



**FINANCE/AUDIT COMMITTEE MEETING AGENDA
TRABUCO CANYON WATER DISTRICT
ADMINISTRATION FACILITY
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA
MAY 9, 2024 at 8:00 AM**

COMMITTEE MEMBERS

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

DISTRICT STAFF

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

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. You may submit public comments by email to the Committee at mperea@tcwd.ca.gov. In order to be part of the record, emailed comments on meeting agenda items must be received by the District, at the referenced e-mail address, not later than 7:00 a.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

FINANCIAL MATTERS

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

RECOMMENDED ACTION:

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

1. April 11, 2024

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 April 2024 and tentative future meetings/attendance (Action Calendar).

ITEM 3: DISCUSSION AND POSSIBLE ACTION(S) REGARDING ISSUANCE OF DEBT TO REPAY EXISTING CREDIT AGREEMENT AND FUND CAPITAL IMPROVEMENT PROJECTS

RECOMMENDED ACTION:

Receive information at the time of the Committee regarding proposals from one or more private placement banks and take action(s) as deemed necessary.

ITEM 4: OTHER MATTERS

RECOMMENDED ACTION:

Hear Other Matters from the General Manager or District Staff.

ITEM 5: FINANCIAL REPORT

A) PRESENTATION OF PRELIMINARY UNAUDITED FINANCIAL STATEMENTS

RECOMMENDED ACTION:

Recommend that the Board receive and file the preliminary unaudited financial statements for March 2024 (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 May 9, 2024 as presented (Consent Calendar).

ADJOURNMENT

AVAILABILITY OF AGENDA MATERIALS

Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Trabuco Canyon Water District Finance/Audit Committee in connection with a matter subject to discussion or consideration at an open meeting of the Finance/Audit Committee are available for public inspection at the Trabuco Canyon Water District Administrative Facility, 32003 Dove Canyon Drive, Trabuco Canyon, California (District Administrative Facility) or will be posted online on the District's website located at www.tcwd.ca.gov. If such writings are distributed to members of the Committee



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING AGENDA | MAY 9, 2024**

less than 72 hours prior to the meeting, they will be available online at www.tcwd.ca.gov at the same time as they are distributed to the Committee, except that, if such writings are distributed immediately prior to or during the meeting, they will be posted online on the District's website located at www.tcwd.ca.gov.

COMPLIANCE WITH THE REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE SECTION 54954.2

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



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | MAY 9, 2024**

FINANCIAL MATTERS

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

RECOMMENDED ACTION:

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

1. *April 11, 2024*

CONTACTS (staff responsible): PALUDI/PEREA



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | APRIL 11, 2024

DIRECTORS PRESENT

Ed Mandich, Committee Chair
Glenn Acosta, Committee Member

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager
Roseann Lejsek, Administrative Assistant
Phil Serpas, SCADA/CMMS Administrator

CONSULTANTS PRESENT

Lora Nichols, Fieldman Rolapp

PUBLIC PRESENT

None

CALL MEETING TO ORDER

Director Mandich called the April 11, 2024 Finance/Audit Committee Meeting to order at 8:00 a.m.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

None

REPORT FROM THE GENERAL MANAGER

None

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

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 as amended (Consent Calendar) – Director Mandich

SECOND: District Secretary Mr. Perea

AYES: Director Mandich & Mr. Perea

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 2-0

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | APRIL 11, 2024**

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.

- MOTION:** Recommend the Board of Directors ratify the Directors' fees and expenses for February 2024 and tentative future meetings/attendance as amended (Action Calendar) – Director Mandich
- SECOND:** Director Acosta
- AYES:** Directors Mandich & Acosta
- NOES:** None
- ABSTAIN:** None
- MOTION PASSED/FAILED:** Passed 2-0

ITEM 3: APPROVE INSTALLMENT PURCHASE AGREEMENT BETWEEN THE TRABUCO CANYON WATER DISTRICT AND THE TRABUCO CANYON PUBLIC FINANCING AUTHORITY

Mr. Paludi presented this matter for Committee consideration, and he introduced Ms. Nichols to the Committee. Ms. Nichols provided a brief overview of the District's current short term loan with BOTW (now BMO) which will mature on July 1, 2024. Ms. Nichols provided information on the District's opportunity to repay the BMO credit agreement and obtain additional funds for capital projects to be repaid over 20 to 25 years. Mr. Paludi reported on the Board's discussion at the Special Board Meeting regarding revisions to the CIP budget and possible adjustments to the current rate model. Discussion occurred concerning the relationship between the District and the Public Financing Authority for the purpose of acquiring a loan for capital expenditures. Mr. Paludi reviewed the proposed installment purchase agreement and related documents with the Committee.

- MOTION:** Recommend the Board of Directors approve the execution and delivery of an installment purchase agreement between the Trabuco Canyon Water District and the Trabuco Canyon Public Financing Authority for the purpose of refinancing capital projects and authorizing the execution of related documents. (Action Calendar) – Director Acosta
- SECOND:** Director Mandich
- AYES:** Directors Acosta & Mandich
- NOES:** None
- ABSTAIN:** None
- MOTION PASSED/FAILED:** Passed 2-0

ITEM 4: DISCUSS TOTAL COMPENSATION SURVEY UPDATE AND EMPLOYEE HEALTH BENEFIT DETERMINATION METHODOLOGY

Mr. Paludi presented this matter for Committee consideration, and he reported that this matter was reviewed with the Executive Committee. Mr. Paludi provided the results of the health benefit survey and total compensation comparison performed by Ralph Andersen & Associates. Discussion occurred regarding health benefit options and the importance of setting a methodology in order to avoid having to revisit every year. Mr. Perea stated that the District is also reviewing standby pay methodologies of the comparator agencies to establish a market level for operations/maintenance employees.

- MOTION:** None – Informational item only.

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | APRIL 11, 2024**

ITEM 5: CALIFORNIA CLASS INVESTMENTS PERFORMANCE

Mr. Paludi presented this matter for Committee consideration, and he provided a brief update on this matter. Mr. Paludi reported that since May 2023, when the District's Cooperative Liquid Assets Securities System (CLASS) account was initiated, the District's invested funds have returned \$128,000 more than if the same funds had remained invested in the Local Asset Investment Fund (LAIF). Mr. Paludi provided a handout from Eide Bailly with this information.

MOTION: None – Informational item only.

ITEM 6: OTHER MATTERS

Mr. Paludi reported that the wells are continuing to operate and are satisfying most of our demands.

Mr. Perea reported that the District has promoted Ms. Lyndsay West to the position of Administrative Assistant, and has backfilled the position with Ms. Briana Sandoval in the Customer Service Representative position. Mr. Perea noted that Ms. Sandoval's background is in the banking industry.

MOTION: None – Informational item only.

ITEM 7: FINANCIAL REPORT

Mr. Perea presented the preliminary unaudited financials for February 2024 in Ms. Warner's absence, and he highlighted the following items:

WATER FUND

Total Operating Revenue

Mr. Perea reported that this line item was trending as budgeted.

Total Source of Supply

Mr. Perea reported that this line item was trending lower than budgeted due to lower than normal water sales.

Total Salaries & Benefits

Mr. Perea reported that this line item was trending lower than budgeted.

Total Transmission & Distribution

Mr. Perea reported that this line item was trending higher than the year-to-date amount due to increased water quality testing and the purchase of distribution system materials.

Total General & Administrative

Mr. Perea reported that this line item was trending higher than the year-to-date amount due to the timing of insurance payments at the beginning of the fiscal year.

Net Total Unrestricted Cash Inflow/(Outflow)

Mr. Perea reported that this line item trended a positive increase of water reserves.

District Capital – Water

Mr. Perea reviewed the capital improvement costs accrued in February 2024, including costs associated with Xerox copier, fire hydrant repair/replacement, and Pressure Regulating Valve (PRV) improvements.

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | APRIL 11, 2024**

SEWER FUND

Total Operating Revenue

Mr. Perea reported that this line item was trending as budgeted.

Total Salaries & Benefits

Mr. Perea reported that this line item was trending lower than budgeted.

Total Transmission & Distribution

Mr. Perea reported that this line item was trending higher than the year-to-date amount due to increased electrical costs.

Net Total Unrestricted Cash Inflow/(Outflow)

Mr. Perea reported that this line item trended a positive increase of sewer reserves.

District Capital – Sewer

Mr. Perea reviewed the capital improvement costs accrued in February 2024, including costs associated with Xerox copier, purchase of a chopper pump for the WWTP, purchase of a smart cover for a sewer lift station, roots blower equipment, and replacement pump costs.

RECYCLED WATER FUND

Total Operating Revenue

Mr. Perea reported that this line item was trending higher than budgeted due to increased recycled water sales earlier in the fiscal year.

Total Source of Supply

Mr. Perea reported that this line item was trending higher than budgeted.

Total Salaries & Benefits

Mr. Perea reported that this line item was trending lower than budgeted.

Total Transmission & Distribution

Mr. Perea reported that this line item was trending as budgeted.

Total General & Administrative

Mr. Perea reported that this line item was trending higher than the year-to-date amount due to the timing of insurance payments and certification renewals and professional services costs associated with a project grant application.

Net Total Unrestricted Cash Inflow/(Outflow)

Mr. Perea reported that this line item trended a decrease in contribution to recycled water reserves.

District Capital – Recycled Water

Mr. Perea reviewed the capital improvement costs accrued in January 2024, including costs associated with Xerox copier and Variable Frequency Drive (VFD) replacement costs at the recycled water pump station.

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | APRIL 11, 2024**

MOTION: Recommend the Board ratify payment of the bills for consideration for March 14, 2024, as presented (Action Calendar) – Director Mandich

SECOND: Director Acosta

AYES: Directors Mandich & Acosta

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 2-0

ADJOURNMENT

Director Mandich adjourned the April 11, 2024 Finance/Audit Committee Meeting at 8:52 a.m.

DRAFT

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | MAY 9, 2024**

FINANCIAL MATTERS

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

Directors' Fees and Expenses

Consistent with Board policy, Directors are reimbursed for expenses incurred while serving in their capacity as Directors. Additionally, Directors earn a per diem stipend for attendance at meetings or functions in a Director capacity. Per Ordinance No. 91-15 (adopted July 17, 1991), Directors per diem amount is limited to \$125 per meeting for a maximum of ten days per calendar month. The attached spreadsheet provides a recap of the meetings, seminars, conferences attended by Directors along with expenses recorded to date.

Future Meetings

Future meetings have been identified for reference purposes and the 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.

FUNDING SOURCE:

General Fund

FISCAL IMPACT (PROJECT BUDGET)

FY 2023/2024 Budgeted Board Expenses: \$45,000

RECOMMENDED ACTION:

Recommend that the Board ratify the Directors' fees and expenses for April 2024 and tentative future meetings/attendance. (Action Calendar)

EXHIBIT(S):

1. Directors' Fees and Expenses Report for April 2024
2. Directors' Tentative Future Meetings/Attendance – Calendar Year 2024.

CONTACTS (staff responsible): PALUDI/PEREA


**TRABUCO CANYON WATER DISTRICT
DIRECTORS' FEES AND EXPENSES MONTHLY REPORT | APRIL 2024**

MEETING DESCRIPTION	ACOSTA	CHADD	DOPUDJA	MANDICH	SAFRANSKI
DISTRICT MEETINGS					
Executive Committee Meeting			04/01/24	04/01/24	
Engineering/Operational Committee Meeting			04/03/24		04/03/24
Special Board Meeting		04/04/24	04/04/24	04/04/24	04/04/24
Finance/Audit Committee Meeting	04/11/24			04/11/24	
Individual Meeting with General Manager	04/16/24	04/16/24	04/16/24	04/15/24	04/16/24
Regular Board Meeting	04/18/24	04/18/24	04/18/24	04/18/24	04/18/24
Trabuco Canyon Public Financing Authority Regular Meeting	04/18/24	04/18/24	04/18/24	04/18/24	04/18/24
REPRESENTATIVE MEETINGS					
Community Associations of Rancho (CAR) Meeting		04/02/24			
City of Rancho Santa Margarita - City Council Meeting				04/22/24	
City of Rancho Santa Margarita - Planning Commission Meeting	04/03/24				
Independent Special Districts of Orange County (ISDOC) Monthly Meeting				04/02/24	
MWDOC Administration/Finance Committee Meeting	04/10/24				
MWDOC Board Meeting	04/17/24				
Orange County Local Agency Formation Commission (OC LAFCO)				04/10/24	
Water Advisory Commission of Orange County (WACO)	04/05/24				
NUMBER OF MEETINGS ATTENDED	7	4	4	7	4
PER DIEMS (\$125 per each meeting*)	\$875.00	\$500.00	\$500.00	\$875.00	\$500.00
DIRECT REIMBURSABLE EXPENSES					
DIRECT REIMBURSABLE EXPENSES TOTALS					
INDIRECT REIMBURSABLE EXPENSES					
INDIRECT REIMBURSABLE EXPENSES TOTALS					
TOTAL (PER DIEMS + DIRECT REIMBURSABLE EXPENSES)	\$875.00	\$500.00	\$500.00	\$875.00	\$500.00
<i>* Maximum per diem per day is one; maximum per diems per month is 10</i>					

DIRECTOR SIGNATURE _____

TRABUCO CANYON WATER DISTRICT | 2024 PUBLIC MEETING AND CONFERENCE CALENDAR

		2024											
LINE ITEM	MEETING DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
DISTRICT PUBLIC MEETINGS													
1	Executive Committee Meeting	01/08/24	02/05/24	03/04/24	04/01/24	05/06/24	06/03/24	07/01/24	08/05/24	09/02/24	10/07/24	11/04/24	12/02/24
2	Engineering/Operational Committee Meeting	01/03/24	02/07/24	03/06/24	04/03/24	05/01/24	06/05/24	07/03/24	08/07/24	09/04/24	10/02/24	11/06/24	12/04/24
3	Finance/Audit Committee Meeting	01/11/24	02/08/24	03/07/24	04/11/24	05/09/24	06/13/24	07/11/24	08/08/24	09/12/24	10/10/24	11/14/24	12/12/24
4	Regular Board Meeting	01/18/24	02/15/24	03/14/24	04/18/24	05/16/24	06/20/24	07/18/24	08/15/24	09/19/24	10/17/24	11/21/24	12/19/24
5	District Properties Ad Hoc Committee Meeting	-	-	-	-	-	-	-	-	-	-	-	-
PUBLIC MEETINGS													
6	City of RSM City Council Meeting - Meeting No. 1	01/09/24	02/13/24	03/12/24	04/09/24	05/14/24	06/11/24	07/09/24	08/13/24	09/10/24	10/08/24	11/12/24	12/10/24
7	City of RSM City Council Meeting - Meeting No. 2	01/23/24	02/24/24	03/26/24	04/23/24	05/28/24	06/25/24	07/23/24	08/27/24	09/24/24	10/22/24	11/26/24	12/24/24
8	City of RSM Planning Commission Meeting	01/03/24	02/07/24	03/06/24	04/03/24	05/01/24	06/05/24	07/03/24	08/07/24	09/04/24	10/02/24	11/06/24	12/04/24
9	Independent Special Districts of Orange County Meeting - Executive	01/02/24	02/06/24	03/05/24	04/02/24	05/14/24	06/04/24	07/02/24	08/06/24	09/03/24	10/01/24	11/05/24	12/10/24
10	Independent Special Districts of Orange County Meeting - Quarterly	01/25/24	-	-	04/25/24	-	-	07/25/24	-	-	10/31/24	-	-
11	Orange County Local Agency Formation Commission (OC LAFCO)	01/10/24	02/14/24	03/13/24	04/10/24	05/08/24	06/12/24	07/10/24	08/14/24	09/11/24	10/09/24	11/13/24	12/11/24
12	Municipal Water District of Orange County (MWDOC) Board Meeting	01/17/24	02/21/24	03/20/24	04/17/24	05/15/24	06/19/24	07/17/24	08/21/24	09/18/24	10/16/24	11/20/24	12/18/24
13	Santiago Aqueduct Commission Meeting	-	-	03/21/24	-	-	06/20/24	-	-	09/19/24	-	-	12/12/24
14	Quarterly South Orange County Integrated Regional Watershed Management Executive Committee												
15	Monthly South Orange County Integrated Regional Watershed Management Executive Committee												
16	South Orange County Water Agencies Group Meeting*	01/23/24	-	03/26/24	-	05/28/24	-	07/23/24	-	09/23/24	-	11/25/24	-
18	Water Advisory Committee of Orange County	01/05/24	02/02/24	03/01/24	04/05/24	05/03/24	06/07/24	07/12/24	08/02/24	09/06/24	10/04/24	11/01/24	12/13/24
CONFERENCES													
19	ACWA Spring Conference - Sacramento, CA					05/07-05/09							
20	ACWA Fall Conference - Palm Desert, CA												12/03-12/05
21	CSDA Annual Conference -Indian Wells, CA									09/09-09/12			
22	CSDA GM Leadership Summit - Anaheim, CA						06/23-06/25						
24	CSDA SDLA Conference - San Diego, CA				04/14-04/17								
25	Colorado River Water User’s Association (CRWUA) Annual Conference – Las Vegas, NV												12/04-12/06
23	Urban Water Institute (UWI) Annual Conference - Palm Springs, CA		02/21-02/23										

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

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | MAY 9, 2024**

FINANCIAL MATTERS

ITEM 3: DISCUSSION AND POSSIBLE ACTION(S) REGARDING ISSUANCE OF DEBT TO REPAY EXISTING CREDIT AGREEMENT AND FUND CAPITAL IMPROVEMENT PROJECTS

Background

On February 11, 2022, the Trabuco Canyon Water District (the “District”) entered into a credit agreement with BMO (as successor to Bank of the West), to finance certain capital projects in the amount of \$10 million. The final maturity of this loan is July 1, 2024 and requires the payment of the \$10 million in principal at maturity. This debt may be prepaid at any time without premium.

The District’s staff has identified approximately \$10.4 million in additional capital project funding needs for its water, wastewater and recycled water enterprises. The District has an opportunity to repay the BMO credit agreement and obtain additional funds for capital projects to be repaid over 20 to 25 years. The District’s 2023 Cost of Service Study included this debt financing strategy in the rate analysis.

Discussion

On April 17 the Trabuco Canyon Water District’s (District) placement agent Oppenheimer issued a Request for Proposals (RFP) to several private placement banks using the terms and conditions approved by the Board of Directors of both the District and the Trabuco Canyon Public Financing Authority (Authority) at their April regular board meetings. The District anticipates receiving several responses by May 7, with the bank or banks with the most favorable terms recommended for approval to both entities.

The Authority will consider entering into one or more Assignment Agreements with the approved bank(s) at its May 16 regular board meeting in order to convey certain powers relevant to the borrowing transaction to the bank, including the ability to receive installment payments. The Authority and the District will also enter into one or more Installment Purchase Agreements which enable the District to issue the necessary debt and apply the proceeds to pay back the existing loan with BMO bank and fund additional capital projects. The form of the Assignment Agreement and the Installment Purchase Agreement, and the authorization to enter into the agreements, were approved by both the District and the Authority at the April regular board meetings.

The results of the private placement bank RFP will be available at the time of the Committee meeting.

FISCAL IMPACT:

The fiscal impacts associated with this item are undetermined until an installment purchase agreement and assignment agreement with one or more banks with specific terms and conditions are approved.

RECOMMENDED ACTION(S):

Receive information at the time of the Committee regarding proposals from one or more private placement banks and take action(s) as deemed necessary.

EXHIBITS:

None

CONTACTS (Staff Responsible): PALUDI/COLLINS/BYERRUM

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | MAY 9, 2024**

RECOMMENDED ACTION(S):

Receive information at the time of the Committee regarding proposals from one or more private placement banks and take action(s) as deemed necessary.

EXHIBITS:

None.

CONTACTS (Staff Responsible): PALUDI/COLLINS/BYERRUM

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | MAY 9, 2024**

**FINANCIAL MATTERS
ITEM 4: OTHER MATTERS**

RECOMMENDED ACTION(S):

Hear Other Matters from the General Manager or District Staff.

CONTACTS (staff responsible): PALUDI/PEREA

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | MAY 9, 2024**

**FINANCIAL MATTERS
ITEM 5: FINANCIAL REPORT**

A) PRESENTATION OF PRELIMINARY UNAUDITED FINANCIAL STATEMENTS

RECOMMENDED ACTION:

Recommend that the Board receive and file the preliminary unaudited financial statements for March 2024 (Consent Calendar).

B) BILLS FOR CONSIDERATION

The total of the bills for consideration will be presented at the time of the May 9, 2024 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 May 9, 2024 as presented (Consent Calendar).

CONTACTS (staff responsible): PALUDI/PEREA/WARNER



Trabuco Canyon Water District
Balance Sheet
March 31, 2024
(Unaudited)

		March 2024
1 Assets		
2 Cash & Investments		
3 Cash & Investments - Unrestricted	\$	4,873,428
4 Cash & Investments - Restricted		3,613,180
5 Total Cash & Investments		8,486,608
6 Other Current Assets		
7 Accounts Receivable, Net		1,752,836
8 Prepaid & Other		57,537
9 Fair Market Value Adjustment ¹		(35,057)
10 Total Other Current Assets		1,775,316
11 Capital Assets		
12 Capital Assets, at Cost		127,996,749
13 Accumulated Depreciation		(83,607,010)
14 Construction in Progress		3,282,511
15 Total Capital Assets		47,672,250
16 Net OPEB Asset		201,692
17 Deferred Outflows of Resources (DOR)		2,508,005
18 Total Assets & DOR	\$	60,643,872
19 Liabilities		
20 Current Liabilities		
21 Accounts Payable	\$	1,136,438
22 Accrued Expenses		1,091,018
23 Current Portion-Long Term Debt		94,972
24 Deposits on Hand		56,238
25 Total Current Liabilities		2,378,667
26 Long-Term Liabilities		
27 Net Pension Liability		4,449,117
28 State Revolving Fund Loan		1,675,794
29 Bank of the West Loan		10,000,000
30 Total Long Term Liabilities		16,124,911
31 Deferred Inflows of Resources (DIR)		647,305
32 Total Liabilities & DIR		19,150,882
33 Net Position		41,492,990
34 Total Liabilities, Net Position & DIR	\$	60,643,872

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



Trabuco Canyon Water District
Cash & Investments Report
March 31, 2024
(Unaudited)

	Type	Cost	Market	% Total
District Cash & Investments				
Unrestricted				
Local Agency Investment Fund (LAIF)	Investment	\$ (1,563,117)	\$ (1,554,038)	-18.3%
California Cooperative Liquid Assets Securities System (CLASS)	Investment	4,500,721	\$ 4,500,116	53.1%
Bank of the West	Checking	1,935,824	1,935,824	22.8%
Total Unrestricted		4,873,428	4,881,902	57.6%
Restricted				
LAIF - Water Storage Facilities	Investment	1,110,092	1,103,644	13.0%
LAIF - Interim Sewage	Investment	112,131	111,480	1.3%
LAIF - Debt Issuance 2022	Investment	2,152,290	2,139,787	25.2%
Cash in CB&T Reserved for SRF Loan	Checking	238,667	238,667	2.8%
Total Restricted		3,613,180	3,593,579	42.4%
Total District Cash & Investments		\$ 8,486,608	\$ 8,475,481	100.0%

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, Treasurer



Trabuco Canyon Water District
Budget to Actual - Water
For the period July 1, 2023 through March 31, 2024
(Unaudited)

	March 2024	YTD Actual	FY 24 Adopted Budget	YTD 75%
1 Operating Revenue				
2 Fixed / Capital Service Charges	\$ 268,588	\$ 2,320,120	\$ 3,113,000	75%
3 Variable Consumption Charges	155,808	2,824,365	3,978,400	71%
4 Baker Treatment Plant Water Sales	154,314	1,244,276	1,560,500	80%
5 Customer Fees	9,107	112,622	238,800	47%
6 Standby Charges	6,973	27,456	32,300	85%
7 Uncollectable Accounts	-	-	(23,000)	0%
8 Total Operating Revenue	594,789	6,528,838	8,900,000	73%
9 Operating Expense				
10 Source of Supply				
11 Fixed Water Purchases	23,213	264,189	348,900	76%
12 Variable Water Purchases	844,999	1,617,764	2,015,100	80%
13 Baker Treatment Plant Water Sold	95,989	948,261	1,338,400	71%
14 Water Treatment	23,362	134,987	394,300	34%
15 Pumping Electricity	7,590	207,067	244,300	85%
16 Total Source of Supply	995,152	3,172,268	4,341,000	73%
17 Salaries and Benefits				
18 Employee/Director Wages	155,986	1,361,036	1,954,800	70%
19 Employee/Director Benefits	33,324	348,945	510,400	68%
20 Retiree Health Insurance	11,675	97,022	115,300	84%
21 Transfer In - 115 OPEB Trust Reimbu	(11,675)	(97,022)	(115,300)	84%
22 CalPERS Retirement (Normal)	25,456	227,847	323,400	70%
23 CalPERS Unfunded Accrued Liability	-	164,806	170,300	97%
24 Payroll Taxes	12,359	105,173	146,000	72%
25 Total Salaries and Benefits	227,125	2,207,807	3,104,900	71%
26 Transmission and Distribution				
27 System Repairs and Maintenance	41,898	238,846	258,700	92%
28 Vehicles and Equipment	8,217	62,357	101,200	62%
29 Safety, Supplies and Testing	6,554	54,612	45,400	120%
30 Total Transmission and Distribution	56,669	355,815	405,300	88%
31 General and Administrative				
32 Professional Services	52,879	383,732	513,400	75%
33 Office Maintenance, Supplies and Sc	9,262	250,140	310,600	81%
34 District Insurance	-	116,597	109,300	107%
35 Dues and Memberships	1,126	90,002	95,400	94%
36 Public Outreach	6,881	91,547	103,300	89%
37 Customer Service and Billing	5,078	41,371	68,400	60%
38 Conference, Trainings and Travel	849	23,706	34,100	70%
39 Total General and Administrative	76,074	997,095	1,234,500	81%
40 Total Operating Expense	1,355,021	6,732,985	9,085,700	74%
41 Net Operating Revenue / (Expense)	(760,231)	(204,147)	(185,700)	110%
42 Non-Operating Revenue / (Expense)				
43 Property Tax Revenue	64,636	735,136	1,245,000	59%
44 Interest Revenue - Unrestricted	(23,387)	9,799	115,700	8%
45 Other Revenue and Reimbursements	2,848	80,555	54,400	148%
46 Miscellaneous Expense	(159)	(107,718)	(6,200)	1737%
47 Net Non-Operating Revenue / (Expense)	43,938	717,773	1,408,900	51%
48 Net Total Revenue / (Expense)	(716,293)	513,626	1,223,200	42%
49 Other Unrestricted Cash Inflow / (Outflow)				
50 Transfer In - Debt Proceeds for Capital	26,818	551,226	1,206,000	46%
51 Capital Improvement Program (CIP)	(26,818)	(555,695)	(1,206,000)	46%
52 Debt Service - Principal and Interest	(130,276)	(245,466)	(901,100)	27%
53 Net Other Unrestricted Cash Inflow	(130,276)	(249,935)	(901,100)	28%
54 Net Total Unrestricted Cash Inflow / (Outflow)	\$ (846,569)	\$ 263,691	\$ 322,100	82%

Acronym key:

OPEB - Other Post-Employment Benefits

SCADA - Supervisory Control and Data Acquisition System



Trabuco Canyon Water District
District Capital - Water
FY 23-24
(Unaudited)

	Project	March 2024	YTD Actual	FY 24 Adopted Budget	YTD 75%
1	Water CIP				
2	Capital Improvements / Replacements				
3	Dimension Water Treatment Plant (DWTP) Office & Storage	\$ -	\$ 930	\$ 350,000	0%
4	SCADA System Upgrades FY 24	-	155,034	280,000	55%
5	10" Pipeline Replacement - Cooks to Harris Grade	-	-	250,000	0%
6	PSPS Transfer Switch Upgrade - Water	3,165	4,870	60,000	8%
7	DWTP Vault Improvement	1,395	3,720	75,000	5%
8	Administration Office Remodel	-	29,014	-	N/A
9	Total Capital Improvements / Replacements	4,560	193,568	1,015,000	19%
10	Equipment				
11	Fleet	-	174,950	91,000	192%
12	Xerox Copier	-	4,469	-	N/A
13	Fire Hydrants	-	25,229	-	N/A
14	Roton blower - DWTP Filters	22,258	22,258	-	N/A
14	Total Equipment	-	204,648	91,000	225%
16	Programs				
17	Pump Replacement Program - Water	-	13,750	50,000	28%
18	Pressure Regulating Valves (PRV) - Water	-	11,500	20,000	58%
19	Valve Replacements - Water	-	109,970	30,000	367%
20	Total Programs	-	135,220	100,000	135%
21	Total Water CIP	\$ 26,818	\$ 555,695	\$ 1,206,000	46%

Acronym key:

SCADA - Supervisory Control and Data Acquisition System
PSPS - Public Safety Power Shutoff



Trabuco Canyon Water District
Budget to Actual - Sewer
For the period July 1, 2023 through March 31, 2024
(Unaudited)

	March 2024	YTD Actual	FY 24 Adopted Budget	YTD 75%
1 Operating Revenue				
2 Sewer Residential Charges	\$ 167,797	\$ 1,482,506	\$ 1,933,800	77%
3 Sewer Commercial Charges	15,255	159,874	189,800	84%
4 Customer Fees	15,687	136,225	281,100	48%
5 Uncollectable Accounts	-	-	(3,500)	0%
6 Total Operating Revenue	198,739	1,778,606	2,401,200	74%
7 Operating Expense				
8 Salaries and Benefits				
9 Employee/Director Wages	60,981	668,945	961,500	70%
10 Employee/Director Benefits	12,371	134,388	235,700	57%
11 Retiree Health Insurance	4,170	34,651	41,200	84%
12 Transfer In - 115 OPEB Trust Reimbursement	(4,170)	(34,651)	(41,200)	84%
13 CalPERS Retirement (Normal)	8,216	81,018	115,600	70%
14 CalPERS Unfunded Accrued Liability (Minimum)	-	76,658	79,200	97%
15 Payroll Taxes	4,414	37,562	73,200	51%
16 Total Salaries and Benefits	85,983	998,570	1,465,200	68%
17 Transmission and Distribution				
18 System Repairs and Maintenance	11,237	256,055	295,600	87%
19 T&D Electricity	20,059	186,749	196,300	95%
20 Vehicles and Equipment	2,493	26,342	39,300	67%
21 Safety, Supplies and Testing	1,373	12,967	41,200	31%
22 Total Transmission and Distribution	35,162	482,113	572,400	84%
23 General and Administrative				
24 Professional Services	19,008	146,063	184,900	79%
25 Office Maintenance, Supplies and Software	6,288	131,394	159,300	82%
26 District Insurance	-	41,642	42,600	98%
27 Dues and Memberships	30,199	90,879	122,000	74%
28 Public Outreach	2,304	14,034	18,300	77%
29 Customer Service and Billing	1,051	9,364	19,200	49%
30 Conference, Trainings and Travel	303	8,466	12,000	71%
31 Total General and Administrative	59,153	441,843	558,300	79%
32 Total Operating Expense	180,298	1,922,527	2,595,900	74%
33 Net Operating Revenue / (Expense)	18,442	(143,921)	(194,700)	74%
34 Non-Operating Revenue / (Expense)				
35 Property Tax Revenue	46,538	529,298	896,000	59%
36 Interest Revenue - Unrestricted	45,059	156,129	105,500	148%
37 Other Revenue and Reimbursements	408	44,016	7,300	603%
38 Miscellaneous Expense	(114)	(45,261)	(7,200)	629%
39 Net Non-Operating Revenue / (Expense)	91,891	684,182	1,001,600	
40 Net Total Revenue / (Expense)	110,333	540,260	806,900	
41 Other Unrestricted Cash Inflow / (Outflow)				
42 Transfer In - Debt Proceeds for Capital	40,501	628,564	2,979,500	21%
43 Capital Improvement Program	(40,501)	(632,912)	(2,979,500)	21%
44 Debt Service - Principal and Interest	(27,087)	(27,087)	(554,100)	5%
45 Net Other Unrestricted Cash Inflow / (Outflow)	(27,087)	(31,435)	(554,100)	6%
46 Net Total Unrestricted Cash Inflow / (Outflow)	\$ 83,246	\$ 508,825	\$ 252,800	

Acronym key:

OPEB - Other Post-Employment Benefits



Trabuco Canyon Water District
District Capital - Sewer
FY 23-24
(Unaudited)

	Project	March 2024	YTD Actual	FY 24 Adopted Budget	YTD 75%
1	Wastewater CIP				
2	Capital Improvements / Replacements				
3	Golf Club Sewer Lift Station (SLS) Bypass Construction	\$ 15,453	\$ 163,299	\$ 1,800,000	9%
4	SCADA System Upgrades FY 24	-	55,369	100,000	55%
5	WWTP Hoffman Blower Building Rehabilitation	16,498	63,193	400,000	16%
6	Chiquita FY 24	-	90,849	178,000	51%
7	Heritage SLS Rehabilitation	1,200	3,865	100,000	4%
8	PSPS Transfer Switch Upgrade - Sewer	3,320	5,413	60,000	9%
9	WWTP Fiber Optic Upgrade	4,030	10,850	130,000	8%
10	El Toro SLS System Improvements	-	37,469	79,000	47%
11	Administration Office Remodel	-	10,362	-	N/A
12	Total Capital Improvements / Replacements	40,501	440,669	2,847,000	15%
13	Equipment				
14	Fleet	-	62,482	32,500	192%
15	Xerox Copier	-	1,596	-	N/A
16	Chopper Pump - Sequencing Batch Reactor	-	24,716	-	N/A
17	Smart Covers - Sewer Lift stations	-	18,709	-	N/A
18	Roots Blower - WWTP	-	15,693	-	N/A
19	Total Equipment	-	123,196	32,500	379%
20	Programs				
21	Manhole Recoating Program - Sewer	-	-	20,000	0%
22	Pump Replacement Program (Sewer)	-	52,027	50,000	104%
23	Wet Well Recoating	-	17,020	30,000	57%
24	Total Programs	-	69,047	100,000	69%
25	Total Wastewater CIP	\$ 40,501	\$ 632,912	\$ 2,979,500	21%

Acronym key:

SCADA - Supervisory Control and Data Acquisition System

WWTP - Waste Water Treatment Plant

PSPS - Public Safety Power Shutoff



Trabuco Canyon Water District
Budget to Actual - Recycled
For the period July 1, 2023 through March 31, 2024
(Unaudited)

	March 2024	YTD Actual	FY 24 Adopted Budget	YTD 75%
1 Operating Revenue				
2 Fixed / Capital Service Charges	\$ 11,857	\$ 101,409	\$ 142,200	71%
3 Variable Consumption Charges	2,183	758,322	995,400	76%
4 Customer Fees	(1,015)	9,474	7,300	130%
5 Uncollectable Accounts	-	-	(4,000)	0%
6 Total Operating Revenue	13,025	869,205	1,140,900	76%
7 Operating Expense				
8 Source of Supply				
9 Recycled Water Purchases	242	19,759	25,900	76%
10 Water Treatment	6,023	84,441	99,400	85%
11 Total Source of Supply	6,265	104,199	125,300	83%
12 Salaries and Benefits				
13 Employee/Director Wages	14,451	161,270	231,400	70%
14 Employee/Director Benefits	3,985	45,722	75,400	61%
15 Retiree Health Insurance	834	6,930	8,200	85%
16 Transfer In - 115 OPEB Trust Reimbursement	(834)	(6,930)	(8,200)	85%
17 CalPERS Retirement (Normal)	1,743	17,426	24,800	70%
18 CalPERS Unfunded Accrued Liability (Minimum)	-	17,340	18,000	96%
19 Payroll Taxes	883	7,512	16,800	45%
20 Total Salaries and Benefits	21,062	249,269	366,400	68%
21 Transmission and Distribution				
22 T&D Electricity	19,953	230,315	282,000	82%
23 System Repairs and Maintenance	2,188	36,897	29,600	125%
24 Vehicles and Equipment	542	5,886	8,600	68%
25 Safety, Supplies and Testing	8,750	79,932	157,600	51%
26 Total Transmission and Distribution	31,434	353,030	477,800	74%
27 General and Administrative				
28 Professional Services	4,153	34,035	36,800	92%
29 Office Maintenance, Supplies and Software	1,397	23,037	27,600	83%
30 District Insurance	-	8,328	8,800	95%
31 Dues and Memberships	23,046	55,635	36,600	152%
32 Public Outreach	461	2,807	3,600	78%
33 Customer Service and Billing	210	1,873	4,000	47%
34 Conference, Trainings and Travel	61	1,693	2,200	77%
35 Total General and Administrative	29,327	127,408	119,600	107%
36 Total Operating Expense	88,088	833,906	1,089,100	77%
37 Net Operating Revenue / (Expense)	(75,063)	35,299	51,800	
38 Non-Operating Revenue / (Expense)				
39 Property Tax Revenue	18,098	205,838	349,200	59%
40 Interest Revenue - Unrestricted	5,055	19,920	21,800	91%
41 Other Revenue and Reimbursements	37	3,336	1,800	185%
42 Miscellaneous Expense	(44)	(2,049)	(1,100)	186%
43 Net Non-Operating Revenue / (Expense)	23,146	227,045	371,700	61%
44 Net Total Revenue / (Expense)	(51,917)	262,344	423,500	62%
45 Other Unrestricted Cash Inflow / (Outflow)				
46 Transfer In - Debt Proceeds for Capital	1,240	67,538	326,500	21%
47 Capital Improvement Program	(1,240)	(67,857)	(326,500)	21%
48 Debt Service - Principal and Interest	(5,417)	(5,417)	(81,400)	7%
49 Net Other Unrestricted Cash Inflow / (Outflow)	(5,417)	(5,737)	(81,400)	7%
50 Net Total Unrestricted Cash Inflow / (Outflow)	\$ (57,334)	\$ 256,607	\$ 342,100	75%

Acronym key:

OPEB - Other Post-Employment Benefits



Trabuco Canyon Water District
District Capital - Recycled
FY 23-24
(Unaudited)

	Project	March 2024	YTD Actual	FY 24 Adopted Budget	YTD 75%
1	Recycled Water CIP				
2	Capital Improvements / Replacements				
3	SCADA System Upgrades FY 24	\$ -	\$ 11,074	\$ 20,000	55%
4	Dove Recycled Booster Pump Station	310	310	100,000	0%
5	Recycled PRV Vault Improvements - Dove Canyon	930	1,395	200,000	1%
6	Administration Office Remodel	-	2,072	-	N/A
7	Capital Improvements / Replacements Total	1,240	14,851	320,000	5%
8	Equipment				
9	Fleet	-	12,496	6,500	192%
10	Xerox Copier	-	319	-	N/A
11	VFD - Dove / Robinson Ranch Recycled Pump Station	-	40,190	-	N/A
12	Equipment Total	-	53,006	6,500	815%
13	Total Recycled Water CIP	\$ 1,240	\$ 67,857	\$ 326,500	21%

Acronym key:

SCADA - Supervisory Control and Data Acquisition System

PRV - Pressure Regulating Valves

VFD - Variable Frequency Drive