

**ORANGE COUNTY WATER UTILITIES SYSTEM  
STATEMENTS OF NET POSITION  
MAY 31 AND APRIL 30, 2017**

	MAY	APRIL
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Current assets:		
Cash and investments	\$ 112,220,093	\$ 106,671,981
Accrued interest receivable	242,853	242,853
Accounts receivable, net	19,481,285	19,068,306
Due from other governmental agencies	17,853,774	16,085,729
Inventories and prepaid costs	<u>17,234,838</u>	<u>20,176,919</u>
Total current assets	<u>167,032,843</u>	<u>162,245,788</u>
Restricted assets:		
Cash and investments	<u>50,825,859</u>	<u>50,291,193</u>
Capital assets:		
Land	102,623,462	102,599,376
Construction in progress	190,639,512	181,509,977
Buildings and improvements	2,052,769,577	2,048,147,110
Machinery and equipment	99,452,146	100,606,564
Intangible assets	76,705,946	76,705,620
Less accumulated depreciation and amortization	<u>(1,188,132,666)</u>	<u>(1,183,306,960)</u>
Total capital assets	<u>1,334,057,977</u>	<u>1,326,261,687</u>
Total noncurrent and restricted assets	<u>1,384,883,836</u>	<u>1,376,552,880</u>
Total assets	<u>1,551,916,679</u>	<u>1,538,798,668</u>
Deferred outflows of resources:		
Related to pensions	<u>12,466,757</u>	<u>12,466,757</u>
Total assets and deferred outflows of resources	<u>\$ 1,564,383,436</u>	<u>\$ 1,551,265,425</u>
<b><u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 16,183,644	\$ 15,012,098
Due to other governmental agencies	632,597	538,592
Net pension liability	<u>390,296</u>	<u>390,296</u>
Total current liabilities	<u>17,206,537</u>	<u>15,940,986</u>
Liabilities payable from restricted assets:		
Accrued interest payable on bonds and loans	728,715	416,769
Customer deposits	<u>9,831,364</u>	<u>9,829,148</u>
Total liabilities payable from restricted assets	<u>10,560,079</u>	<u>10,245,917</u>
Noncurrent liabilities:		
Compensated absences payable	1,378,011	1,378,011
Loans payable	84,535,280	82,451,302
Revenue bonds payable (net of unamortized costs)	93,498,175	93,583,021
Net pension liability	<u>35,383,798</u>	<u>35,383,798</u>
Total noncurrent liabilities	<u>214,795,264</u>	<u>212,796,132</u>
Total liabilities	<u>242,561,880</u>	<u>238,983,035</u>
Deferred inflows of resources:		
Related to pensions	<u>632,180</u>	<u>632,180</u>
Total liabilities and deferred inflows of resources	<u>243,194,060</u>	<u>239,615,215</u>
<b><u>NET POSITION</u></b>		
Net investment in capital assets	1,156,024,522	1,150,228,714
Restricted for debt service	40,265,780	40,043,926
Unrestricted	<u>124,899,074</u>	<u>121,377,570</u>
Total net position	<u>1,321,189,376</u>	<u>1,311,650,210</u>
Total liabilities and net position	<u>\$ 1,564,383,436</u>	<u>\$ 1,551,265,425</u>

**ORANGE COUNTY WATER UTILITIES SYSTEM  
CASH AND INVESTMENTS DETAIL  
MAY 31 AND APRIL 30, 2017**

	<u>MAY</u>	<u>APRIL</u>
Current:		
Revenue	\$ -	\$ -
Operation and maintenance	2	15
Reserve revenue	66,488,278	65,251,465
Water connection fees	11,433,621	10,207,254
Wastewater connection fees	34,296,592	31,211,647
Petty cash	<u>1,600</u>	<u>1,600</u>
Total current cash and investments	<u>112,220,093</u>	<u>106,671,981</u>
Restricted:		
Operation and maintenance reserve	24,679,537	24,654,618
Renewal and replacement	8,011,069	8,002,981
Bond reserve (1)	6,204,570	6,204,570
Bond interest	484,316	242,158
Loan debt service	853,811	595,945
Loan repayment reserve	761,192	760,423
Series 2016 account	-	1,350
Customer deposits	<u>9,831,364</u>	<u>9,829,148</u>
Total restricted cash and investments	<u>50,825,859</u>	<u>50,291,193</u>
Total cash and investments	<u>\$ 163,045,952</u>	<u>\$ 156,963,174</u>

Note: (1) The Bond Reserve requirement is prescribed in the bond covenants as the maximum annual debt service for all bonds outstanding, \$6,173,644. The amount reflected in this statement represents the current market value of this account.

**ORANGE COUNTY WATER UTILITIES SYSTEM  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGE IN NET POSITION  
FOR THE MONTH ENDED MAY 31, 2017**

	<u>MAY</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 5,546,455	\$ 35,359,387
Wastewater service	10,525,218	80,458,617
Reclaimed water service	973,552	5,816,669
Miscellaneous	314,577	3,465,358
	<hr/>	<hr/>
Total operating revenues	17,359,802	125,100,031
Operating and maintenance expenses:		
Personal services	4,360,780	32,606,047
Contractual services	2,845,442	19,655,722
Materials and supplies	540,908	3,368,327
Utilities	1,187,177	8,071,791
Repairs and maintenance	1,277,644	8,798,834
Other administrative expenses	427,193	6,113,484
	<hr/>	<hr/>
Total operating and maintenance expenses	10,639,144	78,614,205
Operating income before depreciation	6,720,658	46,485,826
Depreciation and amortization	<hr/>	<hr/>
	6,368,665	50,947,096
Operating income (loss)	<hr/>	<hr/>
	351,993	(4,461,270)
Nonoperating revenues (expenses):		
Interest revenue	245,391	1,164,287
Interest expense and fiscal charges	(226,890)	(1,840,839)
Gain (loss) on the disposal of assets	(147,205)	24,656
	<hr/>	<hr/>
Total net nonoperating expenses	(128,704)	(651,896)
Gain (loss) before contributions and transfers	223,289	(5,113,166)
Capital contributions	9,315,877	37,982,882
Transfers out	<hr/>	<hr/>
	-	(8,200,000)
Change in net position	9,539,166	24,669,716
Total net position, beginning of period	<hr/>	<hr/>
	1,311,650,210	1,296,519,660
Total net position, end of period	<hr/>	<hr/>
	\$ 1,321,189,376	\$ 1,321,189,376

See accompanying notes to financial statements

**ORANGE COUNTY WATER UTILITIES SYSTEM  
OPERATING REVENUE DETAIL  
FOR THE MONTH ENDED MAY 31, 2017**

	MAY BUDGET	MAY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 67%)
<b>Water service:</b>						
Residential	\$ 1,991,599	\$ 2,246,247	\$ 15,932,792	\$ 16,684,709	\$ 23,899,193	70%
Commercial	1,251,177	1,285,428	10,009,416	10,074,071	15,014,120	67%
Conservation surcharge	888,092	2,014,780	7,104,736	8,600,607	10,657,107	81%
Total water service	<u>4,130,868</u>	<u>5,546,455</u>	<u>33,046,944</u>	<u>35,359,387</u>	<u>49,570,420</u>	71%
<b>Wastewater service:</b>						
Residential	5,045,574	5,558,261	40,364,592	41,841,779	60,546,889	69%
Commercial	4,677,267	4,698,814	37,418,136	36,517,492	56,127,207	65%
Environmental surcharge	230,664	208,224	1,845,312	1,527,923	2,767,962	55%
Industrial	3,991	10,185	31,928	80,197	47,886	167%
Septic and portable	58,069	44,904	464,552	405,758	696,827	58%
Capacity maintenance fees	13,262	4,830	106,096	85,468	159,148	54%
Total wastewater service	<u>10,028,827</u>	<u>10,525,218</u>	<u>80,230,616</u>	<u>80,458,617</u>	<u>120,345,919</u>	67%
<b>Reclaimed water service:</b>						
Reclaimed service	572,330	963,176	4,578,640	5,684,866	6,867,957	83%
Reclaimed water-cooling tower	20,371	10,376	162,968	131,803	244,448	54%
Total reclaimed water service	<u>592,701</u>	<u>973,552</u>	<u>4,741,608</u>	<u>5,816,669</u>	<u>7,112,405</u>	82%
<b>Miscellaneous:</b>						
Initiate account service	43,397	44,992	347,176	327,298	520,763	63%
Turn off/on service	22,276	31,408	178,208	275,225	267,311	103%
Lien fee charges	371	300	2,968	2,920	4,448	66%
Meter removal/testing	4,335	4,640	34,680	34,116	52,015	66%
Meter/line damage	2,082	44,026	16,656	373,038	24,988	1493%
NSF charges	3,849	5,188	30,792	27,432	46,185	59%
Plans and specifications	75,667	24,417	605,336	465,850	908,008	51%
Charges to other funds	881	1,343	7,048	9,666	10,567	91%
Developer reimb of plan review	24,987	59,050	199,896	352,016	299,840	117%
Miscellaneous	119,116	99,213	952,928	1,597,797	1,429,387	112%
Total miscellaneous	<u>296,961</u>	<u>314,577</u>	<u>2,375,688</u>	<u>3,465,358</u>	<u>3,563,512</u>	97%
Total operating revenues	<u>\$ 15,049,357</u>	<u>\$ 17,359,802</u>	<u>\$ 120,394,856</u>	<u>\$ 125,100,031</u>	<u>\$ 180,592,256</u>	69%

**ORANGE COUNTY WATER UTILITIES SYSTEM  
OPERATING AND MAINTENANCE EXPENSES DETAIL  
FOR THE MONTH ENDED MAY 31, 2017**

	MAY BUDGET	MAY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 67%)
<b>Personal services:</b>						
Salaries	\$ 3,131,962	\$ 3,469,477	\$ 25,055,696	\$ 24,914,645	\$ 37,583,548	66%
Fringe benefits	1,167,682	891,303	9,341,456	7,691,402	14,012,186	55%
<b>Total personal services</b>	<b>4,299,644</b>	<b>4,360,780</b>	<b>34,397,152</b>	<b>32,606,047</b>	<b>51,595,734</b>	<b>63%</b>
<b>Contractual services:</b>						
Research and studies	83,044	32,399	664,352	81,975	996,525	8%
Legal services	21,563	12,307	172,504	154,180	258,753	60%
Indirect costs	519,420	553,085	4,155,360	4,236,155	6,233,040	68%
Purchased water	44,789	144,603	358,312	437,606	537,464	81%
Effluent disposal	167,989	182,027	1,343,912	1,330,316	2,015,865	66%
Comptroller fees	143,937	143,853	1,151,496	1,151,831	1,727,240	67%
Officer fees	1,398	740	11,184	4,754	16,774	28%
Payments to other governments	198,235	183,702	1,585,880	1,422,047	2,378,819	60%
Janitorial	43,621	32,514	348,968	233,288	523,446	45%
Employment agency	111,761	69,302	894,088	473,661	1,341,133	35%
Training	16,956	16,955	135,648	43,250	203,466	21%
Paving	165,715	117,813	1,325,720	1,050,252	1,988,575	53%
Software licensing/support fee	154,634	8,125	1,237,072	1,126,485	1,855,610	61%
Other professional fees	182,973	102,176	1,463,784	482,475	2,195,673	22%
Contractual services	1,644,553	1,245,841	13,156,424	7,427,447	19,734,630	38%
<b>Total contractual services</b>	<b>3,500,588</b>	<b>2,845,442</b>	<b>28,004,704</b>	<b>19,655,722</b>	<b>42,007,013</b>	<b>47%</b>
<b>Materials and supplies:</b>						
Graphic reproduction services	4,056	3,064	32,448	7,299	48,669	15%
Office supplies	12,987	7,236	103,896	60,948	155,844	39%
Event/meal reimbursement	443	70	3,544	2,091	5,310	39%
Software <\$1000	12,462	-	99,696	11,936	149,547	8%
Computer equipment <\$500	7,330	4,872	58,640	30,240	87,960	34%
Equipment <\$1000	22,287	5,297	178,296	137,443	267,443	51%
Tools	7,198	22,771	57,584	69,446	86,380	80%
Medical	153	-	1,224	593	1,840	32%
Liquid oxygen	14,996	13,568	119,968	67,453	179,954	37%
Chemical and pesticides	8	-	64	-	100	0%
Solar salt	15,050	20,643	120,400	147,169	180,600	81%
Chlorine	108,505	156,765	868,040	808,395	1,302,060	62%
Fluoride	15,058	-	120,464	50,066	180,700	28%
Alum	931	-	7,448	679	11,167	6%
Polymer	58,325	50,029	466,600	329,132	699,900	47%
Sealing chemicals	208	-	1,664	-	2,500	0%
Corrosion control	55,432	60,128	443,456	397,520	665,180	60%
Carbon dioxide	45,670	50,570	365,360	307,907	548,036	56%
Sodium hydroxide	42,277	34,327	338,216	177,106	507,323	35%
Supplemental carbon	26,163	-	209,304	-	313,956	0%
Miscellaneous chemicals	29,416	23,785	235,328	176,716	352,996	50%
Material for construction	26,218	10,428	209,744	38,279	314,613	12%
Clothing	14,790	22,925	118,320	103,506	177,478	58%
Gas-oil-lube-brfl-ant	14,495	687	115,960	80,979	173,936	47%
Miscellaneous expenses	56,837	53,743	454,696	363,424	682,043	53%
<b>Total materials &amp; supplies</b>	<b>591,295</b>	<b>540,908</b>	<b>4,730,360</b>	<b>3,368,327</b>	<b>7,095,535</b>	<b>47%</b>

**ORANGE COUNTY WATER UTILITIES SYSTEM  
OPERATING AND MAINTENANCE EXPENSES DETAIL, (continued)  
FOR THE MONTH ENDED MAY 31, 2017**

	MAY BUDGET	MAY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 67%)
<b>Utilities:</b>						
Communications	\$ 65,148	\$ 62,616	\$ 521,184	\$ 472,623	\$ 781,774	60%
Water	9,468	6,877	75,744	70,793	113,613	62%
Solid waste tipping fees	41,115	-	328,920	317,824	493,384	64%
Garbage disposal	8,891	4,431	71,128	32,885	106,696	31%
Gas	14,021	9,098	112,168	72,288	168,254	43%
Electric	1,073,396	1,104,155	8,587,168	7,105,378	12,880,752	55%
<b>Total utilities</b>	<b>1,212,039</b>	<b>1,187,177</b>	<b>9,696,312</b>	<b>8,071,791</b>	<b>14,544,473</b>	<b>55%</b>
<b>Repairs and maintenance:</b>						
Building and grounds	580,653	463,091	4,645,224	3,050,571	6,967,836	44%
Roadway Systems	100	-	800	-	1,200	0%
Equipment	621,836	492,554	4,974,688	3,282,661	7,462,029	44%
Vehicle maintenance	373,977	290,406	2,991,816	2,362,732	4,487,728	53%
Services	42	-	336	-	500	0%
Mains	14,758	27,305	118,064	84,811	177,101	48%
Water meters	3,070	4,288	24,560	7,629	36,845	21%
Fire lines	17,940	-	143,520	824	215,281	0%
Meter installations	42	-	336	-	500	0%
Valves	5,652	-	45,216	9,606	67,821	14%
Utility relocations	42	-	336	-	500	0%
<b>Total repairs &amp; maintenance</b>	<b>1,618,112</b>	<b>1,277,644</b>	<b>12,944,896</b>	<b>8,798,834</b>	<b>19,417,341</b>	<b>45%</b>
<b>Other administrative:</b>						
Local travel	2,229	1,246	17,832	9,893	26,748	37%
Out of county travel	2,387	2,531	19,096	10,466	28,645	37%
Postage and messenger services	64,808	9,922	518,464	476,854	777,693	61%
Toll charges	18,892	19,773	151,136	114,748	226,698	51%
Rental of equipment	46,317	56,491	370,536	338,657	555,800	61%
Dues and memberships	13,896	278	111,168	150,723	166,746	90%
Subscriptions	3,973	4,492	31,784	20,601	47,678	43%
Training fees	11,002	9,760	88,016	24,663	132,019	19%
License and certification	3,205	1,845	25,640	13,238	38,456	34%
Advertising	807	553	6,456	553	9,680	6%
Promotional	9,304	3,272	74,432	15,605	111,647	14%
Educational assistance	3,146	1,412	25,168	2,720	37,750	7%
Scholarships, awards	628	-	5,024	40	7,540	1%
Bad debt expense	40,135	(45,134)	321,080	317,216	481,619	66%
Bank charges	81,206	87,710	649,648	526,425	974,476	54%
Self insurance	245,254	245,254	1,962,032	1,962,031	2,943,046	67%
Refunds of prior year revenue	24,953	558	199,624	127,247	299,441	42%
Operating permits	11,654	-	93,232	-	139,849	0%
Accrued expenses	-	27,230	-	2,001,804	-	0%
<b>Total other administrative</b>	<b>583,796</b>	<b>427,193</b>	<b>4,670,368</b>	<b>6,113,484</b>	<b>7,005,531</b>	<b>87%</b>
<b>Total O&amp;M expenses</b>	<b>\$ 11,805,474</b>	<b>\$ 10,639,144</b>	<b>\$ 94,443,792</b>	<b>\$ 78,614,205</b>	<b>\$ 141,665,627</b>	<b>55%</b>

**ORANGE COUNTY WATER UTILITIES SYSTEM  
NON-OPERATING REVENUE AND EXPENSE DETAIL  
FOR THE MONTH ENDED MAY 31, 2017**

	MAY BUDGET	MAY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 67%)
Interest revenue:						
Net revenue	\$ 92,472	\$ 198,696	\$ 739,776	\$ 969,455	\$ 1,109,666	87%
Connection fees	-	50,926	-	196,354	-	0%
Bond reserve	-	-	-	17,686	-	0%
Less: Customer deposits expense	-	(4,231)	-	(19,208)	-	0%
<b>Total interest revenue</b>	<b>92,472</b>	<b>245,391</b>	<b>739,776</b>	<b>1,164,287</b>	<b>1,109,666</b>	<b>105%</b>
Interest expense:						
Bonds and revolving loans	(503,086)	(311,946)	(4,024,688)	(2,518,884)	(6,037,026)	42%
Capital lease	(154)	211	(1,232)	(718)	(1,844)	39%
Debt service fees	(37,500)	-	(300,000)	-	(450,000)	0%
Amortization of bond premium	-	84,845	-	678,763	-	(1)
<b>Total interest expense</b>	<b>(540,740)</b>	<b>(226,890)</b>	<b>(4,325,920)</b>	<b>(1,840,839)</b>	<b>(6,488,870)</b>	<b>28%</b>
Gain on disposal of assets:						
Proceeds from sale	-	(172,361)	-	(500)	-	0%
Gain on disposal of fixed assets	-	170,808	-	170,808	-	(1)
Loss on abandoned projects	-	(145,652)	-	(145,652)	-	(1)
<b>Total gain on disposal of assets</b>	<b>-</b>	<b>(147,205)</b>	<b>-</b>	<b>24,656</b>	<b>-</b>	<b>(1)</b>
<b>Total non-operating revenues (expenses)</b>	<b>\$ (448,268)</b>	<b>\$ (128,704)</b>	<b>\$ (3,586,144)</b>	<b>\$ (651,896)</b>	<b>\$ (5,379,204)</b>	<b>12%</b>

(1) These are noncash items, and therefore not included in adopted budget.

**ORANGE COUNTY WATER UTILITIES SYSTEM  
CAPITAL CONTRIBUTIONS DETAIL  
FOR THE MONTH ENDED MAY 31, 2017**

	<u>MAY BUDGET</u>	<u>MAY ACTUAL</u>	<u>FISCAL YTD BUDGET</u>	<u>FISCAL YTD ACTUAL</u>	<u>ANNUAL BUDGET</u>	<u>FISCAL YTD (STD 67%)</u>
<b>CONNECTION FEES COLLECTED:</b>						
Water connection fees:						
Residential/Commercial	\$ 547,594	\$ 1,735,118	\$ 4,380,752	\$ 7,771,131	\$ 6,571,129	118%
Irrigation	<u>28,207</u>	<u>56,705</u>	<u>225,656</u>	<u>399,040</u>	<u>338,486</u>	118%
Total water connection fees	<u>575,801</u>	<u>1,791,823</u>	<u>4,606,408</u>	<u>8,170,171</u>	<u>6,909,615</u>	118%
Wastewater connection fees:						
Residential/Commercial	<u>1,206,025</u>	<u>3,834,177</u>	<u>9,648,200</u>	<u>17,000,098</u>	<u>14,472,301</u>	117%
Total wastewater connection fees	<u>1,206,025</u>	<u>3,834,177</u>	<u>9,648,200</u>	<u>17,000,098</u>	<u>14,472,301</u>	117%
Less reductions:						
Refunds of prior year collections	<u>(83,333)</u>	<u>-</u>	<u>(666,664)</u>	<u>(38,800)</u>	<u>(1,000,000)</u>	4%
Total reductions	<u>(83,333)</u>	<u>-</u>	<u>(666,664)</u>	<u>(38,800)</u>	<u>(1,000,000)</u>	4%
Net connection fees	<u>1,698,493</u>	<u>5,626,000</u>	<u>13,587,944</u>	<u>25,131,469</u>	<u>20,381,916</u>	123%
<b>DONATED SYSTEMS:</b>						
Developer fixed assets	-	3,675,472	-	12,772,923	-	0%
Developer reimbursements	-	-	-	17,880	-	0%
Line extensions	<u>-</u>	<u>14,405</u>	<u>-</u>	<u>60,610</u>	<u>-</u>	0%
Total donated systems	<u>-</u>	<u>3,689,877</u>	<u>-</u>	<u>12,851,413</u>	<u>-</u>	0%
Total capital contributions	<u>\$ 1,698,493</u>	<u>\$ 9,315,877</u>	<u>\$ 13,587,944</u>	<u>\$ 37,982,882</u>	<u>\$ 20,381,916</u>	186%



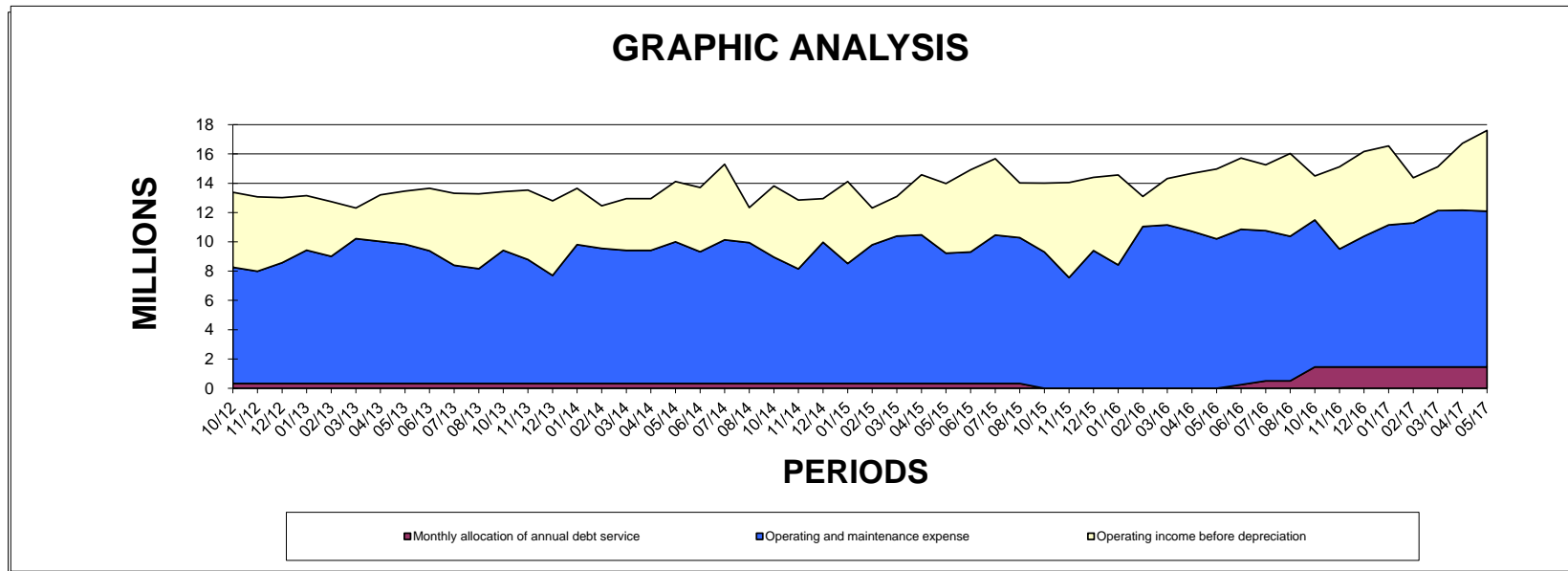
**ORANGE COUNTY WATER UTILITIES SYSTEM  
OTHER DISBURSEMENTS DETAIL  
FOR THE MONTH ENDED MAY 31, 2017**

	MAY BUDGET	MAY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 67%)
Capital outlay:						
Land	\$ 38,263	\$ 10,917	\$ 306,104	\$ 295,862	\$ 459,161	64%
Buildings	65,294	-	522,352	30,213	783,531	4%
Structures	13,848,500	10,226,605	110,788,000	52,099,056	166,181,996	31%
Equipment	672,982	407,876	5,383,856	2,494,944	8,075,787	31%
Total capital outlay	14,625,039	10,645,398	117,000,312	54,920,075	175,500,475	31%
Debt service principal	178,568	187,154	1,428,544	1,540,442	2,142,811	72%
Total other disbursements	<u>\$ 14,803,607</u>	<u>\$ 10,832,552</u>	<u>\$ 118,428,856</u>	<u>\$ 56,460,517</u>	<u>\$ 177,643,286</u>	32%

**ORANGE COUNTY WATER UTILITIES SYSTEM  
ANALYTICAL DATA  
FISCAL YEAR 2017**

	<u>Year to Date</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>
Operating Ratios												
Overall	0.63	0.69	0.54	0.55	0.59	0.69	0.71	0.65	0.61			
Water	0.80	1.00	0.69	0.74	0.75	1.04	0.84	0.75	0.67			
Wastewater	0.51	0.53	0.44	0.44	0.47	0.51	0.60	0.54	0.53			
Bond Coverage Ratios*	24.00	18.44	28.62	29.78	27.70	17.91	17.65	24.19	27.75			

\*Net operating income (excluding connection fees) divided by the annual debt service payments. The bond resolution requires coverage of 1.10.



**ORANGE COUNTY WATER UTILITIES SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE MONTH ENDED MAY 31, 2017**

Pursuant to Section 37-304 of Orange County Ordinance No. 92-10, water and wastewater capacity has been sold net of \$10.5 million in affordable multi-family housing discounts, since inception of the program. Pursuant to Orange County ordinance No. 94-21, the County also offers a discount on water & wastewater connection fees for each residential lot that receives service from a Reclaimed Water Distribution System. Since inception of this program water & wastewater capacity has been sold net of \$10.2 million.