



**FINANCE/AUDIT COMMITTEE MEETING AGENDA
TRABUCO CANYON WATER DISTRICT
ADMINISTRATION FACILITY
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA
MAY 8, 2025 at 8:00 AM**

COMMITTEE MEMBERS

John Horst, Committee Chair
Mike Safranski, Committee Member
Edward Mandich, Committee Member Alternate

DISTRICT STAFF

Fernando Paludi, General Manager
Michael Perea, District Secretary
Ian Berg, 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 10, 2025

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 2025 and tentative future meetings/attendance (Action Calendar).

ITEM 3: 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 2025 (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 8, 2025 as presented (Consent Calendar).

ITEM 4: PROPOSED DRAFT TRABUCO CANYON WATER DISTRICT FISCAL YEAR (FY) 2026 OPERATING AND CAPITAL BUDGETS

RECOMMENDED ACTION:

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

ITEM 5: OTHER MATTERS

RECOMMENDED ACTION:

Hear Other Matters from the General Manager or District Staff.

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,



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING AGENDA | MAY 8, 2025**

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 8, 2025

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 10, 2025*

CONTACTS (staff responsible): PALUDI/PEREA



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | APRIL 10, 2025

DIRECTORS PRESENT

John Horst, Committee Chair
Mike Safranski, Committee Member

STAFF PRESENT

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

STAFF ABSENT

None

CONSULTANTS PRESENT

Ian Berg, Starting Line Advisory

PUBLIC PRESENT

A member of the public joined virtually

CALL MEETING TO ORDER

Director Horst called the April 10, 2025 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

Mr. Paludi reported that the Board of Directors Special Meeting scheduled for 10:00 a.m. that morning would be cancelled due to a Board member's family emergency, and that he would consult with the Board President for clarity on rescheduling the meeting.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

Mr. Paludi presented the Finance/Audit Committee Meeting Recap for Committee review in accordance with the agenda. A brief discussion occurred concerning the comments made in Item 6 of the recap comparing TCWD's rates and charges with other agencies.

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | APRIL 10, 2025**

RECOMMENDATION: The Committee recommended forwarding this matter to the Board of Directors (Consent Calendar).

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

Mr. Paludi presented the Directors' Fees and Expenses Report and Tentative Future Meetings/Attendance Report for Committee consideration and review.

RECOMMENDATION: Recommend the Board of Directors ratify the Directors' fees and expenses for March 2025 and tentative future meetings/attendance (Action Calendar).

ITEM 3: FINANCIAL REPORT

Ms. Warner presented the preliminary unaudited financials for February 2025.

FINANCIAL ANALYSIS SUMMARY

Ms. Warner provided an overview of the report for the Committee. Discussion occurred concerning various bullet points in the summary report.

CASH & INVESTMENTS REPORT (UNAUDITED)

Ms. Warner provided an overview of the report for the Committee. Discussion occurred concerning the District's banking investment requirements and strategies.

DISTRICT SUMMARY BUDGET v. ACTUAL

Discussion occurred concerning Net Revenue/Expenses year to date.

WATER FUND

Budget v. Actual

Discussion occurred regarding Baker Treatment Plant Water Sales, and Board Conference, Trainings and Travel costs.

District Capital – Water

Discussion occurred regarding Unplanned Repairs/Expenses for Miscellaneous Electrical work – Water.

Discussion also occurred regarding adoption of a Capital Policy to address depreciation of assets.

SEWER FUND

General and Administrative

Discussion occurred regarding the District's Public Outreach costs.

RECYCLED WATER FUND

General and Administrative

Discussion occurred regarding the District's Public Outreach costs.

RECOMMENDATION: Recommend the Board of Directors receive and file this information (Action Calendar).

ITEM 4: OTHER MATTERS

Director Horst reported that he met with the 59th State Assembly District Representative, Assemblyman Phillip Chen, regarding the State's budget process and a potential opportunity to request State funds for the District's

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | APRIL 10, 2025**

capital infrastructure improvements, including the transmission main pipeline repair. Director Horst reported that although Assemblyman Chen does not represent the District’s service area, he provided guidance on what steps the District would need to take in order to request State funds. Director Safranski recommended that any discussions should include the District’s representative, Assemblywoman Kate Sanchez.

Discussion occurred regarding the District’s investment in the Baker Water Treatment Plant, the purpose behind partnering in the joint project, and the District’s agreement to sell water to the City of San Clemente. Discussion occurred regarding the District’s rate of return, and Director Horst suggested that the District consider creative approaches on the District’s investment, including, but not limited to, selling the capacity to another agency.

Discussion occurred regarding the District’s process for evaluation of potential vendors, and the District’s requirements under Department of Industrial Relations (DIR) rules and regulations for approved contractors/vendors.

RECOMMENDATION: None – Informational item only.

ADJOURNMENT

Director Horst adjourned the April 10, 2025 Finance/Audit Committee Meeting at 9:11 a.m.

DRAFT

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 2024-25 Budgeted Board Expenses: \$45,200

RECOMMENDED ACTION:

Recommend that the Board ratify the Directors' fees and expenses for April 2025 and tentative future meetings/attendance. (Action Calendar)

EXHIBIT(S):

1. Directors' Fees and Expenses Report for April 2025
2. Directors' Tentative Future Meetings/Attendance – Calendar Year 2025.

CONTACTS (staff responsible): PALUDI/PEREA


**TRABUCO CANYON WATER DISTRICT
DIRECTORS' FEES AND EXPENSES MONTHLY REPORT | APRIL 2025**

MEETING DESCRIPTION	ACOSTA	ANDERSON	HORST	MANDICH	SAFRANSKI
DISTRICT MEETINGS					
Executive Committee Meeting	04/07/25			04/07/25	
Engineering/Operational Committee Meeting	04/02/25	04/02/25			
Finance/Audit Committee Meeting			04/10/25		04/10/25
Individual Meeting with General Manager	04/14/25	04/16/25	04/15/25	04/14/25	04/15/25
Public Outreach Ad Hoc Committee Meeting	04/29/25		04/29/25		
Regular Board Meeting	04/16/25	04/16/25	04/16/25	04/16/25	04/16/25
Shared Services Ad Hoc Committee Meeting - TCWD			04/29/25	04/29/25	
Shared Services Ad Hoc Committee Joint Meeting w/ SMWD			04/30/25	04/30/25	
Special Board Meeting	04/17/25	04/17/25	04/17/25	04/17/25	04/17/25
Special Board Meeting - Budget Workshop No. 1	04/28/25	04/28/25	04/28/25	04/28/25	04/28/25
REPRESENTATIVE MEETINGS					
Community Associations of Rancho (CAR) Meeting			04/01/25		
City of Rancho Santa Margarita - City Council Meeting				04/23/25	
Independent Special Districts of Orange County (ISDOC) Monthly Meeting		04/01/25			
Independent Special Districts of Orange County (ISDOC) Quarterly Meeting		04/30/25			
MWDOC Administration/Finance Committee Meeting			04/09/25		
MWDOC Board Meeting			04/16/25		
South Orange County Integrated Regional Watershed Management Executive Committee Meeting					
Orange County Local Agency Formation Commission (OC LAFCO)		04/09/25			
South Orange County Water Agencies Group Meeting					
Santiago Aqueduct Commission Meeting (SAC)					
Water Advisory Commission of Orange County (WACO)		04/04/25			
NUMBER OF MEETINGS ATTENDED	7	8	9	8	5
PER DIEMS (\$125 per each meeting*)	\$875.00	\$1,000.00	\$1,125.00	\$1,000.00	\$625.00
DIRECT REIMBURSABLE EXPENSES					
DIRECT REIMBURSABLE EXPENSES TOTALS					
INDIRECT REIMBURSABLE EXPENSES					
INDIRECT REIMBURSABLE EXPENSES TOTALS					
TOTAL (PER DIEMS + DIRECT REIMBURSABLE EXPENSES)	\$875.00	\$1,000.00	\$1,125.00	\$1,000.00	\$625.00
* Maximum per diem per day is one; maximum per month is 10					

DIRECTOR SIGNATURE

TRABUCO CANYON WATER DISTRICT | 2025 PUBLIC MEETING AND CONFERENCE CALENDAR

		2025											
LINE ITEM	MEETING DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
DISTRICT PUBLIC MEETINGS													
1	Executive Committee Meeting	01/06/25	02/03/25	03/03/25	04/07/25	05/05/25	06/02/25	07/07/25	08/04/25	09/01/25	10/06/25	11/03/25	12/01/25
2	Engineering/Operational Committee Meeting	01/08/25	02/05/25	03/05/25	04/02/25	05/07/25	06/04/25	07/02/25	08/06/25	09/03/25	10/01/25	11/05/25	12/03/25
3	Finance/Audit Committee Meeting	01/09/25	02/13/25	03/13/25	04/10/25	05/08/25	06/12/25	07/10/25	08/14/25	09/11/25	10/09/25	11/13/25	12/11/25
4	Regular Board Meeting	01/16/25	02/20/25	03/19/25	04/16/25	05/21/25	06/18/25	07/16/25	08/20/25	09/17/25	10/15/25	11/19/25	12/17/25
5	District Properties Ad Hoc Committee Meeting	-	-	-	-	-	-	-	-	-	-	-	-
PUBLIC MEETINGS													
6	City of RSM City Council Meeting - Meeting No. 1	01/08/25	02/12/25	03/12/25	04/09/25	05/14/25	06/11/25	07/09/25	08/13/25	09/10/25	10/08/25	11/12/25	12/10/25
7	City of RSM City Council Meeting - Meeting No. 2	01/22/25	02/26/25	03/26/25	04/23/25	05/28/25	06/25/25	07/23/25	08/27/25	09/24/25	10/22/25	11/26/25	12/24/25
8	City of RSM Planning Commission Meeting	01/01/25	02/05/25	03/05/25	04/02/25	05/07/25	06/04/25	07/02/25	08/06/25	09/03/25	10/01/25	11/05/25	12/03/25
9	Independent Special Districts of Orange County Meeting - Executive	01/07/25	02/04/25	03/04/25	04/01/25	05/06/25	06/03/25	07/01/25	08/05/25	09/02/25	10/07/25	11/04/25	12/09/25
10	Independent Special Districts of Orange County Meeting - Quarterly	01/30/25	-	-	04/24/25	-	-	07/31/25	-	-	10/30/25	-	-
11	Orange County Local Agency Formation Commission (OC LAFCO)	01/08/25	02/12/25	03/12/25	04/09/25	05/14/25	06/11/25	07/09/25	08/13/25	09/10/25	10/08/25	11/12/25	12/10/25
12	Municipal Water District of Orange County (MWDOC) Board Meeting	01/15/25	02/19/25	03/19/25	04/16/25	05/21/25	06/18/25	07/16/25	08/20/25	09/17/25	10/15/25	11/19/25	12/17/25
13	Santiago Aqueduct Commission Meeting	-	-	03/20/25	-	-	06/19/25	-	-	09/18/25	-	-	12/18/25
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*	01/27/25	-	03/24/25	-	05/26/25	-	07/28/25	-	09/22/25	-	11/24/25	-
17	Water Advisory Committee of Orange County	01/03/25	02/07/25	03/07/25	04/04/25	05/02/25	06/06/25	07/11/25	08/01/25	09/05/25	10/03/25	11/07/25	12/05/25
CONFERENCES													
18	ACWA Spring Conference - Monterey, CA					05/13-05/15							
19	ACWA Fall Conference - San Diego, CA												12/02-12/04
20	CSDA Annual Conference -Monterey, CA								08/25-08/28				
21	CSDA GM Leadership Summit - Lake Tahoe, CA						06/29-07/01						
22	CSDA SDLA Conference - La Quinta, CA				04/21-04/24								
23	Colorado River Water User's Association (CRWUA) Annual Conference – Las Vegas, NV												12/16-12/18
24	Urban Water Institute (UWI) Annual Conference - San Diego, CA								08/20-08/22				
25	Urban Water Institute (UWI) Spring Conference - Palm Springs, CA		02/26-02/28										

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

TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | MAY 8, 2025

FINANCIAL MATTERS
ITEM 3: 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 2025 (Consent Calendar).

B) BILLS FOR CONSIDERATION

The total of the bills for consideration will be presented at the time of the May 8, 2025 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 8, 2025 as presented (Consent Calendar).

CONTACTS (staff responsible): PALUDI/PEREA/WARNER



Financial Reporting

March 2025

Prepared by



No assurance is provided on these financial statements. These statements do not include a statement of cash flows. All disclosures required by Generally Accepted Accounting Principles are not included.



**Trabuco Canyon Water District
Financial Analysis Summary
March 2025**

Cash & Investments Report Analysis

Total cash and investments as of the reporting date are \$14.76M and represent a decrease of \$125K from the prior month. Overall, the reduction in total cash was minimal from the prior month to the current reporting month. The District received \$149.7K in property taxes, and the remainder of property tax receipts for fiscal year 2024-2025 will occur throughout April and May.

Throughout the fiscal year, the District has utilized loan proceeds to advance Capital projects, most notably for the Lift Station Rehabilitation project and Hoffman Blower Building Rehabilitation projects for the Sewer system. The District strategized the drawdown of these proceeds in the 2023 cost of service study with planned capital infrastructure investments. Pipeline conveyance issues at the Dimension Water Treatment Plant have also resulted in increased cash outflows to secure water supply from a more expensive emergency source. The combination of planned capital investments, emergency supply costs and unexpected repairs have resulted in higher-than-expected total cash outflows throughout the fiscal year.

Cash outflows during March 2025 included payments for emergency water supply, employee salaries and benefits, the Heritage Sewer Lift Station capital project, and other operating and administrative costs. The top ten vendor payments during the reporting month with descriptions are displayed in the following table:

Top 10 Payments	Vendor	Description
\$ 489,436.34	Irvine Ranch Water District	December 2024 and January 2025 emergency water supply purchases
\$ 292,678.58	ADP	Payroll processing
\$ 192,680.23	CalPERS	Employee retirement and health benefits
\$ 164,540.95	Ferreira Construction Company	Heritage Sewer Lift Station Improvements capital project
\$ 68,833.93	Southern California Edison	Electricity for various facilities
\$ 47,160.57	Municipal Water District of Orange County	Water delivery January 2025
\$ 22,398.45	County of Orange	Board of Directors November 2024 election
\$ 12,811.36	Olin Chemicals	Wastewater chemicals
\$ 8,000.00	Starting Line Advisory	Financial and accounting advisory services retainer
\$ 7,796.50	W.M. Lyles Co.	Dove Canyon booster station PLC programming, wiring, and new VFD parameter configuration and testing



**Trabuco Canyon Water District
Financial Analysis Summary
March 2025**

District Summary Budget v. Actual Report Analysis

This report displays a summary of financial performance in comparison to the adopted District budget. The current reporting period represents 75% of the fiscal year. The following line items are discussed below:

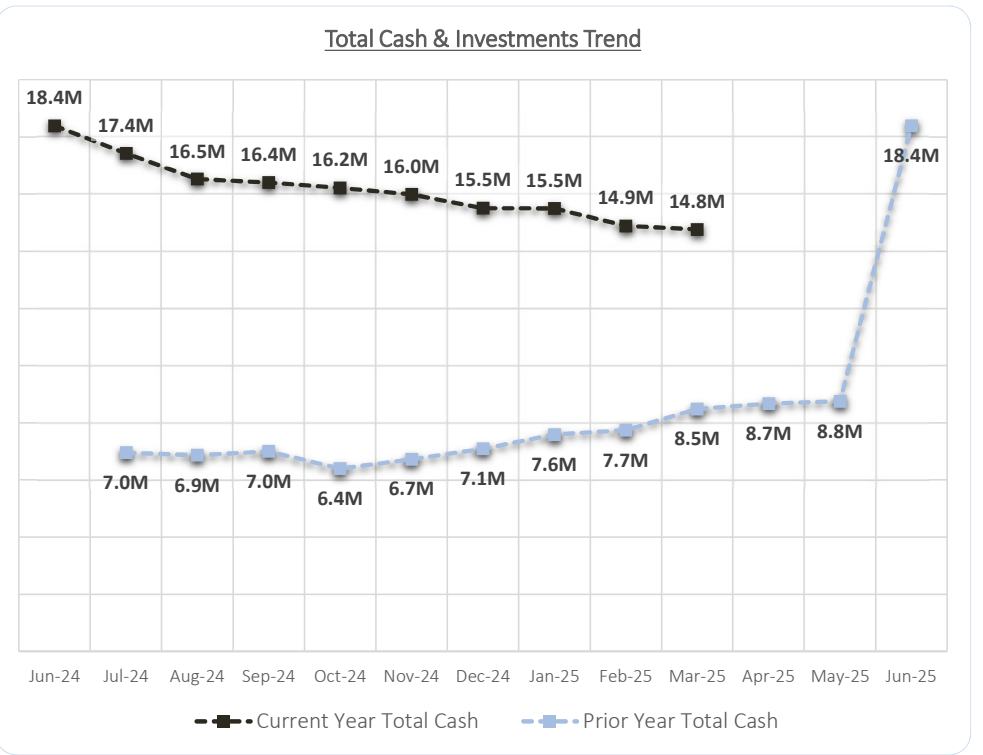
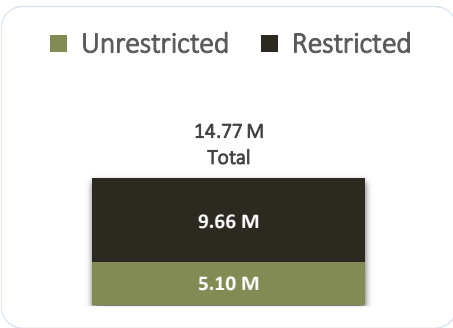
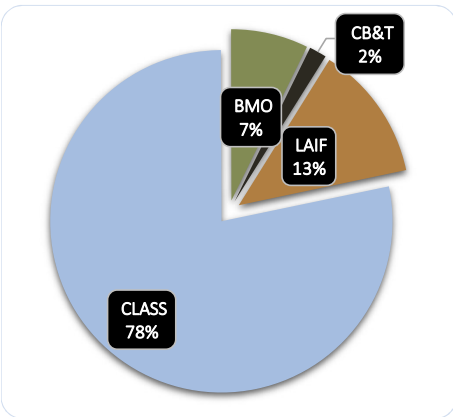
- **Line 2 Operating Revenue** exceeds the YTD% budget target due to higher-than-expected variable consumption charges from all water sales. From July 2024-March 2025, District customers have consumed roughly 15% more water compared to the same period in the prior year. Financially, this has positively impacted District revenues while it is important to consider that the increased demand has also resulted in increased water supply costs. While utilizing emergency water supply sources, the District is experiencing higher supply costs and not realizing as great of a financial benefit compared to normal operating circumstances.
- **Line 6 Non-Operating Revenue** is trending at 70% of the total budget. This non-operating revenue is slightly behind expectations due to the timing of additional property tax receipts projected for April 2025 and May 2025. During the current reporting period, the District received \$149.7K in property tax receipts.
- **Line 6 Source of Supply** continues to trend over the budget target. The Dimension Water Treatment Plant (DWTP) has been out of service this fiscal year due to pipeline conveyance issues and the District is tapping into an emergency water supply source from Irvine Ranch Water District (IRWD). The price of this water has increased to \$1,946.69 per Acre-Foot (AF) from \$1,775.96/AF as of January 1, 2025. When DWTP is active, untreated water can be purchased from the Metropolitan Water District of Southern California (MET) at \$912.26 per AF as of January 1, 2025. This untreated rate excludes additional costs for water treatment operations such as plant capital investment, personnel, chemicals, and overhead. For an additional point of reference, the fully treated MET rate stands at \$1,395/AF as of January 1, 2025.
- **Line 8 Transmission and Distribution** has exceeded the budget target in the current month due to a vendor billing error. The District identified a billing calculation error from Southern California Edison for the 21276 Plano Trabuco Road service account. Staff are currently in the process of resolving a billing adjustment to correct the issue. The total charges paid on this account totaled \$246.3K and are expected to be partially reimbursed or credited by Southern California Edison in future months.
- **Line 15 Debt Service – Principal and Interest** is trending at 71% of the total budget. This line item was difficult to budget for Fiscal Year 2024-25, as the District did not have a precise structure and timeline to dial in debt service payments on the new loan proceeds received during the budget process. Although the amount and timing of these payments may differ within the Fiscal Year 2024-25 budget, the total expected debt service payments over the course of the loan remain unchanged. Upcoming payments for outstanding District loans are due on July 1st but will occur prior to the end of the fiscal year.



Trabuco Canyon Water District Cash & Investments Report

As of March 31, 2025

	Restricted / Unrestricted	Type	Yield	Cost	Market	% Portfolio
Local Agency Investment Fund (LAIF)						
LAIF	Unrestricted	Investment	4.313%	\$ 609,676	\$ 610,194	4.1%
LAIF Water Storage Facilities	Restricted	Investment	4.313%	1,161,420	1,162,406	7.9%
LAIF Interim Sewage	Restricted	Investment	4.313%	124,054	124,159	0.8%
Total LAIF				1,895,150	1,896,759	12.8%
California Cooperative Liquid Assets Securities System (CLASS)						
CLASS	Unrestricted	Investment	4.395%	3,413,142	3,413,264	23.1%
CLASS 2024 Debt Proceeds	Restricted	Investment	4.395%	8,139,550	8,139,842	55.1%
Total CLASS				11,552,691	11,553,106	78.2%
BMO Checking	Unrestricted	Cash	0.000%	1,079,338	1,079,338	7.3%
CB&T Checking (SRF Loan Covenant)	Restricted	Cash	0.400%	239,584	239,584	1.6%
Total Cash & Investments				\$ 14,766,763	\$ 14,768,787	100.0%

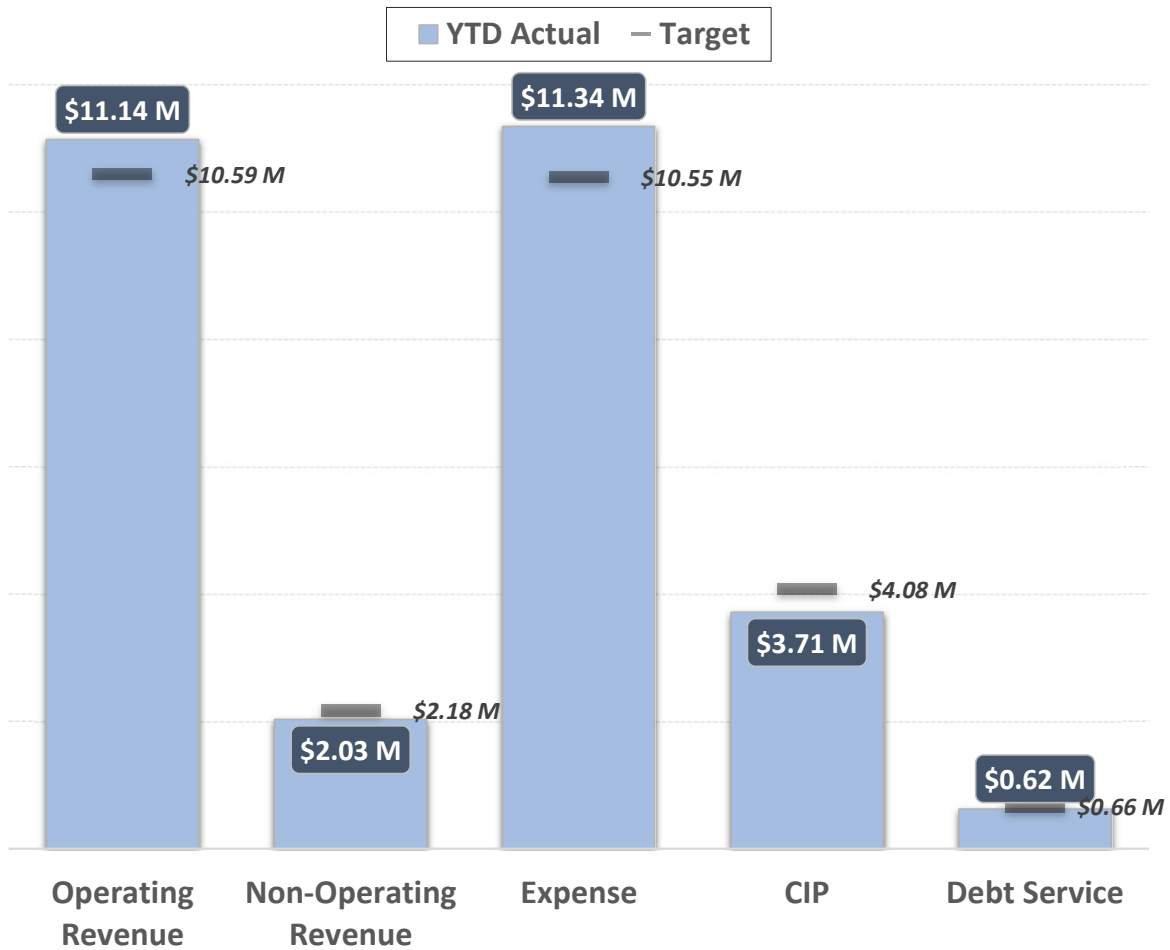




Trabuco Canyon Water District District Summary Budget v. Actual Report

March 2025

	March 2025	YTD Actual	FY 25 Adopted Budget	YTD 75%
1 Revenue				
2 Operating Revenue	\$ 935,082	\$ 11,139,034	\$ 14,125,200	79%
3 Non-Operating Revenue	215,775	2,027,895	2,901,000	70%
4 Total Revenue	1,150,857	13,166,929	17,026,200	77%
5 Expense				
6 Source of Supply	411,426	4,413,845	4,904,400	90%
7 Salaries and Benefits	499,267	4,025,952	5,344,100	75%
8 Transmission and Distribution	168,104	1,385,004	1,581,600	88%
9 General and Administrative	192,590	1,513,645	2,218,000	68%
10 Miscellaneous Expense	366	4,372	18,100	24%
11 Total Expense	1,271,753	11,342,817	14,066,200	81%
12 Net Revenue / (Expense)	(120,895)	1,824,112	2,960,000	62%
13 Transfer In - Debt Proceeds for Capital	253,236	3,013,572	5,441,589	55%
14 Capital Improvement Program (CIP)	(285,501)	(3,713,761)	(5,441,589)	68%
15 Debt Service - Principal and Interest	-	(622,040)	(881,600)	71%
16 Est. Net Cash Inflow / (Outflow)	\$ (153,160)	\$ 501,883	\$ 2,078,400	24%





Trabuco Canyon Water District Water Budget v. Actual Report

March 2025

	March 2025	YTD Actual	FY 25 Adopted Budget	YTD 75%
1 Operating Revenue				
2 Fixed / Capital Service Charges	\$ 296,922	\$ 2,719,007	\$ 3,532,800	77%
3 Variable Consumption Charges	245,524	3,815,456	4,135,900	92%
4 Baker Treatment Plant Water Sales	114,589	1,144,859	2,115,600	54%
5 Customer Fees	4,043	114,210	149,000	77%
6 Standby Charges	1,576	16,402	37,900	43%
7 Uncollectable Accounts	-	-	(25,300)	0%
8 Total Operating Revenue	662,654	7,809,935	9,945,900	79%
9 Operating Expense				
10 Source of Supply				
11 Fixed Water Purchases	34,908	297,070	406,300	73%
12 Variable Water Purchases	230,306	2,663,433	2,210,900	120%
13 Baker Treatment Plant Water Sold	102,391	961,288	1,578,700	61%
14 Water Treatment	14,720	112,455	213,000	53%
15 Pumping Electricity	19,957	263,196	340,800	77%
16 Total Source of Supply	402,283	4,297,442	4,749,700	90%
17 Salaries and Benefits				
18 Employee/Director Wages	175,529	1,625,525	2,191,700	74%
19 Employee/Director Benefits	50,477	414,503	547,700	76%
20 Retiree Health Insurance	12,504	105,621	179,300	59%
21 Transfer In - 115 OPEB Trust Reimbursement	(12,504)	(105,621)	(179,300)	59%
22 CalPERS Retirement (Normal)	28,857	263,692	349,500	75%
23 CalPERS Unfunded Accrued Liability (Minimum)	18,725	168,527	171,400	98%
24 Payroll Taxes	15,423	126,910	160,900	79%
25 Total Salaries and Benefits	289,012	2,599,156	3,421,200	76%
26 Transmission and Distribution				
27 System Repairs and Maintenance	34,013	178,822	201,800	89%
28 Vehicles and Equipment	13,314	87,293	90,300	97%
29 Safety, Supplies and Testing	6,018	42,966	78,600	55%
30 Total Transmission and Distribution	53,345	309,081	370,700	83%
31 General and Administrative				
32 Professional Services	52,845	450,922	635,500	71%
33 Office Maintenance, Supplies and Software	30,194	266,716	330,900	81%
34 District Insurance	11,900	104,424	137,600	76%
35 Dues and Memberships	24,303	88,980	101,200	88%
36 Public Outreach	3,248	43,943	138,300	32%
37 Customer Service and Billing	6,968	45,970	77,800	59%
38 Conference, Trainings and Travel	2,384	21,263	31,900	67%
39 Total General and Administrative	131,842	1,022,217	1,453,200	70%
40 Total Operating Expense	876,482	8,227,896	9,994,800	82%
41 Net Operating Revenue / (Expense)	(213,828)	(417,962)	(48,900)	
42 Non-Operating Revenue / (Expense)				
43 Property Tax Revenue	74,864	732,885	1,147,500	64%
44 Interest Revenue - Unrestricted	(26,907)	70,006	31,000	226%
45 Interest Revenue - Restricted	12,799	39,606	40,400	98%
46 Other Revenue and Reimbursements	2,931	27,121	59,200	46%
47 Miscellaneous Expense	(183)	(2,376)	(6,500)	37%
48 Net Non-Operating Revenue / (Expense)	63,504	867,242	1,271,600	68%
49 Net Total Revenue / (Expense)	(150,324)	449,281	1,222,700	
50 Other Unrestricted Cash Inflow / (Outflow)				
51 Transfer In - Debt Proceeds for Capital	150,432	382,930	903,729	42%
52 Capital Improvement Program (CIP)	(176,043)	(845,716)	(903,729)	94%
53 Debt Service - Principal and Interest	-	(313,955)	(526,500)	60%
54 Net Other Unrestricted Cash Inflow / (Outflow)	(25,612)	(776,741)	(526,500)	148%
55 Net Total Unrestricted Cash Inflow / (Outflow)	\$ (175,935)	\$ (327,460)	\$ 696,200	

Acronym key:

OPEB - Other Post-Employment Benefits



Trabuco Canyon Water District Water CIP Report

March 2025

Project	March 2025	YTD Actual	FY 25 Adopted Budget	YTD 75%
1 Water CIP				
2 Capital Improvements / Replacements				
3 SCADA System Upgrades	\$ -	\$ 113,631	\$ 184,729	62%
4 Water Transmission Pipeline Upsizing	118,864	178,184	432,250	41%
5 Manual Transfer Switch Installations - Water	-	13,474	40,000	34%
6 Transmission Main Repair	16,585	26,609	-	N/A
6 Total Capital Improvements / Replacements	135,449	331,897	656,979	51%
8 Equipment				
9 Pump Replacements - Water	-	28,931	99,750	29%
10 New Servers	-	-	80,500	0%
11 Total Equipment	-	28,931	180,250	16%
12 Programs				
13 Pressure Regulating Valve Improvements - Water	14,982	19,196	26,600	72%
14 Valve Replacements - Water	-	2,906	39,900	7%
15 Total Programs	14,982	22,102	66,500	33%
16 Unplanned Repairs/Expenses				
17 Motor Rebuild for DWTP	-	58,667	-	N/A
18 Line break repairs - Sycamore & Inverary	-	35,493	-	N/A
19 Air vac repair - Glen Echo	-	8,708	-	N/A
20 Air vac repair - Rose Canyon	-	5,765	-	N/A
21 16" repair - El Toro Bike Path	-	123,040	-	N/A
22 Filter grate replacements - #1 & 2	-	49,873	-	N/A
23 Pump replacement - WWTP	-	-	-	N/A
24 Repair damaged fence - Porter Property	-	5,872	-	N/A
25 Misc. Electrical work - Water	14,738	105,491	-	N/A
26 O'Neill Park - 10" water main repair	-	16,633	-	N/A
27 Pave parking lot - Dove Golf Course	-	32,900	-	N/A
28 800 gallon water delivery tank	-	9,471	-	N/A
29 Flood at Admin Bldg	10,874	10,874	-	N/A
30 Total Unplanned Repairs/Expenses	25,612	462,786	-	N/A
31 Total Water CIP	\$ 176,043	\$ 845,716	\$ 903,729	94%

Acronym key:

SCADA - Supervisory Control and Data Acquisition

DWTP - Dimension Water Treatment Plant

WWTP - Wastewater Treatment Plant



Trabuco Canyon Water District Sewer Budget v. Actual Report

March 2025

	March 2025	YTD Actual	FY 25 Adopted Budget	YTD 75%
1 Operating Revenue				
2 Sewer Residential Charges	\$ 196,128	\$ 1,732,962	\$ 2,301,500	75%
3 Sewer Commercial Charges	19,382	184,979	257,200	72%
4 Customer Fees	16,730	156,116	284,600	55%
5 Uncollectable Accounts	-	-	(8,400)	0%
6 Total Operating Revenue	232,240	2,074,057	2,834,900	73%
7 Operating Expense				
8 Salaries and Benefits				
9 Employee/Director Wages	90,343	772,952	1,038,200	74%
10 Employee/Director Benefits	56,331	178,938	227,700	79%
11 Retiree Health Insurance	4,466	37,722	64,100	59%
12 Transfer In - 115 OPEB Trust Reimbursement	(4,466)	(37,722)	(64,100)	59%
13 CalPERS Retirement (Normal)	10,316	92,516	122,600	75%
14 CalPERS Unfunded Accrued Liability (Minimum)	6,688	60,188	79,800	75%
15 Payroll Taxes	5,508	45,325	76,800	59%
16 Total Salaries and Benefits	169,186	1,149,919	1,545,100	74%
17 Transmission and Distribution				
18 System Repairs and Maintenance	45,887	216,376	378,700	57%
19 T&D Electricity	26,321	451,120	276,300	163%
20 Vehicles and Equipment	4,562	33,271	36,400	91%
21 Safety, Supplies and Testing	1,279	13,053	17,900	73%
22 Total Transmission and Distribution	78,048	713,820	709,300	101%
23 General and Administrative				
24 Professional Services	18,504	158,683	228,100	70%
25 Office Maintenance, Supplies and Software	18,121	144,773	179,300	81%
26 District Insurance	4,636	39,608	49,100	81%
27 Dues and Memberships	6,534	33,689	121,700	28%
28 Public Outreach	688	11,623	19,500	60%
29 Customer Service and Billing	1,266	11,672	20,600	57%
30 Conference, Trainings and Travel	851	7,594	11,500	66%
31 Total General and Administrative	50,599	407,642	629,800	65%
32 Total Operating Expense	297,833	2,271,382	2,884,200	79%
33 Net Operating Revenue / (Expense)	(65,592)	(197,325)	(49,300)	
34 Non-Operating Revenue / (Expense)				
35 Property Tax Revenue	53,902	527,677	1,050,900	50%
36 Interest Revenue - Unrestricted	70,777	371,667	192,600	193%
37 Other Revenue and Reimbursements	108	1,853	11,000	17%
38 Miscellaneous Expense	(132)	(1,469)	(7,600)	19%
39 Net Non-Operating Revenue / (Expense)	124,655	899,728	1,246,900	72%
40 Net Total Revenue / (Expense)	59,063	702,403	1,197,600	
41 Other Unrestricted Cash Inflow / (Outflow)				
42 Transfer In - Debt Proceeds for Capital	76,275	2,390,109	4,086,215	58%
43 Capital Improvement Program	(81,752)	(2,600,549)	(4,086,215)	64%
44 Debt Service - Principal and Interest	-	(260,878)	(304,100)	86%
45 Net Other Unrestricted Cash Inflow / (Outflow)	(5,478)	(471,318)	(304,100)	155%
46 Net Total Unrestricted Cash Inflow / (Outflow)	\$ 53,585	\$ 231,085	\$ 893,500	



Trabuco Canyon Water District Sewer CIP Report

March 2025

Project		March 2025	YTD Actual	FY 25 Adopted Budget	YTD 75%
1	Sewer CIP				
2	Capital Improvements / Replacements				
3	Golf Club Sewer Lift Station (SLS) Rehabilitation	\$ -	\$ 1,400,482	\$ 1,350,000	104%
4	SCADA System Upgrades	-	40,583	65,975	62%
5	WWTP Hoffman Blower Building Rehabilitation	(176,123)	223,278	1,100,000	20%
6	Heritage Sewer Lift Station Rehabilitation	2,720	238,999	632,250	38%
7	Manual Transfer Switch Installations - Sewer	-	17,149	40,000	43%
8	WWTP Fiber Optic Upgrade	249,678	275,073	300,000	92%
9	Chiquita CIP FY25	-	57,209	236,740	24%
10	WWTP Reservoir Gate Improvements	-	121,024	159,600	76%
11	WWTP Headworks Replacement	-	-	172,900	0%
12	Barneburg SLS Wetwell Rehab	-	16,312	-	N/A
12	Total Capital Improvements / Replacements	76,275	2,390,109	4,057,465	59%
14	Equipment				
15	New Servers	-	-	28,750	0%
16	Total Equipment	-	-	28,750	0%
17	Unplanned Repairs/Expenses				
18	Chlorine feed system pump replacement	-	12,311	-	N/A
19	Asphalt repair - El Toro Rd force main break	-	24,750	-	N/A
20	Odor control - Lift stations	-	14,604	-	N/A
21	Pump replacement - WWTP	-	45,828	-	N/A
22	Repair damaged fence - Porter Property	-	2,097	-	N/A
23	Misc. Electrical work - Sewer	1,594	44,898	-	N/A
24	Repair generator - Plano Trabuco	-	19,537	-	N/A
25	Pump repair - Barneburg LS	-	21,793	-	N/A
26	Pave parking lot - Dove Golf Course	-	11,750	-	N/A
27	800 gallon water delivery tank	-	3,383	-	N/A
28	Handrails around EQ basin and West SBR	-	5,606	-	N/A
29	Flood at Admin Bldg	3,883	3,883	-	N/A
30	Total Unplanned Repairs/Expenses	5,478	210,440	-	N/A
31	Total Sewer CIP	\$ 81,752	\$ 2,600,549	\$ 4,086,215	64%

Acronym key:

SCADA - Supervisory Control and Data Acquisition

WWTP - Waste Water Treatment Plant

SLS - Sewer Lift Station



Trabuco Canyon Water District

Recycled Water Budget v. Actual Report

March 2025

	March 2025	YTD Actual	FY 25 Adopted Budget	YTD 75%
1 Operating Revenue				
2 Fixed / Capital Service Charges	\$ 13,992	\$ 123,764	\$ 161,600	77%
3 Variable Consumption Charges	23,092	1,113,345	1,173,600	95%
4 Customer Fees	3,104	17,933	13,600	132%
5 Uncollectable Accounts	-	-	(4,400)	0%
6 Total Operating Revenue	40,187	1,255,043	1,344,400	93%
7 Operating Expense				
8 Source of Supply				
9 Recycled Water Purchases	1,959	23,577	33,300	71%
10 Water Treatment	7,185	92,826	121,400	76%
11 Total Source of Supply	9,144	116,403	154,700	75%
12 Salaries and Benefits				
13 Employee/Director Wages	21,642	184,064	249,200	74%
14 Employee/Director Benefits	14,763	51,750	66,600	78%
15 Retiree Health Insurance	893	7,544	12,800	59%
16 Transfer In - 115 OPEB Trust Reimbursement	(893)	(7,544)	(12,800)	59%
17 CalPERS Retirement (Normal)	2,226	19,960	26,400	76%
18 CalPERS Unfunded Accrued Liability (Minimum)	1,338	12,038	18,000	67%
19 Payroll Taxes	1,102	9,065	17,600	52%
20 Total Salaries and Benefits	41,070	276,876	377,800	73%
21 Transmission and Distribution				
22 T&D Electricity	11,921	242,708	341,200	71%
23 System Repairs and Maintenance	5,777	22,253	41,400	54%
24 Vehicles and Equipment	1,038	7,517	8,200	92%
25 Safety, Supplies and Testing	17,974	89,625	110,800	81%
26 Total Transmission and Distribution	36,710	362,103	501,600	72%
27 General and Administrative				
28 Professional Services	3,701	31,677	45,600	69%
29 Office Maintenance, Supplies and Software	2,912	24,477	30,400	81%
30 District Insurance	850	7,459	10,000	75%
31 Dues and Memberships	2,125	13,996	38,600	36%
32 Public Outreach	138	2,324	3,800	61%
33 Customer Service and Billing	253	2,334	4,200	56%
34 Conference, Trainings and Travel	170	1,519	2,400	63%
35 Total General and Administrative	10,148	83,786	135,000	62%
36 Total Operating Expense	97,072	839,167	1,169,100	72%
37 Net Operating Revenue / (Expense)	(56,884)	415,875	175,300	
38 Non-Operating Revenue / (Expense)				
39 Property Tax Revenue	20,962	205,208	341,400	60%
40 Interest Revenue - Unrestricted	6,318	51,502	24,800	208%
41 Other Revenue and Reimbursements	22	371	2,200	17%
42 Miscellaneous Expense	(51)	(526)	(4,000)	13%
43 Net Non-Operating Revenue / (Expense)	27,250	256,553	364,400	70%
44 Net Total Revenue / (Expense)	(29,635)	672,428	539,700	
45 Other Unrestricted Cash Inflow / (Outflow)				
46 Transfer In - Debt Proceeds for Capital	26,530	240,532	451,645	53%
47 Capital Improvement Program	(27,705)	(267,495)	(451,645)	59%
48 Debt Service - Principal and Interest	-	(47,207)	(51,000)	93%
49 Net Other Unrestricted Cash Inflow / (Outflow)	(1,175)	(74,170)	(51,000)	145%
50 Net Total Unrestricted Cash Inflow / (Outflow)	\$ (30,810)	\$ 598,259	\$ 488,700	



Trabuco Canyon Water District Recycled Water CIP Report

March 2025

Project		March 2025	YTD Actual	FY 25 Adopted Budget	YTD 75%
1	Recycled Water CIP				
2	Capital Improvements / Replacements				
3	SCADA System Upgrades	\$ -	\$ 8,117	\$ 13,195	62%
4	Dove Recycled Booster Pump Station	26,530	37,570	133,000	28%
5	Dove Canyon Recycled PRV Improvement	-	164,589	180,000	91%
6	Tick & Dove Creek Pump Station Improvements	-	-	79,800	0%
7	WWTP Reservoir Gate Improvements	-	30,256	39,900	76%
8	Dove Lake Repairs	-	-	-	N/A
9	Capital Improvements / Replacements Total	26,530	240,532	445,895	54%
10	Equipment				
11	New Servers	-	-	5,750	0%
12	Equipment Total	-	-	5,750	0%
13	Unplanned Repairs/Expenses				
14	Chlorine feed system pump replacement	-	3,078	-	N/A
15	Repair damaged fence - Porter Property	-	419	-	N/A
16	Misc. Electrical work - Recycled	399	18,261	-	N/A
17	Pave parking lot - Dove Golf Course	-	2,350	-	N/A
18	800 gallon water delivery tank	-	677	-	N/A
19	Handrails around EQ basin and West SBR	-	1,401	-	N/A
20	Flood at Admin Bldg	777	777	-	N/A
21	Total Unplanned Repairs/Expenses	1,175	26,963	-	N/A
22	Total Recycled Water CIP	\$ 27,705	\$ 267,495	\$ 451,645	59%

Acronym key:

- SCADA - Supervisory Control and Data Acquisition
- PRV - Pressure Regulating Valves
- WWTP - Waste Water Treatment Plant

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | MAY 8, 2025**

FINANCIAL MATTERS

ITEM 4: PROPOSED DRAFT TRABUCO CANYON WATER DISTRICT FISCAL YEAR (FY) 2026 OPERATING AND CAPITAL BUDGETS

Trabuco Canyon Water District (District) annually prepares both operating and capital budgets that reflect the following fiscal year's (FY) spending plans needed to accomplish the District's mission and carry out the policies and priorities of the Board of Directors. The proposed FY 2026 Operating and Capital Budgets, summarized in Exhibit 1, are preliminary and subject to revision based on discussion with the Finance & Audit (F/A) Committee and Board of Directors. This information, including the Proposed 10-year Financial Plan, was first presented to the Board at the April 28, 2025 Special Board Meeting/Budget Workshop. Additional information regarding the preliminary 10-year Capital Improvement Program, not available at the time of the April 28th meeting, is being presented to the F/A Committee as Exhibit 2.

RECOMMENDED ACTION:

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

FUNDING SOURCE:

General Fund and Capital Improvement Program

FISCAL IMPACT:

The draft FY 2026 Operating and Capital Budgets are subject to review by the Board of Directors

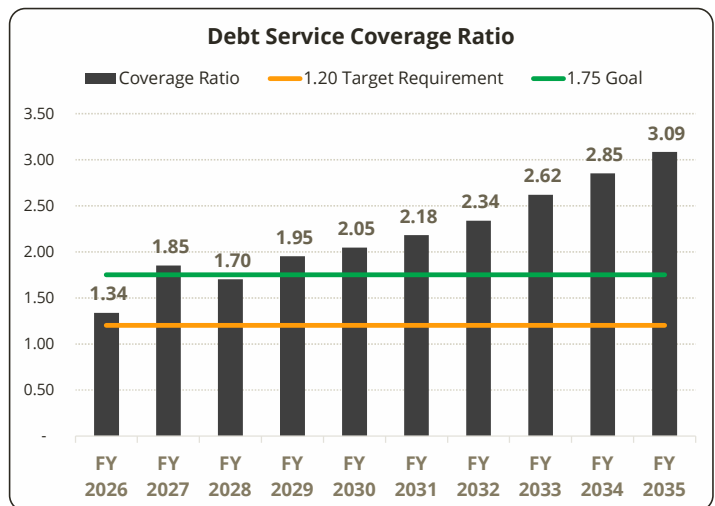
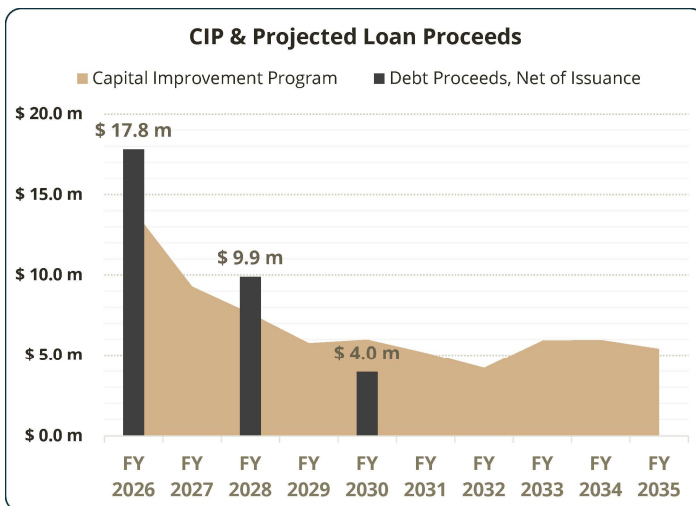
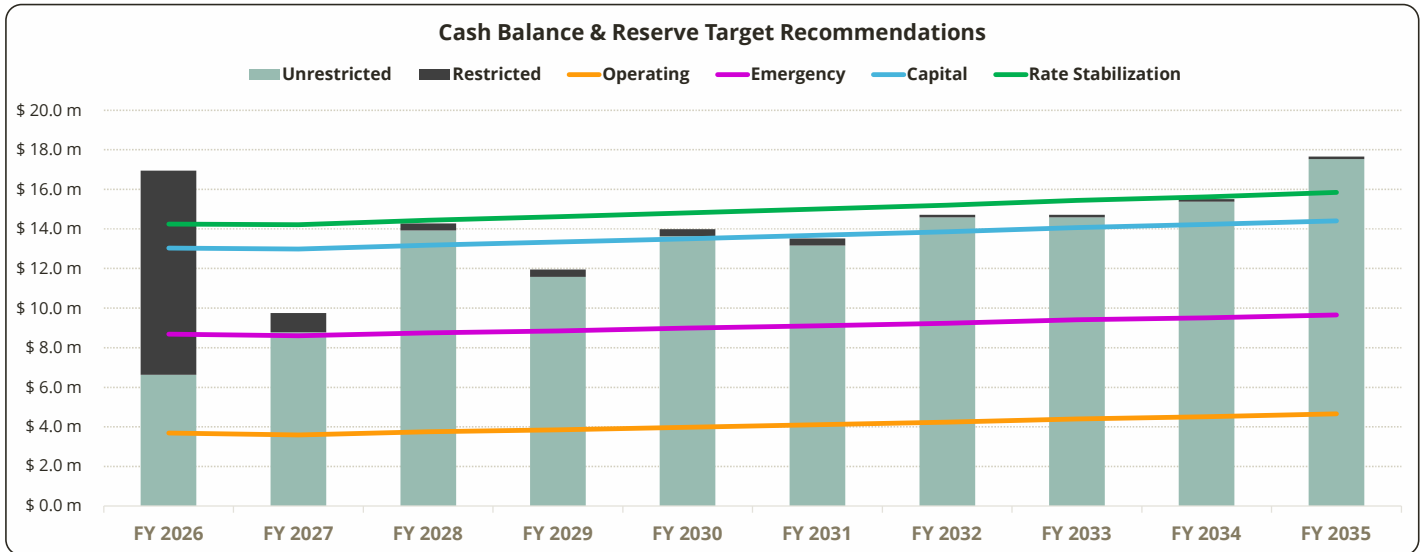
EXHIBITS:

1. Proposed 10-Year Financial Plan and Draft FY 2026 Operating Budget Summary, Detail, and Narrative
2. Proposed Preliminary 10-Year Capital Improvement Program (to be presented at the time of the meeting)

CONTACTS (staff responsible): PALUDI/BERG/WARNER

District Schedule A: FY 2026 Proposed 10-Year Financial Plan

		Water Revenue Adjustment			WasteWater Revenue Adjustment			Recycled Revenue Adjustment					
		24.0%	10.0%	10.0%	6.0%	6.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
		16.0%	12.0%	12.0%	12.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	
		18.0%	10.0%	10.0%	6.0%	6.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035		
		Proposed	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
		Budget	Results	Results	Results	Results	Results	Results	Results	Results	Results	Results	
1	Fixed Service Charges	\$ 4.66 m	\$ 5.12 m	\$ 5.63 m	\$ 6.32 m	\$ 6.70 m	\$ 6.90 m	\$ 7.10 m	\$ 7.32 m	\$ 7.54 m	\$ 7.76 m		
2	Fixed Service Charges Pass-Through	0.18 m	0.31 m	0.32 m									
3	Variable Service Charges	6.80 m	7.56 m	8.32 m	9.62 m	10.20 m	10.50 m	10.82 m	11.14 m	11.48 m	11.82 m		
4	Variable Service Charges Pass-Through	0.42 m	0.73 m	0.74 m									
5	BTP Wholesale Charges	1.70 m	1.78 m	1.86 m	1.94 m	2.02 m	2.11 m	2.20 m	2.29 m	2.40 m	2.50 m		
6	Wastewater Charges	2.97 m	3.33 m	3.73 m	4.18 m	4.55 m	4.96 m	5.41 m	5.89 m	6.42 m	7.00 m		
7	Property Tax Receipts	2.41 m	2.46 m	2.51 m	2.56 m	2.61 m	2.66 m	2.71 m	2.76 m	2.82 m	2.88 m		
8	Other Revenue	1.18 m	0.73 m	0.83 m	0.79 m	0.84 m	0.84 m	0.87 m	0.87 m	0.90 m	0.95 m		
9	Total Revenue	20.32 m	22.02 m	23.94 m	25.40 m	26.91 m	27.96 m	29.11 m	30.29 m	31.55 m	32.91 m		
10	Source of Supply	3.82 m	3.11 m	3.26 m	3.41 m	3.56 m	3.73 m	3.90 m	4.08 m	4.27 m	4.47 m		
11	Cost of BTP Wholesale	1.49 m	1.57 m	1.64 m	1.72 m	1.81 m	1.89 m	1.98 m	2.08 m	2.18 m	2.29 m		
12	Staffing Resources	5.87 m	6.04 m	6.22 m	6.42 m	6.59 m	6.75 m	6.91 m	7.07 m	7.24 m	7.42 m		
13	Operations & Maintenance	2.45 m	2.53 m	2.62 m	2.71 m	2.80 m	2.90 m	3.00 m	3.10 m	3.21 m	3.32 m		
14	General & Administrative	2.61 m	2.69 m	2.90 m	2.88 m	2.96 m	3.05 m	3.13 m	3.35 m	3.31 m	3.41 m		
15	Total Expense	16.24 m	15.94 m	16.63 m	17.14 m	17.72 m	18.32 m	18.93 m	19.68 m	20.22 m	20.90 m		
16	Net Income / (Loss) from Operations	4.09 m	6.08 m	7.31 m	8.26 m	9.19 m	9.65 m	10.18 m	10.60 m	11.33 m	12.01 m		
17	Debt Proceeds, Net of Issuance	17.82 m		9.90 m		3.96 m							
18	Grant Funding Receipts	0.73 m	0.49 m										
19	Capital Improvement Program	- 14.01 m	- 9.30 m	- 7.62 m	- 5.79 m	- 6.01 m	- 5.18 m	- 4.22 m	- 5.95 m	- 5.98 m	- 5.42 m		
20	CIP Contingency	- 1.40 m	- 0.93 m	- 0.76 m	- 0.58 m	- 0.60 m	- 0.52 m	- 0.42 m	- 0.60 m	- 0.60 m	- 0.54 m		
21	Debt Service	- 3.60 m	- 3.55 m	- 4.29 m	- 4.23 m	- 4.49 m	- 4.42 m	- 4.35 m	- 4.05 m	- 3.97 m	- 3.89 m		
22	Net Change in Cash	\$ 3.62 m	-\$ 7.21 m	\$ 4.54 m	-\$ 2.34 m	\$ 2.06 m	-\$ 0.47 m	\$ 1.18 m	\$ 0.01 m	\$ 0.79 m	\$ 2.16 m		

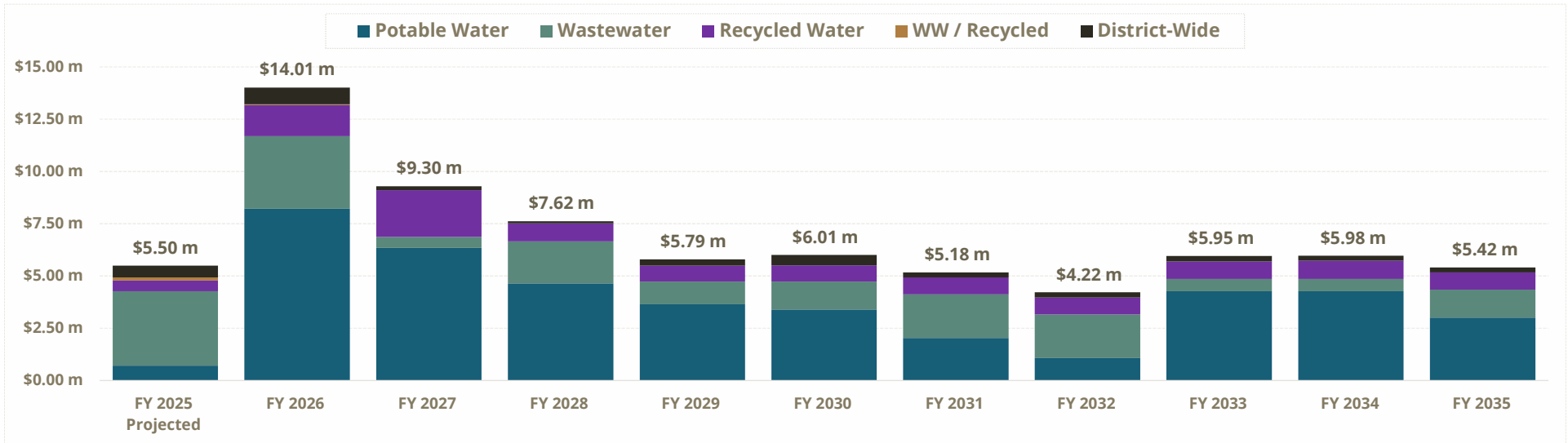


10-YEAR CIP DASHBOARD



System				
District-Wide	Potable Water	Recycled Water	Wastewater	WW / Recycled


	FY 2025 Projected	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Potable Water	\$0.71 m	\$8.22 m	\$6.34 m	\$4.65 m	\$3.65 m	\$3.40 m	\$2.04 m	\$1.07 m	\$4.27 m	\$4.27 m	\$3.01 m
Wastewater	\$3.56 m	\$3.47 m	\$0.54 m	\$2.00 m	\$1.10 m	\$1.33 m	\$2.09 m	\$2.09 m	\$0.59 m	\$0.59 m	\$1.34 m
Recycled Water	\$0.51 m	\$1.49 m	\$2.23 m	\$0.87 m	\$0.75 m	\$0.77 m	\$0.80 m	\$0.82 m	\$0.84 m	\$0.87 m	\$0.82 m
WW / Recycled	\$0.15 m	\$0.03 m	\$0.00 m	\$0.00 m	\$0.00 m	\$0.00 m	\$0.00 m	\$0.00 m	\$0.00 m	\$0.00 m	\$0.00 m
District-Wide	\$0.56 m	\$0.80 m	\$0.20 m	\$0.10 m	\$0.30 m	\$0.50 m	\$0.25 m	\$0.25 m	\$0.25 m	\$0.25 m	\$0.25 m
Total CIP	\$5.50 m	\$14.01 m	\$9.30 m	\$7.62 m	\$5.79 m	\$6.01 m	\$5.18 m	\$4.22 m	\$5.95 m	\$5.98 m	\$5.42 m



TOP TEN PROJECT BUDGETS			TOP TEN BUDGETS NEXT YEAR		
Row Labels	10-Year Budget	Project Title	Row Labels	FY 2026	Project Title
PW-03	\$ 11,000,000	Transmission Main Replacement - DWTP to Ridgeline Pump Station	PW-03	\$ 7,000,000	Transmission Main Replacement - DWTP to Ridgeline Pump Station
PW-26	\$ 5,903,100	New Reservoir - Effective Volume 1.5 MG	WW-40	\$ 1,290,177	WWTP Hoffman Blower Building Rehabilitation
PW-20	\$ 3,489,000	10" Pipeline Replacement - Cooks Corner to Harris Grade	WW-09	\$ 1,170,300	Heritage Sewer Lift Station Rehabilitation
WW-28	\$ 3,000,000	New Force Main - Golf Club to WWTP	DW-04	\$ 700,000	Mobile Generators Purchase
DW-01	\$ 2,450,000	Fleet & Heavy Equipment Purchases	RW-13	\$ 560,000	Dove Canyon Recycled Booster Pump Station
WW-39	\$ 2,262,000	Golf Club Sewer Lift Station Rehabilitation	RW-23	\$ 559,700	Tick & Dove Creek Pump Station Improvements
WW-48	\$ 2,115,000	Pump Replacements - WW	WW-50	\$ 370,000	WWTP Headworks Replacement
PW-36	\$ 2,099,700	Pump Replacements - PW	PW-02	\$ 300,000	DWTP Electrical Improvements
PW-02	\$ 2,000,000	DWTP Electrical Improvements	PW-38	\$ 275,000	Saddle Crest Reservoir Outlet Pipe
PW-29	\$ 2,000,000	Permanent Generator Installation at DWTP	RW-24	\$ 266,000	Dove Lake Slide Gate Replacement
Grand Total	\$ 36,318,800		Grand Total	\$ 12,491,177	

New Project ID	Master Plan ID	Project Title Budget	System	Status	Program	FY 2026
DW-04	NEW	Mobile Generators Purchase	District-Wide	New	N/A	700,000
DW-01	MULTI-ID	Fleet & Heavy Equipment Purchases	District-Wide	Program	Fleet / Eqpmt	100,000
PW-03	W-3	Transmission Main Replacement - DWTP to Ridgeline PS	Potable Water	Planning	N/A	7,000,000
PW-02	W-2	DWTP Electrical Improvements	Potable Water	Not Started	N/A	300,000
PW-38	NEW	Saddle Crest Reservoir Outlet Pipe	Potable Water	In Process	N/A	275,000
PW-20	W-20	10" Pipeline Replacement - Cooks Corner to Harris Grade	Potable Water	Planning	N/A	225,000
PW-36	W-36	Pump Replacements - PW	Potable Water	Program	Water Pumps	200,000
PW-40	NEW	Dove Clubhouse Upgrades - Vault, Bypass Piping, Meter	Potable Water	New	N/A	100,000
PW-37	W-37	Valve Replacements - PW	Potable Water	Program	Valves	80,000
PW-35	W-35	Pressure Reducing Vault Improvements - PW	Potable Water	Program	PRV	40,000
RW-13	NDW-13	Dove Canyon Recycled Booster Pump Station	Recycled Water	In Process	N/A	560,000
RW-23	NDW-23	Tick & Dove Creek Pump Station Improvements	Recycled Water	Not Started	N/A	559,700
RW-24	NDW-24	Dove Lake Slide Gate Replacement	Recycled Water	Not Started	N/A	266,000
RW-50	NDW-50	Dove Canyon Recycled PRV Improvement	Recycled Water	Construction	N/A	100,000
WW-40	S-40	WWTP Hoffman Blower Building Rehabilitation	Wastewater	Planning	N/A	1,290,177
WW-09	S-9	Heritage Sewer Lift Station Rehabilitation	Wastewater	Construction	N/A	1,170,300
WW-50	NEW	WWTP Headworks Replacement	Wastewater	In Process	N/A	370,000
WW-48	S-48	Pump Replacements - WW	Wastewater	Program	Sewer Pumps	200,000
WW-49	S-49	SMWD Chiquita WWTP Shared Capital	Wastewater	Program	Chiquita CIP	140,000
WW-11	S-11	Via Allegre Lift Station Improvements	Wastewater	Not Started	N/A	122,300
WW-07	S-7	Barneburg Lift Station Upgrades	Wastewater	Not Started	N/A	75,000
WW-10	S-10	Plano Trabuco Lift Station Upgrades	Wastewater	Not Started	N/A	75,000
WW-46	S-46	Wet Well Recoating Program	Wastewater	Program	Wet Well	30,000
RW-52	NEW	WWTP Access Road Paving Slurry Coat	WW / Recycled	New	N/A	30,000
Total						\$ 14,008,477

District
Schedule B: FY 2026 Proposed Budget Summary

	A	B	C	D	E = D - B	F = E / B
	FY 2024	FY 2025	FY 2025 (P)	FY 2026	\$ Budget	% Budget
	Actual	Adopted	Projected	Proposed	Change	Change
	Results	Budget	Results	Budget	PY	PY
1 Fixed Service Charges	\$ 3,365,770	\$ 3,694,400	\$ 3,793,700	\$ 4,656,000	\$ 961,600	26%
2 Fixed Service Charges Pass-Through	-	-	84,100	182,800	182,800	NA
3 Variable Service Charges	4,592,572	5,309,500	5,859,600	6,799,300	1,489,800	28%
4 Variable Service Charges Pass-Through	-	-	183,400	423,600	423,600	NA
5 BTP Wholesale Charges	1,831,802	2,115,600	1,694,500	1,701,800	(413,800)	-20%
6 Wastewater Charges	2,221,462	2,558,700	2,559,800	2,972,800	414,100	16%
7 Property Tax Receipts	2,346,796	2,577,700	2,364,100	2,410,800	(166,900)	-6%
8 Other Revenue	1,106,136	808,400	1,237,000	1,177,300	368,900	46%
9 Total Revenue	15,464,537	17,064,300	17,776,200	20,324,400	3,260,100	19%
10 Source of Supply	2,652,504	2,929,900	4,250,200	3,823,700	893,800	31%
11 Cost of BTP Wholesale	1,463,827	1,587,700	1,469,100	1,487,900	(99,800)	-6%
12 Staffing Resources	4,434,912	5,224,800	5,278,500	5,870,500	645,700	12%
13 Operations & Maintenance	1,964,261	1,958,600	2,130,100	2,448,800	490,200	25%
14 General & Administrative	2,455,050	2,403,300	2,393,700	2,605,900	202,600	8%
15 Total Expense	12,970,554	14,104,300	15,521,600	16,236,800	2,132,500	15%
16 Net Income / (Loss) from Operations	2,493,983	2,960,000	2,254,600	4,087,600	1,127,600	38%
17 Debt Proceeds, Net of Issuance	10,465,000	-	-	17,820,000	17,820,000	NA
18 Grant Funding Receipts	-	-	-	725,745	725,745	NA
19 Capital Improvement Program	(2,225,250)	(4,512,000)	(5,498,025)	(14,008,477)	(9,496,477)	210%
20 CIP Contingency	-	-	-	(1,400,900)	(1,400,900)	NA
21 Debt Service	(369,742)	(881,600)	(737,500)	(3,600,400)	(2,718,800)	308%
22 Net Change in Cash	\$ 10,363,991	\$ (2,433,600)	\$ (3,980,925)	\$ 3,623,568	\$ 6,057,168	-249%
<u>Ending Cash Balances</u>						
23 Unrestricted			6,145,743	6,632,943		
24 Restricted - Developer Funding			1,161,420	1,161,420		
25 Restricted - Grant Funding			-	-		
26 Restricted - 2024 Capital One Loan			5,655,096	-		
27 Restricted - New Issuance			-	8,791,464		
28 Restricted - Deposits			129,024	129,024		
29 Restricted - Debt Covenants			239,584	239,584		
30 Total Ending Cash Balances			\$ 13,330,867	\$ 16,954,434		
<u>Reserve Policy Target Recommendations</u>						
31 Operating ⁽¹⁾			3,513,125	3,687,225		
32 Emergency ⁽²⁾			5,000,000	5,000,000		
33 Capital ⁽³⁾			4,347,932	4,347,932		
34 Rate Stabilization ⁽⁴⁾			1,182,050	1,205,400		
35 Over / (Under) Policy Recommendations			(712,241)	2,713,877		


(1) Operating Target - Equal to 90 Days of budgeted operating expenses

(2) Emergency Target - Set at specific amounts for each utility which Includes \$2.5m for Water, \$2m for Wastewater and \$0.5m for Recycled

(3) Capital Target - Equal to one year of annual depreciation expense from the last available audited financial statements

(4) Rate Stabilization - Equal to 6 months (50%) of budgeted property tax revenue

District
Schedule C: FY 2026 Proposed Operating Budget

	A	B	C	D	E = D - B	F = E / B
	FY 2024	FY 2025	FY 2025 (P)	FY 2026	\$ Budget	% Budget
	Actual	Adopted	Projected	Proposed	Change	Change
	Results	Budget	Results	Budget	PY	PY
						
1 Fixed Service Charges	\$ 3,365,770	\$ 3,694,400	\$ 3,793,700	\$ 4,656,000	\$ 961,600	26%
2 Fixed Service Charges Pass-Through	-	-	84,100	182,800	182,800	NA
3 Variable Service Charges	4,592,572	5,309,500	5,859,600	6,799,300	1,489,800	28%
4 Variable Service Charges Pass-Through	-	-	183,400	423,600	423,600	NA
5 BTP Wholesale Water Sales	1,162,623	1,233,500	1,059,600	1,050,600	(182,900)	-15%
6 BTP Maintenance Charges	411,452	550,600	409,500	437,300	(113,300)	-21%
7 BTP Capital Recovery	257,726	331,500	225,400	213,900	(117,600)	-35%
8 Wastewater Charges	2,221,462	2,558,700	2,559,800	2,972,800	414,100	16%
9 Property Tax Receipts	2,346,796	2,577,700	2,364,100	2,410,800	(166,900)	-6%
10 Customer Fees	485,430	447,200	495,400	520,200	73,000	16%
11 Interest Revenue	326,637	288,800	704,600	619,000	330,200	114%
12 Miscellaneous Revenue	294,070	72,400	37,000	38,100	(34,300)	-47%
13 Total Revenue	15,464,537	17,064,300	17,776,200	20,324,400	3,260,100	19%
14 Source of Supply						
15 Variable Water Purchases	2,059,227	2,243,000	3,485,000	2,992,700	749,700	33%
16 BTP Water Purchases TCWD	1,302	1,200	96,500	97,700	96,500	8042%
17 BTP Maintenance Expense TCWD	(8,431)	(9,000)	45,100	48,600	57,600	-640%
18 Fixed Water Purchases	347,038	406,300	384,100	401,700	(4,600)	-1%
19 Chemicals & Electricity	253,367	288,400	239,500	283,000	(5,400)	-2%
20 Total Source of Supply	2,652,504	2,929,900	4,250,200	3,823,700	893,800	31%
21 Cost of BTP Wholesale						
22 BTP Water Purchases for Wholesale	1,052,375	1,037,100	1,059,600	1,050,600	13,500	1%
23 BTP Maintenance Expense Sales	411,452	550,600	409,500	437,300	(113,300)	-21%
24 Total Cost of BTP Wholesale	1,463,827	1,587,700	1,469,100	1,487,900	(99,800)	-6%
25 Staffing Resources						
26 Employee Compensation	3,145,626	3,727,700	3,762,800	4,115,500	387,800	10%
27 Employee Benefits	1,030,483	1,227,900	1,194,700	1,360,000	132,100	11%
28 CalPERS Retirement Unfunded Liability	258,804	269,200	321,000	395,000	125,800	47%
29 Retiree Health Insurance Payments	171,959	256,200	179,300	201,700	(54,500)	-21%
30 OPEB Trust Reimbursement	(171,959)	(256,200)	(179,300)	(201,700)	54,500	-21%
31 Total Staffing Resources	4,434,912	5,224,800	5,278,500	5,870,500	645,700	12%
32 Operations & Maintenance						
33 System Repairs and Maintenance	740,764	677,100	809,700	1,030,600	353,500	52%
34 Distribution Electricity	899,475	958,300	997,600	1,067,400	109,100	11%
35 Vehicles and Equipment	154,821	154,200	179,000	188,800	34,600	22%
36 Lab Testing & Supplies	169,200	169,000	143,800	162,000	(7,000)	-4%
37 Total Operations & Maintenance	1,964,261	1,958,600	2,130,100	2,448,800	490,200	25%
38 General & Administrative						
39 Professional Services	1,052,851	937,100	897,000	968,700	31,600	3%
40 Office Maintenance & Supplies	564,109	540,600	576,100	616,200	75,600	14%
41 Board of Directors	117,952	105,800	99,700	111,700	5,900	6%
42 District Insurance	166,567	196,700	201,200	237,500	40,800	21%
43 Dues and Memberships	244,224	261,500	235,100	247,200	(14,300)	-5%
44 Public Outreach & Rebate Programs	156,161	161,600	102,300	109,100	(52,500)	-32%
45 Customer Service and Billing	70,744	102,600	77,200	81,600	(21,000)	-20%
46 Conference, Trainings and Travel	35,750	41,200	30,700	32,300	(8,900)	-22%
47 Miscellaneous Expense	46,692	56,200	174,400	201,600	145,400	259%
48 Total General & Administrative	2,455,050	2,403,300	2,393,700	2,605,900	202,600	8%
49 Total Expense	12,970,554	14,104,300	15,521,600	16,236,800	2,132,500	15%
50 Net Income / (Loss) from Operations	\$ 2,493,983	\$ 2,960,000	\$ 2,254,600	\$ 4,087,600	\$ 1,127,600	38%

Trabuco Canyon Water District

Schedule C: FY 2026 Proposed Operating Budget Narrative

Board Workshop April 28, 2025

1. **Fixed Service Charges** includes fixed service cost recovery revenue billed to customers for potable and recycled water service. The FY 2026 budget assumes implementation of the FY 2026 water and recycled rates included in the 2023 Cost-of-Service Study. These rates will go into effect on July 1, 2025.
2. **Fixed Service Charges Pass-Through** includes charges to customers to recover the fixed portion of wholesale water pass-through cost increases that were excluded from the 2023 Cost-of-Service Study. The pass-through rate provision was adopted by the Board during the last Proposition 218 hearing process.
3. **Variable Service Charges** include volumetric service cost recovery revenue billed to customers for potable and recycled water service. The FY 2026 budget assumes implementation of the FY 2026 water and recycled rates included in the 2023 Cost-of-Service Study. These rates will go into effect on July 1, 2025.
4. **Variable Service Charges Pass-Through** includes charges to customers to recover the variable portion of wholesale water pass-through cost increases that were excluded from the 2023 Cost-of-Service Study. The pass-through rate provision was adopted by the Board during the last Proposition 218 hearing process.
5. **BTP Wholesale Water Sales** includes reimbursement from the City of San Clemente for Baker Treatment Plant (BTP) water purchased from the District at wholesale rates. This line item accounts for the one-to-one reimbursement received for each acre-foot (AF) of water paid to the Municipal Water District of Orange County (MWDOC) at Metropolitan Water District of Southern California (MET) untreated water rates, excluding the SAC Operational Surcharge. FY 2026 is budgeted at 1,108 AF of wholesale water sold.
6. **BTP Maintenance Charges** includes the pro-rated reimbursement from the City of San Clemente for shared operating costs at the Baker Treatment Plant. The District is billed quarterly by Irvine Ranch Water District for ongoing operating costs at the plant. The FY 2026 budget is based on recovering this pro-rated share of projected plant operating costs based on projected internal usage and external sales of plant water during FY 2026 (1,108 AF of water sold and 92 AF of plant water used by the District).
7. **BTP Capital Recovery** includes the \$193 per AF cost recovery charge received by San Clemente for water sold at the Baker Treatment Plant. The FY 2026 budget is based on 1,108 AF of water sold at \$193 / AF.
8. **Wastewater Charges** include the fixed and variable cost recovery revenue billed to customers for wastewater service. The FY 2026 budget assumes implementation of the FY 2026 wastewater rates included in the 2023 Cost-of-Service Study. These rates will go into effect on July 1, 2025.
9. **Property Tax Receipts** include the ad valorem property tax revenue received through the County of Orange. The FY 2026 budget is based on the projected FY 2025 projection with a 2% increase.
10. **Customer Fees** include late charges, miscellaneous customer fees and sewer contracts with the Santa Margarita Water District for shared facilities. Late charges are assessed as a percentage of customer bills and are budgeted to increase in conjunction with increased rate revenues. Sewer contract revenue is difficult to predict, and no increase is budgeted on these contracts.

Trabuco Canyon Water District

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11. **Interest Revenue** include the earnings on District cash and investments. The FY 2026 budget is based on 4.0% interest earnings on projected cash holdings through the year. Cash holdings are budgeted to increase with budgeted loan proceeds, in which the interest will be restricted to funding capital projects.
12. **Miscellaneous Revenue** includes cell tower lease contract revenue and various refunds and reimbursements. The FY 2026 budget is based on the schedule of payments included in the contract with about \$5k budgeted for other miscellaneous sources.
13. **Total Revenue** is budgeted at \$20.31 million in FY 2026.
14. **Source of Supply** begins the section of water supply related expenses.
15. **Variable Water Purchases** include volumetric potable and recycled water purchase costs for water sold to District customers to meet consumption demand. This line item includes untreated water purchases (treated at the Dimension Water Treatment Plant), treated water purchases (sourced through neighboring agency connections), and associated MET / MWDOC surcharges on volumetric water. FY 2026 is budgeted higher than normal due to more expensive water purchases expected through the IRWD Ridgeline emergency connection.
16. **BTP Water Purchases TCWD** includes the volumetric cost of Baker Treatment Plant (BTP) water used internally to serve District customers at the MET/MWDOC untreated water rate and includes the volumetric operational surcharges on all BTP water (both sold or used). The FY 2026 budget is based on 92 AF of water used at the plant by the District.
17. **BTP Maintenance Expense TCWD** includes the pro-rated share of operating costs at the Baker Treatment Plant. The District is billed quarterly by Irvine Ranch Water District for ongoing operating costs at the plant. The FY 2026 budget is based on projected operating costs and 92 AF of District water usage at the plant.
18. **Fixed Water Purchases** includes fixed costs of maintaining water supply infrastructure and availability from wholesale agencies. These costs are billed to the District through the Municipal Water District of Orange County (MWDOC). They are made up of the MWDOC retail meter charge, the Metropolitan Water District of Southern California (MET) readiness to serve charge, MET capacity charge, and MET standby charge. The FY 2026 budget is based on adopted rates posted by MWDOC.
19. **Chemicals & Electricity** includes chemicals and energy costs associated with water production. The FY 2026 budget is based on FY 2025 projected results with a 7% increase to electricity costs and 6% increase to chemical costs.
20. **Total Source of Supply** is budgeted at \$3.82 million for FY 2026.
21. **Cost of BTP Wholesale** begins the section of expenses directly associated with delivering wholesale water to the City of San Clemente through the District capacity at the Baker Treatment Plant.
22. **BTP Water Purchases for Wholesale** includes the cost of Baker Treatment Plant water sold to the City of San Clemente. This line item accounts for the per acre-foot (AF) charge for water paid to MWDOC at MET untreated

Trabuco Canyon Water District

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water rates, excluding the SAC Operational Surcharge. FY 2026 is budgeted at 1,108 AF of wholesale water purchased to sell to the City of San Clemente.

23. **BTP Maintenance Expense Sales** includes the pro-rated cost allocated to the City of San Clemente for shared operating costs at the Baker Treatment Plant. The District is billed quarterly by Irvine Ranch Water District for ongoing operating costs at the plant. The FY 2026 budget is based on allocating this cost at a pro-rated share of projected plant operating costs and projected sales of plant water during FY 2026 (1,108 AF of water sold and 92 AF of plant water used by the District).
24. **Total Cost of BTP Wholesale** is budgeted at \$1.48 million for FY 2026.
25. **Staffing Resources** begins the section of expenses related to District personnel.
26. **Employee Compensation** includes salaries, wages and other pay compensated to District staff. FY 2026 is budgeted based on full staffing, (1) new customer service position, a 3% cost of living adjustment to salary ranges (based on the consumer price index for LA-Long Beach-Anaheim), and a 2.5% merit pool.
27. **Employee Benefits** include health, dental and vision benefits for District personnel. The FY 2026 budget is based on full staffing at current elections, (1) new customer service position, a 9% increase to medical insurance rates, and a 3% increase to dental and vision insurance rates.
28. **CalPERS Retirement Unfunded Liability** includes the minimum payment to the California Public Employees Retirement System (CalPERS) to fund future CalPERS retirement benefits. The FY 2026 budget is based on the District actuarial valuation reports released by CalPERS and changes annually with market conditions and actuarial assumptions.
29. **Retiree Health Insurance Payments** include retiree health insurance PAYGO (pay as you go) costs for health insurance. The FY 2026 budget is based on the actuarial valuation reports prepared by the contracted actuary.
30. **OPEB Trust Reimbursement** includes the amount reimbursed from the OPEB (Other Post-Employment Benefits) 115 Trust. The District plans to reimburse itself for retiree health insurance during FY 2026.
31. **Total Staffing Resources** is budgeted at \$5.87 million for FY 2026.
32. **Operations & Maintenance** begins the section of expenses related to District operations.
33. **System Repairs and Maintenance** includes funding for pipeline leaks, equipment repair, pumps repair, motors repair, electrical work, and other maintenance costs necessary to operate the District systems and equipment. The FY 2026 budget has increased with the recognition that the trend of unplanned maintenance costs has increased with aging District infrastructure.
34. **Distribution Electricity** includes energy costs associated with distributing water to District customers. The FY 2026 budget is based on FY 2025 projected results with a 7% increase to energy costs.

Trabuco Canyon Water District

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35. **Vehicles and Equipment** includes fuel costs, vehicle repair, tools, and safety equipment. The FY 2026 budget is based on FY 2025 projections with an increase for inflation.
36. **Lab Testing & Supplies** includes testing and supply costs associated with water and recycled water compliance. The FY 2026 budget is based on FY 2025 projected results with a 7% increase for chemicals.
37. **Total Operations & Maintenance** is budgeted at \$2.44 million for FY 2026.
38. **General & Administrative** begins the section of expenses related to administration.
39. **Professional Services** includes the cost of legal services, financial services, audit services, information technology (IT) services, rate consultants (if applicable), contract engineering services, and other miscellaneous professional services.
40. **Office Maintenance & Supplies** includes costs associated with office maintenance, computer software and hardware, telephone, office supplies, office electricity, and contract services.
41. **Board of Directors** includes Board stipends, Board health insurance, and Board travel expenses.
42. **District Insurance** includes the cost of general liability and auto insurance. The FY 2026 budget is based on an 18% increase to the most recent insurance policy with recent trends experienced in the insurance industry.
43. **Dues and Memberships** include the cost of various association dues, industry memberships and Local Agency Formation Commission (LAFCO) fees. The FY 2026 budget is based on the projected FY 2025 results (current memberships) with an increase for inflation.
44. **Public Outreach & Rebate Programs** include public outreach consultants and participation in conservation rebate programs administered by MWDOC. FY 2026 is budgeted based on anticipated rebate program participation and a reduction in public outreach consultant costs.
45. **Customer Service and Billing** includes customer service-related supplies, contract billing support, and billing fees / bank charges. FY 2026 is based on the FY 2025 projected results with an increase for inflation.
46. **Conference, Trainings and Travel** includes the cost of conference attendance, trainings and travel for District personnel. FY 2026 is budgeted for no increase in activity with an increase for inflation.
47. **Miscellaneous Expense** includes collection fees paid to the County for property taxes and an allowance for uncollectable customer accounts. The FY 2026 budget for the uncollectable allowance is based on 2% of variable service charges and 1% of wastewater charges.
48. **Total General & Administrative** is budgeted at \$2.60 million for FY 2026.
49. **Total Expense** is budgeted at \$16.23 million for FY 2026.
50. **Net Income / (Loss) from Operations** is budgeted at \$4.08 million for FY 2026.

TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | MAY 8, 2025

FINANCIAL MATTERS
ITEM 5: OTHER MATTERS

RECOMMENDED ACTION:

Hear Other Matters from the General Manager or District Staff.

CONTACTS (staff responsible): PALUDI/PEREA