



**FINANCE/AUDIT COMMITTEE MEETING AGENDA
TRABUCO CANYON WATER DISTRICT
ADMINISTRATION FACILITY
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA
JUNE 12, 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 submit public comments at the time of the meeting or by email to the Board at mperea@tcwd.ca.gov. Public comments may also be submitted by teleconference during the meeting. 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 regarding a particular item on the agenda are requested to submit public comments at the time of the meeting or by email to the Board at mperea@tcwd.ca.gov. Public comments may also be submitted by teleconference during the meeting. 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. 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 8, 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 May 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 April 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 June 12, 2025 as presented (Consent Calendar).

ITEM 4: ADOPTION OF PROPOSED FISCAL YEAR 2026 OPERATING AND CAPITAL IMPROVEMENT PLAN BUDGETS

RECOMMENDED ACTION:

1. Recommend the Board of Directors approve the proposed District Salary Paytable with Classifications and Monthly Salary Ranges as presented, to be effective as of July 1, 2025.
2. Recommend the Board of Directors adopt Resolution No. 2025-1348 - Resolution of the Board of Directors of Trabuco Canyon Water District Approving the District General Fund Budget for Fiscal Year 2026 (Action Calendar).
3. Recommend the Board of Directors adopt Resolution No. 2025-1349 - Resolution of the Board of Directors of Trabuco Canyon Water District Approving the Capital Improvement Project, Equipment, and Program Budgets for Fiscal Year 2026 (Action Calendar).

ITEM 5: APPROVAL OF CASH RESERVES POLICY UPDATE

RECOMMENDED ACTION:

Recommend the Board of Directors adopt Resolution No. 2025-1350 – Resolution of the Board of Directors of Trabuco Canyon Water District Approving a Cash Reserves Policy, Rescinding and Superseding Certain Prior Resolutions and Taking Related Actions (Action Calendar).



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING AGENDA | JUNE 12, 2025**

ITEM 6: AUTHORIZATION OF FINANCE AND ACCOUNTING ADVISORY RETAINER SERVICES AND APPOINTMENT OF DISTRICT TREASURER

RECOMMENDED ACTION:

1. *Recommend the Board of Directors authorize the General Manager to execute a Professional Services Agreement with Starting Line Advisory for finance and accounting advisory retainer services for fiscal year 2026 in an amount not-to-exceed \$152,000 (Action Calendar).*
2. *Recommend the Board of Directors adopt Resolution No. 2025-1351 – Resolution of the Board of Directors of Trabuco Canyon Water District Appointing Ian Berg with Starting Line Advisory as District Treasurer (Action Calendar).*

ITEM 7: AUTHORIZATION OF ACTIONS FOR FISCAL YEAR 2026 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 2026 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 2026 Undeveloped Land/Water Standby Assessments for the July 16, 2025 Regular Board Meeting.*

ITEM 8: COMPARISON OF ALTERNATIVE CASH INVESTMENT POOLS

RECOMMENDED ACTION:

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

ITEM 9: 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, 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 12, 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. *May 8, 2025*

CONTACTS (staff responsible): PALUDI/PEREA



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING RECAP | MAY 8, 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 - Remotely
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

None

CALL MEETING TO ORDER

Director Horst called the May 8, 2025 Finance/Audit Committee Meeting to order at 8:05 a.m.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

None

REPORT FROM THE GENERAL MANAGER

None

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

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

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

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

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

ITEM 3: FINANCIAL REPORT

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

FINANCIAL ANALYSIS SUMMARY

Discussion occurred concerning various bullet points in the summary report, including a billing calculation error from Southern California Edison (SCE). Mr. Perea reported that District staff has worked with a new SCE representative to resolve the issue.

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 concerning System Repairs and Maintenance, and Interest Revenue – Restricted.

Discussion also occurred concerning the effects of debris flow from the Airport Fire to the District's groundwater supply.

SEWER FUND

Budget v. Actual

Discussion occurred concerning the District's Debt Proceeds for Capital.

RECYCLED WATER FUND

Budget v. Actual

Discussion occurred concerning Year to Date Net Total Unrestricted Cash Inflow Year to Date Actual, and the difference between the Recycled and Sewer funds.

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

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

Mr. Paludi presented this matter for Committee consideration. Mr. Berg presented the 10-Year Financial Plan, Draft FY 2026 Operating Budget Summary, and the proposed 10-Year Capital Improvement Program handout. Discussion occurred concerning the difference in rates between systems and rate increase options. The Committee requested that Mr. Berg bring multiple rate increase options to the full Board for consideration. Discussion also occurred concerning the proposed CIP budget, and Director Horst expressed his concerns with

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

moving forward with the transmission main rehabilitation at this time. Director Safranski stated that the District is responsible for providing reliable water to its customers. Discussion occurred regarding the importance of water reliability in order to provide critical basic services to District customers. Discussion also occurred regarding various options for debt placement and reserve policy targets.

RECOMMENDATION: None – Informational item only.

ITEM 5: OTHER MATTERS

Mr. Perea reported that Wastewater Operations and Maintenance staff hosted a group of approximately 80 Boy Scouts and 25 parents on a tour of the District’s Wastewater Treatment Plant. Mr. Perea noted that the event was coordinated with the Municipal Water District of Orange County (MWDOC), and he added that MWDOC plans to attend the District’s next Regular Board Meeting to present a certificate of appreciation to staff for all their hard work putting on the event.

RECOMMENDATION: None – Informational item only.

ADJOURNMENT

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

DRAFT

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JUNE 12, 2025**

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

EXHIBIT(S):

1. Directors' Fees and Expenses Report for May 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 | MAY 2025**

MEETING DESCRIPTION	ACOSTA	ANDERSON	HORST	MANDICH	SAFRANSKI
DISTRICT MEETINGS					
Executive Committee Meeting	05/12/25			05/12/25	
Engineering/Operational Committee Meeting	05/07/25	05/07/25			
Finance/Audit Committee Meeting			05/08/25		05/08/25
Individual Meeting with General Manager	05/19/25	05/29/25		05/19/25	05/19/25
Public Outreach Ad Hoc Committee Meeting No. 1	05/09/25		05/09/25		
Public Outreach Ad Hoc Committee Meeting No. 2	05/20/25		05/20/25		
Regular Board Meeting	05/21/25	05/21/25	05/21/25	05/21/25	05/21/25
Sources of Supply Ad Hoc Committee Meeting		05/01/25		05/01/25	
Special Board Meeting - Budget Workshop No. 2	05/27/25	05/27/25	05/27/25	05/27/25	05/27/25
REPRESENTATIVE MEETINGS					
ACWA 2025 Spring Conference - Day One			05/13/25		
ACWA 2025 Spring Conference - Day Two			05/14/25		
ACWA 2025 Spring Conference - Day Three			05/15/25		
Community Associations of Rancho (CAR) Meeting			05/06/25		
City of Rancho Santa Margarita - City Council Meeting					
Independent Special Districts of Orange County (ISDOC) Monthly Meeting		05/06/25			
Independent Special Districts of Orange County (ISDOC) Quarterly Meeting					
MWDOC Administration/Finance Committee Meeting			05/14/25		
MWDOC Board Meeting			05/21/25		
South Orange County Integrated Regional Watershed Management Executive Committee Meeting					
Orange County Local Agency Formation Commission (OC LAFCO)		05/14/25			
Rancho Santa Margarita Chamber of Commerce Federal & State Legislative Update	05/09/25				
South Orange County Water Agencies Group Meeting					05/22/25
Santiago Aqueduct Commission Meeting (SAC)					
Water Advisory Commission of Orange County (WACO)		05/02/25			
NUMBER OF MEETINGS ATTENDED	7	8	9	5	5
PER DIEMS (\$125 per each meeting*)	\$875.00	\$1,000.00	\$1,125.00	\$625.00	\$625.00
DIRECT REIMBURSABLE EXPENSES					
ACWA 2025 Spring Conference - Monterey - Attached Expense Report			\$537.45		
DIRECT REIMBURSABLE EXPENSES TOTALS					
INDIRECT REIMBURSABLE EXPENSES					
ACWA 2025 Spring Conference Registration Costs - Paid by District			\$949.00		
ACWA 2025 Spring Conference Hotel Costs - Paid by District			\$737.22		
INDIRECT REIMBURSABLE EXPENSES TOTALS					
TOTAL (PER DIEMS + DIRECT REIMBURSABLE EXPENSES)	\$875.00	\$1,000.00	\$1,662.45	\$625.00	\$625.00
<i>* Maximum per diem per day is one; maximum per month is 10</i>					

DIRECTOR SIGNATURE

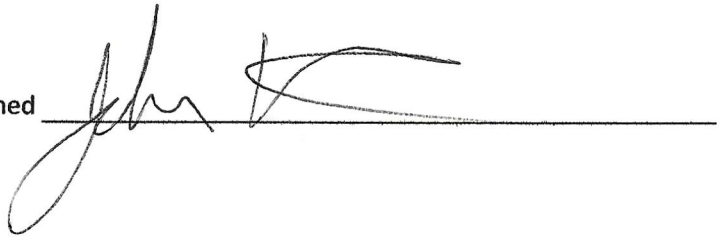
TRABUCO CANYON WATER DISTRICT

Expense Report ACWA Conf Spring 2025

Employee Name: John Horst

Item	Description	Date	Amount
1	Meal	5/15/2025	\$ 13.85
2	Mileage 748 miles (374 ea way)	13-15th	\$ 523.60
3			
4			
5			


Total expenses to be reimbursed \$ 537.45

Signed 

*** Mileage rate is 70 cents per mile

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 | JUNE 12, 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 April 2025 (Consent Calendar).

B) BILLS FOR CONSIDERATION

The total of the bills for consideration will be presented at the time of the June 12, 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 June 12, 2025 as presented (Consent Calendar).

CONTACTS (staff responsible): PALUDI/PEREA/WARNER



Financial Reporting

April 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
April 2025**

Cash & Investments Report Analysis

Total cash and investments as of the reporting date are \$14.17M and represent a decrease of \$598K from the prior month. The reduction in total cash from the prior month resulted primarily from 2 months of payments for emergency water purchases and the Golf Club Sewer Lift Station rehabilitation capital project.

Throughout the fiscal year, the District has utilized loan proceeds to advance Capital projects, most notably for the Golf Club Lift Station Rehabilitation project and Hoffman Blower Building Rehabilitation projects for the Sewer system. The District planned the issuance and drawdown of debt proceeds in the 2023 cost of service study to continue investment into aging capital infrastructure. Pipeline conveyance issues at the Dimension Water Treatment Plant have 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 April 2025 included payments for emergency water supply, various capital projects, salaries and benefits, and ongoing operating and administrative costs. The top ten total payments to vendors during the reporting month are displayed in the following table:

Top 10 Payments	Vendor	Description
\$ 424,090.33	Irvine Ranch Water District	February - March 2025 emergency water supply and Portola Hills water supply purchases
\$ 277,612.31	Pacific Hydrotech Corporation	Golf Club Sewer Lift Station Rehabilitation
\$ 266,410.14	ADP	Payroll processing
\$ 140,670.24	CalPERS	Employee retirement and health benefits
\$ 118,864.15	DRP Engineering, Inc.	Design work for pipeline upsizing project
\$ 99,067.50	W.M. Lyles Co.	SCADA Integration and Troubleshooting
\$ 74,491.10	Southern California Edison	Electricity for District facilities
\$ 69,304.00	Municipal Water District of Orange County	Fixed water supply costs
\$ 58,586.58	Hydrotech Electric	Electrical repairs at miscellaneous sites, Dimension Water Treatment Plant Electrical work
\$ 53,070.00	Department Of Water Resources	Dam fees for Dove Canyon and Trabuco Dam sites



**Trabuco Canyon Water District
Financial Analysis Summary
April 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 83% of the fiscal year. The following line items are discussed below:

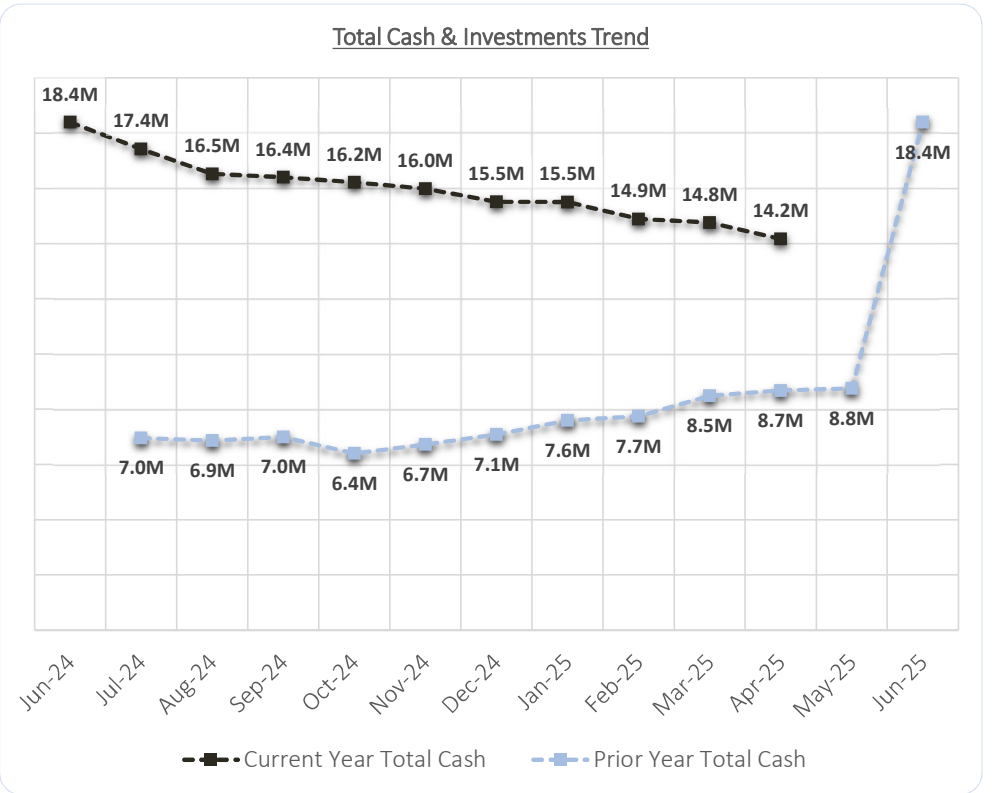
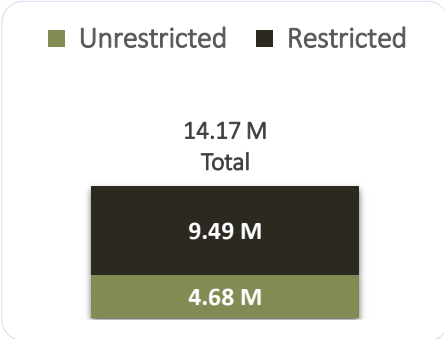
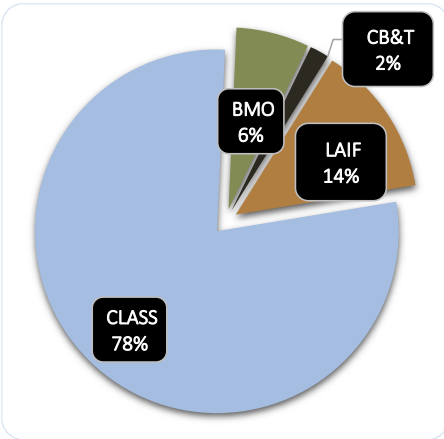
- **Line 2 Operating Revenue** exceeds the YTD% budget target due to higher-than-expected variable consumption charges from potable and recycled water sales. From July 2024 through April 2025, potable water consumption has increased 17% compared to July 2023 through April 2024. This has created a positive impact to the District revenues compared to budget. However, it is also important to consider that the increased demand has resulted in increased water supply. Since the District is currently utilizing an emergency water supply source, the increased cost of this water supply has prevented the District from realizing a greater financial benefit from the increase in water consumption by customers.
- **Line 6 Non-Operating Revenue** is trending at 93% of the total budget. This non-operating revenue is ahead of expectations due to the timing of \$631K of property tax receipts received in April 2025. The District is anticipated to reach the non-operating revenue budget by the end of the fiscal year.
- **Line 6 Source of Supply** continues to trend over the budget target. During FY 2024-25, increased water demands have necessitated increased water supply needs compared to the prior year. In addition, the Dimension Water Treatment Plant (DWTP) has been out of service this fiscal year due to pipeline conveyance issues. 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** is trending at 80% of budget in the current month. A billing error reimbursement from Southern California Edison has been received and credited against the 21276 Plano Trabuco Road service account. The credit amount on this account totaled \$300.5K and has been recognized in the current reporting month. Future months will draw down on this credit.
- **Line 15 Debt Service – Principal and Interest** is trending at 71% of the total budget. This line item was difficult to predict during the Fiscal Year 2024-25 budget process, as the District did not have a precise structure and timeline for upcoming debt service payments on the 2024 loan issuance. The amount and timing of these payments may differ from the Fiscal Year 2024-25 budget, but the total expected debt service payments over the course of the loan will 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 April 30, 2025

	Restricted / Unrestricted	Type	Yield	Cost	Market	% Portfolio
Local Agency Investment Fund (LAIF)						
LAIF	Unrestricted	Investment	4.281%	\$ 609,010	\$ 609,527	4.3%
LAIF Water Storage Facilities	Restricted	Investment	4.281%	1,174,218	1,175,216	8.3%
LAIF Interim Sewage	Restricted	Investment	4.281%	132,806	132,919	0.9%
Total LAIF				1,916,034	1,917,661	13.5%
California Cooperative Liquid Assets Securities System (CLASS)						
CLASS	Unrestricted	Investment	4.393%	3,146,145	3,146,069	22.2%
CLASS 2024 Debt Proceeds	Restricted	Investment	4.393%	7,946,580	7,946,388	56.1%
Total CLASS				11,092,725	11,092,457	78.3%
BMO Checking	Unrestricted	Cash	0.000%	920,773	920,773	6.5%
CB&T Checking (SRF Loan Covenant)	Restricted	Cash	0.400%	239,725	239,725	1.7%
Total Cash & Investments				\$ 14,169,257	\$ 14,170,616	100.0%



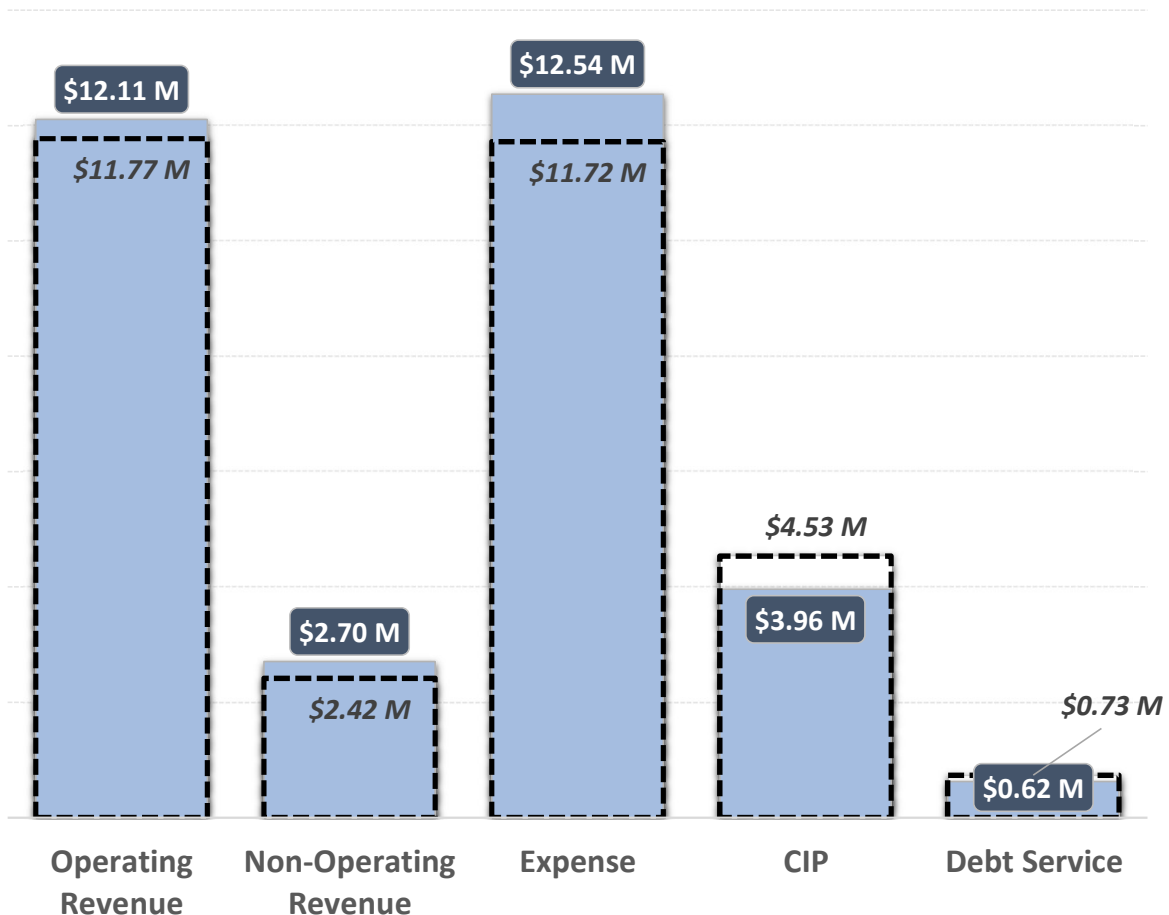


Trabuco Canyon Water District District Summary Budget v. Actual Report

April 2025

	April 2025	YTD Actual	FY 25 Adopted Budget	YTD 83%
1 Revenue				
2 Operating Revenue	\$ 967,935	\$ 12,106,969	\$ 14,125,200	86%
3 Non-Operating Revenue	674,811	2,702,706	2,901,000	93%
4 Total Revenue	1,642,746	14,809,675	17,026,200	87%
5 Expense				
6 Source of Supply	475,703	4,889,548	4,904,400	100%
7 Salaries and Benefits	422,608	4,448,560	5,344,100	83%
8 Transmission and Distribution	(112,327)	1,272,677	1,581,600	80%
9 General and Administrative	384,339	1,897,984	2,218,000	86%
10 Miscellaneous Expense	30,758	35,130	18,100	194%
11 Total Expense	1,201,080	12,543,898	14,066,200	89%
12 Net Revenue / (Expense)	441,665	2,265,777	2,960,000	77%
13 Transfer In - Debt Proceeds for Capital	192,970	3,206,541	5,441,589	59%
14 Capital Improvement Program (CIP)	(248,409)	(3,962,170)	(5,441,589)	73%
15 Debt Service - Principal and Interest	-	(622,040)	(881,600)	71%
16 Est. Net Cash Inflow / (Outflow)	\$ 386,226	\$ 888,109	\$ 2,078,400	43%

■ YTD Actual □ 83% Budget Target





Trabuco Canyon Water District Water Budget v. Actual Report

April 2025

	April 2025	YTD Actual	FY 25 Adopted Budget	YTD 83%
1 Operating Revenue				
2 Fixed / Capital Service Charges	\$ 296,385	\$ 3,015,393	\$ 3,532,800	85%
3 Variable Consumption Charges	234,672	4,050,128	4,135,900	98%
4 Baker Treatment Plant Water Sales	150,727	1,295,587	2,115,600	61%
5 Customer Fees	10,118	124,328	149,000	83%
6 Standby Charges	10,076	26,477	37,900	70%
7 Uncollectable Accounts	-	-	(25,300)	0%
8 Total Operating Revenue	701,979	8,511,913	9,945,900	86%
9 Operating Expense				
10 Source of Supply				
11 Fixed Water Purchases	33,455	330,525	406,300	81%
12 Variable Water Purchases	257,305	2,920,737	2,210,900	132%
13 Baker Treatment Plant Water Sold	147,927	1,109,216	1,578,700	70%
14 Water Treatment	4,526	116,981	213,000	55%
15 Pumping Electricity	18,527	281,723	340,800	83%
16 Total Source of Supply	461,741	4,759,183	4,749,700	100%
17 Salaries and Benefits				
18 Employee/Director Wages	170,663	1,796,188	2,191,700	82%
19 Employee/Director Benefits	38,932	453,435	547,700	83%
20 Retiree Health Insurance	12,504	118,125	179,300	66%
21 Transfer In - 115 OPEB Trust Reimbursement	(12,504)	(118,125)	(179,300)	66%
22 CalPERS Retirement (Normal)	28,857	292,549	349,500	84%
23 CalPERS Unfunded Accrued Liability (Minimum)	18,725	187,252	171,400	109%
24 Payroll Taxes	14,688	141,598	160,900	88%
25 Total Salaries and Benefits	271,865	2,871,022	3,421,200	84%
26 Transmission and Distribution				
27 System Repairs and Maintenance	33,897	212,719	201,800	105%
28 Vehicles and Equipment	30,147	117,439	90,300	130%
29 Safety, Supplies and Testing	3,952	46,917	78,600	60%
30 Total Transmission and Distribution	67,995	377,076	370,700	102%
31 General and Administrative				
32 Professional Services	183,674	634,595	635,500	100%
33 Office Maintenance, Supplies and Software	58,885	325,600	330,900	98%
34 District Insurance	11,900	116,324	137,600	85%
35 Dues and Memberships	(1,103)	87,878	101,200	87%
36 Public Outreach	3,126	47,069	138,300	34%
37 Customer Service and Billing	8,704	54,674	77,800	70%
38 Conference, Trainings and Travel	3,855	25,118	31,900	79%
39 Total General and Administrative	269,041	1,291,258	1,453,200	89%
40 Total Operating Expense	1,070,642	9,298,538	9,994,800	93%
41 Net Operating Revenue / (Expense)	(368,664)	(786,625)	(48,900)	
42 Non-Operating Revenue / (Expense)				
43 Property Tax Revenue	315,764	1,048,650	1,147,500	91%
44 Interest Revenue - Unrestricted	17,275	87,281	31,000	282%
45 Interest Revenue - Restricted	-	39,606	40,400	98%
46 Other Revenue and Reimbursements	2,634	29,754	59,200	50%
47 Miscellaneous Expense	(19,057)	(21,433)	(6,500)	330%
48 Net Non-Operating Revenue / (Expense)	316,616	1,183,858	1,271,600	93%
49 Net Total Revenue / (Expense)	(52,048)	397,233	1,222,700	
50 Other Unrestricted Cash Inflow / (Outflow)				
51 Transfer In - Debt Proceeds for Capital	68,049	450,979	903,729	50%
52 Capital Improvement Program (CIP)	(68,049)	(913,765)	(903,729)	101%
53 Debt Service - Principal and Interest	-	(313,955)	(526,500)	60%
54 Net Other Unrestricted Cash Inflow / (Outflow)	-	(776,741)	(526,500)	148%
55 Net Total Unrestricted Cash Inflow / (Outflow)	\$ (52,048)	\$ (379,508)	\$ 696,200	



Trabuco Canyon Water District Water CIP Report

April 2025

Project	April 2025	YTD Actual	FY 25 Adopted Budget	YTD 83%
1 Water CIP				
2 Capital Improvements / Replacements				
3 SCADA System Upgrades	\$ 37,608	\$ 151,239	\$ 184,729	82%
4 Water Transmission Pipeline Upsizing	-	178,184	432,250	41%
5 Manual Transfer Switch Installations - Water	-	13,474	40,000	34%
6 Transmission Main Repair	30,441	57,050	-	N/A
7 Total Capital Improvements / Replacements	68,049	399,946	656,979	61%
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	-	19,196	26,600	72%
14 Valve Replacements - Water	-	2,906	39,900	7%
15 Total Programs	-	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 Repair damaged fence - Porter Property	-	5,872	-	N/A
24 Misc. Electrical work - Water	-	105,491	-	N/A
25 O'Neill Park - 10" water main repair	-	16,633	-	N/A
26 Pave parking lot - Dove Golf Course	-	32,900	-	N/A
27 800 gallon water delivery tank	-	9,471	-	N/A
28 Flood at Admin Bldg	-	10,874	-	N/A
29 Total Unplanned Repairs/Expenses	-	462,786	-	N/A
30 Total Water CIP	\$ 68,049	\$ 913,765	\$ 903,729	101%

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

April 2025

	April 2025	YTD Actual	FY 25 Adopted Budget	YTD 83%
1 Operating Revenue				
2 Sewer Residential Charges	\$ 196,193	\$ 1,929,155	\$ 2,301,500	84%
3 Sewer Commercial Charges	17,438	202,417	257,200	79%
4 Customer Fees	16,480	172,596	284,600	61%
5 Uncollectable Accounts	-	-	(8,400)	0%
6 Total Operating Revenue	230,111	2,304,168	2,834,900	81%
7 Operating Expense				
8 Salaries and Benefits				
9 Employee/Director Wages	83,127	856,079	1,038,200	82%
10 Employee/Director Benefits	15,950	194,888	227,700	86%
11 Retiree Health Insurance	4,466	42,187	64,100	66%
12 Transfer In - 115 OPEB Trust Reimbursement	(4,466)	(42,187)	(64,100)	66%
13 CalPERS Retirement (Normal)	10,316	102,832	122,600	84%
14 CalPERS Unfunded Accrued Liability (Minimum)	6,688	66,876	79,800	84%
15 Payroll Taxes	5,246	50,571	76,800	66%
16 Total Salaries and Benefits	121,326	1,271,245	1,545,100	82%
17 Transmission and Distribution				
18 System Repairs and Maintenance	41,297	257,672	378,700	68%
19 T&D Electricity	(214,186)	236,934	276,300	86%
20 Vehicles and Equipment	9,671	42,942	36,400	118%
21 Safety, Supplies and Testing	1,736	14,789	17,900	83%
22 Total Transmission and Distribution	(161,483)	552,337	709,300	78%
23 General and Administrative				
24 Professional Services	65,229	223,912	228,100	98%
25 Office Maintenance, Supplies and Software	24,765	169,538	179,300	95%
26 District Insurance	4,636	44,243	49,100	90%
27 Dues and Memberships	(2,022)	31,667	121,700	26%
28 Public Outreach	437	12,059	19,500	62%
29 Customer Service and Billing	1,155	12,827	20,600	62%
30 Conference, Trainings and Travel	1,377	8,971	11,500	78%
31 Total General and Administrative	95,575	503,217	629,800	80%
32 Total Operating Expense	55,418	2,326,800	2,884,200	81%
33 Net Operating Revenue / (Expense)	174,693	(22,631)	(49,300)	
34 Non-Operating Revenue / (Expense)				
35 Property Tax Revenue	520,972	1,048,649	1,050,900	100%
36 Interest Revenue - Unrestricted	19,799	391,466	192,600	203%
37 Other Revenue and Reimbursements	2	1,855	11,000	17%
38 Miscellaneous Expense	(9,050)	(10,519)	(7,600)	138%
39 Net Non-Operating Revenue / (Expense)	531,723	1,431,451	1,246,900	115%
40 Net Total Revenue / (Expense)	706,417	1,408,820	1,197,600	
41 Other Unrestricted Cash Inflow / (Outflow)				
42 Transfer In - Debt Proceeds for Capital	84,905	2,475,014	4,086,215	61%
43 Capital Improvement Program	(140,344)	(2,740,893)	(4,086,215)	67%
44 Debt Service - Principal and Interest	-	(260,878)	(304,100)	86%
45 Net Other Unrestricted Cash Inflow / (Outflow)	(55,439)	(526,758)	(304,100)	173%
46 Net Total Unrestricted Cash Inflow / (Outflow)	\$ 650,977	\$ 882,062	\$ 893,500	



Trabuco Canyon Water District Sewer CIP Report

April 2025

Project	April 2025	YTD Actual	FY 25 Adopted Budget	YTD 83%
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	13,431	54,014	65,975	82%
5 WWTP Hoffman Blower Building Rehabilitation	30,660	253,938	1,100,000	23%
6 Heritage Sewer Lift Station Rehabilitation	28,838	267,837	632,250	42%
7 Manual Transfer Switch Installations - Sewer	-	17,149	40,000	43%
8 WWTP Fiber Optic Upgrade	4,640	279,713	300,000	93%
9 Chiquita CIP FY25	7,335	64,544	236,740	27%
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	84,905	2,475,014	4,057,465	61%
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	5,851	50,749	-	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	-	N/A
30 Submersible pumps - Via Allegre LS	49,589	49,589	-	N/A
31 Total Unplanned Repairs/Expenses	55,439	265,879	-	N/A
32 Total Sewer CIP	\$ 140,344	\$ 2,740,893	\$ 4,086,215	67%

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

April 2025

	April 2025	YTD Actual	FY 25 Adopted Budget	YTD 83%
1 Operating Revenue				
2 Fixed / Capital Service Charges	\$ 13,992	\$ 137,756	\$ 161,600	85%
3 Variable Consumption Charges	21,854	1,135,198	1,173,600	97%
4 Customer Fees	-	17,933	13,600	132%
5 Uncollectable Accounts	-	-	(4,400)	0%
6 Total Operating Revenue	35,845	1,290,888	1,344,400	96%
7 Operating Expense				
8 Source of Supply				
9 Recycled Water Purchases	2,260	25,837	33,300	78%
10 Water Treatment	11,702	104,528	121,400	86%
11 Total Source of Supply	13,962	130,365	154,700	84%
12 Salaries and Benefits				
13 Employee/Director Wages	19,993	204,057	249,200	82%
14 Employee/Director Benefits	4,810	56,560	66,600	85%
15 Retiree Health Insurance	893	8,437	12,800	66%
16 Transfer In - 115 OPEB Trust Reimbursement	(893)	(8,437)	(12,800)	66%
17 CalPERS Retirement (Normal)	2,226	22,186	26,400	84%
18 CalPERS Unfunded Accrued Liability (Minimum)	1,338	13,375	18,000	74%
19 Payroll Taxes	1,049	10,114	17,600	57%
20 Total Salaries and Benefits	29,417	306,293	377,800	81%
21 Transmission and Distribution				
22 T&D Electricity	(49,065)	193,643	341,200	57%
23 System Repairs and Maintenance	13,194	35,447	41,400	86%
24 Vehicles and Equipment	2,028	9,545	8,200	116%
25 Safety, Supplies and Testing	15,004	104,629	110,800	94%
26 Total Transmission and Distribution	(18,839)	343,263	501,600	68%
27 General and Administrative				
28 Professional Services	13,046	44,722	45,600	98%
29 Office Maintenance, Supplies and Software	4,820	29,297	30,400	96%
30 District Insurance	850	8,309	10,000	83%
31 Dues and Memberships	414	14,410	38,600	37%
32 Public Outreach	87	2,412	3,800	63%
33 Customer Service and Billing	231	2,565	4,200	61%
34 Conference, Trainings and Travel	275	1,794	2,400	75%
35 Total General and Administrative	19,723	103,509	135,000	77%
36 Total Operating Expense	44,262	883,430	1,169,100	76%
37 Net Operating Revenue / (Expense)	(8,417)	407,458	175,300	232%
38 Non-Operating Revenue / (Expense)				
39 Property Tax Revenue	(205,208)	-	341,400	0%
40 Interest Revenue - Unrestricted	3,572	55,073	24,800	222%
41 Other Revenue and Reimbursements	0	371	2,200	17%
42 Miscellaneous Expense	(2,651)	(3,177)	(4,000)	79%
43 Net Non-Operating Revenue / (Expense)	(204,287)	52,267	364,400	14%
44 Net Total Revenue / (Expense)	(212,704)	459,725	539,700	85%
45 Other Unrestricted Cash Inflow / (Outflow)				
46 Transfer In - Debt Proceeds for Capital	40,016	280,548	451,645	62%
47 Capital Improvement Program	(40,016)	(307,511)	(451,645)	68%
48 Debt Service - Principal and Interest	-	(47,207)	(51,000)	93%
49 Net Other Unrestricted Cash Inflow / (Outflow)	-	(74,170)	(51,000)	145%
50 Net Total Unrestricted Cash Inflow / (Outflow)	\$ (212,704)	\$ 385,555	\$ 488,700	79%



Trabuco Canyon Water District Recycled Water CIP Report

April 2025

Project	April 2025	YTD Actual	FY 25 Adopted Budget	YTD 83%
1 Recycled Water CIP				
2 Capital Improvements / Replacements				
3 SCADA System Upgrades	\$ 2,686	\$ 10,803	\$ 13,195	82%
4 Dove Recycled Booster Pump Station	35,570	73,140	133,000	55%
5 Dove Canyon Recycled PRV Improvement	1,760	166,349	180,000	92%
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	40,016	280,548	445,895	63%
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	-	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	-	N/A
21 Total Unplanned Repairs/Expenses	-	26,963	-	N/A
22 Total Recycled Water CIP	\$ 40,016	\$ 307,511	\$ 451,645	68%

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 | JUNE 12, 2025**

FINANCIAL MATTERS

ITEM 4: ADOPTION OF PROPOSED FISCAL YEAR 2026 OPERATING AND CAPITAL IMPROVEMENT PLAN BUDGETS

Trabuco Canyon Water District's (TCWD or District) fiscal year (FY) runs from July 1 to June 30. During the final quarter of each fiscal year, District staff reviews financial information and performs analyses relating to anticipated revenues and projected expenses for the following fiscal year to recommend operating budgets for the water, sewer, and recycled water enterprises to the Board of Directors in an open and transparent process. Staff also develops a plan for capital spending that includes capital projects and equipment replacements.

At a Special Board Meeting on April 28, 2025 (Budget Workshop #1), staff presented a preliminary FY 26 Operating Budget as well as future budget and rate projections using a 10-Year financial planning model. During the meeting, the Board requested that staff analyze a lower July 1, 2025 water rate adjustment scenario. At a Special Board Meeting on May 27, 2025 (Budget Workshop #2), staff presented a proposed budget and financial plan based on an "Option 2" water rate adjustment scenario, as well as a proposed update to the District's cash reserves policy. The Board requested a further analysis of the proposed water rate adjustment where the FY 26 adjustment would be implemented partially in July 2025 and partially in January 2026, to reduce the impact to ratepayers of a single, larger adjustment during the summer months when consumption is typically higher.

Staff will present two additional water rate adjustment scenarios to the Finance/Audit Committee for review and input to the Board of Directors. The presentation is included as Exhibit 1.

FUNDING SOURCE:

General Fund and Capital Reserves

FISCAL IMPACT:

Final proposed revenues and expenses, and capital spending will be presented as part of the final proposed FY 26 Operating and Capital Budgets.

RECOMMENDED ACTION:

1. *Recommend the Board of Directors approve the proposed District Salary Paytable with Classifications and Monthly Salary Ranges as presented, to be effective as of July 1, 2025 (Action Calendar).*
2. *Recommend the Board of Directors adopt Resolution No. 2025-1348 – Resolution of the Board of Directors of Trabuco Canyon Water District Approving the District General Fund Budget for Fiscal Year 2026 (Action Calendar).*
3. *Recommend the Board of Directors adopt Resolution No. 2025-1349 – Resolution of the Board of Directors of Trabuco Canyon Water District Approving the Capital Improvement Project, Equipment, and Program Budgets for Fiscal Year 2026 (Action Calendar).*

EXHIBITS:

1. Fiscal Year 2025-26 Proposed Budget & Financial Plan, F/A Committee June 12, 2025 (Powerpoint)

CONTACTS (staff responsible): PALUDI/BERG/WARNER



Fiscal Year 2025-2026 Proposed Budget & Financial Plan

Finance/Audit Committee June 12, 2025



Agenda

Rate Scenario Options Summary

Customer Impacts July-December

Customer Impacts January-June

Reserve Impacts

Discussion



Rate Scenario Options

		April Workshop		May Workshop					
		Option 1		Option 2		Option 3		Option 4	
1	Increase Date	7/1/2025	1/1/2026	7/1/2025	1/1/2026	7/1/2025	1/1/2026	7/1/2025	1/1/2026
2	% of 2026 COS Rate	100.0%	100.0%	94.0%	94.0%	94.0%	100.0%	90.0%	100.0%
3	Rate Adjustment %	24.0%	0.0%	16.8%	0.0%	16.8%	6.4%	11.8%	11.1%
4	7/1/2027 Rate Adjustment %	10.0%		17.0%		10.0%		10.0%	
5	Unrestricted Cash @ 6/30/26	\$6.80 m		\$6.21 m		\$6.47 m		\$6.25 m	
6	Meets Operating & RS Min. Reserve	Yes		Yes		Yes		Yes	
7	Meets all minimum Reserve Targets	No		No		No		No	
8	Cash Difference to Option 1	\$0.00 m		-\$0.59 m		-\$0.33 m		-\$0.55 m	
9	Debt Service Coverage @ 6/30/26 (Target 1.75)	2.02		1.77		1.88		1.79	
10	Net Income / (Loss) from Operations	\$4.00 m		\$3.41 m		\$3.67 m		\$3.46 m	
11	Budgeted Change in Unrestricted Cash	\$0.43 m		-\$0.16 m		\$0.10 m		-\$0.12 m	



Average Customer Bill Impacts

3.54

Min of Total Bill

1,602.41

Max of Total Bill

88.67

Median of Total Bill

100.25

Average of Total Bill

0

Min of ccf

216

Max of ccf

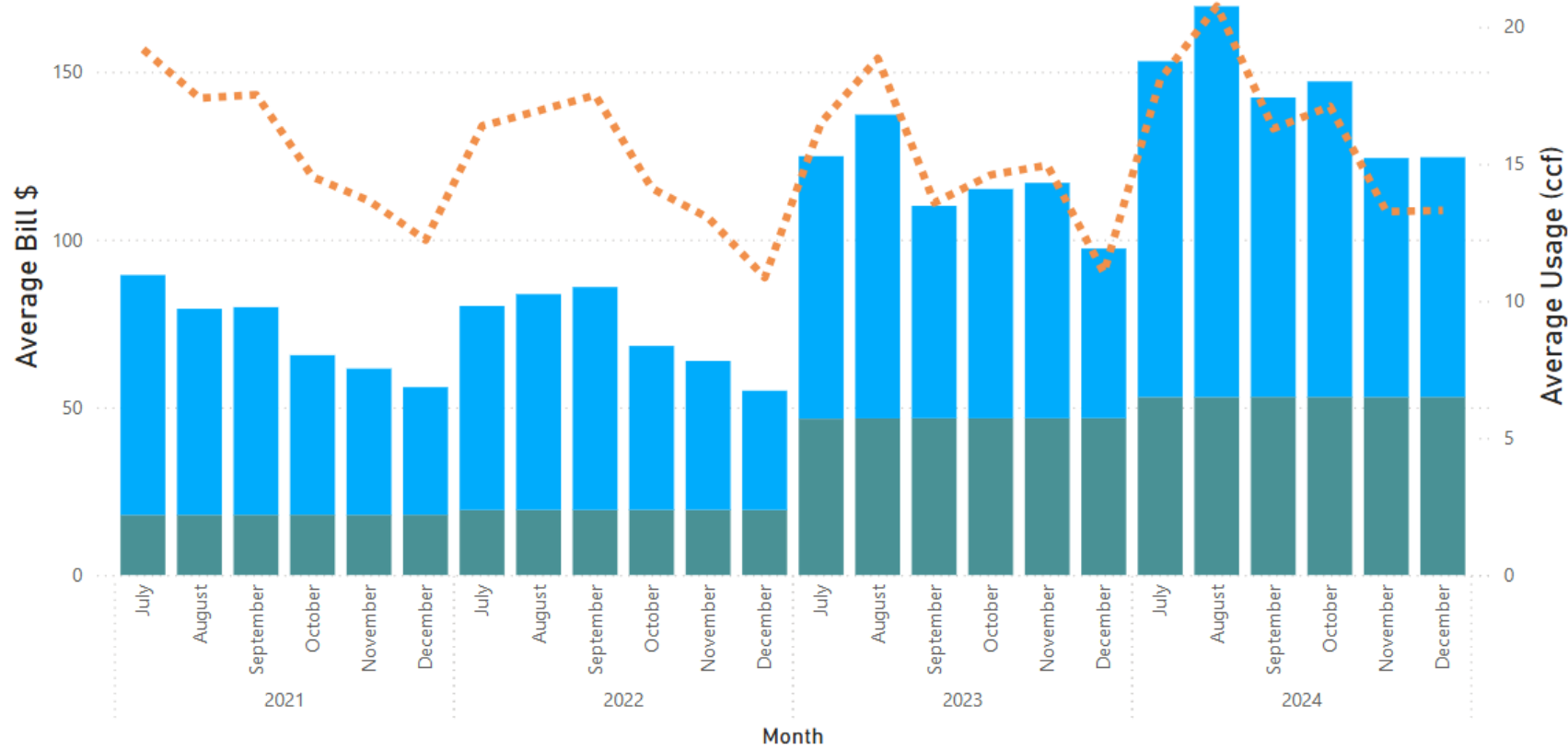
14

Median of ccf

15.48

Average of ccf

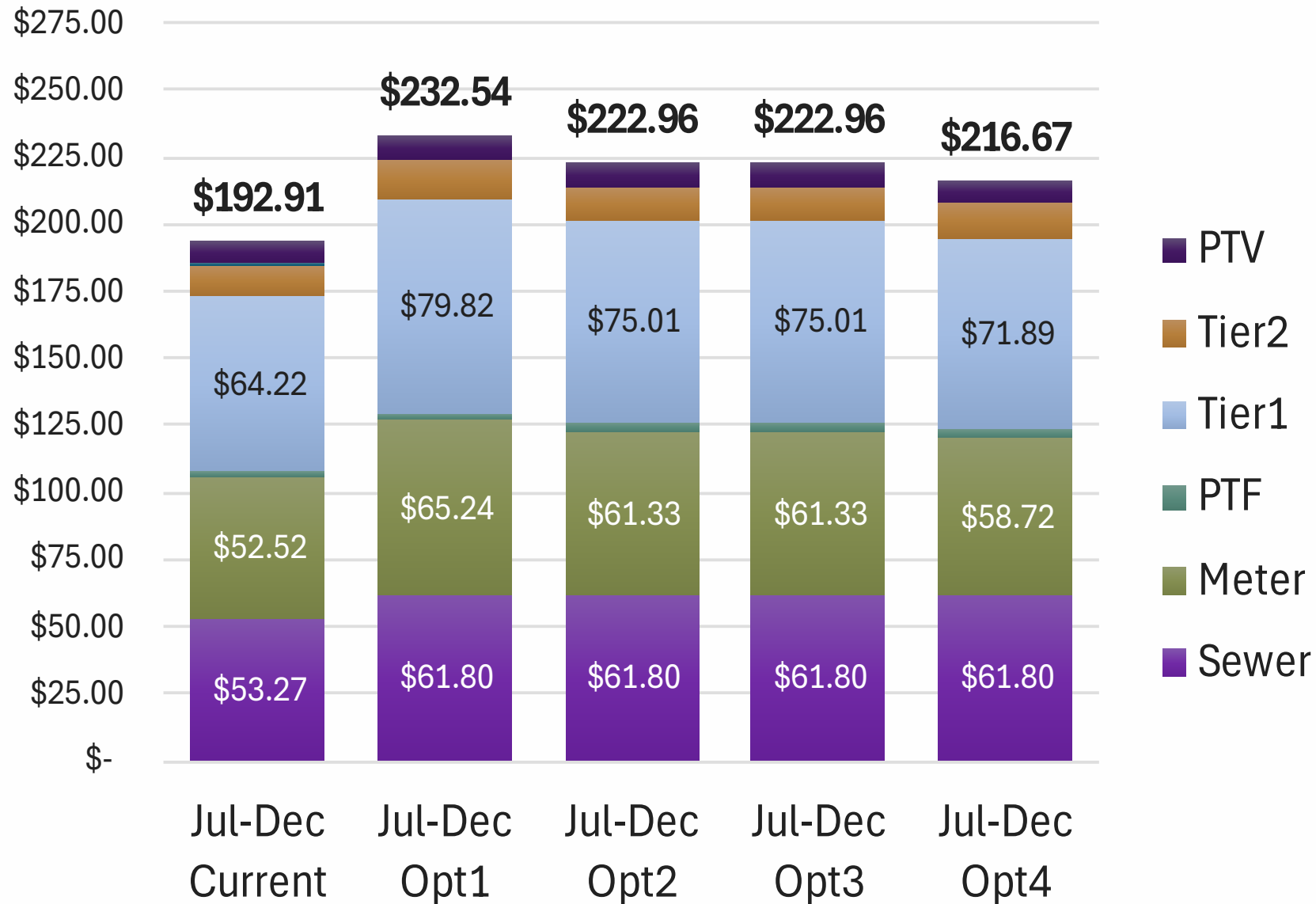
● Avg. Fixed Charges ● Avg. Variable Charges ● Avg. ccf billed



3/4" & 5/8"
Customer
Water Bill
History
Jul - Dec



3/4" & 5/8" Customer Bill Jul - Dec 15 ccf



3.03

Min of Total Bill

1,196.88

Max of Total Bill

70.44

Median of Total Bill

79.77

Average of Total Bill

1

Min of ccf

153

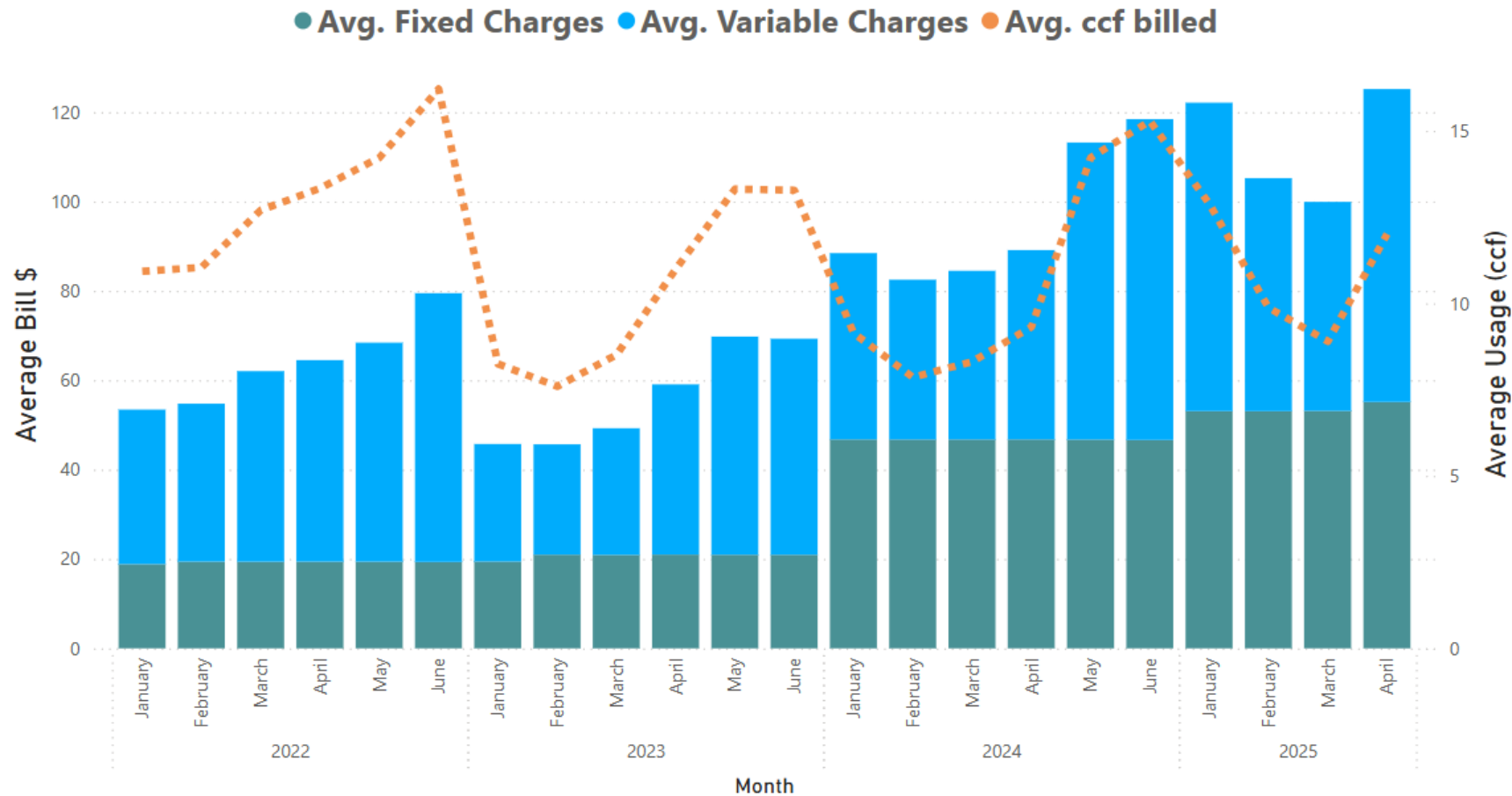
Max of ccf

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Median of ccf

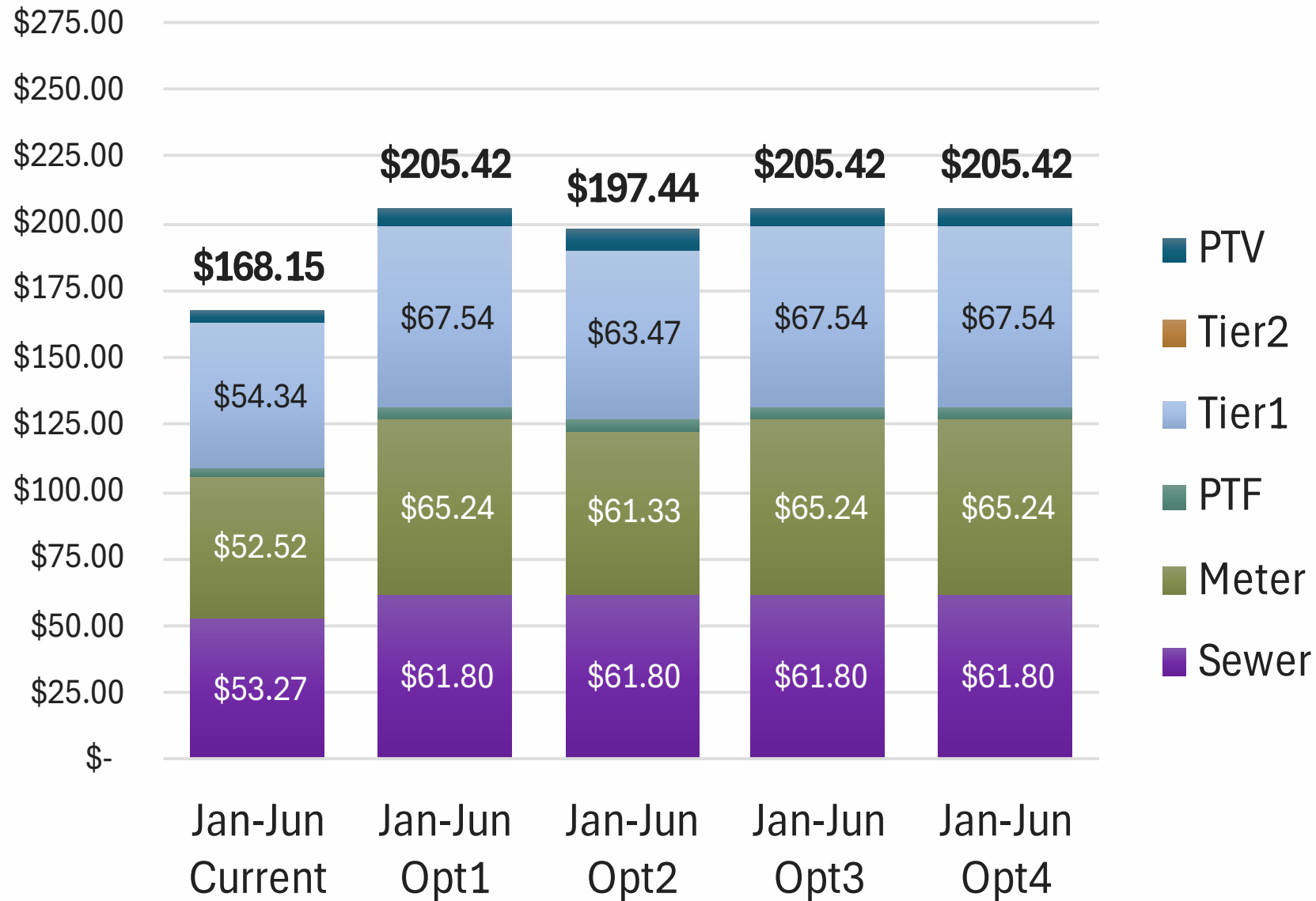
11.39

Average of ccf



3/4" & 5/8"
Customer
Water Bill
History
Jan-Jun

3/4" & 5/8" Customer Bill Jan - Jun 11 ccf



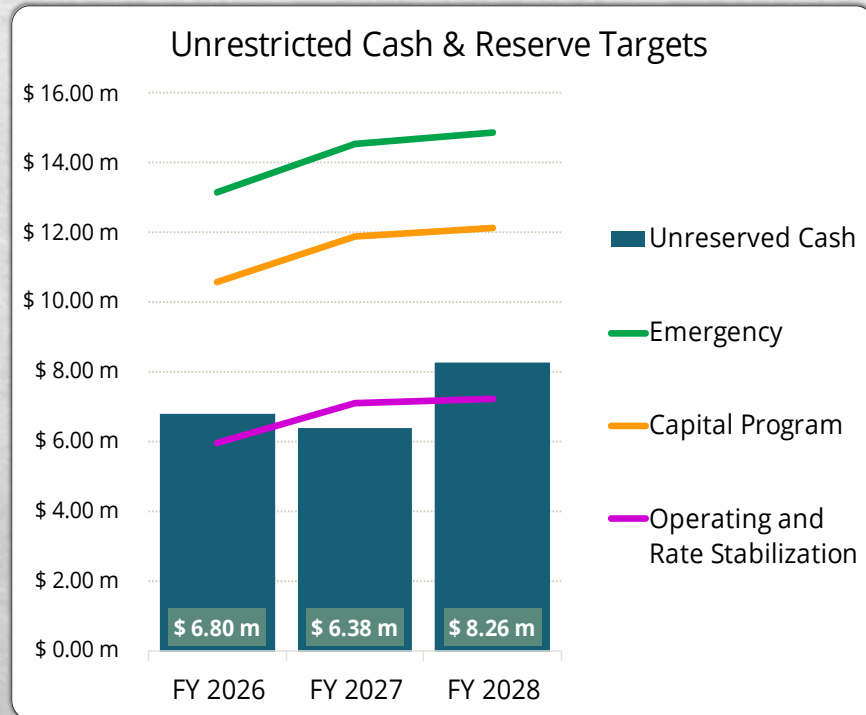
A white piggy bank is centered on a grey surface, with a grey umbrella positioned above it. The background is a light grey gradient. The text "Reserve Impacts" is overlaid in the center.

Reserve Impacts

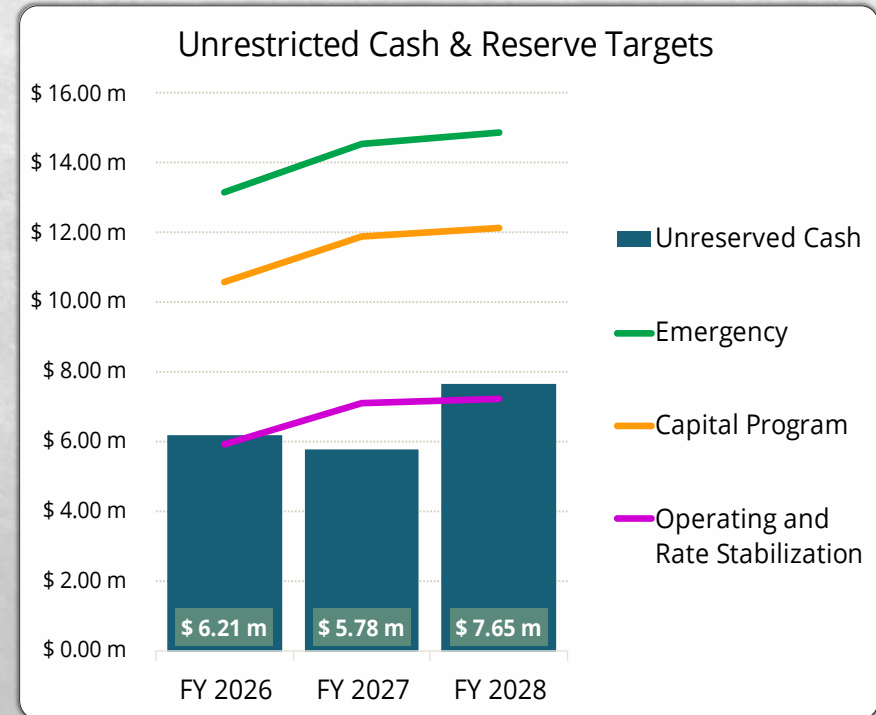


COS Rate Reduction Impact on Reserves

Option 1 (COS) April Workshop



Option 2 May Workshop

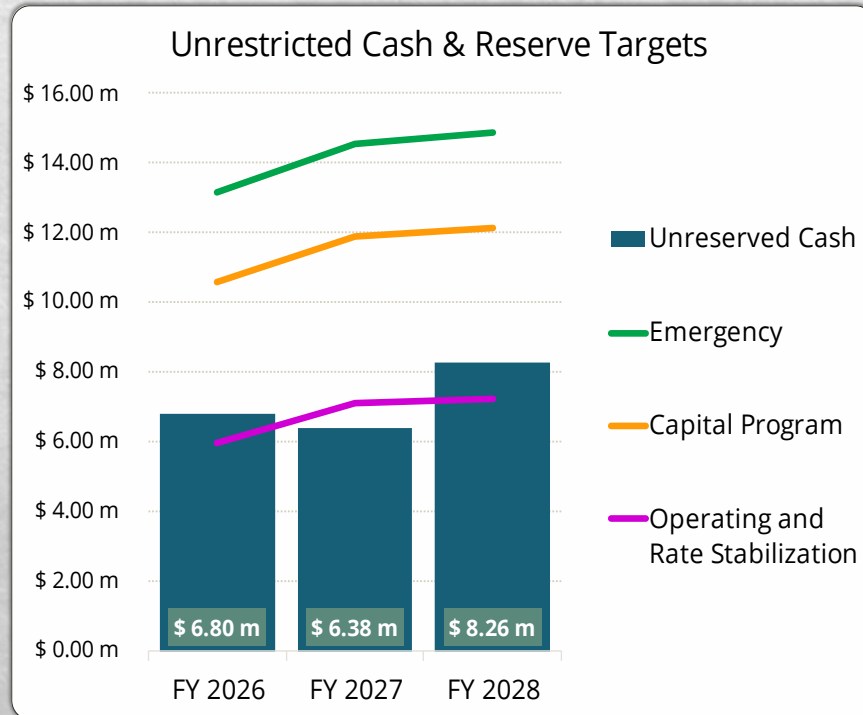


\$ (590)k projected impact to reserves

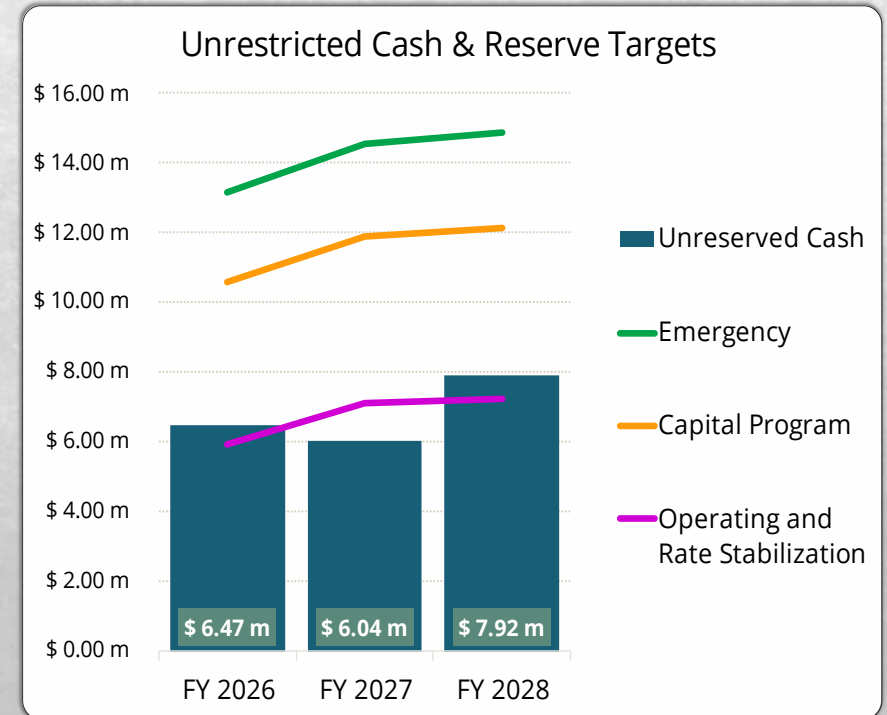


COS Rate Reduction Impact on Reserves

Option 1 (COS) April Workshop



Option 3 (New)

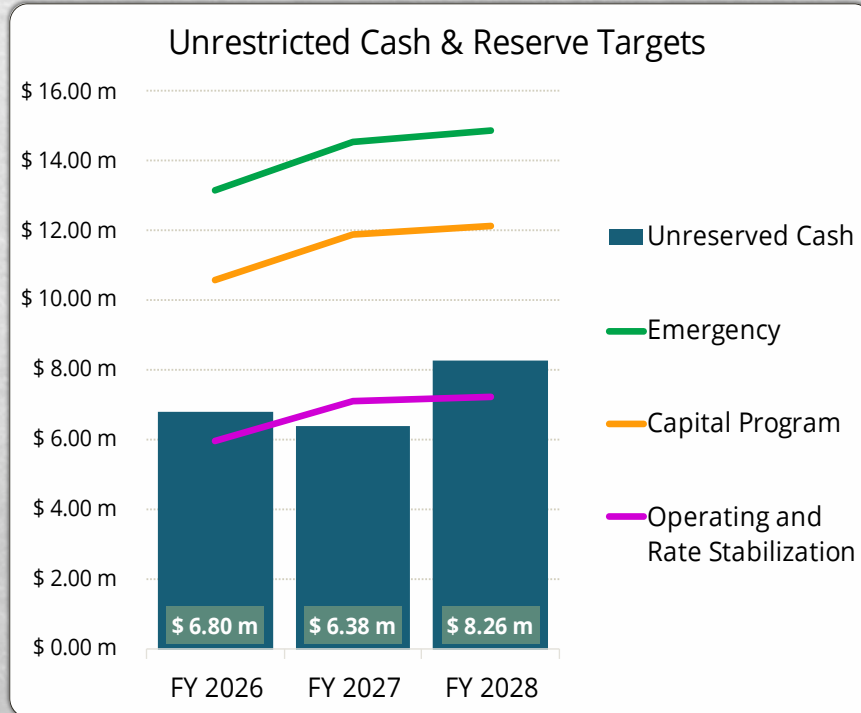


\$(329)k projected impact to reserves

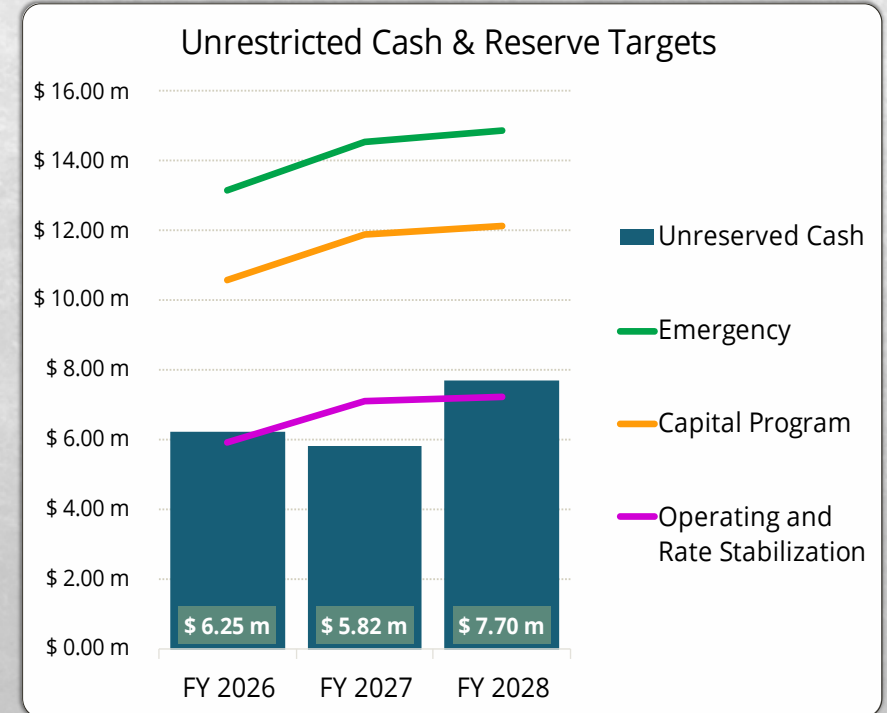


COS Rate Reduction Impact on Reserves

Option 1 (COS) April Workshop



Option 4 (New)



\$ (546)k projected impact to reserves



Discussion



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JUNE 12, 2025**

FINANCIAL MATTERS

ITEM 5: APPROVAL OF CASH RESERVES POLICY UPDATE

From time to time it is necessary to review and update Trabuco Canyon Water District's (TCWD or District) cash reserves policy due to changing fund categories and objectives, and to stay consistent with current best financial practices. The District's current active reserves policy, included as Exhibit 1, was adopted by the Board of Directors in May 2015.

The cash reserve policy establishes reserve funds, explains the purpose and size of each reserve, and provides an oversight of reserve fund management. Building and maintaining adequate reserves over time helps accomplish several important financial goals, including the ability to absorb economic downturns, reductions in water sales, and/or unanticipated large-scale expenses; to "smooth" rate adjustments from year to year; and to promote intergenerational equity to ratepayers, meaning ratepayers pay for services provided and used by them in the current period. A properly designed reserve policy sends a positive signal to bondholders, rating agencies, and regulatory agencies that the District is committed to forward-looking financial management and financial sustainability.

The proposed Cash Reserves Policy Update, included as Exhibit 2, establishes three (3) pools of cash reserve categories: Unassigned Reserve Funds, Designated Reserve Funds, and Restricted Reserve Funds:

Unassigned Reserve Funds: funds that have not been designated or legally restricted, are held in District bank and investment accounts, and are used during day-to-day operations. There is no minimum target for unassigned reserve funds.

Designated Reserve Funds: funds that are designated by the Board of Directors for specific purposes (i.e. meet short-term and long-term obligations; invest in capital infrastructure; smooth rates; absorb economic downturns or address unplanned emergencies). Transfers of designated reserve funds are approved by the Board during the annual budget process for July 1st of the budgeted year. The individual designated reserve funds – their purpose, funding source, funding levels, and use – are included in the proposed policy.

Restricted Reserve Funds: funds that satisfy external requirements and restraints of agreements, creditors, grantors, or law. Restricted reserve funds shall be maintained in separate accounts and distinguished from unassigned and designated reserves. The individual restricted reserve funds – their purpose, funding source, funding levels, and use – are included in the proposed policy.

The proposed transfer of cash from current individual reserve funds (current policy) to proposed individual reserve funds (proposed updated policy) is outlined in the Reserve Policy Transfer Table, included as Exhibit 3.

Under the proposed Cash Reserves Policy, reserve levels are monitored throughout the fiscal year by the District Treasurer, who will provide reporting of reserve fund levels to the Finance/Audit Committee of the Board each month. The Cash Reserves Policy will be reviewed and updated annually during the budget process.

FUNDING SOURCE:

All District revenue sources.

FISCAL IMPACT:

A properly constructed and maintained cash reserves policy ensures the District's financial stability and sustainability.

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JUNE 12, 2025**

RECOMMENDED ACTION:

Recommend the Board of Directors adopt Resolution No. 2025-1350 – Resolution of the Board of Directors of Trabuco Canyon Water District Approving a Cash Reserves Policy, Rescinding and Superseding Certain Prior Resolutions and Taking Related Actions (Action Calendar).

EXHIBITS:

1. Previously adopted and active Reserve Policy (May 2015)
2. Proposed Cash Reserves Policy Update
3. Reserve Policy Transfer Table

CONTACTS (staff responsible): PALUDI/BERG

RESOLUTION NO. 2015-1211

RESOLUTION OF THE BOARD OF DIRECTORS OF THE TRABUCO CANYON WATER DISTRICT ADOPTING AND APPROVING A RESERVE FUNDS POLICY, DESIGNATING OPERATING RESERVE LEVELS, RESCINDING AND SUPERCEDING CERTAIN PRIOR RESOLUTIONS AND TAKING RELATED ACTIONS

WHEREAS, the Trabuco Canyon Water District (“District” or “TCWD”) is a county water district organized and operating pursuant to California Water Code (“Water Code”) Sections 30000 and following; and

WHEREAS, the Board of Directors of TCWD (“Board”) is responsible for establishing policies for the prudent financial management of TCWD, including, but not limited to, policies concerning reserve funds, in consultation with TCWD’s General Manager, financial staff and TCWD’s Treasurer; and

WHEREAS, Section 5 of Article XIII B of the California Constitution expressly authorizes special districts and other local public agencies with the authority to establish reserve funds as they deem reasonable and proper to meet specific current and future needs of such special district; and

WHEREAS, the efficient use and management of such reserves helps to assure the current and future ability of TCWD to provide, transport, and distribute potable and recycled water to its customers and to provide wastewater services to its customers; and

WHEREAS, the Board has previously adopted Resolutions implementing policies and practices establishing certain reserve funds and designated funding levels to provide financial stability for extraordinary fiscal circumstances which may arise, the repair and replacement of facilities, the funding of debt obligations and to provide flexibility with respect to establishing rates and other matters as set out in the Resolutions described in Attachment “A,” attached hereto and incorporated herein by this reference (collectively, the “Prior Resolutions”); and

WHEREAS, the Board has received and considered information provided by TCWD staff and TCWD’s Treasurer with respect to TCWD’s Reserve Policy and Operating Reserve Fund levels; and

WHEREAS, the Board has considered the rescission and superseding of the Prior Resolutions; and

WHEREAS, the Board, based on the factors, information and conditions described herein, has determined that it is prudent and appropriate at this time to adopt an updated Reserve Fund Policy and designate Operating Reserve Fund Levels.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TRABUCO CANYON WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals. The Board does hereby find and determine that the foregoing recitals and above-referenced determinations are true and correct.

Section 2. Authority. The actions set out in this Resolution are authorized pursuant to State law, including, but not limited to, Section 5 of Article XIII B of the California Constitution and Sections 30523, 31000 and 31001 of the California Water Code.

Section 3. Findings. The Board hereby finds and determines as follows:

(a) The implementation of the Trabuco Canyon Water District Reserve Fund Policy is advisable, and in the best interests of TCWD, based upon the information presented to the Board.

(b) The designated Operating Reserve Fund levels are necessary to carry out the current and future mission and operations of TCWD.

Section 4. Adoption of Reserve Fund Policy. The Trabuco Canyon Water District Reserve Fund Policy attached hereto as Attachment “B” (and incorporated herein by this reference) is adopted as of the Effective Date (as defined herein). The Reserve Funds designated therein shall be created and/or maintained consistent with the provisions of this Resolution.

Section 5. Designation of Operating Reserve Fund Levels. The Board hereby designates the Operating Reserve Fund levels set out in Attachment “C” (and incorporated herein by this reference) for the corresponding Reserve Funds implemented hereby. TCWD’s Treasurer shall provide to the Board periodic written reports on the Operating Reserve Fund levels.

Section 6. Rescission and Superseding Prior Resolutions. The Prior Resolutions are hereby rescinded and superseded by this Resolution effective upon the Effective Date.

Section 7. Further Actions. The General Manager, the District’s Treasurer and the District’s staff and consultants are authorized to take any and all actions necessary to implement the directives and intention of this Resolution.

Section 8. Periodic Review. It is the policy of the Board that the amount(s) of the Reserve Funds will be reviewed at least annually by the Board (which may be in conjunction with the consideration and adoption of the annual TCWD budget), and may be changed by action of the Board in accordance with the stated criteria for each Reserve Fund specified herein; however, revisions of the stated criteria shall only be made by Board resolution.

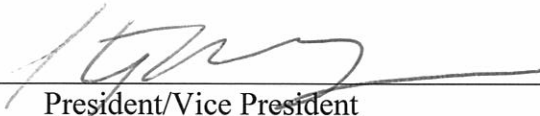
Section 9. Effective Date. This Resolution shall be effective upon adoption (“Effective Date”).

Section 10. Effectiveness of Resolution. The findings, determinations, directives and actions set out in this Resolution shall remain in force and effect until repealed, amended, rescinded or modified by action of the Board.

[Remainder of this page intentionally left blank]

ADOPTED, SIGNED, and APPROVED this 20th day of May, 2015.

TRABUCO CANYON WATER DISTRICT:



President/Vice President



Secretary/Assistant Secretary

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Michael Perea, Secretary of the Board of the Trabuco Canyon Water District, do hereby certify that the foregoing resolution was duly adopted by the Board of such District at a meeting of such Board held on the 20th day of May, 2015, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at such meeting such resolution was adopted by the following vote:

AYES: Dopudja, Acosta, Haselton, Mandich, Safranski
NOES: None
ABSTAIN: None
ABSENT: None

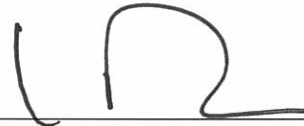


Secretary of the Board,
Trabuco Canyon Water District

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Michael Perea, Secretary of the Board of the Trabuco Canyon Water District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2015-1211 of such Board and that the same has not been amended or repealed.

Dated this 20th day of May, 2015.



Secretary of the Board,
Trabuco Canyon Water District

ATTACHMENT "A"

DESCRIPTION OF PRIOR RESOLUTIONS

RESOLUTION NO.	ADOPTED	TITLE
99-887	June 16, 1999	RESOLUTION OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT ESTABLISHING A WATER RATE STABILIZATION RESERVE FUND
99-888	June 16, 1999	RESOLUTION OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT ESTABLISHING A SEWER RATE STABILIZATION RESERVE FUND
99-889	June 16, 1999	RESOLUTION OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT ESTABLISHING A WORKING CAPITAL RESERVE FUND
99-890	June 16, 1999	RESOLUTION OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT ESTABLISHING AN EMERGENCY REPAIR RESERVE FUND
99-891	June 16, 1999	RESOLUTION OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT ESTABLISHING AN PERIODIC REPLACEMENT RESERVE FUND
99-892	June 16, 1999	RESOLUTION OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT ESTABLISHING AN ACCOUNTING POLICY FOR DEBT SERVICE RESERVE FUND
2000-934A	November 15, 2000	RESOLUTION OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT ESTABLISHING A SANITATION SYSTEM CAPITAL IMPROVEMENTS RESERVE FUND
2001-939	February 21, 2001	RESOLUTION OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT ESTABLISHING AN EMERGENCY CAPITAL REPAIR RESERVE FUND

ATTACHMENT "B"

TRABUCO CANYON WATER DISTRICT RESERVE FUND POLICY

1. **Working Capital (Operating) Reserve:** This reserve provides day to day working capital and also provides for contingency funds to continue operations in the event of an unanticipated short-term cash shortfall.

- **Source of reserve funding:** Excess net revenues over expenditures
- **Use of reserves:** In the normal course of operations, and can be drawn down the event of an unanticipated need for cash to maintain basic District operations
- **Recommendation:** Set this reserve at a minimum of 60 days of budgeted operating expenses; adjust annually when the final budget is adopted

2. **Refundable Deposits Reserve:** This reserve covers deposits made by an applicant for hydrant/construction meters and water use efficiency program deposits. As deposits are received a liability account is adjusted to display amount owed back to the applicant when the hydrant/construction meter is returned or the applicant's project is completed.

- **Source of reserve funding:** Deposits from applicants requesting a hydrant/construction meter or applicant for water use efficiency program
- **Use of reserves:** Funds are returned to applicant upon termination of service for hydrant/construction water and receipt of hydrant/construction meter to the District or completion of project per the water use efficiency program
- **Recommendation:** Dissolve this reserve since amounts are immaterial and any deposits owed back to homeowners or developers for meters can easily be paid for out of the District's working capital

3. **Developer Deposits Reserve:** This reserve covers deposits by developers or owners of property within the District's service area that request service for water, wastewater, and/or recycled water to their development and/or property. This reserve has been used by the District to ensure that deposits by developers/property owners for work done to new/existing property could be adequately drawn upon by the District, and refunded when the project is done. This reserve is used to cover the cost of administrative, engineering, and operations time and expenses required of project including time for plan checks, inspection, testing, and yearly administrative and account management fees. Any additional capital needed for project is requested to the developer and work is ceased until additional capital is received if the deposit is exhausted.

- **Source of reserve funding:** Deposits from developers and/or property owners

- Use of reserves: Labor time and expenses to review property and plans for project, conduct inspections, tests; and other District expenses for the project. Remaining funds are returned to developer upon completion of project.
- Recommendation: Dissolve this reserve since amounts are immaterial and none of the current amounts in this reserve are legally required to be separated

Individual developments and projects would continue to be monitored for work performed, costs incurred, and remaining deposit balance.

4. Oaks at Trabuco Reserve: This reserve was formerly called Interim Sewer. This is a deposit through an agreement with the developer of the Oaks at Trabuco Development. The reserve amount and designated investment is per the agreement with the developer, and is designed to be used by the District in the event that the developer becomes insolvent.

This reserve retains the interest that it earns and will be returned to the developer in the event that such a refund occurs in the future.

- Source of reserve funding: Funds provided by the Developer
- Use of reserves: Reserves are to be used in the event the project becomes insolvent and in accordance with the agreement
- Recommendation: Continue to adjust the amount in this reserve on a quarterly basis for interest and maintain reserve account, as required by the agreement

5. Water and Sanitation Rate Stabilization Reserves: These two reserve funds were established in the Financial Plan prepared in 2000. They were intended to provide rate stability in periods of fluctuating system demands. Minimum reserve amounts were recommended at 5% of annual operating expenses, less depreciation and amortization and plus interest earnings and loan principal payments. Maximum reserve amounts were recommended at 7.5%.

Typical uses for Rate Stabilization Reserves in the utility industry are to meet a portion of the utility's revenue requirements. The reserves allow for a smoothing of rates in the event of short to mid-term rate revenue loss and/or higher than anticipated budget costs that cannot be supported by normal revenues. Revenue losses for water can occur due to water conservation and expense hikes can be caused many variables, most notably infrastructure failure. Although revenues for Sanitation are fairly stable, there is a risk of large expenses in the event that fines were imposed from a spill or other public safety violation.

- Source of reserve funding: Excess net revenues over expenditures

- Use of reserves: To be used in the event of short-term, unusual events that increase the District's revenue requirements
- Recommendation: Set the Water Rate Stabilization Reserve at a minimum of 10% of budgeted operating revenues (less Standby and Other Revenues). Set the Sanitation Rate Stabilization Reserve at a minimum of 20% of budgeted operating expenses. Amounts to be adjusted annually during the budget adoption process.

6. Internal Financing Reserve. This reserve was formerly called the Special Designations Reserve, and was informally created to internally finance large construction costs or large one-time costs. This reserve allows the District to finance capital projects or other one-time material costs internally, which spares the District from interest expense associated with debt, and also allows for projects to commence on a timely basis.

For example, the District has several projects that will be paid for with the Water Reliability and Emergency Storage Fees approved in 2010. These funds are collected in level amounts over twenty years, however, the projects need to be paid for before that. The Internal Financing Reserve can be borrowed from to finance these projects, and then repaid when the fees are collected.

- Source of reserve funding: Excess revenues over expenditures, FEMA or Cal OES reimbursements, and WRES funds if this reserve was used to finance the projects
- Use of reserves: To be used in the budgeting process to cover or finance one-time, project costs
- Recommendation: Allow this reserve to fund projects and one-time events as Board approved

BOARD COMMITTED CAPITAL RESERVES

7. District Capital Projects Reserve: This reserve was established to cover capital projects or large maintenance project for water or sanitation, or combined projects. Examples in the present and past include meter replacement programs (recently being funded by the EMC reserve), administration related items such as vehicles, master plans, computer software and hardware, and district equipment and building rehabilitation and repair for the administrative office.

- Sources: Excess net revenues over expenditures
- Uses: District wide capital administrative needs not identified in other reserve funds
- Recommendation: Use the reserve to fund projects that are district-wide administrative projects that both water and sanitation benefit from. Exclude costs that are related solely to Water or Sanitation. Initially fund this reserve at a flat amount of \$200,000, and then evaluate each year during the budget process.

8. **Equipment Maintenance Program Reserve:** It appears that this fund is a blend of the Emergency Repairs and Periodic Replacement Fund recommended in the financial plan performed in 2000. The Emergency Repairs Reserve was intended to be used in a natural disaster or emergency. The Periodic Replacement Fund was intended to be used to fund non-capital purchases under \$5,000, however, could also be used in the event of an emergency that required a capital outlay. Over the years, it has been the practice of the District to use this fund for routine, recurring, capital repair and replacement of the District facilities and equipment for both water and sanitation (capital outlay), and for capital and repair purchases or construction both above and below \$5,000.

Typical expenditures in this fund have included repairs and replacements in both the water and wastewater systems, including items such as meter purchases, pump station repairs, generators, pump and valve replacement and repairs, Supervisory Control and Data Acquisition (SCADA) improvements, reservoir rehabilitations, etc. Ideally, this reserve would be funded each year at a level amount from the water and sanitation rates, and drawn down as needed for capital repair/replacement and equipment purchases. This capital outlay expense would be budgeted in a separate section of the budget in order to track the amount projected and amount used.

- Sources: Excess revenues over expenditures
- Uses: As needed throughout the year for routine repairs and replacements
- Recommendation: Initially fund this reserve at \$900,000, and then review for appropriateness each year during the budget process. As these funds are used, there should be a mechanism to add reserve funding to the rates each year to help keep rates level in spite of changing capital and maintenance needs.

RESTRICTED RESERVES

9. **Capital Improvement Charge (CIC) Reserve:** The purpose of this reserve is to provide funding for water distribution and treatment facilities required to provide water service to new development within the District's service area. It may also be used as a "buy in" fee for past costs incurred by the District to expand water distribution and treatment facilities.

Interest earned in this fund remains in this reserve fund.

- Source of reserve funding: Impact fees from developers and interest earnings
- Use of reserves: Can be drawn down to fund past and future infrastructure costs
- Recommendation: Continue to keep these reserves restricted, as legally required, and use to fund future improvements to the District's capacity

10. Water Storage Facilities Reserve: This reserve is used to provide for the water storage requirements mandated by the Districts Rules and Regulations to provide funding to obtain additional water storage capacity in order to meet operating, emergency and reserve water storage and fire flow requirements resulting from new development within the Districts area.

Interest earned remains in this reserve fund.

- Source of reserve funding: Impact fees from developers and interest earnings
- Use of reserves: Costs of project or acquisition that obtain additional storage capacity. This can include costs to finance, plan, design acquire property, construct, reconstruct, or rehabilitate a new facility.
- Recommendation: Continue to keep these reserves restricted, as legally required, and use to fund future improvements to the District's water storage facilities

11. Sanitation Capital Improvement Reserve: This reserve is used to fund capital improvements in the District's sanitation system. Developers pay this fee as a "buy in" to the system already developed by the District to adequately serve expansion, as well as additions to the system in the future. This reserve will increase as developer fees are collected, and decrease as expenditures incur to improve the sanitation and wastewater system.

Interest earned remains in this reserve fund.

- Source of reserve funding: Impact fees from developers and interest earnings
- Use of reserves: Costs can disbursed against past infrastructure costs or future capital improvements that increase capacity
- Recommendation: Continue to keep these reserves restricted, as legally required, and use to fund future improvements to the District's sanitation and wastewater capital improvements

12. Baker Water Treatment Reserve: This reserve is used to fund the Baker Water Treatment Plant. Five agencies have agreements with Irvine Ranch Water District, the lead agency, to plan, design, and construct the Baker Water Treatment Plant (WTP). The District capacity ownership of the Baker WTP is 4.598%. The District's capacity ownership in the Baker WTP is to provide reliability to its customers including access to Irvine Lake water as an emergency source of supply

Interest earned remains in this reserve fund.

- Source of reserve funding: Water Reliability and Emergency Storage (WRES) fees and interested earned

- Use of reserves: Planning, design, and construction costs for the Baker Water Treatment Plant
- Recommendation: Continue to keep these reserves restricted, as legally required, and use to fund the Baker Water Treatment Plant.

13. Trabuco Creek Wells Reserve This reserve is used to pay off a loan acquired through the California State Revolving Fund (SRF) for the planning, design, and construction of the Trabuco Creek Wells Facility that treats groundwater under the influence of surface water from the Rose Canyon and Lang Wells, as required by the California State Water Resources Control Board.

Interest earned remains in this reserve fund.

- Source of reserve funding: Water Reliability and Emergency Storage (WRES) fees and interest earned
- Use of reserves: To pay interest and principal payments for SRF loan
- Recommendation: Continue to keep these reserves restricted, as legally required, and use to pay the debt service on the SRF loan

14. Reservoir/Distribution Improvements Reserve: This reserve is used to fund the planning, design, and construction of a new 2 million gallon storage reservoir that will provide for additional operational and emergency water storage, providing further reliability and redundancy and for construction of a reservoir inter-tie transmission main and improvements to infrastructure in the Dove and Trabuco Highlands Community to improve the reliability and redundancy of the District's water transmission and distribution system.

Interest earned remains in this reserve fund.

- Source of reserve funding: Water Reliability and Emergency Storage (WRES) fees and interest earned
- Use of reserves: Future new 2 million gallon reservoir and improvements to existing transmission and distribution system
- Recommendation: Continue to keep these reserves restricted, as legally required, and use to fund future new 2 million gallon reservoir and improvements to the District's water transmission and distribution system

15. RD#5 Reserve: This reserve is used to fund the repair and replacement of infrastructure related to Reassessment District No. 5, El Toro Road sewer facilities, including the trunk sewer extension along El Toro Road and Santiago Canyon Road, and capacity ownership of Phase II of Santa Margarita Water District's Chiquita System.

- Source of reserve funding: Property tax assessments assigned to accounts in Community District Number Five (now inactive, but there is a balance remaining in the reserve from past assessments)
- Use of reserves: Constructions of sewer treatment capacity and facilities and reclaimed water facilities in the RD#5 zone
- Recommendation: Continue to keep these reserves restricted, as legally required, and use to fund future improvements to the District's system, which benefits the RD#5 zone directly or indirectly

ATTACHMENT "C"

DESIGNATION OF OPERATING RESERVE FUND LEVELS

Reserves as of February 28, 2015

	Est.	Original Amount	Investment Restrictions	Investment Source	As of 2/28/15	Recommended Amount
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COMMITTED OPERATING RESERVES

1	Checking Account	-		Wells Fargo		1,261,400	-
2	Working Capital	1999	565,225	LAIF		630,702	1,265,934
3	Capital Improvements (Charges)	?	889,223		Dev. Impact Fees	158,552	158,552
4	Interim Sewage Deposit	2010		LAIF	Developer	101,010	101,010
5	Water Rate Stabilization	1999	252,919	LAIF		479,560	393,820
6	Sewer Rate Stabilization	1999	-	LAIF		181,159	179,480
7	Special Designations/Internal Financing	?				3,124,848	3,124,848

BOARD COMMITTED CAPITAL RESERVES

8	District Capital Projects	?				434,907	200,000
9	Equipment Maintenance Capital					559,023	900,000
10	Unrestricted-Investment at Cost			LAIF		(1,071,901)	-

RESTRICTED RESERVES

11	Water Storage (Facilities)	?	383,434		Dev. Impact Fees	685,174	685,174
12	Sanitation System Capital Improvements	2000	210,592	LAIF	Dev. Impact Fees	271,190	271,190
13	Baker WTP	2010		None	WRES	-	-
14	Trabuco Creek Wells	2010		SRF loan	WRES	844,357	844,357
15	Reservoir/Distribution Improvements	2010		None	WRES	1,055,842	1,055,842
16	RD#5	2011	69,732	GF	RD Bond Surplus	70,593	70,593

X	17 Refundable Deposits	?	4,165			9,150	-	
X	18 Developer Deposits	?	39,335			53,318	-	
X	19 Emergency Capital Repair	2001	1,255,343	LAIF		-	-	
X	20 Debt Service	?	2,840,608	?		-	-	
X	21 Construction	1999	2,051,342	LAIF		-	-	
X	22 Emergency Repairs	1999	210,000	LAIF		-	-	
X	23 Periodic Replacements	1999	1,631,575	LAIF		-	-	
X	24 Investment in Fixed Assets	1999	1,632,962	LAIF		-	-	
X	25 Unreserved Retained Earnings	?	926,043	LAIF		-	-	
X	26 Deferred Compensation	?	122,501			-	-	
X-Recommendation to dissolve						Total	\$ 8,848,884	\$ 9,250,800

- a. 60 days of Budgeted Operating Expenses
 $\$7,701,100 \text{ FY } 14/15 \text{ budgeted operating expenses } \times 60/365 = \$1,265,934$
- b. 10% of Budgeted Operating Revenue
 FY 14/15 Water Operating Revenues, less
 Standby By and Other Operating Revenues \$ 3,938,200
- c. 20% of Budgeted Operating Expenses for FY 14/15
 Sanitation Operating Expenses \$ 897,400
- d. Based on historical average
- e. This amount will fluctuate as working capital changes throughout the year
- f. This shortage will be funded with Series B Bond Reserve proceeds as needed



Purpose

The Trabuco Canyon Water District (the District) cash reserve policy establishes reserve funds, explains the purpose and size of each reserve, and provides an oversight of reserve fund management. Through maintaining cash reserves, the District commits adequate funding for ongoing operating costs, capital infrastructure and unanticipated emergencies. A properly designed reserve policy sends a positive signal to the community of ratepayers, bondholders, rating agencies and regulatory agencies, that the District is committed to forward-looking financial management and ensuring fiscal responsibility and financial sustainability. Reserve funds can provide intergenerational equity to ratepayers, meaning that ratepayers pay for services provided and used by them in the current period. Consistent with best practice in government water utilities, the District will utilize the cash reserve policy as a guide during the annual budget and financial planning procedures and will always strive to maintain sufficient reserve funds to meet targets set forth in this policy.

Policy

The policy establishes three (3) pools of cash reserve types, with the following individualized reserve levels:

1. **Unassigned Reserve Funds** are funds that have not been designated or legally restricted. The District will use unassigned reserve funds during day-to-day operations. This includes funds held in the District bank and investment accounts that are not legally restricted and have not been designated by Board action. There is no minimum target for unassigned reserve funds.
2. **Designated Reserve Funds** are designated by the Board for specific purposes. The District will establish designated reserves to ensure financial sustainability and to stabilize cash flow. The District can utilize these funds to meet short-term and long-term obligations, invest in capital infrastructure, smooth rates, absorb economic downturns or address unplanned emergencies. The Board of Directors will approve a transfer of designated reserve funds during the annual budget process, in which the Board will authorize the General Manager or District Treasurer to execute a transfer of reserve funds on July 1st of the budgeted fiscal year. Designated reserve transfers outside of the annual budget process must be authorized by Board resolution. Unless otherwise stated in this cash reserve policy, interest derived from designated reserve balances will be considered unrestricted and unassigned in nature. The purposes, funding sources, targets, and uses of designated reserve funds are as follows:



Cash Reserve Policy

Designated Reserve Fund	Purpose	Funding Source	Funding Levels	Use
Operating and Rate Stabilization Reserve	Provide operating cash flow and rate-smoothing options	Excess Net Revenues over Expenses from Operations, interest earnings	3 to 6 months operating expense budget plus 1-year of debt service, excluding the 2011 SRF Loan, Baker Treatment Plant wholesale expenses, and depreciation and amortization expenses	Operating budget deficits, rate-smoothing
Capital Program Reserve	Provide funding for the Capital Improvement Program (CIP)	Excess Net Revenues over Expenses from Operations, interest earnings	Minimum equal to depreciation from audited financials Maximum equal to the annual average of 10-Year CIP	Capital Improvement Program expenses
Water Emergency Reserve	Provide funding for unplanned events in the potable water system	Excess Net Revenues over Expenses from Operations, interest earnings	Minimum: 5% of capital assets net of depreciation Target: \$2,500,000	Operating budget deficits, unplanned repairs, emergency response, system compliance
Wastewater Emergency Reserve	Provide funding for unplanned events in the wastewater system	Excess Net Revenues over Expenses from Operations, interest earnings	Minimum: 5% of capital assets net of depreciation Target: \$2,000,000	Operating budget deficits, unplanned repairs, emergency response, system compliance
Recycled Emergency Reserve	Provide funding for unplanned events in the recycled water system	Excess Net Revenues over Expenses from Operations, interest earnings	Minimum: 5% of capital assets net of depreciation Target: \$500,000	Operating budget deficits, unplanned repairs, emergency response, system compliance



Cash Reserve Policy

3. **Restricted Reserve Funds** satisfy external requirements and restraints of agreements, creditors, grantors, or law. Restricted reserve funds shall be maintained in separate accounts and distinguished from unassigned reserves and designated reserves.

Restricted Reserve Fund	Purpose	Funding Source	Target	Use
Capital Loans Reserve	Debt-funded Capital Improvement Program (CIP) projects	Proceeds from debt issuance, interest earnings	No minimum target	Debt-funded projects
Capital Improvement Charge (CIC) Reserve	Fund water distribution and treatment facilities	Impact fees from developers and interest earnings	No minimum target	Future improvements to District capacity
Water Storage Facilities Reserve	Fund additional water storage capacity to meet storage and fire flow requirements	Impact fees from developers and interest earnings	No minimum target	Future improvements to District water storage facilities
Wastewater Capacity Fees Reserve	Fund future improvements to the District's wastewater infrastructure	Impact fees from developers and interest earnings	No minimum target	Future improvements to District wastewater system
State Revolving Fund Loan Reserve	2011 State Revolving Fund Loan covenant compliance	Current District water charges or previously collected Water Reliability and Emergency Storage Fees	One-year of debt service for the 2011 State Revolving Fund Loan	Payments toward the 2011 State Revolving Fund Loan



Cash Reserve Policy

Oaks at Trabuco Reserve	Protect the District from developer insolvency	Deposit with developer of the Oaks at Trabuco, interest earnings	Reserve amount designated and investment per the agreement	Used if the developer becomes insolvent
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Oversight and Reporting of Reserve Funds

Reserve levels are monitored throughout the fiscal year by the District Treasurer. The Treasurer will provide reporting of reserve fund levels to the Finance/Audit Committee of the Board of Directors each month. The Board of Directors can waive policy requirements in an emergency situation.

Annual Review of Cash Reserve Policy

The cash reserve policy will be reviewed and updated annually during the budget process to ensure conformance with the District's strategic goals and objectives and updated as necessary in compliance with material changes in risk exposures, legal requirements, regulations, or standards.

Reserve Policy Update Table

Current Reserve Title	New Reserve Title	Current Policy	Recommended Policy	Amount Per Current Policy 4/30/25	Balance at 4/30/25	Proposed Transfer 5/1/25	Proposed Balance 5/1/25	Minimum New Policy Target
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Unassigned Reserve Funds

	Checking Account		Maintain funds for day-to-day operations and customer payments.		\$ 920,773		\$ 920,773	\$ -
	Unassigned Reserve		No minimum. Implement unassigned reserve as holding account prior to Board action to reserve funds.			\$ 1,142,003	\$ 1,142,003	\$ -

Board Designated Reserve Funds

Working Capital (Operating) Reserve	Operating and Rate Stabilization Reserve	60 days budgeted operating expenses	3-months to 6-months budgeted operating costs (excluding Baker Treatment Plant wholesale expenses), plus annual debt service (excluding 2011 SRF loan debt service)	\$ 2,344,367			\$ -	\$ 4,023,400
	Capital Program Reserve		Min annual depreciation expense and max annual average of planned 10-year CIP			\$ 2,613,152	\$ 2,613,152	\$ 4,347,932
	Water Emergency Reserve		Min 5% of capital assets net of depreciation, max \$2,500,000 for emergency spending				\$ -	\$ 1,348,183
	Wastewater Emergency Reserve		Min 5% of capital assets net of depreciation, max \$2,000,000 for emergency spending				\$ -	\$ 857,919
	Recycled Emergency Reserve		Min 5% of capital assets net of depreciation, max \$500,000 for emergency spending				\$ -	\$ 199,788

Restricted Reserve Funds

	Capital Loans Reserve		Holding reserve for loan proceeds received and legally restricted for use on capital projects		\$ 7,946,580		\$ 7,946,580	\$ 7,946,580
Capital Improvement Charge (CIC) Reserve	Capital Improvement Charge (CIC) Reserve	Developer impact fees and related interest earnings	No change	\$ -	\$ -		\$ -	\$ -
Water Storage Facilities Reserve	Water Storage Facilities Reserve	Developer impact fees and related interest earnings	No change	\$ 1,174,218	\$ 1,174,218		\$ 1,174,218	\$ 1,174,218
Sanitation Capital Improvement Reserve	Wastewater Capacity Fees	Developer impact fees and related interest earnings	No change	Sources less uses	\$ -		\$ -	\$ -
Trabuco Creek Wells Reserve	State Revolving Fund Loan Reserve	WRES fees and interest earned	Equal to the sum of future loan payments from WRES fee collections for remaining loan payments	Sources less uses	\$ 239,725		\$ 239,725	\$ 239,725
Oaks at Trabuco Reserve	Oaks at Trabuco Reserve	Adjusted per agreement, with interest	No change	\$ 132,806	\$ 132,806		\$ 132,806	\$ 132,806

Reserve Funds to Dissolve

Water Rate Stabilization Reserve		10% budgeted operating revenues	Consolidate into new uniform "Operating and Rate Stabilization Reserve"	\$ 1,117,960	\$ -			
Sewer Rate Stabilization Reserve		20% budgeted operating expenses	Consolidate into new uniform "Operating and Rate Stabilization Reserve"	\$ 576,840	\$ -			
Internal Financing Reserve		Funded by various sources to plan ahead to finance capital	Repurpose funds into updated reserve funds in line with industry practices	Board Designated	\$ 1,142,003	\$ (1,142,003)		
District Capital Projects Reserve		Shared projects, flat amount \$200K	Dissolve this reserve and cover planned capital with new capital program reserve	\$ 200,000				
Equipment Maintenance Program Reserve		Initial funding \$900K and reviewed for appropriateness annually during budget process	Dissolve this reserve and cover planned capital with new capital program reserve	\$ 900,000				
Reservoir/Distribution Improvements Reserve		WRES fees and interest earned	Dissolve this reserve and transfer funds into capital program reserve	\$ 2,613,152	\$ 2,613,152	\$ (2,613,152)		
Baker Water Treatment Reserve		WRES fees and interest earned	Dissolve as WRES charges are no longer collected	Sources less uses	\$ -			
RD#5		Property tax assessments assigned to accounts in Community District #%, which is now inactive	Remove zero balance reserve and update policy in line with industry practices	Sources less uses	\$ -			
TOTAL				\$ 9,059,343	\$ 14,169,257	\$ -	\$ 14,169,257	\$ 20,270,551

Color Key:

Legally restricted reserve
Recommendation to dissolve

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JUNE 12, 2025**

FINANCIAL MATTERS

ITEM 6: AUTHORIZATION OF FINANCE AND ACCOUNTING ADVISORY RETAINER SERVICES AND APPOINTMENT OF DISTRICT TREASURER

Trabuco Canyon Water District's (TCWD or District) existing agreement with Starting Line Advisory (SLA) terminates on June 30, 2025 and staff is proposing a new agreement with SLA for Fiscal Year (FY) 2026. The new agreement will include an enhanced scope of services to meet the District's increasingly complex financial needs, including the role of Treasurer to be fulfilled by SLA's Owner/Partner Ian Berg.

Background

TCWD has a long-standing history of contracting for external accounting and finance support services. Cindy Byerrum, a Certified Public Accountant (CPA) originally with Platinum Partners and later the national firm Eide Bailly, served as the District's Treasurer until her retirement on October 31, 2024. For continuity, TCWD entered into an agreement with Starting Line Advisory (SLA) on November 1, 2024 to continue the services provided by Eide Bailly. Ian Berg began his career at Eide Bailly and also held positions of increasing responsibility in the public sector before launching SLA to focus on providing finance and accounting expertise primarily to under-resourced organizations.

The complexity of TCWD's finances have increased over the past several years due in part to rate adjustments, spending increases for the capital improvement program, and multiple borrowing transactions. SLA works collaboratively and seamlessly with TCWD's Principal Accountant and management staff while bringing external experience and helping to ensure accuracy and integrity of financial transactions and records. The 10-year financial model and other tools developed by SLA over the past eight months have been instrumental in better understanding the District's current and future financial position under various budget and rate adjustment scenarios.

Proposed FY 2025-26 Agreement and District Treasurer Services

SLA is uniquely qualified to continue to provide TCWD with finance and accounting advisory retainer services, including District Treasurer services for both TCWD and the Trabuco Canyon Public Financing Authority, due to Mr. Berg's experience, expertise, and intimate knowledge of the District's finances. Mr. Berg is located within minutes of the District's offices and will continue to be a regular presence at District Finance and Audit Committee meetings and Regular and Special Board meetings as necessary. SLA's proposed Scope of Retainer Services will continue and enhance the suite of services previously provided by Eide Bailly, primarily through an expansion of the duties of District Treasurer, including these areas of focus:

- Ensure TCWD investment compliance with California law and prepare and endorse quarterly investment reports
- Direct cash and investments per the investment policy and advise on available investment pools, investment vehicles and strategies
- Long-term financial planning/modeling and advice/recommendations on financial strategies and scenarios for analysis during the annual and mid-year budget
- Work with the District's Municipal Financial Advisors to evaluate financial instruments and strategies to obtain funding for CIP projects
- Evaluate and procure optimal banking services and reconcile bank and investment accounts monthly
- Prepare monthly financial reports and analyze financial results

**TRABUCO CANYON WATER DISTRICT
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- Annual review, recommendations, and updates of adopted TCWD financial policies including reserves policy, investment policy, purchasing policy, and develop new District budget and capitalization policies
- Support the District’s rate structure implementation, including directing the MET/MWDOC wholesale pass-through implementation annually on January 1
- Attend TCWD Finance/Audit Committee meetings as District Treasurer and present finance-related material as requested by management
- Attend Trabuco Canyon Public Financing Authority as District Treasurer

The SLA Engagement Letter, included as Exhibit A, includes the complete Scope of Retainer Services for FY 2025-26. SLA’s compensation in the proposed agreement is structured as a monthly retainer fee of \$11,375, or \$136,500 over the agreement term of 12 months. Should TCWD require services that are substantially beyond the defined agreement scope, such services will be billed on a time and materials basis at the standard hourly rates provided in the engagement letter. Staff is recommending an additional budget of \$15,500 (approximately 70 hours over 12 months) to cover unanticipated out-of-scope work. The total proposed not-to-exceed agreement budget is \$152,000.

Value of Contracted Treasurer Services

Outsourcing Treasurer services represents a substantial annual cost-savings for the District compared to hiring a full-time position. Based on publicly available State data from 2023, total compensation (salary and benefits) for similar Treasury/Controller/Finance Manager-level positions at four other water agencies in Orange County range between \$247,000 and \$285,000, not adjusted for inflation. Further cost savings have been realized by SLA performing some of the responsibilities that would otherwise have been performed by the District’s rate consultants related to financial modeling and rate adjustment scenarios.

FUNDING SOURCE:

General Fund

FISCAL IMPACT:

Monthly retainer fee of \$11,375, or \$136,500 over 12 months, and up to \$15,500 in additional services as directed by TCWD, for a total not-to-exceed fee of \$152,000.

RECOMMENDED ACTION:

1. *Recommend the Board of Directors authorize the General Manager to execute a Professional Services Agreement with Starting Line Advisory for finance and accounting advisory retainer services for fiscal year 2026 in an amount not-to-exceed \$152,000 (Action Calendar).*
2. *Recommend the Board of Directors adopt Resolution No. 2025-1351 – Resolution of the Board of Directors of Trabuco Canyon Water District Appointing Ian Berg with Starting Line Advisory as District Treasurer (Action Calendar).*

EXHIBITS:

1. Starting Line Advisory Engagement Letter, dated May 29, 2025

CONTACTS (staff responsible): PALUDI/PEREA



May 29, 2025

Fernando Paludi, General Manager
Trabuco Canyon Water District
32003 Dove Canyon Dr.
Trabuco Canyon, CA 92679

Mr. Paludi,

This letter outlines an understanding of terms and objectives of the consulting engagement between Starting Line Advisory and the Trabuco Canyon Water District (TCWD) from July 1, 2025, to June 30, 2026.

Our engagement will be performed under the *Statements on Standards for Consulting Services* issued by the American Institute of Certified Public Accountants (AICPA). Except as otherwise specifically stated below, we will not provide audit, review, compilation or financial statement preparation services to any historical or prospective financial information or provide attestation services under the *AICPA Statements on Standards for Attestation Engagements* and assume no responsibility for any such information.

You will provide Starting Line Advisory, as promptly as possible, all requested information and documentation reasonably deemed necessary or desirable by us in connection with the engagement. You represent and warrant that all information and documentation provided or to be provided to us is true, correct and complete, to the best of your knowledge and belief. We are authorized to rely upon such information and documentation without independent investigation or verification.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

SCOPE OF RETAINER SERVICES

Starting Line Advisory will provide TCWD with finance and accounting advisory retainer services including:

1. Contract District Treasurer services for TCWD and the Trabuco Canyon Public Financing Authority (TCPFA) which include:
 - a. The appointment of Ian Berg as District Treasurer by the Board of Directors for both entities
 - b. TCWD investment compliance with California Gov. Code §53601 and preparation and endorsement of quarterly investment reports
 - c. Direct the District's cash and investments per the investment policy and advise on available investment pools, investment vehicles and strategies
 - d. Attend TCWD finance committee meetings as District Treasurer and present finance-related material as requested by management



- e. Maintain and improve the TCWD 10-year financial plan model, develop financial planning recommendations, advise on financial strategies, and develop scenarios for analysis during the annual and mid-year budget
 - f. Work in tandem with Municipal Financial Advisors on upcoming financing instruments and strategies to obtain funding for capital improvement program projects
 - g. Analyze current banking services and source adequate banking options
 - h. Reconcile the TCWD bank and investment accounts monthly
 - i. Prepare TCWD monthly financial reports and analyze financial results
 - j. Implement a monthly forecast to actual results into monthly financial reporting during Fiscal Year 2025-2026
 - k. Develop a complete District budget policy and capitalization policy
 - l. Annual review, recommendations, and updates of adopted TCWD financial policies including the reserve policy, investment policy, purchasing policy, and any newly developed financial policies.
 - m. Direct the MET / MWDOC wholesale pass-through rate implementation annually on January 1st including the necessary calculations and coordination with District staff and/or rate consultants
 - n. Attend TCPFA meetings as TCPFA Treasurer
2. Direct the annual TCWD budget process including coordination with District staff and management, compilation of the budget document and presentation to the Board of Directors
 3. Assess and implement workflow improvements in Accounts Payable processing and purchase orders in Tyler ERP Pro10 for vendor contract management and monitoring and compliance with purchasing policy requirements
 4. Monthly review of accounting journal entries and balance sheet account reconciliations.
 5. Direct the annual audit process including sourcing and evaluating potential District auditors, developing their scope of work, and coordinate with selected auditors for annual audit and interim audit fieldwork and report delivery
 6. Close the Trabuco Canyon Improvement Corporation (TCIC) annual books, direct the TCIC audit process and ensure the TCIC financial transactions report (FTR) is filed with the State Controller
 7. Close the TCPFA annual books, direct the TCPFA audit process and ensure the TCPFA financial transactions report (FTR) is filed with the State Controller
 8. File the TCIC annual form 990 each year, beginning tax year 2025
 9. Interpretation and implementation of statements and standards from the Governmental Accounting Standards Board (GASB) in District accounting records and practices
 10. General finance and accounting best practices advisory and recommendations

Our responsibilities and limitations of the engagement are as follows:

- We will perform the services in accordance with applicable professional standards.
- The non-attest services are limited to the services previously outlined above. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

We will not assume management responsibilities on behalf of TCWD. TCWD's management understands and agrees that any advice or recommendation we may provide in connection with our engagement is solely to assist management in performing its responsibilities.



TCWD's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

OTHER

If you intend to publish or otherwise reproduce documents and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

During the engagement, Starting Line Advisory will provide confidential engagement documentation to you via secure methods, and request that you use secure methods in providing information to us. Should you choose not to utilize secure communication applications, you acknowledge that such communication contains a risk of the information being made available to unintended third parties. Similarly, we may communicate with you or your personnel via e-mail or other electronic methods, and you acknowledge that communication in those mediums contains a risk of misdirected or intercepted communications.

Should you provide Starting Line Advisory with remote access to your information technology environment, including but not limited to your financial reporting system, you agree to (1) assign unique usernames and passwords for use by our personnel in accessing the system and to provide this information in a secure manner; (2) limit access to "read only" to prevent any unintentional deletion or alteration of your data; (3) limit access to the areas of your technology environment necessary to perform the procedures agreed upon; and (4) disable all usernames and passwords provided to us upon the completion of procedures for which access was provided. We agree to only access your technology environment to the extent necessary to perform the identified procedures.

Regarding the electronic dissemination of your financial statements, including financial statements published electronically on your website or elsewhere, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit Starting Line Advisory from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Ian Berg is the engagement partner for the services specified in this letter. Responsibilities include supervising and/or providing services performed as part of this engagement and signing or authorizing another qualified firm representative to approve release of the financial statements.

We may be requested to make certain engagement documentation available to outside parties, including regulators, pursuant to authority provided by law or regulation or applicable professional standards. If requested, access to such documentation will be provided under the supervision of Starting Line Advisory's personnel.



Furthermore, upon request, we may provide copies of selected documentation to the outside party, who may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in making such documentation available or in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings resulting from our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Neither of us may use or disclose the other's confidential information for any purpose except as permitted under this engagement letter or as otherwise necessary for Starting Line Advisory to provide the services. Your confidential information is defined as any information you provide to us that is not available to the public. Starting Line Advisory's confidential information includes our documentation for this engagement. Our engagement documentation shall always remain the property of Starting Line Advisory. The confidentiality obligations described in this paragraph shall supersede and replace all prior confidentiality and/or nondisclosure agreements (NDAs) between us.

You agree to share all facts that may affect your financial statements, even if you first become aware of those facts after the completion of our preparation of the financial statements.

We agree to retain our documentation or work papers for a period of at least eight years from the date of the completion of our financial statement preparation procedures.

INDEMNITY

You agree that none of Starting Line Advisory, its partners, affiliates, officers or employees shall be responsible for or liable to you for any misstatements in your financial statements that we may fail to detect as a result of knowing representations made to us, or the concealment or intentional withholding of information from us, by any of your owners, directors, officers or employees, whether or not they acted in doing so in your interests or for your benefit. You agree to hold Starting Line Advisory harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees from any such misstatement, provided that the services performed hereunder were performed in accordance with professional standards, in all material respects. Starting Line Advisory agrees to hold you harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees resulting from its negligence or intentional misconduct related to services provided under this Agreement.

LIMITATION OF LIABILITY

The exclusive remedy available to you for any alleged loss or damages arising from or related to Starting Line Advisory's services or relationship with you shall be the right to pursue claims for actual damages that are directly caused by Starting Line Advisory's breach of this agreement or Starting Line Advisory's violation of applicable professional standards. In no event shall Starting Line Advisory's aggregate liability to you exceed two times fees paid under this agreement (provided that this limitation shall not apply to any liability resulting from Starting Line Advisory's intentional acts), nor shall Starting Line Advisory ever be liable to you for incidental, consequential, punitive or exemplary damages, or attorneys' fees.



TIME LIMITATION

The nature of our services makes it difficult, with time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute. We both agree that, notwithstanding any statute of limitations that might otherwise apply to a Dispute, it is reasonable that you may not bring any legal proceeding against us unless it is commenced within twenty-four (24) months ("Limitation Period") after the date when we deliver our report, return or other deliverable under this agreement to you, regardless of whether we perform other services for you or that may relate to the agreed-upon procedure report. The Limitations Period applies and begins to run even if you have not suffered any damage or loss or have not become aware of the existence or possible existence of a Dispute.

GOVERNING LAW AND VENUE

Any Dispute between us, including any Dispute related to the engagement contemplated by this agreement, shall be governed by California law. Any unresolved Dispute shall be submitted to a federal or state court located in the County of Orange.

RETAINER FEE

A monthly retainer fee of \$11,375 will be invoiced to TCWD following the provision of monthly services. The monthly retainer fee is based on time requirements for Starting Line Advisory personnel to perform the defined scope of services.

OUT OF SCOPE SERVICES, TRAVEL & INCIDENTALS

Services provided to TCWD that are substantially beyond the defined scope of retainer services outlined in this letter will be billed at the standard hourly rates provided. These services may be requested by the general manager on an ad-hoc basis throughout the course of the engagement. 50% of the standard hourly rate will be charged for time spent travelling to perform services outside of the County of Orange. Mileage will be charged at the active Internal Revenue Service (IRS) mileage rate at the time of travel for travel outside of the County of Orange.

Personnel	Hourly Rate
Advisory Partner	\$225
Advisory Manager	\$195
Senior Advisor	\$165
Advisor	\$135
Intern	\$95



TIME & EXPENSES

Starting Line Advisory will be compensated for incidentals and time and expenses, including time and expenses of legal counsel, incurred in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings due to our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur. Upon termination of our relationship, you will be billed for services to the date of termination. If collection action is necessary, expenses and reasonable attorney fees will be added to the amount due.

If TCWD hires any of the staff working on this engagement, TCWD agrees to reimburse Starting Line Advisory a one-time fee of fifty percent (50%) of the staff member's annual salary to cover recruitment and training costs.

OPTIONS TO EXTEND

TCWD and Starting Line Advisory may agree to extend the agreement period beyond June 30, 2026. Upon mutual agreement of both parties, a one-year extension period will follow under the same terms provided in this letter. One-year extension periods begin on July 1st and end on June 30th each year and can be exercised indefinitely with the mutual agreement of TCWD and Starting Line Advisory. The monthly retainer fee and/or hourly rates are subject to increase at Starting Line Advisory's discretion beginning each extension period. Rate increases will not exceed a 12-month average of the 12-month change in the Consumer Price Index for All Urban Consumers (CPI-U) in the Los Angeles-Long Beach-Anaheim area as published by the Bureau of Labor Statistics (BLS).

REMOTE SERVICES

Our services can be provided 100% remotely. Starting Line Advisory operates efficiently as your "satellite" service provider. When reasonably necessary, or at client request, we enjoy spending time providing services in person.

ASSIGNMENTS PROHIBITED

You shall not assign, sell, barter or transfer any legal rights, causes of actions, claims or disputes you may have against Starting Line Advisory to any person or entity.



ACKNOWLEDGEMENT

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the understanding of our engagement including our respective responsibilities. We appreciate the opportunity to serve you as your Certified Public Accountants and look forward to working with you and your staff.

Respectfully,

Ian Berg, CPA
Owner

RESPONSE:

This letter correctly sets forth our understanding. Acknowledged and agreed on behalf of TCWD by:

Name: _____

Title: _____

Date: _____

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JUNE 12, 2025**

FINANCIAL MATTERS

ITEM 7: AUTHORIZATION OF ACTIONS FOR FISCAL YEAR 2026 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 2025-26 is shown below:

DATE	DESCRIPTION OF ACTION
June 18, 2025	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 16, 2025 Regular Board Meeting.
Late June 2025	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 16, 2025	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 12, 2025**

RECOMMENDED ACTION:

1. *Recommend the Board of Directors authorize District staff to proceed with actions for setting the Fiscal Year 2026 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 2026 Undeveloped Land/Water Standby Assessments for the July 16, 2025 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 2025/2026. 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 on this report at a public hearing to be held on **July 16, 2024 at 6:00 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 12, 2025**

FINANCIAL MATTERS

ITEM 8: COMPARISON OF ALTERNATIVE CASH INVESTMENT POOLS

Trabuco Canyon Water District's (TCWD or District) invests available and eligible funds consistent with the District's Investment Policy. Periodically, the District's Treasurer evaluates and compares alternative investment pools that meet the criteria of the Investment Policy to balance safety, liquidity, and return on investment for the District and its ratepayers. Included as Exhibit 1 is an Investment Pool/Funds Analysis comparing four investment pools across several attributes, for discussion at the meeting.

RECOMMENDED ACTION:

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

EXHIBITS:

1. Trabuco Canyon Water District Investment Pool/Funds Analysis, prepared 6/6/25

CONTACTS (staff responsible): PALUDI/BERG/WARNER

Trabuco Canyon Water District
Investment Pool/Funds Analysis
Prepared 6/6/25

Line	Attribute	LAIF ¹	CalTRUST Liquidity Fund ₂	CLASS Prime Fund ³	CAMP Pool ⁴
1	Monthly Yield	4.272%	4.400%	4.350%	4.420%
2	Pool Rating	Not Rated	AAAm (S&P)	AAAm (S&P)	AAAm (S&P)
3	Current Assets Under Mangement	\$24.1 B LAIF / \$172.8 B PMIA	\$2.5 B	\$2.0 B	\$22.1 B
4	Formation	1977	2003	2023	1989
5	Agency Participation	2334	140	230	
6	Interest Payments	~105 Days	Monthly	Monthly	Monthly
7	Liquidity	Next Day	Next Day	Same Day	Same Day
8	Additional Expenses	No	No	No	No
9	Multiple Accounts	No	No	Yes	Yes
10	Weighted Average Maturity	244 Days	35 Days	30 Days	46 Days

¹ Information derived from <https://www.treasurer.ca.gov/pmia-laif/laif/index.asp>
Performance report as of May 15, 2025

² Information derived from <https://caltrust.org/>
Performance report as of April 30, 2025

³ Information derived from <https://californiaclass.com/>
CLASS Rates May 2025

⁴ Information derived from <https://www.camponline.com/>
CAMP fact sheet as of May 31, 2025



	CalTRUST Liquidity	BofAML 3-Month US Treasury Bill Index		CalTRUST Liquidity Return	BofAML 3-Month US Treasury Bill Index
Net Assets	\$2,493,070,152.97	N/A	One Month	0.36%	0.35%
NAV per Share	\$1.00	N/A	Three Month	1.08%	1.01%
30 Day SEC Yield	4.40%	N/A	Six Month	2.31%	2.18%
Distribution Yield	4.41%	N/A	One Year*	5.07%	4.91%
Period Net Total Return	0.36%	0.35%	Two Year*	5.29%	5.15%
Effective Duration	N/A	N/A	Three Year*	4.57%	4.38%
Weighted Average Maturity	34.53 days	N/A	Five Year*	2.75%	2.64%
Weighted Average Life	67.16 days	N/A	Ten Year*	NA	NA
			Since Inception*	2.56%	2.51%

*Annualized

Portfolio Sector Breakdown

- Commercial Paper - 31.28%
- Corporate Floating Rate - 1.26%
- Fixed Rate Certificate of Deposit - 15.04%
- Floating Rate Certificate of Deposit - 14.67%
- Money Market Fund - 3.51%
- Repurchase Agreement - 29.01%
- US Treasury Bill - 5.23%

CalTRUST Historical Liquidity 30 day SEC Yield	CalTRUST Liquidity 30 day SEC Yield
4/25	4.40%
3/25	4.39%
2/25	4.41%
1/25	4.46%
12/24	4.69%
11/24	4.82%
10/24	4.96%
9/24	5.23%
8/24	5.38%
7/24	5.37%
6/24	5.39%
5/24	5.39%
4/24	5.41%

Rated AAAM by S&P Global Ratings



PMIA/LAIF Performance Report as of 05/15/25



Quarterly Performance Quarter Ended 3/31/25

LAIF Apportionment Rate ⁽²⁾ :	4.48
LAIF Earnings Ratio ⁽²⁾ :	0.00012266258268207
LAIF Administrative Cost ^{(1)*} :	0.26
LAIF Fair Value Factor ⁽¹⁾ :	1.000849191
PMIA Daily ⁽¹⁾ :	4.30
PMIA Quarter to Date ⁽¹⁾ :	4.34
PMIA Average Life ⁽¹⁾ :	244

PMIA Average Monthly Effective Yields⁽¹⁾

April	4.281
March	4.313
February	4.333
January	4.366
December	4.434
November	4.477

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 4/30/25 \$172.8 billion

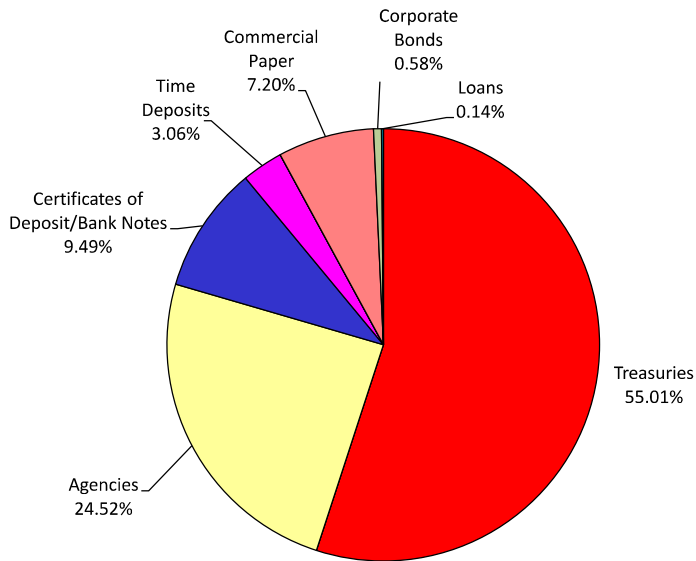


Chart does not include \$1,113,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

*The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller

(/)

Historical Rates

PRIME

ENHANCED CASH

Filter the yields by month:

May 2025 ▾

or select a date range:

Start Date

End Date

Submit

PRIME

Jun 2025

Date	Daily Yield (%)	YTD Yield (%)	7-Day Yield (%)	30-Day Yield (%)	WAM Days to Reset	WAM Days to Final	Daily Dividend	Net Asset Value (NAV)
05/31	4.3731	4.3955	4.3507	4.3504	30	67	0.000119811	0.99992478
05/30	4.3731	4.3956	4.3438	4.3517	31	68	0.000119811	0.99995425
05/29	4.3699	4.3958	4.3368	4.3527	30	66	0.000119724	0.99995272
05/28	4.3591	4.3959	4.3308	4.3540	29	66	0.000119428	0.99996263
05/27	4.3305	4.3962	4.3277	4.3551	27	64	0.000118643	0.99996644
05/26	4.3246	4.3966	4.3302	4.3564	24	62	0.000118481	0.99988951
05/25	4.3246	4.3971	4.3333	4.3578	24	62	0.000118481	0.99991768

Date	Daily Yield (%)	YTD Yield (%)	7-Day Yield (%)	30-Day Yield (%)	WAM Days to Reset	WAM Days to Final	Daily Dividend	Net Asset Value (NAV)
05/24	4.3246	4.3976	4.3358	4.3592	25	63	0.000118481	0.99994585
05/23	4.3246	4.3982	4.3383	4.3603	25	64	0.000118481	0.99997402
05/22	4.3278	4.3987	4.3408	4.3616	25	64	0.000118571	0.99997070
05/21	4.3373	4.3992	4.3417	4.3631	25	66	0.000118831	0.99996761
05/20	4.3480	4.3996	4.3413	4.3647	25	66	0.000119123	0.99996676
05/19	4.3461	4.4000	4.3389	4.3656	25	66	0.000119072	0.99996300
05/18	4.3422	4.4004	4.3344	4.3667	25	66	0.000118965	0.99990917
05/17	4.3422	4.4008	4.3342	4.3678	26	67	0.000118965	0.99993892
05/16	4.3417	4.4012	4.3341	4.3690	26	68	0.000118950	0.99996866
05/15	4.3345	4.4017	4.3340	4.3708	25	67	0.000118752	0.99996571
05/14	4.3344	4.4022	4.3367	4.3726	24	63	0.000118750	0.99995958
05/13	4.3312	4.4027	4.3411	4.3743	24	64	0.000118663	0.99995838
05/12	4.3145	4.4032	4.3471	4.3767	24	63	0.000118205	0.99995563
05/11	4.3411	4.4039	4.3575	4.3797	25	63	0.000118935	0.99990101
05/10	4.3411	4.4044	4.3662	4.3818	25	64	0.000118935	0.99993215
05/09	4.3411	4.4049	4.3749	4.3849	26	65	0.000118935	0.99996329
05/08	4.3536	4.4054	4.3836	4.3875	26	66	0.000119276	0.99996360
05/07	4.3649	4.4058	4.3920	4.3888	26	67	0.000119586	0.99996346
05/06	4.3734	4.4061	4.3974	4.3896	26	68	0.000119818	0.99996125
05/05	4.3876	4.4064	4.4023	4.3909	27	68	0.000120209	0.99996146
05/04	4.4018	4.3355	4.4032	4.3918	26	67	0.000120598	0.99991164
05/03	4.4018	4.3708	4.3982	4.3922	27	68	0.000120598	0.99994433
05/02	4.4018	4.4066	4.3933	4.3925	27	69	0.000120598	0.99997703
05/01	4.4123	4.4066	4.3884	4.3930	27	70	0.000120884	0.99998514

Performance

Annualized as of March 31, 2025

Portfolio	Inception Date	1 Year	3 Years	5 Years	10 Years	Since Inception
California CLASS Prime	7/5/2022	5.1066%	N/A	N/A	N/A	4.8318%
ICE BofA US 3-Month Treasury Index		4.9727%	N/A	N/A	N/A	4.5858%

Data unaudited. Performance results are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. California CLASS is not a bank. An investment in California CLASS is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the California CLASS Prime Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. Please review the California CLASS Information Statement(s) located in the Document Center before investing. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.**

The ICE BofA ML 3-Month T-Bill Index is an unmanaged index that measures the returns of three-month U.S. Treasury Bills. The ICE BofA ML 6-Month T-Bill Index is an unmanaged index that measures the returns of six-month U.S. Treasury Bills.

Investors cannot purchase the index directly. Fees will reduce returns.

[Explanation of Yields \(/rates-disclaimer/\)](#)

May 31, 2025



Program Fact Sheet

CAMP is a California Joint Powers Authority established in 1989 to provide California public agencies with professional investment services.

INVESTMENT OBJECTIVE

To earn a high rate of return while preserving principal and providing liquidity. The Pool seeks to maintain a stable NAV of \$1.00 per share and the TERM Portfolio seeks to achieve a NAV of \$1.00 per share at the stated maturity.

CASH RESERVE PORTFOLIO (POOL)

A short-term cash reserve portfolio and cash management vehicle permitted as an investment for all local agencies under California Government Code Section 53601(p).

TERM PORTFOLIO

A fixed rate, fixed term portfolio rated AAAf by Fitch Ratings⁵ and permitted as an investment for all local agencies under California Government Code Section 53601(p).

POOL FACTS

As of May 31, 2025

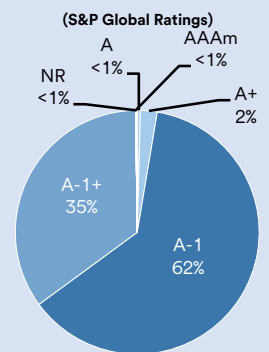
7-Day Net Yield ¹	4.42%
Monthly Distribution Yield ²	4.42%
Weighted Average Maturity ³	46 Days
Program Rating ⁴	AAAm by S&P Global

SERVICE PROVIDERS

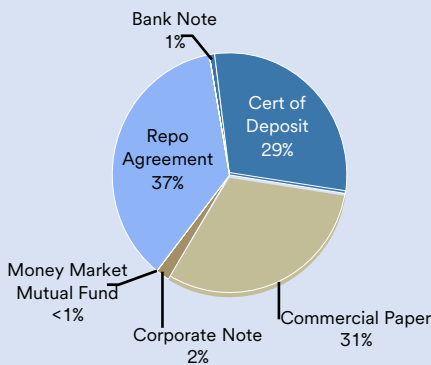
- Investment Advisor and Program Administrator:** PFM Asset Management*
- Distributor:** U.S. Bancorp Investments, Inc.
- Depository and Custodian:** U.S. Bank, N.A.
- Independent Auditor:** Ernst & Young, LLC.
- Counsel:** Nossaman LLP

Pool Diversification as of May 31, 2025

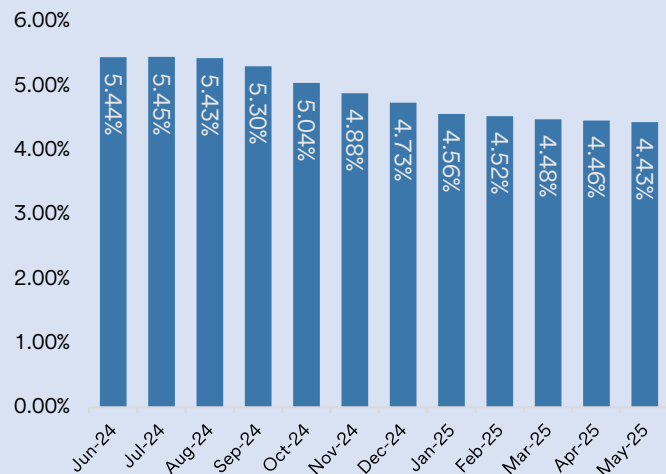
Credit Quality Distribution



Sector Composition



Pool Performance (30-Day Net Yield⁶%)



*PFM Asset Management is a division of U.S. Bancorp Asset Management, Inc, which serves as administrator and investment adviser to the Pool

¹7-day net yield, also known as the current annualized yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a seven-day base period expressed as a percentage of the value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7.

²The monthly distribution yield represents the net change in the value of a hypothetical account with a value of one share (normally \$1.00 per share) resulting from all dividends declared during a month by the Pool expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

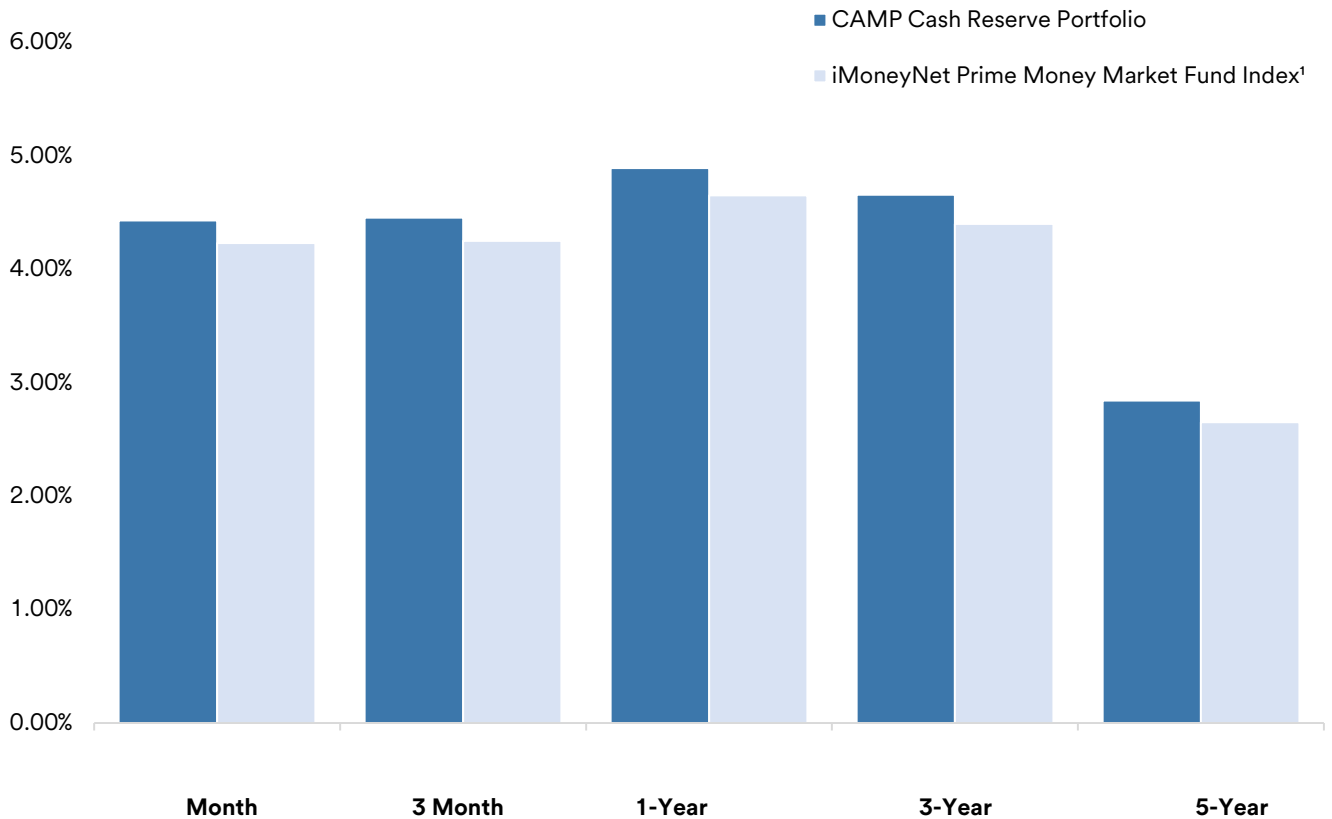
³Weighted Average Maturity: Calculated by the final maturity for a security held in the portfolio and the interest rate reset date. This is a way to measure a fund's sensitivity to potential interest rate changes.

⁴S&P Global AAAm Rating: S&P evaluates a number of factors, including credit quality, market price, exposure, and management. Please visit [SPGlobal.com/Ratings](https://www.spglobal.com/Ratings) for more information and ratings methodology.

⁵Fitch AAAf Rating: portfolios with this rating indicate having the highest underlying credit quality. Please visit [fitchratings.com](https://www.fitchratings.com) for more information and ratings methodology.

⁶As of the last day of the month. The 30-day yield represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a thirty-day base period expressed as a percentage of the value of one share at the beginning of the thirty-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 30.

Average Annual Return as of May 31, 2025



	Month	3 Month	1-Year	3-Year	5-Year
CAMP Cash Reserve Portfolio	4.43%	4.45%	4.89%	4.66%	2.84%
iMoneyNet Prime Money Market Fund Index ¹	4.23%	4.25%	4.65%	4.40%	2.65%

Must be preceded or accompanied by a Program Guide. For a current Program Guide, which contains more complete information, please visit <http://www.camponline.com/> or call 800-729-7665. Before investing, consider the investment objectives, risks, charges and expenses of the pool carefully. This and other information can be found in the Program Guide. Read the Program Guide carefully before you invest or send money.

¹Source: iMoneyNet First Tier Institutional Prime Money Market Fund Average (“iMoneyNet Prime Money Market Fund Index”); benchmark yields are as of the last business day of each month. This index is comprised of funds rated in the top grade that invest in high-quality financial instruments with dollar-weighted average maturities of less than 60 days. It is not possible to invest directly in such an index.

Past performance does not guarantee future results. Yields will fluctuate as market conditions change. The current fund performance may be higher or lower than that cited. The yields shown may reflect fee waivers by service providers that subsidize and reduce the total operating expenses of the Pool. Pool yields would be lower if there were no such waivers. Important disclosure information is provided on the following page.

CAMP® is a registered trademark and the CAMP logos and designs are trademarks owned by the California Asset Management Trust (Trust).

This information is for institutional investor use only, not for further distribution to retail investors, and does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the Trust’s investment objectives, risks, charges and expenses before investing in the Trust. This and other information about the Trust is available in the Trust’s current Information Statement, which should be read carefully before investing. A copy of the Trust’s Information Statement may be obtained by calling 1-800-729-7665 or is available on the Trust’s website at www.camponline.com. While the Cash Reserve Portfolio seeks to maintain a stable net asset value of \$1.00 per share and the CAMP Term Portfolio seeks to achieve a net asset value of \$1.00 per share at the stated maturity, it is possible to lose money investing in the Trust. An investment in the Trust is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Trust are distributed by U.S. Bancorp Investments, Inc., member FINRA (www.finra.org) and SIPC (www.sipc.org). PFM Asset Management is a division of U.S. Bancorp Asset Management, Inc., which serves as administrator and investment adviser to the Trust. U.S. Bancorp Asset Management, Inc. is a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bancorp Investments, Inc. is a subsidiary of U.S. Bancorp and affiliate of U.S. Bank N.A.

TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JUNE 12, 2025

FINANCIAL MATTERS
ITEM 9: OTHER MATTERS

RECOMMENDED ACTION:

Hear Other Matters from the General Manager or District Staff.

CONTACTS (staff responsible): PALUDI/PEREA