

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

**TELECONFERENCE PHONE NUMBER: (213) 279-1455  
TELECONFERENCE ID: 841 583 291**

**August 25, 2020  
10:30 a.m.**

NOTICE IS HEREBY GIVEN that a Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee was called by the Chairman to be held by Teleconference on **August 25, 2020** at **10:30 a.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 ON THE WEB-SITE [WWW.SOCWA.COM](http://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.*

**AGENDA**

- 1. Call Meeting to Order**
- 2. 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*

August 25, 2020

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.

### 3. Approval of Minutes

- a. Finance Committee Meeting Minutes of June 23, 2020
- b. Finance Committee Meeting Minutes of August 4, 2020

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

### 4. Financial Reports for the Month of June 2020

The reports included are as follows:

- a. Summary of Disbursements for June 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)

**Recommended Action:** Staff recommends the Finance Committee recommend to the Board of Directors to ratify the April 2020 disbursements for the period from June 1, 2020, through June 30, 2020, totaling \$4,839,157 and to receive and file the Preliminary June 2020 Financial Reports as submitted.

### 5. Fiscal Year 2019-2020 Preliminary Financials (Year End Results and Preparation of Use Audit)

- a. Budget vs. Actual by Department
- b. Usage Distributions (flows & solids)
- c. Long-term Liabilities (PERS/OPEB/Uncompensated Absences)
  - Allocations and Cost Increases
- d. Recommendation to Address Long-Term Liabilities

**Recommended Action:** Finance Committee to consider recommendation to SOCWA Board:

- Address PERS Increase & Continued Growth
- Adopt Board Policy to Avoid 7% Growth in Cost
- Determine to Pre-pay (Advanced Discretionary Payments)
- Amend the JPA Agreement to Ensure Pre-Payment Credits
- Adopt method for Distribution of Future Base Adjustments

### 6. Update on Small Capital Expenditures Year End June 30, 2020

**Recommended Action:** Staff recommends that SOCWA continues the past practice of addressing small internal capital carryover with the preparation of the Use Audit.

August 25, 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](http://www.socwa.com).

Dated this 20<sup>th</sup> day of August 2020.



---

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

MINUTES OF SPECIAL MEETING  
OF THE  
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY  
Finance Committee

June 23, 2020

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee Meeting was held on June 23, 2020, at 10:30 a.m. via teleconference. The following members of the Finance Committee were identifiably participating:

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

Staff Participation:

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

Also Participating:

ADRIANA OCHOA	Procopio Law Firm
ANDREA MOSER	Procopio Law Firm
KEN PUN	The PUN Group
PAMELA ARENDS-KING	South Coast Water District
KATHRYN FRESHLY	El Toro Water District
TREVOR AGRELIUS	Moulton Niguel Water District
NEELY SHAHBAKTI	El Toro Water District

1. **Call Meeting to Order**

Chairperson Erdman called the meeting to order at 10:33 a.m.

2. **Public Comments** – None

**3. Approval of Minutes**

ACTION TAKEN

Motion was made by Director Grantham and seconded by Director Collings to approve Finance Committee Meeting Minutes for April 21, 2020, and May 12, 2020 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

**4. Financial Reports for the Month of April 2020**

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Grantham to recommend to the Board of Directors to ratify the April 2020 disbursements for the period from April 1, 2020, through April 30, 2020, totaling \$4,073,554 and to receive and file the April 2020 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

**5. Financial Reports for the Month of February 2020**

ACTION TAKEN

Motion was made by Director Cafferty and seconded by Director Erdman to recommend to the Board of Directors to ratify the May 2020 disbursements for the period from May 1, 2020, through May 31, 2020, totaling \$3,842,535 and to receive and file the May 2020 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

**6. FY 2020/2021 Audit Planning – Presentation by The Pun Group**

Mr. Ken Pun of The Pun Group gave a presentation on preparation of the upcoming Audit for the year ending June 30, 2020. He discussed the timelines and introduced the team of auditors who would be contacting SOCWA staff in the coming weeks. An open discussion ensued.

This was an information item; no action was taken.

**7. CalPERS Information Update**

Ms. Carey reported on the fiscal year to date returns stating the returns were approximately 6.5% as compared to -11% in March. She also noted that for member agencies who may be experiencing a drop in revenue due to the impacts of COVID-19, CalPERS is reviewing case-by-case to determine who may qualify for deferred payments. An open discussion ensued.

This was an information item; no action was taken.

**8. UAL Payment Options meeting with Member Agencies Update**

Ms. Carey reported she and Mr. Julio Morales of UFI Financial Solutions met with five of the member agencies to discuss their options for paying their portion of the Unfunded Pension Liability (UAL). She noted IRWD was interested in paying in full pending an amendment to the JPA approving a methodology, El Toro Water District requested additional information to share with their Board, South Coast Water District and City of San Clemente wouldn't be available until the end of the month, and City of San Juan Capistrano indicated no current interest due to the transference of their utilities to Santa Margarita Water District. An open discussion ensued.

This was an information item; no action was taken.

**9. OPEB PARS Savings Account Update**

Ms. Carey reported she and Ms. Burnett met with the PARS group for their annual meeting. She commented on the summary of SOCWA's OPEB Plan noting the contributions, disbursements, and total assets as of May 31, 2020. An open discussion ensued.

This was an information item; no action was taken.

**Adjournment**

There being no further business, Chairperson Erdman adjourned the meeting at 11:39 a.m.

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

June 23, 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

MINUTES OF SPECIAL MEETING  
OF THE  
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY  
Finance Committee

August 4, 2020

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee Meeting was held on August 4, 2020, at 10:30 a.m. via teleconference. The following members of the Finance Committee were identifiably participating:

ROBB GRANTHAM	Santa Margarita Water District	Alternate Director
RAY MILLER	City of San Juan Capistrano	Alternate Director [arrived @ 10:46]
MATT COLLINGS	Moulton Niguel Water District	Alternate Director
DENNIS CAFFERTY	El Toro Water District	Alternate Director

Absent:

DENNIS ERDMAN	South Coast Water District	Director
TONI ISEMAN	City of Laguna Beach	Director

Staff Participation:

BETTY BURNETT	General Manager
JASON MANNING	Director of Engineering
JIM BURROR	Director of Operation
MARY CAREY	Finance Controller
KONSTANTIN SHILKOV	Senior Accountant
NADYN KIM	Accountant
ANNA SUTHERLAND	Accounts Payable
JEANETTE COTINOLA	Contracts/Procurement Administrator
DANITA HIRSH	Executive Assistant

Also Participating:

GREG MOSER	Procopio Law Firm
PAMELA ARENDS-KING	South Coast Water District
KATHRYN FRESHLY	El Toro Water District
TREVOR AGRELIUS	Moulton Niguel Water District
GAVIN CURRAN	City of Laguna Beach

1. Call Meeting to Order

Alternate Chairperson Grantham called the meeting to order at 10:34 a.m.

Following the Roll Call Vote, the meeting was adjourned due to a lack of quorum at 10:42 a.m.

The meeting reconvened at 10:46 a.m. having a quorum with the attendance of Director Miller joining the meeting.



Alternate Chairperson Grantham noted for the record that the following Directors were present: Director Cafferty, Director Collings, Director Miller, and Director Grantham.

**2. Public Comments** – None

**3. FY 2019-20 O&M Budget Update and Proposed Budget Amendments**

Mr. Burror gave a presentation briefing the Finance Committee on the budget increases impacting PC2 and PC 5. An open discussion ensued.

**ACTION TAKEN**

Motion was made by Director Collings and seconded by Director Cafferty to recommend to the PC-5 Board of Directors to approve a FY 2019-20 Budget Adjustment in the amount of \$60,000, and to recommend to the PC-2 Board of Directors to approve a FY 2019-20 Budget Adjustment in the amount of \$140,000 (or amended amount).

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

**Adjournment**

There being no further business, Chairperson Erdman adjourned the meeting at 11:06 a.m.

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

August 4, 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

# 4

**Finance Committee Meeting**

**Meeting Date:** August 25, 2020

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

June 2020 cash disbursements were: \$4,839,157.

- 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 Finance Committee to recommend to the Board of Directors to ratify the June 2020 disbursements for the period from June 1, 2020, through June 30, 2020, totaling \$4,839,157, and to receive and file the June 2020 Financial Reports as submitted.

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

	<b>Actual<sup>1</sup></b>
General Fund	\$ (469,594)
PC 2 - Jay B. Latham Plant	(1,930,778)
PC 3 - SOCWA Plant/PCA AWT	-
PC 5 - San Juan Creek Ocean Outfall	(55,805)
PC 8 - Pretreatment Program	(9,333)
PC 12 SO - Water Reclamation Permits	(22,647)
PC 15 - Coastal Treatment Plant/AWT	(812,545)
PC 17 - Joint Regional Wastewater Reclamation	(1,516,158)
PC 21 - Effluent Transmission Main	(167)
PC 24 - Aliso Creek Ocean Outfall	(22,130)
<b>Total</b>	<b>\$ (4,839,157)</b>

<sup>1</sup>Large Cash Disbursements to Top-Ten Vendors, primarily construction companies of \$3,133,201

Olsson Construction	\$	953,800
Filanc		618,412
PCL Construction		430,759
CalPERS		198,458
Butier Engineering		176,925
Carollo Engineers		175,799
Flo-Systems Inc.		198,458
Hazen and Sawyer		144,185
Performance Pipeline		121,735
South Kern Industrial		114,670
	<b>\$</b>	<b>3,133,201</b>

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY  
SCHEDULE OF FUNDS AVAILABLE FOR REINVESTMENT  
as of June 30, 2020**

CASH IN BANK: (BEGINNING BAL.)	\$	2,074,859
L.A.I.F. FUNDS: (BEGINNING BAL.)		25,116,391
DEPOSITS, TRANSFERS & ADJUSTMENTS:		77,588
FUND REQUIREMENTS:		
BILLS FOR CONSIDERATION		<u>(4,839,157)</u>
<b>TOTAL CASH IN BANK</b>	<b>\$</b>	<b><u>22,429,680</u></b>

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 07/23/20



### PMIA Average Monthly Effective Yields<sup>(1)</sup>

Jun	1.217
May	1.363
Apr	1.648

### Quarterly Performance Quarter Ended 06/30/20

LAIF Apportionment Rate <sup>(2)</sup> :	1.36
LAIF Earnings Ratio <sup>(2)</sup> :	0.000037106682614
LAIF Fair Value Factor <sup>(1)</sup> :	1.004912795
PMIA Daily <sup>(1)</sup> :	1.08%
PMIA Quarter to Date <sup>(1)</sup> :	1.41%
PMIA Average Life <sup>(1)</sup> :	191

### Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 06/30/20 \$101.0 billion

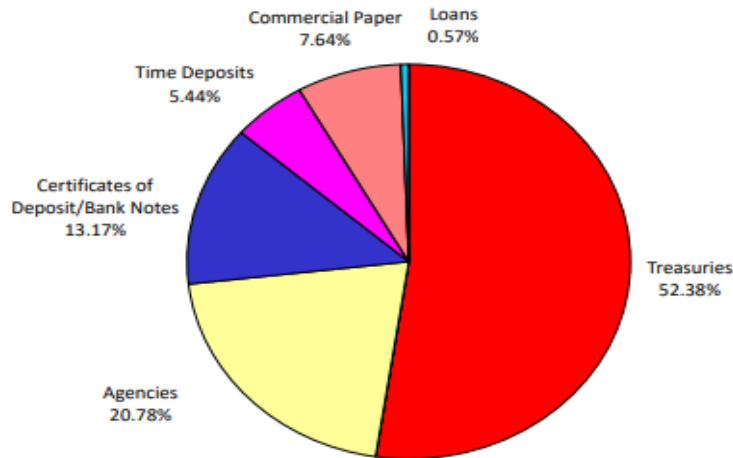


Chart does not include 0.02% of mortgages. Percentages may not total 100% due to rounding.

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:

<sup>(1)</sup> State of California, Office of the Treasurer

<sup>(2)</sup> State of California, Office of the Controller

**Exhibit C**

**South Orange County Wastewater Authority  
Schedule of Cash and Investments  
as of June 30, 2020**

MVA	\$ 4,894	(A)
A/P Checking	2,156,910	(B)
Payroll Checking	227,485	(C)
State LAIF	20,040,391	(D)
<b>Total Cash in Bank</b>	<b>\$ 22,429,680</b>	
Petty Cash	1,600	(E)
<b>Total Operating Cash</b>	<b>\$ 22,431,280</b>	
OPEB Trust	5,270,639	(F)
<b>Total Cash and Investments</b>	<b>\$ 27,701,919</b>	

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.

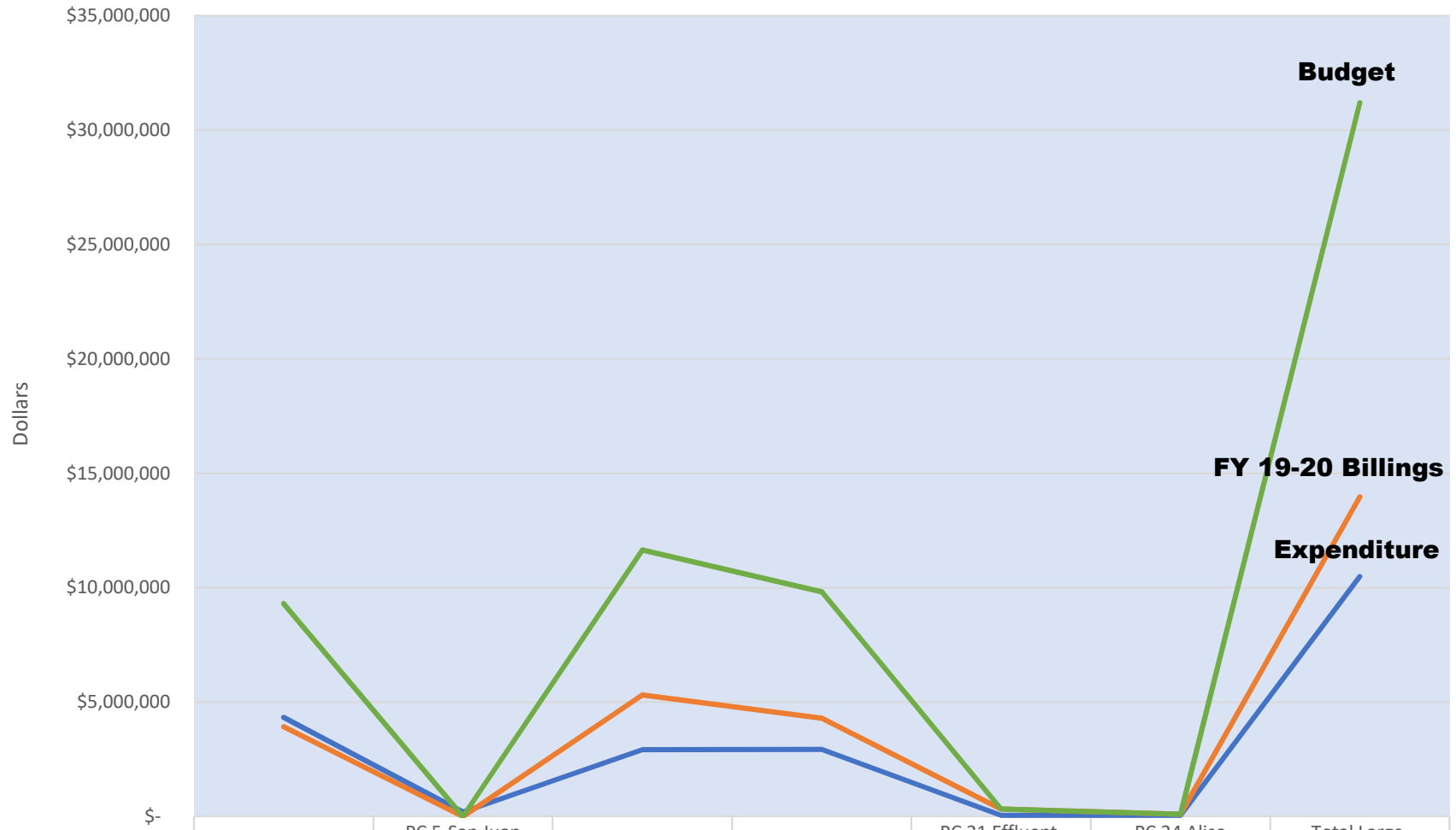
**South Orange County Wastewater Authority  
Capital Projects Summaries  
For the Period Ended June 30, 2020  
(in dollars)**

<b>FY 2019-20 Budget vs. Actual Spending</b>								
<u>Description</u>	<b>Capital Budget</b>	<b>Fiscal Year Spending</b>	<b>(Over)/ Under Budget</b>	<b>% Expended</b>	<b>Member Agency Billed</b>	<b>Member Agency Collections</b>	<b>Current Receivables</b>	<b>% Expended vs. Billed</b>
PC 2-JB Latham	\$ 9,301,575	\$ 4,329,122	\$ 4,972,453	46.5%	\$ 3,929,601	\$ 3,929,601	\$ -	110.2%
* PC 5-San Juan Creek Outfall	-	198,169	(198,169)		-	-		
PC 15-Coastal	11,644,171	2,917,968	8,726,203	25.1%	5,313,254	5,313,254		54.9%
PC 17-Regional	9,817,108	2,935,507	6,881,602	29.9%	4,292,199	4,292,199		68.4%
PC 21 Effluent Transmission	329,666	53,716	275,950	16.3%	329,668	329,668		16.3%
PC 24 Aliso Creek Outfall	106,253	52,779	53,474	49.7%	106,253	106,253		49.7%
<b>Total Large Capital</b>	<b>\$ 31,198,772</b>	<b>\$ 10,487,260</b>	<b>\$ 20,711,512</b>	<b>33.6%</b>	<b>\$ 13,970,975</b>	<b>\$ 13,970,975</b>	<b>\$ -</b>	<b>75.1%</b>
Non-Capital Engineering	838,687	158,203	680,484	18.9%	838,688	838,688		18.9%
Non-Capital Misc Engineering	425,000	69,563	355,437	16.4%	425,008	425,008		16.4%
Small Internal Capital	2,047,504	1,482,210	565,294	72.4%	2,047,504	2,047,504		72.4%
<b>Total Capital</b>	<b>\$ 34,509,964</b>	<b>\$ 12,197,236</b>	<b>\$ 22,312,727</b>	<b>35.3%</b>	<b>\$ 17,282,175</b>	<b>\$ 17,282,175</b>	<b>\$ -</b>	<b>70.6%</b>

\* 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 06/30/2020

Exhibit 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 6/30/20	\$4,329,122	\$198,169	\$2,917,968	\$2,935,507	\$53,716	\$52,779	\$10,487,260
FY 19-20 Billings	\$3,929,601	-	\$5,313,254	\$4,292,199	\$329,668	\$106,253	\$13,970,975
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 June 30, 2020  
 (in dollars)

	FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	%Expended
<b>Salary and Fringe</b>						
**-5000-****	Regular Salaries-O&M	4,620,132	45,754	4,665,886	4,384,614	281,272 94.0%
**-5001-****	Overtime Salaries-O&M	109,504	5,000	114,504	99,451	15,053 86.9% (1)
**-5306-****	Scheduled Holiday Work	28,692		28,692	37,133	(8,441) 129.4% (1)
**-5315-****	Comp Time - O&M	7,796		7,796	24,956	(17,160) 320.1% (1)
**-5401-****	Fringe Benefits IN to PC's & Depts.	3,323,840	15,246	3,339,086	3,253,249	85,838 97.4%
**-5700-****	Standby Pay	67,600		67,600	68,268	(668) 101.0%
	<b>Total Payroll Costs</b>	<b>8,157,564</b>	<b>66,000</b>	<b>8,223,564</b>	<b>7,867,671</b>	<b>355,893 95.7%</b>
<b>Other Expenses</b>						
**-5002-****	Electricity	1,022,564	111,000	1,133,564	1,240,334	(106,770) 109.4% (2)
**-5003-****	Natural Gas	266,504		266,504	244,816	21,688 91.9%
**-5004-****	Potable & Reclaimed Water	84,992		84,992	84,108	884 99.0%
**-5005-****	Co-generation Power Credit	(325,004)		(325,004)	(486,734)	161,730 149.8% (3)
**-5006-****	Chlorine/Sodium Hypochlorite	506,000		506,000	443,105	62,895 87.6%
**-5007-****	Polymer Products	805,004		805,004	506,388	298,616 62.9%
**-5008-****	Ferric Chloride	304,992	10,000	314,992	488,505	(173,513) 155.1% (4)
**-5009-****	Odor Control Chemicals	130,000		130,000	100,042	29,958 77.0%
**-5010-****	Other Chemicals - Misc.	2,996		2,996	-	2,996 0.0%
**-5011-****	Laboratory Services	44,412	11,500	55,912	36,599	19,313 65.5%
**-5012-****	Grit Hauling	128,252		128,252	138,647	(10,395) 108.1% (5)
**-5013-****	Landscaping	159,996		159,996	169,111	(9,115) 105.7% (6)
**-5014-****	Engineering - Misc.	1,000		1,000	848	152 84.8%
**-5015-****	Management Support Services	360,212	76,500	436,712	290,556	146,156 66.5%
**-5016-****	Audit - Environmental	600		600	-	600 0.0%
**-5017-****	Legal Fees	28,352	2,000	30,352	58,071	(27,719) 191.3% (7)
**-5018-****	Public Notices/ Public Relations	5,004		5,004	277	4,727 5.5%
**-5019-****	Contract Services Misc.	199,996	60,000	259,996	277,258	(17,262) 106.6% (8)
**-5021-****	Small Vehicle Expense	24,064		24,064	17,686	6,378 73.5%
**-5022-****	Miscellaneous Expense	18,004	9,895	27,899	15,597	12,301 55.9%
**-5023-****	Office Supplies - All	43,004		43,004	39,609	3,395 92.1%
**-5024-****	Petroleum Products	49,004		49,004	45,809	3,195 93.5%
**-5025-****	Uniforms	54,004		54,004	66,018	(12,014) 122.2% (9)
**-5026-****	Small Vehicle Fuel	31,500		31,500	16,921	14,579 53.7%
**-5027-****	Insurance - Property/Liability	210,096	55,929	266,025	261,406	4,619 98.3%
**-5028-****	Small Tools & Supplies	74,872		74,872	65,691	9,181 87.7%
**-5030-****	Trash Disposal	6,992		6,992	7,514	(522) 107.5%
**-5031-****	Safety Program & Supplies	117,356		117,356	134,209	(16,853) 114.4% (10)
**-5032-****	Equipment Rental	7,004		7,004	7,456	(452) 106.5%
**-5033-****	Recruitment	3,004		3,004	2,936	68 97.7%
**-5034-****	Travel Expense/Tech. Conferences	61,932		61,932	39,624	22,308 64.0%
**-5035-****	Training Expense	55,168		55,168	44,198	10,970 80.1%
**-5036-****	Laboratory Supplies	93,256		93,256	95,283	(2,027) 102.2%
**-5037-****	Office Equipment	25,000		25,000	31,992	(6,992) 128.0% (11)
**-5038-****	Permits	500,128	27,000	527,128	496,135	30,994 94.1%
**-5039-****	Membership Dues/Fees	22,892		22,892	28,821	(5,929) 125.9% (12)
**-5044-****	Offshore Monitoring	36,000	6,000	42,000	53,042	(11,042) 126.3% (13)
**-5046-****	Effluent Chemistry	28,004		28,004	27,530	474 98.3%
**-5047-****	Access Road Expenses	49,000		49,000	34,686	14,314 70.8%
**-5048-****	Storm Damage	20,008		20,008	549	19,459 2.7%
**-5049-****	Biosolids Disposal	1,355,004	45,000	1,400,004	1,466,713	(66,709) 104.8% (14)
**-5050-****	Contract Services Generators - 29A	22,008		22,008	18,724	3,284 85.1%
**-5052-****	Janitorial Services	102,008		102,008	100,490	1,518 98.5%
**-5053-****	Contract Serv - Digester Cleaning - 29E	59,996		59,996	10,226	49,770 17.0%
**-5054-****	Diesel Truck Maint	41,000		41,000	48,718	(7,718) 118.8% (15)
**-5055-****	Diesel Truck Fuel - 37B	14,996		14,996	7,916	7,080 52.8%
**-5056-****	Maintenance Equip. & Facilities (Solids)	356,004		356,004	337,980	18,024 94.9%
**-5057-****	Maintenance Equip. & Facilities (Liquids)	663,000		663,000	593,093	69,907 89.5%
**-5058-****	Maintenance Equip. & Facilities (Common)	87,008		87,008	78,573	8,435 90.3%
**-5059-****	Maintenance Equip. & Facilities (Co-Gen)	957,996		957,996	979,433	(21,437) 102.2% (16)
**-5060-****	Maintenance Equip. & Facilities (AWT)	74,000		74,000	87,994	(13,994) 118.9% (17)
**-5061-****	Mileage	2,508		2,508	2,349	159 93.7%
**-5068-****	MNWD Potable Water Supplies & Svcs.	24,972		24,972	23,757	1,215 95.1%
**-5069-****	Misc-Capital-Dilution & Metering Study	60,004		60,004	28,350	31,654 47.2%
**-5074-****	Education Reimbursement	-		-	1,325	(1,325) 0.0%
**-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%
**-5105-****	Co-Generation Power Credit - Offset	325,000		325,000	486,734	(161,734) 149.8% (3)
**-5303-****	Group Insurance Waiver	14,396		14,396	14,542	(146) 101.0%
**-5305-****	Medicare Tax Payments for Employees	2,784		2,784	3,456	(672) 124.1%
**-5309-****	Operating Leases	21,800		21,800	23,343	(1,543) 107.1%
**-5705-****	Monthly Car Allowance	28,184		28,184	31,678	(3,494) 112.4%
**-5706-****	Effluent Pond Cleaning	90,000		90,000	-	90,000 0.0%
**-6500-****	IT Allocations in to PC's & Depts.	592,694	42,749	635,443	627,283	8,161 98.7%
	<b>Total Other Expenses</b>	<b>10,188,598</b>	<b>457,573</b>	<b>10,646,171</b>	<b>10,110,787</b>	<b>535,384 95.0%</b>
	<b>Total O&amp;M Expenses</b>	<b>18,346,162</b>	<b>523,573</b>	<b>18,869,735</b>	<b>17,978,459</b>	<b>891,276 95.3%</b>

\* 06/20/2019 Board approved (one year) payment of PEPPA employee's contribution rate increase (\$9,895)  
 11/07/2019 Board Approved Pooled Liability Retro Adjustment (\$55,929), FE NXT upgrade (\$56,293, first year)  
 05/14/2020 Special Meeting Board Approved PC 2 (\$50,000), PC 12 (\$35,000), PC 21 (\$100,000), PC 23 (\$30,000) Budget Adjustment  
 08/06/2020 Board Approved PC 2 (\$140,000), PC 5 (\$60,000) Budget Adjustment

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

For the Period Ended June 30, 2020  
(in dollars)

- (1) Staff is utilizing Comp Time more than Overtime Salaries and considering these line items together, the Fiscal Year Actual is slightly over budget, 1.7%.
- (2) Increased power costs in June 2020 were due to SDG&E correcting errors on several previous months and unanticipated standby demand charges to shutdown the engine to allow the engine's manufacture's representative to correct faulty equipment.
- (3) The value of power is higher than anticipated during the budget process. This was adjusted in the FY 2020-21 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, 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. Further increases in the dosing of ferric chloride to comply with SCAQMD permitting requirements for hydrogen sulfide gas levels used in the engine
- (4) Grit deliveries are higher than expected due to heavy rains pushing additional debris down the sewer and into the Treatment Plants. Member agencies have been informed of the grit deposits coming from their sewer lines and requested Staff to address the cause.
- (5) Extra tree work was needed throughout the FY at several Plants to eliminate site hazards and reduce stormwater pollutants. Other elevated expenses include additional landscaping expenses to remove trees to support the relocation of electrical gear.
- (6) Several O&M contracts were reviewed and updated for the new engine at RTP.
- (7) The Stanley access control, and associated communication system, was expanded. The increased costs will also be reflected in the FY 2020-21 Budget.
- (8) O&M had higher uniform costs due to a higher than anticipated number of new hires and restocking winter PPE.
- (9) Additional Personal Protective Equipment (PPE) and equipment for operations under SOCWA's new COVID19 Exposure Control Plan.
- (10) Due to staffing assignments, additional items were purchased.
- (11) Membership costs increased due to the new Watershed Management Area Cooperative Agreement.
- (12) Additional costs were due to unanticipated additional toxicity testing for compliance purposes.
- (13) Impacts on Biosolids hauling operations limited hauling to the Prima Deshecha Landfill and increased expenses. This included an unusually wet winter and spring and lost hauling days during COVID-19 due to split shift scheduling to isolate staff groups from each other.
- (14) The sludge hauling truck emissions control system required extensive repairs. During these repairs, a rented truck service was used for several Biosolids hauling trips.
- (15) The RTP gas skid required 2 additional media swap outs over what was anticipated.
- (16) O&M staff completed the annual overhaul of the AWT to prepare for summer. The project included a complete shutdown, equipment inspection, and performing needed repairs. The repairs were more extensive than anticipated based on past annual events.
- (17)

**South Orange County Wastewater Authority**  
**O&M Budget vs. Actual Comparison by PC**  
 For the Period Ended June 30, 2020  
 (in dollars)

	FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	%Expended
<b>02 - Jay B. Latham Plant</b>						
Salary and Fringe						
02-5000-**-**	Regular Salaries-O&M	1,539,152	13,754	1,552,906	1,590,035	(37,129) 102.4% (1)
02-5001-**-**	Overtime Salaries-O&M	35,144		35,144	43,304	(8,160) 123.2% (1)
02-5306-**-**	Scheduled Holiday Work	13,324		13,324	15,594	(2,270) 117.0% (1)
02-5315-**-**	Comp Time - O&M	3,508		3,508	14,732	(11,224) 420.0% (1)
02-5401-**-**	Fringe Benefits IN to PC's & Depts.	1,107,296	10,246	1,117,542	1,179,757	(62,215) 105.6% (2)
02-5700-**-**	Standby Pay	13,520		13,520	25,745	(12,225) 190.4% (3)
	<b>Total Payroll Costs</b>	<b>2,711,944</b>	<b>24,000</b>	<b>2,735,944</b>	<b>2,869,167</b>	<b>(133,223) 104.9%</b>
Other Expenses						
02-5002-**-**	Electricity	399,688	111,000	510,688	571,023	(60,335) 111.8% (4)
02-5003-**-**	Natural Gas	168,004		168,004	101,819	66,185 60.6%
02-5004-**-**	Potable & Reclaimed Water	24,000		24,000	24,557	(557) 102.3%
02-5006-**-**	Chlorine/Sodium Hypochlorite	5,000		5,000	5,511	(511) 110.2% (5)
02-5007-**-**	Polymer Products	322,000		322,000	167,784	154,216 52.1%
02-5008-**-**	Ferric Chloride	103,736	10,000	113,736	164,084	(50,348) 144.3% (6)
02-5009-**-**	Odor Control Chemicals	28,988		28,988	18,719	10,269 64.6%
02-5010-**-**	Other Chemicals - Misc.	1,000		1,000	-	1,000 0.0%
02-5011-**-**	Laboratory Services	10,916		10,916	6,225	4,691 57.0%
02-5012-**-**	Grit Hauling	51,252		51,252	59,735	(8,483) 116.6% (7)
02-5013-**-**	Landscaping	41,780		41,780	51,084	(9,304) 122.3% (8)
02-5015-**-**	Management Support Services	33,004		33,004	42,457	(9,453) 128.6%
02-5017-**-**	Legal Fees	3,328		3,328	2,488	840 74.8%
02-5019-**-**	Contract Services Misc.	60,240		60,240	72,225	(11,985) 119.9% (9)
02-5021-**-**	Small Vehicle Expense	10,004		10,004	6,278	3,726 62.8%
02-5022-**-**	Miscellaneous Expense	8,000	5,045	13,045	8,733	4,312 66.9%
02-5023-**-**	Office Supplies - All	28,000		28,000	20,331	7,669 72.6%
02-5024-**-**	Petroleum Products	14,124		14,124	8,990	5,134 63.7%
02-5025-**-**	Uniforms	20,000		20,000	27,220	(7,220) 136.1% (10)
02-5026-**-**	Small Vehicle Fuel	15,004		15,004	8,185	6,819 54.6%
02-5027-**-**	Insurance - Property/Liability	68,556	18,250	86,806	88,375	(1,569) 101.8%
02-5028-**-**	Small Tools & Supplies	35,496		35,496	23,529	11,967 66.3%
02-5030-**-**	Trash Disposal	2,000		2,000	3,567	(1,567) 178.3% (11)
02-5031-**-**	Safety Program & Supplies	39,652		39,652	47,528	(7,876) 119.9% (12)
02-5032-**-**	Equipment Rental	3,000		3,000	3,942	(942) 131.4%
02-5033-**-**	Recruitment	1,000		1,000	710	290 71.0%
02-5034-**-**	Travel Expense/Tech. Conferences	15,964		15,964	10,200	5,764 63.9%
02-5035-**-**	Training Expense	13,168		13,168	13,646	(478) 103.6%
02-5036-**-**	Laboratory Supplies	14,520		14,520	14,118	402 97.2%
02-5037-**-**	Office Equipment	13,000		13,000	24,444	(11,444) 188.0% (13)
02-5038-**-**	Permits	22,500		22,500	20,129	2,371 89.5%
02-5039-**-**	Membership Dues/Fees	4,200		4,200	5,135	(935) 122.3% (14)
02-5049-**-**	Biosolids Disposal	450,000	45,000	495,000	632,579	(137,579) 127.8% (15)
02-5050-**-**	Contract Services Generators - 29A	10,004		10,004	11,086	(1,082) 110.8%
02-5052-**-**	Janitorial Services	41,000		41,000	47,582	(6,582) 116.1% (16)
02-5053-**-**	Contract Serv - Digester Cleaning - 29E	59,996		59,996	10,226	49,770 17.0%
02-5054-**-**	Diesel Truck Maint	21,000		21,000	22,027	(1,027) 104.9% (17)
02-5055-**-**	Diesel Truck Fuel - 37B	6,000		6,000	2,661	3,339 44.4%
02-5056-**-**	Maintenance Equip. & Facilities (Solids)	155,004		155,004	136,669	18,335 88.2%
02-5057-**-**	Maintenance Equip. & Facilities (Liquids)	254,000		254,000	192,774	61,226 75.9%
02-5058-**-**	Maintenance Equip. & Facilities (Common)	28,000		28,000	44,448	(16,448) 158.7% (18)
02-5059-**-**	Maintenance Equip. & Facilities (Co-Gen)	369,996		369,996	299,680	70,316 81.0%
02-5061-**-**	Mileage	1,504		1,504	793	711 52.7%
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%
02-5303-**-**	Group Insurance Waiver	3,600		3,600	3,636	(36) 101.0%
02-5305-**-**	Medicare Tax Payments for Employees	1,116		1,116	1,598	(482) 143.2%
02-5309-**-**	Operating Leases	21,800		21,800	23,343	(1,543) 107.1%
02-5705-**-**	Monthly Car Allowance	12,592		12,592	18,953	(6,361) 150.5%
02-6500-**-**	IT Allocations in to PC's & Depts.	197,448	14,241	211,689	208,971	2,718 98.7%
	<b>Total Other Expenses</b>	<b>3,229,220</b>	<b>203,536</b>	<b>3,432,756</b>	<b>3,286,787</b>	<b>145,969 95.7%</b>
	<b>Total Expenses</b>	<b>5,941,164</b>	<b>227,536</b>	<b>6,168,700</b>	<b>6,155,954</b>	<b>12,746 99.8%</b>

**South Orange County Wastewater Authority**  
**O&M Budget vs. Actual Comparison by PC**  
 For the Period Ended June 30, 2020  
 (in dollars)

	<b>FY 2019-20 Budget</b>	<b>Board Approved Expenditures*</b>	<b>Adjusted Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>%Expended</b>
<b>05 - San Juan Creek Ocean Outfall</b>						
Salary and Fringe						
05-5000.**.**.**	Regular Salaries-O&M	27,000	129,104	116,561	12,543	90.3%
05-5001.**.**.**	Overtime Salaries-O&M	900	900	759	141	84.3%
05-5306.**.**.**	Scheduled Holiday Work	-	-	195	(195)	0.0%
05-5401.**.**.**	Fringe Benefits IN to PC's & Depts.	73,456	73,456	86,484	(13,028)	117.7% (2)
	Total Payroll Costs	176,460	203,460	203,999	(539)	100.3%
Other Expenses						
05-5003.**.**.**	Natural Gas	500	500	-	500	0.0%
05-5015.**.**.**	Management Support Services	15,004	15,004	14,062	942	93.7%
05-5017.**.**.**	Legal Fees	3,012	3,012	2,569	443	85.3%
05-5027.**.**.**	Insurance - Property/Liability	6,248	1,663	7,911	290	96.3%
05-5031.**.**.**	Safety Supplies	1,004	1,004	140	864	13.9%
05-5034.**.**.**	Travel Expense/Tech. Conferences	3,712	3,712	2,790	922	75.2%
05-5035.**.**.**	Training Expense	5,988	5,988	110	5,878	1.8%
05-5036.**.**.**	Laboratory Supplies	19,468	19,468	22,751	(3,283)	116.9%
05-5038.**.**.**	Permits	196,000	27,000	223,000	116	99.9%
05-5039.**.**.**	Membership Dues/Fees	5,496	5,496	2,091	3,405	38.1%
05-5044.**.**.**	Offshore Monitoring	18,000	6,000	21,481	2,519	89.5%
05-5046.**.**.**	Effluent Chemistry	14,000	14,000	15,917	(1,917)	113.7%
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	945	14,045	181	98.7%
	Total Other Expenses	332,536	35,608	368,144	25,519	93.1%
	Total Expenses	508,996	62,608	571,604	24,980	95.6%
<b>08 - Pre Treatment</b>						
Salary and Fringe						
08-5000.**.**.**	Regular Salaries-O&M	92,352	92,352	86,084	6,268	93.2%
08-5315.**.**.**	Comp Time - Environment	-	-	335	(335)	0.0%
08-5401.**.**.**	Fringe Benefits IN to PC's & Depts.	66,436	66,436	63,872	2,564	96.1%
	Total Payroll Costs	158,788	-	158,788	8,497	94.6%
Other Expenses						
08-5011.**.**.**	Laboratory Services	2,996	2,996	-	2,996	0.0%
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	906	1,598	36.2%
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	529	971	35.3%
08-5027.**.**.**	Insurance - Property/Liability	2,160	575	2,735	79	97.1%
08-5028.**.**.**	Small Tools & Supplies	3,876	3,876	1,486	2,390	38.3%
08-5031.**.**.**	Safety Program & Supplies	-	-	197	(197)	0.0%
08-5034.**.**.**	Travel Expense/Tech. Conferences	4,348	4,348	671	3,677	15.4%
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%
08-6500.**.**.**	IT Allocations in to PC's & Depts.	11,840	854	12,694	156	98.8%
	Total Other Expenses	52,484	1,429	53,913	32,255	40.2%
	Total Expenses	211,272	1,429	212,701	40,752	80.8%
<b>12 - Water Reclamation Permits</b>						
Salary and Fringe						
12-5000.**.**.**	Regular Salaries-O&M	35,084	35,084	57,080	(21,996)	162.7% (19)
12-5401.**.**.**	Fringe Benefits IN to PC's & Depts.	25,248	25,248	42,352	(17,104)	167.7% (2)
	Total Payroll Costs	60,332	-	60,332	(39,100)	164.8%
Other Expenses						
12-5015.**.**.**	Management Support Services	270,000	35,000	305,000	149,703	49.1%
12-5017.**.**.**	Legal Fees	2,004	2,004	34	1,971	1.7%
12-5027.**.**.**	Insurance - Property/Liability	2,364	629	2,993	23	99.2%
12-5034.**.**.**	Travel Expense/Tech. Conferences	2,280	2,280	88	2,192	3.9%
12-5038.**.**.**	Permits	20,000	20,000	20,708	(708)	103.5%
12-6500.**.**.**	IT Allocations in to PC's & Depts.	4,508	325	4,833	68	98.6%
	Total Other Expenses	301,156	35,954	337,110	158,842	52.9%
	Total Expenses	361,488	35,954	397,442	119,742	69.9%

**South Orange County Wastewater Authority**  
**O&M Budget vs. Actual Comparison by PC**  
 For the Period Ended June 30, 2020  
 (in dollars)

		<b>FY 2019-20 Budget</b>	<b>Board Approved Expenditures*</b>	<b>Adjusted Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>%Expended</b>
<b>15 - Coastal Treatment Plant</b>							
<b>Salary and Fringe</b>							
15-5000-**-**	Regular Salaries-O&M	954,416		954,416	837,478	116,938	87.7%
15-5001-**-**	Overtime Salaries-O&M	18,928		18,928	15,049	3,879	79.5%
15-5306-**-**	Scheduled Holiday Work	2,596		2,596	4,846	(2,250)	186.7%
15-5315-**-**	Comp Time - O&M	4,288		4,288	3,129	1,159	73.0%
15-5401-**-**	Fringe Benefits IN to PC's & Depts.	686,636		686,636	621,383	65,253	90.5%
15-5700-**-**	Standby Pay	27,040		27,040	9,917	17,123	36.7%
	<b>Total Payroll Costs</b>	<b>1,693,904</b>	<b>-</b>	<b>1,693,904</b>	<b>1,491,803</b>	<b>202,101</b>	<b>88.1%</b>
<b>Other Expenses</b>							
15-5002-**-**	Electricity	270,960		270,960	248,532	22,428	91.7%
15-5003-**-**	Natural Gas	3,000		3,000	2,529	471	84.3%
15-5004-**-**	Potable & Reclaimed Water	30,996		30,996	25,778	5,218	83.2%
15-5006-**-**	Chlorine/Sodium Hypochlorite	99,000		99,000	72,032	26,968	72.8%
15-5007-**-**	Polymer Products	1,004		1,004	-	1,004	0.0%
15-5008-**-**	Ferric Chloride	28,368		28,368	42,800	(14,432)	150.9% (6)
15-5009-**-**	Odor Control Chemicals	56,216		56,216	42,473	13,743	75.6%
15-5011-**-**	Laboratory Services	14,000		14,000	8,628	5,372	61.6%
15-5012-**-**	Grit Hauling	30,000		30,000	24,555	5,445	81.8%
15-5013-**-**	Landscaping	50,548		50,548	26,893	23,655	53.2%
15-5014-**-**	Engineering - Misc.	1,000		1,000	-	1,000	0.0%
15-5015-**-**	Management Support Services	4,500		4,500	19,405	(14,905)	431.2% (20)
15-5017-**-**	Legal Fees	15,000		15,000	6,466	8,534	43.1%
15-5019-**-**	Contract Services Misc.	59,036		59,036	93,146	(34,110)	157.8% (9)
15-5021-**-**	Small Vehicle Expense - 31A	6,004		6,004	2,161	3,843	36.0%
15-5022-**-**	Miscellaneous Expense	2,996	1,115	4,111	1,647	2,465	40.0%
15-5023-**-**	Office Supplies - All	4,004		4,004	8,847	(4,843)	221.0% (21)
15-5024-**-**	Petroleum Products	1,660		1,660	1,999	(339)	120.4%
15-5025-**-**	Uniforms	9,000		9,000	9,875	(875)	109.7% (10)
15-5026-**-**	Small Vehicle Fuel - 37A	5,000		5,000	1,774	3,226	35.5%
15-5027-**-**	Insurance - Property/Liability	35,372	9,416	44,788	43,196	1,592	96.4%
15-5028-**-**	Small Tools & Supplies	9,524		9,524	15,144	(5,620)	159.0% (22)
15-5030-**-**	Trash Disposal	2,996		2,996	2,030	966	67.8%
15-5031-**-**	Safety Program & Supplies	36,048		36,048	21,111	14,937	58.6%
15-5032-**-**	Equipment Rental	1,000		1,000	3,514	(2,514)	351.4% (23)
15-5033-**-**	Recruitment	1,000		1,000	1,255	(255)	125.5%
15-5034-**-**	Travel Expense/Tech. Conferences	15,968		15,968	5,847	10,121	36.6%
15-5035-**-**	Training Expense	13,268		13,268	13,171	97	99.3%
15-5036-**-**	Laboratory Supplies	16,500		16,500	15,373	1,127	93.2%
15-5037-**-**	Office Equipment	2,000		2,000	3,212	(1,212)	160.6% (13)
15-5038-**-**	Permits	23,236		23,236	9,176	14,060	39.5%
15-5039-**-**	Membership Dues/Fees	2,368		2,368	8,397	(6,029)	354.6% (14)
15-5047-**-**	Access Road Expenses	49,000		49,000	34,686	14,314	70.8%
15-5048-**-**	Storm Damage	20,008		20,008	549	19,459	2.7%
15-5050-**-**	Contract Services Generators - 29A	4,004		4,004	3,923	81	98.0%
15-5052-**-**	Janitorial Services	20,008		20,008	15,161	4,847	75.8%
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	173,078	5,922	96.7%
15-5058-**-**	Maintenance Equip. & Facilities (Common)	22,000		22,000	7,763	14,237	35.3%
15-5060-**-**	Maintenance Equip. & Facilities (AWT) 41-E	37,000		37,000	17,235	19,765	46.6%
15-5061-**-**	Mileage	-		-	591	(591)	0.0%
15-5074-**-**	Education Reimbursement	-		-	1,014	(1,014)	0.0%
15-5076-**-**	SCADA Infrastructure	6,996		6,996	-	6,996	0.0%
15-5077-**-**	IT Direct	-		-	3,239	(3,239)	0.0%
15-5303-**-**	Group Insurance Waiver	3,604		3,604	3,636	(32)	100.9%
15-5305-**-**	Medicare Tax Payments for Employees	1,668		1,668	1,857	(189)	111.4%
15-5705-**-**	Monthly Car Allowance	4,200		4,200	4,242	(42)	101.0%
15-6500-**-**	IT Allocations in to PC's & Depts.	122,436	8,831	131,267	129,583	1,684	98.7%
	<b>Total Other Expenses</b>	<b>1,323,488</b>	<b>19,363</b>	<b>1,342,851</b>	<b>1,178,157</b>	<b>164,693</b>	<b>87.7%</b>
	<b>Total Expenses</b>	<b>3,017,392</b>	<b>19,363</b>	<b>3,036,755</b>	<b>2,669,960</b>	<b>366,794</b>	<b>87.9%</b>

**South Orange County Wastewater Authority**  
**O&M Budget vs. Actual Comparison by PC**  
 For the Period Ended June 30, 2020  
 (in dollars)

		FY 2019-20 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	%Expended
<b>17 - Joint Regional Wastewater Reclamation and Sludge Handling</b>							
Salary and Fringe							
17-5000-**-**	Regular Salaries-O&M	1,797,416		1,797,416	1,586,774	210,642	88.3%
17-5001-**-**	Overtime Salaries-O&M	54,072		54,072	36,546	17,526	67.6% (24)
17-5306-**-**	Scheduled Holiday Work	12,772		12,772	16,032	(3,260)	125.5% (24)
17-5315-**-**	Comp Time - O&M	-		-	6,693	(6,693)	0.0% (24)
17-5401-**-**	Fringe Benefits IN to PC's & Depts.	1,293,120		1,293,120	1,177,338	115,782	91.0%
17-5700-**-**	Standby Pay	27,040		27,040	32,607	(5,567)	120.6% (3)
	Total Payroll Costs	3,184,420	-	3,184,420	2,855,989	328,431	89.7%
Other Expenses							
17-5002-**-**	Electricity	351,916		351,916	420,779	(68,863)	119.6% (25)
17-5003-**-**	Natural Gas	95,000		95,000	140,468	(45,468)	147.9% (26)
17-5004-**-**	Potable & Reclaimed Water	29,996		29,996	33,774	(3,778)	112.6%
17-5005-**-**	Co-generation Power Credit	(325,004)		(325,004)	(486,734)	161,730	149.8% (27)
17-5006-**-**	Chlorine/Sodium Hypochlorite	402,000		402,000	365,562	36,438	90.9%
17-5007-**-**	Polymer Products	482,000		482,000	338,604	143,396	70.2%
17-5008-**-**	Ferric Chloride	172,888		172,888	281,621	(108,733)	162.9% (6)
17-5009-**-**	Odor Control Chemicals	44,796		44,796	38,850	5,946	86.7%
17-5010-**-**	Other Chemicals - Misc.	1,996		1,996	-	1,996	0.0%
17-5011-**-**	Laboratory Services	16,500		16,500	10,546	5,954	63.9%
17-5012-**-**	Grit Hauling - 21A	47,000		47,000	54,357	(7,357)	115.7% (7)
17-5013-**-**	Landscaping	67,668		67,668	91,134	(23,466)	134.7% (8)
17-5015-**-**	Management Support Services	13,204		13,204	37,857	(24,653)	286.7% (20)
17-5017-**-**	Legal Fees	1,500		1,500	43,809	(42,309)	2920.6% (28)
17-5019-**-**	Contract Services Misc.	80,720		80,720	111,731	(31,011)	138.4% (9)
17-5021-**-**	Small Vehicle Expense	7,000		7,000	9,204	(2,204)	131.5% (29)
17-5022-**-**	Miscellaneous Expense	5,004	3,734	8,738	5,218	3,520	59.7%
17-5023-**-**	Office Supplies - All	11,000		11,000	10,430	570	94.8%
17-5024-**-**	Petroleum Products	33,220		33,220	34,820	(1,600)	104.8%
17-5025-**-**	Uniforms	25,004		25,004	28,924	(3,920)	115.7% (10)
17-5026-**-**	Small Vehicle Fuel	9,996		9,996	6,433	3,563	64.4%
17-5027-**-**	Insurance - Property/Liability	88,132	23,461	111,593	107,778	3,816	96.6%
17-5028-**-**	Small Tools & Supplies	25,976		25,976	25,532	444	98.3%
17-5030-**-**	Trash Disposal	1,996		1,996	1,916	80	96.0%
17-5031-**-**	Safety Program & Supplies	39,648		39,648	65,234	(25,586)	164.5% (12)
17-5032-**-**	Equipment Rental	3,004		3,004	-	3,004	0.0%
17-5033-**-**	Recruitment	1,004		1,004	971	33	96.7%
17-5034-**-**	Travel Expense/Tech. Conferences	15,956		15,956	17,238	(1,282)	108.0%
17-5035-**-**	Training Expense	15,172		15,172	12,656	2,516	83.4%
17-5036-**-**	Laboratory Supplies	23,208		23,208	20,118	3,090	86.7%
17-5037-**-**	Office Equipment	10,000		10,000	4,336	5,664	43.4%
17-5038-**-**	Permits	41,624		41,624	29,771	11,853	71.5%
17-5039-**-**	Membership Dues/Fees	4,312		4,312	10,365	(6,053)	240.4% (14)
17-5049-**-**	Biosolids Disposal	905,004		905,004	834,134	70,870	92.2%
17-5050-**-**	Contract Services Generators - 29A	8,000		8,000	3,715	4,285	0.0%
17-5052-**-**	Janitorial Services	41,000		41,000	37,748	3,252	92.1%
17-5054-**-**	Diesel Truck Maint	19,004		19,004	26,054	(7,050)	137.1% (17)
17-5055-**-**	Diesel Truck Fuel - 37B	8,000		8,000	5,254	2,746	65.7%
17-5056-**-**	Maintenance Equip. & Facilities (Solids)	201,000		201,000	201,311	(311)	100.2%
17-5057-**-**	Maintenance Equip. & Facilities (Liquids)	230,000		230,000	227,241	2,759	98.8%
17-5058-**-**	Maintenance Equip. & Facilities (Common)	35,000		35,000	26,362	8,638	75.3%
17-5059-**-**	Maintenance Equip. & Facilities (Co-Gen)	588,000		588,000	679,753	(91,753)	115.6% (30)
17-5060-**-**	Maintenance Equip. & Facilities (AWT)	37,000		37,000	70,760	(33,760)	191.2% (31)
17-5061-**-**	Mileage	1,004		1,004	965	39	96.2%
17-5068-**-**	MNWD Potable Water Supplies & Svcs.	24,972		24,972	23,757	1,215	95.1%
17-5074-**-**	Education Reimbursement	-		-	311	(311)	
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	486,734	(161,734)	149.8% (27)
17-5303-**-**	Group Insurance Waiver	7,192		7,192	7,271	(79)	101.1%
17-5705-**-**	Monthly Car Allowance	11,392		11,392	8,483	2,909	74.5%
17-5706-**-**	Effluent Pond Cleaning	90,000		90,000	-	90,000	0.0%
17-6500-**-**	IT Allocations in to PC's & Depts.	230,586	16,631	247,217	244,039	3,178	98.7%
	Total Other Expenses	4,620,630	43,827	4,664,457	4,760,432	(95,975)	102.1%
	<b>Total Expenses</b>	<b>7,805,050</b>	<b>43,827</b>	<b>7,848,877</b>	<b>7,616,421</b>	<b>232,456</b>	<b>97.0%</b>

**South Orange County Wastewater Authority**  
**O&M Budget vs. Actual Comparison by PC**  
 For the Period Ended June 30, 2020  
 (in dollars)

	<b>FY 2019-20 Budget</b>	<b>Board Approved Expenditures*</b>	<b>Adjusted Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>%Expended</b>	
<b>21 - Effluent Transmission Main</b>							
Salary and Fringe							
21-5000-**-**	Regular Salaries-O&M	-	5,000	4,740	260	94.8%	
21-5001-**-**	Overtime Salaries-O&M	-	5,000	2,851	2,149	57.0%	
21-5401-**-**	Fringe Benefits IN to PC's & Depts.	-	5,000	3,517	1,483	70.3%	
	<b>Total Payroll Costs</b>		<b>15,000</b>	<b>11,108</b>	<b>3,892</b>	<b>74.1%</b>	
Other Expenses							
21-5014-**-**	Engineering - Misc.	-	-	848	(848)	0.0%	
21-5015-**-**	Management Support Services	-	25,000	6,350	18,650	25.4%	
21-5019-**-**	Contract Services Misc. - 29	-	60,000	157	59,843	0.3%	
21-5027-**-**	Insurance - Property/Liability	740	197	937	65	93.1%	
	<b>Total Other Expenses</b>	<b>740</b>	<b>85,197</b>	<b>8,227</b>	<b>77,710</b>	<b>9.6%</b>	
	<b>Total Expenses</b>	<b>740</b>	<b>100,197</b>	<b>19,335</b>	<b>81,602</b>	<b>19.2%</b>	
<b>23 - North Coast Interceptor</b>							
Other Expenses							
23-5011-**-**	Laboratory Services	-	11,500	11,200	300	97.4%	
23-5015-**-**	Management Support Services	-	16,500	16,011	489	97.0%	
23-5017-**-**	Legal Fees	-	2,000	1,800	200	90.0%	
	<b>Total Other Expenses</b>	<b>-</b>	<b>30,000</b>	<b>29,010</b>	<b>990</b>	<b>96.7%</b>	
	<b>Total Expenses</b>	<b>-</b>	<b>30,000</b>	<b>29,010</b>	<b>990</b>	<b>96.7%</b>	
<b>24 - Aliso Creek Ocean Outfall</b>							
Salary and Fringe							
24-5000-**-**	Regular Salaries-O&M	99,608	99,608	105,861	(6,253)	106.3% (32)	
24-5001-**-**	Overtime Salaries-O&M	460	460	942	(482)	204.7% (32)	
24-5306-**-**	Scheduled Holiday Work	-	-	466	(466)	0.0% (32)	
24-5315-**-**	Comp Time - O&M	-	-	68	(68)	0.0% (32)	
24-5401-**-**	Fringe Benefits IN to PC's & Depts.	71,648	71,648	78,545	(6,897)	109.6% (2)	
	<b>Total Payroll Costs</b>	<b>171,716</b>	<b>171,716</b>	<b>185,882</b>	<b>(14,166)</b>	<b>108.2%</b>	
Other Expenses							
24-5015-**-**	Management Support Services	22,496	22,496	4,712	17,784	20.9%	
24-5017-**-**	Legal Fees	1,004	1,004	-	1,004	0.0%	
24-5027-**-**	Insurance - Property/Liability	6,524	1,737	8,261	7,937	96.1%	
24-5031-**-**	Safety Supplies	1,004	1,004	-	1,004	0.0%	
24-5034-**-**	Travel Expense/Tech. Conferences	3,704	3,704	2,790	914	75.3%	
24-5035-**-**	Training Expense	6,008	6,008	3,000	3,008	49.9%	
24-5036-**-**	Laboratory Supplies	19,560	19,560	22,923	(3,363)	117.2%	
24-5038-**-**	Permits	186,756	186,756	193,466	(6,710)	103.6% (33)	
24-5039-**-**	Membership Dues/Fees	5,500	5,500	2,091	3,409	38.0%	
24-5044-**-**	Offshore Monitoring	18,000	18,000	31,561	(13,561)	175.3% (34)	
24-5046-**-**	Effluent Chemistry	14,004	14,004	11,612	2,392	82.9%	
24-5058-**-**	Maintenance Equip. & Facilities (Common) 41-C	1,004	1,004	-	1,004	0.0%	
24-5069-**-**	Misc-Capital-Dilution & Metering Study	30,004	30,004	12,005	17,999	40.0%	
24-6500-**-**	IT Allocations in to PC's & Depts.	12,776	922	13,698	175	98.7%	
	<b>Total Other Expenses</b>	<b>328,344</b>	<b>2,658</b>	<b>331,002</b>	<b>305,621</b>	<b>25,381</b>	<b>92.3%</b>
	<b>Total Expenses</b>	<b>500,060</b>	<b>2,658</b>	<b>502,718</b>	<b>11,215</b>	<b>97.8%</b>	
	<b>Total O&amp;M Expenses</b>	<b>18,346,162</b>	<b>523,573</b>	<b>18,869,735</b>	<b>17,978,459</b>	<b>891,276</b>	<b>95.3%</b>

\* 06/20/2019 Board approved (one year) payment of PEPRA employee's contribution rate increase (\$9,895)  
 11/07/2019 Board Approved Pooled Liability Retro Adjustment (\$55,929), FE NXT upgrade (\$56,293, first year)  
 05/14/2020 Special Meeting Board Approved PC 2 (\$50,000), PC 12 (\$35,000), PC 21 (\$100,000), PC 23 (\$30,000) Budget Adjustment  
 08/06/2020 Board Approved PC 2 (\$140,000), PC 5 (\$60,000) Budget Adjustment

**South Orange County Wastewater Authority**  
**O&M Budget vs. Actual Comparison by PC**  
 For the Period Ended June 30, 2020

- (1) Additional Electrical and SCADA staffing expenses to support the ongoing operational intense construction projects. Comp time, overtime, and holiday pay and all different forms of overtime considered together, and the combined overtime was over budget to support COVID-19 operations and after-hours shutdowns, 42%.
- (2) Fringe Rate increased primarily due to overall lower labor base, O&M hiring delays
- (3) Standby Pay is elevated due to the rotation schedule of the staff. The overall Standby Pay for O&M is at Budget.
- (4) Increased power costs in June 2020 were due to SDG&E correcting errors on several previous months and unanticipated standby demand charges to shutdown the engine to allow the engine's manufacturer's representative to correct faulty equipment.
- (5) 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.
- (6) 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, 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.
- (7) Grit deliveries are higher than expected due to heavy rains pushing additional debris down the sewer and into the Treatment Plant. Member agencies have been informed of the grit deposits coming from their sewer lines and requested Staff to address the cause.
- (8) Extra tree work was needed throughout the FY at several Plants to eliminate site hazards and reduce stormwater pollutants. Other elevated expenses include additional landscaping expenses to remove trees to support the relocation of electrical gear.
- (9) The Stanley access control, and associated communication system, was expanded. The increased costs will also be reflected in the FY 2020-21 Budget.
- (10) O&M had higher uniform costs due to a higher than anticipated number of new hires and restocking winter PPE.
- (11) Several areas were cleaned out, including storage areas for the ongoing construction projects, and additional loads of trash were sent to the landfill.
- (12) Additional Personal Protective Equipment (PPE) and equipment for operations under SOCWA's new COVID19 Exposure Control Plan.
- (13) Due to staffing assignments, additional items were purchased.
- (14) Cost associated with the Watershed Management Area Cooperative Agreement.
- (15) Impacts on Biosolids hauling operations limited hauling to the Prima Deshecha Landfill and increased expenses. This included an unusually wet winter and spring and lost hauling days during COVID-19 due to split shift scheduling to isolate staff groups from each other.
- (16) Extra office deep cleaning services were required under SOCWA's new COVID19 Exposure Control Plan.
- (17) Sludge hauling truck emissions control system repairs. Truck rented for several biosolids hauling trips.
- (18) The access gates and parking lot lighting poles were removed and recoated due to deterioration and corrosion from the ocean air.
- (19) This cost includes 4 months of intern time, for HF183 Research to address Human Source Tracking approach.
- (20) RTP and CTP required additional stormwater assessments due to elevated levels of ammonia and bacteria under the industrial stormwater program.
- (21) CTP staff is overhauling the documents storage systems for the treatment plant.
- (22) Costs incurred due to new hires.



**South Orange County Wastewater Authority**  
**O&M Budget vs. Actual Comparison by PC**  
For the Period Ended June 30, 2020

- (23) CTP staff rented equipment to replace a number of broken lights in the Headworks Building that were inaccessible with existing lift equipment.
- (24) Staff is utilizing Comp Time, Overtime, and Holiday Pay line items together; when combining the line items for the Fiscal Year Actual, the overtime budget totals 89% and is under budget.
- (25) Additional power is being purchased due to warranty work on the new engine. Power costs are elevated due to high energy demand charges, as discussed with the Board in June during the review of the proposed FY 2020-21 Budget.
- (26) Additional gas is being purchased due to warranty work on the new engine gas cleaning system.
- (27) The value of power is higher than anticipated during the budget process. This was adjusted in the FY20/21 Budget.
- (28) Several O&M contracts are being reviewed and updated for the new engine at RTP.
- (29) O&M staff overhauled the tow motor used to move the grit bins around. The project was planned for next year, but the unit failed quicker than expected.
- (30) The RTP gas skid required 2 additional media swap outs over what was anticipated.
- (31) O&M staff completed the annual overhaul of the AWT to prepare for summer. The project included a complete shutdown, equipment inspection, and performed needed repairs.
- (32) Additional O&M labor was needed to support extra shoreline monitoring after the North Coast Interceptor spill and the recent data requests by the RWQCB after their outfall inspection.
- (33) Costs due to increase in water quality fees from the SWRCB.
- (34) Additional costs were due to unanticipated additional toxicity testing for compliance purposes.

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

For the Period Ended June 30, 2020

(in dollars)

		<b>FY 2019-20 Budget</b>	<b>Board Approved Expenditures*</b>	<b>Adjusted Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
<b>Salary and Fringe</b>							
01-5000-03-00-00	Regular Salaries-O&M*	207,349		207,349	180,767	26,582	87.2%
01-5401-03-00-00	Fringe Benefits IN to PC's & Depts.	149,173		149,173	134,124	15,049	89.9%
	<b>Total Payroll Costs</b>	<b>356,522</b>	<b>-</b>	<b>356,522</b>	<b>314,891</b>	<b>41,631</b>	<b>88.3%</b>
<b>Other Expenses</b>							
01-5015-03-00-00	Management Support Services	9,600		9,600	-	9,600	0.0%
**-5022-**-**-00	Miscellaneous Expense	3,121	714	3,835	783	3,052	20.4%
01-5023-03-00-00	Office Supplies - All	204		204	171	33	84.0%
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	5,767	6,858	45.7%
01-5035-03-00-00	Training Expense	4,400		4,400	278	4,122	6.3%
01-5037-03-00-00	Office Equipment	400		400	-	400	0.0%
01-5039-03-00-00	Membership Dues/Fees	1,350		1,350	1,120	230	83.0%
01-5061-03-00-00	Mileage	500		500	263	237	52.6%
01-5309-03-00-00	Operating Leases	6,695		6,695	7,764	(1,069)	116.0%
01-5705-03-00-00	Monthly Car Allowance	5,250		5,250	4,888	362	93.1%
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	4,009	59,597	58,832	765	98.7%
	<b>Total Other Expenses</b>	<b>100,339</b>	<b>4,723</b>	<b>105,062</b>	<b>79,867</b>	<b>25,195</b>	<b>76.0%</b>
	<b>Total Engineering Expenses</b>	<b>456,862</b>	<b>4,723</b>	<b>461,584</b>	<b>394,758</b>	<b>66,827</b>	<b>85.5%</b>

\* 06/20/2019 Board approved (one year) payment of PEPRA employee's contribution rate increase (\$9,895)

11/07/2019 Board Approved Pooled Liability Retro Adjustment (\$55,929), FE NXT upgrade (\$56,293, first year)

Increased cost of Engineering trailer

**South Orange County Wastewater Authority**  
**Budget vs. Actual Comparison- Administration**  
 For the Period Ended June 30, 2020  
 (in dollars)

		<b>FY 2019-20 Budget</b>	<b>Board Approved Expenditures*</b>	<b>Adjusted Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
<b>Salary and Fringe</b>							
01-6000-04-00-00	Regular Salaries-Admin or IT*	1,030,445		1,030,445	934,332	96,113	90.7%
01-6001-04-00-00	Overtime Salaries-Admin or IT	6,000		6,000	33,485	(27,485)	558.1% (1)
01-6315-04-00-00	Comp Time - Admin	5,000		5,000	9,200	(4,200)	184.0% (1)
01-6401-04-00-00	Fringe Benefits IN to ADMIN or IT	741,332		741,332	693,245	48,087	93.5%
	<b>Total Payroll Costs</b>	<b>1,782,777</b>	<b>-</b>	<b>1,782,777</b>	<b>1,670,262</b>	<b>112,515</b>	<b>93.7%</b>
<b>Other Expenses</b>							
01-6101-04-00-00	HR Recruitment & Employee Relations	34,200		34,200	34,745	(545)	101.6% (3)
01-6102-04-00-00	Subscriptions	2,000		2,000	2,058	(58)	102.9%
01-6200-04-00-00	Management Support Services	100,000		100,000	76,008	23,992	76.0%
01-6201-04-00-00	Audit	45,000		45,000	38,267	6,733	85.0%
01-6202-04-00-00	Legal	250,000		250,000	222,876	27,124	89.2%
01-6204-04-00-00	Postage	2,400		2,400	3,126	(726)	130.3% (2)
01-6223-04-00-00	Office Supplies - Admin	6,000		6,000	5,983	17	99.7%
01-6224-04-00-00	Office Equipment Admin or IT	400		400	1,058	(658)	264.5%
01-6234-04-00-00	Memberships & Trainings	90,000		90,000	94,279	(4,279)	104.8% (6)
01-6239-04-00-00	Travel & Conference	21,500		21,500	13,470	8,030	62.7% (6)
01-6241-04-00-00	Education Reimbursement	-		-	1,500	(1,500)	0.0% (5)
01-6310-04-00-00	Miscellaneous	23,000	3,092	26,092	30,927	(4,835)	118.5% (4)
01-6311-04-00-00	Mileage	1,188		1,188	401	787	33.8%
01-6317-04-00-00	Contract Services Misc	5,500		5,500	5,293	207	96.2%
01-6500-04-00-00	IT Allocations in to PC's & Depts.	132,191	9,534	141,725	139,905	1,820	98.7%
01-6601-04-00-00	Shipping/Freight	3,667		3,667	4,830	(1,163)	131.7%
01-6705-04-00-00	Monthly Car Allowance	12,000		12,000	12,119	(119)	101.0%
	<b>Total Other Expenses</b>	<b>729,046</b>	<b>12,627</b>	<b>741,673</b>	<b>686,844</b>	<b>54,828</b>	<b>92.6%</b>
	<b>Total Admin Expenses</b>	<b>2,511,823</b>	<b>12,627</b>	<b>2,524,450</b>	<b>2,357,106</b>	<b>167,344</b>	<b>93.4%</b>

\* 06/20/2019 Board approved (one year) payment of PEPRA employee's contribution rate increase (\$9,895)  
 11/07/2019 Board Approved Pooled Liability Retro Adjustment (\$55,929), FE NXT upgrade (\$56,293, first year)

- (1) Cost increase due to less admin FTE hours and special meetings for managers and PCs.
- (2) Cost increase due to delivery of board packets
- (3) Increased Retirement costs
- (4) Primarily due to FY 2018-19 CAFR preparation and printing costs.
- (5) CPA Review classes
- (6) Overlapping expenses between Memberships/Training and Travel/Conference and considering these line items together, the Fiscal Year Actual is 96.6% expended.

**South Orange County Wastewater Authority**  
**Budget vs. Actual Comparison-IT**  
 For the Period Ended June 30, 2020  
 (in dollars)

		<b>FY 2019-20 Budget</b>	<b>Board Approved Expenditures*</b>	<b>Adjusted Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
<b>Salary &amp; Fringe</b>							
01-6000-05-00-00	Regular Salaries-Admin or IT *	98,482		98,482	92,851	5,631	94.3%
01-6001-05-00-00	Overtime Salaries-Admin or IT	-		-	4,020	(4,020)	0.0% (1)
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	68,893	1,958	97.2%
	<b>Total Salary &amp; Fringe</b>	<b>169,333</b>	<b>-</b>	<b>169,333</b>	<b>165,764</b>	<b>3,569</b>	<b>97.9%</b>
<b>Other Expenses</b>							
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%
01-6101-05-00-00	Recruitment & Employee Relations, IT DEPT	-		-	365	(365)	0.0%
01-6102-05-00-00	Subscriptions	700		700	111	589	15.9%
01-6200-05-00-00	Management Support Services				34,550	(34,550)	0.0% (5)
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	56,293	108,260	76,051	32,209	70.2% (2)
01-6301-05-00-00	Hardware Maintenance Agreements	7,126		7,126	6,052	1,074	84.9%
01-6302-05-00-00	Cloud Subscriptions (Internet)	75,124		75,124	68,556	6,568	91.3%
01-6303-05-00-00	Telecommunications	127,036		127,036	144,078	(17,042)	113.4% (3)
01-6305-05-00-00	IT Professional Services	236,919		236,919	228,052	8,867	96.3%
01-6306-05-00-00	Small Hardware Purchases (< \$5k)	20,900		20,900	29,362	(8,462)	140.5% (4)
01-6307-05-00-00	Small Software Purchases & Licenses (<\$5k)	24,908		24,908	8,910	15,998	35.8%
01-6308-05-00-00	IT Memberships	160		160	704	(544)	440.0%
01-6309-05-00-00	Operating Leases	55,200		55,200	59,847	(4,647)	108.4%
01-6310-05-00-00	Miscellaneous	5,000	518	5,518	874	4,645	15.8%
	<b>Total Other Expenses</b>	<b>611,140</b>	<b>56,811</b>	<b>667,951</b>	<b>660,256</b>	<b>7,695</b>	<b>98.8%</b>
	<b>Total Expenses before Allocation</b>	<b>780,473</b>	<b>56,811</b>	<b>837,284</b>	<b>826,020</b>	<b>11,264</b>	<b>98.7%</b>
<b>IT Allocations (Out) to PC's &amp; Depts</b>							
01-6400-05-00-00	IT Allocations (OUT) to PC's & Depts.	(780,473)	(518)	(837,284)	(826,020)	(11,264)	98.7%
	<b>Total IT Allocations (Out) to PC's &amp; Depts</b>	<b>(780,473)</b>	<b>(518)</b>	<b>(837,284)</b>	<b>(826,020)</b>	<b>(11,264)</b>	<b>98.7%</b>

\* 06/20/2019 Board approved (one year) payment of PEPRAs employee's contribution rate increase (\$9,895)  
 11/07/2019 Board Approved Pooled Liability Retro Adjustment (\$55,929), FE NXT upgrade (\$56,293, first year)

- (1) Overtime from the transition of personnel in IT.
- (2) November 7, 2019 Board Meeting, Board authorized GM to upgrade of the Blackbaud cloud based conversion which exceeded this line item cost.
- (3) Increased service costs unforeseen in budget from internet and phone service providers.
- (4) Laptops purchased for Covid-19 related telecommuting work.
- (5) Cyber crime contracts

# Agenda Item

# 5

**Finance Committee Meeting**

**Meeting Date:** August 25, 2020

**TO:** Finance Committee

**FROM:** Betty Burnett, General Manager

**STAFF CONTACT:** Mary Carey, Finance Controller

**SUBJECT:** Fiscal Year 2019-2020 Preliminary Financials (Year End Results and Preparation of Use Audit)

---

---

## Summary/Discussion

Included in the attached Financial Package is a PowerPoint Presentation on the Authority's "Preliminary Financials" for Fiscal Year 2019-20. The document includes:

- Budget vs. Actual by Department
- Usage Distributions (flows & solids)
- Long-term Liabilities (PERS/OPEB/Uncompensated Absences)
  - Allocations and Cost Increases
- Recommendation to Address Long-Term Liabilities

**Recommended Action:** Finance Committee to consider recommendation to SOCWA Board:

- Address PERS Increase & Continued Growth
- Adopt Board Policy to Avoid 7% Growth in Cost
- Determine to Pre-pay (Advanced Discretionary Payments)
- Amend the JPA Agreement to Ensure Pre-Payment Credits
- Adopt method for Distribution of Future Base Adjustments

**SOCWA**  
**Preliminary**  
**Financials**  
**Fiscal Year 2019-20**  
**Finance Committee**  
**August 25, 2020**

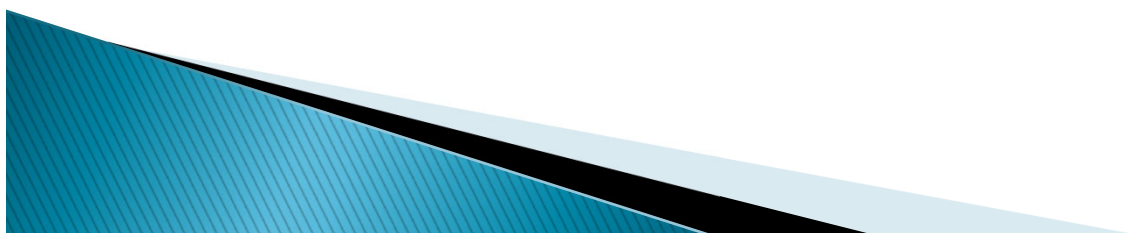
# Budget vs. Actual Expenses Summary

- Operations and Environmental
  - Residual Engineering
    - After transfer to Capital
  - Administration
  - Information Technology (IT)

**South Orange County Wastewater Authority  
Preliminary Financials  
Fiscal Year 2019-20**

Department	Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/ Under Budget	% Expended
O&M and Environmental	\$18,346,162	\$523,573	\$18,869,735	\$17,978,459	\$891,276	95.3%
Engineering	456,862	4,723	461,584	394,758	66,827	85.5%
Administration	2,511,823	12,627	2,524,450	2,357,106	167,344	93.4%
IT	780,473	56,811	837,284	826,020	11,264	98.7%
IT Allocations (Out)	(780,473)	(56,811)	(837,284)	(826,020)	(11,264)	98.7%
<b>Total</b>	<b><u>\$21,314,847</u></b>	<b><u>\$540,923</u></b>	<b><u>\$21,855,770</u></b>	<b><u>\$20,730,322</u></b>	<b><u>\$1,125,446</u></b>	<b><u>94.9%</u></b>

\*Board Approved Expenditures include PEPRA contribution rate increase, pooled liability retro adjustment, Financial System migration to Hosted Environment (cloud); Board approved the project on November 7, 2019 as additional budget expenditures.





# Usage – Key Component of Use Audit

- Budget vs. Actual
- Flows and Solids Loading Percentages
- Project Committee detail

## FY 2019-20 Budget

	Laguna Beach	San Clemente	San Juan Capistrano	El Toro	Emerald Bay	Irvine Ranch	Moulton Niguel	Santa Margarita	South Coast	Trabuco Canyon	Total
<b>PC 2 JBL</b>											
Liquids			36.57%				23.64%	12.12%	27.67%		100.00%
Solids			23.90%				21.06%	36.96%	18.08%		100.00%
<b>PC 12 (2SO) Permits</b>											
Region 9			4.68%				43.43%	43.95%	4.81%	3.13%	100.00%
<b>PC 15 Coastal</b>											
Liquids	57.73%				1.78%				40.49%		100.00%
<b>PC 17 Regional</b>											
Liquids	0.79%			0.26%	0.02%		98.38%		0.55%		100.00%
Solids	16.06%			14.90%	0.50%		58.06%		10.48%		100.00%

## FY 2019-20 Actual

<b>PC 2 JBL</b>											
Liquids			32.37%				21.30%	21.74%	24.59%		100.00%
Solids			26.23%				17.25%	32.96%	23.56%		100.00%
<b>PC 12 (2SO) Permits</b>											
Region 9			3.29%				42.64%	42.89%	7.05%	4.13%	100.00%
<b>PC 15 Coastal</b>											
Liquids	60.90%				2.18%				36.91%		100.00%
<b>PC 17 Regional</b>											
Liquids	0.10%			0.20%	0.00%		99.67%		0.04%		100.00%
Solids	12.87%			16.11%	0.46%		62.78%		7.79%		100.00%

# Long Term Liabilities

- Net Pension Liability
- OPEB (Retiree Health)
- Uncompensated Absences

# Net Pension Liability Increase

- The Net Pension Liability increased by \$1.2 million or 8.9% primarily due to:

	<u>\$ Change</u>	<u>% Change</u>
Non-Asset (Gain)/Loss <sup>1</sup>	\$149,840	12.7%
Asset (Gain)/Loss <sup>2</sup>	(292,547)	-24.9%
Assumption Change <sup>3</sup>	1,026,286	87.3%
Method Change <sup>4</sup>	291,656	24.8%
<b>Total</b>	<b><u>\$1,175,235</u></b>	<b><u>100.0%</u></b>

<sup>1</sup>Changes not related to Investment Returns; such as, mortality, discount rate, pay increases, etc.

<sup>2</sup>Financial Market Investment Gain.

<sup>3</sup>Actuarial Assumptions, 15 years mortality improvement, discount rate 7.15%, 2.5% inflation, salary increases, etc.

<sup>4</sup>CalPERS Valuation Software System Change

# Net PERS Liability by Agency

## Last Six Fiscal Years

(No pension liability fiscal years 2011 through 2014))

	2015	2016	2017	2018	2019	2020
<b><u>Net Pension Liability</u></b>						
City of Laguna Beach	\$707,518	\$950,501	\$1,216,301	\$1,424,347	\$1,409,954	\$1,534,919
City of San Clemente	47,198	61,300	77,311	90,008	88,503	96,580
City of San Juan Capistrano	703,507	936,034	1,193,586	1,385,379	1,370,129	1,497,375
Emerald Bay Service District	31,672	41,975	53,337	61,839	60,806	65,469
El Toro Water District	244,130	324,911	414,375	478,930	466,984	503,652
Irvine Ranch Water District	53,099	69,383	88,286	103,279	100,812	109,341
Moulton Niguel Water District	3,077,442	4,124,557	5,251,583	6,070,714	5,953,985	6,443,537
South Coast Water District	1,245,892	1,644,626	2,108,568	2,462,306	2,432,546	2,676,449
Santa Margarita Water District	683,820	901,247	1,145,985	1,332,256	1,301,158	1,431,672
Trabuco Canyon Water District			613	1,378	1,439	2,555
Total	<b>\$6,794,277</b>	<b>\$9,054,535</b>	<b>\$11,549,944</b>	<b>\$13,410,437</b>	<b>\$13,186,316</b>	<b>\$14,361,551</b>

<b>% Change Year- Over-Year</b>		33.27%	27.56%	16.11%	-1.67%	8.91%
---------------------------------	--	--------	--------	--------	--------	-------

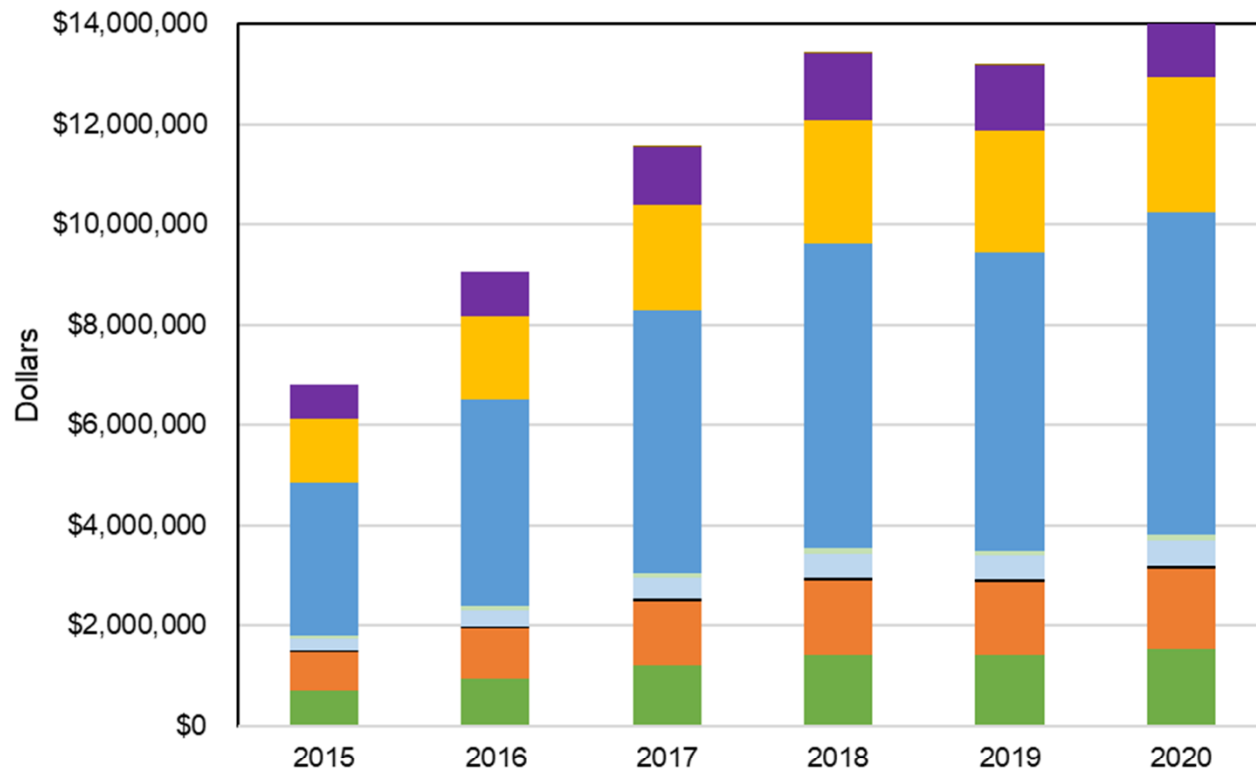
## **Net Pension Liability**

### **Allocation %'s**

City of Laguna Beach	10.41%	10.50%	10.53%	10.62%	10.69%	10.69%
City of San Clemente	0.69%	0.68%	0.67%	0.67%	0.67%	0.67%
City of San Juan Capistrano	10.35%	10.34%	10.33%	10.33%	10.39%	10.43%
Emerald Bay Service District	0.47%	0.46%	0.46%	0.46%	0.46%	0.46%
El Toro Water District	3.59%	3.59%	3.59%	3.57%	3.54%	3.51%
Irvine Ranch Water District	0.78%	0.77%	0.76%	0.77%	0.76%	0.76%
Moulton Niguel Water District	45.29%	45.55%	45.47%	45.27%	45.15%	44.87%
South Coast Water District	18.34%	18.16%	18.26%	18.36%	18.45%	18.64%
Santa Margarita Water District	10.06%	9.95%	9.92%	9.93%	9.87%	9.97%
Trabuco Canyon Water District			0.01%	0.01%	0.01%	0.02%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Slide 8

## Net Pension Liability



- City of Laguna Beach
- City of San Clemente
- City of San Juan Capistrano
- Emerald Bay Service District
- El Toro Water District
- Irvine Ranch Water District
- Moulton Niguel Water District
- South Coast Water District
- Santa Margarita Water District
- Trabuco Canyon Water District

# The OPEB Liability (Retiree Health) increased by \$941 thousand or 19.8%

	<u>\$ Change</u>	<u>% Change</u>
Discount rate reduced from 7% to 6.5%	\$474,796	50.5%
Active Employees accrual for 1 additional year of service	465,794	49.5%
<b>Total</b>	<b><u>\$940,590</u></b>	<b><u>100.0%</u></b>

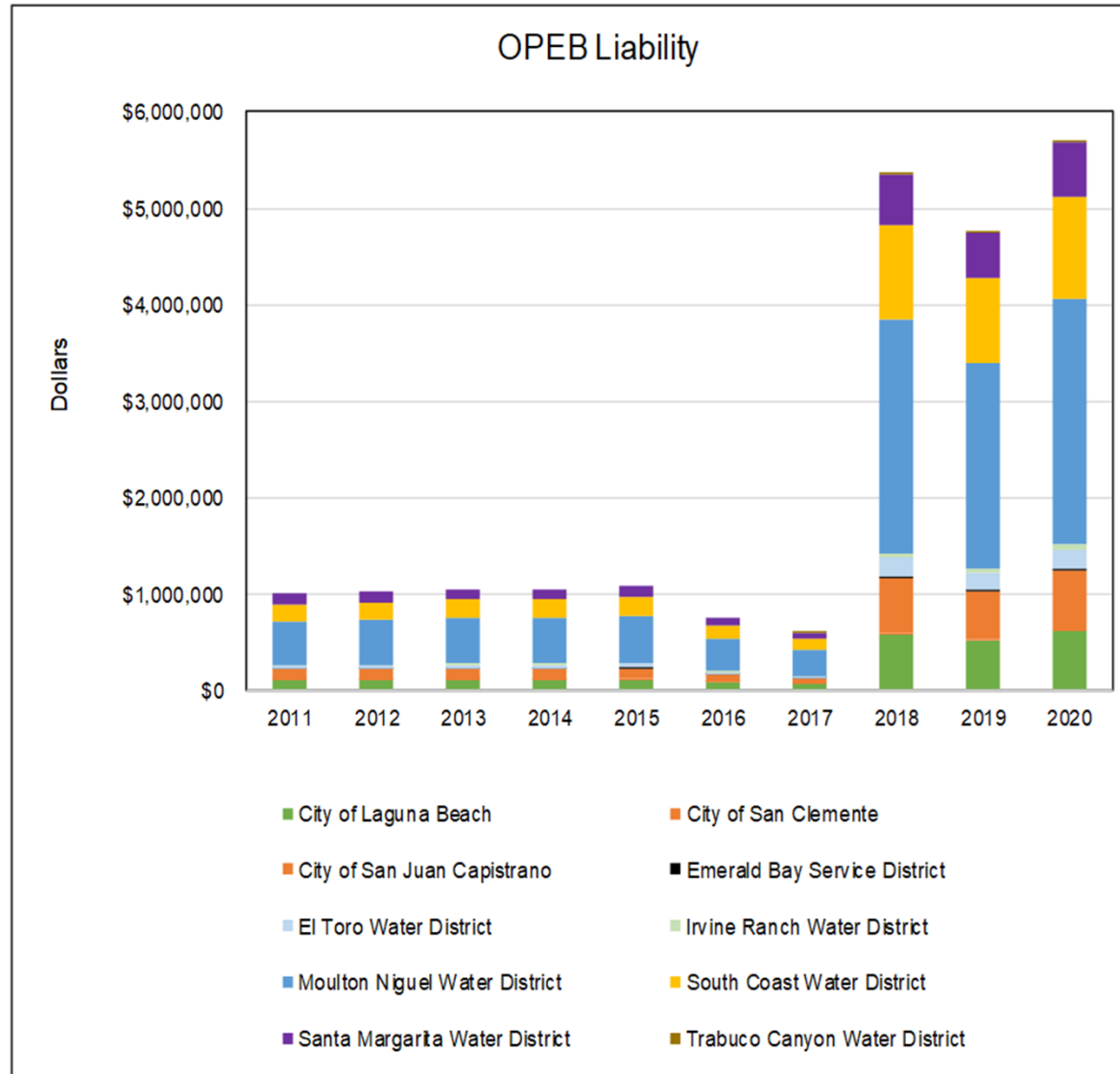
# Net OBEP Liability by Agency

## OPEB (Retiree Health) Liability by Member Agency Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>OPEB Liability</b>										
City of Laguna Beach	\$101,290	\$102,735	\$106,591	\$108,208	\$112,872	\$78,307	\$61,896	\$569,189	\$507,678	\$607,975
City of San Clemente	7,430	7,504	7,558	7,449	7,530	5,050	3,934	35,969	31,867	38,255
City of San Juan Capistrano	105,371	107,873	109,765	109,758	112,232	77,116	60,740	553,617	493,339	593,104
Emerald Bay Service District	4,742	4,751	4,879	4,920	5,053	3,458	2,714	24,712	21,894	25,932
El Toro Water District	35,389	36,790	37,400	37,653	38,946	26,768	21,087	191,387	168,146	199,495
Irvine Ranch Water District	7,451	7,540	8,151	8,218	8,471	5,716	4,493	41,272	36,299	43,309
Moulton Niguel Water District	446,109	459,369	470,790	474,017	490,950	339,804	267,246	2,425,942	2,143,835	2,552,258
South Coast Water District	187,271	191,807	195,137	195,200	198,760	135,493	107,302	983,972	875,880	1,060,131
Santa Margarita Water District	104,816	105,711	107,174	106,898	109,091	74,250	58,318	532,388	468,504	567,080
Trabuco Canyon Water District							31	551	518	1,012
<b>Total</b>	<b>\$999,869</b>	<b>\$1,024,079</b>	<b>\$1,047,444</b>	<b>\$1,052,319</b>	<b>\$1,083,904</b>	<b>\$745,962</b>	<b>\$587,760</b>	<b>\$5,358,998</b>	<b>\$4,747,961</b>	<b>\$5,688,551</b>
<b>% Change Year-Over-Year</b>		2.42%	2.28%	0.47%	3.00%	-31.18%	-21.21%	811.77%	-11.40%	19.81%
<b>OPEB Liability Allocation %'s</b>										
City of Laguna Beach	10.13%	10.03%	10.18%	10.28%	10.41%	10.50%	10.53%	10.62%	10.69%	10.69%
City of San Clemente	0.74%	0.73%	0.72%	0.71%	0.69%	0.68%	0.67%	0.67%	0.67%	0.67%
City of San Juan Capistrano	10.54%	10.53%	10.48%	10.43%	10.35%	10.34%	10.33%	10.33%	10.39%	10.43%
Emerald Bay Service District	0.47%	0.46%	0.47%	0.47%	0.47%	0.46%	0.46%	0.46%	0.46%	0.46%
El Toro Water District	3.54%	3.59%	3.57%	3.58%	3.59%	3.59%	3.59%	3.57%	3.54%	3.51%
Irvine Ranch Water District	0.75%	0.74%	0.78%	0.78%	0.78%	0.77%	0.76%	0.77%	0.76%	0.76%
Moulton Niguel Water District	44.62%	44.86%	44.95%	45.04%	45.29%	45.55%	45.47%	45.27%	45.15%	44.87%
South Coast Water District	18.73%	18.73%	18.63%	18.55%	18.34%	18.16%	18.26%	18.36%	18.45%	18.64%
Santa Margarita Water District	10.48%	10.32%	10.23%	10.16%	10.06%	9.95%	9.92%	9.93%	9.87%	9.97%
Trabuco Canyon Water District							0.01%	0.01%	0.01%	0.02%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>



# Liability by Agency



# Employee Time Earned by Agency

## Long-Term Compensated Absences Liability by Member Agency Last Nine Fiscal Years

(No long-term compensated absences reported in 2011)

	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b><u>Compensated Absences Liability</u></b>									
City of Laguna Beach	\$34,162	\$31,156	\$30,541	\$44,404	\$48,768	\$38,635	\$25,906	\$30,978	\$34,160
City of San Clemente	2,119	1,902	1,786	2,294	2,311	1,808	1,300	1,716	2,050
City of San Juan Capistrano	35,178	30,441	29,159	38,277	42,168	33,858	23,119	28,373	32,429
Emerald Bay Service District	1,510	1,324	1,294	1,832	1,944	1,495	995	1,199	1,272
El Toro Water District	12,705	11,233	10,528	13,944	15,493	12,267	7,867	8,849	9,266
Irvine Ranch Water District	2,391	2,479	2,486	3,507	3,108	2,392	1,635	2,016	2,224
Moulton Niguel Water District	152,606	138,683	132,131	180,293	201,539	159,079	102,026	115,337	124,882
South Coast Water District	62,461	54,861	51,947	67,000	71,307	58,332	41,698	52,781	61,129
Santa Margarita Water District	29,040	26,865	26,885	36,326	38,782	30,785	21,245	25,222	30,399
Trabuco Canyon Water District				-	-	81	118	167	236
<b>Total</b>	<b>\$332,172</b>	<b>\$298,944</b>	<b>\$286,758</b>	<b>\$387,876</b>	<b>\$425,420</b>	<b>\$338,733</b>	<b>\$225,909</b>	<b>\$266,637</b>	<b>\$298,049</b>

<b>% Change Year-Over-Year</b>		-10.00%	-4.08%	35.26%	9.68%	-20.38%	-33.31%	18.03%	11.78%
--------------------------------	--	---------	--------	--------	-------	---------	---------	--------	--------

<b><u>Compensated Absences Liability Allocation %'s</u></b>									
City of Laguna Beach	10.28%	10.42%	10.65%	11.45%	11.46%	11.41%	11.47%	11.62%	11.46%
City of San Clemente	0.64%	0.64%	0.62%	0.59%	0.54%	0.53%	0.58%	0.64%	0.69%
City of San Juan Capistrano	10.59%	10.18%	10.17%	9.87%	9.91%	10.00%	10.23%	10.64%	10.88%
Emerald Bay Service District	0.45%	0.44%	0.45%	0.47%	0.46%	0.44%	0.44%	0.45%	0.43%
El Toro Water District	3.82%	3.76%	3.67%	3.59%	3.64%	3.62%	3.48%	3.32%	3.11%
Irvine Ranch Water District	0.72%	0.83%	0.87%	0.90%	0.73%	0.71%	0.72%	0.76%	0.75%
Moulton Niguel Water District	45.94%	46.39%	46.08%	46.48%	47.37%	46.96%	45.16%	43.26%	41.90%
South Coast Water District	18.80%	18.35%	18.12%	17.27%	16.76%	17.22%	18.46%	19.79%	20.51%
Santa Margarita Water District	8.74%	8.99%	9.38%	9.37%	9.12%	9.09%	9.40%	9.46%	10.20%
Trabuco Canyon Water District						0.02%	0.05%	0.06%	0.08%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

# Funding PERS/OPEB Costs

- Advanced Discretionary Payment (ADP) Options
- Financial Benefits to SOCWA and Individual Member Agencies



# Prepayment / Options & Methodology

Assumptions used for illustration:

1. FY 21-22 Actuarial Values - June 30, 2019 report
2. Pre-pay option applies only for Classic Plan.
3. Assume Member pre-pays their full UAL.
4. Target longest bases to maximize total % savings
5. UAL payment schedule *revised* after pre-payment
6. Rebalance % allocation for Other Members, pay UAL based on revised payment schedule



# CalPERS New Base Determinations

- Reflects all differences between actual and assumed experience
- Two significant modifiers to a Base Year
  - ❑ Asset gain loss based on financial markets
  - ❑ Actuarial Assumptions changes
    - ❖ Mortality Rate
    - ❖ Discount Rate Adjustments
    - ❖ Inflation/COLA
- Cal PERS calculations to adjust a base are two years behind
- Base adjustments are identified to the applicable year and are easy to associate with individual years.

		18.64%			98.1%			3.00%	
		Original UAL Payment Schedule			Targeted UAL Payments				
		UAL Payments	South Coast Pro-Rata Saving	Net Member UAL Payments	UAL Payments	South Coast Base #10 98.06%	Member UAL After Pre-Pay	Member Savings	NPV
1	2021	1,177,800	219,542	958,258	1,177,800	154,477	1,023,323	(65,065)	(63,170)
2	2022	1,301,316	242,565	1,058,751	1,301,316	198,406	1,102,910	(44,159)	(41,624)
3	2023	1,376,457	256,572	1,119,886	1,376,457	203,863	1,172,595	(52,709)	(48,236)
4	2024	1,457,047	271,594	1,185,454	1,457,047	209,469	1,247,579	(62,125)	(55,197)
5	2025	1,500,806	279,750	1,221,056	1,500,806	215,229	1,285,577	(64,521)	(55,656)
6	2026	1,540,809	287,207	1,253,602	1,540,809	221,148	1,319,661	(66,059)	(55,323)
7	2027	1,581,912	294,868	1,287,044	1,581,912	227,230	1,354,683	(67,639)	(54,997)
8	2028	1,624,146	302,741	1,321,405	1,624,146	233,478	1,390,667	(69,262)	(54,676)
9	2029	1,667,541	310,830	1,356,711	1,667,541	239,899	1,427,641	(70,931)	(54,362)
10	2030	1,712,129	319,141	1,392,988	1,712,129	246,496	1,465,633	(72,645)	(54,054)
11	2031	1,757,943	327,681	1,430,263	1,757,943	253,275	1,504,668	(74,406)	(53,752)
12	2032	1,744,567	325,187	1,419,380	1,744,567	260,240	1,484,327	(64,947)	(45,553)
13	2033	1,729,161	322,316	1,406,845	1,729,161	267,397	1,461,764	(54,919)	(37,397)
14	2034	1,687,731	314,593	1,373,138	1,687,731	274,750	1,412,981	(39,843)	(26,341)
15	2035	1,615,264	301,085	1,314,179	1,615,264	282,306	1,332,958	(18,780)	(12,054)
16	2036	833,085	155,287	677,798	833,085	290,069	543,016	134,782	83,992
17	2037	739,756	137,891	601,866	739,756	298,046	441,710	160,155	96,897
18	2038	640,700	119,426	521,273	640,700	306,242	296,903	224,370	131,794
19	2039	563,033	104,949	458,084	563,033	314,664	-	458,084	261,239
20	2040	512,124	95,460	416,664	512,124	323,317	-	416,664	230,697
21	2041	363,996	67,849	296,147	363,996	332,208	-	296,147	159,194
22	2042	344,939	64,297	280,642	344,939	341,344	-	280,642	146,465
23	2043	271,898	50,682	221,216	271,898	350,731	-	221,216	112,089
24	2044	112,927	21,050	91,877	112,927	288,301	-	91,877	45,197
25	2045	-	-	-	-	222,172	-	-	-
26	2046	-	-	-	-	152,188	-	-	-
27	2047	-	-	-	-	78,186	-	-	-
28	2048	-	-	-	-	-	-	-	-
		\$ 27,857,087	\$ 5,192,561	\$ 22,664,526	\$ 27,857,087	\$ 6,785,130	\$ 21,268,597	\$ 1,395,929	\$ 555,169
		\$ 15,844,602	\$ 2,953,434	\$ 12,891,168	\$ 15,844,602	\$ 2,953,434	\$ 12,891,168		

# New Base Payments Example

- Member agency pays off 2018 calculated base
- In 2021 CalPERS may adjust adding a new base
- Allocation to “paid” member/years should relate to percent based on historical labor (board approved actuarial methodology – rolling avg. back to 2001)
- Unfunded liability applies to Tier I – results in new base being time limited

# Staff Recommendation

- Address PERS Increase & Continued Growth
- Adopt Board Policy to Avoid 7% Growth in Cost
- Determine to Pre-pay (Advanced Discretionary Payments)
- Amend the JPA Agreement to Ensure Pre-Payment Credits
- Adopt method for Distribution of Future Base Adjustments



# Agenda Item

# 6

**Finance Committee Meeting**

**Meeting Date:** August 25, 2020

**TO:** Finance Committee  
**FROM:** Betty Burnett, General Manager  
**STAFF CONTACT:** Jim Burror, Director of Operations  
**SUBJECT:** Update on Small Capital Expenditures Year End June 30, 2020

---

---

## Summary/Discussion/Overview

There is an unprecedented number of delayed small internal capital projects due to the ongoing COVID-19 Pandemic. There is \$952,813 worth of equipment orders placed but not yet received of the \$2,172,958 budget for the Fiscal Year ending June 30, 2020. This ordered equipment is anticipated to be received in the Fiscal Year ending June 30, 2021, and was delayed due to Pandemic related international disruptions of supply chains.

During the August 2020 Board Meeting, the SOCWA staff was requested to present this ongoing issue to the upcoming Finance Committee for further discussion.

## Fiscal impact

In past years, unspent funds for delayed small capital projects were carried over from one year to the next as part of the Use Audit process. However, due to the large amount of funding associated with the delayed small internal capital spending the Fiscal Year, the Board may consider memorializing the need to carry over the small internal capital funding differently.

The approved Fiscal Year 2020-21 Budget did not include a potential small internal capital funding carryover from Fiscal Year 2019-20. The following are potential options for memorializing the \$952,813 carryover to Fiscal Year 2020-2021:

- 1) Continue to address the carryover need within the Use Audit process as was done in years past.
- 2) Amend the Fiscal Year 2020-21 Budget
- 3) Other options to be developed by the Finance Committee

**Recommended Action:** Staff recommends that SOCWA continues the past practice of addressing small internal capital carryover be addressed within the Use Audit.

## Attachments

- 1) Summary of FY19-20 Small Internal Capital Costs with Fiscal Year 19-20 Small Capital Spending
- 2) Small Internal Capital Summary FY19-20 Carryover Request List

# Agenda Item

# 6

**Finance Committee Meeting**

**Meeting Date:** August 25, 2020

**TO:** Finance Committee

**FROM:** Betty Burnett, General Manager

**STAFF CONTACT:** Mary Carey, Finance Controller  
Jim Burror, Director of Operations

**SUBJECT:** Update on Small Capital Expenditures Year End June 30, 2020

---

---

## Summary/Discussion/Overview

There is an unprecedented number of delayed small internal capital projects due to the ongoing COVID-19 Pandemic. There is \$952,813 worth of equipment orders placed but not yet received of the \$2,172,958 budget for the Fiscal Year ending June 30, 2020. This ordered equipment is anticipated to be received in the Fiscal Year ending June 30, 2021, and was delayed due to Pandemic related international disruptions of supply chains.

During the August 2020 Board Meeting, the SOCWA staff was requested to present this ongoing issue to the upcoming Finance Committee for further discussion.

## Fiscal impact

In past years, unspent funds for delayed small capital projects were carried over from one year to the next as part of the Use Audit process. However, due to the large amount of funding associated with the delayed small internal capital spending for 2019-20 Fiscal Year, the Board may consider memorializing the need to carry over the small internal capital funding differently.

The approved Fiscal Year 2020-21 Budget did not include a potential small internal capital funding carryover from Fiscal Year 2019-20. The following are potential options for memorializing the \$952,813 carryover to Fiscal Year 2020-2021:

- 1) Continue to address the carryover need within the Use Audit process as was done in years past allowing for consideration of available remaining unspent funds by PC.
- 2) Amend the Fiscal Year 2020-21 Budget
- 3) Adopt possible policy document as staff guidance (see attached)

**Recommended Action:** Staff recommends that SOCWA continues the past practice of addressing small internal capital carryover with the preparation of the Use Audit.

## Attachments

- 1) Summary of FY19-20 Small Internal Capital Costs with Fiscal Year 19-20 Small Capital Spending
- 2) Small Internal Capital Summary FY19-20 Carryover Request List

**PC2 (JBL)**

Small Capital Item	Encumbered Amount
Liquids	
Replacement Check Valves	\$20,842
4-side Rollup Door	\$26,159
Common	
Fixed Gas Detector Equipment	\$103,550
Utility Vehicle	\$65,000

PC2 Total	\$215,551
-----------	-----------

**PC15 (CTP)**

Small Capital Item/Area	Encumbered Amount
Liquids	
Laboratory Equipment and Probe Replacements (between 3 PC's)	\$6,817
Replacement Grit Auger	\$169,743
Aeration Panel Replacement	\$51,200
Ventilation Fan Replacement	\$61,000
Common	
Fixed Gas Detector Equipment	\$81,375
AWT	
AWT Building Replacement Doors	\$10,233

PC15 Total	\$380,368
------------	-----------

**PC17 (RTP)**

Small Capital Item/Area	Encumbered
Liquids	
Laboratory Equipment and Probe Replacements (between 3 PC's)	\$6,817
Interstage #2 Pump and Motor Rebuild	\$40,810
RAS #24 Pump and Motor Rebuild	\$18,043
RAS #4 Pump and Motor Rebuild	\$18,043
Replacement Recirc Pump	\$25,190
Replacement Hydrogritter	\$84,281
Headworks Roll Up Door Replacement	\$30,938
Fixed Gas Detector Equipment	\$86,770
Solids	
Recirculation Pump	\$11,500
Building Lighting Upgrades	\$34,501

Total PC17	\$356,894
------------	-----------

Total Small Internal Capital Carryover	\$952,813
--	-----------

## South Orange County Wastewater Authority Small Capital Carryover Policy

**Definition:**

Carryover is the right to use an unspent appropriation beyond the time period for which it was originally granted. This means that a spending agency can use some or all of what has not been spent of the previous years' appropriations in addition to the current year's budget allocation.

Budget carryovers are not the consequence of a change to the purpose of the funds, but rather the result of a change in timing, recognizing that more time may be needed to accomplish the original objectives, or those funds may be needed sooner than originally anticipated

**Policy Statement:**

**Applicability:**

This policy is applicable to all South Orange County Wastewater Authority departments that have a need to carryover small capital funds or cash collected.

**Conditions for Carryover:**

- Emergencies/Unforeseen conditions that prevented completion of objectives
- In-Process tasks that are close to completion

Allowable carryover amounts and procedures between annual budgets for Small Capital is as follows:

**Small Capital:**

Small Capital dollars may be reallocated to the following fiscal year or carried over in an amount not to exceed 50% of the first-year original budget. The Small Capital budget as set by the Board will not be exceeded without further Board or PC decision.

**Limited Exception:**

The Finance Committee may consider additional exceptions to the general carryover rules on a case by case basis. This exception clause should be used sparingly and supporting documentation and justification must be provided to the Finance Committee.

The Finance Committee shall review any requests under the Limited Exception section above.

**Use Audit:**

The carryover cash shall not be refunded in the Use Audit for the original Budget Year; the final settlement will be completed in the following fiscal year.