

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

**March 5, 2019  
10:30 a.m.**

NOTICE IS HEREBY GIVEN that a Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance / Engineering Joint Committee was called to be held on **March 5, 2019** at **10:30 a.m.** 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 (I.E., ACCESS TO AN AMPLIFIED SOUND SYSTEM, ETC.) PLEASE CONTACT THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY SECRETARY'S OFFICE AT (949) 234-5421 AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING. THIS AGENDA CAN BE OBTAINED IN ALTERNATE FORMAT UPON WRITTEN REQUEST TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY'S SECRETARY AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING.*

*AGENDA EXHIBITS AND OTHER WRITINGS THAT ARE DISCLOSABLE PUBLIC RECORDS DISTRIBUTED TO ALL, OR A MAJORITY OF, THE MEMBERS OF THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY FINANCE COMMITTEE IN CONNECTION WITH A MATTER SUBJECT TO DISCUSSION OR CONSIDERATION AT AN OPEN MEETING OF THE FINANCE COMMITTEE ARE AVAILABLE FOR PUBLIC INSPECTION IN THE AUTHORITY OFFICE, 34156 DEL OBISPO STREET, DANA POINT, CA ("AUTHORITY OFFICE"). IF SUCH WRITINGS ARE DISTRIBUTED TO MEMBERS OF THE FINANCE COMMITTEE LESS THAN TWENTY-FOUR (24) 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 MEMBERS, EXCEPT THAT, IF SUCH WRITINGS ARE DISTRIBUTED IMMEDIATELY PRIOR TO, OR DURING, THE MEETING, THEY WILL BE AVAILABLE IN THE FINANCE COMMITTEE MEETING ROOM.*

**AGENDA**

- 1. Call Meeting to Order**
- 2. Pledge of Allegiance**
- 3. Public Comments**

*THOSE WISHING TO ADDRESS THE FINANCE COMMITTEE ON ANY ITEM LISTED ON THE AGENDA SHOULD SUBMIT A "REQUEST TO BE HEARD" FORM TO THE CLERK OF THE BOARD BEFORE THE PRESIDING OFFICER ANNOUNCES THAT AGENDA ITEM. YOUR NAME WILL BE CALLED TO SPEAK AT THAT TIME.*

## **FINCANCE / ENGINEERING JOINT COMMITTEE**

March 5, 2019

Page 2 of 3

### **4. Approval of Minutes**

The following Minutes are resubmitted due to revisions:

- a) Finance Committee Meeting Minutes of November 16, 2018
- b) Finance Committee Meeting Minutes of November 30, 2018
- c) Finance Committee Meeting Minutes of January 28, 2018

#### **Recommendation**

Staff recommends the Finance Committee approve revised Minutes as submitted.

### **5. Monthly Financial Report for January 2019**

- a) Summary of Disbursements for January 2019 (Exhibit A)
- b) Schedule of Funds Available for Reinvestment (Exhibit B)
  - LAIF Performance Report
- c) Schedule of Cash and Investments (Exhibit C)
- d) Capital Projects Summaries (Exhibit D)
  - Capital Projects – Graph (Exhibit D-1)
- e) Budget vs. Actual Expenses:
  - O&M Environmental Safety Costs Summary (Exhibit E-1)
  - O&M Environmental Safety Costs by PC (Exhibit E-1.2)
  - Residual Engineering, After Transfer to Capital (Exhibit E-2)
  - Comparison Administration (Exhibit E-3)
  - Comparison IT (Exhibit E-4)
  - FY2018-19 Fringe Pool and Rate Forecast (Exhibit 5)

#### **Recommendation:**

Staff recommends that the Finance Committee recommends to the Board of Directors to ratify the Summary of Disbursements for January 2019 totaling \$3,364,434 and to receive and file the Financial Reports as submitted.

### **6. Additional Cash Distribution by Project Committee and Member Agency Methodology**

Staff recommends that the Finance Committee recommends to the Board of Directors to receive and file the Additional Cash Distribution by Project Committee and Member Agency Methodology.

### **7. Status of the Regional Treatment Plant Co-Generation Upgrade Project (Separate Cover)**

#### **Recommendation**

Information Item

### **8. Report on Capital Cash, Returned Cash and Retained Cash**

#### **Recommendation**

The staff recommends that the joint Finance Committee and Engineering Committee concur in the recommendation to return Large Capital Cash and to retain Large Capital Cash consistent with the approach detailed in the attached Tables A, B, C including any adjustments due to activity through June 30, 2019.

**FINCANCE / ENGINEERING JOINT COMMITTEE**

March 5, 2019

Page 3 of 3

**9. Preview of Draft Capital Improvements Budget for Fiscal Year 2019/2020 (Separate Cover)**

**Recommendation**

Information Item

**10. Adjournment**

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

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

Dated this 28<sup>th</sup> day of February 2019.



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

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

**Finance Committee  
November 16, 2018**

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee Meeting was held on November 16, 2018, at 10:30 a.m. at their Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Finance Committee were present:

DENNIS ERDMAN	South Coast Water District
ROBB GRANTHAM	Santa Margarita Water District (arrived 10:40 am)
RAY MILLER	City of San Juan Capistrano
FRED ADJARIAN	El Toro Water District
MATT COLLINGS	Moulton Niguel Water District (exited 11:25 am)

Absent:

TONI ISEMAN	City of Laguna Beach
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Staff Present:

BETTY BURNETT	General Manager
MARY CAREY	Finance Controller
JIM BURROR	Director of Operations
AMBER BAYLOR	Director of Environmental Compliance
KONSTANTIN SHILOV	Sr. Accountant
NADYN KIM	Accountant
DANITA HIRSH	Administrative Assistant

Also Present:

GREG MOSER	Procopio
MARY BETH REDDING	Bartel Associates LLC (via teleconference)
LUIS MURILLO	Nyhart
DENNIS CAFFERTY	El Toro Water District
NEELY SHAHBAKTI	El Toro Water District
PAM ARENDS-KING	South Coast Water District

**1. Call Meeting to Order**

Chairperson Erdman called the meeting to order at 10:30 a.m.

**2. Pledge of Allegiance** – Director Fred Adjarian

**3. Public Comments**

None

Chairperson Erdman stated that there would be a change to the order of the agenda by addressing item 11 first in courtesy of the Actuarial consultants who were present to report on the GASB 75 and GASB 68.

**11. Government Accounting Standards Board Statement GASB 75 and GASB 68 Reporting for FY2017-18 Financial Statements Audit**

Ms. Carey provided a brief introduction of Luis Murillo of Nyhart and Mary Beth Redding of Bartel Associates who participated via teleconference.

Mr. Murillo gave a PowerPoint presentation on the GASB 75. An open discussion ensued.

Ms. Redding gave a PowerPoint presentation on the GASB 68 and how the changes would affect the Liability Pension. An open discussion ensued.

Director Collings suggested tabling the agenda item until the next year's (FY19-20) budget.

Ms. Arends-King, CFO for South Coast Water District, requested that a copy of the PERS evaluation report be distributed to the Finance Officers.

Ms. Carey would be distributing the report to SOCWA's Finance Officers via email.

Chairperson Erdman convened the meeting at 11:20 a.m. for a brief recess. The meeting reconvened at 11:31 a.m.

Director Collings exited the Finance Committee meeting at 11:25 a.m. for the remainder of the meeting. No Action was taken.

**4. Approval of Minutes**

Chairperson Erdman noted a correction to be made on the August 10, 2018 Minutes, under item 6, Financial Matters – Month of May 2018 Financials, that Director Miller was missing from the record as voting "Aye" on the approval of the item and asked that the Minutes be corrected.

**ACTION TAKEN**

Motion was made by Director Grantham and seconded by Director Miller to approve the Finance Committee Minutes for September 19, 2018, August 29, 2018, and June 27, 2018, as submitted, and Minutes for August 10, 2018, with correction as noted.

Motion carried:	Aye 4, Nay 0, Abstained 0, Absent 2
	Director Erdman           Aye
	Director Iseman           Absent
	Director Miller           Aye
	Director Grantham       Aye
	Director Collings       Absent
	Director Adjarian       Aye

Chairperson Erdman commented on the importance of reviewing the Minutes making sure they were correct for the record. He also stated, over the last two years since he had been on the Finance Committee, there had been minor omissions similar to the one just discussed. The Minutes are sent out in advance and that it is both staff and the Directors responsibility to assure the Minutes are accurate as possible. He stated, there will be times when documents will show up in places where accuracy will be very important as in the situation in Riverside.

This was an Information Item.

**5. Monthly Financial Report for June 2018**

Ms. Carey stated, only the Cash Disbursements needed to be ratified.

**ACTION TAKEN**

Motion was made by Director Grantham and seconded by Director Miller that the Finance Committee recommends the Board of Directors ratify the Cash Disbursements for the month of June 2018.

Motion carried:	Aye 4, Nay 0, Abstained 0, Absent 2
	Director Erdman Aye
	Director Iseman Absent
	Director Miller Aye
	Director Grantham Aye
	Director Collings Absent
	Director Adjarian Aye

Ms. Carey stated, the only thing that was done separately by month was the Cash Disbursements, because the Committee had to ratify Disbursements. The remaining Financial documents were informational only. All of the Financials were current year to date as of September 30 which was assessed for Q1 of the fiscal year. Staff recommended the Finance Committee ratify the disbursements for July, August and September 2018.

Director Erdman stated, unless the Committee objects, he would entertain a motion as a block for approval. He continued that the Committee would address agenda item 9 for the Quarterly reporting and then return to agenda items 6, 7, and 8 to take a motion to approve as a block.

**6. Monthly Financial Report for July 2018**

**7. Monthly Financial Report for August 2018**

**8. Monthly Financial Report for September 2018**

**ACTION TAKEN**

Motion was made by Director Adjarian and seconded by Director Grantham that the Finance Committee recommends to the Board of Directors to ratify agenda items 6, 7, and 8, the Summary of Disbursements for the period from July 1 through July 31, August 1 through August 31, and September 1 through 30, 2018.

Motion carried:	Aye 4, Nay 0, Abstained 0, Absent 1
	Director Erdman Aye
	Director Iseman Absent
	Director Miller Aye
	Director Grantham Aye
	Director Collings Absent
	Director Adjarian Aye

**9. Quarterly (Q1) Financial Reports July 1, 2018 thru September 30, 2018**

Ms. Burnett provided the Committee with a high-level overview of the Capital Project Summary July 1 through September 2018. She stated, the beginning part of the year has been slower on the capital spending side and is not unusual. There are 2 large projects of the PC-15 Capital. Page 57 shows the capital projects broken out by Project Committee for the year.

Director Grantham requested a joint meeting of the Finance and Engineering Committees to discuss capital project expenditures.

Ms. Carey went over the budget vs. actual cost expenditures on page 57 of the packet. Chairperson Erdman asked that before approving the monthly financial statements for July, August, and September 2018, whether Jim Burror, Director of Operations would provide comments on a few of the notes that were included in the reports.

Mr. Burror provided the following comments:

- 1) The new engines continue to impact our budgets. We are tracking time spend on CIP projects for labor – mostly engine support. Ferric and other operational costs increased more than expected in the project study phases, and we used this information for the FY18-19 budget.
- 2) Delays in completing the RTP engine project increased costs associated with the purchase of power and natural gas.
- 3) New employee costs - Training costs for new employees is as high as requested during the budget process. We will be talking about this some more during the upcoming budget process. We see that increased participation in industry activities to gain knowledge more quickly. I would recommend increasing both training and conference budgets to expedite the training process for the large group of new employees.
- 4) CIP Construction activities have been impacting budgets for items like the use of potable water at CTP. Activities for controlling dust can double our O&M budgets quickly. We will ask Engineering what they anticipate for the upcoming FY for both O&M employee and material resources.
- 5) Opportunity project costs are hard to anticipate during CIP shutdowns. We will try to do more review of projects during design related to assumptions for staff support, equipment operation expectation, and changes to plant operations.
- 6) We increased coordination with O&M, Engineering, and other agency projects due to conflicts all around. This can impact staff workload and O&M backlogs; we will continue to try to balance these competing demands for staff time.

Chairperson thanked Mr. Burror for providing insight and sharing his story with the Committee.

This was an information item.

#### **10. Cash Roll Forward Fiscal Years Summary June 30, 2016 through June 30, 2018, ending September 30, 2018**

Ms. Carey stated this is an information item.

#### **12. Adjournment**

There being no further business, Chairman Erdman adjourned the meeting at 12:20 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 November 16, 2018 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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Betty Burnett, General Manager/Secretary  
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY



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

**Finance Committee  
November 30, 2018**

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee Meeting was held on November 30, 2018, at 8:30 a.m. at their Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Finance Committee were present:

DENNIS ERDMAN	South Coast Water District
FRED ADJARIAN	El Toro Water District
MATT COLLINGS	Moulton Niguel Water District
TONI ISEMAN	City of Laguna Beach
RAY MILLER	City of San Juan Capistrano

Absent:

ROBB GRANTHAM	Santa Margarita Water District
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Staff Present:

BETTY BURNETT	General Manager
MARY CAREY	Finance Controller
JIM BURROR	Director of Operations
AMBER BAYLOR	Director of Environmental Compliance
KONSTANTIN SHILOV	Sr. Accountant
NADYN KIM	Accountant
ANNA SUTHERLAND	Accounts Payable
DANITA HIRSH	Administrative Assistant

Also Present:

GREG MOSER	Procopio
KEN PUN	The Pun Group
DENNIS CAFFERTY	El Toro Water District
NEELY SHAHBAKTI	El Toro Water District
ERICA CASTILLO	Santa Margarita Water District
TREVOR AGRELIUS	Moulton Niguel Water District

**1. Call Meeting to Order**

Chairperson Erdman called the meeting to order at 8:35 a.m.

**2. Pledge of Allegiance** – Jim Burror, Director of Operations

**3. Public Comments** – None

Chairperson Erdman asked the Director of Operations to provide a report on the plant impacts of the weather storm conditions.

Jim Burror, reported the treatment plants held up well during the storms. He stated, there were a few issues that came up, but overall, the treatment plants did well and that everything is back to normal at this time.

Director Iseman asked that we agendaize the protocol on weather conditions and the effects it has on the treatment plants. Ms. Burnett responded that we would put the item on the agenda for future discussion.

#### **4. Monthly Financial Report for October 2018**

##### **ACTION TAKEN**

Motion was made by Director Adjarian and seconded by Director Miller to recommend to the Board of Directors to ratify the Summary of Disbursements for October 2018 totaling \$2,317, 205.

Motion carried:	Aye 5, Nay 0, Abstained 0, Absent 1
	Director Erdman Aye
	Director Iseman Aye
	Director Miller Aye
	Director Grantham Absent
	Director Collings Aye
	Director Adjarian Aye

Ms. Burnett, stated that the Committee would also need to receive and file the report which would be going to the Board of Directors for approval.

Director Adjarian asked if there were any specific areas of the Financials that the Finance Controller would like to highlight.

Ms. Carey noted that SOCWA's typical projection in the 1<sup>st</sup> quarter should be 1/3<sup>rd</sup> spent of the budget and that we were currently below the mark. An open discussion ensued.

Ms. Baylor, Director of Environment Compliance, drew the Committee's attention to Exhibit E-4 regarding IT expenses on page 19 stating, the overage of "Cloud Subscriptions" was due to recommendations made by Home Land Security in regards to purchasing a Security Management System to prevent potential hacking.

##### **ACTION TAKEN**

Motion was made by Director Adjarian and seconded by Director Miller to receive and file the Financial Reports as submitted.

Motion carried:	Aye 5, Nay 0, Abstained 0, Absent 1
	Director Erdman Aye
	Director Iseman Aye
	Director Miller Aye
	Director Grantham Absent
	Director Collings Aye
	Director Adjarian Aye

## **5. Pun Group Presentation of FY Ending June 30, 2018, SOCWA Audited Financial Statements**

Mr. Ken Pun of The Pun Group presented SOCWA's draft Audited Financial Statements to the Committee noting for the year 2018 the audit is near completion with a few items that were still a few pending items including some classification in the income statement with a few expenses that may be moved back to the operating expense. An open discussion ensued.

Ms. Burnett noted that the Pun Group would be making some changes to a few of the pages in the Financial Statements and would have those changes completed before presenting to the Board of Directors.

There was a consensus amongst the Finance Committee members to proceed with sending the draft Audited Financial Statements on to the Board of Directors meeting on December 2, 2018, for review and approval. The Pun Group would make the necessary changes for the Final document and submit to SOCWA early in the following week.

## **6. Update on Open Financial Items**

Ms. Burnett informed the Finance Committee on the list of documents that SOCWA is required to have completed for closing the financial year. These included the Use Audit and the Financial Statements Audit. Ms. Burnett stated that the Finance Controller made some adjustments to the Use Audit tying the numbers to the Financial Statements as requested by Moulton Niguel Water District. She asked Ms. Carey to provide a high-level overview of the changes that were made to tie the Use Audit to the Financial Statements. Ms. Cary reviewed those items. No action was taken.

## **7. Adjournment**

There being no further business, Alternate Chairman Grantham adjourned the meeting at 10:24 a.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Special Meeting of the South Orange County Wastewater Authority Finance Committee of November 30, 2018 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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Betty Burnett, General Manager/Secretary  
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

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

**Finance Committee  
January 28, 2019**

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee Meeting was held on January 28, 2019, at 8:30 a.m. at their Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Finance Committee were present:

DENNIS ERDMAN	South Coast Water District
ROBB GRANTHAM	Santa Margarita Water District
RAY MILLER	City of San Juan Capistrano
KATHRYN FRESHLEY	El Toro Water District
MATT COLLINGS	Moulton Niguel Water District

Absent:

TONI ISEMAN	City of Laguna Beach
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Staff Present:

BETTY BURNETT	General Manager
MARY CAREY	Finance Controller
JIM BURROR	Director of Operations
AMBER BAYLOR	Director of Environmental Compliance
KONSTANTIN SHILOV	Sr. Accountant
NADYN KIM	Accountant
ANNA SUTHERLAND	Accounts Payable
DANITA HIRSH	Administrative Assistant

Also Present:

GREG MOSER	Procopio
DENNIS CAFFERTY	El Toro Water District
NEELY SHAHBAKTI	El Toro Water District
PAM ARENDS-KING	South Coast Water District
GAVIN CURRAN	City of Laguna Beach
ERICA CASTILLO	Santa Margarita Water District
TREVOR AGRELIUS	Moulton Niguel Water District

**1. Call Meeting to Order**

Chairperson Erdman called the meeting to order at 8:32 a.m.

**2. Pledge of Allegiance** – Director Ray Miller

Ms. Burnett welcomed new Alternate Board Member, Kathryn Freshley as a Member of SOCWA's Finance Committee. Ms. Burnett provided a brief overview of SOCWA's organization and structure. She stated that she was available to answer any questions and that staff would be providing new Board Members with an information packet in the upcoming days.

**3. Public Comments** – None

#### **4. Workshop: Financial Supplemental Schedules Period Ending June 30, 2018**

The Finance Officers of the SOCWA Member Agencies were invited to attend the meeting and participate in the discussion. Member Agency representatives who were not able to attend on January 28, 2019 would be given an opportunity to review the Financial Supplemental Schedules for period ending June 30, 2018 on January 29, 2019 at 10:00 a.m.

Ms. Carey provided a detail breakdown of the Balance Sheet /Net Position by Project Committee and Member Agency. An open discussion ensued.

Director Collings stated he still had open questions and did not feel comfortable supporting the item at this time.

Director Erdman stated that he had to exit the meeting at 9:50 a.m. and handed the gavel off to Director Grantham to continue chairing the meeting in his absence. Director Grantham proceeded with conducting the remainder of the Finance Committee meeting.

Director Erdman stated prior to exiting the meeting that for the record, he is in favor of recommending the agenda item to the Board of Directors to receive and file as submitted.

#### **ACTION TAKEN**

Motion was made by Director Freshley and seconded by Director Miller to recommend to the Board of Directors to receive and file the Financial Supplemental Schedules for the period ending June 30, 2018, as submitted.

Motion carried:	Aye 3, Nay 1, Abstained 0, Absent 2
	Director Erdman            Absent
	Director Iseman           Absent
	Director Miller            Aye
	Director Grantham        Aye
	Director Collings        Nay
	Director Freshley        Aye

#### **5. Adjournment**

There being no further business, Alternate Chairman Grantham adjourned the meeting at 10:19 a.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Special Meeting of the South Orange County Wastewater Authority Finance Committee of January 28, 2019 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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Betty Burnett, General Manager/Secretary  
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

# Agenda Item

# 5

**Joint Engineering and Finance  
Committee Meeting**

**Meeting Date:** March 5, 2019

**TO:** Finance Committee

**FROM:** Betty Burnett, General Manager

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

**SUBJECT:** Financial Reports for the month of January 2019

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## Summary/Discussion

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

The reports included are as follows:

- a) Summary of Disbursements for January 2019 (Exhibit A)
- b) Schedule of Funds Available for Reinvestment (Exhibit B)
  - LAIF Performance Report
- c) Schedule of Cash and Investments (Exhibit C)
- d) Capital Projects Summaries (Exhibit D)
  - Capital Projects – Graph (Exhibit D-1)
- e) Budget vs. Actual Expenses:
  - O&M Environmental Safety Costs Summary (Exhibit E-1)
  - O&M Environmental Safety Costs by PC (Exhibit E-1.2)
  - Residual Engineering, After Transfer to Capital (Exhibit E-2)
  - Comparison Administration (Exhibit E-3)
  - Comparison IT (Exhibit E-4)
  - FY2018-19 Fringe Pool and Rate Forecast (Exhibit 5)

## Fiscal impact

January 2019 cash disbursements were: \$3,364,434

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

## Recommendation

Staff recommends that the Finance Committee recommends to the Board of Directors to ratify the Summary of Disbursements for January 2019 totaling \$3,364,434 and to receive and file the Financial Reports as submitted.

**South Orange County Wastewater Authority  
Summary of Disbursements for January 2019  
Staff Recommendation of Fiscal Matters**

	<u>Actual</u>
General Fund	(452,111)
PC 2 - Jay B. Latham Plant	(1,261,052)
PC 3 - SOCWA Plant/PCA AWT	-
PC 5 - San Juan Creek Ocean Outfall	(65,651)
PC 8 - Pretreatment Program	(51,813)
PC 12 SO - Water Reclamation Permits	(138,717)
PC 15 - Coastal Treatment Plant/AWT	(585,072)
PC 17 - Joint Regional Wastewater Reclamation	(644,290)
PC 21 - Effluent Transmission Main	(135,131)
PC 24 - Aliso Creek Ocean Outfall	(30,598)
<b>Total</b>	<u><u><b>(\$3,364,434)</b></u></u>

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY  
SCHEDULE OF FUNDS AVAILABLE FOR REINVESTMENT  
as of January 31, 2019**

CASH IN BANK: (BEGINNING BAL.)	762,104
L.A.I.F. FUNDS: (BEGINNING BAL.)	15,001,282
DEPOSITS, TRANSFERS & ADJUSTMENTS:	3,458,487
FUND REQUIREMENTS:	
BILLS FOR CONSIDERATION	(3,364,434)
	\$ 15,857,439

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

In accordance with requirements of the Government Code and the "SOCWA Investment Policy",

I hereby certify that:

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

**Betty Burnett**  
*General Manager*

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





CALIFORNIA STATE TREASURER  
FIONA MA, CPA



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
01/28/19	2.38	2.35	185
01/29/19	2.38	2.35	187
01/30/19	2.38	2.35	186
01/31/19	2.39	2.36	188
02/01/19	2.39	2.36	191
02/02/19	2.39	2.36	191
02/03/19	2.39	2.36	191
02/04/19	2.39	2.36	189
02/05/19	2.39	2.36	187
02/06/19	2.39	2.36	187
02/07/19	2.39	2.36	187
02/08/19	2.39	2.36	187
02/09/19	2.39	2.36	187
02/10/19	2.39	2.36	187
02/11/19	2.39	2.36	185
02/12/19	2.39	2.36	183
02/13/19	2.39	2.37	182
02/14/19	2.39	2.37	182
02/15/19	2.39	2.37	181
02/16/19	2.39	2.37	181
02/17/19	2.39	2.37	181
02/18/19	2.39	2.37	181
02/19/19	2.39	2.37	178
02/20/19	2.39	2.37	178
02/21/19	2.39	2.37	177
02/22/19	2.39	2.37	177
02/23/19	2.39	2.37	177
02/24/19	2.39	2.37	177
02/25/19	2.39	2.37	175
02/26/19	2.39	2.37	174
02/27/19	2.39	2.37	175

\*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

Quarter Ending 12/31/18

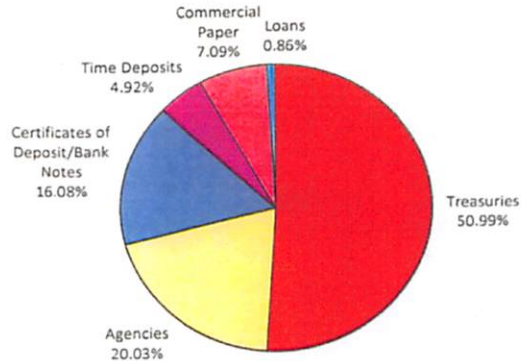
Apportionment Rate: 2.40  
 Earnings Ratio: 0.00006573663340150  
 Fair Value Factor: 0.999051127  
 Daily: 2.32%  
 Quarter to Date: 2.21%  
 Average Life: 192

PMIA Average Monthly Effective Yields

Jan 2019 2.355  
 Dec 2018 2.291  
 Nov 2018 2.208

Pooled Money Investment Account  
Portfolio Composition

01/31/19  
\$93.1 billion



Percentages may not total 100%, due to rounding

Based on data available as of 2/27/2019

Exhibit C

**South Orange County Wastewater Authority  
Schedule of Cash and Investments  
as of January 31, 2019**

MVA	\$ 2,238,237	(A)
A/P Checking	\$ 848,372	(B)
Payroll Checking	\$ 62,580	(C)
State LAIF	\$ 12,708,249	(D)
<b>Total Cash in Bank</b>	<b>15,857,439</b>	
Petty Cash	\$ 1,600	(E)
<b>Total Operating Cash</b>	<b>15,859,039</b>	
OPEB Trust	\$ 4,828,640	(F)
<b>Total Cash and Investments</b>	<b>\$ 20,687,679</b>	

Notes:

- (A) Interest bearing account; all cash receipts are deposited in this account.
- (B) Accounts Payable Checks are drawn against this account; money is transferred to this account from the LAIF account.
- (C) Payroll including payroll taxes and related liabilities are drawn against this account; money is transferred to this account from the LAIF account.
- (D) LAIF balance.
- (E) Cash on hand with GM's office and held by Chief Operators at each Treatment facility.
- (F) OPEB Trust Fund; these funds can only be used for Retiree Health Benefits.

**South Orange County Wastewater Authority  
Capital Projects Summaries  
For the Period Ended January 31, 2019**

Description	FY 2018-19 Budget vs. Actual Spending							Past Due by Fiscal Year				
	Capital Budget	Fiscal Year Spending	(Over)/ Under Budget	% Expended	Member Agency Billed	Member Agency Collections	Current Receivables	Past Due Amount FY 18/19	FY 18/19 Unpaid Amounts	FY 17/18 Unpaid Amounts	FY 16/17 Unpaid Amounts	Total Past Due Amount
PC 2-JB Latham PC 3A	7,390,500	1,163,775	6,226,725	15.7%	715,000	715,000						
PC 5-San Juan Creek Outfall PC 15-Coastal	205,148	1,486	203,662	0.7%	153,861	153,861		246,096 (1)	246,096	732,878	649,490	1,628,464
PC 17-Regional	9,976,376	1,065,091	8,911,285	10.7%	1,915,826	1,669,730						
PC 21 Effluent Transmission	5,045,535	722,139	4,323,396	14.3%	2,979,155	2,979,155		39,188 (1)	39,188			39,188
PC 24 Aliso Creek Outfall	371,500	125,025	246,474	33.7%	322,125	282,937						
	135,000	793	134,207	0.6%	270,001	270,001						
<b>Total Large Capital</b>	<b>23,124,057</b>	<b>3,078,308</b>	<b>20,045,749</b>	<b>13.3%</b>	<b>6,355,968</b>	<b>6,070,684</b>	<b>-</b>	<b>285,284</b>	<b>285,284</b>	<b>732,878</b>	<b>649,490</b>	<b>1,667,652</b>
Non-Capital Engineering	44,500	49,079	(4,579)	110.3%	44,500	44,500		- (1)	-	585	21,831	22,416
Small Internal Capital	2,011,000	612,720	1,398,280	30.5%	1,508,250	1,382,978		125,272 (1)	125,272	169,648	84,550	379,470
<b>Total Capital</b>	<b>25,179,557</b>	<b>3,740,108</b>	<b>21,439,449</b>	<b>14.9%</b>	<b>7,908,718</b>	<b>7,498,162</b>	<b>-</b>	<b>410,556 (1)</b>	<b>410,556</b>	<b>903,111</b>	<b>755,871</b>	<b>2,069,538</b>

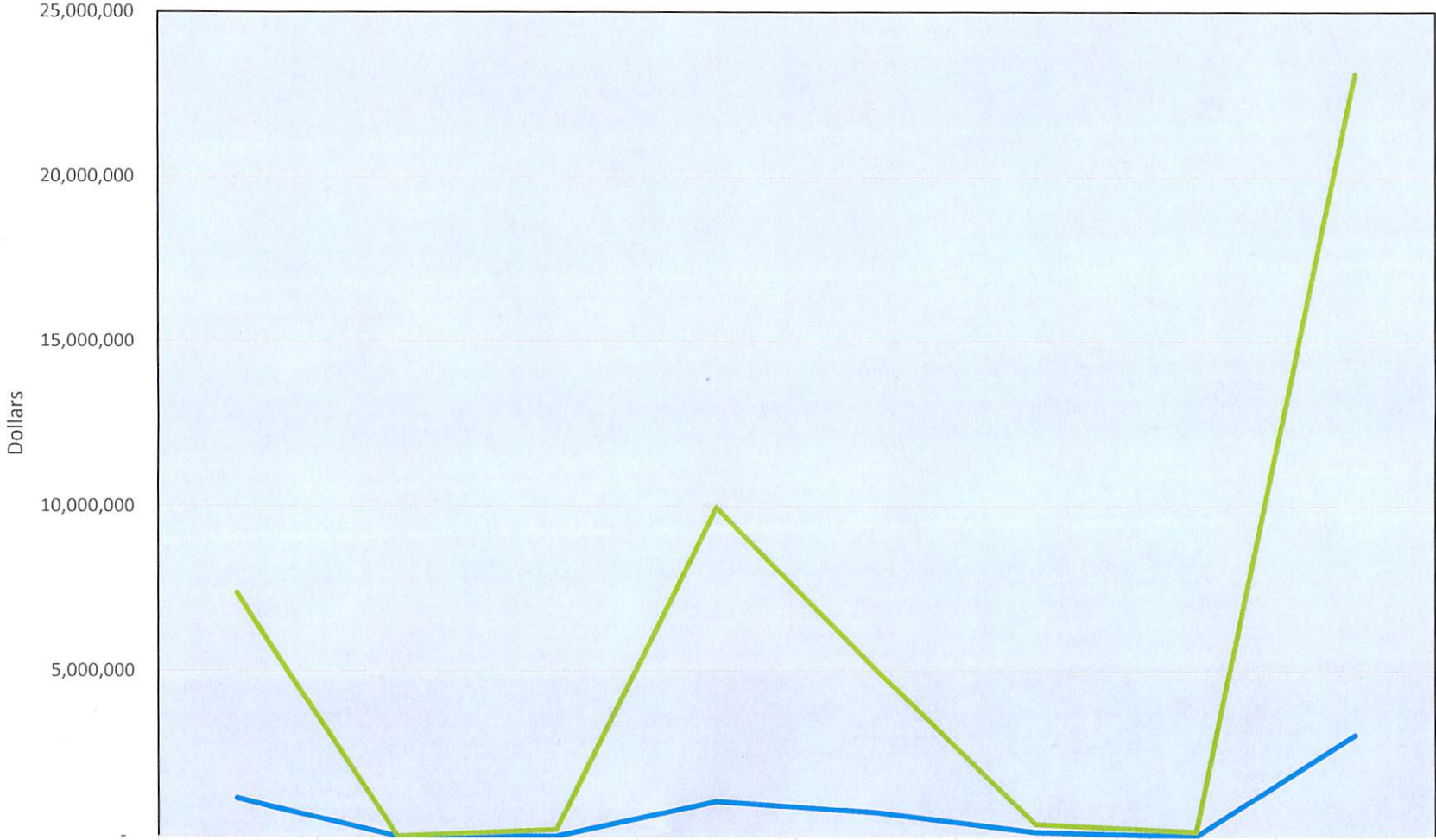
(1) Schedule for Past Due Amounts as of January 31, 2019

Description	Past Due Amount MNWD	Past Due Amount IRWD	Past Due Amount TOTAL
PC 15-Coastal	1,628,464		1,628,464 (1)
PC 21-Effluent Transmission		39,188	39,188
PC 24-Aliso Creek Outfall			-
<b>Total Large Capital</b>	<b>1,628,464</b>	<b>39,188</b>	<b>1,667,652</b>
Non-Capital Engineering	22,416		22,416 (2)
Small Internal Capital	379,470		379,470 (2)
<b>Total Capital</b>	<b>2,030,350</b>	<b>39,188</b>	<b>2,069,538</b>

(2) Balances due are for PC 15 Coastal Treatment Plant.

### Large Capital Projects Fiscal Year '18-19 Budget vs. Year-to-Date Actual Spending as of 1/31/2019

D-1



	PC 2-JB Latham	PC 3A	PC 5-San Juan Creek Outfall	PC 15-Coastal	PC 17-Regional	PC 21 Effluent Transmission	PC 24 Aliso Creek Outfall	Total Large Capital
Spent - YTD	1,163,775	-	1,486	1,065,091	722,139	125,025	793	3,078,308
Capital Budget 18-19	7,390,500	-	205,148	9,976,376	5,045,535	371,500	135,000	23,124,057



**South Orange County Wastewater Authority  
O & M & Environmental Safety Costs Summary**  
For the Period Ended January 31, 2019

	FY 2018-19 Budget	Actual	(Over)/Under Budget	% Expended	
<b>Salary and Fringe</b>					
**5000-***	Regular Salaries-O&M	4,510,404	2,377,972	2,132,432	52.7%
**5001-***	Overtime Salaries-O&M	115,036	137,214	(22,178)	119.3% (1)
**5306-***	Scheduled Holiday Work	49,860	22,042	27,818	44.2%
**5315-***	Comp Time - O&M	1,828	-	1,828	0.0%
**5401-***	Fringe Benefits IN to PC's & Depts.	3,247,504	1,706,166	1,541,338	52.5%
**5700-***	Standby Pay	69,292	40,040	29,252	57.8%
	<b>Total Payroll Costs</b>	<b>7,993,924</b>	<b>4,283,434</b>	<b>3,710,490</b>	<b>53.6%</b>
<b>Other Expenses</b>					
**5002-***	Electricity	1,055,968	815,170	240,798	77.2% (2)
**5003-***	Natural Gas	148,532	146,436	2,096	98.6% (3)
**5004-***	Potable & Reclaimed Water	69,012	43,257	25,755	62.7%
**5005-***	Co-generation Power Credit	(250,012)	(149,425)	(100,587)	59.8%
**5006-***	Chlorine/Sodium Hypochlorite	489,012	379,595	109,417	77.6% (4)
**5007-***	Polymer Products	658,028	324,068	333,960	49.2%
**5008-***	Ferric Chloride	265,000	194,356	70,644	73.3% (5)
**5009-***	Odor Control Chemicals	163,008	70,011	92,997	42.9%
**5010-***	Other Chemicals - Misc.	5,000	-	5,000	0.0%
**5011-***	Laboratory Services	41,696	22,778	18,918	54.6%
**5012-***	Grit Hauling	134,008	60,989	73,019	45.5%
**5013-***	Landscaping	185,008	100,759	84,249	54.5%
**5014-***	Engineering - Misc.	175,004	11,911	163,093	6.8%
**5015-***	Management Support Services	363,936	28,312	335,624	7.8%
**5016-***	Audit - Environmental	500	-	500	0.0%
**5017-***	Legal Fees	23,020	62,303	(39,283)	270.6%
**5018-***	Public Notices/ Public Relations	2,008	170	1,838	8.5%
**5019-***	Contract Services Misc.	375,012	179,419	195,593	47.8%
**5021-***	Small Vehicle Expense	21,024	18,829	2,195	89.6% (6)
**5022-***	Miscellaneous Expense	18,488	13,063	5,425	70.7%
**5023-***	Office Supplies - All	38,004	20,382	17,622	53.6%
**5024-***	Petroleum Products	59,980	18,665	41,315	31.1%
**5025-***	Uniforms	37,016	27,040	9,976	73.0%
**5026-***	Small Vehicle Fuel	35,680	11,329	24,351	31.8%
**5027-***	Insurance - Property/Liability	185,132	125,693	59,439	67.9%
**5028-***	Small Tools & Supplies	85,664	33,588	52,076	39.2%
**5030-***	Trash Disposal	6,992	2,537	4,455	36.3%
**5031-***	Safety Program & Supplies	106,396	54,164	52,232	50.9%
**5032-***	Equipment Rental	7,008	2,006	5,002	28.6%
**5033-***	Recruitment	3,024	400	2,624	13.2%
**5034-***	Travel Expense/Tech. Conferences	72,068	32,930	39,138	45.7%
**5035-***	Training Expense	63,380	17,916	45,464	28.3%
**5036-***	Laboratory Supplies	90,328	51,408	38,920	56.9%
**5037-***	Office Equipment	24,996	9,981	15,015	39.9%
**5038-***	Permits	415,952	379,470	36,482	91.2% (7)
**5039-***	Membership Dues/Fees	11,920	7,358	4,562	61.7%
**5044-***	Offshore Monitoring	36,000	22,645	13,355	62.9%
**5045-***	Offshore Biochemistry - 20B	110,000	-	110,000	0.0%
**5046-***	Effluent Chemistry	28,004	32,013	(4,009)	114.3% (8)
**5047-***	Access Road Expenses	48,000	28,100	19,900	58.5%
**5048-***	Storm Damage	20,008	124,752	(104,744)	623.5% (9)
**5049-***	Biosolids Disposal	1,639,008	670,062	968,946	40.9%
**5050-***	Contract Services Generators	21,004	12,073	8,931	57.5%
**5051-***	Contract Serv - Metering Station - 29B	0	92	(92)	0.0%
**5052-***	Janitorial Services	100,024	42,470	57,554	42.5%
**5053-***	Contract Serv - Digester Cleaning - 29E	60,000	-	60,000	0.0%
**5054-***	Diesel Truck Maint	41,004	12,414	28,590	30.3%
**5055-***	Diesel Truck Fuel	14,004	5,794	8,210	41.4%
**5056-***	Maintenance Equip. & Facilities (Solids)	338,000	267,798	70,202	79.2% (10)
**5057-***	Maintenance Equip. & Facilities (Liquids)	591,996	338,056	253,940	57.1%
**5058-***	Maintenance Equip. & Facilities (Common)	76,004	43,756	32,248	57.6%
**5059-***	Maintenance Equip. & Facilities (Co-Gen)	1,135,016	326,035	808,981	28.7%
**5060-***	Maintenance Equip. & Facilities (AWT)	72,000	41,989	30,011	58.3%
**5061-***	Mileage	2,036	1,231	805	60.5%
**5067-***	Port Cleaning	35,000	-	35,000	0.0%
**5068-***	MNWD Potable Water Supplies & Svcs.	24,484	19,954	4,530	81.5%
**5069-***	Misc-Capital-Dilution & Metering Study	7,996	-	7,996	0.0%
**5076-***	SCADA Infrastructure	57,000	306	56,694	0.5%
**5077-***	IT Direct	-	2,216	(2,216)	0.0%
**5101-***	Employee Recognition	1,004	-	1,004	0.0%
**5105-***	Co-Generation Power Credit - Offset	249,972	149,425	100,547	59.8%
**5303-***	Group Insurance Waiver	10,824	8,529	2,295	78.8%
**5305-***	Medicare Tax Payments for Employees	9,452	3,054	6,399	32.3%
**5309-***	Operating Leases	31,004	10,108	20,896	32.6%
**5705-***	Monthly Car Allowance	25,376	17,107	8,269	67.4%
**5706-***	Effluent Pond Cleaning	90,000.00	-	90,000	0.0%
**5802-***	Shipping/Freight	200	494	(294)	247.2%
**6500-***	IT Allocations in to PC's & Depts.	646,448	351,058	295,390	54.3%
	<b>Total Other Expenses</b>	<b>10,707,660</b>	<b>5,648,398</b>	<b>5,059,262</b>	<b>46.8%</b>
		<b>18,701,584</b>	<b>9,931,831</b>	<b>8,769,753</b>	<b>53.1%</b>

- (1) Elevated overtime costs are associated with several ongoing construction projects, staff vacancies, several large Fall/Winter storm events, larger repair projects at the plants and PC15 litigation.
- (2) The JBL emissions control system required several upgrades; which required shutdowns that resulted in additional purchase of electricity and power transmission costs. O&M is working with Engineering to resolve outstanding AQMD compliance issues. Electricity costs at RTP have been elevated due to delays in completing the new Engine Project.
- (3) The plants continue to see decreases in wastewater flows and loads leading to less digester gas for the new engines and increased natural gas usage.  
Bleach usage was elevated in the first quarter due to elevated recycled water use and decreased flows to the plant causing partial nitrification that consumes elevated levels of bleach in the disinfection process. O&M staff has removed one aeration tank from service to reduce nitrification. The change was planned for the winter to minimize potential disruptions of recycled water in the summer and fall.
- (5) Ferric Chloride usage is elevated above the budget that was based on engineering estimates for usage to maintain compliance with AQMD permits for the new engines. Budgets will be increased in FY19/20.
- (6) New vehicles were outfitted with gear for use by staff; elevating expenses for the first quarter.
- (7) SOCWA permits are primarily paid in July and November each year; the RWQCB increased its fees higher than anticipated. The increase was due to a shortfall in State funding for their permitting programs.
- (8) Annual Kelp Survey as required by NPDES permit; expenses are planned to level off.
- (9) The FY16-17 storm damage repair was completed and was determined to be a maintenance expense. Received FEMA funds of \$136,995 during FY 2017-18.
- (10) Solids expenses at JBL included the planned major overhaul of Centrifuge #2 in July; expenses are planned to level off. Solids at RTP included a large emergency repair of the hot water system; expenses are planned to level off.

**South Orange County Wastewater Authority  
O & M & Environmental Safety Costs by PC  
For the Period Ended January 31, 2019**

	FY 2018-19 Budget	Actual	(Over)/Under Budget	% Expended	
<b>02 - Jay B. Latham Plant</b>					
Salary and Fringe					
02-5000-**-**	Regular Salaries-O&M	1,472,936	782,334	690,602	53.1%
02-5001-**-**	Overtime Salaries-O&M	32,908	48,113	(15,205)	146.2% (1)
02-5306-**-**	Scheduled Holiday Work	14,732	10,237	4,495	69.5%
02-5315-**-**	Comp Time - O&M	752	-	752	0.0%
02-5401-**-**	Fringe Benefits IN to PC's & Depts.	1,060,520	559,515	501,005	52.8%
02-5700-**-**	Standby Pay	27,048	16,315	10,733	60.3%
	Total Payroll Costs	2,608,896	1,416,513	1,192,383	54.3%
Other Expenses					
02-5002-**-**	Electricity	374,976	274,478	100,498	73.2% (2)
02-5003-**-**	Natural Gas	120,024	90,759	29,265	75.6% (3)
02-5004-**-**	Potable & Reclaimed Water	20,008	13,416	6,592	67.1%
02-5006-**-**	Chlorine/Sodium Hypochlorite	28,000	-	28,000	0.0%
02-5007-**-**	Polymer Products	250,008	120,355	129,653	48.1%
02-5008-**-**	Ferric Chloride	105,004	65,716	39,288	62.6%
02-5009-**-**	Odor Control Chemicals	28,004	16,054	11,950	57.3%
02-5010-**-**	Other Chemicals - Misc.	1,000	-	1,000	0.0%
02-5011-**-**	Laboratory Services	10,692	5,267	5,426	49.3%
02-5012-**-**	Grit Hauling	50,004	28,671	21,333	57.3%
02-5013-**-**	Landscaping	50,004	37,097	12,907	74.2% (4)
02-5014-**-**	Engineering - Misc.	30,004	4,747	25,257	15.8%
02-5015-**-**	Management Support Services	59,004	19,647	39,357	33.3%
02-5017-**-**	Legal Fees	4,992	473	4,519	9.5%
02-5019-**-**	Contract Services Misc.	115,004	43,919	71,085	38.2%
02-5021-**-**	Small Vehicle Expense	8,004	9,735	(1,731)	121.6% (5)
02-5022-**-**	Miscellaneous Expense	8,000	3,199	4,801	40.0%
02-5023-**-**	Office Supplies - All	27,000	10,490	16,510	38.9%
02-5024-**-**	Petroleum Products	15,992	7,241	8,751	45.3%
02-5025-**-**	Uniforms	13,004	9,985	3,019	76.8% (6)
02-5026-**-**	Small Vehicle Fuel	14,980	6,687	8,293	44.6%
02-5027-**-**	Insurance - Property/Liability	65,464	44,446	21,018	67.9%
02-5028-**-**	Small Tools & Supplies	40,004	12,587	27,417	31.5%
02-5030-**-**	Trash Disposal	2,000	971	1,029	48.6%
02-5031-**-**	Safety Supplies	34,704	21,399	13,305	61.7%
02-5032-**-**	Equipment Rental	3,000	1,834	1,166	61.1%
02-5033-**-**	Recruitment	1,024	200	824	19.5%
02-5034-**-**	Travel Expense/Tech. Conferences	18,876	15,814	3,062	83.8% (7)
02-5035-**-**	Training Expense	26,188	6,337	19,851	24.2%
02-5036-**-**	Laboratory Supplies	14,296	8,569	5,727	59.9%
02-5037-**-**	Office Equipment	13,000	7,061	5,939	54.3%
02-5038-**-**	Permits	22,432	22,793	(361)	101.6% (8)
02-5039-**-**	Membership Dues/Fees	8,000	3,446	4,594	42.9%
02-5049-**-**	Biosolids Disposal	600,000	188,671	411,329	31.4%
02-5050-**-**	Contract Services Generators	9,000	7,273	1,727	80.8% (9)
02-5052-**-**	Janitorial Services	40,004	20,158	19,846	50.4%
02-5053-**-**	Contract Serv - Digester Cleaning - 29E	60,000	-	60,000	0.0%
02-5054-**-**	Diesel Truck Maint	20,996	4,597	16,399	21.9%
02-5055-**-**	Diesel Truck Fuel	6,000	2,650	3,350	44.2%
02-5056-**-**	Maintenance Equip. & Facilities (Solids)	142,004	153,428	(11,424)	108.0% (10)
02-5057-**-**	Maintenance Equip. & Facilities (Liquids)	246,996	143,262	103,734	58.0%
02-5058-**-**	Maintenance Equip. & Facilities (Common)	27,000	22,325	4,675	82.7% (11)
02-5059-**-**	Maintenance Equip. & Facilities (Co-Gen)	485,004	142,102	342,902	29.3%
02-5061-**-**	Mileage	2,036	360	1,676	17.7%
02-5076-**-**	SCADA Infrastructure	19,000	306	18,694	1.6%
02-5077-**-**	IT Direct	-	1,153	(1,153)	0.0%
02-5303-**-**	Group Insurance Waiver	3,604	2,132	1,472	59.2%
02-5305-**-**	Medicare Tax Payments for Employees	3,864	1,837	2,027	47.5%
02-5309-**-**	Operating Leases	25,004	10,108	14,896	40.4%
02-5705-**-**	Monthly Car Allowance	8,416	10,470	(2,054)	124.4%
02-5802-**-**	Shipping/Freight	-	176	(176)	0.0%
02-6500-**-**	IT Allocations in to PC's & Depts.	211,128	112,027	99,101	53.1%
	Total Other Expenses	3,492,792	1,736,429	1,756,363	49.7%
	<b>Total Expenses</b>	<b>6,101,688</b>	<b>3,152,942</b>	<b>2,948,746</b>	<b>51.7%</b>
<b>05 - San Juan Creek Ocean Outfall</b>					
Salary and Fringe					
05-5000-**-**	Regular Salaries-O&M	123,972	45,806	78,166	36.9%
05-5001-**-**	Overtime Salaries-O&M	1,116	640	476	57.3%
05-5306-**-**	Scheduled Holiday Work	740	126	614	17.0%
	Total Payroll Costs	215,080	79,552	135,528	37.0%
Other Expenses					
05-5002-**-**	Electricity	1,004	-	1,004	0.0%
05-5003-**-**	Natural Gas	512	-	512	0.0%
05-5014-**-**	Engineering - Misc.	10,000	-	10,000	0.0%
05-5015-**-**	Management Support Services	9,404	2,811	6,593	29.9%
05-5017-**-**	Legal Fees	2,000	233	1,768	11.6%
05-5026-**-**	Small Vehicle Fuel - 37A	512	-	512	0.0%
05-5027-**-**	Insurance - Property/Liability	5,756	3,908	1,848	67.9%
05-5031-**-**	Safety Supplies	1,004	-	1,004	0.0%
05-5034-**-**	Travel Expense/Tech. Conferences	4,456	3,308	1,148	74.2%



**South Orange County Wastewater Authority**  
**O & M & Environmental Safety Costs by PC**  
For the Period Ended January 31, 2019

	FY 2018-19 Budget	Actual	(Over)/Under Budget	% Expended
05-5035-**-**	Training Expense	564	-	0.0%
05-5036-**-**	Laboratory Supplies	19,236	9,596	49.9%
05-5038-**-**	Permits	155,000	172,815	111.5% (8)
05-5044-**-**	Offshore Monitoring	18,000	11,323	62.9% (12)
05-5045-**-**	Offshore Biochemistry - 20B	64,996	-	0.0%
05-5046-**-**	Effluent Chemistry	14,000	13,279	94.9% (12)
05-5058-**-**	Maintenance Equip. & Facilities (Common)	1,004	-	0.0%
05-5069-**-**	Misc-Capital-Dilution & Metering Study	7,996	-	0.0%
05-5101-**-**	Employee Recognition	1,004	-	0.0%
05-5305-**-**	Medicare Tax Payments for Employees	2,460	-	0.0%
05-5705-**-**	Monthly Car Allowance	4,204	-	0.0%
05-6500-**-**	IT Allocations in to PC's & Depts.	17,772	7,853	44.2%
	Total Other Expenses	340,884	225,125	66.0%
	<b>Total Expenses</b>	<b>555,964</b>	<b>304,677</b>	<b>54.8%</b>
<b>08 - Pre Treatment</b>				
<b>Salary and Fringe</b>				
08-5000-**-**	Regular Salaries-O&M	80,312	42,696	53.2%
08-5001-**-**	Overtime Salaries-O&M	1,380	1,805	130.8%
08-5306-**-**	Scheduled Holiday Work	200	-	0.0%
08-5315-**-**	Comp Time - Environment	-	-	0.0%
08-5401-**-**	Fringe Benefits IN to PC's & Depts.	57,824	30,741	53.2%
	Total Payroll Costs	139,716	75,242	53.9%
<b>Other Expenses</b>				
08-5011-**-**	Laboratory Services	3,000	745	24.8% (13)
08-5015-**-**	Management Support Services	4,004	906	22.6%
08-5016-**-**	Audit - Environmental	500	-	0.0%
08-5017-**-**	Legal Fees	2,008	10,465	521.2%
08-5018-**-**	Public Notices/ Public Relations	2,008	170	8.5%
08-5021-**-**	Small Vehicle Expense - 31A	1,016	-	0.0%
08-5022-**-**	Miscellaneous Expense	1,496	-	0.0%
08-5026-**-**	Small Vehicle Fuel - 37A	1,196	-	0.0%
08-5027-**-**	Insurance - Property/Liability	2,016	1,369	67.9%
08-5028-**-**	Small Tools & Supplies	6,648	686	10.3%
08-5034-**-**	Travel Expense/Tech. Conferences	4,248	-	0.0%
08-5035-**-**	Training Expense	3,872	965	24.9%
08-5038-**-**	Permits and Fines	10,012	-	0.0%
08-5039-**-**	Membership Dues/Fees	324	430	132.7%
08-6500-**-**	IT Allocations in to PC's & Depts.	11,516	6,739	58.5%
	Total Other Expenses	53,864	22,475	41.7%
	<b>Total Expenses</b>	<b>193,580</b>	<b>97,717</b>	<b>50.5%</b>
<b>12 - Water Reclamation Permits</b>				
<b>Salary and Fringe</b>				
12-5000-**-**	Regular Salaries-O&M	30,396	20,499	67.4%
12-5401-**-**	Fringe Benefits IN to PC's & Depts.	21,880	14,759	67.5%
	Total Payroll Costs	52,276	35,258	67.4%
<b>Other Expenses</b>				
12-5015-**-**	Management Support Services	130,516	-	0.0%
12-5017-**-**	Legal Fees	2,004	1,872	93.4%
12-5027-**-**	Insurance - Property/Liability	1,000	679	67.9%
12-5034-**-**	Travel Expense/Tech. Conferences	2,240	58	2.6%
12-5038-**-**	Permits	18,488	16,347	88.4% (8)
12-6500-**-**	IT Allocations in to PC's & Depts.	4,356	3,791	87.0%
	Total Other Expenses	158,604	22,748	14.3%
	<b>Total Expenses</b>	<b>210,880</b>	<b>58,006</b>	<b>27.5%</b>
<b>15 - Coastal Treatment Plant</b>				
<b>Salary and Fringe</b>				
15-5000-**-**	Regular Salaries-O&M	897,448	459,027	51.1%
15-5001-**-**	Overtime Salaries-O&M	21,252	16,280	76.6% (1)
15-5306-**-**	Scheduled Holiday Work	6,548	2,341	35.8%
15-5315-**-**	Comp Time - O&M	-	-	0.0%
15-5401-**-**	Fringe Benefits IN to PC's & Depts.	646,172	330,499	51.1%
15-5700-**-**	Standby Pay	16,900	2,600	15.4%
	Total Payroll Costs	1,588,320	810,747	51.0%
<b>Other Expenses</b>				
15-5002-**-**	Electricity	297,000	130,905	44.1%
15-5003-**-**	Natural Gas	2,996	1,404	46.9%
15-5004-**-**	Potable & Reclaimed Water	13,004	14,871	114.4% (14)
15-5006-**-**	Chlorine/Sodium Hypochlorite	100,004	43,632	43.6%
15-5007-**-**	Polymer Products	2,008	-	0.0%
15-5008-**-**	Ferric Chloride	30,996	18,506	59.7%
15-5009-**-**	Odor Control Chemicals	85,004	28,559	33.6%
15-5011-**-**	Laboratory Services	11,500	7,004	60.9%
15-5012-**-**	Grit Hauling	30,004	10,219	34.1%
15-5013-**-**	Landscaping	60,008	16,558	27.6%
15-5014-**-**	Engineering - Misc.	20,000	2,788	13.9%
15-5015-**-**	Management Support Services	10,000	-	0.0%



**South Orange County Wastewater Authority**  
**O & M & Environmental Safety Costs by PC**  
For the Period Ended January 31, 2019

	FY 2018-19 Budget	Actual	(Over)/Under Budget	% Expended	
15-5017-**-***	Legal Fees	5,000	35,507	(30,507)	710.1%
15-5019-**-***	Contract Services Misc.	110,000	57,445	52,555	52.2%
15-5021-**-***	Small Vehicle Expense	6,004	2,648	3,356	44.1%
15-5022-**-***	Miscellaneous Expense	2,996	2,522	474	84.2%
15-5023-**-***	Office Supplies - All	4,004	2,810	1,194	70.2%
15-5024-**-***	Petroleum Products	2,000	1,841	159	92.0% (15)
15-5025-**-***	Uniforms	6,004	4,180	1,824	69.6% (6)
15-5026-**-***	Small Vehicle Fuel	6,004	632	5,372	10.5%
15-5027-**-***	Insurance - Property/Liability	26,436	17,948	8,488	67.9%
15-5028-**-***	Small Tools & Supplies	11,000	8,497	2,503	77.2%
15-5030-**-***	Trash Disposal	2,996	776	2,220	25.9%
15-5031-**-***	Safety Program & Supplies	34,692	12,693	21,999	36.6%
15-5032-**-***	Equipment Rental	1,000	172	828	17.2%
15-5033-**-***	Recruitment	1,000	-	1,000	0.0%
15-5034-**-***	Travel Expense/Tech. Conferences	18,872	3,847	15,025	20.4%
15-5035-**-***	Training Expense	13,652	5,104	8,548	37.4%
15-5036-**-***	Laboratory Supplies	14,496	9,190	5,306	63.4%
15-5037-**-***	Office Equipment	2,000	-	2,000	0.0%
15-5038-**-***	Permits	22,000	472	21,528	2.1%
15-5039-**-***	Membership Dues/Fees	968	1,333	(365)	137.7% (16)
15-5047-**-***	Access Road Expenses	48,000	28,100	19,900	58.5%
15-5048-**-***	Storm Damage	20,008	124,752	(104,744)	623.5% (17)
15-5049-**-***	Biosolids Disposal - 21B	125,004	-	125,004	0.0%
15-5050-**-***	Contract Services Generators	4,004	1,674	2,330	41.8%
15-5051-**-***	Contract Serv - Metering Station - 29B	-	92	(92)	0.0%
15-5052-**-***	Janitorial Services	20,008	6,531	13,477	32.6%
15-5054-**-***	Diesel Truck Maint	1,004	115	889	11.4%
15-5055-**-***	Diesel Truck Fuel - 37B	1,004	-	1,004	0.0%
15-5057-**-***	Maintenance Equip. & Facilities (Liquids)	175,000	43,711	131,289	25.0%
15-5058-**-***	Maintenance Equip. & Facilities (Common)	21,000	2,330	18,670	11.1%
15-5060-**-***	Maintenance Equip. & Facilities (AWT)	36,000	7,517	28,483	20.9%
15-5061-**-***	Mileage	-	175	(175)	0.0%
15-5076-**-***	SCADA Infrastructure	19,000	-	19,000	0.0%
15-5077-**-***	IT Direct	-	1,063	(1,063)	0.0%
15-5303-**-***	Group Insurance Waiver	3,600	2,132	1,468	59.2%
15-5305-**-***	Medicare Tax Payments for Employees	2,996	1,178	1,818	39.3%
15-5705-**-***	Monthly Car Allowance	1,368	2,488	(1,120)	181.9%
15-5802-**-***	Shipping/Freight	-	22	(22)	0.0%
15-6500-**-***	IT Allocations in to PC's & Depts.	128,644	68,119	60,525	53.0%
	Total Other Expenses	1,560,288	732,060	828,228	46.9%
	Total Expenses	3,148,608	1,542,808	1,605,800	49.0%

**17 - Joint Regional Wastewater Reclamation and Sludge Handling**

Salary and Fringe

17-5000-**-***	Regular Salaries-O&M	1,776,684	981,562	795,122	55.2%
17-5001-**-***	Overtime Salaries-O&M	57,712	69,423	(11,711)	120.3% (1)
17-5306-**-***	Scheduled Holiday Work	27,320	9,260	18,060	33.9%
17-5315-**-***	Comp Time - O&M	1,076	-	1,076	0.0%
17-5401-**-***	Fringe Benefits IN to PC's & Depts.	1,279,200	704,516	574,684	55.1%
17-5700-**-***	Standby Pay	25,344	21,125	4,219	83.4%
	Total Payroll Costs	3,167,336	1,785,887	1,381,449	56.4%

Other Expenses

17-5002-**-***	Electricity	381,988	409,786	(27,798)	107.3% (2)
17-5003-**-***	Natural Gas	25,000	54,273	(29,273)	217.1% (3)
17-5004-**-***	Potable & Reclaimed Water	36,000	14,969	21,031	41.6%
17-5005-**-***	Co-generation Power Credit	(250,012)	(149,425)	(100,587)	59.8% (2)
17-5006-**-***	Chlorine/Sodium Hypochlorite	361,008	335,963	25,045	93.1% (18)
17-5007-**-***	Polymer Products	406,012	203,713	202,299	50.2%
17-5008-**-***	Ferric Chloride	129,000	110,134	18,866	85.4% (19)
17-5009-**-***	Odor Control Chemicals	50,000	25,398	24,602	50.8%
17-5010-**-***	Other Chemicals - Misc.	4,000	-	4,000	0.0%
17-5012-**-***	Grit Hauling - 21A	54,000	22,099	31,901	40.9%
17-5013-**-***	Landscaping	74,996	47,104	27,892	62.8% (4)
17-5014-**-***	Engineering - Misc.	32,500	2,801	29,699	8.6%
17-5015-**-***	Management Support Services	123,500	-	123,500	0.0%
17-5017-**-***	Legal Fees	5,008	2,707	2,301	54.1%
17-5019-**-***	Contract Services Misc.	150,008	77,623	72,385	51.7%
17-5021-**-***	Small Vehicle Expense	6,000	6,445	(445)	107.4% (5)
17-5022-**-***	Miscellaneous Expense	5,996	7,342	(1,346)	122.5% (20)
17-5023-**-***	Office Supplies - All	7,000	7,082	(82)	101.2% (21)
17-5024-**-***	Petroleum Products	41,988	9,583	32,405	22.8%
17-5025-**-***	Uniforms	18,008	12,874	5,134	71.5% (6)
17-5026-**-***	Small Vehicle Fuel	12,988	4,010	8,978	30.9%
17-5027-**-***	Insurance - Property/Liability	78,860	53,541	25,319	67.9%
17-5028-**-***	Small Tools & Supplies	28,012	11,818	16,194	42.2%
17-5030-**-***	Trash Disposal	1,996	790	1,207	39.6%
17-5031-**-***	Safety Program & Supplies	35,000	20,071	14,929	57.3%
17-5032-**-***	Equipment Rental	3,008	-	3,008	0.0%
17-5033-**-***	Recruitment	1,000	200	800	20.0%
17-5034-**-***	Travel Expense/Tech. Conferences	18,880	6,618	12,262	35.1%
17-5035-**-***	Training Expense	18,584	5,510	13,074	29.7%
17-5036-**-***	Laboratory Supplies	22,740	12,828	9,912	56.4%
17-5037-**-***	Office Equipment	9,996	2,920	7,076	29.2%

**South Orange County Wastewater Authority**  
**O & M & Environmental Safety Costs by PC**  
For the Period Ended January 31, 2019

		FY 2018-19 Budget	Actual	(Over)/Under Budget	% Expended
17-5038-**-***	Permits	40,016	1,917	38,099	4.8%
17-5039-**-***	Membership Dues/Fees	2,588	2,149	439	83.0% (16)
17-5049-**-***	Biosolids Disposal	914,004	481,391	432,613	52.7%
17-5050-**-***	Contract Services Generators	8,000	3,127	4,873	39.1%
17-5052-**-***	Janitorial Services	40,012	15,781	24,231	39.4%
17-5054-**-***	Diesel Truck Maint	19,004	7,703	11,301	40.5%
17-5055-**-***	Diesel Truck Fuel	7,000	3,145	3,855	44.9%
17-5056-**-***	Maintenance Equip. & Facilities (Solids)	195,996	114,371	81,625	58.4%
17-5057-**-***	Maintenance Equip. & Facilities (Liquids)	170,000	151,083	18,917	88.9% (22)
17-5058-**-***	Maintenance Equip. & Facilities (Common)	26,000	16,983	9,017	65.3%
17-5059-**-***	Maintenance Equip. & Facilities (Co-Gen)	650,012	183,934	466,078	28.3%
17-5060-**-***	Maintenance Equip. & Facilities (AWT)	36,000	34,471	1,529	95.8% (23)
17-5061-**-***	Mileage	-	696	(696)	0.0%
17-5068-**-***	MNWD Potable Water Supplies & Svcs.	24,484	19,954	4,530	81.5%
17-5076-**-***	SCADA Infrastructure	19,000	-	19,000	0.0%
17-5105-**-***	Co-Generation Power Credit - Offset	249,972	149,425	100,547	59.8%
17-5303-**-***	Group Insurance Waiver	3,620	4,265	(645)	117.8%
17-5305-**-***	Medicare Tax Payments for Employees	132	39	93	29.2%
17-5309-**-***	Operating Leases	6,000	-	6,000	0.0%
17-5705-**-***	Monthly Car Allowance	11,388	4,149	7,239	36.4%
17-5706-**-***	Effluent Pond Cleaning	90,000	-	90,000	0.0%
17-5802-**-***	Shipping/Freight	-	296	(296)	0.0%
17-6500-**-***	IT Allocations in to PC's & Depts.	254,744	145,399	109,345	57.1%
	Total Other Expenses	4,677,540	2,668,818	2,008,722	57.1%
	Total Expenses	7,844,876	4,454,704	3,390,172	56.8%
<b>21 - Effluent Transmission Main</b>					
Salary and Fringe					
21-5000-**-***	Regular Salaries-O&M	500	320	180	64.1%
21-5401-**-***	Fringe Benefits IN to PC's & Depts.	360	231	129	64.1%
	Total Payroll Costs	860	551	309	64.1%
Other Expenses					
21-5014-**-***	Engineering - Misc.	62,496	1,575	60,921	2.5%
21-5015-**-***	Management Support Services	2,500	-	2,500	0.0%
21-5019-**-***	Contract Services Misc. - 29	-	431	(431)	0.0%
21-5027-**-***	Insurance - Property/Liability	-	0	0	0.0%
	Total Other Expenses	64,996	2,006	62,990	3.1%
	Total Expenses	65,856	2,557	63,299	3.9%
<b>23 - North Coast Interceptor</b>					
Other Expenses					
23-5017-**-***	Legal Fees	-	10,743	(10,743)	0.0%
	Total Other Expenses	-	10,743	(10,743)	0.0%
	Total Expenses	-	10,743	(10,743)	0.0%
<b>24 - Aliso Creek Ocean Outfall</b>					
Salary and Fringe					
24-5000-**-***	Regular Salaries-O&M	128,156	45,728	82,428	35.7%
24-5001-**-***	Overtime Salaries-O&M	668	954	(286)	142.8% (1)
24-5306-**-***	Scheduled Holiday Work	320	78	242	24.5%
24-5401-**-***	Fringe Benefits IN to PC's & Depts.	92,296	32,924	59,372	35.7%
Other Expenses					
24-5002-**-***	Electricity	1,000	-	1,000	0.0%
24-5014-**-***	Engineering - Misc.	20,004	-	20,004	0.0%
24-5015-**-***	Management Support Services	25,008	4,948	20,060	19.8%
24-5017-**-***	Legal Fees	2,008	304	1,704	15.1%
24-5034-**-***	Travel Expense/Tech. Conferences	4,496	3,285	1,211	73.1% (7)
24-5035-**-***	Training Expense	520	-	520	0.0%
24-5036-**-***	Laboratory Supplies	19,560	11,225	8,335	57.4%
24-5038-**-***	Permits	148,004	165,126	(17,122)	111.6% (8)
24-5044-**-***	Offshore Monitoring	18,000	11,323	6,677	62.9% (12)
24-5045-**-***	Offshore Biochemistry - 20B	45,004	-	45,004	0.0%
24-5046-**-***	Effluent Chemistry	14,004	18,734	(4,730)	133.8% (12)
24-5058-**-***	Maintenance Equip. & Facilities (Common) 41	1,000	2,118	(1,118)	211.8% (24)
24-5067-**-***	Port Cleaning	35,000	-	35,000	0.0%
24-5802-**-***	Shipping/Freight	200	-	200	0.0%
24-6500-**-***	IT Allocations in to PC's & Depts.	18,288	7,130	11,158	39.0%
	Total Other Expenses	358,692	227,994	130,698	63.6%
	Total Expenses	580,132	307,678	272,454	53.0%
	<b>SOCWA TOTAL</b>	<b>18,701,584</b>	<b>9,931,831</b>	<b>8,769,753</b>	<b>53.1%</b>

**South Orange County Wastewater Authority**  
**O & M & Environmental Safety Costs by PC**  
For the Period Ended January 31, 2019

- (1) Elevated overtime costs are associated with several ongoing construction projects, staff vacancies, repair projects at the plants and PC15 litigation.  
The JBL emissions controls system required several upgrades; which required shutdowns that resulted in additional purchase of electricity and power transmission costs. O&M is working with Engineering to resolve outstanding AQMD compliance issues. Electricity costs at RTP have been elevated due to delays in completing the new Engine project.
- (2) The plants continue to see decreases in wastewater flows and loads leading to less digester gas for the new engines and increased natural gas usage.
- (3) Several large trees were removed that were in danger of falling onto the adjacent properties; expenses are planned to level off.
- (4) New vehicles were outfitted with gear for use by staff; elevating expenses for the first quarter.
- (5) Uniform expenses are elevated due to new employee change outs and required PPE has been added to employee inventories.
- (6) Two of the three planned major conferences were attended by staff in the first quarter of the Fiscal Year including, WEFTEC and HACHWIMS; expenses are planned to level off.
- (7) SOCWA permits are primarily paid in July and November each year; the RWQCB increased its fees higher than anticipated. The increase was due to a shortfall in State funding for their permitting programs.
- (8) Standby Generator maintenance was completed for the FY. No additional expenses are anticipated.
- (9) Solids expenses included the planned major overhaul of Centrifuge #2 in July; expenses are planned to level off.
- (10) Common expenses included several large repairs in anticipation of the upcoming winter weather; expenses are planned to level off.
- (11) Annual Kelp Survey as Required by NPDES permit; expenses are planned to level off.
- (12) These are pass through costs that will be billed to the agencies directly and reversed during the year.
- (13) Water use is higher than planned to meet a new recommendation for odor scrubber operations to reduce equipment fouling.
- (14) Elevated use of generator fuel at CTP due to power company work in the area.
- (15) Several staff membership dues were paid in July; expenses are planned to level off.
- (16) The FY16-17 storm damage repair was completed and was determined to be a maintenance expense.
- (17) Bleach usage has been elevated in the first quarter due to elevated recycled water use and decreased flows to the plant causing partial nitrification that consumes elevated levels of bleach in the disinfection process. O&M staff has removed one aeration tank from service to reduce nitrification. The change was planned for the winter to minimize potential disruptions of recycled water in the summer and fall.
- (18) Ferric Chloride usage is elevated above the budget that was based on engineering estimates for usage to maintain compliance with AQMD permits for the new engines. Budgets will be increased in FY19/20.
- (19) SOCWA purchased a number of Design Standards, Guidelines, and Operations study manuals for new staff to use at the plant.
- (20) The office reorganization project increased, the Office Supplies spending this Fiscal Year.. Costs are expected to level off.
- (21) Liquids expenses included several large repairs in anticipation of the upcoming winter weather; expenses are planned to level off.
- (22) Several failed valves were replaced at RTP that could not wait until the annual AWT maintenance shutdown in January.
- (23) The Aliso Creek Ocean Outfall sampling station has failed and is in the process of being assessed for potential replacement.
- (24)



**South Orange County Wastewater Authority**  
**Budget vs. Actual Comparison - Residual Engineering, after transfer to Capital**  
For the Period Ended January 31, 2019

		FY 2018-19 Budget	Actual	(Over)/Under Budget	% Expended
<b>Salary and Fringe</b>					
**_5000-**-**-00	Regular Salaries-O&M	199,834	117,094	82,739	58.6%
01-5401-03-00-00	Fringe Benefits IN to PC's & Depts.	143,880	84,308	59,572	58.6%
	Total Payroll Costs	343,714	201,402	142,312	58.6%
<b>Other Expenses</b>					
01-5015-03-00-00	Management Support Services	7,500	-	7,500	0.0%
01-5022-03-00-00	Miscellaneous Expense	3,060	-	3,060	0.0%
01-5023-03-00-00	Office Supplies - All	200	192	8	95.8%
01-5031-03-00-00	Safety Supplies	-	145	(145)	0.0%
01-5034-03-00-00	Travel Expense/Tech. Conferences	6,659	7,988	(1,329)	120.0%
01-5035-03-00-00	Training Expense	4,000	-	4,000	0.0%
01-5037-03-00-00	Office Equipment	5,000	1,890	3,111	37.8%
01-5039-03-00-00	Membership Dues/Fees	2,025	846	1,179	41.8%
01-5061-03-00-00	Mileage	300	-	300	0.0%
01-5301-03-00-00	Vehicle Pay	4,200	-	4,200	0.0%
01-5309-03-00-00	Operating Leases	20,637	3,347	17,289	16.2%
01-5705-03-00-00	Monthly Car Allowance	-	2,488	(2,488)	0.0%
01-5802-03-00-00	Shipping/Freight	300	-	300	0.0%
01-6500-03-00-00	IT Allocations in to PC's & Depts.	59,860	31,363	28,497	52.4%
	Total Other Expenses	113,741	48,289	65,452	42.5%
	<b>Total Expenses</b>	<b>457,455</b>	<b>249,691</b>	<b>207,764</b>	<b>54.6%</b>

The costs in this department will vary based on the amount of work required to support Capital Projects vs. Non-Capital Projects.

**South Orange County Wastewater Authority**  
**Budget vs. Actual Comparison - Administration**  
For the Period Ended January 31, 2019

		FY 2018-19 Budget	*Board Approved Expenditure not in Budget	Adjusted Budget	Actual	(Over)/Under Budget	% Expended
<b>Salary and Fringe</b>							
01-6000-04-00-00	Regular Salaries-Admin or IT	985,352		985,352	530,351	455,002	53.8%
01-6001-04-00-00	Overtime Salaries-Admin or IT	12,000		12,000	9,037	2,963	75.3%
01-6315-04-00-00	Comp Time - Admin	10,000		10,000	2,834	7,166	28.3%
01-6401-04-00-00	Fringe Benefits IN to ADMIN or IT	709,453		709,453	377,914	331,539	53.3%
	<b>Total Payroll Costs</b>	<b>1,716,805</b>	<b>-</b>	<b>1,716,805</b>	<b>920,135</b>	<b>796,670</b>	<b>53.6%</b>
<b>Other Expenses</b>							
01-5018-04-00-00	Public Notices/ Public Relations	1,400		1,400	-	1,400	0.0%
01-5101-04-00-00	Employee Recognition	-		-	500	(500)	0.0% (1)
01-6101-04-00-00	HR Recruitment & Employee Relations	21,200		21,200	12,517	8,683	59.0%
01-6102-04-00-00	Subscriptions	3,243		3,243	1,856	1,387	57.2%
01-6200-04-00-00	Management Support Services	112,500	92,391	204,891	116,576	88,315	56.9% (2)
01-6201-04-00-00	Audit	40,000		40,000	15,000	25,000	37.5%
01-6202-04-00-00	Legal	250,000		250,000	172,131	77,869	68.9% (3)
01-6204-04-00-00	Postage	2,319		2,319	812	1,507	35.0%
01-6223-04-00-00	Office Supplies - Admin	8,471		8,471	3,498	4,973	41.3%
01-6224-04-00-00	Office Equipment Admin or IT	8,000		8,000	351	7,649	4.4%
01-6234-04-00-00	Memberships & Trainings	89,520		89,520	60,491	29,029	67.6%
01-6239-04-00-00	Travel & Conference	20,800		20,800	19,587	1,213	94.2%
01-6240-04-00-00	Scholarship Sponsorship	1,000		1,000	-	1,000	0.0%
01-6240-04-00-00	Education Reimbursement	-		-	1,500	(1,500)	0.0%
01-6310-04-00-00	Miscellaneous	20,000		20,000	13,150	6,850	65.8%
01-6311-04-00-00	Mileage	1,000		1,000	612	389	61.1%
01-6317-04-00-00	Contract Services Misc	4,936		4,936	2,795	2,141	56.6%
01-6500-04-00-00	IT Allocations in to PC's & Depts.	141,240		141,240	59,766	81,474	42.3%
01-6601-04-00-00	Shipping/Freight	1,500		1,500	2,337	(837)	155.8%
01-6705-04-00-00	Monthly Car Allowance	12,000		12,000	7,108	4,892	59.2%
	<b>Total Other Expenses</b>	<b>739,130</b>	<b>92,391</b>	<b>831,521</b>	<b>490,587</b>	<b>340,934</b>	<b>59.0%</b>
	<b>Total Expenses</b>	<b>2,455,935</b>	<b>92,391</b>	<b>2,548,326</b>	<b>1,410,722</b>	<b>1,137,604</b>	<b>55.4%</b>

\* Additional Budget disclosed during Finance Committee meeting 2/19

(1) End-of-the-Year Employee award.

(2) Costs include Carollo Engineering utility cost allocation study, \$42,269, expended to date and Actuaries costs for the Long Term Liabilities Methodologies Study, \$37,792. These Board Approved Projects were not included in the Administration Budget.

(3) Procopio Firm is anticipated to be over legal budget due to start-up work and project to evaluate changes to JPA Agreement this FY.

**South Orange County Wastewater Authority**  
**Budget vs. Actual Comparison-IT**  
 For the Period Ended January 31, 2019

		FY 2018-19 Budget	Actual	(Over)/Under Budget	% Expended
<b>Salary &amp; Fringe</b>					
01-6000-05-00-00	Regular Salaries-Admin or IT	93,378	50,176	43,202	53.7%
01-6001-05-00-00	Overtime Salaries-Admin or IT	3,082	1,222	1,859	39.7%
01-6315-05-00-00	Comp Time - IT	2,332	2,830	(498)	121.4%
01-6401-05-00-00	Fringe Benefits IN to ADMIN or IT	67,232	36,127	31,105	53.7%
	<b>Total Salary &amp; Fringe</b>	<b>166,024</b>	<b>90,356</b>	<b>75,668</b>	<b>54.4%</b>
<b>Other Expenses</b>					
01-5028-05-00-00	Small Tools & Supplies	1,000	-	1,000	0.0%
01-5035-05-00-00	Training Expense	12,000	-	12,000	0.0%
01-5037-05-00-00	Office Equipment	400	-	400	0.0%
01-6200-05-00-00	Management Support Services	64,500	3,663	60,837	5.7%
01-6234-05-00-00	Memberships & Trainings	2,750	96	2,654	3.5%
01-6239-05-00-00	Travel & Conference	4,210	-	4,210	0.0%
01-6300-05-00-00	Software Maintenance Agreements	98,893	63,064	35,829	63.8%
01-6301-05-00-00	Hardware Maintenance Agreements	11,657	2,474	9,182	21.2%
01-6302-05-00-00	Cloud Subscriptions (Internet)	45,800	76,230	(30,430)	166.4% (1)
01-6303-05-00-00	Telecommunications	129,940	67,827	62,113	52.2%
01-6305-05-00-00	IT Professional Services	157,000	49,822	107,178	31.7%
01-6306-05-00-00	Small Hardware Purchases (< \$5k)	46,800	45,219	1,581	96.6%
01-6307-05-00-00	Small Software Purchases & Licenses (<\$5k)	43,735	14,994	28,741	34.3%
01-6308-05-00-00	IT Memberships	160	130	30	81.3%
01-6309-05-00-00	Operating Leases	55,200	27,081	28,119	49.1%
01-6310-05-00-00	Miscellaneous	5,000	32	4,968	0.8%
01-6312-05-00-00	Computer & Photocopy Supplies	2,275	1,198	1,077	52.6%
01-6601-05-00-00	Shipping/Freight	276	-	276	0.0%
	<b>Total Other Expenses</b>	<b>681,596</b>	<b>351,831</b>	<b>329,765</b>	<b>51.6%</b>
	<b>Total Expenses before Allocation</b>	<b>847,620</b>	<b>442,187</b>	<b>405,433</b>	<b>52.2%</b>
<b>IT Allocations (Out) to PC's &amp; Depts</b>					
01-6400-05-00-00	IT Allocations (OUT) to PC's & Depts.	(847,620)	(442,187)	(405,433)	52.2%
	<b>Total IT Allocations (Out) to PC's &amp; Depts</b>	<b>(847,620)</b>	<b>(442,187)</b>	<b>(405,433)</b>	<b>52.2%</b>

(1) Additional IT system security, not included in the budget



**South Orange County Wastewater Authority  
FY 2018-19 Fringe Pool and Rate Forecast**

No Change in Budgeted Fringe Rate					
	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Budget	FY 2018-19 Forecast
457 Plan - Employer Contribution	13,821	83,925	75,524	85,000	85,000
Accrued Administrative Leave	34,879	30,478	23,929	25,114	33,907
Accrued Holiday	221,783	220,371	234,247	257,161	243,681
Accrued Personal Leave	74,238	76,638	83,205	90,895	87,574
Accrued Sick Pay	242,262	262,987	204,767	299,485	319,140
Accrued Vacation	372,526	416,343	345,815	391,291	427,437
Bereavement Pay	1,345	8,088	10,892	8,000	8,978
Jury Duty			5,817		2,072
Disability Insurance - Private	51,728	56,122	57,924	58,373	62,270
Group Medical Insurance	948,341	1,017,679	864,239	1,005,463	947,089
Medicare Tax - Employer	94,167	94,550	96,326	101,154	95,550
Retiree Health Savings Program (RHS)			17,800		28,200
Retiree Health PARS Investment	500,000	504,000	210,000		-
Retiree Health Benefits	281,389	384,936	354,582	413,056	436,037
Retirement - PERS Normal Costs	517,823	500,175	504,975	581,590	574,113
Retirement - PERS Unfunded Liability	432,628	499,903	599,849	743,842	743,843
Unemployment Ins./Reimbursement	1,378	1,234		2,000	1,000
Workers Compensation Ins.	76,883	212,990	233,538	260,000	218,078
<b>Total O&amp;M Budget Fringe Benefits Pool</b>	<b>3,865,192</b>	<b>4,370,418</b>	<b>3,923,431</b>	<b>4,322,424</b>	<b>4,313,969</b>
		13.1%	-10.2%	10.2%	-0.2%
<b>Pay for Time Worked Labor Base(Regular Salaries)</b>					
O&M		3,184,417	3,224,868	3,627,186	3,627,186
Environmental		815,299	789,929	883,205	883,205
Engineering including CIP Labor		305,422	377,076	417,610	417,610
Admin		695,744	857,635	985,352	985,352
IT		44,447	84,015	93,378	93,378
<b>Total Pay for Time Worked Labor Base</b>	<b>4,976,917</b>	<b>5,045,329</b>	<b>5,333,523</b>	<b>6,006,731</b>	<b>6,006,731</b>
<b>Fringe Rate</b>	<b>78%</b>	<b>86.6%</b>	<b>73.56%</b>	<b>72.0%</b>	<b>71.8%</b>

# Agenda Item

# 6

**Joint Engineering and Finance  
Committee Meeting**

**Meeting Date:** March 5, 2019

**TO:** Finance Committee

**FROM:** Betty Burnett, General Manager

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

**SUBJECT:** Additional Cash Distribution by Project Committee and Member Agency Methodology

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## Summary/Discussion

During the State Audit, it was reported that SOCWA has historically received cash from sources other than the Authority's Member Agencies.

The Board of Directors directed SOCWA Staff to:

1. Recommend methodologies to distribute the Additional Cash recorded as of fiscal year end June 30, 2018 by Project Committee and Member Agency.
2. Present the methodologies to the Member Agencies Finance Officers and come to agreement on a process.

The Authority's Staff met with the Finance Officers on September 9, 2018, and agreed to the following:

1. **Interest income** shall be distributed by Project Committee and Member Agency based on Large Capital Cash Balance by Project Committee and Member Agency for the fiscal year during which the interest was earned.
2. **Operational Grant Revenue** is identified to a Project Committee and shall be distributed by Member Agency based on the fiscal year Use Audit O&M costs distribution.
3. **FEMA Reimbursement** is identified to a Project Committee and shall be distributed by Member Agency based on the fiscal year Use Audit O&M costs.
4. **Various or Other Miscellaneous Cash** shall be distributed by Project Committee, and Member Agency based on the Authority's historical Labor Data for Fiscal Years 2002-2017.

The above distribution methodology was used to distribute additional cash in Fiscal Year 2017-18 Supplemental Balance Sheet/Net Position Statement by Project Committee and Member Agency.



## **Future Practice**

1. **Recurring items** such as Interest Income, Operational Grants and FEMA reimbursements will follow the above methodology.
2. **New sources of cash** will be distributed based on the characterization of the source of the cash, i.e., O&M or Capital Contributions, recorded in the pertinent Project Committee and distributed by Member Agency based on established agreements.

The Board of Directors approved the Finance Officers recommended methodologies at the February 7, 2019 meeting.

The Finance Committee directed Staff to document the Finance Officers recommended methodologies.

## **Recommendation**

Staff recommends that the Finance Committee recommends to the Board of Directors to receive and file the Additional Cash Distribution by Project Committee and Member Agency Methodology.

**SOCWA**  
**Additional Cash**  
**As Of June 30,2018**  
**By Member Agency &**  
**Project Committee**  
**Joint Engineering &**  
**Finance Committee**  
**3-5-2019**

# Additional Cash Source

Cash Source		Amount				Finance Officers Recommended Allocation Methodology
		FY 2015-16	FY 2016-17	FY 2017-18	3 Years Total	
1	County of Orange Bankruptcy Payment	18,714			18,714	(4)
2	County of Orange Admin Fees	13,626			13,626	(4)
3	County of Orange Access Maintenance	3,000			3,000	(4)
4	City of Laguna Niguel Heat Transfer	31,320			31,320	(4)
5	SMWD Lab Fees	17,820			17,820	(4)
6	Coke machine	30			30	(4)
7	FEMA Reimbursement			136,995	136,995	(3)
8	Interest Income Received FY 16-17	24,587	45,294	114,150	184,031	(1)
9	Recycling Income	16,710	11,708	2,112	30,530	(4)
10	PC 23 Admin Payment		9,135		9,135	(4)
11	Mutual Omaha Refund		8,034		8,034	(4)
12	Interest received for 4th qtr 15-16		4,934	25,256	30,190	(1)
13	LAIF Interest Adj.		3,000		3,000	(1)
14	Grant Revenue		1,500		1,500	(2)
15	Sale of Fixed Assets	20,289		6,297	26,585	(4)
16	Other misc adjustments	135,326			135,326	(4)
<b>Total Additional Cash</b>		<b>281,422</b>	<b>83,605</b>	<b>284,810</b>	<b>649,837</b>	

# Finance Officers Recommended Allocation Methodology

<b>Finance Officers Recommended Allocation Methodology</b>	<b>Method 1 Interest Income</b>	<b>Method 2 Grant Revenue</b>	<b>Method 3-FEMA Reimbursement</b>	<b>Method 4 Various</b>	<b>Total</b>
Large Capital Cash on Hand by Member					
(1) Agency for each Year	217,221				217,221
(2) PC 05 Members, O&M Use Audit		1,500			1,500
(3) PC 02 Members, O&M Use Audit			24,936		24,936
(3) PC 15 Members, O&M Use Audit			52,424		52,424
(3) PC 17 Members, O&M Use Audit			59,635		59,635
(4) SOCWA Historical Labor Data 2002-2017				294,120	294,120
	<b>217,221</b>	<b>1,500</b>	<b>136,995</b>	<b>294,120</b>	<b>649,837</b>

# Additional Cash by Member Agency

Project Committee	Member Agency										Total
	Laguna Beach 16	San Clemente 17	Capistrano 18	El Toro 19	EBSD 20	IRWD 21	MNWD 22	SMWD 23	SCWD 24	TCWD 25	
PC 2 - Jay B. Latham Plant	-	-	63,580	-	-	-	40,841	47,049	49,980	-	201,450
PC 3	-	-	-	-	-	-	33,892	7,601	-	-	41,492
PC 5 - San Juan Creek Ocean Outfall	-	2,926	2,336	-	-	-	2,431	6,399	2,101	-	16,193
PC 8 - Pretreatment Program	605	793	816	489	42	841	1,759	1,646	1,320	-	8,312
PC 12 SO- Water Reclamation Permits	-	-	23	22	-	30	101	75	31	30	312
PC 15 - Coastal Treatment Plant/AWT	77,100	-	-	-	4,398	-	8,383	-	71,938	-	161,819
PC 17 - Joint Regional Wastewater Reclamation	15,614	-	-	21,441	641	-	160,288	-	11,262	-	209,247
PC 21 Effluent Transmission Main	-	-	-	2,029	-	2,029	-	-	-	-	4,058
PC 23 North Coast Interceptor	-	-	-	-	-	-	-	-	-	-	-
PC 24 - Aliso Creek Ocean Outfall	982	-	-	1,801	40	1,521	2,175	-	433	-	6,952
<b>Total</b>	<b>94,302</b>	<b>3,720</b>	<b>66,755</b>	<b>25,782</b>	<b>5,121</b>	<b>4,421</b>	<b>249,870</b>	<b>62,770</b>	<b>137,065</b>	<b>30.23</b>	<b>649,837</b>

# Additional Cash Various–Method 4

<b>Method 4 Cash Source</b>			
County of Orange Bankruptcy Payment		18,714	(4)
County of Orange Admin Fees		13,626	(4)
County of Orange Access Maintenance		3,000	(4)
City of Laguna Niguel Heat Transfer		31,320	(4)
SMWD Lab Fees		17,820	(4)
Coke machine		30	(4)
Recycling Income		30,530	(4)
PC 23 Admin Payment		9,135	(4)
Mutual Omaha Refund		8,034	(4)
Sale of Fixed Assets		26,585	(4)
Other misc. adjustments		135,326	(4)
<b>Total Method 4-Variou</b>		<b>294,120</b>	

# Agenda Item

# 8

**Legal Counsel Review:** N/A

**Meeting Date:** March 5, 2019

**TO:** Finance Committee and Engineering Committee Joint Meeting

**FROM:** Betty Burnett, General Manager

**STAFF CONTACT:** Mary Carey, Finance Controller  
Brian Peck, Director of Engineering

**SUBJECT:** Report on Capital Cash – Returned Cash and Retained Cash

**FISCAL IMPACT:** Reduction of Capital Project Cash by \$3.7 Million

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## Summary

Staff has completed the review and allocation of Large Capital Cash on Hand as of June 30, 2018. The review covered three aspects of Large Capital Cash and the results are:

1. \$5,304,883 in cash deposits for ongoing projects both current and into the next two fiscal years to be retained on deposit with SOCWA;
2. \$3,655,303 in cash eligible for return to member agencies due to inactive/closed projects;

Detail by member agency and project committee for retained and proposed returned cash is attached hereto, including:

1. Table A - Large Capital Inactive Projects Cash as of June 30, 2018
2. Table B – Detail of PC 17 Co-Generation Project balance as of June 30, 2018 (project is still open and there could be additional activity which would reduce estimated return cash)
3. Table C – Large Capital Open Projects and Retained Cash as of June 30, 2018

SOCWA staff proposes to issue the return of retained cash back to Member Agencies prior to the close of the current fiscal year (July 30, 2019). The cash adjustments will then be included in the FY 2018-19 Use Audit and Supplemental Financial Statements and Cash Roll Forward. Any additional activity occurring through June 30, 2019 will be accrued to the appropriate balances.

## Recommendation

The staff recommends that the joint Finance Committee and Engineering Committee concur in the recommendation to return Large Capital Cash and to retain Large Capital Cash consistent with the approach detailed in the attached Tables A, B, C including any adjustments due to activity through June 30, 2019.

**South Orange County Wastewater Authority  
Large Capital Refund of Inactive Projects Cash as of June 30, 2018  
(See Table A)**

Project Committee	Member Agency										Total
	Laguna Beach 16	San Clemente 17	Capistrano 18	El Toro 19	EBSD 20	IRWD 21	MNWD 22	SMWD 23	SCWD 24	TCWD 25	
PC 2 - Jay B. Latham Plant			637,790				444,935	530,768	476,417		2,089,909
PC 3							61,819	24,184			86,003
PC 5 - San Juan Creek Ocean Outfall		4,402	2,937				4,108	12,223	3,303		26,973
PC 8 - Pretreatment Program											-
PC 12 SO- Water Reclamation Permits											-
PC 15 - Coastal Treatment Plant/AWT	426,179				33,626		(183,134)		163,801		440,471
* PC 17 - Joint Regional Wastewater Reclamation	13,713			26,211	738		309,864		10,944		361,470
PC 21 Effluent Transmission Main											-
PC 23 North Coast Interceptor											-
PC 24 - Aliso Creek Ocean Outfall	2,679			3,969	190	3,838	10,678		2,998		24,351
<b>Total</b>	<b>442,570</b>	<b>4,402</b>	<b>640,727</b>	<b>30,180</b>	<b>34,554</b>	<b>3,838</b>	<b>648,269</b>	<b>567,175</b>	<b>657,461</b>		<b>3,029,176</b>

\*Co-Generation Projects Shown Separately.

**South Orange County Wastewater Authority  
PC 17 Co-Gen Projects Cash as of June 30, 2018  
(See Table B)**

Project Committee	Member Agency										Total
	Laguna Beach 16	San Clemente 17	Capistrano 18	El Toro 19	EBSD 20	IRWD 21	MNWD 22	SMWD 23	SCWD 24	TCWD 25	
PC 2 - Jay B. Latham Plant											
PC 3											
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	138,891			256,221	7,254		112,855		110,906		626,127
PC 21 Effluent Transmission Main											
PC 23 North Coast Interceptor											
PC 24 - Aliso Creek Ocean Outfall											
<b>Total</b>	<b>138,891</b>			<b>256,221</b>	<b>7,254</b>		<b>112,855</b>		<b>110,906</b>		<b>626,127</b>



**South Orange County Wastewater Authority  
Large Capital Open Projects Retained Cash as of June 30, 2018  
(See Table C)**

Project Committee	Member Agency										
	Laguna Beach 16	San Clemente 17	Capistrano 18	El Toro 19	EBSD 20	IRWD 21	MNWD 22	SMWD 23	SCWD 24	TCWD 25	Total
PC 2 - Jay B. Latham Plant			590,529				438,168	396,901	508,311		1,933,909
PC 3											
PC 5 - San Juan Creek Ocean Outfall		48,492	32,329				45,253	128,826	36,383		291,284
PC 8 - Pretreatment Program											
PC 12 SO- Water Reclamation Permits											
PC 15 - Coastal Treatment Plant/AWT	914,872				72,174		(164,556)		891,030		1,713,520
*PC 17 - Joint Regional Wastewater Reclamation	20,828			39,259	1,113		1,078,668		16,633		1,156,501
PC 21 Effluent Transmission Main				104,836		104,834					209,670
PC 23 North Coast Interceptor											
PC 24 - Aliso Creek Ocean Outfall											
<b>Total</b>	<b>935,701</b>	<b>48,492</b>	<b>622,859</b>	<b>144,095</b>	<b>73,287</b>	<b>104,834</b>	<b>1,397,532</b>	<b>525,726</b>	<b>1,452,358</b>		<b>5,304,883</b>

\*Co-Generation Projects Shown Separately.

**South Orange County Wastewater Authority  
Large Capital Cash as of June 30, 2018**

Project Committee	Member Agency										
	Laguna Beach 16	San Clemente 17	Capistrano 18	El Toro 19	EBSD 20	IRWD 21	MNWD 22	SMWD 23	SCWD 24	TCWD 25	Total
PC 2 - Jay B. Latham Plant			1,228,320				883,103	927,668	984,728		4,023,818
PC 3							61,819	24,184			86,003
PC 5 - San Juan Creek Ocean Outfall		52,894	35,267				49,360	141,049	39,686		318,257
PC 8 - Pretreatment Program											-
PC 12 SO- Water Reclamation Permits											-
PC 15 - Coastal Treatment Plant/AWT	1,341,051				105,800		(347,691)		1,054,831		2,153,991
PC 17 - Joint Regional Wastewater Reclamation	173,432			321,690	9,106		1,501,387		138,483		2,144,098
PC 21 Effluent Transmission Main				104,836		104,834					209,670
PC 23 North Coast Interceptor											-
PC 24 - Aliso Creek Ocean Outfall	2,679			3,969	190	3,838	10,678		2,998		24,351
<b>Total</b>	<b>1,517,162</b>	<b>52,894</b>	<b>1,263,586</b>	<b>430,495</b>	<b>115,095</b>	<b>108,672</b>	<b>2,158,656</b>	<b>1,092,901</b>	<b>2,220,725</b>		<b>8,960,187</b>
Use Audit Settlement in FY 18-19	(5,382)		76,433	(8,848)	(290)		(339,986)	45,897	65,362		(166,814)
<b>Large Capital Cash 6-30-2018</b>	<b>1,511,780</b>	<b>52,894</b>	<b>1,340,019</b>	<b>421,648</b>	<b>114,806</b>	<b>108,672</b>	<b>1,818,670</b>	<b>1,138,798</b>	<b>2,286,087</b>		<b>8,793,373</b>