

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

	AUGUST	JULY
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Current assets:		
Cash and investments	\$ 126,842,567	\$ 126,507,698
Accrued interest receivable	451,593	451,593
Accounts receivable, net	20,157,577	19,023,297
Due from other governmental agencies	3,475,618	3,267,307
Inventories and prepaid costs	<u>9,568,617</u>	<u>10,805,147</u>
Total current assets	<u>160,495,972</u>	<u>160,055,042</u>
Restricted assets:		
Cash and investments	<u>57,812,081</u>	<u>56,672,307</u>
Capital assets:		
Land	102,809,109	102,807,534
Construction in progress	273,675,718	270,456,037
Buildings and improvements	2,115,572,477	2,111,647,841
Machinery and equipment	98,526,704	98,310,713
Intangible assets	108,811,010	108,808,987
Less accumulated depreciation and amortization	<u>(1,297,155,411)</u>	<u>(1,290,048,243)</u>
Total capital assets	<u>1,402,239,607</u>	<u>1,401,982,869</u>
Total noncurrent and restricted assets	<u>1,460,051,688</u>	<u>1,458,655,176</u>
Total assets	<u>1,620,547,660</u>	<u>1,618,710,218</u>
Deferred outflows of resources:		
Related to pensions	<u>14,989,702</u>	<u>14,989,702</u>
Total assets and deferred outflows of resources	<u>\$ 1,635,537,362</u>	<u>\$ 1,633,699,920</u>
<b><u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 20,110,139	\$ 20,018,571
Due to other governmental agencies	491,051	477,473
Net pension liability	<u>343,702</u>	<u>343,702</u>
Total current liabilities	<u>20,944,892</u>	<u>20,839,746</u>
Liabilities payable from restricted assets:		
Accrued interest payable on bonds and loans	1,506,046	1,212,196
Customer deposits	<u>10,489,449</u>	<u>10,598,197</u>
Total liabilities payable from restricted assets	<u>11,995,495</u>	<u>11,810,393</u>
Noncurrent liabilities:		
Compensated absences payable	1,535,030	1,535,030
Loans payable	96,950,858	96,593,245
Revenue bonds payable (net of unamortized costs)	92,225,495	92,310,340
Net pension liability	<u>38,502,153</u>	<u>38,502,153</u>
Total noncurrent liabilities	<u>229,213,536</u>	<u>228,940,768</u>
Total liabilities	<u>262,153,923</u>	<u>261,590,907</u>
Deferred inflows of resources:		
Related to pensions	<u>2,188,764</u>	<u>2,188,764</u>
Total liabilities and deferred inflows of resources	<u>264,342,687</u>	<u>263,779,671</u>
<b><u>NET POSITION</u></b>		
Net investment in capital assets	1,213,063,254	1,213,079,284
Restricted for debt service	45,816,586	44,861,914
Unrestricted	<u>112,314,835</u>	<u>111,979,051</u>
Total net position	<u>1,371,194,675</u>	<u>1,369,920,249</u>
Total liabilities and net position	<u>\$ 1,635,537,362</u>	<u>\$ 1,633,699,920</u>

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

	<u>AUGUST</u>	<u>JULY</u>
Current:		
Reserve revenue	\$ 88,096,679	\$ 87,221,481
Water connection fees	20,525,242	19,809,486
Wastewater connection fees	18,219,046	19,475,131
Petty cash	<u>1,600</u>	<u>1,600</u>
Total current cash and investments	<u>126,842,567</u>	<u>126,507,698</u>
Restricted:		
Operation and maintenance reserve	26,329,665	26,305,225
Renewal and replacement	8,017,730	8,010,290
Bond reserve (1)	6,269,644	6,269,314
Bond principal	3,265,000	2,731,207
Bond interest	1,452,947	971,842
Loan debt service	1,225,821	1,025,114
Loan repayment reserve	761,825	761,118
Customer deposits	<u>10,489,449</u>	<u>10,598,197</u>
Total restricted cash and investments	<u>57,812,081</u>	<u>56,672,307</u>
Total cash and investments	<u>\$ 184,654,648</u>	<u>\$ 183,180,005</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 AUGUST 31, 2018**

	<u>AUGUST</u>	<u>FISCAL YEAR TO DATE</u>
Operating revenues:		
Water service	\$ 4,389,654	\$ 48,652,741
Wastewater service	11,425,964	118,665,769
Reclaimed water service	740,350	8,476,938
Miscellaneous	555,165	6,168,010
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Total operating revenues	17,111,133	181,963,458
Operating and maintenance expenses:		
Personal services	4,543,219	48,931,569
Contractual services	2,330,997	28,170,817
Materials and supplies	585,658	6,126,817
Utilities	1,437,715	12,953,811
Repairs and maintenance	1,842,310	16,725,005
Other administrative expenses	499,330	8,269,502
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Total operating and maintenance expenses	11,239,229	121,177,521
Operating income before depreciation	5,871,904	60,785,937
Depreciation and amortization	7,195,838	79,211,055
Operating loss	<u>(1,323,934)</u>	<u>(18,425,118)</u>
Nonoperating revenues (expenses):		
Interest revenue	363,873	3,328,805
Interest expense and fiscal charges	(225,306)	(2,923,472)
Loss on disposal of assets	(234,098)	(20,128)
Federal and state grants	-	177,756
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Total net nonoperating revenues (expenses)	(95,531)	562,961
Loss before contributions and transfers	(1,419,465)	(17,862,157)
Capital contributions	2,693,891	53,969,515
Transfers out	-	(9,100,000)
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Change in net position	1,274,426	27,007,358
Total net position, beginning of period	<u>1,369,920,249</u>	<u>1,344,187,317</u>
Total net position, end of period	<u>\$ 1,371,194,675</u>	<u>\$ 1,371,194,675</u>

See accompanying notes to financial statements

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

	AUGUST BUDGET	AUGUST ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 92%)
<b>Water service:</b>						
Residential	\$ 2,102,419	\$ 2,125,815	\$ 23,126,609	\$ 23,863,508	\$ 25,229,032	95%
Commercial	1,333,333	1,496,526	14,666,663	15,036,387	15,999,992	94%
Conservation surcharge	903,676	767,313	9,940,436	9,752,846	10,844,115	90%
Total water service	<u>4,339,428</u>	<u>4,389,654</u>	<u>47,733,708</u>	<u>48,652,741</u>	<u>52,073,139</u>	93%
<b>Wastewater service:</b>						
Residential	5,297,471	5,604,075	58,272,181	60,419,110	63,569,656	95%
Commercial	4,914,026	5,472,923	54,054,286	54,946,659	58,968,311	93%
Environmental surcharge	212,942	245,433	2,342,362	2,396,702	2,555,309	94%
Industrial	6,145	23,901	67,595	184,858	73,738	251%
Septic and portable	51,363	46,114	564,993	562,765	616,357	91%
Capacity maintenance fees	10,069	33,518	110,759	155,675	120,832	129%
Total wastewater service	<u>10,492,016</u>	<u>11,425,964</u>	<u>115,412,176</u>	<u>118,665,769</u>	<u>125,904,203</u>	94%
<b>Reclaimed water service:</b>						
Reclaimed service	702,341	709,701	7,725,751	8,251,254	8,428,093	98%
Reclaimed water-cooling tower	18,686	30,649	205,546	225,684	224,236	101%
Total reclaimed water service	<u>721,027</u>	<u>740,350</u>	<u>7,931,297</u>	<u>8,476,938</u>	<u>8,652,329</u>	98%
<b>Miscellaneous:</b>						
Initiate account service	44,922	57,344	494,142	482,500	539,065	90%
Turn off/on service	30,953	31,166	340,483	353,649	371,440	95%
Lien fee charges	398	520	4,378	4,420	4,775	93%
Meter removal/testing	4,751	3,556	52,261	44,761	57,015	79%
Meter/line damage	20,788	20,920	228,668	291,808	249,455	117%
NSF charges	3,587	5,244	39,457	59,108	43,042	137%
Plans and specifications	73,111	127,870	804,221	749,664	877,329	85%
Charges to other funds	1,365	764	15,015	13,188	16,375	81%
Developer reimb of plan review	29,543	39,771	324,973	526,223	354,510	148%
Cross Connection Control Program (1)	417,333	209,937	4,590,663	1,554,170	5,007,994	31%
Miscellaneous	150,373	58,073	1,654,103	2,088,519	1,804,481	116%
Total miscellaneous	<u>777,124</u>	<u>555,165</u>	<u>8,548,364</u>	<u>6,168,010</u>	<u>9,325,481</u>	66%
Total operating revenues	<u>\$ 16,329,595</u>	<u>\$ 17,111,133</u>	<u>\$ 179,625,545</u>	<u>\$ 181,963,458</u>	<u>\$ 195,955,152</u>	93%

Note: (1) Previously reported with miscellaneous revenue below.

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

	AUGUST BUDGET	AUGUST ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 92%)
<b>Personal services:</b>						
Salaries	\$ 3,284,124	\$ 3,015,568	\$ 36,125,364	\$ 36,764,450	\$ 39,409,483	93%
Fringe benefits	1,249,013	1,527,651	13,739,143	12,167,119	14,988,155	81%
<b>Total personal services</b>	<b>4,533,137</b>	<b>4,543,219</b>	<b>49,864,507</b>	<b>48,931,569</b>	<b>54,397,638</b>	<b>90%</b>
<b>Contractual services:</b>						
Research and studies	76,416	13,961	840,576	232,466	916,989	25%
Legal services	12,145	-	133,595	9,416	145,742	6%
Indirect costs	552,539	552,538	6,077,929	6,077,923	6,630,462	92%
Purchased water	65,150	13,494	716,650	712,298	781,794	91%
Effluent disposal	270,510	10,780	2,975,610	1,844,499	3,246,122	57%
Comptroller fees	166,495	166,496	1,831,445	1,832,070	1,997,944	92%
Officer fees	1,050	801	11,550	6,465	12,600	51%
Payments to other governments	296,731	132,884	3,264,041	3,054,807	3,560,776	86%
Janitorial	38,420	46,032	422,620	317,405	461,038	69%
Employment agency	107,930	111,654	1,187,230	688,954	1,295,160	53%
Training	17,164	23,230	188,804	51,992	205,973	25%
Paving	160,103	159,338	1,761,133	1,699,520	1,921,236	88%
Software licensing/support fee	184,328	84,001	2,027,608	1,365,019	2,211,933	62%
Other professional fees	182,316	32,205	2,005,476	503,175	2,187,790	23%
Contractual services	1,782,488	983,583	19,607,368	9,774,808	21,389,861	46%
<b>Total contractual services</b>	<b>3,913,785</b>	<b>2,330,997</b>	<b>43,051,635</b>	<b>28,170,817</b>	<b>46,965,420</b>	<b>60%</b>
<b>Materials and supplies:</b>						
Graphic reproduction services	3,834	3,193	42,174	37,772	46,008	82%
Office supplies	13,428	5,804	147,708	98,788	161,136	61%
Event/meal reimbursement	405	60	4,455	759	4,860	16%
Software <\$1000	12,947	-	142,417	142,133	155,367	91%
Computer equipment <\$500	5,595	-	61,545	28,278	67,139	42%
Equipment <\$1000	21,955	34,347	241,505	264,399	263,461	100%
Tools	10,026	14,065	110,286	115,999	120,309	96%
Medical	133	-	1,463	-	1,600	0%
Liquid oxygen	14,996	17,168	164,956	82,158	179,953	46%
Chemical and pesticides	8	1,447	88	6,007	100	6007%
Solar salt	16,391	33,699	180,301	225,105	196,686	114%
Chlorine	137,179	125,186	1,508,969	1,407,487	1,646,149	86%
Fluoride	15,050	10,557	165,550	93,848	180,600	52%
Alum	891	5,571	9,801	39,437	10,692	369%
Polymer	78,776	78,113	866,536	719,994	945,309	76%
Sealing chemicals	208	-	2,288	8,649	2,500	346%
Corrosion control	55,568	106,179	611,248	616,975	666,817	93%
Carbon dioxide	47,313	18,596	520,443	468,080	567,750	82%
Sodium hydroxide	43,934	-	483,274	249,346	527,205	47%
Supplemental carbon	33,238	37,614	365,618	178,731	398,850	45%
Miscellaneous chemicals	29,084	21,083	319,924	202,403	349,007	58%
Material for construction	28,875	13,428	317,625	152,970	346,504	44%
Clothing	16,311	7,226	179,421	144,108	195,731	74%
Gas-oil-lube-brfl-ant	18,115	3,078	199,265	105,537	217,381	49%
Miscellaneous expenses	62,817	49,244	690,987	737,854	753,803	98%
<b>Total materials &amp; supplies</b>	<b>667,077</b>	<b>585,658</b>	<b>7,337,847</b>	<b>6,126,817</b>	<b>8,004,917</b>	<b>77%</b>

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

	AUGUST BUDGET	AUGUST ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 92%)
<b>Utilities:</b>						
Communications	\$ 66,620	\$ 55,762	\$ 732,820	\$ 536,374	\$ 799,439	67%
Water	9,848	14,956	108,328	100,567	118,176	85%
Solid waste tipping fees	41,398	-	455,378	329,923	496,780	66%
Garbage disposal	5,061	6,165	55,671	37,710	60,728	62%
Gas	14,142	8,780	155,562	105,805	169,707	62%
Electric	1,058,639	1,352,052	11,645,029	11,843,432	12,703,662	93%
<b>Total utilities</b>	<b>1,195,708</b>	<b>1,437,715</b>	<b>13,152,788</b>	<b>12,953,811</b>	<b>14,348,492</b>	<b>90%</b>
<b>Repairs and maintenance:</b>						
Building and grounds	559,622	640,489	6,155,842	6,262,657	6,715,465	93%
Equipment	662,865	625,951	7,291,515	5,814,255	7,954,384	73%
Vehicle maintenance	369,327	374,275	4,062,597	3,566,454	4,431,918	80%
Services	150,759	36,507	1,658,349	347,227	1,809,113	19%
Mains	25,864	164,477	284,504	547,653	310,364	176%
Water meters	3,070	-	33,770	-	36,845	0%
Fire lines	21,435	-	235,785	185,478	257,225	72%
Meter installations	42	434	462	704	500	141%
Valves	5,135	177	56,485	577	61,620	1%
Utility relocations	42	-	462	-	500	0%
<b>Total repairs &amp; maintenance</b>	<b>1,798,161</b>	<b>1,842,310</b>	<b>19,779,771</b>	<b>16,725,005</b>	<b>21,577,934</b>	<b>78%</b>
<b>Other administrative:</b>						
Local travel	2,404	1,769	26,444	14,597	28,845	51%
Out of county travel	2,820	4,355	31,020	33,751	33,841	100%
Postage and messenger services	65,685	4,645	722,535	678,944	788,223	86%
Toll charges	19,063	16,211	209,693	169,058	228,757	74%
Rental of equipment	62,110	43,161	683,210	686,770	745,319	92%
Dues and memberships	14,107	759	155,177	104,311	169,287	62%
Subscriptions	2,726	-	29,986	12,523	32,709	38%
Training fees	12,197	20,557	134,167	151,420	146,358	103%
License and certification	2,820	598	31,020	5,415	33,839	16%
Leases-bldgs	617	-	6,787	-	7,404	0%
Advertising	963	496	10,593	2,126	11,560	18%
Promotional	11,222	2,263	123,442	15,812	134,658	12%
Educational assistance	2,783	1,237	30,613	11,122	33,400	33%
Scholarships, awards	632	-	6,952	18	7,585	0%
Improvements to non-county assets	16,667	-	183,337	-	200,000	0%
Bad debt expense	35,750	32,428	393,250	429,758	429,000	100%
Bank charges	80,396	110,225	884,356	962,340	964,750	100%
Self insurance	267,306	267,306	2,940,366	2,940,368	3,207,674	92%
Refunds of prior year revenue	25,000	67	275,000	138,380	300,000	46%
Operating permits	11,654	-	128,194	-	139,849	0%
Accrued expenses	-	(6,747)	-	1,912,789	-	0%
<b>Total other administrative</b>	<b>636,922</b>	<b>499,330</b>	<b>7,006,142</b>	<b>8,269,502</b>	<b>7,643,058</b>	<b>108%</b>
<b>Total O&amp;M expenses</b>	<b>\$ 12,744,790</b>	<b>\$ 11,239,229</b>	<b>\$ 140,192,690</b>	<b>\$ 121,177,521</b>	<b>\$ 152,937,459</b>	<b>79%</b>

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

	AUGUST BUDGET	AUGUST ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 92%)
<b>Interest revenue:</b>						
Net revenue	\$ 162,591	\$ 300,251	\$ 1,788,501	\$ 2,906,281	\$ 1,951,090	149%
Connection fees	-	78,501	-	499,081	-	0%
Bond reserve	-	330	-	37,669	-	0%
Less: Customer deposits expense	-	(15,209)	-	(114,226)	-	0%
<b>Total interest revenue</b>	<b>162,591</b>	<b>363,873</b>	<b>1,788,501</b>	<b>3,328,805</b>	<b>1,951,090</b>	<b>171%</b>
<b>Interest expense:</b>						
Bonds and revolving loans	(707,717)	(310,099)	(7,784,887)	(4,082,985)	(8,492,603)	48%
Capital lease	(110)	(52)	(1,210)	(1,354)	(1,318)	103%
Debt service fees	(61,373)	-	(675,103)	(1,500)	(736,480)	0%
Amortization of bond premium	-	84,845	-	1,162,367	-	(1)
<b>Total interest expense</b>	<b>(769,200)</b>	<b>(225,306)</b>	<b>(8,461,200)</b>	<b>(2,923,472)</b>	<b>(9,230,401)</b>	<b>32%</b>
<b>Gain (loss) on disposal of assets:</b>						
Proceeds from sale	-	-	-	(62,011)	-	0%
Gain (loss) on disposal of fixed assets	-	(855)	-	400,217	-	(1)
Loss on abandoned projects	-	(233,243)	-	(358,334)	-	(1)
<b>Total loss on disposal of assets</b>	<b>-</b>	<b>(234,098)</b>	<b>-</b>	<b>(20,128)</b>	<b>-</b>	<b>(1)</b>
<b>Hurricane related reimbursements</b>						
	-	-	-	177,756	-	0%
<b>Total revenue (expense) related to hurricanes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>177,756</b>	<b>-</b>	
<b>Total non-operating revenues (expenses)</b>	<b>\$ (606,609)</b>	<b>\$ (95,531)</b>	<b>\$ (6,672,699)</b>	<b>\$ 562,961</b>	<b>\$ (7,279,311)</b>	<b>-8%</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 AUGUST 31, 2018**

	AUGUST BUDGET	AUGUST ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 92%)
<b>CONNECTION FEES COLLECTED:</b>						
Water connection fees:						
Residential/Commercial	\$ 891,099	\$ 873,425	\$ 9,802,089	\$ 11,672,182	\$ 10,693,183	109%
Irrigation	47,268	57,190	519,948	607,007	567,216	107%
Total water connection fees	938,367	930,615	10,322,037	12,279,189	11,260,399	109%
Wastewater connection fees:						
Residential/Commercial	1,608,882	1,740,640	17,697,702	25,060,915	19,306,589	130%
Total wastewater connection fees	1,608,882	1,740,640	17,697,702	25,060,915	19,306,589	130%
Less reductions:						
Refunds of prior year collections	(83,333)	(1,713)	(916,663)	(17,700)	(1,000,000)	2%
Total reductions	(83,333)	(1,713)	(916,663)	(17,700)	(1,000,000)	2%
Net connection fees	2,463,916	2,669,542	27,103,076	37,322,404	29,566,988	126%
<b>DONATED SYSTEMS:</b>						
Donated easements	-	-	-	11,307,800	-	0%
Developer fixed assets	-	17,422	-	5,229,961	-	0%
Developer reimbursements	-	272	-	17,240	-	0%
Line extensions	-	6,655	-	92,110	-	0%
Total donated systems	-	24,349	-	16,647,111	-	0%
Total capital contributions	\$ 2,463,916	\$ 2,693,891	\$ 27,103,076	\$ 53,969,515	\$ 29,566,988	183%



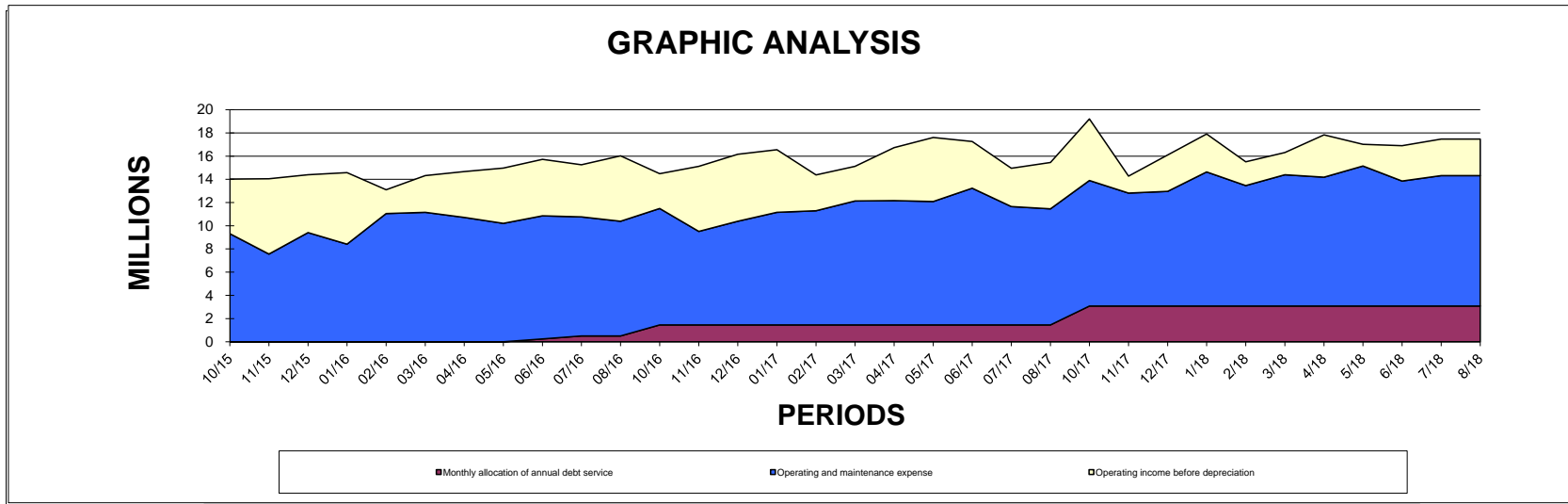
**ORANGE COUNTY WATER UTILITIES SYSTEM  
OTHER DISBURSEMENTS DETAIL  
FOR THE MONTH ENDED AUGUST 31, 2018**

	AUGUST BUDGET	AUGUST ACTUAL	FISCAL YTD BUDGET	FISCAL YTD ACTUAL	ANNUAL BUDGET	FISCAL YTD (STD 92%)
Capital outlay:						
Land	\$ 259,155	\$ -	\$ 2,850,705	\$ 189,134	\$ 3,109,859	6%
Buildings	83,551	12,086	919,061	34,097	1,002,613	3%
Structures	12,544,578	7,365,474	137,990,358	73,597,962	150,534,936	49%
Equipment	885,958	309,114	9,745,538	3,604,819	10,631,496	34%
Total capital outlay	13,773,242	7,686,674	151,505,662	77,426,012	165,278,904	47%
Debt service principal	478,925	458,467	5,268,175	5,028,016	5,747,104	87%
Total other disbursements	<u>\$ 14,252,167</u>	<u>\$ 8,145,141</u>	<u>\$ 156,773,837</u>	<u>\$ 82,454,028</u>	<u>\$ 171,026,008</u>	48%

**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	0.66
Water	0.85	0.95	0.87	0.73	0.83	0.71	0.97	0.73	0.89	0.78	1.02	0.86
Wastewater	0.54	0.42	0.60	0.51	0.54	0.61	0.55	0.54	0.59	0.55	0.57	0.53
Bond Coverage Ratios*	10.75	16.07	6.47	12.02	11.84	9.60	9.36	12.53	9.12	11.66	8.13	11.42

\*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 AUGUST 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 \$12 million.