

**ORANGE COUNTY WATER UTILITIES SYSTEM  
STATEMENTS OF NET POSITION  
JULY 31 AND JUNE 30, 2018**

	JULY	JUNE
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Current assets:		
Cash and investments	\$ 126,507,698	\$ 125,482,584
Accrued interest receivable	451,593	451,593
Accounts receivable, net	19,023,297	19,741,523
Due from other governmental agencies	3,267,307	3,267,307
Inventories and prepaid costs	10,805,147	11,555,133
Total current assets	160,055,042	160,498,140
Restricted assets:		
Cash and investments	56,672,307	56,142,994
Capital assets:		
Land	102,807,534	102,789,856
Construction in progress	270,456,037	261,885,038
Buildings and improvements	2,111,647,841	2,110,996,822
Machinery and equipment	98,310,713	98,072,406
Intangible assets	108,808,987	108,808,987
Less accumulated depreciation and amortization	(1,290,048,243)	(1,283,232,912)
Total capital assets	1,401,982,869	1,399,320,197
Total noncurrent and restricted assets	1,458,655,176	1,455,463,191
Total assets	1,618,710,218	1,615,961,331
Deferred outflows of resources:		
Related to pensions	14,989,702	14,989,702
Total assets and deferred outflows of resources	\$ 1,633,699,920	\$ 1,630,951,033
<b><u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 20,018,571	\$ 20,096,489
Due to other governmental agencies	477,473	498,880
Net pension liability	343,702	343,702
Total current liabilities	20,839,746	20,939,071
Liabilities payable from restricted assets:		
Accrued interest payable on bonds and loans	1,212,196	988,782
Customer deposits	10,598,197	10,523,062
Total liabilities payable from restricted assets	11,810,393	11,511,844
Noncurrent liabilities:		
Compensated absences payable	1,535,030	1,535,030
Loans payable	96,593,245	96,593,245
Revenue bonds payable (net of unamortized costs)	92,310,340	92,395,185
Net pension liability	38,502,153	38,502,153
Total noncurrent liabilities	228,940,768	229,025,613
Total liabilities	261,590,907	261,476,528
Deferred inflows of resources:		
Related to pensions	2,188,764	2,188,764
Total liabilities and deferred inflows of resources	263,779,671	263,665,292
<b><u>NET POSITION</u></b>		
Net investment in capital assets	1,213,079,284	1,210,331,767
Restricted for debt service	44,861,914	44,631,150
Unrestricted	111,979,051	112,322,824
Total net position	1,369,920,249	1,367,285,741
Total liabilities and net position	\$ 1,633,699,920	\$ 1,630,951,033

**ORANGE COUNTY WATER UTILITIES SYSTEM  
CASH AND INVESTMENTS DETAIL  
JULY 31 AND JUNE 30, 2018**

	<u>JULY</u>	<u>JUNE</u>
Current:		
Reserve revenue	\$ 87,221,481	\$ 88,375,932
Water connection fees	19,809,486	18,013,554
Wastewater connection fees	19,475,131	19,091,498
Petty cash	<u>1,600</u>	<u>1,600</u>
Total current cash and investments	<u>126,507,698</u>	<u>125,482,584</u>
Restricted:		
Operation and maintenance reserve	26,305,225	26,295,751
Renewal and replacement	8,010,290	8,007,401
Bond reserve (1)	6,269,314	6,269,010
Bond principal	2,731,207	2,455,804
Bond interest	971,842	728,774
Loan debt service	1,025,114	1,102,349
Loan repayment reserve	761,118	760,843
Customer deposits	<u>10,598,197</u>	<u>10,523,062</u>
Total restricted cash and investments	<u>56,672,307</u>	<u>56,142,994</u>
Total cash and investments	<u>\$ 183,180,005</u>	<u>\$ 181,625,578</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 JULY 31, 2018**

	<u>JULY</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 4,268,549	\$ 44,263,087
Wastewater service	10,871,312	107,239,805
Reclaimed water service	757,739	7,736,588
Miscellaneous	631,276	5,612,845
	<hr/>	<hr/>
Total operating revenues	16,528,876	164,852,325
	<hr/>	<hr/>
Operating and maintenance expenses:		
Personal services	4,398,107	44,388,350
Contractual services	3,063,621	25,839,820
Materials and supplies	697,409	5,541,159
Utilities	1,469,721	11,516,096
Repairs and maintenance	2,098,842	14,882,695
Other administrative expenses	621,104	7,770,172
	<hr/>	<hr/>
Total operating and maintenance expenses	12,348,804	109,938,292
	<hr/>	<hr/>
Operating income before depreciation	4,180,072	54,914,033
	<hr/>	<hr/>
Depreciation and amortization	7,200,100	72,015,217
	<hr/>	<hr/>
Operating loss	(3,020,028)	(17,101,184)
	<hr/>	<hr/>
Nonoperating revenues (expenses):		
Interest revenue	227,797	2,964,932
Interest expense and fiscal charges	(225,516)	(2,698,166)
Gain (loss) on disposal of assets	(33,492)	213,970
Federal and state grants	177,756	177,756
	<hr/>	<hr/>
Total net nonoperating revenues (expenses)	146,545	658,492
	<hr/>	<hr/>
Loss before contributions and transfers	(2,873,483)	(16,442,692)
	<hr/>	<hr/>
Capital contributions	5,507,991	51,275,624
Transfers out	-	(9,100,000)
	<hr/>	<hr/>
Change in net position	2,634,508	25,732,932
	<hr/>	<hr/>
Total net position, beginning of period	1,367,285,741	1,344,187,317
	<hr/>	<hr/>
Total net position, end of period	<u>\$ 1,369,920,249</u>	<u>\$ 1,369,920,249</u>

See accompanying notes to financial statements

**ORANGE COUNTY WATER UTILITIES SYSTEM  
OPERATING REVENUE DETAIL  
FOR THE MONTH ENDED JULY 31, 2018**

	JULY BUDGET	JULY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 83%)
<b>Water service:</b>						
Residential	\$ 2,102,419	\$ 2,082,657	\$ 21,024,190	\$ 21,737,693	\$ 25,229,032	86%
Commercial	1,333,333	1,458,066	13,333,330	13,539,861	15,999,992	85%
Conservation surcharge	903,676	727,826	9,036,760	8,985,533	10,844,115	83%
Total water service	<u>4,339,428</u>	<u>4,268,549</u>	<u>43,394,280</u>	<u>44,263,087</u>	<u>52,073,139</u>	85%
<b>Wastewater service:</b>						
Residential	5,297,471	5,385,544	52,974,710	54,815,035	63,569,656	86%
Commercial	4,914,026	5,226,702	49,140,260	49,473,736	58,968,311	84%
Environmental surcharge	212,942	218,077	2,129,420	2,151,269	2,555,309	84%
Industrial	6,145	13,165	61,450	160,957	73,738	218%
Septic and portable	51,363	42,556	513,630	516,651	616,357	84%
Capacity maintenance fees	10,069	(14,732)	100,690	122,157	120,832	101%
Total wastewater service	<u>10,492,016</u>	<u>10,871,312</u>	<u>104,920,160</u>	<u>107,239,805</u>	<u>125,904,203</u>	85%
<b>Reclaimed water service:</b>						
Reclaimed service	702,341	724,716	7,023,410	7,541,553	8,428,093	89%
Reclaimed water-cooling tower	18,686	33,023	186,860	195,035	224,236	87%
Total reclaimed water service	<u>721,027</u>	<u>757,739</u>	<u>7,210,270</u>	<u>7,736,588</u>	<u>8,652,329</u>	89%
<b>Miscellaneous:</b>						
Initiate account service	44,922	48,944	449,220	425,156	539,065	79%
Turn off/on service	30,953	28,580	309,530	322,483	371,440	87%
Lien fee charges	398	420	3,980	3,900	4,775	82%
Meter removal/testing	4,751	4,900	47,510	41,205	57,015	72%
Meter/line damage	20,788	21,023	207,880	270,888	249,455	109%
NSF charges	3,587	4,978	35,870	53,864	43,042	125%
Plans and specifications	73,111	41,000	731,110	621,794	877,329	71%
Charges to other funds	1,365	1,157	13,650	12,424	16,375	76%
Developer reimb of plan review	29,543	38,193	295,430	486,452	354,510	137%
Miscellaneous	567,706	442,081	5,677,060	3,374,679	6,812,475	50%
Total miscellaneous	<u>777,124</u>	<u>631,276</u>	<u>7,771,240</u>	<u>5,612,845</u>	<u>9,325,481</u>	60%
Total operating revenues	<u>\$ 16,329,595</u>	<u>\$ 16,528,876</u>	<u>\$ 163,295,950</u>	<u>\$ 164,852,325</u>	<u>\$ 195,955,152</u>	84%

**ORANGE COUNTY WATER UTILITIES SYSTEM  
OPERATING AND MAINTENANCE EXPENSES DETAIL  
FOR THE MONTH ENDED JULY 31, 2018**

	JULY BUDGET	JULY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 83%)
<b>Personal services:</b>						
Salaries	\$ 3,284,124	\$ 3,402,814	\$ 32,841,240	\$ 33,748,882	\$ 39,409,483	86%
Fringe benefits	1,249,013	995,293	12,490,130	10,639,468	14,988,155	71%
<b>Total personal services</b>	<b>4,533,137</b>	<b>4,398,107</b>	<b>45,331,370</b>	<b>44,388,350</b>	<b>54,397,638</b>	<b>82%</b>
<b>Contractual services:</b>						
Research and studies	76,416	21,839	764,160	218,505	916,989	24%
Legal services	12,145	-	121,450	9,416	145,742	6%
Indirect costs	552,539	552,539	5,525,390	5,525,385	6,630,462	83%
Purchased water	65,150	44,091	651,500	698,804	781,794	89%
Effluent disposal	270,510	223,603	2,705,100	1,833,719	3,246,122	56%
Comptroller fees	166,495	166,495	1,664,950	1,665,574	1,997,944	83%
Officer fees	1,050	481	10,500	5,664	12,600	45%
Payments to other governments	275,898	470,973	2,758,980	2,921,923	3,310,776	88%
Janitorial	38,420	62,582	384,200	271,373	461,038	59%
Employment agency	107,930	52,258	1,079,300	577,300	1,295,160	45%
Training	17,164	-	171,640	28,762	205,973	14%
Paving	160,103	100,686	1,601,030	1,540,182	1,921,236	80%
Software licensing/support fee	184,328	121,723	1,843,280	1,281,018	2,211,933	58%
Other professional fees	182,316	111,149	1,823,160	470,970	2,187,790	22%
<b>Contractual services</b>	<b>1,824,155</b>	<b>1,135,202</b>	<b>18,241,550</b>	<b>8,791,225</b>	<b>21,889,861</b>	<b>40%</b>
<b>Total contractual services</b>	<b>3,934,619</b>	<b>3,063,621</b>	<b>39,346,190</b>	<b>25,839,820</b>	<b>47,215,420</b>	<b>55%</b>
<b>Materials and supplies:</b>						
Graphic reproduction services	3,834	-	38,340	34,579	46,008	75%
Office supplies	13,428	9,339	134,280	92,984	161,136	58%
Event/meal reimbursement	405	-	4,050	699	4,860	14%
Software <\$1000	12,947	140,658	129,470	142,133	155,367	91%
Computer equipment <\$500	5,595	8,506	55,950	28,278	67,139	42%
Equipment <\$1000	21,372	24,899	213,720	230,052	256,461	90%
Tools	10,026	17,384	100,260	101,934	120,309	85%
Medical	133	-	1,330	-	1,600	0%
Liquid oxygen	14,996	5,433	149,960	64,990	179,953	36%
Chemical and pesticides	8	-	80	4,560	100	4560%
Solar salt	16,391	17,122	163,910	191,406	196,686	97%
Chlorine	137,179	155,862	1,371,790	1,282,301	1,646,149	78%
Fluoride	15,050	21,460	150,500	83,291	180,600	46%
Alum	891	1,856	8,910	33,866	10,692	317%
Polymer	78,776	-	787,760	641,881	945,309	68%
Sealing chemicals	208	-	2,080	8,649	2,500	346%
Corrosion control	55,568	42,941	555,680	510,796	666,817	77%
Carbon dioxide	47,313	67,628	473,130	449,484	567,750	79%
Sodium hydroxide	43,934	7,646	439,340	249,346	527,205	47%
Supplemental carbon	33,238	28,246	332,380	141,117	398,850	35%
Miscellaneous chemicals	29,084	21,065	290,840	181,320	349,007	52%
Material for construction	28,875	6,124	288,750	139,542	346,504	40%
Clothing	16,311	12,499	163,110	136,882	195,731	70%
Gas-oil-lube-brfl-ant	18,115	58,992	181,150	102,459	217,381	47%
Miscellaneous expenses	62,817	49,749	628,170	688,610	753,803	91%
<b>Total materials &amp; supplies</b>	<b>666,494</b>	<b>697,409</b>	<b>6,664,940</b>	<b>5,541,159</b>	<b>7,997,917</b>	<b>69%</b>

**ORANGE COUNTY WATER UTILITIES SYSTEM  
OPERATING AND MAINTENANCE EXPENSES DETAIL, (continued)  
FOR THE MONTH ENDED JULY 31, 2018**

	JULY BUDGET	JULY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 83%)
<b>Utilities:</b>						
Communications	\$ 66,620	\$ 55,044	\$ 666,200	\$ 480,612	\$ 799,439	60%
Water	9,848	4,749	98,480	85,611	118,176	72%
Solid waste tipping fees	41,398	70,622	413,980	329,923	496,780	66%
Garbage disposal	5,061	3,905	50,610	31,545	60,728	52%
Gas	14,142	7,168	141,420	97,025	169,707	57%
Electric	1,058,639	1,328,233	10,586,390	10,491,380	12,703,662	83%
<b>Total utilities</b>	<b>1,195,708</b>	<b>1,469,721</b>	<b>11,957,080</b>	<b>11,516,096</b>	<b>14,348,492</b>	<b>80%</b>
<b>Repairs and maintenance:</b>						
Building and grounds	538,789	708,023	5,387,890	5,622,168	6,465,465	87%
Equipment	662,865	777,431	6,628,650	5,188,304	7,954,384	65%
Vehicle maintenance	369,327	334,570	3,693,270	3,192,179	4,431,918	72%
Services	150,759	99,850	1,507,590	310,720	1,809,113	17%
Mains	25,864	152,430	258,640	383,176	310,364	123%
Water meters	3,070	-	30,700	-	36,845	0%
Fire lines	21,435	26,435	214,350	185,478	257,225	72%
Meter installations	42	103	420	270	500	54%
Valves	5,135	-	51,350	400	61,620	1%
Utility relocations	42	-	420	-	500	0%
<b>Total repairs &amp; maintenance</b>	<b>1,777,328</b>	<b>2,098,842</b>	<b>17,773,280</b>	<b>14,882,695</b>	<b>21,327,934</b>	<b>70%</b>
<b>Other administrative:</b>						
Local travel	2,404	1,827	24,040	12,828	28,845	44%
Out of county travel	2,820	4,741	28,200	29,396	33,841	87%
Postage and messenger services	65,685	3,416	656,850	674,299	788,223	86%
Toll charges	19,063	14,579	190,630	152,847	228,757	67%
Rental of equipment	62,110	176,552	621,100	643,609	745,319	86%
Dues and memberships	14,107	1,380	141,070	103,552	169,287	61%
Subscriptions	2,726	889	27,260	12,523	32,709	38%
Training fees	12,197	11,995	121,970	130,863	146,358	89%
License and certification	2,820	429	28,200	4,817	33,839	14%
Leases-bldgs	617	-	6,170	-	7,404	0%
Advertising	963	-	9,630	1,630	11,560	14%
Promotional	11,222	-	112,220	13,549	134,658	10%
Educational assistance	2,792	161	27,920	9,885	33,500	30%
Scholarships, awards	624	-	6,240	18	7,485	0%
Bad debt expense	35,750	44,377	357,500	397,330	429,000	93%
Bank charges	80,396	99,606	803,960	852,115	964,750	88%
Self insurance	267,306	267,306	2,673,060	2,673,062	3,207,674	83%
Refunds of prior year revenue	25,000	176	250,000	138,313	300,000	46%
Operating permits	11,654	-	116,540	-	139,849	0%
Accrued expenses	-	(6,330)	-	1,919,536	-	0%
<b>Total other administrative</b>	<b>620,256</b>	<b>621,104</b>	<b>6,202,560</b>	<b>7,770,172</b>	<b>7,443,058</b>	<b>104%</b>
<b>Total O&amp;M expenses</b>	<b>\$ 12,727,542</b>	<b>\$ 12,348,804</b>	<b>\$ 127,275,420</b>	<b>\$ 109,938,292</b>	<b>\$ 152,730,459</b>	<b>72%</b>

**ORANGE COUNTY WATER UTILITIES SYSTEM  
NON-OPERATING REVENUE AND EXPENSE DETAIL  
FOR THE MONTH ENDED JULY 31, 2018**

	JULY BUDGET	JULY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 83%)
<b>Interest revenue:</b>						
Net revenue	\$ 162,591	\$ 198,597	\$ 1,625,910	\$ 2,606,030	\$ 1,951,090	134%
Connection fees	-	43,433	-	420,580	-	0%
Bond reserve	-	305	-	37,339	-	0%
Less: Customer deposits expense	-	(14,538)	-	(99,017)	-	0%
<b>Total interest revenue</b>	<b>162,591</b>	<b>227,797</b>	<b>1,625,910</b>	<b>2,964,932</b>	<b>1,951,090</b>	<b>152%</b>
<b>Interest expense:</b>						
Bonds and revolving loans	(707,717)	(310,179)	(7,077,170)	(3,772,886)	(8,492,603)	44%
Capital lease	(110)	(182)	(1,100)	(1,302)	(1,318)	99%
Debt service fees	(61,373)	-	(613,730)	(1,500)	(736,480)	0%
Amortization of bond premium	-	84,845	-	1,077,522	-	(1)
<b>Total interest expense</b>	<b>(769,200)</b>	<b>(225,516)</b>	<b>(7,692,000)</b>	<b>(2,698,166)</b>	<b>(9,230,401)</b>	<b>29%</b>
<b>Gain (loss) on disposal of assets:</b>						
Proceeds from sale	-	(59,465)	-	(62,011)	-	0%
Gain (loss) on disposal of fixed assets	-	43,870	-	401,072	-	(1)
Loss on abandoned projects	-	(17,897)	-	(125,091)	-	(1)
<b>Total gain (loss) on disposal of assets</b>	<b>-</b>	<b>(33,492)</b>	<b>-</b>	<b>213,970</b>	<b>-</b>	<b>(1)</b>
<b>Hurricane related reimbursements</b>						
	-	177,756	-	177,756	-	0%
<b>Total revenue (expense) related to hurricanes</b>	<b>-</b>	<b>177,756</b>	<b>-</b>	<b>177,756</b>	<b>-</b>	
<b>Total non-operating revenues (expenses)</b>	<b>\$ (606,609)</b>	<b>\$ 146,545</b>	<b>\$ (6,066,090)</b>	<b>\$ 658,492</b>	<b>\$ (7,279,311)</b>	<b>-9%</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 JULY 31, 2018**

	JULY BUDGET	JULY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 83%)
<b>CONNECTION FEES COLLECTED:</b>						
Water connection fees:						
Residential/Commercial	\$ 891,099	\$ 1,840,763	\$ 8,910,990	\$ 10,798,757	\$ 10,693,183	101%
Irrigation	47,268	58,545	472,680	549,817	567,216	97%
Total water connection fees	<u>938,367</u>	<u>1,899,308</u>	<u>9,383,670</u>	<u>11,348,574</u>	<u>11,260,399</u>	101%
Wastewater connection fees:						
Residential/Commercial	<u>1,608,882</u>	<u>3,608,061</u>	<u>16,088,820</u>	<u>23,320,275</u>	<u>19,306,589</u>	121%
Total wastewater connection fees	<u>1,608,882</u>	<u>3,608,061</u>	<u>16,088,820</u>	<u>23,320,275</u>	<u>19,306,589</u>	121%
Less reductions:						
Refunds of prior year collections	(83,333)	(3,103)	(833,330)	(15,987)	(1,000,000)	2%
Total reductions	<u>(83,333)</u>	<u>(3,103)</u>	<u>(833,330)</u>	<u>(15,987)</u>	<u>(1,000,000)</u>	2%
Net connection fees	<u>2,463,916</u>	<u>5,504,266</u>	<u>24,639,160</u>	<u>34,652,862</u>	<u>29,566,988</u>	117%
<b>DONATED SYSTEMS:</b>						
Donated easements	-	-	-	11,307,800	-	0%
Developer fixed assets	-	-	-	5,212,539	-	0%
Developer reimbursements	-	-	-	16,968	-	0%
Line extensions	-	3,725	-	85,455	-	0%
Total donated systems	<u>-</u>	<u>3,725</u>	<u>-</u>	<u>16,622,762</u>	<u>-</u>	0%
Total capital contributions	<u>\$ 2,463,916</u>	<u>\$ 5,507,991</u>	<u>\$ 24,639,160</u>	<u>\$ 51,275,624</u>	<u>\$ 29,566,988</u>	173%



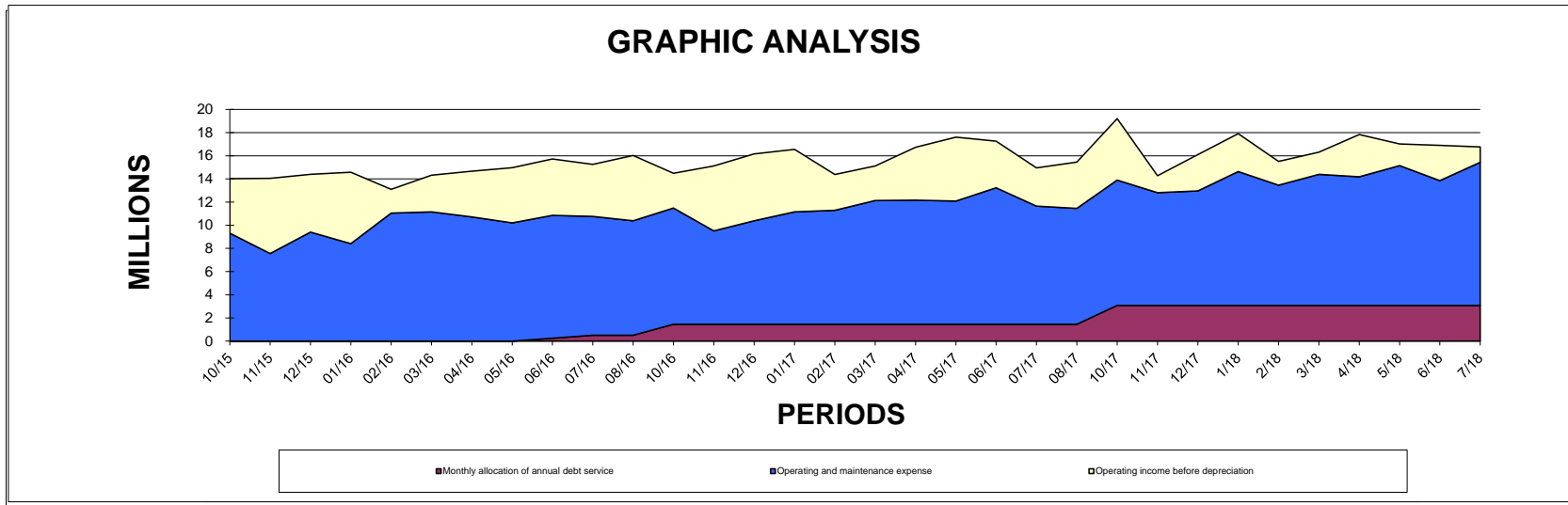
**ORANGE COUNTY WATER UTILITIES SYSTEM  
OTHER DISBURSEMENTS DETAIL  
FOR THE MONTH ENDED JULY 31, 2018**

	JULY BUDGET	JULY ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 83%)
Capital outlay:						
Land	\$ 259,155	\$ 10,633	\$ 2,591,550	\$ 189,134	\$ 3,109,859	6%
Buildings	84,968	-	849,680	22,011	1,019,613	2%
Structures	12,561,245	9,239,286	125,612,450	66,232,488	150,734,936	44%
Equipment	885,125	644,532	8,851,250	3,295,705	10,621,496	31%
Total capital outlay	13,790,493	9,894,451	137,904,930	69,739,338	165,485,904	42%
Debt service principal	478,925	458,386	4,789,250	4,569,549	5,747,104	80%
Total other disbursements	<u>\$ 14,269,418</u>	<u>\$ 10,352,837</u>	<u>\$ 142,694,180</u>	<u>\$ 74,308,887</u>	<u>\$ 171,233,008</u>	43%

**ORANGE COUNTY WATER UTILITIES SYSTEM  
ANALYTICAL DATA  
FISCAL YEAR 2018**

	<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	0.67	0.57	0.75	0.62	0.65	0.68	0.70	0.63	0.72	0.64	0.75	
Water	0.85	0.95	0.87	0.73	0.83	0.71	0.97	0.73	0.89	0.78	1.02	
Wastewater	0.54	0.42	0.60	0.51	0.54	0.61	0.55	0.54	0.59	0.55	0.57	
Bond Coverage Ratios*	10.68	16.07	6.47	12.02	11.84	9.60	9.36	12.53	9.12	11.66	8.13	

\*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 JULY 31, 2018**

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 \$11.9 million.