

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

**TELECONFERENCE PHONE NUMBER: (213) 279-1455  
TELECONFERENCE ID: 392 197 042**

**September 22, 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 **September 22, 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*

September 22, 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. Financial Reports for the Month of July 2020

The reports included are as follows:

- a. Summary of Disbursements for July 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)
  - Information Technology (IT) (Exhibit E-4)

**Recommended Action:** Staff recommends to the Finance Committee to recommend the Board of Directors to ratify the July 2020 disbursements for the period from July 1, 2020, through July 31, 2020, totaling \$4,072,597, and to receive and file the July 2020 Financial Reports as submitted.

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

- a. Summary of Disbursements for August 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 to the Finance Committee to recommend to the Board of Directors to ratify the August 2020 disbursements for the period from August 1, 2020, through August 31, 2020, totaling \$2,769,594, and to receive and file the August 2020 Financial Reports as submitted.

September 22, 2020

**5. CalPERS Unfunded Accrued Pension Liability (UAL) Funding Policy**

- Proposed Funding Policy for CalPERS UAL, Tier 1, Classic
- Funding Plan for Tier 2 and PEPRA
- Funding Plan for New Bases added to Tier1, Classic, Tier2 and PEPRA
- PowerPoint Presentation

**Recommended Action:** Staff recommends to the Finance Committee to recommend to the Board of Directors to:

- 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

**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 17<sup>th</sup> day of September 2020.



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

# Agenda Item

3

**Finance Committee Meeting**

**Meeting Date:** September 22, 2020

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

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## 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 July 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

July 2020 cash disbursements were: \$4,072,597.

- 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 the Board of Directors to ratify the July 2020 disbursements for the period from July 1, 2020, through July 31, 2020, totaling \$4,072,597, and to receive and file the July 2020 Financial Reports as submitted.

**Exhibit A**

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

	<u>Actual<sup>1</sup></u>
General Fund	\$ (1,080,364)
PC 2 - Jay B. Latham Plant	(640,819)
PC 3 - SOCWA Plant/PCA AWT	-
PC 5 - San Juan Creek Ocean Outfall	(72,029)
PC 8 - Pretreatment Program	(13,032)
PC 12 SO - Water Reclamation Permits	(18,876)
PC 15 - Coastal Treatment Plant/AWT	(1,147,356)
PC 17 - Joint Regional Wastewater Reclamation	(1,073,582)
PC 21 - Effluent Transmission Main	(115)
PC 24 - Aliso Creek Ocean Outfall	(26,424)
<b>Total</b>	<b><u><u>\$ (4,072,597)</u></u></b>

<sup>1</sup>Large Cash Disbursements to Top-Ten Vendors, primarily CalPERS required UAL Fiscal Year payment of \$991,237 and construction companies of \$1,467,716.

CalPERS	\$ 1,109,001
PCL Construction	570,257
Payroll	462,241
Filanc	331,775
Flo-Systems Inc.	183,478
Butier Engineering	92,160
Dudek & Associates	82,911
Southern California	74,702
San Diego Gas & Elec	71,534
Vaughan's Industrial	60,899
	<b><u>\$ 3,038,958</u></b>

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

CASH IN BANK: (BEGINNING BAL.)	\$	2,389,289
L.A.I.F. FUNDS: (BEGINNING BAL.)		20,040,391
DEPOSITS, TRANSFERS & ADJUSTMENTS:		1,247,469
FUND REQUIREMENTS:		
BILLS FOR CONSIDERATION		<u>(4,072,597)</u>
<b>TOTAL CASH IN BANK</b>	<b>\$</b>	<b><u>19,604,552</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 09/11/20



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

<b>Aug</b>	<b>0.784</b>
Jul	0.920
Jun	1.217

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

LAIF Apportionment Rate <sup>(2)</sup> :	1.47
LAIF Earnings Ratio <sup>(2)</sup> :	.00004012766505335
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

\*Revised 7/21/2020 per State Controller's Office

### Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 08/31/20 \$113.8 billion

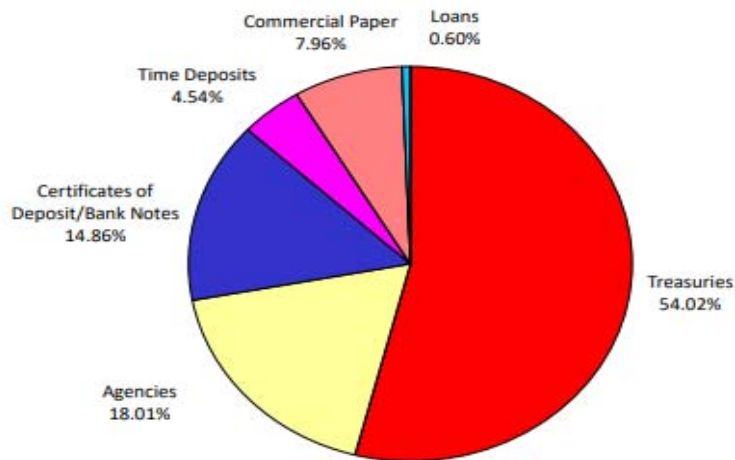


Chart does not include 0.01% of mortgages. Percentages may not total 100% due to rounding.

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 July 31, 2020**

MVA	\$ 262,363	(A)
A/P Checking	1,857,016	(B)
Payroll Checking	392,861	(C)
State LAIF	17,092,311	(D)
<b>Total Cash in Bank</b>	<b>\$ 19,604,552</b>	
Petty Cash	1,600	(E)
<b>Total Operating Cash</b>	<b>\$ 19,606,152</b>	
OPEB Trust	5,460,206	(F)
<b>Total Cash and Investments</b>	<b>\$ 25,066,358</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.



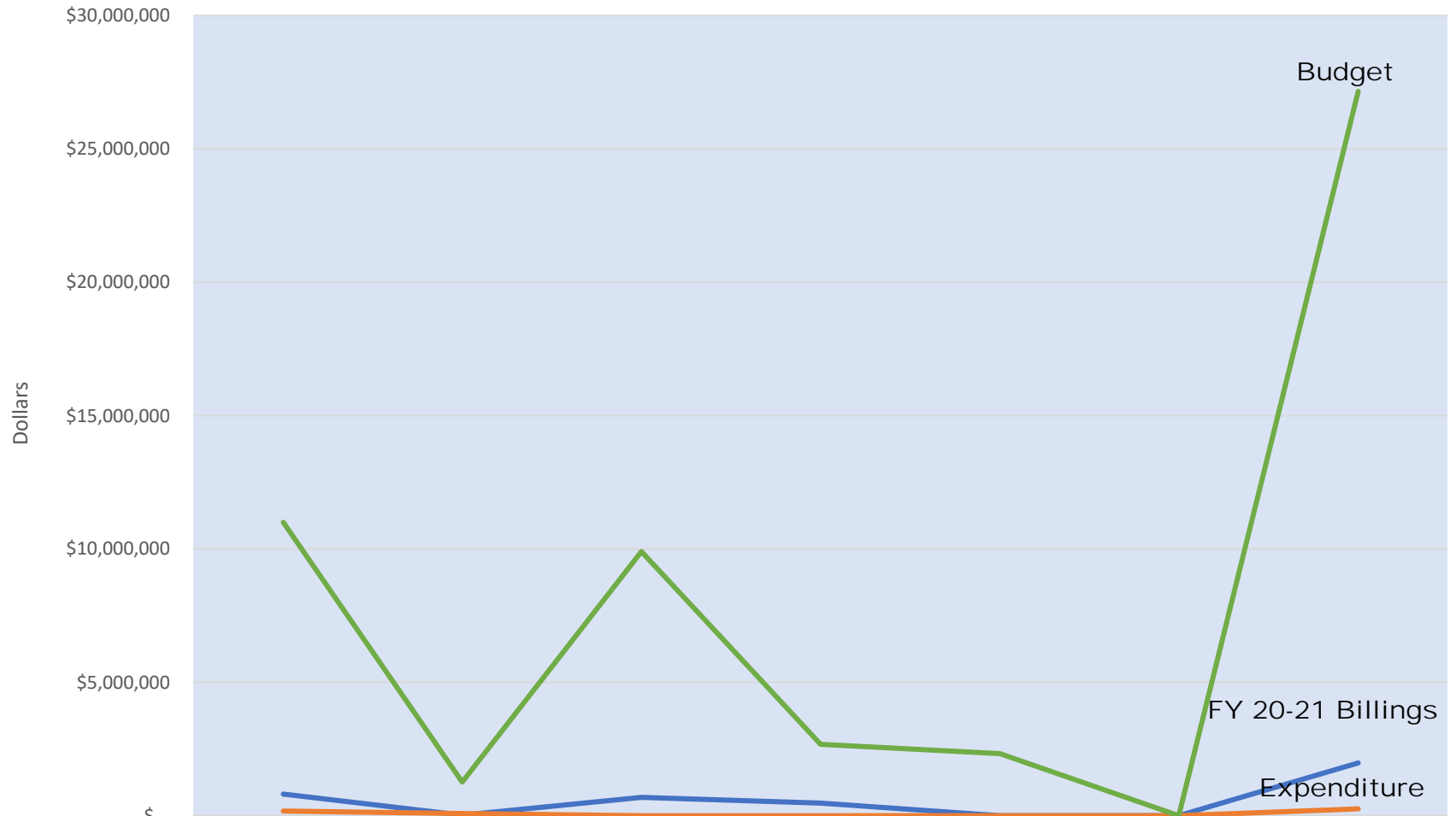
**South Orange County Wastewater Authority  
Capital Projects Summaries  
For the Period Ended July 31, 2020  
(in dollars)**

<b>FY 2020-21 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	\$ 11,001,878	\$ 806,361	\$ 10,195,517	7.3%	\$ 173,978	\$ 135,095	\$ 38,883	463.5%
PC 5-San Juan Creek Outfall	1,263,698	16,841	1,246,857	1.3%	83,717	56,819	26,898	20.1%
PC 15-Coastal	9,901,131	688,293	9,212,838	7.0%				
PC 17-Regional	2,673,021	475,904	2,197,117	17.8%				
PC 21 Effluent Transmission	2,322,672	-	2,322,672	0.0%				
* PC 24 Aliso Creek Outfall	-	128	(128)					
<b>Total Large Capital</b>	<b>\$ 27,162,400</b>	<b>\$ 1,987,528</b>	<b>\$ 25,174,872</b>	<b>7.3%</b>	<b>\$ 257,695</b>	<b>\$ 191,914</b>	<b>\$ 65,781</b>	<b>771.3%</b>
Non-Capital Engineering	1,161,634	23,153	1,138,481	2.0%	60,000	19,702	40,298	38.6%
Non-Capital Misc Engineering	75,000	8,766	66,234	11.7%	18,750	17,039	1,711	46.8%
Small Internal Capital	2,099,000	202,946	1,896,054	9.7%	524,750	214,614	310,136	38.7%
<b>Total Capital</b>	<b>\$ 30,498,034</b>	<b>\$ 2,222,393</b>	<b>\$ 28,275,641</b>	<b>7.3%</b>	<b>\$ 861,195</b>	<b>\$ 443,269</b>	<b>\$ 417,926</b>	<b>258.1%</b>

\* PC 24 is paid out of Cash on Hand collected in an earlier year

# Large Capital Projects Fiscal Year '20-21 Budget vs. Year-to-Date Expenditures & Billings as of 07/31/2020

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 7/31/20	\$806,361	\$16,841	\$688,293	\$475,904	\$-	\$128	\$1,987,528
FY 20-21 Billings	\$173,978	83,717.00	\$-	\$-	\$-	\$-	\$257,695
Capital Budget 20-21	\$11,001,878	1,263,698.00	\$9,901,131	\$2,673,021	\$2,322,672	\$-	\$27,162,400

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

For the Period Ended July 31, 2020

(in dollars)

	FY 2020-21 Budget	Actual	(Over)/Under Budget	%Expended	
<b>Salary and Fringe</b>					
**5000-**-***	Regular Salaries-O&M	4,510,604	382,167	4,128,437	8.5%
**5001-**-***	Overtime Salaries-O&M	128,700	10,654	118,046	8.3%
**5306-**-***	Scheduled Holiday Work	33,964	14,142	19,822	41.6%
**5315-**-***	Comp Time - O&M	12,168	428	11,740	3.5%
**5401-**-***	Fringe Benefits IN to PC's & Depts.	2,374,488	201,184	2,173,304	8.5%
**5700-**-***	Standby Pay	67,608	3,380	64,228	5.0%
	Total Payroll Costs	7,127,532	611,956	6,515,576	8.6%
<b>Other Expenses</b>					
**5002-**-***	Electricity	1,154,008	90,080	1,063,928	7.8%
**5003-**-***	Natural Gas	234,532	16,566	217,966	7.1%
**5004-**-***	Potable & Reclaimed Water	77,008	2,922	74,086	3.8%
**5005-**-***	Co-generation Power Credit	(669,000)	(60,337)	(608,663)	9.0%
**5006-**-***	Chlorine/Sodium Hypochlorite	479,900	49,638	430,262	10.3%
**5007-**-***	Polymer Products	739,004	53,535	685,469	7.2%
**5008-**-***	Ferric Chloride	452,000	50,896	401,104	11.3%
**5009-**-***	Odor Control Chemicals	114,996	8,317	106,679	7.2%
**5010-**-***	Other Chemicals - Misc.	2,996	-	2,996	0.0%
**5011-**-***	Laboratory Services	40,580	830	39,750	2.0%
**5012-**-***	Grit Hauling	124,996	10,997	113,999	8.8%
**5013-**-***	Landscaping	206,004	14,605	191,399	7.1%
**5014-**-***	Engineering - Misc.	-	89	(89)	0.0%
**5015-**-***	Management Support Services	370,504	24,182	346,322	6.5%
**5016-**-***	Audit - Environmental	1,252	-	1,252	0.0%
**5017-**-***	Legal Fees	32,355	2,001	30,354	6.2%
**5018-**-***	Public Notices/ Public Relations	5,500	-	5,500	0.0%
**5019-**-***	Contract Services Misc.	256,012	44,188	211,824	17.3% (1)
**5021-**-***	Small Vehicle Expense	24,556	308	24,248	1.3%
**5022-**-***	Miscellaneous Expense	18,020	392	17,628	2.2%
**5023-**-***	Office Supplies - All	43,004	3,241	39,763	7.5%
**5024-**-***	Petroleum Products	34,000	-	34,000	0.0%
**5025-**-***	Uniforms	68,992	4,368	64,624	6.3%
**5026-**-***	Small Vehicle Fuel	24,604	221	24,383	0.9%
**5027-**-***	Insurance - Property/Liability	275,584	9,882	265,702	3.6%
**5028-**-***	Small Tools & Supplies	77,500	3,452	74,048	4.5%
**5029-**-***	Maintenance E & F - Solids - 41A	-	192	(192)	0.0%
**5030-**-***	Trash Disposal	6,992	677	6,315	9.7%
**5031-**-***	Safety Program & Supplies	114,868	20,488	94,380	17.8% (2)
**5032-**-***	Equipment Rental	7,004	-	7,004	0.0%
**5033-**-***	Recruitment	2,504	384	2,120	15.3%
**5034-**-***	Travel Expense/Tech. Conferences	32,316	116	32,200	0.4%
**5035-**-***	Training Expense	40,664	660	40,004	1.6%
**5036-**-***	Laboratory Supplies	100,152	6,351	93,801	6.3%
**5037-**-***	Office Equipment	65,000	5,075	59,925	7.8%
**5038-**-***	Permits	480,520	17,100	463,420	3.6%
**5039-**-***	Membership Dues/Fees	23,772	1,448	22,324	6.1%
**5044-**-***	Offshore Monitoring	44,004	6,540	37,464	14.9% (4)
**5046-**-***	Effluent Chemistry	40,004	40	39,964	0.1%
**5047-**-***	Access Road Expenses	44,004	875	43,129	2.0%
**5048-**-***	Storm Damage	20,008	-	20,008	0.0%
**5049-**-***	Biosolids Disposal	1,429,996	109,835	1,320,161	7.7%
**5050-**-***	Contract Services Generators - 29A	22,008	-	22,008	0.0%
**5052-**-***	Janitorial Services	94,004	9,012	84,992	9.6%
**5053-**-***	Contract Serv - Digester Cleaning - 29E	125,000	-	125,000	0.0%
**5054-**-***	Diesel Truck Maint	41,004	38	40,966	0.1%
**5055-**-***	Diesel Truck Fuel - 37B	11,504	-	11,504	0.0%
**5056-**-***	Maintenance Equip. & Facilities (Solids)	361,000	25,969	335,031	7.2%
**5057-**-***	Maintenance Equip. & Facilities (Liquids)	669,000	63,470	605,530	9.5%
**5058-**-***	Maintenance Equip. & Facilities (Common)	86,008	4,398	81,610	5.1%
**5059-**-***	Maintenance Equip. & Facilities (Co-Gen)	960,000	51,498	908,502	5.4%
**5060-**-***	Maintenance Equip. & Facilities (AWT)	75,000	15,415	59,585	20.6% (3)
**5061-**-***	Mileage	3,548	479	3,069	13.5%
**5067-**-***	Port Cleaning	70,000	-	70,000	0.0%
**5068-**-***	MNWD Potable Water Supplies & Svcs.	42,000	1,117	40,883	2.7%
**5076-**-***	SCADA Infrastructure	91,508	-	91,508	0.0%
**5077-**-***	IT Direct	10,000	-	10,000	0.0%
**5105-**-***	Co-Generation Power Credit - Offset	669,000	60,337	608,663	9.0%
**5303-**-***	Group Insurance Waiver	14,392	1,274	13,118	8.9%
**5305-**-***	Medicare Tax Payments for Employees	1,336	171	1,165	12.8%
**5309-**-***	Operating Leases	31,008	2,238	28,770	7.2%
**5705-**-***	Monthly Car Allowance	31,192	3,132	28,060	10.0%
**5799-**-***	Zephyr Wall Costs Share - O&M	(14,000)	-	(14,000)	0.0%
**5802-**-***	Shipping/Freight	100	-	100	0.0%
**6500-**-***	IT Allocations in to PC's & Depts.	556,996	41,091	515,905	7.4%
	Total Other Expenses	10,592,323	779,795	9,812,528	7.4%
	<b>Total O&amp;M Expenses</b>	<b>17,719,855</b>	<b>1,391,751</b>	<b>16,328,104</b>	<b>7.9%</b>

**South Orange County Wastewater Authority**  
**O & M & Environmental Safety Costs Summary**  
For the Period Ended July 31, 2020  
(in dollars)

- (1) A number of Contract Services Misc. expenses are billed quarterly starting in July.
- (2) Replacement of old equipment happens in July each year.
- (3) Purchasing related to valves and actuators replacement at AWT.
- (4) 3 Species Toxicity Screen as required by the permit.

**South Orange County Wastewater Authority**  
**O&M Budget vs. Actual Comparison by PC**  
For the Period Ended July 31, 2020  
(in dollars)

	FY 2020-21 Budget	Actual	(Over)/Under Budget	%Expended	
<b>02 - Jay B. Latham Plant</b>					
Salary and Fringe					
02-5000-**-***	Regular Salaries-O&M	1,518,048	136,565	1,381,483	9.0%
02-5001-**-***	Overtime Salaries-O&M	38,716	2,778	35,938	7.2%
02-5306-**-***	Scheduled Holiday Work	13,364	5,613	7,751	42.0%
02-5315-**-***	Comp Time - O&M	5,028	118	4,910	2.3%
02-5401-**-***	Fringe Benefits IN to PC's & Depts.	799,132	71,892	727,240	9.0%
02-5700-**-***	Standby Pay	25,352	1,268	24,085	5.0%
	Total Payroll Costs	2,399,640	218,233	2,181,407	9.1%
Other Expenses					
02-5002-**-***	Electricity	547,004	42,894	504,110	7.8%
02-5003-**-***	Natural Gas	121,036	7,475	113,561	6.2%
02-5004-**-***	Potable & Reclaimed Water	24,004	454	23,550	1.9%
02-5006-**-***	Chlorine/Sodium Hypochlorite	7,900	-	7,900	0.0%
02-5007-**-***	Polymer Products	278,000	13,674	264,326	4.9%
02-5008-**-***	Ferric Chloride	140,000	22,067	117,933	15.8%
02-5009-**-***	Odor Control Chemicals	21,000	-	21,000	0.0%
02-5010-**-***	Other Chemicals - Misc.	1,000	-	1,000	0.0%
02-5011-**-***	Laboratory Services	12,500	290	12,210	2.3%
02-5012-**-***	Grit Hauling	54,000	4,524	49,476	8.4%
02-5013-**-***	Landscaping	75,008	2,951	72,057	3.9%
02-5015-**-***	Management Support Services	26,004	1,649	24,355	6.3%
02-5017-**-***	Legal Fees	3,095	-	3,095	0.0%
02-5019-**-***	Contract Services Misc.	75,008	9,379	65,629	12.5%
02-5021-**-***	Small Vehicle Expense	11,000	201	10,799	1.8%
02-5022-**-***	Miscellaneous Expense	8,000	71	7,929	0.9%
02-5023-**-***	Office Supplies - All	28,000	740	27,260	2.6%
02-5024-**-***	Petroleum Products	11,000	-	11,000	0.0%
02-5025-**-***	Uniforms	32,992	1,729	31,263	5.2%
02-5026-**-***	Small Vehicle Fuel	12,004	74	11,930	0.6%
02-5027-**-***	Insurance - Property/Liability	89,920	3,485	86,435	3.9%
02-5028-**-***	Small Tools & Supplies	37,004	1,985	35,019	5.4%
02-5030-**-***	Trash Disposal	2,000	254	1,746	12.7%
02-5031-**-***	Safety Program & Supplies	39,004	9,225	29,779	23.7% (1)
02-5032-**-***	Equipment Rental	3,000	-	3,000	0.0%
02-5033-**-***	Recruitment	1,000	384	616	38.4%
02-5034-**-***	Travel Expense/Tech. Conferences	9,496	-	9,496	0.0%
02-5035-**-***	Training Expense	12,808	53	12,755	0.4%
02-5036-**-***	Laboratory Supplies	16,472	1,006	15,466	6.1%
02-5037-**-***	Office Equipment	13,000	-	13,000	0.0%
02-5038-**-***	Permits	25,504	16,647	8,857	65.3% (2)
02-5039-**-***	Membership Dues/Fees	4,384	417	3,967	9.5%
02-5049-**-***	Biosolids Disposal	524,996	40,324	484,672	7.7%
02-5050-**-***	Contract Services Generators - 29A	10,004	-	10,004	0.0%
02-5052-**-***	Janitorial Services	41,000	4,534	36,466	11.1%
02-5053-**-***	Contract Serv - Digester Cleaning - 29E	60,000	-	60,000	0.0%
02-5054-**-***	Diesel Truck Maint	21,000	23	20,977	0.1%
02-5055-**-***	Diesel Truck Fuel - 37B	3,004	-	3,004	0.0%
02-5056-**-***	Maintenance Equip. & Facilities (Solids)	155,000	3,091	151,909	2.0%
02-5057-**-***	Maintenance Equip. & Facilities (Liquids)	254,000	22,518	231,482	8.9%
02-5058-**-***	Maintenance Equip. & Facilities (Common)	28,000	3,446	24,554	12.3%
02-5059-**-***	Maintenance Equip. & Facilities (Co-Gen)	369,000	16,736	352,264	4.5%
02-5061-**-***	Mileage	2,044	78	1,966	3.8%
02-5076-**-***	SCADA Infrastructure	30,504	-	30,504	0.0%
02-5077-**-***	IT Direct	4,996	-	4,996	0.0%
02-5303-**-***	Group Insurance Waiver	3,592	318	3,274	8.9%
02-5309-**-***	Operating Leases	25,004	2,238	22,766	9.0%
02-5705-**-***	Monthly Car Allowance	18,600	2,017	16,583	10.8%
02-5799-**-***	Zephyr Wall Costs Share - O&M	(14,000)	-	(14,000)	0.0%
02-6500-**-***	IT Allocations in to PC's & Depts.	187,624	13,842	173,782	7.4%
	Total Other Expenses	3,466,515	250,792	3,215,723	7.2%
	Total Expenses	5,866,155	469,025	5,397,130	8.0%

**South Orange County Wastewater Authority**  
**O&M Budget vs. Actual Comparison by PC**  
For the Period Ended July 31, 2020  
(in dollars)

	FY 2020-21 Budget	Actual	(Over)/Under Budget	%Expended	
<b>05 - San Juan Creek Ocean Outfall</b>					
Salary and Fringe					
05-5000-**-***	Regular Salaries-O&M	94,880	9,980	84,900	10.5%
05-5001-**-***	Overtime Salaries-O&M	584	51	533	8.7%
05-5306-**-***	Scheduled Holiday Work	100	123	(23)	0.0%
05-5401-**-***	Fringe Benefits IN to PC's & Depts.	49,940	5,254	44,686	10.5%
	Total Payroll Costs	145,504	15,407	130,097	10.6%
Other Expenses					
05-5002-**-***	Electricity	1,004	-	1,004	0.0%
05-5003-**-***	Natural Gas	500	-	500	0.0%
05-5015-**-***	Management Support Services	80,000	-	80,000	0.0%
05-5017-**-***	Legal Fees	2,008	-	2,008	0.0%
05-5026-**-***	Small Vehicle Fuel	500	-	500	0.0%
05-5027-**-***	Insurance - Property/Liability	8,192	282	7,910	3.4%
05-5031-**-***	Safety Supplies	1,004	-	1,004	0.0%
05-5034-**-***	Travel Expense/Tech. Conferences	2,000	-	2,000	0.0%
05-5035-**-***	Training Expense	4,000	53	3,947	1.3%
05-5036-**-***	Laboratory Supplies	24,504	1,675	22,829	6.8%
05-5038-**-***	Permits	198,996	-	198,996	0.0%
05-5039-**-***	Membership Dues/Fees	5,564	-	5,564	0.0%
05-5044-**-***	Offshore Monitoring	22,000	3,270	18,730	14.9% (5)
05-5046-**-***	Effluent Chemistry	20,004	20	19,984	0.1%
05-5058-**-***	Maintenance Equip. & Facilities (Common)	1,004	-	1,004	0.0%
05-5067-**-***	Port Cleaning	35,000	-	35,000	0.0%
05-6500-**-***	IT Allocations in to PC's & Depts.	11,716	864	10,852	7.4%
	Total Other Expenses	417,996	6,165	411,831	1.5%
	Total Expenses	563,500	21,572	541,928	3.8%
<b>08 - Pre Treatment</b>					
Salary and Fringe					
08-5000-**-***	Regular Salaries-O&M	81,396	7,981	73,415	9.8%
08-5306-**-***	Scheduled Holiday Work	356	-	356	0.0%
08-5315-**-***	Comp Time - Environment	2,476	-	2,476	0.0%
08-5401-**-***	Fringe Benefits IN to PC's & Depts.	42,852	4,201	38,651	9.8%
	Total Payroll Costs	127,080	12,182	114,898	9.6%
Other Expenses					
08-5011-**-***	Laboratory Services	3,008	100	2,908	3.3%
08-5015-**-***	Management Support Services	4,000	-	4,000	0.0%
08-5016-**-***	Audit - Environmental	1,252	-	1,252	0.0%
08-5017-**-***	Legal Fees	2,532	70	2,462	2.8%
08-5018-**-***	Public Notices/ Public Relations	5,500	-	5,500	0.0%
08-5021-**-***	Small Vehicle Expense - 31A	1,052	-	1,052	0.0%
08-5022-**-***	Miscellaneous Expense	2,020	-	2,020	0.0%
08-5026-**-***	Small Vehicle Fuel - 37A	1,096	-	1,096	0.0%
08-5027-**-***	Insurance - Property/Liability	2,844	98	2,746	3.5%
08-5028-**-***	Small Tools & Supplies	3,496	186	3,310	5.3%
08-5034-**-***	Travel Expense/Tech. Conferences	2,220	-	2,220	0.0%
08-5035-**-***	Training Expense	796	53	743	6.6%
08-5038-**-***	Permits and Fines	6,000	-	6,000	0.0%
08-5039-**-***	Membership Dues/Fees	800	-	800	0.0%
08-6500-**-***	IT Allocations in to PC's & Depts.	10,052	742	9,310	7.4%
	Total Other Expenses	46,668	1,249	45,419	2.7%
	Total Expenses	173,748	13,431	160,317	7.7%
<b>12 - Water Reclamation Permits</b>					
Salary and Fringe					
12-5000-**-***	Regular Salaries-O&M	50,404	2,690	47,714	5.3%
12-5401-**-***	Fringe Benefits IN to PC's & Depts.	26,528	1,416	25,112	5.3%
	Total Payroll Costs	76,932	4,107	72,825	5.3%
Other Expenses					
12-5015-**-***	Management Support Services	157,000	22,335	134,665	14.2%
12-5017-**-***	Legal Fees	2,008	-	2,008	0.0%
12-5027-**-***	Insurance - Property/Liability	3,116	108	3,008	3.5%
12-5034-**-***	Travel Expense/Tech. Conferences	1,352	-	1,352	0.0%
12-5038-**-***	Permits	21,512	-	21,512	0.0%
12-6500-**-***	IT Allocations in to PC's & Depts.	6,236	459	5,777	7.4%
	Total Other Expenses	191,224	22,902	168,322	12.0%
	Total Expenses	268,156	27,009	241,147	10.1%

**South Orange County Wastewater Authority**  
**O&M Budget vs. Actual Comparison by PC**  
For the Period Ended July 31, 2020  
(in dollars)

		FY 2020-21 Budget	Actual	(Over)/Under Budget	%Expended
<b>15 - Coastal Treatment Plant</b>					
Salary and Fringe					
15-5000-**-***	Regular Salaries-O&M	939,512	75,680	863,832	8.1%
15-5001-**-***	Overtime Salaries-O&M	21,760	2,454	19,306	11.3%
15-5306-**-***	Scheduled Holiday Work	5,096	2,933	2,163	57.6%
15-5315-**-***	Comp Time - O&M	2,100	162	1,938	7.7%
15-5401-**-***	Fringe Benefits IN to PC's & Depts.	494,584	39,840	454,744	8.1%
15-5700-**-***	Standby Pay	16,900	520	16,380	3.1%
	Total Payroll Costs	<u>1,479,952</u>	<u>121,590</u>	<u>1,358,362</u>	<u>8.2%</u>
Other Expenses					
15-5002-**-***	Electricity	256,000	15,835	240,165	6.2%
15-5003-**-***	Natural Gas	3,000	28	2,972	0.9%
15-5004-**-***	Potable & Reclaimed Water	25,004	685	24,319	2.7%
15-5006-**-***	Chlorine/Sodium Hypochlorite	92,000	8,399	83,601	9.1%
15-5007-**-***	Polymer Products	1,004	-	1,004	0.0%
15-5008-**-***	Ferric Chloride	46,996	4,624	42,372	9.8%
15-5009-**-***	Odor Control Chemicals	50,000	3,831	46,169	7.7%
15-5011-**-***	Laboratory Services	8,000	150	7,850	1.9%
15-5012-**-***	Grit Hauling	20,996	2,780	18,216	13.2%
15-5013-**-***	Landscaping	56,000	2,535	53,465	4.5%
15-5015-**-***	Management Support Services	2,500	99	2,401	4.0%
15-5017-**-***	Legal Fees	15,700	-	15,700	0.0%
15-5019-**-***	Contract Services Misc.	85,000	17,534	67,466	20.6% (3)
15-5021-**-***	Small Vehicle Expense - 31A	5,504	94	5,410	1.7%
15-5022-**-***	Miscellaneous Expense	1,000	71	929	7.1%
15-5023-**-***	Office Supplies - All	4,004	602	3,402	15.0%
15-5024-**-***	Petroleum Products	3,000	-	3,000	0.0%
15-5025-**-***	Uniforms	8,996	569	8,427	6.3%
15-5026-**-***	Small Vehicle Fuel - 37A	2,000	74	1,926	3.7%
15-5027-**-***	Insurance - Property/Liability	46,396	1,599	44,797	3.4%
15-5028-**-***	Small Tools & Supplies	8,000	363	7,637	4.5%
15-5030-**-***	Trash Disposal	2,996	247	2,749	8.2%
15-5031-**-***	Safety Program & Supplies	33,352	4,253	29,099	12.8% (1)
15-5032-**-***	Equipment Rental	1,000	-	1,000	0.0%
15-5033-**-***	Recruitment	500	-	500	0.0%
15-5034-**-***	Travel Expense/Tech. Conferences	5,748	-	5,748	0.0%
15-5035-**-***	Training Expense	8,356	53	8,303	0.6%
15-5036-**-***	Laboratory Supplies	11,004	988	10,016	9.0%
15-5037-**-***	Office Equipment	2,000	-	2,000	0.0%
15-5038-**-***	Permits	8,000	229	7,771	2.9%
15-5039-**-***	Membership Dues/Fees	2,600	559	2,041	21.5%
15-5047-**-***	Access Road Expenses	44,004	875	43,129	2.0%
15-5048-**-***	Storm Damage	20,008	-	20,008	0.0%
15-5050-**-***	Contract Services Generators - 29A	4,004	-	4,004	0.0%
15-5052-**-***	Janitorial Services	12,004	1,303	10,701	10.9%
15-5054-**-***	Diesel Truck Maint - 31B	1,004	-	1,004	0.0%
15-5055-**-***	Diesel Truck Fuel - 37B	496	-	496	0.0%
15-5057-**-***	Maintenance Equip. & Facilities (Liquids)	179,000	18,982	160,018	10.6%
15-5058-**-***	Maintenance Equip. & Facilities (Common)	22,000	396	21,604	1.8%
15-5060-**-***	Maintenance Equip. & Facilities (AWT) 41-E	37,000	1,422	35,578	3.8%
15-5061-**-***	Mileage	500	47	453	0.0%
15-5076-**-***	SCADA Infrastructure	30,500	-	30,500	0.0%
15-5303-**-***	Group Insurance Waiver	3,600	318	3,282	8.8%
15-5305-**-***	Medicare Tax Payments for Employees	1,336	171	1,165	12.8%
15-5705-**-***	Monthly Car Allowance	4,204	372	3,832	8.8%
15-6500-**-***	IT Allocations in to PC's & Depts.	116,012	8,559	107,453	7.4%
	Total Other Expenses	<u>1,292,328</u>	<u>98,644</u>	<u>1,193,684</u>	<u>7.6%</u>
	Total Expenses	<u>2,772,280</u>	<u>220,233</u>	<u>2,552,047</u>	<u>7.9%</u>

**South Orange County Wastewater Authority**  
**O&M Budget vs. Actual Comparison by PC**  
For the Period Ended July 31, 2020  
(in dollars)

		FY 2020-21 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	1,721,896	138,961	1,582,935	8.1%
17-5001-**-***	Overtime Salaries-O&M	66,064	5,295	60,769	8.0%
17-5306-**-***	Scheduled Holiday Work	14,880	5,350	9,530	36.0%
17-5315-**-***	Comp Time - O&M	2,564	148	2,416	0.0%
17-5401-**-***	Fringe Benefits IN to PC's & Depts.	906,456	73,154	833,302	8.1%
17-5700-**-***	Standby Pay	25,356	1,593	23,764	6.3%
	Total Payroll Costs	<u>2,737,216</u>	<u>224,500</u>	<u>2,512,716</u>	<u>8.2%</u>
Other Expenses					
17-5002-**-***	Electricity	350,000	31,351	318,649	9.0%
17-5003-**-***	Natural Gas	109,996	9,063	100,933	8.2%
17-5004-**-***	Potable & Reclaimed Water	28,000	1,782	26,218	6.4%
17-5005-**-***	Co-generation Power Credit	(669,000)	(60,337)	(608,663)	9.0%
17-5006-**-***	Chlorine/Sodium Hypochlorite	380,000	41,240	338,760	10.9%
17-5007-**-***	Polymer Products	460,000	39,862	420,138	8.7%
17-5008-**-***	Ferric Chloride	265,004	24,206	240,798	9.1%
17-5009-**-***	Odor Control Chemicals	43,996	4,486	39,510	10.2%
17-5010-**-***	Other Chemicals - Misc.	1,996	-	1,996	0.0%
17-5011-**-***	Laboratory Services	17,072	290	16,782	1.7%
17-5012-**-***	Grit Hauling - 21A	50,000	3,694	46,306	7.4%
17-5013-**-***	Landscaping	74,996	9,120	65,876	12.2%
17-5015-**-***	Management Support Services	21,000	99	20,901	0.5%
17-5017-**-***	Legal Fees	5,004	1,931	3,073	38.6%
17-5019-**-***	Contract Services Misc.	95,000	17,274	77,726	18.2%
17-5021-**-***	Small Vehicle Expense	7,000	13	6,987	0.2%
17-5022-**-***	Miscellaneous Expense	7,000	250	6,750	3.6%
17-5023-**-***	Office Supplies - All	11,000	1,899	9,101	17.3%
17-5024-**-***	Petroleum Products	20,000	-	20,000	0.0%
17-5025-**-***	Uniforms	27,004	2,070	24,934	7.7%
17-5026-**-***	Small Vehicle Fuel	9,004	74	8,930	0.8%
17-5027-**-***	Insurance - Property/Liability	115,592	3,983	111,609	3.4%
17-5028-**-***	Small Tools & Supplies	29,000	918	28,082	3.2%
17-5029-**-***	Maintenance E & F - Solids - 41A	-	192	(192)	0.0%
17-5030-**-***	Trash Disposal	1,996	176	1,820	8.8%
17-5031-**-***	Safety Program & Supplies	40,504	7,010	33,494	17.3% (1)
17-5032-**-***	Equipment Rental	3,004	-	3,004	0.0%
17-5033-**-***	Recruitment	1,004	-	1,004	0.0%
17-5034-**-***	Travel Expense/Tech. Conferences	9,496	116	9,380	1.2%
17-5035-**-***	Training Expense	12,700	343	12,357	2.7%
17-5036-**-***	Laboratory Supplies	23,672	1,006	22,666	4.2%
17-5037-**-***	Office Equipment	50,000	5,075	44,925	10.2%
17-5038-**-***	Permits	21,508	224	21,284	1.0%
17-5039-**-***	Membership Dues/Fees	4,860	473	4,387	9.7%
17-5049-**-***	Biosolids Disposal	905,000	69,511	835,489	7.7%
17-5050-**-***	Contract Services Generators - 29A	8,000	-	8,000	0.0%
17-5052-**-***	Janitorial Services	41,000	3,175	37,825	7.7%
17-5053-**-***	Contract Serv - Digester Cleaning - 29E	65,000	-	65,000	0.0%
17-5054-**-***	Diesel Truck Maint	19,000	15	18,985	0.1%
17-5055-**-***	Diesel Truck Fuel - 37B	8,004	-	8,004	0.0%
17-5056-**-***	Maintenance Equip. & Facilities (Solids)	206,000	22,879	183,121	11.1%
17-5057-**-***	Maintenance Equip. & Facilities (Liquids)	236,000	21,971	214,029	9.3%
17-5058-**-***	Maintenance Equip. & Facilities (Common)	34,000	556	33,444	1.6%
17-5059-**-***	Maintenance Equip. & Facilities (Co-Gen)	591,000	34,762	556,238	5.9%
17-5060-**-***	Maintenance Equip. & Facilities (AWT)	38,000	13,992	24,008	36.8% (4)
17-5061-**-***	Mileage	1,004	354	650	35.2%
17-5068-**-***	MNWD Potable Water Supplies & Svcs.	42,000	1,117	40,883	2.7%
17-5076-**-***	SCADA Infrastructure	30,504	-	30,504	0.0%
17-5077-**-***	IT Direct	5,004	-	5,004	0.0%
17-5105-**-***	Co-Generation Power Credit - Offset	669,000	60,337	608,663	9.0%
17-5303-**-***	Group Insurance Waiver	7,200	637	6,563	8.8%
17-5309-**-***	Operating Leases	6,004	-	6,004	0.0%
17-5705-**-***	Monthly Car Allowance	8,388	743	7,645	8.9%
17-6500-**-***	IT Allocations in to PC's & Depts.	212,628	15,686	196,942	7.4%
	Total Other Expenses	<u>4,760,144</u>	<u>393,616</u>	<u>4,366,528</u>	<u>8.3%</u>
	Total Expenses	<u>7,497,360</u>	<u>618,117</u>	<u>6,879,243</u>	<u>8.2%</u>



**South Orange County Wastewater Authority**  
**O&M Budget vs. Actual Comparison by PC**  
For the Period Ended July 31, 2020  
(in dollars)

		FY 2020-21 Budget	Actual	(Over)/Under Budget	%Expended
<b>21 - Effluent Transmission Main</b>					
Salary and Fringe					
21-5000-**-***	Regular Salaries-O&M	1,384	-	1,384	0.0%
21-5401-**-***	Fringe Benefits IN to PC's & Depts.	732	-	732	0.0%
	Total Payroll Costs	2,116	-	2,116	0.0%
Other Expenses					
21-5014-**-***	Engineering - Misc.	-	89	(89)	0.0%
21-5019-**-***	Contract Services Misc. - 29	1,004	-	1,004	0.0%
21-5027-**-***	Insurance - Property/Liability	968	33	935	3.4%
21-5035-**-***	Training Expense	-	53	(53)	0.0%
	Total Other Expenses	1,972	175	1,797	8.9%
	Total Expenses	4,088	175	3,913	4.3%
<b>24 - Aliso Creek Ocean Outfall</b>					
Salary and Fringe					
24-5000-**-***	Regular Salaries-O&M	103,084	10,310	92,774	10.0%
24-5001-**-***	Overtime Salaries-O&M	1,576	76	1,500	4.8%
24-5306-**-***	Scheduled Holiday Work	168	123	45	0.0%
24-5401-**-***	Fringe Benefits IN to PC's & Depts.	54,264	5,428	48,836	10.0%
	Total Payroll Costs	159,092	15,937	143,155	10.0%
Other Expenses					
24-5015-**-***	Management Support Services	80,000	-	80,000	0.0%
24-5017-**-***	Legal Fees	2,008	-	2,008	0.0%
24-5027-**-***	Insurance - Property/Liability	8,556	295	8,261	3.4%
24-5031-**-***	Safety Supplies	1,004	-	1,004	0.0%
24-5034-**-***	Travel Expense/Tech. Conferences	2,004	-	2,004	0.0%
24-5035-**-***	Training Expense	2,004	53	1,951	2.6%
24-5036-**-***	Laboratory Supplies	24,500	1,675	22,825	6.8%
24-5038-**-***	Permits	199,000	-	199,000	0.0%
24-5039-**-***	Membership Dues/Fees	5,564	-	5,564	0.0%
24-5044-**-***	Offshore Monitoring	22,004	3,270	18,734	14.9% (5)
24-5046-**-***	Effluent Chemistry	20,000	20	19,980	0.1%
24-5058-**-***	Maintenance Equip. & Facilities (Common) 41-C	1,004	-	1,004	0.0%
24-5067-**-***	Port Cleaning	35,000	-	35,000	0.0%
24-5802-**-***	Shipping/Freight	100	-	100	0.0%
24-6500-**-***	IT Allocations in to PC's & Depts.	12,728	939	11,789	7.4%
	Total Other Expenses	415,476	6,252	409,224	1.5%
	Total Expenses	574,568	22,189	552,379	3.9%
	<b>Total O&amp;M Expenses</b>	<b>17,719,855</b>	<b>1,391,751</b>	<b>16,328,104</b>	<b>7.9%</b>

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

- (1) Replacement of old equipment happens in July each year.
- (2) SOCWA permits are primarily paid in July and November each year.
- (3) A number of Contract Services Misc. expenses are billed quarterly starting in July.
- (4) Purchasing related to valves and actuators replacement at AWT.
- (5) 3 Species Toxicity Screen as required by the permit.

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

For the Period Ended July 31, 2020  
(in dollars)

		<b>FY 2020-21 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	196,836	15,349	181,487	7.8%
01-5401-03-00-00	Fringe Benefits IN to PC's & Depts.	103,621	8,080	95,541	7.8%
	<b>Total Payroll Costs</b>	<b>300,457</b>	<b>23,430</b>	<b>277,027</b>	<b>7.8%</b>
<b>Other Expenses</b>					
01-5022-03-00-00	Miscellaneous Expense	3,184	-	3,184	0.0%
01-5023-03-00-00	Office Supplies - All	208	-	208	0.0%
01-5031-03-00-00	Safety Supplies	306	-	306	0.0%
01-5034-03-00-00	Travel Expense/Tech. Conferences	6,439	-	6,439	0.0%
01-5035-03-00-00	Training Expense	2,244	-	2,244	0.0%
01-5037-03-00-00	Office Equipment	408	-	408	0.0%
01-5039-03-00-00	Membership Dues/Fees	1,377	-	1,377	0.0%
01-5061-03-00-00	Mileage	510	-	510	0.0%
01-5309-03-00-00	Operating Leases	6,829	611	6,218	8.9%
01-5705-03-00-00	Monthly Car Allowance	4,200	372	3,828	8.8%
01-5802-03-00-00	Shipping/Freight	312	-	312	0.0%
01-6500-03-00-00	IT Allocations in to PC's & Depts.	50,794	3,747	47,047	7.4%
	<b>Total Other Expenses</b>	<b>76,810</b>	<b>4,730</b>	<b>72,081</b>	<b>6.2%</b>
	<b>Total Engineering Expenses</b>	<b>377,267</b>	<b>28,160</b>	<b>349,108</b>	<b>7.5%</b>

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

For the Period Ended July 31, 2020  
(in dollars)

		<b>FY 2020-21 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	944,542	79,706	864,836	8.4%
01-6001-04-00-00	Overtime Salaries-Admin or IT	20,000	3,533	16,467	17.7% (1)
01-6315-04-00-00	Comp Time - Admin	15,000	215	14,785	1.4%
01-6401-04-00-00	Fringe Benefits IN to ADMIN or IT	497,236	41,960	455,276	8.4%
	<b>Total Payroll Costs</b>	<b>1,476,778</b>	<b>125,413</b>	<b>1,351,365</b>	<b>8.5%</b>
<b>Other Expenses</b>					
01-6101-04-00-00	HR Recruitment & Employee Relations	26,500	-	26,500	0.0%
01-6102-04-00-00	Subscriptions	2,040	780	1,260	38.2%
01-6200-04-00-00	Management Support Services	102,000	1,400	100,600	1.4%
01-6201-04-00-00	Audit	44,900	15,000	29,900	33.4%
01-6202-04-00-00	Legal	200,000	28,447	171,553	14.2%
01-6204-04-00-00	Postage	4,000	26	3,974	0.6%
01-6223-04-00-00	Office Supplies - Admin	6,120	1,770	4,350	28.9%
01-6224-04-00-00	Office Equipment Admin or IT	1,000	549	451	54.9%
01-6234-04-00-00	Memberships & Trainings	88,950	-	88,950	0.0%
01-6239-04-00-00	Travel & Conference	10,965	-	10,965	0.0%
01-6241-04-00-00	Education Reimbursement	3,000	-	3,000	0.0%
01-6310-04-00-00	Miscellaneous	23,460	1,307	22,153	5.6%
01-6311-04-00-00	Mileage	1,211	-	1,211	0.0%
01-6317-04-00-00	Contract Services Misc	5,610	425	5,185	7.6%
01-6500-04-00-00	IT Allocations in to PC's & Depts.	116,635	8,605	108,030	7.4%
01-6601-04-00-00	Shipping/Freight	3,740	196	3,544	5.2%
01-6705-04-00-00	Monthly Car Allowance	12,000	1,062	10,938	8.8%
	<b>Total Other Expenses</b>	<b>652,131</b>	<b>59,566</b>	<b>592,565</b>	<b>9.1%</b>
	<b>Total Admin Expenses</b>	<b>2,128,909</b>	<b>184,979</b>	<b>1,943,930</b>	<b>8.7%</b>

(1) Overtime salary and comp time considered together at 10.7%

**South Orange County Wastewater Authority**  
**Budget vs. Actual Comparison-IT**  
 For the Period Ended July 31, 2020  
 (in dollars)

		FY 2020-21 Budget	Actual	(Over)/Under Budget	% Expended
<b>Salary &amp; Fringe</b>					
01-6000-05-00-00	Regular Salaries-Admin or IT	93,909	9,135	84,774	9.7%
01-6001-05-00-00	Overtime Salaries-Admin or IT	-	-	-	0.0%
01-6315-05-00-00	Comp Time - IT	5,000	-	5,000	0.0%
01-6401-05-00-00	Fringe Benefits IN to ADMIN or IT	49,437	4,809	44,628	9.7%
	<b>Total Salary &amp; Fringe</b>	<b>148,346</b>	<b>13,945</b>	<b>134,401</b>	<b>9.4%</b>
<b>Other Expenses</b>					
01-5028-05-00-00	Small Tools & Supplies	1,000	-	1,000	0.0%
01-5035-05-00-00	Training Expense	2,000	-	2,000	0.0%
01-5037-05-00-00	Office Equipment	600	-	600	0.0%
01-6234-05-00-00	Memberships & Trainings	1,375	-	1,375	0.0%
01-6239-05-00-00	Travel & Conference	1,750	-	1,750	0.0%
01-6300-05-00-00	Software Maintenance Agreements	38,779	6,848	31,931	17.7% (1)
01-6301-05-00-00	Hardware Maintenance Agreements	7,126	-	7,126	0.0%
01-6302-05-00-00	Cloud Subscriptions (Internet)	148,369	2,315	146,054	1.6%
01-6303-05-00-00	Telecommunications	150,534	10,781	139,753	7.2%
01-6305-05-00-00	IT Professional Services	108,060	14,908	93,152	13.8% (2)
01-6306-05-00-00	Small Hardware Purchases (< \$5k)	29,200	1,839	27,361	6.3%
01-6307-05-00-00	Small Software Purchases & Licenses (<\$5k)	26,908	-	26,908	0.0%
01-6308-05-00-00	IT Memberships	160	-	160	0.0%
01-6309-05-00-00	Operating Leases	55,200	2,807	52,393	5.1%
01-6310-05-00-00	Miscellaneous	5,000	-	5,000	0.0%
	<b>Total Other Expenses</b>	<b>576,061</b>	<b>39,498</b>	<b>536,563</b>	<b>6.9%</b>
	<b>Total Expenses before Allocation</b>	<b>724,407</b>	<b>53,443</b>	<b>670,964</b>	<b>7.4%</b>
<b>IT Allocations (Out) to PC's &amp; Depts</b>					
01-6400-05-00-00	IT Allocations (OUT) to PC's & Depts.	(724,407)	(53,443)	(670,964)	7.4%
	<b>Total IT Allocations (Out) to PC's &amp; Depts</b>	<b>(724,407)</b>	<b>(53,443)</b>	<b>(670,964)</b>	<b>7.4%</b>

(1) Annual subscription costs that renew at the beginning of the fiscal year.

(2) Costs for server rack migration and wiring clean-up at CTP and RTP.

# Agenda Item

# 4

**Finance Committee Meeting**

**Meeting Date:** September 22, 2020

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

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## 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 August 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

August 2020 cash disbursements were: \$2,769,594.

- 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 August 2020 disbursements for the period from August 1, 2020, through August 31, 2020, totaling \$2,769,594, and to receive and file the August 2020 Financial Reports as submitted.

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

	<b>Actual<sup>1</sup></b>
General Fund	\$ (455,300)
PC 2 - Jay B. Latham Plant	(1,307,598)
PC 3 - SOCWA Plant/PCA AWT	-
PC 5 - San Juan Creek Ocean Outfall	(36,870)
PC 8 - Pretreatment Program	(16,355)
PC 12 SO - Water Reclamation Permits	(9,989)
PC 15 - Coastal Treatment Plant/AWT	(263,985)
PC 17 - Joint Regional Wastewater Reclamation	(658,506)
PC 21 - Effluent Transmission Main	(67)
PC 24 - Aliso Creek Ocean Outfall	(20,925)
<b>Total</b>	<b>\$ (2,769,594)</b>

<sup>1</sup>Large Cash Disbursements to Top-Ten Vendors, primarily due to construction \$1,206,906

Olsson Construction	\$	717,804
Payroll		673,843
CalPERS		200,264
Polydyne		113,340
Southern California		89,635
Nationwide Trust		67,238
Carollo Engineers		58,962
Nursery Products		57,728
South Kern Industrial		56,453
Murphy Industrial Co		45,746
	<b>\$</b>	<b>2,081,013</b>

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

CASH IN BANK: (BEGINNING BAL.)	\$	2,512,241
L.A.I.F. FUNDS: (BEGINNING BAL.)		17,092,311
DEPOSITS, TRANSFERS & ADJUSTMENTS:		2,212,340
FUND REQUIREMENTS:		
BILLS FOR CONSIDERATION		(2,769,594)
<b>TOTAL CASH IN BANK</b>	<b>\$</b>	<b>19,047,298</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 09/11/20



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

<b>Aug</b>	<b>0.784</b>
Jul	0.920
Jun	1.217

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

LAIF Apportionment Rate <sup>(2)</sup> :	1.47
LAIF Earnings Ratio <sup>(2)</sup> :	.00004012766505335
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

\*Revised 7/21/2020 per State Controller's Office

### Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 08/31/20 \$113.8 billion

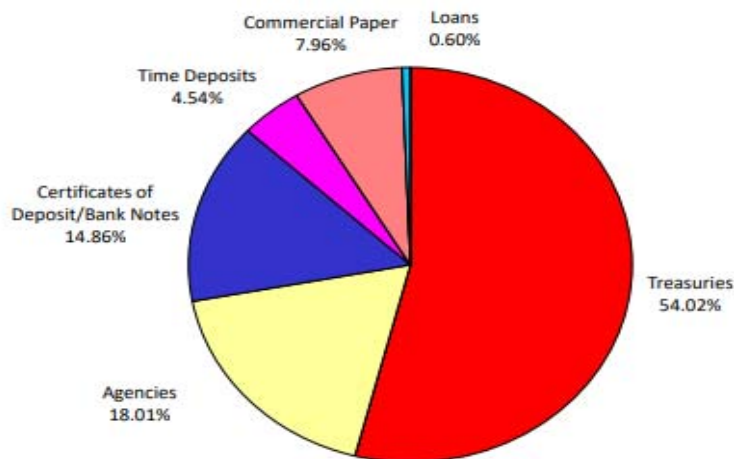


Chart does not include 0.01% of mortgages. Percentages may not total 100% due to rounding.

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 August 31, 2020**

MVA	\$ 4,876	(A)
A/P Checking	1,650,430	(B)
Payroll Checking	365,681	(C)
State LAIF	17,026,311	(D)
<b>Total Cash in Bank</b>	<b>\$ 19,047,298</b>	
Petty Cash	1,600	(E)
<b>Total Operating Cash</b>	<b>\$ 19,048,898</b>	
OPEB Trust	5,652,257	(F)
<b>Total Cash and Investments</b>	<b>\$ 24,701,155</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.

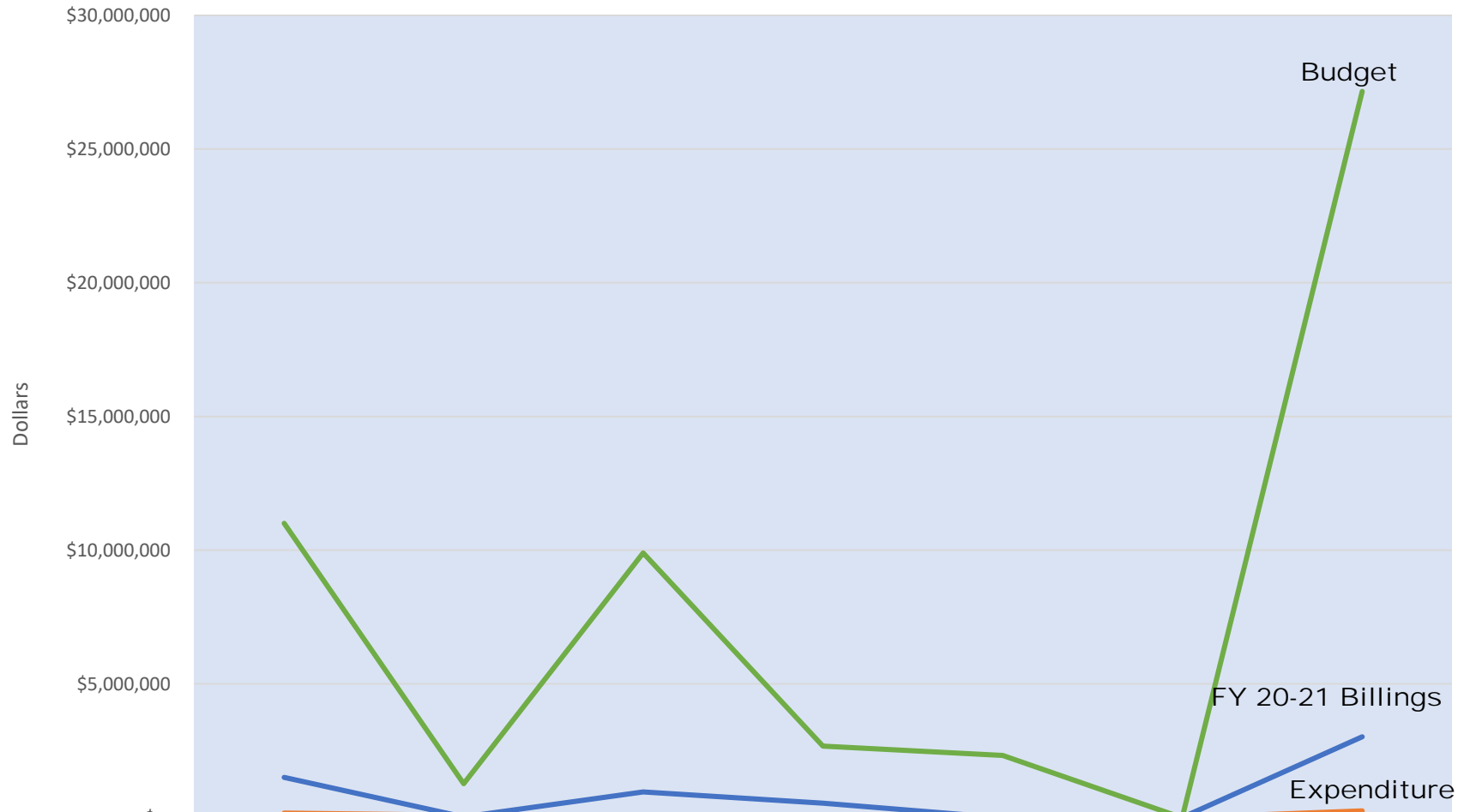
**South Orange County Wastewater Authority  
Capital Projects Summaries  
For the Period Ended August 31, 2020  
(in dollars)**

<b>FY 2020-21 Budget vs. Actual Spending</b>								
<b>Description</b>	<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	\$ 11,001,878	\$ 1,499,753	\$ 9,502,125	13.6%	\$ 173,978	\$ 173,978	\$ -	862.0%
PC 5-San Juan Creek Outfall	1,263,698	29,705	1,233,993	2.4%	83,717	69,803	13,914	35.5%
PC 15-Coastal	9,901,131	956,545	8,944,586	9.7%	-	-	-	-
PC 17-Regional	2,673,021	538,274	2,134,748	20.1%	-	-	-	-
PC 21 Effluent Transmission	2,322,672	-	2,322,672	0.0%	-	-	-	-
* PC 24 Aliso Creek Outfall	-	128	(128)		-	-	-	-
<b>Total Large Capital</b>	<b>\$ 27,162,400</b>	<b>\$ 3,024,404</b>	<b>\$ 24,137,996</b>	<b>11.1%</b>	<b>\$ 257,695</b>	<b>\$ 243,781</b>	<b>\$ 13,914</b>	<b>1173.6%</b>
Non-Capital Engineering	1,161,634	23,153	1,138,481	2.0%	60,000	37,254	22,746	38.6%
Non-Capital Misc Engineering	75,000	8,766	66,234	11.7%	18,750	18,355	395	46.8%
Small Internal Capital	2,099,000	271,351	1,827,649	12.9%	524,750	459,325	65,425	51.7%
<b>Total Capital</b>	<b>\$ 30,498,034</b>	<b>\$ 3,327,675</b>	<b>\$ 27,170,359</b>	<b>10.9%</b>	<b>\$ 861,195</b>	<b>\$ 758,715</b>	<b>\$ 102,480</b>	<b>386.4%</b>

\* PC 24 is paid out of Cash on Hand collected in an earlier year.

## Large Capital Projects Fiscal Year '20-21 Budget vs. Year-to-Date Expenditures & Billings as of 08/31/2020

**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 8/31/20	\$1,499,753	\$29,705	\$956,545	\$538,274	\$-	\$128	\$3,024,404
FY 20-21 Billings	\$173,978	83,717.00	\$-	\$-	\$-	\$-	\$257,695
Capital Budget 20-21	\$11,001,878	1,263,698.00	\$9,901,131	\$2,673,021	\$2,322,672	\$-	\$27,162,400

**South Orange County Wastewater Authority**  
**O & M & Environmental Safety Costs Summary**  
 For the Period Ended August 31, 2020  
 (in dollars)

	FY 2020-21 Budget	Actual	(Over)/Under Budget	%Expended	
<b>Salary and Fringe</b>					
**5000-**-***	Regular Salaries-O&M	4,510,604	741,372	3,769,232	16.4%
**5001-**-***	Overtime Salaries-O&M	128,700	23,291	105,409	18.1%
**5306-**-***	Scheduled Holiday Work	33,964	14,142	19,822	41.6%
**5315-**-***	Comp Time - O&M	12,168	2,226	9,942	18.3%
**5401-**-***	Fringe Benefits IN to PC's & Depts.	2,374,488	390,281	1,984,207	16.4%
**5700-**-***	Standby Pay	67,608	11,440	56,168	16.9%
	Total Payroll Costs	7,127,532	1,182,752	5,944,780	16.6%
<b>Other Expenses</b>					
**5002-**-***	Electricity	1,154,008	179,705	974,303	15.6%
**5003-**-***	Natural Gas	234,532	42,199	192,333	18.0%
**5004-**-***	Potable & Reclaimed Water	77,008	10,215	66,793	13.3%
**5005-**-***	Co-generation Power Credit	(669,000)	(60,337)	(608,663)	9.0%
**5006-**-***	Chlorine/Sodium Hypochlorite	479,900	63,418	416,482	13.2%
**5007-**-***	Polymer Products	739,004	81,499	657,505	11.0%
**5008-**-***	Ferric Chloride	452,000	70,896	381,104	15.7%
**5009-**-***	Odor Control Chemicals	114,996	9,046	105,950	7.9%
**5010-**-***	Other Chemicals - Misc.	2,996	-	2,996	0.0%
**5011-**-***	Laboratory Services	40,580	4,045	36,535	10.0%
**5012-**-***	Grit Hauling	124,996	10,997	113,999	8.8%
**5013-**-***	Landscaping	206,004	53,742	152,262	26.1% (1)
**5014-**-***	Engineering - Misc.	-	167	(167)	0.0%
**5015-**-***	Management Support Services	370,504	25,732	344,772	6.9%
**5016-**-***	Audit - Environmental	1,252	-	1,252	0.0%
**5017-**-***	Legal Fees	32,355	2,001	30,354	6.2%
**5018-**-***	Public Notices/ Public Relations	5,500	-	5,500	0.0%
**5019-**-***	Contract Services Misc.	256,012	47,635	208,377	18.6% (2)
**5021-**-***	Small Vehicle Expense	24,556	330	24,226	1.3%
**5022-**-***	Miscellaneous Expense	18,020	396	17,624	2.2%
**5023-**-***	Office Supplies - All	43,004	5,677	37,327	13.2%
**5024-**-***	Petroleum Products	34,000	150	33,850	0.4%
**5025-**-***	Uniforms	68,992	9,698	59,294	14.1%
**5026-**-***	Small Vehicle Fuel	24,604	1,389	23,215	5.6%
**5027-**-***	Insurance - Property/Liability	275,584	22,964	252,620	8.3%
**5028-**-***	Small Tools & Supplies	77,500	6,103	71,397	7.9%
**5029-**-***	Maintenance E & F - Solids - 41A	-	192	(192)	0.0%
**5030-**-***	Trash Disposal	6,992	825	6,167	11.8%
**5031-**-***	Safety Program & Supplies	114,868	26,921	87,947	23.4% (3)
**5032-**-***	Equipment Rental	7,004	-	7,004	0.0%
**5033-**-***	Recruitment	2,504	384	2,120	15.3%
**5034-**-***	Travel Expense/Tech. Conferences	32,316	116	32,200	0.4%
**5035-**-***	Training Expense	40,664	698	39,966	1.7%
**5036-**-***	Laboratory Supplies	100,152	11,294	88,858	11.3%
**5037-**-***	Office Equipment	65,000	6,544	58,456	10.1%
**5038-**-***	Permits	480,520	17,100	463,420	3.6%
**5039-**-***	Membership Dues/Fees	23,772	2,644	21,128	11.1%
**5044-**-***	Offshore Monitoring	44,004	6,540	37,464	14.9% (5)
**5046-**-***	Effluent Chemistry	40,004	90	39,914	0.2%
**5047-**-***	Access Road Expenses	44,004	875	43,129	2.0%
**5048-**-***	Storm Damage	20,008	-	20,008	0.0%
**5049-**-***	Biosolids Disposal	1,429,996	219,670	1,210,326	15.4%
**5050-**-***	Contract Services Generators - 29A	22,008	-	22,008	0.0%
**5052-**-***	Janitorial Services	94,004	15,343	78,661	16.3%
**5053-**-***	Contract Serv - Digester Cleaning - 29E	125,000	-	125,000	0.0%
**5054-**-***	Diesel Truck Maint	41,004	408	40,596	1.0%
**5055-**-***	Diesel Truck Fuel - 37B	11,504	1,068	10,436	9.3%
**5056-**-***	Maintenance Equip. & Facilities (Solids)	361,000	60,537	300,463	16.8%
**5057-**-***	Maintenance Equip. & Facilities (Liquids)	669,000	105,772	563,228	15.8%
**5058-**-***	Maintenance Equip. & Facilities (Common)	86,008	15,117	70,891	17.6%
**5059-**-***	Maintenance Equip. & Facilities (Co-Gen)	960,000	64,164	895,836	6.7%
**5060-**-***	Maintenance Equip. & Facilities (AWT)	75,000	18,208	56,792	24.3% (4)
**5061-**-***	Mileage	3,548	652	2,896	18.4%
**5067-**-***	Port Cleaning	70,000	-	70,000	0.0%
**5068-**-***	MNWD Potable Water Supplies & Svcs.	42,000	1,452	40,548	3.5%
**5076-**-***	SCADA Infrastructure	91,508	-	91,508	0.0%
**5077-**-***	IT Direct	10,000	-	10,000	0.0%
**5105-**-***	Co-Generation Power Credit - Offset	669,000	60,337	608,663	9.0%
**5303-**-***	Group Insurance Waiver	14,392	2,437	11,955	16.9%
**5305-**-***	Medicare Tax Payments for Employees	1,336	324	1,012	24.3%
**5309-**-***	Operating Leases	31,008	2,238	28,770	7.2%
**5705-**-***	Monthly Car Allowance	31,192	5,991	25,201	19.2%
**5799-**-***	Zephyr Wall Costs Share - O&M	(14,000)	-	(14,000)	0.0%
**5802-**-***	Shipping/Freight	100	-	100	0.0%
**6241-**-***	Education Reimbursement	-	161	(161)	0.0%
**6500-**-***	IT Allocations in to PC's & Depts.	556,996	70,036	486,960	12.6%
	Total Other Expenses	10,592,323	1,305,807	9,286,516	12.3%
	<b>Total O&amp;M Expenses</b>	<b>17,719,855</b>	<b>2,488,559</b>	<b>15,231,296</b>	<b>14.0%</b>

**South Orange County Wastewater Authority**  
**O & M & Environmental Safety Costs Summary**  
For the Period Ended August 31, 2020  
(in dollars)

- (1) Tree removal to support an emergency repair at RTP.
- (2) A number of Contract Services Misc. expenses are billed quarterly starting in July.
- (3) Replacement of old equipment happens in July each year.
- (4) Purchasing related to valves and actuators replacement at AWT.
- (5) 3 Species Toxicity Screen as required by the permit.

**South Orange County Wastewater Authority**  
**O&M Budget vs. Actual Comparison by PC**  
For the Period Ended August 31, 2020  
(in dollars)

		FY 2020-21 Budget	Actual	(Over)/Under Budget	%Expended
<b>02 - Jay B. Latham Plant</b>					
Salary and Fringe					
02-5000-**-**	Regular Salaries-O&M	1,518,048	259,475	1,258,573	17.1%
02-5001-**-**	Overtime Salaries-O&M	38,716	8,880	29,836	22.9%
02-5306-**-**	Scheduled Holiday Work	13,364	5,613	7,751	42.0%
02-5315-**-**	Comp Time - O&M	5,028	789	4,239	15.7%
02-5401-**-**	Fringe Benefits IN to PC's & Depts.	799,132	136,596	662,536	17.1%
02-5700-**-**	Standby Pay	25,352	4,323	21,030	17.0%
	Total Payroll Costs	<u>2,399,640</u>	<u>415,676</u>	<u>1,983,964</u>	<u>17.3%</u>
Other Expenses					
02-5002-**-**	Electricity	547,004	76,260	470,744	13.9%
02-5003-**-**	Natural Gas	121,036	18,062	102,974	14.9%
02-5004-**-**	Potable & Reclaimed Water	24,004	2,581	21,423	10.8%
02-5006-**-**	Chlorine/Sodium Hypochlorite	7,900	-	7,900	0.0%
02-5007-**-**	Polymer Products	278,000	27,964	250,036	10.1%
02-5008-**-**	Ferric Chloride	140,000	22,067	117,933	15.8%
02-5009-**-**	Odor Control Chemicals	21,000	-	21,000	0.0%
02-5010-**-**	Other Chemicals - Misc.	1,000	-	1,000	0.0%
02-5011-**-**	Laboratory Services	12,500	325	12,175	2.6%
02-5012-**-**	Grit Hauling	54,000	4,524	49,476	8.4%
02-5013-**-**	Landscaping	75,008	6,600	68,408	8.8%
02-5015-**-**	Management Support Services	26,004	3,199	22,805	12.3%
02-5017-**-**	Legal Fees	3,095	-	3,095	0.0%
02-5019-**-**	Contract Services Misc.	75,008	11,611	63,397	15.5%
02-5021-**-**	Small Vehicle Expense	11,000	219	10,781	2.0%
02-5022-**-**	Miscellaneous Expense	8,000	71	7,929	0.9%
02-5023-**-**	Office Supplies - All	28,000	2,254	25,746	8.1%
02-5024-**-**	Petroleum Products	11,000	-	11,000	0.0%
02-5025-**-**	Uniforms	32,992	4,430	28,562	13.4%
02-5026-**-**	Small Vehicle Fuel	12,004	542	11,462	4.5%
02-5027-**-**	Insurance - Property/Liability	89,920	8,013	81,907	8.9%
02-5028-**-**	Small Tools & Supplies	37,004	4,133	32,871	11.2%
02-5030-**-**	Trash Disposal	2,000	254	1,746	12.7%
02-5031-**-**	Safety Program & Supplies	39,004	10,671	28,333	27.4% (1)
02-5032-**-**	Equipment Rental	3,000	-	3,000	0.0%
02-5033-**-**	Recruitment	1,000	384	616	38.4%
02-5034-**-**	Travel Expense/Tech. Conferences	9,496	-	9,496	0.0%
02-5035-**-**	Training Expense	12,808	53	12,755	0.4%
02-5036-**-**	Laboratory Supplies	16,472	1,195	15,277	7.3%
02-5037-**-**	Office Equipment	13,000	-	13,000	0.0%
02-5038-**-**	Permits	25,504	16,647	8,857	65.3% (2)
02-5039-**-**	Membership Dues/Fees	4,384	783	3,601	17.9%
02-5049-**-**	Biosolids Disposal	524,996	80,648	444,348	15.4%
02-5050-**-**	Contract Services Generators - 29A	10,004	-	10,004	0.0%
02-5052-**-**	Janitorial Services	41,000	7,201	33,799	17.6%
02-5053-**-**	Contract Serv - Digester Cleaning - 29E	60,000	-	60,000	0.0%
02-5054-**-**	Diesel Truck Maint	21,000	208	20,792	1.0%
02-5055-**-**	Diesel Truck Fuel - 37B	3,004	268	2,736	8.9%
02-5056-**-**	Maintenance Equip. & Facilities (Solids)	155,000	11,032	143,968	7.1%
02-5057-**-**	Maintenance Equip. & Facilities (Liquids)	254,000	29,675	224,325	11.7%
02-5058-**-**	Maintenance Equip. & Facilities (Common)	28,000	3,651	24,349	13.0%
02-5059-**-**	Maintenance Equip. & Facilities (Co-Gen)	369,000	23,371	345,629	6.3%
02-5061-**-**	Mileage	2,044	156	1,888	7.7%
02-5076-**-**	SCADA Infrastructure	30,504	-	30,504	0.0%
02-5077-**-**	IT Direct	4,996	-	4,996	0.0%
02-5303-**-**	Group Insurance Waiver	3,592	609	2,983	17.0%
02-5309-**-**	Operating Leases	25,004	2,238	22,766	9.0%
02-5705-**-**	Monthly Car Allowance	18,600	3,858	14,742	20.7%
02-5799-**-**	Zephyr Wall Costs Share - O&M	(14,000)	-	(14,000)	0.0%
02-6500-**-**	IT Allocations in to PC's & Depts.	187,624	23,592	164,032	12.6%
	Total Other Expenses	<u>3,466,515</u>	<u>409,352</u>	<u>3,057,163</u>	<u>11.8%</u>
	Total Expenses	<u>5,866,155</u>	<u>825,028</u>	<u>5,041,127</u>	<u>14.1%</u>

**South Orange County Wastewater Authority**  
**O&M Budget vs. Actual Comparison by PC**  
For the Period Ended August 31, 2020  
(in dollars)

	FY 2020-21 Budget	Actual	(Over)/Under Budget	%Expended	
<b>05 - San Juan Creek Ocean Outfall</b>					
Salary and Fringe					
05-5000-***.**	Regular Salaries-O&M	94,880	21,128	73,752	22.3%
05-5001-***.**	Overtime Salaries-O&M	584	51	533	8.7%
05-5306-***.**	Scheduled Holiday Work	100	123	(23)	0.0%
05-5401-***.**	Fringe Benefits IN to PC's & Depts.	49,940	11,122	38,818	22.3%
	Total Payroll Costs	145,504	32,424	113,080	22.3%
Other Expenses					
05-5002-***.**	Electricity	1,004	-	1,004	0.0%
05-5003-***.**	Natural Gas	500	-	500	0.0%
05-5015-***.**	Management Support Services	80,000	-	80,000	0.0%
05-5017-***.**	Legal Fees	2,008	-	2,008	0.0%
05-5026-***.**	Small Vehicle Fuel	500	-	500	0.0%
05-5027-***.**	Insurance - Property/Liability	8,192	660	7,532	8.1%
05-5031-***.**	Safety Supplies	1,004	-	1,004	0.0%
05-5034-***.**	Travel Expense/Tech. Conferences	2,000	-	2,000	0.0%
05-5035-***.**	Training Expense	4,000	53	3,947	1.3%
05-5036-***.**	Laboratory Supplies	24,504	4,530	19,974	18.5%
05-5038-***.**	Permits	198,996	-	198,996	0.0%
05-5039-***.**	Membership Dues/Fees	5,564	-	5,564	0.0%
05-5044-***.**	Offshore Monitoring	22,000	3,270	18,730	14.9% (7)
05-5046-***.**	Effluent Chemistry	20,004	45	19,959	0.2%
05-5058-***.**	Maintenance Equip. & Facilities (Common)	1,004	6,215	(5,211)	619.0% (3)
05-5067-***.**	Port Cleaning	35,000	-	35,000	0.0%
05-6500-***.**	IT Allocations in to PC's & Depts.	11,716	1,473	10,243	12.6%
	Total Other Expenses	417,996	16,245	401,751	3.9%
	Total Expenses	563,500	48,669	514,831	8.6%
<b>08 - Pre Treatment</b>					
Salary and Fringe					
08-5000-***.**	Regular Salaries-O&M	81,396	16,808	64,588	20.6%
08-5306-***.**	Scheduled Holiday Work	356	-	356	
08-5315-***.**	Comp Time - Environment	2,476	-	2,476	0.0%
08-5401-***.**	Fringe Benefits IN to PC's & Depts.	42,852	8,848	34,004	20.6%
	Total Payroll Costs	127,080	25,656	101,424	20.2%
Other Expenses					
08-5011-***.**	Laboratory Services	3,008	100	2,908	3.3%
08-5015-***.**	Management Support Services	4,000	-	4,000	0.0%
08-5016-***.**	Audit - Environmental	1,252	-	1,252	0.0%
08-5017-***.**	Legal Fees	2,532	70	2,462	2.8%
08-5018-***.**	Public Notices/ Public Relations	5,500	-	5,500	0.0%
08-5021-***.**	Small Vehicle Expense - 31A	1,052	-	1,052	0.0%
08-5022-***.**	Miscellaneous Expense	2,020	-	2,020	0.0%
08-5026-***.**	Small Vehicle Fuel - 37A	1,096	30	1,066	2.7%
08-5027-***.**	Insurance - Property/Liability	2,844	229	2,615	8.1%
08-5028-***.**	Small Tools & Supplies	3,496	186	3,310	5.3%
08-5034-***.**	Travel Expense/Tech. Conferences	2,220	-	2,220	0.0%
08-5035-***.**	Training Expense	796	53	743	6.6%
08-5038-***.**	Permits and Fines	6,000	-	6,000	0.0%
08-5039-***.**	Membership Dues/Fees	800	-	800	0.0%
08-6500-***.**	IT Allocations in to PC's & Depts.	10,052	1,264	8,788	12.6%
	Total Other Expenses	46,668	1,932	44,736	4.1%
	Total Expenses	173,748	27,588	146,160	15.9%
<b>12 - Water Reclamation Permits</b>					
Salary and Fringe					
12-5000-***.**	Regular Salaries-O&M	50,404	6,283	44,121	12.5%
12-5401-***.**	Fringe Benefits IN to PC's & Depts.	26,528	3,308	23,220	12.5%
	Total Payroll Costs	76,932	9,591	67,341	12.5%
Other Expenses					
12-5015-***.**	Management Support Services	157,000	22,335	134,665	14.2%
12-5017-***.**	Legal Fees	2,008	-	2,008	0.0%
12-5027-***.**	Insurance - Property/Liability	3,116	251	2,865	8.1%
12-5034-***.**	Travel Expense/Tech. Conferences	1,352	-	1,352	0.0%
12-5038-***.**	Permits	21,512	-	21,512	0.0%
12-6500-***.**	IT Allocations in to PC's & Depts.	6,236	783	5,453	12.6%
	Total Other Expenses	191,224	23,369	167,855	12.2%
	Total Expenses	268,156	32,960	235,196	12.3%



**South Orange County Wastewater Authority**  
**O&M Budget vs. Actual Comparison by PC**  
For the Period Ended August 31, 2020  
(in dollars)

		FY 2020-21 Budget	Actual	(Over)/Under Budget	%Expended
<b>15 - Coastal Treatment Plant</b>					
Salary and Fringe					
15-5000-**-**	Regular Salaries-O&M	939,512	147,993	791,519	15.8%
15-5001-**-**	Overtime Salaries-O&M	21,760	4,032	17,728	18.5%
15-5306-**-**	Scheduled Holiday Work	5,096	2,933	2,163	57.6%
15-5315-**-**	Comp Time - O&M	2,100	453	1,647	21.6%
15-5401-**-**	Fringe Benefits IN to PC's & Depts.	494,584	77,908	416,676	15.8%
15-5700-**-**	Standby Pay	16,900	1,820	15,080	10.8%
	Total Payroll Costs	1,479,952	235,139	1,244,813	15.9%
Other Expenses					
15-5002-**-**	Electricity	256,000	38,869	217,131	15.2%
15-5003-**-**	Natural Gas	3,000	74	2,926	2.5%
15-5004-**-**	Potable & Reclaimed Water	25,004	2,789	22,215	11.2%
15-5006-**-**	Chlorine/Sodium Hypochlorite	92,000	8,399	83,601	9.1%
15-5007-**-**	Polymer Products	1,004	-	1,004	0.0%
15-5008-**-**	Ferric Chloride	46,996	4,624	42,372	9.8%
15-5009-**-**	Odor Control Chemicals	50,000	3,831	46,169	7.7%
15-5011-**-**	Laboratory Services	8,000	1,685	6,315	21.1%
15-5012-**-**	Grit Hauling	20,996	2,780	18,216	13.2%
15-5013-**-**	Landscaping	56,000	2,535	53,465	4.5%
15-5015-**-**	Management Support Services	2,500	99	2,401	4.0%
15-5017-**-**	Legal Fees	15,700	-	15,700	0.0%
15-5019-**-**	Contract Services Misc.	85,000	17,994	67,006	21.2% (4)
15-5021-**-**	Small Vehicle Expense - 31A	5,504	94	5,410	1.7%
15-5022-**-**	Miscellaneous Expense	1,000	71	929	7.1%
15-5023-**-**	Office Supplies - All	4,004	745	3,259	18.6%
15-5024-**-**	Petroleum Products	3,000	-	3,000	0.0%
15-5025-**-**	Uniforms	8,996	1,126	7,870	12.5%
15-5026-**-**	Small Vehicle Fuel - 37A	2,000	132	1,868	6.6%
15-5027-**-**	Insurance - Property/Liability	46,396	3,736	42,660	8.1%
15-5028-**-**	Small Tools & Supplies	8,000	363	7,637	4.5%
15-5030-**-**	Trash Disposal	2,996	394	2,602	13.2%
15-5031-**-**	Safety Program & Supplies	33,352	5,328	28,024	16.0% (1)
15-5032-**-**	Equipment Rental	1,000	-	1,000	0.0%
15-5033-**-**	Recruitment	500	-	500	0.0%
15-5034-**-**	Travel Expense/Tech. Conferences	5,748	-	5,748	0.0%
15-5035-**-**	Training Expense	8,356	53	8,303	0.6%
15-5036-**-**	Laboratory Supplies	11,004	1,340	9,664	12.2%
15-5037-**-**	Office Equipment	2,000	-	2,000	0.0%
15-5038-**-**	Permits	8,000	229	7,771	2.9%
15-5039-**-**	Membership Dues/Fees	2,600	925	1,675	35.6%
15-5047-**-**	Access Road Expenses	44,004	875	43,129	2.0%
15-5048-**-**	Storm Damage	20,008	-	20,008	0.0%
15-5050-**-**	Contract Services Generators - 29A	4,004	-	4,004	0.0%
15-5052-**-**	Janitorial Services	12,004	2,236	9,768	18.6%
15-5054-**-**	Diesel Truck Maint - 31B	1,004	-	1,004	0.0%
15-5055-**-**	Diesel Truck Fuel - 37B	496	-	496	0.0%
15-5057-**-**	Maintenance Equip. & Facilities (Liquids)	179,000	33,614	145,386	18.8%
15-5058-**-**	Maintenance Equip. & Facilities (Common)	22,000	396	21,604	1.8%
15-5060-**-**	Maintenance Equip. & Facilities (AWT) 41-E	37,000	1,497	35,503	4.0%
15-5061-**-**	Mileage	500	105	395	0.0%
15-5076-**-**	SCADA Infrastructure	30,500	-	30,500	0.0%
15-5303-**-**	Group Insurance Waiver	3,600	609	2,991	16.9%
15-5305-**-**	Medicare Tax Payments for Employees	1,336	324	1,012	24.3%
15-5705-**-**	Monthly Car Allowance	4,204	711	3,493	16.9%
15-6500-**-**	IT Allocations in to PC's & Depts.	116,012	14,588	101,424	12.6%
	Total Other Expenses	1,292,328	153,172	1,139,156	11.9%
	Total Expenses	2,772,280	388,310	2,383,970	14.0%

**South Orange County Wastewater Authority**  
**O&M Budget vs. Actual Comparison by PC**  
For the Period Ended August 31, 2020  
(in dollars)

		FY 2020-21 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	1,721,896	267,583	1,454,313	15.5%
17-5001-**-**	Overtime Salaries-O&M	66,064	10,252	55,812	15.5%
17-5306-**-**	Scheduled Holiday Work	14,880	5,350	9,530	36.0%
17-5315-**-**	Comp Time - O&M	2,564	984	1,580	0.0%
17-5401-**-**	Fringe Benefits IN to PC's & Depts.	906,456	140,864	765,592	15.5%
17-5700-**-**	Standby Pay	25,356	5,298	20,059	20.9%
	Total Payroll Costs	2,737,216	430,331	2,306,885	15.7%
Other Expenses					
17-5002-**-**	Electricity	350,000	64,575	285,425	18.5%
17-5003-**-**	Natural Gas	109,996	24,063	85,933	21.9%
17-5004-**-**	Potable & Reclaimed Water	28,000	4,845	23,155	17.3%
17-5005-**-**	Co-generation Power Credit	(669,000)	(60,337)	(608,663)	9.0%
17-5006-**-**	Chlorine/Sodium Hypochlorite	380,000	55,020	324,980	14.5%
17-5007-**-**	Polymer Products	460,000	53,535	406,465	11.6%
17-5008-**-**	Ferric Chloride	265,004	44,206	220,798	16.7%
17-5009-**-**	Odor Control Chemicals	43,996	5,215	38,781	11.9%
17-5010-**-**	Other Chemicals - Misc.	1,996	-	1,996	0.0%
17-5011-**-**	Laboratory Services	17,072	1,935	15,137	11.3%
17-5012-**-**	Grit Hauling - 21A	50,000	3,694	46,306	7.4%
17-5013-**-**	Landscaping	74,996	44,607	30,389	59.5% (5)
17-5015-**-**	Management Support Services	21,000	99	20,901	0.5%
17-5017-**-**	Legal Fees	5,004	1,931	3,073	38.6%
17-5019-**-**	Contract Services Misc.	95,000	18,030	76,970	19.0%
17-5021-**-**	Small Vehicle Expense	7,000	17	6,983	0.2%
17-5022-**-**	Miscellaneous Expense	7,000	253	6,747	3.6%
17-5023-**-**	Office Supplies - All	11,000	2,677	8,323	24.3%
17-5024-**-**	Petroleum Products	20,000	150	19,850	0.8%
17-5025-**-**	Uniforms	27,004	4,142	22,862	15.3%
17-5026-**-**	Small Vehicle Fuel	9,004	685	8,319	7.6%
17-5027-**-**	Insurance - Property/Liability	115,592	9,308	106,284	8.1%
17-5028-**-**	Small Tools & Supplies	29,000	1,421	27,579	4.9%
17-5029-**-**	Maintenance E & F - Solids - 41A	-	192	(192)	0.0%
17-5030-**-**	Trash Disposal	1,996	176	1,820	8.8%
17-5031-**-**	Safety Program & Supplies	40,504	10,921	29,583	27.0% (1)
17-5032-**-**	Equipment Rental	3,004	-	3,004	0.0%
17-5033-**-**	Recruitment	1,004	-	1,004	0.0%
17-5034-**-**	Travel Expense/Tech. Conferences	9,496	116	9,380	1.2%
17-5035-**-**	Training Expense	12,700	381	12,319	3.0%
17-5036-**-**	Laboratory Supplies	23,672	1,290	22,382	5.4%
17-5037-**-**	Office Equipment	50,000	6,544	43,456	13.1%
17-5038-**-**	Permits	21,508	224	21,284	1.0%
17-5039-**-**	Membership Dues/Fees	4,860	935	3,925	19.2%
17-5049-**-**	Biosolids Disposal	905,000	139,022	765,978	15.4%
17-5050-**-**	Contract Services Generators - 29A	8,000	-	8,000	0.0%
17-5052-**-**	Janitorial Services	41,000	5,906	35,094	14.4%
17-5053-**-**	Contract Serv - Digester Cleaning - 29E	65,000	-	65,000	0.0%
17-5054-**-**	Diesel Truck Maint	19,000	200	18,800	1.1%
17-5055-**-**	Diesel Truck Fuel - 37B	8,004	800	7,204	10.0%
17-5056-**-**	Maintenance Equip. & Facilities (Solids)	206,000	49,505	156,495	24.0%
17-5057-**-**	Maintenance Equip. & Facilities (Liquids)	236,000	42,482	193,518	18.0%
17-5058-**-**	Maintenance Equip. & Facilities (Common)	34,000	4,856	29,144	14.3%
17-5059-**-**	Maintenance Equip. & Facilities (Co-Gen)	591,000	40,792	550,208	6.9%
17-5060-**-**	Maintenance Equip. & Facilities (AWT)	38,000	16,711	21,289	44.0% (6)
17-5061-**-**	Mileage	1,004	391	613	38.9%
17-5068-**-**	MNWD Potable Water Supplies & Svcs.	42,000	1,452	40,548	3.5%
17-5076-**-**	SCADA Infrastructure	30,504	-	30,504	0.0%
17-5077-**-**	IT Direct	5,004	-	5,004	0.0%
17-5105-**-**	Co-Generation Power Credit - Offset	669,000	60,337	608,663	9.0%
17-5303-**-**	Group Insurance Waiver	7,200	1,218	5,982	16.9%
17-5309-**-**	Operating Leases	6,004	-	6,004	0.0%
17-5705-**-**	Monthly Car Allowance	8,388	1,422	6,966	16.9%
17-6241-**-**	Education Reimbursement	-	161	(161)	0.0%
17-6500-**-**	IT Allocations in to PC's & Depts.	212,628	26,736	185,892	12.6%
	Total Other Expenses	4,760,144	692,841	4,067,303	14.6%
	Total Expenses	7,497,360	1,123,172	6,374,188	15.0%

**South Orange County Wastewater Authority**  
**O&M Budget vs. Actual Comparison by PC**  
For the Period Ended August 31, 2020  
(in dollars)

	FY 2020-21 Budget	Actual	(Over)/Under Budget	%Expended	
<b>21 - Effluent Transmission Main</b>					
Salary and Fringe					
21-5000-**-**	Regular Salaries-O&M	1,384	-	1,384	0.0%
21-5401-**-**	Fringe Benefits IN to PC's & Depts.	732	-	732	0.0%
	Total Payroll Costs	2,116	-	2,116	0.0%
Other Expenses					
21-5014-**-**	Engineering - Misc.	-	167	(167)	0.0%
21-5019-**-**	Contract Services Misc. - 29	1,004	-	1,004	0.0%
21-5027-**-**	Insurance - Property/Liability	968	78	890	8.1%
21-5035-**-**	Training Expense	-	53	(53)	0.0%
	Total Other Expenses	1,972	297	1,675	15.1%
	Total Expenses	4,088	297	3,791	7.3%
<b>24 - Aliso Creek Ocean Outfall</b>					
Salary and Fringe					
24-5000-**-**	Regular Salaries-O&M	103,084	22,102	80,982	21.4%
24-5001-**-**	Overtime Salaries-O&M	1,576	76	1,500	4.8%
24-5306-**-**	Scheduled Holiday Work	168	123	45	0.0%
24-5401-**-**	Fringe Benefits IN to PC's & Depts.	54,264	11,635	42,629	21.4%
	Total Payroll Costs	159,092	33,936	125,156	21.3%
Other Expenses					
24-5015-**-**	Management Support Services	80,000	-	80,000	0.0%
24-5017-**-**	Legal Fees	2,008	-	2,008	0.0%
24-5027-**-**	Insurance - Property/Liability	8,556	689	7,867	8.1%
24-5031-**-**	Safety Supplies	1,004	-	1,004	0.0%
24-5034-**-**	Travel Expense/Tech. Conferences	2,004	-	2,004	0.0%
24-5035-**-**	Training Expense	2,004	53	1,951	2.6%
24-5036-**-**	Laboratory Supplies	24,500	2,940	21,560	12.0%
24-5038-**-**	Permits	199,000	-	199,000	0.0%
24-5039-**-**	Membership Dues/Fees	5,564	-	5,564	0.0%
24-5044-**-**	Offshore Monitoring	22,004	3,270	18,734	14.9% (7)
24-5046-**-**	Effluent Chemistry	20,000	45	19,955	0.2%
24-5058-**-**	Maintenance Equip. & Facilities (Common) 41-C	1,004	-	1,004	0.0%
24-5067-**-**	Port Cleaning	35,000	-	35,000	0.0%
24-5802-**-**	Shipping/Freight	100	-	100	0.0%
24-6500-**-**	IT Allocations in to PC's & Depts.	12,728	1,601	11,127	12.6%
	Total Other Expenses	415,476	8,597	406,879	2.1%
	Total Expenses	574,568	42,533	532,035	7.4%
	<b>Total O&amp;M Expenses</b>	<b>17,719,855</b>	<b>2,488,559</b>	<b>15,231,296</b>	<b>14.0%</b>

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

- (1) Replacement of old equipment happens in July each year.
- (2) SOCWA permits are primarily paid in July and November each year.
- (3) The surge tower site was re-fenced and cleared to discourage unauthorized entry.
- (4) A number of Contract Services Misc. expenses are billed quarterly starting in July.
- (5) Tree removal to support an emergency repair at RTP.
- (6) Purchasing related to valves and actuators replacement at AWT.
- (7) 3 Species Toxicity Screen as required by the permit.

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

For the Period Ended August 31, 2020  
(in dollars)

		<b>FY 2020-21 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	196,836	27,919	168,917	14.2%
01-5401-03-00-00	Fringe Benefits IN to PC's & Depts.	103,621	14,698	88,923	14.2%
	<b>Total Payroll Costs</b>	<b>300,457</b>	<b>42,617</b>	<b>257,840</b>	<b>14.2%</b>
<b>Other Expenses</b>					
01-5022-03-00-00	Miscellaneous Expense	3,184	-	3,184	0.0%
01-5023-03-00-00	Office Supplies - All	208	-	208	0.0%
01-5031-03-00-00	Safety Supplies	306	-	306	0.0%
01-5034-03-00-00	Travel Expense/Tech. Conferences	6,439	-	6,439	0.0%
01-5035-03-00-00	Training Expense	2,244	-	2,244	0.0%
01-5037-03-00-00	Office Equipment	408	-	408	0.0%
01-5039-03-00-00	Membership Dues/Fees	1,377	-	1,377	0.0%
01-5061-03-00-00	Mileage	510	-	510	0.0%
01-5309-03-00-00	Operating Leases	6,829	1,410	5,419	20.7%
01-5705-03-00-00	Monthly Car Allowance	4,200	711	3,489	16.9%
01-5802-03-00-00	Shipping/Freight	312	-	312	0.0%
01-6500-03-00-00	IT Allocations in to PC's & Depts.	50,794	6,387	44,407	12.6%
	<b>Total Other Expenses</b>	<b>76,810</b>	<b>8,508</b>	<b>68,303</b>	<b>11.1%</b>
	<b>Total Engineering Expenses</b>	<b>377,267</b>	<b>51,125</b>	<b>326,143</b>	<b>13.6%</b>

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

For the Period Ended July 31, 2020  
(in dollars)

		<b>FY 2020-21 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	944,542	79,706	864,836	8.4%
01-6001-04-00-00	Overtime Salaries-Admin or IT	20,000	3,533	16,467	17.7% (1)
01-6315-04-00-00	Comp Time - Admin	15,000	215	14,785	1.4%
01-6401-04-00-00	Fringe Benefits IN to ADMIN or IT	497,236	41,960	455,276	8.4%
	<b>Total Payroll Costs</b>	<b>1,476,778</b>	<b>125,413</b>	<b>1,351,365</b>	<b>8.5%</b>
<b>Other Expenses</b>					
01-6101-04-00-00	HR Recruitment & Employee Relations	26,500	-	26,500	0.0%
01-6102-04-00-00	Subscriptions	2,040	780	1,260	38.2%
01-6200-04-00-00	Management Support Services	102,000	1,400	100,600	1.4%
01-6201-04-00-00	Audit	44,900	15,000	29,900	33.4%
01-6202-04-00-00	Legal	200,000	28,447	171,553	14.2%
01-6204-04-00-00	Postage	4,000	26	3,974	0.6%
01-6223-04-00-00	Office Supplies - Admin	6,120	1,770	4,350	28.9%
01-6224-04-00-00	Office Equipment Admin or IT	1,000	549	451	54.9%
01-6234-04-00-00	Memberships & Trainings	88,950	-	88,950	0.0%
01-6239-04-00-00	Travel & Conference	10,965	-	10,965	0.0%
01-6241-04-00-00	Education Reimbursement	3,000	-	3,000	0.0%
01-6310-04-00-00	Miscellaneous	23,460	1,307	22,153	5.6%
01-6311-04-00-00	Mileage	1,211	-	1,211	0.0%
01-6317-04-00-00	Contract Services Misc	5,610	425	5,185	7.6%
01-6500-04-00-00	IT Allocations in to PC's & Depts.	116,635	8,605	108,030	7.4%
01-6601-04-00-00	Shipping/Freight	3,740	196	3,544	5.2%
01-6705-04-00-00	Monthly Car Allowance	12,000	1,062	10,938	8.8%
	<b>Total Other Expenses</b>	<b>652,131</b>	<b>59,566</b>	<b>592,565</b>	<b>9.1%</b>
	<b>Total Admin Expenses</b>	<b>2,128,909</b>	<b>184,979</b>	<b>1,943,930</b>	<b>8.7%</b>

(1) Overtime salary and comp time considered together at 10.7%

**South Orange County Wastewater Authority**  
**Budget vs. Actual Comparison-IT**  
 For the Period Ended August 31, 2020  
 (in dollars)

		<b>FY 2020-21 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	93,909	17,618	76,291	18.8%
01-6001-05-00-00	Overtime Salaries-Admin or IT	-	-	-	0.0%
01-6315-05-00-00	Comp Time - IT	5,000	-	5,000	0.0%
01-6401-05-00-00	Fringe Benefits IN to ADMIN or IT	49,437	9,275	40,162	18.8%
	<b>Total Salary &amp; Fringe</b>	<b>148,346</b>	<b>26,892</b>	<b>121,454</b>	<b>18.1%</b>
<b>Other Expenses</b>					
01-5028-05-00-00	Small Tools & Supplies	1,000	-	1,000	0.0%
01-5035-05-00-00	Training Expense	2,000	-	2,000	0.0%
01-5037-05-00-00	Office Equipment	600	-	600	0.0%
01-6234-05-00-00	Memberships & Trainings	1,375	-	1,375	0.0%
01-6239-05-00-00	Travel & Conference	1,750	-	1,750	0.0%
01-6300-05-00-00	Software Maintenance Agreements	38,779	14,058	24,721	36.3% (1)
01-6301-05-00-00	Hardware Maintenance Agreements	7,126	-	7,126	0.0%
01-6302-05-00-00	Cloud Subscriptions (Internet)	148,369	2,315	146,054	1.6%
01-6303-05-00-00	Telecommunications	150,534	19,438	131,096	12.9%
01-6305-05-00-00	IT Professional Services	108,060	15,602	92,458	14.4% (2)
01-6306-05-00-00	Small Hardware Purchases (< \$5k)	29,200	3,462	25,738	11.9%
01-6307-05-00-00	Small Software Purchases & Licenses (<\$5k)	26,908	-	26,908	0.0%
01-6308-05-00-00	IT Memberships	160	-	160	0.0%
01-6309-05-00-00	Operating Leases	55,200	7,486	47,714	13.6% (3)
01-6310-05-00-00	Miscellaneous	5,000	-	5,000	0.0%
01-6312-05-00-00	Computer & Photocopy Supplies	-	1,836	(1,836)	0.0%
	<b>Total Other Expenses</b>	<b>576,061</b>	<b>64,196</b>	<b>511,865</b>	<b>11.1%</b>
	<b>Total Expenses before Allocation</b>	<b>724,407</b>	<b>91,089</b>	<b>633,318</b>	<b>12.6%</b>
<b>IT Allocations (Out) to PC's &amp; Depts</b>					
01-6400-05-00-00	IT Allocations (OUT) to PC's & Depts.	(724,407)	(91,089)	(633,318)	12.6%
	<b>Total IT Allocations (Out) to PC's &amp; Depts</b>	<b>(724,407)</b>	<b>(91,089)</b>	<b>(633,318)</b>	<b>12.6%</b>

- (1) Annual subscription costs that renew at the beginning of the fiscal year.
- (2) Costs for server rack migration and wiring clean-up at CTP and RTP.
- (3) Annual service contract for facility printer/copiers.

# Agenda Item

# 5

**Finance Committee Meeting**

**Meeting Date:** September 22, 2020

**TO:** Finance Committee

**FROM:** Betty Burnett, General Manager

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

**SUBJECT:** CalPERS Unfunded Accrued Pension Liability (UAL) Funding Policy

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## Summary/Discussion

Included in the attached Financial Package are:

- Proposed Policy for CalPERS UAL, Tier 1, Classic
- Funding Plan for Tier 2 and PEPRA
- Funding Plan for New Bases added to Tier1, Classic, Tier2 and PEPRA

PowerPoint Presentation on:

- 10-Year UAL Pay-off Plan
- Potential Savings if "Soft" Fresh Start is implemented
- Funding Progress by Year

**Recommended Action:** Staff recommends to the Finance Committee to recommend to the Board of Directors to:

- 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



# South Orange County Wastewater Authority CalPERS Unfunded Accrued Pension Liability (UAL) Funding Policy Adopted October 1, 2020

## **Policy Purpose**

Adoption of a formal policy defining priorities and guidelines for the funding of pension benefits is a best practice for public retirement systems. National organizations representing the nation's governors, state legislatures, local officials and public finance professionals formed a Pension Funding Task Force and released "Pension Funding: A Guide for Elected Officials" in March 2013, which recommends state and local governments adopt pension funding policies based on the following five general policy objectives:

1. Have a pension funding policy that is based on actuarially determined contribution (ADC). The ADC should be reviewed on an annual or biannual basis.
2. Build funding discipline into the policy to ensure that promised benefits can be paid.
3. Maintain intergenerational equity so that the cost of employee benefits is paid by the generation of taxpayers who receives services.
4. Make employer costs a consistent percentage of payroll.
5. Require clear reporting to show how and when pension plans will be fully funded.

In March 2018, the California State Auditor released its report number 2017-113 on its audit of the South Orange County Wastewater Authority (SOCWA). The audit's finding was as follows.

### **Responsibility for SOCWA's Unfunded Retirement Benefits Is Unclear**

SOCWA's JPA agreement specifies that it is a separate entity established under Government Code section 6500 et seq. and is distinct from its 10 members. In addition, SOCWA's JPA agreement does not expressly hold its members liable for its unfunded obligations for retirement benefits for its employees, specifically pensions and other postemployment benefits totaling approximately \$18 million as of June 2017. The State Auditors asked SOCWA officials whether the members would be liable for these amounts if SOCWA were to dissolve and did not have sufficient assets to pay these obligations, and Staff believed the members would be liable.

However, the State Auditor concluded that the JPA agreement is unclear and the SOCWA officials did not have a firm legal opinion or an express guarantee from the members to support the staff opinion. Subsequent to the State Auditor's recommendations in September 2018, the Governor signed into law the provisions of AB 1912, which requires JPA members to consider the matter of distribution of PERS obligations in the event of JPA dissolution and should that not occur the CalPERS Board is authorized to make a distribution for the members of the JPA.

### **The State Auditor's recommendation included the following:**

SOCWA and its members should amend the current JPA agreement to expressly state whether members will be responsible for SOCWA's retirement benefits liabilities in the event SOCWA is not able to meet those obligations and then it should inform plan participants of that provision.

## **Funding Objective**

The main objective of SOCWA's retirement programs is to fully fund the long-term cost of benefits provided by the Authority, through disciplined and timely accumulation of contributions and prudent investment of assets to deliver earned benefits on a continuing basis.

### **Funding guidelines**

The following priorities and guidelines seek to balance six (6) main objectives:

1. **100% Payment of Vested Benefits** – Contributions and current plan assets sufficient to pay for all vested benefits expected to be paid to members and their beneficiaries when due.
2. The Unfunded Accrued Liability (UAL) as of June 30, 2020 fully funded within a 10-year period.
3. New Bases added by CalPERS after June 30, 2020 paid off in the year added or amortized over a maximum three-year payoff period.
4. 2<sup>nd</sup> Tier and PEPRA UAL paid in full, commencing July 1, 2021. New bases added thereafter paid in full.
5. Quantify each Member Agency's share of the UAL using the Board Approved Actuarial Methodology based on rolling averages historical actual where worked labor dollars, from fiscal year 2002 forward.
6. Quantify each Member Agency's share of UAL Future CalPERS bases using the Board Approved Actuarial Methodology based on rolling averages historical actual where worked labor dollars, from fiscal year 2002 forward.

## **Key Policy Decision**

- SOCWA Member Agency's will be assigned within the JPA Agreement the obligation to fund a share of UAL and Future CalPERS bases utilizing the Actuarial Methodology based on rolling averages historical actual where worked labor dollars from fiscal year 2002 forward, and the same shall be recorded in the Financial Statements and Use Audits in each Annual Period.
- Each SOCWA Member Agency shall fund its share of UAL through Additional Discretionary Payments (ADP) to be made direct to CalPERS through SOCWA using one or a combination of the following payment plans:
  - a) Payments will be based on a fixed ADC amount that meets a funding timeline and/or % that follows the guidelines of this policy or
  - b) Member Agencies may elect to make a lump sum ADP or
  - c) A combination, a lump sum payment and ADC's
- Each Member Agency shall be required to submit their Payment Plan during the Annual Budget Process and it will become a Budget Line Item.
- Member Agencies are encouraged to pre-pay their full UAL and their portion of New Bases as they become due.
- The ADP Budget Line Item will be invoiced quarterly and the normal payment terms, Net 45 days, shall apply; however, the payment to CalPERS will be made in July, which will increase savings.
- SOCWA's staff will report annually on the Progress of paying off the UAL.

# Appendix

## Net Pension (CalPERS) Liability by Member Agency

Last Six Fiscal Years<sup>1</sup>

	2015	2016	2017	2018	2019	2020
<b>Net Pension Liability</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<sup>2</sup></b>		33.27%	27.56%	16.11%	-1.67%	8.91%
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### 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%

<sup>1</sup>Prior to GASB 68 Implementation, FY 2015, the pension liability was not reported in the Statement of Net Position, the annual required contribution was included in the Notes to the Financial Statements.

<sup>2</sup>The year-over-year changes are due to changes in CalPERS methodology in 2016, financial market returns less than 7.65% in 2017 and the discount rate decrease from 7.65% to 7.15% in 2018.



# Potential Savings

**"Soft Fresh Start" allows SOCWA to "target" 10-year Repayment Schedule, with flexibility to adjust amount of ADPs each year**

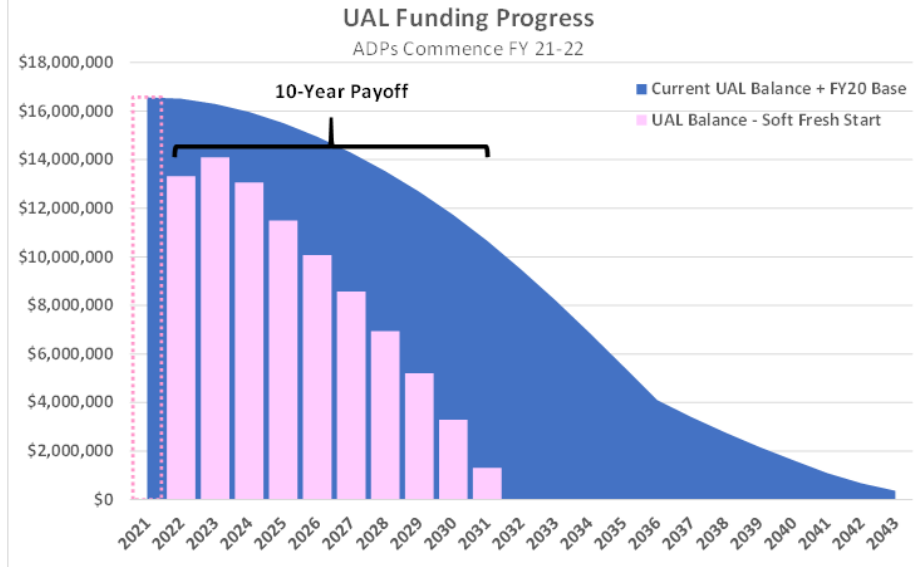
	2019 UAL	FY20 Base	Combined UAL	Required UAL Payments	ADPs	"Soft" Fresh Start	10-Year Fresh Start	Savings
1 2022	1,177,800	-	1,177,800	1,177,800	1,102,861	2,280,661	2,280,661	(1,102,861)
2 2023	1,301,316	22,587	1,323,903	1,323,903	956,757	2,280,661	2,280,661	(956,757)
3 2024	1,376,457	45,173	1,421,631	1,421,631	859,030	2,280,661	2,280,661	(859,030)
4 2025	1,457,047	67,760	1,524,807	1,524,807	755,853	2,280,661	2,280,661	(755,853)
5 2026	1,500,806	90,347	1,591,152	1,591,152	689,508	2,280,661	2,280,661	(689,508)
6 2027	1,540,809	112,933	1,653,742	1,653,742	626,919	2,280,661	2,280,661	(626,919)
7 2028	1,581,912	112,933	1,694,845	1,694,845	585,816	2,280,661	2,280,661	(585,816)
8 2029	1,624,146	112,933	1,737,079	1,737,079	543,582	2,280,661	2,280,661	(543,582)
9 2030	1,667,541	112,933	1,780,474	1,780,474	500,187	2,280,661	2,280,661	(500,187)
10 2031	1,712,129	112,933	1,825,062	496,912	762,676	1,259,588	2,280,661	565,474
11 2032	1,757,943	112,933	1,870,876					1,870,876
12 2033	1,744,567	112,933	1,857,500					1,857,500
13 2034	1,729,161	112,933	1,842,094					1,842,094
14 2035	1,687,731	112,933	1,800,664					1,800,664
15 2036	1,615,264	112,933	1,728,197					1,728,197
16 2037	833,085	112,933	946,018					946,018
17 2038	739,756	112,933	852,690					852,690
18 2039	640,700	112,933	753,633					753,633
19 2040	563,033	112,933	675,966					675,966
20 2041	512,124	112,933	625,057					625,057
21 2042	363,996	112,933	476,929					476,929
22 2043	344,939		344,939					344,939
23 2044	271,898		271,898					271,898
24 2045	112,927		112,927					112,927
	<b>\$27,857,087</b>	<b>\$ 2,032,798</b>	<b>\$29,889,885</b>	<b>\$ 14,402,345</b>	<b>\$ 7,383,190</b>	<b>\$ 21,785,536</b>	<b>\$ 22,806,607</b>	<b>\$ 8,104,349</b>
<b>Soft Fresh Start Savings over Traditional Fresh Start</b>						<b>\$ 1,021,072</b>		



# Tracking UAL Funding Progress

**SOCWA will review funding progress each year**

	Current UAL Balance + FY20 Base	UAL Balance - Soft Fresh Start
2021	16,568,242	\$ 16,568,242
1 2022	16,509,693	13,316,336
2 2023	16,295,915	14,098,219
3 2024	15,966,083	13,064,344
4 2025	15,506,436	11,496,373
5 2026	14,945,986	10,079,446
6 2027	14,281,560	8,563,334
7 2028	13,528,108	6,941,095
8 2029	12,678,227	5,205,298
9 2030	11,723,967	3,294,019
10 2031	10,656,786	1,302,928
11 2032	9,467,511	-
12 2033	8,208,824	-
13 2034	6,877,964	-
14 2035	5,496,800	-
15 2036	4,093,893	-
16 2037	3,401,896	-
17 2038	2,758,014	-
18 2039	2,171,495	-
19 2040	1,624,236	-
20 2041	1,091,366	-
21 2042	674,422	-
22 2043	364,824	-





# *10-Year UAL Pay-off Plan*





# UAL FY 20-21 Amortization Bases

## CalPERS Unfunded Actuarial Liability (UAL)

	<b>2019</b>
Accrued Liability (AL)	\$ 54,613,466
Market Value Assets (MVA)	39,230,791
<b>UAL = AL - MVA</b>	<b>\$ 15,382,675</b>
	71.8%
2nd Tier	\$ 94,820
PEPRA	\$ 110,101
<b>COMBINED PENSION UAL</b>	<b>\$ 15,587,596</b>
Projected FY20 Base - 4.70%	\$ 902,308
<b>ESTIMATED TOTAL UAL</b>	<b>\$ 16,489,904</b>

June 30, 2019 UAL  
+  
FY20 Projected Base



*Adjusted UAL  
+ 2-years  
FY21-22*

## SOCWA FY 21-22

Year	Reason	Ramp	Term	Balance	Payment
1 2013	Share of pre-2013 Pool	NO	15	\$ 4,768,353	\$ 430,075
2 2013	Non-Asset (gain)/loss	100%	24	(44,548)	(3,106)
3 2013	13.2% (Book Value vs. MVA)	100%	24	4,830,027	336,723
4 2014	Non-Asset (gain)/loss	100%	25	4,201	285
5 2014	CalPERS (Gain): 18.40% vs.7.50%	100%	25	(3,710,165)	(251,686)
6 2014	Life Expectancy+2.0/2.5 years	100%	15	2,230,292	224,269
7 2015	Non-Asset (gain)/loss	100%	26	(200,637)	(13,268)
8 2015	CalPERS Loss: 2.40% vs. 7.50%	100%	26	2,392,792	158,228
9 2016	Non-Asset (gain)/loss	80%	27	(381,971)	(19,979)
10 2016	CalPERS Loss: 0.6% vs. 7.375%	80%	27	3,011,842	157,532
11 2016	Discount: 7.50% to 7.375%	80%	17	912,778	67,165
12 2017	Non-Asset (gain)/loss	60%	28	(81,361)	(3,197)
13 2017	CalPERS (Gain): 11.2% vs.7.25%	60%	28	(1,532,720)	(60,234)
14 2017	Discount: 7.375% to 7.25%	60%	18	1,035,934	56,401
15 2018	Non-Asset (gain)/loss	40%	29	238,643	6,344
16 2018	CalPERS Gain - 8.60% vs. 7.0%	40%	29	(465,923)	(12,385)
17 2018	Discount: 7.25% to 7.00%	40%	19	1,668,217	60,832
18 2018	Method Change	40%	19	464,993	16,956
19 2019	Non-Investment (Gain)/Loss	20%	20	241,299	22,019
20 2019	Investment (Gain)/Loss	20%	20	220,726	4,826
<b>FY 2021-22 "Classic Plan"</b>				<b>\$15,602,772</b>	<b>\$ 1,177,800</b>
21 2020	FY20 CalPERS 4.70%	20%	20	1,033,053	22,587
<b>TOTAL FY21-22</b>				<b>\$16,635,825</b>	<b>\$ 1,200,387</b>





# Proposed 10-Year Pay-Off Plan

## Target pay-off “past due amount” / UAL in 10 Years

- Commence ADPs next fiscal year (FY 21-22) in July
- Total Annual Payments = \$2,287,000
- 3 options:
  1. Members make annual payments, based on % allocation set each year
  2. Members pre-pay full liability
    1. Members w/ small liability encouraged to pre-pay full amount
  3. Combination of ADPs & pre-payment
- Use “Soft Fresh Start” – Provides flexibility to set amount of ADP each year
  - \$8.1 million Net Savings

## New Bases

- Pay in full or no longer than **3-year** amortization period
- Members who have paid off UAL, should pay off their share of new base each year.

## 2<sup>nd</sup> Tier & PEPRA

- Balance paid in full each year



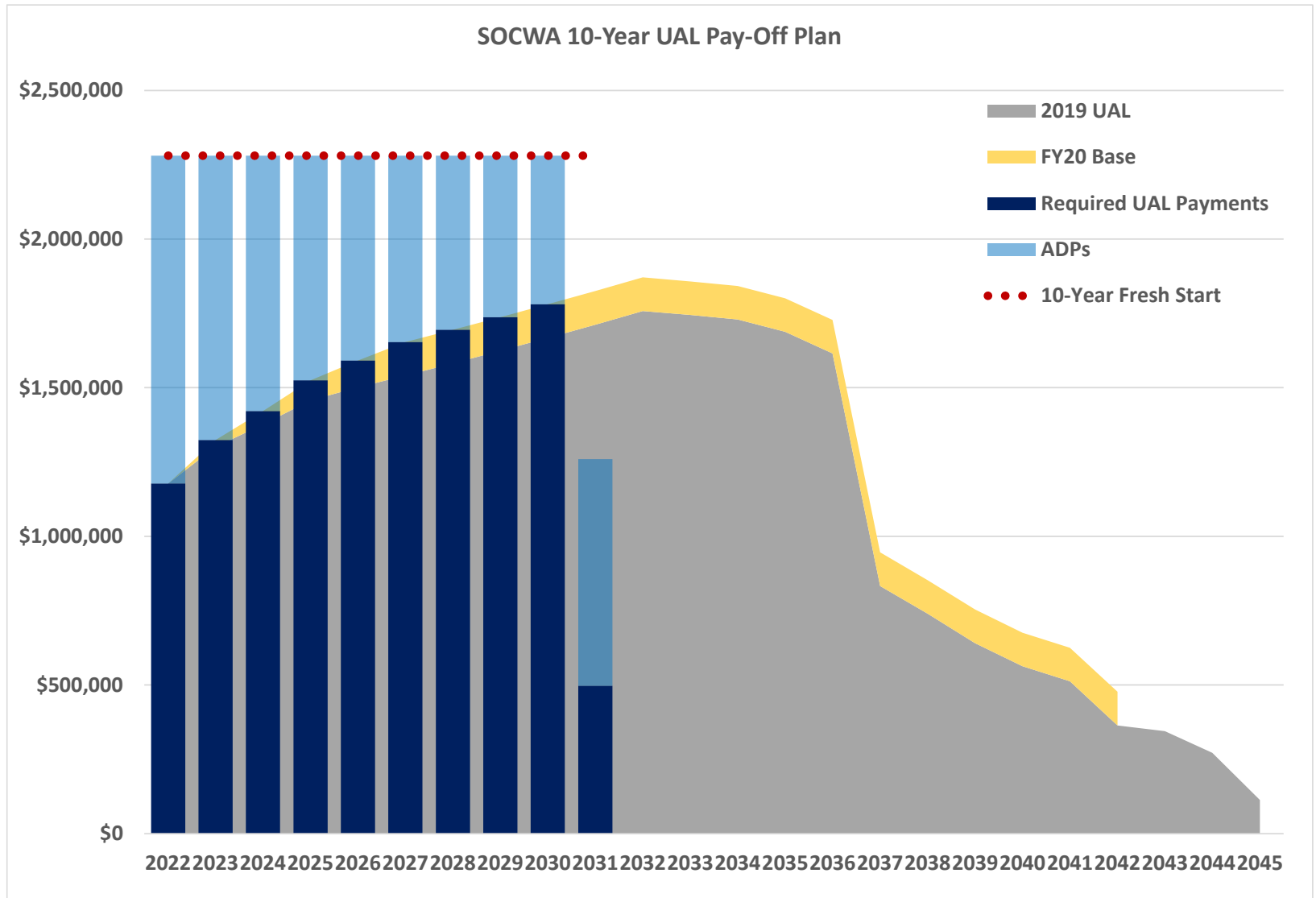
# Member Allocation

MEMBER AGENCY	%	SHARE OF UAL
Laguna Beach	10.688%	\$ 1,777,987
San Clemente	0.672%	111,874
San Juan Capistrano	10.426%	1,734,497
Emerald Bay	0.456%	75,837
El Toro	3.507%	583,410
Irvine Ranch	0.761%	126,656
Moulton Niguel	44.867%	7,463,926
South Coast	18.636%	3,100,288
Santa Margarita	9.969%	1,658,390
Trabuco Canyon	0.018%	2,960
	<b>100%</b>	<b>\$ 16,635,825</b>

Based on June 30, 2019 Actuarial Values, plus estimated FY20 New Base.



# Additional Payments is the Key





# Potential Savings

“Soft Fresh Start” allows SOCWA to “target” 10-year Repayment Schedule, with flexibility to adjust amount of ADPs each year

	2019 UAL	FY20 Base	Combined UAL	Required UAL Payments	ADPs	"Soft" Fresh Start	10-Year Fresh Start	Savings	
1	2022	1,177,800	-	1,177,800	1,177,800	1,102,861	2,280,661	(1,102,861)	
2	2023	1,301,316	22,587	1,323,903	1,323,903	956,757	2,280,661	(956,757)	
3	2024	1,376,457	45,173	1,421,631	1,421,631	859,030	2,280,661	(859,030)	
4	2025	1,457,047	67,760	1,524,807	1,524,807	755,853	2,280,661	(755,853)	
5	2026	1,500,806	90,347	1,591,152	1,591,152	689,508	2,280,661	(689,508)	
6	2027	1,540,809	112,933	1,653,742	1,653,742	626,919	2,280,661	(626,919)	
7	2028	1,581,912	112,933	1,694,845	1,694,845	585,816	2,280,661	(585,816)	
8	2029	1,624,146	112,933	1,737,079	1,737,079	543,582	2,280,661	(543,582)	
9	2030	1,667,541	112,933	1,780,474	1,780,474	500,187	2,280,661	(500,187)	
10	2031	1,712,129	112,933	1,825,062	496,912	762,676	1,259,588	565,474	
11	2032	1,757,943	112,933	1,870,876				1,870,876	
12	2033	1,744,567	112,933	1,857,500				1,857,500	
13	2034	1,729,161	112,933	1,842,094				1,842,094	
14	2035	1,687,731	112,933	1,800,664				1,800,664	
15	2036	1,615,264	112,933	1,728,197				1,728,197	
16	2037	833,085	112,933	946,018				946,018	
17	2038	739,756	112,933	852,690				852,690	
18	2039	640,700	112,933	753,633				753,633	
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22	2043	344,939		344,939				344,939	
23	2044	271,898		271,898				271,898	
24	2045	112,927		112,927				112,927	
	<b>\$27,857,087</b>	<b>\$ 2,032,798</b>	<b>\$29,889,885</b>	<b>\$ 14,402,345</b>	<b>\$ 7,383,190</b>	<b>\$ 21,785,536</b>	<b>\$ 22,806,607</b>	<b>\$ 8,104,349</b>	
	<b>Soft Fresh Start Savings over Traditional Fresh Start</b>						<b>\$ 1,021,072</b>		

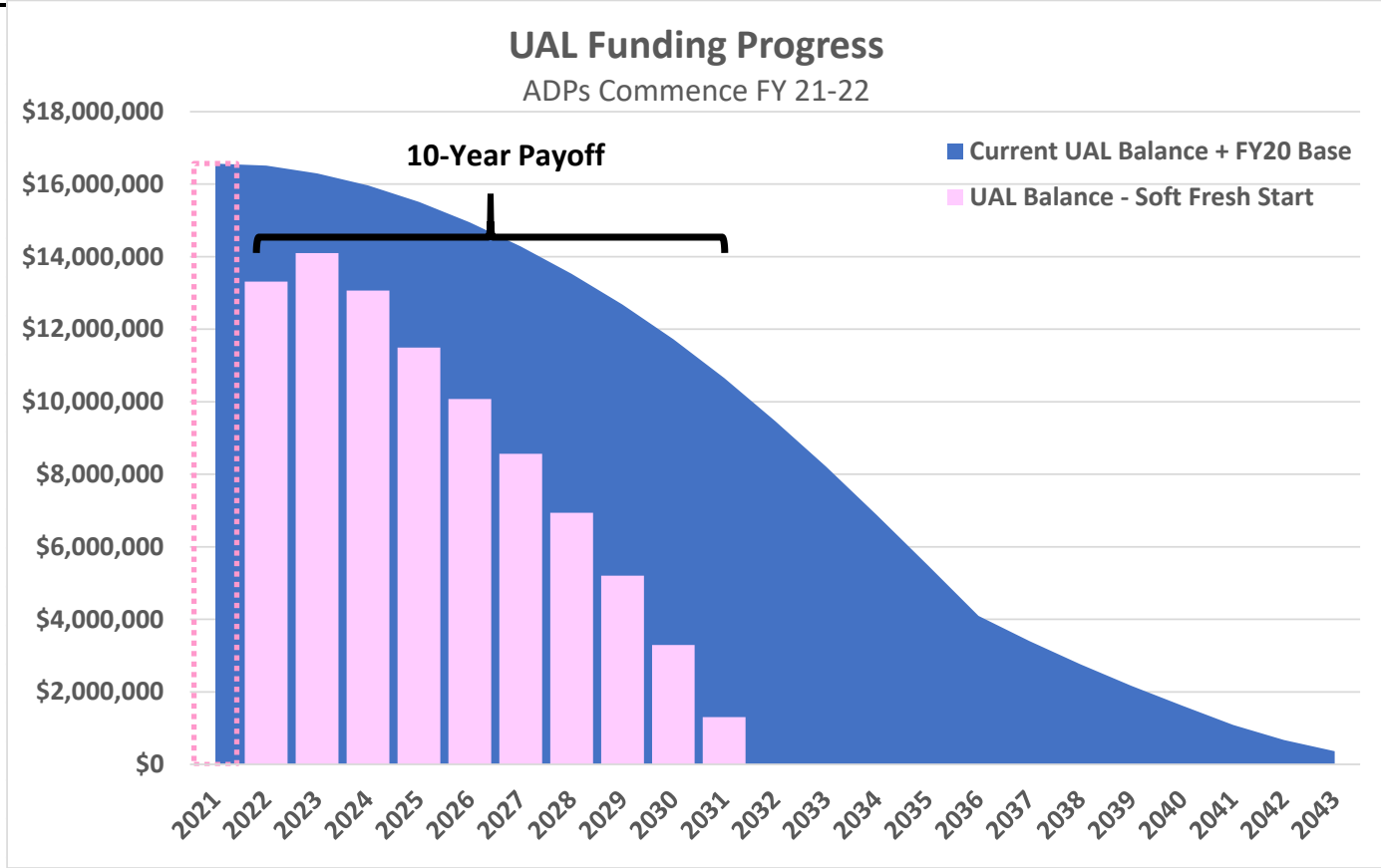


# Tracking UAL Funding Progress

**SOCWA will review funding progress each year**

**Current UAL Balance + FY20 Base**      **UAL Balance - Soft Fresh Start**

	Current UAL Balance + FY20 Base	UAL Balance - Soft Fresh Start
2021	16,568,242	\$ 16,568,242
2022	16,509,693	13,316,336
2023	16,295,915	14,098,219
2024	15,966,083	13,064,344
2025	15,506,436	11,496,373
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2028	13,528,108	6,941,095
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2033	8,208,824	-
2034	6,877,964	-
2035	5,496,800	-
2036	4,093,893	-
2037	3,401,896	-
2038	2,758,014	-
2039	2,171,495	-
2040	1,624,236	-
2041	1,091,366	-
2042	674,422	-
2043	364,824	-





# Member Allocation

	10.688%	0.672%	10.426%	0.456%	3.507%	0.761%	44.867%	18.636%	9.969%	0.018%	100%	
	Laguna Beach	San Clemente	San Juan Capistrano	Emerald Bay	El Toro	Irvine Ranch	Moulton Niguel	South Coast	Santa Margarita	Trabuco Canyon	TOTAL	
1	2022	125,880	7,921	122,801	5,369	41,305	8,967	528,439	219,497	117,412	210	1,177,800
2	2023	141,495	8,903	138,034	6,035	46,429	10,079	593,990	246,725	131,977	236	1,323,903
3	2024	151,940	9,560	148,223	6,481	49,856	10,824	637,837	264,938	141,719	253	1,421,631
4	2025	162,967	10,254	158,981	6,951	53,474	11,609	684,129	284,166	152,005	271	1,524,807
5	2026	170,058	10,700	165,898	7,254	55,801	12,114	713,896	296,531	158,619	283	1,591,152
6	2027	176,747	11,121	172,424	7,539	57,996	12,591	741,978	308,195	164,858	294	1,653,742
7	2028	181,140	11,398	176,709	7,726	59,437	12,904	760,419	315,855	168,956	302	1,694,845
8	2029	185,654	11,682	181,113	7,919	60,918	13,225	779,368	323,726	173,166	309	1,737,079
9	2030	190,292	11,973	185,637	8,117	62,440	13,556	798,838	331,813	177,492	317	1,780,474
10	2031	195,057	12,273	190,286	8,320	64,004	13,895	818,843	340,122	181,937	325	1,825,062
11	2032	199,954	12,581	195,063	8,529	65,611	14,244	839,398	348,661	186,504	333	1,870,876
12	2033	198,524	12,491	193,668	8,468	65,142	14,142	833,397	346,168	185,170	330	1,857,500
13	2034	196,877	12,388	192,062	8,397	64,601	14,025	826,485	343,297	183,634	328	1,842,094
14	2035	192,450	12,109	187,742	8,209	63,148	13,709	807,897	335,576	179,504	320	1,800,664
15	2036	184,705	11,622	180,187	7,878	60,607	13,158	775,383	322,071	172,280	307	1,728,197
16	2037	101,108	6,362	98,634	4,313	33,176	7,202	424,446	176,302	94,307	168	946,018
17	2038	91,133	5,734	88,904	3,887	29,903	6,492	382,573	158,909	85,003	152	852,690
18	2039	80,546	5,068	78,576	3,436	26,430	5,738	338,129	140,449	75,128	134	753,633
19	2040	72,245	4,546	70,478	3,082	23,706	5,146	303,283	125,974	67,386	120	675,966
20	2041	66,804	4,203	65,170	2,849	21,920	4,759	280,442	116,487	62,311	111	625,057
21	2042	50,973	3,207	49,726	2,174	16,726	3,631	213,982	88,882	47,544	85	476,929
22	2043	36,866	2,320	35,964	1,572	12,097	2,626	154,762	64,284	34,386	61	344,939
23	2044	29,060	1,828	28,349	1,239	9,535	2,070	121,991	50,672	27,105	48	271,898
24	2045	12,069	759	11,774	515	3,960	860	50,666	21,045	11,257	20	112,927
		\$ 3,194,541	\$ 201,006	\$ 3,116,402	\$ 136,258	\$ 1,048,223	\$ 227,565	\$ 13,410,570	\$ 5,570,343	\$ 2,979,659	\$ 5,318	\$ 29,889,885
UAL - Classic		\$ 1,777,987	\$ 111,874	\$ 1,734,497	\$ 75,837	\$ 583,410	\$ 126,656	\$ 7,463,926	\$ 3,100,288	\$ 1,658,390	\$ 2,960	\$ 16,635,825



# Member UAL Allocation as of FY 2010-Year Repayment w/ ADPs

		10.693%	0.671%	10.430%	0.461%	3.510%	0.765%	44.870%	18.640%	9.970%	0.020%	100%
		Laguna Beach	San Clemente	San Juan Capistrano	Emerald Bay	El Toro	Irvine Ranch	Moulton Niguel	South Coast	Santa Margarita	Trabuco Canyon	TOTAL
1	2022	\$ 243,750	\$ 15,337	\$ 237,788	\$ 10,397	\$ 79,982	\$ 17,364	\$ 1,023,255	\$ 425,029	\$ 227,354	\$ 406	\$ 2,280,661
2	2023	243,750	15,337	237,788	10,397	79,982	17,364	1,023,254	425,029	227,354	406	2,280,661
3	2024	243,750	15,337	237,788	10,397	79,982	17,364	1,023,255	425,029	227,354	406	2,280,661
4	2025	243,750	15,337	237,788	10,397	79,982	17,364	1,023,255	425,029	227,354	406	2,280,661
5	2026	243,750	15,337	237,788	10,397	79,982	17,364	1,023,254	425,029	227,354	406	2,280,661
6	2027	243,750	15,337	237,788	10,397	79,982	17,364	1,023,255	425,029	227,354	406	2,280,661
7	2028	243,750	15,337	237,788	10,397	79,982	17,364	1,023,255	425,029	227,354	406	2,280,661
8	2029	243,750	15,337	237,788	10,397	79,982	17,364	1,023,255	425,029	227,354	406	2,280,661
9	2030	243,750	15,337	237,788	10,397	79,982	17,364	1,023,255	425,029	227,354	406	2,280,661
10	2031	134,621	8,471	131,328	5,742	44,173	9,590	565,134	234,739	125,566	224	1,259,588
11	2032	-	-	-	-	-	-	-	-	-	-	-
12	2033	-	-	-	-	-	-	-	-	-	-	-
13	2034	-	-	-	-	-	-	-	-	-	-	-
14	2035	-	-	-	-	-	-	-	-	-	-	-
15	2036	-	-	-	-	-	-	-	-	-	-	-
16	2037	-	-	-	-	-	-	-	-	-	-	-
17	2038	-	-	-	-	-	-	-	-	-	-	-
18	2039	-	-	-	-	-	-	-	-	-	-	-
19	2040	-	-	-	-	-	-	-	-	-	-	-
20	2041	-	-	-	-	-	-	-	-	-	-	-
21	2042	-	-	-	-	-	-	-	-	-	-	-
		<b>\$ 2,328,373</b>	<b>\$ 146,505</b>	<b>\$ 2,271,420</b>	<b>\$ 99,313</b>	<b>\$ 764,008</b>	<b>\$ 165,863</b>	<b>\$ 9,774,425</b>	<b>\$ 4,059,999</b>	<b>\$ 2,171,754</b>	<b>\$ 3,876</b>	<b>\$ 21,785,536</b>
	<b>UAL - Classic</b>	<b>\$ 1,777,987</b>	<b>\$ 111,874</b>	<b>\$ 1,734,497</b>	<b>\$ 75,837</b>	<b>\$ 583,410</b>	<b>\$ 126,656</b>	<b>\$ 7,463,926</b>	<b>\$ 3,100,288</b>	<b>\$ 1,658,390</b>	<b>\$ 2,960</b>	<b>\$ 16,635,825</b>
	<b>SAVINGS</b>	<b>\$ 866,168</b>	<b>\$ 54,501</b>	<b>\$ 844,982</b>	<b>\$ 36,945</b>	<b>\$ 284,215</b>	<b>\$ 61,702</b>	<b>\$ 3,636,144</b>	<b>\$ 1,510,344</b>	<b>\$ 807,905</b>	<b>\$ 1,442</b>	<b>\$ 8,104,349</b>



# APPENDIX





# Amortization Base Selection

SOCWA + FY20 Base						
Year	Reason	Ramp	Term	Balance	Payment	
15	2018 Non-Asset (gain)/loss	40%	29	238,643	6,344	
16	2018 CalPERS Gain - 8.60% vs. 7.0%	40%	29	(465,923)	(12,385)	
12	2017 Non-Asset (gain)/loss	60%	28	(81,361)	(3,197)	
13	2017 CalPERS (Gain): 11.2% vs.7.25%	60%	28	(1,532,720)	(60,234)	
9	2016 Non-Asset (gain)/loss	80%	27	(381,971)	(19,979)	
10	2016 CalPERS Loss: 0.6% vs. 7.375%	80%	27	3,011,842	157,532	
7	2015 Non-Asset (gain)/loss	100%	26	(200,637)	(13,268)	
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5	2014 CalPERS (Gain): 18.40% vs.7.50%	100%	25	(3,710,165)	(251,686)	
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19	2019 Non-Investment (Gain)/Loss	20%	20	241,299	22,019	
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17	2018 Discount: 7.25% to 7.00%	40%	19	1,668,217	60,832	
18	2018 Method Change	40%	19	464,993	16,956	
14	2017 Discount: 7.375% to 7.25%	60%	18	1,035,934	56,401	
11	2016 Discount: 7.50% to 7.375%	80%	17	912,778	67,165	
1	2013 Share of pre-2013 Pool	NO	15	4,768,353	430,075	
6	2014 Life Expectancy+2.0/2.5 years	100%	15	2,230,292	224,269	
21	<b>2020</b> FY20 CalPERS 4.70%	20%	10	965,470	132,889	
<b>FY 20-21</b>				<b>\$16,568,242</b>	<b>\$ 1,310,689</b>	