



**FINANCE/AUDIT COMMITTEE MEETING AGENDA  
TRABUCO CANYON WATER DISTRICT  
ADMINISTRATION FACILITY  
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA  
JULY 10, 2025 at 8:00 AM**

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**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

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**AGENDA NOTE:**

*Trabuco Canyon Water District will make this Finance/Audit Committee Meeting available by telephone audio as follows:*

**Telephone Audio:** 1 (669) 900-6833      **Access Code:** 969-3001-9067

*Persons desiring to monitor the Committee meeting agenda items may download the agenda and documents on the internet at [www.tcwd.ca.gov](http://www.tcwd.ca.gov). You may submit public comments by email to the Committee at [mperea@tcwd.ca.gov](mailto:mperea@tcwd.ca.gov). In order to be part of the record, emailed comments on meeting agenda items must be received by the District, at the referenced e-mail address, not later than 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](mailto: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](mailto: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**

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

**RECOMMENDED ACTION:**

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

1. June 12, 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 June 2025 and tentative future meetings/attendance (Action Calendar).*

**ITEM 3: APPROVAL OF UPDATED DISTRICT PURCHASING POLICY & GUIDELINES**

**RECOMMENDED ACTION:**

*Recommend the Board of Directors adopt Resolution No. 2025-1353 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting Updated Guidelines for the Procurement of Goods and Services and Cash Disbursements (Action Calendar).*

**ITEM 4: APPROVAL OF CONTRACT RENEWAL WITH CPS HR FOR HUMAN RESOURCES AND HEALTH BENEFITS THIRD-PARTY ADMINISTRATOR SUPPORT SERVICES**

**RECOMMENDED ACTION:**

*Recommend the Board of Directors authorize the General Manager to execute a professional services contract with CPS HR for Human Resources and Health Benefits Third-Party Administrator Support Services for a two-year period with a not-to-exceed amount of \$50,000 per year (Action Calendar).*

**ITEM 5: NOTICE OF DETERMINATION OF APPROPRIATIONS LIMIT FOR FISCAL YEAR 2025-26**

**RECOMMENDED ACTION:**

*Recommend the Board of Directors adopt Resolution No. 2025-1354 – Resolution of the Board of Directors of Trabuco Canyon Water District Establishing the Appropriations Limit Applicable to the District during Fiscal Year 2025-2026 (Action Calendar).*

**ITEM 6: EVALUATION OF CALPERS UNFUNDED ACCRUED LIABILITY (UAL) PREPAYMENT OPTION FOR FISCAL YEAR 2026**

**RECOMMENDED ACTION:**

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



**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING AGENDA | JULY 10, 2025**

**ITEM 7: FINANCIAL REPORT**

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

**RECOMMENDED ACTION:**

*Recommend that the Board receive and file the preliminary unaudited financial statements for May 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 July 10, 2025 as presented (Consent Calendar).*

**ITEM 8: 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](http://www.tcwd.ca.gov). If such writings are distributed to members of the Committee less than 72 hours prior to the meeting, they will be available online at [www.tcwd.ca.gov](http://www.tcwd.ca.gov) at the same time as they are distributed to the Committee, except that, if such writings are distributed immediately prior to or during the meeting, they will be posted online on the District's website located at [www.tcwd.ca.gov](http://www.tcwd.ca.gov).*

**COMPLIANCE WITH THE REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE SECTION 54954.2**

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



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

FINANCIAL MATTERS

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

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**RECOMMENDED ACTION:**

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

1. *June 12, 2025*

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



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

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### **DIRECTORS PRESENT**

John Horst, Committee Chair  
Mike Safranski, Committee Member

### **STAFF PRESENT**

Fernando Paludi, General Manager  
Michael Perea, Assistant General Manager  
Karen Warner, Principal Accountant  
Roseann Lejsek, Executive Assistant

### **STAFF ABSENT**

Lorrie Lausten, District Engineer

### **CONSULTANTS PRESENT**

Ian Berg, Starting Line Advisory

### **PUBLIC PRESENT**

None

### **CALL MEETING TO ORDER**

Director Horst called the June 12, 2025 Finance/Audit Committee Meeting to order at 8:01 a.m.

### **VISITOR PARTICIPATION**

No visitor participation was received.

### **ORAL COMMUNICATION**

No oral communication was received.

### **COMMITTEE MEMBER COMMENTS**

Director Safranski reported on his attendance at the City of Rancho Santa Margarita City Council Meeting, and he noted that the city will be hosting a Fire Safety and Preparedness Community event on June 25<sup>th</sup> at the Bell Tower Regional Community Center.

### **REPORT FROM THE GENERAL MANAGER**

Mr. Paludi reported that staff received bids for the Transmission Main Pipeline Rehabilitation Project, and he stated that the bids will be vetted by Ms. Lausten and brought to the Regular Board Meeting the following week for the Board's consideration. Mr. Paludi also reported that staff will be bringing a recommendation to award the Wastewater Treatment Plant Blower Modification Project Construction contract to the next Regular Board Meeting. Mr. Paludi stated that staff received five bids, and he expressed his appreciation for Ms. Lausten's hard work which resulted in greater interest and increased response.

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

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

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

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

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

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Mr. Paludi presented the Directors' Fees and Expenses Report and Tentative Future Meetings/Attendance Report for Committee consideration and review. Director Horst noted a change to his meeting attendance for the month of May. Mr. Paludi noted that he will work with staff to update May's report for presentation at the May Regular Board Meeting.

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

**ITEM 3: FINANCIAL REPORT**

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

**FINANCIAL ANALYSIS SUMMARY**

Discussion occurred concerning a billing calculation error from Southern California Edison (SCE) and credit the District received in the amount of \$300,500. Discussion also occurred concerning the District's source of supply continuing to trend over budget due to increased demand and purchases of treated water.

**WATER FUND**

***Budget v. Actual***

Discussion occurred concerning Customer Fees and Property Tax Revenue, including frequency of installments.

***District Capital – Water***

Discussion occurred concerning Unplanned Repairs/Expenses.

**SEWER FUND**

***District Capital - Sewer***

Discussion occurred concerning Unplanned Repairs/Expenses.

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

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

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Mr. Paludi presented this matter for Committee consideration, and he reported that the District held two budget workshops, and that staff received instruction from the Board to analyze lower water rate adjustment scenarios for their consideration. Mr. Berg delivered a Fiscal Year 2025-2026 Proposed Budget and Financial Plan presentation which highlighted various rate scenario options, and included average customer bill impacts during cooler versus warmer months, as well as potential impacts to the District's reserves.

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

- RECOMMENDATION:**
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).

**ITEM 5: APPROVAL OF CASH RESERVES POLICY UPDATE**

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Mr. Paludi presented this matter for Committee consideration, and he reported that Mr. Berg laid out the pools of cash reserves within the current policy as well as identifying new reserve pools. Mr. Berg provided an overview of the proposed updates to the policy including updating certain fund pools, as well as dissolving others that the District no longer uses. Discussion occurred concerning other proposed policy changes for Committee consideration.

- RECOMMENDATION:** 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).

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

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Mr. Paludi presented this matter for Committee consideration, and he provided a background of the District’s contracted Treasury services with Cindy Byerrum, a Certified Public Accountant (CPA) with Platinum Partners, and later with Eide Bailly, until her retirement in 2024. Mr. Paludi provided a brief overview of Mr. Berg’s qualifications and work history with Ms. Byerrum at Eide Bailly and subsequently started his own firm, Starting Line Advisory. Mr. Paludi reported that the District contracted with Mr. Berg upon Ms. Byerrum’s retirement, and he emphasized the value and knowledge Mr. Berg brings to the District. Discussion occurred regarding Mr. Berg’s scope of work, including appointment as District Treasurer.

Mr. Paludi recognized the District’s Principal Accountant, Ms. Warner, for all of her knowledge and hard work.

- RECOMMENDATION:**
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**

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Mr. Paludi presented this matter for Committee consideration. Mr. Perea reported that the District annually sets an Undeveloped Land/Water Standby Charge (Standby Charge) for undeveloped land within District boundaries,

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

and he stated that the charge is currently set at \$15.00. Mr. Perea provided a timeline for adoption, and he added that the draft notice to customers was included in the meeting materials.

Director Horst requested that staff compare charges set by other agencies to explore the potential of increasing the District's Standby Charge as a means of increasing revenue and aiding in rate relief to the District's ratepayers.

- RECOMMENDATION:**
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. (Action Calendar).

**ITEM 8: COMPARISON OF ALTERNATIVE CASH INVESTMENT POOLS**

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Mr. Paludi presented this matter for Committee consideration, and he reported that review of this matter was in response to Director Horst's request to review the District's cash investment pools. Mr. Berg provided a brief overview of the District's switch from Local Agency Investment Fund (LAIF) to California Cooperative Liquid Assets Securities System (CLASS). Mr. Berg presented an investment pool/funds analysis, and he recommended keeping the District's funds invested in CLASS or California Asset Management Program (CAMP) at this time.

**RECOMMENDATION:** None. Informational item only.

**ITEM 9: OTHER MATTERS**

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Discussion occurred related to a budget handout provided by Mr. Paludi.

Director Horst commented on his attendance at Santa Margarita Water District's (SMWD) Regular Board Meeting due to an item on their agenda in relation to the District's Request for Proposals for Combined Services to Achieve Rate Relief (RFP). Director Horst stated that he believed there would also be discussion in open session related to this matter but that all discussion happened in closed session. Director Horst added that Irvine Ranch Water District listed the same closed session item on their agenda, and he stated that he did not attend this meeting due to the closed session discussion.

Director Horst asked that the order of public comment be moved to after the Board's discussion of each item. Mr. Paludi recommended Director Horst to bring this matter to the next Regular Board meeting.

Director Horst requested that Mr. Paludi provide an update on the District's RFP during his comments at the next Regular Board meeting, along with a press release to the District's customers.

**RECOMMENDATION:** None. Informational item only.

**ADJOURNMENT**

Director Horst adjourned the June 12, 2025 Finance/Audit Committee Meeting at 10:15 a.m.

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | JULY 10, 2025**

**FINANCIAL MATTERS**

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

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***Directors' Fees and Expenses***

Consistent with Board policy, Directors are reimbursed for expenses incurred while serving in their capacity as Directors. Additionally, Directors earn a per diem stipend for attendance at meetings or functions in 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 June 2025 and tentative future meetings/attendance. (Action Calendar)*

**EXHIBIT(S):**

1. Directors' Fees and Expenses Report for June 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
<b>DISTRICT MEETINGS</b>					
District Properties Committee - Consultant Interview No. 1		06/06/25		06/06/25	
District Properties Committee - Consultant Interview No. 2		06/17/25		06/17/25	
Executive Committee Meeting	06/02/25			06/02/25	
Engineering/Operational Committee Meeting	06/04/25	06/04/25			
Finance/Audit Committee Meeting			06/12/25		06/12/25
Individual Meeting with General Manager	06/17/25	06/18/25	06/17/25	06/16/25	06/17/25
Public Outreach Ad Hoc Committee Meeting	06/19/25		06/19/25		
Regular Board Meeting	06/18/25	06/18/25	06/18/25	06/18/25	06/18/25
Sources of Supply Ad Hoc Committee Meeting		06/16/25		06/16/25	
Special Board Meeting	06/16/25	06/16/25	06/16/25	06/16/25	06/16/25
TCWD Updates Meeting w/ General Manager		06/11/25			
<b>REPRESENTATIVE MEETINGS</b>					
Community Associations of Rancho (CAR) Meeting					06/03/25
City of Rancho Santa Margarita - City Council Meeting				06/25/25	
Independent Special Districts of Orange County (ISDOC) Monthly Meeting		06/03/25			
Independent Special Districts of Orange County (ISDOC) Quarterly Meeting					
MWDOC Administration/Finance Committee Meeting			06/11/25		
MWDOC Board Meeting			06/18/25		
MWDOC Water Policy Forum & Dinner	06/26/25				
South Orange County Integrated Regional Watershed Management Executive Committee Meeting				06/05/25	
Orange County Local Agency Formation Commission (OC LAFCO)		06/11/25			
South Orange County Water Agencies Group Meeting					
Santiago Aqueduct Commission Meeting (SAC)				06/19/25	
Water Advisory Commission of Orange County (WACO)		06/06/25			
<b>NUMBER OF MEETINGS ATTENDED</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>8</b>	<b>5</b>
<b>PER DIEMS (\$125 per each meeting*)</b>	<b>\$875.00</b>	<b>\$875.00</b>	<b>\$750.00</b>	<b>\$1,000.00</b>	<b>\$625.00</b>
<b>DIRECT REIMBURSABLE EXPENSES</b>					
<b>DIRECT REIMBURSABLE EXPENSES TOTALS</b>					
<b>INDIRECT REIMBURSABLE EXPENSES</b>					
<b>INDIRECT REIMBURSABLE EXPENSES TOTALS</b>					
<b>TOTAL (PER DIEMS + DIRECT REIMBURSABLE EXPENSES)</b>	<b>\$875.00</b>	<b>\$875.00</b>	<b>\$750.00</b>	<b>\$1,000.00</b>	<b>\$625.00</b>
<i>* Maximum per diem per day is one; maximum per month is 10</i>					

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

**TRABUCO CANYON WATER DISTRICT | 2025 PUBLIC MEETING AND CONFERENCE CALENDAR**

		2025											
LINE ITEM	MEETING DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
<b>DISTRICT PUBLIC MEETINGS</b>													
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	03/20/25	04/17/25	03/15/25	06/19/25	07/17/25	08/21/25	09/18/25	10/16/25	11/20/25	12/18/25
5	District Properties Ad Hoc Committee Meeting	-	-	-	-	-	-	-	-	-	-	-	-
<b>PUBLIC MEETINGS</b>													
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
<b>CONFERENCES</b>													
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 | JULY 10, 2025**

**FINANCIAL MATTERS**

**ITEM 3: APPROVAL OF UPDATED DISTRICT PURCHASING POLICY & GUIDELINES**

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**Background**

Over several months, staff and legal counsel have met to review and update the District's Purchasing Policy and Guidelines, the provisions of TCWD's Rules and Regulations relating to procurement, draft form contracts, and TCWD's internal processes and procedures. As a County Water District organized and operating under the Water Code 30000 and following, TCWD has broad authority to procure goods and services. The District's policy creates procedures to enhance transparency, including reporting to the Board or committees of the Board, and encouraging competitive bidding, that exceed the baseline requirements of state law. The District has evaluated its policies, procedures, and form documents to appropriately balance efficiency with transparency. Updates to the Policy and Guidelines include:

- Inclusion of a new "definitions" section
- Updated some key terms (for example, "Non-Professional Services" are now "General Services")
- Combine and harmonize procurement-related provisions of the District's Rules and Regulations, to ensure that all relevant provisions can be found in one place.
- Clarify and streamline the sole-source acquisition process.

The District's Purchasing Policy and Guidelines were last updated and approved by the Board at the March 16, 2023 Regular Board Meeting (Resolution No. 2023-1313).

**FUNDING SOURCE:**

Not applicable

**FISCAL IMPACT:**

Not applicable

**RECOMMENDED ACTION:**

*Recommend the Board of Directors adopt Resolution No. 2025-1353 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting Updated Guidelines for the Procurement of Goods and Services and Cash Disbursements (Action Calendar).*

**EXHIBITS:**

1. DRAFT Purchasing Policy & Guidelines
2. DRAFT Resolution No. 2025-1353

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

## TRABUCO CANYON WATER DISTRICT PURCHASING POLICY & GUIDELINES

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### 1. Definitions

- 1.1 **Board** means the Board of Directors of the Trabuco Canyon Water District
- 1.2 **Capital Construction Project** means a project involving the expenditure of District funds for the construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.
- 1.3 **District** means the Trabuco Canyon Water District (or “TCWD”).
- 1.4 **General Manager** means the General Manager of the District or the person appointed by the General Manager or Board of Directors to act in the capacity of the General Manager and authorized to administer this Policy on their behalf.
- 1.5 **Negotiated Agreement or Contract** means a formal written agreement for procurement of goods and services (professional and general).
- 1.6 **General Services** means Services other than Professional Services, to include supply and maintenance services.
- 1.7 **Professional Services** means Services involving the provision of a report, study, plan, design, specification, document, program, advice, recommendation, analysis, review, opinion, inspection, investigation, audit, brokering or representation of the District before or in dealings with another party, or any other services which require a special skill or expertise of a professional, scientific, or technical nature. These Services include, but are not limited to, attorneys, engineering consultants, real property consultants/ appraisers, water quality consultants, architects, auditors, actuarial consultants, financial advisors, human resource consultants, information systems/technology consultants, meeting facilitators and firms hired to perform construction inspection, construction management and/or engineering surveying.
- 1.8 **Purchase Order** means an authorization, using a standardized form, in which the party designated as the “provider” provides materials and/or services for which the District agrees to pay. This is used for 1) goods and/or services that are required on an as needed basis or for replenishment of the District’s revolving inventory, or 2) repetitive, routine commitments for goods and/or services with frequently used vendors and billed to the District on a regular monthly or quarterly basis, or 3) procurements that do not fall under the criteria for a negotiated agreement.

1.9 **Request for Proposal (RFP) or Invitation to Bid** means a written request for the submission of a proposal in accordance with specifications, conditions and other requirements included in the request.

## **2. Goals/Objectives**

2.1 The Trabuco Canyon Water District seeks to obtain, wherever possible, high-quality materials, supplies, and services at a reasonable value and in a timely manner.

2.2 The purposes of this Procurement Policy include: 1) to promote efficiency and clarity in the District's procurement process; 2) to provide guidance on proper standards of conduct by employees, officers, and the Board of Directors of the District; 3) to ensure compliance with applicable laws and regulations; and 4) to promote transparency in the District's procurement processes to ensure that the District's expenditures are reasonable. To that end, this Policy has been prepared to provide direction to District personnel engaged in procurement of materials, supplies, and services.

## **3. Conflicts of Interest**

3.1 No director, officer, employee or agent of the District may participate in any procedure, tasks, or decisions relative to initiation, evaluation, award, or administration of a contract if a conflict of interest, real or apparent, exists. A conflict of interest arises when (a) a director, officer, employee or agent, (b) any member of his or her immediate family, (c) his or her business associate, or (d) an organization which employs, or which is about to employ, any of the above-described individuals has a financial or other interest in a firm that participates in a District procurement process or that is selected for an award. The standards governing the determination as to whether such an interest exists are set forth in the Political Reform Act (Section 81000 et seq. of the California Government Code) and in Sections 1090, 1091, 1091.5, and 1097.6 of the California Government Code.

## **4. Competitive Procurement**

4.1 TCWD will utilize a competitive procurement process when reasonably possible, whether by informal bidding or formal bidding. Methods of procurement, such as informal bids or formal competitive bidding, must be appropriate for the type of procurement, consistent with state law and in the best interest of the District.

4.2 Where possible, the District will obtain a minimum of three quotes, bids or proposals, as applicable, prior to procuring goods or services. The District's receipt of less than three quotes, bids or proposals will not invalidate the solicitation process or require the solicitation of additional quotes, bids or proposals. Some goods and services may only be available from less than three vendors or providers. If less than three vendors or providers are available, the District will attempt to obtain more than one quote, bid or proposal where possible; subject to Sections 4.4 and 4.5.

4.3 The District may purchase items or services without further competition under the following conditions:

4.3.1 If the District rejects bids received in connection with a procurement of materials, supplies and equipment requiring formal competitive bidding, or

4.3.2 When no responsive bids or proposals are received in response to an Invitation to Bid or Request for Proposals. In that case, the General Manager may procure the required item or service through direct negotiations with a vendor or to resolicit as appropriate.

4.4 The District is a county water district, organized and operating in accordance with Water Code Section 30000 et seq. that is not required by State law to use competitive bidding. To the extent the District determines that competitive bidding is impractical or not in the best interest of the District, the District may choose not to utilize competitive bidding for construction projects, may contract for design-build work, may enter into cooperative agreements with private entities for the design, construction and maintenance of public works, may utilize job-order contracting, or undertake any other form of contracting determined to be in the District's best interest except as otherwise expressly restricted by law.

4.5 Sole source procurement must be approved by the General Manager. If it is necessary for the District to acquire a good or service using sole source procurement in excess of \$10,000, the General Manager shall write or approve a written memorandum explaining the need to sole source the good or service. The memorandum must include a complete and specific justification of the sole source procurement for the referenced project(s). The TCWD Board of Directors (Board) will be notified annually of all sole-sourced contracts entered into by TCWD that exceed \$10,000.

## **5. Authority.**

The General Manager is authorized to procure goods and services in accordance with the budget approved by the Board and within the limits established in this Section.

5.1 Board Authority is required for all procurements over \$100,000.

5.2 The General Manager is authorized to approve all procurements, execute agreements, amend agreements and change orders in an amount up to \$100,000.

5.3 Change Orders. When an original contract exceeds \$100,000 (and has been approved by the Board), the General Manager may approve subsequent amendments and change orders up to a total cumulative amount not to exceed \$100,000.

5.3.1 If the cumulative change orders under a contract are anticipated to exceed \$100,000, no change orders in excess of that amount will be issued until the Board authorizes additional funds for the project under the terms of the agreement (subject to

change order terms). The Engineering/Operational Committee shall review all requests for additional construction funds.

5.3.2 The General Manager may approve an emergency field change order when the failure to approve the change order will cause TCWD to incur significant additional costs and/or significant delays even if the change order will exceed the General Manager's delegated authority. The General Manager shall promptly inform the Board of such approvals. The Engineering/Operational Committee will review the change order and the Board will consider ratification of the General Manager's decision(s).

5.3.3 All change orders must be in written form and be executed by the General Manager or the General Manager's designee(s).

## **6. Written Agreements**

Written Agreements or Purchase Orders are required for the acquisition of all goods and services, and District staff must adhere to the following threshold limits for the following purchases and agreements:

- Purchase Orders for supplies, equipment, and materials up to \$100,000.
- General Services Agreement for general/maintenance/construction work.
- Professional Services Agreement for professional services work.

These thresholds are intended as general guidance to the District, and the District may substitute a negotiated agreement in place of a purchase order any time, including with a complex or unique procurement.

The General Manager may approve and execute all agreements for the acquisition of goods and services in accordance with the approved annual budget. It is TCWD's policy that contracts will not normally include terms for automatic renewal(s).

## **7. Public Works Contractor Registration Certification Requirements**

7.1 Pursuant to Labor Code Sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the California Department of Industrial Relations (DIR) if the small project exemption is not met. The small project exemption applies to all public works projects that do not exceed twenty-five thousand dollars (\$25,000) for new construction, alteration, installation, demolition, or repair and fifteen thousand dollars (\$15,000) for maintenance. See <http://www.dir.ca.gov/Public-Works/PublicWorks.html> for additional information. Contractors and subcontractors on federally funded projects must be registered to perform public work pursuant to Labor Code section 1725.5 at the time the contract is awarded.

7.2 As defined by California Labor Code Sections 1720 et seq., “public works” includes construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds. Maintenance work is also included in this definition as a public work. A public works project greater than one thousand dollars (\$1,000) further requires that not less than the general prevailing rate of per diem wages be paid to all workers employed on the public work. A public works project that exceeds (\$25,000) for new construction, alteration, installation, demolition, or repair and fifteen thousand dollars (\$15,000) for maintenance triggers the registration requirement with the DIR.

7.3 No bid or proposal will be accepted, nor any contract entered into, without proof of the contractor’s and subcontractor’s current registration with the DIR to perform public work unless the small project exemption applies or, for federally-funded projects, contractors and subcontractors are registered at the time of contract award.

## **8. Prequalification of Contractors/Vendors**

8.1 The District may periodically establish a list of pre-qualified contactors or vendors for various types of work by requiring each prospective contractor or vendor to complete and submit to the District a standardized questionnaire, financial statement, or other information requested by the District to assess the contractor’s experience in performing the services sought by the District. The District shall determine, using standard criteria, whether a contractor/vendor is qualified to perform such work for the District. If the District has established one or more lists of prequalified contractors and/or vendors, the District shall update each list of qualified vendors for various types of work periodically as necessary. For federally-funded contracts, vendors shall be permitted, to the extent required by applicable federal law and/ or regulations, to be qualified for the list or lists until the date and time set for receipt of bids/proposals if they have provided proof of registration certification with the DIR (as described herein) or if the project does not meet the small project exemption.

## **9. Procedures for Capital Construction Projects**

9.1 **Bid and Award.** The appropriate Board committee will review all bids on a project where TCWD staff recommends approval of a bid for that project that is greater than \$10,000. The Board will authorize construction contracts that include a contingency that cumulatively exceeds the General Manager’s signing authority. Unless otherwise directed by the Board, the General Manager shall execute Board-approved construction contracts.

### **9.2 Performance and Payment Bond Requirements.**

9.2.1 In accordance with Civil Code Section 9550 et seq., and other applicable provisions of California law, a contractor awarded a public works contract

involving an expenditure in excess of \$25,000, shall furnish a payment bond in an amount not less than 100% of the contract price.

9.2.2 The contractor shall also furnish a faithful performance/warranty bond in the sum of one hundred percent (100%) of the contract price with respect to the performance of the equipment.

9.2.3 Any bonds issued pursuant to this section must be issued by an admitted surety insurer authorized to issue bonds in the State of California.

### **9.3 Security Deposit in Lieu of Retention**

9.3.1 Pursuant to Public Contract Code Section 22300, a contractor can deposit securities to act as a substitute for the retention of contract earnings by the District. A contractor desiring to deposit such securities in lieu of retention shall notify the District at the earliest possible time, and in no event later than the signing of the contract documents, of its desire to enter into such an agreement with the District. Any contractor entering into such a contract with the District shall comply with the provisions of Public Contract Code Section 22300.

### **9.4 Bid Bond**

9.4.1 At its discretion, the District may require a bid bond of 10% of the total proposal for competitively-bid contracts that exceed \$25,000.

## **10. Procedures for Procurement of Professional Services**

10.1 If the work of a professional service provider is anticipated to cost more than \$10,000 per year, the appropriate Board Committee will review the selection of the professional service provider and the selection is subject to approval by the Board. The General Manager will report to the Board regarding the award of Professional Services contracts that exceed \$50,000. Unless otherwise specified by the Board, the General Manager may approve and execute the agreement between TCWD and the approved professional service provider.

10.2 If the cost of the services to be provided is anticipated to exceed the amount authorized by the Board performance of the services will cease until the Board authorizes additional funds. The appropriate Board Committee will review all requests for additional funds.

## **11. Emergencies**

11.1 In the case of any sudden, unexpected occurrence that poses a clear and imminent danger or requires immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services, the Board authorizes the General Manager full authority to commit TCWD funds in excess of the approved budget

limits, or to reallocate funds within those limits, in accordance with, and subject to the limitations contained in, Resolution No. 2018-1252.

11.2 Where possible, the Board will declare a state of emergency prior to commencement of emergency work. If the Board may not be immediately convened, authority is granted to the General Manager to declare an emergency. A declaration of emergency shall be ratified at the next meeting of the Board. Emergency work may be done by day labor or by contract, or by combination of these. The Board, by majority vote, may delegate to the General Manager the power to declare a public emergency subject to confirmation by the Board, by a 4/5ths vote, at its next meeting.

## **12. Federal Procurement Addendum for Supplies, Equipment, and Materials Purchase Orders, or Services Contracts**

12.1 If a contract for goods and/or services is funded in whole or in part by the federal government, TCWD shall require the proposed vendor to comply with any applicable laws and procedures, in addition to fulfilling any procurement requirements of non-federally-funded purchase orders or service contracts.

## **13. Guidelines for Disbursements**

13.1 The use and expenditure of all TCWD funds is subject to Resolution No. 2018-1252: Delegation of Authority to the General Manager.

13.2 Wherever in this policy the General Manager is delegated authority, that authority will also be provided to the designee of the General Manager.

13.3 All checks, wires, electronic funds transfer authorizations and other documents (except petty cash requests) containing instructions that cause funds to leave TCWD's control shall have two authorized signatures. Authorized signers are:

- Members of the Board of Directors
- General Manager
- District Secretary
- Principal Accountant (or designee)
- Assistant Treasurer

13.4 Electronic or facsimile signatures may be used on routine payments provided adequate safeguards are used to protect the signature plates, chip, or other source. Such safeguards shall be set out in writing.

13.5 The General Manager or his/her designee, Principal Accountant and Senior Accountant may authorize inter-bank transfers for purposes of satisfying payroll requirements.

13.6 The Finance/Audit Committee shall review and sign, or approve, as applicable, checks, wires and electronic fund transfer authorizations that meet the following criteria:

13.6.1 Transfers of \$100,000 or more except when paying for:

- (a) Payroll or payroll related expenses, including employee benefits;
- (b) Utilities;
- (c) Chemicals used in water treatment; and./or
- (d) Water and water related costs to the Municipal Water District of Orange County or other agencies from which the District may purchase water or water related services.

13.6.2 \$1,000 or more payable to employees or members of the Board for any purpose other than payroll, except when the reimbursement request has been previously approved by the Finance/Audit Committee. All reimbursements to Board members shall be subject to TCWD's current Board Reimbursement Policies.

#### **14. NON-DISCRETIONARY EXPENSES**

14.1 Non-discretionary Expenses are items that do not require Board Action for payment, even when such expenses exceed the General Manager's approval limit of \$100,000. Non-Discretionary Expenses include, but are not limited to, those listed below.

##### **Bond Related/Contractual Agreements/Budgeted Expenses**

Arbitrage Rebate Payment

Bank Fees

Bonds

Cash Management Fees for Bond funds – Investment Portfolio Manager

Cash Management Fees for Operating funds – Investment Portfolio Manager

Computer System Maintenance Contracts, including HVAC Equipment/Support and IT Systems

County Regional Participation – OC LAFCO Costs

County Tax Collection Fees – including, but not limited to, General Fund and Bond Funds

Customer Bill Processing and Distribution

Debt Service Payments

Payments related to Joint Powers Agreements, including, but not limited to, the District's participation in the South Orange County Wastewater Authority (SOCWA)

Loans

Operating Leases:

- Baker Water Treatment Plant Operating & Maintenance

- Chiquita System Quarterly Operating & Maintenance
- State Regulatory Fees – Permit Fees for Dams and other District Facilities  
Trustee Fees

### **Essential Expenses**

Drinking Water for Treatment Plants

Chemicals/Media

Employee Payroll and Benefits Payments, including, but not limited to:

- CalPERS Pension/Health Benefit Payments/OPEB Trust/Pension Trust
- Dental & Vision Benefit Payments
- Flexible Spending Plan Payments
- Life Insurance Payments

Federal and State Employee Taxes

Fuel: bulk and gasoline credit card purchases

Medicare Tax

Metering Equipment

Sales and Use Tax Payments

Solids and Residual Disposal

Trash Disposal

Utilities (includes power, gas, phone, mobile phones, postage, & data lines/communications)

Water Purchases

## Trabuco Canyon Water District Procurement Reference Sheet

<b>Supplies, Equipment and Materials</b>	<b>Contract Form</b>	<b>Delegation of Authority</b>
Less than \$50,000	Purchase Order	General Manager
\$50,000 - \$100,000 <sup>1</sup>	Purchase Order or Agreement	General Manager
Greater than \$100,000 <sup>2</sup>	Negotiated Agreement	Board of Directors
<b>General Services</b>		
<b>General Services</b>	<b>Contract Form</b>	<b>Delegation of Authority</b>
Less than \$100,000	General Services Agreement	General Manager
Greater than \$100,000	General Services Agreement	Board of Directors
<b>Professional Services</b>		
<b>Professional Services</b>	<b>Contract Form</b>	<b>Delegation of Authority</b>
Less than \$50,000	Professional Services Agreement	General Manager
\$50,000 - \$100,000 <sup>3</sup>	Professional Services Agreement	General Manager
Greater than \$100,000	Professional Services Agreement	Board of Directors
<b>Construction</b>		
<b>Construction</b>	<b>Contract Form</b>	<b>Delegation of Authority</b>
Less than \$50,000 <sup>4</sup>	General Services Agreement (Construction)	General Manager
\$50,000 - \$100,000	General Services Agreement (Construction)	General Manager
Greater than \$100,000	General Services Agreement (Construction)	Board of Directors

Where possible, except as provided in the Purchasing Policy and Guidelines, obtain a minimum of three bids for competitive bidding or informal bidding process.

<sup>1</sup>For procurement of goods and services, the General Manager may approve subsequent amendments and change orders in an amount up to \$100,000 (See Procurement Policy Section 5).

<sup>2</sup> For procurement of goods and services where the original contract exceeds \$100,000, the General Manager may approve subsequent amendments and change orders up to a total cumulative amount not to exceed \$100,000 (See Procurement Policy Section 5).

<sup>3</sup> If the work of a professional service provider is anticipated to cost more than \$50,000 per year, the selection of the professional service provider will be reviewed by the appropriate Board Committee and will be subject to approval by the Board. (Procurement policy Section 10.1)

<sup>4</sup> The Engineering/Operational Committee will review all bids for capital construction projects greater than \$10,000. (Procurement Policy Section 9.1)

**RESOLUTION NO. 2025-1353**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE TRABUCO CANYON WATER DISTRICT ADOPTING UPDATED GUIDELINES FOR THE PROCUREMENT OF GOODS AND SERVICES AND CASH DISBURSEMENTS**

---

**WHEREAS**, the Trabuco Canyon Water District (“District” or “TCWD”) is a county water district which provides potable water and water service to its customers; and

**WHEREAS**, as a county water district, TCWD is not obligated to solicit competitive bids on its contracts for goods or services for its construction projects or for contracts for purchase of various goods and services; and

**WHEREAS**, TCWD’s goal is to acquire needed goods and services for fair and competitive prices from reliable vendors or providers, as applicable; and

**WHEREAS**, in certain cases, where funds from the United States government are involved, various conditions and requirements are imposed on TCWD for projects and purchase of goods/services and TCWD desires to provide for compliance with such requirements; and

**WHEREAS**, the Board of Directors of the District (Board) adopted a procurement policy by resolution (2023-1313) concerning the procurement of goods and services, including, but not limited to certain matters relating to public works contracts and concerning funds leaving TCWD’s control;

**WHEREAS**, the District Board desires to update the adopted policy concerning the procurement of goods and services.

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

**Section 1.** The guidelines for the procurement of goods and services for TCWD, as set forth in Attachment A, attached hereto and incorporated herein by this reference, are hereby adopted.

**Section 2.** The District’s General Manager, Treasurer/Chief Financial Officer, and District staff and consultants, are authorized to take such other and further actions as are necessary or desirable to carry out the directives set out in this Resolution.

**Section 2.** This Resolution shall take effect upon adoption.

*(Remainder of this page left intentionally blank)*

**ADOPTED, SIGNED AND APPROVED** this 16<sup>th</sup> day of July, 2025.

TRABUCO CANYON WATER DISTRICT

By: \_\_\_\_\_  
President/Vice President

By: \_\_\_\_\_  
District Secretary

DRAFT

STATE OF CALIFORNIA)

) ss.

COUNTY OF ORANGE )

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing resolution was duly adopted by the Board of said District at a regular meeting of such Board held on the 16<sup>th</sup> day of July, 2025, 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 said meeting such resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
District Secretary,  
Trabuco Canyon Water District

STATE OF CALIFORNIA )

) ss.

COUNTY OF ORANGE )

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2025-1353 of such Board and that the same has not been amended, rescinded or repealed.

Dated this 16<sup>th</sup> day of July, 2025.

\_\_\_\_\_  
District Secretary,  
Trabuco Canyon Water District

**ATTACHMENT "A"**

**PROCUREMENT GUIDELINES**

**DRAFT**

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | JULY 10, 2025**

**FINANCIAL MATTERS**

**ITEM 4: APPROVAL OF CONTRACT RENEWAL WITH CPS HR FOR HUMAN RESOURCES AND HEALTH BENEFITS  
THIRD-PARTY ADMINISTRATOR SUPPORT SERVICES**

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**Background**

After issuing a Request for Qualifications (RFQ) to six firms and reviewing proposals from two of the firms, the Board of Directors approved a professional services contract with CPS HR for Human Resources and Health Benefits Third-Party Administrator (TPA) support services with a not-to-exceed amount of \$50,000 for FY 2024/25 at the November 4, 2024 Regular Board Meeting. CPS HR has assisted staff on various HR-related matters, including, but not limited to:

- Employee Recruitment, Selection, and Retention Services
- Classification and Compensation Review Services
- Employee Relations Services
- Employee Benefits Administration
- Coordination with District Legal Counsel
- General Staff Support & Program Administration.

Currently, CPS HR is working with District staff to audit the District's personnel policy for updates consistent with new/updated State labor law requirements and other regulatory requirements. The standard practice is to invoice the District for the services rendered by CPS HR. District staff recommends the Board approve a professional services contract renewal with CPS HR for TPA support services, charged on a time and materials basis, for a two-year period not-to-exceed \$50,000 per year for a total two-year fiscal impact of \$100,000. More information may be provided at the time of the meeting.

**FUNDING SOURCE:**

General Fund, Professional Services

**FISCAL IMPACT:**

FY 2025/26 – Up to \$50,000

FY 2026/27 – Up to \$50,000

**Total: Up to \$100,000 for two years of support services**

**RECOMMENDED ACTION:**

*Recommend the Board of Directors authorize the General Manager to execute a professional services contract with CPS HR for Human Resources and Health Benefits Third-Party Administrator Support Services for a two-year period with a not-to-exceed amount of \$50,000 per year (Action Calendar).*

**EXHIBITS:**

1. CPS HR Consulting Proposal excerpts (July 2024)

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

PROPOSAL

# Trabuco Canyon Water District HR Consulting Services

June 31, 2024

SUBMITTED BY:  
CHRISTINA BATORSKI PEACOCK  
*Manager, Talent Acquisition & HR Services*

CPS HR Consulting  
2450 Del Paso Road, Suite 220  
Sacramento, CA 95834  
P: 916-471-3426  
cbpeacock@cpshr.us  
Tax ID: 68-0067209

[www.cpshr.us](http://www.cpshr.us)



Your Path to Performance

June 31, 2024

Michael Perea, Assistant General Manager  
Trabuco Canyon Water District  
32003 Dove Canyon Drive  
Trabuco Canyon, CA 92679

***Submitted via email to: MPerea@tcwd.ca.gov***

**Subject: HR and Employee Benefits Support Services RFQ**

Dear Michael,

CPS HR Consulting (“CPS HR”) is pleased to have the opportunity to submit a proposal to assist the Trabuco Canyon Water District (“District”) with HR Consulting Services provide support for your agency’s HR needs. We are uniquely qualified to undertake this effort as we have vast experience in assisting public agencies as necessary.

We can assist with any of your Human Resources functions as well as providing strategic HR consultation to support the day-to-day HR function as needed and on-demand. With a rich history of assisting government agencies with a full range of human resources services, we at CPS HR are confident that together we can provide expert solutions to meet your needs in a cost-effective manner.

We have a deep bench of experts in a broad array of human resources disciplines, long-term experience providing services within the public sector, and an emphasis on quality and value that can be confirmed by our current and past clients.

CPS HR also delivers personalized results-oriented service, utilizing best practice methods and strategies from our team of experts. You will find that:

- ***We are practiced at providing exemplary and responsive service for a variety of HR services.*** CPS HR has held many contracts with local government agencies, so we know how to be responsive to your unique needs. We have the staff, expertise, and resources to provide top-notch professional audit and review services and we are also full-service HR practitioners.
- ***We bring in-depth understanding of all local government operations, programs, and services.*** CPS HR has been helping public agencies meet their human resource needs ***for 35 years.*** Our team of experts includes a variety of professionals with the credentials and direct public agency experience necessary to deliver technically accurate content in an innovative and engaging manner.

- ***We have local presence and commitment to maintaining open communications with the District.*** Our project team will focus on integrating with your team and maintaining open communication with your staff to ensure that every activity is completed in a quality manner and adheres to the timeline and budget.

Thank you for the opportunity to be considered for this assignment. Should you have questions or comments about the information presented in this proposal, **please contact me at [cbpeacock@cps hr.us](mailto:cbpeacock@cps hr.us) or (916) 471-3426.**

Sincerely,



Christina Batorski Peacock  
Manager, Talent Acquisition & HR Services

# CPS HR CONSULTING CORE SERVICES



**Comprehensive HR solutions for advanced organizational performance.**



## CLASSIFICATION & COMPENSATION

- Classification
- Compensation



## DIVERSITY, EQUITY & INCLUSION (DEI)

- DEI Strategic Planning
- DEI Training



## HR CONSULTING

- Audit & Compliance
- HR Outsourcing
- HR Membership
- Complaint Investigations



## LICENSING & CERTIFICATION

- Accreditation
- Candidate Management
- Program Management
- Testing Services



## ORGANIZATIONAL STRATEGY

- Organizational Assessment
- Change Management
- Employee Engagement
- Performance Management
- Succession Planning
- Workforce Planning



## RECRUITMENT & SELECTION

- Executive Search
- Mid-Management and Specialized Recruitment
- General Recruitment
- Employer Branding



## TESTING

- Assessment Center
- Job Analysis
- Test Rental
- Test Administration
- Selection Tools Development



## TRAINING & DEVELOPMENT

- Executive Coaching
- Training Center
- Open Enrollment Training
- On-Site Training

## CORE MARKETS



Federal



State



Local



Special Districts



Education



Non-Profit Organizations

## Joint Powers Authority

Cooperative Personnel Services, doing business as CPS HR Consulting, is a national firm and is a governmental Joint Powers Authority (JPA) of the State of California. A JPA is a public agency created pursuant to the Joint Exercise of Powers Act (Government Code 6500 et seq). This Act allows two or more government agencies to establish a new public entity authorized to exercise those powers jointly held. A JPA is an instrumentality of a state or a political subdivision of a state and is not a registered corporation of any state. Cooperative Personnel Services was established under a “Joint Powers Agreement” by the State Personnel Board of the State of California, the counties of Sacramento and Sonoma, the Hayward Unified School District, the City of Anaheim, and the East Bay Municipal Utility District, and its purpose is to provide the opportunity for the joint powers “to discuss, study and solve common or similar problems with respect to modern human resource and related management processes.”

Our Chief Executive Officer (CEO) reports to a Board of Directors representing diverse public sector agencies across the nation. Our Board members are listed in the chart on the next page.



## CPS HR BOARD OF DIRECTORS

1. Linda Andal, HR Director, City of Anaheim (CA)
2. Vincent Zamora, HR Director, City of Las Vegas (NV)
3. Fernando Yañez, Exec Director of Classified HR, Hayward Unified School District (CA)
4. Vacant, Pinellas County (FL)
5. Kimberly Crum, Director of HR, County of Mecklenburg (NC)
6. LaShon Ross, HR Director/Risk Management, City of Plano (TX)
7. Joseph Hsieh, Personnel Services Manager, County of Sacramento (CA)

### **Approach to Providing Outstanding Customer Service**

CPS HR uses a comprehensive approach for planning, organizing, directing, and controlling consulting engagements. **At CPS HR Consulting, our philosophy for delivering outstanding customer service is deeply rooted in our commitment to client satisfaction and success.** We understand that every client is unique, and we tailor our approach to meet their specific needs and objectives. Our core principles for exceptional customer service include:

- **Client-Centric Approach:** We prioritize the client's goals and vision, ensuring that our solutions align with their objectives. By actively listening and engaging with our clients, we develop a comprehensive understanding of their challenges, allowing us to provide tailored and effective solutions.
- **Open Communication:** We believe in transparent and open communication throughout the project lifecycle. Our dedicated project managers maintain regular contact with clients, providing updates, addressing concerns, and seeking feedback to ensure alignment and satisfaction.
- **Responsive and Accessible:** Our team is readily available to address client inquiries and concerns promptly. Whether through scheduled meetings, e-mail, or phone calls, we maintain accessibility to support our clients whenever needed.
- **Expertise and Innovation:** Our consultants bring a wealth of knowledge and experience to each project. We stay current with industry best practices and innovative approaches to deliver solutions that drive success.

# HR Consultation

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## Our Understanding of the Scope of Work

We understand that the District is currently looking for a professional consulting firm to provide an human resources consultant to perform human resources services in the absence of having an in-house HR staff, to support your District's ongoing HR needs. We are committed to provide the District with public sector HR Consultants that are significantly experienced and able to meet the level of effort to respond and satisfy the needs and requirements of your District. We are committed to respond in a timely manner to all requests within a 24-hour period and if necessary to be available on an occasional evening or weekend when required. We can attest we are able to meet all contractual requirements listed in the RFQ with the exception that we do not own any vehicles.

Our HR Consulting services include but are not limited to supporting all the areas requested in your RFQ on the topic of Employee Recruitment, Selection, and Retention Services, Classification and Compensation, Employee Benefits Administration, Employee Benefits Administration, Employee Relations Services, Coordination with District Legal Counsel General Staff Support & Program Administration as defined by the District.

Although we propose providing virtual HR support during the term of the agreement, we can provide ½ day in-person support during open enrollment periods when necessary.

Our standard HR Consulting Services does provide for single classification and base pay compensation studies. In the event the District seeks a complete comprehensive total compensation and review of all job classifications, for comparison to market, we would be happy to provide a separate cost letter.

## Value Added Service

### VALUE PROPOSITION

We deliver comprehensive HR solutions built on unparalleled government expertise to meet our clients' unique needs. Our experienced HR advisors bring an unmatched perspective.

### We help clients succeed by:

- **Understanding Their Goals:** We listen to your needs, understand your business, and focus on achieving your desired outcomes.
- **Unlocking New Perspectives:** Together we explore new ideas, expand possibilities, and consider the broader impact on those you serve.
- **Bringing Solutions to Life:** We put plans into action, making strategies operational and effective.

- **Empowering Their Growth:** Provide you with the tools and knowledge to elevate performance and expand capabilities for your organization and those you serve.

## **HR Consulting Services**

Our standard approach includes providing human resources expertise, advice, and consultation to ensure appropriate research, analysis, and professional HR guidance are utilized for all assigned duties and responsibilities. These duties would include delivery of HR services as well as providing best practice recommendations and assistance with implementation in the requested service areas.

CPS HR staff assigned would work remotely and can assist with a specific project or provide operational or strategic HR consultation to support the day-to-day HR function as needed and on-demand. We will comply with any confidentiality and system requirements the District has determined are necessary to maintain the integrity and confidentiality of its data.

**HR Support and Consultation:** In addition to the items you have specified in the RFQ, CPS HR can provide the District with **virtual** HR consultation in the areas requested by the District, and we also provide support in these primary areas below. Some typical tasks listed below:

### **HR Administrative Services (administration, policy development and review, compliance audits, etc.)**

- Assist with the review and interpretation of current, revised, and/or new HR-related laws, policies, and/or procedures
- Write new policies, as needed, or requested
- Periodically audit HR records and practices for compliance
- Recommend best practices for ongoing compliance
- Leave management administration

### **Recruitment, Examination, and Selection**

- Work with hiring managers to develop job postings and ideal candidate profiles
- Devise a recruitment strategy and timeline
- Develop recruitment flyers or brochures, if needed
- Create and post advertising in appropriate channels
- Perform outreach to build awareness of the position and attract diverse candidate pools
- Review application materials
- Conduct scoring and screening processes
- Conduct reference and background checks, if requested (background checks incur a cost per candidate)

***Benefit Administration***

- Field employee questions
- Process benefit enrollments, changes, and terminations
- Work with third party providers
- Assist with open enrollment activities

***Employee Relations (investigations, mediation, etc.)***

- Provide advice, counsel, recommendations, and training to ensure a positive and productive work environment
- Provide direction for employee related matters such as time-off, medical leave, formal and informal employee complaints, discipline, termination of employees, and unemployment
- Prepare and implement strategies to prevent and resolve employee problems or disputes
- Provide mediation or investigative services if needed (and at an additional cost/higher pay rate)

***Labor Relations***

- Ensure compliance with MOUs or other bargaining agreements
- Policy creation relative to MOUs
- Respond to grievances
- Union communications

***Classification and Compensation Studies***

- Draft or revise job descriptions
- Perform single classification studies
- Conduct market rate base salary compensation studies

***Performance Management***

- Review performance management processes, procedures, tools, and resources and updated, if needed.
- Ensure performance management schedule is updated and communicated to employees and supervisors.
- Facilitate training of performance management process with new employees and supervisors.
- Ensure all required documentation is submitted for the employee's personnel file at the completion of the performance period.

## Pricing Structure

In response to the needs described, CPS HR will assign a highly skilled and fully knowledgeable Human Resource Consultant who will be available to provide **virtual** ongoing HR support to the District for up to 10 hours per week from contract execution (expected to begin July 29, 2024 through August 1, 2025 (approximately 52 weeks x 10 hours/week = 520 hours) at which times the agency may extend the agreement for a second year for continued services based upon the set hourly rates for 2025. In the event the District no longer needs HR Consulting Services, there is no obligation to expend the NTE amount set forth in the Agreement. CPS HR will invoice the District on a monthly basis for the hours expended.

CPS HR proposes a time and materials contract with a **not-to-exceed amount of \$80,000** for the first year for all labor and expenses related to HR Consulting services. At any time by mutual agreement the District may extend the NTE amount for ongoing HR Consulting services if needed.

Project Team Roles and Hourly Rate	
CPS HR Staff Classification	Hourly Rate
Project Manager	\$180/hour
Principal Consultant/Technical Expert	\$150/hour
Senior Consultant	\$130/hour
HR Consultant	\$120/hour
Administrative Support	\$100/hour

It is assumed the scope of services will be performed remotely. If onsite meetings are requested, travel time will be billed at 50% of the hourly rate and travel expenses will be billed at the standard IRS rates. Actual out-of-pocket reimbursable expenses for such items as advertising for a recruitment, printing/copying, postage/delivery charges, and related fees, if paid by CPS HR, will be billed directly to the City for actual expenses incurred. The District will have final approval on any expenses utilized for each recruitment effort. CPS HR is open to discussing alternative work plans which may alter the cost of the project.

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | JULY 10, 2025**

**FINANCIAL MATTERS**

**ITEM 5: NOTICE OF DETERMINATION OF APPROPRIATIONS LIMIT FOR FISCAL YEAR 2025-26**

In July 1988, the District’s Board of Directors adopted Resolution No. 88-516 (Resolution of the Board of Directors of the Santa Ana Mountains County Water District Regarding Appropriations Policy) which codified a policy and methodology for establishing a District Appropriations Limit consistent with California Constitution Article XIII B. The State Constitution specifies that appropriations by local governments may increase annually by a factor determined by information provided by the State of California.

The District previously set its appropriations limit for Fiscal Year (FY) 2024-25 in the amount of **\$4,070,250.94**. The calculation for FY 2025-26 utilizes the County of Orange Overall Population Change Figures, and was calculated as follows:

**Trabuco Canyon Water District Gann Limit Formula**

<b>2024-25 Per Capita Cost of Living Percent Change</b>	6.44
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	<b>Pop. Growth Ratio</b>	<b>Pop</b>
Rancho Santa Margarita	-0.46	46,341
Lake Forest	0.1	87,639
Mission Viejo	-0.28	91,740
Unincorporated Orange County	0.54	133,033
Orange County (Aggregate)	0.17	3,175,427
<b>FY 2024-25 Appropriations Limit</b>	<b>\$4,070,250.94</b>	

Per Capita Personal Income Change Rate	1.0644
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**Weighted Option**

Population Ratio	1.00093651
Adjustment Factor	1.06539682
<b>Weighted Option Limit</b>	<b>\$4,336,432.42</b>

**Countywide Option**

Population Ratio	1.0017
Adjustment Factor	1.06620948
<b>Countywide Option Limit</b>	<b>\$4,339,740.14</b>

<b>Proposed FY 2025-26 Appropriations Limit</b>	<b>\$4,339,740.14</b>
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District staff has complied with the noticing requirements consistent with State law. It is the opinion of General Counsel and District staff that the proposed calculated appropriations limit does not appear to impact the District’s overall ability to generate the necessary revenue required to meet its obligations.

**RECOMMENDED ACTION:**

*Recommend the Board of Directors adopt Resolution No. 2025-1354 – Resolution of the Board of Directors of Trabuco Canyon Water District Establishing the Appropriations Limit Applicable to the District during Fiscal Year 2025-2026 (Action Calendar).*

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | JULY 10, 2025**

**EXHIBITS:**

1. Resolution No. 88-516 – Resolution of the Board of Directors of the Santa Ana Mountains County Water District Regarding Appropriations Policy
2. Hanson Bridget Appropriations Limit Memo to General Manager dated July 2, 2024
3. Notice of Determination of Appropriations Limit 2025-26

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

RESOLUTION NO. 88-516

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
SANTA ANA MOUNTAINS COUNTY WATER DISTRICT  
REGARDING APPROPRIATIONS POLICY

WHEREAS, the Santa Ana Mountains County Water District ("SAMCWD") is a county water district formed and operating pursuant to Section 30000, et seq., of the Water Code of the State of California; and

WHEREAS, Article XIII B of the California Constitution concerns appropriations of local agencies from revenues derived from specified sources; and

WHEREAS, SAMCWD is subject to the provisions of Article XIII B of the California Constitution; and

WHEREAS, Article XIII B of the California Constitution provides that certain revenues collected by SAMCWD shall not be subject to appropriations limitations upon satisfaction of certain criteria; and

WHEREAS, under California Constitution Article XIII B, the appropriations limit of the local agency may be adjusted by increases in population within that local agency service area; and

WHEREAS, the Board of Directors of SAMCWD desires to adopt a Resolution expressing a policy on appropriations for SAMCWD.

NOW, THEREFORE, the Board of Directors of the Santa Ana Mountains County Water District DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. California Constitution Article XIII B provides that certain revenues to local agencies are not subject to the appropriations limitation set forward in that Article. Such revenues include the proceeds to an entity of government from regulatory licenses, user charges, and user fees to the extent that such proceeds do not exceed the costs to that agency of providing service for which the fees are imposed. The Board of Directors of SAMCWD hereby adopts the policies that revenues derived from the SAMCWD Capital Improvement Charge, supplemental water fee, water storage fees and sewage fees imposed upon development within SAMCWD shall be used to satisfy the financial obligations of providing water and/or sewer service by SAMCWD, including expenditures for Capital Facilities needed to provide such water and/or sewer service. The Board of Directors of SAMCWD hereby expresses its policy that such revenues are not subject to the appropriations limit established under California Constitution Article XIII B.

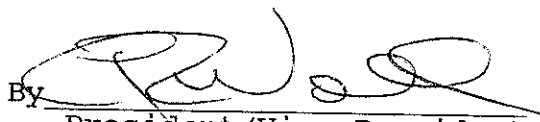
Section 2. Under California Constitution Article XIIIIB, the appropriations limit for local public agencies may be adjusted to reflect changes in populations within the area where such agency provides its service. The Board of Directors of SAMCWD notes that there has been a significant population increase within the service area of SAMCWD within the past two years for which population increased data was not available. It is the policy of the Board of Directors that when population data is made available that the appropriations limit will be adjusted to reflect the actual population within the service area of SAMCWD and will comply with the provisions and requirements of Article XIIIIB.

Section 3. The Board of Directors hereby directs the SAMCWD staff to obtain direct population data for the SAMCWD service area in order to make appropriate calculations to the SAMCWD appropriations limit for future fiscal years and to take all actions necessary to comply with the policy of the Board of Directors.

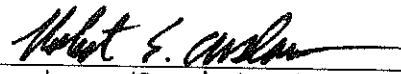
Section 4. The Board of Directors of SAMCWD hereby determines that tax revenues collected by SAMCWD for the 1962 General Obligation Bonded Indebtedness of SAMCWD are not subject to the provisions of California Constitution Article XIIIIB by way of its Section 9(a).

Section 5. The provisions and policies expressed in this Resolution shall become effective immediately.

ADOPTED, SIGNED AND APPROVED this 20th day of July, 1988.

By   
President/Vice President  
SANTA ANA MOUNTAINS COUNTY WATER  
DISTRICT and of the Board of  
Directors thereof

ATTEST:

By   
Secretary/Assistant Secretary  
SANTA ANA MOUNTAINS COUNTY  
WATER DISTRICT and of the  
Board of Directors thereof



STATE OF CALIFORNIA            )  
  ) ss.  
COUNTY OF ORANGE            )

I, ROBERT E. ANSLOW, Assistant Secretary of the Board of Directors of the Santa Ana Mountains County Water District do hereby certify that the above and foregoing is a full, true and correct copy of Resolution No. 88-516 of said Board, and that the same has not been amended or repealed.

DATED: July 22, 1988

  
\_\_\_\_\_  
Assistant Secretary

## Memorandum

**TO:** Fernando Paludi, General Manager  
Michael Perea, Assistant General Manager and Board Secretary

**FROM:** Hanson Bridgett LLP  
Jacob T. Zarone

**DATE:** June 27, 2025

**RE:** **Appropriations Limit for Fiscal Year 2025-2026**

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We have prepared for your review a Notice of Determination of the Appropriations Limit for Fiscal Year 2025-2026 and a Resolution establishing the District's appropriations limit. The appropriations limit and the calculations are based on the financial and population data posted on the California Department of Finance's website.

Pursuant to Revenue and Taxation Code Section 2228, Trabuco Canyon Water District has the option of calculating its appropriations limit based on the total population change for Orange County, or the weighted averages of the population of the Cities of Rancho Santa Margarita, Lake Forest, Mission Viejo, and the unincorporated areas of Orange County. The text of Revenue and Taxation Code Section 2228(a)(3) states: "If a special district is located within a single county or within more than one city or any combination of cities and unincorporated areas within a single county, the annual percentage change in population for the district shall be that established for the county or the weighted average of the percentage change of each city and the unincorporated area."

For Fiscal Year 2025-2026, the population change for Rancho Santa Margarita was -0.46%, the population change for Lake Forest was 0.1%, the population change for Mission Viejo was -0.28%, and the population change for unincorporated Orange County was 0.72%, while the total population change for Orange County was 0.17%. Because the total population number for Orange County is greater than the weighted average population number of Rancho Santa Margarita, Lake Forest, Mission Viejo, and the unincorporated areas of Orange County, the District's Fiscal Year 2025-2026 appropriations limit was calculated using the countywide population growth ratio (0.17%).

In order to satisfy legal requirements, the Notice of Determination of Appropriations Limit must be posted at least 15 days before the July 16 Board Meeting (by July 1). We have inserted the date at the bottom of the Notice. Also, please include both the Notice and the Resolution in the Agenda packet.

Please do not hesitate to contact me at [izarone@hansonbridgett.com](mailto:izarone@hansonbridgett.com) or (415) 785-2767 if you have any questions.

STAFF MEMBERS

Fernando Paludi, General Manager  
Michael Perea, District Secretary  
Ian Berg, District Treasurer  
Hanson Bridgett, LLP, Legal Counsel



BOARD OF DIRECTORS

Edward Mandich, President  
Glenn Acosta, Vice President  
Mark Anderson, Director  
John Horst, Director  
Michael Safranski, Director

## NOTICE OF DETERMINATION OF APPROPRIATIONS LIMIT FOR FISCAL YEAR 2025–2026

State law (Section 7910 of the Government Code) requires each local government agency to determine during each fiscal year the appropriations limit pursuant to Article XIII B of the California Constitution applicable during the following fiscal year. The limit must be adopted at a regularly scheduled meeting or a noticed special meeting and the documentation used in determining the limit must be made available for public review fifteen days prior to such meeting.

Set out below is the methodology proposed to be used to calculate the Fiscal Year 2025–2026 appropriations limit for the District. The limit as set forth below will be considered and adopted at the meeting of the Board of Directors on July 16, 2025.

1. Appropriations Limit for Fiscal Year 2024–2025	\$4,070,250.94
2. Population Change (January 1, 2024–January 1, 2025)	0.17%
3. Change in California per Capita Personal Income Fiscal Year 2024–2025	6.44%
4. Fiscal Year 2025–2026 Adjustment Factor (1.00407753 x 1.0362)	1.06620948
5. Fiscal Year 2025–2026 Appropriations Limit (\$3,912,103.63 x 1.04042513)	\$4,339,740.14

Dated: July 1, 2025

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | JULY 10, 2025**

**FINANCIAL MATTERS**

**ITEM 6: EVALUATION OF CALPERS UNFUNDED ACCRUED LIABILITY (UAL) PREPAYMENT OPTION FOR FISCAL YEAR 2026**

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Trabuco Canyon Water District (TCWD or District) has the option of prepaying its Fiscal Year (FY) 2026 obligation to CalPERS for unfunded employee retirement benefits as a lump sum or making these payments on a monthly basis. The projected savings of making a lump sum prepayment should be weighed against estimated investment returns, administrative efforts and the benefit of maintaining additional short-term liquidity for operating and capital spending. Historically, the District has taken advantage of the prepayment discount, which has provided a monetary incentive and administrative benefit of reduced payment processing in recent years. Prepayments to CalPERS for FY 2026 are due July 31, 2025. Staff has performed an analysis of the tradeoffs and is seeking input from the Committee.

**RECOMMENDED ACTION:**

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

**EXHIBITS:**

None

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

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

ITEM 7: FINANCIAL REPORT

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

**RECOMMENDED ACTION:**

*Recommend that the Board receive and file the preliminary unaudited financial statements for May 2025 (Consent Calendar).*

**B) BILLS FOR CONSIDERATION**

The total of the bills for consideration will be presented at the time of the July 10, 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 July 10, 2025 as presented (Consent Calendar).*

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



# Financial Reporting

## May 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  
May 2025**

**Cash & Investments Report Analysis**

Total cash and investments as of the reporting date are \$14.19M and represent an increase of \$24K from the prior month. The District cash balance remained level during the reporting period compared to the prior month. Total cash outflows in the current reporting month were lower by \$1.1M compared to the prior month. In addition, the District received \$202K in property tax receipts during the reporting month.

The District has drawn on loan proceeds throughout the fiscal year 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. In addition, 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 created higher-than-expected cash outflows throughout the fiscal year.

Major cash outflows during May 2025 included salaries and benefits, Baker Treatment Plant quarterly maintenance costs, capital improvement program expenditures, ongoing legal matters, and other 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
\$	277,980.00	ADP	Payroll processing
\$	213,110.40	CalPERS	Employee retirement and health benefits
\$	105,412.97	Irvine Ranch Water District	\$85.9K for January-March 2025 Baker Treatment Plant maintenance and \$19.5K for April 2025 Portola Hills water deliveries.
\$	71,618.25	Hanson Bridgett LLP	Legal services
\$	70,657.50	JIG Consultants	MCC Replacement at Robinson Ranch WWTP, Dove Canyon Recycled Water Pump Station Improvement, Heritage Sewer Lift Station Project
\$	56,611.37	MWDOC	April 2025 fixed and variable water purchases.
\$	49,588.71	Flo-Systems, Inc.	(2) new submersible pumps for Via Allegre Lift Station
\$	30,441.25	Hazen & Sawyer	Transmission main hydraulic analysis engineering services
\$	28,669.40	Project Partners, Inc.	Project management support services for various capital projects
\$	19,365.00	Starting Line Advisory	Monthly retainer accounting advisory services and one-time long-range financial planning and rate option analysis services



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

**District Summary Budget v. Actual Report Analysis**

This report presents a summary of financial performance in comparison to the adopted budget. The current reporting period represents 92% 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 potable and recycled water sales. From July 2024 through May 2025, potable water consumption increased 17% compared to July 2023 through May 2024. This has positively impacted District revenues; however, it is important to consider that increased demand has resulted in increased water supply needs. The District is currently utilizing an emergency water supply source, and the increased rate of this supply has prevented the District from realizing a greater financial benefit from increased water sales.
- **Line 6 Non-Operating Revenue** has exceeded the total budget as of the reporting period. This is due to earnings on District investments that have exceeded expectations for the fiscal year due to conservative budgeting methods. The District received \$202K of property tax receipts in May 2025.
- **Line 6 Source of Supply** exceeds the adopted budget due to increased customer demand and emergency water supply sources. The Dimension Water Treatment Plant (DWTP) has been out of service this fiscal year due to pipeline conveyance issues, and the District is purchasing water from Irvine Ranch Water District (IRWD). The price of this water stands at \$1,946.69 per Acre-Foot (AF) as of January 1, 2025. When the 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. Although this untreated rate excludes capital investments in the plant, personnel costs, chemicals, and other overhead, potential savings on this water supply source are estimated at over \$550 per AF. As 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 90% of the budget in the current month. This category is trending as expected and is projected to end the year under budget.
- **Line 9 General and Administrative** is trending at 94% of budget in the current reporting period. This category is trending higher than expected due to increased legal services, professional services and contract administrative services than anticipated in the budget.
- **Line 15 Debt Service – Principal and Interest** is trending at 71% of the total budget and is projected to end the year over budget. Debt service payments were difficult to predict during the Fiscal Year 2024-25 budget process, as the District did not have a precise structure and timeline for the 2024 loan issuance. The timing of these payments may differ from what was anticipated in the Fiscal Year 2024-25 budget, but the total debt service payments over the course of the loan are known going forward. The July 1<sup>st</sup>



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

debt service payments for the outstanding 2024 capital and 2011 SRF loans have been paid in June, with additional debt service payments of \$1,111,709.40 and \$115,190.52, respectively.

**Preliminary Year-End Projection Summary Analysis**

The District is close to wrapping year-end and is preparing to finish reporting on financial performance to the 2024-25 budget. A rough projection of the year-end performance, on a summary basis, has been prepared and is shown in the table below:

	Preliminary Projected Year End YTD \$	FY 25 Adopted Budget	Preliminary Projected (Over) / Under	Preliminary Projected Year End Budget %
<b>1 Revenue</b>				
2 Operating Revenue	\$ 14,395,760	\$ 14,125,200	\$ (270,560)	102%
3 Non-Operating Revenue	3,000,964	2,901,000	(99,964)	103%
<b>4 Total Revenue</b>	<b>17,396,724</b>	<b>17,026,200</b>	<b>(370,524)</b>	<b>102%</b>
<b>5 Expense</b>				
6 Source of Supply	5,808,914	4,904,400	(904,514)	118%
7 Salaries and Benefits	5,335,333	5,344,100	8,767	100%
8 Transmission and Distribution	1,551,107	1,581,600	30,493	98%
9 General and Administrative	2,263,743	2,218,000	(45,743)	102%
10 Miscellaneous Expense	38,579	18,100	(20,479)	213%
<b>11 Total Expense</b>	<b>14,997,675</b>	<b>14,066,200</b>	<b>(931,475)</b>	<b>107%</b>
<b>12 Net Revenue / (Expense)</b>	<b>2,399,049</b>	<b>2,960,000</b>	<b>560,951</b>	<b>81%</b>
13 Transfer In - Debt Proceeds for Capital	3,637,201	5,441,589	1,804,388	67%
14 Capital Improvement Program (CIP)	(4,402,998)	(5,441,589)	(1,038,591)	81%
15 Debt Service - Principal and Interest	(1,848,940)	(881,600)	967,340	210%
<b>16 Estimated Net Change in Cash</b>	<b>\$ (215,688)</b>	<b>\$ 2,078,400</b>	<b>\$ 2,294,088</b>	<b>-10%</b>
<b>17 Add Back Timing of June Debt Service Payment</b>	<b>(1,111,709)</b>			
<b>18 Adjusted Net Change in Cash</b>	<b>\$ 1,011,212</b>	<b>\$ 2,078,400</b>	<b>\$ 2,294,088</b>	<b>49%</b>

Key takeaways from preliminary projections include:

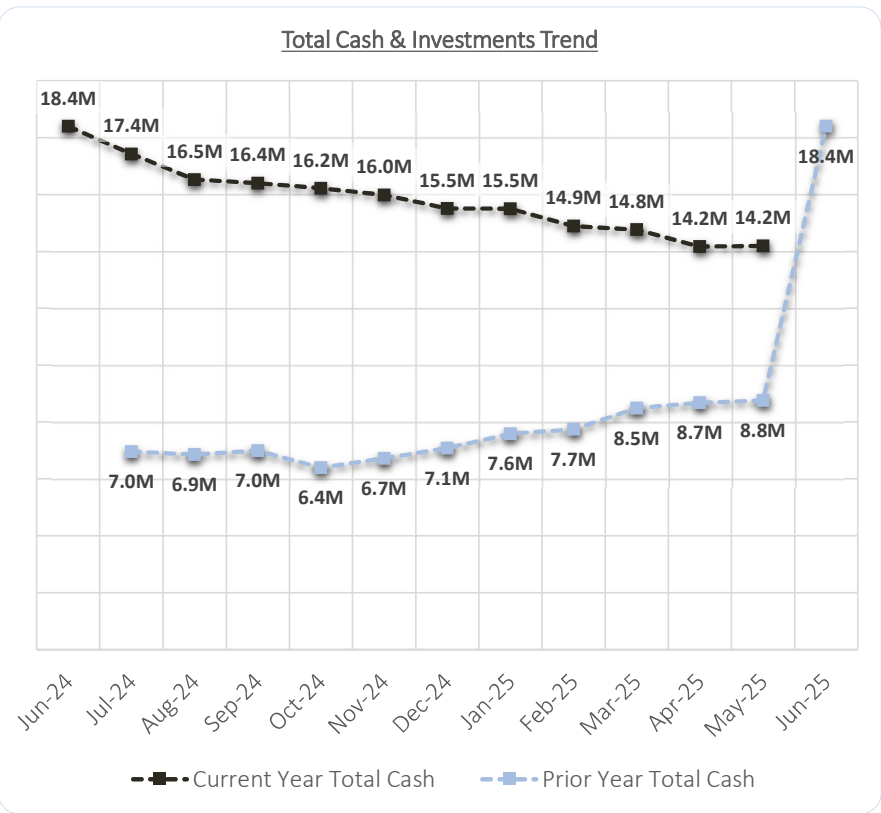
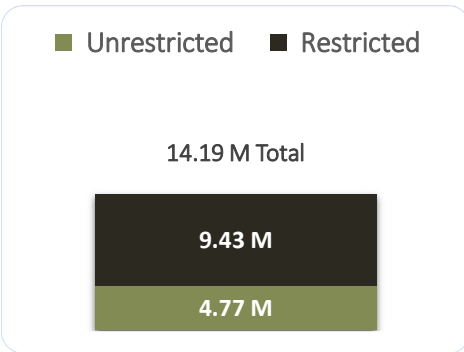
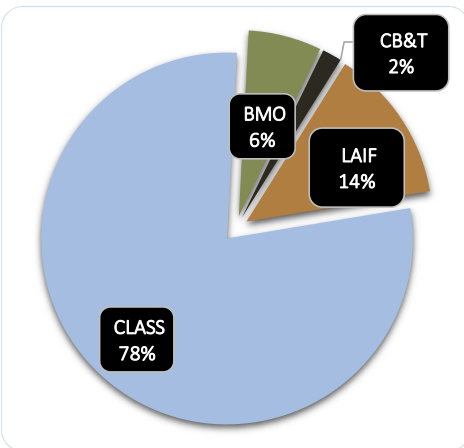
- Line 4 Total Revenue is projected to exceed the budget due to increased water consumption by District customers and higher than anticipated interest earnings on investments.
- Line 11 Total Expense is projected to exceed the budget due to water supply constraints as well as higher than anticipated legal services (line 9), professional services (line 9), contract administrative services (line 9), and unanticipated bi-annual election costs (line 10).
- Line 16 Estimated Net Change in Cash will fall short of the adopted budget by \$2.29M due to:
  - \$904.5K in additional source of supply expenses
  - \$765.8K in unplanned capitalizable repairs and maintenance (line 13 + line 14)
  - \$967K in unplanned debt service payments due to the timing and structure of payments



# Trabuco Canyon Water District Cash & Investments Report

As of May 31, 2025

	Restricted / Unrestricted	Type	Yield	Cost	Market	% Portfolio
<b>Local Agency Investment Fund (LAIF)</b>						
LAIF Unassigned Reserve	Unrestricted	Investment	4.272%	\$ 613,270	\$ 613,790	4.3%
LAIF Water Storage Facilities Reserve	Restricted	Investment	4.272%	1,174,218	1,175,216	8.3%
LAIF Oaks at Trabuco Reserve (Goren Deposit)	Restricted	Investment	4.272%	128,546	128,655	0.9%
<b>Total LAIF</b>				<b>1,916,034</b>	<b>1,917,661</b>	<b>13.5%</b>
<b>California Cooperative Liquid Assets Securities System (CLASS)</b>						
CLASS Unassigned Reserve	Unrestricted	Investment	4.350%	637,741	637,693	4.5%
CLASS 2024 Capital Loan Reserve	Restricted	Investment	4.350%	7,882,837	7,882,244	55.5%
CLASS Capital Program Reserve	Unrestricted	Investment	4.350%	2,613,152	2,612,956	18.4%
<b>Total CLASS</b>				<b>11,133,730</b>	<b>11,132,893</b>	<b>78.4%</b>
BMO Checking	Unrestricted	Cash	0.000%	903,711	903,711	6.4%
CB&T Checking (SRF Loan Covenant)	Restricted	Cash	0.400%	239,784	239,784	1.7%
<b>Total Cash &amp; Investments</b>				<b>\$ 14,193,259</b>	<b>\$ 14,194,048</b>	<b>100.0%</b>



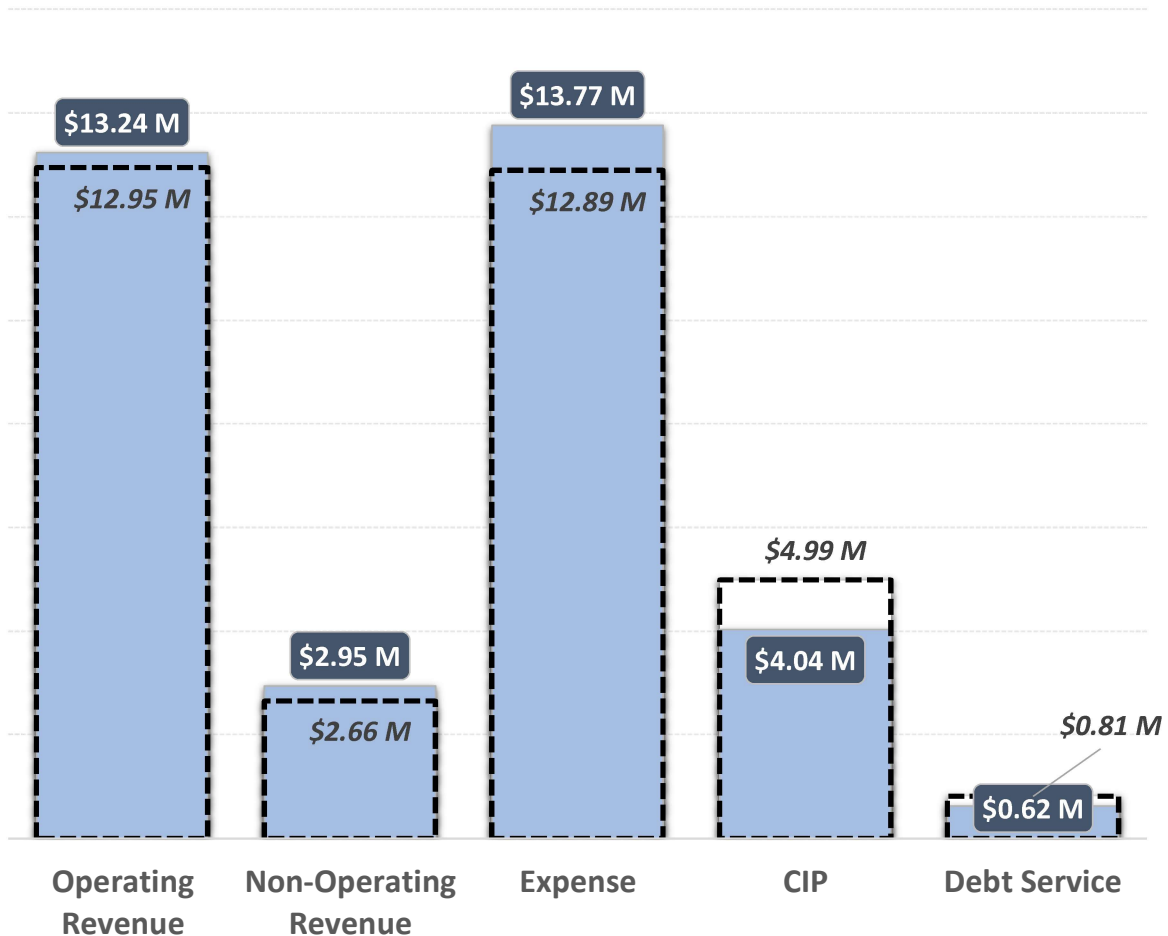


## Trabuco Canyon Water District District Summary Budget v. Actual Report

May 2025

	May 2025	YTD Actual	FY 25 Adopted Budget	YTD 92%
<b>1 Revenue</b>				
2 Operating Revenue	\$ 1,133,159	\$ 13,239,938	\$ 14,125,200	94%
3 Non-Operating Revenue	248,268	2,950,964	2,901,000	102%
<b>4 Total Revenue</b>	<b>1,381,427</b>	<b>16,190,902</b>	<b>17,026,200</b>	<b>95%</b>
<b>5 Expense</b>				
6 Source of Supply	455,132	5,344,680	4,904,400	109%
7 Salaries and Benefits	442,162	4,890,722	5,344,100	92%
8 Transmission and Distribution	149,172	1,421,848	1,581,600	90%
9 General and Administrative	177,114	2,075,097	2,218,000	94%
10 Miscellaneous Expense	234	35,364	18,100	195%
<b>11 Total Expense</b>	<b>1,223,813</b>	<b>13,767,711</b>	<b>14,066,200</b>	<b>98%</b>
<b>12 Net Revenue / (Expense)</b>	<b>157,614</b>	<b>2,423,191</b>	<b>2,960,000</b>	<b>82%</b>
13 Transfer In - Debt Proceeds for Capital	63,743	3,270,284	5,441,589	60%
14 Capital Improvement Program (CIP)	(73,912)	(4,036,081)	(5,441,589)	74%
15 Debt Service - Principal and Interest	-	(622,040)	(881,600)	71%
<b>16 Est. Net Cash Inflow / (Outflow)</b>	<b>\$ 147,445</b>	<b>\$ 1,035,354</b>	<b>\$ 2,078,400</b>	<b>50%</b>

■ YTD Actual    ▨ 92% Budget Target





# Trabuco Canyon Water District Water Budget v. Actual Report

May 2025

	May 2025	YTD Actual	FY 25 Adopted Budget	YTD 92%
<b>1 Operating Revenue</b>				
2 Fixed / Capital Service Charges	\$ 317,775	\$ 3,333,168	\$ 3,532,800	94%
3 Variable Consumption Charges	355,176	4,405,304	4,135,900	107%
4 Baker Treatment Plant Water Sales	98,235	1,393,821	2,115,600	66%
5 Customer Fees	11,200	135,433	149,000	91%
6 Standby Charges	393	26,871	37,900	71%
7 Uncollectable Accounts	-	-	(25,300)	0%
<b>8 Total Operating Revenue</b>	<b>782,778</b>	<b>9,294,596</b>	<b>9,945,900</b>	<b>93%</b>
<b>9 Operating Expense</b>				
<b>10 Source of Supply</b>				
11 Fixed Water Purchases	35,767	366,292	406,300	90%
12 Variable Water Purchases	329,269	3,250,006	2,210,900	147%
13 Baker Treatment Plant Water Sold	81,077	1,190,292	1,578,700	75%
14 Water Treatment	(19,732)	97,250	213,000	46%
15 Pumping Electricity	20,278	302,001	340,800	89%
<b>16 Total Source of Supply</b>	<b>446,658</b>	<b>5,205,841</b>	<b>4,749,700</b>	<b>110%</b>
<b>17 Salaries and Benefits</b>				
18 Employee/Director Wages	177,861	1,974,048	2,191,700	90%
19 Employee/Director Benefits	43,508	496,942	547,700	91%
20 Retiree Health Insurance	12,504	130,629	179,300	73%
21 Transfer In - 115 OPEB Trust Reimbursement	(12,504)	(130,629)	(179,300)	73%
22 CalPERS Retirement (Normal)	29,060	321,610	349,500	92%
23 CalPERS Unfunded Accrued Liability (Minimum)	18,725	205,977	171,400	120%
24 Payroll Taxes	15,679	157,277	160,900	98%
<b>25 Total Salaries and Benefits</b>	<b>284,833</b>	<b>3,155,854</b>	<b>3,421,200</b>	<b>92%</b>
<b>26 Transmission and Distribution</b>				
27 System Repairs and Maintenance	57,257	269,976	201,800	134%
28 Vehicles and Equipment	13,599	131,039	90,300	145%
29 Safety, Supplies and Testing	5,298	52,215	78,600	66%
<b>30 Total Transmission and Distribution</b>	<b>76,154</b>	<b>453,230</b>	<b>370,700</b>	<b>122%</b>
<b>31 General and Administrative</b>				
32 Professional Services	54,580	689,175	635,500	108%
33 Office Maintenance, Supplies and Software	34,342	359,942	330,900	109%
34 District Insurance	11,900	128,225	137,600	93%
35 Dues and Memberships	9,718	97,595	101,200	96%
36 Public Outreach	1,407	48,476	138,300	35%
37 Customer Service and Billing	4,430	59,104	77,800	76%
38 Conference, Trainings and Travel	3,237	28,355	31,900	89%
<b>39 Total General and Administrative</b>	<b>119,614</b>	<b>1,410,872</b>	<b>1,453,200</b>	<b>97%</b>
<b>40 Total Operating Expense</b>	<b>927,259</b>	<b>10,225,797</b>	<b>9,994,800</b>	<b>102%</b>
<b>41 Net Operating Revenue / (Expense)</b>	<b>(144,481)</b>	<b>(931,201)</b>	<b>(48,900)</b>	
<b>42 Non-Operating Revenue / (Expense)</b>				
43 Property Tax Revenue	101,471	1,150,120	1,147,500	100%
44 Interest Revenue - Unrestricted	23,646	110,926	31,000	358%
45 Interest Revenue - Restricted	-	39,606	40,400	98%
46 Other Revenue and Reimbursements	3,903	33,647	59,200	57%
47 Miscellaneous Expense	(117)	(21,550)	(6,500)	332%
<b>48 Net Non-Operating Revenue / (Expense)</b>	<b>128,902</b>	<b>1,312,750</b>	<b>1,271,600</b>	<b>103%</b>
<b>49 Net Total Revenue / (Expense)</b>	<b>(15,578)</b>	<b>381,549</b>	<b>1,222,700</b>	
<b>50 Other Unrestricted Cash Inflow / (Outflow)</b>				
51 Transfer In - Debt Proceeds for Capital	26,250	477,229	903,729	53%
52 Capital Improvement Program (CIP)	(36,418)	(950,184)	(903,729)	105%
53 Debt Service - Principal and Interest	-	(313,955)	(526,500)	60%
<b>54 Net Other Unrestricted Cash Inflow / (Outflow)</b>	<b>(10,169)</b>	<b>(786,910)</b>	<b>(526,500)</b>	<b>149%</b>
<b>55 Net Total Unrestricted Cash Inflow / (Outflow)</b>	<b>\$ (25,747)</b>	<b>\$ (405,361)</b>	<b>\$ 696,200</b>	



# Trabuco Canyon Water District Water CIP Report

May 2025

Project	May 2025	YTD Actual	FY 25 Adopted Budget	YTD 92%
<b>1 Water CIP</b>				
<b>2 Capital Improvements / Replacements</b>				
3 SCADA System Upgrades	\$ -	\$ 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	26,250	83,300	-	N/A
<b>7 Total Capital Improvements / Replacements</b>	<b>26,250</b>	<b>426,196</b>	<b>656,979</b>	<b>65%</b>
<b>8 Equipment</b>				
9 Pump Replacements - Water	-	28,931	99,750	29%
10 New Servers	-	-	80,500	0%
<b>11 Total Equipment</b>	<b>-</b>	<b>28,931</b>	<b>180,250</b>	<b>16%</b>
<b>12 Programs</b>				
13 Pressure Regulating Valve Improvements - Water	-	19,196	26,600	72%
14 Valve Replacements - Water	-	2,906	39,900	7%
<b>15 Total Programs</b>	<b>-</b>	<b>22,102</b>	<b>66,500</b>	<b>33%</b>
<b>16 Unplanned Repairs/Expenses</b>				
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 Exterior Improvements - Topanga BPS	10,169	10,169	-	N/A
<b>30 Total Unplanned Repairs/Expenses</b>	<b>10,169</b>	<b>472,955</b>	<b>-</b>	<b>N/A</b>
<b>31 Total Water CIP</b>	<b>\$ 36,418</b>	<b>\$ 950,184</b>	<b>\$ 903,729</b>	<b>105%</b>

*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

May 2025

	May 2025	YTD Actual	FY 25 Adopted Budget	YTD 92%
<b>1 Operating Revenue</b>				
2 Sewer Residential Charges	\$ 196,348	\$ 2,125,503	\$ 2,301,500	92%
3 Sewer Commercial Charges	20,868	223,285	257,200	87%
4 Customer Fees	17,205	189,705	284,600	67%
5 Uncollectable Accounts	-	-	(8,400)	0%
<b>6 Total Operating Revenue</b>	<b>234,420</b>	<b>2,538,494</b>	<b>2,834,900</b>	<b>90%</b>
<b>7 Operating Expense</b>				
<b>8 Salaries and Benefits</b>				
9 Employee/Director Wages	86,058	942,137	1,038,200	91%
10 Employee/Director Benefits	17,835	212,723	227,700	93%
11 Retiree Health Insurance	4,466	46,653	64,100	73%
12 Transfer In - 115 OPEB Trust Reimbursement	(4,466)	(46,653)	(64,100)	73%
13 CalPERS Retirement (Normal)	10,426	113,258	122,600	92%
14 CalPERS Unfunded Accrued Liability (Minimum)	6,688	73,563	79,800	92%
15 Payroll Taxes	5,600	56,170	76,800	73%
<b>16 Total Salaries and Benefits</b>	<b>126,606</b>	<b>1,397,851</b>	<b>1,545,100</b>	<b>90%</b>
<b>17 Transmission and Distribution</b>				
18 System Repairs and Maintenance	21,312	278,984	378,700	74%
19 T&D Electricity	25,152	262,086	276,300	95%
20 Vehicles and Equipment	3,395	46,337	36,400	127%
21 Safety, Supplies and Testing	862	15,651	17,900	87%
<b>22 Total Transmission and Distribution</b>	<b>50,721</b>	<b>603,059</b>	<b>709,300</b>	<b>85%</b>
<b>23 General and Administrative</b>				
24 Professional Services	19,124	243,036	228,100	107%
25 Office Maintenance, Supplies and Software	18,086	187,624	179,300	105%
26 District Insurance	4,636	48,879	49,100	100%
27 Dues and Memberships	4,086	35,753	121,700	29%
28 Public Outreach	30	12,089	19,500	62%
29 Customer Service and Billing	1,077	13,904	20,600	67%
30 Conference, Trainings and Travel	1,156	10,127	11,500	88%
<b>31 Total General and Administrative</b>	<b>48,194</b>	<b>551,411</b>	<b>629,800</b>	<b>88%</b>
<b>32 Total Operating Expense</b>	<b>225,521</b>	<b>2,552,321</b>	<b>2,884,200</b>	<b>88%</b>
<b>33 Net Operating Revenue / (Expense)</b>	<b>8,899</b>	<b>(13,827)</b>	<b>(49,300)</b>	
<b>34 Non-Operating Revenue / (Expense)</b>				
35 Property Tax Revenue	101,471	1,150,120	1,050,900	109%
36 Interest Revenue - Unrestricted	14,126	405,592	192,600	211%
37 Other Revenue and Reimbursements	-	1,855	11,000	17%
38 Miscellaneous Expense	(84)	(10,603)	(7,600)	140%
<b>39 Net Non-Operating Revenue / (Expense)</b>	<b>115,513</b>	<b>1,546,963</b>	<b>1,246,900</b>	<b>124%</b>
<b>40 Net Total Revenue / (Expense)</b>	<b>124,412</b>	<b>1,533,136</b>	<b>1,197,600</b>	
<b>41 Other Unrestricted Cash Inflow / (Outflow)</b>				
42 Transfer In - Debt Proceeds for Capital	21,340	2,496,354	4,086,215	61%
43 Capital Improvement Program	(21,340)	(2,762,233)	(4,086,215)	68%
44 Debt Service - Principal and Interest	-	(260,878)	(304,100)	86%
<b>45 Net Other Unrestricted Cash Inflow / (Outflow)</b>	<b>-</b>	<b>(526,758)</b>	<b>(304,100)</b>	<b>173%</b>
<b>46 Net Total Unrestricted Cash Inflow / (Outflow)</b>	<b>\$ 124,412</b>	<b>\$ 1,006,379</b>	<b>\$ 893,500</b>	



# Trabuco Canyon Water District Sewer CIP Report

May 2025

Project	May 2025	YTD Actual	FY 25 Adopted Budget	YTD 92%
<b>1 Sewer CIP</b>				
<b>2 Capital Improvements / Replacements</b>				
3 Golf Club Sewer Lift Station (SLS) Rehabilitation	\$ -	\$ 1,400,482	\$ 1,350,000	104%
4 SCADA System Upgrades	-	54,014	65,975	82%
5 WWTP Hoffman Blower Building Rehabilitation	6,240	260,178	1,100,000	24%
6 Heritage Sewer Lift Station Rehabilitation	11,900	279,737	632,250	44%
7 Manual Transfer Switch Installations - Sewer	-	17,149	40,000	43%
8 WWTP Fiber Optic Upgrade	3,200	282,913	300,000	94%
9 Chiquita CIP FY25	-	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
<b>12 Total Capital Improvements / Replacements</b>	<b>21,340</b>	<b>2,496,354</b>	<b>4,057,465</b>	<b>62%</b>
<b>14 Equipment</b>				
15 New Servers	-	-	28,750	0%
<b>16 Total Equipment</b>	<b>-</b>	<b>-</b>	<b>28,750</b>	<b>0%</b>
<b>17 Unplanned Repairs/Expenses</b>				
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	-	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	-	N/A
<b>31 Total Unplanned Repairs/Expenses</b>	<b>-</b>	<b>265,879</b>	<b>-</b>	<b>N/A</b>
<b>32 Total Sewer CIP</b>	<b>\$ 21,340</b>	<b>\$ 2,762,233</b>	<b>\$ 4,086,215</b>	<b>68%</b>

*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

May 2025

	May 2025	YTD Actual	FY 25 Adopted Budget	YTD 92%
<b>1 Operating Revenue</b>				
2 Fixed / Capital Service Charges	\$ 13,992	\$ 151,748	\$ 161,600	94%
3 Variable Consumption Charges	101,969	1,237,167	1,173,600	105%
4 Customer Fees	-	17,933	13,600	132%
5 Uncollectable Accounts	-	-	(4,400)	0%
<b>6 Total Operating Revenue</b>	<b>115,960</b>	<b>1,406,848</b>	<b>1,344,400</b>	<b>105%</b>
<b>7 Operating Expense</b>				
<b>8 Source of Supply</b>				
9 Recycled Water Purchases	2,465	28,303	33,300	85%
10 Water Treatment	6,008	110,536	121,400	91%
<b>11 Total Source of Supply</b>	<b>8,473</b>	<b>138,838</b>	<b>154,700</b>	<b>90%</b>
<b>12 Salaries and Benefits</b>				
13 Employee/Director Wages	20,825	224,882	249,200	90%
14 Employee/Director Benefits	5,187	61,748	66,600	93%
15 Retiree Health Insurance	893	9,331	12,800	73%
16 Transfer In - 115 OPEB Trust Reimbursement	(893)	(9,331)	(12,800)	73%
17 CalPERS Retirement (Normal)	2,254	24,440	26,400	93%
18 CalPERS Unfunded Accrued Liability (Minimum)	1,338	14,713	18,000	82%
19 Payroll Taxes	1,120	11,234	17,600	64%
<b>20 Total Salaries and Benefits</b>	<b>30,723</b>	<b>337,016</b>	<b>377,800</b>	<b>89%</b>
<b>21 Transmission and Distribution</b>				
22 T&D Electricity	10,760	204,403	341,200	60%
23 System Repairs and Maintenance	4,800	40,247	41,400	97%
24 Vehicles and Equipment	735	10,280	8,200	125%
25 Safety, Supplies and Testing	6,001	110,629	110,800	100%
<b>26 Total Transmission and Distribution</b>	<b>22,297</b>	<b>365,560</b>	<b>501,600</b>	<b>73%</b>
<b>27 General and Administrative</b>				
28 Professional Services	3,825	48,547	45,600	106%
29 Office Maintenance, Supplies and Software	2,992	32,288	30,400	106%
30 District Insurance	850	9,159	10,000	92%
31 Dues and Memberships	1,187	15,596	38,600	40%
32 Public Outreach	6	2,418	3,800	64%
33 Customer Service and Billing	215	2,781	4,200	66%
34 Conference, Trainings and Travel	231	2,025	2,400	84%
<b>35 Total General and Administrative</b>	<b>9,306</b>	<b>112,815</b>	<b>135,000</b>	<b>84%</b>
<b>36 Total Operating Expense</b>	<b>70,799</b>	<b>954,229</b>	<b>1,169,100</b>	<b>82%</b>
<b>37 Net Operating Revenue / (Expense)</b>	<b>45,161</b>	<b>452,619</b>	<b>175,300</b>	<b>258%</b>
<b>38 Non-Operating Revenue / (Expense)</b>				
39 Property Tax Revenue	-	-	341,400	0%
40 Interest Revenue - Unrestricted	3,652	58,726	24,800	237%
41 Other Revenue and Reimbursements	-	371	2,200	17%
42 Miscellaneous Expense	(33)	(3,210)	(4,000)	80%
<b>43 Net Non-Operating Revenue / (Expense)</b>	<b>3,620</b>	<b>55,886</b>	<b>364,400</b>	<b>15%</b>
<b>44 Net Total Revenue / (Expense)</b>	<b>48,781</b>	<b>508,506</b>	<b>539,700</b>	<b>94%</b>
<b>45 Other Unrestricted Cash Inflow / (Outflow)</b>				
46 Transfer In - Debt Proceeds for Capital	16,153	296,702	451,645	66%
47 Capital Improvement Program	(16,153)	(323,665)	(451,645)	72%
48 Debt Service - Principal and Interest	-	(47,207)	(51,000)	93%
<b>49 Net Other Unrestricted Cash Inflow / (Outflow)</b>	<b>-</b>	<b>(74,170)</b>	<b>(51,000)</b>	<b>145%</b>
<b>50 Net Total Unrestricted Cash Inflow / (Outflow)</b>	<b>\$ 48,781</b>	<b>\$ 434,336</b>	<b>\$ 488,700</b>	<b>89%</b>



# Trabuco Canyon Water District Recycled Water CIP Report

May 2025

Project	May 2025	YTD Actual	FY 25 Adopted Budget	YTD 92%
<b>1 Recycled Water CIP</b>				
<b>2 Capital Improvements / Replacements</b>				
3 SCADA System Upgrades	\$ -	\$ 10,803	\$ 13,195	82%
4 Dove Recycled Booster Pump Station	320	73,460	133,000	55%
5 Dove Canyon Recycled PRV Improvement	640	166,989	180,000	93%
6 Tick & Dove Creek Pump Station Improvements	15,193	15,193	79,800	19%
7 WWTP Reservoir Gate Improvements	-	30,256	39,900	76%
8 Dove Lake Repairs	-	-	-	N/A
<b>9 Capital Improvements / Replacements Total</b>	<b>16,153</b>	<b>296,702</b>	<b>445,895</b>	<b>67%</b>
<b>10 Equipment</b>				
11 New Servers	-	-	5,750	0%
<b>12 Equipment Total</b>	<b>-</b>	<b>-</b>	<b>5,750</b>	<b>0%</b>
<b>13 Unplanned Repairs/Expenses</b>				
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
<b>21 Total Unplanned Repairs/Expenses</b>	<b>-</b>	<b>26,963</b>	<b>-</b>	<b>N/A</b>
<b>22 Total Recycled Water CIP</b>	<b>\$ 16,153</b>	<b>\$ 323,665</b>	<b>\$ 451,645</b>	<b>72%</b>

*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 | JULY 10, 2025

FINANCIAL MATTERS  
ITEM 8: OTHER MATTERS

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**RECOMMENDED ACTION:**

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

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