



**FINANCE/AUDIT COMMITTEE MEETING AGENDA
TRABUCO CANYON WATER DISTRICT
ADMINISTRATION FACILITY
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA
JANUARY 15, 2026 at 8:00 AM**

COMMITTEE MEMBERS

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

DISTRICT STAFF

Larry McKenney, General Manager
Michael Perea, Assistant General Manager
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: 941-0657-5794

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

ITEM 3: MID-YEAR OPERATING AND CAPITAL BUDGET DRAFT PROPOSAL

RECOMMENDED ACTION:

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

ITEM 4: DISCUSSION CONCERNING RESOLUTION ON TREASURER'S ANNUAL STATEMENT OF INVESTMENT POLICY

RECOMMENDED ACTION:

Recommend the Board of Directors adopt Resolution No. 2026-1363 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting An Investment Policy (Action Calendar).

ITEM 5: FINANCIAL REPORT

A) PRESENTATION OF PRELIMINARY UNAUDITED FINANCIAL STATEMENTS

RECOMMENDED ACTION:

Recommend that the Board receive and file the preliminary unaudited financial statements for November 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 January 15, 2026 as presented (Consent Calendar).

ITEM 6: OTHER MATTERS

RECOMMENDED ACTION:

Hear Other Matters from the General Manager or District Staff.



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING AGENDA | JANUARY 15, 2026**

ADJOURNMENT

AVAILABILITY OF AGENDA MATERIALS

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

COMPLIANCE WITH THE REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE SECTION 54954.2

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



**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JANUARY 15, 2026**

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. *December 11, 2025*

CONTACTS (staff responsible): PEREA/LEJSEK



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

DIRECTORS PRESENT

John Horst, Committee Chair
Mike Safranski, Committee Member

STAFF PRESENT

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

STAFF ABSENT

None

CONSULTANTS PRESENT

Ian Berg, Starting Line Advisory
Paul Kaymark, Nigro & Nigro, PC

PUBLIC PRESENT

None

CALL MEETING TO ORDER

Director Horst called the December 11, 2025 Finance/Audit Committee Meeting to order at 8:00 a.m.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

None

REPORT FROM THE GENERAL MANAGER

Mr. Perea introduced the District's auditor, Mr. Paul Kaymark with Nigro & Nigro in attendance to present a summary of the District's FY25 financial audit.

Mr. Perea reported that the District would be holding a Chat with TCWD Community Forum with Directors Horst and Acosta later that evening at 6:30 p.m.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

Mr. Perea 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 | DECEMBER 11, 2025**

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

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

ITEM 3: PRESENTATION OF TRABUCO CANYON WATER DISTRICT'S FISCAL YEAR 2024-25 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

Mr. Perea presented this matter for Committee consideration, and he introduced the District's auditor, Mr. Paul Kaymark with Nigro & Nigro, PC. Mr. Kaymark presented an overview of the District's FY 2024-25 ACFR, highlighting the scope of work, audit results and audited financial statements.

RECOMMENDATION: Recommend the Board of Directors receive and file the Trabuco Canyon Water District Fiscal Year 2024-25 Annual Comprehensive Financial Report (ACFR) (Action Calendar).

ITEM 4: FINANCIAL REPORT

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

FINANCIAL ANALYSIS SUMMARY

Discussion occurred concerning the top 10 vendor payments related to the Dimension Water Treatment Plant Pipeline project, water purchases, and the District's legal services.

CASH & INVESTMENTS

Discussion occurred concerning reserve fund balances and targets.

DISTRICT SUMMARY BUDGET v. ACTUAL

Discussion occurred concerning net income from operations and net change in unrestricted cash.

CIP BUDGET v. ACTUAL

Discussion occurred regarding the transmission main replacement project, and Ms. Lausten reported that Phase 1A came in under budget.

Mr. Perea reported that staff has received notice that the CalOES grant funding reimbursement has been approved for the cybersecurity improvements project, and that the District is expected to receive a reimbursement check in the amount of \$248,000 from CalOES by the end of December.

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

ITEM 5: MID-YEAR OPERATING AND CAPITAL BUDGET DRAFT PROPOSAL

Mr. Perea presented this matter for Committee consideration. Mr. Berg delivered a PowerPoint presentation outlining a proposed mid-year budget and financial plan. Mr. Berg provided an overview of the District's mid-year budget strategic objectives, long-range financial plan, capital financing, 10-year CIP update, operating budget update and end reserve funding.

RECOMMENDATION: None – Informational item only.

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

ITEM 6: OTHER MATTERS

Director Horst requested that staff coordinate a tour of the Dimension Water Treatment Plant Transmission Main Rehabilitation Project job site as well as copies of certain December invoices.

RECOMMENDATION: None – Informational item only.

ADJOURNMENT

Director Horst adjourned the December 11, 2025 Finance/Audit Committee Meeting at 9:27 a.m.

DRAFT

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JANUARY 15, 2026**

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

EXHIBIT(S):

1. Directors' Fees and Expenses Report for December 2025
2. Directors' Tentative Future Meetings/Attendance – Calendar Year 2026.

CONTACTS (staff responsible): PEREA/LEJSEK

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

MEETING DESCRIPTION	ACOSTA	ANDERSON	HORST	MANDICH	SAFRANSKI
DISTRICT MEETINGS					
Chat with TCWD Community Forum	12/11/25		12/11/25		
District Properties Committee Meeting		12/09/25		12/09/25	
Engineering/Operational Committee Meeting	12/10/25	12/10/25			
Executive Committee Meeting	12/01/25			12/01/25	
Finance/Audit Committee Meeting			12/11/25		12/11/25
Individual Meeting with General Manager	12/15/25	12/11/25	12/09/25	12/15/25	12/16/25
Public Outreach Ad Hoc Committee Meeting	12/19/25		12/19/25		
Regular Board Meeting	12/17/25	12/17/25	12/17/25	12/17/25	12/17/25
Staff Meeting		12/18/25		12/18/25	
REPRESENTATIVE MEETINGS					
ACWA Fall Conference - Day 1	12/02/25				
ACWA Fall Conference - Day 2	12/03/25				
ACWA Fall Conference - Day 3	12/04/25				
Community Associations of Rancho (CAR) Meeting					
City of Rancho Santa Margarita - City Council Meeting					12/10/25
Independent Special Districts of Orange County (ISDOC) Monthly Meeting		12/09/25			
MWDOC Administration/Finance Committee Meeting			12/10/25		
MWDOC Board Meeting					
Orange County Local Agency Formation Commission (OC LAFCO)					
Santiago Aqueduct Commission Meeting				12/11/25	
South Orange County Agencies Group Meeting					
South Orange County Integrated Regional Watershed Management Executive Committee Meeting					
Water Advisory Commission of Orange County (WACO)		12/12/25			
NUMBER OF MEETINGS ATTENDED	9	6	5	6	4
PER DIEMS (\$125 per each meeting*)	\$1,125.00	\$750.00	\$625.00	\$750.00	\$500.00
DIRECT REIMBURSABLE EXPENSES					
ACWA Fall Conference - San Diego - Attached Expense Report	\$587.84				
DIRECT REIMBURSABLE EXPENSES TOTALS	\$587.84				
INDIRECT REIMBURSABLE EXPENSES					
INDIRECT REIMBURSABLE EXPENSES TOTALS					
TOTAL (PER DIEMS + DIRECT REIMBURSABLE EXPENSES)	\$1,712.84	\$750.00	\$625.00	\$750.00	\$500.00
<i>* Maximum per diem per day is one; maximum per month is 10</i>					

DIRECTOR SIGNATURE

EXPENSE CLAIM

Director Glenn Acosta

Event: ACWA Fall Conference
Dates: December 2-4, 2025
Location: San Diego

Meals: None claimed

Mileage: Not claimed*

Hotel: Dec 2: \$199.20 per night + \$48.72 fees/taxes
Dec 3: \$199.20 per night + \$48.72 fees/taxes

Hotel Self-Parking: Dec 2: \$46
Dec 3: \$46

TOTAL: \$587.84

* Allowable mileage reimbursement is \$113.40 based on 81 miles one way * 2 * \$0.70/mile.

TRABUCO CANYON WATER DISTRICT | 2026 PUBLIC MEETING AND CONFERENCE CALENDAR

		2026											
LINE ITEM	MEETING DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
DISTRICT PUBLIC MEETINGS													
1	Executive Committee Meeting	01/05/26	02/02/26	03/02/26	04/06/26	05/04/26	06/01/26	07/06/26	08/03/26	09/07/26	10/05/26	11/02/26	12/07/26
2	Engineering/Operational Committee Meeting	01/07/26	02/04/26	03/04/26	04/01/26	05/06/26	06/03/26	07/01/26	08/05/26	09/02/26	10/07/26	11/04/26	12/02/26
3	Finance/Audit Committee Meeting	01/15/26	02/12/26	03/12/26	04/09/26	05/14/26	06/11/26	07/09/26	08/13/26	09/10/26	10/08/26	11/12/26	12/10/26
4	Regular Board Meeting	01/21/26	02/18/26	03/18/26	04/15/26	05/20/26	06/17/26	07/15/26	08/19/26	09/16/26	10/21/26	11/18/26	12/16/26
5	District Properties Committee Meeting	-	-	-	-	-	-	-	-	-	-	-	-
PUBLIC MEETINGS													
6	City of RSM City Council Meeting - Meeting No. 1	01/14/26	02/11/26	03/11/26	04/08/26	05/13/26	06/10/26	07/08/26	08/12/26	09/09/26	10/14/26	11/11/26	12/09/26
7	City of RSM City Council Meeting - Meeting No. 2	01/28/26	02/25/26	03/25/26	04/22/26	05/27/26	06/24/26	07/22/26	08/26/26	09/23/26	10/28/26	11/25/26	12/23/26
8	City of RSM Planning Commission Meeting	01/07/26	02/04/26	03/04/26	04/01/26	05/06/26	06/03/26	07/01/26	08/05/26	09/02/26	10/07/26	11/04/26	12/02/26
9	Independent Special Districts of Orange County Meeting - Executive	01/06/26	02/03/26	03/03/26	04/07/26	05/05/26	06/02/26	07/07/26	08/04/26	09/01/26	10/06/26	11/03/26	12/01/26
10	Independent Special Districts of Orange County Meeting - Quarterly	01/29/26	-	-	04/30/26	-	-	07/30/26	-	-	10/29/26	-	-
11	Orange County Local Agency Formation Commission (OC LAFCO)	01/14/26	02/11/26	03/11/26	04/08/26	05/13/26	06/10/26	07/08/26	08/12/26	09/09/26	10/14/26	11/11/26	12/09/26
12	Municipal Water District of Orange County (MWDOC) Board Meeting	01/21/26	02/18/26	03/18/26	04/15/26	05/20/26	06/17/26	07/15/26	08/19/26	09/16/26	10/21/26	11/18/26	12/16/26
13	Santiago Aqueduct Commission Meeting	-	-	03/19/26	-	-	06/18/26	-	-	09/17/26	-	-	12/17/26
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*	01/27/26	-	03/24/26	-	05/26/26	-	07/28/26	-	09/22/26	-	11/24/26	-
17	Water Advisory Committee of Orange County	01/09/26	02/06/26	03/06/26	04/03/26	05/01/26	06/05/26	07/10/26	08/07/26	09/04/26	10/02/26	11/06/26	12/04/26
CONFERENCES													
18	ACWA Spring Conference - Sacramento, CA					05/05-05/07							
19	ACWA Fall Conference - Anaheim, CA												12/01 - 12/03
20	CSDA Annual Conference -Palm Desert, CA								08/24-08/27				
21	CSDA GM Leadership Summit - Newport Beach, CA						06/28 - 06/30						
22	CSDA SDLA Conference - San Diego, CA					05/11 - 05/14							
23	Colorado River Water User's Association (CRWUA) Annual Conference – Las Vegas, NV												12/09 - 12/11
24	Urban Water Institute (UWI) Annual Conference - San Diego, CA								08/19 - 08/21				
25	Urban Water Institute (UWI) Spring Conference - Indian Wells, CA		02/25-02/27										

LEGEND

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

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JANUARY 15, 2026**

FINANCIAL MATTERS

ITEM 3: MID-YEAR OPERATING AND CAPITAL BUDGET DRAFT PROPOSAL

Trabuco Canyon Water District’s (District) fiscal or budget year runs July 1 to June 30. When the Fiscal Year 2025-26 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.

Initially, District staff agendaed this matter for Committee consideration and review in December 2025 to discuss the timing and planning of the mid-year update, as well as proposed budget realignments. 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:

1. Proposed Mid-Year Budget Fiscal Year 2026 - DRAFT

CONTACTS (staff responsible): PEREA/BERG/WARNER



Mid-Year Budget Adjustments

Fiscal Year 2026



District
Schedule A: Proposed Mid-Year Budget Summary

	A	B	C	D	E = C / B
	FY 2025	FY 2026	FY 2026	FY 2026	% Budget
	Actual	6/25 Adopted	Mid-Year	Proposed	Change
	Results	Budget	Adjustment	Mid-Year Budget	Mid-Year
1 Fixed Service Charges	\$ 3,764,699	\$ 4,499,900	\$ 47,600	\$ 4,547,500	1%
2 Variable Service Charges	6,075,174	6,386,300	230,400	6,616,700	4%
3 Pass-Through Charges	322,225	870,800	(142,300)	728,500	-16%
4 Wastewater Charges	2,610,459	2,973,200	-	2,973,200	0%
5 BTP Wholesale Charges	1,324,264	1,493,900	(496,800)	997,100	-33%
6 Other Revenue	3,331,101	3,370,400	(71,400)	3,299,000	-2%
7 Total Revenue	17,427,923	19,594,500	(432,500)	19,162,000	-2%
8 Source of Supply	4,268,428	3,674,900	262,500	3,937,400	7%
9 Cost of BTP Wholesale	1,279,586	1,493,900	(496,800)	997,100	-33%
10 Staffing Resources	5,330,691	5,870,500	(74,800)	5,795,700	-1%
11 Operations & Maintenance	2,645,292	2,296,100	-	2,296,100	0%
12 General & Administrative	2,588,213	2,652,900	35,200	2,688,100	1%
13 Total Expense	16,112,210	15,988,300	(273,900)	15,714,400	-2%
14 Net Income / (Loss) from Operations	1,315,713	3,606,200	(158,600)	3,447,600	-4%
15 Capital Loans Reserve	4,380,751	10,570,177	545,479	11,115,656	5%
16 Water Storage Facilities Reserve	-	-	-	-	NA
17 Grant Proceeds for CIP	-	470,700	(220,700)	250,000	-47%
18 Capital Improvement Program	(4,708,987)	(10,969,877)	(855,479)	(11,825,356)	8%
19 CIP Contingency	-	(1,097,000)	1,097,000	-	-100%
20 Debt Service	(1,618,559)	(2,339,690)	754,729	(1,584,961)	-32%
21 State Revolving Fund Loan Reserve	-	-	-	-	NA
22 Debt Service 2011 SRF Loan	(230,381)	(230,380)	-	(230,380)	0%
23 Net Change in Unrestricted Cash	\$ (861,463)	\$ 10,130	\$ 1,162,429	\$ 1,172,559	11475%
24 Ending Unrestricted Cash Balance	\$ 4,402,590	\$ 6,379,267	\$ (804,118)	\$ 5,575,149	
25 Reserve Policy Minimum Targets					
26 Operating Minimum	5,326,715			5,264,286	
27 Emergency Minimum	2,455,385			2,540,281	
28 Capital Program Minimum	4,963,058			5,134,658	
29 Over / (Under) Minimum Reserve Target	\$ (8,342,568)			\$ (7,364,077)	

Line 26 - The Operating Reserve minimum target is equal to three months of budgeted operating expenses (excluding Line 10) plus annual debt service payments (excluding payments on the 2011 State Revolving Fund loan).

Line 27 - The Emergency Reserve minimum target is equal to 5% of Capital Assets, net of depreciation from the last audited financial statements.

Line 28 - The Capital Program Reserve minimum target is equal to one year of annual depreciation expense from the last audited financial statements.



**Trabuco Canyon Water District
Mid-Year Budget Schedule A Narrative
Fiscal Year 2026**

SCHEDULE B: PROPOSED MID-YEAR BUDGET SUMMARY NARRATIVE

The District Proposed Mid-Year Budget Summary provides an overview of major financial groups and summarizes financial information relevant to the proposed mid-year budget adjustments. Column A provides actual results for the previous fiscal year. Column B provides the original adopted budget. Column C provides the proposed mid-year adjustments to the original adopted budget. Column D provides the proposed mid-year budget after proposed adjustments are considered. Column E displays the change in the proposed mid-year budget from the original adopted budget as a percentage. The major categories with proposed adjustments are discussed below:

- **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. Potable Water rates will be adjusted to 100% of the allowable rate on January 1, 2026. The mid-year budget adjustment accounts for current updates to meter counts and revenue trends.
- **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. Potable Water rates will be adjusted to 100% of the allowable rate on January 1, 2026. The mid-year budget adjustment accounts for the increased volume of water sales experienced through October 2025 and includes an updated projection of water sales for the fiscal year based on updated consumption data.
- **Line 3 Pass-Through Charges** includes Potable Water fixed and variable charges passed through to customers to recover wholesale water cost escalations beyond the assumptions included in the 2023 COS study. The Board adopted this pass-through rate provision during the Proposition 218 process. The mid-year budget adjustment accounts for the known pass-through rates that will be implemented on January 1, 2026, based on updated wholesale water supply costs.
- **Line 4 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. No mid-year adjustments are proposed.
- **Line 5 BTP Wholesale Charges** includes one-to-one reimbursements 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 original adopted budget included 1,113 AF of wholesale water sold and 87 AF of BTP water used for District customer supply. As of November 2025, the District has produced 310.8 AF to sell to the City of San Clemente and 179.7 AF to supply District customers. The proposed mid-year budget adjustment assumes 743 AF in sales to San Clemente and 457 AF of water for District water supply.
- **Line 6 Other Revenue** includes property tax receipts, customer fees, investment earnings, BTP capital recovery revenues and other miscellaneous receipts. The proposed mid-year budget adjustment is adjusted for a reduction in BTP capital recovery revenue, in line with the assumed reduction in wholesale water sold to the City of San Clemente discussed in Line 5. The BTP capital recovery rate stands at \$193 / AF per the agreement with San Clemente.
- **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.



**Trabuco Canyon Water District
Mid-Year Budget Schedule A Narrative
Fiscal Year 2026**

Currently, the DWTP conveyance pipeline is non-operational, and the original adopted budget assumed 6-months of emergency Potable Water purchases during FY 2026. The mid-year budget adjustment assumes that the DWTP conveyance pipeline will be operational for the final four months 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. The mid-year budget adjustment considers the reduced sales projection to the City of San Clemente discussed in Line 5.
- **Line 10 Staffing Resources** includes employee compensation, health benefits, retirement contributions, retiree health insurance, and OPEB trust reimbursements (reimbursements from the District's Section 115 OPEB trust). The mid-year budget adjustment considers the updates to District staffing as well as updated overtime projections. Through November 2025, the District has seen lower costs related to overtime than originally planned in the adopted budget.
- **Line 11 Operations & Maintenance** does not consider any proposed mid-year adjustments to the adopted budget.
- **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. The mid-year budget adjustment includes updates to professional services, district insurance costs, and a reduction in miscellaneous expense. The adjustments are detailed as follows:
 - Professional Services increased by \$115,500
 - Increased \$100K for a new District Rate Study
 - Increased \$59K for MWDOC conservation framework consulting
 - Decreased \$43.5K for reduction in planned legal services
 - District Insurance increased \$4,500 due to known insurance premiums
 - Miscellaneous Expense reduced by \$84,800 due to lower trends in uncollectible accounts
- **Line 15 Capital Loans Reserve** includes transfers in from restricted capital loan funds purposed for the District Capital Improvement Program. The mid-year budget adjustment considers an updated financing plan, updated 10-year Capital Improvement Program Budget, and an updated list of projects to be financed. The financing plan avoids the originally planned short-term issuance in FY 2026, and plans for securing longer term financing before the end of fiscal year 2026. This financing plan avoids duplicating financing efforts, maintains cash flow for operations, and continues to advance the District Capital Improvement Program to address critical infrastructure needs.
- **Line 16 Water Storage Facilities Reserve** includes the use of restricted funds received by developers purposed for the Capital Improvement Program. No restricted water storage facilities reserve funds were originally budgeted to be used on CIP and no adjustments are proposed in the mid-year budget.
- **Line 17 Grant Proceeds for CIP** includes anticipated grant funds received for capital projects. The original FY 2026 budget included \$220.7K for project RW-23 (Tick & Dove Creek Pump Station Improvements) and \$250K for project DW-03 (Admin Building Server Replacement – *prior fiscal year*). The mid-year budget conservatively considers a delay in the \$220.7K in grant receipts for the RW-23 project. As of January 2025, the server grant funding has been received.



**Trabuco Canyon Water District
Mid-Year Budget Schedule A Narrative
Fiscal Year 2026**

- **Line 18 Capital Improvement Program** includes planned CIP during FY 2026. The proposed mid-year budget CIP schedule outlines the changes in project spending for FY 2026. The proposed adjustments include timing updates in major projects as well as allocating funding for critical District programs and new budgets for necessary small capital purchases and replacements. Please see schedule E for a summary and detail listing of the 10-year CIP plan.
- **Line 19 CIP Contingency** allocated resources towards critical projects and emergencies unknown at the time of budget adoption. The original budget included a 10% contingency amount on the CIP budget for unplanned capital project needs. The mid-year budget removes this funding as the updated capital improvement program has provided updates to capital needs, the timing of major project spending, and additional funding for District programs and small capital items. The 10-year financial plan still includes a 10% contingency for Fiscal Year 2028 through 2035 for conservatism, inflation, and unknown occurrences at the time of this budget.
- **Line 19 Debt Service** includes existing debt service payments for the 2011 SRF loan, 2024 capital project loan, and the projected and budgeted 2026 short-term capital project loan planned 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). The mid-year budget adjustment considers the updated cash flow timing of existing debt service and has removed debt service related to the anticipate short-term issuance planned in the original adopted budget. Since the financing plan has changed, new debt service in the long-term financial plan is not considered until Fiscal Year 2027. The new financing assumptions are discussed in more detail in Line 15.

District
Schedule B: FY 2026 Proposed Operating Mid-Year Budget

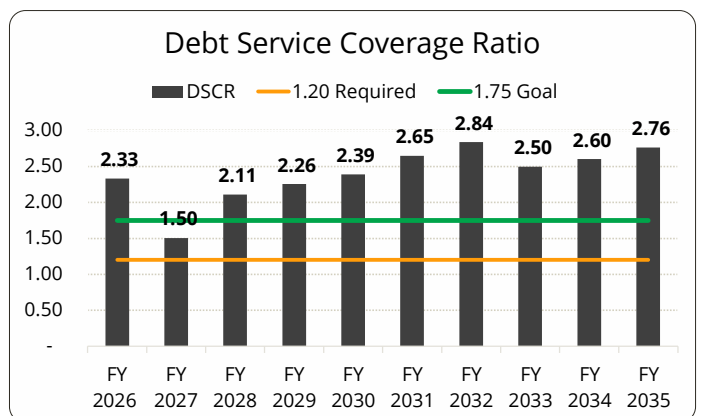
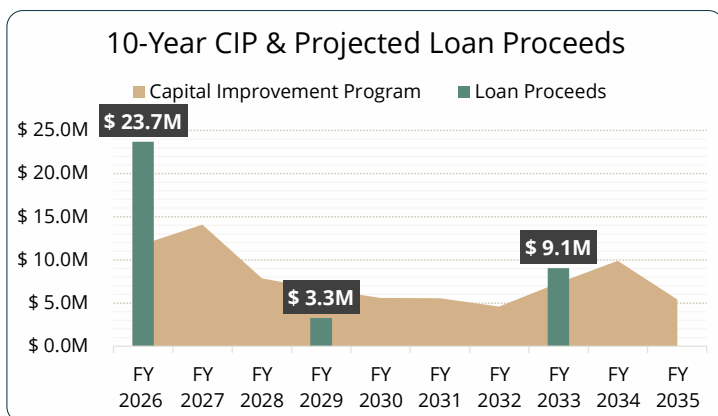
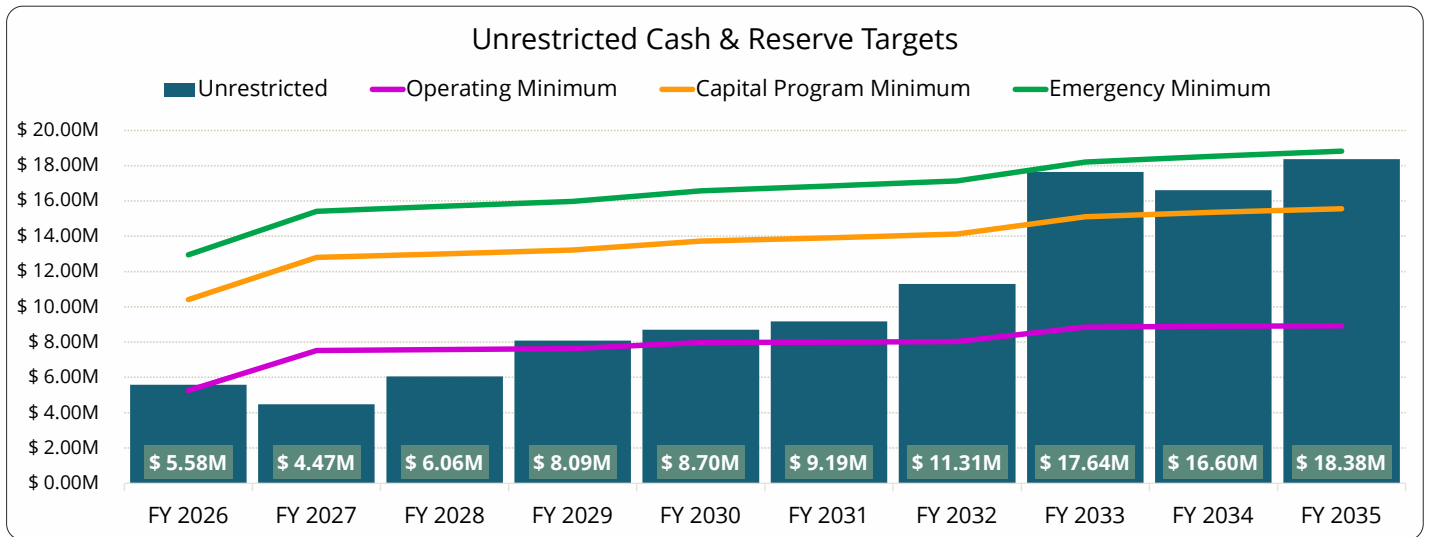
	A	B	C	D	E = C / B
	FY 2025 Actual Results	FY 2026 6/25 Adopted Budget	FY 2026 Mid-Year Adjustment	FY 2026 Proposed Mid-Year Budget	% Budget Change Mid-Year
1 Service Charges					
1 Fixed Service Charges	\$ 3,764,699	\$ 4,499,900	\$ 47,600	\$ 4,547,500	1.1%
3 Variable Service Charges	6,075,174	6,386,300	230,400	6,616,700	3.6%
4 Fixed Service Charges Pass-Through	98,078	262,700	(52,400)	210,300	-19.9%
5 Variable Service Charges Pass-Through	224,147	608,100	(89,900)	518,200	-14.8%
6 Wastewater Charges	2,610,459	2,973,200	-	2,973,200	0.0%
7 Total Service Charges	6,397,399	7,257,100	88,100	7,345,200	1.2%
8 BTP Wholesale Charges					
9 BTP Wholesale Water Sales	991,528	1,054,800	(350,800)	704,000	-33.3%
10 BTP Maintenance Charges	332,737	439,100	(146,000)	293,100	-33.2%
11 Total BTP Wholesale Charges	1,324,264	1,493,900	(496,800)	997,100	-33.3%
12 Other Revenue					
12 BTP Capital Recovery	211,991	214,800	(71,400)	143,400	-33.2%
14 Property Tax Receipts	2,383,268	2,437,300	-	2,437,300	0.0%
15 Customer Fees	499,277	520,200	-	520,200	0.0%
16 Interest Revenue	196,806	160,000	-	160,000	0.0%
17 Miscellaneous Revenue	39,759	38,100	-	38,100	0.0%
18 Total Other Revenue	3,331,101	3,370,400	(71,400)	3,299,000	-2.1%
18 Total Revenue	17,427,923	19,594,500	(432,500)	19,162,000	-2.2%
20 Source of Supply					
21 Variable Water Purchases	3,405,696	2,849,800	(171,800)	2,678,000	-6.0%
22 BTP Water Purchases TCWD	192,409	93,600	347,700	441,300	371.5%
23 BTP Maintenance Expense TCWD	61,903	46,800	146,000	192,800	312.0%
24 Fixed Water Purchases	405,709	401,700	-	401,700	0.0%
25 Chemicals & Electricity	202,711	283,000	(59,400)	223,600	-21.0%
26 Total Source of Supply	4,268,428	3,674,900	262,500	3,937,400	7.1%
27 Cost of BTP Wholesale					
28 BTP Water Purchases for Wholesale	946,849	1,054,800	(350,800)	704,000	-33.3%
29 BTP Maintenance Expense Sales	332,737	439,100	(146,000)	293,100	-33.2%
30 Total Cost of BTP Wholesale	1,279,586	1,493,900	(496,800)	997,100	-33.3%
31 Staffing Resources					
32 Employee Compensation	3,772,437	4,115,500	(69,900)	4,045,600	-1.7%
33 Employee Benefits	1,237,251	1,360,000	(4,900)	1,355,100	-0.4%
34 CalPERS Retirement Unfunded Liability	321,003	395,000	-	395,000	0.0%
35 Retiree Health Insurance Payments	-	201,700	-	201,700	0.0%
36 OPEB Trust Reimbursement	-	(201,700)	-	(201,700)	0.0%
37 Total Staffing Resources	5,330,691	5,870,500	(74,800)	5,795,700	-1.3%
38 Operations & Maintenance					
39 System Repairs and Maintenance	1,388,698	1,030,600	-	1,030,600	0.0%
40 Distribution Electricity	861,172	914,700	-	914,700	0.0%
41 Vehicles and Equipment	237,635	188,800	-	188,800	0.0%
42 Lab Testing & Supplies	157,787	162,000	-	162,000	0.0%
43 Total Operations & Maintenance	2,645,292	2,296,100	-	2,296,100	0.0%
44 General & Administrative					
45 Professional Services	1,156,777	1,033,000	115,500	1,148,500	11.2%
46 Office Maintenance & Supplies	679,896	616,200	-	616,200	0.0%
47 Board of Directors	102,901	111,700	-	111,700	0.0%
48 District Insurance	203,649	237,500	4,500	242,000	1.9%
49 Dues and Memberships	164,463	247,200	-	247,200	0.0%
50 Public Outreach & Rebate Programs	74,488	100,000	-	100,000	0.0%
51 Customer Service and Billing	85,674	81,600	-	81,600	0.0%
52 Conference, Trainings and Travel	33,656	32,300	-	32,300	0.0%
53 Miscellaneous Expense	86,710	193,400	(84,800)	108,600	-43.8%
54 Total General & Administrative	2,588,213	2,652,900	35,200	2,688,100	1.3%
55 Total Expense	16,112,210	15,988,300	(273,900)	15,714,400	-1.7%
56 Net Income / (Loss) from Operations	\$ 1,315,713	\$ 3,606,200	\$ (158,600)	\$ 3,447,600	-4.4%

District
Schedule C: Proposed Cash Flow Projections

		FY 2026 Proposed Mid-Year Budget
Unrestricted Cash		
Unassigned		
1	Beginning Balance	\$ 1,650,693
2	Net Income / (Loss) From Operations	3,447,600
3	Capital Loans Reserve	11,115,656
4	Water Storage Facilities Reserve	-
5	Grant Proceeds for CIP	250,000
6	Capital Improvement Program	(11,825,356)
7	CIP Contingency	-
8	Debt Service	(1,584,961)
9	State Revolving Fund Loan Reserve	-
10	Debt Service 2011 SRF Loan	(230,380)
11	Transfer (To) / From Designated Reserves	-
12	Unassigned Ending Balance	2,823,252
Operating Reserve		
13	Beginning Balance	-
14	Transfer (To) / From Unreserved	-
15	Operating Reserve Ending Balance	-
Capital Program Reserve		
16	Beginning Balance	2,751,897
17	Transfer (To) / From Unassigned	-
18	Capital Program Reserve Ending FY Balance	2,751,897
Emergency Reserve		
19	Beginning Balance	-
20	Transfer (To) / From Unassigned	-
21	Emergency Reserve Ending FY Balance	-
22	Total Unrestricted Ending FY Balance	5,575,149
Restricted Cash		
Water Storage Facilities Reserve		
23	Beginning Balance	1,174,218
24	Transfer (To) / From Unassigned	-
25	Water Storage Facilities Reserve Ending Balance	1,174,218
Capital Loans Reserve		
26	Beginning Balance	7,421,847
27	Loan Proceeds	23,681,790
28	Transfer (To) / From Unassigned	(11,115,656)
29	Capital Loans Reserve Ending Balance	19,987,981
State Revolving Fund Loan Reserve		
30	Beginning Balance	239,854
31	Transfer (To) / From Unassigned	-
32	State Revolving Fund Loan Reserve Ending Balance	239,854
Oaks at Trabuco Reserve		
33	Beginning Balance	123,931
34	Transfer (To) / From Unassigned	-
35	Oaks at Trabuco Reserve Ending Balance	123,931
36	Total Restricted Ending Balance	\$ 21,525,984

District Schedule D: FY 2026 Proposed Mid-Year Financial Plan

	<i>Water Revenue Adjustment</i>	<i>*Footnote</i>	10.0%	10.0%	9.0%	7.0%	4.0%	2.0%	2.0%	2.0%	2.0%
	<i>Wastewater Revenue Adjustment</i>	16.0%	12.0%	12.0%	7.5%	7.5%	7.5%	7.5%	6.0%	6.0%	6.0%
	<i>Recycled Revenue Adjustment</i>	18.0%	10.0%	10.0%	18.0%	9.0%	6.0%	6.0%	2.0%	2.0%	2.0%
	FY 2026 Proposed Mid-Year Budget	FY 2027 Projected Results	FY 2028 Projected Results	FY 2029 Projected Results	FY 2030 Projected Results	FY 2031 Projected Results	FY 2032 Projected Results	FY 2033 Projected Results	FY 2034 Projected Results	FY 2035 Projected Results	
1	Fixed Service Charges	\$ 4.55M	\$ 5.18M	\$ 5.69M	\$ 6.45M	\$ 6.91M	\$ 7.19M	\$ 7.35M	\$ 7.49M	\$ 7.64M	\$ 7.80M
2	Variable Service Charges	6.62M	7.60M	8.36M	9.72M	10.44M	10.91M	11.23M	11.45M	11.68M	11.92M
3	Pass-Through Charges	0.73M	0.58M	0.60M							
4	Wastewater Charges	2.97M	3.33M	3.73M	4.01M	4.31M	4.64M	4.99M	5.28M	5.60M	5.94M
5	BTP Wholesale Charges	1.00M	1.57M	1.64M	1.72M	1.81M	1.89M	1.99M	2.08M	2.18M	2.29M
6	Other Revenue	3.30M	3.37M	3.47M	3.58M	3.69M	3.85M	4.05M	4.26M	4.44M	4.62M
7	Total Revenue	19.16M	21.63M	23.50M	25.48M	27.16M	28.47M	29.59M	30.57M	31.54M	32.56M
8	Source of Supply	3.94M	3.10M	3.24M	3.39M	3.55M	3.71M	3.88M	4.06M	4.25M	4.45M
9	Cost of BTP Wholesale	1.00M	1.57M	1.64M	1.72M	1.81M	1.89M	1.99M	2.08M	2.18M	2.29M
10	Staffing Resources	5.80M	5.97M	6.14M	6.34M	6.50M	6.66M	6.82M	6.98M	7.15M	7.32M
11	Operations & Maintenance	2.30M	2.37M	2.45M	2.53M	2.62M	2.71M	2.80M	2.89M	2.99M	3.09M
12	General & Administrative	2.69M	2.58M	2.66M	2.75M	2.94M	2.92M	3.01M	3.10M	3.30M	3.29M
13	Total Expense	15.71M	15.58M	16.13M	16.74M	17.41M	17.90M	18.50M	19.12M	19.87M	20.44M
14	Net Income / (Loss) from Operations	3.45M	6.05M	7.37M	8.74M	9.75M	10.58M	11.09M	11.45M	11.67M	12.12M
15	Capital Loans Reserve	11.12M	11.18M	6.07M	4.68M	1.33M			6.40M	2.66M	
16	Water Storage Facilities Reserve								1.17M		
17	Grant Proceeds for CIP	0.25M		0.97M							
18	Capital Improvement Program	- 11.83M	- 14.08M	- 7.84M	- 6.62M	- 5.60M	- 5.56M	- 4.60M	- 7.36M	- 9.89M	- 5.42M
19	CIP Contingency			- 0.78M	- 0.66M	- 0.56M	- 0.56M	- 0.46M	- 0.74M	- 0.99M	- 0.54M
20	Debt Service	- 1.58M	- 4.02M	- 3.95M	- 3.88M	- 4.08M	- 4.00M	- 3.91M	- 4.58M	- 4.49M	- 4.39M
21	State Revolving Fund Loan Reserve						0.24M				
22	Debt Service 2011 SRF Loan	- 0.23M	- 0.23M	- 0.23M	- 0.23M	- 0.23M	- 0.23M				
23	Net Change in Unrestricted Cash	\$ 1.17M	-\$ 1.11M	\$ 1.59M	\$ 2.03M	\$ 0.62M	\$ 0.48M	\$ 2.12M	\$ 6.34M	-\$ 1.04M	\$ 1.77M



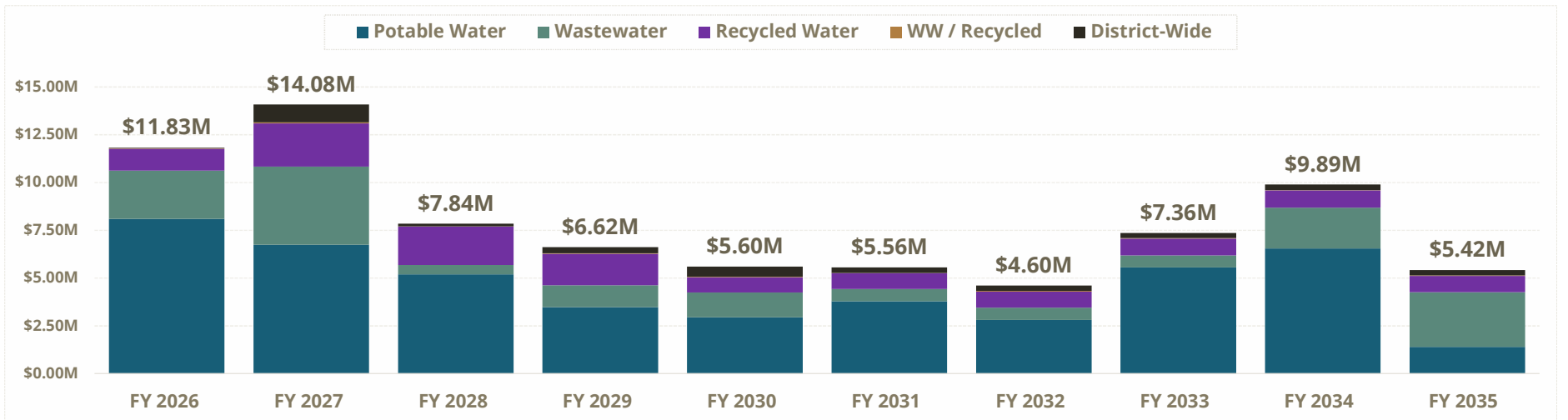
*Water rates will be implemented semi-annually at July 1, 2025 and January 1, 2026 during Fiscal Year 2026. Please refer to the District adopted budget document for additional information.

**10-Year Capital Improvement Program
Proposed FY 2026 Mid-Year Budget
January 15, 2026**



**Schedule E
CIP Summary**

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	TTL
Potable Water	\$8.11M	\$6.74M	\$5.19M	\$3.48M	\$2.94M	\$3.79M	\$2.81M	\$5.55M	\$6.55M	\$1.39M	\$46.56M
Wastewater	\$2.52M	\$4.09M	\$0.49M	\$1.15M	\$1.30M	\$0.64M	\$0.64M	\$0.64M	\$2.14M	\$2.87M	\$16.45M
Recycled Water	\$1.14M	\$2.26M	\$2.01M	\$1.65M	\$0.80M	\$0.83M	\$0.85M	\$0.87M	\$0.90M	\$0.85M	\$12.17M
WW / Recycled	\$0.03M	\$0.06M	\$0.03M	\$0.03M	\$0.03M	\$0.03M	\$0.03M	\$0.03M	\$0.03M	\$0.03M	\$0.28M
District-Wide	\$0.03M	\$0.93M	\$0.13M	\$0.33M	\$0.53M	\$0.28M	\$0.28M	\$0.28M	\$0.28M	\$0.28M	\$3.35M
Total CIP	\$11.83M	\$14.08M	\$7.84M	\$6.62M	\$5.60M	\$5.56M	\$4.60M	\$7.36M	\$9.89M	\$5.42M	\$78.81M



TOP 10 PROJECT BUDGETS	10-Year Filter (Multiple Items)			TOP 10 CIP TOTAL BUDGETS			TOP 10 FISCAL YEAR 2026 BUDGETS		
	Row Labels	Total Project Budget (Net)		Row Labels	FY 2026	Project Title	Row Labels	FY 2026	Project Title
	PW-03	11,000,000	Transmission Main Replacement DWTP to Ridgeline PS	PW-03	7,000,000	Transmission Main Replacement DWTP to Ridgeline PS	PW-03	7,000,000	Transmission Main Replacement DWTP to Ridgeline PS
PW-26	10,320,000	New 1.5MG Reservoir	WW-40	1,477,672	WWTP Hoffman Blower Building Rehab / MCC Replac	WW-40	1,477,672	WWTP Hoffman Blower Building Rehab / MCC Replac	
PW-20	3,489,000	10" Pipeline Replacement Cooks Corner to Harris Grade	RW-13	560,000	Dove Canyon Recycled Booster Pump Station	RW-13	560,000	Dove Canyon Recycled Booster Pump Station	
PW-42	3,300,000	Pipeline Replacement Program	WW-50	370,000	WWTP Headworks Replacement	WW-50	370,000	WWTP Headworks Replacement	
WW-28	3,000,000	New Force Main - Golf Club to WWTP	PW-02	300,000	DWTP Electrical Improvements	PW-02	300,000	DWTP Electrical Improvements	
WW-09	2,500,000	Heritage Sewer Lift Station Rehabilitation	PW-38	275,000	Saddle Crest Reservoir Outlet Pipe	PW-38	275,000	Saddle Crest Reservoir Outlet Pipe	
DW-01	2,350,000	Fleet & Heavy Equipment Purchases	RW-23	259,700	Tick & Dove Creek Pump Station Improvements	RW-23	259,700	Tick & Dove Creek Pump Station Improvements	
PW-02	2,000,000	DWTP Electrical Improvements	WW-09	200,000	Heritage Sewer Lift Station Rehabilitation	WW-09	200,000	Heritage Sewer Lift Station Rehabilitation	
PW-29	2,000,000	Permanent Generator Installation at DWTP	RW-51	192,106	Reservoir V-Ditch Rehabilitation	RW-51	192,106	Reservoir V-Ditch Rehabilitation	
RW-24	1,999,730	Dove Lake Slide Gate Replacement	PW-25	150,000	Trabuco Oaks / Adkinson Fire Flow Improvements	PW-25	150,000	Trabuco Oaks / Adkinson Fire Flow Improvements	

10-Year Capital Improvement Program
Proposed FY 2026 Mid-Year Budget
January 15, 2026



Schedule E
CIP Detail

New Project ID	System	Project Title Budget	Total Project Budget (Net)	Total Spent through 6/30/25	Original Adopted FY 2026	Mid-Year Adjustment	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
DW-01	District-Wide	Fleet & Heavy Equipment Purchases	2,350,000	-	-	-		200,000	100,000	300,000	500,000	250,000	250,000	250,000	250,000	250,000
DW-02	District-Wide	SCADA System Upgrades	1,642,628	1,642,628	-	-										
DW-03	District-Wide	Admin Building Server Replacement	280,896	280,896	-	-										
DW-03F	District-Wide	Admin Building Server Replacement - Funding	(250,000)	-	(250,000)	-	(250,000)									
DW-04	District-Wide	Mobile Generators Purchase	700,000	-	-	-		700,000								
DW-77	District-Wide	Small Capital - DW	300,000	-	-	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
PW-01	Potable Water	Permanent Generator at Robinson Ranch Pump Station	1,500,000	-	-	-						750,000	750,000			
PW-02	Potable Water	DWTP Electrical Improvements	2,000,000	-	300,000	-	300,000	850,000	850,000							
PW-03	Potable Water	Transmission Main Replacement DWTP to Ridgeline PS	11,000,000	167,439	7,000,000	-	7,000,000	3,832,561								
PW-04	Potable Water	DWTP Filter #4 Repair	50,879	-	-	50,879	50,879									
PW-05	Potable Water	Plano Trabuco Pump Station Improvements	80,000	-	-	-			80,000							
PW-12	Potable Water	Canyon Creek Pump Station Improvements	800,000	-	-	-		800,000								
PW-15	Potable Water	Rose Canyon Reservoir Coating and Site Improvements	1,139,850	-	-	-		569,925	569,925							
PW-16	Potable Water	Harris Grade #1 Reservoir Coating and Site Upgrades	989,870	-	-	-			494,935	494,935						
PW-17	Potable Water	Upper Dove Canyon Reservoir Coating & Site Upgrades	1,279,830	-	-	-				800,000	479,830					
PW-18	Potable Water	Trabuco #2 Reservoir Coating and Site Improvements	1,949,740	-	-	-					974,870	974,870				
PW-19	Potable Water	Trabuco #1 Reservoir Coating and Site Improvements	1,149,850	-	-	-						574,925	574,925			
PW-20	Potable Water	10" Pipeline Replacement Cooks Corner to Harris Grade	3,489,000	178,184	225,000	(125,000)	100,000		1,700,000	1,510,816						
PW-25	Potable Water	Trabuco Oaks / Adkinson Fire Flow Improvements	1,539,800	-	150,000	-	150,000	200,000	1,189,800							
PW-26	Potable Water	New 1.5MG Reservoir	10,320,000	-	-	-								5,160,000	5,160,000	
PW-26F	Potable Water	New 1.5MG Reservoir Funding	(1,174,218)	-	-	-								(1,174,218)		
PW-29	Potable Water	Permanent Generator Installation at DWTP	2,000,000	-	-	-										
PW-30	Potable Water	Robinson Ranch PS Upgrades	-	-	-	-									1,000,000	1,000,000
PW-31	Potable Water	PSPS Manual Transfer Switch Upgrades - PW	21,574	21,574	-	-										
PW-35	Potable Water	Pressure Reducing Vault Improvements - PW	380,000	-	-	20,000	20,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
PW-36	Potable Water	PW Pump Replacements	1,900,000	-	-	100,000	100,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
PW-37	Potable Water	PW Valve Replacements	760,000	-	-	40,000	40,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
PW-38	Potable Water	Saddle Crest Reservoir Outlet Pipe	275,000	-	275,000	-	275,000									
PW-39	Potable Water	PRV Rehabilitation - Lyndsay and Plano / Dove	200,000	-	-	-				200,000						
PW-40	Potable Water	Dove Clubhouse Upgrades - Vault, Bypass Piping, Meter	100,000	-	-	-		100,000								
PW-41	Potable Water	PW Meter Replacements	200,000	-	-	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
PW-42	Potable Water	Pipeline Replacement Program	3,300,000	-	-	-					1,100,000	1,100,000	1,100,000			
PW-77	Potable Water	Small Capital - PW	500,000	-	-	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
RW-00	Recycled Water	Year 10 CIP Projection - RW	821,000	-	-	-										821,000
RW-13	Recycled Water	Dove Canyon Recycled Booster Pump Station	1,430,000	205,107	560,000	-	560,000	664,894								
RW-23	Recycled Water	Tick & Dove Creek Pump Station Improvements	2,500,000	15,193	259,700	-	259,700	1,112,550	1,112,550							
RW-23F	Recycled Water	Tick & Dove Creek Funding	(967,080)	-	(220,700)	220,700				(967,080)						
RW-24	Recycled Water	Dove Lake Slide Gate Replacement	1,999,730	-	-	-		266,000	866,900	866,830						
RW-50	Recycled Water	Dove Canyon Recycled PRV Improvement	365,000	73,849	-	100,000	100,000	191,151								
RW-51	Recycled Water	Reservoir V-Ditch Rehabilitation	192,106	-	-	192,106	192,106									
RW-52	WW / Recycled	WWTP Access Road Paving Slurry Coat	30,000	-	-	-		30,000								
RW-77	Recycled Water	Small Capital - RW	300,000	-	-	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
RW-X4	Recycled Water	Recycled Water Future Projects Year 4	750,000	-	-	-				750,000						
RW-X5	Recycled Water	Recycled Water Future Projects Year 5	772,500	-	-	-					772,500					
RW-X6	Recycled Water	Recycled Water Future Projects Year 6	795,700	-	-	-						795,700				
RW-X7	Recycled Water	Recycled Water Future Projects Year 7	819,600	-	-	-							819,600			
RW-X8	Recycled Water	Recycled Water Future Projects Year 8	844,200	-	-	-								844,200		
RW-X9	Recycled Water	Recycled Water Future Projects Year 9	869,500	-	-	-									869,500	
WR-01	WW / Recycled	WWTP Reservoir Gate Improvements	151,280	151,280	-	-										
WR-77	WW / Recycled	Pump Replacements - WW / Recycled	250,000	-	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
WW-00	Wastewater	Year 10 CIP Projection - WW	886,900	-	-	-										886,900
WW-06	Wastewater	WWTP Influent EQB Piping to SBRs & Pump Improvements	1,000,000	-	-	100,000	100,000	900,000								
WW-07	Wastewater	Barneburg Lift Station Upgrades	100,000	21,520	-	-		78,480								
WW-08	Wastewater	Robinson Ranch WWTP Improvements - Phase 2	1,322,720	-	-	-				661,360	661,360					
WW-09	Wastewater	Heritage Sewer Lift Station Rehabilitation	2,500,000	394,002	400,000	(200,000)	200,000	1,905,998								
WW-10	Wastewater	Plano Trabuco Lift Station Upgrades	-	-	-	-										
WW-11	Wastewater	Via Allegre Lift Station Improvements	122,320	-	-	-		122,320								
WW-12	Wastewater	WWTP Brine Tank Removal / Storage Facility	-	-	-	-										
WW-13	Wastewater	New Force Main - Oaks to El Toro or O'Neill	-	-	-	-										
WW-24	Wastewater	5-year CCTV Monitoring Program	750,000	-	-	-					150,000	150,000	150,000	150,000	150,000	
WW-28	Wastewater	New Force Main - Golf Club to WWTP	3,000,000	-	-	-									1,500,000	1,500,000
WW-39	Wastewater	Golf Club Sewer Lift Station Rehabilitation	3,538,133	3,538,133	-	-										
WW-40	Wastewater	WWTP Hoffman Blower Building Rehab / MCC Replacement	2,600,000	522,328	1,290,177	187,494	1,477,672	600,000								
WW-41	Wastewater	WWTP SCADA & Fiber Optic Upgrade	367,241	-	-	-										
WW-42	Wastewater	PSPS Manual Transfer Switch Installations - WW	27,031	27,031	-	-										
WW-45	Wastewater	El Toro Lift Station Force Main Discharge Valve Replacement	-	-	-	-										

**10-Year Capital Improvement Program
Proposed FY 2026 Mid-Year Budget
January 15, 2026**



**Schedule E
CIP Detail**

New Project ID	System	Project Title Budget	Total Project Budget (Net)	Total Spent through 6/30/25	Original Adopted FY 2026	Mid-Year Adjustment	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
WW-46	Wastewater	Wet Well Recoating Program	300,000	-		30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
WW-47	Wastewater	Manhole Recoating Program	300,000	-		30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
WW-48	Wastewater	WW Pump Replacements	1,900,000	-		100,000	100,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
WW-49	Wastewater	SMWD Chiquita WWTP Shared Capital	1,788,275	93,275	140,000	(20,000)	120,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
WW-50	Wastewater	WWTP Headworks Replacement	370,000	-	370,000	-	370,000									
WW-51	Wastewater	WWTP Handrail Replacement - Segment B&C	20,000	-		20,000	20,000									
WW-77	Wastewater	Small Capital - WW	525,000	-		75,000	75,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total			\$ 84,115,855	\$ 7,699,682	\$ 10,499,177	\$ 1,076,179	\$ 11,575,356	\$ 14,083,879	\$ 6,877,030	\$ 6,623,941	\$ 5,598,560	\$ 5,555,495	\$ 4,604,525	\$ 6,189,982	\$ 9,889,500	\$ 5,417,900
*PROJECTS HAVE GRANT FUNDS AWARDED																

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JANUARY 15, 2026**

FINANCIAL MATTERS

ITEM 4: DISCUSSION CONCERNING RESOLUTION ON TREASURER’S ANNUAL STATEMENT OF INVESTMENT POLICY

Effective January 1, 1997, legislation was passed which affected the language of investment policies for local agencies. The changes under the legislative mandates included the addition of Section 2 (Prudence), and Section 3 (Objectives), which specifies that safety, liquidity, and return on investments shall be primary objectives. The District is also required to annually prepare and submit a statement of investment policy to be considered by the Board of Directors at a public meeting. With the assistance of Legal Counsel and financial consultants, District staff incorporates any relevant changes to the investment policy resulting from new laws or regulations as part of this annual requirement.

On February 20, 2025, the Board of Directors adopted Resolution No. 2025–1342 in compliance with the legislatively- mandated annual requirement; this Resolution is included as Exhibit 1. District staff has worked with the District Treasurer and General Counsel to review the current language to ensure consistency with applicable laws and regulations, and a redlined draft resolution is included for consideration (Exhibit 2). More information may be presented at the time of the meeting.

FUNDING SOURCE:

General Fund

FISCAL IMPACT

None at this time

RECOMMENDED ACTION:

Recommend the Board of Directors adopt Resolution No. 2026-1363 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting An Investment Policy (Action Calendar).

EXHIBITS:

1. Resolution No. 2025-1342
2. Draft Resolution No. 2026-1363

CONTACTS (staff responsible): PEREA/BERG/WARNER

RESOLUTION NO. 2025-1342
RESOLUTION OF THE BOARD OF DIRECTORS
OF TRABUCO CANYON WATER DISTRICT ADOPTING
AN INVESTMENT POLICY

The legislative body of a local agency may invest surplus monies not required for the immediate necessities of that local agency in accordance with California Government Code Sections 5920 *et seq.* and 53600 *et seq.*

The Treasurer of the Trabuco Canyon Water District (“**District**”) annually prepares and submits a statement of investment policy for consideration by the Board of Directors (“**Board**”) at a public meeting. (California Government Code Section 53646(a).)

The Board intends by adopting this investment policy to establish clear requirements and limitations on the District’s authorized investment activities.

THE BOARD OF DIRECTORS OF THE TRABUCO CANYON WATER DISTRICT HEREBY RESOLVES, DETERMINES AND ORDERS AS FOLLOWS:

Section 1. Scope of Policy: This resolution constitutes the District's Investment Policy (“**Policy**”) and applies to all financial assets of the District. These funds are accounted for in the annual District audited financial statements and include:

- General Fund
- Bond Funds consisting of debt service reserve funds and construction funds
- Reserve Funds

Funds in the deferred compensation plan and funds in California Employers’ Retiree Benefit Trust fund plan for retiree benefits are not included in the scope of this Resolution.

Section 2. Prudence: Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and anticipated financial needs of the District, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the “prudent investor” standard (as set out in California Government Code Section 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the Policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Section 3. Objectives: As specified in California Government Code Section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

a. **Safety:** Safety of principal is the foremost objective of the Policy. Investments by the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required so that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

b. **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements that might be reasonably anticipated.

c. **Return on Investment(s):** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

Section 4. Delegation of Authority: Authority to manage the Policy is derived from California Government Code Sections 53600 *et seq.* This delegation of authority will expire one year from the policy effective date and may be renewed by the Board of Directors from year to year, or revoked at the discretion of the Board of Directors. Management responsibility for the Policy is hereby delegated to the Treasurer. No person may engage in an investment transaction except as provided under the terms of the Policy. The Board shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of the Treasurer or any other subordinate officials. Under the provisions of California Government Code Section 53600.3, in exercising the powers set out in this Resolution and under the Policy the Treasurer is, and shall act as, a trustee and a fiduciary subject to the prudent investor standard.

Section 5. Ethics and Conflicts of Interest: District officers and employees involved in the investment process shall fully comply with the District's current Conflict of Interest Code in the execution of the Policy. District officers and employees involved in the investment process shall refrain from personal business activity that could conflict, or appear to conflict, with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Section 6. Authorized Financial Institutions and Dealers:

a. The Treasurer shall maintain a list of financial institutions, selected on the basis of creditworthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list may also be maintained of approved security brokers/dealers selected by credit worthiness, who are authorized to provide investment and financial advisory services in the State. No public deposit shall be made except in a qualified public depository as established by State laws.

b. For brokers/dealers of government securities and other investments, the Treasurer shall select only brokers/dealers who are licensed and in good standing with the California Department of Securities, the United States Securities and Exchange Commission, the National Association of Securities Dealers, or other applicable self-regulatory organizations.

c. Before engaging in investment transactions with a broker/dealer, the Treasurer shall have received from such firm a signed certification form. This certification form shall attest that the individual responsible for the District's account(s) with that firm has reviewed the Policy and that the firm understands the Policy and intends to present investment recommendations and transactions to the District that are appropriate under the terms and conditions of the Policy.

d. Where all funds of the District not placed in FDIC insured accounts are invested through the State of California Local Agency Investment Fund ("LAIF"), the District's Authorized Investment Officers shall not be required investigate the qualifications of those financial institutions and broker/dealers with whom LAIF transacts business.

Section 7. Authorized and Suitable Investments:

a. **Permitted Investments:** District funds may be invested as authorized by, and subject to the limitations and special conditions of, California Government Code Sections 53601 *et seq.*, and 53635.

b. **Prohibited Investments:** Under the provisions of California Government Code Sections 53601.6 and 53635, the District shall not invest any funds covered by the Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools. In addition, and more generally, investments are further restricted as follows:

- A security purchased will not have a forward settlement date exceeding 45 days from the time of investment.
- No investment will be made that has either (1) an embedded option or characteristic which could result in a loss of principal if the investment is held to maturity, or (2) an embedded option or characteristic which could seriously limit accrual rates or which could result in zero interest accrual periods.
- No investment will be made that could cause the portfolio to be leveraged.

Section 8. Collateralization: All certificates of deposits must be collateralized by U.S. Treasury obligations. Such collateral must be held by a third-party trustee and valued on a monthly basis. The percentage of collateralization on repurchase and reverse repurchase agreements will adhere to the amount required under California Government Code Section 53601(j).

Section 9. Safekeeping and Custody: All security transactions entered into by the District shall be conducted on a delivery-versus-payment basis. All securities purchased or acquired shall be delivered to the District by book-entry, physical delivery or by third party custodial agreement as required by California Government Code Section 53601.

Section 10. Diversification: The District shall diversify its investments by security type and institution. It is the policy of the District to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- a. Portfolio maturities shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- b. Maturities selected shall provide for stability of income and liquidity.
- c. Disbursement and payroll dates shall be covered through maturities investments, marketable U. S. Treasury Bills or other cash equivalent instruments such as money market mutual funds.

Section 11. Reporting:


- a. The Treasurer may submit to each member of the Board a quarterly investment report. If the Treasurer submits a quarterly investment report to the Board, the report must comply with California Government Code Section 53646(b)(1). Such report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values on current market values of each component of the portfolio, including funds managed for the District by third party contracted managers, if applicable. The report will also include a certification that: (1) all investment actions executed since the last report have been made in full compliance with the Policy and (2) the District will meet its expenditure obligations for the next six months as required by California Government Code Sections 53646(b)(2) and (3), respectively. The Treasurer shall maintain a complete and timely written record of all investment transactions.
- b. In accordance with California Government Code Section 53607, the Treasurer shall make a monthly report of transactions to the Board. The Treasurer shall make monthly reports until the delegation to invest is revoked or expires.

Section 12. Investment Policy Adoption: The Policy shall be adopted by resolution adopted by the Board. The Policy shall be reviewed on at least an annual basis, and any modifications must be approved by the Board.

ADOPTED, SIGNED AND APPROVED February 20, 2025.

TRABUCO CANYON WATER DISTRICT

By: 
President/Vice President

By: 
District Secretary


APPROVED AS TO FORM:
Hanson Bridgett, LLP

By: 
General Counsel

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, hereby certify that the foregoing resolution was duly adopted by the Board of the District at a meeting held on February 20, 2025, at which a quorum was present and acting throughout and for which notice and an agenda was prepared and posted as required by law, and the resolution was adopted by the following vote:

AYES: Mandich, Acosta, Anderson, Horst, & Safranski
NOES: None
ABSTAIN: None
ABSENT: None



District Secretary
Trabuco Canyon Water District

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 2025-1342 and it has not been amended or repealed.

Dated February 20, 2025.



District Secretary
Trabuco Canyon Water District

RESOLUTION NO. 2026-1363
RESOLUTION OF THE BOARD OF DIRECTORS
OF TRABUCO CANYON WATER DISTRICT ADOPTING
AN INVESTMENT POLICY

The legislative body of a local agency may invest surplus monies not required for the immediate necessities of that local agency in accordance with California Government Code Sections 5920 *et seq.* and 53600 *et seq.*

The Treasurer of the Trabuco Canyon Water District (“**District**”) annually prepares and submits a statement of investment policy for consideration by the Board of Directors (“**Board**”) at a public meeting. (California Government Code Section 53646(a).)

The Board intends by adopting this investment policy to establish clear requirements and limitations on the District’s authorized investment activities.

THE BOARD OF DIRECTORS OF THE TRABUCO CANYON WATER DISTRICT HEREBY RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS:

Section 1. Scope of Policy: This resolution constitutes the District's Investment Policy (“**Policy**”) and applies to all financial assets of the District, except funds in the deferred compensation plan and funds in California Employers’ Retiree Benefit Trust Fund plan for retiree benefits.

Section 2. Prudence: Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and anticipated financial needs of the District, that persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by District officers and employees involved in the investment process shall be the “prudent investor” standard (as set out in California Government Code Section 53600.3) and shall be applied in the context of managing an overall portfolio. District officers and employees involved in the investment process acting in accordance with written procedures and this Policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Section 3. Objectives: As specified in California Government Code Section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

a. **Safety:** Safety of principal is the foremost objective of the Policy. Investments by the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required so that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

b. **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements that might be reasonably anticipated.

c. **Return on Investment(s):** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, considering the investment risk constraints and the cash flow characteristics of the portfolio.

Section 4. Delegation of Authority: Authority to manage the Policy is derived from California Government Code Sections 53600 *et seq.* This delegation of authority will expire one year from the policy effective date and may be renewed by the Board of Directors from year to year or revoked at the discretion of the Board of Directors. Management responsibility for the Policy is hereby delegated to the Treasurer. No person may engage in an investment transaction except as provided under the terms of the Policy. The Board shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of the Treasurer or any other subordinate officials. Under the provisions of California Government Code Section 53600.3, in exercising the powers set out in this Resolution and under the Policy, the Treasurer is, and shall act as, a trustee and a fiduciary subject to the prudent investor standard.

Section 5. Ethics and Conflicts of Interest: District officers and employees involved in the investment process shall fully comply with the District's current Conflict of Interest Code in the execution of the Policy. District officers and employees involved in the investment process shall refrain from personal business activity that could conflict, or appear to conflict, with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

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a. The Treasurer shall maintain a list of financial institutions, selected on the basis of creditworthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list may also be maintained of approved security brokers/dealers selected by credit worthiness, who are authorized to provide investment and financial advisory services in the State. No public deposit shall be made except in a qualified public depository as established by State laws.

b. For brokers/dealers of government securities and other investments, the Treasurer shall select only brokers/dealers who are licensed and in good standing with the California Department of Securities, the United States Securities and Exchange Commission, the National Association of Securities Dealers, or other applicable self-regulatory organizations.

c. Before engaging in investment transactions with a broker/dealer, the Treasurer shall have received from such firm a signed certification form. This certification form shall attest that the individual responsible for the District's account(s) with that firm has reviewed the Policy and that the firm understands the Policy and intends to present investment recommendations and transactions to the District that are appropriate under the terms and conditions of the Policy.

d. The Treasurer shall not be required to investigate the qualifications of those financial institutions and broker/dealers with whom the following public investment pools or programs transact business:

- The California Local Agency Investment Fund (LAIF)
- The California Cooperative Liquid Assets Securities System (CLASS)

Section 7. Authorized and Suitable Investments:

a. **Permitted Investments:** District funds may be invested as authorized by, and subject to the limitations and special conditions of, California Government Code Sections 53601 *et seq.*, and 53635.

b. **Prohibited Investments:** Under the provisions of California Government Code Sections 53601.6 and 53635, the District shall not invest any funds covered by the Policy in inverse floaters, range notes, or interest-only strips derived from mortgage pools. In addition, and more generally, investments are further restricted as follows:

- A security purchase will not have a forward settlement date exceeding 45 days from the time of investment.
- No investment will be made that has either (1) an embedded option or characteristic which could result in a loss of principal if the investment is held to maturity, or (2) an embedded option or characteristic which could seriously limit accrual rates or which could result in zero interest accrual periods.
- No investment will be made that could cause the portfolio to be leveraged.

Section 8. Collateralization: All certificates of deposit must be collateralized by U.S. Treasury obligations. Such collateral must be held by a third-party trustee and valued monthly. The percentage of collateralization on repurchase and reverse repurchase agreements will adhere to the amount required under California Government Code Section 53601(j).

Section 9. Safekeeping and Custody: All security transactions entered into by the District shall be conducted on a delivery-versus-payment basis. All securities purchased or acquired shall be delivered to the District by book-entry, physical delivery, or by third party custodial agreement as required by California Government Code Section 53601.

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- a. Portfolio maturities shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- b. Maturities selected shall provide for stability of income and liquidity.
- c. Disbursement and payroll dates shall be covered through maturities investments, marketable U. S. Treasury Bills, or other cash equivalent instruments such as money market mutual funds.

Section 11. Reporting:

- a. The Treasurer may submit to each member of the Board a quarterly investment report. If the Treasurer submits a quarterly investment report to the Board, the report must comply with California Government Code Section 53646(b)(1). Such report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values on current market values of each component of the portfolio, including funds managed for the District by third party contracted managers, if applicable. The report will also include a certification that: (1) all investment actions executed since the last report have been made in full compliance with the Policy and (2) the District will meet its expenditure obligations for the next six months as required by California Government Code Sections 53646(b)(2) and (3), respectively. The Treasurer shall maintain a complete and timely written record of all investment transactions.
- b. In accordance with California Government Code Section 53607, the Treasurer shall make a monthly report of transactions to the Board. The Treasurer shall make monthly reports until the delegation to invest is revoked or expires.

Section 12. Investment Policy Adoption: The Policy shall be adopted by resolution adopted by the Board. The Policy shall be reviewed on at least an annual basis, and any modifications must be approved by the Board.

ADOPTED, SIGNED AND APPROVED January 21, 2026.

TRABUCO CANYON WATER DISTRICT

By: _____
President/Vice President

By: _____
District Secretary

APPROVED AS TO FORM:
Hanson Bridgett, LLP

By: _____
General Counsel

DRAFT

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, hereby certify that the foregoing resolution was duly adopted by the Board of the District at a meeting held on January 21, 2026, at which a quorum was present and acting throughout and for which notice and an agenda was prepared and posted as required by law, and the 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, hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 2026-1363 and it has not been amended or repealed.

Dated January 21, 2026.

District Secretary
Trabuco Canyon Water District

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JANUARY 15, 2026**

**FINANCIAL MATTERS
ITEM 5: FINANCIAL REPORT**

A) PRESENTATION OF PRELIMINARY UNAUDITED FINANCIAL STATEMENTS

RECOMMENDED ACTION:

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

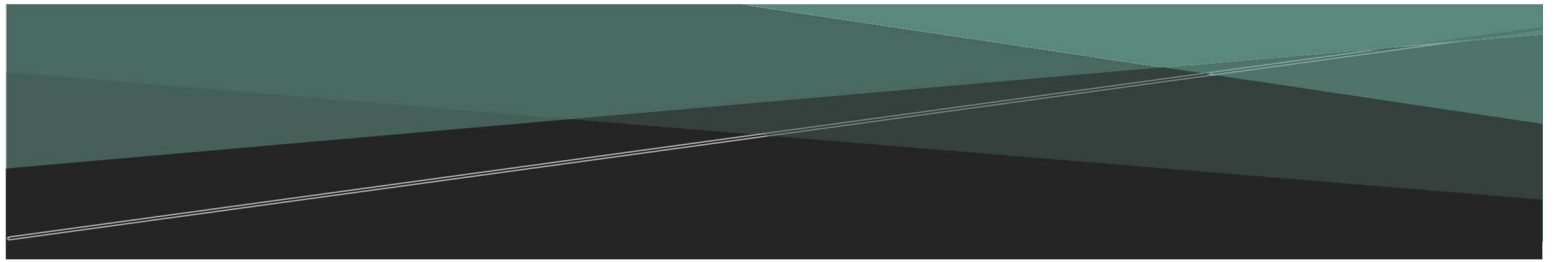
B) BILLS FOR CONSIDERATION

The total of the bills for consideration will be presented at the time of the January 15, 2026 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 January 15, 2026 as presented (Consent Calendar).

CONTACTS (staff responsible): PEREA/BERG/WARNER



Financial Reporting

November 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
November 2025**

CASH & INVESTMENTS

As of the reporting date, District cash and investments totaled \$11,247,669. The investment portfolio is primarily invested in the California Cooperative Liquid Assets Securities System (CLASS) Prime Fund due to the safety, liquidity and yield offered by the pool. The estimated average CLASS return throughout the reporting month outperformed the Local Agency Investment Fund (LAIF) by approximately 0.015%. The reporting month’s inflows included the first substantial property tax cash receipts for Fiscal Year 2025-26. The bulk of remaining property tax receipts are anticipated in December, April and May.

CASH FLOW HIGHLIGHTS

During the reporting month, the District’s cash position increased by \$184,528 from the prior month. The District received \$425,271 in property tax receipts during the month, and these receipts are the primary contributor to the increase in cash. The major categories of cash inflows and outflows are displayed in the following table:

Cash Inflows	Customer Payments	\$ 1,374,678.10
	Property Taxes	425,271.84
	Investments	25,910.81
	Miscellaneous Receipts	20,719.21
	Total Inflows	1,846,579.96
Cash Outflows	Accounts Payable	1,175,480.55
	Payroll and Benefits	486,570.99
	Debt Service	-
	Miscellaneous Payments	-
	Total Outflows	1,662,051.54
Net Cash Inflows / (Outflows)		\$ 184,528.42

TOP 10 TOTAL VENDOR PAYMENTS

Accounts Payable activities represent the largest category of cash outflows for the District during the reporting month. The top ten vendor total payments during the reporting month are displayed in the following table with descriptions:



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

Top 10 Payments	Vendor	Operating / Capital	Description of Payments
\$357,901.13	IRVINE RANCH WATER DISTRICT	Operating	August and September Portola water / September emergency water
\$306,639.87	ADP	Operating	Payroll
\$190,320.43	ACWA JPIA - WC, PROP., & LIAB	Operating	Annual District insurance
\$179,931.12	CALPERS	Operating	Employee retirement and health benefits
\$86,130.77	LONE STAR BLOWER, INC.	Capital	Project WW-40 WWTP Hoffman Blower Building
\$76,345.35	SOUTHERN CALIFORNIA EDISON	Operating	Energy
\$73,690.27	SANTA MARGARITA WATER DISTRICT	Operating / Capital	Chiquita first quarter operating and capital shared costs
\$46,464.50	SS MECHANICAL CONSTRUCTION CORP.	Capital	Project PW-04 for Dimension Plant Filter #4
\$36,228.00	HANSON BRIDGETT LLP	Operating	September 2025 legal services
\$34,300.00	LANDSCAPE WEST MANGEMENT SERVICES INC	Operating	Landscape services.

FINANCIAL SUMMARY

The District Financial Summary presents financial performance in comparison to the adopted budget for each major category. The current reporting period represents 41.7% 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. Potable Water rates have been adjusted to 100% of the allowable rate as of January 1, 2026. Due to the semiannual rate adjustment schedule for Potable Water, this line will trend slightly behind the expected target budget until the end of 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. Potable Water rates have been adjusted to 100% of the allowable rate as of January 1, 2026. As of the reporting period, increased volumetric water consumption trends are offsetting the delayed timing of the Potable Water rate adjustments and results are trending ahead of expected targets.
- **Line 3 Pass-Through Charges** includes Potable Water fixed and variable charges passed through to customers to recover wholesale water cost escalations beyond the assumptions included in the 2023 COS study. The Board adopted this pass-through rate provision during the last Proposition 218 process. Updated pass-through rates have been implemented as of January 1, 2026, based on updated wholesale water supply costs. As of the reporting period, increased volumetric water purchases are causing results to trend ahead of expected targets.
- **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 included



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

1,113 AF of wholesale water sold and 87 AF of BTP water used for District customer supply. As of the reporting period, the District has sold 310.8 AF to the City of San Clemente and used 179.7 AF to supply District customers.

- **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. This line item is trending with the expected budget target.
- **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. The District will receive additional property tax receipts in December 2025, which should cause this line to trend closer to the expected budget target.
- **Line 8 Source of Supply** includes the cost of Potable and Recycled water supply 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 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. If the District can bring the plant into operation on schedule, the cost of this line item should be closer to the expected budget by the end 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 is trending behind expected targets due to the reduction in sales to the City of San Clemente and the timing of quarterly maintenance costs paid to IRWD.
- **Line 10 Staffing Resources** includes employee compensation, health benefits, retirement contributions, retiree health insurance, and OPEB trust reimbursements (reimbursements from the District's Section 115 OPEB trust). This line is trending near the expected budget target.
- **Line 11 Operations & Maintenance** includes general repairs and maintenance, electrical repairs, vehicle and equipment maintenance, distribution electricity, lab testing and operating supplies. This line is trending near the expected budget target.
- **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 the timing of annual payments for insurance, LAFCO fees, and ACWA dues.
- **Line 15 Capital Loans Reserve** includes restricted capital loan funding purposed for use on the District Capital Improvement Program. The District has funded roughly 95% of District CIP with funds remaining from the 2024 loan proceeds.
- **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 – *prior fiscal year*).



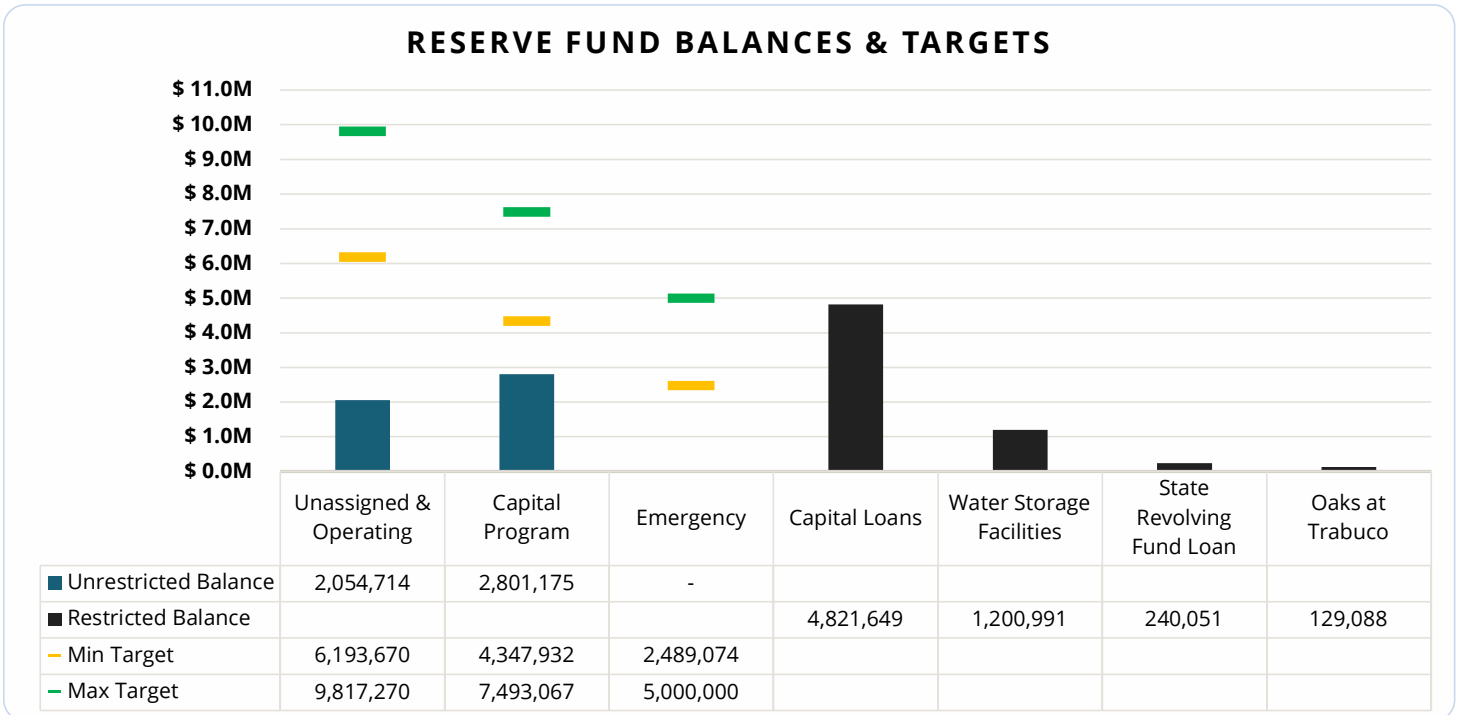
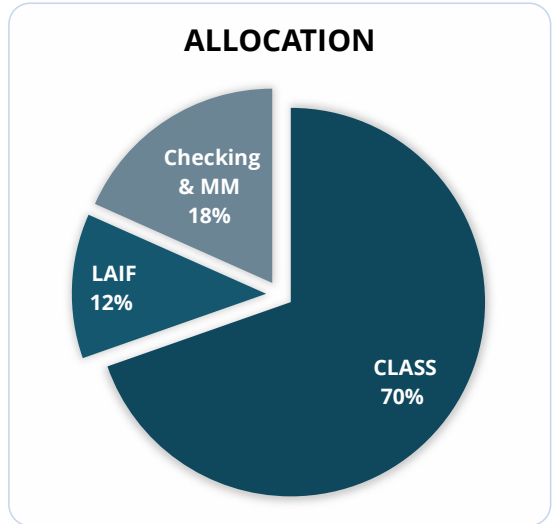
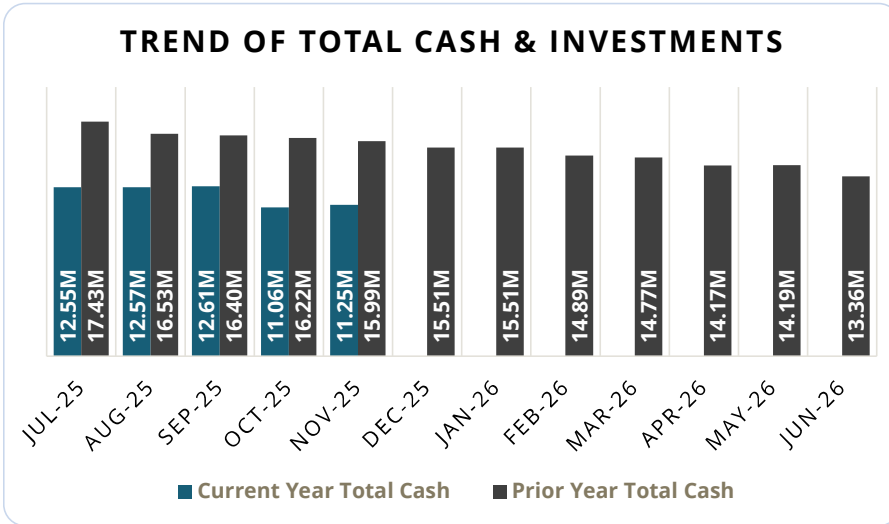
**Trabuco Canyon Water District
Financial Analysis
November 2025**

- **Line 17 Capital Improvement Program** includes planned CIP during FY 2026. The Capital Improvement Program 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.
- **Line 19 Debt Service** includes debt service payments for the 2011 SRF loan, 2024 capital project loan, and the projected and budgeted 2026 short-term capital project loan planned 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 November 30, 2025

	Type	Rate	Par / Book Value	Market Value	% Portfolio
Local Agency Investment Fund	LAIF	4.039%	\$ 1,352,691	\$ 1,355,301	12.0%
California Cooperative Liquid Assets Securities System	CLASS	4.189%	\$ 7,832,877	\$ 7,833,601	69.6%
BMO Checking	Checking	0.000%	\$ 1,822,049	\$ 1,822,049	16.2%
CB&T Money Market (SRF Loan Reserve)	Money Market	0.300%	\$ 240,051	\$ 240,051	2.1%
Total Cash & Investments			\$ 11,247,669	\$ 11,251,003	100.0%



Treasurer Certification

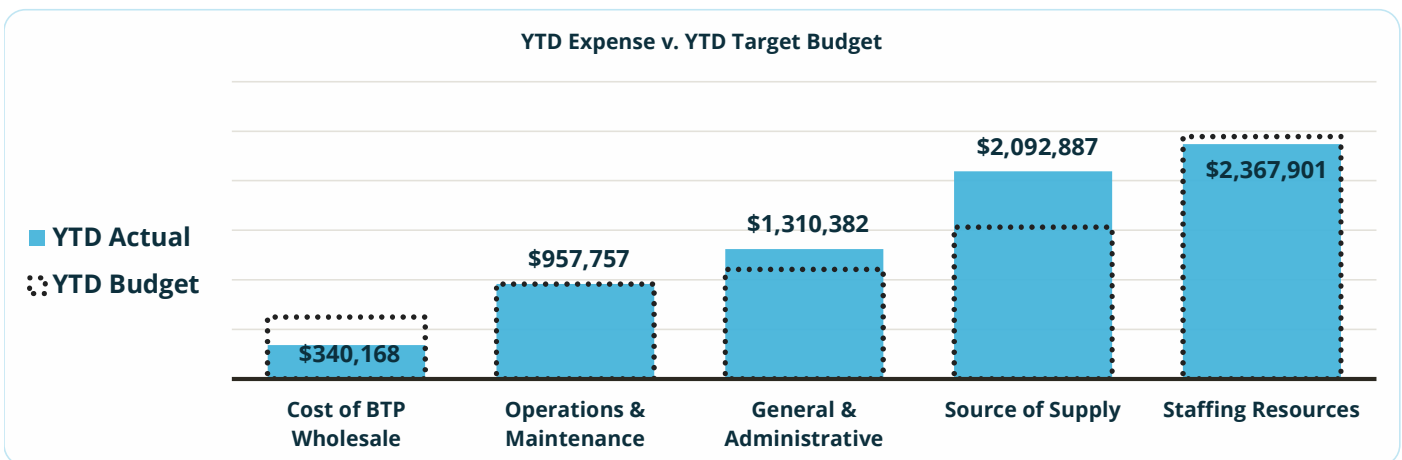
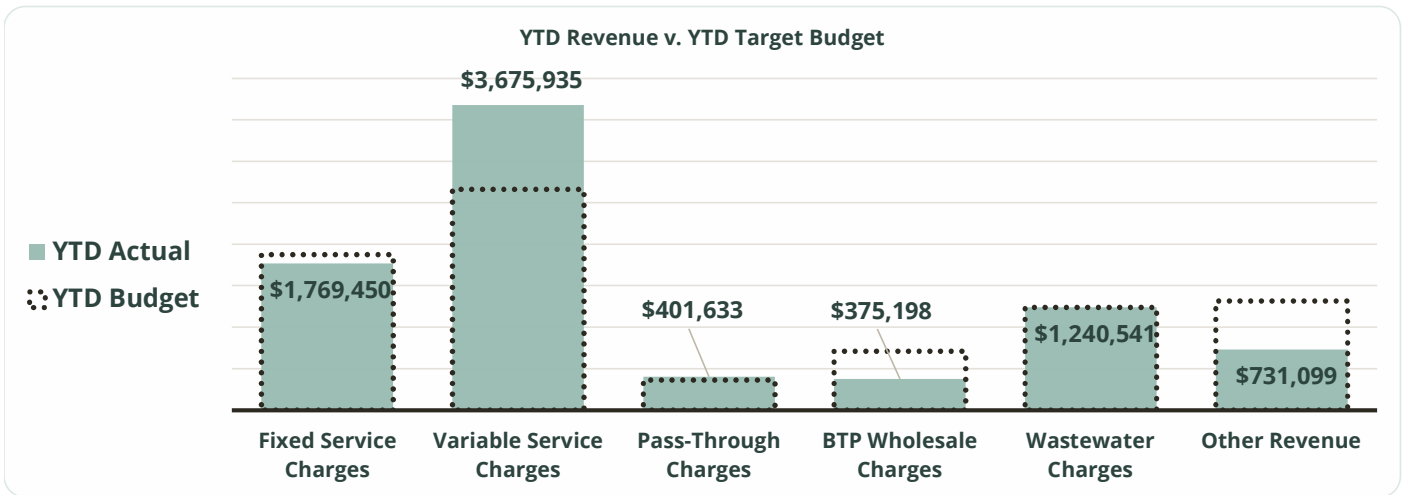
I certify that all investment actions executed since the last reporting period have been made in full compliance with the District's Investment Policy and the District is able to meet its expenditure obligations for the next six months.

Ian Berg, CPA
District Treasurer

District

Financial Summary November 2025

	A	B	C	D = C - B	E = B / C	
	Nov 2025	Nov 2025	FY 2026	FY 2026	YTD % of	
	Period	YTD	Adopted	Remaining	Budget	
	Actuals	Actuals	Budget	Budget	41.7%	
1	Fixed Service Charges	\$ 366,501	\$ 1,769,450	\$ 4,499,900	\$ 2,730,450	39.3%
2	Variable Service Charges	683,219	3,675,935	6,386,300	2,710,365	57.6%
3	Pass-Through Charges	50,591	401,633	870,800	469,167	46.1%
4	BTP Wholesale Charges	140,996	375,198	1,708,700	1,333,502 ▲	22.0%
5	Wastewater Charges	260,133	1,240,541	2,973,200	1,732,659	41.7%
6	Other Revenue	480,416	731,099	3,155,600	2,424,501 ▲	23.2%
7	Total Revenue	1,981,856	8,193,856	19,594,500	11,400,644	41.8%
8	Source of Supply	384,448	2,092,887	3,674,900	1,582,013 ▲	57.0%
9	Cost of BTP Wholesale	105,967	340,168	1,493,900	1,153,732	22.8%
10	Staffing Resources	447,876	2,367,901	5,870,500	3,502,599	40.3%
11	Operations & Maintenance	139,494	957,757	2,296,100	1,338,343	41.7%
12	General & Administrative	215,046	1,310,382	2,652,900	1,342,518 ▲	49.4%
13	Total Expense	1,292,831	7,069,096	15,988,300	8,919,204	44.2%
14	Net Income / (Loss) from Operations	689,025	1,124,760	3,606,200	2,481,440 ▲	31.2%
15	Capital Loans Reserve	447,255	2,739,314	10,570,177	7,830,864	25.9%
16	Grant Proceeds for CIP	-	-	470,700	470,700	0.0%
17	Capital Improvement Program	(451,740)	(2,858,274)	(10,969,877)	(8,111,603)	26.1%
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	\$ 684,540	\$ 1,005,800	\$ 10,130	\$ (995,669)	9928.8%





District

Operating Budget v. Actual November 2025

	A	B	C	D = C - B	E = B / C	
	Nov 2025	Nov 2025	FY 2026	FY 2026	YTD % of	
	Period	YTD	Adopted	Remaining	Budget	
	Actuals	Actuals	Budget	Budget	41.7%	
1	Fixed Service Charges	\$ 366,501	\$ 1,769,450	\$ 4,499,900	\$ 2,730,450	39.3%
2	Variable Service Charges	683,219	3,675,935	6,386,300	2,710,365	57.6%
3	Fixed Service Charges Pass-Through	18,624	92,412	262,700	170,288	35.2%
4	Variable Service Charges Pass-Through	31,966	309,221	608,100	298,879	50.9%
5	BTP Wholesale Water Sales	49,248	283,450	1,054,800	771,350	26.9%
6	BTP Maintenance Charges	56,719	56,719	439,100	382,381	12.9%
7	BTP Capital Recovery	35,030	35,030	214,800	179,771	16.3%
8	Wastewater Charges	260,133	1,240,541	2,973,200	1,732,659	41.7%
9	Property Tax Receipts	426,321	478,931	2,437,300	1,958,369	19.7%
10	Customer Fees	41,245	179,040	520,200	341,160	34.4%
11	Interest Revenue	10,270	58,013	160,000	101,987	36.3%
12	Miscellaneous Revenue	2,580	15,115	38,100	22,985	39.7%
13	Total Revenue	1,981,856	8,193,856	19,594,500	11,400,644	41.8%
14	Source of Supply					
15	Variable Water Purchases	284,259	1,605,799	2,849,800	1,244,001	56.3%
16	BTP Water Purchases TCWD	7,158	165,928	93,600	(72,328)	177.3%
17	BTP Maintenance Expense TCWD	44,937	44,937	46,800	1,863	96.0%
18	Fixed Water Purchases	26,363	221,002	401,700	180,698	55.0%
19	Chemicals & Electricity	21,732	55,221	283,000	227,779	19.5%
20	Total Source of Supply	384,448	2,092,887	3,674,900	1,582,013	57.0%
21	Cost of BTP Wholesale					
22	BTP Water Purchases for Wholesale	49,248	283,450	1,054,800	771,350	26.9%
23	BTP Maintenance Expense Sales	56,719	56,719	439,100	382,381	12.9%
24	Total Cost of BTP Wholesale	105,967	340,168	1,493,900	1,153,732	22.8%
25	Staffing Resources					
26	Employee Compensation	350,433	1,657,292	4,115,500	2,458,208	40.3%
27	Employee Benefits	101,138	511,184	1,360,000	848,816	37.6%
28	CalPERS Retirement Unfunded Liability	32,917	164,583	395,000	230,418	41.7%
29	Retiree Health Insurance Payments	16,979	88,432	201,700	113,268	43.8%
30	OPEB Trust Reimbursement	(53,590)	(53,590)	(201,700)	(148,110)	26.6%
31	Total Staffing Resources	447,876	2,367,901	5,870,500	3,502,599	40.3%
32	Operations & Maintenance					
33	System Repairs and Maintenance	47,558	422,664	1,030,600	607,936	41.0%
34	Distribution Electricity	69,448	369,977	914,700	544,723	40.4%
35	Vehicles and Equipment	10,229	83,575	188,800	105,225	44.3%
36	Lab Testing & Supplies	12,258	81,540	162,000	80,460	50.3%
37	Total Operations & Maintenance	139,494	957,757	2,296,100	1,338,343	41.7%
38	General & Administrative					
39	Professional Services	123,796	435,035	1,033,000	597,965	42.1%
40	Office Maintenance & Supplies	56,699	343,046	616,200	273,154	55.7%
41	Board of Directors	9,390	45,058	111,700	66,642	40.3%
42	District Insurance	-	243,663	237,500	(6,163)	102.6%
43	Dues and Memberships	13,418	161,962	247,200	85,238	65.5%
44	Public Outreach & Rebate Programs	129	28,044	100,000	71,956	28.0%
45	Customer Service and Billing	8,604	42,291	81,600	39,309	51.8%
46	Conference, Trainings and Travel	1,961	10,606	32,300	21,694	32.8%
47	Miscellaneous Expense	1,049	678	193,400	192,722	0.4%
48	Total General & Administrative	215,046	1,310,382	2,652,900	1,342,518	49.4%
49	Total Expense	1,292,831	7,069,096	15,988,300	8,919,204	44.2%
50	Net Income / (Loss) from Operations	\$ 689,025	\$ 1,124,760	\$ 3,606,200	\$ 2,481,440	31.2%



District

Capital Improvement Program November 2025

ID	Project Description						Since Project Inception	
		A	B	C	D = C - B	E = B / C	F	G
		Nov 2025 Period Actuals	Nov 2025 YTD Actuals	FY 2026 Adopted Budget	FY 2026 Remaining Budget	YTD % of Budget 41.7%	Total Project Actuals	Total Project Budget
Potable Water								
PW-02	DWTP Electrical Improvements	\$ -	\$ 1,448	\$ 300,000	\$ 298,552	0.0%	\$ 1,448	\$ 2,000,000
PW-03	Transmission Main Replacement - DWTP to Ridgeline PS	391,930	1,886,200	7,000,000	5,113,800	5.6%	2,053,639	11,000,000
PW-04	DWTP Improvements - Phase 2	3,880	50,879	-	(50,879)	NA	59,879	391,820
PW-20	10" Pipeline Replacement - Cooks Corner to Harris Grade	-	-	225,000	225,000	0.0%	178,184	3,489,000
PW-25	Fire Flow Availability Improvements	-	-	150,000	150,000	0.0%	-	1,539,800
PW-35	Pressure Reducing Vault Improvements - PW	4,485	6,737	-	(6,737)	NA	6,737	386,600
PW-38	Saddle Crest Reservoir Outlet Pipe	-	3,799	275,000	271,201	0.0%	3,799	300,000
PW-41	Meter Replacements - PW	-	10,117	-	(10,117)	NA	10,117	-
PW-77	Small Capital - PW	-	10,150	-	(10,150)	NA	10,150	-
Total Potable Water		400,294	1,969,330	7,950,000	5,980,670	24.8%	2,323,953	19,107,220
Recycled Water								
RW-13	Dove Canyon Recycled Booster Pump Station	24,610	54,480	560,000	505,520	4.4%	259,587	1,430,000
RW-23	Tick & Dove Creek Pump Station Improvements	-	-	259,700	259,700	0.0%	-	1,119,400
RW-51	Reservoir V-Ditch Rehabilitation	-	192,106	-	(192,106)	NA	192,106	185,000
RW-77	Small Capital - RW	-	18,071	-	(18,071)	NA	18,071	-
Total Recycled Water		24,610	264,657	819,700	555,043	32.3%	469,764	2,734,400
Wastewater								
WW-06	WWTP Influent EQB Piping to SBRs & Pump Improvements	-	10,207	-	(10,207)	NA	10,207	1,000,000
WW-09	Heritage Sewer Lift Station Rehabilitation	5,066	32,023	400,000	367,977	1.3%	401,594	1,506,360
WW-40	WWTP Hoffman Blower Building Rehabilitation	21,769	202,335	1,290,177	1,087,843	1.7%	707,840	1,995,000
WW-41	WWTP SCADA & Fiber Optic Upgrade	-	23,319	-	(23,319)	NA	390,560	330,000
WW-48	Pump Replacements - WW	-	39,722	-	(39,722)	NA	39,722	1,915,000
WW-49	SMWD Chiquita WWTP Shared Capital	-	8,623	140,000	131,377	0.0%	101,898	1,840,000
WW-50	WWTP Headworks Replacement	-	224,055	370,000	145,945	0.0%	224,055	380,000
WW-77	Small Capital - WW	-	61,623	-	(61,623)	NA	61,623	-
Total Wastewater		26,835	601,907	2,200,177	1,598,270	27.4%	1,937,499	8,966,360
Wastewater / Recycled								
WR-77	Pump Replacements - WW / Recycled	-	9,076	-	(9,076)	NA	9,076	-
Total Wastewater / Recycled		-	9,076	-	(9,076)	NA	9,076	-
Joint Projects								
DW-77	Small Capital - DW	-	13,303	-	(13,303)	NA	13,303	-
Total Joint Projects		-	13,303	-	(13,303)	NA	13,303	-
Total Capital Improvement Program		\$ 451,740	\$ 2,858,274	\$ 10,969,877	\$ 8,111,603	26.1%	\$ 4,753,595	-

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING | JANUARY 15, 2026**

**FINANCIAL MATTERS
ITEM 6: OTHER MATTERS**

RECOMMENDED ACTION:

Hear Other Matters from the General Manager or District Staff.

CONTACTS (staff responsible): MCKENNEY/PEREA