

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

**October 31, 2018
8:30 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 **October 31, 2018** at **8:30 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.

4. Approval of Minutes

- a) Finance Committee Meeting Minutes of September 19, 2018
- b) Finance Committee Meeting Minutes of August 29, 2018
- c) Finance Committee Meeting Minutes of August 10, 2018
- d) Finance Committee Meeting Minutes of June 27, 2018

Recommendation: Finance Committee approval of minutes as submitted.

5. Monthly Financial Report for June 2018

- a) Staff Report

Recommendation: Information Item.

6. Monthly Financial Report for July 2018

- a) Summary of Disbursements for July 2018 – Exhibit A
- b) Schedule of Funds Available for Reinvestment – Exhibit B
- c) Schedule of Cash and Investments – Exhibit C

Recommendation:

Staff recommends that the Finance Committee recommends to the Board of Directors to ratify the Summary of Disbursements for July 2018 totaling \$ 3,303,774 and to receive and file the Financial Reports as submitted.

7. Monthly Financial Report for August 2018

- a) Summary of Disbursements for August 2018 – Exhibit A
- b) Schedule of Funds Available for Reinvestment – Exhibit B
- c) Schedule of Cash and Investments – Exhibit C

Recommendation:

Staff recommends that the Finance Committee recommends to the Board of Directors to ratify the Summary of Disbursements for August 2018 totaling \$ 1,721,877 and to receive and file the Financial Reports as submitted.

8. Monthly Financial Report for September 2018

- a) Summary of Disbursements for September 2018 – Exhibit A
- b) Schedule of Funds Available for Reinvestment – Exhibit B
- c) Schedule of Cash and Investments – Exhibit C

Recommendation:

Staff recommends that the Finance Committee recommends to the Board of Directors to ratify the Summary of Disbursements for September 2018 totaling \$ 2,192,852 and to receive and file the Financial Reports as submitted.

9. Quarterly (Q1) Financial Reports July 1, 2018 thru September 30, 2018

- a) Capital Summaries – Exhibit D
- b) Capital Projects – Graph – Exhibit D1
- c) Budget vs. Actual Expenses
- d) O&M Budget vs. Actual Comparison by PC – Exhibit E1 & E1.2

- e) Budget vs. Actual Comparison – Engineering – Exhibit E2
- f) Budget vs. Actual Comparison – Administration – Exhibit E3
- g) Actual General Fund Expenses Exhibit E3.2
- h) Budget vs. Actual Comparison Information Technology (IT) - Exhibit E4
- i) PARS Retiree Health Trust Fund Ending Balance June 30, 2018 (Exhibit F)
- j) LAIF Performance Report Quarter Ending September 30, 2018 (Exhibit G)

Recommendation:

Staff recommends that the Finance Committee recommends to the Board of Directors to receive and file the Quarterly (Q1) Financial Reports for July 1, 2018 thru September 30, 2018 as submitted.

**10. Cash Roll Forward Fiscal Years Summary
June 30, 2016 through June 30, 2018, ending September 30, 2018**

Recommendation: Information Item; Receive and File.

11. 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 25th day of October 2018.



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

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

**Finance Committee
September 19, 2018**

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee Meeting was held on September 19, 2018 at 1:30 p.m. at their Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Finance Committee were present:

DENNIS ERDMAN	South Coast Water District
ROBB GRANTHAM	Santa Margarita Water District
RAY MILLER	City of San Juan Capistrano
FRED ADJARIAN	El Toro Water District
MATT COLLINGS	Moulton Niguel Water District

Absent:

TONI ISEMAN	City of Laguna Beach
BETTY BURNETT	General Manager

Staff Present:

DANITA HIRSH	Administrative Assistant
MARY CAREY	Finance Controller
JIM BURROR	Director of Operations
AMBER BAYLOR	Director of Environmental Compliance
DINA ASH	HR Administrator
ANNA SUTHERLAND	Accounts Payable
KONSTANTIN SHILKOV	Sr. Accountant
NADYN KIM	Accountant

Also Present:

MARY BETH REDDING	Bartel Associates, LLC
WILL KANE	Nyhart
DENNIS CAFFERTY	El Toro Water District
NEELY SHAHBAKTI	El Toro Water District
MATTHEW PEREA	South Coast Water District

1. Call Meeting to Order

Chairperson Erdman called the meeting to order at 1:31 p.m.

2. Pledge of Allegiance – Director Ray Miller

3. Public Comments

None

4. Approval of Minutes

ACTION TAKEN

Motion was made by Director Adjarian and seconded by Director Miller to approve the Finance Committee Minutes of December 6, 2017 as submitted.

Motion carried:	Aye 5, Nay 0, Abstained 0, Absent 1
	Director Erdman Aye
	Director Iseman Absent
	Director Miller Aye
	Director Grantham Aye
	Director Collings Aye
	Director Adjarian Aye

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

Director Collings thanked the Committee for allowing him time to present the methodology to Moulton’s Board of Directors. He stated however, that Moulton is not prepared to support the methodology due to concerns of overall liabilities and concerns with how to manage the future growth of labor costs and that Moulton does not have an alternate methodology to present. An open discussion ensued.

There was consensus amongst the Committee Members, with the exception of Director Collings comments, to forward the agenda item on to the Board of Directors for full discussion and consideration for approval.

6. FY2016-17 Use Audit (Final)

Ms. Carey provided the Committee with an update on the expenditures for the FY 2016-17 Use Audit. An open discussion ensued.

The Committee directed staff to provide reconciliation of the cash summary for CIP Projects project-by-project to be included in the FY17-18 Use Audit going forward. Staff was also directed to redistribute the reconciliation for the FY2016-17 that will tie the Financial Statements Audit to the Use Audit for the member agencies.

ACTION TAKEN

Motion was made by Director Grantham and seconded by Director Adjarian to recommend to the Board of Directors to approve the FY2016-17 Use Audit and collection from and payments to SOCWA member agencies consistent with the results of the FY 2016-17 Use Audit contingent on the additional items as requested.

Motion carried:	Aye 5, Nay 0, Abstained 0, Absent 1
	Director Erdman Aye
	Director Iseman Absent
	Director Miller Aye
	Director Grantham Aye
	Director Collings Aye
	Director Adjarian Aye

7. FY2017-18 Use Audit (Preliminary)

Ms. Carey noted that the FY2017-18 Use Audit had been distributed to SOCWA's Member Agency's Finance Officers electronically for review and feedback. She also stated, the FY2017-18 Use Audit was preliminary pending the completion of the Annual Financial Statements Audit. An open discussion ensued.

The Committee directed staff to schedule a meeting with SOCWA's Member Agency's Finance Officers in the next 2 weeks to review the materials that were distributed.

This was an Information Item; no action was required.

8. FY 2017-18 Cash Roll Forward (Preliminary)

Ms. Carey provided a presentation to the Committee on the FY2017-18 Cash Roll Forward stating the numbers are preliminary pending completion of the Financial Statements Audit. Additionally, the information provided is detailed by Project Committee, project level and Member Agency level and has been forwarded to SOCWA's Finance Officers for review. An open discussion ensued.

The Committee directed staff to also include discussion of the Preliminary FY 2017-18 Cash Roll Forward at the Finance Officers meeting when scheduled in the next 2 weeks.

9. Distribution of FY2017-18 Legal Expenditures

The Committee directed staff to report back on this item and revise the information to include the list of law firms providing services for the areas identified.

10. Adjournment

There being no further business, Chairman Erdman adjourned the meeting at 2:25 p.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Special Meeting of the South Orange County Wastewater Authority Finance Committee of September 19, 2018 as approved by the Finance Committee.

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

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

**Finance Committee
August 29, 2018**

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee Meeting was held on August 29, 2018 at 1:30 p.m. at their Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Finance Committee were present:

DENNIS ERDMAN	South Coast Water District
ROBB GRANTHAM	Santa Margarita Water District
RAY MILLER	City of San Juan Capistrano
FRED ADJARIAN	El Toro Water District

Absent:

TONI ISEMAN	City of Laguna Beach
MATT COLLINGS	Moulton Niguel Water District

Staff Present:

BETTY BURNETT	General Manager
DANITA HIRSH	Executive Assistant
MARY CAREY	Finance Controller
JIM BURROR	Director of Operations
AMBER BAYLOR	Director of Environmental Compliance
DINA ASH	HR Administrator
ANNA SUTHERLAND	Accounts Payable
KONSTANTIN SHILKOV	Sr. Accountant
NADYN KIM	Accountant

Also Present:

MARY BETH REDDING	Bartel Associates LLC
WILL KANE	Nyhart
DENNIS CAFFERTY	El Toro Water District
NEELY SHAHBAKTI	El Toro Water District
MATTHEW PEREA	South Coast Water District

1. Call Meeting to Order

Chairperson Erdman called the meeting to order at 1:30 p.m.

2. Pledge of Allegiance – Director Fred Adjarian

3. Public Comments

None

Chairperson Erdman stated he would like to address the meeting calendar for any upcoming meetings in September and October. An open discussion ensued.

At the direction of the Chairperson, staff was directed to poll Board members for an alternate date to hold the Board of Directors meeting in October should there be a conflict with the regular meeting date of October 4, 2018 and WEFTEC Conference dates.

Ms. Burnett asked if the Chairperson would like to discuss the schedule for work to be done by the Finance Committee. An open discussion ensued.

Ms. Burnett reviewed a memo with the projected dates previously shared with the Board and the Committee. Ms. Burnett noted that there would be updates as necessary to meet critical deadlines. She stated due to conflicts with the projected September 6th meeting date, the Finance Committee would be meeting on September 19th.

4. Approval of Minutes

Chairperson Erdman noted a correction on page 2 of the May 24 Minutes, under the "Action Taken" under General Fund for the spelling of the word "Budget".

ACTION TAKEN

Motion was made by Director Adjarian and seconded by Director Grantham to approve the Finance Committee Minutes of May 24, 2018, May 16, 2018 and March 30, 2018 with the correction as noted.

Motion carried:	Aye 4, Nay 0, Abstained 0, Absent 2
	Director Erdman Aye
	Director Iseman Absent
	Director Miller Aye
	Director Grantham Aye
	Director Collings Absent
	Director Adjarian Aye

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

Ms. Carey provided the Committee with an update on the meeting with SOCWA's Finance Managers and the additional work performed by the Actuaries. An open discussion ensued.

Chairperson Erdman noted for the record, Moulton Niguel Water District was absent and that they wanted to take more time to research their internal data. He continued to state, if Moulton had any other changes or issues they would like addressed, the Committee would be open to hear them.

Ms. Burnett noted that the item would also be added to the agenda for the next Finance Committee meeting as a place holder should Moulton Niguel Water District desire to present further information.

ACTION TAKEN

Motion was made by Director Adjarian and seconded by Director Grantham to recommend 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: a) Pension, b) Post-Retirement Health Care Benefits; and c) Compensated Absences as presented (attached).

Motion carried:	Aye 4, Nay 0, Abstained 0, Absent 2
	Director Erdman Aye
	Director Iseman Absent
	Director Miller Aye
	Director Grantham Aye
	Director Collings Absent
	Director Adjarian Aye

6. Update on USE-AUDIT Preparation, FY2016-17, and FY2017-18

Ms. Baylor provided the Committee with an overview on the FY 2017-18 Flows and Solids Loading percentages for distribution amongst member agencies (attached). An open discussion ensued. This was an information item; no action was required.

7. Distribution of FY2017-18 Legal Expenditures

Ms. Burnett gave an overview on processing legal expenditures. She stated that a more detailed summary would be provided at the September 19th Finance Committee. This was an information item; no action was required.

8. Adjournment

There being no further business, Chairman Erdman adjourned the meeting at 2:25 p.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Special Meeting of the South Orange County Wastewater Authority Finance Committee of August 29, 2018 as approved by the Finance Committee.

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

South Orange County Wastewater Authority

Long Term Liabilities Allocation Methodology

Mary Beth Redding



Will Kane



Allocation of Unfunded Liability

- 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

- 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

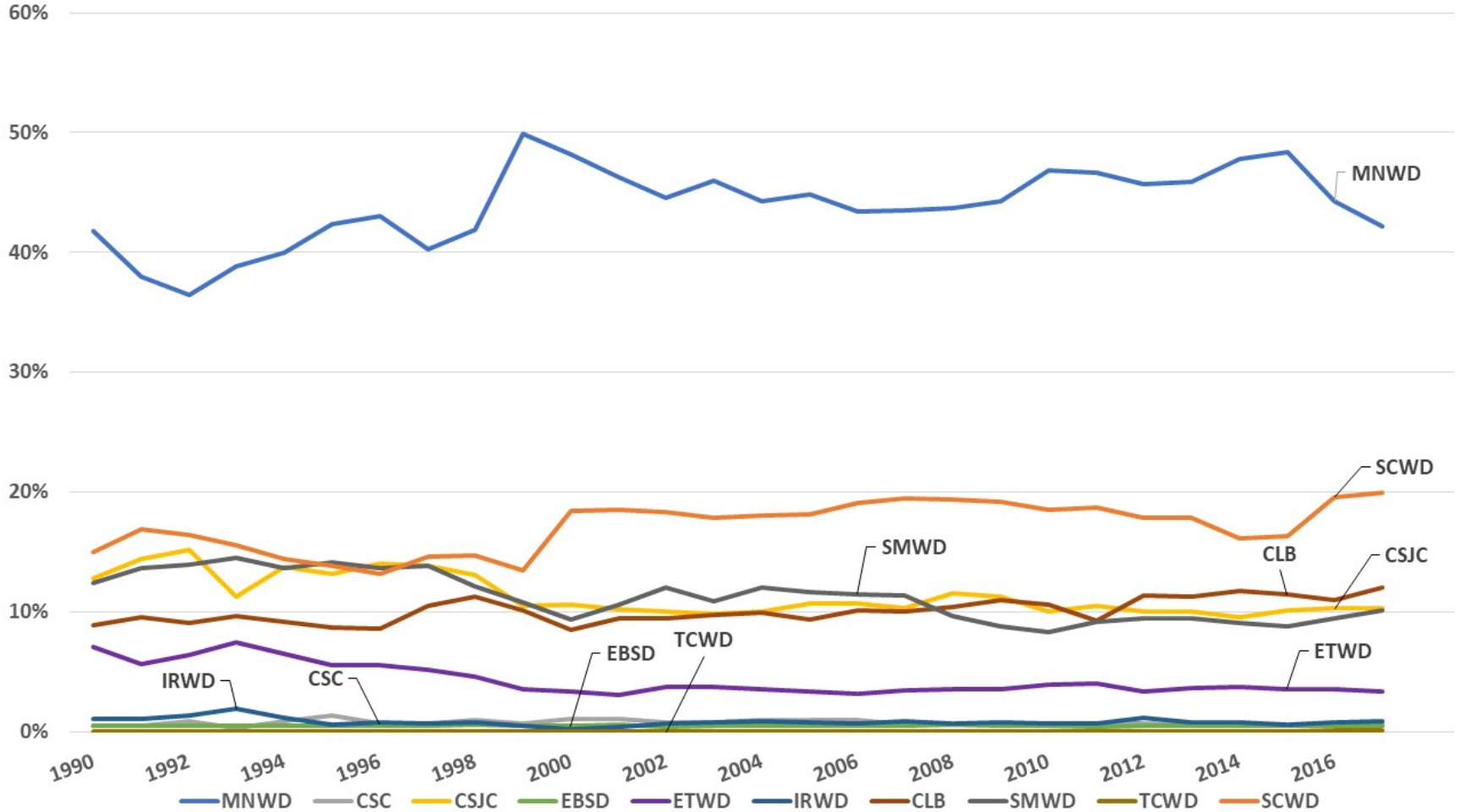


Future Application

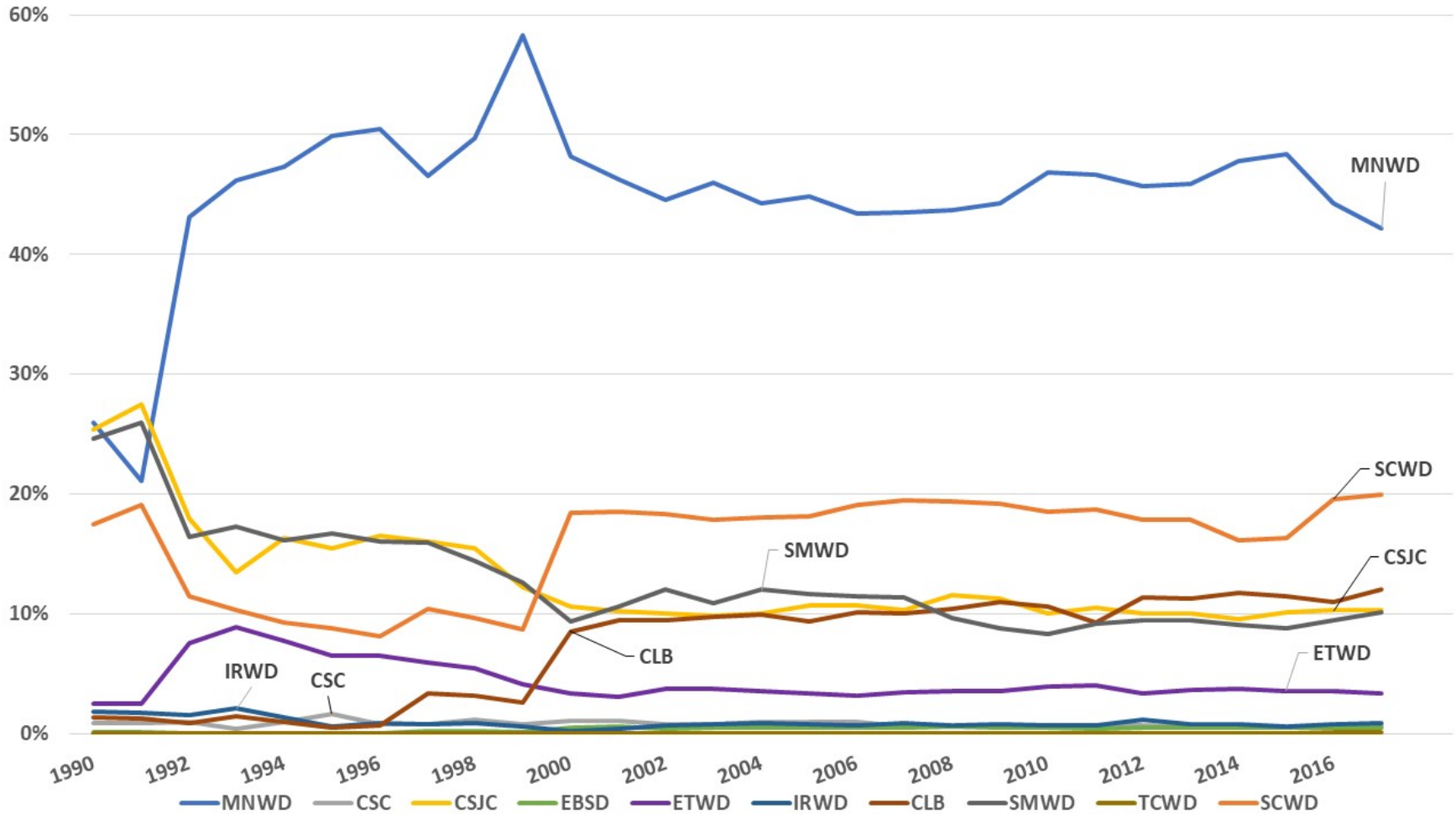
- Recommendation intended to be simple to replicate in future years
 - For 6/30/2019, the 2018 labor costs will be appended to existing data and included in new average
 - Allocation percentages should move gradually and reasonable predictably over time
 - Compensated Absence average would continue to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

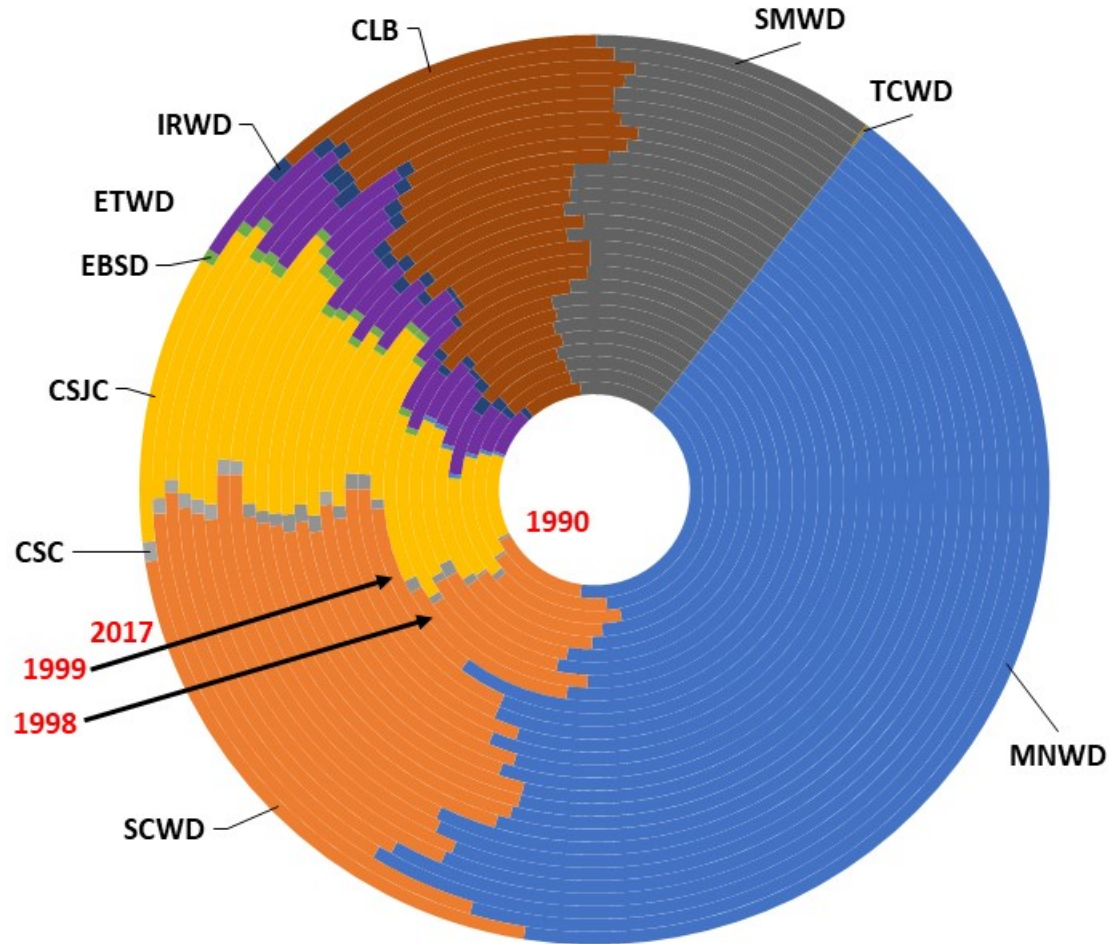


Change in Labor Percentage Over 27 Years, Excludes Contract Years



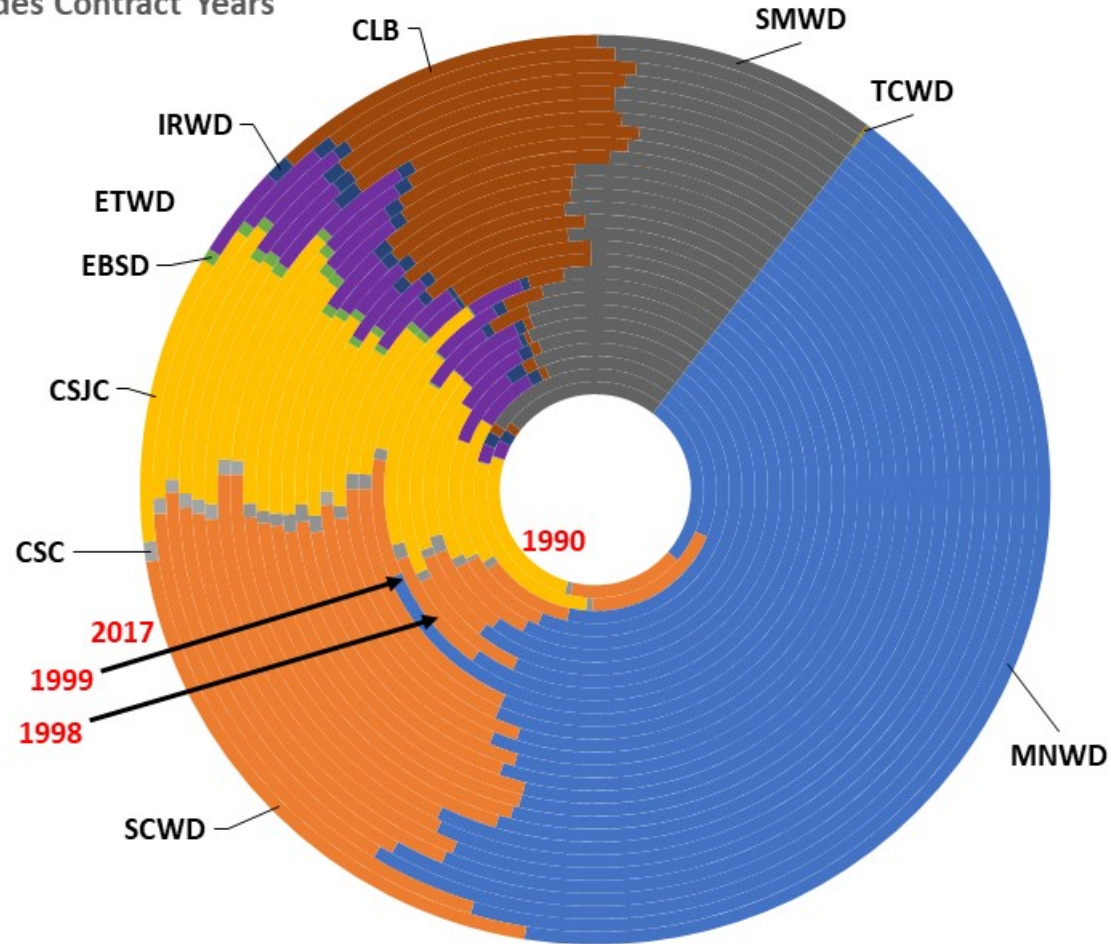
Labor Data

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 (\$000's)

	Avg. Pension\$ 2002-2017	%	Avg. Pension\$ 1990 – 2017	%	Avg. Pension\$ 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. Retiree Health\$ 2002-2017	%	Avg. Retiree Health\$ 1990 – 2017	%	Avg. Retiree Health\$ 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 (\$000's)

	Comp. Absences \$ 6/30/2018	%
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

Based on Where Worked Labor Distribution FY's 2002 through 2016, SOCWA's Inception-to-Date											
Net Pension Liability As of June 30, 2017 by Project Committee and Member Agency (\$'s)											
City of Laguna Beach	City of San Clemente	City of San Juan Capistrano	El Toro Water District	Emerald Bay Service District	Irvine Ranch Water District	Moulton Niguel Water District	Santa Margarita Water District	South Coast Water District	Trabuco Canyon Water District	Total	
PC 2 - Jay B. Latham Plant	-	-	1,116,948	-	-	-	593,382	758,012	871,559	-	3,339,900
PC 3A							1,214,534	238,530			1,453,064
PC 5 - San Juan Creek Ocean Outfall	-	45,381	42,711	-	-	-	29,791	82,762	29,243	-	229,889
PC 8 - Pretreatment Program	24,738	31,930	33,457	20,091	1,602	33,432	70,184	65,157	52,727	-	333,318
PC 12 SO- Water Reclamation Permits	-	-	469	440	-	610	2,051	1,523	621	613	6,327
PC 15 - Coastal Treatment Plant/AWT	909,721	-	-	-	40,627	-	109,521	-	966,700	-	2,026,570
PC 17 - Joint Regional	247,541	-	-	328,020	9,765	-	3,161,138	-	174,953	-	3,921,417
PC 21 Effluent Transmission Main	-	-	-	-	-	-	-	-	-	-	-
PC 24 - Aliso Creek Ocean Outfall	34,301	-	-	65,824	1,343	54,245	70,982	-	12,764	-	239,459
Total Net Pension Liability by Project Committee and Member Agency	1,216,301	77,311	1,193,586	414,375	53,337	88,286	5,251,583	1,145,985	2,108,568	613	11,549,944
Based on Where Worked Labor Distribution FY's 2002 through 2016, SOCWA's Inception-to-Date											
Net Pension Liability As of June 30, 2017 by Project Committee and Member Agency (%'s)											
City of Laguna Beach	City of San Clemente	City of San Juan Capistrano	El Toro Water District	Emerald Bay Service District	Irvine Ranch Water District	Moulton Niguel Water District	Santa Margarita Water District	South Coast Water District	Trabuco Canyon Water District	Total	
PC 2 - Jay B. Latham Plant			33.4%				17.8%	22.7%	26.1%	100.0%	
PC 3A							83.6%	16.4%		100.0%	
PC 5 - San Juan Creek Ocean Outfall		19.7%	18.6%				13.0%	36.0%	12.7%	100.0%	
PC 8 - Pretreatment Program	7.4%	9.6%	10.0%	6.0%	0.5%	10.0%	21.1%	19.5%	15.8%	100.0%	
PC 12 SO- Water Reclamation Permits			7.4%	6.9%	0.0%	9.6%	32.4%	24.1%	9.8%	100.0%	
PC 15 - Coastal Treatment Plant/AWT	44.9%				2.0%		5.4%		47.7%	100.0%	
PC 17 - Joint Regional	6.3%			8.4%	0.2%		80.6%		4.5%	100.0%	
PC 21 Effluent Transmission Main										0.0%	
PC 24 - Aliso Creek Ocean Outfall	14.3%			27.5%	0.6%	22.7%	29.6%		5.3%	100.0%	
Net Pension Liability by Member Agency	10.5%	0.7%	10.3%	3.6%	0.5%	0.8%	45.5%	9.9%	18.3%	0.0%	100.0%

Net Pension Liability

PC 2 - Jay B. Latham Plant
 PC 3A
 PC 5 - San Juan Creek Ocean Outfall
 PC 8 - Pretreatment Program
 PC 12 SO- Water Reclamation Permits
 PC 15 - Coastal Treatment Plant/AWT
 PC 17 - Joint Regional
 PC 21 Effluent Transmission Main
 PC 24 - Aliso Creek Ocean Outfall

Total Net Pension Liability by Project Committee and Member Agency

Member Agency Distribution by PC %

PC 2 - Jay B. Latham Plant
 PC 3A
 PC 5 - San Juan Creek Ocean Outfall
 PC 8 - Pretreatment Program
 PC 12 SO- Water Reclamation Permits
 PC 15 - Coastal Treatment Plant/AWT
 PC 17 - Joint Regional
 PC 21 Effluent Transmission Main
 PC 24 - Aliso Creek Ocean Outfall

Net Pension Liability by Member Agency

Based on Where Worked Labor Distribution FY's 2002 through 2017, SOCWA's Inception-to-Date											
Retiree Health (GASB 75 Amount) As of June 30, 2018 by Project Committee and Member Agency (\$'s)											
City of Laguna Beach	City of San Clemente	City of San Juan Capistrano	El Toro Water District	Emerald Bay Service District	Irvine Ranch Water District	Moulton Niguel Water District	Santa Margarita Water District	South Coast Water District	Trabuco Canyon Water District	Total	
PC 2 - Jay B. Latham Plant	-	-	638,116	-	-	-	345,701	441,958	500,448	-	1,926,223
PC 3A							651,602	127,950			779,553
PC 5 - San Juan Creek Ocean Outfall	-	26,492	24,883	-	-	-	17,702	47,146	17,170	-	133,393
PC 8 - Pretreatment Program	13,573	17,806	18,302	10,976	947	18,873	39,480	36,935	29,629	-	186,520
PC 12 SO- Water Reclamation Permits	-	-	519	486	-	674	2,268	1,685	687	678	6,999
PC 15 - Coastal Treatment Plant/AWT	525,335	-	-	-	23,181	-	63,840	-	556,096	-	1,168,452
PC 17 - Joint Regional	142,027	-	-	186,763	5,537	-	1,826,220	-	100,302	-	2,260,850
PC 21 Effluent Transmission Main	-	-	-	-	-	-	-	-	-	-	-
PC 24 - Aliso Creek Ocean Outfall	20,062	-	-	37,482	769	31,282	40,912	-	7,502	-	138,010
Total Retiree Health Liability by Project Committee and Member Agency	700,998	44,298	681,820	235,707	30,434	50,829	2,987,726	655,675	1,211,834	678	6,600,000

Based on Where Worked Labor Distribution FY's 2002 through 2017, SOCWA's Inception-to-Date											
Retiree Health (GASB 75 Amount) As of June 30, 2018 by Project Committee and Member Agency (%'s)											
City of Laguna Beach	City of San Clemente	City of San Juan Capistrano	El Toro Water District	Emerald Bay Service District	Irvine Ranch Water District	Moulton Niguel Water District	Santa Margarita Water District	South Coast Water District	Trabuco Canyon Water District	Total	
PC 2 - Jay B. Latham Plant			33.1%				17.9%	22.9%	26.0%	100.0%	
PC 3A							83.6%	16.4%		100.0%	
PC 5 - San Juan Creek Ocean Outfall		19.9%	18.7%				13.3%	35.3%	12.9%	100.0%	
PC 8 - Pretreatment Program	7.3%	9.5%	9.8%	5.9%	0.5%	10.1%	21.2%	19.8%	15.9%	100.0%	
PC 12 SO- Water Reclamation Permits			7.4%	6.9%	0.0%	9.6%	32.4%	24.1%	9.8%	100.0%	
PC 15 - Coastal Treatment Plant/AWT	45.0%				2.0%		5.5%		47.6%	100.0%	
PC 17 - Joint Regional	6.3%			8.3%	0.2%		80.8%		4.4%	100.0%	
PC 21 Effluent Transmission Main										0.0%	
PC 24 - Aliso Creek Ocean Outfall	14.5%			27.2%	0.6%	22.7%	29.6%		5.4%	100.0%	
Retiree Health Liability by Member Agency	10.6%	0.7%	10.3%	3.6%	0.5%	0.8%	45.3%	9.9%	18.4%	0.0%	100.0%

Net Pension Liability

PC 2 - Jay B. Latham Plant	-	-	638,116	-	-	-	345,701	441,958	500,448	-	1,926,223
PC 3A							651,602	127,950			779,553
PC 5 - San Juan Creek Ocean Outfall	-	26,492	24,883	-	-	-	17,702	47,146	17,170	-	133,393
PC 8 - Pretreatment Program	13,573	17,806	18,302	10,976	947	18,873	39,480	36,935	29,629	-	186,520
PC 12 SO- Water Reclamation Permits	-	-	519	486	-	674	2,268	1,685	687	678	6,999
PC 15 - Coastal Treatment Plant/AWT	525,335	-	-	-	23,181	-	63,840	-	556,096	-	1,168,452
PC 17 - Joint Regional	142,027	-	-	186,763	5,537	-	1,826,220	-	100,302	-	2,260,850
PC 21 Effluent Transmission Main	-	-	-	-	-	-	-	-	-	-	-
PC 24 - Aliso Creek Ocean Outfall	20,062	-	-	37,482	769	31,282	40,912	-	7,502	-	138,010

Total Retiree Health Liability by Project Committee and Member Agency

Member Agency Distribution by PC %

PC 2 - Jay B. Latham Plant			33.1%				17.9%	22.9%	26.0%	100.0%
PC 3A							83.6%	16.4%		100.0%
PC 5 - San Juan Creek Ocean Outfall		19.9%	18.7%				13.3%	35.3%	12.9%	100.0%
PC 8 - Pretreatment Program	7.3%	9.5%	9.8%	5.9%	0.5%	10.1%	21.2%	19.8%	15.9%	100.0%
PC 12 SO- Water Reclamation Permits			7.4%	6.9%	0.0%	9.6%	32.4%	24.1%	9.8%	100.0%
PC 15 - Coastal Treatment Plant/AWT	45.0%				2.0%		5.5%		47.6%	100.0%
PC 17 - Joint Regional	6.3%			8.3%	0.2%		80.8%		4.4%	100.0%
PC 21 Effluent Transmission Main										0.0%
PC 24 - Aliso Creek Ocean Outfall	14.5%			27.2%	0.6%	22.7%	29.6%		5.4%	100.0%

Retiree Health Liability by Member Agency

Based on Where Worked Labor Distribution FY's 2015 through 2017, Rolling 3 Years											
Compensated Absences As of June 30, 2018 by Project Committee and Member Agency (\$'s)											
City of Laguna Beach	City of San Clemente	City of San Juan Capistrano	El Toro Water District	Emerald Bay Service District	Irvine Ranch Water District	Moulton Niguel Water District	Santa Margarita Water District	South Coast Water District	Trabuco Canyon Water District	Total	
PC 2 - Jay B. Latham Plant	-	-	47,925	-	-	-	33,793	38,909	35,958	-	156,585
PC 3A							22,760	1,679			24,439
PC 5 - San Juan Creek Ocean Outfall	-	1,900	1,813	-	-	-	1,448	2,530	1,235	-	8,926
PC 8 - Pretreatment Program	755	967	1,043	591	104	1,148	2,878	3,086	2,265	-	12,837
PC 12 SO- Water Reclamation Permits	-	-	199	186	-	258	868	645	263	260	2,680
PC 15 - Coastal Treatment Plant/AWT	42,862	-	-	-	1,656	-	6,361	-	43,763	-	94,641
PC 17 - Joint Regional	11,928	-	-	14,223	387	-	154,679	-	7,937	-	189,154
PC 21 Effluent Transmission Main	-	-	-	-	-	-	-	-	-	-	-
PC 24 - Aliso Creek Ocean Outfall	1,580	-	-	2,348	48	2,200	2,194	-	528	-	8,898
Total Retiree Health Liability by Project Committee and Member Agency	57,125	2,867	50,980	17,348	2,195	3,606	224,982	46,849	91,950	260	498,160

Based on Where Worked Labor Distribution FY's 2015 through 2017, Rolling 3 Years										
Compensated Absences As of June 30, 2018 by Project Committee and Member Agency (%'s)										
City of Laguna Beach	City of San Clemente	City of San Juan Capistrano	El Toro Water District	Emerald Bay Service District	Irvine Ranch Water District	Moulton Niguel Water District	Santa Margarita Water District	South Coast Water District	Trabuco Canyon Water District	Total
PC 2 - Jay B. Latham Plant			30.6%				21.6%	24.8%	23.0%	100.0%
PC 3A							93.1%	6.9%		100.0%
PC 5 - San Juan Creek Ocean Outfall		21.3%	20.3%				16.2%	28.3%	13.8%	100.0%
PC 8 - Pretreatment Program	5.9%	7.5%	8.1%	4.6%	0.8%	8.9%	22.4%	24.0%	17.6%	100.0%
PC 12 SO- Water Reclamation Permits			7.4%	6.9%	0.0%	9.6%	32.4%	24.1%	9.8%	100.0%
PC 15 - Coastal Treatment Plant/AWT	45.3%				1.7%		6.7%		46.2%	100.0%
PC 17 - Joint Regional	6.3%			7.5%	0.2%		81.8%		4.2%	100.0%
PC 21 Effluent Transmission Main										0.0%
PC 24 - Aliso Creek Ocean Outfall	17.8%			26.4%	0.5%	24.7%	24.7%		5.9%	100.0%
Retiree Health Liability by Member Agency	11.5%	0.6%	10.2%	3.5%	0.4%	0.7%	45.2%	9.4%	18.5%	100.0%

Net Pension Liability

PC 2 - Jay B. Latham Plant
 PC 3A
 PC 5 - San Juan Creek Ocean Outfall
 PC 8 - Pretreatment Program
 PC 12 SO- Water Reclamation Permits
 PC 15 - Coastal Treatment Plant/AWT
 PC 17 - Joint Regional
 PC 21 Effluent Transmission Main
 PC 24 - Aliso Creek Ocean Outfall

Total Retiree Health Liability by Project Committee and Member Agency

Member Agency Distribution by PC %

PC 2 - Jay B. Latham Plant
 PC 3A
 PC 5 - San Juan Creek Ocean Outfall
 PC 8 - Pretreatment Program
 PC 12 SO- Water Reclamation Permits
 PC 15 - Coastal Treatment Plant/AWT
 PC 17 - Joint Regional
 PC 21 Effluent Transmission Main
 PC 24 - Aliso Creek Ocean Outfall

Retiree Health Liability by Member Agency

Grand Total by Project Committes and Member Agency											
Net Pension, Retiree Health and Compensated Absences Liabilities (\$'s)											
City of Laguna Beach	City of San Clemente	City of San Juan Capistrano	El Toro Water District	Emerald Bay Service District	Irvine Ranch Water District	Moulton Niguel Water District	Santa Margarita Water District	South Coast Water District	Trabuco Canyon Water District	Total	
PC 2 - Jay B. Latham Plant	-	-	1,802,989	-	-	-	972,875	1,238,878	1,407,965	-	5,422,708
PC 3A	-	-	-	-	-	-	1,888,896	368,160	-	-	2,257,056
PC 5 - San Juan Creek Ocean Outfall	-	73,774	69,407	-	-	-	48,941	132,438	47,648	-	372,208
PC 8 - Pretreatment Program	39,066	50,702	52,802	31,658	2,653	53,452	112,543	105,178	84,621	-	532,675
PC 12 SO- Water Reclamation Permits	-	-	1,187	1,112	-	1,542	5,187	3,854	1,572	1,551	16,006
PC 15 - Coastal Treatment Plant/AWT	1,477,918	-	-	-	65,464	-	179,722	-	1,566,558	-	3,289,663
PC 17 - Joint Regional	401,497	-	-	529,005	15,689	-	5,142,037	-	283,193	-	6,371,421
PC 21 Effluent Transmission Main	-	-	-	-	-	-	-	-	-	-	-
PC 24 - Aliso Creek Ocean Outfall	55,943	-	-	105,654	2,160	87,726	114,088	-	20,795	-	386,367
Total Retiree Health Liability by Project Committee and Member Agency	1,974,424	124,476	1,926,385	667,430	85,966	142,721	8,464,291	1,848,508	3,412,351	1,551	18,648,104

Grand Total by Project Committes and Member Agency											
Net Pension, Retiree Health and Compensated Absences Liabilities (%'s)											
City of Laguna Beach	City of San Clemente	City of San Juan Capistrano	El Toro Water District	Emerald Bay Service District	Irvine Ranch Water District	Moulton Niguel Water District	Santa Margarita Water District	South Coast Water District	Trabuco Canyon Water District	Total	
PC 2 - Jay B. Latham Plant			33.2%				17.9%	22.8%	26.0%	100.0%	
PC 3A							83.7%	16.3%		100.0%	
PC 5 - San Juan Creek Ocean Outfall		19.8%	18.6%				13.1%	35.6%	12.8%	100.0%	
PC 8 - Pretreatment Program	7.3%	9.5%	9.9%	5.9%	0.5%	10.0%	21.1%	19.7%	15.9%	100.0%	
PC 12 SO- Water Reclamation Permits			7.4%	6.9%	0.0%	9.6%	32.4%	24.1%	9.8%	9.7%	100.0%
PC 15 - Coastal Treatment Plant/AWT	44.9%				2.0%		5.5%		47.6%	100.0%	
PC 17 - Joint Regional	6.3%			8.3%	0.2%		80.7%	4.4%		100.0%	
PC 21 Effluent Transmission Main										0.0%	
PC 24 - Aliso Creek Ocean Outfall	14.5%			27.3%	0.6%	22.7%	29.5%	5.4%		100.0%	
Retiree Health Liability by Member Agency	10.6%	0.7%	10.3%	3.6%	0.5%	0.8%	45.4%	9.9%	18.3%	0.0%	100.0%

SOCWA

Example of Dollar-based Allocation

	Labor Dollars		Labor Allocation		Labor Allocation		Dollar Allocation				Average Labor Dollars		Allocation Percent	
	Year 1	Year 2	Agency X	Agency Y	Agency X	Agency Y	Agency X	Agency Y	Agency X	Agency Y	Agency X	Agency Y	Agency X	Agency Y
	(1)	(2)	Year 1	Year 1	Year 2	Year 2	Year 1	Year 1	Year 2	Year 2	Average	Average	Average	Average
PCA														
solid	\$ 300	\$ 450	60%	40%	35%	65%	\$ 180	\$ 120	\$ 158	\$ 293	\$ 169	\$ 206	12%	15%
liquid	\$ 500	\$ 800	55%	45%	40%	60%	\$ 275	\$ 225	\$ 320	\$ 480	\$ 298	\$ 353	22%	26%
PCB														
solid	\$ 20	\$ 90	50%	50%	50%	50%	\$ 10	\$ 10	\$ 45	\$ 45	\$ 28	\$ 28	2%	2%
liquid	\$ 200	\$ 350	80%	20%	90%	10%	\$ 160	\$ 40	\$ 315	\$ 35	\$ 238	\$ 38	18%	3%
Total	\$ 1,020	\$ 1,690					\$ 625	\$ 395	\$ 838	\$ 853	\$ 731	\$ 624	54%	46%
							Total	\$ 1,020		\$ 1,690	Total	\$ 1,355	Total	100%
							Average:	\$ 1,355						



Use Audit Methodology Review

Amber Baylor
SOCWA

Questions Remaining

- PC5
 - SMWD/MNWD Effluent split from 3A
- PC12
 - SJC Intertie & SCWD Golden Lantern Reservoir
 - SMWD/MNWD Recycled Water Split
 - ETWD Exclusion from Use Audit
- PC24
 - CTP MA flows split by percent ownership in CTP
 - MNWD flow reduction from PC 17 (0.13MGD)

Recommendation

- FCM Approve Use Audit Methodology
- Provide SOCWA Finance Team with the Flow Allocation Summaries

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

**Finance Committee
August 10, 2018**

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee Meeting was held on August 10, 2018 at 10:30 a.m. at their Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Finance Committee were present:

DENNIS ERDMAN	South Coast Water District
ROBB GRANTHAM	Santa Margarita Water District
RAY MILLER	City of San Juan Capistrano
TONI ISEMAN	City of Laguna Beach
FRED ADJARIAN	El Toro Water District
MATT COLLINGS	Moulton Niguel Water District

Staff Present:

BETTY BURNETT	General Manager
DANITA HIRSH	Executive Assistant
MARY CAREY	Finance Controller
JIM BURROR	Director of Operations
AMBER BAYLOR	Director of Environmental Compliance
DINA ASH	HR Administrator
ANNA SUTHERLAND	Accounts Payable
KONSTANTIN SHILKOV	Sr. Accountant
NADYN KIM	Accountant

Also Present:

MARY BETH REDDING	Bartel Associates, LLC
WILL KANE	Nyhart
MATTHEW PEREA	South Coast Water District
NEELY SHAHBAKHTI	El Toro Water District
TREVOR AGRELIUS	Moulton Niguel Water District
DREW ATWATER	Moulton Niguel Water District

1. Call Meeting to Order

Chairperson Erdman called the meeting to order at 10:30 a.m.

2. Pledge of Allegiance – Director Toni Iseman

3. Public Comments

None

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

Methodology presentation given by Mary Beth Redding of Bartel Associates and Will Kane of Nyhart. An open discussion ensued.

ACTION TAKEN

There was consensus amongst the Committee Members to take the information provided by the Actuaries back to their organizations to share with their internal Finance staff and come prepared to make a recommendation to the Board of Directors at the next Finance Committee meeting.

5. Step-by-Step Accounting Procedures

Ms. Carey provided the Committee Members with an overview of the finance accounting procedures necessary for day-to-day operations.

ACTION TAKEN

There was consensus amongst the Committee Members to make the procedures available to SOCWA Member Agency’s Finance Officers for review. Staff will also be submitting the procedures to the State Auditor’s office.

6. Financial Matters – Month of May 2018 Financials

ACTION TAKEN

Motion was made by Director Iseman and seconded by Director Adjarian to recommend to the Board of Directors to Ratify the Summary of Disbursements for the period from May 1, 2018 through May 31, 2018, totaling \$1,728,250 (Exhibit A).

Motion carried:	Aye 6, Nay 0, Abstained 0, Absent 0
	Director Erdman Aye
	Director Iseman Aye
	Director Ferons Aye
	Director Collings Aye
	Director Adjarian Aye

Motion was made by Director Miller and seconded by Director Adjarian to recommend to the Board of Directors to 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)

Motion carried:	Aye 6, Nay 0, Abstained 0, Absent 0
	Director Erdman Aye
	Director Iseman Aye
	Director Ferons Aye
	Director Collings Aye
	Director Adjarian Aye
	Director Miller Aye

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

ACTION TAKEN

Motion was made by Director Iseman and seconded by Director Adjarian to recommend to the Board of Directors to Ratify the Summary of Disbursements for the period from June 1, 2018 through June 30, 2018, totaling \$2,432,134 (Exhibit A).

Motion carried:	Aye 6, Nay 0, Abstained 0, Absent 0
	Director Erdman Aye
	Director Iseman Aye
	Director Ferons Aye
	Director Collings Aye
	Director Adjarian Aye
	Director Miller Aye

Motion was made by Director Miller and seconded by Director Adjarian to recommend to the Board of Directors to 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)

Motion carried:	Aye 6, Nay 0, Abstained 0, Absent 0
	Director Erdman Aye
	Director Iseman Aye
	Director Ferons Aye
	Director Collings Aye
	Director Adjarian Aye
	Director Miller Aye

8. Adjournment

There being no further business, Chairman Erdman adjourned the meeting at 11:50 a.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Special Meeting of the South Orange County Wastewater Authority Finance Committee of August 10, 2018 as approved by the Finance Committee.

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

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

**Finance Committee
June 27, 2018**

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee Meeting was held on June 27, 2018 at 8:00 a.m. at their Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Finance Committee were present:

DENNIS ERDMAN	South Coast Water District
DAN FERONS	Santa Margarita Water District
RAY MILLER	City of San Juan Capistrano
TONI ISEMAN	City of Laguna Beach
FRED ADJARIAN	El Toro Water District
MATT COLLINGS	Moulton Niguel Water District (arrived at 8:15 a.m.)

Staff Present:

BETTY BURNETT	General Manager
DANITA HIRSH	Executive Assistant
MARY CAREY	Finance Controller
JIM BURROR	Director of Operations
BRIAN PECK	Director of Engineering
AMBER BAYLOR	Director of Environmental Compliance
DINA ASH	HR Administrator
ANNA SUTHERLAND	Accounts Payable
KONSTANTIN SHILKOV	Sr. Accountant
NADYN KIM	Accountant

Also Present:

BRAD NEUFELD	Varner & Brandt
MARILYN JONES	Nyhart
MARY BETH REDDING	Bartel Associates, LLC
WILL KANE	Nyhart
MATTHEW PEREA	South Coast Water District
NEELY SHAHBAKHTI	El Toro Water District
TREVOR AGRELIUS	Moulton Niguel Water District
DREW ATWATER	Moulton Niguel Water District

1. Call Meeting to Order

Chairperson Erdman called the meeting to order at 8:02 a.m.

2. Pledge of Allegiance – Director Fred Adjarian

3. Public Comments

Ms. Burnett stated that Director Collings would be arriving late. She also stated that the Actuaries from Nyhart and Bartel Associates were present and would be discussing the work they've performed with staff regarding the data that is available for understanding the Unfunded

Liability Distribution methodology. Ms. Burnett then stated that she would prefer the agenda item be discussed when Director Collings is present.

Chairperson Erdman stated, Director Iseman would be exiting the meeting at 10:00 a.m. and therefore would adjust the agenda accordingly.

4. Approval of Minutes

ACTION TAKEN

Motion was made by Director Ferons and seconded by Director Miller to approve the Finance Committee Minutes of August 29, 2017, June 14, 2017 and June 12, 2017 as submitted.

Motion carried:	Aye 5, Nay 0, Abstained 0, Absent 1
	Director Erdman Aye
	Director Iseman Aye
	Director Ferons Aye
	Director Collings Absent
	Director Adjarian Aye
	Director Miller Aye

5. Financial Matters – Month of April 2018 Financials

ACTION TAKEN

Motion was made by Director Adjarian and seconded by Director Iseman to recommend to the Board of Directors:

- 1) Ratify the Summary of Disbursements for the period from April 1, 2018 through April 30, 2018, totaling \$2,714,726 (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)

Motion carried:	Aye 5, Nay 0, Abstained 0, Absent 1
	Director Erdman Aye
	Director Iseman Aye
	Director Ferons Aye
	Director Collings Absent
	Director Adjarian Aye
	Director Miller Aye

6. UAL Distribution by Member Agency – Method Update

Ms. Burnett gave a brief introduction on the slides that would be presented. She introduced consultant Actuaries Marilyn Jones of Nyhart and Mary Beth Redding of Bartel Associates. An open discussion ensued.

There was consensus amongst the Committee that Ms. Burnett would provide the Committee with SOCWA's list of historical Use Audits, and the member agencies would provide back to SOCWA staff any data of their own should they find data that is relevant to the UAL Methodology. Additionally, the Committee directed staff to review and evaluate historical data as far back as available.

7. CalPERS Special Compensation Reimbursements

Ms. Burnett provided the Committee with an overview of the previous discussions with PERS following the PERS audit. She stated, after much discussion, PERS was not allowing merit pay to be credited as PERSable. The retired employees who had already paid into the plan would be receiving a refund of the employee payments, but they would also be required to reimburse PERS if reported merit pay inflated their final salary. An open discussion ensued.

Chairman Erdman recommended creating an Adhoc Committee of Directors that would meet with staff and the employees who were affected. He asked Directors Adjarian and Miller if they would be willing to take on the request. Both Directors responded yes.

Director Iseman exited the meeting at 10:08 a.m.

8. Annual Review of SOCWA Investment Policy and Public Funds

Ms. Burnett stated that the agenda item was brought forth due to SOCWA having an annual policy review requirement and that to date there were no changes. An open discussion ensued.

Counsel, Mr. Neufeld, noted on page 80 of the agenda materials, a typo correction to section 4 to remove the inadvertent "+" in the first sentence. He also noted on page 81, 4th line from the top, a change to either use the word "money" or "monies". Either would suffice. Staff duly noted the corrections.

ACTION TAKEN

Motion was made by Director Adjarian and seconded by Director Ferons to recommend to the Board of Directors to receive and file the SOCWA Investment Policy for Public Funds with the corrections as noted.

Motion carried:	Aye 5, Nay 0, Abstained 0, Absent 1
	Director Erdman Aye
	Director Iseman Absent
	Director Ferons Aye
	Director Collings Aye
	Director Adjarian Aye
	Director Miller Aye

9. Adjournment

There being no further business, Chairman Erdman adjourned the meeting at 10:25 a.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Special Meeting of the South Orange County Wastewater Authority Finance Committee of June 27, 2018 as approved by the Finance Committee.

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

Agenda Item

5

Legal Counsel Review: N/A

Meeting Date: November 1, 2018

TO: Finance Committee

FROM: Betty Burnett, General Manager

STAFF CONTACT: Mary Carey, Finance Controller

SUBJECT: June 2018 Financial Reports - June 1, 2018 through June 30, 2018

Summary/Discussion

The Preliminary June 2018 Financial Reports were submitted to the Finance Officers at a meeting with SOCWA staff on October 3, 2018. The information was distributed to the SOCWA Board at the October 4, 2018 Board Meeting where it was requested that staff return the preliminary financials to the Finance Committee for review. The Preliminary June 2018 Financial Reports will be brought back to the Finance Committee for review with the pending draft Financial Statements Audit which is anticipated to be received from The Pun Group and reviewed at the Finance Committee in late November, 2018.

Recommendation

Information Item.

Agenda Item

6

Legal Counsel Review: N/A

Meeting Date: November 1, 2018

TO: Finance Committee
FROM: Betty Burnett, General Manager
STAFF CONTACT: Mary Carey, Finance Controller
SUBJECT: Financial Matters – Month of July 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
 - July 2018 (Exhibit A)
- b) Schedule of Funds Available for Reinvestment (Exhibit B)
- c) Schedule of Cash and Investments (Exhibit C)

Fiscal impact

During the month of July 2018, disbursements totaled \$3,303,774 and are summarized in the attached Exhibit A. The attached Exhibits B and C 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 July 1, 2018 through July 31, 2018 (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)

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

	<u>Actual</u>
General Fund	(853,980)
PC 2 - Jay B. Latham Plant	(872,585)
PC 3 - SOCWA Plant/PCA AWT	-
PC 5 - San Juan Creek Ocean Outfall	(12,923)
PC 8 - Pretreatment Program	(8,554)
PC 12 SO - Water Reclamation Permits	(3,615)
PC 15 - Coastal Treatment Plant/AWT	(714,566)
PC 17 - Joint Regional Wastewater Reclamation	(821,545)
PC 21 - Effluent Transmission Main	(3,018)
PC 24 - Aliso Creek Ocean Outfall	(12,988)
Total	<u><u>(\$3,303,774)</u></u>

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

CASH IN BANK: (BEGINNING BAL.)	1,374,748
L.A.I.F. FUNDS: (BEGINNING BAL.)	12,175,961
DEPOSITS, TRANSFERS & ADJUSTMENTS:	6,039,343
FUND REQUIREMENTS:	
BILLS FOR CONSIDERATION	(3,303,774)
	\$ 16,286,278

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 I hereby certify that:

- 1). All investment actions executed since the last report have been the Investment Policy.
- 2). SOCWA does not have sufficient funds currently on hand to meet for the next six months (see note) due to the fact that SOCWA bills 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 July 31, 2018**

MVA	\$ 1,096,488	(A)
A/P Checking	\$ 1,075,724	(B)
Payroll Checking	\$ 214,953	(C)
State LAIF	\$ 8,990,262	(D)
Total Cash in Bank	11,377,427	
Petty Cash	\$ 1,600	(E)
Total Operating Cash	11,379,027	
OPEB Trust	\$ 4,907,251	(F)
Total Cash and Investments	\$ 16,286,278	

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.

Agenda Item

7

Legal Counsel Review: N/A

Meeting Date: November 1, 2018

TO: Finance Committee
FROM: Betty Burnett, General Manager
STAFF CONTACT: Mary Carey, Finance Controller
SUBJECT: Financial Matters – Month of August 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
 - August 2018 (Exhibit A)
- b) Schedule of Funds Available for Reinvestment (Exhibit B)
- c) Schedule of Cash and Investments (Exhibit C)

Fiscal impact

During the month of August 2018, disbursements totaled \$1,721,877 and are summarized in the attached Exhibit A. The attached Exhibits B and C 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 August 1, 2018 through August 31, 2018 (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)

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

	<u>Actual</u>
General Fund	(497,097)
PC 2 - Jay B. Latham Plant	(388,351)
PC 3 - SOCWA Plant/PCA AWT	-
PC 5 - San Juan Creek Ocean Outfall	(13,748)
PC 8 - Pretreatment Program	(4,544)
PC 12 SO - Water Reclamation Permits	(906)
PC 15 - Coastal Treatment Plant/AWT	(251,792)
PC 17 - Joint Regional Wastewater Reclamation	(526,972)
PC 21 - Effluent Transmission Main	(20,399)
PC 24 - Aliso Creek Ocean Outfall	(18,068)
Total	<u><u>(\$1,721,877)</u></u>

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

CASH IN BANK: (BEGINNING BAL.)	2,387,165
L.A.I.F. FUNDS: (BEGINNING BAL.)	8,990,262
DEPOSITS, TRANSFERS & ADJUSTMENTS:	10,414,727
FUND REQUIREMENTS:	
BILLS FOR CONSIDERATION	<u>(1,721,877)</u>
	<u>\$ 20,070,277</u>

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 I hereby certify that:

- 1). All investment actions executed since the last report have been the Investment Policy.
- 2). SOCWA does not have sufficient funds currently on hand to meet for the next six months (see note) due to the fact that SOCWA bills 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 August 31, 2018**

MVA	\$ 24,078	(A)
A/P Checking	\$ 768,215	(B)
Payroll Checking	\$ 186,876	(C)
State LAIF	\$ 14,112,262	(D)
Total Cash in Bank	15,091,430	
Petty Cash	\$ 1,600	(E)
Total Operating Cash	15,093,030	
OPEB Trust	\$ 4,977,246	(F)
Total Cash and Investments	\$ 20,070,277	

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.

Agenda Item

8

Legal Counsel Review: N/A

Meeting Date: November 1, 2018

TO: Finance Committee
FROM: Betty Burnett, General Manager
STAFF CONTACT: Mary Carey, Finance Controller
SUBJECT: Financial Matters – Month of September 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
 - September 2018 (Exhibit A)
- b) Schedule of Funds Available for Reinvestment (Exhibit B)
- c) Schedule of Cash and Investments (Exhibit C)

Fiscal impact

During the month of September 2018, disbursements totaled \$2,192,852 and are summarized in the attached Exhibit A. The attached Exhibits B and C 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 September 1, 2018 through September 30, 2018 (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)

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

	<u>Actual</u>
General Fund	(460,717)
PC 2 - Jay B. Latham Plant	(577,313)
PC 3 - SOCWA Plant/PCA AWT	-
PC 5 - San Juan Creek Ocean Outfall	(20,689)
PC 8 - Pretreatment Program	(11,186)
PC 12 SO - Water Reclamation Permits	(3,480)
PC 15 - Coastal Treatment Plant/AWT	(210,199)
PC 17 - Joint Regional Wastewater Reclamation	(824,796)
PC 21 - Effluent Transmission Main	(55,385)
PC 24 - Aliso Creek Ocean Outfall	(29,088)
Total	<u>(\$2,192,852)</u>

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

CASH IN BANK: (BEGINNING BAL.)	979,168
L.A.I.F. FUNDS: (BEGINNING BAL.)	14,112,262
DEPOSITS, TRANSFERS & ADJUSTMENTS:	5,797,415
FUND REQUIREMENTS:	
BILLS FOR CONSIDERATION	(2,192,852)
	\$ 18,695,993

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 I hereby certify that:

- 1). All investment actions executed since the last report have been the Investment Policy.
- 2). SOCWA does not have sufficient funds currently on hand to meet for the next six months (see note) due to the fact that SOCWA 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 September 30, 2018**

MVA	\$ 24,548	(A)
A/P Checking	\$ 255,780	(B)
Payroll Checking	\$ 96,085	(C)
State LAIF	\$ 13,350,262	(D)
Total Cash in Bank	13,726,675	
Petty Cash	\$ 1,600	(E)
Total Operating Cash	13,728,275	
OPEB Trust	\$ 4,967,718	(F)
Total Cash and Investments	\$ 18,695,993	

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.

Agenda Item

9

Legal Counsel Review: N/A

Meeting Date: November 1, 2018

TO: Finance Committee
FROM: Betty Burnett, General Manager
STAFF CONTACT: Mary Carey, Finance Controller

SUBJECT: Quarterly (Q1) Financial Reports July 1, 2018 thru September 30, 2018

Summary/Discussion

The following selected financial reports are routinely provided monthly to the Board of Directors.

This information below is presented for the first quarter of the fiscal year 2018-19. The Finance Committee will be meeting on October 31, 2018 to consider a recommendation of approval to the Board for the reports listed below. The reports included are as follows:

- YTD Capital Schedule (Exhibit D)
 - YTD Capital Projects – Graph (Exhibit D-1)
- YTD 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)
 - PARS Retiree Health Trust Fund Ending Balance June 30, 2018 (Exhibit F)
 - LAIF Performance Report Quarter Ending September 30, 2018 (Exhibit G)

Fiscal impact

The attached Exhibits D through G are informational reports only.

Recommendation

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

- 1) Receive and file the following as information items:
 - YTD Capital Schedule (Exhibit D)
 - YTD Capital Projects Graph (Exhibit D-1)
 - YTD 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)
 - PARS Retiree Health Trust Fund Ending Balance June 30, 2018 (Exhibit F)
 - LAIF Performance Report Quarter Ending September 30, 2018 (Exhibit G)

**South Orange County Wastewater Authority
Capital Projects Summaries
July 1, 2018 through September 30, 2018**

Description	FY 2018-19 Budget vs. Actual Spending							Past Due by Fiscal Year			
	Capital Budget	Fiscal Year Spending	(Over)/ Under Budget	% Expended	Member Agency Billed	Member Agency Collections	Past Due Amount FY 18/19	FY 18/19 Unpaid Amounts	FY 17/18 Unpaid Amounts	FY 16/17 Unpaid Amounts	Total Past Due Amount
PC 2-JB Latham PC 3A	7,390,500	229,140	7,161,360	3.1%	92,000	92,000					
PC 5-San Juan Creek Outfall	205,148	-	205,148	0.0%	51,287	51,287					
PC 15-Coastal	9,976,376	141,756	9,834,620	1.4%	486,842	420,839	66,003 (1)	66,003	732,878	649,490	1,448,371
PC 17-Regional	5,045,535	67,935	4,977,600	1.3%	800,014	800,014					
PC 21 Effluent Transmission	371,500	47,591	323,909	12.8%	107,375	53,687	53,688	53,688			53,688
PC 24 Aliso Creek Outfall	135,000	-	135,000	0.0%	135,000	113,724	21,276	21,276			21,276
Total Large Capital	23,124,059	486,422	22,637,637	2.1%	1,672,518	1,531,551	140,967	140,967	732,878	649,490	1,523,335
Non-Capital Engineering	44,500	5,962	38,538	13.4%	21,500	21,500	- (1)	-	585	21,831	22,416
Small Internal Capital	2,011,000	340,942	1,670,058	17.0%	502,750	460,990	41,760 (1)	41,760	169,648	84,550	295,958
Total Capital	25,179,559	833,326	24,346,233	3.3%	2,196,768	2,014,041	182,727	182,727	903,111	755,871	1,841,709

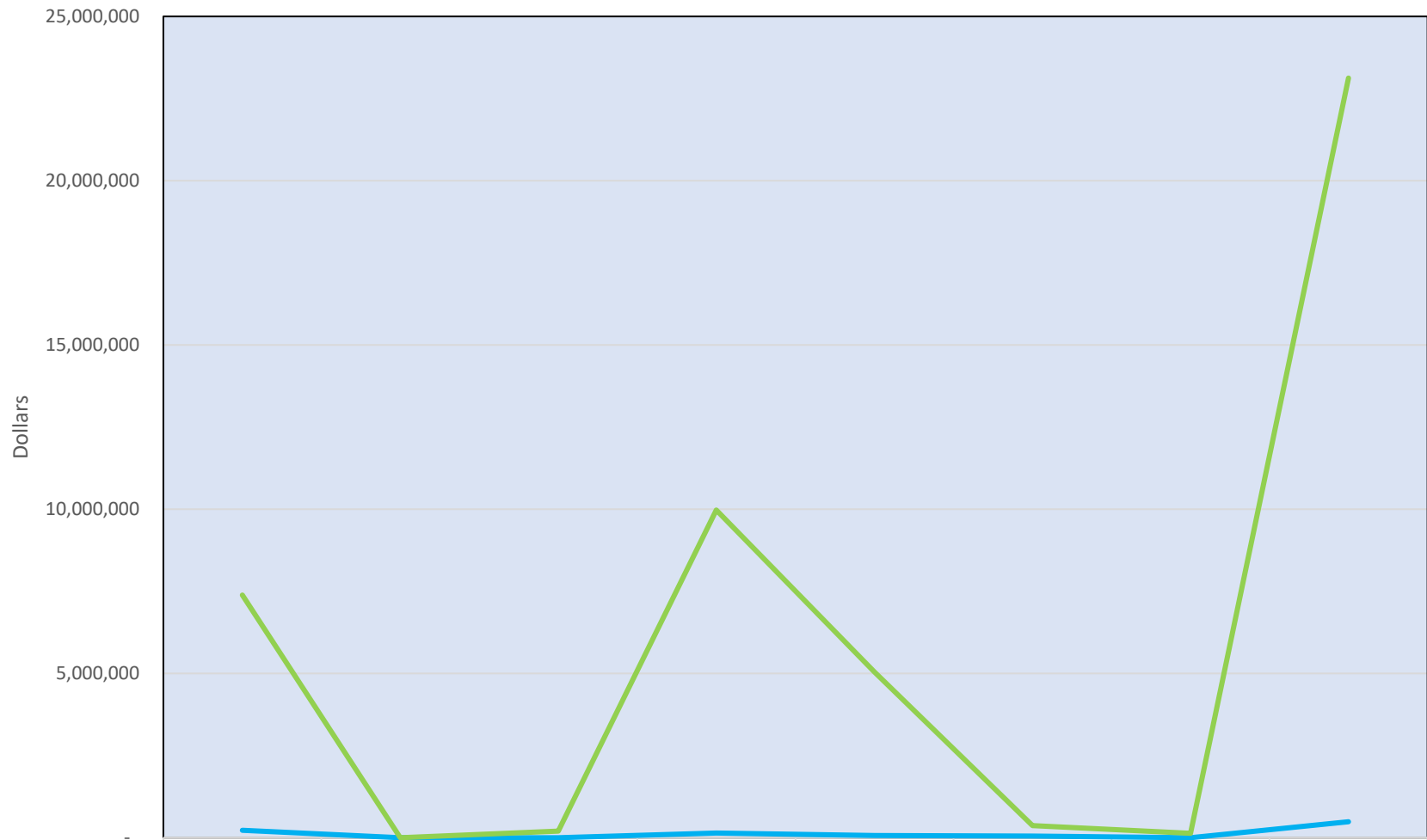
(1) Schedule for Past Due Amounts as of September 30, 2018

Description	Past Due Amount MNWD	Past Due Amount IRWD	Past Due Amount TOTAL
PC 15-Coastal	1,448,371		1,448,371 (1)
PC 21-Effluent Transmission		53,688	53,688
PC 24-Aliso Creek Outfall		21,276	21,276
Total Large Capital	1,448,371	74,964	1,523,335
Non-Capital Engineering	22,416		22,416 (2)
Small Internal Capital	295,958		295,958 (2)
Total Capital	1,766,745	74,964	1,841,709

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

Large Capital Projects Fiscal Year '18-19 Budget vs. Year-to-Date Actual Spending as of 09/30/2018

D-1



— Spent - YTD	229,140	-	-	141,756	67,935	47,591	-	486,422
— Capital Budget 17-18	7,390,500	-	205,148	9,976,376	5,045,535	371,500	135,000	23,124,059

**South Orange County Wastewater Authority
O & M & Environmental Safety Costs Summary**

Exhibit E-1.2

July 1, 2018 through September 30, 2018

	FY 2018-19 Budget	Actual	(Over)/Under Budget	% Expended	
Salary and Fringe					
5000-*_*	Regular Salaries-O&M	4,510,404	1,031,576	3,478,828	22.9%
5001-*_*	Overtime Salaries-O&M	115,036	49,406	65,630	42.9% (1)
5306-*_*	Scheduled Holiday Work	49,860.00	6,384	43,476	12.8%
5315-*_*	Comp Time - O&M	1,828	-	1,828	0.0%
5401-*_*	Fringe Benefits IN to PC's & Depts.	3,247,504.00	742,735	2,504,769	22.9%
5700-*_*	Standby Pay	69,292	16,900	52,392	24.4%
	Total Payroll Costs	7,993,924	1,847,001	6,146,923	23.1%
Other Expenses					
5002-*_*	Electricity	1,055,968	374,198	681,770	35.4% (2)
5003-*_*	Natural Gas	148,532	56,074	92,458	37.8% (3)
5004-*_*	Potable & Reclaimed Water	69,012	17,976	51,036	26.0%
5005-*_*	Co-generation Power Credit	(250,012)	(60,855)	(189,157)	24.3%
5006-*_*	Chlorine/Sodium Hypochlorite	489,012	209,541	279,471	42.8% (4)
5007-*_*	Polymer Products	658,028	127,793	530,235	19.4%
5008-*_*	Ferric Chloride	265,000	79,762	185,238	30.1%
5009-*_*	Odor Control Chemicals	163,008	32,192	130,816	19.7%
5010-*_*	Other Chemicals - Misc.	5,000	-	5,000	0.0%
5011-*_*	Laboratory Services	41,696	6,019	35,677	14.4%
5012-*_*	Grit Hauling	134,008	26,375	107,633	19.7%
5013-*_*	Landscaping	185,008	31,538	153,470	17.0%
5014-*_*	Engineering - Misc.	175,004	9,898	165,106	5.7%
5015-*_*	Management Support Services	363,936	9,497	354,439	2.6%
5016-*_*	Audit - Environmental	500	-	500	0.0%
5017-*_*	Legal Fees	23,020	29,169	(6,149)	126.7%
5018-*_*	Public Notices/ Public Relations	2,008	-	2,008	0.0%
5019-*_*	Contract Services Misc.	375,012	56,489	318,523	15.1%
5021-*_*	Small Vehicle Expense	21,024	10,489	10,535	49.9% (5)
5022-*_*	Miscellaneous Expense	18,488	2,519	15,969	13.6%
5023-*_*	Office Supplies - All	38,004	8,400	29,604	22.1%
5024-*_*	Petroleum Products	59,980	7,191	52,789	12.0%
5025-*_*	Uniforms	37,016	9,434	27,582	25.5%
5026-*_*	Small Vehicle Fuel	35,680	5,169	30,511	14.5%
5027-*_*	Insurance - Property/Liability	185,132	54,625	130,507	29.5% (6)
5028-*_*	Small Tools & Supplies	85,664	14,182	71,482	16.6%
5030-*_*	Trash Disposal	6,992	1,087	5,905	15.5%
5031-*_*	Safety Program & Supplies	106,396	31,237	75,159	29.4%
5032-*_*	Equipment Rental	7,008	600	6,408	8.6%
5033-*_*	Recruitment	3,024	-	3,024	0.0%
5034-*_*	Travel Expense/Tech. Conferences	72,068	24,131	47,937	33.5% (7)
5035-*_*	Training Expense	63,380	5,264	58,116	8.3%
5036-*_*	Laboratory Supplies	90,328	24,642	65,686	27.3%
5037-*_*	Office Equipment	24,996	2,807	22,189	11.2%
5038-*_*	Permits	415,952	18,270	397,682	4.4%
5039-*_*	Membership Dues/Fees	11,920	3,932	7,988	33.0% (8)
5040-*_*	Natural Gas - 11-EPS - PC 5	-	-	-	0.0%
5041-*_*	Electricity - 10-EPS - PC 5	-	-	-	0.0%
5042-*_*	Contract Services - 29-EPS - PC 5	-	-	-	0.0%
5044-*_*	Offshore Monitoring	36,000	13,357	22,643	37.1% (9)
5045-*_*	Offshore Biochemistry - 20B	110,000.00	-	110,000.00	0.0%
5046-*_*	Effluent Chemistry	28,004	18,245	9,759	65.2% (10)
5047-*_*	Access Road Expenses	48,000	3,200	44,800	6.7%
5048-*_*	Storm Damage	20,008	-	20,008	0.0%
5049-*_*	Biosolids Disposal	1,639,008	326,816	1,312,192	19.9%
5050-*_*	Contract Services Generators	21,004	325	20,679	1.5%
5052-*_*	Janitorial Services	100,024	18,581	81,443	18.6%
5053-*_*	Contract Serv - Digester Cleaning - 29E	60,000	-	60,000	0.0%
5054-*_*	Diesel Truck Maint	41,004	8,783	32,221	21.4%
5055-*_*	Diesel Truck Fuel	14,004	2,411	11,593	17.2%
5056-*_*	Maintenance Equip. & Facilities (Solids)	338,000	140,284	197,716	41.5% (11)
5057-*_*	Maintenance Equip. & Facilities (Liquids)	591,996	166,294	425,702	28.1%
5058-*_*	Maintenance Equip. & Facilities (Common)	76,004	15,452	60,552	20.3%
5059-*_*	Maintenance Equip. & Facilities (Co-Gen)	1,135,016	102,434	1,032,582	9.0%
5060-*_*	Maintenance Equip. & Facilities (AWT)	72,000	30,170	41,830	41.9% (12)
5061-*_*	Mileage	2,036	488	1,548	24.0%
5067-*_*	Port Cleaning	35,000	-	35,000	0.0%
5068-*_*	MNWD Potable Water Supplies & Svcs.	24,484	7,510	16,974	30.7% (13)
5069-*_*	Misc-Capital-Dilution & Metering Study	7,996	-	7,996	0.0%
5076-*_*	SCADA Infrastructure	57,000.00	-	57,000	0.0%
5077-*_*	IT Direct	-	2,216	(2,216)	0.0%
5101-*_*	Employee Recognition	1,004	-	1,004	0.0%
5105-*_*	Co-Generation Power Credit - Offset	249,972	60,855	189,117	24.3%
5303-*_*	Group Insurance Waiver	10,824	3,600	7,224	33.3%
5305-*_*	Medicare Tax Payments for Employees	9,452	1,523	7,929	16.1%
5309-*_*	Operating Leases	31,004	5,354	25,650	17.3%
5705-*_*	Monthly Car Allowance	25,376	7,454	17,922	29.4%
5706-*_*	Effluent Pond Cleaning	90,000.00	-	90,000	0.0%
6500-*_*	IT Allocations in to PC's & Depts.	646,448	179,077	467,371	27.7%
	Total Other Expenses	10,707,660	2,344,368	8,363,292	21.9%

Total Expenses

18,701,584	4,191,369	14,510,215	22.4%
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- (1) Elevated overtime costs are associated with several ongoing construction, repair projects at the plants and PC15 litigation support.
- (2) Electricity costs have been elevated due to delays in completing the new Engine project at RTP.
- (3) The plants continue to see decreases in wastewater flows and loads leading to less digester gas for the new engines and increased natural gas usage.
- (4) Bleach usage has been elevated in the first quarter due to elevated recycled water use and decreased flows to the plant causing partial nitrification that consumes elevated levels of bleach in the disinfection process. O&M staff is planning to remove one aeration tank from service to reduce nitrification. The change is planned for November 2018 to minimize potential disruptions to the delivery of recycled water during peak Summer and Fall months.
- (5) New vehicles were outfitted with gear for use by field staff elevated expenses for the first quarter, expenses are planned to level off.
- (6) Insurance - Several policies are paid in the first quarter of the Fiscal Year, expenses are planned to level off.
- (7) Two of the three planned major conferences were attended by staff in the first quarter of the Fiscal Year including WEFTEC and HACHWIMS, expenses are planned to level off.
- (8) Staff membership dues were due in July, expenses are planned to level off.
- (9) Annual Kelp Survey as Required by NPDES permit, expenses are planned to level off.
- (10) Annual Kelp Survey as Required by NPDES permit, expenses are planned to level off.
- (11) Solids expenses included the planned major overhaul of Centrifuge #2 at JBL, expenses are planned to level off.
- (12) Several failed valves were replaced at RTP that could not wait until the annual AWT maintenance shutdown in January.

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
July 1, 2018 through September 30, 2018

Exhibit E-1

	FY 2018-19 Budget	Actual	(Over)/Under Budget	% Expended	
02 - Jay B. Latham Plant					
Salary and Fringe					
02-5000-01-**-**	Regular Salaries-O&M	1,319,268	292,194	1,027,074	22.1%
02-5000-02-**-**	Regular Salaries-O&M	153,668	38,732	114,936	25.2%
02-5001-01-**-**	Overtime Salaries-O&M	32,000	12,141	19,859	37.9% (1)
02-5001-02-**-**	Overtime Salaries-O&M	908	134	774	14.8%
02-5306-01-**-**	Scheduled Holiday Work	11,988	2,674	9,314	22.3%
02-5306-02-**-**	Scheduled Holiday Work	2,744	195	2,549	7.1%
02-5315-02-**-**	Comp Time - O&M	752	-	752	0.0%
02-5401-01-**-**	Fringe Benefits IN to PC's & Depts.	949,876	210,380	739,496	22.1%
02-5401-02-**-**	Fringe Benefits IN to PC's & Depts.	110,644	27,887	82,757	25.2%
02-5700-01-**-**	Standby Pay	27,048	6,663	20,386	24.6%
	Total Payroll Costs	2,608,896	590,999	2,017,897	22.7%
Other Expenses					
02-5002-01-**-**	Electricity	374,976	100,305	274,671	26.7%
02-5003-01-**-**	Natural Gas	120,024	42,892	77,132	35.7% (2)
02-5004-01-**-**	Potable & Reclaimed Water	20,008	5,629	14,379	28.1%
02-5006-01-**-**	Chlorine/Sodium Hypochlorite	28,000	-	28,000	0.0%
02-5007-01-**-**	Polymer Products	250,008	45,794	204,214	18.3%
02-5008-01-**-**	Ferric Chloride	105,004	28,014	76,990	26.7%
02-5009-01-**-**	Odor Control Chemicals	28,004	3,589	24,415	12.8%
02-5010-01-**-**	Other Chemicals - Misc.	1,000	-	1,000	0.0%
02-5011-02-**-**	Laboratory Services	10,692	568	10,125	5.3%
02-5012-01-**-**	Grit Hauling	50,004	11,848	38,156	23.7%
02-5013-01-**-**	Landscaping	50,004	14,924	35,080	29.8% (3)
02-5014-01-**-**	Engineering - Misc.	30,004	4,747	25,257	15.8%
02-5015-01-**-**	Management Support Services	50,004	-	50,004	0.0%
02-5015-02-**-**	Management Support Services	9,000	4,091	4,909	45.5% (4)
02-5017-01-**-**	Legal Fees	4,992	473	4,519	9.5%
02-5019-01-**-**	Contract Services Misc.	115,004	14,242	100,762	12.4%
02-5021-01-**-**	Small Vehicle Expense	8,004	5,527	2,477	69.0% (5)
02-5022-01-**-**	Miscellaneous Expense	8,000	910	7,090	11.4%
02-5023-01-**-**	Office Supplies - All	27,000	4,891	22,109	18.1%
02-5024-01-**-**	Petroleum Products	15,992	4,704	11,288	29.4%
02-5025-01-**-**	Uniforms	13,004	3,748	9,256	28.8%
02-5026-01-**-**	Small Vehicle Fuel	14,980	2,930	12,050	19.6%
02-5027-01-**-**	Insurance - Property/Liability	60,832	18,222	42,610	30.0% (6)
02-5027-02-**-**	Insurance - Property/Liability	4,632	-	4,632	0.0% (6)
02-5028-01-**-**	Small Tools & Supplies	40,004	3,515	36,489	8.8%
02-5030-01-**-**	Trash Disposal	2,000	377	1,623	18.9%
02-5031-02-**-**	Safety Program & Supplies	34,704	12,925	21,779	37.2% (7)
02-5032-01-**-**	Equipment Rental	3,000	600	2,400	20.0%
02-5033-01-**-**	Recruitment	1,024	-	1,024	0.0%
02-5034-01-**-**	Travel Expense/Tech. Conferences	14,372	10,461	3,911	72.8% (8)
02-5034-02-**-**	Travel Expense/Tech. Conferences	4,504	1,576	2,928	35.0% (8)
02-5035-01-**-**	Training Expense	11,676	3,000	8,676	25.7%
02-5035-02-**-**	Training Expense	14,512	-	14,512	0.0%
02-5036-02-**-**	Laboratory Supplies	14,296	4,075	10,221	28.5%
02-5037-01-**-**	Office Equipment	13,000	290	12,710	2.2%
02-5037-02-00-00	Office Equipment	-	250	(250)	0.0%
02-5038-02-**-**	Permits	22,432	16,727	5,705	74.6% (9)
02-5039-01-**-**	Membership Dues/Fees	4,480	1,139	3,341	25.4%
02-5039-02-**-**	Membership Dues/Fees	3,560	499	3,061	14.0%
02-5049-01-**-**	Biosolids Disposal	600,000	87,064	512,936	14.5%
02-5050-01-**-**	Contract Services Generators	9,000	325	8,675	3.6%
02-5052-01-**-**	Janitorial Services	40,004	8,001	32,003	20.0%
02-5053-01-**-**	Contract Serv - Digester Cleaning - 29	60,000	-	60,000	0.0%
02-5054-01-**-**	Diesel Truck Maint	20,996	3,136	17,860	14.9%
02-5055-01-**-**	Diesel Truck Fuel	6,000	1,198	4,802	20.0%
02-5056-01-**-**	Maintenance Equip. & Facilities (Solids)	142,004	72,293	69,711	50.9% (10)
02-5057-01-**-**	Maintenance Equip. & Facilities (Liqui	246,996	68,202	178,794	27.6%
02-5058-01-**-**	Maintenance Equip. & Facilities (Comr	27,000	7,417	19,583	27.5%
02-5059-01-**-**	Maintenance Equip. & Facilities (Co-G	485,004	51,515	433,489	10.6%
02-5061-01-**-**	Mileage	1,024	-	1,024	0.0%
02-5061-02-**-**	Mileage	1,012	73	939	7.2%
02-5076-01-**-**	SCADA Infrastructure	19,000	-	19,000	0.0%
02-5077-01-**-**	IT Direct	-	1,153	(1,153)	0.0%
02-5303-01-**-**	Group Insurance Waiver	3,604	900	2,704	25.0%
02-5303-02-00-00	Group Insurance Waiver	-	138	(138)	0.0%
02-5305-01-**-**	Medicare Tax Payments for Employee	3,864	1,037	2,827	26.8%
02-5309-01-**-**	Operating Leases	25,004	5,354	19,650	21.4%
02-5705-01-**-**	Monthly Car Allowance	8,416	3,669	4,747	43.6%
02-5705-02-00-00	Monthly Car Allowance	-	1,050	(1,050)	0.0%

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
 July 1, 2018 through September 30, 2018

	FY 2018-19 Budget	Actual	(Over)/Under Budget	% Expended	
02-6500-01-**-**	IT Allocations in to PC's & Depts.	189,104	50,571	138,533	26.7%
02-6500-02-**-**	IT Allocations in to PC's & Depts.	22,024	6,575	15,449	29.9%
	Total Other Expenses	3,492,792	743,255	2,749,537	21.3%
	Total Expenses	6,101,688	1,334,255	4,767,433	21.9%
05 - San Juan Creek Ocean Outfall					
Salary and Fringe					
05-5000-01-**-**	Regular Salaries-O&M	1,848	-	1,848	0.0%
05-5000-02-**-**	Regular Salaries-O&M	122,124	19,002	103,122	15.6%
05-5001-01-**-**	Overtime Salaries-O&M	1,004	-	1,004	0.0%
05-5001-02-**-**	Overtime Salaries-O&M	112	226	(114)	202.2%
05-5306-02-**-**	Scheduled Holiday Work	740	-	740	0.0%
05-5401-01-**-**	Fringe Benefits IN to PC's & Depts.	1,328	-	1,328	0.0%
05-5401-02-**-**	Fringe Benefits IN to PC's & Depts.	87,924	13,681	74,243	15.6%
	Total Payroll Costs	215,080	32,909	182,171	15.3%
Other Expenses					
05-5002-01-**-**	Electricity	1,004	-	1,004	0.0%
05-5003-01-**-**	Natural Gas	512	-	512	0.0%
05-5014-01-**-**	Engineering - Misc.	10,000	-	10,000	0.0%
05-5015-02-**-**	Management Support Services	9,404	4,500	4,904	47.9% (11)
05-5017-01-00-00	Legal Fees	-	233	(233)	0.0%
05-5017-02-**-**	Legal Fees	2,000	-	2,000	0.0%
05-5026-01-**-**	Small Vehicle Fuel - 37A	512	-	512	0.0%
05-5027-01-**-**	Insurance - Property/Liability	100	-	100	0.0% (6)
05-5027-02-**-**	Insurance - Property/Liability	5,656	1,596	4,060	28.2% (6)
05-5031-02-**-**	Safety Supplies	1,004	-	1,004	0.0%
05-5034-02-**-**	Travel Expense/Tech. Conferences	4,456	2,330	2,126	52.3% (8)
05-5035-02-**-**	Training Expense	564	-	564	0.0%
05-5036-02-**-**	Laboratory Supplies	19,236	4,727	14,509	24.6%
05-5038-02-**-**	Permits	155,000	-	155,000	0.0%
05-5044-02-**-**	Offshore Monitoring	18,000	6,679	11,321	37.1% (12)
05-5045-02-**-**	Offshore Biochemistry - 20B	64,996	-	64,996	0.0%
05-5046-02-**-**	Effluent Chemistry	14,000	8,625	5,375	61.6% (13)
05-5058-01-**-**	Maintenance Equip. & Facilities (Comr	1,004	-	1,004	0.0%
05-5069-02-**-**	Misc-Capital-Dilution & Metering Study	7,996	-	7,996	0.0%
05-5101-02-**-**	Employee Recognition	1,004	-	1,004	0.0%
05-5305-02-**-**	Medicare Tax Payments for Employee	2,460	-	2,460	0.0%
05-5705-02-**-**	Monthly Car Allowance	4,204	-	4,204	0.0%
05-6500-01-**-**	IT Allocations in to PC's & Depts.	268	463	(195)	172.7%
05-6500-02-**-**	IT Allocations in to PC's & Depts.	17,504	3,543	13,961	20.2%
	Total Other Expenses	340,884	32,696	308,188	9.6%
	Total Expenses	555,964	65,605	490,359	11.8%
08 - Pre Treatment					
Salary and Fringe					
08-5000-02-**-**	Regular Salaries-O&M	80,312	18,759	61,553	23.4%
08-5001-02-**-**	Overtime Salaries-O&M	1,380	-	1,380	0.0%
08-5306-02-**-**	Scheduled Holiday Work	200	-	200	0.0%
08-5401-02-**-**	Comp Time - O&M	57,824	13,506	44,318	23.4%
	Total Payroll Costs	139,716	32,265	107,451	23.1%
Other Expenses					
08-5011-02-**-**	Laboratory Services	3,000	2,435	565	81.2% (14)
08-5015-02-**-**	Management Support Services	4,004	906	3,098	22.6%
08-5016-02-**-**	Audit - Environmental	500	-	500	0.0%
08-5017-02-**-**	Legal Fees	2,008	158	1,851	7.8%
08-5018-02-**-**	Public Notices/ Public Relations	2,008	-	2,008	0.0%
08-5021-02-**-**	Small Vehicle Expense - 31A	1,016	-	1,016	0.0%
08-5022-02-**-**	Miscellaneous Expense	1,496	-	1,496	0.0%
08-5026-02-**-**	Small Vehicle Fuel - 37A	1,196	-	1,196	0.0%
08-5027-02-**-**	Insurance - Property/Liability	2,016	556	1,460	27.6% (6)
08-5028-02-**-**	Small Tools & Supplies	6,648	686	5,962	10.3%
08-5034-02-**-**	Travel Expense/Tech. Conferences	4,248	-	4,248	0.0% (8)
08-5035-02-**-**	Training Expense	3,872	-	3,872	0.0%
08-5038-02-**-**	Permits and Fines	10,012	-	10,012	0.0%
08-5039-02-**-**	Membership Dues/Fees	324	102	222	31.5%
08-6500-02-**-**	IT Allocations in to PC's & Depts.	11,516	3,437	8,079	29.8%
	Total Other Expenses	53,864	8,280	45,584	15.4%
	Total Expenses	193,580	40,545	153,035	20.9%

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
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Exhibit E-1

	FY 2018-19 Budget	Actual	(Over)/Under Budget	% Expended	
Salary and Fringe					
12-5000-02-**-**	Regular Salaries-O&M	30,396	7,307	23,089	24.0%
12-5401-02-**-**	Fringe Benefits IN to PC's & Depts.	21,880	5,261	16,619	24.0%
	Total Payroll Costs	52,276	12,567	39,709	24.0%
Other Expenses					
12-5015-02-**-**	Management Support Services	130,516	-	130,516	0.0%
12-5017-02-**-**	Legal Fees	2,004	1,872	132	93.4%
12-5027-02-**-**	Insurance - Property/Liability	1,000	605	395	60.5% (6)
12-5034-02-**-**	Travel Expense/Tech. Conferences	2,240	58	2,182	2.6% (8)
12-5038-02-**-**	Permits	18,488	-	18,488	0.0%
12-6500-02-**-**	IT Allocations in to PC's & Depts.	4,356	1,934	2,422	44.4%
	Total Other Expenses	158,604	4,470	154,134	2.8%
	Total Expenses	210,880	17,037	193,843	8.1%
15 - Coastal Treatment Plant					
Salary and Fringe					
15-5000-01-**-**	Regular Salaries-O&M	774,276	175,989	598,287	22.7%
15-5000-02-**-**	Regular Salaries-O&M	123,172	33,760	89,412	27.4%
15-5001-01-**-**	Overtime Salaries-O&M	20,008	7,497	12,511	37.5% (16)
15-5001-02-**-**	Overtime Salaries-O&M	1,244	411	833	33.0%
15-5306-01-**-**	Scheduled Holiday Work	3,520	787	2,733	22.4%
15-5306-02-**-**	Scheduled Holiday Work	3,028	156	2,872	5.1%
15-5401-01-**-**	Fringe Benefits IN to PC's & Depts.	557,484	126,712	430,772	22.7%
15-5401-02-**-**	Fringe Benefits IN to PC's & Depts.	88,688	24,307	64,381	27.4%
15-5700-01-**-**	Standby Pay	16,900	1,950	14,950	11.5%
	Total Payroll Costs	1,588,320	371,568	1,216,752	23.4%
Other Expenses					
15-5002-01-**-**	Electricity	297,000	64,810	232,190	21.8%
15-5003-01-**-**	Natural Gas	2,996	106	2,890	3.5%
15-5004-01-**-**	Potable & Reclaimed Water	13,004	6,212	6,792	47.8% (17)
15-5006-01-**-**	Chlorine/Sodium Hypochlorite	100,004	26,449	73,555	26.4%
15-5007-01-**-**	Polymer Products	2,008	-	2,008	0.0%
15-5008-01-**-**	Ferric Chloride	30,996	9,205	21,791	29.7%
15-5009-01-**-**	Odor Control Chemicals	85,004	14,485	70,519	17.0%
15-5011-02-**-**	Laboratory Services	11,500	435	11,065	3.8%
15-5012-01-**-**	Grit Hauling	30,004	5,433	24,571	18.1%
15-5013-01-**-**	Landscaping	60,008	6,986	53,022	11.6%
15-5014-01-**-**	Engineering - Misc.	5,000	2,351	2,649	47.0%
15-5014-02-**-**	Engineering - Misc.	15,000	-	15,000	0.0%
15-5015-01-**-**	Management Support Services	5,000	-	5,000	0.0%
15-5015-02-**-**	Management Support Services	5,000	-	5,000	0.0%
15-5017-01-**-**	Legal Fees	5,000	18,590	(13,590)	371.8%
15-5019-01-**-**	Contract Services Misc.	110,000	20,976	89,024	19.1%
15-5021-01-**-**	Small Vehicle Expense	6,004	914	5,090	15.2%
15-5022-01-**-**	Miscellaneous Expense	2,996	441	2,555	14.7%
15-5023-01-**-**	Office Supplies - All	4,004	940	3,064	23.5%
15-5024-01-**-**	Petroleum Products	2,000	-	2,000	0.0%
15-5025-01-**-**	Uniforms	6,004	1,203	4,801	20.0%
15-5026-01-**-**	Small Vehicle Fuel	6,004	197	5,807	3.3%
15-5027-01-**-**	Insurance - Property/Liability	23,088	9,038	14,050	39.1% (6)
15-5027-02-**-**	Insurance - Property/Liability	3,348	-	3,348	0.0% (6)
15-5028-01-**-**	Small Tools & Supplies	11,000	2,727	8,273	24.8%
15-5030-01-**-**	Trash Disposal	2,996	317	2,680	10.6%
15-5031-02-**-**	Safety Program & Supplies	34,692	7,760	26,932	22.4%
15-5032-01-**-**	Equipment Rental	1,000	-	1,000	0.0%
15-5033-01-**-**	Recruitment	1,000	-	1,000	0.0%
15-5034-01-**-**	Travel Expense/Tech. Conferences	14,372	2,389	11,983	16.6% (8)
15-5034-02-**-**	Travel Expense/Tech. Conferences	4,500	249	4,251	5.5% (8)
15-5035-01-**-**	Training Expense	11,668	866	10,802	7.4%
15-5035-02-**-**	Training Expense	1,984	-	1,984	0.0%
15-5036-02-**-**	Laboratory Supplies	14,496	3,851	10,645	26.6%
15-5037-01-**-**	Office Equipment	2,000	-	2,000	0.0%
15-5038-02-**-**	Permits	22,000	322	21,678	1.5%
15-5039-01-**-**	Membership Dues/Fees	968	937	31	96.8% (19)
15-5039-02-00-00	Membership Dues/Fees	-	171	(171)	0.0%
15-5047-01-**-**	Access Road Expenses	48,000	3,200	44,800	6.7%
15-5048-01-**-**	Storm Damage	20,008	-	20,008	0.0%
15-5049-01-**-**	Biosolids Disposal - 21B	125,004	-	125,004	0.0%
15-5050-01-**-**	Contract Services Generators - 29A	4,004	-	4,004	0.0%
15-5052-01-**-**	Janitorial Services	20,008	2,799	17,209	14.0%

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Exhibit E-1

	FY 2018-19 Budget	Actual	(Over)/Under Budget	% Expended	
15-5054-01-**-**	Diesel Truck Maint	1,004	115	889	11.4%
15-5055-01-**-**	Diesel Truck Fuel - 37B	1,004	-	1,004	0.0%
15-5056-01-00-00	Maintenance Equip. & Facilities (Solid)	-	259	(259)	0.0%
15-5057-01-**-**	Maintenance Equip. & Facilities (Liquid)	175,000	28,092	146,908	16.1%
15-5058-01-**-**	Maintenance Equip. & Facilities (Comr)	21,000	95	20,905	0.5%
15-5060-01-**-**	Maintenance Equip. & Facilities (AWT)	36,000	6,071	29,929	16.9%
15-5061-01-00-00	Mileage	-	154	(154)	0.0%
15-5076-01-**-**	SCADA Infrastructure	19,000	-	19,000	0.0%
15-5077-01-00-00	IT Direct	-	1,063	(1,063)	0.0%
15-5303-01-**-**	Group Insurance Waiver	3,600	900	2,700	25.0%
15-5303-02-00-00	Group Insurance Waiver	-	208	(208)	0.0%
15-5305-01-**-**	Medicare Tax Payments for Employee	2,996	447	2,549	14.9%
15-5705-01-**-**	Monthly Car Allowance	1,368	1,050	318	76.8%
15-6500-01-**-**	IT Allocations in to PC's & Depts.	110,988	28,671	82,317	25.8%
15-6500-02-**-**	IT Allocations in to PC's & Depts.	17,656	6,077	11,580	34.4%
	Total Other Expenses	1,560,288	287,582	1,272,706	18.4%
	Total Expenses	3,148,608	659,150	2,489,458	20.9%

17 - Joint Regional Wastewater Reclamation and Sludge Handling

Salary and Fringe					
17-5000-01-**-**	Regular Salaries-O&M	1,527,884	360,060	1,167,824	23.6%
17-5000-02-**-**	Regular Salaries-O&M	248,800	67,123	181,677	27.0%
17-5001-01-**-**	Overtime Salaries-O&M	55,008	28,334	26,674	51.5% (20)
17-5001-02-**-**	Overtime Salaries-O&M	2,704	411	2,293	15.2%
17-5306-01-**-**	Scheduled Holiday Work	22,004	2,222	19,782	10.1%
17-5306-02-**-**	Scheduled Holiday Work	5,316	350	4,966	6.6%
17-5315-02-**-**	Comp Time - O&M	1,076	-	1,076	0.0%
17-5401-01-**-**	Fringe Benefits IN to PC's & Depts.	1,100,068	259,243	840,825	23.6%
17-5401-02-**-**	Fringe Benefits IN to PC's & Depts.	179,132	48,329	130,803	27.0%
17-5700-01-**-**	Standby Pay	25,344	8,288	17,057	32.7%
	Total Payroll Costs	3,167,336	774,359	2,392,977	24.4%
Other Expenses					
17-5002-01-**-**	Electricity	381,988	209,083	172,905	54.7% (21)
17-5003-01-**-**	Natural Gas	25,000	13,077	11,923	52.3% (2)
17-5004-01-**-**	Potable & Reclaimed Water	36,000	6,135	29,865	17.0%
17-5005-01-**-**	Co-generation Power Credit	(250,012)	(60,855)	(189,157)	24.3%
17-5006-01-**-**	Chlorine/Sodium Hypochlorite	361,008	183,091	177,917	50.7% (22)
17-5007-01-**-**	Polymer Products	406,012	81,999	324,013	20.2%
17-5008-01-**-**	Ferric Chloride	129,000	42,543	86,457	33.0% (23)
17-5009-01-**-**	Odor Control Chemicals	50,000	14,118	35,882	28.2%
17-5010-01-**-**	Other Chemicals - Misc.	4,000	-	4,000	0.0%
17-5011-02-**-**	Laboratory Services	16,504	2,581	13,923	15.6%
17-5012-01-**-**	Grit Hauling - 21A	54,000	9,094	44,906	16.8%
17-5013-01-**-**	Landscaping	74,996	9,628	65,368	12.8%
17-5014-01-**-**	Engineering - Misc.	7,500	2,801	4,699	37.3%
17-5014-02-**-**	Engineering - Misc.	25,000	-	25,000	0.0%
17-5015-01-**-**	Management Support Services	110,000	-	110,000	0.0%
17-5015-02-**-**	Management Support Services	13,500	-	13,500	0.0%
17-5017-01-**-**	Legal Fees	5,008	233	4,776	4.6%
17-5019-01-**-**	Contract Services Misc.	150,008	21,271	128,737	14.2%
17-5021-01-**-**	Small Vehicle Expense	6,000	4,049	1,951	67.5% (5)
17-5022-01-**-**	Miscellaneous Expense	5,996	1,168	4,829	19.5%
17-5023-01-**-**	Office Supplies - All	7,000	2,569	4,431	36.7%
17-5024-01-**-**	Petroleum Products	41,988	2,487	39,501	5.9%
17-5025-01-**-**	Uniforms	18,008	4,483	13,525	24.9%
17-5026-01-**-**	Small Vehicle Fuel	12,988	2,042	10,946	15.7%
17-5027-01-**-**	Insurance - Property/Liability	72,004	22,754	49,250	31.6% (6)
17-5027-02-**-**	Insurance - Property/Liability	6,856	-	6,856	0.0% (6)
17-5028-01-**-**	Small Tools & Supplies	28,012	7,254	20,758	25.9%
17-5030-01-**-**	Trash Disposal	1,996	393	1,603	19.7%
17-5031-02-**-**	Safety Program & Supplies	35,000	10,552	24,448	30.1%
17-5032-01-**-**	Equipment Rental	3,008	-	3,008	0.0%
17-5033-01-**-**	Recruitment	1,000	-	1,000	0.0%
17-5034-01-**-**	Travel Expense/Tech. Conferences	14,384	3,944	10,440	27.4% (8)
17-5034-02-**-**	Travel Expense/Tech. Conferences	4,496	791	3,705	17.6% (8)
17-5035-01-**-**	Training Expense	13,672	978	12,694	7.2%
17-5035-02-**-**	Training Expense	4,912	420	4,492	8.6%
17-5036-02-**-**	Laboratory Supplies	22,740	6,809	15,931	29.9%
17-5037-01-**-**	Office Equipment	9,996	2,096	7,900	21.0%
17-5037-02-00-00	Office Equipment	-	171	(171)	0.0%
17-5038-02-**-**	Permits	40,016	1,221	38,795	3.1%
17-5039-01-**-**	Membership Dues/Fees	2,588	531	2,057	20.5%
17-5039-02-00-00	Membership Dues/Fees	-	553	(553)	0.0%

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC

July 1, 2018 through September 30, 2018

	FY 2018-19 Budget	Actual	(Over)/Under Budget	% Expended	
17-5049-01-**-**	Biosolids Disposal	914,004	239,753	674,251	26.2%
17-5050-01-**-**	Contract Services Generators - 29A	8,000	-	8,000	0.0%
17-5052-01-**-**	Janitorial Services	40,012	7,781	32,231	19.4%
17-5054-01-**-**	Diesel Truck Maint	19,004	5,532	13,472	29.1%
17-5055-01-**-**	Diesel Truck Fuel	7,000	1,213	5,787	17.3%
17-5056-01-**-**	Maintenance Equip. & Facilities (Solid)	195,996	67,732	128,264	34.6%
17-5057-01-**-**	Maintenance Equip. & Facilities (Liquic	170,000	70,001	99,999	41.2%
17-5058-01-**-**	Maintenance Equip. & Facilities (Comr	26,000	7,940	18,060	30.5%
17-5059-01-**-**	Maintenance Equip. & Facilities (Co-G	650,012	50,919	599,093	7.8%
17-5060-01-**-**	Maintenance Equip. & Facilities (AWT	36,000	24,100	11,900	66.9% (24)
17-5061-01-00-00	Mileage	-	261	(261)	0.0%
17-5068-02-**-**	MNWD Potable Water Supplies & Svc	24,484	7,510	16,974	30.7%
17-5076-01-**-**	SCADA Infrastructure	19,000	-	19,000	0.0%
17-5105-01-**-**	Co-Generation Power Credit - Offset	249,972	60,855	189,117	24.3%
17-5303-01-00-00	Group Insurance Waiver	-	762	(762)	0.0%
17-5303-02-**-**	Group Insurance Waiver	3,620	692	2,928	19.1%
17-5305-01-00-00	Medicare Tax Payments for Employee	-	39	(39)	0.0%
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	7,192	635	6,557	8.8%
17-5705-02-**-**	Monthly Car Allowance	4,196	1,050	3,146	25.0%
17-5706-01-**-**	Effluent Pond Cleaning	90,000	-	90,000	0.0%
17-6500-01-**-**	IT Allocations in to PC's & Depts.	219,084	63,049	156,035	28.8%
17-6500-02-**-**	IT Allocations in to PC's & Depts.	35,660	11,120	24,540	31.2%
	Total Other Expenses	4,677,540	1,231,173	3,446,367	26.3%
	Total Expenses	7,844,876	2,005,532	5,839,344	25.6%

21 - Effluent Transmission Main

Salary and Fringe

21-5000-01-**-**	Regular Salaries-O&M	500	-	500	0.0%
21-5401-01-**-**	Fringe Benefits IN to PC's & Depts.	360	-	360	0.0%
		860	-	860	0.0%

Other Expenses

21-5014-02-**-**	Engineering - Misc.	62,496	-	62,496	0.0%
21-5015-01-**-**	Management Support Services	2,500	-	2,500	0.0%
21-5027-02-00-00	Insurance - Property/Liability	-	189	(189)	0.0% (6)
	Total Other Expenses	64,996	189	64,807	0.3%
	Total Expenses	65,856	189	65,667	0.3%

23 - North Coast Interceptor

Other Expenses

23-5017-01-00-00	Legal Fees	-	7,378	(7,378)	0.0%
	Total Other Expenses	-	7,378	(7,378)	0.0%
	Total Expenses	-	7,378	(7,378)	0.0%

24 - Aliso Creek Ocean Outfall

Salary and Fringe

24-5000-01-**-**	Regular Salaries-O&M	3,408	89	3,319	2.6%
24-5000-02-**-**	Regular Salaries-O&M	124,748	18,563	106,185	14.9%
24-5001-01-**-**	Overtime Salaries-O&M	512	-	512	0.0%
24-5001-02-**-**	Overtime Salaries-O&M	156	252	(96)	161.3%
24-5306-01-**-**	Scheduled Holiday Work	88	-	88	0.0%
24-5306-02-**-**	Scheduled Holiday Work	232	-	232	0.0%
24-5401-01-**-**	Fringe Benefits IN to PC's & Depts.	2,452	64	2,388	2.6%
24-5401-02-**-**	Fringe Benefits IN to PC's & Depts.	89,844	13,365	76,479	14.9%
	Total Payroll Costs	221,440	32,333	189,107	14.6%

Other Expenses

24-5002-01-**-**	Electricity	1,000	-	1,000	0.0%
24-5014-02-**-**	Engineering - Misc.	20,004	-	20,004	0.0%
24-5015-01-**-**	Management Support Services	2,500	-	2,500	0.0%
24-5015-02-**-**	Management Support Services	22,508	-	22,508	0.0%
24-5017-02-**-**	Legal Fees	2,008	233	1,776	11.6%
24-5027-01-**-**	Insurance - Property/Liability	100	-	100	0.0% (6)
24-5027-02-**-**	Insurance - Property/Liability	5,500	1,665	3,835	30.3% (6)
24-5031-02-**-**	Safety Supplies	996	-	996	0.0%
24-5034-02-**-**	Travel Expense/Tech. Conferences	4,496	2,332	2,164	51.9% (8)
24-5035-02-**-**	Training Expense	520	-	520	0.0%
24-5036-02-**-**	Laboratory Supplies	19,560	5,180	14,380	26.5%
24-5038-02-**-**	Permits	148,004	-	148,004	0.0%

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
 July 1, 2018 through September 30, 2018

Exhibit E-1

	FY 2018-19 Budget	Actual	(Over)/Under Budget	% Expended	
24-5044-02-**-**	Offshore Monitoring	18,000	6,679	11,321	37.1% (12)
24-5045-02-**-**	Offshore Biochemistry - 20B	45,004	-	45,004	0.0%
24-5046-02-**-**	Effluent Chemistry	14,004	9,620	4,384	68.7% (13)
24-5058-01-**-**	Maintenance Equip. & Facilities (Comr	1,000	-	1,000	0.0%
24-5067-02-**-**	Port Cleaning	35,000	-	35,000	0.0%
24-6500-01-**-**	IT Allocations in to PC's & Depts.	3,364	276	3,088	8.2%
24-6500-02-**-**	IT Allocations in to PC's & Depts.	14,924	3,361	11,563	22.5%
	Total Other Expenses	358,692	29,346	329,346	8.2%
	Total Expenses	580,132	61,678	518,454	10.6%
	SOCWA TOTAL	18,701,584	4,191,369	14,510,215	22.4%

- (1) JBL has had several overnight construction and repair projects in the first quarter requiring elevated overtime.
- (2) The plants continue to see decreases in wastewater flows and loads leading to less digester gas for the new engines and increased natural gas usage.
- (3) Several large trees were removed that were in danger of falling to the adjacent properties, expenses are planned to level off.
- (4) This includes the ADS Flow Monitoring. The FY19/20 budget will be updated to reflect this new cost.
- (5) New vehicles were outfitted with gear for use by field staff elevating expenses for the first quarter, expenses are planned to level off.
- (6) Insurance - Several policies are paid in the first quarter of the Fiscal Year, expenses are planned to level off.
- (7) The first quarter includes the purchase of new boots per the Employee Manual, expenses are planned to level off.
- (8) Two of the three planned major conferences were attended by staff in the first quarter of the Fiscal Year including WEFTEC and HACHWIMS, expenses are planned to level off.
- (9) Half of SOCWA's permits are renewed in July of each year, expenses are planned to level off.
- (10) Solids expenses included the planned major overhaul of Centrifuge #2 in July, expenses are planned to level off.
- (11) ADS Special Study to investigate proposed dumping in San Clemente; pass through cost.
- (12) Annual Kelp Survey as Required by NPDES permit, expenses are planned to level off.
- (13) Annual Kelp Survey as Required by NPDES permit, expenses are planned to level off.
- (14) These are pass through costs that will be billed to the agencies directly and reversed in October.
- (15) Not Used
- (16) PC15 litigation support and an SCE transformer replacement elevated overtime in the first quarter.
- (17) Water use is higher than planned to meet a new recommendation for odor scrubber operations to reduce equipment fouling.
- (18) Not Used
- (19) Several staff membership dues were paid in July, expenses are planned to level off.
- (20) Overtime is elevated due to new engine startup and commissioning needs.
- (21) Electricity costs have been elevated due to delays in completing the new Engine project.
- (22) Bleach usage was up in the first quarter due to peak recycled water use and decreased flows to the plant causing partial nitrification that consumes higher than normal amounts of bleach in the disinfection process. O&M staff is planning to remove one aeration tank from service to reduce nitrification. The change is planned for November 2018 to minimize potential disruptions to the delivery of recycled water during peak Summer and Fall months.
- (23) Ferric chloride demands have been higher than estimated by the new engine design engineer for the gas cleaning system needs.
- (24) Several failed valves were replaced at RTP that could not wait until the annual AWT maintenance shutdown in January.

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

Exhibit E-2

July 1, 2018 through September 30, 2018

		FY 2018-19 Budget	Actual	(Over)/Under Budget	% Expended
Salary and Fringe					
-5000-**-00	Regular Salaries-O&M	199,834	34,722	165,111	17.4%
01-5001-03-00-00	Overtime Salaries-O&M	-	-	0	0.0%
-5306-**-00	Scheduled Holiday Work	-	-	0	0.0%
01-5401-03-00-00	Fringe Benefits IN to PC's & Depts.	143,880	25,000	118,880	17.4%
	Total Payroll Costs	343,714	59,722	283,992	17.4%
Other Expenses					
01-5015-03-00-00	Management Support Services	7,500	-	7,500	0.0%
01-5022-03-00-00	Miscellaneous Expense	3,060	-	3,060	0.0%
01-5023-03-00-00	Office Supplies - All	200	-	200	0.0%
01-5031-03-00-00	Safety Supplies	-	145	(145)	0.0%
01-5034-03-00-00	Travel Expense/Tech. Conferences	6,659	2,437	4,222	36.6%
01-5035-03-00-00	Training Expense	4,000	-	4,000	0.0%
01-5037-03-00-00	Office Equipment	5,000	-	5,000	0.0%
01-5039-03-00-00	Membership Dues/Fees	2,025	-	2,025	0.0%
01-5061-03-00-00	Mileage	300	-	300	0.0%
01-5301-03-00-00	Vehicle Pay	4,200	-	4,200	0.0%
01-5309-03-00-00	Operating Leases	20,637	1,116	19,521	5.4%
01-5705-03-00-00	Monthly Car Allowance	-	1,050	(1,050)	0.0%
01-5802-03-00-00	Shipping/Freight	300	-	300	0.0%
01-6500-03-00-00	IT Allocations in to PC's & Depts.	59,860	15,999	43,861	26.7%
	Total Other Expenses	113,741	20,746	92,994	18.2%
	Total Expenses	457,455	80,469	376,986	17.6%

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

July 1, 2018 through September 30, 2018

		FY 2018-19 Budget	Actual	(Over)/Under Budget	% Expended
Salary and Fringe					
01-6000-04-00-00	Regular Salaries-Admin or IT	985,352	218,523	766,829	22.2%
01-6001-04-00-00	Overtime Salaries-Admin or IT	12,000	2,580	9,420	21.5%
01-6315-04-00-00	Comp Time - Admin	10,000	-	10,000	0.0%
01-6401-04-00-00	Fringe Benefits IN to ADMIN or IT	709,453	155,492	553,961	21.9%
	Total Payroll Costs	1,716,805	376,595	1,340,210	21.9%
Other Expenses					
01-5018-04-00-00	Public Notices/ Public Relations	1,400	-	1,400	0.0%
01-6101-04-00-00	HR Recruitment & Employee Relations	21,200	3,487	17,713	16.4%
01-6102-04-00-00	Subscriptions	3,243	1,062	2,181	32.7%
01-6200-04-00-00	Management Support Services	112,500	56,288	56,212	50.0%
01-6201-04-00-00	Audit	40,000	-	40,000	0.0%
01-6202-04-00-00	Legal	250,000	70,643	179,357	28.3%
01-6204-04-00-00	Postage	2,319	590	1,729	25.4%
01-6223-04-00-00	Office Supplies - Admin	8,471	2,461	6,010	29.0%
01-6224-04-00-00	Office Equipment Admin or IT	8,000	-	8,000	0.0%
01-6234-04-00-00	Memberships & Trainings	89,520	3,945	85,575	4.4%
01-6239-04-00-00	Travel & Conference	20,800	6,345	14,455	30.5%
01-6240-04-00-00	Scholarship Sponsorship	1,000	-	1,000	0.0%
01-6310-04-00-00	Miscellaneous	20,000	6,945	13,055	34.7%
01-6311-04-00-00	Mileage	1,000	215	785	21.5%
01-6317-04-00-00	Contract Services Misc	4,936	1,185	3,751	24.0%
01-6500-04-00-00	IT Allocations in to PC's & Depts.	141,240	30,462	110,778	21.6%
01-6601-04-00-00	Shipping/Freight	1,500	742	758	49.5%
01-6705-04-00-00	Monthly Car Allowance	12,000	3,000	9,000	25.0%
	Total Other Expenses	739,130	187,368	551,762	25.3%
Total Expenses		2,455,935	563,963	1,891,973	23.0%

South Orange County Wastewater Authority

Budget vs. Actual Comparison-IT

July 1, 2018 through September 30, 2018

		FY 2018-19 Budget	Actual	(Over)/Under	% Expended
Salary & Fringe					
01-6000-05-00-00	Regular Salaries-Admin or IT	93,378	18,732	74,646	20.1%
01-6001-05-00-00	Overtime Salaries-Admin or IT	3,082	1,185	1,897	38.5%
01-6315-05-00-00	Comp Time - IT	2,332	-	2,332	0.0%
01-6401-05-00-00	Fringe Benefits IN to ADMIN or IT	67,232	13,487	53,745	20.1%
	Total Salary & Fringe	166,024	33,403	132,620	20.1%
Other Expenses					
01-5028-05-00-00	Small Tools & Supplies	1,000	-	1,000	0.0%
01-5035-05-00-00	Training Expense	12,000	-	12,000	0.0%
01-5037-05-00-00	Office Equipment	400	-	400	0.0%
01-6200-05-00-00	Management Support Services	64,500	450	64,051	0.7%
01-6234-05-00-00	Memberships & Trainings	2,750	96	2,654	3.5%
01-6239-05-00-00	Travel & Conference	4,210	-	4,210	0.0%
01-6300-05-00-00	Software Maintenance Agreements	98,893	36,234	62,659	36.6%
01-6301-05-00-00	Hardware Maintenance Agreements	11,657	873	10,784	7.5%
01-6302-05-00-00	Cloud Subscriptions (Internet)	45,800	55,074	(9,274)	120.3%
01-6303-05-00-00	Telecommunications	129,940	26,091	103,849	20.1%
01-6305-05-00-00	IT Professional Services	157,000	28,426	128,574	18.1%
01-6306-05-00-00	Small Hardware Purchases (< \$5k)	46,800	29,934	16,867	64.0%
01-6307-05-00-00	Small Software Purchases & Licenses (<\$5k)	43,735	1,170	42,565	2.7%
01-6308-05-00-00	IT Memberships	160	-	160	0.0%
01-6309-05-00-00	Operating Leases	55,200	13,334	41,866	24.2%
01-6310-05-00-00	Miscellaneous	5,000	-	5,000	0.0%
01-6312-05-00-00	Computer & Photocopy Supplies	2,275	452	1,823	19.9%
01-6601-05-00-00	Shipping/Freight	276	-	276	0.0%
	Total Other Expenses	681,596	192,134	489,463	28.2%
	Total Expenses before Allocation	847,620	225,537	622,083	26.6%
IT Allocations (Out) to PC's & Depts					
01-6400-05-00-00	IT Allocations (OUT) to PC's & Depts.	(847,620)	(225,537)	(622,083)	26.6%
	Total IT Allocations (Out) to PC's & Depts	(847,620)	(225,537)	(622,083)	26.6%

**South Orange County Wastewater Authority
 PARS Retiree Health Trust Fund
 FY 2017-18**



*SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
 PARS OPEB Trust Program*

*Account Report for the Period
 7/1/2017 to 6/30/2018*

Mary Carey
 Finance Controller
 South Orange County Wastewater Authority
 34156 Del Obispo St.
 Dana Point, CA 92629

Account Summary

Source	Beginning Balance as of 7/1/2017	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 6/30/2018
OPEB	\$4,269,923.54	\$231,000.00	\$348,618.82	\$26,132.64	\$0.00	\$0.00	\$4,823,409.72
Totals	\$4,269,923.54	\$231,000.00	\$348,618.82	\$26,132.64	\$0.00	\$0.00	\$4,823,409.72

Investment Selection
 Balanced HighMark PLUS

Investment Objective

The dual goals of the Balanced Strategy are growth of principal and income. While dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return. The portfolio will be allocated between equity and fixed income investments.

Investment Return

1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
			3-Years	5-Years	10-Years	
0.16%	1.32%	8.03%	6.63%	7.57%	-	12/17/2009

South Orange County Wastewater Authority LAIF Performance Report Quarter Ending September 30, 2018



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
09/24/18	2.08	2.00	189
09/25/18	2.08	2.00	188
09/26/18	2.09	2.00	190
09/27/18	2.09	2.00	192
09/28/18	2.09	2.00	193
09/29/18	2.09	2.00	193
09/30/18	2.09	2.00	193
10/01/18	2.11	2.11	205
10/02/18	2.11	2.11	205
10/03/18	2.12	2.11	206
10/04/18	2.12	2.12	206
10/05/18	2.12	2.12	205
10/06/18	2.12	2.12	205
10/07/18	2.12	2.12	205
10/08/18	2.12	2.12	202
10/09/18	2.12	2.12	202
10/10/18	2.13	2.12	202
10/11/18	2.14	2.12	203
10/12/18	2.14	2.12	202
10/13/18	2.14	2.12	202
10/14/18	2.14	2.13	202
10/15/18	2.14	2.13	200
10/16/18	2.15	2.13	198
10/17/18	2.15	2.13	198
10/18/18	2.16	2.13	197
10/19/18	2.16	2.13	197
10/20/18	2.16	2.13	197
10/21/18	2.16	2.13	197
10/22/18	2.16	2.14	199
10/23/18	2.16	2.14	200
10/24/18	2.16	2.14	202

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

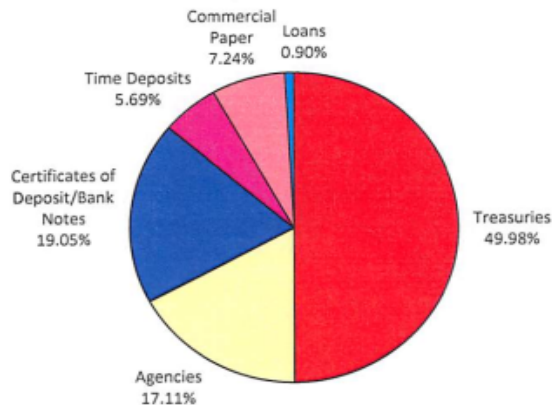
Quarter Ending 09/30/18

Apportionment Rate: 2.16%
 Earnings Ratio: 0.00005909460836489
 Fair Value Factor: 0.997832404
 Daily: 2.09%
 Quarter to Date: 2.00%
 Average Life: 193

PMIA Average Monthly Effective Yields

Sept 2018 2.063
 Aug 2018 1.998
 July 2018 1.944

Pooled Money Investment Account Portfolio Composition 09/30/18 \$88.3 billion



Percentages may not total 100%, due to rounding.

Based on data available as of 10/24/2018

Agenda Item

10

Legal Counsel Review: N/A

Meeting Date: November 1, 2018

TO: Finance Committee

FROM: Betty Burnett, General Manager

STAFF CONTACT: Mary Carey, Finance Controller

SUBJECT: Cash Roll Forward Fiscal Years Summary
June 30, 2016 through June 30, 2018, ending September 30, 2018

Summary/Discussion

The following presentation includes cash summary by member agency for large capital Cash Roll Forward with summary detail by fiscal year and for Q1 2018-19. Total large capital cash as of September 30, 2018 is \$11,608,902. Additional Cash on Hand equals \$574,767.

Recommendation

Information Item; Receive and File.

**South Orange County Wastewater Authority
Member Agency Capital Cash
As of September 30, 2018**

Cash Summary by Member Agency								
	Large Capital Cash by Project	Past Due Receivables			Use Audit FY 2016-17 Not Settled	Use Audit FY 2017-18 Not Settled	Total Large Capital Cash	Member Agency % Share
		6/30/2017	6/30/2018	9/30/2018	Due to Mbr Agcy	Due from Mbr Agcy		
	\$						Q1 9/30/2018	%
City of Laguna Beach	1,571,282					6,118	1,577,400	13.6%
City of San Clemente	62,634					-	62,634	0.5%
City of San Juan Capistrano	1,307,133				(15,171)	(61,304)	1,230,658	10.6%
Emerald Bay Service District	119,327					322	119,649	1.0%
El Toro Water District	497,607					8,902	506,509	4.4%
Irvine Ranch Water District	156,629			74,964		-	231,593	2.0%
Moulton Niguel Water District	2,506,374	649,490	732,878	66,003	(11,159)	349,493	4,293,078	37.0%
South Coast Water District	2,562,699				(12,195)	(52,580)	2,497,924	21.5%
Santa Margarita Water District	1,135,346				(11,406)	(34,484)	1,089,456	9.4%
Total	9,919,031	649,490	732,878	140,967	(49,931)	216,467	11,608,902	100.0%

**South Orange County Wastewater Authority
Cash Reconciliation
June 30, 2016 through June 30, 2018, ending September 30, 2018
FY 2017-18 adjusted to reflect Trial Balance provided to Auditors**

	6/30/2016	6/30/2017	6/30/2018	9/30/2018
Cash on Hand	5,777,486	12,949,694	13,557,237	13,728,275
Accounts Payable 6/30/16	(2,453,079)	(2,682,688)	(2,296,306)	(984,400)
Accrued Payroll 6/30/16	(129,958)	(102,661)	(127,396)	(190,191)
Accounts Receivable 6/30/16	316,772	1,069,282	1,660,444	1,898,255
PTO Reserves	(684,767)	(653,282)	(620,032)	(402,317)
Due to Mbr Agency	(1,692,399)	(1,358,841)	(3,923,450)	(3,923,450)
Due From Mbr Agency	1,316,255	1,069,819	2,428,721	2,428,721
Audit Adjustment	311,131			
Prepaid	65,614	65,082	204,867	334,533
Deposits	18,000	19,500		
				In Due From Mbr. Agcy

Available Cash 6/30/2016	2,845,055	10,375,905	10,884,086	12,889,426
Large Capital Cash as of 6/30/2016	2,223,007	9,168,439	8,798,938	9,919,031
Moulton Niguel Large Capital Accounts Receivable		649,490	1,382,368	1,523,335
Add Use Audit Settlement	211,626	(49,931)	166,536	166,536
Total Large Capital Cash as of 9/30/2018	2,434,633	9,767,998	10,347,842	11,608,902
Small Capital Carryover	129,000	(129,000)		
Cash Collected for PC 2 Zephyr Wall		76,318		
Non Capital Engineering Cash Collected in Excess of Expenditures		273,231	8,220	23,758
Small Capital Cash Collected in Excess of Expenditures				120,048
O&M Cash Collected in Excess of Expenditures				561,951
Total Cash	2,563,633	9,715,316	10,356,062	12,314,659
Additional Cash on Hand	281,422	660,589	528,024	574,767
				Original Audit Diff. was \$354k, later adjustments reduced diff. to \$281k.

Additional Cash Is:				
Amount from FY 2015-16		281,422	387,358	528,024
County of Orange Bankruptcy Payment	18,714			
County of Orange Admin Fees	13,626			
County of Orange Access Maintenance	3,000			
City of Laguna Niguel Heat Transfer	31,320			
SMWD Lab Fees	17,820			
Coke machine	30			
FEMA Reimbursement			136,995	
Interest Income Received FY 16-17	24,587	45,294	114,150	
Recycling Income	16,710	11,708	2,112	
PC 23 Admin Payment		9,135		
Mutual Omaha Refund		8,034		
Interest received for 4th qtr 15-16		4,934	25,256	52,418
LAIF Interest Adj.		3,000		
Grant Revenue		1,500		
Sale of Fixed Assets	20,289		6,297	9,789
Other misc adjustments	135,326	22,332	(144,145)	(15,463)
Total Other Cash	281,422	387,358	528,024	574,767