

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

FINANCE COMMITTEE
TELECONFERENCE MEETING**

**June 15, 2021
10:30 a.m.**

Join Zoom Meeting by clicking on the link below:

<https://socwa.zoom.us/>

Meeting ID: 846 4826 8075
Passcode: 664854

One tap mobile

+16699006833,,89334653926#,,,,*278088# US (San Jose)
+12532158782,,89334653926#,,,,*278088# US (Tacoma)

Dial by your location

+1 669 900 6833 US (San Jose)
+1 253 215 8782 US (Tacoma)
+1 346 248 7799 US (Houston)
+1 929 205 6099 US (New York)
+1 301 715 8592 US (Washington DC)
+1 312 626 6799 US (Chicago)

Find your local number: <https://socwa.zoom.us/j/keFWR7n9OI>

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 **June 15, 2021**, 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. 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*

June 15, 2021

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 WHEN MAKING THE REQUEST IN ORDER THAT YOUR NAME MAY BE CALLED TO SPEAK ON THE ITEM OF INTEREST. THE CHAIR OF THE MEETING WILL RECOGNIZE SPEAKERS FOR COMMENT AND GENERAL MEETING DECORUM SHOULD BE OBSERVED IN ORDER THAT SPEAKERS ARE NOT TALKING OVER EACH OTHER DURING THE CALL.

3. Approval of Minutes

- a. Finance Committee Meeting of April 20, 2021
- b. Finance Committee Meeting of May 6, 2021

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

4. Financial Reports for the Month of April 2021

The reports included are as follows:

- a. Summary of Disbursements for April 2021 (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 that the Finance Committee recommend to the Board of Directors to ratify the March 2021 disbursements for the period from April 1, 2021, through April 30, 2021, totaling \$4,246,299 and to receive and file the April 2021 Financial Reports as submitted.

June 15, 2021

5. Financial Reports for the Month of May 2021

The reports included are as follows:

- a. Summary of Disbursements for May 2021 (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 that the Finance Committee recommend to the Board of Directors to ratify the May 2021 disbursements for the period from May 1, 2021, through May 31, 2021, totaling \$3,146,986, and to receive and file the May 2021 Financial Reports as submitted.

6. OPEB Actuarial Valuation Report as of December 30, 2020

- PARS savings account update and % Funded

Recommended Action: Information Item

7. Preparation for The Close of The Fiscal Year

- Staff Update

Recommended Action: Information Item

Adjournment

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

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

Dated this 9th day of June 2021.



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

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

Finance Committee

April 20, 2021

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee Meeting was held on April 20, 2021 at 10:30 a.m. via teleconference from the Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Finance Committee were present via Teams Meeting:

DAN FERONS	Santa Margarita Water District	Director
MATT COLLINGS	Moulton Niguel Water District	Director
DENNIS CAFFERTY	El Toro Water District	Alternate Director
TONI ISEMAN	City of Laguna Beach	Director [arrived at 10:34 a.m.]
PAM ARENDS-KING	South Coast Water District	Alternate Director

Absent:

SERGIO FARIAS	City of San Juan Capistrano	Director
---------------	-----------------------------	----------

Staff Participation:

BETTY BURNETT	General Manager
AMBER BAYLOR	Director of Environmental Compliance
JASON MANNING	Director of Engineering
JIM BURROR	Director of Operations
MARY CAREY	Finance Controller
KONSTANTIN SHILKOV	Senior Accountant
NADYN KIM	Accountant
ANNA SUTHERLAND	Accounts Payable
RONI YOUNG	Associate Engineer
DINA ASH	HR Administrator
JEANETTE COTINOLA	Contracts/Procurement Administrator
MATT CLARKE	IT Administrator
DANITA HIRSH	Executive Assistant

Also Participating:

GREG MOSER	Procopio Law Firm
ADRIANA OCHOA	Procopio Law Firm
KATHRYN FRESHLEY	El Toro Water District
MIKE DUNBAR	Emerald Bay Service District
TREVOR AGRELIUS	Moulton Niguel Water District
SHERRY WANNINGER	Moulton Niguel Water District
ERICA CASTILLO	Santa Margarita Water District
GAVIN CURRAN	City of Laguna Beach
JASON HAYDEN	El Toro Water District
SCOTT GOLDMAN	South Coast Water District

1. Call Meeting to Order

Chairman Ferons called the meeting to order at 10:31 a.m.

2. Public Comments

None

3. Approval of Minutes

- Finance Committee Meeting of March 16, 2021

ACTION TAKEN

Motion was made by Director Collings and seconded by Director Arends-King to approve Finance Committee Meeting Minutes for February 16, 2021 as submitted.

Motion carried:	Aye 5, Nay 0, Abstained 0, Absent 1
	Director Ferons Aye
	Director Iseman Aye
	Director Farias Absent
	Director Cafferty Aye
	Director Collings Aye
	Director Arends-King Aye

4. Financial Reports for the Month of March 2021

ACTION TAKEN

Motion was made by Director Collings and seconded by Director Cafferty to recommend to the Board of Directors to ratify the March 2021 disbursements for the period of March 1 through March 31, 2021, totaling \$3,508,706, and to receive and file the March 2021 Financial Reports as submitted.

Motion carried:	Aye 5, Nay 0, Abstained 0, Absent 1
	Director Ferons Aye
	Director Iseman Aye
	Director Farias Absent
	Director Cafferty Aye
	Director Collings Aye
	Director Arends-King Aye

5. Q3 FY 2020-21 Cash Roll Forward as of March 31, 2021

ACTION TAKEN

Motion was made by Director Collings and seconded by Director Arends-King to recommend to the Board of Directors to receive and file the Q3 Fiscal Year 2020-21 Cash Roll Forward as submitted

Motion carried:	Aye 5, Nay 0, Abstained 0, Absent 1
	Director Ferons Aye
	Director Iseman Aye
	Director Farias Absent
	Director Cafferty Aye
	Director Collings Aye
	Director Arends-King Aye

6. FY 2020-21 O&M Budget Update and Proposed Budget Amendments

ACTION TAKEN

Motion was made by Director Collings and seconded by Director Ferons to recommend to the PC 2 Board that PC 2 JBL budgets be amended by \$100,000 in the following amounts:

PC-2 Line 5008	Ferric Chloride:	\$50,000
PC-2 Line 5049	Biosolids:	\$50,000

Motion carried: Aye 3, Nay 0, Abstained 0, Absent 1
Director Ferons Aye
Director Farias Absent
Director Collings Aye
Director Arends-King Aye

9. Independent Auditing Firm Selection – FY 2021-2022

Ms. Burnett reported for fiscal year ending June 30, 2021, the PUN Group will have completed five (5) years of financial audit services. She noted the State allows the Authority to keep the same auditing party as long as the firm rotated the audit oversight manager. Ms. Burnett stated staff works well with the PUN Group and would prefer to continue for an additional year but is fully prepared to go out to RFP based on the Committee's preference. An open discussion ensued.

Chairman Ferons recited two paragraphs from the policy that was adopted by the Board on May 3, 2018 by Resolution No. 2018-02 regarding the matter for the purpose of informing Members that are new to SOCWA. An open discussion ensued.

ACTION TAKEN

Motion was made by Director Cafferty and seconded by Director Collings to recommend to the Board of Directors to extend the PUN Group for the FY 2021-22 Audit with a rotation of the firm's Audit Managers.

Motion carried: Aye 5, Nay 0, Abstained 0, Absent 1
Director Ferons Aye
Director Iseman Aye
Director Farias Absent
Director Cafferty Aye
Director Collings Aye
Director Arends-King Aye

7. FY 2021-22 Budget Update

Ms. Burnett gave an update based on feedback provided to staff at the March 16 Finance Committee meeting. She stated staff closely reviewed the regulatory requirements being that it is the key driver of about a million dollars in expenses for the coming year. Ms. Burnett stated staff gave close attention to the flow of dollars coming into the following year and some costs were moved to where they would mostly be spent which helped with bringing the initially proposed 9% budget increase down to approximately 4.8%. She also stated staff

will be going through a number of presentations in detail including addressing questions on the General Fund, information regarding PC-17, and the Co-generation Credit. Ms. Burnett stated all presentations were provided and the meeting will conclude by Mr. Manning's presentation on the Large Capital Program. An open discussion ensued.

Adjournment

Due to time constraints, Chairman Ferons adjourned the meeting of the April 20 Finance Committee at 12:40 p.m. for continuation on May 6, 2021 at 10:30 a.m. or immediately following the SOCWA Board of Directors Meeting.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Regular Meeting of the South Orange County Wastewater Authority Finance Committee of April 20, 2021, and approved by the Finance Committee and received and filed by the Board of Directors of the South Orange County Wastewater Authority.

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

MINUTES OF SPECIAL MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

Finance Committee

May 6, 2021

This meeting is a continuation of the April 20, 2021 Special Finance Committee Meeting
which was Adjourned to May 6, 2021

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee Meeting was held on May 6, 2021 at 10:30 a.m. via teleconference from the Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Finance Committee were present via Teams Meeting:

DAN FERONS	Santa Margarita Water District	Director
MATT COLLINGS	Moulton Niguel Water District	Director
HOWARD HART	City of San Juan Capistrano	Alternate Director [arrived at 10:52 a.m.]
DENNIS CAFFERTY	El Toro Water District	Alternate Director
TONI ISEMAN	City of Laguna Beach	Director [arrived at 10:36 a.m.]

Absent:

PAM ARENDS-KING	South Coast Water District	Alternate Director
-----------------	----------------------------	--------------------

Staff Participation:

BETTY BURNETT	General Manager
AMBER BAYLOR	Director of Environmental Compliance
JASON MANNING	Director of Engineering
JIM BURROR	Director of Operations
MARY CAREY	Finance Controller
KONSTANTIN SHILKOV	Senior Accountant
NADYN KIM	Accountant
ANNA SUTHERLAND	Accounts Payable
DAVID BARANOWSKI	Sr. Engineer
RONI YOUNG	Associate Engineer
DINA ASH	HR Administrator
JEANETTE COTINOLA	Contracts/Procurement Administrator
MATT CLARKE	IT Administrator
DANITA HIRSH	Executive Assistant

Also Participating:

GREG MOSER	Procopio Law Firm
ADRIANA OCHOA	Procopio Law Firm
TRACIE STENDER	Procopio Law Firm
KATHRYN FRESHLEY	El Toro Water District
MIKE DUNBAR	Emerald Bay Service District
TREVOR AGRELIUS	Moulton Niguel Water District
SHERRY WANNINGER	Moulton Niguel Water District
ERICA CASTILLO	Santa Margarita Water District
GAVIN CURRAN	City of Laguna Beach
JASON HAYDEN	El Toro Water District
SCOTT GOLDMAN	South Coast Water District

MARC SERNA

South Coast Water District

1. Call Meeting to Order

Chairman Ferons reconvened the Finance Committee meeting from April 20, 2021 at 10:31 a.m.

2. Public Comments

None

7. FY 2021-22 Budget Update

Ms. Burnett stated staff would be continuing the budget presentation with the Environmental Regulatory Requirements starting on page 105 of the Finance Committee agenda packet from April 20. Ms. Burnett reported on the cost impacts due to the increase of NPDES Permit Renewal fees. An open discussion ensued.

Mr. Burror gave an update on the PC 17 Co-Generation current methodology used to determine the value of power produced based on market rates (SCE). He referenced the presentation on pages 119 thru 133 of the agenda packet. An open discussion ensued.

Chairman Ferons polled the Committee Members on whether to hold another Finance Committee meeting on May 18, 2020 to further discuss the FY 2021-22 proposed budget or submit the proposed budget as is to the Board Budget Workshop on May 20, 2021.

Director Collings noted for the record the inconsistencies with representation of the Administration and General Fund budgets as it relates to the JPA Agreement.

ACTION

Motion was made by Director Collings and seconded by Director Iseman to forward the proposed FY 2021-22 Operating Budget to the Board Budget Workshop on May 20, 2021 for consideration of approval and adoption.

Motion carried:	Aye 5, Nay 0, Abstained 0, Absent 1
	Director Ferons Aye
	Director Iseman Aye
	Director Hart Aye
	Director Cafferty Aye
	Director Collings Aye
	Director Arends-King Absent

8. Proposed Large Capital Improvement Program Proposed Budget

Mr. Manning gave a presentation on the proposed CIP Budget providing a current fiscal year update on projects to date. Mr. Manning reported on the year over year comparison by member agency in the Capital Program. An open discussion ensued.

Ms. Burnett noted that based on the feedback from the Committee there will not be a Finance Committee meeting on May 18. She also noted that the Agenda for the Board Budget Workshop will reflect the recommendation from the Engineering Committee for the Capital Budget.

Adjournment

There being no further business, Chairman Ferons announced there will not be a Finance Committee on May 18, 2021, and adjourned the meeting at 11: 29 a.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Regular Meeting of the South Orange County Wastewater Authority Finance Committee of May 6, 2021, and approved by the Finance Committee and received and filed by the Board of Directors of the South Orange County Wastewater Authority.

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

Agenda Item

4

Finance Committee Meeting

Meeting Date: June 15, 2021

TO: Finance Committee
FROM: Betty Burnett, General Manager
STAFF CONTACT: Mary Carey, Finance Controller
SUBJECT: Financial Reports for the Month of April 2021

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 April 2021 (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

April 2021 cash disbursements were: \$4,246,299.

- 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 April 2021 disbursements for the period from April 1, 2021, through April 30, 2021, totaling \$4,246,299, and to receive and file the April 2021 Financial Reports as submitted.

Exhibit A

**South Orange County Wastewater Authority
Summary of Disbursements for April 2021
Staff Recommendation of Fiscal Matters**

	<u>Actual</u>
General Fund	\$ (43,602)
PC 2 - Jay B. Latham Plant	(1,372,443)
PC 5 - San Juan Creek Ocean Outfall	(339,598)
PC 8 - Pretreatment Program	(18,858)
PC 12 SO - Water Reclamation Permits	(10,937)
PC 15 - Coastal Treatment Plant/AWT	(1,666,030)
PC 17 - Joint Regional Wastewater Reclamation	(769,888)
PC 21 - Effluent Transmission Main	(16.48)
PC 24 - Aliso Creek Ocean Outfall	(24,927)
Total	<u><u>\$ (4,246,299)</u></u>

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
SCHEDULE OF FUNDS AVAILABLE FOR REINVESTMENT
as of April 30, 2021**

CASH IN BANK: (BEGINNING BAL.)	\$	1,766,011
L.A.I.F. FUNDS: (BEGINNING BAL.)		11,141,010
DEPOSITS, TRANSFERS & ADJUSTMENTS: ¹		3,551,582
FUND REQUIREMENTS:		
BILLS FOR CONSIDERATION ²		(4,246,299)
TOTAL CASH IN BANK	\$	12,212,304

¹ Outstanding Items from prior month cleared the bank

² GL postings.

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 05/13/21



PMIA Average Monthly Effective Yields⁽¹⁾

Apr	0.339
Mar	0.357
Feb	0.407

Quarterly Performance Quarter Ended 03/31/21

LAIF Apportionment Rate ⁽²⁾ :	0.44
LAIF Earnings Ratio ⁽²⁾ :	0.00001214175683392
LAIF Fair Value Factor ⁽¹⁾ :	1.001269853
PMIA Daily ⁽¹⁾ :	0.35%
PMIA Quarter to Date ⁽¹⁾ :	0.41%
PMIA Average Life ⁽¹⁾ :	220

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 04/30/21 \$140.8 billion

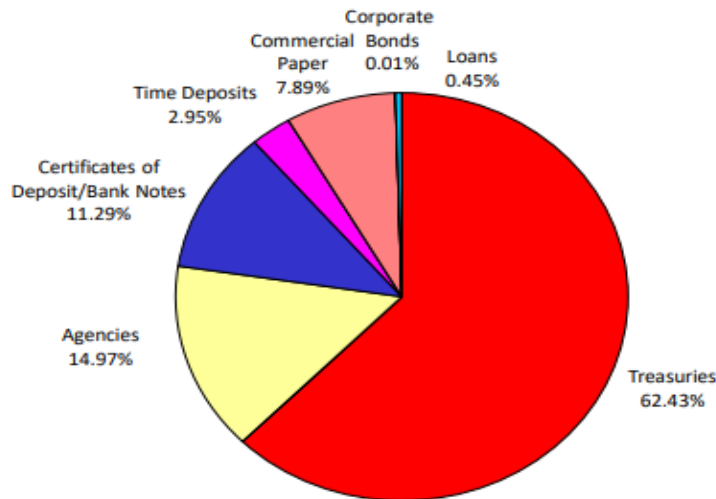


Chart does not include 0.01% of mortgages. Percentages may not total 100% due to rounding.

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:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller

Exhibit C

**South Orange County Wastewater Authority
Schedule of Cash and Investments
as of April 30, 2021**

MVA	\$ 1,421,501	(A)
A/P Checking	1,295,155	(B)
Payroll Checking	75,583	(C)
State LAIF	9,420,065	(D)
Total Cash in Bank	\$ 12,212,304	
Petty Cash	1,600	(E)
Total Operating Cash	\$ 12,213,904	
OPEB Trust	6,525,637	(F)
Total Cash and Investments	\$ 18,739,540	

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) California State Local Agency Investment Fund (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 April 30, 2021
(in dollars)**

FY 2020-21 Budget vs. Actual Spending								
Description	Capital Budget	¹ Fiscal Year Spending	(Over)/ Under Budget	% Expended	Member Agency Billed	Member Agency Collections	Open Receivables	% Expended vs. Billed
PC 2-JB Latham	\$ 11,001,875	\$ 6,015,668	\$ 4,986,207	54.7%	\$ 6,653,978	\$ 3,642,132	\$ 3,011,846	90.4%
PC 5-San Juan Creek Outfall	1,263,700	1,393,072	(129,372)	110.2%	1,263,700	1,166,353	97,347	110.2%
PC 15-Coastal	9,901,134	5,902,206	3,998,928	59.6%	3,750,000	2,863,433	886,567	157.4%
PC 17-Regional	2,673,023	2,383,066	289,957	89.2%	117,111	-	117,111	-
PC 21 Effluent Transmission	2,322,668	28,111	2,294,557	1.2%	100,000	100,000	-	28.1%
² PC 24 Aliso Creek Outfall	-	6,254	(6,254)	0.0%	-	-	-	-
Total Large Capital	\$ 27,162,400	\$ 15,728,376	\$ 11,434,024	57.9%	\$ 11,884,789	\$ 7,771,918	\$ 4,112,871	132.3%
Non-Capital Engineering	1,161,634	77,362	1,084,272	6.7%	94,210	94,210		82.1%
Non-Capital Misc Engineering	75,000	1,050	73,950	1.4%	56,250	56,250		1.9%
Small Internal Capital	2,099,000	953,810	1,145,190	45.4%	2,099,000	1,711,131	387,869	45.4%
Total Capital	\$ 30,498,034	\$ 16,760,598	\$ 13,737,436	55.0%	\$ 14,134,249	\$ 9,633,509	\$ 4,500,740	118.6%

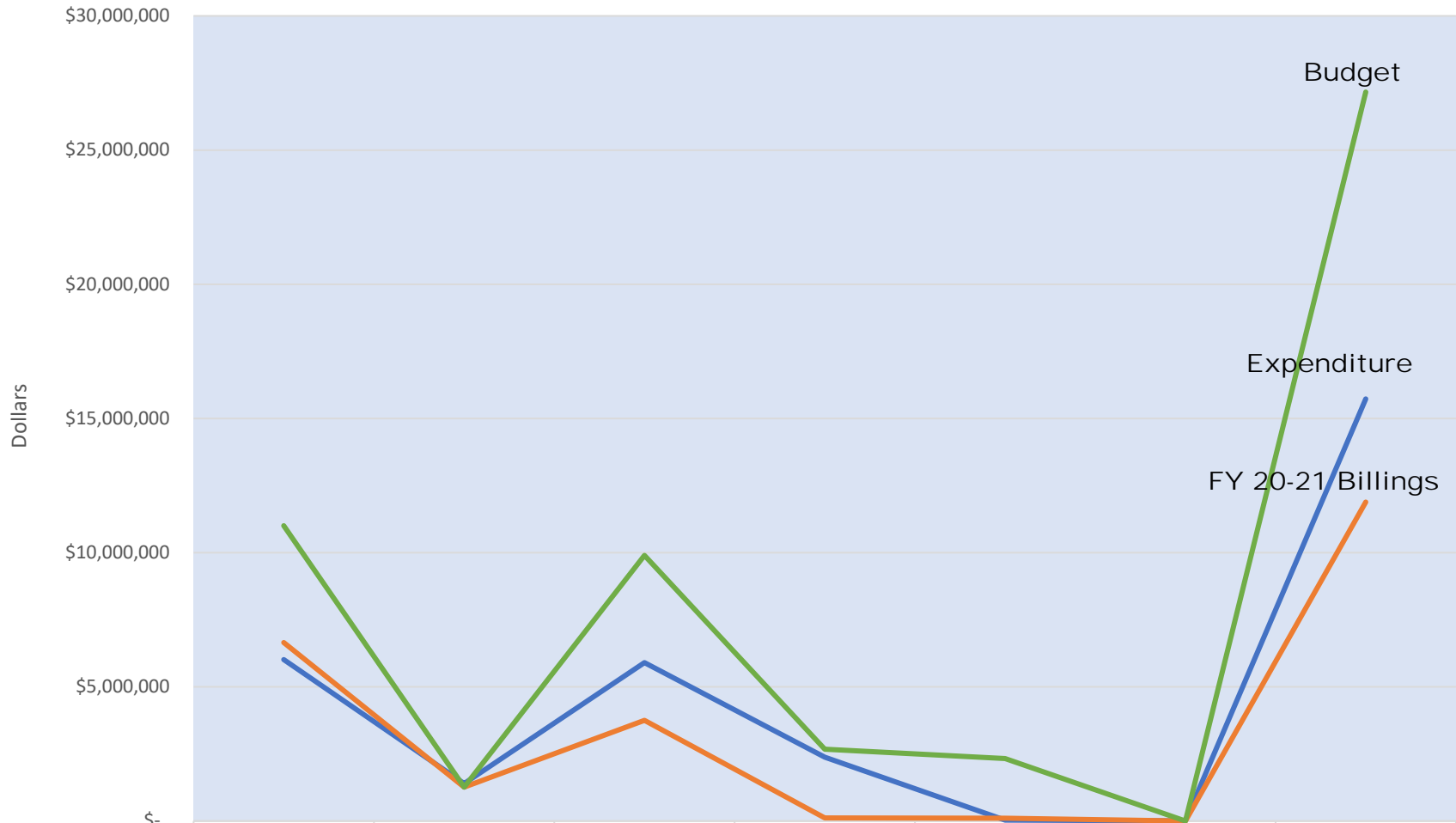
¹ Fiscal Year Spending does not include spending on carryover projects from FY 2019-20 Budget; Small Capital and Non-Capital work delayed because of COVID 19:

	Carryover	YTD Spending	Balance	% Expended
Non-Capital Engineering	\$369,508	\$125,156	\$244,352	33.9%
Non-Capital Misc Engineering	252,298	104,192	148,106	41.3%
Small Internal Capital	565,000	383,268	181,732	67.8%
	\$1,186,806	\$612,615	\$574,191	51.6%

² 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 4/30/2021

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 4/30/21	\$6,015,668	\$1,393,072	\$5,902,206	\$2,383,066	28,110.91	\$6,254	\$15,728,376
FY 20-21 Billings	\$6,653,978	\$1,263,700	\$3,750,000	\$117,111	\$100,000	\$0	\$11,884,789
Capital Budget 20-21	\$11,001,875	\$1,263,700	\$9,901,134	\$2,673,023	\$2,322,668	-	\$27,162,400

South Orange County Wastewater Authority
O & M & Environmental Safety Costs Summary
 For the Period Ended April 30, 2021
 (in dollars)

	FY 2020-21 Budget	Actual	(Over)/Under Budget	% Expended	
Salary and Fringe					
5000--***	Regular Salaries-O&M	4,510,604	3,649,342	80.9%	
5001--***	Overtime Salaries-O&M	128,700	97,566	75.8%	
5306--***	Scheduled Holiday Work	33,964	65,021	(31,057)	191.4%
5315--***	Comp Time - O&M	12,168	11,204	964	92.1%
5401--***	Fringe Benefits IN to PC's & Depts.	2,374,488	1,991,059	383,429	83.9%
5700--***	Standby Pay	67,608	56,680	10,928	83.8%
	Total Payroll Costs	7,127,532	5,870,873	1,256,659	82.4%
Other Expenses					
5002--***	Electricity	1,154,008	983,275	170,733	85.2%
5003--***	Natural Gas	234,532	199,313	35,219	85.0%
5004--***	Potable & Reclaimed Water	77,008	65,722	11,286	85.3%
5005--***	Co-generation Power Credit	(669,000)	(580,408)	(88,592)	86.8%
5006--***	Chlorine/Sodium Hypochlorite	479,900	386,157	93,743	80.5%
5007--***	Polymer Products	739,004	611,470	127,534	82.7%
5008--***	Ferric Chloride	452,000	547,568	(95,568)	121.1% (1)
5009--***	Odor Control Chemicals	114,996	69,583	45,413	60.5%
5010--***	Other Chemicals - Misc.	2,996	-	2,996	-
5011--***	Laboratory Services	40,580	21,281	19,299	52.4%
5012--***	Grit Hauling	124,996	93,278	31,718	74.6%
5013--***	Landscaping	206,004	198,969	7,035	96.6% (2)
5015--***	Management Support Services	370,504	234,428	136,076	63.3%
5016--***	Audit - Environmental	1,252	-	1,252	-
5017--***	Legal Fees	32,355	62,411	(30,056)	192.9% (3)
5018--***	Public Notices/ Public Relations	5,500	-	5,500	-
5019--***	Contract Services Misc.	256,012	229,081	26,931	89.5%
5021--***	Small Vehicle Expense	24,556	15,562	8,994	63.4%
5022--***	Miscellaneous Expense	18,020	3,796	14,224	21.1%
5023--***	Office Supplies - All	43,004	22,425	20,579	52.1%
5024--***	Petroleum Products	34,000	12,060	21,940	35.5%
5025--***	Uniforms	68,992	53,603	15,389	77.7%
5026--***	Small Vehicle Fuel	24,604	10,523	14,081	42.8%
5027--***	Insurance - Property/Liability	275,584	221,898	53,686	80.5%
5028--***	Small Tools & Supplies	77,500	62,904	14,596	81.2%
5030--***	Trash Disposal	6,992	5,355	1,637	76.6%
5031--***	Safety Program & Supplies	114,868	108,142	6,726	94.1%
5032--***	Equipment Rental	7,004	876	6,128	12.5%
5033--***	Recruitment	2,504	1,389	1,115	55.5%
5034--***	Travel Expense/Tech. Conferences	32,316	1,795	30,521	5.6%
5035--***	Training Expense	40,664	11,247	29,417	27.7%
5036--***	Laboratory Supplies	100,152	118,841	(18,689)	118.7%
5037--***	Office Equipment	65,000	25,256	39,744	38.9%
5038--***	Permits	480,520	502,013	(21,493)	104.5% (4)
5039--***	Membership Dues/Fees	23,772	7,839	15,933	33.0%
5044--***	Offshore Monitoring	44,004	24,030	19,974	54.6%
5046--***	Effluent Chemistry	40,004	61,777	(21,773)	154.4% (5)
5047--***	Access Road Expenses	44,004	38,887	5,117	88.4%
5048--***	Storm Damage	20,008	-	20,008	-
5049--***	Biosolids Disposal	1,429,996	1,208,009	221,987	84.5%
5050--***	Contract Services Generators - 29A	22,008	50	21,958	0.2%
5051--***	Contract Serv - Metering Station - 29B	-	2,767	(2,767)	-
5052--***	Janitorial Services	94,004	87,695	6,309	93.3% (6)
5053--***	Contract Serv - Digester Cleaning - 29E	125,000	24,009	100,991	19.2%
5054--***	Diesel Truck Maint	41,004	24,182	16,822	59.0%
5055--***	Diesel Truck Fuel - 37B	11,504	5,325	6,179	46.3%
5056--***	Maintenance Equip. & Facilities (Solids)	361,000	253,726	107,274	70.3%
5057--***	Maintenance Equip. & Facilities (Liquids)	669,000	469,490	199,510	70.2%
5058--***	Maintenance Equip. & Facilities (Common)	86,008	135,751	(49,743)	157.8% (7)
5059--***	Maintenance Equip. & Facilities (Co-Gen)	960,000	531,766	428,234	55.4%
5060--***	Maintenance Equip. & Facilities (AWT)	75,000	67,868	7,132	90.5%
5061--***	Mileage	3,548	1,537	2,011	43.3%
5067--***	Port Cleaning	70,000	-	70,000	-
5068--***	MNWD Potable Water Supplies & Svcs.	42,000	16,903	25,097	40.2%
5076--***	SCADA Infrastructure	91,508	51,861	39,647	56.7%
5077--***	IT Direct	10,000	-	10,000	-
5105--***	Co-Generation Power Credit - Offset	669,000	580,408	88,592	86.8%
5303--***	Group Insurance Waiver	14,392	11,797	2,595	82.0%
5305--***	Medicare Tax Payments for Employees	1,336	1,614	(278)	120.8%
5309--***	Operating Leases	31,008	23,333	7,675	75.2%
5705--***	Monthly Car Allowance	31,192	29,682	1,510	95.2%
5799--***	Zephyr Wall Costs Share - O&M	(14,000)	(10,959)	(3,041)	78.3%
5802--***	Shipping/Freight	100	-	100	-
6241--***	Education Reimbursement	-	606	(606)	-
6500--***	IT Allocations in to PC's & Depts.	556,996	451,522	105,474	81.1%
	Total Other Expenses	10,592,323	8,401,723	2,190,600	79.3%
	Total O&M Expenses	17,719,855	14,272,596	3,447,259	80.5%

South Orange County Wastewater Authority
O & M & Environmental Safety Costs Summary
For the Period Ended April 30, 2021
(in dollars)

* 05/06/2021 Board approved budget amendment (\$100,000)

- (1) Odor levels continue to rise in the collection system resulting in higher levels of Ferric Chloride usage to control hydrogen sulfide in the treatment plants and the digester gas.
- (2) Tree removals from emergency projects and Santa Ana Winds have been elevated this year.
- (3) Regulatory Environmental requirements and Construction agreements review.
- (4) Water Quality Fee increases.
- (5) Increased toxicity monitoring due to permit exceedances and Investigative Order requirements.
- (6) Janitorial services are elevated due to additional office disinfection and cleaning.
- (7) Emergency water line repairs completed at RTP.

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
For the Period Ended April 30, 2021
(in dollars)

	FY 2020-21 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
02 - Jay B. Latham Plant						
Salary and Fringe						
02-5000-**-***	Regular Salaries-O&M		1,518,048	1,295,846	222,202	85.4%
02-5001-**-***	Overtime Salaries-O&M		38,716	38,085	631	98.4% (1)
02-5306-**-***	Scheduled Holiday Work		13,364	24,677	(11,313)	184.7% (1)
02-5315-**-***	Comp Time - O&M		5,028	4,918	110	97.8% (1)
02-5401-**-***	Fringe Benefits IN to PC's & Depts.		799,132	707,006	92,126	88.5%
02-5700-**-***	Standby Pay		25,352	22,880	2,472	90.2%
	Total Payroll Costs		2,399,640	2,093,412	306,228	87.2%
Other Expenses						
02-5002-**-***	Electricity		547,004	381,659	165,345	69.8%
02-5003-**-***	Natural Gas		121,036	102,159	18,877	84.4%
02-5004-**-***	Potable & Reclaimed Water		24,004	20,123	3,881	83.8%
02-5006-**-***	Chlorine/Sodium Hypochlorite		7,900	6,592	1,308	83.4%
02-5007-**-***	Polymer Products		278,000	253,520	24,480	91.2%
02-5008-**-***	Ferric Chloride	50,000	190,000	213,539	(23,539)	112.4% (2)
02-5009-**-***	Odor Control Chemicals		21,000	14,711	6,289	70.1%
02-5010-**-***	Other Chemicals - Misc.		1,000	-	1,000	-
02-5011-**-***	Laboratory Services		12,500	5,532	6,968	44.3%
02-5012-**-***	Grit Hauling		54,000	39,791	14,209	73.7%
02-5013-**-***	Landscaping		75,008	47,640	27,368	63.5%
02-5015-**-***	Management Support Services		26,004	37,007	(11,003)	142.3% (3)
02-5017-**-***	Legal Fees		3,095	4,141	(1,046)	133.8%
02-5019-**-***	Contract Services Misc.		75,008	62,516	12,492	83.3%
02-5021-**-***	Small Vehicle Expense		11,000	6,362	4,638	57.8%
02-5022-**-***	Miscellaneous Expense		8,000	2,341	5,659	29.3%
02-5023-**-***	Office Supplies - All		28,000	9,759	18,241	34.9%
02-5024-**-***	Petroleum Products		11,000	2,724	8,276	24.8%
02-5025-**-***	Uniforms		32,992	26,077	6,915	79.0%
02-5026-**-***	Small Vehicle Fuel		12,004	3,069	8,935	25.6%
02-5027-**-***	Insurance - Property/Liability		89,920	75,115	14,805	83.5%
02-5028-**-***	Small Tools & Supplies		37,004	29,241	7,763	79.0%
02-5030-**-***	Trash Disposal		2,000	1,870	130	93.5%
02-5031-**-***	Safety Program & Supplies		39,004	41,698	(2,694)	106.9%
02-5032-**-***	Equipment Rental		3,000	876	2,124	29.2%
02-5033-**-***	Recruitment		1,000	944	56	94.4%
02-5034-**-***	Travel Expense/Tech. Conferences		9,496	115	9,381	1.2%
02-5035-**-***	Training Expense		12,808	2,957	9,851	23.1%
02-5036-**-***	Laboratory Supplies		16,472	11,142	5,330	67.6%
02-5037-**-***	Office Equipment		13,000	1,621	11,379	12.5%
02-5038-**-***	Permits		25,504	38,809	(13,305)	152.2% (4)
02-5039-**-***	Membership Dues/Fees		4,384	2,819	1,565	64.3%
02-5049-**-***	Biosolids Disposal		524,996	432,809	142,187	75.3%
02-5050-**-***	Contract Services Generators - 29A	50,000	10,004	50	9,954	0.0
02-5052-**-***	Janitorial Services		41,000	45,376	(4,376)	110.7% (5)
02-5053-**-***	Contract Serv - Digester Cleaning - 29E		60,000	24,009	35,991	40.0%
02-5054-**-***	Diesel Truck Maint		21,000	5,875	15,125	28.0%
02-5055-**-***	Diesel Truck Fuel - 37B		3,004	1,546	1,458	51.5%
02-5056-**-***	Maintenance Equip. & Facilities (Solids)		155,000	93,414	61,586	60.3%
02-5057-**-***	Maintenance Equip. & Facilities (Liquids)		254,000	156,477	97,523	61.6%
02-5058-**-***	Maintenance Equip. & Facilities (Common)		28,000	37,280	(9,280)	133.1%
02-5059-**-***	Maintenance Equip. & Facilities (Co-Gen)		369,000	211,423	157,577	57.3%
02-5061-**-***	Mileage		2,044	589	1,455	28.8%
02-5076-**-***	SCADA Infrastructure		30,504	17,287	13,217	56.7%
02-5077-**-***	IT Direct		4,996	-	4,996	-
02-5303-**-***	Group Insurance Waiver		3,592	3,018	574	84.0%
02-5309-**-***	Operating Leases		25,004	20,935	4,069	83.7%
02-5705-**-***	Monthly Car Allowance		18,600	19,117	(517)	102.8%
02-5799-**-***	Zephyr Wall Costs Share - O&M		(14,000)	(10,959)	(3,041)	78.3%
02-6500-**-***	IT Allocations in to PC's & Depts.		187,624	152,099	35,525	81.1%
	Total Other Expenses	100,000	3,566,515	2,656,960	909,555	74.5%
	Total Expenses		5,866,155	4,750,372	1,215,783	79.6%

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
For the Period Ended April 30, 2021
(in dollars)

	FY 2020-21 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
05 - San Juan Creek Ocean Outfall						
Salary and Fringe						
05-5000-**-**-**	Regular Salaries-O&M		94,880	107,399	(12,519)	113.2%
05-5001-**-**-**	Overtime Salaries-O&M		584	1,525	(941)	261.1% (1)
05-5306-**-**-**	Scheduled Holiday Work		100	468	(368)	-
05-5401-**-**-**	Fringe Benefits IN to PC's & Depts.		49,940	58,596	(8,656)	117.3%
	Total Payroll Costs	-	145,504	167,988	(22,484)	115.5%
Other Expenses						
05-5002-**-**-**	Electricity		1,004	-	1,004	-
05-5003-**-**-**	Natural Gas		500	-	500	-
05-5015-**-**-**	Management Support Services		80,000	39,308	40,692	49.1%
05-5017-**-**-**	Legal Fees		2,008	1,351	658	67.3%
05-5026-**-**-**	Small Vehicle Fuel		500	-	500	-
05-5027-**-**-**	Insurance - Property/Liability		8,192	6,476	1,716	79.1%
05-5031-**-**-**	Safety Supplies		1,004	-	1,004	-
05-5034-**-**-**	Travel Expense/Tech. Conferences		2,000	300	1,700	15.0%
05-5035-**-**-**	Training Expense		4,000	62	3,938	1.5%
05-5036-**-**-**	Laboratory Supplies		24,504	41,791	(17,287)	170.5% (15)
05-5038-**-**-**	Permits		198,996	210,586	(11,590)	105.8% (4)
05-5039-**-**-**	Membership Dues/Fees		5,564	-	5,564	-
05-5044-**-**-**	Offshore Monitoring		22,000	12,015	9,985	54.6%
05-5046-**-**-**	Effluent Chemistry		20,004	27,521	(7,517)	137.6% (6)
05-5056-**-**-**	Maintenance Equip. & Facilities (Solids) 41-A		-	552	(552)	-
05-5058-**-**-**	Maintenance Equip. & Facilities (Common)		1,004	-	1,004	-
05-5067-**-**-**	Port Cleaning		35,000	-	35,000	-
05-6500-**-**-**	IT Allocations in to PC's & Depts.		11,716	9,498	2,218	81.1%
	Total Other Expenses	-	417,996	349,459	68,537	83.6%
	Total Expenses	-	563,500	517,447	46,053	91.8%
08 - Pre Treatment						
Salary and Fringe						
08-5000-**-**-**	Regular Salaries-O&M		81,396	81,524	(128)	100.2%
08-5306-**-**-**	Scheduled Holiday Work		356	-	356	-
08-5315-**-**-**	Comp Time - Environment		2,476	-	2,476	-
08-5401-**-**-**	Fringe Benefits IN to PC's & Depts.		42,852	44,479	(1,627)	103.8%
	Total Payroll Costs	-	127,080	126,003	1,078	99.2%
Other Expenses						
08-5011-**-**-**	Laboratory Services		3,008	228	2,781	7.6%
08-5015-**-**-**	Management Support Services		4,000	-	4,000	-
08-5016-**-**-**	Audit - Environmental		1,252	-	1,252	-
08-5017-**-**-**	Legal Fees		2,532	3,244	(712)	128.1% (7)
08-5018-**-**-**	Public Notices/ Public Relations		5,500	-	5,500	-
08-5021-**-**-**	Small Vehicle Expense - 31A		1,052	36	1,016	0.03
08-5022-**-**-**	Miscellaneous Expense		2,020	-	2,020	-
08-5026-**-**-**	Small Vehicle Fuel - 37A		1,096	97	999	8.9%
08-5027-**-**-**	Insurance - Property/Liability		2,844	2,248	596	79.1%
08-5028-**-**-**	Small Tools & Supplies		3,496	1,180	2,316	33.7%
08-5034-**-**-**	Travel Expense/Tech. Conferences		2,220	300	1,920	13.5%
08-5035-**-**-**	Training Expense		796	509	287	64.0%
08-5038-**-**-**	Permits and Fines		6,000	-	6,000	-
08-5039-**-**-**	Membership Dues/Fees		800	743	57	92.9%
08-6500-**-**-**	IT Allocations in to PC's & Depts.		10,052	8,148	1,904	81.1%
	Total Other Expenses	-	46,668	16,733	29,935	35.9%
	Total Expenses	-	173,748	142,736	31,012	82.2%
12 - Water Reclamation Permits						
Salary and Fringe						
12-5000-**-**-**	Regular Salaries-O&M		50,404	35,462	14,942	70.4%
12-5401-**-**-**	Fringe Benefits IN to PC's & Depts.		26,528	19,348	7,180	72.9%
	Total Payroll Costs	-	76,932	54,810	22,122	71.2%
Other Expenses						
12-5015-**-**-**	Management Support Services		157,000	88,089	68,911	56.1%
12-5017-**-**-**	Legal Fees		2,008	9,499	(7,491)	473.1% (7)
12-5027-**-**-**	Insurance - Property/Liability		3,116	2,463	653	79.1%
12-5034-**-**-**	Travel Expense/Tech. Conferences		1,352	-	1,352	-
12-5038-**-**-**	Permits		21,512	20,362	1,150	94.7%
12-6500-**-**-**	IT Allocations in to PC's & Depts.		6,236	5,046	1,190	80.9%
	Total Other Expenses	-	191,224	125,459	65,765	65.6%
	Total Expenses	-	268,156	180,269	87,887	67.2%

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
For the Period Ended April 30, 2021
(in dollars)

	FY 2020-21 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
15 - Coastal Treatment Plant						
Salary and Fringe						
15-5000-**-**	Regular Salaries-O&M	939,512	939,512	719,646	219,866	76.6%
15-5001-**-**	Overtime Salaries-O&M	21,760	21,760	15,917	5,843	73.1% (1)
15-5306-**-**	Scheduled Holiday Work	5,096	5,096	12,270	(7,174)	240.8% (1)
15-5315-**-**	Comp Time - O&M	2,100	2,100	2,649	(549)	126.1% (1)
15-5401-**-**	Fringe Benefits IN to PC's & Depts.	494,584	494,584	392,635	101,949	79.4%
15-5700-**-**	Standby Pay	16,900	16,900	9,620	7,280	56.9%
	Total Payroll Costs	1,479,952	-	1,479,952	327,215	77.9%
Other Expenses						
15-5002-**-**	Electricity	256,000	256,000	215,433	40,567	84.2%
15-5003-**-**	Natural Gas	3,000	3,000	2,674	326	89.1%
15-5004-**-**	Potable & Reclaimed Water	25,004	25,004	18,858	6,146	75.4%
15-5006-**-**	Chlorine/Sodium Hypochlorite	92,000	92,000	66,011	25,989	71.8%
15-5007-**-**	Polymer Products	1,004	1,004	-	1,004	-
15-5008-**-**	Ferric Chloride	46,996	46,996	48,357	(1,361)	102.9% (2)
15-5009-**-**	Odor Control Chemicals	50,000	50,000	30,319	19,681	60.6%
15-5011-**-**	Laboratory Services	8,000	8,000	7,790	210	97.4% (8)
15-5012-**-**	Grit Hauling	20,996	20,996	20,659	337	98.4%
15-5013-**-**	Landscaping	56,000	56,000	26,015	29,985	46.5%
15-5015-**-**	Management Support Services	2,500	2,500	3,198	(698)	127.9% (3)
15-5017-**-**	Legal Fees	15,700	15,700	3,384	12,316	21.6%
15-5019-**-**	Contract Services Misc.	85,000	85,000	80,504	4,496	94.7%
15-5021-**-**	Small Vehicle Expense - 31A	5,504	5,504	3,168	2,336	57.6%
15-5022-**-**	Miscellaneous Expense	1,000	1,000	388	612	38.8%
15-5023-**-**	Office Supplies - All	4,004	4,004	4,146	(142)	103.5%
15-5024-**-**	Petroleum Products	3,000	3,000	3,264	(264)	108.8% (9)
15-5025-**-**	Uniforms	8,996	8,996	6,093	2,903	67.7%
15-5026-**-**	Small Vehicle Fuel - 37A	2,000	2,000	1,478	522	73.9%
15-5027-**-**	Insurance - Property/Liability	46,396	46,396	36,680	9,716	79.1%
15-5028-**-**	Small Tools & Supplies	8,000	8,000	7,185	815	89.8%
15-5030-**-**	Trash Disposal	2,996	2,996	1,576	1,420	52.6%
15-5031-**-**	Safety Program & Supplies	33,352	33,352	22,622	10,730	67.8%
15-5032-**-**	Equipment Rental	1,000	1,000	-	1,000	-
15-5033-**-**	Recruitment	500	500	150	350	29.9%
15-5034-**-**	Travel Expense/Tech. Conferences	5,748	5,748	148	5,600	2.6%
15-5035-**-**	Training Expense	8,356	8,356	4,298	4,058	51.4%
15-5036-**-**	Laboratory Supplies	11,004	11,004	11,698	(694)	106.3%
15-5037-**-**	Office Equipment	2,000	2,000	10	1,990	0.5%
15-5038-**-**	Permits	8,000	8,000	4,574	3,426	57.2%
15-5039-**-**	Membership Dues/Fees	2,600	2,600	1,424	1,176	54.8%
15-5047-**-**	Access Road Expenses	44,004	44,004	38,887	5,117	88.4%
15-5048-**-**	Storm Damage	20,008	20,008	-	20,008	-
15-5049-**-**	Biosolids Disposal	-	-	5,625	(5,625)	-
15-5050-**-**	Contract Services Generators - 29A	4,004	4,004	-	4,004	-
15-5052-**-**	Janitorial Services	12,004	12,004	10,547	1,457	87.9%
15-5054-**-**	Diesel Truck Maint - 31B	1,004	1,004	4,597	(3,593)	4.58
15-5055-**-**	Diesel Truck Fuel - 37B	496	496	-	496	-
15-5056-01-00-00	Maintenance Equip. & Facilities (Solids) 41-A	-	-	-	-	-
15-5057-**-**	Maintenance Equip. & Facilities (Liquids)	179,000	179,000	109,458	69,542	61.1%
15-5058-**-**	Maintenance Equip. & Facilities (Common)	22,000	22,000	6,390	15,610	29.0%
15-5060-**-**	Maintenance Equip. & Facilities (AWT) 41-E	37,000	37,000	15,620	21,380	42.2%
15-5061-**-**	Mileage	500	500	154	346	30.8%
15-5076-**-**	SCADA Infrastructure	30,500	30,500	17,287	13,213	56.7%
15-5303-**-**	Group Insurance Waiver	3,600	3,600	3,018	582	83.8%
15-5305-**-**	Medicare Tax Payments for Employees	1,336	1,336	1,614	(278)	120.8%
15-5705-**-**	Monthly Car Allowance	4,204	4,204	3,522	682	83.8%
15-6500-**-**	IT Allocations in to PC's & Depts.	116,012	116,012	94,047	21,965	81.1%
	Total Other Expenses	1,292,328	-	1,292,328	349,316	73.0%
	Total Expenses	2,772,280	-	2,772,280	676,531	75.6%

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
For the Period Ended April 30, 2021
(in dollars)

	FY 2020-21 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
17 - Joint Regional Wastewater Reclamation and Sludge Handling						
Salary and Fringe						
17-5000-**-***	Regular Salaries-O&M		1,721,896	1,306,330	415,566	75.9%
17-5001-**-***	Overtime Salaries-O&M		66,064	40,807	25,257	61.8% (1)
17-5306-**-***	Scheduled Holiday Work		14,880	27,313	(12,433)	183.6% (1)
17-5315-**-***	Comp Time - O&M		2,564	3,638	(1,074)	141.9% (1)
17-5401-**-***	Fringe Benefits IN to PC's & Depts.		906,456	712,726	193,730	78.6%
17-5700-**-***	Standby Pay		25,356	24,180	1,176	95.4%
	Total Payroll Costs		2,737,216	2,114,995	622,221	77.3%
Other Expenses						
17-5002-**-***	Electricity		350,000	386,183	(36,183)	110.3% (10)
17-5003-**-***	Natural Gas		109,996	94,480	15,516	85.9%
17-5004-**-***	Potable & Reclaimed Water		28,000	26,741	1,259	95.5%
17-5005-**-***	Co-generation Power Credit	(669,000)	(669,000)	(580,408)	(88,592)	86.8%
17-5006-**-***	Chlorine/Sodium Hypochlorite		380,000	313,553	66,447	82.5%
17-5007-**-***	Polymer Products		460,000	357,950	102,050	77.8%
17-5008-**-***	Ferric Chloride		265,004	285,672	(20,668)	107.8% (2)
17-5009-**-***	Odor Control Chemicals		43,996	24,554	19,442	55.8%
17-5010-**-***	Other Chemicals - Misc.		1,996	-	1,996	-
17-5011-**-***	Laboratory Services		17,072	7,732	9,340	45.3%
17-5012-**-***	Grit Hauling - 21A		50,000	32,828	17,172	65.7%
17-5013-**-***	Landscaping		74,996	125,315	(50,319)	167.1% (11)
17-5015-**-***	Management Support Services		21,000	31,389	(10,389)	149.5% (3)
17-5017-**-***	Legal Fees		5,004	13,281	(8,277)	265.4% (12)
17-5019-**-***	Contract Services Misc.		95,000	86,061	8,939	90.6%
17-5021-**-***	Small Vehicle Expense		7,000	5,996	1,004	85.7%
17-5022-**-***	Miscellaneous Expense		7,000	1,067	5,933	15.2%
17-5023-**-***	Office Supplies - All		11,000	8,519	2,481	77.4%
17-5024-**-***	Petroleum Products		20,000	6,072	13,928	30.4%
17-5025-**-***	Uniforms		27,004	21,433	5,571	79.4%
17-5026-**-***	Small Vehicle Fuel		9,004	5,880	3,124	65.3%
17-5027-**-***	Insurance - Property/Liability		115,592	91,385	24,207	79.1%
17-5028-**-***	Small Tools & Supplies		29,000	25,299	3,701	87.2%
17-5030-**-***	Trash Disposal		1,996	1,909	87	95.7%
17-5031-**-***	Safety Program & Supplies		40,504	43,822	(3,318)	108.2% (13)
17-5032-**-***	Equipment Rental		3,004	-	3,004	-
17-5033-**-***	Recruitment		1,004	295	709	29.3%
17-5034-**-***	Travel Expense/Tech. Conferences		9,496	632	8,864	6.7%
17-5035-**-***	Training Expense		12,700	3,359	9,341	26.4%
17-5036-**-***	Laboratory Supplies		23,672	13,609	10,063	57.5%
17-5037-**-***	Office Equipment		50,000	23,626	26,374	47.3%
17-5038-**-***	Permits		21,508	27,289	(5,781)	126.9%
17-5039-**-***	Membership Dues/Fees		4,860	2,852	2,008	58.7%
17-5049-**-***	Biosolids Disposal		905,000	769,575	135,425	85.0%
17-5050-**-***	Contract Services Generators - 29A		8,000	-	8,000	-
17-5051-**-***	Contract Serv - Metering Station - 29B		-	2,767	(2,767)	-
17-5052-**-***	Janitorial Services		41,000	31,771	9,229	77.5%
17-5053-**-***	Contract Serv - Digester Cleaning - 29E		65,000	-	65,000	-
17-5054-**-***	Diesel Truck Maint		19,000	13,710	5,290	72.2%
17-5055-**-***	Diesel Truck Fuel - 37B		8,004	3,779	4,225	47.2%
17-5056-**-***	Maintenance Equip. & Facilities (Solids)		206,000	159,760	46,240	77.6%
17-5057-**-***	Maintenance Equip. & Facilities (Liquids)		236,000	203,555	32,445	86.3%
17-5058-**-***	Maintenance Equip. & Facilities (Common)		34,000	92,081	(58,081)	270.8% (13)
17-5059-**-***	Maintenance Equip. & Facilities (Co-Gen)		591,000	320,344	270,656	54.2%
17-5060-**-***	Maintenance Equip. & Facilities (AWT)		38,000	52,248	(14,248)	137.5% (14)
17-5061-**-***	Mileage		1,004	795	209	79.1%
17-5068-**-***	MNWD Potable Water Supplies & Svcs.		42,000	16,903	25,097	40.2%
17-5076-**-***	SCADA Infrastructure		30,504	17,288	13,217	56.7%
17-5077-**-***	IT Direct		5,004	-	5,004	-
17-5105-**-***	Co-Generation Power Credit - Offset		669,000	580,408	88,592	86.8%
17-5303-**-***	Group Insurance Waiver		7,200	5,760	1,440	80.0%
17-5309-**-***	Operating Leases		6,004	2,398	3,606	0.40
17-5705-**-***	Monthly Car Allowance		8,388	7,043	1,345	84.0%
17-6241-**-***	Education Reimbursement		-	606	(606)	-
17-6500-**-***	IT Allocations in to PC's & Depts.		212,628	172,365	40,263	81.1%
	Total Other Expenses		4,760,144	3,941,675	818,469	82.8%
	Total Expenses		7,497,360	6,056,670	1,440,690	80.8%

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
 For the Period Ended April 30, 2021
 (in dollars)

		FY 2020-21 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
21 - Effluent Transmission Main							
Salary and Fringe							
21-5000-**-**-**	Regular Salaries-O&M	1,384		1,384	792	592	57.2%
21-5401-**-**-**	Fringe Benefits IN to PC's & Depts.	732		732	432	300	59.0%
	Total Payroll Costs	2,116	-	2,116	1,224	892	57.9%
Other Expenses							
21-5019-**-**-**	Contract Services Misc. - 29	1,004		1,004	-	1,004	-
21-5027-**-**-**	Insurance - Property/Liability	968		968	765	203	79.1%
	Total Other Expenses	1,972	-	1,972	765	1,207	38.8%
	Total Expenses	4,088	-	4,088	1,990	2,098	48.7%
23 - North Coast Interceptor							
Other Expenses							
23-5017-**-**-**	Legal Fees	-		-	27,512	(27,512)	-
	Total Other Expenses	-	-	-	27,512	(27,512)	-
24 - Aliso Creek Ocean Outfall							
Salary and Fringe							
24-5000-**-**-**	Regular Salaries-O&M	103,084		103,084	102,343	741	99.3%
24-5001-**-**-**	Overtime Salaries-O&M	1,576		1,576	1,232	344	78.2%
24-5306-**-**-**	Scheduled Holiday Work	168		168	292	(124)	174.1% (1)
24-5401-**-**-**	Fringe Benefits IN to PC's & Depts.	54,264		54,264	55,837	(1,573)	102.9%
	Total Payroll Costs	159,092	-	159,092	159,705	(613)	100.4%
Other Expenses							
24-5015-**-**-**	Management Support Services	80,000		80,000	35,437	44,563	44.3%
24-5017-**-**-**	Legal Fees	2,008		2,008	-	2,008	-
24-5027-**-**-**	Insurance - Property/Liability	8,556		8,556	6,764	1,792	79.1%
24-5031-**-**-**	Safety Supplies	1,004		1,004	-	1,004	-
24-5034-**-**-**	Travel Expense/Tech. Conferences	2,004		2,004	300	1,704	15.0%
24-5035-**-**-**	Training Expense	2,004		2,004	62	1,942	3.1%
24-5036-**-**-**	Laboratory Supplies	24,500		24,500	40,600	(16,100)	165.7% (15)
24-5038-**-**-**	Permits	199,000		199,000	200,393	(1,393)	100.7% (4)
24-5039-**-**-**	Membership Dues/Fees	5,564		5,564	-	5,564	-
24-5044-**-**-**	Offshore Monitoring	22,004		22,004	12,015	9,989	54.6%
24-5046-**-**-**	Effluent Chemistry	20,000		20,000	34,256	(14,256)	171.3% (6)
24-5058-**-**-**	Maintenance Equip. & Facilities (Common) 41-C	1,004		1,004	-	1,004	-
24-5067-**-**-**	Port Cleaning	35,000		35,000	-	35,000	-
24-5802-**-**-**	Shipping/Freight	100		100	-	100	-
24-6500-**-**-**	IT Allocations in to PC's & Depts.	12,728		12,728	10,319	2,409	81.1%
	Total Other Expenses	415,476	-	415,476	340,147	75,329	81.9%
	Total Expenses	574,568	-	574,568	499,851	74,717	87.0%
	Total O&M Expenses	17,719,855	100,000	17,819,855	14,272,596	3,547,259	80.1%

* 05/06/2021 Board approved budget amendment (\$100,000)

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

For the Period Ended April 30, 2021

- (1) O&M overtime is elevated due to staff coverage needed for COVID19 impacts and after hours construction activities.
- (2) Odor levels continue to rise in the collection system resulting in higher levels of Ferric Chloride usage to control hydrogen sulfide in the treatment plants and the digester gas.
- (3) Foul air system assessment was conducted to ensure that foul air control properly functions after recent system modifications.
- (4) Water Quality Fee increases.
- (5) Janitorial services are elevated due to additional office disinfection and cleaning.
- (6) Increased toxicity monitoring due to permit exceedances and Investigative Order requirements.
- (7) Costs related to required pretreatment ordinance update (PC 08) & preparation of a report of water discharge for recycled water order (PC 12)
- (8) Annual priority pollutants testing as required by NPDES permit.
- (9) Additional fuel purchases have been required at CTP due to several extended power outages and construction-related shutdowns.
- (10) Engine repairs and equipment overhauls have required engine shutdowns and electricity purchases.
- (11) Tree removals from emergency projects in response to Santa Ana Winds.
- (12) Construction related expenses.
- (13) Emergency water line repairs completed at RTP.
- (14) Purchasing related to valves and actuators replacement for AWT.
- (15) Additional supplies for new regulations and preparation for new permit requirements.

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

For the Period Ended April 30, 2021
(in dollars)

		FY 2020-21 Budget	Actual	(Over)/Under Budget	% Expended
Salary and Fringe					
01-5000-03-00-00	Regular Salaries-O&M	196,836	125,324	71,512	63.7%
01-5401-03-00-00	Fringe Benefits IN to PC's & Depts.	103,621	68,376	35,245	66.0%
	Total Payroll Costs	300,457	193,700	106,757	64.5%
Other Expenses					
01-5022-03-00-00	Miscellaneous Expense	3,184	2,400	784	75.4%
01-5023-03-00-00	Office Supplies - All	208	31	177	14.9%
01-5031-03-00-00	Safety Supplies	306	-	306	-
01-5034-03-00-00	Travel Expense/Tech. Conferences	6,439	-	6,439	-
01-5035-03-00-00	Training Expense	2,244	275	1,969	12.3%
01-5037-03-00-00	Office Equipment	408	-	408	-
01-5039-03-00-00	Membership Dues/Fees	1,377	664	713	48.2%
01-5061-03-00-00	Mileage	510	47	463	9.1%
01-5309-03-00-00	Operating Leases	6,829	5,408	1,421	79.2%
01-5705-03-00-00	Monthly Car Allowance	4,200	3,522	678	83.8%
01-5802-03-00-00	Shipping/Freight	312	-	312	-
01-6500-03-00-00	IT Allocations in to PC's & Depts.	50,794	41,177	9,617	81.1%
	Total Other Expenses	76,810	53,523	23,288	69.7%
	Total Engineering Expenses	377,267	247,222	130,046	65.5%

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

For the Period Ended April 30, 2021

(in dollars)

		FY 2020-21 Budget	Actual	(Over)/Under Budget	% Expended
Salary and Fringe					
01-6000-04-00-00	Regular Salaries-Admin or IT	944,542	755,036	189,506	79.9%
01-6001-04-00-00	Overtime Salaries-Admin or IT	20,000	29,240	(9,240)	146.2% (1)
01-6315-04-00-00	Comp Time - Admin	15,000	7,455	7,545	49.7%
01-6401-04-00-00	Fringe Benefits IN to ADMIN or IT	497,236	411,943	85,293	82.8%
	Total Payroll Costs	1,476,778	1,203,673	273,105	81.5%
Other Expenses					
01-6018-04-00-00	Public Notices/ Public Relations	-	2,180	(2,180)	- (2)
01-6101-04-00-00	HR Recruitment & Employee Relations	26,500	19,620	6,880	74.0%
01-6102-04-00-00	Subscriptions	2,040	1,818	222	89.1%
01-6200-04-00-00	Management Support Services	102,000	43,493	58,507	42.6%
01-6201-04-00-00	Audit	44,900	37,250	7,650	83.0%
01-6202-04-00-00	Legal	200,000	278,116	(78,116)	139.1% (3)
01-6204-04-00-00	Postage	4,000	837	3,163	20.9%
01-6223-04-00-00	Office Supplies - Admin	6,120	3,474	2,646	56.8%
01-6224-04-00-00	Office Equipment Admin or IT	1,000	1,854	(854)	185.4%
01-6234-04-00-00	Memberships & Trainings	88,950	72,358	16,592	81.3%
01-6239-04-00-00	Travel & Conference	10,965	2,063	8,902	18.8%
01-6240-04-00-00	Scholarship Sponsorship		1,000	(1,000)	-
01-6241-04-00-00	Education Reimbursement	3,000	1,500	1,500	50.0%
01-6310-04-00-00	Miscellaneous	23,460	14,844	8,616	63.3%
01-6311-04-00-00	Mileage	1,211	26	1,185	2.1%
01-6317-04-00-00	Contract Services Misc	5,610	4,564	1,046	81.4%
01-6500-04-00-00	IT Allocations in to PC's & Depts.	116,635	94,551	22,084	81.1%
01-6601-04-00-00	Shipping/Freight	3,740	3,046	694	81.4%
01-6705-04-00-00	Monthly Car Allowance	12,000	10,062	1,938	83.8%
	Total Other Expenses	652,131	594,679	59,476	91.2%
Total Admin Expenses		2,128,909	1,798,352	332,581	84.5%

(1) Overtime salary and comp should be considered together, 104.8% expended

(2) Publication fee for ordinance

(3) JPA Revision projected over budget for Legal line item

South Orange County Wastewater Authority
Budget vs. Actual Comparison-IT
 For the Period Ended April 30, 2021
 (in dollars)

		FY 2020-21 Budget	Actual	(Over)/Under Budget	% Expended
Salary & Fringe					
01-6000-05-00-00	Regular Salaries-Admin or IT	93,909	83,583	10,326	89.0%
01-6001-05-00-00	Overtime Salaries-Admin or IT	-	-	-	-
01-6315-05-00-00	Comp Time - IT	5,000	-	5,000	-
01-6401-05-00-00	Fringe Benefits IN to ADMIN or IT	49,437	45,602	3,835	92.2%
	Total Salary & Fringe	148,346	129,185	19,161	87.1%
Other Expenses					
01-6028-05-00-00	Small Tools & Supplies	1,000	-	1,000	-
01-6035-05-00-00	Training Expense	2,000	1,725	275	86.3%
01-6037-05-00-00	Office Equipment	600	-	600	-
01-6234-05-00-00	Memberships & Trainings	1,375	-	1,375	-
01-6239-05-00-00	Travel & Conference	1,750	-	1,750	-
01-6300-05-00-00	Software Maintenance Agreements	38,779	29,857	8,922	77.0%
01-6301-05-00-00	Hardware Maintenance Agreements	7,126	2,291	4,835	32.1%
01-6302-05-00-00	Cloud Subscriptions (Internet)	148,369	113,024	35,345	76.2%
01-6303-05-00-00	Telecommunications	150,534	117,355	33,179	78.0%
01-6305-05-00-00	IT Professional Services	108,060	109,264	(1,204)	101.1%
01-6306-05-00-00	Small Hardware Purchases (< \$5k)	29,200	12,817	16,383	43.9%
01-6307-05-00-00	Small Software Purchases & Licenses (<\$5k)	26,908	23,043	3,865	85.6%
01-6308-05-00-00	IT Memberships	160	-	160	-
01-6309-05-00-00	Operating Leases	55,200	46,464	8,736	84.2%
01-6310-05-00-00	Miscellaneous	5,000	-	5,000	-
01-6312-05-00-00	Computer & Photocopy Supplies	-	2,224	(2,224)	-
	Total Other Expenses	576,061	458,064	117,997	79.5%
	Total Expenses before Allocation	724,407	587,250	137,157	81.1%
IT Allocations (Out) to PC's & Depts					
01-6400-05-00-00	IT Allocations (OUT) to PC's & Depts.	(724,407)	(587,250)	(137,157)	81.1%
	Total IT Allocations (Out) to PC's & Depts	(724,407)	(587,250)	(137,157)	81.1%

Agenda Item

5

Finance Committee Meeting

Meeting Date: June 15, 2021

TO: Finance Committee
FROM: Betty Burnett, General Manager
STAFF CONTACT: Mary Carey, Finance Controller
SUBJECT: Financial Reports for the Month of May 2021

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 May 2021 (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

May 2021 cash disbursements were: \$3,146,986.

- 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 May 2021 disbursements for the period from May 1, 2021, through May 31, 2021, totaling \$3,146,986, and to receive and file the May 2021 Financial Reports as submitted.

Exhibit A

**South Orange County Wastewater Authority
Summary of Disbursements for May 2021
Staff Recommendation of Fiscal Matters**

	<u>Actual</u>
General Fund	\$ (175,537)
PC 2 - Jay B. Latham Plant	(1,469,159)
PC 5 - San Juan Creek Ocean Outfall	(231,286)
PC 8 - Pretreatment Program	(13,387)
PC 12 SO - Water Reclamation Permits	(57,412)
PC 15 - Coastal Treatment Plant/AWT	(508,499)
PC 17 - Joint Regional Wastewater Reclamation	(665,166)
PC 21 - Effluent Transmission Main	(1,280.95)
PC 24 - Aliso Creek Ocean Outfall	(25,259)
Total	<u><u>\$ (3,146,986)</u></u>

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
SCHEDULE OF FUNDS AVAILABLE FOR REINVESTMENT
as of May 31, 2021**

CASH IN BANK: (BEGINNING BAL.)	\$	2,792,239
L.A.I.F. FUNDS: (BEGINNING BAL.)		9,420,065
DEPOSITS, TRANSFERS & ADJUSTMENTS: ¹		8,770,585
FUND REQUIREMENTS:		
BILLS FOR CONSIDERATION ²		(3,146,986)
TOTAL CASH IN BANK	\$	17,835,902

¹ Outstanding Items from prior month cleared the bank

² GL postings.

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 05/13/21



PMIA Average Monthly Effective Yields⁽¹⁾

Apr	0.339
Mar	0.357
Feb	0.407

Quarterly Performance Quarter Ended 03/31/21

LAIF Apportionment Rate ⁽²⁾ :	0.44
LAIF Earnings Ratio ⁽²⁾ :	0.00001214175683392
LAIF Fair Value Factor ⁽¹⁾ :	1.001269853
PMIA Daily ⁽¹⁾ :	0.35%
PMIA Quarter to Date ⁽¹⁾ :	0.41%
PMIA Average Life ⁽¹⁾ :	220

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 04/30/21 \$140.8 billion

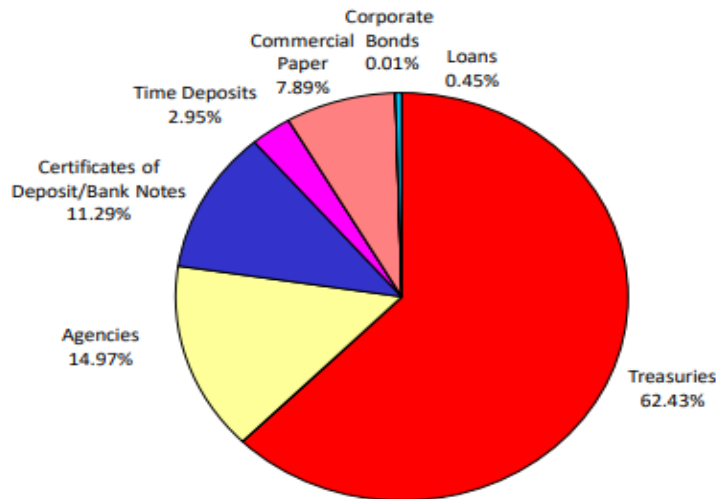


Chart does not include 0.01% of mortgages. Percentages may not total 100% due to rounding.

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:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller

Exhibit C

**South Orange County Wastewater Authority
Schedule of Cash and Investments
as of May 31, 2021**

MVA	\$ 12,478	(A)
A/P Checking	1,549,143	(B)
Payroll Checking	72,216	(C)
State LAIF	16,202,065	(D)
Total Cash in Bank	\$ 17,835,902	
Petty Cash	1,600	(E)
Total Operating Cash	\$ 17,837,502	
OPEB Trust	6,525,637	(F)
Total Cash and Investments	\$ 24,363,139	

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) California State Local Agency Investment Fund (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 May 31, 2021
(in dollars)**

FY 2020-21 Budget vs. Actual Spending								
Description	Capital Budget	¹ Fiscal Year Spending	(Over)/ Under Budget	% Expended	Member Agency Billed	Member Agency Collections	Open Receivables	% Expended vs. Billed
PC 2-JB Latham	\$ 11,001,875	\$ 6,395,144	\$ 4,606,731	58.1%	\$ 6,653,978	\$ 6,653,978	\$ -	96.1%
PC 5-San Juan Creek Outfall	1,263,700	1,399,691	(135,991)	110.8%	1,263,700	1,263,700		110.8%
PC 15-Coastal	9,901,134	5,919,774	3,981,360	59.8%	3,750,000	3,750,000		157.9%
PC 17-Regional	2,673,023	2,497,021	176,002	93.4%	117,111	117,111		-
PC 21 Effluent Transmission	2,322,668	28,111	2,294,557	1.2%	100,000	100,000		28.1%
² PC 24 Aliso Creek Outfall	-	6,254	(6,254)	0.0%	-	-		-
Total Large Capital	\$ 27,162,400	\$ 16,245,995	\$ 10,916,405	59.8%	\$ 11,884,789	\$ 11,884,789	\$ -	136.7%
Non-Capital Engineering	1,161,634	77,362	1,084,272	6.7%	94,210	94,210		82.1%
Non-Capital Misc Engineering	75,000	1,050	73,950	1.4%	56,250	56,250		1.9%
Small Internal Capital	2,099,000	1,110,042	988,958	52.9%	2,099,000	2,099,000		52.9%
Total Capital	\$ 30,498,034	\$ 17,434,449	\$ 13,063,585	57.2%	\$ 14,134,249	\$ 14,134,249	\$ -	123.3%

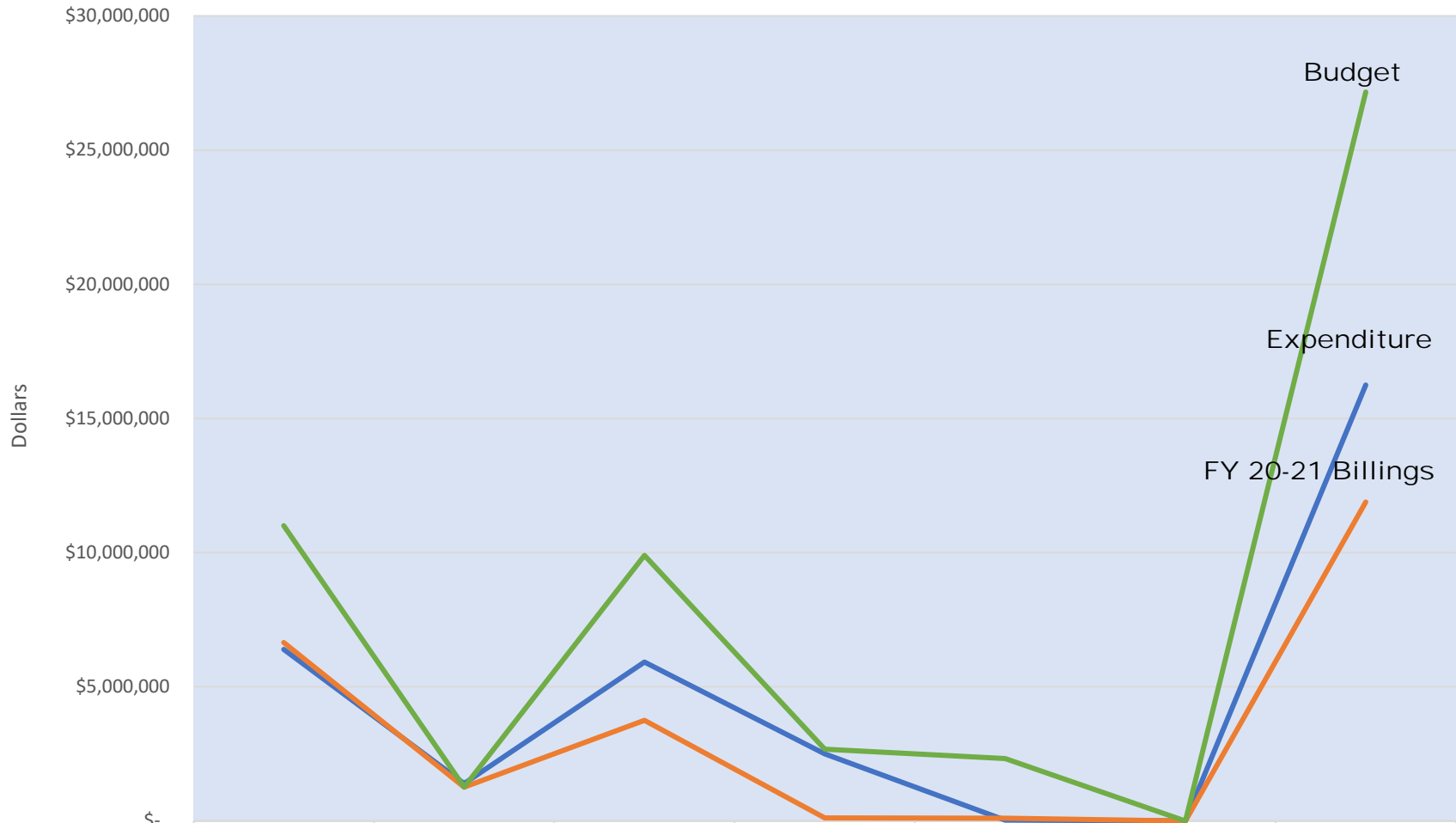
¹ Fiscal Year Spending does not include spending on carryover projects from FY 2019-20 Budget; Small Capital and Non-Capital work delayed because of COVID 19:

	Carryover	YTD Spending	Balance	% Expended
Non-Capital Engineering	\$369,508	\$125,156	\$244,352	33.9%
Non-Capital Misc Engineering	252,298	104,192	148,106	41.3%
Small Internal Capital	565,000	386,211	178,789	68.4%
	\$1,186,806	\$615,558	\$571,248	51.9%

² 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 5/31/2021

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 5/31/21	\$6,395,144	\$1,399,691	\$5,919,774	\$2,497,021	28,110.91	\$6,254	\$16,245,995
FY 20-21 Billings	\$6,653,978	\$1,263,700	\$3,750,000	\$117,111	\$100,000	\$0	\$11,884,789
Capital Budget 20-21	\$11,001,875	\$1,263,700	\$9,901,134	\$2,673,023	\$2,322,668	-	\$27,162,400

**South Orange County Wastewater Authority
O & M & Environmental Safety Costs Summary**
For the Period Ended May 31, 2021
(in dollars)

	FY 2020-21 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
Salary and Fringe						
5000-**	Regular Salaries-O&M		4,510,604	4,013,856	496,748	89.0%
5001-**	Overtime Salaries-O&M		128,700	102,723	25,977	79.8%
5306-**	Scheduled Holiday Work		33,964	65,021	(31,057)	191.4%
5315-**	Comp Time - O&M		12,168	13,200	(1,032)	108.5%
5401-**	Fringe Benefits IN to PC's & Depts.		2,374,488	2,189,936	184,552	92.2%
5700-**	Standby Pay		67,608	62,140	5,468	91.9%
	Total Payroll Costs		7,127,532	6,446,876	680,656	90.5%
Other Expenses						
5002-**	Electricity		1,154,008	1,056,275	97,733	91.5%
5003-**	Natural Gas		234,532	232,684	1,848	99.2%
5004-**	Potable & Reclaimed Water		77,008	71,548	5,460	92.9%
5005-**	Co-generation Power Credit		(669,000)	(669,000)	(23,592)	96.5%
5006-**	Chlorine/Sodium Hypochlorite		479,900	409,143	70,757	85.3%
5007-**	Polymer Products		739,004	642,839	96,165	87.0%
5008-**	Ferric Chloride	50,000	502,000	578,410	(76,410)	115.2% (1)
5009-**	Odor Control Chemicals		114,996	78,153	36,843	68.0%
5010-**	Other Chemicals - Misc.		2,996	-	2,996	-
5011-**	Laboratory Services		40,580	22,576	18,004	55.6%
5012-**	Grit Hauling		124,996	105,794	19,202	84.6%
5013-**	Landscaping		206,004	201,504	4,500	97.8% (2)
5015-**	Management Support Services		370,504	285,195	85,309	77.0%
5016-**	Audit - Environmental		1,252	-	1,252	-
5017-**	Legal Fees		32,355	64,457	(32,102)	199.2% (3)
5018-**	Public Notices/ Public Relations		5,500	-	5,500	-
5019-**	Contract Services Misc.		256,012	247,086	8,926	96.5%
5021-**	Small Vehicle Expense		24,556	15,800	8,756	64.3%
5022-**	Miscellaneous Expense		18,020	4,297	13,723	23.8%
5023-**	Office Supplies - All		43,004	23,055	19,949	53.6%
5024-**	Petroleum Products		34,000	12,060	21,940	35.5%
5025-**	Uniforms		68,992	55,895	13,097	81.0%
5026-**	Small Vehicle Fuel		24,604	11,602	13,002	47.2%
5027-**	Insurance - Property/Liability		275,584	249,517	26,067	90.5%
5028-**	Small Tools & Supplies		77,500	65,763	11,737	84.9%
5030-**	Trash Disposal		6,992	5,864	1,128	83.9%
5031-**	Safety Program & Supplies		114,868	113,454	1,414	98.8%
5032-**	Equipment Rental		7,004	876	6,128	12.5%
5033-**	Recruitment		2,504	1,581	923	63.1%
5034-**	Travel Expense/Tech. Conferences		32,316	12,097	20,219	37.4%
5035-**	Training Expense		40,664	12,621	28,043	31.0%
5036-**	Laboratory Supplies		100,152	124,941	(24,789)	124.8%
5037-**	Office Equipment		65,000	25,256	39,744	38.9%
5038-**	Permits		480,520	505,754	(25,234)	105.3% (4)
5039-**	Membership Dues/Fees		23,772	9,080	14,692	38.2%
5044-**	Offshore Monitoring		44,004	32,030	11,974	72.8%
5046-**	Effluent Chemistry		40,004	61,864	(21,860)	154.6% (5)
5047-**	Access Road Expenses		44,004	38,887	5,117	88.4%
5048-**	Storm Damage		20,008	-	20,008	-
5049-**	Biosolids Disposal	50,000	1,429,996	1,321,840	158,156	89.3%
5050-**	Contract Services Generators - 29A		22,008	50	21,958	0.2%
5051-**	Contract Serv - Metering Station - 29B		-	2,767	(2,767)	-
5052-**	Janitorial Services		94,004	96,102	(2,098)	102.2% (6)
5053-**	Contract Serv - Digester Cleaning - 29E		125,000	29,069	95,931	23.3%
5054-**	Diesel Truck Maint		41,004	24,802	16,202	60.5%
5055-**	Diesel Truck Fuel - 37B		11,504	6,296	5,208	54.7%
5056-**	Maintenance Equip. & Facilities (Solids)		361,000	296,563	64,437	82.2%
5057-**	Maintenance Equip. & Facilities (Liquids)		669,000	506,313	162,687	75.7%
5058-**	Maintenance Equip. & Facilities (Common)		86,008	137,401	(51,393)	159.8% (7)
5059-**	Maintenance Equip. & Facilities (Co-Gen)		960,000	582,276	377,724	60.7%
5060-**	Maintenance Equip. & Facilities (AWT)		75,000	68,848	6,152	91.8%
5061-**	Mileage		3,548	1,736	1,812	48.9%
5067-**	Port Cleaning		70,000	-	70,000	-
5068-**	MNWD Potable Water Supplies & Svcs.		42,000	17,794	24,206	42.4%
5076-**	SCADA Infrastructure		91,508	65,829	25,679	71.9%
5077-**	IT Direct		10,000	-	10,000	-
5105-**	Co-Generation Power Credit - Offset		669,000	645,408	23,592	96.5%
5303-**	Group Insurance Waiver		14,392	12,960	1,432	90.0%
5305-**	Medicare Tax Payments for Employees		1,336	1,747	(411)	130.7%
5309-**	Operating Leases		31,008	26,212	4,796	84.5%
5705-**	Monthly Car Allowance		31,192	32,541	(1,349)	104.3%
5799-**	Zephyr Wall Costs Share - O&M		(14,000)	(14,459)	(2,541)	81.9%
5802-**	Shipping/Freight		100	-	100	-
6241-**	Education Reimbursement		-	606	(606)	-
6500-**	IT Allocations in to PC's & Depts.		556,996	506,796	50,200	91.0%
	Total Other Expenses		10,592,323	9,106,039	1,586,284	85.2%
	Total O&M Expenses		17,719,855	15,552,915	2,266,940	87.3%

* 05/06/2021 Board approved budget amendment (\$100,000)

South Orange County Wastewater Authority
O & M & Environmental Safety Costs Summary
For the Period Ended May 31, 2021
(in dollars)

- (1) Odor levels continue to rise in the collection system resulting in higher levels of Ferric Chloride usage to control hydrogen sulfide in the treatment plants and the digester gas.
- (2) Tree removals from emergency projects and Santa Ana Winds have been elevated this year.
- (3) Regulatory Environmental requirements and Construction agreements review.
- (4) Water Quality Fee increases.
- (5) Increased toxicity monitoring due to permit exceedances and Investigative Order requirements.
- (6) Janitorial services are elevated due to additional office disinfection and cleaning.
- (7) Emergency water line repairs completed at RTP.

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
For the Period Ended May 31, 2021
(in dollars)

	FY 2020-21 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
02 - Jay B. Latham Plant						
Salary and Fringe						
02-5000-**-***	Regular Salaries-O&M		1,518,048	1,423,433	94,615	93.8%
02-5001-**-***	Overtime Salaries-O&M		38,716	40,782	(2,066)	105.3% (1)
02-5306-**-***	Scheduled Holiday Work		13,364	24,677	(11,313)	184.7% (1)
02-5315-**-***	Comp Time - O&M		5,028	5,007	21	99.6% (1)
02-5401-**-***	Fringe Benefits IN to PC's & Depts.		799,132	776,617	22,515	97.2%
02-5700-**-***	Standby Pay		25,352	24,603	750	97.0%
	Total Payroll Costs		2,399,640	2,295,119	104,521	95.6%
Other Expenses						
02-5002-**-***	Electricity		547,004	416,841	130,163	76.2%
02-5003-**-***	Natural Gas		121,036	110,707	10,329	91.5%
02-5004-**-***	Potable & Reclaimed Water		24,004	22,268	1,736	92.8%
02-5006-**-***	Chlorine/Sodium Hypochlorite		7,900	6,592	1,308	83.4%
02-5007-**-***	Polymer Products		278,000	239,889	38,111	86.3%
02-5008-**-***	Ferric Chloride	50,000	140,000	190,000	(38,448)	120.2% (2)
02-5009-**-***	Odor Control Chemicals		21,000	16,546	4,454	78.8%
02-5010-**-***	Other Chemicals - Misc.		1,000	-	1,000	-
02-5011-**-***	Laboratory Services		12,500	5,743	6,757	45.9%
02-5012-**-***	Grit Hauling		54,000	45,977	8,023	85.1%
02-5013-**-***	Landscaping		75,008	47,640	27,368	63.5%
02-5015-**-***	Management Support Services		26,004	38,557	(12,553)	148.3% (3)
02-5017-**-***	Legal Fees		3,095	4,141	(1,046)	133.8%
02-5019-**-***	Contract Services Misc.		75,008	75,393	(385)	100.5%
02-5021-**-***	Small Vehicle Expense		11,000	6,524	4,476	59.3%
02-5022-**-***	Miscellaneous Expense		8,000	2,433	5,567	30.4%
02-5023-**-***	Office Supplies - All		28,000	9,885	18,115	35.3%
02-5024-**-***	Petroleum Products		11,000	2,724	8,276	24.8%
02-5025-**-***	Uniforms		32,992	27,129	5,863	82.2%
02-5026-**-***	Small Vehicle Fuel		12,004	3,440	8,564	28.7%
02-5027-**-***	Insurance - Property/Liability		89,920	84,401	5,519	93.9%
02-5028-**-***	Small Tools & Supplies		37,004	29,552	7,452	79.9%
02-5030-**-***	Trash Disposal		2,000	2,105	(105)	105.2%
02-5031-**-***	Safety Program & Supplies		39,004	42,322	(3,318)	108.5%
02-5032-**-***	Equipment Rental		3,000	876	2,124	29.2%
02-5033-**-***	Recruitment		1,000	1,136	(136)	113.6%
02-5034-**-***	Travel Expense/Tech. Conferences		9,496	3,418	6,078	36.0%
02-5035-**-***	Training Expense		12,808	3,141	9,667	24.5%
02-5036-**-***	Laboratory Supplies		16,472	13,221	3,251	80.3%
02-5037-**-***	Office Equipment		13,000	1,621	11,379	12.5%
02-5038-**-***	Permits		25,504	39,351	(13,847)	154.3% (4)
02-5039-**-***	Membership Dues/Fees		4,384	3,263	1,121	74.4%
02-5049-**-***	Biosolids Disposal		524,996	573,392	(48,396)	99.7%
02-5050-**-***	Contract Services Generators - 29A	50,000	10,004	50	9,954	0.0%
02-5052-**-***	Janitorial Services		41,000	49,519	(8,519)	120.8% (5)
02-5053-**-***	Contract Serv - Digester Cleaning - 29E		60,000	29,069	30,931	48.4%
02-5054-**-***	Diesel Truck Maint		21,000	6,185	14,815	29.5%
02-5055-**-***	Diesel Truck Fuel - 37B		3,004	1,985	1,019	66.1%
02-5056-**-***	Maintenance Equip. & Facilities (Solids)		155,000	110,246	44,754	71.1%
02-5057-**-***	Maintenance Equip. & Facilities (Liquids)		254,000	160,675	93,325	63.3%
02-5058-**-***	Maintenance Equip. & Facilities (Common)		28,000	37,660	(9,660)	134.5%
02-5059-**-***	Maintenance Equip. & Facilities (Co-Gen)		369,000	238,145	130,855	64.5%
02-5061-**-***	Mileage		2,044	589	1,455	28.8%
02-5076-**-***	SCADA Infrastructure		30,504	21,943	8,561	71.9%
02-5077-**-***	IT Direct		4,996	-	4,996	-
02-5303-**-***	Group Insurance Waiver		3,592	3,309	283	92.1%
02-5309-**-***	Operating Leases		25,004	23,014	1,990	92.0%
02-5705-**-***	Monthly Car Allowance		18,600	20,959	(2,359)	112.7%
02-5799-**-***	Zephyr Wall Costs Share - O&M		(14,000)	(14,559)	(2,541)	81.9%
02-6500-**-***	IT Allocations in to PC's & Depts.		187,624	170,719	16,905	91.0%
	Total Other Expenses	100,000	3,466,515	2,971,613	594,902	83.3%
	Total Expenses	100,000	5,866,155	5,266,732	699,423	88.3%

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
For the Period Ended May 31, 2021
(in dollars)

	FY 2020-21 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
05 - San Juan Creek Ocean Outfall						
Salary and Fringe						
05-5000-**-**-**	Regular Salaries-O&M		94,880	116,270	(21,390)	122.5%
05-5001-**-**-**	Overtime Salaries-O&M		584	1,508	(924)	258.3% (1)
05-5306-**-**-**	Scheduled Holiday Work		100	468	(368)	-
05-5401-**-**-**	Fringe Benefits IN to PC's & Depts.		49,940	63,436	(13,496)	127.0%
	Total Payroll Costs	-	145,504	181,683	(36,179)	124.9%
Other Expenses						
05-5002-**-**-**	Electricity		1,004	-	1,004	-
05-5003-**-**-**	Natural Gas		500	-	500	-
05-5015-**-**-**	Management Support Services		80,000	42,857	37,143	53.6%
05-5017-**-**-**	Legal Fees		2,008	1,351	658	67.3%
05-5026-**-**-**	Small Vehicle Fuel		500	-	500	-
05-5027-**-**-**	Insurance - Property/Liability		8,192	7,285	907	88.9%
05-5031-**-**-**	Safety Supplies		1,004	-	1,004	-
05-5034-**-**-**	Travel Expense/Tech. Conferences		2,000	300	1,700	15.0%
05-5035-**-**-**	Training Expense		4,000	62	3,938	1.5%
05-5036-**-**-**	Laboratory Supplies		24,504	43,321	(18,817)	176.8% (15)
05-5038-**-**-**	Permits		198,996	211,086	(12,090)	106.1% (4)
05-5039-**-**-**	Membership Dues/Fees		5,564	-	5,564	-
05-5044-**-**-**	Offshore Monitoring		22,000	15,175	6,825	69.0%
05-5046-**-**-**	Effluent Chemistry		20,004	27,564	(7,560)	137.8% (6)
05-5056-**-**-**	Maintenance Equip. & Facilities (Solids) 41-A		-	552	(552)	-
05-5058-**-**-**	Maintenance Equip. & Facilities (Common)		1,004	-	1,004	-
05-5067-**-**-**	Port Cleaning		35,000	-	35,000	-
05-6500-**-**-**	IT Allocations in to PC's & Depts.		11,716	10,660	1,056	91.0%
	Total Other Expenses	-	417,996	360,213	57,783	86.2%
	Total Expenses	-	563,500	541,895	21,605	96.2%
08 - Pre Treatment						
Salary and Fringe						
08-5000-**-**-**	Regular Salaries-O&M		81,396	89,046	(7,650)	109.4%
08-5306-**-**-**	Scheduled Holiday Work		356	-	356	-
08-5315-**-**-**	Comp Time - Environment		2,476	-	2,476	-
08-5401-**-**-**	Fringe Benefits IN to PC's & Depts.		42,852	48,583	(5,731)	113.4%
	Total Payroll Costs	-	127,080	137,629	(10,549)	108.3%
Other Expenses						
08-5011-**-**-**	Laboratory Services		3,008	228	2,781	7.6%
08-5015-**-**-**	Management Support Services		4,000	-	4,000	-
08-5016-**-**-**	Audit - Environmental		1,252	-	1,252	-
08-5017-**-**-**	Legal Fees		2,532	3,244	(712)	128.1% (7)
08-5018-**-**-**	Public Notices/ Public Relations		5,500	-	5,500	-
08-5021-**-**-**	Small Vehicle Expense - 31A		1,052	36	1,016	3.5%
08-5022-**-**-**	Miscellaneous Expense		2,020	-	2,020	-
08-5026-**-**-**	Small Vehicle Fuel - 37A		1,096	171	925	15.6%
08-5027-**-**-**	Insurance - Property/Liability		2,844	2,529	315	88.9%
08-5028-**-**-**	Small Tools & Supplies		3,496	2,248	1,248	64.3%
08-5034-**-**-**	Travel Expense/Tech. Conferences		2,220	695	1,525	31.3%
08-5035-**-**-**	Training Expense		796	708	88	89.0%
08-5038-**-**-**	Permits and Fines		6,000	-	6,000	-
08-5039-**-**-**	Membership Dues/Fees		800	743	57	92.9%
08-6500-**-**-**	IT Allocations in to PC's & Depts.		10,052	9,146	906	91.0%
	Total Other Expenses	-	46,668	19,748	26,920	42.3%
	Total Expenses	-	173,748	157,377	16,371	90.6%
12 - Water Reclamation Permits						
Salary and Fringe						
12-5000-**-**-**	Regular Salaries-O&M		50,404	42,744	7,660	84.8%
12-5401-**-**-**	Fringe Benefits IN to PC's & Depts.		26,528	23,321	3,207	87.9%
	Total Payroll Costs	-	76,932	66,065	10,867	85.9%
Other Expenses						
12-5015-**-**-**	Management Support Services		157,000	133,208	23,792	84.8%
12-5017-**-**-**	Legal Fees		2,008	9,499	(7,491)	473.1% (7)
12-5027-**-**-**	Insurance - Property/Liability		3,116	2,771	345	88.9%
12-5034-**-**-**	Travel Expense/Tech. Conferences		1,352	-	1,352	-
12-5038-**-**-**	Permits		21,512	20,862	650	97.0%
12-6500-**-**-**	IT Allocations in to PC's & Depts.		6,236	5,664	572	90.8%
	Total Other Expenses	-	191,224	172,004	19,220	89.9%
	Total Expenses	-	268,156	238,069	30,087	88.8%

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
For the Period Ended May 31, 2021
(in dollars)

	FY 2020-21 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
15 - Coastal Treatment Plant						
Salary and Fringe						
15-5000-**-**-**	Regular Salaries-O&M		939,512	795,110	144,402	84.6%
15-5001-**-**-**	Overtime Salaries-O&M		21,760	18,750	3,010	86.2% (1)
15-5306-**-**-**	Scheduled Holiday Work		5,096	12,270	(7,174)	240.8% (1)
15-5315-**-**-**	Comp Time - O&M		2,100	4,133	(2,033)	196.8% (1)
15-5401-**-**-**	Fringe Benefits IN to PC's & Depts.		494,584	433,807	60,777	87.7%
15-5700-**-**-**	Standby Pay		16,900	10,270	6,630	60.8%
	Total Payroll Costs		1,479,952	1,274,340	205,612	86.1%
Other Expenses						
15-5002-**-**-**	Electricity		256,000	235,433	20,567	92.0%
15-5003-**-**-**	Natural Gas		3,000	2,738	262	91.3%
15-5004-**-**-**	Potable & Reclaimed Water		25,004	21,138	3,866	84.5%
15-5006-**-**-**	Chlorine/Sodium Hypochlorite		92,000	71,832	20,168	78.1%
15-5007-**-**-**	Polymer Products		1,004	-	1,004	-
15-5008-**-**-**	Ferric Chloride		46,996	51,601	(4,605)	109.8% (2)
15-5009-**-**-**	Odor Control Chemicals		50,000	31,651	18,349	63.3%
15-5011-**-**-**	Laboratory Services		8,000	8,332	(332)	104.1% (8)
15-5012-**-**-**	Grit Hauling		20,996	23,424	(2,428)	111.6%
15-5013-**-**-**	Landscaping		56,000	28,550	27,450	51.0%
15-5015-**-**-**	Management Support Services		2,500	3,198	(698)	127.9% (3)
15-5017-**-**-**	Legal Fees		15,700	4,604	11,096	29.3%
15-5019-**-**-**	Contract Services Misc.		85,000	82,749	2,251	97.4%
15-5021-**-**-**	Small Vehicle Expense - 31A		5,504	3,168	2,336	57.6%
15-5022-**-**-**	Miscellaneous Expense		1,000	550	450	55.0%
15-5023-**-**-**	Office Supplies - All		4,004	4,354	(350)	108.7%
15-5024-**-**-**	Petroleum Products		3,000	3,264	(264)	108.8% (9)
15-5025-**-**-**	Uniforms		8,996	6,374	2,622	70.9%
15-5026-**-**-**	Small Vehicle Fuel - 37A		2,000	1,620	380	81.0%
15-5027-**-**-**	Insurance - Property/Liability		46,396	41,261	5,135	88.9%
15-5028-**-**-**	Small Tools & Supplies		8,000	7,559	441	94.5%
15-5030-**-**-**	Trash Disposal		2,996	1,724	1,272	57.5%
15-5031-**-**-**	Safety Program & Supplies		33,352	23,435	9,917	70.3%
15-5032-**-**-**	Equipment Rental		1,000	-	1,000	-
15-5033-**-**-**	Recruitment		500	150	350	29.9%
15-5034-**-**-**	Travel Expense/Tech. Conferences		5,748	3,450	2,298	60.0%
15-5035-**-**-**	Training Expense		8,356	5,031	3,325	60.2%
15-5036-**-**-**	Laboratory Supplies		11,004	12,178	(1,174)	110.7%
15-5037-**-**-**	Office Equipment		2,000	10	1,990	0.5%
15-5038-**-**-**	Permits		8,000	5,739	2,261	71.7%
15-5039-**-**-**	Membership Dues/Fees		2,600	1,585	1,015	61.0%
15-5047-**-**-**	Access Road Expenses		44,004	38,887	5,117	88.4%
15-5048-**-**-**	Storm Damage		20,008	-	20,008	-
15-5049-**-**-**	Biosolids Disposal		-	5,625	(5,625)	-
15-5050-**-**-**	Contract Services Generators - 29A		4,004	-	4,004	-
15-5052-**-**-**	Janitorial Services		12,004	12,080	(76)	100.6%
15-5054-**-**-**	Diesel Truck Maint - 31B		1,004	4,597	(3,593)	4.58
15-5055-**-**-**	Diesel Truck Fuel - 37B		496	-	496	-
15-5056-01-00-00	Maintenance Equip. & Facilities (Solids) 41-A		-	9,429	(9,429)	-
15-5057-**-**-**	Maintenance Equip. & Facilities (Liquids)		179,000	125,298	53,702	70.0%
15-5058-**-**-**	Maintenance Equip. & Facilities (Common)		22,000	6,785	15,215	30.8%
15-5060-**-**-**	Maintenance Equip. & Facilities (AWT) 41-E		37,000	15,620	21,380	42.2%
15-5061-**-**-**	Mileage		500	154	346	30.8%
15-5076-**-**-**	SCADA Infrastructure		30,500	21,943	8,557	71.9%
15-5303-**-**-**	Group Insurance Waiver		3,600	3,309	291	91.9%
15-5305-**-**-**	Medicare Tax Payments for Employees		1,336	1,747	(411)	130.7%
15-5705-**-**-**	Monthly Car Allowance		4,204	3,861	343	91.8%
15-6500-**-**-**	IT Allocations in to PC's & Depts.		116,012	105,560	10,452	91.0%
	Total Other Expenses		1,292,328	1,041,926	250,402	80.6%
	Total Expenses		2,772,280	2,316,267	456,013	83.6%

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
For the Period Ended May 31, 2021
(in dollars)

	FY 2020-21 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
17 - Joint Regional Wastewater Reclamation and Sludge Handling						
Salary and Fringe						
17-5000-**-***	Regular Salaries-O&M		1,721,896	1,434,245	287,651	83.3%
17-5001-**-***	Overtime Salaries-O&M		66,064	40,449	25,615	61.2% (1)
17-5306-**-***	Scheduled Holiday Work		14,880	27,313	(12,433)	183.6% (1)
17-5315-**-***	Comp Time - O&M		2,564	4,060	(1,496)	158.4% (1)
17-5401-**-***	Fringe Benefits IN to PC's & Depts.		906,456	782,515	123,941	86.3%
17-5700-**-***	Standby Pay		25,356	27,268	(1,912)	107.5%
	Total Payroll Costs		2,737,216	2,315,850	421,366	84.6%
Other Expenses						
17-5002-**-***	Electricity		350,000	404,001	(54,001)	115.4% (10)
17-5003-**-***	Natural Gas		109,996	119,239	(9,243)	108.4%
17-5004-**-***	Potable & Reclaimed Water		28,000	28,142	(142)	100.5%
17-5005-**-***	Co-generation Power Credit	(669,000)	(669,000)	(645,408)	(23,592)	96.5%
17-5006-**-***	Chlorine/Sodium Hypochlorite		380,000	330,719	49,281	87.0%
17-5007-**-***	Polymer Products		460,000	402,950	57,050	87.6%
17-5008-**-***	Ferric Chloride		265,004	298,361	(33,357)	112.6% (2)
17-5009-**-***	Odor Control Chemicals		43,996	29,955	14,041	68.1%
17-5010-**-***	Other Chemicals - Misc.		1,996	-	1,996	-
17-5011-**-***	Laboratory Services		17,072	8,274	8,798	48.5%
17-5012-**-***	Grit Hauling - 21A		50,000	36,393	13,607	72.8%
17-5013-**-***	Landscaping		74,996	125,315	(50,319)	167.1% (11)
17-5015-**-***	Management Support Services		21,000	31,389	(10,389)	149.5% (3)
17-5017-**-***	Legal Fees		5,004	13,640	(8,636)	272.6% (12)
17-5019-**-***	Contract Services Misc.		95,000	88,943	6,057	93.6%
17-5021-**-***	Small Vehicle Expense		7,000	6,072	928	86.7%
17-5022-**-***	Miscellaneous Expense		7,000	1,314	5,686	18.8%
17-5023-**-***	Office Supplies - All		11,000	8,817	2,183	80.2%
17-5024-**-***	Petroleum Products		20,000	6,072	13,928	30.4%
17-5025-**-***	Uniforms		27,004	22,391	4,613	82.9%
17-5026-**-***	Small Vehicle Fuel		9,004	6,371	2,633	70.8%
17-5027-**-***	Insurance - Property/Liability		115,592	102,799	12,793	88.9%
17-5028-**-***	Small Tools & Supplies		29,000	26,403	2,597	91.0%
17-5030-**-***	Trash Disposal		1,996	2,035	(39)	102.0%
17-5031-**-***	Safety Program & Supplies		40,504	47,698	(7,194)	117.8%
17-5032-**-***	Equipment Rental		3,004	-	3,004	-
17-5033-**-***	Recruitment		1,004	295	709	29.3%
17-5034-**-***	Travel Expense/Tech. Conferences		9,496	3,934	5,562	41.4%
17-5035-**-***	Training Expense		12,700	3,617	9,083	28.5%
17-5036-**-***	Laboratory Supplies		23,672	14,090	9,582	59.5%
17-5037-**-***	Office Equipment		50,000	23,626	26,374	47.3%
17-5038-**-***	Permits		21,508	27,823	(6,315)	129.4% (13)
17-5039-**-***	Membership Dues/Fees		4,860	3,488	1,372	71.8%
17-5049-**-***	Biosolids Disposal		905,000	742,823	162,177	82.1%
17-5050-**-***	Contract Services Generators - 29A		8,000	-	8,000	-
17-5051-**-***	Contract Serv - Metering Station - 29B			2,767	(2,767)	-
17-5052-**-***	Janitorial Services		41,000	34,502	6,498	84.2%
17-5053-**-***	Contract Serv - Digester Cleaning - 29E		65,000	-	65,000	-
17-5054-**-***	Diesel Truck Maint		19,000	14,020	4,980	73.8%
17-5055-**-***	Diesel Truck Fuel - 37B		8,004	4,311	3,693	53.9%
17-5056-**-***	Maintenance Equip. & Facilities (Solids)		206,000	176,337	29,663	85.6%
17-5057-**-***	Maintenance Equip. & Facilities (Liquids)		236,000	220,340	15,660	93.4%
17-5058-**-***	Maintenance Equip. & Facilities (Common)		34,000	92,957	(58,957)	273.4% (13)
17-5059-**-***	Maintenance Equip. & Facilities (Co-Gen)		591,000	344,131	246,869	58.2%
17-5060-**-***	Maintenance Equip. & Facilities (AWT)		38,000	53,228	(15,228)	140.1% (14)
17-5061-**-***	Mileage		1,004	994	10	99.0%
17-5068-**-***	MNWD Potable Water Supplies & Svcs.		42,000	17,794	24,206	42.4%
17-5076-**-***	SCADA Infrastructure		30,504	21,943	8,561	71.9%
17-5077-**-***	IT Direct		5,004	-	5,004	-
17-5105-**-***	Co-Generation Power Credit - Offset		669,000	645,408	23,592	96.5%
17-5303-**-***	Group Insurance Waiver		7,200	6,341	859	88.1%
17-5309-**-***	Operating Leases		6,004	3,198	2,806	0.53
17-5705-**-***	Monthly Car Allowance		8,388	7,722	666	92.1%
17-6241-**-***	Education Reimbursement		-	606	(606)	-
17-6500-**-***	IT Allocations in to PC's & Depts.		212,628	193,466	19,162	91.0%
	Total Other Expenses		4,760,144	4,161,978	598,166	87.4%
	Total Expenses		7,497,360	6,477,829	1,019,531	86.4%

South Orange County Wastewater Authority
O&M Budget vs. Actual Comparison by PC
For the Period Ended May 31, 2021
(in dollars)

		FY 2020-21 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
21 - Effluent Transmission Main							
Salary and Fringe							
21-5000-**-**-**	Regular Salaries-O&M	1,384		1,384	792	592	57.2%
21-5401-**-**-**	Fringe Benefits IN to PC's & Depts.	732		732	432	300	59.0%
	Total Payroll Costs	2,116	-	2,116	1,224	892	57.9%
Other Expenses							
21-5019-**-**-**	Contract Services Misc. - 29	1,004		1,004	-	1,004	-
21-5027-**-**-**	Insurance - Property/Liability	968		968	861	107	88.9%
	Total Other Expenses	1,972	-	1,972	861	1,111	43.7%
	Total Expenses	4,088	-	4,088	2,085	2,003	51.0%
23 - North Coast Interceptor							
Other Expenses							
23-5017-**-**-**	Legal Fees	-		-	27,979	(27,979)	-
	Total Other Expenses	-	-	-	27,979	(27,979)	-
24 - Aliso Creek Ocean Outfall							
Salary and Fringe							
24-5000-**-**-**	Regular Salaries-O&M	103,084		103,084	112,216	(9,132)	108.9%
24-5001-**-**-**	Overtime Salaries-O&M	1,576		1,576	1,232	344	78.2%
24-5306-**-**-**	Scheduled Holiday Work	168		168	292	(124)	174.1% (1)
24-5401-**-**-**	Fringe Benefits IN to PC's & Depts.	54,264		54,264	61,225	(6,961)	112.8%
	Total Payroll Costs	159,092	-	159,092	174,966	(15,874)	110.0%
Other Expenses							
24-5015-**-**-**	Management Support Services	80,000		80,000	35,986	44,014	45.0%
24-5017-**-**-**	Legal Fees	2,008		2,008	-	2,008	-
24-5027-**-**-**	Insurance - Property/Liability	8,556		8,556	7,609	947	88.9%
24-5031-**-**-**	Safety Supplies	1,004		1,004	-	1,004	-
24-5034-**-**-**	Travel Expense/Tech. Conferences	2,004		2,004	300	1,704	15.0%
24-5035-**-**-**	Training Expense	2,004		2,004	62	1,942	3.1%
24-5036-**-**-**	Laboratory Supplies	24,500		24,500	42,130	(17,630)	172.0% (15)
24-5038-**-**-**	Permits	199,000		199,000	200,893	(1,893)	101.0% (4)
24-5039-**-**-**	Membership Dues/Fees	5,564		5,564	-	5,564	-
24-5044-**-**-**	Offshore Monitoring	22,004		22,004	16,855	5,149	76.6%
24-5046-**-**-**	Effluent Chemistry	20,000		20,000	34,300	(14,300)	171.5% (6)
24-5058-**-**-**	Maintenance Equip. & Facilities (Common) 41-C	1,004		1,004	-	1,004	-
24-5067-**-**-**	Port Cleaning	35,000		35,000	-	35,000	-
24-5802-**-**-**	Shipping/Freight	100		100	-	100	-
24-6500-**-**-**	IT Allocations in to PC's & Depts.	12,728		12,728	11,582	1,146	91.0%
	Total Other Expenses	415,476	-	415,476	349,717	65,759	84.2%
	Total Expenses	574,568	-	574,568	524,682	49,886	91.3%
	Total O&M Expenses	17,719,855	100,000	17,819,855	15,552,915	2,266,940	87.3%

* 05/06/2021 Board approved budget amendment (\$100,000)

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

For the Period Ended May 31, 2021

- (1) O&M overtime is elevated due to staff coverage needed for COVID19 impacts and after hours construction activities.
- (2) Odor levels continue to rise in the collection system resulting in higher levels of Ferric Chloride usage to control hydrogen sulfide in the treatment plants and the digester gas.
- (3) Foul air system assessment was conducted to ensure that foul air control properly functions after recent system modifications.
- (4) Water Quality Fee increases.
- (5) Janitorial services are elevated due to additional office disinfection and cleaning.
- (6) Increased toxicity monitoring due to permit exceedances and Investigative Order requirements.
- (7) Costs related to required pretreatment ordinance update (PC 08) & preparation of a report of water discharge for recycled water order (PC 12)
- (8) Annual priority pollutants testing as required by NPDES permit.
- (9) Additional fuel purchases have been required at CTP due to several extended power outages and construction-related shutdowns.
- (10) Engine repairs and equipment overhauls have required engine shutdowns and electricity purchases.
- (11) Tree removals from emergency projects in response to Santa Ana Winds.
- (12) Construction related expenses.
- (13) Emergency water line repairs completed at RTP.
- (14) Purchasing related to valves and actuators replacement for AWT.
- (15) Additional supplies for new regulations and preparation for new permit requirements.

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

For the Period Ended May 31, 2021
(in dollars)

		FY 2020-21 Budget	Actual	(Over)/Under Budget	% Expended
Salary and Fringe					
01-5000-03-00-00	Regular Salaries-O&M	196,836	138,712	58,124	70.5%
01-5401-03-00-00	Fringe Benefits IN to PC's & Depts.	103,621	75,681	27,940	73.0%
	Total Payroll Costs	300,457	214,393	86,064	71.4%
Other Expenses					
01-5022-03-00-00	Miscellaneous Expense	3,184	2,443	741	76.7%
01-5023-03-00-00	Office Supplies - All	208	31	177	14.9%
01-5031-03-00-00	Safety Supplies	306	-	306	-
01-5034-03-00-00	Travel Expense/Tech. Conferences	6,439	-	6,439	-
01-5035-03-00-00	Training Expense	2,244	275	1,969	12.3%
01-5037-03-00-00	Office Equipment	408	-	408	-
01-5039-03-00-00	Membership Dues/Fees	1,377	664	713	48.2%
01-5061-03-00-00	Mileage	510	47	463	9.1%
01-5309-03-00-00	Operating Leases	6,829	5,408	1,421	79.2%
01-5705-03-00-00	Monthly Car Allowance	4,200	3,861	339	91.9%
01-5802-03-00-00	Shipping/Freight	312	-	312	-
01-6500-03-00-00	IT Allocations in to PC's & Depts.	50,794	46,217	4,577	91.0%
	Total Other Expenses	76,810	58,946	17,865	76.7%
	Total Engineering Expenses	377,267	273,338	103,930	72.5%

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

For the Period Ended May 31, 2021

(in dollars)

		FY 2020-21 Budget	Actual	(Over)/Under Budget	% Expended
Salary and Fringe					
01-6000-04-00-00	Regular Salaries-Admin or IT	944,542	826,076	118,466	87.5%
01-6001-04-00-00	Overtime Salaries-Admin or IT	20,000	31,681	(11,681)	158.4% (1)
01-6315-04-00-00	Comp Time - Admin	15,000	8,870	6,130	59.1%
01-6401-04-00-00	Fringe Benefits IN to ADMIN or IT	497,236	450,702	46,534	90.6%
	Total Payroll Costs	1,476,778	1,317,330	159,448	89.2%
Other Expenses					
01-6018-04-00-00	Public Notices/ Public Relations	-	2,180	(2,180)	- (2)
01-6101-04-00-00	HR Recruitment & Employee Relations	26,500	26,437	63	99.8%
01-6102-04-00-00	Subscriptions	2,040	1,917	123	94.0%
01-6200-04-00-00	Management Support Services	102,000	46,402	55,598	45.5%
01-6201-04-00-00	Audit	44,900	37,250	7,650	83.0%
01-6202-04-00-00	Legal	200,000	301,596	(101,596)	150.8% (3)
01-6204-04-00-00	Postage	4,000	861	3,139	21.5%
01-6223-04-00-00	Office Supplies - Admin	6,120	3,474	2,646	56.8%
01-6224-04-00-00	Office Equipment Admin or IT	1,000	1,854	(854)	185.4%
01-6234-04-00-00	Memberships & Trainings	88,950	73,903	15,047	83.1%
01-6239-04-00-00	Travel & Conference	10,965	4,319	6,646	39.4%
01-6240-04-00-00	Scholarship Sponsorship		1,000	(1,000)	-
01-6241-04-00-00	Education Reimbursement	3,000	1,500	1,500	50.0%
01-6310-04-00-00	Miscellaneous	23,460	16,603	6,857	70.8%
01-6311-04-00-00	Mileage	1,211	26	1,185	2.1%
01-6317-04-00-00	Contract Services Misc	5,610	5,014	596	89.4%
01-6500-04-00-00	IT Allocations in to PC's & Depts.	116,635	106,126	10,509	91.0%
01-6601-04-00-00	Shipping/Freight	3,740	3,319	421	88.7%
01-6705-04-00-00	Monthly Car Allowance	12,000	11,031	969	91.9%
	Total Other Expenses	652,131	644,812	7,319	98.9%
Total Admin Expenses		2,128,909	1,962,141	166,768	92.2%

(1) Overtime salary and comp should be considered together, 115.9% expended

(2) Publication fee for ordinance

(3) JPA Revision projected over budget for Legal line item

South Orange County Wastewater Authority
Budget vs. Actual Comparison-IT
 For the Period Ended May 31, 2021
 (in dollars)

		FY 2020-21 Budget	Actual	(Over)/Under Budget	% Expended
Salary & Fringe					
01-6000-05-00-00	Regular Salaries-Admin or IT	93,909	92,292	1,617	98.3%
01-6001-05-00-00	Overtime Salaries-Admin or IT	-	-	-	-
01-6315-05-00-00	Comp Time - IT	5,000	-	5,000	-
01-6401-05-00-00	Fringe Benefits IN to ADMIN or IT	49,437	50,354	(917)	101.9%
	Total Salary & Fringe	148,346	142,647	5,699	96.2%
Other Expenses					
01-6028-05-00-00	Small Tools & Supplies	1,000	-	1,000	-
01-6035-05-00-00	Training Expense	2,000	1,725	275	86.3%
01-6037-05-00-00	Office Equipment	600	-	600	-
01-6234-05-00-00	Memberships & Trainings	1,375	-	1,375	-
01-6239-05-00-00	Travel & Conference	1,750	-	1,750	-
01-6300-05-00-00	Software Maintenance Agreements	38,779	38,416	363	99.1%
01-6301-05-00-00	Hardware Maintenance Agreements	7,126	9,423	(2,297)	132.2%
01-6302-05-00-00	Cloud Subscriptions (Internet)	148,369	125,407	22,962	84.5%
01-6303-05-00-00	Telecommunications	150,534	130,103	20,431	86.4%
01-6305-05-00-00	IT Professional Services	108,060	113,636	(5,576)	105.2%
01-6306-05-00-00	Small Hardware Purchases (< \$5k)	29,200	18,864	10,336	64.6%
01-6307-05-00-00	Small Software Purchases & Licenses (<\$5k)	26,908	25,007	1,901	92.9%
01-6308-05-00-00	IT Memberships	160	-	160	-
01-6309-05-00-00	Operating Leases	55,200	51,278	3,922	92.9%
01-6310-05-00-00	Miscellaneous	5,000	-	5,000	-
01-6312-05-00-00	Computer & Photocopy Supplies	-	2,633	(2,633)	-
	Total Other Expenses	576,061	516,493	59,568	89.7%
	Total Expenses before Allocation	724,407	659,140	65,267	91.0%
IT Allocations (Out) to PC's & Depts					
01-6400-05-00-00	IT Allocations (OUT) to PC's & Depts.	(724,407)	(659,140)	(65,267)	91.0%
	Total IT Allocations (Out) to PC's & Depts	(724,407)	(659,140)	(65,267)	91.0%

Actuarial Valuation Retiree Health Program As of December 31, 2020

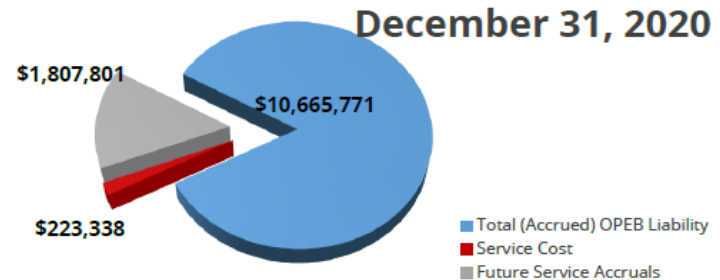
Agenda Item 6

**South Orange County Wastewater Authority Retiree Health Plan
December 31, 2020 Actuarial Valuation
Section I. Executive Summary**

Results of the Retiree Health Valuation

We have determined that the present value of the projected Authority pay-as-you-go contributions (actuarial liability) for OPEB benefits, as of the valuation date December 31, 2020, is \$12,696,910, (including \$1,601,812 for the implicit rate subsidy). This amount is based on a discount rate of 6.50%. The amount represents the present value of all benefits projected to be paid by the Authority for current and future retirees. If the Authority were to have this amount in a fund earning interest at the rate of 6.50% per year, and all other actuarial assumptions were met, the fund would have enough to pay the Authority's required contribution for retiree health benefits. This includes benefits for the current retirees as well as the current active employees expected to retire in the future. The valuation does not consider employees not yet hired as of the valuation date.

The amount of the actuarial liability is apportioned into past service, current service, and future service components. The past service component (actuarial accrued liability now referred to as Total OPEB Liability) is \$10,665,771 (including \$1,202,343 for the implicit rate subsidy), the current service component (normal cost or current year accrual) is \$223,338 (including \$41,025 for the implicit rate subsidy) and the future service component (not yet accrued liability) is \$1,807,801 (including \$358,444 for the implicit rate subsidy).



Actuarial Liability is \$12,696,910

Changes from Prior Valuation

The valuation reflects updated census, plan, and rate information. In addition, there were a few assumption changes as noted in Section VI. A reconciliation of the approximate change in the total (accrued) OPEB liability from the prior valuation is provided below:

December 31, 2019 Valuation @6.50%	\$9,700,000
Increase due to passage of time	700,000
Decrease due to favorable enrollment mix	(240,000)
Decrease due to favorable healthcare experience	(390,000)
Net increase due to updated assumptions	900,000
December 31, 2021 Valuation @6.50%	\$10,670,000

Net OPEB (Retiree Health) Liability

Description	\$	2020	2021	Positive Change¹	% Change
Measurement date		6/30/2020	12/31/2020		
Total OPEB Liability		(\$10,959,190)	(\$10,665,771)	\$293,419	-2.7%
PARS Savings ²		5,270,639	6,525,637	\$1,254,998	23.8%
Net OPEB (liability)		(\$5,688,551)	(\$4,140,134)	\$1,548,417	-27.2%
% Funded		48.1%	61.2%		

¹The OPEB Liability as of 12-31-2020 decreased due to:

- Lower healthcare costs
- Change in Employee population mix
- Change in Actuarial Assumptions

²PARS Earnings as of 4-30-2021 grew 23.8%

Account Summary

Source	Beginning Balance as of 4/1/2021	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 4/30/2021
OPEB	\$6,325,999.86	\$0.00	\$202,663.31	\$3,026.60	\$0.00	\$0.00	\$6,525,636.57
Totals	\$6,325,999.86	\$0.00	\$202,663.31	\$3,026.60	\$0.00	\$0.00	\$6,525,636.57

Investment Selection

Source

OPEB **Balanced HighMark PLUS**

Investment Objective

Source

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

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	3.20%	6.74%	32.00%	11.71%	11.08%	8.36%	12/17/2009



nyhart
part of FuturePlan by Ascensus®

South Orange County Wastewater Authority

CONTACT

Suraj Datta, ASA, MAAA, MBA

suraj.datta@nyhart.com

ADDRESS

Nyhart

530 B Street, Ste. 900

San Diego, CA 92101

PHONE

(619) 239-0831

**Actuarial Valuation
Retiree Health Program
As of December 31, 2020**

Mary Carey, CPA, MBA
South Orange County Wastewater Authority
34156 Del Obispo Street
Dana Point, CA 92629

Re: OPEB Actuarial Valuation

Dear Ms. Carey:

We are presenting our report of the December 31, 2020 actuarial valuation conducted on behalf of South Orange County Wastewater Authority (the "Authority") for its retiree health program.

The purpose of the valuation is to measure the Authority's liability for other postemployment benefits (OPEB) and to determine an actuarially determined contribution (ADC). The ADC is a target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined in accordance with the parameters and in conformity with Actuarial Standards of Practice. The valuation results will also serve as the basis for complying with GASB 75 for the fiscal year ending June 30, 2021. A separate GASB 75 accounting report will be provided.

The Nyhart Company is an actuarial benefits and compensation consulting firm specializing in group health and retiree health and qualified pension plan valuations. We have set forth the results of our study in this report.

We have enjoyed working on this assignment and are available to answer any questions.

Sincerely,
NYHART

Suraj Datta, ASA, MAAA, MBA
Consulting Actuary

John Mallows, FSA, MAAA
Valuation Actuary

**South Orange County Wastewater Authority
OPEB Actuarial Valuation
Retiree Health Program
As of December 31, 2020**

Table of Contents

	<u>Page</u>
Section I. Executive Summary	1
Section II. Financial Results	5
Section III. Projected Cash Flows	9
Section IV. Valuation Data	10
Section V. Benefit Plan Provisions	11
Section VI. Actuarial Assumptions and Methods	12
Section VII. Actuarial Certification	16
Section VIII. Glossary	18

Background

The South Orange County Wastewater Authority (the “Authority”) selected Nyhart to perform an updated actuarial valuation of its retiree health program. The purpose of the valuation is to measure the Authority’s liability for OPEB benefits and to determine an actuarially determined contribution (ADC) for the fiscal periods ending June 30, 2021 and June 30, 2022. The ADC is a target, or recommended contribution, to a defined benefit OPEB plan for the applicable period, determined in accordance with the parameters and in conformity with Actuarial Standards of Practice. The valuation results will also serve as the basis for complying with GASB 75 applicable for the fiscal year ending June 30, 2021.

Pursuant to PEMHCA and relevant CalPERS regulations, a retired employee will qualify for SOCWA retiree medical benefits if his or her retirement from the Agency is effective within 120 days of their separation from employment with SOCWA and the retired employee receives a retirement allowance from CalPERS resulting from their service with the Agency . Retired employees who satisfy the preceding requirements (Eligible Retirees) are eligible to continue health coverage with CalPERS for a lifetime for themselves, their surviving spouse, and their eligible dependents up to the age of 26. For employees hired before July 1, 2017, eligible retirees will receive a monthly amount from the Agency not to exceed the Health Allowance made available by the Agency to active employees (Tier I Allowance). For employees hired on or after July 1, 2017, eligible retirees will receive a monthly amount from the Agency equal to the PEMHCA Minimum Required Contribution (MRC), which the Agency will pay directly to CalPERS (Tier II Allowance).

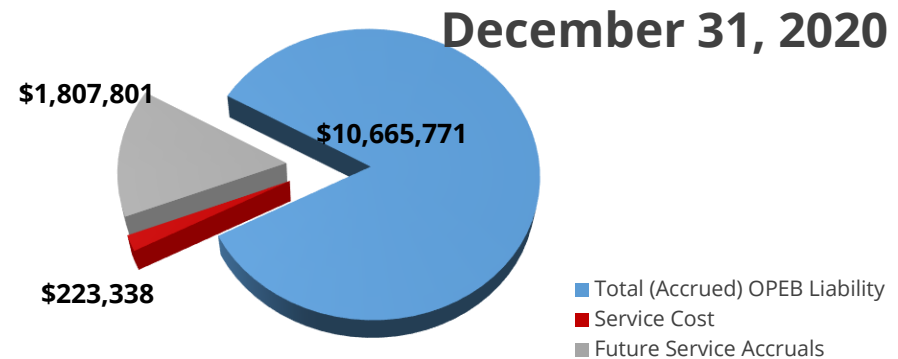
At December 31, 2020, the Authority had 47 retired employees receiving or eligible to receive an Authority contribution for retiree health benefits and 61 active employees earning service eligibility for retiree health benefits. Section IV of the report provides data statistics on the eligible population.

The Authority participates in the CalPERS Health Program for its retiree medical coverage. In general, the premium rates charged to participating employers are the same for each medical plan within each region (or “community”) and are the same for both active and retired employees covered under the same medical plan. An implied rate subsidy can exist when the non-Medicare rates for retirees are the same as for active employees. Since non-Medicare eligible retirees are typically much older than active employees, their actual medical costs are typically higher than for active employees. Both GASB accounting standards and actuarial standards of practices (ASOPs) require that implied rate subsidies be considered in the valuation of medical costs. This valuation includes an estimate of the liability for the implicit rate subsidy.

Results of the Retiree Health Valuation

We have determined that the present value of the projected Authority pay-as-you-go contributions (actuarial liability) for OPEB benefits, as of the valuation date December 31, 2020, is \$12,696,910, (including \$1,601,812 for the implicit rate subsidy). This amount is based on a discount rate of 6.50%. The amount represents the present value of all benefits projected to be paid by the Authority for current and future retirees. If the Authority were to have this amount in a fund earning interest at the rate of 6.50% per year, and all other actuarial assumptions were met, the fund would have enough to pay the Authority's required contribution for retiree health benefits. This includes benefits for the current retirees as well as the current active employees expected to retire in the future. The valuation does not consider employees not yet hired as of the valuation date.

The amount of the actuarial liability is apportioned into past service, current service, and future service components. The past service component (actuarial accrued liability now referred to as Total OPEB Liability) is \$10,665,771 (including \$1,202,343 for the implicit rate subsidy), the current service component (normal cost or current year accrual) is \$223,338 (including \$41,025 for the implicit rate subsidy) and the future service component (not yet accrued liability) is \$1,807,801 (including \$358,444 for the implicit rate subsidy).



Actuarial Liability is \$12,696,910

Changes from Prior Valuation

The valuation reflects updated census, plan, and rate information. In addition, there were a few assumption changes as noted in Section VI. A reconciliation of the approximate change in the total (accrued) OPEB liability from the prior valuation is provided below:

December 31, 2019 Valuation @6.50%	\$9,700,000
Increase due to passage of time	700,000
Decrease due to favorable enrollment mix	(240,000)
Decrease due to favorable healthcare experience	(390,000)
Net increase due to updated assumptions	900,000
December 31, 2021 Valuation @6.50%	\$10,670,000

South Orange County Wastewater Authority Retiree Health Plan
December 31, 2020 Actuarial Valuation
Section I. Executive Summary

Funding

The Authority's funding policy is to pre-fund at least the actuarially determined contribution (ADC) through the California Employers' Retiree Benefit Trust (CERBT) under investment strategy 1. The market value of assets in the Trust as of December 31, 2020 was \$6,134,689. The actuarial value of assets is equal to the market value of assets. The Net (unfunded) OPEB Liability at December 31, 2020 was \$4,531,082. The Plan's funded ratio (actuarial value of assets over Total OPEB Liability) is 58%.

The estimated pay-as-you-go cost for retiree health benefits for the 2021/2022 fiscal year is approximately \$634,909 (including \$133,829 for the implicit rate subsidy). This amount includes payments for employees expected to retire during the 2021/2022 fiscal year.

Actuarially Determined Contribution (ADC)

The actuarially determined contribution (ADC), assuming the Authority's funding strategy, is to fund the normal cost (current accrual for benefits being earned) plus an amortization of the unfunded accrued liability- or Net OPEB liability-at June 30, 2021 over 18 years (on a level-dollar basis) equal to \$595,227 for the fiscal year ending June 30, 2021. This includes \$456,705 for the Authority's explicit contribution and \$138,522 for the implicit rate subsidy. The projected contribution for the fiscal year ending June 30, 2022 is \$611,596.

Actuarial Basis

The actuarial valuation is based on the assumptions and methods outlined in Section VI of the report. If a single or a combination of assumptions is not met, the future liability may fluctuate significantly from its current measurement. As an example, the healthcare cost increase anticipates that the rate of increase in medical cost will be at moderate levels and decline over several years. Increases higher than assumed would bring larger liabilities and expensing requirements. A 1% increase in the healthcare trend rate for each future year would increase the actuarially determined contribution by 29%. A 1% decrease in the healthcare trend rate for each future year would decrease the actuarially determined contribution by 23%.

Another key assumption used in the valuation is the discount (interest) rate which is based on the expected rate of return of plan assets. The valuation is based on a discount rate of 6.50%. A 1% decrease in the discount rate would increase the actuarially determined contribution by 22%. A 1% increase in the discount rate would decrease the actuarially determined contribution by 19%.

South Orange County Wastewater Authority Retiree Health Plan
December 31, 2020 Actuarial Valuation
Section I. Executive Summary

The valuation is based on the census, plan, and rate information provided by the Authority. To the extent that the data provided lacks clarity in interpretation or is missing relevant information, this can result in liabilities different than those presented in the report. Often missing or unclear information is not identified until future valuations.

South Orange County Wastewater Authority Retiree Health Plan
December 31, 2020 Actuarial Valuation
Section II. Financial Results

A. Valuation Results

The table below presents the employer liabilities associated with the Authority's retiree health benefits. The actuarial liability is the present value of all Authority-paid benefits projected to be paid under the program. The total OPEB liability (TOL), previously referred to as the actuarially accrued liability, reflects the amount attributable to the past service of current employees and retirees. The normal cost reflects the accrual attributable for the current period.

	<u>Explicit</u>	<u>Implicit</u>	<u>Total</u>
1. Actuarial Liability or Present Value of Benefits			
Actives	\$4,685,539	\$950,275	\$5,635,814
Retirees	<u>6,409,559</u>	<u>651,537</u>	<u>7,061,096</u>
Total	\$11,095,098	\$1,601,812	\$12,696,910
2. Total OPEB Liability (TOL)			
Actives	\$3,053,869	\$550,806	\$3,604,675
Retirees	<u>6,409,559</u>	<u>\$651,537</u>	<u>7,061,096</u>
Total	\$9,463,428	\$1,202,343	\$10,665,771
3. Normal Cost	\$182,313	\$41,025	\$223,338
No. of Active Employees			61
Average Age			41.9
Average Past Service			8.5
No. of Retired Employees			47
Average Age			66.3
Average Retirement Age			59

South Orange County Wastewater Authority Retiree Health Plan
December 31, 2020 Actuarial Valuation
Section II. Financial Results

B. Reconciliation of Market Value of Plan Assets

The reconciliation of Plan Assets for the last two fiscal years is presented below:

	Fiscal Year Ending	
	<u>12/31/2019</u>	<u>12/31/2020</u>
1. Beginning Market Value of Assets	\$4,554,334	\$5,431,436
2. Contribution	592,075	619,973
3. Net Investment Income	906,475	734,376
4. Benefit Payments	(592,075)	(619,973)
5. Administrative Expenses	(29,373)	(31,123)
6. Ending Market Value of Assets	\$5,431,436	\$6,134,689
7. Estimated Rate of Return	20.0%	13.6%

C. Development of Actuarial Value of Assets

The actuarial value of assets is based on the market value of assets plus any contribution receivable or benefits payable. The actuarial value of assets at June 30, 2020 is \$6,134,689.

D. Development of Net OPEB Liability (NOL)

The table below presents the development of the net OPEB liability previously referred to as the unfunded actuarial accrued liability. The net OPEB liability is the excess of the TOL over the actuarial value of plan assets.

	<u>Explicit</u>	<u>Implicit</u>	<u>Total</u>
1. Total (Accrued) OPEB Liability	\$9,463,428	\$1,202,343	\$10,665,771
2. Actuarial Value of Assets	(6,134,689)	0	(6,134,689)
3. Net (Unfunded Accrued) OPEB Liability (NOL)	\$3,328,739	\$1,202,343	\$4,531,082
4. Funded % Ratio	65%	0%	58%

South Orange County Wastewater Authority Retiree Health Plan
December 31, 2020 Actuarial Valuation
Section II. Financial Results

E. Amortization of NOL

The amortization of the NOL component of the actuarially determined contribution (ADC) is being amortized over a period of 18 years on a level-dollar basis. Under the level-dollar method, the amortization payment is scheduled to remain the same during the amortization period.

	<u>Explicit</u>	<u>Implicit</u>	<u>Total</u>
1. NOL	\$3,328,739	\$1,202,343	\$4,531,082
2. Amortization Factor	12.67889	12.67889	12.67889
3. Amortization of NOL	\$262,542	\$94,830	\$357,372

F. Actuarially Determined Contribution

The table below presents the development of the actuarially determined contribution (ADC) for the fiscal year ending June 30, 2020 and for the fiscal year ending June 30, 2021.

FY2020/2021

	<u>Explicit</u>	<u>Implicit</u>	<u>Total</u>
1. Normal Cost at End of Fiscal Year	\$194,163	\$43,692	\$237,855
2. Amortization of NOL	262,542	94,830	357,372
3. Actuarially Determined Contribution (ADC)	\$456,705	\$138,522	\$595,227
4. Estimated Payroll	\$6,970,016	\$6,970,016	\$6,970,016
5. ADC as % of Payroll	7%	2%	9%

FY2021/2022

	<u>Explicit</u>	<u>Implicit</u>	<u>Total</u>
1. Normal Cost at End of Fiscal Year	\$199,502	\$44,894	\$244,396
2. Amortization of NOL	269,762	97,438	367,200
3. Actuarially Determined Contribution (ADC)	\$469,264	\$142,332	\$611,596
4. Estimated Payroll	\$7,161,691	\$7,161,691	\$7,161,691
5. ADC as % of Payroll	7%	2%	9%

South Orange County Wastewater Authority Retiree Health Plan
December 31, 2020 Actuarial Valuation
Section II. Financial Results

G. Sensitivity Analysis:

The impact of a 1% decrease and increase in the discount (interest) rate and the impact of a 1% increase and decrease in future healthcare trend rates on the District's actuarial liability, TOL, NOL and the ADC is provided below:

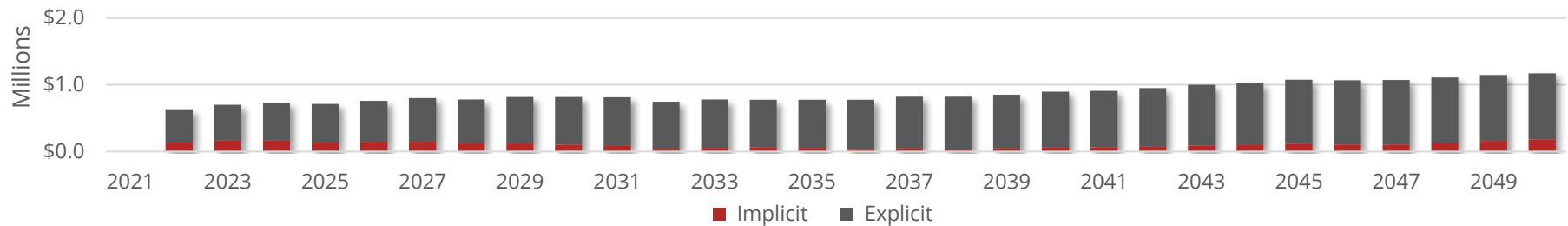
	Dollar (\$)	Percentage
	Increase/ (Decrease)	(%) Increase/ (Decrease)
<i>1% Decrease in Discount Rate</i>		
- Actuarial Liability	\$2,085,151	16%
- TOL	\$1,336,392	13%
- NOL	\$1,336,392	29%
- ADC	\$128,353	22%
 <i>1% Increase in Discount Rate</i>		
- Actuarial Liability	(\$1,625,007)	-13%
- TOL	(\$1,101,796)	-10%
- NOL	(\$1,101,796)	-24%
- ADC	(\$110,403)	-19%
 <i>1% Increase in Future Healthcare Trend Rates</i>		
- Actuarial Liability	\$2,026,485	16%
- TOL	\$1,444,199	14%
- NOL	\$1,444,199	32%
- ADC	\$173,630	29%
 <i>1% Decrease in Future Healthcare Trend Rates</i>		
- Actuarial Liability	(\$1,605,456)	-13%
- TOL	(\$1,175,602)	-11%
- NOL	(\$1,175,602)	-26%
- ADC	(\$137,550)	-23%

South Orange County Wastewater Authority Retiree Health Plan
December 31, 2020 Actuarial Valuation
Section III. Projected Cash Flows

The valuation process includes the projection of the expected benefits (including the explicit Authority contribution and the implicit rate subsidy) to be paid by the Authority under its retiree health benefits program. This expected cash flow takes into account the likelihood of each employee reaching retirement eligibility and receiving health benefits. The projection is performed by applying the turnover assumption to each active employee for the period between the valuation date and the expected retirement date. Once the employees reach their retirement date, a certain percent are assumed to enter the retiree group each year. Employees already over the latest assumed retirement age as of the valuation date are assumed to retire immediately. The per capita cost as of the valuation date is projected to increase at the applicable healthcare trend rates both before and after the employee's assumed retirement. The projected per capita costs are multiplied by the number of expected future retirees in a given future year to arrive at the cash flow for that year. Also, a certain number of retirees will leave the group each year due to expected deaths or reaching a limit age and this group will cease to be included in the cash flow from that point forward. Because this is a closed-group valuation, the number of retirees dying each year will eventually exceed the number of new retirees, and the size of the cash flow will begin to decrease and eventually go to zero.

The expected employer cash flows for selected future years are provided in the following table:

<u>FY</u>	<u>Explicit</u>	<u>Implicit</u>	<u>Authority Total</u>	<u>FY</u>	<u>Explicit</u>	<u>Implicit</u>	<u>Authority Total</u>	<u>FY</u>	<u>Explicit</u>	<u>Implicit</u>	<u>Authority Total</u>
2020/21	\$ 501,080	\$ 133,829	\$ 634,909	2035/36	\$ 741,847	\$ 35,037	\$ 776,884	2057/58	\$ 826,318	\$ 76,980	\$ 903,298
2022/23	\$ 534,494	\$ 165,070	\$ 699,564	2036/37	\$ 775,034	\$ 45,191	\$ 820,225	2062/63	\$ 699,243	\$ 26,461	\$ 725,704
2023/24	\$ 570,256	\$ 165,118	\$ 735,374	2037/38	\$ 787,697	\$ 31,719	\$ 819,416	2067/68	\$ 587,986	\$ 0	\$ 587,986
2024/25	\$ 576,729	\$ 135,912	\$ 712,641	2038/39	\$ 804,397	\$ 45,850	\$ 850,247	2072/73	\$ 507,499	\$ 0	\$ 507,499
2025/26	\$ 616,041	\$ 144,471	\$ 760,512	2039/40	\$ 836,452	\$ 60,671	\$ 897,123	2077/78	\$ 414,313	\$ 0	\$ 414,313
2026/27	\$ 653,060	\$ 146,035	\$ 799,095	2040/41	\$ 847,879	\$ 61,164	\$ 909,043	2082/83	\$ 300,683	\$ 0	\$ 300,683
2027/28	\$ 660,170	\$ 120,291	\$ 780,461	2041/42	\$ 878,146	\$ 70,757	\$ 948,903	2087/88	\$ 183,071	\$ 0	\$ 183,071
2028/29	\$ 695,690	\$ 121,671	\$ 817,361	2042/43	\$ 911,213	\$ 90,088	\$ 1,001,301	2092/93	\$ 87,908	\$ 0	\$ 87,908
2029/30	\$ 716,283	\$ 101,161	\$ 817,444	2043/44	\$ 927,249	\$ 98,084	\$ 1,025,333	2097/98	\$ 31,117	\$ 0	\$ 31,117
2030/31	\$ 731,390	\$ 83,355	\$ 814,745	2044/45	\$ 957,491	\$ 118,948	\$ 1,076,439	2102/103	\$ 7,614	\$ 0	\$ 7,614
2031/32	\$ 704,816	\$ 42,612	\$ 747,428	2045/46	\$ 962,398	\$ 104,978	\$ 1,067,376	2107/108	\$ 1,163	\$ 0	\$ 1,163
2032/33	\$ 721,444	\$ 56,256	\$ 777,700	2046/47	\$ 966,783	\$ 104,966	\$ 1,071,749	2112/113	\$ 93	\$ 0	\$ 93
2033/34	\$ 714,150	\$ 61,482	\$ 775,632	2047/48	\$ 983,884	\$ 126,514	\$ 1,110,398	2117/118	\$ 4	\$ 0	\$ 4
2034/35	\$ 722,770	\$ 52,840	\$ 775,610	2052/53	\$ 964,354	\$ 172,816	\$ 1,137,170	All Years	\$ 45,590,354	\$ 4,373,572	\$ 49,963,926



**South Orange County Wastewater Authority Retiree Health Plan
December 31, 2020 Actuarial Valuation
Section IV. Valuation Data**

The valuation was based on the census furnished to us by SOCWA. The following tables display the age distribution for retirees and the age/service distribution for active employees as of the Valuation Date.

Age Distribution of Eligible Retired Participants & Beneficiaries

Age	Total
<55	1
55-59	7
60-64	14
65-69	14
70-74	4
75-79	6
80+	1
Total:	47
Average Age:	66.3

Age/Service Distribution of All Active Benefit Eligible Employees

Age	Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40-44	
20-24	3									3
25-29	6	1								7
30-34	9	4	1							14
35-39	5	2	1							8
40-44	4	1	0	1						6
45-49	1	1	0	1	0					3
50-54	1	2	1	2	0	0	1			7
55-59	1	2	0	1	2	3	0	0		10
60-64	1	1	0	0	0	0	0	1	0	2
65-69	0	1	0	0	0	0	0	0	0	1
70+	0	0	0	0	0	0	0	0	0	0
Total:	31	15	3	5	2	3	1	1	0	61
Average Age:			41.9							
Average Service:			8.5							
Estimated Payroll:			\$6,970,016							

**South Orange County Wastewater Authority Retiree Health Plan
December 31, 2020 Actuarial Valuation
Section V. Benefit Plan Provisions**

This study analyzes the retiree health benefits of SOCWA. The retiree health benefits provided to retirees are basically a continuation of the plans for active employees. Our findings and assumptions are based on the plans and rates effective January 1, 2019.

All permanent full-time and part-time employees working at least half-time are offered a choice of medical (including prescription drug coverage) plans through the CalPERS Health Program under the Public Employees' Medical and Hospital Care Act (PEMHCA). SOCWA currently pays an amount each year that is based on a percentage of the average of all health plans (excluding the PERS Care Plan) made available to SOCWA employees through the CalPERS Health Program. Any premium costs above this amount are paid for by the employee. Alternatively, the employee may elect a cash-in-lieu option of \$300/month but opt back into the health plan at any time before retirement during an enrollment period. SOCWA offers the same medical plans to eligible retirees except once retirees are eligible for Medicare, the retiree must join a Medicare HMO or Supplement Plan with Medicare being the primary payer. Employees hired on or after July 1, 2017 are only eligible for the PEMHCA minimum contribution (\$143.00 for 2021) and an HSA contribution. For the purposes of GASB 75, only the PEMHCA minimum contribution will be valued for these employees.

Eligibility for retiree health benefits requires retirement from SOCWA on or after age 50 with at least 5 years of PERS service. Eligible employees must retire (commence pension payment) with CalPERS within 120 days of separation from service. Retiree benefits are paid for the lifetime of the retiree, spouse or surviving spouse and to age 26 for dependents.

Premium Rates

SOCWA participates in the CalPERS Health Program, a community-rated program for its medical coverage. The following tables summarize the current monthly premiums for the primary medical plans in which the retirees are enrolled. All premiums are effective for the 2021 calendar year.

2021 CalPERS Premiums - Region 2	Kaiser	BS Access+	BS Trio	PERS Care	PERS Choice	PERS Select
Retiree Only	\$ 669.77	\$ 938.96	\$ 722.56	\$ 1,115.68	\$ 783.19	\$ 476.92
Retiree plus Spouse	\$ 1,339.54	\$ 1,877.92	\$ 1,445.12	\$ 2,231.36	\$ 1,566.38	\$ 953.84
Retiree Only – Medicare	\$ 324.48	N/A	N/A	\$ 381.25	\$ 349.97	\$ 349.97

2021 CalPERS Premiums - Region 2	UHC HMO	Anthem HMO Select	Anthem HMO Traditional	Health Net SmartCare	Health Net Salud
Retiree Only	\$ 723.84	\$ 674.69	\$ 1,046.04	\$ 769.11	\$ 458.66
Retiree plus Spouse	\$ 1,447.68	\$ 1,349.38	\$ 2,092.08	\$ 1,538.22	\$ 917.32
Retiree Only – Medicare	\$ 311.56	\$ 383.37	\$ 383.37	N/A	N/A

**South Orange County Wastewater Authority Retiree Health Plan
December 31, 2020 Actuarial Valuation
Section VI. Actuarial Assumptions and Methods**

The liabilities set forth in this report are based on the actuarial assumptions described in this section.

Fiscal Year:	July 1 st to June 30 th
Valuation Date:	January 1, 2021
Funding Practice:	SOCWA does not plan to make contributions to the Trust in the near future but will continue to make pay-go contributions directly (outside of the Trust).
Expected Rate of Return:	6.50% per annum; assumes that SOCWA invests in PARS Balanced Highmark Plus asset allocation
Discount Rate:	6.50% per annum.
Inflation:	2.75% per annum
Payroll Increases:	2.75% per annum, in aggregate <i>[The prior valuation used a rate of 3.0% and has been updated to reflect the 2017 CalPERS pension plan valuation.]</i>
Pre-retirement Turnover:	According to the termination rates under the 2017 experience study for the CalPERS pension plan. <i>[Rates have been updated to the CalPERS 2017 pension plan valuation from the 2014 experience study for the pension plan.]</i>

**South Orange County Wastewater Authority Retiree Health Plan
December 31, 2020 Actuarial Valuation
Section VI. Actuarial Assumptions and Methods**

Mortality:

General SOA Pub-2010 General Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2020

Surviving Spouses SOA Pub-2010 Contingent Survivors Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2020

[Mortality rates as of the prior valuation were based on the CalPERS 2014 pension plan valuation.]

Retirement Age:

According to the retirement rates under the 2017 experience study for the CalPERS pension plan. According to the following retirement tables:

Miscellaneous Tier 1: 2.5% @55

Miscellaneous Tier 2: 2.0% @55

Miscellaneous Tier 3: 2.0% @62

[Rates have been updated to the CalPERS 2017 experience study from the 2014 experience study for the pension plan.]

Participation Rates:

100% of eligible active employees are assumed to elect medical coverage at retirement. Future retirees are assumed to elect coverage similar to current retirees. Actual spouse coverage and spouse ages are used for current retirees.

Spouse Coverage:

65% of future retirees are assumed to elect coverage for their spouse. Male spouses are assumed to be 3 years older than female spouses. Actual spouse coverage and spouse ages are used for current retirees.

Dependent Coverage:

Not explicitly valued.

**South Orange County Wastewater Authority Retiree Health Plan
December 31, 2020 Actuarial Valuation
Section VI. Actuarial Assumptions and Methods**

Medical Trend Rates:

Medical costs are adjusted in future years by the following trends:

FYE	
2021	6.50%
2022	6.25%
2023	6.00%
2024	5.75%
2025	5.50%
2026	5.25%
2027	5.00%
2028	4.75%
2029+	4.50%

Claim Cost Development:

The valuation claim costs are based on the premiums paid for medical insurance coverage. The Authority participates in CalPERS, a community rated plan. An implicit rate subsidy can exist when the non-Medicare rates for retirees are the same as for active employees. Since non-Medicare eligible retirees are typically much older than active employees, their actual medical costs are typically higher than for active employees. The current valuation contains an estimate of the implicit rate subsidy. Please see sample claim costs in the tables below:

Age	Region 2							
	PERS Choice	PERS Select	PERSCare	Anthem HMO Select	Anthem HMO Traditional	Blue Shield Access+	Kaiser CA	United Healthcare
40 – 44	\$ 6,620	\$ 4,031	\$ 9,430	\$ 5,703	\$ 8,841	\$ 7,936	\$ 5,661	\$ 6,118
45 – 49	\$ 8,299	\$ 5,054	\$ 11,823	\$ 7,149	\$ 11,085	\$ 9,950	\$ 7,097	\$ 7,670
50 – 54	\$ 10,007	\$ 6,094	\$ 14,256	\$ 8,621	\$ 13,366	\$ 11,998	\$ 8,558	\$ 9,249
55 - 59	\$ 12,174	\$ 7,413	\$ 17,342	\$ 10,487	\$ 16,259	\$ 14,595	\$ 10,411	\$ 11,251
60 - 64	\$ 15,070	\$ 9,177	\$ 21,468	\$ 12,983	\$ 20,128	\$ 18,068	\$ 12,888	\$ 13,928

Actuarial Cost Method:	<p>The actuarial cost method used to determine the allocation of the retiree health actuarial liability to the past (accrued), current and future periods is the Entry Age Normal (EAN) cost method. The EAN cost method is a projected benefit cost method which means the “cost” is based on the projected benefit expected to be paid at retirement.</p> <p>The EAN normal cost equals the level annual amount of contribution from the employee’s date of hire (entry date) to their retirement date that is sufficient to fund the projected benefit. As required by GASB 75, the normal cost is calculated to remain level as a percentage of pay. The EAN actuarial accrued liability equals the present value of all future benefits for retired and current employees and their beneficiaries less the portion expected to be funded by future normal costs.</p> <p>All employees eligible as of the measurement date in accordance with the provisions of the Plan listed in the data provided by the District were included in the valuation.</p>
Actuarial Value of Assets:	<p>Any assets of the plan will be valued on a market value basis.</p>
Amortization of NOL:	<p>The unfunded actuarial accrued or net OPEB liability (NOL) is being amortized over 18 years using a level percentage of pay amortization method.</p>

South Orange County Wastewater Authority Retiree Health Plan
December 31, 2020 Actuarial Valuation
Section VII. Actuarial Certification

This report summarizes the actuarial valuation for the South Orange County Wastewater Authority (the “Authority”) as of December 31, 2020. The purpose of the valuation is to measure the Authority’s liability for OPEB benefits and to determine an actuarially determined contribution (ADC) for the fiscal periods ending June 30, 2021 and June 30, 2022. The ADC is a target or recommended contribution to a defined benefit OPEB plan for the applicable period, determined in accordance with the parameters and in conformity with Actuarial Standards of Practice. The valuation results will also serve as the basis for complying with GASB 75 applicable for the fiscal year ending June 30, 2021.

To the best of our knowledge, the report presents a fair position of the funded status of the plan. The valuation is based upon our understanding of the plan provisions as summarized within the report. The information presented herein is based on the actuarial assumptions and substantive plan provisions summarized in this report and participant information and asset information furnished to us by the Plan Sponsor. We have reviewed the employee census provided by the Plan Sponsor for reasonableness when compared to the prior information provided but have not audited the information at the source, and therefore do not accept responsibility for the accuracy or the completeness of the data on which the information is based. When relevant data may be missing, we may have made assumptions we feel are neutral or conservative to the purpose of the measurement. We are not aware of any significant issues with and have relied on the data provided.

The discount rate and other economic assumptions have been selected by the Plan Sponsor. Demographic assumptions have been selected by the Plan Sponsor with the concurrence of Nyhart. In our opinion, the actuarial assumptions are individually reasonable and in combination represent our estimate of anticipated experience of the Plan. All calculations have been made in accordance with generally accepted actuarial principles and practice.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions;
- Changes in economic or demographic assumptions;
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- Changes in plan provisions or applicable law.

While some sensitivity was provided in the report, we did not perform an analysis of the potential ranges of future measurements due to the limited scope of our engagement.

South Orange County Wastewater Authority Retiree Health Plan
December 31, 2020 Actuarial Valuation
Section VII. Actuarial Certification

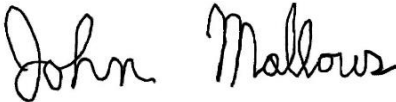
Neither Nyhart nor any of its employees has any relationship with the plan or its sponsor that could impair or appear to impair the objectivity of this report. Our professional work is in full compliance with the American Academy of Actuaries "Code of Professional Conduct" Precept 7 regarding conflict of interest. The undersigned meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Should you have any questions please do not hesitate to contact me.

Certified by:



Suraj Datta, ASA, MAAA, MBA
Consulting Actuary



John Mallows, FSA, MAAA
Valuation Actuary

Date: June 4, 2021

GASB 75 defines several unique terms not commonly employed in the funding of pension and retiree health plans. The definitions of the terms used in the GASB actuarial valuations are noted below.

1. **Actuarial Assumptions** – Assumptions as to the occurrence of future events affecting health care costs, such as: mortality, withdrawal, disablement and retirement; changes in compensation and Government provided health care benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; characteristics of future entrants for Open Group Actuarial Cost Methods; and other relevant items.
2. **Actuarial Cost Method** – A procedure for determining the Actuarial Present Value of Future Benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Service Cost and a Total OPEB Liability.
3. **Actuarially Determined Contribution** - A target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined in accordance with the parameters and in conformity with Actuarial Standards of Practice.
4. **Actuarial Present Value** – The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. For purposes of this standard, each such amount or series of amounts is:
 - a. adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, Social Security, marital status, etc.);
 - b. multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination of employment, etc.) on which the payment is conditioned; and
 - c. discounted according to an assumed rate (or rates) of return to reflect the time value of money.
5. **Deferred Outflow / (Inflow) of Resources** – represents the following items that have not been recognized in the OPEB Expense:
 - a. Differences between expected and actual experience of the OPEB plan
 - b. Changes in assumptions
 - c. Differences between projected and actual earnings in OPEB plan investments (for funded plans only)
6. **Explicit Subsidy** – The difference between (a) the amounts required to be contributed by the retirees based on the premium rates and (b) actual cash contribution made by the employer.
7. **Funded Ratio** – The actuarial value of assets expressed as a percentage of the Total OPEB Liability.

8. **Healthcare Cost Trend Rate** – The rate of change in the per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.
9. **Implicit Subsidy** – In an experience-rated healthcare plan that includes both active employees and retirees with blended premium rates for all plan members, the difference between (a) the age-adjusted premiums approximating claim costs for retirees in the group (which, because of the effect of age on claim costs, generally will be higher than the blended premium rates for all group members) and (b) the amounts required to be contributed by the retirees.
10. **OPEB** – Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.
11. **OPEB Expense** – Changes in the Net OPEB Liability in the current reporting period, which includes Service Cost, interest cost, changes of benefit terms, expected earnings on OPEB Plan investments, reduction of active employees' contributions, OPEB plan administrative expenses, and current period recognition of Deferred Outflows / (Inflows) of Resources.
12. **Pay-as-you-go** – A method of financing a benefit plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.
13. **Per Capita Costs** – The current cost of providing postretirement health care benefits for one year at each age from the youngest age to the oldest age at which plan participants are expected to receive benefits under the plan.
14. **Present Value of Future Benefits** – Total projected benefits include all benefits estimated to be payable to plan members (retirees and beneficiaries, terminated employees entitled to benefits but not yet receiving them, and current active members) as a result of their service through the valuation date and their expected future service. The actuarial present value of total projected benefits as of the valuation date is the present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. Expressed another way, it is the amount that would have to be invested on the valuation date so that the amount invested plus investment earnings will provide sufficient assets to pay total projected benefits when due.
15. **Real Rate of Return** – the rate of return on an investment after adjustment to eliminate inflation.

16. **Select and Ultimate Rates** – Actuarial assumptions that contemplate different rates for successive years. Instead of a single assumed rate with respect to, for example, the investment return assumption, the actuary may apply different rates for the early years of a projection and a single rate for all subsequent years. For example, if an actuary applies an assumed investment return of 8% for year 20W0, then 7.5% for 20W1, and 7% for 20W2 and thereafter, then 8% and 7.5% are the select rates, and 7% is the ultimate rate.
17. **Service Cost** – The portion of the Actuarial Present Value of projected benefit payments that is attributed to a valuation year by the Actuarial Cost Method.
18. **Substantive Plan** – The terms of an OPEB plan as understood by the employer(s) and plan members.
19. **Total OPEB Liability** – That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of Future Benefits, which is attributed to past periods of employee service (or not provided for by the future Service Costs).