

**TRABUCO CANYON PUBLIC FINANCING AUTHORITY
REGULAR ANNUAL MEETING AGENDA
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CALIFORNIA
ADMINISTRATIVE FACILITY, BOARD ROOM
WEDNESDAY, JANUARY 21, 2026 AT 6:00 PM
(OR AS SOON THEREAFTER AS SUCH MEETING CAN BE HELD)**

THE TRABUCO CANYON PUBLIC FINANCING AUTHORITY WAS FOUNDED FOR THE PURPOSES OF ASSISTING THE TRABUCO CANYON WATER DISTRICT AND ITS COMMUNITY FACILITIES DISTRICTS IN ISSUING POOLED FINANCING SECURITIES.

AUTHORITY PRESIDENT: Glenn Acosta
AUTHORITY VICE PRESIDENT: Ed Mandich

AUTHORITY TREASURER: Ian Berg
AUTHORITY SECRETARY: Michael Perea

AGENDA NOTE:

Trabuco Canyon Water District (District) will make this Regular Board Meeting available by telephone audio as follows:

Telephone Audio: 1 (669) 900-6833 (Toll Free) **Access Code:** 964-7642-1987

Persons desiring to monitor the Board meeting agenda items may download the Board meeting agenda and documents on the internet at www.tcwd.ca.gov. You may submit public comments by email to the Board 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 5:00 p.m. (PDT) on the day of the meeting.

CALL MEETING TO ORDER

PLEDGE OF ALLEGIANCE

VISITOR PARTICIPATION

Members of the public wishing to address the Board regarding a particular item on the agenda are requested to complete a speaker card and submit it to staff. The Board President will call on the visitor following the Board's discussion about the matter. Members of the public will be given the opportunity to speak prior to the Board taking action on that item. For persons desiring to make verbal comments and utilizing a translator to present their comments into English reasonable time accommodations, consistent with State law, shall be provided. Please limit comments to three minutes.

ORAL COMMUNICATION

Members of the public who wish to make comment on matters not appearing on the agenda are invited to identify themselves and encouraged to make comment at this time. Under the requirements of State Law, Directors cannot take action on items not identified on the agenda and will not make decisions on such matters. The Board President 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.

ACTION CALENDAR

ITEM 1: CONFIRMATION OF OFFICE OF PRESIDENT AND VICE PRESIDENT

RECOMMENDED ACTION:

Confirm Trabuco Canyon Water District Vice President Glenn Acosta as President, and Trabuco Canyon Water District President Mark Anderson as Vice President of the Trabuco Canyon Public Financing Authority.

**TRABUCO CANYON PUBLIC FINANCING AUTHORITY
REGULAR ANNUAL MEETING AGENDA | JANUARY 21, 2026**

ITEM 2: APPROVAL OF MINUTES OF BOARD MEETING(S)

RECOMMENDED ACTION:

Approve the minutes of the following Meeting(s):

1. *August 20, 2025 Regular Meeting*

ITEM 3: TRABUCO CANYON PUBLIC FINANCING AUTHORITY FINANCIAL STATEMENT FOR YEAR ENDED JUNE 30, 2025

RECOMMENDED ACTION:

Receive and file the Trabuco Canyon Public Financing Authority Audited Financial Statement for Year Ended June 30, 2025.

ITEM 4: 2024 INSTALLMENT PURCHASE AGREEMENT ESTIMATED PROJECT FUNDING UPDATE

RECOMMENDED ACTION:

Receive and file the updated list of projects funded by the proceeds from the 2024 installment purchase agreement proceeds.

ITEM 5: OTHER MATTERS/REPORTS

RECOMMENDED ACTION:

Hear Other Matters/Reports that may have arisen after the posting of the agenda.

END ACTION CALENDAR & 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 Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection at the Trabuco Canyon Water District Administrative Facility, 32003 Dove Canyon Drive, Trabuco Canyon, California (District Administrative Facility). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available in the lobby area of the District Administrative Facility at the same time as they are distributed to the Board Members, except that, if such writings are distributed immediately prior to or during the meeting, they will be available in the Board Meeting Room at the District Administrative Facility.

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 PUBLIC FINANCING AUTHORITY
REGULAR ANNUAL MEETING | JANUARY 21, 2026**

ACTION CALENDAR

ITEM 1: CONFIRMATION OF OFFICE OF PRESIDENT AND VICE PRESIDENT

Per Section 3.3 of the Trabuco Canyon Public Financing Authority formation documents, it is stated that the Board shall elect its President and Vice-President of the District each for a two-year term. This timeline coincides and is consistent with the organizational change of the TCWD Board of Directors.

In December 2025, the offices of the President and Vice President of the District were changed, as Director Mark Anderson was elected Board President, and Director Glenn Acosta was elected Vice President. Therefore, it is necessary at this time to confirm, by motion, Director Glenn Acosta as the President and Director Mark Anderson as the Vice President of the Trabuco Canyon Public Financing Authority.

RECOMMENDED ACTION:

- 1. Confirm Trabuco Canyon Water District Vice President Glenn Acosta as President of the Trabuco Canyon Public Financing Authority.*
- 2. Confirm Trabuco Canyon Water District President Mark Anderson as Vice President of the Trabuco Canyon Public Financing Authority.*

EXHIBIT

1. Resolution No. 93-735 – Resolution of the Board of Directors of Trabuco Canyon Water District Approving the Formation of the Trabuco Canyon Public Financing Authority

CONTACTS (staff responsible): MCKENNEY/PEREA

RESOLUTION NO. 93-735

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
TRABUCO CANYON WATER DISTRICT APPROVING THE
FORMATION OF THE TRABUCO CANYON PUBLIC
FINANCING AUTHORITY**

WHEREAS, the Trabuco Canyon Water District is a county water district organized and operating pursuant to the provisions of Sections 30000 and following of the Water Code of the State of California; and

WHEREAS, Community Facilities District No. 7 of the Trabuco Canyon Water District ("CFD No. 7") is a Mello-Roos Community Facilities District organized and operating pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended being Government Code §§53311, et seq.; and

WHEREAS, both the District and CFD No. 7 have the authority to finance, construct, acquire and otherwise provide for public facilities; and

WHEREAS, the boundaries of CFD No. 7 are wholly contained within the boundaries of the District; and

WHEREAS, the provisions of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (commencing with Section 6500) provide for the joint exercise of powers between public agencies for various specified purposes; and

WHEREAS, the District desires to enter into a joint powers agreement with CFD No. 7 to provide for the financing, refinancing, construction, development and provision of public facilities in coordination between the two parties for the benefit of present and future residents and property owners residing, or to reside, within the District and CFD No. 7.

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

Section 1. The above recitals are incorporated herein by this reference.

Section 2. The appropriate District officers are authorized to execute the Joint Exercise Powers Agreement (the "Agreement") creating the Trabuco Canyon Public Financing Authority (the "Authority") in substantially the form attached hereto as Exhibit "A" and made a part hereof by this reference.

Section 3. In accordance with the provisions of the Agreement, the Board of Directors of the District shall also serve on the Board of Directors of the Authority.

Section 4. The approval of the Agreement is determined to be beneficial and in the best interests of the District and the residents and property owners within the District.

Section 5. The District staff and consultants are authorized and directed to take such other and further actions as are necessary or as may be appropriate to effectuate the directions and approvals set forth in this Resolution.

ADOPTED, SIGNED AND APPROVED THIS 18TH DAY OF AUGUST, 1993.

TRABUCO CANYON WATER DISTRICT :

By: 

President/Vice President

ATTEST:

By: 

Assistant Secretary

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

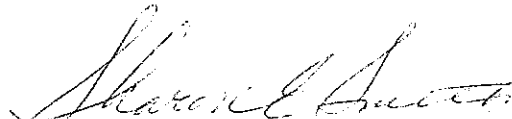
I, Sharon E. Smith, Assistant Secretary of the Board of Directors of the Trabuco Canyon Water District, do hereby certify that the foregoing Resolution was adopted by the Board of Directors of said District at a regular meeting of said Board held on the 18th day of August, 1993, and that it was so adopted by the following vote:

AYES: WALL, LEANDERS, BAUER, STORM, DISSTON

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE

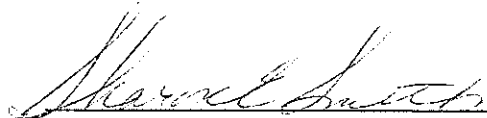


Assistant Secretary

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Sharon E. Smith, Assistant Secretary of the Board of Directors of the Trabuco Canyon Water District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 93-735 of said Board, and that the same has not been amended or repealed.

Dated this 18th day of August, 1993.



Assistant Secretary

EXHIBIT "A"

REA/17004 D5/1993 Refunding
08/09/93 - 536.01

**JOINT EXERCISE OF POWERS AGREEMENT
CREATING THE
TRABUCO CANYON PUBLIC FINANCING AUTHORITY**

This Joint Exercise of Powers Agreement (the "Agreement") is made and entered into as of this eighteenth day of August, 1993, by and between the TRABUCO CANYON WATER DISTRICT, a County Water District organized and operating pursuant to the provisions of Water Code Sections 30000 and following (the "District"), and COMMUNITY FACILITIES DISTRICT No. 7 of the Trabuco Canyon Water District, a Community Facilities District, organized and operating pursuant to the provisions of the Mello Roos Community Facilities Act of 1982, as amended ("CFD No. 7").

RECITALS

WHEREAS, the District and CFD No. 7 are both "public agencies" as that term is defined in Section 6500 of the Government Code of the State of California; and

WHEREAS, both the District and CFD No. 7 have the power to acquire, construct, modify, rehabilitate, finance and refinance specified facilities; and

WHEREAS, the District and CFD No. 7 are both located within the County of Orange, State of California, and the boundaries of CFD No. 7 are wholly contained within the boundaries of the District; and

WHEREAS, pursuant to Title 1, Division 7, Chapter 5, of the Government Code of the State of California (the "Law"), two or more public agencies may, by agreement, jointly exercise any power common to such contracting parties; and

WHEREAS, it is the desire of the District and CFD No. 7 to use any power common to them that will make more efficient the powers of each of them in the acquisition, construction, financing, refinancing of facilities and any other power(s) reasonably necessary and appropriate to aid in the accomplishment of these purposes; and

WHEREAS, the parties specifically desire to incorporate within the context of this Agreement, the provisions of the Marks-Roos Local Bond Pooling Act of 1985, being Government Code §§6584 and following; and

EXHIBIT "A"

- 1 -

WHEREAS, the Legislative bodies of the District and CFD No. 7 have determined that entering into this Agreement would be beneficial to the present and future residents of and property owners within, the District and within CFD No. 7; and

WHEREAS, the parties hereto have adopted resolutions to provide that the authority be established and conduct proceedings under the Act to accomplish the purposes of this authority.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE I - GENERAL PROVISIONS

Section 1.1. Recitals. The above recitals are incorporated herein by this reference.

Section 1.2. Best Interests. This Agreement is determined to be in the best interests of the Parties and the residents, future residents, property owners and future property owners of the area within the boundaries of the Parties.

Section 1.3. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.3 shall for all purposes of this Agreement have the meaning(s) herein specified:

Act. The term "Act" shall mean the Mello-Roos Community Facilities Act of 1982 (California Government Code Sections 53311 and following), as amended.

Agreement. The term "Agreement" or "JPA" shall mean this Agreement as the same now exists or as it may from time to time be amended by any supplemental agreement entered into pursuant to the provisions hereof.

Authority. The term "Authority" shall mean the Trabuco Canyon Public Financing Authority created by this Agreement.

Board. The term "Board" shall mean the Board of Directors of the Authority.

CFD. The term "CFD" shall mean a community facilities district formed pursuant to the Mello-Roos Act.

Law. The term "Law" shall mean Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, commencing with Section 6500 thereof, and the Act.

Parties. The term "Parties" shall mean the parties to this Agreement. "Party" shall mean a party to this Agreement.

ARTICLE II - PURPOSES, ESTABLISHMENT, POWERS

Section 2.1. Purposes. It is the purpose of this Agreement to establish, pursuant to the Law, an authority for and with the purpose of acquiring, constructing, modifying and rehabilitating facilities; undertaking a program of local agency bond pooled financing, refinancing and lending pursuant to Article 4 of the Joint Exercise of Powers Act (the "Marks-Roos Act"); and making more efficient use of the common powers of the District and CFD No. 7, and with the further purpose to develop all other reasonably necessary or appropriate powers to provide greater individual and group efficiency to the extent permitted by the laws and regulations governing such operations.

Section 2.2. Creation of Authority. There is hereby created pursuant to the Law an agency and public entity to be known as "Trabuco Canyon Public Financing Authority". As provided in the Law, the Authority shall be a public entity separate from the Parties. The debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of the Parties.

Within thirty (30) days after the effective date of this Agreement or any amendment hereto and prior to the issuance of an indebtedness, the Authority will cause a notice of this Agreement or such amendment to be filed with the California Secretary of State in accordance with Section 6503.5 of the Law.

Section 2.3. Powers.

(a) The Authority shall have any and all powers authorized by law to each of the parties hereto, and separately to the Authority herein created, relating to (i) the acquisition, construction, modification, rehabilitation, financing and refinancing of facilities within and without the boundaries of such parties, including the purchase, retention, and resale of bonds issued to finance such facilities; (ii) the establishment, financing and implementation of a program of local agency pooled financing and lending as contemplated by the Marks-Roos Act. Such powers shall include the common powers specified in this Agreement and may be exercised in the manner and according to the method provided in this Agreement. All powers common to the parties are specified as powers of the Authority. The Authority is hereby authorized to do all acts necessary for the exercise of such powers, including, but not limited to, any or all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, provide for maintenance and operations of, or maintain and operate, buildings, works or improvements; to acquire, hold or dispose of property wherever located; to incur debts, liabilities or obligations; to receive gifts, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and any governmental entity; and to sue and be sued in its own name; and

generally to do any and all things necessary or convenient to the providing of water and sewer service as herein contemplated. Without limiting the generality of the foregoing, the Authority may issue or cause to be issued bonded and other indebtedness, and pledge any property or revenues as security to the extent permitted by law under the Law or otherwise.

(b) The manner in which the Authority shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which the District could exercise such powers and perform such duties; and shall not be subject to any restrictions applicable to the manner in which any other public authority could exercise such powers or perform such duties, whether such authority is a party to this Agreement or not.

ARTICLE III - ORGANIZATION

Section 3.1. Board of Directors of the Authority. The Authority shall be administered by the Board, which shall consist of five (5) persons who shall also be Directors of the District and, correspondingly, the Legislative body of CFD No. 7. Each such person shall serve in their individual capacity as a member of the Board. If a member of the Board of Directors of the Authority ceases to be a member of the board of directors of the District, then he or she shall simultaneously cease to be a Director of the Authority. Resignation or removal of a Director from the board of directors of the District shall simultaneously constitute resignation or removal of such Director from the Board of Directors of the Authority.

If the office of any Director becomes vacant prior to the expiration of his or her term of office, the Director appointed or otherwise chosen to fill the vacancy on the District's board of directors shall be selected by the remaining members of the Board of Directors of the Authority to fill such vacancy. All such offices are declared to be legally compatible. The number of Directors may be changed by an amendment to the Agreement duly approved by the Board and the Parties.

Members of the Board shall not receive any compensation for serving as such, but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a member if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

Section 3.2. Meetings of the Board.

(a) **Regular Meetings.** The Board shall hold at least one regular meeting each year, and by resolution may provide for the holding of regular meetings at more frequent intervals. The date upon which, and the hour and place at which, each such regular meeting shall be held shall be fixed by resolution or motion of the Board, or by designation of the President.

(b) Special Meetings. Special meetings of the Board may be called, and shall be conducted, in accordance with the provisions of Section 54956 of the Government Code of the State of California. All business which may be conducted at regular meetings, may also be conducted at special meetings.

(c) Legal Notice. All meetings of the Board shall be called, noticed, held and conducted subject to the provisions of the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, §§54950-54962), as amended.

(d) Minutes. The Secretary of the Authority shall cause minutes of all meetings of the Board to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to the Parties.

(e) Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business, except that no action which directly involves the levy of Special Tax allocable to a Party at any level other than requested by that Party, or relates to the issuance of Bonds for the benefit of a Party on any terms different from those requested by that Party, may be taken unless two representatives of that Party are present and vote affirmatively. Less than a quorum may adjourn from time to time.

Section 3.3. Officers; Duties; Bonds.

(a) The Officers of the Authority shall be a President, a Vice-President, a Treasurer and a Secretary. The Board shall elect its President and Vice-President from among its members, each for a two year term. The President and Vice-President may be re-elected. The Treasurer and Secretary shall be appointed by the Board and serve at its pleasure. They need not be members of the Board. If either the President or Vice-President shall cease to be a Board member, he or she shall also cease to be an officer. In the event of a vacancy, the Board shall promptly elect a replacement officer.

(b) The President shall conduct the meetings of the Authority and shall be authorized to sign such contracts on its behalf as shall have been approved by the Board, and such certificates and other documents as shall be necessary or appropriate. The Vice-President shall serve in the President's absence.

(c) The Treasurer shall have the powers and duties specified in §6505.5 of the Law.

(d) The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to property of the Authority, and such officer shall file an official bond with the Secretary of the Authority. To the extent permitted by law, any such officer may satisfy this requirement by filing an official bond obtained in connection with another public office.

(e) The Board may by a unanimous vote allocate the general operating expenses of the Authority.

(f) The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

(g) The Board shall have the power by resolution, to the extent permitted by the Law and other applicable law, to delegate any of its functions to one or more of the members or officers of the Board and to cause any of said members or officers to take any actions and execute any documents or instruments for and in the name and on behalf of the Board.

Section 3.4. Disposition of Assets. The proceeds of the sale of any bonds or other securities issued by the Authority shall be disbursed by the Authority for the costs of the refinancing and then for the accounts of each of the Parties for the purposes set forth in the bond resolution. The specific procedures for the payment of contractors and vendors or the reimbursement to the Parties or others of their expenditures eligible for reimbursement from the Bond proceeds shall be those of the Parties themselves, as may be modified by the bond resolution. The Parties agree to use all funds and bond proceeds for the purposes specified under the Agreement and for no other purpose.

The facilities financed shall be owned by the respective Parties as their interests are allocated at the time the Bonds are issued.

In the event that bonds or other securities are not issued, then all assets of the Authority shall be distributed to the respective grantors or assignors thereof. After the completion of the purpose of this Agreement, any surplus money on hand shall be returned to the Parties in proportion to their respective contributions made.

Section 3.5. Offices. The principal office of the Corporation for the transaction of business shall be 30575 Trabuco Canyon Road, Suite 104, Trabuco Canyon, California 92678. The Board may, however, fix and change from time to time the principal office from one location to another by noting the change of address in the minutes of the meeting of the Board at which the address was fixed or changed. The fixing or changing of such address shall not be deemed an amendment to this Agreement.

Section 3.6. Seal. The Authority may adopt a seal.

ARTICLE IV - FISCAL MATTERS

Section 4.1. Fiscal Year. Unless and until changed by resolution of the Board, the fiscal year of the Authority shall be the period from July 1 of each year to and including the following June 30, except for the first fiscal year which shall be the period from the date of this Agreement to June 30, 1994.

Section 4.2. Conflict of Interest Code. The Authority, by resolution, shall adopt a Conflict of Interest Code as required by law.

Section 4.3. Special Tax Bonds. The Authority shall have power to issue Bonds and other securities in accordance with the provisions of the Law for the purpose of raising funds necessary to carry out its powers under this Agreement.

Section 4.4. Operation of Project. Each party agrees to construct its own Facilities, to utilize the requisition procedure to be set forth in the Bond Resolution for payment of the costs thereof from Bond proceeds to take ownership and maintenance responsibility for all of its Facilities, and to indemnify and hold harmless all other Parties hereto, and the Authority, from any and all claims arising out of all aspects of planning, acquiring, constructing, reconstructing, rehabilitating, furnishing, equipping and operating its own School Facilities.

Each Party shall administer the acquisition and construction of its own facilities subject to such requirements as may be imposed by the Bond Resolution.

Section 4.5. Agreement Not Exclusive. This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of other agreements between the Parties, except as expressly provided herein.

Section 4.6. Contributions and Advances. Contributions or advances of public funds and of personnel, equipment or property may be made to the Authority by the Parties or other persons for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution. Any such advance may be made subject to repayment from either Bond proceeds or special taxes, and shall be repaid out of Bond proceeds only if a Bond financing contemplating such repayment is successfully completed by the Authority.

Section 4.7. Accounts and Reports. The Authority shall establish and maintain such funds and accounts as may be required by good accounting practice and by any provision of any resolution or indenture of the Authority securing the Bonds. The books and records of the Authority shall be open to inspection at all reasonable times by the Parties and their representatives.

The Treasurer of the Authority shall make quarterly reports to the Authority and the Parties in accordance with §6505.5(e) of the Law.

The Treasurer of the Authority shall either make, or contract with a certified public accountant or public accountant to make, an annual audit of the accounts and records of the Authority. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under §26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with the Parties and also shall be filed within twelve (12) months of the end of the fiscal year or years under examination.

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for the purpose, and may be paid out of special tax revenues.

In any year in which the annual budget of the Authority does not exceed five hundred dollars (\$500), the Board may, by unanimous vote and with the approval of the Parties, replace the annual special audit with an audit covering a two-year period.

ARTICLE V - OTHER MATTERS

Section 5.1. Term. This Agreement shall become effective on the date of its execution as hereinabove stated. The Agreement shall remain in effect until August 18, 2033, or until such time as it is terminated in writing by the parties; provided, however, that this Agreement shall not terminate, or be terminated, until the date on which all bonds or other indebtedness issued, or caused to be issued, by the Authority have been retired, or full provision for their retirement, including interest until their retirement date, has been made.

Section 5.2. Immunities. All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, all pension, relief, disability, workmen's compensation, and other benefits which apply to the activity of officers, agents or employees of either public agency party hereto when performing their respective functions within the territorial limits of their respective public agencies, shall apply to them in the same degree and extent while engaged in the performance of any of their functions or duties extraterritorially under the provisions of the Law and as provided by law.

Section 5.3. Breach. If default shall be made by any of the Parties in any covenant contained in this Agreement, such default shall not excuse any Party from fulfilling its obligations under this Agreement and each Party shall continue to be liable for the performance of all conditions herein contained. The Parties hereby declare that this Agreement is entered into for the benefit of the Authority created hereby and the Parties

hereby grant to the Authority the right to enforce by whatever lawful means the Authority deems appropriate all of the obligations of each of the Parties hereunder. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Authority to any or all other remedies.

Section 5.4. Waiver. Subject to the provisions hereof, either party to this Agreement may specifically and expressly waive, in writing, compliance by the other party hereto with any term, condition or requirement set forth in this Agreement. Either party to this Agreement may specifically and expressly waive, in writing, any breach of any term, condition or requirement of this Agreement, by the other party hereto, however, in the event that either party makes or gives such a waiver, such action shall not constitute a further or continuing waiver of any preceding or succeeding breach, or requirement or compliance with, the same or any other provision or contractual requirement, unless a specific statement to the contrary is contained within such waiver. The waiving party may, at any time thereafter, require future compliance by the other party hereto with the requirements or provisions of this Agreement that have been so waived. The consent of one party to any act by the other party for which such written consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such written consent for the same or similar acts in the future. No waiver or consent shall be implied from the silence or from the failure of any party to an act, except as otherwise specified in this Agreement.

Section 5.5. Severability. Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

Section 5.6. Interpretation. The Parties hereto acknowledge and agree that each has been given the opportunity to independently review this Agreement with legal counsel, and/or has the requisite experience and sophistication to understand, interpret and agree to the particular language of the provisions of this Agreement. In the event of an ambiguity in, or dispute regarding, the interpretation of this Agreement said ambiguity or dispute shall not be resolved by any rule of interpretation providing for interpretation against the party who causes the uncertainty to exist or against the draftsman.

Section 5.7. Successors; Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors of the Parties. No Party may assign any right or obligation hereunder without the consent of the other party hereto.

Section 5.8. Amendment of Agreement. This Agreement may be amended by supplemental agreement executed by the Parties: (a) at any time prior to the issuance of any Bonds, or (b) at any time after the issuance of Bonds subject to the conditions and restrictions set forth in the Bond Resolution(s) or indenture or indentures authorizing the issuance of the Bonds or other securities.

Section 5.9. Cooperation in Execution of Documents. The Parties hereto agree to complete and execute any further or additional documents which may be necessary to complete or comply with the performance requirements set forth in this Agreement.

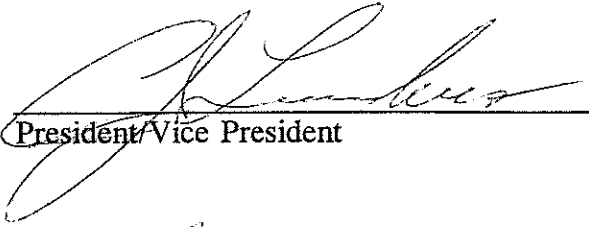
Section 5.10. Form of Approvals. Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given by resolution duly and regularly adopted by the boards of each of the Parties and, in the case of the Authority, by resolution duly and regularly adopted by the Board. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

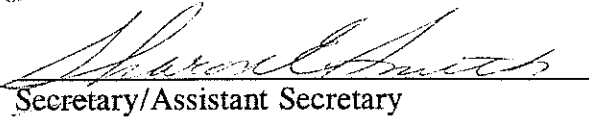
Section 5.11. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

Section 5.12. Authority. The signatories hereto represent they have been appropriately authorized to enter into this Agreement on behalf of the party for whom they sign.

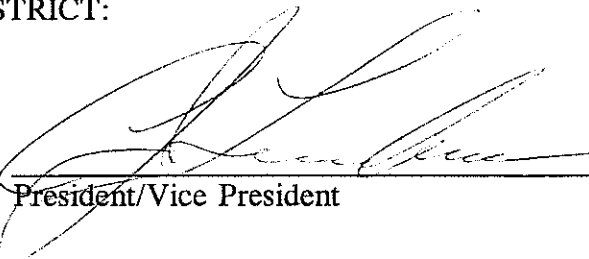
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

TRABUCO CANYON WATER DISTRICT:

By: 
President/Vice President

By: 
Secretary/Assistant Secretary

COMMUNITY FACILITIES DISTRICT NO. 7
OF THE TRABUCO CANYON WATER
DISTRICT:

By: 
President/Vice President

By: 
Secretary/Assistant Secretary

**TRABUCO CANYON PUBLIC FINANCING AUTHORITY
REGULAR ANNUAL MEETING | JANUARY 21, 2026**

ACTION CALENDAR

ITEM 2: APPROVAL OF MINUTES OF BOARD MEETING(S)

RECOMMENDED ACTION

Approve the minutes of the following Meeting(s):

1. *August 20, 2025 Regular Meeting*

EXHIBIT

1. August 20, 2025 Trabuco Canyon Public Financing Authority Regular Meeting Minutes

CONTACTS (staff responsible): MCKENNEY/PEREA

MINUTES OF THE ANNUAL MEETING OF THE BOARD OF DIRECTORS OF THE TRABUCO CANYON PUBLIC FINANCING AUTHORITY | AUGUST 20, 2025

The Annual Meeting of the Board of Directors of the Trabuco Canyon Public Financing Authority (TCPFA) was called to order by District Secretary Michael Perea at 6:07 p.m. at the Trabuco Canyon Water District's ("District") Administration Facility, located at 32003 Dove Canyon Drive, Trabuco Canyon, California. Mr. Perea called for a vote for a meeting chair, due to President Mandich and Vice President Acosta's absence. Director Horst nominated Director Anderson to chair the meeting. The Board unanimously voted to appoint Director Anderson as meeting Chair. District Secretary Mr. Michael Perea transcribed the minutes thereof.

DIRECTORS PRESENT

Director Mark Anderson
Director John Horst
Director Mike Safranski

DIRECTORS ABSENT

President Ed Mandich
Vice President Glenn Acosta

TCWD STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager
Lorrie Lausten, District Engineer
Karen Warner, Principal Accountant
Roseann Lejsek, Executive Assistant
Other staff were present

DISTRICT CONSULTANTS

Claire Collins, District General Legal Counsel - Hanson & Bridgett, LLP
Ian Berg, District Treasurer – Starting Line Advisory

PUBLIC PRESENT

There were members of the public present.

VISITOR PARTICIPATION

None

ORAL COMMUNICATION

None

DIRECTOR'S COMMENTS

None

**TRABUCO CANYON PUBLIC FINANCING AUTHORITY
ANNUAL BOARD MEETING | AUGUST 20, 2025**

ACTION CALENDAR

ITEM 1: CONFIRMATION OF OFFICE OF PRESIDENT AND VICE PRESIDENT

MOTION: Confirm Trabuco Canyon Water District Vice President Glenn Acosta as President of the Trabuco Canyon Public Financing Authority – Director Horst

SECOND: Director Safranski

AYES: Directors Anderson, Horst & Safranski

NOES: None

ABSTAIN: None

ABSENT: Directors Mandich & Acosta

MOTION PASSED/FAILED: Passed 3 – 0 – 2 with Directors Mandich & Acosta absent.

MOTION: Confirm Trabuco Canyon Water District President Ed Mandich as Vice President of the Trabuco Canyon Public Financing Authority – Director Horst

SECOND: Director Safranski

AYES: Directors Anderson, Horst & Safranski

NOES: None

ABSTAIN: None

ABSENT: Directors Mandich & Acosta

MOTION PASSED/FAILED: Passed 3 – 0 – 2 with Directors Mandich & Acosta absent.

ITEM 2: CONFIRMATION OF TREASURER OF THE AUTHORITY

MOTION: Confirm Mr. Ian Berg as Treasurer of the Trabuco Canyon Public Financing Authority – Director Horst

SECOND: Director Safranski

AYES: Directors Anderson, Horst & Safranski

NOES: None

ABSTAIN: None

ABSENT: Directors Mandich & Acosta

MOTION PASSED/FAILED: Passed 3 – 0 – 2 with Directors Mandich & Acosta absent.

ITEM 3: APPROVAL OF MINUTES OF BOARD MEETING(S)

MOTION: Approve the May 16, 2024 Trabuco Canyon Public Financing Authority Regular Meeting Minutes – Director Safranski

SECOND: Director Horst

AYES: Directors Anderson, Horst & Safranski

NOES: None

ABSTAIN: None

ABSENT: Directors Mandich & Acosta

MOTION PASSED/FAILED: Passed 3 – 0 – 2 with Directors Mandich & Acosta absent.

**TRABUCO CANYON PUBLIC FINANCING AUTHORITY
ANNUAL BOARD MEETING | AUGUST 20, 2025**

ITEM 4: TRABUCO CANYON PUBLIC FINANCING AUTHORITY FINANCIAL STATEMENT FOR YEAR ENDED JUNE 30, 2024

MOTION: Receive and file the Trabuco Canyon Public Financing Authority Audited Financial Statement for Year Ended June 30, 2024 – Director Horst

SECOND: Director Safranski

AYES: Directors Anderson, Horst & Safranski

NOES: None

ABSTAIN: None

ABSENT: Directors Mandich & Acosta

MOTION PASSED/FAILED: Passed 3 – 0 – 2 with Directors Mandich & Acosta absent.

ITEM 5: OTHER MATTERS/REPORTS

There were no other matters or reports from the General Manager or staff.

ACTION: There was no action taken.

ADJOURNMENT

Director Anderson adjourned the August 20, 2025 Trabuco Canyon Public Financing Authority Regular Annual Meeting at 6:09 p.m.

DRAFT

**TRABUCO CANYON PUBLIC FINANCING AUTHORITY
REGULAR ANNUAL MEETING | JANUARY 21, 2026**

ACTION CALENDAR

**ITEM 3: TRABUCO CANYON PUBLIC FINANCING AUTHORITY FINANCIAL STATEMENT FOR YEAR ENDED
JUNE 30, 2025**

In June 2021, the District Board of Directors authorized the General Manager to contract with Nigro & Nigro for auditing services for the TCPFA. As there are no fund balances for the TCPFA, Nigro & Nigro has prepared a compilation of financial statements which is attached for review, receipt, and file.

RECOMMENDED ACTION

Receive and file the Trabuco Canyon Public Financing Authority Audited Financial Statement for Year Ended June 30, 2025.

EXHIBIT

1. Trabuco Canyon Public Financing Authority Audited Financial Statement for Year Ended June 30, 2025

CONTACTS (staff responsible): MCKENNEY/PEREA

TRABUCO CANYON PUBLIC FINANCING AUTHORITY
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Year Ended
June 30, 2025
(With Comparative Amounts as of June 30, 2024)

NIGRO & NIGRO^{PC}

TRABUCO CANYON PUBLIC FINANCING AUTHORITY
For the Fiscal Year Ended June 30, 2025
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Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
Trabuco Canyon Public Financing Authority
Trabuco Canyon, California

Opinion

We have audited the accompanying financial statements of the Trabuco Canyon Public Financing Authority (Authority) which comprise the balance sheet as of June 30, 2025, the related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2025 and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District’s financial statements for the year ended June 30, 2024, from which such partial information was derived

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated November 19, 2025, on our consideration of the Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority’s internal control over financial reporting and compliance.



Murrieta, California
November 19, 2025

TRABUCO CANYON PUBLIC FINANCING AUTHORITY

Balance Sheets

June 30, 2025 (With Comparative Information as of June 30, 2024)

<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
Current assets:		
Accrued interest receivable	\$ -	\$ 30,874
Installment sale agreement receivable (note 2)	639,000	-
Total current assets	<u>639,000</u>	<u>30,874</u>
Non-current assets:		
Installment sale agreement receivable (note 2)	19,869,000	20,508,000
Total non-current assets	<u>19,869,000</u>	<u>20,508,000</u>
Total assets	<u>20,508,000</u>	<u>20,538,874</u>
 <u>LIABILITIES</u>		
Current liabilities:		
Accrued interest payable	-	30,874
Long-term liabilities - due within one year		
Loans payable (note 3)	639,000	-
Total current liabilities	<u>639,000</u>	<u>30,874</u>
Non-current liabilities:		
Long-term liabilities - due in more than one year		
Loans payable (note 3)	19,869,000	20,508,000
Total non-current liabilities	<u>19,869,000</u>	<u>20,508,000</u>
Total liabilities	<u>20,508,000</u>	<u>20,538,874</u>
 <u>NET POSITION</u>		
Restricted for debt service:		
Total net position	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 20,508,000</u>	<u>\$ 20,538,874</u>

TRABUCO CANYON PUBLIC FINANCING AUTHORITY

Statements of Revenues Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2025 (With Comparative Information as of June 30, 2024)

	<u>2025</u>	<u>2024</u>
Operating Revenues:		
District contributions	\$ -	\$ 108,000
Interest earnings	948,685	30,874
Total operating revenues:	<u>948,685</u>	<u>138,874</u>
Operating Expenses:		
Interest expense	948,685	30,874
Cost of debt issuance	-	108,000
Total operating expenses:	<u>948,685</u>	<u>138,874</u>
Change in net position	-	-
Net Position		
Beginning of year	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>

TRABUCO CANYON PUBLIC FINANCING AUTHORITY

Statements of Cash Flows

For the Fiscal Year Ended June 30, 2025 (With Comparative Information as of June 30, 2024)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Proceeds from district contributions	\$ -	108,000
Interest received on installment sale agreement receivable	948,685	30,874
Cost of debt issuance	-	(108,000)
Interest paid on loan payable	(948,685)	(30,874)
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	-	-
	<hr/>	<hr/>
Net increase(decrease) in cash and cash equivalents	-	-
	<hr/>	<hr/>
Cash and cash equivalents:		
Beginning of year	-	-
	<hr/>	<hr/>
End of year	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>

TRABUCO CANYON PUBLIC FINANCING AUTHORITY

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations of the Reporting Entity

The Trabuco Canyon Public Financing Authority (Authority) was formed on August 18, 1993, under a joint Exercise of Powers Agreement, by and between the Trabuco Canyon Water District (District) and Community Facilities District No. 7 of the District. The purpose of the agreement was to establish an authority for the purpose of acquiring, constructing, modifying, and rehabilitating facilities; undertaking a program of local agency bond pooled financing, refinancing and lending pursuant to the Marks-Roos Act; and to develop other powers to benefit the group to the extent permitted by the laws and regulations governing such operations.

The Authority is an integral part of the reporting entity of the District. The financial activity of the Authority has been included within the scope of the basic financial statements of the District because the board of directors of the District is the governing board over the operations of the Authority. Only the financial activity of the Authority is included herein; therefore, these financial statements do not represent the financial position or results of operations of the District.

Basis of Accounting and Measurement Focus

The Authority reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Authority is to service the debt of the District through debt service payments received from the District. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Financial Reporting

The Authority's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States Board (GAAP), as applied to enterprise funds, The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Authority's proprietary fund.

Operating revenues and expenses result from exchange transactions associated with the principal activity of the Authority. Exchange transactions are those in which each party receives and gives up essentially equal values. Management administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Revenue Recognition

The Authority recognizes revenues from interest earnings when they are earned, operating activities generally result from providing services and producing and delivering goods. As such, the Authority considers interest earned to be operating revenue.

TRABUCO CANYON PUBLIC FINANCING AUTHORITY

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Economic Dependence

The Authority provides financial assistance to the District by financing the water improvement facilities for proposed future developments within the District. As such, all of the Authority's revenues and installment sale agreement receivables result from an installment sale agreement between the Authority and the District.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

NOTE 2 – INSTALLMENT SALE RECEIVABLE

The Authority entered into an installment sale agreement with the Trabuco Canyon Water District for the purpose of providing funding for the principal and interest on the long-term debt.

Changes in the installment sale receivable were as follows:

<u>Loans Payable</u>	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
Installment Sale Receivable	\$ 20,508,000	\$ -	\$ -	\$ 20,508,000	\$ 639,000	\$ 19,869,000

NOTE 3 – LONG-TERM DEBT

The following is a summary of changes in long-term liabilities of the Authority for the year ended June 30, 2025:

<u>Bonds Payable</u>	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
2024 Project Loan Payable	\$ 20,508,000	\$ -	\$ -	\$ 20,508,000	\$ 639,000	\$ 19,869,000

2024 – Loan Payable

On April 1, 2024, the Authority entered into an installment purchase agreement with the Trabuco Canyon Water District (District) to provide funds for various capital improvement projects as well as to refinance the \$10,000,000 2022 project loan payable. Through an assignment agreement also dated April 1st, 2024, the Authority agrees to sell, assign and transfer to Capital One Public Funding, LLC (Lender), the right to receive all installment payments from the District. The terms of the agreement provide for interest payable semi-annually on January 1st and July 1st at a rate of 4.61% per annum, with principal payments due annually on July 1st. The loan is set to mature on July 1st, 2044.

TRABUCO CANYON PUBLIC FINANCING AUTHORITY
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 3 – LONG-TERM DEBT (continued)

The annual debt service requirements on the loan are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 639,000	\$ 457,981	\$ 1,096,981
2027	669,000	900,540	1,569,540
2028	701,000	868,962	1,569,962
2029	734,000	835,885	1,569,885
2030	768,000	801,264	1,569,264
2031-2035	4,421,000	3,426,959	7,847,959
2036-2040	5,566,000	2,280,890	7,846,890
2041-2045	<u>7,010,000</u>	<u>837,637</u>	<u>7,847,637</u>
Total	20,508,000	<u>\$ 10,410,118</u>	<u>\$ 30,918,118</u>
Current	<u>(639,000)</u>		
Long-term	<u>\$ 19,869,000</u>		

NOTE 4 – SUBSEQUENT EVENTS

The Authority has evaluated subsequent events through November 19, 2025, the date on which the financial statements were available to be issued.

Other Independent Auditors' Reports



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Trabuco Canyon Public Financing Authority
Trabuco Canyon, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Trabuco Canyon Public Financing Authority (Authority) which comprise the balance sheet as of June 30, 2025, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 19, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Murrieta, California
November 19, 2025

**TRABUCO CANYON PUBLIC FINANCING AUTHORITY
REGULAR ANNUAL MEETING | JANUARY 21, 2026**

ACTION CALENDAR

ITEM 4: 2024 INSTALLMENT PURCHASE AGREEMENT ESTIMATED PROJECT FUNDING UPDATE

In June 2024, the Trabuco Canyon Public Financing Authority entered into an Installment Purchase Agreement with the Trabuco Canyon Water District. This agreement outlined the capital projects and related costs projected to be funded by the proceeds of the 2024 loan, including \$10 Million of the proceeds that were purposed to refinance the 2022 short-term loan that also covered prior capital spending.

The 10-Year Capital Improvement Program of the Trabuco Canyon Water District is a dynamic plan, and since the issuance of the agreement, the priorities and estimated costs within the Trabuco Canyon Water District Capital Improvement Program (CIP) have been updated. As a result, the allocation of funds from the loan proceeds will be adjusted to align with the updated CIP planning and priorities.

In accordance with the requirements of the Installment Purchase Agreement, the Trabuco Canyon Water District is responsible for filing an updated list of projects with the Authority. This updated project list will specify which projects are to be funded with the loan proceeds, provided that the total of the estimated costs for these projects does not fall below the amount originally anticipated in the agreement.

RECOMMENDED ACTION

Receive and file the updated list of projects funded by the proceeds from the 2024 installment purchase agreement proceeds.

EXHIBIT

1. Updated Estimated Costs of Projects Funded by 2024 Loan Proceeds

CONTACTS (staff responsible): MCKENNEY/PEREA/BERG

Exhibit A
Updated Estimated Costs of Projects Funded by 2024 Loan Proceeds

Project ID	Project Description	Total Estimated Funding From 2024 Loan Proceeds
PW-03	Transmission Main Replacement - DWTP to Ridgeline PS	\$ 5,207,600
WW-39	Golf Club Sewer Lift Station Rehabilitation	3,536,300
WW-40	WWTP Hoffman Blower Building Rehabilitation	1,778,600
2122-008	AMI/AMR System Implementation	1,636,300
DW-02	SCADA System Upgrades	1,446,400
2122-005	SCADA System Upgrades FY 2122	769,400
RW-13	Dove Canyon Recycled Booster Pump Station	429,100
WW-09	Heritage Sewer Lift Station Rehabilitation	519,500
WW-50	WWTP Headworks Replacement	370,000
WW-41	WWTP SCADA & Fiber Optic Upgrade	339,400
2223-106	Chiquita FY 22/23	318,000
DW-03	Admin Building Server Replacement	280,900
PW-20	10" Pipeline Replacement - Cooks Corner to Harris Grade	278,200
RW-23	Tick & Dove Creek Pump Station Improvements	274,900
RW-50	Dove Canyon Recycled PRV Improvement	267,000
2122-028	Bell Cyn SLS Rehab	265,000
2122-025	ETRSLs Surge Tank Improvements	257,000
FY24-201	District Fleet	250,000
WW-49	SMWD Chiquita WWTP Shared Capital	213,300
FY24-102	Chiquita FY23/24	179,500
2122-026	ETRSLs Electrical Improvements for pumps/MCC	158,700
WR-01	WWTP Reservoir Gate Improvements	151,300
FY22-011	DWTP Office & Storage	125,400
UP04	16" Main - El Toro Bike Path	123,100
FY24-302	Valve Replacements - Water	114,400
PW-36	Pump Replacements - PW	113,200
FA00873	Chiquita Capital Replacements 873	68,900
2122-016	Valve Replacement Program 21/22	65,800
PW-04	DWTP Improvements - Phase 2	59,900
FY24-303	Wetwell Recoating	57,300
FY24-109	DWTP Vault Improvement	55,900
2223-305	Pump Replacement Program 22/23 (Water)	54,600
2223-202	WWTP New Mixers	53,100
2223-302	Valve Replacement Program 22/23	52,600
FY24-202	Pump Replacements - Sewer	52,100
FA00874	Chiquita Capital Replacements 874	51,100
UP05	Filter grate replacements - #1 & 2	49,900
UP11	Submersible pumps - Via Allegre LS	49,600
UP06	Pump replacement - WWTP	45,900
2223-201	Equipment Trailer	44,800
2223-301	PRV Improvements 22/23	44,700
2122-020	Pump Replacement Program 21/22	43,300
PW-37	Valve Replacements - PW	43,000
FY24-111	Administration Office Remodel - 3 offices	41,500
PW-35	Pressure Reducing Vault Improvements - PW	40,800
2122-023	DWTP Tanks	39,600
FY24-108	El Toro SLS Force Main Discharge Valve Replacement	37,500
2122-029	CMMS Software	28,300
FIXED ASSET4	Fire Hydrant Replacements	25,300
Total Estimated Funding From the 2024 Loan		\$ 20,508,000

**TRABUCO CANYON PUBLIC FINANCING AUTHORITY
REGULAR ANNUAL MEETING | JANUARY 21, 2026**

ACTION CALENDAR

ITEM 5: OTHER MATTERS/REPORTS

Other Matters/Reports may be provided at the time of the Regular Annual Meeting.

RECOMMENDED ACTION

Hear Other Matters/Reports that may have arisen after the posting of the agenda.

EXHIBIT

None

CONTACTS (staff responsible): MCKENNEY/PEREA