

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

**August 19, 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 **August 19, 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](http://WWW.SOCWA.COM), ON YOUR REQUEST, EVERY EFFORT WILL BE MADE TO ACCOMMODATE PARTICIPATION. FOR PARTIES PARTICIPATING REMOTELY, PUBLIC COMMENTS WILL BE TAKEN DURING THE MEETING FOR ORAL COMMUNICATION IN ADDITION TO PUBLIC COMMENTS RECEIVED BY PARTIES PARTICIPATING IN PERSON. COMMENTS MAY BE SUBMITTED PRIOR TO THE MEETING VIA EMAIL TO ASSISTANT SECRETARY DANITA HIRSH AT [DHIRSH@SOCWA.COM](mailto:DHIRSH@SOCWA.COM) WITH THE SUBJECT LINE "REQUEST TO PROVIDE PUBLIC COMMENT." IN THE EMAIL, PLEASE INCLUDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER YOU WILL BE CALLING FROM SO THAT THE COORDINATOR CAN UN-MUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. THOSE MAKING PUBLIC COMMENT REQUESTS REMOTELY VIA TELEPHONE IN REAL-TIME WILL BE ASKED TO PROVIDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER THAT YOU ARE CALLING FROM SO THE COORDINATOR CAN UN-MUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. ONCE THE MEETING HAS COMMENCED, THE CHAIR WILL INVITE YOU TO SPEAK AND ASK THE COORDINATOR TO UN-MUTE YOUR LINE AT THE APPROPRIATE TIME.

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

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

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

Meeting ID: 864 0078 0890  
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Find your local number: <https://socwa.zoom.us/j/kdNmUdCa4h>

AGENDA

1. Call Meeting to Order

2. Public Comments

*THOSE WISHING TO ADDRESS THE FINANCE COMMITTEE ON ANY ITEM LISTED ON THE AGENDA WILL BE REQUESTED TO IDENTIFY AT THE OPENING OF THE MEETING AND PRIOR TO THE CLOSE OF THE MEETING. THE AUTHORITY REQUESTS THAT YOU STATE YOUR NAME WHEN MAKING THE REQUEST IN ORDER THAT YOUR NAME MAY BE CALLED TO SPEAK ON THE ITEM OF INTEREST. THE CHAIR OF THE MEETING WILL RECOGNIZE SPEAKERS FOR COMMENT AND GENERAL MEETING DECORUM SHOULD BE OBSERVED IN ORDER THAT SPEAKERS ARE NOT TALKING OVER EACH OTHER DURING THE CALL.*

3. Approval of Committee Member Request for Remote Participation (Standing Item)

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

PAGE NO.

4. Approval of Minutes.....1

- Finance Committee Meeting of June 17, 2025

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

5. Financial Reports for the Months of May & June 2025 .....4

The reports included are as follows:

- a. Budget vs. Actual Expenses:
  - Operations and Environmental Summary (Exhibit A-1)
  - Operations and Environmental by PC (A-1.2)
  - Residual Engineering, after transfer to Capital (Exhibit A-2)
  - Administration (Exhibit A-3)
  - Information Technology (IT) (Exhibit A-4)

**Recommended Action:** Staff recommends that the Finance Committee recommend that the Board of Directors receive and file the May 2025 & June 2025 Financial Reports.

6. Cost Allocation Policy Update .....32

**Recommended Action:** Committee Discussion, Direction, or Action.

7. Financial Policies Update .....48

**Recommended Action:** Committee Discussion, Direction, or Action.

FINANCE COMMITTEE MEETING  
August 19, 2025

8. Adjournment

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

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

Dated this 15th day of August 2025.



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Danita Hirsh, Assistant Secretary  
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

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

**June 17, 2025**

**DRAFT**

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee was held on June 17, 2025, 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:

BOB WHALEN	City of Laguna Beach	Director
DENNIS CAFFERTY	El Toro Water District	Alternate Director
ERICA CASTILLO	South Coast Water District	Alternate Director
PAUL PENDER	Santa Margarita Water District	Alternate Director

**Staff Participation:**

AMBER BOONE	General Manager
JIM BURROR	Deputy GM/Chief Engineer
JACK BECK	Accountant
ANNA SUTHERLAND	Staff Accountant
DINA ASH	HR Administrator
JAMES JONES	Superintendent of O&M
RONI GRANT	Capital Improvement Program Manager
MATT CLARKE	Chief Technology Officer
DANITA HIRSH	Executive Assistant/Clerk of the Board

**Also Participating:**

TRACIE STENDER	Snell & Wilmer
SCOTT GOLDMAN	South Coast Water District
JENNIFER LOPEZ	South Coast Water District
KELSEY DECASAS	Moulton Niguel Water District
GAVIN CURRAN	City of Laguna Beach
KATHRYN FRESHLEY	El Toro Water District
MATT COLLINGS	Moulton Niguel Water District

**1. Call Meeting to Order**

Chairperson Paul Pender called the meeting to order at 10:33 a.m.

**2. Public Comments**

None.

**3. Approval of Committee Member Request for Remote Participation (Standing Item)**

None.

4. Approval of Minutes

- Finance Committee Meeting of May 20, 2025.

ACTION TAKEN

A motion was made by Director Castillo and seconded by Director Cafferty to approve the Minutes for May 20, 2025, as submitted.

Motion carried:	Aye 4, Nay 0, Abstained 0, Absent 0
	Director Whalen           Aye
	Director Cafferty        Aye
	Director Pender          Aye
	Director Castillo        Aye

5. Financial Reports for the Month of April 2025

ACTION TAKEN

A motion was made by Director Pender and seconded by Director Whalen to recommend that the Board of Directors receive and file the Financial Reports for the Month of April 2025.

Motion carried:	Aye 4, Nay 0, Abstained 0, Absent 0
	Director Whalen           Aye
	Director Cafferty        Aye
	Director Pender          Aye
	Director Castillo        Aye

6. Cost Allocation Policy Review

An open discussion ensued regarding revisions, additions, and clarifications to the proposed policy.

The Finance Committee directed staff to incorporate the comments provided in the discussion and bring the updated version back to the Committee for review at the next meeting in August.

7. Employee Reimbursement to Moulton Niguel Water District

ACTION TAKEN

A motion was made by Director Pender and seconded by Director Castillo to recommend that the Board of Directors authorize the General Manager to execute the payment of \$274,371.93 to Moulton Niguel Water District for SOCWA terminated employees' leave balances.

Motion carried:	Aye 4, Nay 0, Abstained 0, Absent 0
	Director Whalen           Aye
	Director Cafferty        Aye
	Director Pender          Aye
	Director Castillo        Aye

8. Quarterly Investment Reporting Under Government Code Section 53646

ACTION TAKEN

Motion was made by Director Whelan and seconded by Director Castillo, directing staff to provide quarterly statements on LAIF Investments to the Finance Committee and Board of Directors.

Motion carried:	Aye 4, Nay 0, Abstained 0, Absent 0
	Director Whalen           Aye
	Director Cafferty       Aye
	Director Pender         Aye
	Director Castillo       Aye

9. Adjournment

There being no further business, Chairperson Pender adjourned the meeting at 11:37 p.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Special Meeting of the South Orange County Wastewater Authority Finance Committee of June 17, 2025, and approved by the Finance Committee and received and filed by the Board of Directors of the South Orange County Wastewater Authority.

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Danita Hirsh / Assistant Secretary  
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

# Agenda Item

# 5

## Finance Committee Meeting

Meeting Date: August 19, 2025

**TO:** Finance Committee

**FROM:** Amber Boone, General Manager

**STAFF CONTACT:** Jack Beck, Accountant

**SUBJECT:** Financial Reports for the Months of May & June 2025

### Summary/Discussion

The enclosed financial reports are provided to the Finance Committee for recommendation to the Board of Directors to receive and file the summary of the O&M Budget vs. Actual Expenses as of May 31 & June 30, 2025:

**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC<sup>1</sup>**  
For the Period Ended May 31, 2025  
(in dollars)

	<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
02 - Jay B. Latham Plant	7,838,158	6,772,272	1,065,886	86.4%
05 - San Juan Creek Ocean Outfall	693,802	616,046	77,756	88.8%
08 - Pre Treatment	344,331	193,997	150,334	56.3%
12 - Water Reclamation Permits	274,945	95,003	179,942	34.6%
15 - Coastal Treatment Plant	3,256,411	2,783,911	472,500	85.5%
17 - Joint Regional Wastewater Reclamation and Sludge Handling	8,535,931	4,604,400	3,931,531	53.9%
24 - Aliso Creek Ocean Outfall	670,212	586,534	83,678	87.5%
<b>Total</b>	<b>21,613,791</b>	<b>15,652,163</b>	<b>5,961,628</b>	<b>72.4%</b>

For the Period Ended June 30, 2025  
(in dollars)

	<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
02 - Jay B. Latham Plant	7,838,158	7,482,866	355,292	95.5%
05 - San Juan Creek Ocean Outfall	693,802	632,701	61,101	91.2%
08 - Pre Treatment	344,331	214,650	129,681	62.3%
12 - Water Reclamation Permits	274,945	98,262	176,684	35.7%
15 - Coastal Treatment Plant	3,256,411	3,070,489	185,922	94.3%
17 - Joint Regional Wastewater Reclamation and Sludge Handling	8,535,931	4,667,511	3,868,420	54.7%
24 - Aliso Creek Ocean Outfall	670,212	607,780	62,432	90.7%
<b>Total</b>	<b>21,613,791</b>	<b>16,774,258</b>	<b>4,839,533</b>	<b>77.6%</b>

<sup>1</sup> FY24-25 Budget does not include the mid-year budget adjustment

The O&M expenses should be less than 91.67% to remain in budget for May, and less than 100% to remain in budget for June. Staff expects all PC budgets to remain within the approved FY 24-25 budget.

The reports included are as follows:

- a. Budget vs. Actual Expenses:
  - Operations and Environmental Summary (Exhibit A-1)
  - Operations and Environmental by PC (A-1.2)
  - Residual Engineering, after transfer to Capital (Exhibit A-2)
  - Administration (Exhibit A-3)
  - Information Technology (IT) (Exhibit A-4)

**Recommended Action:** Staff recommends that the Finance Committee recommend that the Board of Directors receive and file the May 2025 & June 2025 Financial Reports.



**South Orange County Wastewater Authority  
Capital Projects Summaries  
For the Period Ended May 31, 2025  
(in dollars)**

<b>FY 2024-25 Budget vs. Actual Spending</b>				
<b>Description</b>	<b>Capital Budget</b>	<b>Fiscal Year Spending</b>	<b>(Over)/ Under Budget</b>	<b>% Expended</b>
PC 2-JB Latham	\$ 5,092,547	\$ 436,445	\$ 4,656,102	8.6%
PC 5-San Juan Creek Outfall	-	34,921	(34,921)	-
PC 15-Coastal	2,025,000	2,279,178	(254,178)	112.6%
PC 17-Regional	1,114,393	521,406	592,987	46.8%
PC 21 Effluent Transmission	96,632	33,289	63,343	34.4%
PC 24 Aliso Creek Outfall	45,000	16,697	28,303	37.1%
<b>Total Large Capital</b>	<b>\$ 8,373,572</b>	<b>\$ 3,321,936</b>	<b>\$ 5,051,636</b>	<b>39.7%</b>
Non-Capital Engineering	302,000	100,317	201,683	33.2%
Non-Capital Misc Engineering	-	-	-	-
Small Internal Capital	2,061,000	1,549,309	511,691	75.2%
<b>Total Capital</b>	<b>\$ 10,736,572</b>	<b>\$ 4,971,562</b>	<b>\$ 5,765,010</b>	<b>46.3%</b>

**South Orange County Wastewater Authority**  
**Preliminary O & M & Environmental Safety Costs Summary<sup>1</sup>**  
For the Period Ended May 31, 2025  
(in dollars)

		<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>	
<b>Salary and Fringe</b>						
**_5000-**-***	Regular Salaries-O&M	5,706,265	3,908,832	1,797,433	68.5%	
**_5001-**-***	Overtime Salaries-O&M	65,000	61,888	3,112	95.2%	(1)
**_5306-**-***	Scheduled Holiday Work	30,000	27,902	2,098	93.0%	
**_5315-**-***	Comp Time - O&M	15,000	31,824	(16,824)	212.2%	(1)
**_5401-**-***	Fringe Benefits IN to PC's & Depts.	3,071,493	1,965,361	1,106,132	64.0%	
**_5700-**-***	Standby Pay	99,992	90,500	9,492	90.5%	
	Total Payroll Costs	8,987,750	6,086,307	2,901,443	67.7%	
<b>Other Expenses</b>						
**_5002-**-***	Electricity	1,299,100	1,345,866	(46,766)	103.6%	(2)
**_5003-**-***	Natural Gas	509,860	244,640	265,220	48.0%	
**_5004-**-***	Potable & Reclaimed Water	79,400	54,625	24,775	68.8%	
**_5005-**-***	Co-generation Power Credit	(1,367,100)	(491,653)	(875,447)	36.0%	
**_5006-**-***	Chlorine/Sodium Hypochlorite	219,300	311,584	(92,284)	142.1%	(3)
**_5007-**-***	Polymer Products	1,153,500	754,178	399,322	65.4%	
**_5008-**-***	Ferric Chloride	982,500	823,609	158,891	83.8%	
**_5009-**-***	Odor Control Chemicals	181,700	149,179	32,521	82.1%	
**_5010-**-***	Other Chemicals - Misc.	2,000	1,012	989	50.6%	
**_5011-**-***	Laboratory Services	62,128	30,422	31,706	49.0%	
**_5012-**-***	Grit Hauling	135,800	122,617	13,183	90.3%	
**_5013-**-***	Landscaping	217,300	164,843	52,457	75.9%	
**_5015-**-***	Management Support Services	285,550	180,092	105,458	63.1%	
**_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	260,368	104,332	71.4%	
**_5021-**-***	Small Vehicle Expense	24,548	32,873	(8,324)	133.9%	
**_5022-**-***	Miscellaneous Expense	16,068	8,475	7,593	52.7%	
**_5023-**-***	Office Supplies - All	49,500	27,318	22,183	55.2%	
**_5024-**-***	Petroleum Products	28,400	8,125	20,275	28.6%	
**_5025-**-***	Uniforms	80,400	137,074	(56,674)	170.5%	(4)
**_5026-**-***	Small Vehicle Fuel	20,404	13,359	7,045	65.5%	
**_5027-**-***	Insurance - Property/Liability	638,224	592,814	45,411	92.9%	
**_5028-**-***	Small Tools & Supplies	80,052	34,634	45,418	43.3%	
**_5030-**-***	Trash Disposal	10,000	6,147	3,853	61.5%	
**_5031-**-***	Safety Program & Supplies	117,252	74,620	42,633	63.6%	
**_5032-**-***	Equipment Rental	7,000	6,384	616	91.2%	
**_5033-**-***	Recruitment	2,300	-	2,300	0.0%	
**_5034-**-***	Travel Expense/Tech. Conferences	69,775	32,088	37,687	46.0%	
**_5035-**-***	Training Expense	87,050	54,120	32,930	62.2%	
**_5036-**-***	Laboratory Supplies	140,048	137,440	2,608	98.1%	
**_5037-**-***	Office Equipment	27,000	11,421	15,579	42.3%	
**_5038-**-***	Permits	698,551	658,474	40,077	94.3%	
**_5039-**-***	Membership Dues/Fees	12,647	12,366	281	97.8%	
**_5044-**-***	Offshore Monitoring	60,116	82,269	(22,153)	136.9%	
**_5045-**-***	Offshore Biochemistry - 20B	22,854	16,970	5,884	74.3%	
**_5046-**-***	Effluent Chemistry	51,908	55,534	(3,626)	107.0%	
**_5047-**-***	Access Road Expenses	45,000	264	44,736	0.6%	
**_5048-**-***	Storm Damage	20,000	-	20,000	0.0%	

**South Orange County Wastewater Authority**  
**Preliminary O & M & Environmental Safety Costs Summary<sup>1</sup>**  
For the Period Ended May 31, 2025  
(in dollars)

		<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>	
**5049-**-**-**	Biosolids Disposal	1,854,800	1,013,000	841,800	54.6%	
**5050-**-**-**	Contract Services Generators - 29A	23,200	21,165	2,035	91.2%	
**5052-**-**-**	Janitorial Services	97,900	76,186	21,714	77.8%	
**5053-**-**-**	Contract Serv - Digester Cleaning - 29E	65,000	-	65,000	0.0%	
**5054-**-**-**	Diesel Truck Maint	44,300	32,863	11,437	74.2%	
**5055-**-**-**	Diesel Truck Fuel	12,100	8,972	3,128	74.1%	
**5056-**-**-**	Maintenance Equip. & Facilities (Solids)	305,300	195,548	109,752	64.1%	
**5057-**-**-**	Maintenance Equip. & Facilities (Liquids)	500,000	338,704	161,296	67.7%	
**5058-**-**-**	Maintenance Equip. & Facilities (Common)	92,000	56,938	35,063	61.9%	
**5059-**-**-**	Maintenance Equip. & Facilities (Co-Gen)	826,000	594,821	231,179	72.0%	
**5060-**-**-**	Maintenance Equip. & Facilities (AWT)	30,000	13,562	16,438	45.2%	
**5061-**-**-**	Mileage	2,950	1,894	1,056	64.2%	
**5068-**-**-**	MNWD Potable Water Supplies & Svcs.	40,000	32,598	7,402	81.5%	
**5076-**-**-**	SCADA Infrastructure	93,600	60,421	33,179	64.6%	
**5077-**-**-**	IT Direct	58,000	110,947	(52,947)	191.3%	(5)
**5105-**-**-**	Co-Generation Power Credit - Offset	1,367,100	491,653	875,447	36.0%	
**5309-**-**-**	Operating Leases	20,000	20,123	(123)	100.6%	(6)
**5705-**-**-**	Monthly Car Allowance	25,200	21,623	3,577	85.8%	
**5791-**-**-**	CTP Access Road Insurance Cost Share	-	(8,000)	8,000	0.0%	(7)
**5799-**-**-**	Stormwater Station Costs Share-O&M	(14,000)	(14,000)	-	100.0%	(8)
**6500-**-**-**	IT Allocations in to PC's & Depts.	725,880	542,693	183,188	74.8%	
	Total Other Expenses	12,626,041	9,565,857	3,060,184	75.8%	
<b>Total O&amp;M Expenses</b>		<b>21,613,791</b>	<b>15,652,163</b>	<b>5,961,628</b>	<b>72.4%</b>	

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

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

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

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

- (1) O&M completed several nighttime repairs before the winter season started.
- (2) SDG&E electricity rates increased beyond what was budgeted.
- (3) Increased bleach AWT at CTP usage compared to last fiscal year and continued septicity issues at JBL.
- (4) SOCWA is working with Cintas to resolve several billing errors and contract closeout charges for RTP.
- (5) Unanticipated Aptean Tabware upgrades were required this year.
- (6) Annual increases in lease costs were unknown during the preparation of the budget.
- (7) Shared insurance cost with the County of Orange for joint use of the CTP access road.
- (8) Shared cost for treatment of South Cove stormwater and urban runoff at JBL.

**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC<sup>1</sup>**  
For the Period Ended May 31, 2025  
(in dollars)

		<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
<b>02 - Jay B. Latham Plant</b>		7,838,158	6,772,272	1,065,886	86.4%
<b>05 - San Juan Creek Ocean Outfall</b>		693,802	616,046	77,756	88.8%
<b>08 - Pre Treatment</b>		344,331	193,997	150,334	56.3%
<b>12 - Water Reclamation Permits</b>		274,945	95,003	179,942	34.6%
<b>15 - Coastal Treatment Plant</b>		3,256,411	2,783,911	472,500	85.5%
<b>17 - Joint Regional Wastewater Reclamation and Sludge Handling</b>		8,535,931	4,604,400	3,931,531	53.9%
<b>24 - Aliso Creek Ocean Outfall</b>		670,212	586,534	83,678	87.5%
<b>Total</b>		<b>21,613,791</b>	<b>15,652,163</b>	<b>5,961,628</b>	<b>72.4%</b>
<hr/>					
<b>02 - Jay B. Latham Plant</b>					
Salary and Fringe					
02-5000-**-**-**	Regular Salaries-O&M	2,090,768	1,691,099	399,670	80.9%
02-5001-**-**-**	Overtime Salaries-O&M	21,693	36,560	(14,867)	168.5% (1)
02-5306-**-**-**	Scheduled Holiday Work	13,820	14,849	(1,029)	107.4%
02-5315-**-**-**	Comp Time - O&M	7,078	21,640	(14,563)	305.8% (1)
02-5401-**-**-**	Fringe Benefits IN to PC's & Depts.	1,125,391	850,284	275,107	75.6%
02-5700-**-**-**	Standby Pay	40,300	49,500	(9,200)	122.8%
	<b>Total Payroll Costs</b>	<b>3,299,050</b>	<b>2,663,933</b>	<b>635,118</b>	<b>80.7%</b>
<hr/>					
Other Expenses					
02-5002-**-**-**	Electricity	683,100	736,447	(53,347)	107.8% (2)
02-5003-**-**-**	Natural Gas	259,560	143,434	116,126	55.3%
02-5004-**-**-**	Potable & Reclaimed Water	27,000	24,434	2,567	90.5%
02-5006-**-**-**	Chlorine/Sodium Hypochlorite	40,000	83,585	(43,585)	209.0% (3)
02-5007-**-**-**	Polymer Products	458,000	429,885	28,115	93.9%
02-5008-**-**-**	Ferric Chloride	300,000	409,068	(109,068)	136.4% (3)
02-5009-**-**-**	Odor Control Chemicals	38,000	38,080	(80)	100.2%
02-5010-**-**-**	Other Chemicals - Misc.	1,000	1,012	(11)	101.1%
02-5011-**-**-**	Laboratory Services	20,508	7,006	13,502	34.2%
02-5012-**-**-**	Grit Hauling	72,600	85,229	(12,629)	117.4%
02-5013-**-**-**	Landscaping	70,000	69,274	726	99.0%
02-5015-**-**-**	Management Support Services	35,950	42,311	(6,361)	117.7%
02-5017-**-**-**	Legal Fees	5,000	-	5,000	0.0%
02-5019-**-**-**	Contract Services Misc.	132,900	112,714	20,186	84.8%
02-5021-**-**-**	Small Vehicle Expense	11,000	14,845	(3,845)	135.0%
02-5022-**-**-**	Miscellaneous Expense	8,000	6,074	1,926	75.9%
02-5023-**-**-**	Office Supplies - All	30,900	15,723	15,178	50.9%
02-5024-**-**-**	Petroleum Products	12,000	582	11,418	4.8%
02-5025-**-**-**	Uniforms	37,100	49,915	(12,815)	134.5% (4)
02-5026-**-**-**	Small Vehicle Fuel	8,000	6,125	1,875	76.6%
02-5027-**-**-**	Insurance - Property/Liability	224,629	208,703	15,927	92.9%
02-5028-**-**-**	Small Tools & Supplies	36,100	10,167	25,933	28.2%
02-5030-**-**-**	Trash Disposal	3,000	3,615	(615)	120.5%
02-5031-**-**-**	Safety Program & Supplies	40,840	36,521	4,319	89.4%
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	15,455	3,924	79.8%

**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC<sup>1</sup>**  
For the Period Ended May 31, 2025  
(in dollars)

		<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
02-5035-**-**-**	Training Expense	25,592	33,244	(7,652)	129.9%
02-5036-**-**-**	Laboratory Supplies	21,000	21,580	(580)	102.8%
02-5037-**-**-**	Office Equipment	14,000	5,559	8,441	39.7%
02-5038-**-**-**	Permits	29,735	51,299	(21,564)	172.5% (5)
02-5039-**-**-**	Membership Dues/Fees	4,025	5,964	(1,939)	148.2%
02-5049-**-**-**	Biosolids Disposal	787,500	472,932	314,568	60.1%
02-5050-**-**-**	Contract Services Generators - 29A	10,000	13,504	(3,504)	135.0%
02-5052-**-**-**	Janitorial Services	44,300	39,908	4,392	90.1%
02-5054-**-**-**	Diesel Truck Maint	23,700	23,330	370	98.4%
02-5055-**-**-**	Diesel Truck Fuel	3,400	2,977	423	87.6%
02-5056-**-**-**	Maintenance Equip. & Facilities (Solids)	125,000	134,498	(9,498)	107.6%
02-5057-**-**-**	Maintenance Equip. & Facilities (Liquids)	200,000	145,901	54,099	73.0%
02-5058-**-**-**	Maintenance Equip. & Facilities (Common)	30,000	25,308	4,692	84.4%
02-5059-**-**-**	Maintenance Equip. & Facilities (Co-Gen)	308,000	278,084	29,916	90.3%
02-5061-**-**-**	Mileage	1,450	1,393	57	96.1%
02-5076-**-**-**	SCADA Infrastructure	31,200	30,706	495	98.4%
02-5077-**-**-**	IT Direct	20,000	52,486	(32,486)	262.4% (6)
02-5309-**-**-**	Operating Leases	20,000	20,123	(123)	100.6% (7)
02-5705-**-**-**	Monthly Car Allowance	8,400	13,546	(5,146)	161.3%
02-5799-**-**-**	Stormwater Station Costs Share-O&M	(14,000)	(14,000)	-	100.0% (8)
02-6500-**-**-**	IT Allocations in to PC's & Depts.	267,238	199,797	67,441	74.8%
	Total Other Expenses	4,539,107	4,108,339	430,768	90.5%
	Total Expenses	7,838,158	6,772,272	1,065,886	86.4%

**05 - San Juan Creek Ocean Outfall**

Salary and Fringe

05-5000-**-**-**	Regular Salaries-O&M	104,602	82,833	21,769	79.2%
05-5001-**-**-**	Overtime Salaries-O&M	76	878	(802)	1154.9%
05-5306-**-**-**	Scheduled Holiday Work	488	-	488	0.0%
05-5315-**-**-**	Comp Time - O&M	-	794	(794)	100.0%
05-5401-**-**-**	Fringe Benefits IN to PC's & Depts.	56,304	41,648	14,655	74.0%
	Total Payroll Costs	161,470	126,154	35,316	78.1%

Other Expenses

05-5015-**-**-**	Management Support Services	57,500	30,436	27,064	52.9%
05-5017-**-**-**	Legal Fees	1,000	-	1,000	0.0%
05-5027-**-**-**	Insurance - Property/Liability	25,347	23,540	1,807	92.9%
05-5031-**-**-**	Safety Supplies	1,036	38	998	3.7%
05-5034-**-**-**	Travel Expense/Tech. Conferences	4,739	3,858	881	81.4%
05-5035-**-**-**	Training Expense	1,087	298	789	27.4%
05-5036-**-**-**	Laboratory Supplies	40,000	22,001	17,999	55.0%
05-5038-**-**-**	Permits	332,746	312,715	20,031	94.0%
05-5039-**-**-**	Memberships Dues/Fees	-	302	(302)	100.0%
05-5044-**-**-**	Offshore Monitoring	18,500	41,634	(23,134)	225.1%
05-5045-**-**-**	Offshore Biochemistry - 20B	7,550	8,426	(876)	111.6%
05-5046-**-**-**	Effluent Chemistry	28,500	36,134	(7,634)	126.8%
05-5058-**-**-**	Maintenance Equip. & Facilities (Common)	1,000	546	454	54.6%
05-6500-**-**-**	IT Allocations in to PC's & Depts.	13,327	9,962	3,365	74.8%
	Total Other Expenses	532,332	489,892	42,440	92.0%
	Total Expenses	693,802	616,046	77,756	88.8%

**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC<sup>1</sup>**  
For the Period Ended May 31, 2025  
(in dollars)

		<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
<b>08 - Pre Treatment</b>					
Salary and Fringe					
08-5000-**-**-**	Regular Salaries-O&M	176,735	107,790	68,945	61.0%
08-5401-**-**-**	Fringe Benefits IN to PC's & Depts.	95,131	54,197	40,934	57.0%
	Total Payroll Costs	271,866	161,987	109,879	59.6%
Other Expenses					
08-5011-**-**-**	Laboratory Services	3,120	1,610	1,510	51.6%
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	7,931	609	92.9%
08-5028-**-**-**	Small Tools & Supplies	3,752	760	2,992	20.3%
08-5034-**-**-**	Travel Expense/Tech. Conferences	4,739	3,324	1,415	70.1%
08-5035-**-**-**	Training Expense	2,000	2,238	(238)	0.0%
08-5038-**-**-**	Permits and Fines	520	-	520	0.0%
08-5039-**-**-**	Membership Dues/Fees	500	522	(22)	104.4%
08-6500-**-**-**	IT Allocations in to PC's & Depts.	20,900	15,625	5,275	74.8%
	Total Other Expenses	72,465	32,010	40,455	44.2%
	Total Expenses	344,331	193,997	150,334	56.3%
<b>12 - Water Reclamation Permits</b>					
Salary and Fringe					
12-5000-**-**-**	Regular Salaries-O&M	113,444	21,736	91,708	19.2%
12-5401-**-**-**	Fringe Benefits IN to PC's & Depts.	61,063	10,929	50,134	17.9%
	Total Payroll Costs	174,507	32,665	141,842	18.7%
Other Expenses					
12-5015-**-**-**	Management Support Services	45,000	14,879	30,121	33.1%
12-5017-**-**-**	Legal Fees	1,000	-	1,000	-
12-5027-**-**-**	Insurance - Property/Liability	2,946	2,736	210	92.9%
12-5034-**-**-**	Travel Expense/Tech. Conferences	4,739	-	4,739	0.0%
12-5038-**-**-**	Permits	28,050	33,610	(5,560)	119.8%
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	10,790	3,641	74.8%
	Total Other Expenses	100,438	62,337	38,101	62.1%
	Total Expenses	274,945	95,003	179,942	34.6%

**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC<sup>1</sup>**  
For the Period Ended May 31, 2025  
(in dollars)

		<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
<b>15 - Coastal Treatment Plant</b>					
Salary and Fringe					
15-5000-**-**-**	Regular Salaries-O&M	1,058,595	874,465	184,130	82.6%
15-5001-**-**-**	Overtime Salaries-O&M	10,849	5,512	5,337	50.8%
15-5306-**-**-**	Scheduled Holiday Work	5,240	3,407	1,834	65.0%
15-5315-**-**-**	Comp Time - O&M	1,578	5,035	(3,457)	319.1%
15-5401-**-**-**	Fringe Benefits IN to PC's & Depts.	569,807	439,681	130,126	77.2%
15-5700-**-**-**	Standby Pay	12,000	15,500	(3,500)	129.2%
	Total Payroll Costs	1,658,069	1,343,600	314,469	81.0%
Other Expenses					
15-5002-**-**-**	Electricity	310,000	338,816	(28,816)	109.3%
15-5003-**-**-**	Natural Gas	3,500	1,876	1,624	53.6%
15-5004-**-**-**	Potable & Reclaimed Water	24,000	18,769	5,231	78.2%
15-5006-**-**-**	Chlorine/Sodium Hypochlorite	117,500	182,441	(64,941)	155.3% (9)
15-5008-**-**-**	Ferric Chloride	160,000	102,456	57,544	64.0%
15-5009-**-**-**	Odor Control Chemicals	70,000	85,328	(15,328)	121.9%
15-5011-**-**-**	Laboratory Services	10,500	7,129	3,371	67.9%
15-5012-**-**-**	Grit Hauling	22,000	18,813	3,187	85.5%
15-5013-**-**-**	Landscaping	64,900	62,835	2,065	96.8%
15-5015-**-**-**	Management Support Services	33,500	10,063	23,437	30.0%
15-5017-**-**-**	Legal Fees	5,000	-	5,000	0.0%
15-5019-**-**-**	Contract Services Misc.	113,300	72,311	40,989	63.8%
15-5021-**-**-**	Small Vehicle Expense - 31A	4,200	7,797	(3,597)	185.6%
15-5022-**-**-**	Miscellaneous Expense	1,000	1,650	(650)	165.0%
15-5023-**-**-**	Office Supplies - All	5,200	5,725	(525)	110.1%
15-5024-**-**-**	Petroleum Products	4,000	2,887	1,113	72.2%
15-5025-**-**-**	Uniforms	10,300	17,061	(6,761)	165.6% (4)
15-5026-**-**-**	Small Vehicle Fuel	2,100	1,249	851	59.5%
15-5027-**-**-**	Insurance - Property/Liability	94,591	87,848	6,743	92.9%
15-5028-**-**-**	Small Tools & Supplies	9,300	10,333	(1,033)	111.1%
15-5030-**-**-**	Trash Disposal	3,000	1,832	1,168	61.1%
15-5031-**-**-**	Safety Supplies	34,124	19,126	14,998	56.0%
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	4,474	7,585	37.1%
15-5035-**-**-**	Training Expense	21,017	9,506	11,511	45.2%
15-5036-**-**-**	Laboratory Supplies	22,000	26,844	(4,844)	122.0%
15-5037-**-**-**	Office Equipment	3,000	2,286	714	76.2%
15-5038-**-**-**	Permits	3,000	9,289	(6,289)	309.6%
15-5039-**-**-**	Membership Dues/Fees	4,025	2,239	1,786	55.6%
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	4,374	826	84.1%
15-5052-**-**-**	Janitorial Services	15,500	17,888	(2,388)	115.4%
15-5054-**-**-**	Diesel Truck Maint - 31B	1,000	41	959	4.1%
15-5055-**-**-**	Diesel Truck Fuel - 37B	500	3,178	(2,678)	635.5%
15-5057-**-**-**	Maintenance Equip. & Facilities (Liquids)	100,000	97,002	2,998	97.0%
15-5058-**-**-**	Maintenance Equip. & Facilities (Common)	24,000	14,198	9,802	59.2%
15-5060-**-**-**	Maintenance Equip. & Facilities (AWT)	30,000	13,562	16,438	45.2%
15-5061-**-**-**	Mileage	500	132	368	26.5%
15-5076-**-**-**	SCADA Infrastructure	31,200	29,716	1,485	95.2%
15-5077-**-**-**	IT Direct	18,000	52,458	(34,458)	291.4% (6)
15-5705-**-**-**	Monthly Car Allowance	4,200	3,715	485	88.5%
15-5791-**-**-**	CTP Annual Bridge Maintenance	-	(8,000)	8,000	0.0% (10)
15-6500-**-**-**	IT Allocations in to PC's & Depts.	134,825	100,801	34,024	74.8%
	Total Other Expenses	1,598,342	1,440,312	158,030	90.1%
	Total Expenses	3,256,411	2,783,911	472,500	85.5%



**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC<sup>1</sup>**  
For the Period Ended May 31, 2025  
(in dollars)

FY 2024-25 Budget	Actual	(Over)/Under Budget	% Expended
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**17 - Joint Regional Wastewater Reclamation and Sludge Handling**

Salary and Fringe

17-5000-**-**	Regular Salaries-O&M	2,053,997	1,046,205	1,007,792	50.9%
17-5001-**-**	Overtime Salaries-O&M	31,931	18,548	13,383	58.1%
17-5306-**-**	Scheduled Holiday Work	10,152	9,647	505	95.0%
17-5315-**-**	Comp Time - O&M	6,344	4,354	1,991	68.6%
17-5401-**-**	Fringe Benefits IN to PC's & Depts.	1,105,598	526,032	579,567	47.6%
17-5700-**-**	Standby Pay	47,692	25,500	22,192	53.5%
	Total Payroll Costs	3,255,714	1,630,285	1,625,430	50.1%

Other Expenses

17-5002-**-**	Electricity	306,000	270,604	35,396	88.4%
17-5003-**-**	Natural Gas	246,800	99,330	147,470	40.2%
17-5004-**-**	Potable & Reclaimed Water	28,400	11,423	16,977	40.2%
17-5005-**-**	Co-generation Power Credit	(1,367,100)	(491,653)	(875,447)	36.0%
17-5006-**-**	Chlorine/Sodium Hypochlorite	61,800	45,559	16,241	73.7%
17-5007-**-**	Polymer Products	695,500	324,292	371,208	46.6%
17-5008-**-**	Ferric Chloride	522,500	312,085	210,415	59.7%
17-5009-**-**	Odor Control Chemicals	73,700	25,771	47,929	35.0%
17-5010-**-**	Other Chemicals - Misc.	1,000	-	1,000	0.0%
17-5011-**-**	Laboratory Services	28,000	14,677	13,323	52.4%
17-5012-**-**	Grit Hauling - 21A	41,200	18,576	22,624	45.1%
17-5013-**-**	Landscaping	82,400	32,734	49,666	39.7%
17-5015-**-**	Management Support Services	36,100	7,385	28,715	20.5%
17-5017-**-**	Legal Fees	5,000	-	5,000	0.0%
17-5019-**-**	Contract Services Misc.	118,500	75,343	43,157	63.6%
17-5021-**-**	Small Vehicle Expense	8,200	10,231	(2,031)	124.8% (5)
17-5022-**-**	Miscellaneous Expense	5,000	751	4,249	15.0%
17-5023-**-**	Office Supplies - All	13,400	5,870	7,530	43.8%
17-5024-**-**	Petroleum Products	12,400	4,656	7,744	37.6%
17-5025-**-**	Uniforms	33,000	70,098	(37,098)	212.4% (4)
17-5026-**-**	Small Vehicle Fuel	9,000	5,985	3,015	66.5%
17-5027-**-**	Insurance - Property/Liability	252,549	234,545	18,004	92.9%
17-5028-**-**	Small Tools & Supplies	30,900	13,374	17,526	43.3%
17-5030-**-**	Trash Disposal	4,000	700	3,300	17.5%
17-5031-**-**	Safety Supplies	40,212	18,896	21,316	47.0%
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	763	18,616	3.9%
17-5035-**-**	Training Expense	36,267	8,277	27,990	22.8%
17-5036-**-**	Laboratory Supplies	30,000	45,060	(15,061)	150.2%
17-5037-**-**	Office Equipment	10,000	3,576	6,424	35.8%
17-5038-**-**	Permits	18,500	1,238	17,262	6.7%
17-5039-**-**	Membership Dues/Fees	4,025	2,977	1,048	74.0%
17-5049-**-**	Biosolids Disposal	1,067,300	540,068	527,232	50.6%
17-5050-**-**	Contract Services Generators - 29A	8,000	3,287	4,713	0.41
17-5052-**-**	Janitorial Services	38,100	18,390	19,710	48.3%
17-5053-**-**	Contract Serv - Digester Cleaning - 29E	65,000	-	65,000	0.0%
17-5054-**-**	Diesel Truck Maint	19,600	9,491	10,109	48.4%
17-5055-**-**	Diesel Truck Fuel	8,200	2,817	5,383	34.4%
17-5056-**-**	Maintenance Equip. & Facilities (Solids)	180,300	61,050	119,250	33.9%
17-5057-**-**	Maintenance Equip. & Facilities (Liquids)	200,000	95,801	104,199	47.9%
17-5058-**-**	Maintenance Equip. & Facilities (Common)	36,000	16,886	19,114	46.9%
17-5059-**-**	Maintenance Equip. & Facilities (Co-Gen)	518,000	316,737	201,263	61.1%
17-5061-**-**	Mileage	1,000	368	632	36.8%



**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC<sup>1</sup>**  
For the Period Ended May 31, 2025  
(in dollars)

		<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
17-5068-**-**-**	MNWD Potable Water Supplies & Svcs.	40,000	32,598	7,402	81.5%
17-5076-**-**-**	SCADA Infrastructure	31,200	-	31,200	0.0%
17-5077-**-**-**	IT Direct	20,000	6,004	13,996	30.0%
17-5105-**-**-**	Co-Generation Power Credit - Offset	1,367,100	491,653	875,447	36.0%
17-5705-**-**-**	Monthly Car Allowance	8,400	4,039	4,361	48.1%
17-6500-**-**-**	IT Allocations in to PC's & Depts.	261,384	195,419	65,965	74.8%
	Total Other Expenses	5,280,217	2,974,116	2,306,101	56.3%
	Total Expenses	8,535,931	4,604,400	3,931,531	53.9%

**24 - Aliso Creek Ocean Outfall**

Salary and Fringe

24-5000-**-**-**	Regular Salaries-O&M	108,123	84,704	23,419	78.3%
24-5001-**-**-**	Overtime Salaries-O&M	450	506	(55)	112.3%
24-5306-**-**-**	Scheduled Holiday Work	300	-	300	0.0%
24-5401-**-**-**	Fringe Benefits IN to PC's & Depts.	58,199	42,474	15,725	73.0%
	Total Payroll Costs	167,072	127,683	39,389	76.4%

Other Expenses

24-5015-**-**-**	Management Support Services	57,500	75,018	(17,518)	130.5%
24-5017-**-**-**	Legal Fees	1,000	-	1,000	0.0%
24-5027-**-**-**	Insurance - Property/Liability	29,622	27,511	2,112	92.9%
24-5031-**-**-**	Safety Supplies	1,040	38	1,002	3.7%
24-5034-**-**-**	Travel Expense/Tech. Conferences	4,739	4,213	527	88.9%
24-5035-**-**-**	Training Expense	1,087	557	530	51.3%
24-5036-**-**-**	Laboratory Supplies	27,048	21,954	5,094	81.2%
24-5038-**-**-**	Permits	286,000	250,322	35,678	87.5%
24-5039-**-**-**	Membership Dues/Fees	-	362	(362)	100.0%
24-5044-**-**-**	Offshore Monitoring	41,616	40,634	982	97.6%
24-5045-**-**-**	Offshore Biochemistry - 20B	15,304	8,544	6,760	55.8%
24-5046-**-**-**	Effluent Chemistry	23,408	19,400	4,008	82.9%
24-5058-**-**-**	Maintenance Equip. & Facilities (Common)	1,000	-	1,000	0.0%
24-6500-**-**-**	IT Allocations in to PC's & Depts.	13,775	10,299	3,477	74.8%
	Total Other Expenses	503,140	458,851	44,289	91.2%

Total Expenses	670,212	586,534	83,678	87.5%
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**Total O&M Expenses**

<b>21,613,791</b>	<b>15,652,163</b>	<b>5,961,628</b>	<b>72.4%</b>
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<sup>1</sup> This report intends to monitor the Annual Budget % Expended at the Project Committee and Functional Department levels.

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

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

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

**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC**  
For the Period Ended May 31, 2025

- (1) O&M completed several nighttime repairs before the upcoming winter season.
- (2) SDG&E electricity rates increased beyond what was budgeted.
- (3) Usage continues to be elevated due to the septicity of the sewage entering plants that started last year as discussed with the Engineering Committee in 2023.
- (4) SOCWA is working with Cintas to resolve several billing errors and contract closeout charges for RTP.
- (5) Annual charges incurred at the beginning of the fiscal year and the end of the calendar year.
- (6) Unanticipated Aptean Tabware upgrades were required this year.
- (7) Annual increases in lease costs were unknown during the preparation of the budget.
- (8) Shared cost for treatment of South Cove stormwater and urban runoff at JBL.
- (9) Increased bleach AWT usage compared to last fiscal year.
- (10) Shared insurance cost with the County of Orange for joint use of the CTP access road.

**South Orange County Wastewater Authority**  
**Preliminary Budget vs. Actual Comparison - Engineering**  
For the Period Ended May 31, 2025  
(in dollars)

		<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
<b>Salary and Fringe</b>					
01-5000-03-00-00	Regular Salaries-O&M	115,868	47,174	68,694	40.7%
01-5401-03-00-00	Fringe Benefits IN to PC's & Depts.	62,368	23,719	38,649	38.0%
	<b>Total Payroll Costs</b>	<b>178,237</b>	<b>70,894</b>	<b>107,343</b>	<b>39.8%</b>
<b>Other Expenses</b>					
01-5022-03-00-00	Miscellaneous Expense	1,000	477	523	47.7%
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	748	1,752	29.9%
01-5035-03-00-00	Training Expense	1,300	472	828	36.3%
01-5037-03-00-00	Office Equipment	153	-	153	0.0%
01-5039-03-00-00	Membership Dues/Fees	1,150	1,067	83	92.8%
01-5061-03-00-00	Mileage	150	41	109	27.2%
01-5309-03-00-00	Operating Leases	20,000	31,567	(11,567)	157.8%
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	16,821	5,678	74.8%
	<b>Total Other Expenses</b>	<b>49,054</b>	<b>51,194</b>	<b>(2,139)</b>	<b>104.4%</b>
	<b>Total Engineering Expenses</b>	<b>227,291</b>	<b>122,087</b>	<b>105,204</b>	<b>53.7%</b>

**South Orange County Wastewater Authority**  
**Preliminary Budget vs. Actual Comparison- Administration**  
For the Period Ended May 31, 2025  
(in dollars)

		<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
01-6000-04-00-00	Regular Salaries-Admin or IT	1,116,326	835,394	280,932	74.8%
01-6001-04-00-00	Overtime Salaries-Admin or IT	7,500	795	6,705	10.6%
01-6315-04-00-00	Comp Time - Admin	2,000	-	2,000	0.0%
01-6318-04-00-00	Severance Costs	-	170,673	(170,673)	100.0% (1)
01-6401-04-00-00	Fringe Benefits IN to ADMIN or IT	600,881	420,036	180,845	69.9%
	<b>Total Payroll Costs</b>	<b>1,726,707</b>	<b>1,426,898</b>	<b>299,809</b>	<b>82.6%</b>
<b>Other Expenses</b>					
01-6101-04-00-00	HR Recruitment & Employee Relations	32,100	12,706	19,394	39.6%
01-6102-04-00-00	Subscriptions	2,030	9,827	(7,797)	484.1%
01-6103-04-00-00	Contract Labor	35,000	35,302	(302)	100.9%
01-6200-04-00-00	Management Support Services	55,000	80,522	(25,522)	146.4%
01-6201-04-00-00	Audit	40,800	30,220	10,580	74.1%
01-6202-04-00-00	Legal	125,000	249,556	(124,556)	199.6%
01-6203-04-00-00	Outside Services	-	315	(315)	100.0%
01-6204-04-00-00	Postage	1,545	712	833	46.1%
01-6223-04-00-00	Office Supplies - Admin	4,120	962	3,158	23.3%
01-6224-04-00-00	Office Equipment Admin or IT	1,000	8,611	(7,611)	861.1%
01-6234-04-00-00	Memberships & Trainings	107,500	81,722	25,778	76.0%
01-6239-04-00-00	Travel & Conference	25,000	27,304	(2,304)	109.2%
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	50,134	(23,134)	185.7%
01-6311-04-00-00	Mileage	800	469	331	58.6%
01-6317-04-00-00	Contract Services Misc	5,800	4,950	850	85.3%
01-6500-04-00-00	IT Allocations in to PC's & Depts.	142,005	106,168	35,837	74.8%
01-6601-04-00-00	Shipping/Freight	2,000	3,029	(1,029)	151.4%
01-6705-04-00-00	Monthly Car Allowance	10,200	11,192	(992)	109.7%
	<b>Total Other Expenses</b>	<b>619,400</b>	<b>715,259</b>	<b>(95,859)</b>	<b>115.5%</b>
	<b>Total Admin Expenses</b>	<b>2,346,107</b>	<b>2,142,157</b>	<b>203,951</b>	<b>91.3%</b>

(1) Costs for paid leave and final pay for 3 eliminated positions.

**South Orange County Wastewater Authority**  
**Preliminary Budget vs. Actual Comparison-IT**  
For the Period Ended May 31, 2025  
(in dollars)

		<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
<b>Salary &amp; Fringe</b>					
01-6000-05-00-00	Regular Salaries-Admin or IT	132,980	122,847	10,132	92.4%
01-6401-05-00-00	Fringe Benefits IN to ADMIN or IT	71,578	61,768	9,811	86.3%
	<b>Total Salary &amp; Fringe</b>	<b>204,558</b>	<b>184,615</b>	<b>19,943</b>	<b>90.3%</b>
<b>Other Expenses</b>					
01-6028-05-00-00	Small Tools & Supplies	1,000	-	1,000	0.0%
01-6035-05-00-00	Training Expense	3,000	-	3,000	0.0%
01-6101-05-00-00	Recruitment & Employee Relations, IT DEPT	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	15,775	47,405	25.0%
01-6301-05-00-00	Hardware Maintenance Agreements	10,300	2,018	8,282	19.6% (1)
01-6302-05-00-00	Cloud Subscriptions (Internet)	195,018	140,423	54,595	72.0%
01-6303-05-00-00	Telecommunications	163,882	143,961	19,921	87.8% (1)
01-6305-05-00-00	IT Professional Services	106,200	71,395	34,805	67.2%
01-6306-05-00-00	Small Hardware Purchases (< \$5k)	28,400	15,274	13,126	53.8%
01-6307-05-00-00	Small Software Purchases & Licenses (<\$5k)	31,000	32,881	(1,881)	106.1%
01-6308-05-00-00	IT Memberships	160	-	160	0.0%
01-6309-05-00-00	Operating Leases	64,173	57,057	7,116	88.9%
01-6310-05-00-00	Miscellaneous	5,000	386	4,614	7.7%
01-6312-05-00-00	Computer & Photocopy Supplies	3,264	559	2,705	0.0%
	<b>Total Other Expenses</b>	<b>682,627</b>	<b>481,068</b>	<b>201,559</b>	<b>70.5%</b>
<b>Total Expenses before Allocation</b>		<b>887,185</b>	<b>665,683</b>	<b>221,502</b>	<b>75.0%</b>

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

**South Orange County Wastewater Authority  
Capital Projects Summaries  
For the Period Ended June 30, 2025  
(in dollars)**

<b>FY 2024-25 Budget vs. Actual Spending</b>				
<b>Description</b>	<b>Capital Budget</b>	<b>Fiscal Year Spending</b>	<b>(Over)/ Under Budget</b>	<b>% Expended</b>
PC 2-JB Latham	\$ 5,092,547	\$ 851,367	\$ 4,241,180	16.7%
PC 5-San Juan Creek Outfall	-	34,921	(34,921)	-
PC 15-Coastal	2,025,000	2,317,111	(292,111)	114.4%
PC 17-Regional	1,114,393	521,406	592,987	46.8%
PC 21 Effluent Transmission	96,632	34,524	62,108	35.7%
PC 24 Aliso Creek Outfall	45,000	16,697	28,303	37.1%
<b>Total Large Capital</b>	<b>\$ 8,373,572</b>	<b>\$ 3,776,027</b>	<b>\$ 4,597,545</b>	<b>45.1%</b>
Non-Capital Engineering	302,000	104,754	197,246	34.7%
Non-Capital Misc Engineering	-	-	-	-
Small Internal Capital	2,061,000	1,551,771	509,229	75.3%
<b>Total Capital</b>	<b>\$ 10,736,572</b>	<b>\$ 5,432,552</b>	<b>\$ 5,304,020</b>	<b>50.6%</b>

**South Orange County Wastewater Authority**  
**Preliminary O & M & Environmental Safety Costs Summary<sup>1</sup>**  
For the Period Ended June 30, 2025  
(in dollars)

		<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>	
<b>Salary and Fringe</b>						
**_5000-**-***	Regular Salaries-O&M	5,706,265	4,329,944	1,376,321	75.9%	
**_5001-**-***	Overtime Salaries-O&M	65,000	69,131	(4,131)	106.4%	(1)
**_5306-**-***	Scheduled Holiday Work	30,000	29,867	133	99.6%	
**_5315-**-***	Comp Time - O&M	15,000	37,225	(22,225)	248.2%	(1)
**_5401-**-***	Fringe Benefits IN to PC's & Depts.	3,071,493	2,177,096	894,397	70.9%	
**_5700-**-***	Standby Pay	99,992	99,500	492	99.5%	
	Total Payroll Costs	8,987,750	6,742,763	2,244,987	75.0%	
<b>Other Expenses</b>						
**_5002-**-***	Electricity	1,299,100	1,455,686	(156,586)	112.1%	(2)
**_5003-**-***	Natural Gas	509,860	257,356	252,504	50.5%	
**_5004-**-***	Potable & Reclaimed Water	79,400	58,837	20,563	74.1%	
**_5005-**-***	Co-generation Power Credit	(1,367,100)	(491,653)	(875,447)	36.0%	
**_5006-**-***	Chlorine/Sodium Hypochlorite	219,300	340,218	(120,918)	155.1%	(3)
**_5007-**-***	Polymer Products	1,153,500	766,988	386,512	66.5%	
**_5008-**-***	Ferric Chloride	982,500	877,374	105,126	89.3%	
**_5009-**-***	Odor Control Chemicals	181,700	160,777	20,923	88.5%	
**_5010-**-***	Other Chemicals - Misc.	2,000	2,186	(186)	109.3%	
**_5011-**-***	Laboratory Services	62,128	32,138	29,990	51.7%	
**_5012-**-***	Grit Hauling	135,800	130,433	5,367	96.0%	
**_5013-**-***	Landscaping	217,300	178,642	38,658	82.2%	
**_5015-**-***	Management Support Services	285,550	184,165	101,385	64.5%	
**_5016-**-***	Audit - Environmental	1,324	-	1,324	0.0%	
**_5017-**-***	Legal Fees	19,000	1,178	17,822	6.2%	
**_5018-**-***	Public Notices/ Public Relations	1,550	-	1,550	0.0%	
**_5019-**-***	Contract Services Misc.	364,700	269,128	95,572	73.8%	
**_5021-**-***	Small Vehicle Expense	24,548	33,327	(8,778)	135.8%	
**_5022-**-***	Miscellaneous Expense	16,068	8,978	7,090	55.9%	
**_5023-**-***	Office Supplies - All	49,500	29,117	20,383	58.8%	
**_5024-**-***	Petroleum Products	28,400	8,125	20,275	28.6%	
**_5025-**-***	Uniforms	80,400	122,093	(41,693)	151.9%	(4)
**_5026-**-***	Small Vehicle Fuel	20,404	14,511	5,893	71.1%	
**_5027-**-***	Insurance - Property/Liability	638,224	592,814	45,411	92.9%	
**_5028-**-***	Small Tools & Supplies	80,052	35,170	44,882	43.9%	
**_5030-**-***	Trash Disposal	10,000	6,737	3,263	67.4%	
**_5031-**-***	Safety Program & Supplies	117,252	81,294	35,958	69.3%	
**_5032-**-***	Equipment Rental	7,000	9,637	(2,637)	137.7%	
**_5033-**-***	Recruitment	2,300	-	2,300	0.0%	
**_5034-**-***	Travel Expense/Tech. Conferences	69,775	35,865	33,910	51.4%	
**_5035-**-***	Training Expense	87,050	66,104	20,946	75.9%	
**_5036-**-***	Laboratory Supplies	140,048	143,854	(3,806)	102.7%	
**_5037-**-***	Office Equipment	27,000	11,421	15,579	42.3%	
**_5038-**-***	Permits	698,551	658,474	40,077	94.3%	
**_5039-**-***	Membership Dues/Fees	12,647	12,988	(341)	102.7%	
**_5044-**-***	Offshore Monitoring	60,116	82,269	(22,153)	136.9%	
**_5045-**-***	Offshore Biochemistry - 20B	22,854	17,946	4,908	78.5%	
**_5046-**-***	Effluent Chemistry	51,908	57,914	(6,006)	111.6%	
**_5047-**-***	Access Road Expenses	45,000	264	44,736	0.6%	
**_5048-**-***	Storm Damage	20,000	-	20,000	0.0%	

**South Orange County Wastewater Authority**  
**Preliminary O & M & Environmental Safety Costs Summary<sup>1</sup>**  
For the Period Ended June 30, 2025  
(in dollars)

		<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>	
**5049-**-**-**	Biosolids Disposal	1,854,800	1,063,726	791,074	57.3%	
**5050-**-**-**	Contract Services Generators - 29A	23,200	21,165	2,035	91.2%	
**5052-**-**-**	Janitorial Services	97,900	80,980	16,920	82.7%	
**5053-**-**-**	Contract Serv - Digester Cleaning - 29E	65,000	-	65,000	0.0%	
**5054-**-**-**	Diesel Truck Maint	44,300	34,049	10,251	76.9%	
**5055-**-**-**	Diesel Truck Fuel	12,100	9,168	2,932	75.8%	
**5056-**-**-**	Maintenance Equip. & Facilities (Solids)	305,300	196,960	108,340	64.5%	
**5057-**-**-**	Maintenance Equip. & Facilities (Liquids)	500,000	386,110	113,890	77.2%	
**5058-**-**-**	Maintenance Equip. & Facilities (Common)	92,000	61,543	30,457	66.9%	
**5059-**-**-**	Maintenance Equip. & Facilities (Co-Gen)	826,000	596,176	229,824	72.2%	
**5060-**-**-**	Maintenance Equip. & Facilities (AWT)	30,000	13,562	16,438	45.2%	
**5061-**-**-**	Mileage	2,950	2,198	752	74.5%	
**5068-**-**-**	MNWD Potable Water Supplies & Svcs.	40,000	32,950	7,051	82.4%	
**5076-**-**-**	SCADA Infrastructure	93,600	60,421	33,179	64.6%	
**5077-**-**-**	IT Direct	58,000	111,610	(53,610)	192.4%	(5)
**5105-**-**-**	Co-Generation Power Credit - Offset	1,367,100	491,653	875,447	36.0%	
**5309-**-**-**	Operating Leases	20,000	20,123	(123)	100.6%	(6)
**5705-**-**-**	Monthly Car Allowance	25,200	24,254	946	96.2%	
**5791-**-**-**	CTP Access Road Insurance Cost Share	-	(8,000)	8,000	0.0%	(7)
**5799-**-**-**	Stormwater Station Costs Share-O&M	(14,000)	(14,000)	-	100.0%	(8)
**6500-**-**-**	IT Allocations in to PC's & Depts.	725,880	594,493	131,387	81.9%	
	Total Other Expenses	12,626,041	10,031,496	2,594,546	79.5%	
<b>Total O&amp;M Expenses</b>		<b>21,613,791</b>	<b>16,774,258</b>	<b>4,839,533</b>	<b>77.6%</b>	

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

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

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

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

- (1) O&M completed several nighttime repairs before the winter season started.
- (2) SDG&E electricity rates increased beyond what was budgeted.
- (3) Increased bleach AWT at CTP usage compared to last fiscal year and continued septicity issues at JBL.
- (4) SOCWA is working with Cintas to resolve several billing errors and contract closeout charges for RTP.
- (5) Unanticipated Aptean Tabware upgrades were required this year.
- (6) Annual increases in lease costs were unknown during the preparation of the budget.
- (7) Shared insurance cost with the County of Orange for joint use of the CTP access road.
- (8) Shared cost for treatment of South Cove stormwater and urban runoff at JBL.



**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC<sup>1</sup>**  
For the Period Ended June 30, 2025  
(in dollars)

		<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
<b>02 - Jay B. Latham Plant</b>		7,838,158	7,482,866	355,292	95.5%
<b>05 - San Juan Creek Ocean Outfall</b>		693,802	632,701	61,101	91.2%
<b>08 - Pre Treatment</b>		344,331	214,650	129,681	62.3%
<b>12 - Water Reclamation Permits</b>		274,945	98,262	176,684	35.7%
<b>15 - Coastal Treatment Plant</b>		3,256,411	3,070,489	185,922	94.3%
<b>17 - Joint Regional Wastewater Reclamation and Sludge Handling</b>		8,535,931	4,667,511	3,868,420	54.7%
<b>24 - Aliso Creek Ocean Outfall</b>		670,212	607,780	62,432	90.7%
<b>Total</b>		<b>21,613,791</b>	<b>16,774,258</b>	<b>4,839,533</b>	<b>77.6%</b>

  

<b>02 - Jay B. Latham Plant</b>					
Salary and Fringe					
02-5000-**-**-**	Regular Salaries-O&M	2,090,768	1,941,902	148,866	92.9%
02-5001-**-**-**	Overtime Salaries-O&M	21,693	43,414	(21,721)	200.1% (1)
02-5306-**-**-**	Scheduled Holiday Work	13,820	16,567	(2,747)	119.9%
02-5315-**-**-**	Comp Time - O&M	7,078	25,702	(18,624)	363.1% (1)
02-5401-**-**-**	Fringe Benefits IN to PC's & Depts.	1,125,391	976,389	149,003	86.8%
02-5700-**-**-**	Standby Pay	40,300	58,500	(18,200)	145.2%
	<b>Total Payroll Costs</b>	<b>3,299,050</b>	<b>3,062,475</b>	<b>236,576</b>	<b>92.8%</b>
Other Expenses					
02-5002-**-**-**	Electricity	683,100	814,797	(131,697)	119.3% (2)
02-5003-**-**-**	Natural Gas	259,560	156,118	103,442	60.1%
02-5004-**-**-**	Potable & Reclaimed Water	27,000	26,845	155	99.4%
02-5006-**-**-**	Chlorine/Sodium Hypochlorite	40,000	93,682	(53,682)	234.2% (3)
02-5007-**-**-**	Polymer Products	458,000	442,696	15,304	96.7%
02-5008-**-**-**	Ferric Chloride	300,000	449,373	(149,373)	149.8% (3)
02-5009-**-**-**	Odor Control Chemicals	38,000	43,205	(5,205)	113.7%
02-5010-**-**-**	Other Chemicals - Misc.	1,000	2,186	(1,186)	218.6%
02-5011-**-**-**	Laboratory Services	20,508	7,862	12,646	38.3%
02-5012-**-**-**	Grit Hauling	72,600	89,276	(16,676)	123.0%
02-5013-**-**-**	Landscaping	70,000	75,297	(5,297)	107.6%
02-5015-**-**-**	Management Support Services	35,950	44,637	(8,687)	124.2%
02-5017-**-**-**	Legal Fees	5,000	570	4,430	11.4%
02-5019-**-**-**	Contract Services Misc.	132,900	116,666	16,235	87.8%
02-5021-**-**-**	Small Vehicle Expense	11,000	15,153	(4,153)	137.8%
02-5022-**-**-**	Miscellaneous Expense	8,000	6,577	1,423	82.2%
02-5023-**-**-**	Office Supplies - All	30,900	16,673	14,227	54.0%
02-5024-**-**-**	Petroleum Products	12,000	582	11,418	4.8%
02-5025-**-**-**	Uniforms	37,100	42,335	(5,235)	114.1% (4)
02-5026-**-**-**	Small Vehicle Fuel	8,000	6,738	1,262	84.2%
02-5027-**-**-**	Insurance - Property/Liability	224,629	208,703	15,927	92.9%
02-5028-**-**-**	Small Tools & Supplies	36,100	10,167	25,933	28.2%
02-5030-**-**-**	Trash Disposal	3,000	4,039	(1,039)	134.6%
02-5031-**-**-**	Safety Program & Supplies	40,840	40,478	362	99.1%
02-5032-**-**-**	Equipment Rental	3,000	3,253	(253)	108.4%
02-5033-**-**-**	Recruitment	1,000	-	1,000	0.0%
02-5034-**-**-**	Travel Expense/Tech. Conferences	19,379	19,203	176	99.1%

**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC<sup>1</sup>**  
For the Period Ended June 30, 2025  
(in dollars)

		<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
02-5035-**-**-**	Training Expense	25,592	40,618	(15,026)	158.7%
02-5036-**-**-**	Laboratory Supplies	21,000	21,860	(860)	104.1%
02-5037-**-**-**	Office Equipment	14,000	5,559	8,441	39.7%
02-5038-**-**-**	Permits	29,735	51,299	(21,564)	172.5% (5)
02-5039-**-**-**	Membership Dues/Fees	4,025	6,119	(2,094)	152.0%
02-5049-**-**-**	Biosolids Disposal	787,500	523,659	263,841	66.5%
02-5050-**-**-**	Contract Services Generators - 29A	10,000	13,504	(3,504)	135.0%
02-5052-**-**-**	Janitorial Services	44,300	43,189	1,111	97.5%
02-5054-**-**-**	Diesel Truck Maint	23,700	24,313	(613)	102.6%
02-5055-**-**-**	Diesel Truck Fuel	3,400	3,174	226	93.3%
02-5056-**-**-**	Maintenance Equip. & Facilities (Solids)	125,000	135,910	(10,910)	108.7%
02-5057-**-**-**	Maintenance Equip. & Facilities (Liquids)	200,000	180,239	19,761	90.1%
02-5058-**-**-**	Maintenance Equip. & Facilities (Common)	30,000	28,497	1,503	95.0%
02-5059-**-**-**	Maintenance Equip. & Facilities (Co-Gen)	308,000	279,440	28,561	90.7%
02-5061-**-**-**	Mileage	1,450	1,697	(247)	117.1%
02-5076-**-**-**	SCADA Infrastructure	31,200	30,706	495	98.4%
02-5077-**-**-**	IT Direct	20,000	52,817	(32,817)	264.1% (6)
02-5309-**-**-**	Operating Leases	20,000	20,123	(123)	100.6% (7)
02-5705-**-**-**	Monthly Car Allowance	8,400	15,692	(7,292)	186.8%
02-5799-**-**-**	Stormwater Station Costs Share-O&M	(14,000)	(14,000)	-	100.0% (8)
02-6500-**-**-**	IT Allocations in to PC's & Depts.	267,238	218,868	48,370	81.9%
	Total Other Expenses	4,539,107	4,420,391	118,716	97.4%
	Total Expenses	7,838,158	7,482,866	355,292	95.5%

**05 - San Juan Creek Ocean Outfall**

Salary and Fringe

05-5000-**-**-**	Regular Salaries-O&M	104,602	91,040	13,562	87.0%
05-5001-**-**-**	Overtime Salaries-O&M	76	878	(802)	1154.9%
05-5306-**-**-**	Scheduled Holiday Work	488	-	488	0.0%
05-5315-**-**-**	Comp Time - O&M	-	794	(794)	100.0%
05-5401-**-**-**	Fringe Benefits IN to PC's & Depts.	56,304	45,775	10,529	81.3%
	Total Payroll Costs	161,470	138,488	22,982	85.8%

Other Expenses

05-5015-**-**-**	Management Support Services	57,500	30,771	26,729	53.5%
05-5017-**-**-**	Legal Fees	1,000	-	1,000	0.0%
05-5027-**-**-**	Insurance - Property/Liability	25,347	23,540	1,807	92.9%
05-5031-**-**-**	Safety Supplies	1,036	38	998	3.7%
05-5034-**-**-**	Travel Expense/Tech. Conferences	4,739	3,868	871	81.6%
05-5035-**-**-**	Training Expense	1,087	504	583	46.4%
05-5036-**-**-**	Laboratory Supplies	40,000	23,322	16,678	58.3%
05-5038-**-**-**	Permits	332,746	312,715	20,031	94.0%
05-5039-**-**-**	Memberships Dues/Fees	-	458	(458)	100.0%
05-5044-**-**-**	Offshore Monitoring	18,500	41,634	(23,134)	225.1%
05-5045-**-**-**	Offshore Biochemistry - 20B	7,550	8,426	(876)	111.6%
05-5046-**-**-**	Effluent Chemistry	28,500	37,477	(8,977)	131.5%
05-5058-**-**-**	Maintenance Equip. & Facilities (Common)	1,000	546	454	54.6%
05-6500-**-**-**	IT Allocations in to PC's & Depts.	13,327	10,913	2,414	81.9%
	Total Other Expenses	532,332	494,213	38,119	92.8%
	Total Expenses	693,802	632,701	61,101	91.2%

**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC<sup>1</sup>**  
For the Period Ended June 30, 2025  
(in dollars)

		<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
<b>08 - Pre Treatment</b>					
Salary and Fringe					
08-5000-**-**-**	Regular Salaries-O&M	176,735	120,541	56,195	68.2%
08-5401-**-**-**	Fringe Benefits IN to PC's & Depts.	95,131	60,608	34,523	63.7%
	Total Payroll Costs	271,866	181,149	90,718	66.6%
Other Expenses					
08-5011-**-**-**	Laboratory Services	3,120	1,610	1,510	51.6%
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	7,931	609	92.9%
08-5028-**-**-**	Small Tools & Supplies	3,752	760	2,992	20.3%
08-5034-**-**-**	Travel Expense/Tech. Conferences	4,739	3,324	1,415	70.1%
08-5035-**-**-**	Training Expense	2,000	2,238	(238)	0.0%
08-5038-**-**-**	Permits and Fines	520	-	520	0.0%
08-5039-**-**-**	Membership Dues/Fees	500	522	(22)	104.4%
08-6500-**-**-**	IT Allocations in to PC's & Depts.	20,900	17,116	3,784	81.9%
	Total Other Expenses	72,465	33,501	38,964	46.2%
	Total Expenses	344,331	214,650	129,681	62.3%
<b>12 - Water Reclamation Permits</b>					
Salary and Fringe					
12-5000-**-**-**	Regular Salaries-O&M	113,444	23,220	90,225	20.5%
12-5401-**-**-**	Fringe Benefits IN to PC's & Depts.	61,063	11,675	49,388	19.1%
	Total Payroll Costs	174,507	34,894	139,613	20.0%
Other Expenses					
12-5015-**-**-**	Management Support Services	45,000	14,879	30,121	33.1%
12-5017-**-**-**	Legal Fees	1,000	-	1,000	-
12-5027-**-**-**	Insurance - Property/Liability	2,946	2,736	210	92.9%
12-5034-**-**-**	Travel Expense/Tech. Conferences	4,739	-	4,739	0.0%
12-5038-**-**-**	Permits	28,050	33,610	(5,560)	119.8%
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	11,819	2,612	81.9%
	Total Other Expenses	100,438	63,367	37,071	63.1%
	Total Expenses	274,945	98,262	176,684	35.7%

**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC<sup>1</sup>**  
For the Period Ended June 30, 2025  
(in dollars)

		<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
<b>15 - Coastal Treatment Plant</b>					
Salary and Fringe					
15-5000-**-**-**	Regular Salaries-O&M	1,058,595	982,825	75,770	92.8%
15-5001-**-**-**	Overtime Salaries-O&M	10,849	5,867	4,982	54.1%
15-5306-**-**-**	Scheduled Holiday Work	5,240	3,653	1,587	69.7%
15-5315-**-**-**	Comp Time - O&M	1,578	6,375	(4,797)	404.0%
15-5401-**-**-**	Fringe Benefits IN to PC's & Depts.	569,807	494,164	75,642	86.7%
15-5700-**-**-**	Standby Pay	12,000	15,500	(3,500)	129.2%
	Total Payroll Costs	1,658,069	1,508,385	149,685	91.0%
Other Expenses					
15-5002-**-**-**	Electricity	310,000	370,285	(60,285)	119.4%
15-5003-**-**-**	Natural Gas	3,500	1,907	1,593	54.5%
15-5004-**-**-**	Potable & Reclaimed Water	24,000	20,570	3,430	85.7%
15-5006-**-**-**	Chlorine/Sodium Hypochlorite	117,500	200,978	(83,478)	171.0% (9)
15-5008-**-**-**	Ferric Chloride	160,000	115,915	44,085	72.4%
15-5009-**-**-**	Odor Control Chemicals	70,000	91,801	(21,801)	131.1%
15-5011-**-**-**	Laboratory Services	10,500	7,549	2,951	71.9%
15-5012-**-**-**	Grit Hauling	22,000	22,582	(582)	102.6%
15-5013-**-**-**	Landscaping	64,900	70,612	(5,712)	108.8%
15-5015-**-**-**	Management Support Services	33,500	10,718	22,782	32.0%
15-5017-**-**-**	Legal Fees	5,000	608	4,392	12.2%
15-5019-**-**-**	Contract Services Misc.	113,300	76,960	36,340	67.9%
15-5021-**-**-**	Small Vehicle Expense - 31A	4,200	7,909	(3,709)	188.3%
15-5022-**-**-**	Miscellaneous Expense	1,000	1,650	(650)	165.0%
15-5023-**-**-**	Office Supplies - All	5,200	6,574	(1,374)	126.4%
15-5024-**-**-**	Petroleum Products	4,000	2,887	1,113	72.2%
15-5025-**-**-**	Uniforms	10,300	13,317	(3,017)	129.3% (4)
15-5026-**-**-**	Small Vehicle Fuel	2,100	1,509	591	71.9%
15-5027-**-**-**	Insurance - Property/Liability	94,591	87,848	6,743	92.9%
15-5028-**-**-**	Small Tools & Supplies	9,300	10,869	(1,569)	116.9%
15-5030-**-**-**	Trash Disposal	3,000	1,999	1,001	66.6%
15-5031-**-**-**	Safety Supplies	34,124	21,717	12,407	63.6%
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	4,484	7,575	37.2%
15-5035-**-**-**	Training Expense	21,017	13,799	7,218	65.7%
15-5036-**-**-**	Laboratory Supplies	22,000	27,124	(5,124)	123.3%
15-5037-**-**-**	Office Equipment	3,000	2,286	714	76.2%
15-5038-**-**-**	Permits	3,000	9,289	(6,289)	309.6%
15-5039-**-**-**	Membership Dues/Fees	4,025	2,395	1,630	59.5%
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	4,374	826	84.1%
15-5052-**-**-**	Janitorial Services	15,500	19,401	(3,901)	125.2%
15-5054-**-**-**	Diesel Truck Maint - 31B	1,000	245	755	24.5%
15-5055-**-**-**	Diesel Truck Fuel - 37B	500	3,178	(2,678)	635.5%
15-5057-**-**-**	Maintenance Equip. & Facilities (Liquids)	100,000	110,070	(10,070)	110.1%
15-5058-**-**-**	Maintenance Equip. & Facilities (Common)	24,000	15,614	8,386	65.1%
15-5060-**-**-**	Maintenance Equip. & Facilities (AWT)	30,000	13,562	16,438	45.2%
15-5061-**-**-**	Mileage	500	132	368	26.5%
15-5076-**-**-**	SCADA Infrastructure	31,200	29,716	1,485	95.2%
15-5077-**-**-**	IT Direct	18,000	52,789	(34,789)	293.3% (6)
15-5705-**-**-**	Monthly Car Allowance	4,200	4,200	(0)	100.0%
15-5791-**-**-**	CTP Annual Bridge Maintenance	-	(8,000)	8,000	0.0% (10)
15-6500-**-**-**	IT Allocations in to PC's & Depts.	134,825	110,422	24,402	81.9%
	Total Other Expenses	1,598,342	1,562,104	36,238	97.7%
	Total Expenses	3,256,411	3,070,489	185,922	94.3%

**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC<sup>1</sup>**  
For the Period Ended June 30, 2025  
(in dollars)

FY 2024-25 Budget	Actual	(Over)/Under Budget	% Expended
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**17 - Joint Regional Wastewater Reclamation and Sludge Handling**

Salary and Fringe

17-5000-**-**	Regular Salaries-O&M	2,053,997	1,074,918	979,079	52.3%
17-5001-**-**	Overtime Salaries-O&M	31,931	18,582	13,349	58.2%
17-5306-**-**	Scheduled Holiday Work	10,152	9,647	505	95.0%
17-5315-**-**	Comp Time - O&M	6,344	4,354	1,991	68.6%
17-5401-**-**	Fringe Benefits IN to PC's & Depts.	1,105,598	540,469	565,130	48.9%
17-5700-**-**	Standby Pay	47,692	25,500	22,192	53.5%
	Total Payroll Costs	3,255,714	1,673,469	1,582,246	51.4%

Other Expenses

17-5002-**-**	Electricity	306,000	270,604	35,396	88.4%
17-5003-**-**	Natural Gas	246,800	99,330	147,470	40.2%
17-5004-**-**	Potable & Reclaimed Water	28,400	11,423	16,977	40.2%
17-5005-**-**	Co-generation Power Credit	(1,367,100)	(491,653)	(875,447)	36.0%
17-5006-**-**	Chlorine/Sodium Hypochlorite	61,800	45,559	16,241	73.7%
17-5007-**-**	Polymer Products	695,500	324,292	371,208	46.6%
17-5008-**-**	Ferric Chloride	522,500	312,085	210,415	59.7%
17-5009-**-**	Odor Control Chemicals	73,700	25,771	47,929	35.0%
17-5010-**-**	Other Chemicals - Misc.	1,000	-	1,000	0.0%
17-5011-**-**	Laboratory Services	28,000	15,117	12,883	54.0%
17-5012-**-**	Grit Hauling - 21A	41,200	18,576	22,624	45.1%
17-5013-**-**	Landscaping	82,400	32,734	49,666	39.7%
17-5015-**-**	Management Support Services	36,100	7,807	28,293	21.6%
17-5017-**-**	Legal Fees	5,000	-	5,000	0.0%
17-5019-**-**	Contract Services Misc.	118,500	75,502	42,998	63.7%
17-5021-**-**	Small Vehicle Expense	8,200	10,265	(2,065)	125.2% (5)
17-5022-**-**	Miscellaneous Expense	5,000	751	4,249	15.0%
17-5023-**-**	Office Supplies - All	13,400	5,870	7,530	43.8%
17-5024-**-**	Petroleum Products	12,400	4,656	7,744	37.6%
17-5025-**-**	Uniforms	33,000	66,441	(33,441)	201.3% (4)
17-5026-**-**	Small Vehicle Fuel	9,000	6,264	2,736	69.6%
17-5027-**-**	Insurance - Property/Liability	252,549	234,545	18,004	92.9%
17-5028-**-**	Small Tools & Supplies	30,900	13,374	17,526	43.3%
17-5030-**-**	Trash Disposal	4,000	700	3,300	17.5%
17-5031-**-**	Safety Supplies	40,212	18,996	21,216	47.2%
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	763	18,616	3.9%
17-5035-**-**	Training Expense	36,267	8,303	27,964	22.9%
17-5036-**-**	Laboratory Supplies	30,000	48,180	(18,180)	160.6%
17-5037-**-**	Office Equipment	10,000	3,576	6,424	35.8%
17-5038-**-**	Permits	18,500	1,238	17,262	6.7%
17-5039-**-**	Membership Dues/Fees	4,025	2,977	1,048	74.0%
17-5049-**-**	Biosolids Disposal	1,067,300	540,068	527,232	50.6%
17-5050-**-**	Contract Services Generators - 29A	8,000	3,287	4,713	0.41
17-5052-**-**	Janitorial Services	38,100	18,390	19,710	48.3%
17-5053-**-**	Contract Serv - Digester Cleaning - 29E	65,000	-	65,000	0.0%
17-5054-**-**	Diesel Truck Maint	19,600	9,491	10,109	48.4%
17-5055-**-**	Diesel Truck Fuel	8,200	2,817	5,383	34.4%
17-5056-**-**	Maintenance Equip. & Facilities (Solids)	180,300	61,050	119,250	33.9%
17-5057-**-**	Maintenance Equip. & Facilities (Liquids)	200,000	95,801	104,199	47.9%
17-5058-**-**	Maintenance Equip. & Facilities (Common)	36,000	16,886	19,114	46.9%
17-5059-**-**	Maintenance Equip. & Facilities (Co-Gen)	518,000	316,737	201,263	61.1%
17-5061-**-**	Mileage	1,000	368	632	36.8%

**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC<sup>1</sup>**  
For the Period Ended June 30, 2025  
(in dollars)

		<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
17-5068-**-**-**	MNWD Potable Water Supplies & Svcs.	40,000	32,950	7,051	82.4%
17-5076-**-**-**	SCADA Infrastructure	31,200	-	31,200	0.0%
17-5077-**-**-**	IT Direct	20,000	6,004	13,996	30.0%
17-5105-**-**-**	Co-Generation Power Credit - Offset	1,367,100	491,653	875,447	36.0%
17-5705-**-**-**	Monthly Car Allowance	8,400	4,039	4,361	48.1%
17-6500-**-**-**	IT Allocations in to PC's & Depts.	261,384	214,072	47,312	81.9%
	Total Other Expenses	5,280,217	2,994,042	2,286,175	56.7%
	Total Expenses	8,535,931	4,667,511	3,868,420	54.7%

**24 - Aliso Creek Ocean Outfall**

Salary and Fringe

24-5000-**-**-**	Regular Salaries-O&M	108,123	95,498	12,625	88.3%
24-5001-**-**-**	Overtime Salaries-O&M	450	506	(55)	112.3%
24-5306-**-**-**	Scheduled Holiday Work	300	-	300	0.0%
24-5401-**-**-**	Fringe Benefits IN to PC's & Depts.	58,199	47,900	10,299	82.3%
	Total Payroll Costs	167,072	143,904	23,168	86.1%

Other Expenses

24-5015-**-**-**	Management Support Services	57,500	75,353	(17,853)	131.0%
24-5017-**-**-**	Legal Fees	1,000	-	1,000	0.0%
24-5027-**-**-**	Insurance - Property/Liability	29,622	27,511	2,112	92.9%
24-5031-**-**-**	Safety Supplies	1,040	65	975	6.2%
24-5034-**-**-**	Travel Expense/Tech. Conferences	4,739	4,223	517	89.1%
24-5035-**-**-**	Training Expense	1,087	642	445	59.1%
24-5036-**-**-**	Laboratory Supplies	27,048	23,369	3,679	86.4%
24-5038-**-**-**	Permits	286,000	250,322	35,678	87.5%
24-5039-**-**-**	Membership Dues/Fees	-	517	(517)	100.0%
24-5044-**-**-**	Offshore Monitoring	41,616	40,634	982	97.6%
24-5045-**-**-**	Offshore Biochemistry - 20B	15,304	9,521	5,783	62.2%
24-5046-**-**-**	Effluent Chemistry	23,408	20,437	2,971	87.3%
24-5058-**-**-**	Maintenance Equip. & Facilities (Common)	1,000	-	1,000	0.0%
24-6500-**-**-**	IT Allocations in to PC's & Depts.	13,775	11,282	2,494	81.9%
	Total Other Expenses	503,140	463,876	39,264	92.2%

Total Expenses	670,212	607,780	62,432	90.7%
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**Total O&M Expenses**

<b>21,613,791</b>	<b>16,774,258</b>	<b>4,839,533</b>	<b>77.6%</b>
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<sup>1</sup> This report intends to monitor the Annual Budget % Expended at the Project Committee and Functional Department levels.

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

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

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

**South Orange County Wastewater Authority**  
**Preliminary O&M Budget vs. Actual Comparison by PC**  
For the Period Ended June 30, 2025

- (1) O&M completed several nighttime repairs before the upcoming winter season.
- (2) SDG&E electricity rates increased beyond what was budgeted.
- (3) Usage continues to be elevated due to the septicity of the sewage entering plants that started last year as discussed with the Engineering Committee in 2023.
- (4) SOCWA is working with Cintas to resolve several billing errors and contract closeout charges for RTP.
- (5) Annual charges incurred at the beginning of the fiscal year and the end of the calendar year.
- (6) Unanticipated Aptean Tabware upgrades were required this year.
- (7) Annual increases in lease costs were unknown during the preparation of the budget.
- (8) Shared cost for treatment of South Cove stormwater and urban runoff at JBL.
- (9) Increased bleach AWT usage compared to last fiscal year.
- (10) Shared insurance cost with the County of Orange for joint use of the CTP access road.

**South Orange County Wastewater Authority**  
**Preliminary Budget vs. Actual Comparison - Engineering**  
For the Period Ended June 30, 2025  
(in dollars)

		<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
<b>Salary and Fringe</b>					
01-5000-03-00-00	Regular Salaries-O&M	115,868	52,199	63,669	45.1%
01-5401-03-00-00	Fringe Benefits IN to PC's & Depts.	62,368	26,245	36,123	42.1%
	<b>Total Payroll Costs</b>	<b>178,237</b>	<b>78,444</b>	<b>99,792</b>	<b>44.0%</b>
<b>Other Expenses</b>					
01-5022-03-00-00	Miscellaneous Expense	1,000	477	523	47.7%
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	2,124	376	85.0%
01-5035-03-00-00	Training Expense	1,300	472	828	36.3%
01-5037-03-00-00	Office Equipment	153	-	153	0.0%
01-5039-03-00-00	Membership Dues/Fees	1,150	1,128	22	98.1%
01-5061-03-00-00	Mileage	150	41	109	27.2%
01-5309-03-00-00	Operating Leases	20,000	35,550	(15,550)	177.8%
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	18,427	4,072	81.9%
	<b>Total Other Expenses</b>	<b>49,054</b>	<b>58,220</b>	<b>(9,166)</b>	<b>118.7%</b>
	<b>Total Engineering Expenses</b>	<b>227,291</b>	<b>136,664</b>	<b>90,627</b>	<b>60.1%</b>



**South Orange County Wastewater Authority**  
**Preliminary Budget vs. Actual Comparison- Administration**  
For the Period Ended June 30, 2025  
(in dollars)

		<b>FY 2024-25 Budget</b>	<b>Actual</b>	<b>(Over)/Under Budget</b>	<b>% Expended</b>
01-6000-04-00-00	Regular Salaries-Admin or IT	1,116,326	916,435	199,891	82.1%
01-6001-04-00-00	Overtime Salaries-Admin or IT	7,500	795	6,705	10.6%
01-6315-04-00-00	Comp Time - Admin	2,000	-	2,000	0.0%
01-6318-04-00-00	Severance Costs	-	170,673	(170,673)	100.0% (1)
01-6401-04-00-00	Fringe Benefits IN to ADMIN or IT	600,881	460,783	140,098	76.7%
	<b>Total Payroll Costs</b>	<b>1,726,707</b>	<b>1,548,686</b>	<b>178,021</b>	<b>89.7%</b>
<b>Other Expenses</b>					
01-6101-04-00-00	HR Recruitment & Employee Relations	32,100	14,264	17,836	44.4%
01-6102-04-00-00	Subscriptions	2,030	10,048	(8,018)	495.0%
01-6103-04-00-00	Contract Labor	35,000	36,173	(1,173)	103.4%
01-6200-04-00-00	Management Support Services	55,000	91,724	(36,724)	166.8%
01-6201-04-00-00	Audit	40,800	30,220	10,580	74.1%
01-6202-04-00-00	Legal	125,000	267,835	(142,835)	214.3%
01-6203-04-00-00	Outside Services	-	315	(315)	100.0%
01-6204-04-00-00	Postage	1,545	712	833	46.1%
01-6223-04-00-00	Office Supplies - Admin	4,120	962	3,158	23.3%
01-6224-04-00-00	Office Equipment Admin or IT	1,000	8,611	(7,611)	861.1%
01-6234-04-00-00	Memberships & Trainings	107,500	81,722	25,778	76.0%
01-6239-04-00-00	Travel & Conference	25,000	29,562	(4,562)	118.2%
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	50,631	(23,631)	187.5%
01-6311-04-00-00	Mileage	800	526	274	65.8%
01-6317-04-00-00	Contract Services Misc	5,800	5,400	400	93.1%
01-6500-04-00-00	IT Allocations in to PC's & Depts.	142,005	116,302	25,703	81.9%
01-6601-04-00-00	Shipping/Freight	2,000	3,304	(1,304)	165.2%
01-6705-04-00-00	Monthly Car Allowance	10,200	13,546	(3,346)	132.8%
	<b>Total Other Expenses</b>	<b>619,400</b>	<b>763,416</b>	<b>(144,016)</b>	<b>123.3%</b>
<b>Total Admin Expenses</b>		<b>2,346,107</b>	<b>2,312,102</b>	<b>34,005</b>	<b>98.6%</b>

(1) Costs for paid leave and final pay for 3 eliminated positions.

**South Orange County Wastewater Authority**  
**Preliminary Budget vs. Actual Comparison-IT**  
For the Period Ended June 30, 2025  
(in dollars)

		FY 2024-25 Budget	Actual	(Over)/Under Budget	% Expended
<b>Salary &amp; Fringe</b>					
01-6000-05-00-00	Regular Salaries-Admin or IT	132,980	136,899	(3,920)	102.9%
01-6401-05-00-00	Fringe Benefits IN to ADMIN or IT	71,578	68,833	2,745	96.2%
	<b>Total Salary &amp; Fringe</b>	<b>204,558</b>	<b>205,733</b>	<b>(1,175)</b>	<b>100.6%</b>
<b>Other Expenses</b>					
01-6028-05-00-00	Small Tools & Supplies	1,000	-	1,000	0.0%
01-6035-05-00-00	Training Expense	3,000	-	3,000	0.0%
01-6101-05-00-00	Recruitment & Employee Relations, IT DEPT	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	15,775	47,405	25.0%
01-6301-05-00-00	Hardware Maintenance Agreements	10,300	11,945	(1,645)	116.0% (1)
01-6302-05-00-00	Cloud Subscriptions (Internet)	195,018	148,627	46,391	76.2%
01-6303-05-00-00	Telecommunications	163,882	155,903	7,979	95.1% (1)
01-6305-05-00-00	IT Professional Services	106,200	79,158	27,042	74.5%
01-6306-05-00-00	Small Hardware Purchases (< \$5k)	28,400	15,317	13,083	53.9%
01-6307-05-00-00	Small Software Purchases & Licenses (<\$5k)	31,000	33,001	(2,001)	106.5%
01-6308-05-00-00	IT Memberships	160	-	160	0.0%
01-6309-05-00-00	Operating Leases	64,173	61,479	2,694	95.8%
01-6310-05-00-00	Miscellaneous	5,000	386	4,614	7.7%
01-6312-05-00-00	Computer & Photocopy Supplies	3,264	559	2,705	0.0%
	<b>Total Other Expenses</b>	<b>682,627</b>	<b>523,490</b>	<b>159,137</b>	<b>76.7%</b>
<b>Total Expenses before Allocation</b>		<b>887,185</b>	<b>729,223</b>	<b>157,962</b>	<b>82.2%</b>

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

# Agenda Item

# 6

**Finance Committee Meeting**

**Meeting Date:** August 19, 2025

**TO:** Finance Committee

**FROM:** Amber Boone, General Manager

**SUBJECT:** Cost Allocation Policy Update

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## Overview:

On June 17, 2025, the Cost Allocation Policy was reviewed by the Finance Committee with updates provided in this under-lined version. Key improvements include correcting grammatical errors, standardizing terminology, improving numbering and formatting for readability, eliminating redundancies, and ensuring consistent language throughout. Additional sections on the budget allocation and use audit procedures were also included.

**Recommended Action:** Committee Discussion, Direction, or Action.

# SOCWA Cost Allocation Policy

## Purpose

This policy establishes the methodology for allocating costs associated with the operation, maintenance, administration, and unfunded liabilities of the South Orange County Wastewater Authority (SOCWA). It ensures fair, transparent, and consistent distribution of costs among member agencies and project committees and shall govern the allocation of costs reflected in SOCWA's Budgets, including costs related to administration, operation and maintenance, capital projects, information technology, fringe benefits, Unfunded Accrued Liabilities (UAL), and Other Post-Employment Benefits (OPEB).

## Budget Components

SOCWA's budget consists of four principal components outlined below.

- 1. Capital Improvement Plan (CIP) Budget** – The CIP Plan is a multi-year plan outlining SOCWA's planned investments in public facilities and infrastructure, and more specifically, the financing, location, and timing of capital improvement projects. The CIP Budget is created with input from the Engineering Committee. The CIP Budget includes maintenance costs not directly related to use of the Project facilities, including necessary capital improvements, repairs, adjustments, replacements, and extraordinary or standby maintenance, and incidental accounting and administrative costs in connection therewith. Any change to the cost allocation methodology for the CIP Budget set forth in this Policy must be made by the unanimous consent of all the SOCWA Board of Directors in accordance with Section 6.3.1 of the SOCWA Joint Powers Agreement.
- 2. Operations and Maintenance (O&M) Budgets** – Operations and maintenance budgets are prepared for each Project operated and maintained by SOCWA and approved at or prior to each June meeting of the Board for the ensuing Fiscal Year. Operations and maintenance costs directly related to the use of the Project facilities, including necessary improvements, repairs, adjustments, and replacement costs in connection therewith, are paid by each Member Agency using the Project facilities in proportion to its use, consistent with Section 6.3.1 of the SOCWA Joint Powers Agreement. The O&M Budgets include (a) the estimated expenses of operating the Project; (b) the estimated expenses of maintaining the Project, (c) an estimate of income from operations, if any; and (d) the allocation of operation and maintenance expenses among the Participating Member Agencies in accordance with the formulas set forth in this Policy. O&M Budgets must be approved by a two-thirds (2/3) vote of the Participating Directors in that Project in accordance with Section 6.3 of the SOCWA Joint Powers Agreement. The O&M Budget includes two departments:
  - Department 01: Operations and Maintenance
  - Department 02: Environmental Services

## SOCWA Cost Allocation Policy

- 3. Administration Budget:** The Administrative Budget contains the administrative and incidental accounting costs arising specifically from the operations and maintenance of the Project facilities, as well as the allocation among the Member Agencies of the amounts necessary to cover the Administrative Budget expenditures. Because the Administrative Budget is a subset of the O&M costs for a Project, the Administrative Budget also must be approved by a two-thirds (2/3) vote of the Participating Directors in that Project in accordance with Section 6.3 of the SOCWA Joint Powers Agreement. The Administration Budget includes the following:

- Department 03: Engineering. Greater than 60% of non-labor expenses (residual engineering) in this department are administrative in nature, which were combined with administrative expenses. Engineering labor is billed directly to Capital projects in the CIP Budget with minimal time billed to administration.
- Department 04: Administration. Includes administration and incidental accounting costs arising specifically from the operations and maintenance of the Project facilities.
- Department 05: Information Technology - Expenses are budgeted as direct costs where technology services or equipment are needed at SOCWA facilities or as indirect costs based on the IT pool of expenses. Department 05 expenses are distributed to all project committees and departments based on the "where labor worked" methodology.

- 4. General Fund Budget:** The General Fund Budget includes the general administrative expenses of SOWCA and the allocation among the Member Agencies of the amounts necessary to cover the General Budget expenditures. The General Fund Budget is allocated evenly among the six participating Member Agencies. If the General Fund Budget provides an allocation to the Member Agencies on some basis other than equal amounts, the General Fund Budget must be approved by the unanimous consent of all the Member Agencies in accordance with Section 6.1 of the SOCWA Joint Powers Agreement. General Fund Expenses are incorporated into the Administration Budget. Items included in the General Fund Budget include, but are not limited to, portions of the following categories, as determined through the use audit process:

- Salaries, overtime, comp time, and fringe benefits
- Small purchases and Consumables
- Miscellaneous Contract Services
- Employee Recognition
- Contract Labor
- Management Support Services
- Audit fees
- Legal fees
- Office equipment
- Memberships & Trainings
- Scholarship Sponsorship

## **SOCWA Cost Allocation Policy**

- Education Reimbursement
- IT and SCADA Software/Hardware
- Telecommunications
- Operating leases
- Monthly Car Allowances

### **5. Other Budget Components:**

- UAL
- OPEB

### **Cost Allocations**

The following sections provide the allocations by each component outlined above.

#### **Engineering Allocations**

Capital costs are considered projects that maintain the SOCWA facilities and follow Section 6.3.1 of the SOCWA JPA agreement which states that capital costs “shall be paid by the Participating Member Agencies in proportion to their respective percentage share of the ownership of capacity in said Project facilities.” The December 2024 reorganization agreements contain the most current cost allocations for capital projects and are utilized in the budget creation.

The capital portion of the O&M Budget is presented to the SOCWA Board’s Engineering Committee for review, comment, and incorporation by consensus of each project committee member.

#### **Administrative Cost Allocation**

Administrative costs follow Section 6.2 of the SOCWA JPA agreement. The methodology divides costs per agency by the total Operations and Maintenance budget (Departments 01 & 02) without including Admin, UAL, or OPEB costs. This ensures administrative costs remain proportional to services received, as identified in the annual budget. Any changes to this methodology require unanimous consent from all Participating Member Agencies per Section 6.3.1 of the JPA.

#### **Fringe Benefit Allocation**

SOCWA utilizes a fringe benefit pool methodology that is applied to salaries with a utilization rate. The fringe benefit pool encompasses costs for accrued leave, group insurance, PERS Normal Costs, and other paid benefits. The utilization rate is the pay-for-time-worked rate based on the number of hours on leave divided by the total number of hours available to work. SOCWA plans to transition from the fringe pool method to an actual cost allocation approach to better accommodate labor changes throughout the fiscal year.

# **SOCWA Cost Allocation Policy**

## **Information Technology Allocation**

IT costs are distributed using a labor-based ("where labor worked") allocation methodology, distinguishing between:

- Direct costs: Technology services or equipment needed at specific SOCWA facilities
- Indirect costs: Distributed across project committees and departments based on labor allocation

## **Unfunded Liabilities Allocation**

The allocation of Unfunded Accrued Liability (UAL) requires annual payments based on actuarial distributions. Distribution adheres to a proportional methodology based on labor services received by each Member Agency and is updated by an actuarial firm, when necessary, to account for structural changes at the agency. Employer retirement costs are allocated according to labor distribution and agency participation levels reviewed and updated periodically by an outside consulting firm.

## **Contracted Services Allocations**

SOCWA may contract from time to time with partners to provide those partners with certain specialty services, such as recycled water permitting, permitting compliance services (such as NPDES and master recycled water permits), pretreatment program services, and/or laboratory services using the same general facilities and standard of care as provided to SOCWA's Member Agencies. Generally, SOCWA provides these services and invoices the contracted partners on a quarterly or annual basis for actual costs, plus reasonable administration and overhead costs, which are calculated proportionately based on the same overhead and administration methodology used for Member Agencies.

De minimis contracts that provide revenue sources of under \$100k annually will have a flat overhead and administration rate, which will be set and reviewed annually, and these revenues will be used to offset costs associated with the specific Project Committee applicable to the service provided, if applicable, and shall be reconciled and credited as appropriate during the use audit process.

SOCWA will defer to agreed upon contract language from previous member agencies negotiated as part of subsequent withdrawal agreements related to unfunded public system liability while agencies were members of the agency.

SOCWA will provide notice to each contracted services partner by no later than March 1 each year to determine whether they desire to continue using SOCWA's services for the following fiscal year to determine inclusion in the budget, where and as applicable.

## **Project Committee Allocation**

SOCWA operates through a series of Project Committees (PCs), each with specific operational responsibilities and participating Member Agencies. The Project Committee costs are inclusive of facility usage, operational needs, special studies determined by Engineering

## SOCWA Cost Allocation Policy

or Finance Committees, permit requirements, regulatory drivers, labor, and utility operational costs. Specific allocation methodologies vary by Project Committee. SOCWA will utilize the capacity ownership amounts set forth in the December 2024 Reorganization Agreements as normal budgeted costs and resolve the usage in the Use Audit process.

The following chart sets forth the current SOCWA Project Committees, Member Agencies, and Participating Agencies. “Participating Agencies” are agencies that have contracted capacity to other SOCWA Member Agencies and/or otherwise receive contracted services from SOCWA.

<b>Project Committee</b>	<b>Description</b>	<b>SOCWA Member Agencies</b>	<b>Participating Agencies</b>
PC 2	JB Latham WWTP	SCWD, SMWD	MNWD
PC 5	San Juan Creek Ocean Outfall (SJCOO)	CSC, SCWD, MNWD, SMWD	MNWD
PC 8	Pre-Treatment	CLB, CSC, EBSD, ETWD, SCWD, SMWD	IRWD, MNWD,
PC 12	Recycled Water Permits	SCWD, SMWD	MNWD, TCWD
PC 15	Coastal WWTP	CLB, EBSD, SCWD	N/A
PC 21	Effluent Transmission Main (ETM)	ETWD	IRWD
PC23	Effluent Transmission Main	CLB, EBSD	N/A
PC 24	Aliso Creek Ocean Outfall (ACOO)	CLB, EBSD, ETWD, SCWD	IRWD, MNWD

### Agency Abbreviations:

- CLB: City of Laguna Beach
- CSC: City of San Clemente
- EBSD: Emerald Bay Service District
- ETWD: El Toro Water District
- IRWD: Irvine Ranch Water District (not a Member of SOCWA, Participating Agency)
- MNWD: Moulton Niguel Water District (not a Member Agency of SOCWA, Participating Agency)
- SCWD: South Coast Water District
- SMWD: Santa Margarita Water District
- TCWD: Trabuco Canyon Water District (not a Member Agency of SOCWA, participating Agency)



## SOCWA Cost Allocation Policy

### PC 2 (JB Latham WWTP)

PC 2 O&M costs are budgeted and allocated based on the capacity rights specified in the Assignment and Assumption Agreement (PC 2) (Agreement No.5/Agreement #7 to PC 2, effective December 12, 2024):

### PC 2 Capacity Summary (Owned and Operated by SOCWA)

PC 2 - SOCWA JBL Capacity Summary (Owned and Operated by SOCWA)					
Agency	Liquids (mgd)	Solids (mgd) (1)	Solids (lbs)(1)	Common-S (%)	Common - L (%)
SCWD	6.75	7.70	16055	41.62%	51.92%
SMWD	6.25	10.80	22518	58.38%	48.08%
Total	13.00	18.50	38573	100%	100%

*Note: MNWD(i) costs are combined with SCWD costs, effective December 12, 2024.*

(i) MNWD's 23.08% liquids treatment capacity allocation in (and effluent from) the JB Latham Treatment Plant totaling 3.00 mgd; and (ii) MNWD's 21.62% solids treatment capacity allocation in the JB Latham Treatment Plant totaling 8,340 lbs/day ((i))

### PC 5 (San Juan Creek Ocean Outfall)

PC 5 O&M costs are budgeted and allocated based on the hydraulic capacity ownership amounts set forth in the Assignment and Assumption Agreement (Agreement No.6 effective December 12, 2024) and represent fixed costs:

PC 5 - SOCWA San Juan Creek Ocean Outfall Capacity Summary (Owned and Operated by SOCWA)		
Agency	Ownership (%)	Hydraulic Capacity (mgd)
CSC	16.620%	13.296
SCWD	18.829%	15.063
SMWD	64.551%	51.64
Total	100.000%	80.00

*Note: MNWD (i) costs are combined with SMWD costs effective December 12, 2024.*

## SOCWA Cost Allocation Policy

(i) MNWD hereby permanently assigns to (a) SMWD and SMWD hereby accepts 59% of MNWD's assigned Outfall Capacity, and (b) SCWD and SCWD hereby accepts 41% of MNWD's Assigned Outfall Capacity and 100% of MNWD's Assigned Pumping Capacity.

### PC 8 (Pretreatment Costs)

PC 8 costs remain in the budget with direct costs billed to MNWD, per the Moulton Niguel Water District SOCWA Continued Services Agreement (Agreement #9) based on where labor worked.

### PC 12 (Water Reclamation Permits)

The PC 12 costs are volume based (recycled water produced) and is allocated Agency in the following manner.

- MNWD: The amount of reclaimed water produced from the Regional Treatment Plant (RTP) and the 3A Treatment Plant (split with SMWD).
- South Coast Water District (SCWD): The total reclaimed water produced from the Coastal Treatment Plant (CTP).
- Santa Margarita Water District (SMWD): The combined sum of reclaimed water produced from the Oso Creek Water Reclamation Plant (OCWRP), the Chiquita Water Reclamation Plant (CWRP), and the Nichols Water Reclamation Plant (NWRP), the acre-foot sum of the Rosembaum well, the Mission Street Well, and the total reclaimed water from the SMWD/CSJC intertie.
- Trabuco Canyon Water District (TCWD): Reclaimed water produced from the Robinson Ranch Water Reclamation Plant (RRWRP).

### PC 15 (Coastal Treatment Plant) Allocation

PC 15 O&M costs are budgeted and allocated according to the Liquids, AWT, and Common capacity amounts set forth December 12, 2024, Coastal Treatment Plant Capacity Rights Transfer Agreement (Agreement No.3) (MNWD Capacity Rights in Project Committee 15):

<b>PC 15 - Coastal Treatment Plant Capacity Summary (CTP Owned and Operated by SOCWA: AWT is owned by SCWD but operated by SOCWA)</b>			
Agencies	Liquids (mgd)	AWT (%)	Common (%)
CLB	3.64	0	54.30%
EBSD	0.2	0	3.00%
SCWD	2.86	100	42.70%
Total	6.7	100	100.00%

## SOCWA Cost Allocation Policy

### PC 21 (Effluent Transmission Main) Costs

PC 21 O&M costs are budgeted and allocated according to hydraulic capacity ownership as set forth in the Assignment and Assumption Agreement (Agreement No.7, effective December 12, 2024) (Project Committees 21 and 24):

PC 21 - Effluent Transmission Main (ETM) Capacity Summary Reach B/C/D/E (Owned and Maintained by SOCWA)		
Agency	Hydraulic Capacity	Ownership Percentage (%)
ETWD - B/C/D (i)	15	100%
ETWD – E (ii)	32.2	100%

*Note: IRWD (i) costs are combined with ETWD costs, effective July 1, 2023, with 50% capacity rights to IRWD and 50% capacity rights to ETWD.*

*(ii) IRWD and MNWD costs are combined with ETWD costs, effective December 12, 2024, with 23.29% allocated to ETWD, 23.29% allocated to IRWD, and 53.43% allocated to MNWD.*

### PC 23 (Effluent Transmission Main) Costs

PC 23 O&M costs are budgeted and allocated according to hydraulic capacity ownership as set forth in the November 22, 2006, Amendment No. 3 to the Agreement for Design, Construction, Use, Operation, Maintenance, Repair, and Replacement of Phase I North Coastal Interceptor Sewer Pipeline and Pumping Stations for AWMA for and on Behalf of PC No. 7-A.

PC23 - North Coast Interceptor	
Agency	Allocation (%)
CLB	95.88%
EBSD	4.12%
Total	100.00%

## SOCWA Cost Allocation Policy

### PC 24 (Aliso Creek Ocean Outfall) Costs

PC 24 O&M costs are budgeted and allocated according to hydraulic capacity ownership as set forth in the December 12, 2024, Assignment and Assumption Agreement (Agreement No.7) (Project Committees 21 and 24):

PC 24 - Aliso Creek Ocean Outfall (ACOO) Capacity Summary (Owned and Operated by SOCWA)		
Agency	Hydraulic Capacity (mgd)	Ownership Percent (%)
CLB	5.500	11.00%
EBSB	0.390	0.78%
ETWD	37.955	75.91%
SCWD	6.155	12.31%
Total	50.000	100.00%

*Note MNWD (i) costs are combined with ETWD costs, effective December 12, 2024.*

- (i) Assignment and Acceptance of MNWD's Assigned Capacity and Rights and Obligations. MNWD hereby permanently assigns to ETWD, and ETWD hereby accepts from MNWD, (1) MNWD's 53.42% capacity allocation in Reach E of the Effluent Transmission Main; (2) MNWD's 43.848% capacity allocation in the ACO Outfall ((1) and (2) are collectively referred to herein as "MNWD's Assigned Capacity")

# SOCWA Cost Allocation Policy

## Cost Allocation Principles for SOCWA Wastewater Treatment Facilities

The following principles guide SOCWA's cost allocation methodologies and are applicable to PC 2 & PC 15. The other PCs have fixed cost distribution (PC 5 & PC 24), and are based on production (PC 12), or labor allocation (PC 8). Additional allocation categories are described below.

## Treatment Plant Cost Allocation Categories

1. Process-Based Allocation: Costs are allocated based on operational processes (Liquids, Solids, Common, AWT).
2. Facility-Specific Considerations: Each facility has a unique allocation structure reflecting its operational characteristics.
3. Direct vs. Shared Costs: Direct costs are allocated to specific processes; shared resources are allocated proportionally.
4. Labor Distribution: Based on actual time spent supporting each facility or project committee.
5. Utility-Specific Allocation: Based on metering data and operational requirements
6. Chemical Usage Tracking: Based on actual usage by treatment process, resolved in the use audit.
7. Equipment-Based Allocation: Based on the primary function of equipment (solids, liquids, or common costs).

## PC2 Cost Allocation Structure

PC 2 operates with a four-way allocation system distributing costs among Liquids (55.1%), Solids (43.4%), Common/Liquids (0.8%), and Solids (0.8%) treatment processes. This allocation structure applies to regular labor costs, benefits, and most operational expenditures. Notable variations include:

- Electricity: 65.0% Liquids, 25.0% Solids, 5.0% Common/Liquids, 5.0% Common/Solids
- Natural Gas: 65.0% Liquids, 25.0% Solids, 5.0% Common/Liquids, 5.0% Common/Solids
- Chlorine/Sodium Hypochlorite: 50.0% Liquids, 50.0% Solids
- Polymer Products: 100% Solids
- Ferric Chloride: 100% Liquids
- Other Chemicals: 54.0% Liquids, 46.0% Solids
- Non-Control Chemicals: 50.0% Common/Liquids, 50.0% Common/Solids
- Laboratory Services: 75.0% Liquids, 25.0% Solids
- Grit Hauling: 100% Solids
- Capital projects follow the ownership allocations, depending on the type of project, that are presented as the Common-L or Common-S.

# **SOCWA Cost Allocation Policy**

## **PC15 Cost Allocation Structure**

PC 15 employs a different allocation structure than PC 2, with costs distributed among Liquids (55.4%), Common/Liquids (3.4%), and AWT (41.2%) treatment processes. This reflects the facility's distinct operational focus. Key allocation patterns include:

- Regular Salaries: 76.4% Liquids, 18.2% Common/Liquids, 5.4% AWT
- Overtime Salaries: 64.9% Liquids, 21.9% Common/Liquids, 13.2% AWT
- Electricity: 100% Liquids
- Natural Gas: 50.0% Liquids, 50.0% Common/Liquids
- Water: 90.0% Liquids, 10.0% AWT
- Chlorine/Sodium Hypochlorite: 100% Liquids
- Ferric Chloride: 100% Liquids
- Laboratory Supplies: 75.0% Liquids, 25.0% AWT
- Petroleum Products: 50.0% Liquids, 3.4% Common/Liquids, 41.2% AWT
- Uniforms: 55.4% Liquids, 3.4% Common/Liquids, 41.2% AWT
- Maintenance Equipment & Facilities (Liquids): 100% Liquids
- Maintenance Equipment & Facilities (Common): 100% Common/Liquids
- Maintenance Equipment & Facilities (AWT): 100% AWT
- Capital projects follow the ownership allocations, depending on the type of project, that are presented as Common or AWT.

## **PC 5, 21, 23, and 24 Cost Allocation Structure**

All budgeted capital and O&M costs for PCs 5, 21, 23 and 24 are allocated based on the Member Agencies' ownership of hydraulic capacity of the pipelines.

### **Participating Agency Services**

SOCWA provides services for non-member agencies through contractual agreements such as laboratory and permitting services. The budget for these services are provided to the participating agencies by March of each year for approval of continuation of services.

# SOCWA Cost Allocation Policy

## **Budget Allocations**

Once the total cost of providing staffing and services on behalf of MAs are completed by SOCWA staff and approved by the Board, the following standardized methodology allocates costs to project committees (PCs) and ultimately rolled up to each SOCWA member agency. It ensures equitable distribution of operations and maintenance (O&M) expenses, administrative costs, general fund (GF) contributions, unfunded actuarial liability (UAL), and other post-employment benefits (OPEB) liabilities. All allocations shall be based on verifiable data sources, such as capacity rights, labor utilization, or flow percentages, and shall adhere to board-approved guidelines and reorganization agreements. Attachment A provides a template for the application of the methodology outlined below.

The steps for cost allocation are as follows:

1. Allocation Based on Capacity Rights: Utilize established capacity rights to determine the proportional contribution per agency for each PC and MA.
2. Alternative Allocation Methods: In instances where capacity rights are unavailable, employ labor utilization metrics (e.g., “where employee worked”) or flow percentages to calculate the proportional utilization by each agency.
3. Calculation of MA Operating Cost Percentages: Determine the percentage that each MA's operating costs represent relative to the total O&M budgeted expenses. This calculation excludes administrative costs, GF contributions, UAL, and OPEB liabilities.
4. Determination of Administrative Costs per MA: Multiply the percentage derived in Step 3 for each MA by the draft budget amount to compute the total administrative cost attributable to that MA.
5. Computation of Administrative Cost Allocation Percentage: Divide the O&M cost per facility or service budget by the total MA budget to establish the administrative cost allocation percentage.
6. Allocation of Administrative Costs per PC or Service: Multiply the percentage from Step 5 by the total administrative cost from Step 4 to allocate administrative costs to each PC or service.
7. Allocation of General Fund Costs: Repeat the process outlined in Step 6 for General Fund costs, excluding contributions related to MNWD in accordance with the applicable reorganization agreements.
8. Allocation of UAL and OPEB Liabilities: Apply the board-approved allocation methodology (as established in November 2018) to determine the percentage allocation per agency. Multiply this percentage by the total UAL/OPEB liability, then apply the administrative cost percentage from Step 4 to allocate these costs to each PC or service.

## SOCWA Cost Allocation Policy

9. Aggregation of Total Budget per Agency: Sum all allocated costs (including O&M, administrative, GF, UAL, and OPEB) to derive the total budget attributable to each agency.

10. Quarterly Billing Calculation: Divide the total budget per agency by four to establish the quarterly billing amount.

This procedure shall be reviewed as needed to incorporate any updates to board methodologies, reorganization agreements, or budgetary frameworks. All calculations must be documented and auditable, with supporting data retained for a minimum of seven years.

### Use Audit Allocation

The Use Audit is completed by applying established flow allocation methodologies, circulated annually for review to SOCWA member agencies, which distribute costs among member agencies based on their proportional usage of treatment facilities. The process involves collecting actual flow data (measured in million gallons per day) and solids loading data (calculated from BOD and TSS measurements) for each member agency during the fiscal year, then comparing these actual values against budgeted amounts to determine each agency's percentage share of total system usage.

The allocation methodology varies by project committee - some use average flows over multiple years, others incorporate solids loading calculations, and some account for special agreements between agencies (like the 2018 MNWD-SMWD agreement for solids allocation). Once the actual usage percentages are calculated and compared to budgeted percentages, any differences result in either disbursement of funds to agencies that were overcharged or collection of additional funds from agencies that were undercharged, with the final results reviewed through the Engineering and Finance Committees and recommended to the SOCWA Board of Directors before implementation.

The following provides the method for the Use Audit by PC:

### **PC 2**

Member agency average flows for the FY were used in the flow allocation and applied proportionally from the total combined flow from each tributary trunk line. The PC 2 uses FY flows and three-year FY average solid loadings to reconcile the budgeted amounts. Solids loadings are calculated from adding the average FY BOD and TSS and, dividing by 2 and then multiplying the result by the flow and the 8.34 pounds conversion factor. In March 2018, PC2 members Moulton Niguel Water District (MNWD) and Santa Margarita Water District (SMWD) came to an agreement on how to allocate solids for budgeting and use audit purposes. The new method captures the influent loading at Plant 3A as it was recognized that this allocation would isolate MNWD's solids contributions to JBL to a single variable. SMWD solids to JBL would then be the balance of solids contributed by the Oso Creek Water Reclamation Plant, 3A, and any other discharges to the Oso Trabuco line to JBL.



# **SOCWA Cost Allocation Policy**

## **PC 12**

The PC 12 method of production is detailed by member agency in the following narrative. San Juan Capistrano is the acre-foot sum of the Rosebaum well, the Mission Street Well, and the total reclaimed water from the SMWD/CSJC intertie. For MNWD, it is the amount of reclaimed water produced from the Regional Treatment Plant (RTP) and the 3A Treatment Plant (split with SMWD). South Coast Water District (SCWD) is the total reclaimed water produced from the Coastal Treatment Plant (CTP). The Santa Margarita Water District (SMWD) is the combined sum of reclaimed water produced from the 3A Treatment Plant (split with MNWD), the Oso Creek Water Reclamation Plant (OCWRP), the Chiquita Water Reclamation Plant (CWRP), and the Nichols Water Reclamation Plant (NWRP). The Trabuco Canyon Water District (TCWD) is reclaimed water produced from the Robinson Ranch Water Reclamation Plant (RRWRP).

## **PC 15**

Due to the lack of solids handling capacity at the Coastal Treatment Plant (CTP), allocation methodology is based on flows to the treatment plant. In addition, there are no current flow meters installed to account for any flow sent to CTP from MNWD, so no flow is being accounted for in this PC flow allocation methodology. The City of Laguna Beach (CLB) is the average annual flow into CTP (metered). The Emerald Bay Services District (EBSD) is the average annual flow into CTP (calculated from monthly meter read from the lift station divided by the days in the month). The South Coast Water District (SCWD) is the average annual flow into CTP (metered). The meter calibration is performed annually in June.

## **PC 17**

The final use audit will be for FY 24-25 due to the reorganization agreements. The method is therefore included in this policy for memorialization.

PC 17 has liquid and solids contribution. The liquid flow allocation is based on influent flow to the plant. The influent flow is solely contributed by the MNWD. Due to liquid flow from CTP, the centrate flow is divided by 5 and distributed to each agency, then summed to create a total liquid flow to RTP. The flows are then distributed on a proportional basis. The solids contribution is based on the total daily average pounds contributed by each agency distributed proportionally. The meter calibration is performed annually in June.

## **Review and Adjustment**

Budgeted administrative costs may be adjusted mid-year as necessary to ensure accurate cost allocation, with all adjustments promptly communicated to member agencies. This policy undergoes periodic review during the budget development process, allowing for modifications based on operational changes, financial circumstances, or evolving Member Agency needs. Changes to this policy may only be made by the unanimous consent of all the Participating Member Agencies as set forth in Section 6.3.1 of the SOCWA Joint Powers Agreement.

Budget Allocation Template

O&M by Project Committee and Member Agency												
	City of Laguna Beach	City of San Clemente	El Toro Water District	Emerald Bay Service District	IRWD (C.O. ETWD)	MNWD (C.O. ETWD)	Moulton Niguel Water District	Santa Margarita Water District	MNWD (C.O. SMWD)	South Coast Water District	MNWD (C.O. SCWD)	Total
PC02 Ownership % per Agreement								53.00%			47.00%	100%
PC05 Ownership % per Agreement		16.62%							64.55%		18.83%	100%
PC 8 - Pretreatment Program												
PC 12 SO - Water Reclamation Permits												
PC15 ownership % per Agreement	41.89%			4.41%						53.71%		100%
PC 17 - Joint Regional Wastewater Reclamation												
PC21 - Effluent Transmission Main Reach B/C/D			50.00%		50.00%							
PC21 - Effluent Transmission Main Reach E			23.29%		23.29%	53.42%						
PC 23 - North Coast Interceptor	95.88%			4.12%								
PC24 ownership % per Agreement	11.00%		16.30%	0.78%	15.76%	43.85%				12.31%		100%
Percentage of each Member Agency as a Total of O&M before Admin, GF, UAL, and OPEB	10.62%	1.28%	0.84%	1.12%	1.08%	2.14%	5.83%	34.83%	0.46%	28.22%	13.58%	

Admin Cost & General Fund Allocation Percentages Based on O&M before UAL, & OPEB												
PC 2 - Jay B. Latham Plant								86.94%		48.17%	97.63%	57.13%
PC 5 - San Juan Creek Ocean Outfall		65.63%						8.04%		2.23%	2.37%	5.06%
PC 8 - Pretreatment Program	1.31%	34.37%	4.86%	3.08%	28.43%		8.56%	2.02%		1.23%		2.51%
PC 12 SO- Water Reclamation Permits							11.30%	3.00%		1.07%		2.00%
PC 15 - Coastal Treatment Plant/AWT	93.63%			93.52%						45.17%		23.74%
PC 17 - Joint Regional Wastewater Reclamation							80.15%					4.67%
PC 21 - Effluent Transmission Main												0.00%
PC 23 - North Coast Interceptor												0.00%
PC 24 - Aliso Creek Ocean Outfall	5.06%		95.14%	3.41%	71.57%					2.13%		4.89%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

UAL & OPEB by Project Committee and Member Agency												
PC 2 - Jay B. Latham Plant								\$		\$		
PC 5 - San Juan Creek Ocean Outfall		\$						\$		\$		
PC 8 - Pretreatment Program	\$	\$	\$	\$	\$		\$	\$		\$		
PC 12 SO- Water Reclamation Permits							\$	\$		\$		
PC 15 - Coastal Treatment Plant/AWT	\$			\$						\$		
PC 17 - Joint Regional Wastewater Reclamation							\$					
PC 21 - Effluent Transmission Main												
PC 23 - North Coast Interceptor												
PC 24 - Aliso Creek Ocean Outfall	\$		\$	\$	\$					\$		\$
Total UAL & OPEB by PC & Member Agency	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Budgeted UAL & OPEB Rates by Member Agency	10.72%	0.70%	3.44%	0.47%	0.75%		43.99%	20.97%		18.96%		100%

# Agenda Item

# 7

**Finance Committee Meeting**

**Meeting Date:** August 19, 2025

**TO:** Finance Committee

**FROM:** Amber Boone, General Manager

**SUBJECT:** Financial Policies Updates

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## Overview

On April 8, 2025, the SOCWA Executive Committee met to review the SOCWA Policy Handbook. The Executive Committee recommended that the SOCWA Finance Committee review the SOCWA Policies that have a financial impact on the organizational standard business practices.

SOCWA staff has included the updated policies for review and direction. The list of SOCWA Policies is included below for reference.

1. Capitalization and Depreciation of Facilities & Equipment
2. Disposal of Surplus Property
3. External Auditor
4. Travel and Expense Reimbursement

**Recommended Action:** Committee Discussion, Direction, or Action.

Attachment: Capitalization and Depreciation of Facilities & Equipment Policy  
Disposal of Surplus Property Policy  
External Auditor Policy  
Travel and Expense Reimbursement Policy

# Policy Establishing Guidelines or Capitalization and Depreciation of Facilities & Equipment

Updated April 2025

## Purpose of Policy

To establish a systematic and rational system of accounting which aims to track the cost of tangible and intangible capital assets or groups of assets in compliance with Generally Accepted Accounting Principles ("GAAP") and relevant Governmental Accounting Standards Board ("GASB") pronouncements. It should be realized that depreciation is not a precise measurement of expense since all factors including the method, useful life, and salvage value are based on reasonable estimates.

## General Policy

~~A Capitalization policy is hereby established~~The South Orange County Wastewater Authority ("Authority") hereby establishes this capitalization policy to properly account for the monetary recording and depreciation of completed Capital Projects, Plant Equipment, Office Equipment, Laboratory Equipment, Technology Assets, and Intangible Assets. These recordings will be known as Capital Asset and Depreciation Schedules. ~~The policy~~This Policy will establish criteria that determine what is to be considered an asset for monetary recording purposes.

While these schedules will mainly be used for tracking costs and depreciation of certain assets, they may also be used to determine budgetary demands and useful life of various equipment and assets. Adhering to Project Committee policies, no depreciation for any assets will be funded through the ~~Agency's~~Authority's budget process. All assets will be depreciated on a straight-line basis.

The ~~Agency~~Authority shall maintain proper internal controls for safeguarding of all ~~Agency~~Authority assets. The ~~Agency~~Authority shall comply with all applicable legal requirements ~~including but not limited to California Government Code Sections 6500-6599.3 (Joint Exercise of Powers Act)~~, relevant GASB pronouncements, and other applicable federal, state, and local regulations. In the event of any conflict between GASB and this Policy, GASB will control.

## Definitions

**Capital Projects Construction** – ~~For purposes of this policy shall mean actual~~Actual physical projects completed, including the costs of studies directly related to the projects and done in conjunction with the construction of said projects, for the upgrade or rehabilitation of physical equipment currently owned by the ~~Agency~~Authority.

**Capital Projects Studies** – ~~For purposes of this policy shall mean the analysis~~Analysis and completed reports for possible physical projects that are not to be undertaken within six months of the completion of said analysis.



**Plant Equipment** – ~~For purposes of this policy shall mean actual~~Actual physical equipment that may or may not be part of the physical plant. This includes, but is not limited to: pumps, motors, vehicles, and small infrastructure.

**Depreciation** – Systematic allocation of the cost of a capital asset over its estimated useful life.

**Useful Life** – A period of time that each piece of equipment or asset should normally last before having to be replaced. This will vary depending on the type of equipment or asset, the general environment surrounding the equipment, and the actual use of the equipment.

**Intangible Assets** – Assets that lack physical substance, have a useful life extending beyond a single reporting period, and are nonfinancial in nature (e.g., software licenses, easements, patents).

**Technology Assets** – Computer hardware, software, telecommunication equipment, and other information technology resources.

**Impairment** – A significant and unexpected decline in the service utility of a capital asset.

## Capital Projects

### Construction Projects

All construction projects, upon completion and actual start-up of the equipment, will be capitalized and depreciated. The capitalized cost to be recorded and depreciated will include, but not be limited to: studies, design, construction and all equipment, construction management, legal, and administration expenses related to the project.

Direction from the ChiefSenior Engineer ~~and the Capital Improvement Projector other Department Head as assigned by the General~~ Manager will be sought to determine the useful life of the equipment installed for purposes of depreciation. These assets shall be properly accounted for on the Agency's Authority's books and depreciated over the useful life of the asset.

Repairs to existing fixed assets will generally be expensed and not subject to capitalization. Improvements to existing fixed assets will be presumed to extend the useful life of that fixed asset only if the cost of the improvement meets the \$5,000 threshold noted under section 5.

### Project Studies

All studies or analyses that may be used to start Capital Construction Projects within 6 months will be deemed to have a useful life of three years. They will be considered assets and depreciated over their useful life. If the construction project starts before three years is up, the value of the study will be added to the construction project and depreciated over the life of the equipment installed.

## Plant Equipment

All Plant Equipment purchased through operational budgets, with a value of \$5,000 or more and a useful life of more than three years shall be considered as a depreciable asset. This

Capitalization threshold is applied to individual units of fixed assets. In other words, each quantity of one will need to meet the threshold.

The ~~Superintendent and the~~ Chief Engineer or other Department Head as assigned by the General Manager will determine the useful life of any piece of Plant Equipment. These assets shall be properly accounted for on the Agency's Authority's books and depreciated over the useful life of the asset.

Repairs to existing fixed assets will generally be expensed and not subject to capitalization. Improvements to existing fixed assets will be presumed to extend the useful life of that fixed asset only if the cost of the improvement meets the \$5,000 threshold.

## Office Equipment

Office Equipment will incorporate, but not be limited to: office furniture, cabinets, copiers, phone equipment, and other non-technology office infrastructure. All Office Equipment purchased through operational budgets, with a value of \$5,000 or more and a useful life of more than three years shall be considered as a depreciable asset.

This threshold will not be applied to components of fixed assets. For example, when purchasing a complete furniture system, all components will be considered one asset. The General Manager or designee will determine useful life of any piece of Office Equipment.

These assets shall be properly accounted for on the Agency's Authority's books and depreciated over the useful life of the asset. Repairs to existing fixed assets will generally be expensed and not subject to capitalization. Improvements to existing fixed assets will be presumed to extend the useful life of that fixed asset only if the cost of the improvement meets the \$5,000 threshold.

## Laboratory Equipment

Laboratory Equipment will include, but not be limited to: analytical instruments, measurement devices, testing apparatus, sampling equipment, laboratory-specific furniture, and specialized scientific tools used for water quality testing, environmental monitoring, or other scientific procedures.

All Laboratory Equipment purchased through operational budgets, with a value of \$5,000 or more and a useful life of more than three years shall be considered as a depreciable asset. For specialized laboratory systems where multiple components function together as an integrated analytical unit, the components may be grouped together to meet the threshold.

The Environmental Service Lab Manager or ~~designee~~ other Department Head as assigned by the General Manager will determine the useful life of any Laboratory Equipment, which typically ranges from 5-10 years depending on the type of equipment, technological advancement in the field, and regulatory requirements. Calibration, maintenance, and normal repairs to Laboratory Equipment will generally be expensed and not subject to capitalization.



Special consideration shall be given to Laboratory Equipment that may require:

1. Regular recertification or calibration to maintain regulatory compliance
2. Specialized maintenance contracts with manufacturers
3. Replacement due to changes in regulatory testing requirements

The [Agency Authority](#) shall maintain appropriate documentation for all Laboratory Equipment used for regulatory compliance purposes, including calibration records, maintenance logs, and certification documentation in accordance with applicable regulatory requirements.

## **Technology Assets**

### **Hardware**

All computer hardware, including but not limited to servers, desktop computers, laptops, tablets, and network equipment with a value of \$5,000 or more individually and a useful life of more than three years shall be considered as a depreciable asset. For integrated computer systems where components work together as a system, the components may be grouped together to meet the threshold.

The Chief Technology Officer or designee will determine the useful life of any technology hardware, which generally ranges from 3-5 years.

### **Software and Licenses**

Software and license purchases or subscriptions with a value of \$5,000 or more and a useful life of more than one year shall be capitalized as intangible assets. This includes purchased software, software licenses, and internally developed software.

Software maintenance agreements and subscription-based software services shall be expensed unless they meet the criteria for capitalization as intangible assets.

## **Capitalization of Intangible Assets**

In accordance with GASB Statement No. 51 and subsequent updates, intangible assets with a value of \$5,000 or more and a useful life of more than one year shall be capitalized. These include but are not limited to:

1. Software licenses
2. Patents and copyrights
3. Easements and rights-of-way
4. Water rights
5. Other non-physical assets with future economic benefit

Internally generated intangible assets shall be capitalized in accordance with GASB Statement No. 51, which requires capitalization only after the following criteria are met:

- Determination of the specific objective of the project and the nature of the service capacity expected
- Demonstration of technical or technological feasibility
- Demonstration of the intention, ability, and ongoing effort to complete or continue development

## **GASB Compliance**

### **Asset Impairment**

In accordance with GASB Statement No. 42 and subsequent updates, the [Agency Authority](#) shall evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment has occurred. Impaired assets shall be written down and losses recognized in the financial statements according to GASB requirements.

### **Component Units**

Assets owned by component units of the [Agency Authority](#) shall be accounted for in accordance with GASB Statement No. 14, as amended by GASB Statements No. 39, 61, and subsequent updates.

### **Financial Reporting**

Capital assets shall be reported in the government-wide financial statements in accordance with GASB Statement No. 34 and subsequent updates. Adequate disclosure shall be made in the notes to the financial statements regarding capitalization thresholds, depreciation methods, and other required information.

## **Asset Tracking and Inventory**

The [Agency Authority](#) shall maintain detailed records of all capital assets, including descriptions, locations, acquisition dates, costs, useful lives, depreciation, and other relevant information. A physical inventory of all capitalized assets shall be conducted at least once every two years and reconciled with the asset records.

Each department head shall be responsible for safeguarding the assets assigned to their department. The Finance Department shall maintain the master asset records for the [Agency Authority](#).

## **Disposition of Assets**

When capital assets are sold or otherwise disposed of, the asset records shall be relieved of the cost of the asset and the associated accumulated depreciation. Any difference between the net



book value of the asset and the proceeds from the disposition shall be recognized as a gain or loss in the financial statements.

Disposition of assets shall comply with all applicable laws and regulations, including California Government Code ~~Sections 54220-54233~~[Section 54220 et seq.](#) regarding surplus land and California Government Code ~~Sections 54220-54233.5~~[Section 54235 et seq.](#) regarding surplus [residential](#) property.

## Policy Revisions

This document will be maintained and revised by the executive management staff in consultation with the [Agency's Authority's](#) legal counsel. Revisions will occur whenever applicable federal, state or local regulations change or otherwise as the need arises, but no less frequently than every five years.

## Policy Approval and Adoption

This [policy](#)~~Policy~~ has been reviewed by the [Agency Authority](#) Board of Directors and adopted by Resolution No. XXXX-XX on May 1, 2025, superseding all previous versions.

# Policy for the Disposal of Surplus Property

Updated April 2025

## Purpose of Policy:

The ~~JPA's~~Authority's Board of Directors has adopted this Policy for the Disposal of Surplus Property establishing the procedures to be followed for the final disposition of surplus property.

## General Policy:

The South Orange County Wastewater Authority ("Authority" or "SOCWA") must periodically dispose of surplus property when it is either no longer repairable, no longer economical, being replaced with newer equipment, no longer needed, or has reached the end of its serviceable life.

The determination of what item is surplus and no longer usable or required by the ~~JPA~~Authority is made by the Department Head where the asset was used, with concurrence and final approval of the General Manager.

Under this policy, the ~~JPA~~Authority Board of Directors authorizes the General Manager to approve the disposal of surplus property with individual residual salvage values equal to or less than \$50,000, excluding any real property, water rights, easements, and rights of way, regardless of value. Individual surplus items with values in excess of \$50,000 shall require approval and authorization of the Board of Directors prior to disposal.

## Classification of Surplus Property:

Once an item or asset has been identified as being surplus, the ~~department director~~Department Head will classify the surplus property into one of four categories:

- **Miscellaneous:** Office furniture, office equipment, computers, machinery (including treatment process equipment), tools, and other small items.
- **Vehicles/Rolling Stock:** All vehicles, trailers, carts, or other types of rolling stock.
- **Technology Equipment:** Computers, servers, telecommunications equipment, mobile devices, and other electronic equipment.
- **Scrap:** Anything owned by the ~~JPA~~Authority that is determined to be of more value for its components or materials of construction than as a functioning item.

## Responsibility:

It is the responsibility of the Finance Department, under the direction of the ~~department director~~Department Head where surplus property belonged, to conduct the disposal of surplus property in accordance with the procedures set forth in this ~~policy~~Policy. The method used by the ~~JPA~~Authority to dispose of surplus property must be approved by the General Manager ~~or Deputy General Manager~~.

## Disposal Methods:

### Public Auction

- All miscellaneous items that are still in usable condition and all vehicles regardless of their condition will be sold at a public auction. The preferred method of public auction shall be to utilize a third-party provider who specializes in the public sale of surplus equipment, including online auction platforms when appropriate. The auction company must be bonded and compliant with California Civil Code section 1812.600 et seq.
- In the event surplus material does not sell at a public auction, the surplus material may be sold for scrap value, recycled, or disposed of as waste.
- JPA Authority employees who do not participate in the process of determining what items are selected for disposal as surplus property may bid on items sold at auction by third-party vendors. However, employees who determine which items are surplus, or employees who implement any portion of this policy, are prohibited from bidding on surplus Authority items.
- In the event the JPA Authority chooses not to utilize a third-party vendor to conduct sales, no JPA Authority employee may bid on or purchase surplus items.

### Technology Equipment

- All technology equipment must be properly wiped of data and software in accordance with the JPA Authority's IT security policies prior to disposal.
- Technology equipment with remaining useful life may be sold at auction, offered to other public agencies, or donated to educational institutions.
- Obsolete technology equipment should be recycled through certified e-waste recyclers.

### Scrap Material

- When a ~~department head~~Department Head determines surplus items have negligible value, or the components of an item are worth more than the item as a whole, the ~~Contracts and Procurement Administrator~~General Manager or designee shall obtain at least two bids from scrap yards and shall select the vendor who provides the most value to the JPA Authority.
- Value to the Authority shall be determined by several factors which may include ease of disposal, transportation costs, compliance with applicable rules and regulations, and dollar value of the surplus item(s).
- JPA Authority employees may not bid on or purchase scrap material.

## Recycling

- When surplus items or materials cannot be sold at auction or as scrap, a reasonable effort should be made to recycle material that is recyclable in accordance with California recycling regulations.

## Donation

- When an item is not otherwise disposed of as listed above, items may be offered for donation to:
  - Local public schools ~~operating under the Department of Education~~
  - California Special Districts
  - Other California ~~JPA~~public agencies
  - Not-for-Profit Organizations with appropriate tax-exempt status
- All donations must be documented with appropriate receipts and approvals.

## Transfer to Other Public Agencies

- Surplus property may be transferred to other California public agencies when in the best interest of the ~~JPA~~Authority.
- Such transfers shall be conducted in accordance with California Government Code provisions applicable to Authority.

## Waste

- When, in the determination of the General Manager, surplus items are not able to be disposed of by one of the methods above, the item may be destroyed or disposed of as the General Manager sees fit, in accordance with all applicable environmental regulations.
- Prior to disposal, the Authority will determine whether the surplus waste contains any hazardous materials, and if hazardous materials are identified, the Authority shall appropriately segregate, label, document and dispose of such hazardous waste in compliance with all applicable law.

## Disposal Procedures

### Vehicles:

As vehicles are rotated out of fleet services, the ~~Superintendent or Department Head or General Manager's~~ designee will complete and ~~forward~~file the Obsolete Vehicle Form in the business network.

The following information is required on the Obsolete Vehicle Form:

- Make, ~~Model, and Vehicle Identification~~model, and vehicle identification number
- ~~JPA~~Authority asset number (if appropriate)

- Odometer reading
- Estimated residual value
- Reason the ~~Vehicle~~vehicle is no longer needed
- Signature of the ~~Superintendent~~General Manager indicating the vehicle is no longer needed and is surplus property
- Documentation of emissions compliance status when applicable

The following steps are completed ~~by the Contracts and Procurement Administrator~~ in preparation and disposition of obsolete vehicles:

- Receive Obsolete Vehicle Form ~~from Operations Department~~

~~and update~~ ~~Update form~~ with as much information as possible

- Provide copy of Obsolete Vehicle Form to ~~JPA Controller~~Finance Department advising the vehicle will be disposed of
- Obtain ~~Vehicle~~vehicle pink slips from Finance Department
- Determine proper ~~Disposal Method~~disposal method and obtain approval for disposal from General Manager
- Assure that all ~~JPA Authority~~ paperwork, tools, equipment, and any ~~JPA Authority~~ emblem(s) have been removed from the surplus vehicle
- Contact auction house(s) or online auction platforms
  - Designate date for removal of vehicles
- Once the vehicle is sold:
  - File Release of Liability with the Department of Motor Vehicles
  - Notify ~~Insurance Company that Vehicle~~insurance company that vehicle is no longer owned by the ~~JPA Authority~~
  - Any payments received are forwarded to the Finance Department

### **Miscellaneous and Technology Equipment:**

The appropriate ~~department head or~~Department Head or General Manager's designee will complete and ~~forward~~file the Surplus Material Authorization Form ~~to~~in the ~~Contracts and Procurement Administrator~~business network.

The following information is required on the Surplus Material Authorization Form:

- Physical description of item
- ~~JPA Authority~~ Asset Number (if appropriate)

- Estimated equipment hours or run time (if applicable)
- Estimated residual value
- Reason the item is no longer needed
- Signature of the department head indicating the item is no longer needed and is surplus property
- For technology equipment: confirmation that all data has been properly removed

The following steps are completed ~~by the Finance Department~~ in preparation and disposition of miscellaneous ~~and technology~~ surplus property:

- Receive Surplus Material Authorization Form ~~from department head~~

~~and update Update form~~ with as much information as possible

- Provide copy of Surplus Material Authorization Form to ~~JPA Controller Finance Department~~ advising the item will be disposed of
- Determine proper ~~Disposal Method~~ disposal method and obtain approval from General Manager
- Contact auction house(s) or other appropriate disposal channels
  - Designate date for removal of item(s)
- Once the item is sold/disposed of:
  - Any ~~Payments~~ payments received are forwarded to the Finance Department
  - Documentation of proper disposal is filed

## Environmental Considerations:

The ~~JPA Authority~~ will ensure that all disposal methods comply with current environmental regulations, including but not limited to:

- California E-Waste Recycling Act
- California Integrated Waste Management Act
- Resource Conservation and Recovery Act (RCRA)
- All applicable local ordinances

## Finance Department Responsibilities:

Once the Finance Department receives either the Obsolete Vehicle Form or the Surplus Material Authorization Form, ~~they~~ it will make a determination as to whether the vehicle, item, or material to be sold is carried on ~~JPA Authority~~ books as an asset.

In cases where the item is a booked asset, the Finance Department will:

- Make the necessary adjustments to remove the item from the asset list
- Determine the appropriate allocation to be used to distribute the proceeds from the sale of the asset to the appropriate Project Committee General Fund
- Document the disposition in accordance with GASB requirements

Upon receipt of proceeds from the sale of the item, the Finance Department will credit the proper account fund. Unless otherwise provided by law or ~~JPA~~Authority agreement, all sums received from the disposal of property of the ~~JPA~~Authority not credited to a Project Committee General Fund shall be applied to the General Fund of the ~~JPA~~Authority.

## **Reporting:**

The General Manager shall provide an annual report available for viewing by the Board of Directors summarizing all surplus property disposals from the previous fiscal year, including method of disposal and proceeds received.

## **Compliance With California Law:**

This policy shall be implemented in accordance with all applicable California laws governing disposal of public agency property, including but not limited to relevant sections of the California Government Code ~~applicable to JPA's~~.

## **Policy Approval and Adoption**

This ~~policy~~Policy has been reviewed by the ~~Agency~~Authority Board of Directors and adopted by Resolution No. XXXX-XX on May 1, 2025, superseding all previous versions.

# External Auditor Policy

Updated April 2025

## Purpose of Policy

The purpose of the External Auditor Policy is to set forth ~~the procedures and~~ guidelines for the selection of an external audit firm ~~to provide audit services~~ for the South Orange County Wastewater Authority's ("Authority") Authority annual independent audits.

## General Policy

It is the policy of the Authority SOCWA ("Authority") to provide for strict accountability of all funds and report of all receipts and disbursements, and to comply with all financial audit requirements and ~~to~~ present financial statements in accordance with generally accepted accounting principles. The Authority is committed to obtaining independent audits of its financial statements performed with ~~the~~ appropriate professional auditing standards as required by law. Audits play a vital role in the public sector by helping to preserve the integrity of public finance functions.

When hiring an external audit firm, it is the policy of the Authority to require in the contract that: ~~the auditor~~ (1) The audit be made by a certified public accountant or public accountant licensed by, and in good standing with, the California Board of Accountancy, and (2) The audit conform to the independent ~~tee~~ standards promulgated in the General Accounting Offices Government Auditing Standards, even for audit engagements that are not otherwise subject to generally accepted government auditing standards.

The Authority will consider entering into multiyear agreements of up to six consecutive fiscal years in duration when obtaining the services of independent auditors ~~with its competitively procured external audit firms.~~<sup>1</sup> ~~(Except as set forth in this Policy, the Authority will utilize its Procurement Policy in selecting an external auditor.)~~ Such agreements allow for greater continuity and help to minimize the potential for disruption in connections with an independent audit. Multiyear agreements can also help to reduce audit costs. However, contract duration may be set with potential for yearly, or multi-year renewed options based on qualifications, experience, and overall satisfaction with performance. ~~Provided however, that~~ Authority shall direct its counsel to make recommendations for revision s to Audit services s based on changes in law or recommended standards.

The Authority shall not employ a public accounting firm to provide audit services if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for the Authority for six (6) consecutive years. Government Code §12410.6.

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<sup>1</sup> Except as set forth in this Policy, the Authority will utilize its Procurement Policy in selecting an external auditor.



After an audit is received and filed by the Authority Board of Directors, a report thereof shall be filed as public records with each of the Authority's Member Agencies, and also with the Orange County Auditor-Controller, and shall be sent to any public agency or person in California that submits a written request to the Authority. The report shall be filed within 12 months of the end of the fiscal year or years under examination.

~~The attached contract procurement procedures will apply to the selection of the Authority's independent auditors.~~

~~It is the Policy of the Authority that a~~ The General Manager or their designee shall ensure that any internal control deficiencies identified in an audit ~~are issued internal control deficiencies shall be corrected within six (6) months of the audit being received and filed by the Board of Directors, and following subject to Authority Board's direction and~~ consideration of other appropriate actions ~~and as directed by the Authority Board.~~

## **Policy Revisions**

~~This document may be revised upon approval by the~~ The Authority Board of Directors may revise or amend this policy at its discretion. Revisions will be recommended ~~Staff will recommend revisions~~ whenever applicable Federal, State or Local Regulations change, or otherwise as the need arises. The General Manager is authorized to implement any procedure ~~procedures~~ under this Policy so as to comply to ensure compliance with law and ~~the~~ State Guidelines, with any ~~Any~~ change to this Policy ~~necessitated thereby to~~ must be ~~be~~ ratified by the Board on a timely basis.

## **Policy Approval and Adoption**

This ~~policy~~ Policy has been reviewed by the ~~Agency~~ Authority Board of Directors and adopted by Resolution No. XXXX-XX on May 1, 2025, superseding all previous versions.

# Policy Establishing Guidelines for Travel and Expense Reimbursement

Updated April 2025

## Purpose of Policy

The purpose of this travel and expense policy is to set forth the procedures governing reimbursement for reasonable and necessary travel expenses and to establish certain procedures concerning travel authorization, documentation, and accounting in accordance with California Government Code Sections 53232.2 and 53232.3.

## General Policy

To advance training, professionalism, and further the interests of the SOCV/JASouth Orange County Wastewater Authority ("Authority" or "SOCWA"), the Authority's Board of Directors authorizes attendance at "authorized-activities"Authorized Activities such as seminars and conferences by its employees and members. In addition, employees and members are sometimes required to travel both in and outside the State to conduct official Authority business. The Authority's objectives are to allow participation in authorized-activitiesAuthorized Activities and official Authority business that: 1) are moderate, reasonable, and necessary; 2) provide uniform travel and expense treatment among employees and members; and 3) ensure that members receive advance authorization from the Board of Directors and that employees receive advance authorization from the General Manager or applicable department-headDepartment Head for travel and expenses.

## Definitions

**Authorized Activities** - MeetingsEducation, training or advocacy activities which relate to the Authority's business, have been approved in advance by the Board of Directors. General Manager or Department Head, and consist of: meetings with other agencies or cities, counties, or their staff; meetings with community groups with-interests-related-to-Authority-business, or their staff; meetings with administrative or regulatory agencies, or their staff; meetings with legislators, or their staff; and conferences and seminars.

**Conference** - Any organized function (including training classes, professional organization meetings, ethics training, and other business meetings) that employees and members may attend that would benefit the Authority in some manner as determined by the Board of Directors, the General Manager, or Department HeadsHead.

**Seminar** - A small group of professionals engaged in study, dialogue, or original research meeting regularly to exchange information and hold discussions.

**Member Agency** - Any public-agency-that-ismember of the Authority Board of Directors who is acting in their official capacity as a member of the Joint-Powers-Authority.

## General Policy Guidelines

Decisions as to what travel is authorized are generally made through the budget formulation and Board of Directors review process. The necessity for travel and the mode of travel to be reimbursed will be determined after consideration of the availability and efficacy of remote participation such as video and/or phone conference. Only travel expenses related to Authorized Activities or other official business will be reimbursed by the Authority.

Employees and members are expected to exercise good judgment and a regard for economy when incurring travel expenses.

Whenever possible, the Authority will prepay airfares, lodging costs, and conference registration fees. The General Manager or Department Head must approve all such payment requests in advance of any travel. Prepaid travel expenses may be made with an Authority credit card or from the employee's personal credit card. Transportation and lodging costs must not be purchased using personal "rewards" credits or points; such rewards or credits do not translate to a cash value to be reimbursed by the Authority.

When traveling on official Authority business or for authorized activities ~~Authorized Activities~~, employees and members are encouraged to utilize their personal credit cards and/or cash for all expenses, other than those mentioned in paragraph D, and then to request reimbursement for such expense. However, in circumstances where the use of such credit cards and/or cash is deemed impractical, and where the total expense is expected to exceed one hundred dollars (\$100.00), the Authority may provide an advance of funds. Such advance shall not exceed one hundred percent (100%) of the total estimated expense.

Within fifteen (15) working days after completion of a trip, a travel expense report must be submitted to the Authority's Finance Department along with original receipts documenting lodging, rail or air fare, car rental, ride-share or taxi fare, parking fees, meals, conference registration fees, and any other expense for which reimbursement is requested. Adequate detail will be provided in the receipts to explain all expenses. All expenses shall be submitted on an expense report form approved by the Authority.

A companion may accompany the employee or member on an official trip, provided that his/her presence does not detract from the employee's or member's performance of duty or duties. The Authority will not reimburse any expenses attributable to any companion.

In any situation where extraordinary travel expenses are expected to be incurred, or where this Policy does not adequately cover the situation or would work an undue hardship, the General Manager must authorize an exception in writing, in accordance with all legal restrictions.

All expense reimbursement records are public records subject to disclosure under the California Public Records Act (Government Code Section 62-W7920.000 et seq.).

All member expenses that do not fall within this Policy or the IRS reimbursable rates established in Publication 463 (or successor), shall be approved in advance by the Board of Directors, in a public meeting.

## Transportation Guidelines

An employee or member may use any mode of transportation including airline, railroad, bus, or automobile. Reimbursement will be based on the parameters outlined in Sections-5B-5F~~this~~ Section 5. Notwithstanding any other term in this Policy, the total daily transportation rate shall not exceed \$600.

Travel shall be by the most direct route. If an indirect route is used, any additional costs shall be at the employee's or member's personal expense. Whenever air travel is used, advance notice shall be provided in order to receive the most cost-effective ticket price. If "government" and/or "group" rates are available for transportation costs, they shall be utilized.

Air travel reimbursement shall be limited to "coach" or "economy" fares where such service is available. Travel to and from airports shall be by the most cost-effective method.

Reimbursement for the use of private cars shall be at the rate established by the Internal Revenue Service (IRS) if the round trip does not exceed 300 miles. For trips longer than 300 miles, including trips by employees that receive an Authority car allowance, reimbursement shall be limited to the lesser of the IRS rate, or coach fare for air travel. Employees assigned and driving a company vehicle may not be reimbursed for mileage. Employees who drive a personal vehicle and receive a car allowance from the Authority may not also be reimbursed for mileage unless the employee provides evidence that the employee's mileage expenses exceed the allowance, in which case the employee will only be reimbursed for the excess expense. No reimbursement other than mileage reimbursement shall be made for expenses incurred en route to/from the authorized activity or official Authority business, other than tolls or parking, whenever a personal vehicle is used.

Reimbursement for use of rental cars will be allowed only when such use has been approved in advance by the General Manager or Department Head, as deemed necessary to conduct assigned Authority business or authorized-activitiesAuthorized Activities. The Authority will pay only for the equivalent of a compact to full-size model and all other upgrades will be at the employee's or member's expense. The Authority will reimburse for collision/damage insurance on rental vehicles.

Travel in Authority vehicles by-employees may be approved when circumstances warrant it. When traveling in an Authority vehicle, Authority credit cards shall be used for the purchase of gas, oil, and other supplies necessary. These receipts shall note the license number of the vehicle used. If emergency repairs are necessary, every attempt shall be made to have the repairs charged to an Authority credit card. Whenever this is not possible, the employee or member to whom the car is assigned should pay for necessary repairs and seek reimbursement.

The use of rideshare services (such as Uber or Lyft) is authorized when it represents the most economical and practical means of ground transportation. Original receipts must be provided for reimbursement.

## Lodging Guidelines

It is expected that hotel and motel reservations will be made in advance whenever possible. Lodging will be secured at a published rate not to exceed the lower of any available "group" or "conference" rate for the event. "Government ratesrate", or comparable commercial rates, shall



~~be requested at hotels and motels offering these discounts in the event no "group" or "conference" discounted rate is available.~~ Notwithstanding any other terms in this Policy, the daily lodging rate shall be for a market value deemed by group rates standard room.

Reimbursement for lodging shall be limited to the minimum number of nights required to conduct the assigned Authority business or for the authorized activity. If an early morning activity or business meeting would require travel the night before, in order to be there on time, the employee or member may be reimbursed for lodging at or near the activity or business meeting location. If the activity or business extends beyond a time on the last day that would allow the employee or member to arrive home at a reasonable time, lodging at or near the activity or business location will be reimbursed in accordance with these guidelines. If an employee or member chooses for personal reasons to arrive earlier or stay later when traveling to/from an authorized activity or business meeting, the additional lodging and all other expenses related to this arrangement will be at the employee's or member's personal expense.

Generally, ~~an employee will not use~~ lodging is not a necessary expense unless the destination is more than 50 miles from the Authority's Administration Office, or the employee's or member's home (whichever is closer).

If ~~the employee's~~ spouse or other family members share the employee's or member's lodging, reimbursement will be limited to the lowest cost rate for ~~§...Single occupancy ef.#e..room-occupied.~~ In no event will the Authority incur any additional expense due to a companion's travel with the employee or member.

Any room service charges appearing on the lodging bill other than those covered under Section 6F, Section 7, and Section 8A.6, shall be the responsibility of the employee or member and shall be paid directly to the hotel or reimbursed to the Authority.

~~Business-related~~Any costs for telephone calls must be business related. Other local and long-distance telephone charges will be covered only when such calls are made in conducting official Authority business.

Internet access fees at lodging facilities will be reimbursed when used for Authority business purposes.

## Meal Reimbursement Guidelines

When meals are associated with Executive Team member or employee travel, the following policies and procedures will apply:

1. Reimbursement for breakfast and dinner meals shall not apply to trips that do not require an overnight stay, except under the following circumstances: (a) a breakfast or dinner meeting is arranged prior to or just after the conference to conduct Authority business or discuss Authority-related matters; ~~aAfor~~ (b) the meeting or conference runs late requiring the employee or member to arrive home later than anticipated. Maximum daily allowances to cover such meals, not including meal tips, will be \$30.00 for breakfast, \$35.00 for lunch, and \$65.00 for dinner, not to exceed \$130.00 per day whenever an overnight stay is not required. No reimbursement shall be made for alcohol.

2. For travel that requires more than a full day, meal reimbursements shall be limited to a maximum of \$130.00 per day, not including meal tips or room service fees, with no single meal exceeding \$65.00. If a receipt is to be split between two or more employees\_Q[[members](#)], then the names of each, along with their respective charges, is to be noted on the original detailed receipt before copies are made. No reimbursement shall be provided for meals hosted by others or through conference attendance. Room service charges are a not a reimbursable expense.
3. Per IRS regulations, meal expenses incurred when there is no overnight stay are taxable to the employee as wages.

## Miscellaneous Expense Guidelines

For miscellaneous expenses associated with travel, employees [and members](#) will be reimbursed for all receipted business expenses necessary to conduct the assigned Authority business or authorized activity. Examples include:

1. Airport parking charges when air transportation is used.
2. Parking charges at the destination hotel or garage when transportation is by private car.
3. Airport bus charges or taxi fares where airport bus service is not available.
4. Conference registration fees.
5. Local transportation (only as required for official Authority business).
6. A reasonable amount will be allowed for laundry and dry cleaning for employees [and members](#) attending a conference of five days or more in length.
7. No reimbursement will be made for personal expenses such as newspapers, magazines, haircuts, shoeshine, personal telephone calls in excess of one per day, alcohol, in-room movie fees, and other incidental personal expenses.
8. Baggage fees for the first checked bag when traveling by air.
9. Wi-Fi or internet access charges when used for Authority business purposes.

## Policy Revisions

This document will be maintained and revised by the Authority management staff in consultation with the Authority's legal counsel and upon approval by the Authority's Board of Directors. Revisions will occur whenever applicable federal, State, or local regulations change, or otherwise as deemed necessary.

## Policy Approval and Adoption

This [Policy](#) has been reviewed by the SOCWA Board of Directors and adopted by Resolution No. [XXXX-XX] on May 1, 2025.