

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

**March 21, 2023  
10:30 a.m.**

NOTICE IS HEREBY GIVEN that a Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee was called to be held on **March 21, 2023 at 10:30 a.m.** SOCWA staff will be present and conducting the meeting at the SOCWA Administrative Office located at 34156 Del Obispo Street, Dana Point, California.

THE SOCWA MEETING ROOM IS WHEELCHAIR ACCESSIBLE. 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 SUCH 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. MEMBERS OF THE PUBLIC HAVE THE OPTION TO PARTICIPATE IN AND MAY JOIN THE MEETING REMOTELY VIA VIDEO CONFERENCE FOR VISUAL INFORMATION ONLY (USE ZOOM LINK BELOW) AND BY TELECONFERENCE FOR AUDIO PARTICIPATION (USE PHONE NUMBERS BELOW). THIS IS A PHONE-CALL MEETING AND NOT A WEB-CAST MEETING, SO PLEASE REFER TO AGENDA MATERIALS AS POSTED ON THE WEBSITE AT [WWW.SOCWA.COM](http://WWW.SOCWA.COM). ON YOUR REQUEST, EVERY EFFORT WILL BE MADE TO ACCOMMODATE PARTICIPATION. FOR PARTIES PARTICIPATING REMOTELY, PUBLIC COMMENTS WILL BE TAKEN DURING THE MEETING FOR ORAL COMMUNICATION IN ADDITION TO PUBLIC COMMENTS RECEIVED BY PARTIES PARTICIPATING IN PERSON. COMMENTS MAY BE SUBMITTED PRIOR TO THE MEETING VIA EMAIL TO ASSISTANT SECRETARY DANITA HIRSH AT [DHIRSH@SOCWA.COM](mailto:DHIRSH@SOCWA.COM) WITH THE SUBJECT LINE "REQUEST TO PROVIDE PUBLIC COMMENT." IN THE EMAIL, PLEASE INCLUDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER YOU WILL BE CALLING FROM SO THAT THE COORDINATOR CAN UN-MUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. THOSE MAKING PUBLIC COMMENT REQUESTS REMOTELY VIA TELEPHONE IN REAL-TIME WILL BE ASKED TO PROVIDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER THAT YOU ARE CALLING FROM SO THE COORDINATOR CAN UN-MUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. ONCE THE MEETING HAS COMMENCED, THE CHAIR WILL INVITE YOU TO SPEAK AND ASK THE COORDINATOR TO UN-MUTE YOUR LINE AT THE APPROPRIATE TIME.

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

**THE PUBLIC MAY PARTICIPATE REMOTELY BY VIRTUAL MEANS. FOR AUDIO OF MEETING USE  
THE CALL IN PHONE NUMBERS BELOW AND FOR VIDEO USE THE ZOOM LINK BELOW.**

Join Zoom Meeting  
<https://socwa.zoom.us/>

Meeting ID: 839 0219 2162  
Passcode: 834903

Dial by your location:  
+1 669 900 6833 US (San Jose)    +1 253 215 8782 US (Tacoma)  
+1 346 248 7799 US (Houston)    +1 312 626 6799 US (Chicago)  
Find your local number: <https://socwa.zoom.us/j/kcAY3vRyhT>

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.*

PAGE NO.

3. FY 2023-24 Workshop Total Budget and Response to Questions and Comments from February 21, 2023 ..... 1

a. Staff Presentation of PowerPoint

- Draft FY 2023-24 Comparative Total Budget by Member Agency; (SOCWA Total Cost Base/ All Costs)
- SOCWA Budget Year-Over-Year (YOY) Change, FY 2022-23 to FY 2023-24
- Cost Drivers Prioritized by Major Expenditures, Includes UAL and OPEB
- 5-Year Budget (Top Level) Projections and Chart
- Administration (Admin) Comparative FY 2023-24 Budget
- General Fund (GF) Comparative FY 2023-24 Budget
- General Fund Shares - No Change

b. General Fund Distribution by Member Agency Scenarios

- Current Method and 10 Member Agencies
- Irvine Ranch Water District (IRWD) and Trabuco Canyon Water District (TCWD) are not included in GF distribution by Member Agency.

c. Administration Distribution by Member Agencies Scenarios

- Current Method: distribution by Project Committee and Member Agency based on O&M Total Costs (Cost Accounting Std.)
- Admin Overhead Rate (including GF costs) applied to Total O&M Costs
- Admin Overhead Rate (not including GF costs)

d. Capital Spending Plan, FY 2023-24 and one-year forecast.

**Recommended Action:** Committee discussion, comments, and direction.

4. Trabuco County Water District Termination Agreement Update .....

- Materials Under Separate Cover

**Recommended Action:** Committee discussion, comments, and direction.

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 meeting at the usual agenda posting location of the South Orange County Wastewater Authority and at [www.socwa.com](http://www.socwa.com).

Dated this 15th day of March 2023.



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Danita Hirsh, Assistant Secretary  
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

**SOCWA**  
**Finance Committee**  
**Budget Workshop**  
**FY 2023-24**  
**March 21, 2023**

# Total Budget by Member Agency (SOCWA Total Cost Base/All Costs)

## Budget by Member Agency

Ten Agencies share GF				Nine Agencies Share GF		Budget Y-O-Y Change	
FY 2022-23 Budget w/ UAL and OPEB)	FY 2023-24 Budget w/ UAL and OPEB)	Change \$ Amount	Change %	GF Redistributed IRWD termination	FY 2023-24 Budget Re-distributed	\$ Amount	%
\$2,159,704	\$2,258,981	\$99,277	4.6%	\$3,968	\$2,262,948	\$103,245	4.8%
213,038	227,112	14,074	6.6%	1,984	229,096	16,058	7.5%
2,226,342	2,273,402	47,060	2.1%	3,968	2,277,369	51,028	2.3%
933,235	1,098,812	165,578	17.7%	2,976	1,101,788	168,554	18.1%
153,244	159,788	6,544	4.3%	3,968	163,756	10,512	6.9%
211,743	244,666	32,923	15.5%	(33,727)	210,939	(805)	-0.4%
10,327,930	9,920,643	(407,288)	-3.9%	5,952	9,926,594	(401,336)	-3.9%
3,145,357	3,547,422	402,065	12.8%	3,968	3,551,390	406,033	12.9%
4,238,696	4,592,239	353,543	8.3%	5,952	4,598,191	359,495	8.5%
61,528	24,127	(37,400)	-60.8%	992	25,119	(36,408)	-59.2%
\$23,670,816	\$24,347,191	\$676,375	2.9%	\$0	\$24,347,191	\$676,375	2.9%

In Comparison to SOCWA's FY 2022-23 Budget, FY 2023-24 Budget will increase by \$676 thousand or 2.9%, primarily due to an inflationary environment and supply chain disruptions.

- COLA was not included in the initial draft budget pending the new MOU agreement. Each 1% of COLA will add \$75 thousand to \$85 thousand to the above proposed budget.
- Merit increases are assumed at a three percent average.

# General Fund by Member Agency w/ Revised Distribution by Member Agency (IRWD)

	Original Distribution		Revised Distribution <sup>1</sup>		Change	
	Distribution %'s	Amount	Distribution %'s	Amount	\$ Amount	%
City of Laguna Beach	10.8%	\$44,970	11.8%	\$48,938	\$3,968	8.8%
City of San Clemente	5.4%	22,485	5.9%	24,469	\$1,984	8.8%
City of San Juan Capistrano <sup>2</sup>	10.8%	44,970	11.8%	48,938	\$3,968	8.8%
El Toro Water District	8.1%	33,727	8.8%	36,703	\$2,976	8.8%
Emerald Bay Service District	10.8%	44,970	11.8%	48,938	\$3,968	8.8%
Irvine Ranch Water District <sup>3</sup>	8.1%	33,727	0.0%	-	(\$33,727)	-100.0%
Moulton Niguel Water District	16.2%	67,455	17.6%	73,407	\$5,952	8.8%
Santa Margarita Water District	10.8%	44,970	11.8%	48,938	\$3,968	8.8%
South Coast Water District	16.2%	67,455	17.6%	73,407	\$5,952	8.8%
Trabuco Canyon Water District <sup>4</sup>	2.7%	11,242	2.9%	12,234	\$992	8.8%
<b>Total General Fund</b>	<b>100.0%</b>	<b>\$415,971</b>	<b>100.0%</b>	<b>\$415,971</b>	<b>\$0</b>	<b>0.0%</b>

<sup>1</sup>Remaining Member Agencies Distribution %'s will increase.

<sup>2</sup>City of San Juan Capistrano GF paid by Santa Margarita Water District; FY 2023-24 is the last year.

<sup>3</sup>Irvine Ranch Water District and Trabuco Canyon Water District terminated or is terminating membership in SOCWA.

<sup>4</sup>Trabuco Canyon Water District will be terminating membership in SOCWA.

# SOCWA Budget Year-Over-Year (YOY) Change

FY 2022-23 Budget	FY 2023-24 Budget	FY 2023-24 \$ Change +(-)	% Change
\$23,670,816	\$24,347,191	\$676,375	2.9%

## FY 2022-23 Budget Roll Forward to Proposed FY 2023-24 Budget

Budget Changes (Cost Drivers in Blue)			
Utilities <sup>1</sup>	\$219,464		
Biosolids Hauling and Disposal <sup>1</sup>	178,500		
Payroll Costs (COLA not included) <sup>2</sup>	114,771		
Chemicals <sup>1&amp;4</sup>	99,620		
Contract Services Misc.	52,227		
Insurance	39,811		
Environmental Permit Requirements & Increased Water Quality Fees	37,358		
Recruitment (Sr. Engineer)	18,000	\$759,751	3.2%
		Change from FY 22-23 Budget	
Maintenance - Equip. & Facilities <sup>4</sup>	(67,292)		
Unfunded Pension Liability (UAL) & OPEB <sup>3</sup>	(57,880)		
Other	41,796	(83,376)	-0.4%
		Change from FY 22-23 Budget	
<b>Total Budget Change</b>	<b>\$676,375</b>	<b>\$676,375</b>	<b>2.9%</b>
<b>FY 2023-24 Budget</b>	<b>\$24,347,191</b>		

<sup>1</sup>Chemicals, fuel, and utilities increases are due to high inflation and supply chain disruptions.

<sup>2</sup>COLA is not yet included in FY 2024 numbers. The Budget will increase \$75k to \$85k for each 1% COLA.

*The Consumer Price Index increased 5.1 percent for the year ended February 2023, following a rise of 5.8% in January, and 4.9 % in December.*

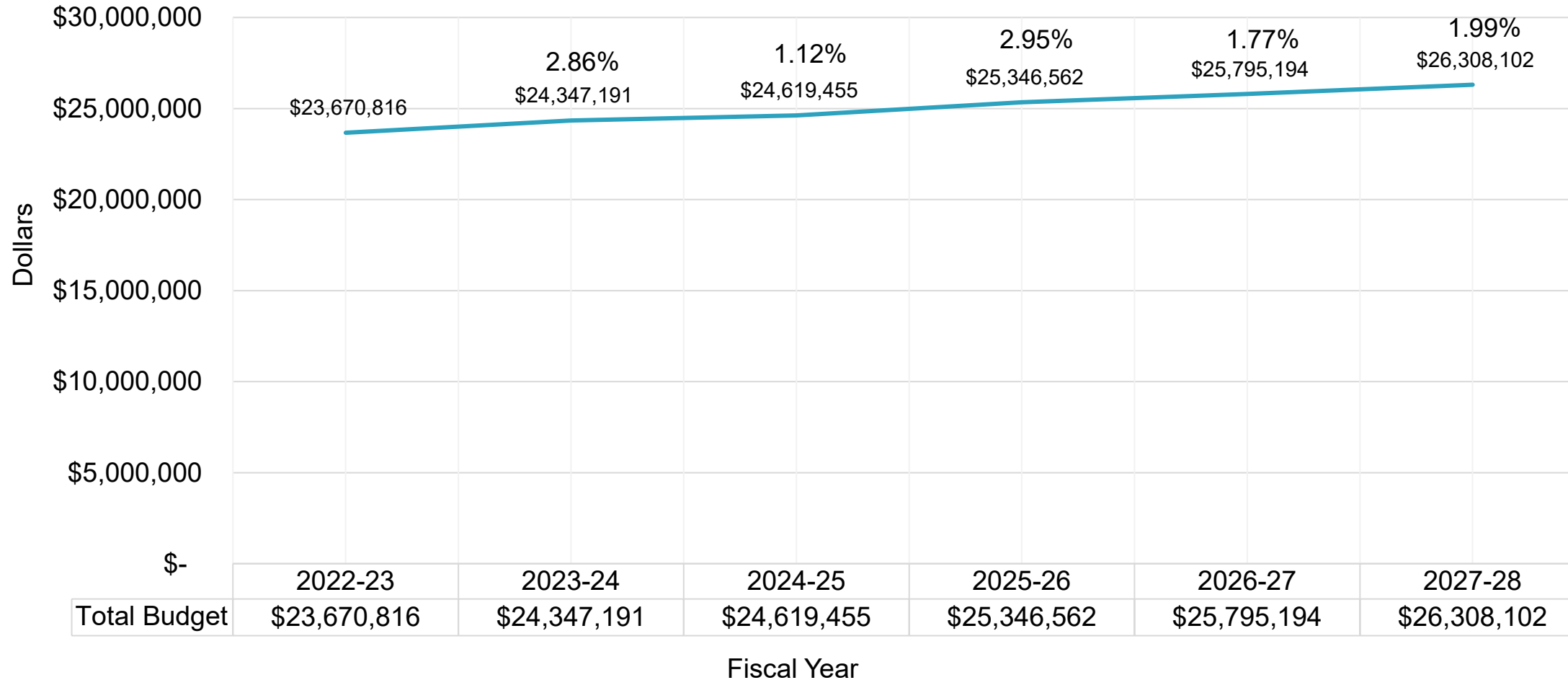
<sup>3</sup>UAL decreased due to CalPERS' favorable ROI in 2021.

<sup>4</sup>AWT movement to MNWD Impact:

Chemicals  
Maintenance  
Total

Amount
\$395,000
50,000
<b>\$445,000</b>

# SOCWA Total Budget Year-Over-Year Change



SOCWA's Year-Over-Year total budget remains relatively flat, with the slight increase of about 2% each year. This indicates consistent and stable financial performance.



# Cost Drivers Prioritized by Major Expenditures

## Includes UAL and OPEB

FY 2023-24 COLA is TBD and is not included below.						
Expenses/Costs:	FY 2022-23 Budget		FY 2023-24 Budget		YOY Chg 23 to 24	
	Amount	Mix %	Amount	Mix %	Amount	Mix %
Payroll Costs Including Fringe Benefits <sup>1</sup>	\$10,070,769	42.5%	\$10,185,540	41.8%	\$114,771	1.1%
UAL & OPEB <sup>1</sup>	1,849,069	7.8%	1,791,189	7.4%	(57,880)	-3.1%
Chemicals <sup>2</sup>	2,185,380	9.2%	2,285,000	9.4%	99,620	4.6%
Utilities <sup>2</sup>	1,609,036	6.8%	1,828,500	7.5%	219,464	13.6%
Biosolids Hauling and Disposal <sup>2</sup>	1,568,996	6.6%	1,747,496	7.2%	178,500	11.4%
Maintenance - Equip. & Facilities	1,845,000	7.8%	1,777,708	7.3%	(67,292)	-3.6%
IT	618,094	2.6%	622,687	2.6%	4,593	0.7%
Environmental & Safety	1,196,376	5.1%	1,208,245	5.0%	11,869	1.0%
Management Support Services <sup>3</sup>	551,512	2.3%	582,000	2.4%	30,488	5.5%
IT Direct	45,004	0.2%	45,000	0.2%	(4)	0.0%
Contract Services - Misc	326,569	1.4%	378,796	1.6%	52,227	16.0%
Audit & Legal	269,688	1.1%	276,672	1.1%	6,984	2.6%
Facilities	328,512	1.4%	315,000	1.3%	(13,512)	-4.1%
Insurance	491,248	2.1%	531,059	2.2%	39,811	8.1%
Grit Hauling	124,472	0.5%	132,500	0.5%	8,028	6.4%
Engineering transfer to Capital	(416,125)	-1.8%	(401,305)	-1.6%	14,820	-3.6%
Other Miscellaneous	1,007,216	4.3%	1,041,102	4.3%	33,886	3.4%
Total SOCWA Cost Base	<b>\$23,670,816</b>	<b>100.0%</b>	<b>\$24,347,191</b>	<b>100.0%</b>	<b>\$676,375</b>	<b>2.9%</b>
<b>Cost Drivers</b>	<b>21,494,232</b>		<b>22,028,366</b>		<b>534,134</b>	
<b>% Total Cost Base</b>	<b>90.8%</b>		<b>90.5%</b>		<b>79.0%</b>	

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

<sup>1</sup> Payroll costs, including fringe benefits and UAL & OPEB, are 50% of the Authority's Total Cost Base. COLA is not yet included in FY 2023-24 numbers. UAL decreased due to CalPERS' favorable ROI in FY 2020-21.

<sup>2</sup> Chemicals, fuel, and utilities increases are due to high inflation and supply chain disruptions.

<sup>3</sup> The increase is due to environmental Plume tracking.

# **Operation & Maintenance**

## **O&M/Environmental, Safety and Engineering Accomplishments FY 2022-23**

- ▶ Substantially finished 2 major capital projects.
- ▶ Completed 63 small capital projects - \$1.25M (est. 62% spent)
- ▶ Goods on order for installation - \$1,050,000 (3/14/23) was \$850,000 (3/22/22)
- ▶ COVID-19 wind down
- ▶ Coastal Fire Recovery (including new power lines pending)
- ▶ Received SJCOO & ACOO NPDES permits (6-year effort)
- ▶ Completed successful laboratory audit and award of accredited certification

# Professional Licensing & Certifications

## FY 2021-22

Laboratory IV – 1

Laboratory I – 1

PMP – 1 (Engineering)

## FY 2022-23

Operator V – 1

Operator III – 1

Operator II – 2

Mechanic III – 1

Mechanic II – 3

Electrical I – 1

Laboratory I – 1

## **O&M and Environmental, Safety and Engineering Drivers**

- ▶ Flows are reviewed and agreed to at the Engineering Committee and made available to Member Agencies for comment.
- ▶ As directed by SMWD, the PC 2 FY 2022-23 Flows and Solids are projected to include budgeted flows 3.2 mgd due to the Oso Plant Shutdown.
- ▶ CPUC projected rate increases are used to calculate most utility cost changes, including natural gas, and Co-Gen engine operations actual results are used as the basis for projecting electricity.
- ▶ Inflation for non-labor expenses is assumed at an average of 3%.
- ▶ Long-term contract rates are used to budget contracted supplies and services.

# Environmental Compliance Drivers

- ▶ Safety Budget remains at FY 2022-23 levels.
- ▶ Laboratory Supplies/Services slight increase from FY 2022-23 due to inflation.
- ▶ Water Quality fees for NPDES permits are increasing.
- ▶ Pretreatment costs to remain at FY 2022-23 levels.
- ▶ Board approved plume tracking implementation in FY 2023-24 & FY 2024-25, driving costs increases in PC 5 & PC24 for management support services.

# SOCWA Budget Year-Over-Year (YOY) Change

## O & M, Environmental & Safety Departments

		FY 2022-23 Budget	FY 2023-24 Budget	Change \$	Change %
Salary and Fringe					
**5000-**-***	Regular Salaries-O&M	4,931,084	4,896,967	(34,117)	(0.69%)
**5001-**-***	Overtime Salaries-O&M	73,524	82,008	8,484	11.54%
**5306-**-***	Scheduled Holiday Work	86,468	68,376	(18,092)	(20.92%)
**5315-**-***	Comp Time - O&M	16,920	17,628	708	4.18%
**5401-**-***	Fringe Benefits IN to PC's & Depts.	2,572,272	2,688,023	115,751	4.50%
**5700-**-***	Standby Pay	70,000	67,600	(2,400)	(3.43%)
	Total Payroll Costs	7,750,268	7,820,603	70,335	0.91%
Other Expenses					
**5002-**-***	Electricity	1,253,828	1,260,000	6,172	0.49%
**5003-**-***	Natural Gas	268,200	490,500	222,300	82.89%
**5004-**-***	Potable & Reclaimed Water	87,008	78,000	(9,008)	(10.35%)
**5005-**-***	Co-generation Power Credit	(1,050,004)	(1,302,000)	(251,996)	24.00%
**5006-**-***	Chlorine/Sodium Hypochlorite	554,000	181,000	(373,000)	(67.33%)
**5007-**-***	Polymer Products	789,548	1,040,000	250,452	31.72%
**5008-**-***	Ferric Chloride	688,256	880,000	191,744	27.86%
**5009-**-***	Odor Control Chemicals	117,572	155,000	37,428	31.83%
**5010-**-***	Other Chemicals - Misc.	2,004	2,000	(4)	(0.20%)
**5011-**-***	Laboratory Services	65,724	56,632	(9,092)	(13.83%)
**5012-**-***	Grit Hauling	124,472	132,500	8,028	6.45%
**5013-**-***	Landscaping	219,008	211,000	(8,008)	(3.66%)
**5014-**-***	Engineering - Misc.	-	-	-	-
**5015-**-***	Management Support Services	501,512	527,000	25,488	5.08%
**5016-**-***	Audit - Environmental	-	1,304	1,304	-
**5017-**-***	Legal Fees	23,688	30,672	6,984	29.48%
**5018-**-***	Public Notices/ Public Relations	3,732	1,500	(2,232)	(59.81%)
**5019-**-***	Contract Services Misc.	320,996	372,996	52,000	16.20%
**5021-**-***	Small Vehicle Expense	23,104	24,128	1,024	4.43%
**5022-**-***	Miscellaneous Expense	15,988	16,032	44	0.28%
**5023-**-***	Office Supplies - All	46,008	48,000	1,992	4.33%
**5024-**-***	Petroleum Products	34,000	27,000	(7,000)	(20.59%)
**5025-**-***	Uniforms	71,004	78,000	6,996	9.85%
**5026-**-***	Small Vehicle Fuel	22,764	20,272	(2,492)	(10.95%)
**5027-**-***	Insurance - Property/Liability	491,248	531,059	39,811	8.10%
**5028-**-***	Small Tools & Supplies	80,600	77,668	(2,932)	(3.64%)
**5030-**-***	Trash Disposal	8,500	9,000	500	5.88%
**5031-**-***	Safety Program & Supplies	112,712	114,956	2,244	1.99%
**5032-**-***	Equipment Rental	12 7,004	7,000	(4)	(0.05%)

Cont.

		FY 2022-23 Budget	FY 2023-24 Budget	Change \$	Change %
Other Expenses					
**5033-**-**-**	Recruitment	2,316	2,300	(16)	(0.69%)
**5034-**-**-**	Travel Expense/Tech. Conferences	73,736	75,078	1,342	1.82%
**5035-**-**-**	Training Expense	73,052	50,479	(22,573)	(30.90%)
**5036-**-**-**	Laboratory Supplies	121,144	127,092	5,948	4.91%
**5037-**-**-**	Office Equipment	25,992	27,000	1,008	3.88%
**5038-**-**-**	Permits	593,908	635,836	41,928	7.06%
**5039-**-**-**	Membership Dues/Fees	25,120	13,153	(11,967)	(47.64%)
**5044-**-**-**	Offshore Monitoring	80,000	81,604	1,604	2.01%
**5045-**-**-**	Offshore Biochemistry	30,004	22,500	(7,504)	(25.01%)
**5046-**-**-**	Effluent Chemistry	44,992	50,948	5,956	13.24%
**5047-**-**-**	Access Road Expenses	45,000	45,000	0	0.00%
**5048-**-**-**	Storm Damage	21,000	20,000	(1,000)	(4.76%)
**5049-**-**-**	Biosolids Disposal	1,568,996	1,747,496	178,500	11.38%
**5050-**-**-**	Contract Services Generators	28,008	23,000	(5,008)	(17.88%)
**5052-**-**-**	Janitorial Services	101,004	95,000	(6,004)	(5.94%)
**5053-**-**-**	Contract Serv - Digester Cleaning	60,000	80,000	20,000	33.33%
**5054-**-**-**	Diesel Truck Maint	41,996	43,000	1,004	2.39%
**5055-**-**-**	Diesel Truck Fuel	11,496	11,800	304	2.64%
**5056-**-**-**	Maintenance Equip. & Facilities (Solids)	361,000	300,000	(61,000)	(16.90%)
**5057-**-**-**	Maintenance Equip. & Facilities (Liquids)	589,996	510,000	(79,996)	(13.56%)
**5058-**-**-**	Maintenance Equip. & Facilities (Common)	90,008	92,008	2,000	2.22%
**5059-**-**-**	Maintenance Equip. & Facilities (Co-Gen)	715,996	836,700	120,704	16.86%
**5060-**-**-**	Maintenance Equip. & Facilities (AWT)	88,000	39,000	(49,000)	(55.68%)
**5061-**-**-**	Mileage	3,652	2,900	(752)	(20.59%)
**5068-**-**-**	MNWD Potable Water Supplies & Svcs.	44,000	44,880	880	2.00%
**5069-**-**-**	Misc-Capital-Dilution & Metering Study		-	-	
**5074-**-**-**	Education Reimbursement		-	-	
**5076-**-**-**	SCADA Infrastructure	92,128	93,600	1,472	1.60%
**5077-**-**-**	IT Direct	45,004	45,000	(4)	(0.01%)
**5101-**-**-**	Employee Recognition		-	-	
**5105-**-**-**	Co-Generation Pow er Credit - Offset	1,050,000	1,302,000	252,000	24.00%
**5303-**-**-**	Group Insurance Waiver	18,000	14,400	(3,600)	(20.00%)
**5305-**-**-**	Medicare Tax Payments for Employees	2,388	152	(2,236)	(93.63%)
**5309-**-**-**	Operating Leases	28,004	20,000	(8,004)	(28.58%)
**5705-**-**-**	Monthly Car Allowance	35,400	31,200	(4,200)	(11.86%)
**5799-**-**-**	Zephyr Wall Costs Share - O&M	(14,000)	(14,000)	(0)	0.00%
**5802-**-**-**	Shipping/Freight		-	-	
**6500-**-**-**	IT Allocations in to PC's & Depts.	609,236	614,362	5,126	0.84%
Total Other Expenses		11,589,052	12,154,711	565,659	4.88%
Total Expenses		19,339,320	19,975,314	635,994	3.3%



# Administration Budget

	FY 2022-23 Adopted Budget	FY 2023-24 Proposed Budget	Change \$ Amount	Change %
<b>Salary and Fringe</b>				
Regular Salaries-Admin & IT	\$974,150	\$967,007	(\$7,142)	-0.73%
Overtime Salaries-Admin & IT	10,000	7,000	(3,000)	-30.00%
Comp Time - Admin	5,000	4,000	(1,000)	-20.00%
Fringe Benefits IN to PC's & Depts.	508,162	530,806	22,643	4.46%
Total Payroll Costs	\$1,497,312	\$1,508,813	\$11,501	0.77%
Public Notices/ Public Relations	\$3,270	\$0	(\$3,270)	-100.0%
HR Recruitment & Employee Relations	29,190	48,100	18,910	64.78%
Subscriptions	2,533	1,400	(1,133)	-44.73%
Contract Labor	30,000	30,000		
Management Support Services	50,000	55,000	5,000	10.00%
Audit	46,000	46,000		
Legal	200,000	200,000		
Postage	1,500	1,500		
Office Supplies - Admin	4,294	4,000	(294)	-6.85%
Office Equipment	6,000	1,000	(5,000)	-83.33%
Memberships & Trainings	95,912	105,000	9,088	9.48%
Travel & Conference	25,000	25,000	0	0.00%
Education Reimbursement	4,500	3,000	(1,500)	-33.33%
Miscellaneous	20,000	23,000	3,000	15.00%
Mileage	569	600	31	5.45%
Contract Services Misc	5,573	5,800	227	4.07%
IT Allocations into PC's & Depts.	117,968	121,318	3,350	2.84%
Shipping/Freight	4,382	1,200	(3,182)	-72.62%
Monthly Car Allowance	12,000	12,000		
Total Other Expenses	\$658,691	\$683,918	\$25,227	3.83%
<b>Total Administration Expenses</b>	<b>\$2,156,003</b>	<b>\$2,192,732</b>	<b>\$36,729</b>	<b>1.70%</b>

# General Fund Budget FY 2023-24 compared to FY 2022-23 (Included Within Admin Expenses)

	Finance Committee Recommended General Fund %'s	FY 2022-23 Budget	FY 2023-24 Budget	Change \$ Amount	Change %
<b>Salary and Fringe</b>					
Regular Salaries-Admin & IT	Footnote #1	\$170,387	\$168,508	(\$1,879)	-1.1%
Overtime Salaries-Admin & IT	50%	5,000	3,500	(1,500)	-30.0%
Comp Time - Admin	50%	2,500	2,000	(500)	-20.0%
Fringe Benefits IN to PC's & Depts.		88,882	92,497	3,615	4.1%
Total Payroll Costs		\$266,770	\$266,505	(\$265)	-0.1%
<b>Other Expenses</b>					
Public Notices/ Public Relations	100%	\$3,270	\$0	(\$3,270)	-100.0%
Contract Labor	25%	7,500	7,500		0.0%
Audit	100%	46,000	46,000		0.0%
Legal	40%	80,000	80,000		0.0%
Outside Services	100%				
Postage	20%	300	300		0.0%
Office Supplies - Admin	100%	4,294	4,000	(294)	-6.8%
Office Equipment	100%	6,000	1,000	(5,000)	-83.3%
Miscellaneous	20%	4,000	4,600	600	15.0%
IT Allocations into PC's & Depts.	5%	5,898	6,066	168	2.8%
Total Other Expenses		\$157,262	\$149,466	(\$7,797)	-5.0%
<b>Total General Fund Expenses</b>		<b>\$424,032</b>	<b>\$415,971</b>	<b>(\$8,061)</b>	<b>-1.9%</b>

(1) Time Allocations: GM 50%, Exec Assist 50%, Controller 5%

# General Fund – Distribution from Admin.

Description	Board Approved GF %'s
Regular Salaries	See Footnote #1
Overtime Salaries	50%
Comp Time – Earned	50%
Public Notices/Public Notices	100%
Contract Labor/Part-Time Labor	25%
Audit	100%
Legal	40%
Outside Services	100%
Postage	20%
Office Supplies – Admin	100%
Office Equipment	100%
Misc.	20%
IT Allocation in to PC's & Depts	5%

(1) Time Allocations: GM 50%, Exec Assist 50%, Controller 5%

# Original General Fund Percentages Calculation

Methodology Proposed by TCWD in FY 2018-19

	Recycled Water Permitting	ETM's & Interceptor				Outfalls			Plants			Total PC's by Agency (#)	Total PC's by Agency (%)
Agency	PC2SO	PC8	PC 21 B,C & D	PC 21 E	PC 23	PC 5	PC 10	PC 24	PC2	PC 15	PC17		
El Toro Water District		1	0	0				1			1	3	8.11%
Emerald Bay Service District		1			0			1		1	1	4	10.81%
Irvine Ranch Water District	1	1	0	0				1				3	8.11%
City of Laguna Beach		1			0			1		1	1	4	10.81%
Moulton Niguel Water District	1	1		0		0		1	1	1	1	6	16.22%
City of San Clemente		1				1	0					2	5.41%
City of San Juan Capistrano	1	1				1			1			4	10.81%
Santa Margarita Water District	1	1				1			1			4	10.81%
South Coast Water District	1	1				1		0	1	1	1	6	16.22%
Trabuco Canyon Water District	1											1	2.70%
Total by PC's (#)	6	9	0	0	0	4	0	5	4	4	5	37	100.00%

# General Fund by Member Agency w/ Revised Distribution by Member Agency (IRWD)

	Project Committee Participation											Revised <sup>1</sup>		Original		Change in Distrib %'s
	Recycled Water Permitting	ETM's & Interceptor				Outfalls			Plants			Total PC's by Agency (#)	Total PC's by Agency (%)	Total PC's by Agency (#)	Total PC's by Agency (%)	
Agency	PC2SO	PC8	PC 21 B,C &D	PC 21 E	PC 23	PC 5	PC 10	PC 24	PC2	PC 15	PC17					
El Toro Water District		1	0	0				1			1	3	8.82%	3	8.11%	0.72%
Emerald Bay Service District		1			0			1		1	1	4	11.76%	4	10.81%	0.95%
Irvine Ranch Water District <sup>3</sup>			0	0								0	0.00%	3	8.11%	-8.11%
City of Laguna Beach		1			0			1		1	1	4	11.76%	4	10.81%	0.95%
Moulton Niguel Water District	1	1		0		0		1	1	1	1	6	17.65%	6	16.22%	1.43%
City of San Clemente		1				1	0					2	5.88%	2	5.41%	0.48%
City of San Juan Capistrano <sup>2</sup>	1	1				1			1			4	11.76%	4	10.81%	0.95%
Santa Margarita Water District	1	1				1			1			4	11.76%	4	10.81%	0.95%
South Coast Water District	1	1				1		0	1	1	1	6	17.65%	6	16.22%	1.43%
Trabuco Canyon Water District <sup>4</sup>	1											1	2.94%	1	2.70%	0.24%
Total by PC's (#)	5	8	0	0	0	4	0	4	4	4	5	34	100.00%	37	100.00%	0.00%

<sup>1</sup>Remaining Member Agencies Distribution %'s will increase

<sup>2</sup>City of San Juan Capistrano GF paid by Santa Margarita Water District; FY 2023-24 is the last year.

<sup>3</sup>Irvine Ranch Water District terminated membership in SOCWA.

<sup>4</sup>Trabuco Canyon Water District will be terminating membership in SOCWA.

# General Fund by Member Agency w/ Revised Distribution by Member Agency (IRWD)

	Original Distribution		Revised Distribution <sup>1</sup>		Change	
	Distribution %'s	Amount	Distribution %'s	Amount	\$ Amount	%
City of Laguna Beach	10.8%	\$44,970	11.8%	\$48,938	\$3,968	8.8%
City of San Clemente	5.4%	22,485	5.9%	24,469	\$1,984	8.8%
City of San Juan Capistrano <sup>2</sup>	10.8%	44,970	11.8%	48,938	\$3,968	8.8%
El Toro Water District	8.1%	33,727	8.8%	36,703	\$2,976	8.8%
Emerald Bay Service District	10.8%	44,970	11.8%	48,938	\$3,968	8.8%
Irvine Ranch Water District <sup>3</sup>	8.1%	33,727	0.0%	-	(\$33,727)	-100.0%
Moulton Niguel Water District	16.2%	67,455	17.6%	73,407	\$5,952	8.8%
Santa Margarita Water District	10.8%	44,970	11.8%	48,938	\$3,968	8.8%
South Coast Water District	16.2%	67,455	17.6%	73,407	\$5,952	8.8%
Trabuco Canyon Water District <sup>4</sup>	2.7%	11,242	2.9%	12,234	\$992	8.8%
<b>Total General Fund</b>	<b>100.0%</b>	<b>\$415,971</b>	<b>100.0%</b>	<b>\$415,971</b>	<b>\$0</b>	<b>0.0%</b>

<sup>1</sup>Remaining Member Agencies Distribution %'s will increase.

<sup>2</sup>City of San Juan Capistrano GF paid by Santa Margarita Water District; FY 2023-24 is the last year.

<sup>3</sup>Irvine Ranch Water District and Trabuco Canyon Water District terminated or is terminating membership in SOCWA.

<sup>4</sup>Trabuco Canyon Water District will be terminating membership in SOCWA.

# General Fund by Member Agency w/ Revised Distribution by Member Agency (IRWD TCWD)

	Project Committee Participation											Revised <sup>1</sup>		Original		Change in Distrib %'s
	Recycled Water Permitting	ETM's & Interceptor				Outfalls			Plants			Total PC's by Agency (#)	Total PC's by Agency (%)	Total PC's by Agency (#)	Total PC's by Agency (%)	
Agency	PC2SO	PC8	PC 21 B,C	PC 21 E	PC 23	PC 5	PC 10	PC 24	PC2	PC 15	PC17					
El Toro Water District		1	0	0				1			1	3	9.09%	3	8.11%	0.98%
Emerald Bay Service District		1			0			1		1	1	4	12.12%	4	10.81%	1.31%
Irvine Ranch Water District <sup>3</sup>			0	0								0	0.00%	3	8.11%	-8.11%
City of Laguna Beach		1			0			1		1	1	4	12.12%	4	10.81%	1.31%
Moulton Niguel Water District	1	1		0		0		1	1	1	1	6	18.18%	6	16.22%	1.97%
City of San Clemente		1				1	0					2	6.06%	2	5.41%	0.66%
City of San Juan Capistrano <sup>2</sup>	1	1				1			1			4	12.12%	4	10.81%	1.31%
Santa Margarita Water District	1	1				1			1			4	12.12%	4	10.81%	1.31%
South Coast Water District	1	1				1		0	1	1	1	6	18.18%	6	16.22%	1.97%
Trabuco Canyon Water District <sup>3</sup>												0	0.00%	1	2.70%	-2.70%
Total by PC's (#)	4	8	0	0	0	4	0	4	4	4	5	33	100.00%	37	100.00%	0.00%

<sup>1</sup>Remaining Member Agencies Distribution %'s will increase.

<sup>2</sup>City of San Juan Capistrano GF paid by Santa Margarita Water District; FY 2023-24 is the last year.

<sup>3</sup>Irvine Ranch Water District and Trabuco Canyon Water District terminated or is terminating membership in SOCWA.

# General Fund by Member Agency w/ Revised Distribution by Member Agency (IRWD TCWD)

	Original Distribution		Revised Distribution <sup>1</sup>		Change	
	Distribution %'s	Amount	Distribution %'s	Amount	\$ Amount	%
City of Laguna Beach	10.8%	\$44,970	12.1%	\$50,421	\$5,451	12.1%
City of San Clemente	5.4%	22,485	6.1%	25,210	\$2,725	12.1%
City of San Juan Capistrano <sup>2</sup>	10.8%	44,970	12.1%	50,421	\$5,451	12.1%
El Toro Water District	8.1%	33,727	9.1%	37,816	\$4,088	12.1%
Emerald Bay Service District	10.8%	44,970	12.1%	50,421	\$5,451	12.1%
Irvine Ranch Water District <sup>3</sup>	8.1%	33,727	0.0%	-	(\$33,727)	-100.0%
Moulton Niguel Water District	16.2%	67,455	18.2%	75,631	\$8,176	12.1%
Santa Margarita Water District	10.8%	44,970	12.1%	50,421	\$5,451	12.1%
South Coast Water District	16.2%	67,455	18.2%	75,631	\$8,176	12.1%
Trabuco Canyon Water District <sup>3</sup>	2.7%	11,242	0.0%	-	(\$11,242)	-100.0%
<b>Total General Fund</b>	<b>100.0%</b>	<b>\$415,971</b>	<b>100.0%</b>	<b>\$415,971</b>	<b>\$0</b>	<b>0.0%</b>

<sup>1</sup>Remaining Member Agencies Distribution %'s will increase.

<sup>2</sup>City of San Juan Capistrano GF paid by Santa Margarita Water District; FY 2023-24 is the last year.

<sup>3</sup>Irvine Ranch Water District and Trabuco Canyon Water District terminated or is terminating membership in SOCWA.



# Administration (Admin) Rate Scenarios

## Admin Rate Including General Fund (GF), 12.9%

O&M Costs	Admin Rate Including GF, 12.9%			FY 2023-24 Budget			Admin Rate vs. Current Method	
	O&M	Admin	Total	Orig	IRWD GFAdj	Adj Budget	\$ Amount	%
City of Laguna Beach	\$ 1,824,225	\$ 235,679	\$ 2,059,904	\$2,066,885	\$3,968	\$2,070,853	(10,950)	-0.5%
City of San Clemente	173,374	22,399	195,773	214,647	1,984	216,631	(20,858)	-9.6%
City of San Juan Capistrano	1,842,752	238,072	2,080,824	2,087,420	3,968	2,091,388	(10,564)	-0.5%
El Toro Water District	905,242	116,952	1,022,194	1,037,071	2,976	1,040,047	(17,852)	-1.7%
Emerald Bay Service District	96,003	12,403	108,406	151,377	3,968	155,345	(46,939)	-30.2%
Irvine Ranch Water District	178,128	23,013	201,141	231,159	(33,727)	197,431	3,709	1.9%
Moulton Niguel Water District	8,174,886	1,056,145	9,231,031	9,128,250	5,952	9,134,202	96,829	1.1%
Santa Margarita Water District	2,992,611	386,627	3,379,238	3,361,889	3,968	3,365,856	13,381	0.4%
South Coast Water District	3,776,778	487,937	4,264,714	4,253,521	5,952	4,259,473	5,242	0.1%
Trabuco Canyon Water District	11,315	1,462	12,777	23,784	992	24,776	(11,999)	-48.4%
<b>Total O&amp;M Expenses</b>	<b>\$19,975,314</b>	<b>\$2,580,688</b>	<b>\$22,556,002</b>	<b>\$22,556,002</b>	<b>\$0</b>	<b>\$22,556,002</b>	<b>(0)</b>	<b>0.0%</b>

## Admin Rate Not including Fund, 10.8%, No Change to GF Methodology

O&M Costs	Admin Rate 10.8%, GF Same				FY 2023-24 Budget			Admin Rate vs. Current Method	
	O&M	Admin	GF	Total	Orig	IRWD GFAdj	Adj Budget	Amount	%
City of Laguna Beach	\$1,824,225	\$197,691	\$48,938	\$2,070,853	\$2,066,885	\$3,968	\$2,070,853	0	0.0%
City of San Clemente	173,374	18,788	24,469	216,631	214,647	1,984	216,631	0	0.0%
City of San Juan Capistrano	1,842,752	199,698	48,938	2,091,388	2,087,420	3,968	2,091,388	0	0.0%
El Toro Water District	905,242	98,101	36,703	1,040,047	1,037,071	2,976	1,040,047	0	0.0%
Emerald Bay Service District	96,003	10,404	48,938	155,345	151,377	3,968	155,345	0	0.0%
Irvine Ranch Water District	178,128	19,304	-	197,431	231,159	(33,727)	197,431	0	0.0%
Moulton Niguel Water District	8,174,886	885,909	73,407	9,134,202	9,128,250	5,952	9,134,202	0	0.0%
Santa Margarita Water District	2,992,611	324,308	48,938	3,365,856	3,361,889	3,968	3,365,856	0	0.0%
South Coast Water District	3,776,778	409,288	73,407	4,259,473	4,253,521	5,952	4,259,473	0	0.0%
Trabuco Canyon Water District	11,315	1,226	12,234	24,776	23,784	992	24,776	0	0.0%
<b>Total O&amp;M Expenses</b>	<b>\$19,975,314</b>	<b>\$2,164,717</b>	<b>\$415,971</b>	<b>\$22,556,002</b>	<b>\$22,556,002</b>	<b>\$0</b>	<b>\$22,556,002</b>	<b>0</b>	<b>0.0%</b>



# SOCWA Draft CIP Budget

# Draft CIP Budget Summary

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	FY 2023/24	FY 2024/25	Total
Capital	\$ 9.29 MM	\$ 15.16 MM	\$ 24.45 MM
Non-Capital	\$ 0.56 MM	\$ 0.55 MM	\$ 1.11 MM
Small Cap	\$ 2.02 MM	\$ 2.01 MM	\$ 4.03 MM
<b>Total</b>	<b>\$ 11.87 MM</b>	<b>\$ 17.72 MM</b>	<b>\$ 29.59 MM</b>

# Capital Budget by PC and Agency

PC	Facility	FY 2023/24	FY 2024/25	Total
<b>LARGE CAP</b>				
PC-2	JBL	\$ 4,400,000	\$ 4,775,000	\$ 9,325,000
PC-15	CTP	2,925,000	4,005,000	6,730,000
PC-17	RTP	1,115,000	4,475,000	5,390,000
PC-5	SJCOO	250,000	1,000,000	1,250,000
PC-24	ACOO	500,000	1,050,000	1,550,000
PC-21	ETM	100,000	100,000	200,000
<b>NON-CAP</b>		560,000	545,000	1,105,000
<b>SMALL CAP</b>				
PC-2	JBL	685,000	685,000	1,370,000
PC-15	CTP	592,000	592,000	1,184,000
PC-17	RTP	736,000	736,000	1,472,000
<b>TOTAL</b>		<b>\$ 11,863,000</b>	<b>\$ 17,713,000</b>	<b>\$ 29,576,000</b>

Member Agency	FY 2023/24	FY 2024/25	Total
Laguna Beach	\$ 1,546,825	\$ 2,189,386	\$ 3,736,211
San Clemente	41,550	174,510	216,060
Emerald Bay SD	117,676	161,270	278,946
El Toro WD	339,546	887,851	1,227,398
Irvine Ranch WD	94,560	181,240	275,800
Moulton Niguel WD	4,202,958	7,106,387	11,309,345
South Coast WD	2,618,770	3,469,622	6,088,391
Santa Margarita WD	2,901,114	3,542,734	6,443,849
<b>TOTAL</b>	<b>\$ 11,863,000</b>	<b>\$ 17,713,000</b>	<b>\$ 29,576,000</b>

*\*Agency allocation estimated by Engineering Department*

# Noteworthy Budget Items

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- JBL Package B Project Closeout
- JBL Electrical System Construction
- CTP Diffuser Construction
- Outfall Ballast Repairs
- Lab Upgrade Planning
- Staffing Support

# FY 2023-24 Budget Summary

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	JBL Large Cap (PC 2)	CTP Large Cap (PC 15)	RTP Large Cap (PC 17)	Outfalls/ETM (PCs 5, 21, 24)	Non-Cap	Small Cap
<b>Construction</b>	\$3,650,000*	\$1,900,000	\$0	\$250,000	\$70,000	\$2,013,000
<b>Design</b>	\$500,000	\$575,000	\$900,000	\$550,000		
<b>Planning</b>	\$50,000	\$0	\$15,000	\$50,000	\$315,000	
<b>Other</b>	\$200,000	\$450,000	\$200,000		\$175,000**	

\* \$2.4 MM for Package B closeout

\*\* Staff augmentation if we're unable to hire Senior Engineer

# Budget Schedule

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- March 9 – Draft budget presented to Engineering Committee
- April 13 – Revised budget presentation to Engineering Committee
- April 18 – Finance Committee Budget Review Meeting
- May 16 – Finance Committee Meeting
- May 18 – Board Budget Workshop
- June 1 – Board Meeting (Budget Consideration for Approval)



# Discussion & Questions



# Finance Committee Budget Schedule

- **February 9, 2023** – FY 2023–24 Flows and Solids Initial Budget discussion at the Engineering Committee meeting.
- **March 21, 2023** – O&M Environmental Safety Budget Presentation and Workshop, General Fund, Administration, Residual Engineering, IT Budget, and Capital Budget Presentation.

Response to 2/21/23 Questions & Comments

- **May 16, 2023** – Workshop Total Budget and Response to 3/21/23 Questions and Comments
- **May 18, 2023** – Board Budget Workshop
- **June 1, 2023** – Board Budget Consideration for Approval

# Questions and Discussion