

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

**January 21, 2025
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 **January 21, 2025, 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, 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 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: 851 9561 3116
Passcode: 663976

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/85195613116>

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 November 19, 2024

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

4. Financial Reports for the Month of November 2024 & Cash Disbursements for the Months of October 2024 & November 2024 4

The reports included are as follows:

- Summary of Disbursements for October & November 2024 (Exhibits A.1 & 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 November 2024 Financial Reports, (ii) ratify the October 2024 disbursement for the period from October 1, 2024, through October 31, 2024, totaling \$2,654,991, and (iii) ratify the November 2024 Disbursement for the period from November 1, 2024, through November 30, 2024, totaling \$2,193,190.

5. Fiscal Year 2023-24 Supplemental Financial Report.....23

Recommended Action: Staff recommends that the Finance Committee recommend that the Board of Directors receive and file the Supplemental Financial Statements for Fiscal Year ended June 30, 2024.

6. Budgeted Capacity for FY2025-2638

Recommended Action: Staff recommends that the Finance Committee recommend that the Board of Directors (i) provide direction on the Environmental Technical Services cost allocations and (ii) approve the use of the capacity amounts from the reorganization agreements.

7. Finance Committee Bylaws Update.....40

Recommended Action: Staff recommends that the Finance Committee recommend to the Board of Directors to (i) update the number of representatives from “up to six” to “three” representatives and (ii) amend Section 5 of the Finance Committee Bylaws to modify the quorum requirement from a majority to two (2) members to be approved.

8. Chart of Accounts Update to Improve Administrative Efficiency.....44

Recommended Action: Committee discussion/direction and/or action.

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.

Dated this 17th day of January 2025.



Danita Hirsh, Assistant Secretary
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

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

Finance Committee

November 19, 2024

DRAFT

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee Meeting was held on November 19, 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:

GAVIN CURRAN	City of Laguna Beach	Alternate Director
DENNIS CAFFERTY	El Toro Water District	Alternate Director
RICK SHINTAKU	South Coast Water District	Alternate Director
PAUL PENDER	Santa Margarita Water District	Alternate Director
KELSEY DECASAS	Moulton Niguel Water District	Non-Voting Participant

Absent:

MATT COLLINGS	Moulton Niguel Water District	Director
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Staff Participation:

AMBER BOONE	Acting General Manager
MARY CAREY	Finance Controller
JIM BURROR	Director of Operations
RONI GRANT	Associate Engineer
JACK BECK	Staff Accountant
ANNA SUTHERLAND	Accounts Payable
DINA ASH	HR Administrator
MATT CLARKE	IT Administrator
DANITA HIRSH	Executive Assistant

Also Participating:

ADRIANA OCHOA	Snell & Wilmer
KATHRYN FRESHLEY	El Toro Water District
SOPHIA KUO	The Pun Group
KRISTI EVEN	South Coast Water District

1. Call Meeting to Order

Chairperson Paul Pender called the meeting to order at 10:34 a.m.

2. Public Comments

None.

3. Approval of Minutes

- Finance Committee Meeting of August 20, 2024.

ACTION TAKEN

A motion was made by Director Curran and seconded by Director Cafferty to approve the Minutes for August 20, 2024, as submitted.

Motion carried: Aye 3, Nay 0, Abstained 1, Absent 1
Director Curran Aye
Director Cafferty Aye
Director Collings Absent
Director Pender Aye
Director Shintaku Abstain

4. Financial Reports for the Month of September 2024 & Cash Disbursements for the Month of July 2024, August 2024 & September 2024

ACTION TAKEN

A motion was made by Director Shintaku and seconded by Director Curran to recommend that the Board of Directors (i) receive and file the September 2024 Financial Reports, (ii) ratify the July 2024 disbursement for the period from July 1, 2024, through July 31, 2024, totaling \$5,130,733, (iii) ratify the August 2024 Disbursement for the period from August 1, 2024, through August 31, 2024, totaling \$2,156,406, and (iv) ratify the September 2024 Disbursement for the period from September 1, 2024, through September 30, 2024, totaling \$1,865,535.

Motion carried: Aye 4, Nay 0, Abstained 0, Absent 1
Director Cafferty Aye
Director Curran Aye
Director Collings Absent
Director Pender Aye
Director Shintaku Aye

5. Final Use Audit, FY 2023-24 Budget vs. Actual

ACTION TAKEN

A motion was made by Director Cafferty and seconded by Director Curran to recommend that the Board of Directors approve the FY 2023-24 Annual Financial Statements Audit.

Motion carried: Aye 4, Nay 0, Abstained 0, Absent 1
Director Cafferty Aye
Director Curran Aye
Director Collings Absent
Director Pender Aye
Director Shintaku Aye

6. FY 2023-24 Annual Financial Statements Audit

- Presentation by Sophia Kuo of The Pun Group.

ACTION TAKEN

A motion was made by Director Cafferty and seconded by Director Curran to recommend that the Board of Directors approve the FY 2023-24 Annual Financial Statements Audit.

Motion carried: Aye 4, Nay 0, Abstained 0, Absent 1
Director Cafferty Aye
Director Curran Aye
Director Collings Absent
Director Pender Aye
Director Shintaku Aye

7. Adjournment

There being no further business, Chairperson Pender adjourned the meeting at 11:43 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 November 19, 2024, and approved by the Finance Committee and received and filed by the Board of Directors of the South Orange County Wastewater Authority.

Danita Hirsh / Assistant Secretary
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

Agenda Item

4

Finance Committee Meeting

Meeting Date: January 21, 2025

TO: Finance Committee

FROM: Amber Baylor, Acting General Manager

STAFF CONTACT: Mary Carey, Finance Controller

SUBJECT: Financial Reports for the Month of November 2024 & Cash Disbursements for the Months of October 2024 & November 2024

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 October & November 2024 (Exhibits A.1 & A.2)
- b. Schedule of Funds Available for Reinvestment (Exhibit B)
 - Local Agency Investment Fund (LAIF)
- c. Schedule of Cash and Investments (Exhibit C)
- d. Capital Schedule (Exhibit D)
 - Capital Projects – Graph (Exhibit D-1)
- e. Budget vs. Actual Expenses:
 - Operations and Environmental Summary (Exhibit E-1)
 - Operations and Environmental by PC (E-1.2)
 - Residual Engineering, after transfer to Capital (Exhibit E-2)
 - Administration (Exhibit E-3)
 - Information Technology (IT) (Exhibit E-4)

Fiscal Impact

October 2024 cash disbursements were \$2,654,991.

November 2024 cash disbursements were \$2,193,190.

- Monthly disbursements are summarized in the attached Exhibits 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 November 2024 Financial Reports, (ii) ratify the October 2024 disbursement for the period from October 1, 2024, through October 31, 2024, totaling \$2,654,991, and (iii) ratify the November 2024 Disbursement for the period from November 1, 2024, through November 30, 2024, totaling \$2,193,190.

Exhibit A.1

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

	<u>Actual</u>
PC 1	\$ (953,083)
PC 2 - Jay B. Latham Plant	(941,812)
PC 5 - San Juan Creek Ocean Outfall	(13,604)
PC 8 - Pretreatment Program	(940)
PC 12 SO - Water Reclamation Permits	-
PC 15 - Coastal Treatment Plant/AWT	(162,772)
PC 17 - Joint Regional Wastewater Reclamation	(570,580)
PC 21 - Effluent Transmission Main	(4,620)
PC 23 - North Coast Interceptor	-
PC 24 - Aliso Creek Ocean Outfall	(7,578)
Total	<u><u>\$ (2,654,991)</u></u>

Exhibit A.2

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

	<u>Actual</u>
PC 1	\$ (973,919)
PC 2 - Jay B. Latham Plant	(652,751)
PC 5 - San Juan Creek Ocean Outfall	(16,762)
PC 8 - Pretreatment Program	(299)
PC 12 SO - Water Reclamation Permits	-
PC 15 - Coastal Treatment Plant/AWT	(87,059)
PC 17 - Joint Regional Wastewater Reclamation	(447,061)
PC 21 - Effluent Transmission Main	-
PC 23 - North Coast Interceptor	-
PC 24 - Aliso Creek Ocean Outfall	(15,339)
Total	<u><u>\$ (2,193,190)</u></u>

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

CASH IN BANK: (BEGINNING BAL.)	\$	1,341,782
L.A.I.F. FUNDS: (BEGINNING BAL.)		12,785,003
DEPOSITS, TRANSFERS & ADJUSTMENTS:		7,516,027
FUND REQUIREMENTS:		
BILLS FOR CONSIDERATION		(2,193,190)
TOTAL CASH IN BANK	\$	19,449,622

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.

Amber Boone
Acting General Manager

Note: Operational funds are collected on a quarterly basis at the beginning of the quarter. Capital funds are collected on a quarterly basis in connection with projected needs. Member agencies have pledged to have funds available to meet all obligations.



PMIA/LAIF Performance Report as of 01/08/25



Quarterly Performance Quarter Ended 09/30/24

LAIF Apportionment Rate ⁽²⁾ :	4.71
LAIF Earnings Ratio ⁽²⁾ :	0.00012912073474208
LAIF Administrative Cost ^{(1)*} :	0.26
LAIF Fair Value Factor ⁽¹⁾ :	1.002061084
PMIA Daily ⁽¹⁾ :	4.58
PMIA Quarter to Date ⁽¹⁾ :	4.56
PMIA Average Life ⁽¹⁾ :	231

PMIA Average Monthly Effective Yields⁽¹⁾

December	4.434
November	4.477
October	4.518
September	4.575
August	4.579
July	4.516

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 11/30/24 \$146.8 billion

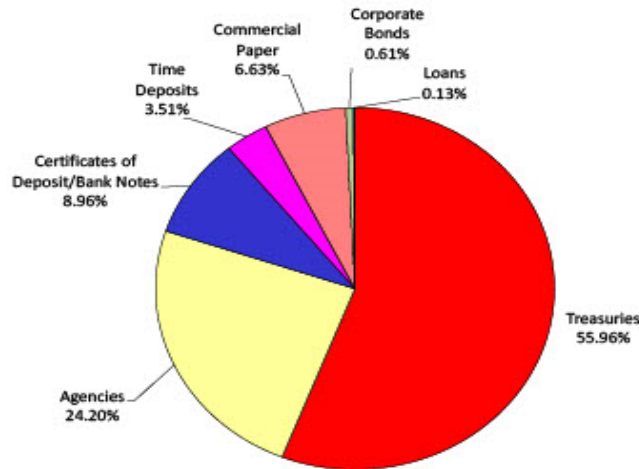


Chart does not include \$1,290,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

*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:

- ⁽¹⁾ State of California, Office of the Treasurer
- ⁽²⁾ State of California, Office of the Controller

Exhibit C

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

MVA	\$ 1,952	(A)
A/P Checking	860,651	(B)
Payroll Checking	522,017	(C)
State LAIF	18,065,003	(D)
Total Cash in Bank¹	\$ 19,449,622	
Petty Cash	1,600	(E)
Total Operating Cash	\$ 19,451,222	
OPEB Trust	7,519,392	(F)
Total Cash and Investments	\$ 26,970,614	

¹Bank 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.

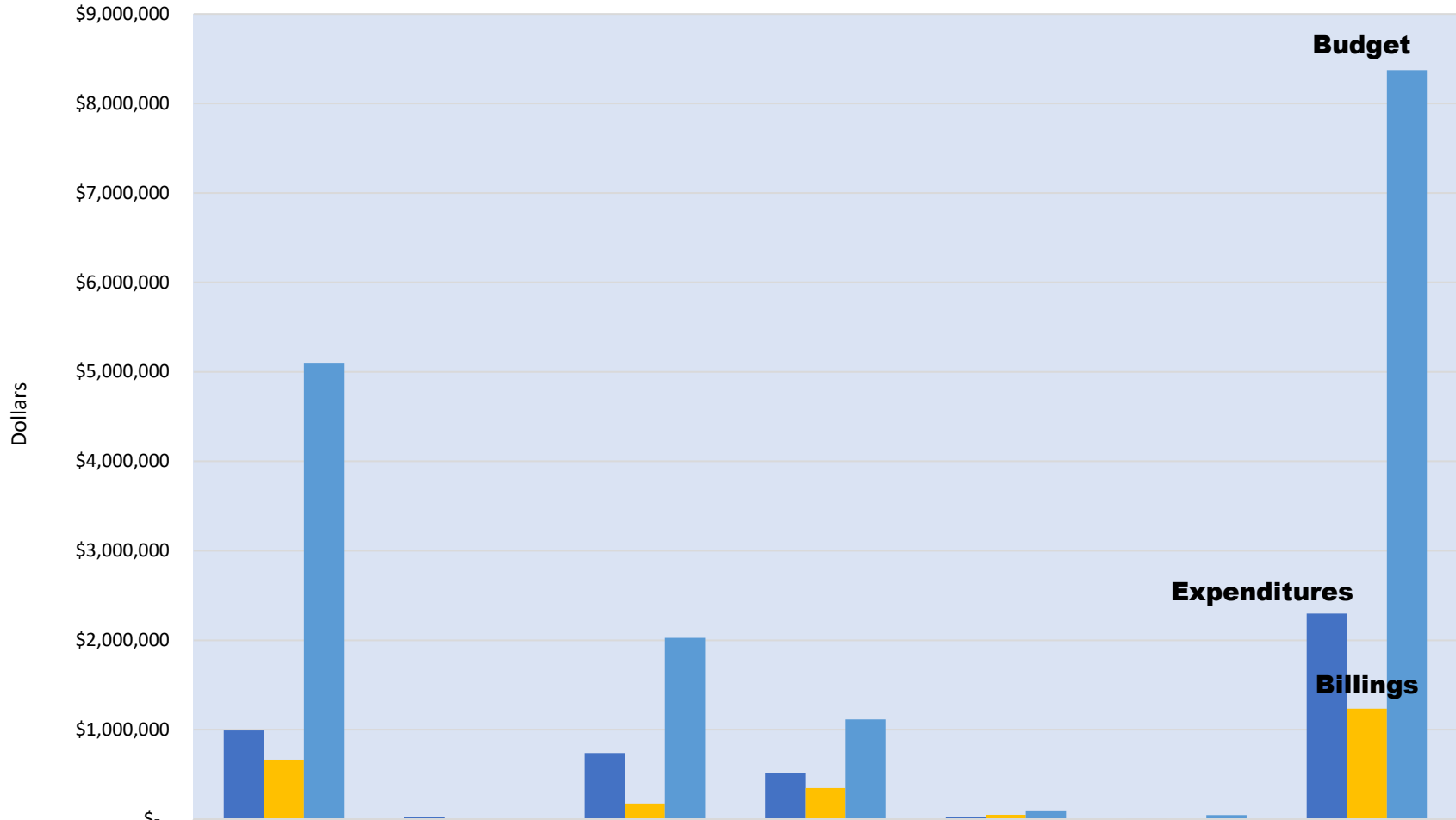
Notes:

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

FY 2024-25 Budget vs. Actual Spending								
<u>Description</u>	Capital Budget	Fiscal Year Spending	(Over)/ Under Budget	% Expended	Member Agency Billed	Member Agency Collections	Open Receivables	% Expended vs. Billed
PC 2-JB Latham	\$ 5,092,547	\$ 990,869	\$ 4,101,679	19.5%	\$ 663,835	\$ 663,835	\$ -	149.3%
PC 5-San Juan Creek Outfall	-	22,023	(22,023)	-	-	-	-	-
PC 15-Coastal	2,025,000	739,729	1,285,271	36.5%	175,000	175,000	-	422.7%
PC 17-Regional	1,114,393	519,290	595,103	46.6%	346,463	346,463	-	149.9%
PC 21 Effluent Transmission	96,632	22,867	73,765	23.7%	49,403	49,403	-	46.3%
PC 24 Aliso Creek Outfall	45,000	3,800	41,200	8.4%	-	-	-	-
Total Large Capital	\$ 8,373,572	\$ 2,298,578	\$ 6,074,994	27.5%	\$ 1,234,701	\$ 1,234,701	\$ -	186.2%
Non-Capital Engineering	302,000	29,245	272,755	9.7%	75,500	75,500	-	38.7%
Non-Capital Misc Engineering	-	-	-	-	-	-	-	-
Small Internal Capital	2,061,000	532,902	1,528,098	25.9%	515,250	515,250	-	103.4%
Total Capital	\$ 10,736,572	\$ 2,860,725	\$ 7,875,847	26.6%	\$ 1,825,451	\$ 1,825,451	\$ -	156.7%

Large Capital Projects Fiscal Year 2024-25 Budget vs. Exhibit D-1 Year-to-Date Expenditures & Billings as of 11/30/2024



	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
Spent - YTD 11/30/2024	\$990,869	\$22,023	\$739,729	\$519,290	\$22,867	\$3,800	\$2,298,578
FY 24-25 Billings	\$663,835	\$-	\$175,000	\$346,463	\$49,403	\$-	\$1,234,701
Capital Budget FY 24-25	\$5,092,547	\$-	\$2,025,000	\$1,114,393	\$96,632	\$45,000	\$8,373,572

South Orange County Wastewater Authority
Preliminary O & M & Environmental Safety Costs Summary¹
 For the Period Ended November 30, 2024
 (in dollars)

		FY 2024-25 Budget	Actual	(Over)/Under Budget	% Expended	
Salary and Fringe						
-5000--**	Regular Salaries-O&M	5,706,265	2,137,575	3,568,690	37.5%	
-5001--**	Overtime Salaries-O&M	65,000	37,285	27,715	57.4%	(1)
-5306--**	Scheduled Holiday Work	30,000	20,448	9,552	68.2%	
-5315--**	Comp Time - O&M	15,000	14,144	856	94.3%	(1)
-5401--**	Fringe Benefits IN to PC's & Depts.	3,071,493	1,150,586	1,920,907	37.5%	
-5700--**	Standby Pay	99,992	44,000	55,992	44.0%	
	Total Payroll Costs	8,987,750	3,404,038	5,583,712	37.9%	
Other Expenses						
-5002--**	Electricity	1,299,100	666,956	632,144	51.3%	
-5003--**	Natural Gas	509,860	136,235	373,625	26.7%	
-5004--**	Potable & Reclaimed Water	79,400	27,457	51,943	34.6%	
-5005--**	Co-generation Power Credit	(1,367,100)	(491,653)	(875,447)	36.0%	
-5006--**	Chlorine/Sodium Hypochlorite	219,300	156,120	63,180	71.2%	(2)
-5007--**	Polymer Products	1,153,500	468,136	685,364	40.6%	
-5008--**	Ferric Chloride	982,500	521,823	460,677	53.1%	
-5009--**	Odor Control Chemicals	181,700	85,670	96,030	47.1%	
-5010--**	Other Chemicals - Misc.	2,000	-	2,000	0.0%	
-5011--**	Laboratory Services	62,128	16,408	45,720	26.4%	
-5012--**	Grit Hauling	135,800	56,103	79,697	41.3%	
-5013--**	Landscaping	217,300	92,339	124,961	42.5%	
-5015--**	Management Support Services	285,550	58,628	226,922	20.5%	
-5016--**	Audit - Environmental	1,324	-	1,324	0.0%	
-5017--**	Legal Fees	19,000	-	19,000	0.0%	
-5018--**	Public Notices/ Public Relations	1,550	-	1,550	0.0%	
-5019--**	Contract Services Misc.	364,700	160,843	203,857	44.1%	
-5021--**	Small Vehicle Expense	24,548	5,886	18,662	24.0%	
-5022--**	Miscellaneous Expense	16,068	1,407	14,662	8.8%	
-5023--**	Office Supplies - All	49,500	13,847	35,653	28.0%	
-5024--**	Petroleum Products	28,400	5,410	22,990	19.0%	
-5025--**	Uniforms	80,400	52,967	27,433	65.9%	
-5026--**	Small Vehicle Fuel	20,404	6,777	13,627	33.2%	
-5027--**	Insurance - Property/Liability	638,224	427,811	210,413	67.0%	(3)
-5028--**	Small Tools & Supplies	80,052	20,892	59,160	26.1%	
-5030--**	Trash Disposal	10,000	2,881	7,119	28.8%	
-5031--**	Safety Program & Supplies	117,252	44,767	72,485	38.2%	
-5032--**	Equipment Rental	7,000	6,384	616	91.2%	(1)
-5033--**	Recruitment	2,300	-	2,300	0.0%	
-5034--**	Travel Expense/Tech. Conferences	69,775	5,553	64,222	8.0%	
-5035--**	Training Expense	87,050	21,023	66,027	24.2%	

0.538267

**South Orange County Wastewater Authority
Preliminary O & M & Environmental Safety Costs Summary¹**

For the Period Ended November 30, 2024

(in dollars)

	FY 2024-25 Budget	Actual	(Over)/Under Budget	% Expended	
5036--***	Laboratory Supplies	140,048	60,975	79,073	43.5%
5037--***	Office Equipment	27,000	10,113	16,887	37.5%
5038--***	Permits	698,551	33,082	665,469	4.7%
5039--***	Membership Dues/Fees	12,647	7,400	5,247	58.5%
5044--***	Offshore Monitoring	60,116	39,797	20,319	66.2%
5045--***	Offshore Biochemistry - 20B	22,854	2,548	20,306	11.1%
5046--***	Effluent Chemistry	51,908	25,659	26,249	49.4%
5047--***	Access Road Expenses	45,000	264	44,736	0.6%
5048--***	Storm Damage	20,000	-	20,000	0.0%
5049--***	Biosolids Disposal	1,854,800	655,757	1,199,043	35.4%
5050--***	Contract Services Generators - 29A	23,200	3,287	19,913	14.2%
5052--***	Janitorial Services	97,900	42,214	55,686	43.1%
5053--***	Contract Serv - Digester Cleaning - 29E	65,000	-	65,000	0.0%
5054--***	Diesel Truck Maint	44,300	17,839	26,461	40.3%
5055--***	Diesel Truck Fuel	12,100	2,658	9,442	22.0%
5056--***	Maintenance Equip. & Facilities (Solids)	305,300	107,293	198,007	35.1%
5057--***	Maintenance Equip. & Facilities (Liquids)	500,000	187,470	312,530	37.5%
5058--***	Maintenance Equip. & Facilities (Common)	92,000	20,712	71,289	22.5%
5059--***	Maintenance Equip. & Facilities (Co-Gen)	826,000	292,821	533,179	35.5%
5060--***	Maintenance Equip. & Facilities (AWT)	30,000	7,415	22,585	24.7%
5061--***	Mileage	2,950	1,118	1,832	37.9%
5068--***	MNWD Potable Water Supplies & Svcs.	40,000	12,458	27,542	31.1%
5076--***	SCADA Infrastructure	93,600	-	93,600	0.0%
5077--***	IT Direct	58,000	3,033	54,967	5.2%
5105--***	Co-Generation Power Credit - Offset	1,367,100	491,653	875,447	36.0%
5309--***	Operating Leases	20,000	21,346	(1,346)	106.7% (4)
5705--***	Monthly Car Allowance	25,200	10,939	14,262	43.4%
5791--***	CTP Annual Bridge Maintenance	-	(8,000)	8,000	0.0% (5)
5799--***	Zephyr Wall Costs Share-O&M	(14,000)	(14,000)	-	100.0% (6)
6500--***	IT Allocations in to PC's & Depts.	725,880	294,515	431,365	40.6%
	Total Other Expenses	12,626,041	4,901,035	7,725,006	38.8%
	Total O&M Expenses	21,613,791	8,305,073	13,308,718	38.4%

¹ 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) O&M completed several nighttime repairs before the upcoming winter season.
- (2) Increased bleach usage due to elevated AWT use at CTP during the first quarter of the new fiscal year.
- (3) Annual charges incurred at the beginning of the fiscal year and the end of the calendar year.
- (4) Annual increases in lease costs unanticipated during the preparation of the budget.
- (5) Shared insurance cost with the County of Orange for joint use of CTP access road.
- (6) Shared cost with condominium complex for wall at JBL.

South Orange County Wastewater Authority
Preliminary O&M Budget vs. Actual Comparison by PC¹
 For the Period Ended November 30, 2024
 (in dollars)

		FY 2024-25 Budget	Actual	(Over)/Under Budget	% Expended
02 - Jay B. Latham Plant					
Salary and Fringe					
02-5000-**-**	Regular Salaries-O&M	2,090,768	735,496	1,355,272	35.2%
02-5001-**-**	Overtime Salaries-O&M	21,693	17,785	3,908	82.0% (1)
02-5306-**-**	Scheduled Holiday Work	13,820	9,731	4,089	70.4%
02-5315-**-**	Comp Time - O&M	7,078	6,393	685	90.3% (1)
02-5401-**-**	Fringe Benefits IN to PC's & Depts.	1,125,391	395,893	729,498	35.2%
02-5700-**-**	Standby Pay	40,300	16,500	23,800	40.9%
	Total Payroll Costs	<u>3,299,050</u>	<u>1,181,798</u>	<u>2,117,253</u>	<u>35.8%</u>
Other Expenses					
02-5002-**-**	Electricity	683,100	281,494	401,606	41.2%
02-5003-**-**	Natural Gas	259,560	50,457	209,103	19.4%
02-5004-**-**	Potable & Reclaimed Water	27,000	10,748	16,252	39.8%
02-5006-**-**	Chlorine/Sodium Hypochlorite	40,000	27,305	12,695	68.3%
02-5007-**-**	Polymer Products	458,000	232,502	225,498	50.8%
02-5008-**-**	Ferric Chloride	300,000	185,884	114,116	62.0%
02-5009-**-**	Odor Control Chemicals	38,000	18,610	19,390	49.0%
02-5010-**-**	Other Chemicals - Misc.	1,000	-	1,000	0.0%
02-5011-**-**	Laboratory Services	20,508	5,164	15,344	25.2%
02-5012-**-**	Grit Hauling	72,600	34,156	38,444	47.0%
02-5013-**-**	Landscaping	70,000	36,068	33,932	51.5%
02-5015-**-**	Management Support Services	35,950	20,260	15,690	56.4%
02-5017-**-**	Legal Fees	5,000	-	5,000	0.0%
02-5019-**-**	Contract Services Misc.	132,900	58,416	74,484	44.0%
02-5021-**-**	Small Vehicle Expense	11,000	845	10,155	7.7%
02-5022-**-**	Miscellaneous Expense	8,000	484	7,516	6.1%
02-5023-**-**	Office Supplies - All	30,900	5,990	24,910	19.4%
02-5024-**-**	Petroleum Products	12,000	582	11,418	4.8%
02-5025-**-**	Uniforms	37,100	22,806	14,294	61.5%
02-5026-**-**	Small Vehicle Fuel	8,000	2,837	5,163	35.5%
02-5027-**-**	Insurance - Property/Liability	224,629	150,573	74,057	67.0% (2)
02-5028-**-**	Small Tools & Supplies	36,100	2,350	33,750	6.5%
02-5030-**-**	Trash Disposal	3,000	1,537	1,463	51.2%
02-5031-**-**	Safety Program & Supplies	40,840	17,098	23,742	41.9%
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	19,379	967	18,412	5.0%
02-5035-**-**	Training Expense	25,592	8,622	16,970	33.7%
02-5036-**-**	Laboratory Supplies	21,000	11,008	9,992	52.4%
02-5037-**-**	Office Equipment	14,000	4,251	9,749	30.4%
02-5038-**-**	Permits	29,735	31,220	(1,485)	105.0% (2)
02-5039-**-**	Membership Dues/Fees	4,025	3,362	663	83.5%
02-5049-**-**	Biosolids Disposal	787,500	235,064	552,436	29.8%
02-5050-**-**	Contract Services Generators - 29A	10,000	-	10,000	0.0%
02-5052-**-**	Janitorial Services	44,300	18,414	25,886	41.6%
02-5054-**-**	Diesel Truck Maint	23,700	8,569	15,131	36.2%
02-5055-**-**	Diesel Truck Fuel	3,400	1,329	2,071	39.1%
02-5056-**-**	Maintenance Equip. & Facilities (Solids)	125,000	55,440	69,560	44.4%
02-5057-**-**	Maintenance Equip. & Facilities (Liquids)	200,000	68,227	131,773	34.1%
02-5058-**-**	Maintenance Equip. & Facilities (Common)	30,000	9,301	20,699	31.0%
02-5059-**-**	Maintenance Equip. & Facilities (Co-Gen)	308,000	99,797	208,203	32.4%
02-5061-**-**	Mileage	1,450	750	700	51.7%
02-5076-**-**	SCADA Infrastructure	31,200	-	31,200	0.0%
02-5077-**-**	IT Direct	20,000	1,011	18,989	5.1%
02-5309-**-**	Operating Leases	20,000	21,346	(1,346)	106.7% (3)
02-5705-**-**	Monthly Car Allowance	8,400	5,285	3,115	62.9%
02-5799-**-**	Zephyr Wall Costs Share-O&M	(14,000)	(14,000)	-	100.0% (7)
02-6500-**-**	IT Allocations in to PC's & Depts.	267,238	108,428	158,810	40.6%
	Total Other Expenses	<u>4,539,107</u>	<u>1,844,558</u>	<u>2,694,549</u>	<u>40.6%</u>
	Total Expenses	<u>7,838,158</u>	<u>3,026,356</u>	<u>4,811,802</u>	<u>38.6%</u>

South Orange County Wastewater Authority
Preliminary O&M Budget vs. Actual Comparison by PC¹
 For the Period Ended November 30, 2024
 (in dollars)

		FY 2024-25 Budget	Actual	(Over)/Under Budget	% Expended
05 - San Juan Creek Ocean Outfall					
Salary and Fringe					
05-5000-**-**	Regular Salaries-O&M	104,602	49,331	55,271	47.2%
05-5001-**-**	Overtime Salaries-O&M	76	1,176	(1,100)	1546.8%
05-5306-**-**	Scheduled Holiday Work	488	-	488	0.0%
05-5315-**-**	Comp Time - O&M	-	724	(724)	100.0%
05-5401-**-**	Fringe Benefits IN to PC's & Depts.	56,304	26,553	29,750	47.2%
	Total Payroll Costs	<u>161,470</u>	<u>77,785</u>	<u>83,685</u>	<u>48.2%</u>
Other Expenses					
05-5015-**-**	Management Support Services	57,500	4,425	53,075	7.7%
05-5017-**-**	Legal Fees	1,000	-	1,000	0.0%
05-5027-**-**	Insurance - Property/Liability	25,347	16,990	8,356	67.0% (2)
05-5031-**-**	Safety Supplies	1,036	24	1,012	2.3%
05-5034-**-**	Travel Expense/Tech. Conferences	4,739	1,681	3,058	35.5%
05-5035-**-**	Training Expense	1,087	74	1,013	6.9%
05-5036-**-**	Laboratory Supplies	40,000	8,946	31,054	22.4%
05-5038-**-**	Permits	332,746	-	332,746	0.0%
05-5039-**-**	Memberships Dues/Fees	-	152	(152)	100.0%
05-5044-**-**	Offshore Monitoring	18,500	20,399	(1,898)	110.3%
05-5045-**-**	Offshore Biochemistry - 20B	7,550	1,274	6,276	16.9%
05-5046-**-**	Effluent Chemistry	28,500	16,901	11,599	59.3%
05-5058-**-**	Maintenance Equip. & Facilities (Common)	1,000	-	1,000	0.0%
05-6500-**-**	IT Allocations in to PC's & Depts.	13,327	5,407	7,921	40.6%
	Total Other Expenses	<u>532,332</u>	<u>76,273</u>	<u>456,059</u>	<u>14.3%</u>
	Total Expenses	<u>693,802</u>	<u>154,058</u>	<u>539,744</u>	<u>22.2%</u>
08 - Pre Treatment					
Salary and Fringe					
08-5000-**-**	Regular Salaries-O&M	176,735	49,426	127,309	28.0%
08-5401-**-**	Fringe Benefits IN to PC's & Depts.	95,131	26,604	68,526	28.0%
	Total Payroll Costs	<u>271,866</u>	<u>76,030</u>	<u>195,836</u>	<u>28.0%</u>
Other Expenses					
08-5011-**-**	Laboratory Services	3,120	-	3,120	0.0%
08-5015-**-**	Management Support Services	20,000	-	20,000	0.0%
08-5016-**-**	Audit - Environmental	1,324	-	1,324	0.0%
08-5017-**-**	Legal Fees	1,000	-	1,000	0.0%
08-5018-**-**	Public Notices/ Public Relations	1,550	-	1,550	0.0%
08-5021-**-**	Small Vehicle Expense - 31A	1,148	-	1,148	0.0%
08-5022-**-**	Miscellaneous Expense	2,068	-	2,068	0.0%
08-5026-**-**	Small Vehicle Fuel - 37A	1,304	-	1,304	0.0%
08-5027-**-**	Insurance - Property/Liability	8,540	5,724	2,815	67.0% (2)
08-5028-**-**	Small Tools & Supplies	3,752	588	3,165	15.7%
08-5034-**-**	Travel Expense/Tech. Conferences	4,739	-	4,739	0.0%
08-5035-**-**	Training Expense	2,000	299	1,701	0.0%
08-5038-**-**	Permits and Fines	520	-	520	0.0%
08-5039-**-**	Membership Dues/Fees	500	139	361	27.8%
08-6500-**-**	IT Allocations in to PC's & Depts.	20,900	8,480	12,420	40.6%
	Total Other Expenses	<u>72,465</u>	<u>15,229</u>	<u>57,236</u>	<u>21.0%</u>
	Total Expenses	<u>344,331</u>	<u>91,260</u>	<u>253,071</u>	<u>26.5%</u>
12 - Water Reclamation Permits					
Salary and Fringe					
12-5000-**-**	Regular Salaries-O&M	113,444	18,513	94,931	16.3%
12-5401-**-**	Fringe Benefits IN to PC's & Depts.	61,063	9,965	51,098	16.3%
	Total Payroll Costs	<u>174,507</u>	<u>28,478</u>	<u>146,030</u>	<u>16.3%</u>
Other Expenses					
12-5015-**-**	Management Support Services	45,000	12,675	32,325	28.2%
12-5017-**-**	Legal Fees	1,000	-	1,000	-
12-5027-**-**	Insurance - Property/Liability	2,946	1,974	971	67.0% (2)
12-5034-**-**	Travel Expense/Tech. Conferences	4,739	-	4,739	0.0%
12-5038-**-**	Permits	28,050	-	28,050	0.0%
12-5039-**-**	Membership Dues/Fees	72	-	72	0.0%
12-5705-**-**	Monthly Car Allowance	4,200	323	3,877	7.7%
12-6500-**-**	IT Allocations in to PC's & Depts.	14,431	5,855	8,576	40.6%
	Total Other Expenses	<u>100,438</u>	<u>20,828</u>	<u>79,610</u>	<u>20.7%</u>
	Total Expenses	<u>274,945</u>	<u>49,306</u>	<u>225,640</u>	<u>17.9%</u>

South Orange County Wastewater Authority
Preliminary O&M Budget vs. Actual Comparison by PC¹
 For the Period Ended November 30, 2024
 (in dollars)

		FY 2024-25 Budget	Actual	(Over)/Under Budget	% Expended
15 - Coastal Treatment Plant					
Salary and Fringe					
15-5000-**-**	Regular Salaries-O&M	1,058,595	416,171	642,424	39.3%
15-5001-**-**	Overtime Salaries-O&M	10,849	2,650	8,200	24.4%
15-5306-**-**	Scheduled Holiday Work	5,240	2,478	2,763	47.3%
15-5315-**-**	Comp Time - O&M	1,578	2,673	(1,095)	169.4%
15-5401-**-**	Fringe Benefits IN to PC's & Depts.	569,807	224,011	345,796	39.3%
15-5700-**-**	Standby Pay	12,000	5,000	7,000	41.7%
	Total Payroll Costs	<u>1,658,069</u>	<u>652,982</u>	<u>1,005,087</u>	<u>39.4%</u>
Other Expenses					
15-5002-**-**	Electricity	310,000	162,196	147,804	52.3%
15-5003-**-**	Natural Gas	3,500	123	3,377	3.5%
15-5004-**-**	Potable & Reclaimed Water	24,000	7,437	16,563	31.0%
15-5006-**-**	Chlorine/Sodium Hypochlorite	117,500	86,344	31,156	73.5% (4)
15-5008-**-**	Ferric Chloride	160,000	63,916	96,084	39.9%
15-5009-**-**	Odor Control Chemicals	70,000	45,063	24,937	64.4%
15-5011-**-**	Laboratory Services	10,500	3,839	6,661	36.6%
15-5012-**-**	Grit Hauling	22,000	7,454	14,545	33.9%
15-5013-**-**	Landscaping	64,900	28,791	36,109	44.4%
15-5015-**-**	Management Support Services	33,500	4,322	29,178	12.9%
15-5017-**-**	Legal Fees	5,000	-	5,000	0.0%
15-5019-**-**	Contract Services Misc.	113,300	47,472	65,828	41.9%
15-5021-**-**	Small Vehicle Expense - 31A	4,200	264	3,936	6.3%
15-5022-**-**	Miscellaneous Expense	1,000	220	780	22.0%
15-5023-**-**	Office Supplies - All	5,200	2,730	2,470	52.5%
15-5024-**-**	Petroleum Products	4,000	2,887	1,113	72.2%
15-5025-**-**	Uniforms	10,300	9,207	1,093	89.4%
15-5026-**-**	Small Vehicle Fuel	2,100	501	1,599	23.9%
15-5027-**-**	Insurance - Property/Liability	94,591	63,406	31,185	67.0% (2)
15-5028-**-**	Small Tools & Supplies	9,300	7,708	1,592	82.9%
15-5030-**-**	Trash Disposal	3,000	833	2,167	27.8%
15-5031-**-**	Safety Supplies	34,124	10,302	23,822	30.2%
15-5032-**-**	Equipment Rental	1,000	-	1,000	0.0%
15-5033-**-**	Recruitment	300	-	300	0.0%
15-5034-**-**	Travel Expense/Tech. Conferences	12,059	614	11,445	5.1%
15-5035-**-**	Training Expense	21,017	6,595	14,422	31.4%
15-5036-**-**	Laboratory Supplies	22,000	13,528	8,472	61.5%
15-5037-**-**	Office Equipment	3,000	2,286	714	76.2%
15-5038-**-**	Permits	3,000	931	2,069	31.0%
15-5039-**-**	Membership Dues/Fees	4,025	1,299	2,726	32.3%
15-5047-**-**	Access Road Expenses	45,000	264	44,736	0.6%
15-5048-**-**	Storm Damage	20,000	-	20,000	0.0%
15-5050-**-**	Contract Services Generators	5,200	-	5,200	0.0%
15-5052-**-**	Janitorial Services	15,500	8,510	6,990	54.9%
15-5054-**-**	Diesel Truck Maint - 31B	1,000	41	959	4.1%
15-5055-**-**	Diesel Truck Fuel - 37B	500	-	500	0.0%
15-5057-**-**	Maintenance Equip. & Facilities (Liquids)	100,000	51,635	48,365	51.6%
15-5058-**-**	Maintenance Equip. & Facilities (Common)	24,000	2,927	21,073	12.2%
15-5060-**-**	Maintenance Equip. & Facilities (AWT)	30,000	7,415	22,585	24.7%
15-5061-**-**	Mileage	500	-	500	0.0%
15-5076-**-**	SCADA Infrastructure	31,200	-	31,200	0.0%
15-5077-**-**	IT Direct	18,000	1,011	16,989	5.6%
15-5705-**-**	Monthly Car Allowance	4,200	1,777	2,423	42.3%
15-5791-**-**	CTP Annual Bridge Maintenance	-	(8,000)	8,000	0.0% (6)
15-6500-**-**	IT Allocations in to PC's & Depts.	134,825	54,704	80,121	40.6%
	Total Other Expenses	<u>1,598,342</u>	<u>700,552</u>	<u>897,790</u>	<u>43.8%</u>
	Total Expenses	<u>3,256,411</u>	<u>1,353,535</u>	<u>1,902,877</u>	<u>41.6%</u>

South Orange County Wastewater Authority
Preliminary O&M Budget vs. Actual Comparison by PC¹
 For the Period Ended November 30, 2024
 (in dollars)

		FY 2024-25 Budget	Actual	(Over)/Under Budget	% Expended
17 - Joint Regional Wastewater Reclamation and Sludge Handling					
Salary and Fringe					
17-5000-**-**	Regular Salaries-O&M	2,053,997	821,420	1,232,576	40.0%
17-5001-**-**	Overtime Salaries-O&M	31,931	15,388	16,543	48.2% (1)
17-5306-**-**	Scheduled Holiday Work	10,152	8,240	1,912	81.2%
17-5315-**-**	Comp Time - O&M	6,344	4,354	1,991	68.6% (1)
17-5401-**-**	Fringe Benefits IN to PC's & Depts.	1,105,598	442,143	663,455	40.0%
17-5700-**-**	Standby Pay	47,692	22,500	25,192	47.2%
	Total Payroll Costs	<u>3,255,714</u>	<u>1,314,046</u>	<u>1,941,669</u>	<u>40.4%</u>
Other Expenses					
17-5002-**-**	Electricity	306,000	223,266	82,734	73.0% (5)
17-5003-**-**	Natural Gas	246,800	85,655	161,145	34.7%
17-5004-**-**	Potable & Reclaimed Water	28,400	9,272	19,128	32.6%
17-5005-**-**	Co-generation Power Credit	(1,367,100)	(491,653)	(875,447)	36.0%
17-5006-**-**	Chlorine/Sodium Hypochlorite	61,800	42,470	19,330	68.7%
17-5007-**-**	Polymer Products	695,500	235,634	459,866	33.9%
17-5008-**-**	Ferric Chloride	522,500	272,023	250,477	52.1%
17-5009-**-**	Odor Control Chemicals	73,700	21,997	51,703	29.8%
17-5010-**-**	Other Chemicals - Misc.	1,000	-	1,000	0.0%
17-5011-**-**	Laboratory Services	28,000	7,404	20,596	26.4%
17-5012-**-**	Grit Hauling - 21A	41,200	14,492	26,708	35.2%
17-5013-**-**	Landscaping	82,400	27,480	54,920	33.3%
17-5015-**-**	Management Support Services	36,100	4,322	31,778	12.0%
17-5017-**-**	Legal Fees	5,000	-	5,000	0.0%
17-5019-**-**	Contract Services Misc.	118,500	54,955	63,545	46.4%
17-5021-**-**	Small Vehicle Expense	8,200	4,777	3,423	58.3% (2)
17-5022-**-**	Miscellaneous Expense	5,000	703	4,297	14.1%
17-5023-**-**	Office Supplies - All	13,400	5,127	8,273	38.3%
17-5024-**-**	Petroleum Products	12,400	1,941	10,459	15.7%
17-5025-**-**	Uniforms	33,000	20,954	12,046	63.5%
17-5026-**-**	Small Vehicle Fuel	9,000	3,439	5,561	38.2%
17-5027-**-**	Insurance - Property/Liability	252,549	169,287	83,261	67.0% (2)
17-5028-**-**	Small Tools & Supplies	30,900	10,247	20,653	33.2%
17-5030-**-**	Trash Disposal	4,000	510	3,490	12.8%
17-5031-**-**	Safety Supplies	40,212	17,318	22,894	43.1%
17-5032-**-**	Equipment Rental	3,000	6,384	(3,384)	212.8% (1)
17-5033-**-**	Recruitment	1,000	-	1,000	0.0%
17-5034-**-**	Travel Expense/Tech. Conferences	19,379	610	18,769	3.1%
17-5035-**-**	Training Expense	36,267	5,358	30,909	14.8%
17-5036-**-**	Laboratory Supplies	30,000	18,554	11,446	61.8%
17-5037-**-**	Office Equipment	10,000	3,576	6,424	35.8%
17-5038-**-**	Permits	18,500	931	17,569	5.0%
17-5039-**-**	Membership Dues/Fees	4,025	2,295	1,730	57.0%
17-5049-**-**	Biosolids Disposal	1,067,300	420,693	646,607	39.4%
17-5050-**-**	Contract Services Generators - 29A	8,000	3,287	4,713	0.41
17-5052-**-**	Janitorial Services	38,100	15,290	22,810	40.1%
17-5053-**-**	Contract Serv - Digester Cleaning - 29E	65,000	-	65,000	0.0%
17-5054-**-**	Diesel Truck Maint	19,600	9,229	10,371	47.1%
17-5055-**-**	Diesel Truck Fuel	8,200	1,329	6,871	16.2%
17-5056-**-**	Maintenance Equip. & Facilities (Solids)	180,300	51,853	128,447	28.8%
17-5057-**-**	Maintenance Equip. & Facilities (Liquids)	200,000	67,608	132,392	33.8%
17-5058-**-**	Maintenance Equip. & Facilities (Common)	36,000	8,483	27,517	23.6%
17-5059-**-**	Maintenance Equip. & Facilities (Co-Gen)	518,000	193,025	324,975	37.3%
17-5061-**-**	Mileage	1,000	368	632	36.8%
17-5068-**-**	MNWD Potable Water Supplies & Svcs.	40,000	12,458	27,542	31.1%
17-5076-**-**	SCADA Infrastructure	31,200	-	31,200	0.0%
17-5077-**-**	IT Direct	20,000	1,011	18,989	5.1%
17-5105-**-**	Co-Generation Power Credit - Offset	1,367,100	491,653	875,447	36.0%
17-5705-**-**	Monthly Car Allowance	8,400	3,554	4,846	42.3%
17-6500-**-**	IT Allocations in to PC's & Depts.	261,384	106,053	155,332	40.6%
	Total Other Expenses	<u>5,280,217</u>	<u>2,165,223</u>	<u>3,114,994</u>	<u>41.0%</u>
	Total Expenses	<u>8,535,931</u>	<u>3,479,269</u>	<u>5,056,662</u>	<u>40.8%</u>

South Orange County Wastewater Authority
Preliminary O&M Budget vs. Actual Comparison by PC¹
 For the Period Ended November 30, 2024
 (in dollars)

		FY 2024-25 Budget	Actual	(Over)/Under Budget	% Expended
24 - Aliso Creek Ocean Outfall					
Salary and Fringe					
24-5000-**-**	Regular Salaries-O&M	108,123	47,218	60,905	43.7%
24-5001-**-**	Overtime Salaries-O&M	450	286	164	63.5%
24-5306-**-**	Scheduled Holiday Work	300	-	300	0.0%
24-5401-**-**	Fringe Benefits IN to PC's & Depts.	58,199	25,416	32,783	43.7%
	Total Payroll Costs	167,072	72,919	94,153	43.6%
Other Expenses					
24-5015-**-**	Management Support Services	57,500	12,624	44,876	22.0%
24-5017-**-**	Legal Fees	1,000	-	1,000	0.0%
24-5027-**-**	Insurance - Property/Liability	29,622	19,856	9,766	67.0% (2)
24-5031-**-**	Safety Supplies	1,040	24	1,016	2.3%
24-5034-**-**	Travel Expense/Tech. Conferences	4,739	1,681	3,058	35.5%
24-5035-**-**	Training Expense	1,087	74	1,013	6.9%
24-5036-**-**	Laboratory Supplies	27,048	8,938	18,110	33.0%
24-5038-**-**	Permits	286,000	-	286,000	0.0%
24-5039-**-**	Membership Dues/Fees	-	152	(152)	100.0%
24-5044-**-**	Offshore Monitoring	41,616	19,399	22,218	46.6%
24-5045-**-**	Offshore Biochemistry - 20B	15,304	1,274	14,030	8.3%
24-5046-**-**	Effluent Chemistry	23,408	8,758	14,650	37.4%
24-5058-**-**	Maintenance Equip. & Facilities (Common)	1,000	-	1,000	0.0%
24-6500-**-**	IT Allocations in to PC's & Depts.	13,775	5,589	8,186	40.6%
	Total Other Expenses	503,140	78,371	424,769	15.6%
	Total Expenses	670,212	151,290	518,922	22.6%
	Total O&M Expenses	21,613,791	8,305,073	13,308,718	38.4%

¹ 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 November 30, 2024

- (1) O&M completed several nighttime repairs before the upcoming winter season.
- (2) Annual charges incurred at the beginning of the fiscal year and at the end of the calendar year.
- (3) Annual increases in lease costs unanticipated during the preparation of the budget.
- (4) Increased bleach usage due to elevated AWT use at CTP during the first quarter of the new fiscal year.
- (5) Increased power costs due to repairs to the cogen system in July.
- (6) Shared insurance cost with the County of Orange for joint use of CTP access road.
- (7) Shared cost with condominium complex for wall at JBL.

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

		FY 2024-25 Budget	Actual	(Over)/Under Budget	% Expended
Salary and Fringe					
01-5000-03-00-00	Regular Salaries-O&M	115,868	21,966	93,902	19.0%
01-5401-03-00-00	Fringe Benefits IN to PC's & Depts.	62,368	11,824	50,544	19.0%
	Total Payroll Costs	178,237	33,790	144,447	19.0%
Other Expenses					
01-5022-03-00-00	Miscellaneous Expense	1,000	234	766	23.4%
01-5023-03-00-00	Office Supplies	100	-	100	0.0%
01-5031-03-00-00	Safety Supplies	100	-	100	0.0%
01-5034-03-00-00	Travel Expense/Tech. Conferences	2,500	-	2,500	0.0%
01-5035-03-00-00	Training Expense	1,300	139	1,161	10.7%
01-5037-03-00-00	Office Equipment	153	-	153	0.0%
01-5039-03-00-00	Membership Dues/Fees	1,150	184	966	16.0%
01-5061-03-00-00	Mileage	150	41	109	27.2%
01-5309-03-00-00	Operating Leases	20,000	-	20,000	0.0%
01-5802-03-00-00	Shipping/Freight	102	-	102	0.0%
01-6500-03-00-00	IT Allocations in to PC's & Depts.	22,499	9,129	13,370	40.6%
	Total Other Expenses	49,054	9,726	39,328	19.8%
	Total Engineering Expenses	227,291	43,516	183,775	19.1%

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

		FY 2024-25 Budget	Actual	(Over)/Under Budget	% Expended
01-6000-04-00-00	Regular Salaries-Admin or IT	1,116,326	440,757	675,569	39.5%
01-6001-04-00-00	Overtime Salaries-Admin or IT	7,500	371	7,129	4.9%
01-6315-04-00-00	Comp Time - Admin	2,000	-	2,000	0.0%
01-6401-04-00-00	Fringe Benefits IN to ADMIN or IT	600,881	237,245	363,636	39.5%
	Total Payroll Costs	1,726,707	678,373	1,048,334	39.3%
Other Expenses					
01-6101-04-00-00	HR Recruitment & Employee Relations	32,100	7,840	24,260	24.4%
01-6102-04-00-00	Subscriptions	2,030	836	1,194	41.2%
01-6103-04-00-00	Contract Labor	35,000	17,011	17,989	48.6%
01-6200-04-00-00	Management Support Services	55,000	21,496	33,504	39.1%
01-6201-04-00-00	Audit	40,800	23,220	17,580	56.9%
01-6202-04-00-00	Legal	125,000	138,866	(13,866)	111.1%
01-6204-04-00-00	Postage	1,545	849	696	55.0%
01-6223-04-00-00	Office Supplies - Admin	4,120	63	4,057	1.5%
01-6224-04-00-00	Office Equipment Admin or IT	1,000	1,484	(484)	148.4%
01-6234-04-00-00	Memberships & Trainings	107,500	44,769	62,731	41.6%
01-6239-04-00-00	Travel & Conference	25,000	12,070	12,930	48.3%
01-6240-04-00-00	Scholarship Sponsorship	1,000	1,000	0	100.0%
01-6241-04-00-00	Education Reimbursement	1,500	560	940	37.3%
01-6310-04-00-00	Miscellaneous	27,000	15,660	11,340	58.0%
01-6311-04-00-00	Mileage	800	372	428	46.5%
01-6317-04-00-00	Contract Services Misc	5,800	2,250	3,550	38.8%
01-6318-04-00-00	Severance Administration	-	17,405	(17,405)	100.0%
01-6500-04-00-00	IT Allocations in to PC's & Depts.	142,005	57,617	84,388	40.6%
01-6601-04-00-00	Shipping/Freight	2,000	1,368	633	68.4%
01-6705-04-00-00	Monthly Car Allowance	10,200	4,315	5,885	42.3%
	Total Other Expenses	619,400	369,050	250,350	59.6%
	Total Admin Expenses	2,346,107	1,047,423	1,298,684	44.6%

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

		FY 2024-25 Budget	Actual	(Over)/Under Budget	% Expended
Salary & Fringe					
01-6000-05-00-00	Regular Salaries-Admin or IT	132,980	57,415	75,564	43.2%
01-6401-05-00-00	Fringe Benefits IN to ADMIN or IT	71,578	30,905	40,674	43.2%
	Total Salary & Fringe	204,558	88,320	116,238	43.2%
Other Expenses					
01-6028-05-00-00	Small Tools & Supplies	1,000	-	1,000	0.0%
01-6035-05-00-00	Training Expense	3,000	-	3,000	0.0%
01-6224-05-00-00	Office Equipment Admin or IT	600	-	600	0.0%
01-6234-05-00-00	Memberships & Trainings	5,950	1,339	4,611	22.5%
01-6239-05-00-00	Travel & Conference	1,500	-	1,500	0.0%
01-6300-05-00-00	Software Maintenance Agreements	63,180	12,917	50,263	20.4%
01-6301-05-00-00	Hardware Maintenance Agreements	10,300	2,018	8,282	19.6%
01-6302-05-00-00	Cloud Subscriptions (Internet)	195,018	91,231	103,787	46.8% (1)
01-6303-05-00-00	Telecommunications	163,882	66,725	97,157	40.7%
01-6305-05-00-00	IT Professional Services	106,200	43,703	62,497	41.2% (1)
01-6306-05-00-00	Small Hardware Purchases (< \$5k)	28,400	5,116	23,284	18.0%
01-6307-05-00-00	Small Software Purchases & Licenses (<\$5k)	31,000	26,804	4,196	86.5%
01-6308-05-00-00	IT Memberships	160	-	160	0.0%
01-6309-05-00-00	Operating Leases	64,173	22,245	41,928	34.7%
01-6310-05-00-00	Miscellaneous	5,000	284	4,716	5.7%
01-6311-05-00-00	Mileage	3,200	559	2,641	17.5%
01-6312-05-00-00	Computer & Photocopy Supplies	3,264	-	3,264	0.0%
	Total Other Expenses	685,827	272,941	412,886	39.8%
	Total Expenses before Allocation	890,385	361,261	529,124	40.6%
IT Allocations (Out) to PC's & Depts					
01-6400-05-00-00	IT Allocations (OUT) to PC's & Depts.	(890,385)	(361,261)	(529,124)	40.6%
	Total IT Allocations (Out) to PC's & Depts	(890,385)	(361,261)	(529,124)	40.6%

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

Agenda Item

5

Finance Committee Meeting

Meeting Date: January 21, 2025

TO: Finance Committee
FROM: Amber Boone, Acting General Manager
STAFF CONTACT: Mary Carey, Finance Controller
SUBJECT: Fiscal Year 2023-24 Supplemental Financial Report

Summary/Discussion

South Orange County Wastewater Authority (SOCWA) Audited Financial Statements are at the Consolidated/Authority Level; the attached Balance Sheet/Statement of Net Position and the Income Statement/Statement of Revenues, Expenses, and Changes in Net Position distributes the Audited Financial Statements by Project Committee and Member Agency as directed by SOCWA's Board of Directors.

The reports included are as follows:

- a. Management Discussion and Analysis of Supplemental Financial Statements
- b. Balance Sheet/Statement of Net Position as of June 30, 2024
- c. Income Statement/Statement of Revenues, Expenses, and Changes in Net Position for the Fiscal Year Ended June 30, 2024

Recommended Action: Staff recommends that the Finance Committee recommend that the Board of Directors receive and file the Supplemental Financial Statements for Fiscal Year ended June 30, 2024.



South Orange County Wastewater Authority

MANAGEMENT DISCUSSION AND ANALYSIS

Supplemental Financial Statements by Project Committee and Member Agency For Fiscal Year Ended June 30, 2024

South Orange County Wastewater Authority (SOCWA or Authority) Board Approved Audited Financial Statements are at the Consolidated/Authority Level; the attached Balance Sheet/Statement of Net Position and the Income Statement/Statement of Revenues, Expenses, and Changes in Net Position distributes the Audited Financial Statements by Project Committee and Member Agency as directed by SOCWA’s Board of Directors.

Key/Significant Board Approved Methodologies and other guidelines used to prepare the Statements are as set forth below.

I. Balance Sheet/Statement of Net Position:

Cash and Investments by Member Agency include the following items as of June 30, 2024:

Cash and Investments by Member Agency									
Cash Roll Forward Balances									
Member Agency	Large Capital ¹	Small Capital ²	Non-Capital ³	O&M Use Audit	Compensated Absences ⁵	Other Cash ⁶	Legal Settlement	Total	Mbr. Agcy Agency %
City of Laguna Beach	\$1,472,277	\$60,367	\$77,170	(\$315,371)	\$101,082	63,627		\$1,459,151	
City of San Clemente	24,366		4,148	7,237	7,989	797		44,537	
Emerald Bay Service District	110,381	4,528	5,585	(6,211)	4,845	4,601	2,653	126,383	
El Toro Water District	681,296	15,838	39,758	104,824	27,689	29,400		898,804	
Irvine Ranch Water District	304,139		9,764	35,399	6,040	13,819		369,161	
Moulton Niguel Water District	3,527,866	76,463	311,300	(21,808)	357,460	140,211		4,391,492	
South Coast Water District	1,922,479	55,376	77,009	73,366	190,218	70,186		2,388,634	
Santa Margarita Water District	1,714,393	40,488	39,920	358,861	219,354	55,248		2,428,265	
Cash by Member Agency	\$9,757,197	\$253,060	\$564,655	\$236,297	\$914,675	\$377,889		\$12,106,426	79.33%
Cash for Accounts Payable, Payroll Accrual, Prepaid Expense, oth AR & LAIF FMV								3,154,900	20.67%
Total Cash								\$15,261,326	100.00%

¹Large Capital’s cash balance was \$9,757,197 before the Use Audit; a refund of \$313,734 will be paid in the Use Audit Settlement.

²Small Capital’s cash balance was \$253,060; it will be fully refunded in the Use Audit Settlement.

³Non-Capital’s cash balance was \$564,655; the total amount will be refunded in the Use Audit Settlement.

⁵Compensated Absences, \$914,675, are employees earned paid time off (PTO) but not yet taken.

⁶Additional Cash, \$377,889, is primarily Interest Income on large capital cash balances in LAIF.

The Authority has identified 79% of its Cash by Member Agency. The remaining cash, \$3.2 million, is primarily accounts payable obligations. Accounts payable is only recorded by Project Committee due to their short-term nature, and the corresponding debit is recorded to O&M expenses and Capital expenditures, which is maintained by Project Committee and Member Agency.

Receivables:

All Member Agencies' invoices for operating expenses and capital contributions were paid. Receivables include open invoices for the Regional Treatment Plant Legal Settlement, \$1.1 million.

Due from Member Agencies:

Fiscal Year 2023-24 unsettled Use Audit, expenditures greater than amounts invoiced to the Member Agencies. Project Committee and Member Agency distribution are from the Use Audits.

LAIF Interest Receivable:

Distributed by Project Committee and Member Agency based on FY 2023-24 Large Capital Cash Balance per agreement with the Finance Officers.

Capital Assets:

Capital Assets are owned by SOCWA; therefore, they are only tracked by Project Committee.

GASB 68 Pension and GASB 75 OPEB (retiree health) related deferred outflows of resources:

Distributed by Project Committee and Member Agency using Board Approved Actuarial Methodology jointly recommended by SOCWA and Actuaries.

Due to Member Agencies:

Fiscal year 2023-24 unsettled Use Audits, expenditures less than amounts invoiced to the Member Agencies. Project Committee and Member Agency distribution are from the Use Audits.

Compensated Absences-Current and Long Term:

Distributed by Project Committee and Member Agency using Board Approved Actuarial Methodology jointly recommended by SOCWA and Actuaries.

GASB 75 Net OPEB (retiree health) Liability:

Distributed by Project Committee and Member Agency using Board Approved Actuarial Methodology jointly recommended by SOCWA and Actuaries.

GASB 68 Net Pension Liability:

Distributed by Project Committee and Member Agency using Board Approved Actuarial Methodology jointly recommended by SOCWA and Actuaries.

GASB 68 Pension and GASB 75 OPEB (retiree health) related deferred inflow of resources:

Distributed by Project Committee and Member Agency using Board Approved Actuarial Methodology jointly recommended by SOCWA and Actuaries.

II. **Income Statement/Statement of Revenues, Expenses and Changes in Net Position:**

Operating Revenues are from FY 2023-24 Use Audit and are equal to actual FY 2023-24 O&M expenses.

Operating Expenses:

Unfunded Pension Liability (UAL) and Other Post-Employment Benefits (OPEB) annual expense is distributed by Project Committee and Member Agency using the Board Approved Actuarial Methodology.

O&M Direct expenses are from FY 2023-24 Use Audit, O&M and Environmental Compliance, Safety actual expenses are distributed by Project Committee and Member Agency based on actual where worked labor costs and actual flows, solids, AWT, etc. distribution.

Admin, General Fund and Engineering are from FY 2023-24 Use Audit distribution by Project Committee and Member Agency.

Unallocated portion of pension and OPEB expense (amounts not included in O&M expenses):

Distributed by Project Committee and Member Agency using Board Approved Actuarial Methodology jointly recommended by SOCWA and Actuaries.

Other Expenses:

Non-Capital Engineering is from the Cash Roll Forward by Project Committee and Member Agency. These are engineering assessments, studies, reports, etc., that will not become a Capital Project.

Additional Cash Payment to Member Agencies were the payments to Member Agencies for Cash from Other Sources as of June 30, 2023.

Regional Treatment Plant Legal Settlement, \$1.1 million.

Depreciation and Amortization are only tracked by Project Committee because SOCWA owns the Capital Assets.

Capital Contributions:

Large Capital, Small Capital and Non-Capital Engineering quarterly invoices to Member Agencies by Project Committee and Member Agencies Net of Use Audit Adjustment for Closed Capital Projects.

Non-Operating Revenues (Expenses):

Grant Revenue:

The Cash received for the Grant Revenue was included in Large Capital Cash Roll Forward by Project Committee, capital project and Member Agency for Co-Gen Projects.

Interest Income:

Distributed by Project Committee and Member Agency based on FY 2023-24 Large Capital Cash Balance per agreement with the Finance Officers.

Recycling Income was distributed by Member Agency based on O&M costs.

Severance Billings to Member Agencies, \$420 thousand.

Regional Treatment Plant Legal Settlement, \$1.1 million.

South Orange County Wastewater Authority
Statements of Net Position by Project Committee and Member Agency
As of June 30, 2024

General Agency	JB Latham Treatment Plant PC 2	3A AWT Plant PC 3 ⁵	San Juan Creek Ocean Outfall PC 5	Pre Treatment Program PC 8	Wastewater Discharge Permitting PC 12 (2SO)	Coastal Treatment Plant PC 15	Joint Regional Treatment Plant PC 17	Effluent Transmission Main PC 21	North Coast Interceptor PC 23	Aliso Creek Ocean Outfall PC 24	SOCWA before PC 10 & 23	*North Coast Interceptor PC 23	*San Clemente Land Outfall PC 10	SOCWA Consolidated	Board Approved Allocation %'s
ASSETS															
Current Assets															
Cash and Investments by Member Agency¹															
City of Laguna Beach	\$ -	\$ -	\$ -	\$ -	(\$1,904)	\$ -	\$1,252,500	\$164,546	\$ -	\$4,107	\$39,902	\$1,459,151	\$ -	\$ -	\$1,459,151
City of San Clemente			35,375	9,161							44,537			44,537	
Emerald Bay Service District				1,216		109,329	11,419		386	4,033	126,383			126,383	
El Toro Water District				2,049	31		529,942	308,505		58,277	898,804			898,804	
IRWD (c.o. El Toro W.D.)				5,424	51			308,015		55,671	369,161			369,161	
Moulton Niguel Water District	767,718	12,866	35,852	14,121	(8,016)	1,128,341	2,162,302	123,314		154,995	4,391,492			4,391,492	
South Coast Water District	647,363		28,029	29,301	(5,433)	1,425,995	219,646			43,733	2,388,634			2,388,634	
Santa Margarita Water District	2,291,444	2,527	127,640	34,506	(27,293)		(561)				2,428,265			2,428,265	
Total Cash and Investments by Member Agency	3,706,526	15,394	226,896	93,875	(40,661)	3,916,166	3,087,294	739,833	4,493	356,611	12,106,426			12,106,426	
Cash for Accounts Payable, Payroll Accrual & Prepaid Expense	25,443	2,142,730		22,371	(655)	(7,102)	335,916	572,008	14,959	49,230	3,154,900			3,154,900	
Total Cash and Investments ⁵	25,443	5,849,256	15,394	249,266	93,220	(47,763)	4,252,082	3,659,302	754,792	4,493	405,841	15,261,326		15,261,326	
Receivables²															
City of Laguna Beach							49,009				49,009			49,009	
El Toro Water District							87,590				87,590			87,590	
Moulton Niguel Water District							884,999				884,999			884,999	
South Coast Water District							38,443				38,443			38,443	
Lab Work and Zephyr Wall Billings	42,839			4,870	7,102	3,900	3,900				62,611			62,611	
Total Accounts Receivable	42,839			4,870	7,102	3,900	1,063,941				1,122,653			1,122,653	
Due from Member Agencies³															
City of Laguna Beach				2,908		327,939	102,395		1,452		434,695			434,695	
City of San Clemente											-			-	
Emerald Bay Service District						12,530	5,107				17,637			17,637	
El Toro Water District											-			-	
IRWD (c.o. El Toro W.D.)											-			-	
Moulton Niguel Water District	4,252				11,178	78,528	146,069				240,026			240,026	
South Coast Water District	183,510				6,670	71,507					261,687			261,687	
Santa Margarita Water District					31,947		561				32,508			32,508	
Total Due from Member Agencies	187,761			2,908	49,795	490,504	254,132		1,452		986,554			986,554	
LAIF Interest Receivable⁴															
City of Laguna Beach						20,308	3,438			265	24,011			24,011	
City of San Clemente			397								397			397	
Emerald Bay Service District						1,600	181			19	1,800			1,800	
El Toro Water District							6,138	4,580		393	11,111			11,111	
IRWD (c.o. El Toro W.D.)								4,580		380	4,960			4,960	
Moulton Niguel Water District	11,045		371			15,670	27,740	1,652		1,058	57,536			57,536	
South Coast Water District	11,882		298			16,130	2,746			297	31,354			31,354	
Santa Margarita Water District	26,635		1,325								27,960			27,960	
Total LAIF Interest Receivable	49,563		2,391			53,708	40,243	10,812		2,413	159,130			159,130	
Total Receivables, net	-	280,164	-	2,391	7,778	56,897	548,112	1,358,317	10,812	1,452	2,413	2,268,337	-	2,268,337	

**South Orange County Wastewater Authority
Statements of Net Position by Project Committee and Member Agency
As of June 30, 2024**

	General Agency 01	JB Latham Treatment Plant PC 2	3A AWT Plant PC 3 ⁵	San Juan Creek Ocean Outfall PC 5	Pre Treatment Program PC 8	Wastewater Discharge Permitting PC 12 (2SO)	Coastal Treatment Plant PC 15	Joint Regional Treatment Plant PC 17	Effluent Transmission Main PC 21	North Coast Interceptor PC 23	Aliso Creek Ocean Outfall PC 24	SOCWA before PC 10 & 23	*North Coast Interceptor PC 23	*San Clemente Land Outfall PC 10	SOCWA Consolidated	Board Approved Allocation %'s
Prepaid items	285,284	4,504					4,679	4,240				298,706			298,706	
Total Current Assets	310,727	6,133,924	15,394	251,657	100,998	9,135	4,804,873	5,021,859	765,603	5,945	408,254	17,828,369	-		17,828,369	
Noncurrent Assets																
Land		653,224					7,160,000	6,589,000				14,402,224			14,402,224	
Capital Assets Not Depreciated		14,484,900		10,112			3,334,003	909,177	615,321		35,228	19,388,740	546,056		19,934,796	
Capital assets, depreciable, net		38,559,232		2,132,817			37,228,350	34,198,544	1,408,527	2,732,442	721,399	116,981,311	3,801,346	1,694,564	122,477,221	
Intangible assets, net	158,377											158,377			158,377	
Total Noncurrent Assets	158,377	53,697,356	-	2,142,930	-	-	47,722,353	41,696,721	2,023,848	2,732,442	756,627	150,930,653	4,347,402	1,694,564	156,972,618	
Total ASSETS	469,104	59,831,280	15,394	2,394,587	100,998	9,135	52,527,226	46,718,580	2,789,451	2,738,387	1,164,880	168,759,022	4,347,402	1,694,564	174,800,987	
Deferred Outflows of Resources																
Pensions related deferred outflows of resources⁶																
City of Laguna Beach					13,019		608,259	164,367			22,093	807,738			807,738	10.76%
City of San Clemente				31,009	22,399							53,408			53,408	0.71%
Emerald Bay Service District					1,573		26,593	6,472			1,031	35,669			35,669	0.48%
El Toro Water District					10,017	720		206,179			39,006	255,922			255,922	3.41%
IRWD (c.o. El Toro W.D.)					20,996	1,167					33,693	55,856			55,856	0.74%
Moulton Niguel Water District		422,781	527,792	23,364	41,765	9,863	63,103	2,138,919			56,222	3,283,809			3,283,809	43.74%
South Coast Water District		575,591		21,297	32,153	2,921	671,191	116,503			12,563	1,432,218			1,432,218	19.08%
Santa Margarita Water District		1,319,079	103,639	87,630	60,389	11,961						1,582,698			1,582,698	21.08%
Total Pensions related deferred outflows of resources		2,317,452	631,431	163,300	202,311	26,631	1,369,145	2,632,440			164,609	7,507,318			7,507,318	100.00%
OPEB related deferred outflows of resources:⁶																
City of Laguna Beach					1,779		83,122	22,462			3,019	110,382			110,382	10.76%
City of San Clemente				4,238	3,061							7,298			7,298	0.71%
Emerald Bay Service District					215		3,634	884			141	4,874			4,874	0.48%
El Toro Water District					1,369	98		28,176			5,330	34,973			34,973	3.41%
IRWD (c.o. El Toro W.D.)					2,869	159					4,604	7,633			7,633	0.74%
Moulton Niguel Water District		57,776	72,126	3,193	5,707	1,348	8,623	292,297			7,683	448,753			448,753	43.74%
South Coast Water District		78,658		2,910	4,394	399	91,722	15,921			1,717	195,722			195,722	19.08%
Santa Margarita Water District		180,260	14,163	11,975	8,253	1,635						216,286			216,286	21.08%
Total OPEB related deferred outflows of resources		316,694	86,289	22,316	27,647	3,639	187,102	359,739			22,495	1,025,922			1,025,922	100.00%
Total deferred outflows of resources		2,634,146	717,720	185,616	229,958	30,270	1,556,248	2,992,179			187,104	8,533,240			8,533,240	

¹PC 23 Assets are owned by SOCWA ; recordkeeping is done by the City of Laguna Beach, any differences between SOCWA's books and the City of Laguna Beach are added to SOCWA's annual financial statements.

²PC 10 Assets are owned by SOCWA ; recordkeeping is done by the City of San Clemente, any differences between SOCWA's books and the City of San Clemente are added to SOCWA's annual financial statements.

³Cash includes capital balances from the cash roll forward, O&M Use Audit, compensated absences and additional cash from other sources.

⁴AR includes \$1.0 million for the legal settlement.

⁵Use Audit costs greater than amount invoiced.

⁶Distributed by Project Committee and Member Agency based on Large Capital Cash Balance as of 6/30/2024.

⁷PC 3 Cash for GASB 68 Pension and GASB 75 OPEB (retiree health) distributed by Project Committee and Member Agency using Board Approved Actuarial Methodology jointly recommended by SOCWA and Actuaries.

⁸Distributed by Project Committee and Member Agency using Board Approved Actuarial Methodology.

(cont'd next page)

South Orange County Wastewater Authority
Statements of Net Position by Project Committee and Member Agency
As of June 30, 2024

	General Agency	JB Latham Treatment Plant PC 2	3A AWT Plant PC 3 ⁵	San Juan Creek Ocean Outfall PC 5	Pre Treatment Program PC 8	Wastewater Discharge Permitting PC 12 (2SO)	Coastal Treatment Plant PC 15	Joint Regional Treatment Plant PC 17	Effluent Transmission Main PC 21	North Coast Interceptor PC 23	Aliso Creek Ocean Outfall PC 24	SOCWA before PC 10 & 23	*North Coast Interceptor PC 23	*San Clemente Land Outfall PC 10	SOCWA Consolidated	Board Approved Allocation %'s
LIABILITIES	01															
Current Liabilities																
Legal Settlement																
City of Laguna Beach								49,009				49,009				49,009
Emerald Bay Service District								2,653				2,653				2,653
El Toro Water District								87,590				87,590				87,590
Moulton Niguel Water District								884,999				884,999				884,999
South Coast Water District								38,443				38,443				38,443
Retention		3,554						24,969				28,523				28,523
Accounts Payable	160,322	2,090,609		17,758			273,184	500,533	14,495		41,502	3,098,404				3,098,404
Due to Member Agencies⁷																
City of Laguna Beach							107,917	27,787			22,008	157,712				157,712
City of San Clemente				25,883	5,056							30,940				30,940
Emerald Bay Service District					897		8,491	1,475		147	2,763	13,774				13,774
El Toro Water District					1,562	31		115,994	14,985		31,760	164,332				164,332
IRWD (c.o. El Toro W.D.)					2,910	51			14,497		30,033	47,490				47,490
Moulton Niguel Water District		109,137	12,866	26,992	9,840		125,319	270,783	17,195		83,659	655,792				655,792
South Coast Water District		97,166		20,908	25,694		301,267	29,568			23,706	498,308				498,308
Santa Margarita Water District		660,010	2,527	95,999	27,416							785,953				785,953
Total Due to Member Agencies		866,313	15,394	169,782	73,376	81	542,995	445,607	46,677	147.00	193,928	2,354,300	-			2,354,300
Accrued payroll and related liabilities	199,707	95,510		4,612	4,215		45,942	79,215	463		7,728	437,393				437,393
Compensated Absences -due within one year⁸																
City of Laguna Beach					291		22,151	5,956			706	29,104			29,104	11.05%
City of San Clemente				1,112	1,188							2,300			2,300	0.87%
Emerald Bay Service District					92		994	258			50	1,395			1,395	0.53%
El Toro Water District					141			6,785			1,046	7,972			7,972	3.03%
IRWD (c.o. El Toro W.D.)					727						1,012	1,739			1,739	0.66%
Moulton Niguel Water District		16,091		1,038	1,238	917	1,241	79,581			2,815	102,920			102,920	39.08%
South Coast Water District		19,300		834	1,043	359	27,959	4,482			790	54,768			54,768	20.80%
Santa Margarita Water District		56,048		3,707	2,050	1,351						63,157			63,157	23.98%
Total Compensated Absences-due within one year		91,438		6,692	6,771	2,627	52,346	97,062			6,419	263,355			263,355	100.00%
Lease Liability - due within one year																
Lease Liability - Short Term		49,528										49,528			49,528	
Total Current Liabilities	409,557	3,147,425	15,394	198,845	84,361	2,709	939,436	2,185,111	61,636	147	249,577	7,294,196	-		7,294,196	

South Orange County Wastewater Authority
Statements of Net Position by Project Committee and Member Agency
As of June 30, 2024

General Agency	JB Latham Treatment Plant PC 2	3A AWT Plant PC 3 ⁵	San Juan Creek Ocean Outfall PC 5	Pre Treatment Program PC 8	Wastewater Discharge Permitting PC 12 (ZSO)	Coastal Treatment Plant PC 15	Joint Regional Treatment Plant PC 17	Effluent Transmission Main PC 21	North Coast Interceptor PC 23	Aliso Creek Ocean Outfall PC 24	SOCWA before PC 10 & 23	*North Coast Interceptor PC 23	*San Clemente Land Outfall PC 10	SOCWA Consolidated	Board Approved Allocation %'s	
Noncurrent Liabilities																
Compensated Absences -due in more than one year⁶																
City of Laguna Beach				719		54,783	14,730			1,746	71,978			71,978	11.05%	
City of San Clemente			2,751	2,938							5,689			5,689	0.87%	
Emerald Bay Service District				229		2,459	638			124	3,450			3,450	0.53%	
El Toro Water District				349			16,780			2,588	19,717			19,717	3.03%	
IRWD (c.o. El Toro W.D.)				1,799						2,502	4,301			4,301	0.66%	
Moulton Niguel Water District	39,795		2,567	3,062	2,267	3,070	196,817			6,961	254,539			254,539	39.08%	
South Coast Water District	47,732		2,064	2,580	888	69,147	11,085			1,954	135,450			135,450	20.80%	
Santa Margarita Water District	138,616		9,169	5,070	3,342						156,197			156,197	23.98%	
Total Compensated Absences -due in more than one year	226,143		16,550	16,746	6,498	129,459	240,050			15,875	651,321			651,321	100.00%	
Net other postemployment benefits obligation (OPEB)⁶																
City of Laguna Beach				8,607		402,140	108,668			14,607	534,022			534,022	10.76%	
City of San Clemente			20,501	14,809							35,310			35,310	0.71%	
Emerald Bay Service District				1,040		17,582	4,279			682	23,582			23,582	0.48%	
El Toro Water District				6,623	476		136,312			25,788	169,198			169,198	3.41%	
IRWD (c.o. El Toro W.D.)				13,881	772					22,276	36,928			36,928	0.74%	
Moulton Niguel Water District	279,514	348,940	15,447	27,612	6,520	41,719	1,414,109			37,170	2,171,033			2,171,033	43.74%	
South Coast Water District	380,542		14,080	21,257	1,931	443,746	77,024			8,306	946,886			946,886	19.08%	
Santa Margarita Water District	872,086	68,519	57,935	39,925	7,908						1,046,373			1,046,373	21.08%	
Total OPEB	1,532,143	417,459	107,963	133,754	17,607	905,187	1,740,392			108,828	4,963,332			4,963,332	100.00%	
Net Pension Liability⁶																
City of Laguna Beach				34,192		1,597,480	431,679			58,024	2,121,375			2,121,375	10.76%	
City of San Clemente			81,439	58,827							140,266			140,266	0.71%	
Emerald Bay Service District				4,130		69,842	16,998			2,708	93,678			93,678	0.48%	
El Toro Water District				26,308	1,890		541,491			102,443	672,132			672,132	3.41%	
IRWD (c.o. El Toro W.D.)				55,143	3,065					88,488	146,696			146,696	0.74%	
Moulton Niguel Water District	1,110,357	1,386,149	61,361	109,688	25,902	165,727	5,617,478			147,658	8,624,320			8,624,320	43.74%	
South Coast Water District	1,511,684		55,932	84,444	7,671	1,762,759	305,973			32,995	3,761,458			3,761,458	19.08%	
Santa Margarita Water District	3,464,319	272,188	230,145	158,600	31,413						4,156,665			4,156,665	21.08%	
Total Net Pension Liability	6,086,360	1,658,337	428,877	531,331	69,941	3,595,809	6,913,619			432,315	19,716,589			19,716,589	100.00%	
Lease Liability - due in more than one year																
Lease Liability - Long Term ⁹	105,822										105,822			105,822		
Total Noncurrent Liabilities	105,822	7,844,645	2,075,796	553,390	681,831	94,045	4,630,455	8,894,060			557,018	25,437,064			25,437,064	
Total LIABILITIES	515,379	10,992,070	2,091,189	752,235	766,193	96,754	5,569,890	11,079,171	61,636	147.00	806,596	32,731,260		32,731,260		
Deferred Inflows																
Pensions related deferred inflows of resources⁵																
City of Laguna Beach				1,763		82,377	22,260			2,992	109,392			109,392	10.76%	
City of San Clemente			4,200	3,033							7,233			7,233	0.71%	
Emerald Bay Service District				213		3,602	877			140	4,831			4,831	0.48%	
El Toro Water District				1,357	97		27,923			5,283	34,660			34,660	3.41%	
IRWD (c.o. El Toro W.D.)				2,844	158					4,563	7,565			7,565	0.74%	
Moulton Niguel Water District	57,257	71,479	3,164	5,656	1,336	8,546	289,675			7,614	444,728			444,728	43.74%	
South Coast Water District	77,953		2,884	4,354	396	90,900	15,778			1,701	193,966			193,966	19.08%	
Santa Margarita Water District	178,643	14,036	11,868	8,178	1,620						214,345			214,345	21.08%	
Total Pensions related deferred inflows of resources	313,853	85,515	22,116	27,399	3,607	185,424	356,512			22,293	1,016,719			1,016,719	100.00%	
OPEB related deferred inflows of resources⁵																
City of Laguna Beach				1,516		70,817	19,137			2,572	94,042			94,042	10.76%	
City of San Clemente			3,610	2,608							6,218			6,218	0.71%	
Emerald Bay Service District				183		3,096	754			120	4,153			4,153	0.48%	
El Toro Water District				1,166	84		24,005			4,541	29,796			29,796	3.41%	
IRWD (c.o. El Toro W.D.)				2,445	136					3,923	6,503			6,503	0.74%	
Moulton Niguel Water District	49,223	61,449	2,720	4,863	1,148	7,347	249,027			6,546	382,322			382,322	43.74%	
South Coast Water District	67,014		2,480	3,743	340	78,144	13,564			1,463	166,748			166,748	19.08%	
Santa Margarita Water District	153,576	12,066	10,202	7,031	1,393						184,268			184,268	21.08%	
Total OPEB related deferred inflows of resources	269,813	73,515	19,012	23,554	3,101	159,405	306,485			19,165	874,050			874,050	100.00%	
Total Deferred Inflows	583,666	159,030	41,128	50,953	6,707	344,829	662,998			41,458	1,890,769			1,890,769		

South Orange County Wastewater Authority
Statements of Net Position by Project Committee and Member Agency
As of June 30, 2024

General Agency	JB Latham Treatment Plant PC 2	3A AWT Plant PC 3 ⁵	San Juan Creek Ocean Outfall PC 5	Pre Treatment Program PC 8	Wastewater Discharge Permitting PC 12 (2SO)	Coastal Treatment Plant PC 15	Joint Regional Treatment Plant PC 17	Effluent Transmission Main PC 21	North Coast Interceptor PC 23	Aliso Creek Ocean Outfall PC 24	SOCWA before PC 10 & 23	*North Coast Interceptor PC 23	*San Clemente Land Outfall PC 10	SOCWA Consolidated	Board Approved Allocation %'s
01															
NET POSITION															
Invested in Capital Assets	3,027	53,693,802	-	2,142,930	-	-	47,697,384	41,696,721	2,023,848	2,732,442	756,627	150,746,780	4,347,402	1,694,564	156,788,745
Unrestricted (deficit)	(49,302)	(2,804,113)	(1,517,106)	(356,090)	(486,190)	(64,056)	471,371	(3,728,131)	703,968	5,798	(252,696)	(8,076,547)			(8,076,547)
Total NET POSITION⁶	(\$46,275)	\$50,889,689	(\$1,517,106)	\$1,786,840	(\$486,190)	(\$64,056)	\$48,168,755	\$37,968,590	\$2,727,815	\$2,738,240	\$503,931	\$142,670,233	\$4,347,402	\$1,694,564	\$148,712,198

⁷Use Audit costs less than amount invoiced.

⁶Total Net Position by PC has negative balances in some PCs due to Pension and OPEB liabilities and no Investments in Capital Assets to offset it.

South Orange County Wastewater Authority
Statements of Revenues, Expenses and Changes in Net Position by Project Committee and Member Agency
For the year ended June 30, 2024

General Agency	JB Latham Treatment Plant PC 2	3A AWT Plant PC 3	San Juan Creek Ocean Outfall PC 5	Pre Treatment Program PC 8	Wastewater Discharge Permitting PC 12 (2SO)	Coastal Treatment Plant PC 15	Joint Regional Treatment Plant PC 17	Effluent Transmission Main PC 21	North Coast Interceptor PC23	Aliso Creek Ocean Outfall PC 24	SOCWA before PC 10 & 23	*North Coast Interceptor PC23	*San Clemente Land Outfall PC 10	SOCWA Consolidated	Board Approved Allocation %'s
01															
OPERATING REVENUES															
O & M Member Agency Assessments¹															
City of Laguna Beach	\$ -	\$ -	\$ -	\$ 16,126	\$ -	\$ 1,647,660	\$ 841,110	\$ -	\$ 3,687	\$ 105,631	\$ 2,614,214	\$ 635,739	\$ -	\$ 3,249,953	
City of San Clemente			193,636	62,472							256,108			256,108	
Emerald Bay Service District				7,334		112,073	53,515			10,520	183,442			183,442	
El Toro Water District				7,241	173		861,280	250		163,566	1,032,510			1,032,510	
IRWD (c.o. El Toro W.D.)				29,946	281			235		148,467	178,929			178,929	
Moulton Niguel Water District	1,570,859	127,218	139,750	52,375	49,974	219,060	7,479,562			406,439	10,045,236			10,045,236	
South Coast Water District	1,959,903		114,774	42,482	23,792	1,760,907	583,942			114,131	4,599,931			4,599,931	
Santa Margarita Water District	4,835,576	24,981	502,543	79,375	85,098		561				5,528,134			5,528,134	
Total	8,366,337	152,198	950,704	297,351	159,319	3,739,700	9,819,970	485	3,687	948,753	24,438,504	635,739	-	25,074,243	
OPERATING EXPENSES															
O&M Direct Expenses:															
City of Laguna Beach				11,544		1,334,118	712,360		3,277	89,151	2,150,450	635,739		2,786,188	
City of San Clemente			129,994	39,853							169,848			169,848	
Emerald Bay Service District				4,280		65,029	31,975			6,321	107,607			107,607	
El Toro Water District				4,137			695,543	214		132,121	832,015			832,015	
IRWD (c.o. El Toro W.D.)				22,648				214		127,726	150,588			150,588	
Moulton Niguel Water District	1,328,692		121,312	38,268	43,052	184,386	6,299,058			355,373	8,370,142			8,370,142	
South Coast Water District	1,635,361		98,455	31,188	20,732	1,435,976	499,149			99,768	3,820,630			3,820,630	
Santa Margarita Water District	4,066,202		433,315	58,342	74,000		505				4,632,363			4,632,363	
Total	7,030,256	-	783,076	210,260	137,784	3,019,510	8,238,590	428	3,277	810,460	20,233,641	635,739	-	20,869,380	
Admin, General Fund & Engineering after capital															
City of Laguna Beach				1,444		166,928	89,132		410	11,155	269,070			269,070	
City of San Clemente			56,167	17,220							73,387			73,387	
Emerald Bay Service District				2,674		40,633	19,980			3,950	67,238			67,238	
El Toro Water District				690			116,041	36		22,042	138,809			138,809	
IRWD (c.o. El Toro W.D.)				2,238				21		12,619	14,878			14,878	
Moulton Niguel Water District	140,260		12,806	4,040	4,545	19,464	664,944			37,514	883,573			883,573	
South Coast Water District	185,802		11,186	3,543	2,356	163,149	56,711			11,335	434,083			434,083	
Santa Margarita Water District	451,427		48,106	6,477	8,215		56				514,282			514,282	
Total	777,489	-	128,266	38,326	15,116	390,175	946,864	57	410	98,616	2,395,318	-	-	2,395,318	
UAL & OPEB															
City of Laguna Beach				3,138		146,613	39,618			5,325	194,695			194,695	10.76%
City of San Clemente			7,474	5,399							12,873			12,873	0.71%
Emerald Bay Service District				379		6,410	1,560			249	8,598			8,598	0.48%
El Toro Water District				2,414	173		49,697			9,402	61,687			61,687	3.41%
IRWD (c.o. El Toro W.D.)				5,061	281					8,121	13,463			13,463	0.74%
Moulton Niguel Water District	101,906	127,218	5,632	10,067	2,377	15,210	515,560			13,552	791,521			791,521	43.74%
South Coast Water District	138,739		5,133	7,750	704	161,782	28,082			3,028	345,218			345,218	19.08%
Santa Margarita Water District	317,947	24,981	21,122	14,556	2,883						381,489			381,489	21.08%
Total	558,593	152,198	39,361	48,764	6,419	330,015	634,517			39,677	1,809,545			1,809,545	100.00%
Total O&M Operating Expenses (Use Audit)	8,366,337	152,198	950,704	297,351	159,319	3,739,700	9,819,970	485	3,687	948,753	24,438,504	635,739	0	25,074,243	

South Orange County Wastewater Authority
Statements of Revenues, Expenses and Changes in Net Position by Project Committee and Member Agency
For the year ended June 30, 2024

	General Agency 01	JB Latham Treatment Plant PC 2	3A AWT Plant PC 3	San Juan Creek Ocean Outfall PC 5	Pre Treatment Program PC 8	Wastewater Discharge Permitting PC 12 (2SO)	Coastal Treatment Plant PC 15	Joint Regional Treatment Plant PC 17	Effluent Transmission Main PC 21	North Coast Interceptor PC23	Aliso Creek Ocean Outfall PC 24	SOCWA before PC 10 & 23	*North Coast Interceptor PC23	*San Clemente Land Outfall PC 10	SOCWA Consolidated	Board Approved Allocation %'s
O&M Operating Income																
Total O&M Operating Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unallocated portion of Pension and OPEB expense²																
City of Laguna Beach					1,315		61,456	16,607			2,232	81,611			81,611	10.76%
City of San Clemente				3,133	2,263							5,396			5,396	0.71%
Emerald Bay Service District					159		2,687	654		104	3,604				3,604	0.48%
El Toro Water District					1,012	73		20,832		3,941	25,857				25,857	3.41%
IRWD (c.o. El Toro W.D.)					2,121	118				3,404	5,644				5,644	0.74%
Moulton Niguel Water District		42,716	53,326	2,361	4,220	996	6,376	216,109		5,681	331,784				331,784	43.74%
South Coast Water District		58,156		2,152	3,249	295	67,815	11,771		1,269	144,706				144,706	19.08%
Santa Margarita Water District		133,275	10,471	8,854	6,101	1,208					159,910				159,910	21.08%
Total GASB 68 unallocated expense by PC and Member Agency		234,147	63,798	16,499	20,441	2,691	138,334	265,972		16,632	758,513				758,513	100.00%

(cont'd next page)

South Orange County Wastewater Authority
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For the year ended June 30, 2024

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01															
Other Expenses															
Legal Settlement³															
City of Laguna Beach							49,009				49,009				49,009
Emerald Bay Service District							2,653				2,653				2,653
El Toro Water District							87,590				87,590				87,590
Moulton Niguel Water District							884,999				884,999				884,999
South Coast Water District							38,443				38,443				38,443
Total Legal Settlement							1,062,694				1,062,694				1,062,694
Non-Capital Engineering															
City of Laguna Beach						23,859	1,428				25,287				25,287
City of San Clemente			8							8					8
Emerald Bay Service District						1,879	75				1,954				1,954
El Toro Water District							2,453				2,453				2,453
IRWD (c.o. El Toro W.D.)															0
Moulton Niguel Water District	5,787		7			18,411	17,601				41,807				41,807
South Coast Water District	6,302		6			18,787	1,141				26,235				26,235
Santa Margarita Water District	13,826		26								13,852				13,852
Total Non-Capital Engineering	25,915		47			62,935	22,698				111,595				111,595
Additional Cash Payments to Member Agencies															
City of Laguna Beach				(25)		14,210	4,267		5,274	389	24,136				24,136
City of San Clemente			62	(65)							(3)				(3)
Emerald Bay Service District				(38)		1,133	256		326	26	1,703				1,703
El Toro Water District				(37)			7,663	5,619		571	13,816				13,816
IRWD (c.o. El Toro W.D.)				(39)				5,607		543	6,110				6,110
Moulton Niguel Water District	(1,557)		(17)	(37)	(469)	10,364	35,012	2,383		1,405	47,084				47,084
South Coast Water District	188		31	(78)	(219)	10,818	3,437			439	14,617				14,617
Santa Margarita Water District	7,637		134	(104)	(655)						7,012				7,012
Trabuco Canyon Water District					(201)						(201)				(201)
Total	6,268		211	(423)	(1,544)	36,524	50,656	13,608	5,600	3,373	114,274				114,274
Operating Leases - GASB 87															
Intangible assets expense reduction											(53,771)				(53,771)
Misc. Expenses	10,505										10,505				10,505
Total Other Expenses	(43,266)	32,183	258	(423)	(1,544)	99,460	1,136,048	13,608	5,600	3,373	1,245,298				1,245,298
Depreciation and Amortization	49,621	2,888,685	111,108			2,312,602	2,765,679	234,914	258,121	14,975	8,635,705	147,842	46,628	8,830,175	
Operating (Loss)	(6,355)	(3,155,015)	(63,798)	(127,865)	(20,018)	(1,147)	(2,550,395)	(4,167,699)	(248,523)	(263,721)	(34,979)	(10,639,516)	(147,842)	(46,628)	(10,833,986)
NON-OPERATING REVENUES (EXPENSES):															
Interest Income⁴															
City of Laguna Beach						61,491	10,410			804	72,705				72,705
City of San Clemente			1,203								1,203				1,203
Emerald Bay Service District						4,846	548			57	5,451				5,451
El Toro Water District							18,585	13,868		1,191	33,644				33,644
IRWD (c.o. El Toro W.D.)								13,868		1,151	15,019				15,019
Moulton Niguel Water District	33,444		1,123			47,447	83,996	5,002		3,204	174,216				174,216
South Coast Water District	35,979		903			48,841	8,315			899	94,937				94,937
Santa Margarita Water District	80,651		4,011								84,661				84,661
Total Interest Income	150,074		7,240			162,625	121,855	32,737		7,306	481,837				481,837
LAIF FV Adjustment	79,227										79,227				79,227

South Orange County Wastewater Authority
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For the year ended June 30, 2024

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Interest Expense-intangible assets	(5,325)											(5,325)			(5,325)	
Total Interest Expense	(5,325)											(5,325)			(5,325)	
Other Revenues																
Grant Revenue⁵																
City of Laguna Beach								15,154				15,154			15,154	
Emerald Bay Service District								797				797			797	
El Toro Water District								27,566				27,566			27,566	
Moulton Niguel Water District		18,140						79,443				97,583			97,583	
South Coast Water District		16,780						12,102				28,881			28,881	
Santa Margarita Water District		48,978										48,978			48,978	
Total Grant Revenue		83,898						135,062				218,959			218,959	
Severance Billings																
City of Laguna Beach	41,510											41,510			41,510	
City of San Clemente	13,095											13,095			13,095	
Emerald Bay Service District	23,675											23,675			23,675	
El Toro Water District	25,220											25,220			25,220	
IRWD (c.o. El Toro W.D.)	18,632											18,632			18,632	
Moulton Niguel Water District	126,667											126,667			126,667	
South Coast Water District	71,578											71,578			71,578	
Santa Margarita Water District	93,500											93,500			93,500	
Trabuco Canyon Water District	6,164											6,164			6,164	
Total Severance	420,041											420,041			420,041	
Legal Settlement Billings to Member Agencies³																
City of Laguna Beach								49,009				49,009			49,009	
Emerald Bay Service District								2,653				2,653			2,653	
El Toro Water District								87,590				87,590			87,590	
Moulton Niguel Water District								884,999				884,999			884,999	
South Coast Water District								38,443				38,443			38,443	
Total Member Agencies Billings								1,062,694				1,062,694			1,062,694	
Recycling Income⁶																
City of Laguna Beach							173	133				306			306	
Emerald Bay Service District							8	6				14			14	
El Toro Water District								129				129			129	
Moulton Niguel Water District		70					24	1,173				1,267			1,267	
South Coast Water District		86					186	93				366			366	
Santa Margarita Water District		215						0				215			215	
Total Recycling Income		372					392	1,534				2,298			2,298	
City of Laguna Beach									5,561			5,561			5,561	
Emerald Bay Service District									239			239			239	
PC 23 Admin Charge - CLB									5,800			5,800			5,800	
Total Non-Operating Revenue	493,943	234,343		7,240			163,017	1,321,144	32,737	5,800	7,306	2,265,531			2,265,531	

**South Orange County Wastewater Authority
Statements of Revenues, Expenses and Changes in Net Position by Project Committee and Member Agency
For the year ended June 30, 2024**

General Agency	JB Latham Treatment Plant PC 2	3A AWT Plant PC 3	San Juan Creek Ocean Outfall PC 5	Pre Treatment Program PC 8	Wastewater Discharge Permitting PC 12 (2SO)	Coastal Treatment Plant PC 15	Joint Regional Treatment Plant PC 17	Effluent Transmission Main PC 21	North Coast Interceptor PC23	Aliso Creek Ocean Outfall PC 24	SOCWA before PC 10 & 23	*North Coast Interceptor PC23	*San Clemente Land Outfall PC 10	SOCWA Consolidated	Board Approved Allocation %'s	
CAPITAL CONTRIBUTIONS FROM MEMBER AGENCIES⁷																
Member Agency Assessments:																
City of Laguna Beach						1,240,364	74,783			56,675	1,371,822	360,158		1,731,980		
City of San Clemente			22,003								22,003			22,003		
Emerald Bay Service District						97,590	3,930			4,019	105,539			105,539		
El Toro Water District							131,077	68,323		83,983	283,382			283,382		
IRWD (c.o. El Toro W.D.)								68,323		81,200	149,523			149,523		
Moulton Niguel Water District		870,365	20,534			957,189	1,127,032	13,355		225,929	3,214,404			3,214,404		
South Coast Water District			966,719	16,509		968,099	59,735			63,425	2,074,487			2,074,487		
Santa Margarita Water District			2,043,295	73,345							2,116,640			2,116,640		
Total		3,880,378	132,391			3,263,242	1,396,557	150,001		515,231	9,337,800	360,158		9,697,958		
Change in Net Position		\$ 487,587	\$ 959,706	\$ (63,798)	\$ 11,766	\$ (20,018)	\$ (1,147)	\$ 875,864	\$ (1,449,998)	\$ (65,784)	\$ (257,921)	\$ 487,558	\$ 963,815	\$ 212,316	\$ (46,628)	\$ 1,129,502

*SOCWA owns PC 23 Assets; the City of Laguna Beach does the recordkeeping, and any differences between SOCWA's books and the City of Laguna Beach are added to SOCWA's annual financials.

*SOCWA owns PC 10 Assets; the City of San Clemente does the recordkeeping; any differences between SOCWA's books and the City of San Clemente are added to SOCWA's annual financials.

¹Quarterly O&M Billings to Member Agencies Net of Use Audit true up to Actual.

²Distributed by Project Committee and Member Agency using Board Approved Actuarial Methodology; these are Actuarially determined expenses not included in O&M.

³Regional Treatment Plant Legal Settlement.

⁴Interest Income is distributed by Project Committee and Member Agency based on Large Capital Cash Balance as of 6/30/2024.

⁵Grant Revenue from Southern California Edison and SDG&E for Co-Gen Projects; energy generation; distributed by project committee and member agency in cash roll forward.

⁶Recycling Income is distributed by Member Agency using O&M costs by PC and Member Agency.

⁷Large Capital, Non-Capital, and Small Capital quarterly billings Net of Use Audit.

Agenda Item

6

Finance Committee Meeting

Meeting Date: January 21, 2025

TO: Finance Committee Members

STAFF CONTACT: Amber Boone, Acting General Manager

SUBJECT: Budgeted Capacity for FY 2025-26

Summary

The FY 2025-26 budget includes a calendar year review of 2024 flows and a three-year period for solids at PC2. The intent of this agenda item is to review the methodology per project committee (PC), which is presented to the Finance Committee members on an annual basis for use in the annual budget for FY 25-26.

On December 9, 2024, SOCWA Member Agency signed restructuring agreements which became effective on December 12, 2024. The agreements assigned capacity from MNWD to SCWD and ETWD. The assigned capacities are reflected in updated tables in this report.

Results

Captured herein are the methodologies employed and the results by member agency based on the raw and calculated data distributed to Finance Committee members for review and comment. Please note that PC5 and PC24 are attributed to fixed costs. Please note that the use audit will allocate costs to MNWD based on the capacity transfer amounts in the restructuring agreements.

PC2

Table 1 provides the updated percentages used in the budgeting process based on the approved agreements. Please note that the use audit will allocate costs to MNWD based on flows on behalf of SCWD.

Member Agency	Liquids (mgd)	Solids (mgd)	Solids (lbs)	Common - S (%)	Common-L (%)
SCWD	6.75	7.7	16,055	41.62	51.92
SMWD	6.25	10.8	22518	58.38	48.08
Total	13.00	18.5	38,573	100.00	100.00

Table 1: PC2 Liquids and Solids Summary Table

PC12

Past practice has been to budget costs based on calendar year flow. The reorganization agreements indicated SOCWA has agreed to providing the following services:

- a. Recycled Water Permitting Services
- b. Pretreatment Program Services
- c. Laboratory Services
- d. Permitting Services

PC12 represents a portion of the Environmental Technical Services team. Recycled water permitting services, through the form of labor, have been the primary cost driver in this department. SOCWA is evaluating a combined structure of all permit and environmental technical services based on the reorganization agreements. SOCWA staff will present the analysis at the next Finance Committee meeting.

PC15

Table 3 provides the updated percentages used in the budgeting process based on the approved agreements.

Agencies	Liquids (mgd)	AWT (%)	Common (%)
CLB	3.64	0	54.3
EBSD	0.2	0	2.99
SCWD	2.86	100	42.7
Total	6.7	100	99.99

Table 3: PC15 Liquids and Solids Summary Table

Previous Committee Review

This is the first time the CY 2023 flows and solids used for FY 2025-26 will be before the Engineering Committee for discussion and comment.

Recommended Action: Staff recommends that the Finance Committee recommend that the Board of Directors (i) provide direction on the Environmental Technical Services cost allocations and (ii) approve the use of the capacity amounts from the reorganization agreements.

Agenda Item

7

Legal Counsel Review: Yes

Meeting Date: January 21, 2025

TO: Finance Committee
FROM: Amber Boone, Acting General Manager
STAFF CONTACT: Danita Hirsh, Clerk of the Board
SUBJECT: Finance Committee Bylaws Update

Summary

The Finance Committee Bylaws currently require a majority of committee members to constitute a quorum for the transaction of business. The Finance Committee consists of up to six representatives from the SOCWA Board of Directors, meaning that under current rules, a minimum of four members must be present to conduct business when the committee is at full membership. With the departure of Moulton Niguel Water District as a member agency, updating the Finance Committee bylaws is necessary. Staff is also seeking consistency across standing committees.

Discussion/Analysis

There are two changes to the Bylaws. First, the proposed number of committee members will change from “up to six representatives” to “three representatives”. Second, proposed is a minor amendment to “Section 5. Quorum” of the current bylaws, consistent with the quorum definition in the Brown Act, Gov. Code 54952.2.

Current Language:	Proposed Language:
The presence of a majority of the members of the SOCWA Finance Committee shall constitute a quorum for the transaction of business.	The presence of two (2) members of the SOCWA Finance Committee shall constitute a quorum for the transaction of business.

A fixed quorum of two members will enable the committee to conduct business more consistently, particularly when members have scheduling conflicts. Two members still provide for multiple perspectives in decision-making while ensuring the committee can fulfill its duties and responsibilities as outlined in Section 6 of the bylaws. This amendment provides operational flexibility while maintaining the committee's ability to perform its oversight functions effectively.

Advisory Committee Review

At the November 2024 Executive Committee meeting, the Committee members discussed the need to update bylaws with the exit of MNWD. The current bylaws were last updated in 2012.

Recommendation: Staff recommends that the Finance Committee recommend to the Board of Directors to (i) update the number of representatives from “up to six” to “three” representatives and (ii) amend Section 5 of the Finance Committee Bylaws to modify the quorum requirement from a majority to two (2) members to be approved.

Attachment(s): Draft Amended Finance Committee Bylaws

Exhibit "A"
BYLAWS OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
FINANCE COMMITTEE

PREAMBLE

The SOCWA Finance Committee, with the support of the Treasurer and Authority staff shall coordinate and oversee all financial activities and fiscal affairs of the South Orange County Wastewater Authority ("SOCWA").

Section 1. Membership

The SOCWA Finance Committee shall consist of ~~up to three~~ six representatives from the SOCWA Board of Directors. The membership shall be appointed by the Chairman of SOCWA. Each member is appointed as an individual and not merely as representative of a specific Member Agency.

Section 2. Term

The term of all members of the Finance Committee shall be one (1) year. A member may be reappointed to serve on the Finance Committee. An Alternative Director may serve on the Finance Committee and may represent an appointed Director in the event of his/her absence.

Section 3. Meetings

The SOCWA Finance Committee shall conduct regular meetings thereof on the Tuesday preceding the SOCWA Board of Directors Meeting in March, June, September and December of every year at 10:30 a.m., unless otherwise rescheduled and properly noticed. The meetings shall be held at the SOCWA Administration Headquarters located at 34156 Del Obispo Street, Dana Point, California 92629.

Section 4. Public Meetings

All meetings of the SOCWA Finance Committee shall be open to the public, except as provided by law.

Section 5. Quorum

~~The presence of a majority of the members of the SOCWA Finance Committee shall constitute a quorum for the transaction of business.~~

The presence of two (2) members of the SOCWA Finance Committee shall constitute a quorum for the transaction of business.

Section 6. Duties and Responsibilities

- a) Review monthly financial reports from staff/consultants.
- b) Review monthly disbursements made by staff.
- c) Recommend policies and procedures on financial matters to the Board, including long-range capital planning/financing.
- d) Recommend ratification of monthly disbursements to the Board.
- e) Approve travel expenditures of the General Manger.
- f) Recommend an external auditor to the Board.
- g) Review annual audited Authority financial statements and "Use Audit".

Section 7. Member's Fees

A member of the Finance Committee may receive compensation as established by the Board for attendance at meetings.

Section 8. Amendment

These Bylaws may be amended from time to time by the Board of Directors of SOCWA.

Agenda Item

8

Budgeted: Yes

Meeting Date: January 21, 2025

TO: Finance Committee
FROM: Amber Boone, Acting General Manager
STAFF CONTACT: Mary Carey, Finance Controller
SUBJECT: Chart of Accounts Update to Improve Administrative Efficiency

Summary

This report provides the proposed compression of SOCWA's current chart of accounts to improve administrative efficiency and streamline financial reporting processes. The analysis identifies opportunities to consolidate redundant codes while maintaining necessary distinctions for accurate financial tracking and reporting.

Staff have comprehensively reviewed our current chart of accounts structure, revealing significant opportunities for streamlining through account code compression. This analysis shows that through strategic consolidation, SOCWA can reduce the total active codes while maintaining all necessary financial controls and reporting capabilities. This compression will improve administrative efficiency, reduce processing time, and minimize data entry errors. Lastly, this effort addresses the removal of MNWD from SOCWA and the various Project Committees and funds.

The current system, with over 80 active codes, has evolved over time to accommodate various programs, reporting requirements, and cost allocation changes. However, this growth has led to redundancies, inactive codes, and unnecessary complexity. The proposed compression strategy will reduce active accounts by about half, leaving only well-structured and clearly defined codes.

Discussion/Analysis

Current Account Structure Analysis

The current chart of accounts has grown organically over several years, resulting in a complex structure that sometimes hinders rather than helps efficient financial management and reporting. The staff and an outside consulting firm's review revealed that a reduction in the number of accounts will lead to higher administrative efficiency and less chance of error or fraudulent activity.

Proposed Compression Strategy

Phase 1: Immediate Consolidation in Preparation for the FY 25-26 Budget

The first phase focuses on the most obvious and least disruptive consolidation opportunities. In administrative expense codes, we've identified numerous instances where similar functions are tracked separately without clear business justification and/or are obsolete. For example, we

currently maintain separate Department and individual general ledger codes for office supplies, computer supplies, and general supplies – these can be consolidated into a single supplies code with departmental allocation through a cost center structure.

Phase 2: Code Restructuring

The second phase involves more fundamental changes to the account code structure. Staff will implement a simplified coding structure that maintains our ability to meet all reporting requirements in compliance with GAAP while reducing the number of individual codes.

Quantitative Benefits

The proposed compression will yield significant measurable benefits. By reducing the number of active codes, staff expects to see substantial improvements in processing time across all financial functions, including the annual audit. In addition, it is intended that data entry time will decrease, data entry errors will be reduced, and monthly reconciliations will become more efficient and timelier.

Report generation will see the most dramatic improvement, reducing the processing time. This improvement comes from the reduced number of accounts for the system process and less time spent correcting improperly coded items.

Qualitative Benefits

Beyond the measurable time savings, the compressed structure will yield significant qualitative improvements. Staff will work with a clearer, more intuitive coding structure, reducing the likelihood of errors and improving their ability to track expenses and budgets. The simplified structure will also reduce training time for new employees and improve accuracy across all financial processes.

Implementation Plan

The implementation plan has been carefully designed to minimize disruption to ongoing operations while ensuring a smooth transition to the new structure. System updates will include comprehensive mapping tables to maintain historical reporting capability while moving forward with the new, streamlined structure.

Training will be crucial to successful implementation. We will develop detailed documentation and conduct training sessions to ensure all staff understand the new code structure, the reasoning behind the changes, and how the new system will improve their abilities for budget monitoring. This will help build buy-in and ensure consistent application of the new system.

Timeline

The project begins with a two-month phase focused on code analysis and mapping, system configuration, and initial testing, followed by a critical period of staff training, parallel processing, and quality assurance checks extending through month three. The final phase spans months three and four, encompassing full system implementation, a thorough post-implementation review, and a designated adjustment period to ensure all processes are functioning as intended.

Risk Mitigation

Data integrity is our primary concern during this transition. SOCWA staff and outside consultants are developing a comprehensive mapping strategy that preserves all historical data relationships while enabling more efficient future processing. The implementation plan includes multiple validation checkpoints and parallel processing periods to ensure accuracy before full cutover to the new structure. An audit of the accounts and decreases the number of accounts reduces the likelihood of fraud risk from misappropriations, accidental or willful.

Critical Considerations

The data integrity workstream encompasses thorough mapping validation, preservation of historical records, and maintenance of detailed audit trails to ensure accuracy and compliance throughout the transformation. The team is safeguarding operational continuity through a carefully planned phased implementation approach, supported by robust backup procedures and recovery protocols to minimize any potential business disruption.

Budget Impact

The compression project has been designed to minimize direct administrative and audit support costs while maximizing long-term savings. Most of the technical work will be accomplished within the current IT and administrative budgets. The primary direct costs relate to training and documentation development, which are modest investments compared to the projected annual savings in staff time and error reduction.

SOCWA staff recommends proceeding with the account code compression project as outlined in preparation for the FY2025-26 budget.

Recommended Action: Committee discussion/direction and/or action.