

**ORANGE COUNTY WATER UTILITIES SYSTEM
STATEMENTS OF NET POSITION
JANUARY 31, 2021 AND DECEMBER 31, 2020**

	JANUARY	DECEMBER
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
Current assets:		
Cash and investments	\$ 117,980,775	\$ 114,670,996
Accrued interest receivable	309,951	309,951
Accounts receivable, net	21,747,834	19,891,210
Due from other governmental agencies	17,756	17,756
Inventories and prepaid costs	10,215,347	10,817,170
Total current assets	150,271,663	145,707,083
Restricted assets:		
Cash and investments	152,494,435	153,377,146
Capital assets:		
Land	103,040,931	103,040,931
Construction in progress	330,340,208	319,271,273
Buildings and improvements	2,430,666,075	2,430,666,075
Machinery and equipment	109,217,317	108,467,420
Intangible assets	165,283,060	165,283,060
Less accumulated depreciation and amortization	(1,468,097,390)	(1,460,979,974)
Total capital assets	1,670,450,201	1,665,748,785
Total noncurrent and restricted assets	1,822,944,636	1,819,125,931
Total assets	1,973,216,299	1,964,833,014
Deferred outflows of resources:		
Related to pensions and OPEB	16,906,667	16,906,667
Total assets and deferred outflows of resources	\$ 1,990,122,966	\$ 1,981,739,681
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 43,616,310	\$ 39,580,117
Due to other governmental agencies	552,978	529,794
Net pension liability	159,737	159,737
Total current liabilities	44,329,025	40,269,648
Liabilities payable from restricted assets:		
Accrued interest payable on bonds and loans	3,056,348	1,315,087
Revenue bonds payable (net of unamortized costs)	3,780,000	3,780,000
Customer deposits	10,701,752	10,799,973
Total liabilities payable from restricted assets	17,538,100	15,895,060
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)	260,715,004	261,936,553
Net pension and OPEB liability	58,228,010	58,228,010
Total noncurrent liabilities	411,278,797	412,500,346
Total liabilities	473,145,922	468,665,054
Deferred inflows of resources:		
Related to pensions and OPEB	1,718,526	1,718,526
Total liabilities and deferred inflows of resources	474,864,448	470,383,580
<u>NET POSITION</u>		
Net investment in capital assets	1,403,440,924	1,400,520,338
Restricted for debt service	50,849,587	50,372,959
Unrestricted	60,968,007	60,462,804
Total net position	1,515,258,518	1,511,356,101
Total liabilities and net position	\$ 1,990,122,966	\$ 1,981,739,681

**ORANGE COUNTY WATER UTILITIES SYSTEM
CASH AND INVESTMENTS DETAIL
JANUARY 31, 2021 AND DECEMBER 31, 2020**

	<u>JANUARY</u>	<u>DECEMBER</u>
Current:		
Reserve revenue	\$ 60,476,019	\$ 60,442,034
Water connection fees	8,387,061	7,444,539
Wastewater connection fees	49,111,595	46,778,323
Petty cash	<u>6,100</u>	<u>6,100</u>
Total current cash and investments	<u>117,980,775</u>	<u>114,670,996</u>
Restricted:		
Issuance Costs	20,768	20,768
Series 2020 account	87,886,748	90,889,127
Operation and maintenance reserve	31,890,273	31,903,406
Renewal and replacement	8,003,286	8,006,718
Bond reserve (1)	6,584,227	6,584,223
Bond principal	1,260,080	945,073
Bond interest	2,243,576	597,815
Loan debt service	3,143,273	2,869,265
Loan repayment reserve	760,452	760,778
Customer deposits	<u>10,701,752</u>	<u>10,799,973</u>
Total restricted cash and investments	<u>152,494,435</u>	<u>153,377,146</u>
Total cash and investments	<u>\$ 270,475,210</u>	<u>\$ 268,048,142</u>

Note: (1) The Bond Reserve requirement is prescribed in the 2016 Series bond covenants as the maximum annual debt service for the 2016 Series 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 JANUARY 31, 2021**

	<u>JANUARY</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 4,854,486	\$ 18,277,482
Wastewater service	11,469,538	44,572,089
Reclaimed water service	902,039	3,544,964
Miscellaneous	975,782	2,670,603
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Total operating revenues	18,201,845	69,065,138
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Operating and maintenance expenses:		
Personal services	4,667,334	19,591,735
Contractual services	2,863,817	9,083,271
Materials and supplies	592,704	1,979,906
Utilities	128,867	4,199,106
Repairs and maintenance	1,497,936	4,831,255
Other administrative expenses	675,449	5,708,412
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Total operating and maintenance expenses	10,426,107	45,393,685
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Operating income before depreciation	7,775,738	23,671,453
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Depreciation and amortization	7,117,416	28,469,666
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Operating income (loss)	658,322	(4,798,213)
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Nonoperating revenues (expenses):		
Interest revenue	55,462	368,079
Interest expense and fiscal charges	(591,937)	(1,544,495)
Gain on disposal of assets	-	122,956
Bond issuance costs	(4,000)	(631,267)
Federal and state grants	-	47,951
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Total net nonoperating revenues (expenses)	(540,475)	(1,636,776)
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Income (loss) before contributions and transfers	117,847	(6,434,989)
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Capital contributions	3,784,570	11,343,847
Transfers out	-	(9,700,000)
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Change in net position	3,902,417	(4,791,142)
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Total net position, beginning of period	1,511,356,101	1,520,049,660
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Total net position, end of period	\$ 1,515,258,518	\$ 1,515,258,518
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See accompanying notes to financial statements

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING REVENUE DETAIL
FOR THE MONTH ENDED JANUARY 31, 2021**

	JANUARY BUDGET	JANUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 33%)
Water service:						
Residential	\$ 2,432,172	\$ 2,574,645	\$ 9,728,688	\$ 9,882,498	\$ 29,186,069	34%
Commercial	1,572,426	1,250,470	6,289,704	4,833,946	18,869,110	26%
Conservation surcharge	979,603	1,029,371	3,918,412	3,561,038	11,755,234	30%
Total water service	<u>4,984,201</u>	<u>4,854,486</u>	<u>19,936,804</u>	<u>18,277,482</u>	<u>59,810,413</u>	31%
Wastewater service:						
Residential	6,166,684	6,652,907	24,666,736	25,414,410	74,000,210	34%
Commercial	5,676,816	4,534,650	22,707,264	17,965,534	68,121,789	26%
Environmental surcharge	230,952	190,848	923,808	798,032	2,771,421	29%
Industrial	3,146	2,677	12,584	9,081	37,747	24%
Septic and portable	68,289	82,363	273,156	307,280	819,462	37%
Capacity maintenance fees	10,779	6,093	43,116	77,752	129,343	60%
Total wastewater service	<u>12,156,666</u>	<u>11,469,538</u>	<u>48,626,664</u>	<u>44,572,089</u>	<u>145,879,972</u>	31%
Reclaimed water service:						
Residential	490,050	466,224	1,960,200	1,747,633	5,880,602	30%
Commercial	512,684	424,228	2,050,736	1,722,304	6,152,210	28%
Reclaimed water-cooling tower	23,297	11,587	93,188	75,027	279,564	27%
Total reclaimed water service	<u>1,026,031</u>	<u>902,039</u>	<u>4,104,124</u>	<u>3,544,964</u>	<u>12,312,376</u>	29%
Miscellaneous:						
Initiate account service	42,953	31,984	171,812	153,154	515,440	30%
Turn off/on service	30,397	18,704	121,588	87,703	364,766	24%
Lien fee charges	510	560	2,040	820	6,114	13%
Meter removal/testing	3,103	3,117	12,412	11,861	37,241	32%
Meter/line damage	1,842	83	7,368	810	22,101	4%
NSF charges	6,910	3,905	27,640	20,002	82,917	24%
Plans and specifications	82,861	224,445	331,444	463,801	994,337	47%
Charges to other funds	1,115	1,709	4,460	6,021	13,383	45%
Developer reimb of plan review	49,114	49,382	196,456	209,601	589,362	36%
Cross Connection Control Program	229,840	240,523	919,360	949,626	2,758,076	34%
Miscellaneous	131,096	401,370	524,384	767,204	1,573,154	49%
Total miscellaneous	<u>579,741</u>	<u>975,782</u>	<u>2,318,964</u>	<u>2,670,603</u>	<u>6,956,891</u>	38%
Total operating revenues	<u>\$ 18,746,639</u>	<u>\$ 18,201,845</u>	<u>\$ 74,986,556</u>	<u>\$ 69,065,138</u>	<u>\$ 224,959,652</u>	31%

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING AND MAINTENANCE EXPENSES DETAIL
FOR THE MONTH ENDED JANUARY 31, 2021**

	JANUARY BUDGET	JANUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 33%)
Personal services:						
Salaries	\$ 3,747,682	\$ 3,341,166	\$ 14,990,728	\$ 14,490,014	\$ 44,972,183	32%
Fringe benefits	1,641,053	1,326,168	6,564,212	5,101,721	19,692,641	26%
Total personal services	5,388,735	4,667,334	21,554,940	19,591,735	64,664,824	30%
Contractual services:						
Research and studies	93,963	30,481	375,852	45,326	1,127,561	4%
Legal services	11,582	690	46,328	1,909	138,978	1%
Indirect costs	666,196	666,196	2,664,784	2,664,783	7,994,348	33%
Purchased water	133,687	313,076	534,748	470,644	1,604,249	29%
Effluent disposal	279,402	140,051	1,117,608	561,864	3,352,823	17%
Comptroller fees	171,401	171,401	685,604	685,605	2,056,816	33%
Officer fees	761	380	3,044	1,031	9,130	11%
Payments to other governments	322,097	554,569	1,288,388	1,140,653	3,865,166	30%
Janitorial	40,694	12,099	162,776	76,281	488,329	16%
Employment agency	120,824	72,132	483,296	272,023	1,449,889	19%
Training	21,628	140	86,512	6,071	259,534	2%
Paving	200,876	83,034	803,504	247,726	2,410,509	10%
Software licensing/support fee	225,050	154,816	900,200	933,355	2,700,601	35%
Other professional fees	245,916	97,462	983,664	150,936	2,950,993	5%
Contractual services	1,642,686	567,290	6,570,744	1,825,064	19,712,229	9%
Total contractual services	4,176,763	2,863,817	16,707,052	9,083,271	50,121,155	18%
Materials and supplies:						
Graphic reproduction services	5,482	-	21,928	-	65,785	0%
Office supplies	14,142	1,299	56,568	8,208	169,703	5%
Event/meal reimbursement	288	-	1,152	-	3,460	0%
Software <\$1000	12,579	-	50,316	52,233	150,948	35%
Computer equipment <\$500	6,879	28,186	27,516	45,567	82,545	55%
Equipment <\$1000	27,772	103,993	111,088	209,618	333,261	63%
Tools	15,364	18,722	61,456	65,483	184,372	36%
Medical	96	-	384	-	1,150	0%
Liquid oxygen	19,354	2,596	77,416	15,102	232,248	7%
Chemical and pesticides	8	-	32	-	100	0%
Solar salt	27,815	-	111,260	28,916	333,776	9%
Chlorine	192,844	100,351	771,376	382,002	2,314,130	17%
Fluoride	18,012	5,043	72,048	25,750	216,149	12%
Alum	9,389	-	37,556	12,634	112,670	11%
Polymer	183,086	44,520	732,344	335,311	2,197,029	15%
Sealing chemicals	208	-	832	-	2,500	0%
Corrosion control	68,763	41,784	275,052	166,154	825,158	20%
Carbon dioxide	70,409	59,066	281,636	207,253	844,906	25%
Sodium hydroxide	54,424	30,919	217,696	131,385	653,085	20%
Supplemental carbon	74,461	46,080	297,844	52,658	893,531	6%
Miscellaneous chemicals	32,454	13,076	129,816	28,972	389,446	7%
Material for construction	27,898	31,172	111,592	31,172	334,780	9%
Clothing	19,612	8,422	78,448	42,511	235,347	18%
Gas-oil-lube-brfl-ant	28,470	20,932	113,880	46,006	341,634	13%
Miscellaneous expenses	97,415	36,543	389,660	92,971	1,168,984	8%
Total materials & supplies	1,007,224	592,704	4,028,896	1,979,906	12,086,697	16%

**ORANGE COUNTY WATER UTILITIES SYSTEM
OPERATING AND MAINTENANCE EXPENSES DETAIL, (continued)
FOR THE MONTH ENDED JANUARY 31, 2021**

	JANUARY BUDGET	JANUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 33%)
Utilities:						
Communications	\$ 70,288	\$ 46,396	\$ 281,152	\$ 284,218	\$ 843,451	34%
Water	9,927	10,053	39,708	33,338	119,124	28%
Solid waste tipping fees	44,093	-	176,372	-	529,117	0%
Garbage disposal	6,471	1,851	25,884	6,832	77,656	9%
Gas	18,511	5,755	74,044	23,778	222,127	11%
Electric	1,224,958	64,812	4,899,832	3,850,940	14,699,494	26%
Total utilities	1,374,248	128,867	5,496,992	4,199,106	16,490,969	25%
Repairs and maintenance:						
Building and grounds	672,443	425,498	2,689,772	1,541,515	8,069,312	19%
Equipment	852,543	700,410	3,410,172	1,937,192	10,230,513	19%
Vehicle maintenance	384,513	325,916	1,538,052	1,203,335	4,614,151	26%
Services	101,710	-	406,840	474	1,220,515	0%
Mains	441,484	10,986	1,765,936	70,064	5,297,806	1%
Water meters	20,642	1,094	82,568	11,685	247,703	5%
Fire lines	1,300	-	5,200	-	15,605	0%
Meter installations	42	-	168	-	500	0%
Valves	196,079	34,032	784,316	66,990	2,352,951	3%
Utility relocations	42	-	168	-	500	0%
Total repairs & maintenance	2,670,798	1,497,936	10,683,192	4,831,255	32,049,556	15%
Other administrative:						
Local travel	2,716	486	10,864	1,700	32,590	5%
Out of county travel	4,625	-	18,500	-	55,505	0%
Postage and messenger services	78,565	224	314,260	10,043	942,775	1%
Toll charges	19,934	14,237	79,736	64,703	239,210	27%
Rental of equipment	84,944	39,387	339,776	147,176	1,019,326	14%
Dues and memberships	14,109	4,375	56,436	76,457	169,308	45%
Subscriptions	2,353	1,666	9,412	1,931	28,239	7%
Training fees	26,811	625	107,244	5,037	321,727	2%
License and certification	3,821	309	15,284	2,661	45,854	6%
Advertising	1,410	-	5,640	1,240	16,920	7%
Promotional	12,364	500	49,456	6,595	148,371	4%
Educational assistance	2,775	-	11,100	1,054	33,300	3%
Scholarships, awards	651	-	2,604	-	7,810	0%
Improvements to non-county assets	36,950	-	147,800	-	443,397	0%
Bad debt expense	32,000	24,137	128,000	157,108	384,000	41%
Bank charges	137,988	119,533	551,952	130,246	1,655,853	8%
Self insurance	310,347	310,344	1,241,388	1,241,378	3,724,164	33%
Refunds of prior year revenue	66,667	2,437	266,668	121,748	800,000	15%
Operating permits	11,654	-	46,616	-	139,849	0%
Accrued expenses	-	157,189	-	3,739,335	-	0%
Total other administrative	850,684	675,449	3,402,736	5,708,412	10,208,198	56%
Total O&M expenses	\$ 15,468,452	\$ 10,426,107	\$ 61,873,808	\$ 45,393,685	\$ 185,621,399	24%

**ORANGE COUNTY WATER UTILITIES SYSTEM
NON-OPERATING REVENUE AND EXPENSE DETAIL
FOR THE MONTH ENDED JANUARY 31, 2021**

	JANUARY BUDGET	JANUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 33%)
Interest revenue:						
Net revenue	\$ 139,667	\$ 50,411	\$ 558,668	\$ 349,190	\$ 1,676,004	21%
Connection fees	-	5,082	-	24,972	-	0%
Bond reserve	-	4	-	(5,259)	-	0%
Less: Customer deposits expense	-	(35)	-	(824)	-	0%
Total interest revenue	139,667	55,462	558,668	368,079	1,676,004	22%
Interest expense:						
Bonds and revolving loans	(869,600)	(1,813,301)	(3,478,400)	(2,915,239)	(10,435,197)	28%
Capital lease	(207)	(185)	(828)	(575)	(2,485)	23%
Debt service fees	(184,083)	-	(736,332)	-	(2,209,000)	0%
Amortization of bond premium	-	1,221,549	-	1,371,319	-	(1)
Total interest expense	(1,053,890)	(591,937)	(4,215,560)	(1,544,495)	(12,646,682)	12%
Gain (loss) on disposal of assets:						
Proceeds from sale	-	-	-	122,956	-	0%
Total gain on disposal of assets	-	-	-	122,956	-	(1)
Bond issuance costs	(58,333)	(4,000)	(233,332)	(631,267)	(700,000)	90%
Hurricane related reimbursements	-	-	-	47,951	-	0%
Total revenue related to hurricanes	-	-	-	47,951	-	
Total non-operating revenues (expenses)	\$ (972,556)	\$ (540,475)	\$ (3,890,224)	\$ (1,636,776)	\$ (11,670,678)	14%

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

**ORANGE COUNTY WATER UTILITIES SYSTEM
CAPITAL CONTRIBUTIONS DETAIL
FOR THE MONTH ENDED JANUARY 31, 2021**

	JANUARY BUDGET	JANUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 33%)
CONNECTION FEES COLLECTED:						
Water connection fees:						
Residential/Commercial	\$ 791,738	\$ 1,003,019	\$ 3,166,952	\$ 2,919,943	\$ 9,500,853	31%
Irrigation	46,554	53,040	186,216	144,230	558,649	26%
Total water connection fees	<u>838,292</u>	<u>1,056,059</u>	<u>3,353,168</u>	<u>3,064,173</u>	<u>10,059,502</u>	30%
Wastewater connection fees:						
Residential/Commercial	<u>1,848,729</u>	<u>2,688,647</u>	<u>7,394,916</u>	<u>8,218,543</u>	<u>22,184,743</u>	37%
Total wastewater connection fees	<u>1,848,729</u>	<u>2,688,647</u>	<u>7,394,916</u>	<u>8,218,543</u>	<u>22,184,743</u>	37%
Less reductions:						
Refunds of prior year collections	<u>(83,333)</u>	<u>(205)</u>	<u>(333,332)</u>	<u>(9,951)</u>	<u>(1,000,000)</u>	1%
Total reductions	<u>(83,333)</u>	<u>(205)</u>	<u>(333,332)</u>	<u>(9,951)</u>	<u>(1,000,000)</u>	1%
Net connection fees	<u>2,603,688</u>	<u>3,744,501</u>	<u>10,414,752</u>	<u>11,272,765</u>	<u>31,244,245</u>	36%
DONATED SYSTEMS:						
Developer fixed assets	-	34,844	-	52,266	-	0%
Developer reimbursements	-	-	-	871	-	0%
Line extensions	<u>-</u>	<u>5,225</u>	<u>-</u>	<u>17,945</u>	<u>-</u>	0%
Total donated systems	<u>-</u>	<u>40,069</u>	<u>-</u>	<u>71,082</u>	<u>-</u>	0%
Total capital contributions	<u>\$ 2,603,688</u>	<u>\$ 3,784,570</u>	<u>\$ 10,414,752</u>	<u>\$ 11,343,847</u>	<u>\$ 31,244,245</u>	36%

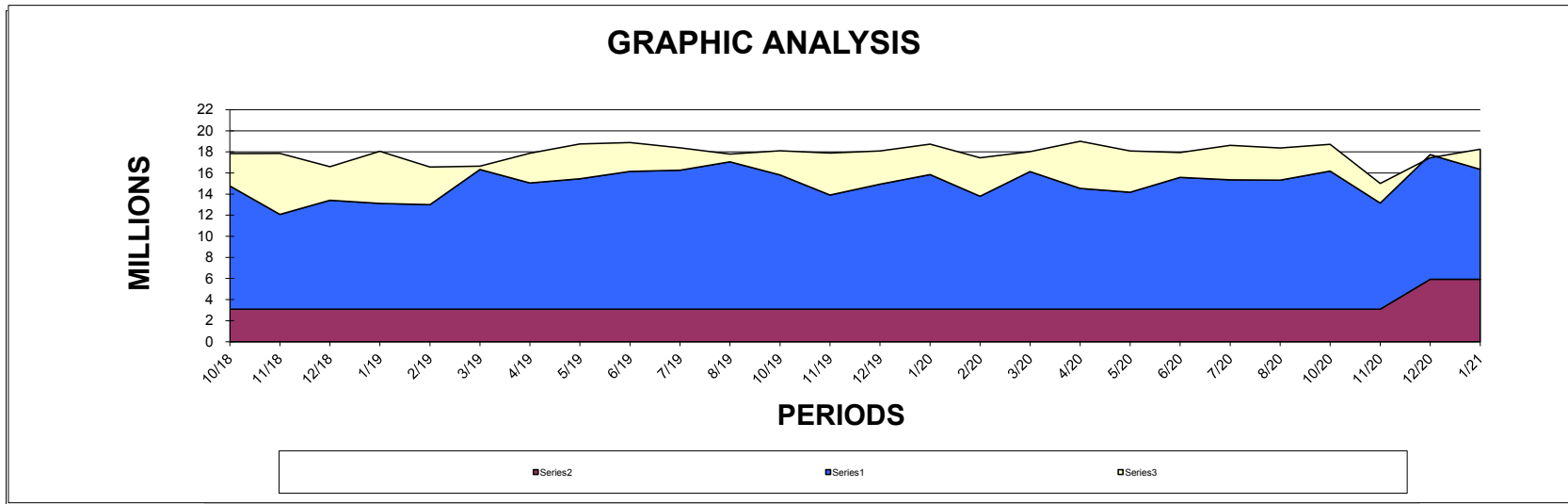
**ORANGE COUNTY WATER UTILITIES SYSTEM
OTHER DISBURSEMENTS DETAIL
FOR THE MONTH ENDED JANUARY 31, 2021**

	JANUARY BUDGET	JANUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 33%)
Capital outlay:						
Land	\$ 68,590	\$ -	\$ 274,360	\$ 37	\$ 823,083	0%
Buildings	78,228	112,927	312,912	400,146	938,732	43%
Structures	17,332,725	10,964,046	69,330,900	29,879,285	207,992,696	14%
Equipment	1,113,358	749,897	4,453,432	2,191,694	13,360,300	16%
Total capital outlay	18,592,901	11,826,870	74,371,604	32,471,162	223,114,811	15%
Debt service principal	803,222	747,552	3,212,888	2,988,691	9,638,668	31%
Total other disbursements	<u>\$ 19,396,123</u>	<u>\$ 12,574,422</u>	<u>\$ 77,584,492</u>	<u>\$ 35,459,853</u>	<u>\$ 232,753,479</u>	15%

**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	0.66	0.70	0.68	0.68	0.57							
Water	0.88	0.92	1.10	0.93	0.63							
Wastewater	0.53	0.57	0.52	0.52	0.50							
Bond Coverage Ratios*	5.99	10.84	9.28	5.62	7.87							

*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 JANUARY 31, 2021**

Pursuant to Section 37-304 of Orange County Ordinance No. 92-10, water and wastewater capacity has been sold net of \$10.7 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 \$15.3 million.