

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

**August 20, 2024  
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 **August 20, 2024, 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: 850 5260 0660  
Passcode: 410963

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/kcogHADYHh>

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. Approval of Minutes..... 1

- Finance Committee Meeting of June 18, 2024

**Recommended Action:** Staff recommends that the Finance Committee approve the subject minutes as submitted.

4. Financial Reports for the Month of June 2024 Cash Disbursements for the Month of May 2024 & June 2024 ..... 4

The financial reports included are as follows:

- Summary of Disbursements for May 2024 (Exhibit A.1)
- Summary of Disbursements for June 2024 (Exhibit A.2)
- Schedule of Funds Available for Reinvestment (Exhibit B)
  - Local Agency Investment Fund (LAIF)
- Schedule of Cash and Investments (Exhibit C)
- Capital Schedule (Exhibit D)
  - Capital Projects – Graph (Exhibit D-1)
- 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 that the Board of Directors (i) receive and file the June 2024 Financial Reports, (ii) ratify the May 2024 disbursement for the period from May 1, 2024, through May 31, 2024, totaling \$1,671,478, and (iii) ratify the June 2024 Disbursement for the period from June 1, 2024, through June 30, 2024, totaling \$2,549,652.

5. Preliminary Net Pension Liability as of June 30, 2024 ..... 24

**Recommended Action:** Information Item

6. SOCWA Biosolids Contracts Review.....49

**Recommended Action:** Committee Discussion/Direction and Action.

7. SOCWA Insurance Coverage.....53

**Recommended Action:** Committee Discussion/Direction and Action.

8. Alternative Funding Allocations for Laboratory Large Capital Purchases.....

**Recommended Action:** Information Item.

9. 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 13th day of August 2024.



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Danita Hirsh, Assistant Secretary  
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

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

**Finance Committee**

**June 18, 2024**

**DRAFT**

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee Meeting was held on June 18, 2024, at 10:30 a.m. in-person and via teleconference from the Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Finance Committee were present:

KATHRYN FRESHLEY	El Toro Water District	Director
JENNIFER LEISZ	South Coast Water District	Alternate Director
ROD WOODS	Moulton Niguel Water District	Alternate Director
PAUL PENDER*	Santa Margarita Water District	Participant

\* *Non-voting member*

**Absent:**

GAVIN CURRAN	City of Laguna Beach	Alternate Director
SAUNDRA JACOBS	Santa Margarita Water District	Alternate Director

**Staff Participation:**

JIM BURROR	Acting General Manager
MARY CAREY	Finance Controller
AMBER BOONE	Director of Environmental Compliance
RONI GRANT	Associate Engineer
JACK BECK	Staff Accountant
ANNA SUTHERLAND	Accounts Payable
KONSTANTIN SHILKOV	Senior Accountant
DINA ASH	HR Administrator
DAN GRILLEY	SCADA
DANITA HIRSH	Executive Assistant/Board Clerk

**Also Participating:**

ADRIANA OCHOA	Procopio Law
DEREK NOBLE	Brown and Brown Insurance Services
KELSEY DECASAS	Moulton Niguel Water District
DIANE RIFKIN	Moulton Niguel Water District
SHERRY WANNINGER	Moulton Niguel Water District
JOE MULLER	South Coast Water District
DREW ATWATER	Moulton Niguel Water District

**1. Call Meeting to Order**

Chairperson Jennifer Leisz called the meeting to order at 10:34 a.m.

**2. Public Comments**

None.

3. Approval of Minutes

- Finance Committee Meeting of April 30, 2024.

ACTION TAKEN

A motion was made by Director Woods and seconded by Director Freshley to approve the Minutes for April 30, 2024, as submitted.

Motion carried:	Aye 3, Nay 0, Abstained 0, Absent 2
Director Freshley	Aye
Director Woods	Aye
Director Curran	Absent
Director Jacobs	Absent
Director Leisz	Aye

4. Financial Reports for the Month of April 2024 and Q3 FY 2023-24 Cash Roll Forward

ACTION TAKEN

A motion was made by Director Woods and seconded by Director Freshley to recommend that the Board of Directors (i) receive and file the April 2024 Financial Reports, (ii) ratify the April 2024 disbursement for the period from April 1, 2024, through April 30, 2024, totaling \$1,967,764, and (iii) receive and file the Fiscal Year 2023-24 Q3 Cash Roll Forward as submitted.

Motion carried:	Aye 3, Nay 0, Abstained 0, Absent 2
Director Freshley	Aye
Director Woods	Aye
Director Curran	Absent
Director Jacobs	Absent
Director Leisz	Aye

5. Group Insurance Benefits Renewal

ACTION TAKEN

A motion was made by Director Freshley and seconded by Director Woods to recommend to the Board of Directors to award a contract to The Guardian for Dental, Vision, Basic & Voluntary Life, Short, and Long-Term Disability employee benefits.

Motion carried:	Aye 3, Nay 0, Abstained 0, Absent 2
Director Freshley	Aye
Director Woods	Aye
Director Curran	Absent
Director Jacobs	Absent
Director Leisz	Aye

6. SOCWA Insurance Coverage

Staff was directed to reagendize this item for the July Finance meeting.

No action was taken.

Adjournment

There being no further business, Chairperson Leisz adjourned the meeting at 11:14 a.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Special Meeting of the South Orange County Wastewater Authority Finance Committee of June 18, 2024, and approved by the Finance Committee and received and filed by the Board of Directors of the South Orange County Wastewater Authority.

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Danita Hirsh / Assistant Secretary  
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

# Agenda Item

# 4

**Finance Committee Meeting**

**Meeting Date:** August 20, 2024

**TO:** Finance Committee

**FROM:** Jim Burror, Acting General Manager/Director of Operations

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

**SUBJECT:** Financial Reports for the Month of June 2024 and Cash Disbursements  
For the month of May 2024 & June 2024

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## Summary/Discussion

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

The reports included are as follows:

- a. Summary of Disbursements for May 2024 (Exhibit A.1)
- b. Summary of Disbursements for June 2024 (Exhibit A.2)
- c. Schedule of Funds Available for Reinvestment (Exhibit B)
  - Local Agency Investment Fund (LAIF)
- d. Schedule of Cash and Investments (Exhibit C)
- e. Capital Schedule (Exhibit D)
  - Capital Projects – Graph (Exhibit D-1)
- f. 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 2024 cash disbursements were \$1,671,478.

June 2024 cash disbursements were \$2,549,652.

- Monthly disbursements are summarized in the attached Exhibit A.1 & A.2.
- The attached Exhibits B, C, D, and E are informational reports only.

**Recommended Action:** Staff recommends that the Finance Committee recommend that the Board of Directors (i) receive and file the June 2024 Financial Reports, (ii) ratify the May 2024 disbursement for the period from May 1, 2024, through May 31, 2024, totaling \$1,671,478, and (iii) ratify the June 2024 Disbursement for the period from June 1, 2024, through June 30, 2024, totaling \$2,549,652.

Exhibit A.1

**South Orange County Wastewater Authority  
Summary of Disbursements for May 2024  
Staff Recommendation of Fiscal Matters**

	<u>Actual</u>
General Fund	\$ (478,514)
PC 2 - Jay B. Latham Plant	(382,625)
PC 5 - San Juan Creek Ocean Outfall	(112,769)
PC 8 - Pretreatment Program	(354.86)
PC 12 SO - Water Reclamation Permits	(1,223)
PC 15 - Coastal Treatment Plant/AWT	(150,781)
PC 17 - Joint Regional Wastewater Reclamation	(321,155)
PC 21 - Effluent Transmission Main	(11,188)
PC 23 - North Coast Interceptor	-
PC 24 - Aliso Creek Ocean Outfall	(212,868)
<b>Total</b>	<u><u>\$ (1,671,478)</u></u>



Exhibit A.2

**South Orange County Wastewater Authority  
Summary of Disbursements for June 2024  
Staff Recommendation of Fiscal Matters**

	<u>Actual</u>
General Fund	\$ (871,018)
PC 2 - Jay B. Latham Plant	(413,967)
PC 5 - San Juan Creek Ocean Outfall	(101,653)
PC 8 - Pretreatment Program	(1,314.53)
PC 12 SO - Water Reclamation Permits	-
PC 15 - Coastal Treatment Plant/AWT	(472,179)
PC 17 - Joint Regional Wastewater Reclamation	(514,385)
PC 21 - Effluent Transmission Main	(20,879)
PC 23 - North Coast Interceptor	-
PC 24 - Aliso Creek Ocean Outfall	(154,257)
<b>Total</b>	<u><u>\$ (2,549,652)</u></u>

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY  
SCHEDULE OF FUNDS AVAILABLE FOR REINVESTMENT  
as of June 30, 2024**

CASH IN BANK: (BEGINNING BAL.)	\$	2,055,435
L.A.I.F. FUNDS: (BEGINNING BAL.)		15,676,350
DEPOSITS, TRANSFERS & ADJUSTMENTS:		391,896
FUND REQUIREMENTS:		
BILLS FOR CONSIDERATION		(2,549,652)
<b>TOTAL CASH IN BANK</b>	<b>\$</b>	<b>15,574,028</b>

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

In accordance with requirements of the Government Code and the "SOCWA Investment Policy", I hereby certify that:

- 1). All investment actions executed since the last report have been made in full compliance with the Investment Policy.
  
- 2). SOCWA does not have sufficient funds currently on hand to meet its expenditure obligations for the next six months (see note) due to the fact that SOCWA bills and receives operational funds on a quarterly basis only.

**Jim Burror**  
**Acting General Manager/Director of Operations**

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 7/24/24



### Quarterly Performance Quarter Ended 06/30/24

LAIF Apportionment Rate <sup>(2)</sup> :	4.55
LAIF Earnings Ratio <sup>(2)</sup> :	0.00012419067099490
LAIF Administrative Cost <sup>(1)*</sup> :	0.16
LAIF Fair Value Factor <sup>(1)</sup> :	0.996316042
PMIA Daily <sup>(1)</sup> :	4.52
PMIA Quarter to Date <sup>(1)</sup> :	4.36
PMIA Average Life <sup>(1)</sup> :	217

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

June	4.480
May	4.332
April	4.272
March	4.232
February	4.122
January	4.012

### Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 6/30/24 \$178.0 billion

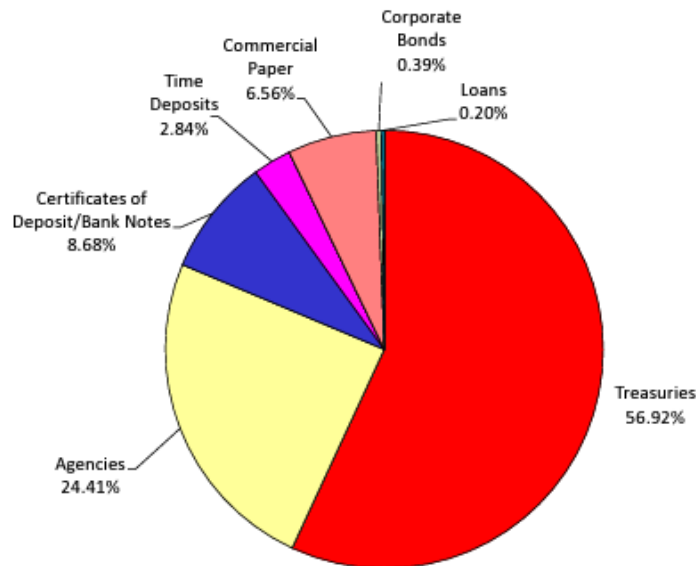


Chart does not include \$1,567,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

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).

\*The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.

Source:

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

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

**Exhibit C**

**South Orange County Wastewater Authority  
Schedule of Cash and Investments  
as of June 30, 2024**

MVA	\$ 1,342	(A)
A/P Checking	1,750,701	(B)
Payroll Checking	330,636	(C)
State LAIF	13,491,350	(D)
<b>Total Cash in Bank<sup>1</sup></b>	<b>\$ 15,574,028</b>	
Petty Cash	1,600	(E)
<b>Total Operating Cash</b>	<b>\$ 15,575,628</b>	
OPEB Trust	7,038,273	(F)
<b>Total Cash and Investments</b>	<b>\$ 22,613,901</b>	

<sup>1</sup>Bank balance at the end of a month may differ from an accounting closing balance as there may be in-transit items that haven't cleared the bank.

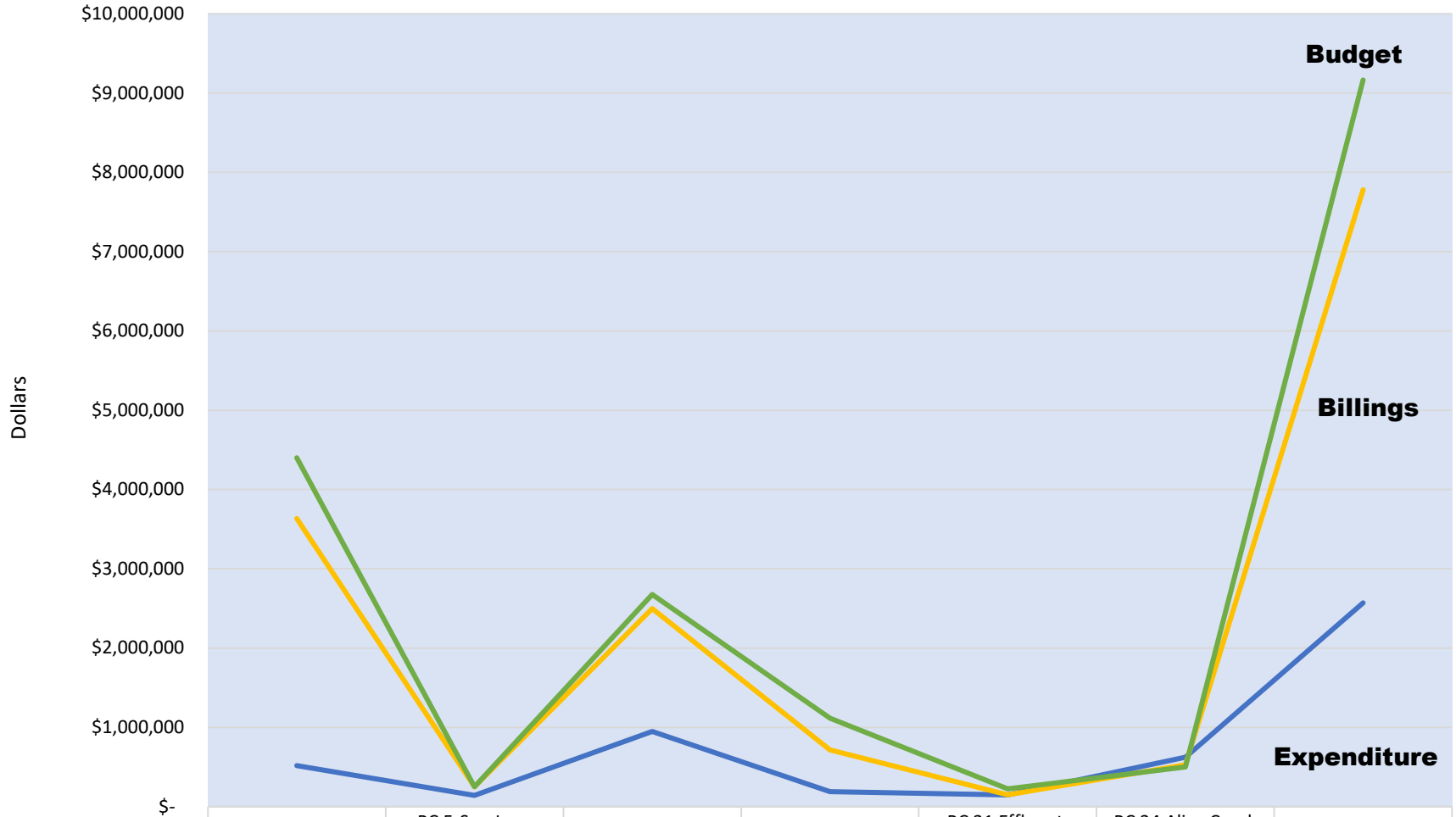
Notes:

- (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 June 30, 2024  
(in dollars)**

<b>FY 2023-24 Budget vs. Actual Spending</b>								
<u>Description</u>	<b>Capital Budget</b>	<b>Fiscal Year Spending</b>	<b>(Over)/ Under Budget</b>	<b>% Expended</b>	<b>Member Agency Billed</b>	<b>Member Agency Collections</b>	<b>Open Receivables</b>	<b>% Expended vs. Billed</b>
PC 2-JB Latham	\$ 4,400,000	\$ 517,451	\$ 3,882,549	11.8%	\$ 3,635,000	\$ 3,635,000	\$ -	14.2%
PC 5-San Juan Creek Outfall	250,000	142,391	107,610	57.0%	250,000	250,000	-	57.0%
PC 15-Coastal	2,675,000	948,638	1,726,362	35.5%	2,500,000	2,500,000	-	37.9%
PC 17-Regional	1,115,000	189,058	925,942	17.0%	715,000	715,000	-	26.4%
PC 21 Effluent Transmission	225,000	150,280	74,720	66.8%	150,000	150,000	-	100.2%
PC 24 Aliso Creek Outfall	500,000	622,889	(122,889)	124.6%	530,000	530,000	-	117.5%
<b>Total Large Capital</b>	<b>\$ 9,165,000</b>	<b>\$ 2,570,707</b>	<b>\$ 6,594,293</b>	<b>28.0%</b>	<b>\$ 7,780,000</b>	<b>\$ 7,780,000</b>	<b>\$ -</b>	<b>33.0%</b>
Non-Capital Engineering	905,000	110,595	794,405	12.2%	676,250	676,250	-	16.4%
Non-Capital Misc Engineering	-	-	-	-	-	-	-	-
Small Internal Capital	2,013,000	1,838,565	174,435	91.3%	2,013,000	2,013,000	-	91.3%
<b>Total Capital</b>	<b>\$ 12,083,000</b>	<b>\$ 4,519,867</b>	<b>\$ 7,563,133</b>	<b>37.4%</b>	<b>\$ 10,469,250</b>	<b>\$ 10,469,250</b>	<b>\$ -</b>	<b>43.2%</b>

## Large Capital Projects Fiscal Year 2023-24 Budget vs. Exhibit D-1 Year-to-Date Expenditures & Billings as of 06/30/2024



	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
<b>Spent - YTD 06/30/2024</b>	\$517,451	\$142,391	\$948,638	\$189,058	\$150,280	\$622,889	\$2,570,707
<b>FY 23-24 Billings</b>	\$3,635,000	\$250,000	\$2,500,000	\$715,000	\$150,000	\$530,000	\$7,780,000
<b>Capital Budget FY 23-24</b>	\$4,400,000	\$250,000	\$2,675,000	\$1,115,000	\$225,000	\$500,000	\$9,165,000

**South Orange County Wastewater Authority**  
**Preliminary O & M & Environmental Safety Costs Summary<sup>1</sup>**  
 For the Period Ended June 30, 2024  
 (in dollars)

		FY 2023-24 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
<b>Salary and Fringe</b>							
**5000.**	Regular Salaries-O&M	5,065,446		5,065,446	4,812,734	252,712	95.0%
**5001.**	Overtime Salaries-O&M	82,008		82,008	132,164	(50,156)	161.2% (1)
**5306.**	Scheduled Holiday Work	68,376		68,376	71,654	(3,278)	104.8%
**5315.**	Comp Time - O&M	17,628		17,628	44,619	(26,991)	253.1% (1)
**5401.**	Fringe Benefits IN to PC's & Depts.	2,731,721		2,731,721	2,771,822	(40,100)	101.5%
**5700.**	Standby Pay	104,000		104,000	103,700	300	99.7%
	Total Payroll Costs	8,069,179	-	8,069,179	7,936,693	132,486	98.4%
<b>Other Expenses</b>							
**5002.**	Electricity	1,260,000	75,000	1,335,000	1,789,217	(454,218)	134.0% (2)
**5003.**	Natural Gas	490,500	40,000	530,500	352,345	178,155	66.4%
**5004.**	Potable & Reclaimed Water	78,000		78,000	78,567	(567)	100.7%
**5005.**	Co-generation Power Credit	(1,302,000)		(1,302,000)	(941,946)	(360,054)	72.3%
**5006.**	Chlorine/Sodium Hypochlorite	181,000		181,000	263,805	(82,805)	145.7% (3)
**5007.**	Polymer Products	1,040,000	50,000	1,090,000	1,176,372	(86,372)	107.9% (3)
**5008.**	Ferric Chloride	880,000	90,000	970,000	1,192,178	(222,178)	122.9% (3)
**5009.**	Odor Control Chemicals	155,000	45,000	200,000	220,238	(20,238)	110.1%
**5010.**	Other Chemicals - Misc.	2,000		2,000	126	1,874	6.3%
**5011.**	Laboratory Services	56,632		56,632	41,399	15,233	73.1%
**5012.**	Grit Hauling	132,500		132,500	149,199	(16,699)	112.6% (4)
**5013.**	Landscaping	211,000		211,000	214,686	(3,686)	101.7%
**5015.**	Management Support Services	527,000	52,987	579,987	396,935	183,052	68.4%
**5016.**	Audit - Environmental	1,304		1,304	-	1,304	0.0%
**5017.**	Legal Fees	30,672	5,000	35,672	15,469	20,204	43.4%
**5018.**	Public Notices/ Public Relations	1,500		1,500	-	1,500	0.0%
**5019.**	Contract Services Misc.	372,996		372,996	330,058	42,939	88.5%
**5021.**	Small Vehicle Expense	24,128		24,128	40,961	(16,833)	169.8% (5)
**5022.**	Miscellaneous Expense	16,032		16,032	3,808	12,224	23.8%
**5023.**	Office Supplies - All	48,000		48,000	37,103	10,898	77.3%
**5024.**	Petroleum Products	27,000		27,000	20,396	6,603	75.5%
**5025.**	Uniforms	78,000		78,000	102,630	(24,630)	131.6% (6)
**5026.**	Small Vehicle Fuel	20,272		20,272	19,630	642	96.8%
**5027.**	Insurance - Property/Liability	535,873	10,000	545,873	566,662	(20,789)	103.8% (7)
**5028.**	Small Tools & Supplies	77,668		77,668	54,237	23,432	69.8%
**5030.**	Trash Disposal	9,000		9,000	11,180	(2,179)	124.2%
**5031.**	Safety Program & Supplies	114,956		114,956	96,699	18,257	84.1%
**5032.**	Equipment Rental	7,000		7,000	3,496	3,504	49.9%
**5033.**	Recruitment	2,300		2,300	-	2,300	0.0%
**5034.**	Travel Expense/Tech. Conferences	75,078		75,078	26,173	48,905	34.9%
**5035.**	Training Expense	50,479		50,479	57,106	(6,626)	113.1%
**5036.**	Laboratory Supplies	127,092		127,092	166,576	(39,484)	131.1% (8)
**5037.**	Office Equipment	27,000		27,000	4,766	22,234	17.7%
**5038.**	Permits	635,836	15,000	650,836	637,947	12,889	98.0%
**5039.**	Membership Dues/Fees	13,153		13,153	27,110	(13,957)	206.1% (9)
**5044.**	Offshore Monitoring	81,604		81,604	99,756	(18,152)	122.2%
**5045.**	Offshore Biochemistry - 20B	22,500		22,500	9,887	12,613	43.9%
**5046.**	Effluent Chemistry	50,948		50,948	46,650	4,298	91.6%
**5047.**	Access Road Expenses	45,000		45,000	6,919	38,081	15.4%
**5048.**	Storm Damage	20,000		20,000	-	20,000	0.0%
**5049.**	Biosolids Disposal	1,747,500	30,000	1,777,500	1,713,386	64,114	96.4%
**5050.**	Contract Services Generators - 29A	23,000		23,000	7,437	15,563	32.3%
**5052.**	Janitorial Services	95,000		95,000	97,695	(2,695)	102.8%
**5053.**	Contract Serv - Digester Cleaning - 29E	80,000		80,000	-	80,000	0.0%
**5054.**	Diesel Truck Maint	43,000		43,000	37,576	5,424	87.4%
**5055.**	Diesel Truck Fuel	11,800		11,800	12,030	(230)	102.0%
**5056.**	Maintenance Equip. & Facilities (Solids)	300,000		300,000	120,721	179,279	40.2%
**5057.**	Maintenance Equip. & Facilities (Liquids)	510,000		510,000	417,910	92,090	81.9%
**5058.**	Maintenance Equip. & Facilities (Common)	92,008		92,008	57,273	34,735	62.2%
**5059.**	Maintenance Equip. & Facilities (Co-Gen)	836,700		836,700	882,820	(46,120)	105.5% (10)
**5060.**	Maintenance Equip. & Facilities (AWT)	39,000		39,000	11,494	27,507	29.5%
**5061.**	Mileage	2,900		2,900	1,583	1,317	54.6%
**5068.**	MNWD Potable Water Supplies & Svcs.	44,880		44,880	33,406	11,474	74.4%

**South Orange County Wastewater Authority**  
**Preliminary O & M & Environmental Safety Costs Summary<sup>1</sup>**  
 For the Period Ended June 30, 2024  
 (in dollars)

	<b>FY 2023-24 Budget</b>	<b>Board Approved Expenditures*</b>	<b>Adjusted Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
**5076-**-**	93,600		93,600	77,148	16,452	82.4%
**5077-**-**	45,000		45,000	52,203	(7,203)	116.0%
**5101-**-**	-		-	650	(650)	0.0%
**5105-**-**	1,302,000		1,302,000	941,946	360,054	72.3%
**5303-**-**	14,400		14,400	-	14,400	0.0%
**5305-**-**	152		152	-	152	0.0%
**5309-**-**	20,000		20,000	28,025	(8,025)	140.1%
**5705-**-**	31,200		31,200	25,200	6,000	80.8%
**5796-**-**	-		-	(7,102)	7,102	0.0%
**5797-**-**	-		-	(69,750)	69,750	0.0%
**5799-**-**	(14,000)		(14,000)	(13,221)	(779)	94.4%
**6500-**-**	620,553		620,553	569,609	50,945	91.8%
Total Other Expenses	12,165,718	412,987	12,578,705	12,316,378	262,328	97.9%
<b>Total O&amp;M Expenses</b>	<b>20,234,898</b>	<b>412,987</b>	<b>20,647,885</b>	<b>20,253,071</b>	<b>394,814</b>	<b>98.1%</b>

<sup>1</sup> This report intends to monitor the Annual Budget % Expended at the Project Committee and Functional Department levels.

The financial information contained in this report, in some cases, is based on the full accrual basis of accounting, whereby expenses are recognized in the period in which the liability is incurred, i.e., payroll and fringe benefits.

There are instances where we will include the total expense for the entire accounting fiscal year if the information is available, i.e., property and liability insurance premiums.

The audited financial statements for the fiscal year recognize all expenses on the full accrual basis of accounting.

- (1) Staff overtime was elevated due to three (3) nighttime shutdowns to support the ACOO internal repair project and two (2) projects at JBL.
- (2) Increases in power costs approved by the CPUC are above assumed increased rates.
- (3) Usage is elevated due to the septicity of the sewage entering plants that started this FY and discussed with the Engineering Committee.
- (4) Large storms increased the volume of grit received at the plants during a typical year.
- (5) SOCWA fleet repairs were higher than anticipated. Eight older vehicles were released to auction to minimize future repair expenses.
- (6) Additional PPE was added to employees' inventory due to new outdoor/indoor heat regulations.
- (7) CSRMA's Insurance cost actuals were higher than projected with the approval of the Budget.
- (8) Inflation-driven cost increases and TNI accreditation compliance costs. Lab supplies for member agencies are resolved in the use audit.
- (9) Twice as many employees joined trade organizations than in the past and budgeted for.
- (10) One more than anticipated carbon swap was purchased at RTP due to high H2S levels in the influent wastewater.



**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC<sup>1</sup>**  
 For the Period Ended June 30, 2024  
 (in dollars)

	FY 2023-24 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
<b>02 - Jay B. Latham Plant</b>						
<b>Salary and Fringe</b>						
02-5000-**-***	Regular Salaries-O&M		1,785,000	1,658,287	126,713	92.9%
02-5001-**-***	Overtime Salaries-O&M		27,208	51,086	(23,878)	187.8% (1)
02-5306-**-***	Scheduled Holiday Work		30,000	30,493	(493)	101.6%
02-5315-**-***	Comp Time - O&M		8,604	13,731	(5,127)	159.6% (1)
02-5401-**-***	Fringe Benefits IN to PC's & Depts.		962,625	955,065	7,559	99.2%
02-5700-**-***	Standby Pay		37,846	37,850	(4)	100.0%
	<b>Total Payroll Costs</b>		<b>2,851,283</b>	<b>2,746,512</b>	<b>104,771</b>	<b>96.3%</b>

**Other Expenses**

02-5002-**-***	Electricity		660,000	861,627	(201,627)	130.5% (2)
02-5003-**-***	Natural Gas		252,000	156,152	95,848	62.0%
02-5004-**-***	Potable & Reclaimed Water		27,000	26,928	72	99.7%
02-5006-**-***	Chlorine/Sodium Hypochlorite		21,000	67,082	(46,082)	319.4% (3)
02-5007-**-***	Polymer Products		390,000	479,794	(89,794)	123.0% (3)
02-5008-**-***	Ferric Chloride		300,000	385,479	(85,479)	128.5% (3)
02-5009-**-***	Odor Control Chemicals		38,000	28,468	9,532	74.9% (3)
02-5010-**-***	Other Chemicals - Misc.		1,000	-	1,000	0.0%
02-5011-**-***	Laboratory Services		20,108	8,251	11,857	41.0%
02-5012-**-***	Grit Hauling		70,500	88,923	(18,423)	126.1% (4)
02-5013-**-***	Landscaping		68,000	70,147	(2,147)	103.2%
02-5015-**-***	Management Support Services		16,500	22,135	(5,635)	134.2%
02-5017-**-***	Legal Fees		5,000	472	4,528	9.4%
02-5019-**-***	Contract Services Misc.		129,000	118,508	10,492	91.9%
02-5021-**-***	Small Vehicle Expense		11,000	16,851	(5,851)	153.2% (5)
02-5022-**-***	Miscellaneous Expense		8,000	1,715	6,285	21.4%
02-5023-**-***	Office Supplies - All		30,000	18,816	11,184	62.7%
02-5024-**-***	Petroleum Products		11,000	1,788	9,212	16.3%
02-5025-**-***	Uniforms		36,000	45,797	(9,797)	127.2%
02-5026-**-***	Small Vehicle Fuel		8,000	7,126	874	89.1%
02-5027-**-***	Insurance - Property/Liability		188,606	202,748	(14,142)	107.5% (6)
02-5028-**-***	Small Tools & Supplies		35,000	18,972	16,028	54.2%
02-5030-**-***	Trash Disposal		3,000	3,407	(407)	113.6%
02-5031-**-***	Safety Program & Supplies		40,032	36,618	3,414	91.5%
02-5032-**-***	Equipment Rental		3,000	-	3,000	0.0%
02-5033-**-***	Recruitment		1,000	-	1,000	0.0%
02-5034-**-***	Travel Expense/Tech. Conferences		18,163	8,975	9,188	49.4%
02-5035-**-***	Training Expense		15,420	18,219	(2,799)	118.2%
02-5036-**-***	Laboratory Supplies		21,412	26,479	(5,067)	123.7%
02-5037-**-***	Office Equipment		14,000	4,551	9,449	32.5%
02-5038-**-***	Permits		27,032	28,019	(987)	103.7%
02-5039-**-***	Membership Dues/Fees		3,423	9,579	(6,156)	279.8% (7)
02-5049-**-***	Biosolids Disposal		750,000	695,973	54,027	92.8% (8)
02-5050-**-***	Contract Services Generators - 29A		10,000	-	10,000	0.0%
02-5052-**-***	Janitorial Services		43,000	41,843	1,157	97.3%
02-5053-**-***	Contract Serv - Digester Cleaning - 29E		15,000	-	15,000	0.0%
02-5054-**-***	Diesel Truck Maint		23,000	18,453	4,547	80.2%
02-5055-**-***	Diesel Truck Fuel		3,300	4,003	(703)	121.3%
02-5056-**-***	Maintenance Equip. & Facilities (Solids)		125,000	34,094	90,906	27.3%
02-5057-**-***	Maintenance Equip. & Facilities (Liquids)		200,000	171,506	28,494	85.8%
02-5058-**-***	Maintenance Equip. & Facilities (Common)		30,000	26,260	3,740	87.5%
02-5059-**-***	Maintenance Equip. & Facilities (Co-Gen)		297,000	308,333	(11,332)	103.8%
02-5061-**-***	Mileage		1,400	871	529	62.2%
02-5076-**-***	SCADA Infrastructure		31,200	25,664	5,536	82.3%
02-5077-**-***	IT Direct		15,000	16,443	(1,443)	109.6%
02-5303-**-***	Group Insurance Waiver		3,600	-	3,600	0.0%
02-5309-**-***	Operating Leases		20,000	28,025	(8,025)	140.1% (9)
02-5705-**-***	Monthly Car Allowance		18,600	13,246	5,354	71.2%
02-5797-**-***	Verily Stipends - WastewaterSCAN Monitoring		-	(23,250)	23,250	100.0%
02-5799-**-***	Zephyr Wall Costs Share-O&M		(14,000)	(14,000)	(779)	94.4%
02-6500-**-***	IT Allocations in to PC's & Depts.		218,718	200,763	17,956	91.8%
	<b>Total Other Expenses</b>		<b>4,263,015</b>	<b>4,312,630</b>	<b>(49,615)</b>	<b>101.2%</b>
	<b>Total Expenses</b>		<b>7,114,298</b>	<b>7,059,142</b>	<b>55,156</b>	<b>99.2%</b>

**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC<sup>1</sup>**  
 For the Period Ended June 30, 2024  
 (in dollars)

	FY 2023-24 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
<b>05 - San Juan Creek Ocean Outfall</b>						
Salary and Fringe						
05-5000-**-***	Regular Salaries-O&M		145,529	128,714	16,815	88.4%
05-5001-**-***	Overtime Salaries-O&M		72	1,588	(1,516)	2206.1% (10)
05-5306-**-***	Scheduled Holiday Work		468	95	373	20.4%
05-5315-**-***	Comp Time - O&M		-	476	(476)	100.0%
05-5401-**-***	Fringe Benefits IN to PC's & Depts.		78,482	74,131	4,351	94.5%
	Total Payroll Costs		224,551	205,005	19,546	91.3%
Other Expenses						
05-5015-**-***	Management Support Services		110,000	121,330	(11,330)	110.3%
05-5017-**-***	Legal Fees		7,000	-	7,000	0.0%
05-5022-**-***	Miscellaneous Expense		-	-	-	100.0%
05-5027-**-***	Insurance - Property/Liability		21,282	22,072	(790)	103.7% (6)
05-5031-**-***	Safety Supplies		1,020	-	1,020	0.0%
05-5034-**-***	Travel Expense/Tech. Conferences		5,696	3,934	1,762	69.1%
05-5035-**-***	Training Expense		1,087	64	1,023	5.9%
05-5036-**-***	Laboratory Supplies		33,500	38,047	(4,547)	113.6% (11)
05-5038-**-***	Permits		302,496	296,410	6,087	98.0%
05-5039-**-***	Membership Dues/Fees		1,000	166	835	16.5%
05-5044-**-***	Offshore Monitoring		40,800	49,878	(9,078)	122.2%
05-5045-**-***	Offshore Biochemistry - 20B		7,500	4,944	2,556	65.9%
05-5046-**-***	Effluent Chemistry		28,000	24,978	3,022	89.2%
05-5058-**-***	Maintenance Equip. & Facilities (Common)		1,004	-	1,004	0.0%
05-6500-**-***	IT Allocations in to PC's & Depts.		17,832	16,368	1,464	91.8%
	Total Other Expenses		578,218	578,190	28	100.0%
	Total Expenses		802,768	783,195	19,574	97.6%
<b>08 - Pre Treatment</b>						
Salary and Fringe						
08-5000-**-***	Regular Salaries-O&M		132,256	115,394	16,862	87.3%
08-5401-**-***	Fringe Benefits IN to PC's & Depts.		71,324	66,459	4,864	93.2%
	Total Payroll Costs		203,579	181,853	21,726	89.3%
Other Expenses						
08-5011-**-***	Laboratory Services		3,064	-	3,064	0.0%
08-5015-**-***	Management Support Services		20,000	-	20,000	0.0%
08-5016-**-***	Audit - Environmental		1,304	-	1,304	0.0%
08-5017-**-***	Legal Fees		2,672	-	2,672	0.0%
08-5018-**-***	Public Notices/ Public Relations		1,500	-	1,500	0.0%
08-5021-**-***	Small Vehicle Expense - 31A		1,128	-	1,128	0.0%
08-5022-**-***	Miscellaneous Expense		2,032	62	1,970	3.0%
08-5026-**-***	Small Vehicle Fuel - 37A		1,272	-	1,272	0.0%
08-5027-**-***	Insurance - Property/Liability		7,170	7,387	(217)	103.0%
08-5028-**-***	Small Tools & Supplies		3,668	527	3,141	14.4%
08-5034-**-***	Travel Expense/Tech. Conferences		3,500	1,571	1,929	44.9%
08-5035-**-***	Training Expense		2,044	4,069	(2,025)	199.1%
08-5038-**-***	Permits and Fines		508	-	508	0.0%
08-5039-**-***	Membership Dues/Fees		816	1,398	(582)	171.3%
08-6500-**-***	IT Allocations in to PC's & Depts.		16,205	14,875	1,330	91.8%
	Total Other Expenses		66,883	29,888	36,996	44.7%
	Total Expenses		270,462	211,741	58,722	78.3%
<b>10 - San Clemente Land Outfall</b>						
Other Expenses						
10-5017-**-***	Legal Fees		5,000	-	5,000	0.0%
	Total Other Expenses		5,000	-	5,000	0.0%
	Total Expenses		5,000	-	5,000	0.0%
<b>12 - Water Reclamation Permits</b>						
Salary and Fringe						
12-5000-**-***	Regular Salaries-O&M		13,572	41,274	(27,702)	304.1% (12)
12-5401-**-***	Fringe Benefits IN to PC's & Depts.		7,319	23,771	(16,452)	324.8% (12)
	Total Payroll Costs		20,892	65,046	(44,154)	311.3%
Other Expenses						
12-5015-**-***	Management Support Services	52,987	87,987	38,286	49,701	43.5%
12-5017-**-***	Legal Fees		2,000	4,080	(2,080)	2.04
12-5027-**-***	Insurance - Property/Liability		2,473	4,030	(1,557)	162.9%
12-5034-**-***	Travel Expense/Tech. Conferences		5,696	-	5,696	0.0%
12-5038-**-***	Permits		25,500	27,798	(2,297)	109.0%
12-5039-**-***	Membership Dues/Fees		68	-	68	0.0%
12-5796-02-03-25	TCWD Contract Services		-	(7,102)	7,102	0.0%
12-6500-**-***	IT Allocations in to PC's & Depts.		1,663	1,526	137	91.8%
	Total Other Expenses	52,987	125,388	68,618	56,770	54.7%
	Total Expenses	52,987	146,280	133,664	12,616	91.4%

**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC<sup>1</sup>**  
 For the Period Ended June 30, 2024  
 (in dollars)

FY 2023-24 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
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**15 - Coastal Treatment Plant**

Salary and Fringe

15-5000-**-***	Regular Salaries-O&M	971,637		971,637	921,423	50,214	94.8%
15-5001-**-***	Overtime Salaries-O&M	13,732		13,732	12,246	1,486	89.2%
15-5306-**-***	Scheduled Holiday Work	10,260		10,260	8,148	2,112	79.4%
15-5315-**-***	Comp Time - O&M	2,000		2,000	9,419	(7,419)	471.0% (1)
15-5401-**-***	Fringe Benefits IN to PC's & Depts.	523,990		523,990	530,680	(6,690)	101.3%
15-5700-**-***	Standby Pay	18,462		18,462	18,425	37	99.8%
	<b>Total Payroll Costs</b>	<b>1,540,081</b>	<b>-</b>	<b>1,540,081</b>	<b>1,500,341</b>	<b>39,740</b>	<b>97.4%</b>

Other Expenses

15-5002-**-***	Electricity	300,000	15,000	315,000	421,583	(106,583)	133.8% (2)
15-5003-**-***	Natural Gas	3,500	15,000	18,500	2,385	16,115	12.9%
15-5004-**-***	Potable & Reclaimed Water	24,000		24,000	21,200	2,800	88.3%
15-5006-**-***	Chlorine/Sodium Hypochlorite	100,000		100,000	132,432	(32,432)	132.4% (3)(13)
15-5007-**-***	Polymer Products	-		-	634	(634)	0.0%
15-5008-**-***	Ferric Chloride	105,000	15,000	120,000	155,257	(35,257)	129.4% (3)
15-5009-**-***	Odor Control Chemicals	50,000	20,000	70,000	107,034	(37,034)	152.9% (3)
15-5011-**-***	Laboratory Services	10,000		10,000	10,787	(787)	107.9% (11)(14)
15-5012-**-***	Grit Hauling	22,000		22,000	20,056	1,944	91.2%
15-5013-**-***	Landscaping	63,000		63,000	64,822	(1,822)	102.9%
15-5015-**-***	Management Support Services	13,000		13,000	10,687	2,313	82.2%
15-5017-**-***	Legal Fees	5,000		5,000	-	5,000	0.0%
15-5019-**-***	Contract Services Misc.	110,000		110,000	101,902	8,098	92.6%
15-5021-**-***	Small Vehicle Expense - 31A	4,000		4,000	7,739	(3,739)	193.5% (5)
15-5022-**-***	Miscellaneous Expense	1,000		1,000	744	256	74.4%
15-5023-**-***	Office Supplies - All	5,000		5,000	5,608	(608)	112.2%
15-5024-**-***	Petroleum Products	4,000		4,000	-	4,000	0.0%
15-5025-**-***	Uniforms	10,000		10,000	14,240	(4,240)	142.4%
15-5026-**-***	Small Vehicle Fuel	2,000		2,000	2,381	(381)	119.1%
15-5027-**-***	Insurance - Property/Liability	79,422		79,422	83,165	(3,743)	104.7% (6)
15-5028-**-***	Small Tools & Supplies	9,000		9,000	12,031	(3,031)	133.7%
15-5030-**-***	Trash Disposal	3,000		3,000	2,635	365	87.8%
15-5031-**-***	Safety Supplies	33,456		33,456	14,948	18,508	44.7%
15-5032-**-***	Equipment Rental	1,000		1,000	-	1,000	0.0%
15-5033-**-***	Recruitment	300		300	-	300	0.0%
15-5034-**-***	Travel Expense/Tech. Conferences	18,163		18,163	3,898	14,265	21.5%
15-5035-**-***	Training Expense	15,420		15,420	17,718	(2,298)	114.9%
15-5036-**-***	Laboratory Supplies	20,000		20,000	30,249	(10,249)	151.2% (14)
15-5037-**-***	Office Equipment	3,000		3,000	215	2,785	7.2%
15-5038-**-***	Permits	5,000		5,000	10,304	(5,304)	206.1%
15-5039-**-***	Membership Dues/Fees	3,423		3,423	7,099	(3,676)	207.4% (7)
15-5047-**-***	Access Road Expenses	45,000		45,000	6,919	38,081	15.4%
15-5048-**-***	Storm Damage	20,000		20,000	-	20,000	0.0%
15-5050-**-***	Contract Services Generators	5,000		5,000	5,111	(111)	102.2%
15-5052-**-***	Janitorial Services	15,000		15,000	17,320	(2,320)	115.5%
15-5054-**-***	Diesel Truck Maint - 31B	1,000		1,000	613	387	61.3%
15-5055-**-***	Diesel Truck Fuel - 37B	500		500	3,705	(3,205)	740.9%
15-5057-**-***	Maintenance Equip. & Facilities (Liquids)	110,000		110,000	73,258	36,742	66.6%
15-5058-**-***	Maintenance Equip. & Facilities (Common)	24,000		24,000	4,440	19,560	18.5%
15-5060-**-***	Maintenance Equip. & Facilities (AWT)	39,000		39,000	11,494	27,507	29.5%
15-5061-**-***	Mileage	500		500	387	113	77.4%
15-5076-**-***	SCADA Infrastructure	31,200		31,200	25,820	5,380	82.8%
15-5077-**-***	IT Direct	15,000		15,000	16,443	(1,443)	109.6%
15-5101-**-***	Employee Recognition	-		-	50	(50)	0.0%
15-5303-**-***	Group Insurance Waiver	3,600		3,600	-	3,600	0.0%
15-5705-**-***	Monthly Car Allowance	4,200		4,200	4,039	162	96.2%
15-5797-**-***	Verily Stipends - WastewaterSCAN Monitoring	-		-	(23,250)	23,250	100.0%
15-6500-**-***	IT Allocations in to PC's & Depts.	119,057		119,057	109,282	9,775	91.8%
	<b>Total Other Expenses</b>	<b>1,455,741</b>	<b>65,000</b>	<b>1,520,741</b>	<b>1,517,384</b>	<b>3,357</b>	<b>99.8%</b>
	<b>Total Expenses</b>	<b>2,995,822</b>	<b>65,000</b>	<b>3,060,822</b>	<b>3,017,724</b>	<b>43,097</b>	<b>98.6%</b>

**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC<sup>1</sup>**  
 For the Period Ended June 30, 2024  
 (in dollars)

FY 2023-24 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
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**17 - Joint Regional Wastewater Reclamation and Sludge Handling**

Salary and Fringe

17-5000-**-***	Regular Salaries-O&M	1,884,409	1,884,409	1,816,132	68,277	96.4%	
17-5001-**-***	Overtime Salaries-O&M	40,492	40,492	60,939	(20,447)	150.5% (1)	
17-5306-**-***	Scheduled Holiday Work	27,356	27,356	32,919	(5,563)	120.3%	
17-5315-**-***	Comp Time - O&M	7,024	7,024	19,768	(12,744)	281.4% (1)	
17-5401-**-***	Fringe Benefits IN to PC's & Depts.	1,016,234	1,016,234	1,045,974	(29,739)	102.9%	
17-5700-**-***	Standby Pay	47,692	47,692	47,425	267	99.4%	
	<b>Total Payroll Costs</b>	<b>3,023,208</b>	<b>-</b>	<b>3,023,208</b>	<b>3,023,156</b>	<b>52</b>	<b>100.0%</b>

Other Expenses

17-5002-**-***	Electricity	300,000	60,000	360,000	506,007	(146,007)	140.6% (2)
17-5003-**-***	Natural Gas	235,000	25,000	260,000	193,808	66,192	74.5%
17-5004-**-***	Potable & Reclaimed Water	27,000		27,000	30,439	(3,439)	112.7%
17-5005-**-***	Co-generation Power Credit	(1,302,000)		(1,302,000)	(941,946)	(360,054)	72.3%
17-5006-**-***	Chlorine/Sodium Hypochlorite	60,000		60,000	64,292	(4,292)	107.2% (3)
17-5007-**-***	Polymer Products	650,000	50,000	700,000	695,944	4,056	99.4% (3)
17-5008-**-***	Ferric Chloride	475,000	75,000	550,000	651,442	(101,441)	118.4% (3)
17-5009-**-***	Odor Control Chemicals	67,000	25,000	92,000	84,736	7,264	92.1% (3)
17-5010-**-***	Other Chemicals - Misc.	1,000		1,000	126	874	12.6%
17-5011-**-***	Laboratory Services	23,460		23,460	22,361	1,099	95.3%
17-5012-**-***	Grit Hauling - 21A	40,000		40,000	40,221	(221)	100.6%
17-5013-**-***	Landscaping	80,000		80,000	79,717	284	99.6%
17-5015-**-***	Management Support Services	17,500		17,500	14,239	3,261	81.4%
17-5017-**-***	Legal Fees	5,000		5,000	10,489	(5,489)	209.8%
17-5019-**-***	Contract Services Misc.	115,000		115,000	109,648	5,352	95.3%
17-5021-**-***	Small Vehicle Expense	8,000		8,000	16,370	(8,370)	204.6% (5)
17-5022-**-***	Miscellaneous Expense	5,000		5,000	1,288	3,712	25.8%
17-5023-**-***	Office Supplies - All	13,000		13,000	12,678	322	97.5%
17-5024-**-***	Petroleum Products	12,000		12,000	18,609	(6,609)	155.1%
17-5025-**-***	Uniforms	32,000		32,000	42,593	(10,593)	133.1% (15)
17-5026-**-***	Small Vehicle Fuel	9,000		9,000	10,123	(1,123)	112.5%
17-5027-**-***	Insurance - Property/Liability	212,048	10,000	222,048	222,224	(176)	100.1% (6)
17-5028-**-***	Small Tools & Supplies	30,000		30,000	22,707	7,293	75.7%
17-5030-**-***	Trash Disposal	3,000		3,000	5,138	(2,138)	171.3%
17-5031-**-***	Safety Supplies	39,428		39,428	45,133	(5,705)	114.5% (15)
17-5032-**-***	Equipment Rental	3,000		3,000	3,496	(496)	116.5%
17-5033-**-***	Recruitment	1,000		1,000	-	1,000	0.0%
17-5034-**-***	Travel Expense/Tech. Conferences	18,163		18,163	4,276	13,887	23.5%
17-5035-**-***	Training Expense	15,420		15,420	16,971	(1,551)	110.1%
17-5036-**-***	Laboratory Supplies	25,660		25,660	34,768	(9,108)	135.5% (14)
17-5037-**-***	Office Equipment	10,000		10,000	-	10,000	0.0%
17-5038-**-***	Permits	15,300	15,000	30,300	29,395	905	97.0%
17-5039-**-***	Membership Dues/Fees	3,423		3,423	8,704	(5,281)	254.3% (7)
17-5049-**-***	Biosolids Disposal	997,500	30,000	1,027,500	1,017,412	10,088	99.0%
17-5050-**-***	Contract Services Generators - 29A	8,000		8,000	2,327	5,673	0.29
17-5052-**-***	Janitorial Services	37,000		37,000	38,533	(1,533)	104.1%
17-5053-**-***	Contract Serv - Digester Cleaning - 29E	65,000		65,000	-	65,000	0.0%
17-5054-**-***	Diesel Truck Maint	19,000		19,000	18,510	490	97.4%
17-5055-**-***	Diesel Truck Fuel	8,000		8,000	4,322	3,678	54.0%
17-5056-**-***	Maintenance Equip. & Facilities (Solids)	175,000		175,000	86,627	88,373	49.5%
17-5057-**-***	Maintenance Equip. & Facilities (Liquids)	200,000		200,000	173,146	26,854	86.6%
17-5058-**-***	Maintenance Equip. & Facilities (Common)	36,000		36,000	22,017	13,983	61.2%
17-5059-**-***	Maintenance Equip. & Facilities (Co-Gen)	539,700		539,700	574,487	(34,787)	106.4%
17-5060-**-***	Maintenance Equip. & Facilities (AWT)	-		-	-	-	0.0%
17-5061-**-***	Mileage	1,000		1,000	325	675	32.5%
17-5068-**-***	MNWD Potable Water Supplies & Svcs.	44,880		44,880	33,406	11,474	74.4%
17-5076-**-***	SCADA Infrastructure	31,200		31,200	25,664	5,536	82.3%
17-5077-**-***	IT Direct	15,000		15,000	19,318	(4,318)	128.8%
17-5101-**-***	Employee Recognition	-		-	600	(600)	0.0%
17-5105-**-***	Co-Generation Power Credit - Offset	1,302,000		1,302,000	941,946	360,054	72.3%
17-5303-**-***	Group Insurance Waiver	7,200		7,200	-	7,200	0.0%
17-5305-**-***	Medicare Tax Payments for Employees	152		152	-	152	0.0%
17-5705-**-***	Monthly Car Allowance	8,400		8,400	7,915	484	94.2%
17-5797-**-***	Verily Stipends - WastewaterSCAN Monitoring	-		-	(23,250)	23,250	100.0%
17-6500-**-***	IT Allocations in to PC's & Depts.	230,899		230,899	211,943	18,956	91.8%
	<b>Total Other Expenses</b>	<b>4,975,334</b>	<b>290,000</b>	<b>5,265,334</b>	<b>5,211,242</b>	<b>54,091</b>	<b>99.0%</b>
	<b>Total Expenses</b>	<b>7,998,542</b>	<b>290,000</b>	<b>8,288,542</b>	<b>8,234,399</b>	<b>54,143</b>	<b>99.3%</b>

**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC<sup>1</sup>**  
 For the Period Ended June 30, 2024  
 (in dollars)

	FY 2023-24 Budget	Board Approved Expenditures*	Adjusted Budget	Actual	(Over)/Under Budget	% Expended	
<b>21 - Effluent Transmission Main</b>							
Other Expenses							
21-5017-**-***	Legal Fees	500	-	500	428	72	85.6%
21-5019-**-***	Contract Services Misc.	18,996	-	18,996	-	18,996	0.0%
21-5027-**-***	Insurance - Property/Liability	-	-	-	74	(74)	100.0% (6)
	Total Other Expenses	19,496	-	19,496	502	18,994	2.6%
	Total Expenses	19,496	-	19,496	502	18,994	2.6%
<b>23 - North Coast Interceptor</b>							
Salary and Fringe							
23-5000-**-***	Regular Salaries-O&M	1,000	-	1,000	-	1,000	0.0%
23-5401-**-***	Fringe Benefits IN to PC's & Depts.	539	-	539	-	539	0.0%
	Total Payroll Costs	1,539	-	1,539	-	1,539	0.0%
Other Expenses							
23-5017-**-***	Legal Fees	500	-	500	-	500	0.0%
23-5015-**-***	Management Support Services	-	-	-	-	-	0.0%
	Total Other Expenses	500	-	500	-	500	0.0%
	Total Expenses	2,039	-	2,039	-	2,039	0.0%
<b>24 - Aliso Creek Ocean Outfall</b>							
Salary and Fringe							
24-5000-**-***	Regular Salaries-O&M	132,042	-	132,042	131,510	533	99.6%
24-5001-**-***	Overtime Salaries-O&M	504	-	504	6,304	(5,801)	1251.0% (1)
24-5306-**-***	Scheduled Holiday Work	292	-	292	-	292	0.0%
24-5315-**-***	Comp Time - O&M	-	-	-	1,225	(1,225)	100.0% (1)
24-5401-**-***	Fringe Benefits IN to PC's & Depts.	71,209	-	71,209	75,741	(4,533)	106.4%
	Total Payroll Costs	204,047	-	204,047	214,780	(10,733)	105.3%
Other Expenses							
24-5015-**-***	Management Support Services	315,000	-	315,000	190,258	124,742	60.4%
24-5017-**-***	Legal Fees	3,000	-	3,000	-	3,000	0.0%
24-5027-**-***	Insurance - Property/Liability	24,872	-	24,872	24,962	(90)	100.4% (6)
24-5031-**-***	Safety Supplies	1,020	-	1,020	-	1,020	0.0%
24-5034-**-***	Travel Expense/Tech. Conferences	5,696	-	5,696	3,520	2,177	61.8%
24-5035-**-***	Training Expense	1,087	-	1,087	64	1,023	5.9%
24-5036-**-***	Laboratory Supplies	26,520	-	26,520	37,032	(10,512)	139.6% (14)
24-5038-**-***	Permits	260,000	-	260,000	246,023	13,977	94.6%
24-5039-**-***	Membership Dues/Fees	1,000	-	1,000	165	835	16.5%
24-5044-**-***	Offshore Monitoring	40,804	-	40,804	49,878	(9,074)	122.2%
24-5045-**-***	Offshore Biochemistry - 20B	15,000	-	15,000	4,944	10,056	33.0%
24-5046-**-***	Effluent Chemistry	22,948	-	22,948	21,672	1,276	94.4%
24-5058-**-***	Maintenance Equip. & Facilities (Common)	1,004	-	1,004	4,556	(3,551)	453.7% (16)
24-6500-**-***	IT Allocations in to PC's & Depts.	16,179	-	16,179	14,851	1,328	91.8%
	Total Other Expenses	734,131	-	734,131	597,924	136,207	81.4%
	Total Expenses	938,178	-	938,178	812,704	125,473	86.6%
	<b>Total O&amp;M Expenses</b>	<b>20,234,898</b>	<b>412,987</b>	<b>20,647,885</b>	<b>20,253,071</b>	<b>394,814</b>	<b>98.1%</b>

<sup>1</sup> This report intends to monitor the Annual Budget % Expended at the Project Committee and Functional Department levels.

The financial information contained in this report, in some cases, is based on the full accrual basis of accounting, whereby expenses are recognized in the period in which the liability is incurred, i.e., payroll and fringe benefits.

There are instances where we will include the total expense for the entire accounting fiscal year if the information is available, i.e., property and liability insurance premiums.

The audited financial statements for the fiscal year recognize all expenses on the full accrual basis of accounting.

**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC**  
For the Period Ended June 30, 2024

- (1) Staff overtime was elevated due to three (3) nighttime shutdowns to support the ACOO internal repair project and two (2) projects at JBL.
- (2) Increases in power costs approved by the CPUC are above assumed increased rates.
- (3) Usage is elevated due to the septicity of the sewage entering plants that started this FY and discussed with the Engineering Committee.
- (4) Storms flushed an unexpected volume of grit into the treatment plant from the collection system.
- (5) SOCWA fleet repairs were higher than anticipated. Eight older vehicles were released to auction to minimize future repair expenses.
- (6) CSRMA's Insurance cost actuals were higher than projected with the approval of the Budget.
- (7) Twice as many employees joined trade organizations than in the past and budgeted for.
- (8) Biosolids costs have been increased due to landfill closures on hotter days that started May 2023 to help mitigate landfill odor complaints. Also, unusually heavy rains have limited the use of the landfill this winter.
- (9) Due to higher than anticipated trailer rental price increases.
- (10) O&M staff are supporting the testing of SCWD Doheny Desal slant wells. SCWD will be billed directly for the overtime support requested to divert test waters into SOCWA's temporary ocean outfall system.
- (11) Inflation-driven cost increases and TNI accreditation compliance costs. Lab supplies for member agencies are resolved in the use audit.
- (12) Additional effort was required to complete the Salt and Nutrient Management Plan (SNMP).
- (13) Bleach usage elevated during the initial months of the Fiscal Year for summer AWT production at CTP.
- (14) Advanced Water Treatment routine and accelerated monitoring are driving costs.
- (15) Additional PPE was added to employees' inventory due to new outdoor/indoor heat regulations.
- (16) The Sampling Building door was replaced due to severe corrosion from the ocean air.

**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC**  
For the Period Ended June 30, 2024

**South Orange County Wastewater Authority**  
**Preliminary Budget vs. Actual Comparison - Engineering**  
 For the Period Ended June 30, 2024  
 (in dollars)

		FY 2023-24 Budget	Actual	(Over)/Under Budget	% Expended
<b>Salary and Fringe</b>					
01-5000-03-00-00	Regular Salaries-O&M	194,546	107,022	87,525	55.0%
01-5401-03-00-00	Fringe Benefits IN to PC's & Depts.	104,916	61,637	43,278	58.7%
	Total Payroll Costs	299,462	168,659	130,803	56.3%
<b>Other Expenses</b>					
01-5019-03-00-00	Contract Services Misc.	-	4,950	(4,950)	0.0%
01-5022-03-00-00	Miscellaneous Expense	2,000	735	1,265	36.8%
01-5034-03-00-00	Travel Expense/Tech. Conferences	8,500	858	7,642	10.1%
01-5035-03-00-00	Training Expense	1,300	519	781	39.9%
01-5037-03-00-00	Office Equipment	150	-	150	0.0%
01-5039-03-00-00	Membership Dues/Fees	1,775	416	1,359	23.4%
01-5061-03-00-00	Mileage	250	-	250	0.0%
01-5077-03-00-00	IT Direct	250	-	250	0.0%
01-5309-03-00-00	Operating Leases	30,000	12,904	17,096	43.0%
01-5705-03-00-00	Monthly Car Allowance	4,200	808	3,392	19.2%
01-5802-03-00-00	Shipping/Freight	100	-	100	0.0%
01-6500-03-00-00	IT Allocations in to PC's & Depts.	54,993	52,752	2,241	95.9%
	Total Other Expenses	103,518	73,942	29,576	71.4%
	<b>Total Engineering Expenses</b>	<b>402,980</b>	<b>242,601</b>	<b>160,379</b>	<b>60.2%</b>



**South Orange County Wastewater Authority**  
**Preliminary Budget vs. Actual Comparison- Administration**  
 For the Period Ended June 30, 2024  
 (in dollars)

		<b>FY 2023-24 Budget</b>	<b>Board Approved Expenditures*</b>	<b>Adjusted Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
01-6000-04-00-00	Regular Salaries-Admin or IT	1,006,210		1,006,210	961,168	45,042	95.5%
01-6001-04-00-00	Overtime Salaries-Admin or IT	7,000		7,000	10,165	(3,165)	145.2%
01-6315-04-00-00	Comp Time - Admin	4,000		4,000	1,120	2,880	28.0%
01-6401-04-00-00	Fringe Benefits IN to ADMIN or IT	542,634		542,634	553,570	(10,936)	102.0%
	<b>Total Payroll Costs</b>	<b>1,559,845</b>	<b>-</b>	<b>1,559,845</b>	<b>1,526,023</b>	<b>33,821</b>	<b>97.8%</b>
<b>Other Expenses</b>							
01-6101-04-00-00	HR Recruitment & Employee Relations	48,100		48,100	20,803	27,297	43.2%
01-6102-04-00-00	Subscriptions	1,400		1,400	2,188	(788)	156.3%
01-6103-04-00-00	Contract Labor	30,000		30,000	64,867	(34,867)	216.2%
01-6200-04-00-00	Management Support Services	55,000		55,000	26,487	28,513	48.2%
01-6201-04-00-00	Audit	46,000		46,000	50,830	(4,830)	110.5%
01-6202-04-00-00	Legal	200,000	15,000	215,000	172,753	42,247	80.4%
01-6204-04-00-00	Postage	1,500		1,500	1,428	72	95.2%
01-6223-04-00-00	Office Supplies - Admin	4,000		4,000	310	3,690	7.7%
01-6224-04-00-00	Office Equipment Admin or IT	1,000		1,000	4,222	(3,222)	422.2%
01-6234-04-00-00	Memberships & Trainings	105,000		105,000	91,235	13,765	86.9%
01-6239-04-00-00	Travel & Conference	25,000		25,000	7,905	17,095	31.6%
01-6240-04-00-00	Scholarship Sponsorship	1,000		1,000	-	1,000	0.0%
01-6241-04-00-00	Education Reimbursement	3,000		3,000	1,315	1,685	43.8%
01-6310-04-00-00	Miscellaneous	22,000		22,000	27,488	(5,488)	124.9%
01-6311-04-00-00	Mileage	600		600	775	(175)	129.1%
01-6317-04-00-00	Contract Services Misc	5,800		5,800	5,525	275	95.3%
01-6500-04-00-00	IT Allocations in to PC's & Depts.	123,292		123,292	113,170	10,122	91.8%
01-6601-04-00-00	Shipping/Freight	1,200		1,200	4,408	(3,208)	367.4%
01-6705-04-00-00	Monthly Car Allowance	12,000		12,000	10,200	1,800	85.0%
	<b>Total Other Expenses</b>	<b>685,892</b>	<b>15,000</b>	<b>700,892</b>	<b>605,908</b>	<b>94,985</b>	<b>86.4%</b>
	<b>Total Admin Expenses</b>	<b>2,245,737</b>	<b>15,000</b>	<b>2,260,737</b>	<b>2,131,931</b>	<b>128,806</b>	<b>94.3%</b>

**South Orange County Wastewater Authority**  
**Preliminary Budget vs. Actual Comparison-IT**  
 For the Period Ended June 30, 2024  
 (in dollars)

		FY 2023-24 Budget	Actual	(Over)/Under Budget	% Expended
<b>Salary &amp; Fringe</b>					
01-6000-05-00-00	Regular Salaries-Admin or IT	116,046	120,585	(4,538)	103.9%
01-6401-05-00-00	Fringe Benefits IN to ADMIN or IT	62,582	69,449	(6,867)	111.0%
	Total Salary & Fringe	178,629	190,033	(11,405)	106.4%
<b>Other Expenses</b>					
01-6028-05-00-00	Small Tools & Supplies	1,000	-	1,000	0.0%
01-6035-05-00-00	Training Expense	3,000	54	2,946	1.8%
01-6224-05-00-00	Office Equipment Admin or IT	600	-	600	0.0%
01-6234-05-00-00	Memberships & Trainings	2,750	1,810	940	65.8%
01-6239-05-00-00	Travel & Conference	1,500	462	1,038	0.0%
01-6300-05-00-00	Software Maintenance Agreements	84,700	31,780	52,920	37.5%
01-6301-05-00-00	Hardware Maintenance Agreements	22,400	7,708	14,692	34.4%
01-6302-05-00-00	Cloud Subscriptions (Internet)	196,935	170,199	26,735	86.4% (1)
01-6303-05-00-00	Telecommunications	161,382	165,904	(4,522)	102.8%
01-6305-05-00-00	IT Professional Services	19,960	73,280	(53,320)	367.1% (2)
01-6306-05-00-00	Small Hardware Purchases (< \$5k)	25,400	15,537	9,863	61.2%
01-6307-05-00-00	Small Software Purchases & Licenses (<\$5k)	30,500	24,086	6,414	79.0%
01-6308-05-00-00	IT Memberships	160	-	160	0.0%
01-6309-05-00-00	Operating Leases	64,200	52,352	11,848	81.5%
01-6310-05-00-00	Miscellaneous	5,000	90	4,910	1.8%
01-6312-05-00-00	Computer & Photocopy Supplies	3,200	2,236	964	0.0%
	Total Other Expenses	622,687	545,498	77,189	87.6%
	<b>Total Expenses before Allocation</b>	<b>801,315</b>	<b>735,531</b>	<b>65,784</b>	<b>91.8%</b>
<b>IT Allocations (Out) to PC's &amp; Depts</b>					
01-6400-05-00-00	IT Allocations (OUT) to PC's & Depts.	(801,315)	(735,531)	(65,784)	91.8%
	Total IT Allocations (Out) to PC's & Depts	(801,315)	(735,531)	(65,784)	91.8%

(1) Annual charges incurred at the beginning of the Fiscal Year.

(2) ADP outsourcing project.

**Finance Committee Meeting  
August 20, 2024**

**Preliminary Net Pension Liability  
as of June 30, 2024**

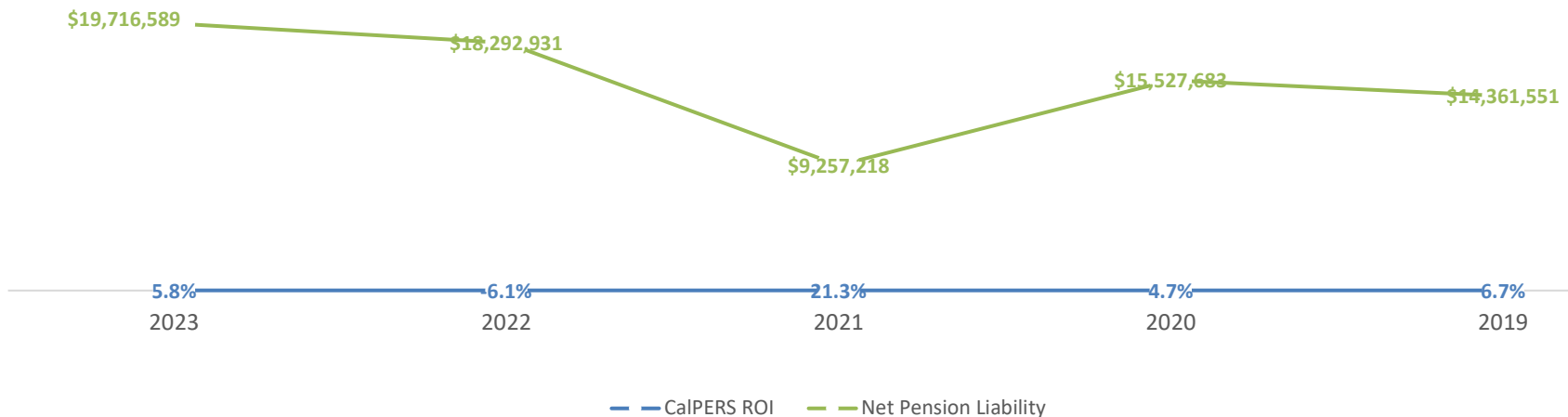
**Draft GASB 68 Report  
Net Pension Liability  
as of June 30, 2024**

# Unfunded Accrued Net Pension Liability (UAL)

## Net Pension Liability Fiscal Year Ended June 30

Description	2024	2023	2022	2021	2020	2019	Change between 2024 and 2023	
							\$ +/-	% Change
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018		
Total pension liability	(\$70,521,737)	(\$66,443,205)	(\$62,175,535)	(\$59,026,089)	(\$55,450,648)	(\$52,230,824)	(\$4,078,532)	6.1%
Fiduciary net position	50,805,148	48,150,274	52,918,317	43,498,406	41,089,097	39,044,508	<b>2,654,874</b>	5.5%
Net pension (liability)	(\$19,716,589)	(\$18,292,931)	(\$9,257,218)	(\$15,527,683)	(\$14,361,551)	(\$13,186,316)	(\$1,423,658)	7.8%
% Funded	72.0%	72.5%	85.1%	73.7%	74.1%	74.8%	-0.4%	
CalPERS % Funded, 2023	72%							

### CALPERS RETURN ON INVESTMENT (ROI) IMPACT ON UAL 1-YEAR LAG, FY 2023 ROI 5.8% VS. THE TARGETED 6.8% FY 2024 UAL INCREASED BY \$1.4 MM



## Recognition Timing is Different

ROI	Item	Funding Contribution Valuation (First Impact)		GASB 68 Reporting		UAL Impact
				Measurement Date	Reporting Date	
21.3%	Good FY 21 Return	6/30/2021	FY 23/24	6/30/2021	6/30/2022	UAL Decrease
	6.8% Discount Rate	6/30/2021	FY 23/24	6/30/2022	6/30/2023	UAL Increase
-6.1%	Poor FY 22 Return	6/30/2022	FY 24/25	6/30/2022	6/30/2023	UAL Increase
5.8%	Fair FY 23 Return	6/30/2023	FY 25/26	6/30/2023	6/30/2024	UAL Increase
9.3%	Good FY 24 Return	6/30/2024	FY 26/27	6/30/2024	6/30/2025	UAL Decrease

- CalPERS Valuation Reports are used for Plan Funding and calculation of the Annual Required Contributions.
- There is a two-year lag for the Financial Impact.
- GASB 68, the financial reporting requirement, is a “Current Basis,” a one-year lag.
- The discount rate reduction from 7% to 6.8% is reflected in the valuation report as of 6-30-2021 and will impact FY 2023-24 Employer contributions.
- The discount rate reduction will be reported in the financial records for FY 2022-23.
- FY 2022-23 ROI was 5.8%, less than the target rate of 6.8%; UAL increased in FY 2023-24 reporting. The financial impact on contributions will be in FY 2025-26.
- FY 2023-24 ROI was 9.3%, more than the target rate of 6.8%; UAL will decrease in FY 2024-25. The financial impact on contributions will be in FY 2026-27.

**South Orange County Wastewater Authority  
CalPERS Miscellaneous Pension Plans**



June 30, 2024  
Consolidated GASBS 68 Reporting Information  
CalPERS Risk Pools  
Preliminary Results

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August 6, 2024

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## Applicable Dates and Periods

	<b>June 30, 2024 Employer Fiscal Year</b>
■ Measurement date	June 30, 2023
■ Measurement period	July 1, 2022 to June 30, 2023
■ Actuarial valuation date	June 30, 2022



## Basis of Report

This report presents employer-specific amounts for reporting in accordance with Governmental Accounting Standards Board Statement No. 68 (GASBS 68) for CalPERS public agency cost-sharing plans. Our calculations are based on information provided in actuarial valuation reports prepared by CalPERS and on the June 30, 2023 "Schedule of Employer Allocations for Components of Net Pension Liability and Schedule of Collective Pension Amounts" prepared by CalPERS and audited by BDO. We have followed the methodology described in that report and in other CalPERS publications including the GASBS 68 Guide for Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plans. It was not part of the scope of this project, nor was information available, to review the census data, actuarial calculations or the actuarial assumptions used to prepare those reports. CalPERS reports used for our calculations are available at:

<https://www.calpers.ca.gov/page/employers/actuarial-services/gasb>

Additional information to be presented in each agency's Notes and RSI can be found on CalPERS website in the CalPERS Risk Pool reports as of the June 30, 2023 Measurement Date and CalPERS Annual Comprehensive Financial Report:

<https://www.calpers.ca.gov/docs/forms-publications/gasb-68-accounting-valuation-miscellaneous-risk-pool-2023.pdf>

<https://www.calpers.ca.gov/docs/forms-publications/gasb-68-accounting-valuation-safety-risk-pool-2023.pdf>

<https://www.calpers.ca.gov/docs/forms-publications/acfr-2023.pdf>





**Net Pension Liability**

**Proportionate Share of Net Pension Liability/(Asset)**

	<b>Fiscal Year Ending</b>	
	<b>6/30/2024</b>	<b>6/30/2023</b>
■ <b>Fiscal Year End</b>	<b>6/30/2024</b>	<b>6/30/2023</b>
■ <b>Measurement Date</b>	<b>6/30/2023</b>	<b>6/30/2022</b>
■ <b>Total</b>	\$ 19,716,589	\$ 18,292,931

See page 20 for supporting detail.



**Net Pension Liability**

**Proportionate Share of Net Pension Liability/(Asset)**

	<b>Percentage Share of Plan</b>		<b>Change: Increase/ (Decrease)</b>
	<b>6/30/2024</b>	<b>6/30/2023</b>	
■ <b>Fiscal Year End</b>	<b>6/30/2024</b>	<b>6/30/2023</b>	
■ <b>Measurement Date</b>	<b>6/30/2023</b>	<b>6/30/2022</b>	
■ <b>Percentage of Plan (PERF C) NPL</b>	0.15804%	0.15837%	-0.00033%

See page 20 for supporting detail.



**Plan Description \***

The Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan or PERF C) is administered by the California Public Employees’ Retirement System (the System or CalPERS). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. Each individual employer rate plan generally has less than 100 active members.

The Plan was established to provide retirement, death and disability benefits to public agency rate plans with generally less than 100 active members. The benefit provisions for PERF C members are established by statute. A full description regarding the number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information for the respective rate plan is listed in the respective rate plan’s June 30, 2022 Annual Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the funding valuation report. This report and CalPERS’ audited financial statements are publicly available reports that can be found on CalPERS’ website at

<https://www.calpers.ca.gov/page/forms-publications>

\* This description is from the CalPERS report:

<https://www.calpers.ca.gov/docs/forms-publications/gasb-68-public-agency-schedules-2023.pdf>



**Net Pension Liability Assumptions \***

The collective total pension liability for the June 30, 2023 measurement period was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The collective total pension liability was based on the following assumptions:

- Discount Rate 6.90%
- Inflation 2.30%
- Salary increases Varies by Entry Age and Service
- Mortality Derived using CalPERS’ Membership Data for all Funds. The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website
- Post-retirement benefit increase Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

\* These assumptions are from the CalPERS report:

<https://www.calpers.ca.gov/docs/forms-publications/gasb-68-public-agency-schedules-2023.pdf>



## Note Disclosures

### Long-Term Expected Rate of Return \*

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10<sup>1,2</sup></u>
Global equity - cap-weighted	30.00%	4.54%
Global equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

\* This information is from the CalPERS report: <https://www.calpers.ca.gov/docs/forms-publications/gasb-68-public-agency-schedules-2023.pdf>

<sup>1</sup> An expected inflation of 2.30% used for this period.

<sup>2</sup> Figures are based on the 2021-22 Asset Liability Management study.



## Note Disclosures

### Discount Rate \*

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

\* This description is from the CalPERS report:

<https://www.calpers.ca.gov/docs/forms-publications/gasb-68-public-agency-schedules-2023.pdf>



**Sensitivity of Proportionate Share of Net Pension Liability (Asset)  
to Changes in the Discount Rate**

	Discount Rate		
	5.90% (1% Decrease)	6.90% (Current Rate)	7.90% (1% Increase)
■ Measurement Date	6/30/2023		
■ Fiscal Year End	6/30/2024		
■ Net Pension Liability	\$ 29,254,354	\$ 19,716,589	\$ 11,866,189

See page 21 for supporting detail.



**Pension Expense (Income) for Fiscal Year**

	2023/24
■ Total pension expense (income) for fiscal year	\$ 2,940,640

See page 31 for supporting detail.



**Deferred Outflows/Inflows Balances at June 30, 2024**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
■ Differences between expected and actual experience *	\$ 1,007,230	(156,246)
■ Changes of assumptions *	1,190,379	-
■ Net differences between projected and actual earnings on plan investments *	3,192,293	-
■ Change in employer's proportion **	119,252	(320,284)
■ Differences between the employer's contributions and the employer's proportionate share of contributions***	-	(540,189)
■ Pension contributions subsequent to measurement date	1,998,164	-
■ Total	<u>7,507,318</u>	<u>(1,016,719)</u>

\* Supporting detail on page 23.

\*\* Supporting detail on page 26.

\*\*\* Supporting detail on page 29.



**Recognition of Deferred Outflows and Inflows of Resources  
in Future Pension Expense**

	<b>Deferred Outflows/(Inflows) of Resources</b>
■ <b>Fiscal Year Ending June 30:</b>	
● 2025	\$ 1,164,604
● 2026	827,432
● 2027	2,408,800
● 2028	91,599
● 2029	-
● Thereafter	-

Supporting detail on page 30.



**Required Supplementary Information**

**Schedule of Authority's Proportionate Share  
of the Plan's (PERF C) Net Pension Liability**

	Fiscal Year End	
	6/30/24	6/30/23
■ Measurement Date	6/30/23	6/30/22
■ Authority's proportion of the net pension liability	0.15804%	0.15837%
■ Authority's proportionate share of the net pension liability	\$ 19,716,589	\$ 18,292,931
■ Authority's covered payroll *	6,850,169	6,812,966
■ Authority's proportionate share of the net pension liability as a percentage of covered payroll	287.83%	268.50%
■ Plan's fiduciary net position as a percentage of the plan's total pension liability **	76.21%	76.68%

\* For the year ending on the measurement date.

\*\* Supporting detail on page 17.



**Required Supplementary Information**

**Schedule of the Authority's Contributions**

Contributions for the fiscal year ending:	6/30/24	6/30/23
■ Actuarially determined contribution	\$ 1,981,169	\$ 1,942,569
■ Contributions in relation to the actuarially determined contribution	1,998,164	1,942,569
■ Contribution deficiency (Excess)	(16,995)	-
■ Authority's covered payroll *	7,405,023	6,850,169
■ Contributions as a percentage of covered payroll	26.98%	28.36%

\* For the fiscal year ending on the date shown.



**Actuarially Determined Contribution Assumptions \***

■ Valuation Date	June 30, 2021
■ Actuarial cost method	Entry age normal cost method
■ Amortization method	Varies by date established and source. May be level dollar or level percent of pay and may include direct rate smoothing
■ Remaining Amortization Periods	Differs by employer rate plan
■ Asset valuation method	Market value of assets
■ Inflation	2.30%
■ Salary increases	Varies by category, entry age, and service
■ Discount Rate **	6.80% (net of investment and administrative expenses)
■ Mortality	Derived using CalPERS' Membership Data for all Funds. The post-retirement mortality rates include 15 years of projected on-going mortality improvement using 80% of the Society of Actuaries' Scale MP-2020

\* From the CalPERS reports (Appendix A):  
<https://www.calpers.ca.gov/docs/forms-publications/actuarial-valuation-section2-miscellaneous-2021.pdf>  
<https://www.calpers.ca.gov/docs/forms-publications/actuarial-valuation-section2-safety-2021.pdf>

\*\* Please note, the discount rate used for Actuarially Determined Contributions is different from the one used for Total Pension Liability (page 6).



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**Data as of 6/30/23 Measurement Date**

	Miscellaneous Risk Pool	Safety Risk Pool	Total
<b>■ Employer Allocation Basis*</b>			
Total Pension Liability	0.31076%	N/A	N/A
Fiduciary Net Postion	0.28715%	N/A	N/A
<b>■ Data from Risk Pool Reports for Measurement Date June 30, 2023</b>			
Total Pension Liability	\$ 22,693,312,153	\$ 29,748,672,121	\$ 52,441,984,274
(1) Fiduciary Net Postion	17,692,895,076	22,273,738,616	39,966,633,692
Net Pension Liability	5,000,417,077	7,474,933,505	12,475,350,582
Funded Percentage	N/A	N/A	76.21%
<b>■ Sensitivity</b>			
(2) NPL @ 5.90% discount rate	8,069,591,033	11,555,921,980	
(1) + (2) TPL @ 5.90% discount rate	25,762,486,109	33,829,660,596	
(3) NPL @ 7.90% discount rate	2,474,223,419	4,138,435,011	
(1) + (3) TPL @ 7.90% discount rate	20,167,118,495	26,412,173,627	
<b>■ Collective Pension Expense</b>	1,097,008,923	1,517,707,879	



<b>■ Deferred Outflows (Inflows) Balances at June 30, 2023 Measurement Date (MD)</b>			
MD			
2021	Differences between expected and actual experience	31,984,933	84,516,378
2022	Differences between expected and actual experience	(39,626,181)	(46,982,909)
2023	Differences between expected and actual experience	223,463,418	464,281,519
2022	Change in Assumptions	301,897,706	436,247,121
2020	Differences between projected and actual earnings on plan investments	60,099,624	72,553,352
2021	Differences between projected and actual earnings on plan investments	(916,125,016)	(1,149,627,564)
2022	Differences between projected and actual earnings on plan investments	1,572,713,435	1,985,807,897
2023	Differences between projected and actual earnings on plan investments	92,924,475	114,208,934
<b>■ Other</b>			
	Aggregate Employer Contributions	735,524,264	887,606,005
	Expected Average Remaining Service Lifetime (EARS�)	N/A	3.8
	Future Recognition of Deferred Amounts		
	Measurement Date		
	2024	415,576,710	667,537,922
	2025	277,208,944	441,774,508
	2026	611,315,622	823,140,063
	2027	23,231,118	28,552,235

\*From the report: <https://www.calpers.ca.gov/docs/forms-publications/gasb-68-public-agency-schedules-2023.pdf>





## Supporting Calculations

### Employer Contributions during Fiscal Year

	2023/24	2022/23
■ Misc Tier 1 - 9523	\$ 1,485,782	\$ 1,486,730
■ Misc Tier 2 - 9524	148,387	143,599
■ Misc PEPR - 27120	347,000	312,240
■ Additional UAL Payments	16,995	-
■ Total	1,998,164	1,942,569



## Supporting Calculations

### Proportionate Share of Net Pension Liability/(Asset)

	Fiscal Year Ending 6/30/2024		
	Measurement Date 6/30/2023		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
■ Authority % *	0.31076%	0.28715%	
■ Total Misc Risk Pool *	\$ 22,693,312,153	\$ 17,692,895,076	N/A
■ Authority's Proportionate Share	70,521,737	50,805,148	\$ 19,716,589
■ Total PERF-C NPL *	N/A	N/A	12,475,350,582
■ Authority's Proportionate Share of NPL	N/A	N/A	0.15804%

\* Supporting detail on page 17.



## Supporting Calculations

### Sensitivity of Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate

	Discount Rate		
	5.90% (1% Decrease )	6.90% (Current Rate)	7.90% (1% Increase )
■ Measurement Date	6/30/2023		
■ Fiscal Year End	6/30/2024		
■ Miscellaneous			
Risk Pool Total Pension Liability *	\$ 25,762,486,109	\$ 22,693,312,153	\$ 20,167,118,495
Employer's TPL Proportion	<u>0.31076%</u>	<u>0.31076%</u>	<u>0.31076%</u>
Proportionate share of TPL	\$ 80,059,502	\$ 70,521,737	\$ 62,671,337
Less: Proportionate share of FNP **	<u>50,805,148</u>	<u>50,805,148</u>	<u>50,805,148</u>
Net Pension Liability	29,254,354	19,716,589	11,866,189

\* Supporting detail on page 17.

\*\* Supporting detail on page 20.



## Supporting Calculations

### Allocation Factor for Deferred Inflows and Outflows

	<u>Miscellaneous</u>
(1) Total Misc Risk Pool Net Pension Liability*	\$ 5,000,417,077
(2) Authority's Proportionate Share of Net Pension Liability **	19,716,589
(3) Authority's Deferred Outflows/Inflows of Resources Allocation Basis (2) ÷ (1) ***	0.39430%

\* Supporting detail on page 17.

\*\* Supporting detail on page 20.

\*\*\* Deferred Outflows/Inflows of resources allocated based on the employer's share of the Miscellaneous Risk Pool net pension liability, per CalPERS' guidance in the 6/30/2023 Schedule of Employer Allocations for Components of Net Pension Liability and Schedule of Collective Pension Amounts.



## Supporting Calculations

### Total Risk Pool Deferred Outflows/(Inflows)

Measurement Date	Item	Misc Risk Pool*	Employer Amount (0.3943%)**	Employer Deferred Outflow	Employer Deferred (Inflow)
Differences between Actual and Expected Experience					
2021		\$ 31,984,933	\$ 126,116	\$ 126,116	-
2022		(39,626,181)	(156,246)	-	(156,246)
2023		223,463,418	881,114	881,114	-
Total Differences between Actual and Expected Experience			850,984	1,007,230	(156,246)
Changes of assumptions					
2022		301,897,706	1,190,379	1,190,379	-
Net Difference between Projected and Actual Return on Investments					
2020 to 2023		809,612,518	3,192,293	3,192,293	-

\* Supporting detail on page 18. \*\* Supporting detail on page 22, unrounded allocation factor is used.



## Supporting Calculations

### Change in Proportion Calculation

	Unrecognized Differences between Expected and Actual Experience	Unrecognized Changes in Assumptions	Unrecognized Net Difference Between Projected and Actual Earnings on Investments	Total Pension Liability	Fiduciary Net Position	Total
■ Miscellaneous Risk Pool						
Net deferral at 6/30/2022 MD	\$ 31,032,344	\$ 479,484,592	\$ 857,110,099	\$ (21,449,898,398)	\$ 16,770,671,339	
Employer proportion at 6/30/2023 MD*	0.39430%	0.39430%	0.39430%	0.31076%	0.28715%	
Employer amount using 6/30/2023 basis	122,360	1,890,602	3,379,576	(66,657,704)	48,156,983	(13,108,183)
Employer balances at 6/30/2022 MD	121,318	1,874,493	3,350,779	(66,443,205)	48,150,274	(12,946,341)
Difference	(1,042)	(16,109)	(28,797)	214,499	(6,709)	161,842

\* Supporting details on pages 17 and 22, unrounded allocation factor is used.



## Supporting Calculations

### Change in Proportion

Calculation at June 30, 2024 financial statement date

	2020 Measurement Date	2021 Measurement Date	2022 Measurement Date	2023 Measurement Date	Total
Balance reported at June 30, 2023	\$ 74,531	\$ (19,852)	\$ (495,705)	\$ 161,842 *	
Remaining Amortization Years	0.8 years	1.7 years	2.7 years	3.8 years	
Current Year Amortization	(74,531)	11,678	183,595	(42,590)	78,152
Balance reported at June 30, 2024	-	(8,174)	(312,110)	119,252	(201,032)

\* Balance at July 1, 2023, after 6/30/23 reporting date.



## Supporting Calculations

### Recognition Schedule for Deferred Outflows/Inflows at June 30, 2024 Employer-Specific Deferral: Change in Proportions

	Initial Recognition Period				Total
	2020/21	2021/22	2022/23	2023/24	
■ Measurement Period	2019/20	2020/21	2021/22	2022/23	
■ Initial amount	\$ 354,023	\$ (43,208)	\$ (679,300)	\$ 161,842	
■ Initial recognition period	3.8 years	3.7 years	3.7 years	3.8 years	
■ Amount recognized in FY pension expense					
● 2020/21 (3rd prior year)	93,164	N/A	N/A	N/A	93,164
● 2021/22 (2nd prior year)	93,164	(11,678)	N/A	N/A	81,486
● 2022/23 (Prior year)	93,164	(11,678)	(183,595)	N/A	(102,109)
● 2023/24 (Current year)	74,531	(11,678)	(183,595)	42,590	(78,152)
● 2024/25	-	(8,174)	(183,595)	42,590	(149,179)
● 2025/26	-	-	(128,515)	42,590	(85,925)
● 2026/27	-	-	-	34,072	34,072
● Total	354,023	(43,208)	(679,300)	161,842	(206,643)
■ Deferred Outflows at FYE 6/30/2024	-	-	-	119,252	119,252
■ Deferred Inflows at FYE 6/30/2024	-	(8,174)	(312,110)	-	(320,284)



## Supporting Calculations

### Difference in Actual Contribution and Proportionate Share of Contribution Calculation

	<u>Miscellaneous</u>
(1) Aggregate Risk Pool employer contributions for MP 2022/23*	\$ 735,524,264
(2) Employer proportion (FNP %)**	0.28715%
(3) Proportionate share of aggregate Employer contribution (1) * (2)	2,112,058
(4) Actual Contribution for Measurement Period 2022/2023	1,942,569
(5) Difference (4) - (3)	(169,489)

\* Supporting detail on page 18.

\*\* Supporting detail on page 17.



## Supporting Calculations

### Difference in Actual Contributions and Proportionate Share of Contributions

Calculation at June 30, 2024 financial statement date

	2020 Measurement Date	2021 Measurement Date	2022 Measurement Date	2023 Measurement Date	Total
Balance reported at June 30, 2023	(105,787)	(211,934)	(520,995)	(169,489) *	
Remaining Amortization Years	0.8 years	1.7 years	2.7 years	3.8 years	
Current Year Amortization	105,787	124,666	192,961	44,602	468,016
Balance reported at June 30, 2024	-	(87,268)	(328,034)	(124,887)	(540,189)

\* Balance at July 1, 2023, after 6/30/23 reporting date.



## Supporting Calculations

### Recognition Schedule for Deferred Outflows/Inflows at June 30, 2024 Employer-Specific Deferral: Difference Between Actual & Proportionate Share of Employer Contributions

	Initial Recognition Period				Total
	2020/21	2021/22	2022/23	2023/24	
■ Measurement Period	2019/20	2020/21	2021/22	2022/23	
■ Initial amount	\$ (502,486)	\$ (461,266)	\$ (713,956)	\$ (169,489)	
■ Initial recognition period	3.8 years	3.7 years	3.7 years	3.8 years	
■ Amount recognized in FY pension expense					
● 2020/21 (3rd prior year)	(132,233)	N/A	N/A	N/A	(132,233)
● 2021/22 (2nd prior year)	(132,233)	(124,666)	N/A	N/A	(256,899)
● 2022/23 (Prior year)	(132,233)	(124,666)	(192,961)	N/A	(449,860)
● 2023/24 (Current year)	(105,787)	(124,666)	(192,961)	(44,602)	(468,016)
● 2024/25	-	(87,268)	(192,961)	(44,602)	(324,831)
● 2025/26	-	-	(135,073)	(44,602)	(179,675)
● 2026/27	-	-	-	(35,683)	(35,683)
● Total	(502,486)	(461,266)	(713,956)	(169,489)	(1,847,197)
■ Deferred Outflows at FYE 6/30/2024	-	-	-	-	-
■ Deferred Inflows at FYE 6/30/2024	-	(87,268)	(328,034)	(124,887)	(540,189)



## Supporting Calculations

### Recognition of Deferrals in Future Pension Expense

Measurement Period Ending June 30:	Fiscal Year Ending June 30:	Miscellaneous Risk Pool Amount			Employer Specific Amounts		Total
		Risk Pool Amount*	Applicable Percentage**	Authority's Proportionate Share	Change in Proportion***	Difference Between Actual and Proportionate Share of Contributions****	
■ 2024	■ 2025	\$ 415,576,710	0.39430%	\$ 1,638,614	\$ (149,179)	\$ (324,831)	\$ 1,164,604
■ 2025	■ 2026	277,208,944	0.39430%	1,093,032	(85,925)	(179,675)	827,432
■ 2026	■ 2027	611,315,622	0.39430%	2,410,411	34,072	(35,683)	2,408,800
■ 2027	■ 2028	23,231,118	0.39430%	91,599	-	-	91,599
■ 2028	■ 2029	-	0.39430%	-	-	-	-
■ Thereafter	■ Thereafter	-	0.39430%	-	-	-	-

\* See page 18.

\*\* See page 22, unrounded allocation factor is used.

\*\*\* See page 26.

\*\*\*\* See page 29.



## Supporting Calculations

### GASBS 68 Balance Equation for Pension Expense Calculation

	Fiscal year ending		Change
	6/30/2024	6/30/2023	
■ Measurement date	6/30/2023	6/30/2022	
■ Total pension liability	\$ 70,521,737	\$ 66,443,205	\$ 4,078,532
■ Fiduciary net position	50,805,148	48,150,274	2,654,874
■ Net pension liability/(asset)	19,716,589	18,292,931	1,423,658
■ Deferred inflows of resources	1,016,719	1,600,313	(583,594)
■ Deferred (outflows) of resources *	(5,509,154)	(5,667,161)	158,007
■ Contributions in the measurement period	1,942,569	-	1,942,569
■ Net balance sheet impact	17,166,723	14,226,083	2,940,640
■ Pension Expense (Income)			2,940,640

\* The deferral for contributions after the measurement date is excluded.



## Supporting Calculations

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## Journal Entries

### Beginning Balances

Following summarizes the beginning balances from the 2022 measurement date \*

	<b>Debit</b>	<b>Credit</b>
Differences between expected and actual experience	\$ 367,358	\$ (246,040)
Changes of assumptions	1,874,493	-
Net differences between projected and actual earnings on plan investments	3,350,779	-
Change in employer's proportion	74,531	(515,557)
Differences between the employer's contributions and the employer's proportionate share of contributions	-	(838,716)
Total deferred outflow/inflow	5,667,161	(1,600,313)
Pension contributions subsequent to measurement date	1,942,569	-
Net Pension Liability	-	(18,292,931)
Net Impact	12,283,514	-
<i>Check</i>	19,893,244	(19,893,244)

\* Recorded at 6/30/23 fiscal year end.



## Journal Entries

### Employer Contributions

Following records the impact of employer contributions, assuming employer contributions were recorded as pension expense when paid.

	<b>Debit</b>	<b>Credit</b>
Net pension liability	\$ 1,942,569	
Deferred Outflow - FY 2023 contributions		\$ (1,942,569)
Deferred Outflow - FY 2024 contributions	1,998,164	
Pension Expense		(1,998,164)
<i>Check</i>	3,940,733	(3,940,733)





## Journal Entries

### Summary Journal Entries - Pension Expense

Following records the impact of current year pension expense

	<b>Debit</b>	<b>Credit</b>
Deferred Outflows	\$ 684,593	\$ (842,600)
Deferred Inflows	583,594	-
Pension Expense (Income)	2,940,640	-
Net pension liability	-	(3,366,227)
 <i>Check</i>	 4,208,827	 (4,208,827)

See pages 38 and 37 ("Subtotal" row) for details.



## Journal Entries

### Ending Balances at June 30, 2024

	<b>Debit</b>	<b>Credit</b>
Differences between expected and actual experience	\$ 1,007,230	\$ (156,246)
Changes of assumptions	1,190,379	-
Net differences between projected and actual earnings on plan investments	3,192,293	-
Change in employer's proportion	119,252	(320,284)
Differences between the employer's contributions and the employer's proportionate share of contributions	-	(540,189)
Total deferred outflow/inflow	5,509,154	(1,016,719)
Pension contributions subsequent to measurement date	1,998,164	-
Net Pension Liability (NPL)	-	(19,716,589)
Net Impact	13,225,990	-
 <i>Check</i>	 20,733,308	 (20,733,308)
Total pension expense (income) for FYE 2024	2,940,640	-



## Reconciliation of Deferred Outflows

(Detail for page 35)

Deferred Outflows	Opening Balance Debit	Journal Entry- Debit	Journal Entry - (Credit)	Ending Balance Debit
Differences between actual and expected experience	\$ 367,358	\$ 639,872	\$ -	\$ 1,007,230
Change in assumptions	1,874,493	-	(684,114)	1,190,379
Differences between projected and actual earnings on plan investments	3,350,779	-	(158,486)	3,192,293
<u>Employer Specific</u>				
Change in employer's proportion	74,531	44,721	-	119,252
Differences between the employer's contributions and the employer's proportionate share of contributions	-	-	-	-
Subtotal	5,667,161	684,593	(842,600)	5,509,154
Contributions after the Measurement Date	1,942,569	1,998,164	(1,942,569)	1,998,164
Total Deferred Outflows	7,609,730	2,682,757	(2,785,169)	7,507,318

Note "Changes" for Risk Pool deferrals equals total change from prior year to current year. "Changes" for employer-specific deferrals includes recognition of previous deferral or establishment of new deferral.



## Reconciliation of Deferred Inflows

(Detail for page 35)

Deferred Inflows	Opening Balance (Credit)	Journal Entry- (Credit)	Journal Entry - Debit	Ending Balance (Credit)
Differences between actual and expected experience	\$ (246,040)	\$ -	\$ 89,794	\$ (156,246)
Change in assumptions	-	-	-	-
Differences between projected and actual earnings on plan investments	-	-	-	-
<u>Employer Specific</u>				
Change in employer's proportion	(515,557)	-	195,273	(320,284)
Differences between the employer's contributions and the employer's proportionate share of contributions	(838,716)	-	298,527	(540,189)
Total Deferred Inflows	(1,600,313)	-	583,594	(1,016,719)

Note "Changes" for Risk Pool deferrals equals total change from prior year to current year. "Changes" for employer-specific deferrals includes recognition of previous deferral or establishment of new deferral.



**Reconciliation of Deferred Outflows/(Inflows)**

**Summary of Balances**

	Fiscal year ending	
	6/30/2024	6/30/2023
■ Measurement date	6/30/2023	6/30/2022
■ Total pension liability	\$ (70,521,737)	\$ (66,443,205)
■ Fiduciary net position	<u>50,805,148</u>	<u>48,150,274</u>
■ Net pension (liability)/asset	(19,716,589)	(18,292,931)
■ Deferred (inflows) of resources	(1,016,719)	(1,600,313)
■ Deferred outflows of resources	<u>7,507,318</u>	<u>7,609,730</u>
■ Net balance sheet impact	(13,225,990)	(12,283,514)

Deferred Outflows includes contributions after the measurement date.



**Reconciliation of Deferred Outflows/(Inflows)**

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# Agenda Item

# 6

**Finance Committee Meeting**

**Meeting Date:** August 20, 2024

**TO:** Finance Committee

**FROM:** Jim Burror, Acting General Manager/Director of Operations

**STAFF CONTACT:** Jeanette Cotinola, Jeanette Cotinola, Procurement/Contracts Manager

**SUBJECT:** SOCWA Biosolids Contracts Review

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## Summary:

At the June 2024 Board meeting, the SOCWA Board requested that the agency's Biosolids Contracts be presented for review.

SOCWA staff have prepared this item for the Finance Committee to review the agency's Biosolids Contracts prior to review by the Board of Directors. This will also allow the Finance Committee to provide input to the Board of Directors.

SOCWA maintains five (5) Biosolids management options. Each option is described below:

### Option 1 - County of Orange - Prima Descehsa Landfill

Location: San Juan Capistrano

Current Fee(s): \$47.65 per ton (tip fee only) SOCWA self-hauls to the landfill

Management type: Disposal (anticipated to create additional biogas for the landfill operator to create electricity)

Key Contract Terms:

Evergreen contract (renews each July)

Increases based on CPI

Noted issues and concerns with management option:

Deliveries must be made by 11:00 am

Closed on Sundays to Biosolids

Traffic delays due to increased traffic due to the Brea landfill closure

Subject to prohibitions due to winds and higher temperatures that have the potential to cause odors in the surrounding communities

Subject to prohibitions due to rain and road conditions at the landfill

SOCWA is required to maintain Class A drivers in compliance with DOT regulations

SOCWA hauling truck is subject to new regulations for fleet electrification

Annual average deliveries in 2023: 5.7 tons per day

### Option 2 – Synagro – South Kern Industrial Complex (SKIC)

Location: Taft, California (Kern County)

Current Fee(s): \$82.22 per ton (includes delivery)

Management type: Class A Compost

Key Contract Terms:

Expires January 1, 2027 (One remaining automatic 5-year renewal option)

Noted issues and concerns with management option:

Subject to I-5 closures due to high wind, fire, and snow events  
25.0 tons per day minimum (determined on a monthly basis)  
Annual average deliveries in 2023: 25.0 tons per day

Option 3 – Synagro – Nursery Product

Location: Helendale, CA (San Bernardino County)

Current Fee(s): \$64.50 per ton per ton (includes delivery)(\*)

(\*) Fuel surcharges apply when diesel fuel costs exceed the EIA California Diesel Index of \$4.651 per gallon

Management type: Class A Compost

Key Contract Terms:

Expires December 1, 2026 (no additional optional renewals)

Noted issues and concerns with management option:

Subject to I-15 closures due to high wind and fire events

No minimum or maximum terms

Compost fires in 2022 required diversions to Liberty Farms in Kern County

Annual average deliveries in 2023: 27.8 tons per day

Option 4 – Synagro – Arizona Soils

Location: Yuma County (Arizona)

Current Fee(s): \$ 74.23 per ton per ton (includes delivery)(\*)

(\*) Fuel surcharges apply when diesel fuel costs exceed the EIA California Diesel Index of \$4.651 per gallon

Management type: Class A Compost

Key Contract Terms:

Expires December 1, 2026 (no additional optional renewals)

Noted issues and concerns with management option:

Option included with Amendment No.1 for the Nursery Products contract in 2021 (SMWD uses this option, and SOCWA uses this option for emergencies)

Subject to I-15 closures due to fire events

No minimum or maximum terms

Additional Biosolids testing and reporting are required under Arizona law (testing included in the contract price)

Annual average deliveries in 2023: 0.0 tons per day

Option 5 – Waste Management – Simi Valley Landfill

Location: Simi Valley, CA (Ventura County)

Current Fee(s): \$ 74.00 per ton per ton (tip fee only)

Management type: Disposal

Key Contract Terms:

Evergreen contract (renews each July)

Increases based on CPI

Noted issues and concerns with management option:

Emergency backup option only

Distance limits SOCWA self-haul option to only one (1) truck per day (3 needed)

Closed on weekends

Grit hauler (Athens) is the identified emergency backup hauler option

Annual average deliveries in 2023: 0.0 tons per day

**Trends:**

Due to the increasing number of limitations at the Prima Descehsa Landfill, the number of trips has been reduced. The result has been that SOCWA's overall management costs have increased, and the volume of Biosolids recycled has increased.

Parameter	FY 2021-22	FY 2023-24
Biosolids Recycled (%)	85.5%	90.2%
Biosolids Disposal (%)	14.5%	9.8%
Cost per tons	\$66.17	\$74.05

SB 1383 - As part of California's efforts to reduce greenhouse gas emissions, SB 1383 establishes statewide methane emissions reduction targets in several sectors of California's economy. The enforcement provisions in SB 1383 support jurisdictions, non-local entities, local education districts, state facilities, federal facilities, and CalRecycle to achieve the state's climate goal of 75% organic waste diversions from landfills by 2025.

SOCWA is well above the stated goal. However, the Prima Descehsa Landfill operator, Orange County Waste and Recycling (OCWR), has not met the stated goal for the landfill. They have indicated to SOCWA staff that additional Biosolids diversions may be necessary from the landfill to meet their stated goal. It is estimated that the additional cost for SOCWA to achieve 100% waste diversion (100% recycling) is about \$56,000 per year in 2024. This is a 3.26% increase over the FY 2023-24 Biosolids Management expenses, or \$76.46 per ton.

PFAS in Biosolids

An emerging potential issue for Biosolids management is PFAS. Here is an excerpt from the EPA's website:

*Nationally, the three primary management practices for Biosolids use and disposal are land application, incineration, and placement in solid waste landfills. The U.S. Environmental Protection Agency (EPA) estimates that in 2021, large publicly owned treatment works land applied 43% of their Biosolids, landfilled 42%, and incinerated 14%. When Biosolids are contaminated by PFAS, each management practice may pose potential risks. PFAS in Biosolids is an issue that requires enhanced coordination across all levels of government, and across the water, solid waste, and agricultural sectors.*

*As EPA, states, and others develop policies, regulations, and other tools to address PFAS contamination in Biosolids, the following Principles for Preventing and Managing PFAS in Biosolids define key areas for regulators and stakeholders to work collaboratively to ensure the fate and transportation of PFAS contaminated Biosolids do not result in harm to human health or the environment.*

*Federal and state agencies, wastewater utilities, community partners, farmers and agribusinesses, engineers, environmental justice leaders, educators, residents, and businesses are all part of the solution. With these shared principles, the parties signed here affirm the importance of working collaboratively and strategically to make progress toward effectively managing Biosolids and protecting public health.*

SOCWA staff participate in Clean Water Social and CASA committees to track and monitor the ongoing collaborative efforts throughout the United States and California. SOCWA staff will continue to report developments to the SOCWA Board of Directors as they occur.

**Next Steps:**

SOCWA staff anticipates issuing a management RFP in July 2026 based on the expiration of the Nursery Products contract.

The SOCWA member agencies may also wish to consider achieving near-100% recycling to support the State's and OCWR's efforts to comply with SB 1383. This would include working with the local landfill operator to ensure SOCWA maintains this option for emergencies.

**Recommended Action:** Committee Discussion/Direction and Action.

# Agenda Item

# 7

**Finance Committee Meeting**

**Meeting Date:** June 18, 2024

**TO:** Finance Committee

**FROM:** Jim Burror, Acting General Manager/Director of Operations

**STAFF CONTACT:** Dina Ash, Human Resources Administrator

**SUBJECT:** SOCWA Insurance Coverage

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## **Summary:**

At the June 2024 Board meeting, the SOCWA Board requested that the agency's insurance policies be presented for review.

SOCWA staff have prepared this item for the Finance Committee to review the agency's insurance policies prior to review by the Board of Directors. This will also allow the Finance Committee to provide input to the Board of Directors.

The attachment lists each insurance policy. The attachment also includes additional supporting information regarding each policy. All policies listed are provided through the California Sanitation Risk Management Authority (CSRMA). CSRMA is a JPA, and SOCWA is a member of that JPA.

SOCWA staff corresponds with CSRMA staff during each renewal for potential policy adjustments and updates. There are no policy adjustments recommended by the SOCWA staff at this time.

**Recommended Action:** Committee Discussion/Direction and Action.



**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY  
POLICY REGISTER  
AS OF MAY 28, 2024**

<b>POLICY #</b>	<b>EFFECTIVE DATE 23-24</b>	<b>NATURE OF INSURANCE</b>	<b>COMPANY</b>	<b>LIMITS/ DEDUCTIBLE</b>	<b>COST</b>
CSL SOCWA 2324 1	12/31/22-23	GL/AL [INCLUDING ERRORS & OMISSIONS & EMPLOYMENT PRACTICES LIABILITY (EPL)]  <i>REINSURANCE</i>  <i>REINSURANCE</i>	CSRMA POOLED LIABILITY  <i>MUNICH AMERICAN REINSURANCE CO.</i>  <i>BERKLEY PUBLIC ENTITY</i>	\$15,500,000 COVERAGE LIMIT	\$137,292
	12/31/23-24			\$25,000 OPERATION / AUTO DED \$2,500 E&O DED \$25,000 EPL DED \$25,000 SEWER BACKUP DED  \$10,000,000 ULTIMATE NET LOSS XS \$750,000 EACH LOSS OCCURRENCE  \$5,000,000 ULTIMATE NET LOSS XS \$10,500,000 EACH LOSS OCCURRENCE	\$137,292
0312-6366	12/31/23-24	EXCESS LIABILITY	GREAT AMERICAN E&S INSURANCE COMPANY & ALLIED WORLD NATIONAL ASSURANCE COMPANY (QUOTA-SHARE)	\$10,000,000 LIMITS XS \$15,750,000	INCLUDED ABOVE
CSWC SOCWA 2324 1	07/01/22-23	WORKERS' COMPENSATION EMPLOYERS' LIABILITY	CSRMA POOLED WORKERS' COMPENSATION	\$1,000,000 LIMIT	\$176,802
	07/01/23-24			\$0 DED	\$176,526
SP 4066653	07/01/23-24	EXCESS WORKERS' COMPENSATION EMPLOYERS' LIABILITY	SAFETY NATIONAL CASUALTY	STATUTORY XS 1,000,000  \$1,000,000 XS \$1,000,000	INCLUDED ABOVE
01-309-02-02	07/01/22-23 07/01/23-24 <b>07/01/24-25</b>	ACIP CSRMA MASTER CRIME POLICY	NATIONAL UNION FIRE INS. CO OF PITTSBURGH, PA (CHARTIS)	\$2,000,000 ALL LINES OF COVERAGE LIMIT \$2,500 DED	\$3,109 \$3,109 <b>\$3,281</b>
APIP2324 (DEC 34)	07/01/22-23	SPECIAL FORM PROPERTY	ALLIANT PROPERTY INSURANCE PROGRAM (APIP)	\$310,766,781 TIV	\$273,890
	07/01/23-24			\$10,000 DED	\$382,270

This summary of insurance is not intended to replace or supercede your insurance contracts. Please refer to the policy for actual coverages and conditions.

ISPILLSCAZ0U004	07/01/23-24	PUBLIC ENTITY POLLUTION LIABILITY (CLAIM MADE & REPORTED)	IRONSHORE SPECIALITY INSURANCE COMPANY	\$25,000,000 POLICY AGG 2,000,000 PER POLLUTION CONDITION LIMIT/MEMBER \$100,000 AGG  \$250,000 PER POLLUTION CONDITION RETENTION  CLAIMS MADE AND REPORTED	INCLUDED ABOVE
FN2305500	07/01/23-24	CYBER LIABILITY COVERAGE	LLOYDS'S OF LONDON – BEAZLEY SYNDICATE: SYNDICATES 2623-623 - 100% (APIP)	2,000,000 AGG FIRST PARTY COMPUTER SECURITY AND THIRD-PARTY  \$50,000 RETENTION	INCLUDED ABOVE
PEC 001317021	12/02/22-23 12/02/23-24	POLLUTION & REMEDIATION LIABILITY (CLAIM MADE & REPORTED)	INDIAN HARBOR INSURANCE COMPANY	\$1,000,000 PER OCC. \$5,000,000 AGGREGATE LIMIT \$25,000 SIR	\$28,956 \$30,375
MXI 93058679	07/01/22-23 07/01/23-24 <b>07/01/24-25</b>	ALLIANT MOBILE VEHICLE PROGRAM (AMVP) TERRORISM	AGCS MARINE INSURANCE COMPANY	\$1,267,873 TOTAL VALUE \$5,000/5,000 DEDUCTIBLE	\$6,847 \$7,939 <b>\$8,829</b>
106007331	10/13/23-24	ID FRAUD MASTER POLICY IDENTITY THEFT	TRAVELERS INSURANCE COMPANY	\$25,000 LIMIT \$0 DEDUCTIBLE	NO CHARGE
PJ2300050 - 0005	07/01/23-24	ADWRP – ALLIANT DEADLY WEAPONS RESPONSE	LLOYDS OF LONDON - BEAZLEY	LIMITS OF LIABILITY (100%) \$500,000 EACH & EVERY EVENT (INCLUDING CLAIM EXPENSE)  \$2,500,000 ANNUAL AGGREGATE  \$250,000 VARIOUS SUBLIMITS FOR COUNSELING SERVICES, FUNERAL EXPENSES, 1 <sup>ST</sup> PARTY PROPERTY DAMAGE, BUSINESS INTERRUPTION AND DEMOLITION/MEMORIALISATION	NO CHARGE