



**FINANCE/AUDIT COMMITTEE MEETING AGENDA
TRABUCO CANYON WATER DISTRICT
ADMINISTRATION FACILITY
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA
OCTOBER 9, 2025 at 8:00 AM**

COMMITTEE MEMBERS

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

DISTRICT STAFF

Fernando Paludi, General Manager
Michael Perea, District Secretary
Ian Berg, District Treasurer
Karen Warner, Principal Accountant

AGENDA NOTE:

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

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

Persons desiring to monitor the Committee meeting agenda items may download the agenda and documents on the internet at www.tcwd.ca.gov. You may submit public comments by email to the Committee at mperea@tcwd.ca.gov. In order to be part of the record, emailed comments on meeting agenda items must be received by the District, at the referenced e-mail address, not later than 7:00 a.m. (PDT) on the day of the meeting.

CALL MEETING TO ORDER

VISITOR PARTICIPATION

Members of the public wishing to address the Committee regarding a particular item on the agenda are requested to submit public comments at the time of the meeting or by email to the Board at mperea@tcwd.ca.gov. Public comments may also be submitted by teleconference during the meeting. The Committee Chair will call on the visitor following the Committee's discussion about the matter. Committees do not constitute a quorum of the Board of Directors and Committee Members cannot make decisions on matters. The Committee makes recommendations only to the Board of Directors. Members of the public will be given the opportunity to speak to the Committee prior to making a recommendation on the matter. For persons desiring to make verbal comments and utilizing a translator to present their comments into English reasonable time accommodations, consistent with State law, shall be provided. Please limit comments to three minutes.

ORAL COMMUNICATION

Members of the public who wish to make comment on matters not appearing on the agenda are regarding a particular item on the agenda are requested to submit public comments at the time of the meeting or by email to the Board at mperea@tcwd.ca.gov. Public comments may also be submitted by teleconference during the meeting. The Committee Chair will call on the visitor following the Committee's discussion about the matter. Committees do not constitute a quorum of the Board of Directors and Committee Members cannot make decisions on matters. The Committee makes recommendations only to the Board of Directors. Under the requirements of State Law, Committee Members cannot take action on items not identified on the agenda and will not make decisions on such matters. The Committee Chair may direct District Staff to follow up on issues as may be deemed appropriate. For persons desiring to make verbal comments and utilizing a translator to present their comments into English reasonable time accommodations, consistent with State law, shall be provided. Please limit comments to three minutes.

COMMITTEE MEMBER COMMENTS

REPORT FROM THE GENERAL MANAGER

FINANCIAL MATTERS

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

RECOMMENDED ACTION:

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

1. September 11, 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 September 2025 and tentative future meetings/attendance (Action Calendar).

ITEM 3: MID-YEAR OPERATING AND CAPITAL BUDGET PLANNING UPDATE

RECOMMENDED ACTION:

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

ITEM 4: FINANCIAL REPORT

A) PRESENTATION OF PRELIMINARY UNAUDITED FINANCIAL STATEMENTS

RECOMMENDED ACTION:

Recommend that the Board receive and file the preliminary unaudited financial statements for August 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 October 9, 2025 as presented (Consent Calendar).

ITEM 5: OTHER MATTERS

RECOMMENDED ACTION:

Hear Other Matters from the General Manager or District Staff.

ADJOURNMENT

AVAILABILITY OF AGENDA MATERIALS

Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Trabuco Canyon Water District Finance/Audit Committee in connection with a matter subject to discussion or consideration at an open meeting of the Finance/Audit Committee are available for public inspection at the Trabuco Canyon Water District Administrative Facility, 32003 Dove Canyon Drive, Trabuco Canyon, California (District Administrative Facility) or will be posted online on the District's website located at www.tcwd.ca.gov. If such writings are distributed to members of the Committee less than 72 hours prior to the meeting, they will be available online at www.tcwd.ca.gov at the same time as they are distributed to the Committee,



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING AGENDA | OCTOBER 9, 2025**

except that, if such writings are distributed immediately prior to or during the meeting, they will be posted online on the District's website located at www.tcwd.ca.gov.

COMPLIANCE WITH THE REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE SECTION 54954.2

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



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | OCTOBER 9, 2025**

FINANCIAL MATTERS

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

RECOMMENDED ACTION:

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

1. *September 11, 2025*

CONTACTS (staff responsible): PALUDI/PEREA



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING RECAP | SEPTEMBER 11, 2025**

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
Phil Serpas, CMMS/SCADA Administrator

STAFF ABSENT

None

CONSULTANTS PRESENT

Ian Berg, Starting Line Advisory

PUBLIC PRESENT

None

CALL MEETING TO ORDER

Director Horst called the September 11, 2025 Finance/Audit Committee Meeting to order at 8:03 a.m. and he observed a moment of silence in remembrance of the victims of September 11, 2001 attack.

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.

REPORT FROM THE GENERAL MANAGER

None

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

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

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

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | SEPTEMBER 11, 2025**

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

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

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

ITEM 3: DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT'S FIXED CHARGES METHODOLOGY

Mr. Paludi presented this matter for Committee consideration, and he reported that the Committee requested additional analysis be brought back to the September meeting for further discussion. Mr. Paludi delivered a PowerPoint presentation which provided an analysis of potential 1" fixed meter charge reduction scenarios, including a forecasted change in revenue, and staff, legal, and finance recommendations. Discussion occurred regarding the possibility of reducing the 1" meter flat charge only, the completion of a new cost of service study, or adhering to the current cost of service study. The Committee requested that the 1" fixed meter charge reduction analysis and a new cost of service study schedule be brought to the Board for further discussion.

RECOMMENDATION: None – Informational item only.

ITEM 4: DISTRICT WEBSITE REDESIGN DEVELOPMENT AND SUPPORT SERVICES

Mr. Paludi presented this matter for Committee consideration. Mr. Perea reported that the Public Outreach Committee directed staff to issue a Request for Qualifications (RFQ) for website redesign development due to concerns with the current website's layout and configuration and feedback from customers. Mr. Perea reported that staff solicited proposals from three website developers and received three responses. Mr. Perea also reported that after meeting with all three developers, staff recommends contracting with Streamline for website redesign development and support services.

RECOMMENDATION: Recommend the Board of Directors authorize the General Manager to execute a general services agreement with Streamline for \$27,200 (Action Calendar).

ITEM 5: FINANCIAL REPORT

Mr. Berg and Ms. Warner presented the preliminary unaudited financials for July 2025.

FINANCIAL ANALYSIS SUMMARY

Discussion occurred concerning the top 10 vendor payments related to Capital Improvement Program (CIP) projects.

CASH & INVESTMENTS REPORT (UNAUDITED)

Discussion occurred concerning LAIF versus CLASS yield percentages, and the potential risk to the District's financial position by the consideration of reducing fixed meter revenues. Mr. Berg advised that the District has limited unrestricted funds available in the short-term and that the District should follow the long-term financial plan outlined in the adopted Fiscal Year 2026 budget that replenishes cash reserves.

DISTRICT SUMMARY BUDGET v. ACTUAL

Discussion occurred concerning Net Revenue/Expenses year to date.

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

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | SEPTEMBER 11, 2025**

ITEM 6: OTHER MATTERS

Mr. Paludi reported that staff will be extending a conditional employment offer letter to Mr. David Rodriguez for the position of full-time Principal Engineer for the District.

RECOMMENDATION: None – Informational item only.

ADJOURNMENT

Director Horst adjourned the September 11, 2025 Finance/Audit Committee Meeting at 9:23 a.m.

DRAFT

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | OCTOBER 9, 2025**

FINANCIAL MATTERS

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

Directors' Fees and Expenses

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

Future Meetings

Future meetings have been identified for reference purposes, and the designated directors are anticipated to attend. In the event an unanticipated meeting occurs that requires attendance by a director, the meeting attendance will be subsequently presented to the Board of Directors for ratification.

FUNDING SOURCE:

General Fund

FISCAL IMPACT (PROJECT BUDGET)

FY 2025-26 Budgeted Board Expenses: \$45,100

RECOMMENDED ACTION:

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

EXHIBIT(S):

1. Directors' Fees and Expenses Report for September 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 | SEPTEMBER 2025**

MEETING DESCRIPTION	ACOSTA	ANDERSON	HORST	MANDICH	SAFRANSKI
DISTRICT MEETINGS					
Chat with TCWD			09/08/25	09/08/25	
District Properties Committee Meeting		09/03/25		09/03/25	
DWTP Pipeline Rehabilitation Project Tour		09/23/25	09/23/25	09/23/25	09/26/25
Engineering/Operational Committee Meeting	09/03/25	09/03/25			
Executive Committee Meeting	09/08/25			09/08/25	
Finance/Audit Committee Meeting			09/11/25		09/11/25
Individual Meeting with General Manager	09/09/25	09/09/25	09/10/25	09/03/25	09/09/25
Public Outreach Ad Hoc Committee Meeting	09/02/25		09/02/25		
Rate Relief Ad Hoc Committee Meeting		09/04/25		09/04/25	
Regular Board Meeting	09/17/25	09/17/25	09/17/25	09/17/25	09/17/25
Special Board Meeting No. 1	09/09/25	09/09/25	09/09/25	09/09/25	09/09/25
Special Board Meeting No. 2	09/18/25	09/18/25	09/18/25	09/18/25	09/18/25
REPRESENTATIVE MEETINGS					
Community Associations of Rancho (CAR) Meeting					09/09/25
City of Rancho Santa Margarita - City Council Meeting				09/10/25	
Independent Special Districts of Orange County (ISDOC) Monthly Meeting		09/02/25			
MWDOC Administration/Finance Committee Meeting			09/10/25		
MWDOC Board Meeting			09/17/25		
OC Water Summit	09/05/25			09/05/25	
Orange County Local Agency Formation Commission (OC LAFCO)					
Santiago Aqueduct Commission Meeting (SAC)					
South Orange County Agencies Group					09/25/25
South Orange County Integrated Regional Watershed Management Executive Committee Meeting					
Water Advisory Commission of Orange County (WACO)					
NUMBER OF MEETINGS ATTENDED	7	7	8	9	6
PER DIEMS (\$125 per each meeting*)	\$875.00	\$875.00	\$1,000.00	\$1,125.00	\$750.00
DIRECT REIMBURSABLE EXPENSES					
DIRECT REIMBURSABLE EXPENSES TOTALS					
INDIRECT REIMBURSABLE EXPENSES					
INDIRECT REIMBURSABLE EXPENSES TOTALS					
TOTAL (PER DIEMS + DIRECT REIMBURSABLE EXPENSES)	\$875.00	\$875.00	\$1,000.00	\$1,125.00	\$750.00
<i>* Maximum per diem per day is one; maximum per month is 10</i>					

DIRECTOR SIGNATURE

TRABUCO CANYON WATER DISTRICT | 2025 PUBLIC MEETING AND CONFERENCE CALENDAR

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

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

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | OCTOBER 9, 2025**

FINANCIAL MATTERS

ITEM 3: MID-YEAR OPERATING AND CAPITAL BUDGET PLANNING UPDATE

Trabuco Canyon Water District's (TCWD or District) fiscal or budget year runs July 1 to June 30. When the Fiscal Year 2026 Operating and Capital Budget was adopted in June of this year, the District Treasurer committed to preparing a mid-year budget update in the December timeframe. A mid-year review of the budget is an opportunity to understand how the District's finances are performing against the assumptions and forecasting in the budget, particularly considering the need for a planned debt issuance to continue funding the Capital Improvement Program. Staff will discuss the timing and planning of the mid-year update.

More information will be presented at the time of the meeting.

FUNDING SOURCE:

Not applicable.

FISCAL IMPACT:

None at this time.

RECOMMENDED ACTION:

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

EXHIBITS:

None

CONTACTS (staff responsible): BERG/WARNER

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | OCTOBER 9, 2025**

**FINANCIAL MATTERS
ITEM 4: FINANCIAL REPORT**

A) PRESENTATION OF PRELIMINARY UNAUDITED FINANCIAL STATEMENTS

RECOMMENDED ACTION:

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

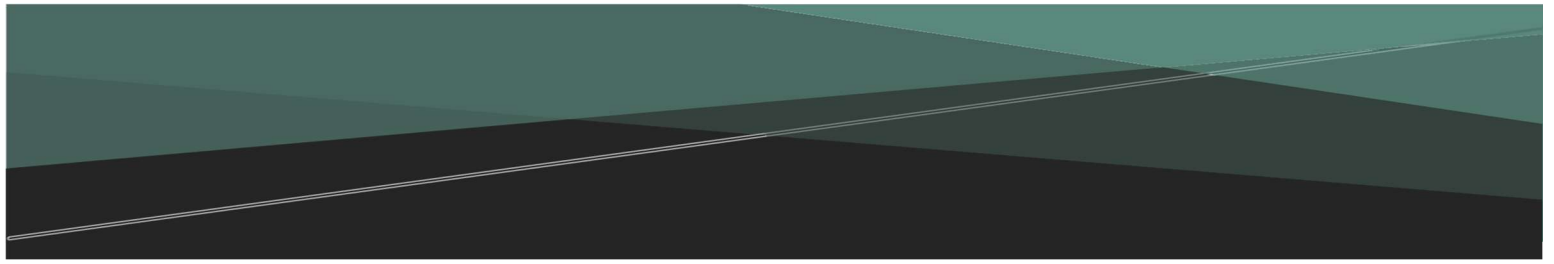
B) BILLS FOR CONSIDERATION

The total of the bills for consideration will be presented at the time of the October 9, 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 October 9, 2025 as presented (Consent Calendar).

CONTACTS (staff responsible): PALUDI/PEREA/WARNER



Financial Reporting

August 2025

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 (GAAP) are not included.





**Trabuco Canyon Water District
Financial Analysis
August 2025**

CASH & INVESTMENTS

District cash and investments as of the reporting date total \$12.57M and increased approximately \$15K from the prior month. The total cash balance remained stable, primarily from decreased total payments to vendors during the reporting month. Compared to the prior month, total cash outflows during the reporting month decreased \$1.01M primarily due to July 2025 payments for various capital projects, including the IT server replacement project, as well as annual payments made for normal operations that were due in July. The District is still anticipating the receipt of grant funds through Cal OES to offset the cost of the server project to the District.

CASH FLOW HIGHLIGHTS

Cash Inflows	Utility Billing Payments	\$1,293,811.24
	Property Tax Receipts	\$3,501.59
	Investments	\$35,713.95
	Other	\$21,539.60
	Total Inflows	\$1,354,566.38
Cash Outflows	Accounts Payable	\$797,970.49
	ADP Payroll / Fees & CalPERS Benefits	\$541,371.33
	Debt Service Payments	\$-
	Other	\$-
	Total Outflows	\$1,339,341.82
	Net Cash Inflow / (Outflow)	\$15,224.56



**Trabuco Canyon Water District
Financial Analysis
August 2025**

TOP 10 VENDOR PAYMENTS

Top 10 Payments	Vendor	Ops / CIP	Description
\$ 332,042.23	Irvine Ranch Water District	Ops	June 2025 emergency water deliveries, \$80.4K Baker Treatment Plant (Apr-Jun) cost share
\$ 289,813.92	ADP	Ops	Payroll processing and ADP fees
\$ 251,557.41	CalPERS	Ops	Employee retirement and health benefits
\$ 71,782.88	Santa Margarita Water District	Ops	Quarterly shared costs for the Chiquita wastewater system April-June 2025
\$ 50,380.00	Hazen & Sawyer	CIP	PW-03 Transmission Main Replacement
\$ 48,180.00	City Of Rancho Santa Margarita	Ops	One-time payment to the City for the FY 24-25 annual residential overlay project
\$ 24,193.47	JIG Consultants	CIP	RW-13 Dove Canyon Recycled Booster Pump Station
\$ 23,033.20	Hanson Bridgett LLP	Ops	Legal Services June 2025
\$ 21,403.75	GMU Geotechnical, Inc.	CIP	PW-03 Transmission Main Replacement
\$ 16,561.00	MWDOC	Ops	Water loss control program selected services with E Source through MWDOC

BUDGET V. ACTUAL SUMMARY

The District Financial Summary presents financial performance in comparison to the adopted budget for each major category. The current reporting period represents 16.7% of the fiscal year.

- **Line 1 Fixed Service Charges** includes fixed charges to customers for Potable and Recycled Water service. The District implemented Recycled Water rates at 100% of the 2023 Cost-of-Service (COS) study rate plan for FY 2026 and Potable Water rates at 94.0% on July 1, 2025. The District plans to adjust Potable Water rates to 100% of the allowable rate on January 1, 2026. Due to the semiannual rate adjustment schedule for Potable Water, this line will trend behind the expected target budget throughout the fiscal year.
- **Line 2 Variable Service Charges** includes volumetric charges for Potable and Recycled Water services. The District implemented Recycled Water rates at 100% of the 2023 Cost-of-Service (COS) study rate plan for FY 2026 and Potable Water rates at 94.0% on July 1, 2025. The District plans to adjust Potable Water rates to 100% of the allowable rate on January 1, 2026. Due to the semiannual rate adjustment schedule for Potable Water, this line will trend behind the expected target budget throughout the fiscal year. As of the reporting period, increased volumetric water purchases during the summer months are offsetting the delayed timing of the Potable Water rate adjustments.
- **Line 3 Pass-Through Charges** includes fixed and variable charges passed through to customers to recover wholesale water cost escalations beyond the assumptions included in the 2023 COS study, and the Board adopted this pass-through rate provision during the Proposition 218 process. The District plans to update and implement pass-through rates on January 1, 2026, based on updated wholesale water supply costs.
- **Line 4 BTP Wholesale Charges** includes one-to-one reimbursement from the City of San Clemente for Baker Water Treatment Plant (BTP) water purchased from the District at Metropolitan Water District of Southern California (MET) untreated water rates, as well as a pro-rated share of maintenance cost reimbursements. The District budget FY 2026



**Trabuco Canyon Water District
Financial Analysis
August 2025**

at 1,113 AF of wholesale water sold and 87 AF of BTP water used by the District. As of the reporting period, the District has sold 128 AF to the City of San Clemente and used 88.3 AF to supply District customer demand.

- **Line 5 Wastewater Charges** include fixed and variable charges billed to customers for wastewater service. The District implemented Wastewater rates at 100.0% of the 2023 COS study rate plan on July 1, 2025.
- **Line 6 Other Revenue** includes property tax receipts, customer fees, investment earnings and other miscellaneous revenue. The District receives most of the property tax revenue in semiannual installments during the fiscal year. YTD is trending behind the expected target budget due to the timing of these receipts.
- **Line 8 Source of Supply** includes the cost of Potable and Recycled water supplies to meet customer demand. This includes the purchase of untreated water at the Dimension Water Treatment Plant, fully treated water purchases via neighboring agency connections, MET/MWDOC surcharges on volumetric water, and MET/MWDOC fixed water costs. Currently, the DWTP conveyance pipeline is non-operational, and the budget includes 6-months of more expensive emergency Potable Water purchases during FY 2026. YTD is trending ahead of the expected budget due to increased Summer demand, and the expensive source of emergency water purchases planned for the first half of the fiscal year.
- **Line 9 Cost of BTP Wholesale** includes the cost of Baker Water Treatment Plant water sold to the City of San Clemente. This line item accounts for the per acre-foot charge of water paid to MWDOC at MET untreated water rates, excluding the SAC Operational Surcharge, and the quarterly maintenance charges. This line will often trend behind the expected budget target due to the timing of quarterly maintenance costs from IRWD.
- **Line 10 Staffing Resources** includes employee compensation, health benefits, retirement contributions, retiree health insurance, and OPEB trust reimbursements (offsetting reimbursement revenue from the District's Section 115 OPEB trust).
- **Line 11 Operations & Maintenance** includes system repairs and maintenance, distribution electricity, vehicles and equipment, lab testing and operating supplies.
- **Line 12 General & Administrative** includes professional services, office maintenance and supplies, Board of Directors, liability insurance, dues and memberships, public outreach and rebate programs, customer service and billing, conference, training, travel and miscellaneous expenses. YTD is trending ahead of the expected target budget due to annual payments for insurance premiums, LAFCO fees, and MWDOC programs participation.
- **Line 15 Capital Loans Reserve** includes restricted capital loan funding purposed for use on the District Capital Improvement Program.
- **Line 16 Grant Proceeds for CIP** includes anticipated grant funds received for capital projects. The FY 2026 budget includes \$220.7K for project RW-23 (Tick & Dove Creek Pump Station Improvements) and \$250K for project DW-03 (Admin Building Server Replacement).
- **Line 17 Capital Improvement Program** includes planned CIP during FY 2026. The CIP Budget v. Actual Report outlines the financial progress of individual projects as of the reporting date.
- **Line 18 CIP Contingency** includes a 10% contingency amount for unplanned capital project needs. This funding was planned in the budget process to allocate resources towards critical projects and emergencies unknown at the time of budget adoption.



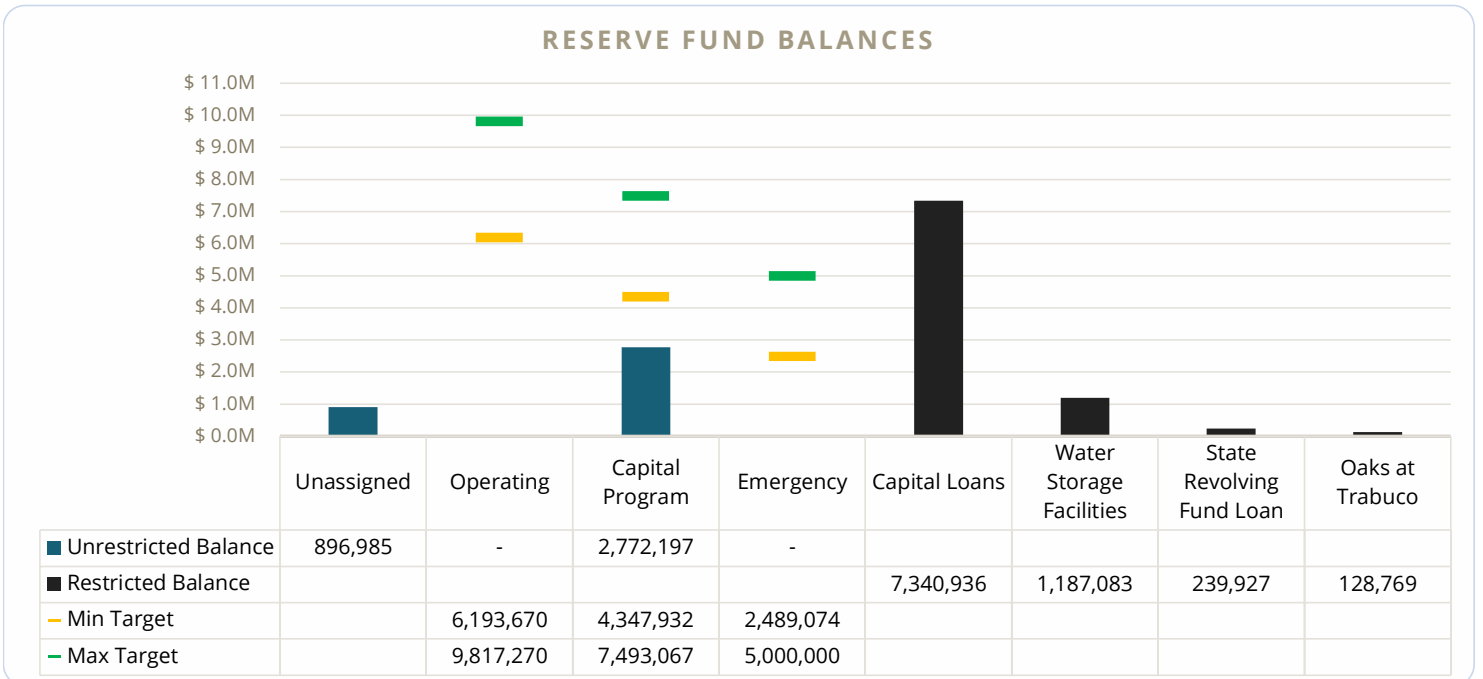
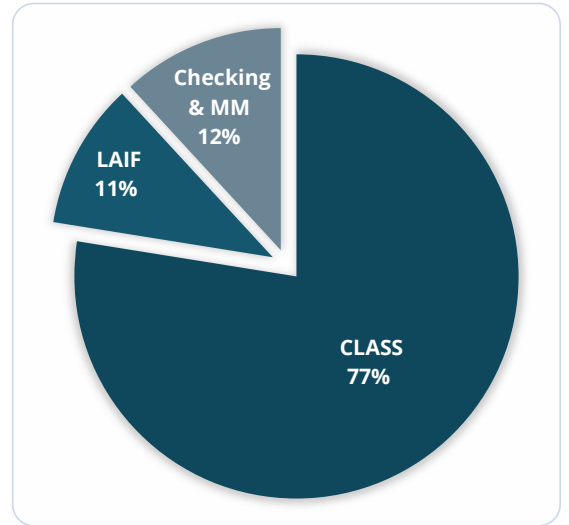
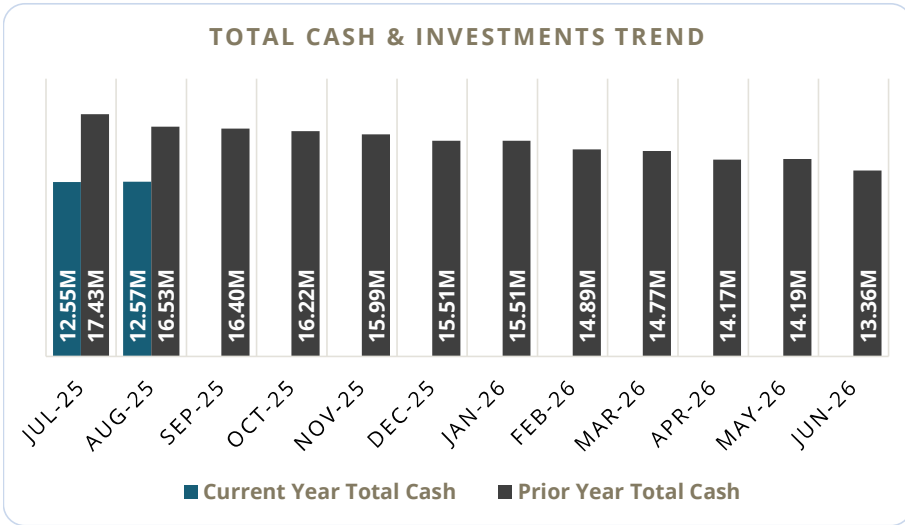
**Trabuco Canyon Water District
Financial Analysis
August 2025**

- **Line 19 Debt Service** includes debt service payments for the 2011 SRF loan, 2024 capital project loan, and budgeted 2026 capital project loan that was estimated at the time of budget adoption). The 2011 and 2024 loans are paid twice per year in December (due January 1st) and in June (due July 1st).

District

Cash & Investments as of August 31, 2025

	Type	Rate	Par / Book Value	Market Value	% Portfolio
Local Agency Investment Fund	LAIF	4.251%	\$ 1,337,026	\$ 1,338,628	10.7%
California Cooperative Liquid Assets Securities System	CLASS	4.325%	\$ 9,741,436	\$ 9,741,812	77.5%
BMO Checking	Checking	0.000%	\$ 1,247,507	\$ 1,247,507	9.9%
CB&T Money Market (SRF Loan Reserve)	Money Market	0.300%	\$ 239,927	\$ 239,927	1.9%
Total Cash & Investments			\$ 12,565,897	\$ 12,567,875	100.0%



Treasurer Certification

I certify that all investment actions executed since the last reporting period have been made in full compliance with the District's Investment Policy and the District is able to meet its expenditure obligations for the next six months.

Ian Berg, CPA
District Treasurer

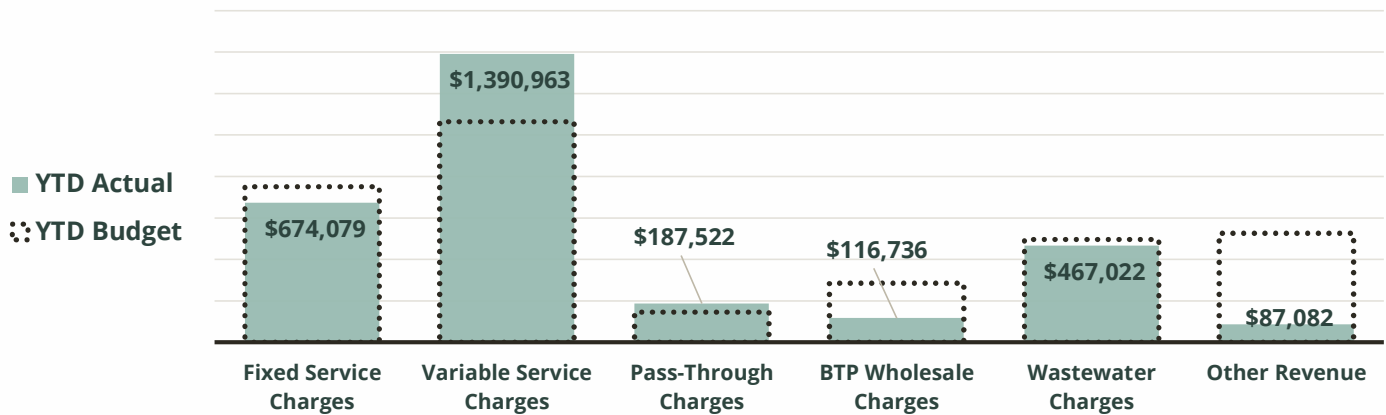


District

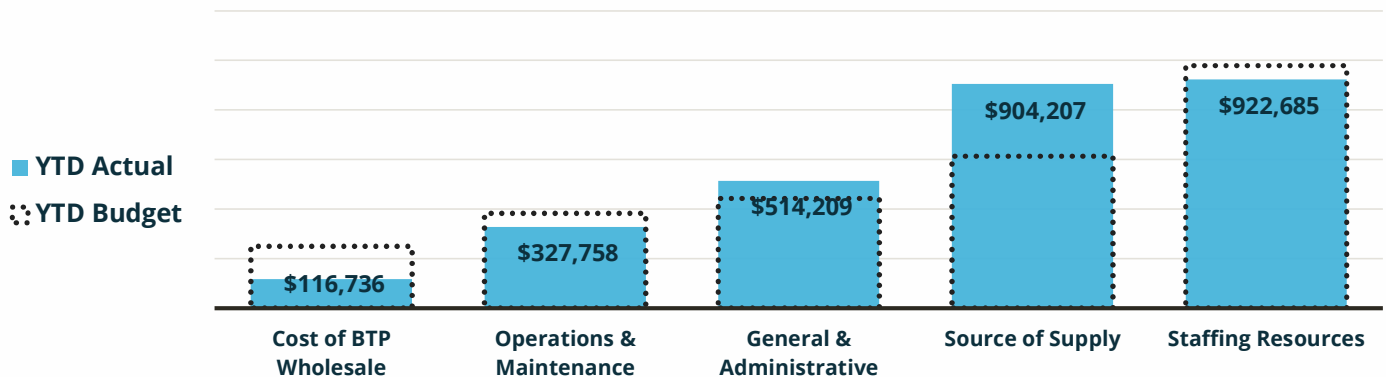
Budget v. Actual Summary August 2025

	A	B	C	D = C - B	E = B / C	
	Aug 2025	Aug 2025	FY 2026	FY 2026	YTD % of	
	Period	YTD	Adopted	Remaining	Budget	
	Actuals	Actuals	Budget	Budget	16.7%	
1	Fixed Service Charges	\$ 366,622	\$ 674,079	\$ 4,499,900	\$ 3,825,821	15.0%
2	Variable Service Charges	879,666	1,390,963	6,386,300	4,995,337	21.8%
3	Pass-Through Charges	92,429	187,522	870,800	683,278	21.5%
4	BTP Wholesale Charges	59,736	116,736	1,708,700	1,591,964	6.8%
5	Wastewater Charges	252,638	467,022	2,973,200	2,506,178	15.7%
6	Other Revenue	45,029	87,082	3,155,600	3,068,518	2.8%
7	Total Revenue	1,696,120	2,923,405	19,594,500	16,671,095	14.9%
8	Source of Supply	450,078	904,207	3,674,900	2,770,693	24.6%
9	Cost of BTP Wholesale	59,736	116,736	1,493,900	1,377,164	7.8%
10	Staffing Resources	462,219	922,685	5,870,500	4,947,815	15.7%
11	Operations & Maintenance	138,713	327,758	2,296,100	1,968,342	14.3%
12	General & Administrative	118,473	514,209	2,652,900	2,138,691	19.4%
13	Total Expense	1,229,219	2,785,595	15,988,300	13,202,705	17.4%
14	Net Income / (Loss) from Operations	466,901	137,810	3,606,200	3,468,390	3.8%
15	Capital Loans Reserve	73,005	135,332	10,570,177	10,434,845	1.3%
16	Grant Proceeds for CIP	-	-	470,700	470,700	0.0%
17	Capital Improvement Program	(73,005)	(135,332)	(10,969,877)	(10,834,545)	1.2%
18	CIP Contingency	-	-	(1,097,000)	(1,097,000)	0.0%
19	Debt Service	-	-	(2,570,070)	(2,570,070)	0.0%
20	Net Change in Unrestricted Cash	\$ 466,901	\$ 137,810	\$ 10,130	\$ (127,679)	1360.4%

YTD Revenue v. YTD Target Budget



YTD Expense v. YTD Target Budget





District

Operating Budget v. Actual August 2025

	A	B	C	D = C - B	E = B / C	
	Aug 2025	Aug 2025	FY 2026	FY 2026	YTD % of	
	Period	YTD	Adopted	Remaining	Budget	
	Actuals	Actuals	Budget	Budget	16.7%	
1	Fixed Service Charges	\$ 366,622	\$ 674,079	\$ 4,499,900	\$ 3,825,821	15.0%
2	Variable Service Charges	879,666	1,390,963	6,386,300	4,995,337	21.8%
3	Fixed Service Charges Pass-Through	18,346	36,710	262,700	225,990	14.0%
4	Variable Service Charges Pass-Through	74,083	150,812	608,100	457,288	24.8%
5	BTP Wholesale Water Sales	59,736	116,736	1,054,800	938,064	11.1%
6	BTP Maintenance Charges	-	-	439,100	439,100	0.0%
7	BTP Capital Recovery	-	-	214,800	214,800	0.0%
8	Wastewater Charges	252,638	467,022	2,973,200	2,506,178	15.7%
9	Property Tax Receipts	3,508	3,508	2,437,300	2,433,792	0.1%
10	Customer Fees	31,503	61,962	520,200	458,238	11.9%
11	Interest Revenue	9,168	18,133	160,000	141,867	11.3%
12	Miscellaneous Revenue	850	3,478	38,100	34,622	9.1%
13	Total Revenue	1,696,120	2,923,405	19,594,500	16,671,095	14.9%
14	Source of Supply					
15	Variable Water Purchases	350,121	681,260	2,849,800	2,168,540	23.9%
16	BTP Water Purchases TCWD	50,105	81,504	93,600	12,096	87.1%
17	BTP Maintenance Expense TCWD	-	-	46,800	46,800	0.0%
18	Fixed Water Purchases	39,901	129,826	401,700	271,874	32.3%
19	Chemicals & Electricity	9,951	11,617	283,000	271,383	4.1%
20	Total Source of Supply	450,078	904,207	3,674,900	2,770,693	24.6%
21	Cost of BTP Wholesale					
22	BTP Water Purchases for Wholesale	59,736	116,736	1,054,800	938,064	11.1%
23	BTP Maintenance Expense Sales	-	-	439,100	439,100	0.0%
24	Total Cost of BTP Wholesale	59,736	116,736	1,493,900	1,377,164	7.8%
25	Staffing Resources					
26	Employee Compensation	312,809	622,957	4,115,500	3,492,543	15.1%
27	Employee Benefits	98,630	198,169	1,360,000	1,161,831	14.6%
28	CalPERS Retirement Unfunded Liability	32,917	65,833	395,000	329,167	16.7%
29	Retiree Health Insurance Payments	17,863	35,727	201,700	165,973	17.7%
30	OPEB Trust Reimbursement	-	-	(201,700)	(201,700)	0.0%
31	Total Staffing Resources	462,219	922,685	5,870,500	4,947,815	15.7%
32	Operations & Maintenance					
33	System Repairs and Maintenance	73,299	131,214	1,030,600	899,386	12.7%
34	Distribution Electricity	33,210	136,353	914,700	778,347	14.9%
35	Vehicles and Equipment	21,402	35,236	188,800	153,564	18.7%
36	Lab Testing & Supplies	10,802	24,955	162,000	137,045	15.4%
37	Total Operations & Maintenance	138,713	327,758	2,296,100	1,968,342	14.3%
38	General & Administrative					
39	Professional Services	40,376	73,737	1,033,000	959,263	7.1%
40	Office Maintenance & Supplies	53,548	149,838	616,200	466,362	24.3%
41	Board of Directors	7,979	16,624	111,700	95,076	14.9%
42	District Insurance	-	114,120	237,500	123,380	48.1%
43	Dues and Memberships	2,518	109,407	247,200	137,793	44.3%
44	Public Outreach & Rebate Programs	129	27,657	100,000	72,343	27.7%
45	Customer Service and Billing	10,363	16,853	81,600	64,747	20.7%
46	Conference, Trainings and Travel	3,552	5,967	32,300	26,333	18.5%
47	Miscellaneous Expense	7	7	193,400	193,393	0.0%
48	Total General & Administrative	118,473	514,209	2,652,900	2,138,691	19.4%
49	Total Expense	1,229,219	2,785,595	15,988,300	13,202,705	17.4%
50	Net Income / (Loss) from Operations	\$ 466,901	\$ 137,810	\$ 3,606,200	\$ 3,468,390	3.8%



District

CIP Budget v. Actual August 2025

ID	Project Description	A	B	C	D = C - B	E = B / C
		Aug 2025 Period Actuals	Aug 2025 YTD Actuals	FY 2026 Adopted Budget	FY 2026 Remaining Budget	YTD % of Budget 16.7%
1	Potable Water					
2	PW-02 DWTP Electrical Improvements	\$ -	\$ -	\$ 300,000	\$ 300,000	0.0%
3	PW-03 Transmission Main Replacement - DWTP to Ridgeline PS	-	-	7,000,000	7,000,000	0.0%
4	PW-04 DWTP Improvements - Phase 2	534	534	-	(534)	NA
4	PW-20 10" Pipeline Replacement - Cooks Corner to Harris Grade	-	-	225,000	225,000	0.0%
6	PW-25 Fire Flow Availability Improvements	-	-	150,000	150,000	0.0%
6	PW-35 Pressure Reducing Vault Improvements - PW	2,252	2,252	-	(2,252)	NA
7	PW-38 Saddle Crest Reservoir Outlet Pipe	-	-	275,000	275,000	0.0%
9	PW-41 Meter Replacements - PW	10,117	10,117	-	(10,117)	NA
10	Total Potable Water	12,903	12,903	7,950,000	7,937,097	0.2%
11	Recycled Water					
12	RW-13 Dove Canyon Recycled Booster Pump Station	-	1,920	560,000	560,000	0.0%
13	RW-23 Tick & Dove Creek Pump Station Improvements	-	-	259,700	259,700	0.0%
14	RW-51 Reservoir V-Ditch Rehabilitation	-	15,600	-	-	NA
15	RW-53 Pump Replacements - RW	-	18,071	-	-	NA
16	Total Recycled Water	-	35,591	819,700	784,109	4.3%
17	Wastewater					
18	WW-09 Heritage Sewer Lift Station Rehabilitation	-	-	400,000	400,000	0.0%
19	WW-40 WWTP Hoffman Blower Building Rehabilitation	53,110	62,710	1,290,177	1,237,068	4.1%
20	WW-41 WWTP SCADA & Fiber Optic Upgrade	6,992	6,992	-	(6,992)	NA
20	WW-49 SMWD Chiquita WWTP Shared Capital	-	-	140,000	140,000	0.0%
22	WW-50 WWTP Headworks Replacement	-	17,136	370,000	370,000	0.0%
23	Total Wastewater	60,102	86,838	2,200,177	2,113,340	3.9%
24	Joint Projects					
25		-	-	-	-	NA
26	Total Joint Projects	-	-	-	-	NA
27	Total Capital Improvement Program	\$ 73,005	\$ 135,332	\$ 10,969,877	\$ 10,834,545	1.2%

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | OCTOBER 9, 2025**

**FINANCIAL MATTERS
ITEM 5: OTHER MATTERS**

RECOMMENDED ACTION:

Hear Other Matters from the General Manager or District Staff.

CONTACTS (staff responsible): PALUDI/PEREA