

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

FINANCE COMMITTEE
TELECONFERENCE MEETING**

**TELECONFERENCE PHONE NUMBER: (213) 279-1455
TELECONFERENCE ID: 634769169**

**March 24, 2020
2:00 p.m.**

NOTICE IS HEREBY GIVEN that a Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee was called by the Chairman to be held by Teleconference on **March 24, 2020 at 2:00 p.m.** SOCWA staff will be present and conducting the call at the SOCWA Administrative Office located at 34156 Del Obispo Street, Dana Point, California. This meeting is being conducted via Teleconference pursuant to the California Governor Executive Order N-29-20.

MEMBERS OF THE PUBLIC ARE INVITED TO PARTICIPATE IN THIS TELECONFERENCE MEETING AND MAY JOIN THE MEETING VIA THE TELECONFERENCE PHONE NUMBER AND ENTER THE ID CODE. THIS IS A PHONE CALL MEETING AND NOT A WEB-CAST MEETING SO PLEASE REFER TO AGENDA MATERIALS AS POSTED WITH THE AGENDA THE WEB-SITE WWW.SOCWA.COM. ON YOUR REQUEST, EVERY EFFORT WILL BE MADE TO ACCOMMODATE PARTICIPATION IF YOU REQUIRE ANY SPECIAL DISABILITY RELATED ACCOMMODATIONS. PLEASE CONTACT THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY SECRETARY'S OFFICE AT (949) 234-5452 AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING TO REQUEST DISABILITY RELATED ACCOMMODATIONS. THIS AGENDA CAN BE OBTAINED IN ALTERNATE FORMAT UPON REQUEST TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY'S SECRETARY AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING.

AGENDA EXHIBITS AND OTHER WRITINGS THAT ARE DISCLOSABLE PUBLIC RECORDS DISTRIBUTED TO ALL, OR A MAJORITY OF, THE MEMBERS OF THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY FINANCE COMMITTEE IN CONNECTION WITH A MATTER SUBJECT FOR DISCUSSION OR CONSIDERATION AT AN OPEN MEETING OF THE FINANCE COMMITTEE ARE AVAILABLE BY PHONE REQUEST MADE TO THE AUTHORITY ADMINISTRATIVE OFFICE AT 949-234-5452. THE AUTHORITY ADMINISTRATIVE OFFICES ARE LOCATED AT 34156 DEL OBISPO STREET, DANA POINT, CA ("AUTHORITY OFFICE"). IF SUCH WRITINGS ARE DISTRIBUTED TO MEMBERS OF THE FINANCE COMMITTEE LESS THAN TWENTY-FOUR (24) HOURS PRIOR TO THE MEETING, THEY WILL BE SENT TO PARTICIPANTS REQUESTING VIA EMAIL DELIVERY. IF SUCH WRITINGS ARE DISTRIBUTED IMMEDIATELY PRIOR TO, OR DURING, THE MEETING, THEY WILL BE AVAILABLE IMMEDIATELY ON VERBAL REQUEST TO BE DELIVERED VIA EMAIL TO REQUESTING PARTIES.

March 24, 2020

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

THOSE WISHING TO ADDRESS THE FINANCE COMMITTEE ON ANY ITEM LISTED ON THE AGENDA WILL BE REQUESTED TO IDENTIFY AT THE OPENING OF THE MEETING AND PRIOR TO THE CLOSE OF THE MEETING. THE AUTHORITY REQUESTS THAT YOU STATE YOUR NAME WHEN MAKING THE REQUEST IN ORDER THAT YOUR NAME MAY BE CALLED TO SPEAK ON THE ITEM OF INTEREST. THE CHAIR OF THE MEETING WILL RECOGNIZE SPEAKERS FOR COMMENT AND GENERAL MEETING DECORUM SHOULD BE OBSERVED IN ORDER THAT SPEAKERS ARE NOT TALKING OVER EACH OTHER DURING THE CALL.

4. Approval of Minutes

- a. Finance Committee Meeting Minutes of February 20, 2020

Recommended Action: Staff recommends the Finance Committee to approve minutes as submitted.

5. Financial Reports for the Month of January 2020

- a. Summary of Disbursements for January 2020 in the amount of \$4,330,515 (Exhibit A)
- b. Schedule of Funds Available for Reinvestment (Exhibit B)
 - Local Agency Investment Fund (LAIF)
- c. Schedule of Cash and Investments (Exhibit C)
- d. Capital Schedule (Exhibit D)
 - Capital Projects – Graph (Exhibit D-1)
- e. Budget vs. Actual Expenses:
 - Operations and Environmental Summary (Exhibit E-1)
 - Operations and Environmental by PC (E-1.2)
 - Residual Engineering, after transfer to Capital (Exhibit E-2)
 - Administration (Exhibit E-3)
 - Information Technology (IT) (Exhibit E-4)

Recommended Action: Staff recommends the Finance Committee to recommend to the Board of Directors to ratify the January 2020 disbursements for the period from January 1, 2020, through January 31, 2020, totaling \$4,330,515, and to receive and file the January 2020 Financial Reports as submitted.

6. Financial Reports for the Month of February 2020

- a. Summary of Disbursements for February 2020 in the amount of \$1,873,223 (Exhibit A)
- b. Schedule of Funds Available for Reinvestment (Exhibit B)
 - Local Agency Investment Fund (LAIF)
- c. Schedule of Cash and Investments (Exhibit C)
- d. Capital Schedule (Exhibit D)
 - Capital Projects – Graph (Exhibit D-1)
- e. Budget vs. Actual Expenses:
 - Operations and Environmental Summary (Exhibit E-1)
 - Operations and Environmental by PC (E-1.2)

March 24, 2020

- Residual Engineering, after transfer to Capital (Exhibit E-2)
- Administration (Exhibit E-3)
- Information Technology (IT) (Exhibit E-4)

Recommended Action: Staff recommends the Finance Committee recommend to the Board of Directors to ratify the February 2020 disbursements for the period from February 1, 2020, through February 29, 2020, totaling \$1,873,223, and to receive and file the February 2020 Financial Reports as submitted.

7. FY19/20 O&M & Environmental Budget Update and Proposed Budget Adjustment

Recommended Action: Staff recommends that the Finance Committee recommend to the Board of Directors the PC budget adjusted increases as proposed.

8. FY 2020/2021 O&M / Environmental Budget

The following items will be reviewed during the teleconference meeting to open the SOCWA Budget preparation process. The Committee will be asked to review the information presented and return with questions and comments on the next following Finance Committee teleconference meeting set for April 21, 2020.

- a. Key Budget Assumptions
- b. Staffing Overview
- c. Funding PERS / OPEB Costs
 1. Unfunded Pension Liability and Retiree Health
 2. Payments Removal from Fringe Pool
- d. General Assumptions
 1. Pension Lump Sum Payment; Group Insurance; Ops Costs
 2. General Fund (no change)
 3. Legal Expenditures
- e. Major Cost Drivers
 - Summary O&M by Member Agency
- f. Standby

Recommended Action: Finance Committee review, comments and recommendations for Board consideration.

9. Budget Schedule

- April 21, 2020 – General Fund Budget, Administration and Capital Budget (Presented based on Recommendations of the Engineering Committee)
- May 12, 2020 – Finance Committee Review
- May 19, 2020 – Finance Committee Review
- May 21, 2020 – Board Budget Workshop
- June 4, 2020 – Board Consideration of Budget for Approval

Recommended Action: Information Item.

10. Uniform Purchasing Policy and Procedures – Exhibit 2 – Non-Discretionary Expenses.

Recommended Action: Committee review and comment.

March 24, 2020

Adjournment

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

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

Dated this 19th day of March 2020.



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

MINUTES OF SPECIAL MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

Finance Committee

February 20, 2020

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee Meeting was held on February 20, 2020, 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	Director
ROBB GRANTHAM	Santa Margarita Water District	Alternate Director
RAY MILLER	City of San Juan Capistrano	Alternate Director
MATT COLLINGS	Moulton Niguel Water District	Alternate Director
DENNIS CAFFERTY	El Toro Water District	Alternate Director

Absent:

TONI ISEMAN	City of Laguna Beach	Director
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Staff Present:

BETTY BURNETT	General Manager
MARY CAREY	Finance Controller
JASON MANNING	Director of Engineering
JIM BURROR	Director of Operations
AMBER BAYLOR	Director of Environmental Compliance
KONSTANTIN SHILKOV	Senior Accountant
NADYN KIM	Accountant
ANNA SUTHERLAND	Accounts Payable
JEANETTE COTINOLA	Procurement & Contracts Administrator
DANITA HIRSH	Administrative Assistant

Also Present:

KEN PUN	The Pun Group <i>[via teleconference]</i>
TRACIE STENDER	Procopio Law Firm <i>[via teleconference]</i>
NEELY SHAHBAKTI	El Toro Water District
GAVIN CURRAN	City of Laguna Beach
PAM ARENDS-KING	South Coast Water District

1. **Call Meeting to Order**

Chairperson Erdman called the meeting to order at 10:32 a.m.

2. **Pledge of Allegiance** – Director Cafferty

3. **Public Comments** – None

4. Approval of Minutes

ACTION TAKEN

Motion was made by Director Grantham and seconded by Director Cafferty to approved Finance Committee Meeting Minutes for November 12, 2019, and December 10, 2019, 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 Cafferty Aye

5. Financial Reports for the Month of October 2019

Ms. Burnett stated that the Financials Reports for the Month of October 2019 were previously approved at the Regular Board of Directors Meeting on January 9, 2020. The October 2019 reports were presented to the Finance Committee as an information item only.

This was an information item; no action was taken.

6. Financial Reports for the Month of November 2019

ACTION TAKEN

Motion was made by Director Cafferty and seconded by Director Grantham to recommend to the Board of Directors to ratify the November 2019 disbursements for the period from November 1, 2019, through November 30, 2019, totaling \$2,154,482, and to receive and file the November 2019 Financial Reports 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 Cafferty Aye

7. Financial Reports for the Month of December 2019

ACTION TAKEN

Motion was made by Director Cafferty and seconded by Director Grantham to recommend to the Board of Directors to ratify the December 2019 disbursements for the period from December 1, 2019, through December 31, 2019, totaling \$1,999,492, and to receive and file the December 2019 Financial Reports 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 Cafferty Aye

8. Fiscal Year 2018-19 Additional Cash Payout

ACTION TAKEN

Motion was made by Director Collings and seconded by Director Miller recommend to the Board of Directors to approve payment of the additional cash from other sources to the Member Agencies as distributed in the Supplemental Financial Statements, Statement of Net Position.

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 Cafferty Aye

9. FY 2019-20 2nd Quarter Cash Roll Forward

ACTION TAKEN

Motion was made by Director Cafferty and seconded by Director Grantham to recommend to the Board of Directors to receive and file the Q2 Fiscal Year 2019-20 Cash Roll Forward 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 Cafferty Aye

10. Major Large Capital Projects Rolling Cash Flow Forecast Fiscal Year 2019-20, Q3 and Q4 / Large Capital Project Management and Reporting – Sample Reports

ACTION TAKEN

The Finance Committee conceded to directing staff to bring back to the Finance Committee at the March 24, 2020 Budget Review meeting.

11. FY2020-21 Budget Schedule

Staff presented the projected FY 2020/21 Budget Review schedule to the Finance Committee members.

This was an information item; no action was taken.

12. Finance Committee Meeting Schedule

Staff presented the updated Finance Committee meeting calendar for the remainder 2019 calendar year.

This was an information item; no action was taken.

Adjournment

There being no further business, Chairperson Erdman adjourned the meeting at 11:42 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 February 20, 2020, and approved by the Finance Committee and received and filed by the Board of Directors of the South Orange County Wastewater Authority.

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

Agenda Item

5

Finance Committee Meeting

Meeting Date: March 24, 2020

TO: Finance Committee
FROM: Betty Burnett, General Manager
STAFF CONTACT: Mary Carey, Finance Controller
SUBJECT: Financial Reports for the Month of January 2020

Summary/Discussion

The following selected financial reports are routinely provided monthly to the Finance Committee for recommendation to the Board of Directors to ratify Cash Disbursements and receive and file the remaining documents.

The reports included are as follows:

- a. Summary of Disbursements for January 2020 (Exhibit A)
- b. Schedule of Funds Available for Reinvestment (Exhibit B)
 - Local Agency Investment Fund (LAIF)
- c. Schedule of Cash and Investments (Exhibit C)
- d. Capital Schedule (Exhibit D)
 - Capital Projects – Graph (Exhibit D-1)
- e. Budget vs. Actual Expenses:
 - Operations and Environmental Summary (Exhibit E-1)
 - Operations and Environmental by PC (E-1.2)
 - Residual Engineering, after transfer to Capital (Exhibit E-2)
 - Administration (Exhibit E-3)
 - Information Technology (IT) (Exhibit E-4)

Fiscal impact

January 2020 cash disbursements were: \$4,330,515.

- Monthly disbursements are summarized in the attached Exhibit A.
- The attached Exhibits B, C, D and E are informational reports only.

Recommended Action: Staff recommends to the Board of Directors to ratify the January 2020 disbursements for the period from January 1, 2020, through January 31, 2020, totaling \$4,330,515, and to receive and file the January 2020 Financial Reports as submitted.

Exhibit A

**South Orange County Wastewater Authority
Summary of Disbursements for January 2020
Staff Recommendation of Fiscal Matters**

	<u>Actual</u>
General Fund	(2,271,147)
PC 2 - Jay B. Latham Plant	(557,989)
PC 3 - SOCWA Plant/PCA AWT	-
PC 5 - San Juan Creek Ocean Outfall	(56,080)
PC 8 - Pretreatment Program	(8,692)
PC 12 SO - Water Reclamation Permits	(36,016)
PC 15 - Coastal Treatment Plant/AWT	(382,415)
PC 17 - Joint Regional Wastewater Reclamation	(996,700)
PC 21 - Effluent Transmission Main	(1,808)
PC 24 - Aliso Creek Ocean Outfall	(19,670)
Total	<u><u>(\$4,330,515)</u></u>

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
SCHEDULE OF FUNDS AVAILABLE FOR REINVESTMENT
as of January 31, 2020**

CASH IN BANK: (BEGINNING BAL.)	564,409
L.A.I.F. FUNDS: (BEGINNING BAL.)	29,399,550
DEPOSITS, TRANSFERS & ADJUSTMENTS:	2,126,916
FUND REQUIREMENTS:	
BILLS FOR CONSIDERATION	(4,330,515)
	\$ 27,760,360

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

In accordance with requirements of the Government Code and the "SOCWA Investment Policy",

I hereby certify that:

- 1). All investment actions executed since the last report have been made in full compliance with the Investment Policy.

- 2). SOCWA does not have sufficient funds currently on hand to meet its expenditure obligations for the next six months (see note) due to the fact that SOCWA bills and receives operational funds on a quarterly basis only.

Betty Burnett
General Manager

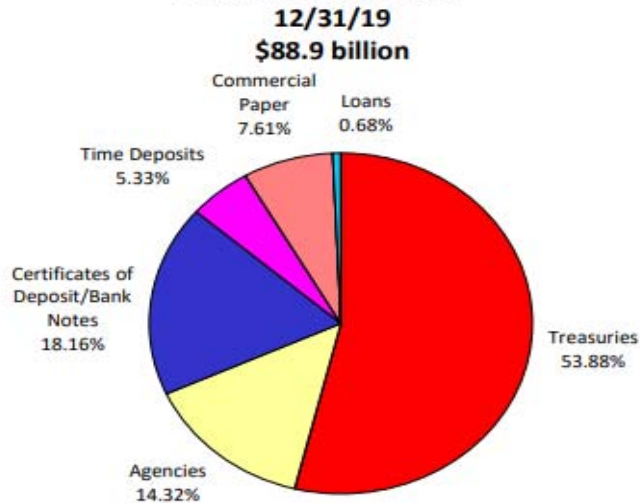
Note: Operational funds are collected on a quarterly basis at the beginning of the quarter. Capital funds are collected on a quarterly basis in connection with projected needs. Member agencies have pledged to have funds available to meet all obligations.



PMIA/LAIF Performance Report as of 01/15/2020



Pooled Money Investment Account Portfolio Composition ⁽¹⁾



Percentages may not total 100% due to rounding

PMIA Average Monthly Effective Yields⁽¹⁾

Dec 2019	2.043
Nov 2019	2.103
Oct 2019	2.190

LAIF Quarterly Performance Quarter Ended 12/31/19

Apportionment Rate ⁽²⁾ :	2.29
Earnings Ratio ⁽²⁾ :	0.0000625008577897
Fair Value Factor ⁽¹⁾ :	1.001770298
Daily ⁽¹⁾ :	2.02%
Quarter to Date ⁽¹⁾ :	2.11%
Average Life ⁽¹⁾ :	226

PMIA Daily Rates⁽¹⁾

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
12/16/19	2.04	2.13	226
12/17/19	2.04	2.13	226
12/18/19	2.04	2.13	227
12/19/19	2.04	2.13	226
12/20/19	2.03	2.12	224
12/21/19	2.03	2.12	224
12/22/19	2.03	2.12	224
12/23/19	2.03	2.12	222
12/24/19	2.03	2.12	225
12/25/19	2.03	2.12	225
12/26/19	2.03	2.12	224
12/27/19	2.03	2.12	227
12/28/19	2.03	2.12	227
12/29/19	2.03	2.12	227
12/30/19	2.03	2.11	224
12/31/19	2.02	2.11	226
01/01/20	2.03	2.03	224
01/02/20	2.00	2.02	231
01/03/20	2.00	2.01	229
01/04/20	2.00	2.01	229
01/05/20	2.00	2.01	229
01/06/20	2.00	2.00	226
01/07/20	1.99	2.00	224
01/08/20	1.99	2.00	224
01/09/20	1.99	2.00	224
01/10/20	1.98	2.00	223
01/11/20	1.98	2.00	223
01/12/20	1.98	2.00	223
01/13/20	1.98	1.99	220
01/14/20	1.97	1.99	221
01/15/20	1.96	1.99	228

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

- (1) State of California, Office of the Treasurer
- (2) State of California, Office of the Controller

Exhibit C

**South Orange County Wastewater Authority
Schedule of Cash and Investments
as of January 31, 2020**

MVA	\$ 1,850,617	(A)
A/P Checking	1,067,043	(B)
Payroll Checking	89,874	(C)
State LAIF	24,752,827	(D)
Total Cash in Bank	\$ 27,760,360	
Petty Cash	1,600	(E)
Total Operating Cash	\$ 27,761,960	
OPEB Trust	5,430,961	(F)
Total Cash and Investments	\$ 33,192,920	

Notes:

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

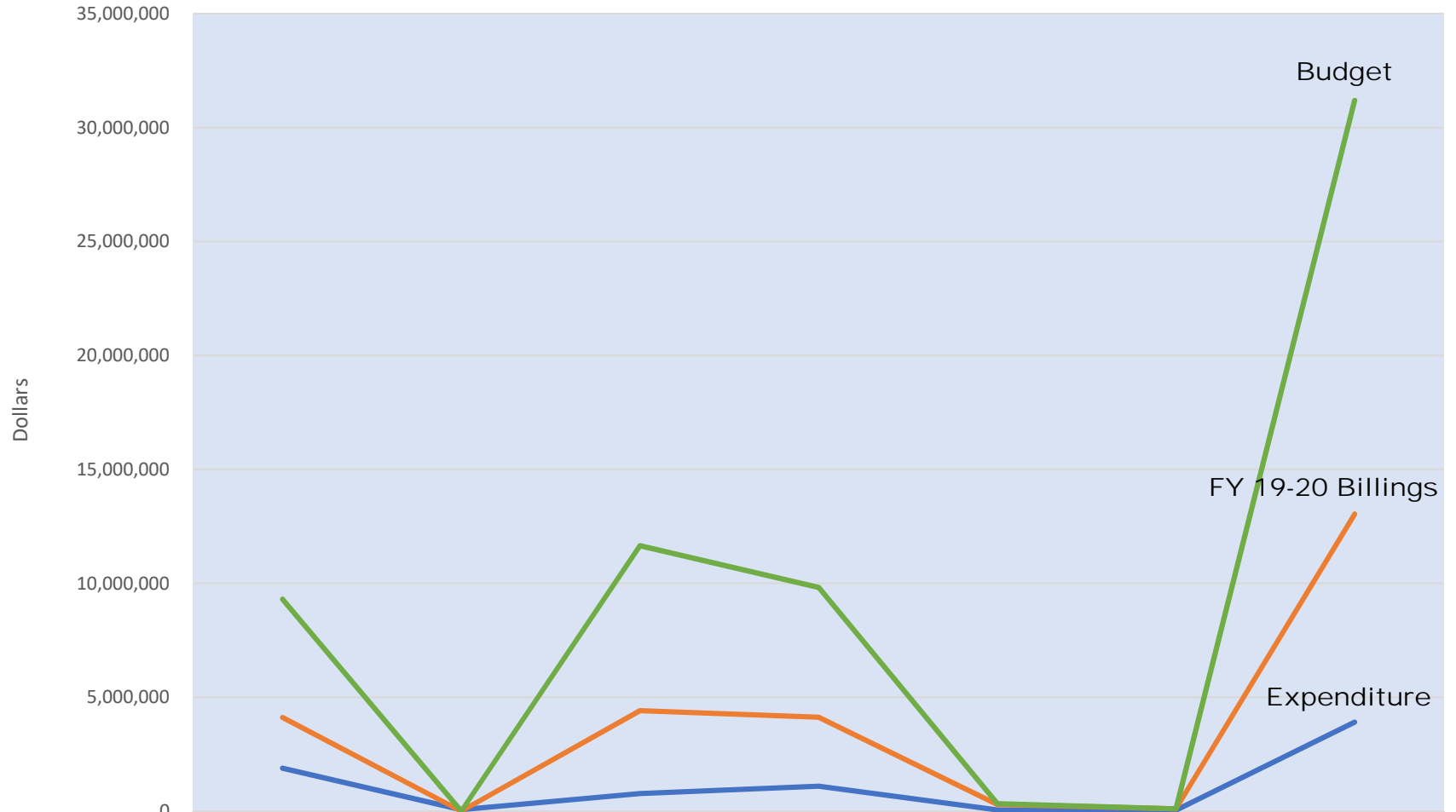
**South Orange County Wastewater Authority
Capital Projects Summaries
For the Period Ended January 31, 2020**

FY 2019-20 Budget vs. Actual Spending								
Description	Capital Budget	Fiscal Year Spending	(Over)/ Under Budget	% Expended	Member Agency Billed	Member Agency Collections	Current Receivables	% Expended vs. Billed
PC 2-JB Latham	9,301,575	1,888,446	7,413,129	20.3%	4,113,811	4,113,811		45.9%
* PC 5-San Juan Creek Outfall	-	61,440	(61,440)		-	-		
PC 15-Coastal	11,644,171	773,400	10,870,771	6.6%	4,413,254	4,389,688	23,566	17.6%
PC 17-Regional	9,817,108	1,096,174	8,720,934	11.2%	4,122,199	3,420,205	701,994	32.0%
PC 21 Effluent Transmission	329,666	49,837	279,828	15.1%	289,016	252,951	36,065	19.7%
PC 24 Aliso Creek Outfall	106,253	36,247	70,006	34.1%	106,253	106,253		34.1%
Total Large Capital	31,198,772	3,905,544	27,293,229	12.5%	13,044,533	12,282,908	761,625	31.8%
Non-Capital Engineering	838,687	47,922	790,765	5.7%	838,688	757,935	80,753	6.3%
Non-Capital Misc Engineering	425,000	45,127	379,873	10.6%	318,758	275,041	43,717	16.4%
Small Internal Capital	2,047,504	496,468	1,551,036	24.2%	1,535,628	1,301,963	233,665	38.1%
Total Capital	34,509,964	4,495,061	30,014,903	13.0%	15,737,607	14,617,847	1,119,760	30.8%

* PC 5 does not have a budget for FY 19-20 due to Cash on Hand for work that shifted into the current year.

Large Capital Projects Fiscal Year '19-20 Budget vs. Year-to-Date Expenditures & Billings as of 01/31/2020

D-1



	PC 2-JB Latham	PC 5-San Juan Creek Outfall	PC 15-Coastal	PC 17-Regional	PC 21 Effluent Transmission	PC 24 Aliso Creek Outfall	Total Large Capital
Spent - YTD 12/31/19	1,888,446	61,440	773,400	1,096,174	49,837	36,247	3,905,544
FY 19-20 Billings	4,113,811	0	4,413,254	4,122,199	289,016	106,253	13,044,533
Capital Budget 19-20	9,301,575	-	11,644,171	9,817,108	329,666	106,253	31,198,772

**South Orange County Sewerage Authority
O & M & Environmental Safety Costs Summary**
For the Period Ended January 31, 2020

		FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
Salary and Fringe							
5000.	Regular Salaries-O&M *	4,620,132	10,289	4,630,421	2,551,765	2,078,656	55.1%
5001.	Overtime Salaries-O&M	109,504		109,504	55,236	54,268	50.4% (1)
5306.	Scheduled Holiday Work	28,692		28,692	23,367	5,325	81.4%
5315.	Comp Time - O&M	7,796		7,796	8,513	(717)	109.2% (1)
5401.	Fringe Benefits IN to PC's & Depts.	3,323,840		3,323,840	1,804,728	1,519,112	54.3%
5700.	Standby Pay	67,600		67,600	40,123	27,477	59.4%
	Total Payroll Costs	8,157,564	10,289	8,167,853	4,483,732	3,684,121	54.9%
Other Expenses							
5002.	Electricity	1,022,564		1,022,564	654,597	367,967	64.0% (2)
5003.	Natural Gas	266,504		266,504	144,864	121,640	54.4%
5004.	Potable & Reclaimed Water	84,992		84,992	42,233	42,759	49.7%
5005.	Co-generation Power Credit	(325,004)		(325,004)	(326,388)	1,384	100.4% (11)
5006.	Chlorine/Sodium Hypochlorite	506,000		506,000	278,889	227,111	55.1%
5007.	Polymer Products	805,004		805,004	370,275	434,729	46.0%
5008.	Ferric Chloride	304,992		304,992	249,418	55,574	81.8% (3)
5009.	Odor Control Chemicals	130,000		130,000	53,268	76,732	41.0%
5010.	Other Chemicals - Misc.	2,996		2,996	-	2,996	0.0%
5011.	Laboratory Services	44,412		44,412	33,994	10,418	76.5%
5012.	Grit Hauling	128,252		128,252	73,179	55,073	57.1%
5013.	Landscaping	159,996		159,996	78,745	81,251	49.2%
5015.	Management Support Services	360,212		360,212	116,294	243,918	32.3%
5016.	Audit - Environmental	600		600	-	600	0.0%
5017.	Legal Fees	28,352		28,352	29,842	(1,490)	105.3%
5018.	Public Notices/ Public Relations	5,004		5,004	277	4,727	5.5%
5019.	Contract Services Misc.	199,996		199,996	169,615	30,381	84.8%
5021.	Small Vehicle Expense	24,064		24,064	10,680	13,384	44.4%
5022.	Miscellaneous Expense	18,004		18,004	3,663	14,341	20.3%
5023.	Office Supplies - All	43,004		43,004	23,616	19,388	54.9%
5024.	Petroleum Products	49,004		49,004	12,882	36,122	26.3%
5025.	Uniforms	54,004		54,004	39,233	14,771	72.6%
5026.	Small Vehicle Fuel	31,500		31,500	10,846	20,654	34.4%
5027.	Insurance - Property/Liability **	210,096	55,929	266,025	195,726	70,299	73.6%
5028.	Small Tools & Supplies	74,872		74,872	44,386	30,486	59.3%
5030.	Trash Disposal	6,992		6,992	2,950	4,042	42.2%
5031.	Safety Program & Supplies	117,356		117,356	80,198	37,158	68.3% (4)
5032.	Equipment Rental	7,004		7,004	-	7,004	0.0%
5033.	Recruitment	3,004		3,004	1,904	1,100	63.4%
5034.	Travel Expense/Tech. Conferences	61,932		61,932	34,947	26,985	56.4%
5035.	Training Expense	55,168		55,168	19,904	35,264	36.1%
5036.	Laboratory Supplies	93,256		93,256	48,120	45,136	51.6%
5037.	Office Equipment	25,000		25,000	3,276	21,724	13.1%
5038.	Permits	500,128		500,128	427,029	73,099	85.4% (6)
5039.	Membership Dues/Fees	22,892		22,892	20,636	2,256	90.1% (7)
5044.	Offshore Monitoring	36,000		36,000	34,049	1,951	94.6% (8)
5046.	Effluent Chemistry	28,004		28,004	18,670	9,334	66.7%
5047.	Access Road Expenses	49,000		49,000	21,706	27,294	44.3%
5048.	Storm Damage	20,008		20,008	549	19,459	2.7%
5049.	Biosolids Disposal	1,355,004		1,355,004	742,866	612,138	54.8%
5050.	Contract Services Generators - 29A	22,008		22,008	-	22,008	0.0%
5052.	Janitorial Services	102,008		102,008	46,312	55,696	45.4%
5053.	Contract Serv - Digester Cleaning - 29E	59,996		59,996	-	59,996	0.0%
5054.	Diesel Truck Maint	41,000		41,000	26,047	14,953	63.5% (9)
5055.	Diesel Truck Fuel - 37B	14,996		14,996	4,871	10,125	32.5%
5056.	Maintenance Equip. & Facilities (Solids)	356,004		356,004	153,254	202,750	43.0%
5057.	Maintenance Equip. & Facilities (Liquids)	663,000		663,000	314,260	348,740	47.4%
5058.	Maintenance Equip. & Facilities (Common)	87,008		87,008	50,652	36,356	58.2%
5059.	Maintenance Equip. & Facilities (Co-Gen)	957,996		957,996	349,495	608,501	36.5%
5060.	Maintenance Equip. & Facilities (AWT)	74,000		74,000	41,488	32,512	56.1% (5)
5061.	Mileage	2,508		2,508	1,421	1,087	56.7%
5068.	MNWD Potable Water Supplies & Svcs.	24,972		24,972	11,590	13,382	46.4%
5069.	Outfall Inspection/Port Cleaning	60,004		60,004	15,750	44,254	26.2%
5076.	SCADA Infrastructure	20,992		20,992	698	20,294	3.3%
5077.	IT Direct	16,080		16,080	12,771	3,309	79.4% (10)
5105.	Co-Generation Power Credit - Offset	325,000		325,000	326,388	(1,388)	100.4% (11)
5303.	Group Insurance Waiver	14,396		14,396	8,616	5,780	59.9%
5305.	Medicare Tax Payments for Employees	2,784		2,784	2,743	41	98.5%
5309.	Operating Leases	21,800		21,800	12,249	9,551	56.2%
5705.	Monthly Car Allowance	28,184		28,184	17,340	10,844	61.5%
5706.	Effluent Pond Cleaning	90,000		90,000	-	90,000	0.0%
02-5799-01-00-00	Zephyr Wall Costs Share - O&M	-		-	(14,079)	14,079	0.0%
6500.	IT Allocations in to PC's & Depts.	592,694		592,694	374,989	217,705	63.3%
	Total Other Expenses	10,188,598	55,929	10,244,527	5,528,570	4,715,957	54.0%
	Total O&M Expenses	18,346,162	66,218	18,412,380	10,012,302	8,400,078	54.6%

* Board approved (one year) payment of PEPPRA employee's contribution rate increase
** Pooled Liability Retro Adjustment

South Orange County Wastewater Authority
O & M & Environmental Safety Costs Summary
For the Period Ended January 31, 2020

- (1) Staff is utilizing Comp Time more than Overtime Salaries and considering both line items together, the overall Overtime Budget is 54.35% of the FY amount.
- (2) Power costs are elevated, and the line item Budget may need to be adjusted due to high energy demand charges as discussed with the Board in May during the approval of the FY 2019-20 Budget.
Ferric chloride usage continues to be elevated due to sulfur type filamentous bacteria entering the plants from the collection system. O&M staff has increased Ferric dosing to trying to settle the bacteria in the primary clarifiers prior to biological treatment because these bacteria do not settle well and impact effluent quality. These bacteria are becoming more prevalent in the collection system to the plants with lower and lower sewer flows.
- (3)
- (4) The first quarter included the purchase of new boots per the Employee Manual; expenses are planned to level off.
- (5) Annual AWT cleaning completed; expenses are planned to level off.
- (6) Costs to date include SOCWA's annual renewal of its NPDES and SCAQMD permits; expenses are planned to level off.
- (7) Membership renewals include Water Research Foundation at an increase over prior membership.
- (8) Additional costs due to replacement of moors in the ocean for sample location identification.
- (9) Sludge hauling truck emissions contro system repairs. Truck rented for several biosolids hauling trips.
- (10) PC specific SCADA laptops and software purchases, expenses have leveled off. Work at home equipment due to covid 19 may increase expenses in the later half of the Fiscal Year.
- (11) The value of power is higher than anticiapted during the budget process. This will be adjusted in the FY20/21 Budget.

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
For the Period Ended January 31, 2020

	FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	%Expended	
02 - Jay B. Latham Plant							
Salary and Fringe							
02-5000-***.**	Regular Salaries-O&M *	1,539,152	5,045	1,544,197	922,875	621,322	59.8%
02-5001-***.**	Overtime Salaries-O&M	35,144		35,144	20,308	14,836	57.8% (1)
02-5306-***.**	Scheduled Holiday Work	13,324		13,324	9,493	3,831	71.2%
02-5315-***.**	Comp Time - O&M	3,508		3,508	4,867	(1,359)	138.7% (1)
02-5401-***.**	Fringe Benefits IN to PC's & Depts.	1,107,296		1,107,296	651,659	455,637	58.9%
02-5700-***.**	Standby Pay	13,520		13,520	15,312	(1,792)	113.3% (2)
	Total Payroll Costs	2,711,944	5,045	2,716,989	1,624,514	1,092,475	59.8%
Other Expenses							
02-5002-***.**	Electricity	399,688		399,688	285,068	114,620	71.3% (3)
02-5003-***.**	Natural Gas	168,004		168,004	64,675	103,329	38.5%
02-5004-***.**	Potable & Reclaimed Water	24,000		24,000	13,315	10,685	55.5%
02-5006-***.**	Chlorine/Sodium Hypochlorite	5,000		5,000	3,657	1,343	73.1% (4)
02-5007-***.**	Polymer Products	322,000		322,000	140,428	181,572	43.6%
02-5008-***.**	Ferric Chloride	103,736		103,736	71,558	32,178	69.0% (5)
02-5009-***.**	Odor Control Chemicals	28,988		28,988	11,027	17,961	38.0%
02-5010-***.**	Other Chemicals - Misc.	1,000		1,000	-	1,000	0.0%
02-5011-***.**	Laboratory Services	10,916		10,916	4,910	6,006	45.0%
02-5012-***.**	Grit Hauling	51,252		51,252	29,166	22,086	56.9%
02-5013-***.**	Landscaping	41,780		41,780	33,379	8,401	79.9% (6)
02-5015-***.**	Management Support Services	33,004		33,004	13,185	19,819	40.0%
02-5017-***.**	Legal Fees	3,328		3,328	1,077	2,251	32.4%
02-5019-***.**	Contract Services Misc.	60,240		60,240	43,035	17,205	71.4%
02-5021-***.**	Small Vehicle Expense	10,004		10,004	3,062	6,942	30.6%
02-5022-***.**	Miscellaneous Expense	8,000		8,000	2,907	5,093	36.3%
02-5023-***.**	Office Supplies - All	28,000		28,000	11,337	16,663	40.5%
02-5024-***.**	Petroleum Products	14,124		14,124	3,423	10,701	24.2%
02-5025-***.**	Uniforms	20,000		20,000	16,070	3,930	80.4% (7)
02-5026-***.**	Small Vehicle Fuel	15,004		15,004	5,987	9,017	39.9%
02-5027-***.**	Insurance - Property/Liability **	68,556	18,250	86,806	65,642	21,164	75.6%
02-5028-***.**	Small Tools & Supplies	35,496		35,496	10,716	24,780	30.2%
02-5030-***.**	Trash Disposal	2,000		2,000	710	1,290	35.5%
02-5031-***.**	Safety Program & Supplies	39,652		39,652	25,438	14,214	64.2% (8)
02-5032-***.**	Equipment Rental	3,000		3,000	-	3,000	0.0%
02-5033-***.**	Recruitment	1,000		1,000	698	302	69.8%
02-5034-***.**	Travel Expense/Tech. Conferences	15,964		15,964	9,681	6,283	60.6% (9)
02-5035-***.**	Training Expense	13,168		13,168	6,875	6,293	52.2%
02-5036-***.**	Laboratory Supplies	14,520		14,520	7,292	7,228	50.2%
02-5037-***.**	Office Equipment	13,000		13,000	1,143	11,857	8.8%
02-5038-***.**	Permits	22,500		22,500	17,783	4,717	79.0%
02-5039-***.**	Membership Dues/Fees	4,200		4,200	8,212	(4,012)	195.5% (10)
02-5049-***.**	Biosolids Disposal	450,000		450,000	253,207	196,793	56.3%
02-5050-***.**	Contract Services Generators - 29A	10,004		10,004	-	10,004	0.0%
02-5052-***.**	Janitorial Services	41,000		41,000	23,395	17,605	57.1%
02-5053-***.**	Contract Serv - Digester Cleaning - 29E	59,996		59,996	-	59,996	0.0%
02-5054-***.**	Diesel Truck Maint	21,000		21,000	11,547	9,453	55.0%
02-5055-***.**	Diesel Truck Fuel - 37B	6,000		6,000	1,504	4,496	25.1%
02-5056-***.**	Maintenance Equip. & Facilities (Solids)	155,004		155,004	66,030	88,974	42.6%
02-5057-***.**	Maintenance Equip. & Facilities (Liquids)	254,000		254,000	127,975	126,025	50.4%
02-5058-***.**	Maintenance Equip. & Facilities (Common)	28,000		28,000	25,953	2,047	92.7% (11)
02-5059-***.**	Maintenance Equip. & Facilities (Co-Gen)	369,996		369,996	148,288	221,708	40.1%
02-5061-***.**	Mileage	1,504		1,504	511	993	34.0%
02-5076-***.**	SCADA Infrastructure	6,996		6,996	698	6,298	10.0%
02-5077-***.**	IT Direct	8,040		8,040	6,294	1,746	78.3% (12)
02-5303-***.**	Group Insurance Waiver	3,600		3,600	2,154	1,446	59.8%
02-5305-***.**	Medicare Tax Payments for Employees	1,116		1,116	1,598	(482)	143.2%
02-5309-***.**	Operating Leases	21,800		21,800	12,249	9,551	56.2%
02-5705-***.**	Monthly Car Allowance	12,592		12,592	9,801	2,791	77.8%
02-5799-01-00-00	Zephyr Wall Costs Share - O&M	-		-	(14,079)	14,079	0.0%
02-6500-***.**	IT Allocations in to PC's & Depts.	197,448		197,448	124,923	72,525	63.3%
	Total Other Expenses	3,229,220	18,250	3,247,470	1,719,986	1,527,484	53.0%
	Total Expenses	5,941,164	23,295	5,964,459	3,344,500	2,619,959	56.1%

**South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC**
For the Period Ended January 31, 2020

		FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	%Expended
05 - San Juan Creek Ocean Outfall							
Salary and Fringe							
05-5000-**-**	Regular Salaries-O&M *	102,104		102,104	58,560	43,544	57.4%
05-5001-**-**	Overtime Salaries-O&M	900		900	480	420	53.3%
05-5306-**-**	Scheduled Holiday Work				195	(195)	0.0%
05-5401-**-**	Fringe Benefits IN to PC's & Depts.	73,456		73,456	41,578	31,878	56.6%
	Total Payroll Costs	176,460	-	176,460	100,812	75,648	57.1%
Other Expenses							
05-5003-**-**	Natural Gas	500		500	-	500	0.0%
05-5015-**-**	Management Support Services	15,004		15,004	3,273	11,731	21.8%
05-5017-**-**	Legal Fees	3,012		3,012	1,220	1,792	40.5%
05-5027-**-**	Insurance - Property/Liability **	6,248	1,663	7,911	5,725	2,186	72.4%
05-5031-**-**	Safety Supplies	1,004		1,004	140	864	13.9%
05-5034-**-**	Travel Expense/Tech. Conferences	3,712		3,712	1,925	1,787	51.8%
05-5035-**-**	Training Expense	5,988		5,988	110	5,878	1.8%
05-5036-**-**	Laboratory Supplies	19,468		19,468	9,252	10,216	47.5%
05-5038-**-**	Permits	196,000		196,000	194,825	1,175	99.4% (13)
05-5039-**-**	Membership Dues/Fees	5,496		5,496	-	5,496	0.0%
05-5044-**-**	Offshore Monitoring	18,000		18,000	15,345	2,655	85.2% (14)
05-5046-**-**	Effluent Chemistry	14,000		14,000	9,178	4,823	65.6%
05-5058-**-**	Maintenance Equip. & Facilities (Common)	1,004		1,004	-	1,004	0.0%
05-5069-**-**	Misc-Capital-Dilution & Metering Study	30,000		30,000	9,155	20,845	30.5%
05-6500-**-**	IT Allocations in to PC's & Depts.	13,100		13,100	8,288	4,812	63.3%
	Total Other Expenses	332,536	1,663	334,199	258,435	75,764	77.3%
	Total Expenses	508,996	1,663	510,659	359,247	151,412	70.3%
08 - Pre Treatment							
Salary and Fringe							
08-5000-**-**	Regular Salaries-O&M *	92,352		92,352	48,188	44,164	52.2%
08-5315-**-**	Comp Time - Environment	-		-	335	(335)	0.0%
08-5401-**-**	Fringe Benefits IN to PC's & Depts.	66,436		66,436	34,213	32,223	51.5%
	Total Payroll Costs	158,788	-	158,788	82,736	76,053	52.1%
Other Expenses							
08-5011-**-**	Laboratory Services	2,996		2,996	1,565	1,431	52.2%
08-5015-**-**	Management Support Services	2,004		2,004	-	2,004	0.0%
08-5016-**-**	Audit - Environmental	600		600	-	600	0.0%
08-5017-**-**	Legal Fees	2,504		2,504	-	2,504	0.0%
08-5018-**-**	Public Notices/ Public Relations	5,004		5,004	277	4,727	5.5%
08-5021-**-**	Small Vehicle Expense - 31A	1,056		1,056	43	1,013	4.1%
08-5022-**-**	Miscellaneous Expense	2,004		2,004	-	2,004	0.0%
08-5026-**-**	Small Vehicle Fuel - 37A	1,500		1,500	359	1,141	23.9%
08-5027-**-**	Insurance - Property/Liability **	2,160	575	2,735	2,001	734	73.2%
08-5028-**-**	Small Tools & Supplies	3,876		3,876	1,215	2,661	31.4%
08-5031-02-00-00	Safety Program & Supplies	-		-	197	(197)	0.0%
08-5034-**-**	Travel Expense/Tech. Conferences	4,348		4,348	84	4,264	1.9%
08-5035-**-**	Training Expense	1,564		1,564	1,615	(51)	103.3%
08-5038-**-**	Permits and Fines	10,012		10,012	-	10,012	0.0%
08-5039-**-**	Membership Dues/Fees	1,016		1,016	741	275	72.9% (10)
08-6500-**-**	IT Allocations in to PC's & Depts.	11,840		11,840	7,495	4,345	63.3%
	Total Other Expenses	52,484	575	53,059	15,591	37,468	29.4%
	Total Expenses	211,272	575	211,847	98,327	113,520	46.4%
12 - Water Reclamation Permits							
Salary and Fringe							
12-5000-**-**	Regular Salaries-O&M *	35,084		35,084	39,842	(4,758)	113.6% (16)
12-5401-**-**	Fringe Benefits IN to PC's & Depts.	25,248		25,248	28,288	(3,040)	112.0% (16)
	Total Payroll Costs	60,332	-	60,332	68,130	(7,798)	112.9%
Other Expenses							
12-5015-**-**	Management Support Services	270,000		270,000	77,684	192,316	28.8%
12-5017-**-**	Legal Fees	2,004		2,004	-	2,004	0.0%
12-5027-**-**	Insurance - Property/Liability **	2,364	629	2,993	2,253	740	75.3%
12-5034-**-**	Travel Expense/Tech. Conferences	2,280		2,280	-	2,280	0.0%
12-5038-**-**	Permits	20,000		20,000	19,649	351	98.2%
12-6500-**-**	IT Allocations in to PC's & Depts.	4,508		4,508	2,849	1,659	63.2%
	Total Other Expenses	301,156	629	301,785	102,435	199,350	33.9%
	Total Expenses	361,488	629	362,117	170,565	191,553	47.1%

**South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC**
For the Period Ended January 31, 2020

15 - Coastal Treatment Plant

		FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	%Expended
Salary and Fringe							
15-5000-**-**	Regular Salaries-O&M *	954,416	1,115	955,531	487,194	468,337	51.0%
15-5001-**-**	Overtime Salaries-O&M	18,928		18,928	11,901	7,027	62.9%
15-5306-**-**	Scheduled Holiday Work	2,596		2,596	3,515	(919)	135.4%
15-5315-**-**	Comp Time - O&M	4,288		4,288	2,137	2,151	49.8%
15-5401-**-**	Fringe Benefits IN to PC's & Depts.	686,636		686,636	345,116	341,520	50.3%
15-5700-**-**	Standby Pay	27,040		27,040	5,237	21,803	19.4%
	Total Payroll Costs	1,693,904	1,115	1,695,019	855,100	839,919	50.4%
Other Expenses							
15-5002-**-**	Electricity	270,960		270,960	144,463	126,497	53.3%
15-5003-**-**	Natural Gas	3,000		3,000	1,371	1,629	45.7%
15-5004-**-**	Potable & Reclaimed Water	30,996		30,996	13,900	17,096	44.8%
15-5006-**-**	Chlorine/Sodium Hypochlorite	99,000		99,000	46,216	52,784	46.7%
15-5007-**-**	Polymer Products	1,004		1,004	-	1,004	0.0%
15-5008-**-**	Ferric Chloride	28,368		28,368	23,057	5,311	81.3% (5)
15-5009-**-**	Odor Control Chemicals	56,216		56,216	20,638	35,578	36.7%
15-5011-**-**	Laboratory Services	14,000		14,000	7,429	6,572	53.1%
15-5012-**-**	Grit Hauling	30,000		30,000	12,788	17,212	42.6%
15-5013-**-**	Landscaping	50,548		50,548	11,965	38,583	23.7%
15-5015-**-**	Management Support Services	4,500		4,500	2,134	2,366	47.4%
15-5017-**-**	Legal Fees	15,000		15,000	1,547	13,453	10.3%
15-5019-**-**	Contract Services Misc.	59,036		59,036	60,847	(1,811)	103.1%
15-5021-**-**	Small Vehicle Expense - 31A	6,004		6,004	148	5,856	2.5%
15-5022-**-**	Miscellaneous Expense	2,996		2,996	324	2,672	10.8%
15-5023-**-**	Office Supplies - All	4,004		4,004	5,345	(1,341)	133.5% (17)
15-5024-**-**	Petroleum Products	1,660		1,660	1,624	36	97.8%
15-5025-**-**	Uniforms	9,000		9,000	6,249	2,751	69.4%
15-5026-**-**	Small Vehicle Fuel - 37A	5,000		5,000	807	4,193	16.1%
15-5027-**-**	Insurance - Property/Liability **	35,372	9,416	44,788	32,464	12,325	72.5%
15-5028-**-**	Small Tools & Supplies	9,524		9,524	11,568	(2,044)	121.5% (18)
15-5030-**-**	Trash Disposal	2,996		2,996	1,045	1,951	34.9%
15-5031-**-**	Safety Program & Supplies	36,048		36,048	14,179	21,869	39.3%
15-5032-**-**	Equipment Rental	1,000		1,000	-	1,000	0.0%
15-5033-**-**	Recruitment	1,000		1,000	247	753	24.7%
15-5034-**-**	Travel Expense/Tech. Conferences	15,968		15,968	5,356	10,612	33.5%
15-5035-**-**	Training Expense	13,268		13,268	6,417	6,851	48.4%
15-5036-**-**	Laboratory Supplies	16,500		16,500	10,825	5,675	65.6%
15-5037-**-**	Office Equipment	2,000		2,000	682	1,318	34.1%
15-5038-**-**	Permits	23,236		23,236	4,093	19,143	17.6%
15-5039-**-**	Membership Dues/Fees	2,368		2,368	5,621	(3,253)	237.4% (10)
15-5047-**-**	Access Road Expenses	49,000		49,000	21,706	27,294	44.3%
15-5048-**-**	Storm Damage	20,008		20,008	549	19,459	2.7%
15-5050-**-**	Contract Services Generators - 29A	4,004		4,004	-	4,004	0.0%
15-5052-**-**	Janitorial Services	20,008		20,008	6,531	13,477	32.6%
15-5054-**-**	Diesel Truck Maint - 31B	996		996	-	996	0.0%
15-5055-**-**	Diesel Truck Fuel - 37B	996		996	-	996	0.0%
15-5057-**-**	Maintenance Equip. & Facilities (Liquids)	179,000		179,000	59,418	119,582	33.2%
15-5058-**-**	Maintenance Equip. & Facilities (Common)	22,000		22,000	5,853	16,147	26.6%
15-5060-**-**	Maintenance Equip. & Facilities (AWT) 41-E	37,000		37,000	11,196	25,804	30.3%
15-5061-01-00-00	Mileage	-		-	353	(353)	0.0%
15-5076-**-**	SCADA Infrastructure	6,996		6,996	-	6,996	0.0%
15-5077-01-00-00	IT Direct	-		-	3,239	(3,239)	0.0% (19)
15-5303-**-**	Group Insurance Waiver	3,604		3,604	2,154	1,450	59.8%
15-5305-**-**	Medicare Tax Payments for Employees	1,668		1,668	1,145	523	68.6%
15-5705-**-**	Monthly Car Allowance	4,200		4,200	2,513	1,687	59.8%
15-6500-**-**	IT Allocations in to PC's & Depts.	122,436		122,436	77,465	44,971	63.3%
	Total Other Expenses	1,323,488	9,416	1,332,904	643,279	689,625	48.3%
	Total Expenses	3,017,392	10,532	3,027,924	1,498,380	1,529,544	49.5%

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
 For the Period Ended January 31, 2020

	FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	%Expended
17 - Joint Regional Wastewater Reclamation and Sludge Handling						
Salary and Fringe						
17-5000-**-**	Regular Salaries-O&M *	1,797,416	4,129	1,801,545	937,414	864,131 52.0%
17-5001-**-**	Overtime Salaries-O&M	54,072		54,072	21,943	32,129 40.6% (1)
17-5306-**-**	Scheduled Holiday Work	12,772		12,772	9,699	3,073 75.9%
17-5315-02-01-00	Comp Time - O&M	-		-	1,107	(1,107) 0.0% (1)
17-5401-**-**	Fringe Benefits IN to PC's & Depts.	1,293,120		1,293,120	662,913	630,207 51.3%
17-5700-**-**	Standby Pay	27,040		27,040	19,574	7,466 72.4%
	Total Payroll Costs	3,184,420	4,129	3,188,549	1,652,651	1,535,898 51.8%
Other Expenses						
17-5002-**-**	Electricity	351,916		351,916	225,066	126,850 64.0% (20)
17-5003-**-**	Natural Gas	95,000		95,000	78,817	16,183 83.0% (21)
17-5004-**-**	Potable & Reclaimed Water	29,996		29,996	15,018	14,978 50.1%
17-5005-**-**	Co-generation Power Credit	(325,004)		(325,004)	(326,388)	1,384 100.4% (29)
17-5006-**-**	Chlorine/Sodium Hypochlorite	402,000		402,000	229,016	172,984 57.0% (22)
17-5007-**-**	Polymer Products	482,000		482,000	229,847	252,153 47.7%
17-5008-**-**	Ferric Chloride	172,888		172,888	154,803	18,085 89.5% (5)
17-5009-**-**	Odor Control Chemicals	44,796		44,796	21,604	23,192 48.2%
17-5010-**-**	Other Chemicals - Misc.	1,996		1,996	-	1,996 0.0%
17-5011-**-**	Laboratory Services	16,500		16,500	8,891	7,609 53.9%
17-5012-**-**	Grit Hauling - 21A	47,000		47,000	31,224	15,776 66.4% (23)
17-5013-**-**	Landscaping	67,668		67,668	33,401	34,267 49.4%
17-5015-**-**	Management Support Services	13,204		13,204	15,099	(1,895) 114.4% (24)
17-5017-**-**	Legal Fees	1,500		1,500	24,197	(22,697) 1613.2% (25)
17-5019-**-**	Contract Services Misc.	80,720		80,720	65,575	15,145 81.2%
17-5021-**-**	Small Vehicle Expense	7,000		7,000	7,427	(427) 106.1% (26)
17-5022-**-**	Miscellaneous Expense	5,004		5,004	433	4,571 8.7%
17-5023-**-**	Office Supplies - All	11,000		11,000	6,935	4,065 63.0%
17-5024-**-**	Petroleum Products	33,220		33,220	7,836	25,384 23.6%
17-5025-**-**	Uniforms	25,004		25,004	16,914	8,090 67.6%
17-5026-**-**	Small Vehicle Fuel	9,996		9,996	3,694	6,302 37.0%
17-5027-**-**	Insurance - Property/Liability **	88,132	23,461	111,593	81,036	30,557 72.6%
17-5028-**-**	Small Tools & Supplies	25,976		25,976	20,888	5,088 80.4% (18)
17-5030-**-**	Trash Disposal	1,996		1,996	1,195	801 59.9%
17-5031-**-**	Safety Program & Supplies	39,648		39,648	40,244	(596) 101.5% (8)
17-5032-**-**	Equipment Rental	3,004		3,004	-	3,004 0.0%
17-5033-**-**	Recruitment	1,004		1,004	959	45 95.5%
17-5034-**-**	Travel Expense/Tech. Conferences	15,956		15,956	15,976	(20) 100.1% (9)
17-5035-**-**	Training Expense	15,172		15,172	4,888	10,284 32.2%
17-5036-**-**	Laboratory Supplies	23,208		23,208	11,929	11,279 51.4%
17-5037-**-**	Office Equipment	10,000		10,000	1,451	8,549 14.5%
17-5038-**-**	Permits	41,624		41,624	4,270	37,354 10.3%
17-5039-**-**	Membership Dues/Fees	4,312		4,312	6,062	(1,750) 140.6% (10)
17-5049-**-**	Biosolids Disposal	905,004		905,004	489,659	415,345 54.1%
17-5050-**-**	Contract Services Generators - 29A	8,000		8,000	-	8,000 0.0%
17-5052-**-**	Janitorial Services	41,000		41,000	16,386	24,614 40.0%
17-5054-**-**	Diesel Truck Maint	19,004		19,004	14,500	4,504 76.3% (27)
17-5055-**-**	Diesel Truck Fuel - 37B	8,000		8,000	3,366	4,634 42.1%
17-5056-**-**	Maintenance Equip. & Facilities (Solids)	201,000		201,000	87,224	113,776 43.4%
17-5057-**-**	Maintenance Equip. & Facilities (Liquids)	230,000		230,000	126,866	103,134 55.2%
17-5058-**-**	Maintenance Equip. & Facilities (Common)	35,000		35,000	18,845	16,155 53.8%
17-5059-**-**	Maintenance Equip. & Facilities (Co-Gen)	588,000		588,000	201,206	386,794 34.2%
17-5060-**-**	Maintenance Equip. & Facilities (AWT)	37,000		37,000	30,291	6,709 81.9% (28)
17-5061-**-**	Mileage	1,004		1,004	557	447 55.5%
17-5068-**-**	MNWD Potable Water Supplies & Svcs.	24,972		24,972	11,590	13,382 46.4%
17-5076-**-**	SCADA Infrastructure	7,000		7,000	-	7,000 0.0%
17-5077-**-**	IT Direct	8,040		8,040	3,239	4,801 40.3%
17-5105-**-**	Co-Generation Power Credit - Offset	325,000		325,000	326,388	(1,388) 100.4% (29)
17-5303-**-**	Group Insurance Waiver	7,192		7,192	4,308	2,884 59.9%
17-5705-**-**	Monthly Car Allowance	11,392		11,392	5,026	6,366 44.1%
17-5706-**-**	Effluent Pond Cleaning	90,000		90,000	-	90,000 0.0%
17-6500-**-**	IT Allocations in to PC's & Depts.	230,586		230,586	145,886	84,700 63.3%
	Total Other Expenses	4,620,630	23,461	4,644,091	2,523,755	2,120,336 54.3%
	Total Expenses	7,805,050	27,590	7,832,640	4,176,406	3,656,234 53.3%

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
For the Period Ended January 31, 2020

	FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	%Expended	
21 - Effluent Transmission Main							
Salary and Fringe							
21-5000-01-14-00		Regular Salaries-O&M *	-	503	(503)	0.0%	
21-5401-01-00-00		Fringe Benefits IN to PC's & Depts.	-	357	(357)	0.0%	
		Total Payroll Costs	-	859	(859)	0.0%	
Other Expenses							
21-5019-02-00-00		Contract Services Misc. - 29	-	157	(157)	0.0%	
21-5027-**-**-**	740	Insurance - Property/Liability **	197	648	289	69.1%	
	740	Total Other Expenses	197	1,183	(246)	126.2%	
	740	Total Expenses	197	2,042	(1,105)	217.9% (15)	
23 - North Coast Interceptor							
Other Expenses							
23-5011-02-00-00		Laboratory Services	-	11,200	(11,200)	0.0%	
23-5015-01-00-00		Management Support Services	-	4,195	(4,195)	0.0%	
23-5017-01-00-00		Legal Fees	-	1,800	(1,800)	0.0%	
		Total Other Expenses	-	17,194	(17,194)	0.0%	
			-	17,194	(17,194)	0.0%	
24 - Aliso Creek Ocean Outfall							
Salary and Fringe							
24-5000-**-**-**	99,608	Regular Salaries-O&M *	99,608	57,189	42,419	57.4%	
24-5001-**-**-**	460	Overtime Salaries-O&M	460	603	(143)	131.2%	
24-5306-01-11-00	-	Scheduled Holiday Work	-	466	(466)	0.0%	
24-5315-02-11-00	-	Comp Time - O&M	-	68	(68)	0.0%	
24-5401-**-**-**	71,648	Fringe Benefits IN to PC's & Depts.	71,648	40,604	31,044	56.7%	
	171,716	Total Payroll Costs	171,716	98,931	72,785	57.6%	
Other Expenses							
24-5015-**-**-**	22,496	Management Support Services	22,496	723	21,773	3.2%	
24-5017-**-**-**	1,004	Legal Fees	1,004	-	1,004	0.0%	
24-5027-**-**-**	6,524	Insurance - Property/Liability **	1,737	5,958	2,303	72.1%	
24-5031-**-**-**	1,004	Safety Supplies	1,004	-	1,004	0.0%	
24-5034-**-**-**	3,704	Travel Expense/Tech. Conferences	3,704	1,925	1,779	52.0%	
24-5035-**-**-**	6,008	Training Expense	6,008	-	6,008	0.0%	
24-5036-**-**-**	19,560	Laboratory Supplies	19,560	8,822	10,738	45.1%	
24-5038-**-**-**	186,756	Permits	186,756	186,407	349	99.8% (13)	
24-5039-**-**-**	5,500	Membership Dues/Fees	5,500	-	5,500	0.0%	
24-5044-**-**-**	18,000	Offshore Monitoring	18,000	18,705	(705)	103.9% (14)	
24-5046-**-**-**	14,004	Effluent Chemistry	14,004	9,493	4,512	67.8%	
24-5058-**-**-**	1,004	Maintenance Equip. & Facilities (Common) 41-C	1,004	-	1,004	0.0%	
24-5069-**-**-**	30,004	Outfall Inspection/Port Cleaning	30,004	6,595	23,409	22.0%	
24-6500-**-**-**	12,776	IT Allocations in to PC's & Depts.	12,776	8,084	4,692	63.3%	
	328,344	Total Other Expenses	1,737	330,081	246,711	83,370	74.7%
	500,060	Total Expenses	1,737	501,797	345,642	156,155	68.9%
	18,346,162	Total O&M Expenses	66,218	18,412,380	10,012,302	8,400,078	54.4%

* Board approved (one year) payment of PEPRAs employee's contribution rate increase

** Pooled Liability Retro Adjustment

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
For the Period Ended January 31, 2020

- (1) Staff is utilizing Comp Time more than Overtime and considering both line items together, JBL and CTP are slightly over budget and RTP is under budget.
- (2) Standby Pay is elevated due to the rotation schedule of the staff. The overall Standby Pay for O&M is on Budget and is anticipated to level out over the FY.
- (3) Power costs are elevated, and the line item Budget may need to be adjusted due to high energy demand charges as discussed with the Board in May during the approval of the FY 2019-20 Budget.
- (4) A leak in the fiberglass tank required staff to drain the bleach tank and refill it. The bleach drained from the leaking tank is being stored in temporary totes and will be used over the next few months.

Ferric chloride usage continues to be elevated due to sulfur type filamentous bacteria entering the plants from the collection system. O&M staff has increased Ferric dosing to try to settle the bacteria in the primary clarifiers prior to biological treatment because these bacteria do not settle well and impact effluent quality. These bacteria are becoming more prevalent in the collection system to the plants with lower and lower sewer flows. Ferric chloride usage is elevated in the summer at CTP and lowers in the winter; expenses are planned to level off.
- (5) Annual trees work was completed at the beginning of the FY; expenses are planned to level off.
- (6) Staff completed the restocking of PPE for the upcoming Winter; expenses are planned to level off.
- (7) The first quarter included 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 have leveled off and may be under budget due to cancellation of conferences.
- (9) Membership renewals include Water Research Foundation at an increase in cost.
- (10) The access gates and parking lot lighting poles were removed and recoated due to deterioration and corrosion from the ocean air.
- (11) Staff purchased an additional software license for JBL's Lockout-Tagout procedures. Also, a JBL SCADA laptop was replaced. Since both items are directly attributed to JBL, they are charged to PC-2; expenses are planned to level off.
- (12) Costs to date include SOCWA's annual renewal of its NPDES and SCAQMD permits; expenses are planned to level off.
- (13) Additional costs due to replacement of moors in the ocean for sample location identification.
- (14) ETM costs are elevated due to emergency repairs. O&M staff will request a budget amendment for PC21.
- (15) Intern time included in this budget line item.
- (16) CTP staff is overhauling the documents storage systems for the treatment plant; expenses are planned to level off.
- (17) O&M staff procured a number of tools at the beginning of the FY; expenses are planned to level off.
- (18) A CTP SCADA laptop was replaced and is directly attributed to CTP; expenses are planned to level off.

Additional power is being purchased due to warranty work on the new engine. Power costs are elevated, and the line item
- (19) Budget may need to be adjusted due to high energy demand charges as discussed with the Board in May during the approval of the FY 2019-20 Budget.
- (20) Additional gas is being purchased due to warranty work on the new engine gas cleaning system.
- (21) Bleach usage is elevated in the summer at RTP and lowers with lower recycled water demand in the winter; expenses are planned to level off.
- (22) Grit deliveries are higher than expected due to heavy rains pushing additional debris down the sewer and into the Treatment Plant.
- (23) RTP and CTP required additional stormwater assessments due to elevated levels of ammonia and bacteria under the industrial stormwater program; expenses are planned to level off.
- (24)

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
For the Period Ended January 31, 2020

- (25) Several O&M contracts are being reviewed and updated for the new engine at RTP.
- (26) O&M staff overhauled the tow motor used to move the girt bins around. The project was planned for next year but the unit failed quicker than expected.
- (27) Sludge hauling truck emissions control system repairs. Truck rented for several biosolids hauling trips.
- (28) O&M staff completed the annual overhaul of the AWT to prepare for summer. The project includes a complete shutdown, equipment inspection, and performing needed repairs.
- (29) The value of power is higher than anticipated during the budget process. This will be adjusted in the FY20/21 Budget.

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

For the Period Ended January 31, 2020

		FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
Salary and Fringe							
01-5000-03-00-00	Regular Salaries-O&M *	207,349	714	208,063	125,629	82,434	60.4%
01-5401-03-00-00	Fringe Benefits IN to PC's & Depts.	149,173		149,173	83,300	65,873	55.8%
	Total Payroll Costs	356,522	714	357,236	208,929	148,307	58.5%
Other Expenses							
01-5015-03-00-00	Management Support Services	9,600		9,600	-	9,600	0.0%
-5022--**-00	Miscellaneous Expense	3,121		3,121	69	3,052	2.2%
01-5023-03-00-00	Office Supplies - All	204		204	27	177	13.3%
01-5031-03-00-00	Safety Supplies	300		300	-	300	0.0%
01-5033-03-00-00	Recruitment	-		-	-	-	0.0%
01-5034-03-00-00	Travel Expense/Tech. Conferences	12,625		12,625	3,153	9,472	25.0%
01-5035-03-00-00	Training Expense	4,400		4,400	149	4,251	3.4%
01-5037-03-00-00	Office Equipment	400		400	-	400	0.0%
01-5039-03-00-00	Membership Dues/Fees	1,350		1,350	210	1,140	15.6%
01-5061-03-00-00	Mileage	500		500	186	314	37.3%
01-5309-03-00-00	Operating Leases	6,695		6,695	4,448	2,247	66.4%
01-5705-03-00-00	Monthly Car Allowance	5,250		5,250	3,159	2,091	60.2%
01-5802-03-00-00	Shipping/Freight	306		306	-	306	0.0%
01-6500-03-00-00	IT Allocations in to PC's & Depts.	55,588		55,588	35,170	20,418	63.3%
	Total Other Expenses	100,339	-	100,339	46,572	53,767	46.4%
	Total Engineering Expenses	456,862	714	457,575	255,500	202,074	55.8%

* Board approved (one year) payment of PEPRA employee's contribution rate increase

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

For the Period Ended January 31, 2020

		FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
Salary and Fringe							
01-6000-04-00-00	Regular Salaries-Admin or IT *	1,030,445	3,092	1,033,537	550,483	483,054	53.3%
01-6001-04-00-00	Overtime Salaries-Admin or IT	6,000		6,000	13,985	(7,985)	233.1% (1)
01-6315-04-00-00	Comp Time - Admin	5,000		5,000	7,097	(2,097)	141.9%
01-6401-04-00-00	Fringe Benefits IN to ADMIN or IT	741,332		741,332	390,843	350,489	52.7%
	Total Payroll Costs	1,782,777	3,092	1,785,869	962,450	823,419	53.9%
Other Expenses							
01-6101-04-00-00	HR Recruitment & Employee Relations	34,200		34,200	34,401	(201)	100.6%
01-6102-04-00-00	Subscriptions	2,000		2,000	637	1,363	31.8%
01-6200-04-00-00	Management Support Services	100,000		100,000	48,234	51,766	48.2%
01-6201-04-00-00	Audit	45,000		45,000	30,000	15,000	66.7%
01-6202-04-00-00	Legal	250,000		250,000	132,355	117,645	52.9%
01-6204-04-00-00	Postage	2,400		2,400	3,010	(610)	125.4% (2)
01-6223-04-00-00	Office Supplies - Admin	6,000		6,000	4,573	1,427	76.2%
01-6224-04-00-00	Office Equipment Admin or IT	400		400	1,092	(692)	273.1%
01-6234-04-00-00	Memberships & Trainings	90,000		90,000	68,371	21,629	76.0%
01-6239-04-00-00	Travel & Conference	21,500		21,500	8,005	13,495	37.2%
01-6310-04-00-00	Miscellaneous	23,000		23,000	19,244	3,756	83.7%
01-6311-04-00-00	Mileage	1,188		1,188	298	890	25.1%
01-6317-04-00-00	Contract Services Misc	5,500		5,500	3,168	2,332	57.6%
01-6500-04-00-00	IT Allocations in to PC's & Depts.	132,191		132,191	83,635	48,556	63.3%
01-6601-04-00-00	Shipping/Freight	3,667		3,667	3,218	449	87.8%
01-6705-04-00-00	Monthly Car Allowance	12,000		12,000	7,180	4,820	59.8%
	Total Other Expenses	729,046	-	729,046	447,447	281,624	61.4%
	Total Admin Expenses	2,511,823	3,092	2,514,915	1,409,898	1,105,043	56.1%

* Board approved (one year) payment of PEPRA employee's contribution rate increase

(1) Cost increases due to less admin FTE hours and special meetings for managers and PCs.

(2) Postage increases due to delivery of board packet via FedEx.

South Orange County Wastewater Authority
Budget vs. Actual Comparison-IT
 For the Period Ended January 31, 2020

		FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
Salary & Fringe							
01-6000-05-00-00	Regular Salaries-Admin or IT *	98,482	518	99,000	53,846	45,154	54.7%
01-6001-05-00-00	Overtime Salaries-Admin or IT	-		-	4,053	(4,053)	0.0%
01-6315-05-00-00	Comp Time - IT	-		-	-	-	0.0%
01-6401-05-00-00	Fringe Benefits IN to ADMIN or IT	70,851		70,851	37,887	32,964	53.5%
	Total Salary & Fringe	169,333	518	169,851	95,786	74,065	56.6%
Other Expenses							
01-5028-05-00-00	Small Tools & Supplies	1,000		1,000	-	1,000	0.0%
01-5037-05-00-00	Office Equipment	600		600	-	600	0.0%
01-6102-05-00-00	Subscriptions	700		700	-	700	0.0%
01-6234-05-00-00	Memberships & Trainings	1,000		1,000	-	1,000	0.0%
01-6239-05-00-00	Travel & Conference	3,500		3,500	2,745	755	78.4%
01-6300-05-00-00	Software Maintenance Agreements	51,967		51,967	96,593	(44,626)	185.9% (1)
01-6301-05-00-00	Hardware Maintenance Agreements	7,126		7,126	4,443	2,683	62.3%
01-6302-05-00-00	Cloud Subscriptions (Internet)	75,124		75,124	39,034	36,090	52.0%
01-6303-05-00-00	Telecommunications	127,036		127,036	84,350	42,686	66.4%
01-6305-05-00-00	IT Professional Services	236,919		236,919	104,905	132,014	44.3%
01-6306-05-00-00	Small Hardware Purchases (< \$5k)	20,900		20,900	28,126	(7,226)	134.6% (2)
01-6307-05-00-00	Small Software Purchases & Licenses (<\$5k)	24,908		24,908	2,700	22,208	10.8%
01-6308-05-00-00	IT Memberships	160		160	704	(544)	440.0%
01-6309-05-00-00	Operating Leases	55,200		55,200	33,735	21,465	61.1%
01-6310-05-00-00	Miscellaneous	5,000		5,000	346	4,654	6.9%
	Total Other Expenses	611,140	-	611,140	398,007	213,133	65.1%
	Total Expenses before Allocation	780,473	518	780,991	493,794	287,198	63.2%
IT Allocations (Out) to PC's & Depts							
01-6400-05-00-00	IT Allocations (OUT) to PC's & Depts.	(780,473)	(518)	(780,991)	(493,794)	(287,198)	63.3%
	Total IT Allocations (Out) to PC's & Depts	(780,473)	(518)	(780,991)	(493,794)	(287,198)	63.3%

* Board approved (one year) payment of PEPRA employee's contribution rate increase

(1) SCADA license agreement billed at the beginning of the fiscal year.

(2) Additional expenses related to the server room relocation.

Agenda Item

6

Finance Committee Meeting

Meeting Date: March 24, 2020

TO: Finance Committee
FROM: Betty Burnett, General Manager
STAFF CONTACT: Mary Carey, Finance Controller
SUBJECT: Financial Reports for the Month of February 2020

Summary/Discussion

The following selected financial reports are routinely provided monthly to the Finance Committee for recommendation to the Board of Directors to ratify Cash Disbursements and receive and file the remaining documents.

The reports included are as follows:

- a. Summary of Disbursements for February 2020 (Exhibit A)
- b. Schedule of Funds Available for Reinvestment (Exhibit B)
 - Local Agency Investment Fund (LAIF)
- c. Schedule of Cash and Investments (Exhibit C)
- d. Capital Schedule (Exhibit D)
 - Capital Projects – Graph (Exhibit D-1)
- e. Budget vs. Actual Expenses:
 - Operations and Environmental Summary (Exhibit E-1)
 - Operations and Environmental by PC (E-1.2)
 - Residual Engineering, after transfer to Capital (Exhibit E-2)
 - Administration (Exhibit E-3)
 - Information Technology (IT) (Exhibit E-4)

Fiscal impact

February 2020 cash disbursements were: \$1,873,223.

- Monthly disbursements are summarized in the attached Exhibit A.
- The attached Exhibits B, C, D and E are informational reports only.

Recommended Action: Staff recommends to the Board of Directors to ratify the February 2020 disbursements for the period from February 1, 2020, through February 29, 2020, totaling \$1,873,223., and to receive and file the February 2020 Financial Reports as submitted.

Exhibit A

**South Orange County Wastewater Authority
Summary of Disbursements for February 2020
Staff Recommendation of Fiscal Matters**

	<u>Actual</u>
General Fund	(624,383)
PC 2 - Jay B. Latham Plant	(468,687)
PC 3 - SOCWA Plant/PCA AWT	-
PC 5 - San Juan Creek Ocean Outfall	(21,619)
PC 8 - Pretreatment Program	(8,091)
PC 12 SO - Water Reclamation Permits	(9,917)
PC 15 - Coastal Treatment Plant/AWT	(292,935)
PC 17 - Joint Regional Wastewater Reclamation	(425,827)
PC 21 - Effluent Transmission Main	-
PC 24 - Aliso Creek Ocean Outfall	(21,764)
Total	<u><u>(\$1,873,223)</u></u>

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
SCHEDULE OF FUNDS AVAILABLE FOR REINVESTMENT
as of February 29, 2020**

CASH IN BANK: (BEGINNING BAL.)	3,007,533
L.A.I.F. FUNDS: (BEGINNING BAL.)	24,752,827
DEPOSITS, TRANSFERS & ADJUSTMENTS:	5,565,212
FUND REQUIREMENTS:	
BILLS FOR CONSIDERATION	(1,873,223)
	\$ 31,452,349

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

In accordance with requirements of the Government Code and the "SOCWA Investment Policy",

I hereby certify that:

- 1). All investment actions executed since the last report have been made in full compliance with the Investment Policy.

- 2). SOCWA does not have sufficient funds currently on hand to meet its expenditure obligations for the next six months (see note) due to the fact that SOCWA bills and receives operational funds on a quarterly basis only.

Betty Burnett
General Manager

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



PMIA/LAIF Performance Report as of 02/29/20



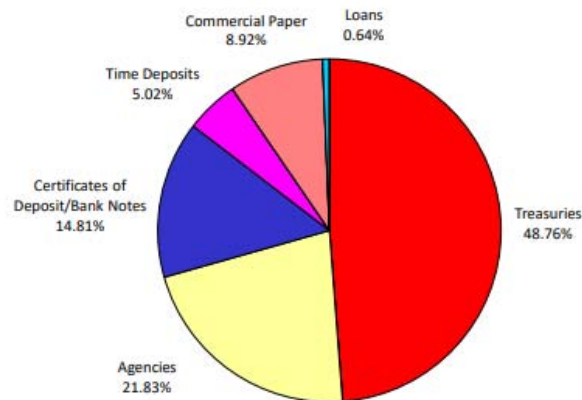
PMIA Average Monthly Effective Yields⁽¹⁾

Feb	1.912
Jan	1.967
Dec	2.043

LAIF Quarterly Performance Quarter Ended 12/31/19

Apportionment Rate ⁽²⁾ :	2.29
Earnings Ratio ⁽²⁾ :	0.000062500857789
Fair Value Factor ⁽¹⁾ :	1.001770298
Daily ⁽¹⁾ :	2.02%
Quarter to Date ⁽¹⁾ :	2.11%
Average Life ⁽¹⁾ :	226

Pooled Money Investment Account Portfolio Composition ⁽¹⁾ 02/29/20 \$97.5 billion



Percentages may not total 100% due to rounding

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller

Exhibit C

**South Orange County Wastewater Authority
Schedule of Cash and Investments
as of February 29, 2020**

MVA	\$ 3,426,677	(A)
A/P Checking	995,624	(B)
Payroll Checking	87,222	(C)
State LAIF	26,942,827	(D)
Total Cash in Bank	\$ 31,452,349	
Petty Cash	1,600	(E)
Total Operating Cash	\$ 31,453,949	
OPEB Trust	5,200,448	(F)
Total Cash and Investments	\$ 36,654,397	

Notes:

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

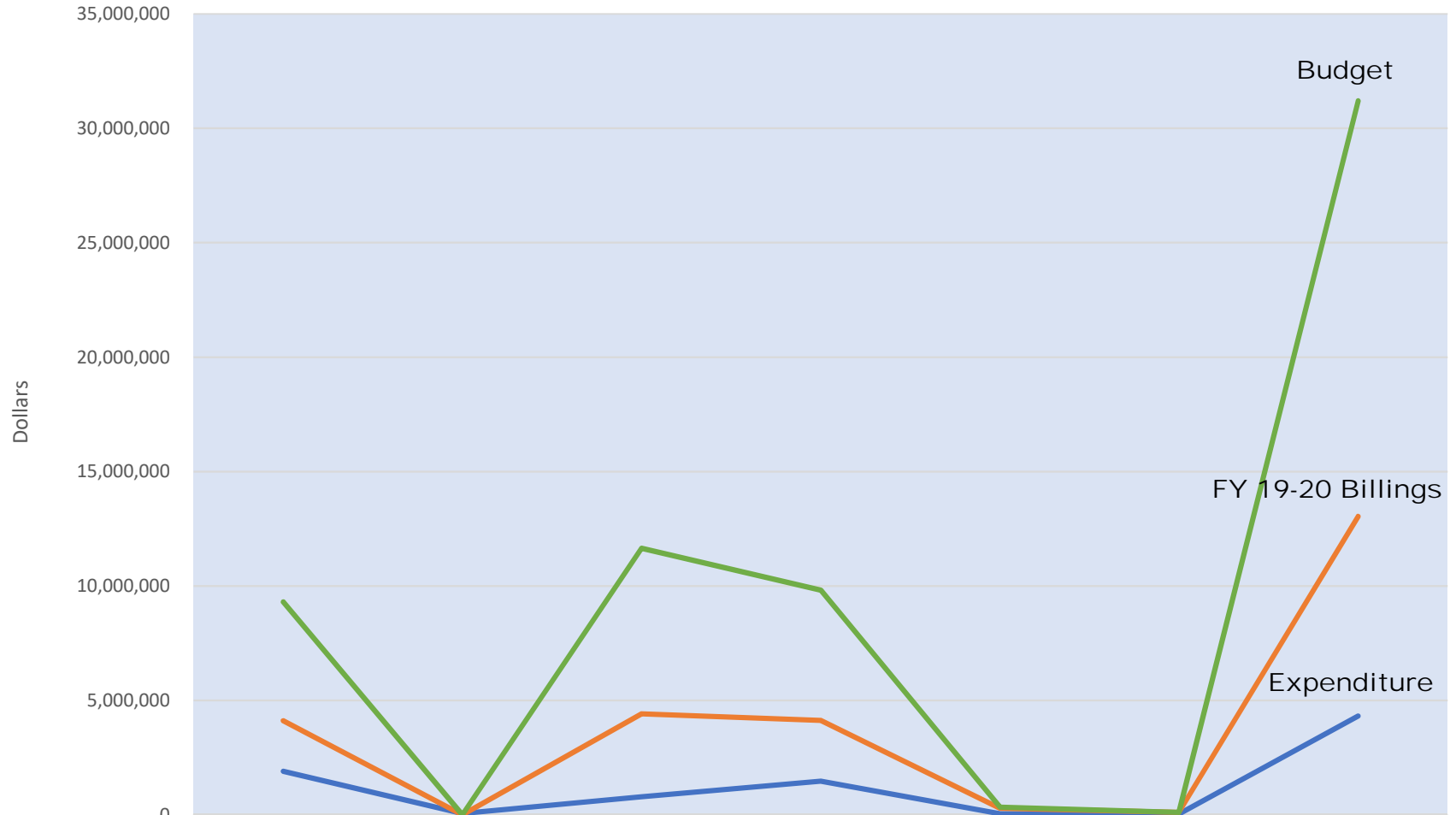
**South Orange County Wastewater Authority
Capital Projects Summaries
For the Period Ended February 29, 2020**

FY 2019-20 Budget vs. Actual Spending								
<u>Description</u>	Capital Budget	Fiscal Year Spending	(Over)/ Under Budget	% Expended	Member Agency Billed	Member Agency Collections	Past Due Receivables	% Expended vs. Billed
PC 2-JB Latham	9,301,575	1,900,977	7,400,598	20.4%	4,113,811	4,113,811		46.2%
* PC 5-San Juan Creek Outfall	-	63,952	(63,952)		-	-		
PC 15-Coastal	11,644,171	791,655	10,852,516	6.8%	4,413,254	4,413,254		17.9%
PC 17-Regional	9,817,108	1,473,931	8,343,177	15.0%	4,122,199	4,122,199		35.8%
PC 21 Effluent Transmission	329,666	49,837	279,828	15.1%	289,016	264,006	25,010	18.9%
PC 24 Aliso Creek Outfall	106,253	36,529	69,724	34.4%	106,253	106,253		34.4%
Total Large Capital	31,198,772	4,316,881	26,881,891	13.8%	13,044,533	13,019,523	25,010	33.2%
Non-Capital Engineering	838,687	69,921	768,766	8.3%	838,688	838,688		8.3%
Non-Capital Misc Engineering	425,000	45,127	379,873	10.6%	318,758	317,407	1,351	14.2%
Small Internal Capital	2,047,504	585,560	1,461,944	28.6%	1,535,628	1,535,520	108	38.1%
Total Capital	34,509,964	5,017,489	29,492,474	14.5%	15,737,607	15,711,138	26,469	31.9%

* PC 5 does not have a budget for FY 19-20 due to Cash on Hand for work that shifted into the current year.

Large Capital Projects Fiscal Year '19-20 Budget vs. Year-to-Date Expenditures & Billings as of 02/29/2020

D-1



	PC 2-JB Latham	PC 5-San Juan Creek Outfall	PC 15-Coastal	PC 17-Regional	PC 21 Effluent Transmission	PC 24 Aliso Creek Outfall	Total Large Capital
Spent - YTD 12/31/19	1,900,977	63,952	791,655	1,473,931	49,837	36,529	4,316,881
FY 19-20 Billings	4,113,811	0	4,413,254	4,122,199	289,016	106,253	13,044,533
Capital Budget 19-20	9,301,575	-	11,644,171	9,817,108	329,666	106,253	31,198,772

**South Orange County Wastewater Authority
O & M & Environmental Safety Costs Summary**
For the Period Ended February 29, 2020

	FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended	
Salary and Fringe							
5000.-**-**	Regular Salaries-O&M *	4,620,132	10,289	4,630,421	2,883,065	1,747,356	62.3%
5001.-**-**	Overtime Salaries-O&M	109,504		109,504	65,339	44,165	59.7% (1)
5306.-**-**	Scheduled Holiday Work	28,692		28,692	26,765	1,927	93.3%
5315.-**-**	Comp Time - O&M	7,796		7,796	9,908	(2,112)	127.1% (1)
5401.-**-**	Fringe Benefits IN to PC's & Depts.	3,323,840		3,323,840	2,040,186	1,283,654	61.4%
5700.-**-**	Standby Pay	67,600		67,600	45,648	21,952	67.5%
	Total Payroll Costs	8,157,564	10,289	8,167,853	5,070,911	3,096,943	62.1%
Other Expenses							
5002.-**-**	Electricity	1,022,564		1,022,564	759,374	263,190	74.3% (2)
5003.-**-**	Natural Gas	266,504		266,504	163,614	102,890	61.4%
5004.-**-**	Potable & Reclaimed Water	84,992		84,992	49,629	35,363	58.4%
5005.-**-**	Co-generation Power Credit	(325,004)		(325,004)	(367,025)	42,021	112.9% (11)
5006.-**-**	Chlorine/Sodium Hypochlorite	506,000		506,000	305,885	200,115	60.5%
5007.-**-**	Polymer Products	805,004		805,004	388,459	416,545	48.3%
5008.-**-**	Ferric Chloride	304,992		304,992	295,999	8,993	97.1% (3)
5009.-**-**	Odor Control Chemicals	130,000		130,000	70,655	59,345	54.3%
5010.-**-**	Other Chemicals - Misc.	2,996		2,996	-	2,996	0.0%
5011.-**-**	Laboratory Services	44,412		44,412	35,412	9,000	79.7%
5012.-**-**	Grit Hauling	128,252		128,252	82,673	45,579	64.5%
5013.-**-**	Landscaping	159,996		159,996	87,660	72,336	54.8%
5015.-**-**	Management Support Services	360,212		360,212	166,545	193,667	46.2%
5016.-**-**	Audit - Environmental	600		600	-	600	0.0%
5017.-**-**	Legal Fees	28,352		28,352	29,842	(1,490)	105.3%
5018.-**-**	Public Notices/ Public Relations	5,004		5,004	277	4,727	5.5%
5019.-**-**	Contract Services Misc.	199,996		199,996	179,530	20,466	89.8%
5021.-**-**	Small Vehicle Expense	24,064		24,064	11,454	12,610	47.6%
5022.-**-**	Miscellaneous Expense	18,004		18,004	3,915	14,089	21.7%
5023.-**-**	Office Supplies - All	43,004		43,004	27,372	15,632	63.7%
5024.-**-**	Petroleum Products	49,004		49,004	24,428	24,576	49.8%
5025.-**-**	Uniforms	54,004		54,004	45,321	8,683	83.9%
5026.-**-**	Small Vehicle Fuel	31,500		31,500	12,345	19,155	39.2%
5027.-**-**	Insurance - Property/Liability **	210,096	55,929	266,025	175,778	90,247	66.1%
5028.-**-**	Small Tools & Supplies	74,872		74,872	51,030	23,842	68.2%
5030.-**-**	Trash Disposal	6,992		6,992	4,588	2,404	65.6%
5031.-**-**	Safety Program & Supplies	117,356		117,356	84,917	32,439	72.4% (4)
5032.-**-**	Equipment Rental	7,004		7,004	-	7,004	0.0%
5033.-**-**	Recruitment	3,004		3,004	1,904	1,100	63.4%
5034.-**-**	Travel Expense/Tech. Conferences	61,932		61,932	37,967	23,965	61.3%
5035.-**-**	Training Expense	55,168		55,168	29,254	25,914	53.0%
5036.-**-**	Laboratory Supplies	93,256		93,256	59,895	33,361	64.2%
5037.-**-**	Office Equipment	25,000		25,000	3,510	21,490	14.0%
5038.-**-**	Permits	500,128		500,128	433,381	66,747	86.7% (6)
5039.-**-**	Membership Dues/Fees	22,892		22,892	31,951	(9,059)	139.8% (7)
5044.-**-**	Offshore Monitoring	36,000		36,000	38,167	(2,167)	106.0% (8)
5046.-**-**	Effluent Chemistry	28,004		28,004	18,722	9,282	66.9%
5047.-**-**	Access Road Expenses	49,000		49,000	21,706	27,294	44.3%
5048.-**-**	Storm Damage	20,008		20,008	549	19,459	2.7%
5049.-**-**	Biosolids Disposal	1,355,004		1,355,004	746,781	608,223	55.1%
5050.-**-**	Contract Services Generators - 29A	22,008		22,008	-	22,008	0.0%
5052.-**-**	Janitorial Services	102,008		102,008	51,962	50,046	50.9%
5053.-**-**	Contract Serv - Digester Cleaning - 29E	59,996		59,996	-	59,996	0.0%
5054.-**-**	Diesel Truck Maint	41,000		41,000	38,685	2,315	94.4% (9)
5055.-**-**	Diesel Truck Fuel - 37B	14,996		14,996	5,966	9,030	39.8%
5056.-**-**	Maintenance Equip. & Facilities (Solids)	356,004		356,004	178,433	177,571	50.1%
5057.-**-**	Maintenance Equip. & Facilities (Liquids)	663,000		663,000	382,620	280,380	57.7%
5058.-**-**	Maintenance Equip. & Facilities (Common)	87,008		87,008	55,081	31,927	63.3%
5059.-**-**	Maintenance Equip. & Facilities (Co-Gen)	957,996		957,996	391,006	566,990	40.8%
5060.-**-**	Maintenance Equip. & Facilities (AWT)	74,000		74,000	63,544	10,456	85.9% (5)
5061.-**-**	Mileage	2,508		2,508	1,543	965	61.5%
5068.-**-**	MNWD Potable Water Supplies & Svcs.	24,972		24,972	11,620	13,352	46.5%
5069.-**-**	Outfall Inspection/Port Cleaning	60,004		60,004	28,350	31,654	47.2%
5076.-**-**	SCADA Infrastructure	20,992		20,992	698	20,294	3.3%
5077.-**-**	IT Direct	16,080		16,080	12,771	3,309	79.4% (10)
5105.-**-**	Co-Generation Power Credit - Offset	325,000		325,000	367,025	(42,025)	112.9% (11)
5303.-**-**	Group Insurance Waiver	14,396		14,396	9,170	5,226	63.7%
5305.-**-**	Medicare Tax Payments for Employees	2,784		2,784	2,805	(21)	100.7%
5309.-**-**	Operating Leases	21,800		21,800	14,166	7,634	65.0%
5705.-**-**	Monthly Car Allowance	28,184		28,184	18,702	9,482	66.4%
5706.-**-**	Effluent Pond Cleaning	90,000		90,000	-	90,000	0.0%
02-5799-01-00-00	Zephyr Wall Costs Share - O&M	-		-	(14,079)	14,079	0.0%
6500.-**-**	IT Allocations in to PC's & Depts.	592,694		592,694	411,363	181,331	69.4%
	Total Other Expenses	10,188,598	55,929	10,244,527	6,143,301	4,101,226	60.0%
	Total O&M Expenses	18,346,162	66,218	18,412,380	11,214,211	7,198,169	60.9%

* Board approved (one year) payment of PEPRA employee's contribution rate increase

** Pooled Liability Retro Adjustment

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

For the Period Ended February 29, 2020

- (1) Staff is utilizing Comp Time more than Overtime Salaries and considering both line items together, the overall Overtime Budget is 64.15% of the FY amount.
- (2) Power costs are elevated, and the line item Budget may need to be adjusted due to high energy demand charges as discussed with the Board in May during the approval of the FY 2019-20 Budget.
Ferric chloride usage continues to be elevated due to sulfur type filamentous bacteria entering the plants from the collection system. O&M staff has increased Ferric dosing to trying to settle the bacteria in the primary clarifiers prior to biological treatment because these bacteria do not settle well and impact effluent quality. These bacteria are becoming more prevalent in the collection system to the plants with lower and lower sewer flows.
- (3) The first quarter included the purchase of new boots per the Employee Manual; expenses are planned to level off.
- (4) Annual AWT cleaning completed; expenses are planned to level off.
- (5) Costs to date include SOCWA's annual renewal of its NPDES and SCAQMD permits; expenses are planned to level off.
- (6) Membership renewals include Water Research Foundation at an increase over prior membership.
- (7) Additional costs due to replacement of moors in the ocean for sample location identification.
- (8) Sludge hauling truck emissions contro system repairs. Truck rented for several biosolids hauling trips.
- (9) PC specific SCADA laptops and software purchases, expenses have leveled off. Work at home equipment due to covid 19 may increase expenses in the later half of the FY.
- (10) The value of power is higher than anticiapted during the budget process. This will be adjusted in the FY20/21 Budget.

**South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC**
For the Period Ended February 29, 2020

	FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	%Expended
02 - Jay B. Latham Plant						
Salary and Fringe						
02-5000-**-**	1,539,152	5,045	1,544,197	1,046,514	497,683	67.8%
02-5001-**-**	35,144		35,144	25,327	9,817	72.1% (1)
02-5306-**-**	13,324		13,324	10,932	2,392	82.0%
02-5315-**-**	3,508		3,508	5,762	(2,254)	164.3% (1)
02-5401-**-**	1,107,296		1,107,296	739,585	367,711	66.8%
02-5700-**-**	13,520		13,520	17,587	(4,067)	130.1% (2)
Total Payroll Costs	2,711,944	5,045	2,716,989	1,845,706	871,283	67.9%
Other Expenses						
02-5002-**-**	399,688		399,688	333,842	65,846	83.5% (3)
02-5003-**-**	168,004		168,004	71,355	96,649	42.5%
02-5004-**-**	24,000		24,000	15,435	8,565	64.3%
02-5006-**-**	5,000		5,000	3,657	1,343	73.1% (4)
02-5007-**-**	322,000		322,000	146,755	175,245	45.6%
02-5008-**-**	103,736		103,736	94,440	9,296	91.0% (5)
02-5009-**-**	28,988		28,988	12,797	16,191	44.1%
02-5010-**-**	1,000		1,000	-	1,000	0.0%
02-5011-**-**	10,916		10,916	5,191	5,725	47.6%
02-5012-**-**	51,252		51,252	33,064	18,188	64.5%
02-5013-**-**	41,780		41,780	33,379	8,401	79.9% (6)
02-5015-**-**	33,004		33,004	14,318	18,686	43.4%
02-5017-**-**	3,328		3,328	1,077	2,251	32.4%
02-5019-**-**	60,240		60,240	44,956	15,284	74.6%
02-5021-**-**	10,004		10,004	3,408	6,596	34.1%
02-5022-**-**	8,000		8,000	2,994	5,006	37.4%
02-5023-**-**	28,000		28,000	13,567	14,433	48.5%
02-5024-**-**	14,124		14,124	3,423	10,701	24.2%
02-5025-**-**	20,000		20,000	18,386	1,614	91.9% (7)
02-5026-**-**	15,004		15,004	6,811	8,193	45.4%
02-5027-**-**	68,556	18,250	86,806	59,393	27,413	68.4%
02-5028-**-**	35,496		35,496	15,679	19,817	44.2%
02-5030-**-**	2,000		2,000	2,199	(199)	110.0%
02-5031-**-**	39,652		39,652	28,221	11,431	71.2% (8)
02-5032-**-**	3,000		3,000	-	3,000	0.0%
02-5033-**-**	1,000		1,000	698	302	69.8%
02-5034-**-**	15,964		15,964	9,987	5,977	62.6% (9)
02-5035-**-**	13,168		13,168	10,005	3,163	76.0%
02-5036-**-**	14,520		14,520	9,464	5,056	65.2%
02-5037-**-**	13,000		13,000	1,377	11,623	10.6%
02-5038-**-**	22,500		22,500	18,842	3,658	83.7%
02-5039-**-**	4,200		4,200	11,697	(7,497)	278.5% (10)
02-5049-**-**	450,000		450,000	255,765	194,235	56.8%
02-5050-**-**	10,004		10,004	-	10,004	0.0%
02-5052-**-**	41,000		41,000	26,112	14,888	63.7%
02-5053-**-**	59,996		59,996	-	59,996	0.0%
02-5054-**-**	21,000		21,000	17,549	3,451	83.6%
02-5055-**-**	6,000		6,000	1,912	4,088	31.9%
02-5056-**-**	155,004		155,004	81,174	73,830	52.4%
02-5057-**-**	254,000		254,000	153,791	100,209	60.5%
02-5058-**-**	28,000		28,000	29,425	(1,425)	105.1% (11)
02-5059-**-**	369,996		369,996	164,744	205,252	44.5%
02-5061-**-**	1,504		1,504	603	901	40.1%
02-5076-**-**	6,996		6,996	698	6,298	10.0%
02-5077-**-**	8,040		8,040	6,294	1,746	78.3% (12)
02-5303-**-**	3,600		3,600	2,292	1,308	63.7%
02-5305-**-**	1,116		1,116	1,598	(482)	143.2%
02-5309-**-**	21,800		21,800	14,166	7,634	65.0%
02-5705-**-**	12,592		12,592	10,678	1,914	84.8%
02-5799-01-00-00	-		-	(14,079)	14,079	0.0%
02-6500-**-**	197,448		197,448	137,041	60,407	69.4%
Total Other Expenses	3,229,220	18,250	3,247,470	1,916,180	1,331,290	59.0%
Total Expenses	5,941,164	23,295	5,964,459	3,761,887	2,202,572	63.1%

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
For the Period Ended February 29, 2020

		FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	%Expended
05 - San Juan Creek Ocean Outfall							
Salary and Fringe							
05-5000-**-**	Regular Salaries-O&M ¹	102,104		102,104	69,092	33,012	67.7%
05-5001-**-**	Overtime Salaries-O&M	900		900	480	420	53.3%
05-5306-**-**	Scheduled Holiday Work				195	(195)	0.0%
05-5401-**-**	Fringe Benefits IN to PC's & Depts.						
	Total Payroll Costs	73,456		73,456	49,056	24,400	66.8%
		176,460	-	176,460	118,822	57,638	67.3%
Other Expenses							
05-5003-**-**	Natural Gas	500		500	-	500	0.0%
05-5015-**-**	Management Support Services	15,004		15,004	5,387	9,617	35.9%
05-5017-**-**	Legal Fees	3,012		3,012	1,220	1,792	40.5%
05-5027-**-**	Insurance - Property/Liability ²	6,248	1,663	7,911	5,121	2,791	64.7%
05-5031-**-**	Safety Supplies	1,004		1,004	140	864	13.9%
05-5034-**-**	Travel Expense/Tech. Conferences	3,712		3,712	2,427	1,285	65.4%
05-5035-**-**	Training Expense	5,988		5,988	110	5,878	1.8%
05-5036-**-**	Laboratory Supplies	19,468		19,468	11,594	7,874	59.6%
05-5038-**-**	Permits	196,000		196,000	195,884	116	99.9% (13)
05-5039-**-**	Membership Dues/Fees	5,496		5,496	-	5,496	0.0%
05-5044-**-**	Offshore Monitoring	18,000		18,000	16,564	1,436	92.0% (14)
05-5046-**-**	Effluent Chemistry	14,000		14,000	9,204	4,797	65.7%
05-5058-**-**	Maintenance Equip. & Facilities (Common)	1,004		1,004	-	1,004	0.0%
05-5069-**-**	Misc-Capital-Dilution & Metering Study	30,000		30,000	16,345	13,655	54.5%
05-6500-**-**	IT Allocations in to PC's & Depts.	13,100		13,100	9,091	4,009	69.4%
	Total Other Expenses	332,536	1,663	334,199	273,087	61,112	81.7%
	Total Expenses	508,996	1,663	510,659	391,909	118,751	76.7%
08 - Pre Treatment							
Salary and Fringe							
08-5000-**-**	Regular Salaries-O&M ¹	92,352		92,352	55,474	36,878	60.1%
08-5315-**-**	Comp Time - Environment	-		-	335	(335)	0.0%
08-5401-**-**	Fringe Benefits IN to PC's & Depts.	66,436		66,436	39,387	27,049	59.3%
	Total Payroll Costs	158,788	-	158,788	95,195	63,593	60.0%
Other Expenses							
08-5011-**-**	Laboratory Services	2,996		2,996	1,565	1,431	52.2%
08-5015-**-**	Management Support Services	2,004		2,004	-	2,004	0.0%
08-5016-**-**	Audit - Environmental	600		600	-	600	0.0%
08-5017-**-**	Legal Fees	2,504		2,504	-	2,504	0.0%
08-5018-**-**	Public Notices/ Public Relations	5,004		5,004	277	4,727	5.5%
08-5021-**-**	Small Vehicle Expense - 31A	1,056		1,056	43	1,013	4.1%
08-5022-**-**	Miscellaneous Expense	2,004		2,004	-	2,004	0.0%
08-5026-**-**	Small Vehicle Fuel - 37A	1,500		1,500	395	1,105	26.3%
08-5027-**-**	Insurance - Property/Liability ²	2,160	575	2,735	1,792	943	65.5%
08-5028-**-**	Small Tools & Supplies	3,876		3,876	1,300	2,576	33.5%
08-5031-02-00-00	Safety Program & Supplies	-		-	197	(197)	0.0%
08-5034-**-**	Travel Expense/Tech. Conferences	4,348		4,348	684	3,664	15.7%
08-5035-**-**	Training Expense	1,564		1,564	1,615	(51)	103.3%
08-5038-**-**	Permits and Fines	10,012		10,012	-	10,012	0.0%
08-5039-**-**	Membership Dues/Fees	1,016		1,016	741	275	72.9% (10)
08-6500-**-**	IT Allocations in to PC's & Depts.	11,840		11,840	8,222	3,618	69.4%
	Total Other Expenses	52,484	575	53,059	16,830	36,229	31.7%
	Total Expenses	211,272	575	211,847	112,026	99,821	52.9%
12 - Water Reclamation Permits							
Salary and Fringe							
12-5000-**-**	Regular Salaries-O&M ¹	35,084		35,084	42,963	(7,879)	122.5% (16)
12-5401-**-**	Fringe Benefits IN to PC's & Depts.	25,248		25,248	30,504	(5,256)	120.8% (16)
	Total Payroll Costs	60,332	-	60,332	73,467	(13,135)	121.8%
Other Expenses							
12-5015-**-**	Management Support Services	270,000		270,000	108,495	161,505	40.2%
12-5017-**-**	Legal Fees	2,004		2,004	-	2,004	0.0%
12-5027-**-**	Insurance - Property/Liability ²	2,364	629	2,993	2,024	969	67.6%
12-5034-**-**	Travel Expense/Tech. Conferences	2,280		2,280	-	2,280	0.0%
12-5038-**-**	Permits	20,000		20,000	20,708	(708)	103.5%
12-6500-**-**	IT Allocations in to PC's & Depts.	4,508		4,508	3,125	1,383	69.3%
	Total Other Expenses	301,156	629	301,785	134,352	167,434	44.5%
	Total Expenses	361,488	629	362,117	207,819	154,299	57.4%

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
 For the Period Ended February 29, 2020

	FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	%Expended	
15 - Coastal Treatment Plant							
Salary and Fringe							
15-5000-**-**	Regular Salaries-O&M ¹	954,416	1,115	955,531	548,394	407,138	57.4%
15-5001-**-**	Overtime Salaries-O&M	18,928		18,928	12,262	6,666	64.8%
15-5306-**-**	Scheduled Holiday Work	2,596		2,596	4,200	(1,604)	161.8%
15-5315-**-**	Comp Time - O&M	4,288		4,288	2,137	2,151	49.8%
15-5401-**-**	Fringe Benefits IN to PC's & Depts.	686,636		686,636	388,660	297,976	56.6%
15-5700-**-**	Standby Pay	27,040		27,040	5,562	21,478	20.6%
	Total Payroll Costs	1,693,904	1,115	1,695,019	961,215	733,805	56.7%
Other Expenses							
15-5002-**-**	Electricity	270,960		270,960	161,955	109,005	59.8%
15-5003-**-**	Natural Gas	3,000		3,000	1,371	1,629	45.7%
15-5004-**-**	Potable & Reclaimed Water	30,996		30,996	15,949	15,047	51.5%
15-5006-**-**	Chlorine/Sodium Hypochlorite	99,000		99,000	49,307	49,693	49.8%
15-5007-**-**	Polymer Products	1,004		1,004	-	1,004	0.0%
15-5008-**-**	Ferric Chloride	28,368		28,368	27,939	429	98.5% (5)
15-5009-**-**	Odor Control Chemicals	56,216		56,216	29,141	27,075	51.8%
15-5011-**-**	Laboratory Services	14,000		14,000	7,875	6,126	56.2%
15-5012-**-**	Grit Hauling	30,000		30,000	15,441	14,559	51.5%
15-5013-**-**	Landscaping	50,548		50,548	14,453	36,095	28.6%
15-5015-**-**	Management Support Services	4,500		4,500	3,266	1,234	72.6%
15-5017-**-**	Legal Fees	15,000		15,000	1,547	13,453	10.3%
15-5019-**-**	Contract Services Misc.	59,036		59,036	63,399	(4,363)	107.4%
15-5021-**-**	Small Vehicle Expense - 31A	6,004		6,004	316	5,688	5.3%
15-5022-**-**	Miscellaneous Expense	2,996		2,996	324	2,672	10.8%
15-5023-**-**	Office Supplies - All	4,004		4,004	6,031	(2,027)	150.6% (17)
15-5024-**-**	Petroleum Products	1,660		1,660	1,624	36	97.8%
15-5025-**-**	Uniforms	9,000		9,000	7,031	1,970	78.1%
15-5026-**-**	Small Vehicle Fuel - 37A	5,000		5,000	872	4,128	17.4%
15-5027-**-**	Insurance - Property/Liability ²	35,372	9,416	44,788	29,040	15,748	64.8%
15-5028-**-**	Small Tools & Supplies	9,524		9,524	12,113	(2,589)	127.2% (18)
15-5030-**-**	Trash Disposal	2,996		2,996	1,194	1,802	39.9%
15-5031-**-**	Safety Program & Supplies	36,048		36,048	14,257	21,792	39.5%
15-5032-**-**	Equipment Rental	1,000		1,000	-	1,000	0.0%
15-5033-**-**	Recruitment	1,000		1,000	247	753	24.7%
15-5034-**-**	Travel Expense/Tech. Conferences	15,968		15,968	5,660	10,308	35.4%
15-5035-**-**	Training Expense	13,268		13,268	7,407	5,861	55.8%
15-5036-**-**	Laboratory Supplies	16,500		16,500	13,140	3,360	79.6%
15-5037-**-**	Office Equipment	2,000		2,000	682	1,318	34.1%
15-5038-**-**	Permits	23,236		23,236	5,152	18,084	22.2%
15-5039-**-**	Membership Dues/Fees	2,368		2,368	9,403	(7,035)	397.1% (10)
15-5047-**-**	Access Road Expenses	49,000		49,000	21,706	27,294	44.3%
15-5048-**-**	Storm Damage	20,008		20,008	549	19,459	2.7%
15-5050-**-**	Contract Services Generators - 29A	4,004		4,004	-	4,004	0.0%
15-5052-**-**	Janitorial Services	20,008		20,008	7,464	12,544	37.3%
15-5054-**-**	Diesel Truck Maint - 31B	996		996	637	359	64.0%
15-5055-**-**	Diesel Truck Fuel - 37B	996		996	-	996	0.0%
15-5057-**-**	Maintenance Equip. & Facilities (Liquids)	179,000		179,000	72,969	106,031	40.8%
15-5058-**-**	Maintenance Equip. & Facilities (Common)	22,000		22,000	6,441	15,559	29.3%
15-5060-**-**	Maintenance Equip. & Facilities (AWT) 41-E	37,000		37,000	13,373	23,627	36.1%
15-5061-01-00-00	Mileage	-		-	353	(353)	0.0%
15-5076-**-**	SCADA Infrastructure	6,996		6,996	-	6,996	0.0%
15-5077-01-00-00	IT Direct	-		-	3,239	(3,239)	0.0% (19)
15-5303-**-**	Group Insurance Waiver	3,604		3,604	2,292	1,312	63.6%
15-5305-**-**	Medicare Tax Payments for Employees	1,668		1,668	1,207	461	72.3%
15-5705-**-**	Monthly Car Allowance	4,200		4,200	2,675	1,525	63.7%
15-6500-**-**	IT Allocations in to PC's & Depts.	122,436		122,436	84,979	37,457	69.4%
	Total Other Expenses	1,323,488	9,416	1,332,904	721,825	611,079	54.2%
	Total Expenses	3,017,392	10,532	3,027,924	1,683,040	1,344,884	55.6%

**South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC**
For the Period Ended February 29, 2020

	FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	%Expended
17 - Joint Regional Wastewater Reclamation and Sludge Handling						
Salary and Fringe						
17-5000-**-**	Regular Salaries-O&M ¹	1,797,416	4,129	1,801,545	1,054,724	746,821 58.5%
17-5001-**-**	Overtime Salaries-O&M	54,072		54,072	26,667	27,405 49.3% (1)
17-5306-**-**	Scheduled Holiday Work	12,772		12,772	10,973	1,799 85.9%
17-5315-02-01-00	Comp Time - O&M	-		-	1,606	(1,606) 0.0% (1)
17-5401-**-**	Fringe Benefits IN to PC's & Depts.	1,293,120		1,293,120	746,203	546,917 57.7%
17-5700-**-**	Standby Pay	27,040		27,040	22,499	4,541 83.2%
	Total Payroll Costs	3,184,420	4,129	3,188,549	1,862,672	1,325,877 58.4%
Other Expenses						
17-5002-**-**	Electricity	351,916		351,916	263,577	88,339 74.9% (20)
17-5003-**-**	Natural Gas	95,000		95,000	90,888	4,112 95.7% (21)
17-5004-**-**	Potable & Reclaimed Water	29,996		29,996	18,245	11,751 60.8%
17-5005-**-**	Co-generation Power Credit	(325,004)		(325,004)	(367,025)	42,021 112.9% (29)
17-5006-**-**	Chlorine/Sodium Hypochlorite	402,000		402,000	252,921	149,079 62.9% (22)
17-5007-**-**	Polymer Products	482,000		482,000	241,704	240,296 50.1%
17-5008-**-**	Ferric Chloride	172,888		172,888	173,619	(731) 100.4% (5)
17-5009-**-**	Odor Control Chemicals	44,796		44,796	28,717	16,080 64.1%
17-5010-**-**	Other Chemicals - Misc.	1,996		1,996	-	1,996 0.0%
17-5011-**-**	Laboratory Services	16,500		16,500	9,582	6,918 58.1%
17-5012-**-**	Grit Hauling - 21A	47,000		47,000	34,168	12,833 72.7% (23)
17-5013-**-**	Landscaping	67,668		67,668	39,828	27,840 58.9%
17-5015-**-**	Management Support Services	13,204		13,204	16,232	(3,028) 122.9% (24)
17-5017-**-**	Legal Fees	1,500		1,500	24,197	(22,697) 1613.2% (25)
17-5019-**-**	Contract Services Misc.	80,720		80,720	71,018	9,702 88.0%
17-5021-**-**	Small Vehicle Expense	7,000		7,000	7,688	(688) 109.8% (26)
17-5022-**-**	Miscellaneous Expense	5,004		5,004	597	4,407 11.9%
17-5023-**-**	Office Supplies - All	11,000		11,000	7,774	3,226 70.7%
17-5024-**-**	Petroleum Products	33,220		33,220	19,381	13,839 58.3%
17-5025-**-**	Uniforms	25,004		25,004	19,905	5,099 79.6%
17-5026-**-**	Small Vehicle Fuel	9,996		9,996	4,268	5,728 42.7%
17-5027-**-**	Insurance - Property/Liability ²	88,132	23,461	111,593	72,507	39,087 65.0%
17-5028-**-**	Small Tools & Supplies	25,976		25,976	21,937	4,039 84.5% (18)
17-5030-**-**	Trash Disposal	1,996		1,996	1,195	801 59.9%
17-5031-**-**	Safety Program & Supplies	39,648		39,648	42,104	(2,456) 106.2% (8)
17-5032-**-**	Equipment Rental	3,004		3,004	-	3,004 0.0%
17-5033-**-**	Recruitment	1,004		1,004	959	45 95.5%
17-5034-**-**	Travel Expense/Tech. Conferences	15,956		15,956	16,782	(826) 105.2% (9)
17-5035-**-**	Training Expense	15,172		15,172	7,118	8,054 46.9%
17-5036-**-**	Laboratory Supplies	23,208		23,208	14,019	9,189 60.4%
17-5037-**-**	Office Equipment	10,000		10,000	1,451	8,549 14.5%
17-5038-**-**	Permits	41,624		41,624	5,329	36,295 12.8%
17-5039-**-**	Membership Dues/Fees	4,312		4,312	10,109	(5,797) 234.4% (10)
17-5049-**-**	Biosolids Disposal	905,004		905,004	491,016	413,988 54.3%
17-5050-**-**	Contract Services Generators - 29A	8,000		8,000	-	8,000 0.0%
17-5052-**-**	Janitorial Services	41,000		41,000	18,386	22,614 44.8%
17-5054-**-**	Diesel Truck Maint	19,004		19,004	20,499	(1,495) 107.9% (27)
17-5055-**-**	Diesel Truck Fuel - 37B	8,000		8,000	4,053	3,947 50.7%
17-5056-**-**	Maintenance Equip. & Facilities (Solids)	201,000		201,000	97,259	103,741 48.4%
17-5057-**-**	Maintenance Equip. & Facilities (Liquids)	230,000		230,000	155,859	74,141 67.8%
17-5058-**-**	Maintenance Equip. & Facilities (Common)	35,000		35,000	19,215	15,785 54.9%
17-5059-**-**	Maintenance Equip. & Facilities (Co-Gen)	588,000		588,000	226,262	361,738 38.5%
17-5060-**-**	Maintenance Equip. & Facilities (AWT)	37,000		37,000	50,171	(13,171) 135.6% (28)
17-5061-**-**	Mileage	1,004		1,004	587	417 58.5%
17-5068-**-**	MNWD Potable Water Supplies & Svcs.	24,972		24,972	11,620	13,352 46.5%
17-5076-**-**	SCADA Infrastructure	7,000		7,000	-	7,000 0.0%
17-5077-**-**	IT Direct	8,040		8,040	3,239	4,801 40.3%
17-5105-**-**	Co-Generation Power Credit - Offset	325,000		325,000	367,025	(42,025) 112.9% (29)
17-5303-**-**	Group Insurance Waiver	7,192		7,192	4,585	2,607 63.8%
17-5705-**-**	Monthly Car Allowance	11,392		11,392	5,349	6,043 47.0%
17-5706-**-**	Effluent Pond Cleaning	90,000		90,000	-	90,000 0.0%
17-6500-**-**	IT Allocations in to PC's & Depts.	230,586		230,586	160,037	70,549 69.4%
	Total Other Expenses	4,620,630	23,461	4,644,091	2,786,066	1,858,025 60.0%
	Total Expenses	7,805,050	27,590	7,832,640	4,648,738	3,183,903 59.4%

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
 For the Period Ended February 29, 2020

		FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	%Expended
21 - Effluent Transmission Main							
Salary and Fringe							
21-5000-01-14-00	Regular Salaries-O&M ¹	-	-	-	503	(503)	0.0%
21-5401-01-00-00	Fringe Benefits IN to PC's & Depts.	-	-	-	357	(357)	0.0%
	Total Payroll Costs	-	-	-	859	(859)	0.0%
Other Expenses							
21-5019-02-00-00	Contract Services Misc. - 29	-	-	-	157	(157)	0.0%
21-5027-**-**-**	Insurance - Property/Liability ²	740	197	937	576	361	61.5%
	Total Other Expenses	740	197	937	1,220	(283)	130.2%
	Total Expenses	740	197	937	2,079	(1,142)	221.9% (15)
23 - North Coast Interceptor							
Other Expenses							
23-5011-02-00-00	Laboratory Services	-	-	-	11,200	(11,200)	0.0%
23-5015-01-00-00	Management Support Services	-	-	-	16,011	(16,011)	0.0%
23-5017-01-00-00	Legal Fees	-	-	-	1,800	(1,800)	0.0%
	Total Other Expenses	-	-	-	29,010	(29,010)	0.0%
		-	-	-	29,010	(29,010)	0.0%
24 - Aliso Creek Ocean Outfall							
Salary and Fringe							
24-5000-**-**-**	Regular Salaries-O&M ¹	99,608	-	99,608	65,402	34,206	65.7%
24-5001-**-**-**	Overtime Salaries-O&M	460	-	460	603	(143)	131.2%
24-5306-01-11-00	Scheduled Holiday Work	-	-	-	466	(466)	0.0%
24-5315-02-11-00	Comp Time - O&M	-	-	-	68	(68)	0.0%
24-5401-**-**-**	Fringe Benefits IN to PC's & Depts.	71,648	-	71,648	46,435	25,213	64.8%
	Total Payroll Costs	171,716	-	171,716	112,975	58,741	65.8%
Other Expenses							
24-5015-**-**-**	Management Support Services	22,496	-	22,496	2,837	19,659	12.6%
24-5017-**-**-**	Legal Fees	1,004	-	1,004	-	1,004	0.0%
24-5027-**-**-**	Insurance - Property/Liability ²	6,524	1,737	8,261	5,326	2,935	64.5%
24-5031-**-**-**	Safety Supplies	1,004	-	1,004	-	1,004	0.0%
24-5034-**-**-**	Travel Expense/Tech. Conferences	3,704	-	3,704	2,427	1,277	65.5%
24-5035-**-**-**	Training Expense	6,008	-	6,008	3,000	3,008	49.9%
24-5036-**-**-**	Laboratory Supplies	19,560	-	19,560	11,678	7,882	59.7%
24-5038-**-**-**	Permits	186,756	-	186,756	187,466	(710)	100.4% (13)
24-5039-**-**-**	Membership Dues/Fees	5,500	-	5,500	-	5,500	0.0%
24-5044-**-**-**	Offshore Monitoring	18,000	-	18,000	21,604	(3,604)	120.0% (14)
24-5046-**-**-**	Effluent Chemistry	14,004	-	14,004	9,519	4,486	68.0%
24-5058-**-**-**	Maintenance Equip. & Facilities (Common) 41-C	1,004	-	1,004	-	1,004	0.0%
24-5069-**-**-**	Outfall Inspection/Port Cleaning	30,004	-	30,004	12,005	17,999	40.0%
24-6500-**-**-**	IT Allocations in to PC's & Depts.	12,776	-	12,776	8,868	3,908	69.4%
	Total Other Expenses	328,344	1,737	330,081	264,730	65,351	80.2%
	Total Expenses	500,060	1,737	501,797	377,704	124,092	75.3%
	Total O&M Expenses	18,346,162	66,218	18,412,380	11,214,211	7,198,169	60.9%

* Board approved (one year) payment of PEPRAs employee's contribution rate increase
 ** Pooled Liability Retro Adjustment

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
 For the Period Ended February 29, 2020

- (1) Staff is utilizing Comp Time more than Overtime and considering both line items together, JBL and CTP are slightly over budget and RTP is under budget.
- (2) Standby Pay is elevated due to the rotation schedule of the staff. The overall Standby Pay for O&M is on Budget and is anticipated to level out over the FY.
- (3) Power costs are elevated, and the line item Budget may need to be adjusted due to high energy demand charges as discussed with the Board in May during the approval of the FY 2019-20 Budget.
- (4) A leak in the fiberglass tank required staff to drain the bleach tank and refill it. The bleach drained from the leaking tank is being stored in temporary totes and will be used over the next few months.

 Ferric chloride usage continues to be elevated due to sulfur type filamentous bacteria entering the plants from the collection system. O&M staff has increased Ferric dosing to trying to settle the bacteria in the primary clarifiers prior to biological treatment because these bacteria do not settle well and impact effluent quality. These bacteria are becoming more prevalent in the collection system to the plants with lower and lower sewer flows. Ferric chloride usage is elevated in the summer at CTP and lowers in the winter; expenses are planned to level off.
- (5) biological treatment because these bacteria do not settle well and impact effluent quality. These bacteria are becoming more prevalent in the collection system to the plants with lower and lower sewer flows. Ferric chloride usage is elevated in the summer at CTP and lowers in the winter; expenses are planned to level off.
- (6) Annual trees work was completed at the beginning of the FY; expenses are planned to level off.
- (7) Staff completed the restocking of PPE for the upcoming Winter; expenses are planned to level off.
- (8) The first quarter included the purchase of new boots per the Employee Manual; expenses have leveled off.
- (9) Two of the three planned major conferences were attended by staff in the first quarter of the Fiscal Year including, WEFTEC and HACHWIMS; expenses have leveled off and may be under budget due to cancellation of conferences.
- (10) Membership renewals include Water Research Foundation at an increase in cost.
- (11) The access gates and parking lot lighting poles were removed and recoated due to deterioration and corrosion from the ocean air.
- (12) Staff purchased an additional software license for JBL's Lockout-Tagout procedures. Also, a JBL SCADA laptop was replaced. Since both items are directly attributed to JBL, they are charged to PC-2; expenses are planned to level off.
- (13) Costs to date include SOCWA's annual renewal of its NPDES and SCAQMD permits; expenses are planned to level off.
- (14) Additional costs due to replacement of moors in the ocean for sample location identification.
- (15) ETM costs are elevated dues to emergency repairs. O&M staff will request a budget amendment for PC21.
- (16) Intern time included in this budget line item.
- (17) CTP staff is overhauling the documents storage systems for the treatment plant; expenses are planned to level off.
- (18) O&M staff procured a number of tools at the beginning of the FY; expenses are planned to level off.
- (19) A CTP SCADA laptop was replaced and is directly attributed to CTP and will be charged to PC-15; expenses are planned to level off.

 Additional power is being purchased due to warranty work on the new engine. Power costs are elevated, and the line item Budget may need to be adjusted due to high energy demand charges as discussed with the Board in May during the approval of the FY 2019-20 Budget.
- (20) Budget may need to be adjusted due to high energy demand charges as discussed with the Board in May during the approval of the FY 2019-20 Budget.
- (21) Additional gas is being purchased due to warranty work on the new engine gas cleaning system.
- (22) Bleach usage is elevated in the summer at RTP and lowers with lower recycled water demand in the winter; expenses are planned to level off.
- (23) Grit deliveries are higher than expected due to heavy rains pushing additional debris down the sewer and into the Treatment Plant.

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
For the Period Ended February 29, 2020

- (24) RTP and CTP required additional stormwater assessments due to elevated levels of ammonia and bacteria under the industrial stormwater program; expenses are planned to level off.
- (25) Several O&M contracts are being reviewed and updated for the new engine at RTP.
- (26) O&M staff overhauled the tow motor used to move the girt bins around. The project was planned for next year but the unit failed quicker than expected.
- (27) Sludge hauling truck emissions control system repairs. Truck rented for several biosolids hauling trips.
- (28) O&M staff completed the annual overhaul of the AWT to prepare for summer. The project includes a complete shutdown, equipment inspection, and performing needed repairs.
- (29) The value of power is higher than anticipated during the budget process. This will be adjusted in the FY20/21 Budget.

**South Orange County Wastewater Authority
Budget vs. Actual Comparison - Engineering**
For the Period Ended February 29, 2020

		FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
Salary and Fringe							
01-5000-03-00-00	Regular Salaries-O&M*	207,349	714	208,063	134,379	73,683	64.6%
01-5401-03-00-00	Fringe Benefits IN to PC's & Depts.	149,173		149,173	94,903	54,270	63.6%
	Total Payroll Costs	356,522	714	357,236	229,282	127,954	64.2%
Other Expenses							
01-5015-03-00-00	Management Support Services	9,600		9,600	-	9,600	0.0%
_5022--**-00	Miscellaneous Expense	3,121		3,121	69	3,052	2.2%
01-5023-03-00-00	Office Supplies - All	204		204	27	177	13.3%
01-5031-03-00-00	Safety Supplies	300		300	-	300	0.0%
01-5034-03-00-00	Travel Expense/Tech. Conferences	12,625		12,625	5,202	7,423	41.2%
01-5035-03-00-00	Training Expense	4,400		4,400	149	4,251	3.4%
01-5037-03-00-00	Office Equipment	400		400	-	400	0.0%
01-5039-03-00-00	Membership Dues/Fees	1,350		1,350	612	738	45.3%
01-5061-03-00-00	Mileage	500		500	186	314	37.3%
01-5309-03-00-00	Operating Leases	6,695		6,695	5,102	1,593	76.2%
01-5705-03-00-00	Monthly Car Allowance	5,250		5,250	3,321	1,929	63.3%
01-5802-03-00-00	Shipping/Freight	306		306	-	306	0.0%
01-6500-03-00-00	IT Allocations in to PC's & Depts.	55,588		55,588	38,581	17,007	69.4%
	Total Other Expenses	100,339	-	100,339	53,251	47,088	53.1%
	Total Engineering Expenses	456,862	714	457,575	282,533	175,042	61.7%

* Board approved (one year) payment of PEPRAs employee's contribution rate increase

South Orange County Wastewater Authority
Budget vs. Actual Comparison- Administration
 For the Period Ended February 29, 2020

	FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
Salary and Fringe						
01-6000-04-00-00 Regular Salaries-Admin or IT*	1,030,445	3,092	1,033,537	613,982	419,555	59.4%
01-6001-04-00-00 Overtime Salaries-Admin or IT	6,000		6,000	16,616	(10,616)	276.9% (1)
01-6315-04-00-00 Comp Time - Admin	5,000		5,000	8,379	(3,379)	167.6%
01-6316-04-00-00 Scheduled Holiday Work	-	-	-	751	(751)	0.0%
01-6401-04-00-00 Fringe Benefits IN to ADMIN or IT	741,332		741,332	433,732	307,600	58.5%
Total Payroll Costs	1,782,777	3,092	1,785,869	1,073,461	712,409	60.1%
Other Expenses						
01-6101-04-00-00 HR Recruitment & Employee Relations	34,200		34,200	34,745	(545)	101.6%
01-6102-04-00-00 Subscriptions	2,000		2,000	1,670	330	83.5%
01-6200-04-00-00 Management Support Services	100,000		100,000	76,307	23,693	76.3%
01-6201-04-00-00 Audit	45,000		45,000	30,000	15,000	66.7%
01-6202-04-00-00 Legal	250,000		250,000	142,469	107,531	57.0%
01-6204-04-00-00 Postage	2,400		2,400	3,028	(628)	126.2% (2)
01-6223-04-00-00 Office Supplies - Admin	6,000		6,000	4,851	1,149	80.9%
01-6224-04-00-00 Office Equipment Admin or IT	400		400	1,092	(692)	273.1%
01-6234-04-00-00 Memberships & Trainings	90,000		90,000	68,981	21,019	76.6%
01-6239-04-00-00 Travel & Conference	21,500		21,500	12,098	9,402	56.3%
01-6310-04-00-00 Miscellaneous	23,000		23,000	21,261	1,739	92.4%
01-6311-04-00-00 Mileage	1,188		1,188	298	890	25.1%
01-6317-04-00-00 Contract Services Misc	5,500		5,500	3,593	1,907	65.3%
01-6500-04-00-00 IT Allocations in to PC's & Depts.	132,191		132,191	91,748	40,443	69.4%
01-6601-04-00-00 Shipping/Freight	3,667		3,667	3,327	340	90.7%
01-6705-04-00-00 Monthly Car Allowance	12,000		12,000	8,103	3,897	67.5%
Total Other Expenses	729,046	-	729,046	503,597	225,475	69.1%
Total Admin Expenses	2,511,823	3,092	2,514,915	1,577,058	937,883	62.7%

*Board approved (one year) payment of PEPRA employee's contribution rate increase

(1) Cost increases due to less admin FTE hours and special meetings for managers and PCs.

(2) Postage increases due to delivery of board packet via fed ex.

South Orange County Wastewater Authority
Budget vs. Actual Comparison-IT
 For the Period Ended February 29, 2020

		FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
Salary & Fringe							
01-6000-05-00-00	Regular Salaries-Admin or IT *	98,482	518	99,000	60,922	38,078	61.9%
01-6001-05-00-00	Overtime Salaries-Admin or IT	-		-	4,053	(4,053)	0.0%
01-6315-05-00-00	Comp Time - IT	-		-	-	-	0.0%
01-6401-05-00-00	Fringe Benefits IN to ADMIN or IT	70,851		70,851	42,910	27,941	60.6%
	Total Salary & Fringe	169,333	518	169,851	107,886	61,966	63.7%
Other Expenses							
01-5028-05-00-00	Small Tools & Supplies	1,000		1,000	-	1,000	0.0%
01-5037-05-00-00	Office Equipment	600		600	-	600	0.0%
01-6102-05-00-00	Subscriptions	700		700	-	700	0.0%
01-6200-05-00-00	Management Support Services				5,300	(5,300)	0.0%
01-6234-05-00-00	Memberships & Trainings	1,000		1,000	-	1,000	0.0%
01-6239-05-00-00	Travel & Conference	3,500		3,500	2,745	755	78.4%
01-6300-05-00-00	Software Maintenance Agreements	51,967		51,967	97,144	(45,177)	186.9% (1)
01-6301-05-00-00	Hardware Maintenance Agreements	7,126		7,126	4,443	2,683	62.3%
01-6302-05-00-00	Cloud Subscriptions (Internet)	75,124		75,124	42,332	32,792	56.3%
01-6303-05-00-00	Telecommunications	127,036		127,036	94,917	32,119	74.7%
01-6305-05-00-00	IT Professional Services	236,919		236,919	106,540	130,379	45.0%
01-6306-05-00-00	Small Hardware Purchases (< \$5k)	20,900		20,900	31,836	(10,936)	152.3% (2)
01-6307-05-00-00	Small Software Purchases & Licenses (<\$5k)	24,908		24,908	4,201	20,707	16.9%
01-6308-05-00-00	IT Memberships	160		160	704	(544)	440.0%
01-6309-05-00-00	Operating Leases	55,200		55,200	42,848	12,352	77.6%
01-6310-05-00-00	Miscellaneous	5,000		5,000	346	4,654	6.9%
	Total Other Expenses	611,140	-	611,140	433,807	177,333	71.0%
	Total Expenses before Allocation	780,473	518	780,991	541,693	239,299	69.4%
IT Allocations (Out) to PC's & Depts							
01-6400-05-00-00	IT Allocations (OUT) to PC's & Depts.	(780,473)	(518)	(780,991)	(541,693)	(239,299)	69.4%
	Total IT Allocations (Out) to PC's & Depts	(780,473)	(518)	(780,991)	(541,693)	(239,299)	69.4%

* Board approved (one year) payment of PEPRA employee's contribution rate increase

(1) SCADA license agreement billed at the beginning of the fiscal year.

(2) Additional expenses related to the server room relocation.

Agenda Item

7

Finance Committee Meeting

Meeting Date: March 24, 2020

TO: Finance Committee

FROM: Betty Burnett, General Manager

STAFF CONTACT: Jim Burror, Director of Operations
Amber Baylor, Director of Compliance

SUBJECT: FY19/20 O&M & Environmental Budget Update and Proposed Budget Adjustment

Summary

The staff has been monitoring the progression of spending for FY19/20. As noted by staff during the approval of the FY19/20 Budget, the PC budgets were very tight, and that staff would provide periodic updates on budget spending. The O&M and Environmental staff have completed comparison of projected costs to actuals for FY19/20 and are requesting budget adjustments for several PC's.

Discussion/Analysis

The following FY19/20 Budget adjustments are anticipated to be needed:

1. PC-2 – A budget amendment of \$100,000 is proposed. The additional funding is for power utility standby charges, ferric chloride, and SCADA costs.

During regular oil changes, the engine is shutdown increasing utility power usage. O&M staff has tried to carry the Plant on emergency generators during the oil changes. The 9-side generator is not large enough to carry that side of the Plant, and demand utility demand charges are incurred.

Ferric Chloride costs are higher than budgeted. Additional ferric chloride has needed to reduce hydrogen sulfide gases going to the new engine to comply with SCAQMD permit limits.

SCADA systems support Plant operations and the licensing costs should be directed to the O&M PC budgets (out of Administration IT) for proper allocation.

2. PC-12 – Additional funding in the amount of \$35,000 is needed for supply costs associated with the Hf183 Research in coordination with California State University, Fullerton. Included in this budget adjustment is a technical evaluation of the metrics utilized in the Flow Ecology Special Study associated with the South Orange County Water Quality Improvement Plan (WQIP). This work has been briefed to the Engineering Committee.
3. PC-21 – Additional funding of \$75,000 is needed to cover the cost of emergency repair of the techite pipe located in Laguna Woods. The costs include estimated construction repairs, biological consulting, and O&M labor. IRWD and ETWD are aware of the spill event requiring these costs.

4. PC-23 – Costs associated with the November 26, 2019 spill, biological assessment, and water quality analysis of approximately \$30,000 will be directly billed to the City of Laguna Beach.

Prior Related Project Committee or Board Action(s)

None

Fiscal impact

The total O&M/Environmental proposed budget adjustment is \$210,000. This includes the following:

PC – 2	\$100,000
PC – 12	\$35,000
PC – 21	\$75,000
PC – 23	\$0 (with up to \$30,000 to be directly billed to the City of Laguna Beach)

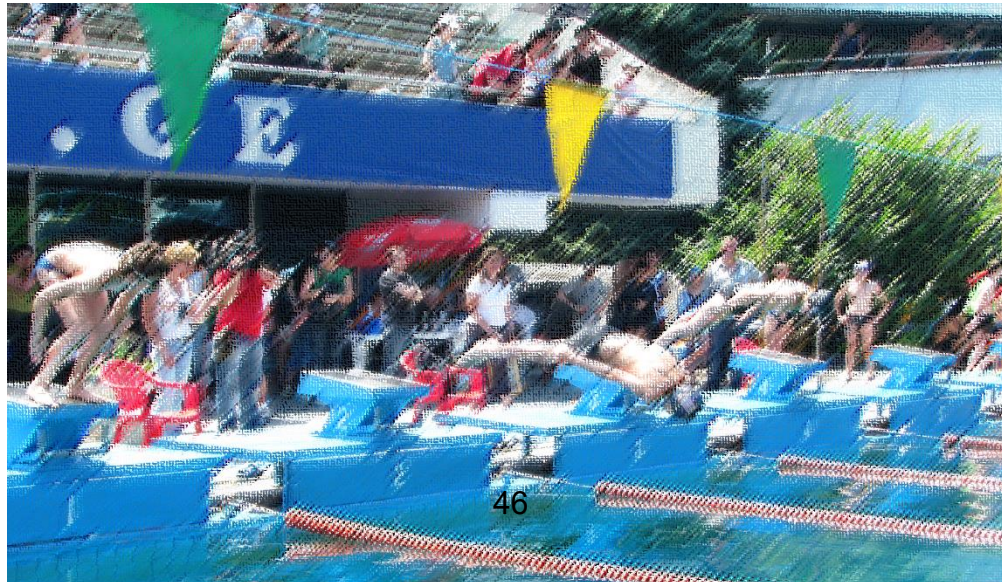
Recommended Action: Staff recommends that the Finance Committee recommend to the Board of Directors the PC budget adjusted increases:

PC – 2	\$100,000
PC – 12	\$35,000
PC – 21	\$75,000
PC – 23	\$0 (with up to \$30,000 to be directly billed to the City of Laguna Beach)

SOCWA
Budget Development
Kickoff Meeting
2020/2021 Fiscal Year
March 24, 2020

FY 2020–21 Budget Starting Line Up

- ❖ Key Budget Assumptions
- ❖ Staffing Overview
- ❖ Funding PERS/OPEB Costs
 - Unfunded Pension Liability and OPEB (Retiree Health)
 - Payments Removal from Fringe Pool
- ❖ General Assumptions
 - Pension Lump Sum Payment; Group Insurance; Ops Costs
 - Legal Expenditures
- ❖ Major Cost Drivers
- ❖ Summary O&M By Member Agency

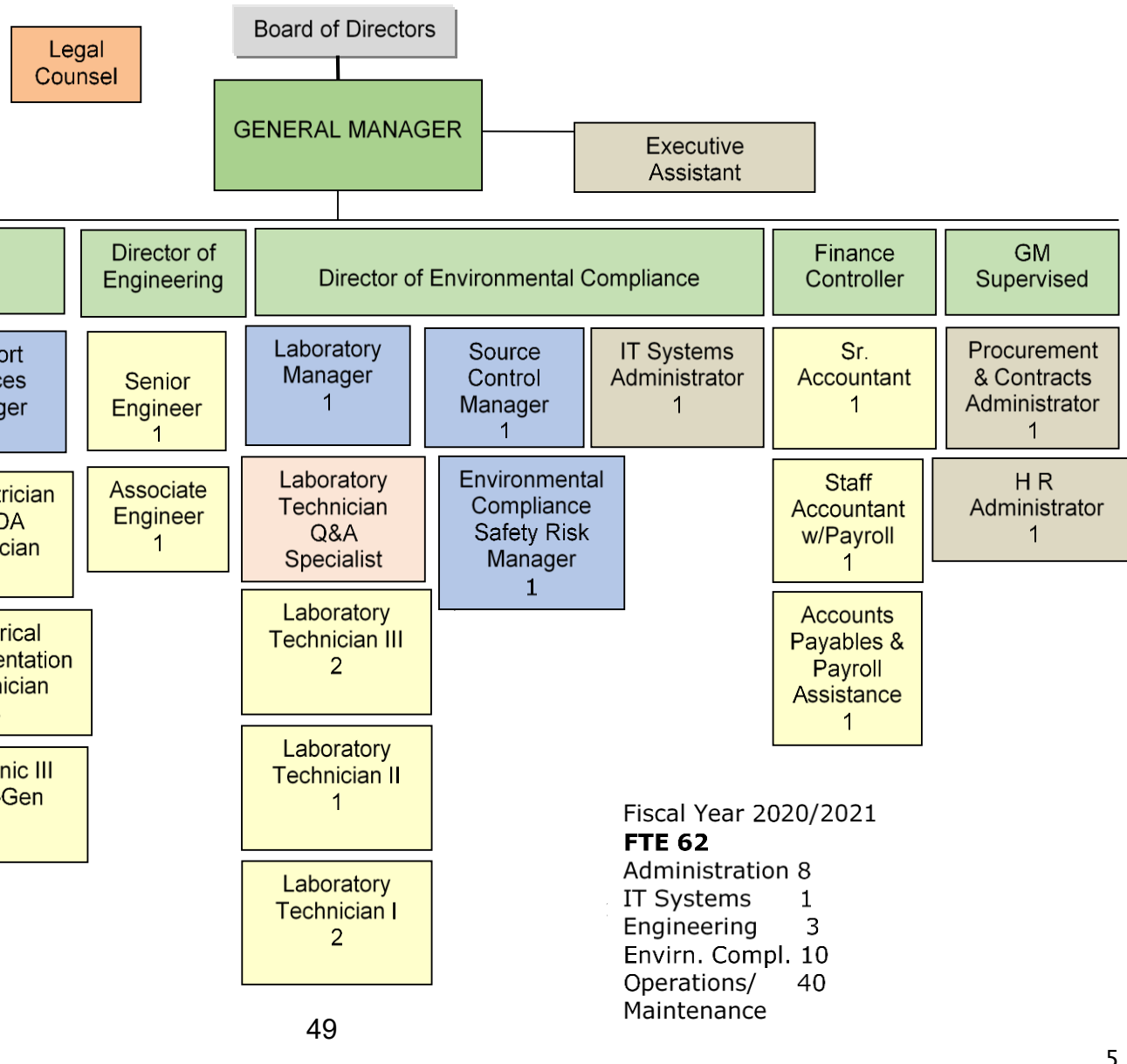


Key Budget Assumptions

1. **COLA** (Cost of Living Adjustment) 3.2% **preliminary**, MOU based on March Index which will be published April 10, 2020.
 - Previous months indexes: Jan 3.1%, Feb 3.4%
2. **Merit Pay 3% Average Increase.**
3. **Headcount – A Reduction of 2 FTEs:**
 - O&M, a reduction of 2
 - Environmental, addition of 1 Lab Tech
 - Admin, a reduction of 1, Clerk of the BoardFY 2020-21 Budget planned staffing levels is 62 FTEs.

Staffing Overview

Headcount						
Department	FY 2019-20 Budget	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 Budget	FY 2023-24 Budget	FY 2024-25 Budget
Operations	42	40	40	40	40	40
Environmental Compliance & Safety	9	10	10	10	10	10
Engineering	3	3	3	3	3	3
Administration	9	8	8	8	8	8
IT	1	1	1	1	1	1
Total Budget	64	62	62	62	62	62



Professional Licensing & Certifications

2018/19	2019/20
Operator II (Exam) – 1	Operator V – 2
Operator III (Exam) – 3	Operator III – 2
Operator V (Exam) – 1	Operator II – 1
Environmental Compliance Inspector IV – 1	Electrical/Instrumentation – Certified – 1
Certified Safety Professional – 1	Mechanic I– 1
Certified Professional Contracts Manager – 1	

Funding PERS/OPEB Costs

Unfunded Liability

Allow Individual Member Agencies to Pay Off or Pay Down UAL as of July 1st and Receive Proper Credit for Payment

FY 2020 Unfunded Pension Liability(UAL)					
Member Agency	%	Current UAL	Amortized 25 Years	Interest Payments	Interest % Principal
City of Laguna Beach	10.69%	\$1,617,370	\$2,993,047	\$1,375,676	85%
City of San Clemente	0.67%	101,523	187,875	86,352	85%
City of San Juan Capistrano	10.39%	1,571,687	2,908,507	1,336,820	85%
Emerald Bay Service District	0.46%	69,751	129,079	59,328	85%
El Toro Water District	3.54%	535,681	991,313	455,631	85%
Irvine Ranch Water District	0.76%	115,642	214,004	98,361	85%
Moulton Niguel Water District	45.15%	6,829,870	12,639,108	5,809,238	85%
South Coast Water District	18.45%	2,790,396	5,163,804	2,373,408	85%
Santa Margarita Water District	9.87%	1,492,570	2,762,095	1,269,525	85%
Trabuco Canyon Water District	0.01%	1,651	3,055	1,404	85%
Total Net Pension Liability	100.00%	\$15,126,143	\$27,991,887	\$12,865,744	85%

Interest Payments are 85% of the Principal or Present Value of the UAL Amount if Amortized over 25 Years.

Total Payments	\$	27,991,887
Interest Paid	\$	12,865,744

Original Schedule

Balance	Payment
\$ 14,670,264	\$ 694,172
\$ 14,979,124	\$ 871,532
\$ 15,126,143	\$ 1,009,493
\$ 15,140,746	\$ 1,150,955
\$ 15,010,040	\$ 1,269,646
\$ 14,747,412	\$ 1,339,961
\$ 14,393,665	\$ 1,415,725
\$ 13,936,784	\$ 1,454,657
\$ 13,407,650	\$ 1,494,660
\$ 12,800,097	\$ 1,535,763
\$ 12,107,498	\$ 1,577,997
\$ 11,322,731	\$ 1,621,392
\$ 10,438,141	\$ 1,665,980
\$ 9,445,508	\$ 1,711,794
\$ 8,336,000	\$ 1,698,418
\$ 7,162,663	\$ 1,683,012
\$ 5,923,128	\$ 1,641,582
\$ 4,639,682	\$ 1,569,115
\$ 3,341,355	\$ 786,934
\$ 2,761,238	\$ 693,606
\$ 2,237,054	\$ 594,549
\$ 1,778,642	\$ 516,881
\$ 1,368,480	\$ 465,972
\$ 982,269	\$ 363,993
\$ 674,511	\$ 344,936
\$ 364,922	\$ 271,895
\$ 109,216	\$ 112,974
\$ -	\$ -
\$ -	\$ -
\$ -	\$ -
\$ -	\$ -
\$ -	\$ -
\$ -	\$ -

\$29,557,591

Total Payments	\$	26,027,323	\$	(1,964,564)
Interest Paid	\$	10,901,180		

Total Savings \$ 1,964,564

Schedule with ADP

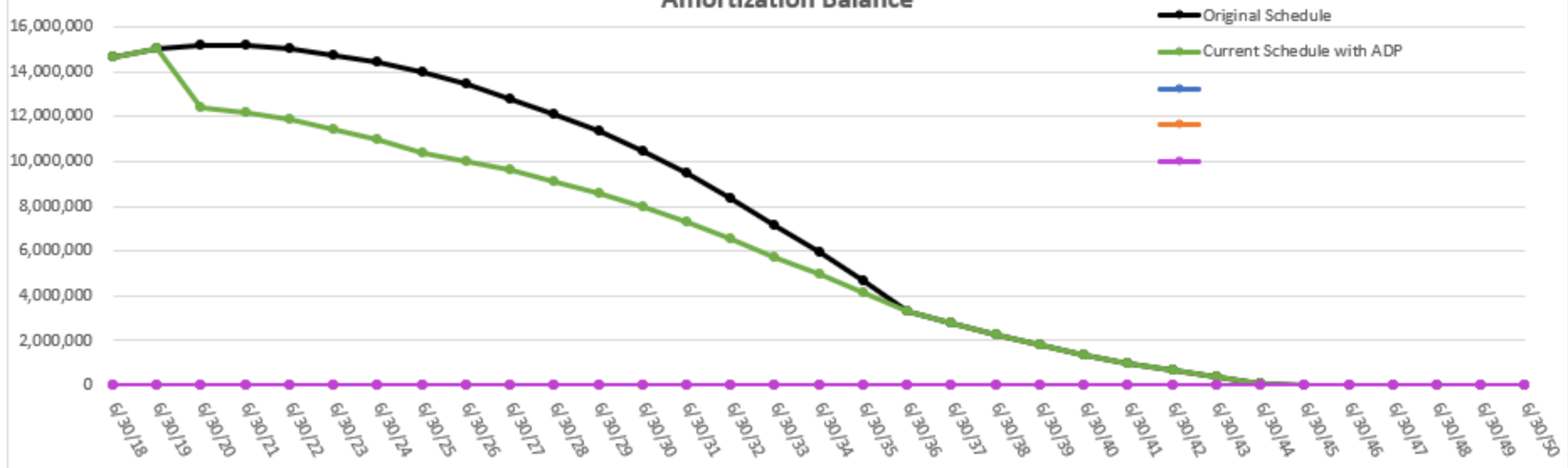
Balance	Payment	Contribution Difference
\$ 14,670,264	\$ 694,172	\$ -
\$ 14,979,124	\$ 871,532	\$ 2,706,297
\$ 12,381,477	\$ 773,161	\$ (236,332)
\$ 12,448,417	\$ 908,124	\$ (242,831)
\$ 12,380,435	\$ 1,020,137	\$ (249,509)
\$ 12,191,828	\$ 1,083,590	\$ (256,371)
\$ 11,924,382	\$ 1,152,304	\$ (263,421)
\$ 11,567,136	\$ 1,183,992	\$ (270,665)
\$ 11,152,104	\$ 1,216,552	\$ (278,108)
\$ 10,674,341	\$ 1,250,007	\$ (285,756)
\$ 10,128,527	\$ 1,284,382	\$ (293,614)
\$ 9,508,948	\$ 1,319,703	\$ (301,689)
\$ 8,809,463	\$ 1,355,995	\$ (309,985)
\$ 8,023,474	\$ 1,393,285	\$ (318,510)
\$ 7,143,892	\$ 1,371,149	\$ (327,269)
\$ 6,225,637	\$ 1,346,743	\$ (336,269)
\$ 5,268,350	\$ 1,296,066	\$ (345,516)
\$ 4,296,473	\$ 1,214,097	\$ (355,018)
\$ 3,341,355	\$ 786,934	\$ -
\$ 2,761,238	\$ 693,606	\$ -
\$ 2,237,054	\$ 594,549	\$ -
\$ 1,778,642	\$ 516,881	\$ -
\$ 1,368,480	\$ 465,972	\$ -
\$ 982,269	\$ 363,993	\$ -
\$ 674,511	\$ 344,936	\$ -
\$ 364,922	\$ 271,895	\$ -
\$ 109,216	\$ 112,974	\$ -
\$ -	\$ -	\$ -
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\$24,886,730 \$ (1,964,564)

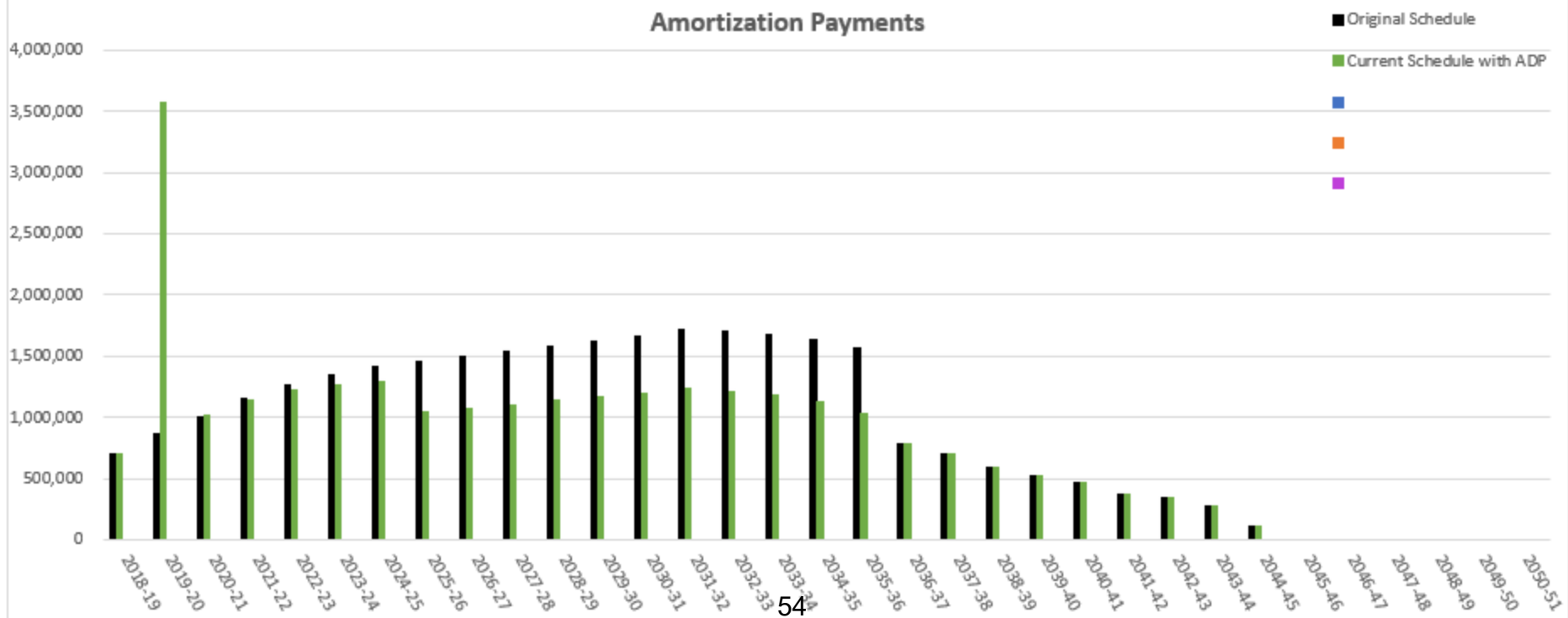
← IMPACT

\$2.7MM Payment April 15th, Oldest Base, pre 2013, Saves \$2.0MM, 73%, & Reduces Annual Payments

Amortization Balance



Amortization Payments



CalPERS Funding Status

- SOCWA's Tier 1 Plan is 71.7% Funded;
- CalPERS is about 70% Funded;
- CalPERS Recommends a Funding Status of 80 to 90%

Plan's Funded Status

	June 30, 2017		June 30, 2018	
1. Present Value of Projected Benefits (PVB)	\$	51,396,430	\$	54,605,589
2. Entry Age Normal Accrued Liability (AL)		48,122,154		51,902,519
3. Plan's Market Value of Assets (MVA)		35,351,202		37,232,256
4. Unfunded Accrued Liability (UAL) [(2) - (3)]		12,770,952		14,670,263
5. Funded Ratio [(3) / (2)]		73.5%		71.7%

Unfunded Pension & OPEB (Retiree Health)

- **Liability Payments Removed from Fringe Pool;**
- **UAL and OPEB to be Distributed by Project Committee and Member Agency based on Board Approved Allocation Percentages;**
- **Costs will not be included in O&M and will be a standalone expense.**

Fringe Rate Comparison

- ▶ Current Fringe Rate includes Unfunded Pension Liability (UAL) & OPEB (Retiree Health) Payments
- ▶ Comparison to removal of UAL & OPEB from Fringe Rate
- ▶ Fringe Rate (after removal of UAL & OPEB) includes: 457 Plan, accrued leave, medical and ancillary insurances, Medicare taxes, workers' compensation

	FY 2019-20 Budget	FY 2019-20 Forecast	UAL & OPEB Included FY 2020-21 Budget
Fringe Rate	71.9%	70.5%	76.7%
			¹ UAL & OPEB Not Included
Fringe Rate	71.9%	70.5%	52.1%

South Orange County Wastewater Authority
UAL and OPEB by Member Agency
Based on Board Approved Percentages for FY 2018–19

Member Agencies	UAL		OPEB		Total	
	Amount	Allocation %	Amount	Allocation %	Amount	Allocation %
City of Laguna Beach	\$105,989	10.69%	\$53,870	10.69%	\$159,859	10.69%
City of San Clemente	6,653	0.67%	3,381	0.67%	10,034	0.67%
City of San Juan Capistrano	102,995	10.39%	52,348	10.39%	155,343	10.39%
Emerald Bay Service District	4,571	0.46%	2,323	0.46%	6,894	0.46%
El Toro Water District	35,104	3.54%	17,842	3.54%	52,946	3.54%
Irvine Ranch Water District	7,578	0.76%	3,852	0.76%	11,430	0.76%
Moulton Niguel Water District	447,571	45.15%	227,484	45.15%	675,054	45.15%
South Coast Water District	182,858	18.45%	92,940	18.45%	275,799	18.45%
Santa Margarita Water District	97,810	9.87%	49,713	9.87%	147,523	9.87%
Trabuco Canyon Water District	108	0.01%	55	0.01%	163	0.01%
Total	\$991,237	100.00%	\$503,809	100.00%	\$1,495,046	100.00%

General Assumptions

Payment Option

Annual Lump Sum for Unfunded Pension Liability rather than monthly payments; July 1st payment

Unfunded Pension Liability Required Annual Payment FY 2020-21					
Pension Plans	Annual Lump Sum Payment	Monthly Payments	Annual Interest Savings	Increase/ (Decrease)	Without Savings
Tier 1 Classic	\$975,913	\$1,009,493	\$33,580		
Tier 2 Classic	4,590	4,748	\$158		
Tier 3 PEPR	10,734	11,103	\$369		
Total	\$991,237	\$1,025,344	\$34,107	14.3%	18.2%
FY 19-20 Budget	\$867,337				

Amount May Change Based on Individual Agencies Decisions to Pay Off or Pay Down their UAL.

Employer Pension

Normal Costs CalPERS Annual Valuation Report

Employer Normal Cost Rate FY 2020-21						
Pension Plans	Annual % of Payroll	Pensionable Payroll \$'s	Employer's Normal Costs	Increase/ (Decrease)	Pensionable Payroll MIX %	Employer Contributions MIX %
Tier 1 Classic	12.361%	\$2,579,378	\$318,837		41.7%	50.5%
Tier 2 Classic	11.031%	1,013,643	111,815		16.4%	17.7%
Tier 3 PEPR	7.732%	2,590,281	200,281		41.9%	31.7%
Total		\$6,183,302	\$630,932	1.1%	100.0%	100.0%
FY 19-20 Budget			\$623,980			

Group Insurance

Current Health Census, Covered Employees, Rates

Employee Insurance FY 2020-21		Increase ¹
CalPERS Health	\$811,459	
CalPERS Admin Fee	1,866	
Mutual Omaha Life Ins.	25,200	
Guardian Life Dental	102,000	
Vision Service Plan	14,412	
Total Group Insurance	\$954,938	6.7%
Total 19/20 Budget	\$895,048	

¹ Retiree Health increases by \$65,845 to \$503,809.

PTO (Paid Time Off)

Calculated by employee based on their earn rate for compensated absences:

Paid Time Off Accruals FY 2020-21							
	Holiday	Vacation	Sick	Personal	Admin	Total	Increase/ (Decrease)
O&M	\$158,731	\$240,302	\$173,490	\$53,795	\$12,701	\$639,020	
Environmental	45,204	76,557	49,986	15,264	4,330	191,341	
Engr	18,321	24,563	19,358	6,151	3,157	71,551	
Admin	40,598	58,923	43,663	13,755	8,599	165,537	
IT	4,152	4,209	4,209	1,421	947	14,938	
Total	\$267,006	\$404,555	\$290,705	\$90,385	\$29,735	\$1,082,387	-2.4%
FY 19-20 Budget	272,688	408,773	306,722	93,955	27,418	\$1,109,556	

¹ Increase/ (Decrease)	-2.1%	-1.0%	-5.2%	-3.8%	8.4%	-2.4%
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¹ Decrease is due to changes in staffing.

General Fund – No Change

Salary and Fringe

01-6000-04-00-00	Regular Salaries-Admin & IT	Footnote #1
01-6001-04-00-00	Overtime Salaries-Admin & IT	50%
01-6315-04-00-00	Comp Time - Admin	50%
01-6401-04-00-00	Fringe Benefits IN to PC's & Depts.	
	Total Payroll Costs	

Percentage Change YOY

Other Expenses

01-5018-04-00-00	Public Notices/ Public Relations	100%
01-5027-04-00-00	Contract Labor	50%
01-6101-04-00-00	Recruitment & Employee Relations	
01-6102-04-00-00	Subscriptions	
01-6200-04-00-00	Management Support Services	
01-6201-04-00-00	Audit	100%
01-6202-04-00-00	Legal	40%
01-6203-04-00-00	Outside Services	100%
01-6204-04-00-00	Postage	20%
01-6220-04-00-00	Board of Directors - Fees	
01-6223-04-00-00	Office Supplies - Admin	100%
01-6224-04-00-00	Office Equipment	100%
01-6234-04-00-00	Memberships & Trainings	
01-6239-04-00-00	Travel & Conference	
01-6240-04-00-00	Scholarship Sponsorship	
01-6310-04-00-00	Miscellaneous	20%
01-6311-04-00-00	Mileage	
01-6317-04-00-00	Contract Services Misc	
01-6500-04-00-00	IT Allocations in to PC's & Depts.	5%
01-6601-04-00-00	Shipping/Freight	
01-6705-04-00-00	Monthly Car Allowance	
	Total Other Expenses	

Total General Fund Expenses Percentage Change YOY

Time Allocation		
(1)	Executive Assistant	50%
	Contract Labor	50%
	GM	50%
	Controlle64	5%

Finance Committee Recommended General Fund %s

Footnote #1
50%
50%

Part-time employee

Projected Legal Expenditures

No change

2019/2020	2020/2021	
Budget General Legal \$170,000	Budget General Legal	\$170,000
Labor 80,000	Labor	80,000
Projected Total: \$250,000	Budget Total:	\$250,000

O&M / Environmental FY 2020–2021 Preliminary Budget Presentation

O&M / Environmental Total Cost Base

Cost Drivers Prioritized by Major Expenditures

	FY 2015-16 Actual	Mix %	FY 2016-17 Actual	Mix %	FY 2017-18 Actual	Mix %	FY 2018-19 Actual	Mix %	FY 2019-20 Budget	Mix %	FY 2020-21 Budget	Mix %
Payroll Costs Including Fringe Benefits	7,305,190	44.4%	7,730,396	46.6%	7,278,776	44.3%	7,515,052	43.6%	8,157,564	44.5%	7,271,696	39.2%
Chemicals	1,497,173	9.1%	1,381,568	8.3%	1,500,539	9.1%	1,567,210	9.1%	1,797,992	9.8%	1,822,884	9.8%
Biosolids Hauling and Disposal	1,477,697	9.0%	1,481,192	8.9%	1,322,804	8.0%	1,381,075	8.0%	1,355,004	7.4%	1,430,000	7.7%
Utilities	1,410,964	8.6%	1,663,124	10.0%	1,996,791	12.1%	1,637,836	9.5%	1,374,064	7.5%	1,465,540	7.9%
Maintenance - Equip. & Facilities	1,250,934	7.6%	1,111,944	6.7%	1,439,933	8.8%	1,917,785	11.1%	2,138,008	11.7%	2,150,996	11.6%
Environmental & Safety	917,282	5.6%	970,609	5.9%	724,059	4.4%	840,026	4.9%	1,002,612	5.5%	1,052,060	5.7%
IT	599,453	3.6%	564,968	3.4%	611,860	3.7%	561,926	3.3%	611,140	3.3%	691,104	3.7%
Engineering Misc	318,296	1.9%	103,820	0.6%	41,370	0.3%	34,824	0.2%	1,000			0.0%
Management Support Services	98,630	0.6%	95,040	0.6%	71,974	0.4%	145,354	0.8%	360,212	2.0%	820,508	4.4%
Contract Services - Misc	286,078	1.7%	204,068	1.2%	282,098	1.7%	297,985	1.7%	199,996	1.1%	256,012	1.4%
IT Direct	274,869	1.7%	296,152	1.8%	500	0.0%	2,216	0.0%	16,080	0.1%	10,000	0.1%
Facilities	208,757	1.3%	238,640	1.4%	195,862	1.2%	246,465	1.4%	268,996	1.5%	300,008	1.6%
Insurance	144,644	0.9%	160,192	1.0%	208,092	1.3%	203,645	1.2%	210,096	1.1%	275,568	1.5%
Grit Hauling	141,376	0.9%	120,132	0.7%	121,142	0.7%	114,827	0.7%	128,252	0.7%	124,996	0.7%
Legal	133,933	0.8%	41,180	0.2%	23,595	0.1%	94,380	0.5%	28,352	0.2%	48,556	0.3%
Other Miscellaneous	372,398	2.3%	424,628	2.6%	618,345	3.8%	685,830	4.0%	696,794	3.8%	825,840	4.5%
Total SOCWA Cost Base	16,437,673	100.0%	16,587,653	100.0%	16,437,739	100.0%	17,246,435	100.0%	18,346,162	100.0%	18,545,768	100.0%
Cost Drivers	14,875,619		15,102,661		14,988,106		15,601,088		16,797,596		16,681,404	
% Total Cost Base	90.5%		91.0%		91.2%		90.5%		91.6%		90.0%	

- **Over 90% of O&M's Cost Base (Total Costs) are in the above highlighted group.**

- **Base Assumptions**

- **2.5% for non-labor costs**
- **Contract Pricing**
- **4.5% Electricity**
- **CPI 3.2% estimate (final is published 4/10/2020)**

Preliminary O&M Budget by Member Agency¹

O&M and Environmental Only

Excludes Costs of Unfunded Liabilities (UAL/OPEB)

	FY 2015-16 Actual	FY 2016-17 Actual	Change %	FY 2017-18 Actual	Change %	FY 2018-19 Actual	Change %	FY 2019-20 Budget	Change %	FY 2020-21 Budget	Change %
O&M & Environmental, Safety Expenses											
City of Laguna Beach	\$1,704,854	\$1,739,148	2.0%	\$1,701,896	-2.1%	\$1,889,933	11.0%	\$2,065,332	9.3%	\$1,993,404	-3.5%
City of San Clemente	86,209	118,480	37.4%	95,461	-19.4%	111,629	16.9%	102,808	-7.9%	204,756	99.2%
City of San Juan Capistrano	1,673,090	1,748,767	4.5%	1,848,072	5.7%	1,946,717	5.3%	1,887,028	-3.1%	2,093,812	11.0%
El Toro Water District	655,134	638,776	-2.5%	662,650	3.7%	734,749	10.9%	746,520	1.6%	816,124	9.3%
Emerald Bay Service District	76,191	71,680	-5.9%	68,504	-4.4%	78,797	15.0%	83,608	6.1%	82,808	-1.0%
Irvine Ranch Water District	114,396	129,595	13.3%	105,604	-18.5%	105,648	0.0%	104,728	-0.9%	176,180	68.2%
Moulton Niguel Water District	7,518,023	7,251,921	-3.5%	7,399,121	2.0%	7,779,446	5.1%	8,005,842	2.9%	8,039,640	0.4%
Santa Margarita Water District ²	1,620,123	1,809,391	11.7%	1,619,140	-10.5%	1,302,490	-19.6%	1,900,508	45.9%	1,506,960	-20.7%
South Coast Water District	2,970,898	3,059,936	3.0%	2,929,500	-4.3%	3,278,985	11.9%	3,407,984	3.9%	3,599,872	5.6%
Trabuco Canyon Water District	18,755	19,959	6.4%	7,791	-61.0%	18,041	131.6%	41,804	131.7%	32,212	-22.9%
Total O&M Budget	\$16,437,673	\$16,587,653	0.9%	\$16,437,739	-0.9%	\$17,246,435	4.9%	\$18,346,162	6.4%	\$18,545,768	1.1%

¹ Distribution by Member Agency based on FY 2018-2019 Use Audit Actual Flows and Solids Loading %'s.
²SMWD has indicated that its flows to JBL (PC 2) will be estimated due to facility construction at OSO Plant.

FY 2020–21 O&M / Env. Budget by Project Committee and Member Agency

City of Laguna Beach	City of San Clemente	City of San Juan Capistrano	El Toro Water District	Emerald Bay Service District	Irvine Ranch Water District	Moulton Niguel Water District	Santa Margarita Water District	South Coast Water District	Trabuco Canyon Water District	Total	PC Share %
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O&M by Project Committee and Member Agency

PC 2 - Jay B. Latham Plant		1,901,004				1,304,036	1,143,156	1,624,448		5,972,644	32.2%	
PC 5 - San Juan Creek Ocean Outfall	173,732	141,356				136,008	240,148	116,060		807,304	4.4%	
PC 8 - Pretreatment Program	6,928	31,024	18,768	4,460	3,752	20,660	35,868	38,352	29,548	189,360	1.0%	
PC 12 SO- Water Reclamation Permits		32,684					88,540	85,304	35,464	32,212	274,204	1.5%
PC 15 - Coastal Treatment Plant/AWT	1,274,440				53,052		216,368		1,310,396		2,854,256	15.4%
PC 17 - Joint Regional Wastewater	616,076			661,632	20,440		5,932,856		397,088		7,628,092	41.1%
PC 21 Effluent Transmission Main				1,284		1,284	564				3,132	0.0%
PC 24 - Aliso Creek Ocean Outfall	95,960		148,748	5,564	154,236	325,400		86,868			816,776	4.4%
Total O&M by Project Committee and Member Agency	1,993,404	204,756	2,093,812	816,124	82,808	176,180	8,039,640	1,506,960	3,599,872	32,212	18,545,768	100.0%
Member Agency Share of Budget %	10.7%	1.1%	11.3%	4.4%	0.4%	0.9%	43.4%	8.1%	19.4%	0.2%	100.0%	

FY 2020–2021 Preliminary Total Budget with UAL and OPEB Expense

	FY 2018-19 Actual	Change %	FY 2019-20 Budget	Change %	FY 2020-21 Budget	Change %	UAL & OPEB	Allocation %’s	Total Budget	Change %
O&M Budget by Member Agency										
City of Laguna Beach	2,197,880	10.3%	2,397,061	9.1%	2,287,225	-4.6%	159,859	10.69%	2,447,083	2.1%
City of San Clemente	155,352	-0.6%	146,259	-5.9%	255,803	74.9%	10,034	0.67%	265,838	81.8%
City of San Juan Capistrano	2,262,176	4.8%	2,195,284	-3.0%	2,399,787	9.3%	155,343	10.39%	2,555,130	16.4%
El Toro Water District	875,388	8.8%	889,672	1.6%	954,307	7.3%	52,946	3.54%	1,007,253	13.2%
Emerald Bay Service District	147,131	17.2%	154,448	5.0%	145,356	-5.9%	6,894	0.46%	152,250	-1.4%
Irvine Ranch Water District	163,057	-2.9%	163,390	0.2%	236,899	45.0%	11,430	0.76%	248,329	52.0%
Moulton Niguel Water District	8,895,527	4.6%	9,149,541	2.9%	9,091,604	-0.6%	675,054	45.15%	9,766,658	6.7%
Santa Margarita Water District	1,532,718	-19.2%	2,210,538	44.2%	1,741,898	-21.2%	147,523	9.87%	1,889,421	-14.5%
South Coast Water District	3,799,657	11.9%	3,946,386	3.9%	4,114,414	4.3%	275,799	18.45%	4,390,212	11.2%
Trabuco Canyon Water District	34,905	-37.8%	62,266	78.4%	49,242	-20.9%	163	0.01%	49,405	-20.7%
Total O&M Budget by Member Agency	20,063,792	4.2%	21,314,846	6.2%	21,276,535	-0.2%	1,495,046	100.00%	22,771,581	6.8%

Standby – PC 2 Example

Board Policy Discussion

Standby Costs PC2 JB Latham Liquids

SOUTH ORANGE COUNTY WASTEWATER AUTHORITY PC 2 - JB LATHAM (DANA POINT) TREATMENT PLANT OPERATIONS LIQUIDS COST ALLOCATION FY 2018-19

ALLOCATION OF LIQUIDS COSTS

District	Ownership MGD	Ownership Percent	Current Flow MGD	Current Flow %	Unused Capacity MGD	Unused Capacity Percent	Actual Distribution	(Paid More) Paid Less
CSJC	4.00	30.77%	2.070	35.38%	1.93	27.00%		
MNWD	3.00	23.08%	1.400	23.93%	1.60	22.38%		
SCWD	3.75	28.85%	1.690	28.88%	2.06	28.82%		
SMWD	2.25	17.30%	0.691	11.81%	1.56	21.81%		
	13.00	100.00%	5.851	100.00%	7.15	100.00%		
District	Unused Capacity Percent	[1] Standby Charge Based on Unused Capacity	Remaining Amount Based on Current Flow	Total Liquids Costs	Resulting Percent			
CSJC	27.00%	59,770	714,285	774,054	34.55%	791,746	(17,691)	
MNWD	22.38%	49,550	483,091	532,641	23.77%	535,384	(2,743)	
SCWD	28.82%	63,796	583,160	646,956	28.88%	646,668	288	
SMWD	21.81%	48,280	238,440	286,720	12.80%	264,280	22,440	
	100.00%	221,395	2,018,976	2,240,371	100.00%	2,238,078	2,294	

[1] NOTE: Unused Capacity Calculation as Follows:

$$\begin{array}{r}
 \$30,968.70 \text{ standby charge/mgd} \\
 \times \quad \quad \quad 7.15 \text{ mgd} \\
 \hline
 \underline{\$221,395.21 \text{ standby amount}}
 \end{array}$$

Current flow equals the average flow to the JB Latham Plant spread out over twelve months.

Standby Costs PC 2 JB Latham Solids

SOUTH ORANGE COUNTY WASTEWATER AUTHORITY PC 2 - JB LATHAM (DANA POINT) TREATMENT PLANT OPERATIONS SOLIDS - COST ALLOCATION FY 2014-15

ALLOCATION OF SOLIDS COSTS

District	Ownership MGD	Ownership Percent	Loadings Pounds Per Day	% Loadings Pounds Per Day	Ownership Pounds Per Day Average	Unused Capacity Pounds
CSJC	5.55	30.00%	5,706	29.65%	11,572	5,866
MNWD	4.00	21.62%	3,859	20.05%	8,340	4,481
SCWD	3.70	20.00%	5,181	26.92%	7,715	2,534
SMWD	5.25	28.38%	4,497	23.37%	10,946	6,449
	18.50	100.00%	19,243	100.00%	38,573	19,330

Actual Distribution	(Paid More) Paid Less
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District	Unused Capacity Percent	[1] Standby Charge Based on Unused Capacity	Remaining Amt. Based on	Total Solids Costs	Resulting Percentage
CSJC	30.35%	\$ 61,241.04	\$701,757	762,998	29.71%
MNWD	23.18%	46,781.64	\$474,602	521,384	20.30%
SCWD	13.11%	26,454.96	\$637,189	663,644	25.84%
SMWD	33.36%	67,327.56	\$553,067	620,395	24.15%
	100.00%	\$ 201,805.20	\$2,366,616	2,568,421	100.00%

760,961	2,037
514,612	6,772
690,946	(27,302)
599,776	20,618
2,566,295	2,126

[1] NOTE: Unused Capacity Calculation as Follows:

$$\begin{array}{r}
 \text{standby} \\
 \$10.44 \text{ charge/pounds} \\
 \times \quad 19,330.00 \text{ pounds} \\
 \hline
 201,805.20 \text{ standby Amount}
 \end{array}$$

March 24, 2020

**Total Budget Assumptions
South Orange County Wastewater Authority
Fiscal Year 2020-21**

Fiscal Year 2020-21 with projections through 2024-25, 5 Years

1. The consolidated operations budget is divided into “Functional Departments”
 - a) Operations
 - b) Engineering (Capital and Non-Capital)
 - c) Environmental Compliance and Safety
 - d) Information Technology (IT)
 - e) Administration
 - f) General Fund (shown individually and as a part of Administration)
 - g) UAL (PERS) and OPEB liabilities

All functional departments reside within the Operations and Maintenance (O&M) costs and are distributed by Project Committees and Member Agencies. UAL (PERS) and OPEB liabilities distributed by Board approved percentage.

The Administration department is a service center providing support to Operations, Engineering, Environmental Compliance and Capital Projects. Therefore, these costs are distributed by Project Committees and Member Agencies based on O & M Direct Costs.

Administrative Services include the following:

- Payroll
- Accounts Payable
- Contracts and Procurement
- Human Resources (HR)
- Financial Reporting
- Financial Audits
- Comprehensive Annual Financial Report (CAFR)
- Budgets
- Use Audits
- Statutory Reporting

2. The FY Budget establishes the Board approved allocations used for the purpose of collecting the O&M and Capital deposits from Member Agencies. After the close of the fiscal year, the Use Audit is prepared, and the approved allocations are then adjusted to reflect actual labor time spent, actual liquids and solids treated, or actual purpose of the expense accumulated (if incurred for a single agency or group of agencies that is less than a full PC group) (“Actual Expenses”). Actual Expenses will be included in the fiscal year use audit to determine under/over payments by member agencies.

3. Each Department Manager provided:

- a) Headcount requirements for the 5-year budget period remain stable and as projected in prior years. The staffing plan takes into account known and anticipated retirements, and costs for labor are projected based on filling open positions in-line with the approved MOU. The Authority’s overall headcount of 62 will decrease by 2 FTEs from the prior year budget. Anticipated staffing changes include O&M with a reduction of 2 FTEs, Environmental Compliance addition of 1 FTE for increased regulatory requirements (TNI standards), Admin. reduction of 1 FTE with addition of a part-time contracted employee to provide administrative support at a lower cost.

Headcount							
Department	FY 2018-19 Budget	FY 2019-20 Budget	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 Budget	FY 2023-24 Budget	FY 2024-25 Budget
Operations	42	42	40	40	40	40	40
Environmental Compliance & Safety	9	9	10	10	10	10	10
Engineering	3	3	3	3	3	3	3
Administration	9	9	8	8	8	8	8
IT	1	1	1	1	1	1	1
Total Budget	64	64	62	62	62	62	62

- 4. Operations and Environmental Compliance and Safety budgets were built at the Project Committee level.
 - a) Payroll costs were allocated to Project Committees based on future projections of where each individual employee would work. Individual employees support multiple Project Committees/Work Sites; therefore, percentages were used to allocate time by project committee.
 - b) Non-labor costs are based on prior actuals, contractual agreements, expected inflation increases, current year run rates and projected impacts from capital projects.
- 5. Engineering costs were split between Capital Projects and Administration and other Non-Capital Engineering work based on how the Department spends time.
- 6. In addition to liquid flow rates, solids loading, and common costs (typically shared equally between liquids and solids), labor time spent (as actually occurred in FY 2018-19) is used to calculate some expense allocations to agencies.
- 7. Projected Operational Cost changes are based on:

- a) Flows and loads are based on results of FY end 2019 use audit with the exception of PC2 (JBL) solids which will be based on the past 3-year average (as directed by PC 2 in April 2017) and agreement between SMWD and MNWD to continue flow for MNWD from Oso-Trabuco line at 1.4 mgd. The agreement also directs staff to assume that MNWD’s solids are based on the influent strength of the sewage to the 3A Plant with the balance of the solids being attributed to SMWD.
 - b) CPUC projected rate increases are used to calculate most utility cost changes, and for Co-Gen engine operations actual operating results are used as the basis for projecting electricity and natural gas costs.
 - c) Inflation for Non-labor expenses is assumed at 2.5%.
 - d) Long-term contract rates are used to budget contracted supplies and services.
8. Payroll costs include salaries and wages plus fringe benefits.

- a) For purposes of applying salary adjustments pursuant to Section 4 Compensation (C) of the Memorandum of Understanding between the South Orange County Wastewater Authority and the SOCWA Employee Association, SOCWA uses the Los Angeles-Long Beach-Anaheim CPI-U Index published by the Bureau of Labor Statistics of the United States Department of Labor. This index reflects CPI in a portion of Orange County. Labor inflation based on this CPI will result in an estimated 3.2% (final CPI April 10th) Cost of Living Adjustment (COLA) in July for all employees.

The 2019-2020 Salary Range Summary, Job Classification Salary Schedule and Organizational Chart are within the Employee Association MOU (2020-2023) and Employee Manual revised as of November 7, 2019 by Resolutions 2020-02 and 2020-01 respectively and are incorporated here by reference.

- b) An average 3% merit increase for all employees
- c) PERS retirement was calculated using the CalPERS provided “Employer Normal Cost Rate” which is applied to pensionable payroll dollars.

Employer Normal Cost Rate FY 2020-21						
Pension Plans	Annual % of Payroll	Pensionable Payroll \$'s	Employer's Normal Costs	Increase/ (Decrease)	Pensionable Payroll MIX %	Employer Contributions MIX %
Tier 1 Classic	12.361%	\$2,579,378	\$318,837		41.7%	50.5%
Tier 2 Classic	11.031%	1,013,643	111,815		16.4%	17.7%
Tier 3 PEPR	7.732%	2,590,281	200,281		41.9%	31.7%
Total		\$6,183,302	\$630,932	1.1%	100.0%	100.0%
FY 19-20 Budget			\$623,980			

The Authority will pay the Annual Lump Sum Payment Option for Unfunded Pension Liability rather than monthly payments resulting in interest savings of \$34,107. The amount may favorably change if Member Agencies decide to make “Advanced Payments”.

Unfunded Pension Liability Required Annual Payment FY 2020-21					
Pension Plans	Annual Lump Sum Payment	Monthly Payments	Annual Interest Savings	Increase/ (Decrease)	Without Savings
Tier 1 Classic	\$975,913	\$1,009,493	\$33,580		
Tier 2 Classic	4,590	4,748	\$158		
Tier 3 PEPRA	10,734	11,103	\$369		
Total	\$991,237	\$1,025,344	\$34,107	14.3%	18.2%
FY 19-20 Budget	\$867,337				

d) Medicare tax, holiday, vacation, sick and personal time were calculated based on the individual employee earning rate; paid time off accruals are:

Paid Time Off Accruals FY 2020-21							
	Holiday	Vacation	Sick	Personal	Admin	Total	Increase/ (Decrease)
O&M	\$158,731	\$240,302	\$173,490	\$53,795	\$12,701	\$639,020	
Environmental	45,204	76,557	49,986	15,264	4,330	191,341	
Engr	18,321	24,563	19,358	6,151	3,157	71,551	
Admin	40,598	58,923	43,663	13,755	8,599	165,537	
IT	4,152	4,209	4,209	1,421	947	14,938	
Total	\$267,006	\$404,555	\$290,705	\$90,385	\$29,735	\$1,082,387	-2.4%
FY 19-20 Budget	272,688	408,773	306,722	93,955	27,418	\$1,109,556	

(Decrease) -2.1% -1.0% -5.2% -3.8% 8.4% -2.4%

e) Group medical insurance is based on actual individual current rates and the Employer co-pay will continue under the current MOU at 95% for all plans. Standard group medical insurance increases beyond 2021 are projected at 6.4%.



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Group Insurance FY 2020-21		Increase
CalPERS Health	\$811,459	
CalPERS Admin Fee	1,866	
Mutual Omaha Life Ins.	25,200	
Guardian Life Dental	102,000	
Vision Service Plan	14,412	
Total Group Insurance	\$954,938	6.7%
Total 19/20 Budget	\$895,048	

Retiree health will be, \$503,809, increasing by \$65,845.

- f) Budgeted fringe benefit rate is 52.1%, which includes costs of accrued leave, group insurances (medical and disability), PERS Normal Costs, and other paid benefits (unemployment, workers' compensation, bereavement pay)

The Authority elected to remove the Unfunded Pension Liability and OPEB (Retiree Health) from the Fringe Pool and report these items as a standalone expenses to be distributed by Project Committee and Member Agency base on Board approved methodology.

	FY 2019-20 Budget	FY 2019-20 Forecast	UAL & OPEB Included
Fringe Rate	71.9%	70.5%	FY 2020-21 Budget
			76.7%
			¹UAL & OPEB Not Included
Fringe Rate	71.9%	70.5%	52.1%

- g) Pay for time worked rate is 88%, no change from the prior year budget, (Direct Labor Utilization net of PTO, paid time off) and is projected based on actuals as of December 2019.

9. Administration expenses are a part of the O&M costs of each agency and are detailed in the Budget document for the purposes of allowing member agencies to track administrative costs and evaluate trends in administrative expenses. Administration expenses (net of General Fund) are applied to Member Agencies based on a Total Cost Input Allocation Base (Cost identified to a Project Committee and in some cases a Member Agency). Extraordinary and one-time O&M expenses having no administrative impact (examples: intermittent spikes in chemical or electrical costs or emergency labor), are deducted from the Total Cost Input Base.



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This is a FAR and CAS 410 (Federal Acquisition Regulation and Cost Accounting Standard) methodology. This approach was confirmed appropriate by outside engineering/financial review completed by Carollo Engineering in FY '15/'16. This approach assigns administrative costs to the agency incurring the cost.

- a) Insurance costs are based on invoiced premiums for 2020-2021, which is estimated without a retrospective premium adjustment. Insurance is a prepaid expense as of this writing. Projections for out years are:
 - i. CSRMA general liability and other 10%, Property 10%, Liability (PLP) 5% and Commercial Crime 5%.
 - ii. Workers' Compensations estimated at 10% in the out years.
 - b) Training budgets are expected to remain consistent with 2019-20 budget year.
10. The General Fund Budget will be allocated in accordance with the approach agreed to by the Board of Directors for the FY 2018-19 Budget as to the costs selected to be shared from the Administration Costs into the General Fund and in like percentages as determined by approval of the Board in FY 2018-19.

Distribution to the Member Agencies in FY 2020-21 remains consistent with the percentages used in FY 2018-19 and 2019-20.

General Fund Expenses are added back to Administration for the purposes of tracking costs and showing total Administration by agency and project committee. Historically, General Fund expenses are estimated to cover costs of Board Meetings and staff costs of compliance with legally required JPA reporting and filing requirements (Form 700, Annual JPA Statements, etc.).

11. The following points were approved by the Board from the Allocation Working Group and are continued in the FY 2020-21 Budget:
- a) The budget funds continuous metering of flows upstream of the JBL Plant from the OSO Trabuco and San Juan sewer trunk lines
 - b) All costs for the Pretreatment Program are levied based on timesheets from the previous year except for insurance costs that are distributed equally by member agency.
 - c) Individual agencies will pay Director meeting attendance fees either through SOCWA or directly to their participating director
 - d) Engineering studies will continue to address future capital and capacity needs of the treatment plants
 - e) JBL Effluent Pump Station (EPS) costs will be placed in PC 2 liquids ownership category
 - f) Continue PC 2 and 15 water use allocations: 30% from solids to liquids for PC 2, 70% from common into liquids PC 15



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- g) Continue PC 15 and 17 bleach use allocations: 4% from liquids to AWT for PC 15, track system changes for PC 15 and 17
 - h) Continue PC 2 and 17 odor control allocations: 39% from solids to liquids for PC 2, 42.1% from liquids to solids for PC 17
 - i) Continue certain PC 24 costs as fixed costs: engineering misc., legal, off-shore monitoring, inspections/port cleaning and misc. equipment.
 - j) PC 2SO (12) excludes ETWD and IRWD.
12. The following changes were approved by the Board in April 2019 and accepted from the March 2019 Operational Cost Distribution Analysis for the FY 2019-20 Budget. These items are applicable to the FY 2020-21 Budget:
- a) All costs for the outfall PCs (5 and 24) will be allocated as fixed costs.
 - b) The following line items will be changed from labor allocations to common ownership allocations:
 - Standby Pay
 - Small Vehicle Expenses
 - Small Vehicle Fuel
 - Recruitment
 - Mileage Reimbursement
 - c) Ferric Chloride at PC2 – JBL will be changed from 80% Liquids and 20% Solids to 100% Solids
 - d) Electricity at PC15 – CTP will be changed from 94% Liquids 2.5% AWT and 3.5% Common to 100% Liquids
 - e) Natural Gas at PC15 – CTP will be changed from 95% Liquids and 5% Common to 50% Liquids and 50% Common
 - f) Ferric Chloride at PC17 – RTP will be changed from 80% Liquids and 20% Solids to 100% Solids
13. PERS 2020 Valuation Forecast shows that UAL interest payments will be 85% of the Principal or Present Value of the UAL Amount if Amortized over 25 Years. The following table summarizes the growth in UAL (PERS unfunded liability).

A savings program was not included in the FY 2019-20 budget. However, the Board of Directors supported the importance of beginning a savings plan for PERS/OPEB obligations within the next year.

FY 2020 Unfunded Pension Liability(UAL)					
Member Agency	%	Current UAL	Amortized 25 Years	Interest Payments	Interest % Principal
City of Laguna Beach	10.69%	\$1,617,370	\$2,993,047	\$1,375,676	85%
City of San Clemente	0.67%	101,523	187,875	86,352	85%
City of San Juan Capistrano	10.39%	1,571,687	2,908,507	1,336,820	85%
Emerald Bay Service District	0.46%	69,751	129,079	59,328	85%
El Toro Water District	3.54%	535,681	991,313	455,631	85%
Irvine Ranch Water District	0.76%	115,642	214,004	98,361	85%
Moulton Niguel Water District	45.15%	6,829,870	12,639,108	5,809,238	85%
South Coast Water District	18.45%	2,790,396	5,163,804	2,373,408	85%
Santa Margarita Water District	9.87%	1,492,570	2,762,095	1,269,525	85%
Trabuco Canyon Water District	0.01%	1,651	3,055	1,404	85%
Total Net Pension Liability	100.00%	\$15,126,143	\$27,991,887	\$12,865,744	85%

14. Capital Project invoicing will be sent to SOCWA Member Agencies in accordance with the Budget as approved for Q1. For each subsequent quarter, capital cost collections will be based on adjustments based on cash flow as projected by the Director of Engineering to meet project contract obligations.
15. In making O&M in capital investments SOCWA's goal is to ensure the facilities are operated at the lowest lifecycle cost. Equipment and materials durability and reliability are core concepts for designing, constructing, operating, and maintaining SOCWA facilities. SOCWA uses applicable design guidelines, construction standards and recommended equipment and materials for the corrosive, abrasive, and harsh conditions that impact material durability and reliability.

SOCWA's goal is to implement the principles of infrastructure Asset Management. SOCWA uses O&M and Capital resources for cost-effective asset investments to addresses community, environmental, and employee safety, to mitigate potential consequences and probability of failures, and to provide consistent regulatory compliance which ensures facility service level and economic usefulness for SOCWA member agencies.

General Approval Information:

All Budgets since inception reflect the costs of direct use and costs allocated by capacity ownership for capital improvements, repairs and replacements necessary to operate within legal compliance requirements and accepted industry standards.

The signature authority levels authorized for expending the FY 2020-21 budget are in conformity with SOCWA's Uniform Purchasing Policy and Procedures, policy number, 6.2015.01, as approved by the Board on March 5, 2015 and as revised for clarification on December 28, 2017 and December 12, 2019.

The Board acknowledges the above Budget assumptions as a part of the Budget preparation. Staff is authorized to contract for services, acquire supplies and pay vendors and expenses within the



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Functional Departments and Project Committees. Staff is authorized to follow the Budget and expend the amounts therein stated consistent with the Uniform Purchasing Policies and Procedures.

DRAFT

Agenda Item

10

Finance Committee Meeting

Meeting Date: March 24, 2020

TO: Finance Committee
FROM: Betty Burnett, General Manager
STAFF CONTACT: Jeanette Cotinola, Procurement / Contracts Administrator
RE: Uniform Purchasing Policy and Procedures – Exhibit 2 – Non-Discretionary Expenses.

Summary

The Board of Directors approved a revision to the Uniform Purchasing Policy and Procedures Appendix 1 and Exhibit 5 at the December 12, 2019 Board Meeting. Alternate Directors Collings and Cafferty requested that the Exhibit 2 be reviewed at the Finance Committee.

Prior Related Project Committee or Board Action(s)

Noted above.

Recommended Action: Committee review and comments.


 <small>South Orange County Wastewater Authority</small>	POLICY NUMBER: Administration 1.715
Revised: <u>December 12, 2019</u>	Title: Uniform Purchasing Policy and Procedures

Exhibit 2

Non – Discretionary Expenses

Non-discretionary Expenses are items that are approved for expenditure with the FY Budget and do not require further Board Action for payment, including those that exceed the General Manager limit of \$50,000. Non-Discretionary Expenses are listed under two categories, known as Contractual Agreements¹ and Essential Expenses.

Contractual Agreements, Purchase Orders:

1. Budgeted Expense:

Cash Management Fees for Bank Services – and deposits to LAIF, if any Insurance Payments (general liability, worker’s compensation, etc.) Computer System Purchases, Maintenance Contracts, and Computing Support Services:

- Blackbaud / Financial Edge (ERP Systems)
- Tabware
- SCADA Systems

Facilities Maintenance Agreements

- HVAC Equipment and Services
- Landscape Maintenance
- Building Cleaning Services
- Plumbing Services
- Trash disposal
- Security Patrols and Services
- Routine facilities maintenance and upkeep
- Approved or Authorized Equipment Manufacture Parts and Services Agreements
- Manufacture Equipment Warranty and Service Agreements Deliveries
- Chemicals for Treatment Plants
- Materials used in wastewater treatment, Ferric Chloride, etc.
- Natural Gas Purchases


Regional Participation Agreements

- Integrated Regional Watershed Management annual fee

Operations and Maintenance

- Operating Leases, trailer space, equipment, etc.

¹ Where a Non – Discretionary Contractual Agreement with a vendor exceeds \$50,000, the award will be reported to the Board of Directors.

 <small>South Orange County Wastewater Authority</small>	POLICY NUMBER: Administration 1.715
Revised: <u>December 12, 2019</u>	Title: Uniform Purchasing Policy and Procedures


- Hauling Contracts
 - Biosolids
 - Grit & Screenings
 - Solids & Residuals, Scum, etc.
- Deliveries
 - Chemicals for Treatment Plants
 - Materials used in wastewater treatment, Ferric Chloride, etc.
- Routine Operational
 - Uniforms
 - Machining
 - Equipment servicing
 - Scrubber system maintenance
 - Centrifuge servicing, etc.
- Fleet / Truck / Vehicle Expenses
- Business Supplies
 - Printers, Computer & Paper Supplies
 - Miscellaneous Business Supplies

Human Resources Expenses

- Training & conferences
- Routine cost evaluations, market salary verifications,
- Employment verifications, etc.
- Employee contingent liabilities
- Salaries and benefit payments
- Deferred compensation payments
- PERS – Employer Costs
- Federal and State Employee Taxes
- Medicare Taxes
- Approved Capital Projects
- FY Expenditures
- Retention Releases

2. Essential Expenses:

- Utilities (power, gas, phone, mobile services, emergency services and data communications lines).
- Water Purchases, water meter

 South Orange County Wastewater Authority	POLICY NUMBER: Administration <u>1.715</u>
Revised: <u>December 12, 2019</u>	Title: Uniform Purchasing Policy and Procedures

- Sales and Use Tax payments
- Permit Fees
- Regulatory Fees and Charges