	SAFRANSKI
<b>DISTRICT MEETINGS</b>					
Engineering/Operational Committee Meeting			12/07/22		12/07/22
Executive Committee Meeting		12/05/22	12/05/22		
Finance/Audit Committee Meeting		12/14/22		12/14/22	
Individual Meeting with General Manager	12/12/22	12/13/22	12/13/22	12/12/22	12/13/22
Regular Board Meeting	12/15/22	12/15/22	12/15/22	12/15/22	12/15/22
Special Board Meeting	12/07/22	12/07/22	12/07/22	12/07/22	12/07/22
<b>REPRESENTATIVE MEETINGS</b>					
City of Rancho Santa Margarita Council Meeting					12/14/22
City of Rancho Santa Margarita Planning Commission					
Independent Special Districts of Orange County (ISDOC) Monthly Meeting	12/06/22				
Independent Special Districts of Orange County (ISDOC) Quarterly Meeting					
MWDOC Board Meeting	12/21/22				
South Orange County Wastewater Authority (SOCWA) Regular Board Meeting			12/01/22		
Santiago Aqueduct Commission		12/15/22			
South Orange County Agencies Group					
Monthly - South Orange County Integrated Regional Watershed Management Executive Committee					
Quarterly - South Orange County Integrated Regional Watershed Management Executive Committee					
Water Advisory Commission of Orange County (WACO)	12/09/22				
ACWA Conference - Indian Wells, CA   December 1, 2022	12/01/22				12/01/22
<b>NUMBER OF MEETINGS ATTENDED</b>	<b>7</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>5</b>
<b>FEES (\$125 per each meeting*)</b>	<b>\$875.00</b>	<b>\$625.00</b>	<b>\$625.00</b>	<b>\$500.00</b>	<b>\$625.00</b>
<b>DIRECT REIMBURSABLE EXPENSES</b>					
<b>DIRECT REIMBURSABLE EXPENSES TOTALS</b>	<b>\$0.00</b>				
<b>INDIRECT REIMBURSABLE EXPENSES</b>					
<b>INDIRECT REIMBURSABLE EXPENSES TOTALS</b>					
<b>TOTAL</b>	<b>\$875.00</b>	<b>\$625.00</b>	<b>\$625.00</b>	<b>\$500.00</b>	<b>\$625.00</b>
<i>* Maximum per diem per day is one; maximum per diems per month is 10</i>					

**DIRECTOR SIGNATURE** \_\_\_\_\_

**TRABUCO CANYON WATER DISTRICT | 2023 PUBLIC MEETING AND CONFERENCE CALENDAR**

2023													
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	01/03/23	02/06/23	03/06/23	04/03/23	05/01/23	06/05/23	07/03/23	08/07/23	09/05/23	10/02/23	11/06/23	12/04/23
2	Engineering/Operational Committee Meeting	01/04/23	02/01/23	03/01/23	04/05/23	05/03/23	06/07/23	07/05/23	08/02/23	09/06/23	10/04/23	11/01/23	12/06/23
3	Finance/Audit Committee Meeting	01/11/23	02/08/23	38//2023	04/12/23	05/10/23	06/14/23	07/14/23	08/09/23	09/13/23	10/11/23	11/08/23	12/13/23
4	Regular Board Meeting	01/19/23	02/16/23	03/16/23	04/20/23	05/18/23	06/15/23	07/20/23	08/17/23	09/21/23	10/19/23	11/16/23	12/21/23
5	District Properties Ad Hoc Committee Meeting	-	-	-	-	-	-	-	-	-	-	-	-
<b>PUBLIC MEETINGS</b>													
6	City of RSM City Council Meeting - Meeting No. 1	01/10/23	02/14/23	03/14/23	04/11/23	05/09/23	06/13/23	07/11/23	08/08/23	09/12/23	10/10/23	11/14/23	12/12/23
7	City of RSM City Council Meeting - Meeting No. 2	01/24/23	02/28/23	03/28/23	04/25/23	05/23/23	06/27/23	07/25/23	08/22/23	09/26/23	10/24/23	11/28/23	12/26/23
8	City of RSM Planning Commission Meeting	01/04/23	02/01/23	03/01/23	04/05/23	05/03/23	06/07/23	07/05/23	08/02/23	09/06/23	10/04/23	11/01/23	12/06/23
9	Independent Special Districts of Orange County Meeting - Executive	01/03/23	02/07/23	03/07/23	04/04/23	05/02/23	06/06/23	07/04/23	08/01/23	09/05/23	10/02/23	11/07/23	12/05/23
10	Independent Special Districts of Orange County Meeting - Quarterly	01/26/23	-	-	04/27/23	-	-	07/27/23	-	-	10/26/23	-	-
11	Orange County Local Agency Formation Commission (OC LAFCO)	01/11/23	02/08/23	03/08/23	04/12/23	05/10/23	06/14/23	07/12/23	08/09/23	09/13/23	10/11/23	11/08/23	12/13/23
12	Santiago Aqueduct Commission Meeting	-	-	03/16/23	-	-	06/15/23	-	-	09/21/23	-	-	12/21/23
13	Quarterly South Orange County Integrated Regional Watershed Management Executive Committee	-	-	03/02/23	-	05/04/23	-	-	08/03/23	-	-	11/02/23	-
14	Monthly South Orange County Integrated Regional Watershed Management Executive Committee	01/26/23	02/23/23	03/23/23	04/27/23	05/25/23	06/22/23	07/27/23	08/24/23	09/28/23	10/26/23	11/23/23	12/28/23
15	South Orange County Water Agencies Group Meeting*	01/26/23	-	03/23/23	-	05/25/23	-	07/27/23	-	09/28/23	-	11/23/23	-
16	South Orange County Wastewater Authority Regular Board Meeting	01/05/23	02/02/23	03/02/23	04/06/23	05/04/23	06/01/23	07/06/23	08/03/23	09/07/23	10/05/23	11/02/23	12/07/23
17	Water Advisory Committee of Orange County	01/06/23	02/03/23	03/03/23	04/07/23	05/05/23	06/02/23	07/07/23	08/04/23	09/01/23	10/06/23	11/03/23	12/01/23
<b>CONFERENCES</b>													
18	ACWA Spring Conference - Sacramento, CA												
19	ACWA Fall Conference - Indian Wells, CA												
20	CSDA Annual Conference -Monterey, CA								8/28 - 8/31				
21	CSDA GM Leadership Summit - Olympic Valley, CA						6/25 - 6/27						
22	Urban Water Institute (UWI) Annual Conference - Palm Springs, CA		2/22 - 2/24										
23	CSDA SDLA Conference - Napa, CA												
24	Colorado River Water User's Association (CRWUA) Annual Conference – Las Vegas, NV												12/13 - 12/15

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

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | JANUARY 11, 2023**

**ACTION CALENDAR  
FINANCIAL MATTERS**

**ITEM 3: TRABUCO CANYON WATER DISTRICT FISCAL YEAR 2021-22 ANNUAL COMPREHENSIVE FINANCIAL REPORT**

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Trabuco Canyon Water District's (District) auditor Nigro & Nigro LLP has completed its annual audit of the District's financial statements for the Fiscal Year (FY) ended June 30, 2022. As stated in its report, Nigro & Nigro concluded that in all material aspects, the statements fairly present the District's financial position as of June 30, 2022 and conform with generally accepted accounting principles.

A draft of the Annual Comprehensive Financial Report (ACFR) will be available at the time of the Committee meeting. This is the first year that the District prepares an ACFR, which includes the Introductory Section, audited financial statements, accompanying auditor's report, Management's Discussion and Analysis, and Statistical Section. The ACFR has been prepared by District staff with the guidance and assistance of District Treasurer Cindy Byerrum and Eide Bailly with the intent to earn a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).

The District Treasurer and District staff have worked with Nigro & Nigro LLP to prepare the audited financial statements for Fiscal Year Ending June 30, 2022, including those of Trabuco Canyon Water District, the Trabuco Canyon Financing Authority, and the Trabuco Canyon Improvement Corporation, for Committee consideration and review. Additional information regarding the financial audit process may be provided at the time of the meeting.

**FUNDING SOURCE:**

Not applicable

**FISCAL IMPACT**

Not applicable.

**ENVIRONMENTAL COMPLIANCE:**

Not applicable

**RECOMMENDED ACTION(S):**

*Approve the Trabuco Canyon Water District Annual Comprehensive Financial Report for Fiscal Year Ending June 30, 2022.*

**EXHIBITS:**

None

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

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | JANUARY 11, 2023**

**FINANCIAL MATTERS  
ITEM 4: 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 | JANUARY 11, 2023**

**FINANCIAL MATTERS  
ITEM 5: FINANCIAL REPORT**

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

**RECOMMENDED ACTION:**

*Recommend that the Board receive and file the preliminary unaudited financial statements for November 2022 (Consent Calendar).*

**B) BILLS FOR CONSIDERATION**

The total of the bills for consideration will be presented at the time of the January 11, 2023 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 January 11, 2023 as presented (Consent Calendar).*

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



# Trabuco Canyon Water District

## District Operations

FY 2022/23 (Unaudited)

	November 2022	YTD Actual	FY 23 Adopted Budget	YTD 42%
<b>1 Operating Revenue</b>				
2 Water Commodity Sales	\$ 346,081	\$ 2,046,513	\$ 4,237,600	48%
3 Service Charges - Water	97,554	490,478	1,207,000	41%
4 Service Charges - Sewer	148,342	747,339	1,844,900	41%
5 Service Charges - Recycled/Reclaimed	6,308	31,722	84,000	38%
6 Baker Treatment Plant (BTP) Water Sales	88,529	447,632	1,110,000	40%
7 Reclaimed Water Sales	40,364	432,868	771,300	56%
8 Recycled Water Sales	37,168	119,304	227,500	52%
9 Customer Charges	28,953	187,224	318,300	59%
10 Other Operating Revenue	-	-	91,800	0%
11 Standby Charges	10,983	10,983	46,200	24%
12 Uncollectable Accounts	-	-	(26,400)	0%
<b>13 Total Operating Revenue</b>	<b>804,282</b>	<b>4,514,063</b>	<b>9,912,200</b>	<b>46%</b>
<b>14 Non-Operating Revenue</b>				
15 Property Taxes	364,562	407,958	2,140,200	19%
16 Water Recovery & Emergency Storage Fees - BTP	31,946	159,639	382,000	42%
17 Water Recovery & Emergency Storage Fees - SRF	19,183	95,917	230,200	42%
18 Interest Revenue	413	36,486	18,800	194%
19 Other Non-Operating Revenue	2,445	19,410	76,200	25%
<b>20 Total Non-Operating Revenue</b>	<b>418,549</b>	<b>719,409</b>	<b>2,847,400</b>	<b>25%</b>
<b>21 Total Revenues</b>	<b>1,222,831</b>	<b>5,233,473</b>	<b>12,759,600</b>	<b>41%</b>
<b>22 Operating Expense</b>				
23 Source of Supply	178,988	1,211,788	2,831,200	43%
24 Baker Treatment Plant Water for Resale	88,639	425,249	1,013,800	42%
25 Water Related Expenses	60,309	458,050	911,300	50%
26 Sanitation Related Expenses	13,279	150,914	315,200	48%
27 Recycled & Reclaimed Expenses	39,231	118,199	207,900	57%
28 Salaries and Benefits	343,077	1,730,684	4,203,200	41%
29 CalPERS Unfunded Accrued Liability Minimum	-	273,674	290,000	94%
30 General and Administrative	142,801	1,017,534	2,323,100	44%
<b>31 Total Operating Expense</b>	<b>866,324</b>	<b>5,386,093</b>	<b>12,095,700</b>	<b>45%</b>
<b>32 Non-Operating Expense</b>				
33 Debt Service - SRF	-	-	230,200	0%
34 Debt Service - Credit Line	-	-	145,000	0%
<b>35 Total Non-Operating Expense</b>	<b>-</b>	<b>-</b>	<b>375,200</b>	<b>0%</b>
<b>36 Total Expenses</b>	<b>866,324</b>	<b>5,386,093</b>	<b>12,470,900</b>	<b>43%</b>
<b>37 Net Income / (Loss) Before Capital &amp; Pension</b>	<b>356,507</b>	<b>(152,620)</b>	<b>288,700</b>	
38 Use of District Reserves for Capital Projects	-	-	-	0%
39 Developer Impact Fees (Restricted)	40,795	40,795	-	0%
<b>40 Increase / (Decrease) to Reserves</b>	<b>\$ 397,302</b>	<b>\$ (111,825)</b>	<b>\$ 288,700</b>	

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



# Trabuco Canyon Water District

## District Capital

FY 2022/23 (Unaudited)

	November 2022	YTD Actual	FY 23 Adopted Budget	YTD 42%
<b>1 Funding Sources</b>				
2 Grant Revenue	\$ -	\$ -	\$ 500,000	0%
3 Bank of the West Credit Line Proceeds	189,231	1,853,420	5,162,000	36%
4 Use of District Reserves for Capital Projects	-	-	-	0%
<b>5 Funding Sources Total</b>	<b>189,231</b>	<b>1,853,420</b>	<b>5,662,000</b>	<b>33%</b>
<b>6 District Capital</b>				
<b>7 Capital Improvements / Replacements</b>				
8 SCADA System Upgrades FY 2122	-	99,351	1,210,000	8%
9 AMI/AMR System Implementation (USBR) *	153,306	1,100,571	1,700,000	65%
10 Golf Club SLS Bypass Construction	-	108,214	870,000	12%
11 Dimension Water Treatment Plant (DWTP) Office & Storage	-	4,342	300,000	1%
12 Master Plan and Condition Assessment Study	30,616	192,150	250,000	77%
13 Live Oak Pipeline Scoping	-	-	100,000	0%
14 ETRSLs Surge Tank Improvements	-	1,700	250,000	1%
15 Trabuco Creek Water Main Potholing	-	-	20,000	0%
16 Dimension Water Treatment Plant Vault Lids	-	-	50,000	0%
17 ETRSLs Discharge Valve Replacement	-	-	35,000	0%
18 OC Rescue Mission	-	107,190	-	0%
<b>19 Capital Improvements / Replacements Total</b>	<b>183,922</b>	<b>1,613,517</b>	<b>4,785,000</b>	<b>34%</b>
<b>20 Equipment</b>				
21 Chiquita Capital Replacement	-	120,582	178,000	68%
22 Wastewater Treatment Plant Hoffman Blower Building Rehab	-	526	250,000	0%
23 Equipment Trailer	-	-	39,000	0%
24 Wastewater Treatment Plant New Mixers	-	-	150,000	0%
25 Dove Lake Barge/Pump	-	13,068	20,000	65%
26 Domestic Water Turbidimeter Replacement	-	-	15,000	0%
27 Flow Meter - Tick Creek	-	8,908	-	0%
<b>28 Equipment Total</b>	<b>-</b>	<b>134,175</b>	<b>652,000</b>	<b>21%</b>
<b>29 Programs</b>				
30 Pressure Relief Valve Improvements	5,309	32,583	15,000	217%
31 Valve Replacement Program	-	9,660	45,000	21%
32 Manhole Recoating Program - Sewer	-	-	20,000	0%
33 Pressure Relief Valve Vault Improvements - Reclaimed	-	-	45,000	0%
34 Pump Replacement Program	-	54,578	100,000	55%
<b>35 Programs Total</b>	<b>5,309</b>	<b>96,821</b>	<b>225,000</b>	<b>43%</b>
<b>36 District Capital Total</b>	<b>189,231</b>	<b>1,853,420</b>	<b>5,662,000</b>	<b>33%</b>
<b>37 Net Budget</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

\*Partially funded by Grant / Loan Proceeds

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



# Trabuco Canyon Water District

## Balance Sheet

November 30, 2022

(Unaudited)

		November 2022
<b>1</b>	<b>Assets</b>	
<b>2</b>	<b>Cash &amp; Investments</b>	
3	Cash & Investments - Unrestricted	\$ (2,944,302)
4	Cash & Investments - Restricted	11,934,802
<b>5</b>	<b>Total Cash &amp; Investments</b>	<u>8,990,499</u>
<b>6</b>	<b>Other Current Assets</b>	
7	Accounts Receivable, Net	1,918,635
8	Due from Baker Treatment Plant Reserves	546,625
9	Prepaid & Other	43,990
10	LAIF - Market Value Adjustment <sup>1</sup>	533
<b>11</b>	<b>Total Other Current Assets</b>	<u>2,509,249</u>
<b>12</b>	<b>Capital Assets</b>	
13	Capital Assets, at Cost	124,639,237
14	Accumulated Depreciation	(78,325,191)
15	Construction in Progress	3,135,711
<b>16</b>	<b>Total Capital Assets</b>	<u>49,449,756</u>
17	Net OPEB Asset	201,692
18	Deferred Outflows of Resources (DOR)	1,473,729
<b>19</b>	<b>Total Assets &amp; DOR</b>	<u><u>\$ 62,625,459</u></u>
<b>20</b>	<b>Liabilities</b>	
<b>21</b>	<b>Current Liabilities</b>	
22	Accounts Payable	\$ 730,700
23	Due to Internal Financing Fund	546,625
24	Accrued Expenses	176,992
25	Current Portion-Long Term Debt	92,840
26	Deposits on Hand	79,312
<b>27</b>	<b>Total Current Liabilities</b>	<u>1,626,468</u>
<b>28</b>	<b>Long-Term Liabilities</b>	
29	Net Pension Liability	1,597,778
30	State Revolving Fund Loan	1,864,665
31	Bank of the West Loan	10,000,000
<b>32</b>	<b>Total Long Term Liabilities</b>	<u>13,462,443</u>
33	Deferred Inflows of Resources (DIR)	2,448,966
<b>34</b>	<b>Total Liabilities &amp; DIR</b>	<u>17,537,877</u>
<b>35</b>	<b>Fund Balance</b>	45,087,582
<b>36</b>	<b>Total Liabilities, Fund Balance &amp; DIR</b>	<u><u>\$ 62,625,459</u></u>

<sup>1</sup> LAIF Market Value adjusted annually at June 30th. This balance may be different from the cash and investments report during the year based on updated market conditions.

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# Trabuco Canyon Water District

## Cash Investments Report

November 30, 2022

(Unaudited)

	Type	Cost	Market	% Total
<b>District Cash &amp; Investments</b>				
<b>Unrestricted</b>				
Local Agency Investment Fund (LAIF)	Investment	\$ (3,550,665)	\$ (3,482,354)	-39.4%
Bank of the West	Checking	606,363	606,363	6.9%
<b>Total Unrestricted</b>		<b>(2,944,302)</b>	<b>(2,875,991)</b>	<b>-32.6%</b>
<b>Restricted</b>				
LAIF - Water Storage Facilities	Investment	1,060,119	1,039,724	11.8%
LAIF - WRES - Rose Canyon/Lang Wells	Investment	1,607,653	1,576,724	17.8%
LAIF - WRES - Reservoir/Distribution Impr.	Investment	2,682,598	2,630,988	29.8%
LAIF - Interim Sewage	Investment	124,285	121,894	1.4%
LAIF - Debt Issuance 2022	Investment	6,223,241	6,103,512	69.1%
Cash in CB&T Reserved for SRF Loan	Checking	236,905	236,905	2.7%
<b>Total Restricted</b>		<b>11,934,802</b>	<b>11,709,746</b>	<b>132.6%</b>
<b>Total District Cash &amp; Investments</b>		<b>\$ 8,990,499</b>	<b>\$ 8,833,755</b>	<b>100.0%</b>

### Quarterly Certification

*I certify that (1) all investment actions executed since the last report have been made in full compliance with the District's Investment Policy and, (2) the District will meet its expenditure obligations for the next six months as required by California.*

*Cindy Byerrum*

**Cindy Byerrum, Contract CPA**