

**ORANGE COUNTY WATER UTILITIES SYSTEM
STATEMENTS OF NET POSITION
NOVEMBER 30 AND OCTOBER 31, 2020**

	NOVEMBER	OCTOBER
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
Current assets:		
Cash and investments	\$ 32,748,776	\$ 37,461,700
Accrued interest receivable	309,951	309,951
Accounts receivable, net	21,900,423	24,645,562
Due from other governmental agencies	17,756	28,411
Inventories and prepaid costs	<u>10,728,963</u>	<u>11,401,259</u>
Total current assets	<u>65,705,869</u>	<u>73,846,883</u>
Restricted assets:		
Cash and investments	<u>61,395,265</u>	<u>58,688,371</u>
Capital assets:		
Land	103,040,894	103,040,894
Construction in progress	303,422,018	301,013,903
Buildings and improvements	2,430,666,075	2,430,666,075
Machinery and equipment	107,219,855	107,353,845
Intangible assets	165,283,060	165,283,060
Less accumulated depreciation and amortization	<u>(1,453,862,558)</u>	<u>(1,446,745,140)</u>
Total capital assets	<u>1,655,769,344</u>	<u>1,660,612,637</u>
Total noncurrent and restricted assets	<u>1,717,164,609</u>	<u>1,719,301,008</u>
Total assets	<u>1,782,870,478</u>	<u>1,793,147,891</u>
Deferred outflows of resources:		
Related to pensions and OPEB	<u>16,906,667</u>	<u>16,906,667</u>
Total assets and deferred outflows of resources	<u>\$ 1,799,777,145</u>	<u>\$ 1,810,054,558</u>
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 44,009,182	\$ 44,405,452
Due to other governmental agencies	495,516	511,041
Net pension liability	<u>159,737</u>	<u>159,737</u>
Total current liabilities	<u>44,664,435</u>	<u>45,076,230</u>
Liabilities payable from restricted assets:		
Accrued interest payable on bonds and loans	947,775	580,462
Revenue bonds payable (net of unamortized costs)	3,780,000	3,780,000
Customer deposits	<u>10,801,189</u>	<u>10,840,883</u>
Total liabilities payable from restricted assets	<u>15,528,964</u>	<u>15,201,345</u>
Noncurrent liabilities:		
Compensated absences payable	1,934,762	1,934,762
Loans payable	90,401,021	90,401,021
Revenue bonds payable (net of unamortized costs)	76,343,371	76,393,295
Net pension and OPEB liability	<u>58,228,010</u>	<u>58,228,010</u>
Total noncurrent liabilities	<u>226,907,164</u>	<u>226,957,088</u>
Total liabilities	<u>287,100,563</u>	<u>287,234,663</u>
Deferred inflows of resources:		
Related to pensions and OPEB	<u>1,718,526</u>	<u>1,718,526</u>
Total liabilities and deferred inflows of resources	<u>288,819,089</u>	<u>288,953,189</u>
<u>NET POSITION</u>		
Net investment in capital assets	1,485,244,952	1,490,038,321
Restricted for debt service	49,646,301	47,267,026
Unrestricted	<u>(23,933,197)</u>	<u>(16,203,978)</u>
Total net position	<u>1,510,958,056</u>	<u>1,521,101,369</u>
Total liabilities and net position	<u>\$ 1,799,777,145</u>	<u>\$ 1,810,054,558</u>

**ORANGE COUNTY WATER UTILITIES SYSTEM
CASH AND INVESTMENTS DETAIL
NOVEMBER 30 AND OCTOBER 31, 2020**

	<u>NOVEMBER</u>	<u>OCTOBER</u>
Current:		
Reserve revenue	\$ 26,781,864	\$ 34,591,543
Water connection fees	1,227,019	546,553
Wastewater connection fees	4,733,793	2,317,504
Petty cash	<u>6,100</u>	<u>6,100</u>
Total current cash and investments	<u>32,748,776</u>	<u>37,461,700</u>
Restricted:		
Operation and maintenance reserve	31,933,379	30,290,113
Renewal and replacement	8,014,634	8,003,907
Bond reserve (1)	6,584,220	6,584,215
Bond principal	630,068	315,068
Bond interest	398,550	199,287
Loan debt service	2,271,695	1,694,387
Loan repayment reserve	761,530	760,511
Customer deposits	<u>10,801,189</u>	<u>10,840,883</u>
Total restricted cash and investments	<u>61,395,265</u>	<u>58,688,371</u>
Total cash and investments	<u>\$ 94,144,041</u>	<u>\$ 96,150,071</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 NOVEMBER 30, 2020**

	<u>NOVEMBER</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 4,367,090	\$ 8,812,056
Wastewater service	10,922,903	21,888,452
Reclaimed water service	873,020	1,741,411
Miscellaneous	<u>(1,329,449)</u>	<u>1,068,207</u>
Total operating revenues	<u>14,833,564</u>	<u>33,510,126</u>
Operating and maintenance expenses:		
Personal services	4,502,335	9,657,853
Contractual services	2,552,752	3,867,164
Materials and supplies	460,446	591,509
Utilities	1,073,830	3,000,323
Repairs and maintenance	776,254	1,597,399
Other administrative expenses	<u>697,690</u>	<u>4,452,390</u>
Total operating and maintenance expenses	<u>10,063,307</u>	<u>23,166,638</u>
Operating income before depreciation	4,770,257	10,343,488
Depreciation and amortization	<u>7,117,418</u>	<u>14,234,834</u>
Operating loss	<u>(2,347,161)</u>	<u>(3,891,346)</u>
Nonoperating revenues (expenses):		
Interest revenue	178,231	223,571
Interest expense and fiscal charges	(317,506)	(634,896)
Gain on disposal of assets	<u>122,956</u>	<u>122,956</u>
Total net nonoperating revenues (expenses)	<u>(16,319)</u>	<u>(288,369)</u>
Loss before contributions and transfers	(2,363,480)	(4,179,715)
Capital contributions	1,920,167	4,788,111
Transfers out	<u>(9,700,000)</u>	<u>(9,700,000)</u>
Change in net position	(10,143,313)	(9,091,604)
Total net position, beginning of period	<u>1,521,101,369</u>	<u>1,520,049,660</u>
Total net position, end of period	<u>\$ 1,510,958,056</u>	<u>\$ 1,510,958,056</u>

See accompanying notes to financial statements

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING REVENUE DETAIL
FOR THE MONTH ENDED NOVEMBER 30, 2020**

	NOVEMBER BUDGET	NOVEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 17%)
Water service:						
Residential	\$ 2,432,172	\$ 2,414,884	\$ 4,864,344	\$ 4,808,756	\$ 29,186,069	16%
Commercial	1,572,426	1,113,158	3,144,852	2,328,650	18,869,110	12%
Conservation surcharge	979,603	839,048	1,959,206	1,674,650	11,755,234	14%
Total water service	<u>4,984,201</u>	<u>4,367,090</u>	<u>9,968,402</u>	<u>8,812,056</u>	<u>59,810,413</u>	15%
Wastewater service:						
Residential	6,166,684	6,274,322	12,333,368	12,434,408	74,000,210	17%
Commercial	5,676,816	4,328,864	11,353,632	8,857,637	68,121,789	13%
Environmental surcharge	230,952	202,026	461,904	403,408	2,771,421	15%
Industrial	3,146	1,871	6,292	3,264	37,747	9%
Septic and portable	68,289	77,281	136,578	150,763	819,462	18%
Capacity maintenance fees	10,779	38,539	21,558	38,972	129,343	30%
Total wastewater service	<u>12,156,666</u>	<u>10,922,903</u>	<u>24,313,332</u>	<u>21,888,452</u>	<u>145,879,972</u>	15%
Reclaimed water service:						
Residential	490,050	402,255	980,100	834,794	5,880,602	14%
Commercial	512,684	441,439	1,025,368	877,291	6,152,210	14%
Reclaimed water-cooling tower	23,297	29,326	46,594	29,326	279,564	10%
Total reclaimed water service	<u>1,026,031</u>	<u>873,020</u>	<u>2,052,062</u>	<u>1,741,411</u>	<u>12,312,376</u>	14%
Miscellaneous:						
Initiate account service	42,953	34,928	85,906	78,450	515,440	15%
Turn off/on service	30,397	23,706	60,794	45,263	364,766	12%
Lien fee charges	510	20	1,020	20	6,114	0%
Meter removal/testing	3,103	3,208	6,206	5,288	37,241	14%
Meter/line damage	1,842	238	3,684	480	22,101	2%
NSF charges	6,910	3,962	13,820	9,605	82,917	12%
Plans and specifications	82,861	61,614	165,722	93,606	994,337	9%
Charges to other funds	1,115	1,632	2,230	3,303	13,383	25%
Developer reimb of plan review	3,685	54,794	7,370	89,770	44,215	203%
Cross Connection Control Program	229,840	233,857	459,680	470,170	2,758,076	17%
Miscellaneous	176,525	(1,747,408)	353,050	272,252	2,118,301	13%
Total miscellaneous	<u>579,741</u>	<u>(1,329,449)</u>	<u>1,159,482</u>	<u>1,068,207</u>	<u>6,956,891</u>	15%
Total operating revenues	<u>\$ 18,746,639</u>	<u>\$ 14,833,564</u>	<u>\$ 37,493,278</u>	<u>\$ 33,510,126</u>	<u>\$ 224,959,652</u>	15%

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING AND MAINTENANCE EXPENSES DETAIL
FOR THE MONTH ENDED NOVEMBER 30, 2020**

	NOVEMBER BUDGET	NOVEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 17%)
Personal services:						
Salaries	\$ 3,747,682	\$ 3,336,517	\$ 7,495,364	\$ 7,722,825	\$ 44,972,183	17%
Fringe benefits	1,641,053	1,165,818	3,282,106	1,935,028	19,692,641	10%
Total personal services	5,388,735	4,502,335	10,777,470	9,657,853	64,664,824	15%
Contractual services:						
Research and studies	93,963	40	187,926	40	1,127,561	0%
Legal services	11,582	(3,697)	23,164	(517)	138,978	0%
Indirect costs	666,196	666,196	1,332,392	1,332,391	7,994,348	17%
Purchased water	133,687	149,926	267,374	154,698	1,604,249	10%
Effluent disposal	279,402	151,374	558,804	255,473	3,352,823	8%
Comptroller fees	171,401	171,402	342,802	342,803	2,056,816	17%
Officer fees	761	341	1,522	391	9,130	4%
Payments to other governments	322,097	557,012	644,194	673,314	3,865,166	17%
Janitorial	40,694	28,340	81,388	28,340	488,329	6%
Employment agency	120,824	60,415	241,648	81,662	1,449,889	6%
Training	21,628	30	43,256	2,601	259,534	1%
Paving	194,723	(1,489)	389,446	46,068	2,336,677	2%
Software licensing/support fee	225,510	511,322	451,020	534,343	2,706,120	20%
Other professional fees	245,236	(25,953)	490,472	6,107	2,942,837	0%
Contractual services	1,583,137	287,493	3,166,274	409,450	18,997,638	2%
Total contractual services	4,110,841	2,552,752	8,221,682	3,867,164	49,330,095	8%
Materials and supplies:						
Graphic reproduction services	5,482	-	10,964	-	65,785	0%
Office supplies	14,142	-	28,284	-	169,703	0%
Event/meal reimbursement	288	-	576	-	3,460	0%
Software <\$1000	11,126	4,039	22,252	4,039	133,517	3%
Computer equipment <\$500	12,182	12,092	24,364	12,092	146,185	8%
Equipment <\$1000	28,100	(1,495)	56,200	(779)	337,194	0%
Tools	15,364	7,890	30,728	28,246	184,372	15%
Medical	96	-	192	-	1,150	0%
Liquid oxygen	19,354	5,030	38,708	5,030	232,248	2%
Chemical and pesticides	8	-	16	-	100	0%
Solar salt	27,815	11,123	55,630	11,123	333,776	3%
Chlorine	192,844	121,308	385,688	151,097	2,314,130	7%
Fluoride	18,012	8,824	36,024	13,287	216,149	6%
Alum	9,389	5,053	18,778	7,580	112,670	7%
Polymer	183,086	151,255	366,172	151,255	2,197,029	7%
Sealing chemicals	208	-	416	-	2,500	0%
Corrosion control	68,763	41,791	137,526	48,698	825,158	6%
Carbon dioxide	70,409	57,624	140,818	73,986	844,906	9%
Sodium hydroxide	54,424	15,483	108,848	46,368	653,085	7%
Supplemental carbon	74,461	-	148,922	6,578	893,531	1%
Miscellaneous chemicals	32,454	4,072	64,908	5,289	389,446	1%
Material for construction	27,898	-	55,796	-	334,780	0%
Clothing	19,612	9,056	39,224	13,294	235,347	6%
Gas-oil-lube-brfl-ant	28,470	352	56,940	4,013	341,634	1%
Miscellaneous expenses	97,415	6,949	194,830	10,313	1,168,984	1%
Total materials & supplies	1,011,402	460,446	2,022,804	591,509	12,136,839	5%

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING AND MAINTENANCE EXPENSES DETAIL, (continued)
FOR THE MONTH ENDED NOVEMBER 30, 2020**

	NOVEMBER BUDGET	NOVEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 17%)
Utilities:						
Communications	\$ 70,288	\$ 50,835	\$ 140,576	\$ 142,122	\$ 843,451	17%
Water	9,927	2,206	19,854	21,453	119,124	18%
Solid waste tipping fees	44,093	-	88,186	-	529,117	0%
Garbage disposal	6,471	(851)	12,942	442	77,656	1%
Gas	18,511	3,380	37,022	6,636	222,127	3%
Electric	1,224,958	1,018,260	2,449,916	2,829,670	14,699,494	19%
Total utilities	1,374,248	1,073,830	2,748,496	3,000,323	16,490,969	18%
Repairs and maintenance:						
Building and grounds	672,974	276,682	1,345,948	567,103	8,075,689	7%
Equipment	864,584	308,305	1,729,168	441,601	10,375,007	4%
Vehicle maintenance	389,540	277,147	779,080	555,967	4,674,484	12%
Services	101,710	-	203,420	-	1,220,515	0%
Mains	441,484	(31,522)	882,968	53,031	5,297,806	1%
Water meters	20,642	13,752	41,284	13,752	247,703	6%
Fire lines	1,300	-	2,600	-	15,605	0%
Meter installations	42	-	84	-	500	0%
Valves	195,663	(68,110)	391,326	(34,055)	2,347,951	-1%
Utility relocations	42	-	84	-	500	0%
Total repairs & maintenance	2,687,981	776,254	5,375,962	1,597,399	32,255,760	5%
Other administrative:						
Local travel	2,716	272	5,432	640	32,590	2%
Out of county travel	4,625	-	9,250	-	55,505	0%
Postage and messenger services	78,565	(3,277)	157,130	692	942,775	0%
Toll charges	19,934	15,401	39,868	29,183	239,210	12%
Rental of equipment	84,944	7,324	169,888	35,321	1,019,326	3%
Dues and memberships	14,109	35,053	28,218	56,461	169,308	33%
Subscriptions	2,353	-	4,706	-	28,239	0%
Training fees	26,811	165	53,622	165	321,727	0%
License and certification	3,821	1,242	7,642	1,819	45,854	4%
Advertising	1,410	-	2,820	740	16,920	4%
Promotional	12,364	-	24,728	1,255	148,371	1%
Educational assistance	2,775	-	5,550	-	33,300	0%
Scholarships, awards	651	-	1,302	-	7,810	0%
Improvements to non-county assets	37,500	-	75,000	-	450,000	0%
Bad debt expense	32,000	65,705	64,000	82,192	384,000	21%
Bank charges	137,988	9,871	275,976	10,161	1,655,853	1%
Self insurance	310,347	310,344	620,694	620,689	3,724,164	17%
Refunds of prior year revenue	66,667	93,864	133,334	94,007	800,000	12%
Operating permits	11,654	-	23,308	-	139,849	0%
Accrued expenses	-	161,726	-	3,519,065	-	0%
Total other administrative	851,234	697,690	1,702,468	4,452,390	10,214,801	44%
Total O&M expenses	\$ 15,424,441	\$ 10,063,307	\$ 30,848,882	\$ 23,166,638	\$ 185,093,288	13%

**ORANGE COUNTY WATER UTILITIES SYSTEM
NON-OPERATING REVENUE AND EXPENSE DETAIL
FOR THE MONTH ENDED NOVEMBER 30, 2020**

	NOVEMBER BUDGET	NOVEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 17%)
Interest revenue:						
Net revenue	\$ 139,667	\$ 167,044	\$ 279,334	\$ 214,079	\$ 1,676,004	13%
Connection fees	-	11,334	-	15,476	-	0%
Bond reserve	-	4	-	(5,266)	-	0%
Less: Customer deposits expense	-	(151)	-	(718)	-	0%
Total interest revenue	139,667	178,231	279,334	223,571	1,676,004	13%
Interest expense:						
Bonds and revolving loans	(869,600)	(367,313)	(1,739,200)	(734,626)	(10,435,197)	7%
Capital lease	(207)	(117)	(414)	(117)	(2,485)	5%
Debt service fees	(184,083)	-	(368,166)	-	(2,209,000)	0%
Amortization of bond premium	-	49,924	-	99,847	-	(1)
Total interest expense	(1,053,890)	(317,506)	(2,107,780)	(634,896)	(12,646,682)	5%
Gain (loss) on disposal of assets:						
Proceeds from sale	-	122,956	-	122,956	-	0%
Gain on disposal of fixed assets	-	-	-	-	-	(1)
Loss on abandoned projects	-	-	-	-	-	(1)
Total loss on disposal of assets	-	122,956	-	122,956	-	(1)
Bond issuance costs	(58,333)	-	(116,666)	-	(700,000)	0%
Total non-operating revenues (expenses)	\$ (972,556)	\$ (16,319)	\$ (1,945,112)	\$ (288,369)	\$ (11,670,678)	2%

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

**ORANGE COUNTY WATER UTILITIES SYSTEM
CAPITAL CONTRIBUTIONS DETAIL
FOR THE MONTH ENDED NOVEMBER 30, 2020**

	NOVEMBER BUDGET	NOVEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 17%)
CONNECTION FEES COLLECTED:						
Water connection fees:						
Residential/Commercial	\$ 791,738	\$ 601,122	\$ 1,583,476	\$ 1,118,303	\$ 9,500,853	12%
Irrigation	46,554	27,560	93,108	56,715	558,649	10%
Total water connection fees	<u>838,292</u>	<u>628,682</u>	<u>1,676,584</u>	<u>1,175,018</u>	<u>10,059,502</u>	12%
Wastewater connection fees:						
Residential/Commercial	<u>1,848,729</u>	<u>1,293,246</u>	<u>3,697,458</u>	<u>3,604,599</u>	<u>22,184,743</u>	16%
Total wastewater connection fees	<u>1,848,729</u>	<u>1,293,246</u>	<u>3,697,458</u>	<u>3,604,599</u>	<u>22,184,743</u>	16%
Less reductions:						
Refunds of prior year collections	<u>(83,333)</u>	<u>(4,986)</u>	<u>(166,666)</u>	<u>(4,986)</u>	<u>(1,000,000)</u>	0%
Total reductions	<u>(83,333)</u>	<u>(4,986)</u>	<u>(166,666)</u>	<u>(4,986)</u>	<u>(1,000,000)</u>	0%
Net connection fees	<u>2,603,688</u>	<u>1,916,942</u>	<u>5,207,376</u>	<u>4,774,631</u>	<u>31,244,245</u>	15%
DONATED SYSTEMS:						
Developer fixed assets	-	-	-	8,711	-	0%
Developer reimbursements	-	-	-	719	-	0%
Line extensions	<u>-</u>	<u>3,225</u>	<u>-</u>	<u>4,050</u>	<u>-</u>	0%
Total donated systems	<u>-</u>	<u>3,225</u>	<u>-</u>	<u>13,480</u>	<u>-</u>	0%
Total capital contributions	<u>\$ 2,603,688</u>	<u>\$ 1,920,167</u>	<u>\$ 5,207,376</u>	<u>\$ 4,788,111</u>	<u>\$ 31,244,245</u>	15%

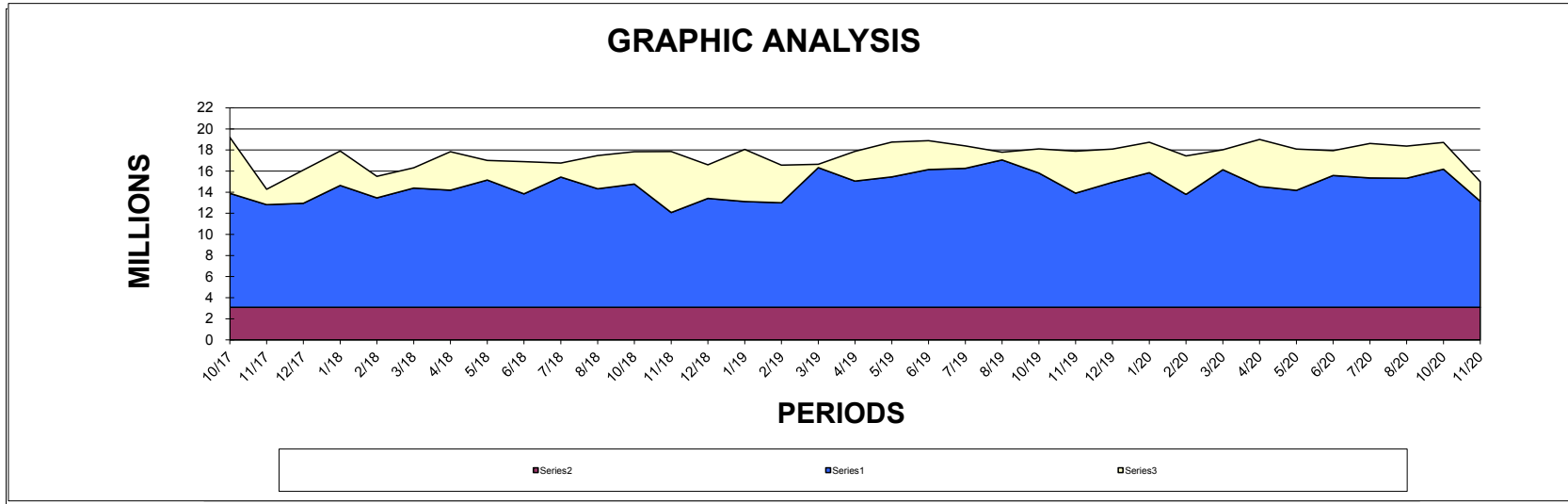
**ORANGE COUNTY WATER UTILITIES SYSTEM
OTHER DISBURSEMENTS DETAIL
FOR THE MONTH ENDED NOVEMBER 30, 2020**

	NOVEMBER BUDGET	NOVEMBER ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 17%)
Capital outlay:						
Land	\$ 75,821	\$ -	\$ 151,642	\$ -	\$ 909,846	0%
Buildings	133,480	-	266,960	-	1,601,754	0%
Structures	17,714,200	2,408,115	35,428,400	3,353,203	212,570,398	2%
Equipment	1,214,728	(133,990)	2,429,456	194,232	14,576,732	1%
Total capital outlay	19,138,229	2,274,125	38,276,458	3,547,435	229,658,730	2%
Debt service principal	803,222	747,046	1,606,444	1,494,092	9,638,668	16%
Total other disbursements	<u>\$ 19,941,451</u>	<u>\$ 3,021,171</u>	<u>\$ 39,882,902</u>	<u>\$ 5,041,527</u>	<u>\$ 239,297,398</u>	2%

**ORANGE COUNTY WATER UTILITIES SYSTEM
ANALYTICAL DATA
FISCAL YEAR 2021**

	<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	0.69	0.70	0.68									
Water	0.99	0.92	1.10									
Wastewater	0.55	0.57	0.52									
Bond Coverage Ratios*	10.06	10.84	9.28									

*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 NOVEMBER 30, 2020**

Pursuant to Section 37-304 of Orange County Ordinance No. 92-10, water and wastewater capacity has been sold net of \$10.6 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 \$15.2 million.