

I hereby certify that the following Agenda was posted at least 72 hours prior to the time of the Board Meeting so noticed below, at the usual agenda posting location of the South Orange County Wastewater Authority [SOCWA] and at www.socwa.com.



Betty Burnett, General Manager
SOCWA and the Board of Directors thereof

AGENDA

Regular Meeting of The
South Orange County Wastewater Authority
Board of Directors

November 1, 2018
8:30 a.m.

THE BOARD OF DIRECTORS MEETING ROOM IS LOCATED AT 34156 DEL OBISPO STREET, DANA POINT, CA. THE 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'S SECRETARY'S OFFICE AT 949-234-5421 AT LEAST SEVENTY-TWO (72) HOURS PRIOR TO THE SCHEDULED MEETING. THIS AGENDA CAN BE OBTAINED IN ALTERNATE FORMAT UPON WRITTEN REQUEST TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY SECRETARY AT LEAST SEVENTY-TWO (72) HOURS PRIOR TO THE SCHEDULED MEETING.

AGENDA ATTACHMENTS AND OTHER WRITINGS THAT ARE DISCLOSABLE PUBLIC RECORDS DISTRIBUTED TO ALL, OR A MAJORITY OF, THE MEMBERS OF THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY BOARD OF DIRECTORS IN CONNECTION WITH A MATTER SUBJECT TO DISCUSSION OR CONSIDERATION AT AN OPEN MEETING OF THE BOARD OF DIRECTORS ARE AVAILABLE FOR PUBLIC INSPECTION IN THE AUTHORITY OFFICE, 34156 DEL OBISPO STREET, DANA POINT, CA ("AUTHORITY OFFICE"). IF SUCH WRITINGS ARE DISTRIBUTED TO MEMBERS OF THE BOARD OF DIRECTORS LESS THAN SEVENTY-TWO (72) HOURS 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 BOARD OF DIRECTORS, EXCEPT THAT, IF SUCH WRITINGS ARE DISTRIBUTED IMMEDIATELY PRIOR TO, OR DURING, THE MEETING, THEY WILL BE AVAILABLE IN THE BOARD OF DIRECTORS MEETING ROOM.

1. CALL MEETING TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ORAL COMMUNICATIONS

A. Members of the public may address the board regarding an item on the agenda or may reserve this opportunity during the meeting at the time item is discussed by the board. There will be a three-minute limit for public comments.

4. CONSENT CALENDAR

A. Minutes of Board of Directors Meeting(s)

Board of Directors Meeting October 4, 2018 [8:30 a.m.]	1
Board of Directors Meeting October 4, 2018 [10:30 a.m.]	9

ACTION The Board will be requested to approve subject Minutes.

AGENDA
South Orange County Wastewater Authority
Board of Directors Meeting
November 1, 2018

B. Minutes of Finance Committee Meeting(s)

Finance Committee Meeting June 27, 2018	12
Finance Committee Meeting August 10, 2018	15
Finance Committee Meeting August 29, 2018	18
Finance Committee Meeting September 19, 2018	14

ACTION The Board will be requested to receive and file subject Minutes.

C. Financial Matters

1) <u>Monthly Financial Report for July 2018</u>	52
a) Summary of Disbursements for July 2018 – Exhibit A.....	53
b) Schedule of Funds Available for Reinvestment – Exhibit B.....	54
c) Schedule of Cash and Investments – Exhibit C.....	55

ACTION 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.

2) <u>Monthly Financial Report for August 2018</u>	56
a) Summary of Disbursements for August 2018 – Exhibit A	57
b) Schedule of Funds Available for Reinvestment – Exhibit B	58
c) Schedule of Cash and Investments – Exhibit C.....	59

ACTION 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.

3) <u>Monthly Financial Report for September 2018</u>	60
a) Summary of Disbursements for September 2018 – Exhibit A.....	61
b) Schedule of Funds Available for Reinvestment – Exhibit B	62
c) Schedule of Cash and Investments – Exhibit C.....	63

ACTION 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.

4) <u>Quarterly (Q1) Financial Reports July 1, 2018 thru September 30, 2018</u>	64
a) Capital Summaries – Exhibit D.....	65
b) Capital Projects – Graph – Exhibit D1	66
c) Operations and Environmental Summary (Exhibit E-1)	67
d) Residual Engineering, after transfer to Capital (Exhibit E-2).....	75
e) Administration (Exhibit E-3).....	76

AGENDA

South Orange County Wastewater Authority
Board of Directors Meeting
November 1, 2018

- f) Information Technology (IT) (Exhibit E-4)..... 77
- g) PARS Retiree Health Trust Fund Ending Balance June 30, 2018 (Exhibit F)..78
- h) LAIF Performance Report Quarter Ending September 30, 2018 (Exhibit G)..79

ACTION The Finance Committee recommends to the Board of Directors to:

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)

- 5) Cash Roll Forward Fiscal Years Summary – June 30, 2016 through June 30, 2018, Ending September 30, 2018..... 80

ACTION The Board will be requested to receive and file subject report.

D. Operational Reports

- 1) Monthly Operations Report – September 2018..... 83
- 2) Ocean Outfall Discharges..... 95
- 3) Quarterly Report on Key Operational Expenses 97
- 4) Beach/Ocean Monitoring Report..... 104
- 5) Recycled Water Report..... 126
- 6) Pretreatment Report..... 129

ACTION The Board will be requested to receive and file the *September 2018 Operations Report*.

E. Capital Improvement Program

- Status Report(s) 132

ACTION The Board will be requested to receive and file subject reports.

F. Minutes of Engineering Committee Meeting(s)

- Engineering Committee September 13, 2018 145

ACTION The Board will be requested to receive and file subject Minutes.

AGENDA
South Orange County Wastewater Authority
Board of Directors Meeting
November 1, 2018

5. GENERAL MANAGER'S REPORTS

A. Agreement with the State of California 150

ACTION The Board will be requested to approve the additional budget of up to \$250,000 per year via PC12 for FY 18-19 through FY 20-21 subject to the budget approval for each Fiscal Year and continuing concurrence to pay for their shares as agreed to by MNWD and SMWD, with MNWD funding 25% and SMWD funding 75% of service costs incurred and properly invoiced.

B. Biosolids Management Strategic Plan Update 165

ACTION The Board will be requested to receive and file the *2018 Biosolids Management Strategic Plan Update*.

C. Monthly Progress Report on State Audit Recommendations..... 195

ACTION The Board will be requested to receive and file the *Monthly Progress Report on State Audit Recommendations – State Audit Schedule*.

D. General Manager's Status Report..... 199

ACTION Information item only.

E. JPA and Project Committee Claims from Third Parties 202

ACTION Information item.

6. CLOSED SESSION

Closed Session pursuant to Government code section 54957

A. Public Employee Performance Evaluation
Title: General Manager.

OTHER MATTERS

A. Open discussion or items received too late to be agendized.

Note: Determine the need to take action on the following item(s) introduced by the General Manager which arose subsequent to the agenda being posted.

[Adoption of this action requires a two-thirds vote of the Board, or if less than two-thirds are present an unanimous vote.]

AGENDA
South Orange County Wastewater Authority
Board of Directors Meeting
November 1, 2018

ADJOURNMENT

THE NEXT REGULAR SOCWA BOARD MEETING WILL BE HELD ON
December 6, 2018 at 8:30 a.m.

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

Board of Directors

October 4, 2018

The Regular Meeting of the South Orange County Wastewater Authority (SOCWA) Board of Directors was held on October 4, 2018, at 8:30 a.m. at the Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Board of Directors were present:

MIKE DUNBAR, Emerald Bay Water District	Director
SCOTT GOLDMAN, El Toro Water District	Director
STEPHAN DOPUDJA, Trabuco Canyon Water District	Vice Chairman
MATT COLLINGS, Moulton Niguel Water District	Alternate Director
DOUG REINHART, Irvine Ranch Water District	Director
TONI ISEMAN, City of Laguna Beach	Director
DAN FERONS, Santa Margarita Water District	Chairman
DENNIS ERDMAN, South Coast Water District	Director
RAY MILLER, City of San Juan Capistrano	Director
DAVE REBENS DORF, City of San Clemente	Director

Staff present:

BETTY BURNETT	General Manager/Secretary
ADRIANNA OCHOA	Procopio Law Firm
BRAD NEUFELD	Varner&Brandt [arrival 9:46 a.m.]
AMBER BAYLOR	Director of Environmental Compliance
JIM BURROR	Director of Operations
MARY CAREY	Finance Controller
JEANETTE CONTINOLA	Procurement/Contracts Administrator
KONSTANTIN SHILKOV	Senior Accountant
NAYDN KIM	Accountant
DANITA HIRSH	Assistant to the General Manager
ANNA SUTHERLAND	Accounts Payable
JASON MANNING	Senior Engineer
RONI YOUNG	Associate Engineer
TERI NOSON	Clerk of the Board/Assistant Secretary

Also present:

DONALD FROELICH	Moulton Niguel Water District
FRED ADJARIAN	El Toro Water District
ROGER BUTOW	Clean Water Now
RICK SHINTAKU	South Coast Water District
DAVID SHISSLER	City of Laguna Beach
MICHAEL PEREA	Trabuco Canyon Water District
JOHN PIETIG	City of Laguna Beach [arrival 9:00 a.m.]
JEREMY JUNGREIS	Rutan & Tucker Law Firm [arrival 9:00 a.m.]

1. Call meeting to Order

Chairman Ferons called the meeting to order at 8:30 a.m. and welcomed everyone present.

2. Pledge of Allegiance

Director Dunbar led the Pledge of Allegiance to the Flag of the United States of America.

3. Oral Comments

Chairman Ferons asked if members of the public desired to address the Board, or desired to reserve addressing the Board during the meeting regarding any item on the Agenda.

Mr. Butow, founder and Executive Director of Clean Water Now (CWN), reported that CWN had been working with the Regional Board staff on their prioritization list for Administrative Civil Liability (ACL) actions. Mr. Butow stated that CWN had attended several meetings with SOCWA and MNWD staff discussing the estimated overflow at RTP, and that CWN would be meeting again with MNWD and SOCWA staff to settle the matter to preclude an ACL action.

Mr. Butow stated that CWN is considering filing a Notice of Intent, which would entail naming the Regional Board for failure to enforce the RTP spill. Mr. Butow believes there is potential to settle the matter locally and the Regional Board staff was very supportive on his interest in the spill.

ACTION TAKEN

No action required.

4. Consent Calendar

Chairman Ferons referenced the items under the Consent Calendar and asked if there were any questions or comments.

Ms. Carey pulled item 4.C. 1) Monthly Financials Report for June 2018, and Director Goldman pulled item 4.A. Board of Directors Meeting September 6, 2018.

ACTION TAKEN

Motion was made by Director Miller and seconded by Director Erdman to approve the remaining items under the Consent Calendar.

Motion carried:	Aye 10; Nay 0; Abstain 0; Absent 0
Director Dunbar	Aye
Director Goldman	Aye
Vice Chairman Dopudja	Aye
Director Collings	Aye
Director Reinhart	Aye
Director Iseman	Aye
Chairman Ferons	Aye
Director Erdman	Aye
Director Miller	Aye
Director Rebensdorf	Aye

4. Minutes of Board of Directors Meetings(s)

A. Board of Directors Meeting September 6, 2018

ACTION TAKEN

Motion was made by Director Goldman and seconded by Director Dunbar to approve the Board of Directors minutes for September 6, 2018 with the correction of 2017 to 2018 in the heading of the Minutes.

Motion carried: Aye 10; Nay 0; Abstain 0; Absent 0
Director Dunbar Aye
Director Goldman Aye
Vice Chairman Dopudja Aye
Director Collings Aye
Director Reinhart Aye
Director Iseman Aye
Chairman Ferons Aye
Director Erdman Aye
Director Miller Aye
Director Rebensdorf Aye

4.C. Financial Matters

1) Monthly Financials Report for June 2018

Ms. Carey referenced the provided handout and noted the updated changes to the Budget vs. Actual and Capital Spending. The changes agreed with the preliminary FY 2017-18 Use Audit that was distributed at the Finance Officer's meeting on October 3, 2018. An open discussion ensued. Director Erdman requested that the item be reviewed by the Finance Committee prior to Board action.

ACTION TAKEN

There being no objection, the Chairman tabled this item for Finance Committee review, and then resubmit the *Monthly Financials Report for June 2018* to the Board for action at the November Board meeting.

5. Engineering Matters

A. Award Contract – CTP Tertiary System Upgrade Project [PC15]

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Iseman to approve the award of construction contract to S.S. Mechanical at a price not to exceed \$883,211.

Motion carried: Aye 3; Nay 0; Abstain 1; Absent 0
Director Dunbar Aye
Director Collings Abstain
Director Iseman Aye
Director Erdman Aye

6. General Manager's Reports

A. Final 2016-17 Use Audit

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Miller to approve the Use Audit and collection from and payments to SOCWA member agencies consistent with the results of the FY 2016-17 Use Audit as submitted.

Motion carried: Aye 10; Nay 0; Abstain 0; Absent 0
Director Dunbar Aye
Director Goldman Aye
Vice Chairman Dopudja Aye
Director Collings Aye

Director Reinhart	Aye
Director Iseman	Aye
Chairman Ferons	Aye
Director Erdman	Aye
Director Miller	Aye
Director Rebensdorf	Aye

B. Final 2016-17 Use Audit Reconciliation to Finance Statements Audit

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Miller to receive and file the SOCWA Financial Reconciliation for the Year Ended June 30, 2017.

Motion carried:	Aye 10; Nay 0; Abstain 0; Absent 0
Director Dunbar	Aye
Director Goldman	Aye
Vice Chairman Dopudja	Aye
Director Collings	Aye
Director Reinhart	Aye
Director Iseman	Aye
Chairman Ferons	Aye
Director Erdman	Aye
Director Miller	Aye
Director Rebensdorf	Aye

C. Unfunded Pension Liability (UAL) Distribution by Member Agencies Results and Recommendation

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Dunbar to approve member agency Distribution Percentages, Timing and Future Application (as detailed in staff report).

Director Collings noted that MNWD would be abstaining due to concerns about the application of the distribution percentages in the future; however, MNWD did not have an alternative recommendation at this time, and would therefore abstain from the vote.

Motion carried:	Aye 9; Nay 0; Abstain 1; Absent 0
Director Dunbar	Aye
Director Goldman	Aye
Vice Chairman Dopudja	Aye
Director Collings	Abstain
Director Reinhart	Aye
Director Iseman	Aye
Chairman Ferons	Aye
Director Erdman	Aye
Director Miller	Aye
Director Rebensdorf	Aye

D. Monthly Progress Report on State Audit Recommendations

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Miller to receive and file the *Monthly Progress Report on State Audit Recommendations* – State Audit Response Schedule.

Motion carried:	Aye 10; Nay 0; Abstain 0; Absent 0
Director Dunbar	Aye
Director Goldman	Aye
Vice Chairman Dopudja	Aye
Director Collings	Aye
Director Reinhart	Aye
Director Iseman	Aye
Chairman Ferons	Aye
Director Erdman	Aye
Director Miller	Aye
Director Rebensdorf	Aye

E. Resolution No. 2018-13 – Basin Plan Amendment [PC12]

Mr. Butow reported that CWN was the only NGO from South County to attend all the salt and nutrient plan meetings, and CWN was also the only South County NGO to provide any comments to support the position presented to the Regional Board.

Chairman Ferons indicated SMWD approved a companion resolution at their October 3, 2018, Board meeting. Chairman Ferons also suggested that the SMWD and MNWD signature lines be removed from the Resolution, noting that the Resolution stated “SOCWA” and did not include SMWD and MNWD.

ACTION TAKEN

Motion was made by Director Collings and seconded by Director Erdman to approve Resolution No. 2018-13 – *Basin Plan Amendment* sans the SMWD and MNWD signature lines.

Motion carried:	Aye 7; Nay 0; Abstain 0; Absent 0
Director Goldman	Aye
Vice Chairman Dopudja	Aye
Director Collings	Aye
Director Reinhart	Aye
moChairman Ferons	Aye
Director Erdman	Aye
Director Miller	Aye

There was further consensus of the Board for:

- As needed, costs to be assigned through PC 12 to SMWD and MNWD (as noted in FY 2018-19 Budget Assumptions Item 2: expenses incurred for single agency or group of agencies that is

less than a full PC may be billed to and paid for by the incurring agency or agencies).

- SMWD and MNWD to be requested to authorize the funding commitment.

F. Contract Extension – Chlor-Alkali Products [PC 2, 15 & 17]

ACTION TAKEN

Motion was made by Director Dunbar and seconded by Director Erdman to award an up to one (1) year contract extension to Olin Corporation DBA Olin Chlor-Alkali Products for Chlor-Alkali Products for (5.25%-12.5% Sodium Hypochlorite, and 30%-50% Sodium Hydroxide) with the prices as indicated including applicable additional charges.

Motion carried:	Aye 7; Nay 0; Abstain 0; Absent 0
Director Dunbar	Aye
Director Goldman	Aye
Director Collings	Aye
Director Iseman	Aye
Chairman Ferons	Aye
Director Erdman	Aye
Director Miller	Aye

G. Change Order – Treatment Cost Allocation Analysis [PC 2, 15 & 17]

ACTION TAKEN

Motion was made by Director Collings and seconded by Director Dunbar to approve the Carollo Engineering Contract Change Order for the Treatment Cost Allocation Analysis in the amount of \$28,374 for a total not to exceed amount of \$68,268.

Motion carried:	Aye 7; Nay 0; Abstain 0; Absent 0
Director Dunbar	Aye
Director Goldman	Aye
Director Collings	Aye
Director Iseman	Aye
Chairman Ferons	Aye
Director Erdman	Aye
Director Miller	Aye

H. General Manager’s Status Report

ACTION TAKEN

Information item only, no action required.

The Chairman adjourned the Board Meeting for a five (5) minute recess at 9:40 a.m.

The Board meeting reconvened at 9:46 a.m. and went into Closed Session at 9:46 a.m.

7. Closed Session

A. Conference with Legal Counsel – Anticipated Litigation

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: 1 potential case

B. Conference with Legal Counsel – Existing Litigation

Noson v. SOCWA et al., Case No. 30-2018-01016336-CU-OE-CJC
Pursuant to Government Code Section 54956.9 (d)(1)

The Board meeting reconvened at 10:30 a.m.

8. Report Out of Closed Session

There was no reportable action out of Closed Session.

Other Matters

The Chairman asked if there were questions or comments from the Board.
There were none.

Adjournment

There being no further business, Chairman Ferons adjourned the meeting at 10:32 a.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Regular Meeting of the South Orange County Wastewater Authority Board of Directors of October 4, 2018, and approved by the Board of Directors of the South Orange County Wastewater Authority.

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

**SUMMARY OF BOARD ACTIONS
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY**

October 4, 2018

<u>DESCRIPTION</u>	<u>MOTION MADE BY</u>	<u>ACTION</u>
4. Consent Calendar	Miller	Approved
4.A. Minutes of Board of Directors Meeting September 6, 2018	Erdman	Approved
4.C. Financial Matters 1) Monthly Financials for June 2018	Direction of the Board	Tabled
5.A. Award of Contract – CTP Tertiary System Upgrade Project [PC15]	Erdman	Approved
6.A. Final 2016-17 Use Audit	Erdman	Approved
6.B. Final 2016-17 Use Audit Reconciliation for the Year Ended June 30, 2017	Erdman	Receive and File
6.C. Unfunded Pension Liability (UAL) Distribution by Member Agencies Results and Recommendation	Erdman	Approved
6.D. Monthly Progress Report on State Audit Recommendations	Erdman	Receive and File
6.E. Resolution No. 2018-13 Basin Plan Amendment [PC12]	Collings	Approved
6.F. Contract Extension – Chlor-Alkali Products [PC 2/15/17]	Dunbar	Approved
6.G. Change Order – Treatment Cost Allocation Analysis [PC 2/15/17]	Collings	Approved

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

Board of Directors

October 4, 2018

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Board of Directors was held on October 4, 2018 at 10:30 a.m. at the Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Board of Directors were present:

MIKE DUNBAR, Emerald Bay Water District	Director
SCOTT GOLDMAN, El Toro Water District	Director
STEPHAN DOPUDJA, Trabuco Canyon Water District	Vice Chairman
MATT COLLINGS, Moulton Niguel Water District	Director
DOUG REINHART, Irvine Ranch Water District	Director
DAN FERONS, Santa Margarita Water District	Chairman
DENNIS ERDMAN, South Coast Water District	Director
RAY MILLER, City of San Juan Capistrano	Director
DAVE REBENS DORF, City of San Clemente	Director

Absent:

TONI ISEMAN, City of Laguna Beach	Director
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Staff present:

BETTY BURNETT	General Manager/Secretary
ADRIANA OCHOA	Procopio Law Firm
AMBER BAYLOR	Director of Environmental Compliance
JIM BURROR	Director of Operations
MARY CAREY	Finance Controller
JEANETTE CONTINOLA	Procurement/Contracts Manager
KONSTANTIN SHILKOV	Senior Accountant
NAYDN KIM	Accountant
DANITA HIRSH	Assistant to the General Manager
ANNA SUTHERLAND	Accounts Payable
JASON MANNING	Senior Engineer
RONI YOUNG	Associate Engineer
TERI NOSON	Clerk of the Board/Assistant Secretary

Also present:

DONALD FROELICH	Moulton Niguel Water District
FRED ADJARIAN	El Toro Water District
ROGER BUTOW	Clean Water Now
RICK SHINTAKU	South Coast Water District
DAVID SHISSLER	City of Laguna Beach
MICHAEL PEREA	Trabuco Canyon Water District
JOHN PIETIG	City of Laguna Beach
JEREMY JUNGREIS	Runtan & Tucker

1. Call Meeting to Order

Chairman Ferons called the meeting to order at 10:33 a.m. and welcomed everyone present.

2. Public Comments

ACTION TAKEN

No public comments received.

3. Open Session

A. Update on Project Committee No. 15 Critical Infrastructure Repairs

Director Reinhart reported he had requested the meeting to discuss the advisement provided in Open Session by legal counsel at the September 6th Board meeting regarding SOCWA's liability to Project Committee litigation. Director Reinhart stated that the request for the meeting was not Project Committee No. 15 (PC15) specific.

Director Reinhart expressed concern of exposure to Project Committee litigation and the possible implications for SOCWA and IRWD. Director Reinhart stated that SOCWA was an entity unto itself, all member agencies were included in SOCWA, and Project Committees did not own SOCWA. Therefore, all member agencies were responsible for SOCWA.

Director Reinhart reported that a meeting was held with legal counsel from IRWD, ETWD and TCWD to discuss SOCWA liability and Project Committee litigation. The challenge was that the agreements were written in a format for a claim amongst all SOCWA member agencies, and written in a way that SOCWA would function as a unit.

Director Reinhart stated that the SOCWA Board needed clarity on how agreement(s) and indemnification are applied to third party liability claims, and to those agencies that are not a party to Project Committee litigation. It was important for IRWD to understand SOCWA's liability regarding actions or inaction of a legal matter that they [IRWD] are not privy to information because the end result of third party litigation regarding any of SOCWA facilities would have to be approved by all the Board members.

Director Goldman expressed his concern of ETWD's much greater liability exposure as a member of the JPA, and requested a discussion regarding the new issue of SOCWA liability for any Project Committee in the organization.

Ms. Ochoa provided an update on legal staff's outreach effort to member agency legal counsel to schedule a meeting to specifically discuss Section 11.3 of the JPA, which is the section that discusses liability such as third party claims. Other matters considered for member agency legal counsel input could include what other issues could be resolved that are Project Committee specific with respect to amending the JPA, any issues that can be resolved that can be better addressed in the Project Committee agreement(s), and perhaps addressing the Unfunded Pension Liability issue of AB1912.

Ms. Ochoa reported that legal counsel could provide a formal presentation to the Board of Directors, but the current goal was to schedule a meeting with member agency general counsels to discuss a solution through an amendment to the JPA.

Director Dopudja requested that legal counsel provide to the Board of Directors what triggered legal counsel to take the position it had taken, the reason legal counsel had taken that position, the reason legal counsel believed in that position; and, specifically present that information to the Board in writing. Director Dopudja stated that

this needed to be resolved immediately so that the Board had clarity amongst all the members.

Director Goldman concurred and stated ETWD wanted a resolution sooner rather than later.

Director Reinhart inquired how the SOCWA Board could stay apprised of the status of a Project Committee litigation matter without violating legal issues.

Ms. Ochoa stated the way to stay informed was to ask for an update. Board members are entitled to the information. If a Board member had a specific interest in a Project Committee litigation matter, a Closed Session would be held to address that specific interest. If a Board member wanted to remain apprised of the status of a litigation matter, it would be appropriate for the Board member to request staff to add that Agenda Item. If a Board member wanted a standing Closed Session on the Agenda at every Board meeting for an update on a litigation matter, that Board member can make that request. And if a majority of the Board agreed to that request, the item would be included on the Agenda of every Board meeting. Regarding a current ongoing litigation, there would probably be a Closed Session discussion and whether or not a Board member can participate depends on their interest in the lawsuit. An open discussion ensued.

Ms. Burnett requested that Board members communicate with their member agency legal counsel to respond to SOCWA's legal counsel staff request to schedule a meeting to discuss amendment of the JPA. The goal was to keep the meetings to a reasonable number.

ACTION TAKEN

There being no objection, the Chairman directed legal counsel to prepare a formal written Legal Opinion regarding liability for third party lawsuits specific to member agencies not a party to Project Committee litigation, provide the reason(s) legal counsel has taken the position that SOCWA has a potential for liability exposure to Project Committee litigation, and provide clarity to Section 11.3 of the SOCWA Joint Powers Agreement to be submitted to the Board for an Open Session discussion at the November 1, 2018, Board of Directors meeting.

4. Closed Session

There being no objection from the Board, Chairman Ferons announced that the Closed Session would not be held.

Adjournment

There being no further business, Chairman Ferons adjourned the meeting at 10:59 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 Board of Directors on October 4, 2018, and approved by the Board of Directors of the South Orange County Wastewater Authority.

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

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

**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 (attached as 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
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

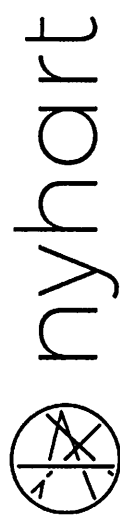
South Orange County Wastewater Authority

Long Term Liabilities Allocation Methodology

Mary Beth Redding



Will Kane



Allocation of Unfunded Liability

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

Allocation of Unfunded Liability

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

Allocation of Unfunded Liability

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

Allocation of Unfunded Liability

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

Allocation of Unfunded Liability

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

Timing

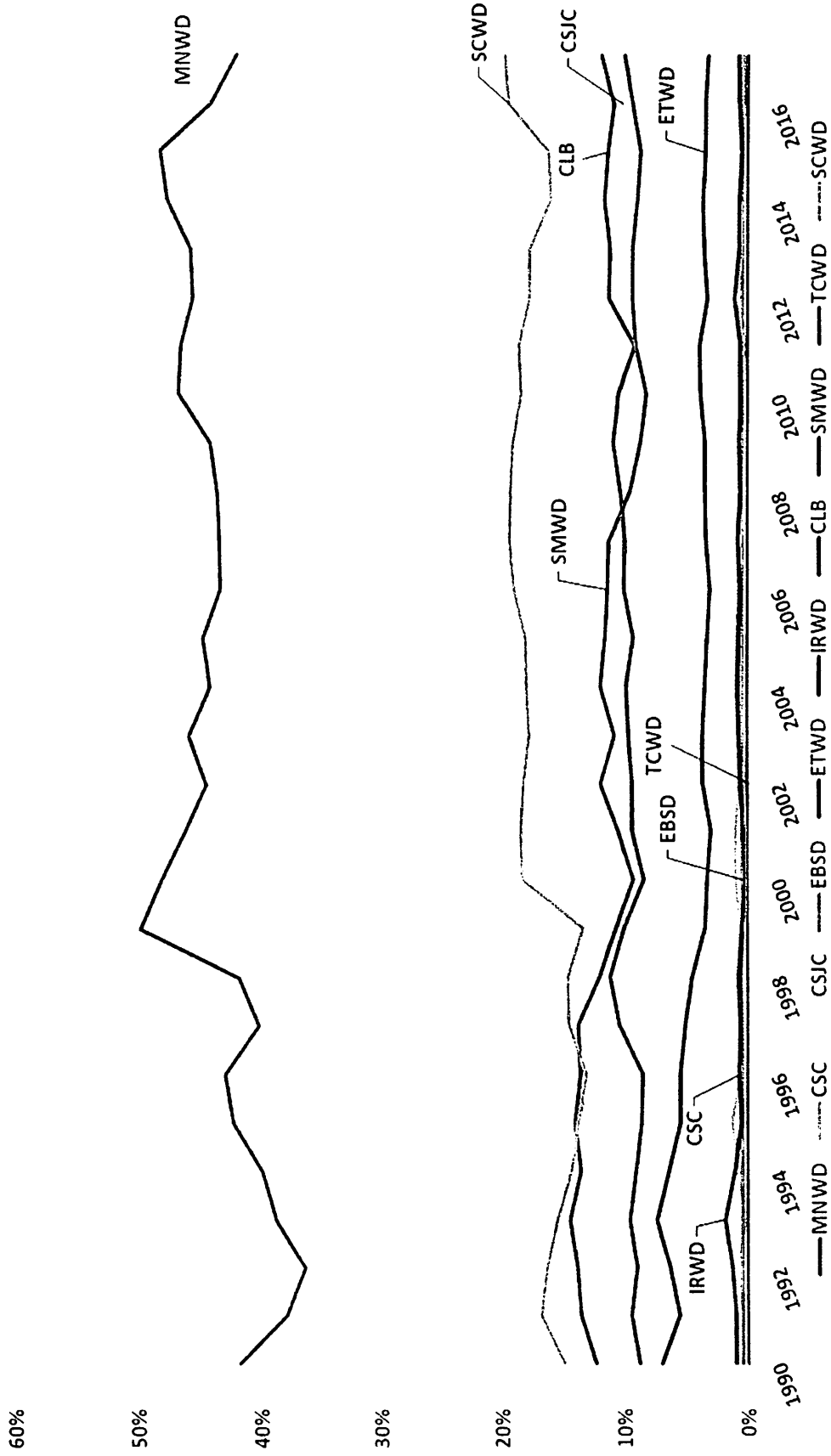
- Net Pension Liability reported at 6/30/18
 - Based on assets and actuarial liabilities through 6/30/17
 - Allocated on labor costs through 6/30/17
- Net Pension Liability reported at 6/30/17
 - Based on assets and actuarial liabilities through 6/30/16
 - Allocated on labor costs through 6/30/16
- Changes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

Future Application

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

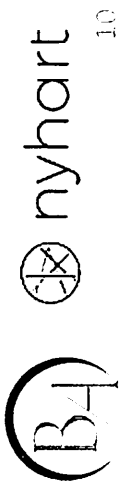
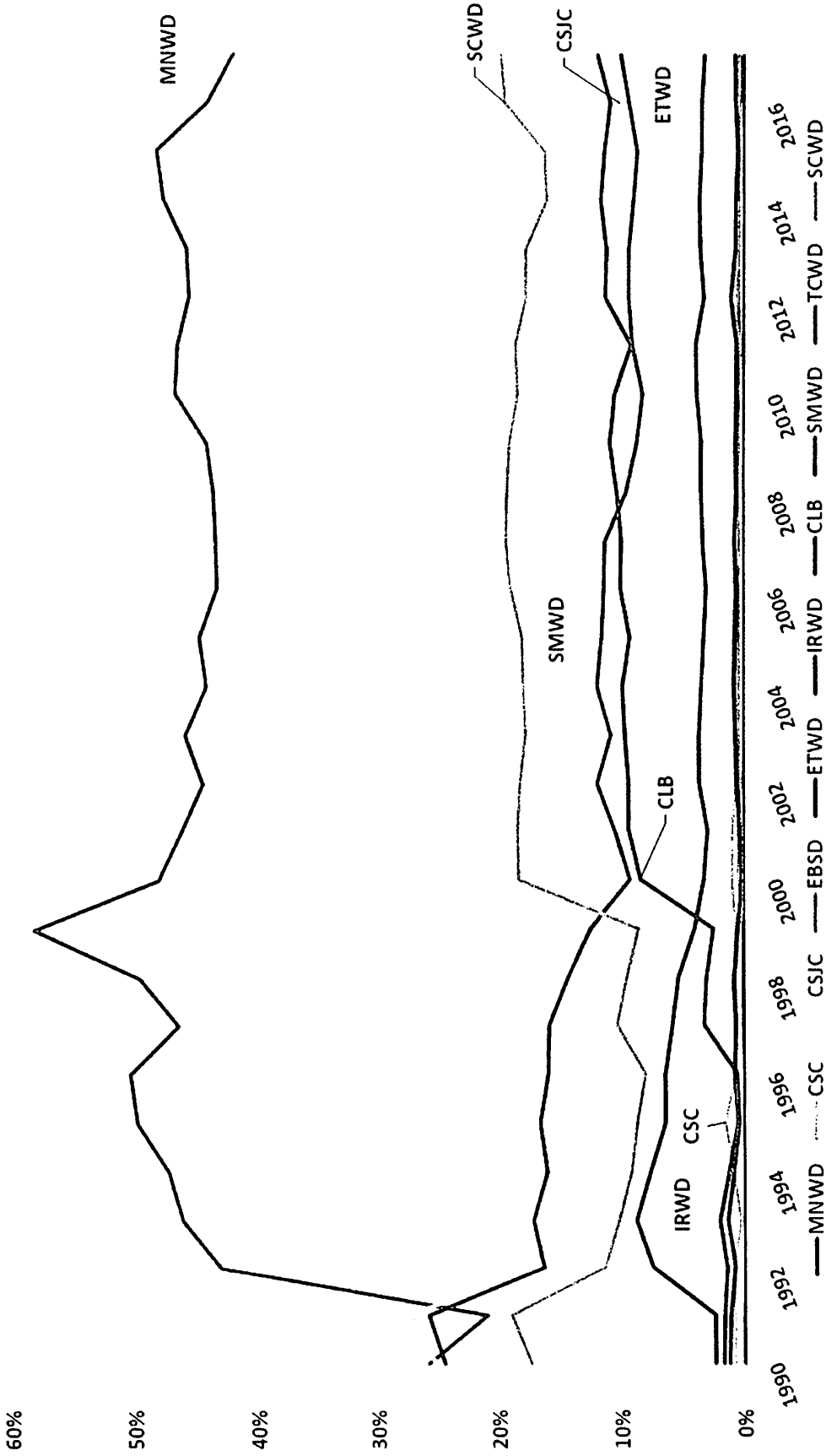
Labor Data

Change in Labor Percentage Over 27 Years, all Data Included



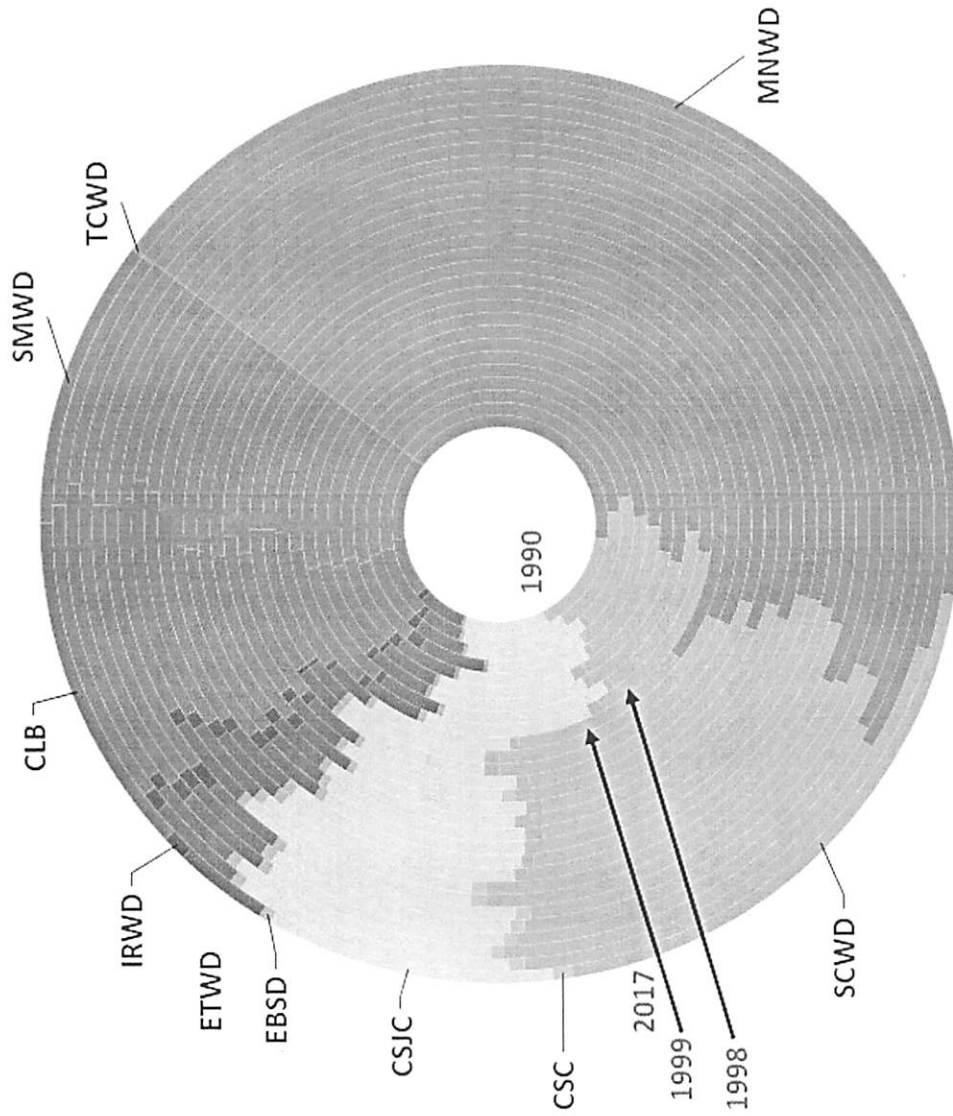
Labor Data

Change in Labor Percentage Over 27 Years, Excludes Contract Years



Labor Data

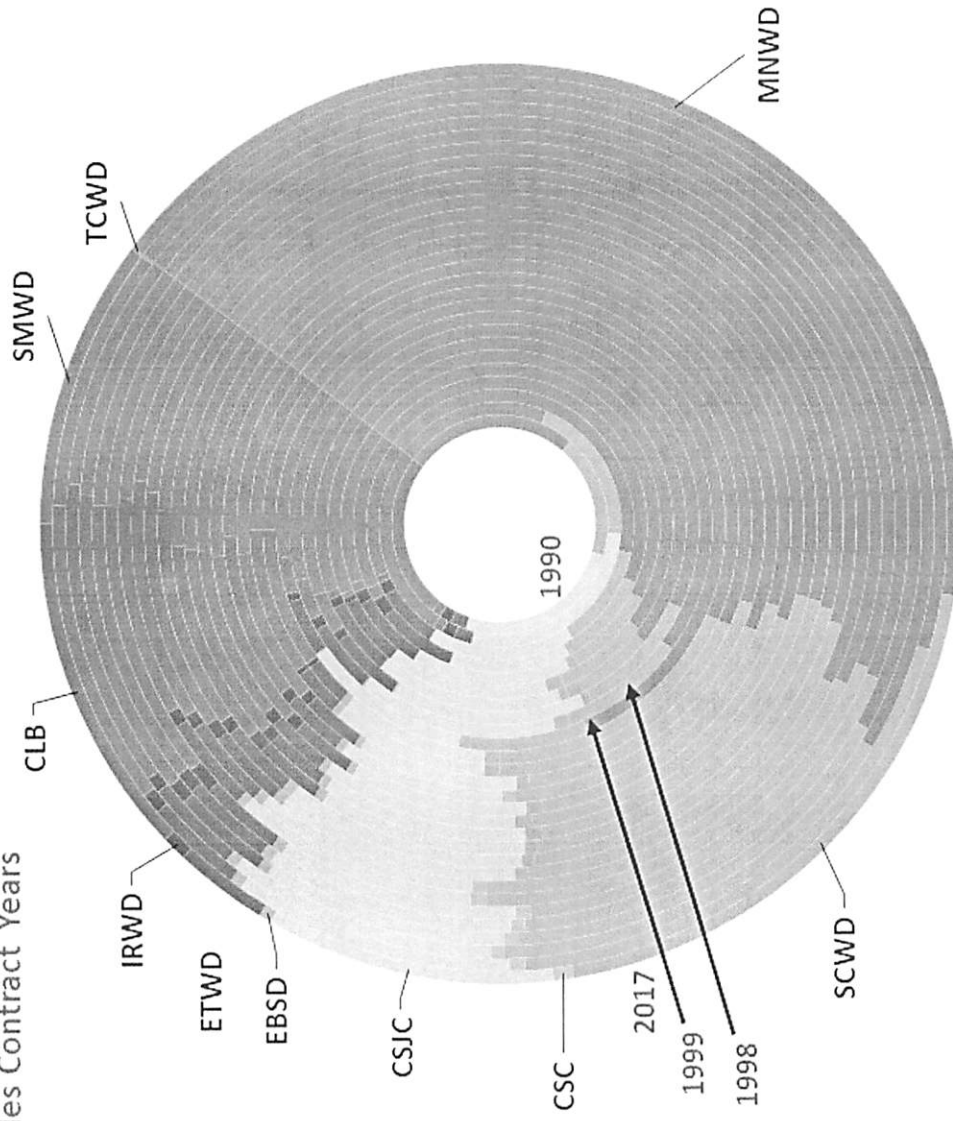
Change in Labor Percentage over 27 Years, All Data Included



August 10, 2018

Labor Data

Change in Labor Percentage over 27 Years,
Excludes Contract Years



August 10, 2018

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

Actuaries and SOCWA Joint Recommendation

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		
-	-	1,116,948	-	-	-	593,382	758,012	871,559	-	3,339,900		
-	45,381	42,711	-	-	-	1,214,534	238,530	29,243	-	1,453,064		
24,738	31,930	33,457	20,091	1,602	33,432	70,184	65,157	52,727	-	229,889		
-	-	469	440	-	610	2,051	1,523	621	613	6,327		
909,721	-	-	-	40,627	-	109,521	-	966,700	-	2,026,570		
247,541	-	-	328,020	9,765	-	3,161,138	-	174,953	-	3,921,417		
-	-	-	-	-	-	-	-	-	-	-		
34,301	-	-	65,824	1,343	54,245	70,982	-	12,764	-	239,459		
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		
-	-	33.4%	-	-	-	17.8%	22.7%	26.1%	-	100.0%		
-	19.7%	18.6%	-	-	-	83.6%	16.4%	12.7%	-	100.0%		
7.4%	9.6%	10.0%	6.0%	0.5%	10.0%	21.1%	19.5%	15.8%	-	100.0%		
44.9%	-	7.4%	6.9%	0.0%	9.6%	32.4%	24.1%	9.8%	9.7%	100.0%		
6.3%	-	-	8.4%	2.0%	-	5.4%	-	47.7%	-	100.0%		
14.3%	-	-	27.5%	0.6%	22.7%	80.6%	-	4.5%	-	100.0%		
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

Actuaries and SOCWA Joint Recommendation

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	City of	City of San	El Toro	Emerald	Irvine Ranch	Moulton	Santa	South	Trabuco	City of	San Clemente	Total
Laguna Beach	San Clemente	Juan Capistrano	Water District	Bay Service District	Water District	Niguel Water District	Margarita Water District	Coast Water District	Canyon Water District	San Clemente	Capistrano	
-	-	638,116	-	-	-	345,701	441,958	500,448	-	-	-	1,926,223
-	26,492	24,883	-	-	-	651,602	127,950	-	-	-	-	779,553
13,573	17,806	18,302	10,976	947	18,873	39,480	36,935	17,170	-	-	-	133,393
-	-	519	486	-	674	2,268	1,685	687	678	-	-	186,520
525,335	-	-	-	23,181	-	63,840	-	556,096	-	-	-	6,999
142,027	-	-	186,763	5,537	-	1,826,220	-	100,302	-	-	-	1,168,452
-	-	-	-	-	-	-	-	-	-	-	-	-
20,062	-	-	37,482	769	31,282	40,912	-	7,502	-	-	-	138,010
700,998	44,298	681,820	235,707	30,434	50,829	2,987,726	655,675	1,211,834	678	-	-	6,600,000
Agency												
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												
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	City of	City of San	El Toro	Emerald	Irvine Ranch	Moulton	Santa	South	Trabuco	City of	San Clemente	Total
Laguna Beach	San Clemente	Juan Capistrano	Water District	Bay Service District	Water District	Niguel Water District	Margarita Water District	Coast Water District	Canyon Water District	San Clemente	Capistrano	
-	-	33.1%	-	-	-	17.9%	22.9%	26.0%	-	-	-	100.0%
-	19.9%	18.7%	-	-	-	83.6%	16.4%	-	-	-	-	100.0%
7.3%	9.5%	9.8%	5.9%	0.5%	10.1%	13.3%	35.3%	12.9%	-	-	-	100.0%
45.0%	-	7.4%	6.9%	0.0%	9.6%	21.2%	19.8%	15.9%	9.7%	-	-	100.0%
6.3%	-	-	8.3%	2.0%	-	32.4%	24.1%	9.8%	-	-	-	100.0%
14.5%	-	-	-	0.2%	-	5.5%	-	47.6%	-	-	-	100.0%
10.6%	0.7%	10.3%	3.6%	0.5%	0.8%	45.3%	9.9%	18.4%	0.0%	-	-	100.0%
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												

Actuaries and SOCWA Joint Recommendation

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	
-	-	47,925	-	-	-	33,793	38,909	35,958	-	156,585	
-	1,900	1,813	-	-	-	22,760	1,679	-	-	24,439	
755	967	1,043	591	104	1,148	2,878	3,086	1,235	-	8,926	
-	-	199	186	-	258	868	645	263	260	12,837	
42,862	-	-	-	1,656	-	6,361	-	43,763	-	94,641	
11,928	-	-	14,223	387	-	154,679	-	7,937	-	189,154	
-	-	-	-	-	-	-	-	-	-	-	
1,580	-	-	2,348	48	2,200	2,194	-	528	-	8,898	
57,125	2,867	50,980	17,348	2,195	3,606	224,982	46,849	91,950	260	498,160	

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

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	
-	-	30.6%	-	-	-	21.6%	24.8%	23.0%	-	100.0%	
-	21.3%	20.3%	-	-	-	93.1%	6.9%	-	-	100.0%	
5.9%	7.5%	8.1%	4.6%	0.8%	8.9%	16.2%	28.3%	13.8%	-	100.0%	
-	-	7.4%	6.9%	0.0%	9.6%	22.4%	24.0%	17.6%	-	100.0%	
45.3%	-	-	-	1.7%	-	32.4%	24.1%	9.8%	9.7%	100.0%	
6.3%	-	-	7.5%	0.2%	-	6.7%	-	46.2%	-	100.0%	
-	-	-	-	-	-	81.8%	-	4.2%	-	100.0%	
17.8%	-	-	26.4%	0.5%	24.7%	24.7%	-	5.9%	-	0.0%	
11.5%	0.6%	10.2%	3.5%	0.4%	0.7%	45.2%	9.4%	18.5%	0.1%	100.0%	

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

Actuaries and SOCWA Joint Recommendation

Grand Total by Project Committees and Member Agency												
Net Pension, Retiree Health and Compensated Absences Liabilities (\$'s)												
City of	City of	City of San	El Toro	Emerald	Irvine Ranch	Moulton	Santa	South	Trabuco	Total		
Laguna Beach	San Clemente	Juan Capistrano	Water District	Bay Service District	Water District	Niguel Water District	Margarita Water District	Coast Water District	Canyon Water District			
-	-	1,802,989	-	-	-	972,875	1,238,878	1,407,965	-	5,422,708		
-	-	-	-	-	-	1,888,896	368,160	-	-	2,257,056		
-	73,774	69,407	-	-	-	48,941	132,438	47,648	-	372,208		
39,066	50,702	52,802	31,658	2,653	53,452	112,543	105,178	84,621	-	532,675		
-	-	1,187	1,112	-	1,542	5,187	3,854	1,572	1,551	16,006		
1,477,918	-	-	-	65,464	-	179,722	-	1,566,558	-	3,289,663		
401,497	-	-	529,005	15,689	-	5,142,037	-	283,193	-	6,371,421		
-	-	-	-	-	-	-	-	-	-	-		
55,943	-	-	105,654	2,160	87,726	114,088	-	20,795	-	386,367		
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 Committees and Member Agency												
Net Pension, Retiree Health and Compensated Absences Liabilities (%'s)												
City of	City of	City of San	El Toro	Emerald	Irvine Ranch	Moulton	Santa	South	Trabuco	Total		
Laguna Beach	San Clemente	Juan Capistrano	Water District	Bay Service District	Water District	Niguel Water District	Margarita Water District	Coast Water District	Canyon Water District			
		33.2%				17.9%	22.8%	26.0%		100.0%		
						83.7%	16.3%			100.0%		
7.3%	19.8%	18.6%				13.1%	35.6%	12.8%		100.0%		
	9.5%	9.9%	5.9%	0.5%	10.0%	21.1%	19.7%	15.9%		100.0%		
		7.4%	6.9%	0.0%	9.6%	32.4%	24.1%	9.8%	9.7%	100.0%		
44.9%				2.0%		5.5%		47.6%		100.0%		
6.3%			8.3%	0.2%		80.7%		4.4%		100.0%		
			27.3%	0.6%	22.7%	29.5%		5.4%		100.0%		
14.5%										0.0%		
10.6%	0.7%	10.3%	3.6%	0.5%	0.8%	45.4%	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 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

SOCWA Dollar Based Allocation of Long Term Liabilities

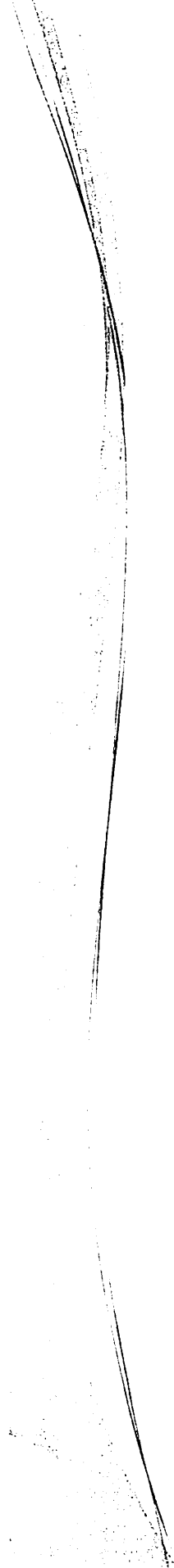
SOCWA Example of Dollar-based Allocation

	Labor Dollars		Labor Allocation		Labor Allocation		Dollar Allocation				Average Labor Dollars		Allocation Percent	
	Year 1	Year 2	Agency X Year 1	Agency Y Year 1	Agency X Year 2	Agency Y Year 2	Agency X Year 1	Agency Y Year 1	Agency X Year 2	Agency Y Year 2	Agency X Average	Agency Y Average	Agency X Average	Agency Y Average
	(1)	(2)	(3)	(4)	(5)	(6)	(1) * (3)	(1) * (4)	(2) * (5)	(2) * (6)				
PCA solid liquid	\$ 300	\$ 450	60%	40%	35%	65%	\$ 180	\$ 120	\$ 158	\$ 293	\$ 169	\$ 206	12%	15%
	\$ 500	\$ 800	55%	45%	40%	60%	\$ 275	\$ 225	\$ 320	\$ 480	\$ 298	\$ 353	22%	26%
PCB solid liquid	\$ 20	\$ 90	50%	50%	50%	50%	\$ 10	\$ 10	\$ 45	\$ 45	\$ 28	\$ 28	2%	2%
	\$ 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	Average: \$ 1,355	\$ 1,690		Total \$ 1,355		Total 100%	



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



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
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

Agenda Item

Legal Counsel Review: N/A

Meeting Date: November 1, 2018

TO: Board of Directors
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

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

Legal Counsel Review: N/A

Meeting Date: November 1, 2018

TO: Board of Directors
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

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	(1,721,877)
	\$ 20,070,277

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

Legal Counsel Review: N/A

Meeting Date: November 1, 2018

TO: Board of Directors
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

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><u>(\$2,192,852)</u></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	<u>(2,192,852)</u>
	<u><u>\$ 18,695,993</u></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 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

Legal Counsel Review: N/A

Meeting Date: November 1, 2018

TO: Board of Directors
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

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 FY 18/19 Amount	FY 17/18 Unpaid Amounts	FY 16/17 Unpaid Amounts	Total Past Due Amount
PC 2-JB Latham PC 3A	7,990,500	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	66,003			
PC 15-Coastal	9,976,376	141,756	9,834,620	1.4%	486,842	420,839		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
PC 24 Aliso Creek Outfall	135,000	-	135,000	0.0%	135,000	113,724	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	732,878	649,490	1,523,335
Non-Capital Engineering	44,500	5,962	38,538	13.4%	21,500	21,500	-	585	21,831	22,416
Small Internal Capital	2,011,000	340,942	1,670,058	17.0%	502,750	460,990	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	903,111	755,871	1,841,709

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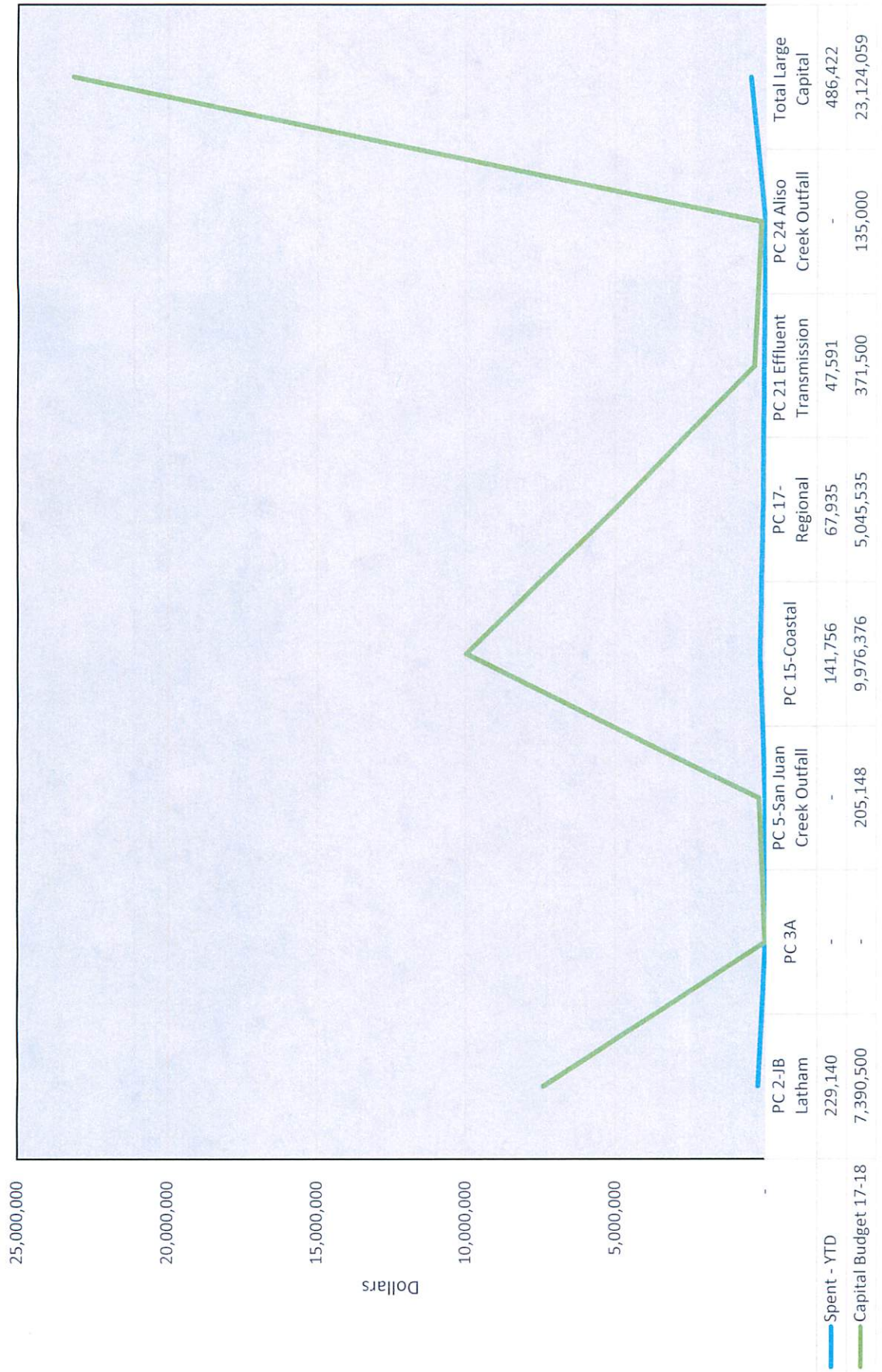
(1) **Schedule for Past Due Amounts as of September 30, 2018**

Description	Past Due Amount MNWD	Past Due Amount IRWD	Past Due Amount TOTAL
PC 15-Coastal	1,448,371		1,448,371
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
Small Internal Capital	295,958		295,958
Total Capital	1,766,745	74,964	1,841,709

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

D-1

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



**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%	

- (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 - 2¢	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 (Solid)	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 (Com	27,000	7,417	19,583	27.5%
02-5059-01-***	Maintenance Equip. & Facilities (Co-C	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%
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%

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	
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 (Com	1,004	-	1,004	0.0%
05-5069-02-**-**	Misc-Capital-Dilution & Metering Stud;	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%	
12 - Water Reclamation Permits					
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%

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
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%
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 (Liqui	175,000	28,092	146,908	16.1%
15-5058-01-**-**	Maintenance Equip. & Facilities (Com	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%

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
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%
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 (Liqui	170,000	70,001	99,999	41.2%
17-5058-01-***** Maintenance Equip. & Facilities (Com	26,000	7,940	18,060	30.5%
17-5059-01-***** Maintenance Equip. & Facilities (Co-C	650,012	50,919	599,093	7.8%
17-5060-01-***** Maintenance Equip. & Facilities (AWT	36,000	24,100	11,900	66.9% (24)

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
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%
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 (Com	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%

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
----------------------	--------	------------------------	---------------

- (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
 July 1, 2018 through September 30, 2018

Exhibit E-2

		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
 July 1, 2018 through September 30, 2018

Exhibit E-3

		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

Exhibit E-4

		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**

PUBLIC
AGENCY
RETIREMENT
SERVICES

PARS

*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

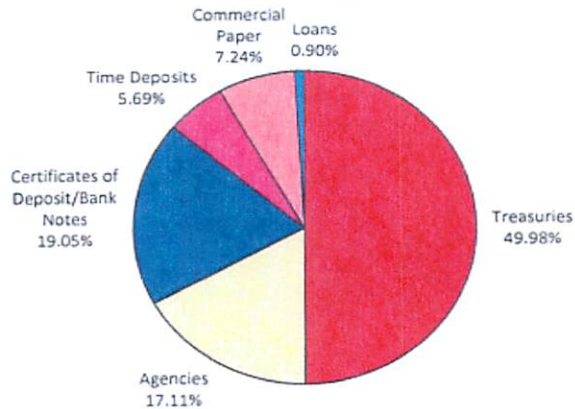
Quarter Ending 09/30/18

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

Legal Counsel Review: N/A

Meeting Date: November 1, 2018

TO: Board of Directors
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					Q1 9/30/2018	%
	\$									
City of Laguna Beach	1,571,282					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)	1,230,658	(61,304)		10.6%	
Emerald Bay Service District	119,327					119,649	322		1.0%	
El Toro Water District	497,607					506,509	8,902		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)	4,293,078	349,493		37.0%	
South Coast Water District	2,562,699				(12,195)	2,497,924	(52,580)		21.5%	
Santa Margarita Water District	1,135,346				(11,406)	1,089,456	(34,484)		9.4%	
Total	9,919,031	649,490	732,878	140,967	(49,931)	11,608,902	216,467		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		In Due From Mbr. Agcy		
Prepaid	65,614	65,082		204,867	334,533
Deposits	18,000	19,500			
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	Included above	1,382,368	1,523,335
Add Use Audit Settlement	211,626	(49,931)	Included above	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)	Included above		
Cash Collected for PC 2 Zephyr Wall		76,318	Refund May 2018		
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	Original Audit Diff. was	10,356,062	12,314,659
Additional Cash on Hand	281,422	660,589	\$354k, later adjustments reduced diff. to \$281k.	528,024	574,767
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

Agenda Item

Meeting Date: November 1, 2018

TO: Board of Directors
FROM: Betty Burnett, General Manager
STAFF CONTACT: Jim Burror, Director of Operations
SUBJECT: September 2018 Operations Report

Summary/Discussion

The following selected operational reports are provided monthly to the Board of Directors. The operational reports included are as follows:

1) Monthly Operational Report

A nine (9) page overview and comparison of owner use of facilities, including influent and recycled water production. The pages include ongoing calculation used by SOCWA for billing the agencies. Other items include important statistics for regulatory compliance, visits by the public to the treatment works, and other vendor interactions. The information is broken down by facility and by member agency.

2) SOCWA Ocean Outfall Discharges by Agency

This data shows how much water is being discharged to the ocean each month and for the last 12 months. This data is presented for the agencies planning reuse projects to better understand the potential to expand water reuse in their service area.

3) Quarterly Report on Key Operational Expenses

A seven (7) page overview of monthly expenses for key operational expenses with estimated projections for the Fiscal Year. The key parameters that are being tracked are Electricity, Odor Control, Polymer, Biosolids, Maintenance expenses (not including SOCWA staff labor), small capital purchases and safety.

4) Beach Ocean Monitoring Report

5) Recycled Water Report

6) Pretreatment Report

Fiscal impact

No change

Recommendation

Receive and file the operational reports.

Monthly Operational Report

SOCWA Operational Report September, 2018

Excursion, Complaint, and Violation Events

Events	CTP	RTP	JBL	Totals
Odor	0	2(1)	0	2
Noise	0	0	0	0
Spills	0	0	0	0
Violations	0	0	0	0
Others	0	0	0	0

(1) Both odor complaints were from the same resident that notices odors from the secondary aeration tanks.

Plant Wastewater Billing Characteristics

Key Parameters	CTP	RTP	JBL TP1	JBL TP2	Totals
Influent (mgd) (1)	2.43	7.51	4.46	0.92	15.31
Effluent (mgd)	1.57	0.78	4.46	1.10	7.91
Peak Flow (mgd)	6.80	16.80	9.86	4.51	37.97
Influent BOD (mg/l)	260	225	251	255	
Influent TSS (mg/l)	328	297	493	388	
Effluent BOD (mg/l)	4.6	6.1	6.9	8.9	
Effluent TSS (mg/l)	6.1	7.1	6.5	7.5	
Effluent Turbidity (NTU)	2.8	2.4	3.6	4.1	

(1) CTP Influent value does not include AWT backwash in this table.

Recycled Water (AWT) Operations

Key Parameters	CTP	RTP	JBL	Totals
Average Flow (mgd)	1.40	6.72		8.12
Days of Operation (days)	29	30		
Total Flow (million gallons)	42.0	201.7		243.7
Plant Irrigation (million gallons)	0.00	0.00	0.35	
AWT Time Online (%)	96.6	99.0		

Wastewater Unit Definitions

mgd = million gallons per day

mg/l = milligram per liter also known as parts per million

NTU = Nephelometric Turbidity Units

SOCWA Operational Report September, 2018 (cont'd)

Biosolids Management

Biosolids Management Site	CTP	RTP	JBL	Totals
Synagro Compost (tons)		760.2	0.0	760.2
Nursery Products (tons)		200.5	420.0	620.5
Prima Deshecha (tons)		230.0	112.9	342.9
Other: (tons)		0.0	0.0	0.0
Total Processed (tons)		1,190.7	532.9	1,723.6

Summary of Maintenance Activities

Task Type	CTP	RTP	JBL	Totals
Preventative Maintenance	339	673	217	1,229
Corrective Maintenance	54	104	92	250

Site Visitors

Visitor Types	CTP	RTP	JBL	Totals
Regulatory	0	1	0	1
Member Agency	1	2	2	5
Residents	0	0	0	0
Others	11	0	37	48
Tours #/Visitors	2	21	0	23

Grit Disposal Management

Grit & Screenings	CTP	RTP	JBL	Totals
Simi Valley Landfill (tons)	NA	10.4	NA	10.4

Chemical and Energy Utilization

Chemical/Utility	CTP	RTP	JBL	Totals
Ferric Chloride (tons)	NA	17.7	NA	17.7
Utility Power Purchase (kWh)	208,337	565,581	565,581	1,339,499
Cogen Power (kWh)		26,042	432,800	458,842
Natural Gas (Dth)	20	3,895	22,446	26,361
Digester Gas to Engine (scfm)		7,708	3,401,565	3,409,273
Digester Gas to Boiler (scfm)		227		227
Digester Gas to Flares (scfm)		9,438,412	132,529	9,570,941
Digester Gas Power Savings		\$ 2,779.75		

(1) The bills to calculate these values are received after this report is prepared for the Board meeting, but will be available upon request at the Board meeting.

NA = Not Available at the time this report was generated.

Wastewater Unit Definitions

kWh = kilowatt hours

Dth = Dekatherms

scfm = standard cubic feet per minute

SOCWA Operational Report September, 2018 (cont'd)

Agency Wastewater Flows to SOCWA by Facility (Including Internal Waste Streams Used for Billing)

Agency	CTP (mgd)	CTP (%)	RTP (mgd)	JBL (mgd)	JBL (%)	Total (mgd)
CLB	1.537	60.12%				1.54
EBSB	0.046	1.80%				0.05
SCWD	0.974	38.08%		1.616	30.07%	2.59
MNWD	0.000	0.00%	7.51	1.400	26.05%	8.91
CSJC				2.033	37.84%	2.03
SMWD				0.325	6.04%	0.32
Total	2.557	100.00%	7.51	5.374	100.00%	15.44

Total Agency Outfall Flows by Outfall System-Billing Flows

Agency	SJCOO (mgd)	SJCOO (%)	SJCOO Meter (mgd)	ACOO (mgd)	ACOO (%)	Total (mgd)	Notes
CLB				1.54	29.20%	1.54	
EBSB				0.05	0.87%	0.05	
SCWD	1.64	21.58%		-0.10	-1.98%	1.54	Includes Desalters
MNWD	1.40	18.40%		0.78	14.86%	2.18	
ETWD				1.85	35.20%	1.85	Direct Outfall Only
CSJC	2.43	31.88%				2.43	Includes Desalter
SMWD	0.32	4.26%				0.32	Includes Chiquita
CSC	1.82	23.88%				1.82	Direct Outfall Only
IRWD				1.15	21.84%	1.15	Direct Outfall Only
Total	7.61	100.00%	5.53	5.26	100.00%	12.87	

SOCWA Operational Report September, 2018 (cont'd)

FY Flow/Solids Summary-Billing

Project Committee No. 2 Liquids (JBL)

Agency	Own (mgd)	Own (%)	Budget (mgd)	Budget (%)	Month (mgd)(1)	Month (%)	FY Avg to Date (mgd)	FY Avg to Date (%)
CSJC	4.00	30.77%	2.12	31.98%	2.033	37.84%	2.09	36.20%
MNWD	3.00	23.08%	1.40	21.12%	1.400	26.05%	1.40	24.22%
SCWD	3.75	28.85%	1.70	25.64%	1.616	30.07%	1.80	31.06%
SMWD	2.25	17.31%	1.41	21.27%	0.325	6.04%	0.49	8.52%
Total	13.00	100.00%	6.63	100.00%	5.374	100.00%	5.78	100.00%

Project Committee No. 2 Solids (JBL)

Agency	Own (lbs/d)	Own (%)	Budget (lbs/d)	Budget (%)	Month (lbs/d)	Month (%)	36 Month Rol. Avg. (lbs/d) (2)	36 Month Rol. Avg. (%)
CSJC	11,572	30.00%	5,767	24.54%	5,524	33.78%	5,327	24.49%
MNWD	8,340	21.62%	4,396	18.70%	4,512	27.59%	5,616	25.82%
SCWD	7,715	20.00%	5,391	22.94%	5,272	32.24%	5,294	24.34%
SMWD	10,946	28.38%	7,949	33.82%	1,046	6.40%	5,513	25.35%
Total	38,573	100.00%	23,503	100.00%	16,354	100.00%	21,750	100.00%

Project Committee No. 5 - Effluent Pumping Station (SJCOO EPS)

Agency	Own (%)	Variable Budget (mgd)	Variable Budget (%)	Month Outfall Flow (mgd)	Month Outfall Flow (%)	Month EPS Outfall Flow (mgd)	Month EPS Outfall Flow (%)
CSC	16.62%	2.531	21.57%	1.82	23.88%		
CSJC	11.08%	2.348	20.01%	2.43	31.88%	2.03	37.84%
MNWD(3)	15.51%	2.013	17.16%	1.40	18.40%	1.40	26.05%
SCWD	12.47%	1.740	14.83%	1.64	21.58%	1.62	30.07%
SMWD	44.32%	3.101	26.43%	0.32	4.26%	0.32	6.04%
Total	100.00%	11.733	3.10%	7.61	100.00%	5.37	100.00%

(1) Influent billing meter summary:

- CSJC is metered daily in the collection system. The area-velocity meter has an accuracy of +/- 20%.
- MNWD is assumed to be 1.4 mgd unless Treatment Plant 3A is discharging to the sewer. If other discharges occur, they are estimated.
- SCWD is the summation of the DPSD and Victoria PS meters. The two metering systems have an accuracy of +/- 10%.
- The Oso Trabuco sewer is metered daily in the collection system.

The flows from MNWD are subtracted from the metering data collected to determine SMWD's flows. The area velocity metering system in the collection system has an accuracy of +/- 20%.

(2) The 36-month average is the average of the past 36 months. The Use Audit is based on the last 3 Fiscal Years versus the average of the past 36 months.

(3) All monthly flow data for 3A is reported as part of MNWD's flow to the ocean outfall. The actual allocation of the flows split between MNWD and SMWD is completed annually during the Use Audit.

Sources: 1) Cost Allocation Methodology for Project Committees, Dudek Engineering 2012.

- Instructions to SOCWA Staff regarding the constant flow of 1.4 MGD from MNWD and SMWD dated March 2018.

SOCWA Operational Report September, 2018 (cont'd)

FY Flow/Solids Summary-Billing (cont'd)

Project Committee No. 5 - Outfall (SJCOO)

Agency	FY Avg Outfall Flow (mgd)	FY Avg Outfall Flow (%)	FY Avg EPS Outfall Flow (mgd)	FY Avg EPS Outfall Flow (%)
CSC	1.944	22.81%		
CSJC	2.518	29.54%	2.09	36.20%
MNWD	1.639	19.22%	1.40	24.22%
SCWD	1.882	22.08%	1.80	31.06%
SMWD	0.541	6.34%	0.49	8.52%
Total	8.525	100.00%	5.78	100.00%

Project Committee No. 15 (CTP)

Agency	Own (mgd)	Own (%)	Budget (mgd)	Budget (%)	Month (mgd)	Month (%)	FY Avg to Date (mgd)	FY Avg to Date (%)
CLB	2.54	37.91%	1.770	59.00%	1.537	60.12%	1.615	59.24%
EBSD	0.20	2.99%	0.050	1.67%	0.046	1.80%	0.048	1.75%
SCWD	2.00	29.85%	1.180	39.33%	0.974	38.08%	1.063	39.01%
MNWD	1.96	29.25%	0.000	0.00%	0.000	0.00%	0.000	0.00%
Total	6.70	100.00%	3.000	100.00%	2.557	100.00%	2.725	100.00%

Project Committee No. 17 Liquids (RTP)

Agency	Budget Liquids (mgd)	Budget Liquids (%)	Month Plant Influent (mgd)	Month Centrate (mgd)	Month Total (mgd)(1)	Month Total (%)	FY Avg to Date (mgd)	FY Avg to Date (%)
CLB	0.01220	0.157%	0.0000	0.0154	0.0154	0.20%	0.0149	0.19%
EBSD	0.00040	0.005%	0.0000	0.0005	0.0005	0.01%	0.0004	0.01%
SCWD	0.00810	0.104%	0.0000	0.0098	0.0098	0.13%	0.0098	0.13%
ETWD	0.01410	0.181%	0.0000	0.0133	0.0133	0.18%	0.0126	0.16%
MNWD	7.75000	99.553%	7.5057	0.0546	7.5602	99.49%	7.6581	99.51%
Total	7.78480	100.000%	7.5057	0.0936	7.5993	100.00%	7.6959	100.00%

(1) Month total does not double count MNWD centrate. It is included in the Monthly Plant Influent too.

SOCWA Operational Report September, 2018 (cont'd)

FY Flow/Solids Summary (cont'd)

Project Committee No. 17 Solids (RTP)

Agency	Own (lbs/d)	Own (%)	Budget (lbs/d)	Budget (%)	Total Month (lbs)	Total Month (%)	FY Avg Total to Date (lbs)	FY Avg Total to Date (%)
CLB	5,605	11.22%	5,133	12.48%	185,314	16.49%	196,321	16.50%
EBSD	295	0.59%	158	0.38%	5,545	0.49%	5,795	0.49%
SCWD	4,480	8.96%	3,546	8.62%	117,386	10.45%	129,191	10.86%
ETWD	10,200	20.41%	5,755	13.99%	160,084	14.25%	165,093	13.88%
MNWD	29,395	58.82%	26,532	64.52%	655,195	58.32%	693,455	58.28%
Total	49,975	100.00%	41,124	100.00%	1,123,525	100.00%	1,189,855	100.00%

Project Committee No. 24 (ACOO)

Agency	Own (%)	Budget (mgd)	Budget (%)	Month Outfall Flow (mgd)	Month Outfall Flow (%)	FY Avg Outfall Flow (mgd)	FY Avg Outfall Flow (%)
CLB	11.000%	1.89	17.73%	1.537	29.20%	1.615	34.85%
EBSD	0.780%	0.05	0.47%	0.046	0.87%	0.048	1.03%
ETWD	16.302%	2.46	23.08%	1.853	35.20%	1.504	32.47%
IRWD	15.760%	2.48	23.26%	1.150	21.84%	0.902	19.46%
MNWD	43.848%	3.08	28.89%	0.782	14.86%	0.687	14.83%
SCWD	12.310%	0.70	6.57%	-0.104	-1.98%	-0.122	-2.64%
Total	100.000%	10.66	100.00%	5.265	0.00%	4.633	100.00%

SOCWA Operational Report September, 2018 (cont'd)

Select Critical Equipment Repairs

JBL - PC2

Replaced the drive end bearing on Centrifuge #2.
Diagnosed and repacked Centrifuge #3 drive end bearing.
Rebuilt Secondary #2 wear strips and cut flights.
Diagnosed RAS pump #4 pad and pump.
Removed and replaced two failed 6" Dezurik valves on Digester #3.
Jetted clogged centrifuge centrate line.
Troubleshoot front gate.
Repaired underground broken potable water line near chlorine building.
Replaced and rebuilt RAS failed Pulsafeeder chlorine pump.
Aeration tank #5 diffuser cleaning.
Painted and resealed ferric tank.

CTP - PC15

Replaced failed 1/2" air pipe near aeration tanks.
Replaced failed insulation of discharge check valve for aeration blower #1.
Replaced failed flight shoes on secondary clarifier tanks #2.
Replaced failed flight shoes on secondary clarifier tanks #3.
Troubleshoot RAS Pump #2.
Troubleshoot DPS Sump Pump #1 (Outside).
Troubleshoot RAS Sump #3.
Repaired failed bleach pipeline near AWT.
Fixed leaking RAS bleach pump #1.
Replaced failed 3" pipeline on the potable water system near airgap tank.
Troubleshoot Bleach Transfer Pump.

RTP - PC17

Testing polymer screening system for night operations.
Replaced and repiped failed AWT 2 applied sample pump.
Repiping failed 2 Water Pump piping, replaced valves.
Repaired failed sections of the hot water loop.
Removed scroll from Centrifuge 1 and clear out debris, rebuild shear joint.
Removed sand out of the bottom of the DAFT and TWAS Pump.
Fabricated new Cyclone drain line for Hydrogritter.
Installed safety chains on AWT 2 ladders.
Replace Hydrogritter failed feed lines with PVC.
Replaced failed bypass valve for the heat loop feed line.
Replaced all worn or broken eyewash station parts.
Replace failed suction flanges on AWT 2 CCT bleach pumps.
Repiped broken eyewash at the NPW Loading Station.

Items with a (*) have been identified as preventable repairs.

SOCWA Operational Report September, 2018 (cont'd)

Select Critical Equipment Repairs (cont'd)

All PC's - Electrical and SCADA Staff

Replaced outdoor lighting at Bldg #35 at JBL.

Replaced failed fuse holder in scrubber control at JBL.

Replaced failed Nitrate and TSS probes at CTP.

Replaced lighting system in heat loop pump room at RTP.

Troubleshoot DO probes at CTP and RTP.

Rewired repaired aeration blower #1 at CTP.

Troubleshoot gas skid equipment at RTP.

Replaced gas meters beyond their useful lives at JBL, including bring installation up to current code.

Troubleshoot AWT cell #5 backwash cycling at CTP.

Automated the Plant #2 Vulcan Wash Press at JBL.

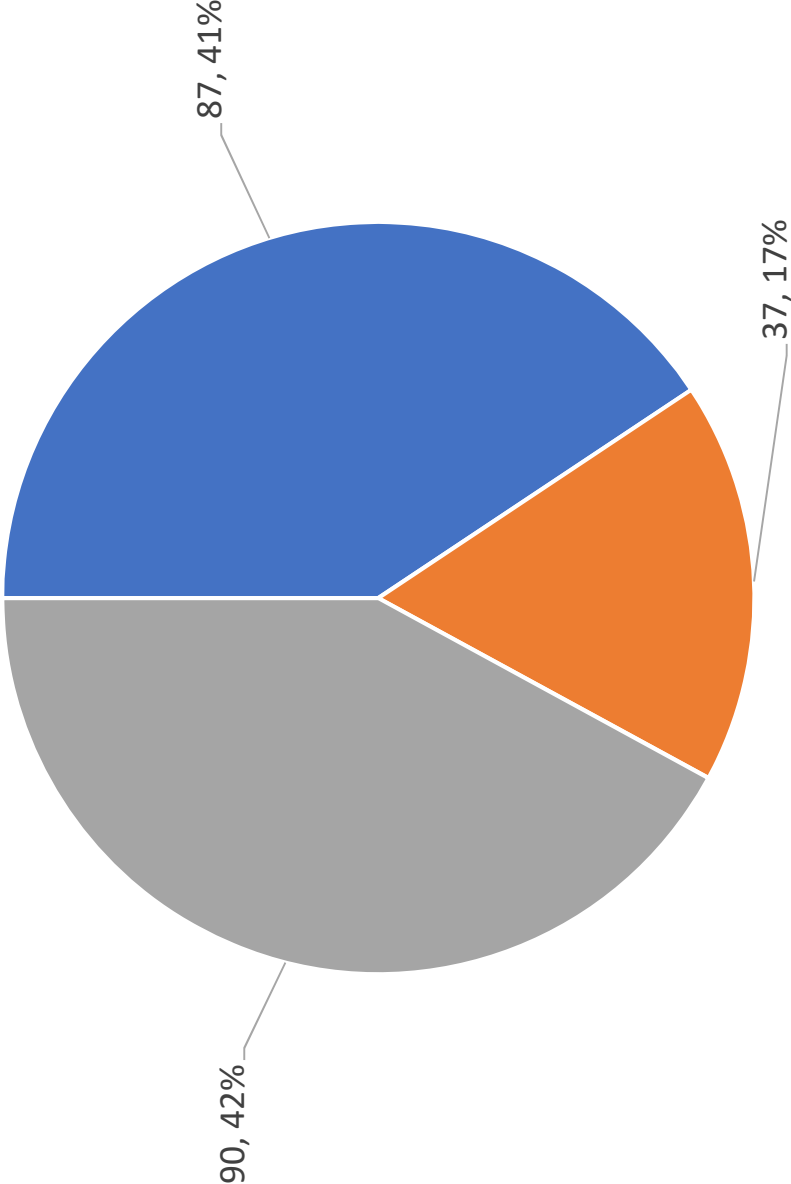
Troubleshoot RTP Scrubber pH probe on Scrubber #2.

Troubleshoot CTP Export Pump #3.

Replaced Plant #2 RAS PLC Panel that was at the end of its useful life.

Items with a (*) have been identified as preventable repairs.

1st Quarter (7/18 to 9/18) Critical Equipment Corrective Maintenance Repairs (214)



- Beyond Expected Life Equipment Repairs
- Within Expected Useful Life Equipment Repairs
- No installation Data or Utility Line Work

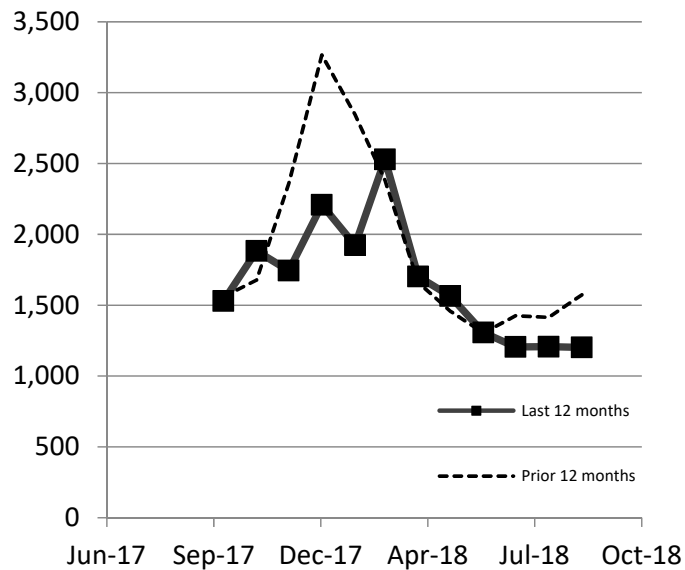
SOCWA Ocean Outfall Discharges by Agency

SOCWA Outfall Discharge Report September, 2018

Agency	SJCOO (mgd)	SJCOO (%)	ACOO (mgd)	ACOO (%)	Total (mgd)
CLB			1.54	29.20%	1.54
EBSD			0.05	0.87%	0.05
SCWD	1.64	21.58%	-0.10	-1.98%	1.54
MNWD	1.40	18.40%	0.78	14.86%	2.18
ETWD			1.85	35.20%	1.85
CSJC	2.43	31.88%			2.43
SMWD	0.32	4.26%			0.32
CSC	1.82	23.88%			1.82
IRWD			1.15	21.84%	1.15
Total	7.61	100.00%	5.26	100.00%	12.87
or Acre-Feet per year equivalent					14,420

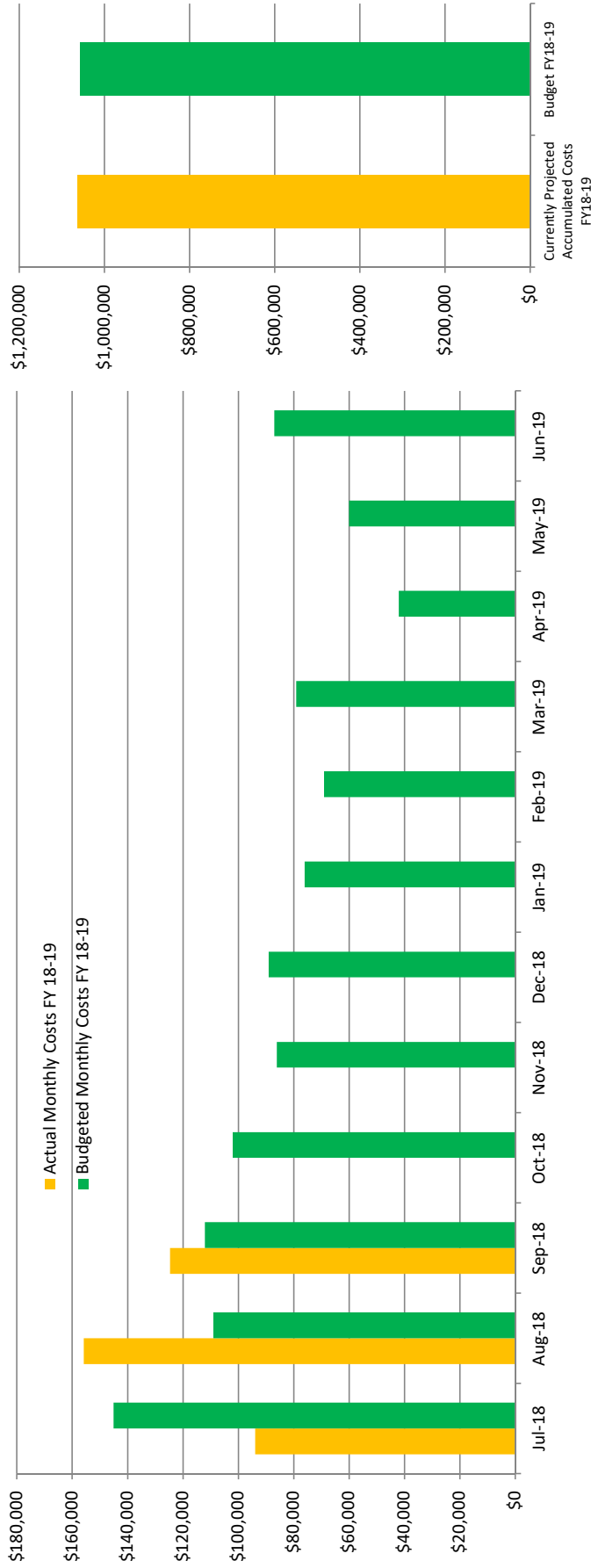
12-Month Running Total Discharge to Ocean Outfalls (AF)

Sep-18	1,202
Aug-18	1,207
Jul-18	1,205
Jun-18	1,307
May-18	1,564
Apr-18	1,702
Mar-18	2,529
Feb-18	1,923
Jan-18	2,208
Dec-17	1,744
Nov-17	1,883
Oct-17	1,530
Total	20,005



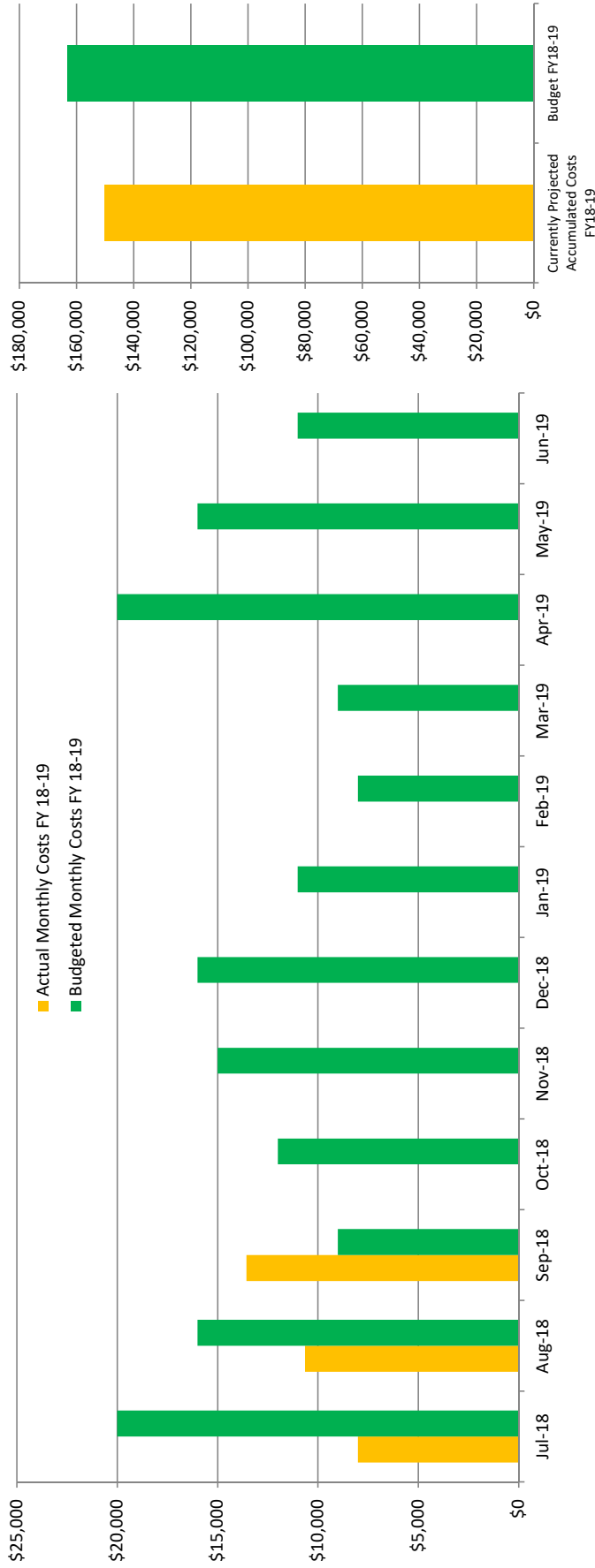
Quarterly Report on Key Operational Expenses

Electricity (5002) Costs



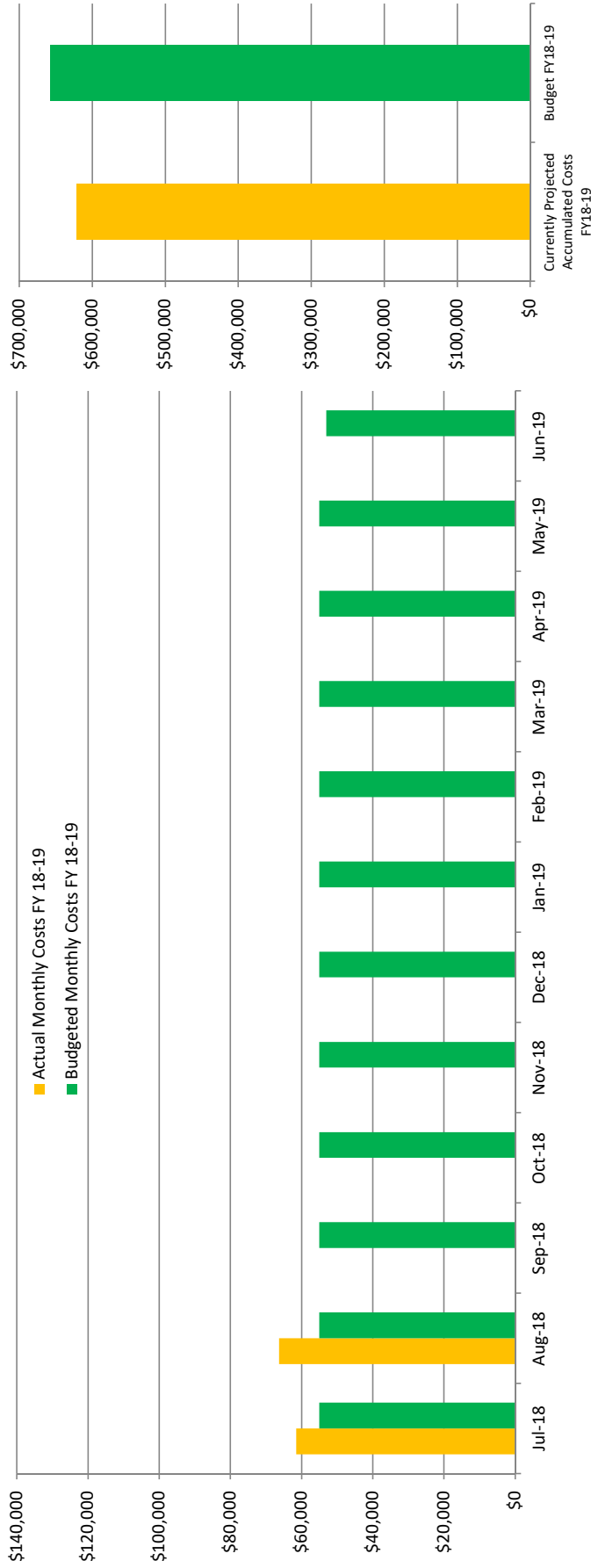
	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Currently Projected Accumulated Costs FY18-19	Budget FY18-19	Under(+)/Over(-) Budget
Actual Monthly Costs FY 18-19	\$93,851	\$155,749	\$124,599										\$1,063,198	\$1,056,000	
Budgeted Monthly Costs FY 18-19	\$145,000	\$109,000	\$112,000	\$102,000	\$86,000	\$89,000	\$76,000	\$69,000	\$79,000	\$42,000	\$60,000	\$87,000			-\$7,198

Odor Control (5009) Costs



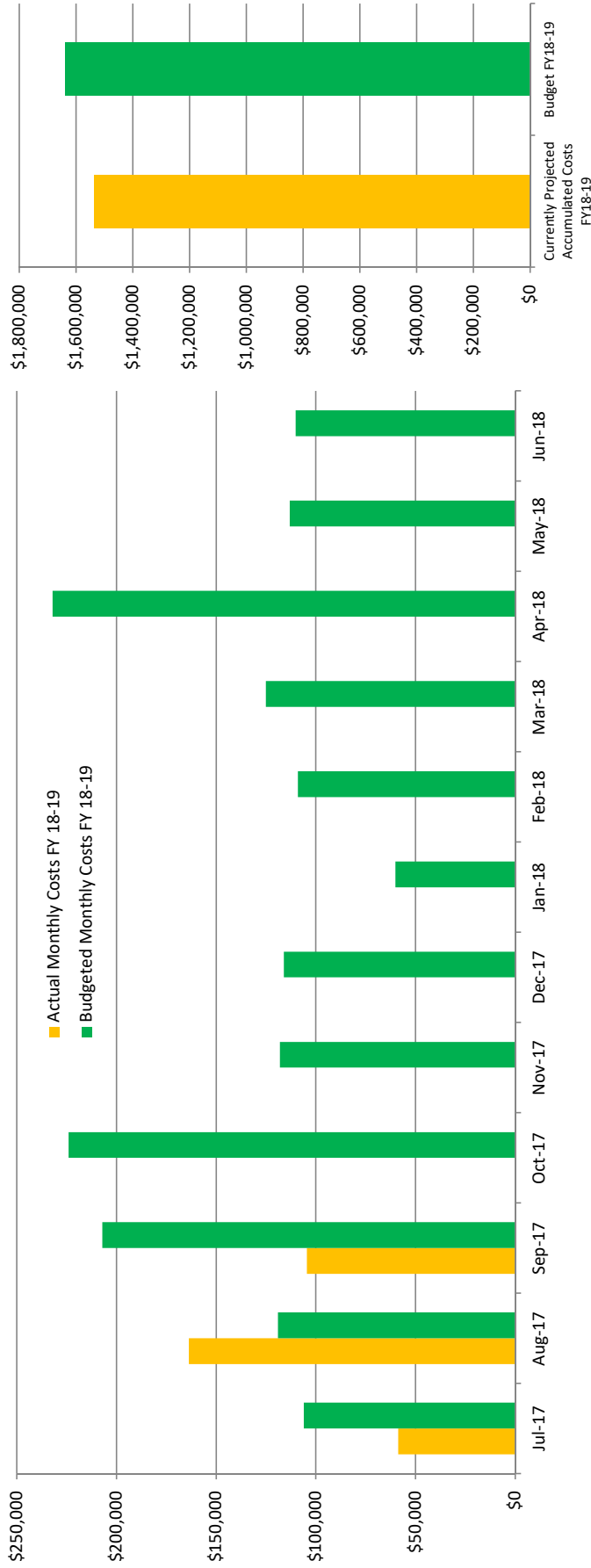
	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Currently Projected Accumulated Costs FY18-19	Budget FY18-19	Under(+)/Over(-) Budget
Actual Monthly Costs FY 18-19	\$8,002	\$10,633	\$13,557										Currently Projected Accumulated Costs FY18-19	\$150,192	
Budgeted Monthly Costs FY 18-19	\$20,000	\$16,000	\$9,000	\$12,000	\$15,000	\$16,000	\$11,000	\$8,000	\$9,000	\$20,000	\$16,000	\$11,000	Budget FY18-19	\$163,000	
													Currently Projected Under(+)/Over(-) Budget	\$12,808	

Polymer (5007) Costs



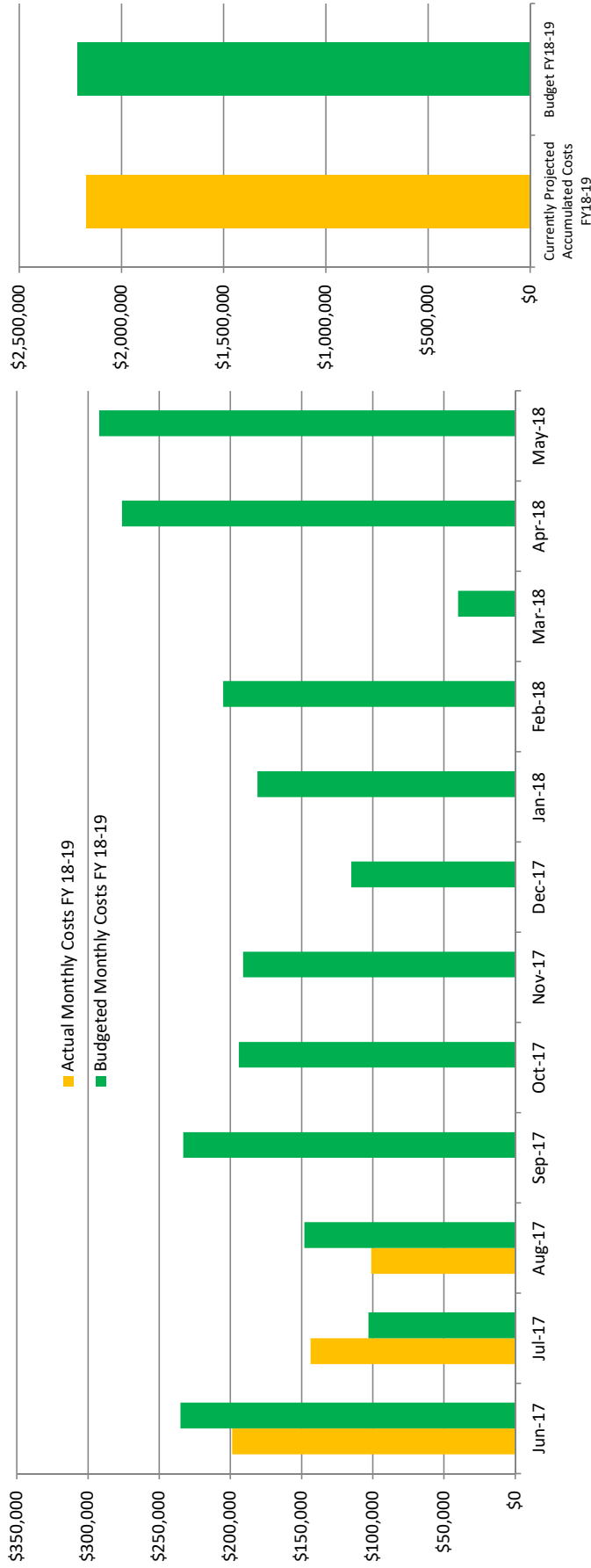
	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Currently Projected Accumulated Costs FY18-19	Budget FY18-19	Currently Projected Under(+)/Over(-) Budget
Actual Monthly Costs FY 18-19	\$61,498	\$66,295	\$0										\$620,793	\$658,000	\$37,207
Budgeted Monthly Costs FY 18-19	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000			

Biosolids (5049) Costs



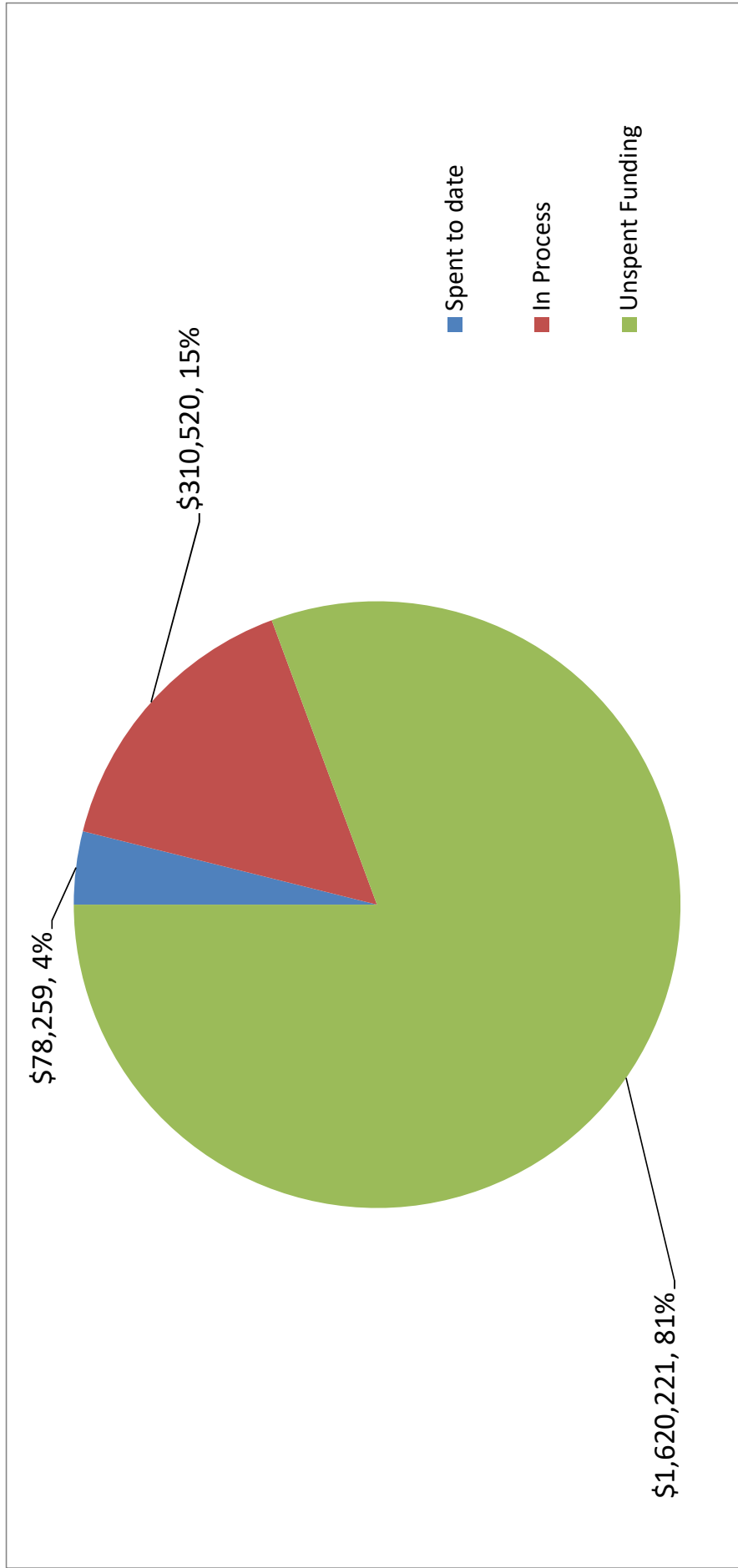
	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Currently Projected Accumulated Costs FY18-19	Budget FY18-19	Currently Projected Under(+)/Over(-) Budget
Actual Monthly Costs FY 18-19	\$58,670	\$163,703	\$104,443										\$1,533,815	\$1,639,000	\$105,185
Budgeted Monthly Costs FY 18-19	\$106,000	\$119,000	\$207,000	\$224,000	\$118,000	\$116,000	\$60,000	\$109,000	\$125,000	\$232,000	\$113,000	\$110,000			

Maintenance Repair (5056 to 5060) Costs



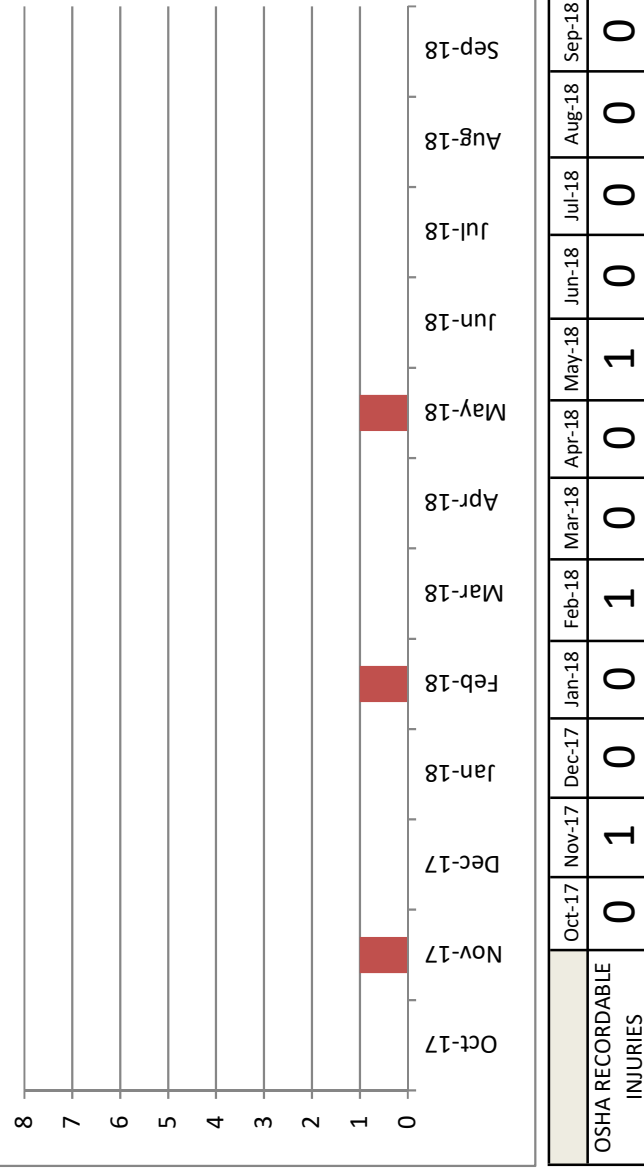
	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Currently Projected Accumulated Costs FY18-19	Budget FY18-19	Currently Projected Under(+)/Over(-) Budget
Actual Monthly Costs FY 18-19	\$198,618	\$143,649	\$101,064										\$2,170,331	\$2,213,000	
Budgeted Monthly Costs FY 18-19	\$235,000	\$103,000	\$148,000	\$233,000	\$194,000	\$191,000	\$115,000	\$181,000	\$205,000	\$40,000	\$276,000	\$292,000			\$42,669

Small Internal Capital Costs

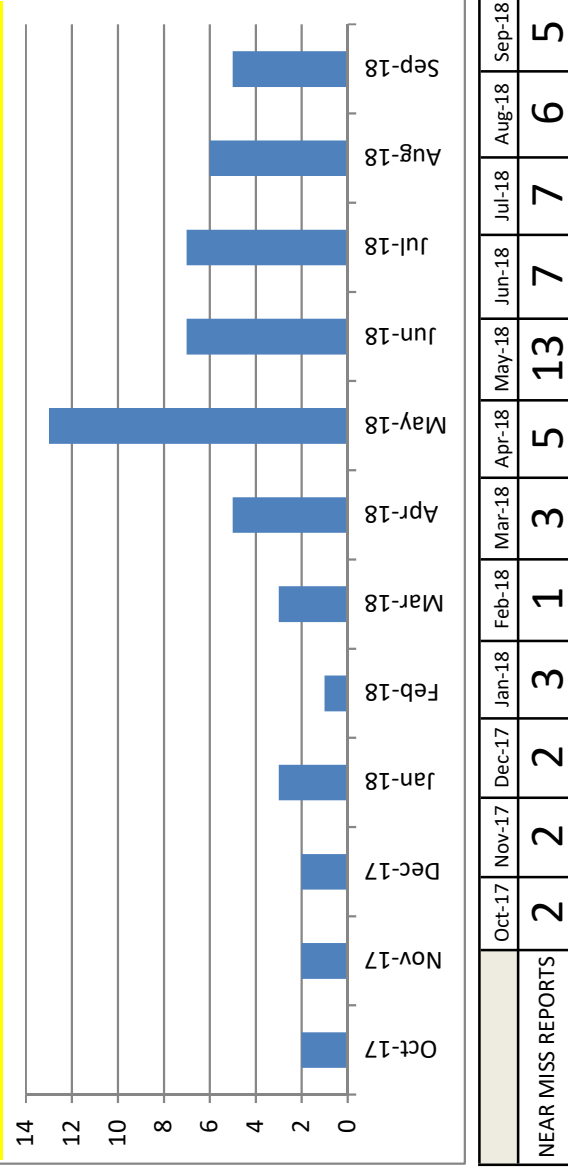


SAFETY UPDATE - OCTOBER 1, 2018

OSHA RECORDABLE INJURIES



NEAR MISS REPORTS



SAFETY TRAINING

TRAINING TOPIC	ATTENDANCE
September '18 - Silica Safety Training	90%
August '18 - Lockout/Tagout Training & Fire Awareness Safety for Field Personnel	90%
July '18 - Annual Fire Extinguisher Training	100%
June '18 - Initial and Refresher Confined Entry Rescue Training	100%
May '18 - Annual Heat Illness Training	100%
April '18 - Annual HAZWOPER Training	100%
March '18 - CPR/First Aid/AED Training	100% (all SOCWA employees)
February '18 - Bloodborne Pathogen Training	100%
January '18 - Respiratory PPE Training and Fit Testing (Respirators and SCBAs) / Additional ICS Training	100%
December '17 - Annual Defensive Driving and DUIs/Distracted Driver Training (with CHP)	90%
November '17 - Annual Audiometric Testing	100%
October '17 - Forklift Training / Certification	100%
September '17 - Active Shooter and Workplace Violence Training	100%
July/August '17 - Spill Response Training (hands on training with use of ICS System)	100%
May '17 - Annual Fire Extinguisher Training and Safety Culture Training	100%
March '17 - Authorized User Fall Protection Training and CPR/First Aid/AED Training	100%
January '17 - Confined Space Rescue Practice/Training and Lockout/Tagout Training	100%
October '16 - Confined Space Awareness/Entry Rescue Training and Forklift Training (for newer employees)	100%
May '16 - Fire Extinguisher Training, Entry Level NIMS/ICS Training, and Heat Illness Training	100%
February '16 - Biomechanics and Ergonomics Training (with CSRMA) and Bloodborne Pathogen Training	100%
Oct '15 and Jan '16 - Initial Confined Space Entry Rescue (Two 3-day training sessions)	100%
November '15 - Annual Hearing Testing and Laboratory Safety (for Laboratory Employees)	100%
September '15 - Pre-Storm Workshop/Training, Arc Flash Training, and Forklift Training (Biennial)	100%
August '15 - Fire Prevention for Water Utility Field Staff and Disaster Cost Recovery Training	100%
July '15 - Initiate additional NIMS/ICS Training and Water and Power Resiliency Workshop	Ongoing
June '15 - Initial Confined Space Awareness and Non-Entry Rescue Training	100%

ALISO CREEK OCEAN OUTFALL MONITORING REPORT

September 2018

DATE	IRWD		EL TORO WRP		SOCWA REGIONAL PLANT		SOCWA COASTAL PLANT		IRWD		SCWD		ACOO		Rain Fall inches
	LOS ALISOS WRP FLOW MGD	TSS mg/L	cBOD mg/L	SS mg/L	FLOW MGD	TSS mg/L	cBOD mg/L	SS mg/L	FLOW MGD	TSS mg/L	cBOD mg/L	SS mg/L	IRWD SGU FLOW MGD	ACWRF FLOW MGD	
09/01/18	No Flow	1.187	13.0	5.2	<0.1	0.350	1.702	1.702	0.407	0.628	0.114	4.388	0.00		
09/02/18	No Flow	1.428	12.4	4.6	<0.1	0.57	1.708	4.8	0.407	0.627	0.083	4.823	0.00		
09/03/18	No Flow	1.198	13.8	5.1	<0.1	1.410	1.910	8.6	0.406	0.626	0.101	5.651	0.00		
09/04/18	No Flow	1.477	17.3	5.9	<0.1	0.830	2.777	3.5	0.407	0.625	0.116	6.232	0.00		
09/05/18	No Flow	1.233	29.7	8.8	<0.1	0.160	0.918	15.0	0.407	0.625	0.088	3.431	0.00		
09/06/18	No Flow	1.043	35.0	10.5	<0.1	0.070	0.699	4.9	0.407	0.623	0.111	2.953	0.00		
09/07/18	No Flow	1.850	40.7	10.9	<0.1	0.230	1.221	4.4	0.406	0.623	0.097	4.427	0.00		
09/08/18	No Flow	2.450	33.3	11.3	<0.1	0.120	1.170	4.0	0.407	0.623	0.101	4.871	0.00		
09/09/18	No Flow	3.331	32.3	10.6	<0.1	0.910	1.721	8.9	0.407	0.622	0.100	7.091	0.00		
09/10/18	No Flow	1.488	35.3	9.3	<0.1	2.570	1.884	16.0	0.406	0.621	0.083	7.052	0.00		
09/11/18	No Flow	1.421	13.7	5.6	<0.1	0.520	1.323	5.8	0.407	0.602	0.082	4.355	0.00		
09/12/18	No Flow	1.272	12.2	3.4	<0.1	0.260	1.300	16.1	0.406	0.596	0.109	3.943	0.00		
09/13/18	No Flow	1.190	10.0	3.7	<0.1	0.430	1.311	3.5	0.406	0.596	0.113	4.046	0.00		
09/14/18	No Flow	1.481	11.0	4.0	<0.1	0.360	1.376	6.2	0.401	0.573	0.098	4.289	0.00		
09/15/18	No Flow	2.823	10.8	4.9	<0.1	0.390	1.454	7.0	0.407	0.556	0.103	5.733	0.00		
09/16/18	No Flow	1.700	10.8	4.4	<0.1	1.180	1.646	8.1	0.406	0.556	0.109	5.597	0.00		
09/17/18	No Flow	7.108	14.2	7.1	<0.1	1.070	1.764	3.7	0.407	0.555	0.099	11.003	0.00		
09/18/18	No Flow	1.452	6.2	3.3	<0.1	0.390	1.827	0.9	0.407	0.608	0.099	4.783	0.00		
09/19/18	No Flow	1.747	11.0	4.5	<0.1	0.350	1.012	4.2	0.407	0.612	0.087	4.215	0.00		
09/20/18	No Flow	1.010	9.8	3.5	<0.1	0.440	1.114	8.9	0.613	0.610	0.110	3.897	0.00		
09/21/18	No Flow	1.771	12.0	4.4	<0.1	0.430	0.943	3.9	0.778	0.601	0.101	4.624	0.00		
09/22/18	No Flow	1.010	8.5	3.6	<0.1	0.290	1.601	2.8	0.806	0.627	0.100	4.434	0.00		
09/23/18	No Flow	1.628	11.5	5.3	<0.1	2.380	1.728	2.8	0.805	0.636	0.097	7.274	0.00		
09/24/18	No Flow	2.011	14.8	6.4	<0.1	2.160	2.002	4.0	0.805	0.628	0.100	7.706	0.00		
09/25/18	No Flow	1.843	20.2	8.5	<0.1	0.450	1.313	2.8	0.805	0.641	0.113	5.165	0.00		
09/26/18	No Flow	1.369	15.8	6.1	<0.1	0.290	1.370	2.7	0.805	0.647	0.105	4.586	0.00		
09/27/18	No Flow	1.602	13.5	5.0	<0.1	0.410	1.353	4.5	0.805	0.645	0.090	4.905	0.00		
09/28/18	No Flow	1.885	15.2	5.3	<0.1	0.780	1.411	3.2	0.804	0.646	0.104	5.630	0.00		
09/29/18	No Flow	3.041	10.8	5.3	<0.1	1.520	1.159	5.1	0.745	0.613	0.042	7.120	0.00		
09/30/18	No Flow	1.545	12.8	6.2	<0.1	2.150	1.660	6.1	0.607	0.610	0.001	6.573	0.00		
AVG	No Flow	1.853	16.9	6.1	<0.1	0.782	1.479	6.1	0.537	0.613	0.095	5.360	0.00		
TOTAL	No Flow	55.59	23.47	6.3	<0.1	44.38	4.5	<0.2	16.10	18.40	2.856	160.80	0.00		

Unified Beach Monitoring

#1

South Orange County Wastewater Authority-Aliso Creek Ocean Outfall

REPORT FOR: September 2018
 REPORT DUE: November 1 2018
 SAMPLE SOURCE: Surf zone
 TYPE OF SAMPLE: Grab

REPORT FREQUENCY: Monthly
 EXACT SAMPLE POINTS: As specified in Unified Monitoring Plan
 SAMPLES COLLECTED BY: SOCWA Lab
 SAMPLES ANALYZED BY: SOCWA Lab

Tidal Condition: High Tide 708
 Weather: Partly Cloudy

COMMENTS:

STA#	DATE	TIME	Total Coliform		Fecal Coliform	Enterococcus	Material of Sewage Origin			Oil & Grease	Odor	Water Color	H2O Temp(F)	Water Condition	Water Outlet	Birds
			SM9222B	SM9222D			CFU/100ml	EPA 1600	Onshore							
S3	09/05/18	755	<100	<20	<20	30	None	None	None	None	None	Green	70	Clear		
S4	09/05/18	1030	<100	<20	<20	<3	None	None	None	None	None	Green		Clear		
S5	09/05/18	1010	300	<20	<20	<3	None	None	None	None	None	Green		Clear		
S6	09/05/18	955	<100	<20	<20	<3	None	None	None	None	None	Green		Clear		
WEST	09/05/18	950	300	<20	<20	<3	None	None	None	None	None	Green		Clear		
S7	09/05/18	945	100	<20	<20	<3	None	None	None	None	None	Green		Clear		
S8	09/05/18	940	<20	<20	<20	<3	None	None	None	None	None	Blue		Clear		
S9	09/05/18	925	>=20	20	20	<3	None	None	None	None	None	Green		Clear		
ACM1	09/05/18	915	>=9	9	9	2	None	None	None	None	None	Green		Clear		
S10	09/05/18	855	<100	<20	<20	2	None	None	None	None	None	Green		Clear		
S11	09/05/18	845	<100	<20	<20	<3	None	None	None	None	None	Green		Clear		
S12	09/05/18	840	>=5	<10	<10	6	None	None	None	None	None	Green		Clear		

RECREATIONAL WATER LIMITATIONS: Single Sample Maximum - Total coliform density shall not exceed 10,000 per 100ml; Fecal coliform density shall not exceed 400 per 100ml; Enterococcus density shall not exceed 104 per 100ml.

Unified Beach Monitoring

#2

South Orange County Wastewater Authority-Aliso Creek Ocean Outfall

REPORT FOR: September 2018
 REPORT DUE: November 1, 2018
 SAMPLE SOURCE: Receiving water surf zone
 TYPE OF SAMPLE: Grab

REPORT FREQUENCY: Monthly
 EXACT SAMPLE POINTS: As specified in Unified Monitoring Plan
 SAMPLES COLLECTED BY: SOCWA Lab
 SAMPLES ANALYZED BY: SOCWA Lab

Tidal Condition: High Tide 1125
 Weather: Clear

COMMENTS:

STA#	DATE	TIME	Total Coliform		Enterococcus	Material of Sewage Origin			Oil & Grease	Odor	Water Color	H2O Temp(F)	Water Condition	Water Outlet	Birds
			SM9222B	SM9222D		CFU/100ml	CFU/100ml	Onshore							
S3	09/12/18	840	9	<20	<3	None	None	None	None	Green			Clear		
S4	09/12/18	1100	<20	<20	<3	None	None	None	None	Green			Clear		
S5	09/12/18	1040	9	<20	<3	None	None	None	None	Green			Clear		
S6	09/12/18	1020	<20	<20	2	None	None	None	None	Green			Clear		
WEST	09/12/18	1015	9	<20	<3	None	None	None	None	Green			Clear		
S7	09/12/18	1010	20	<20	<3	None	None	None	None	Green			Clear		
S8	09/12/18	1005	<20	<20	<3	None	None	None	None	Blue			Clear		
S9	09/12/18	950	20	<20	<3	None	None	None	None	Green			Clear		
ACM1	09/12/18	940	50	20	10	None	None	None	None	Green			Clear		
S10	09/12/18	925	40	<20	<3	None	None	None	None	Green			Clear		
S11	09/12/18	920	9	<20	<3	None	None	None	None	Green			Clear		
S12	09/12/18	915	20	5	<4	None	None	None	None	Green			Clear		

RECEIVING WATER LIMITATIONS: Single Sample Maximum - Total coliform density shall not exceed 10,000 per 100ml; Fecal coliform density shall not exceed 400 per 100ml; Enterococcus density shall not exceed 104 per 100ml.

Unified Beach Monitoring

#3

South Orange County Wastewater Authority-Aliso Creek Ocean Outfall

REPORT FOR: September 2018
 REPORT DUE: November 1, 2018
 SAMPLE SOURCE: Receiving water surf zone
 TYPE OF SAMPLE: Grab

REPORT FREQUENCY: Monthly
 EXACT SAMPLE POINTS: As specified in Unified Monitoring Plan
 SAMPLES COLLECTED BY: SOCWA Lab
 SAMPLES ANALYZED BY: SOCWA Lab

Tidal Condition: High Tide 0704

Weather: Clear

COMMENTS:

0.0

STA#	DATE	TIME	Total Coliform		Enterococcus	Material of Sewage Origin		Oil & Grease	Odor	Water Color	H2O Temp(F)	Water Condition	Water Outlet	Birds
			SM9222B	SM9222D		Onshore	Offshore							
S3	09/18/18	1040	<20	<20	2	None	None	None	None	Green	67	Turbid		
S4	09/18/18	1010	<20	<20	<3	None	None	None	None	Green		Turbid		
S5	09/18/18	0930	<20	<20	<3	None	None	None	None	Green		Turbid		
S6	09/18/18	0915	<20	<20	<3	None	None	None	None	Green		Turbid		
WEST	09/18/18	0910	9	<20	<3	None	None	None	None	Green		Turbid		
S7	09/18/18	0905	<20	<20	<3	None	None	None	None	Green		Turbid		
S8	09/18/18	0900	<20	<20	<3	None	None	None	None	Green		Turbid		
S9	09/18/18	0835	10	<10	<4	None	None	None	None	Green		Turbid		
ACM1	09/18/18	0830	<20	9	<3	None	None	None	None	Green		Turbid		
S10	09/18/18	0815	<20	<20	<3	None	None	None	None	Green		Turbid		
S11	09/18/18	0810	<20	9	<3	None	None	None	None	Green	66	Slightly Turbid		
S12	09/18/18	0805	<20	9	<3	None	None	None	None	Green		Turbid		

RECEIVING WATER LIMITATIONS: Single Sample Maximum - Total coliform density shall not exceed 10,000 per 100ml; Fecal coliform density shall not exceed 400 per 100ml; Enterococcus density shall not exceed 104 per 100ml.

Unified Beach Monitoring

#4

South Orange County Wastewater Authority-Aliso Creek Ocean Outfall

REPORT FOR: September 2018 REPORT FREQUENCY: Monthly
 REPORT DUE: November 1, 2018 EXACT SAMPLE POINTS: As specified in Unified Monitoring Plan
 SAMPLE SOURCE: Receiving water surf zone SAMPLES COLLECTED BY: SOCWA Lab
 TYPE OF SAMPLE: Grab SAMPLES ANALYZED BY: SOCWA Lab

Tidal Condition: High Tide 1012

Weather: Overcast

COMMENTS:

STA#	DATE	TIME	Total Coliform		Enterococcus	Material of Sewage Origin		Oil & Grease	Odor	Water Color	H2O Temp(F)	Water Condition	Water Outlet	Birds
			CFU/100ml SM9222B	CFU/100ml SM9222D		Onshore	Offshore							
S3	09/26/18	1040	30	<20	44	None	None	None	None	Green		Turbid		
S4	09/26/18	1030	<20	<20	2	None	None	None	None	Green	67	Turbid		
S5	09/26/18	1010	<20	<20	8	None	None	None	None	Green		Turbid		
S6	09/26/18	0950	<20	<20	<3	None	None	None	None	Green		Turbid		
WEST	09/26/18	0945	<20	<20	<3	None	None	None	None	Green		Turbid		
S7	09/26/18	0940	<20	<20	<3	None	None	None	None	Green		Turbid		
S8	09/26/18	0930	<20	<20	<3	None	None	None	None	Green		Turbid		
S9	09/26/18	0910	5	5	3	None	None	None	None	Green		Turbid		50
ACM1	09/26/18	0905	<20	<20	2	None	None	None	None	Green		Turbid		50
S10	09/26/18	0825	<20	<20	<3	None	None	None	None	Green		Turbid		
S11	09/26/18	0820	20	<20	2	None	None	None	None	Green		Turbid		
S12	09/26/18	0815	<20	9	<3	None	None	None	None	Green	66	Turbid		

RECEIVING WATER LIMITATIONS: Single Sample Maximum - Total coliform density shall not exceed 10,000 per 100ml; Fecal coliform density shall not exceed 400 per 100ml; Enterococcus density shall not exceed 104 per 100ml.

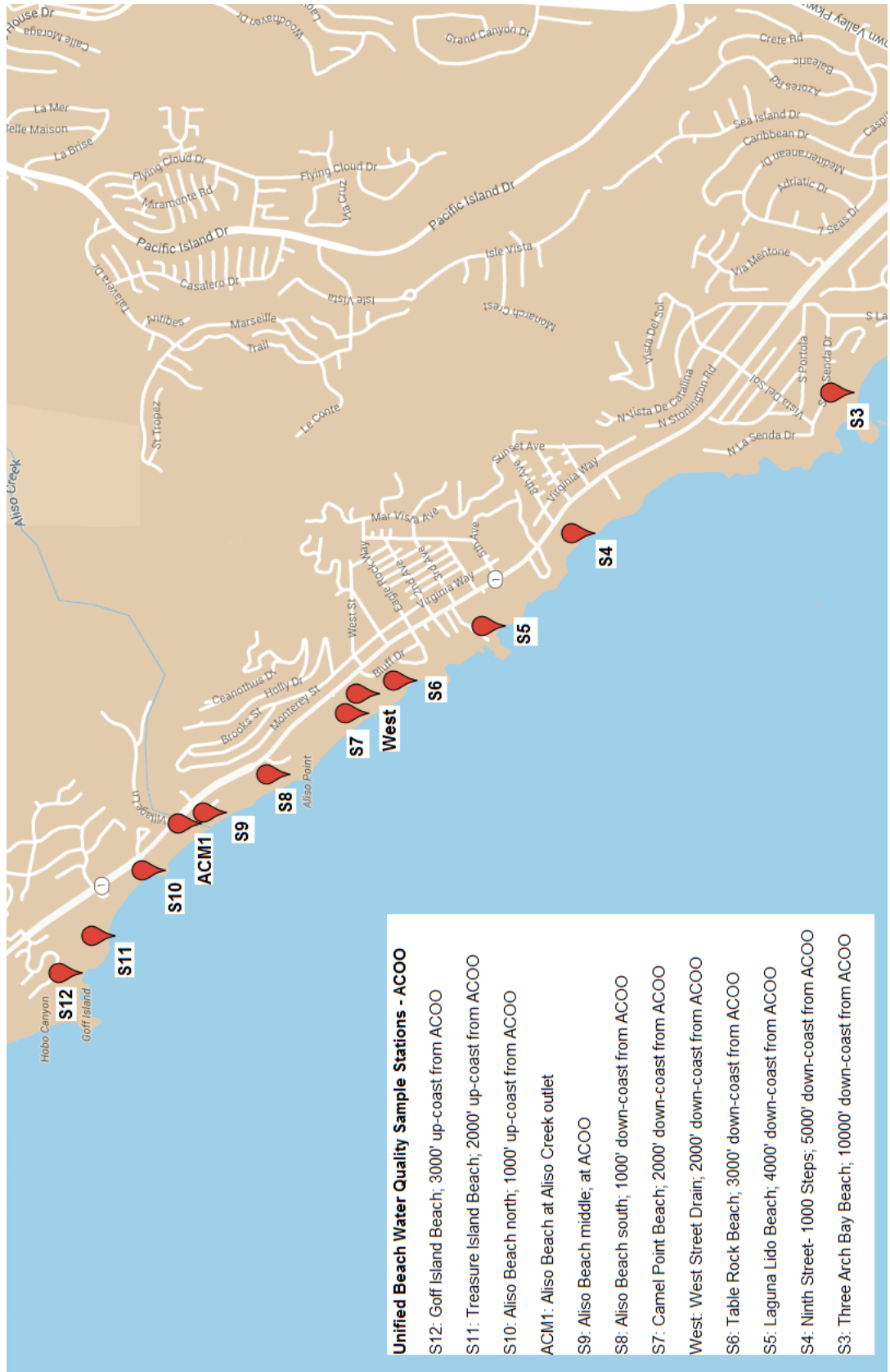
Aliso Creek Ocean Outfall

Unified Beach Water Quality Monitoring Stations

SOCWA's NPDES discharge permit requires participation in the South Orange County Unified Beach Water Quality Monitoring Program. The monitoring stations below are tested by SOCWA at least once per week for Total and Fecal Coliform and Enterococcus Bacteria.

Station	Location
S3	Three Arch Bay Beach; 10,000' down-coast from ACOO
S4	Ninth Street-1000 Steps; 5,000' down-coast from ACOO
S5	Laguna Lido Beach; 4,000 down-coast from ACOO
West	West Street Drain; 2,000' down-coast from ACOO
S6	Table Rock Beach; 3,000' down-coast from ACOO
S7	Camel Point Beach; 2,000' down-coast from ACOO
S8	Aliso Beach south; 1,000' down-coast from ACOO
S9	Aliso Beach middle; at ACOO
ACM1	Aliso Beach at Aliso Creek Outlet
S10	Aliso Beach north; 1,000' up-coast of ACOO
S11	Treasure Island Beach; 2,000' up-coast of ACOO
S12	Goff Island Beach; 3,000' up-coast of ACOO

Unified Beach Water Quality Sample Station Map – Aliso Creek Ocean Outfall



MONITORING REPORT

Off Shore Stations

South Orange County Wastewater Authority

DISCHARGE: Aliso Creek Ocean Outfall

REPORT FOR: September 2018

REPORT DUE: November 1, 2018

SAMPLE SOURCE: Receiving water, nearshore and offshore

EXACT SAMPLE POINTS: As specified in permit

SAMPLES COLLECTED BY: Seaventures/SOCWA staff

SAMPLES ANALYZED BY: SOCWA Lab

REPORT FREQUENCY: Monthly

SAMPLING FREQUENCY: Monthly

TYPE OF SAMPLE: Grab

Comments: High Tide 946

Sta No.	Sample Depth	Sample Date	Total Coliform	Fecal Coliform	Enterococcus	Sample Time	Oil & Grease	Sewage Debris	0 - None 1 - Mild 2 - Moderate 3 - Severe
			CFU/100ml SM9222B	CFU/100ml SM9222D	CFU/100ml EPA 1600				
A-1	Surface	09/25/18	<2	<2	<2	802	0	0	
A-1	Mid depth	09/25/18	<10	<10	<10				
A-2	Surface	09/25/18	<2	<2	<2	749	0	0	
A-2	Mid depth	09/25/18	<10	<10	<10				
A-3	Surface	09/25/18	<2	<2	<2	754	0	0	
A-3	Mid depth	09/25/18	<10	<10	<10				
A-4	Surface	09/25/18	<2	<2	<2	806	0	0	
A-4	Mid depth	09/25/18	<10	<10	<10				
A-5	Surface	09/25/18	<2	<2	<2	758	0	0	
A-5	Mid depth	09/25/18	<10	<10	<10				
B-1	Surface	09/25/18	<2	<2	<2	740	0	0	
B-1	Mid depth	09/25/18	<10	<10	<10				
B-2	Surface	09/25/18	<2	<2	<2	815	0	0	
B-2	Mid depth	09/25/18	<10	<10	<10				
N1	Surface	09/25/18	<2	<2	<2	830	0	0	
N2	Surface	09/25/18	<2	<2	<2	829	0	0	
N3	Surface	09/25/18	2	2	2	827	0	0	
N4	Surface	09/25/18	2	2	<2	825	0	0	
N5	Surface	09/25/18	<2	<2	<2	824	0	0	
N6	Surface	09/25/18	<2	2	<2	822	0	0	
N7	Surface	09/25/18	<2	<2	<2	820	0	0	

REQUIREMENT: (1) Floating particulates and grease and oil shall not be visible. (2) The discharge of wasteshall not cause aesthetically undesirable discoloration of the ocean surface.

**Compliance Summary Report
Aliso Creek Ocean Outfall 2018**

ACOO Permit Order No. R9-2012-0013									
Agency - Facility	Violation Date	Constituent	Effluent Limit Violation	Units	Permit Limit	Reported Value	Potential Fine		
ACOO - SOCWA Outfall	4/9/2018	Chronic Toxicity	Monthly	TUc	238	1000 TUc	\$3000		
IRWD - IDP	9/11/2018	Sample Time	Monthly	Time	Daily	Estimated	\$3000		
SOCWA - CTP	9/24/2018	cBOD	Monitoring Violation	mg/L	Daily	Not Reported	\$3000		
SOCWA - CTP	9/28/2018	cBOD	Monitoring Violation	mg/L	Daily	Not Reported	\$3000		
SOCWA - RTP	9/24/2018	cBOD	Monitoring Violation	mg/L	Daily	Not Reported	\$3000		



SOCWA and MEMBER AGENCY FACILITIES

ACOO Spill / Overflow Report Log - 2018

Order No. R9-2012-0013 ~ NPDES Permit No. CA0107611

Reporting Agency	Responsible Agency	Estimated Volume (Gallons)	Type of Discharge	Location/Comments	Receiving Waters	Date Reported To State	Date Resolved
No spills during this monitoring period.							

SAN JUAN CREEK OCEAN OUTFALL MONITORING REPORT

September 2018

DATE	J.B. LATHAM FACILITY			SAN CLEMENTE WRP			SMWD CHIQUITA WRP			3-A PLANT			CSJC		SCWD		SJCOO		Rain Fall inches
	FLOW MGD	TSS mg/L	cBOD mg/L	SS m/L	FLOW MGD	TSS mg/L	cBOD mg/L	SS m/L	FLOW MGD	TSS mg/L	cBOD mg/L	SS m/L	Desalter FLOW	MGD	Desalter FLOW	MGD	FLOW	MGD	
09/01/18	5.050				0.831			0.000	0.193				0.445	No Flow	7.210	0.00		0.00	
09/02/18	5.160	5.1	4.8		0.954			0.000	0.244				0.455	No Flow	7.970	0.00		0.00	
09/03/18	5.160	7.4	5.9	0.2	2.473	8.4	7.0	<0.1	0.210	6.3	14.0	0.3	0.455	No Flow	7.950	0.00		0.00	
09/04/18	5.520	7.5	6.9	0.1	2.570	8.8	6.0	<0.1	0.467	7.8	13.0	<0.1	0.455	No Flow	9.160	0.00		0.00	
09/05/18	6.030	6.0	4.7	<0.1	2.260	6.1	4.0	<0.1	0.303	4.0	3.0	<0.1	0.232	No Flow	9.510	0.00		0.00	
09/06/18	5.320	5.9	4.9	0.1	1.688	6.0	4.0	<0.1	0.258	6.8	3.0	<0.1	0.141	No Flow	7.960	0.00		0.00	
09/07/18	5.320	6.0	8.0	0.1	1.833	9.6	7.0	<0.1	0.242	6.0	2.0	<0.1	0.398	No Flow	8.550	0.00		0.00	
09/08/18	5.130				1.353			0.000	0.211				0.414	No Flow	7.540	0.00		0.00	
09/09/18	5.320	6.5	7.0		1.728			0.040	0.322				0.411	No Flow	7.790	0.00		0.00	
09/10/18	5.250	7.4	6.2	0.1	2.275	5.6	7.0	<0.1	0.399	3.4	14.0	<0.1	0.413	No Flow	8.610	0.00		0.00	
09/11/18	5.380	6.5	5.2	0.1	1.230	4.8	7.0	<0.1	0.257	8.8	13.0	0.3	0.451	No Flow	8.270	0.00		0.00	
09/12/18	5.270	6.1	8.0	<0.1	2.561	3.7	2.0	<0.1	0.192	5.6	3.0	<0.1	0.469	No Flow	8.640	0.00		0.00	
09/13/18	5.070	6.4	8.2	0.3	1.893	4.2	3.0	<0.1	0.305	7.8	3.0	<0.1	0.447	No Flow	8.730	0.00		0.00	
09/14/18	5.120	6.9	8.5	0.1	1.346	3.7	3.0	<0.1	0.314	0.5	3.0	<0.1	0.402	No Flow	7.460	0.00		0.00	
09/15/18	5.220				0.406			0.000	0.179				0.387	No Flow	6.930	0.00		0.00	
09/16/18	5.430	5.8	9.4		2.329			0.000	0.304				0.371	No Flow	7.950	0.00		0.00	
09/17/18	5.370	7.4	7.4	0.1	3.055	3.2	7.0	<0.1	0.402	4.5	15.0	<0.1	0.372	No Flow	9.250	0.00		0.00	
09/18/18	5.260	8.2	6.2	0.1	2.574	3.2	8.0	<0.1	0.279	3.8	14.0	<0.1	0.371	No Flow	8.280	0.00		0.00	
09/19/18	5.100	8.5	9.4	0.1	0.193	3.1	3.0	<0.1	0.217	4.5	3.0	<0.1	0.371	No Flow	8.330	0.00		0.00	
09/20/18	4.960	7.0	6.0	0.1	1.789	3.6	4.0	<0.1	0.289	5.2	2.0	<0.1	0.372	No Flow	8.070	0.00		0.00	
09/21/18	5.180	7.9	10.8	0.1	1.847	9.6	7.0	<0.1	0.213	3.2	3.0	<0.1	0.371	No Flow	8.720	0.00		0.00	
09/22/18	5.070				1.856			0.000	0.211				0.371	No Flow	7.980	0.00		0.00	
09/23/18	5.310	5.6	10.8		2.005			0.370	0.342				0.372	No Flow	8.400	0.00		0.00	
09/24/18	5.330	8.8		<0.1	2.027	5.0	7.0	<0.1	0.396	4.0	14.0	<0.1	0.384	No Flow	9.290	0.00		0.00	
09/25/18	5.120	5.6	7.2	0.1	2.065	5.7	6.0	<0.1	0.233	6.4	13.0	<0.1	0.400	0.090	8.000	0.00		0.00	
09/26/18	4.830	6.7	4.2	<0.1	1.720	4.6	5.0	<0.1	0.227	5.6	3.0	0.3	0.410	0.272	8.200	0.00		0.00	
09/27/18	4.960	4.2	7.2	<0.1	1.671	4.6	5.0	<0.1	0.257	5.7	3.0	<0.1	0.410	0.399	8.500	0.00		0.00	
09/28/18	4.950	7.1		0.1	1.753	5.9	4.0	<0.1	0.197	5.2	3.0	<0.1	0.413	0.011	8.120	0.00		0.00	
09/29/18	4.960				1.799			0.000	0.178				0.413	No Flow	8.070	0.00		0.00	
09/30/18	5.160	7.0	10.4		2.427			0.000	0.308				0.413	No Flow	8.850	0.00		0.00	
AVG	5.210	6.7	7.3	<0.1	1.817	5.5	5.3	<0.1	0.094	5.2	8.6	<0.1	0.393	0.026	8.276			0.00	
TOTAL	156.310				54.511			2.810	8.149				11.789	0.772	248.290			0.00	

Unified Beach Monitoring

#1

South Orange County Wastewater Authority-San Juan Creek Ocean Outfall

REPORT FOR: September 2018 REPORT FREQUENCY: Monthly
 REPORT DUE: November 1, 2018 EXACT SAMPLE POINTS: As specified in Unified Monitoring Plan
 SAMPLE SOURCE: Receiving water surf zone SAMPLES COLLECTED BY: SOCWA Lab
 TYPE OF SAMPLE: Grab SAMPLES ANALYZED BY: SOCWA Lab

Tidal Condition: High Tide 0612

Weather: Overcast

COMMENTS:

STA#	DATE	TIME	Total Coliform		Fecal Coliform	Enterococcus	Material of Sewage Origin			Oil & Grease	Odor	Water Color	H2O Temp(F)	Water Condition	Water Outlet	Birds		
			CFU/100ml	SM9222B			CFU/100ml	SM9222D	EPA 1600								Onshore	Offshore
			SM9222B	SM9222D			EPA 1600	Onshore	Offshore									
S0	09/04/18	0832	<40	<40	<40	5	None	None	None	None	Green	67	Turbid					
S1	09/04/18	0839	20	<40	<40	7	None	None	None	None	Green		Turbid					
S2	09/04/18	0820	<40	<40	<40	2	None	None	None	None	Green		Turbid					
DSB5	09/04/18	0800	540	100	100	10	None	None	None	None	Brown		Turbid					
S3	09/04/18	0845	20	20	20	20	None	None	None	None	Green		Turbid					
DSB4	09/04/18	0849	<40	20	20	20	None	None	None	None	Green		Turbid					
S5	09/04/18	0857	20	<40	<40	5	None	None	None	None	Green		Turbid					
DSB1	09/04/18	0910	<40	20	20	2	None	None	None	None	Green	67	Turbid					
SJC1	09/04/18	0832	<200	<200	<200	30	None	None	None	None	Green		Turbid					

RECEIVING WATER LIMITATIONS: Single Sample Maximum - Total coliform density shall not exceed 10,000 per 100ml; Fecal coliform density shall not exceed 400 per 100ml; Enterococcus density shall not exceed 104 per 100ml.

Unified Beach Monitoring

#2

South Orange County Wastewater Authority-San Juan Creek Ocean Outfall

REPORT FOR: September 2018 REPORT FREQUENCY: Monthly
 REPORT DUE: November 1, 2018 EXACT SAMPLE POINTS: As specified in Unified Monitoring Plan
 SAMPLE SOURCE: Receiving water surf zone SAMPLES COLLECTED BY: SOCWA Lab
 TYPE OF SAMPLE: Grab SAMPLES ANALYZED BY: SOCWA Lab

Tidal Condition: High tide 1048
 Weather: Partly Cloudy

COMMENTS:

STA#	DATE	TIME	Total Coliform		Enterococcus	Material of Sewage Origin			Oil & Grease	Odor	Water Color	H2O Temp(F)	Water Condition	Water Outlet	Birds
			CFU/100ml SM9222B	CFU/100ml SM9222D		CFU/100ml	Onshore	Offshore							
S0	09/11/18	939	<40	<40	10	None	None	None	None	Green			Turbid		
S1	09/11/18	950	20	40	30	None	None	None	None	Green	70		Turbid		
S2	09/11/18	905	40	<40	7	None	None	None	None	Green			Turbid		
DSB5	09/11/18	855	50	20	82	None	None	None	None	Green	70		Turbid		
S3	09/11/18	955	50	<40	58	None	None	None	None	Green			Turbid		
DSB4	09/11/18	957	20	<40	30	None	None	None	None	Green			Turbid		
S5	09/11/18	1002	20	<40	10	None	None	None	None	Green	70		Turbid		
DSB1	09/11/18	1006	20	<40	2	None	None	None	None	Green			Turbid		
C1	09/11/18	935	<100	<100	5	None	None	None	None	Green			Turbid		

RECEIVING WATER LIMITATIONS: Single Sample Maximum - Total coliform density shall not exceed 10,000 per 100ml; Fecal coliform density shall not exceed 400 per 100ml; Enterococcus density shall not exceed 104 per 100ml.

Unified Beach Monitoring

#3

South Orange County Wastewater Authority-San Juan Creek Ocean Outfall

REPORT FOR: September 2018 REPORT FREQUENCY: Monthly
 REPORT DUE: November 1, 2018 EXACT SAMPLE POINTS: As specified in Unified Monitoring Plan
 SAMPLE SOURCE: Receiving water surf zone SAMPLES COLLECTED BY: SOCWA Lab
 TYPE OF SAMPLE: Grab SAMPLES ANALYZED BY: SOCWA Lab

Tidal Condition: High Tide 0610

Weather: Clear

COMMENTS:

STA#	DATE	TIME	Total Coliform		Enterococcus	Material of Sewage Origin		Oil & Grease	Odor	Water Color	H2O Temp(F)	Water Condition	Water Outlet	Birds		
			CFU/100ml	SM9222B		CFU/100ml	SM9222D								Onshore	Offshore
			CFU/100ml	EPA 1600		CFU/100ml	EPA 1600									
S0	09/17/18	0830	<40	<40	2	None	None	None	None	Green	67	Turbid				
S1	09/17/18	0840	20	<40	<4	None	None	None	None	Green		Turbid				
S2	09/17/18	0825	<40	20	<4	None	None	None	None	Green		Turbid				
DSB5	09/17/18	0815	10	<30	<5	None	None	None	None	Brown		Turbid				
S3	09/17/18	0847	<40	<40	<4	None	None	None	None	Green		Turbid				
DSB4	09/17/18	0855	<40	<40	<4	None	None	None	None	Green		Turbid				
S5	09/17/18	0910	<40	<40	<4	None	None	None	None	Green		Turbid				
DSB1	09/17/18	0915	<40	<40	<4	None	None	None	None	Brown	68	Turbid				
C1	09/17/18	0831	<200	<200	<20	None	None	None	None	Green		Turbid				

RECEIVING WATER LIMITATIONS: Single Sample Maximum - Total coliform density shall not exceed 10,000 per 100ml; Fecal coliform density shall not exceed 400 per 100ml; Enterococcus density shall not exceed 104 per 100ml.

Unified Beach Monitoring

#4

South Orange County Wastewater Authority-San Juan Creek Ocean Outfall

REPORT FOR: September 2018
 REPORT DUE: November 1, 2018
 SAMPLE SOURCE: Receiving water surf zone
 TYPE OF SAMPLE: Grab

REPORT FREQUENCY: Monthly
 EXACT SAMPLE POINTS: As specified in Unified Monitoring Plan
 SAMPLES COLLECTED BY: SOCWA Lab
 SAMPLES ANALYZED BY: SOCWA Lab

Tidal Condition: High Tide 0946

Weather: Overcast

COMMENTS:

STA#	DATE	TIME	Total Coliform		Fecal Coliform		Enterococcus		Material of Sewage Origin			Oil & Grease	Odor	Water Color	H2O Temp(F)	Water Condition	Water Outlet	Birds
			SM9222B	SM9222D	SM9222B	SM9222D	CFU/100ml	EPA 1600	Onshore	Offshore								
			CFU/100ml	CFU/100ml	CFU/100ml	CFU/100ml	Onshore	Offshore										
S0	09/25/18	826	20	20	20	20	None	None	None	None	None	None	Green	68	Slightly Turbid			
S1	09/25/18	852	50	30	52	52	None	None	None	None	None	None	Green		Slightly Turbid			
S2	09/25/18	817	20	<40	2	2	None	None	None	None	None	None	Green		Slightly Turbid			
DSB5	09/25/18	806	>=40	<40	2	2	None	None	None	None	None	None	Brown	69	Slightly Turbid		20	
S3	09/25/18	858	50	90	80	80	None	None	None	None	None	None	Green		Slightly Turbid		20	
DSB4	09/25/18	902	70	50	120	120	None	None	None	None	None	None	Green	68	Slightly Turbid			
S5	09/25/18	908	<40	<40	10	10	None	None	None	None	None	None	Green		Slightly Turbid			
DSB1	09/25/18	918	<40	<40	4	4	None	None	None	None	None	None	Green		Slightly Turbid			
C1	09/25/18	827	<40	<40	5	5	None	None	None	None	None	None	Green		Slightly Turbid			

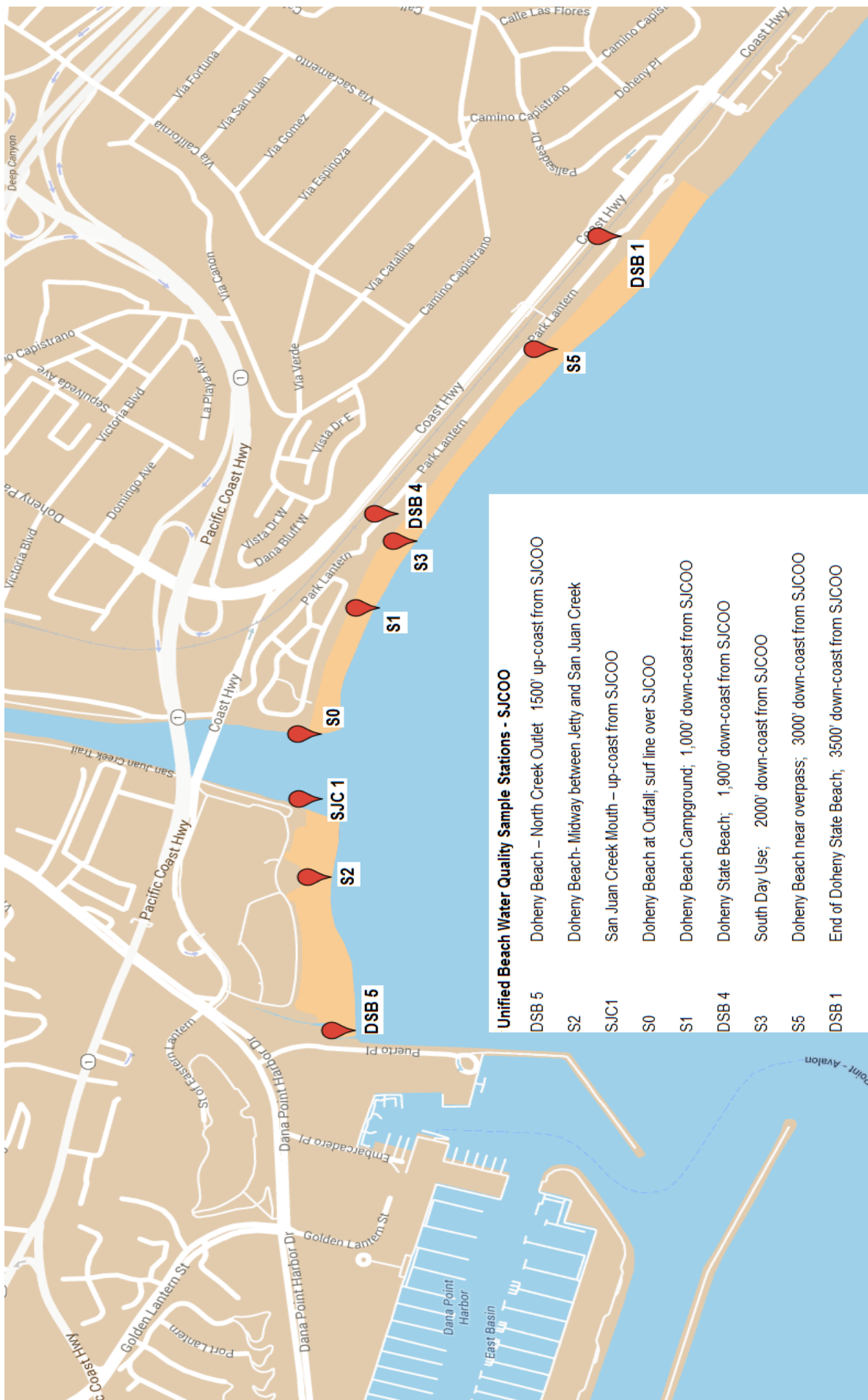
RECEIVING WATER LIMITATIONS: Single Sample Maximum - Total coliform density shall not exceed 10,000 per 100ml; Fecal coliform density shall not exceed 400 per 100ml; Enterococcus density shall not exceed 104 per 100ml.

San Juan Creek Ocean Outfall

Unified Beach Water Quality Monitoring Stations

SOCWA's NPDES discharge permit requires participation in the South Orange County Unified Beach Water Quality Monitoring Program. The monitoring stations below are tested by SOCWA at least once per week for Total and Fecal Coliform and Enterococcus Bacteria.

Station	Location
DSB 5	Doheny Beach – North Creek Outlet 1500' up-coast from SJCOO
S2	Doheny Beach- Midway between Jetty and San Juan Creek
SJC1	San Juan Creek Mouth – up-coast from SJCOO
S0	Doheny Beach at Outfall; surf line over SJCOO
S1	Doheny Beach Campground; 1,000' down-coast from SJCOO
DSB 4	Doheny State Beach; 1,900' down-coast from SJCOO
S3	South Day Use; 2000' down-coast from SJCOO
S5	Doheny Beach near overpass; 3000' down-coast from SJCOO
DSB 1	End of Doheny State Beach; 3500' down-coast from SJCOO



MONITORING REPORT

Offshore

South Orange County Wastewater Authority

DISCHARGE: San Juan Creek Ocean Outfall

REPORT FOR: September 2018

REPORT FREQUENCY: Monthly

REPORT DUE: November 1, 2018

SAMPLE SOURCE: Receiving water, nearshore and offshore

SAMPLING FREQUENCY: Monthly

EXACT SAMPLE POINTS: As specified in permit

TYPE OF SAMPLE: Grab

SAMPLES COLLECTED BY: Seaventures/SOCWA staff

SAMPLES ANALYZED BY: SOCWA Lab

Comments: High Tide 946

Sta No.	Sample Depth	Sample Date	Total Coliform CFU/100ml SM9222B	Fecal Coliform CFU/100ml SM9222D	Enterococcus CFU/100ml EPA 1600	Sample Time	Oil & Grease	Sewage Debris	
A-1	Surface	09/25/18	<2	<2	2	928	0	0	0 - None
A-1	Mid depth	09/25/18	10	<10	10				1 - Mild
A-2	Surface	09/25/18	<2	<2	<2	933	0	0	2 - Moderate
A-2	Mid depth	09/25/18	40	10	<10				3 - Severe
A-3	Surface	09/25/18	4	<2	<2	936	0	0	
A-3	Mid depth	09/25/18	20	10	<10				
A-4	Surface	09/25/18	<2	<2	<2	945	0	0	
A-4	Mid depth	09/25/18	30	20	10				
A-5	Surface	09/25/18	<2	<2	<2	940	0	0	
A-5	Mid depth	09/25/18	<10	<10	<10				
B-1	Surface	09/25/18	<2	<2	<2	920	0	0	
B-1	Mid depth	09/25/18	<10	<10	<10				
B-2	Surface	09/25/18	<2	<2	<2	955	0	0	
B-2	Mid depth	09/25/18	20	<10	<10				
N1	Surface	09/25/18	<2	<2	<2	915	0	0	
N2	Surface	09/25/18	<2	<2	<2	912	0	0	
N3	Surface	09/25/18	<2	<2	4	906	0	0	
N4	Surface	09/25/18	<2	<2	<2	859	0	0	
N5	Surface	09/25/18	<2	<2	<2	858	0	0	
N6	Surface	09/25/18	<2	<2	<2	855	0	0	

REQUIREMENT: (1) Floating particulates and grease and oil shall not be visible. (2) The discharge of waste shall not cause aesthetically undesirable discoloration of the ocean surface.

**Compliance Summary Report
San Juan Creek Ocean Outfall 2018**

SJCOO Permit Order No. R9-2012-0012							
Agency	Violation Date	Constituent	Effluent Limit Violation	Units	Permit Limit	Reported Value	Potential Fine
City of San Clemente	4/2/2018	Settleable Solids	Instantaneous	mL/L	3.00	7.50	\$3,000
City of San Clemente	4/2/2018	Settleable Solids	Weekly Average	mL/L	1.50	1.58	\$3,000
SMWD	5/25/2018	cBOD	Monitoring Violation	mg/L	Daily	Not Reported	\$3,000
SMWD	05/28/2018	cBOD	Weekly Average	mg/L	40	92	\$3,000
SMWD	05/28/2018	cBOD	Monthly Average	mg/L	25	39	\$3,000
SMWD	05/28/2018	TSS	Weekly Average	mg/L	45	381	\$3,000
SMWD	05/28/2018	TSS	Monthly Average	mg/L	30	130	\$3,000
City of San Clemente	7/19/2018	Settleable Solids	Instantaneous	mL/L	3.00	10.00	\$3,000
SMWD	8/31/2018	cBOD	Monitoring Violation	mg/L	Daily	Not Reported	\$3,000
SOCWA - JB Latham	9/24/2018	cBOD	Monitoring Violation	mg/L	Daily	Not Reported	\$3,000
SOCWA - JB Latham	9/28/2018	cBOD	Monitoring Violation	mg/L	Daily	Not Reported	\$3,000



SOCWA and MEMBER AGENCY FACILITIES
SJCOO Spill / Overflow Report Log - 2018
Order No. R9-2012-0012 ~ NPDES Permit No. CA0107417

Reporting Agency	Responsible Agency	Estimated Volume (Gallons)	Type of Discharge	Location/Comments	Receiving Waters	Date Reported To State	Date Resolved
SOCWA	SOCWA-JBL	5,400	Secondary	Irrigation valve malfunction	San Juan Creek	02-09-18	02-09-18

Compliance Summary Report
Recycled Water Permit
2018

Waste Discharge Requirement Order 97 - 52							
Agency - Facility	Violation Date	Constituent	Effluent Limit Violation	Units	Permit Limit	Reported Value	Remarks
SOCWA - RTP	1/16/2018	Manganese	12-Month	mg/L	0.05	0.07	
SOCWA - RTP	2/1/2018	Manganese	12-Month	mg/L	0.05	0.06	
SOCWA - RTP	3/1/2018	Manganese	12-Month	mg/L	0.05	0.06	
SMWD - 3A	3/27/2018	Manganese	12-Month	mg/L	0.05	0.06	
TCWD - RRWRP	3/29/2018	Nitrate as NO3	Annual	mg/L	45	55	
SOCWA - RTP	4/18/2018	Manganese	12-Month	mg/L	0.05	0.06	
SMWD - 3A	4/24/2018	Manganese	12-Month	mg/L	0.05	0.06	
SOCWA - RTP	5/1/2018	Manganese	12-Month	mg/L	0.06	0.06	
SMWD - 3A	5/31/2018	Manganese	12-Month	mg/L	0.06	0.06	
SMWD - 3A	6/3/2018	Coliform	Acute	cfu/100mL	<2	1600	SMWD reported that the sample container was contaminated.
SOCWA - RTP	6/7/2018	Manganese	12-Month	mg/L	0.06	0.06	
SMWD - 3A	6/8/2018	Manganese	12-Month	mg/L	0.06	0.06	
SOCWA - RTP	7/3/2018	Manganese	12-Month	mg/L	0.06	0.07	
SMWD - 3A	7/12/2018	Manganese	12-Month	mg/L	0.06	0.06	
SMWD - 3A	8/6/2018	Manganese	12-Month	mg/L	0.06	0.06	
SOCWA - RTP	8/16/2018	Manganese	12-Month	mg/L	0.06	0.06	
SOCWA - RTP	9/3/2018	Manganese	12-Month	mg/L	0.06	0.06	
SMWD - 3A	9/19/2018	Manganese	12-Month	mg/L	0.06	0.06	

Recycled Water Report

SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

QUARTERLY RECYCLED WATER MONITORING

Monitoring Period Ending: Sep 30, 2018

Constituent	Units	12-month Maximum Permit Limit	IRWD-LAWRP 12-month Average	ETWD-WRP 12-month Average	TCWD 12-month Average	SMWD Oso 12-month Average	SMWD Chiquita 12-month Average	SMWD Nichols 12-month Average	MNWD-3A 12-month Average	MNWD-RTP 12-month Average	SCWD-CTP 12-month Average
TDS	mg/L	1000	844	888	963	772	813	860	765	944	819
Chloride	mg/L	375	186	172	262	172	190	232	191	242	246
Sulfate	mg/L	400	251	217	269	212	188	204	168	331	219
Sodium	mg/L	None	165	150	193	150	160	185	140	170	145
Alkalinity	mg/L	None	-	-	-	-	-	-	270	240	175
Adjusted SAR	Ratio	None	5.10	-	4.66	4.83	5.12	5.80	4.90	4.90	4.55
Iron	mg/L	0.3	0.032	0.055	0.020	0.045	0.127	0.011	0.13	0.183	0.096
Manganese	mg/L	0.05	0.034	0.008	0.016	0.025	0.038	0.008	0.062	0.060	0.054
MBAS	mg/L	0.5	0.09	0.00	0.16	0.21	0.18	0.20	0.18	0.05	0.07
Boron	mg/L	0.75	0.32	0.260	0.306	0.345	0.375	0.373	0.33	0.310	0.33
Fluoride	mg/L	None	0.44	1.010	0.25	0.943	0.75	0.73	0.90	0.88	0.83
Total Organic Carbon	mg/L	None	10.0	-	7.9	12.3	11.2	7.6	10.1	9.6	9.7

* The LAWRP 12-month permit limits are listed below:

TDS 1000 mg/L
Chloride 180 mg/L
Sulfate 340 mg/L

**The ETWD 12-month permit limits are listed below:

TDS 910 mg/L

*** The CTP 12-month permit limits are listed below:

TDS 1200 mg/L
Chloride 400 mg/L
Sulfate 500 mg/L

SOCWA Service Area
Recycled Water Production (ac-ft) 2018

Agency	Facility or Region	Jan '18	Feb '18	Mar '18	Apr '18	May '18	Jun '18	Jul '18	Aug '18	Sep '18	Oct '18	Nov '18	Dec '18	Annual Totals
CSJC 1	3-A Plant/MNWD	0.00	0.00	0.00	0.00	0.00	0.00	10.67	30.16	35.24				40.83
CSJC 2	Chiquita/SMWD	13.70	19.20	0.00	14.41	15.35	15.81	23.26	22.86	18.59				143.17
CSJC 3	Non-Domestic Well	13.32	16.31	26.40	50.37	52.18	66.65	59.34	58.39	27.55				370.51
ETWD	Region 8	59.07	92.01	43.98	140.30	129.23	180.46	215.87	233.30	165.69				1265.62
IRWD														
	⁴ IRWD - 8	55.64	77.77	28.80	111.44	123.10	152.90	168.32	181.23	157.87				1057.07
	⁴ IRWD - 9	61.28	72.89	18.15	124.80	107.15	141.29	149.42	133.01	137.93				945.90
SCWD	SOCWA CTP				73.05	107.61	129.41	141.55	151.97	128.89				802.58
MNWD	JRP	438.85	522.48	194.26	454.07	446.00	566.52	672.21	662.08	618.99				4818.06
	3-A Plant	0.00	0.00	107.73	210.26	218.58	210.34	218.12	226.22	218.13				1409.39
	⁵ CTP	-36.70	-48.85	-38.12	-18.45	9.47	8.82	15.10	13.50	12.05				-95.21
SMWD	Oso Creek	147.80	132.33	145.65	137.85	146.75	140.95	146.97	137.46	120.21				1255.97
	Chiquita	330.98	422.46	318.46	471.60	487.49	478.13	490.62	489.00	463.13				3951.87
	Nichols	1.94	1.75	2.17	1.96	2.04	2.05	2.43	2.69	2.19				19.23
TCWD	RRWRP	47.84	40.68	42.11	42.12	46.70	43.39	44.27	42.18	47.26				349.29
TOTALS		1133.72	1349.03	889.58	1813.79	1891.67	2136.73	2358.15	2384.04	2059.16				16334.28

- 1 Denotes transfer of recycled water from MNWD (3A Plant) for use in the CSJC service area. Not counted as additional production.
 - 2 Denotes recycled water purchased from SMWD Chiquita-WRP used in the CSJC service area. Not counted as additional production.
 - 3 Denotes nondomestic groundwater produced from wells used for landscape irrigation.
 - 4 IRWD production is from recycled water production, nonpotable water wells, and surface water impoundments
 - 5 Denotes transfer of recycled water from SCWD (SOCWA CTP) for use in the MNWD service area. Not counted as additional production.
- Note: All of ETWD reclaimed water produced and used in Region 8.
NR = No Report

Pretreatment Report

Agenda Item

Legal Counsel Review: N/A

Meeting Date: November 1, 2018

TO: SOCWA Board of Directors
FROM: Betty Burnett, General Manager
STAFF CONTACT: Katie Greenwood, Source Control Manager
SUBJECT: Monthly Pretreatment Report, September and October 2018
San Juan Creek Ocean Outfall
NPDES Permit #CA0107417 Order #R9-2012-0012
Aliso Creek Ocean Outfall
NPDES Permit #CA0107611 Order #R9-2012-0013

Summary of Program Activities

Staff continues to utilize the CA Manufacturers Directory to identify Industrial Users (IUs). SOCWA's dental user survey spreadsheet is also continually updated via submittal of member agency (MA) Will-Serve letters and SOCWA's one-time compliance report provided via SOCWA's website.

Permit Related Activities

The following Wastewater Discharge (WD) Permits, Special Wastewater Discharge (SWD) Permits, Nuisance Water-Special Wastewater Discharge (NSWD) Permits, Non-Industrial Wastewater Discharge (NIWD) forms, and BMP letters were issued or are in the process of being drafted for issuance:

SCWD – NSWD Permit No. SCWD-N4-011 – OC Public Works Poche Beach – Renewal NSWD Permit to continue to allow backwash wastewater from the treatment system to be discharged to the sewer. The current permit expired October 1, 2018 and a permit extension was granted until a new Agreement or an extension of the existing Agreement between OC and SCWD is finalized. A renewal NSWD Permit Application was provided on September 5, 2018. A new Agreement has been signed by SCWD Staff and is now awaiting the signature of OC Council.

SMWD – WD Permit No. SMWD-1-003 – Applied Medical Resources (Rubber Manufacturing Facility) - The WD Permit was modified on October 1, 2018 to reflect and apply metal finishing categorical standards to a new ultrasonic cleaner in use to clean the metal molds used in the rubber manufacturing process. The wastewater from the ultrasonic cleaner is considered non-significant since the discharge does not exceed 100 gallons per day.

IRWD – SWD Permit No. IRWD-4-001 – Beacon Bay Enterprises - Renewal SWD Permit to continue to allow treated groundwater to be discharged to the sewer. The current permit expires on October 20, 2018. A renewal SWD permit application was received on October 12, 2018 and a new SWD Permit was issued on October 18, 2018.

Trainings and Meetings Attended

On October 15, 2018, SOCWA Staff joined the first day of the California Stormwater Quality Association (CASQA) Annual Conference in Riverside to attend a workshop and training event

regarding proposed changes to the State General Industrial Permit (GIP) which take effect June 2019.

On October 17, 2018, SOCWA Staff attended the Annual OC Strike Force Training/ Networking Event at the Irvine Ranch Water District Rattlesnake Reservoir Facility. Training was presented by Orange County Health Care Agency (OCHCA) on radiation and radiation basics.

Inspections/Sampling Events

CSC – On approximately September 1, 2018, SOCWA began a flow and loading investigation in the La Pata/Pico industrial area. Currently, Staff has three flow meters in place and is performing quarterly monitoring to establish loadings and track trends. Staff gathered the first two quarterly samples on September 6, 2018 and October 18, 2018.

ETWD – On October 3, 2018, SOCWA and ETWD Staff jointly inspected Game Craft Brewery, a new brewery with a full kitchen. Inspection requirements include installation of a holding tank for pH adjustment, installation of a flow meter, development of a spill containment plan (SCP), and submittal of SDS sheets associated with cleaning agents.

SMWD – On October 18, 2018, SOCWA Staff inspected Control Components Inc. (CCI). Staff was present to observe the annual clarifier pump-out and inspection and discussed potential regulations applicable to a new potential test procedure. Inspection findings are pending at time of completion of this report.

Summary of Activities and Types of IUs in the SOCWA Service Area - YTD through October 17, 2018.

MA		<u>Events</u>	<u>Permit</u>	<u>NIWD</u>	<u>BMP</u>	<u>FSE</u>	<u>OSE</u>	<u>Closed</u>	<u>Enforcement</u>	<u># of IUs</u>
CLB	(S)	0	3	2	5	8	111	0	0	129
CSC	(M)	0	7	35	18	181	1283	0	5	1524
CSJC	(S)	0	2	27	59	137	1669	0	0	1894
ETWD	(M)	0	3	98	0	262	134	0	0	497
EBSD	(U)	0	1	0	0	0	0	0	0	1
IRWD	(S)	4	4	51	21	63	920	0	0	1059
MNWD	(S)	118	5	124	40	625	2085	24	1	2879
SMWD	(S)	66	6	19	20	192	765	12	1	1002
SCWD	(S)	7	7	33	7	148	184	0	0	380
TCWD	(S)	0	11	0	0	7	33	0	0	51
SOCWA	(S)	0	3	1	0	0	0	0	0	4
Totals		195	52	390	170	1623	7184	36	7	9420
Dentist (All)										444
										Total Known IUs 9864

(S) = SOCWA conducts PT program.
 (M) = MA conducts PT program /w SOCWA oversight.
 (U) = Urban Diversion Only.
 YTD = Year to Date.

NIWD = Non-industrial Waste Discharger.
 BMP = Best Management Practices.
 FSE = Food Service Establishment.
 OSE = Other Surveyed Establishment.

Agenda Item

Legal Counsel Review: N/A

Meeting Date: November 1, 2018

TO: Board of Directors

FROM: Betty Burnett, General Manager

STAFF CONTACT: Brian Peck, Director of Engineering

SUBJECT: Capital Improvement Program Status Report

The status of the SOCWA Capital Improvement Program is presented in the tables on the following pages.

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 2(R) - JB LATHAM TREATMENT PLANT CAPITAL PROJECTS
(‘18/’19)**

<i>Task Code</i>	<i>Description</i>	<i>Phase</i>	<i>Status</i>
CAPITAL IMPROVEMENT PROJECT LIQUIDS			
3213-000	Water System Piping Improvements (2014)	Design	Study completed. Remaining work is part of the Package 'B' Improvements which is expected to go to bid in January, 2019.
3214-000	4MGD Diversion Flow Meter & Control Structure (2012)	Design	Part of the Package 'B' Improvements; project expected to advertise for bid in January, 2019.
3212-000	East Primary Influent Channel Repair (2015)	Design	Part of the Package 'B' Improvements; project expected to advertise for bid in January, 2019.
3280-000	Facility Improvements B - Basin Upgrades (2018)	Design	Submittal of 90% complete documents expected in November, 2018.
3252-000	Plant 1 Standby Power Generator Replacement (2017)	Design	Operations staff has requested a standby power generator large enough to supply power to all of Plant No.1. Design on hold to allow consideration (see Project 3352-000).
3250-000	Plant 1 Grit Basin Improvements (2017)	Construction	SS Mechanical is currently working on the replacement of the grating rebate on the bypass channel. Work requiring major bypass will not begin until the spring of 2019.
3253-000	Effluent System Valve Replacement (2017)	Design	Hazen and Sawyer design completed; project to be included as part of Package B construction.
3285-000	Main Plant Drain Reconstruction (2018)	Construction	Part of the Package 'B' Improvements; project expected to advertise for bid in January, 2019.
3350-000	Motor Control Center 'M' Replacement (2019)	Design	RFP for engineering services for project to be issued in December, 2018.
3351-000	Facility Improvements B - Basin Upgrades Construction I (2019)	Construction	Project expected to go to bid in January, 2019.

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 2(R) - JB LATHAM TREATMENT PLANT CAPITAL PROJECTS
(*18/'19)**

Task Code	Description	Phase	Status
CAPITAL IMPROVEMENT PROJECT COMMON			
3218-000	Energy Building Roof Reconstruction (2015)	Design	Part of the Package 'B' Improvements; project expected to advertise for bid in January, 2019.
3216-000	Hoist System for Maintenance Shop (2013)	Design	Part of the Package 'B' Improvements; project expected to advertise for bid in January, 2019.
3286-000	PLC Upgrades (2018)	Construction	Ongoing.
3352-000	Electrical System Evaluation (2018)	Study	RFP for engineering services for project to be issued in December, 2018.
4001-000	Plant Drain System Study (2017) (NCP)	Study	Tetra Tech is proceeding with the evaluation of the drain system.
CAPITAL IMPROVEMENT PROJECT SOLIDS			
3287-000	Facility Improvements B - DAFT and Ancillary Solids Improvements (2018)	Design	Submittal of 90% complete documents expected in November, 2018. Project is expected to advertise for bid in January, 2019.
3210-000	Facility Improvements - Solids Area (2015)	Design	SOCWA has provided review comments to Tetra Tech on the 90% transmittal for the Digester No.4 Improvements. Project is expected to advertise for bid in January, 2019.
3353-000	Centrate System Design (2019)	Design	Issue RFP for design in December, 2018.
3354-000	Emulsion Polymer Feeder Replacement (2019)	Construction	SOCWA Operations staff is procuring a demonstration unit for a one month site test. Test is expected to take place in February, 2019
3355-000	Digester No.4 Rehabilitation (2019)	Construction	This item will go to bid with the Package 'B' Improvements in January, 2019.
3356-000	Facility Improvements B - DAFT and Ancillary Solids Improvements Construction - Part I (2019)	Construction	Project expected to go to bid in January, 2019.

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 5 - SAN JUAN CREEK OCEAN OUTFALL CAPITAL PROJECTS
(*18/*19)**

<i>Task Code</i>	<i>Description</i>	<i>Phase</i>	<i>Status</i>
CAPITAL IMPROVEMENT PROJECTS			
3601-000	Junction Structure Rehabilitation Design	Design	Design work to be completed under Task 3357-000.
3357-000	Junction Structure Reinforcement Permitting and Final Design	Design	Item to be reviewed with Engineering Committee at regularly scheduled November meeting.
4004-000	Emergency Plan Development (2016) (NCP)	Study	SOCWA staff preparing Final Plan based on preliminary work completed by Black & Veatch. Target completion is January, 2019.

SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 15(R) - COASTAL TREATMENT PLANT CAPITAL PROJECTS
(18/19)

Task Code	Description	Phase	Status
CAPITAL IMPROVEMENT PROJECTS LIQUIDS			
1367	Export Sludge Line Repair & Rip Rap (R - 2) (2012)	Design	Protection in this area has been largely addressed through the routing of the new Export Sludge pipeline as well as through minor embankment protection features that will be integrated with Export Sludge System replacement. Project expected to advertise for bid in May, 2019.
3595-000	Primary Device Electrical Conduit and Conductor Replacement (2018)	Design	Staff has determined to integrate this work into the Facility Improvements Project. Project expected to advertise for bid in February, 2019.
3514-000	CTP Facility Improvements Upgrade Design (2016)	Design	Part of the Facility Improvements Project. Hazen & Sawyer transmitted 90% documents to SOCWA; review meeting with Hazen & Sawyer held on October 16, 2018. Project expected to advertise for bid in February, 2019.
3534-000	Export Sludge System (1997)	Design	USFWS has completed review and transferred documentation to USACOE for Nationwide Permit application. Project expected to advertise for bid in May, 2019.
3512-000	Grating Rebate and Concrete Repair Between HW Building and Primary Basins (2016)	Construction	Part of the Facility Improvements Project; review meeting with Hazen & Sawyer held on October 16, 2018. Project expected to advertise for in February, 2019.
3594-000	PLC Replacement (2018)	Construction	Project underway by SOCWA Operations department.
3592-000	Facility Improvements Project Design (2018)	Design	Part of the Facility Improvements Project; monthly progress meeting with Hazen & Sawyer held on October 16, 2018.
3358-000	Personnel Building Reconstruction (2019)	Construction	Project to advertise for bids in April, 2019.
3359-000	Facility Improvements Project Construction - Part I (2019)	Construction	Project expected to go to bid in February, 2019.
3360-000	Vehicle Storage Building Roof (2019)	Construction	Project completed by Operations staff.

SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 15(R) - COASTAL TREATMENT PLANT CAPITAL PROJECTS
(18/19)

Task Code	Description	Phase	Status
CAPITAL IMPROVEMENT PROJECTS LIQUIDS			
3361-000	AWMA Road Sites West 1 and 2 Embankment Protection (2019)	Design	RFP for project design and permitting to be issued in November, 2018.
3362-000	Aliso Creek Long Term Repair Planning (2019)	Planning	RFP for project design and permitting to be issued in November, 2018.
3553-000	Plant Drainage Improvements (2017)	Design	TetraTech has completed design. Work to be included in Facility Improvements bid. Facilities Improvement Project expected to advertise for bid in February, 2019.
CAPITAL IMPROVEMENT PROJECT AWT			
3562-000	AWT Applied Water Pump Replacement (AWT) (2017)	Construction	Project completed.
3596-000	Applied Water VFD Pump Panel and Electrical (AWT) (2018)	Construction	Project awarded to SS Mechanical. Project is in shop drawing phase. Project completion expected in May, 2019.
3364-000	Chlorine Contact Basin Mixer Construction (AWT) (2019)	Construction	Project awarded to SS Mechanical. Project is in shop drawing phase. Project completion expected in May, 2019.
3365-000	MCC A Replacement Construction (AWT) (2019)	Construction	Project awarded to SS Mechanical. Project is in shop drawing phase. Project completion expected in May, 2019.
3366-000	AWT Filter Valve Upgrade Construction (AWT) (2019)	Construction	Project awarded to SS Mechanical. Project is in shop drawing phase. Project completion expected in May, 2019.
3517-000	AWT Backwash Water Pump Replacement (AWT) (2016)	Construction	Project completed.

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 17(R) - REGIONAL TREATMENT PLANT CAPITAL PROJECTS
(18/19)**

Task Code	Description	Phase	Status
CAPITAL IMPROVEMENT PROJECT LIQUIDS			
3701-000	Secondary Electrical System Rerouting (2014)	Design	Part of the RTP Miscellaneous Improvements 2018 Project. Design work has been completed; SOCWA staff is working on the front end documents. This work is expected to go to bid in November, 2018.
3730-000	Primary Gallery Upgrade (2014)	Design	Part of the RTP Miscellaneous Improvements 2018 Project. Design work has been completed; SOCWA staff is working on the front end documents. This work is expected to go to bid in November, 2018.
3702-000	Waste Activated Sludge VFD Control Panel (2013)	Design	Part of the RTP Miscellaneous Improvements 2018 Project. Design work has been completed; SOCWA staff is working on the front end documents. This work is expected to go to bid in November, 2018.
3752-000	AWT No.2 Upgrade Design (2017)	Design	Original design scope has been completed. SOCWA staff is reviewing potential change order work with MNWD staff. This project is expected to advertise for bid in February, 2019.
3781-000	Primary Scum Skimmer Replacement (2018)	Design	Design completed by Lee & Ro; this work will be bid in late 2019.
3784-000	DAF (Mannich) Polymer System Replacement (2018)	Design	Part of the RTP Miscellaneous Improvements 2018 Project. Design work has been completed; SOCWA staff is working on the front end documents. This work is expected to go to bid in November, 2018.
3785-000	DAF Dissolution Tank System Replacement (2018)	Design	Part of the RTP Miscellaneous Improvements 2018 Project. Design work has been completed; SOCWA staff is working on the front end documents. This work is expected to go to bid in November, 2018.
3786-000	Primary Gallery Mechanical and Electrical Upgrade (2018)	Design	Part of the RTP Miscellaneous Improvements 2018 Project. Design work has been completed; SOCWA staff is working on the front end documents. This work is expected to go to bid in November, 2018.
3367-000	Southwest Influent Sewer and Manhole Design (2019)	Design	The draft RFP for this item will be presented to the Engineering Committee after completion of the Moulton Niguel Water District study.

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 17(R) - REGIONAL TREATMENT PLANT CAPITAL PROJECTS
(18/19)**

Task Code	Description	Phase	Status
CAPITAL IMPROVEMENT PROJECT LIQUIDS			
3368-000	Aeration System Upgrade (2019)	Construction	Design work is approximately 75% completed. This project is expected to advertise for bid in February, 2019.
3369-000	Aeration Gate Replacement (2019)	Construction	Design work is approximately 75% completed. This project is expected to advertise for bid in February, 2019.
3787-000	Aeration Area Upgrade Design (2018)	Design	Design work is approximately 75% completed. This project is expected to advertise for bid in February, 2019.
4008-000	Effluent Equalization Pond and Gate Condition Assessment (2017) (NCP)	Condition Assessment	Project has been awarded to V&A consultants; assessments to be performed in March, 2019.
CAPITAL IMPROVEMENT PROJECT COMMON			
3715-000	Switchgear Upgrade (2006)	Construction	Pacific Hydrotech is working on the punch list for this project.
3761-000	External Lighting Upgrade (2017)	Design	Part of the RTP Miscellaneous Improvements 2018 Project; this work is expected to go to bid in November, 2018.
3370-000	Administration Building Repair Design (2019)	Design	The RFP for this work was issued to consultants on October 30, 2018; proposals are due on December 6, 2018.
3371-000	West Slope Protection Evaluation (2019)	Study	The RFP for this work was issued to consultants on October 30, 2018; proposals are due on December 6, 2018.
3372-000	Motor Control Center A, G, H Design (2019)	Design	The RFP for this work was issued to consultants on October 30, 2018; proposals are due on December 6, 2018.
3373-000	Southside Plant Flooding Evaluation (2019)	Study	The RFP for this work was issued to consultants on October 30, 2018; proposals are due on December 6, 2018.
3374-000	SE Electrical Manhole Reconstruction (2018)	Design	The RFP for this work was issued to consultants on October 30, 2018; proposals are due on December 6, 2018.
3788-000	PLC Upgrade (2018)	Construction	Project underway by SOCWA Operations Dept.

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 17(R) - REGIONAL TREATMENT PLANT CAPITAL PROJECTS
(*18/19)**

Task Code	Description	Phase	Status
CAPITAL IMPROVEMENT PROJECT SOLIDS			
3720-000	Digester Dome Recoating (2014)	Construction	Substantially completed by Pacific Hydrotech.
3375-000	Phase I Solids Piping Upgrade (2019)	Construction	This project is expected to advertise for bid in March, 2019.
3376-000	Dewatering Room Floor Sealing and Lighting (2019)	Design	Harper & Associates has been retained to provide a specification for the floor sealing.
3377-000	Energy Building Roof and Breezeway (2019)	Construction	Part of the RTP Miscellaneous Improvements 2018 Project; this work is expected to go to bid in November, 2018.
3379-000	SET Piping Reconstruction (2019)	Construction	This project is expected to advertise for bid in March, 2019.
3722-000	Co-Generation System Retrofit (2008)	Construction	Final system commissioning completed; Pacific Hydrotech working on the punch list items.
3790-000	Solids Area Upgrade Design (2018)	Design	Part of the RTP Miscellaneous Improvements 2018 Project. Design work has been completed; SOCWA staff is working on the front end documents. This work is expected to go to bid in November, 2018.

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 21 - EFFLUENT TRANSMISSION MAIN CAPITAL PROJECTS
(‘18/’19)**

<i>Task Code</i>	<i>Description</i>	<i>Phase</i>	<i>Status</i>
CAPITAL IMPROVEMENT PROJECTS			
3181-000	Air Vacuum Release Valve Replacement Reach D (2018)	Construction	Technical memorandum received from TetraTech. The project will be reviewed with the SOCWA Engineering Committee on November 8, 2018.
3182-000	Air Vacuum Release Valve Replacement Reach E (2018)	Construction	Technical memorandum received from TetraTech. The project will be reviewed with the SOCWA Engineering Committee on November 8, 2018.
4004-000	Trail Bridge Creek Crossing Protection (Reach D)	Design	Draft memorandum received from TetraTech; presentation to be made at Engineering Committee on November 8, 2018.

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 24 - ALISO CREEK OCEAN OUTFALL CAPITAL PROJECTS
(‘18/’19)**

<i>Task Code</i>	<i>Description</i>	<i>Phase</i>	<i>Status</i>
CAPITAL IMPROVEMENT PROJECTS			
3480-000	Internal Seal Replacement (2018)	Design	A purchase order has been issued to Black & Veatch to provide design documents. The project is expected to advertise for bidding in February, 2019.
4004-000	Emergency Plan Development (2016) (NCP)	Study	SOCWA staff preparing Final Plan based on preliminary work completed by Black & Veatch. Target completion is January, 2019.

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 2(R) - JB LATHAM TREATMENT PLANT CAPITAL PROJECTS**

Task Code	Description	Fiscal Year 18/19				Fiscal Year 19/20			
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
FACILITY IMPROVEMENTS PACKAGE B									
3213-000	Water System Piping Improvements (2014)	D	D	B&A	C	C	C	C	C
3202-000	Preliminary and Primary Treatment Improvements (Package "B") (2016)	D	D	B&A	C	C	C	C	C
3285-000	Main Plant Drain Line Reconstruction (2018)	D	D	B&A	C	C	C	C	C
3280-000;									
3351-000	Facility Improvements B - Basin Upgrades (2018)	D	D	B&A	C	C	C	C	C
3287-000;									
3356-000	Facility Improvements B - DAFT (2018)	D	D	B&A	C	C	C	C	C
3212-000	East Primary Influent Channel Repair (2015)	D	D	B&A	C	C	C	C	C
3218-000	Energy Building Roof Reconstruction (2015)	D	D	B&A	C	C	C	C	C
3216-000	Hoist System for Maintenance Shop (2013)	D	D	B&A	C	C	C	C	C
3287-000;									
3210-000;									
3355-000	Facility Improvements - Digester 4 Imps. (2018)	D	D	B&A	C	C	C	C	C
3253-000	Effluent System Valve Replacement (2017)	D	D	B&A	C	C	C	C	C

INDEPENDENT PROJECTS									
Task Code	Description	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
3250-000	Plant 1 Grit Basin Improvements (2017)	C	C	C	C				
3286-000	PLC Upgrades (2018)	C	C						
4001-000	Plant Drain System Study (2017) (NCP)	P	P						
3350-000	MCC "M" Replacement Design (2019)			D	D	D	D		
3354-000	Emulsion Polymer Feeder Replacement (2019)			C	C				
3353-000	Centrate System Design (2019)			D	D	D	D		

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 15(R) - COASTAL TREATMENT PLANT CAPITAL PROJECTS**

Task Code	Description	Fiscal Year 18/19				Fiscal Year 19/20			
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
FACILITY IMPROVEMENTS PACKAGE									
3592-000;		D	D	B&A	C	C	C	C	C
3359-000	Facility Improvements Project Design (2018)	D	D	B&A	C	C	C	C	C
3595-000	Primary Device Electrical Conduit (2018)	D	D	B&A	C	C	C	C	C
3593-000	Primary Sludge Valve Replacement (2018)	D	D	B&A	C	C	C	C	C

TERTIARY SYSTEM IMPROVEMENTS 2018									
3597-000;		B&A	C	C	C				
3365-000	MCC-A Replacement (2018)	B&A	C	C	C				
3596-000	Applied Water VFD Pump Panel and Electrical (2018)	B&A	C	C	C				
3364-000	Chlorine Contact Basin Mixer Construction (AWT) (2019)	B&A	C	C	C				
3366-000	AWT Filter Valve Upgrade Construction (AWT) (2019)	B&A	C	C	C				

EXPORT SLUDGE SYSTEM REPLACEMENT									
1367	Export Sludge Line Repair & Rip Rap (R - 2) (2012)	ENV	ENV	B&A	C	C	C	C	C
3534-000	Export Sludge System (1997)	ENV	ENV	B&A	C	C	C	C	C

INDEPENDENT PROJECTS									
3594-000	PLC Replacement (2018)	C	C						
3553-000	Plant Drainage Improvements (2017)	D	D	B&A	C				
3358-000	Personnel Building Reconstruction (2019)		D	B&A	C	C			
3361-000	AWMA Road Sites West 1 and 2 Embankment Protection (2019)			ENV	ENV	ENV	ENV	ENV	B&A
3362-000	Aliso Creek Long Term Repair Planning (2019)			ENV	ENV	ENV	ENV	ENV	

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 17(R) - REGIONAL TREATMENT PLANT CAPITAL PROJECTS**

Task Code	Description	Fiscal Year 18/19				Fiscal Year 19/20			
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
MISCELLANEOUS IMPROVEMENTS 2018									
3701-000	Secondary Electrical System Rerouting (2014)	D	B&A	C	C	C	C	C	C
3702-000	Waste Activated Sludge VFD Control Panel (2013)	D	B&A	C	C	C	C	C	C
3730-000	Primary Gallery Upgrade (2014)	D	B&A	C	C	C	C	C	C
3781-000	Primary Scum Skimmer Replacement (2018)	D	B&A	C	C	C	C	C	C
3784-000	DAF (Mannich) Polymer System Replacement (2018)	D	B&A	C	C	C	C	C	C
3785-000	DAF Dissolution Tank System Replacement (2018)	D	B&A	C	C	C	C	C	C
3786-000	Primary Gallery Mechanical and Electrical Upgrade (2018)	D	B&A	C	C	C	C	C	C
3377-000	Energy Building Roof and Breezeway (2019)	D	B&A	C	C	C	C	C	C
3761-000	External Lighting Upgrade (2017)	D	B&A	C	C	C	C	C	C
MISCELLANEOUS IMPROVEMENTS 2019									
3787-000;		D	D	B&A	C	C	C	C	C
3368-000	Aeration Area Upgrade Design (2018)	D	D	B&A	C	C	C	C	C
3369-000	Aeration Gate Replacement (2019)	D	D	B&A	C	C	C	C	C
3375-000	Phase I Solids Piping Upgrade (2019)	D	D	B&A	C	C	C	C	C
3752-000	AWT No.2 Upgrade Design (2017)	D	D	B&A	C	C	C	C	C
3379-000	SET Piping Reconstruction (2019)	D	D	B&A	C	C	C	C	C
3790-000	Solids Area Upgrade Design (2018)	D	D	B&A	C	C	C	C	C

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 17(R) - REGIONAL TREATMENT PLANT CAPITAL PROJECTS**

Task Code	Description	Fiscal Year 18/19				Fiscal Year 19/20				
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
INDEPENDENT PROJECTS										
4008-000	Effluent Equalization Pond and Gate Condition Assessment (2017) (NCP)		CA	CA						
3788-000	PLC Upgrade (2018)	C	C							
3367-000	Southwest Influent Sewer and Manhole Design (2019)			P	D	D	D			
3370-000	Administration Building Repair Design (2019)		P	D	C					
3371-000	West Slope Protection Evaluation (2019)		P	P						
3372-000	Motor Control Center A, G, H Design (2019)		D	D	D					
3373-000	Southside Plant Flooding Evaluation (2019)		P	P						
3374-000	SE Electrical Manhole Reconstruction (2018)		D	C						
3376-000	Dewatering Room Floor Sealing and Lighting (2019)	D	B&A	C						

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

Engineering Committee

September 13, 2018

The Regular Meeting of the South Orange County Wastewater Authority (SOCWA) Engineering Committee was held on Thursday, September 13, 2018, at 8:30 a.m. at their Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members present:

ROD WOODS	Moulton Niguel Water District
MIKE MARQUIS	City of San Juan Capistrano
DON BUNTS	Santa Margarita Water District
SARA MATHIS	South Coast Water District
DENNIS CAFFERTY	El Toro Water District
DAVID SHISSLER	City of Laguna Beach

Absent:

LORRIE LAUTSEN	Trabuco Canyon Water District
KEVIN BURTON	Irvine Ranch Water District
DAVE REBENSORF	City of San Clemente
MICHAEL DUNBAR	Emerald Bay Service District

Staff present:

BRIAN PECK	Director of Engineering
RONI YOUNG	Associate Engineer
JASON MANNING	Senior Engineer
JIM BURROR	Director of Operations
AMBER BAYLOR	Director of Environmental Compliance
JEANETTE COTINOLA	Procurement/Contracts Administrator

1. Call Meeting to Order

Mr. Peck called the meeting to order at 8:31 a.m. and welcomed everyone present.

2. Public Comments

Mr. Peck asked if members of the public desired to address the Engineering Committee or desired to reserve addressing the Engineering Committee during the meeting regarding any item on the Agenda. No comments were received.

3. Review/Approval of Meeting Minutes

A. May 10, 2018 – Engineering Committee Meeting

ACTION TAKEN

Motion was made by Mr. Bunts and seconded by Mr. Woods to approve the May 10, 2018, Engineering Committee Meeting minutes as submitted.

Motion carried:	Aye 4; Nay 0; Abstain 2; Absent 4
	Michael Dunbar Absent
	Sara Mathis Abstain
	Rod Woods Aye

Kevin Burton	Absent
Mike Marquis	Aye
Dave Rebensdorf	Absent
Lorrie Lautsen	Absent
Don Bunts	Aye
Dennis Cafferty	Aye
David Shissler	Abstain

B. August 9, 2018 – Engineering Committee Meeting

ACTION TAKEN

Motion was made by Mr. Bunts and seconded by Mr. Woods to approve the August 9, 2018, Engineering Committee Meeting minutes with the addition of “Carollo Engineers” under the Action Taken section of the item *Innovative Biosolids Handling Technologies Engineering Support Services Proposal Review*; sentence to read “...Support Services to Carollo Engineers at a fee of \$99,948.”

Motion carried:	Aye 5; Nay 0; Abstain 1; Absent 4
Michael Dunbar	Absent
Sara Mathis	Aye
Rod Woods	Aye
Kevin Burton	Absent
Mike Marquis	Aye
Dave Rebensdorf	Absent
Lorrie Lautsen	Absent
Don Bunts	Aye
Dennis Cafferty	Aye
David Shissler	Abstain

4. Operations Report

DISCUSSION

Mr. Burror reported that Operations & Maintenance has continued to work with Engineering on the engine at the Regional Treatment Plant. Operations & Maintenance remains focused on the effort to move forward and complete tasks for the upcoming year. An open discussion ensued.

Ms. Baylor reported that SOCWA had received all the permits to operate the co-gen equipment at the JB Latham Treatment Plant.

ACTION TAKEN

Information only, no action required.

5. Use Audit Flow and Solids Methodology

DISCUSSION

Ms. Baylor reported that the Use Audit Flow and Solids Methodology was presented to the Finance Committee to make certain that everyone had the process methodology and all the raw data for each Project Committee (PC), and the information was outlined in a

transparent manner. The item was brought to the Engineering Committee to relay the information to each one of the Engineering Committee's member agency PC's, and look at the calculations that have been done in the past. MNWD, TCWD, ETWD and SMWD provided questions regarding the data and SOCWA staff made those adjustments.

Ms. Baylor welcomed any questions for future discussions and stated that the presented raw data and summaries outlined in the methodology was provided to the SOCWA Finance Department for completion of the Use Audit. The future process will include SOCWA providing the member agencies the document, raw data and summaries outlined in the methodology annually at the close of each fiscal year. Ms. Baylor requested that the Engineering members contact her directly to inquire how the numbers were obtained.

ACTION TAKEN

Information only, no action required.

6. Regional Treatment Plant Co-Generation and Switchgear Project Construction Project Status Update (Project Committee 17)

DISCUSSION

Mr. Manning reviewed the status of the Co-Generation and Switchgear Project.

ACTION TAKEN

Information only, no action required.

7. Regional Treatment Plant Draft Ten Year Plan Review (Project Committee 17)

DISCUSSION

Mr. Peck provided an updated Table 7.1 for the draft Regional Treatment Plant Ten Year Plan. Mr. Peck reviewed the source of cost increases in comparison with the ten-year cost projection provided to the member agencies with the Fiscal Year 2017/2018 budget. Mr. Peck noted that this item would be continued at the October 11, 2018 meeting.

ACTION TAKEN

Information only, no action required.

8. J. B. Latham Treatment Plant Draft Package "B" Facility Improvements Project Status Update (Project Committee 2)

DISCUSSION

Ms. Young presented Change Orders Nos. 5 and 6 to the Carollo Engineers' design contract for the J. B. Latham Treatment Plant Package 'B' Facility Improvements Project. Change Orders Nos. 5 and 6 related to the revised design for the Thickened Waste Activated Sludge (TWAS) Pump Station and the looping of the SCADA fiber optic system. The total cost of the two change orders is \$65,594.00. Mr. Bunts suggested that the presentation of Change Order No.5 would be aided by showing construction and operations cost savings related to the proposed design change. The present members of Project Committee 2 supported the recommendation of Change Orders Nos. 5 and 6.

ACTION TAKEN

The Project Committee 2 Engineering Committee representatives recommended the presentation of Change Orders No. 5 and 6 to the SOCWA Board of Directors.

9. J. B. Latham Treatment Plant Draft Ten Year Plan Review (Project Committee 2)

DISCUSSION

Mr. Peck indicated that progress was being made on the development of the draft Ten Year Plan for J. B. Latham Treatment Plant. A separate meeting will be established with Project Committee 2 to review the plan when work has been completed.

ACTION TAKEN

Information only, no action required.

10. Construction Management Approach for Large Construction Projects

(Project Committees 2 and 15)

DISCUSSION

Mr. Peck discussed a forthcoming request for proposals for construction management for the J. B. Latham Treatment Plant Package 'B' Facility Improvements and the Coastal Treatment Plant Facility Improvements Projects. Mr. Peck queried the Engineering Committee members if the original design firms should be allowed to compete for Construction Management. The present Engineering Committee members approved of including the original design firms in the construction management selection process.

ACTION TAKEN

Information only, no action required.

11. Coastal Treatment Plant Facility Improvements Project Status Update

(Project Committee 15)

DISCUSSION

Ms. Young reviewed the status of the Co-Generation and Switchgear Project.

ACTION TAKEN

Information only, no action required.

12. Coastal Treatment Plant Tertiary System Upgrade Bid Review

DISCUSSION

Ms. Young reviewed the bid process for the Coastal Treatment Plant Tertiary System Upgrade. The apparent low bidder is S.S. Mechanical at a price of \$883,211.00. Ms. Young noted that the bid was within budget and that SOCWA staff recommended the award of the contract. It was emphasized that the project cost was paid solely by the South Coast Water District as the project is AWT related. The present project Committee 15 members supported the recommendation of the award of contract.

ACTION TAKEN

The Project Committee 15 members supported the recommendation of the award of contract to S.S. Mechanical with the understanding that the project impacted only the South Coast Water District as the project is AWT related.

Adjournment

There being no further business, Mr. Peck adjourned the meeting at 9:23 a.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Regular Meeting of the South Orange County Wastewater Authority Engineering Committee

of September 13, 2018 and approved by the Board of Directors of the South Orange County Wastewater Authority.

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

Agenda Item

Budgeted: No

Budget amount: Not to Exceed \$250,000

Line Item: PC12

Legal Counsel Review: Yes

Meeting Date: 11/1/2018

TO: PC12 Members – MNWD & SMWD

FROM: Betty Burnett, General Manager

STAFF CONTACT: Amber Baylor, Director of Environmental Compliance

SUBJECT: PC12 Budget Adjustment for Basin Plan Amendment Work; Authorize the General Manager to Enter into a Contract with the State of California for Not to Exceed \$750,000 for the Term November 1, 2018 to November 1, 2021 Subject to SOCWA Approval in Each Fiscal Year of a Funding Budget (Exhibit B, Paragraph F)

Summary

On October 10, 2018, the San Diego Regional Water Quality Control Board (SDRWQCB) approved Resolution R9-2018-0123 which adopted the Prioritized List of Proposed Basin Plan Revisions Developed through the 2018 Basin Plan Triennial Review. The Resolution allows for work to be completed for the Basin Plan Amendment to adjust Water Quality Objectives in the San Juan and Middle Trabuco hydrologic sub basins on behalf of the Moulton Niguel Water District (MNWD) and the Santa Margarita Water District (SMWD).

Advisory Committee Review

SOCWA and its member agencies MNWD and SMWD have worked together to approve resolutions in support of contracting with the State for the regulatory work on the Basin Plan revisions to move ahead.

Legal and management staff at MNWD, SMWD, & SOCWA have reviewed the SWRCB contract and have approved the contract amounts through resolutions.

Fiscal impact

Annual contract to be budgeted not to exceed \$250,000 per year. MNWD & SMWD have agreed to fund the additional budgeted amount at a ratio of 25% to MNWD and 75% to SMWD. MNWD agrees to fund up to \$42,000 prorated amount for FY 18-19 while SMWD agrees to fund \$125,000 for the prorated amount for FY 18-19 to allow for the contract to begin November 1, 2018. Funding for FY 19-20 and FY 20-21 will be \$250,000 per FY pending SOCWA approval of the FY 2019-2021 Budgets.

Recommendation

Approve the additional budget of up to \$250,000 per year via PC12 for FY 18-19 through FY 20-21 subject to the budget approval for FY 2020 and 2021 and continuing concurrence to pay for their shares as agreed to by MNWD and SMWD, with MNWD funding 25% and SMWD funding 75% of service costs incurred and properly invoiced.

attachment(s) SOCWA & SWRCB Contract

AGREEMENT NUMBER
REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

State Water Resources Control Board

CONTRACTOR'S NAME

South Orange County Wastewater Authority

2. The term of this Agreement is: November 1, 2018 through November 1, 2021

3. The maximum amount of this Agreement is: \$ 750,000

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work	2-3 page(s)
Exhibit B – Budget Detail and Payment Provisions	4-5 page(s)
Exhibit C* – General Terms and Conditions	6-8
Check mark one item below as Exhibit D:	
<input type="checkbox"/> Exhibit - D Special Terms and Conditions (Attached hereto as part of this agreement)	page(s)
<input type="checkbox"/> Exhibit - D* Special Terms and Conditions	
Exhibit E – Additional Provisions	page(s)

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		California Department of General Services Use Only <input type="checkbox"/> Exempt per:
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.) South Orange County Wastewater Authority		
BY (Authorized Signature) 	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING Betty Burnett		
ADDRESS 34156 Del Obispo St. Dana Point, CA 92629		
STATE OF CALIFORNIA		
AGENCY NAME State Water Resources Control Board		
BY (Authorized Signature) 	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING		
ADDRESS		

EXHIBIT A

The State Water Resources Control Board, (State Water Board), on behalf of the California Regional Water Quality Control Board, San Diego Region (Regional Water Board), collectively referred to as the Water Boards, and the South Orange County Wastewater Authority (SOCWA), enter into this Agreement as follows:

EXHIBIT A-SCOPE OF WORK

1. Scope of Agreement

- 1.1 The Water Boards agree to perform work in accordance with the terms and conditions contained herein.
- 1.2 The work performed under the Agreement shall be under the direction of the Water Boards. The SOCWA shall provide funding only. The Water Boards retain complete discretion to act as provided by law. The only limitation this Agreement makes on the Water Boards is the category of projects to which funding from SOCWA will be dedicated as set forth in paragraph 4 of this Agreement.

2. Term

- 2.1 The duration of this Agreement shall be November 1, 2018 through November 30, 2021, if approved by the State Department of General Services, unless terminated sooner by either party, with or without cause, upon thirty (30) days written notice. This Agreement may be amended upon mutual written agreement of the parties.

3. Project Representatives

- 3.1 The Project Representatives during the term of this Agreement will be:

State Water Resources Control Board	SOCWA
Name:	Name: Amber Baylor
Address:	Address: 34156 Del Obispo St. Dana Point, CA 92629
Phone:	Phone:949-234-5409
Fax:	Email: abaylor@socwa.com

Direct all inquiries to:

State Water Resources Control Board	SOCWA
Name:	Name: Amber Baylor
Address:	Address: 34156 Del Obispo St. Dana Point, CA 92629
Phone:	Phone: 949-234-5409
Fax:	Email: abaylor@socwa.com

The parties may change their Project Representative upon providing ten (10) days written notice to the other party.

EXHIBIT A

4. Work to be Performed

4.1 Revise water quality objectives for Total Dissolved Solids in the Middle San Juan and Middle Trabuco groundwater basins for expanded recycled water uses in the SOCWA service area through the triannual Basin Plan Amendment process, including:

4.1.1 Completion of the technical, administrative and procedural elements of the Basin Plan Amendment.

4.1.2 Coordination with SOCWA, the Santa Margarita Water District and Moulton Niguel Water District to complete technical studies and conduct public workshops.

4.1.3 Coordination with SOCWA, as lead agency, in the Basin Plan Amendment process.

5. Meetings and Reports

5.1 Water Boards agree to conduct meetings as needed with SOCWA staff to review and coordinate ongoing activities performed in accordance with this Agreement. In order to report on how the funds provided under this Agreement are being used, the Water Boards will submit monthly reports to SOCWA describing the Water Boards' activities, progress made, and time expended.

6. Access to Facilities, Premises and Records

At all reasonable times during the term of this Agreement and for five (5) years following final settlement, the Bureau of State Audits, SOCWA or any designated representatives shall have access to the records of the Water Boards related to the work performed under this Agreement and the Water Boards shall make such records available for inspection, audit, and copying by the Bureau of State Audits, SOCWA or any designated representative.

**EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS**

- I. **COST AND PAYMENT:**
- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, South Orange County Wastewater Authority (SOCWA) agrees to reimburse the Water Boards for the cost of performance. Actual reimbursement shall be based on the hours of work performed. In no event shall the total amount paid to the Water Boards under this Agreement by SOCWA exceed seven hundred fifty thousand dollars (\$750,000.00).
- B. Itemized invoices shall include the Agreement number, shall be submitted not more frequently than quarterly, in arrears. Invoices submitted by the Water Boards for payment will not be processed or paid by SOCWA unless accompanied by a brief report or table that provides 1. project name; 2. project description; 3. title(s) of applicable staff member(s), hours worked, and brief description of applicable tasks or activities completed; and 4. month and year of staff activity; that corresponds to the submitted invoice. 5. *All travel receipts must be attached for reimbursement of travel expenses. Invoices must include SOCWA Purchase Order Number. SOCWA's fiscal year ends on June 30 all invoices for work done in previous year shall be submitted to SOCWA by the 15th of July each year.*
- C. Invoices shall be submitted to: finance@socwa.com
- D. The Water Boards shall pay its employee's necessary and reasonable travel expense and per diem allowance incurred during the performance of work under this Agreement from funds provided in this Agreement at the rate specified by the California Department of Human Resources (CalHR) for similar employees not to exceed those amounts paid to the State's represented employees under collective bargaining agreements currently in effect. Reasonable travel expenses and per diem allowances incurred shall be reimbursable.
- E. The Water Boards shall provide written notice to SOCWA thirty (30) days in advance of any proposed rate changes to salaries, wages, benefits, or operating expenses associated with the work to be performed under this Agreement.
- F. The total contract amount shall not exceed \$750,000.00. The total amount is conditionally agreed to by SOCWA contingent upon approval of the pertinent fiscal years' budget by SOCWA, and approval of the pertinent fiscal years' budgets by the following agencies which will share responsibility for funding the effort: Santa Margarita Water District and Moulton Niguel Water District; provided that in the event either District approves full funding in any fiscal year, SOCWA shall notify the Water Boards to proceed, notwithstanding the failure of the other District to timely approve funding.
- G. In the event that budget appropriations are not approved, this Agreement shall terminate when the appropriated funds are depleted or at the beginning of the fiscal year for which such appropriation is not approved, whichever occurs first, unless this Agreement is otherwise amended.

EXHIBIT B, ATTACHMENT I

BUDGET

	Salary/ Hour*	Estimated Hours/year	Annually FY 2018/2019 Through 2021/2022
Estimated Staff Costs:			
Senior Environmental Scientist (Spec)	\$138	1600	\$220,800
Senior Water Resources Control Engineer	\$150	100	\$15,000
Branch Chief	\$165	55	\$9,075
Assistant Executive Officer	\$158	18	\$2,844
Executive Officer	\$177	12	\$2,124
(*including salaries, wages, benefits, indirect costs, etc.)			

3 YEAR TOTAL NTE \$750,000

GTC 04/2017

EXHIBIT C

GENERAL TERMS AND CONDITIONS

1. **APPROVAL:** This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Neither the State nor Contractor may commence performance until such approval has been obtained.
2. **AMENDMENT:** No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. **ASSIGNMENT:** This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. **AUDIT:** Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
5. **INDEMNIFICATION:** Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
6. **DISPUTES:** The parties shall continue with the responsibilities under this Agreement during any dispute.
7. **TERMINATION FOR CAUSE:** Either party ("Non-Defaulting Party") may terminate this Agreement and be relieved of any payments or other obligations should the other party ("Defaulting Party") fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination, the Non-Defaulting Party may proceed with the work in any manner deemed proper by the Non-Defaulting Party. All costs to the Non-Defaulting Party shall be deducted from any sum due the Defaulting Party under this Agreement and the balance, if any, shall be paid to the Defaulting Party upon demand.
8. **INDEPENDENT CONTRACTOR:** Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State. The State, and the agents and employees of the State, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of Contractor.
9. **RECYCLING CERTIFICATION:** The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).

10. **NON-DISCRIMINATION CLAUSE:** During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. **CERTIFICATION CLAUSES:** The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

12. **TIMELINESS:** Time is of the essence in this Agreement.

13. **COMPENSATION:** The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

14. **GOVERNING LAW:** This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

15. **ANTITRUST CLAIMS:** The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.

a. The Government Code Chapter on Antitrust claims contains the following definitions:

1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.

2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.

b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.

c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.

d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. **CHILD SUPPORT COMPLIANCE ACT:** For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

17. **UNENFORCEABLE PROVISION:** In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

18. **PRIORITY HIRING CONSIDERATIONS:** If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

19. **SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:**

a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)

b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. **LOSS LEADER:**

If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

RESOLUTION NO. 2018-10-02

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SANTA MARGARITA WATER DISTRICT
APPROVING OF FUNDING A SAN DIEGO REGIONAL
WATER QUALITY CONTROL BOARD STAFF
POSITION FOR THE PURPOSES OF PREPARING
BASIN PLAN AMENDMENTS FOR BOTH THE
MIDDLE SAN JUAN AND MIDDLE TRABUCO
GROUNDWATER BASINS AND OTHER ACTIVITIES
THAT MAY BE UNDER CONSIDERATION**

WHEREAS, the Salt and Nutrient Management Plan (SNMP) tentatively approved by the San Diego Regional Water Quality Control Board (SDRWQCB) concluded that a basin plan amendment is required to support expanded recycled water use within the South Orange County Wastewater Authority (SOCWA) service area.

WHEREAS, the SDRWQCB has prioritized revision of water quality objectives for Total Dissolved Solids (TDS) in the Middle San Juan and Middle Trabuco groundwater basins for expanded recycled water uses in the SOCWA service area through the Triennial Review of the Water Quality Control for the San Diego Basin process (hereinafter referred to as the "WQO Project").

WHEREAS, the Santa Margarita Water District (District) is proposing to expand its use of recycled water into the Middle San Juan groundwater basin to supply Rancho Mission Viejo's Ranch Planning Areas of PA-3, PA-4 and PA-5 anticipated irrigation and other appropriate uses.

WHEREAS, the District is already using recycled water with Moulton Niguel Water District (MNWD) within the Middle Trabuco groundwater basin.

WHEREAS, to ensure the timely completion of the proposed basin plan amendments, the SDRWQCB requires additional staff resources to complete the necessary technical, administrative, and procedural elements of the WQO Project.

WHEREAS, the District will work closely with the MNWD and SOCWA to complete the necessary technical studies, conduct public workshops, and coordinate with the SDRWQCB staff person assigned to complete the WQO Project for the basin plan amendment work.

WHEREAS, the District will coordinate efforts with MNWD in coordinating with the SDRWQCB through SOCWA and MNWD in the WQO Project for the basin plan amendment process.

WHEREAS, the District, upon approval of SOCWA and MNWD, will contract through SOCWA with the SDRWQCB to provide the necessary resources to complete the WQO Project for the basin plan amendment.

WHEREAS, SOCWA shall thereafter coordinate efforts to complete the WQO Project for the Basin Plan amendment.

WHEREAS, SOCWA'S pending Master Recycled Water Permit requirements and subsequently those recycled water uses within the District are predicated on the initiation of the WQO Project for the basin plan amendment.


NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Directors of the Santa Margarita Water District as follows:

Section 1. The above recitals are true and correct and incorporated herein by reference.

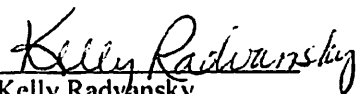
Section 2. The District will provide support to SOCWA for the contracting of SDRWQCB staff for completion of the WQO Project with a contribution of the lesser of \$562,500 or 75% of the total expended amount that will be spread over a period not to exceed three years.

Section 3. This Resolution would not, in itself, in any way impact or alter the physical environment. Accordingly, this action is not a "project" under State CEQA Guidelines, section 15378, and exempt from environmental review under section 15061(b)(3) (the general-rule exemption). The Board directs staff to file a Notice of Exemption with the County of Orange.

PASSED AND ADOPTED at a Special Board of Directors meeting for the Santa Margarita Water District held on October 3, 2018.


Justin McCusker
President of the Board of Directors
Santa Margarita Water District

Attest:


Kelly Radvansky
Secretary to the Board of Directors
Santa Margarita Water District

STATE OF CALIFORNIA)

COUNTY OF ORANGE)

ss


I, Kelly Radvansky, Secretary to the Board of Directors of the Santa Margarita Water District, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors said District at a regular meeting held on the 3rd day of October 2018.

AYES: 4 DIRECTORS: McCusker, Jacobs, Olson, Gibson

NOES: DIRECTORS:

ABSENT: 1 DIRECTORS: Wilson

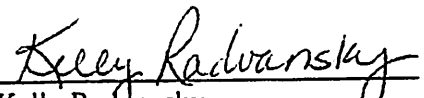
ABSTAIN: DIRECTORS:



Kelly Radvansky
Secretary to the Board of Directors
Santa Margarita Water District

I, Kelly Radvansky, Secretary of the Board of Directors of the Santa Margarita Water District, do hereby certify that the above and forgoing is a full, true, and correct copy of Resolution No. 2018-10-02 of said Board, and that the same has not been amended or repealed.

DATED: October 3, 2018



Kelly Radvansky
Secretary to the Board of Directors
Santa Margarita Water District

(Seal)

RESOLUTION NO. 18-19

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT
FOR THE SAN JUAN BASIN PLAN AMENDMENT**

WHEREAS, the Salt and Nutrient Management Plan (SNMP) tentatively approved by the San Diego Regional Water Quality Control Board (SDRWQCB) concluded that a basin plan amendment is required to support expanded recycled water use within the South Orange County Waste Water Authority (SOCWA) service area.

WHEREAS, the SDRWQCB has prioritized revision of water quality objectives for Total Dissolved Solids (TDS) in the Middle San Juan and Middle Trabuco groundwater basins for expanded recycled water uses in the SOCWA service area through the triannual Basin Plan Amendment process (hereinafter referred to as the “Water Quality Objective (WQO) Project”).

WHEREAS, the SDRWQCB requires additional staff resources to complete the technical, administrative, and procedural elements of the WQO Project for the timely completion of the Basin Plan amendment.

WHEREAS, Moulton Niguel Water District (MNWD) will work closely with Santa Margarita Water District (SMWD) and SOCWA to complete technical studies, conduct public workshops, and coordinate with the SDRWQCB staff person assigned to complete the WQO Project for the basin plan amendment work.

WHEREAS, the requirements for the Master Recycled Water Permit are predicated on the initiation of the WQO Project for the basin plan amendment.

WHEREAS, MNWD’s and SMWD’s ability to utilize recycled water within the San Juan Basin is predicated on the Master Recycled Water Permit.

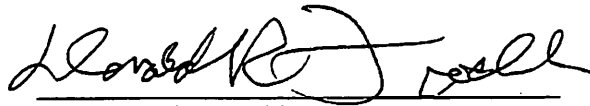
NOW, THEREFORE, the Board of Directors of the Moulton Niguel Water District does hereby **RESOLVE, DETERMINE AND ORDER** as follows:

Section 1. MNWD will commit to a 25% cost allocation of required expenditures related to the Basin Plan Amendment.

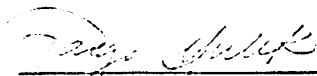
Section 2. MNWD will coordinate efforts with Santa Margarita Water District and South Orange County Wastewater Authority to complete technical consulting services for the Basin Plan Amendment.

ADOPTED, SIGNED and APPROVED this 1st day of October, 2018.

MOULTON NIGUEL WATER DISTRICT



President/Vice President
MOULTON NIGUEL WATER DISTRICT
and the Board of Directors thereof



Secretary/Assistant Secretary
MOULTON NIGUEL WATER DISTRICT
and the Board of Directors thereof

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

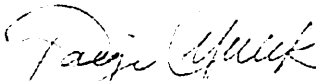
I, PAIGE GULCK, Secretary of the Board of Directors of the MOULTON
NIGUEL WATER DISTRICT, do hereby certify that the foregoing Resolution was duly
adopted by the Board of Directors of said District at a regular meeting of said Board held
on the 1st day of October, 2018 that it was so adopted by the following vote:

AYES: CAVE, FIORE, FROELICH, LIZOTTE, PROBOLSKY

NOES:

ABSTAIN:

ABSENT:



Paige Gulck, Secretary
MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof

Agenda Item

Budgeted: Yes

Budget amount: \$1,639,000

Line Item: PC2 &17 Line 5049

Legal Counsel Review: Yes

Meeting Date: November 1, 2018

TO: SOCWA Board of Directors
FROM: Jim Burror, Director of Operations
SUBJECT: **BIOSOLIDS MANAGEMENT STRATEGIC PLAN UPDATE**

BACKGROUND

The purpose of this Plan update is to reevaluate and update the strategic direction of SOCWA's Biosolids management program.

The original Biosolids Management Strategic Plan for SOCWA was completed in 2002. The current version of the Biosolids Management Strategic Plan was adopted in 2006. The 2006 adoption took place at a time of transition for SOCWA. In 2006, Biosolids management appeared unstable. This is because SOCWA's primary contract, with Synagro in Corona, was no longer an option due to that facility closing, and other composting options in Riverside County were also pending closure or closing.

Forward to 2018, the Biosolids market has been adding composting opportunities over the past few years. That said, the future of Biosolids management will be reshaped by the following outstanding issues:

- Potential organics/Biosolids bans at landfills, starting as early as 2020, but fully anticipated by 2025. This issue will eventually eliminate SOCWA's current lowest cost management option.
- New technology developments that could reshape Biosolids Management. SOCWA is in the process of releasing a Request for Proposals for Innovative Biosolids Management at the end of the year. It is anticipated that proposals will be presented to the Board of Directors in April 2019.

A copy of the draft 2018 Biosolids Management Strategic Plan Update is attached to this Report for review and comment. The policy recommendations of the SOCWA Technical Advisory Committee are included in the attached draft Plan as summarized in Section 1.5. Staff plans to update the Plan again in the coming year to include regulatory updates, any change in the industry/business opportunities and the results of the pending RPP.

FISCAL IMPACT

This is an informational item.

REQUESTED ACTION

Receive and file the *2018 Biosolids Management Strategic Plan Update*.



South Orange County Wastewater Authority

BIOSOLIDS MANAGEMENT STRATEGIC PLAN UPDATE



November 2018

CONTENTS

1	EXECUTIVE SUMMARY	I
1.1	Background.....	i
1.2	Biosolids Management at SOCWA	i
1.3	Regulatory Status and Trends.....	i
1.4	Biosolids Disposal and Reuse Options.....	ii
1.5	Recommendations, Biosolids Management Goals & Implementing Actions	iii
2	INTRODUCTION.....	1
3	BIOSOLIDS MANAGEMENT AT SOCWA.....	3
3.1	Biosolids Handling at SOCWA	3
3.2	Biosolids Quantity	6
3.3	Biosolids Quality	8
3.4	Historical Disposal Practices.....	8
3.5	Current Management Practices.....	9
3.6	Treatment Plant Issues	10
4	REGULATORY STATUS AND TRENDS	12
5	BIOSOLIDS DISPOSAL AND REUSE OPTIONS.....	14
5.1	Off-Site Disposal and Reuse Options	14
5.1.1	Composting	15
5.1.2	Landfill	15
5.1.3	Land Reclamation	17
5.2	On-Site Treatment Solids Handling Options6	17
6	RECOMMENDATIONS, BIOSOLIDS MANAGEMENT GOALS AND IMPLEMENTING ACTIONS.....	19
6.1	Recommendations	19
6.2	Biosolids Management Goals & Implementing Actions	20

FIGURES

Figure 3-1 – SOCWA Facilities Map 3
Figure 3-2 – SOCWA Current Biosolids Disposal/Reuse Sites 4
Figure 3-3 – Vendor Contracts for Biosolids Disposal/Reuse from 2016 to 2032 5
Figure 3-4. Disposal/Reuse of Combined Biosolids Quantities from RTP and JBLTP
During 2017 (wtpd)..... 6

TABLES

Table 1-1 Summary of SOCWA Biosolids Management Contracts ii
Table 3-2 Biosolids Quantities (wtpd)..... 7
Table 3-3 Biosolids Quality 8
Table 3-4 Current Biosolids Management Contracts 9
Table 5-1 Biosolids Management Options (by Volume) Reported by SCAP (2016) for
Agencies in California 14
Table 5-2 Daily average Biosolids deliveries during 2016, wet tons per day (wtpd). 15
Table 5-3 Daily average Biosolids deliveries during 2017, wet tons per day (wtpd)..16
Table 6-1 SOCWA Biosolids Management Goals and Implementing Actions 21

APPENDICES

Appendix A Current and Proposed Biosolids Regulations
Appendix B 2016 SCAP Biosolids Trends Survey
Appendix C J.B. Latham Treatment Plant Facility Plan Technical Memorandum 8
Appendix D 2013 Regional Treatment Plant Facility Plan Technical Memorandum 3-4 & 3-5
Appendix E 2014 Santa Margarita Water District 3A Solids Report

1 Executive Summary

1.1 Background

The South Orange County Wastewater Authority (SOCWA) and its member agencies currently produce approximately 100 wet tons of digested and dewatered Class B and sub-Class B Biosolids per day. SOCWA operated plants, the Regional Treatment Plant (RTP) and the J. B. Latham Treatment Plant (JBLTP), produce about 61 of those 100 wet tons with the remaining 39 tons generated from treatment plants operated by Santa Margarita Water District, Irvine Ranch Water District, Trabuco County Water District and the City of San Clemente. This 2018 Biosolids Management Strategic Plan Update (“Plan Update”) focuses on Biosolids from RTP and JBLTP, referred to as “SOCWA Biosolids”.

Biosolids management at SOCWA has been guided by the 2006 Biosolids Management Strategic Plan that was prepared in 2005. This 2018 Plan Update responds to recent changes in biomass disposal and reuse opportunities, particularly with an increase in the number of 3rd party composting contractors.

Two issues dominate strategic planning for Biosolids management by SOCWA:

- Possible ban on Biosolids disposal at landfills in California by 2025; and,
- Resolution of restrictions on land application of Class B Biosolids in California.

The purpose of this Plan Update is to review current Biosolids production and management by SOCWA, update regulatory information related to Biosolids management, and lay out a framework for implementing actions to manage Biosolids for the next several years.

1.2 Biosolids Management at SOCWA

Two classes of Biosolids are produced by SOCWA facilities: Class B from RTP, and Sub-Class B from JBLTP. Both classes of Biosolids are acceptable for composting and landfills. SOCWA Biosolids from RTP and JBLTP are presently disposed of through a combination of composting (82.3%) and landfilling (18.7%). Landfilling involves hauling, primarily by SOCWA staff, to the Prima Deshecha Landfill in San Juan Capistrano. Composting is presently performed off-site using contracted haul services to two composting vendors, one each in San Bernardino and Kern counties.

SOCWA plans for capital improvement include the goal of upgrading the JBLTP Plant to reliably produce Class B Biosolids, possibly in the next 6 to 7 years.

1.3 Regulatory Status and Trends

California regulations requiring all organics (including Biosolids) be diverted from the landfills in the near future may impact SOCWA’s Biosolids management program in two ways:

1. SOCWA may no longer be able to send Biosolids to landfills by 2025, eliminating the lowest cost management option presently used for approximately 18.7% of SOCWA’s Biosolids.

2. Composting of other organics diverted from landfills, primarily food wastes, has less restrictive regulations than Biosolids and those compost products can be easier to market. Therefore, composting companies may prefer to take landfill organics other than Biosolids for composting and this may displace Biosolids from the composting market.

The Southern California Association of Publicly Owned Treatment Works (SCAP) 2016 Biannual Biosolids Trends Survey Report concluded that 16% of California Biosolids are disposed of in landfills and landfill disposal is the generally accepted management method for smaller agencies in the state. The expected diversion of Biosolids and other organics from landfills to the compost market will greatly strain the demand for compost in the already limited compost end-use market. Unlike most other parts of the country, direct land application of Class A and B Biosolids is effectively banned in southern California either through individual county ordinances or through restrictive Conditional Use Permit conditions.

1.4 Biosolids Disposal and Reuse Options

The two “markets” for Biosolids disposal presently used by SCOWA, composting and landfilling, have been relatively stable for the past several years. Because of recent regulatory trends, it is expected that the landfilling of Biosolids in California could be phased out as early as 2025, although Biosolids generators are pushing back on the regulators to retain landfills as a backup option for Biosolids disposal. If implemented, this ban on Biosolids in California landfills could shift SOCWA’s management entirely to the compost market, or new markets not developed today, after 2025.

Compost markets are much more diversified as to the material to be composted in contrast to the Biosolids based products. This allows for extensive (and higher value) compost usage by horticultural and retail markets, as well as agriculture and land reclamation. Composting is expected to be a viable market for Biosolids disposal in the foreseeable future. There are also emerging technologies offering access to other markets like power and fuel markets. These markets have unlimited potential, but the costs for processes Biosolids to enter these markets remains twice as expensive as current Biosolids options.

Table 1-1, below, provides a summary of SOCWA’s Biosolids management contracts and comparative costs.

Table 1-1. Summary of SOCWA Biosolids Management Contracts

Company-Option	Biosolids Processing	Cost per ton (based on a 24 ton shipment)
Synagro – SKIC	Composting	\$69.97(a)
Nursery Products – Hewes Composting Facility	Composting	\$47.63 (RTP)(b) \$53.13 (JBL)(b)
SOCWA – OC Landfill	Disposal (possibly ending in 2025)	\$38.50(c)

(a) CPI increases in the contract.

(b) Includes a \$495 truck delivery fee, \$27.00 per ton management fee, and a \$88 trailer rental fee for JBLTP and an average of 24 tons per truck load.

(c) Landfill tipping fee only. Staff labor is estimated to add \$15 per ton without a delay at the landfill.

Alternative management options or markets such as biofuel, pellets/fertilizer, and deep well injection are all considered too expensive or impractical for SOCWA's facilities at this time. Based on one of the responses to SOCWA's 2016 RFP, land reclamation using Biosolids may represent a developing use for Biosolids. Land reclamation includes fire-ravaged lands, overgrazed rangelands, abandoned mine sites, and brownfields.

1.5 Recommendations, Biosolids Management Goals & Implementing Actions

Recommendations

Based on the continuing production of Sub-Class B and Class B products from JBLTP and RTP, respectively, the short, medium, and long-term recommendations and implementing actions for SOCWA are:

Short-term

- Maintain backup capacity at composting vendor(s) to accept Biosolids when Prima Deshecha Landfill is unavailable because of weather prohibitions or hauling logistics.

Medium-term (prior to 2025)

- Continue arrangements with at least three composting vendors with sufficient failsafe backup capacity for two of the vendors to receive all of SOCWA's Sub-Class B and Class B products if one of the vendors fails for any reason.
- Cooperate with the County of Orange and other Biosolids producers to support the development and application of regulatory measures that ensure comprehensive local recycling and reuse options for Biosolids diverted from landfills in California.

Long-term

SOCWA should maintain plans for on-site driers, and other on-site technologies, to allow for the full impact of locating on-site technologies at the constrained treatment plant sites to be understood (JBL and RTP).

- The long-range facilities capital plans should include improvements to allow SOCWA to reliably produce Class B Biosolids instead of Sub-Class B. This will better position SOCWA for potential changes in Biosolids markets.
- SOCWA should maintain at least three disposal/reuse options for each treatment plant.
- SOCWA should continue to meld the overall Biosolids management costs for all the Project Committees (PC's). This is assuming that one plant is not causing additional Biosolids management costs due to facility or treatment plant constraints.

Biosolids Management Goals & Implementing Actions

SOCWA's Biosolids management goals were adopted in 2006 as a result of several workshops with the member agencies. The goals from the 2006 Management Plan were

2018 SOCWA Biosolids Management Strategic Plan Update

reviewed for this Plan Update and were found to be relevant and applicable for SOCWA today. The Biosolids management goals and Implementing actions are as follows:

SOCWA Biosolids Management Goals	Implementing Actions
<ul style="list-style-type: none"> • Maintain multiple economical options. At least three options are to be identified for each treatment facility. 	<ul style="list-style-type: none"> • SOCWA will maintain at least three disposal/recycling vendors for each treatment plant.
<ul style="list-style-type: none"> • The program should maximize SOCWA control. Options should include both reuse and disposal within the County. 	<ul style="list-style-type: none"> • SOCWA will maintain plans for on-site driers, and other on-site technologies, to allow for the ability to locate on-site technologies at the constrained treatment plants. • The facility plans should include improvements to allow SOCWA to reliably produce Class B Biosolids instead of Sub-Class B. This will better position SOCWA for potential changes in Biosolids markets.
<ul style="list-style-type: none"> • The selected program should not increase impacts to the neighbors surrounding the SOCWA treatment plants. 	<ul style="list-style-type: none"> • Evaluate environmental impact for any operational or physical changes to the facilities.
<ul style="list-style-type: none"> • The program should adhere to environmentally sound practices. 	<ul style="list-style-type: none"> • Evaluate environmental impact for any operational or physical changes to the facilities.
<ul style="list-style-type: none"> • The beneficial reuse of Biosolids is to be promoted; however, this goal does not outweigh the need for a program that strives for long-term economic responsibility 	<ul style="list-style-type: none"> • Staff will stay in communication with the County of Orange to discuss how SOCWA might participate in the ongoing effort to plan for nearly all organics (including Biosolids) to be diverted from the landfills by 2025.
<ul style="list-style-type: none"> • The Biosolids Management Strategic Plan needs to remain flexible and should be updated every two to five years based on changes in the Biosolids markets. 	<ul style="list-style-type: none"> • Update the Plan (1) every 5 years, (2) when events occur that require the Plan to be updated to stay relevant, or (3) one year prior to the issuance of a new major Biosolids Request for Proposals.

2 Introduction

Biosolids management at SOCWA has been guided by Biosolids Management Strategic Plans since the preparation of the original plan in 2002. The most recent Plan update was performed in 2006 and involved several workshops with the member agencies. Over the past 12 years SOCWA Biosolids have been managed through off-site composting and landfilling. This 2018 Plan Update is being developed at a time when the number of Biosolids management options is slowly improving, particularly with the increase in the number of 3rd party composting contractors. This increase in available contract composting vendors appears to be containing overall management costs.

Two issues dominate mid- and long-term strategic planning for Biosolids management by SOCWA:

- Possible ban on Biosolids disposal at landfills in California by 2025; and,
- Resolution of restrictions on land application of composted Class B Biosolids in California.

California regulations AB939 and AB32 require that all organics be diverted from the landfills in the near future. Each county in the State of California is in the process of developing plans to comply with these regulations. This will impact SOCWA' Biosolids management program in two ways:

- SOCWA may no longer be able to send Biosolids to landfills by 2025, eliminating SOCWA's lowest cost management option.
- A potential concern is the displacement of Biosolids by food wastes and other organic materials being diverted from landfills to composting facilities.
- Composting vendors may be interested in "other" organics due to less stringent regulation of composting and marketing of products that do not include Biosolids.

Unlike most other areas of the country, direct land application of Class A and B Biosolids is effectively banned in southern California either through individual county ordinances or through restrictive Conditional Use Permit conditions. Resolution of restrictions on land application of Class B Biosolids in California is essential for long-term Biosolids management planning.

The purpose of this Plan Update is to review current Biosolids production and management by SOCWA, update regulatory information related to Biosolids management, and lay out a framework for implementing actions to manage Biosolids for the next 2 to 5 years. Documents incorporated by reference to complete this Plan Update include the following:

- 2006 Biosolids Management Strategic Plan (SOCWA 2006).
- 2013 SOCWA Facility Master Plans (SOCWA 2014).
- Proposal information from the 2016 SOCWA Open Biosolids Management RFP.

- Draft JBLTP Package B Planning Study (2011) – Biosolids Facility Planning Study for 3A solids to potentially be treated at JBLTP.
- Southern California Association of the Publicly Owned Treatment Works (SCAP) (2016) SCAP Biannual Biosolids Trends Survey Report.

This 2018 Plan Update includes a discussion of the following:

- Biosolids Management at SOCWA
- Regulatory Status and Trends
- Biosolids Disposal and Reuse Options
- Recommendations, Biosolids Management Goals, & Implementing Actions

3 Biosolids Management at SOCWA

3.1 Biosolids Handling at SOCWA

SOCWA performs solids treatment at two of its treatment plants: the J.B. Latham Treatment Plant (JBLTP) and the Regional Treatment Plant (RTP). The Biosolids are anaerobically digested at each of the plants. The digested Biosolids are then dewatered by centrifuges and managed off site through composting and landfilling of Biosolids. **Figure 3-1** shows the location of JBLTP and RTP, the two SOCWA facilities that produce Biosolids.

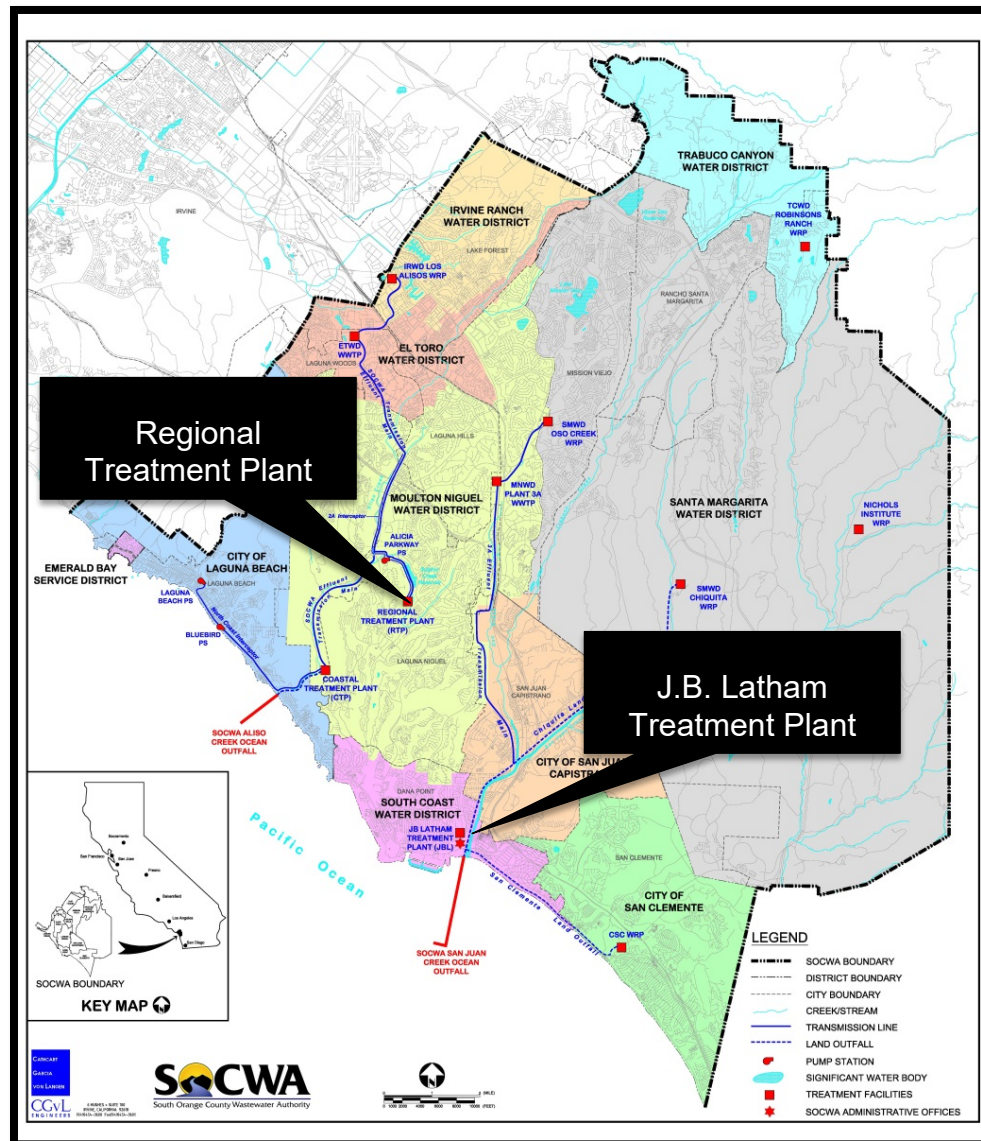


Figure 3-1 – SOCWA Facilities Map

At the JBLTP and RTP plants, the dewatered Biosolids are discharged to 40 cubic yard trailers for hauling off-site. Over the past 10 years SOCWA Biosolids have been managed through off-site composting and landfilling. Contractor truck-hauling is used to deliver Biosolids to composting vendors. SOCWA recently ended its own hauling to the landfill, determining that contract hauling would be more efficient. SOCWA owns the tractor and trailer equipment for the hauling operations to the local landfill. The locations of SOCWA Biosolids management sites are shown on **Figure 3-2**.

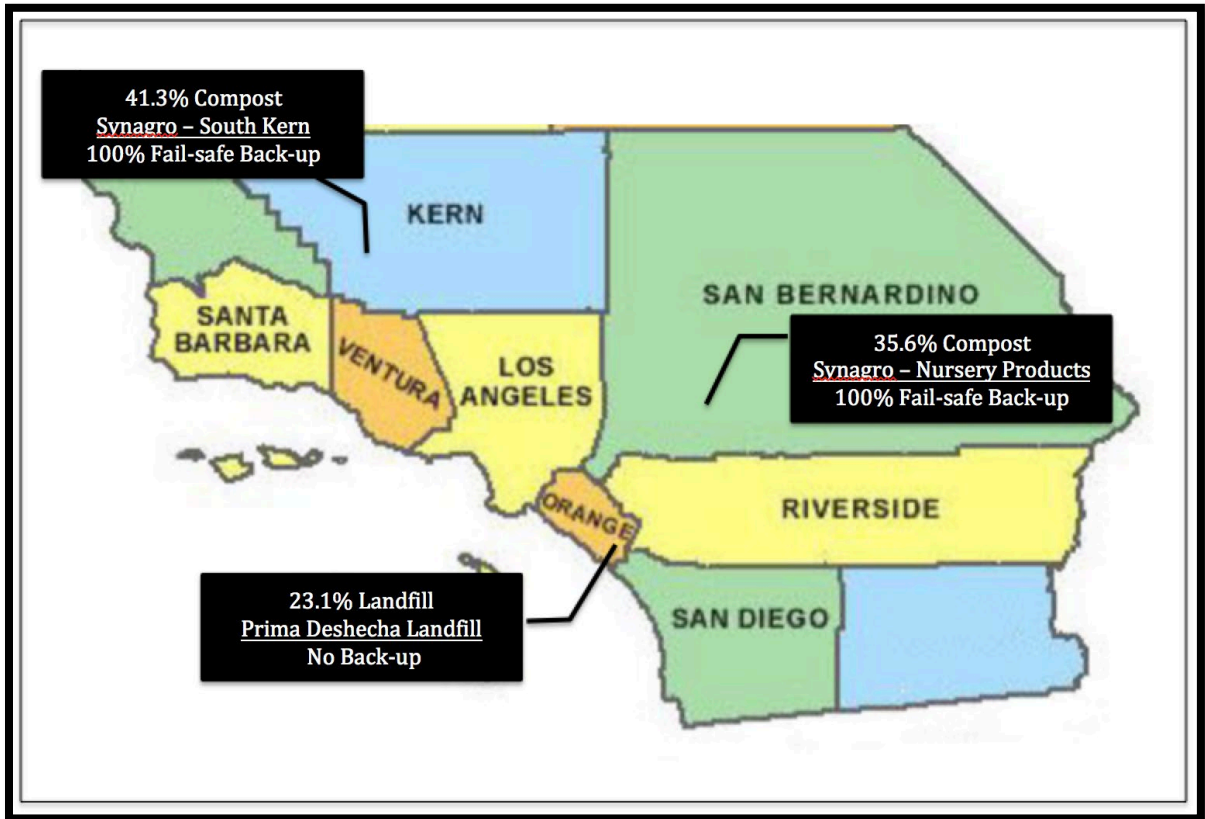


Figure 3-2 – SOCWA Current Biosolids Disposal/Reuse Sites.

In 2004, SOCWA signed a 10-year contract with Synagro that included up to two (2) five-year renewals. The Synagro contract was for composting in a facility in Kern County titled the South Kern Industrial Center (SKIC) composting facility. This contract guarantees a minimum shipment of 25 wet tons per day (wtpd) of SOCWA Biosolids to the SKIC facility, however it has no maximum limit so it provides 100% fail-safe back-up for all of SOWA’s Biosolids. The SOCWA Board approved the first five-year extension that carries the contract through the year 2020.

In November 2016, SOCWA approved a contract with Nursery Products to compost Biosolids for five (5) years with up to two (2) five-year renewals. The Nursery Products contract has no minimum guarantees or maximum limit, so it provides 100% fail-safe back-up for all of SOCWA’s Biosolids.

SOCWA currently has an agreement with the OC Waste and Recycling for up to 140 wtpd of both Class B and Subclass B Biosolids to the Prima Deshecha Landfill. Although the Prima Deshecha

Landfill is theoretically capable of taking all of the daily SOCWA Biosolids production under its permits, landfill operational limits restrict Biosolids due to:

- There are mixing requirements of 1 part (Biosolids) to 4 parts (Trash).
- Deliveries must be made before 11 a.m. to minimize odor complaints.
- Landfill operations cease during rainy weather and do not resume until the unloading area is dry.
- No deliveries are allowed on weekends and holidays

Also, due to higher hauling costs, the contractor loads need to be full loads near 24 wet tons to be cost effective. Operationally, this is difficult to balance because one of the plants, JBL, has no storage facilities for Biosolids. Thus, actual landfill deliveries average approximately 11 wtpd, or approximately 18.7% of SOCWA’s Biosolids production. California regulatory objectives for diverting organics (including Biosolids) from landfills by 2025 may not allow the landfill disposal of Biosolids after that date.

Figure 3-3 illustrates the status and timing of SOCWA’s current contracts and possible contract options for Biosolids disposal or reuse from January 2016 to 2032.

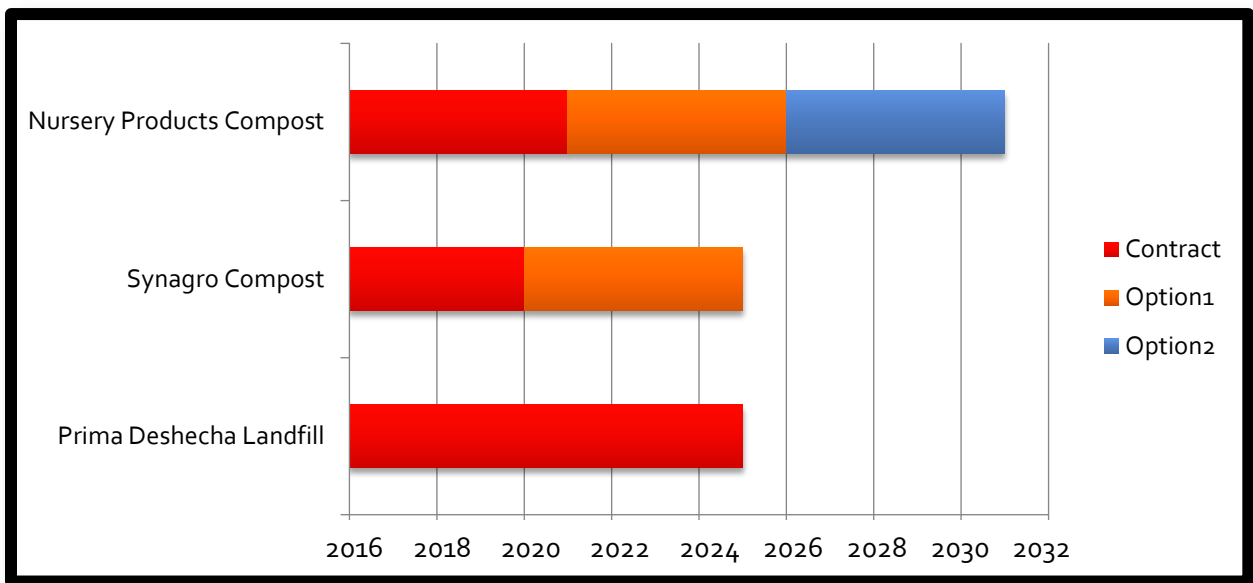


Figure 3-3 – Vendor Contracts for Biosolids Disposal/Reuse from 2016 to 2032.

3.2 Biosolids Quantity

The quantity (wtpd) of SOCWA’s Biosolids exported for disposal/reuse for the past four years is presented in **Table 3-1**. Average wtpd Biosolids delivery for disposal/reuse for each month in 2017 is presented in **Figure 3-4**.

Table 3-1. SOCWA Biosolids Production and Deliveries for the Past Four Years (wtpd)

Disposal/Reuse Vendor	2014	2015	2016	2017
Orange County – Prima Deshecha Landfill	17.7	15.1	14.1	10.9
Synagro – South Kern Compost Facility	25.0	25.2	25.3	25.5
Nursury Products	19.7	20.7	21.9	25.4
Total	62.4	61.0	61.3	61.8

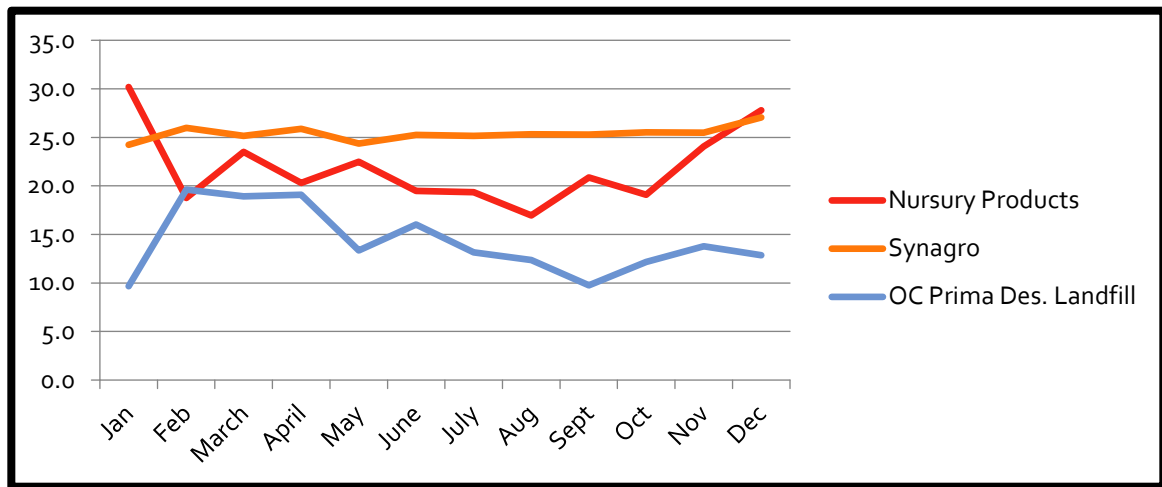


Figure 3-4. Disposal/Reuse of Combined Biosolids Quantities from RTP and JBLTP During 2017 (wtpd)

Based on the Center for Demographic Research, at California State University, Fullerton, the areas served by SOCWA’s treatment plants are essentially built out and will see little, if any, population growth (CDR, 2016 Orange County Progress Report). Although the recent drought has seen wastewater flows drop about 10 percent per year for the last 5 years, the amount of the solids in the sewer has remained relatively unchanged.

Because there are ongoing plans in the service area to expand recreational uses and intensify housing densities, for planning purposes the ultimate Biosolids quantities that SOCWA expects to be produced at the SOCWA facilities remains the same as in the 2006 Plan. Biosolids quantities

in **Table 3-2**, below, include the existing SOCWA Project Committee and JPA agreements and the ongoing Capital Improvement Program.

Table 3-2 Biosolids Quantities (wtpd)

Production	JBLTP	RTP	Total
Current ⁽¹⁾	22.6	39.2	61.8
Ultimate ⁽²⁾⁽³⁾	27.1	55.1	82.2

Notes:

- (1) 2017 Biosolids Production
- (2) Based on a 15% increase
- (3) The ultimate quantity includes Coastal Treatment Plant (CTP) and (El Toro Water District Water Reclamation Facility (ETWRF) solids contributions.

3.3 Biosolids Quality

The quality of the SOCWA Biosolids compared to the Exceptional Quality (EQ) as per 40 CFR 503 regulations is reported in **Table 3-3**. RTP meets the Class B requirements except for a few months during digester cleaning that happens approximately every five years. JBLTP Biosolids do not always meet Class B processing holding time requirements. The available digester volume at JBLTP does not reliably provide the required 15 days hydraulic detention time that is required to meet Class B, therefore SOCWA designates the Biosolids sub-Class B.

For landfill disposal or compost reuse purposes, there is currently no cost difference between Class B and Sub-Class B.

Once the Capital digester upgrade projects are completed as part of Packages B and D, it is anticipated that there will be more than 15 days of solids detention time at JBLTP. Package B and D will be overhauling the solids processing facilities at JBL. This will include rehabilitating the DAFT's, rehabilitating the older Digesters' 3 and 4, replacing above and below ground piping systems, and revamping supplemental heating boiler system. This work will be completed over the next 5 years. The inclusion of a new digester will be based on what amount of solids tributary to 3A will be processed at JBL. This decision is anticipated by the spring of 2019. The Package B project is nearing construction. The Package D project will start once the determination is made as to whether a digester will be included in the next project.

As shown in **Table 3-3**, all of the Biosolids meet the requirements for Exceptional Quality (EQ per 40 CFR 503). EQ is a prerequisite for Biosolids to be further processed and meet Class A requirements. Therefore, once SOCWA's Biosolids are composted they meet the Class A and EQ requirements and allow the Biosolids to be used for a wider range of reuse options.

Table 3-3 Biosolids Quality

Quality per 40 CFR 503	JBLTP	RTP
Class B	No	Yes
Class A	No	No
Exceptional Quality	Yes*	Yes*

* Sub-Class B and Class B Biosolids from SOCWA facilities have low levels of metals and other constituents that meet the designation of Exceptional Quality when composted.

3.4 Historical Disposal Practices

Disposal of Biosolids by SOCWA has historically been done at the County of Orange Prima Deshecha Landfill within the City of San Juan Capistrano. During the 1980's the South East Regional Reclamation Authority (SERRA, one of the predecessor agencies to SOCWA) disposed of Biosolids in Los Angeles County Sanitation District landfills and the BKK landfill in West Covina.

The trend away from landfilling as the sole disposal method began in the early 1990's. At that time solids from the JBLTP were periodically hauled to the SMWD's Chiquita Water Reclamation Facility for a pilot compost project. This pilot facility operated for approximately one year, after which the operation was terminated due to the lack of compost demand.

The first contract with a private company for the hauling and disposal of Biosolids was established in the mid-1990's. A subsequent contract was signed in 1997 for the hauling of Biosolids to the recycling compost facility in Corona. This facility was subsequently acquired by Synagro.

Another contract was approved in 2000 with Synagro for the land application of Biosolids. SOCWA also entered into a contract with the firm Waste Markets in 2001 to provide a back-up landfilling option in the State of Arizona.

Synagro also established a highly mechanized composting facility in the mid-2000's in Kern County. After completion of the 2006 Plan, SOCWA contracted with Synagro to manage a minimum of 25 wtpd at the facility for 10 years with two optional 5-year extensions. The first five (5) year option was approved by the Board in late 2015 to take advantage of an offer by Synagro to reduce Biosolids management costs by approving the renewal option early.

In 2013, a new composting vendor responded to SOCWA's Biosolids Management RFP, Nursery Products, located in San Bernardino County. The outcome of the 2013 RFP was a two (2) year contract with Nursery Products that included three (3) optional annual renewals. In 2016, SOCWA issued another Biosolids Management RFP, Nursery Products was also the most responsible and responsive proposer for that procurement. The outcome of the 2016 RFP was a five (5) year contract with Nursery Products that included two (2) optional five (5) year renewals.

Synagro has recently purchased Nursery Products, however contractual arrangements remain unchanged.

3.5 Current Management Practices

SOCWA currently maintains contracts for composting with Synagro and Nursery Products. SOCWA also maintains a contract with OC Waste and Recycling for disposal in the Prima Deshecha Landfill. The current cost for each of the management option is contained in **Table 3-4**.

Table 3-4. Current Biosolids Management Contracts

Company-Option	Biosolids Processing	Cost per ton (based on a 24 ton shipment)
Synagro – SKIC	Composting	\$69.97(a)
Nursery Products – Hewes Composting Facility	Composting	\$47.63 (RTP)(b) \$53.13 (JBL)(b)
SOCWA – OC Landfill	Disposal (possibly ending in 2025)	\$38.50(c)

(a) CPI increases in the contract.

(b) Includes a \$495 truck delivery fee, \$27.00 per ton management fee, and a \$88 trailer rental fee for JBLTP and an average of 24 tons per truck load.

(c) Landfill tipping fee only. Staff labor is estimated to add \$15 per ton without a delay at the landfill.

3.6 Treatment Plant Issues

J. B. Latham Treatment Plant

There are several issues at JBLTP that can hinder operations and Biosolids management. These include:

- 1) JBLTP does not currently produce Class B rated Biosolids due to a lack of digester detention time. This limits the currently available disposal methods to landfilling and composting.
- 2) JBLTP loads Biosolids directly into hauling trailers because there are not loading hoppers. Loading a trailer directly can take up to 8 hours and can be challenging to meet scheduled delivery windows. A stationary trailer is difficult to evenly or fully load so that haul-cost per ton can be minimized. These issues require additional attention to the loading process. Very often staff has to shovel 1 to 2 tons of Biosolids to minimize uneven loads and under/overweight vehicles.
- 3) The plant has limited available storage volume and storage is only in the digesters. The JBLTP digesters can hold approximately 2 days of sludge. One week of storage capacity would be desirable to handle interruptions in hauling operations, equipment failures, rain delays at disposal sites, and other potential interruptions.
- 4) JBLTP has also started to have issues maintaining 2 of the 3 centrifuges. These larger units have a higher capacity than the third unit and allow for the processing of solids without silo storage facilities (direct trailer loading with operator attendants). Carollo Engineers recently assessed these units and recommended that their replacement be scheduled within the 10-year capital improvement program. O&M staff is working closely with the manufacture to better understand SOCWA's actual timeline for replacement. Currently, the issues for the centrifuges includes:
 - Key parts are fabricated as ordered leading to long lead times (up to 18 weeks) for non-wear parts – SOCWA is assessing this change and considering adding non-wear spare parts to its inventory at the plant.
 - Wear parts from the manufacturer vendors continues to change leading to errors in orders by the Centrifuge manufacturer from its suppliers – SOCWA is working with the Centrifuge Manufacture to maintain an updated list of wear parts and considering adding spare parts to its inventory at the plant.
 - Balancing services have been relocated from California to Texas – SOCWA is now planning to include this additional time and expense when scheduling major overhauls that include offsite balancing.

Regional Treatment Plant

There are several issues at RTP that can hinder operations and Biosolids management. These include:

- 1) RTP does produce Class B rated Biosolids, but can fall into Sub-class B for a few months

during digester cleaning operations which occurs approximately every five years.

- 2) The plant has limited available storage volume. The RTP cake hoppers can store about one days' worth of Biosolids. The RTP digesters can hold approximately 2 days of sludge. The total emergency storage is about 3 days. Similar to JBLTP, one week of storage capacity would be desirable to handle interruptions in hauling operations, equipment failures, rain delays at disposal sites, and other potential interruptions.

4 Regulatory Status and Trends

The purpose of this section is to provide a review and, where applicable, update any recent changes to existing and proposed federal, state and regional regulatory requirements governing the reuse and disposal of Biosolids by SOCWA.

The management of wastes and Biosolids is highly regulated. Regulations cover all aspects of the processing and handling of wastes, including Biosolids based products. SOCWA staff continues to participate on the SCAP Biosolids Committee. This resource group continues to focus on all the developments related to new regulations affecting Biosolids management.

SOCWA's use of landfill disposal and contract composting to Class A quality for reuse is expected to remain more or less stable from now until 2025. Statewide measures to divert organics from landfills have the potential to impact Biosolids disposal in landfills after 2025. The California Association of Sanitation Agencies (CASA) is currently in the process of evaluating what CalRecycle's intent is with respect to Biosolids disposal, but, for planning purposes, it is assumed that after 2025, SOCWA will no longer be able to dispose of its Biosolids in California landfills.

California regulations requiring all organics (including Biosolids) be diverted from the landfills in the near future may impact SOCWA's Biosolids management program in two ways:

1. SOCWA may no longer be able to send Biosolids to landfills by 2025, eliminating the lowest cost management option presently used for approximately 18.7% of SOCWA's Biosolids (Estimated increase would be \$10 wtpd for landfilled materials or about \$50,000 per year).
2. Composting of other organics diverted from landfills, primarily food wastes, has less restrictive regulations than Biosolids and those compost products can be easier to market. Therefore, composting companies prefer to take landfill organics other than Biosolids for composting and this may displace Biosolids from the composting market.

The 2016 SCAP Biosolids survey concluded that 16% of California Biosolids are disposed of in landfills and landfill disposal is the generally accepted management method for smaller agencies in the state. The expected diversion of Biosolids and other organics from landfills to the compost market will greatly strain the demand for compost in the already limited compost end-use market. Unlike most other areas of the country, direct land disposal of Class A and B Biosolids is effectively banned in southern California either through individual county ordinances or through restrictive Conditional Use Permit conditions. Resolution of restrictions on land application of Class A and B Biosolids in California is essential for long-term Biosolids management planning. The following is a summary of important regulations affecting Biosolids management today:

- 1) In 2017, the City of Los Angeles and Kern County settled their long-standing litigation over a potential ban of Biosolids in Kern County. The settlement allows for Class A compost Biosolids application in unincorporated areas of Kern County.
- 2) There appears to be a relaxing of regulations in some areas of unincorporated San Bernardino County. This is allowing for the composting and application of Class A composted Biosolids.

- 3) Organics will be banned from the local landfills (including the Prima Deshecha Landfill) in stages through 2025 under – greenhouse gas reduction legislation AB969 and AB341. The first step is a 50% reduction by 2020 and 75% reduction by 2025. The baseline year for calculating the diversions is 2013.

A complete assessment of each of the current and proposed regulations is contained in Appendix A. [^{**} Exhibit in Preparation]

5 Biosolids Disposal and Reuse Options

5.1 Off-Site Disposal and Reuse Options

The SCAP (2016) biannual Biosolids trends survey report provides a summary of the disposal and reuse options employed by publicly owned treatment works in California. As shown in **Table 5-1**, the most prevalent technology or disposal method utilized by reporting agencies in 2015/16 was: composting (48%); followed by land application (35%); landfills (16%); and mine reclamation (1%). Disposal or reuse using biofuel, pellets/fertilizer, and deep well injection technologies were all reported as insignificant by California agencies.

Furthermore, **Table 5-1** shows that agencies use of these disposal/reuse methods changed significantly from that reported in 2014. Landfilling usage remains the same as in 2014. In comparing 2014 results with 2015/16, the volume percentage for composting significantly increased while the percentage volume employing land application decreased.

Table 5-1. Biosolids Management Options (by Volume) Reported by SCAP (2016) for Agencies in California

	2015/16	2014
Composting	48%	32%
Land Application	35%	51%
Landfill	16%	12%
Land (Mine) Reclamation	1%	0%
*Biofuel	0%	0%
*Pellets/Fertilizer	< 0%	2%
*Deep Well Injection	< 0%	3%

* Considered non-viable for Class B and Subclass B Biosolids produced by SOCWA facilities. These technologies/markets are too expensive or unsuitable for Class B and Subclass B Biosolids.

Treatment technologies, such as heat drying or incineration, can provide greater independence for SOCWA by reducing the amount of Biosolids to be removed from the plant sites. However, these alternatives are highly regulated and costly. Because the air basin is non-attainment for many of the pollutants associated with Biosolids treatment technologies, permitting in the South Coast Air Quality Management District (AQMD) has proven difficult.

The costs from the 2016 SCAP Biosolids Survey on the Biosolids management costs by product market are included in **Table 5-2**, below. The reported costs represent a total cost that reflects both the gate fee and the transportation cost. The 2015/16 average of the total management rate/ton reported was calculated to be \$49.94/ton, which is a decrease of \$4.00/ton from the 2014 average rate.

Table 5-2. SCAP (2016) Biosolids Management Option Cost Summary

Management Options	Agencies Reporting	2015/16 Volume (Wet Tons)	Total Mgmt Cost/Ton Range	Avg. Total Mgmt Cost/Ton	2015/16 Percent of Total
*Composting	16	858,667	\$32.26 to \$86.00	\$54.59	47%
*Landfill	14	279,887	\$8 to \$72	\$55.66	15%
Land Application	13	627,909	\$36 to \$65	\$49.79	35%
Land (Mine) Reclamation	1	11,782	\$48	\$48	1%

*Disposal/reuse methods presently used by SOCWA.

5.1.1 Composting

Contract composting is the method by which SOCWA presently achieves a Class A Biosolids product that can be usefully reused or recycled in a variety of end-use markets. The costs for composting as a whole have seen a decrease because new vendors have become available over the past several years. The composting sites that came online in the past few years include Nursery Products site in San Bernardino, the City of Los Angeles site in Kern County, and the Los Angeles County Sanitation District site in Kern County.

SOCWA has historically negotiated contracts with private contractors for the off-site disposal and/or the beneficial reuse of Biosolids. This has been a reliable and cost effective approach to Biosolids management. Maintaining a minimum of three treatment/reuse/disposal vendors for each SOCWA treatment facility provides security to continued contracting with private firms.

With the resolution of litigation in Kern County (Settlement agreement in the cases entitled City of Los Angeles et al. v. County of Kern., and County Sanitation District No. 2 of Los Angeles County et al. v. County of Kern. Tulare County Superior Court Case Nos. VCU242057 and VCU189564 (Case No. VCU242057) - 8/23/2017), the long-term cost prospects for contracted composting services are positive at this time. Several new compost vendors have come to the southern California market over the past few years indicating a strengthening market. A potential concern for long term access to composting vendors is the displacement of Biosolids by food wastes and other organic materials being diverted from landfills to composting facilities. Composting vendors may be interested in “other” organics due to less stringent regulation of composting and marketing of products that do not include Biosolids.

5.1.2 Landfill

SOCWA currently has an agreement with the OC Waste and Recycling for up to 140 wtpd of both Class B and Subclass B Biosolids to the Prima Deshecha Landfill. The available disposal capacity at the landfill is theoretically more than SOCWA’s daily Biosolids production. However, there are three operational limits to this disposal method, as follows:

- The landfill is closed during wet weather. Biosolids need to be diverted to composting facilities.

2018 SOCWA Biosolids Management Strategic Plan Update

- The disposal is limited to a ratio of 10 units of trash per 1 unit of Biosolids. Biosolids trucks sometimes need to wait at the landfill while sufficient trash is delivered to the landfill to maintain the 10:1 ratio.
- The Biosolids must be delivered before 11:00 am to minimize odor complaints from the landfill’s adjacent homeowners. (New issue starting in 2017)

Although the Prima Deshecha Landfill is theoretically capable of taking all of the daily SOCWA Biosolids production, the operational limits summarized above create a practical limit of approximately 20 wtpd. During 2017, for example, rainy weather during January limited deliveries to the landfill to an average of 4.9 wtpd, with a maximum for the year of only 19.6 wtpd average in June. During January, the Biosolids that could not be delivered to the landfill were diverted to Nursery Products for composting. Therefore, the landfill cannot be considered to provide any fail-safe backup for Biosolids if either or both of the compost facilities become unavailable.

Table 5-3. Daily average Biosolids deliveries during 2017, wet tons per day (wtpd).

Destination	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg	%
Nursery Products	36.5	28.3	23.0	20.5	19.7	20.6	19.2	21.3	21.1	26.2	31.9	36.9	25.4	41.0
RTP	16.2	7.9	5.7	7.3	5.5	6.4	4.8	6.3	6.0	8.2	12.4	12.2	8.2	13.3
JBL	20.3	20.4	17.3	13.2	14.2	14.2	14.4	15.0	15.1	18.0	19.5	24.7	17.2	27.7
Synagro	24.6	30.5	26.0	25.3	26.1	24.3	25.3	25.2	24.5	24.5	25.3	25.3	25.6	41.3
RTP	24.6	30.5	26.0	25.3	26.1	24.3	25.3	25.2	24.5	24.5	25.3	25.3	25.6	41.3
JBL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OC Prima Deshecha Landfill	4.9	6.0	18.4	18.2	16.0	19.6	16.6	14.8	13.5	3.4	0.2	0.0	11.0	18.7
RTP	2.2	1.6	10.9	8.4	7.4	10.9	8.3	7.2	6.9	2.2	0.0	0.0	5.5	8.9
JBL	2.7	4.4	7.5	9.8	8.6	8.6	8.3	7.6	6.6	1.2	0.2	0.0	5.5	8.8
Total wtpd	66.0	64.8	67.4	64.0	61.8	64.5	61.1	61.3	59.1	54.1	57.4	62.2	62.0	100

SOCWA continues to balance the hauling of Biosolids to the Prima Deshecha Landfill with the need to ensure that contracted haulers delivering to the two composting vendors have the maximum amount of material that can be placed in their trailers. This is because the Prima Deshecha Landfill is the lowest cost option but SOCWA’s costs for delivery to the composting facilities increase on a per ton basis if the contractor’s trucks are not full. This is because SOCWA’s compost vendor pricing is based on full loads.

SOCWA recently added a hauling contract to the landfill to fill in for staff vacancies, planned vacations, determining that contract hauling would be more efficient. SOCWA owns the tractor and trailer equipment for the hauling operations.

It is unclear what the long-term cost impact will be from greenhouse emission regulations requiring diversions of organics from landfills. It is also unclear how Biosolids will be affected by the diversion requirements.

Organics from Biosolids are already below the 75% diversion requirement based on the 2013 baseline. Again, this is because several agencies (Orange County Sanitation District and City of San Clemente) stopped sending Biosolids to the Prima Deshecha Landfill in 2016. However, at this time, it is unclear how the landfill operator will calculate organics diversions and apply them to Biosolids. SOCWA staff has had several meetings with County staff and they appear to be planning for on-site management (composting or digestion) at the landfill to maintain revenues from tipping fees. Composting and digestion projects will likely increase tipping fees unless grants, or other funds, lower the lifecycle cost of the project.

Staff will continue to track the impact of the proposed Biosolids landfill diversions as it develops. Presently, it seems that California's goals for greenhouse gas reduction and diversion of organics from landfills is in conflict with the increasingly strict regulations preventing direct land application of Class B Biosolids. For composting to be an effective alternative to landfilling, the end-use market for compost would have to be greatly increased with sufficient demand to handle the complete diversion of organics from the landfills and subsequent use as compost.

5.1.3 Land Reclamation

The 2016 request for proposals yielded a new potential market for SOCWA's Biosolids: Land Reclamation. Holloway Environmental proposed lime stabilization to Class A followed by land reclamation at a mining site that is being reclaimed. The reclamation process will restore the site to more natural conditions. The site is outside Buttonwillow, California. The management option utilizes Biosolids in an area that was previously mined for Gypsum. This proposal also involved mixing Biosolids with auto shredder wastes. Auto shredder wastes are known to contain heavy metals and polychlorinated biphenyl's (PCB) and, upon review, the proposal was rejected because SOCWA was unwilling to assume the environmental liability associated with such a project.

Nevertheless, the use of Biosolids for land reclamation may represent a developing market. Orange County Sanitation District (OCSD; 2017) reported that land reclamation opportunities in Southern California can be categorized as follows: fire-ravaged lands, overgrazed rangelands, abandoned mine sites, and brownfields. U.S. Environmental Protection Agency (EPA) Region IX supports mine reclamation with Biosolids, but these projects are few, and typically require a large quantity of Biosolids over a short period. As is described by OCSD, research is being proposed or is under way to support use of Biosolids in fire-ravaged lands and overgrazed rangelands (e.g., Marin Carbon Project). Outcomes of these research projects are expected to expand opportunities to use Biosolids in those applications. In particular, the Marin Carbon Project work will use both Class A and Class B Biosolids, thus potentially opening up markets for SOCWA's Class B Biosolids products.

5.2 On-Site Treatment Solids Handling Options

The potential options for processing Biosolids on-site at SOCWA facilities have been the subject of several recent and one ongoing study.

These recent reports are incorporated by reference and include the following:

- 1) 2013 J.B. Latham Treatment Plant Facility Plan – Technical Memorandum 8-8 – Appendix C (Carollo/HDR 2013)
- 2) 2013 Regional Treatment Plant Facility Plan – Technical Memorandum 3-4 and 3-5 – Appendix D (Carollo/HDR 2013)
- 3) 2014 Santa Margarita 3A Solids Report – Appendix E (Santa Margarita Water District Staff Report 2014)

There is an ongoing project to optimize the JBLTP solids facility following the recent report by SMWD to increase reclamation at 3A but send all the wastewater solids to JBLTP. This report is being developed under Package B of the Ten-Year Capital Improvement Program. This study will be completed in the Spring of 2019. A major component of this study will be considerations for JBLTP to be able to meet Class B time retention requirements.

The recommendations and conclusions from the past and more recent studies are that SOCWA should continue to optimize wastewater treatment and produce solids that will either be landfilled, or further processed off site to produce marketable products. This is based on the cost and/or limited experience with emerging technologies to further process Biosolids on-site. It is recommended that staff update the previous study to locate a dryer at the Regional Treatment Plant to better understand potential costs that would be incurred if the Biosolids markets are severely interrupted.

6 Recommendations, Biosolids Management Goals & Implementing Actions

6.1 Recommendations

Based on the continuing production of Sub-Class B and Class B products from JBLTP and RTP, respectively, the short-, medium, and long-term recommendations for SOCWA are as follows:

Short-term

- Maintain backup capacity at composting vendor(s) to accept Biosolids when Prima Deshecha Landfill is unavailable because of weather prohibitions or hauling logistics.

Medium-term (prior to 2025)

- Continue arrangements with at least three composting vendors with sufficient failsafe backup capacity for two of the vendors to receive all of SOCWA's Sub-Class B and Class B products if one of the vendors fails for any reason.
- Cooperate with the County of Orange and other Biosolids producers to support the development and application of regulatory measures that ensure comprehensive local recycling and reuse options for Biosolids diverted from landfills in California.
- Maintain a mix of contracts that allows for periodic RFP's and long term sustainability by:
 - Limiting longer-term guarantee contracts to one.
 - Avoiding multiple contracts expiring at the same time.
 - Avoiding contracts with a minimum daily or annual tonnage.
- Through periodic Requests for Proposals (RFP) rely on contracted off site services to manage Biosolids and maintain a pulse on changes in the market (every 2 to 5 years).

Long-term

- SOCWA should maintain plans for on-site driers, and other on-site technologies, to allow for the full impact of locating on-site technologies at the constrained treatment plant sites to be understood (JBL and RTP).
- The long-range facilities capital plans should include improvements to allow SOCWA to reliably produce Class B Biosolids instead of Sub-Class B. This will better position SOCWA for potential changes in Biosolids markets.
- SOCWA should maintain at least three disposal/reuse options for each treatment plant.
- SOCWA should continue to meld the overall Biosolids management costs for all the Project Committees (PC's). This is assuming that one plant is not causing additional Biosolids management costs due to facility or treatment plant constraints.

6.2 Biosolids Management Goals & Implementing Actions

SOCWA's Biosolids management goals were adopted in 2006 as a result of several workshops with the member. The goals from the 2006 Management Plan were reviewed for this Plan Update and were found to be relevant and applicable for SOCWA today. The Biosolids management goals are as follows:

- Maintain multiple economical options for disposal/reuse. At least three options are to be identified for each treatment facility.
- The program should maximize SOCWA control. Options should include both reuse and disposal within the County.
- The selected program should not increase impacts to the neighbors surrounding the SOCWA treatment plants.
- The program should adhere to environmentally sound practices.
- The beneficial reuse of Biosolids is to be promoted; however, this goal does not outweigh the need for a program that strives for long term economic responsibility.
- The Biosolids Management Strategic Plan needs to remain flexible and should be updated every two years to reflect the rapidly changing Biosolids market.

This 2018 Plan Update is being developed at a time when the number of Biosolids management options is slowly increasing. This increase appears to be containing overall management costs. However, Californian regulations will be requiring that all organics be diverted from the landfills in the near future. Each county in the State of California is in the process of developing their plan(s) to comply with these regulations: AB939 and AB32. This will impact SOCWA' Biosolids management program in two ways:

- SOCWA may no longer be able to send Biosolids to landfills by 2025, eliminating SOCWA's lowest cost management option.
- Biosolids management companies are attempting to take landfill organics for composting and this may displace Biosolids from the composting market. Composting of landfill organics, primarily food waste, has less restrictive regulations than Biosolids and can be easier to market.

This 2018 Plan Update may be recommended for updates and revisions upon receiving proposals from respondents to SOCWA's upcoming Biosolids Innovation Request for Proposals (RFP). This RFP is currently being prepared by Carollo Engineers for issuance towards the end of 2018. Resulting proposals are anticipated to be presented to the Board by April 2019.

In light of these existing and coming challenges, the goal of this Plan Update is to maintain a sustainable, reliable, and economical program to manage Biosolids. The Plan Update recommendations summarized allow several implementing actions that will support SOCWA's Biosolids Management Goals as summarized in **Table 6-1**, below:

Table 6-1. SOCWA Biosolids Management Goals and Implementing Actions

SOCWA Biosolids Management Goals	Implementing Actions
<ul style="list-style-type: none"> • Maintain multiple economical options for disposal/reuse. At least three options are to be identified for each treatment facility. 	<ul style="list-style-type: none"> • SOCWA will maintain at least three disposal/recycling vendors for each treatment plant.
<ul style="list-style-type: none"> • The program should maximize SOCWA control. Options should include both reuse and disposal within the County. 	<ul style="list-style-type: none"> • SOCWA will maintain sufficient space and plans for on-site driers, and other on-site technologies, to allow location of on-site technologies at the constrained treatment plants. • The facility plans should include improvements to allow SOCWA to reliably produce Class B Biosolids instead of Sub-Class B. This will better position SOCWA for potential changes in Biosolids markets.
<ul style="list-style-type: none"> • The selected program should not increase impacts to the neighbors surrounding the SOCWA treatment plants. 	<ul style="list-style-type: none"> • Evaluate environmental impact for any operational or physical changes to the facilities.
<ul style="list-style-type: none"> • The program should adhere to environmentally sound practices. 	<ul style="list-style-type: none"> • Evaluate environmental impact for any operational or physical changes to the facilities.
<ul style="list-style-type: none"> • The beneficial reuse of Biosolids is to be promoted; however, this goal does not outweigh the need for a program that strives for long-term economic responsibility 	<ul style="list-style-type: none"> • Staff will stay in communication with the County of Orange to discuss how SOCWA might participate in the ongoing effort to plan for nearly all organics (including Biosolids) to be diverted from the landfills by 2025. • Staff will update the Board of Directors with the results of the Biosolids Innovation RFP.
<ul style="list-style-type: none"> • The Biosolids Management Strategic Plan needs to remain flexible and should be updated every two to five years based on changes in the Biosolids markets. 	<ul style="list-style-type: none"> • Update the Plan (1) every 5 years, (2) when events occur that require the Plan to be updated to stay relevant, or (3) one year prior to the issuance of a new major Biosolids Request for Proposals.

Appendix A

To be included with the final report.

Agenda Item

Meeting Date: November 1, 2018

TO: Board of Directors
FROM: Betty Burnett, General Manager
SUBJECT: Monthly Progress Report on State Audit Recommendations

Attached are staff updates for the State Audit Response Schedule.

Recommended Action

The Board will be requested to receive and file the Monthly Progress Report on State Audit Recommendations – State Audit Response Schedule.

SOCWA State Audit Response Schedule

Page	Recommendations	Supplemental Actions to Implement Recommendations	Preparation Schedule/Responsible Staff	Filing Date
16	<p>Finish Investigating difference in available cash balances per audited financial statements</p>	<p>(a) Complete investigation of differences in available cash balances to audited financial statements.</p> <p>(b) Develop a method that is agreeable to members for allocating additional cash to the credit of members:</p> <p>(i) Consider allocating to members based on existing proportion to available cash</p> <p>(ii) Implement improved procedures to account for member cash</p> <p>(iii) Provide monthly reports of available cash balances to members</p>	<p>(a) Prepare results of investigation report, and discuss with Finance Committee and Board</p> <p>(b) Cash Roll Forward results discussed Finance Committee and Board of Directors April, 2018</p> <p>(i) Board to review by June, 2018</p> <p>(ii) Underway</p> <p>(iii) Underway</p> <p>Responsible: Finance Controller</p>	<p>(a) To be completed: Submitted to State 9/20/18 for 6 mo. compliance</p> <p>(b)(i) To be Completed: September, 2018 – FCM directed staff to provide alternative methods to allocate and to meet with Agency Finance Officers to review, meeting pending early October 2018 – completed. Board to review and determine final distribution option by 21/31/18.</p> <p>(ii) 2015-16 Cash Roll Forward was distributed to Board April, 2018; 2016-17 to be reviewed by Finance Committee May, 2018 - Done</p> <p>(iii) Complete 2017-18 update and Implement monthly updates with July 2018 Monthly Financials (projected to be at 10/2018 Finance Committee for review & approval)</p>

Page	Recommendation	Supplements to Recommendation	Preparation Schedule/Responsible Staff	Filing Date
19	SOCWA and Members should amend the current JPA to expressly state whether members will be responsible for SOCWA retirement benefits	SOCWA should inform plan participants.	<p>Begin reconsideration of JPA Revisions with assistance of SOCWA Counsel by July, 2018</p> <p>Submit to Agencies for approval, July, 2019</p> <p>Responsible: GM/SOCWA Counsel</p>	To be Completed: September, 2019
28	Develop and follow a timeline with specific deadlines for completing each of its planned year-end tasks	<p>i. Prepare a policy requiring correction of future internal control deficiencies within six months of identifying by external auditor</p> <p>ii. Develop accounting procedures including step-by-step instructions</p> <p>iii. Amend policy on procurements to specify that SOCWA should enter into agreements of at least 5 years with competitively procured external audit firms.</p> <p>iv. Adopt policy to rotate external auditor when state law requires.</p>	<p>(i) Counsel to develop by May 2018 Board meeting. Responsible: GM/SOCWA Counsel</p> <p>(ii) Underway. Responsible: Finance Controller</p> <p>(iii) Counsel to develop by May 2018 Board meeting. Responsible: GM/SOCWA Counsel.</p> <p>(iv) Counsel to develop by May 2018 Board meeting. Responsible: GM/SOCWA Counsel.</p>	<p>(i) Completed, reported to State Auditor 5/10/18</p> <p>(ii) Procedures & Schedule for Year End to review with Finance Committee August, 10 2018. Submitted to State 9/20/18 with 6-month compliance update</p> <p>(iii) and (iv) completed and submitted to State Auditor with initial 60-day compliance 5/11/18.</p>

34	Assure full compliance with the Public Records Act	<p>(i) Update policy on PRA at least annually to track any changes in laws.</p> <p>(ii) Develop more detailed procedures to ensure that SOCWA responds to requests for records in compliance with PRA.</p> <p>(iii) Establish a policy to retain accurate records and supporting documentation to demonstrate full compliance with all PRA requirements.</p>	<p>(i) April 2018 Board Meeting May 2018, Procedures/Staff Training Responsible: GM/SOCWA Counsel</p> <p>(iii) April 2018 Board Meeting</p>	<p>(i) Adopted April 2018 Board Meeting Pending (9/2018) Adopted April 2018 Board Meeting Submitted to State Auditor with initial 60-day report on 5/10/18</p>
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Update November 2018

Agenda Item

Legal Counsel Review: No

Meeting Date: November 1, 2018

TO: SOCWA Board of Directors
FROM: Betty Burnett, General Manager
SUBJECT: General Manager's Status Report

Operations & Maintenance

JBL Projects Update

This month we are highlighting some recent projects at JBL.

Grinding Pump Added to the Scum Pumping System

O&M staff installed a grinding pump in front of the scum pump. The scum line to the digesters was regularly plugged with plastics and other solid debris. This grinding pump breaks up items that were plugging the line. The scum line is adjacent to the new homes next to JBL, and unclogging the scum line was a very odorous and messy process. The new system is working very well, and the line has not plugged since it was installed.



New Gas Line for Effluent Pumping Station

The gas line to the JBL effluent pumping station was replaced. The original ductile iron pipe to the station was severely corroded. The new line is stainless steel. The new pipe is pictured below and will be painted yellow. The old pipe, pictured below, will be disposed of appropriately.



Hazardous Waste Shed Recoating

The hazardous waste shed at JBL was recoated (pictured below). The project involved treating areas that were starting to corrode due to the ocean salty air. All the required signage for the storage shed will be reinstalled after the coating system dries.



New Odor Control Chemical Testing

O&M staff tested a new odor control product at JBL Headworks #1. The product was *Odor-No-More* by Cupridyne. The product is an iodine based chemical that is designed to oxidize odorants in the air. As a primary odor controller in a well-ventilated building, O&M testing was inconclusive. O&M staff will look at other potential applications where the odorants are more dilute and/or the area to be treated is not well ventilated.

WEFTEC 2018

SOCWA General Manager, Director of Operations and staff from Engineering and O&M attended this year's WEFTEC in New Orleans. Staff found several new vendors offering new odor control products and several vendors offering a replacement to the Hach 1720 turbidity meter that is being discontinued (SOCWA uses the 1720's to monitor the AWT operations). There were excellent presentations on O&M processes and practices that were very informative. These presentations included topics like food waste co-digestion, integrating maintenance management systems, asset management systems and financial management systems. Staff has already contacted local representatives of the equipment found at WEFTEC for potential trials.

Lastly, O&M and Engineering staff met with representatives of *Andritz Separation* regarding our ongoing service issues. O&M staff were able to meet privately with Andritz Separation's executive management for Northern America to discuss performance issues.

SCE Transformer Replaced at CTP

SCE replaced their incoming transformer at CTP. The project required CTP to run on generators during the transition. Staff manned the plant around the clock during the project. The project was completed in one day without interruptions or impacts to treatment; however, the project did require a shutdown of the recycled water system for the 24-hour period.

Flare Overhaul at RTP

The new engine at RTP required O&M staff to overhaul the flares at RTP. The flare piping was flushed out, the flame arresters were rebuilt, and the ignition system was rehabilitated. The system now starts automatically when the new engine shuts down. These systems were rarely used with the three (3) old engines at RTP. The single engine system requires an immediate starting of the flares based on the volume of gas being produced at RTP.

Environmental Compliance

CASQA & Vector Control

On October 15, 2018, SOCWA Staff joined the second day of the *California Stormwater Quality Association* (CASQA) Annual Conference in Riverside and attended workshop and training events. Staff met with the *Mosquito and Vector Control Association* (MVCAC) to follow up on the notice from Director Iseman from the October 4, 2018, Board meeting.

Staff recognizes that personnel are exposed to many locations with standing water and wanted to provide education to staff and the Board on this issue. There are two invasive mosquito species, *Aedes aegypti* and *Aedes albopictus*, which are capable of transmitting viruses dangerous to people (e.g. chikungunya, dengue, and Zika), and bite aggressively during the day. The representative from MVCAC stated that should SOCWA staff spot any areas where mosquitos are breeding to contact the *Orange County Mosquito and Vector Control District*. The representative from MVCAC also indicated that the following long-lasting active ingredients of insect repellents are advised to prevent mosquito bites: DEET, IR3535, Picaridin, and Oil of Lemon Eucalyptus.

Agenda Item

Legal Counsel Review: Yes

Meeting Date: November 1, 2018

TO: Board of Directors

FROM: Betty Burnett, General Manager

SUBJECT: JPA and Project Committee Claims from Third Parties

Summary

At the request of Director Reinhart a Special Board of Directors meeting was held on October 4, 2018, at 10:30 a.m. to discuss Project Committee claims/litigation in conjunction with the SOCWA Joint Powers Agreement (JPA).

Prior Related Board Action(s)

The Board of Directors requested that Legal Counsel prepare and provide a formal written Legal Opinion** at the November 1, 2018, Board of Directors Meeting regarding liability for third party lawsuits specific to member agencies not a party to Project Committee litigation.

Recommendation

Information item.

Fiscal impact

None.

attachment(s) SOCWA Joint Powers Agreement (JPA)

** Confidential Memo to be provided to Board of Directors under separate cover.

**JOINT EXERCISE OF POWERS AGREEMENT
CREATING SOUTH ORANGE COUNTY
WASTEWATER AUTHORITY
Orange County, California
(SOCWA)
AND TERMINATING ALISO WATER MANAGEMENT AGENCY,
SOUTH EAST REGIONAL RECLAMATION AUTHORITY,
SOUTH ORANGE COUNTY RECLAMATION AUTHORITY**

TABLE OF CONTENTS

	<u>Page</u>
RECITALS	2
AGREEMENT	7
I. DEFINITIONS	7
1.1 Definitions	7
II. TERMINATION OF THE JPAs	10
2.1 Rescission	10
III. PURPOSE AND POWERS OF CONSOLIDATED JPA	11
3.1 Agency Created	11
3.2 Purpose of the Agreement; Common Powers to be Exercised	11
3.3 Specific Powers	12
3.4 Restrictions on Exercise of Powers	14
3.5 Authority as Successor to JPAs	14
3.6 Adoption of Rules, Regulations, Policies	15
3.7 Personnel	15
3.8 Project Committees; Agreements	16
IV. ORGANIZATION	16
4.1 Membership	16
4.2 Names	17
4.3 Designation of Directors	17
4.4 Principal Office	17
4.5 Meetings	17
4.6 Quorum	18
4.7 Voting Powers and Limitations Thereon	18
4.8 Minutes	18
4.9 Rules	18
4.10 Vote or Assent of Members	18
4.11 Officers	19
V. PLANNING	20
5.1 Planning Policy	20

VI.	BUDGETS AND PAYMENTS	21
6.1	General Budget	21
6.2	Project Budgets	21
6.3	Operation and Maintenance Budgets	22
6.3.1	O & M Costs/Capital Components	23
6.4	Effect of Failure of Approval of Budget	23
6.5	Expenditures Under Approved Budgets	24
6.6	Payment of Amounts Due	24
6.7	Reimbursement of Funds	24
VII.	BOND FINANCING	25
7.1	Financing Method	25
VIII.	PROJECT CONSTRUCTION	25
8.1	Project Members	25
8.1.1	Project Committee of One Member	25
8.2	Acquisition and Construction of Projects	26
IX.	MAINTENANCE AND OPERATION OF FACILITIES	26
9.1	Maintenance and Operation of Facilities	26
X.	ACCOUNTING AND AUDITS	27
10.1	Accounting Procedures	27
10.2	Audit	27
XI.	PROPERTY RIGHTS	27
11.1	Project Facilities	27
11.2	Distribution of Assets and Termination of Authority	28
11.3	Liabilities	29
XII.	FORMATION, TERM, TERMINATION, WITHDRAWAL	29
12.1	Term	29
12.2	Rescission or Termination	29
12.3	Withdrawal	29
XIII.	GENERAL	30
13.1	Admission of New Member Agencies	30
13.2	Insurance	30

13.3 Amendments 31
13.4 Notice 31
13.5 Arbitration 31
13.6 Severance 33
13.7 Counterparts 33
Exhibit A Map of SOCWA Jurisdiction
Exhibit B List of Member Agencies

**JOINT EXERCISE OF POWERS AGREEMENT
CREATING SOUTH ORANGE COUNTY
WASTEWATER AUTHORITY
Orange County, California
(SOCWA)**

**AND TERMINATING ALISO WATER MANAGEMENT AGENCY,
SOUTH EAST REGIONAL RECLAMATION AUTHORITY,
SOUTH ORANGE COUNTY RECLAMATION AUTHORITY**

THIS AGREEMENT is made and entered into as of the 1st day of July, 2001, to be effective on the Effective Date (as hereinafter defined) by and between CITY OF LAGUNA BEACH (CLB), CITY OF SAN CLEMENTE (CSC), CITY OF SAN JUAN CAPISTRANO / CAPISTRANO VALLEY WATER DISTRICT (SJC/CVWD), EL TORO WATER DISTRICT (ETWD), EMERALD BAY SERVICES DISTRICT (EBSD), IRVINE RANCH WATER DISTRICT (IRWD), MOULTON NIGUEL WATER DISTRICT (MNWD), SANTA MARGARITA WATER DISTRICT (SMWD), SOUTH COAST WATER DISTRICT (SCWD), and TRABUCO CANYON WATER DISTRICT (TCWD), which are water purveyors and/or wastewater service providers within the San Juan Creek and/or Aliso Creek watersheds and other watershed areas within the jurisdiction of the California Regional Water Quality Control Board, San Diego Region ("Region 9") and (in some cases) Santa Ana Region ("Region 8"). The public entities listed above may be referred to in this Agreement collectively or in combination(s) as "parties" or "Members Agencies" or individually as "party" or a "Member Agency". Capitalized terms not otherwise defined shall have the definitions set forth in Section I.

RECITALS

A. CSC, MNWD, SCWD, SJC/CVWD and SMWD are Member Agencies of South East Regional Reclamation Authority (SERRA) formed under and pursuant to Government Code Section 6500 *et seq.* and that certain joint powers agreement dated March 9, 1970, entitled “Joint Exercise of Powers Agreement Creating South East Regional Reclamation Authority, Orange County, California (SERRA)” as thereafter amended from time-to-time (“SERRA Joint Powers Agreement”).

B. CLB, EBSD, ETWD, IRWD (as the consolidated successor to Los Alisos Water District), MNWD and SCWD are members of Aliso Water Management Agency (AWMA) formed under and pursuant to Government Code Section 6500 *et seq.* and that certain joint powers agreement dated March 1, 1972, entitled “Joint Exercise of Powers Agreement Creating Aliso Water Management Agency, Orange County, California (AWMA),” as thereafter amended from time-to-time (“AWMA Joint Powers Agreement”).

C. ETWD, IRWD (as the consolidated successor to IRWD and Los Alisos Water District), MNWD, SJC/CVWD, SCWD, SMWD and TCWD are members of South Orange County Reclamation Authority (SOCRA) formed under and pursuant to Government Code Section 6500 *et seq.* and that certain joint powers agreement dated November 29, 1994, entitled “Amended and Restated Joint Exercise of Powers Agreement Creating South Orange County Reclamation Authority,” as thereafter amended from time-to-time (“SOCRA Joint Powers Agreement”).

D. CVWD is currently a subsidiary district of SJC, with the SJC City Council as its legislative body. Pursuant to Orange County Local Agency Formation Commission (LAFCO)

Reorganization R096-15, SJC will formally merge with CVWD upon the completion of certain terms and conditions under LAFCO Resolution No. R096-15. This Agreement provides for the membership of SJC/CVWD in Authority as a single Member Agency and recognizes SJC as the successor SOCRA member to CVWD and to all of CVWD's rights, obligations, agreements, liabilities, and all other duties previously held by CVWD in its capacity as a member of SOCRA. SJC hereby assumes all of CVWD's rights, obligations, agreements, liabilities and all other duties previously held by CVWD in its capacity as a member of SOCRA.

E. Effective December 31, 2000, IRWD is the successor-in-interest to Los Alisos Water District (LAWD), a former member of AWMA, and to IRWD and LAWD, former members of SOCRA, pursuant to both Orange County Local Agency Formation Commission Resolution DC 00-05 adopted on September 13, 2000, which approved the consolidation of LAWD and IRWD, and Orange County Board of Supervisors Resolution 00-399 adopted on October 24, 2000, which ordered the consolidation of LAWD with IRWD, leaving IRWD as the consolidated successor district. The boards of directors of AWMA and SOCRA have adopted, respectively, AWMA Resolution No. 2001- 01 and SOCRA Resolution No. 2001-01 formally recognizing IRWD as the successor AWMA member to LAWD and as the successor SOCRA member to LAWD and IRWD, and to all of the rights, obligations, agreements, liabilities and all other duties previously held by LAWD in its capacity as a member of AWMA and by LAWD and IRWD in their capacities as members of SOCRA.

F. AWMA, SERRA and SOCRA (collectively the "JPAs") currently share in the administrative support costs necessary to administer the JPAs, including the services of the General Manager of the JPAs and the administrative support staff, as well as the joint use of administrative building facilities for the operation of the JPAs, pursuant to that certain agreement

entitled "Agreement Among the South East Regional Reclamation Authority, Aliso Water Management Agency and South Orange County Reclamation Authority Establishing Procedures for Shared Staff Resources", recently amended on November 2, 2000, to provide for the consolidation of administrative facilities operations at the SERRA treatment plant in the near future.

G. In accordance with extensive reviews and reports initiated by the JPAs over the past five years, including a 1996 administrative and management review study by Griffith & Associates, and the 1999 report entitled "Evaluation of the Future Policy Direction for the AWMA/SERRA Organization" prepared by the JPAs' General Manager in accordance with board direction, the boards of directors of the JPAs desire at this time to formally consolidate the JPAs into one joint powers authority in the interests of furthering a regional approach to wastewater treatment and reclamation, and additional operational and administrative efficiencies, subject to the unanimous approval by the respective Member Agencies of the termination of AWMA, SERRA and SOCRA concurrently with the formation of a consolidated joint powers agency by execution of this Agreement.

H. Each of the parties hereto has territory within or related to the San Juan Creek and/or Aliso Creek watershed areas or other watershed areas within the Orange County portion of Region 9 and/or Region 8 as set forth and depicted on Exhibit A to this Agreement including the designation thereon of the existing boundaries of the parties. There is a continued need for efficiencies in the coordinated regional planning of wastewater disposal, reclamation and total water management, as well as of production, transmission, storage and distribution of Nondomestic Water and a coordinated effort to facilitate and expedite new and increased use of Nondomestic Water, within the area set forth in Exhibit A. Additionally, the continued

implementation of a primary user permit for use of Recycled Water and to process associated modifications to water quality objectives and beneficial use designations for groundwaters and surface waters, as necessary, for implementation of reclamation plans within certain of the area designated in Exhibit A and also within Region 9 can most efficiently be achieved through the continued cooperative action of the parties operating through a consolidated joint exercise of powers agency in lieu of all three JPAs.

I. The parties have and possess one or more of the following powers:

(1) the power and authorization to acquire and construct facilities for the collection, transmission, treatment and disposal of sewage and other waste products, including the reclamation of wastewater for the benefit of the lands and inhabitants within their respective boundaries;

(2) the power and authorization to acquire and construct facilities for the production, treatment, transmission, storage and distribution of Nondomestic Water for the benefit of the lands and inhabitants within their respective boundaries; and

(3) the power and authorization to acquire and construct facilities to supply the inhabitants and lands within their respective boundaries with potable and recycled water for irrigation, domestic and municipal purposes, inclusive of providing for the development and conservation of water supplies.

J. The parties own and operate or have capacity rights in wastewater treatment and/or reclamation plants under the jurisdiction of Region 9, and/or utilize groundwaters or surface waters in accordance with basin plans approved by Region 9. Additionally, ETWD and IRWD each include within their respective boundaries watershed areas within the jurisdiction of Region 8. The parties previously undertook regional wastewater disposal and reclamation

programs, as well as total water management plans within the areas designated in Exhibit A through cooperative action by operating through the JPAs. The groundwaters and surface waters are used in accordance with certain water quality objectives and beneficial use designations set forth in basin plans approved by Region 9 or Region 8.

K. The parties previously constructed, with the assistance of federal and State Clean Water Act grant funding, and now operate and maintain certain wastewater treatment and reclamation plants through the AWMA/SERRA organization. In addition to ongoing capital improvements for such plants and other AWMA/SERRA facilities, the parties are undertaking the planning and construction of facilities for the production and utilization of Nondomestic Water from the wastewater treatment and reclamation plants and/or through other means with available groundwaters and/or surface waters, which include additional treatment, production, transmission, storage, pumping and distribution facilities. The governing body of Region 9 previously supported and encouraged the establishment of SOCRA for the purposes of holding a single primary producer/user permit for the San Juan Creek and Aliso Creek watersheds, and other watershed areas within the Orange County portion of Region 9, amending the associated basin plans in conjunction with implementation of recycled water plans for those areas and coordinating and regulating the use of Nondomestic Water within such areas. SOCRA administered compliance with all regulations, orders and permits issued from time to time relative to Recycled Water previously performed by Region 9, and implemented amendments to basin plans under the jurisdiction of Region 9 in order to provide for uniform water quality objectives and Nondomestic Water use requirements.

L. Each of the parties is authorized to contract with each other for the joint exercise of any common power under the Act. The parties desire to form a single joint powers authority

as a successor-in-interest to AWMA, SERRA and SOCRA for all purposes by execution of this Agreement, subject to the terms and conditions set forth in this Agreement. Generally, the terms and conditions include the continuation of all existing AWMA, SERRA and SOCRA project committees, and corresponding project agreements, including but not limited to the rights, duties and liabilities of the respective Member Agencies under all such project committees and agreements. Additionally, plans, benefits, permits, contracts, policies and all other rights and legal obligations of the JPAs will be assumed by the successor joint powers authority in the manner provided in this Agreement as a means to effecting the consolidation without adverse impacts to the continuous facilities operations of the JPAs.

In consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

AGREEMENT

I. DEFINITIONS

1.1 Definitions. For the purpose of this Agreement, the following words shall have the following meanings:

- (a) “Act” means Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the California Government Code, as now or hereinafter amended.
- (b) “Agreement” means this joint exercise of powers agreement.
- (c) “Authority” means the SOUTH ORANGE COUNTY WASTEWATER AUTHORITY formed pursuant to this Agreement.

- (d) "Board" or "Board of Directors" means the governing body of the Authority.
- (e) "Bond Law" means Article 2 of the Act (commencing with Section 6540 of the California Government Code), the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 of the Act (commencing with Section 6584 of the California Government Code), the Mello-Roos Community Facilities Act of 1982 (commencing with Section 53311 of the California Government Code), as any of the aforementioned statutes are now or hereafter amended , or any other law presently or hereafter legally available for use by the Authority in the authorization and issuance of Bonds to finance or refinance the acquisition, construction, renovation, leasing, subleasing, maintenance or operation of Projects authorized hereunder.
- (f) "Bonds" means bonds, notes or other obligations of the Authority issued pursuant to the Bond Law or pursuant to any other provision of law which may be used by the Authority for the authorization and issuance of bonds, notes or other obligations.
- (g) "Effective Date" means July 1, 2001; provided, the Effective Date with respect to the termination of AWMA, SERRA and SOCRA as provided for in Section II may be a later date for certain limited purposes as may be required.
- (h) "Fiscal Year" means July 1st to and including the following June 30th.

- (i) "General Budget" means the approved budget applicable to the expenses of administration of the Authority.
- (j) "Member Agency" or "Member" means each of the parties which become a signatory to this Agreement, accepting the rights and obligations of the Authority hereunder, including any public entity executing an addendum to this Agreement as a Member Agency as hereinafter provided.
- (k) "Nondomestic Water" means Recycled Water (as defined below), groundwater, surface water and any other nonpotable water produced and or utilized by the parties.
- (l) "Participating Director" means the director representing a Participating Member Agency.
- (m) "Participating Member Agency or Agencies" means a Member Agency(ies) that has or will acquire rights and assume obligations in connection with a particular Project.
- (n) "Project" means the facilities owned, constructed or operated and maintained by the Authority pursuant to the project budget procedure.
- (o) "Recycled Water" means secondary or higher treated effluent reclaimed under and pursuant to Title 22 requirements of the California Code of Regulations (or successor provisions) and used for irrigation and other purposes in the Aliso Creek, San Juan Creek watersheds or other watershed areas.

As used in this Agreement, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context otherwise

indicates, words importing the singular shall include the plural and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

II TERMINATION OF THE JPAs

2.1 Recission . Except as may be necessary to wind up the affairs of AWMA, SERRA and SOCRA in order to arrange for the orderly transition to the Authority of the JPAs' rights, duties and liabilities as more specifically detailed in this Agreement, or to otherwise accomplish the implementation of current employee plans or benefits, or other programs,

(a) pursuant to Sections 33 and 34 of the AWMA Joint Powers Agreement, CLB, ETWD, EBSD, IRWD, MNWD and SCWD individually and collectively rescind the AWMA Joint Powers Agreement and thereby terminate AWMA, such recission and termination to be effective on the Effective Date, subject to the above-referenced proviso as to winding up AWMA affairs and subject to all other terms and conditions set forth in this Agreement and provided further, that the project committee agreements of AWMA shall not be terminated and shall be transferred automatically to the Authority on the Effective Date;

(b) pursuant to Sections 33 and 34 of the SERRA Joint Powers Agreement, CSC, SJC/CVWD, MNWD, SMWD and SCWD individually and collectively rescind the SERRA Joint Powers Agreement and thereby terminate SERRA, such recission and termination to be effective on the Effective Date, subject to the above-referenced proviso as to winding up SERRA affairs and subject to all other terms and conditions set forth in this Agreement and provided further, that the project committee agreements of SERRA shall not be terminated and shall be transferred automatically to the Authority on the Effective Date; and

(c) pursuant to Sections 33 and 34 of the SOCRA Joint Powers Agreement, CVWD/SJC, ETWD, IRWD, MNWD, SMWD, SCWD and TCWD individually and collectively rescind the SOCRA Joint Powers Agreement and thereby terminate SOCRA, such rescission and termination to be effective on the Effective Date, subject to the above-referenced proviso as to winding up SOCRA affairs and subject to all other terms and conditions set forth in this Agreement and provided further, that the project committee agreements of SOCRA shall not be terminated and shall be transferred automatically to the Authority on the Effective Date.

III. PURPOSE AND POWERS OF CONSOLIDATED JPA

3.1 Agency Created. A public entity to be known as the "SOUTH ORANGE COUNTY WASTEWATER AUTHORITY" (the "Authority") is hereby formed by the parties, such formation to be effective the Effective Date, and deemed to occur simultaneously with the termination of AWMA, SERRA and SOCRA. The Authority is formed by this Agreement pursuant to the provisions of the Act and the Bond Law. The Authority shall be a public entity separate from the parties.

3.2 Purpose of the Agreement: Common Powers to be Exercised. Each party to the Agreement has the common power to do the following:

- (a) Plan for, acquire, construct, maintain, repair, manage, operate and control facilities for the collection, transmission, treatment and disposal of wastewater, the reclamation and use of wastewater for any beneficial purposes, and the production, transmission, storage and distribution of Nondomestic Water.
- (b) Plan for, acquire, construct, maintain, repair, manage and operate and control facilities to supply the inhabitants and lands within their respective

boundaries with water for irrigation, domestic and municipal purposes, and in carrying out such purposes to provide for the development and conservation of water supplies.

- (c) Develop planning objectives and facilities as necessary to recharge groundwaters and utilize live-stream discharge opportunities.
- (d) Implement waste discharge requirements and basin plan amendments, acquire National Pollutant Discharge Elimination System ("NPDES") permits and primary producer/user permits for Recycled Water and provide for the development and conservation of potable water relating thereto.
- (e) Establish a Nondomestic Water management program for the area within Authority and a mechanism to interface with Region 9 and Region 8.

The purpose of this Agreement is to jointly exercise the foregoing common powers in the manner set forth in this Agreement.

3.3 Specific Powers. The Authority shall have the power in its own name to do any of the following, subject to the limitations otherwise herein set forth:

- (a) To exercise jointly the common powers of the Members Agencies in studying and planning ways and means to provide a reasonable program for wastewater disposal and reclamation, as well as a water management program for the Aliso Creek and San Juan Creek watersheds and related areas;

- (b) To exercise jointly the common powers of the Member Agencies in planning and implementing a reasonable program for management and use of Nondomestic Water, as practicable;
- (c) To make and enter into contracts, including contracts for the construction of public works, in the same manner as a California water district, Section 34000 *et seq.* of the California Water Code;
- (d) To contract for the services of engineers, attorneys, planners, financial consultants, and separate and apart therefrom to employ such other persons, as it deems necessary;
- (e) To acquire, construct, manage, maintain and operate any buildings, facilities, works, or improvements;
- (f) To acquire, hold and dispose of real and other property;
- (g) To issue Bonds and otherwise to incur debts, liabilities or obligations, subject to applicable limitations;
- (h) To sue and be sued in its own name;
- (i) To apply for and hold permits, including NPDES permits and primary producer and/or user permit or other similar permit for production or use of Recycled Water and to provide for the implementation and enforcement of permit conditions;
- (j) To facilitate or undertake work designed to result in basin plan amendments in conjunction with formulating a regional reclamation plan and the use of Nondomestic Water;

- (k) To apply for appropriate grants or loans or other available financing programs under any federal, state or local programs for assistance in developing or accomplishing any of the programs or purposes specified in this Agreement; and
- (l) To exercise any and all other powers as may be provided in the Act or in the Bond Law.

3.4 Restrictions on Exercise of Powers. The powers of the Authority shall be exercised in the manner provided in the Act and in the Bond Law, and, except for those powers set forth in the Bond Law, shall be subject (in accordance with Section 6509 of the Act) to the restrictions upon the manner of exercising such powers that are imposed upon a California water district (see, Section 34000 *et seq.* of the California Water Code) in the exercise of similar powers and to any restrictions set forth elsewhere in this Agreement.

3.5 Authority as Successor to JPAs. Except as more specifically set forth herein as to certain rights and obligations, as of the Effective Date Authority shall be deemed the successor-in-interest to AWMA, SERRA and SOCRA for all purposes, and shall assume all assets, obligations, agreements and liabilities of the JPAs, including but not limited to:

- (a) project committees and project committee agreements; contracts; NPDES permits and Recycled Water primary user permits; interagency agreements with the Member Agencies as well as other public entities; operating and encroachment permits; licenses and leases; federal and/or state grant contracts or loans; policies, resolutions, rules and regulations, ordinances; and joint powers memberships/joint powers agreements, except for the joint powers agreements expressly terminated in Section II hereof;

- (b) the 1978 and 1979 AWMA Lease Revenue Bonds, and the 1998 AWMA Refunding Lease Revenue Bonds;
- (c) the AWMA and SERRA administrative, wastewater treatment and disposal, potable water, Recycled Water, Nondomestic Water and sewer facilities and capacities (as applicable) and associated lands and rights-of-way;
- (d) personal property, including vehicles, office furniture equipment and documents; and
- (e) capital, operating, reserve, investment, and all other funds and cash balances.

3.6 Adoption of Rules, Regulations, Policies. Except as otherwise specified in this Agreement, all the AWMA, SERRA and SOCRA resolutions, policies, ordinances and rules and regulations shall be deemed adopted by Authority and the Board of Directors as of the Effective Date; provided, where there is conflict or inconsistency between such documents necessitating a resolution between inconsistent or conflicting terms, the parties shall take appropriate action so as to retain as nearly as practicable the substance of the policies, rules, etc., effecting each JPA prior to the Effective Date, unless otherwise agreed by the parties.

3.7 Personnel. All employees of AWMA and SERRA shall become employees of Authority as of the Effective Date. The AWMA/SERRA/SOCRA General Manager shall be the General Manager of Authority upon the Effective Date.

The current Memorandum of Understanding effective through June 30, 2001, by and between AWMA/SERRA and the AWMA/SERRA Employees Association, as well as the

AWMA/SERRA Personnel Policy, shall each be deemed assumed and adopted, respectively, by Authority as of the Effective Date.

The foregoing terms are set forth to effectuate the orderly succession of Authority to the JPAs and are not for the benefit of, nor shall such terms be enforceable by, any third party not a party to this Agreement.

3.8 Project Committees; Agreements. Notwithstanding the foregoing succession-in-interest by Authority to the JPAs, and except as may be agreed upon by the parties after the Effective Date, the rights, duties, obligations and liabilities of the parties (including any acknowledged successors to such parties) under and pursuant to the JPAs' project committees and project agreements, and any other agreements and budgetary procedures arising out of or in connection with the project committee structure or the JPAs generally (except the joint powers agreements terminated under Section II hereof), including but not limited to capacity rights and liabilities, shall remain intact and unchanged by the consolidation of the JPAs, the formation of Authority and its' assumption of the aforesaid obligations, agreements, liabilities and assets, or the execution of this Agreement.

IV. ORGANIZATION

4.1 Membership. The Members of the Authority shall be each public entity which has executed or hereafter executes this Agreement, or any addendum, amendment or supplement thereto, and which has not, pursuant to the provisions hereof, withdrawn therefrom.

4.2 Names. The names and addresses of the Member Agencies at any time shall be shown on Exhibit B, attached hereto, as amended or supplemented from time to time.

4.3 Designation of Directors. Within thirty (30) days after the execution of this Agreement, each Member Agency shall designate and appoint, by resolution of its governing

body, one person to act as its director on the Board. Each Member Agency shall also appoint one alternate director and may appoint a second alternate director, whose name(s) shall be on file with the Authority and who may assume all rights and duties of the absent director representing the appointing Member Agency. Each director and alternate(s) shall hold office from the first meeting of the Board after his appointment by the governing body which he represents until his successor is selected. Directors and alternates shall serve at the pleasure of the governing board of the appointing Member Agency and may be removed at any time, with or without cause, in the sole discretion of said Member Agency's governing board. A director or alternate may be (but is not required to be) a member of the governing board of the appointing Members. A director may receive such compensation from the Authority for his services as may from time to time be established by the Board, or, in the alternative at the election of any individual Member Agency, a director may be compensated directly by such Member Agency. A director may be reimbursed by the Authority for expenses incurred by such director in the conduct of the business of the Authority.

4.4 Principal Office. The principal office of the Authority shall be established by the Board. The Board is hereby granted full power and authority to change said principal office from one location to another in the County of Orange. Any change shall be noted by the Secretary of the Authority in appropriate documents of the Authority but shall not be considered an amendment to this Agreement.

4.5 Meetings. The Board shall meet at the principal office of the Authority or at such other place as may be designated by the Board. The time and place of regular meetings of the Board shall be determined by resolution adopted by the Board, and a copy of such resolution shall be furnished to each party hereto. Any meeting of a project committee shall be deemed to

be a meeting of the Authority and all such meetings of the Authority shall be open to all directors. Regular, adjourned and special meetings of the Authority, including project committee meetings, shall be called and held in the manner as provided in Chapter 9, Division 2, Title 5 of the Government Code of the State of California (commencing at Section 54950).

4.6 Quorum. Two-thirds (2/3) of the Board of Directors shall constitute a quorum for the purposes of the transaction of business relating to the Authority. A majority of the Participating Directors acting on behalf of a project committee, but not less than two (2) (subject to Section 8.1.1 hereof), shall constitute a quorum for the purposes of the transaction of business of the Authority on matters relating to each Project in which not all of the Member Agencies are participating.

4.7 Voting Powers and Limitations Thereon. All of the powers and authority of the Authority shall be exercised by the Board, subject, however, to the reserved right of the Member Agencies as herein set forth. Unless otherwise provided herein, each director or Participating Director shall be entitled to one vote, and a vote of the majority of the Board qualified to vote may adopt any motion, resolution, or order and take any other action which they deem appropriate to carry forward the objectives of the Authority or of a project committee.

4.8 Minutes. The Secretary of the Authority shall cause to be kept minutes of regular, adjourned regular and special meetings of the Board and project committees, and shall cause a copy of the minutes to be forwarded to each director and to each of the Member Agencies.

4.9 Rules. The Board may adopt, from time to time, such rules and regulations for the conduct of its affairs as may be required.

4.10 Vote or Assent of Members. The vote, assent, or approval of Member Agencies in any matter requiring such vote, assent, or approval hereunder shall be evidenced by a certified

copy of the resolution of the governing board of such Member filed with the Authority, or a certified copy of minutes evidencing such vote, assent or approval.

4.11 Officers. There shall be selected from the membership of the Board a Chairman and a Vice-Chairman. The Board shall appoint a Secretary, who may be a Director. The Chairman, Vice-Chairman and Secretary shall hold office for a period of one year commencing July 1st of each Fiscal Year or until their respective successors are duly qualified; provided, however, the first Chairman, Vice-Chairman and Secretary appointed shall hold office from the date of appointment to June 30th of the ensuing Fiscal Year.

The General Manager of the Authority shall serve as the Treasurer of the Authority, and shall direct the deposit and custody of all money of the Authority from whatever source in accordance with applicable policies approved by the Board. The General Manager of the Authority shall also be the Auditor of the Authority and shall draw all warrants and pay demands against the Authority approved by the Board. The Treasurer/Auditor hereby designated may be changed by the consent of a majority of the directors. As provided in Section 6505.6 of the Act, the Treasurer/ Auditor shall make arrangements with a certified public accountant or firm of certified public accountants for the annual audit of accounts and records of the Authority.

The Board shall have the power to appoint such additional officers as it deems necessary. Any officer, employee or agent of the Board may also be an officer, employee or agent of any of the Member Agencies. The appointment by the Board of such a person shall be evidence that the two positions are compatible. The public officer or officers or persons who have charge of, handle, or have any access to any property of the Authority shall be bonded and the amount of their bond shall be designated and fixed in the applicable budget.

All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, worker's compensation and other benefits which apply to the activity of officers, agents, or employees of any of the Member Agencies when performing their respective functions shall apply to them to the same degree and extent while engaged in the performance of any of the functions and other duties under this Agreement. None of the officers, agents, or employees appointed by the Board shall be deemed, by reason of their employment by the Board, to be employed by any of the Member Agencies or, by reason of their employment by the Board, to be subject to any of the requirements of such Member Agencies.

V. PLANNING

5.1 Planning Policy. In keeping with the purpose of this Agreement, the Member Agencies hereby authorize and direct the Board and Authority to undertake, from time-to-time, studies and planning relative to the Aliso Creek and San Juan Creek watersheds and related areas as may be necessary to provide for the collection, treatment, reclamation and total disposal of sewage of each of the Member Agencies, as well as for integrated water management plans for the areas within such watersheds and related areas. The specific objectives of the studies shall be to obtain and implement regional solutions to wastewater disposal and reclamation problems. To achieve this objective, the studies may include proposals for the construction of trunk and interceptor sewers, treatment plants, and outfalls for final disposal, as well as facilities for reclamation and water management within the watershed areas. Any such studies shall consider all phases of the maintenance and operation of regional facilities and the allocation to the benefitted Member Agencies of any maintenance and operating costs. In addition, the study may include the reclamation of sewage for any and all uses including, but not limited to, water for domestic, agricultural and recreational uses. The study or studies shall also concentrate on the

methods of financing any construction proposed and the allocation of construction costs among the benefitted members.

The Member Agencies hereby authorize and direct the Board and the Authority to undertake, from time-to-time, studies and planning relative to the watersheds and related areas, as may be necessary, to provide for the production, transmission, storage and distribution of Nondomestic Water by Authority as well as an integrated plan for use of Nondomestic Water by Authority, including any necessary amendments to basin plans of Region 9 and Region 8.

VI. BUDGETS AND PAYMENTS

6.1 General Budget. Within sixty (60) days after the first meeting of the Board, a "General Budget" shall be adopted for the balance of the Fiscal Year and the ensuing Fiscal Year. The initial General Budget and each succeeding General Budget shall include the following: (a) the general administrative expenses of the Agency to be incurred during the period covered by the General Budget; and (b) the allocation among the Member Agencies of the amounts necessary to cover the General Budget expenditures. If the General Budget provides an allocation to the Member Agencies on some basis other than equal amounts, the General Budget must be approved by the unanimous consent of all of the Member Agencies. After the first full Fiscal Year, at or prior to each June meeting of the Board, a General Budget shall be adopted for the ensuing Fiscal Year.

6.2 Project Budgets. In addition to the General Budget, the Board may budget at any time for the study, implementation or construction of any specific Project proposed to be constructed by the Authority ("Project Budget"). Each Project Budget shall include at a minimum the following:

- (a) the administrative expenses allocated to the project during planning and construction;
- (b) the cost of studies and planning for the Project;
- (c) the cost of the engineering and construction of the Project;
- (d) the allocation among the Participating Member Agencies of the total Project costs;
- (e) an estimate of annual maintenance and operating expenses; and
- (f) a formula for allocating annual maintenance and operating expenses.

After the Board approves a Project Budget, it shall be submitted to each Member Agency which has expressed a desire to participate and is to be obligated for the payment of any amount thereunder. The Authority shall not incur any expense for the Project until the Project Budget has been approved by the governing body of each of the proposed Participating Member Agencies. In the event a Project Budget is not approved, the cost of preparing the budget shall be divided among the proposed Participating Member Agencies in accordance with the proposed allocation of the total Project costs.

6.3 Operation and Maintenance Budgets. For each Project operated and maintained by the Authority, a operations and maintenance budget (“O & M Budget”) shall be prepared and approved at or prior to each June meeting of the Board for the ensuing Fiscal Year. Said budget shall include the following:

- (a) the estimated expenses of operating the Project;
- (b) the estimated expenses of maintaining the Project;
- (c) an estimate of income from operations, if any; and

- (d) the allocation of operation and maintenance expenses among the Participating Member Agencies in accordance with the formula set forth in the approved Project Budget.

An O & M Budget must be approved by two-thirds (2/3) of the directors or by two-thirds (2/3) of the Participating Directors if the budget affects less than the entire membership. Copies of each O & M Budget shall be mailed to each Participating Member Agency within thirty (30) days of its adoption.

6.3.1 O & M Costs/Capital Components. It is agreed as follows: (a) all operations and maintenance costs directly related to the use of the Project facilities, including necessary improvements, repairs, adjustments, replacements and incidental accounting and administrative costs in connection therewith, shall be paid by each Member Agency using the Project facilities in proportion to its use; and (b) the maintenance costs not directly related to use of the Project facilities, including necessary capital improvements, repairs, adjustments, replacements and extraordinary or standby maintenance, and incidental accounting and administrative costs in connection therewith, shall be paid by the Participating Member Agencies in proportion to their respective percentage share of the ownership of capacity in said Project facilities. Any change of the foregoing may be made by the unanimous consent of all of the Participating Member Agencies.

6.4 Effect of Failure of Approval of Budget. If, after one hundred twenty (120) days from the first submission of a General Budget or Project Budget, the budget fails to attain the required vote, the consenting Directors, in the case of the General Budget, or the Participating Directors, in the case of a Project Budget, may treat the refusal of the representative director to approve the respective budget as a request for a withdrawal from the Authority, in the case of

failure to approve a General Budget; or as a request for withdrawal from the Project, but not from the Authority, in the case of failure to approve a Project Budget, by such Participating Director; the remaining Member Agencies may thereafter, upon giving the non-consenting Member Agency thirty (30) days prior written notice, proceed with the adoption of a revised General or Project Budget, and the non-consenting member shall not be obligated for future debts of the Authority or of the Project, as the case may be, nor shall it receive any benefits therefrom. The foregoing is subject to the provisions of Section 12.3 of this Agreement.

6.5 Expenditures Under Approved Budgets. All expenditures within the designations and limitations of an approved General, Project or O & M Budget shall be made on the authorization of a majority of the directors for General Budget expenditures, or of a majority of the directors of the Participating Member Agencies for Project Budget or O & M Budget expenditures. No expenditures in excess of those budgeted in the General Budget or in a Project Budget shall be made without the unanimous consent and approval of the directors representing the Member Agencies affected by the budget under consideration. No expenditures in excess of those budgeted in an O & M Budget shall be made without the consent and approval of two-thirds (2/3) of the directors representing the Member Agencies affected by the O & M Budget under consideration.

6.6 Payment of Amounts Due. Amounts required to be paid by any Member Agency or Participating Member Agency, shall be due and payable forty-five (45) days after receipt of billing therefor from the Authority.

6.7 Reimbursement of Funds. Grant funds or loan proceeds or other funding assistance received by the Authority from any federal, state, or local agency to pay for budgeted expenditures for which the Authority has received all or a portion of said funds from the Member

Agencies shall be proportionally paid to the respective Member Agencies to reimburse the members for the funds advanced to the Authority for the construction of the Project facilities for which such funding has been received.

VII. BOND FINANCING

7.1 Financing Method. The Board shall have the power and authority to issue Bonds on behalf of the Authority pursuant to the Act or the Bond Law, for the purposes now or hereinafter provided for in this Agreement and as specifically set forth in Section III. Any election or referendum provided for in the Act or Bond Law shall be held in the jurisdictional area(s) of the Member Agency(ies) on whose behalf a financing is undertaken by Authority, unless otherwise provided by the Act or Bond Law. The voters voting on the Bonds shall be the resident registered voters as defined by the California Elections Code, or as otherwise provided by the Act or Bond Law.

VIII. PROJECT CONSTRUCTION

8.1 Project Members. If it is determined that a proposed Project includes participation by less than all of the Member Agencies, the Participating Directors for each project shall constitute a subcommittee of the Board referred to as the “_____ Project Committee”. All actions by a project committee shall be deemed actions of the Authority and shall be taken in the name of the Authority, provided, only the Participating Member Agencies shall have rights and obligations in said Project as herein provided. The project committees of AWMA, SERRA and SOCRA shall retain their existing designations, or may be re-numbered, but shall in any case be deemed to be the project committees of the Authority automatically upon the Effective Date.

8.1.1 Project Committee of One Member. In the event that only one Participating Member Agency desires to take action in the name of the Authority and fund and

operate a Project, a project committee may be formed consisting of only one Member Agency; provided, however, that all other Member Agencies shall have a right to participate in any project, and further provided that in the event a project committee is formed consisting of only one Member Agency, the Board of Directors may, by majority vote of the directors, impose conditions upon the manner of taking action of such a project committee.

8.2 Acquisition and Construction of Projects. No project shall be acquired or constructed by the Authority without the unanimous consent of every Member Agency or, if it is a project of less than all of the Member Agencies, unanimous consent of all of the Participating Member Agencies. Approval of a project budget by all of the Participating Member Agencies shall constitute consent for the acquisition and construction of the Project. In the event any individual Participating Member Agency or combination of such agencies desire to modify, rehabilitate or otherwise improve the Project, and those Participating Member Agencies agree to pay all costs associated with the modifications, rehabilitations or other improvements, including but not limited to the costs of all necessary permits and regulatory approvals, as well as engineering and construction costs, such agency or agencies may proceed with the modifications or other improvements upon approval of a simple majority vote of all Participating Member Agencies. No Participating Member Agency shall unreasonably withhold or condition its approval of a Project modification, rehabilitation or improvement which is proposed to be wholly funded by other Participating Member Agencies.

IX. MAINTENANCE AND OPERATION OF FACILITIES

9.1 Maintenance and Operation of Facilities. The Board, or the project committee, as the case may be, shall determine whether or not the Authority shall maintain and/or operate Project facilities. If the Authority is to maintain and/or operate Project facilities, it shall do so in

an efficient and economical manner, and in a manner not detrimental to the Participating Member Agencies. It is the intent of the parties that any Project may be maintained and operated in the name of the Authority although, as herein provided, a majority of the Participating Directors shall make all determinations of the Authority in connection therewith. If it is determined by the Participating Member Agencies that one or more of the Member Agencies shall maintain and/or operate Project facilities, the Participating Member Agencies shall, by written agreement, consent unanimously thereto.

X. ACCOUNTING AND AUDITS

10.1 Accounting Procedures. Full books and accounts shall be maintained for the Authority in accordance with practices established by, or consistent with those utilized by, the Controller of the State of California for special districts, or for other public entities as specified by the Act. The Authority's Auditor and Treasurer shall comply strictly with requirements of the Act governing joint powers agencies relative to such matters.

10.2 Audit. In accordance with Section 6505 of the Act, the records and accounts of the Authority shall be audited annually by an independent certified public accountant and copies of such other reports shall be filed with the State Controller, Orange County Auditor and each Member Agency within six (6) months of the end of the Fiscal Year under examination. Copies shall also be provided to persons or entities so requesting as required by the Act.

XI. PROPERTY RIGHTS

11.1 Project Facilities. All Project facilities constructed or acquired by the Authority shall be held in the name of the Authority for the benefit of the membership of the Authority in accordance with the terms of this Agreement. The cost and depreciation of all Project facilities so constructed or acquired shall be charged or accrue to the Participating Member Agencies in

proportion to each Member's agreed percentage of capacity rights in such Project facility and shall not be charged or accrue to the account of the Authority unless agreed to in writing by all Participating Member Agencies; provided, however, that depreciation of all facilities acquired or constructed pursuant to funds obtained through the State or federal government through the Clean Water Grant Program or through other State or federal financing programs shall be charged or accrued to the account of the Authority if required by such programs. Capacity rights in Project facilities shall be held for the benefit of the Participating Member Agencies in proportion to each such member's agreed percentage of capacity rights in such Project facility unless otherwise agreed to in writing by said Participating Member Agencies. It is the intent of the foregoing provision that the Authority shall not acquire any unallocated capacity rights in any Project facility for disposal or use, except for the benefit of the Participating Member Agencies in proportion to their original percentage of capacity rights in said facility. Capacity rights may not be sold, leased or assigned to parties or entities other than Member Agencies, or between and among Member Agencies without the written consent of all Participating Member Agencies in a Project.

11.2 Distribution of Assets and Termination of Authority. To the extent that any funds (or property in lieu of funds) received from any Participating Member Agency are used for the acquisition or construction of Project facilities, the same shall be allocated annually on the books of the Authority to the credit of said contributing member. Upon termination or dissolution of the Authority herein created, the Project facilities and any funds in possession of the Authority at such time shall be distributed in kind or sold, and the proceeds thereof distributed to the Participating Member Agencies at the time of termination as their interests appear on the books of the Authority.

11.3 Liabilities. The parties to this Agreement do not intend hereby to be obligated either jointly or severally for the debts, liabilities or obligations of the Authority, except as may be specifically provided for in California Government Code Section 895.2 , as amended or supplemented. The parties further agree as follows: (i) pursuant to California Government Code Section 895.4, in the event the parties, under applicable law, are held liable for the acts or omissions of the Authority caused by a negligent or wrongful act or omission occurring in the performance of this Agreement; or (ii) in the case of any other liability incurred by the Authority during the course of its existence; then, with respect to (i) and (ii) the parties shall discharge any such liability from payments to be made to the Authority by each of the parties in proportion to each parties' contribution or approved participation in Project facilities of the Authority to which the liability is attributable, unless otherwise agreed; provided, the foregoing contribution from the Member Agencies shall be required only to the extent the Authority does not have insurance coverage for such liability. Each Member Agency shall indemnify, defend and hold harmless the other Member Agencies from any such liability in excess of its proportionate share. Except as provided herein, the debts, liabilities, and obligations of the Authority shall be the debts, liabilities or obligations of the Authority alone and not of the Member Agencies.

XII. FORMATION, TERM, TERMINATION, WITHDRAWAL

12.1 Term. The Authority shall continue until this Agreement is rescinded or terminated as herein provided.

12.2 Rescission or Termination. This Agreement may be rescinded and the Authority terminated by written consent of all Member Agencies.

12.3 Withdrawal. Any Member Agency may withdraw from the Authority effective on the last day of a specified Fiscal Year by giving each of the Member Agencies written notice one

hundred and twenty (120) days prior to the end of a Fiscal Year which Fiscal Year shall be specified in said notice; provided, however, in the event the withdrawing Member Agency has any rights in any Project facility, or obligations to the Authority, said Member cannot sell, lease or transfer said rights or be relieved of its obligations, except its obligation to pay its share of operation and maintenance costs directly related to the use of the Project facilities, without the execution of a written agreement executed by it and all Member Agencies affected by such withdrawal. The Authority may not sell, lease, transfer or use any rights of a Member who has withdrawn without first obtaining the written consent of the withdrawn Member. Upon termination, a withdrawn member will be treated like all other Members in regard to the provisions of Section 11.2 hereof.

XIII. GENERAL

13.1 Admission of New Member Agencies. It is recognized that public entities, other than the signatories to this Agreement, may wish to participate in the Authority. Additional public entities may become Member Agencies of the Authority upon such terms and conditions as provided by the Board and the unanimous consent of each existing Member Agency of the Authority, evidenced by the execution of a written addendum to this Agreement, signed by all of the Member Agencies, including the additional Member Agency.

13.2 Insurance. The Member Agencies agree that the Authority shall obtain policies of general liability, workers' compensation and property insurance (as applicable) which shall remain in effect at all times the Authority remains in existence or is otherwise winding up its affairs pursuant to any termination thereof. The Authority shall name each of the Member Agencies and their officers, directors, employees and consultants as additional insureds under all such policies, including all excess policies.

13.3 Amendments. This Agreement may be amended only by the unanimous vote of all Member Agencies.

13.4 Notice. Any notice or instrument required to be given or delivered shall be validly given and made by depositing the same in any United States Post office, first class postage prepaid, addressed to the addresses of the Member Agencies as shown on Exhibit B, and shall be deemed to have been received by the party to whom the same is addressed at the expiration of seventy-two (72) hours after deposit of the same in the United States Post Office for transmission.

13.5 Arbitration. Any controversy or claim between any two or more parties to this Agreement, or between any such party or parties and the Authority, in respect to the Authority operations, or to any claims, disputes, demands, differences, controversies, or misunderstandings arising under, out of, or in relation to or in connection with this Agreement, or any breach thereof, shall be submitted to and determined by arbitration. To the extent not inconsistent herewith, the rules of the American Arbitration Association shall apply. The party desiring to initiate arbitration shall give notice of its intention to arbitrate to every other party to this Agreement and the Authority. Such notice shall designate as "respondents" such other parties as the initiating party intends to have bound by and any award made therein. Any party not so designated but which desires to join in the arbitration may, within fifteen (15) days of service upon it of such notice, file a response indicating its intention to join in and to be bound by the results of the arbitration, and further designating any other parties it wishes to name as a respondent. Within twenty (20) days of the service of the initial demand for arbitration, the American Arbitration Association, hereinafter referred to as "AAA" shall submit simultaneously to the initiating party and to all parties named as respondents or filing a response therein, an

identical list of names of persons chosen from the AAA National Panel of Arbitrators which persons shall be, to the extent possible, persons first in the field of wastewater disposal and reclamation as well as public law. Each party to the dispute shall have fifteen (15) days from the mailing date in which to cross off any names to which it objects, number the remaining names indicating the order of its preference, and return the list to the AAA. If a party does not return the list within the time specified, all persons named therein shall be deemed acceptable. From among the persons who have been approved on both lists, in accordance with the designated order of mutual preference, the AAA shall invite the acceptance of an arbitrator to serve. If the parties fail to agree upon one of the persons named, or if an acceptable arbitrator is unable to act, or if for any other reason the appointment cannot be made from the submitted list, the AAA shall have the power to make the appointment of the arbitrator from other members of the panel without the submission of any additional list.

The arbitrator shall determine the rights of the parties in accordance with the law, and the award shall be subject to review as to the arbitrator's application of the law by any court having jurisdiction thereof, whether or not any mistake of law shall appear upon the face of the award. As to all questions of facts, however, the determination of the arbitrator shall be binding upon all parties and shall be final. Any party shall be entitled to written findings of fact and conclusions of law as to all issues determined by the award. Subject to the above limitations, the award shall be binding upon all parties to the arbitration and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

The arbitrator may, in his discretion, as part of the arbitration award impose upon any one party or allocate among two or more of the parties, the liability for the arbitration fees and expenses. Such allocable fees may include the initial administration fees, fees for second and

subsequent hearings, postponement fees, and overtime fees. Allocable expenses may include the expenses of producing witnesses, the cost of stenographic records, the cost of any transcripts, travel expenses of the arbitrator and tribunal administrator, the expenses of any witnesses, the costs of any proofs produced at the direct request of the arbitrator, and any other expenses relating directly to the arbitration. In the event of the failure of the arbitrator to provide for the allocation of such fees and expense, the arbitration fees shall be divided equally between the parties and the expenses shall be borne by the party incurring them.

13.6 Severance. If any section, subsection, sentence, or clause or phrase of this Agreement, or the application thereof, to any of the Member Agencies or any other person or circumstances is for any reason held invalid, the validity of the remainder of the Agreement, or the application of such provision to the other Member Agencies, or to any other persons or circumstances, shall not be affected thereby. Each of the Member Agencies hereby declares that it would have entered into this Agreement, and each section, subsection, sentence, clause or phrase thereto, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases, or the application thereof, to any Member Agency or any other person or circumstance be held invalid.

13.7 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

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CITY OF SAN CLEMENTE

By: Scott Dill
Mayor

By: Soledad Erazo
City Clerk

CITY OF SAN JUAN CAPISTRANO/
CAPISTRANO VALLEY WATER DISTRICT

By: _____
Mayor

By: _____
City Clerk

EL TORO WATER DISTRICT

By: _____
President

By: _____
Secretary

EMERALD BAY SERVICES DISTRICT

By: _____
President

By: _____
Secretary

CITY OF SAN CLEMENTE

By: _____
Mayor

By: _____
City Clerk

CITY OF SAN JUAN CAPISTRANO/
CAPISTRANO VALLEY WATER DISTRICT

By: Wyatt Hart
Mayor

By: Dawn Schardere
City Clerk

EL TORO WATER DISTRICT

By: _____
President

By: _____
Secretary

EMERALD BAY SERVICES DISTRICT

By: _____
President

By: _____
Secretary

CITY OF SAN CLEMENTE

By: _____
Mayor


By: _____
City Clerk

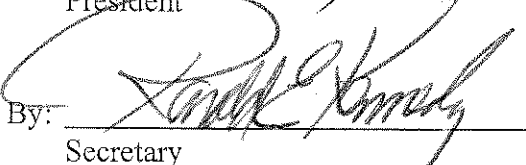
CITY OF SAN JUAN CAPISTRANO/
CAPISTRANO VALLEY WATER DISTRICT

By: _____
Mayor

By: _____
City Clerk

EL TORO WATER DISTRICT

By:  _____
President

By:  _____
Secretary

EMERALD BAY SERVICES DISTRICT

By: _____
President

By: _____
Secretary

CITY OF SAN CLEMENTE

By: _____
Mayor

By: _____
City Clerk

CITY OF SAN JUAN CAPISTRANO/
CAPISTRANO VALLEY WATER DISTRICT

By: _____
Mayor

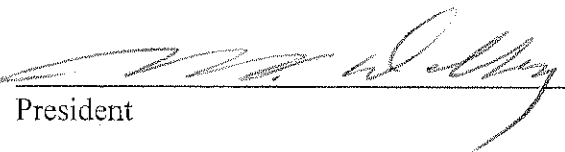
By: _____
City Clerk

EL TORO WATER DISTRICT

By: _____
President

By: _____
Secretary

EMERALD BAY SERVICES DISTRICT

By:  _____
Vice President

By:  _____
Secretary

IRVINE RANCH WATER DISTRICT

*ALH
6-25-01*

By: *Ray Allen Mathew*
President

By: *Leslie Barbonski*
Secretary

MOULTON NIGUEL WATER DISTRICT

By: _____
President

By: _____
Secretary

SANTA MARGARITA WATER DISTRICT

By: _____
President

By: _____
Secretary

SOUTH COAST WATER DISTRICT

By: _____
President

By: _____
Secretary

IRVINE RANCH WATER DISTRICT

By: _____
President

By: _____
Secretary

MOULTON NIGUEL WATER DISTRICT

By:  _____
President

By:  _____
Secretary

SANTA MARGARITA WATER DISTRICT

By: _____
President

By: _____
Secretary

SOUTH COAST WATER DISTRICT

By: _____
President

By: _____
Secretary

IRVINE RANCH WATER DISTRICT

By: _____
President

By: _____
Secretary

MOULTON NIGUEL WATER DISTRICT

By: _____
President

By: _____
Secretary

SANTA MARGARITA WATER DISTRICT

By: Betty H. Olson
President

By: Judy K. Sakae
Secretary

SOUTH COAST WATER DISTRICT

By: _____
President

By: _____
Secretary

IRVINE RANCH WATER DISTRICT

By: _____
President

By: _____
Secretary

MOULTON NIGUEL WATER DISTRICT

By: _____
President

By: _____
Secretary

SANTA MARGARITA WATER DISTRICT

By: _____
President

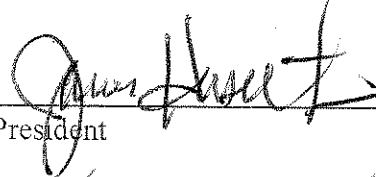
By: _____
Secretary

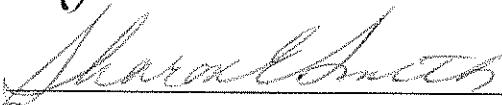
SOUTH COAST WATER DISTRICT

By: Robert W. Moore
President

By: Michael P. Sunbar
Secretary

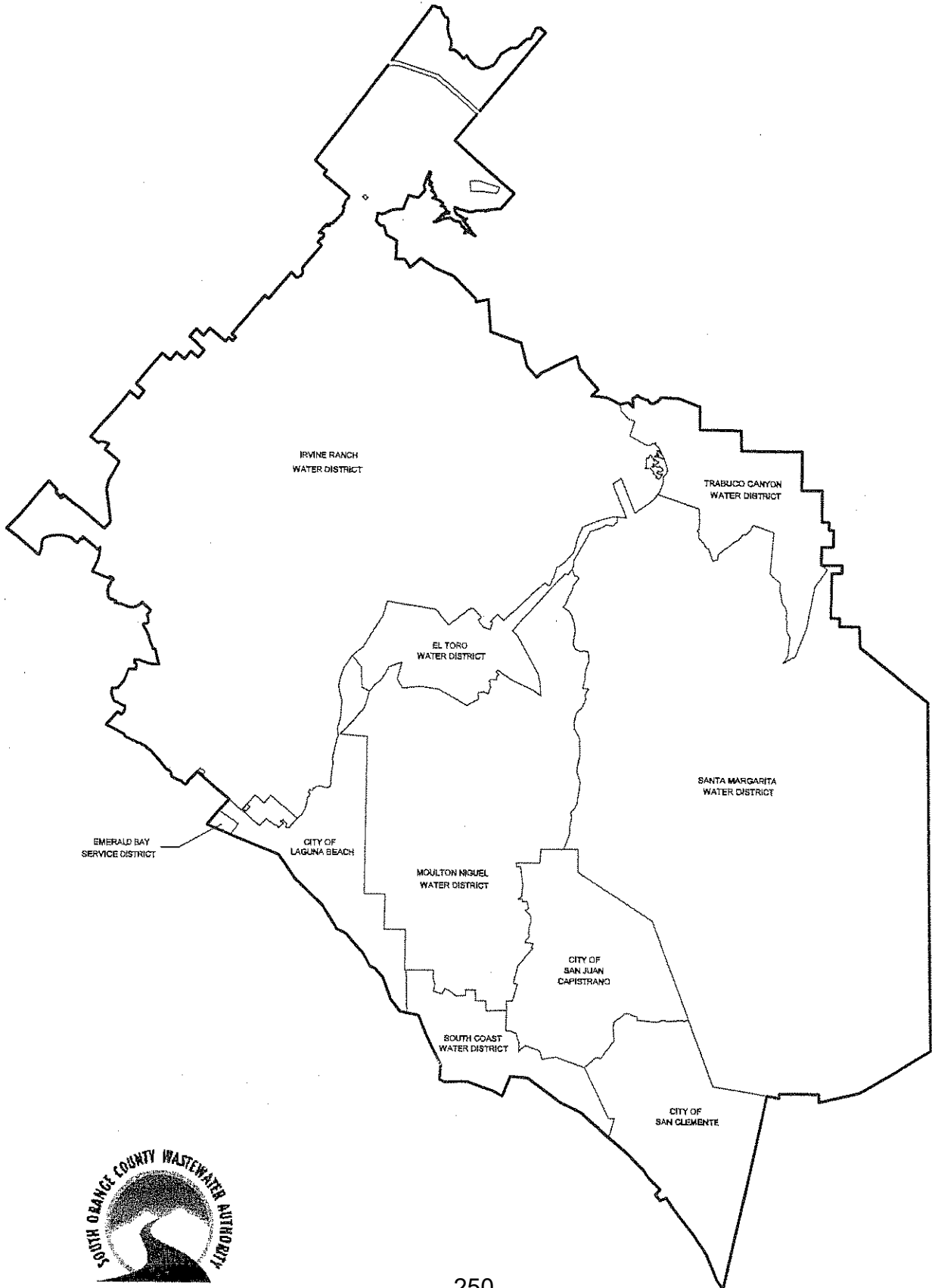
TRABUCO CANYON WATER DISTRICT

By: 
President

By: 
Secretary

South Orange County Wastewater Authority

Jurisdictional Boundary



**EXHIBIT B
MEMBER AGENCIES**

City of Laguna Beach	505 Forest Avenue Laguna Beach, CA 92651 Phone: 949-497-0704 Fax: 949-497-0791
City of San Clemente	910 Calle Negocio San Clemente, CA 92672 Phone: 949-498-2533 Ext. #120
City of San Juan Capistrano	32400 Paseo Adelanto San Juan Capistrano, CA 92675 Phone: 949-493-1171
El Toro Water District	P.O. Box 4000 Laguna Hills, CA 92653 Phone: 949-837-7050 Fax: 949-837-7092
Emerald Bay Service District	600 Emerald Bay Laguna Beach, CA 92651 Phone: 949-494-8571 Fax: 949-497-0982
Irvine Ranch Water District	P.O. Box 57000 Irvine, CA 92619-7000 Phone: 949-453-5300 Fax: 949-453-1228
Moulton Niguel Water District	27500 La Paz Road Laguna Niguel, CA 92656 Phone: 949-643-2006 Fax: 949-831-5651
Santa Margarita Water District	26111 Antonio Parkway Rancho Santa Margarita, CA 92688 Phone: 949-459-6400 Fax: 949-459-6463
South Coast Water District	P.O. Box 30205 Laguna Niguel, Ca 92607-0205 Phone: 949-499-4555 Fax: 949-499-4265
Trabuco Canyon Water District	32003 Dove Canyon Drive, 92679 P.O. Box 500 Trabuco Canyon, CA 92678