



**FINANCE/AUDIT COMMITTEE MEETING AGENDA  
TRABUCO CANYON WATER DISTRICT  
ADMINISTRATION FACILITY  
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CA  
APRIL 9, 2026 at 8:30 AM**

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**COMMITTEE MEMBERS**

John Horst, Committee Chair  
Glenn Acosta, Committee Member  
Mike Safranski, Committee Member Alternate

**DISTRICT STAFF**

Larry McKenney, General Manager  
Michael Perea, Assistant General Manager  
Ian Berg, District Treasurer  
Karen Warner, Principal Accountant

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**AGENDA NOTE:**

*This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.*

**Computer Audio: You can join the Zoom meeting by clicking on the following link:**

<https://zoom.us/j/94106575794>

**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](http://www.tcwd.ca.gov). You may submit public comments by email to the Committee at [mperea@tcwd.ca.gov](mailto:mperea@tcwd.ca.gov). In order to be part of the record, emailed comments on meeting agenda items must be received by the District at the referenced e-mail address not later than 7:00 a.m. (PDT) on the day of the meeting.*

**CALL MEETING TO ORDER**

**VISITOR PARTICIPATION**

*Members of the public wishing to address the Committee regarding a particular item on the agenda are requested to submit public comments at the time of the meeting or by email to the Committee at [mperea@tcwd.ca.gov](mailto:mperea@tcwd.ca.gov). 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 requested to submit oral communication at the time of the meeting by email to the Committee at [mperea@tcwd.ca.gov](mailto:mperea@tcwd.ca.gov). 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.*

**COMMITTEE MEMBER COMMENTS**

**REPORT FROM THE GENERAL MANAGER**

**FINANCIAL MATTERS**

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

**RECOMMENDED ACTION:**

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

1. March 12, 2026

**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 March 2026 and tentative future meetings/attendance (Action Calendar).

**ITEM 3: TCWD PARTICIPATION IN MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) CHOICE PROGRAMS**

**RECOMMENDED ACTION:**

Receive information at the time of the meeting. No action required.

**ITEM 4: FINANCIAL REPORT**

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

**RECOMMENDED ACTION:**

Recommend that the Board receive and file the preliminary unaudited financial statements for February 2026 (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 April 9, 2026 as presented (Consent Calendar).

**ITEM 5: FY 2027 OPERATING AND CAPITAL BASELINE BUDGET DRAFT FOR DISCUSSION**

**RECOMMENDED ACTION:**

Committee to receive presentation at the time of the meeting and provide direction as deemed appropriate.

**ITEM 6: OTHER MATTERS**

**RECOMMENDED ACTION:**

Hear Other Matters from the General Manager or District Staff.

**ADJOURNMENT**



**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING AGENDA | APRIL 9, 2026**

**AVAILABILITY OF AGENDA MATERIALS**

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

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

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



**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | APRIL 9, 2026**

**FINANCIAL MATTERS**

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

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***RECOMMENDED ACTION:***

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

1. *March 12, 2026*

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



**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING RECAP | MARCH 12, 2026**

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**DIRECTORS PRESENT**

John Horst, Committee Chair (Remotely)  
Glenn Acosta, Committee Member

**STAFF PRESENT**

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

**STAFF ABSENT**

None

**CONSULTANTS PRESENT**

Ian Berg, Starting Line Advisory  
Lora Nichols, Fieldman, Rolapp & Associates

**PUBLIC PRESENT**

None

**CALL MEETING TO ORDER**

Director Horst, joining remotely, asked Director Acosta to chair the meeting. Director Acosta called the March 12, 2026 Finance/Audit Committee Meeting to order at 8:30 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. McKenney provided a brief summary of the agenda items for discussion and Committee input.

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

Mr. McKenney 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 | MARCH 12, 2026**

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

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Mr. McKenney 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 revised Directors' fees and expenses for February 2026 and tentative future meetings/attendance (Action Calendar).

**ITEM 3: DISTRICT FINANCIAL POLICY UPDATES – CASH RESERVES POLICY & DEBT MANAGEMENT POLICY**

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Mr. Berg presented this matter for Committee consideration, and he reviewed the proposed changes to the Cash Reserves Policy and Debt Management Policy.

**RECOMMENDATION:** Recommend the Board of Directors adopt the policy updates (Action Calendar).

**ITEM 4: DISCUSSION CONCERNING CHANGING DISTRICT BANKING SERVICES**

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Mr. McKenney presented this matter for Committee consideration, and he provided an overview of the District's challenges with its current banking service. Mr. McKenney reported that, after interviewing three banks and carefully reviewing their proposals, staff ranked the top two on a comparison sheet provided to the Committee. Discussion occurred regarding the advantages of each banking institution.

Mr. McKenney reported that the District is planning a debt issuance later this year, and that staff is evaluating multiple financing options including a private placement loan and a California Infrastructure and Economic Development Bank (IBank) loan, which specializes in lending to public agencies for infrastructure projects. Mr. McKenney introduced Ms. Lora Nichols, Vice President at Fieldman Rolapp & Associates, the District's financial consultant, to present information on both options.

Ms. Nichols delivered a PowerPoint presentation comparing the debt structure options for both a private placement loan and an IBank loan. Ms. Nichols outlined IBank's eligibility requirements, terms and conditions, interest rates and fees, and application timeline. Ms. Nichols noted that Fieldman recommends proceeding with submitting an application to IBank to initiate the due diligence review and pursue a preliminary credit rating. Discussion occurred regarding the credit rating evaluation process.

**RECOMMENDATION:** Recommend the Board of Directors authorize staff to proceed with submitting an application to IBank and pursue a preliminary credit rating (Action Calendar).

**ITEM 5: DISCUSSION CONCERNING AMENDING THE DISTRICT'S CONTRACT WITH CALPERS FOR PENSION COST SHARING**

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Mr. McKenney reported that staff have encountered administrative challenges with CalPERS regarding the proposed resolution and are actively working with the District's Human Resources consultant, CPS HR, and CalPERS to resolve these issues. Mr. McKenney requested that the matter be tabled at this time, and he noted that this item may be placed on the agenda for the Regular Board meeting, subject to clarification and resolution of the outstanding matters.

**RECOMMENDATION:** None.

**TRABUCO CANYON WATER DISTRICT  
FINANCE AUDIT COMMITTEE MEETING RECAP | MARCH 12, 2026**

**ITEM 6: FINANCIAL REPORT**

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Mr. Berg and Ms. Warner presented the preliminary unaudited financials for January 2026.

***CASH & INVESTMENTS***

Discussion occurred concerning reserve fund balances and targets.

***FINANCIAL ANALYSIS SUMMARY***

Discussion occurred regarding an increase to the District's cash position from the prior month.

***DISTRICT SUMMARY BUDGET v. ACTUAL***

Discussion occurred concerning source of supply, total expense, net change in unrestricted cash.

A brief discussion occurred regarding the Dimension Transmission Main Pipeline project status.

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

**ITEM 7: OTHER MATTERS**

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Mr. McKenney reported on the following matters:

- A contract change order with TE Roberts that exceeded the original contract contingency amount by \$856 was executed earlier this month. Mr. McKenney stated that due to the time sensitivity of the matter, he approved the change order and is reporting out for transparency purposes.
- The District's contract with its independent auditor, Nigro & Nigro, is expiring, and a one-year extension has been executed.
- Staff has engaged with Arbitrage Compliance Specialist (ACS) for arbitrage compliance services related to the District's 2024 private placement loan reporting rules for a contract amount of \$1,500.
- The new rate study will be agendized at the Regular Board meeting next week and the District's new rate consultant, Water Resources Economics (WRE), will be in attendance to deliver a presentation and perform a policy priority ranking exercise with the Board.

Mr. Perea reported that staff will be reaching out to the Board to schedule Special Board Meetings related to the rate study.

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

**ADJOURNMENT**

Director Acosta adjourned the March 12, 2026 Finance/Audit Committee Meeting at 10:00 a.m.

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | APRIL 9, 2026**

**FINANCIAL MATTERS**

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

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***Directors' Fees and Expenses***

Consistent with Board policy, Directors are reimbursed for expenses incurred while serving in their capacity as Directors. Additionally, Directors earn a per diem stipend for attendance at meetings or functions in a Director capacity. Per Ordinance No. 91-15 (adopted July 17, 1991), Directors per diem amount is limited to \$125 per meeting for a maximum of ten days per calendar month. The attached spreadsheet provides a recap of the meetings, seminars, 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 March 2026 and tentative future meetings/attendance. (Action Calendar)*

**EXHIBIT(S):**

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

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

**TRABUCO CANYON WATER DISTRICT  
DIRECTORS' FEES AND EXPENSES MONTHLY REPORT | MARCH 2026**

<b>MEETING DESCRIPTION</b>	<b>ACOSTA</b>	<b>ANDERSON</b>	<b>HORST</b>	<b>MANDICH</b>	<b>SAFRANSKI</b>
<b>DISTRICT MEETINGS</b>					
Board President Meeting with General Manager		03/28/26			
Engineering/Operational Committee Meeting		03/04/26		03/04/26	
Executive Committee Meeting	03/03/26	03/03/26			
Finance/Audit Committee Meeting	03/12/26		03/12/26		
Individual Meeting with General Manager	03/09/26	03/09/26	03/10/26	03/10/26	03/16/26
Public Outreach Ad Hoc Committee Meeting	03/25/26		03/25/26		
Rate Relief Ad Hoc Committee Meeting		03/05/26			
Regular Board Meeting	03/18/26	03/18/26	03/18/26	03/18/26	03/18/26
<b>REPRESENTATIVE MEETINGS</b>					
Community Associations of Rancho (CAR) Meeting					
City of Rancho Santa Margarita - City Council Meeting					03/11/26
Independent Special Districts of Orange County (ISDOC) Monthly Meeting		03/03/26			
MWDOC Administration/Finance Committee Meeting			03/11/26		
MWDOC Board Meeting			03/18/26		
Orange County Local Agency Formation Commission (OC LAFCO)		03/11/26			
Santiago Aqueduct Commission Meeting					
South Orange County Agencies Group Meeting			03/26/26		03/26/26
South Orange County Integrated Regional Watershed Management Executive Committee Meeting					
Water Advisory Commission of Orange County (WACO)		03/06/26			
<b>NUMBER OF MEETINGS ATTENDED</b>	<b>5</b>	<b>8</b>	<b>6</b>	<b>3</b>	<b>4</b>
<b>PER DIEMS (\$125 per each meeting*)</b>	<b>\$625.00</b>	<b>\$1,000.00</b>	<b>\$750.00</b>	<b>\$375.00</b>	<b>\$500.00</b>
<b>DIRECT REIMBURSABLE EXPENSES</b>					
<b>DIRECT REIMBURSABLE EXPENSES TOTALS</b>					
<b>INDIRECT REIMBURSABLE EXPENSES</b>					
<b>INDIRECT REIMBURSABLE EXPENSES TOTALS</b>					
<b>TOTAL (PER DIEMS + DIRECT REIMBURSABLE EXPENSES)</b>	<b>\$625.00</b>	<b>\$1,000.00</b>	<b>\$750.00</b>	<b>\$375.00</b>	<b>\$500.00</b>
<i>* Maximum per diem per day is one; maximum per month is 10</i>					

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

**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
<b>DISTRICT PUBLIC MEETINGS</b>													
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	-	-	-	-	-	-	-	-	-	-	-	-
<b>PUBLIC MEETINGS</b>													
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
<b>CONFERENCES</b>													
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 | APRIL 9, 2026**

**FINANCIAL MATTERS**

**ITEM 3: TCWD PARTICIPATION IN MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) CHOICE PROGRAMS**

**Background**

Trabuco Canyon Water District (District) is a member agency of the Municipal Water District of Orange County (MWDOC). MWDOC’s process for preparing its upcoming fiscal year budget includes requests for input and suggestions from its member agencies. MWDOC’s budget includes budgetary costs for CORE and CHOICE activities. The CORE budget includes projections and assumptions for the District’s treated and untreated water purchases, associated capacity charges, and readiness to serve charges that are also based on similar rates and charges from the Metropolitan Water District of Southern California (MET). A member agency’s CHOICE budget consists of a variety of elective programs that are voluntarily selected by the agency.

The CHOICE budget includes rebate programs that are funded by MET and are made available to member agency customers. Member agencies can choose to enhance rebates with funding to encourage water use efficiency in its service area. The District also participates in other programs such as Water Education School Programs, Water Loss Control Shared Services, and other Technical Assistance Programs. A summary of the MET-funded rebates and CHOICE programs as well as TCWD enhancements are listed in the table below:

<b>FISCAL YEAR 2025-26</b>					
<b>LINE ITEM</b>	<b>PROGRAM DESCRIPTION</b>	<b>BASE REBATE</b>	<b>TCWD BUDGET</b>	<b>REBATE PER DEVICE</b>	<b>AUTHORIZED FUNDING</b>
1	High Efficiency Clothes Washers - Residential	\$ 85	\$ 145	\$ 230	\$ 2,175
2	High Efficiency Toilets - Residential	\$ 40	\$ 100	\$ 140	\$ 1,000
3	Flow Monitor/Leak Detection Devices ( <i>Not Allowed</i> )	\$ 100	-	\$ 100	-
4	Weather Based Irrigation Controllers (WBIC) - Residential	\$ 80	\$ 50	\$ 130	\$ 2,000
5	Spray to Drip Irrigation (per sq.ft. - max 5,000 sq.ft.)	\$ 0.50	\$ 0.50	\$ 1	
6	Rain Barrels (Max Limit - 2)	\$ 35		\$ 35	
7	Cisterns (Gallon Capacity Dependent)	\$250-\$350		\$250-\$350	
8	Rotating Sprinkler Nozzles (Rebate/Nozzle - Up to 15)	\$ 2		\$ 2	
9	Soil Moisture Sensor System - Controller	\$ 85		\$ 85	
10	Soil Moisture Sensor System - Sensor Stations (>1 Acre)	\$ 35		\$ 35	
11	Turf Removal - Residential - See Add'l Requirements	\$ 2	-	\$ 2	
12	Tree Rebate (Max Limit - 5)	\$ 100		\$ 100	
13	Turf Removal - Commercial	\$ 2	-	\$ 2	
14	<b>Program Enhancement Total</b>				<b>\$ 5,175</b>
15	Water Use Efficiency Budget				\$ 22,801
16	Making Conservation a California Way of Life Technical Assistance Program (TAP)				\$ 58,774
17	Water Education School Program (K-6)				\$ 3,177
18	Water Loss Control Shared Services				\$ 13,620
19	<b>Total</b>				<b>\$ 103,546</b>

These program budgets are effective through June 30, 2026, and some unexpended funds are allowed to roll over into the subsequent fiscal year. District staff are currently evaluating program funding levels and overall performance to determine program funding for FY 2026-27. More information may be provided at the time of the meeting.

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | APRIL 9, 2026**

**RECOMMENDED ACTION(S):**

*Receive information at the time of the Board Meeting. No action required.*

**EXHIBITS:**

None

**CONTACTS (staff responsible): McKENNEY/PEREA/LEJSEK**

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | APRIL 9, 2026**

**FINANCIAL MATTERS  
ITEM 4: FINANCIAL REPORT**

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

**RECOMMENDED ACTION:**

*Recommend that the Board receive and file the preliminary unaudited financial statements for February 2026 (Consent Calendar).*

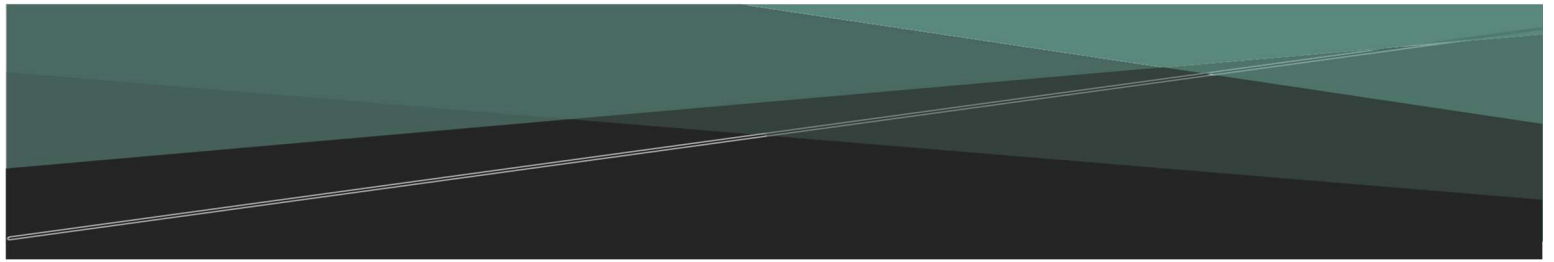
**B) BILLS FOR CONSIDERATION**

The total of the bills for consideration will be presented at the time of the April 9, 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 April 9, 2026 as presented (Consent Calendar).*

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



# Financial Reporting

## February 2026

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  
February 2026**

**CASH & INVESTMENTS**

As of the reporting date, District cash and investments totaled \$8,799,690. Approximately two-thirds of District investments are held in the California Cooperative Liquid Assets Securities System (CLASS) Prime Fund for the pool’s safety, liquidity, and competitive yield. During February 2026, the estimated monthly return for the Local Agency Investment Fund (LAIF) outperformed CLASS by approximately 0.0128%. This spread was reduced from 0.0148% in the prior month. The District Treasurer is monitoring the portfolio and will update investment allocations when prudent.

**CASH FLOW HIGHLIGHTS**

During the reporting month, the District’s cash position decreased \$1,974,158 from the prior month. The District paid for construction progress payments on the Dimension Plant Transmission Main project totaling approximately \$1.76M, which is the main contributor to the change in cash. Capital debt proceeds remaining from the 2024 issuance were utilized to fund these progress payments. The table below shows the primary categories of cash inflows and outflows:

<b>Cash Inflows</b>	Utility Payments	\$ 1,149,184
	Property Taxes	5,046
	OPEB Trust Reimbursements	-
	Investments	22,061
	Miscellaneous Receipts	31,245
	<b>Total Inflows</b>	<b>1,207,537</b>
<b>Cash Outflows</b>	Accounts Payable	2,685,442
	Payroll and Benefits	496,253
	Debt Service	-
	Miscellaneous Payments	-
		<b>Total Outflows</b>
	<b>Net Cash Inflows / (Outflows)</b>	<b>(1,974,158)</b>

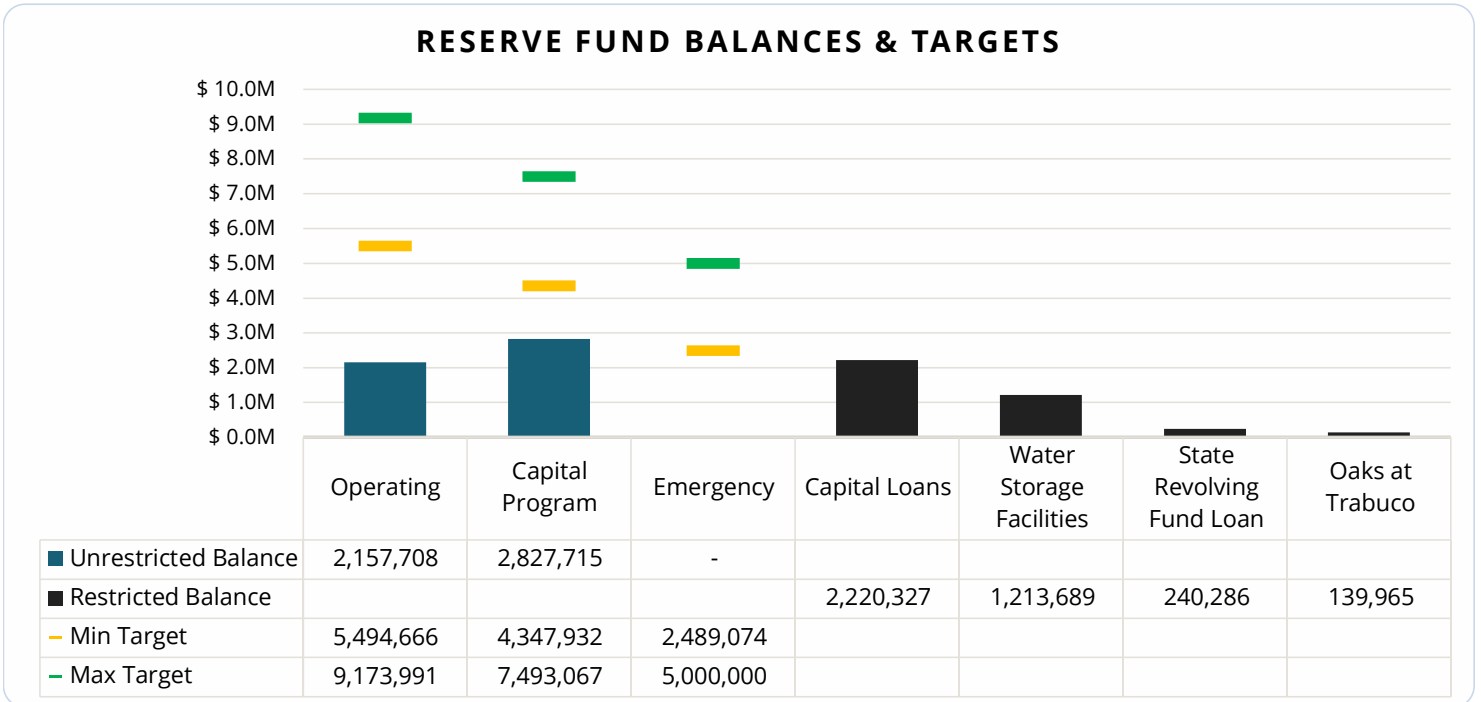
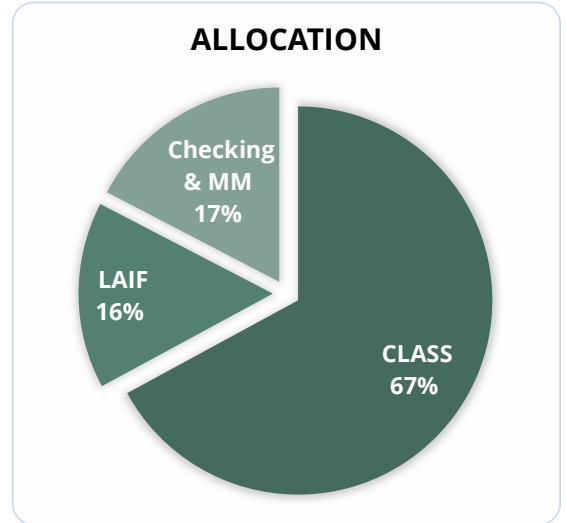
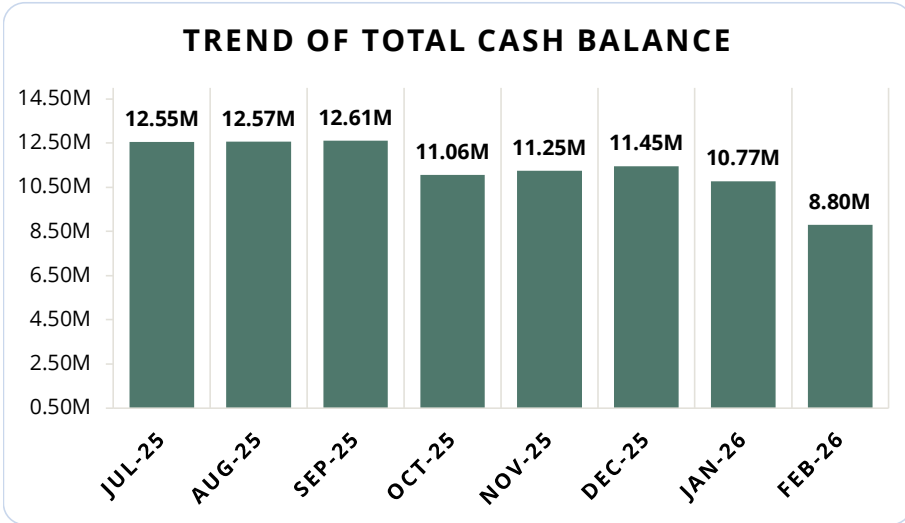
**TOP 10 TOTAL VENDOR PAYMENTS**

Accounts Payable activities represent the largest category of cash outflows for the District during the reporting month. The table below lists the top ten payments to vendors during the reporting month:

Top 10 Payments	Vendor	Operating / Capital	Description of Payments
\$ 1,765,298.55	T.E. ROBERTS INC	Capital	(2) progress payments on DWTP Transmission Main Phase 1B project
\$ 375,797.20	IRVINE RANCH WATER DISTRICT	Operating	Emergency water purchases December 2025, Baker Treatment Plant Q2 operations and maintenance, Portola Hills December water
\$ 309,335.86	ADP	Operating	Employee payroll
\$ 186,916.83	CALPERS	Operating	Employee retirement benefits
\$ 64,071.15	SOUTHERN CALIFORNIA EDISON	Operating	Power for District facilities
\$ 55,408.03	HYDROTECH ELECTRIC	Operating	Electrical repairs and maintenance around District facilities
\$ 53,052.70	MWDOC	Operating	December 2025 and January 2026 water purchases
\$ 37,532.50	JIG CONSULTANTS	Operating / Capital	On call engineering services for ongoing capital projects and operations
\$ 34,300.01	SANTA MARGARITA WATER DISTRICT	Capital	2nd quarter shared capital costs at Chiquita plant
\$ 26,033.75	KDM MERIDIAN	Capital	Engineering survey services

**Cash & Investments as of February 28, 2026**

	Type	Rate	Par / Book		% Portfolio
			Value	Market Value	
Local Agency Investment Fund	LAIF	3.871%	\$ 1,366,992	\$ 1,369,974	15.6%
California Cooperative Liquid Assets Securities System	CLASS	3.743%	\$ 5,903,986	\$ 5,904,952	67.1%
BMO Checking	Checking	0.000%	\$ 1,288,425	\$ 1,288,425	14.6%
CB&T Money Market (SRF Loan Reserve)	Money Market	0.300%	\$ 240,286	\$ 240,286	2.7%
<b>Total Cash &amp; Investments</b>			<b>\$ 8,799,690</b>	<b>\$ 8,803,638</b>	<b>100.0%</b>



**Treasurer Certification**

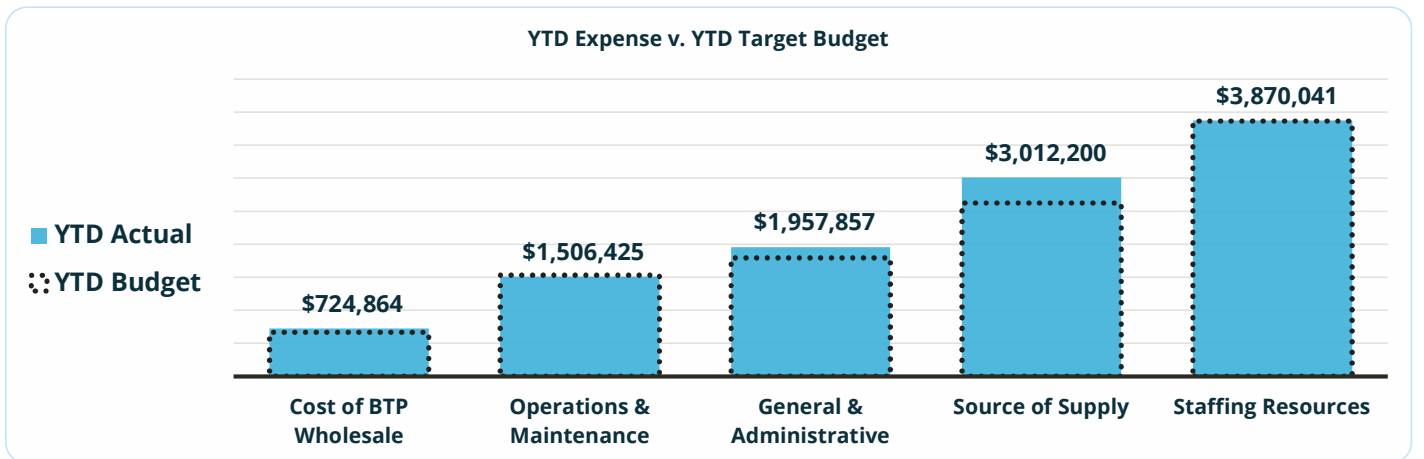
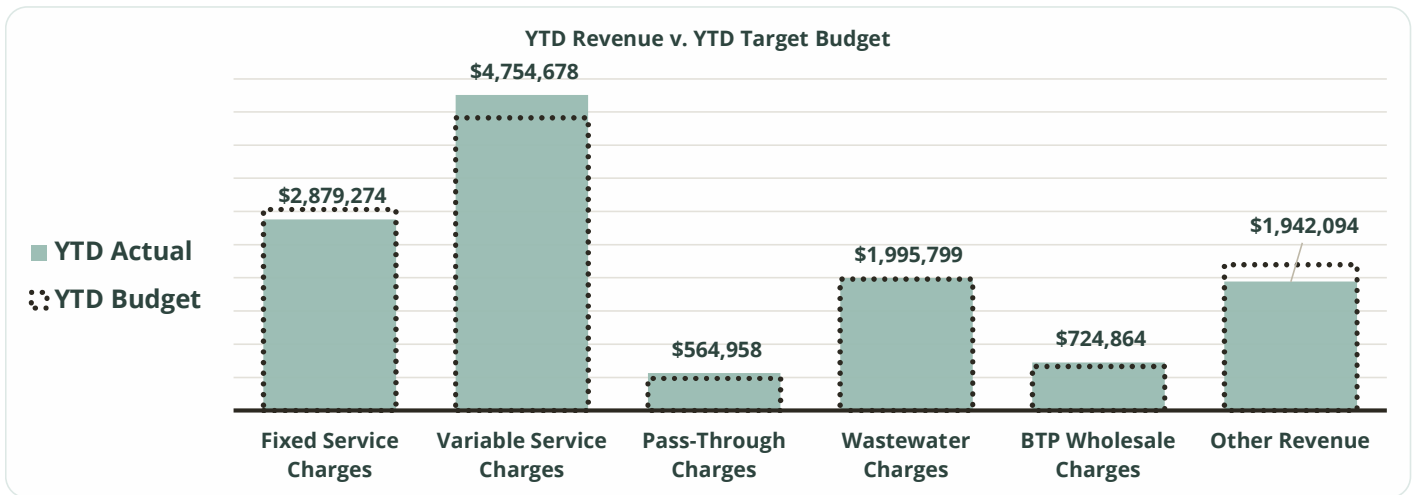
I certify that all investment actions executed since the last reporting period have been made in full compliance with the District's Investment Policy and the District is able to meet its expenditure obligations for the next six months.

**Ian Berg, CPA**  
District Treasurer



**Schedule A: Budget v. Actual Summary**  
**February 2026**

	A	B	C	D	E = C - B	F = B / C
	Feb 2026	Feb 2026	FY 2026	FY 2026	FY 2026	YTD % of
	Period	YTD	Mid-Year	Original	Remaining	Budget
	Actuals	Actuals	Budget	Budget	Budget	66.7%
1 Fixed Service Charges	\$ 378,236	\$ 2,879,274	\$ 4,547,500	\$ 4,499,900	\$ 1,668,226	▲ 63.3%
2 Variable Service Charges	382,156	4,754,678	6,616,700	6,386,300	1,862,022	71.9%
3 Pass-Through Charges	38,749	564,958	728,500	870,800	163,542	77.6%
4 Wastewater Charges	253,480	1,995,799	2,973,200	2,973,200	977,401	67.1%
5 BTP Wholesale Charges	96,334	724,864	997,100	1,493,900	272,236	72.7%
6 Other Revenue	59,427	1,942,094	3,299,000	3,370,400	1,356,906	▲ 58.9%
<b>7 Total Revenue</b>	<b>1,208,380</b>	<b>12,861,666</b>	<b>19,162,000</b>	<b>19,594,500</b>	<b>6,300,334</b>	<b>67.1%</b>
8 Source of Supply	273,905	3,012,200	3,937,400	3,674,900	925,200	▲ 76.5%
9 Cost of BTP Wholesale	96,334	724,864	997,100	1,493,900	272,236	▲ 72.7%
10 Staffing Resources	490,725	3,870,041	5,795,700	5,870,500	1,925,659	66.8%
11 Operations & Maintenance	114,254	1,506,425	2,296,100	2,296,100	789,675	65.6%
12 General & Administrative	165,887	1,957,857	2,688,100	2,652,900	730,243	▲ 72.8%
<b>13 Total Expense</b>	<b>1,141,106</b>	<b>11,071,386</b>	<b>15,714,400</b>	<b>15,988,300</b>	<b>4,643,014</b>	<b>▲ 70.5%</b>
<b>14 Net Income / (Loss) from Operations</b>	<b>67,275</b>	<b>1,790,280</b>	<b>3,447,600</b>	<b>3,606,200</b>	<b>1,657,320</b>	<b>▲ 51.9%</b>
15 Capital Loans Reserve	25,356	5,361,683	11,115,656	10,570,177	5,753,973	48.2%
16 Grant Proceeds for CIP	-	248,400	250,000	470,700	1,600	99.4%
17 Capital Improvement Program	(60,863)	(5,516,150)	(11,825,356)	(10,969,877)	(6,309,207)	46.6%
18 CIP Contingency	-	-	-	(1,097,000)	-	NA
19 Debt Service	-	(573,171)	(1,815,341)	(2,570,070)	(1,242,170)	31.6%
<b>20 Net Change in Unrestricted Cash</b>	<b>\$ 31,768</b>	<b>\$ 1,311,042</b>	<b>\$ 1,172,559</b>	<b>\$ 10,130</b>	<b>\$ (138,483)</b>	





**Trabuco Canyon Water District  
Financial Analysis  
February 2026**

**SCHEDULE A: BUDGET V. ACTUAL SUMMARY**

The District Financial Summary presents financial performance in comparison to the adopted budget for each major category. The current reporting period represents approximately 67% of the fiscal year.

- **Line 1 Fixed Service Charges** includes fixed charges to customers for Potable and Recycled Water service. The District implemented Potable Water rates at 94.0% of the 2023 cost of service approved rate on July 1, 2025. Potable Water rates have since 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 behind the expected YTD % of budget. A one-month timing delay of realizing the impact of the second adjustment during the fiscal year may cause this line to end slightly under budget.
- **Line 2 Variable Service Charges** includes volumetric charges for Potable and Recycled Water services. The District implemented Potable Water rates at 94% of the 2023 Cost-of-Service (COS) study rate plan 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 have caused this line to trend ahead of expectations.
- **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 and 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 consumption trends have caused this line to trend ahead of expectations.
- **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.
- **Line 5 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 original adopted District budget included 1,113 AF of wholesale water sold and 87 AF of BTP water used for District supply. The mid-year budget was adjusted and assumed 743 AF in sales to San Clemente and 457 AF for District supply. As of the reporting period, the District has sold 620 AF to the City of San Clemente and used 181 AF to supply District customers.
- **Line 6 Other Revenue** includes property tax receipts, customer fees, investment earnings and other miscellaneous revenue. The District receives most property tax revenue in November, December, April and May during the fiscal year, which causes results to spike during these months.
- **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, and MET/MWDOC fixed water costs and other surcharges. Currently, the DWTP conveyance pipeline is non-operational, and the mid-year budget includes 9 months of more expensive emergency water purchases during FY 2026. Increased Summer demand and more expensive emergency water purchases are causing this line item to trend higher than expected as of the current reporting period.
- **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



**Trabuco Canyon Water District  
Financial Analysis  
February 2026**

the SAC Operational Surcharge, and the quarterly maintenance charges paid to IRWD. The amount of water sold to San Clemente is not easily predictable with the current emergency water supply needs.

- **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).
- **Line 11 Operations & Maintenance** includes general repairs and maintenance, electrical repairs, vehicle and equipment maintenance, distribution electricity, lab testing and operating supplies.
- **Line 12 General & Administrative** includes professional services, office maintenance and supplies, Board of Directors, liability insurance, dues and memberships, public outreach and rebate programs, customer service and billing, conference, training, travel and miscellaneous expenses. One-time annual payments for liability and property insurance, LAFCO fees, ACWA dues and the MWDOC program for technical assistance with California conservation framework have already occurred and are causing this line to trend ahead of expectations.
- **Line 15 Capital Loans Reserve** includes loan proceeds that fund the District Capital Improvement Program. During the fiscal year, the District has funded roughly 97% of the program with restricted proceeds remaining from the 2024 loan.
- **Line 16 Grant Proceeds for CIP** includes 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). The mid-year budget removed the anticipated proceeds for project RW-23 due to a change in the timing of the project. As of the reporting period, the District has received \$248.4K for project DW-03 which was completed during FY 2025.
- **Line 17 Capital Improvement Program** includes planned CIP during FY 2026. Schedule C outlines the financial progress of individual projects as of the reporting date.
- **Line 18 CIP Contingency** included a 10% contingency amount for unplanned capital project needs in the original budget. This funding was projected during the budget process to plan for escalations in project costs and emergency projects not known at the time of original budget adoption. During the mid-year budget process, these contingency funds were allocated into the Capital Improvement Program as specific needs were identified.
- **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 1<sup>st</sup>) and in June (due July 1<sup>st</sup>).

**Schedule B: Operating Budget v. Actual**  
**February 2026**

	A	B	C	D	E = C - B	F = B / C
	Feb 2026	Feb 2026	FY 2026	FY 2026	FY 2026	YTD % of
	Period	YTD	Mid-Year	Original	Remaining	Budget
	Actuals	Actuals	Budget	Budget	Budget	66.7%
<b>1 Service Charges</b>						
2 Fixed Service Charges	\$ 378,236	\$ 2,879,274	\$ 4,547,500	\$ 4,499,900	\$ 1,668,226	63.3%
3 Variable Service Charges	382,156	4,754,678	6,616,700	6,386,300	1,862,022	71.9%
4 Fixed Service Charges Pass-Through	16,087	145,170	210,300	262,700	65,130	69.0%
5 Variable Service Charges Pass-Through	22,661	419,788	518,200	608,100	98,412	81.0%
6 Wastewater Charges	253,480	1,995,799	2,973,200	2,973,200	977,401	67.1%
<b>7 Total Service Charges</b>	<b>1,052,620</b>	<b>10,194,708</b>	<b>14,865,900</b>	<b>14,730,200</b>	<b>4,671,192</b>	<b>68.6%</b>
<b>8 BTP Wholesale</b>						
9 BTP Wholesale Water Sales	96,334	580,217	704,000	1,054,800	123,783	82.4%
10 BTP Maintenance Charges	-	144,647	293,100	439,100	148,453	49.4%
<b>11 Total BTP Wholesale</b>	<b>96,334</b>	<b>724,864</b>	<b>997,100</b>	<b>1,493,900</b>	<b>272,236</b>	<b>72.7%</b>
<b>12 Other Revenue</b>						
13 BTP Capital Recovery	-	79,786	143,400	214,800	63,614	55.6%
14 Property Tax Receipts	5,050	1,442,676	2,437,300	2,437,300	994,624	59.2%
15 Customer Fees	33,031	288,011	520,200	520,200	232,189	55.4%
16 Interest Revenue	16,135	102,700	160,000	160,000	57,300	64.2%
17 Miscellaneous Revenue	5,210	28,921	38,100	38,100	9,180	75.9%
<b>18 Total Other Revenue</b>	<b>59,427</b>	<b>1,942,094</b>	<b>3,299,000</b>	<b>3,370,400</b>	<b>1,356,906</b>	<b>58.9%</b>
<b>19 Total Revenue</b>	<b>1,208,380</b>	<b>12,861,666</b>	<b>19,162,000</b>	<b>19,594,500</b>	<b>6,300,334</b>	<b>67.1%</b>
<b>20 Source of Supply</b>						
21 Variable Water Purchases	236,892	2,386,606	2,678,000	2,849,800	291,394	89.1%
22 BTP Water Purchases TCWD	1,692	167,869	441,300	93,600	273,431	38.0%
23 BTP Maintenance Expense TCWD	-	58,549	192,800	46,800	134,251	30.4%
24 Fixed Water Purchases	26,441	314,370	401,700	401,700	87,330	78.3%
25 Chemicals & Electricity	8,881	84,805	223,600	283,000	138,795	37.9%
<b>26 Total Source of Supply</b>	<b>273,905</b>	<b>3,012,200</b>	<b>3,937,400</b>	<b>3,674,900</b>	<b>925,200</b>	<b>76.5%</b>
<b>27 Cost of BTP Wholesale</b>						
28 BTP Water Purchases for Wholesale	96,334	580,217	704,000	1,054,800	123,783	82.4%
29 BTP Maintenance Expense Sales	-	144,647	293,100	439,100	148,453	49.4%
<b>30 Total Cost of BTP Wholesale</b>	<b>96,334</b>	<b>724,864</b>	<b>997,100</b>	<b>1,493,900</b>	<b>272,236</b>	<b>72.7%</b>
<b>31 Staffing Resources</b>						
32 Employee Compensation	334,996	2,689,629	4,045,600	4,115,500	1,355,971	66.5%
33 Employee Benefits	103,276	825,744	1,355,100	1,360,000	529,356	60.9%
34 CalPERS Retirement Unfunded Liability	32,917	263,332	395,000	395,000	131,668	66.7%
35 Retiree Health Insurance Payments	19,536	144,926	201,700	201,700	56,774	71.9%
36 OPEB Trust Reimbursement	-	(53,590)	(201,700)	(201,700)	(148,110)	26.6%
<b>37 Total Staffing Resources</b>	<b>490,725</b>	<b>3,870,041</b>	<b>5,795,700</b>	<b>5,870,500</b>	<b>1,925,659</b>	<b>66.8%</b>
<b>38 Operations &amp; Maintenance</b>						
39 System Repairs and Maintenance	42,149	714,384	1,030,600	1,030,600	316,216	69.3%
40 Distribution Electricity	59,611	557,222	914,700	914,700	357,478	60.9%
41 Vehicles and Equipment	8,314	122,682	188,800	188,800	66,118	65.0%
42 Lab Testing & Supplies	4,181	112,137	162,000	162,000	49,863	69.2%
<b>43 Total Operations &amp; Maintenance</b>	<b>114,254</b>	<b>1,506,425</b>	<b>2,296,100</b>	<b>2,296,100</b>	<b>789,675</b>	<b>65.6%</b>
<b>44 General &amp; Administrative</b>						
45 Professional Services	101,325	767,737	1,148,500	1,033,000	380,763	66.8%
46 Office Maintenance & Supplies	33,311	473,794	616,200	616,200	142,406	76.9%
47 Board of Directors	6,026	72,402	111,700	111,700	39,298	64.8%
48 District Insurance	-	248,744	242,000	237,500	(6,744)	102.8%
49 Dues & Memberships	6,125	208,484	247,200	247,200	38,716	84.3%
50 Public Outreach & Rebate Programs	1,444	89,349	100,000	100,000	10,651	89.3%
51 Customer Service and Billing	8,132	70,456	81,600	81,600	11,144	86.3%
52 Conference, Trainings and Travel	9,490	23,747	32,300	32,300	8,553	73.5%
53 Miscellaneous Expense	35	3,144	108,600	193,400	105,456	2.9%
<b>54 Total General &amp; Administrative</b>	<b>165,887</b>	<b>1,957,857</b>	<b>2,688,100</b>	<b>2,652,900</b>	<b>730,243</b>	<b>72.8%</b>
<b>55 Total Expense</b>	<b>1,141,106</b>	<b>11,071,386</b>	<b>15,714,400</b>	<b>15,988,300</b>	<b>4,643,014</b>	<b>70.5%</b>
<b>56 Net Income / (Loss) from Operations</b>	<b>\$ 67,275</b>	<b>\$ 1,790,280</b>	<b>\$ 3,447,600</b>	<b>\$ 3,606,200</b>	<b>\$ 1,657,320</b>	<b>51.9%</b>



Schedule C: Capital Improvement Program

ID	Project Description	A	B	C	D	E = C - B	F = B / C	Since Project Inception	
		Feb 2026	Feb 2026	FY 2026	FY 2026	FY 2026	YTD % of	F	G
		Period	YTD	Mid-Year	Original	Remaining	Budget	Total	Total
	Actuals	Actuals	Budget	Budget	Budget	66.7%	Project	Project	
							Actuals	Budget	
<b>Potable Water</b>									
PW-02	DWTP Electrical Improvements	\$ -	\$ 10,948	\$ 300,000	\$ 300,000	\$ 289,052	4%	\$ 10,948	\$ 2,000,000
PW-03	Transmission Main Replacement DWTP to Ridgeline PS	12,328	4,300,964	7,000,000	7,000,000	2,699,036	61%	4,468,403	11,000,000
PW-04	DWTP Filter #4 Repair	-	54,724	50,879	-	(3,846)	108%	63,724	50,879
PW-20	10" Pipeline Replacement Cooks Corner to Harris Grade	-	-	100,000	225,000	100,000	0%	178,184	3,310,816
PW-25	Trabuco Oaks / Adkinson Fire Flow Improvements	-	-	150,000	150,000	150,000	0%	-	1,539,800
PW-35	Pressure Reducing Vault Improvements - PW	1,368	8,105	20,000	-	11,895	41%	Program	Program
PW-36	PW Pump Replacements	-	-	100,000	-	100,000	0%	Program	Program
PW-37	PW Valve Replacements	-	-	40,000	-	40,000	0%	Program	Program
PW-38	Saddle Crest Reservoir Outlet Pipe	2,639	6,438	275,000	275,000	268,562	2%	6,438	275,000
PW-41	PW Meter Replacements	-	10,117	20,000	-	9,883	51%	Program	Program
PW-77	Small Capital - PW	-	10,150	50,000	-	39,850	20%	Program	Program
<b>Total Potable Water</b>		<b>16,335</b>	<b>4,401,447</b>	<b>8,105,879</b>	<b>7,950,000</b>	<b>3,704,432</b>	<b>54%</b>	<b>4,727,698</b>	<b>18,176,495</b>
<b>Recycled Water</b>									
RW-13	Dove Canyon Recycled Booster Pump Station	-	85,570	560,000	560,000	474,430	15%	195,677	1,233,574
RW-23L	Tick & Dove Creek Pump Station Improvements (Loan)	-	-	-	-	-	NA	-	1,532,913
RW-23P	Tick & Dove Creek Pump Station Improvements (Paygo)	-	-	259,700	259,700	259,700	0%	-	951,887
RW-50	Dove Canyon Recycled PRV Improvement	-	-	100,000	-	100,000	0%	73,384	292,546
RW-51	Reservoir V-Ditch Rehabilitation	-	192,106	192,106	-	-	100%	192,106	192,106
RW-77	Small Capital - RW	-	18,071	30,000	-	11,929	60%	Program	Program
<b>Total Recycled Water</b>		<b>-</b>	<b>295,747</b>	<b>1,141,806</b>	<b>819,700</b>	<b>846,058</b>	<b>26%</b>	<b>461,167</b>	<b>4,203,025</b>
<b>Wastewater</b>									
WW-06	WWTP Influent EQB Piping to SBRs & Pump Improvements	-	10,207	100,000	-	89,793	10%	10,207	1,000,000
WW-09	Heritage Sewer Lift Station Rehabilitation	-	34,646	200,000	400,000	165,354	17%	404,217	2,500,000
WW-40	WWTP Hoffman Blower Building Rehab / MCC Replacement	10,390	263,318	1,477,672	1,290,177	1,214,354	18%	768,823	2,600,000
WW-41	WWTP SCADA & Fiber Optic Upgrade	-	23,319	-	-	(23,319)	NA	Not readily available	
WW-46	Wet Well Recoating Program	-	-	30,000	-	30,000	0%	Program	Program
WW-47	Manhole Recoating Program	-	-	30,000	-	30,000	0%	Program	Program
WW-48	WW Pump Replacements	-	103,464	100,000	-	(3,464)	103%	Program	Program
WW-49	SMWD Chiquita WWTP Shared Capital	-	41,513	120,000	140,000	78,487	35%	Program	Program
WW-50	WWTP Headworks Replacement	-	224,346	370,000	370,000	145,654	61%	224,346	370,000
WW-51	WWTP Handrail Replacement - Segment B&C	-	-	20,000	-	20,000	0%	-	20,000
WW-77	Small Capital - WW	34,138	95,761	75,000	-	(20,761)	128%	Program	Program
<b>Total Wastewater</b>		<b>44,528</b>	<b>796,576</b>	<b>2,522,672</b>	<b>2,200,177</b>	<b>1,726,096</b>	<b>32%</b>	<b>1,407,593</b>	<b>6,490,000</b>
<b>Wastewater / Recycled</b>									
WR-77	Pump Replacements - WW / Recycled	-	9,076	25,000	-	15,924	36%	9,076	Program
<b>Total Wastewater / Recycled</b>		<b>-</b>	<b>9,076</b>	<b>25,000</b>	<b>-</b>	<b>15,924</b>	<b>36%</b>	<b>9,076</b>	<b>-</b>
<b>Joint Projects</b>									
DW-77	Small Capital - DW	-	13,303	30,000	-	16,697	44%	13,303	Program
<b>Total Joint Projects</b>		<b>-</b>	<b>13,303</b>	<b>30,000</b>	<b>-</b>	<b>16,697</b>	<b>44%</b>	<b>13,303</b>	<b>-</b>
<b>Total Capital Improvement Program</b>		<b>\$ 60,863</b>	<b>\$ 5,516,150</b>	<b>\$ 11,825,356</b>	<b>\$ 10,969,877</b>	<b>\$ 6,309,207</b>	<b>47%</b>	<b>\$ 6,618,837</b>	

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | APRIL 9, 2026**

**FINANCIAL MATTERS**

**ITEM 5: FY 2027 OPERATING AND CAPITAL BASELINE BUDGET DRAFT FOR DISCUSSION**

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The District’s annual budget process is designed to align financial resources with operational requirements, capital planning priorities, and long-term fiscal sustainability. The Treasurer and District staff have developed a Baseline Draft Budget that assumes current operational conditions and best-available information. The Baseline Draft Budget does not represent a final recommended budget, but rather establishes a benchmark against which potential changes, scenarios, and Board policy direction can be evaluated. The Baseline Draft Budget will be provided to the Committee for review and discussion.

Additional information may be provided at the time of the Committee Meeting.

***RECOMMENDED ACTION:***

*Committee to receive presentation at the time of the meeting and provide direction as deemed appropriate.*

**EXHIBITS:**

1. FY 2027 Operating and Capital Baseline Budget Draft

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



# Fiscal Year 2027 Baseline Budget Draft



## Schedule A: FY 2027 Proposed Budget Summary

	A	B	C	D	E = C / B	
	FY 2025	FY 2026	FY 2026	FY 2027	% Budget	
	Actual	Final	Year-End	Proposed	Change	
	Results	Budget	Projection	Budget	Prior-Year	
1	Potable Water Charges	\$ 8,625,403	\$ 10,193,300	\$ 10,165,900	\$ 11,143,100	9%
2	Wastewater Charges	2,610,459	2,973,200	2,969,461	3,306,700	11%
3	Recycled Water Charges	1,536,695	1,699,400	1,672,220	1,784,200	5%
4	BTP Wholesale Charges	1,324,264	997,100	1,194,700	1,442,900	45%
5	Other Revenue	3,323,333	3,299,000	3,297,100	3,401,500	3%
6	<b>Total Revenue</b>	<b>17,420,155</b>	<b>19,162,000</b>	<b>19,299,381</b>	<b>21,078,400</b>	<b>10%</b>
7	Source of Supply	4,268,428	3,937,400	3,901,790	3,861,430	-2%
8	Cost of BTP Wholesale	1,279,586	997,100	1,003,500	1,442,900	45%
9	Staffing Resources	5,337,784	5,783,400	5,785,281	6,300,080	9%
10	Operations & Maintenance	2,657,017	2,308,400	2,543,763	2,645,200	15%
11	General & Administrative	2,569,396	2,688,100	2,796,198	2,480,000	-8%
12	<b>Total Expense</b>	<b>16,112,210</b>	<b>15,714,400</b>	<b>16,030,532</b>	<b>16,729,610</b>	<b>6%</b>
13	<b>Net Income / (Loss) from Operations</b>	<b>1,307,945</b>	<b>3,447,600</b>	<b>3,268,849</b>	<b>4,348,790</b>	<b>26%</b>
14	Capital Debt Proceeds Reserve	4,380,751	11,115,656	7,575,573	12,907,140	16%
15	Capital Improvement Program (Debt)	-	(11,115,656)	(9,834,678)	(10,543,000)	-5%
16	Capital Improvement Program (Paygo)	(4,708,987)	(709,700)	(520,000)	(2,255,648)	218%
17	Water Storage Facilities Reserve	-	-	-	-	NA
18	Grant Proceeds for CIP	-	250,000	248,400	-	-100%
19	Debt Service	(1,618,559)	(1,584,961)	(1,584,961)	(1,586,120)	0%
20	State Revolving Fund Loan Reserve	-	-	-	-	NA
21	Debt Service 2011 SRF Loan	(230,381)	(230,380)	(230,381)	(230,382)	0%
22	<b>Net Change in Unrestricted Cash</b>	<b>\$ (869,231)</b>	<b>\$ 1,172,559</b>	<b>\$ (1,077,199)</b>	<b>\$ 2,640,780</b>	
23	<b>Ending Unrestricted Cash Balance</b>	<b>\$ 4,402,590</b>	<b>\$ 5,575,149</b>	<b>\$ 2,981,593</b>	<b>\$ 5,622,373</b>	
24	<b>Reserve Policy Minimum Targets</b>					
25	Operating Minimum	5,326,715		5,326,715	5,407,798	
26	Emergency Minimum*	1,470,987		1,470,987	1,519,530	
27	Capital Program Minimum	4,955,499		4,955,499	5,119,031	
28	<b>Over / (Under) Minimum Reserve Target</b>	<b>\$ (7,350,612)</b>		<b>\$ (8,771,609)</b>	<b>\$ (6,423,986)</b>	

**Line 26** - The Operating Reserve minimum target is equal to three months of budgeted operating expenses (excluding Line 8) plus annual debt service payments (line 19 only). The 2011 SRF loan requires a separate reserve and annual debt service is held in a restricted reserve.

**Line 27** - The Emergency Reserve minimum target is equal to 3% of Capital Assets, net of depreciation from the last audited financial statements. The District may substitute an alternate funding source for the emergency reserve, such as an unsecured line of credit.

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

**Schedule B: FY 2027 Proposed Operating Budget**

	A		B		C		D	E = C / B
	FY 2025		FY 2026		FY 2026		FY 2027	% Budget
	Actual		Final		Year-End		Proposed	Change
	Results		Budget		Projection		Budget	Prior-Year
<b>1 Service Charges</b>								
2 Potable Water Consumption	\$ 4,930,499	\$	5,633,600	\$	5,611,300	\$	6,196,900	10.0%
3 Potable Fixed Charges	3,694,904		4,559,700		4,554,600		4,946,200	8.5%
4 Wastewater Charges	2,610,459		2,973,200		2,969,461		3,306,700	11.2%
5 Recycled Water Consumption	1,368,822		1,501,300		1,475,520		1,574,800	4.9%
6 Recycled Fixed Charges	167,874		198,100		196,700		209,400	5.7%
<b>7 Total Service Charges</b>	<b>12,772,558</b>		<b>14,865,900</b>		<b>14,807,581</b>		<b>16,234,000</b>	<b>9.2%</b>
<b>8 BTP Wholesale Charges</b>								
9 BTP Wholesale Water Sales	991,528		704,000		895,200		1,099,100	56.1%
10 BTP Maintenance Charges	332,737		293,100		299,500		343,800	17.3%
<b>11 Total BTP Wholesale Charges</b>	<b>1,324,264</b>		<b>997,100</b>		<b>1,194,700</b>		<b>1,442,900</b>	<b>44.7%</b>
<b>12 Other Revenue</b>								
13 Property Tax Receipts	2,383,268		2,437,300		2,436,300		2,474,500	1.5%
14 Customer Fees	499,277		520,200		500,840		510,900	-1.8%
15 BTP Wholesale Capital Recovery	211,991		143,400		182,300		204,800	42.8%
16 Interest Revenue	189,038		160,000		140,730		174,000	8.8%
17 Miscellaneous Revenue	39,759		38,100		36,930		37,300	-2.1%
<b>18 Total Other Revenue</b>	<b>3,323,333</b>		<b>3,299,000</b>		<b>3,297,100</b>		<b>3,401,500</b>	<b>3.1%</b>
<b>19 Total Revenue</b>	<b>17,420,155</b>		<b>19,162,000</b>		<b>19,299,381</b>		<b>21,078,400</b>	<b>10.0%</b>
<b>20 Source of Supply</b>								
21 Variable Water Purchases	3,405,696		2,678,000		2,671,600		2,666,430	-0.4%
22 BTP Water Purchases TCWD	192,409		441,300		441,300		167,500	-62.0%
23 BTP Maintenance Expense TCWD	61,903		192,800		186,400		49,200	-74.5%
24 Fixed Water Purchases	405,709		401,700		401,700		540,300	34.5%
25 Chemicals & Electricity	202,711		223,600		200,790		438,000	95.9%
<b>26 Total Source of Supply</b>	<b>4,268,428</b>		<b>3,937,400</b>		<b>3,901,790</b>		<b>3,861,430</b>	<b>-1.9%</b>
<b>27 Cost of BTP Wholesale</b>								
28 BTP Water Purchases for Wholesale	946,849		704,000		704,000		1,099,100	56.1%
29 BTP Maintenance Expense Sales	332,737		293,100		299,500		343,800	17.3%
<b>30 Total Cost of BTP Wholesale</b>	<b>1,279,586</b>		<b>997,100</b>		<b>1,003,500</b>		<b>1,442,900</b>	<b>44.7%</b>
<b>31 Staffing Resources</b>								
32 Employee Compensation	3,791,254		4,045,600		4,047,481		4,470,680	10.5%
33 Employee Benefits	1,225,526		1,342,800		1,342,800		1,385,430	3.2%
34 CalPERS Retirement Unfunded Liability	321,003		395,000		395,000		443,970	12.4%
35 Retiree Health Insurance Payments	-		201,700		201,700		201,700	0.0%
36 OPEB Trust Reimbursement	-		(201,700)		(201,700)		(201,700)	0.0%
<b>37 Total Staffing Resources</b>	<b>5,337,784</b>		<b>5,783,400</b>		<b>5,785,281</b>		<b>6,300,080</b>	<b>8.9%</b>
<b>38 Operations &amp; Maintenance</b>								
39 System Repairs and Maintenance	1,385,950		877,900		1,032,370		1,096,900	24.9%
40 Distribution Electricity	861,172		914,700		853,048		893,100	-2.4%
41 Vehicles and Equipment	252,108		353,800		310,530		297,000	-16.1%
42 System Permits & Fees	-		-		162,748		167,600	NA
43 Lab Testing & Supplies	157,787		162,000		185,067		190,600	17.7%
<b>44 Total Operations &amp; Maintenance</b>	<b>2,657,017</b>		<b>2,308,400</b>		<b>2,543,763</b>		<b>2,645,200</b>	<b>14.6%</b>
<b>45 General &amp; Administrative</b>								
46 Professional Services	693,754		787,100		669,548		590,000	-25.0%
47 District Insurance	203,649		242,000		248,744		261,200	7.9%
48 Legal Services	335,945		225,100		296,292		200,000	-11.2%
49 Office Maintenance & Supplies	642,929		577,300		687,637		538,300	-6.8%
50 Information Technology	118,093		151,700		283,581		295,500	94.8%
51 Board of Directors	102,901		111,700		118,793		124,200	11.2%
52 Dues and Memberships	164,463		247,200		122,044		126,600	-48.8%
53 Public Outreach & Rebate Programs	74,488		100,000		100,694		55,000	-45.0%
54 Customer Service & Billing	112,809		105,100		134,094		143,900	36.9%
55 Miscellaneous Expense	120,365		140,900		134,771		145,300	3.1%
<b>56 Total General &amp; Administrative</b>	<b>2,569,396</b>		<b>2,688,100</b>		<b>2,796,198</b>		<b>2,480,000</b>	<b>-7.7%</b>
<b>57 Total Expense</b>	<b>16,112,210</b>		<b>15,714,400</b>		<b>16,030,532</b>		<b>16,729,610</b>	<b>6.5%</b>
<b>58 Net Income / (Loss) from Operations</b>	\$ 1,307,945	\$	3,447,600	\$	3,268,849	\$	4,348,790	26.1%

## Schedule B: Proposed Operating Budget Line-Item Narrative

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1. **Service Charges** include all rate revenues from customers for potable water, recycled water, and wastewater services.
2. **Potable Water Consumption** includes variable charges to customers for potable water service. The District is currently in the process of a cost-of-service study with new rates projected to be implemented on October 1, 2026. The Fiscal Year (FY) 2027 budget is based on a three-year average of customer consumption with no adjustments to the current rates until completion of the new study. A 10% increase to variable rates is assumed on October 1<sup>st</sup> based on the previous 2023 cost of service study.
3. **Potable Fixed Charges** include fixed charges to customers for potable water service. The District is currently in the process of a cost-of-service study with new rates projected to be implemented on October 1, 2026. The FY 2027 budget is based on the current number of potable water connections with no additional growth. A 10% increase to fixed water rates is assumed based on the previous 2023 cost of service study.
4. **Wastewater Charges** include charges billed to residential and commercial customers for sewer service. The District is currently in the process of a cost-of-service study with new rates projected to be implemented on October 1, 2026. The FY 2027 budget is based on the current number of sewer connections and a three-year average of commercial flows with no adjustments to the current rates until completion of the new study. An 18% increase to sewer rates is assumed on October 1<sup>st</sup> based on the previous 2023 cost of service study.
5. **Recycled Water Consumption** includes variable charges to customers for recycled water service. The District is currently in the process of a cost-of-service study with new rates projected to be implemented on October 1, 2026. The FY 2027 budget is based on a three-year average of consumption with no adjustments to the current rates until completion of the new study. A 10% increase to variable rates is assumed on October 1<sup>st</sup> based on the previous 2023 cost of service study.
6. **Recycled Fixed Charges** include fixed charges to customers for recycled water service. The District is currently in the process of a cost-of-service study with new rates projected to be implemented on October 1, 2026. The FY 2027 budget is based on the current number of recycled water connections with no additional growth. A 10% increase to fixed recycled water rates is assumed based on the previous 2023 cost of service study.
7. **Total Service Charges** provides the total for all rate revenues from customers for potable water, recycled water, and wastewater services.
8. **BTP Wholesale Charges** include pass-through revenues earned from wholesale water activities from the District's capacity in the Baker Treatment Plant (BTP).

## Schedule B: Proposed Operating Budget Line-Item Narrative

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9. **BTP Wholesale Water Sales** includes wholesale water sold to the City of San Clemente from the District's capacity in the Baker Treatment Plant (BTP). This line item accounts for the one-to-one reimbursement received for each acre-foot (AF) of water paid to the Municipal Water District of Orange County (MWDOC) for Metropolitan Water District of Southern California (MWDSC) untreated water rates, excluding the SAC Operational Surcharge. FY 2027 sales are based on a three-year average and are budgeted at 1,061 AF of water sold to the City of San Clemente.
10. **BTP Maintenance Charges** includes the pro-rated reimbursement from the City of San Clemente for shared operating costs at the Baker Treatment Plant. The District is billed quarterly by Irvine Ranch Water District for a portion of ongoing operating costs at the plant. The FY 2027 budget is based on recovering this pro-rated share of projected plant operating costs based on budgeted District usage and sales of plant water (1,061 AF of water sold and 152 AF of plant water used by the District). During FY 2026, the District did not sell as much water due to the DWTP being non-operational.
11. **Total BTP Wholesale Charges** provides the total for all pass-through revenues earned from wholesale water activities from the District's capacity in the BTP.
12. **Other Revenue** includes all other revenue sources.
13. **Property Tax Receipts** include the ad valorem property tax revenue and standby charges received through the County of Orange. The FY 2027 budget is based on FY 2026 projected year end with a 2% increase. Due to immediate capital funding needs in FY 2027, 50% of the property tax budget is allocated to the Recycled Water fund, and 50% to the Wastewater fund.
14. **Customer Fees** include late charges, miscellaneous customer fees and sewer contracts with the Santa Margarita Water District for shared facilities. Revenues in this category are difficult to predict and can fluctuate based on a variety of factors. FY 2027 is budgeted with a minimal increase from FY 2026 projected year end results.
15. **BTP Wholesale Capital Recovery** includes the \$193 per AF capital recovery charge received by San Clemente from water sold at the BTP. The FY 2026 budget is based on 1,061 AF of water sold at \$193 / AF. During FY 2026, the District did not sell as much water due to the DWTP being non-operational.
16. **Interest Revenue** includes earnings on unrestricted cash and investments. The FY 2027 budget is based on 3.5% interest earnings on projected unrestricted cash balances. Conservatively, interest earned on restricted reserves such as future capital debt proceeds, or existing capacity fee reserves are excluded from the budget.
17. **Miscellaneous Revenue** includes cell tower lease contract revenue and various refunds and reimbursements. The FY 2027 budget is based on the schedule of payments included in the contract with \$5K budgeted for other miscellaneous revenues.

## Schedule B: Proposed Operating Budget Line-Item Narrative

18. **Total Other Revenue** provides the total for all other revenue sources.

19. **Total Revenue** provides the total for all District revenue sources.

20. **Source of Supply** includes water supply related expenses.

21. **Variable Water Purchases** include variable costs for potable and recycled water purchases to meet customer demand. This includes untreated water purchased for the Dimension Water Treatment Plant (DWTP), fully treated water purchases via neighboring agency connections, and surcharges on volumetric water. The DWTP conveyance pipeline was non-operational during FY 2026, and the District budgeted for 9-months of emergency water. During FY 2027, the next phase of the conveyance pipeline project is projected to take the plant offline for 3 months. During that time, more expensive fully treated water purchases are budgeted through the Irvine Ranch Water District (IRWD) emergency connection at Ridgeline. The changes in MWDSC rates on January 1, 2027, are as follows:

MWDSC Proposed Volumetric Rates	January 1, 2026	January 1, 2027
Full Service Untreated Volumetric Cost (\$/AF)	\$984	\$1,088
Full Service Treated Volumetric Cost (\$/AF)	\$1,528	\$1,470

22. **BTP Water Purchases TCWD** includes the volumetric cost of Baker Treatment Plant (BTP) water used internally to serve District customers at the MWDSC/MWDOC untreated water rate and includes volumetric MWDSC/MWDOC surcharges on all BTP water. The FY 2027 budget is based on 152 AF of water used by the District.

23. **BTP Maintenance Expense TCWD** includes the pro-rated share of operating costs at the Baker Treatment Plant. IRWD bills the District quarterly for ongoing operating costs at the plant. The FY 2027 budget is based on projected operating costs and 152 AF of District water usage at the plant.

24. **Fixed Water Purchases** includes fixed costs for water supply infrastructure, capacity, and availability from wholesale agencies. The Municipal Water District of Orange County (MWDOC) bills the District pass through rates and charges set by the Metropolitan Water District of Southern California (MWDSC), along with a separate charge determined by the number of District retail meter connections. The FY 2027 budget is based on draft rates and allocations provided by MWDOC and includes the existing MWDOC retail meter charge, the MWDSC readiness to serve charge, MWDSC capacity charge, and MWDSC standby charge. The MWDSC rate structure is changing on January 1, 2027, and the FY 2027 budget also includes six-months of additional expense for the following new fixed charges:

- i. MWDSC Treated Used Standby Charge
- ii. MWDSC Treated Remaining Capacity Charge

## Schedule B: Proposed Operating Budget Line-Item Narrative

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### iii. MWDSC Treated Peaking Capacity Charge

25. **Chemicals & Electricity** includes chemicals and energy costs associated with water supply. The FY 2027 budget is difficult to predict based on fluctuations in operations at the DWTP in recent years. FY 2027 is budgeted based on FY 2023 activity with inflation applied.
26. **Total Source of Supply** provides the total for water supply related expenses.
27. **Cost of BTP Wholesale** includes pass-through expenses associated with selling wholesale water to the City of San Clemente from District capacity at the BTP.
28. **BTP Water Purchases for Wholesale** includes the cost of Baker Treatment Plant water sold to the City of San Clemente. This line item includes per acre-foot (AF) charges for water from MWDOC at MWDSC untreated water rates, excluding the SAC Operational Surcharge. FY 2027 is budgeted at 1,061 AF of wholesale water sold to the City of San Clemente. During FY 2026, the District did not sell as much water due to the DWTP being non-operational.
29. **BTP Maintenance Expense Sales** includes the pro-rated cost allocated to the City of San Clemente for shared operating costs at the Baker Treatment Plant. IRWD bills the District quarterly for ongoing operating costs at the plant. The FY 2026 budget is based on allocating this cost at a pro-rated share of projected plant operating costs and projected sales of plant water during FY 2027 (1,061 AF of water sold and 152 AF of plant water used by the District). In FY 2026, the District sold less water because the DWTP was not operational.
30. **Total Cost of BTP Wholesale** provides the total for pass-through expenses associated with selling wholesale water to the City of San Clemente from District capacity at the BTP.
31. **Staffing Resources** includes costs for District personnel.
32. **Employee Compensation** includes salaries, wages and other pay compensated to District staff. FY 2026 is budgeted based on full staffing, (1) new customer service position, a 3% cost of living adjustment to salary ranges (based on the consumer price index for LA-Long Beach-Anaheim), and a 2.5% merit pool. The FY 2027 budget includes the effects of the FY 2026 MOU.
33. **Employee Benefits** include health, dental and vision benefits for District personnel. The FY 2026 budget is based on full staffing at current elections, (1) new customer service position, a 3.3% increase to medical insurance rates, and a 2% increase to dental and vision insurance rates. The FY 2027 budget includes the effects of the FY 2026 MOU.
34. **CalPERS Retirement Unfunded Liability** includes the minimum payment to the California Public Employees Retirement System (CalPERS) to fund future CalPERS retirement benefits. The FY 2027 budget is based on the District actuarial valuation reports released by CalPERS and changes annually with market conditions and actuarial assumptions.

## Schedule B: Proposed Operating Budget Line-Item Narrative

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35. **Retiree Health Insurance Payments** include retiree health insurance PAYGO (pay as you go) costs for health insurance. The FY 2027 budget is based on the most recent actuarial valuation reports prepared by the District contracted actuary.
36. **OPEB Trust Reimbursement** includes the amount reimbursed from the OPEB (Other Post-Employment Benefits) 115 Trust. The District is budgeting to reimburse itself for retiree health insurance during FY 2027 from the trust.
37. **Total Staffing Resources** provides the net total cost for District personnel.
38. **Operations & Maintenance** includes expenses related to District operations.
39. **System Repairs and Maintenance** includes funding for addressing pipeline leaks, vehicle and equipment repair, pumps repair, electrical repairs and maintenance, and other maintenance necessary to maintain District systems and equipment. The FY 2027 budget has set aside funding to address latest trends of repair costs from aging District infrastructure. In recent years, the District has experienced a high volume of electrical maintenance needs.
40. **Distribution Electricity** includes energy costs associated with distributing water to District customers. The FY 2027 budget is based on FY 2026 projected results with a 4% increase to energy costs.
41. **Vehicles and Equipment** includes fuel costs, vehicle repair, tools, and safety equipment. The FY 2027 budget is based on FY 2026 projections with inflation for fuel costs, safety equipment and tools. The FY 2027 budget provides funding for \$50K in vehicle repair and \$130K for equipment repair.
42. **System Permits & Fees** includes expenses for operating permits and system fees required by the State or other governing agencies. This is a new line group with new expense accounts created in the FY 2027 budget to improve presentation and understanding of the District financials. Accordingly, there is not a historical trend of comparability between fiscal years. Previously, these expenses were grouped under *Line 52 Dues and Memberships*.
43. **Lab Testing & Supplies** includes testing and supply costs associated with water and recycled water compliance. The FY 2027 budget is based on FY 2026 projected results with a 3% increase for inflation.
44. **Total Operations & Maintenance** provides the total of expenses related to District operations.
45. **General & Administrative** includes expenses related to District administration.
46. **Professional Services** includes the following costs budgeted for FY 2027:
- i. \$250K for contract engineering support services.

## Schedule B: Proposed Operating Budget Line-Item Narrative

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- ii. \$150K for CPA Advisory services (Accounting, Financial Planning, Treasurer).
  - iii. \$100K for other professional services including Human Resources, grant support, and graphic design.
  - iv. \$50K for rate and fee study services to finalize the 2026 Cost of Service study and begin a new fee study.
  - v. \$25K for annual financial audit services.
  - vi. \$15K for Municipal Advisory Services related to upcoming capital debt issuance.
47. **District Insurance** includes the cost of general liability and auto insurance. The FY 2027 budget is based on a 5% increase to policies in the prior fiscal year.
48. **Legal Services** includes contract services for legal counsel. The FY 2027 budget includes \$200K for legal services.
49. **Office Maintenance & Supplies** includes costs associated with administrative office maintenance, office utilities, office supplies, and related contract services. The FY 2027 budget is based on FY 2026 projections with inflation and is lower than the prior year budget and projections due to reduced needs for contract services for SCADA maintenance. In addition, the budget for software programs and licensing fees have been reclassified into a new group for the upcoming budget, *line 50 Information Technology*.
50. **Information Technology** includes IT consulting services, computer hardware and equipment purchases, and program licenses and fees. The FY 2027 budget is based on FY 2026 projected year end results with inflation.
51. **Board of Directors** includes Board stipends, Board health insurance, and Board travel expenses. The FY 2027 budget is based on the FY 2026 projected year end results with a 3.3% increase to health insurance costs.
52. **Dues and Memberships** include the cost of various association dues, industry memberships and Local Agency Formation Commission (LAFCO) fees. The FY 2026 budget is based on the projected FY 2025 results (current memberships) with an increase for inflation.
53. **Public Outreach & Rebate Programs** includes public outreach efforts and participation in conservation rebate programs administered by MWDOC. FY 2027 is budgeted based on \$50K in anticipated rebate program participation and \$5K for public outreach efforts.
54. **Customer Service and Billing** includes customer service-related supplies, contract billing support, and payment processing fees. FY 2027 is based on the FY 2026 projected results with an increase for inflation.

## Schedule B: Proposed Operating Budget Line-Item Narrative

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55. **Miscellaneous Expense** includes conference, trainings and travel costs for District personnel, property tax collection fees, and an allowance for uncollectable customer accounts. The FY 2027 budget is based on FY 2026 projections with an increase for inflation. The uncollectable allowance is based on 0.7% of variable service charges.

56. **Total General & Administrative** provides total expenses related to District administration.

57. **Total Expense** provides total expense from operating activities.

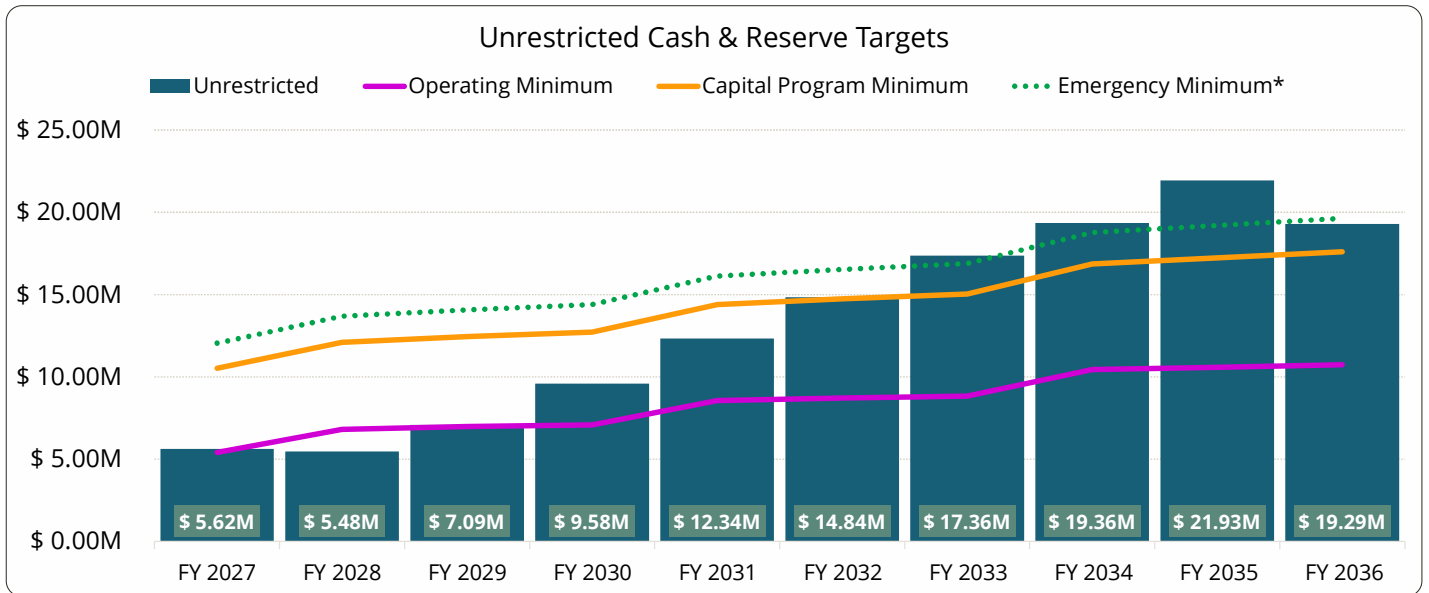
- **Net Income / (Loss) from Operations** represents the financial outcome of District operating activities, prior to inclusion of other line items such as Capital Improvement Program (CIP) expenditures or debt service obligations.

**Schedule C: FY 2027 Proposed Cash Flow Projections**

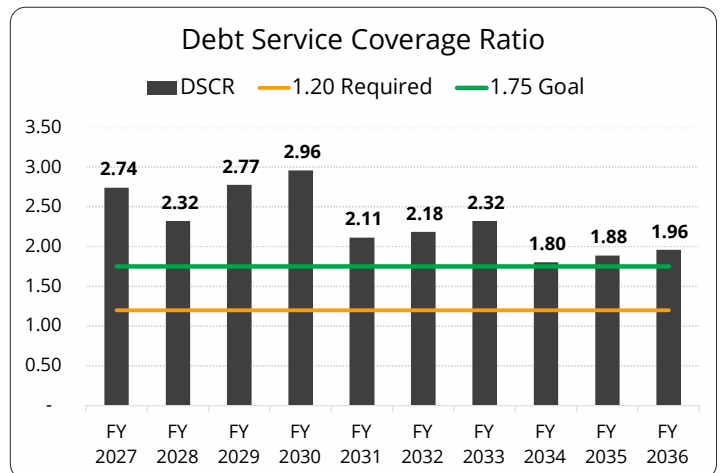
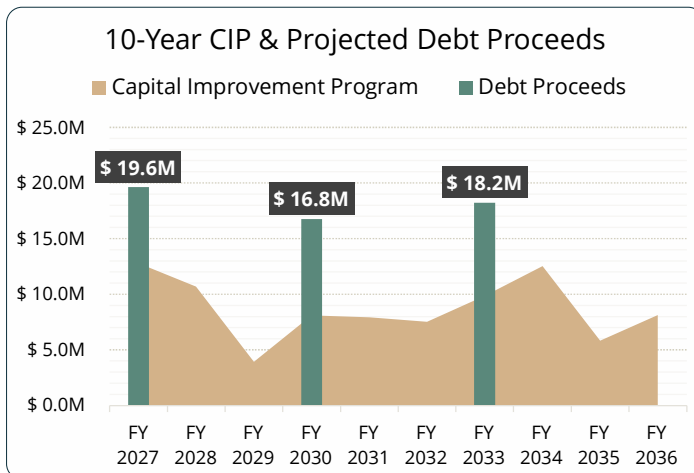
	<b>FY 2027 Proposed Budget</b>	<b>FY 2028 Projected Results</b>	<b>FY 2029 Projected Results</b>	<b>FY 2030 Projected Results</b>	<b>FY 2031 Projected Results</b>	<b>FY 2032 Projected Results</b>	<b>FY 2033 Projected Results</b>	<b>FY 2034 Projected Results</b>	<b>FY 2035 Projected Results</b>	<b>FY 2036 Projected Results</b>	
<b>Unrestricted Cash</b>											
<b>Operating / Unassigned Reserve</b>											
1	Beginning Balance	\$ 1,924,729	\$ 2,802,845	\$ 2,655,856	\$ 4,273,868	\$ 6,760,181	\$ 9,517,320	\$ 12,024,064	\$ 14,543,085	\$ 16,537,248	\$ 19,112,452
2	Net Income / (Loss) From Operations	4,348,790	6,679,355	7,977,110	8,513,810	8,955,160	9,253,190	9,836,600	10,301,610	10,776,860	11,194,490
3	Capital Debt Proceeds Reserve	12,907,140	6,016,435	694,935	5,180,989	5,958,540	5,012,013	5,555,556	9,931,877	3,348,443	-
4	Capital Improvement Program (Debt)	(10,543,000)	(6,016,435)	(694,935)	(5,180,989)	(5,958,540)	(5,012,013)	(5,555,556)	(9,931,877)	(3,348,443)	-
5	Capital Improvement Program (Paygo)	(2,255,648)	(4,687,266)	(3,252,775)	(2,919,580)	(1,971,259)	(2,510,072)	(4,293,554)	(2,591,590)	(2,484,377)	(8,120,511)
5	Water Storage Facilities Reserve	-	-	-	-	-	-	1,213,689	-	-	-
7	Grant Proceeds for CIP	-	967,080	-	-	-	-	-	-	-	-
8	Debt Service	(1,586,120)	(2,875,779)	(2,875,942)	(2,877,537)	(4,236,236)	(4,236,374)	(4,237,714)	(5,715,857)	(5,717,279)	(5,718,579)
9	State Revolving Fund Loan Reserve	-	-	-	-	239,854	-	-	-	-	-
10	Debt Service 2011 SRF Loan	(230,382)	(230,380)	(230,381)	(230,380)	(230,380)	-	-	-	-	-
11	Transfer (To) / From Designated Reserves	(1,762,664)	-	-	-	-	-	-	-	-	-
12	<b>Operating / Unassigned Reserve Ending Balance</b>	<b>2,802,845</b>	<b>2,655,856</b>	<b>4,273,868</b>	<b>6,760,181</b>	<b>9,517,320</b>	<b>12,024,064</b>	<b>14,543,085</b>	<b>16,537,248</b>	<b>19,112,452</b>	<b>16,467,852</b>
<b>Capital Program Reserve</b>											
13	Beginning Balance	1,056,863	2,819,527	2,819,527	2,819,527	2,819,527	2,819,527	2,819,527	2,819,527	2,819,527	2,819,527
14	Transfer (To) / From Unassigned	1,762,664	-	-	-	-	-	-	-	-	-
15	<b>Capital Program Reserve Ending FY Balance</b>	<b>2,819,527</b>	<b>2,819,527</b>	<b>2,819,527</b>	<b>2,819,527</b>	<b>2,819,527</b>	<b>2,819,527</b>	<b>2,819,527</b>	<b>2,819,527</b>	<b>2,819,527</b>	<b>2,819,527</b>
<b>Emergency Reserve</b>											
16	Beginning Balance	-	-	-	-	-	-	-	-	-	-
17	Transfer (To) / From Unassigned	-	-	-	-	-	-	-	-	-	-
18	<b>Emergency Reserve Ending FY Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
19	<b>Total Unrestricted Ending FY Balance</b>	<b>5,622,373</b>	<b>5,475,383</b>	<b>7,093,395</b>	<b>9,579,708</b>	<b>12,336,847</b>	<b>14,843,592</b>	<b>17,362,613</b>	<b>19,356,776</b>	<b>21,931,980</b>	<b>19,287,379</b>
<b>Restricted Cash</b>											
<b>Water Storage Facilities Reserve</b>											
20	Beginning Balance	1,213,689	1,213,689	1,213,689	1,213,689	1,213,689	1,213,689	1,213,689	-	-	-
21	Transfer (To) / From Unassigned	-	-	-	-	-	-	(1,213,689)	-	-	-
22	<b>Water Storage Facilities Reserve Ending Balance</b>	<b>1,213,689</b>	<b>1,213,689</b>	<b>1,213,689</b>	<b>1,213,689</b>	<b>1,213,689</b>	<b>1,213,689</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Debt Proceeds Reserve</b>											
23	Beginning Balance	-	6,711,370	694,935	-	11,572,821	5,614,281	602,268	13,280,320	3,348,443	-
24	Loan Proceeds	19,618,510	-	-	16,753,810	-	-	18,233,608	-	-	-
25	Total Loan Funded Projects	(10,543,000)	(6,016,435)	(694,935)	(5,180,989)	(5,958,540)	(5,012,013)	(5,555,556)	(9,931,877)	(3,348,443)	-
26	Reimbursement Resolution Transfer To Unassigned	(2,364,140)	-	-	-	-	-	-	-	-	-
27	Transfer (To) / From Unassigned	(12,907,140)	(6,016,435)	(694,935)	(5,180,989)	(5,958,540)	(5,012,013)	(5,555,556)	(9,931,877)	(3,348,443)	-
28	<b>Capital Debt Proceeds Reserve Ending Balance</b>	<b>6,711,370</b>	<b>694,935</b>	<b>-</b>	<b>11,572,821</b>	<b>5,614,281</b>	<b>602,268</b>	<b>13,280,320</b>	<b>3,348,443</b>	<b>-</b>	<b>-</b>
<b>State Revolving Fund Loan Reserve</b>											
29	Beginning Balance	239,854	239,854	239,854	239,854	239,854	-	-	-	-	-
30	Transfer (To) / From Unassigned	-	-	-	-	(239,854)	-	-	-	-	-
31	<b>State Revolving Fund Loan Reserve Ending Balance</b>	<b>239,854</b>	<b>239,854</b>	<b>239,854</b>	<b>239,854</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Oaks at Trabuco Reserve</b>											
32	Beginning Balance	123,931	123,931	123,931	123,931	123,931	123,931	123,931	123,931	123,931	123,931
33	Transfer (To) / From Unassigned	-	-	-	-	-	-	-	-	-	-
34	<b>Oaks at Trabuco Reserve Ending Balance</b>	<b>123,931</b>	<b>123,931</b>	<b>123,931</b>	<b>123,931</b>	<b>123,931</b>	<b>123,931</b>	<b>123,931</b>	<b>123,931</b>	<b>123,931</b>	<b>123,931</b>
35	<b>Total Restricted Ending Balance</b>	<b>\$ 8,288,844</b>	<b>\$ 2,272,409</b>	<b>\$ 1,577,474</b>	<b>\$ 13,150,295</b>	<b>\$ 6,951,901</b>	<b>\$ 1,939,888</b>	<b>\$ 13,404,251</b>	<b>\$ 3,472,374</b>	<b>\$ 123,931</b>	<b>\$ 123,931</b>

### Schedule D: FY 2027 Proposed Financial Plan

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
	Proposed Budget	Projected Results	Projected Results	Projected Results	Projected Results	Projected Results	Projected Results	Projected Results	Projected Results	Projected Results
<b>Water Revenue Adjustment</b>	10.0%	10.0%	8.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
<b>Wastewater Revenue Adjustment</b>	18.0%	18.0%	12.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
<b>Recycled Revenue Adjustment</b>	10.0%	10.0%	20.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
1 Potable Water Charges	\$ 11.14M	\$ 12.84M	\$ 13.86M	\$ 14.35M	\$ 14.85M	\$ 15.37M	\$ 15.91M	\$ 16.47M	\$ 17.04M	\$ 17.64M
2 Wastewater Charges	3.31M	4.11M	4.60M	4.81M	5.03M	5.25M	5.49M	5.74M	5.99M	6.26M
3 Recycled Water Charges	1.78M	2.11M	2.52M	2.64M	2.76M	2.88M	3.01M	3.14M	3.28M	3.43M
4 BTP Wholesale Charges	1.44M	1.63M	1.64M	1.65M	1.66M	1.67M	1.68M	1.70M	1.71M	1.72M
5 Other Revenue	3.40M	3.42M	3.45M	3.53M	3.62M	3.69M	3.78M	3.86M	3.94M	3.96M
<b>6 Total Revenue</b>	<b>21.08M</b>	<b>24.10M</b>	<b>26.08M</b>	<b>26.98M</b>	<b>27.92M</b>	<b>28.87M</b>	<b>29.87M</b>	<b>30.90M</b>	<b>31.97M</b>	<b>33.01M</b>
7 Source of Supply	3.86M	4.01M	4.16M	4.31M	4.47M	4.65M	4.85M	5.06M	5.28M	5.53M
8 Cost of BTP Wholesale	1.44M	1.63M	1.64M	1.65M	1.66M	1.67M	1.68M	1.70M	1.71M	1.72M
9 Staffing Resources	6.30M	6.62M	6.96M	7.13M	7.30M	7.49M	7.67M	7.86M	8.05M	8.25M
10 Operations & Maintenance	2.65M	2.72M	2.74M	2.82M	2.91M	2.99M	3.09M	3.18M	3.27M	3.37M
11 General & Administrative	2.48M	2.43M	2.61M	2.56M	2.62M	2.81M	2.75M	2.81M	2.88M	2.95M
<b>12 Total Expense</b>	<b>16.73M</b>	<b>17.43M</b>	<b>18.10M</b>	<b>18.47M</b>	<b>18.96M</b>	<b>19.62M</b>	<b>20.03M</b>	<b>20.60M</b>	<b>21.19M</b>	<b>21.82M</b>
<b>13 Net Income / (Loss) from Operations</b>	<b>4.35M</b>	<b>6.68M</b>	<b>7.98M</b>	<b>8.51M</b>	<b>8.96M</b>	<b>9.25M</b>	<b>9.84M</b>	<b>10.30M</b>	<b>10.78M</b>	<b>11.19M</b>
14 Capital Debt Proceeds Reserve	12.91M	6.02M	0.69M	5.18M	5.96M	5.01M	5.56M	9.93M	3.35M	
15 Capital Improvement Program (Debt)	-10.54M	-6.02M	-0.69M	-5.18M	-5.96M	-5.01M	-5.56M	-9.93M	-3.35M	
16 Capital Improvement Program (Paygo)	-2.26M	-4.69M	-3.25M	-2.92M	-1.97M	-2.51M	-4.29M	-2.59M	-2.48M	-8.12M
17 Water Storage Facilities Reserve							1.21M			
18 Grant Proceeds for CIP		0.97M								
18 Debt Service	-1.59M	-2.88M	-2.88M	-2.88M	-4.24M	-4.24M	-4.24M	-5.72M	-5.72M	-5.72M
19 State Revolving Fund Loan Reserve					0.24M					
21 Debt Service 2011 SRF Loan	-0.23M	-0.23M	-0.23M	-0.23M	-0.23M					
<b>22 Net Change in Unrestricted Cash</b>	<b>\$ 2.64M</b>	<b>-\$ 0.15M</b>	<b>\$ 1.62M</b>	<b>\$ 2.49M</b>	<b>\$ 2.76M</b>	<b>\$ 2.51M</b>	<b>\$ 2.52M</b>	<b>\$ 1.99M</b>	<b>\$ 2.58M</b>	<b>-\$ 2.64M</b>



\*Per the District Cash Reserve Policy, the emergency reserve may be satisfied by an alternative funding source, such as an unsecured line of credit.



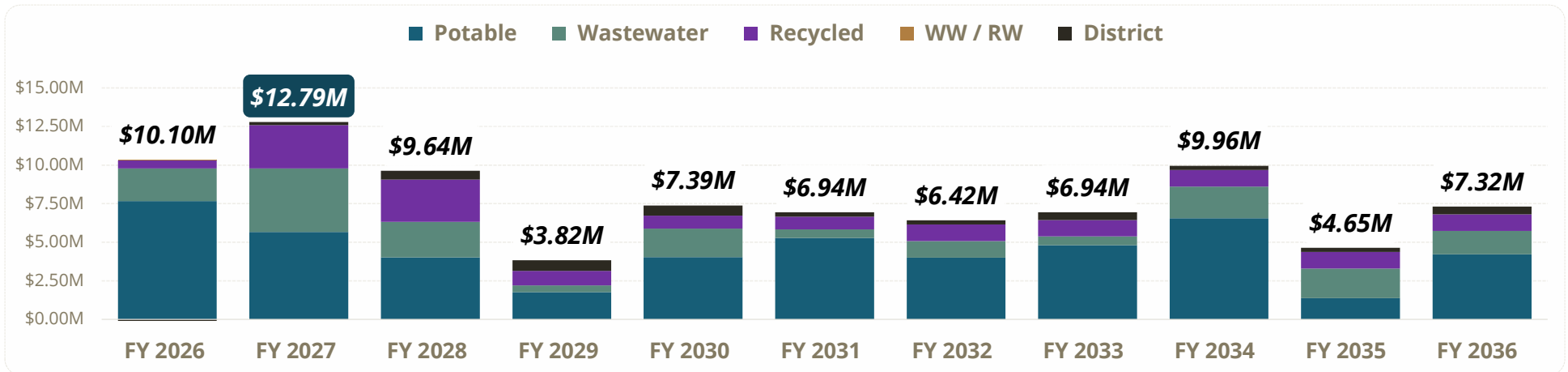
**10-Year Capital Improvement Program  
FY 2027 Proposed Budget Dashboard**



**Schedule E.1  
CIP Option 1**

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2027 - 2036
Potable	\$7.67M	\$5.67M	\$4.02M	\$1.76M	\$4.03M	\$5.28M	\$4.01M	\$4.81M	\$6.55M	\$1.39M	\$4.22M	\$41.73M
Wastewater	\$2.12M	\$4.11M	\$2.30M	\$0.44M	\$1.86M	\$0.56M	\$1.06M	\$0.56M	\$2.06M	\$1.91M	\$1.51M	\$16.37M
Recycled	\$0.51M	\$2.81M	\$2.75M	\$0.94M	\$0.83M	\$0.83M	\$1.08M	\$1.08M	\$1.08M	\$1.08M	\$1.08M	\$13.52M
WW / RW	\$0.03M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M
District	-\$0.22M	\$0.21M	\$0.58M	\$0.68M	\$0.68M	\$0.28M	\$0.28M	\$0.50M	\$0.28M	\$0.28M	\$0.52M	\$4.24M
<b>Total CIP, Net</b>	<b>\$10.10M</b>	<b>\$12.79M</b>	<b>\$9.64M</b>	<b>\$3.82M</b>	<b>\$7.39M</b>	<b>\$6.94M</b>	<b>\$6.42M</b>	<b>\$6.94M</b>	<b>\$9.96M</b>	<b>\$4.65M</b>	<b>\$7.32M</b>	<b>\$75.85M</b>

\*Represents CIP investment net of other funding sources such as grant proceeds or fees received from development.



<b>TOP 10 PROJECT BUDGETS</b>	<b>TOP 10 BY TOTAL PROJECT BUDGET</b>			<b>TOP 10 PROJECTS BY FY 2027 BUDGET</b>		
	PW-26L	\$9.11M	New 1.5MG Reservoir (Small Harris Tank Replacement)	PW-03L	\$3.83M	Transmission Main Replacement DWTP to Ridgeline PS
	PW-03	\$7.17M	Transmission Main Replacement DWTP to Ridgeline PS	WW-09	\$1.98M	Heritage Sewer Lift Station Rehabilitation
	PW-03L	\$3.83M	Transmission Main Replacement DWTP to Ridgeline PS	RW-13	\$1.19M	Dove Canyon Recycled Booster Pump Station
	PW-X10	\$3.83M	Potable Water Future Projects Year 10	WW-40	\$0.89M	WWTP Hoffman Blower Building Rehab / MCC Replacement
	WW-39	\$3.54M	Golf Club Sewer Lift Station Rehabilitation	PW-12	\$0.77M	Canyon Creek Pump Station Improvements
	PW-42	\$3.30M	Pipeline Replacement Program	RW-23L	\$0.69M	Tick & Dove Creek Pump Station Improvements (Loan)
	PW-20	\$3.19M	10" Pipeline Replacement Cooks Corner to Harris Grade	WW-52	\$0.50M	Solids Handling Screw Press
	WW-28	\$3.00M	New Force Main / Lift Station Golf Club & Heritage	RW-23P	\$0.48M	Tick & Dove Creek Pump Station Improvements (Paygo)
	WW-40	\$2.60M	WWTP Hoffman Blower Building Rehab / MCC Replacement	PW-02	\$0.29M	DWTP MCC Electrical Improvements
RW-13	\$2.59M	Dove Canyon Recycled Booster Pump Station	RW-24	\$0.27M	Dove Lake Slide Gate Replacement	

10-Year Capital Improvement Program  
FY 2027 Proposed Budget Detail



Schedule E.2  
CIP Option 1

New Project ID	System	Project Title Budget	Status	Funding	Total CIP Budget	Total Spent through 6/30/25	FY 2026 Projected	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
DW-01	District	Fleet & Heavy Equipment Purchases	In Process	Paygo	2,450,000	-	-		200,000	300,000	450,000	250,000	250,000	250,000	250,000	250,000	250,000
DW-03F	District	Admin Building Server Replacement - Funding	In Process	Grant	(250,000)	-	(250,000)										
DW-04	District	Purchase of Two Mobile Generators	Not Started	Paygo	700,000	-	-		350,000	350,000							
DW-05	District	SCADA Hardware / Software Cybersecurity Upgrades	Not Started	Paygo	840,000	-	-	180,000			200,000			220,000			240,000
DW-77	District	Small Capital - DW	In Process	Paygo	280,000	-	30,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
PW-01	Potable	Permanent Generator at Robinson Ranch Pump Station	Not Started	Loan2030	1,500,000	-	-					750,000	750,000				
PW-02	Potable	DWTP MCC Electrical Improvements	Design	Loan2026	2,000,000	-	10,948	289,100	1,700,000								
PW-03	Potable	Transmission Main Replacement DWTP to Ridgeline PS	Construction	Loan2024	7,167,400	167,439	7,000,000										
PW-03L	Potable	Transmission Main Replacement DWTP to Ridgeline PS	Construction	Loan2026	3,832,600	-	-	3,832,600									
PW-04	Potable	DWTP Filter #4 Repair	In Process	Loan2024	63,700	9,000	54,724										
PW-05	Potable	Plano Trabuco Pump Station Improvements	Not Started	Paygo	15,000	-	-			15,000							
PW-12	Potable	Canyon Creek Pump Station Improvements	Not Started	Loan2026	800,000	-	35,000	765,000									
PW-15	Potable	Rose Canyon Reservoir Coating and Site Improvements	Not Started	Paygo	1,139,850	-	-			569,925	569,925						
PW-16	Potable	Harris Grade #1 Reservoir Coating and Site Upgrades	Not Started	Loan2026	989,870	-	-		494,935	494,935							
PW-17	Potable	Upper Dove Canyon Reservoir Coating & Site Upgrades	Not Started	Loan2030	1,279,830	-	-						800,000	479,830			
PW-18	Potable	Trabuco #2 Reservoir Coating and Site Improvements	Not Started	Loan2030	1,949,740	-	-					974,870	974,870				
PW-19	Potable	Trabuco #1 Reservoir Coating and Site Improvements	Not Started	Paygo	1,149,850	-	-					574,925	574,925				
PW-20	Potable	10" Pipeline Replacement Cooks Corner to Harris Grade	Design	Loan2030	3,188,984	178,184	120,000				1,400,000	1,490,816					
PW-20ENV	Potable	10" Pipeline PW-20 Environmental	Not Started	Paygo	300,000	-	-	100,000	100,000	100,000							
PW-25	Potable	Trabuco Oaks / Adkinson Fire Flow Improvements	Not Started	Loan2026	1,539,800	-	-	200,000	1,339,800								
PW-26F	Potable	New 1.5MG Reservoir Funding	Not Started	Fees	(1,213,689)	-	-							(1,213,689)			
PW-26L	Potable	New 1.5MG Reservoir (Small Harris Tank Replacement)	Not Started	Loan2033	9,106,311	-	-							3,946,311	5,160,000		
PW-26P	Potable	New 1.5MG Reservoir (Small Harris Tank Replacement)	Not Started	Paygo	1,213,689	-	-							1,213,689			
PW-29	Potable	Permanent Generator Installation at DWTP	Not Started	Loan2033	2,000,000	-	-								1,000,000	1,000,000	
PW-30	Potable	Robinson Ranch PS Upgrades	Not Started	Paygo	-	-	-										
PW-35	Potable	Pressure Reducing Vault Improvements - PW	In Process	Paygo	420,000	-	20,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
PW-36	Potable	PW Pump Replacements	In Process	Paygo	2,100,000	-	100,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
PW-37	Potable	PW Valve Replacements	In Process	Paygo	1,240,000	-	40,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
PW-38	Potable	Saddle Crest Reservoir Outlet Pipe	Construction	Loan2024	275,000	-	275,000										
PW-39	Potable	PRV Rehabilitation - Lyndsay and Plano / Dove	Not Started	Loan2026	200,000	-	-			200,000							
PW-40	Potable	Dove Clubhouse Upgrades - Vault, Bypass Piping, Meter	Not Started	Paygo	100,000	-	-	100,000									
PW-41	Potable	PW Meter Replacements	Construction	Loan2024	10,117	-	10,117										
PW-42	Potable	Pipeline Replacement Program	Not Started	Loan2030	3,300,000	-	-										
PW-77	Potable	Small Capital - PW	In Process	Paygo	250,000	-	-	25,000	25,000	25,000	1,100,000	1,100,000	1,100,000	25,000	25,000	25,000	25,000
PW-X10	Potable	Potable Water Future Projects Year 10	Not Started	Paygo	3,830,000	-	-										3,830,000
RW-13	Recycled	Dove Canyon Recycled Booster Pump Station	Design	Loan2026	2,585,500	110,107	90,000	1,192,700	1,192,700								
RW-23F	Recycled	Tick & Dove Creek Grant Funding	In Process	Grant	(967,080)	-	-		(967,080)								
RW-23L	Recycled	Tick & Dove Creek Pump Station Improvements (Loan)	Design	Loan2026	1,532,920	15,193	200,000	688,700	629,000								
RW-23P	Recycled	Tick & Dove Creek Pump Station Improvements (Paygo)	Design	Paygo	967,080	-	-	483,550	483,550								
RW-24	Recycled	Dove Lake Slide Gate Replacement	Not Started	Paygo	1,999,730	-	-	266,000	866,900	866,830							
RW-50	Recycled	Dove Canyon Recycled PRV Improvement	Construction	Paygo	365,000	73,384	-	50,000	241,600								
RW-51	Recycled	Reservoir V-Ditch Rehabilitation	In Process	Loan2024	192,106	-	192,106										
RW-52	Recycled	WWTP Access Road Paving Slurry Coat	Not Started	Paygo	50,000	-	-	50,000									
RW-53	Recycled	RW Reservoir Asphalt Improvements	Not Started	Paygo	225,000	-	-		225,000								
RW-54	Recycled	Pump Replacements - Recycled	Not Started	Paygo	500,000	-	-	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
RW-55	Recycled	RW Pipeline Rehab - Inspection / Slipline	Not Started	Loan2030	1,500,000	-	-				750,000	750,000					
RW-77	Recycled	Small Capital - RW	In Process	Paygo	280,000	-	30,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
RW-X06	Recycled	Recycled Water Future Projects Year 6	Not Started	Paygo	1,000,000	-	-						1,000,000				
RW-X07	Recycled	Recycled Water Future Projects Year 7	Not Started	Paygo	1,000,000	-	-							1,000,000			
RW-X08	Recycled	Recycled Water Future Projects Year 8	Not Started	Paygo	1,000,000	-	-								1,000,000		
RW-X09	Recycled	Recycled Water Future Projects Year 9	Not Started	Paygo	1,000,000	-	-									1,000,000	
RW-X10	Recycled	Recycled Water Future Projects Year 10	Not Started	Paygo	1,000,000	-	-										1,000,000
WR-77	WW / RW	Pump Replacements - WW / Recycled	Not Started	Paygo	25,000	-	25,000										
WW-06	Wastewater	WWTP Influent EQB Piping to SBRs & Pump Improvements	In Process	Paygo	500,000	-	-		500,000								
WW-07	Wastewater	Barneburg Lift Station Upgrades	Design	Paygo	750,000	21,520	-		728,480								
WW-08	Wastewater	WWTP NEQ Tank Improvements	Not Started	Loan2026	660,000	-	-		660,000								
WW-09	Wastewater	Heritage Sewer Lift Station Rehabilitation	Construction	Loan2026	2,500,000	369,570	150,000	1,980,400									
WW-11	Wastewater	Via Allegre Lift Station Improvements	Not Started	Paygo	122,320	-	-	122,320									
WW-12	Wastewater	WWTP Brine Tank Removal / Storage Facility	Not Started	Paygo	-	-	-										
WW-13	Wastewater	New Force Main - Oaks to El Toro or O'Neill	Not Started	Paygo	-	-	-										
WW-24	Wastewater	5-year CCTV Monitoring Program	Not Started	Paygo	750,000	-	-				150,000	150,000	150,000	150,000	150,000		
WW-28	Wastewater	New Force Main / Lift Station Golf Club & Heritage	Not Started	Loan2033	3,000,000	-	-								1,500,000	1,500,000	
WW-40	Wastewater	WWTP Hoffman Blower Building Rehab / MCC Replacement	Construction	Loan2024	2,600,000	505,505	1,200,000	894,500									
WW-45	Wastewater	El Toro Lift Station Force Main Discharge Valve Replacement	Not Started	Paygo	-	-	-										
WW-46	Wastewater	Wet Well Recoating Program	In Process	Paygo	360,000	-	30,000	30,000	30,000	60,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
WW-47	Wastewater	Manhole Recoating Program	In Process	Paygo	330,000	-	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
WW-48L	Wastewater	WW Pump Replacements	In Process	Loan2024	103,464	-	103,464										
WW-48	Wastewater	WW Pump Replacements	In Process	Paygo	1,500,000	-	-	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
WW-49	Wastewater	SMWD Chiquita WWTP Shared Capital	In Process	Paygo	1,750,000	-	-	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
WW-49L	Wastewater	SMWD Chiquita WWTP Shared Capital	In Process	Loan2024	213,275	93,275	120,000										
WW-50	Wastewater	WWTP Headworks Replacement	Construction	Loan2024	370,000	-	370,000										
WW-51	Wastewater	WWTP Handrail Replacement - Segment B&C	Not Started	Paygo	20,000	-	20,000										

10-Year Capital Improvement Program  
 FY 2027 Proposed Budget Detail



Schedule E.2  
 CIP Option 1

New Project ID	System	Project Title Budget	Status	Funding	Total CIP Budget	Total Spent through 6/30/25	FY 2026 Projected	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036		
WW-52	Wastewater	Solids Handling Screw Press	Not Started	Loan2026	500,000	-	-	500,000											
WW-52B	Wastewater	WWTP Belt Press Building Roof Replacement	Not Started	Loan2026	200,000			200,000											
WW-53	Wastewater	WWTP Secondary Filters (2)	Not Started	Loan2030	1,300,000						1,300,000								
WW-54	Wastewater	WWTP Main Switchgear (Electrical)	Not Started	Loan2030	500,000								500,000						
WW-55	Wastewater	Heritage Force Main to WWTP	Not Started	Paygo	1,100,000												1,100,000		
WW-77	Wastewater	Small Capital - WW	In Process	Paygo	325,000		75,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000		
<b>Total</b>									<b>\$ 10,081,359</b>	<b>\$ 12,789,870</b>	<b>\$ 9,639,885</b>	<b>\$ 3,821,690</b>	<b>\$ 7,389,850</b>	<b>\$ 6,935,611</b>	<b>\$ 6,419,870</b>	<b>\$ 6,941,141</b>	<b>\$ 9,955,000</b>	<b>\$ 4,645,000</b>	<b>\$ 7,315,000</b>
<b>*PROJECTS HAVE GRANT FUNDS AWARDED</b>																			

**TRABUCO CANYON WATER DISTRICT  
FINANCE/AUDIT COMMITTEE MEETING | APRIL 9, 2026**

**FINANCIAL MATTERS  
ITEM 6: OTHER MATTERS**

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***RECOMMENDED ACTION:***

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

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