

**NOTICE OF SPECIAL MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY**

**FINANCE COMMITTEE
August 10, 2018**

10:30 a.m.

NOTICE IS HEREBY GIVEN that a Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee was called by the Chairman to be held on **August 10, 2018** at **10:30 a.m.** at the SOCWA Administrative Office located at 34156 Del Obispo Street, Dana Point, California.

THE SOCWA MEETING ROOM IS WHEELCHAIR ACCESSIBLE. IF YOU REQUIRE ANY SPECIAL DISABILITY RELATED ACCOMMODATIONS (I.E., ACCESS TO AN AMPLIFIED SOUND SYSTEM, ETC.) PLEASE CONTACT THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY SECRETARY'S OFFICE AT (949) 234-5421 AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING. THIS AGENDA CAN BE OBTAINED IN ALTERNATE FORMAT UPON WRITTEN REQUEST TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY'S SECRETARY AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING.

AGENDA EXHIBITS AND OTHER WRITINGS THAT ARE DISCLOSABLE PUBLIC RECORDS DISTRIBUTED TO ALL, OR A MAJORITY OF, THE MEMBERS OF THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY FINANCE COMMITTEE IN CONNECTION WITH A MATTER SUBJECT TO DISCUSSION OR CONSIDERATION AT AN OPEN MEETING OF THE FINANCE COMMITTEE ARE AVAILABLE FOR PUBLIC INSPECTION IN THE AUTHORITY OFFICE, 34156 DEL OBISPO STREET, DANA POINT, CA ("AUTHORITY OFFICE"). IF SUCH WRITINGS ARE DISTRIBUTED TO MEMBERS OF THE FINANCE COMMITTEE LESS THAN TWENTY-FOUR (24) PRIOR TO THE MEETING, THEY WILL BE AVAILABLE IN THE RECEPTION AREA OF THE AUTHORITY OFFICE AT THE SAME TIME AS THEY ARE DISTRIBUTED TO THE FINANCE COMMITTEE MEMBERS, EXCEPT THAT, IF SUCH WRITINGS ARE DISTRIBUTED IMMEDIATELY PRIOR TO, OR DURING, THE MEETING, THEY WILL BE AVAILABLE IN THE FINANCE COMMITTEE MEETING ROOM.

AGENDA

- 1. Call Meeting to Order**
- 2. Pledge of Allegiance**
- 3. Public Comments**

THOSE WISHING TO ADDRESS THE FINANCE COMMITTEE ON ANY ITEM LISTED ON THE AGENDA SHOULD SUBMIT A "REQUEST TO BE HEARD" FORM TO THE CLERK OF THE BOARD BEFORE THE PRESIDING OFFICER ANNOUNCES THAT AGENDA ITEM. YOUR NAME WILL BE CALLED TO SPEAK AT THAT TIME.

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4. Unfunded Pension Liability (UAL) Distribution by Member Agency – Results and Recommendation

Presentation by: Nyhart & Bartel Associates LLC

Recommendation:

Staff recommends that the Finance Committee recommends to the Board of Directors to approve Member Agency Distribution percentages to use for allocating the Authority's three Long Term Liabilities for FY 2015-16, FY 2016-17 and FY 2017-18.

- Pension
- Post-Retirement Health Care Benefits
- Compensated Absences

5. Step-by-Step Accounting Procedures

Recommendation:

Information item, receive and file; the Authority will submit procedures to the State Auditors Office.

6. Financial Matters – Month of May 2018 Financials

Recommendation

Staff recommends that the Finance Committee recommends to the Board of Directors to:

- 1) Ratify the Summary of Disbursements for the period from May 1, 2018 through May 31, 2018, totaling \$1,728,250 (attached as Exhibit A).
- 2) Receive and file the following as information items:
 - Schedule of Funds Available for Reinvestment (Exhibit B)
 - Schedule of Cash and Investments (Exhibit C)
 - Capital Schedule (Exhibit D)
 - Capital Projects Graph (Exhibit D-1)
 - Budget vs. Actual Expenses:
 - a. Operations and Environmental Summary (Exhibit E-1)
 - b. Residual Engineering, after transfer to Capital (Exhibit E-2)
 - c. Administration (Exhibit E-3)
 - d. Information Technology (IT) (Exhibit E-4)

7. Financial Matters – Month of June 2018 Financials (Preliminary Budget vs. Actual expenses and Capital expenditures)

Recommendation

Staff recommends that the Finance Committee recommends to the Board of Directors to:

- 1) Ratify the Summary of Disbursements for the period from June 1, 2018 through June 30, 2018, totaling \$2,432,134 (attached as Exhibit A).
- 2) Receive and file the following as information items:

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- Schedule of Funds Available for Reinvestment (Exhibit B)
- Schedule of Cash and Investments (Exhibit C)
- Capital Schedule (Exhibit D)

- Capital Projects Graph (Exhibit D-1)
- Budget vs. Actual Expenses:
 - e. Operations and Environmental Summary (Exhibit E-1)
 - f. Residual Engineering, after transfer to Capital (Exhibit E-2)
 - g. Administration (Exhibit E-3)
 - h. Information Technology (IT) (Exhibit E-4)
- Preliminary FY 2018/19 Actual Fringe Pool and Fringe Rate

8. **Adjournment**

I hereby certify that the foregoing Notice was personally emailed or mailed to each member of the SOCWA Finance Committee at least 24 hours prior to the scheduled time of the Special Meeting referred to above.

I hereby certify that the foregoing Notice was posted at least 24 hours prior to the time of the above-referenced Finance Committee at the usual agenda posting location of the South Orange County Wastewater Authority and at www.socwa.com.

Dated this 2nd day of August 2018.



Betty C. Burnett, General Manager/Secretary
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

Agenda Item

4

Legal Counsel Review: N/A

Meeting Date: August 10, 2018

TO: Finance Committee

FROM: Betty Burnett, General Manager

STAFF CONTACT: Mary Carey, Finance Controller

SUBJECT: Unfunded Pension Liability (UAL) Distribution by Member Agency – Results and Recommendations

Summary:

At the June 27, 2018 Finance Committee meeting, the Committee heard a full presentation from actuary firms Nyhart and Bartel Associates regarding the background of PERS Unfunded Liability and preliminary discussion of options to apply distributions of retiree and employee unfunded costs to SOCWA member agencies. The Committee agreed with the recommendation of the consultant team that labor cost data taken from prior Use Audits and/or Budget information was the best source of cost distribution information across the Project Committees. The consultants reviewed the distribution of five years of data and the Committee asked SOCWA staff to research prior records and find as many years of past Use Audits and, if unavailable, Budgets for labor data applicable to SOCWA, AWMA, SERRA and SOCRA. Staff investigated records it could locate and as requested, notified the Finance Committee Agencies' staffs of what was located (in order that each agency could review its records as well). Further, Mary Carey collected the data and shared the results with the Finance Managers of the Finance Committee agencies.

The data was also made available to Will Kane of the Nyhart staff and to Mary Beth Redding of Bartel and Associates. The consultants considered the salary history as well as the work history information located within historical employee records.

The Nyhart and Bartel consultants will attend the August 10, 2018 Finance Committee meeting to discuss their findings and recommendations.

Recommendation:

Staff recommends that the Finance Committee recommends to the Board of Directors to approve Member Agency Distribution percentages to use for allocating the Authority's three Long Term Liabilities for FY 2015-16, FY 2016-17 and FY 2017-18.

- Pension
- Post-Retirement Health Care Benefits
- Compensated Absences

South Orange County Wastewater Authority

Long Term Liabilities Allocation Methodology

Mary Beth Redding



Will Kane



Allocation of Unfunded Liability

- Two primary takeaways from the June 27th Finance Committee meeting:
 - 1) Allocation of unfunded liabilities will be based on Historical Labor Data by Project Committee and Wastewater (Liquids, Solids, Common, AWT, etc.) taken from SOCWA's official Use Audits
 - 2) SOCWA would work to obtain Labor Data stretching further back in history

Allocation of Unfunded Liability

- Based on that discussion, we used the following approach to allocate long-term liabilities
 - Use dollar-averaged labor costs from a start date through the measurement year
 - Three potential approaches for Pension and OPEB:
 - Use 2002 as the start date
 - Use 1990 as the start date including all Project Committees
 - Use 1990 as the start date and exclude PC 17 and PC15 for contract-operated periods
 - For Compensated Absences, use dollar-averaged labor costs over the three years preceding the measurement date
 - 240 Hours maximum carryover balance for vacation
 - 176 Hours carryover balance for sick pay
 - 80 Hours minimum annual accrual for both vacation and sick pay

Allocation of Unfunded Liability

- Allocation Procedures
 - Implicitly assumes all Pension /OPEB/Compensated Absences (PTO earned but not used) are proportional to labor costs
 1. Dollar labor costs for each PC were distributed by wastewater (solids, liquids, common, AWT, etc.) for each year, multiplied by
 2. Member Agency usage percentage for each PC and Wastewater for each year
 - Dollars totaled for each member agency each year
 - Dollars for each member agency summed over averaging period and divided by total dollars for the period to create the allocation percentage

Allocation of Unfunded Liability

- “Contract Years” Excluded
 - PC 15 from FY 1990 through 1999
 - PC 17 in FY 1990 and 1991
 - All costs for these PCs and Years excluded

Allocation of Unfunded Liability

- Allocation and Data Procedures before 1999
 - Data missing for many PCs or Items
 - Missing amounts equal to average of next previous and succeeding year with data
 - Missing amounts in 1990 equal the following year
 - AWMA-CTP was allocated dollar costs, but those dollars were excluded from the totals. So, the remaining dollars were allocated to member agencies.
 - Prior agencies were added into their successor agencies as follows:
 - CBWD, CBSD, DPSD => SCWD
 - LAWD => IRWD

Timing

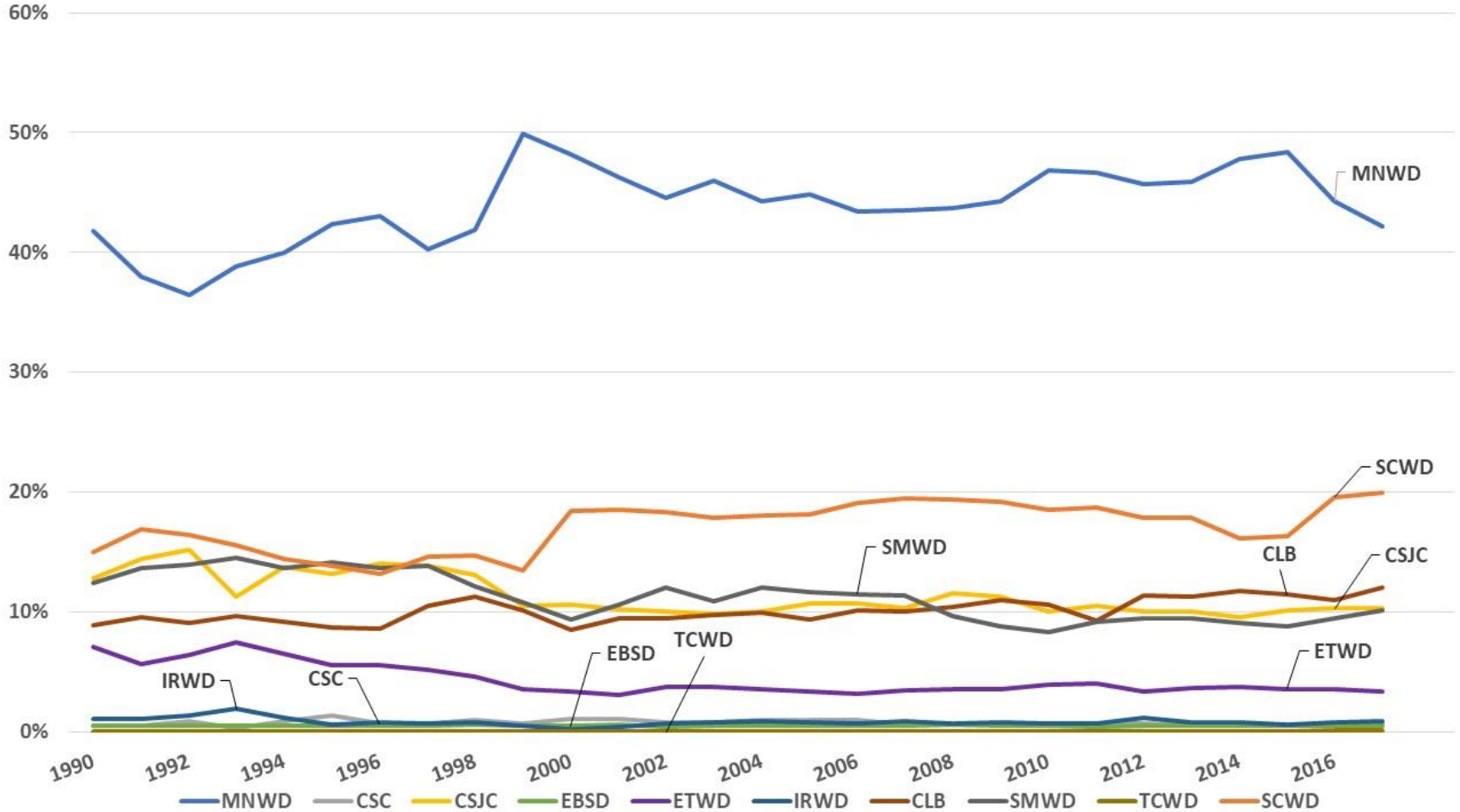
- Net Pension Liability reported at 6/30/18
 - Based on assets and actuarial liabilities through 6/30/17
 - Allocated on labor costs through 6/30/17
- Net Pension Liability reported at 6/30/17
 - Based on assets and actuarial liabilities through 6/30/16
 - Allocated on labor costs through 6/30/16
- Changes in each agency's allocation will be due to:
 - Change in average proportion
 - Changes in net pension liability
- Similar timing for OPEB
- Compensated absences
 - 6/30/18 reporting should use averages through 2018 if available

Future Application

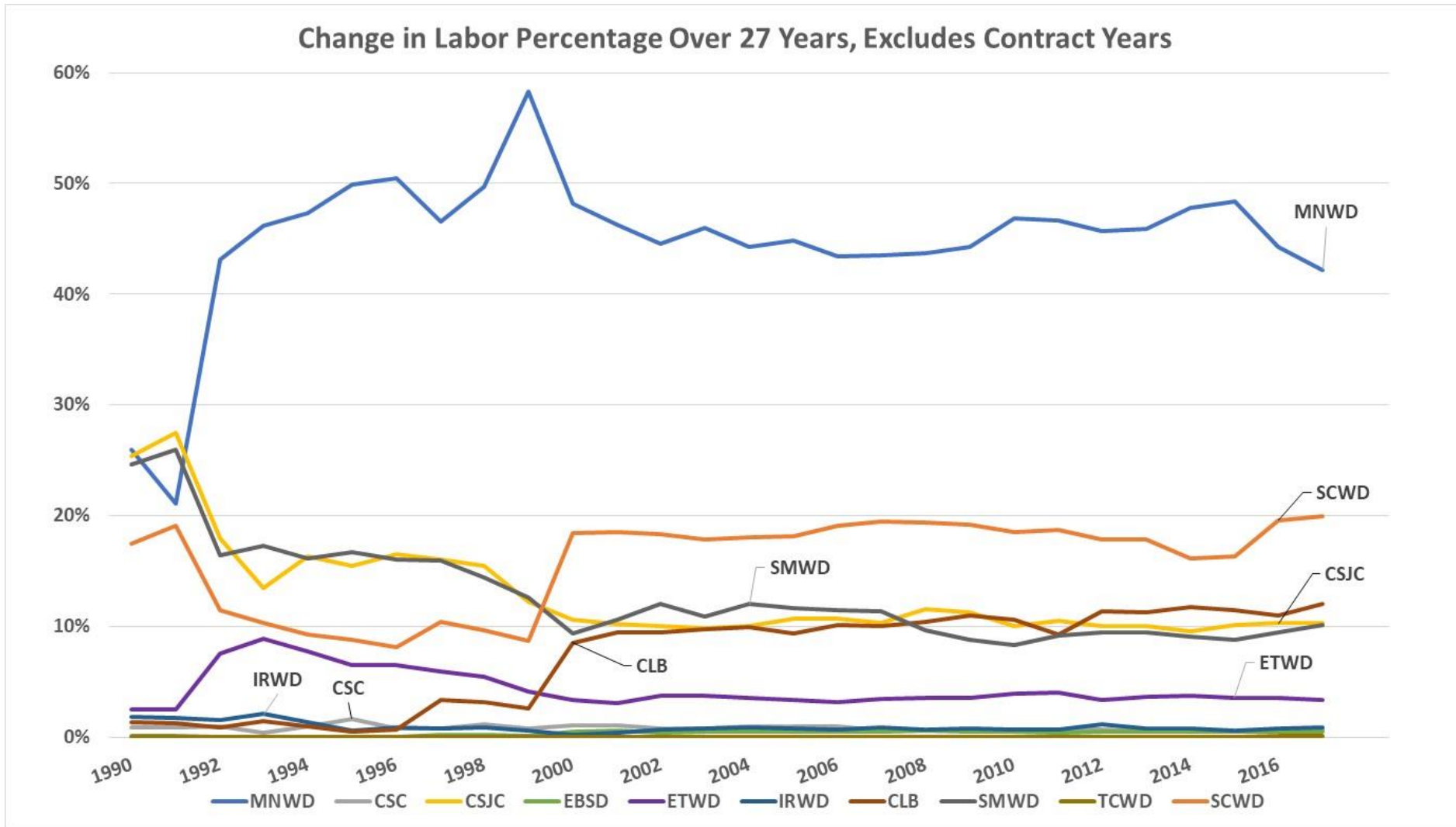
- Recommendation intended to be simple to replicate in future years
 - For 6/30/2019, the 2018 labor costs will be appended to existing data and included in new average
 - Allocation percentages should move gradually and reasonable predictably over time
 - Compensated Absence average would continue to be three years, with the most recent year's labor data replacing the labor data from three year's prior in the average

Labor Data

Change in Labor Percentage Over 27 Years, all Data Included

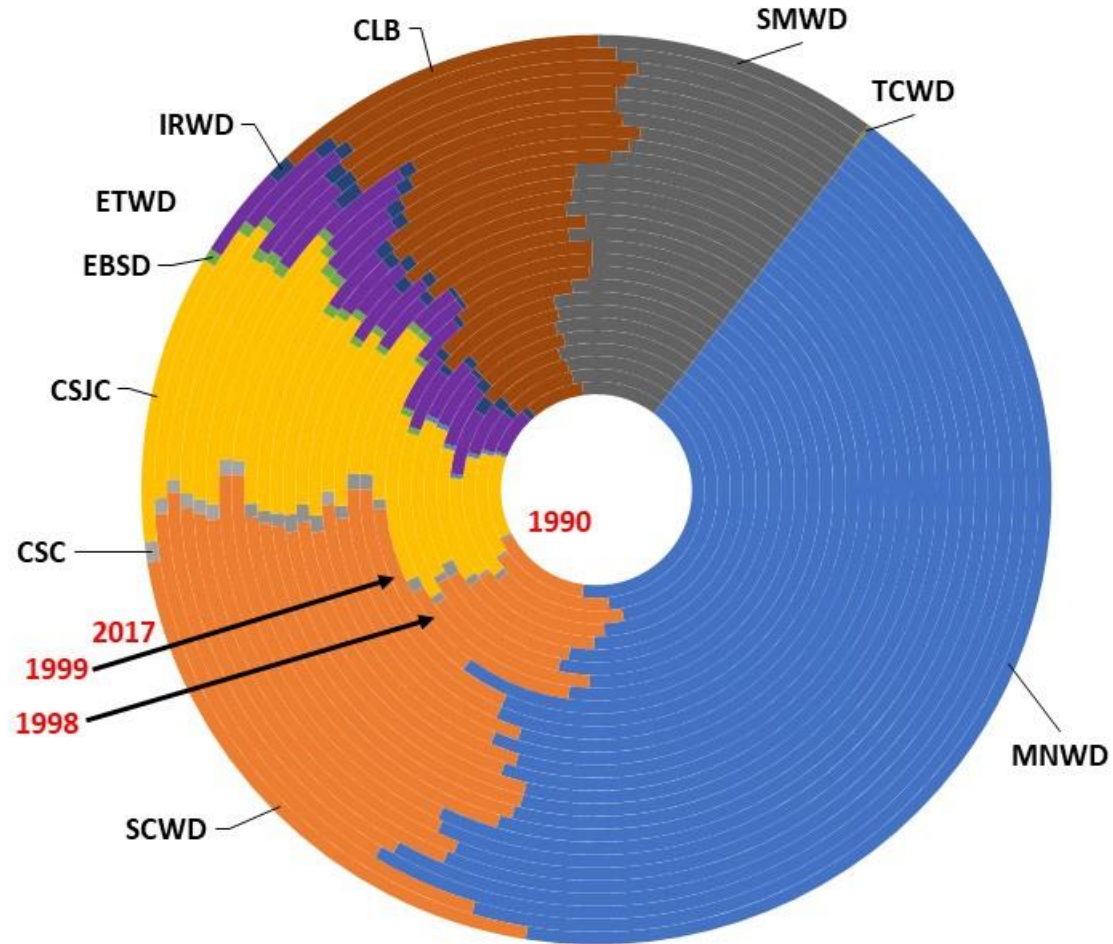


Labor Data



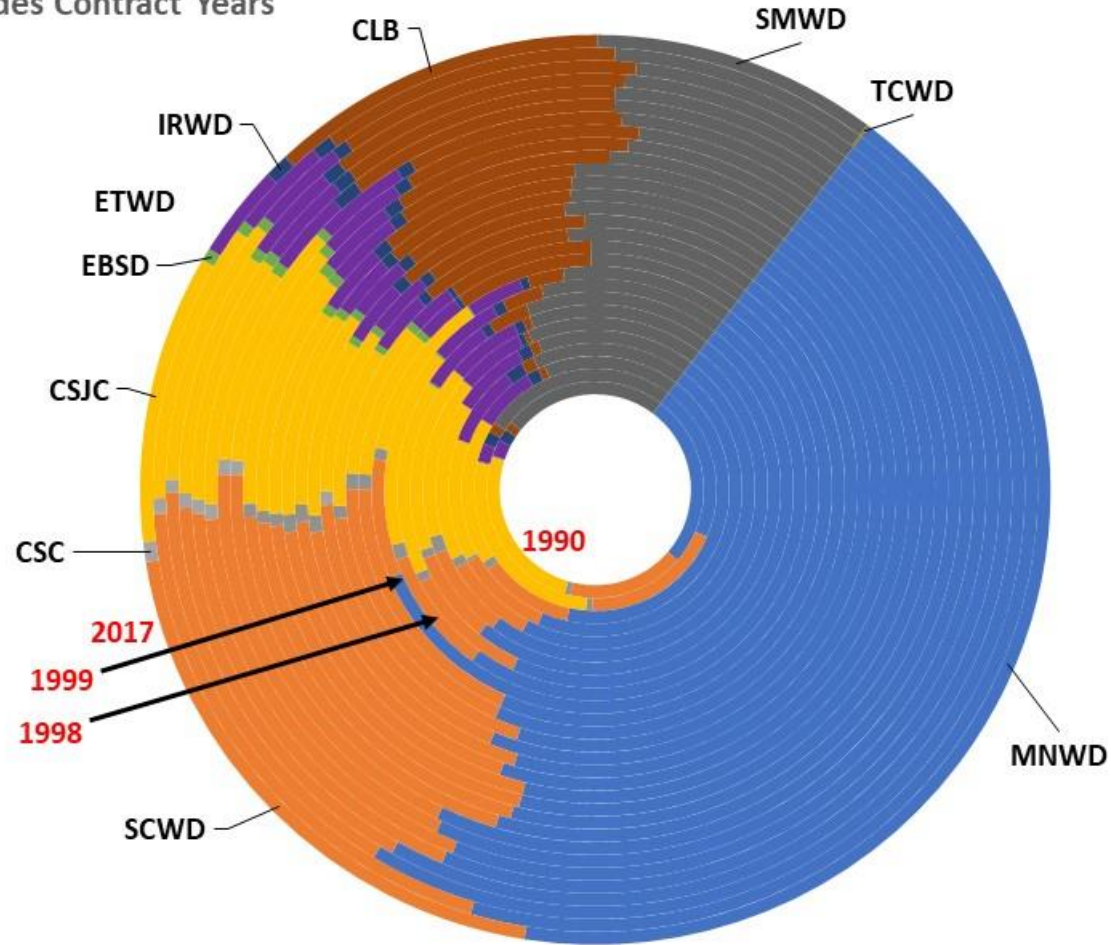
Labor Data

Change in Labor Percentage over 27 Years, All Data Included



Labor Data

Change in Labor Percentage over 27 Years,
Excludes Contract Years



Allocations – For 6/30/2018 Reporting

	Avg Labor\$ 2002-2017	Allocation Percent	Avg Labor\$ 1990 – 2017	Allocation Percent	Avg Labor\$ 1990 – 2017 Excl Contract	Allocation Percent
CLB	\$ 432	10.62%	\$ 346	10.27%	\$ 275	8.62%
CSC	27	0.67%	24	0.71%	24	0.75%
CSJC	420	10.33%	373	11.06%	373	11.68%
EBSD	19	0.46%	16	0.47%	12	0.38%
ETWD	145	3.57%	138	4.09%	130	4.08%
IRWD	31	0.77%	27	0.79%	26	0.82%
MNWD	1,842	45.27%	1,498	44.40%	1,456	45.58%
SCWD	747	18.36%	589	17.44%	534	16.70%
SMWD	404	9.93%	364	10.78%	364	11.38%
TCWD	0	0.01%	346	0.01%	0	0.01%
Total	4,068	100%	3,404	100%	3,217	100%

Net Pension Liability – 6/30/2018 Reporting (\$000s)

	Avg Labor\$ 2002-2017	%	Avg Labor\$ 1990 – 2017	%	Avg Labor\$ 1990 – 2017 Excl Contract Periods	%
CLB	\$ 1,424	10.62%	\$ 1,377	10.27%	\$ 1,156	8.62%
CSC	90	0.67%	95	0.71%	100	0.75%
CSJC	1,385	10.33%	1,483	11.06%	1,566	11.68%
EBSD	62	0.46%	63	0.47%	51	0.38%
ETWD	479	3.57%	548	4.09%	547	4.08%
IRWD	103	0.77%	106	0.79%	110	0.82%
MNWD	6,071	45.27%	5,954	44.40%	6,113	45.58%
SCWD	2,462	18.36%	2,339	17.44%	2,240	16.70%
SMWD	1,332	9.93%	1,446	10.78%	1,527	11.38%
TCWD	1	0.01%	1	0.01%	1	0.01%
Total	13,410	100%	13,410	100%	13,410	100%

Net OPEB Liability – 6/30/18 Reporting (Est) (\$000's)

	Avg Labor\$ 2002-2017	%	Avg Labor\$ 1990 – 2017	%	Avg Labor\$ 1990 – 2017 Excl Contract	%
CLB	\$ 701	10.62%	\$ 678	10.27%	\$ 569	8.62%
CSC	44	0.67%	47	0.71%	49	0.75%
CSJC	682	10.33%	730	11.06%	771	11.68%
EBSD	30	0.46%	31	0.47%	25	0.38%
ETWD	236	3.57%	270	4.09%	269	4.08%
IRWD	51	0.77%	52	0.79%	54	0.82%
MNWD	2,988	45.27%	2,930	44.40%	3,008	45.58%
SCWD	1,212	18.36%	1,151	17.44%	1,102	16.70%
SMWD	656	9.93%	711	10.78%	751	11.38%
TCWD	1	0.01%	0	0.01%	0	0.01%
Total	6,600	100%	6,600	100%	6,600	100%

Compensated Absences – 6/30/18 Reporting (\$000s)

	Avg. Labor \$ 2015-2017	%
CLB	\$ 57	11.47%
CSC	3	0.58%
CSJC	51	10.23%
EBSD	2	0.44%
ETWD	17	3.48%
IRWD	4	0.72%
MNWD	225	45.16%
SCWD	92	18.46%
SMWD	47	9.40%
TCWD	0	0.05%
Total	498	100%

Recommendation

- From Actuary's point of view
 - Use data only from 2002 and later
 - Much pre-2002 data is estimated
 - Pre-2002 data looks inconsistent with data immediately after 2002 in many cases
 - Inclusion of dollar labor costs of non-SOCWA employees (for those employees in those years SOCWA has no pension or OPEB obligation) means those years have more weight in the averages than they should

Agenda Item

5

Finance Committee Meeting

Meeting Date: August 10, 2018

TO: Betty Burnett
FROM: Mary Carey, Finance Controller
SUBJECT: Step-by-Step Accounting Procedures

I. California State Auditor Recommendation:

The Government Finance Officers Association (GFOA), an organization that promotes best practices in government financial management, recommends that every government entity formally document its accounting policies and procedures, which we believe should be step-by-step instructions.

II. Accounting Department Responsibilities

The accounting department is responsible for recording and reporting cash flow transactions for the Authority:

- **Money out /Accounts Payable** – Making payments and keeping the bills paid
- **Money in/Accounts Receivable** – Invoicing and processing incoming payments
- **Payroll** – Make sure everyone gets paid (employees, the government for tax withholdings, pension plans, deferred compensation plans, union dues, etc.)
- **Reporting** – Preparing financial reports, i.e., Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, Budget vs. Actual Monthly Reporting and Cash Roll Forward for Large Capital Projects
- **Financial Planning and Analysis** – Annual Budgets
- **Financial Controls/Internal Control** – To minimize errors, fraud and theft
- **Account Reconciliations** – Bank Accounts reconciled to the General Ledger (GL), all assets and liabilities accounts including lead schedules detailing what is included in the account balance, aged accounts receivable review, aged accounts payable review and expense accounts review
- **Audits** – Annual Financial Statements Audit and Use Audits

III. ERP (Enterprise Resource Planning) tools used to complete accounting tasks

(ERP is the integrated management of core business processes, often in real-time and mediated by software and technology.)

- a. Financial Edge (FE), an integrated financial system, is used to process all the above tasks which includes the following:
 - Web Purchasing Requisitions
 - Purchase Orders (PO)
 - General Ledger (GL)
 - Accounts Payable (AP)
 - Accounts Receivable including Invoicing (AR)
 - Budgets
 - Use Audits
 - Cash Roll Forward by Project Committee and Member Agencies
 - Capital Projects Accounting and Tracking
 - Financial Statements
- b. ADP (Automatic Data Processing) Workforce Now Payroll Processing in conjunction with ADP Electronic Time and Attendance Reporting

IV. Step-by Step Procedures and Their Purposes

(These procedures are available for Member Agencies on-site review at SOCWA.)

These accounting tasks are completed within the FE financial system and the payroll is processed within ADP; therefore, the following step-by step procedures are to provide a road map for:

- a. Electronically loading data into FE rather than manually entering data
- b. Navigation of the FE system
- c. Financial Reports development and Printing within FE
- d. ADP Payroll processing

A. Accounting Procedures and Their Purposes:

1. **Payroll processing within ADP Workforce Now in conjunction with ADP Electronic Time and Attendance Reporting** - Pay salaries and wages to employees for work including withholdings for taxes, pension, deferred compensation, group insurance, union dues, etc.
2. **Accounts Payable Processing** - Vendor payments for products and services provided to SOCWA

3. **Member Agencies quarterly billing process for O&M (Operations and Maintenance), Large Capital, Non-Capital Engineering and Small Capital** – Quarterly Billings to Member Agencies based on budget for O&M and Small Capital and budget and updated forecasts for Large Capital and Non-Capital Engineering items
4. **Cash Receipts Processing** - Application of cash receipts by project committee, capital projects if applicable and member agency
5. **Bank Statements Reconciliation with General Ledger (GL)** – Identification and resolution of differences between bank statement and GL
6. **Electronic Import of Fixed Assets into FE** – Assets placed in-service setup in fixed assets module
7. **Validation of Fixed Assets after Electronic Upload** – Verification that New Fixed Assets placed in-service were moved accurately into FE via the electronic upload process
8. **Cash Roll Forward Report Processing** – Large Capital Cash Balance monthly reporting by Project Committee, capital project and member agency
9. **Capital Contributions Report by Project Committee, capital project and member agency** – Cash payments received from member agencies for large capital projects; this information is used in the cash roll forward report
10. **Purchase Orders Coding for Large Capital Expenditures** – Capital expenditures by Project Committee, capital project and member agency; this information is used in the cash roll forward report

Agenda Item

6

Legal Counsel Review: N/A

Meeting Date: August 10, 2018

TO: Board of Directors
FROM: Betty Burnett, General Manager
STAFF CONTACT: Mary Carey, Finance Controller
SUBJECT: Financial Matters – Month of May 2018

Summary/Discussion

The following selected financial reports are routinely provided monthly to the Board of Directors. This information is presented, including the Monthly Financial Report, to the Finance Committee and could include a request for the Board to approve recommendations of the Finance Committee. The reports included are as follows:

- a) Summary of Disbursements
 - April 2018 (Exhibit A)
- b) Schedule of Funds Available for Reinvestment (Exhibit B)
- c) Schedule of Cash and Investments (Exhibit C)
- d) Capital Schedule (Exhibit D)
 - Capital Projects – Graph (Exhibit D-1)
- e) Budget vs. Actual Expenses:
 - Operations and Environmental Summary (Exhibit E-1)
 - Residual Engineering, after transfer to Capital (Exhibit E-2)
 - Administration (Exhibit E-3)
 - Information Technology (IT) (Exhibit E-4)

Fiscal impact

During the month of May 2018, disbursements totaled \$1,728,250 and are summarized in the attached Exhibit A. The attached Exhibits B, C, D and E are informational reports only.

Recommendation

Staff recommends that the Finance Committee recommends to the Board of Directors to:

- 1) Ratify the Summary of Disbursements for the period from May 1, 2018 through May 31, 2018, totaling \$1,728,250 (attached as Exhibit A).
- 2) Receive and file the following as information items:
 - Schedule of Funds Available for Reinvestment (Exhibit B)
 - Schedule of Cash and Investments (Exhibit C)
 - Capital Schedule (Exhibit D)
 - Capital Projects Graph (Exhibit D-1)
 - Budget vs. Actual Expenses:
 - a. Operations and Environmental Summary (Exhibit E-1)
 - b. Residual Engineering, after transfer to Capital (Exhibit E-2)
 - c. Administration (Exhibit E-3)
 - d. Information Technology (IT) (Exhibit E-4)

Exhibit A

**South Orange County Wastewater Authority
Summary of Disbursements for May 2018
Staff Recommendation of Fiscal Matters**

	<u>Actual</u>
General Fund	(463,031)
PC 2 - Jay B. Latham Plant	(518,445)
PC 3 - SOCWA Plant/PCA AWT	0
PC 5 - San Juan Creek Ocean Outfall	(14,146)
PC 8 - Pretreatment Program	(8,136)
PC 12 SO - Water Reclamation Permits	(3,639)
PC 15 - Coastal Treatment Plant/AWT	(226,629)
PC 17 - Joint Regional Wastewater Reclamation	(486,111)
PC 21 - Effluent Transmission Main	(1,146)
PC 24 - Aliso Creek Ocean Outfall	(6,967)
Total	<u>(1,728,250)</u>

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
SCHEDULE OF FUNDS AVAILABLE FOR REINVESTMENT
as of May 31, 2018**

CASH IN BANK: (BEGINNING BAL.)	3,196,381
L.A.I.F. FUNDS: (BEGINNING BAL.)	9,537,960
DEPOSITS, TRANSFERS & ADJUSTMENTS:	5,217,018
FUND REQUIREMENTS:	
BILLS FOR CONSIDERATION	(1,728,250)
	\$ 16,223,109

In accordance with Government Code 53646(c), since all funds are placed in the State LAIF, staff has included in the Financial Packet, the most current statement from the State LAIF, in lieu of the report required by Government Code 53646(b)(1).

In accordance with requirements of the Government Code and the "SOCWA Investment Policy", I hereby certify that:

- 1). All investment actions executed since the last report have been made in full compliance with the Investment Policy.
- 2). SOCWA does not have sufficient funds currently on hand to meet its expenditure obligations for the next six months (see note) due to the fact that SOCWA bills and receives operational funds on a quarterly basis only.

Betty Burnett
General Manager

Note: Operational funds are collected on a quarterly basis at the beginning of the quarter. Capital funds are collected on a quarterly basis in connection with projected needs. Member agencies have pledged to have funds available to meet all obligations.

Exhibit C

**South Orange County Wastewater Authority
Schedule of Cash and Investments
as of May 31, 2018**

MVA	\$ 46,778	(A)
A/P Checking	\$ 2,194,181	(B)
Payroll Checking	\$ 306,189	(C)
State LAIF	\$ 13,675,961	(D)
Total Cash in Bank	16,223,109	
Petty Cash	1,600	(E)
Total Operating Cash	16,224,709	
OPEB Trust	4,817,830	(F)
Total Cash and Investments	\$ 21,042,539	

Notes:

- (A) Interest bearing account; all cash receipts are deposited in this account.
- (B) Accounts Payable Checks are drawn against this account; money is transferred to this account from the LAIF account.
- (C) Payroll including payroll taxes and related liabilities are drawn against this account; money is transferred to this account from the LAIF account.
- (D) LAIF balance.
- (E) Cash on hand with GM's office and held by Chief Operators at each Treatment facility.
- (F) OPEB Trust Fund; these funds can only be used for Retiree Health Benefits.

Exhibit D

South Orange County Wastewater Authority
Capital Projects Summaries
as of May 31, 2018

Description	FY 2017-18 Budget vs. Actual Spending							Past Due by Fiscal Year		
	Capital Budget	Fiscal Year Spending	(Over)/ Under Budget	% Expended	Member Agency Billed	FY 17/18 Member Agency Collections	FY 16/17 & FY 17/18 Past Due Amount	FY 17/18 Unpaid Amounts	FY 16/17 Unpaid Amounts	Total Past Due Amount
PC 2-JB Latham PC 3A	3,743,470	1,043,470	2,700,000	27.9%	2,554,334	2,554,334				
PC 5-San Juan Creek Outfall PC 15-Coastal	195,510 6,637,145	1,440 1,573,922	194,070 5,063,223	0.7% 23.7%	15,382 2,813,392	15,382 2,080,514	1,382,368 (1)	732,878	649,490	1,382,368
PC 17-Regional	3,196,068	3,142,300	53,768	98.3%	1,661,060	1,661,060				
PC 21 Effluent Transmission	236,607	18,397	218,210	7.8%	164,502	164,502				
PC 24 Aliso Creek Outfall	25,001	-	25,001	0.0%	-	-				
Total Large Capital	14,033,801	5,779,529	8,254,272	41.2%	7,208,670	6,475,792				
Non-Capital Engineering	158,952	388,113	(229,161)	244.2%	158,952	158,367	22,416 (1)	585	21,831	22,416
Small Internal Capital	1,946,997	1,434,099	512,898	73.7%	1,947,046	1,777,398	254,198 (1)	169,648	84,550	254,198
Total Capital	16,139,750	7,601,741	8,538,009	47.1%	9,314,668	8,411,557	1,658,982	903,111	755,871	1,658,982

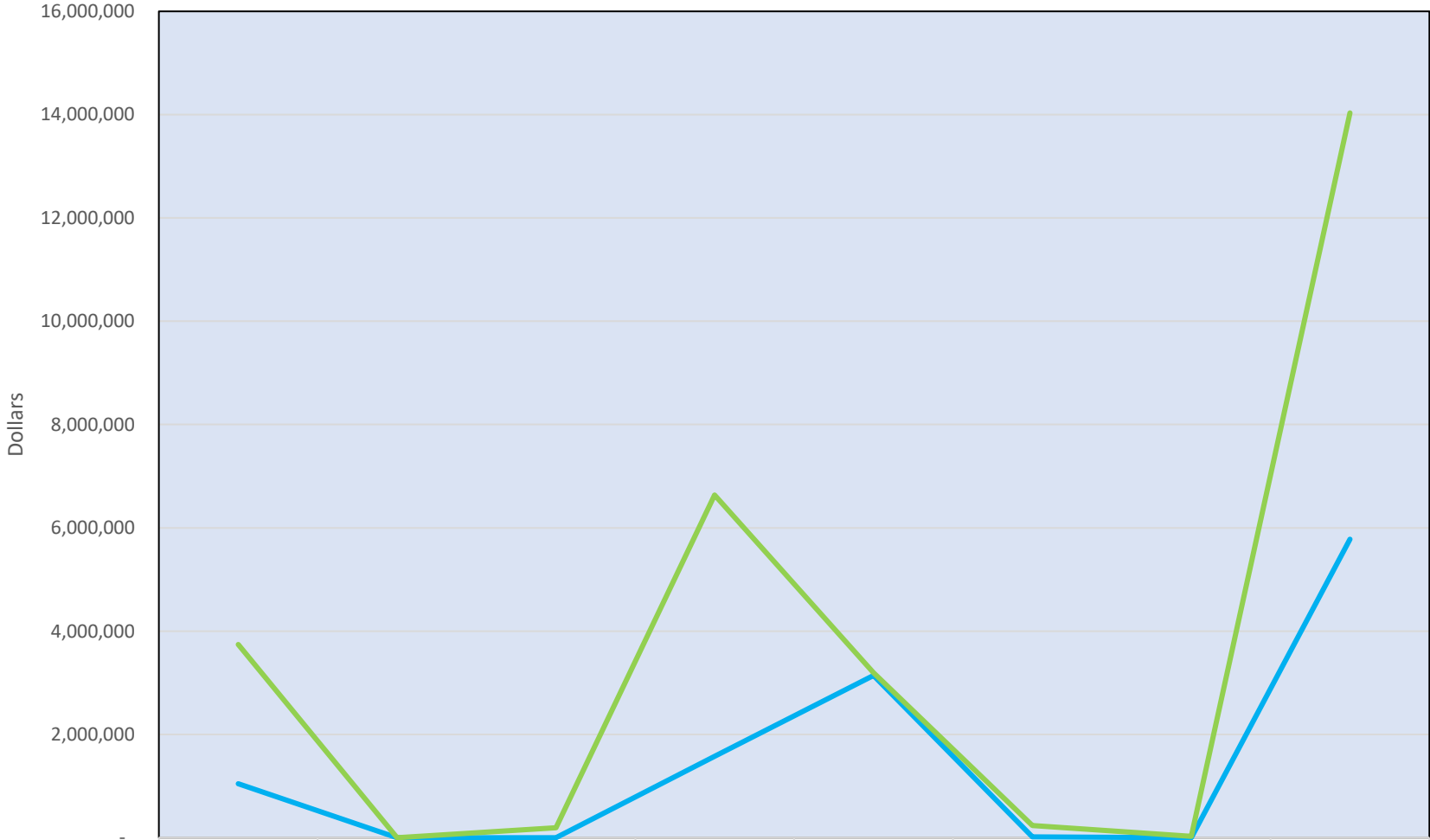
(1) Schedule for Past Due Amounts as of May 31, 2018

Description	Past Due Amount MNWD	Past Due Amount TOTAL
PC 15-Coastal	1,382,368	1,382,368 (1)
Total Large Capital	1,382,368	1,382,368
Non-Capital Engineering	22,416	22,416 (2)
Small Internal Capital	254,198	254,198 (2)
Total Capital	1,658,982	1,658,982

(2) Balances due are for PC 15 Coastal Treatment Plant.

Large Capital Project Fiscal Year '17-18 Budget and Year-to-Date Spending 05/31/2018

Exhibit D-1



Spent - YTD	1,043,470	-	1,440	1,573,922	3,142,300	18,397	-	5,779,529
Capital Budget 17-18	3,743,470	-	195,510	6,637,145	3,196,068	236,607	25,001	14,033,801

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
For the Period Ended May 31, 2018

Exhibit E-1

		Budget	*Budget Increase	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
02 - Jay B. Latham Plant							
Salary and Fringe							
02-5000-01-**-**	Regular Salaries-O&M	1,228,504		1,228,504	1,170,619	57,885	95.3% (1)
02-5000-02-**-**	Regular Salaries-O&M	163,196		163,196	135,222	27,974	82.9%
02-5001-01-**-**	Overtime Salaries-O&M	21,908	60,000	81,908	42,339	39,569	51.7% (2)
02-5001-02-**-**	Overtime Salaries-O&M	204		204	838	(634)	410.7%
02-5306-01-**-**	Scheduled Holiday Work	11,992		11,992	14,831	(2,839)	123.7% (3)
02-5306-02-**-**	Scheduled Holiday Work	1,804		1,804	1,926	(122)	106.7% (3)
02-5315-01-00-00	Comp Time - O&M	-		-	4,935	(4,935)	0.0%
02-5315-02-00-00	Comp Time - O&M	-		-	618	(618)	0.0%
02-5401-01-**-**	Fringe Benefits IN to PC's & Depts.	911,556		911,556	869,545	42,011	95.4%
02-5401-02-**-**	Fringe Benefits IN to PC's & Depts.	121,096		121,096	100,455	20,641	83.0%
02-5700-01-**-**	Standby Pay	23,328		23,328	23,693	(365)	101.6%
	Total Payroll Costs	2,483,588	60,000	2,543,588	2,365,021	178,567	93.0%
Other Expenses							
02-5002-01-**-**	Electricity	524,000	130,000	654,000	705,047	(51,047)	107.8% (4)
02-5003-01-**-**	Natural Gas	65,012		65,012	57,710	7,302	88.8% (4)
02-5004-01-**-**	Potable & Reclaimed Water	15,004		15,004	16,182	(1,178)	107.9%
02-5006-01-**-**	Chlorine/Sodium Hypochlorite	28,000		28,000	15,128	12,872	54.0%
02-5007-01-**-**	Polymer Products	301,004		301,004	190,184	110,820	63.2%
02-5008-01-**-**	Ferric Chloride	100,004	25,000	125,004	124,587	417	99.7% (5)
02-5009-01-**-**	Odor Control Chemicals	25,000		25,000	18,389	6,611	73.6%
02-5010-01-**-**	Other Chemicals - Misc.	1,000		1,000	8	992	0.8%
02-5011-02-**-**	Laboratory Services	10,500		10,500	6,952	3,548	66.2%
02-5012-01-**-**	Grit Hauling	40,000		40,000	45,551	(5,551)	113.9% (6)
02-5013-01-**-**	Landscaping	48,000		48,000	30,327	17,673	63.2%
02-5014-01-**-**	Engineering - Misc.	4,996		4,996	17,565	(12,569)	351.6% (7)
02-5014-02-**-**	Engineering - Misc.	100,004		100,004	8,540	91,464	8.5%
02-5015-01-**-**	Management Support Services	4,996		4,996	8,640	(3,644)	172.9% (7)
02-5015-02-**-**	Management Support Services	13,000		13,000	29,865	(16,865)	229.7% (8)
02-5017-01-**-**	Legal Fees	1,200		1,200	7,395	(6,195)	616.3% (9)
02-5019-01-**-**	Contract Services Misc.	95,000		95,000	93,040	1,960	97.9%
02-5020-01-00-00	Postage Expense	-		-	167	(167)	0.0%
02-5021-01-**-**	Small Vehicle Expense	8,004		8,004	8,777	(773)	109.7% (11)
02-5022-01-**-**	Miscellaneous Expense	8,004		8,004	6,418	1,586	80.2%
02-5023-01-**-**	Office Supplies - All	25,008		25,008	17,680	7,328	70.7%
02-5024-01-**-**	Petroleum Products	16,004		16,004	648	15,356	4.0%
02-5025-01-**-**	Uniforms	12,996		12,996	13,890	(894)	106.9%
02-5026-01-**-**	Small Vehicle Fuel	15,000		15,000	8,439	6,561	56.3%
02-5027-01-**-**	Insurance - Property/Liability	70,448		70,448	62,564	7,884	88.8%
02-5028-01-**-**	Small Tools & Supplies	40,004		40,004	49,491	(9,487)	123.7% (10)
02-5030-01-**-**	Trash Disposal	1,000		1,000	1,964	(964)	196.4% (12)
02-5031-02-**-**	Safety Program & Supplies	30,396		30,396	33,164	(2,768)	109.1% (13)
02-5032-01-**-**	Equipment Rental	3,000		3,000	2	2,998	0.1%
02-5033-01-**-**	Recruitment	1,000		1,000	1,245	(245)	124.5%
02-5034-01-**-**	Travel Expense/Tech. Conferences	13,836		13,836	9,559	4,277	69.1%
02-5034-02-**-**	Travel Expense/Tech. Conferences	3,140		3,140	1,829	1,311	58.3%
02-5035-01-**-**	Training Expense	15,904		15,904	31,085	(15,181)	195.5% (14)
02-5035-02-**-**	Training Expense	1,116		1,116	890	226	79.8% (14)
02-5036-02-**-**	Laboratory Supplies	13,004		13,004	12,121	883	93.2% (15)
02-5037-01-**-**	Office Equipment	15,500		15,500	17,424	(1,924)	112.4% (16)
02-5038-02-**-**	Permits	22,000		22,000	18,605	3,395	84.6% (17)
02-5039-01-**-**	Membership Dues/Fees	3,044		3,044	3,004	40	98.7% (18)
02-5039-02-**-**	Membership Dues/Fees	800		800	960	(160)	120.1% (18)
02-5049-01-**-**	Biosolids Disposal	550,004		550,004	380,606	169,398	69.2%
02-5050-01-**-**	Contract Services Generators	9,004		9,004	11,666	(2,662)	129.6% (19)
02-5052-01-**-**	Janitorial Services	40,004		40,004	20,447	19,557	51.1% (20)
02-5054-01-**-**	Diesel Truck Maint	20,004		20,004	7,644	12,360	38.2%
02-5055-01-**-**	Diesel Truck Fuel	6,000		6,000	1,460	4,540	24.3%
02-5056-01-**-**	Maintenance Equip. & Facilities (Solid	138,000		138,000	127,091	10,909	92.1%
02-5057-01-**-**	Maintenance Equip. & Facilities (Liqui	240,000		240,000	223,428	16,572	93.1%
02-5058-01-**-**	Maintenance Equip. & Facilities (Com	26,000		26,000	15,292	10,708	58.8%
02-5059-01-**-**	Maintenance Equip. & Facilities (Co-G	250,000	40,000	290,000	225,222	64,778	77.7%
02-5061-01-**-**	Mileage	1,000		1,000	120	880	12.0%
02-5061-02-**-**	Mileage	492		492	285	207	57.9%
02-5303-01-**-**	Group Insurance Waiver	3,604		3,604	3,109	495	86.3%
02-5303-02-00-00	Group Insurance Waiver	-		-	969	(969)	0.0%
02-5305-01-**-**	Medicare Tax Payments for Employee	3,812		3,812	3,690	122	96.8%
02-5309-01-**-**	Operating Leases	6,000		6,000	40,028	(34,028)	667.1% (21)
02-5705-01-**-**	Monthly Car Allowance	7,196		7,196	9,676	(2,480)	134.5%
02-5705-02-00-00	Monthly Car Allowance	-		-	1,502	(1,502)	0.0%
02-5802-01-00-00	Shipping/Freight	-		-	531	(531)	0.0%
02-6500-01-**-**	IT Allocations in to PC's & Depts.	184,880		184,880	145,361	39,519	78.6%
02-6500-02-**-**	IT Allocations in to PC's & Depts.	24,040		24,040	18,899	5,141	78.6%
	Total Other Expenses	3,205,968	195,000	3,400,968	2,912,065	488,903	85.6%
	Total Expenses	5,689,556	255,000	5,944,556	5,277,085	667,471	92.8%

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
For the Period Ended May 31, 2018

Exhibit E-1

		Budget	*Budget Increase	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
05 - San Juan Creek Ocean Outfall							
Salary and Fringe							
05-5000-01-**-**	Regular Salaries-O&M	11,252		11,252	600	10,652	5.3%
05-5000-02-**-**	Regular Salaries-O&M	90,480		90,480	81,340	9,140	89.9%
05-5001-01-**-**	Overtime Salaries-O&M	376		376	-	376	0.0%
05-5001-02-**-**	Overtime Salaries-O&M	96		96	210	(114)	219.2%
05-5306-01-**-**	Scheduled Holiday Work	96		96	-	96	0.0%
05-5306-02-**-**	Scheduled Holiday Work	2,404		2,404	411	1,993	17.1%
05-5401-01-**-**	Fringe Benefits IN to PC's & Depts.	8,348		8,348	445	7,903	5.3%
05-5401-02-**-**	Fringe Benefits IN to PC's & Depts.	67,136		67,136	60,355	6,781	89.9%
	Total Payroll Costs	180,188	-	180,188	143,362	36,826	79.6%
Other Expenses							
05-5002-01-**-**	Electricity	1,000		1,000	58	942	5.8%
05-5003-01-**-**	Natural Gas	500		500	-	500	0.0%
05-5014-02-**-**	Engineering - Misc.	20,004		20,004	-	20,004	0.0%
05-5015-02-**-**	Management Support Services	27,500		27,500	7,268	20,232	26.4%
05-5017-02-**-**	Legal Fees	2,004		2,004	-	2,004	0.0%
05-5026-01-**-**	Small Vehicle Fuel - 37A	2,496		2,496	-	2,496	0.0%
05-5027-01-**-**	Insurance - Property/Liability	5,372		5,372	4,886	486	91.0%
05-5031-02-**-**	Safety Supplies	128		128	-	128	0.0%
05-5034-02-**-**	Travel Expense/Tech. Conferences	2,484		2,484	2,426	58	97.6%
05-5036-02-**-**	Laboratory Supplies	16,000		16,000	19,466	(3,466)	121.7% (22)
05-5038-02-**-**	Permits	145,000		145,000	156,592	(11,592)	108.0% (17)
05-5044-02-**-**	Offshore Monitoring	20,004		20,004	15,272	4,732	76.3%
05-5046-02-**-**	Effluent Chemistry	16,000		16,000	15,033	967	94.0%
05-5058-01-**-**	Maintenance Equip. & Facilities (Com	1,004		1,004	38	967	3.7%
05-5069-02-**-**	Misc-Capital-Dilution & Metering Study	15,004		15,004	17,670	(2,666)	117.8%
05-5305-02-**-**	Medicare Tax Payments for Employee	2,352		2,352	-	2,352	0.0%
05-5705-02-**-**	Monthly Car Allowance	4,200		4,200	646	3,554	15.4%
05-6500-01-**-**	IT Allocations in to PC's & Depts.	1,692		1,692	1,330	362	78.6%
05-6500-02-**-**	IT Allocations in to PC's & Depts.	12,952		12,952	10,185	2,767	78.6%
	Total Other Expenses	295,696	-	295,696	250,870	44,826	84.8%
	Total Expenses	475,884	-	475,884	394,232	81,652	82.8%
08 - Pre Treatment							
Salary and Fringe							
08-5000-02-**-**	Regular Salaries-O&M	83,504		83,504	68,010	15,494	81.4%
08-5001-02-**-**	Overtime Salaries-O&M	1,412		1,412	-	1,412	0.0%
08-5306-02-**-**	Scheduled Holiday Work	200		200	-	200	0.0%
08-5315-02-00-00	Comp Time - O&M	-		-	665	(665)	0.0%
08-5401-02-**-**	Fringe Benefits IN to PC's & Depts.	61,956		61,956	50,463	11,493	81.5%
	Total Payroll Costs	147,072	-	147,072	119,139	27,933	81.0%
Other Expenses							
08-5011-02-**-**	Laboratory Services	2,500		2,500	210	2,290	8.4%
08-5015-02-**-**	Management Support Services	2,008		2,008	518	1,490	25.8%
08-5016-02-**-**	Audit - Environmental	500		500	-	500	0.0%
08-5017-02-**-**	Legal Fees	2,008		2,008	921	1,087	45.9%
08-5018-02-**-**	Public Notices/ Public Relations	500		500	320	180	64.0%
08-5021-02-**-**	Small Vehicle Expense	900		900	18	882	2.0%
08-5022-02-**-**	Miscellaneous Expense	1,496		1,496	-	1,496	0.0%
08-5026-02-**-**	Small Vehicle Fuel - 37A	1,200		1,200	-	1,200	0.0%
08-5027-02-**-**	Insurance - Property/Liability	2,196		2,196	2,067	129	94.1%
08-5028-02-**-**	Small Tools & Supplies	3,472		3,472	1,721	1,751	49.6%
08-5034-02-**-**	Travel Expense/Tech. Conferences	3,504		3,504	2,527	977	72.1%
08-5035-02-**-**	Training Expense	1,496		1,496	1,500	(4)	100.3%
08-5038-02-**-**	Permits and Fines	10,008		10,008	-	10,008	0.0%
08-5039-02-**-**	Membership Dues/Fees	796		796	534	262	67.1%
08-6500-02-**-**	IT Allocations in to PC's & Depts.	12,568		12,568	9,881	2,687	78.6%
	Total Other Expenses	45,152	-	45,152	20,218	24,934	44.8%
	Total Expenses	192,224	-	192,224	139,356	52,868	72.5%
12 - Water Reclamation Permits							
Salary and Fringe							
12-5000-02-**-**	Regular Salaries-O&M	50,192		50,192	27,092	23,100	54.0%
12-5306-02-**-**	Scheduled Holiday Work	392		392	-	392	0.0%
12-5401-02-**-**	Fringe Benefits IN to PC's & Depts.	37,240		37,240	20,103	17,137	54.0%
	Total Payroll Costs	87,824	-	87,824	47,195	40,629	53.7%
Other Expenses							
12-5015-02-**-**	Management Support Services	15,992		15,992	4,110	11,882	25.7%
12-5017-02-**-**	Legal Fees	5,000		5,000	-	5,000	0.0%
12-5027-02-**-**	Insurance - Property/Liability	2,740		2,740	2,631	109	96.0%
12-5034-02-**-**	Travel Expense/Tech. Conferences	1,256		1,256	1,149	107	91.5%
12-5038-02-**-**	Permits	124,996		124,996	16,067	108,929	12.9%
12-6500-02-**-**	IT Allocations in to PC's & Depts.	7,064		7,064	5,559	1,505	78.7%
	Total Other Expenses	157,048	-	157,048	29,516	127,532	18.8%
	Total Expenses	244,872	-	244,872	76,711	168,161	31.3%

**South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC**
For the Period Ended May 31, 2018

Exhibit E-1

		Budget	*Budget Increase	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
15 - Coastal Treatment Plant							
Salary and Fringe							
15-5000-01-**-**	Regular Salaries-O&M	697,360		697,360	595,538	101,822	85.4%
15-5000-02-**-**	Regular Salaries-O&M	149,952		149,952	106,523	43,429	71.0%
15-5001-01-**-**	Overtime Salaries-O&M	10,920		10,920	20,850	(9,930)	190.9% (23)
15-5001-02-**-**	Overtime Salaries-O&M	188		188	941	(753)	500.7% (23)
15-5306-01-**-**	Scheduled Holiday Work	3,004		3,004	5,407	(2,403)	180.0% (3)
15-5306-02-**-**	Scheduled Holiday Work	1,800		1,800	2,055	(255)	114.2% (3)
15-5315-01-00-00	Comp Time - O&M	-		-	130	(130)	0.0%
15-5401-01-**-**	Fringe Benefits IN to PC's & Depts.	517,440		517,440	441,889	75,551	85.4%
15-5401-02-**-**	Fringe Benefits IN to PC's & Depts.	111,268		111,268	79,160	32,108	71.1%
15-5700-01-**-**	Standby Pay	23,336		23,336	15,795	7,541	67.7%
	Total Payroll Costs	1,515,268	-	1,515,268	1,268,289	246,979	83.7%
Other Expenses							
15-5002-01-**-**	Electricity	283,004		283,004	203,209	79,795	71.8%
15-5003-01-**-**	Natural Gas	3,000		3,000	1,702	1,298	56.7%
15-5004-01-**-**	Potable & Reclaimed Water	13,000		13,000	20,502	(7,502)	157.7% (24)
15-5006-01-**-**	Chlorine/Sodium Hypochlorite	99,996		99,996	53,693	46,303	53.7%
15-5007-01-**-**	Polymer Products	2,004		2,004	347	1,657	17.3%
15-5008-01-**-**	Ferric Chloride	30,004		30,004	28,459	1,545	94.9%
15-5009-01-**-**	Odor Control Chemicals	85,000		85,000	49,737	35,263	58.5%
15-5011-02-**-**	Laboratory Services	9,500		9,500	8,297	1,203	87.3%
15-5012-01-**-**	Grit Hauling	30,004		30,004	20,538	9,466	68.4%
15-5013-01-**-**	Landscaping	60,008		60,008	26,323	33,685	43.9%
15-5014-01-**-**	Engineering - Misc.	5,000		5,000	7,238	(2,238)	144.8%
15-5014-02-**-**	Engineering - Misc.	50,000		50,000	-	50,000	0.0%
15-5015-01-**-**	Management Support Services	5,000		5,000	306	4,694	6.1%
15-5015-02-**-**	Management Support Services	4,500		4,500	2,467	2,033	54.8%
15-5017-01-**-**	Legal Fees	-		-	1,071	(1,071)	0.0%
15-5019-01-**-**	Contract Services Misc.	67,000		67,000	69,387	(2,387)	103.6%
15-5021-01-**-**	Small Vehicle Expense	5,996		5,996	3,519	2,477	58.7%
15-5022-01-**-**	Miscellaneous Expense	2,996		2,996	1,341	1,655	44.8%
15-5023-01-**-**	Office Supplies - All	6,996		6,996	4,577	2,419	65.4%
15-5024-01-**-**	Petroleum Products	2,000		2,000	858	1,142	42.9%
15-5025-01-**-**	Uniforms	5,996		5,996	5,202	794	86.8%
15-5026-01-**-**	Small Vehicle Fuel	5,996		5,996	1,131	4,865	18.9%
15-5027-01-**-**	Insurance - Property/Liability	34,640		34,640	31,383	3,257	90.6%
15-5028-01-**-**	Small Tools & Supplies	9,000		9,000	7,935	1,065	88.2%
15-5030-01-**-**	Trash Disposal	2,996		2,996	2,408	588	80.4%
15-5031-01-00-00	Safety Supplies	-		-	(796)	796	0.0%
15-5031-02-**-**	Safety Program & Supplies	24,000		24,000	25,495	(1,495)	106.2%
15-5032-01-**-**	Equipment Rental	1,000		1,000	744	256	74.4%
15-5033-01-00-00	Recruitment	-		-	500	(500)	0.0%
15-5034-01-**-**	Travel Expense/Tech. Conferences	13,832		13,832	9,105	4,727	65.8%
15-5034-02-**-**	Travel Expense/Tech. Conferences	3,324		3,324	1,241	2,083	37.3%
15-5035-01-**-**	Training Expense	15,904		15,904	12,276	3,628	77.2%
15-5035-02-**-**	Training Expense	1,116		1,116	484	632	43.4%
15-5036-02-**-**	Laboratory Supplies	10,004		10,004	10,157	(153)	101.5%
15-5037-01-**-**	Office Equipment	1,000		1,000	1,333	(333)	133.3%
15-5038-02-**-**	Permits	6,504		6,504	6,625	(121)	101.9%
15-5039-01-**-**	Membership Dues/Fees	2,996		2,996	1,476	1,520	49.3%
15-5039-02-**-**	Membership Dues/Fees	804		804	603	201	75.0%
15-5047-01-**-**	Access Road Expenses	46,996		46,996	25,648	21,348	54.6%
15-5048-01-**-**	Storm Damage	19,000		19,000	-	19,000	0.0%
15-5049-01-**-**	Biosolids Disposal - 21B	125,000		125,000	-	125,000	0.0%
15-5050-01-**-**	Contract Services Generators	4,004		4,004	4,512	(508)	112.7%
15-5052-01-**-**	Janitorial Services	20,008		20,008	9,749	10,259	48.7%
15-5054-01-**-**	Diesel Truck Maint	996		996	332	664	33.4%
15-5055-01-**-**	Diesel Truck Fuel - 37B	996		996	-	996	0.0%
15-5056-01-00-00	Maintenance Equip. & Facilities (Solid)	-		-	4,249	(4,249)	0.0%
15-5057-01-**-**	Maintenance Equip. & Facilities (Liqui	170,004		170,004	70,927	99,077	41.7%
15-5058-01-**-**	Maintenance Equip. & Facilities (Com	20,008		20,008	1,525	18,483	7.6%
15-5060-01-**-**	Maintenance Equip. & Facilities (AWT	35,000		35,000	22,649	12,351	64.7%
15-5061-01-**-**	Mileage	1,196		1,196	80	1,116	6.7%
15-5303-01-**-**	Group Insurance Waiver	3,596		3,596	3,462	134	96.3%
15-5305-01-**-**	Medicare Tax Payments for Employee	2,964		2,964	3,062	(98)	103.3%
15-5705-01-**-**	Monthly Car Allowance	4,200		4,200	4,572	(372)	108.8%
15-5802-01-00-00	Shipping/Freight	-		-	49	(49)	0.0%
15-6500-01-**-**	IT Allocations in to PC's & Depts.	104,820		104,820	82,413	22,407	78.6%
15-6500-02-**-**	IT Allocations in to PC's & Depts.	22,212		22,212	17,466	4,746	78.6%
	Total Other Expenses	1,485,120	-	1,485,120	871,567	613,553	58.7%
	Total Expenses	3,000,388	-	3,000,388	2,139,855	860,533	71.3%

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
For the Period Ended May 31, 2018

Exhibit E-1

		Budget	*Budget Increase	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
17 - Joint Regional Wastewater Reclamation and Sludge Handling							
Salary and Fringe							
17-5000-01-**-**	Regular Salaries-O&M	1,531,652		1,531,652	1,244,647	287,005	81.3%
17-5000-02-**-**	Regular Salaries-O&M	272,888		272,888	233,365	39,523	85.5%
17-5001-01-**-**	Overtime Salaries-O&M	39,148		39,148	61,743	(22,595)	157.7% (23)
17-5001-02-**-**	Overtime Salaries-O&M	196		196	2,801	(2,605)	1428.9% (23)
17-5306-01-**-**	Scheduled Holiday Work	12,004		12,004	15,606	(3,602)	130.0% (3)
17-5306-02-**-**	Scheduled Holiday Work	2,992		2,992	3,895	(903)	130.2% (3)
17-5315-01-00-00	Comp Time - O&M	-		-	1,178	(1,178)	0.0%
17-5315-02-00-00	Comp Time - O&M	-		-	1,980	(1,980)	0.0%
17-5401-01-**-**	Fringe Benefits IN to PC's & Depts.	1,136,496		1,136,496	924,673	211,823	81.4%
17-5401-02-**-**	Fringe Benefits IN to PC's & Depts.	202,488		202,488	173,457	29,031	85.7%
17-5700-01-**-**	Standby Pay	23,332		23,332	24,018	(686)	102.9%
	Total Payroll Costs	3,221,196	-	3,221,196	2,687,362	533,834	83.4%
Other Expenses							
17-5002-01-**-**	Electricity	675,000		675,000	731,695	(56,695)	108.4% (25)
17-5003-01-**-**	Natural Gas	141,000		141,000	44,515	96,485	31.6% (25)
17-5004-01-**-**	Potable & Reclaimed Water	34,004		34,004	31,470	2,534	92.5%
17-5005-01-**-**	Co-generation Power Credit	(250,000)		(250,000)	-	(250,000)	0.0% (25)
17-5006-01-**-**	Chlorine/Sodium Hypochlorite	350,004		350,004	408,355	(58,351)	116.7% (26)
17-5007-01-**-**	Polymer Products	406,008		406,008	309,279	96,729	76.2%
17-5008-01-**-**	Ferric Chloride	125,004		125,004	141,393	(16,389)	113.1% (27)
17-5009-01-**-**	Odor Control Chemicals	50,000		50,000	42,870	7,130	85.7%
17-5010-01-**-**	Other Chemicals - Misc.	4,000		4,000	747	3,253	18.7%
17-5011-02-**-**	Laboratory Services	14,000		14,000	10,945	3,055	78.2%
17-5012-01-**-**	Grit Hauling - 21A	52,004		52,004	47,563	4,441	91.5%
17-5013-01-**-**	Landscaping	74,996		74,996	60,321	14,675	80.4%
17-5014-01-**-**	Engineering - Misc.	5,004		5,004	5,612	(608)	112.2%
17-5014-02-**-**	Engineering - Misc.	125,000		125,000	8,540	116,460	6.8%
17-5015-01-**-**	Management Support Services	5,004		5,004	5,500	(496)	109.9% (7)
17-5015-02-**-**	Management Support Services	22,504		22,504	5,917	16,587	26.3%
17-5017-01-00-00	Legal Fees	-		-	2,607	(2,607)	0.0%
17-5019-01-**-**	Contract Services Misc.	125,000		125,000	95,473	29,527	76.4%
17-5020-01-00-00	Postage Expense	-		-	7	(7)	0.0%
17-5021-01-**-**	Small Vehicle Expense	6,000		6,000	6,374	(374)	106.2%
17-5022-01-**-**	Miscellaneous Expense	5,996		5,996	5,173	823	86.3%
17-5023-01-**-**	Office Supplies - All	9,996		9,996	11,772	(1,776)	117.8%
17-5024-01-**-**	Petroleum Products	41,996		41,996	17,595	24,401	41.9%
17-5025-01-**-**	Uniforms	17,008		17,008	14,961	2,047	88.0%
17-5026-01-**-**	Small Vehicle Fuel	12,996		12,996	5,968	7,028	45.9%
17-5027-01-**-**	Insurance - Property/Liability	90,252		90,252	81,934	8,318	90.8%
17-5028-01-**-**	Small Tools & Supplies	25,000		25,000	25,826	(826)	103.3%
17-5030-01-**-**	Trash Disposal	1,004		1,004	1,871	(867)	186.3% (12)
17-5031-02-**-**	Safety Program & Supplies	31,352		31,352	35,592	(4,240)	113.5% (13)
17-5032-01-**-**	Equipment Rental	3,004		3,004	1,278	1,726	42.5%
17-5033-01-00-00	Recruitment	-		-	3,457	(3,457)	0.0%
17-5034-01-**-**	Travel Expense/Tech. Conferences	13,832		13,832	17,710	(3,878)	128.0% (14)
17-5034-02-**-**	Travel Expense/Tech. Conferences	3,324		3,324	3,004	320	90.4% (14)
17-5035-01-**-**	Training Expense	15,904		15,904	33,611	(17,707)	211.3% (14)
17-5035-02-**-**	Training Expense	1,124		1,124	1,197	(73)	106.5% (14)
17-5036-02-**-**	Laboratory Supplies	19,020		19,020	13,817	5,203	72.6%
17-5037-01-**-**	Office Equipment	5,996		5,996	17,808	(11,812)	297.0% (28)
17-5038-02-**-**	Permits	35,000		35,000	22,079	12,921	63.1%
17-5039-01-**-**	Membership Dues/Fees	3,004		3,004	4,614	(1,610)	153.6% (18)
17-5039-02-**-**	Membership Dues/Fees	800		800	1,026	(226)	128.2%
17-5049-01-**-**	Biosolids Disposal	866,000		866,000	830,536	35,464	95.9%
17-5050-01-**-**	Contract Services Generators	8,000		8,000	4,936	3,064	61.7%
17-5052-01-**-**	Janitorial Services	40,004		40,004	17,403	22,601	43.5% (19)
17-5053-01-**-**	Contract Serv - Digester Cleaning - 29	60,004		60,004	63,126	(3,122)	105.2%
17-5054-01-**-**	Diesel Truck Maint	19,000		19,000	10,977	8,023	57.8%
17-5055-01-**-**	Diesel Truck Fuel	7,000		7,000	2,789	4,211	39.8%
17-5056-01-**-**	Maintenance Equip. & Facilities (Solid	190,004		190,004	174,738	15,266	92.0%
17-5057-01-**-**	Maintenance Equip. & Facilities (Liqui	164,996		164,996	210,687	(45,691)	127.7% (29)
17-5058-01-**-**	Maintenance Equip. & Facilities (Com	25,000		25,000	19,516	5,484	78.1%
17-5059-01-**-**	Maintenance Equip. & Facilities (Co-G	250,000		250,000	45,282	204,718	18.1% (25)
17-5060-01-**-**	Maintenance Equip. & Facilities (AWT	35,000		35,000	66,934	(31,934)	191.2% (30)
17-5061-01-**-**	Mileage	3,000		3,000	1,145	1,855	38.2%
17-5061-02-00-00	Mileage	-		-	52	(52)	0.0%
17-5068-02-**-**	MNWD Potable Water Supplies & Svc	23,996		23,996	21,366	2,630	89.0%
17-5077-01-00-00	IT Direct	-		-	500	(500)	0.0%
17-5101-01-00-00	Employee Recognition	-		-	274	(274)	0.0%
17-5105-01-**-**	Co-Generation Power Credit - Offset	250,000		250,000	-	250,000	0.0% (25)
17-5303-01-**-**	Group Insurance Waiver	32		32	277	(245)	865.4%
17-5303-02-**-**	Group Insurance Waiver	3,564		3,564	2,188	1,376	61.4%
17-5305-01-**-**	Medicare Tax Payments for Employee	1,784		1,784	987	797	55.3%
17-5305-02-**-**	Medicare Tax Payments for Employee	132		132	-	132	0.0%
17-5309-01-**-**	Operating Leases	6,000		6,000	-	6,000	0.0%
17-5705-01-**-**	Monthly Car Allowance	8,396		8,396	9,589	(1,193)	114.2%
17-5705-02-**-**	Monthly Car Allowance	4,204		4,204	1,502	2,702	35.7%
17-5706-01-**-**	Effluent Pond Cleaning	90,004		90,004	-	90,004	0.0%
17-5802-01-00-00	Shipping/Freight	-		-	45	(45)	0.0%
17-6500-01-**-**	IT Allocations in to PC's & Depts.	230,508		230,508	181,229	49,279	78.6%
17-6500-02-**-**	IT Allocations in to PC's & Depts.	40,652		40,652	31,963	8,689	78.6%
	Total Other Expenses	4,628,420	-	4,628,420	3,977,515	650,905	85.9%
	Total Expenses	7,849,616	-	7,849,616	6,664,877	1,184,739	84.9%

**South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
For the Period Ended May 31, 2018**

Exhibit E-1

	Budget	*Budget Increase	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
21 - Effluent Transmission Main						
Salary and Fringe						
21-5000-01-14-00	Regular Salaries-O&M	-	-	320	(320)	0.0%
21-5401-01-00-00	Fringe Benefits IN to PC's & Depts.	-	-	238	(238)	0.0%
	Total Payroll Costs	-	-	558	(558)	0.0%
Other Expenses						
21-5014-02-**-**	Engineering - Misc.	62,496	62,496	2,904	59,592	4.6%
21-5019-02-00-00	Contract Services Misc. - 29	-	-	613	(613)	0.0%
21-5027-02-**-**	Insurance - Property/Liability	728	728	752	(24)	103.3%
	Total Other Expenses	63,224	63,224	4,269	58,955	6.8%
	Total Expenses	63,224	63,224	4,827	58,397	7.6%
23 - North Coast Interceptor						
Other Expenses						
23-5017-01-00-00	Legal Fees	-	-	286	(286)	0.0%
	Total Other Expenses	-	-	286	(286)	0.0%
	Total Expenses	-	-	286	(286)	0.0%
24 - Aliso Creek Ocean Outfall						
Salary and Fringe						
24-5000-01-**-**	Regular Salaries-O&M	6,696	6,696	600	6,096	9.0%
24-5000-02-**-**	Regular Salaries-O&M	85,624	85,624	80,158	5,466	93.6%
24-5001-01-**-**	Overtime Salaries-O&M	348	348	369	(21)	105.9% (31)
24-5001-02-**-**	Overtime Salaries-O&M	196	196	123	73	63.0%
24-5306-01-**-**	Scheduled Holiday Work	104	104	-	104	0.0%
24-5306-02-**-**	Scheduled Holiday Work	3,112	3,112	133	2,979	4.3%
24-5401-01-**-**	Fringe Benefits IN to PC's & Depts.	4,960	4,960	445	4,515	9.0%
24-5401-02-**-**	Fringe Benefits IN to PC's & Depts.	63,528	63,528	59,478	4,050	93.6%
	Total Payroll Costs	164,568	164,568	141,306	23,262	85.9%
Other Expenses						
24-5002-01-**-**	Electricity	996	996	-	996	0.0%
24-5014-02-**-**	Engineering - Misc.	20,004	20,004	-	20,004	0.0%
24-5015-02-**-**	Management Support Services	27,504	27,504	5,748	21,756	20.9%
24-5017-02-**-**	Legal Fees	2,004	2,004	-	2,004	0.0%
24-5027-01-00-00	Insurance - Property/Liability	-	-	891	(891)	0.0%
24-5027-02-**-**	Insurance - Property/Liability	5,364	5,364	3,995	1,369	74.5%
24-5031-02-**-**	Safety Supplies	996	996	-	996	0.0%
24-5034-02-**-**	Travel Expense/Tech. Conferences	2,480	2,480	562	1,919	22.6%
24-5036-02-**-**	Laboratory Supplies	16,996	16,996	18,408	(1,412)	108.3% (32)
24-5038-02-**-**	Permits	131,992	131,992	138,513	(6,521)	104.9% (17)
24-5044-02-**-**	Offshore Monitoring	22,004	22,004	15,272	6,732	69.4%
24-5046-02-**-**	Effluent Chemistry	29,996	29,996	21,851	8,145	72.8%
24-5058-01-**-**	Maintenance Equip. & Facilities (Com)	996	996	600	396	60.2%
24-5067-02-**-**	Port Cleaning	35,000	35,000	-	35,000	0.0%
24-5802-02-00-00	Shipping/Freight	-	-	210	(210)	0.0%
24-6500-01-**-**	IT Allocations in to PC's & Depts.	1,008	1,008	792	216	78.6%
24-6500-02-**-**	IT Allocations in to PC's & Depts.	12,288	12,288	9,662	2,626	78.6%
	Total Other Expenses	309,628	309,628	216,504	93,124	69.9%
	Total Expenses	474,196	474,196	357,810	116,386	75.5%
SOCWA TOTAL		17,989,960	255,000	18,244,960	15,055,039	82.5%

*Budget increase approved at Board Meeting.

- (1) Staff time to start up and set up the administrative procedures for the engine has been higher than anticipated for the project at JBL.
- (2) Overtime costs required due to nighttime and bypass construction activities for capital projects.
- (3) Staffing has been required for elevated holiday flows and loads.
- (4) Engine project timeframe affecting the electricity and gas budget line items.
- (5) Ferric chloride use has increased more than expected to comply with the new engine gas cleaning system requirements.
- (6) Elevated grit loading from the JBL sewers attributed to elevated dumping of grit in the Oso Trabuco sewers by the member agencies conducting projects.
- (7) No additional efforts are expected this FY.
- (8) Contract work on PC2 trunkline to clean sewers so that the ADS monitors would work properly.
- (9) Legal review of O&M contracts.
- (10) Tools and supplies needed for the new engines were higher than anticipated.
- (11) Older vehicles required repairs. No additional costs expected.
- (12) Additional trash was removed following the completion of several construction projects.
- (13) Safety work and training nearly complete for the Fiscal Year.
- (14) Training expenses due to hiring to replace retirements.
- (15) Planned purchases of samplers occurred at the beginning of the FY. Expenses are expected to level out for the FY.
- (16) Costs for engineering trailer replacement.
- (17) Permit costs are primarily incurred in July of each year. Expenses are expected to level out for the FY.
- (18) Membership costs are primarily incurred in July and December of each year. Expenses are expected to level out for the FY.
- (19) Generator maintenance is completed for the FY. Costs typically range from \$5,000 to \$15,000 per plant depending on services needed.
- (20) Janitorial expenses are lower than projected due to late start of new contractor with a higher rate.
- (21) Costs for engineering trailer replacement.
- (22) Elevated costs to due the unexpected need to replace a sampler.
- (23) Overtime costs required due to nighttime and bypass construction activities for capital projects.
- (24) Recycled water purchase required during a construction project to replace the process water controls system.
- (25) The RTP engine project impacting electricity and gas usage.
- (26) Elevated bleach usage occurred in the AWT at RTP due to debris in the clearwell. Staff worked with MNWD to find a period that the AWT could be shutdown and cleaned in March and May. The removal of the sand media from the AWT allowed staff to repair the failing under drain screens to minimize future debris build up. The inspection and repair information was provided to Engineering for incorporation into the upcoming AWT rehab project.
- (27) Ferric chloride use has increased to comply with the new engine gas cleaning system requirements.
- (28) Plant work station and conference room improvements.
- (29) Liquids system O&M opportunities during construction project shutdowns.
- (30) Substantial repairs were needed at RTP upon AWT shutdowns to perform detailed inspections for the upcoming AWT rehab project.
- (31) Staff investigated a potential leak of the outfall after hours. A reoccurring underground spring was determined to be the source of the water found.
- (32) Additional supplies needed for a toxicity event at the ACOO.

South Orange County Wastewater Authority
O & M & Environmental Safety Costs Summary
For the Period Ended May 31, 2018

Exhibit E-1

	FY 2017-18 Budget	*Budget Increase	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
Salary and Fringe						
5000--***	Regular Salaries-O&M		4,371,300	3,747,582	623,718	85.7%
5001--***	Overtime Salaries-O&M	60,000	134,992	130,214	4,778	96.5% (1)
5306--***	Scheduled Holiday Work		39,904	40,717	(813)	102.0%
5315--***	Comp Time - O&M		-	9,507	(9,507)	0.0%
5401--***	Fringe Benefits IN to PC's & Depts.		3,243,512	2,780,706	462,806	85.7%
5700--***	Standby Pay		69,996	63,505	6,491	90.7%
	Total Payroll Costs	60,000	7,859,704	6,772,231	1,087,473	86.2%
Other Expenses						
5002--***	Electricity	130,000	1,614,000	1,640,009	(26,009)	101.6% (2)
5003--***	Natural Gas		209,512	103,927	105,585	49.6% (2)
5004--***	Potable & Reclaimed Water		62,008	68,154	(6,146)	109.9% (3)
5005--***	Co-generation Power Credit		(250,000)	-	(250,000)	0.0% (4)
5006--***	Chlorine/Sodium Hypochlorite		478,000	477,176	824	99.8% (5)
5007--***	Polymer Products		709,016	499,810	209,206	70.5%
5008--***	Ferric Chloride	25,000	280,012	294,439	(14,427)	105.2% (6)
5009--***	Odor Control Chemicals		160,000	110,996	49,004	69.4%
5010--***	Other Chemicals - Misc.		5,000	754	4,246	15.1%
5011--***	Laboratory Services		36,500	26,405	10,095	72.3%
5012--***	Grit Hauling		122,008	113,652	8,356	93.2%
5013--***	Landscaping		183,004	116,971	66,033	63.9%
5014--***	Engineering - Misc.		392,508	50,399	342,109	12.8%
5015--***	Management Support Services		128,008	70,339	57,669	54.9%
5016--***	Audit - Environmental		500	-	500	0.0%
5017--***	Legal Fees		12,216	12,280	(64)	100.5%
5018--***	Public Notices/ Public Relations		500	320	180	64.0%
5019--***	Contract Services Misc.		287,000	258,513	28,487	90.1%
5020--***	Postage Expense		-	174	(174)	0.0%
5021--***	Small Vehicle Expense		20,900	18,689	2,211	89.4%
5022--***	Miscellaneous Expense		18,492	12,932	5,560	69.9%
5023--***	Office Supplies - All		42,000	34,030	7,970	81.0%
5024--***	Petroleum Products		60,000	19,100	40,900	31.8%
5025--***	Uniforms		36,000	34,053	1,947	94.6%
5026--***	Small Vehicle Fuel		37,688	15,538	22,150	41.2%
5027--***	Insurance - Property/Liability		211,740	191,102	20,638	90.3%
5028--***	Small Tools & Supplies		77,476	84,973	(7,497)	109.7% (7)
5030--***	Trash Disposal		5,000	6,243	(1,243)	124.9%
5031--***	Safety Supplies		86,872	93,455	(6,583)	107.6% (8)
5032--***	Equipment Rental		7,004	2,024	4,980	28.9%
5033--***	Recruitment		1,000	5,201	(4,201)	520.1% (9)
5034--***	Travel Expense/Tech. Conferences		61,012	49,111	11,901	80.5%
5035--***	Training Expense		52,564	81,044	(28,480)	154.2% (10)
5036--***	Laboratory Supplies		75,024	73,968	1,056	98.6%
5037--***	Office Equipment		22,496	36,565	(14,069)	162.5% (11)
5038--***	Permits		475,500	358,480	117,020	75.4%
5039--***	Membership Dues/Fees		12,244	12,218	26	99.8%
5040--***	Natural Gas - 11-EPS - PC 5		-	-	0	0.0%
5041--***	Electricity - 10-EPS - PC 5		-	-	0	0.0%
5042--***	Contract Services - 29-EPS - PC 5		-	-	0	0.0%
5044--***	Offshore Monitoring		42,008	30,545	11,463	72.7%
5045--***	Offshore Biochemistry - 20B		-	-	0	0.0%
5046--***	Effluent Chemistry		45,996	36,884	9,112	80.2%
5047--***	Access Road Expenses		46,996	25,648	21,348	54.6%
5048--***	Storm Damage		19,000	-	19,000	0.0%
5049--***	Biosolids Disposal		1,541,004	1,211,142	329,862	78.6%
5050--***	Contract Services Generators		21,008	21,115	(107)	100.5%
5052--***	Janitorial Services		100,016	47,599	52,417	47.6%
5053--***	Contract Serv - Digester Cleaning - 29E		60,004	63,126	(3,122)	105.2%
5054--***	Diesel Truck Maint		40,000	18,953	21,047	47.4%
5055--***	Diesel Truck Fuel		13,996	4,249	9,747	30.4%
5056--***	Maintenance Equip. & Facilities (Solids)		328,004	306,078	21,926	93.3%
5057--***	Maintenance Equip. & Facilities (Liquids)		575,000	505,043	69,957	87.8%
5058--***	Maintenance Equip. & Facilities (Common)		73,008	36,970	36,038	50.6%
5059--***	Maintenance Equip. & Facilities (Co-Gen)	40,000	540,000	270,504	269,496	50.1%
5060--***	Maintenance Equip. & Facilities (AWT)		70,000	89,583	(19,583)	128.0% (12)
5061--***	Mileage		5,688	1,682	4,006	29.6%
5067--***	Port Cleaning		35,000	-	35,000	0.0%
5068--***	MNWD Potable Water Supplies & Svcs.		23,996	21,366	2,630	89.0%
5069--***	Misc-Capital-Dilution & Metering Study		15,004	17,670	(2,666)	117.8%
5077--***	IT Direct		-	500	(500)	0.0%
17-5101-01-00-00	Employee Recognition		-	274	(274)	0.0%
5105--***	Co-Generation Power Credit - Offset		250,000	-	250,000	0.0% (4)
5303--***	Group Insurance Waiver		10,796	10,004	792	92.7%
5305--***	Medicare Tax Payments for Employees		11,044	7,740	3,304	70.1%
5309--***	Operating Leases		12,000	40,028	(28,028)	333.6% (11)
5705--***	Monthly Car Allowance		28,196	27,487	709	97.5%
5706--***	Effluent Pond Cleaning		90,004	-	90,004	0.0%
5802--***	Shipping/Freight		-	835	(835)	0.0%
6500--***	IT Allocations in to PC's & Depts.		654,684	514,740	139,944	78.6%
	Total Other Expenses	195,000	10,385,256	8,282,808	2,102,448	79.8%
	Total Expenses		17,989,960	15,055,039	3,189,921	82.5%

*Budget increase approved at Board Meeting.

- (1) Overtime costs required due to night-time and bypass construction activities for capital projects.
- (2) Engine projects timeframe affecting the electricity and gas budget line items.
- (3) Recycled water purchases were required during a construction project to replace the process water controls system at CTP.
- (4) The RTP engine project startup was delayed into the next fiscal year.
- (5) Elevated bleach usage occurred in the AWT at RTP due to debris in the clearwell. Staff worked with MNWD to find a period that the AWT could be shutdown and cleaned in March and May. The removal of the sand media from the AWT allowed staff to repair the failing under drain screens to minimize future debris build up. The inspection and repair information was provided to Engineering for incorporation into the upcoming AWT rehab project.
- (6) Ferric chloride use has increased more than expected to comply with both new engine gas cleaning system requirements.
- (7) Tools and supplies needed for the new engines were higher than anticipated.
- (8) Safety work and training nearly complete for the Fiscal Year.
- (9) Recruitment costs related to a higher number of retirements than planned.
- (10) Training expenses due to new hire costs related to retirements.
- (11) Costs were incurred to replace the engineering trailer and modify the RTP lab staff work space. No additional costs expected.
- (12) Substantial repairs were needed at RTP upon AWT shutdowns to perform detailed inspections for the upcoming AWT rehab project.

**South Orange County Wastewater Authority
Budget vs. Actual Comparison - Engineering**

Exhibit E-2

For the Period Ended May 31, 2018

		FY 2017-18 Budget	Actual	(Over)/Under Budget	% Expended
Salary and Fringe					
-5000--**-00	Regular Salaries-O&M	142,505	179,503	(36,998)	126.0%
01-5001-03-00-00	Overtime Salaries-O&M	-	202	(202)	0.0%
-5306--**-00	Scheduled Holiday Work	-	53	(53)	0.0%
01-5401-03-00-00	Fringe Benefits IN to PC's & Depts.	105,743	133,191	(27,448)	126.0%
	Total Payroll Costs	248,248	312,950	(64,702)	126.1%
Other Expenses					
01-5015-03-00-00	Management Support Services	913	513	400	56.2%
01-5022-03-00-00	Miscellaneous Expense	2,750	1,586	1,164	57.7%
01-5023-03-00-00	Office Supplies - All	-	248	(248)	0.0%
01-5034-03-00-00	Travel Expense/Tech. Conferences	5,819	7,037	(1,218)	120.9%
01-5035-03-00-00	Training Expense	3,025	3,114	(89)	102.9%
01-5039-03-00-00	Membership Dues/Fees	1,628	810	818	49.8%
01-5061-03-00-00	Mileage	185	220	(35)	118.9%
01-5309-03-00-00	Operating Leases	15,125	8,237	6,888	54.5%
01-5705-03-00-00	Monthly Car Allowance	3,850	3,925	(75)	102.0%
01-5802-03-00-00	Shipping/Freight	275	-	275	0.0%
01-6500-03-00-00	IT Allocations in to PC's & Depts.	53,614	45,988	7,626	85.8%
	Total Other Expenses	87,184	71,678	15,506	82.2%
	Total Expenses	335,432	384,628	(49,196)	114.7%

The costs in this department will vary based on the amount of work required to support Capital Projects vs. Non-Capital Projects.

**South Orange County Wastewater Authority
Budget vs. Actual Comparison - Administration**

Exhibit E-3

Year-to-Date May 31, 2018

		FY 2017-18 Budget	*Budget Increase	Adjusted Budget	Actual	(Over)/Under Budget	% Expended	
Salary and Fringe								
01-6000-04-00-00	Regular Salaries-Admin or IT	871,373	30,000	901,373	807,576	93,797	89.6%	
01-6001-04-00-00	Overtime Salaries-Admin or IT	10,000		10,000	29,605	(19,605)	296.1%	(1)
01-6315-04-00-00	Comp Time - Admin	-		-	10,718	(10,718)	0.0%	(1)
01-6401-04-00-00	Fringe Benefits IN to ADMIN or IT	646,559		646,559	599,222	47,337	92.7%	(1)
	Total Payroll Costs	1,527,932	30,000	1,557,932	1,447,121	110,811	92.9%	
Other Expenses								
01-5018-04-00-00	Public Notices/ Public Relations	1,400		1,400	-	1,400	0.0%	
01-5037-04-00-00	Office Equipment	8,000		8,000	-	8,000	0.0%	
01-6101-04-00-00	HR Recruitment & Employee Relations	10,104		10,104	44,040	(33,936)	435.9%	(2)
01-6102-04-00-00	Subscriptions	1,008		1,008	2,401	(1,393)	238.2%	(3)
01-6200-04-00-00	Management Support Services	112,500	147,500	260,000	182,346	77,654	70.1%	
01-6201-04-00-00	Audit	35,000	5,000	40,000	61,184	(21,184)	153.0%	
01-6202-04-00-00	Legal	90,000		90,000	252,830	(162,830)	280.9%	(1)
01-6203-04-00-00	Outside Services	2,016		2,016	-	2,016	0.0%	
01-6204-04-00-00	Postage	708		708	2,232	(1,524)	315.3%	
01-6223-04-00-00	Office Supplies - Admin	7,500		7,500	5,265	2,235	70.2%	
01-6224-04-00-00	Office Equipment Admin or IT	-		-	6,722	(6,722)	0.0%	
01-6234-04-00-00	Memberships & Trainings	84,827		84,827	71,655	13,172	84.5%	
01-6239-04-00-00	Travel & Conference	36,950		36,950	26,959	9,991	73.0%	
01-6240-04-00-00	Scholarship Sponsorship	1,000		1,000	-	1,000	0.0%	
01-6310-04-00-00	Miscellaneous	14,000		14,000	25,166	(11,166)	179.8%	(4)
01-6311-04-00-00	Mileage	1,000		1,000	1,082	(82)	108.2%	
01-6317-04-00-00	Contract Services Misc	1,800		1,800	4,460	(2,660)	247.8%	
01-6500-04-00-00	IT Allocations in to PC's & Depts.	111,365		111,365	87,558	23,807	78.6%	
01-6601-04-00-00	Shipping/Freight	1,200		1,200	3,261	(2,061)	271.8%	
01-6705-04-00-00	Monthly Car Allowance	12,000		12,000	11,215	785	93.5%	
	Total Other Expenses	532,378	152,500	684,878	788,376	(103,498)	115.1%	
	Total Expenses	2,060,310	182,500	2,242,810	2,235,497	7,313	99.7%	

*Budget increase approved at Board Meeting.

- (1) Additional requirements for Admin due to audits & contracting work; please note that the regular salaries are higher because the staff took less PTO time in order to meet work requirements.
- (2) Recruiting fees relating to increased workload & staff additions.
- (3) Subscription to OC Register
- (4) Iron Mountain, pulling historical documents relating to audit

South Orange County Wastewater Authority
Budget vs. Actual Comparison-IT
For the Period Ended May 31, 2018

Exhibit E-4

		FY 2017-18 Budget	Actual	(Over)/Under Budget	% Expended
Salary & Fringe					
01-6000-05-00-00	Regular Salaries-Admin or IT	87,428	80,080	7,348	91.6%
01-6001-05-00-00	Overtime Salaries-Admin or IT	2,076	7,007	(4,931)	337.5% (1)
01-6315-05-00-00	Comp Time - IT	-	2,110	(2,110)	0.0% (2)
01-6401-05-00-00	Fringe Benefits IN to ADMIN or IT	64,871	59,420	5,451	91.6%
	Total Salary & Fringe	154,375	148,617	5,758	96.3%
Other Expenses					
01-5028-05-00-00	Small Tools & Supplies	1,250	-	1,250	0.0%
01-5035-05-00-00	Training Expense	7,800	11,100	(3,300)	142.3% (3)
01-5037-05-00-00	Office Equipment	1,270	-	1,270	0.0%
01-5061-05-00-00	Mileage	1,008	-	1,008	0.0%
01-6200-05-00-00	Management Support Services	-	4,350	(4,350)	0.0% (4)
01-6234-05-00-00	Memberships & Trainings	-	226	(226)	0.0%
01-6239-05-00-00	Travel & Conference	9,900	2,308	7,592	23.3%
01-6300-05-00-00	Software Maintenance Agreements	170,893	57,416	113,477	33.6%
01-6301-05-00-00	Hardware Maintenance Agreements	11,657	3,886	7,771	33.3%
01-6302-05-00-00	Cloud Subscriptions (Internet)	45,300	45,247	53	99.9%
01-6303-05-00-00	Telecommunications	134,300	109,969	24,331	81.9%
01-6305-05-00-00	IT Professional Services	77,000	108,077	(31,077)	140.4% (5)
01-6306-05-00-00	Small Hardware Purchases (< \$5k)	70,000	52,378	17,622	74.8%
01-6307-05-00-00	Small Software Purchases & Licenses (<\$5k)	89,455	48,838	40,617	54.6%
01-6308-05-00-00	IT Memberships	160	-	160	0.0%
01-6309-05-00-00	Operating Leases	44,000	52,490	(8,490)	119.3% (6)
01-6310-05-00-00	Miscellaneous	5,000	21	4,979	0.4%
01-6312-05-00-00	Computer & Photocopy Supplies	900	3,364	(2,464)	373.7% (7)
01-6601-05-00-00	Shipping/Freight	276	-	276	0.0%
	Total Other Expenses	670,169	499,669	170,500	74.6%
	Total Expenses before Allocation	824,544	648,286	176,258	78.6%
IT Allocations (Out) to PC's & Depts					
01-6400-05-00-00	IT Allocations (OUT) to PC's & Depts.	(824,544)	(648,286)	(176,258)	78.6%
	Total IT Allocations (Out) to PC's & Depts	(824,544)	(648,286)	(176,258)	78.6%

- (1) Security patch application after business hours to avoid business network interruption.
- (2) Software application updates due to software integration projects.
- (3) Unexpected training expenses due to new security threats of public utilities.
- (4) Temporary IT staffing unexpected in FY.
- (5) Additional training for new employees on finance software.
- (6) Exceedance of printing contract due to copying needs within SOCWA.
- (7) Unanticipated supply costs associated with new employees.

Agenda Item

7

Legal Counsel Review: N/A

Meeting Date: August 10, 2018

TO: Board of Directors

FROM: Betty Burnett, General Manager

STAFF CONTACT: Mary Carey, Finance Controller

SUBJECT: Financial Matters – Month of June 2018 (Preliminary Budget vs. Actual expenses and Capital expenditures)

Summary/Discussion

The following selected financial reports are routinely provided monthly to the Board of Directors. This information is presented, including the Monthly Financial Report, to the Finance Committee and could include a request for the Board to approve recommendations of the Finance Committee. The reports included are as follows:

- a) Summary of Preliminary Disbursements
 - June 2018 (Exhibit A)
- b) Schedule of Funds Available for Reinvestment (Exhibit B)
- c) Schedule of Cash and Investments (Exhibit C)
- d) Capital Schedule (Exhibit D)
 - Capital Projects – Graph (Exhibit D-1)
- e) Budget vs. Actual Expenses:
 - Operations and Environmental Summary (Exhibit E-1)
 - Residual Engineering, after transfer to Capital (Exhibit E-2)
 - Administration (Exhibit E-3)
 - Information Technology (IT) (Exhibit E-4)
- f) Preliminary FY 2018-19 Actual Fringe Pool and Fringe Rate

Fiscal impact

During the month of June 2018, disbursements totaled \$2,432,134 and are summarized in the attached Exhibit A. The attached Exhibits B, C, D and E are informational reports only.

Recommendation

Staff recommends that the Finance Committee recommends to the Board of Directors to:

- 1) Ratify the Summary of Disbursements for the period from June 1, 2018 through June 30, 2018, totaling \$2,432,134 (attached as Exhibit A).
- 2) Receive and file the following as information items:
 - Schedule of Funds Available for Reinvestment (Exhibit B)
 - Schedule of Cash and Investments (Exhibit C)
 - Capital Schedule (Exhibit D)
 - Capital Projects Graph (Exhibit D-1)
 - Budget vs. Actual Expenses:
 - a. Operations and Environmental Summary (Exhibit E-1)
 - b. Residual Engineering, after transfer to Capital (Exhibit E-2)
 - c. Administration (Exhibit E-3)
 - d. Information Technology (IT) (Exhibit E-4)
 - Preliminary FY 2018-19 Actual Fringe Pool and Fringe Rate

Exhibit A

**South Orange County Wastewater Authority
Summary of Disbursements for June 2018
Staff Recommendation of Fiscal Matters**

	<u>Actual</u>
General Fund	(468,710)
PC 2 - Jay B. Latham Plant	(674,925)
PC 3 - SOCWA Plant/PCA AWT	-
PC 5 - San Juan Creek Ocean Outfall	(10,343)
PC 8 - Pretreatment Program	(3,289)
PC 12 SO - Water Reclamation Permits	(4,240)
PC 15 - Coastal Treatment Plant/AWT	(286,132)
PC 17 - Joint Regional Wastewater Reclamation	(948,342)
PC 21 - Effluent Transmission Main	(20,949)
PC 24 - Aliso Creek Ocean Outfall	(15,204)
Total	<u><u>(\$2,432,134)</u></u>

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
SCHEDULE OF FUNDS AVAILABLE FOR REINVESTMENT
as of June 30, 2018**

CASH IN BANK: (BEGINNING BAL.)	2,547,148
L.A.I.F. FUNDS: (BEGINNING BAL.)	13,675,961
DEPOSITS, TRANSFERS & ADJUSTMENTS:	(240,265)
FUND REQUIREMENTS:	
BILLS FOR CONSIDERATION	(2,432,134)
	\$ 13,550,709

In accordance with Government Code 53646(c), since all funds are placed in the State LAIF, staff has included in the Financial Packet, the most current statement from the State LAIF, in lieu of the report required by Government Code 53646(b)(1).

In accordance with requirements of the Government Code and the "SOCWA Investment Policy", I hereby certify that:

- 1). All investment actions executed since the last report have been made in full compliance with the Investment Policy.
- 2). SOCWA does not have sufficient funds currently on hand to meet its expenditure obligations for the next six months (see note) due to the fact that SOCWA bills and receives operational funds on a quarterly basis only.

Betty Burnett
General Manager

Note: Operational funds are collected on a quarterly basis at the beginning of the quarter. Capital funds are collected on a quarterly basis in connection with projected needs. Member agencies have pledged to have funds available to meet all obligations.

**South Orange County Wastewater Authority
Schedule of Cash and Investments
as of June 30, 2018**

MVA	\$ 47,077	(A)
A/P Checking	\$ 1,158,603	(B)
Payroll Checking	\$ 169,068	(C)
State LAIF	\$ 12,175,961	(D)
Total Cash in Bank	13,550,709	
Petty Cash	\$ 1,600	(E)
Total Operating Cash	13,552,309	
OPEB Trust	\$ 4,817,830	(F)
Total Cash and Investments	\$ 18,370,140	

Notes:

- (A) Interest bearing account; all cash receipts are deposited in this account.
- (B) Accounts Payable Checks are drawn against this account; money is transferred to this account from the LAIF account.
- (C) Payroll including payroll taxes and related liabilities are drawn against this account; money is transferred to this account from the LAIF account.
- (D) LAIF balance.
- (E) Cash on hand with GM's office and held by Chief Operators at each Treatment facility.
- (F) OPEB Trust Fund; these funds can only be used for Retiree Health Benefits.

**South Orange County Wastewater Authority
PRELIMINARY Capital Projects Summaries
as of June 30, 2018**

<u>Description</u>	FY 2017-18 Budget vs. Actual Spending							Past Due by Fiscal Year		
	Capital Budget	Fiscal Year Spending	(Over)/ Under Budget	% Expended	Member Agency Billed	FY 17/18 Member Agency Collections	FY 16/17 & FY 17/18 Past Due Amount	FY 17/18 Unpaid Amounts	FY 16/17 Unpaid Amounts	Total Past Due Amount
PC 2-JB Latham PC 3A	3,743,470	1,412,564	2,330,906	37.7%	2,554,334	2,554,334				
PC 5-San Juan Creek Outfall PC 15-Coastal	195,510 6,637,145	1,440 2,026,336	194,070 4,610,809	0.7% 30.5%	15,382 2,813,392	- 2,080,514	1,382,368 (1)	732,878	649,490	1,382,368
PC 17-Regional	3,196,068	3,309,795	(113,727)	103.6%	1,661,060	1,661,060				
PC 21 Effluent Transmission	236,607	34,481	202,126	14.6%	164,502	164,502				
PC 24 Aliso Creek Outfall	25,001	-	25,001	0.0%	-	-				
Total Large Capital	14,033,801	6,784,617	7,249,184	48.3%	7,208,670	6,475,792				
Non-Capital Engineering	158,952	411,406	(252,454)	258.8%	158,952	158,367	22,416 (1)	585	21,831	22,416
Small Internal Capital	1,946,997	1,709,557	237,440	87.8%	1,947,046	1,777,398	254,198 (1)	169,648	84,550	254,198
Total Capital	16,139,750	8,905,580	7,234,170	55.2%	9,314,668	8,411,557	1,658,982	903,111	755,871	1,658,982

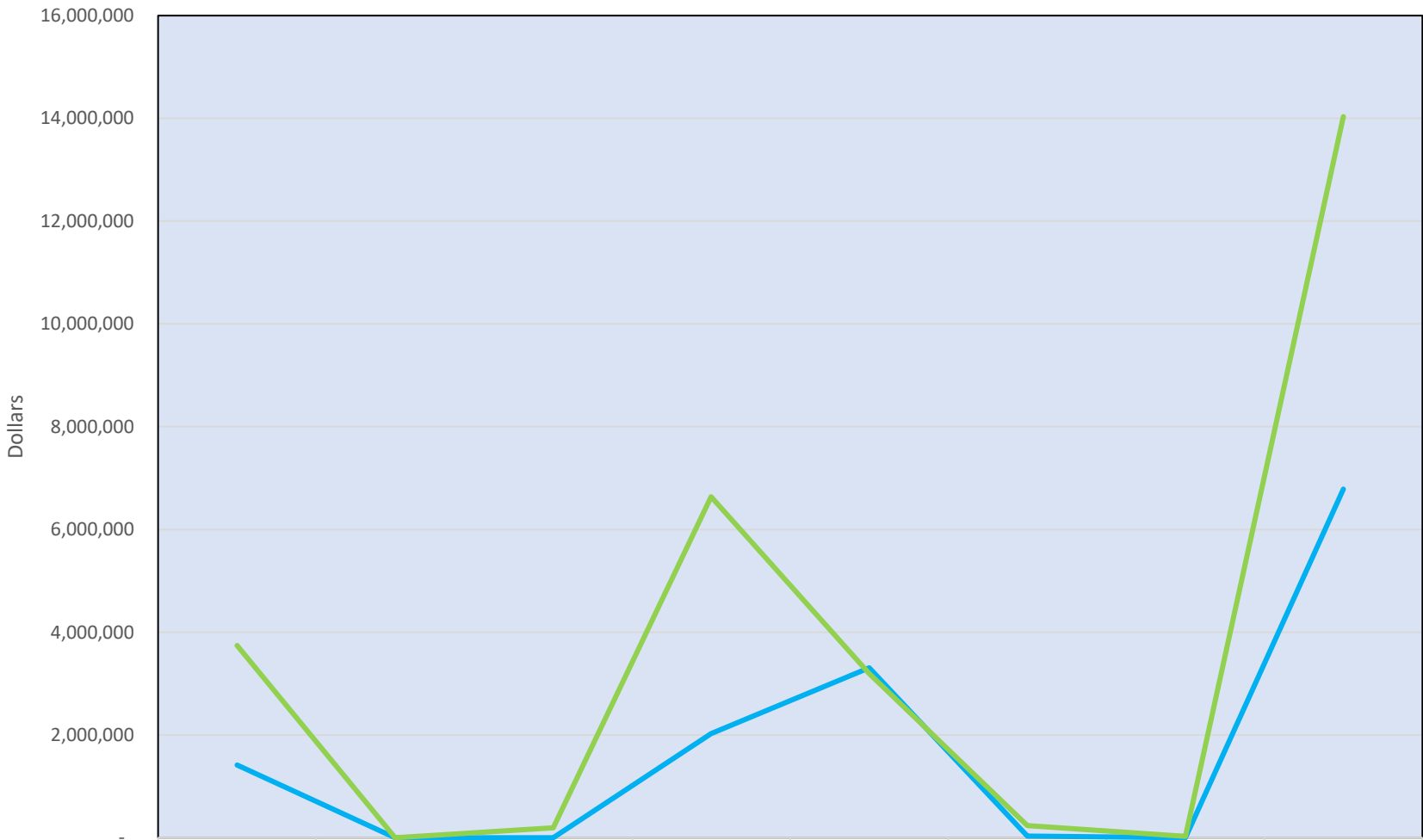
(1) **Schedule for Past Due Amounts as of May 31, 2018**

<u>Description</u>	Past Due Amount MNWD	Past Due Amount TOTAL
PC 15-Coastal	1,382,368	1,382,368 (1)
Total Large Capital	1,382,368	1,382,368
Non-Capital Engineering	22,416	22,416 (2)
Small Internal Capital	254,198	254,198 (2)
Total Capital	1,658,982	1,658,982

(2) Balances due are for PC 15 Coastal Treatment Plant.

Large Capital Project Fiscal Year '17-18 Budget and Year-to-Date Spending 06/30/2018

Exhibit D-1



Spent - YTD	1,412,564	-	1,440	2,026,336	3,309,795	34,481	-	6,784,617
Capital Budget 17-18	3,743,470	-	195,510	6,637,145	3,196,068	236,607	25,001	14,033,801

South Orange County Wastewater Authority
PRELIMINARY O&M Budget vs. Actual Comparison by PC
For the Period Ended June 30, 2018

Exhibit E-1

		Budget	*Budget Increase	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
02 - Jay B. Latham Plant							
Salary and Fringe							
02-5000-01-**-**	Regular Salaries-O&M	1,228,504		1,228,504	1,255,896	(27,392)	102.2% (1)
02-5000-02-**-**	Regular Salaries-O&M	163,196		163,196	149,982	13,214	91.9%
02-5001-01-**-**	Overtime Salaries-O&M	21,908	60,000	81,908	44,809	37,099	54.7% (2)
02-5001-02-**-**	Overtime Salaries-O&M	204		204	838	(634)	410.7%
02-5302-01-01-00	Performance Based Merit Pay	-		-	6,573	(6,573)	0.0%
02-5306-01-**-**	Scheduled Holiday Work	11,992		11,992	15,524	(3,532)	129.4% (3)
02-5306-02-**-**	Scheduled Holiday Work	1,804		1,804	2,277	(473)	126.2% (3)
02-5315-01-00-00	Comp Time - O&M	-		-	4,935	(4,935)	0.0%
02-5315-02-00-00	Comp Time - O&M	-		-	618	(618)	0.0%
02-5401-01-**-**	Fringe Benefits IN to PC's & Depts.	911,556		911,556	932,854	(21,298)	102.3%
02-5401-02-**-**	Fringe Benefits IN to PC's & Depts.	121,096		121,096	111,403	9,693	92.0%
02-5700-01-**-**	Standby Pay	23,328		23,328	25,838	(2,510)	110.8%
	Total Payroll Costs	2,483,588	60,000	2,543,588	2,551,547	(7,959)	100.3%
Other Expenses							
02-5002-01-**-**	Electricity	524,000	130,000	654,000	775,269	(121,269)	118.5% (4)
02-5003-01-**-**	Natural Gas	65,012		65,012	69,016	(4,004)	106.2% (4)
02-5004-01-**-**	Potable & Reclaimed Water	15,004		15,004	19,257	(4,253)	128.3%
02-5006-01-**-**	Chlorine/Sodium Hypochlorite	28,000		28,000	22,756	5,244	81.3%
02-5007-01-**-**	Polymer Products	301,004		301,004	190,184	110,820	63.2%
02-5008-01-**-**	Ferric Chloride	100,004	25,000	125,004	129,185	(4,181)	103.3% (5)
02-5009-01-**-**	Odor Control Chemicals	25,000		25,000	21,136	3,864	84.5%
02-5010-01-**-**	Other Chemicals - Misc.	1,000		1,000	8	992	0.8%
02-5011-02-**-**	Laboratory Services	10,500		10,500	7,034	3,466	67.0%
02-5012-01-**-**	Grit Hauling	40,000		40,000	49,304	(9,304)	123.3% (6)
02-5013-01-**-**	Landscaping	48,000		48,000	33,084	14,916	68.9%
02-5014-01-**-**	Engineering - Misc.	4,996		4,996	17,565	(12,569)	351.6% (7)
02-5014-02-**-**	Engineering - Misc.	100,004		100,004	12,320	87,684	12.3%
02-5015-01-**-**	Management Support Services	4,996		4,996	8,640	(3,644)	172.9% (7)
02-5015-02-**-**	Management Support Services	13,000		13,000	31,228	(18,228)	240.2% (8)
02-5017-01-**-**	Legal Fees	1,200		1,200	7,395	(6,195)	616.3% (9)
02-5019-01-**-**	Contract Services Misc.	95,000		95,000	105,030	(10,030)	110.6%
02-5020-01-00-00	Postage Expense	-		-	167	(167)	0.0%
02-5021-01-**-**	Small Vehicle Expense	8,004		8,004	9,208	(1,204)	115.0% (11)
02-5022-01-**-**	Miscellaneous Expense	8,004		8,004	6,805	1,199	85.0%
02-5023-01-**-**	Office Supplies - All	25,008		25,008	19,092	5,916	76.3%
02-5024-01-**-**	Petroleum Products	16,004		16,004	648	15,356	4.0%
02-5025-01-**-**	Uniforms	12,996		12,996	14,484	(1,488)	111.4%
02-5026-01-**-**	Small Vehicle Fuel	15,000		15,000	9,432	5,568	62.9%
02-5027-01-**-**	Insurance - Property/Liability	70,448		70,448	73,546	(3,098)	104.4%
02-5028-01-**-**	Small Tools & Supplies	40,004		40,004	52,691	(12,687)	131.7% (10)
02-5030-01-**-**	Trash Disposal	1,000		1,000	2,051	(1,051)	205.1% (12)
02-5031-02-**-**	Safety Program & Supplies	30,396		30,396	35,121	(4,725)	115.5% (13)
02-5032-01-**-**	Equipment Rental	3,000		3,000	2	2,998	0.1%
02-5033-01-**-**	Recruitment	1,000		1,000	1,245	(245)	124.5%
02-5034-01-**-**	Travel Expense/Tech. Conferences	13,836		13,836	10,564	3,272	76.4%
02-5034-02-**-**	Travel Expense/Tech. Conferences	3,140		3,140	2,268	872	72.2%
02-5035-01-**-**	Training Expense	15,904		15,904	35,582	(19,678)	223.7% (14)
02-5035-02-**-**	Training Expense	1,116		1,116	976	140	87.5%
02-5036-02-**-**	Laboratory Supplies	13,004		13,004	13,081	(77)	100.6% (15)
02-5037-01-**-**	Office Equipment	15,500		15,500	17,424	(1,924)	112.4% (16)
02-5038-02-**-**	Permits	22,000		22,000	19,616	2,384	89.2% (17)
02-5039-01-**-**	Membership Dues/Fees	3,044		3,044	3,184	(140)	104.6% (18)
02-5039-02-**-**	Membership Dues/Fees	800		800	960	(160)	120.1% (18)
02-5049-01-**-**	Biosolids Disposal	550,004		550,004	491,660	58,344	89.4%
02-5050-01-**-**	Contract Services Generators	9,004		9,004	11,666	(2,662)	129.6% (19)
02-5052-01-**-**	Janitorial Services	40,004		40,004	23,114	16,890	57.8% (20)
02-5054-01-**-**	Diesel Truck Maint	20,004		20,004	7,644	12,360	38.2%
02-5055-01-**-**	Diesel Truck Fuel	6,000		6,000	1,576	4,424	26.3%
02-5056-01-**-**	Maintenance Equip. & Facilities (Solid	138,000		138,000	150,048	(12,048)	108.7% (33)
02-5057-01-**-**	Maintenance Equip. & Facilities (Liqui	240,000		240,000	229,354	10,646	95.6%
02-5058-01-**-**	Maintenance Equip. & Facilities (Com	26,000		26,000	16,240	9,760	62.5%
02-5059-01-**-**	Maintenance Equip. & Facilities (Co-G	250,000	40,000	290,000	280,726	9,274	96.8%
02-5061-01-**-**	Mileage	1,000		1,000	172	828	17.2%
02-5061-02-**-**	Mileage	492		492	285	207	57.9%
02-5303-01-**-**	Group Insurance Waiver	3,604		3,604	3,413	191	94.7%
02-5303-02-00-00	Group Insurance Waiver	-		-	969	(969)	0.0%
02-5305-01-**-**	Medicare Tax Payments for Employee	3,812		3,812	4,019	(207)	105.4%
02-5309-01-**-**	Operating Leases	6,000		6,000	41,285	(35,285)	688.1% (21)
02-5705-01-**-**	Monthly Car Allowance	7,196		7,196	11,146	(3,950)	154.9%
02-5705-02-00-00	Monthly Car Allowance	-		-	1,858	(1,858)	0.0%
02-5802-01-00-00	Shipping/Freight	-		-	592	(592)	0.0%
02-6500-01-**-**	IT Allocations in to PC's & Depts.	184,880		184,880	172,563	12,317	93.3%
02-6500-02-**-**	IT Allocations in to PC's & Depts.	24,040		24,040	22,436	1,604	93.3%
	Total Other Expenses	3,205,968	195,000	3,400,968	3,297,325	103,643	97.0%
	Total Expenses	5,689,556	255,000	5,944,556	5,848,872	95,684	98.4%

South Orange County Wastewater Authority
PRELIMINARY O&M Budget vs. Actual Comparison by PC
For the Period Ended June 30, 2018

Exhibit E-1

		Budget	*Budget Increase	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
05 - San Juan Creek Ocean Outfall							
Salary and Fringe							
05-5000-01-**-**	Regular Salaries-O&M	11,252		11,252	600	10,652	5.3%
05-5000-02-**-**	Regular Salaries-O&M	90,480		90,480	92,250	(1,770)	102.0%
05-5001-01-**-**	Overtime Salaries-O&M	376		376	-	376	0.0%
05-5001-02-**-**	Overtime Salaries-O&M	96		96	210	(114)	219.2%
05-5306-01-**-**	Scheduled Holiday Work	96		96	-	96	0.0%
05-5306-02-**-**	Scheduled Holiday Work	2,404		2,404	411	1,993	17.1%
05-5401-01-**-**	Fringe Benefits IN to PC's & Depts.	8,348		8,348	446	7,902	5.3%
05-5401-02-**-**	Fringe Benefits IN to PC's & Depts.	67,136		67,136	68,521	(1,385)	102.1%
	Total Payroll Costs	180,188	-	180,188	162,439	17,749	90.1%
Other Expenses							
05-5002-01-**-**	Electricity	1,000		1,000	58	942	5.8%
05-5003-01-**-**	Natural Gas	500		500	-	500	0.0%
05-5014-02-**-**	Engineering - Misc.	20,004		20,004	-	20,004	0.0%
05-5015-02-**-**	Management Support Services	27,500		27,500	7,404	20,096	26.9%
05-5017-02-**-**	Legal Fees	2,004		2,004	-	2,004	0.0%
05-5026-01-**-**	Small Vehicle Fuel - 37A	2,496		2,496	-	2,496	0.0%
05-5027-01-**-**	Insurance - Property/Liability	5,372		5,372	5,230	142	97.4%
05-5031-02-**-**	Safety Supplies	128		128	-	128	0.0%
05-5034-02-**-**	Travel Expense/Tech. Conferences	2,484		2,484	2,452	32	98.7%
05-5036-02-**-**	Laboratory Supplies	16,000		16,000	19,518	(3,518)	122.0% (22)
05-5038-02-**-**	Permits	145,000		145,000	156,592	(11,592)	108.0% (17)
05-5044-02-**-**	Offshore Monitoring	20,004		20,004	16,378	3,626	81.9%
05-5046-02-**-**	Effluent Chemistry	16,000		16,000	15,053	947	94.1%
05-5058-01-**-**	Maintenance Equip. & Facilities (Com	1,004		1,004	38	967	3.7%
05-5069-02-**-**	Misc-Capital-Dilution & Metering Study	15,004		15,004	19,225	(4,221)	128.1%
05-5305-02-**-**	Medicare Tax Payments for Employee	2,352		2,352	-	2,352	0.0%
05-5705-02-**-**	Monthly Car Allowance	4,200		4,200	646	3,554	15.4%
05-6500-01-**-**	IT Allocations in to PC's & Depts.	1,692		1,692	1,579	113	93.3%
05-6500-02-**-**	IT Allocations in to PC's & Depts.	12,952		12,952	12,091	861	93.4%
	Total Other Expenses	295,696	-	295,696	256,264	39,432	86.7%
	Total Expenses	475,884	-	475,884	418,702	57,182	88.0%
08 - Pre Treatment							
Salary and Fringe							
08-5000-02-**-**	Regular Salaries-O&M	83,504			73,779	9,725	88.4%
08-5001-02-**-**	Overtime Salaries-O&M	1,412			-	1,412	0.0%
08-5306-02-**-**	Scheduled Holiday Work	200			-	200	0.0%
08-5315-02-00-00	Comp Time - O&M	-			529	(529)	0.0%
08-5401-02-**-**	Fringe Benefits IN to PC's & Depts.	61,956			54,802	6,474	88.5%
	Total Payroll Costs	147,072	-	147,072	129,111	17,281	87.8%
Other Expenses							
08-5011-02-**-**	Laboratory Services	2,500			290	2,210	11.6%
08-5015-02-**-**	Management Support Services	2,008			518	1,490	25.8%
08-5016-02-**-**	Audit - Environmental	500			-	500	0.0%
08-5017-02-**-**	Legal Fees	2,008			921	1,087	45.9%
08-5018-02-**-**	Public Notices/ Public Relations	500			320	180	64.0%
08-5021-02-**-**	Small Vehicle Expense	900			18	882	2.0%
08-5022-02-**-**	Miscellaneous Expense	1,496			-	1,496	0.0%
08-5026-02-**-**	Small Vehicle Fuel - 37A	1,200			-	1,200	0.0%
08-5027-02-**-**	Insurance - Property/Liability	2,196			1,982	204	90.3%
08-5028-02-**-**	Small Tools & Supplies	3,472			1,721	1,751	49.6%
08-5034-02-**-**	Travel Expense/Tech. Conferences	3,504			2,527	977	72.1%
08-5035-02-**-**	Training Expense	1,496			1,500	(4)	100.3%
08-5038-02-**-**	Permits and Fines	10,008			-	10,008	0.0%
08-5039-02-**-**	Membership Dues/Fees	796			534	262	67.1%
08-6500-02-**-**	IT Allocations in to PC's & Depts.	12,568			11,730	2,687	93.3%
	Total Other Expenses	45,152	-	45,152	22,061	24,930	48.9%
	Total Expenses	192,224	-	192,224	151,172	41,052	78.6%
12 - Water Reclamation Permits							
Salary and Fringe							
12-5000-02-**-**	Regular Salaries-O&M	50,192			29,078	21,114	57.9%
12-5306-02-**-**	Scheduled Holiday Work	392			-	392	0.0%
12-5401-02-**-**	Fringe Benefits IN to PC's & Depts.	37,240			21,598	15,374	58.0%
	Total Payroll Costs	87,824	-	87,824	50,676	36,880	57.7%
Other Expenses							
12-5015-02-**-**	Management Support Services	15,992			4,110	11,882	25.7%
12-5017-02-**-**	Legal Fees	5,000			-	5,000	0.0%
12-5027-02-**-**	Insurance - Property/Liability	2,740			1,571	1,164	57.3%
12-5034-02-**-**	Travel Expense/Tech. Conferences	1,256			1,149	107	91.5%
12-5038-02-**-**	Permits	124,996			16,067	108,929	12.9%
12-6500-02-**-**	IT Allocations in to PC's & Depts.	7,064			6,599	1,505	93.4%
	Total Other Expenses	157,048	-	157,048	29,496	128,587	18.8%
	Total Expenses	244,872	-	244,872	80,172	164,700	32.7%

South Orange County Wastewater Authority
PRELIMINARY O&M Budget vs. Actual Comparison by PC
For the Period Ended June 30, 2018

Exhibit E-1

	Budget	*Budget Increase	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
15 - Coastal Treatment Plant						
Salary and Fringe						
15-5000-01-**-**	Regular Salaries-O&M		697,360	648,632	48,728	93.0%
15-5000-02-**-**	Regular Salaries-O&M		149,952	117,951	32,001	78.7%
15-5001-01-**-**	Overtime Salaries-O&M		10,920	21,344	(10,424)	195.5% (23)
15-5001-02-**-**	Overtime Salaries-O&M		188	941	(753)	500.7% (23)
15-5306-01-**-**	Scheduled Holiday Work		3,004	5,407	(2,403)	180.0% (3)
15-5306-02-**-**	Scheduled Holiday Work		1,800	2,142	(342)	119.0% (3)
15-5315-01-00-00	Comp Time - O&M		-	130	(130)	0.0%
15-5401-01-**-**	Fringe Benefits IN to PC's & Depts.		517,440	481,791	29,669	93.1%
15-5401-02-**-**	Fringe Benefits IN to PC's & Depts.		111,268	87,612	22,569	78.7%
15-5700-01-**-**	Standby Pay		23,336	17,225	6,111	73.8%
	Total Payroll Costs		1,515,268	1,383,175	125,026	91.3%
Other Expenses						
15-5002-01-**-**	Electricity		283,004	223,284	59,720	78.9%
15-5003-01-**-**	Natural Gas		3,000	1,741	1,263	58.0%
15-5004-01-**-**	Potable & Reclaimed Water		13,000	23,418	(9,018)	180.1% (24)
15-5006-01-**-**	Chlorine/Sodium Hypochlorite		99,996	62,049	37,947	62.1%
15-5007-01-**-**	Polymer Products		2,004	347	1,657	17.3%
15-5008-01-**-**	Ferric Chloride		30,004	32,882	(2,878)	109.6%
15-5009-01-**-**	Odor Control Chemicals		85,000	54,339	30,661	63.9%
15-5011-02-**-**	Laboratory Services		9,500	8,839	661	93.0%
15-5012-01-**-**	Grit Hauling		30,004	21,514	8,490	71.7%
15-5013-01-**-**	Landscaping		60,008	38,116	31,292	63.5%
15-5014-01-**-**	Engineering - Misc.		5,000	7,238	(2,238)	144.8% (7)
15-5014-02-**-**	Engineering - Misc.		50,000	-	50,000	0.0%
15-5015-01-**-**	Management Support Services		5,000	306	4,694	6.1%
15-5015-02-**-**	Management Support Services		4,500	2,467	2,033	54.8%
15-5017-01-**-**	Legal Fees		-	1,071	(1,071)	0.0%
15-5019-01-**-**	Contract Services Misc.		67,000	71,117	(4,117)	106.1% (7)
15-5021-01-**-**	Small Vehicle Expense		5,996	3,519	2,477	58.7%
15-5022-01-**-**	Miscellaneous Expense		2,996	1,379	1,617	46.0%
15-5023-01-**-**	Office Supplies - All		6,996	5,054	1,942	72.2%
15-5024-01-**-**	Petroleum Products		2,000	1,232	768	61.6%
15-5025-01-**-**	Uniforms		5,996	5,379	617	89.7%
15-5026-01-**-**	Small Vehicle Fuel		5,996	1,286	4,710	21.4%
15-5027-01-**-**	Insurance - Property/Liability		34,640	30,774	3,868	88.8%
15-5028-01-**-**	Small Tools & Supplies		9,000	9,285	(285)	103.2%
15-5030-01-**-**	Trash Disposal		2,996	2,513	483	83.9%
15-5031-01-00-00	Safety Supplies		-	(796)	796	0.0%
15-5031-02-**-**	Safety Program & Supplies		24,000	25,495	(1,495)	106.2%
15-5032-01-**-**	Equipment Rental		1,000	744	256	74.4%
15-5033-01-00-00	Recruitment		-	500	(500)	0.0%
15-5034-01-**-**	Travel Expense/Tech. Conferences		13,832	9,050	4,782	65.4%
15-5034-02-**-**	Travel Expense/Tech. Conferences		3,324	1,785	1,539	53.7%
15-5035-01-**-**	Training Expense		15,904	14,377	1,860	90.4%
15-5035-02-**-**	Training Expense		1,116	484	632	43.4%
15-5036-02-**-**	Laboratory Supplies		10,004	10,209	(205)	102.0%
15-5037-01-**-**	Office Equipment		1,000	1,471	(471)	147.1%
15-5038-02-**-**	Permits		6,504	6,625	(121)	101.9%
15-5039-01-**-**	Membership Dues/Fees		2,996	1,656	1,340	55.3%
15-5039-02-**-**	Membership Dues/Fees		804	603	201	75.0%
15-5047-01-**-**	Access Road Expenses		46,996	28,848	21,348	61.4%
15-5048-01-**-**	Storm Damage		19,000	-	19,000	0.0%
15-5049-01-**-**	Biosolids Disposal - 21B		125,000	-	125,000	0.0%
15-5050-01-**-**	Contract Services Generators		4,004	4,512	(508)	112.7%
15-5052-01-**-**	Janitorial Services		20,008	10,682	9,326	53.4%
15-5054-01-**-**	Diesel Truck Maint		996	332	664	33.4%
15-5055-01-**-**	Diesel Truck Fuel - 37B		996	-	996	0.0%
15-5057-01-**-**	Maintenance Equip. & Facilities (Liqui		170,004	91,303	82,082	53.7%
15-5058-01-**-**	Maintenance Equip. & Facilities (Com		20,008	4,310	15,698	21.5%
15-5060-01-**-**	Maintenance Equip. & Facilities (AWT		35,000	30,247	4,753	86.4%
15-5061-01-**-**	Mileage		1,196	80	1,116	6.7%
15-5303-01-**-**	Group Insurance Waiver		3,596	3,863	(267)	107.4%
15-5305-01-**-**	Medicare Tax Payments for Employee		2,964	3,312	(348)	111.8%
15-5705-01-**-**	Monthly Car Allowance		4,200	4,927	(727)	117.3%
15-5802-01-00-00	Shipping/Freight		-	49	(49)	0.0%
15-6500-01-**-**	IT Allocations in to PC's & Depts.		104,820	97,835	22,407	93.3%
15-6500-02-**-**	IT Allocations in to PC's & Depts.		22,212	20,735	4,746	93.4%
	Total Other Expenses		1,485,120	982,384	539,145	66.1%
	Total Expenses		3,000,388	2,365,558	634,830	78.8%

South Orange County Wastewater Authority
PRELIMINARY O&M Budget vs. Actual Comparison by PC
For the Period Ended June 30, 2018

Exhibit E-1

		Budget	*Budget Increase	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
17 - Joint Regional Wastewater Reclamation and Sludge Handling							
Salary and Fringe							
17-5000-01-**-**	Regular Salaries-O&M	1,531,652			1,383,814	147,838	90.3%
17-5000-02-**-**	Regular Salaries-O&M	272,888			253,215	19,673	92.8%
17-5001-01-**-**	Overtime Salaries-O&M	39,148			75,138	(35,990)	191.9% (23)
17-5001-02-**-**	Overtime Salaries-O&M	196			2,801	(2,605)	1428.9% (23)
17-5306-01-**-**	Scheduled Holiday Work	-			5,285	(5,285)	0.0% (3)
17-5306-02-**-**	Scheduled Holiday Work	12,004			16,448	(4,444)	137.0% (3)
17-5315-01-00-00	Comp Time - O&M	2,992			3,992	(1,000)	133.4% (23)
17-5315-02-00-00	Comp Time - O&M	-			1,153	(1,153)	0.0% (23)
17-5401-01-**-**	Fringe Benefits IN to PC's & Depts.	-			1,872	(1,872)	0.0%
17-5401-02-**-**	Fringe Benefits IN to PC's & Depts.	1,136,496			1,027,869	95,868	90.4%
17-5700-01-**-**	Standby Pay	202,488			188,083	12,071	92.9%
	Total Payroll Costs	23,332			26,163	(2,831)	112.1%
		3,221,196	-	3,221,196	2,985,831	220,272	92.7%
Other Expenses							
17-5002-01-**-**	Electricity	675,000			786,940	(111,940)	116.6% (25)
17-5003-01-**-**	Natural Gas	141,000			48,351	94,710	34.3% (25)
17-5004-01-**-**	Potable & Reclaimed Water	34,004			34,650	(560)	101.9%
17-5005-01-**-**	Co-generation Power Credit	(250,000)			-	(250,000)	0.0% (25)
17-5006-01-**-**	Chlorine/Sodium Hypochlorite	350,004			452,098	(102,094)	129.2% (26)
17-5007-01-**-**	Polymer Products	406,008			313,431	92,577	77.2%
17-5008-01-**-**	Ferric Chloride	125,004			155,475	(30,471)	124.4% (27)
17-5009-01-**-**	Odor Control Chemicals	50,000			43,735	6,265	87.5%
17-5010-01-**-**	Other Chemicals - Misc.	4,000			747	3,253	18.7%
17-5011-02-**-**	Laboratory Services	14,000			11,067	2,933	79.0%
17-5012-01-**-**	Grit Hauling - 21A	52,004			50,325	1,679	96.8%
17-5013-01-**-**	Landscaping	74,996			64,200	10,796	85.6%
17-5014-01-**-**	Engineering - Misc.	5,004			5,612	(608)	112.2%
17-5014-02-**-**	Engineering - Misc.	125,000			4,760	120,240	3.8%
17-5015-01-**-**	Management Support Services	5,004			5,500	(496)	109.9% (7)
17-5015-02-**-**	Management Support Services	22,504			5,917	16,587	26.3%
17-5017-01-00-00	Legal Fees	-			2,607	(2,607)	0.0%
17-5019-01-**-**	Contract Services Misc.	125,000			105,216	19,784	84.2%
17-5020-01-00-00	Postage Expense	-			7	(7)	0.0%
17-5021-01-**-**	Small Vehicle Expense	6,000			6,887	(751)	114.8%
17-5022-01-**-**	Miscellaneous Expense	5,996			5,418	578	90.4%
17-5023-01-**-**	Office Supplies - All	9,996			13,130	(3,134)	131.4%
17-5024-01-**-**	Petroleum Products	41,996			18,865	23,131	44.9%
17-5025-01-**-**	Uniforms	17,008			15,290	1,718	89.9%
17-5026-01-**-**	Small Vehicle Fuel	12,996			6,755	6,241	52.0%
17-5027-01-**-**	Insurance - Property/Liability	90,252			89,771	481	99.5%
17-5028-01-**-**	Small Tools & Supplies	25,000			26,529	(1,529)	106.1%
17-5030-01-**-**	Trash Disposal	1,004			2,700	(1,696)	268.9% (12)
17-5031-02-**-**	Safety Program & Supplies	31,352			36,324	(4,972)	115.9% (13)
17-5032-01-**-**	Equipment Rental	3,004			1,278	1,726	42.5%
17-5033-01-00-00	Recruitment	-			3,457	(3,457)	0.0%
17-5034-01-**-**	Travel Expense/Tech. Conferences	13,832			17,655	(3,823)	127.6% (14)
17-5034-02-**-**	Travel Expense/Tech. Conferences	3,324			3,004	320	90.4% (14)
17-5035-01-**-**	Training Expense	15,904			39,236	(22,999)	246.7% (14)
17-5035-02-**-**	Training Expense	1,124			1,197	(73)	106.5% (14)
17-5036-02-**-**	Laboratory Supplies	19,020			14,896	4,124	78.3%
17-5037-01-**-**	Office Equipment	5,996			19,844	(13,848)	331.0% (28)
17-5038-02-**-**	Permits	35,000			22,165	12,835	63.3%
17-5039-01-**-**	Membership Dues/Fees	3,004			5,529	(2,525)	184.1% (18)
17-5039-02-**-**	Membership Dues/Fees	800			1,026	(226)	128.2%
17-5049-01-**-**	Biosolids Disposal	866,000			831,144	34,856	96.0%
17-5050-01-**-**	Contract Services Generators	8,000			4,936	3,064	61.7%
17-5052-01-**-**	Janitorial Services	40,004			19,403	20,601	48.5% (19)
17-5053-01-**-**	Contract Serv - Digester Cleaning - 29	60,004			63,126	(3,122)	105.2%
17-5054-01-**-**	Diesel Truck Maint	19,000			10,977	8,023	57.8%
17-5055-01-**-**	Diesel Truck Fuel	7,000			2,904	4,096	41.5%
17-5056-01-**-**	Maintenance Equip. & Facilities (Solid	190,004			199,657	(9,653)	105.1% (34)
17-5057-01-**-**	Maintenance Equip. & Facilities (Liqui	164,996			227,263	(62,079)	137.7% (29)
17-5058-01-**-**	Maintenance Equip. & Facilities (Com	25,000			26,754	(1,754)	107.0%
17-5059-01-**-**	Maintenance Equip. & Facilities (Co-G	250,000			83,601	166,399	33.4% (25)
17-5060-01-**-**	Maintenance Equip. & Facilities (AWT	35,000			75,672	(40,672)	216.2% (30)
17-5061-01-**-**	Mileage	3,000			1,360	1,640	45.3%
17-5061-02-00-00	Mileage	-			52	(52)	0.0%
17-5068-02-**-**	MNWD Potable Water Supplies & Svc	23,996			22,462	1,534	93.6%
17-5077-01-00-00	IT Direct	-			500	(500)	0.0%
17-5101-01-00-00	Employee Recognition	-			274	(274)	0.0%
17-5105-01-**-**	Co-Generation Power Credit - Offset	250,000			-	250,000	0.0% (25)
17-5303-01-**-**	Group Insurance Waiver	32			623	(591)	1947.1%
17-5303-02-**-**	Group Insurance Waiver	3,564			2,492	1,072	69.9%
17-5305-01-**-**	Medicare Tax Payments for Employee	1,784			987	797	55.3%
17-5305-02-**-**	Medicare Tax Payments for Employee	132			-	132	0.0%
17-5309-01-**-**	Operating Leases	6,000			-	6,000	0.0%
17-5705-01-**-**	Monthly Car Allowance	8,396			9,843	(1,447)	117.2%
17-5705-02-**-**	Monthly Car Allowance	4,204			1,858	2,346	44.2%
17-5706-01-**-**	Effluent Pond Cleaning	90,004			-	90,004	0.0% (35)
17-5802-01-00-00	Shipping/Freight	-			68	(68)	0.0%
17-6500-01-**-**	IT Allocations in to PC's & Depts.	230,508			215,144	49,279	93.3%
17-6500-02-**-**	IT Allocations in to PC's & Depts.	40,652			37,944	8,689	93.3%
	Total Other Expenses	4,628,420	-	4,628,420	4,280,638	390,181	92.5%
	Total Expenses	7,849,616	-	7,849,616	7,266,468	583,148	92.6%

South Orange County Wastewater Authority
PRELIMINARY O&M Budget vs. Actual Comparison by PC
For the Period Ended June 30, 2018

Exhibit E-1

		Budget	*Budget Increase	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
21 - Effluent Transmission Main							
Other Expenses							
21-5014-02-**-**	Engineering - Misc.	62,496			-	62,496	0.0%
21-5019-02-00-00	Contract Services Misc. - 29	-			735	(735)	0.0%
21-5027-02-**-**	Insurance - Property/Liability	728			266	462	36.5%
	Total Other Expenses	63,224	-	63,224	1,001	62,223	1.6%
	Total Expenses	63,224	-	63,224	1,001	62,223	1.6%
23 - North Coast Interceptor							
Other Expenses							
23-5017-01-00-00	Legal Fees	-			286	(286)	0.0%
	Total Other Expenses	-	-	-	286	(286)	0.0%
	Total Expenses	-	-	-	286	(286)	0.0%
24 - Aliso Creek Ocean Outfall							
Salary and Fringe							
24-5000-01-**-**	Regular Salaries-O&M	6,696			600	6,096	9.0%
24-5000-02-**-**	Regular Salaries-O&M	85,624			90,407	(4,783)	105.6%
24-5001-01-**-**	Overtime Salaries-O&M	348			369	(21)	105.9% (31)
24-5001-02-**-**	Overtime Salaries-O&M	196			123	73	63.0%
24-5306-01-**-**	Scheduled Holiday Work	104			-	104	0.0%
24-5306-02-**-**	Scheduled Holiday Work	3,112			133	2,979	4.3%
24-5401-01-**-**	Fringe Benefits IN to PC's & Depts.	4,960			446	4,509	9.0%
24-5401-02-**-**	Fringe Benefits IN to PC's & Depts.	63,528			67,153	(4,458)	105.7%
	Total Payroll Costs	164,568	-	164,568	159,231	4,498	96.8%
Other Expenses							
24-5002-01-**-**	Electricity	996			-	996	0.0%
24-5014-02-**-**	Engineering - Misc.	20,004			-	20,004	0.0%
24-5015-02-**-**	Management Support Services	27,504			5,884	21,620	21.4%
24-5017-02-**-**	Legal Fees	2,004			-	2,004	0.0%
24-5027-01-00-00	Insurance - Property/Liability	-			957	(975)	0.0%
24-5027-02-**-**	Insurance - Property/Liability	5,364			3,995	1,369	74.5%
24-5031-02-**-**	Safety Supplies	996			-	996	0.0%
24-5034-02-**-**	Travel Expense/Tech. Conferences	2,480			588	1,892	23.7%
24-5036-02-**-**	Laboratory Supplies	16,996			18,460	(1,464)	108.6% (32)
24-5038-02-**-**	Permits	131,992			138,513	(6,521)	104.9% (17)
24-5044-02-**-**	Offshore Monitoring	22,004			16,378	5,626	74.4%
24-5046-02-**-**	Effluent Chemistry	29,996			28,839	1,157	96.1%
24-5058-01-**-**	Maintenance Equip. & Facilities (Com)	996			600	396	60.2%
24-5067-02-**-**	Port Cleaning	35,000			-	35,000	0.0%
24-5802-02-00-00	Shipping/Freight	-			210	(210)	0.0%
24-6500-01-**-**	IT Allocations in to PC's & Depts.	1,008			940	216	93.3%
24-6500-02-**-**	IT Allocations in to PC's & Depts.	12,288			11,470	2,626	93.3%
	Total Other Expenses	309,628	-	309,628	226,834	84,732	73.3%
	Total Expenses	474,196	-	474,196	386,065	88,131	81.4%
SOCWA TOTAL		17,989,960	255,000	18,244,960	16,518,297	1,726,663	90.5%

*Budget increase approved at Board Meeting.

- (1) Staff time to start up and set up the administrative procedures for the engine has been higher than anticipated for the project at JBL.
- (2) Overtime costs required due to nighttime and bypass construction activities for capital projects.
- (3) Staffing has been required for elevated holiday flows and loads.
- (4) Engine project timeframe affecting the electricity and gas budget line items.
- (5) Ferric chloride use has increased more than expected to comply with the new engine gas cleaning system requirements.
- (6) Elevated grit loading from the JBL sewers attributed to elevated dumping of grit in the Oso Trabuco sewers by the member agencies conducting projects.
- (7) SOCWA staff required additional support services to comply with the new engine permit conditions at JBL and RTP. CTP had elevated costs from copying historic O&M manuals.
- (8) Contract work on PC2 trunkline to clean sewers so that the ADS monitors would work properly.
- (9) Legal review of O&M contracts.
- (10) Tools and supplies needed for the new engines were higher than anticipated.
- (11) Older vehicles required repairs.
- (12) Additional trash was removed following the completion of several construction projects.
- (13) Additional safety training for new employees.
- (14) Training expenses due to hiring to replace retirements.
- (15) Planned purchases of samplers occurred at the beginning of the FY. Expenses leveled out as expected.
- (16) Costs for engineering trailer replacement.
- (17) Permit costs are primarily incurred in July of each year. Additional unexpected costs due to RWQCB fines.
- (18) Increased membership costs for new employees. SOCWA had higher levels of membership in CWEA and new operator certifications than originally planned.
- (19) Generator maintenance costs typically range from \$5,000 to \$15,000 per plant depending on services needed.
- (20) Janitorial expenses are lower than projected due to late start of new contractor with a higher rate.
- (21) Costs for engineering trailer replacement.
- (22) Elevated costs due to the unexpected need to replace a sampler.
- (23) Overtime costs required due to nighttime and bypass construction activities for capital projects.
- (24) Recycled water purchase required during a construction project to replace the process water controls system.
- (25) The RTP engine project impacted electricity and gas usage.
- (26) Elevated bleach usage occurred in the AWT at RTP due to debris in the clearwell. Staff worked with MNWD to find a period that the AWT could be shutdown and cleaned in March and May. The removal of the sand media from the AWT allowed staff to repair the failing under drain screens to minimize future debris build up. The inspection and repair information was provided to Engineering for incorporation into the upcoming AWT rehab project.
- (27) Ferric chloride use has increased to comply with the new engine gas cleaning system requirements.
- (28) Plant work station and conference room improvements.
- (29) Additional Liquids system O&M opportunities/repairs identified during construction project shutdowns.
- (30) Substantial repairs were needed at RTP upon AWT shutdowns to perform detailed inspections for the upcoming AWT rehab project.
- (31) Staff investigated a potential leak of the outfall after hours. A reoccurring underground spring was determined to be the source of the water found.
- (32) Additional supplies needed for a toxicity event at the ACOO.
- (33) Additional work in the solids area was performed during the extending outages associated with the engine projects during the year. These repairs would be more difficult and/or more costly to perform without the planned extended outages (i.e. flare repairs, gas line repairs, etc.).
- (34) Several emergency repairs were made on the hot water pipelines serving the digesters in June 2018.
- (35) Pond cleaning could not be completed this FY due to conflicts with other ongoing work and will be scheduled for FY18-19.

South Orange County Wastewater Authority
PRELIMINARY O & M & Environmental Safety Costs Summary
For the Period Ended June 30, 2018

Exhibit E-1

		FY 2017-18 Budget	*Budget Increase	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
Salary and Fringe							
5000--***	Regular Salaries-O&M	4,371,300		4,371,300	4,096,203	275,097	93.7%
5001--***	Overtime Salaries-O&M	74,992	60,000	134,992	146,573	(11,581)	108.6% (1)
5302--***	Performance Based Merit Pay	-		-	11,858	(11,858)	0.0%
5306--***	Scheduled Holiday Work	39,904		39,904	46,334	(6,430)	116.1%
5315--***	Comp Time - O&M	-		-	9,237	(9,237)	0.0%
5401--***	Fringe Benefits IN to PC's & Depts.	3,243,512		3,243,512	3,042,578	200,934	93.8%
5700--***	Standby Pay	69,996		69,996	69,225	771	98.9%
	Total Payroll Costs	7,799,704	60,000	7,859,704	7,422,009	437,695	94.4%
Other Expenses							
5002--***	Electricity	1,484,000	130,000	1,614,000	1,785,552	(171,552)	110.6% (2)
5003--***	Natural Gas	209,512		209,512	119,108	90,404	56.8% (2)
5004--***	Potable & Reclaimed Water	62,008		62,008	77,325	(15,317)	124.7% (3)
5005--***	Co-generation Power Credit	(250,000)		(250,000)	-	(250,000)	0.0% (4)
5006--***	Chlorine/Sodium Hypochlorite	478,000		478,000	536,903	(58,903)	112.3% (5)
5007--***	Polymer Products	709,016		709,016	503,962	205,054	71.1%
5008--***	Ferric Chloride	255,012	25,000	280,012	317,541	(37,529)	113.4% (6)
5009--***	Odor Control Chemicals	160,000		160,000	119,211	40,789	74.5%
5010--***	Other Chemicals - Misc.	5,000		5,000	754	4,246	15.1%
5011--***	Laboratory Services	36,500		36,500	27,230	9,270	74.6%
5012--***	Grit Hauling	122,008		122,008	121,142	866	99.3%
5013--***	Landscaping	183,004		183,004	135,400	47,604	74.0%
5014--***	Engineering - Misc.	392,508		392,508	47,495	345,013	12.1%
5015--***	Management Support Services	128,008		128,008	71,974	56,034	56.2%
5016--***	Audit - Environmental	500		500	-	500	0.0%
5017--***	Legal Fees	12,216		12,216	12,280	(64)	100.5%
5018--***	Public Notices/ Public Relations	500		500	320	180	64.0%
5019--***	Contract Services Misc.	287,000		287,000	282,098	4,902	98.3%
5020--***	Postage Expense	-		-	174	(174)	0.0%
5021--***	Small Vehicle Expense	20,900		20,900	19,633	1,267	93.9%
5022--***	Miscellaneous Expense	18,492		18,492	13,602	4,890	73.6%
5023--***	Office Supplies - All	42,000		42,000	37,276	4,724	88.8%
5024--***	Petroleum Products	60,000		60,000	20,744	39,256	34.6% (2)
5025--***	Uniforms	36,000		36,000	35,153	847	97.6%
5026--***	Small Vehicle Fuel	37,688		37,688	17,473	20,215	46.4%
5027--***	Insurance - Property/Liability	211,740		211,740	208,092	3,648	98.3%
5028--***	Small Tools & Supplies	77,476		77,476	90,225	(12,749)	116.5% (7)
5030--***	Trash Disposal	5,000		5,000	7,263	(2,263)	145.3%
5031--***	Safety Supplies	86,872		86,872	96,144	(9,272)	110.7% (8)
5032--***	Equipment Rental	7,004		7,004	2,024	4,980	28.9%
5033--***	Recruitment	1,000		1,000	5,201	(4,201)	520.1% (9)
5034--***	Travel Expense/Tech. Conferences	61,012		61,012	51,043	9,969	83.7%
5035--***	Training Expense	52,564		52,564	93,351	(40,787)	177.6% (10)
5036--***	Laboratory Supplies	75,024		75,024	76,163	(1,139)	101.5%
5037--***	Office Equipment	22,496		22,496	38,739	(16,243)	172.2% (11)
5038--***	Permits	475,500		475,500	359,577	115,923	75.6%
5039--***	Membership Dues/Fees	12,244		12,244	13,493	(1,249)	110.2%
5040--***	Natural Gas - 11-EPS - PC 5	-		-	-	0	0.0%
5041--***	Electricity - 10-EPS - PC 5	-		-	-	0	0.0%
5042--***	Contract Services - 29-EPS - PC 5	-		-	-	0	0.0%
5044--***	Offshore Monitoring	42,008		42,008	32,757	9,251	78.0%
5045--***	Offshore Biochemistry - 20B	-		-	-	0	0.0%
5046--***	Effluent Chemistry	45,996		45,996	43,892	2,104	95.4%
5047--***	Access Road Expenses	46,996		46,996	28,848	18,148	61.4%
5048--***	Storm Damage	19,000		19,000	-	19,000	0.0%
5049--***	Biosolids Disposal	1,541,004		1,541,004	1,322,804	218,200	85.8%
5050--***	Contract Services Generators	21,008		21,008	21,115	(107)	100.5%
5052--***	Janitorial Services	100,016		100,016	53,199	46,817	53.2%
5053--***	Contract Serv - Digester Cleaning - 29E	60,004		60,004	63,126	(3,122)	105.2%
5054--***	Diesel Truck Maint	40,000		40,000	18,953	21,047	47.4%
5055--***	Diesel Truck Fuel	13,996		13,996	4,480	9,516	32.0%
5056--***	Maintenance Equip. & Facilities (Solids)	328,004		328,004	349,705	(21,701)	106.6%
5057--***	Maintenance Equip. & Facilities (Liquids)	575,000		575,000	547,920	27,080	95.3%
5058--***	Maintenance Equip. & Facilities (Common)	73,008		73,008	47,941	25,067	65.7%
5059--***	Maintenance Equip. & Facilities (Co-Gen)	500,000	40,000	540,000	364,327	175,673	67.5%
5060--***	Maintenance Equip. & Facilities (AWT)	70,000		70,000	105,919	(35,919)	151.3% (12)
5061--***	Mileage	5,688		5,688	1,949	3,739	34.3%
5067--***	Port Cleaning	35,000		35,000	-	35,000	0.0%
5068--***	MNWD Potable Water Supplies & Svcs.	23,996		23,996	22,462	1,534	93.6%
5069--***	Misc-Capital-Dilution & Metering Study	15,004		15,004	19,225	(4,221)	128.1%
5077--***	IT Direct	-		-	500	(500)	0.0%
17-5101-01-00-00	Employee Recognition	-		-	274	(274)	0.0%
5105--***	Co-Generation Power Credit - Offset	250,000		250,000	-	250,000	0.0% (4)
5303--***	Group Insurance Waiver	10,796		10,796	11,361	(565)	105.2%
5305--***	Medicare Tax Payments for Employees	11,044		11,044	8,319	2,725	75.3%
5309--***	Operating Leases	12,000		12,000	41,285	(29,285)	344.0% (11)
5705--***	Monthly Car Allowance	28,196		28,196	30,277	(2,081)	107.4%
5706--***	Effluent Pond Cleaning	90,004		90,004	-	90,004	0.0%
5802--***	Shipping/Freight	-		-	920	(920)	0.0%
6500--***	IT Allocations in to PC's & Depts.	654,684		654,684	611,066	43,618	93.3%
	Total Other Expenses	10,190,256	195,000	10,385,256	9,096,288	1,288,968	87.6%
	Total Expenses	17,989,960	255,000	18,244,960	16,518,297	1,726,663	90.5%

*Budget increase approved at Board Meeting.

- (1) Overtime costs required due to night-time and bypass construction activities for capital projects.
- (2) Engine projects timeframe affecting the electricity and gas budget line items.
- (3) Recycled water purchases were required during a construction project to replace the process water controls system at CTP.
- (4) The RTP engine project startup was delayed into the next fiscal year.
- (5) Elevated bleach usage occurred in the AWT at RTP due to debris in the clearwell. Staff worked with MNWD to find a period that the AWT could be shutdown and cleaned in March and May. The removal of the sand media from the AWT allowed staff to repair the failing under drain screens to minimize future debris build up. The inspection and repair information was provided to Engineering for incorporation into the upcoming AWT rehab project.
- (6) Ferric chloride use has increased more than expected to comply with both new engine gas cleaning system requirements.
- (7) Tools and supplies needed for the new engines were higher than anticipated.
- (8) Safety work and training nearly complete for the Fiscal Year.
- (9) Recruitment costs related to a higher number of retirements than planned.
- (10) Training expenses due to new hire costs related to retirements.
- (11) Costs were incurred to replace the engineering trailer and modify the RTP lab staff work space. No additional costs expected.
- (12) Substantial repairs were needed at RTP upon AWT shutdowns to perform detailed inspections for the upcoming AWT rehab project.

South Orange County Wastewater Authority
PRELIMINARY Budget vs. Actual Comparison - Engineering
For the Period Ended June 30, 2018

Exhibit E-2

		FY 2017-18 Budget	Actual	(Over)/Under Budget	% Expended
Salary and Fringe					
-5000--*-00	Regular Salaries-O&M	142,505	188,860	(46,355)	132.5%
01-5001-03-00-00	Overtime Salaries-O&M	-	202	(202)	0.0%
-5306--*-00	Scheduled Holiday Work	-	48	(48)	0.0%
01-5401-03-00-00	Fringe Benefits IN to PC's & Depts.	105,743	140,281	(34,538)	132.7%
	Total Payroll Costs	248,248	329,392	(81,144)	132.7%
Other Expenses					
01-5015-03-00-00	Management Support Services	913	513	400	56.2%
01-5022-03-00-00	Miscellaneous Expense	2,750	1,586	1,164	57.7%
01-5023-03-00-00	Office Supplies - All	-	248	(248)	0.0%
01-5034-03-00-00	Travel Expense/Tech. Conferences	5,819	7,817	(1,998)	134.3%
01-5035-03-00-00	Training Expense	3,025	3,708	(683)	122.6%
01-5039-03-00-00	Membership Dues/Fees	1,628	930	698	57.1%
01-5061-03-00-00	Mileage	185	220	(35)	118.9%
01-5309-03-00-00	Operating Leases	15,125	8,706	6,419	57.6%
01-5705-03-00-00	Monthly Car Allowance	3,850	4,281	(431)	111.2%
01-5802-03-00-00	Shipping/Freight	275	-	275	0.0%
01-6500-03-00-00	IT Allocations in to PC's & Depts.	53,614	54,594	(980)	101.8%
	Total Other Expenses	87,184	82,603	4,581	94.7%
Total Expenses		335,432	411,995	(76,563)	122.8%

The costs in this department will vary based on the amount of work required to support Capital Projects vs. Non-Capital Projects.

South Orange County Wastewater Authority
PRELIMINARY Budget vs. Actual Comparison - Administration

Exhibit E-3

Year-to-Date June 30, 2018

		FY 2017-18 Budget	*Budget Increase	Adjusted Budget	Actual	(Over)/Under Budget	% Expended	
Salary and Fringe								
01-6000-04-00-00	Regular Salaries-Admin or IT	871,373	30,000	901,373	877,004	24,369	97.3%	
01-6001-04-00-00	Overtime Salaries-Admin or IT	10,000		10,000	31,325	(21,325)	313.2%	(1)
01-6315-04-00-00	Comp Time - Admin	-		-	10,691	(10,691)	0.0%	(1)
01-6401-04-00-00	Fringe Benefits IN to ADMIN or IT	646,559		646,559	651,421	(4,862)	100.8%	(1)
	Total Payroll Costs	1,527,932	30,000	1,557,932	1,570,441	(12,509)	100.8%	
Other Expenses								
01-5018-04-00-00	Public Notices/ Public Relations	1,400		1,400	-	1,400	0.0%	
01-5037-04-00-00	Office Equipment	8,000		8,000	-	8,000	0.0%	
01-6101-04-00-00	HR Recruitment & Employee Relations	10,104		10,104	45,075	(34,971)	446.1%	(2)
01-6102-04-00-00	Subscriptions	1,008		1,008	2,677	(1,669)	265.6%	(3)
01-6200-04-00-00	Management Support Services	112,500	147,500	260,000	219,478	40,522	84.4%	
01-6201-04-00-00	Audit	35,000	5,000	40,000	61,184	(21,184)	153.0%	
01-6202-04-00-00	Legal	90,000		90,000	288,440	(198,440)	320.5%	(1)
01-6203-04-00-00	Outside Services	2,016		2,016	-	2,016	0.0%	
01-6204-04-00-00	Postage	708		708	2,348	(1,640)	331.7%	
01-6223-04-00-00	Office Supplies - Admin	7,500		7,500	5,561	1,939	74.1%	
01-6224-04-00-00	Office Equipment Admin or IT	-		-	6,722	(6,722)	0.0%	
01-6234-04-00-00	Memberships & Trainings	84,827		84,827	71,655	13,172	84.5%	
01-6239-04-00-00	Travel & Conference	36,950		36,950	27,680	9,270	74.9%	
01-6240-04-00-00	Scholarship Sponsorship	1,000		1,000	-	1,000	0.0%	
01-6310-04-00-00	Miscellaneous	14,000		14,000	26,983	(12,983)	192.7%	(4)
01-6311-04-00-00	Mileage	1,000		1,000	1,164	(164)	116.4%	
01-6317-04-00-00	Contract Services Misc	1,800		1,800	4,855	(3,055)	269.7%	
01-6500-04-00-00	IT Allocations in to PC's & Depts.	111,365		111,365	103,944	7,421	93.3%	
01-6601-04-00-00	Shipping/Freight	1,200		1,200	3,595	(2,395)	299.6%	
01-6705-04-00-00	Monthly Car Allowance	12,000		12,000	12,231	(231)	101.9%	
	Total Other Expenses	532,378	152,500	684,878	883,592	(198,714)	129.0%	
Total Expenses		2,060,310	182,500	2,242,810	2,454,033	(211,223)	109.4%	

*Budget increase approved at Board Meeting.

- (1) Additional requirements for Admin due to audits & contracting work; please note that the regular salaries are higher because the staff took less PTO time in order to meet work requirements.
- (2) Recruiting fees relating to increased workload & staff additions.
- (3) Subscription to OC Register
- (4) Iron Mountain, pulling historical documents relating to audit

South Orange County Wastewater Authority
PRELIMINARY Budget vs. Actual Comparison-IT
For the Period Ended June 30, 2018

Exhibit E-4

		FY 2017-18 Budget	Actual	(Over)/Under	% Expended
Salary & Fringe					
01-6000-05-00-00	Regular Salaries-Admin or IT	87,428	87,195	233	99.7%
01-6001-05-00-00	Overtime Salaries-Admin or IT	2,076	7,574	(5,498)	364.8% (1)
01-6315-05-00-00	Comp Time - IT	-	2,110	(2,110)	0.0% (2)
01-6401-05-00-00	Fringe Benefits IN to ADMIN or IT	64,871	64,767	104	99.8%
	Total Salary & Fringe	<u>154,375</u>	<u>161,646</u>	<u>(7,271)</u>	<u>104.7%</u>
Other Expenses					
01-5028-05-00-00	Small Tools & Supplies	1,250	-	1,250	0.0%
01-5035-05-00-00	Training Expense	7,800	11,100	(3,300)	142.3% (3)
01-5037-05-00-00	Office Equipment	1,270	-	1,270	0.0%
01-5061-05-00-00	Mileage	1,008	-	1,008	0.0%
01-6200-05-00-00	Management Support Services	-	4,350	(4,350)	0.0% (4)
01-6234-05-00-00	Memberships & Trainings	-	336	(336)	0.0%
01-6239-05-00-00	Travel & Conference	9,900	2,608	7,292	26.3%
01-6300-05-00-00	Software Maintenance Agreements	170,893	128,792	42,101	75.4%
01-6301-05-00-00	Hardware Maintenance Agreements	11,657	5,529	6,128	47.4%
01-6302-05-00-00	Cloud Subscriptions (Internet)	45,300	45,251	49	99.9%
01-6303-05-00-00	Telecommunications	134,300	119,986	14,314	89.3%
01-6305-05-00-00	IT Professional Services	77,000	119,628	(42,628)	155.4% (5)
01-6306-05-00-00	Small Hardware Purchases (< \$5k)	70,000	59,166	10,834	84.5%
01-6307-05-00-00	Small Software Purchases & Licenses (<\$5k)	89,455	48,838	40,617	54.6%
01-6308-05-00-00	IT Memberships	160	1,138	(978)	711.4%
01-6309-05-00-00	Operating Leases	44,000	56,935	(12,935)	129.4% (6)
01-6310-05-00-00	Miscellaneous	5,000	279	4,721	5.6%
01-6312-05-00-00	Computer & Photocopy Supplies	900	4,023	(3,123)	447.0% (7)
01-6601-05-00-00	Shipping/Freight	276	-	276	0.0%
	Total Other Expenses	<u>670,169</u>	<u>607,958</u>	<u>62,211</u>	<u>90.7%</u>
	Total Expenses before Allocation	<u>824,544</u>	<u>769,604</u>	<u>54,940</u>	<u>93.3%</u>
IT Allocations (Out) to PC's & Depts					
01-6400-05-00-00	IT Allocations (OUT) to PC's & Depts.	<u>(824,544)</u>	<u>(769,605)</u>	<u>(54,939)</u>	<u>93.3%</u>
	Total IT Allocations (Out) to PC's & Depts	<u>(824,544)</u>	<u>(769,605)</u>	<u>(54,939)</u>	<u>93.3%</u>

- (1) Security patch application after business hours to avoid business network interruption.
- (2) Software application updates due to software integration projects.
- (3) Unexpected training expenses due to new security threats of public utilities.
- (4) Temporary IT staffing unexpected in FY.
- (5) Additional training for new employees on finance software.
- (6) Exceedance of printing contract due to copying needs within SOCWA.
- (7) Unanticipated supply costs associated with new employees.

South Orange County Wastewater Authority
FY 2017-18 Preliminary Actual Fringe Pool and Fringe Rate
(Slight Change from Budgeted Rate)

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Budget	FY 2017-18 Forecast	FY 2017-18 Actual	FY 2018-19 Budget	FY 2019-20 Budget	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 Budget
457 Plan - Employer Contribution	13,821	83,925	85,000	85,000	76,705	85,000	85,000	85,000	85,000	85,000
Accrued Administrative Leave	34,879	30,478	21,622	22,000	23,361	25,114	26,669	28,319	30,072	31,934
Accrued Holiday	221,783	220,371	247,435	248,279	234,247	257,161	273,079	289,983	307,933	326,994
Accrued Personal Leave	74,238	76,638	84,288	85,000	83,205	90,895	96,521	102,496	108,841	115,578
Accrued Sick Pay	242,262	262,987	278,890	278,890	236,965	299,485	318,023	337,709	358,613	380,811
Accrued Vacation	372,526	416,343	409,536	409,536	415,976	391,291	415,512	441,232	468,544	497,547
Bereavement Pay	1,345	8,088	1,398	7,856	10,903	8,000	8,000	8,000	8,000	8,000
Jury Duty					5,817					
Disability Insurance - Private	51,728	56,122	59,307	57,534	57,924	58,373	59,540	60,731	61,945	63,184
Group Life Insurance > \$50,000 (taxable)	7,233	-	-	-	-	-	-	-	-	-
Group Medical Insurance	941,108	1,017,679	967,541	973,516	885,378	1,005,463	1,038,644	1,072,919	1,108,325	1,144,900
Medicare Tax - Employer	94,167	94,550	95,922	94,128	97,891	101,154	105,671	110,180	116,714	123,391
Pension Benefit in Excess of Cap	2,824	2,199	2,937	-	4,685	-	-	-	-	-
Retiree Health PARS Investment	500,000	504,000	250,000	250,000	210,000		250,000	250,000	250,000	250,000
Retiree Health Benefits	281,389	384,936	308,402	384,038	364,395	413,056	444,448	478,226	514,571	553,679
Retirement - PERS Normal Costs	517,823	500,175	609,905	513,873	504,975	581,590	631,356	713,220	755,877	799,409
Retirement - PERS Unfunded Liability	429,804	497,705	595,685	595,685	595,164	743,842	908,700	1,038,700	1,203,000	1,346,400
Unemployment Ins./Reimbursement	1,378	1,234	1,433	1,500		2,000	2,000	2,000	2,000	2,000
Workers Compensation Ins.	76,883	212,990	223,717	254,523	233,538	260,000	260,000	260,000	260,000	260,000
Total O&M Budget Fringe Benefits Pool	3,865,192	4,370,418	4,243,018	4,261,357	4,041,130	4,322,424	4,923,163	5,278,716	5,639,435	5,988,826
						7.0%	13.9%	7.2%	6.8%	6.2%
Pay for Time Worked Labor Base(Regular Salaries)										
O&M		3,184,417	3,475,459	3,475,459	3,289,542	3,627,186	3,750,941	3,988,310	4,237,065	4,486,041
Environmental		815,299	895,840	895,840	806,662	883,205	937,034	989,274	1,044,426	1,102,600
Engineering including CIP Labor		305,422	388,651	388,651	380,121	417,610	443,042	467,742	493,819	521,349
Admin		695,744	871,373	871,373	877,004	985,352	1,045,360	989,444	1,044,606	1,102,843
IT		44,447	87,428	87,428	87,195	93,378	99,065	104,579	110,410	116,559
Total Pay for Time Worked Labor Base	4,976,917	5,045,329	5,718,751	5,718,751	5,440,524	6,006,731	6,275,442	6,539,350	6,930,325	7,329,392
Fringe Rate	78%	86.6%	74.2%	74.5%	74.3%	72.0%	78.5%	80.7%	81.4%	81.7%