



**FINANCE/AUDIT COMMITTEE MEETING AGENDA
TRABUCO CANYON WATER DISTRICT
ADMINISTRATION FACILITY
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA
JUNE 13, 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. May 9, 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 May 2024 and tentative future meetings/attendance (Action Calendar).

ITEM 3: AUTHORIZE ACTIONS FOR TRABUCO CANYON WATER DISTRICT'S FISCAL YEAR 2024-25 UNDEVELOPED LAND/WATER STANDBY CHARGES (ASSESSMENT) AND SET PUBLIC HEARING DATE

RECOMMENDED ACTION:

1. Recommend the Board of Directors authorize District staff to proceed with actions for setting the Fiscal Year 2024-25 Undeveloped Land/Water Standby Assessment at \$15.00 per acre or portion thereof; and
2. Agendize Public Hearing and authorize District staff to furnish Notice of Public Hearing on Proposed Fiscal Year 2023-24 Undeveloped Land/Water Standby Assessments for the July 18, 2024 Regular Board Meeting

ITEM 4: ADOPTION OF PROPOSED FISCAL YEAR 2024-25 GENERAL FUND AND CAPITAL IMPROVEMENT PROJECT (CIP) BUDGETS

RECOMMENDED ACTION:

Receive information at the time of the meeting and take action(s) as deemed appropriate.

ITEM 5: OTHER MATTERS

RECOMMENDED ACTION:

Hear Other Matters from the General Manager or District Staff.

ITEM 6: FINANCIAL REPORT

A) PRESENTATION OF PRELIMINARY UNAUDITED FINANCIAL STATEMENTS

RECOMMENDED ACTION:

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



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING AGENDA | JUNE 13, 2024**

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 June 13, 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 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 | JUNE 13, 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. *May 9, 2024*

CONTACTS (staff responsible): PALUDI/PEREA



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

DIRECTORS PRESENT

Don Chadd, Committee Chair
Glenn Acosta, Committee Member

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager
Lorrie Lausten, District Engineer
Karen Warner, Principal Accountant
Roseann Lejsek, Administrative Assistant
Phil Serpas, SCADA/CMMS Administrator

CONSULTANTS PRESENT

Cindy Byerrum, District Treasurer – Eide Bailly
Robert A. Poor, Fieldman Rolapp
Lora Nichols, Fieldman Rolapp
Lawrence Chan, Stradling Yocca Carlson & Rauth
Daniel Shaw, Oppenheimer & Co.

PUBLIC PRESENT

None

CALL MEETING TO ORDER

Director Chadd called the May 9, 2024 Finance/Audit Committee Meeting to order at 8:02 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

Mr. Paludi reported that the District was awarded a federal grant from the U.S. Bureau of Reclamation in the amount of \$578,000 for the Dove & Tick Creek project. Mr. Paludi thanked staff for all their hard work and stated that he hopes this effort will show rate payers that the District is seeking cost-saving measures where possible.

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 | MAY 9, 2024**

MOTION: Approve the Finance/Audit Committee Meeting Recap and recommended that the Board receive and file the same as amended (Consent Calendar) – Director Acosta
SECOND: District Secretary Mr. Perea
AYES: Director Acosta & Mr. Perea
NOES: None
ABSTAIN: None
MOTION PASSED/FAILED: Passed 2-0

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 April 2024 and tentative future meetings/attendance as amended (Action Calendar) – Director Chadd
SECOND: Director Acosta
AYES: Directors Chadd & Acosta
NOES: None
ABSTAIN: None
MOTION PASSED/FAILED: Passed 2-0

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

Mr. Paludi presented this matter for Committee consideration, and he introduced Mr. Shaw to the Committee. Mr. Shaw provided a brief overview of RFP process, reporting that the RFP went out to 16 banks and that 5 proposals were received. Mr. Shaw provided a summary of the 5 lender proposals and a handout was provided to the Committee. Ms. Nichols provided a brief overview of the banks who declined to submit a proposal and their rationale. Discussion also occurred regarding possible options for repayment.

MOTION: Recommend the Board of Directors enter into an Installment Purchase Agreement with Capital One Public Funding, LLC for repayment of the District's existing loan with BMO bank and to fund additional capital projects. (Action Calendar) – Director Chadd
SECOND: Director Acosta
AYES: Directors Chadd & Acosta
NOES: None
ABSTAIN: None
MOTION PASSED/FAILED: Passed 2-0

ITEM 4: OTHER MATTERS

Mr. Paludi reported that a Special Board Meeting will be scheduled for either May 29 or May 30 for a Budget Workshop. Mr. Paludi requested that the Board members advise staff with their availability. Mr. Paludi noted that the total compensation survey results would also be discussed at the Special Board Meeting.

MOTION: None – Informational item only.

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

ITEM 5: FINANCIAL REPORT

Ms. Warner presented the preliminary unaudited financials for March 2024, and she highlighted the following items:

WATER FUND

Total Operating Revenue

Ms. Warner reported that this line item was trending as budgeted.

Total Source of Supply

Ms. Warner reported that this line item was trending lower than budgeted due lower than normal water sales.

Total Salaries & Benefits

Ms. Warner reported that this line item was trending lower than budgeted.

Total Transmission & Distribution

Ms. Warner 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

Ms. Warner 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)

Ms. Warner reported that this line item trended a positive increase of water reserves.

District Capital – Water

Ms. Warner reviewed the capital improvement costs accrued in March 2024, including costs associated with the PSPS Transfer Switch Upgrade, DWTP Vault Improvement, and Roton Blower Filters.

SEWER FUND

Total Operating Revenue

Ms. Warner reported that this line item was trending as budgeted.

Total Salaries & Benefits

Ms. Warner reported that this line item was trending lower than budgeted.

Total Transmission & Distribution

Ms. Warner 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)

Ms. Warner reported that this line item trended a positive increase of sewer reserves.

District Capital – Sewer

Ms. Warner reviewed the capital improvement costs accrued in March 2024, including costs associated with the Golf Club SLS Bypass Construction, WWTP blower building rehabilitation, Heritage SLS rehabilitation, PSPS Transfer Switch upgrade, and WWTP fiber optic upgrade.

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

RECYCLED WATER FUND

Total Operating Revenue

Ms. Warner 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

Ms. Warner reported that this line item was trending higher than budgeted.

Total Salaries & Benefits

Ms. Warner reported that this line item was trending lower than budgeted.

Total Transmission & Distribution

Ms. Warner reported that this line item was trending as budgeted.

Total General & Administrative

Ms. Warner 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)

Ms. Warner reported that this line item trended a decrease in contribution to recycled water reserves.

District Capital – Recycled Water

Ms. Warner reviewed the capital improvement costs accrued in March 2024, including costs associated Dove Recycled Booster Pump Station improvements, and Recycled PRV vault improvements.

The Committee requested that staff add grant fund amounts into the District Capital financials, identifying Capital projects and grand funds applied toward each project for transparency purposes.

MOTION: Recommend the Board ratify payment of the bills for consideration for May 9, 2024, as presented (Action Calendar) – Director Chadd

SECOND: Director Acosta

AYES: Directors Chadd & Acosta

NOES: None

ABSTAIN: None

MOTION PASSED/FAILED: Passed 2-0

ADJOURNMENT

Director Chadd adjourned the May 9, 2024 Finance/Audit Committee Meeting at 8:47 a.m.

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JUNE 13, 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 May 2024 and tentative future meetings/attendance. (Action Calendar)

EXHIBIT(S):

1. Directors' Fees and Expenses Report for May 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 | MAY 2024**

MEETING DESCRIPTION	ACOSTA	CHADD	DOPUDJA	MANDICH	SAFRANSKI
DISTRICT MEETINGS					
Executive Committee Meeting			05/06/24	05/06/24	
Executive Committee Meeting			05/15/24	05/15/24	
Engineering/Operational Committee Meeting			05/01/24		05/01/24
Special Board Meeting	05/02/24	05/02/24	05/02/24	05/02/24	05/02/24
Special Board Meeting	05/30/24	05/30/24	05/30/24	05/30/24	05/30/24
Finance/Audit Committee Meeting	05/09/24	05/09/24			
Individual Meeting with General Manager	05/14/24		05/14/24	05/13/24	05/14/24
Regular Board Meeting	05/16/24	05/16/24	05/16/24	05/16/24	05/16/24
Trabuco Canyon Public Financing Authority Regular Meeting	05/16/24	05/16/24	05/16/24	05/16/24	05/16/24
TCWD 2024 Water Awareness Day Event	05/11/24		05/11/24	05/11/24	05/11/24
REPRESENTATIVE MEETINGS					
ACWA Water Infrastructure Networking Summit	05/31/24				
Community Associations of Rancho (CAR) Meeting		05/07/24			
City of Rancho Santa Margarita - City Council Meeting					05/14/24
City of Rancho Santa Margarita - Planning Commission Meeting					
Independent Special Districts of Orange County (ISDOC) Monthly Meeting				05/14/24	
MWDOC Administration/Finance Committee Meeting	05/06/24				
MWDOC Board Meeting	05/15/24				
Orange County Local Agency Formation Commission (OC LAFCO)				05/08/24	
SMWD Oso Creek WRP Groundbreaking Event	05/21/24				
Water Advisory Commission of Orange County (WACO)	05/03/24				
NUMBER OF MEETINGS ATTENDED	10	5	8	9	6
PER DIEMS (\$125 per each meeting*)	\$1,250.00	\$625.00	\$1,000.00	\$1,125.00	\$750.00
DIRECT REIMBURSABLE EXPENSES					
DIRECT REIMBURSABLE EXPENSES TOTALS					
INDIRECT REIMBURSABLE EXPENSES					
INDIRECT REIMBURSABLE EXPENSES TOTALS					
TOTAL (PER DIEMS + DIRECT REIMBURSABLE EXPENSES)	\$1,250.00	\$625.00	\$1,000.00	\$1,125.00	\$750.00
<i>* Maximum per diem per day is one; maximum 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 | JUNE 13, 2024**

FINANCIAL MATTERS

ITEM 3: AUTHORIZE ACTIONS FOR TRABUCO CANYON WATER DISTRICT'S FISCAL YEAR 2024-25 UNDEVELOPED LAND/WATER STANDBY CHARGES (ASSESSMENT) AND SET PUBLIC HEARING DATE

BACKGROUND

The Trabuco Canyon Water District (District) annually levies an Undeveloped Land/Water Standby Charge (Standby Charge), currently set at \$15.00 per acre or portion thereof, for undeveloped land within District boundaries. The standby charge is levied to cover the fixed costs of the existing District water system to make water available, when requested, to serve currently undeveloped land.

At the March 18, 1997, Regular Board Meeting, District general legal counsel addressed the standby charge as it related to Proposition 218 (adopted in November 1996), noting that the District can continue to levy the standby charge if the amount of the charge is not increased over the previously existing rate (\$15.00) and if the standby charge was levied using the same methodology. Under the provisions of Proposition 218, the water standby charges are considered to be "assessments." Provided that the amount of water standby charges (Assessments) do not increase, they are "grandfathered" under Proposition 218 and do not have to comply with the more extensive assessment proceedings and voting process required for new assessments under Proposition 218. The procedure for the adoption of the water standby charge (assessment) for Fiscal Year 2024-25 is shown below:

DATE	DESCRIPTION OF ACTION
June 20, 2024	At the Regular Board Meeting, the Board: <ul style="list-style-type: none">• Directs staff to prepare the required written Water Standby Charge (Assessment) Report. The Report contains a description of each parcel of real property and the amount of the Water Standby Charges (Assessments) for each parcel for the year.• Directs staff to agendize a Public Hearing concerning the proposed Water Standby Charges (Assessments) Report to be held at the July 18, 2024 Regular Board Meeting.
Late June 2024	The Notice to Property Owners is published in conformance with the statutory requirements, <u>once a week for two successive weeks</u> in the Orange County Register newspaper. The Notice is mailed not less than fifteen (15) days prior to the public hearing to each effected property owner within the District. At the time the Notice is mailed, the Report must be made available for public review upon request.
July 18, 2024	A Public Hearing is held for public comments concerning the proposed FY 2024-25 Water Standby Charges (Assessments). Following the conclusion of the Public Hearing, the Board considers adoption of a Resolution to set and collect the Water Standby Charges (Assessments) for FY 2024-25.

FUNDING SOURCE:

Levy and collection of the annual water standby charges results in an estimated \$45,000 annual credit to the District's General Fund.

FISCAL IMPACT

The cost of completing the report, publication and mailing of the Notice - *Approximately \$3,500*

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JUNE 13, 2024**

RECOMMENDED ACTION(S):

1. *Recommend the Board of Directors authorize District staff to proceed with actions for setting the Fiscal Year 2024-25 Undeveloped Land/Water Standby Assessment at \$15.00 per acre or portion thereof; and*
2. *Agendize Public Hearing and authorize District staff to furnish Notice of Public Hearing on Proposed Fiscal Year 2024-25 Undeveloped Land/Water Standby Assessments for the July 18, 2024 Regular Board Meeting*

EXHIBITS:

1. DRAFT Notice to Property Owners

CONTACTS (Staff Responsible): PALUDI/PEREA



NOTICE TO PROPERTY OWNERS WITHIN THE TRABUCO CANYON WATER DISTRICT SERVICE AREA

Dear Property Owner:

The Trabuco Canyon Water District (*formerly named the Santa Ana Mountains County Water District*) plans to fix a water standby or availability assessment on all undeveloped land within the District for the fiscal year 2024/2025. This assessment will remain at \$15.00 per acre for undeveloped developable parcels over one acre or \$15.00 for each undeveloped parcel of less than one acre, per year.

This assessment or charge is being imposed by the District because the Board of Directors has determined that this is an equitable means of raising funds necessary to make water available to your property.

A report has been prepared and filed with the District that lists all undeveloped parcels of land and the assessment on each. This report is available for public inspection at the District Administration Facility during normal business hours. The District Administration Facility is located at:

**32003 Dove Canyon Drive
Trabuco Canyon, California 92679
(949) 858-0277**

The Board of Directors will hear and consider all public comments to this report at a public hearing to be held on **July 18, 2023 at 5:30 p.m.**, or as soon thereafter as the agenda permits, at the District Administration Facility at the above-stated address.

TRABUCO CANYON WATER DISTRICT

By: _____

Michael Perea
Secretary to the Board of Directors

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JUNE 13, 2024**

FINANCIAL MATTERS

ITEM 4: ADOPTION OF PROPOSED FISCAL YEAR 2024-25 GENERAL FUND AND CAPITAL IMPROVEMENT PROJECT (CIP) BUDGETS

Trabuco Canyon Water District's (District) fiscal year runs from July 1 to June 30. During the last quarter of each fiscal year, District staff reviews financial information and performs analyses relating to projected expenses for the upcoming fiscal year to recommend operating budgets for the water, sewer, and recycled water enterprises to the Board of Directors. Staff also develops a plan for capital spending during the upcoming fiscal year that includes capital improvement projects, equipment, and valve replacements.

Staff presented preliminary operating and capital budgets to the Board at the May 30 Special Board Meeting. At the same May 30th meeting, the Board approved water rates and charges effective July 1 that are lower than what was originally authorized and noticed as part of the rate setting process in 2023. Sewer and recycled water rates and charges effective July 1 are the same as originally authorized. Staff has incorporated the water rate adjustments into the proposed budget and will present a final draft to the Board at the regular meeting on June 20.

FUNDING SOURCE:

General Fund and Capital Reserves

FISCAL IMPACT:

Final proposed revenues and expenses, and capital spending will be presented at the meeting.

RECOMMENDED ACTION(S):

Receive information at the time of the meeting and take action(s) as deemed appropriate.

EXHIBITS:

None

CONTACTS (Staff Responsible): PALUDI/PEREA

TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JUNE 13, 2024

FINANCIAL MATTERS
ITEM 5: OTHER MATTERS

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 | JUNE 13, 2024**

**FINANCIAL MATTERS
ITEM 6: FINANCIAL REPORT**

A) PRESENTATION OF PRELIMINARY UNAUDITED FINANCIAL STATEMENTS

RECOMMENDED ACTION:

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

B) BILLS FOR CONSIDERATION

The total of the bills for consideration will be presented at the time of the June 13, 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 June 13, 2024 as presented (Consent Calendar).

CONTACTS (staff responsible): PALUDI/PEREA/WARNER



Trabuco Canyon Water District
Balance Sheet
April 30, 2024
(Unaudited)

		April 2024
1	Assets	
2	Cash & Investments	
3	Cash & Investments - Unrestricted	\$ 5,125,626
4	Cash & Investments - Restricted	3,552,789
5	Total Cash & Investments	8,678,414
6	Other Current Assets	
7	Accounts Receivable, Net	1,942,775
8	Prepaid & Other	57,537
9	Fair Market Value Adjustment ¹	(35,057)
10	Total Other Current Assets	1,965,255
11	Capital Assets	
12	Capital Assets, at Cost	127,996,749
13	Accumulated Depreciation	(83,966,451)
14	Construction in Progress	3,616,351
15	Total Capital Assets	47,646,649
16	Net OPEB Asset	201,692
17	Deferred Outflows of Resources (DOR)	2,508,005
18	Total Assets & DOR	\$ 61,000,016
19	Liabilities	
20	Current Liabilities	
21	Accounts Payable	\$ 965,426
22	Accrued Expenses	1,208,542
23	Current Portion-Long Term Debt	94,972
24	Deposits on Hand	54,238
25	Total Current Liabilities	2,323,178
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	19,095,393
33	Net Position	41,904,622
34	Total Liabilities, Net Position & DIR	\$ 61,000,016

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
April 30, 2024
(Unaudited)

	Type	Cost	Market	% Total
District Cash & Investments				
Unrestricted				
Local Agency Investment Fund (LAIF)	Investment	\$ (1,483,281)	\$ (1,474,665)	-17.0%
California Cooperative Liquid Assets Securities System (CLASS)	Investment	4,520,653	4,520,438	52.2%
Bank of the West	Checking	2,088,254	2,088,254	24.1%
Total Unrestricted		5,125,626	5,134,027	59.2%
Restricted				
LAIF - Water Storage Facilities	Investment	1,121,953	1,115,436	12.9%
LAIF - Interim Sewage	Investment	120,714	120,013	1.4%
LAIF - Debt Issuance 2022	Investment	2,071,363	2,059,331	23.8%
Cash in CB&T Reserved for SRF Loan	Checking	238,758	238,758	2.8%
Total Restricted		3,552,789	3,533,538	40.8%
Total District Cash & Investments		\$ 8,678,414	\$ 8,667,566	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 April 30, 2024
(Unaudited)

	April 2024	YTD Actual	FY 24 Adopted Budget	YTD 83%
1 Operating Revenue				
2 Fixed / Capital Service Charges	\$ 269,000	\$ 2,589,120	\$ 3,113,000	83%
3 Variable Consumption Charges	173,190	2,997,556	3,978,400	75%
4 Baker Treatment Plant Water Sales	288,529	1,532,805	1,560,500	98%
5 Customer Fees	11,528	124,149	238,800	52%
6 Standby Charges	4,121	31,577	32,300	98%
7 Uncollectable Accounts	-	-	(23,000)	0%
8 Total Operating Revenue	746,369	7,275,207	8,900,000	82%
9 Operating Expense				
10 Source of Supply				
11 Fixed Water Purchases	35,290	299,479	348,900	86%
12 Variable Water Purchases	22,388	1,640,152	2,015,100	81%
13 Baker Treatment Plant Water Sold	203,001	1,151,262	1,338,400	86%
14 Water Treatment	2,722	137,709	394,300	35%
15 Pumping Electricity	18,579	225,645	244,300	92%
16 Total Source of Supply	281,979	3,454,247	4,341,000	80%
17 Salaries and Benefits				
18 Employee/Director Wages	154,759	1,515,795	1,954,800	78%
19 Employee/Director Benefits	49,620	398,565	510,400	78%
20 Retiree Health Insurance	11,675	108,696	115,300	94%
21 Transfer In - 115 OPEB Trust Reimbursement	(11,675)	(108,696)	(115,300)	94%
22 CalPERS Retirement (Normal)	25,705	253,552	323,400	78%
23 CalPERS Unfunded Accrued Liability (Minimum)	-	164,806	170,300	97%
24 Payroll Taxes	13,194	118,367	146,000	81%
25 Total Salaries and Benefits	243,277	2,451,085	3,104,900	79%
26 Transmission and Distribution				
27 System Repairs and Maintenance	43,539	160,204	258,700	62%
28 Vehicles and Equipment	9,236	71,222	101,200	70%
29 Safety, Supplies and Testing	7,717	62,329	45,400	137%
30 Total Transmission and Distribution	60,492	293,756	405,300	72%
31 General and Administrative				
32 Professional Services	39,685	423,417	513,400	82%
33 Office Maintenance, Supplies and Software	16,304	266,444	310,600	86%
34 District Insurance	-	116,597	109,300	107%
35 Dues and Memberships	910	90,912	95,400	95%
36 Public Outreach	14,111	105,658	103,300	102%
37 Customer Service and Billing	3,893	45,264	68,400	66%
38 Conference, Trainings and Travel	1,577	25,283	34,100	74%
39 Total General and Administrative	76,479	1,073,574	1,234,500	87%
40 Total Operating Expense	662,228	7,272,662	9,085,700	80%
41 Net Operating Revenue / (Expense)	84,141	2,545	(185,700)	
42 Non-Operating Revenue / (Expense)				
43 Property Tax Revenue	300,569	1,035,705	1,245,000	83%
44 Interest Revenue - Unrestricted	15,997	25,797	115,700	22%
45 Other Revenue and Reimbursements	2,841	83,397	54,400	153%
46 Miscellaneous Expense	(3,799)	(111,516)	(6,200)	1799%
47 Net Non-Operating Revenue / (Expense)	315,609	1,033,382	1,408,900	73%
48 Net Total Revenue / (Expense)	399,750	1,035,927	1,223,200	85%
49 Other Unrestricted Cash Inflow / (Outflow)				
50 Transfer In - Debt Proceeds for Capital	7,099	558,325	1,206,000	46%
51 Capital Improvement Program (CIP)	(129,280)	(684,975)	(1,206,000)	57%
52 Debt Service - Principal and Interest	(30,820)	(276,286)	(901,100)	31%
53 Net Other Unrestricted Cash Inflow / (Outflow)	(153,000)	(402,935)	(901,100)	45%
54 Net Total Unrestricted Cash Inflow / (Outflow)	\$ 246,750	\$ 632,992	\$ 322,100	197%

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	April 2024	YTD Actual	FY 24 Adopted Budget	YTD 83%
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	310	5,180	60,000	9%
7 DWTP Vault Improvement	930	4,650	75,000	6%
8 Administration Office Remodel	-	29,014	-	N/A
9 Total Capital Improvements / Replacements	1,240	194,808	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	-	N/A
15 Total Equipment	-	226,906	91,000	249%
16 Programs				
17 Pump Replacement Program - Water	-	13,750	50,000	28%
18 Pressure Regulating Valves (PRV) - Water	5,859	17,360	20,000	87%
19 Valve Replacements - Water	-	109,970	30,000	367%
20 Total Programs	5,859	141,080	100,000	141%
21 Total Unplanned Repairs/Expenses	122,181	122,181	-	N/A
22 Total Water CIP	\$ 129,280	\$ 684,975	\$ 1,206,000	57%

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 April 30, 2024
(Unaudited)

	April 2024	YTD Actual	FY 24 Adopted Budget	YTD 83%
1 Operating Revenue				
2 Sewer Residential Charges	\$ 167,880	\$ 1,650,387	\$ 1,933,800	85%
3 Sewer Commercial Charges	15,913	175,787	189,800	93%
4 Customer Fees	16,068	152,293	281,100	54%
5 Uncollectable Accounts	-	-	(3,500)	0%
6 Total Operating Revenue	199,861	1,978,466	2,401,200	82%
7 Operating Expense				
8 Salaries and Benefits				
9 Employee/Director Wages	64,204	733,149	961,500	76%
10 Employee/Director Benefits	18,188	152,576	235,700	65%
11 Retiree Health Insurance	4,170	38,820	41,200	94%
12 Transfer In - 115 OPEB Trust Reimbursement	(4,170)	(38,820)	(41,200)	94%
13 CalPERS Retirement (Normal)	8,532	89,550	115,600	77%
14 CalPERS Unfunded Accrued Liability (Minimum)	-	76,658	79,200	97%
15 Payroll Taxes	4,712	42,274	73,200	58%
16 Total Salaries and Benefits	95,636	1,094,207	1,465,200	75%
17 Transmission and Distribution				
18 System Repairs and Maintenance	145,163	283,307	295,600	96%
19 T&D Electricity	20,639	207,389	196,300	106%
20 Vehicles and Equipment	2,384	28,726	39,300	73%
21 Safety, Supplies and Testing	737	13,704	41,200	33%
22 Total Transmission and Distribution	168,923	533,125	572,400	93%
23 General and Administrative				
24 Professional Services	14,173	160,237	184,900	87%
25 Office Maintenance, Supplies and Software	14,016	145,410	159,300	91%
26 District Insurance	-	41,642	42,600	98%
27 Dues and Memberships	810	91,689	122,000	75%
28 Public Outreach	-	14,034	18,300	77%
29 Customer Service and Billing	1,120	10,485	19,200	55%
30 Conference, Trainings and Travel	563	9,030	12,000	75%
31 Total General and Administrative	30,682	472,526	558,300	85%
32 Total Operating Expense	295,242	2,099,858	2,595,900	81%
33 Net Operating Revenue / (Expense)	(95,382)	(121,391)	(194,700)	62%
34 Non-Operating Revenue / (Expense)				
35 Property Tax Revenue	216,410	745,707	896,000	83%
36 Interest Revenue - Unrestricted	4,389	160,518	105,500	152%
37 Other Revenue and Reimbursements	406	44,421	7,300	609%
38 Miscellaneous Expense	(2,735)	(47,996)	(7,200)	667%
39 Net Non-Operating Revenue / (Expense)	218,470	902,651	1,001,600	90%
40 Net Total Revenue / (Expense)	123,088	781,260	806,900	97%
41 Other Unrestricted Cash Inflow / (Outflow)				
42 Transfer In - Debt Proceeds for Capital	71,967	700,530	2,979,500	24%
43 Capital Improvement Program	(189,878)	(822,790)	(2,979,500)	28%
44 Debt Service - Principal and Interest	(3,021)	(30,108)	(554,100)	5%
45 Net Other Unrestricted Cash Inflow / (Outflow)	(120,932)	(152,368)	(554,100)	27%
46 Net Total Unrestricted Cash Inflow / (Outflow)	\$ 2,156	\$ 628,892	\$ 252,800	

Acronym key:

OPEB - Other Post-Employment Benefits



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

Project		April 2024	YTD Actual	FY 24 Adopted Budget	YTD 83%
1	Wastewater CIP				
2	Capital Improvements / Replacements				
3	Golf Club Sewer Lift Station (SLS) Bypass Construction	\$ 31,551	\$ 194,850	\$ 1,800,000	11%
4	SCADA System Upgrades FY 24	-	55,369	100,000	55%
5	WWTP Hoffman Blower Building Rehabilitation	8,830	72,023	400,000	18%
6	Chiquita FY 24	27,091	117,940	178,000	66%
7	Heritage SLS Rehabilitation	-	3,865	100,000	4%
8	PSPS Transfer Switch Upgrade - Sewer	-	5,413	60,000	9%
9	WWTP Fiber Optic Upgrade	4,495	15,345	130,000	12%
10	El Toro SLS System Improvements	-	37,469	79,000	47%
11	Administration Office Remodel	-	10,362	-	N/A
12	Total Capital Improvements / Replacements	71,967	512,636	2,847,000	18%
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 Unplanned Repairs/Expenses	117,911	117,911	-	N/A
26	Total Wastewater CIP	\$ 189,878	\$ 822,790	\$ 2,979,500	28%

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 April 30, 2024
(Unaudited)

	April 2024	YTD Actual	FY 24 Adopted Budget	YTD 83%
1 Operating Revenue				
2 Fixed / Capital Service Charges	\$ 11,857	\$ 113,266	\$ 142,200	80%
3 Variable Consumption Charges	8,470	766,793	995,400	77%
4 Customer Fees	-	9,474	7,300	130%
5 Uncollectable Accounts	-	-	(4,000)	0%
6 Total Operating Revenue	20,327	889,532	1,140,900	78%
7 Operating Expense				
8 Source of Supply				
9 Recycled Water Purchases	242	20,001	25,900	77%
10 Water Treatment	5,962	90,403	99,400	91%
11 Total Source of Supply	6,205	110,404	125,300	88%
12 Salaries and Benefits				
13 Employee/Director Wages	15,247	176,516	231,400	76%
14 Employee/Director Benefits	5,162	50,884	75,400	67%
15 Retiree Health Insurance	834	7,764	8,200	95%
16 Transfer In - 115 OPEB Trust Reimbursement	(834)	(7,764)	(8,200)	95%
17 CalPERS Retirement (Normal)	1,818	19,244	24,800	78%
18 CalPERS Unfunded Accrued Liability (Minimum)	-	17,340	18,000	96%
19 Payroll Taxes	942	8,455	16,800	50%
20 Total Salaries and Benefits	23,170	272,439	366,400	74%
21 Transmission and Distribution				
22 T&D Electricity	22,300	252,614	282,000	90%
23 System Repairs and Maintenance	8,967	33,043	29,600	112%
24 Vehicles and Equipment	555	6,440	8,600	75%
25 Safety, Supplies and Testing	8,050	87,982	157,600	56%
26 Total Transmission and Distribution	39,871	380,079	477,800	80%
27 General and Administrative				
28 Professional Services	2,835	36,869	36,800	100%
29 Office Maintenance, Supplies and Software	2,443	25,480	27,600	92%
30 District Insurance	-	8,328	8,800	95%
31 Dues and Memberships	65	55,700	36,600	152%
32 Public Outreach	-	2,807	3,600	78%
33 Customer Service and Billing	224	2,097	4,000	52%
34 Conference, Trainings and Travel	113	1,806	2,200	82%
35 Total General and Administrative	5,680	133,088	119,600	111%
36 Total Operating Expense	74,924	896,009	1,089,100	82%
37 Net Operating Revenue / (Expense)	(54,597)	(6,477)	51,800	
38 Non-Operating Revenue / (Expense)				
39 Property Tax Revenue	84,159	289,997	349,200	83%
40 Interest Revenue - Unrestricted	860	20,780	21,800	95%
41 Other Revenue and Reimbursements	37	3,372	1,800	187%
42 Miscellaneous Expense	(1,064)	(3,113)	(1,100)	283%
43 Net Non-Operating Revenue / (Expense)	83,992	311,037	371,700	84%
44 Net Total Revenue / (Expense)	29,395	304,560	423,500	72%
45 Other Unrestricted Cash Inflow / (Outflow)				
46 Transfer In - Debt Proceeds for Capital	1,860	69,398	326,500	21%
47 Capital Improvement Program	(14,681)	(82,538)	(326,500)	25%
48 Debt Service - Principal and Interest	(604)	(6,022)	(81,400)	7%
49 Net Other Unrestricted Cash Inflow / (Outflow)	(13,425)	(19,162)	(81,400)	24%
50 Net Total Unrestricted Cash Inflow / (Outflow)	\$ 15,970	\$ 285,398	\$ 342,100	83%

Acronym key:

OPEB - Other Post-Employment Benefits



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

Project	April 2024	YTD Actual	FY 24 Adopted Budget	YTD 83%
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	1,860	2,170	100,000	2%
5 Recycled PRV Vault Improvements - Dove Canyon	-	1,395	200,000	1%
6 Administration Office Remodel	-	2,072	-	N/A
7 Capital Improvements / Replacements Total	1,860	16,711	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 Unplanned Repairs/Expenses	12,821	12,821	-	N/A
14 Total Recycled Water CIP	\$ 14,681	\$ 82,538	\$ 326,500	25%

Acronym key:

- SCADA - Supervisory Control and Data Acquisition System
- PRV - Pressure Regulating Valves
- VFD - Variable Frequency Drive