

**ORANGE COUNTY WATER UTILITIES SYSTEM  
STATEMENTS OF NET POSITION  
FEBRUARY 28 AND JANUARY 31, 2022**

	FEBRUARY	JANUARY
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Current assets:		
Cash and investments	\$ 162,727,589	\$ 157,953,358
Accrued interest receivable	563,805	563,805
Accounts receivable, net	27,246,003	23,923,276
Due from other governmental agencies	805,919	788,026
Inventories and prepaid costs	7,899,858	8,766,961
Total current assets	199,243,174	191,995,426
Restricted assets:		
Cash and investments	71,086,362	74,570,115
Capital assets:		
Land	103,165,265	103,165,211
Construction in progress	348,173,301	340,473,571
Buildings and improvements	2,548,490,464	2,548,490,464
Machinery and equipment	113,919,070	113,813,327
Intangible assets	188,478,256	188,478,256
Less accumulated depreciation and amortization	(1,558,875,140)	(1,551,591,056)
Total capital assets	1,743,351,216	1,742,829,773
Total noncurrent and restricted assets	1,814,437,578	1,817,399,888
Total assets	2,013,680,752	2,009,395,314
Deferred outflows of resources:		
Related to pensions and OPEB	12,037,144	12,037,144
Total assets and deferred outflows of resources	\$ 2,025,717,896	\$ 2,021,432,458
<b><u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 40,062,370	\$ 38,437,997
Due to other governmental agencies	523,459	576,742
Net pension liability	76,191	76,191
Total current liabilities	40,662,020	39,090,930
Liabilities payable from restricted assets:		
Accrued interest payable on bonds and loans	4,132,018	3,849,134
Revenue bonds payable (net of unamortized costs)	8,575,000	8,575,000
Customer deposits	10,867,703	11,064,644
Total liabilities payable from restricted assets	23,574,721	23,488,778
Noncurrent liabilities:		
Compensated absences payable	2,343,590	2,343,590
Loans payable	85,281,970	85,090,653
Revenue bonds payable (net of unamortized costs)	247,396,127	247,796,376
Net pension and OPEB liability	23,035,043	23,035,043
Total noncurrent liabilities	358,056,730	358,265,662
Total liabilities	422,293,471	420,845,370
Deferred inflows of resources:		
Related to pensions and OPEB	27,699,090	27,699,090
Total liabilities and deferred inflows of resources	449,992,561	448,544,460
<b><u>NET POSITION</u></b>		
Net investment in capital assets	1,403,892,715	1,407,334,190
Restricted for debt service	54,292,045	53,689,891
Unrestricted	117,540,575	111,863,917
Total net position	1,575,725,335	1,572,887,998
Total liabilities and net position	\$ 2,025,717,896	\$ 2,021,432,458

**ORANGE COUNTY WATER UTILITIES SYSTEM  
CASH AND INVESTMENTS DETAIL  
FEBRUARY 28 AND JANUARY 31, 2022**

	<u>FEBRUARY</u>	<u>JANUARY</u>
Current:		
Reserve revenue	\$ 63,407,958	\$ 60,718,378
Water connection fees	19,809,273	18,940,952
Wastewater connection fees	79,504,258	78,287,928
Petty cash	<u>6,100</u>	<u>6,100</u>
Total current cash and investments	<u>162,727,589</u>	<u>157,953,358</u>
Restricted:		
Series 2020 account	1,794,596	5,966,446
Operation and maintenance reserve	33,504,445	33,265,685
Renewal and replacement	8,003,675	8,005,400
Bond reserve (1)	6,425,300	6,425,300
Bond principal	3,572,984	2,858,388
Bond interest	4,619,648	3,079,778
Loan debt service	1,537,522	3,143,821
Loan repayment reserve	760,489	760,653
Customer deposits	<u>10,867,703</u>	<u>11,064,644</u>
Total restricted cash and investments	<u>71,086,362</u>	<u>74,570,115</u>
Total cash and investments	<u>\$ 233,813,951</u>	<u>\$ 232,523,473</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 FEBRUARY 28, 2022**

	<u>FEBRUARY</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 4,550,076	\$ 23,821,360
Wastewater service	11,878,808	59,867,536
Reclaimed water service	959,012	5,221,309
Miscellaneous	<u>660,663</u>	<u>3,158,389</u>
Total operating revenues	<u>18,048,559</u>	<u>92,068,594</u>
Operating and maintenance expenses:		
Personal services	4,880,664	25,250,036
Contractual services	2,535,339	11,234,320
Materials and supplies	848,357	3,118,288
Utilities	723,892	5,776,934
Repairs and maintenance	1,685,704	7,420,264
Other administrative expenses	<u>703,136</u>	<u>7,073,485</u>
Total operating and maintenance expenses	<u>11,377,092</u>	<u>59,873,327</u>
Operating income before depreciation	6,671,467	32,195,267
Depreciation and amortization	<u>7,284,084</u>	<u>36,420,417</u>
Operating loss	<u>(612,617)</u>	<u>(4,225,150)</u>
Nonoperating revenues (expenses):		
Interest revenue	104,395	504,724
Interest expense and fiscal charges	(525,120)	(2,637,940)
Loss on disposal of assets	(11,325)	(11,325)
Federal and state grants	<u>(191,317)</u>	<u>-</u>
Total net nonoperating expenses	<u>(623,367)</u>	<u>(2,144,541)</u>
Loss before contributions and transfers	(1,235,984)	(6,369,691)
Capital contributions	4,073,321	18,506,888
Transfers out	<u>-</u>	<u>(9,900,000)</u>
Change in net position	2,837,337	2,237,197
Total net position, beginning of period	<u>1,572,887,998</u>	<u>1,573,488,138</u>
Total net position, end of period	<u>\$ 1,575,725,335</u>	<u>\$ 1,575,725,335</u>

See accompanying notes to financial statements

**ORANGE COUNTY WATER UTILITIES SYSTEM  
OPERATING REVENUE DETAIL  
FOR THE MONTH ENDED FEBRUARY 28, 2022**

	FEBRUARY BUDGET	FEBRUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 42%)
<b>Water service:</b>						
Residential	\$ 2,652,246	\$ 2,502,862	\$ 13,261,230	\$ 12,643,979	\$ 31,826,947	40%
Commercial	1,263,803	1,272,066	6,319,015	6,612,785	15,165,640	44%
Conservation surcharge	1,018,881	775,148	5,094,405	4,564,596	12,226,567	37%
Total water service	<u>4,934,930</u>	<u>4,550,076</u>	<u>24,674,650</u>	<u>23,821,360</u>	<u>59,219,154</u>	40%
<b>Wastewater service:</b>						
Residential	6,900,327	6,554,158	34,501,635	33,038,742	82,803,918	40%
Commercial	4,343,187	4,899,687	21,715,935	25,157,759	52,118,245	48%
Environmental surcharge	200,479	190,970	1,002,395	1,140,879	2,405,742	47%
Industrial	2,558	2,833	12,790	12,950	30,694	42%
Septic and portable	76,212	113,470	381,060	426,978	914,538	47%
Capacity maintenance fees	10,731	117,690	53,655	90,228	128,767	70%
Total wastewater service	<u>11,533,494</u>	<u>11,878,808</u>	<u>57,667,470</u>	<u>59,867,536</u>	<u>138,401,904</u>	43%
<b>Reclaimed water service:</b>						
Residential	516,715	478,039	2,583,575	2,528,968	6,200,581	41%
Commercial	514,028	444,114	2,570,140	2,537,396	6,168,337	41%
Reclaimed water-cooling tower	32,986	36,859	164,930	154,945	395,835	39%
Total reclaimed water service	<u>1,063,729</u>	<u>959,012</u>	<u>5,318,645</u>	<u>5,221,309</u>	<u>12,764,753</u>	41%
<b>Miscellaneous:</b>						
Initiate account service	37,585	28,192	187,925	156,774	451,018	35%
Turn off/on service	18,616	18,220	93,080	72,401	223,387	32%
Lien fee charges	405	200	2,025	760	4,855	16%
Meter removal/testing	3,202	3,672	16,010	18,280	38,421	48%
Meter/line damage	1,412	2,820	7,060	19,343	16,949	114%
NSF charges	5,306	7,288	26,530	37,768	63,669	59%
Plans and specifications	80,611	134,212	403,055	357,726	967,328	37%
Charges to other funds	1,258	1,041	6,290	6,904	15,099	46%
Developer reimb of plan review	58,959	43,186	294,795	316,650	707,513	45%
Cross Connection Control Program	237,019	254,799	1,185,095	1,272,798	2,844,222	45%
Miscellaneous	183,411	167,033	917,055	898,985	2,200,935	41%
Total miscellaneous	<u>627,784</u>	<u>660,663</u>	<u>3,138,920</u>	<u>3,158,389</u>	<u>7,533,396</u>	42%
Total operating revenues	<u>\$ 18,159,937</u>	<u>\$ 18,048,559</u>	<u>\$ 90,799,685</u>	<u>\$ 92,068,594</u>	<u>\$ 217,919,207</u>	42%

**ORANGE COUNTY WATER UTILITIES SYSTEM  
OPERATING AND MAINTENANCE EXPENSES DETAIL  
FOR THE MONTH ENDED FEBRUARY 28, 2022**

	FEBRUARY BUDGET	FEBRUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 42%)
<b>Personal services:</b>						
Salaries	\$ 3,961,684	\$ 3,499,906	\$ 19,808,420	\$ 18,095,375	\$ 47,540,205	38%
Fringe benefits	1,831,893	1,380,758	9,159,465	7,154,661	21,982,714	33%
<b>Total personal services</b>	<b>5,793,577</b>	<b>4,880,664</b>	<b>28,967,885</b>	<b>25,250,036</b>	<b>69,522,919</b>	<b>36%</b>
<b>Contractual services:</b>						
Research and studies	116,245	45,592	581,225	171,299	1,394,943	12%
Legal services	15,354	2,812	76,770	3,306	184,253	2%
Indirect costs	710,539	710,539	3,552,695	3,552,697	8,526,473	42%
Purchased water	133,687	113,351	668,435	457,506	1,604,249	29%
Effluent disposal	291,556	239,120	1,457,780	834,260	3,498,666	24%
Comptroller fees	180,173	180,173	900,865	900,865	2,162,076	42%
Officer fees	761	280	3,805	1,112	9,130	12%
Payments to other governments	266,440	281,480	1,332,200	1,406,086	3,197,281	44%
Janitorial	51,350	37,380	256,750	119,019	616,196	19%
Employment agency	136,801	51,572	684,005	203,286	1,641,609	12%
Training	23,019	-	115,095	30,201	276,233	11%
Paving	222,788	48,406	1,113,940	214,286	2,673,453	8%
Software licensing/support fee	289,756	24,557	1,448,780	859,896	3,477,073	25%
Other professional fees	234,259	5,145	1,171,295	87,955	2,811,104	3%
<b>Contractual services</b>	<b>1,479,575</b>	<b>794,932</b>	<b>7,397,875</b>	<b>2,392,546</b>	<b>17,754,898</b>	<b>13%</b>
<b>Total contractual services</b>	<b>4,152,303</b>	<b>2,535,339</b>	<b>20,761,515</b>	<b>11,234,320</b>	<b>49,827,637</b>	<b>23%</b>
<b>Materials and supplies:</b>						
Graphic reproduction services	5,469	-	27,345	7,819	65,622	12%
Office supplies	13,475	5,617	67,375	29,881	161,703	18%
Event/meal reimbursement	276	-	1,380	460	3,310	14%
Software <\$1000	9,673	5,255	48,365	19,125	116,078	16%
Computer equipment <\$500	3,653	9,674	18,265	28,608	43,838	65%
Equipment <\$1000	27,259	2,519	136,295	17,031	327,112	5%
Tools	18,039	10,706	90,195	44,973	216,468	21%
Medical	513	-	2,565	-	6,150	0%
Liquid oxygen	19,297	10,148	96,485	38,757	231,558	17%
Chemical and pesticides	8	-	40	-	100	0%
Solar salt	29,004	9,768	145,020	9,768	348,052	3%
Chlorine	206,024	254,990	1,030,120	978,768	2,472,288	40%
Fluoride	17,362	20,577	86,810	31,782	208,345	15%
Alum	11,863	4,617	59,315	9,781	142,359	7%
Polymer	190,124	228,573	950,620	517,257	2,281,492	23%
Sealing chemicals	208	-	1,040	-	2,500	0%
Corrosion control	74,947	28,899	374,735	222,708	899,358	25%
Carbon dioxide	67,443	95,839	337,215	337,637	809,321	42%
Sodium hydroxide	53,425	45,188	267,125	190,504	641,105	30%
Supplemental carbon	69,480	-	347,400	50,781	833,756	6%
Miscellaneous chemicals	33,987	10,217	169,935	49,108	407,840	12%
Material for construction	32,757	5,624	163,785	165,910	393,081	42%
Clothing	22,764	9,293	113,820	54,974	273,166	20%
Gas-oil-lube-brfl-ant	33,842	8,862	169,210	63,142	406,099	16%
Miscellaneous expenses	98,956	81,991	494,780	249,514	1,187,471	21%
<b>Total materials &amp; supplies</b>	<b>1,039,848</b>	<b>848,357</b>	<b>5,199,240</b>	<b>3,118,288</b>	<b>12,478,172</b>	<b>25%</b>

**ORANGE COUNTY WATER UTILITIES SYSTEM  
OPERATING AND MAINTENANCE EXPENSES DETAIL, (continued)  
FOR THE MONTH ENDED FEBRUARY 28, 2022**

	FEBRUARY BUDGET	FEBRUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 42%)
Utilities:						
Communications	\$ 92,535	\$ 61,943	\$ 462,675	\$ 420,826	\$ 1,110,414	38%
Water	10,079	17,824	50,395	84,059	120,944	70%
Solid waste tipping fees	41,609	59,171	208,045	180,369	499,308	36%
Garbage disposal	7,188	1,624	35,940	8,335	86,251	10%
Gas	19,378	14,919	96,890	47,245	232,539	20%
Electric	1,243,686	568,411	6,218,430	5,036,100	14,924,226	34%
Total utilities	<u>1,414,475</u>	<u>723,892</u>	<u>7,072,375</u>	<u>5,776,934</u>	<u>16,973,682</u>	34%
Repairs and maintenance:						
Building and grounds	713,708	393,450	3,568,540	1,871,260	8,564,501	22%
Equipment	937,704	816,779	4,688,520	2,770,601	11,252,442	25%
Vehicle maintenance	401,492	307,579	2,007,460	1,521,216	4,817,902	32%
Services	101,710	23,629	508,550	23,629	1,220,515	2%
Mains	585,403	136,070	2,927,015	1,073,542	7,024,841	15%
Water meters	17,048	6,922	85,240	24,554	204,581	12%
Fire lines	1,300	1,275	6,500	1,275	15,605	8%
Meter installations	42	-	210	-	500	0%
Valves	162,413	-	812,065	134,187	1,948,951	7%
Utility relocations	42	-	210	-	500	0%
Total repairs & maintenance	<u>2,920,862</u>	<u>1,685,704</u>	<u>14,604,310</u>	<u>7,420,264</u>	<u>35,050,338</u>	21%
Other administrative:						
Local travel	2,716	394	13,580	2,168	32,590	7%
Out of county travel	4,584	2,390	22,920	11,112	55,002	20%
Postage and messenger services	81,992	111,035	409,960	176,319	983,898	18%
Toll charges	21,733	19,534	108,665	78,682	260,790	30%
Rental of equipment	95,451	36,141	477,255	257,531	1,145,414	22%
Dues and memberships	14,145	1,432	70,725	74,919	169,744	44%
Subscriptions	2,243	1,288	11,215	2,271	26,919	8%
Training fees	25,433	12,650	127,165	42,303	305,196	14%
License and certification	3,494	785	17,470	2,847	41,929	7%
Advertising	1,600	498	8,000	648	19,200	3%
Promotional	10,342	280	51,710	12,581	124,106	10%
Educational assistance	2,775	1,129	13,875	2,791	33,300	8%
Scholarships, awards	697	-	3,485	1,171	8,361	14%
Improvements to non-county assets	28,616	-	143,080	-	343,397	0%
Bad debt expense	31,333	14,944	156,665	29,333	376,000	8%
Bank charges	127,861	100,183	639,305	233,286	1,534,336	15%
Self insurance	302,248	282,507	1,511,240	1,503,649	3,626,981	41%
Refunds of prior year revenue	66,667	96,581	333,335	213,684	800,000	27%
Operating permits	11,654	-	58,270	-	139,849	0%
Accrued expenses	-	21,365	-	4,428,190	-	0%
Total other administrative	<u>835,584</u>	<u>703,136</u>	<u>4,177,920</u>	<u>7,073,485</u>	<u>10,027,012</u>	71%
Total O&M expenses	<u>\$ 16,156,649</u>	<u>\$ 11,377,092</u>	<u>\$ 80,783,245</u>	<u>\$ 59,873,327</u>	<u>\$ 193,879,760</u>	31%

**ORANGE COUNTY WATER UTILITIES SYSTEM  
NON-OPERATING REVENUE AND EXPENSE DETAIL  
FOR THE MONTH ENDED FEBRUARY 28, 2022**

	FEBRUARY BUDGET	FEBRUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 42%)
Interest revenue:						
Net revenue	\$ 108,692	\$ 64,406	\$ 543,460	\$ 325,551	\$ 1,304,300	25%
Connection fees	-	40,064	-	179,567	-	0%
Bond reserve	-	-	-	(12)	-	0%
Less: Customer deposits expense	-	(75)	-	(382)	-	0%
Total interest revenue	<u>108,692</u>	<u>104,395</u>	<u>543,460</u>	<u>504,724</u>	<u>1,304,300</u>	39%
Interest expense:						
Bonds and revolving loans	(1,042,777)	(925,316)	(5,213,885)	(4,638,862)	(12,513,325)	37%
Capital lease	(96)	(52)	(480)	(317)	(1,146)	28%
Debt service fees	(41,667)	-	(208,335)	-	(500,000)	0%
Amortization of bond premium	-	400,248	-	2,001,239	-	(1)
Total interest expense	<u>(1,084,540)</u>	<u>(525,120)</u>	<u>(5,422,700)</u>	<u>(2,637,940)</u>	<u>(13,014,471)</u>	20%
Gain (loss) on disposal of assets:						
Loss on abandoned projects	-	(11,325)	-	(11,325)	-	(1)
Total loss on disposal of assets	<u>-</u>	<u>(11,325)</u>	<u>-</u>	<u>(11,325)</u>	<u>-</u>	(1)
Federal and state grants	-	(191,317)	-	-	-	0%
Total revenue related to federal and state grants	<u>-</u>	<u>(191,317)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total non-operating revenues (expenses)	<u>\$ (975,848)</u>	<u>\$ (623,367)</u>	<u>\$ (4,879,240)</u>	<u>\$ (2,144,541)</u>	<u>\$ (11,710,171)</u>	18%

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

**ORANGE COUNTY WATER UTILITIES SYSTEM  
CAPITAL CONTRIBUTIONS DETAIL  
FOR THE MONTH ENDED FEBRUARY 28, 2022**

	<u>FEBRUARY BUDGET</u>	<u>FEBRUARY ACTUAL</u>	<u>FISCAL YTD BUDGET</u>	<u>FISCAL YTD ACTUAL</u>	<u>ANNUAL BUDGET</u>	<u>FISCAL YTD (STD 42%)</u>
<b>CONNECTION FEES COLLECTED:</b>						
Water connection fees:						
Residential/Commercial	\$ 721,468	\$ 1,397,075	\$ 3,607,340	\$ 4,708,439	\$ 8,657,613	54%
Irrigation	<u>35,798</u>	<u>31,525</u>	<u>178,990</u>	<u>144,257</u>	<u>429,571</u>	34%
Total water connection fees	<u>757,266</u>	<u>1,428,600</u>	<u>3,786,330</u>	<u>4,852,696</u>	<u>9,087,184</u>	53%
Wastewater connection fees:						
Residential/Commercial	<u>1,899,153</u>	<u>2,616,470</u>	<u>9,495,765</u>	<u>13,576,621</u>	<u>22,789,841</u>	60%
Total wastewater connection fees	<u>1,899,153</u>	<u>2,616,470</u>	<u>9,495,765</u>	<u>13,576,621</u>	<u>22,789,841</u>	60%
Less reductions:						
Refunds of prior year collections	<u>(83,333)</u>	<u>(3,294)</u>	<u>(416,665)</u>	<u>(15,511)</u>	<u>(1,000,000)</u>	2%
Total reductions	<u>(83,333)</u>	<u>(3,294)</u>	<u>(416,665)</u>	<u>(15,511)</u>	<u>(1,000,000)</u>	2%
Net connection fees	<u>2,573,086</u>	<u>4,041,776</u>	<u>12,865,430</u>	<u>18,413,806</u>	<u>30,877,025</u>	60%
<b>DONATED SYSTEMS:</b>						
Developer fixed assets	-	26,133	-	52,266	-	0%
Developer reimbursements	-	1,782	-	8,621	-	0%
Line extensions	<u>-</u>	<u>3,630</u>	<u>-</u>	<u>32,195</u>	<u>-</u>	0%
Total donated systems	<u>-</u>	<u>31,545</u>	<u>-</u>	<u>93,082</u>	<u>-</u>	0%
Total capital contributions	<u>\$ 2,573,086</u>	<u>\$ 4,073,321</u>	<u>\$ 12,865,430</u>	<u>\$ 18,506,888</u>	<u>\$ 30,877,025</u>	60%



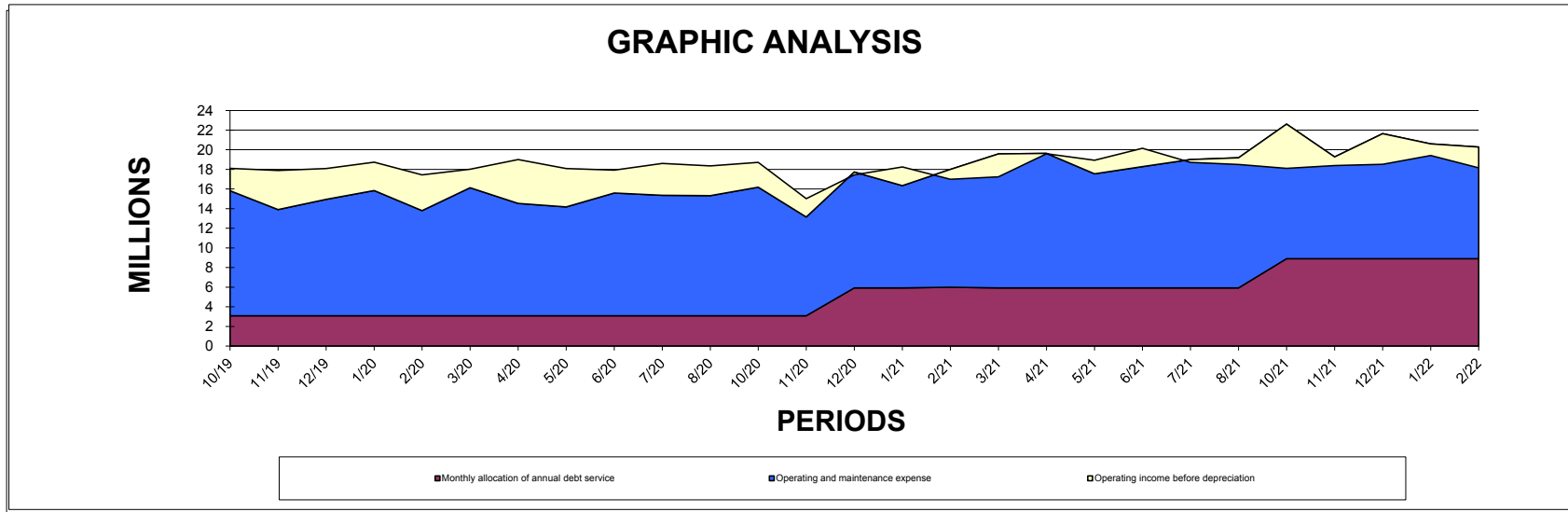
**ORANGE COUNTY WATER UTILITIES SYSTEM  
OTHER DISBURSEMENTS DETAIL  
FOR THE MONTH ENDED FEBRUARY 28, 2022**

	FEBRUARY BUDGET	FEBRUARY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 42%)
Capital outlay:						
Land	\$ 64,452	\$ 54	\$ 322,260	\$ 48,349	\$ 773,427	6%
Buildings	96,537	36,711	482,685	37,306	1,158,446	3%
Structures	15,194,839	7,671,003	75,974,195	24,482,368	182,338,064	13%
Equipment	1,182,207	105,743	5,911,035	1,555,612	14,186,486	11%
Total capital outlay	16,538,035	7,813,511	82,690,175	26,123,635	198,456,423	13%
Debt service principal	1,175,165	1,159,293	5,875,825	5,784,183	14,101,981	41%
Total other disbursements	<u>\$ 17,713,200</u>	<u>\$ 8,972,804</u>	<u>\$ 88,566,000</u>	<u>\$ 31,907,818</u>	<u>\$ 212,558,404</u>	15%

**ORANGE COUNTY WATER UTILITIES SYSTEM  
ANALYTICAL DATA  
FISCAL YEAR 2022**

	<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	0.65	0.76	0.57	0.69	0.61	0.63						
Water	0.91	1.07	0.81	0.96	0.80	0.90						
Wastewater	0.52	0.61	0.45	0.55	0.50	0.49						
Bond Coverage Ratios*	4.34	2.93	5.29	3.88	5.10	4.49						

\*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 FEBRUARY 28, 2022**

Pursuant to Section 37-304 of Orange County Ordinance No. 92-10, water and wastewater capacity has been sold net of \$10.8 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 \$16.2 million.