



ORANGE COUNTY SANITATION DISTRICT **SPECIAL NOTICE REGARDING CORONAVIRUS (COVID-19)** **AND ATTENDANCE AT PUBLIC MEETINGS**

On March 4, 2020, Governor Newsom proclaimed a State of Emergency in California as a result of the threat of COVID-19. On March 12, 2020 and March 18, 2020, Governor Newsom issued Executive Order N-25-20 and Executive Order N-29-20, which temporarily suspend portions of the Brown Act which addresses the conduct of public meetings.

The General Manager and the Chairman of the Board of Directors have determined that due to the size of the Orange County Sanitation District's Board of Directors (25), and the health and safety of the members, the Board of Directors will be participating in meetings of the Board telephonically and via Internet accessibility.

PUBLIC PARTICIPATION

Your participation is always welcome. The Administration Committee meeting will be available to the public online at:

<https://ocsd.legistar.com/Calendar.aspx>

You may submit your comments and questions in writing for the Administration Committee's consideration in advance of the meeting by using the eComment feature available via the webpage above or sending them to OCSDClerk@ocsd.com with the subject line "PUBLIC COMMENT ITEM # (insert the item number relevant to your comment)" or "PUBLIC COMMENT NON-AGENDA ITEM". Submit your written comments by 5:00 p.m. on Monday, November 9, 2020.

You may also submit comments and questions for the Committee's consideration during the meeting by using the eComment feature that will be available via the webpage above for the duration of the meeting.

All public comments will be provided to the Administration Committee and may be read into the record or compiled as part of the record.

Thank you.

Serving:

Orange County Sanitation District

10844 Ellis Avenue, Fountain Valley, CA 92708
714.962.2411 • www.ocsd.com

Anaheim

Brea

Buena Park

Cypress

Fountain Valley

Fullerton

Garden Grove

Huntington Beach

Irvine

La Habra

La Palma

Los Alamitos

Newport Beach

Orange

Placentia

Santa Ana

Seal Beach

Stanton

Tustin

Villa Park

County of Orange

Costa Mesa
Sanitary District

Midway City
Sanitary District

Irvine Ranch
Water District

Yorba Linda
Water District

November 4, 2020

NOTICE OF MEETING

**ADMINISTRATION COMMITTEE
ORANGE COUNTY SANITATION DISTRICT**

Tuesday, November 10, 2020 – 5:00 P.M.

ACCESSIBILITY FOR THE GENERAL PUBLIC

Due to the spread of COVID-19, the Orange County Sanitation District will be holding all upcoming Board and Committee meetings by teleconferencing and Internet accessibility. This meeting will be available to the public online at:

<https://ocsd.legistar.com/Calendar.aspx>

A regular meeting of the Administration Committee of the Orange County Sanitation District will be held in the manner indicated herein on Tuesday, November 10, 2020 at 5:00 p.m.

Our Mission: To protect public health and the environment by providing effective wastewater collection, treatment, and recycling.



ADMINISTRATION COMMITTEE MEETING DATE	BOARD MEETING DATE
11/10/20 *	11/18/20 **
12/09/20	12/16/20 **
JANUARY DARK	01/27/21
02/10/21	02/24/21
03/10/21	03/24/21
04/14/21	04/28/21
05/12/21	05/26/21
06/09/21	06/23/21
07/14/21	07/28/21
AUGUST DARK	08/25/21
09/08/21	09/22/21
10/13/21	10/27/21

**** Meeting will be held on the second Tuesday of the month***

***** Meeting will be held on the third Wednesday of the month***

**ROLL CALL
ADMINISTRATION COMMITTEE
Finance, Information Technology, Environmental Services
and Human Resources**

Meeting Date: November 10, 2020

Time: 5:00 p.m.

Adjourn: _____

COMMITTEE MEMBERS (13)

Chad Wanke, Chair	
Richard Murphy, Vice-Chair	
Jim Ferryman	
Peter Kim	
Mark Murphy	
Steve Nagel	
Andrew Nguyen	
Glenn Parker	
Erik Peterson	
Tim Shaw	
Christina Shea	
David Shawver (Board Chair)	
John Withers (Board Vice-Chair)	

OTHERS

Brad Hogin, General Counsel	

STAFF

Jim Herberg, General Manager	
Rob Thompson, Assistant General Manager	
Lorenzo Tyner, Assistant General Manager	
Celia Chandler, Director of Human Resources	
Kathy Millea, Director of Engineering	
Lan Wiborg, Director of Environmental Services	
Kelly Lore, Clerk of the Board	

ORANGE COUNTY SANITATION DISTRICT
BOARD OF DIRECTORS
Complete Roster

Effective 06/16/2020

AGENCY/CITIES	ACTIVE DIRECTOR	ALTERNATE DIRECTOR
Anaheim	Lucille Kring	Denise Barnes
Brea	Glenn Parker	Cecilia Hupp
Buena Park	Fred Smith	Connor Traut
Cypress	Mariellen Yarc	Stacy Berry
Fountain Valley	Steve Nagel	Patrick Harper
Fullerton	Jesus J. Silva	Jan Flory
Garden Grove	Steve Jones	John O'Neill
Huntington Beach	Erik Peterson	Lyn Semeta
Irvine	Christina Shea	Anthony Kuo
La Habra	Tim Shaw	Rose Espinoza
La Palma	Peter Kim	Nitesh Patel
Los Alamitos	Richard Murphy	Dean Grose
Newport Beach	Brad Avery	Joy Brenner
Orange	Mark Murphy	Kim Nichols
Placentia	Chad Wanke	Ward Smith
Santa Ana	Nelida Mendoza	David Penaloza
Seal Beach	Sandra Massa-Lavitt	Schelly Sustarsic
Stanton	David Shawver	Carol Warren
Tustin	Allan Bernstein	Chuck Puckett
Villa Park	Robert Collacott	Chad Zimmerman

Sanitary/Water Districts

Costa Mesa Sanitary District	James M. Ferryman	Bob Ooten
Midway City Sanitary District	Andrew Nguyen	Margie L. Rice
Irvine Ranch Water District	John Withers	Douglas Reinhart
Yorba Linda Water District	Brooke Jones	Phil Hawkins

County Areas

Board of Supervisors	Doug Chaffee	Donald P. Wagner
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**Orange County Sanitation District
ADMINISTRATION COMMITTEE
Regular Meeting Agenda
Tuesday, November 10, 2020 - 5:00 PM
Board Room
Administration Building
10844 Ellis Avenue
Fountain Valley, CA 92708
(714) 593-7433**

AGENDA POSTING: In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted outside the main gate of the Sanitation District's Administration Building located at 10844 Ellis Avenue, Fountain Valley, California, and on the Sanitation District's website at www.ocsd.com not less than 72 hours prior to the meeting date and time above. All public records relating to each agenda item, including any public records distributed less than 72 hours prior to the meeting to all, or a majority of the Board of Directors, are available for public inspection in the office of the Clerk of the Board.

AGENDA DESCRIPTION: The agenda provides a brief general description of each item of business to be considered or discussed. The recommended action does not indicate what action will be taken. The Board of Directors may take any action which is deemed appropriate.

MEETING AUDIO: An audio recording of this meeting is available within 24 hours after adjournment of the meeting. Please contact the Clerk of the Board's office at (714) 593-7433 to request the audio file.

NOTICE TO DIRECTORS: To place items on the agenda for a Committee or Board Meeting, the item must be submitted in writing to the Clerk of the Board: Kelly A. Lore, MMC, (714) 593-7433 / klore@ocsd.com at least 14 days before the meeting.

FOR ANY QUESTIONS ON THE AGENDA, BOARD MEMBERS MAY CONTACT STAFF AT:

General Manager: Jim Herberg, jherberg@ocsd.com / (714) 593-7300
Asst. General Manager: Lorenzo Tyner, ltyners@ocsd.com / (714) 593-7550
Asst. General Manager: Rob Thompson, rthompson@ocsd.com / (714) 593-7310
Director of Human Resources: Celia Chandler, cchandler@ocsd.com / (714) 593-7202
Director of Engineering: Kathy Millea, kmillea@ocsd.com / (714) 593-7365
Director of Environmental Services: Lan Wiborg, lwiborg@ocsd.com / (714) 593-7450

CALL TO ORDER**PLEDGE OF ALLEGIANCE****ROLL CALL AND DECLARATION OF QUORUM:****PUBLIC COMMENTS:**

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REPORTS:

The Committee Chairperson and the General Manager may present verbal reports on miscellaneous matters of general interest to the Directors. These reports are for information only and require no action by the Directors.

CONSENT CALENDAR:

Consent Calendar Items are considered to be routine and will be enacted, by the Committee, after one motion, without discussion. Any items withdrawn from the Consent Calendar for separate discussion will be considered in the regular order of business.

1. APPROVAL OF MINUTES [2020-1275](#)**RECOMMENDATION:**

Approve Minutes of the Regular Meeting of the Administration Committee held September 9, 2020.

Originator: Kelly Lore

Attachments: [Agenda Report](#)
[09-09-2020 Administration Committee Minutes](#)

2. CONSOLIDATED FINANCIAL REPORT FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020 [2020-1056](#)

RECOMMENDATION: Recommend to the Board of Directors to:

Receive and file the Orange County Sanitation District First Quarter Financial Report for the period ended September 30, 2020.

Originator: Lorenzo Tyner

Attachments: [Agenda Report](#)
[Consolidated Financial Report for the First Quarter Ended September 30, 2020](#)

3. GENERAL MANAGER APPROVED PURCHASES AND ADDITIONS TO THE PRE-APPROVED OEM SOLE SOURCE LIST [2020-1315](#)

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Receive and file District purchases made under the General Manager's authority for the period of July 1, 2020 to September 30, 2020; and
- B. Approve the following additions to the pre-approved OEM Sole Source List for the period of July 1, 2020 to September 30, 2020:
- CHEVROLET - Chevrolet Truck Engine Replacements
 - SANS - Vouchers for Cyber Security Trainings
 - TOTAL RESOURCE MANAGEMENT - IBM Maximo Level 3 Support
 - WATSON MARLOW - Pumps

Originator: Lorenzo Tyner

Attachments: [Agenda Report](#)

4. IBM MAXIMO EMERGENCY AND LEVEL 3 SUPPORT [2020-1266](#)

RECOMMENDATION:

- A. Approve a Sole Source Professional Services Agreement to Total Resource Management, Inc to provide Emergency and Level 3 support for IBM Maximo software, for the time period of January 1, 2021 through December 31, 2021, for a total amount not to exceed \$160,000; and
- B. Authorize an option for four (4) one-year renewals at \$160,000 per year.

Originator: Lorenzo Tyner

Attachments: [Agenda Report](#)
[Professional Services Consultant Agreement](#)

5. CORITY PLATFORM IMPLEMENTATION - MY CORITY, INDUSTRIAL HYGIENE, AND ERGONOMICS [2020-1311](#)**RECOMMENDATION:**

- A. Authorize a Purchase Order to Cority Software Inc. for the implementation and annual software maintenance of myCority, Industrial Hygiene, and Ergonomics, using the approved U.S. General Services Agreement (GSA) IT Schedule 70 (M.O. 5/25/16, Item #13), for a total amount not to exceed \$134,834, in accordance with Ordinance No. OCSD-52, Section 2.03(B) Cooperative Purchases; and
- B. Approve a contingency in the amount of \$13,483 (10%).

Originator: Lorenzo Tyner

Attachments: [Agenda Report](#)

NON-CONSENT:**6. PFAS INVESTIGATIVE ORDER [2020-1309](#)****RECOMMENDATION:** Recommend to the Board of Directors to:

- A. Approve a Professional Services Agreement to CDM Smith, Inc. (CDM Smith) to provide PFAS Sampling and Analysis Services, Specification No. CS-2020-1178BD, for a total amount not to exceed \$369,006; and
- B. Approve a contingency in the amount of \$55,351 (15%).

Originator: Lan Wiborg

Attachments: [Agenda Report](#)
[CS-2020-1178BD Draft Professional Services Agreement](#)

7. ORANGE COUNTY SANITATION DISTRICT COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE YEAR END JUNE 30, 2020 [2020-1307](#)**RECOMMENDATION:** Recommend to the Board of Directors to:

Receive and file the Orange County Sanitation District's Comprehensive Annual Financial Report for the year ended June 30, 2020, prepared by staff and audited by Macias Gini & O'Connell LLP (MGO), Certified Public Accountants, along with the following reports prepared by MGO:

1. Report to the Board of Directors; and

2. Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheets.

Originator: Lorenzo Tyner

Attachments: [Agenda Report](#)
[Report to the Board of Directors](#)
[Independent Accountant's Report on Applying Agreed-Upon Procedures Related to Appropriations Limit Calculation Comprehensive Annual Financial Report for the Year Ended June 30, 2020](#)
[Staff Presentation](#)
[Auditor's Presentation](#)

INFORMATION ITEMS:

8. **BIOSOLIDS THERMAL CONVERSION RFI UPDATE**

[2020-1316](#)

RECOMMENDATION:

Information Item.

Originator: Lan Wiborg

Attachments: [Agenda Report](#)

DEPARTMENT HEAD REPORTS:

CLOSED SESSION:

None.

OTHER BUSINESS AND COMMUNICATIONS OR SUPPLEMENTAL AGENDA ITEMS, IF ANY:

BOARD OF DIRECTORS INITIATED ITEMS FOR A FUTURE MEETING:

At this time Directors may request staff to place an item on a future agenda.

ADJOURNMENT:

The next Administration Committee meeting is scheduled for Wednesday, December 9, 2020 at 5:00 p.m.



Orange County Sanitation District

ADMINISTRATION COMMITTEE

Administration Building
10844 Ellis Avenue
Fountain Valley, CA 92708
(714) 593-7433

Agenda Report

File #: 2020-1275

Agenda Date: 11/10/2020

Agenda Item No: 1.

FROM: James D. Herberg, General Manager
Originator: Kelly A. Lore, Clerk of the Board

SUBJECT:

APPROVAL OF MINUTES

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Approve Minutes of the Regular Meeting of the Administration Committee held September 9, 2020.

BACKGROUND

In accordance with the Board of Directors Rules of Procedure, an accurate record of each meeting will be provided to the Directors for subsequent approval at the following meeting.

RELEVANT STANDARDS

- Resolution No. OCSD 19-19

ATTACHMENT

The following attachment(s) may be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

- Minutes of the Administration Committee meeting held September 9, 2020



CALL TO ORDER

A regular meeting of the Administration Committee was called to order by Committee Chair Chad Wanke on Wednesday, September 9, 2020 at 5:02 p.m. in the Administration Building of the Orange County Sanitation District. Chair Wanke stated that the meeting was being held telephonically and via audio/video teleconferencing in accordance with the Governor's Executive Order No. N-29-20, due to the Coronavirus Pandemic (COVID-19). Chair Wanke led the Flag Salute.

ROLL CALL AND DECLARATION OF QUORUM:

The Clerk of the Board took roll and a quorum was declared present, as follows:

PRESENT: Chad Wanke, Richard Murphy, James Ferryman, Peter Kim, Mark Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, Christina Shea, David Shawver and John Withers

ABSENT: None

STAFF PRESENT: Jim Herberg, General Manager; Kelly Lore, Clerk of the Board; and Brian Engeln were present in the Board Room. Lorenzo Tyner, Assistant General Manager; Celia Chandler, Director of Human Resources; Kathy Millea, Director of Engineering; Lan Wiborg, Director of Environmental Services; Jennifer Cabral; Tina Knapp; Joshua Martinez; Don Stokes; and Thomas Vu were in attendance telephonically.

OTHERS PRESENT: Brad Hogin, General Counsel was present in the Board Room.

PUBLIC COMMENTS:

None.

REPORTS:

Chair Wanke announced that an OCSD virtual tour will be held September 12 at 11 a.m. and a joint tour of OCSD and OCWD will be held on September 16 at 10 a.m.

General Manager Herberg stated that a letter was received from Yorba Linda Water District in response to a Draft MSR for OCSD during a Public hearing with OC LAFCO on September 9, 2020 was sent to the Board of Directors and will be placed for discussion at the Steering Committee and Board of Directors this month.

CONSENT CALENDAR:

1. APPROVAL OF MINUTES [2020-1213](#)

Originator: Kelly Lore

MOVED, SECONDED, AND DULY CARRIED TO:

Approve Minutes of the Regular Meeting of the Administration Committee held July 8, 2020.

AYES: Chad Wanke, Richard Murphy, James Ferryman, Peter Kim, Mark Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, Christina Shea, David Shawver and John Withers

NOES: None

ABSENT: None

ABSTENTIONS: None

2. RECORDS MANAGEMENT PROGRAM UPDATE [2020-1076](#)

Originator: Kelly Lore

MOVED, SECONDED, AND DULY CARRIED TO: Recommend to the Board of Directors to:

Adopt Resolution No. OCSD 20-XX entitled: "A Resolution of the Board of Directors of the Orange County Sanitation District Adopting the Records Management Program Procedures and Records Retention Schedule, Authorizing Destruction of Obsolete Records, and Repealing Resolution No. OCSD 18-22".

AYES: Chad Wanke, Richard Murphy, James Ferryman, Peter Kim, Mark Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, Christina Shea, David Shawver and John Withers

NOES: None

ABSENT: None

ABSTENTIONS: None

3. HYPER CONVERGED INFRASTRUCTURE IMPLEMENTATION - PHASE 1 [2020-1160](#)

Originator: Lorenzo Tyner

MOVED, SECONDED, AND DULY CARRIED TO:

A. Award a Professional Services Agreement to ePlus Technology inc. for the procurement of software, hardware, and services to implement and configure the Hyper Converged Infrastructure, Specification No. CS-2020-1141BD, for a total amount not to exceed \$177,950; and

B. Approve a contingency in the amount of \$17,795 (10%).

AYES: Chad Wanke, Richard Murphy, James Ferryman, Peter Kim, Mark Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, Christina Shea, David Shawver and John Withers

NOES: None

ABSENT: None

ABSTENTIONS: None

4. INCIDENT RESPONSE PROGRAM

[2020-1207](#)

Originator: Lorenzo Tyner

MOVED, SECONDED, AND DULY CARRIED TO:

A. Award a Professional Services Agreement to Tevora Business Solutions to provide Cyber Incident Response Consulting Services, Specification No. CS-2020-1160, for a total amount not to exceed \$112,700; and

B. Approve a contingency in the amount of \$16,905 (15%).

AYES: Chad Wanke, Richard Murphy, James Ferryman, Peter Kim, Mark Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, Christina Shea, David Shawver and John Withers

NOES: None

ABSENT: None

ABSTENTIONS: None

5. GENERAL MANAGER APPROVED PURCHASES AND ADDITIONS TO THE PRE-APPROVED OEM SOLE SOURCE LIST

[2020-1204](#)

Originator: Lorenzo Tyner

MOVED, SECONDED, AND DULY CARRIED TO: Recommend to the Board of Directors to:

- A. Receive and file Orange County Sanitation District purchases made under the General Manager's authority for the period of April 1, 2020 to June 30, 2020; and
- B. Approve the following additions to the pre-approved OEM Sole Source List for the period of April 1, 2020 to June 30, 2020:
- ALHAMBRA FOUNDRY - Manhole Frames and Covers
 - GARDNER DENVER / HOFFMAN - Blower Equipment, Parts and Service
 - GEA WESTFALIA - Centrifuge Parts and Service (*Replaces OEM Manufacturer WESTFALIA - Name Change*)
 - NUTTAL GEAR - Gear Drive Assembly and Related Parts/Equipment
 - SCRIPPS INSTITUTION OF OCEANOGRAPHY (SIO) - Ocean Monitoring Program
 - SPX Flow / LIGHTNIN - Gear Box Repair Parts, Equipment and Service
 - VAC-CON - Sewer Combo Cleaning Truck Rental

AYES: Chad Wanke, Richard Murphy, James Ferryman, Peter Kim, Mark Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, Christina Shea, David Shawver and John Withers

NOES: None

ABSENT: None

ABSTENTIONS: None

6. REIMBURSEMENTS TO BOARD MEMBERS AND STAFF [2020-1228](#)

Originator: Lorenzo Tyner

MOVED, SECONDED, AND DULY CARRIED TO: Recommend to the Board of Directors to:

Receive and file report of reimbursements to Board Members and Staff per Government Code Section 53065.5 for the period July 1, 2019 through June 30, 2020.

AYES: Chad Wanke, Richard Murphy, James Ferryman, Peter Kim, Mark Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, Christina Shea, David Shawver and John Withers

NOES: None

ABSENT: None

ABSTENTIONS: None

**7. TREASURER'S REPORT FOR THE FOURTH QUARTER ENDED [2020-975](#)
JUNE 30, 2020**

Originator: Lorenzo Tyner

MOVED, SECONDED, AND DULY CARRIED TO: Recommend to the Board of Directors to:

Receive and file the Orange County Sanitation District Fourth Quarter Treasurer's Report for the period ended June 30, 2020.

AYES: Chad Wanke, Richard Murphy, James Ferryman, Peter Kim, Mark Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, Christina Shea, David Shawver and John Withers

NOES: None

ABSENT: None

ABSTENTIONS: None

NON-CONSENT:

8. PENSION COST STRATEGIES

[2020-1136](#)

Originator: Lorenzo Tyner

Assistant General Manager Lorenzo Tyner provided an informative PowerPoint presentation regarding OCSD Pension Funding including current investment returns and projected annual OCSD contribution to OCERS. Mr. Tyner provided various pension funding options with an initial \$20M investment. Mr. Tyner responded to questions from the Committee regarding risks, fee structures, and limitations of the 115 trust. Committee members thanked staff, Mr. Tyner, and Chair Wanke for providing the item for consideration.

MOVED, SECONDED, AND DULY CARRIED TO: Recommend to the Board of Directors to:

Direct staff to advertise a Request for Proposals (RFP) to select a multiple-employer Internal Revenue Service Code Section 115 Trust Pension Account.

AYES: Chad Wanke, Richard Murphy, James Ferryman, Peter Kim, Mark Murphy, Steve Nagel, Andrew Nguyen, Glenn Parker, Erik Peterson, Tim Shaw, Christina Shea, David Shawver and John Withers

NOES: None

ABSENT: None

ABSTENTIONS: None

INFORMATION ITEMS:

9. COVID-19 SEWAGE SURVEILLANCE PROJECT UPDATE

[2020-1229](#)

Originator: Lan Wiborg

Director of Environmental Services Lan Wiborg provided an informative PowerPoint presentation regarding Wastewater Surveillance for COVID-19. The Committee

requested that Ms. Wiborg provide notes to use in reporting this information to their agencies.

WITHOUT OBJECTION ITEM RECEIVED AS AN:

Information Item.

DEPARTMENT HEAD REPORTS:

None.

CLOSED SESSION:

None.

OTHER BUSINESS AND COMMUNICATIONS OR SUPPLEMENTAL AGENDA ITEMS, IF ANY:

None.

BOARD OF DIRECTORS INITIATED ITEMS FOR A FUTURE MEETING:

None.

ADJOURNMENT:

Chair Wanke declared the meeting adjourned at 6:00 p.m. to the Regular meeting to be held on Wednesday, October 14, 2020 at 5:00 p.m.

Submitted by:

Kelly A. Lore, MMC
Clerk of the Board



Orange County Sanitation District

Administration Building
10844 Ellis Avenue
Fountain Valley, CA 92708
(714) 593-7433

ADMINISTRATION COMMITTEE

Agenda Report

File #: 2020-1056

Agenda Date: 11/10/2020

Agenda Item No: 2.

FROM: James D. Herberg, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

CONSOLIDATED FINANCIAL REPORT FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Receive and file the Orange County Sanitation District First Quarter Financial Report for the period ended September 30, 2020.

BACKGROUND

Included in this consolidated report are the following quarterly financial reports for the period ended September 30, 2020:

- **First Quarter Budget Review**
The Budget Review Summary provides the Directors, staff, and general public with a comprehensive overview of the financial results of the Orange County Sanitation District (Sanitation District) through the first quarter ended September 30, 2020.
- **Quarterly Treasurer's Report**
This section reports on financial portfolio performance with respect to the Sanitation District's funds. Both Long-Term and Liquid Operating Monies Portfolios are summarized. A performance summary table can be found on page 2 of this agenda report. The report also contains information on the U.S. and global economic outlook from the Sanitation District's investment manager, Chandler Asset Management.
- **Certificates of Participation Quarterly Report**
The report includes a summary of each outstanding debt issuance and a comparative chart illustrating the COP rate history.

RELEVANT STANDARDS

- Quarterly financial reporting

ADDITIONAL INFORMATION

The quarterly treasurer’s report contained within the Consolidated Financial Reports for the First Quarter Ended September 30, 2020 is being submitted in accordance with the Sanitation District’s investment policy that requires the report be submitted to the governing body following the end of each quarter and includes the following information:

- Performance results in comparison with the ICE BAML 3-month treasury bill index for the liquid operating portfolio; and the ICE BAML Corp./Govt. 1-5 Year Bond index for the long-term portfolio as identified in the investment policy; and the time-weighted total rate of return for the portfolio for the prior three months, six months, nine months, twelve months, and since inception compared to the Benchmark returns for the same periods:

**Portfolio Performance Summary
As of September 30, 2020**

	Liquid Operating Monies (%)		Long-Term Operating Monies (%)	
	Total Rate of Return	Benchmark	Total Rate of Return	Benchmark
3 Months	0.04	0.04	0.29	0.24
6 Months	0.11	0.06	1.62	1.27
9 Months	0.83	0.64	4.16	4.27
12 Months	1.34	1.10	4.67	4.73
Annualized Since Inception 30 Nov 2014	1.16	1.03	2.32	2.29

- A listing of individual securities held at the end of each reporting period (see the detailed listings of each security contained within the report).

- Cost and market values of the portfolios:

	<u>Liquid Operating</u>	<u>Long-Term</u>
Cost	\$128.5 M	\$598.8 M
Market Value	\$128.7 M	\$625.2 M

- Modified duration of the portfolio compared to the Benchmark:

	<u>Liquid Operating</u>	<u>Long-Term</u>
District Policy	< 0.50	< 5.00
Benchmark	0.16	2.59
Portfolio	0.32	2.52

- Dollar change in value of the portfolio for a one percent (1%) change in interest rates:

Liquid Operating - \$403,466
 Long- Term - \$15,827,602

- None of the portfolios are currently invested in reverse repurchase agreements.

- The percent of the Liquid Operating Monies portfolio maturing within 90 days: 25.6%
- Average portfolio credit quality:

Liquid Operating - AAA/Aaa
Long- Term - AA/Aa1
- Percent of portfolio with credit ratings below “A” by any rating agency and a description of such securities:

Liquid Operating - no exceptions
Long- Term - Percent of portfolio - 1.0%

	Cost	Maturity Date	Moody	S&P	Fitch
SLMA 2008-9 A	\$11,180.25	4/25/2023	Baa3	B	B
AMRESKO Residential Securities 1999-1 A	\$89,377.81	6/25/2029	NR	A+	BBB
Morgan Stanley Note	\$3,200,848.00	7/28/2021	A3	BBB+	A
Wells Fargo & Company Note	\$2,954,520.00	7/22/2022	A2	BBB+	A+

- All investments are in compliance with this policy and the California Government Code, except for the following Lehman Brother holdings that the Sanitation District is pursuing collection through the bankruptcy court:

Lehman Brothers Note-Defaulted \$ 600,000 par value purchased 9/19/2008
Lehman Brothers Note-Defaulted \$2,000,000 par value purchased 9/18/2008
- Sufficient funds are available for the Sanitation District to meet its operating expenditure requirements for the next six months.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

- Consolidated Financial Report for the First Quarter Ended September 30, 2020

Orange County Sanitation District

First Quarter Financial Report

for the period ended September 30, 2020



Orange County, California

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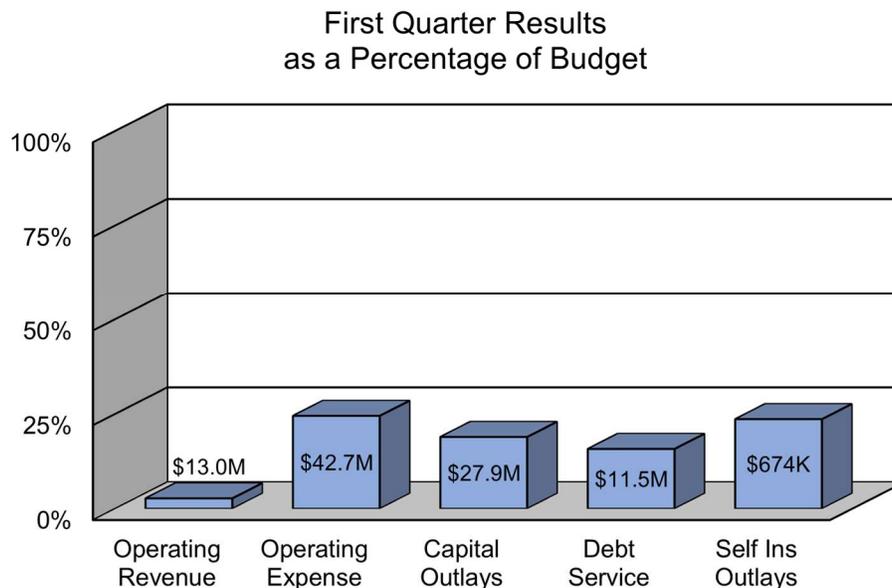
Consolidated Financial Reports For the First Quarter Ended September 30, 2020

Included in this consolidated report are the following quarterly financial reports for the period ended September 30, 2020:

- **First Quarter Budget Review:**

The Consolidated Financial Reports Section provides the Directors, staff, and the general public with a comprehensive overview of the financial results of the Sanitation District through the first quarter ended September 30, 2020.

Contained within the Consolidated Financial Reports is the budget-to-actual status of the Collections, Treatment and Disposal Operations, the Capital Improvement Program, the Self-Insurance Program, and Debt Service Outlays. Also included is a Capital Assets Schedule as of September 30, 2020. The chart below provides for a summary of these activities.



Various detail information can be found in this report. Below is a descriptive summary of these activities through September 30, 2020:

- a) Most major expense categories are anticipated to be at or below budget.
- b) Total revenues are at 2.7 percent of the \$479.2 million budget mainly due to the timing of property tax and sewer fee distribution from the County that occurs mostly after the first quarter. These two revenue sources make up 83.1 percent of the Sanitation District's total budgeted revenue. Most of the other, less material revenue sources are tracking lower than the proportionate budget through September 30, including Permit Fees, Capital Assessments-IRWD, Capital Facilities Capacity Charges, Interest Earnings, CIP

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Reimbursements, CNG Sales, Other Revenues, and Other Sales. Overall, total revenues are projected to approximate budget at year-end. More detailed information on revenues is provided within Section 1 – Pages 4 through 6.

c) **Collection, Treatment and Disposal Costs:**

As indicated within the Consolidated Financial Reports Section of this report, the net operating requirements through the first quarter of \$42.7 million is currently tracking at 24.5 percent of the \$174.3 million budget. In addition, net operating expenses have increased \$1.3 million or 3.1 percent in comparison with the same period last year. Overall, staff expects the total operating costs to remain at or slightly below budget throughout the remainder of the year. More detailed information on operating expenses is provided within Section 1 – Pages 1 through 4.

The total cost per million gallons is \$2,479 based on flows of 187 million gallons per day. This is \$61 per million gallons, or 2.4 percent lower than the budgeted cost per million gallons per day. A further description of these costs and benchmarking with other agencies is contained within Section 1 – Pages 7 through 9.

- d) The total projected capital outlay cash flow of the Capital Improvement Program (CIP) for FY 2020-21 has been revised to \$150.9 million, or 102.2 percent of the board approved cash outlay of \$147.6 million. The actual cash outlay spending through the first quarter is \$27.9 million, or 18.9 percent of the total budgeted outlay. More detailed information on the CIP budget review can be found in Section 1 – Page 10 and Section 3.

- **First Quarter Treasurer’s Report**

This section reports on financial portfolio performance with respect to the Sanitation District’s funds. Both Long-Term and Liquid Operating Monies Portfolios are summarized. A performance summary table can be found on page 2 of this section. The report also contains information on the national economic outlook from the Sanitation District’s money manager, Chandler Asset Management (Chandler).

Chandler notes the Long-Term Portfolio quarterly return of 29 basis points outperformed the ICE BAML 1-5 Year US Corp/Govt Rated AAA-A Index return of 24 basis points, while the Liquid Operating Monies Portfolio quarterly return of 4 basis points matched the ICE BAML 3-Month US Treasury Bill Index return.

Chandler further notes that US equities experienced a moderate selloff in September (with the S&P 500 index down 3.9% month-over-month) and investment grade corporate credit spreads widened modestly (based on the ICE BofA US Corporate Index). In their view, the recent repricing of risk assets has been rational and consistent with the evolving economic and political backdrop. The economy has improved significantly from the depths of the pandemic crisis

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earlier this year, but the recovery is losing steam. Chandler continues to believe the outlook for the economy hinges largely on the course of the pandemic, the timing and amount of additional fiscal relief, and the timeline for a vaccine. While Chandler remains optimistic about the progress toward a vaccine, they are seeing a resurgence of the virus in some locations and negotiations in Congress over a Phase 4 fiscal relief package remain at a stalemate. While Chandler has a high degree of confidence that another round of fiscal stimulus will ultimately be passed, the timeline has been pushed out and the chances of getting something done before the November election have dimmed. This may not bode well for the fourth quarter and Chandler anticipates near-term economic data may soften. Chandler believes financial markets are potentially poised for increased volatility through year-end.

Federal Open Market Committee (FOMC) kept monetary policy unchanged in September with the fed funds target rate in a range of 0.0% to 0.25%. Monetary policy remains highly accommodative and policymakers remain dovish. The Fed's balance sheet has grown to over \$7.0 trillion from about \$4.2 trillion prior to the pandemic, and the Fed has indicated it will continue to use its balance sheet to support smooth financial market functioning, as needed. In the September policy statement, the FOMC noted that inflation continues to run below its 2.0% target, as weaker demand and lower oil prices are holding down consumer prices. Longer-term, the FOMC will allow inflation to run above 2.0% for some period of time before it looks to tighten policy, which implies the fed funds target rate will remain anchored near zero for years. The Fed's summary of economic projections signals that the target fed funds rate will remain unchanged through at least 2023.

The Treasury yield curve was little changed in September on a month-over-month basis, following moderate curve steepening in August. In the first week of October, the yield curve has steepened further, driven by an increase in longer-dated Treasury yields.

At September month-end, Treasury yields were much lower on a year-over-year basis. The 3-month T-bill yield was down 172 basis points, the 2-year Treasury yield was down 150 basis points, and the 10-Year Treasury yield was down 98 basis points, year-over-year. Yields declined precipitously in March 2020, with the Fed cutting rates by a total of 150 basis points and a flight to safe-haven assets driving down yields across the curve. The Fed has signaled plans to keep the front end of the Treasury yield curve anchored near zero for at least the next few years. In the past few months, the Treasury yield curve has steepened, which Chandler believes has been driven by a flood of new issuance as well as rising inflation expectations.

The Consumer Price Index (CPI) was up 1.3% year-over-year in August, versus up 1.0% in July. Core CPI (CPI less food and energy) was up 1.7% year-over-year in August, versus up 1.6% in July. The Personal Consumption Expenditures (PCE) index was up 1.4% year-over-year in August, versus up 1.1% year-over-year in

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July. Core PCE, which is the Fed's primary inflation gauge, was up 1.6% year-over-year in August, versus up 1.4% year-over-year in July. Pricing pressures are increasing but remain below the Fed's inflation target.

Economic Outlook

The impact of the coronavirus pandemic continues to influence the direction of asset prices and the ultimate trajectory of the recovery. Initially the virus imposed a synchronized hit to the global economy however due to varying policy responses and changes in behavior going forward the Chandler team expects the recovery to be de-synchronized across regions, industries and individuals. The strict lockdowns experienced earlier in the year are very unlikely to be re-instituted on a national level due to both healthcare systems being much better prepared for COVID patients and the widely held acknowledgement lockdowns should be avoided at all costs. The degree of uncertainty related to the coronavirus continues to dissipate. Investment grade and high yield bond spreads tightened, and equity indices posted positive returns, however the rate of change in both broad asset classes slowed in Q3 compared to Q2. Economic growth will remain below pre-pandemic levels until a vaccine for the coronavirus is widely available and consumer behavior evolves. Chandler expects a vaccine to be available in the first half of 2021 and this view is largely reflected in current asset prices in Chandler's judgement.

Economic data points improved during the quarter however many metrics remains well short of pre-pandemic valuations. The unemployment rate continued to improve, coming in at 7.9% in September, compared to 11.1% at the end of June however still well above the 3.5% rate at the end of December 2019. The three-month and six-month moving averages on non-farm payrolls are currently 1.30 million and -1.56 million, respectively, highlighting the severe loss of jobs due to the pandemic and the tentative recovery in the job market. Weekly and continuing jobless are trending lower, a positive, but the lack of additional fiscal stimulus has negatively impacted the rate of improvement with both metrics remaining at stressed levels. Risk assets have largely ignored the lack of progress on additional fiscal stimulus to support the recovery as most investors believe the challenging political environment (late in the Presidential election cycle) is a contributing factor to the lack of progress. Post the election results the Chandler team expects additional fiscal stimulus to be implemented to further support the economic recovery.

Monetary policy remains highly stimulative, and the Federal Reserve took further actions during the quarter to solidify the view rates will remain low for the foreseeable future. Notably the Federal Reserve will no longer view a low unemployment rate as a harbinger to inflation risks, and is poised to allow inflation to be above the 2% threshold for a period of time before adjusting policy tighter to make up for the periods of inflation being below 2%. The Federal Reserve continues to emphasize they will do whatever it takes to support the recovery and Chandler expects the unconventional policy tools implemented at the height of the

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pandemic to remain in place for an extended time period to support the recovery. In the short-to-intermediate term investment grade spreads will be well supported as investors are comfortable with belief the Federal Reserve will step in to support markets (via asset purchases) if spreads become dislocated. In a welcome development for the Federal Reserve, ten year TIPS spreads moved higher by 29 basis points, closing the quarter at 1.63%, however until the breakeven rate is above 2.3% for an extended period of time the Federal Reserve will remain content to keep front end rates pegged at zero. Treasury yields were stable during the quarter; however, Chandler expects volatility in rates further out the curve in 2021 as the impact of the outsized fiscal and monetary stimulus, as well as the path of the global economic recovery, will influence valuations.

- **First Quarter Certificates of Participation (COP) Report**

The report includes a summary of each outstanding debt issuance and a comparative chart illustrating the COP rate history.

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First Quarter Financial Report September 30, 2020

Financial Management is pleased to present the FY 2020-21 first quarter financial report. This report provides a comprehensive overview of the financial condition of the Sanitation District and reports on the status of all capital projects in progress. A summary of the sections contained within this report is provided below.

Operating Budget Review: This section reports on collection, treatment, and disposal net operating requirements.

At September 30, 2020, 24.5 percent, or \$42.7 million of the FY 2020-21 net operating budget of \$174.3 million has been expended. Net operating expenses increased from the same period last year by \$1.3 million, or 3.1 percent, mainly due to an increase of \$691,000 in Repairs and Maintenance, \$564,000 in Salaries and Benefits, \$280,000 in Operating Materials and Supplies, \$211,000 in Other Operating Supplies, \$190,000 in Utilities, and a decrease of \$162,000 in indirect costs allocated out to capital projects, partially offset by a decrease of \$330,000 in Contractual Services, \$247,000 in Administrative Expenses, \$104,000 in Professional Services, and \$48,000 in Research and Monitoring. These and other variances that factor into this net increase in expenses are discussed in more detail below. **Overall, staff expects the total operating costs to remain at or slightly below budget throughout the remainder of the year.**

At September 30, 2020, 2.7 percent, or \$13.0 million of the FY 2020-21 budgeted total revenues of \$479.2 million has been recognized. Revenues decreased from the same period last year by \$7.7 million, or 37.1 percent, mainly due to a decrease of \$4.0 million in Interest Earnings, \$1.9 million in Capital Facilities Capacity Charges, \$1.1 million in Permit Fees, \$657,000 in CIP Reimbursements, \$204,000 in IRWD Intra District Sewer Use, and \$86,000 in Property Taxes, offset primarily by an increase of \$461,000 in Sludge Disposal-IRWD. These and other variances that factor into this net decrease in revenues are discussed in more detail below. **Overall, staff expects the total revenues to remain at or slightly below budget throughout the remainder of the year.**

Significant operating results as of September 30, 2020 include the following:

- Salaries, Wages and Benefits – **Personnel costs of \$24.8 million are on target at 24.3 percent of the budget through the first quarter of FY 2020-21.** The budget is based on a 5 percent vacancy factor, and staffing is 31 full-time equivalents (FTEs), or 4.9 percent below the total 639 FTEs approved in the FY 2020-21 budget. Salary and benefit costs are \$564,000 or 2.3 percent higher than the \$24.2 million incurred in the same period last year, mainly due to an increase of \$592,000 in salaries and wages resulting from cost of living adjustments included in the current Memorandums of Understanding for all employee bargaining units. **Net operating**

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personnel costs are expected to approximate budget throughout the remainder of the year.

- Administrative Expenses – **Administrative Expenses totaled \$533,000, or 26.2 percent of the \$2.0 million budget through September 30.** These costs are \$247,000 or 31.7 percent lower at September 30 in comparison with the prior year, mainly due to decreases of \$161,000 in purchases of small computer items including HP Elitebooks, \$43,000 in memberships, and \$29,000 in books and publications such as various engineering design standards and manuals of practice. **It is anticipated that administrative costs will approximate budget at year-end.**
- Printing and Publication Expenses – **Printing and Publication Expenses totaled \$50,000 or 11.9 percent of the \$415,000 budget through September 30.** These costs are \$22,000 or 30.8 percent lower at September 30 in comparison with the prior year, due to the increased incorporation of paperless processes and reports in response to the COVID-19 pandemic. **Printing and publication costs are expected to be below budget at year-end.**
- Training and Meetings – **Training and meetings of \$97,000 are below target at 9.0 percent of the \$1.1 million budget.** This account is lower than the proportionate budget due to the timing and need for training throughout the year, and the limiting or canceling of in-person training and meetings in response to the COVID-19 pandemic. These costs have decreased over the same period last year by \$32,000 or 25.1 percent. **Total training and meeting costs are anticipated to be below budget at year-end.**
- Operating Materials and Supplies – **Operating materials and supplies of \$5.1 million is on target at 24.1 percent of the \$21.3 million budget through September 30.** Operating Materials and Supplies are higher than the prior year by \$280,000 or 5.8 percent, primarily due to an increase in Odor Control of \$137,000, Disinfection of \$110,000, and Tools of \$110,000, partially offset by a decrease in Chemical Coagulants of \$186,000 due to the increase in operational efficiencies brought about by newly commissioned dewatering centrifuges. **Based on current processes, operating materials and supplies are anticipated to approximate budget at year-end.**
- Contractual Services – **Contractual services is below target at \$4.2 million or 21.6 percent of the \$19.2 million budget through September 30.** Solids Removal costs, budgeted at \$12.4 million, comprise the majority of this expense category at \$2.9 million, or 23.8 percent of its budget at September 30. Contractual Services is lower by \$330,000 or 7.4 percent over the same period last year, due to the decrease of \$402,000 in Other Contractual Services as the result of a reduction in manhole rehabilitation, industrial cleaning, and digester assessment services, as well as costs reclassified to repairs and maintenance, and \$80,000 in Solids Removal costs due to reduced biosolids production attributable to the new dewatering centrifuges. These decreases are partially offset by increases of \$82,000 in Janitorial costs attributable to additional cleaning services for COVID-19, \$43,000

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in Other Waste Disposal for hazardous waste packing, transportation, and disposal, and \$34,000 in Oxygen for liquid oxygen and associated vaporization system maintenance. County Service Fees totaled only \$5,000 or 1.1 percent of the \$489,000 budget through the first quarter as the preponderance of these fees are billed by the County in the fourth quarter. **Total contractual services costs are anticipated to approximate budget at year-end.**

- Professional Services – **Professional services costs totaled \$657,000 or 11.4 percent of the \$5.7 million budget through September 30.** Professional service costs, such as Audit & Accounting, Environmental Scientific Consulting, Industrial Hygiene Services, and Labor Negotiation Services, are proportionately low through September 30 due to a variety of factors such as timing of services and re-evaluation of needs for services. These costs are \$104,000 or 13.7 percent lower at September 30 in comparison with the prior year, mainly due to a decrease of \$259,000 in Legal Services, offset by increases of \$98,000 in Engineering Services and \$64,000 in Software Program Consulting. **It is anticipated that the costs for this category will be below budget at year-end.**
- Research and Monitoring – **Research and monitoring costs totaled \$672,000, or 51.5 percent of the \$1.3 million budget through September 30.** These costs are \$48,000, or 6.6 percent lower at September 30 in comparison with the prior year, due to decreases of \$46,000 in Air Quality Monitoring costs for emissions testing and \$26,000 in Environmental Monitoring costs for ocean water quality analysis, offset by an increase of \$25,000 in Research costs, reflecting the higher annual contribution to Southern California Coastal Water Research Project. **Total research and monitoring costs approximate budget at year-end.**
- Repairs and Maintenance – **Repair and maintenance costs totaled \$8.2 million, or 28.8 percent of the \$28.4 million budget through September 30.** These costs are \$691,000, or 9.3 percent higher at September 30 in comparison with the prior year, mainly for repair and maintenance services such as digester cleaning, mechanical rehabilitation and overhaul of primary clarifier tanks, as well as information technology software maintenance and support. **It is anticipated that the costs for this category will approximate budget at year-end.**
- Utilities – **Utilities costs totaled \$2.5 million, or 30.5 percent of the \$8.4 million budget through September 30.** These costs are \$190,000, or 8.1 percent higher at September 30 in comparison with the prior year, primarily due to an increase of \$162,000 and \$27,000 for Power and Water respectively, because of greater demand on these resources by the new biosolids dewatering centrifuges. In addition, utility costs in the first quarter are typically more than the proportionate budget through September 30 due to increased summer electricity rates administered by Southern California Edison in all three months of the first quarter. **It is anticipated that the costs will approximate budget at year-end.**
- Other Operating Supplies – **Other operating supplies costs totaled \$896,000, or 24.1 percent of the \$3.7 million budget through September 30.** Property and

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General Liability Insurance, budgeted at \$2.2 million, comprise the majority of this expense category at \$551,000. These costs are \$121,000, or 28.2 percent higher at September 30 in comparison with the prior year, primarily due to an increase in budgeted in-lieu premium charges to maintain recommended reserve balances. In addition, Regulatory Operating Fees is \$67,000 higher due to timing of payments for emission, equipment permit, and facility fees. **It is anticipated that other operating supplies costs will approximate budget at year-end.**

- **Revenues – Service Fees and Property Taxes – Through September 30, revenues from service fees are at \$40,000, or 0.0 percent of the \$298.1 million budget and property taxes are at \$2.2 million, or 2.2 percent of the \$99.9 million budget.** These items comprise the majority of the Sanitation District's revenues and are mostly collected by the County through the property tax roll and distributed to the Sanitation District throughout the year based on a set distribution schedule that begins in November of each year. The low sewer service fee revenue is attributable to no sewer service fee apportionments scheduled or received from the County through the first quarter, while sewer service rebates have been issued for overcharges in prior years. The increase in service fee revenue of \$33,000 at September 30 in comparison with the prior year is primarily due to a reduction in user fee rebates issued in the current period. The property tax revenue reduction of \$86,000, or 3.7 percent over the prior period is the result of timing of property tax collections from the County, offset by the growth in assessed property values. **These revenues are expected to approximate budget at year-end.**
- **Revenues – Permittee User Fees – Permittee User Fees are at \$2.2 million, or 17.1 percent of the \$12.8 million budget.** The revenues through the first quarter are lower than the same period last year by \$1.1 million due to the actual discharge of industrial users being significantly less than the estimated billings in the prior year, largely in part to the impact COVID-19 had on these users' flow in the last quarter of the prior fiscal year. Additionally, the number of permittees fluctuates from year to year as businesses establish or cease their operations. **Permit user fees revenues are expected to be below budget at year-end.**
- **Revenues – Inter District Sewer Use – SAWPA and SBSB – Inter District Sewer revenues-SAWPA and SBSB are at \$668,000, or 25.3 percent of the \$2.6 million budget.** This revenue is derived from charges to the Santa Ana Watershed Protection Agency (SAWPA) and Sunset Beach Sanitary District (SBSB) for treatment of flows. The revenues through the first quarter are lower than the same period last year by \$58,000, or 8.1 percent due to a decrease in operation and maintenance charges, based on flows received from these agencies. **These revenues are expected to approximate budget at year-end.**
- **Revenues – Intra District Sewer Use – IRWD – Intra District Sewer revenues-IRWD are at \$965,000, or 20.7 percent of the \$4.7 million budget.** This revenue is derived from charges to the Irvine Ranch Water District (IRWD) for treatment of flows. The revenues through the first quarter are lower than the same period last year by \$204,000, or 17.5 percent, mainly due to a decrease of \$129,000 in

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operating and maintenance charges to IRWD and an increase of \$82,000 in interest income allocated to IRWD based on higher cash reserves held on behalf of this agency. **These revenues are expected to approximate budget at year-end.**

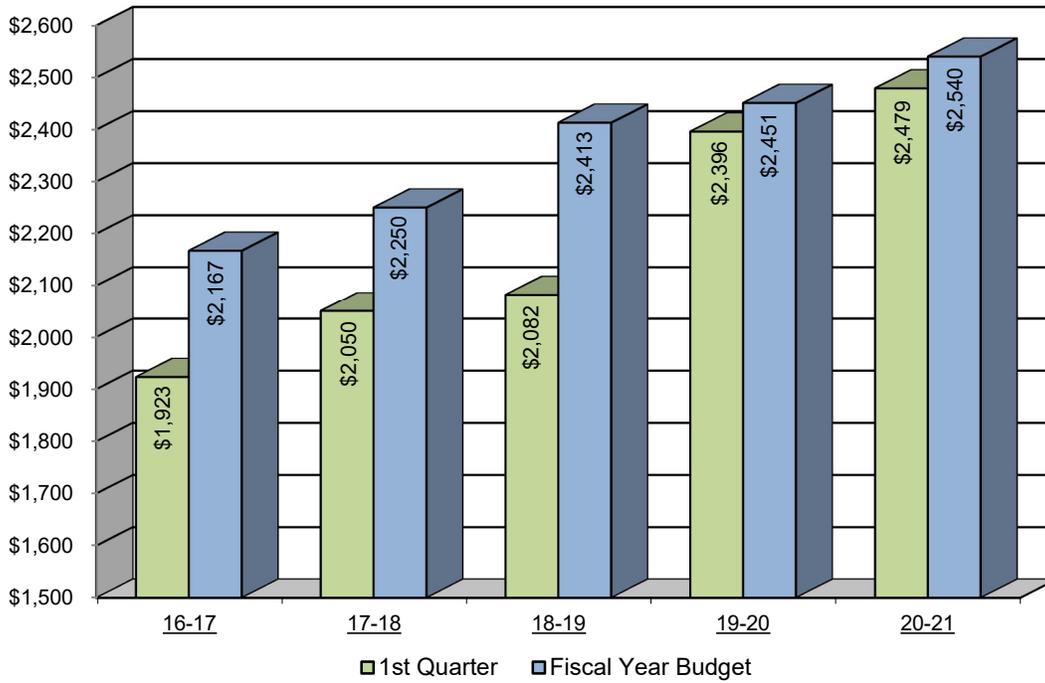
- Revenues – Sludge Disposal – IRWD – **Sludge Disposal-IRWD fees are at \$2.7 million, or 44.4 percent of the \$6.1 million budget.** The revenue is for the handling, treatment, and disposal of solids derived from flows discharged by IRWD to the Sanitation District. The revenues through the first quarter are higher than the same period last year by \$461,000, or 20.6 percent, mainly due to increased estimates of solids received from IRWD. The current fiscal year quarterly billing to IRWD is based on estimates. The budget reflects the anticipated completion of IRWD solids processing facilities that would cease solids to the OCSD line by the end of the second quarter. **It is anticipated that IRWD sludge disposal revenues will approximate or be below budget at year-end.**
- Revenues – Capital Assessments – IRWD – **Capital Assessments-IRWD are at \$520,000, or 10.0 percent of the \$5.2 million budget.** The revenues through the first quarter are higher than the same period last year by \$18,000 or 3.6 percent, mainly due to an increase in joint capital costs allocable to IRWD. **It is estimated that IRWD capital assessments revenues will be below budget at year-end.**
- Revenues – Capital Facilities Capacity Charges (CFCC) – **CFCC are at \$1.4 million, or 6.9 percent of the \$20.1 million budget.** The revenues through the first quarter are lower than the same period last year by \$1.9 million, or 58.2 percent, due to a substantial decrease in supplemental capital facilities capacity charges assessed to industrial dischargers, accompanied by a moderate decrease in connection fees collected from cities. This is likely due to COVID-19 and the resulting decrease in total building permit valuation as forecasted by Chapman University to be 19.1 percent in 2020. **These revenues are expected to be below budget at year-end.**
- Revenues – Interest Earnings – **Interest Earnings are at \$1.8 million, or 13.3 percent of the \$13.2 million budget.** The revenues through the first quarter are lower than the same period last year by \$4.0 million, or 69.6 percent due to lower yields earned on securities held in the investment portfolios. **It is estimated that interest earnings will be below budget at year-end.**
- Revenues – CIP Reimbursements – **CIP Reimbursements, budgeted at \$11.6 million, has not recognized any revenues through September 30.** This is \$657,000 less than the same period last year and is due to timing of reimbursements for construction projects, such as the budgeted \$5.4 million from Orange County Water District (OCWD) for P2-122 Headworks Modifications at Plant 2 for GWRS Final Expansion and \$3.4 million from OCWD for J-117B Outfall Low Flow Pump Station. **These revenues are expected to approximate or be below budget at year-end.**

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- Revenues – Wastehauler – **Wastehauler revenues are at \$149,000, or 19.8 percent of the \$750,000 budget.** This revenue is derived from fees charged to wastehaulers, allowing them to dump waste into the Sanitation District’s system. The revenues through the first quarter are lower than the same period last year by \$46,000, or 23.5 percent due to a decrease in waste dumping. **These revenues are expected to approximate or be below budget at year-end.**
- Revenues – CNG Sales – **CNG Sales revenues are at \$48,000, or 12.0 percent of the \$400,000 budget.** This revenue is derived from public sales at the Sanitation District’s Compressed Natural Gas (CNG) fueling station. The revenues through the first quarter are lower than the same period last year by \$23,000, or 32.3 percent, presumably attributed to the decrease in commuting brought about by COVID-19. **These revenues are expected to be below budget at year-end.**
- Revenues – Rents & Leases – **Rents & Leases revenues are at \$198,000, or 32.9 percent of the \$600,000 budget.** The revenues through the first quarter are lower than the same period last year by \$29,000, or 12.9 percent due to less rent received as tenants move out of the properties acquired for construction of the new headquarters building. **These revenues are expected to approximate budget at year-end.**
- Revenues – Other – **Other revenues are at \$98,000, or 3.9 percent of the \$2.5 million budget.** These revenues are \$25,000 or 34.2 percent higher than the same period last year, primarily due to timing of receipts for non-operating revenues such as civil penalties and interest, procurement card rebates and settlements, and investigative cost reimbursements. **These revenues are expected to approximate or be below budget at year-end.**

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Comparison of First Quarter Cost per Million Gallon Results with Budget Last Five Years



As demonstrated in the preceding graph for the current and each of the last four fiscal years, the cost per million gallons at the end of the first quarter has been between 2.2 and 13.7 percent lower than the annual budget. The FY 2020-21 first quarter cost per million gallons of \$2,479 is 2.4 percent lower when compared with this year's budget. The increase in cost per million gallons of \$83 from the previous year is primarily due to an increase in operating expenses, which are 3.1 percent higher than the same period last year, and a decrease in flows, which are 0.3 percent lower than the same period last year. Staff believes that overall operating costs will be at or slightly below budget at year-end.

The total cost per million gallons at September 30 is \$2,479 based on flows of 187 million gallons per day. This is \$61 per million gallons, or 2.4 percent lower than the budgeted cost per million gallons of \$2,540. There is an inverse relationship between the amount of flows and the cost per unit of collection, treatment, and disposal. Consequently, the lower cost per million gallons is due to net expenses being 2.1 percent less than the proportionate budget through September 30, partially offset by flows of 187 million gallons per day being 0.5 percent less than the budgeted flow of 188 million gallons per day.

More detailed information on operating revenues, costs, and related information is provided within Section 2.

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Following are data tables showing the last five years of Single Family Residential User Fees (SFR) and the cost per MG to collect, treat, and dispose of wastewater for OCSD and for similar agencies. The agencies used in the tables were determined to be those that most closely resembled OCSD in terms of services provided and treatment levels. The summaries demonstrate that OCSD's SFR and cost per million gallons are each one of the lowest in their respective groups.

Benchmark Study Five-Year Single Family Residential Rate

Agency	Rates as of July					Notes
	2016 SFR	2017 SFR	2018 SFR	2019 SFR	2020 SFR	
San Francisco	\$ 842	\$ 937	\$ 988	\$ 1,076	\$ 1,169	
Vallejo Sanitation/Flood Control District	\$ 520	\$ 520	\$ 585	\$ 656	\$ 715	
City of Los Angeles	\$ 495	\$ 527	\$ 561	\$ 597	\$ 636	Note 1
Central Contra Costa Sanitary District	\$ 503	\$ 530	\$ 567	\$ 598	\$ 598	
City of San Diego	\$ 573	\$ 573	\$ 573	\$ 573	\$ 573	Note 4
Dublin San Ramon Services District	\$ 382	\$ 397	\$ 423	\$ 447	\$ 469	
Sacramento County	\$ 420	\$ 432	\$ 444	\$ 444	\$ 444	
East Bay MUD	\$ 373	\$ 391	\$ 410	\$ 423	\$ 439	
Union Sanitary District	\$ 380	\$ 393	\$ 407	\$ 421	\$ 455	
City of Hayward	\$ 358	\$ 375	\$ 394	\$ 412	\$ 430	
Orange County Sanitation District	\$ 327	\$ 331	\$ 335	\$ 339	\$ 339	
Irvine Ranch Water District	\$ 309	\$ 309	\$ 309	\$ 313	\$ 313	Note 2
City of Fresno	\$ 309	\$ 309	\$ 309	\$ 309	\$ 309	Note 3
Oro Loma Sanitary District	\$ 221	\$ 238	\$ 256	\$ 275	\$ 296	
Los Angeles County	\$ 182	\$ 186	\$ 191	\$ 196	\$ 213	Note 5

Notes:

- (1) - Data is for the typical SFR customer rate.
- (2) - Data represents the usage of 10 hundred cubic feet per unit.
- (3) - Data represents the minimum SFR rate not including flow.
- (4) - Data represents the base sewer fee plus the average usage of 9 hundred cubic feet per month.
- (5) - Data represents the Average Service Charge Rates for the prior fiscal year.

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Benchmark Study Five-Year Cost per MG

Agency	Svc.	Trt.	FY 14-15 Cost/MG	FY 15-16 Cost/MG	FY 16-17 Cost/MG	FY 17-18 Cost/MG	FY 18-19 Cost/MG	Notes
Vallejo Sanitation/Flood Control District	B	3	\$ 5,590	\$ 5,396	\$ 4,745	\$ 5,393	\$ 6,661	
San Francisco	B	3	\$ 5,358	\$ 5,268	\$ 4,916	\$ 5,295	\$ 5,995	
Union Sanitary District	B	3	\$ 3,911	\$ 3,957	\$ 4,039	\$ 4,757	\$ 4,838	
City of San Diego	B	4	\$ 3,592	\$ 3,606	\$ 3,834	\$ 4,147	\$ 4,180	
Central Contra Costa Sanitary District	B	4	\$ 6,281	\$ 6,454	\$ 6,081	\$ 5,588	\$ 3,980	Note 4
Dublin San Ramon Services District	B	4	\$ 2,522	\$ 2,896	\$ 2,961	\$ 3,422	\$ 3,692	
City of Los Angeles	B	4	\$ 2,269	\$ 2,452	\$ 2,487	\$ 2,329	\$ 3,046	Note 2
Sacramento County	T	4	\$ 2,494	\$ 2,571	\$ 2,752	\$ 2,831	\$ 2,812	
East Bay MUD	T	3	\$ 2,728	\$ 2,599	\$ 2,353	\$ 3,137	\$ 2,710	Note 3
Orange County Sanitation District	B	3	\$ 2,071	\$ 2,110	\$ 2,055	\$ 2,069	\$ 2,275	
City of Fresno	B	4	\$ 1,629	\$ 1,678	\$ 1,796	\$ 1,813	\$ 1,945	
Los Angeles County	B	4	\$ 1,239	\$ 1,371	\$ 1,151	\$ 1,365	\$ 1,506	Note 1

Legend for Service Provided and Treatment Level:

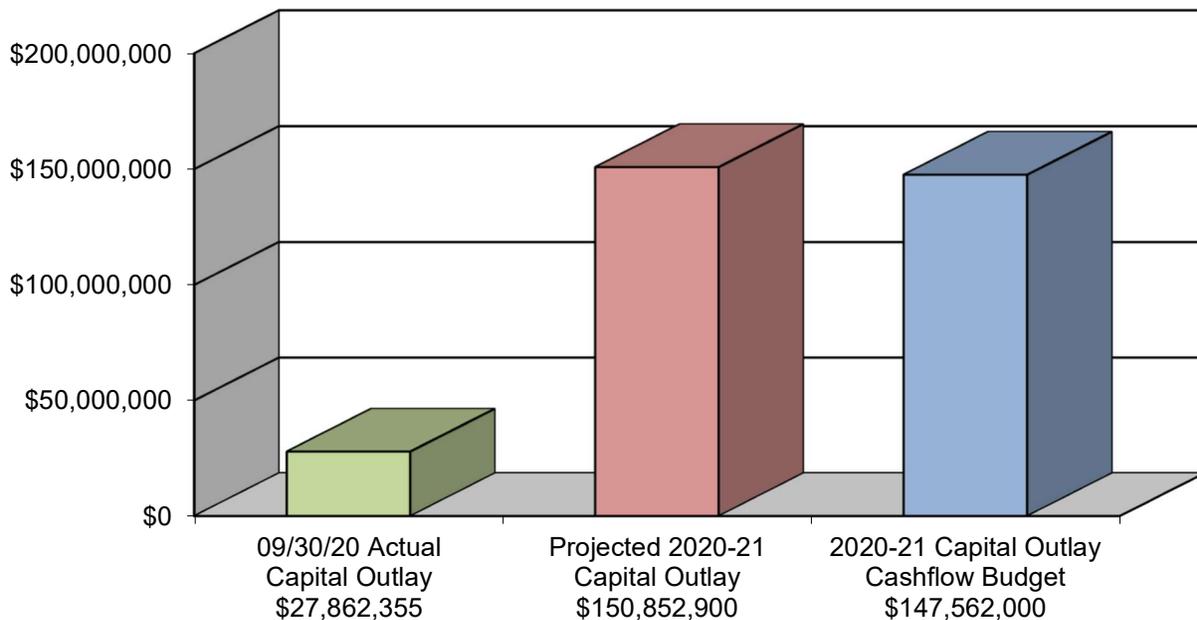
- B - Agency operates both collection and treatment facilities
- T - Agency provides treatment services but not collection
- 2 - Advanced primary or primary with some secondary treatment
- 3 - Secondary treatment
- 4 - Advanced secondary or secondary with some tertiary treatment

Notes:

- (1) - Does not include source control or overhead costs.
- (2) - 2017 Influent flow has not been reduced by the amount of sludge discharged to the sewers from DCTWRP and LAGWRP.
- (3) - Operating expense decreased \$1.1 million.
- (4) - Operating expense decreased \$36.4 million; \$30.4 million due to an adjustment to the Sanitation District's Other Post Employment Benefit Plan (OPEB) - Transition to CalPers Health Insurance

FY 2020-21 First Quarter Financial Report

Capital Outlay Review:



As depicted by the preceding chart, Capital Outlays totaled \$27.9 million or 18.9 percent of the capital outlay cash flow budget for FY 2020-21 as of September 30, 2020. Costs are proportionately low through the first quarter as some projects are still in the design phase or have experienced various delays or deferrals. Examples as of September 30 are Headworks Rehabilitation at Plant 1, which has a budget of \$9.4 million but actual costs of \$300,000, Ocean Outfall System Rehabilitation, which has a budget of \$26.1 million but actual costs of \$3.2 million, and Headquarters Complex, which has a budget of \$6.3 million but actual costs of \$115,000. **Overall, the capital outlay costs of the capital improvement program are expected to approximate \$150.9 million, or 102.2 percent of the capital outlay cash flow budget at year-end.**

More detailed information on the capital improvement program is provided within Section 3.

Capital Assets Schedule and Debt Service Budget Review: Section 4 is the Capital Assets Schedule and Debt Service Section. This section shows the cost value of the Sanitation District's capital facilities at September 30, 2020, as well as the debt service costs resulting from the need to provide funding for the construction of capital facilities.

The majority of principal payments on debt issues are due in February during the third quarter of each fiscal year. As of September 30, 2020, no principal payments have been made through the end of the first quarter. Total principal payments are expected to approximate budget at year-end. Interest costs are expensed ratably throughout the fiscal year. Interest expense is anticipated to approximate budget at year-end.

Consolidated Financial Reports

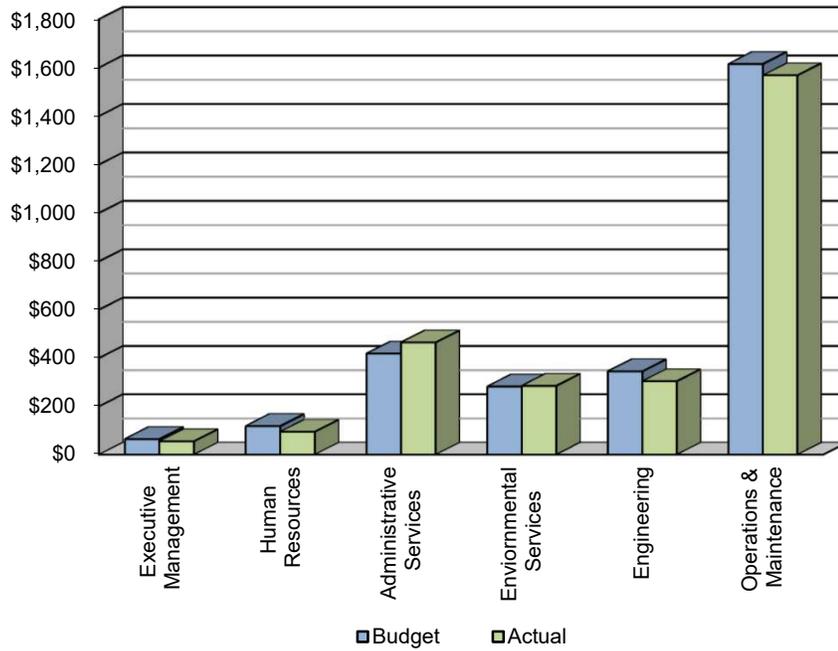
Self-Insurance Budget Reviews: Section 5 is the Self-Insurance Section. Through September 30, the Self-Insurance Fund revenues totaled \$705,000, or 33.6 percent of the budget, while expenses were \$674,000, or 23.6 percent of the budget.

Separate fund accounting is used for recording the revenue and expenses incurred in managing these liability claims. The revenues to these funds represent charges to operating divisions. Expenses to these funds include actual claims paid, claims administration, and excess loss policies.

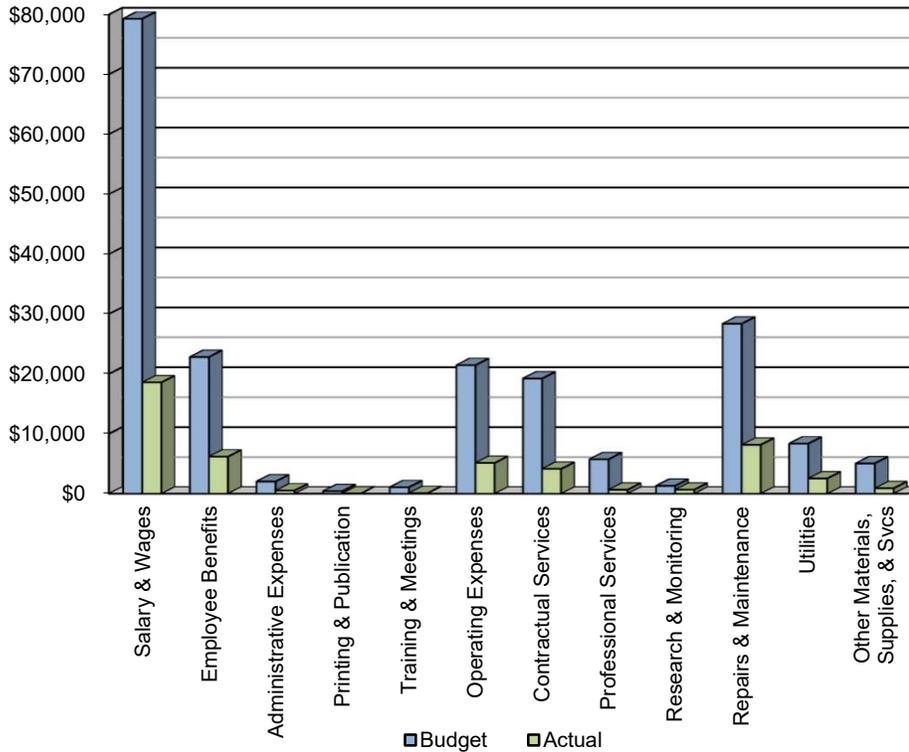
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Operating Budget Review

**Cost per Million Gallons by Department
Budget and Actual
September 30, 2020**



**Collection, Treatment, & Disposal Expenses by Major Category
Budget and Actual (in thousands)
September 30, 2020**



FY 2020-21 First Quarter Financial Report

Divisional Contributions to Cost Per Million Gallons For the Three Months Ended September 30, 2020

	09/30/18 Actual	09/30/19 Actual	2020-21 Annual Budget	09/30/20 Actual
Flow in Million Gallons	17,286.08	17,268.33	68,620.00	17,208.88
Flow in Million Gallons per Day	187.89	187.70	188.00	187.05
Executive Management Department				
General Management Administration	\$ 28.94	\$ 33.90	\$ 27.85	\$ 27.48
Board Services	8.50	8.62	17.43	12.13
Public Affairs	13.74	16.84	18.95	15.66
Subtotal	51.18	59.36	64.23	55.27
Human Resources Department				
Human Resources	51.22	58.62	60.77	44.53
Risk Management / Safety / Security	68.34	77.04	57.23	50.30
Subtotal	119.56	135.66	118.00	94.83
Administrative Services Department				
Administrative Services	6.78	7.58	3.72	7.45
Consolidated Services	-	-	110.49	90.21
Financial Management	34.32	38.81	60.44	58.14
Contracts, Purchasing, & Materials Mgmt.	64.97	60.76	67.31	68.44
Information Technology	202.83	243.60	176.24	239.80
Subtotal	308.90	350.75	418.20	464.04
Environmental Services Department				
Environmental Services Administration	12.88	33.21	13.34	35.19
Resource Protection	83.11	77.56	89.34	81.70
Laboratory, Monitoring and Compliance	149.46	176.72	179.10	167.64
Subtotal	245.45	287.49	281.78	284.53
Engineering Department				
Engineering Administration	6.99	13.22	18.63	16.89
Planning	50.22	51.38	60.05	46.52
Project Management Office	42.65	65.18	61.17	61.22
Design	120.78	105.39	108.07	86.01
Construction Management	70.98	93.14	96.73	93.03
Subtotal	291.62	328.31	344.65	303.67
Operations & Maintenance Department				
Operations & Maintenance Administration	8.61	3.86	10.34	1.87
Collections Facilities O & M	194.08	160.12	224.94	182.77
Fleet Services	26.27	25.83	29.73	25.00
Plant No. 1 Operations	402.43	445.91	442.03	479.38
Plant No. 2 Operations	300.46	261.64	272.38	252.10
Plant No. 1 Maintenance	197.38	357.46	340.07	334.45
Maintenance Reliability and Planning	85.40	-	-	-
Plant No. 2 Maintenance	156.85	279.25	295.26	292.54
Subtotal	1,371.48	1,534.07	1,614.75	1,568.11
Total Operating Expenses	2,388.19	2,695.64	2,841.61	2,770.45
Cost Allocation	(305.76)	(299.74)	(301.61)	(291.38)
Net Operating Requirements	\$ 2,082.43	\$ 2,395.90	\$ 2,540.00	\$ 2,479.07

Operating Budget Review

Comparison of Expenses by Department For the Three Months Ended September 30, 2020

Department and Division	09/30/18 Actual	09/30/19 Actual	2020-21		
			Budget	Year to Date 09/30/20	Budget % Realized
Executive Management Department					
General Management Administration	\$ 500,317	\$ 585,471	\$ 1,910,830	\$ 472,840	24.75%
Board Services	146,867	148,781	1,195,850	208,682	17.45%
Public Affairs	237,539	290,832	1,300,290	269,532	20.73%
Subtotal	884,723	1,025,084	4,406,970	951,054	21.58%
Human Resources Department					
Human Resources	885,374	1,012,301	4,169,885	766,293	18.38%
Risk Management / Safety / Security	1,181,374	1,330,391	3,927,283	865,640	22.04%
Subtotal	2,066,748	2,342,692	8,097,168	1,631,933	20.15%
Administrative Services Department					
Administrative Services	117,171	130,873	255,180	128,223	50.25%
Consolidated Services	-	-	7,582,154	1,552,414	20.47%
Financial Management	593,289	670,249	4,147,493	1,000,514	24.12%
Contracts, Purchasing, & Materials Mgmt.	1,123,009	1,049,256	4,619,006	1,177,730	25.50%
Information Technology	3,506,102	4,206,492	12,093,310	4,126,727	34.12%
Subtotal	5,339,571	6,056,870	28,697,143	7,985,608	27.83%
Environmental Services Department					
Environmental Services Administration	222,718	573,469	915,720	605,630	66.14%
Resource Protection	1,436,715	1,339,345	6,130,250	1,406,037	22.94%
Laboratory, Monitoring and Compliance	2,583,600	3,051,597	12,289,727	2,884,969	23.47%
Subtotal	4,243,033	4,964,411	19,335,697	4,896,636	25.32%
Engineering Department					
Engineering Administration	120,828	228,357	1,278,080	290,687	22.74%
Planning	868,073	887,257	4,120,560	800,525	19.43%
Project Management Office	737,206	1,125,582	4,197,645	1,053,555	25.10%
Design	2,087,898	1,819,922	7,416,060	1,480,157	19.96%
Construction Management	1,226,924	1,608,438	6,637,750	1,600,982	24.12%
Subtotal	5,040,929	5,669,556	23,650,095	5,225,906	22.10%
Operations & Maintenance Department					
Operations & Maintenance Administration	148,869	66,693	709,620	32,176	4.53%
Collections Facilities O & M	3,354,942	2,764,942	15,435,673	3,145,299	20.38%
Fleet Services	454,126	446,011	2,040,071	430,164	21.09%
Plant No. 1 Operations	6,956,506	7,700,099	30,331,900	8,249,611	27.20%
Plant No. 2 Operations	5,193,785	4,518,161	18,690,716	4,338,364	23.21%
Plant No. 1 Maintenance	3,411,921	6,172,705	23,335,730	5,755,499	24.66%
Maintenance Reliability and Planning	1,476,165	-	-	-	0.00%
Plant No. 2 Maintenance	2,711,247	4,822,142	20,260,443	5,034,229	24.85%
Subtotal	23,707,561	26,490,753	110,804,153	26,985,342	24.35%
Total Operating Expenses	41,282,565	46,549,366	194,991,226	47,676,479	24.45%
Cost Allocation	(5,285,554)	(5,176,213)	(20,825,710)	(5,014,470)	24.08%
Net Operating Requirements	\$ 35,997,011	\$ 41,373,153	\$ 174,165,516	\$ 42,662,009	24.50%

FY 2020-21 First Quarter Financial Report

Summary of Collection, Treatment, & Disposal Expenses by Major Category For the Three Months Ended September 30, 2020

Description	Budget 2020-21	Expense Through 09/30/20	Expense Through 09/30/19	Increase (Decrease) \$	Increase (Decrease) %	Percent Budget Realized	Remaining Budget
Salary & Wages	\$ 79,271,100	18,586,099	17,994,172	\$ 591,927	3.29%	23.45%	\$ 60,685,001
Employee Benefits	22,810,700	6,187,934	6,216,211	(28,277)	-0.45%	27.13%	16,622,766
Administrative Expenses	2,034,004	532,979	780,131	(247,152)	-31.68%	26.20%	1,501,025
Printing & Publication	415,375	49,612	71,705	(22,093)	-30.81%	11.94%	365,763
Training & Meetings	1,076,761	97,059	129,506	(32,447)	-25.05%	9.01%	979,702
Operating Materials & Supplies	21,460,704	5,129,250	4,848,888	280,362	5.78%	23.90%	16,331,454
Contractual Services	19,235,353	4,150,945	4,480,474	(329,529)	-7.35%	21.58%	15,084,408
Professional Services	5,746,479	657,391	761,765	(104,374)	-13.70%	11.44%	5,089,088
Research & Monitoring	1,304,700	671,879	719,513	(47,634)	-6.62%	51.50%	632,821
Repairs & Maintenance	28,372,645	8,159,770	7,469,206	690,564	9.25%	28.76%	20,212,875
Utilities	8,364,954	2,547,235	2,356,960	190,275	8.07%	30.45%	5,817,719
Other Materials, Supplies, and Services	5,048,451	906,326	720,835	185,491	25.73%	17.95%	4,142,125
Net Cost Allocation	<u>(20,825,710)</u>	<u>(5,014,470)</u>	<u>(5,176,213)</u>	<u>161,743</u>	<u>-3.12%</u>	<u>24.08%</u>	<u>(15,811,240)</u>
Net Operating Requirements	174,315,516	42,662,009	41,373,153	1,288,856	3.12%	24.47%	131,653,507
Gallonge Flow (MG)	<u>68,620.00</u>	<u>17,208.88</u>	<u>17,268.33</u>	<u>(59.45)</u>	<u>-0.34%</u>		
Gallonge Flow (MGD)	<u>188.00</u>	<u>187.05</u>	<u>187.70</u>	<u>(0.65)</u>	<u>-0.35%</u>		
Gallonge Flow (\$'s /MG)	<u>\$2,540.00</u>	<u>\$2,479.07</u>	<u>\$2,395.90</u>	<u>\$83.17</u>	<u>3.47%</u>		

Operating Budget Review

Summary of Revenues For the Three Months Ended September 30, 2020

Description	Budget 2020-21	Revenue Through 09/30/20	Percent Budget Realized	Remaining Budget	Revenue Through 09/30/19	Increase (Decrease) \$	Increase (Decrease) %
Service Fees	\$ 298,144,470	\$ 40,083	0.01%	\$ 298,104,387	\$ 7,095	\$ 32,988	464.95%
Permit Fees	12,845,756	2,190,682	17.05%	10,655,074	3,289,220	(1,098,538)	-33.40%
Inter District Sewer Use-SAWPA & SBSB	2,639,000	667,650	25.30%	1,971,350	726,065	(58,415)	-8.05%
Intra District Sewer Use-IRWD	4,655,516	964,502	20.72%	3,691,014	1,168,597	(204,095)	-17.46%
Sludge Disposal-IRWD	6,100,000	2,705,266	44.35%	3,394,734	2,244,149	461,117	20.55%
Capital Assessments-IRWD	5,194,000	520,230	10.02%	4,673,770	502,008	18,222	3.63%
Capital Facilities Capacity Charges	20,125,170	1,390,677	6.91%	18,734,493	3,324,839	(1,934,162)	-58.17%
Property Taxes	99,935,520	2,241,318	2.24%	97,694,202	2,326,912	(85,594)	-3.68%
Interest Earnings	13,177,000	1,757,304	13.34%	11,419,696	5,788,216	(4,030,912)	-69.64%
CIP Reimbursements	11,643,517	-	0.00%	11,643,517	657,477	(657,477)	-100.00%
Wastehauler	750,000	148,666	19.82%	601,334	194,244	(45,578)	-23.46%
Grant Revenue	464,000	-	0.00%	464,000	-	-	0.00%
CNG Sales	400,000	47,821	11.96%	352,179	70,670	(22,849)	-32.33%
Rents & Leases	600,000	197,660	32.94%	402,340	226,838	(29,178)	-12.86%
Other Revenues	2,485,671	98,007	3.94%	2,387,664	73,051	24,956	34.16%
Power Sales	25,000	10,477	41.91%	14,523	32,306	(21,829)	-67.57%
Other Sales	50,000	983	1.97%	49,017	8,867	(7,884)	-88.91%
Total Revenues	\$ 479,234,620	\$ 12,981,326	2.71%	\$ 466,253,294	\$ 20,640,554	\$ (7,659,228)	-37.11%

FY 2020-21 First Quarter Financial Report

Summary of Collection, Treatment, & Disposal Expenses by Line Item For the Three Months Ended September 30, 2020

Description	Budget 2020-21	Expense Through 09/30/20	Percent Budget Expensed	Remaining Budget	Expense Through 09/30/19	Increase (Decrease) \$	Increase (Decrease) %
Salaries, Wages & Benefits							
Salaries & Wages	\$ 79,271,100	\$ 18,586,099	23.45%	\$ 60,685,001	\$ 17,994,172	\$ 591,927	3.29%
Employee Benefits							
Retirement	11,685,000	3,046,351	26.07%	8,638,649	3,073,082	(26,731)	-0.87%
Group Insurances	9,705,500	2,721,516	28.04%	6,983,984	2,715,032	6,484	0.24%
Tuition & Certification Reimb	138,400	19,216	13.88%	119,184	20,241	(1,025)	-5.06%
Edu. degrees, Cert. & Lic.	542,600	164,950	30.40%	377,650	157,169	7,781	4.95%
Uniform Rental	107,600	26,667	24.78%	80,933	29,322	(2,655)	-9.05%
Workers' Compensation	518,900	129,703	25.00%	389,197	194,998	(65,295)	-33.48%
Unemployment Insurance	2,300	51,381	2233.96%	(49,081)	328	51,053	15564.94%
EMT Supplemental Benefits	110,400	28,150	25.50%	82,250	26,039	2,111	8.11%
Total Benefits	22,810,700	6,187,934	27.13%	16,622,766	6,216,211	(28,277)	-0.45%
Salaries, Wages & Benefits	102,081,800	24,774,033	24.27%	77,307,767	24,210,383	563,650	2.33%
Matl, Supply, & Services							
Administrative Expenses							
Memberships	598,217	277,300	46.35%	320,917	320,515	(43,215)	-13.48%
Office Exp - Supplies	64,655	5,845	9.04%	58,810	15,832	(9,987)	-63.08%
Postage	32,700	11,397	34.85%	21,303	7,097	4,300	60.59%
Books & Publications	44,352	7,035	15.86%	37,317	35,617	(28,582)	-80.25%
Forms	580	-	0.00%	580	-	-	N/A
Small Computer Items	925,500	190,140	20.54%	735,360	350,785	(160,645)	-45.80%
Minor Furniture & Fixtures	368,000	41,262	11.21%	326,738	50,285	(9,023)	-17.94%
Subtotal	2,034,004	532,979	26.20%	1,501,025	780,131	(247,152)	-31.68%
Printing & Publication							
Repro-In-House	230,375	37,622	16.33%	192,753	58,805	(21,183)	-36.02%
Printing-Outside	47,950	8,154	17.01%	39,796	2,200	5,954	270.64%
Notices & Ads	137,000	3,836	2.80%	133,164	10,700	(6,864)	-64.15%
Photo Processing	50	-	0.00%	50	-	-	N/A
Subtotal	415,375	49,612	11.94%	365,763	71,705	(22,093)	-30.81%
Training & Meetings							
Meetings	167,796	2,230	1.33%	165,566	23,932	(21,702)	-90.68%
Training	908,965	94,829	10.43%	814,136	105,574	(10,745)	-10.18%
Subtotal	1,076,761	97,059	9.01%	979,702	129,506	(32,447)	-25.05%
Operating Mat'ls & Supplies							
Chemical Coagulants	10,550,546	2,470,859	23.42%	8,079,687	2,656,756	(185,897)	-7.00%
Odor Control	6,907,776	1,630,570	23.60%	5,277,206	1,493,511	137,059	9.18%
Disinfection	218,000	173,091	79.40%	44,909	63,200	109,891	173.88%
Chemicals - Misc & Cogen	418,000	75,097	17.97%	342,903	72,115	2,982	4.14%
Gasoline, Diesel & Oil	554,633	135,462	24.42%	419,171	120,227	15,235	12.67%
Tools	923,230	213,333	23.11%	709,897	103,645	109,688	105.83%
Safety equipment/tools	731,637	156,032	21.33%	575,605	129,730	26,302	20.27%
Solv, Paints & Jan. Supplies	111,053	27,602	24.85%	83,451	31,603	(4,001)	-12.66%
Lab Chemicals & Supplies	652,969	155,402	23.80%	497,567	149,353	6,049	4.05%
Misc. Operating Supplies	166,360	87,197	52.41%	79,163	27,703	59,494	214.76%
Property Tax Fees	76,500	4,605	6.02%	71,895	1,045	3,560	340.67%
Subtotal	21,310,704	5,129,250	24.07%	16,181,454	4,848,888	280,362	5.78%
Contractual Services							
Solids Removal	12,380,000	2,940,211	23.75%	9,439,789	3,019,756	(79,545)	-2.63%
Other Waste Disposal	899,500	222,783	24.77%	676,717	179,945	42,838	23.81%
Groundskeeping	200,000	42,906	21.45%	157,094	49,562	(6,656)	-13.43%
Janitorial	495,000	211,295	42.69%	283,705	129,636	81,659	62.99%
Outside Lab Services	286,750	36,047	12.57%	250,703	35,592	455	1.28%
Oxygen	335,000	128,006	38.21%	206,994	93,789	34,217	36.48%
County Service Fee	489,003	5,137	1.05%	483,866	4,560	577	12.65%
Temporary Services	481,360	82,546	17.15%	398,814	86,676	(4,130)	-4.76%
Security Services	1,600,000	414,128	25.88%	1,185,872	411,424	2,704	0.66%
Other	2,068,740	67,886	3.28%	2,000,854	469,534	(401,648)	-85.54%
Subtotal	19,235,353	4,150,945	21.58%	15,084,408	4,480,474	(329,529)	-7.35%

(Continued)

Operating Budget Review

Summary of Collection, Treatment, & Disposal Expenses by Line Item For the Three Months Ended September 30, 2020

Description	Budget 2020-21	Expense Through 09/30/20	Percent Budget Expensed	Remaining Budget	Expense Through 09/30/19	Increase (Decrease) \$	Increase (Decrease) %
<i>Continued:</i>							
Professional Services							
Legal	1,620,290	44,222	2.73%	1,576,068	303,212	(258,990)	-85.42%
Audit & Accounting	225,400	28,465	12.63%	196,935	31,925	(3,460)	-10.84%
Engineering	980,000	167,398	17.08%	812,602	69,894	97,504	139.50%
Enviro Scientific Consulting	265,000	4,130	1.56%	260,870	388	3,742	964.43%
Software Prgm Consulting	305,000	193,395	63.41%	111,605	129,033	64,362	49.88%
Advocacy Efforts	187,685	35,100	18.70%	152,585	42,400	(7,300)	-17.22%
Industrial Hygiene Services	50,000	-	0.00%	50,000	110	(110)	-100.00%
Labor Negotiation Services	30,000	-	0.00%	30,000	28,748	(28,748)	-100.00%
Other	2,083,104	184,681	8.87%	1,898,423	156,055	28,626	18.34%
Subtotal	<u>5,746,479</u>	<u>657,391</u>	<u>11.44%</u>	<u>5,089,088</u>	<u>761,765</u>	<u>(104,374)</u>	<u>-13.70%</u>
Research & Monitoring							
Environmental Monitoring	654,700	150,018	22.91%	504,682	176,467	(26,449)	-14.99%
Air Quality Monitoring	150,000	21,861	14.57%	128,139	68,046	(46,185)	-67.87%
Research	500,000	500,000	100.00%	-	475,000	25,000	5.26%
Subtotal	<u>1,304,700</u>	<u>671,879</u>	<u>51.50%</u>	<u>632,821</u>	<u>719,513</u>	<u>(47,634)</u>	<u>-6.62%</u>
Repairs & Maintenance							
Materials & Services	23,891,620	5,856,209	24.51%	18,035,411	5,409,985	446,224	8.25%
Svc. Mtc. Agreements	4,481,025	2,303,561	51.41%	2,177,464	2,059,221	244,340	11.87%
Subtotal	<u>28,372,645</u>	<u>8,159,770</u>	<u>28.76%</u>	<u>20,212,875</u>	<u>7,469,206</u>	<u>690,564</u>	<u>9.25%</u>
Utilities							
Telephone	505,971	127,617	25.22%	378,354	127,794	(177)	-0.14%
Diesel For Generators	42,500	3,165	7.45%	39,335	5,635	(2,470)	-43.83%
Natural Gas	710,801	247,341	34.80%	463,460	242,957	4,384	1.80%
Power	6,064,165	1,899,956	31.33%	4,164,209	1,738,100	161,856	9.31%
Water	1,041,517	269,156	25.84%	772,361	242,474	26,682	11.00%
Subtotal	<u>8,364,954</u>	<u>2,547,235</u>	<u>30.45%</u>	<u>5,817,719</u>	<u>2,356,960</u>	<u>190,275</u>	<u>8.07%</u>
Other Operating Supplies							
Outside Equip Rental	100,000	8,520	8.52%	91,480	21,766	(13,246)	-60.86%
Insurance Premiums	30,000	31,451	104.84%	(1,451)	28,501	2,950	10.35%
Prop & Gen Liab Insurance	2,205,000	551,241	25.00%	1,653,759	429,999	121,242	28.20%
Freight	100,000	45,804	45.80%	54,196	22,562	23,242	103.01%
Misc. Operating Expense	304,457	73,236	24.05%	231,221	63,728	9,508	14.92%
Regulatory Operating Fees	976,600	186,060	19.05%	790,540	118,791	67,269	56.63%
Subtotal	<u>3,716,057</u>	<u>896,312</u>	<u>24.12%</u>	<u>2,819,745</u>	<u>685,347</u>	<u>210,965</u>	<u>30.78%</u>
General Mgr Contingency & Reappropriations							
	1,195,574	-	0.00%	1,195,574	-	-	N/A
Other Non-Oper Expense							
	136,820	10,014	7.32%	126,806	35,488	(25,474)	-71.78%
Total Materials, Supplies & Services							
	<u>92,909,426</u>	<u>22,902,446</u>	<u>24.65%</u>	<u>70,006,980</u>	<u>22,338,983</u>	<u>563,463</u>	<u>2.52%</u>
Total Expenditures							
	194,991,226	47,676,479	24.45%	147,314,747	46,549,366	1,127,113	2.42%
Cost Allocation							
	(20,825,710)	(5,014,470)	24.08%	(15,811,240)	(5,176,213)	161,743	3.12%
Net Operating Requirements							
	<u>\$ 174,165,516</u>	<u>\$ 42,662,009</u>	<u>24.50%</u>	<u>\$ 131,503,507</u>	<u>\$ 41,373,153</u>	<u>\$ 1,288,856</u>	<u>3.12%</u>

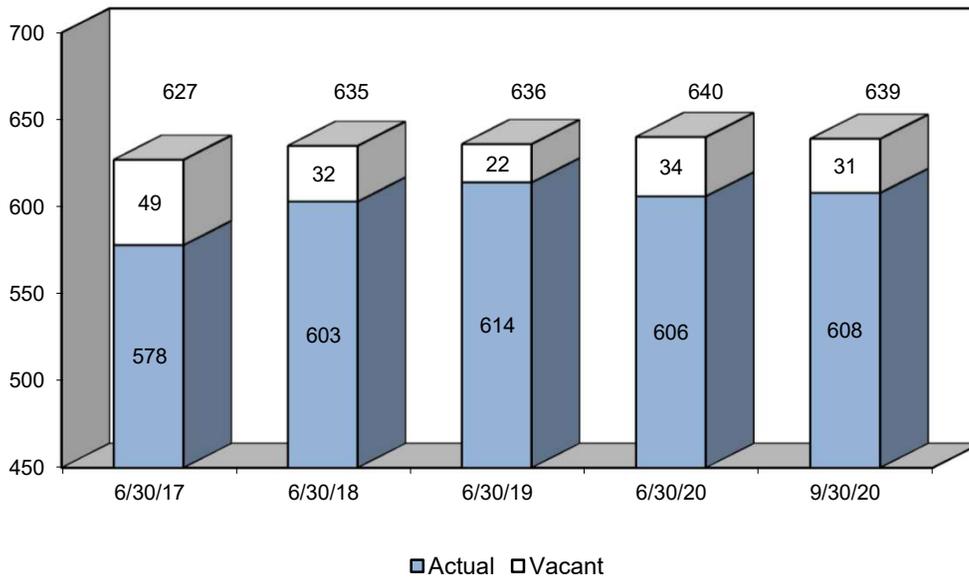
FY 2020-21 First Quarter Financial Report

Summary of Collection, Treatment, & Disposal Expenses by Process For the Three Months Ended September 30, 2020

<u>Process:</u>	<u>Actual</u> <u>09/30/20</u>	<u>Actual</u> <u>09/30/19</u>	<u>Increase</u> <u>(Decrease)</u> <u>\$</u>	<u>Increase</u> <u>(Decrease)</u> <u>%</u>
Preliminary Treatment	\$ 3,036,592	\$ 1,729,329	\$ 1,307,263	75.59%
Primary Treatment	4,691,716	6,252,735	(1,561,019)	-24.97%
Secondary Treatment	2,810,940	2,738,688	72,252	2.64%
Cryogenic Plant (Plant 2)	260,474	190,774	69,700	36.54%
Effluent Disposal	293,220	183,311	109,909	59.96%
Solids Handling	11,240,485	12,425,127	(1,184,642)	-9.53%
Cogeneration	5,013,827	4,659,215	354,612	7.61%
Utilities	1,292,600	948,216	344,384	36.32%
Electrical Distribution	540,508	418,488	122,020	29.16%
Miscellaneous Buildings	2,926,468	2,457,228	469,240	19.10%
External Location	163,253	87,689	75,564	86.17%
Nerissa Vessel	68,865	66,771	2,094	3.14%
Laboratory	4,586,642	4,451,240	135,402	3.04%
Collections	5,736,419	4,764,342	972,077	20.40%
Net Operating Requirements	\$ 42,662,009	\$ 41,373,153	\$ 1,288,856	3.12%

Operating Budget Review

Staffing Trends Full Time Equivalents September 30, 2020

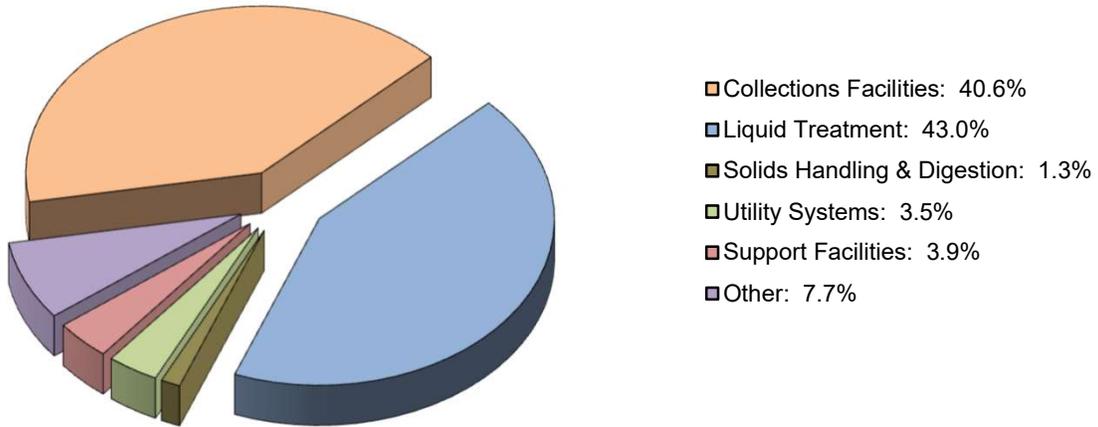


At September 30, 2020, the total head count was 619 employees, or a full time equivalency of 608.

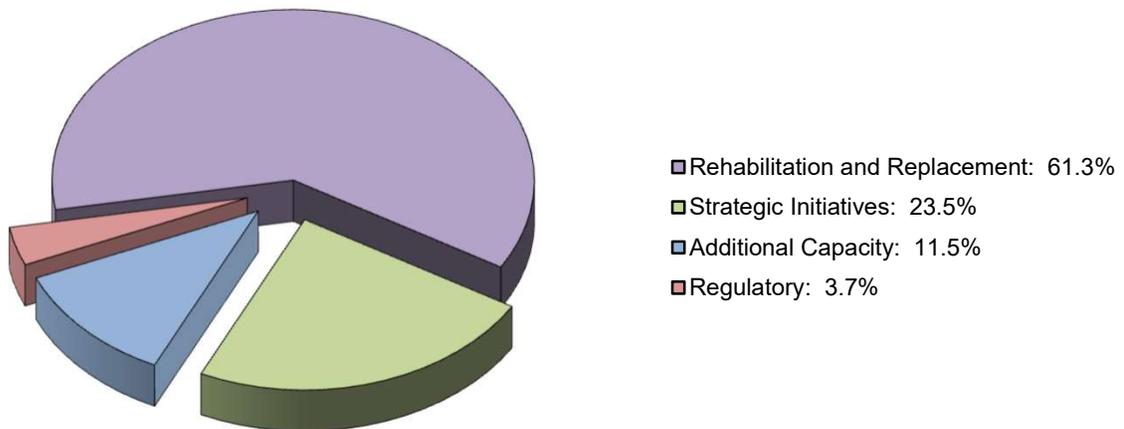
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Capital Improvement Program Budget Review

Capital Improvement Program
By Process Area and Project Driver
For the Three Months Ended September 30, 2020



Total Capital Improvement Outlays - \$27,862,355



Total Capital Improvement Outlays - \$27,862,355

FY 2020-21 First Quarter Financial Report

Summary of Capital Improvement Construction Requirements - Current Year For the Three Months Ended September 30, 2020

	2020-21 Cashflow Budget	2020-21 Actual at 9/30/2020	2020-21 Projected Outlay
<u>Collection System Improvement Projects</u>			
<u>Collections Facilities</u>			
Taft Branch Capacity Improvements	314,739	19,052	79,100
Newhope - Placentia Trunk Grade Separation Replacement	92,123	-	1,200
Newhope-Placentia Trunk Replacement	18,441,383	5,730,921	16,761,200
Westminster Blvd Force Main Replacement	11,561,567	4,822,876	19,448,800
Rehabilitation of Western Regional Sewers	5,711,536	145,559	4,429,400
Interstate 405 Widening Project Impacts on OCSD Sewers	35,032	12,771	15,500
Seal Beach Pump Station Replacement	3,427,428	27,525	2,608,400
Bay Bridge Pump Station Replacement	5,684,572	183,004	3,887,200
Newport Beach Pump Station Pressurization Improvements	378,513	41,706	320,800
District 6 Trunk Sewer Relief	30,036	-	-
Gisler Red-Hill Interceptor & Baker Force Main Rehabilitation	823,405	29,053	870,900
MacArthur Force Main Improvement	45,631	6,415	22,300
Edinger Pump Station Replacement	102,369	-	52,400
Small Construction Projects Program - Collections	1,771,201	171,453	991,400
Operations & Maintenance Capital Program - Collections	-	-	221,400
Planning Studies Program - Collections	-	24,791	204,300
SARI Rock Stabilizers Removal	45,869	11,641	37,200
Sunflower and Red Hill Interceptor Repairs	359,017	79,290	302,000
Total Collection System Improvement Projects	48,824,421	11,306,057	50,253,500

(Continued)

Capital Improvement Program Budget Review

Summary of Capital Improvement Construction Requirements - Current Year For the Three Months Ended September 30, 2020

	2020-21 Cashflow Budget	2020-21 Actual at 9/30/2020	2020-21 Projected Outlay
<u>Treatment & Disposal Projects</u>			
Headworks			
Headworks Rehabilitation at Plant 1	9,418,986	300,474	6,268,400
Headworks Modifications at P2 for GWRS Final Expansion	5,413,951	1,872,238	5,853,200
Subtotal - Headworks	14,832,937	2,172,712	12,121,600
Primary Treatment			
Primary Sedimentation Basins 3-5 Replacement at Plant 1	61,054	-	110,400
Primary Sedimentation Basins 6-31 Reliability Improv at P1	1,291,277	144,256	775,800
Primary Treatment Rehabilitation at Plant 2	8,087,122	1,980,354	6,473,600
Subtotal - Primary Treatment	9,439,453	2,124,610	7,359,800
Secondary Treatment			
Return Activated Sludge Piping Replacement at Plant 1	5,566,916	3,562,990	5,151,200
Return Activated Sludge Piping Replacement at Plant 2	6,075,061	915,814	6,048,200
Subtotal - Secondary Treatment	11,641,977	4,478,804	11,199,400
Solids Handling & Digestion			
Sludge Dewatering and Odor Control at Plant 1	896,419	70,923	246,000
Digester Ferric Chloride Piping Replacement at Plant 1	170,893	65,574	173,600
Sludge Dewatering and Odor Control at Plant 2	5,216,415	165,466	1,068,300
Interim Food Waste Receiving Facility	1,058,172	10,307	88,500
TPAD Digester Facility at Plant 2	1,787,669	57,762	2,091,100
Digesters Rehabilitation at Plant No. 2	589,432	-	89,500
Subtotal - Solids Handling & Digestion	9,719,000	370,032	3,757,000
Ocean Outfall Systems			
Ocean Outfall System Rehabilitation	26,108,350	3,213,645	29,848,500
Sodium Bisulfite Station Rehabilitation at Plant 2	101,848	-	51,900
Subtotal - Ocean Outfall Systems	26,210,198	3,213,645	29,900,400
Utility Systems			
Electrical Power Distribution System Improvements	1,823,293	209,238	1,630,600
Digester Gas Facilities Rehabilitation	4,282,106	535,304	5,357,100
Natural Gas Pipelines Replacement at Plants 1 and 2	1,038,492	52,930	1,012,000
Central Generation Engine Overhauls at Plants 1 and 2	291,727	-	186,600
Uninterruptable Power Supply Improvements at Plant 1	928,600	97,447	697,600
Consolidated Demolition and Utility Improvements at P2	914,715	11,055	267,600
Warehouse, Electrical, & 12kV Serv Center Replace at P2	717,257	76,409	1,347,600
Subtotal - Utility Systems	9,996,190	982,383	10,499,100

(Continued)

FY 2020-21 First Quarter Financial Report

Summary of Capital Improvement Construction Requirements - Current Year For the Three Months Ended September 30, 2020

	2020-21 Cashflow Budget	2020-21 Actual at 9/30/2020	2020-21 Projected Outlay
Process Related Special Projects			
Safety Improvements Program	1,326,635	568,919	649,800
Subtotal - Process Related Special Projects	<u>1,326,635</u>	<u>568,919</u>	<u>649,800</u>
Information Management Systems			
Process Control Systems Upgrades	10,000	-	-
Project Management Information System	306,250	2,270	217,000
Information Technology Capital Program	3,061,700	154,433	586,100
Geographic Information System	59,707	117,164	149,500
EAM Software and Process Implementation	-	154,823	843,000
Process Control Systems Upgrades Study	1,355,751	185,302	1,166,700
Subtotal - Information Management Systems	<u>4,793,408</u>	<u>613,992</u>	<u>2,962,300</u>
Strategic & Master Planning			
Planning Studies Program	5,818,770	222,941	4,936,000
Subtotal - Strategic & Master Planning	<u>5,818,770</u>	<u>222,941</u>	<u>4,936,000</u>
Water Management Projects			
GWRS Final Expansion Coordination	243,477	71,506	258,500
Subtotal - Water Management Projects	<u>243,477</u>	<u>71,506</u>	<u>258,500</u>
Research			
Research Program	931,220	23,118	562,400
Subtotal - Research	<u>931,220</u>	<u>23,118</u>	<u>562,400</u>
Support Facilities			
Small Construction Projects Program	6,668,877	504,651	3,243,000
Operations & Maintenance Capital Program	1,442,561	366,005	930,500
Fleet Services UST Leak Remediation at Plant 1	-	112	200
Title 24 Access Compliance and Building Rehab Project	575,678	17,477	175,400
Headquarters Complex	6,339,527	115,213	6,156,500
South Perimeter Security & Utility Improvements at Plant 1	680,311	68,648	709,300
Support Buildings Seismic Improvements at Plant 1	259,739	-	89,800
Subtotal - Support Facilities	<u>15,966,693</u>	<u>1,072,106</u>	<u>11,304,700</u>

(Continued)

Capital Improvement Program Budget Review

Summary of Capital Improvement Construction Requirements - Current Year For the Three Months Ended September 30, 2020

	<u>2020-21 Cashflow Budget</u>	<u>2020-21 Actual at 9/30/2020</u>	<u>2020-21 Projected Outlay</u>
Others			
Capital Improvement Program Management Services	26,901	781	10,800
Subtotal - Others	<u>26,901</u>	<u>781</u>	<u>10,800</u>
Total Treatment and Disposal Projects	<u>110,946,859</u>	<u>15,931,091</u>	<u>95,537,600</u>
Capital Equipment Purchases	<u>5,061,800</u>	<u>625,207</u>	<u>5,061,800</u>
Total Collection, Treatment and Disposal Projects and Capital Equipment Purchases	164,833,080	27,862,355	150,852,900
Less: Savings and Deferrals	<u>(17,271,000)</u>	<u>-</u>	<u>-</u>
Net Collection, Treatment and Disposal Projects and Capital Equipment Purchases	<u><u>\$147,562,080</u></u>	<u><u>\$ 27,862,355</u></u>	<u><u>\$150,852,900</u></u>

FY 2020-21 First Quarter Financial Report

Summary of Capital Improvement Construction Requirements - Project Life For the Three Months Ended September 30, 2020

	Approved Project Budget	June 30, 2020 Accumulated Cost	Current Year Projected Cost	Total Projected Cost at June 30, 2021	Remaining Future Budget
Collection System Improvement Projects					
Collections Facilities					
Santa Ana Trunk Sewer Rehabilitation	54,620,000	-	-	-	54,620,000
Greenville-Sullivan Trunk Improvements	48,600,000	-	-	-	48,600,000
Taft Branch Capacity Improvements	14,000,000	56,207	79,100	135,307	13,864,693
Newhope - Placentia Trunk Grade Separation Replacement	4,300,000	4,201,046	1,200	4,202,246	97,754
Newhope-Placentia Trunk Replacement	112,000,000	84,639,453	16,761,200	101,400,653	10,599,347
Yorba Linda Dosing Station Installation	14,080,000	-	-	-	14,080,000
Beach Relief / Knott / Miller Holder Trunk Rehabilitation	35,132,000	-	-	-	35,132,000
Westminster Blvd Force Main Replacement	44,000,000	11,848,266	19,448,800	31,297,066	12,702,934
Rehabilitation of Western Regional Sewers	70,000,000	18,006,959	4,429,400	22,436,359	47,563,641
Interstate 405 Widening Project Impacts on OCSD Sewers	250,000	120,181	15,500	135,681	114,319
Seal Beach Pump Station Replacement	78,900,000	1,227,409	2,608,400	3,835,809	75,064,191
Los Alamitos Sub-Trunk Extension	84,124,000	-	-	-	84,124,000
Crystal Cove Pump Station Rehabilitation	13,200,000	-	-	-	13,200,000
Bay Bridge Pump Station Replacement	74,000,000	1,105,544	3,887,200	4,992,744	69,007,256
Newport Beach Pump Station Pressurization Improvements	4,300,000	118,338	320,800	439,138	3,860,862
District 6 Trunk Sewer Relief	7,250,000	7,154,952	-	7,154,952	95,048
MacArthur Pump Station Rehabilitation	9,800,000	-	-	-	9,800,000
Main Street Pump Station Rehabilitation	39,450,000	-	-	-	39,450,000
Gisler Red-Hill Interceptor & Baker Force Main Rehabilitation	21,000,000	75,383	870,900	946,283	20,053,717
MacArthur Force Main Improvement	2,468,000	-	22,300	22,300	2,445,700
North Trunk Improvements	9,200,000	-	-	-	9,200,000
Edinger Pump Station Replacement	10,153,000	-	52,400	52,400	10,100,600
Slater Pump Station Rehabilitation	26,622,000	-	-	-	26,622,000
Small Construction Projects Program - Collections	10,103,000	4,753,104	991,400	5,744,504	4,358,496
Operations & Maintenance Capital Program - Collections	623,000	153,952	221,400	375,352	247,648
Planning Studies Program - Collections	4,259,000	3,480,009	204,300	3,684,309	574,691
Research Program - Collections	154,000	46,250	-	46,250	107,750
SARI Rock Stabilizers Removal	4,860,000	3,699,556	37,200	3,736,756	1,123,244
Sunflower and Red Hill Interceptor Repairs	4,700,000	218,182	302,000	520,182	4,179,818
Total Collection System Improvement Projects	802,148,000	140,904,791	50,253,500	191,158,291	610,989,709

(Continued)

Capital Improvement Program Budget Review

Summary of Capital Improvement Construction Requirements - Project Life For the Three Months Ended September 30, 2020

	Approved Project Budget	June 30, 2020 Accumulated Cost	Current Year Projected Cost	Total Projected Cost at June 30, 2021	Remaining Future Budget
Treatment & Disposal Projects					
Headworks					
Headworks Rehabilitation at Plant 1	406,000,000	29,367,809	6,268,400	35,636,209	370,363,791
Headworks Modifications at P2 for GWRS Final Expansion	32,000,000	8,077,454	5,853,200	13,930,654	18,069,346
Subtotal - Headworks	438,000,000	37,445,263	12,121,600	49,566,863	388,433,137
Primary Treatment					
Primary Sedimentation Basins 3-5 Replacement at Plant 1	117,700,000	523,034	110,400	633,434	117,066,566
Primary Sedimentation Basins 6-31 Reliability Improv at P1	10,100,000	945,035	775,800	1,720,835	8,379,165
Primary Treatment Rehabilitation at Plant 2	237,000,000	28,788,870	6,473,600	35,262,470	201,737,530
B/C-Side Primary Clarifiers Rehabilitation at Plant 2	279,842,000	-	-	-	279,842,000
Subtotal - Primary Treatment	644,642,000	30,256,939	7,359,800	37,616,739	607,025,261
Secondary Treatment					
Return Activated Sludge Piping Replacement at Plant 1	10,300,000	4,038,731	5,151,200	9,189,931	1,110,069
Return Activated Sludge Piping Replacement at Plant 2	10,800,000	2,029,755	6,048,200	8,077,955	2,722,045
Activated Sludge Aeration Basin Rehabilitation at Plant 2	65,600,000	-	-	-	65,600,000
Subtotal - Secondary Treatment	86,700,000	6,068,486	11,199,400	17,267,886	69,432,114
Solids Handling & Digestion					
Sludge Dewatering and Odor Control at Plant 1	197,000,000	195,780,280	246,000	196,026,280	973,720
Digester Ferric Chloride Piping Replacement at Plant 1	1,360,000	124,687	173,600	298,287	1,061,713
Sludge Dewatering and Odor Control at Plant 2	90,477,000	85,102,044	1,068,300	86,170,344	4,306,656
Interim Food Waste Receiving Facility	6,300,000	1,289,539	88,500	1,378,039	4,921,961
TPAD Digester Facility at Plant 2	455,000,000	503,810	2,091,100	2,594,910	452,405,090
Digester P, Q, R, and S Replacement	165,900,000	-	-	-	165,900,000
Digesters Rehabilitation at Plant No. 2	40,632,000	-	89,500	89,500	40,542,500
Subtotal - Solids Handling & Digestion	956,669,000	282,800,360	3,757,000	286,557,360	670,111,640
Ocean Outfall Systems					
Ocean Outfall System Rehabilitation	166,000,000	58,201,457	29,848,500	88,049,957	77,950,043
Sodium Bisulfite Station Rehabilitation at Plant 2	3,834,000	-	51,900	51,900	3,782,100
Subtotal - Ocean Outfall Systems	169,834,000	58,201,457	29,900,400	88,101,857	81,732,143
Utility Systems					
Electrical Power Distribution System Improvements	26,500,000	388,036	1,630,600	2,018,636	24,481,364
Digester Gas Facilities Rehabilitation	173,000,000	8,304,560	5,357,100	13,661,660	159,338,340
Natural Gas Pipelines Replacement at Plants 1 and 2	1,610,000	471,007	1,012,000	1,483,007	126,993
Central Generation Engine Overhauls at Plants 1 and 2	26,000,000	-	186,600	186,600	25,813,400
Power Building Structural Seismic Improv at Plants 1 & 2	7,080,000	-	-	-	7,080,000

(Continued)

FY 2020-21 First Quarter Financial Report

Summary of Capital Improvement Construction Requirements - Project Life For the Three Months Ended September 30, 2020

	Approved Project Budget	June 30, 2020 Accumulated Cost	Current Year Projected Cost	Total Projected Cost at June 30, 2021	Remaining Future Budget
Utility Systems (continued)					
Central Generation Rehabilitation at Plant 1	68,452,000	-	-	-	68,452,000
Uninterruptable Power Supply Improvements at Plant 1	7,000,000	444,334	697,600	1,141,934	5,858,066
12.47 kV Switchgear Replacement at CenGen at Plant 1	14,800,000	-	-	-	14,800,000
Network and Server Relocation at Plant 1	3,027,000	-	-	-	3,027,000
Consolidated Demolition and Utility Improvements at P2	30,000,000	29,343,019	267,600	29,610,619	389,381
Central Generation Rehabilitation at Plant 2	108,000,000	-	-	-	108,000,000
Warehouse, Electrical, & 12kV Serv Center Replace at P2	65,000,000	-	1,347,600	1,347,600	63,652,400
Subtotal - Utility Systems	530,469,000	38,950,956	10,499,100	49,450,056	481,018,944
Process Related Special Projects					
Safety Improvements Program	16,000,000	14,598,193	649,800	15,247,993	752,007
Subtotal - Process Related Special Projects	16,000,000	14,598,193	649,800	15,247,993	752,007
Information Management Systems					
Process Control Systems Upgrades	33,000,000	-	-	-	33,000,000
Project Management Information System	2,280,000	1,311,043	217,000	1,528,043	751,957
Information Technology Capital Program	10,000,000	1,265,752	586,100	1,851,852	8,148,148
Geographic Information System	4,700,000	3,370,462	149,500	3,519,962	1,180,038
EAM Software and Process Implementation	7,500,000	5,592,229	843,000	6,435,229	1,064,771
Process Control Systems Upgrades Study	3,400,000	1,810,226	1,166,700	2,976,926	423,074
Subtotal - Information Management Systems	60,880,000	13,349,712	2,962,300	16,312,012	44,567,988
Strategic & Master Planning					
Planning Studies Program	24,393,000	10,548,748	4,936,000	15,484,748	8,908,252
Subtotal - Strategic & Master Planning	24,393,000	10,548,748	4,936,000	15,484,748	8,908,252
Water Management Projects					
GWRS Final Expansion Coordination	1,132,000	409,905	258,500	668,405	463,595
Subtotal - Water Management Projects	1,132,000	409,905	258,500	668,405	463,595
Research					
Research Program	8,346,000	898,471	562,400	1,460,871	6,885,129
Subtotal - Research	8,346,000	898,471	562,400	1,460,871	6,885,129

(Continued)

Capital Improvement Program Budget Review

Summary of Capital Improvement Construction Requirements - Project Life For the Three Months Ended September 30, 2020

	Approved Project Budget	June 30, 2020 Accumulated Cost	Current Year Projected Cost	Total Projected Cost at June 30, 2021	Remaining Future Budget
Support Facilities					
Small Construction Projects Program	39,945,000	14,794,320	3,243,000	18,037,320	21,907,680
Operations & Maintenance Capital Program	14,999,000	2,232,839	930,500	3,163,339	11,835,661
Fleet Services UST Leak Remediation at Plant 1	14,952,000	1,202,456	200	1,202,656	13,749,344
Laboratory Rehabilitation at Plant 1	44,200,000	-	-	-	44,200,000
Title 24 Access Compliance and Building Rehab Project	18,400,000	17,648,352	175,400	17,823,752	576,248
Headquarters Complex	167,500,000	30,390,098	6,156,500	36,546,598	130,953,402
South Perimeter Security & Utility Improvements at Plant 1	10,000,000	1,171,563	709,300	1,880,863	8,119,137
Support Buildings Seismic Improvements at Plant 1	23,730,000	-	89,800	89,800	23,640,200
Collections Yard Relocation	1,840,000	-	-	-	1,840,000
Operations and Maintenance Complex at Plant 2	95,000,000	-	-	-	95,000,000
Subtotal - Support Facilities	430,566,000	67,439,628	11,304,700	78,744,328	351,821,672
Others					
Capital Improvement Program Management Services	700,000	302,928	10,800	313,728	386,272
Subtotal - Others	700,000	302,928	10,800	313,728	386,272
Additional Charges to CIP Completed at 6/30/20	-	-	15,800	15,800	(15,800)
Total Treatment and Disposal Projects	3,368,331,000	561,271,046	95,537,600	656,808,646	2,711,522,354
Capital Equipment Purchases	9,062,800	-	5,061,800	5,061,800	4,001,000
Total Collection, Treatment and Disposal Projects and Capital Equipment Purchases	\$ 4,179,541,800	\$702,175,837	\$150,852,900	\$853,028,737	\$3,326,513,063

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Capital Assets Schedule & Debt Service Budget Review

Capital Assets Schedule For the Three Months Ended September 30, 2020

Capital Facilities Budget Review

	Balance 07/01/20	Year-to-Date Activity	Balance 09/30/20
CONSTRUCTION IN PROGRESS:			
Treatment Plant	\$ 98,764,377	\$ 16,556,298	\$ 115,320,675
Collection System	265,166,458	11,306,057	276,472,515
Subtotal	363,930,835	27,862,355	391,793,190
PROPERTY, PLANT & EQUIPMENT (at cost):			
Land and Property Rights	41,967,355	-	41,967,355
Collection Lines and Pump Stations	892,975,053	-	892,975,053
Treatment Facilities	2,746,327,817	-	2,746,327,817
Effluent disposal facilities	96,972,016	-	96,972,016
Solids disposal facilities	3,463,236	-	3,463,236
General and administrative facilities	259,148,327	-	259,148,327
Excess purchase price over book value on acquired assets	19,979,000	-	19,979,000
Subtotal	4,060,832,804	-	4,060,832,804
Total Property, Plant & Equipment & CIP	\$ 4,424,763,639	\$ 27,862,355	\$ 4,452,625,994

Debt Service Budget Review

	2020-21 Budget	Year-to-Date Payments	% of Budget	Remaining Budget
Principal Payments by Debt Issue:				
2010A BABs	-	-	0.00%	-
2010C BABs	-	-	0.00%	-
2011A COP	-	-	0.00%	-
2012A COP	-	-	0.00%	-
2012B COP	17,390,000	-	0.00%	17,390,000
2014A COP	7,850,000	-	0.00%	7,850,000
2015A COP	-	-	0.00%	-
2016A COP	4,635,000	-	0.00%	4,635,000
2017A COP	555,000	-	0.00%	555,000
2018A CANs	-	-	0.00%	-
Subtotal Principal Payments	30,430,000	-	0.00%	30,430,000
Interest Expense by Debt Issue:				
2010A BABs	2,897,639	992,097	34.24%	1,905,542
2010C BABs	6,523,780	2,233,718	34.24%	4,290,062
2011A COP	3,348,350	837,175	25.00%	2,511,175
2012A COP	3,735,900	934,050	25.00%	2,801,850
2012B COP	1,145,650	286,325	24.99%	859,325
2014A COP	3,196,500	799,150	25.00%	2,397,350
2015A COP	6,375,500	1,593,850	25.00%	4,781,650
2016A COP	6,756,550	1,689,175	25.00%	5,067,375
2017A COP	3,318,500	829,650	25.00%	2,488,850
2018A CANs	5,110,000	1,277,500	25.00%	3,832,500
Subtotal Interest Expense	42,408,369	11,472,690	27.05%	30,935,679
Total Debt Service	\$ 72,838,369	\$ 11,472,690	15.75%	\$ 61,365,679

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Self Insurance Budget Review

General Liability and Property Fund Budget Review For the Three Months Ended September 30, 2020

	2020-21 Budget	Actual Through 09/30/20	Percent of Budget Through 09/30/20	Remaining 2020-21 Budget	Actual Through 09/30/19	Increase (Decrease)
Revenues:						
In-Lieu Premiums	\$ 1,471,000	\$ 551,241	37.47%	\$ 919,759	\$ 429,999	\$ 121,242
Miscellaneous Other Revenue	-	-	N/A	-	135,416	(135,416)
Service Department Allocations	-	1,776	N/A	(1,776)	(774)	2,550
Total Revenues	<u>1,471,000</u>	<u>553,017</u>	<u>37.59%</u>	<u>917,983</u>	<u>564,641</u>	<u>(11,624)</u>
Expenses:						
Benefits/Claims	40,000	-	0.00%	40,000	-	-
Legal Services	40,000	-	0.00%	40,000	-	-
Professional Services	20,000	-	0.00%	20,000	-	-
Subtotal	100,000	-	0.00%	100,000	-	-
Policy Premium Expense	1,980,000	485,048	24.50%	1,494,952	354,732	130,316
Total Expenses	<u>2,080,000</u>	<u>485,048</u>	<u>23.32%</u>	<u>1,594,952</u>	<u>354,732</u>	<u>130,316</u>
Excess Revenue (Expense)	(609,000)	67,969		<u>\$ (676,969)</u>	209,909	(141,940)
Beginning Reserves	<u>98,609,000⁽¹⁾</u>	<u>98,648,623⁽¹⁾</u>			<u>55,389,842</u>	<u>43,258,781</u>
Ending Reserves	<u>\$ 98,000,000</u>	<u>\$ 98,716,592</u>			<u>\$ 55,599,751</u>	<u>\$ 43,116,841</u>

(1) Beginning reserves were increased by \$43 million to align with approved catastrophic loss, or self-insurance criterion for non-reimbursed costs.

FY 2020-21 First Quarter Financial Report

Workers' Compensation Fund Budget Review For the Three Months Ended September 30, 2020

	<u>2020-21 Budget</u>	<u>Actual Through 09/30/20</u>	<u>Percent of Budget Through 09/30/20</u>	<u>Remaining 2020-21 Budget</u>	<u>Actual Through 09/30/19</u>	<u>Increase (Decrease)</u>
Revenues:						
In-Lieu Premiums	\$ 518,800	\$ 129,700	25.00%	\$ 389,100	\$ 195,000	\$ (65,300)
Service Department Allocations	110,000	22,425	20.39%	87,575	27,174	(4,749)
Total Revenues	<u>628,800</u>	<u>152,125</u>	<u>24.19%</u>	<u>476,675</u>	<u>222,174</u>	<u>(70,049)</u>
Expenses:						
Benefits/Claims	420,000	123,769	29.47%	296,231	159,525	(35,756)
Legal Services	90,000	13,759	15.29%	76,241	38,978	(25,219)
Professional Services	50,000	-	0.00%	50,000	11,417	(11,417)
Subtotal	<u>560,000</u>	<u>137,528</u>	<u>24.56%</u>	<u>422,472</u>	<u>209,920</u>	<u>(72,392)</u>
Policy Premium Expense	220,000	51,192	23.27%	168,808	54,441	(3,249)
Total Expenses	<u>780,000</u>	<u>188,720</u>	<u>24.19%</u>	<u>591,280</u>	<u>264,361</u>	<u>(75,641)</u>
Excess Revenue (Expense)	<u>(151,200)</u>	<u>(36,595)</u>		<u>\$ (114,605)</u>	<u>(42,187)</u>	<u>5,592</u>
Beginning Reserves	<u>2,151,200</u>	<u>2,235,687</u>			<u>2,036,708</u>	<u>198,979</u>
Ending Reserves	<u>\$ 2,000,000</u>	<u>\$ 2,199,092</u>			<u>\$ 1,994,521</u>	<u>\$ 204,571</u>



October 31, 2020

STAFF REPORT

Quarterly Treasurer's Report
For the Period Ended September 30, 2020

SUMMARY

Section 17.0 of the Orange County Sanitation District's (OCSD) Investment Policy includes quarterly reporting requirements for OCSD's two investment portfolios. These two funds, the "Liquid Operating Monies," and the "Long-Term Operating Monies" are managed by Chandler Asset Management, OCSD's external money manager.

The ongoing monitoring of OCSD's investment program by staff and Callan Associates, OCSD's independent investment advisor, indicates that OCSD's investments are in compliance with OCSD's adopted Investment Policy and the California Government Code, and that overall performance has tracked with benchmark indices. In addition, sufficient liquidity and anticipated revenues are available for OCSD to meet budgeted expenditures for the next six months. OCSD's portfolios do not include any reverse repurchase agreements or derivative securities.

ADDITIONAL INFORMATION

Performance Reports

The Quarterly Strategy Review, prepared by Chandler Asset Management, and the Investment Measurement Service Quarterly Review, prepared by Callan Associates, is attached for reference. Also attached are Long-Term and Liquid Operating Monies Summary of Performance Data and Portfolio Statistics charts that depict the performance results, estimated yield and duration, credit quality, and sector diversification of OCSD's portfolios, as of September 30, 2020. The Liquid Operating Monies portfolio, with an average maturity of 117 days, consists entirely of high quality fixed income investments consistent with the OCSD's investment policy.

Portfolio Performance Summary

The following table presents a performance summary of OCSD's portfolios as compared to their benchmarks as of September 30, 2020.

Quarterly Treasurer's Report
 For the Period Ended September 30, 2020
 Page 2 of 4

Portfolio Performance Summary As of September 30, 2020				
	Liquid Operating Monies (%)		Long-Term Operating Monies (%)	
	Total Rate of Return	Benchmark ⁽¹⁾	Total Rate of Return	Benchmark ⁽¹⁾
3 Months	0.04	0.04	0.29	0.24
6 Months	0.11	0.06	1.62	1.27
9 Months	0.83	0.64	4.16	4.27
12 Months	1.34	1.10	4.67	4.73
Annualized Since inception 30 Nov 2014	1.16	1.03	2.32	2.29
Market Value				
Market Value	\$128.7 M		\$625.2 M	
Average Quality	"AAA"/"Aaa"		"AA"/"Aa1"	
Current Yield (%)	0.5		2.0	
Estimated Yield to Maturity (%)	0.2		0.3	
Quarterly Deposits (Withdrawals)	(\$50.0 M)		\$0.0 M	
Estimated Annual Income	\$0.2 M		\$0.1 M	

(1) Benchmarks:

- Liquid Operating Portfolio: ICE BAML 3-Month Treasury Bill Index
- Long-Term Operating Portfolio: ICE BAML Corp/Govt. 1-5 Year Bond Index

Portfolio Market Values

Comparative marked-to-market quarter-end portfolio values are shown in the following table, and in the attached bar chart.

Quarter Ending	Liquid Operating Monies (\$M)	Long-Term Operating Monies (\$M)
30 Dec 19	175.6	579.9
31 Mar 20	113.5	590.3
30 Jun 20	178.6	623.3
30 Sep 20	128.7	625.2

Quarterly Treasurer's Report
 For the Period Ended September 30, 2020
 Page 3 of 4

Orange County Sanitation District's Investment Account Balances as of September 30, 2020

Investment Accounts	Book Balances September 30, 2020	Estimated Yield (%)
State of California LAIF	\$43,123,251	0.69
Banc of California – General	3,000,000	0.55
Banc of California – Sweep	35	0.32
Banc of California – Workers Compensation	86,710	0.55
Banc of California – Property, Liability Claim, Exp	50,000	0.55
Union Bank – Mount Langley	252,186	0.70
Union Bank – Bandilier	536,391	0.70
Chandler/U.S. Bank – Short-Term Portfolio	128,685,054	0.17
Chandler/U.S Bank – Long-Term Portfolio	625,212,761	0.26
Petty Cash	6,500	N/A
BNY Mellon OCIP Reserve	500,444	0.00
TOTAL	<u>\$801,453,332</u>	0.27
Debt Service Reserves w/Trustees	\$129	0.04

Orange County Sanitation District's Cost of Funds on Debt Issues as of September 30, 2020

Cost of Funds Issue Description	Outstanding COP Balance	Annual Interest Rate (%)
2010A Fixed	80,000,000	3.68
2010C Fixed	157,000,000	4.11
2011A Fixed	75,370,000	2.61
2012A Fixed	100,645,000	3.54
2012B Fixed	25,560,000	1.50
2014A Fixed	63,930,000	2.34
2015A Fixed	127,510,000	3.30
2016A Fixed	141,465,000	3.02
2017A Fixed	66,370,000	2.55
2018A Fixed	<u>102,200,000</u>	2.02
TOTAL		
	<u>\$940,050,000</u>	
Weighted Avg. Cost of Funds		3.09

ATTACHMENTS

1. Chandler Quarterly Report
2. Summary of Performance Data and Portfolio Statistics – Liquid Operating Monies
3. Summary of Performance Data and Portfolio Statistics – Long Term Operating Monies
4. Investment Transactions and Balances in LAIF
5. Asset Summary by Asset Type – Liquid Operating Portfolio
6. Asset Summary by Asset Type – Long Term Portfolio
7. Asset Summary by Asset Type – Owner Controlled Insurance Program Escrow Account
8. Investment Listing (Yield Analysis Report)
9. Asset Detail – Consolidated
10. Custody Transaction History – Consolidated
11. Callan Quarterly Review
12. Chandler Quarterly Review
13. Rating Agency Comparisons

September 30, 2020

Mr. Lorenzo Tyner
Assistant General Manager
Director of Finance and Administrative Services
Orange County Sanitation District
10844 Ellis Avenue
Fountain Valley CA 92708-7018

Dear Lorenzo,

Bond Market Recap

US equities experienced a moderate selloff in September (with the S&P 500 index down 3.9% month-over-month) and investment grade corporate credit spreads widened modestly (based on the ICE BofA US Corporate Index). In our view, the recent repricing of risk assets has been rational and consistent with the evolving economic and political backdrop. The economy has improved significantly from the depths of the pandemic crisis earlier this year, but the recovery is losing steam. We continue to believe the outlook for the economy hinges largely on the course of the pandemic, the timing and amount of additional fiscal relief, and the timeline for a vaccine. While we remain optimistic about the progress toward a vaccine, we are seeing a resurgence of the virus in some locations and negotiations in Congress over a Phase 4 fiscal relief package remain at a stalemate. While we have a high degree of confidence that another round of fiscal stimulus will ultimately be passed, the timeline has been pushed out and the chances of getting something done before the November election have dimmed. This may not bode well for the fourth quarter and we anticipate near-term economic data may soften. We believe financial markets are potentially poised for increased volatility through year-end.

The Federal Open Market Committee (FOMC) kept monetary policy unchanged in September with the fed funds target rate in a range of 0.0% to 0.25%. Monetary policy remains highly accommodative and policymakers remain dovish. The Fed's balance sheet has grown to over \$7.0 trillion from about \$4.2 trillion prior to the pandemic, and the Fed has indicated it will continue to use its balance sheet to support smooth financial market functioning, as needed. In the September policy statement, the FOMC noted that inflation continues to run below its 2.0% target, as weaker demand and lower oil prices are holding down consumer prices. Longer-term, the FOMC will allow inflation to run above 2.0% for some period of time before it looks to tighten policy, which implies the fed funds target rate will remain anchored near zero for years. The Fed's summary of economic projections signals that the target fed funds rate will remain unchanged through at least 2023.

The Treasury yield curve was little changed in September on a month-over-month basis, following moderate curve steepening in August. In the first week of October, the yield curve has steepened further, driven by an increase in longer-dated Treasury yields.

At September month-end, Treasury yields were much lower on a year-over-year basis. The 3-month T-bill yield was down 172 basis points, the 2-year Treasury yield was down 150 basis points, and the 10-Year Treasury yield was down 98 basis points, year-over-year. Yields declined precipitously in March 2020, with the Fed cutting rates by a total of 150 basis points and a flight to safe-haven assets driving down yields across the curve. The Fed has signaled plans to keep the front end of the Treasury yield curve anchored near zero for at least the next few years. In the past few months, the Treasury yield curve has steepened, which we believe has been driven by a flood of new issuance as well as rising inflation expectations.

Consumer Prices

The Consumer Price Index (CPI) was up 1.3% year-over-year in August, versus up 1.0% in July. Core CPI (CPI less food and energy) was up 1.7% year-over-year in August, versus up 1.6% in July. The Personal Consumption Expenditures (PCE) index was up 1.4% year-over-year in August, versus up 1.1% year-over-year in July. Core PCE, which is the Fed's primary inflation gauge, was up 1.6% year-over-year in August, versus up 1.4% year-over-year in July. Pricing pressures are increasing but remain below the Fed's inflation target.

Retail Sales

Retail sales were softer than expected in August and sales for July were revised down. On a year-over-year basis, retail sales were up 2.6% in August, versus up 2.4% in July. On a month-over-month basis, retail sales were up just 0.6% in August, following a 0.9% increase in July. Control group retail sales fell 0.2% in August, well below expectations for a 0.5% increase.

Labor Market

U.S. nonfarm payrolls were lower than expected, up 661,000 in September versus expectations of 859,000. The unemployment rate declined to 7.9% in September from 8.4% in August. The decline in the unemployment rate was better than expected, however, it was partially driven by a decline in the labor participation rate to 61.4% in September from 61.7% in August. The labor participation rate improved modestly after plunging to 60.2% in April, but remains near the lowest levels since the 1970's. Nearly 4.5 million people have dropped out of the labor force since January, and 12.6 million people in the labor force were unemployed in September, according to the U.S. Bureau of Labor Statistics household survey. Workers who classified themselves as employed but absent from work in the September survey understated the unemployment rate by about 0.4%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons, remained high but eased to 12.8% in September from 14.2% in August.

Housing Starts

Total housing starts fell 5.1% in August to an annual pace of 1,416,000. Single family starts rose 4.1% to an annualized rate of 1,021,000, while multi-family starts declined 22.7% to an annualized rate of 395,000. On a year-over-year basis, total housing starts were up 2.8% in August.

TREASURY YIELDS	9/30/2020	6/30/2020	CHANGE
3 Month	0.09	0.13	(0.04)
2 Year	0.13	0.15	(0.02)
3 Year	0.16	0.17	(0.01)
5 Year	0.28	0.29	(0.01)
7 Year	0.47	0.49	(0.02)
10 Year	0.68	0.66	0.02
30 Year	1.46	1.41	0.05

Economic Recovery Continues But Is Losing Steam

ECONOMIC INDICATOR	Current Release	Prior Release	One Year Ago
Trade Balance	(67.10) \$Bln AUG 20	(63.40) \$Bln JUL 20	(50.80) \$Bln AUG 19
Gross Domestic Product	(31.40%) JUN 20	(5.00%) MAR 20	1.50% JUN 19
Unemployment Rate	7.90% SEP 20	8.40% AUG 20	3.50% SEP 19
Prime Rate	3.25% SEP 20	3.25% AUG 20	5.00% SEP 19
Commodity Research Bureau Index	148.51 SEP 20	153.21 AUG 20	173.94 SEP 19
Oil (West Texas Int.)	\$40.22 SEP 20	\$42.61 AUG 20	\$54.07 SEP 19
Consumer Price Index (y/o/y)	1.30% AUG 20	1.00% JUL 20	1.70% AUG 19
Producer Price Index (y/o/y)	(1.50%) AUG 20	(1.80%) JUL 20	0.30% AUG 19
Dollar/Euro	1.17 SEP 20	1.19 AUG 20	1.09 SEP 19

Source: Bloomberg

Performance Attribution

Long-Term Portfolio

The portfolio generated a positive absolute and relative total return during the quarter of 0.29% compared to the 0.24% return of the ICE Bank of America Merrill Lynch 1-5 Year US Corporate and Government AAA-A Index. Asset prices improved on a quarter-over-quarter basis as the economy continues to reopen, stimulating growth, despite the reality the overall strength of the economy remains well below pre-pandemic levels. The asset allocation of the portfolio continues to have a higher risk profile than the benchmark, primarily expressed via the above benchmark allocations to the Agency and Corporate sectors of the market. The out of benchmark exposure to the Asset Backed sector was also additive to the relative performance of the portfolio during the quarter. The Chandler team remains comfortable with the mix of securities in the portfolio and will be looking to continue to add attractively priced securities consistent with our asset allocation and term structure objectives in the coming quarters.

Several securities were purchased across the Agency, Asset Backed and Corporate sectors of the market to keep the portfolio structure and duration in line with Chandler targets. The purchased securities ranged in maturity from July 2012 to September 2025. Two securities were sold and several matured to facilitate the new holdings in the portfolio. The sector allocation was relatively stable. Some of the notable changes include the 4.2% increase in the Agency sector, to 34.3% of the portfolio, partially offset by the 1.8% decline in the US Treasury allocation, to 32.5% of the portfolio. The duration of the portfolio was close to unchanged, currently 2.52 compared to 2.55 at the end of the prior quarter. Monetary policy is poised to stay highly accommodative over an intermediate time horizon and the Chandler team anticipates keeping the duration close to the benchmark in coming quarters.

Liquid Portfolio

The Liquidity Portfolio generated a total return of 0.04% during the quarter compared to the 0.04% return of the ICE Bank of America Merrill Lynch 3 Month Treasury Bill Index. Multiple securities were purchased across the Treasury, Commercial Paper and Corporate sectors of the market to keep the portfolio structure consistent with Chandler's objectives for the strategy. The purchased securities ranged in maturity from November 2020 to July 2021. One security was called, many matured and \$50 million was withdrawn from the portfolio during the quarter. The sector allocation was stable despite the \$50 million withdrawal out of the portfolio. Exposure to the Agency sector remains low with short maturity discount notes not offering much in the way of relative value compared to the Treasury sector. The duration of the portfolio was relatively stable, contracting to 0.32 years compared to 0.35 years at the end of the prior quarter. The Chandler team will continue to invest the portfolio consistent with the forecasted liquidity needs of the district.

Economic Outlook

The impact of the coronavirus pandemic continues to influence the direction of asset prices and the ultimate trajectory of the recovery. Initially the virus imposed a synchronized hit to the global economy however due to varying policy responses and changes in behavior going forward the Chandler team expects the recovery to be de-synchronized across regions, industries and individuals. The strict lockdowns experienced earlier in the year are very unlikely to be re-instituted on a national level due to both healthcare systems being much better prepared for COVID patients and the widely held acknowledgement lockdowns should be avoided at all costs. The degree of uncertainty related to the coronavirus continues to dissipate. Investment grade and high yield bond spreads tightened, and equity indices posted positive returns, however the rate of change in both broad asset classes slowed in Q3 compared to Q2. Economic growth will remain below pre-pandemic levels until a vaccine for the coronavirus is widely available and consumer behavior evolves. We expect a vaccine to be available in the first half of 2021 and this view is largely reflected in current asset prices in Chandler's judgement.

Economic data points improved during the quarter however many metrics remains well short of pre-pandemic valuations. The unemployment rate continued to improve, coming in at 7.9% in September, compared to 11.1% at the end of June however still well above the 3.5% rate at the end of December 2019. The three-month and six-month moving averages on non-farm payrolls are currently 1.30 million and -1.56 million, respectively, highlighting the severe loss of jobs due to the pandemic and the tentative recovery in the job market. Weekly and continuing jobless are trending lower, a positive, but the lack of additional fiscal stimulus has negatively impacted the rate of improvement with both metrics remaining at stressed levels. Risk assets have largely ignored the lack of progress on additional fiscal stimulus to support the recovery as most investors believe the challenging political environment (late in the Presidential election cycle) is a contributing factor to the lack of progress. Post the election results the Chandler team expects additional fiscal stimulus to be implemented to further support the economic recovery.

Monetary policy remains highly stimulative, and the Federal Reserve took further actions during the quarter to solidify the view rates will remain low for the foreseeable future. Notably the Federal Reserve will no longer view a low unemployment rate as a harbinger to inflation risks, and is poised to allow inflation to be above the 2% threshold for a period of time before adjusting policy tighter to make up for the periods of inflation being below 2%. The Federal Reserve continues to emphasize they will do whatever it takes to support the recovery and we expect the unconventional policy tools implemented at the height of the pandemic to remain in place for an extended time period to support the recovery. In the short-to-intermediate term investment grade spreads will be well supported as investors are comfortable with belief the Federal Reserve will step in to support markets (via asset purchases) if spreads become dislocated. In a welcome development for the Federal Reserve, ten year TIPS spreads moved higher by 29 basis points, closing the quarter at 1.63%, however until the breakeven rate is above 2.3% for an extended period of time the Federal Reserve will remain content to keep front end rates pegged at zero. Treasury yields were stable during the quarter; however, we expect volatility in rates further out the curve in 2021 as the impact of the outsized fiscal and monetary stimulus, as well as the path of the global economic recovery, will influence valuations.

Strategy

Strategy highlights for the Long-Term Portfolio in coming months:

- Focus on adding securities with attractive relative value which is becoming challenging in several sectors due to the outsized influence of Federal Reserve actions to stabilize markets earlier in the year.
 - The banking sector continues to profile as attractive in the Chandler teams view and we will look to continue to optimize the mix of securities in the sub sector.
 - Look to add select Asset Backed securities in the new issue market provided spreads remain at reasonable valuations. Look to avoid the securities trading at extremely tight valuations.
- Although spreads in the Agency sector grinded tighter during the quarter we still find the sector attractive, particularly compared to the highest quality segments of the Corporate market. We will continue to be active in the new issue market provided spreads remain in the current range.
- Interest rates are poised to remain low over an intermediate time horizon, particularly within the 1-5 year maturity profile of the strategy, thus the duration of the portfolio will remain consistent with the benchmark in coming quarters.

Strategy highlights for the Liquidity Portfolio in coming months:

- Continue to ladder the Treasury and Agency exposure to coincide with forecasted liquidity needs.
- Opportunistically add Corporate, Negotiable CD and Commercial Paper exposure to the portfolio where the additional spread compensation versus like maturity Treasury notes is attractive.
- Maintain a dedicated exposure to the Treasury sector on an ongoing basis to ensure ample liquidity in the portfolio for unexpected cash flow needs.

Compliance Issues

Orange County Sanitation District Long Term

Assets managed by Chandler Asset Management are in full compliance with state law and with the investment policy

Category	Standard	Comment
Treasury Issues	10% minimum; 5 years max maturity	Complies*
U.S. Agencies	20% max per agency of the U.S. Government, which does not provide the full faith and credit of the U.S. government; 5 years max maturity	Complies
Supranational Obligations	"AA" rated or better by a NRSRO; 30% maximum; 5 years max maturity; U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development ("IBRD"), the International Finance Corporation ("IFC") or the Inter-American Development Bank ("IADB")	Complies
Corporate Medium Term Notes	"A" rated or better long term debt by a NRSRO; 30% maximum; 5% max issuer; 5 years max maturity; Issued by corporations organized and operating within the U.S. or issued by depository institutions licensed by the U.S. or any state and operating within the U.S.	Complies
Municipal Securities	"A" rated or higher by a NRSRO; Taxable or tax-exempt municipal bonds issued by any of the 50 states; 10% maximum; 5% max issuer; 5 years max maturity	Complies
Mortgage-Backed Securities/ Collateralized Mortgage Obligations/ Asset-Backed Securities	"AA" rated or better by a NRSRO; 20% maximum (combined MBS/CMO/ABS); 5% max issuer (except U.S. government or its agencies) ; 5 years max maturity	Complies*
Negotiable Certificates of Deposit (NCD)	"A" rated or better long term debt by a NRSRO; or "A-1"/ highest short term rating by a NRSRO; 30% maximum; 5% max issuer; 5 years max maturity	Complies
Certificates of Deposit	5% max issuer; 5 years max maturity; Secured/ collateralized	Complies
Banker's Acceptances	A-1 rated or highest short term rating by a NRSRO; 40% maximum; 5% max issuer; 180 days max maturity	Complies
Commercial Paper	A-1 rated or better by a NRSRO; "A" rated or better long term debt issuer by a NRSRO; Issuer is a corporation organized and operating in the U.S. with assets > \$500 million; 25% maximum; 5% max issuer; 10% max of the outstanding commercial paper of any single issuer; 270 days max maturity	Complies
Mutual Fund & Money Market Mutual Fund	Highest rating or "AAA" rated by two NRSROs; SEC registered adviser with AUM >\$500 million and experience > than 5 years; 20% maximum in Mutual Funds; 10% per one Mutual Fund; 20% max per issuer on Money Market Mutual Funds; 20% max of OCSD's surplus money	Complies
Repurchase Agreements	102% collateralization	Complies
Reverse Repurchase Agreements	5% maximum, 90 days max maturity	Complies
Local Agency Investment Fund (LAIF)	No more than the lesser of 15% of the portfolio or the statutory maximum invested in LAIF; Not used by investment adviser; Investment of OCSD funds in LAIF shall be subject to investigation and due diligence prior to investing	Complies
OCCIP	15% maximum; Not used by investment adviser; Orange County Treasurer's Money Market Commingled Investment Pool; Investment of OCSD funds in OCCIP shall be subject to investigation and due diligence prior to investing	Complies
Prohibited	Mortgage Derivatives, which include interest-only payments (IOs) and principal-only payments (POs); Inverse floaters, and RE-REMICS (Real Estate Mortgage Investment Conduits)	Complies
Avg Duration	Not to exceed 60 months - (80% to 120% of the benchmark)	Complies
Max Per Holding	5% max of the total debt outstanding of any issuer per individual holding	Complies
Max Per Issuer	5% max per issuer (except Supranationals, U.S. Government, Agencies, Mutual Fund)	Complies
Maximum Maturity	5 years maximum maturity	Complies*

*The portfolio has twenty (20) securities with maturities greater than 5 years including four (4) CMOs and sixteen (16) MBS. All securities were inherited from the previous manager and complied at time of purchase.

Orange County Sanitation District Liquid

Assets managed by Chandler Asset Management are in full compliance with state law and with the investment policy

Category	Standard	Comment
Treasury Issues	10% minimum; 1 year max maturity	Complies
U.S. Agencies	20% max per agency of the U.S. Government, which does not provide the full faith and credit of the U.S. government; 1 year max maturity	Complies
Supranational Obligations	"AA" rated or better by a NRSRO; 30% maximum; 1 year max maturity; U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development ("IBRD"), the International Finance Corporation ("IFC") or the Inter-American Development Bank ("IADB")	Complies
Corporate Medium Term Notes	"A" rated or better long term debt by a NRSRO; 30% maximum; 5% max issuer; 1 year max maturity; Issued by corporations organized and operating within the U.S. or issued by depository institutions licensed by the U.S. or any state and operating within the U.S.	Complies
Municipal Securities	"A" rated or higher by a NRSRO; Taxable or tax-exempt municipal bonds issued by any of the 50 states; 10% maximum; 5% max issuer; 1 year max maturity	Complies
Mortgage-Backed Securities/ Collateralized Mortgage Obligations/ Asset-Backed Securities	"AA" rated or better by a NRSRO; 20% maximum (combined MBS/CMO/ABS); 5% max issuer (except U.S. government or its agencies) ; 1 year max maturity	Complies
Negotiable Certificates of Deposit (NCD)	"A" rated or better long term debt by a NRSRO; or "A-1"/ highest short term rating by a NRSRO; 30% maximum; 5% max issuer; 1 year max maturity	Complies
Certificates of Deposit	5% max issuer; 1 year max maturity; Secured/collateralized	Complies
Banker's Acceptances	A-1 rated or highest short term rating by a NRSRO; 40% maximum; 5% max issuer; 180 days max maturity	Complies
Commercial Paper	A-1 rated or better by a NRSRO; "A" rated or better long term debt issuer by a NRSRO; Issuer is a corporation organized and operating in the U.S. with assets > \$500 million; 25% maximum; 5% max issuer; 10% max of the outstanding commercial paper of any single issuer; 270 days max maturity	Complies
Mutual Fund & Money Market Mutual Fund	Highest rating or "AAA" rated by two NRSROs; SEC registered adviser with AUM >\$500 million and experience > than 5 years; 20% maximum in Mutual Funds; 10% per one Mutual Fund; 20% max per issuer on Money Market Mutual Funds; 20% max of OCSD's surplus money	Complies
Repurchase Agreements	102% collateralization	Complies
Reverse Repurchase Agreements	5% maximum, 90 days max maturity	Complies
Local Agency Investment Fund (LAIF)	No more than the lesser of 15% of the portfolio or the statutory maximum invested in LAIF; Not used by investment adviser; Investment of OCSD funds in LAIF shall be subject to investigation and due diligence prior to investing	Complies
OCCIP	15% maximum; Not used by investment adviser; Orange County Treasurer's Money Market Commingled Investment Pool; Investment of OCSD funds in OCCIP shall be subject to investigation and due diligence prior to investing	Complies
Prohibited	Mortgage Derivatives, which include interest-only payments (IOs) and principal-only payments (POs); Inverse floaters, and RE-REMICS (Real Estate Mortgage Investment Conduits)	Complies
Avg Duration	Not to exceed 180 days	Complies
Max Per Holding	5% max of the total debt outstanding of any issuer per individual holding	Complies
Max Per Issuer	5% max per issuer (except Supranationals, U.S. Government, Agencies, Mutual Fund)	Complies
Maximum Maturity	1 year maximum maturity	Complies

OCSD Lehman Exposure
Assets managed by Chandler Asset Management are in full compliance with state law and with the investment policy

Category	Standard	Comment
Treasury Issues	5 years maximum maturity	Complies
Supranational	"AA" or better by 1 of 3 NRSROs; 30% maximum; 5% max; 5 years maturity; Includes only: IADB, IBRD, and IFC per CGC	Complies
U.S. Agencies	20% max issuer; 5 years maximum maturity	Complies
U.S. Corporate (MTNs)	"A" or better long term rating by 1 of 3 NRSROs; 30% maximum; 5% max issuer; 5 years max maturity	Complies*
Municipal Securities	"A" or higher by 1 of 3 NRSROs; 10% maximum; 5% max issuer; 5 years maximum maturity	Complies
Asset Backed/ CMOs/ Mortgage-backed	"AA" or better by 1 of 3 NRSROs; "A" or higher issuer rating by 1 of 3 NRSROs; 20% maximum; 5% max issuer (excluding MBS/govt agency); 5 years max maturity	Complies
Negotiable CDs	"A" or better on its long term debt by 1 of 3 NRSROs ; "A1/P1" or highest short term ratings by 1 of 3 NRSROs; 30% maximum; 5% max issuer; 5 years max maturity	Complies
CDs/ TDS	5% max issuer; 5 years max maturity	Complies
Banker's Acceptances	A-1, or equivalent highest short term rating by 1 of 3 NRSROs; 40% maximum; 5% max issuer; 180 days max maturity	Complies
Commercial Paper	A-1, or equivalent by 1 of 3 NRSROs; "A" or better by 1 of 3 NRSROs, if long term debt issued; 25% maximum; 5% max issuer; 270 days max maturity	Complies
Money Market Fund	Highest rating by 2 of 3 NRSROs; 20% maximum; 10% max issuer	Complies
Repurchase Agreements	102% collateralization	Complies
Reverse Repurchase Agreements	5% maximum, 90 days max maturity	Complies
LAIF	Not used by investment adviser	Complies
Avg Duration	Not to exceed 60 months - (80% to 120% of the benchmark)	Complies
Maximum Maturity	5 years maximum maturity	Complies

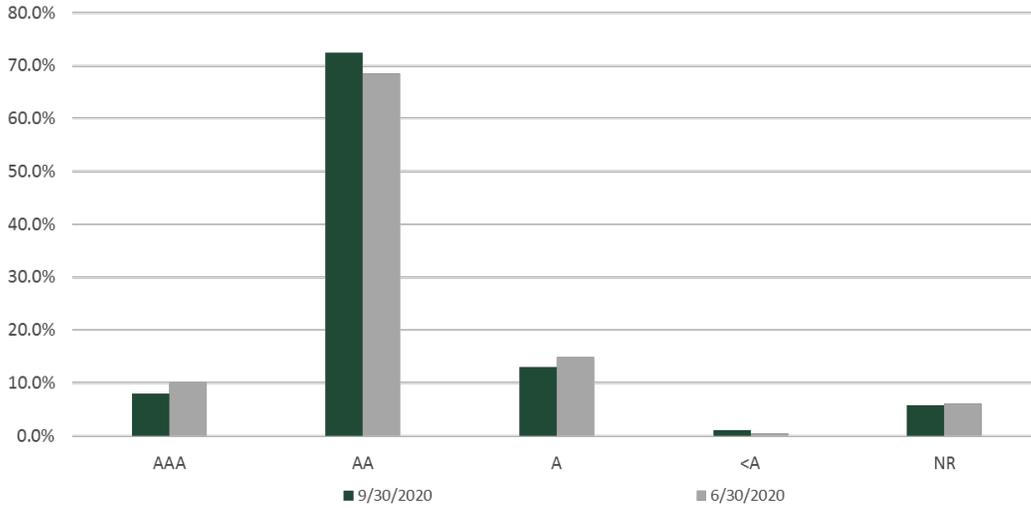
* Account holds \$2 million face value (cusip 525ESCOY6) and \$600,000 face value (cusip 525ESC1B7) of defaulted Lehman Bros Holdings that were purchased by the previous manager. Complied at time of purchase.

Defaulted Bonds
OCSD Lehman Exposure - Account #10284

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Common Stock									
SLHOPNTA4	Lehman Brothers, Inc Open Position Long Exposure 0.000% Due 09/30/2020	60,641.49	11/21/2014 0.00%	57,842.64 57,842.64	0.42 0.00%	25,621.03 0.00	45.09% (32,221.61)	NR / NR NR	0.00 0.00
TOTAL Common Stock		60,641.49	0.00%	57,842.64 57,842.64	0.00%	25,621.03 0.00	45.09% (32,221.61)	NR / NR NR	0.00 0.00
Corporate									
525ESCIB7	Lehman Brothers Note-Defaulted 0.000% Due 01/24/2021	600,000.00	09/19/2008 0.00%	318,603.60 318,603.60	1.20 0.00%	7,200.00 0.00	12.67% (311,403.60)	NR / NR NR	0.32 0.00
525ESCOY6	Lehman Brothers Note-Defaulted 0.000% Due 10/22/2049	2,000,000.00	09/18/2008 0.00%	1,026,605.56 1,026,605.56	1.20 0.00%	24,000.00 0.00	42.24% (1,002,605.56)	NR / NR NR	29.08 0.00
TOTAL Corporate		2,600,000.00	0.00%	1,345,209.16 1,345,209.16	0.00%	31,200.00 0.00	54.91% (1,314,009.16)	NR / NR NR	22.44 0.00
TOTAL PORTFOLIO		2,660,641.49	0.00%	1,403,051.80 1,403,051.80	0.00%	56,821.03 0.00	100.00% (1,346,230.77)	NR / NR NR	12.32 0.00
TOTAL MARKET VALUE PLUS ACCRUALS						56,821.03			

Ratings

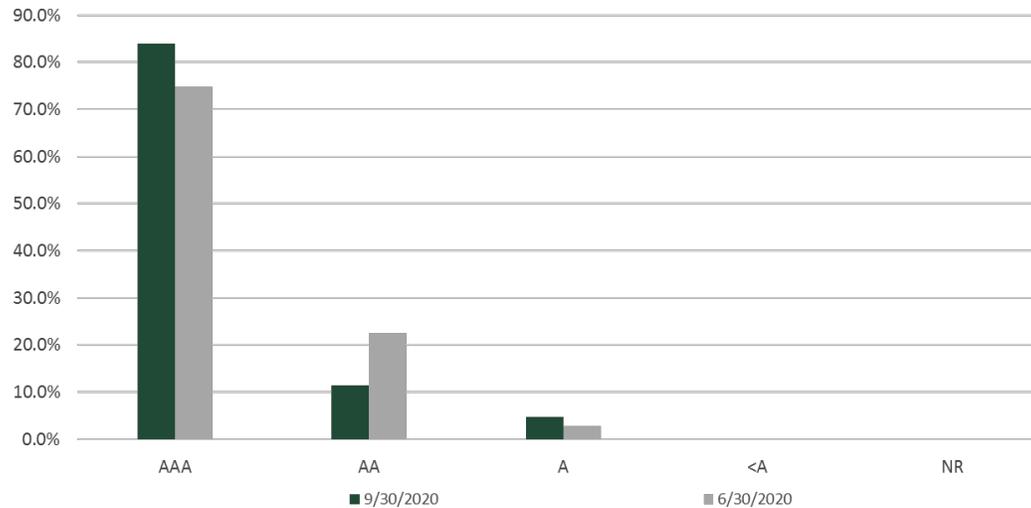
Orange County Sanitation District Long Term
September 30, 2020 vs. June 30, 2020



	AAA	AA	A	<A	NR
09/30/20	7.9%	72.5%	13.0%	1.0%	5.7%
06/30/20	10.1%	68.5%	14.9%	0.5%	6.0%

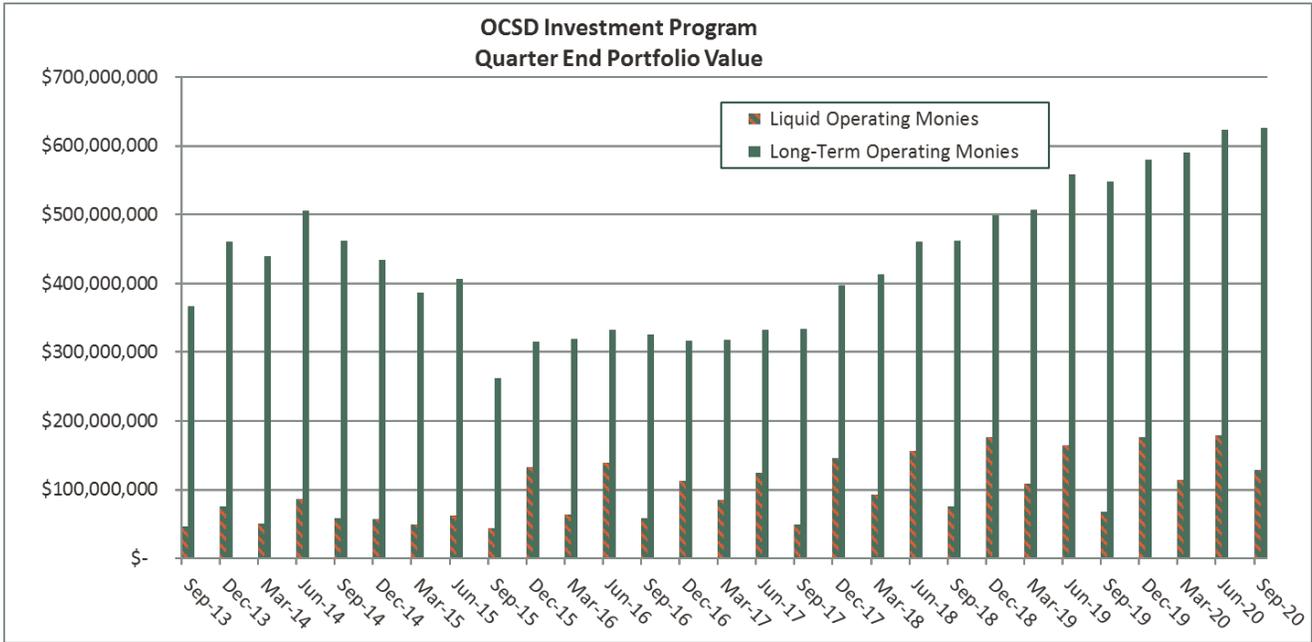
Source: S&P Ratings

Orange County Sanitation District Liquid
September 30, 2020 vs. June 30, 2020

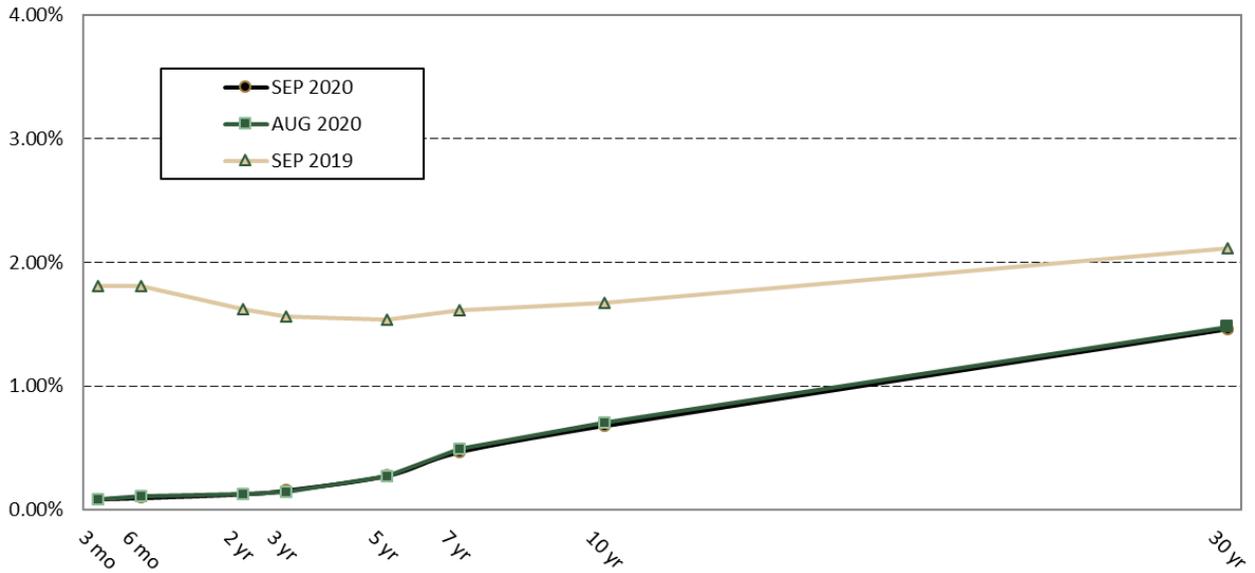


	AAA	AA	A	<A	NR
09/30/20	83.9%	11.4%	4.7%	0.0%	0.0%
06/30/20	74.7%	22.6%	2.7%	0.0%	0.0%

Source: S&P Ratings



HISTORICAL YIELD CURVE





PORTFOLIO CHARACTERISTICS

Average Modified Duration	0.32
Average Coupon	0.54%
Average Purchase YTM	0.17%
Average Market YTM	0.17%
Average S&P/Moody Rating	AAA/Aaa
Average Final Maturity	0.32 yrs
Average Life	0.10 yrs

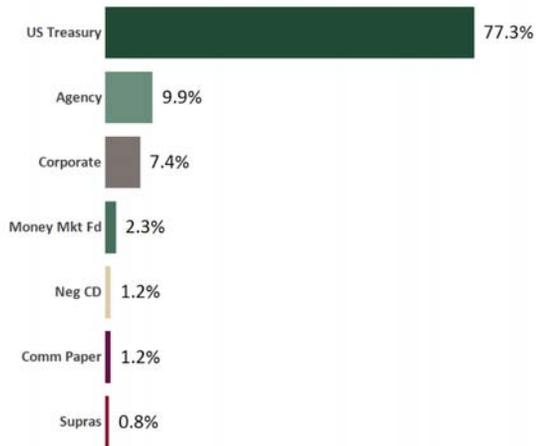
ACCOUNT SUMMARY

	Beg. Values as of 8/31/20	End Values as of 9/30/20
Market Value	128,570,084	128,521,870
Accrued Interest	83,431	145,679
Total Market Value	128,653,515	128,667,549
Income Earned	69,269	17,527
Cont/WD		0
Par	128,528,157	128,270,536
Book Value	128,561,308	128,516,587
Cost Value	128,578,226	128,542,215

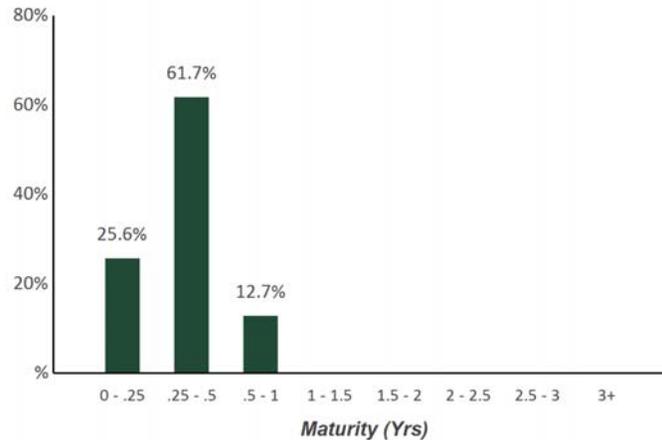
TOP ISSUERS

Government of United States	77.3%
Federal Home Loan Bank	9.9%
Toyota Motor Corp	2.4%
First American Govt Obligation	2.3%
Toronto Dominion Holdings	1.4%
Royal Bank of Canada	1.2%
Charles Schwab Corp/The	1.1%
Apple Inc	0.9%
Total	96.4%

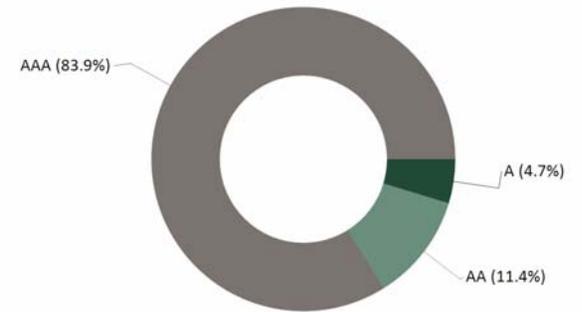
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	11/30/2014
Orange County Sanitation District Liquid	0.01%	0.04%	0.83%	1.34%	1.92%	1.82%	1.32%	N/A	1.16%
ICE BAML 3-Month US Treasury Bill Index	0.01%	0.04%	0.64%	1.10%	1.74%	1.69%	1.20%	N/A	1.03%



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.52
Average Coupon	1.97%
Average Purchase YTM	1.97%
Average Market YTM	0.26%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.74 yrs
Average Life	2.60 yrs

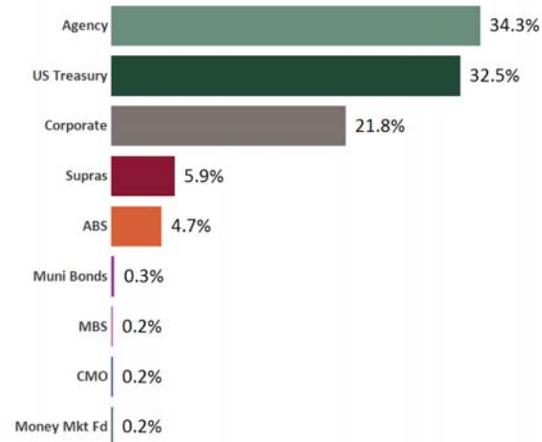
ACCOUNT SUMMARY

	Beg. Values as of 8/31/20	End Values as of 9/30/20
Market Value	622,461,668	622,737,098
Accrued Interest	2,645,806	2,480,511
Total Market Value	625,107,474	625,217,609
Income Earned	1,001,510	983,134
Cont/WD		57,215
Par	597,424,840	598,650,838
Book Value	598,312,851	599,519,389
Cost Value	597,583,821	598,796,201

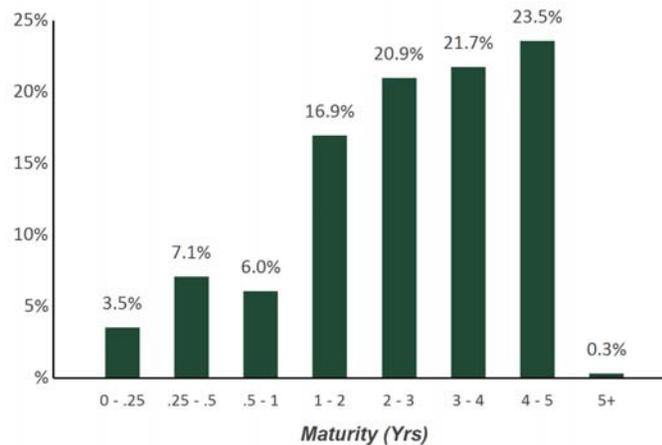
TOP ISSUERS

Government of United States	32.5%
Federal National Mortgage Assoc	15.2%
Federal Home Loan Bank	9.2%
Federal Home Loan Mortgage Corp	8.0%
Intl Bank Recon and Development	2.7%
Inter-American Dev Bank	2.4%
Federal Farm Credit Bank	2.3%
Honda ABS	1.6%
Total	73.7%

SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized								
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	11/30/2014
Orange County Sanitation District Long Term	0.01%	0.29%	4.16%	4.67%	5.09%	3.35%	2.51%	N/A	2.32%
ICE BAML 1-5 Yr US Corp/Govt Rated AAA-A Index	0.00%	0.24%	4.27%	4.73%	5.26%	3.34%	2.41%	N/A	2.29%
ICE BAML US 1-5 Yr US Corp/Govt Rated AAA-BBB Indx	0.00%	0.42%	4.26%	4.82%	5.42%	3.47%	2.60%	N/A	2.44%

**Orange County Sanitation District
Investment Transactions and Balances in the
State of California Local Agency Investment Fund
September 30, 2020**

	<u>Par Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Rate</u>	<u>Yield</u>
Balance					
September 1, 2020	\$71,423,251	\$71,423,251	\$71,423,251	0.69	0.69
Deposits:					
Total Deposits	-	-	-	0.69	0.69
Quarterly Interest Distribution	-	-	-	0.69	0.69
Withdrawals:					
9/2/2020	(4,200,000)	(4,200,000)	(4,200,000)	0.69	0.69
9/8/2020	(2,200,000)	(2,200,000)	(2,200,000)	0.69	0.69
9/16/2020	(8,300,000)	(8,300,000)	(8,300,000)	0.69	0.69
9/22/2020	(4,500,000)	(4,500,000)	(4,500,000)	0.69	0.69
9/23/2020	(4,600,000)	(4,600,000)	(4,600,000)	0.69	0.69
9/30/2020	(4,500,000)	(4,500,000)	(4,500,000)	0.69	0.69
Total Withdrawals	(28,300,000)	(28,300,000)	(28,300,000)	0.69	0.69
Balance					
September 30, 2020	\$43,123,251	\$43,123,251	\$43,123,251	0.69	0.69

U.S. Bank
Asset Summary - Liquid
As of 09/30/2020

Industry Name	Shares/Units	Cost Basis	Market Value	Percent of Total	Unrealized Gain/Loss
Cash Equivalents					
COMMERCIAL PAPER	1,500,000.0000	1,498,721.67	1,499,685.00	1.17	963.33
FIRST AMERICAN SHORT TERM FDS	2,920,536.2900	2,920,536.29	2,920,536.29	2.27	-
U. S. GOVERNMENT	88,250,000.0000	88,172,336.26	88,224,727.50	68.64	52,391.24
Cash Equivalents Total	92,670,536.2900	92,591,594.22	92,644,948.79	72.08	53,354.57
Fixed Income					
CONSUMER DISCRETIONARY	1,500,000.0000	1,523,295.00	1,523,490.00	1.19	195.00
CONSUMER STAPLES	750,000.0000	768,877.50	761,100.00	0.59	(7,777.50)
FINANCE	3,545,000.0000	3,600,897.05	3,570,653.75	2.78	(30,243.30)
FOREIGN FIXED INCOME	2,750,000.0000	2,785,332.50	2,769,870.00	2.15	(15,462.50)
INDUSTRIAL	600,000.0000	607,086.00	606,312.00	0.47	(774.00)
INFORMATION TECHNOLOGY	1,155,000.0000	1,182,327.30	1,172,209.50	0.91	(10,117.80)
SHORT TERM FUNDS	1,500,000.0000	1,500,000.00	1,504,920.00	1.17	4,920.00
U. S. GOVERNMENT	11,000,000.0000	11,191,406.26	11,186,600.00	8.70	(4,806.26)
US AGY - LONG TERM ISSUES	12,800,000.0000	12,791,399.33	12,799,030.00	9.96	7,630.67
Fixed Income Total	35,600,000.0000	35,950,620.94	35,894,185.25	27.92	(56,435.69)
Grand Total	128,270,536.2900	128,542,215.16	128,539,134.04	100.00	(3,081.12)

U.S. Bank
Asset Summary - Long-Term

As of 09/30/2020

Industry Name	Shares/Units	Cost Basis	Market Value	Percent of Total	Unrealized Gain/Loss
Cash Equivalents					
FIRST AMERICAN SHORT TERM FDS	946,228.2600	946,228.26	946,228.26	0.15	-
Cash Equivalents Total	946,228.2600	946,228.26	946,228.26	0.15	-
Fixed Income					
CONSUMER DISCRETIONARY	9,064,000.0000	9,174,701.78	9,534,355.32	1.53	359,653.54
CONSUMER STAPLES	3,880,000.0000	3,878,991.40	4,191,874.40	0.67	312,883.00
ENERGY	9,000,000.0000	8,942,542.40	9,285,555.00	1.49	343,012.60
FINANCE	64,764,000.0000	63,957,544.03	65,499,253.38	10.52	1,541,709.35
FOREIGN CORPORATE	14,500,000.0000	14,676,215.00	15,591,615.00	2.50	915,400.00
HEALTH CARE	2,000,000.0000	1,948,640.00	2,132,460.00	0.34	183,820.00
INDUSTRIAL	4,410,000.0000	4,388,275.50	4,586,341.10	0.74	198,065.60
INFORMATION TECHNOLOGY	23,715,000.0000	23,631,389.55	24,817,032.10	3.99	1,185,642.55
INVESTMENT GRADE-MUNI REVENUE	1,800,000.0000	1,800,000.00	1,815,154.00	0.29	15,154.00
MTG RELATED SECURITY	30,904,780.0900	30,967,547.76	31,377,766.61	5.04	410,218.85
SUPRANATIONAL	36,215,000.0000	35,935,625.05	36,846,449.25	5.92	910,824.20
U. S. GOVERNMENT	182,505,221.9400	181,010,078.18	190,310,265.23	30.56	9,300,187.05
U.S. GOVERNMENT TIPS	11,346,608.0000	11,201,888.09	12,003,917.00	1.93	802,028.91
US AGY - LONG TERM ISSUES	206,200,000.0000	207,649,063.05	213,788,645.85	34.33	6,139,582.80
Fixed Income Total	600,304,610.0300	599,162,501.79	621,780,684.24	99.85	22,618,182.45
Grand Total	601,250,838.2900	600,108,730.05	622,726,912.50	100.00	22,618,182.45



BNY MELLON

Statement Period 09/01/2020 Through 09/30/2020
 Account 300282 Base Currency = USD
 OCSD LIBERTY MUTUAL

Statement of Assets Held by Asset Classification

Shares/Par Value	Asset Description	Market Price	Market Value	Cost	Average Cost	Accrued Income	Estimated Income	Market Yield
CASH AND SHORT TERM								
499,000.000	UNITED STATES TREASURY BILL CUSIP: 9127962F5 MATURITY DATE: 03/25/2021 RATE: 0.000%	99.94800	498,740.52	498,369.32	99.87361	0.00	0.00	0.00%
	CASH BALANCE		1,703.59	1,703.59	0.00000	0.00	0.00	0.00%
Total CASH AND SHORT TERM			500,444.11	500,072.91		0.00	0.00	0.00%
ACCOUNT TOTALS			500,444.11	500,072.91		0.00	0.00	0.00%

Total Market Value Plus Total Accrued Income 500,444.11

Statement of Transactions by Transaction Date

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
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No Transactions This Period

Cumulative realized capital gain and loss position from 12/31/2019 for securities held in principal of account:

Short Term: 80,464.87 * Long Term: 0.00 *

* The above gain and loss position does not include transactions where tax cost information is incomplete or unavailable.

The Bank of New York Mellon may utilize subsidiaries and affiliates to provide services and certain products to the Account. Subsidiaries and affiliates may be compensated for their services and products.

The value of securities set forth on this Account Statement are determined by The Bank of New York Mellon for Corporate Trust on the basis of market prices and information obtained by The Bank of New York Mellon from unaffiliated third parties (including independent pricing vendors) ("third party pricing services"). The Bank of New York Mellon has not verified such market values or information and makes no assurances as to the accuracy or correctness of such market values or information or that the market values set forth on this Account Statement reflect the value of the securities that can be realized upon the sale of such securities. In addition, the market values for securities set forth in this Account Statement may differ from the market prices and information for the same securities used by other business units of The Bank of New York Mellon or its subsidiaries or affiliates based upon market prices and information received from other third party pricing services utilized by such other business units. Corporate Trust does not compare its market values with those used by, or reconcile different market values used by, other business units of The Bank of New York Mellon or its subsidiaries or its affiliates. The Bank of New York Mellon shall not be liable for any loss, damage or expense incurred as a result of or arising from or related to the market values or information provided by third party pricing services or the differences in market prices or information provided by other third party pricing services.

**U.S. Bank
Investment Listing - Yield
As of 09/30/2020**

Asset Category	CUSIP	Asset Short Name	Yield	Shares/Units	Moody's	S&P Rating	Price	Cost Basis	Market Value
Cash Equivalents	31846V567	FIRST AM GOVT OB FD CL Z	0.0360%	2,920,536.2900			1.00	2,920,536.29	2,920,536.29
Cash Equivalents	31846V567	FIRST AM GOVT OB FD CL Z	0.0360%	946,228.2600			1.00	946,228.26	946,228.26
Cash Equivalents	89233GLP9	TOYOTA MOTOR CREDIT CO C P 11/23/20	0.0000%	1,500,000.0000			99.98	1,498,721.67	1,499,685.00
Cash Equivalents	912796UC1	U S TREASURY BILL 1/28/21	0.0938%	58,250,000.0000	N/A	N/A	99.97	58,193,363.48	58,230,777.50
Cash Equivalents	912796XE4	U S TREASURY BILL 2/25/21	0.0963%	10,000,000.0000	N/A	N/A	99.96	9,991,378.33	9,995,900.00
Cash Equivalents	912796TN9	U S TREASURY BILL 10/08/20	0.0500%	5,000,000.0000	N/A	N/A	100.00	4,997,484.38	4,999,950.00
Cash Equivalents	9127962S7	U S TREASURY BILL 10/22/20	0.0800%	5,000,000.0000	N/A	N/A	100.00	4,997,362.85	4,999,750.00
Cash Equivalents	912796TP4	U S TREASURY BILL 11/05/20	0.0813%	5,000,000.0000	N/A	N/A	99.99	4,997,375.00	4,999,600.00
Cash Equivalents	912796TY5	U S TREASURY BILL 12/31/20	0.0950%	5,000,000.0000	N/A	N/A	99.98	4,995,372.22	4,998,750.00
Fixed Income	00440EAT4	ACE INA HOLDINGS 2.300% 11/03/20	2.2968%	500,000.0000	A3	A	100.14	503,140.00	500,705.00
Fixed Income	00440EAP2	ACE INA HOLDINGS 2.700% 3/13/23	2.5661%	2,000,000.0000	A3	A	105.22	1,937,000.00	2,104,340.00
Fixed Income	00440EAU1	ACE INA HOLDINGS 2.875% 11/03/22	2.7485%	4,169,000.0000	A3	A	104.60	4,232,453.17	4,360,857.38
Fixed Income	02665WCZ2	AMERICAN HONDA MTN 2.400% 6/27/24	2.2679%	1,219,000.0000	A3	A-	105.82	1,213,843.63	1,289,982.37
Fixed Income	02665WCJ8	AMERICAN HONDA MTN 3.450% 7/14/23	3.2000%	845,000.0000	A3	A-	107.81	843,538.15	911,002.95
Fixed Income	02665WCQ2	AMERICAN HONDA MTN 3.625% 10/10/23	3.3284%	2,000,000.0000	A3	A-	108.91	1,998,320.00	2,178,220.00
Fixed Income	03215PFN4	AMRESCO 1.12443% 6/25/29	1.2028%	119,021.6400	N/A	A+	93.49	89,377.81	111,269.76
Fixed Income	037833BS8	APPLE INC 2.250% 2/23/21	2.2343%	4,000,000.0000	AA1	AA+	100.70	4,050,840.00	4,028,160.00
Fixed Income	037833AR1	APPLE INC 2.850% 5/06/21	2.8082%	1,155,000.0000	AA1	AA+	101.49	1,182,327.30	1,172,209.50
Fixed Income	037833CU2	APPLE INC 2.850% 5/11/24	2.6413%	3,000,000.0000	AA1	AA+	107.90	3,017,760.00	3,237,090.00
Fixed Income	06051GHF9	BANK OF AMERICA 3.550% 3/05/24	3.3335%	6,675,000.0000	A2	A-	106.50	6,770,625.75	7,108,608.00
Fixed Income	06406RAA5	BANK OF NY MTN 2.600% 2/07/22	2.5268%	2,500,000.0000	A1	A	102.90	2,504,475.00	2,572,425.00
Fixed Income	06406RAE7	BANK OF NY MTN 2.950% 1/29/23	2.8005%	2,500,000.0000	A1	A	105.34	2,489,555.00	2,633,425.00
Fixed Income	084670BR8	BERKSHIRE HATHAWAY 2.750% 3/15/23	2.6106%	2,500,000.0000	AA2	AA	105.34	2,440,950.00	2,633,475.00
Fixed Income	084664BT7	BERKSHIRE HATHAWAY 3.000% 5/15/22	2.8770%	4,000,000.0000	AA2	AA	104.27	4,131,120.00	4,170,960.00
Fixed Income	09247XAL5	BLACKROCK INC 3.500% 3/18/24	3.1760%	1,000,000.0000	AA3	AA-	110.20	1,036,330.00	1,102,010.00
Fixed Income	808513AT2	CHARLES SCHWAB CORP 2.650% 1/25/23	2.5274%	6,750,000.0000	A2	A	104.85	6,729,480.00	7,077,307.50
Fixed Income	808513AW5	CHARLES SCHWAB CORP 3.250% 5/21/21	3.1987%	1,385,000.0000	A2	A	101.60	1,419,472.65	1,407,201.55
Fixed Income	166764BG4	CHEVRON CORP 2.100% 5/16/21	2.0788%	2,500,000.0000	AA2	AA	101.02	2,485,350.00	2,525,450.00
Fixed Income	166764AH3	CHEVRON CORP 3.191% 6/24/23	2.9860%	3,500,000.0000	AA2	AA	106.87	3,441,095.00	3,740,275.00
Fixed Income	30231GAV4	EXXON MOBIL 2.222% 3/01/21	2.2074%	3,000,000.0000	AA1	AA	100.66	3,016,097.40	3,019,830.00
Fixed Income	3133ELYR9	F F C B DEB 0.250% 5/06/22	0.2496%	8,850,000.0000	AAA	AA+	100.15	8,838,760.50	8,863,629.00
Fixed Income	3133EKWV4	F F C B DEB 1.850% 7/26/24	1.7458%	5,000,000.0000	AAA	AA+	105.97	5,048,280.00	5,298,500.00
Fixed Income	3130A1XJ2	F H L B 2.875% 6/14/24	2.6214%	11,110,000.0000	AAA	AA+	109.68	11,589,031.30	12,185,003.60
Fixed Income	3130A7CV5	F H L B DEB 1.375% 2/18/21	1.3686%	5,365,000.0000	AAA	AA+	100.47	5,343,325.40	5,390,161.85
Fixed Income	313379RB7	F H L B DEB 1.875% 6/11/21	1.8525%	4,000,000.0000	AAA	AA+	101.21	4,030,160.00	4,048,560.00
Fixed Income	3130A4CH3	F H L B DEB 2.375% 3/14/25	2.1882%	5,225,000.0000	AAA	AA+	108.54	5,526,848.25	5,671,162.75
Fixed Income	3130A2UW4	F H L B DEB 2.875% 9/13/24	2.6004%	2,500,000.0000	AAA	AA+	110.56	2,635,950.00	2,763,975.00
Fixed Income	313383QR5	F H L B DEB 3.250% 6/09/23	3.0080%	5,000,000.0000	AAA	AA+	108.05	5,083,350.00	5,402,250.00
Fixed Income	313383YJ4	F H L B DEB 3.375% 9/08/23	3.0921%	10,000,000.0000	AAA	AA+	109.15	10,211,831.00	10,915,000.00
Fixed Income	3130A0F70	F H L B DEB 3.375% 12/08/23	3.0727%	10,000,000.0000	AAA	AA+	109.84	10,269,043.75	10,984,000.00

**U.S. Bank
Investment Listing - Yield
As of 09/30/2020**

Asset Category	CUSIP	Asset Short Name	Yield	Shares/Units	Moody's	S&P Rating	Price	Cost Basis	Market Value
Fixed Income	313385AD8	F H L B DISC NTS 1/04/21	0.0000%	1,500,000.0000	N/A	N/A	99.98	1,498,340.00	1,499,640.00
Fixed Income	313384K57	F H L B DISC NTS 10/13/20	0.0000%	6,500,000.0000	N/A	N/A	100.00	6,496,403.33	6,499,870.00
Fixed Income	313384Q77	F H L B DISC NTS 11/24/20	0.0000%	4,800,000.0000	N/A	N/A	99.99	4,796,656.00	4,799,520.00
Fixed Income	3137EAEP0	F H L M C 1.500% 2/12/25	1.4291%	12,335,000.0000	AAA	N/A	104.96	12,510,182.05	12,946,569.30
Fixed Income	3137EAEN5	F H L M C 2.750% 6/19/23	2.5759%	10,000,000.0000	AAA	AA+	106.76	9,956,500.00	10,676,000.00
Fixed Income	3137EAEU9	F H L M C M T N 0.375% 7/21/25	0.3749%	5,030,000.0000	AAA	AA+	100.02	5,004,950.60	5,030,804.80
Fixed Income	3137EAEX3	F H L M C M T N 0.375% 9/23/25	0.3762%	7,660,000.0000	AAA	AA+	99.67	7,636,943.40	7,634,722.00
Fixed Income	3137EAEK1	F H L M C M T N 1.875% 11/17/20	1.8707%	5,000,000.0000	AAA	AA+	100.23	4,986,225.00	5,011,450.00
Fixed Income	3137EAEL9	F H L M C M T N 2.375% 2/16/21	2.3553%	7,500,000.0000	AAA	AA+	100.84	7,484,475.00	7,562,850.00
Fixed Income	31348SWZ3	F H L M C #786064 3.845% 1/01/28	3.8438%	1,626.7500	N/A	N/A	100.03	1,587.14	1,627.24
Fixed Income	3133TCE95	F H L M C MLTCL MTG 3.985% 8/15/32	3.9386%	4,760.3500	N/A	N/A	101.18	4,765.34	4,816.37
Fixed Income	31394JY35	F H L M C MLTCL MTG 6.500% 9/25/43	5.5647%	585,676.6100	N/A	N/A	116.81	663,278.76	684,111.28
Fixed Income	3135G05G4	F N M A 0.250% 7/10/23	0.2501%	6,775,000.0000	AAA	AA+	99.98	6,760,433.75	6,773,577.25
Fixed Income	3135G05X7	F N M A 0.375% 8/25/25	0.3762%	7,945,000.0000	AAA	AA+	99.69	7,907,817.40	7,919,973.25
Fixed Income	3135G04Z3	F N M A 0.500% 6/17/25	0.4977%	9,905,000.0000	AAA	AA+	100.46	9,884,496.65	9,950,662.05
Fixed Income	3135G0F73	F N M A 1.500% 11/30/20	1.4966%	7,500,000.0000	AAA	AA+	100.23	7,370,726.00	7,517,175.00
Fixed Income	3135G0X24	F N M A 1.625% 1/07/25	1.5421%	10,000,000.0000	AAA	AA+	105.38	10,157,936.40	10,537,700.00
Fixed Income	3135G0T45	F N M A 1.875% 4/05/22	1.8269%	5,000,000.0000	AAA	AA+	102.63	4,972,500.00	5,131,650.00
Fixed Income	3135G0S38	F N M A 2.000% 1/05/22	1.9534%	3,000,000.0000	AAA	AA+	102.38	2,994,570.00	3,071,520.00
Fixed Income	3135G0V34	F N M A 2.500% 2/05/24	2.3255%	5,000,000.0000	AAA	AA+	107.50	4,980,850.00	5,375,200.00
Fixed Income	3135G0U35	F N M A 2.750% 6/22/21	2.6990%	7,500,000.0000	AAA	AA+	101.89	7,515,225.00	7,641,600.00
Fixed Income	31371NUC7	F N M A #257179 4.500% 4/01/28	4.1657%	11,104.3500	N/A	N/A	108.03	11,743.94	11,995.59
Fixed Income	31376KT22	F N M A #357969 5.000% 9/01/35	4.3408%	82,086.0900	N/A	N/A	115.19	88,242.53	94,550.86
Fixed Income	31381PDA3	F N M A #466397 3.400% 11/01/20	3.4013%	328,447.9500	N/A	N/A	99.96	321,340.16	328,323.14
Fixed Income	31403DJZ3	F N M A #745580 5.000% 6/01/36	4.3466%	75,792.8500	N/A	N/A	115.03	81,477.30	87,186.79
Fixed Income	31403GXF4	F N M A #748678 5.000% 10/01/33	4.4085%	1,670.9100	N/A	N/A	113.42	1,796.23	1,895.08
Fixed Income	31406PQY8	F N M A #815971 5.000% 3/01/35	4.3533%	120,390.9900	N/A	N/A	114.86	129,420.33	138,276.28
Fixed Income	31406XWT5	F N M A #823358 3.674% 2/01/35	3.5164%	92,694.1200	N/A	N/A	104.48	91,969.95	96,849.60
Fixed Income	31407BXH7	F N M A #826080 5.000% 7/01/35	4.3515%	15,398.4800	N/A	N/A	114.90	16,553.35	17,693.32
Fixed Income	31410F4V4	F N M A #888336 5.000% 7/01/36	4.3447%	144,221.1700	N/A	N/A	115.08	155,037.77	165,972.61
Fixed Income	3138EG6F6	F N M A #AL0869 4.500% 6/01/29	4.1315%	7,682.5500	N/A	N/A	108.92	8,125.07	8,367.83
Fixed Income	31417YAY3	F N M A #MA0022 4.500% 4/01/29	4.1317%	12,456.7600	N/A	N/A	108.91	13,174.25	13,567.16
Fixed Income	3135G03U5	F N M A DEB 0.625% 4/22/25	0.6166%	14,000,000.0000	AAA	AA+	101.36	13,996,711.60	14,189,700.00
Fixed Income	3135G0J20	F N M A DEB 1.375% 2/26/21	1.3682%	10,000,000.0000	AAA	AA+	100.50	10,040,950.00	10,050,000.00
Fixed Income	3135G0T94	F N M A DEB 2.375% 1/19/23	2.2640%	5,000,000.0000	AAA	AA+	104.91	4,910,990.00	5,245,250.00
Fixed Income	31397QRE0	F N M A GTD REMIC 2.472% 2/25/41	0.8171%	146,233.8600	N/A	N/A	101.35	146,188.17	148,209.48
Fixed Income	36225CAZ9	G N M A I I #080023 3.125% 12/20/26	3.0120%	12,588.6000	N/A	N/A	103.75	12,796.57	13,061.05
Fixed Income	36225CC20	G N M A I I #080088 2.875% 6/20/27	2.8169%	9,352.0300	N/A	N/A	102.06	9,556.61	9,545.06
Fixed Income	36225CNM4	G N M A I I #080395 2.875% 4/20/30	2.7571%	5,221.9400	N/A	N/A	104.28	5,174.58	5,445.23
Fixed Income	36225CN28	G N M A I I #080408 2.875% 5/20/30	2.7571%	37,845.1900	N/A	N/A	104.28	37,460.83	39,464.21

**U.S. Bank
Investment Listing - Yield
As of 09/30/2020**

Asset Category	CUSIP	Asset Short Name	Yield	Shares/Units	Moody's	S&P Rating	Price	Cost Basis	Market Value
Fixed Income	36225DCB8	G N M A I I #080965 3.250% 7/20/34	3.1078%	33,988.1600	N/A	N/A	104.58	33,966.93	35,543.12
Fixed Income	369550BE7	GENERAL DYNAMICS 3.000% 5/11/21	2.9507%	3,160,000.0000	A2	A	101.67	3,138,038.00	3,212,803.60
Fixed Income	43813KAC6	HONDA AUTO 0.370% 10/18/24	0.3700%	3,235,000.0000	N/A	AAA	100.01	3,234,524.78	3,235,323.50
Fixed Income	43814PAC4	HONDA AUTO 1.790% 9/20/21	1.7870%	320,898.6400	N/A	AAA	100.17	315,809.39	321,437.75
Fixed Income	43815NAB0	HONDA AUTO 1.900% 4/15/22	1.8893%	2,182,158.8200	AAA	AAA	100.57	2,182,006.07	2,194,509.84
Fixed Income	43814WAB1	HONDA AUTO 2.750% 9/20/21	2.7432%	706,874.2800	N/A	AAA	100.25	706,828.76	708,620.26
Fixed Income	43815HAC1	HONDA AUTO 2.950% 8/22/22	2.9118%	2,445,741.8400	AAA	N/A	101.31	2,445,406.29	2,477,829.97
Fixed Income	43814UAG4	HONDA AUTO 3.010% 5/18/22	2.9760%	937,656.4800	N/A	AAA	101.14	937,636.04	948,355.14
Fixed Income	438516CB0	HONEYWELL 1.350% 6/01/25	1.3094%	5,000,000.0000	A2	A	103.10	5,119,000.00	5,155,150.00
Fixed Income	44932HAH6	IBM CREDIT CORP 3.000% 2/06/23	2.8227%	5,670,000.0000	A2	A	106.28	5,603,264.40	6,026,246.10
Fixed Income	458140BD1	INTEL CORP 2.875% 5/11/24	2.6596%	5,000,000.0000	A1	A+	108.10	5,025,900.00	5,404,900.00
Fixed Income	4581X0CS5	INTER AMER BK M T N 1.875% 3/15/21	1.8615%	5,000,000.0000	AAA	AAA	100.72	5,059,610.00	5,036,150.00
Fixed Income	4581X0CZ9	INTER AMER DEV BK 1.750% 9/14/22	1.6997%	6,500,000.0000	AAA	AAA	102.96	6,249,655.00	6,692,530.00
Fixed Income	4581X0CW6	INTER AMER DEV BK 2.125% 1/18/22	2.0745%	3,000,000.0000	AAA	N/A	102.44	2,996,310.00	3,073,050.00
Fixed Income	459058FH1	INTL BK 1.375% 5/24/21	1.3653%	1,000,000.0000	AAA	AAA	100.71	1,010,570.00	1,007,130.00
Fixed Income	459058FY4	INTL BK 2.000% 1/26/22	1.9542%	10,000,000.0000	AAA	N/A	102.34	10,006,350.00	10,234,300.00
Fixed Income	459058JB0	INTL BK M T N 0.625% 4/22/25	0.6192%	6,245,000.0000	AAA	AAA	100.93	6,220,831.85	6,303,140.95
Fixed Income	45950KCM0	INTL BK M T N 2.250% 1/25/21	2.2357%	2,970,000.0000	AAA	AAA	100.64	2,961,268.20	2,988,978.30
Fixed Income	45950KCJ7	INTL FINANCE CORP 1.125% 7/20/21	1.1168%	2,500,000.0000	AAA	AAA	100.73	2,441,600.00	2,518,300.00
Fixed Income	24422EUM9	JOHN DEERE MTN 3.650% 10/12/23	3.3217%	1,250,000.0000	A2	A	109.88	1,250,237.50	1,373,537.50
Fixed Income	47787NAC3	JOHN DEERE OWNER 0.510% 11/15/24	0.5087%	1,480,000.0000	AAA	N/A	100.26	1,479,774.45	1,483,848.00
Fixed Income	47788BAD6	JOHN DEERE OWNER 1.820% 10/15/21	1.8190%	19,300.2100	AAA	N/A	100.06	19,298.80	19,310.83
Fixed Income	477870AB5	JOHN DEERE OWNER 2.280% 5/16/22	2.2690%	1,242,530.5500	AAA	N/A	100.49	1,242,525.83	1,248,556.82
Fixed Income	47788CAC6	JOHN DEERE OWNER 2.660% 4/18/22	2.6455%	391,673.1800	AAA	N/A	100.55	391,645.02	393,815.63
Fixed Income	47789JAB2	JOHN DEERE OWNER 2.850% 12/15/21	2.8445%	419,926.3300	AAA	N/A	100.19	419,907.19	420,736.79
Fixed Income	47788EAC2	JOHN DEERE OWNER 3.080% 11/15/22	3.0377%	2,901,661.2900	AAA	N/A	101.39	2,901,441.35	2,942,110.45
Fixed Income	46625HRL6	JP MORGAN CHASE CO 2.700% 5/18/23	2.5567%	5,000,000.0000	A2	A-	105.60	4,821,910.00	5,280,150.00
Fixed Income	46647PAU0	JPMORGAN CHASE CO 3.797% 7/23/24	3.5051%	2,500,000.0000	A2	A-	108.33	2,632,175.00	2,708,200.00
Fixed Income	46625HHU7	JPMORGAN CHASE CO 4.250% 10/15/20	4.2440%	1,160,000.0000	WR	N/R	100.14	1,176,924.40	1,161,647.20
Fixed Income	494368BF9	KIMBERLY CLARK CORP 3.875% 3/01/21	3.8185%	750,000.0000	A2	A	101.48	768,877.50	761,100.00
Fixed Income	525ESC0Y6	LEHMAN BRTH HLD ESC	0.0000%	2,000,000.0000			-	1,026,605.56	-
Fixed Income	525ESCIB7	LEHMAN BRTH MTN ES 0.00001% 1/24/13	0.0008%	600,000.0000	N/A	N/A	1.20	318,603.60	7,200.00
Fixed Income	58770FAC6	MERCEDES BENZ AUTO 1.840% 12/15/22	1.8105%	2,050,000.0000	AAA	AAA	101.63	2,049,729.81	2,083,374.00
Fixed Income	58933YAF2	MERCK CO INC 2.800% 5/18/23	2.6261%	2,000,000.0000	A1	AA-	106.62	1,948,640.00	2,132,460.00
Fixed Income	594918BP8	MICROSOFT CORP 1.550% 8/08/21	1.5334%	3,045,000.0000	AAA	AAA	101.08	3,041,385.15	3,077,886.00
Fixed Income	61747WAL3	MORGAN STANLEY 5.500% 7/28/21	5.2791%	2,800,000.0000	A2	BBB+	104.19	3,200,848.00	2,917,180.00
Fixed Income	64971M5E8	NEW YORK CITY NY 4.075% 11/01/20	4.0629%	1,400,000.0000	AA1	AAA	100.30	1,400,000.00	1,404,158.00
Fixed Income	65478GAD2	NISSAN AUTO 1.750% 10/15/21	1.7471%	292,650.5800	AAA	N/A	100.16	288,112.21	293,130.53
Fixed Income	65479JAD5	NISSAN AUTO 1.930% 7/15/24	1.8835%	4,185,000.0000	AAA	AAA	102.47	4,184,779.03	4,288,369.50
Fixed Income	65479GAD1	NISSAN AUTO 3.060% 3/15/23	3.0093%	2,845,516.9800	AAA	AAA	101.68	2,845,424.79	2,893,435.49

**U.S. Bank
Investment Listing - Yield
As of 09/30/2020**

Asset Category	CUSIP	Asset Short Name	Yield	Shares/Units	Moody's	S&P Rating	Price	Cost Basis	Market Value
Fixed Income	68389XBK0	ORACLE CORP 1.900% 9/15/21	1.8733%	3,000,000.0000	A3	A	101.43	2,892,240.00	3,042,750.00
Fixed Income	69371RN93	PACCAR FINANCIAL MTN 2.800% 3/01/21	2.7709%	600,000.0000	A1	A+	101.05	607,086.00	606,312.00
Fixed Income	69353RFB9	PNC BANK NA MTN 2.625% 2/17/22	2.5478%	1,000,000.0000	A2	A	103.03	974,940.00	1,030,290.00
Fixed Income	69353RFL7	PNC BANK NA MTN 3.500% 6/08/23	3.2565%	5,000,000.0000	A2	A	107.48	4,993,318.05	5,373,900.00
Fixed Income	78015K7H1	ROYAL BANK OF MTN 1.150% 6/10/25	1.1342%	1,500,000.0000	A2	A	101.40	1,515,480.00	1,520,955.00
Fixed Income	78013XZU5	ROYAL BANK OF MTN 2.550% 7/16/24	2.3837%	6,500,000.0000	A2	A	106.98	6,581,445.00	6,953,505.00
Fixed Income	78012UVJ1	ROYAL BK OF C D 1.000% 2/19/21	0.9967%	1,500,000.0000			100.33	1,500,000.00	1,504,920.00
Fixed Income	83162CLJ0	S B A GTD DEV PART 6.340% 3/01/21	6.2712%	2,984.8600	N/A	N/A	101.10	2,984.86	3,017.60
Fixed Income	78445JAA5	S L M A 1.76388% 4/25/23	1.7974%	11,225.8000	BAA3	B	98.14	11,180.25	11,016.66
Fixed Income	89114QBX5	TORONTO DOMINION MTN 2.550% 1/25/21	2.5316%	1,750,000.0000	AA1	AA-	100.73	1,774,762.50	1,762,740.00
Fixed Income	89114QCA4	TORONTO DOMINION MTN 2.650% 6/12/24	2.4768%	3,000,000.0000	AA3	A	106.99	3,000,570.00	3,209,760.00
Fixed Income	89114QC48	TORONTO MTN 3.500% 7/19/23	3.2238%	5,000,000.0000	AA1	AA-	108.57	5,094,200.00	5,428,350.00
Fixed Income	89239AAB9	TOYOTA AUTO 2.830% 10/15/21	2.8238%	430,940.8400	AAA	AAA	100.22	430,901.72	431,893.22
Fixed Income	89237VAB5	TOYOTA AUTO RECV 0.440% 10/15/24	0.4390%	2,960,000.0000	AAA	AAA	100.23	2,959,772.08	2,966,748.80
Fixed Income	89236TBJ3	TOYOTA MOTOR MTN 2.750% 5/17/21	2.7076%	1,500,000.0000	A1	A+	101.57	1,523,295.00	1,523,490.00
Fixed Income	912828WU0	U S TREASURY I P S 0.125% 7/15/24	0.1182%	11,346,608.0000	AAA	N/A	105.79	11,201,888.09	12,003,917.00
Fixed Income	912828ZL7	U S TREASURY NT 0.375% 4/30/25	0.3728%	12,000,000.0000	AAA	N/A	100.59	11,998,515.63	12,070,800.00
Fixed Income	912828T34	U S TREASURY NT 1.125% 9/30/21	1.1141%	7,000,000.0000	AAA	N/A	100.98	6,757,914.08	7,068,390.00
Fixed Income	912828T67	U S TREASURY NT 1.250% 10/31/21	1.2350%	6,000,000.0000	AAA	N/A	101.21	5,813,691.98	6,072,660.00
Fixed Income	912828N89	U S TREASURY NT 1.375% 1/31/21	1.3694%	6,000,000.0000	AAA	N/A	100.41	5,895,840.41	6,024,600.00
Fixed Income	912828L99	U S TREASURY NT 1.375% 10/31/20	1.3736%	6,500,000.0000	AAA	N/A	100.10	6,396,119.99	6,506,760.00
Fixed Income	912828YH7	U S TREASURY NT 1.500% 9/30/24	1.4267%	14,000,000.0000	AAA	N/A	105.14	13,859,296.88	14,719,180.00
Fixed Income	912828R69	U S TREASURY NT 1.625% 5/31/23	1.5633%	5,000,000.0000	AAA	N/A	103.95	4,757,226.56	5,197,250.00
Fixed Income	912828J76	U S TREASURY NT 1.750% 3/31/22	1.7085%	5,000,000.0000	AAA	N/A	102.43	4,976,383.94	5,121,500.00
Fixed Income	912828XW5	U S TREASURY NT 1.750% 6/30/22	1.7018%	5,000,000.0000	AAA	N/A	102.83	4,973,454.25	5,141,600.00
Fixed Income	912828L57	U S TREASURY NT 1.750% 9/30/22	1.6952%	16,000,000.0000	AAA	N/A	103.23	15,829,492.20	16,517,440.00
Fixed Income	912828U65	U S TREASURY NT 1.750% 11/30/21	1.7177%	7,000,000.0000	AAA	N/A	101.88	6,900,492.20	7,131,810.00
Fixed Income	912828V72	U S TREASURY NT 1.875% 1/31/22	1.8323%	3,000,000.0000	AAA	N/A	102.33	3,004,814.74	3,069,840.00
Fixed Income	912828L24	U S TREASURY NT 1.875% 8/31/22	1.8145%	6,000,000.0000	AAA	N/A	103.33	5,987,832.60	6,199,920.00
Fixed Income	912828XX3	U S TREASURY NT 2.000% 6/30/24	1.8737%	5,000,000.0000	AAA	N/A	106.74	5,028,710.94	5,337,100.00
Fixed Income	912828M80	U S TREASURY NT 2.000% 11/30/22	1.9224%	8,000,000.0000	AAA	N/A	104.04	7,907,500.00	8,322,800.00
Fixed Income	912828W48	U S TREASURY NT 2.125% 2/29/24	1.9929%	10,000,000.0000	AAA	N/A	106.63	9,911,718.75	10,662,900.00
Fixed Income	912828WR7	U S TREASURY NT 2.125% 6/30/21	2.0936%	3,000,000.0000	AAA	N/A	101.50	3,047,109.38	3,045,000.00
Fixed Income	912828U57	U S TREASURY NT 2.125% 11/30/23	2.0012%	15,000,000.0000	AAA	N/A	106.18	14,723,632.81	15,927,600.00
Fixed Income	9128283J7	U S TREASURY NT 2.125% 11/30/24	1.9698%	16,500,000.0000	AAA	N/A	107.88	16,783,886.72	17,800,035.00
Fixed Income	912828N30	U S TREASURY NT 2.125% 12/31/22	2.0341%	5,000,000.0000	AAA	N/A	104.47	4,926,562.50	5,223,450.00
Fixed Income	912828V80	U S TREASURY NT 2.250% 1/31/24	2.1049%	7,500,000.0000	AAA		106.90	7,491,503.91	8,017,125.00
Fixed Income	912828WY2	U S TREASURY NT 2.250% 7/31/21	2.2109%	8,000,000.0000	AAA	N/A	101.77	8,144,296.88	8,141,600.00
Fixed Income	9128284D9	U S TREASURY NT 2.500% 3/31/23	2.3609%	10,000,000.0000	AAA	N/A	105.89	9,887,265.63	10,589,100.00
Fixed Income	912828WJ5	U S TREASURY NT 2.500% 5/15/24	2.3078%	7,000,000.0000	AAA	N/A	108.33	7,193,046.88	7,582,960.00

**U.S. Bank
Investment Listing - Yield
As of 09/30/2020**

Asset Category	CUSIP	Asset Short Name	Yield	Shares/Units	Moody's	S&P Rating	Price	Cost Basis	Market Value
Fixed Income	913366EJ5	UNIV OF CALIFORNIA 5.035% 5/15/21	4.9003%	400,000.0000	AA3	AA-	102.75	400,000.00	410,996.00
Fixed Income	90331HPL1	US BANK NA MTN 2.050% 1/21/25	1.9410%	7,270,000.0000	A1	AA-	105.62	7,254,514.90	7,678,210.50
Fixed Income	90331HNL3	US BANK NA MTN 2.850% 1/23/23	2.7022%	2,000,000.0000	A1	AA-	105.47	1,992,640.00	2,109,360.00
Fixed Income	92826CAB8	VISA INC 2.200% 12/14/20	2.1952%	500,000.0000	AA3	AA-	100.22	501,360.00	501,100.00
Fixed Income	931142EK5	WALMART INC 3.400% 6/26/23	3.1470%	3,880,000.0000	AA2	AA	108.04	3,878,991.40	4,191,874.40
Fixed Income	95000U2B8	WELLS FARGO MTN 2.625% 7/22/22	2.5318%	3,000,000.0000	A2	BBB+	103.68	2,954,520.00	3,110,400.00
Total Consolidated									751,266,046.54

U.S. Bank
Asset Detail - Consolidated
As of 09/30/2020

CUSIP	Asset Short Name	Price	Shares/Units	Cost Basis	Market Value	Percent of Total	Unrealized Gain/Loss
Cash Equivalents							
31846V567	FIRST AM GOVT OB FD CL Z	1.00	2,920,536.2900	2,920,536.29	2,920,536.29	0.39	-
31846V567	FIRST AM GOVT OB FD CL Z	1.00	946,228.2600	946,228.26	946,228.26	0.13	-
89233GLP9	TOYOTA MOTOR CREDIT CO C P 11/23/20	99.98	1,500,000.0000	1,498,721.67	1,499,685.00	0.20	963.33
912796UC1	U S TREASURY BILL 1/28/21	99.97	58,250,000.0000	58,193,363.48	58,230,777.50	7.75	37,414.02
912796XE4	U S TREASURY BILL 2/25/21	99.96	10,000,000.0000	9,991,378.33	9,995,900.00	1.33	4,521.67
912796TN9	U S TREASURY BILL 10/08/20	100.00	5,000,000.0000	4,997,484.38	4,999,950.00	0.67	2,465.62
9127962S7	U S TREASURY BILL 10/22/20	100.00	5,000,000.0000	4,997,362.85	4,999,750.00	0.67	2,387.15
912796TP4	U S TREASURY BILL 11/05/20	99.99	5,000,000.0000	4,997,375.00	4,999,600.00	0.67	2,225.00
912796TY5	U S TREASURY BILL 12/31/20	99.98	5,000,000.0000	4,995,372.22	4,998,750.00	0.67	3,377.78
Cash Equivalents Total			93,616,764.5500	93,537,822.48	93,591,177.05	12.46	53,354.57
Fixed Income							
00440EAT4	ACE INA HOLDINGS 2.300% 11/03/20	100.14	500,000.0000	503,140.00	500,705.00	0.07	(2,435.00)
00440EAP2	ACE INA HOLDINGS 2.700% 3/13/23	105.22	2,000,000.0000	1,937,000.00	2,104,340.00	0.28	167,340.00
00440EAU1	ACE INA HOLDINGS 2.875% 11/03/22	104.60	4,169,000.0000	4,232,453.17	4,360,857.38	0.58	128,404.21
02665WCZ2	AMERICAN HONDA MTN 2.400% 6/27/24	105.82	1,219,000.0000	1,213,843.63	1,289,982.37	0.17	76,138.74
02665WCJ8	AMERICAN HONDA MTN 3.450% 7/14/23	107.81	845,000.0000	843,538.15	911,002.95	0.12	67,464.80
02665WCQ2	AMERICAN HONDA MTN 3.625% 10/10/23	108.91	2,000,000.0000	1,998,320.00	2,178,220.00	0.29	179,900.00
03215PFN4	AMRESCO 1.12443% 6/25/29	93.49	119,021.6400	89,377.81	111,269.76	0.01	21,891.95
037833BS8	APPLE INC 2.250% 2/23/21	100.70	4,000,000.0000	4,050,840.00	4,028,160.00	0.54	(22,680.00)
037833AR1	APPLE INC 2.850% 5/06/21	101.49	1,155,000.0000	1,182,327.30	1,172,209.50	0.16	(10,117.80)
037833CU2	APPLE INC 2.850% 5/11/24	107.90	3,000,000.0000	3,017,760.00	3,237,090.00	0.43	219,330.00
06051GHF9	BANK OF AMERICA 3.550% 3/05/24	106.50	6,675,000.0000	6,770,625.75	7,108,608.00	0.95	337,982.25
06406RAA5	BANK OF NY MTN 2.600% 2/07/22	102.90	2,500,000.0000	2,504,475.00	2,572,425.00	0.34	67,950.00
06406RAE7	BANK OF NY MTN 2.950% 1/29/23	105.34	2,500,000.0000	2,489,555.00	2,633,425.00	0.35	143,870.00
084670BR8	BERKSHIRE HATHAWAY 2.750% 3/15/23	105.34	2,500,000.0000	2,440,950.00	2,633,475.00	0.35	192,525.00
084664BT7	BERKSHIRE HATHAWAY 3.000% 5/15/22	104.27	4,000,000.0000	4,131,120.00	4,170,960.00	0.56	39,840.00
09247XAL5	BLACKROCK INC 3.500% 3/18/24	110.20	1,000,000.0000	1,036,330.00	1,102,010.00	0.15	65,680.00
808513AT2	CHARLES SCHWAB CORP 2.650% 1/25/23	104.85	6,750,000.0000	6,729,480.00	7,077,307.50	0.94	347,827.50
808513AW5	CHARLES SCHWAB CORP 3.250% 5/21/21	101.60	1,385,000.0000	1,419,472.65	1,407,201.55	0.19	(12,271.10)
166764BG4	CHEVRON CORP 2.100% 5/16/21	101.02	2,500,000.0000	2,485,350.00	2,525,450.00	0.34	40,100.00
166764AH3	CHEVRON CORP 3.191% 6/24/23	106.87	3,500,000.0000	3,441,095.00	3,740,275.00	0.50	299,180.00
30231GAV4	EXXON MOBIL 2.222% 3/01/21	100.66	3,000,000.0000	3,016,097.40	3,019,830.00	0.40	3,732.60
3133ELYR9	F F C B DEB 0.250% 5/06/22	100.15	8,850,000.0000	8,838,760.50	8,863,629.00	1.18	24,868.50
3133EKWV4	F F C B DEB 1.850% 7/26/24	105.97	5,000,000.0000	5,048,280.00	5,298,500.00	0.71	250,220.00
3130A1XJ2	F H L B 2.875% 6/14/24	109.68	11,110,000.0000	11,589,031.30	12,185,003.60	1.62	595,972.30
3130A7CV5	F H L B DEB 1.375% 2/18/21	100.47	5,365,000.0000	5,343,325.40	5,390,161.85	0.72	46,836.45
313379RB7	F H L B DEB 1.875% 6/11/21	101.21	4,000,000.0000	4,030,160.00	4,048,560.00	0.54	18,400.00
3130A4CH3	F H L B DEB 2.375% 3/14/25	108.54	5,225,000.0000	5,526,848.25	5,671,162.75	0.75	144,314.50
3130A2UW4	F H L B DEB 2.875% 9/13/24	110.56	2,500,000.0000	2,635,950.00	2,763,975.00	0.37	128,025.00
313383QR5	F H L B DEB 3.250% 6/09/23	108.05	5,000,000.0000	5,083,350.00	5,402,250.00	0.72	318,900.00

U.S. Bank
Asset Detail - Consolidated
As of 09/30/2020

CUSIP	Asset Short Name	Price	Shares/Units	Cost Basis	Market Value	Percent of Total	Unrealized Gain/Loss
313383YJ4	F H L B DEB 3.375% 9/08/23	109.15	10,000,000.0000	10,211,831.00	10,915,000.00	1.45	703,169.00
3130A0F70	F H L B DEB 3.375% 12/08/23	109.84	10,000,000.0000	10,269,043.75	10,984,000.00	1.46	714,956.25
313385AD8	F H L B DISC NTS 1/04/21	99.98	1,500,000.0000	1,498,340.00	1,499,640.00	0.20	1,300.00
313384K57	F H L B DISC NTS 10/13/20	100.00	6,500,000.0000	6,496,403.33	6,499,870.00	0.87	3,466.67
313384Q77	F H L B DISC NTS 11/24/20	99.99	4,800,000.0000	4,796,656.00	4,799,520.00	0.64	2,864.00
3137EAEP0	F H L M C 1.500% 2/12/25	104.96	12,335,000.0000	12,510,182.05	12,946,569.30	1.72	436,387.25
3137EAEN5	F H L M C 2.750% 6/19/23	106.76	10,000,000.0000	9,956,500.00	10,676,000.00	1.42	719,500.00
3137EAEU9	F H L M C MTN 0.375% 7/21/25	100.02	5,030,000.0000	5,004,950.60	5,030,804.80	0.67	25,854.20
3137EAEX3	F H L M C MTN 0.375% 9/23/25	99.67	7,660,000.0000	7,636,943.40	7,634,722.00	1.02	(2,221.40)
3137EAEK1	F H L M C MTN 1.875% 11/17/20	100.23	5,000,000.0000	4,986,225.00	5,011,450.00	0.67	25,225.00
3137EAEI9	F H L M C MTN 2.375% 2/16/21	100.84	7,500,000.0000	7,484,475.00	7,562,850.00	1.01	78,375.00
31348SWZ3	F H L M C #786064 3.845% 1/01/28	100.03	1,626.7500	1,587.14	1,627.24	0.00	40.10
3133TCE95	F H L M C MLTCL MTG 3.985% 8/15/32	101.18	4,760.3500	4,765.34	4,816.37	0.00	51.03
31394JY35	F H L M C MLTCL MTG 6.500% 9/25/43	116.81	585,676.6100	663,278.76	684,111.28	0.09	20,832.52
3135G05G4	F N M A 0.250% 7/10/23	99.98	6,775,000.0000	6,760,433.75	6,773,577.25	0.90	13,143.50
3135G05X7	F N M A 0.375% 8/25/25	99.69	7,945,000.0000	7,907,817.40	7,919,973.25	1.05	12,155.85
3135G04Z3	F N M A 0.500% 6/17/25	100.46	9,905,000.0000	9,884,496.65	9,950,662.05	1.32	66,165.40
3135G0F73	F N M A 1.500% 11/30/20	100.23	7,500,000.0000	7,370,726.00	7,517,175.00	1.00	146,449.00
3135G0X24	F N M A 1.625% 1/07/25	105.38	10,000,000.0000	10,157,936.40	10,537,700.00	1.40	379,763.60
3135G0T45	F N M A 1.875% 4/05/22	102.63	5,000,000.0000	4,972,500.00	5,131,650.00	0.68	159,150.00
3135G0S38	F N M A 2.000% 1/05/22	102.38	3,000,000.0000	2,994,570.00	3,071,520.00	0.41	76,950.00
3135G0V34	F N M A 2.500% 2/05/24	107.50	5,000,000.0000	4,980,850.00	5,375,200.00	0.72	394,350.00
3135G0U35	F N M A 2.750% 6/22/21	101.89	7,500,000.0000	7,515,225.00	7,641,600.00	1.02	126,375.00
31371NUC7	F N M A #257179 4.500% 4/01/28	108.03	11,104.3500	11,743.94	11,995.59	0.00	251.65
31376KT22	F N M A #357969 5.000% 9/01/35	115.19	82,086.0900	88,242.53	94,550.86	0.01	6,308.33
31381PDA3	F N M A #466397 3.400% 11/01/20	99.96	328,447.9500	321,340.16	328,323.14	0.04	6,982.98
31403DJZ3	F N M A #745580 5.000% 6/01/36	115.03	75,792.8500	81,477.30	87,186.79	0.01	5,709.49
31403GXF4	F N M A #748678 5.000% 10/01/33	113.42	1,670.9100	1,796.23	1,895.08	0.00	98.85
31406PQY8	F N M A #815971 5.000% 3/01/35	114.86	120,390.9900	129,420.33	138,276.28	0.02	8,855.95
31406XWT5	F N M A #823358 3.674% 2/01/35	104.48	92,694.1200	91,969.95	96,849.60	0.01	4,879.65
31407BXH7	F N M A #826080 5.000% 7/01/35	114.90	15,398.4800	16,553.35	17,693.32	0.00	1,139.97
31410F4V4	F N M A #888336 5.000% 7/01/36	115.08	144,221.1700	155,037.77	165,972.61	0.02	10,934.84
3138EG6F6	F N M A #AL0869 4.500% 6/01/29	108.92	7,682.5500	8,125.07	8,367.83	0.00	242.76
31417YAY3	F N M A #MA0022 4.500% 4/01/29	108.91	12,456.7600	13,174.25	13,567.16	0.00	392.91
3135G03U5	F N M A DEB 0.625% 4/22/25	101.36	14,000,000.0000	13,996,711.60	14,189,700.00	1.89	192,988.40
3135G0J20	F N M A DEB 1.375% 2/26/21	100.50	10,000,000.0000	10,040,950.00	10,050,000.00	1.34	9,050.00
3135G0T94	F N M A DEB 2.375% 1/19/23	104.91	5,000,000.0000	4,910,990.00	5,245,250.00	0.70	334,260.00
31397QRE0	F N M A GTD REMIC 2.472% 2/25/41	101.35	146,233.8600	146,188.17	148,209.48	0.02	2,021.31
36225CAZ9	G N M A I I #080023 3.125% 12/20/26	103.75	12,588.6000	12,796.57	13,061.05	0.00	264.48
36225CC20	G N M A I I #080088 2.875% 6/20/27	102.06	9,352.0300	9,556.61	9,545.06	0.00	(11.55)
36225CNM4	G N M A I I #080395 2.875% 4/20/30	104.28	5,221.9400	5,174.58	5,445.23	0.00	270.65
36225CN28	G N M A I I #080408 2.875% 5/20/30	104.28	37,845.1900	37,460.83	39,464.21	0.01	2,003.38

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CUSIP	Asset Short Name	Price	Shares/Units	Cost Basis	Market Value	Percent of Total	Unrealized Gain/Loss
36225DCB8	G N M A I I #080965 3.250% 7/20/34	104.58	33,988.1600	33,966.93	35,543.12	0.00	1,576.19
369550BE7	GENERAL DYNAMICS 3.000% 5/11/21	101.67	3,160,000.0000	3,138,038.00	3,212,803.60	0.43	74,765.60
43813KAC6	HONDA AUTO 0.370% 10/18/24	100.01	3,235,000.0000	3,234,524.78	3,235,323.50	0.43	798.72
43814PAC4	HONDA AUTO 1.790% 9/20/21	100.17	320,898.6400	315,809.39	321,437.75	0.04	5,628.36
43815NAB0	HONDA AUTO 1.900% 4/15/22	100.57	2,182,158.8200	2,182,006.07	2,194,509.84	0.29	12,503.77
43814WAB1	HONDA AUTO 2.750% 9/20/21	100.25	706,874.2800	706,828.76	708,620.26	0.09	1,791.50
43815HAC1	HONDA AUTO 2.950% 8/22/22	101.31	2,445,741.8400	2,445,406.29	2,477,829.97	0.33	32,423.68
43814UAG4	HONDA AUTO 3.010% 5/18/22	101.14	937,656.4800	937,636.04	948,355.14	0.13	10,719.10
438516CB0	HONEYWELL 1.350% 6/01/25	103.10	5,000,000.0000	5,119,000.00	5,155,150.00	0.69	36,150.00
44932HAH6	IBM CREDIT CORP 3.000% 2/06/23	106.28	5,670,000.0000	5,603,264.40	6,026,246.10	0.80	422,981.70
458140BD1	INTEL CORP 2.875% 5/11/24	108.10	5,000,000.0000	5,025,900.00	5,404,900.00	0.72	379,000.00
4581X0CS5	INTER AMER BK M T N 1.875% 3/15/21	100.72	5,000,000.0000	5,059,610.00	5,036,150.00	0.67	(23,460.00)
4581X0CZ9	INTER AMER DEV BK 1.750% 9/14/22	102.96	6,500,000.0000	6,249,655.00	6,692,530.00	0.89	442,875.00
4581X0CW6	INTER AMER DEV BK 2.125% 1/18/22	102.44	3,000,000.0000	2,996,310.00	3,073,050.00	0.41	76,740.00
459058FH1	INTL BK 1.375% 5/24/21	100.71	1,000,000.0000	1,010,570.00	1,007,130.00	0.13	(3,440.00)
459058FY4	INTL BK 2.000% 1/26/22	102.34	10,000,000.0000	10,006,350.00	10,234,300.00	1.36	227,950.00
459058JB0	INTL BK M T N 0.625% 4/22/25	100.93	6,245,000.0000	6,220,831.85	6,303,140.95	0.84	82,309.10
45950KCM0	INTL BK M T N 2.250% 1/25/21	100.64	2,970,000.0000	2,961,268.20	2,988,978.30	0.40	27,710.10
45950KCJ7	INTL FINANCE CORP 1.125% 7/20/21	100.73	2,500,000.0000	2,441,600.00	2,518,300.00	0.34	76,700.00
24422EUM9	JOHN DEERE MTN 3.650% 10/12/23	109.88	1,250,000.0000	1,250,237.50	1,373,537.50	0.18	123,300.00
47787NAC3	JOHN DEERE OWNER 0.510% 11/15/24	100.26	1,480,000.0000	1,479,774.45	1,483,848.00	0.20	4,073.55
47788BAD6	JOHN DEERE OWNER 1.820% 10/15/21	100.06	19,300.2100	19,298.80	19,310.83	0.00	12.03
477870AB5	JOHN DEERE OWNER 2.280% 5/16/22	100.49	1,242,530.5500	1,242,525.83	1,248,556.82	0.17	6,030.99
47788CAC6	JOHN DEERE OWNER 2.660% 4/18/22	100.55	391,673.1800	391,645.02	393,815.63	0.05	2,170.61
47789JAB2	JOHN DEERE OWNER 2.850% 12/15/21	100.19	419,926.3300	419,907.19	420,736.79	0.06	829.60
47788EAC2	JOHN DEERE OWNER 3.080% 11/15/22	101.39	2,901,661.2900	2,901,441.35	2,942,110.45	0.39	40,669.10
46625HRL6	JP MORGAN CHASE CO 2.700% 5/18/23	105.60	5,000,000.0000	4,821,910.00	5,280,150.00	0.70	458,240.00
46647PAU0	JPMORGAN CHASE CO 3.797% 7/23/24	108.33	2,500,000.0000	2,632,175.00	2,708,200.00	0.36	76,025.00
46625HHU7	JPMORGAN CHASE CO 4.250% 10/15/20	100.14	1,160,000.0000	1,176,924.40	1,161,647.20	0.15	(15,277.20)
494368BF9	KIMBERLY CLARK CORP 3.875% 3/01/21	101.48	750,000.0000	768,877.50	761,100.00	0.10	(7,777.50)
525ESC0Y6	LEHMAN BRTH HLD ESC	-	2,000,000.0000	1,026,605.56	-	-	(1,026,605.56)
525ESCIB7	LEHMAN BRTH MTN ES 0.00001% 1/24/13	1.20	600,000.0000	318,603.60	7,200.00	0.00	(311,403.60)
58770FAC6	MERCEDES BENZ AUTO 1.840% 12/15/22	101.63	2,050,000.0000	2,049,729.81	2,083,374.00	0.28	33,644.19
58933YAF2	MERCK CO INC 2.800% 5/18/23	106.62	2,000,000.0000	1,948,640.00	2,132,460.00	0.28	183,820.00
594918BP8	MICROSOFT CORP 1.550% 8/08/21	101.08	3,045,000.0000	3,041,385.15	3,077,886.00	0.41	36,500.85
61747WAL3	MORGAN STANLEY 5.500% 7/28/21	104.19	2,800,000.0000	3,200,848.00	2,917,180.00	0.39	(283,668.00)
64971M5E8	NEW YORK CITY NY 4.075% 11/01/20	100.30	1,400,000.0000	1,400,000.00	1,404,158.00	0.19	4,158.00
65478GAD2	NISSAN AUTO 1.750% 10/15/21	100.16	292,650.5800	288,112.21	293,130.53	0.04	5,018.32
65479JAD5	NISSAN AUTO 1.930% 7/15/24	102.47	4,185,000.0000	4,184,779.03	4,288,369.50	0.57	103,590.47
65479GAD1	NISSAN AUTO 3.060% 3/15/23	101.68	2,845,516.9800	2,845,424.79	2,893,435.49	0.39	48,010.70
68389XBK0	ORACLE CORP 1.900% 9/15/21	101.43	3,000,000.0000	2,892,240.00	3,042,750.00	0.41	150,510.00
69371RN93	PACCAR FINANCIAL MTN 2.800% 3/01/21	101.05	600,000.0000	607,086.00	606,312.00	0.08	(774.00)

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CUSIP	Asset Short Name	Price	Shares/Units	Cost Basis	Market Value	Percent of Total	Unrealized Gain/Loss
69353RFB9	PNC BANK NA MTN 2.625% 2/17/22	103.03	1,000,000.0000	974,940.00	1,030,290.00	0.14	55,350.00
69353RFL7	PNC BANK NA MTN 3.500% 6/08/23	107.48	5,000,000.0000	4,993,318.05	5,373,900.00	0.72	380,581.95
78015K7H1	ROYAL BANK OF MTN 1.150% 6/10/25	101.40	1,500,000.0000	1,515,480.00	1,520,955.00	0.20	5,475.00
78013XZU5	ROYAL BANK OF MTN 2.550% 7/16/24	106.98	6,500,000.0000	6,581,445.00	6,953,505.00	0.93	372,060.00
78012UVJ1	ROYAL BK OF C D 1.000% 2/19/21	100.33	1,500,000.0000	1,500,000.00	1,504,920.00	0.20	4,920.00
83162CLJ0	S B A GTD DEV PART 6.340% 3/01/21	101.10	2,984.8600	2,984.86	3,017.60	0.00	32.74
78445JAA5	S L M A 1.76388% 4/25/23	98.14	11,225.8000	11,180.25	11,016.66	0.00	(163.59)
89114QBX5	TORONTO DOMINION MTN 2.550% 1/25/21	100.73	1,750,000.0000	1,774,762.50	1,762,740.00	0.23	(12,022.50)
89114QCA4	TORONTO DOMINION MTN 2.650% 6/12/24	106.99	3,000,000.0000	3,000,570.00	3,209,760.00	0.43	209,190.00
89114QC48	TORONTO MTN 3.500% 7/19/23	108.57	5,000,000.0000	5,094,200.00	5,428,350.00	0.72	334,150.00
89239AAB9	TOYOTA AUTO 2.830% 10/15/21	100.22	430,940.8400	430,901.72	431,893.22	0.06	991.50
89237VAB5	TOYOTA AUTO RECV 0.440% 10/15/24	100.23	2,960,000.0000	2,959,772.08	2,966,748.80	0.39	6,976.72
89236TBJ3	TOYOTA MOTOR MTN 2.750% 5/17/21	101.57	1,500,000.0000	1,523,295.00	1,523,490.00	0.20	195.00
912828WU0	U S TREASURY I P S 0.125% 7/15/24	105.79	11,346,608.0000	11,201,888.09	12,003,917.00	1.60	802,028.91
912828ZL7	U S TREASURY NT 0.375% 4/30/25	100.59	12,000,000.0000	11,998,515.63	12,070,800.00	1.61	72,284.37
912828T34	U S TREASURY NT 1.125% 9/30/21	100.98	7,000,000.0000	6,757,914.08	7,068,390.00	0.94	310,475.92
912828T67	U S TREASURY NT 1.250% 10/31/21	101.21	6,000,000.0000	5,813,691.98	6,072,660.00	0.81	258,968.02
912828N89	U S TREASURY NT 1.375% 1/31/21	100.41	6,000,000.0000	5,895,840.41	6,024,600.00	0.80	128,759.59
912828L99	U S TREASURY NT 1.375% 10/31/20	100.10	6,500,000.0000	6,396,119.99	6,506,760.00	0.87	110,640.01
912828YH7	U S TREASURY NT 1.500% 9/30/24	105.14	14,000,000.0000	13,859,296.88	14,719,180.00	1.96	859,883.12
912828R69	U S TREASURY NT 1.625% 5/31/23	103.95	5,000,000.0000	4,757,226.56	5,197,250.00	0.69	440,023.44
912828J76	U S TREASURY NT 1.750% 3/31/22	102.43	5,000,000.0000	4,976,383.94	5,121,500.00	0.68	145,116.06
912828XW5	U S TREASURY NT 1.750% 6/30/22	102.83	5,000,000.0000	4,973,454.25	5,141,600.00	0.68	168,145.75
912828L57	U S TREASURY NT 1.750% 9/30/22	103.23	16,000,000.0000	15,829,492.20	16,517,440.00	2.20	687,947.80
912828U65	U S TREASURY NT 1.750% 11/30/21	101.88	7,000,000.0000	6,900,492.20	7,131,810.00	0.95	231,317.80
912828V72	U S TREASURY NT 1.875% 1/31/22	102.33	3,000,000.0000	3,004,814.74	3,069,840.00	0.41	65,025.26
912828L24	U S TREASURY NT 1.875% 8/31/22	103.33	6,000,000.0000	5,987,832.60	6,199,920.00	0.83	212,087.40
912828XX3	U S TREASURY NT 2.000% 6/30/24	106.74	5,000,000.0000	5,028,710.94	5,337,100.00	0.71	308,389.06
912828M80	U S TREASURY NT 2.000% 11/30/22	104.04	8,000,000.0000	7,907,500.00	8,322,800.00	1.11	415,300.00
912828W48	U S TREASURY NT 2.125% 2/29/24	106.63	10,000,000.0000	9,911,718.75	10,662,900.00	1.42	751,181.25
912828WR7	U S TREASURY NT 2.125% 6/30/21	101.50	3,000,000.0000	3,047,109.38	3,045,000.00	0.41	(2,109.38)
912828U57	U S TREASURY NT 2.125% 11/30/23	106.18	15,000,000.0000	14,723,632.81	15,927,600.00	2.12	1,203,967.19
912828J37	U S TREASURY NT 2.125% 11/30/24	107.88	16,500,000.0000	16,783,886.72	17,800,035.00	2.37	1,016,148.28
912828N30	U S TREASURY NT 2.125% 12/31/22	104.47	5,000,000.0000	4,926,562.50	5,223,450.00	0.70	296,887.50
912828V80	U S TREASURY NT 2.250% 1/31/24	106.90	7,500,000.0000	7,491,503.91	8,017,125.00	1.07	525,621.09
912828WY2	U S TREASURY NT 2.250% 7/31/21	101.77	8,000,000.0000	8,144,296.88	8,141,600.00	1.08	(2,696.88)
9128284D9	U S TREASURY NT 2.500% 3/31/23	105.89	10,000,000.0000	9,887,265.63	10,589,100.00	1.41	701,834.37
912828WJ5	U S TREASURY NT 2.500% 5/15/24	108.33	7,000,000.0000	7,193,046.88	7,582,960.00	1.01	389,913.12
913366EJ5	UNIV OF CALIFORNIA 5.035% 5/15/21	102.75	400,000.0000	400,000.00	410,996.00	0.05	10,996.00
90331HPL1	US BANK NA MTN 2.050% 1/21/25	105.62	7,270,000.0000	7,254,514.90	7,678,210.50	1.02	423,695.60
90331HNL3	US BANK NA MTN 2.850% 1/23/23	105.47	2,000,000.0000	1,992,640.00	2,109,360.00	0.28	116,720.00
92826CAB8	VISA INC 2.200% 12/14/20	100.22	500,000.0000	501,360.00	501,100.00	0.07	(260.00)

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CUSIP	Asset Short Name	Price	Shares/Units	Cost Basis	Market Value	Percent of Total	Unrealized Gain/Loss
931142EK5	WALMART INC 3.400% 6/26/23	108.04	3,880,000.0000	3,878,991.40	4,191,874.40	0.56	312,883.00
95000U2B8	WELLS FARGO MTN 2.625% 7/22/22	103.68	3,000,000.0000	2,954,520.00	3,110,400.00	0.41	155,880.00
Fixed Income Total			635,904,610.0300	635,113,122.7300	657,674,869.4900	87.54	22,561,746.7600
Grand Total			729,521,374.58	728,650,945.21	751,266,046.54	100.00	22,615,101.33

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Entry Date	CUSIP Id	Explanation	Units	Price	Net Cash Amt	Cost	Gain/Loss
ACQUISITIONS							
07/02/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	144.6100	1.000000	-144.61	144.61	0.00
07/02/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	464.9300	1.000000	-464.93	464.93	0.00
07/06/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	89,625.0000	1.000000	-89,625.00	89,625.00	0.00
07/07/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	79,895.8300	1.000000	-79,895.83	79,895.83	0.00
07/09/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	999,855.0800	1.000000	-999,855.08	999,855.08	0.00
07/10/2020	3135G05G4	PURCHASED PAR VALUE OF F N M A 0.250% 7/10/23 /CITIGROUP GLOBAL MARKETS INC./6,775,000 PAR VALUE AT 99.785 %	6,775,000.0000	0.997850	-6,760,433.75	6,760,433.75	0.00
07/14/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	14,576.2500	1.000000	-14,576.25	14,576.25	0.00
07/15/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	4,398,472.5300	1.000000	-4,398,472.53	4,398,472.53	0.00
07/15/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	266,492.8700	1.000000	-266,492.87	266,492.87	0.00
07/16/2020	78015K7H1	PURCHASED PAR VALUE OF ROYAL BANK OF MTN 1.150% 6/10/25 /BMO CAPITAL MARKETS CORP/BONDS/1,500,000 PAR VALUE AT 101.032 %	1,500,000.0000	1.010320	-1,515,480.00	1,515,480.00	0.00
07/20/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	462,924.2000	1.000000	-462,924.20	462,924.20	0.00
07/20/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	355,519.6900	1.000000	-355,519.69	355,519.69	0.00
07/21/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	258,932.4300	1.000000	-258,932.43	258,932.43	0.00
07/21/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	74,517.5000	1.000000	-74,517.50	74,517.50	0.00
07/22/2020	47787NAC3	PURCHASED PAR VALUE OF JOHN DEERE OWNER 0.00001% 11/15/24 /RBC CAPITAL MARKETS, LLC/1,480,000 PAR VALUE AT 99.98476014 %	1,480,000.0000	0.999848	-1,479,774.45	1,479,774.45	0.00
07/22/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	65,000.0000	1.000000	-65,000.00	65,000.00	0.00
07/22/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	8,759,158.5500	1.000000	-8,759,158.55	8,759,158.55	0.00
07/23/2020	3137EAEU9	PURCHASED PAR VALUE OF F H L M C M T N 0.375% 7/21/25 /WELLS FARGO SECURITIES, LLC/5,030,000 PAR VALUE AT 99.502 %	5,030,000.0000	0.995020	-5,004,950.60	5,004,950.60	0.00
07/27/2020	89237VAB5	PURCHASED PAR VALUE OF TOYOTA AUTO RECV 0.00001% 10/15/24 /RBC CAPITAL MARKETS, LLC/2,960,000 PAR VALUE AT 99.9923 %	2,960,000.0000	0.999923	-2,959,772.08	2,959,772.08	0.00
07/27/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	2,522,312.5000	1.000000	-2,522,312.50	2,522,312.50	0.00
07/28/2020	89233GLP9	PURCHASED PAR VALUE OF TOYOTA MOTOR CREDIT CO C P 11/23/20 /DBTC AMERICAS/COMMERCIAL PAPER/1,500,000 PAR VALUE AT 99.914778 %	1,500,000.0000	0.999148	-1,498,721.67	1,498,721.67	0.00
07/28/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	77,000.0000	1.000000	-77,000.00	77,000.00	0.00
07/29/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	5,000,000.0000	1.000000	-5,000,000.00	5,000,000.00	0.00
07/29/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	36,875.0000	1.000000	-36,875.00	36,875.00	0.00
07/30/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	3,500,000.0000	1.000000	-3,500,000.00	3,500,000.00	0.00
07/31/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	153,750.0000	1.000000	-153,750.00	153,750.00	0.00
08/04/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	233.6300	1.000000	-233.63	233.63	0.00
08/04/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	299.0400	1.000000	-299.04	299.04	0.00
08/05/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	62,500.0000	1.000000	-62,500.00	62,500.00	0.00
08/06/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	85,050.0000	1.000000	-85,050.00	85,050.00	0.00

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08/07/2020	912796UC1	PURCHASED PAR VALUE OF U S TREASURY BILL 1/28/21 /NOMURA SECURITIES INTERNA/5,000,000 PAR VALUE AT 99.94925 %	5,000,000.0000	0.999493	-4,997,462.50	4,997,462.50	0.00
08/07/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	32,500.0000	1.000000	-32,500.00	32,500.00	0.00
08/10/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	23,598.7500	1.000000	-23,598.75	23,598.75	0.00
08/12/2020	912796UC1	PURCHASED PAR VALUE OF U S TREASURY BILL 1/28/21 /NOMURA SECURITIES INTERNA/2,750,000 PAR VALUE AT 99.94836109 %	2,750,000.0000	0.999484	-2,748,579.93	2,748,579.93	0.00
08/12/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	91,484.5900	1.000000	-91,484.59	91,484.59	0.00
08/17/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	1,930,235.7800	1.000000	-1,930,235.78	1,930,235.78	0.00
08/17/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	788.7100	1.000000	-788.71	788.71	0.00
08/18/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	36,884.3800	1.000000	-36,884.38	36,884.38	0.00
08/18/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	622,943.0200	1.000000	-622,943.02	622,943.02	0.00
08/20/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	1,849.9700	1.000000	-1,849.97	1,849.97	0.00
08/21/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	4,914,180.3100	1.000000	-4,914,180.31	4,914,180.31	0.00
08/24/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	45,000.0000	1.000000	-45,000.00	45,000.00	0.00
08/25/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	14,036.8700	1.000000	-14,036.87	14,036.87	0.00
08/25/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	820,789.3800	1.000000	-820,789.38	820,789.38	0.00
08/26/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	68,750.0000	1.000000	-68,750.00	68,750.00	0.00
08/27/2020	3135G05X7	PURCHASED PAR VALUE OF F N M A 0.375% 8/25/25 /BARCLAYS CAPITAL INC. FIXED IN/7,945,000 PAR VALUE AT 99.532 %	7,945,000.0000	0.995320	-7,907,817.40	7,907,817.40	0.00
08/27/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	13,000,000.0000	1.000000	-13,000,000.00	13,000,000.00	0.00
08/31/2020	912796XE4	PURCHASED PAR VALUE OF U S TREASURY BILL 2/25/21 /NOMURA SECURITIES INTERNA/5,000,000 PAR VALUE AT 99.9446222 %	5,000,000.0000	0.999446	-4,997,231.11	4,997,231.11	0.00
08/31/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	37,354,375.0000	1.000000	-37,354,375.00	37,354,375.00	0.00
08/31/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	162,500.0000	1.000000	-162,500.00	162,500.00	0.00
09/01/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	14,531.2500	1.000000	-14,531.25	14,531.25	0.00
09/01/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	3,079.5000	1.000000	-3,079.50	3,079.50	0.00
09/01/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	33,330.0000	1.000000	-33,330.00	33,330.00	0.00
09/02/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	410.1400	1.000000	-410.14	410.14	0.00
09/02/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	408.3700	1.000000	-408.37	408.37	0.00
09/08/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	287,231.2500	1.000000	-287,231.25	287,231.25	0.00
09/14/2020	69371RN93	PURCHASED PAR VALUE OF PACCAR FINANCIAL MTN 2.800% 3/01/21 /MARKETAXESS CORP/600,000 PAR VALUE AT 101.181 %	600,000.0000	1.011810	-607,086.00	607,086.00	0.00
09/14/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	181,859.3800	1.000000	-181,859.38	181,859.38	0.00
09/15/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	7,000,000.0000	1.000000	-7,000,000.00	7,000,000.00	0.00
09/15/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	1,700,251.7300	1.000000	-1,700,251.73	1,700,251.73	0.00
09/15/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	1,291.4600	1.000000	-1,291.46	1,291.46	0.00

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09/17/2020	912828WR7	PURCHASED PAR VALUE OF U S TREASURY NT 2.125% 6/30/21 /NOMURA SECURITIES INTERNATIONAL/3,000,000 PAR VALUE AT 101.57031267 %	3,000,000.0000	1.015703	-3,047,109.38	3,047,109.38	0.00
09/17/2020	912828WY2	PURCHASED PAR VALUE OF U S TREASURY NT 2.250% 7/31/21 /GOLDMAN SACHS & CO. LLC/3,000,000 PAR VALUE AT 101.84765633 %	3,000,000.0000	1.018477	-3,055,429.69	3,055,429.69	0.00
09/18/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	582,513.2100	1.000000	-582,513.21	582,513.21	0.00
09/21/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	245,551.7800	1.000000	-245,551.78	245,551.78	0.00
09/24/2020	92826CAB8	PURCHASED PAR VALUE OF VISA INC 2.200% 12/14/20 /MARKETAXESS CORP/500,000 PAR VALUE AT 100.272 %	500,000.0000	1.002720	-501,360.00	501,360.00	0.00
09/24/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	503,429.8500	1.000000	-503,429.85	503,429.85	0.00
09/25/2020	3137EAEX3	PURCHASED PAR VALUE OF F H L M C M T N 0.00001% 9/23/25 /CITIGROUP GLOBAL MARKETS INC./7,660,000 PAR VALUE AT 99.699 %	7,660,000.0000	0.996990	-7,636,943.40	7,636,943.40	0.00
09/25/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	28,573.2500	1.000000	-28,573.25	28,573.25	0.00
09/28/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	3,000,000.0000	1.000000	-3,000,000.00	3,000,000.00	0.00
09/29/2020	43813KAC6	PURCHASED PAR VALUE OF HONDA AUTO 0.370% 10/18/24 /BARCLAYS CAPITAL INC. FIXED IN/3,235,000 PAR VALUE AT 99.98531005 %	3,235,000.0000	0.999853	-3,234,524.78	3,234,524.78	0.00
09/29/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	1,010,625.0000	1.000000	-1,010,625.00	1,010,625.00	0.00
09/30/2020	89236TBJ3	PURCHASED PAR VALUE OF TOYOTA MOTOR MTN 2.750% 5/17/21 /MARKETAXESS CORP/1,500,000 PAR VALUE AT 101.553 %	1,500,000.0000	1.015530	-1,523,295.00	1,523,295.00	0.00
09/30/2020	912828WY2	PURCHASED PAR VALUE OF U S TREASURY NT 2.250% 7/31/21 /NOMURA SECURITIES INTERNATIONAL/5,000,000 PAR VALUE AT 101.7773438 %	5,000,000.0000	1.017773	-5,088,867.19	5,088,867.19	0.00
09/30/2020	31846V567	PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	453,125.0000	1.000000	-453,125.00	453,125.00	0.00
TOTAL ACQUISITIONS			165,864,727.5700		-165,994,566.50	165,994,566.50	0.00

DISPOSITIONS

07/09/2020	9127963Q0	SOLD PAR VALUE OF U S TREASURY BILL 8/25/20 /NOMURA SECURITIES INTERNATIONAL/1,000,000 PAR VALUE AT 99.985508 %	-1,000,000.0000	0.999855	999,781.44	-999,781.44	0.00
07/10/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-6,760,433.7500	1.000000	6,760,433.75	-6,760,433.75	0.00
07/15/2020	31348SWZ3	PAID DOWN PAR VALUE OF F H L M C #786064 3.846% 1/01/28 JUNE FHLMC DUE 7/15/20	-15.8300	0.000000	15.83	-15.44	0.39
07/15/2020	3133TCE95	PAID DOWN PAR VALUE OF F H L M C MLTCL MTG 4.020% 8/15/32	-116.8500	0.000000	116.85	-116.97	-0.12
07/15/2020	43815NAB0	PAID DOWN PAR VALUE OF HONDA AUTO 1.900% 4/15/22	-294,923.1300	0.000000	294,923.13	-294,902.49	20.64
07/15/2020	47788BAD6	PAID DOWN PAR VALUE OF JOHN DEERE OWNER 1.820% 10/15/21	-19,064.2900	0.000000	19,064.29	-19,062.89	1.40
07/15/2020	477870AB5	PAID DOWN PAR VALUE OF JOHN DEERE OWNER 2.280% 5/16/22	-176,903.8000	0.000000	176,903.80	-176,903.13	0.67
07/15/2020	47788CAC6	PAID DOWN PAR VALUE OF JOHN DEERE OWNER 2.660% 4/18/22	-61,704.0100	0.000000	61,704.01	-61,699.57	4.44
07/15/2020	47789JAB2	PAID DOWN PAR VALUE OF JOHN DEERE OWNER 2.850% 12/15/21	-224,254.9300	0.000000	224,254.93	-224,244.70	10.23
07/15/2020	47788EAC2	PAID DOWN PAR VALUE OF JOHN DEERE OWNER 3.080% 11/15/22	-208,450.0500	0.000000	208,450.05	-208,434.25	15.80
07/15/2020	65478GAD2	PAID DOWN PAR VALUE OF NISSAN AUTO 1.750% 10/15/21	-141,376.2300	0.000000	141,376.23	-139,183.79	2,192.44
07/15/2020	65479GAD1	PAID DOWN PAR VALUE OF NISSAN AUTO 3.060% 3/15/23	-230,692.9800	0.000000	230,692.98	-230,685.51	7.47
07/15/2020	89239AAB9	PAID DOWN PAR VALUE OF TOYOTA AUTO 2.830% 10/15/21	-256,521.2300	0.020811	256,521.23	-256,497.94	23.29

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07/15/2020	9127963Q0	SOLD PAR VALUE OF U S TREASURY BILL 8/25/20 /WELLS FARGO SECURITIES, LLC/3,000,000 PAR VALUE AT 99.98649267 %	-3,000,000.0000	0.999865	2,999,344.33	-2,999,344.33	0.00
07/16/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-1,434,330.0000	1.000000	1,434,330.00	-1,434,330.00	0.00
07/20/2020	36225CAZ9	PAID DOWN PAR VALUE OF G N M A I I #080023 3.125% 12/20/26 JUNE 7/20/20 GNMA DUE	-429.6500	0.000000	429.65	-436.75	-7.10
07/20/2020	36225CC20	PAID DOWN PAR VALUE OF G N M A I I #080088 3.875% 6/20/27 JUNE 7/20/20 GNMA DUE	-1,598.8100	0.000000	1,598.81	-1,633.79	-34.98
07/20/2020	36225CNM4	PAID DOWN PAR VALUE OF G N M A I I #080395 3.875% 4/20/30 JUNE 7/20/20 GNMA DUE	-172.5700	0.000000	172.57	-171.01	1.56
07/20/2020	36225CN28	PAID DOWN PAR VALUE OF G N M A I I #080408 3.875% 5/20/30 JUNE 7/20/20 GNMA DUE	-3,707.1700	0.000000	3,707.17	-3,669.52	37.65
07/20/2020	36225DCB8	PAID DOWN PAR VALUE OF G N M A I I #080965 3.250% 7/20/34 JUNE 7/20/20 GNMA DUE	-2,447.3400	0.000000	2,447.34	-2,445.81	1.53
07/20/2020	43814PAC4	PAID DOWN PAR VALUE OF HONDA AUTO 1.790% 9/20/21	-138,891.1400	0.000000	138,891.14	-136,688.41	2,202.73
07/20/2020	43814WAB1	PAID DOWN PAR VALUE OF HONDA AUTO 2.750% 9/20/21	-351,511.3500	0.000000	351,511.35	-351,488.71	22.64
07/20/2020	43814UAG4	PAID DOWN PAR VALUE OF HONDA AUTO 3.010% 5/18/22	-118,241.6600	0.000000	118,241.66	-118,239.08	2.58
07/21/2020	43815HAC1	PAID DOWN PAR VALUE OF HONDA AUTO 2.950% 8/22/22	-251,103.8100	0.000000	251,103.81	-251,069.36	34.45
07/22/2020	94974BGM6	MATURED PAR VALUE OF WELLS FARGO CO MTN 2.600% 7/22/20 5,000,000 PAR VALUE AT 100 %	-5,000,000.0000	1.000000	5,000,000.00	-5,001,650.00	-1,650.00
07/22/2020	9127963Q0	SOLD PAR VALUE OF U S TREASURY BILL 8/25/20 /MIZUHO SECURITIES USA FXD INC/5,200,000 PAR VALUE AT 99.9915 %	-5,200,000.0000	0.999915	5,198,863.51	-5,198,863.51	0.00
07/23/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-4,928,988.1000	1.000000	4,928,988.10	-4,928,988.10	0.00
07/27/2020	313384ZX0	MATURED PAR VALUE OF F H L B DISC NTS 7/27/20 2,500,000 PAR VALUE AT 100 %	-2,500,000.0000	1.000000	2,498,737.50	-2,498,737.50	0.00
07/27/2020	31394JY35	PAID DOWN PAR VALUE OF F H L M C MLTCL MTG 6.500% 9/25/43	-5,901.5900	0.000000	5,901.59	-6,683.55	-781.96
07/27/2020	31371NUC7	PAID DOWN PAR VALUE OF F N M A #257179 4.500% 4/01/28 JUNE 7/25/20 FNMA DUE	-490.0600	0.000000	490.06	-518.29	-28.23
07/27/2020	31376KT22	PAID DOWN PAR VALUE OF F N M A #357969 5.000% 9/01/35 JUNE 7/25/20 FNMA DUE	-461.7800	0.000000	461.78	-496.41	-34.63
07/27/2020	31381PDA3	PAID DOWN PAR VALUE OF F N M A #466397 3.400% 11/01/20 JUNE 7/25/20 FNMA DUE	-775.2100	0.000000	775.21	-758.43	16.78
07/27/2020	31403DJZ3	PAID DOWN PAR VALUE OF F N M A #745580 5.000% 6/01/36 JUNE 7/25/20 FNMA DUE	-1,396.9600	0.000000	1,396.96	-1,501.73	-104.77
07/27/2020	31403GXF4	PAID DOWN PAR VALUE OF F N M A #748678 5.000% 10/01/33 JUNE 7/25/20 FNMA DUE	-9.4000	0.000000	9.40	-10.11	-0.71
07/27/2020	31406PQY8	PAID DOWN PAR VALUE OF F N M A #815971 5.000% 3/01/35 JUNE 7/25/20 FNMA DUE	-654.0300	0.000000	654.03	-703.08	-49.05
07/27/2020	31406XWT5	PAID DOWN PAR VALUE OF F N M A #823358 3.674% 2/01/35 JUNE 7/25/20 FNMA DUE	-608.2800	0.000000	608.28	-603.53	4.75

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07/27/2020	31407BXH7	PAID DOWN PAR VALUE OF F N M A #826080 7/25/20	5.000% 7/01/35 JUNE FNMA DUE	-75.2800	0.000000	75.28	-80.93 -5.65
07/27/2020	31410F4V4	PAID DOWN PAR VALUE OF F N M A #888336 7/25/20	5.000% 7/01/36 JUNE FNMA DUE	-3,512.2900	0.000000	3,512.29	-3,775.71 -263.42
07/27/2020	3138EG6F6	PAID DOWN PAR VALUE OF F N M A #AL0869 7/25/20	4.500% 6/01/29 JUNE FNMA DUE	-313.5900	0.000000	313.59	-331.65 -18.06
07/27/2020	31417YAY3	PAID DOWN PAR VALUE OF F N M A #MA0022 7/25/20	4.500% 4/01/29 JUNE FNMA DUE	-326.0900	0.000000	326.09	-344.87 -18.78
07/27/2020	31397QRE0	PAID DOWN PAR VALUE OF F N M A GTD REMIC	2.472% 2/25/41	-4,314.8000	0.000000	4,314.80	-4,313.45 1.35
07/27/2020	78445JAA5	PAID DOWN PAR VALUE OF S L M A	2.51906% 4/25/23	-407.5200	0.000000	407.52	-405.87 1.65
07/27/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z		-2,664,521.4900	1.000000	2,664,521.49	-2,664,521.49 0.00
07/28/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z		-1,498,721.6700	1.000000	1,498,721.67	-1,498,721.67 0.00
07/29/2020	313384ZZ5	MATURED PAR VALUE OF F H L B DISC NTS 100 %	7/29/20 5,000,000 PAR VALUE AT	-5,000,000.0000	1.000000	4,998,750.00	-4,998,750.00 0.00
07/30/2020	912796WY1	MATURED PAR VALUE OF U S TREASURY BILL 100 %	7/30/20 3,500,000 PAR VALUE AT	-3,500,000.0000	1.000000	3,497,087.22	-3,497,087.22 0.00
08/07/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z		-4,997,462.5000	1.000000	4,997,462.50	-4,997,462.50 0.00
08/12/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z		-2,748,579.9300	1.000000	2,748,579.93	-2,748,579.93 0.00
08/17/2020	31348SWZ3	PAID DOWN PAR VALUE OF F H L M C #786064 DUE 8/15/20	3.846% 1/01/28 JULY FHLMC	-10.7300	0.000000	10.73	-10.47 0.26
08/17/2020	3133TCE95	PAID DOWN PAR VALUE OF F H L M C MLTCL MTG	4.020% 8/15/32	-120.6000	0.000000	120.60	-120.73 -0.13
08/17/2020	43815NAB0	PAID DOWN PAR VALUE OF HONDA AUTO	1.900% 4/15/22	-305,359.6800	0.000000	305,359.68	-305,338.30 21.38
08/17/2020	47788BAD6	PAID DOWN PAR VALUE OF JOHN DEERE OWNER	1.820% 10/15/21	-24,281.8000	0.000000	24,281.80	-24,280.02 1.78
08/17/2020	477870AB5	PAID DOWN PAR VALUE OF JOHN DEERE OWNER	2.280% 5/16/22	-234,157.1100	0.000000	234,157.11	-234,156.22 0.89
08/17/2020	47788CAC6	PAID DOWN PAR VALUE OF JOHN DEERE OWNER	2.660% 4/18/22	-77,806.1100	0.000000	77,806.11	-77,800.52 5.59
08/17/2020	47789JAB2	PAID DOWN PAR VALUE OF JOHN DEERE OWNER	2.850% 12/15/21	-271,977.5000	0.000000	271,977.50	-271,965.10 12.40
08/17/2020	47788EAC2	PAID DOWN PAR VALUE OF JOHN DEERE OWNER	3.080% 11/15/22	-249,194.8900	0.000000	249,194.89	-249,176.00 18.89
08/17/2020	65478GAD2	PAID DOWN PAR VALUE OF NISSAN AUTO	1.750% 10/15/21	-135,105.6300	0.000000	135,105.63	-133,010.44 2,095.19
08/17/2020	65479GAD1	PAID DOWN PAR VALUE OF NISSAN AUTO	3.060% 3/15/23	-228,272.6800	0.000000	228,272.68	-228,265.28 7.40
08/17/2020	89239AAB9	PAID DOWN PAR VALUE OF TOYOTA AUTO	2.830% 10/15/21	-261,006.6500	0.000000	261,006.65	-260,982.95 23.70
08/18/2020	43814PAC4	PAID DOWN PAR VALUE OF HONDA AUTO	1.790% 9/20/21	-140,314.5200	0.000000	140,314.52	-138,089.22 2,225.30
08/18/2020	43814WAB1	PAID DOWN PAR VALUE OF HONDA AUTO	2.750% 9/20/21	-357,366.6800	0.000000	357,366.68	-357,343.67 23.01
08/18/2020	43814UAG4	PAID DOWN PAR VALUE OF HONDA AUTO	3.010% 5/18/22	-118,280.5300	0.000000	118,280.53	-118,277.95 2.58
08/20/2020	36225CAZ9	PAID DOWN PAR VALUE OF G N M A I I #080023 8/20/20	3.125% 12/20/26 JULY GNMA DUE	-168.5000	0.000000	168.50	-171.28 -2.78
08/20/2020	36225CC20	PAID DOWN PAR VALUE OF G N M A I I #080088 8/20/20	2.875% 6/20/27 JULY GNMA DUE	-137.5600	0.000000	137.56	-140.57 -3.01

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08/20/2020	36225CNM4	PAID DOWN PAR VALUE OF G N M A I I #080395 2.875% 4/20/30 JULY 8/20/20	GNMA DUE	-40.7500	0.000000	40.75	-40.38 0.37
08/20/2020	36225CN28	PAID DOWN PAR VALUE OF G N M A I I #080408 2.875% 5/20/30 JULY 8/20/20	GNMA DUE	-347.6300	0.000000	347.63	-344.10 3.53
08/20/2020	36225DCB8	PAID DOWN PAR VALUE OF G N M A I I #080965 3.250% 7/20/34 JULY 8/20/20	GNMA DUE	-897.3900	0.000000	897.39	-896.83 0.56
08/21/2020	43815HAC1	PAID DOWN PAR VALUE OF HONDA AUTO 2.950% 8/22/22		-250,431.4900	0.000000	250,431.49	-250,397.13 34.36
08/21/2020	404280BF5	PURCHASE OFFER PAR VALUE OF HSBC HOLDINGS PLC 2.650% 1/05/22 /TENDER/PURCHASE OFFER/TENDER OFFER PAID AT \$1031.40 PER \$1000		-4,500,000.0000	1.031400	4,641,300.00	-4,429,980.00 211,320.00
08/25/2020	9127963Q0	MATURED PAR VALUE OF U S TREASURY BILL 8/25/20 800,000 PAR VALUE AT 100 %		-800,000.0000	1.000000	799,825.16	-799,825.16 0.00
08/25/2020	31394JY35	PAID DOWN PAR VALUE OF F H L M C MLTCL MTG 6.500% 9/25/43		-10,766.0500	0.000000	10,766.05	-12,192.55 -1,426.50
08/25/2020	31371NUC7	PAID DOWN PAR VALUE OF F N M A #257179 4.500% 4/01/28 JULY 8/25/20	FNMA DUE	-128.9100	0.000000	128.91	-136.34 -7.43
08/25/2020	31376KT22	PAID DOWN PAR VALUE OF F N M A #357969 5.000% 9/01/35 JULY 8/25/20	FNMA DUE	-1,365.5600	0.000000	1,365.56	-1,467.98 -102.42
08/25/2020	31381PDA3	PAID DOWN PAR VALUE OF F N M A #466397 3.400% 11/01/20 JULY 8/25/20	FNMA DUE	-734.1500	0.000000	734.15	-718.26 15.89
08/25/2020	31403DJZ3	PAID DOWN PAR VALUE OF F N M A #745580 5.000% 6/01/36 JULY 8/25/20	FNMA DUE	-1,201.1000	0.000000	1,201.10	-1,291.18 -90.08
08/25/2020	31403GXF4	PAID DOWN PAR VALUE OF F N M A #748678 5.000% 10/01/33 JULY 8/25/20	FNMA DUE	-9.4400	0.000000	9.44	-10.15 -0.71
08/25/2020	31406PQY8	PAID DOWN PAR VALUE OF F N M A #815971 5.000% 3/01/35 JULY 8/25/20	FNMA DUE	-3,898.3800	0.000000	3,898.38	-4,190.76 -292.38
08/25/2020	31406XWT5	PAID DOWN PAR VALUE OF F N M A #823358 3.674% 2/01/35 JULY 8/25/20	FNMA DUE	-858.4000	0.000000	858.40	-851.69 6.71
08/25/2020	31407BXH7	PAID DOWN PAR VALUE OF F N M A #826080 5.000% 7/01/35 JULY 8/25/20	FNMA DUE	-581.4700	0.000000	581.47	-625.08 -43.61
08/25/2020	31410F4V4	PAID DOWN PAR VALUE OF F N M A #888336 5.000% 7/01/36 JULY 8/25/20	FNMA DUE	-4,900.0400	0.000000	4,900.04	-5,267.54 -367.50
08/25/2020	3138EG6F6	PAID DOWN PAR VALUE OF F N M A #AL0869 4.500% 6/01/29 JULY 8/25/20	FNMA DUE	-154.6200	0.000000	154.62	-163.53 -8.91
08/25/2020	31417YAY3	PAID DOWN PAR VALUE OF F N M A #MA0022 4.500% 4/01/29 JULY 8/25/20	FNMA DUE	-292.0300	0.000000	292.03	-308.85 -16.82
08/25/2020	31397QRE0	PAID DOWN PAR VALUE OF F N M A GTD REMIC 2.472% 2/25/41		-3,157.3500	0.000000	3,157.35	-3,156.36 0.99
08/27/2020	912796XG9	MATURED PAR VALUE OF U S TREASURY BILL 8/27/20 13,000,000 PAR VALUE AT 100 %		-13,000,000.0000	1.000000	12,995,164.01	-12,995,164.01 0.00
08/27/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z		-7,907,817.4000	1.000000	7,907,817.40	-7,907,817.40 0.00
08/31/2020	459052E28	MATURED PAR VALUE OF INTL BK DISC NTS 8/31/20 5,000,000 PAR VALUE AT 100 %		-5,000,000.0000	1.000000	5,000,000.00	-4,993,483.33 6,516.67

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08/31/2020	912828L32	MATURED PAR VALUE OF U S TREASURY NT VALUE AT 100 %	1.375% 8/31/20 15,000,000 PAR	-15,000,000.0000	1.000000	15,000,000.00	-14,977,929.69 22,070.31
08/31/2020	912828VV9	MATURED PAR VALUE OF U S TREASURY NT VALUE AT 100 %	2.125% 8/31/20 15,000,000 PAR	-15,000,000.0000	1.000000	15,000,000.00	-15,049,804.69 -49,804.69
08/31/2020	9128284Y3	MATURED PAR VALUE OF U S TREASURY NT AT 100 %	2.625% 8/31/20 7,000,000 PAR VALUE	-7,000,000.0000	1.000000	7,000,000.00	-7,042,382.81 -42,382.81
08/31/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z		-49,997,231.1100	1.000000	49,997,231.11	-49,997,231.11 0.00
09/01/2020	83162CLJ0	PAID DOWN PAR VALUE OF S B A GTD DEV PART	6.340% 3/01/21	-2,893.1700	0.000000	2,893.17	-2,893.17 0.00
09/14/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z		-607,692.6700	1.000000	607,692.67	-607,692.67 0.00
09/15/2020	9127963Y3	MATURED PAR VALUE OF U S TREASURY BILL 100 %	9/15/20 7,000,000 PAR VALUE AT	-7,000,000.0000	1.000000	6,997,021.50	-6,997,021.50 0.00
09/15/2020	31348SWZ3	PAID DOWN PAR VALUE OF F H L M C #786064 DUE 9/15/20	3.845% 1/01/28 AUGUST FHLMC	-21.1000	0.000000	21.10	-20.59 0.51
09/15/2020	3133TCE95	PAID DOWN PAR VALUE OF F H L M C MLTCL MTG	4.020% 8/15/32	-163.7000	0.000000	163.70	-163.87 -0.17
09/15/2020	43815NAB0	PAID DOWN PAR VALUE OF HONDA AUTO	1.900% 4/15/22	-286,303.2600	0.000000	286,303.26	-286,283.22 20.04
09/15/2020	47788BAD6	PAID DOWN PAR VALUE OF JOHN DEERE OWNER	1.820% 10/15/21	-18,876.4400	0.000000	18,876.44	-18,875.06 1.38
09/15/2020	477870AB5	PAID DOWN PAR VALUE OF JOHN DEERE OWNER	2.280% 5/16/22	-156,970.1000	0.000000	156,970.10	-156,969.50 0.60
09/15/2020	47788CAC6	PAID DOWN PAR VALUE OF JOHN DEERE OWNER	2.660% 4/18/22	-66,121.2300	0.000000	66,121.23	-66,116.48 4.75
09/15/2020	47789JAB2	PAID DOWN PAR VALUE OF JOHN DEERE OWNER	2.850% 12/15/21	-209,611.5600	0.000000	209,611.56	-209,602.00 9.56
09/15/2020	47788EAC2	PAID DOWN PAR VALUE OF JOHN DEERE OWNER	3.080% 11/15/22	-226,460.2900	0.000000	226,460.29	-226,443.12 17.17
09/15/2020	65478GAD2	PAID DOWN PAR VALUE OF NISSAN AUTO	1.750% 10/15/21	-125,754.8000	0.000000	125,754.80	-123,804.62 1,950.18
09/15/2020	65479GAD1	PAID DOWN PAR VALUE OF NISSAN AUTO	3.060% 3/15/23	-215,436.2500	0.000000	215,436.25	-215,429.27 6.98
09/15/2020	89239AAB9	PAID DOWN PAR VALUE OF TOYOTA AUTO	2.830% 10/15/21	-246,803.8200	0.000000	246,803.82	-246,781.41 22.41
09/17/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z		-6,125,028.8800	1.000000	6,125,028.88	-6,125,028.88 0.00
09/18/2020	43814PAC4	PAID DOWN PAR VALUE OF HONDA AUTO	1.790% 9/20/21	-124,157.9600	0.000000	124,157.96	-122,188.89 1,969.07
09/18/2020	43814WAB1	PAID DOWN PAR VALUE OF HONDA AUTO	2.750% 9/20/21	-327,886.2500	0.000000	327,886.25	-327,865.13 21.12
09/18/2020	43814UAG4	PAID DOWN PAR VALUE OF HONDA AUTO	3.010% 5/18/22	-107,312.6600	0.000000	107,312.66	-107,310.32 2.34
09/21/2020	36225CAZ9	PAID DOWN PAR VALUE OF G N M A I I #080023 DUE 9/20/20	3.125% 12/20/26 AUGUST GNMA	-192.9500	0.000000	192.95	-196.14 -3.19
09/21/2020	36225CC20	PAID DOWN PAR VALUE OF G N M A I I #080088 DUE 9/20/20	2.875% 6/20/27 AUGUST GNMA	-112.5100	0.000000	112.51	-114.97 -2.46
09/21/2020	36225CNM4	PAID DOWN PAR VALUE OF G N M A I I #080395 DUE 9/20/20	2.875% 4/20/30 AUGUST GNMA	-43.0400	0.000000	43.04	-42.65 0.39
09/21/2020	36225CN28	PAID DOWN PAR VALUE OF G N M A I I #080408 DUE 9/20/20	2.875% 5/20/30 AUGUST GNMA	-925.2900	0.000000	925.29	-915.89 9.40
09/21/2020	36225DCB8	PAID DOWN PAR VALUE OF G N M A I I #080965 DUE 9/20/20	3.250% 7/20/34 AUGUST GNMA	-182.3200	0.000000	182.32	-182.21 0.11
09/21/2020	43815HAC1	PAID DOWN PAR VALUE OF HONDA AUTO	2.950% 8/22/22	-237,245.9700	0.000000	237,245.97	-237,213.42 32.55

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09/24/2020	912828L99	SOLD PAR VALUE OF U S TREASURY NT 1.375% 10/31/20 /J.P. MORGAN SECURITIES LLC/500,000 PAR VALUE AT 100.136718 %	-500,000.0000	1.001367	500,683.59	-492,618.86	8,064.73
09/24/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-504,415.5600	1.000000	504,415.56	-504,415.56	0.00
09/25/2020	31394JY35	PAID DOWN PAR VALUE OF F H L M C MLTCL MTG 6.500% 9/25/43	-7,402.5000	0.000000	7,402.50	-8,383.33	-980.83
09/25/2020	31371NUC7	PAID DOWN PAR VALUE OF F N M A #257179 4.500% 4/01/28 AUGUST FNMA DUE 9/25/20	-838.0600	0.000000	838.06	-886.33	-48.27
09/25/2020	31376KT22	PAID DOWN PAR VALUE OF F N M A #357969 5.000% 9/01/35 AUGUST FNMA DUE 9/25/20	-843.0400	0.000000	843.04	-906.27	-63.23
09/25/2020	31381PDA3	PAID DOWN PAR VALUE OF F N M A #466397 3.400% 11/01/20 AUGUST FNMA DUE 9/25/20	-737.2000	0.000000	737.20	-721.25	15.95
09/25/2020	31403DJZ3	PAID DOWN PAR VALUE OF F N M A #745580 5.000% 6/01/36 AUGUST FNMA DUE 9/25/20	-1,829.2900	0.000000	1,829.29	-1,966.49	-137.20
09/25/2020	31403GXF4	PAID DOWN PAR VALUE OF F N M A #748678 5.000% 10/01/33 AUGUST FNMA DUE 9/25/20	-8.9500	0.000000	8.95	-9.62	-0.67
09/25/2020	31406PQY8	PAID DOWN PAR VALUE OF F N M A #815971 5.000% 3/01/35 AUGUST FNMA DUE 9/25/20	-2,096.9200	0.000000	2,096.92	-2,254.19	-157.27
09/25/2020	31406XWT5	PAID DOWN PAR VALUE OF F N M A #823358 3.674% 2/01/35 AUGUST FNMA DUE 9/25/20	-423.0400	0.000000	423.04	-419.73	3.31
09/25/2020	31407BXH7	PAID DOWN PAR VALUE OF F N M A #826080 5.000% 7/01/35 AUGUST FNMA DUE 9/25/20	-256.7600	0.000000	256.76	-276.02	-19.26
09/25/2020	31410F4V4	PAID DOWN PAR VALUE OF F N M A #888336 5.000% 7/01/36 AUGUST FNMA DUE 9/25/20	-2,920.0400	0.000000	2,920.04	-3,139.04	-219.00
09/25/2020	3138EG6F6	PAID DOWN PAR VALUE OF F N M A #AL0869 4.500% 6/01/29 AUGUST FNMA DUE 9/25/20	-193.0900	0.000000	193.09	-204.21	-11.12
09/25/2020	31417YAY3	PAID DOWN PAR VALUE OF F N M A #MA0022 4.500% 4/01/29 AUGUST FNMA DUE 9/25/20	-304.4600	0.000000	304.46	-322.00	-17.54
09/25/2020	31397QRE0	PAID DOWN PAR VALUE OF F N M A GTD REMIC 2.472% 2/25/41	-4,050.3200	0.000000	4,050.32	-4,049.05	1.27
09/25/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-7,636,943.4000	1.000000	7,636,943.40	-7,636,943.40	0.00
09/28/2020	313312H60	MATURED PAR VALUE OF F F C B DISC NTS 9/28/20 3,000,000 PAR VALUE AT 100 %	-3,000,000.0000	1.000000	2,998,615.83	-2,998,615.83	0.00
09/29/2020	46625HNX4	FULL CALL PAR VALUE OF JPMORGAN CHASE CO 2.550% 10/29/20 /CALLS/	-1,000,000.0000	1.000000	1,000,000.00	-1,005,900.00	-5,900.00
09/29/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-3,234,524.7800	1.000000	3,234,524.78	-3,234,524.78	0.00
09/30/2020	31846V567	SOLD UNITS OF FIRST AM GOVT OB FD CL Z	-6,646,049.8700	1.000000	6,646,049.87	-6,646,049.87	0.00
TOTAL DISPOSITIONS			-212,252,819.0900		212,377,993.18	-212,221,934.61	156,058.57
OTHER TRANSACTIONS							
07/01/2020	31846V567	INTEREST EARNED ON FIRST AM GOVT OB FD CL Z UNIT ON 0.0000 SHARES DUE 6/30/2020 INTEREST FROM 6/1/20 TO 6/30/20	0.0000	0.000000	144.61	0.00	0.00
07/01/2020	31846V567	INTEREST EARNED ON FIRST AM GOVT OB FD CL Z UNIT ON 0.0000 SHARES DUE 6/30/2020 INTEREST FROM 6/1/20 TO 6/30/20	0.0000	0.000000	464.93	0.00	0.00

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07/06/2020	3135G0S38	INTEREST EARNED ON F N M A 2.000% 1/05/22 \$1 PV ON 3000000.0000 SHARES DUE 7/5/2020	0.0000	0.000000	30,000.00	0.00	0.00
07/06/2020	404280BF5	INTEREST EARNED ON HSBC HOLDINGS PLC 2.650% 1/05/22 \$1 PV ON 4500000.0000 SHARES DUE 7/5/2020	0.0000	0.000000	59,625.00	0.00	0.00
07/07/2020	3135G0X24	INTEREST EARNED ON F N M A 1.625% 1/07/25 \$1 PV ON 10000000.0000 SHARES DUE 7/7/2020	0.0000	0.000000	79,895.83	0.00	0.00
07/09/2020	9127963Q0	INTEREST EARNED ON U S TREASURY BILL 8/25/20 \$1 PV ON 1000000.0000 SHARES DUE 7/8/2020 1,000,000 PAR VALUE AT 99.985508 %	0.0000	0.000000	73.64	0.00	0.00
07/13/2020	912828WU0	BOOK VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY -2392.00 UNITS DECREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	0.00	0.00
07/13/2020	912828WU0	FED BASIS OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY -2392.00 UNITS DECREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	-2,392.00	0.00
07/13/2020	912828WU0	PAR VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY -2392.0000 UNITS DECREASE TO ADJUST FOR CHANGE IN CPI	-2,392.0000	0.000000	0.00	0.00	0.00
07/13/2020	912828WU0	STATE COST OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY -2392.00 UNITS DECREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	0.00	0.00
07/14/2020	02665WCJ8	INTEREST EARNED ON AMERICAN HONDA MTN 3.450% 7/14/23 \$1 PV ON 845000.0000 SHARES DUE 7/14/2020	0.0000	0.000000	14,576.25	0.00	0.00
07/15/2020	31348SWZ3	INTEREST EARNED ON F H L M C #786064 3.846% 1/01/28 \$1 PV ON 5.3700 SHARES DUE 7/15/2020 MAY FHLMC DUE 7/15/20	0.0000	0.000000	5.37	0.00	0.00
07/15/2020	3133TCE95	INTEREST EARNED ON F H L M C MLTCL MTG 4.020% 8/15/32 \$1 PV ON 17.3000 SHARES DUE 7/15/2020 \$0.00335/PV ON 5,161.50 PV DUE 7/15/20	0.0000	0.000000	17.30	0.00	0.00
07/15/2020	43815NAB0	INTEREST EARNED ON HONDA AUTO 1.900% 4/15/22 \$1 PV ON 4858.8500 SHARES DUE 7/15/2020 \$0.00158/PV ON 3,068,744.89 PV DUE 7/15/20	0.0000	0.000000	4,858.85	0.00	0.00
07/15/2020	47788BAD6	INTEREST EARNED ON JOHN DEERE OWNER 1.820% 10/15/21 \$1 PV ON 123.6400 SHARES DUE 7/15/2020 \$0.00152/PV ON 81,522.74 PV DUE 7/15/20	0.0000	0.000000	123.64	0.00	0.00
07/15/2020	477870AB5	INTEREST EARNED ON JOHN DEERE OWNER 2.280% 5/16/22 \$1 PV ON 3440.0700 SHARES DUE 7/15/2020 \$0.00190/PV ON 1,810,561.56 PV DUE 7/15/20	0.0000	0.000000	3,440.07	0.00	0.00
07/15/2020	47788CAC6	INTEREST EARNED ON JOHN DEERE OWNER 2.660% 4/18/22 \$1 PV ON 1324.0200 SHARES DUE 7/15/2020 \$0.00222/PV ON 597,304.53 PV DUE 7/15/20	0.0000	0.000000	1,324.02	0.00	0.00
07/15/2020	47789JAB2	INTEREST EARNED ON JOHN DEERE OWNER 2.850% 12/15/21 \$1 PV ON 2673.7100 SHARES DUE 7/15/2020 \$0.00238/PV ON 1,125,770.32 PV DUE 7/15/20	0.0000	0.000000	2,673.71	0.00	0.00
07/15/2020	47788EAC2	INTEREST EARNED ON JOHN DEERE OWNER 3.080% 11/15/22 \$1 PV ON 9203.4700 SHARES DUE 7/15/2020 \$0.00257/PV ON 3,585,766.52 PV DUE 7/15/20	0.0000	0.000000	9,203.47	0.00	0.00
07/15/2020	58770FAC6	INTEREST EARNED ON MERCEDES BENZ AUTO 1.840% 12/15/22 \$1 PV ON 3143.3300 SHARES DUE 7/15/2020 \$0.00153/PV ON 2,050,000.00 PV DUE 7/15/20	0.0000	0.000000	3,143.33	0.00	0.00
07/15/2020	65478GAD2	INTEREST EARNED ON NISSAN AUTO 1.750% 10/15/21 \$1 PV ON 1013.3800 SHARES DUE 7/15/2020 \$0.00146/PV ON 694,887.24 PV DUE 7/15/20	0.0000	0.000000	1,013.38	0.00	0.00
07/15/2020	65479JAD5	INTEREST EARNED ON NISSAN AUTO 1.930% 7/15/24 \$1 PV ON 6730.8700 SHARES DUE 7/15/2020 \$0.00161/PV ON 4,185,000.00 PV DUE 7/15/20	0.0000	0.000000	6,730.87	0.00	0.00

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07/15/2020	65479GAD1	INTEREST EARNED ON NISSAN AUTO 3.060% 3/15/23 \$1 PV ON 8975.7900 SHARES DUE 7/15/2020 \$0.00255/PV ON 3,519,918.89 PV DUE 7/15/20	0.0000	0.000000	8,975.79	0.00	0.00
07/15/2020	89239AAB9	INTEREST EARNED ON TOYOTA AUTO 2.830% 10/15/21 \$1 PV ON 2818.8500 SHARES DUE 7/15/2020 \$0.00236/PV ON 1,195,272.54 PV DUE 7/15/20	0.0000	0.000000	2,818.85	0.00	0.00
07/15/2020	9127963Q0	INTEREST EARNED ON U S TREASURY BILL 8/25/20 \$1 PV ON 3000000.0000 SHARES DUE 7/14/2020 3,000,000 PAR VALUE AT 99.98649267 %	0.0000	0.000000	250.45	0.00	0.00
07/15/2020	912828WU0	INTEREST EARNED ON U S TREASURY I P S 0.125% 7/15/24 \$1 PV ON 11229816.0000 SHARES DUE 7/15/2020	0.0000	0.000000	7,018.64	0.00	0.00
07/16/2020	78013XZU5	INTEREST EARNED ON ROYAL BANK OF MTN 2.550% 7/16/24 \$1 PV ON 6500000.0000 SHARES DUE 7/16/2020	0.0000	0.000000	82,875.00	0.00	0.00
07/16/2020	78015K7H1	PAID ACCRUED INTEREST ON PURCHASE OF ROYAL BANK OF MTN 1.150% 6/10/25	0.0000	0.000000	-1,725.00	0.00	0.00
07/20/2020	3135G0T94	INTEREST EARNED ON F N M A DEB 2.375% 1/19/23 \$1 PV ON 5000000.0000 SHARES DUE 7/19/2020	0.0000	0.000000	59,375.00	0.00	0.00
07/20/2020	36225CAZ9	INTEREST EARNED ON G N M A I I #080023 3.125% 12/20/26 \$1 PV ON 34.8400 SHARES DUE 7/20/2020 JUNE GNMA DUE 7/20/20	0.0000	0.000000	34.84	0.00	0.00
07/20/2020	36225CC20	INTEREST EARNED ON G N M A I I #080088 3.875% 6/20/27 \$1 PV ON 36.1700 SHARES DUE 7/20/2020 JUNE GNMA DUE 7/20/20	0.0000	0.000000	36.17	0.00	0.00
07/20/2020	36225CNM4	INTEREST EARNED ON G N M A I I #080395 3.875% 4/20/30 \$1 PV ON 17.6900 SHARES DUE 7/20/2020 JUNE GNMA DUE 7/20/20	0.0000	0.000000	17.69	0.00	0.00
07/20/2020	36225CN28	INTEREST EARNED ON G N M A I I #080408 3.875% 5/20/30 \$1 PV ON 138.2900 SHARES DUE 7/20/2020 JUNE GNMA DUE 7/20/20	0.0000	0.000000	138.29	0.00	0.00
07/20/2020	36225DCB8	INTEREST EARNED ON G N M A I I #080965 3.250% 7/20/34 \$1 PV ON 101.6000 SHARES DUE 7/20/2020 JUNE GNMA DUE 7/20/20	0.0000	0.000000	101.60	0.00	0.00
07/20/2020	43814PAC4	INTEREST EARNED ON HONDA AUTO 1.790% 9/20/21 \$1 PV ON 1080.3600 SHARES DUE 7/18/2020 \$0.00149/PV ON 724,262.26 PV DUE 7/18/20	0.0000	0.000000	1,080.36	0.00	0.00
07/20/2020	43814WAB1	INTEREST EARNED ON HONDA AUTO 2.750% 9/20/21 \$1 PV ON 3995.8400 SHARES DUE 7/18/2020 \$0.00229/PV ON 1,743,638.56 PV DUE 7/18/20	0.0000	0.000000	3,995.84	0.00	0.00
07/20/2020	43814UAG4	INTEREST EARNED ON HONDA AUTO 3.010% 5/18/22 \$1 PV ON 3214.4100 SHARES DUE 7/18/2020 \$0.00251/PV ON 1,281,491.33 PV DUE 7/18/20	0.0000	0.000000	3,214.41	0.00	0.00
07/20/2020	4581X0CW6	INTEREST EARNED ON INTER AMER DEV BK 2.125% 1/18/22 \$1 PV ON 3000000.0000 SHARES DUE 7/18/2020	0.0000	0.000000	31,875.00	0.00	0.00
07/20/2020	45950KCJ7	INTEREST EARNED ON INTL FINANCE CORP 1.125% 7/20/21 \$1 PV ON 2500000.0000 SHARES DUE 7/20/2020	0.0000	0.000000	14,075.00	0.00	0.00
07/20/2020	89114QC48	INTEREST EARNED ON TORONTO MTN 3.500% 7/19/23 \$1 PV ON 5000000.0000 SHARES DUE 7/19/2020	0.0000	0.000000	87,500.00	0.00	0.00
07/21/2020	43815HAC1	INTEREST EARNED ON HONDA AUTO 2.950% 8/22/22 \$1 PV ON 7828.6200 SHARES DUE 7/21/2020 \$0.00246/PV ON 3,184,523.11 PV DUE 7/21/20	0.0000	0.000000	7,828.62	0.00	0.00
07/21/2020	90331HPL1	INTEREST EARNED ON US BANK NA MTN 2.050% 1/21/25 \$1 PV ON 7270000.0000 SHARES DUE 7/21/2020	0.0000	0.000000	74,517.50	0.00	0.00
07/22/2020	9127963Q0	INTEREST EARNED ON U S TREASURY BILL 8/25/20 \$1 PV ON 5200000.0000 SHARES DUE 7/21/2020 5,200,000 PAR VALUE AT 99.9915 %	0.0000	0.000000	694.49	0.00	0.00

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07/22/2020	94974BGM6	INTEREST EARNED ON WELLS FARGO CO MTN 2.600% 7/22/20 \$1 PV ON 5000000.0000 SHARES DUE 7/22/2020 INTEREST ON 7/22/20 MATURITY	0.0000	0.000000	65,000.00	0.00	0.00
07/22/2020	95000U2B8	INTEREST EARNED ON WELLS FARGO MTN 2.625% 7/22/22 \$1 PV ON 3000000.0000 SHARES DUE 7/22/2020	0.0000	0.000000	39,375.00	0.00	0.00
07/23/2020	46647PAU0	INTEREST EARNED ON JPMORGAN CHASE CO 3.797% 7/23/24 \$1 PV ON 2500000.0000 SHARES DUE 7/23/2020	0.0000	0.000000	47,462.50	0.00	0.00
07/23/2020	90331HNL3	INTEREST EARNED ON US BANK NA MTN 2.850% 1/23/23 \$1 PV ON 2000000.0000 SHARES DUE 7/23/2020	0.0000	0.000000	28,500.00	0.00	0.00
07/27/2020	03215PFN4	INTEREST EARNED ON AMRESCO 1.19948% 6/25/29 \$1 PV ON 118.9700 SHARES DUE 7/25/2020 \$0.00100/PV ON 119,021.64 PV DUE 7/25/20	0.0000	0.000000	118.97	0.00	0.00
07/27/2020	808513AT2	INTEREST EARNED ON CHARLES SCHWAB CORP 2.650% 1/25/23 \$1 PV ON 6750000.0000 SHARES DUE 7/25/2020	0.0000	0.000000	89,437.50	0.00	0.00
07/27/2020	3133EKWV4	INTEREST EARNED ON F F C B DEB 1.850% 7/26/24 \$1 PV ON 5000000.0000 SHARES DUE 7/26/2020	0.0000	0.000000	46,250.00	0.00	0.00
07/27/2020	313384ZX0	INTEREST EARNED ON F H L B DISC NTS 7/27/20 \$1 PV ON 2500000.0000 SHARES DUE 7/27/2020 2,500,000 PAR VALUE AT 100 %	0.0000	0.000000	1,262.50	0.00	0.00
07/27/2020	31394JY35	INTEREST EARNED ON F H L M C MLTCL MTG 6.500% 9/25/43 \$1 PV ON 3302.7900 SHARES DUE 7/25/2020 \$0.00542/PV ON 609,746.75 PV DUE 7/25/20	0.0000	0.000000	3,302.79	0.00	0.00
07/27/2020	31371NUC7	INTEREST EARNED ON F N M A #257179 4.500% 4/01/28 \$1 PV ON 47.1100 SHARES DUE 7/25/2020 JUNE FNMA DUE 7/25/20	0.0000	0.000000	47.11	0.00	0.00
07/27/2020	31376KT22	INTEREST EARNED ON F N M A #357969 5.000% 9/01/35 \$1 PV ON 353.1500 SHARES DUE 7/25/2020 JUNE FNMA DUE 7/25/20	0.0000	0.000000	353.15	0.00	0.00
07/27/2020	31381PDA3	INTEREST EARNED ON F N M A #466397 3.400% 11/01/20 \$1 PV ON 936.9700 SHARES DUE 7/25/2020 JUNE FNMA DUE 7/25/20	0.0000	0.000000	936.97	0.00	0.00
07/27/2020	31403DJZ3	INTEREST EARNED ON F N M A #745580 5.000% 6/01/36 \$1 PV ON 334.2500 SHARES DUE 7/25/2020 JUNE FNMA DUE 7/25/20	0.0000	0.000000	334.25	0.00	0.00
07/27/2020	31403GXF4	INTEREST EARNED ON F N M A #748678 5.000% 10/01/33 \$1 PV ON 7.0800 SHARES DUE 7/25/2020 JUNE FNMA DUE 7/25/20	0.0000	0.000000	7.08	0.00	0.00
07/27/2020	31406PQY8	INTEREST EARNED ON F N M A #815971 5.000% 3/01/35 \$1 PV ON 529.3300 SHARES DUE 7/25/2020 JUNE FNMA DUE 7/25/20	0.0000	0.000000	529.33	0.00	0.00
07/27/2020	31406XWT5	INTEREST EARNED ON F N M A #823358 3.674% 2/01/35 \$1 PV ON 289.5800 SHARES DUE 7/25/2020 JUNE FNMA DUE 7/25/20	0.0000	0.000000	289.58	0.00	0.00
07/27/2020	31407BXH7	INTEREST EARNED ON F N M A #826080 5.000% 7/01/35 \$1 PV ON 67.9700 SHARES DUE 7/25/2020 JUNE FNMA DUE 7/25/20	0.0000	0.000000	67.97	0.00	0.00
07/27/2020	31410F4V4	INTEREST EARNED ON F N M A #888336 5.000% 7/01/36 \$1 PV ON 648.1400 SHARES DUE 7/25/2020 JUNE FNMA DUE 7/25/20	0.0000	0.000000	648.14	0.00	0.00
07/27/2020	3138EG6F6	INTEREST EARNED ON F N M A #AL0869 4.500% 6/01/29 \$1 PV ON 31.2900 SHARES DUE 7/25/2020 JUNE FNMA DUE 7/25/20	0.0000	0.000000	31.29	0.00	0.00
07/27/2020	31417YAY3	INTEREST EARNED ON F N M A #MA0022 4.500% 4/01/29 \$1 PV ON 50.1700 SHARES DUE 7/25/2020 JUNE FNMA DUE 7/25/20	0.0000	0.000000	50.17	0.00	0.00

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07/27/2020	31397QRE0	INTEREST EARNED ON F N M A GTD REMIC 2.472% 2/25/41 \$1 PV ON 113.6500 SHARES DUE 7/25/2020 \$0.00072/PV ON 157,756.33 PV DUE 7/25/20	0.0000	0.000000	113.65	0.00	0.00
07/27/2020	459058FY4	INTEREST EARNED ON INTL BK 2.000% 1/26/22 \$1 PV ON 10000000.0000 SHARES DUE 7/26/2020	0.0000	0.000000	100,000.00	0.00	0.00
07/27/2020	45950KCM0	INTEREST EARNED ON INTL BK M T N 2.250% 1/25/21 \$1 PV ON 2970000.0000 SHARES DUE 7/25/2020	0.0000	0.000000	33,412.50	0.00	0.00
07/27/2020	78445JAA5	INTEREST EARNED ON S L M A 2.51906% 4/25/23 \$1 PV ON 73.2600 SHARES DUE 7/25/2020 \$0.00630/PV ON 11,633.32 PV DUE 7/25/20	0.0000	0.000000	73.26	0.00	0.00
07/27/2020	89114QBX5	INTEREST EARNED ON TORONTO DOMINION MTN 2.550% 1/25/21 \$1 PV ON 1750000.0000 SHARES DUE 7/25/2020	0.0000	0.000000	22,312.50	0.00	0.00
07/28/2020	61747WAL3	INTEREST EARNED ON MORGAN STANLEY 5.500% 7/28/21 \$1 PV ON 2800000.0000 SHARES DUE 7/28/2020	0.0000	0.000000	77,000.00	0.00	0.00
07/29/2020	912828WU0	BOOK VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 104.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	0.00	0.00
07/29/2020	912828WU0	FED BASIS OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 104.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	104.00	0.00
07/29/2020	06406RAE7	INTEREST EARNED ON BANK OF NY MTN 2.950% 1/29/23 \$1 PV ON 2500000.0000 SHARES DUE 7/29/2020	0.0000	0.000000	36,875.00	0.00	0.00
07/29/2020	313384ZZ5	INTEREST EARNED ON F H L B DISC NTS 7/29/20 \$1 PV ON 5000000.0000 SHARES DUE 7/29/2020 5,000,000 PAR VALUE AT 100 %	0.0000	0.000000	1,250.00	0.00	0.00
07/29/2020	912828WU0	PAR VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 104.0000 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	104.0000	0.000000	0.00	0.00	0.00
07/29/2020	912828WU0	STATE COST OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 104.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	0.00	0.00
07/30/2020	912796WY1	INTEREST EARNED ON U S TREASURY BILL 7/30/20 \$1 PV ON 3500000.0000 SHARES DUE 7/30/2020 3,500,000 PAR VALUE AT 100 %	0.0000	0.000000	2,912.78	0.00	0.00
07/31/2020	912828N89	INTEREST EARNED ON U S TREASURY NT 1.375% 1/31/21 \$1 PV ON 6000000.0000 SHARES DUE 7/31/2020	0.0000	0.000000	41,250.00	0.00	0.00
07/31/2020	912828V72	INTEREST EARNED ON U S TREASURY NT 1.875% 1/31/22 \$1 PV ON 3000000.0000 SHARES DUE 7/31/2020	0.0000	0.000000	28,125.00	0.00	0.00
07/31/2020	912828V80	INTEREST EARNED ON U S TREASURY NT 2.250% 1/31/24 \$1 PV ON 7500000.0000 SHARES DUE 7/31/2020	0.0000	0.000000	84,375.00	0.00	0.00
08/03/2020	31846V567	INTEREST EARNED ON FIRST AM GOVT OB FD CL Z UNIT ON 0.0000 SHARES DUE 7/31/2020 INTEREST FROM 7/1/20 TO 7/31/20	0.0000	0.000000	233.63	0.00	0.00
08/03/2020	31846V567	INTEREST EARNED ON FIRST AM GOVT OB FD CL Z UNIT ON 0.0000 SHARES DUE 7/31/2020 INTEREST FROM 7/1/20 TO 7/31/20	0.0000	0.000000	299.04	0.00	0.00
08/05/2020	3135G0V34	INTEREST EARNED ON F N M A 2.500% 2/05/24 \$1 PV ON 5000000.0000 SHARES DUE 8/5/2020	0.0000	0.000000	62,500.00	0.00	0.00
08/06/2020	44932HAH6	INTEREST EARNED ON IBM CREDIT CORP 3.000% 2/06/23 \$1 PV ON 5670000.0000 SHARES DUE 8/6/2020	0.0000	0.000000	85,050.00	0.00	0.00

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08/07/2020	06406RAA5	INTEREST EARNED ON BANK OF NY MTN 2.600% 2/07/22 \$1 PV ON 2500000.0000 SHARES DUE 8/7/2020	0.0000	0.000000	32,500.00	0.00	0.00
08/10/2020	594918BP8	INTEREST EARNED ON MICROSOFT CORP 1.550% 8/08/21 \$1 PV ON 3045000.0000 SHARES DUE 8/8/2020	0.0000	0.000000	23,598.75	0.00	0.00
08/12/2020	3137EAEP0	INTEREST EARNED ON F H L M C 1.500% 2/12/25 \$1 PV ON 12335000.0000 SHARES DUE 8/12/2020	0.0000	0.000000	91,484.59	0.00	0.00
08/13/2020	912828WU0	BOOK VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 27768.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	0.00	0.00
08/13/2020	912828WU0	FED BASIS OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 27768.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	27,768.00	0.00
08/13/2020	912828WU0	PAR VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 27768.0000 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	27,768.0000	0.000000	0.00	0.00	0.00
08/13/2020	912828WU0	STATE COST OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 27768.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	0.00	0.00
08/17/2020	3137EAEL9	INTEREST EARNED ON F H L M C M T N 2.375% 2/16/21 \$1 PV ON 7500000.0000 SHARES DUE 8/16/2020	0.0000	0.000000	89,062.50	0.00	0.00
08/17/2020	31348SWZ3	INTEREST EARNED ON F H L M C #786064 3.846% 1/01/28 \$1 PV ON 5.3200 SHARES DUE 8/15/2020 JUNE FHLMC DUE 8/15/20	0.0000	0.000000	5.32	0.00	0.00
08/17/2020	3133TCE95	INTEREST EARNED ON F H L M C MLTCL MTG 4.020% 8/15/32 \$1 PV ON 16.9100 SHARES DUE 8/15/2020 \$0.00335/PV ON 5,044.65 PV DUE 8/15/20	0.0000	0.000000	16.91	0.00	0.00
08/17/2020	43815NAB0	INTEREST EARNED ON HONDA AUTO 1.900% 4/15/22 \$1 PV ON 4391.8900 SHARES DUE 8/15/2020 \$0.00158/PV ON 2,773,821.76 PV DUE 8/15/20	0.0000	0.000000	4,391.89	0.00	0.00
08/17/2020	47788BAD6	INTEREST EARNED ON JOHN DEERE OWNER 1.820% 10/15/21 \$1 PV ON 94.7300 SHARES DUE 8/15/2020 \$0.00152/PV ON 62,458.45 PV DUE 8/15/20	0.0000	0.000000	94.73	0.00	0.00
08/17/2020	477870AB5	INTEREST EARNED ON JOHN DEERE OWNER 2.280% 5/16/22 \$1 PV ON 3103.9500 SHARES DUE 8/15/2020 \$0.00190/PV ON 1,633,657.76 PV DUE 8/15/20	0.0000	0.000000	3,103.95	0.00	0.00
08/17/2020	47788CAC6	INTEREST EARNED ON JOHN DEERE OWNER 2.660% 4/18/22 \$1 PV ON 1187.2500 SHARES DUE 8/15/2020 \$0.00222/PV ON 535,600.52 PV DUE 8/15/20	0.0000	0.000000	1,187.25	0.00	0.00
08/17/2020	47789JAB2	INTEREST EARNED ON JOHN DEERE OWNER 2.850% 12/15/21 \$1 PV ON 2141.1000 SHARES DUE 8/15/2020 \$0.00238/PV ON 901,515.39 PV DUE 8/15/20	0.0000	0.000000	2,141.10	0.00	0.00
08/17/2020	47788EAC2	INTEREST EARNED ON JOHN DEERE OWNER 3.080% 11/15/22 \$1 PV ON 8668.4400 SHARES DUE 8/15/2020 \$0.00257/PV ON 3,377,316.47 PV DUE 8/15/20	0.0000	0.000000	8,668.44	0.00	0.00
08/17/2020	58770FAC6	INTEREST EARNED ON MERCEDES BENZ AUTO 1.840% 12/15/22 \$1 PV ON 3143.3300 SHARES DUE 8/15/2020 \$0.00153/PV ON 2,050,000.00 PV DUE 8/15/20	0.0000	0.000000	3,143.33	0.00	0.00
08/17/2020	65478GAD2	INTEREST EARNED ON NISSAN AUTO 1.750% 10/15/21 \$1 PV ON 807.2000 SHARES DUE 8/15/2020 \$0.00146/PV ON 553,511.01 PV DUE 8/15/20	0.0000	0.000000	807.20	0.00	0.00
08/17/2020	65479JAD5	INTEREST EARNED ON NISSAN AUTO 1.930% 7/15/24 \$1 PV ON 6730.8700 SHARES DUE 8/15/2020 \$0.00161/PV ON 4,185,000.00 PV DUE 8/15/20	0.0000	0.000000	6,730.87	0.00	0.00
08/17/2020	65479GAD1	INTEREST EARNED ON NISSAN AUTO 3.060% 3/15/23 \$1 PV ON 8387.5300 SHARES DUE 8/15/2020 \$0.00255/PV ON 3,289,225.91 PV DUE 8/15/20	0.0000	0.000000	8,387.53	0.00	0.00

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08/17/2020	69353RFB9	INTEREST EARNED ON PNC BANK NA MTN 2.625% 2/17/22 \$1 PV ON 1000000.0000 SHARES DUE 8/17/2020	0.0000	0.000000	13,125.00	0.00	0.00
08/17/2020	89239AAB9	INTEREST EARNED ON TOYOTA AUTO 2.830% 10/15/21 \$1 PV ON 2213.8900 SHARES DUE 8/15/2020 \$0.00236/PV ON 938,751.31 PV DUE 8/15/20	0.0000	0.000000	2,213.89	0.00	0.00
08/17/2020	89237VAB5	INTEREST EARNED ON TOYOTA AUTO RECV 0.264% 10/15/24 \$1 PV ON 651.2000 SHARES DUE 8/15/2020 \$0.00022/PV ON 2,960,000.00 PV DUE 8/15/20	0.0000	0.000000	651.20	0.00	0.00
08/18/2020	3130A7CV5	INTEREST EARNED ON F H L B DEB 1.375% 2/18/21 \$1 PV ON 5365000.0000 SHARES DUE 8/18/2020	0.0000	0.000000	36,884.38	0.00	0.00
08/18/2020	43814PAC4	INTEREST EARNED ON HONDA AUTO 1.790% 9/20/21 \$1 PV ON 873.1800 SHARES DUE 8/18/2020 \$0.00149/PV ON 585,371.12 PV DUE 8/18/20	0.0000	0.000000	873.18	0.00	0.00
08/18/2020	43814WAB1	INTEREST EARNED ON HONDA AUTO 2.750% 9/20/21 \$1 PV ON 3190.2900 SHARES DUE 8/18/2020 \$0.00229/PV ON 1,392,127.21 PV DUE 8/18/20	0.0000	0.000000	3,190.29	0.00	0.00
08/18/2020	43814UAG4	INTEREST EARNED ON HONDA AUTO 3.010% 5/18/22 \$1 PV ON 2917.8200 SHARES DUE 8/18/2020 \$0.00251/PV ON 1,163,249.67 PV DUE 8/18/20	0.0000	0.000000	2,917.82	0.00	0.00
08/20/2020	36225CAZ9	INTEREST EARNED ON G N M A I I #080023 3.125% 12/20/26 \$1 PV ON 33.7200 SHARES DUE 8/20/2020 JULY GNMA DUE 8/20/20	0.0000	0.000000	33.72	0.00	0.00
08/20/2020	36225CC20	INTEREST EARNED ON G N M A I I #080088 2.875% 6/20/27 \$1 PV ON 23.0100 SHARES DUE 8/20/2020 JULY GNMA DUE 8/20/20	0.0000	0.000000	23.01	0.00	0.00
08/20/2020	36225CNM4	INTEREST EARNED ON G N M A I I #080395 2.875% 4/20/30 \$1 PV ON 12.7100 SHARES DUE 8/20/2020 JULY GNMA DUE 8/20/20	0.0000	0.000000	12.71	0.00	0.00
08/20/2020	36225CN28	INTEREST EARNED ON G N M A I I #080408 2.875% 5/20/30 \$1 PV ON 93.7200 SHARES DUE 8/20/2020 JULY GNMA DUE 8/20/20	0.0000	0.000000	93.72	0.00	0.00
08/20/2020	36225DCB8	INTEREST EARNED ON G N M A I I #080965 3.250% 7/20/34 \$1 PV ON 94.9800 SHARES DUE 8/20/2020 JULY GNMA DUE 8/20/20	0.0000	0.000000	94.98	0.00	0.00
08/21/2020	43815HAC1	INTEREST EARNED ON HONDA AUTO 2.950% 8/22/22 \$1 PV ON 7211.3200 SHARES DUE 8/21/2020 \$0.00246/PV ON 2,933,419.30 PV DUE 8/21/20	0.0000	0.000000	7,211.32	0.00	0.00
08/21/2020	404280BF5	INTEREST EARNED ON HSBC HOLDINGS PLC 2.650% 1/05/22 \$1 PV ON 4500000.0000 SHARES DUE 8/18/2020 \$3.38611 PER \$1000 ACCD INT (46 DAYS)	0.0000	0.000000	15,237.50	0.00	0.00
08/24/2020	037833BS8	INTEREST EARNED ON APPLE INC 2.250% 2/23/21 \$1 PV ON 4000000.0000 SHARES DUE 8/23/2020	0.0000	0.000000	45,000.00	0.00	0.00
08/25/2020	03215PFN4	INTEREST EARNED ON AMRESCO 1.07458% 6/25/29 \$1 PV ON 106.5800 SHARES DUE 8/25/2020 \$0.00090/PV ON 119,021.64 PV DUE 8/25/20	0.0000	0.000000	106.58	0.00	0.00
08/25/2020	31394JY35	INTEREST EARNED ON F H L M C MLTCL MTG 6.500% 9/25/43 \$1 PV ON 3270.8200 SHARES DUE 8/25/2020 \$0.00542/PV ON 603,845.16 PV DUE 8/25/20	0.0000	0.000000	3,270.82	0.00	0.00
08/25/2020	31371NUC7	INTEREST EARNED ON F N M A #257179 4.500% 4/01/28 \$1 PV ON 45.2700 SHARES DUE 8/25/2020 JULY FNMA DUE 8/25/20	0.0000	0.000000	45.27	0.00	0.00
08/25/2020	31376KT22	INTEREST EARNED ON F N M A #357969 5.000% 9/01/35 \$1 PV ON 351.2300 SHARES DUE 8/25/2020 JULY FNMA DUE 8/25/20	0.0000	0.000000	351.23	0.00	0.00
08/25/2020	31381PDA3	INTEREST EARNED ON F N M A #466397 3.400% 11/01/20 \$1 PV ON 965.9300 SHARES DUE 8/25/2020 JULY FNMA DUE 8/25/20	0.0000	0.000000	965.93	0.00	0.00

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08/25/2020	31403DJZ3	INTEREST EARNED ON F N M A #745580 5.000% 6/01/36 \$1 PV ON 328.4300 SHARES DUE 8/25/2020 JULY FNMA DUE 8/25/20	0.0000	0.000000	328.43	0.00	0.00
08/25/2020	31403GXF4	INTEREST EARNED ON F N M A #748678 5.000% 10/01/33 \$1 PV ON 7.0400 SHARES DUE 8/25/2020 JULY FNMA DUE 8/25/20	0.0000	0.000000	7.04	0.00	0.00
08/25/2020	31406PQY8	INTEREST EARNED ON F N M A #815971 5.000% 3/01/35 \$1 PV ON 526.6100 SHARES DUE 8/25/2020 JULY FNMA DUE 8/25/20	0.0000	0.000000	526.61	0.00	0.00
08/25/2020	31406XWT5	INTEREST EARNED ON F N M A #823358 3.674% 2/01/35 \$1 PV ON 287.7200 SHARES DUE 8/25/2020 JULY FNMA DUE 8/25/20	0.0000	0.000000	287.72	0.00	0.00
08/25/2020	31407BXH7	INTEREST EARNED ON F N M A #826080 5.000% 7/01/35 \$1 PV ON 67.6500 SHARES DUE 8/25/2020 JULY FNMA DUE 8/25/20	0.0000	0.000000	67.65	0.00	0.00
08/25/2020	31410F4V4	INTEREST EARNED ON F N M A #888336 5.000% 7/01/36 \$1 PV ON 633.5100 SHARES DUE 8/25/2020 JULY FNMA DUE 8/25/20	0.0000	0.000000	633.51	0.00	0.00
08/25/2020	3138EG6F6	INTEREST EARNED ON F N M A #AL0869 4.500% 6/01/29 \$1 PV ON 30.1100 SHARES DUE 8/25/2020 JULY FNMA DUE 8/25/20	0.0000	0.000000	30.11	0.00	0.00
08/25/2020	31417YAY3	INTEREST EARNED ON F N M A #MA0022 4.500% 4/01/29 \$1 PV ON 48.9500 SHARES DUE 8/25/2020 JULY FNMA DUE 8/25/20	0.0000	0.000000	48.95	0.00	0.00
08/25/2020	31397QRE0	INTEREST EARNED ON F N M A GTD REMIC 2.472% 2/25/41 \$1 PV ON 108.9000 SHARES DUE 8/25/2020 \$0.00071/PV ON 153,441.53 PV DUE 8/25/20	0.0000	0.000000	108.90	0.00	0.00
08/25/2020	9127963Q0	INTEREST EARNED ON U S TREASURY BILL 8/25/20 \$1 PV ON 800000.0000 SHARES DUE 8/25/2020 800,000 PAR VALUE AT 100 %	0.0000	0.000000	174.84	0.00	0.00
08/26/2020	3135G0J20	INTEREST EARNED ON F N M A DEB 1.375% 2/26/21 \$1 PV ON 10000000.0000 SHARES DUE 8/26/2020	0.0000	0.000000	68,750.00	0.00	0.00
08/27/2020	912828WU0	BOOK VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 31720.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	0.00	0.00
08/27/2020	912828WU0	FED BASIS OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 31720.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	31,720.00	0.00
08/27/2020	912796XG9	INTEREST EARNED ON U S TREASURY BILL 8/27/20 \$1 PV ON 13000000.0000 SHARES DUE 8/27/2020 13,000,000 PAR VALUE AT 100 %	0.0000	0.000000	4,835.99	0.00	0.00
08/27/2020	912828WU0	PAR VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 31720.0000 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	31,720.0000	0.000000	0.00	0.00	0.00
08/27/2020	912828WU0	STATE COST OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 31720.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	0.00	0.00
08/31/2020		CASH DISBURSEMENT PAID TO BANC OF CALIFORNIA OUTGOING DOMESTIC WIRE PER DIR DTD 8/26/2020	0.0000	0.000000	-50,000,000.00	0.00	0.00
08/31/2020	912828L32	INTEREST EARNED ON U S TREASURY NT 1.375% 8/31/20 \$1 PV ON 15000000.0000 SHARES DUE 8/31/2020	0.0000	0.000000	103,125.00	0.00	0.00
08/31/2020	912828L24	INTEREST EARNED ON U S TREASURY NT 1.875% 8/31/22 \$1 PV ON 6000000.0000 SHARES DUE 8/31/2020	0.0000	0.000000	56,250.00	0.00	0.00
08/31/2020	912828W48	INTEREST EARNED ON U S TREASURY NT 2.125% 2/29/24 \$1 PV ON 10000000.0000 SHARES DUE 8/31/2020	0.0000	0.000000	106,250.00	0.00	0.00

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08/31/2020	912828VV9	INTEREST EARNED ON U S TREASURY NT 2.125% 8/31/20 \$1 PV ON 15000000.0000 SHARES DUE 8/31/2020	0.0000	0.000000	159,375.00	0.00	0.00
08/31/2020	9128284Y3	INTEREST EARNED ON U S TREASURY NT 2.625% 8/31/20 \$1 PV ON 7000000.0000 SHARES DUE 8/31/2020	0.0000	0.000000	91,875.00	0.00	0.00
09/01/2020	30231GAV4	INTEREST EARNED ON EXXON MOBIL 2.222% 3/01/21 \$1 PV ON 3000000.0000 SHARES DUE 9/1/2020	0.0000	0.000000	33,330.00	0.00	0.00
09/01/2020	31846V567	INTEREST EARNED ON FIRST AM GOVT OB FD CL Z UNIT ON 0.0000 SHARES DUE 8/31/2020 INTEREST FROM 8/1/20 TO 8/31/20	0.0000	0.000000	410.14	0.00	0.00
09/01/2020	31846V567	INTEREST EARNED ON FIRST AM GOVT OB FD CL Z UNIT ON 0.0000 SHARES DUE 8/31/2020 INTEREST FROM 8/1/20 TO 8/31/20	0.0000	0.000000	408.37	0.00	0.00
09/01/2020	494368BF9	INTEREST EARNED ON KIMBERLY CLARK CORP 3.875% 3/01/21 \$1 PV ON 750000.0000 SHARES DUE 9/1/2020	0.0000	0.000000	14,531.25	0.00	0.00
09/01/2020	83162CLJ0	INTEREST EARNED ON S B A GTD DEV PART 6.340% 3/01/21 \$1 PV ON 186.3300 SHARES DUE 9/1/2020 \$0.03170/PV ON 5,878.03 PV DUE 9/ 1/20	0.0000	0.000000	186.33	0.00	0.00
09/08/2020	06051GHF9	INTEREST EARNED ON BANK OF AMERICA 3.550% 3/05/24 \$1 PV ON 6675000.0000 SHARES DUE 9/5/2020	0.0000	0.000000	118,481.25	0.00	0.00
09/08/2020	313383YJ4	INTEREST EARNED ON F H L B DEB 3.375% 9/08/23 \$1 PV ON 10000000.0000 SHARES DUE 9/8/2020	0.0000	0.000000	168,750.00	0.00	0.00
09/11/2020	912828WU0	BOOK VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 28600.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	0.00	0.00
09/11/2020	912828WU0	FED BASIS OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 28600.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	28,600.00	0.00
09/11/2020	912828WU0	PAR VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 28600.0000 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	28,600.0000	0.000000	0.00	0.00	0.00
09/11/2020	912828WU0	STATE COST OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 28600.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	0.00	0.00
09/14/2020	00440EAP2	INTEREST EARNED ON ACE INA HOLDINGS 2.700% 3/13/23 \$1 PV ON 2000000.0000 SHARES DUE 9/13/2020	0.0000	0.000000	27,000.00	0.00	0.00
09/14/2020	3130A4CH3	INTEREST EARNED ON F H L B DEB 2.375% 3/14/25 \$1 PV ON 5225000.0000 SHARES DUE 9/14/2020	0.0000	0.000000	62,046.88	0.00	0.00
09/14/2020	3130A2UW4	INTEREST EARNED ON F H L B DEB 2.875% 9/13/24 \$1 PV ON 2500000.0000 SHARES DUE 9/13/2020	0.0000	0.000000	35,937.50	0.00	0.00
09/14/2020	4581X0CZ9	INTEREST EARNED ON INTER AMER DEV BK 1.750% 9/14/22 \$1 PV ON 6500000.0000 SHARES DUE 9/14/2020	0.0000	0.000000	56,875.00	0.00	0.00
09/14/2020	69371RN93	PAID ACCRUED INTEREST ON PURCHASE OF PACCAR FINANCIAL MTN 2.800% 3/01/21	0.0000	0.000000	-606.67	0.00	0.00
09/15/2020	084670BR8	INTEREST EARNED ON BERKSHIRE HATHAWAY 2.750% 3/15/23 \$1 PV ON 2500000.0000 SHARES DUE 9/15/2020	0.0000	0.000000	34,375.00	0.00	0.00
09/15/2020	31348SWZ3	INTEREST EARNED ON F H L M C #786064 3.845% 1/01/28 \$1 PV ON 5.2800 SHARES DUE 9/15/2020 JULY FHLMC DUE 9/15/20	0.0000	0.000000	5.28	0.00	0.00

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09/15/2020	3133TCE95	INTEREST EARNED ON F H L M C MLTCL MTG 4.020% 8/15/32 \$1 PV ON 16.5300 SHARES DUE 9/15/2020 \$0.00335/PV ON 4,924.05 PV DUE 9/15/20	0.0000	0.000000	16.53	0.00	0.00
09/15/2020	43815NAB0	INTEREST EARNED ON HONDA AUTO 1.900% 4/15/22 \$1 PV ON 3908.4000 SHARES DUE 9/15/2020 \$0.00158/PV ON 2,468,462.08 PV DUE 9/15/20	0.0000	0.000000	3,908.40	0.00	0.00
09/15/2020	4581X0CS5	INTEREST EARNED ON INTER AMER BK M T N 1.875% 3/15/21 \$1 PV ON 5000000.0000 SHARES DUE 9/15/2020	0.0000	0.000000	46,875.00	0.00	0.00
09/15/2020	47787NAC3	INTEREST EARNED ON JOHN DEERE OWNER 0.901% 11/15/24 \$1 PV ON 1111.2300 SHARES DUE 9/15/2020 \$0.00075/PV ON 1,480,000.00 PV DUE 9/15/20	0.0000	0.000000	1,111.23	0.00	0.00
09/15/2020	47788BAD6	INTEREST EARNED ON JOHN DEERE OWNER 1.820% 10/15/21 \$1 PV ON 57.9000 SHARES DUE 9/15/2020 \$0.00152/PV ON 38,176.65 PV DUE 9/15/20	0.0000	0.000000	57.90	0.00	0.00
09/15/2020	477870AB5	INTEREST EARNED ON JOHN DEERE OWNER 2.280% 5/16/22 \$1 PV ON 2659.0500 SHARES DUE 9/15/2020 \$0.00190/PV ON 1,399,500.65 PV DUE 9/15/20	0.0000	0.000000	2,659.05	0.00	0.00
09/15/2020	47788CAC6	INTEREST EARNED ON JOHN DEERE OWNER 2.660% 4/18/22 \$1 PV ON 1014.7800 SHARES DUE 9/15/2020 \$0.00222/PV ON 457,794.41 PV DUE 9/15/20	0.0000	0.000000	1,014.78	0.00	0.00
09/15/2020	47789JAB2	INTEREST EARNED ON JOHN DEERE OWNER 2.850% 12/15/21 \$1 PV ON 1495.1500 SHARES DUE 9/15/2020 \$0.00237/PV ON 629,537.89 PV DUE 9/15/20	0.0000	0.000000	1,495.15	0.00	0.00
09/15/2020	47788EAC2	INTEREST EARNED ON JOHN DEERE OWNER 3.080% 11/15/22 \$1 PV ON 8028.8400 SHARES DUE 9/15/2020 \$0.00257/PV ON 3,128,121.58 PV DUE 9/15/20	0.0000	0.000000	8,028.84	0.00	0.00
09/15/2020	58770FAC6	INTEREST EARNED ON MERCEDES BENZ AUTO 1.840% 12/15/22 \$1 PV ON 3143.3300 SHARES DUE 9/15/2020 \$0.00153/PV ON 2,050,000.00 PV DUE 9/15/20	0.0000	0.000000	3,143.33	0.00	0.00
09/15/2020	65478GAD2	INTEREST EARNED ON NISSAN AUTO 1.750% 10/15/21 \$1 PV ON 610.1700 SHARES DUE 9/15/2020 \$0.00146/PV ON 418,405.38 PV DUE 9/15/20	0.0000	0.000000	610.17	0.00	0.00
09/15/2020	65479JAD5	INTEREST EARNED ON NISSAN AUTO 1.930% 7/15/24 \$1 PV ON 6730.8700 SHARES DUE 9/15/2020 \$0.00161/PV ON 4,185,000.00 PV DUE 9/15/20	0.0000	0.000000	6,730.87	0.00	0.00
09/15/2020	65479GAD1	INTEREST EARNED ON NISSAN AUTO 3.060% 3/15/23 \$1 PV ON 7805.4300 SHARES DUE 9/15/2020 \$0.00255/PV ON 3,060,953.23 PV DUE 9/15/20	0.0000	0.000000	7,805.43	0.00	0.00
09/15/2020	68389XBK0	INTEREST EARNED ON ORACLE CORP 1.900% 9/15/21 \$1 PV ON 3000000.0000 SHARES DUE 9/15/2020	0.0000	0.000000	28,500.00	0.00	0.00
09/15/2020	89239AAB9	INTEREST EARNED ON TOYOTA AUTO 2.830% 10/15/21 \$1 PV ON 1598.3500 SHARES DUE 9/15/2020 \$0.00236/PV ON 677,744.66 PV DUE 9/15/20	0.0000	0.000000	1,598.35	0.00	0.00
09/15/2020	89237VAB5	INTEREST EARNED ON TOYOTA AUTO RECV 0.440% 10/15/24 \$1 PV ON 1085.3300 SHARES DUE 9/15/2020 \$0.00037/PV ON 2,960,000.00 PV DUE 9/15/20	0.0000	0.000000	1,085.33	0.00	0.00
09/15/2020	9127963Y3	INTEREST EARNED ON U S TREASURY BILL 9/15/20 \$1 PV ON 7000000.0000 SHARES DUE 9/15/2020 7,000,000 PAR VALUE AT 100 %	0.0000	0.000000	2,978.50	0.00	0.00
09/17/2020	912828WR7	PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 2.125% 6/30/21	0.0000	0.000000	-13,685.46	0.00	0.00
09/17/2020	912828WY2	PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 2.250% 7/31/21	0.0000	0.000000	-8,804.35	0.00	0.00
09/18/2020	09247XAL5	INTEREST EARNED ON BLACKROCK INC 3.500% 3/18/24 \$1 PV ON 1000000.0000 SHARES DUE 9/18/2020	0.0000	0.000000	17,500.00	0.00	0.00
09/18/2020	43814PAC4	INTEREST EARNED ON HONDA AUTO 1.790% 9/20/21 \$1 PV ON 663.8800 SHARES DUE 9/18/2020 \$0.00149/PV ON 445,056.60 PV DUE 9/18/20	0.0000	0.000000	663.88	0.00	0.00

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09/18/2020	43814WAB1	INTEREST EARNED ON HONDA AUTO 2.750% 9/20/21 \$1 PV ON 2371.3300 SHARES DUE 9/18/2020 \$0.00229/PV ON 1,034,760.53 PV DUE 9/18/20	0.0000	0.000000	2,371.33	0.00	0.00
09/18/2020	43814UAG4	INTEREST EARNED ON HONDA AUTO 3.010% 5/18/22 \$1 PV ON 2621.1300 SHARES DUE 9/18/2020 \$0.00251/PV ON 1,044,969.14 PV DUE 9/18/20	0.0000	0.000000	2,621.13	0.00	0.00
09/21/2020	36225CAZ9	INTEREST EARNED ON G N M A I I #080023 3.125% 12/20/26 \$1 PV ON 33.2900 SHARES DUE 9/20/2020 AUGUST GNMA DUE 9/20/20	0.0000	0.000000	33.29	0.00	0.00
09/21/2020	36225CC20	INTEREST EARNED ON G N M A I I #080088 2.875% 6/20/27 \$1 PV ON 22.6800 SHARES DUE 9/20/2020 AUGUST GNMA DUE 9/20/20	0.0000	0.000000	22.68	0.00	0.00
09/21/2020	36225CNM4	INTEREST EARNED ON G N M A I I #080395 2.875% 4/20/30 \$1 PV ON 12.6100 SHARES DUE 9/20/2020 AUGUST GNMA DUE 9/20/20	0.0000	0.000000	12.61	0.00	0.00
09/21/2020	36225CN28	INTEREST EARNED ON G N M A I I #080408 2.875% 5/20/30 \$1 PV ON 92.8900 SHARES DUE 9/20/2020 AUGUST GNMA DUE 9/20/20	0.0000	0.000000	92.89	0.00	0.00
09/21/2020	36225DCB8	INTEREST EARNED ON G N M A I I #080965 3.250% 7/20/34 \$1 PV ON 92.5500 SHARES DUE 9/20/2020 AUGUST GNMA DUE 9/20/20	0.0000	0.000000	92.55	0.00	0.00
09/21/2020	43815HAC1	INTEREST EARNED ON HONDA AUTO 2.950% 8/22/22 \$1 PV ON 6595.6800 SHARES DUE 9/21/2020 \$0.00246/PV ON 2,682,987.81 PV DUE 9/21/20	0.0000	0.000000	6,595.68	0.00	0.00
09/24/2020	92826CAB8	PAID ACCRUED INTEREST ON PURCHASE OF VISA INC 2.200% 12/14/20	0.0000	0.000000	-3,055.56	0.00	0.00
09/24/2020	912828L99	RECEIVED ACCRUED INTEREST ON SALE OF U S TREASURY NT 1.375% 10/31/20	0.0000	0.000000	2,746.26	0.00	0.00
09/25/2020	03215PFN4	INTEREST EARNED ON AMRESCO 1.15232% 6/25/29 \$1 PV ON 114.2900 SHARES DUE 9/25/2020 \$0.00096/PV ON 119,021.64 PV DUE 9/25/20	0.0000	0.000000	114.29	0.00	0.00
09/25/2020	31394JY35	INTEREST EARNED ON F H L M C MLTCL MTG 6.500% 9/25/43 \$1 PV ON 3212.5100 SHARES DUE 9/25/2020 \$0.00542/PV ON 593,079.11 PV DUE 9/25/20	0.0000	0.000000	3,212.51	0.00	0.00
09/25/2020	31371NUC7	INTEREST EARNED ON F N M A #257179 4.500% 4/01/28 \$1 PV ON 44.7800 SHARES DUE 9/25/2020 AUGUST FNMA DUE 9/25/20	0.0000	0.000000	44.78	0.00	0.00
09/25/2020	31376KT22	INTEREST EARNED ON F N M A #357969 5.000% 9/01/35 \$1 PV ON 345.5400 SHARES DUE 9/25/2020 AUGUST FNMA DUE 9/25/20	0.0000	0.000000	345.54	0.00	0.00
09/25/2020	31381PDA3	INTEREST EARNED ON F N M A #466397 3.400% 11/01/20 \$1 PV ON 963.7800 SHARES DUE 9/25/2020 AUGUST FNMA DUE 9/25/20	0.0000	0.000000	963.78	0.00	0.00
09/25/2020	31403DJZ3	INTEREST EARNED ON F N M A #745580 5.000% 6/01/36 \$1 PV ON 323.4300 SHARES DUE 9/25/2020 AUGUST FNMA DUE 9/25/20	0.0000	0.000000	323.43	0.00	0.00
09/25/2020	31403GXF4	INTEREST EARNED ON F N M A #748678 5.000% 10/01/33 \$1 PV ON 7.0000 SHARES DUE 9/25/2020 AUGUST FNMA DUE 9/25/20	0.0000	0.000000	7.00	0.00	0.00
09/25/2020	31406PQY8	INTEREST EARNED ON F N M A #815971 5.000% 3/01/35 \$1 PV ON 510.3700 SHARES DUE 9/25/2020 AUGUST FNMA DUE 9/25/20	0.0000	0.000000	510.37	0.00	0.00
09/25/2020	31406XWT5	INTEREST EARNED ON F N M A #823358 3.674% 2/01/35 \$1 PV ON 285.0900 SHARES DUE 9/25/2020 AUGUST FNMA DUE 9/25/20	0.0000	0.000000	285.09	0.00	0.00
09/25/2020	31407BXH7	INTEREST EARNED ON F N M A #826080 5.000% 7/01/35 \$1 PV ON 65.2300 SHARES DUE 9/25/2020 AUGUST FNMA DUE 9/25/20	0.0000	0.000000	65.23	0.00	0.00
09/25/2020	31410F4V4	INTEREST EARNED ON F N M A #888336 5.000% 7/01/36 \$1 PV ON 613.0900 SHARES DUE 9/25/2020 AUGUST FNMA DUE 9/25/20	0.0000	0.000000	613.09	0.00	0.00

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09/25/2020	3138EG6F6	INTEREST EARNED ON F N M A #AL0869 4.500% 6/01/29 \$1 PV ON 29.5300 SHARES DUE 9/25/2020 AUGUST FNMA DUE 9/25/20	0.0000	0.000000	29.53	0.00	0.00
09/25/2020	31417YAY3	INTEREST EARNED ON F N M A #MA0022 4.500% 4/01/29 \$1 PV ON 47.8500 SHARES DUE 9/25/2020 AUGUST FNMA DUE 9/25/20	0.0000	0.000000	47.85	0.00	0.00
09/25/2020	31397QRE0	INTEREST EARNED ON F N M A GTD REMIC 2.472% 2/25/41 \$1 PV ON 107.0900 SHARES DUE 9/25/2020 \$0.00071/PV ON 150,284.18 PV DUE 9/25/20	0.0000	0.000000	107.09	0.00	0.00
09/28/2020	912828WU0	BOOK VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 28600.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	0.00	0.00
09/28/2020	912828WU0	FED BASIS OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 28600.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	28,600.00	0.00
09/28/2020	313312H60	INTEREST EARNED ON F F C B DISC NTS 9/28/20 \$1 PV ON 3000000.0000 SHARES DUE 9/28/2020 3,000,000 PAR VALUE AT 100 %	0.0000	0.000000	1,384.17	0.00	0.00
09/28/2020	912828WU0	PAR VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 28600.0000 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	28,600.0000	0.000000	0.00	0.00	0.00
09/28/2020	912828WU0	STATE COST OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 28600.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	0.0000	0.000000	0.00	0.00	0.00
09/29/2020	46625HNX4	INTEREST EARNED ON JPMORGAN CHASE CO 2.550% 10/29/20 \$1 PV ON 1000000.0000 SHARES DUE 9/29/2020	0.0000	0.000000	10,625.00	0.00	0.00
09/30/2020	912828T34	INTEREST EARNED ON U S TREASURY NT 1.125% 9/30/21 \$1 PV ON 7000000.0000 SHARES DUE 9/30/2020	0.0000	0.000000	39,375.00	0.00	0.00
09/30/2020	912828YH7	INTEREST EARNED ON U S TREASURY NT 1.500% 9/30/24 \$1 PV ON 14000000.0000 SHARES DUE 9/30/2020	0.0000	0.000000	105,000.00	0.00	0.00
09/30/2020	912828J76	INTEREST EARNED ON U S TREASURY NT 1.750% 3/31/22 \$1 PV ON 5000000.0000 SHARES DUE 9/30/2020	0.0000	0.000000	43,750.00	0.00	0.00
09/30/2020	912828L57	INTEREST EARNED ON U S TREASURY NT 1.750% 9/30/22 \$1 PV ON 16000000.0000 SHARES DUE 9/30/2020	0.0000	0.000000	140,000.00	0.00	0.00
09/30/2020	9128284D9	INTEREST EARNED ON U S TREASURY NT 2.500% 3/31/23 \$1 PV ON 10000000.0000 SHARES DUE 9/30/2020	0.0000	0.000000	125,000.00	0.00	0.00
09/30/2020	89236TBJ3	PAID ACCRUED INTEREST ON PURCHASE OF TOYOTA MOTOR MTN 2.750% 5/17/21	0.0000	0.000000	-15,239.58	0.00	0.00
09/30/2020	912828WY2	PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 2.250% 7/31/21	0.0000	0.000000	-18,648.10	0.00	0.00
TOTAL OTHER TRANSACTIONS			114,400.0000		-46,383,426.68	114,400.00	0.00

September 30, 2020

Orange County Sanitation District



**Investment Measurement Service
Quarterly Review**

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Orange County Sanitation District Executive Summary for Period Ending September 30, 2020

Asset Allocation

	September 30, 2020				June 30, 2020	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Domestic Fixed Income						
Long Term Operating Fund*	625,212,761	82.93%	0	1,911,165	623,301,596	77.73%
Liquid Operating Monies*	128,685,054	17.07%	(50,000,000)	83,756	178,601,297	22.27%
Total Fund	\$753,897,814	100.0%	\$(50,000,000)	\$1,994,922	\$801,902,893	100.0%

Performance

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Domestic Fixed Income					
Long Term Operating Fund^	0.31%	4.72%	3.42%	2.57%	2.24%
Chandler	0.31%	4.72%	3.42%	2.57%	-
Blmbg Govt/Cred 1-5 Year Idx	0.37%	4.88%	3.47%	2.59%	2.29%
ML 1-5 Govt/Corp	0.42%	4.82%	3.47%	2.60%	2.32%
Liquid Operating Monies^	0.05%	1.32%	1.80%	1.31%	0.97%
Chandler	0.05%	1.32%	1.80%	1.31%	-
Citigroup 3-Month Treasury Bill	0.03%	1.02%	1.65%	1.16%	0.83%
Total Fund	0.26%	4.08%	3.13%	2.28%	1.98%
Target*	0.34%	4.05%	3.11%	2.31%	2.03%

* Current Quarter Target = 80.0% ML 1-5 Govt/Corp and 20.0% FTSE 3mo T-Bills.

^Assets were transferred in kind to Chandler on 12/1/2014. Previous performance reflects PIMCO.

Recent Developments

- During the quarter, \$50.0 million was withdrawn from the Liquid Operating Monies.

Organizational Issues

- N/A

Fixed Income Market Snapshot

- U.S. Treasury yields held steady over the course of 3Q in spite of strong equity markets and better-than-expected economic data. The 10-year U.S. Treasury yield closed the quarter at 0.69%, up three basis points from June 30 but off far more sharply from the year-end level of 1.92%. The 10-year yield hit an all-time low of 0.52% in August. TIPS (Bloomberg U.S. TIPS: +3.0%) strong outperformed nominal U.S. Treasuries for the quarter as 10-year break even spreads widened from 134 bps to 163 bps. The Bloomberg Barclays Aggregate Index gained 0.6%, with the corporate and commercial mortgage-backed sectors performing the best. Supply

hit record levels as companies rushed to take advantage of ultra-low interest rates. The Bloomberg Barclays High Yield Bond Index was up 4.6% and it now roughly flat year-to-date.

Manager Performance

- The Long Term Operating Fund returned 0.31% in the first quarter, which trailed the 0.42% return of the ML U.S. 1-5 Corp/Gov Index. Over the trailing one-year period, the Long Term Operating Fund gained 4.72%, which trailed the benchmark return of 4.82%. The manager ranked in the bottom quartile among the Callan Short Term Fixed Income peer group in the third quarter, but is still in the top quartile over the trailing year. The fund ranks above median over all trailing periods longer than one year.
- Risk assets continued to outperform in the third quarter, which led to modest underperformance for Chandler's more conservatively positioned portfolio relative to the benchmark. Positive attribution stemmed from the fund's out-of-benchmark exposure to asset-backed securities, which outperformed the overall index. Sector allocation remained relatively stable during the quarter, with a 4.2% increase to agencies and a 1.8% reduction in U.S. Treasuries. The portfolio had less than 30% invested in credit (22%) and less than the permitted 20% invested in the combination of asset-backed securities (5%), commercial mortgage backed securities (0%), and CMOs (0%) as of September 30, 2020 (see page 20).
- The Liquid Operating Portfolio appreciated 0.01% (after fees) in the third quarter, trailing the Citigroup 3-Month Treasury Bill Index's return of 0.03% by two basis points. Over the trailing year, the fund gained 1.17%, which outpaced the benchmark by 15 basis points.

Cordially,



Alex Ford
Vice President

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September 30, 2020

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Capital Market Review

U.S. EQUITY

Gains YTD

- S&P +8.9% for the quarter, bringing YTD to +5.6%
- Consumer Discretionary (+15%) and Industrials (+13%) dominated, with Tech (+12%) a close third in risk-on market.
- S&P 500 YTD would be negative if not for Facebook, Microsoft, Amazon, Alphabet, and Apple, representing 33% of the return.
- YTD, pandemic punished some sectors, rewarded others
- Tech +29% YTD; Cons. Disc. +23% (online retailers +60%)
- Energy -48% amid declining crude and natural gas prices
- Demand from hotels/cruise lines/airlines down as those industries have dropped 40%+

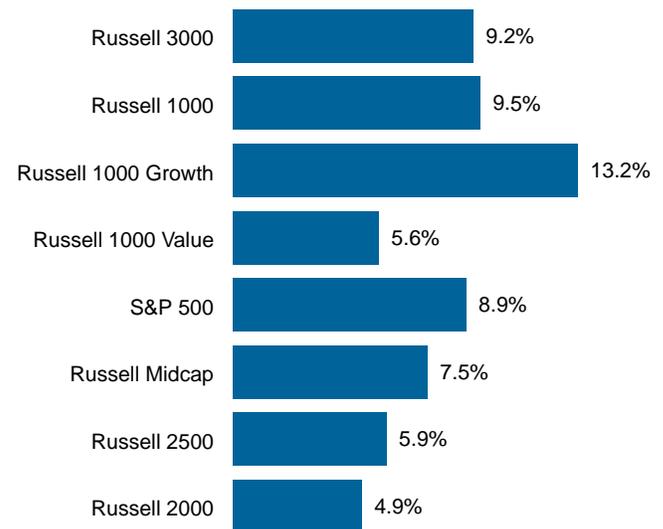
Small cap reverses to trail large cap

- Following a stellar 2Q20 recovery, small cap trailed large.
- Behind large cap by a wide margin over last 12 months

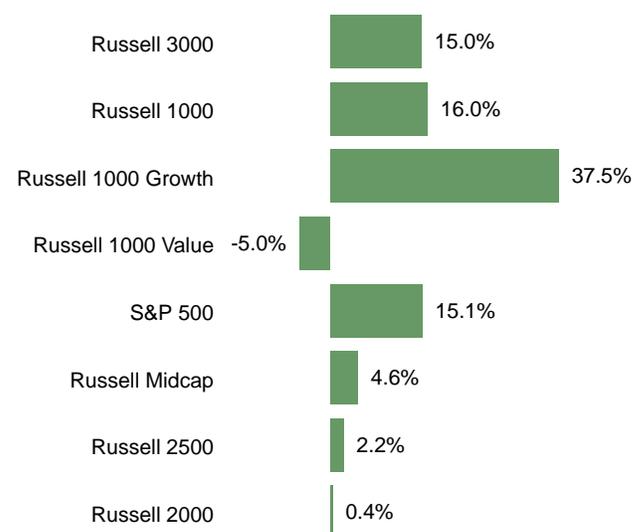
Growth continues to outpace value across market caps

- Growth, value dispersion near all-time high driven by Tech
- YTD RUS1G +25% vs. RUS1V -12%
- Growth stock P/E near 2x historical average across market caps
- Today's index concentration surpasses levels seen in the late 90's Dot-Com boom.
- Index concentration of the top five names is at 5 standard deviations above the 30-year average of approximately 13%.
- Large and small value indices continue to underperform large and small growth in 3Q20 and YTD.
- Higher interest rates, a steeper yield curve, economic growth, and improving consumer confidence are among the catalysts that could result in value outperforming.
- S&P 500 Index currently delivers a dividend yield well above the 10-year Treasury, which can help support current valuation levels.

U.S. Equity: Quarterly Returns

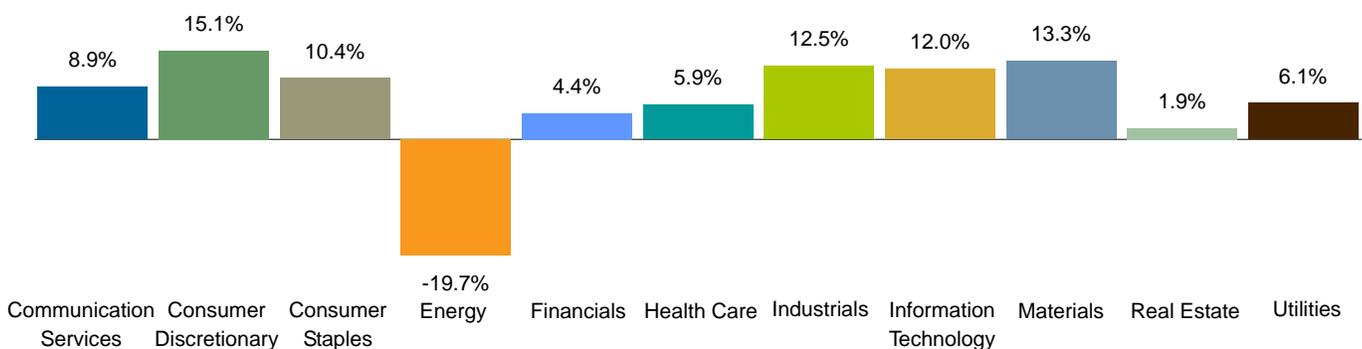


U.S. Equity: One-Year Returns



Sources: FTSE Russell, S&P Dow Jones Indices

S&P Sector Returns, Quarter Ended September 30, 2020



Source: S&P Dow Jones Indices

GLOBAL/GLOBAL EX-U.S. EQUITY

Continued recovery into 3Q20

- Returns broadly positive across developed and emerging markets but muted YTD
- Recent support from ultra-low interest rates and upward earnings revisions
- EM recovery driven by global risk-on environment; key countries within EM (China and South Korea) have better managed the pandemic
- Small cap continued to outperform large as lockdowns eased and business confidence improved.

Rebound for cyclicals

- Materials, Industrials, and Consumer Discretionary outperformed as consumption and production resumed.
- Factor performance led by momentum (rebound) and volatility (risk-on market mentality)

U.S. dollar vs. other currencies

- U.S. dollar lost ground versus every developed market currency on expectation of lower-for-longer U.S. rates due to Fed’s shift in approach toward inflation and employment.

COVID-19 exacerbated outperformance of growth vs. value

- Growth outpaced value by 34% year-to-date as of Sept. 30.
- Extremely narrow market with performance dominated by Tech
- Growth benefited from strong performance by Information Technology (27%), while Financials (-22%) and Energy (-46%) weighed on value.
- YTD performance gap between growth and value has not been seen over the past 45 years.

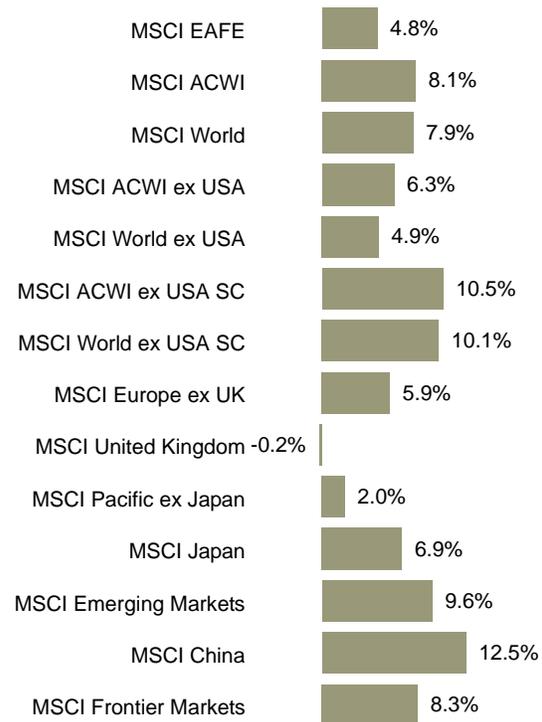
What may stoke value rotation?

- Higher bond yields may be needed to drive value rebound.
- Bond yields correlated to value/growth since the GFC

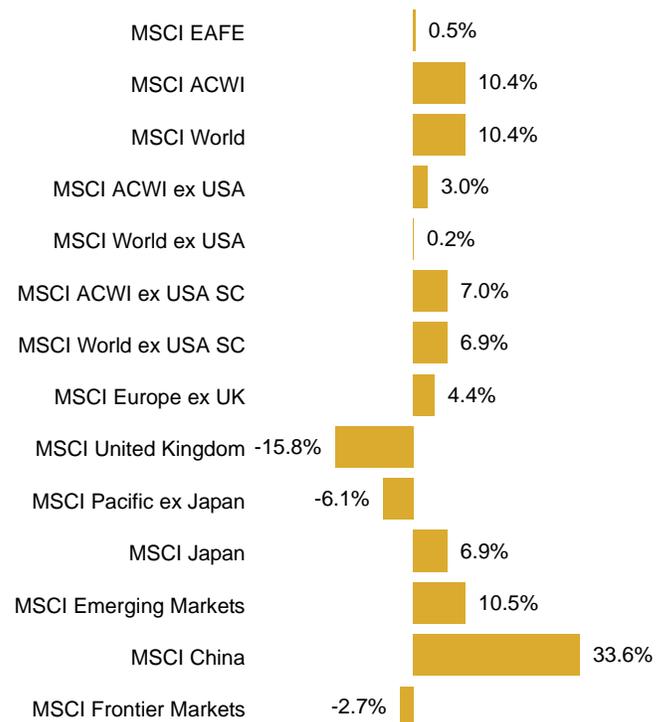
Key drivers: global recovery, U.S. elections

- Management of COVID-19 a key variable to recovery
- Advanced economies have struggled to contain the pandemic relative to emerging markets.
- Asian currencies have maintained resiliency relative to the U.S. dollar due to better COVID-19 management and economic outlook.
- Greater probability of Democratic sweep is expected to pressure USD to the downside on a medium-term basis.
- Potentially easier fiscal policy and a larger budget deficit in the aftermath of a “Blue Wave” may yield lower dollar.

Global Equity: Quarterly Returns



Global Equity: One-Year Returns



Source: MSCI

U.S. FIXED INCOME

Treasury yields largely unchanged

- 10-year UST yield at 0.69% in 3Q20, up 3 bps from 2Q20 but off sharply from year-end level of 1.92%
- TIPS did well as inflation expectations rose from 1.34% to 1.63%.
- No rate hikes expected until at least 2023

Bloomberg Barclays Aggregate roughly flat

- Corporate and CMBS the strongest investment grade sectors as investors hunted for yield
- Corporate supply (\$1 trillion YTD) at a record as companies rushed to take advantage of ultra-low interest rates

Risk-on sentiment helped high yield and loans

- Non-investment grade sectors rallied, but remain roughly flat YTD.
- The high yield bond market also experienced high levels of net new issuance (over \$120 billion YTD).

Munis boosted by favorable supply/demand dynamics

- Robust demand and muted supply of tax-exempt municipals
- Issuance in taxable municipals sharply higher
- Tax revenues better than expected, but challenges remain and stimulus uncertain (but needed)

High yield trended higher in quality

- BB/Ba-rated debt, the highest-quality category within high yield, experienced a surge of new issuance as 2020 remains a year of record new issuance across corporate debt.
- Reconstitution of downgraded investment grade debt into high yield has also added to the category.
- BBs now represents over half of the Bloomberg Barclays US High Yield Index.
- Historically, composition changes have generated market inefficiencies that managers can seek to exploit.

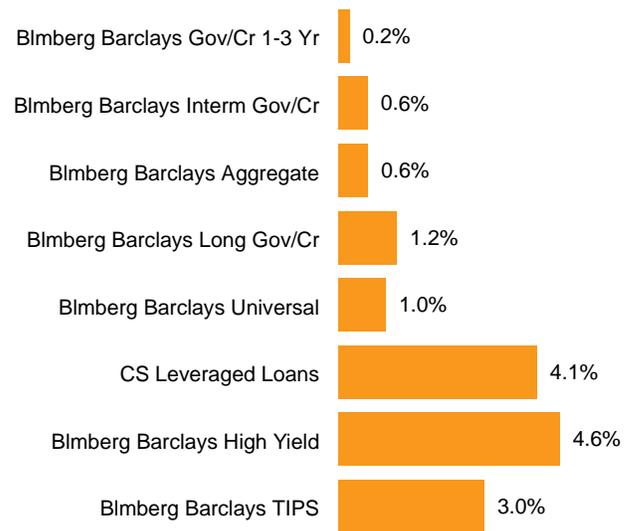
Default rate has trended higher, but below GFC levels

- Additionally, spreads at the height of COVID-19 implied a 16.8% default rate, but thus far defaults have been well below market expectations at 5.77%.

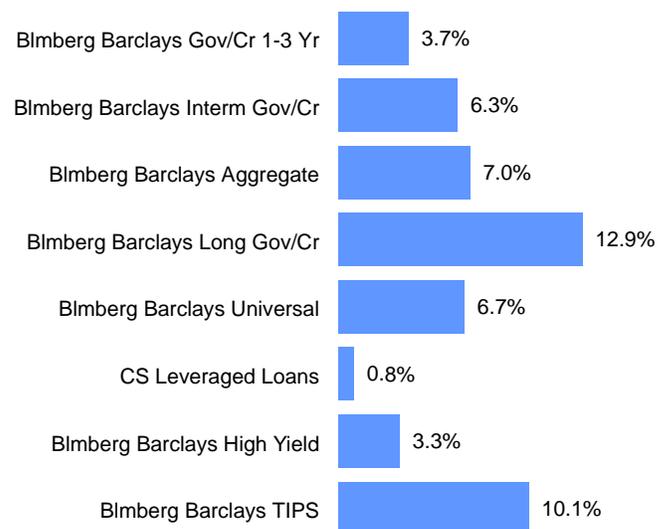
High yield spreads have rallied; managers are putting a greater focus on security selection

- Recovery rates remain low relative to the 30-year average, concentrated within pandemic-sensitive sectors (particularly retail and energy) and subordinated debt.
- The ratio of downgrades to upgrades is higher than in 2008.

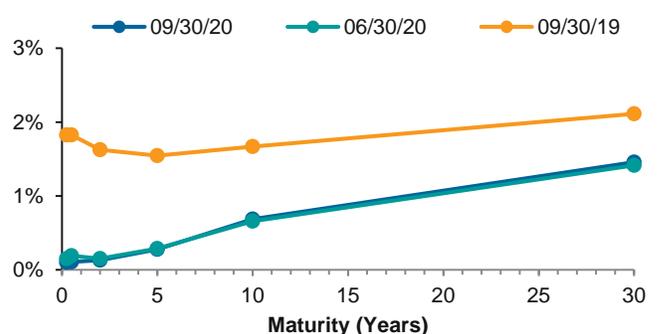
U.S. Fixed Income: Quarterly Returns



U.S. Fixed Income: One-Year Returns



U.S. Treasury Yield Curves



Sources: Bloomberg, Bloomberg Barclays, Credit Suisse

GLOBAL FIXED INCOME

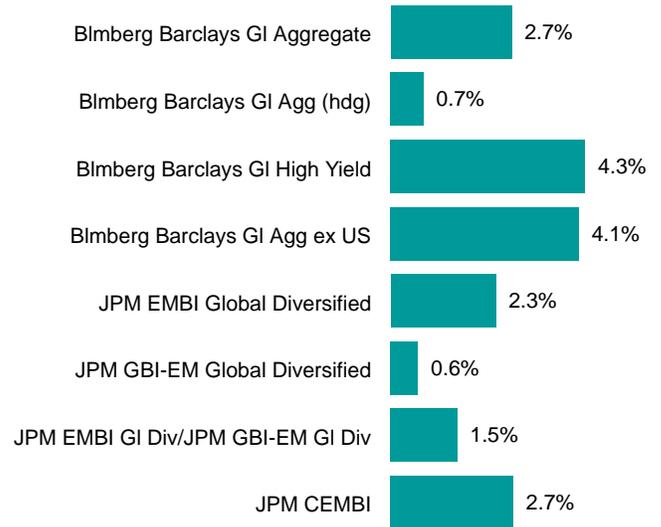
Global fixed income rose amid rate cuts

- Central banks continued to act aggressively to provide support via rate cuts, asset purchase programs, and other forms of stimulus.
- Broad-based U.S. dollar weakness dampened hedged returns as the USD lost 4% versus the euro and the British pound, and 2% versus the yen.
- Over 70% of global sovereign debt has *negative* real yields, a record high, according to JP Morgan.

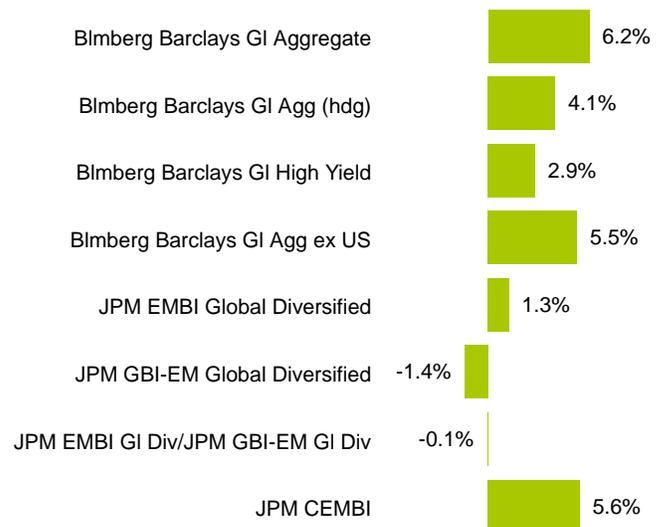
Emerging market debt made up ground

- Emerging market debt indices gained in 3Q20 but remain down from year-end.
- U.S. dollar-denominated index (EMBI Global Diversified) outperformed local currency as U.S. rates fell; returns were mixed across the 70+ constituents, but most were positive.
- Local currency index (GBI-EM Global Diversified) was up slightly but returns varied widely among constituents: Russia: -8%; Brazil: -3%; Mexico and S. Africa: +6%
- Staggered inclusion of China bonds continued with the weight rising to 7% in the JPM GBI-EM Global Diversified Index.

Global Fixed Income: Quarterly Returns



Global Fixed Income: One-Year Returns



Change in 10-Year Global Government Bond Yields

2Q20 to 3Q20



Sources: Bloomberg, Bloomberg Barclays, JP Morgan

Active Management Overview

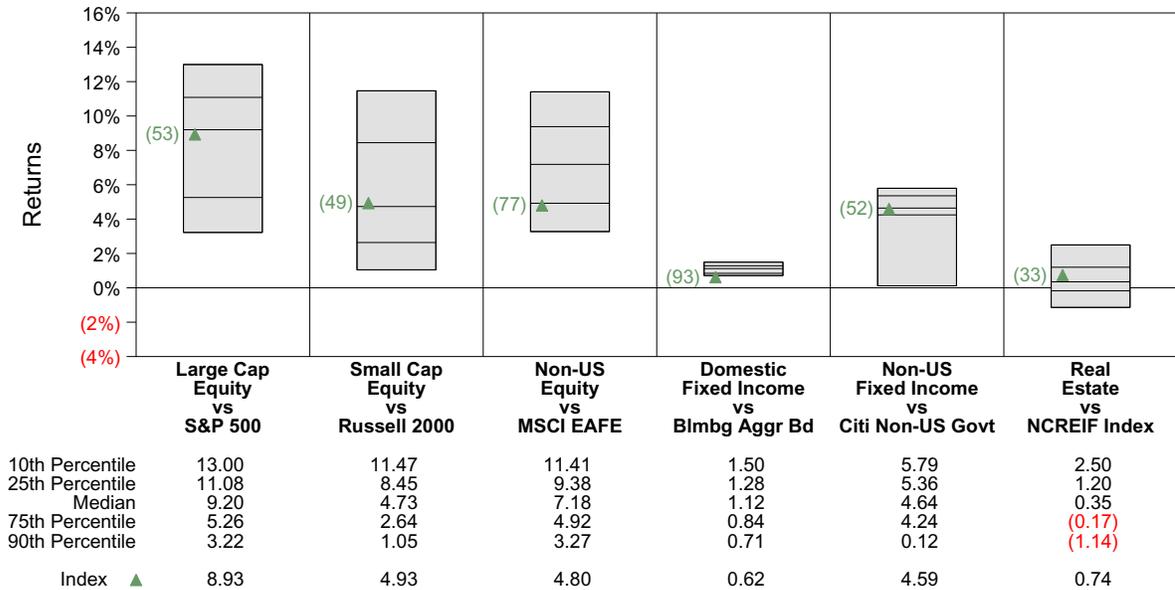
Market Overview

Active Management vs Index Returns

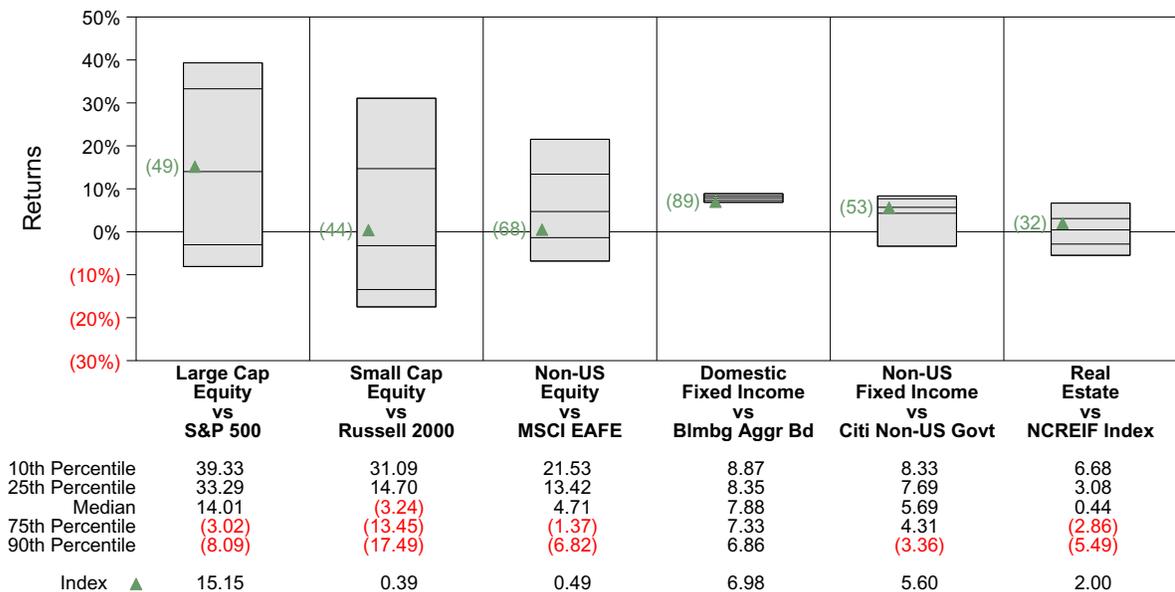
Market Overview

The charts below illustrate the range of returns across managers in Callan's Separate Account database over the most recent one quarter and one year time periods. The database is broken down by asset class to illustrate the difference in returns across those asset classes. An appropriate index is also shown for each asset class for comparison purposes. As an example, the first bar in the upper chart illustrates the range of returns for domestic equity managers over the last quarter. The triangle represents the S&P 500 return. The number next to the triangle represents the ranking of the S&P 500 in the Large Cap Equity manager database.

Range of Separate Account Manager Returns by Asset Class One Quarter Ended September 30, 2020



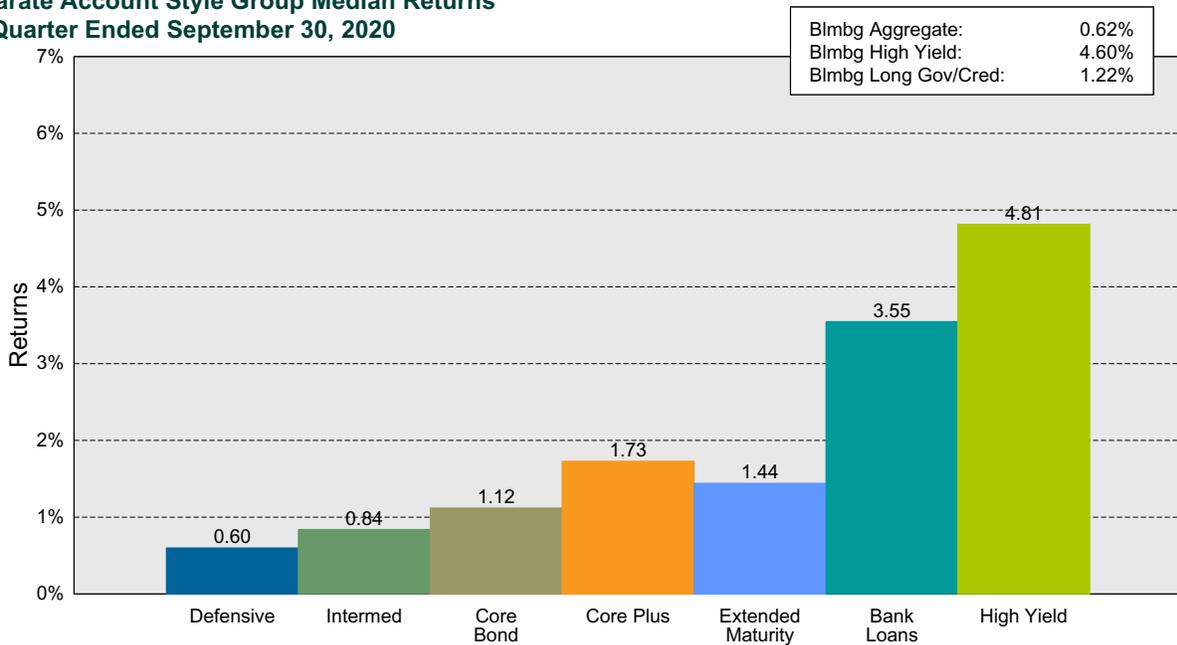
Range of Separate Account Manager Returns by Asset Class One Year Ended September 30, 2020



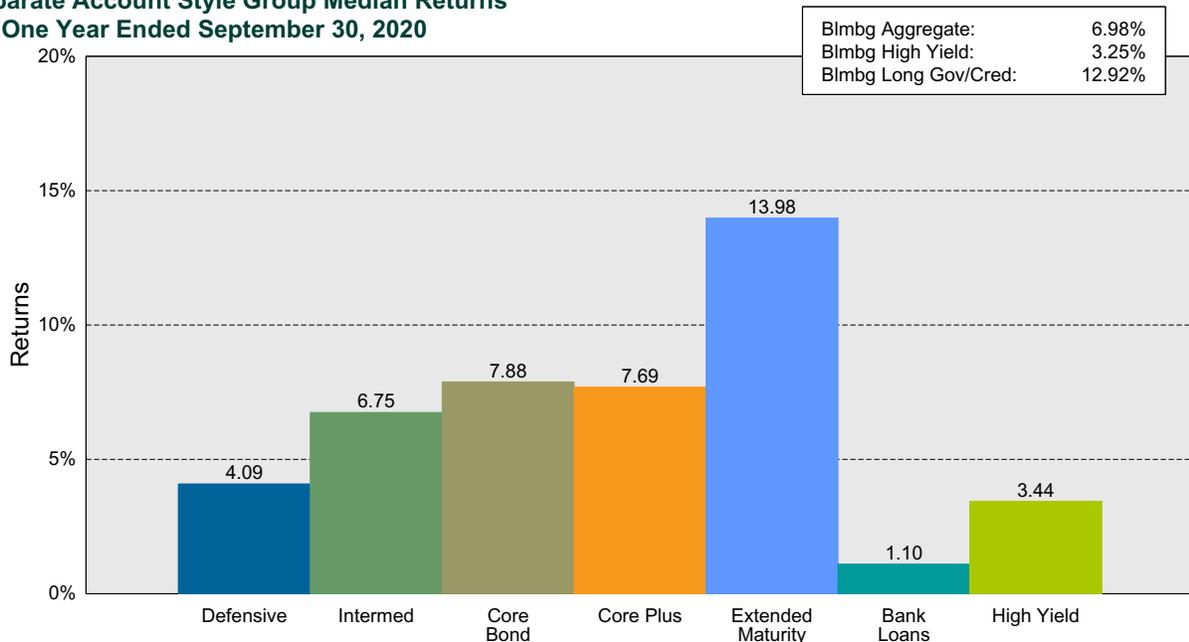
Domestic Fixed Income Active Management Overview

U.S. Treasury yields were largely unchanged over the course of the third quarter. The 10-year U.S. Treasury yield closed the quarter at 0.69%; up 3 bps from June 30 but off far more sharply from the year-end level of 1.92%. Its yield hit an all-time low of 0.52% in August. TIPS (Bloomberg Barclays US TIPS: +3.0%) strongly outperformed nominal U.S. Treasuries for the quarter as 10-year breakeven spreads widened from 134 bps to 163 bps. The Bloomberg Barclays US Aggregate Bond Index gained 0.6%, with the corporate and commercial mortgage-backed sectors performing the best. Supply hit record levels as companies rushed to take advantage of ultra low interest rates. The Bloomberg Barclays High Yield Bond Index was up 4.6% and is now roughly flat y-t-d. High yield and leveraged loan default rates (5.8% and 4.3% y-o-y as of September) continued to trend higher but remain below levels reached in the GFC.

Separate Account Style Group Median Returns for Quarter Ended September 30, 2020



Separate Account Style Group Median Returns for One Year Ended September 30, 2020



Asset Allocation

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of September 30, 2020, with the distribution as of June 30, 2020. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	September 30, 2020		Net New Inv.	Inv. Return	June 30, 2020	
	Market Value	Weight			Market Value	Weight
Domestic Fixed Income						
Long Term Operating Fund*	625,212,761	82.93%	0	1,911,165	623,301,596	77.73%
Liquid Operating Monies*	128,685,054	17.07%	(50,000,000)	83,756	178,601,297	22.27%
Total Fund	\$753,897,814	100.0%	\$(50,000,000)	\$1,994,922	\$801,902,893	100.0%

*Chandler replaced PIMCO during the 4th quarter of 2014. Assets were transferred in-kind as of 12/01/2014.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended September 30, 2020. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended September 30, 2020

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Domestic Fixed Income					
Long Term Operating Fund^	0.31%	4.72%	3.42%	2.57%	2.24%
Chandler	0.31%	4.72%	3.42%	2.57%	-
Blmbg Govt/Cred 1-5 Year Idx	0.37%	4.88%	3.47%	2.59%	2.29%
ML 1-5 Govt/Corp	0.42%	4.82%	3.47%	2.60%	2.32%
Liquid Operating Monies^					
Chandler	0.05%	1.32%	1.80%	1.31%	0.97%
Citigroup 3-Month Treasury Bill	0.03%	1.02%	1.65%	1.16%	0.83%
Total Fund	0.26%	4.08%	3.13%	2.28%	1.98%
Target*	0.34%	4.05%	3.11%	2.31%	2.03%

* Current Quarter Target = 80.0% ML:Corp/Gov 1-5 Yr and 20.0% FTSE 3 Mo T-Bill.

^Assets were transferred in kind to Chandler on 12/1/2014. Previous performance reflects PIMCO.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended September 30, 2020. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended September 30, 2020

	Last 10 Years	Last 15 Years	Last 25 Years
Domestic Fixed Income			
Long Term Operating Fund^	2.10%	3.29%	4.27%
Blmbg Govt/Cred 1-5 Year Idx	2.09%	3.15%	4.11%
ML 1-5 Govt/Corp	2.14%	3.18%	4.14%
Liquid Operating Monies^	0.74%	1.44%	2.53%
Citigroup 3-Month Treasury Bill	0.60%	1.22%	2.23%
Total Fund	1.84%	2.94%	3.99%
Target*	1.83%	2.79%	3.76%

* Current Quarter Target = 80.0% ML:Corp/Gov 1-5 Yr and 20.0% FTSE 3 Mo T-Bill.

^Assets were transferred in kind to Chandler on 12/1/2014. Previous performance reflects PIMCO.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	12/2019- 9/2020	2019	2018	2017	2016
Domestic Fixed Income					
Long Term Operating Fund^	4.19%	4.70%	1.60%	1.18%	1.58%
Chandler	4.19%	4.70%	1.60%	1.18%	1.58%
Bimbg Govt/Cred 1-5 Year Idx	4.36%	5.01%	1.38%	1.27%	1.56%
ML 1-5 Govt/Corp	4.26%	5.08%	1.40%	1.28%	1.62%
Liquid Operating Monies^	0.82%	2.39%	1.90%	0.91%	0.47%
Chandler	0.82%	2.39%	1.90%	0.91%	0.47%
Citigroup 3-Month Treasury Bill	0.56%	2.25%	1.86%	0.84%	0.27%
Total Fund	3.56%	4.26%	1.72%	1.02%	1.15%
Target*	3.52%	4.51%	1.49%	1.19%	1.35%

* Current Quarter Target = 80.0% ML:Corp/Gov 1-5 Yr and 20.0% FTSE 3 Mo T-Bill.

^Assets were transferred in kind to Chandler on 12/1/2014. Previous performance reflects PIMCO.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	2015	2014	2013	2012	2011
Domestic Fixed Income					
Long Term Operating Fund^	0.85%	1.98%	(1.77%)	3.06%	4.59%
Blmbg Govt/Cred 1-5 Year Idx	0.97%	1.42%	0.28%	2.24%	3.14%
ML 1-5 Govt/Corp	1.05%	1.51%	0.32%	2.47%	3.10%
Liquid Operating Monies^	0.22%	0.09%	0.13%	0.17%	0.24%
Citigroup 3-Month Treasury Bill	0.03%	0.03%	0.05%	0.07%	0.08%
Total Fund	0.80%	1.73%	(1.49%)	2.70%	3.70%
Target*	0.85%	1.21%	0.26%	1.99%	2.49%

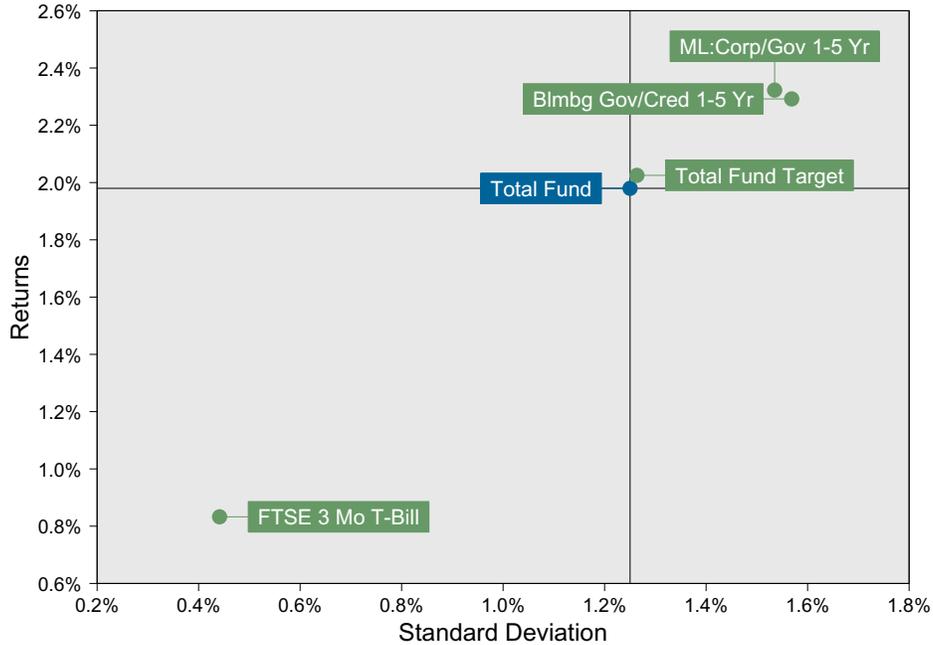
* Current Quarter Target = 80.0% ML:Corp/Gov 1-5 Yr and 20.0% FTSE 3 Mo T-Bill.

^Assets were transferred in kind to Chandler on 12/1/2014. Previous performance reflects PIMCO.

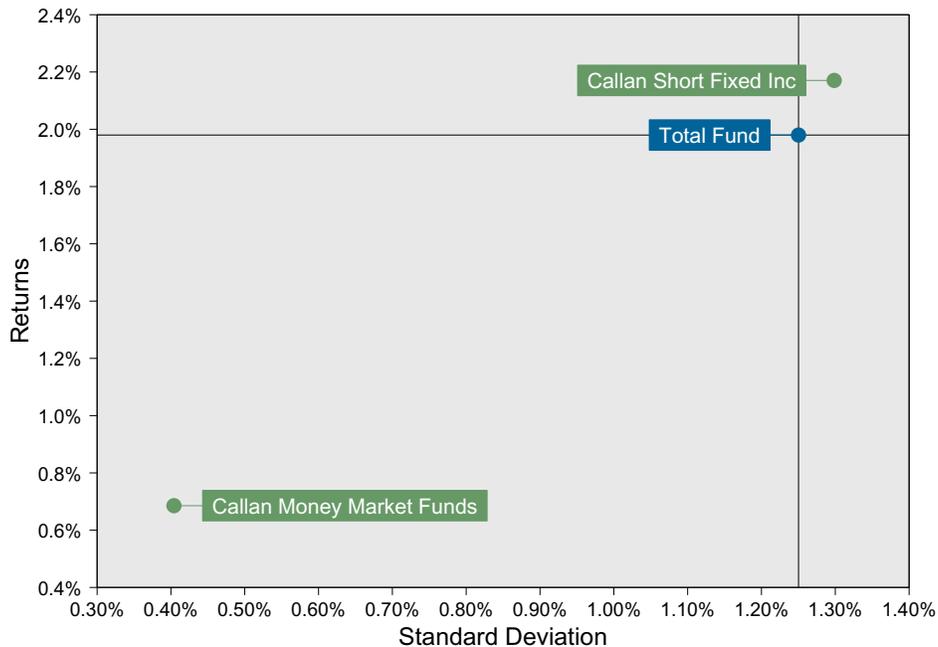
Asset Class Risk and Return

The charts below show the seven year annualized risk and return for each asset class component of the Total Fund. The first graph contrasts these values with those of the appropriate index for each asset class. The second chart contrasts them with the risk and return of the median portfolio in each of the appropriate CAI comparative databases. In each case, the crosshairs on the chart represent the return and risk of the Total Fund.

Seven Year Annualized Risk vs Return Asset Classes vs Benchmark Indices



Seven Year Annualized Risk vs Return Asset Classes vs Asset Class Median



Manager Analysis

Chandler-Long Term Operating Fund Period Ended September 30, 2020

Investment Philosophy

Chandler Asset Management's Short Term Bond strategy is driven by quantitative models and focuses on active duration management, sector selection and term structure. The strategy seeks to achieve consistent above-benchmark returns with low volatility relative to the style's performance benchmark. The firm has a unique focus on high quality fixed income management, and places risk control as a higher objective than return. Assets were transferred in kind to Chandler on 12/1/2014. Previous performance reflects PIMCO.

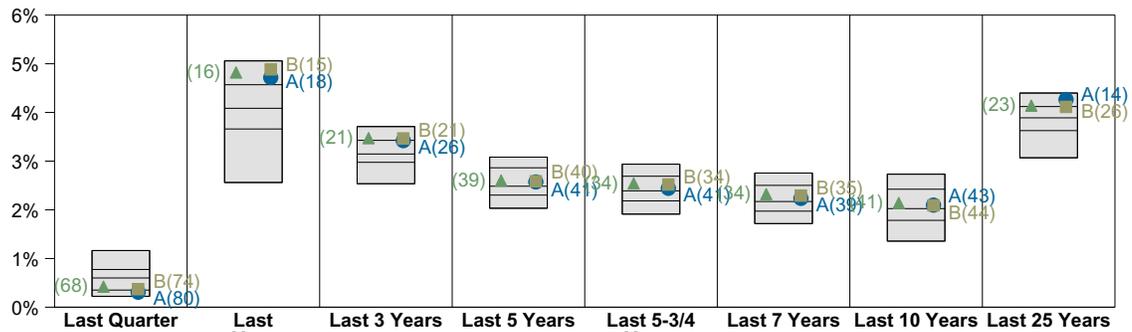
Quarterly Summary and Highlights

- Long Term Operating Fund's portfolio posted a 0.31% return for the quarter placing it in the 80 percentile of the Callan Short Term Fixed Income group for the quarter and in the 18 percentile for the last year.
- Long Term Operating Fund's portfolio underperformed the ML:Corp/Gov 1-5 Yr by 0.12% for the quarter and underperformed the ML:Corp/Gov 1-5 Yr for the year by 0.10%.

Quarterly Asset Growth

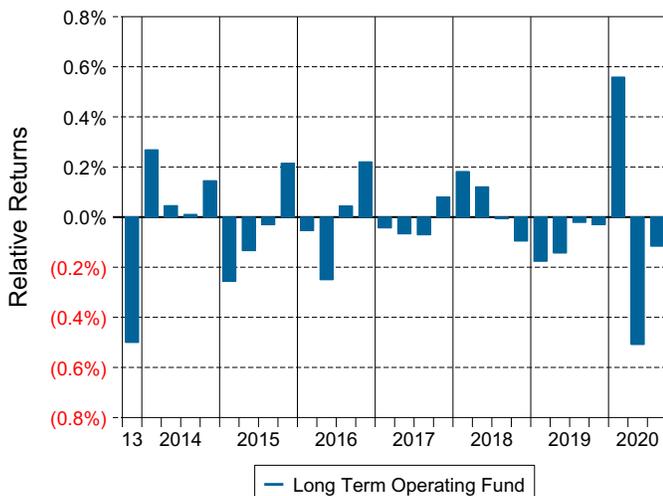
Beginning Market Value	\$623,301,596
Net New Investment	\$0
Investment Gains/(Losses)	\$1,911,165
Ending Market Value	\$625,212,761

Performance vs Callan Short Term Fixed Income (Gross)



10th Percentile	1.16	5.06	3.71	3.08	2.94	2.76	2.73	4.40	
25th Percentile	0.77	4.57	3.43	2.86	2.69	2.50	2.42	4.12	
Median	0.60	4.09	3.15	2.48	2.39	2.17	2.02	3.89	
75th Percentile	0.35	3.66	2.98	2.30	2.18	1.97	1.78	3.63	
90th Percentile	0.22	2.56	2.54	2.03	1.91	1.72	1.36	3.07	
Long Term Operating Fund	● A	0.31	4.72	3.42	2.57	2.44	2.24	2.10	4.27
Blmbg Govt/Cred 1-5 Year Idx	■ B	0.37	4.88	3.47	2.59	2.52	2.29	2.09	4.11
ML:Corp/Gov 1-5 Yr	▲	0.42	4.82	3.47	2.60	2.54	2.32	2.14	4.14

Relative Return vs ML:Corp/Gov 1-5 Yr



Callan Short Term Fixed Income (Gross) Annualized Seven Year Risk vs Return

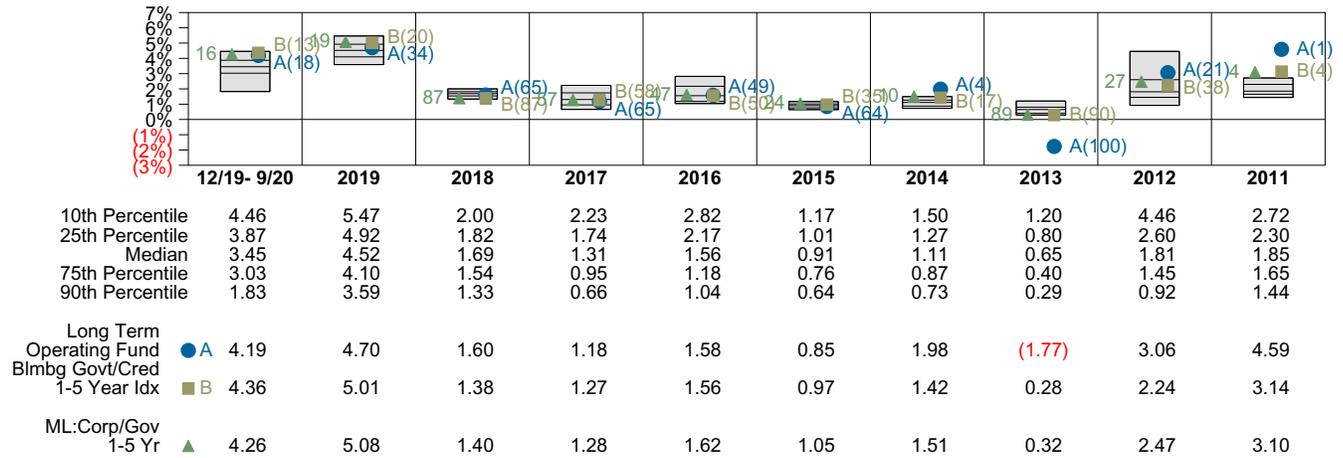


Long Term Operating Fund Return Analysis Summary

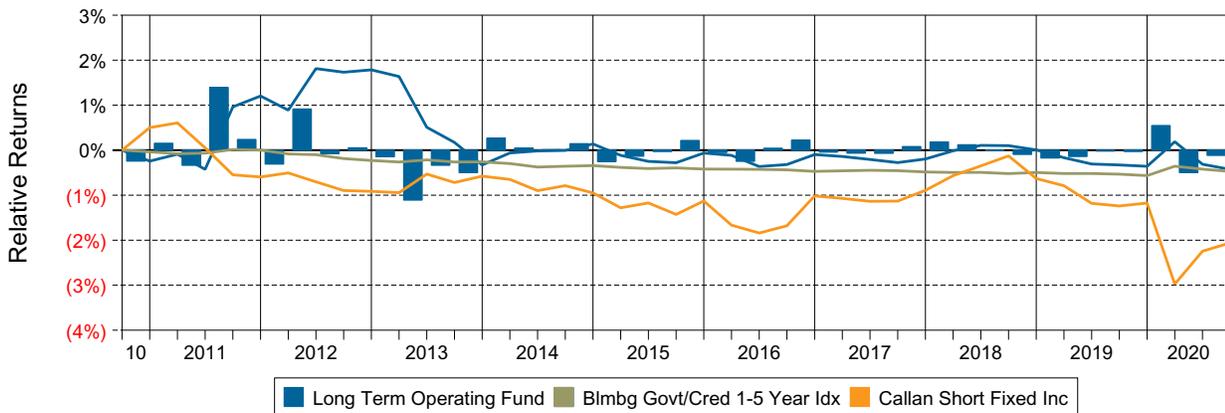
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures. Assets were transferred in kind to Chandler on 12/1/2014. Previous performance reflects PIMCO.

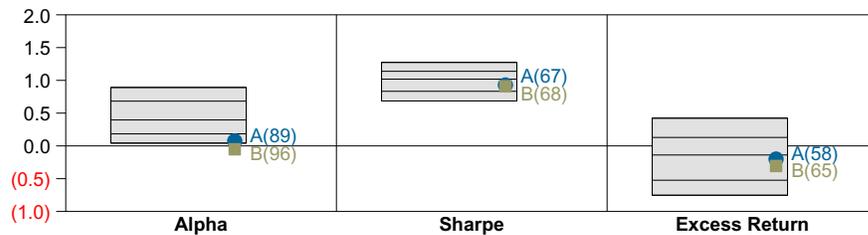
Performance vs Callan Short Term Fixed Income (Gross)



Cumulative and Quarterly Relative Return vs ML:Corp/Gov 1-5 Yr



Risk Adjusted Return Measures vs ML:Corp/Gov 1-5 Yr Rankings Against Callan Short Term Fixed Income (Gross) Seven Years Ended September 30, 2020



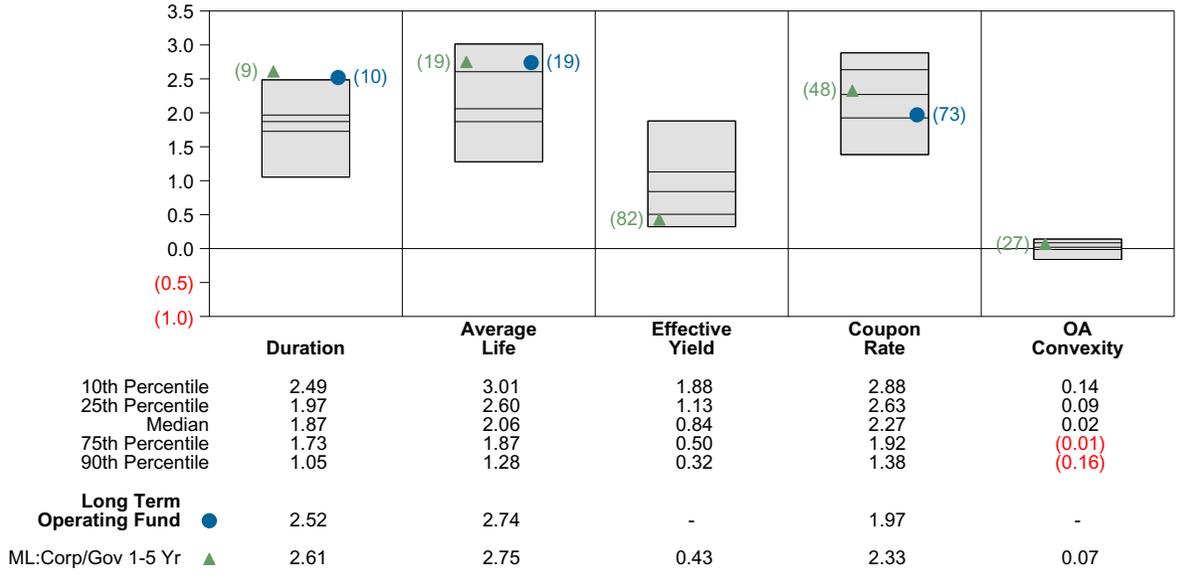
	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	0.89	1.27	0.42
25th Percentile	0.68	1.14	0.13
Median	0.40	1.02	(0.14)
75th Percentile	0.18	0.83	(0.52)
90th Percentile	0.04	0.69	(0.75)
Long Term Operating Fund	● A 0.07	0.93	(0.20)
Blmbg Govt/Cred 1-5 Year Idx	■ B (0.05)	0.91	(0.31)

Long Term Operating Fund Bond Characteristics Analysis Summary

Portfolio Characteristics

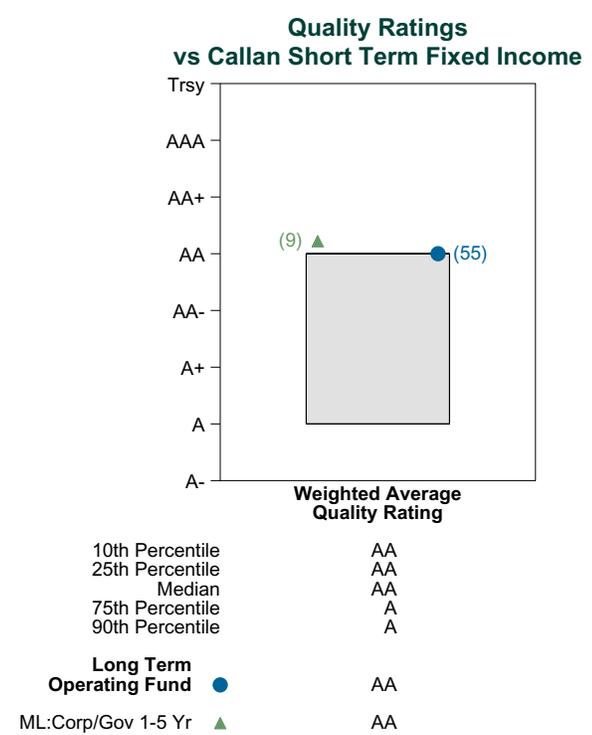
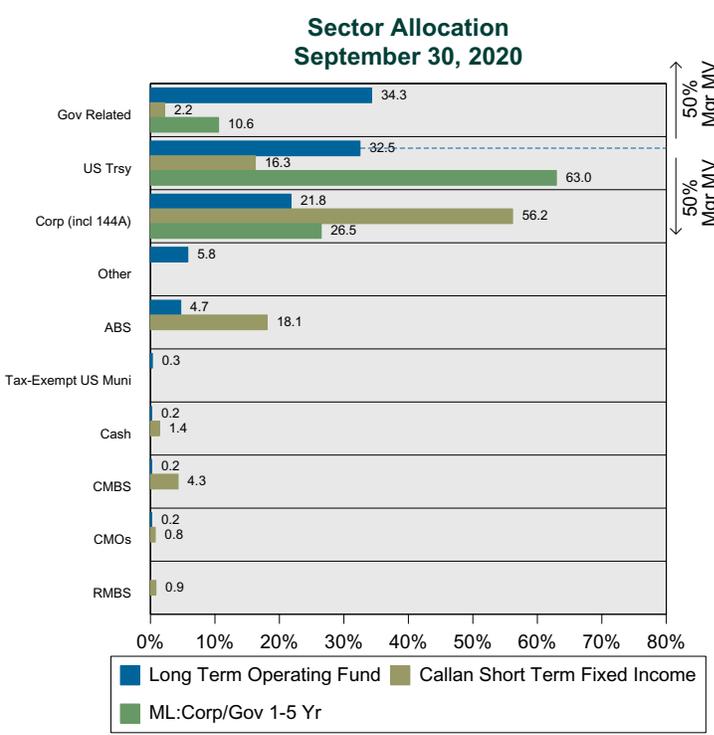
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Fixed Income Portfolio Characteristics Rankings Against Callan Short Term Fixed Income as of September 30, 2020



Sector Allocation and Quality Ratings

The first graph compares the manager's sector allocation with the average allocation across all the members of the manager's style. The second graph compares the manager's weighted average quality rating with the range of quality ratings for the style.

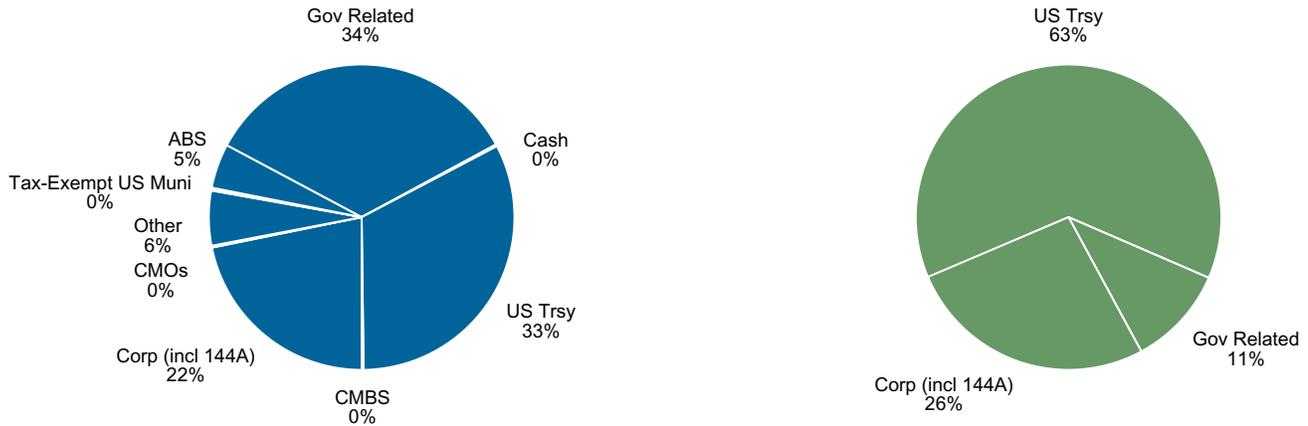


Long Term Operating Fund Portfolio Characteristics Summary As of September 30, 2020

Portfolio Structure Comparison

The charts below compare the structure of the portfolio to that of the index from the three perspectives that have the greatest influence on return. The first chart compares the two portfolios across sectors. The second chart compares the duration distribution. The last chart compares the distribution across quality ratings.

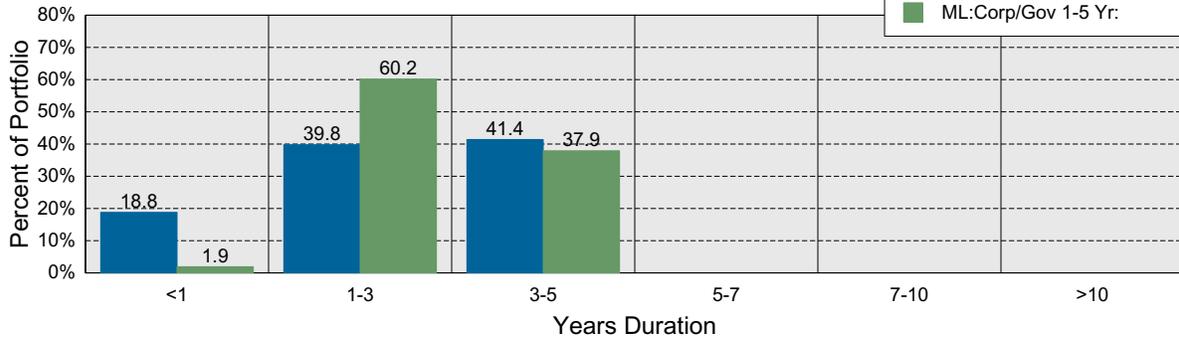
Sector Allocation



Long Term Operating Fund

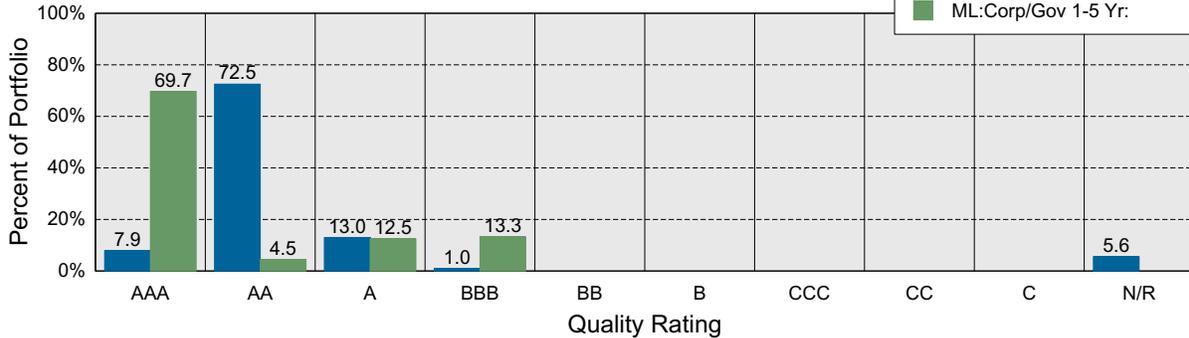
ML:Corp/Gov 1-5 Yr

Duration Distribution



Weighted Average:	Duration
Long Term Operating Fund:	2.52
ML:Corp/Gov 1-5 Yr:	2.61

Quality Distribution



Weighted Average:	Quality
Long Term Operating Fund:	AA
ML:Corp/Gov 1-5 Yr:	AA

Chandler-Liquid Operating Money Period Ended September 30, 2020

Investment Philosophy

Assets were transferred in kind to Chandler on 12/1/2014. Previous performance reflects PIMCO.

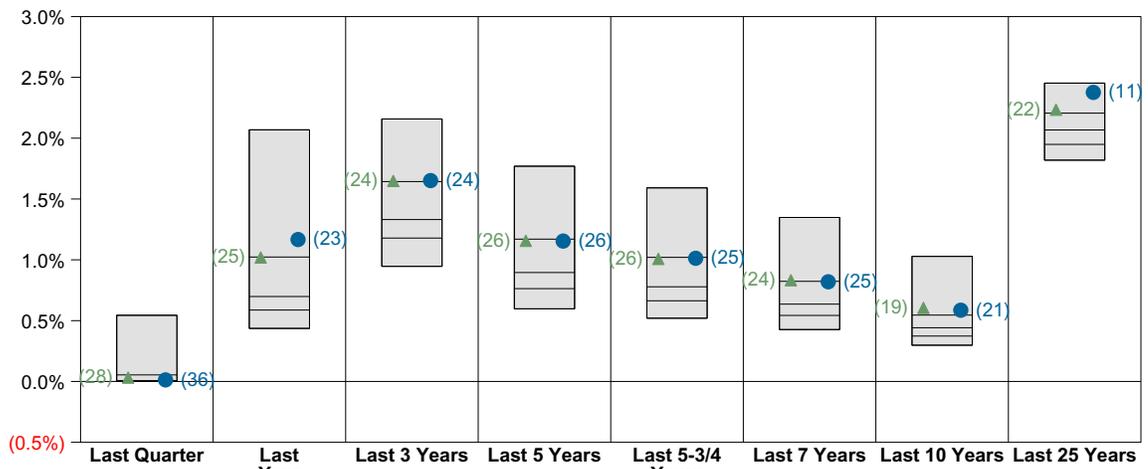
Quarterly Summary and Highlights

- Liquid Operating Money Net's portfolio posted a 0.01% return for the quarter placing it in the 36 percentile of the Callan Money Market Funds group for the quarter and in the 23 percentile for the last year.
- Liquid Operating Money Net's portfolio underperformed the Citigroup 3-Month Treasury Bill by 0.02% for the quarter and outperformed the Citigroup 3-Month Treasury Bill for the year by 0.15%.

Quarterly Asset Growth

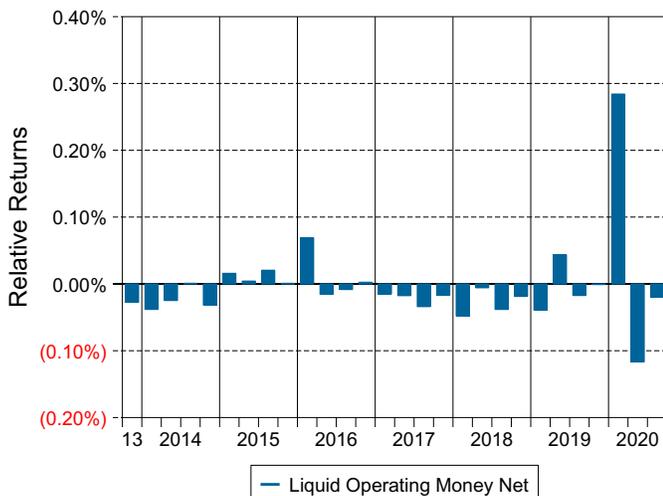
Beginning Market Value	\$178,601,297
Net New Investment	\$-50,000,000
Investment Gains/(Losses)	\$83,756
Ending Market Value	\$128,685,054

Performance vs Callan Money Market Funds (Net)

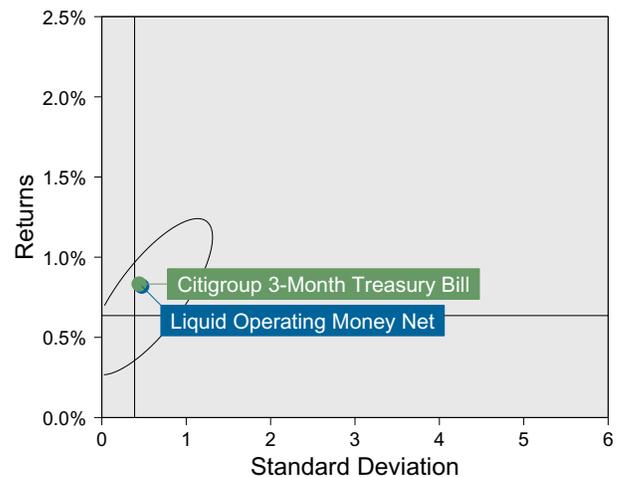


10th Percentile	0.54	2.07	2.16	1.77	1.59	1.35	1.03	2.45
25th Percentile	0.05	1.02	1.64	1.17	1.02	0.82	0.55	2.21
Median	0.01	0.70	1.33	0.90	0.78	0.64	0.44	2.07
75th Percentile	0.00	0.59	1.18	0.76	0.66	0.54	0.37	1.95
90th Percentile	0.00	0.44	0.95	0.60	0.52	0.43	0.30	1.82
Liquid Operating Money Net ●	0.01	1.17	1.65	1.15	1.01	0.82	0.59	2.38
Citigroup 3-Month Treasury Bill ▲	0.03	1.02	1.65	1.16	1.01	0.83	0.60	2.23

Relative Returns vs Citigroup 3-Month Treasury Bill



Callan Money Market Funds (Net) Annualized Seven Year Risk vs Return

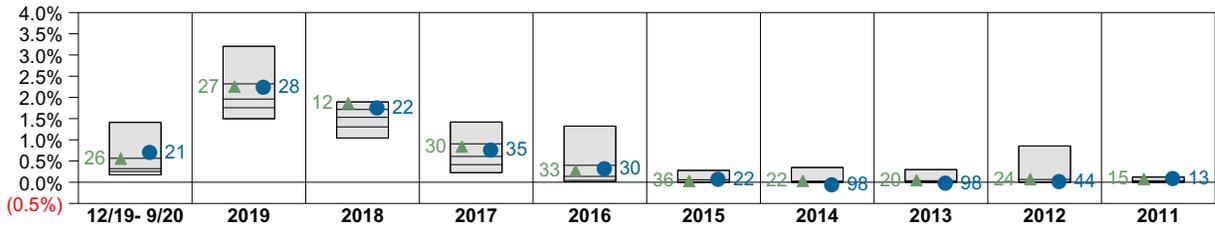


Liquid Operating Money Net Return Analysis Summary

Return Analysis

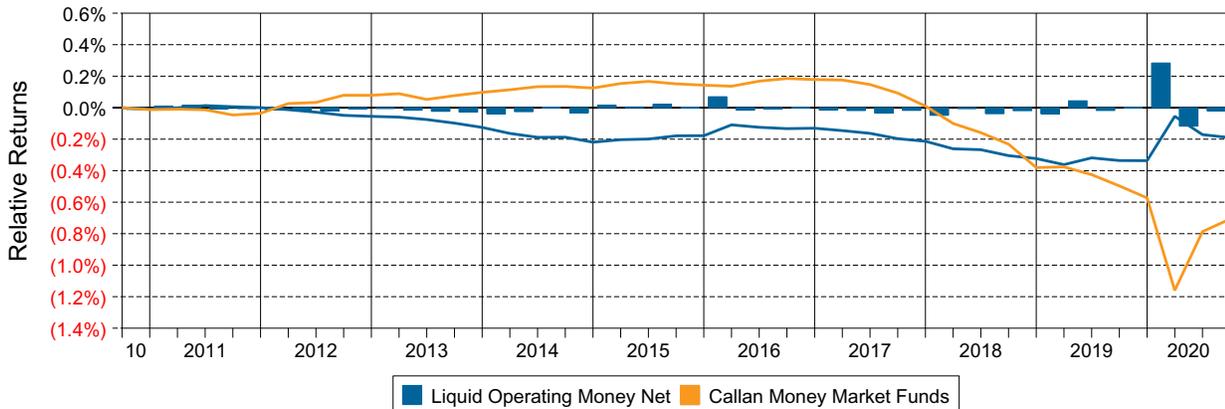
The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures. Assets were transferred in kind to Chandler on 12/1/2014. Previous performance reflects PIMCO.

Performance vs Callan Money Market Funds (Net)

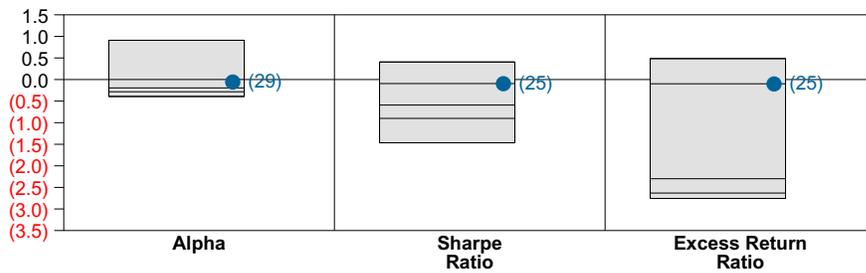


Liquid Operating Money Net	●	0.70	2.24	1.75	0.76	0.32	0.07	(0.06)	(0.02)	0.02	0.09
Citigroup 3-Month Treasury Bill	▲	0.56	2.25	1.86	0.84	0.27	0.03	0.03	0.05	0.07	0.08

Cumulative and Quarterly Relative Return vs Citigroup 3-Month Treasury Bill



Risk Adjusted Return Measures vs Citigroup 3-Month Treasury Bill Rankings Against Callan Money Market Funds (Net) Seven Years Ended September 30, 2020



Liquid Operating Money Net	●	(0.06)	(0.10)	(0.10)
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Callan Research/Education

Research and Educational Programs

The Callan Institute provides research to update clients on the latest industry trends and carefully structured educational programs to enhance the knowledge of industry professionals. Visit www.callan.com/library to see all of our publications, and www.callan.com/blog to view our blog “Perspectives.” For more information contact Barb Gerraty at 415-274-3093 / institute@callan.com.

New Research from Callan’s Experts

[2020 ESG Survey](#) | Callan’s eighth annual survey assessing the status of environmental, social, and governance (ESG) investing in the U.S. institutional investment market.

[Coping with COVID-19: How Work Is Evolving for Investment Managers—2nd Edition](#) | Following up on our June publication, Callan again surveyed investment managers regarding how their firms were responding to the COVID-19 pandemic, focusing on office closures and reopenings, work-from-home approaches, business travel, and meetings. Respondents reflected a variety of firms by location, employee size, ownership structure, and assets under management.

[Private Equity Fees and Terms Study](#) | To help institutional investors better evaluate private equity funds, Callan conducted an extensive analysis of the fees and terms for private equity partnerships. Using that data, we created this study to help investors evaluate a partnership’s terms compared to its peers.

[Real Estate Indicators: Too Hot to Touch or Cool Enough to Handle?](#) | Callan’s Real Assets Consulting group identifies seven indicators that, combined with an understanding of prevailing market dynamics, have helped signal when the institutional real estate market is overheated or cooled.

Blog Highlights

[How Investors Can Address Climate Risk in Real Estate](#) | Climate risk, which refers to the hazards associated with climate change, can significantly threaten real estate portfolios. Institutional investors and real estate investment managers must evaluate the increasing significance of climate risk given the material financial impact that climate change can have on real estate portfolios.

[Fine-Tuning Implementation of the CARES Act](#) | Drafting the CARES Act was expedited, which means there is a limited congressional record to clarify provisions. The IRS has issued two notices and a FAQ to clarify how defined contribution (DC) plan sponsors should implement the provisions, touching on required notices, tax reporting, and recordkeeping.

[DOL Proposes Tightened Proxy Voting Guidelines](#) | The department’s new proposal dovetails with SEC guidance finalized in 2020 and would create a refined set of circumstances in which plan fiduciaries may engage in proxy voting.

Quarterly Periodicals

[Private Equity Trends, 2Q20](#) | A high-level summary of private equity activity in the quarter through all the investment stages

[Active vs. Passive Charts, 2Q20](#) | A comparison of active managers alongside relevant benchmarks over the long term

[Market Pulse Flipbook, 2Q20](#) | A quarterly market reference guide covering trends in the U.S. economy, developments for institutional investors, and the latest data on the capital markets

[Capital Market Review, 2Q20](#) | Analysis and a broad overview of the economy and public and private market activity each quarter across a wide range of asset classes

[Hedge Fund Quarterly, 2Q20](#) | Commentary on developments for hedge funds and multi-asset class (MAC) strategies

[Real Assets Reporter, 2Q20](#) | In this quarter’s edition, Barbara Bernard and Sally Haskins discuss how new risk-retention rules affect the CMBS market. In addition, it includes analysis of the performance of real estate and other real assets in 2Q20.

Events

Miss out on a Callan conference or workshop? Event summaries and speakers' presentations are available on our website: www.callan.com/library/

Please mark your calendar and look forward to upcoming invitations:

2021 National Conference

June 21-23, 2021

San Francisco | Palace Hotel

For more information about events, please contact Barb Gerraty: 415-274-3093 / gerraty@callan.com

Education: By the Numbers

50+

Unique pieces of research the Institute generates each year

525

Attendees (on average) of the Institute's annual National Conference

3,700

Total attendees of the "Callan College" since 1994

Education

Founded in 1994, the "Callan College" offers educational sessions for industry professionals involved in the investment decision-making process.

Introduction to Investments—Virtual

This program familiarizes institutional investor trustees and staff and asset management advisers with basic investment theory, terminology, and practices. It is held over three days with virtual modules of 2.5-3 hours. This course is designed for individuals with less than two years of experience with asset-management oversight and/or support responsibilities. Tuition is \$950 per person and includes instruction and digital materials.

Please look for our updated schedule for 2021 in November

Additional information including registration can be found at: www.callan.com/cc-introduction-virtual/

Introduction to Investments—In Person

This program familiarizes institutional investor trustees and staff and asset management advisers with basic investment theory, terminology, and practices. It lasts one-and-a-half days and is designed for individuals with less than two years of experience with asset-management oversight and/or support responsibilities. Tuition is \$2,350 per person and includes instruction, all materials, breakfast and lunch on each day, and dinner on the first evening with the instructors.

Additional information including dates and registration can be found at: www.callan.com/callan-college-intro-2/



"Research is the foundation of all we do at Callan, and sharing our best thinking with the investment community is our way of helping to foster dialogue to raise the bar across the industry."

Greg Allen, CEO and Chief Research Officer

Definitions

Risk/Reward Statistics

The risk statistics used in this report examine performance characteristics of a manager or a portfolio relative to a benchmark (market indicator) which assumes to represent overall movements in the asset class being considered. The main unit of analysis is the excess return, which is the portfolio return minus the return on a risk free asset (3 month T-Bill).

Alpha measures a portfolio's return in excess of the market return adjusted for risk. It is a measure of the manager's contribution to performance with reference to security selection. A positive alpha indicates that a portfolio was positively rewarded for the residual risk which was taken for that level of market exposure.

Beta measures the sensitivity of rates of portfolio returns to movements in the market index. A portfolio's beta measures the expected change in return per 1% change in the return on the market. If a beta of a portfolio is 1.5, a 1 percent increase in the return on the market will result, on average, in a 1.5 percent increase in the return on the portfolio. The converse would also be true.

Downside Risk stems from the desire to differentiate between "good risk" (upside volatility) and "bad risk" (downside volatility). Whereas standard deviation punishes both upside and downside volatility, downside risk measures only the standard deviation of returns below the target. Returns above the target are assigned a deviation of zero. Both the frequency and magnitude of underperformance affect the amount of downside risk.

Excess Return Ratio is a measure of risk adjusted relative return. This ratio captures the amount of active management performance (value added relative to an index) per unit of active management risk (tracking error against the index.) It is calculated by dividing the manager's annualized cumulative excess return relative to the index by the standard deviation of the individual quarterly excess returns. The Excess Return Ratio can be interpreted as the manager's active risk/reward tradeoff for diverging from the index when the index is mandated to be the "riskless" market position.

Information Ratio measures the manager's market risk-adjusted excess return per unit of residual risk relative to a benchmark. It is computed by dividing alpha by the residual risk over a given time period. Assuming all other factors being equal, managers with lower residual risk achieve higher values in the information ratio. Managers with higher information ratios will add value relative to the benchmark more reliably and consistently.

R-Squared indicates the extent to which the variability of the portfolio returns are explained by market action. It can also be thought of as measuring the diversification relative to the appropriate benchmark. An r-squared value of .75 indicates that 75% of the fluctuation in a portfolio return is explained by market action. An r-squared of 1.0 indicates that a portfolio's returns are entirely related to the market and it is not influenced by other factors. An r-squared of zero indicates that no relationship exists between the portfolio's return and the market.

Relative Standard Deviation is a simple measure of a manager's risk (volatility) relative to a benchmark. It is calculated by dividing the manager's standard deviation of returns by the benchmark's standard deviation of returns. A relative standard deviation of 1.20, for example, means the manager has exhibited 20% more risk than the benchmark over that time period. A ratio of .80 would imply 20% less risk. This ratio is especially useful when analyzing the risk of investment grade fixed-income products where actual historical durations are not available. By using this relative risk measure over rolling time periods one can illustrate the "implied" historical duration patterns of the portfolio versus the benchmark.

Residual Portfolio Risk is the unsystematic risk of a fund, the portion of the total risk unique to the fund (manager) itself and not related to the overall market. This reflects the "bets" which the manager places in that particular asset market. These bets may reflect emphasis in particular sectors, maturities (for bonds), or other issue specific factors which the manager considers a good investment opportunity. Diversification of the portfolio will reduce or eliminate the residual risk of that portfolio.

Risk/Reward Statistics

Rising Declining Periods refer to the sub-asset class cycles vis-a-vis the broader asset class. This is determined by evaluating the cumulative relative sub-asset class index performance to that of the broader asset class index. For example, to determine the Growth Style cycle, the S&P 500 Growth Index (sub-asset class) performance is compared to that of the S&P 500 Index (broader asset class).

Sharpe Ratio is a commonly used measure of risk-adjusted return. It is calculated by subtracting the "risk-free" return (usually 3 Month Treasury Bill) from the portfolio return and dividing the resulting "excess return" by the portfolio's risk level (standard deviation). The result is a measure of return gained per unit of risk taken.

Sortino Ratio is a downside risk-adjusted measure of value-added. It measures excess return over a benchmark divided by downside risk. The natural appeal is that it identifies value-added per unit of truly bad risk. The danger of interpretation, however, lies in these two areas: (1) the statistical significance of the denominator, and (2) its reliance on the persistence of skewness in return distributions.

Standard Deviation is a statistical measure of portfolio risk. It reflects the average deviation of the observations from their sample mean. Standard deviation is used as an estimate of risk since it measures how wide the range of returns typically is. The wider the typical range of returns, the higher the standard deviation of returns, and the higher the portfolio risk. If returns are normally distributed (ie. has a bell shaped curve distribution) then approximately 2/3 of the returns would occur within plus or minus one standard deviation from the sample mean.

Total Portfolio Risk is a measure of the volatility of the quarterly excess returns of an asset. Total risk is composed of two measures of risk: market (non-diversifiable or systematic) risk and residual (diversifiable or unsystematic) risk. The purpose of portfolio diversification is to reduce the residual risk of the portfolio.

Tracking Error is a statistical measure of a portfolio's risk relative to an index. It reflects the standard deviation of a portfolio's individual quarterly or monthly returns from the index's returns. Typically, the lower the Tracking Error, the more "index-like" the portfolio.

Treynor Ratio represents the portfolio's average excess return over a specified period divided by the beta relative to its benchmark over that same period. This measure reflects the reward over the risk-free rate relative to the systematic risk assumed.

Note: Alpha, Total Risk, and Residual Risk are annualized.

Fixed Income Portfolio Characteristics

All Portfolio Characteristics are derived by first calculating the characteristics for each security, and then calculating the market value weighted average of these values for the portfolio.

Allocation by Sector - Sector allocation is one of the tools which managers often use to add value without impacting the duration of the portfolio. The sector weights exhibit can be used to contrast a portfolio's weights with those of the index to identify any significant sector bets.

Average Coupon - The average coupon is the market value weighted average coupon of all securities in the portfolio. The total portfolio coupon payments per year are divided by the total portfolio par value.

Average Moody's Rating for Total Portfolio - A measure of the credit quality as determined by the individual security ratings. The ratings for each security, from Moody's Investor Service, are compiled into a composite rating for the whole portfolio. Quality symbols range from Aaa+ (highest investment quality - lowest credit risk) to C (lowest investment quality - highest credit risk).

Average Option Adjusted (Effective) Convexity - Convexity is a measure of the portfolio's exposure to interest rate risk. It is a measure of how much the duration of the portfolio will change given a change in interest rates. Generally, securities with negative convexities are considered to be risky in that changes in interest rates will result in disadvantageous changes in duration. When a security's duration changes it indicates that the stream of expected future cash-flows has changed, generally having a significant impact on the value of the security. The option adjusted convexity for each security in the portfolio is calculated using models developed by Lehman Brothers and Salomon Brothers which determine the expected stream of cash-flows for the security based on various interest rate scenarios. Expected cash-flows take into account any put or call options embedded in the security, any expected sinking-fund paydowns or any expected mortgage principal prepayments.

Average Option Adjusted (Effective) Duration - Duration is one measure of the portfolio's exposure to interest rate risk. Generally, the higher a portfolio's duration, the more that its value will change in response to interest rate changes. The option adjusted duration for each security in the portfolio is calculated using models developed by Lehman Brothers and Salomon Brothers which determine the expected stream of cash-flows for the security based on various interest rate scenarios. Expected cash-flows take into account any put or call options embedded in the security, any expected sinking-fund paydowns or any expected mortgage principal prepayments.

Average Price - The average price is equal to the portfolio market value divided by the number of securities in the portfolio. Portfolios with an average price above par will tend to generate more current income than those with an average price below par.

Average Years to Expected Maturity - This is a measure of the market-value-weighted average of the years to expected maturity across all of the securities in the portfolio. Expected years to maturity takes into account any put or call options embedded in the security, any expected sinking-fund paydowns or any expected mortgage principal prepayments.

Average Years to Stated Maturity - The average years to stated maturity is the market value weighted average time to stated maturity for all securities in the portfolio. This measure does not take into account imbedded options, sinking fund paydowns, or prepayments.

Current Yield - The current yield is the current annual income generated by the total portfolio market value. It is equal to the total portfolio coupon payments per year divided by the current total portfolio market value.

Fixed Income Portfolio Characteristics

Duration Dispersion - Duration dispersion is the market-value weighted standard deviation of the portfolio's individual security durations around the total portfolio duration. The higher the dispersion, the more variable the security durations relative to the total portfolio duration ("barbellness"), and the smaller the dispersion, the more concentrated the holdings' durations around the overall portfolio's ("bulletness"). The purpose of this statistic is to gauge the "bulletness" or "barbellness" of a portfolio relative to its total duration and to that of its benchmark index.

Effective Yield - The effective yield is the actual total annualized return that would be realized if all securities in the portfolio were held to their expected maturities. Effective yield is calculated as the internal rate of return, using the current market value and all expected future interest and principal cash flows. This measure incorporates sinking fund paydowns, expected mortgage principal prepayments, and the exercise of any "in-the-money" imbedded put or call options.

Weighted Average Life - The weighted average life of a security is the weighted average time to payment of all remaining principal. It is calculated by multiplying each expected future principal payment amount by the time left to the payment. This amount is then divided by the total amount of principal remaining. Weighted average life is commonly used as a measure of the investment life for pass-through security types for comparison to non-pass-through securities.

Disclosures

List of Callan's Investment Manager Clients

Confidential – For Callan Client Use Only

Callan takes its fiduciary and disclosure responsibilities to clients very seriously. We recognize that there are numerous potential conflicts of interest encountered in the investment consulting industry, and that it is our responsibility to manage those conflicts effectively and in the best interest of our clients. At Callan, we employ a robust process to identify, manage, monitor, and disclose potential conflicts on an ongoing basis.

The list below is an important component of our conflicts management and disclosure process. It identifies those investment managers that pay Callan fees for educational, consulting, software, database, or reporting products and services. We update the list quarterly because we believe that our fund sponsor clients should know the investment managers that do business with Callan, particularly those investment manager clients that the fund sponsor clients may be using or considering using. Please note that if an investment manager receives a product or service on a complimentary basis (e.g., attending an educational event), they are not included in the list below. Callan is committed to ensuring that we do not consider an investment manager's business relationship with Callan, or lack thereof, in performing evaluations for or making suggestions or recommendations to its other clients. Please refer to Callan's ADV Part 2A for a more detailed description of the services and products that Callan makes available to investment manager clients through our Institutional Consulting Group, Independent Adviser Group, and Fund Sponsor Consulting Group. Due to the complex corporate and organizational ownership structures of many investment management firms, parent and affiliate firm relationships are not indicated on our list.

Fund sponsor clients may request a copy of the most currently available list at any time. Fund sponsor clients may also request specific information regarding the fees paid to Callan by particular fund manager clients. Per company policy, information requests regarding fees are handled exclusively by Callan's Compliance department.

Manager Name
Aberdeen Standard Investments
Acadian Asset Management LLC
AEGON USA Investment Management Inc.
AllianceBernstein
Allianz
American Century Investments
Amundi Pioneer Asset Management
AQR Capital Management
Ares Management LLC
Ariel Investments, LLC
Aristotle Capital Management, LLC
Atlanta Capital Management Co., LLC
Aviva Investors Americas
AXA Investment Managers
Baillie Gifford International, LLC
Baird Advisors
Baron Capital Management, Inc.
Barrow, Hanley, Mewhinney & Strauss, LLC

Manager Name
BlackRock
BMO Global Asset Management
BNP Paribas Asset Management
BNY Mellon Asset Management
Boston Partners
Brandes Investment Partners, L.P.
Brandywine Global Investment Management, LLC
BrightSphere Investment Group
Brown Brothers Harriman & Company
Cambiar Investors, LLC
CapFinancial Partners, LLC
Capital Group
Carillon Tower Advisers
CastleArk Management, LLC
Causeway Capital Management LLC
Chartwell Investment Partners
ClearBridge Investments, LLC
Cohen & Steers Capital Management, Inc.

Manager Name

Columbia Management Investments

Columbus Circle Investors

Credit Suisse Asset Management

D.E. Shaw Investment Management, L.L.C.

DePrince, Race & Zollo, Inc.

Dimensional Fund Advisors LP

Doubleline

Duff & Phelps Investment Management Co.

DWS

EARNEST Partners, LLC

Eaton Vance Management

Epoch Investment Partners, Inc.

Fayez Sarofim & Company

Federated Hermes, Inc.

Fidelity Institutional Asset Management

Fiera Capital Corporation

First Hawaiian Bank Wealth Management Division

First State Investments

Fisher Investments

Franklin Templeton

Fred Alger Management, Inc.

GAM (USA) Inc.

GCM Grosvenor

Glenmeade Investment Management, LP

GlobeFlex Capital, L.P.

Goldman Sachs

Green Square Capital Advisors, LLC

Guggenheim Investments

GW&K Investment Management

Harbor Capital Group Trust

Hartford Investment Management Co.

Heitman LLC

Hotchkis & Wiley Capital Management, LLC

Income Research + Management, Inc.

Insight Investment Management Limited

Intech Investment Management, LLC

Intercontinental Real Estate Corporation

Invesco

Investec Asset Management North America, Inc.

Ivy Investments

Manager Name

J.P. Morgan

Janus

Jennison Associates LLC

Jobs Peak Advisors

KeyCorp

Lazard Asset Management

Legal & General Investment Management America

Lincoln National Corporation

Longview Partners

Loomis, Sayles & Company, L.P.

Lord Abbett & Company

Los Angeles Capital Management

LSV Asset Management

MackKay Shields LLC

Macquarie Investment Management (MIM)

Manulife Investment Management

Marathon Asset Management, L.P.

McKinley Capital Management, LLC

Mellon

MetLife Investment Management

MFS Investment Management

MidFirst Bank

Mondrian Investment Partners Limited

Montag & Caldwell, LLC

Morgan Stanley Investment Management

Mountain Pacific Advisors, LLC

MUFG Union Bank, N.A.

Natixis Investment Managers

Neuberger Berman

Newton Investment Management

Nikko Asset Management Co., Ltd.

Nile Capital Group LLC

Northern Trust Asset Management

Nuveen

P/E Investments

Pacific Investment Management Company

Parametric Portfolio Associates LLC

Pathway Capital Management

Peregrine Capital Management, LLC

Perkins Investment Management

Manager Name

PFM Asset Management LLC

PGIM Fixed Income

PineBridge Investments

PNC Capital Advisors, LLC

Polen Capital Management

Principal Global Investors

Putnam Investments, LLC

QMA LLC

RBC Global Asset Management

Regions Financial Corporation

Robeco Institutional Asset Management, US Inc.

Rothschild & Co. Asset Management US

S&P Dow Jones Indices

Schroder Investment Management North America Inc.

SLC Management

Smith Graham & Co. Investment Advisors, L.P.

State Street Global Advisors

Stone Harbor Investment Partners L.P.

Strategic Global Advisors

T. Rowe Price Associates, Inc.

Manager Name

The TCW Group, Inc.

Thompson, Siegel & Walmsley LLC

Thornburg Investment Management, Inc.

Tri-Star Trust Bank

UBS Asset Management

USAA Real Estate

VanEck

Versus Capital Group

Victory Capital Management Inc.

Virtus Investment Partners, Inc.

Vontobel Asset Management, Inc.

Voya

WCM Investment Management

WEDGE Capital Management

Wellington Management Company LLP

Wells Fargo Asset Management

Western Asset Management Company LLC

Westfield Capital Management Company, LP

William Blair & Company LLC

Orange County Sanitation District

Period Ending September 30, 2020

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | www.chandlerasset.com



SECTION 1	Economic Update
SECTION 2	Account Profile
SECTION 3	Consolidated Information
SECTION 4	Portfolio Holdings
SECTION 5	Transactions

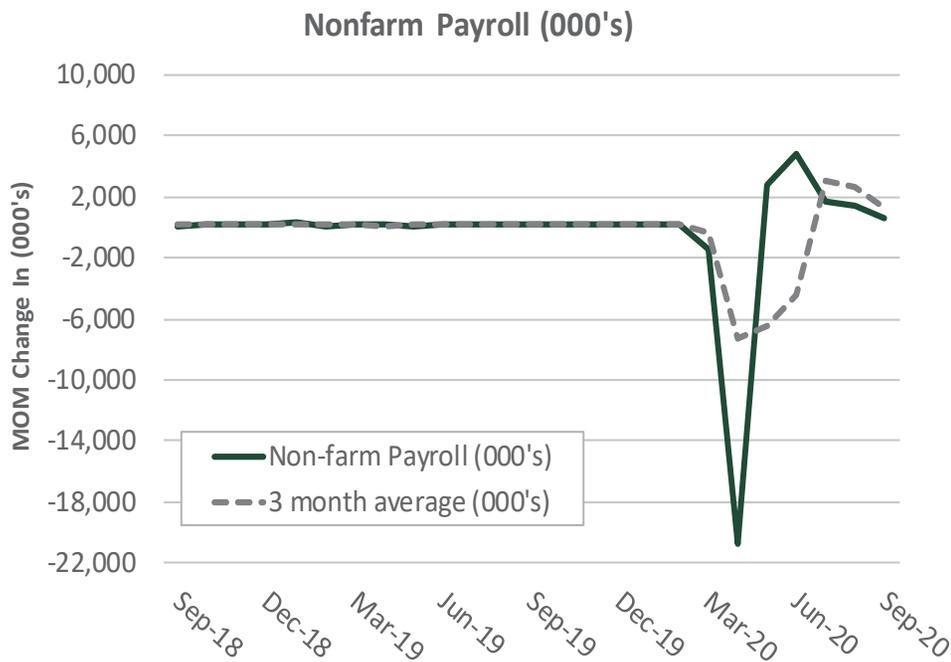


Section 1 | Economic Update

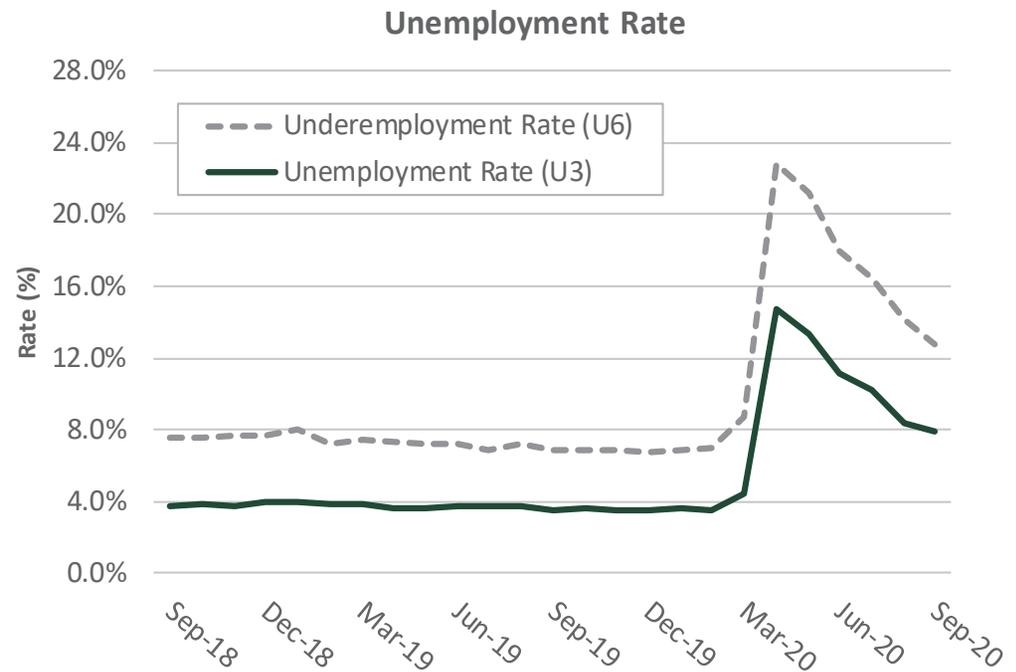
Economic Update

- The US economy continues to experience a somewhat uneven and slowing pace of economic growth, consistent with more of a U-shaped (rather than V-shaped) recovery, following a sharp decline in economic activity in the second quarter. The outlook for the economy remains uncertain and is largely dependent on the course of the pandemic, the amount of additional fiscal relief, and the timeline for a vaccine, in our view. The Fed's highly accommodative monetary policy framework, along with a swift and robust fiscal policy response from the government earlier this year, has provided support for the financial markets amid a challenging economic backdrop. However, we believe financial markets are poised for increased volatility through year-end due to the upcoming election, a resurgence in virus cases, and an unclear outlook for additional fiscal relief. If the expected timeline for a COVID-19 vaccine was pushed into second half of next year or beyond, we believe that would fuel a significant amount of financial market volatility.
- The Federal Open Market Committee (FOMC) kept monetary policy unchanged in September with the fed funds target rate in a range of 0.0% to 0.25%. Monetary policy remains highly accommodative and Fed Chair Powell maintained a dovish tone during his press conference. The Fed will continue to use its balance sheet to support smooth financial market functioning by purchasing Treasury and agency mortgage-backed securities and will continue to use its lending facilities to support the flow of credit to businesses and municipalities, as needed. In the September policy statement, the FOMC noted that inflation continues to run below its 2.0% target, as weaker demand and lower oil prices are holding down consumer prices. Longer-term, the FOMC will allow inflation to run above 2.0% for some period of time before it looks to tighten policy, which implies the fed funds target rate will remain anchored near zero for years. The Fed's updated summary of economic projections signals that the target fed funds rate will remain unchanged through at least 2023, as policymakers do not expect inflation to exceed 2.0% during that timeframe.
- On a year-to-date basis, the yield on 2-year Treasuries was down 144 basis points to 0.13% and the yield on 10-year Treasuries was down about 123 basis points to 0.68% at the end of September. In September, the Treasury yield curve was little changed on a month-over-month basis, following moderate curve steepening in August. We believe a wave of new Treasury issuance in August put increased upward pressure on longer-term rates.

Employment



Source: US Department of Labor

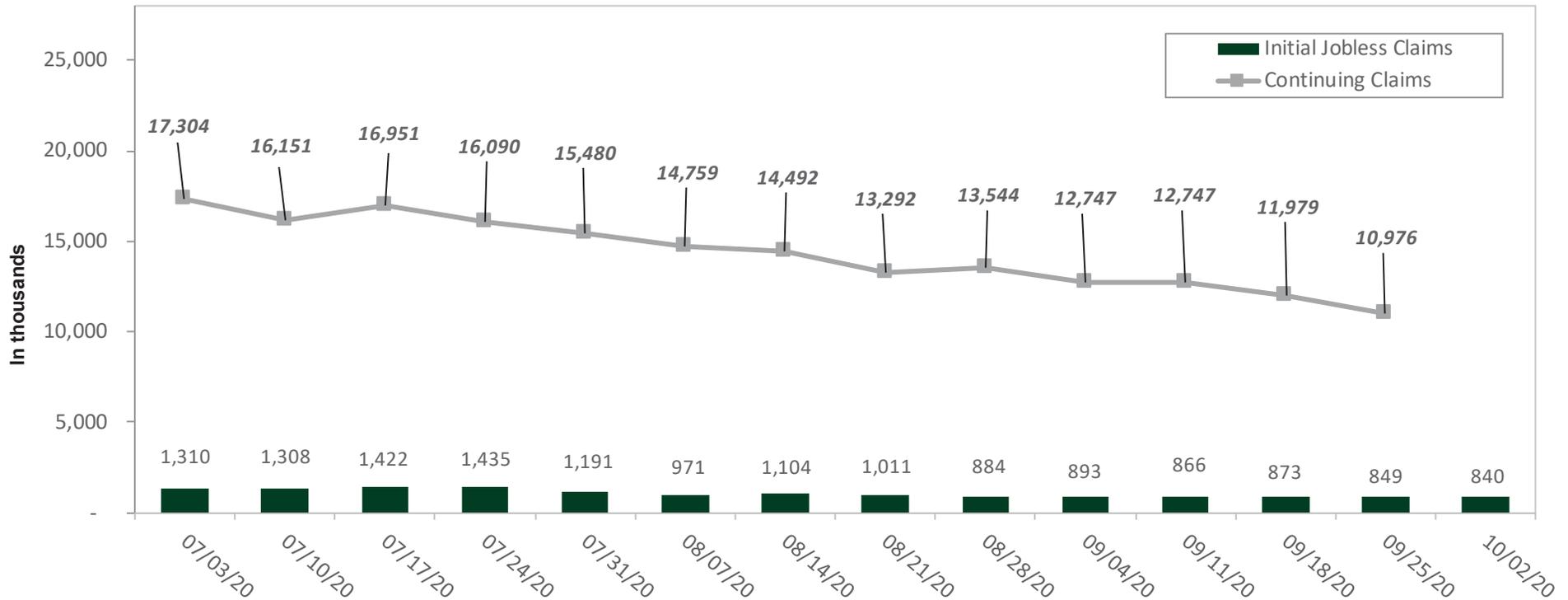


Source: US Department of Labor

U.S. nonfarm payrolls were lower than expected, up 661,000 in September versus expectations of 859,000. The unemployment rate declined to 7.9% in September from 8.4% in August. The decline in the unemployment rate was better than expected, however, it was partially driven by a decline in the labor participation rate to 61.4% in September from 61.7% in August. The labor participation rate improved modestly after plunging to 60.2% in April, but remains near the lowest levels since the 1970's. Nearly 4.5 million people have dropped out of the labor force since January, and 12.6 million people in the labor force were unemployed in September, according to the U.S. Bureau of Labor Statistics household survey. Workers who classified themselves as employed but absent from work in the September survey understated the unemployment rate by about 0.4%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons, remained high but eased to 12.8% in September from 14.2% in August.

Initial Claims for Unemployment

Initial Claims For Unemployment July 03, 2020 - October 02, 2020

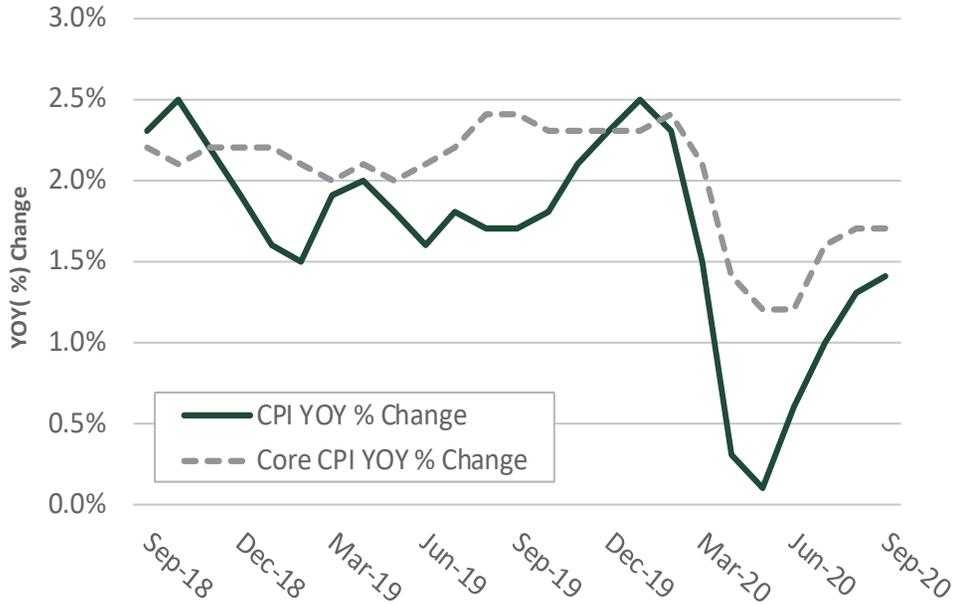


Source: US Department of Labor

In the most recent week, the number of initial jobless claims declined to 840,000 compared to 849,000 in the prior week. The level of continuing unemployment claims (where the data is lagged by one week) declined to about 11.0 million from roughly 12.0 million in the prior week. Continuing jobless claims have declined from the peak of nearly 25 million in early May, but they remain well above the 2019 average of 1.7 million.

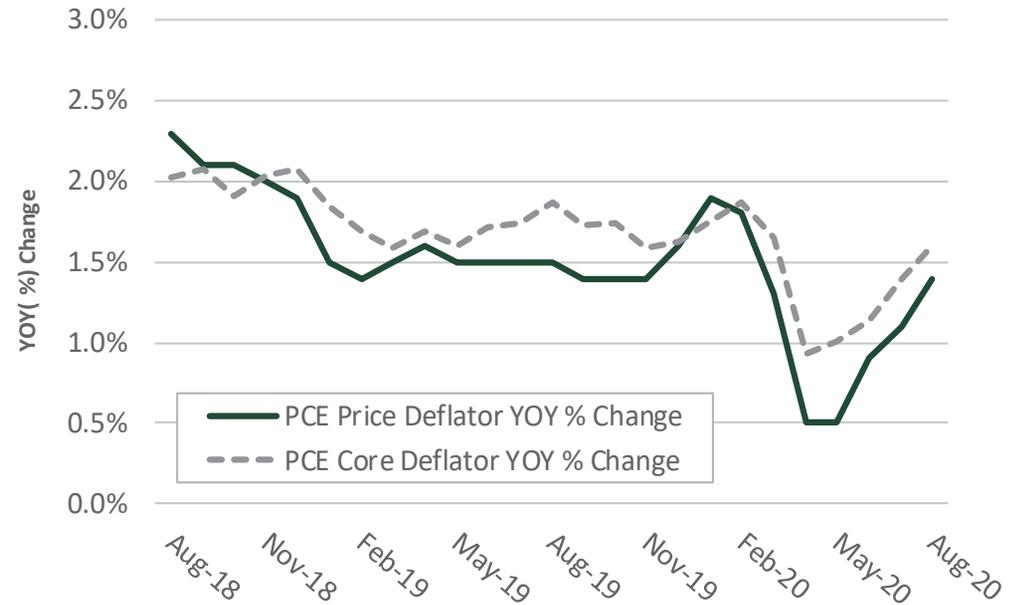
Inflation

Consumer Price Index (CPI)



Source: US Department of Labor

Personal Consumption Expenditures (PCE)

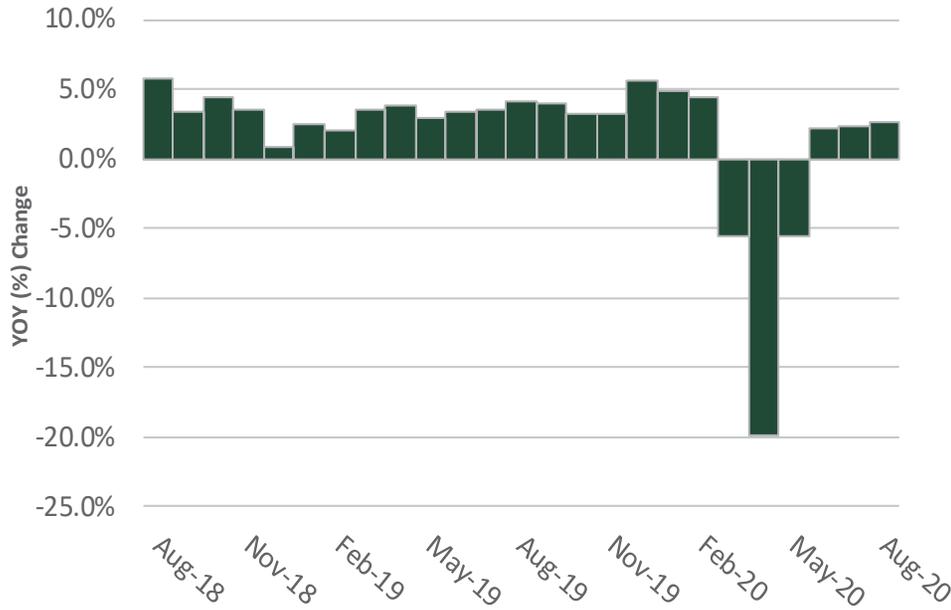


Source: US Department of Commerce

The Consumer Price Index (CPI) was up 1.4% year-over-year in September, versus up 1.3% in August. Core CPI (CPI less food and energy) was up 1.7% year-over-year in September, unchanged from August. The Personal Consumption Expenditures (PCE) index was up 1.4% year-over-year in August, versus up 1.1% year-over-year in July. Core PCE, which is the Fed's primary inflation gauge, was up 1.6% year-over-year in August, versus up 1.4% year-over-year in July. Pricing pressures are increasing but remain below the Fed's inflation target.

Consumer

Retail Sales YOY % Change



Source: US Department of Commerce

Consumer Confidence

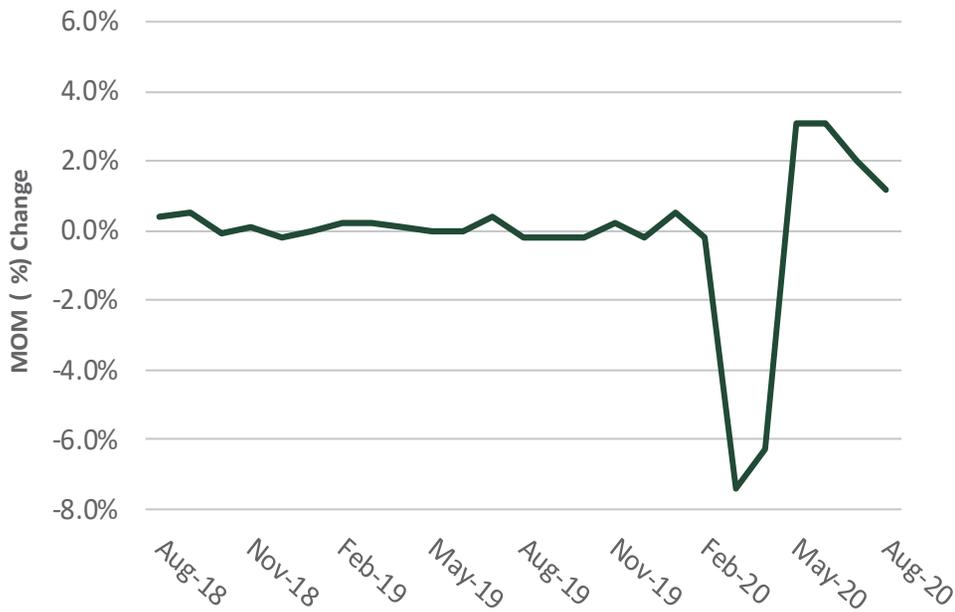


Source: The Conference Board

Retail sales were softer than expected in August and sales for July were revised down. On a year-over-year basis, retail sales were up 2.6% in August, versus up 2.4% in July. On a month-over-month basis, retail sales were up just 0.6% in August, following a 0.9% increase in July. Control group retail sales fell 0.2% in August, well below expectations for a 0.5% increase. The Consumer Confidence index jumped to 101.8 in September from 86.3 in August. The improvement in consumer confidence was much better than expected in September but the index remains well below pre-pandemic levels at the start of this year.

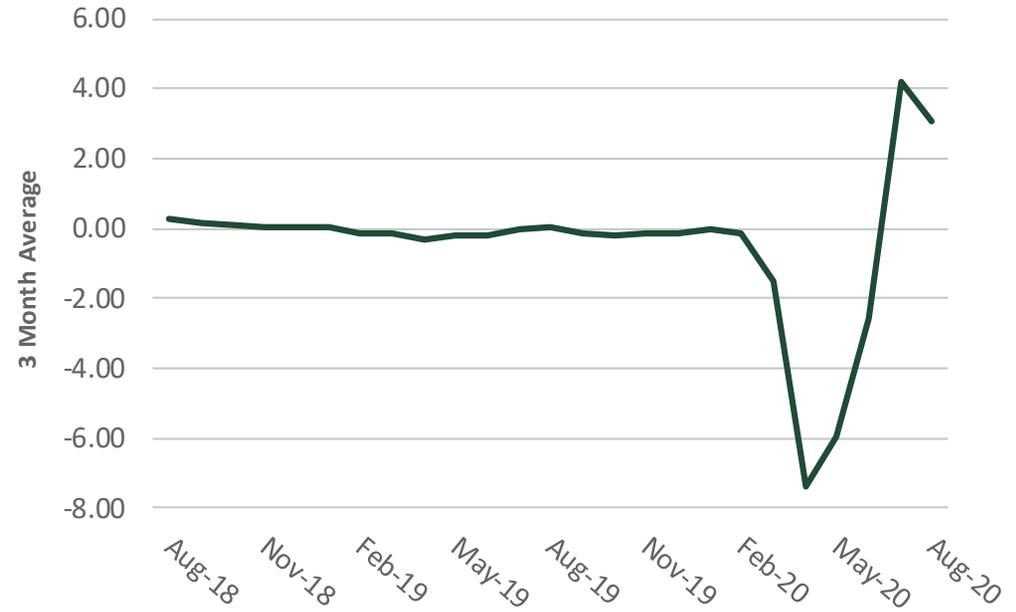
Economic Activity

Leading Economic Indicators (LEI)



Source: The Conference Board

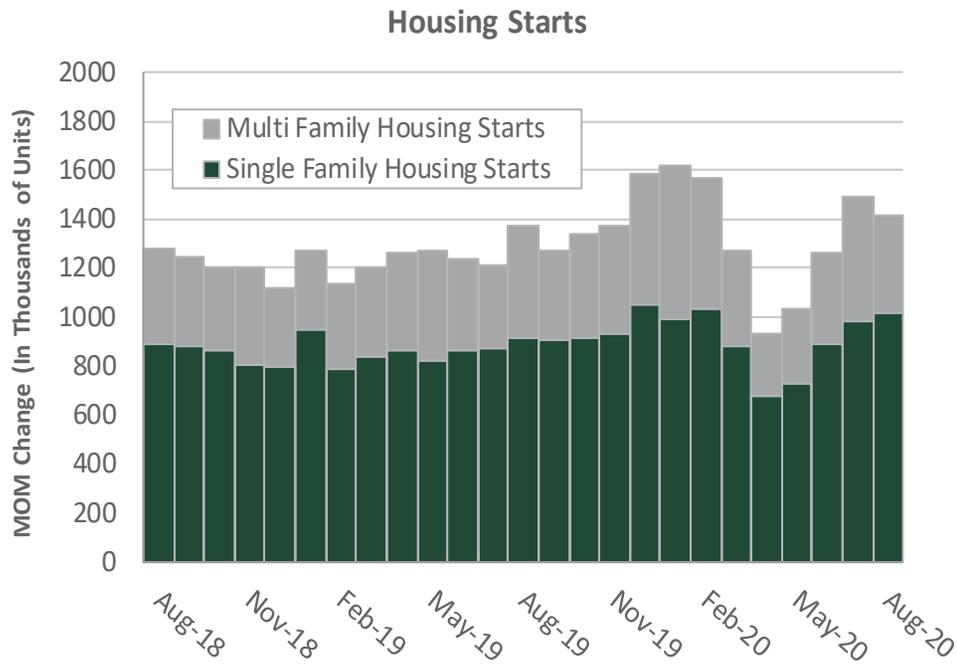
Chicago Fed National Activity Index (CFNAI)



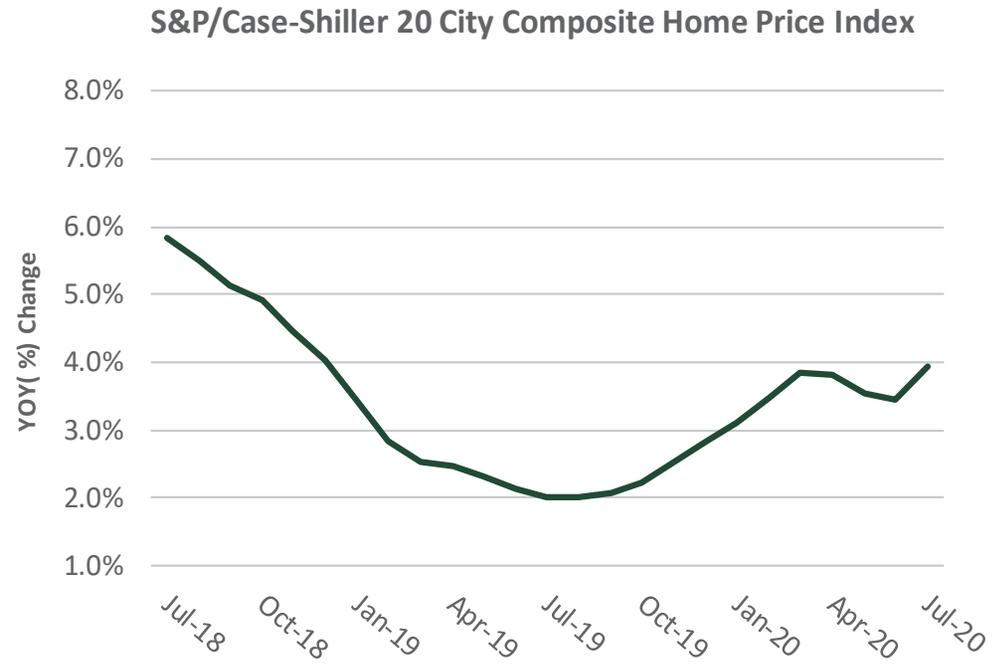
Source: Federal Reserve Bank of Chicago

The Conference Board’s Leading Economic Index (LEI) rose 1.2% in August, following a 2.0% increase in July. On a year-over-year basis, the LEI was down 4.7% in August versus down 6.1% in July. According to the Conference Board, the recovery is losing steam and the US economy will likely head into 2021 under substantially weakened economic conditions. The Chicago Fed National Activity Index (CFNAI) declined to 0.79 in August from 2.54 in July. On a 3-month moving average basis, the CFNAI declined to 3.05 in August from 4.23 in July. Although the CFNAI declined in August on a 3-month moving basis, it is above the -0.7 recessionary level.

Housing



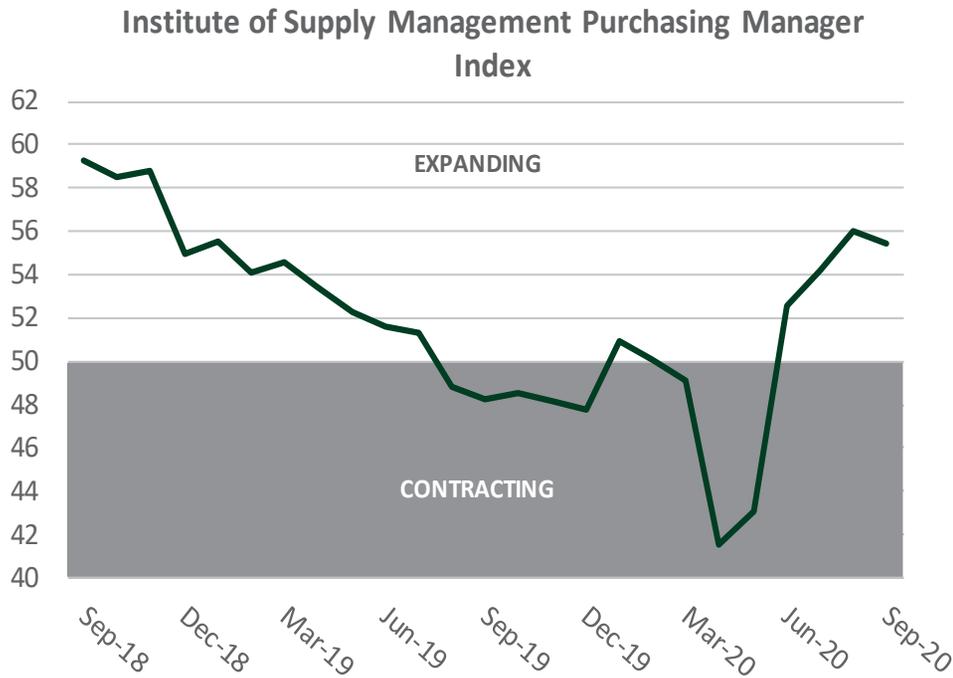
Source: US Department of Commerce



Source: S&P

Total housing starts fell 5.1% in August to an annual pace of 1,416,000. Single family starts rose 4.1% to an annualized rate of 1,021,000, while multi-family starts declined 22.7% to an annualized rate of 395,000. On a year-over-year basis, total housing starts were up 2.8% in August. Meanwhile, permits declined 0.9% in August on a month-over-month basis, to an annualized rate of 1,470,000 (flat on a year-over-year basis). According to the Case-Shiller 20-City home price index, home prices were up 3.9% year-over-year in July versus up 3.5% year-over-year in June. The housing market has remained strong during the pandemic. Very low mortgage rates, solid stock market performance, and a meaningful shift toward working from home are providing strong tailwinds for the housing sector, despite an otherwise challenging economic backdrop.

Manufacturing



Source: Institute for Supply Management



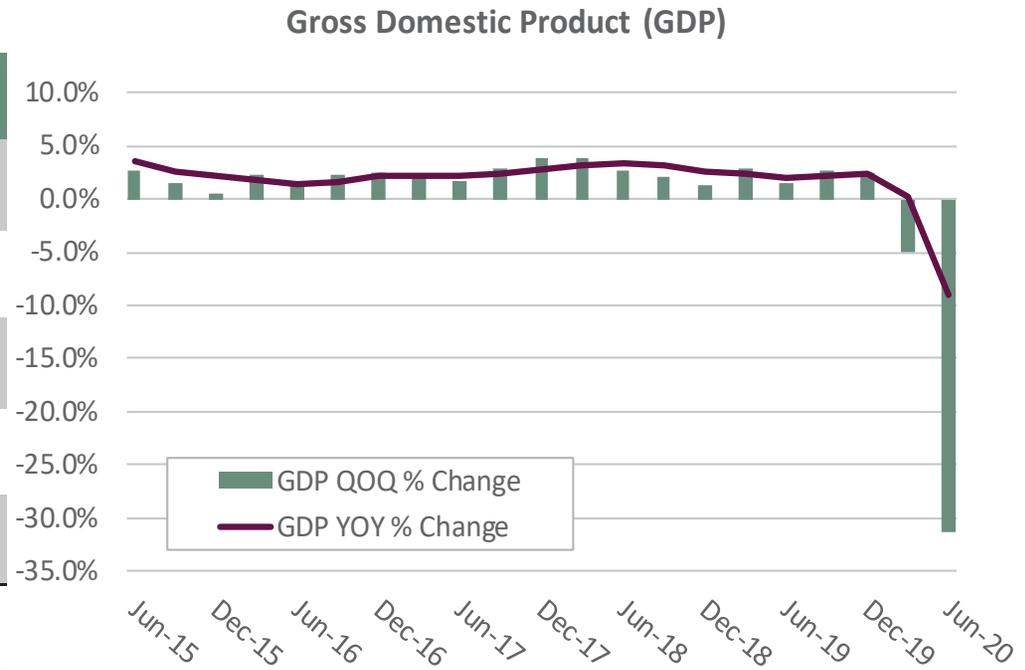
Source: Federal Reserve

The Institute for Supply Management (ISM) manufacturing index slipped to 55.4 in September from 56.0 in August. New orders remained strong but declined to 60.2 in September from 67.6 in August. Readings above 50.0 are indicative of expansion in the manufacturing sector. The Industrial Production index was down 7.7% year-over-year in August, versus down 7.4% in July. On a month-over-month basis, the Industrial Production index increased just 0.4% in August, missing expectations of 1.2%, following a 3.5% increase in July. Capacity Utilization improved to 71.4% in August from 71.1% in July, but remains well below the long-run average of 79.8%. Overall manufacturing conditions have improved, following a deep contraction, but the pace of improvement is slowing.

Gross Domestic Product (GDP)

Components of GDP	9/19	12/19	3/20	6/20
Personal Consumption Expenditures	1.8%	1.1%	-4.8%	-24.0%
Gross Private Domestic Investment	0.3%	-0.6%	-1.6%	-8.8%
Net Exports and Imports	0.0%	1.5%	1.1%	0.6%
Federal Government Expenditures	0.3%	0.3%	0.1%	1.2%
State and Local (Consumption and Gross Investment)	0.1%	0.2%	0.1%	-0.4%
Total	2.6%	2.4%	-5.0%	-31.4%

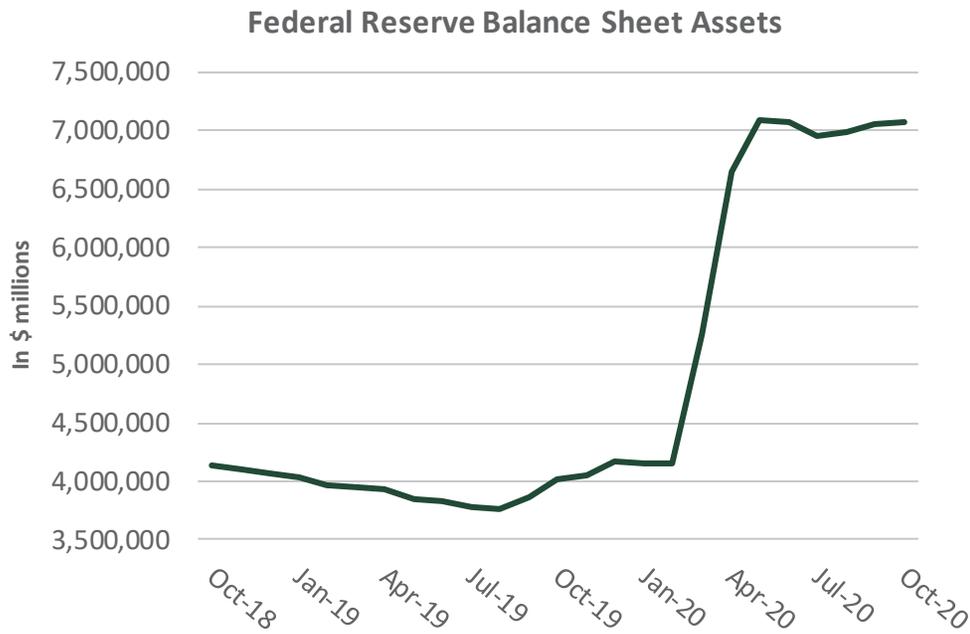
Source: US Department of Commerce



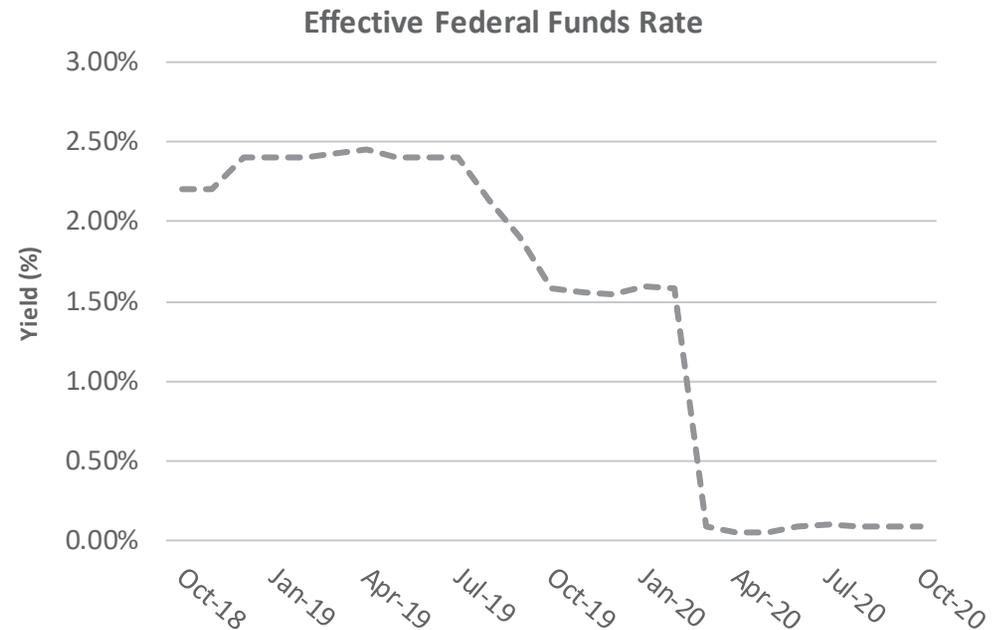
Source: US Department of Commerce

According to the third estimate, US gross domestic product (GDP) declined at an annual rate of 31.4% in the second quarter, just slightly less negative than the initial and second estimates but still the largest decline on record. This follows a 5.0% annualized decline in first quarter GDP. Personal consumption expenditures plunged 33.2% in the second quarter, following a 6.9% decline in the first quarter. The consensus forecast calls for a strong rebound in consumer spending and overall economic activity in the third quarter, and a slower pace of improvement in activity thereafter.

Federal Reserve



Source: Federal Reserve



Source: Bloomberg

The Fed has taken a wide range of aggressive actions to help stabilize and provide liquidity to the financial markets. The Fed has lowered the fed funds target rate to a range of 0.0%-0.25% and continues to purchase Treasury and agency mortgage-backed securities to support smooth market functioning. Policymakers reinstated the Commercial Paper Funding Facility and Money Market Mutual Fund Liquidity Facility in order to provide liquidity to the commercial paper, money markets, and the municipal bond markets. The Fed has established the Primary Market Corporate Credit Facility and Secondary Market Corporate Credit Facility to support the corporate bond market. The Term Asset-Backed Securities Loan Facility has been established to enable the issuance of asset-backed securities backed by student loans, auto loans, credit card loans, and loans guaranteed by the Small Business Administration. The Fed has established the Paycheck Protection Program Liquidity Facility and Fed’s Main Street Lending Facility to support the flow of credit to businesses. The Fed established the Municipal Liquidity Facility to purchase short-term debt directly from US states, counties, and cities. The Fed has also provided short-term funding through large-scale repo operations and lowered the reserve requirement for depository institutions.

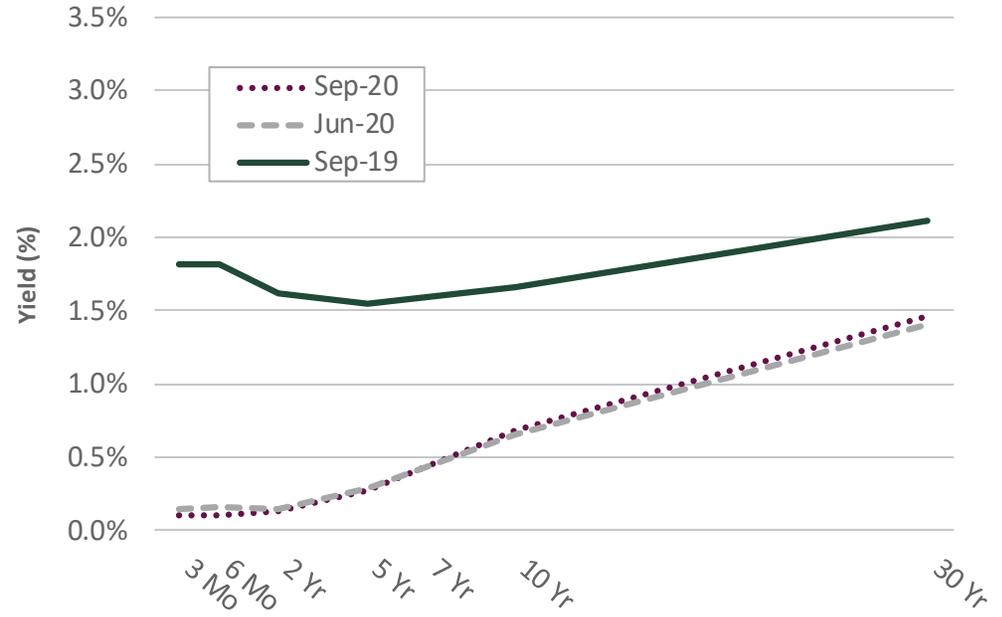
Bond Yields

US Treasury Note Yields



Source: Bloomberg

US Treasury Yield Curve



Source: Bloomberg

At September month-end, Treasury yields were much lower on a year-over-year basis. The 3-month T-bill yield was down 172 basis points, the 2-year Treasury yield was down 150 basis points, and the 10-Year Treasury yield was down 98 basis points, year-over-year. Yields declined precipitously in March 2020, with the Fed cutting rates by a total of 150 basis points and a flight to safe-haven assets driving down yields across the curve. The Fed has signaled plans to keep the front end of the Treasury yield curve anchored near zero for at least the next few years.



Section 2 | Account Profile

Investment Objectives

The investment objectives of the Orange County Sanitation District are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet all operating requirements; and third, to earn a commensurate rate of return consistent with the constraints imposed by the safety and liquidity objectives.

Chandler Asset Management Performance Objective

Liquid Operating Monies – will be compared to the 3-month T-Bill rate and operate with a maximum maturity of one year. Long-Term Operating Monies – will be compared to the ICE BAML 1-5 Year Corporate Government Rated AAA – A Index.

Strategy

In order to achieve these objectives, the portfolio invests in high quality fixed income securities consistent with the investment policy and California Government Code.

Orange County Sanitation District Long Term

Assets managed by Chandler Asset Management are in full compliance with state law and with the investment policy

Category	Standard	Comment
Treasury Issues	10% minimum; 5 years max maturity	Complies*
U.S. Agencies	20% max per agency of the U.S. Government, which does not provide the full faith and credit of the U.S. government; 5 years max maturity	Complies
Supranational Obligations	"AA" rated or better by a NRSRO; 30% maximum; 5 years max maturity; U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development ("IBRD"), the International Finance Corporation ("IFC") or the Inter-American Development Bank ("IADB")	Complies
Corporate Medium Term Notes	"A" rated or better long term debt by a NRSRO; 30% maximum; 5% max issuer; 5 years max maturity; Issued by corporations organized and operating within the U.S. or issued by depository institutions licensed by the U.S. or any state and operating within the U.S.	Complies
Municipal Securities	"A" rated or higher by a NRSRO; Taxable or tax-exempt municipal bonds issued by any of the 50 states; 10% maximum; 5% max issuer; 5 years max maturity	Complies
Mortgage-Backed Securities/ Collateralized Mortgage Obligations/ Asset-Backed Securities	"AA" rated or better by a NRSRO; 20% maximum (combined MBS/CMO/ABS); 5% max issuer (except U.S. government or its agencies) ; 5 years max maturity	Complies*
Negotiable Certificates of Deposit (NCD)	"A" rated or better long term debt by a NRSRO; or "A-1" / highest short term rating by a NRSRO; 30% maximum; 5% max issuer; 5 years max maturity	Complies
Certificates of Deposit	5% max issuer; 5 years max maturity; Secured/ collateralized	Complies
Banker's Acceptances	A-1 rated or highest short term rating by a NRSRO; 40% maximum; 5% max issuer; 180 days max maturity	Complies
Commercial Paper	A-1 rated or better by a NRSRO; "A" rated or better long term debt issuer by a NRSRO; Issuer is a corporation organized and operating in the U.S. with assets > \$500 million; 25% maximum; 5% max issuer; 10% max of the outstanding commercial paper of any single issuer; 270 days max maturity	Complies
Mutual Fund & Money Market Mutual Fund	Highest rating or "AAA" rated by two NRSROs; SEC registered adviser with AUM >\$500 million and experience > than 5 years; 20% maximum in Mutual Funds; 10% per one Mutual Fund; 20% max per issuer on Money Market Mutual Funds; 20% max of OCSD's surplus money	Complies
Repurchase Agreements	102% collateralization	Complies
Reverse Repurchase Agreements	5% maximum, 90 days max maturity	Complies
Local Agency Investment Fund (LAIF)	No more than the lesser of 15% of the portfolio or the statutory maximum invested in LAIF; Not used by investment adviser; Investment of OCSD funds in LAIF shall be subject to investigation and due diligence prior to investing	Complies
OCCIP	15% maximum; Not used by investment adviser; Orange County Treasurer's Money Market Commingled Investment Pool; Investment of OCSD funds in OCCIP shall be subject to investigation and due diligence prior to investing	Complies
Prohibited	Mortgage Derivatives, which include interest-only payments (IOs) and principal-only payments (POs); Inverse floaters, and RE-REMICS (Real Estate Mortgage Investment Conduits)	Complies
Avg Duration	Not to exceed 60 months - (80% to 120% of the benchmark)	Complies
Max Per Holding	5% max of the total debt outstanding of any issuer per individual holding	Complies
Max Per Issuer	5% max per issuer (except Supranationals, U.S. Government, Agencies, Mutual Fund)	Complies
Maximum Maturity	5 years maximum maturity	Complies*

*The portfolio has twenty (20) securities with maturities greater than 5 years including four (4) CMOs and sixteen (16) MBS. All securities were inherited from the previous manager and complied at time of purchase.

Orange County Sanitation District Long Term

	9/30/2020		6/30/2020
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	2.69	2.74	2.77
Average Modified Duration	2.59	2.52	2.55
Average Purchase Yield	n/a	1.97%	2.04%
Average Market Yield	0.28%	0.26%	0.33%
Average Quality**	AAA	AA/Aa1	AA/Aa1
Total Market Value		625,217,609	623,291,089

*ICE BAML 1-5 Yr US Corp/Govt Rated AAA-A Index

**Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

Several securities were purchased across the Agency, Asset Backed and Corporate sectors of the market to keep the portfolio structure and duration in line with Chandler targets. The purchased securities ranged in maturity from July 2012 to September 2025. Two securities were sold and several matured to facilitate the new holdings in the portfolio.

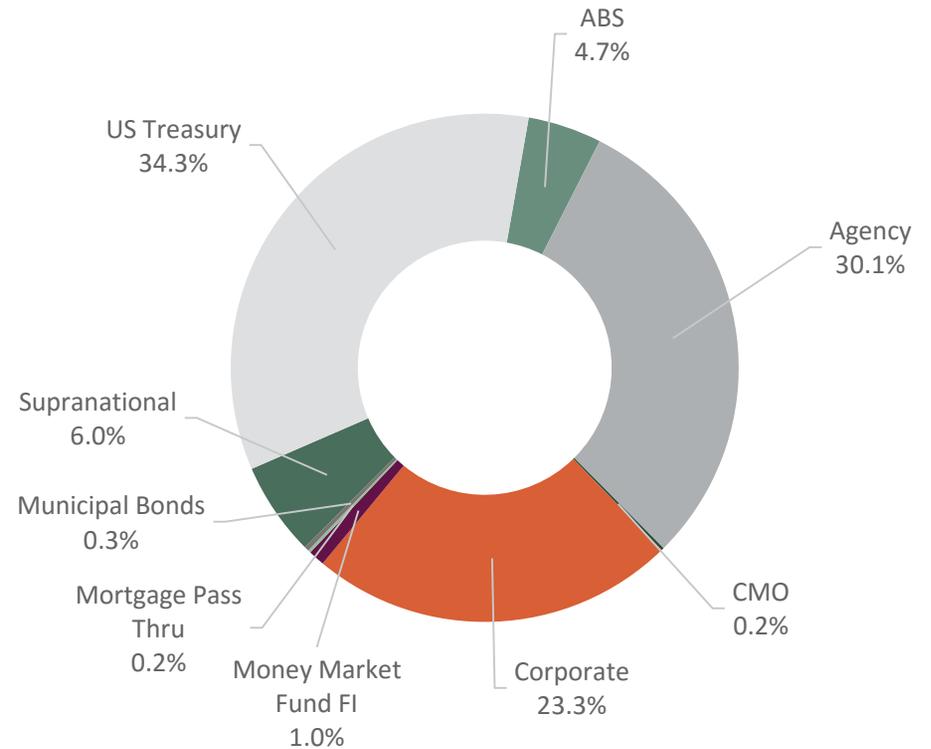
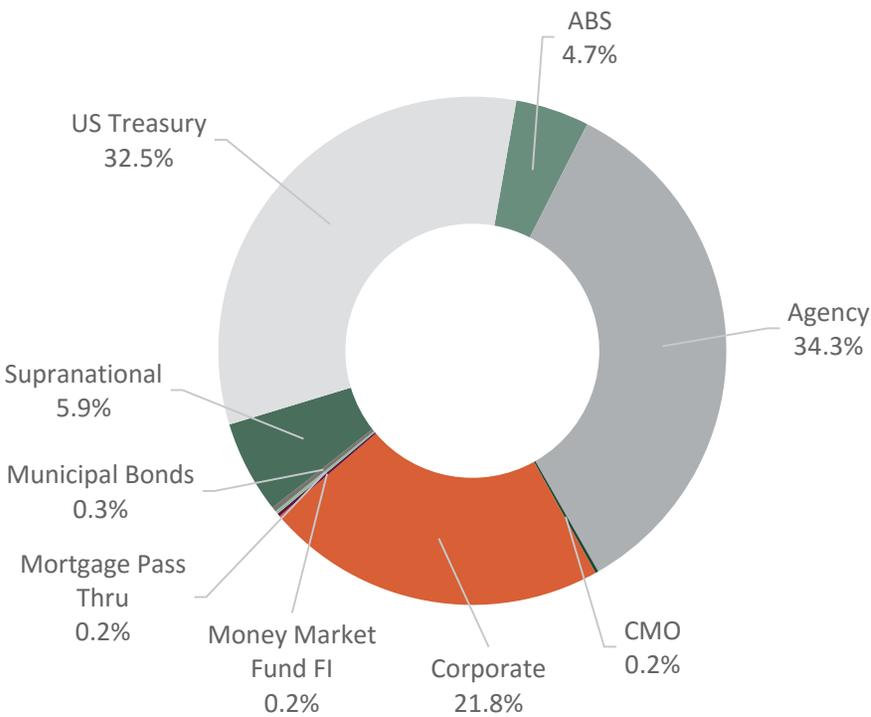
Sector Distribution

As of September 30, 2020

Orange County Sanitation District Long Term

September 30, 2020

June 30, 2020



The sector allocation was relatively stable. Some of the notable changes include the 4.2% increase in the Agency sector, to 34.3% of the portfolio, partially offset by the 1.8% decline in the US Treasury allocation, to 32.5% of the portfolio.

Orange County Sanitation District Long Term – Account #10268

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	32.46%
Federal National Mortgage Association	Agency	14.99%
Federal Home Loan Bank	Agency	9.22%
Federal Home Loan Mortgage Corp	Agency	7.84%
Intl Bank Recon and Development	Supranational	2.65%
Inter-American Dev Bank	Supranational	2.37%
Federal Farm Credit Bank	Agency	2.27%
Honda ABS	ABS	1.58%
US Bancorp	Corporate	1.57%
Toronto Dominion Holdings	Corporate	1.39%
Royal Bank of Canada	Corporate	1.36%
JP Morgan Chase & Co	Corporate	1.29%
Nissan ABS	ABS	1.20%
Apple Inc	Corporate	1.17%
Bank of America Corp	Corporate	1.14%
Charles Schwab Corp/The	Corporate	1.14%
Berkshire Hathaway	Corporate	1.10%
Chubb Corporation	Corporate	1.04%
John Deere ABS	ABS	1.04%
PNC Financial Services Group	Corporate	1.03%
ChevronTexaco Corp	Corporate	1.01%
IBM Corp	Corporate	0.97%
International Finance Corp	Supranational	0.88%
Intel Corp	Corporate	0.87%
Bank of New York	Corporate	0.84%
Honeywell Corp	Corporate	0.83%
Honda Motor Corporation	Corporate	0.71%
Wal-Mart Stores	Corporate	0.68%
Toyota ABS	ABS	0.54%
General Dynamics Corp	Corporate	0.52%
Wells Fargo Corp	Corporate	0.50%
Microsoft	Corporate	0.49%
Oracle Corp	Corporate	0.49%
Exxon Mobil Corp	Corporate	0.48%
Morgan Stanley	Corporate	0.47%
Merck & Company	Corporate	0.34%
Mercedes-Benz Auto Lease Trust	ABS	0.33%
New York City Transitional Finance Authority	Municipal Bonds	0.23%

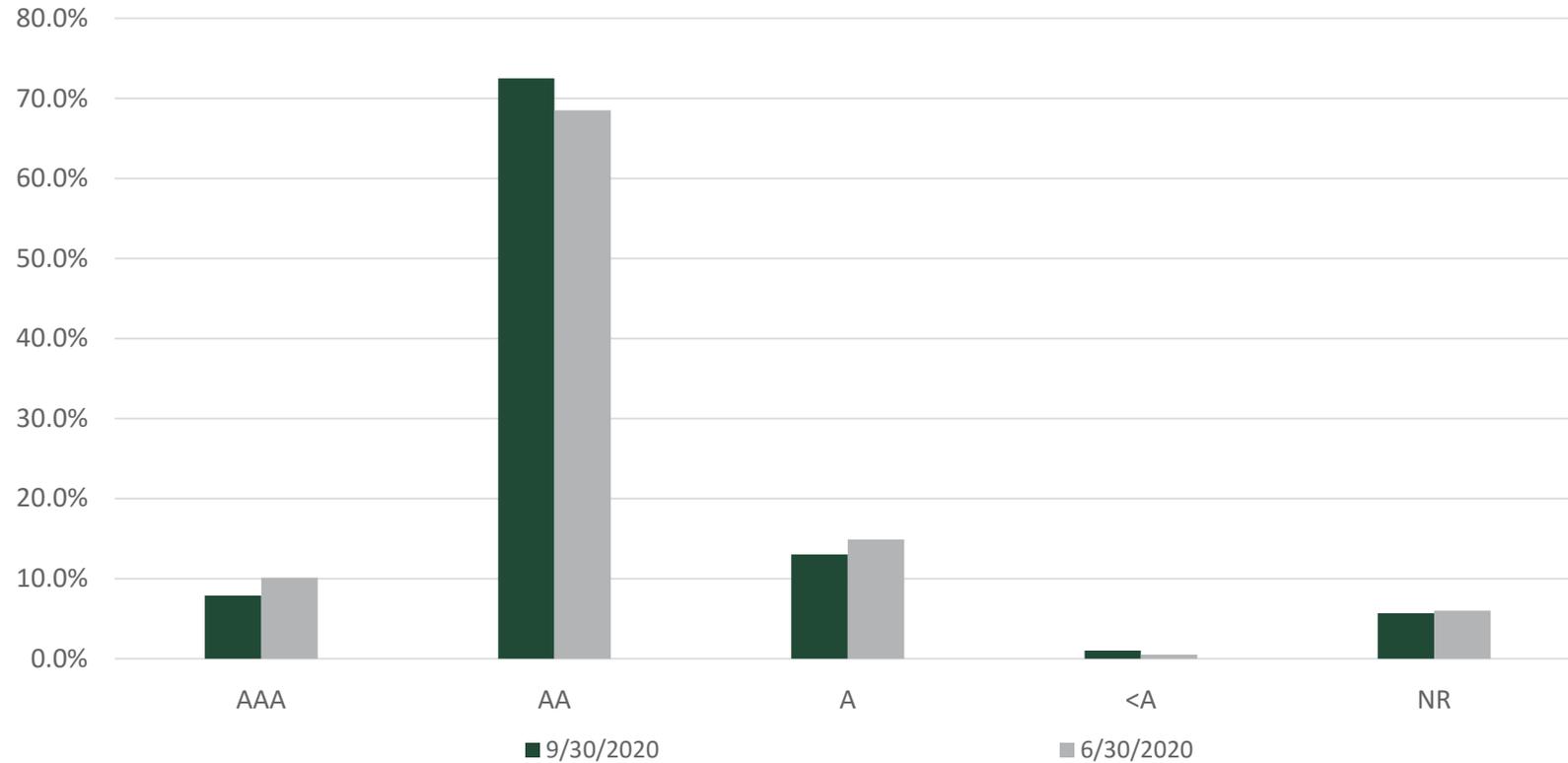
Orange County Sanitation District Long Term – Account #10268

Issue Name	Investment Type	% Portfolio
Deere & Company	Corporate	0.22%
BlackRock Inc/New York	Corporate	0.18%
Federal National Mortgage Association	Mortgage Pass Thru	0.15%
First American Govt Obligation Fund Class-Z	Money Market Fund FI	0.15%
Federal Home Loan Mortgage Corp	CMO	0.11%
University of California	Municipal Bonds	0.07%
Federal National Mortgage Association	CMO	0.02%
AMRESO Residential Securities Corp	CMO	0.02%
GNMA	Mortgage Pass Thru	0.02%
SLM Corp	ABS	0.00%
Small Business Administration	ABS	0.00%
Federal Home Loan Mortgage Corp	Mortgage Pass Thru	0.00%
TOTAL		100.00%

Quality Distribution

As of September 30, 2020

**Orange County Sanitation District Long Term
September 30, 2020 vs. June 30, 2020**



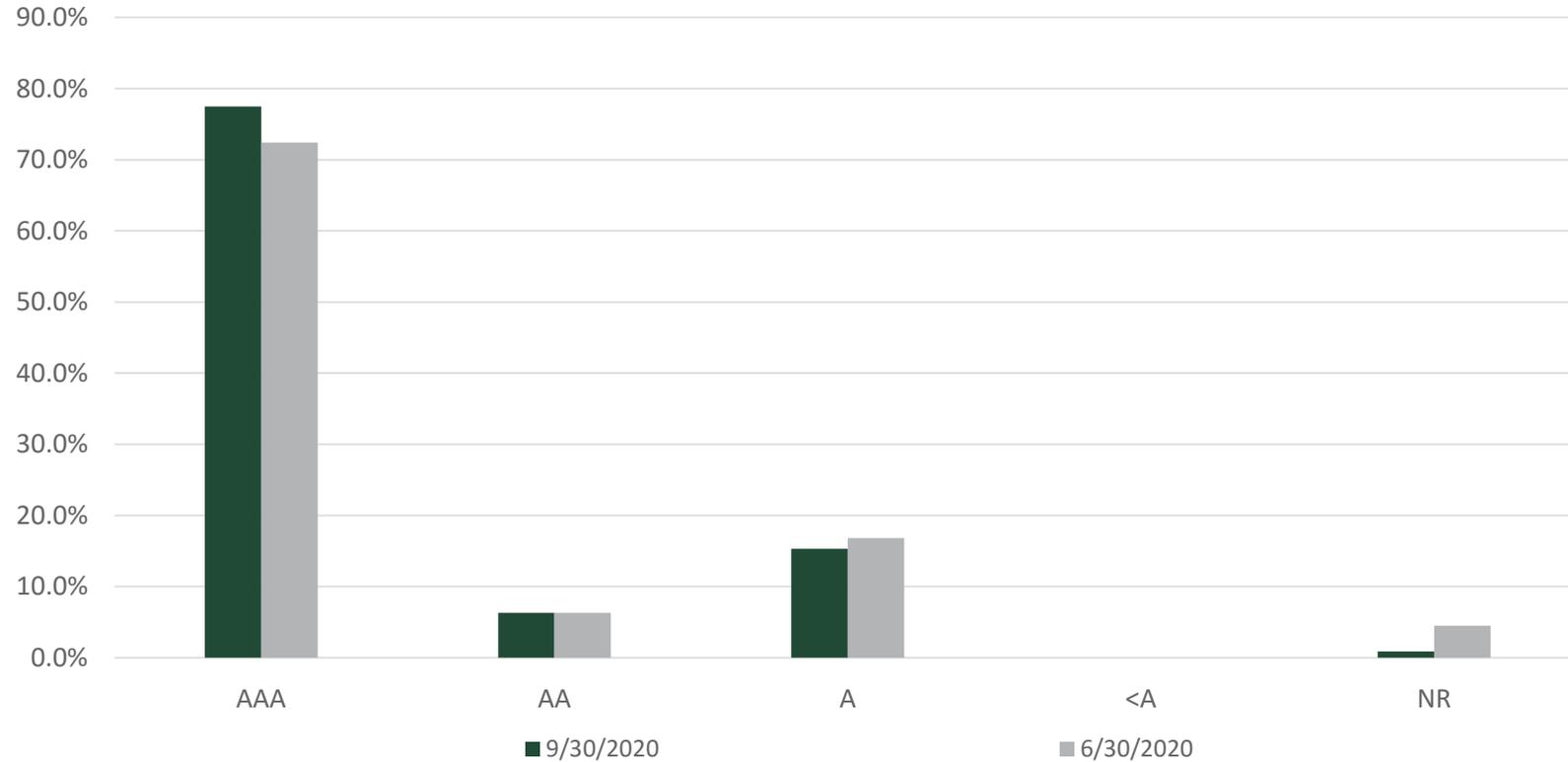
	AAA	AA	A	<A	NR
09/30/20	7.9%	72.5%	13.0%	1.0%	5.7%
06/30/20	10.1%	68.5%	14.9%	0.5%	6.0%

Source: S&P Ratings

Quality Distribution

As of September 30, 2020

Orange County Sanitation District Long Term September 30, 2020 vs. June 30, 2020



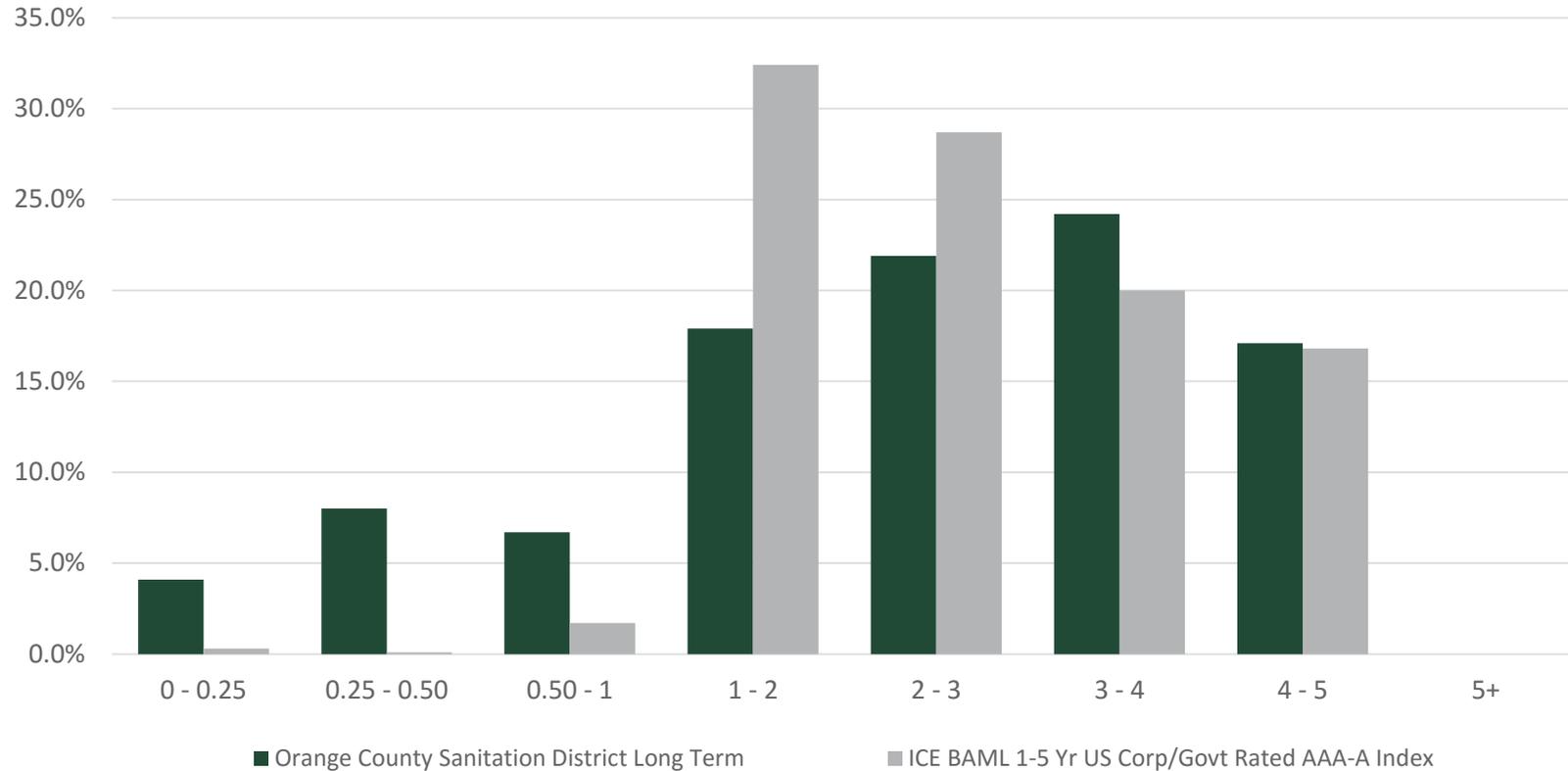
	AAA	AA	A	<A	NR
09/30/20	77.5%	6.3%	15.3%	0.0%	0.9%
06/30/20	72.4%	6.3%	16.8%	0.0%	4.5%

Source: Moody's Ratings

Duration Distribution

As of September 30, 2020

**Orange County Sanitation District Long Term
Portfolio Compared to the Benchmark as of September 30, 2020**

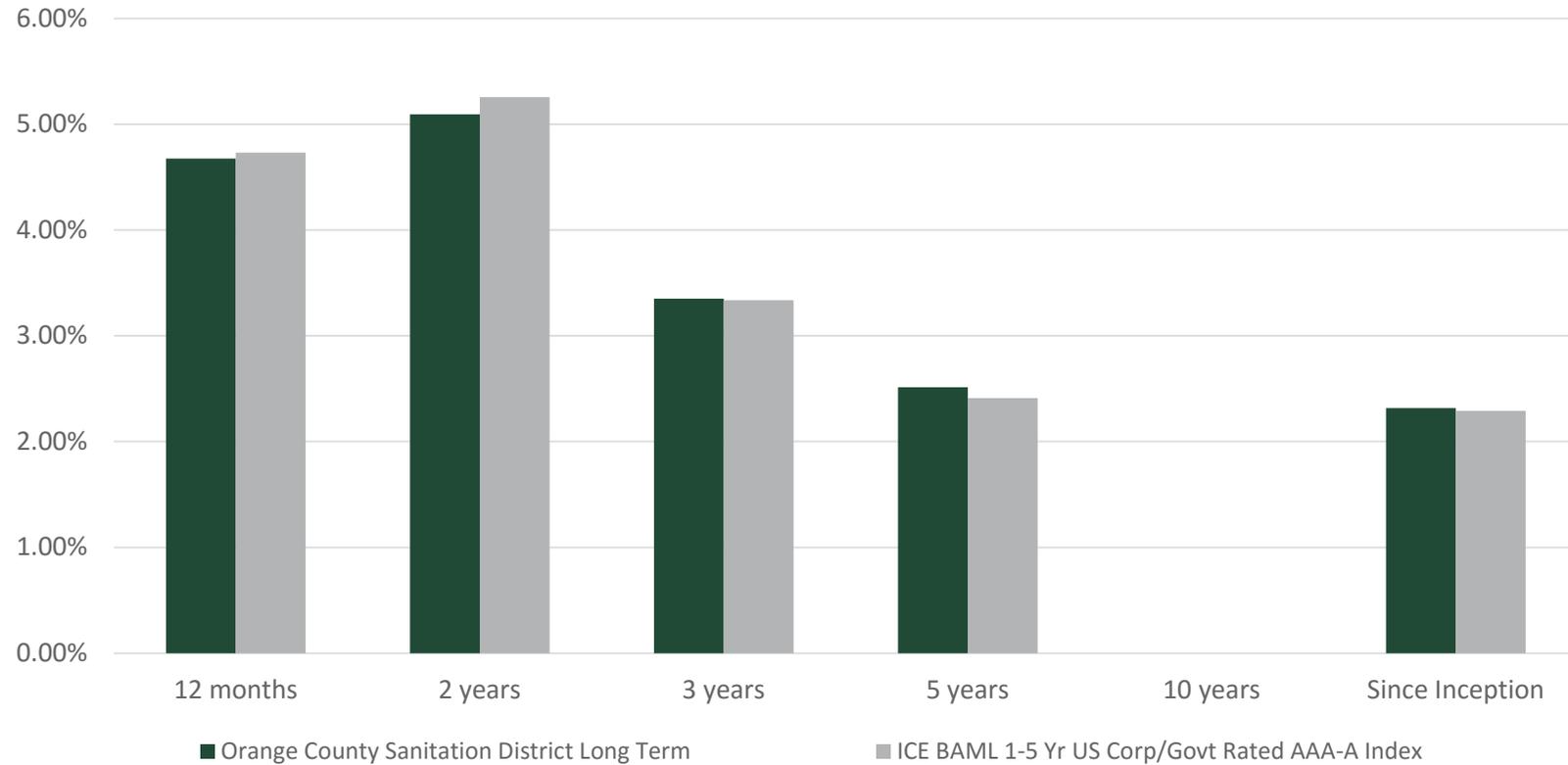


	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	4.1%	8.0%	6.7%	17.9%	21.9%	24.2%	17.1%	0.0%
Benchmark*	0.3%	0.1%	1.7%	32.4%	28.7%	20.0%	16.8%	0.0%

*ICE BAML 1-5 Yr US Corp/Govt Rated AAA-A Index

The duration of the portfolio was close to unchanged, currently 2.52 compared to 2.55 at the end of the prior quarter. Monetary policy is poised to stay highly accommodative over an intermediate time horizon and the Chandler team anticipates keeping the duration close to the benchmark in coming quarters.

Orange County Sanitation District Long Term Total Rate of Return Annualized Since Inception 11/30/2014



TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
Orange County Sanitation District Long Term	0.29%	4.67%	5.09%	3.35%	2.51%	N/A	2.32%
ICE BAML 1-5 Yr US Corp/Govt Rated AAA-A Index	0.24%	4.73%	5.26%	3.34%	2.41%	N/A	2.29%

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

Orange County Sanitation District Liquid

Assets managed by Chandler Asset Management are in full compliance with state law and with the investment policy

Category	Standard	Comment
Treasury Issues	10% minimum; 1 year max maturity	Complies
U.S. Agencies	20% max per agency of the U.S. Government, which does not provide the full faith and credit of the U.S. government; 1 year max maturity	Complies
Supranational Obligations	"AA" rated or better by a NRSRO; 30% maximum; 1 year max maturity; U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development ("IBRD"), the International Finance Corporation ("IFC") or the Inter-American Development Bank ("IADB")	Complies
Corporate Medium Term Notes	"A" rated or better long term debt by a NRSRO; 30% maximum; 5% max issuer; 1 year max maturity; Issued by corporations organized and operating within the U.S. or issued by depository institutions licensed by the U.S. or any state and operating within the U.S.	Complies
Municipal Securities	"A" rated or higher by a NRSRO; Taxable or tax-exempt municipal bonds issued by any of the 50 states; 10% maximum; 5% max issuer; 1 year max maturity	Complies
Mortgage-Backed Securities/ Collateralized Mortgage Obligations/ Asset-Backed Securities	"AA" rated or better by a NRSRO; 20% maximum (combined MBS/CMO/ABS); 5% max issuer (except U.S. government or its agencies) ; 1 year max maturity	Complies
Negotiable Certificates of Deposit (NCD)	"A" rated or better long term debt by a NRSRO; or "A-1"/ highest short term rating by a NRSRO; 30% maximum; 5% max issuer; 1 year max maturity	Complies
Certificates of Deposit	5% max issuer; 1 year max maturity; Secured/collateralized	Complies
Banker's Acceptances	A-1 rated or highest short term rating by a NRSRO; 40% maximum; 5% max issuer; 180 days max maturity	Complies
Commercial Paper	A-1 rated or better by a NRSRO; "A" rated or better long term debt issuer by a NRSRO; Issuer is a corporation organized and operating in the U.S. with assets > \$500 million; 25% maximum; 5% max issuer; 10% max of the outstanding commercial paper of any single issuer; 270 days max maturity	Complies
Mutual Fund & Money Market Mutual Fund	Highest rating or "AAA" rated by two NRSROs; SEC registered adviser with AUM >\$500 million and experience > than 5 years; 20% maximum in Mutual Funds; 10% per one Mutual Fund; 20% max per issuer on Money Market Mutual Funds; 20% max of OCSD's surplus money	Complies
Repurchase Agreements	102% collateralization	Complies
Reverse Repurchase Agreements	5% maximum, 90 days max maturity	Complies
Local Agency Investment Fund (LAIF)	No more than the lesser of 15% of the portfolio or the statutory maximum invested in LAIF; Not used by investment adviser; Investment of OCSD funds in LAIF shall be subject to investigation and due diligence prior to investing	Complies
OCCIP	15% maximum; Not used by investment adviser; Orange County Treasurer's Money Market Commingled Investment Pool; Investment of OCSD funds in OCCIP shall be subject to investigation and due diligence prior to investing	Complies
Prohibited	Mortgage Derivatives, which include interest-only payments (IOs) and principal-only payments (POs); Inverse floaters, and RE-REMICS (Real Estate Mortgage Investment Conduits)	Complies
Avg Duration	Not to exceed 180 days	Complies
Max Per Holding	5% max of the total debt outstanding of any issuer per individual holding	Complies
Max Per Issuer	5% max per issuer (except Supranationals, U.S. Government, Agencies, Mutual Fund)	Complies
Maximum Maturity	1 year maximum maturity	Complies

Orange County Sanitation District Liquid

	9/30/2020		6/30/2020
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	0.16	0.32	0.35
Average Modified Duration	0.16	0.32	0.35
Average Purchase Yield	n/a	0.17%	0.48%
Average Market Yield	0.10%	0.17%	0.18%
Average Quality**	AAA	AAA/Aaa	AAA/Aaa
Total Market Value		128,667,549	178,600,244

*ICE BAML 3-Month US Treasury Bill Index

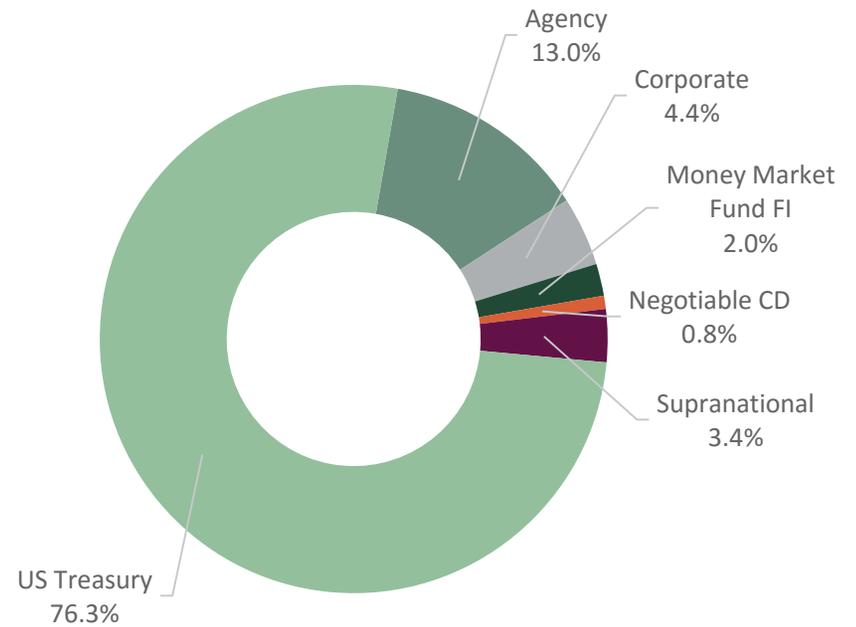
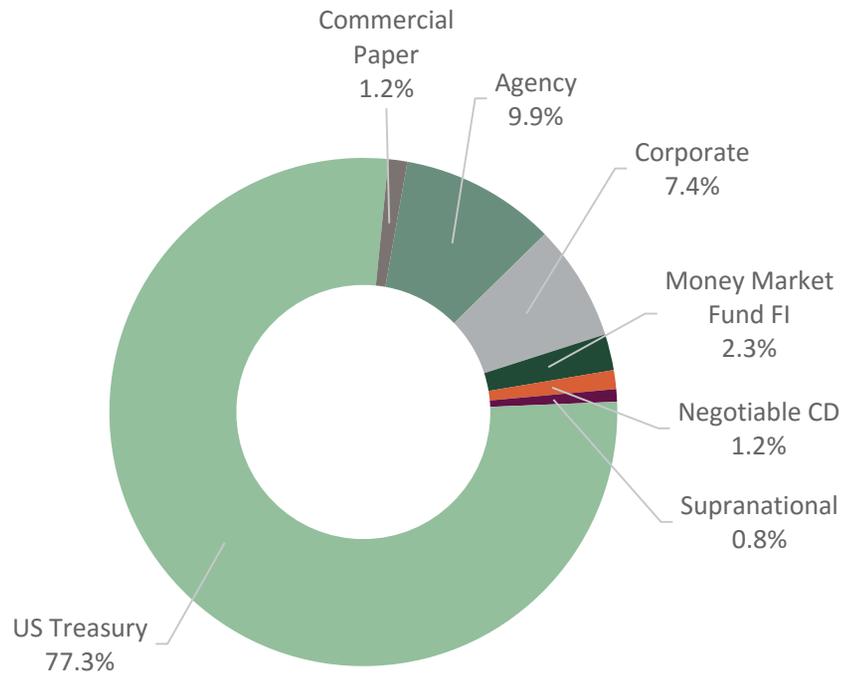
**Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

Multiple securities were purchased across the Treasury, Commercial Paper and Corporate sectors of the market to keep the portfolio structure consistent with Chandler's objectives for the strategy. The purchased securities ranged in maturity from November 2020 to July 2021. One security was called, many matured and \$50 million was withdrawn from the portfolio during the quarter.

Orange County Sanitation District Liquid

September 30, 2020

June 30, 2020



The sector allocation was stable despite the \$50 million withdrawal out of the portfolio. Exposure to the Agency sector remains low with short maturity discount notes not offering much in the way of relative value compared to the Treasury sector.

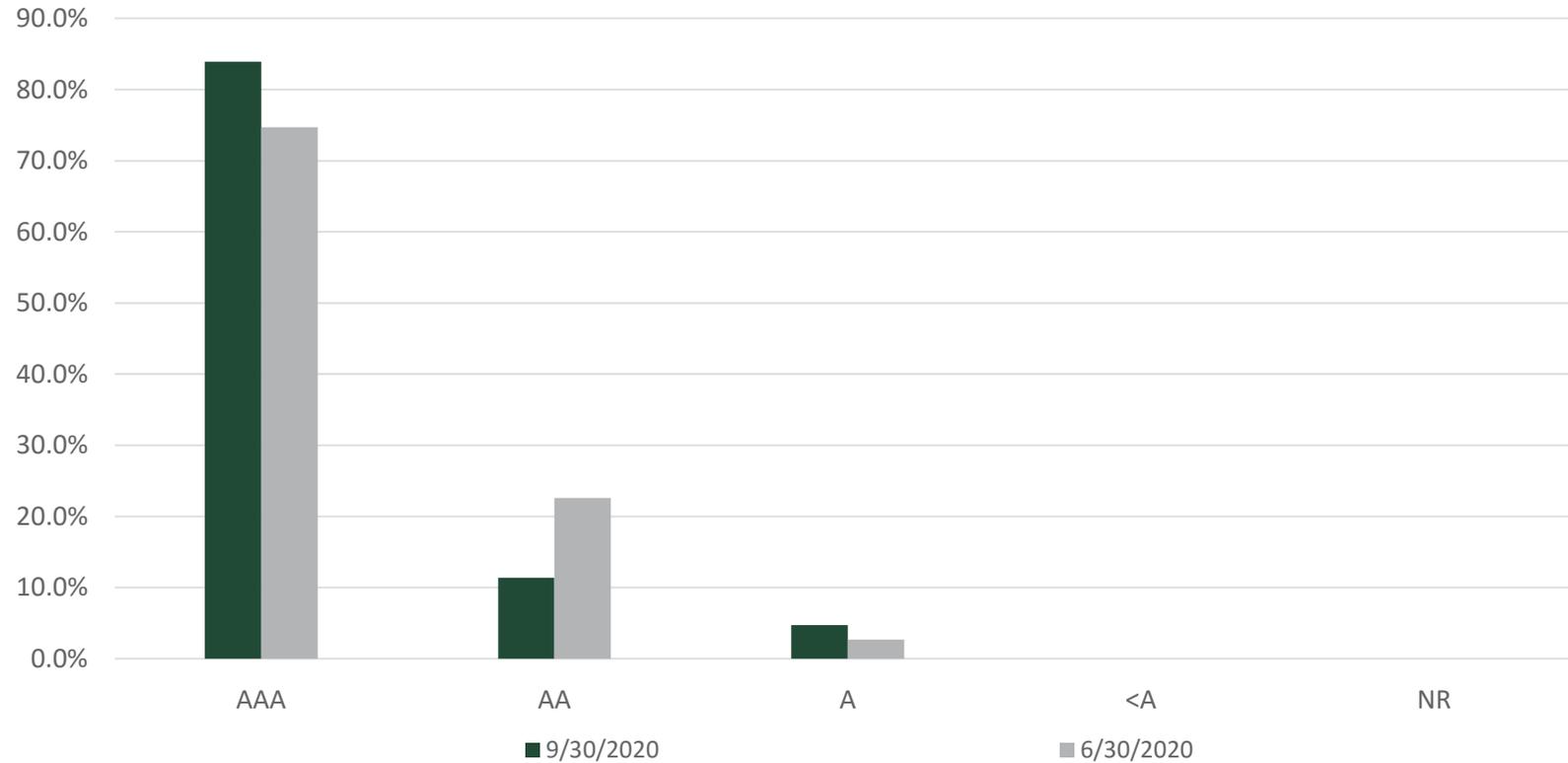
Orange County Sanitation District Liquid – Account #10282

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	77.29%
Federal Home Loan Bank	Agency	9.95%
First American Govt Obligation Fund Class-Z	Money Market Fund FI	2.27%
Toronto Dominion Holdings	Corporate	1.38%
Toyota Motor Corp	Corporate	1.20%
Royal Bank of Canada	Negotiable CD	1.17%
Toyota Motor Corp	Commercial Paper	1.17%
Charles Schwab Corp/The	Corporate	1.11%
Apple Inc	Corporate	0.92%
JP Morgan Chase & Co	Corporate	0.92%
Intl Bank Recon and Development	Supranational	0.79%
Kimberly-Clark	Corporate	0.59%
Paccar Financial	Corporate	0.47%
Chubb Corporation	Corporate	0.39%
Visa Inc	Corporate	0.39%
TOTAL		100.00%

Quality Distribution

As of September 30, 2020

Orange County Sanitation District Liquid
September 30, 2020 vs. June 30, 2020



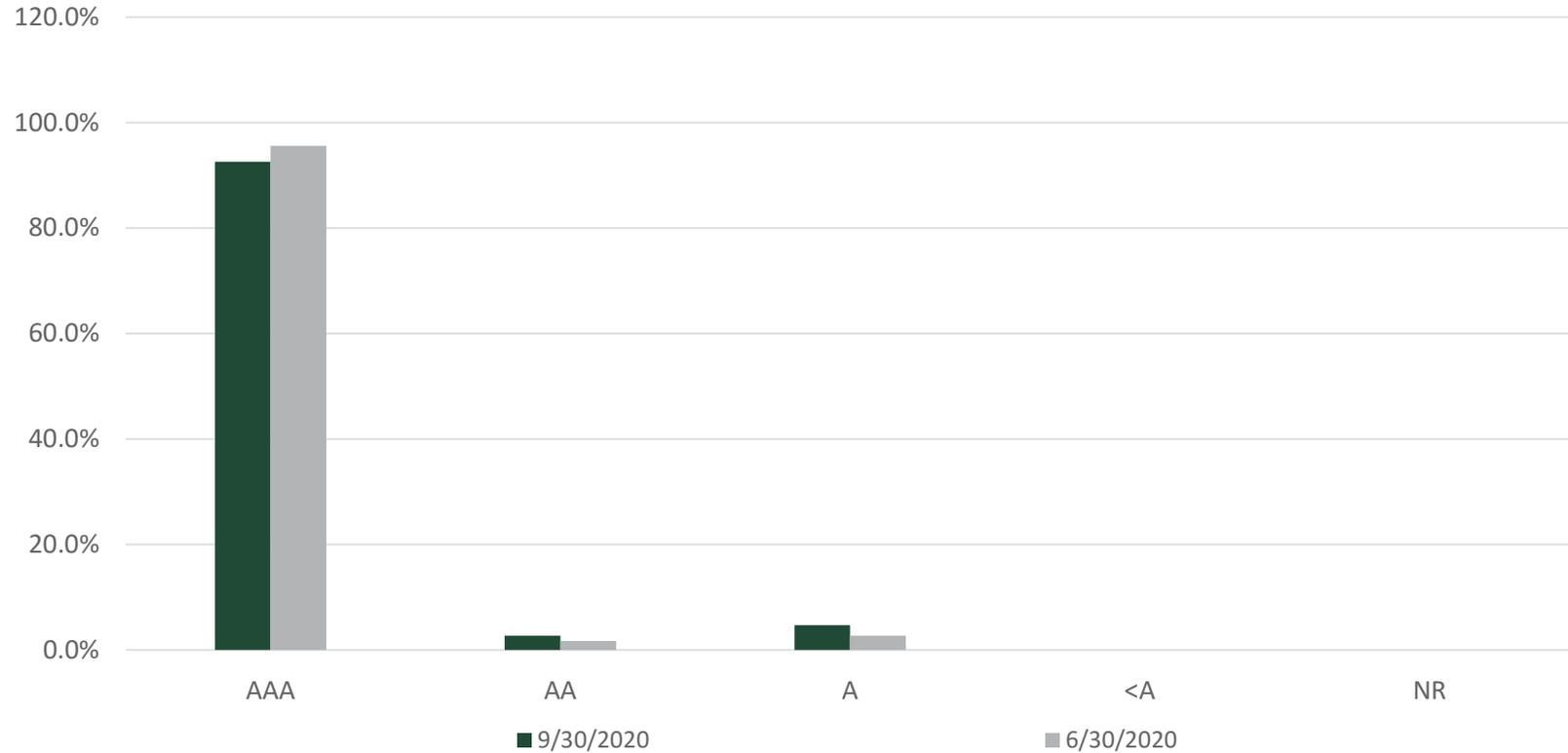
	AAA	AA	A	<A	NR
09/30/20	83.9%	11.4%	4.7%	0.0%	0.0%
06/30/20	74.7%	22.6%	2.7%	0.0%	0.0%

Source: S&P Ratings

Quality Distribution

As of September 30, 2020

Orange County Sanitation District Liquid
September 30, 2020 vs. June 30, 2020



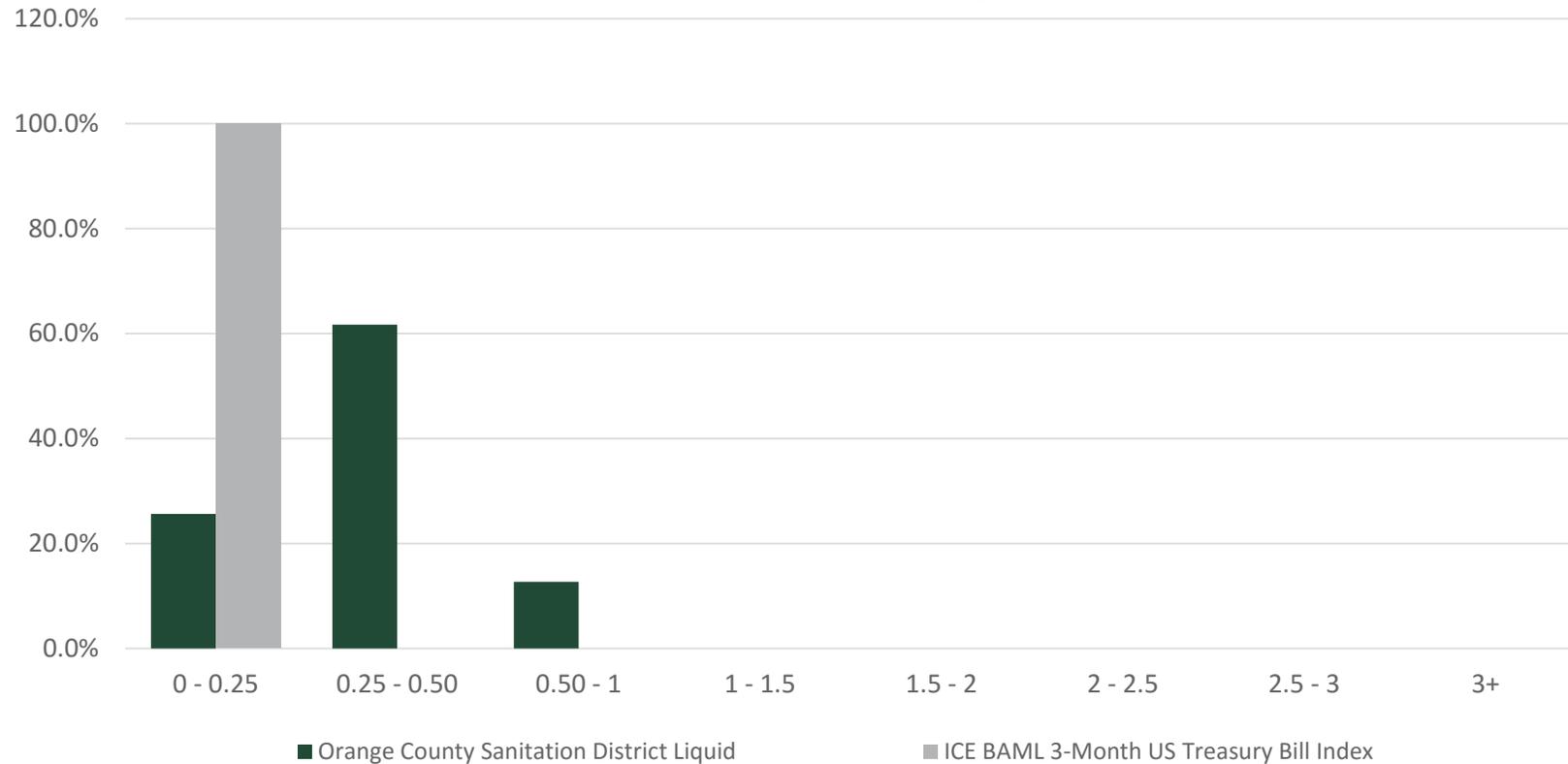
	AAA	AA	A	<A	NR
09/30/20	92.6%	2.7%	4.7%	0.0%	0.0%
06/30/20	95.6%	1.7%	2.7%	0.0%	0.0%

Source: Moody's Ratings

Duration Distribution

As of September 30, 2020

**Orange County Sanitation District Liquid
Portfolio Compared to the Benchmark as of September 30, 2020**

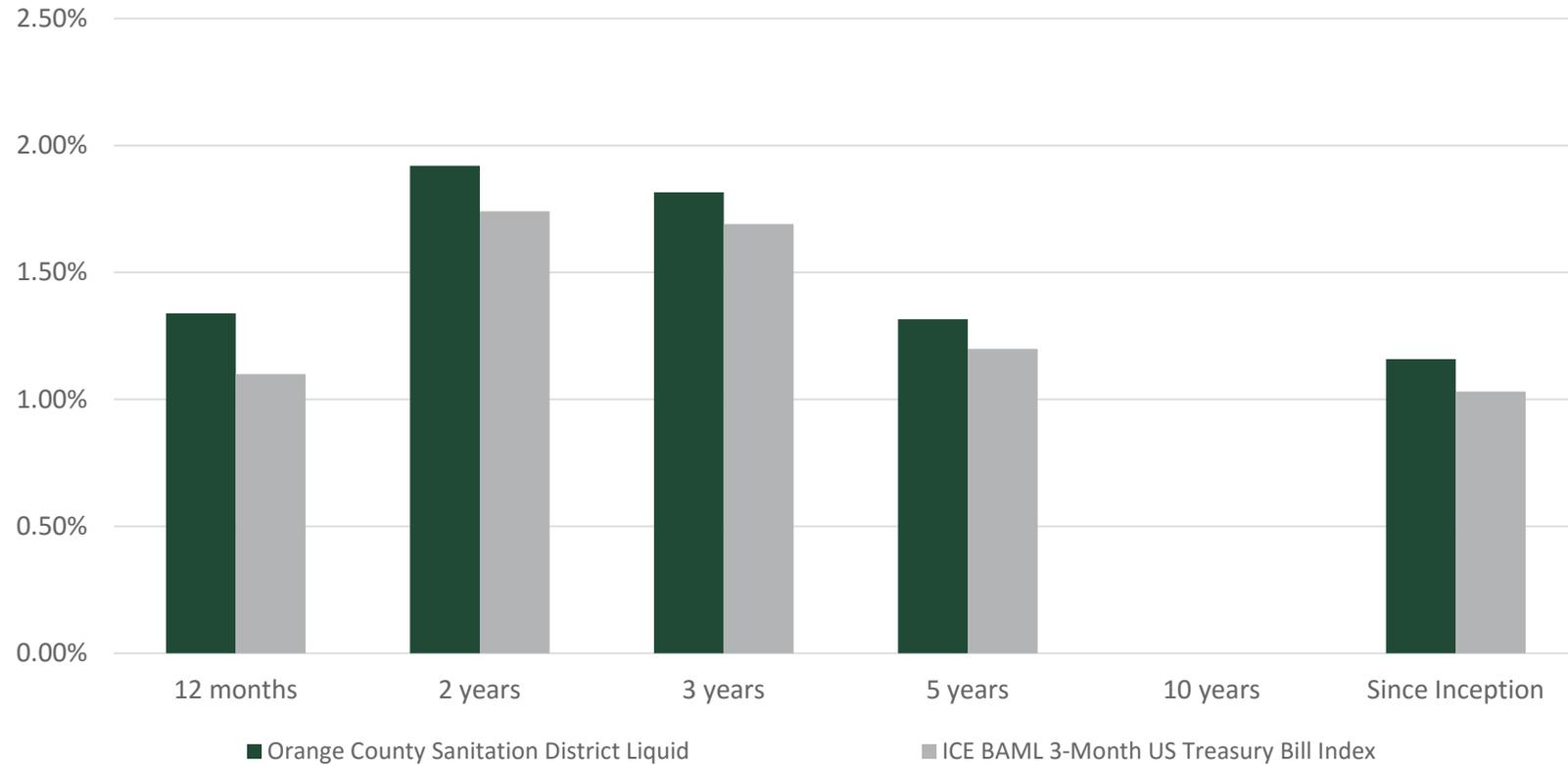


	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 1.5	1.5 - 2	2 - 2.5	2.5 - 3	3+
Portfolio	25.6%	61.7%	12.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Benchmark*	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

*ICE BAML 3-Month US Treasury Bill Index

The duration of the portfolio was relatively stable, contracting to 0.32 years compared to 0.35 years at the end of the prior quarter. The Chandler team will continue to invest the portfolio consistent with the forecasted liquidity needs of the district.

Orange County Sanitation District Liquid Total Rate of Return Annualized Since Inception 11/30/2014



TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
Orange County Sanitation District Liquid	0.04%	1.34%	1.92%	1.82%	1.32%	N/A	1.16%
ICE BAML 3-Month US Treasury Bill Index	0.04%	1.10%	1.74%	1.69%	1.20%	N/A	1.03%

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

OCS D Lehman Exposure

Assets managed by Chandler Asset Management are in full compliance with state law and with the investment policy

Category	Standard	Comment
Treasury Issues	5 years maximum maturity	Complies
Supranational	"AA" or better by 1 of 3 NRSROs; 30% maximum; 5% max; 5 years maturity; Includes only: IADB, IBRD, and IFC per CGC	Complies
U.S. Agencies	20% max issuer; 5 years maximum maturity	Complies
U.S. Corporate (MTNs)	"A" or better long term rating by 1 of 3 NRSROs; 30% maximum; 5% max issuer; 5 years max maturity	Complies*
Municipal Securities	"A" or higher by 1 of 3 NRSROs; 10% maximum; 5% max issuer; 5 years maximum maturity	Complies
Asset Backed/ CMOs/ Mortgage-backed	"AA" or better by 1 of 3 NRSROs; "A" or higher issuer rating by 1 of 3 NRSROs; 20% maximum; 5% max issuer (excluding MBS/govt agency); 5 years max maturity	Complies
Negotiable CDs	"A" or better on its long term debt by 1 of 3 NRSROs ; "A1/P1" or highest short term ratings by 1 of 3 NRSROs; 30% maximum; 5% max issuer; 5 years max maturity	Complies
CDs/ TDS	5% max issuer; 5 years max maturity	Complies
Banker's Acceptances	A-1, or equivalent highest short term rating by 1 of 3 NRSROs; 40% maximum; 5% max issuer; 180 days max maturity	Complies
Commercial Paper	A-1, or equivalent by 1 of 3 NRSROs; "A" or better by 1 of 3 NRSROs, if long term debt issued; 25% maximum; 5% max issuer; 270 days max maturity	Complies
Money Market Fund	Highest rating by 2 of 3 NRSROs; 20% maximum; 10% max issuer	Complies
Repurchase Agreements	102% collateralization	Complies
Reverse Repurchase Agreements	5% maximum, 90 days max maturity	Complies
LAIF	Not used by investment adviser	Complies
Avg Duration	Not to exceed 60 months - (80% to 120% of the benchmark)	Complies
Maximum Maturity	5 years maximum maturity	Complies

* Account holds \$2 million face value (cusip 525ESCOY6) and \$600,000 face value (cusip 525ESC1B7) of defaulted Lehman Bros Holdings that were purchased by the previous manager. Complied at time of purchase.

OCSD Lehman Exposure

	9/30/2020 Portfolio	6/30/2020 Portfolio
Average Maturity (yrs)	12.32	12.07
Modified Duration	0.00	0.00
Average Purchase Yield	0.00%	0.00%
Average Market Yield	0.00%	0.00%
Average Quality*	NR/NR	NR/NR
Total Market Value	56,821	54,741

**Portfolio is S&P and Moody's, respectively.*



Section 3 | Consolidated Information

Portfolio Characteristics

As of September 30, 2020

Orange County Sanitation District Consolidated

	9/30/2020 Portfolio	6/30/2020 Portfolio
Average Maturity (yrs)	2.33	2.24
Modified Duration	2.15	2.06
Average Purchase Yield	1.65%	1.68%
Average Market Yield	0.24%	0.30%
Average Quality*	AA+/Aa1	AA+/Aa1
Total Market Value	753,941,979	801,946,074

* Portfolio is S&P and Moody's respectively.

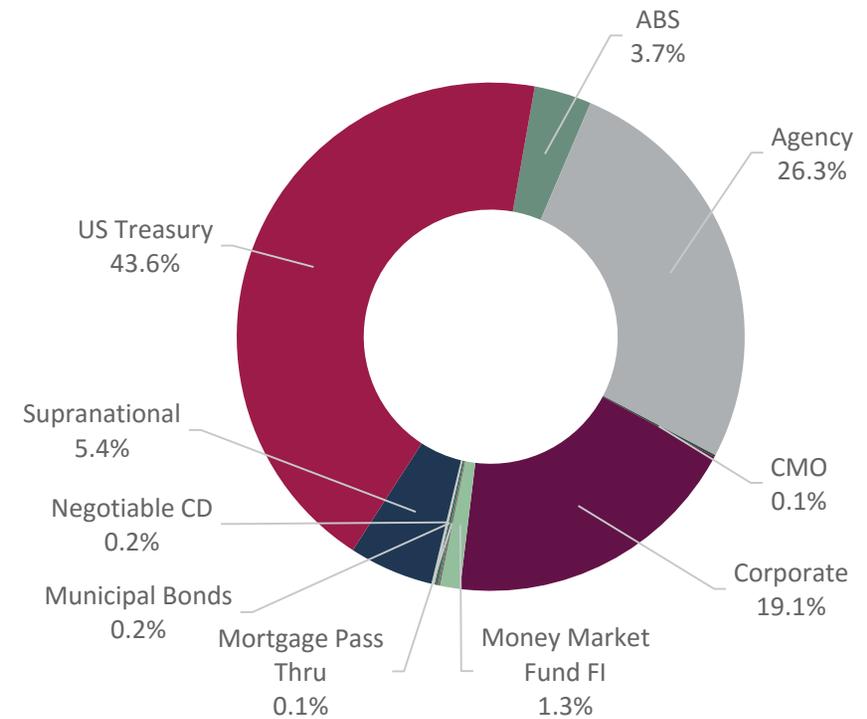
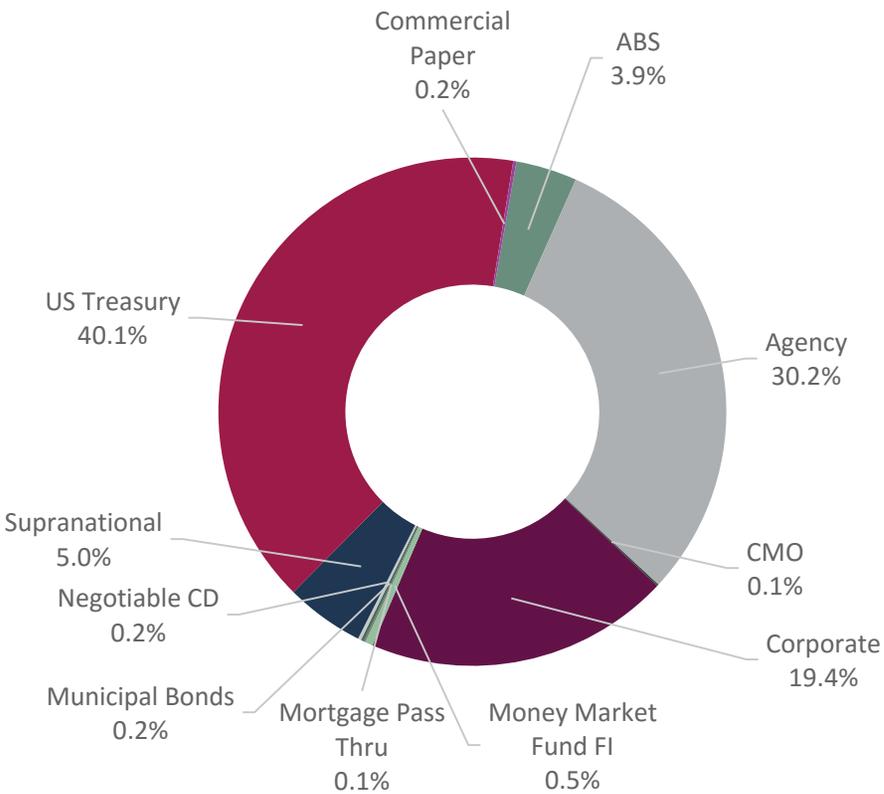
Sector Distribution

As of September 30, 2020

Orange County Sanitation District Consolidated

September 30, 2020

June 30, 2020





Section 4 | Portfolio Holdings

Holdings Report

As of September 30, 2020

Orange County Sanitation District Long Term - Account #10268

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
83162CLJ0	Small Business Administration 2001-20C 1 6.340% Due 03/01/2021	2,984.86	03/06/2001 6.34%	2,984.86 2,984.86	101.10 3.39%	3,017.60 15.77	0.00% 32.74	Aaa / AA+ AAA	0.42 0.40
43814PAC4	Honda Auto Receivables Trust 2017-3 A3 1.790% Due 09/20/2021	320,898.64	06/28/2018 2.78%	315,809.39 319,370.57	100.17 0.32%	321,437.69 207.43	0.05% 2,067.12	NR / AAA AAA	0.97 0.11
43814WAB1	Honda Auto Receivables Trust 2019-1 A2 2.750% Due 09/20/2021	706,874.28	02/19/2019 2.77%	706,828.76 706,857.06	100.25 0.10%	708,620.57 701.97	0.11% 1,763.51	NR / AAA AAA	0.97 0.09
47788BAD6	John Deere Owner Trust 2017-B A3 1.820% Due 10/15/2021	19,300.21	07/11/2017 1.83%	19,298.80 19,299.87	100.05 0.15%	19,310.78 15.61	0.00% 10.91	Aaa / NR AAA	1.04 0.03
65478GAD2	Nissan Auto Receivables Trust 2017-B A3 1.750% Due 10/15/2021	292,650.58	11/06/2018 3.10%	288,112.21 291,046.06	100.16 0.09%	293,129.91 227.62	0.05% 2,083.85	Aaa / NR AAA	1.04 0.10
89239AAB9	Toyota Auto Receivables Trust 2019-A A2A 2.830% Due 10/15/2021	430,940.84	02/05/2019 2.85%	430,901.72 430,925.63	100.22 0.12%	431,892.62 542.03	0.07% 966.99	Aaa / AAA NR	1.04 0.08
47789JAB2	John Deere Owner Trust 2019-A A2 2.850% Due 12/15/2021	419,926.33	03/05/2019 2.87%	419,907.19 419,917.98	100.19 0.10%	420,736.78 531.91	0.07% 818.80	Aaa / NR AAA	1.21 0.07
43815NAB0	Honda Auto Receivables Trust 2019-3 A2 1.900% Due 04/15/2022	2,182,158.82	08/20/2019 1.92%	2,182,006.07 2,182,108.67	100.57 0.24%	2,194,498.75 1,842.71	0.35% 12,390.08	Aaa / AAA NR	1.54 0.34
47788CAC6	John Deere Owner Trust 2018-A A3 2.660% Due 04/18/2022	391,673.18	02/21/2018 2.68%	391,645.02 391,662.66	100.55 0.35%	393,815.84 463.04	0.06% 2,153.18	Aaa / NR AAA	1.55 0.24
477870AB5	John Deere Owner Trust 2019-B A2 2.280% Due 05/16/2022	1,242,530.55	07/16/2019 2.29%	1,242,525.83 1,242,527.83	100.49 0.22%	1,248,562.69 1,259.10	0.20% 6,034.86	Aaa / NR AAA	1.62 0.24
43814UAG4	Honda Auto Receivables Trust 2018-2 A3 3.010% Due 05/18/2022	937,656.48	05/22/2018 3.03%	937,636.04 937,648.10	101.14 0.28%	948,352.28 1,019.18	0.15% 10,704.18	NR / AAA AAA	1.63 0.42
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.950% Due 08/22/2022	2,445,741.84	08/21/2018 2.98%	2,445,406.29 2,445,582.71	101.31 0.39%	2,477,836.89 2,004.15	0.40% 32,254.18	Aaa / NR AAA	1.89 0.51
47788EAC2	John Deere Owner Trust 2018-B A3 3.080% Due 11/15/2022	2,901,661.29	07/18/2018 3.10%	2,901,441.35 2,901,553.00	101.39 0.10%	2,942,116.14 3,972.05	0.47% 40,563.14	Aaa / NR AAA	2.13 0.47
58770FAC6	Mercedes Benz Auto Lease Trust 2020-A A3 1.840% Due 12/15/2022	2,050,000.00	01/21/2020 1.85%	2,049,729.81 2,049,793.05	101.63 0.54%	2,083,380.15 1,676.44	0.33% 33,587.10	Aaa / AAA NR	2.21 1.24
65479GAD1	Nissan Auto Receivables Trust 2018-B A3 3.060% Due 03/15/2023	2,845,516.98	07/17/2018 3.08%	2,845,424.79 2,845,481.41	101.68 0.40%	2,893,429.65 3,869.90	0.46% 47,948.24	Aaa / AAA NR	2.45 0.63
78445JAA5	SLM Student Loan Trust 2008-9 A 1.747% Due 04/25/2023	11,225.80	08/22/2008 1.81%	11,180.25 11,217.84	98.14 2.44%	11,016.64 37.04	0.00% (201.20)	Baa3 / B B	2.57 2.58
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.930% Due 07/15/2024	4,185,000.00	10/16/2019 1.94%	4,184,779.03 4,184,823.04	102.47 0.43%	4,288,356.95 3,589.80	0.69% 103,533.91	Aaa / AAA NR	3.79 1.62

Holdings Report

As of September 30, 2020

Orange County Sanitation District Long Term - Account #10268

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
89237VAB5	Toyota Auto Receivables Trust 2020-C A3 0.440% Due 10/15/2024	2,960,000.00	07/21/2020 0.44%	2,959,772.08 2,959,781.84	100.23 0.32%	2,966,751.76 578.84	0.47% 6,969.92	Aaa / AAA NR	4.04 1.89
43813KAC6	Honda Auto Receivables Trust 2020-3 A3 0.370% Due 10/18/2024	3,235,000.00	09/22/2020 0.38%	3,234,524.78 3,234,525.61	100.01 0.37%	3,235,336.44 66.50	0.52% 810.83	NR / AAA AAA	4.05 2.17
47787NAC3	John Deere Owner Trust 2020-B A3 0.510% Due 11/15/2024	1,480,000.00	07/14/2020 0.52%	1,479,774.45 1,479,787.04	100.26 0.39%	1,483,840.60 335.47	0.24% 4,053.56	Aaa / NR AAA	4.13 2.16
TOTAL ABS		29,061,740.68	1.98%	29,049,688.72 29,056,894.83	0.33%	29,365,440.73 22,956.56	4.70% 308,545.90	Aaa / AAA Aaa	2.72 1.08
Agency									
3137EAEK1	FHLMC Note 1.875% Due 11/17/2020	5,000,000.00	Various 1.97%	4,986,225.00 4,999,398.35	100.23 0.12%	5,011,435.00 34,895.83	0.81% 12,036.65	Aaa / AA+ AAA	0.13 0.13
3135G0F73	FNMA Note 1.500% Due 11/30/2020	7,500,000.00	Various 1.87%	7,370,726.00 7,495,716.03	100.23 0.13%	7,517,145.00 37,812.50	1.21% 21,428.97	Aaa / AA+ AAA	0.17 0.17
3137EAEI9	FHLMC Note 2.375% Due 02/16/2021	7,500,000.00	02/26/2018 2.45%	7,484,475.00 7,498,025.39	100.84 0.16%	7,562,812.50 22,265.63	1.21% 64,787.11	Aaa / AA+ AAA	0.38 0.38
3130A7CV5	FHLB Note 1.375% Due 02/18/2021	5,365,000.00	02/17/2016 1.46%	5,343,325.40 5,363,339.11	100.47 0.15%	5,390,167.22 8,811.27	0.86% 26,828.11	Aaa / AA+ AAA	0.39 0.38
3135G0J20	FNMA Note 1.375% Due 02/26/2021	10,000,000.00	Various 1.28%	10,040,950.00 10,003,616.54	100.50 0.14%	10,049,960.00 13,368.06	1.61% 46,343.46	Aaa / AA+ AAA	0.41 0.41
313379RB7	FHLB Note 1.875% Due 06/11/2021	4,000,000.00	08/30/2017 1.67%	4,030,160.00 4,005,529.33	101.21 0.13%	4,048,556.00 22,916.67	0.65% 43,026.67	Aaa / AA+ AAA	0.70 0.69
3135G0U35	FNMA Note 2.750% Due 06/22/2021	7,500,000.00	06/28/2018 2.68%	7,515,225.00 7,503,690.91	101.89 0.15%	7,641,577.50 56,718.75	1.23% 137,886.59	Aaa / AA+ AAA	0.73 0.72
3135G0S38	FNMA Note 2.000% Due 01/05/2022	3,000,000.00	01/30/2017 2.04%	2,994,570.00 2,998,609.32	102.38 0.11%	3,071,517.00 14,333.33	0.49% 72,907.68	Aaa / AA+ AAA	1.27 1.25
3135G0T45	FNMA Note 1.875% Due 04/05/2022	5,000,000.00	05/05/2017 1.99%	4,972,500.00 4,991,549.08	102.63 0.13%	5,131,670.00 45,833.33	0.83% 140,120.92	Aaa / AA+ AAA	1.51 1.49
3133ELYR9	FFCB Note 0.250% Due 05/06/2022	8,850,000.00	04/30/2020 0.31%	8,838,760.50 8,841,039.19	100.15 0.15%	8,863,646.70 8,911.46	1.42% 22,607.51	Aaa / AA+ AAA	1.60 1.60
3135G0T94	FNMA Note 2.375% Due 01/19/2023	5,000,000.00	Various 2.78%	4,910,990.00 4,957,093.76	104.91 0.24%	5,245,265.00 23,750.00	0.84% 288,171.24	Aaa / AA+ AAA	2.30 2.24
313383QR5	FHLB Note 3.250% Due 06/09/2023	5,000,000.00	08/28/2018 2.87%	5,083,350.00 5,046,857.51	108.05 0.25%	5,402,260.00 50,555.56	0.87% 355,402.49	Aaa / AA+ NR	2.69 2.58
3137EAENS	FHLMC Note 2.750% Due 06/19/2023	10,000,000.00	Various 2.84%	9,956,500.00 9,976,102.86	106.76 0.25%	10,676,010.00 77,916.66	1.72% 699,907.14	Aaa / AA+ AAA	2.72 2.62

Holdings Report

As of September 30, 2020

Orange County Sanitation District Long Term - Account #10268

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3135G05G4	FNMA Note 0.250% Due 07/10/2023	6,775,000.00	07/08/2020 0.32%	6,760,433.75 6,761,537.86	99.98 0.26%	6,773,604.35 3,810.94	1.08% 12,066.49	Aaa / AA+ AAA	2.78 2.76
313383YJ4	FHLB Note 3.375% Due 09/08/2023	10,000,000.00	Various 2.88%	10,211,831.00 10,133,634.21	109.15 0.25%	10,914,960.00 21,562.50	1.75% 781,325.79	Aaa / AA+ NR	2.94 2.82
3130A0F70	FHLB Note 3.375% Due 12/08/2023	10,000,000.00	Various 2.79%	10,269,043.75 10,173,641.79	109.84 0.27%	10,984,000.00 105,937.50	1.77% 810,358.21	Aaa / AA+ AAA	3.19 3.03
3135G0V34	FNMA Note 2.500% Due 02/05/2024	5,000,000.00	02/27/2019 2.58%	4,980,850.00 4,987,020.91	107.50 0.25%	5,375,215.00 19,444.44	0.86% 388,194.09	Aaa / AA+ AAA	3.35 3.22
3130A1XJ2	FHLB Note 2.875% Due 06/14/2024	11,110,000.00	Various 1.96%	11,589,031.30 11,465,261.74	109.68 0.25%	12,185,003.60 94,936.49	1.96% 719,741.86	Aaa / AA+ NR	3.71 3.52
3133EKWV4	FFCB Note 1.850% Due 07/26/2024	5,000,000.00	08/13/2019 1.65%	5,048,280.00 5,037,224.73	105.97 0.28%	5,298,500.00 16,701.39	0.85% 261,275.27	Aaa / AA+ AAA	3.82 3.70
3130A2UW4	FHLB Note 2.875% Due 09/13/2024	2,500,000.00	09/12/2019 1.73%	2,635,950.00 2,607,375.94	110.56 0.19%	2,763,970.00 3,593.75	0.44% 156,594.06	Aaa / AA+ AAA	3.96 3.77
3135G0X24	FNMA Note 1.625% Due 01/07/2025	10,000,000.00	Various 1.28%	10,157,936.40 10,141,286.64	105.38 0.35%	10,537,730.00 37,916.66	1.69% 396,443.36	Aaa / AA+ AAA	4.27 4.12
3137EAEPO	FHLMC Note 1.500% Due 02/12/2025	12,335,000.00	Various 1.20%	12,510,182.05 12,489,848.00	104.96 0.35%	12,946,532.30 25,183.96	2.07% 456,684.30	Aaa / NR AAA	4.37 4.23
3130A4CH3	FHLB Note 2.375% Due 03/14/2025	5,225,000.00	03/19/2020 1.18%	5,526,848.25 5,494,507.37	108.54 0.44%	5,671,162.75 5,859.98	0.91% 176,655.38	Aaa / AA+ AAA	4.45 4.25
3135G03U5	FNMA Note 0.625% Due 04/22/2025	14,000,000.00	Various 0.63%	13,996,711.60 13,997,037.17	101.35 0.33%	14,189,672.00 38,159.72	2.28% 192,634.83	Aaa / AA+ AAA	4.56 4.48
3135G04Z3	FNMA Note 0.500% Due 06/17/2025	9,905,000.00	06/17/2020 0.54%	9,884,496.65 9,885,665.70	100.46 0.40%	9,950,671.96 14,032.08	1.59% 65,006.26	Aaa / AA+ AAA	4.72 4.65
3137EAEU9	FHLMC Note 0.375% Due 07/21/2025	5,030,000.00	07/21/2020 0.48%	5,004,950.60 5,005,911.93	100.02 0.37%	5,030,824.92 3,562.92	0.81% 24,912.99	Aaa / AA+ AAA	4.81 4.76
3135G05X7	FNMA Note 0.375% Due 08/25/2025	7,945,000.00	08/25/2020 0.47%	7,907,817.40 7,908,530.88	99.68 0.44%	7,919,965.31 2,813.85	1.27% 11,434.43	Aaa / AA+ AAA	4.90 4.85
3137EAEX3	FHLMC Note 0.375% Due 09/23/2025	7,660,000.00	09/23/2020 0.44%	7,636,943.40 7,637,019.24	99.67 0.44%	7,634,744.98 478.75	1.22% (2,274.26)	Aaa / AA+ AAA	4.98 4.93
TOTAL Agency		206,200,000.00	1.62%	207,649,063.05 207,406,071.49	0.26%	213,788,579.09 812,083.98	34.32% 6,382,507.60	Aaa / AA+ Aaa	2.90 2.82
CMO									
03215PFN4	AMRESKO Residential Securities 1999-1 A 1.086% Due 06/25/2029	119,021.64	05/20/2011 4.55%	89,377.81 104,713.46	95.53 1.78%	113,697.80 21.55	0.02% 8,984.34	NR / A+ BBB	8.74 7.22

Holdings Report

As of September 30, 2020

Orange County Sanitation District Long Term - Account #10268

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3133TCE95	FHLMC FSPEC E3 A 3.985% Due 08/15/2032	4,760.35	03/11/1998 3.95%	4,765.34 4,762.08	100.89 2.32%	4,802.48 15.81	0.00% 40.40	Aaa / AA+ AAA	11.88 3.13
31397QRE0	FNMA FNR 2011-3 FA 0.826% Due 02/25/2041	146,233.86	12/20/2010 0.83%	146,188.17 146,202.87	101.60 0.45%	148,576.53 20.13	0.02% 2,373.66	Aaa / AA+ AAA	20.42 4.19
31394JY35	FHLMC FSPEC T-58 2A 6.500% Due 09/25/2043	585,676.61	06/09/2011 5.40%	663,278.76 640,921.50	119.36 0.10%	699,057.74 634.48	0.11% 58,136.24	Aaa / AA+ AAA	23.00 1.70
TOTAL CMO		855,692.46	4.59%	903,610.08 896,599.91	0.36%	966,134.55 691.97	0.15% 69,534.64	Aaa / AA+ Aaa	20.87 2.74

Corporate									
037833BS8	Apple Inc Callable Note Cont 1/23/2021 2.250% Due 02/23/2021	4,000,000.00	05/23/2016 1.96%	4,050,840.00 4,003,403.26	100.70 0.01%	4,028,140.00 9,500.00	0.65% 24,736.74	Aa1 / AA+ NR	0.40 0.31
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 03/01/2021	3,000,000.00	Various 2.10%	3,016,097.40 3,001,397.76	100.66 0.64%	3,019,833.01 5,555.01	0.48% 18,435.25	Aa1 / AA NR	0.42 0.42
369550BE7	General Dynamics Corp Note 3.000% Due 05/11/2021	3,160,000.00	05/08/2018 3.24%	3,138,038.00 3,155,551.49	101.67 0.27%	3,212,790.96 36,866.67	0.52% 57,239.47	A2 / A NR	0.61 0.61
166764BG4	Chevron Corp Callable Note Cont 4/15/2021 2.100% Due 05/16/2021	2,500,000.00	05/20/2016 2.23%	2,485,350.00 2,498,169.76	101.02 0.22%	2,525,437.50 19,687.50	0.41% 27,267.74	Aa2 / AA NR	0.62 0.54
61747WAL3	Morgan Stanley Note 5.500% Due 07/28/2021	2,800,000.00	06/06/2014 3.24%	3,200,848.00 2,846,180.65	104.19 0.43%	2,917,191.20 26,950.00	0.47% 71,010.55	A3 / BBB+ A	0.82 0.81
594918BP8	Microsoft Callable Note Cont 7/8/2021 1.550% Due 08/08/2021	3,045,000.00	Various 1.57%	3,041,385.15 3,044,384.33	101.08 0.15%	3,077,879.91 6,948.52	0.49% 33,495.58	Aaa / AAA AA+	0.85 0.77
68389XBK0	Oracle Corp Callable Note Cont 8/15/2021 1.900% Due 09/15/2021	3,000,000.00	06/28/2018 3.08%	2,892,240.00 2,967,965.72	101.42 0.27%	3,042,747.00 2,533.33	0.49% 74,781.28	A3 / A A-	0.96 0.87
06406RAA5	Bank of NY Mellon Corp Callable Note Cont 1/7/2022 2.600% Due 02/07/2022	2,500,000.00	02/08/2017 2.56%	2,504,475.00 2,501,158.15	102.90 0.31%	2,572,412.50 9,750.00	0.41% 71,254.35	A1 / A AA-	1.36 1.25
69353RFB9	PNC Bank Callable Note Cont 1/18/2022 2.625% Due 02/17/2022	1,000,000.00	03/26/2018 3.32%	974,940.00 991,117.97	103.03 0.29%	1,030,288.00 3,208.33	0.17% 39,170.03	A2 / A A+	1.38 1.28
084664BT7	Berkshire Hathaway Note 3.000% Due 05/15/2022	4,000,000.00	05/23/2017 2.30%	4,131,120.00 4,042,695.27	104.27 0.36%	4,170,968.00 45,333.33	0.67% 128,272.73	Aa2 / AA A+	1.62 1.58
95000U2B8	Wells Fargo & Company Note 2.625% Due 07/22/2022	3,000,000.00	Various 2.99%	2,954,520.00 2,981,719.49	103.68 0.58%	3,110,394.00 15,093.76	0.50% 128,674.51	A2 / BBB+ A+	1.81 1.77
00440EAU1	Chubb INA Holdings Inc Callable Note Cont 9/3/2022 2.875% Due 11/03/2022	4,169,000.00	Various 2.54%	4,232,453.17 4,194,358.52	104.60 0.47%	4,360,874.06 49,275.26	0.71% 166,515.54	A3 / A A	2.09 1.86

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
90331HNL3	US Bank NA Callable Note Cont 12/23/2022 2.850% Due 01/23/2023	2,000,000.00	01/29/2018 2.93%	1,992,640.00 1,996,583.15	105.47 0.39%	2,109,356.00 10,766.67	0.34% 112,772.85	A1 / AA- AA-	2.32 2.16
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.650% Due 01/25/2023	6,750,000.00	05/21/2019 2.74%	6,729,480.00 6,737,073.78	104.85 0.47%	7,077,280.50 32,793.75	1.14% 340,206.72	A2 / A A	2.32 2.17
06406RAE7	Bank of NY Mellon Corp Callable Note Cont 12/29/2022 2.950% Due 01/29/2023	2,500,000.00	Various 3.03%	2,489,555.00 2,495,550.81	105.34 0.56%	2,633,425.00 12,701.39	0.42% 137,874.19	A1 / A AA-	2.33 2.18
44932HAH6	IBM Credit Corp Note 3.000% Due 02/06/2023	5,670,000.00	Various 3.26%	5,603,264.40 5,637,650.74	106.28 0.31%	6,026,251.78 25,987.50	0.97% 388,601.04	A2 / A NR	2.35 2.28
00440EAP2	Chubb INA Holdings Inc Note 2.700% Due 03/13/2023	2,000,000.00	05/24/2018 3.42%	1,937,000.00 1,967,833.62	105.22 0.56%	2,104,348.00 2,700.00	0.34% 136,514.38	A3 / A A	2.45 2.38
084670BR8	Berkshire Hathaway Callable Note Cont 1/15/2023 2.750% Due 03/15/2023	2,500,000.00	04/20/2018 3.28%	2,440,950.00 2,470,408.87	105.34 0.41%	2,633,480.00 3,055.56	0.42% 163,071.13	Aa2 / AA A+	2.45 2.23
58933YAF2	Merck & Co Note 2.800% Due 05/18/2023	2,000,000.00	10/26/2018 3.41%	1,948,640.00 1,970,346.63	106.62 0.27%	2,132,452.00 20,688.89	0.34% 162,105.37	A1 / AA- A+	2.63 2.53
46625HRL6	JP Morgan Chase Callable Note Cont 3/18/2023 2.700% Due 05/18/2023	5,000,000.00	Various 3.59%	4,821,910.00 4,893,083.70	105.60 0.41%	5,280,125.00 49,875.00	0.85% 387,041.30	A2 / A- AA-	2.63 2.38
69353RFL7	PNC Bank Callable Note Cont 5/9/2023 3.500% Due 06/08/2023	5,000,000.00	Various 3.53%	4,993,318.05 4,996,408.38	107.48 0.61%	5,373,900.00 54,930.56	0.87% 377,491.62	A2 / A NR	2.69 2.49
166764AH3	Chevron Corp Callable Note Cont 3/24/2023 3.191% Due 06/24/2023	3,500,000.00	11/08/2018 3.59%	3,441,095.00 3,465,160.70	106.86 0.41%	3,740,261.00 30,092.90	0.60% 275,100.30	Aa2 / AA NR	2.73 2.39
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.400% Due 06/26/2023	3,880,000.00	Various 3.41%	3,878,991.40 3,879,448.45	108.04 0.36%	4,191,858.88 34,812.22	0.68% 312,410.43	Aa2 / AA AA	2.74 2.54
02665WCJ8	American Honda Finance Note 3.450% Due 07/14/2023	845,000.00	07/11/2018 3.49%	843,538.15 844,185.72	107.81 0.62%	911,002.95 6,235.40	0.15% 66,817.23	A3 / A- NR	2.79 2.66
89114QC48	Toronto Dominion Bank Note 3.500% Due 07/19/2023	5,000,000.00	02/26/2019 3.04%	5,094,200.00 5,060,036.33	108.57 0.42%	5,428,370.00 35,000.00	0.87% 368,333.67	Aa1 / AA- AA	2.80 2.68
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	2,000,000.00	Various 3.64%	1,998,320.00 1,998,969.64	108.91 0.65%	2,178,214.00 34,437.50	0.35% 179,244.36	A3 / A- NR	3.03 2.85
24422EUM9	John Deere Capital Corp Note 3.650% Due 10/12/2023	1,250,000.00	11/28/2018 3.64%	1,250,237.50 1,250,147.82	109.88 0.37%	1,373,532.50 21,418.40	0.22% 123,384.68	A2 / A A	3.03 2.86
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.550% Due 03/05/2024	6,675,000.00	Various 2.77%	6,770,625.75 6,741,666.69	106.50 0.84%	7,108,608.00 17,113.96	1.14% 366,941.31	A2 / A- A+	3.43 2.34
09247XAL5	Blackrock Inc Note 3.500% Due 03/18/2024	1,000,000.00	05/09/2019 2.69%	1,036,330.00 1,025,929.49	110.20 0.53%	1,102,010.00 1,263.89	0.18% 76,080.51	Aa3 / AA- NR	3.47 3.29

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
458140BD1	Intel Corp Callable Note Cont 3/11/2024 2.875% Due 05/11/2024	5,000,000.00	05/09/2019 2.76%	5,025,900.00 5,018,455.95	108.10 0.50%	5,404,905.00 55,902.78	0.87% 386,449.05	A1 / A+ A+	3.61 3.27
037833CU2	Apple Inc Callable Note Cont 3/11/2024 2.850% Due 05/11/2024	3,000,000.00	05/17/2019 2.72%	3,017,760.00 3,012,713.17	107.90 0.53%	3,237,093.00 33,250.00	0.52% 224,379.83	Aa1 / AA+ NR	3.61 3.27
89114QCA4	Toronto Dominion Bank Note 2.650% Due 06/12/2024	3,000,000.00	06/12/2019 2.65%	3,000,570.00 3,000,421.64	106.99 0.73%	3,209,772.00 24,070.83	0.52% 209,350.36	Aa3 / A AA-	3.70 3.52
02665WCZ2	American Honda Finance Note 2.400% Due 06/27/2024	1,219,000.00	07/10/2019 2.49%	1,213,843.63 1,215,115.65	105.82 0.82%	1,289,976.28 7,639.07	0.21% 74,860.63	A3 / A- NR	3.74 3.57
78013XZU5	Royal Bank of Canada Note 2.550% Due 07/16/2024	6,500,000.00	09/10/2019 2.28%	6,581,445.00 6,563,719.55	106.98 0.68%	6,953,531.00 34,531.25	1.12% 389,811.45	A2 / A AA	3.79 3.62
46647PAU0	JP Morgan Chase & Co Callable Note 1X 7/23/2023 3.797% Due 07/23/2024	2,500,000.00	09/12/2019 2.11%	2,632,175.00 2,603,755.88	108.33 0.80%	2,708,202.50 17,930.28	0.44% 104,446.62	A2 / A- AA-	3.81 2.91
90331HPL1	US Bank NA Callable Note Cont 12/21/2024 2.050% Due 01/21/2025	7,270,000.00	01/16/2020 2.10%	7,254,514.90 7,256,667.73	105.61 0.70%	7,678,188.69 28,979.03	1.23% 421,520.96	A1 / AA- AA-	4.31 4.04
438516CB0	Honeywell Intl Callable Note Cont 5/1/2025 1.350% Due 06/01/2025	5,000,000.00	06/23/2020 0.85%	5,119,000.00 5,112,415.02	103.10 0.66%	5,155,170.00 24,937.50	0.83% 42,754.98	A2 / A A	4.67 4.43
78015K7H1	Royal Bank of Canada Note 1.150% Due 06/10/2025	1,500,000.00	07/14/2020 0.93%	1,515,480.00 1,514,814.10	101.40 0.85%	1,520,952.00 5,318.75	0.24% 6,137.90	A2 / A AA	4.70 4.55
TOTAL Corporate		128,733,000.00	2.73%	129,253,090.50 128,956,665.58	0.50%	135,631,222.22 857,134.79	21.83% 6,674,556.64	A1 / A+ A+	2.62 2.39
Money Market Fund FI									
31846V567	First American Govt Obligation MMKT Class-Z	946,228.26	Various 0.05%	946,228.26 946,228.26	1.00 0.05%	946,228.26 0.00	0.15% 0.00	Aaa / AAA AAA	0.00 0.00
TOTAL Money Market Fund FI		946,228.26	0.05%	946,228.26	0.05%	946,228.26 0.00	0.15% 0.00	Aaa / AAA Aaa	0.00 0.00
Mortgage Pass Thru									
31381PDA3	FNMA FN 466397 3.400% Due 11/01/2020	328,447.94	12/01/2010 3.80%	321,340.15 328,387.04	99.96 2.09%	328,322.80 217.14	0.05% (64.24)	Aaa / AA+ AAA	0.09 0.13
36225CAZ9	GNMA Pool# G2 80023 3.030% Due 12/20/2026	12,588.60	08/08/1997 2.92%	12,797.07 12,632.81	103.75 1.00%	13,061.10 31.79	0.00% 428.29	Aaa / AA+ AAA	6.22 2.65
36225CC20	GNMA Pool# G2 80088 1.670% Due 06/20/2027	9,352.02	08/11/1997 1.54%	9,556.60 9,398.10	102.06 0.86%	9,545.08 13.01	0.00% 146.98	Aaa / AA+ AAA	6.72 1.87
31348SWZ3	FHLMC FH 786064 3.887% Due 01/01/2028	1,626.74	02/18/2000 4.09%	1,587.13 1,616.43	100.03 1.75%	1,627.23 5.27	0.00% 10.80	Aaa / AA+ AAA	7.26 3.57

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Orange County Sanitation District Long Term - Account #10268

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
31371NUC7	FNMA FN 257179 4.500% Due 04/01/2028	11,104.34	12/05/2011 3.72%	11,743.93 11,398.52	108.03 0.74%	11,995.55 41.64	0.00% 597.03	Aaa / AA+ AAA	7.51 2.44
31417YAY3	FNMA Pool# FN MA0022 4.500% Due 04/01/2029	12,456.75	12/05/2011 3.76%	13,174.24 12,809.14	108.91 0.90%	13,567.18 46.71	0.00% 758.04	Aaa / AA+ AAA	8.51 2.67
3138EG6F6	FNMA FN AL0869 4.500% Due 06/01/2029	7,682.55	12/05/2011 3.77%	8,125.07 7,902.04	108.92 0.95%	8,367.81 6.72	0.00% 465.77	Aaa / AA+ AAA	8.67 2.71
36225CNM4	GNMA Pool# G2 80395 1.670% Due 04/20/2030	5,221.94	03/15/2000 1.73%	5,174.58 5,206.82	104.28 0.98%	5,445.22 7.27	0.00% 238.40	Aaa / AA+ AAA	9.56 3.45
36225CN28	GNMA Pool# G2 80408 1.670% Due 05/20/2030	37,845.23	03/15/2000 1.73%	37,460.86 37,721.77	104.28 0.69%	39,464.10 52.67	0.01% 1,742.33	Aaa / AA+ AAA	9.64 2.47
31403GXF4	FNMA Pool# FN 748678 5.000% Due 10/01/2033	1,670.91	06/10/2013 4.16%	1,796.23 1,751.50	113.42 0.75%	1,895.08 6.96	0.00% 143.58	Aaa / AA+ AAA	13.01 3.41
36225DCB8	GNMA Pool# G2 80965 3.230% Due 07/20/2034	33,988.15	07/19/2004 3.24%	33,966.92 33,978.35	104.57 0.63%	35,543.01 91.48	0.01% 1,564.66	Aaa / AA+ AAA	13.81 2.64
31406XWT5	FNMA Pool# FN 823358 3.640% Due 02/01/2035	92,694.12	01/11/2006 3.71%	91,969.95 92,336.41	104.48 1.49%	96,849.88 281.16	0.02% 4,513.47	Aaa / AA+ AAA	14.35 6.31
31406PQY8	FNMA Pool# FN 815971 5.000% Due 03/01/2035	120,391.00	06/10/2013 4.21%	129,420.34 126,408.27	114.86 0.90%	138,276.77 501.63	0.02% 11,868.50	Aaa / AA+ AAA	14.42 3.67
31407BXH7	FNMA Pool# FN 826080 5.000% Due 07/01/2035	15,398.49	06/10/2013 4.22%	16,553.37 16,173.98	114.90 0.91%	17,693.25 64.16	0.00% 1,519.27	Aaa / AA+ AAA	14.76 3.68
31376KT22	FNMA FN 357969 5.000% Due 09/01/2035	82,086.08	06/10/2013 4.22%	88,242.52 86,235.56	115.19 0.94%	94,550.93 79.81	0.02% 8,315.37	Aaa / AA+ AAA	14.93 3.71
31403DJZ3	FNMA Pool #745580 5.000% Due 06/01/2036	75,792.84	06/10/2013 4.26%	81,477.29 79,684.96	115.03 0.96%	87,186.63 315.80	0.01% 7,501.67	Aaa / AA+ AAA	15.68 3.72
31410F4V4	FNMA Pool# FN 888336 5.000% Due 07/01/2036	144,221.19	06/10/2013 4.25%	155,037.80 151,639.47	115.08 0.93%	165,971.91 600.92	0.03% 14,332.44	Aaa / AA+ AAA	15.76 3.70
TOTAL Mortgage Pass Thru		992,568.89	3.86%	1,019,424.05 1,015,281.17	1.31%	1,069,363.53 2,364.14	0.17% 54,082.36	Aaa / AA+ Aaa	9.78 2.69
Municipal Bonds									
64971M5E8	New York NY TE-REV 4.075% Due 11/01/2020	1,400,000.00	10/27/2010 4.08%	1,400,000.00 1,400,000.00	100.30 0.61%	1,404,158.00 23,770.83	0.23% 4,158.00	Aa1 / AAA AAA	0.09 0.09

Holdings Report

As of September 30, 2020

Orange County Sanitation District Long Term - Account #10268

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
913366EJ5	Univ of California Rgts Med TE-REV 5.035% Due 05/15/2021	400,000.00	11/09/2010 5.04%	400,000.00 400,000.00	102.75 0.62%	410,996.00 7,608.44	0.07% 10,996.00	Aa3 / AA- AA-	0.62 0.61
TOTAL Municipal Bonds		1,800,000.00	4.29%	1,800,000.00	0.62%	1,815,154.00 31,379.27	0.30% 15,154.00	Aa1 / AAA Aaa	0.21 0.21
Supranational									
45950KCM0	International Finance Corp Note 2.250% Due 01/25/2021	2,970,000.00	01/18/2018 2.35%	2,961,268.20 2,969,075.83	100.64 0.25%	2,988,966.42 12,251.25	0.48% 19,890.59	Aaa / AAA NR	0.32 0.32
4581X0CS5	Inter-American Dev Bank Note 1.875% Due 03/15/2021	5,000,000.00	Various 1.69%	5,059,610.00 5,004,114.78	100.72 0.30%	5,036,145.00 4,166.67	0.81% 32,030.22	Aaa / AAA AAA	0.45 0.46
45950KCJ7	International Finance Corp Note 1.125% Due 07/20/2021	2,500,000.00	11/09/2016 1.64%	2,441,600.00 2,490,045.07	100.73 0.21%	2,518,302.50 5,546.88	0.40% 28,257.43	Aaa / AAA NR	0.80 0.80
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 01/18/2022	3,000,000.00	01/10/2017 2.15%	2,996,310.00 2,999,042.14	102.44 0.25%	3,073,062.00 12,927.08	0.49% 74,019.86	Aaa / NR AAA	1.30 1.28
459058FY4	Intl. Bank Recon & Development Note 2.000% Due 01/26/2022	10,000,000.00	Various 1.99%	10,006,350.00 10,001,266.08	102.34 0.22%	10,234,300.00 36,111.12	1.64% 233,033.92	Aaa / NR AAA	1.32 1.31
4581X0CZ9	Inter-American Dev Bank Note 1.750% Due 09/14/2022	6,500,000.00	Various 2.65%	6,249,655.00 6,393,048.72	102.96 0.23%	6,692,497.50 5,371.52	1.07% 299,448.78	Aaa / AAA AAA	1.96 1.93
459058JB0	Intl. Bank Recon & Development Note 0.625% Due 04/22/2025	6,245,000.00	04/15/2020 0.70%	6,220,831.85 6,222,976.01	100.93 0.42%	6,303,147.20 17,238.80	1.01% 80,171.19	Aaa / AAA NR	4.56 4.48
TOTAL Supranational		36,215,000.00	1.87%	35,935,625.05 36,079,568.63	0.27%	36,846,420.62 93,613.32	5.91% 766,851.99	Aaa / AAA Aaa	1.75 1.73
US Treasury									
912828L99	US Treasury Note 1.375% Due 10/31/2020	6,500,000.00	Various 1.81%	6,402,702.41 6,497,782.72	100.10 0.14%	6,506,753.51 37,401.49	1.05% 8,970.79	Aaa / AA+ AAA	0.08 0.08
912828N89	US Treasury Note 1.375% Due 01/31/2021	6,000,000.00	Various 1.81%	5,895,840.41 5,991,604.84	100.41 0.15%	6,024,612.00 13,899.45	0.97% 33,007.16	Aaa / AA+ AAA	0.34 0.33
912828T34	US Treasury Note 1.125% Due 09/30/2021	7,000,000.00	Various 1.88%	6,757,914.08 6,949,777.65	100.98 0.15%	7,068,362.00 216.35	1.13% 118,584.35	Aaa / AA+ AAA	1.00 1.00
912828T67	US Treasury Note 1.250% Due 10/31/2021	6,000,000.00	12/13/2016 1.92%	5,813,691.98 5,958,702.77	101.21 0.13%	6,072,654.00 31,385.87	0.98% 113,951.23	Aaa / AA+ AAA	1.08 1.07
912828U65	US Treasury Note 1.750% Due 11/30/2021	7,000,000.00	12/28/2016 2.06%	6,900,492.20 6,976,465.88	101.88 0.13%	7,131,796.00 41,168.03	1.15% 155,330.12	Aaa / AA+ AAA	1.17 1.15
912828V72	US Treasury Note 1.875% Due 01/31/2022	3,000,000.00	02/27/2017 1.84%	3,004,814.74 3,001,304.10	102.33 0.13%	3,069,843.00 9,476.90	0.49% 68,538.90	Aaa / AA+ AAA	1.34 1.32

Holdings Report

As of September 30, 2020

Orange County Sanitation District Long Term - Account #10268

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828J76	US Treasury Note 1.750% Due 03/31/2022	5,000,000.00	04/25/2017 1.85%	4,976,383.94 4,992,836.46	102.43 0.13%	5,121,485.00 240.38	0.82% 128,648.54	Aaa / AA+ AAA	1.50 1.49
912828XW5	US Treasury Note 1.750% Due 06/30/2022	5,000,000.00	07/25/2017 1.86%	4,973,454.25 4,990,605.75	102.83 0.13%	5,141,600.00 22,112.77	0.83% 150,994.25	Aaa / AA+ AAA	1.75 1.72
912828L24	US Treasury Note 1.875% Due 08/31/2022	6,000,000.00	09/27/2017 1.92%	5,987,832.60 5,995,269.74	103.33 0.13%	6,199,920.00 9,633.98	0.99% 204,650.26	Aaa / AA+ AAA	1.92 1.89
912828L57	US Treasury Note 1.750% Due 09/30/2022	16,000,000.00	Various 1.98%	15,822,656.25 15,929,559.31	103.23 0.13%	16,517,504.00 769.23	2.64% 587,944.69	Aaa / AA+ AAA	2.00 1.97
912828M80	US Treasury Note 2.000% Due 11/30/2022	8,000,000.00	12/22/2017 2.25%	7,907,500.00 7,959,402.78	104.04 0.13%	8,322,816.00 53,770.49	1.34% 363,413.22	Aaa / AA+ AAA	2.17 2.12
912828N30	US Treasury Note 2.125% Due 12/31/2022	5,000,000.00	01/24/2018 2.44%	4,926,562.50 4,966,522.94	104.47 0.14%	5,223,440.00 26,851.22	0.84% 256,917.06	Aaa / AA+ AAA	2.25 2.20
9128284D9	US Treasury Note 2.500% Due 03/31/2023	10,000,000.00	Various 2.75%	9,887,265.63 9,943,060.92	105.89 0.14%	10,589,060.00 686.82	1.69% 645,999.08	Aaa / AA+ AAA	2.50 2.44
912828R69	US Treasury Note 1.625% Due 05/31/2023	5,000,000.00	05/30/2018 2.67%	4,757,226.56 4,870,769.01	103.95 0.14%	5,197,265.00 27,305.33	0.84% 326,495.99	Aaa / AA+ AAA	2.67 2.61
912828U57	US Treasury Note 2.125% Due 11/30/2023	15,000,000.00	Various 2.53%	14,723,632.81 14,819,045.29	106.18 0.17%	15,927,540.00 107,120.90	2.56% 1,108,494.71	Aaa / AA+ AAA	3.17 3.06
912828V80	US Treasury Note 2.250% Due 01/31/2024	7,500,000.00	Various 2.27%	7,491,503.91 7,494,074.96	106.89 0.18%	8,017,087.50 28,430.70	1.29% 523,012.54	Aaa / AA+ AAA	3.34 3.22
912828W48	US Treasury Note 2.125% Due 02/29/2024	10,000,000.00	04/24/2019 2.32%	9,911,718.75 9,937,889.08	106.63 0.18%	10,662,890.00 18,197.51	1.71% 725,000.92	Aaa / AA+ AAA	3.42 3.31
912828WJ5	US Treasury Note 2.500% Due 05/15/2024	7,000,000.00	06/10/2019 1.91%	7,193,046.88 7,141,782.21	108.33 0.19%	7,582,967.00 66,100.54	1.22% 441,184.79	Aaa / AA+ AAA	3.62 3.46
912828XX3	US Treasury Note 2.000% Due 06/30/2024	5,000,000.00	07/12/2019 1.88%	5,028,710.94 5,021,675.81	106.74 0.19%	5,337,110.00 25,271.74	0.86% 315,434.19	Aaa / AA+ AAA	3.75 3.62
912828WU0	US Treasury Inflation Index Note 0.125% Due 07/15/2024	11,346,608.00	Various 0.23%	11,234,820.76 11,304,099.96	105.79 (1.36%)	12,003,917.05 3,006.19	1.92% 699,817.09	Aaa / AA+ AAA	3.79 3.81
912828YH7	US Treasury Note 1.500% Due 09/30/2024	14,000,000.00	Various 1.72%	13,859,296.88 13,882,434.87	105.14 0.21%	14,719,138.00 576.92	2.35% 836,703.13	Aaa / AA+ AAA	4.00 3.90
9128283J7	US Treasury Note 2.125% Due 11/30/2024	16,500,000.00	Various 1.76%	16,783,886.72 16,738,824.22	107.88 0.22%	17,800,018.50 117,832.99	2.87% 1,061,194.28	Aaa / AA+ AAA	4.17 3.99

Holdings Report

As of September 30, 2020

Orange County Sanitation District Long Term - Account #10268

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828ZL7	US Treasury Note 0.375% Due 04/30/2025	12,000,000.00	Various 0.38%	11,998,515.63 11,998,587.62	100.59 0.25%	12,070,776.00 18,831.52	1.93% 72,188.38	Aaa / AA+ AAA	4.58 4.54
TOTAL US Treasury		193,846,608.00	1.87%	192,239,470.83 193,362,078.89	0.08%	202,308,554.56 660,287.32	32.46% 8,946,475.67	Aaa / AA+ Aaa	2.75 2.68
TOTAL PORTFOLIO		598,650,838.29	1.99%	598,796,200.54 599,519,388.76	0.26%	622,737,097.56 2,480,511.35	100.00% 23,217,708.80	Aa1 / AA Aaa	2.74 2.52
TOTAL MARKET VALUE PLUS ACCRUALS						625,217,608.91			

Holdings Report

As of September 30, 2020

Orange County Sanitation District Liquid - Account #10282

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Agency									
313384K57	FHLB Discount Note 0.120% Due 10/13/2020	6,500,000.00	04/30/2020 0.12%	6,496,403.33 6,499,740.00	100.00 0.12%	6,499,740.00 0.00	5.05% 0.00	P-1 / A-1+ F-1+	0.04 0.04
313384Q77	FHLB Discount Note 0.120% Due 11/24/2020	4,800,000.00	04/29/2020 0.12%	4,796,656.00 4,799,136.00	99.98 0.12%	4,799,136.00 0.00	3.73% 0.00	P-1 / A-1+ F-1+	0.15 0.15
313385AD8	FHLB Discount Note 0.160% Due 01/04/2021	1,500,000.00	04/30/2020 0.16%	1,498,340.00 1,499,366.67	99.96 0.16%	1,499,366.67 0.00	1.17% 0.00	P-1 / A-1+ F-1+	0.26 0.26
TOTAL Agency		12,800,000.00	0.13%	12,791,399.33 12,798,242.67	0.13%	12,798,242.67 0.00	9.95% 0.00	Aaa / AAA Aaa	0.11 0.11
Commercial Paper									
89233GLP9	Toyota Motor Credit Discount CP 0.260% Due 11/23/2020	1,500,000.00	07/28/2020 0.26%	1,498,721.67 1,499,425.83	99.96 0.26%	1,499,425.83 0.00	1.17% 0.00	P-1 / A-1+ F-1	0.15 0.15
TOTAL Commercial Paper		1,500,000.00	0.26%	1,498,721.67 1,499,425.83	0.26%	1,499,425.83 0.00	1.17% 0.00	P-1 / A-1+ F-1	0.15 0.15
Corporate									
46625HHU7	JP Morgan Chase Note 4.250% Due 10/15/2020	1,160,000.00	05/26/2020 0.41%	1,176,924.40 1,161,692.44	100.14 0.82%	1,161,647.20 22,732.78	0.92% (45.24)	A2 / A- AA-	0.04 0.04
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.300% Due 11/03/2020	500,000.00	05/26/2020 0.49%	503,140.00 500,049.06	100.14 0.54%	500,706.50 4,727.78	0.39% 657.44	A3 / A A	0.09 0.01
92826CAB8	Visa Inc Callable Note Cont 11/14/2020 2.200% Due 12/14/2020	500,000.00	09/22/2020 0.24%	501,360.00 501,173.33	100.22 0.40%	501,098.50 3,269.44	0.39% (74.83)	Aa3 / AA- NR	0.21 0.12
89114QBX5	Toronto Dominion Bank Note 2.550% Due 01/25/2021	1,750,000.00	05/06/2020 0.56%	1,774,762.50 1,760,963.55	100.73 0.27%	1,762,733.00 8,181.25	1.38% 1,769.45	Aa1 / AA- AA	0.32 0.32
494368BF9	Kimberly-Clark Note 3.875% Due 03/01/2021	750,000.00	05/14/2020 0.66%	768,877.50 759,932.06	101.48 0.34%	761,098.50 2,421.88	0.59% 1,166.44	A2 / A NR	0.42 0.42
69371RN93	Paccar Financial Corp Note 2.800% Due 03/01/2021	600,000.00	09/08/2020 0.25%	607,086.00 606,368.96	101.05 0.29%	606,310.20 1,400.00	0.47% (58.76)	A1 / A+ NR	0.42 0.42
037833AR1	Apple Inc Note 2.850% Due 05/06/2021	1,155,000.00	05/08/2020 0.44%	1,182,327.30 1,171,518.17	101.49 0.36%	1,172,207.19 13,258.44	0.92% 689.02	Aa1 / AA+ NR	0.60 0.59
89236TBJ3	Toyota Motor Credit Corp Note 2.750% Due 05/17/2021	1,500,000.00	09/28/2020 0.28%	1,523,295.00 1,523,193.28	101.57 0.26%	1,523,491.50 15,354.17	1.20% 298.22	A1 / A+ A+	0.63 0.62

Holdings Report

As of September 30, 2020

Orange County Sanitation District Liquid - Account #10282

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
808513AW5	Charles Schwab Corp Callable Note Cont 4/21/2021 3.250% Due 05/21/2021	1,385,000.00	05/26/2020 0.47%	1,419,472.65 1,406,230.11	101.60 0.37%	1,407,196.01 16,254.51	1.11% 965.90	A2 / A A	0.64 0.55
TOTAL Corporate		9,300,000.00	0.43%	9,391,120.96	0.39%	87,600.25	5,367.64	A1 / A+ A+	0.41 0.39
Money Market Fund FI									
31846V567	First American Govt Obligation MMKT Class-Z	2,920,536.29	Various 0.05%	2,920,536.29 2,920,536.29	1.00 0.05%	2,920,536.29 0.00	2.27% 0.00	Aaa / AAA AAA	0.00 0.00
TOTAL Money Market Fund FI		2,920,536.29	0.05%	2,920,536.29	0.05%	0.00	0.00	Aaa / AAA Aaa	0.00 0.00
Negotiable CD									
78012UVJ1	Royal Bank of Canada Yankee CD 1.000% Due 02/19/2021	1,500,000.00	04/20/2020 1.00%	1,500,000.00 1,500,000.00	100.00 1.00%	1,500,000.00 6,791.67	1.17% 0.00	P-1 / A-1+ F-1+	0.39 0.39
TOTAL Negotiable CD		1,500,000.00	1.00%	1,500,000.00	1.00%	6,791.67	0.00	Aaa / AAA Aaa	0.39 0.39
Supranational									
459058FH1	Intl. Bank Recon & Development Note 1.375% Due 05/24/2021	1,000,000.00	06/19/2020 0.22%	1,010,570.00 1,007,414.78	100.71 0.28%	1,007,130.00 4,850.69	0.79% (284.78)	Aaa / AAA AAA	0.65 0.65
TOTAL Supranational		1,000,000.00	0.22%	1,007,414.78	0.28%	4,850.69	(284.78)	Aaa / AAA Aaa	0.65 0.65
US Treasury									
912796TN9	US Treasury Bill 0.113% Due 10/08/2020	5,000,000.00	04/29/2020 0.11%	4,997,484.38 4,999,890.63	100.00 0.11%	4,999,890.63 0.00	3.89% 0.00	P-1 / A-1+ F-1+	0.02 0.02
9127962S7	US Treasury Bill 0.109% Due 10/22/2020	5,000,000.00	04/30/2020 0.11%	4,997,362.85 4,999,683.54	99.99 0.11%	4,999,683.54 0.00	3.89% 0.00	P-1 / A-1+ F-1+	0.06 0.06
912796TP4	US Treasury Bill 0.100% Due 11/05/2020	5,000,000.00	04/30/2020 0.10%	4,997,375.00 4,999,513.89	99.99 0.10%	4,999,513.89 0.00	3.89% 0.00	P-1 / A-1+ F-1+	0.10 0.10
912796TY5	US Treasury Bill 0.136% Due 12/31/2020	5,000,000.00	04/29/2020 0.14%	4,995,372.22 4,998,281.11	99.97 0.14%	4,998,281.11 0.00	3.88% 0.00	P-1 / A-1+ F-1+	0.25 0.25
912796UC1	US Treasury Bill 0.149% Due 01/28/2021	58,250,000.00	Various 0.15%	58,193,363.48 58,221,262.34	99.95 0.15%	58,221,262.34 0.00	45.25% 0.00	P-1 / A-1+ F-1+	0.33 0.33

Holdings Report

As of September 30, 2020

Orange County Sanitation District Liquid - Account #10282

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912796XE4	US Treasury Bill 0.126% Due 02/25/2021	10,000,000.00	Various 0.13%	9,991,378.33 9,994,855.00	99.95 0.13%	9,994,855.00 0.00	7.77% 0.00	P-1 / A-1+ F-1+	0.41 0.41
912828WR7	US Treasury Note 2.125% Due 06/30/2021	3,000,000.00	09/16/2020 0.12%	3,047,109.38 3,044,803.33	101.50 0.12%	3,045,000.00 16,110.73	2.38% 196.67	Aaa / AA+ AAA	0.75 0.74
912828WY2	US Treasury Note 2.250% Due 07/31/2021	8,000,000.00	Various 0.12%	8,144,296.88 8,141,556.55	101.77 0.13%	8,141,560.00 30,326.08	6.35% 3.45	Aaa / AA+ AAA	0.83 0.83
TOTAL US Treasury		99,250,000.00	0.14%	99,363,742.52 99,399,846.39	0.14%	99,400,046.51 46,436.81	77.29% 200.12	Aaa / AAA Aaa	0.35 0.35
TOTAL PORTFOLIO		128,270,536.29	0.17%	128,542,215.16 128,516,586.92	0.17%	128,521,869.90 145,679.42	100.00% 5,282.98	Aaa / AAA Aaa	0.32 0.32
TOTAL MARKET VALUE PLUS ACCRUALS						128,667,549.32			

Holdings Report

As of September 30, 2020

OCSD Lehman Exposure - Account #10284

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Common Stock									
SLHOPNTA4	Lehman Brothers, Inc Open Position Long Exposure 0.000% Due 09/30/2020	60,641.49	11/21/2014 0.00%	57,842.64 57,842.64	0.42 0.00%	25,621.03 0.00	45.09% (32,221.61)	NR / NR NR	0.00 0.00
TOTAL Common Stock		60,641.49	0.00%	57,842.64	0.00%	25,621.03 0.00	45.09% (32,221.61)	NR / NR NR	0.00 0.00
Corporate									
525ESCIB7	Lehman Brothers Note-Defaulted 0.000% Due 01/24/2021	600,000.00	09/19/2008 0.00%	318,603.60 318,603.60	1.20 0.00%	7,200.00 0.00	12.67% (311,403.60)	NR / NR NR	0.32 0.00
525ESCOY6	Lehman Brothers Note-Defaulted 0.000% Due 10/22/2049	2,000,000.00	09/18/2008 0.00%	1,026,605.56 1,026,605.56	1.20 0.00%	24,000.00 0.00	42.24% (1,002,605.56)	NR / NR NR	29.08 0.00
TOTAL Corporate		2,600,000.00	0.00%	1,345,209.16 1,345,209.16	0.00%	31,200.00 0.00	54.91% (1,314,009.16)	NR / NR NR	22.44 0.00
TOTAL PORTFOLIO		2,660,641.49	0.00%	1,403,051.80 1,403,051.80	0.00%	56,821.03 0.00	100.00% (1,346,230.77)	NR / NR NR	12.32 0.00
TOTAL MARKET VALUE PLUS ACCRUALS						56,821.03			



Section 5 | Transactions

Transaction Ledger

As of September 30, 2020

Orange County Sanitation District Long Term - Account #10268

June 30, 2020 through September 30, 2020

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	07/10/2020	3135G05G4	6,775,000.00	FNMA Note 0.25% Due: 07/10/2023	99.785	0.32%	6,760,433.75	0.00	6,760,433.75	0.00
Purchase	07/16/2020	78015K7H1	1,500,000.00	Royal Bank of Canada Note 1.15% Due: 06/10/2025	101.032	0.93%	1,515,480.00	1,725.00	1,517,205.00	0.00
Purchase	07/22/2020	47787NAC3	1,480,000.00	John Deere Owner Trust 2020-B A3 0.51% Due: 11/15/2024	99.985	0.52%	1,479,774.45	0.00	1,479,774.45	0.00
Purchase	07/23/2020	3137EAEU9	5,030,000.00	FHLMC Note 0.375% Due: 07/21/2025	99.502	0.48%	5,004,950.60	0.00	5,004,950.60	0.00
Purchase	07/27/2020	89237VAB5	2,960,000.00	Toyota Auto Receivables Trust 2020-C A3 0.44% Due: 10/15/2024	99.992	0.44%	2,959,772.08	0.00	2,959,772.08	0.00
Purchase	08/27/2020	3135G05X7	7,945,000.00	FNMA Note 0.375% Due: 08/25/2025	99.532	0.47%	7,907,817.40	0.00	7,907,817.40	0.00
Purchase	09/25/2020	3137EAEX3	7,660,000.00	FHLMC Note 0.375% Due: 09/23/2025	99.699	0.44%	7,636,943.40	0.00	7,636,943.40	0.00
Purchase	09/29/2020	43813KAC6	3,235,000.00	Honda Auto Receivables Trust 2020-3 A3 0.37% Due: 10/18/2024	99.985	0.38%	3,234,524.78	0.00	3,234,524.78	0.00
Subtotal			36,585,000.00				36,499,696.46	1,725.00	36,501,421.46	0.00
Security Contribution	08/31/2020	912828WU0	59,488.00	US Treasury Inflation Index Note 0.125% Due: 07/15/2024	100.000		59,488.00	9.50	59,497.50	0.00
Security Contribution	09/30/2020	912828WU0	57,200.00	US Treasury Inflation Index Note 0.125% Due: 07/15/2024	100.000		57,200.00	14.96	57,214.96	0.00
Subtotal			116,688.00				116,688.00	24.46	116,712.46	0.00
TOTAL ACQUISITIONS			36,701,688.00				36,616,384.46	1,749.46	36,618,133.92	0.00

Transaction Ledger

As of September 30, 2020

Orange County Sanitation District Long Term - Account #10268

June 30, 2020 through September 30, 2020

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Sale	07/09/2020	9127963Q0	1,000,000.00	US Treasury Bill 0.141% Due: 08/25/2020	99.986	0.14%	999,855.08	0.00	999,855.08	38.51
Sale	07/15/2020	9127963Q0	3,000,000.00	US Treasury Bill 0.141% Due: 08/25/2020	99.986	0.14%	2,999,594.78	0.00	2,999,594.78	74.82
Sale	07/22/2020	9127963Q0	5,200,000.00	US Treasury Bill 0.141% Due: 08/25/2020	99.992	0.14%	5,199,558.00	0.00	5,199,558.00	248.01
Sale	09/24/2020	912828L99	500,000.00	US Treasury Note 1.375% Due: 10/31/2020	100.137	1.77%	500,683.59	2,746.26	503,429.85	893.94
Subtotal			9,700,000.00				9,699,691.45	2,746.26	9,702,437.71	1,255.28
Redemption	08/21/2020	404280BF5	3,000,000.00	HSBC Holdings PLC Note 2.65% Due: 01/05/2022	103.140	2.89%	3,094,200.00	10,158.33	3,104,358.33	103,678.76
Redemption	08/21/2020	404280BF5	1,500,000.00	HSBC Holdings PLC Note 2.65% Due: 01/05/2022	103.140	3.46%	1,547,100.00	5,079.17	1,552,179.17	62,540.03
Subtotal			4,500,000.00				4,641,300.00	15,237.50	4,656,537.50	166,218.79
Maturity	07/22/2020	94974BGM6	5,000,000.00	Wells Fargo Corp Note 2.6% Due: 07/22/2020	100.000		5,000,000.00	0.00	5,000,000.00	0.00
Maturity	08/25/2020	9127963Q0	800,000.00	US Treasury Bill 0.141% Due: 08/25/2020	100.000		800,000.00	0.00	800,000.00	0.00
Subtotal			5,800,000.00				5,800,000.00	0.00	5,800,000.00	0.00
Security Withdrawal	07/31/2020	912828WU0	2,288.00	US Treasury Inflation Index Note 0.125% Due: 07/15/2024	99.865	0.14%	2,288.00	0.00	2,288.00	9.04
Subtotal			2,288.00				2,288.00	0.00	2,288.00	9.04
TOTAL DISPOSITIONS			20,002,288.00				20,143,279.45	17,983.76	20,161,263.21	167,483.11

Transaction Ledger

As of September 30, 2020

Orange County Sanitation District Liquid - Account #10282

June 30, 2020 through September 30, 2020

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	07/28/2020	89233GLP9	1,500,000.00	Toyota Motor Credit Discount CP 0.26% Due: 11/23/2020	99.915	0.26%	1,498,721.67	0.00	1,498,721.67	0.00
Purchase	08/07/2020	912796UC1	5,000,000.00	US Treasury Bill 0.105% Due: 01/28/2021	99.949	0.11%	4,997,462.50	0.00	4,997,462.50	0.00
Purchase	08/12/2020	912796UC1	2,750,000.00	US Treasury Bill 0.11% Due: 01/28/2021	99.948	0.11%	2,748,579.93	0.00	2,748,579.93	0.00
Purchase	08/31/2020	912796XE4	5,000,000.00	US Treasury Bill 0.112% Due: 02/25/2021	99.945	0.11%	4,997,231.11	0.00	4,997,231.11	0.00
Purchase	09/14/2020	69371RN93	600,000.00	Paccar Financial Corp Note 2.8% Due: 03/01/2021	101.181	0.25%	607,086.00	606.67	607,692.67	0.00
Purchase	09/17/2020	912828WR7	3,000,000.00	US Treasury Note 2.125% Due: 06/30/2021	101.570	0.12%	3,047,109.38	13,685.46	3,060,794.84	0.00
Purchase	09/17/2020	912828WY2	3,000,000.00	US Treasury Note 2.25% Due: 07/31/2021	101.848	0.12%	3,055,429.69	8,804.35	3,064,234.04	0.00
Purchase	09/24/2020	92826CAB8	500,000.00	Visa Inc Callable Note Cont 11/14/2020 2.2% Due: 12/14/2020	100.272	0.24%	501,360.00	3,055.56	504,415.56	0.00
Purchase	09/30/2020	89236TBJ3	1,500,000.00	Toyota Motor Credit Corp Note 2.75% Due: 05/17/2021	101.553	0.28%	1,523,295.00	15,239.58	1,538,534.58	0.00
Purchase	09/30/2020	912828WY2	5,000,000.00	US Treasury Note 2.25% Due: 07/31/2021	101.777	0.12%	5,088,867.19	18,648.10	5,107,515.29	0.00
Subtotal			27,850,000.00				28,065,142.47	60,039.72	28,125,182.19	0.00
TOTAL ACQUISITIONS			27,850,000.00				28,065,142.47	60,039.72	28,125,182.19	0.00

Transaction Ledger

As of September 30, 2020

Orange County Sanitation District Liquid - Account #10282

June 30, 2020 through September 30, 2020

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Call	09/29/2020	46625HNX4	1,000,000.00	JP Morgan Chase Callable Note Cont 09/29/2020 2.55% Due: 10/29/2020	100.000	1.17%	1,000,000.00	10,625.00	1,010,625.00	0.00
Subtotal			1,000,000.00				1,000,000.00	10,625.00	1,010,625.00	0.00
Maturity	07/27/2020	313384ZX0	2,500,000.00	FHLB Discount Note 0.18% Due: 07/27/2020	100.000		2,500,000.00	0.00	2,500,000.00	0.00
Maturity	07/29/2020	313384ZZ5	5,000,000.00	FHLB Discount Note 0.1% Due: 07/29/2020	100.000		5,000,000.00	0.00	5,000,000.00	0.00
Maturity	07/30/2020	912796WY1	3,500,000.00	US Treasury Bill 0.28% Due: 07/30/2020	100.000		3,500,000.00	0.00	3,500,000.00	0.00
Maturity	08/27/2020	912796XG9	13,000,000.00	US Treasury Bill 0.108% Due: 08/27/2020	100.000		13,000,000.00	0.00	13,000,000.00	0.00
Maturity	08/31/2020	459052E28	5,000,000.00	IBRD Discount Note 0.34% Due: 08/31/2020	100.000		5,000,000.00	0.00	5,000,000.00	0.00
Maturity	08/31/2020	9128284Y3	7,000,000.00	US Treasury Note 2.625% Due: 08/31/2020	100.000		7,000,000.00	0.00	7,000,000.00	0.00
Maturity	08/31/2020	912828L32	15,000,000.00	US Treasury Note 1.375% Due: 08/31/2020	100.000		15,000,000.00	0.00	15,000,000.00	0.00
Maturity	08/31/2020	912828VV9	15,000,000.00	US Treasury Note 2.125% Due: 08/31/2020	100.000		15,000,000.00	0.00	15,000,000.00	0.00
Maturity	09/15/2020	9127963Y3	7,000,000.00	US Treasury Bill 0.111% Due: 09/15/2020	100.000		7,000,000.00	0.00	7,000,000.00	0.00
Maturity	09/28/2020	313312H60	3,000,000.00	FFCB Discount Note 0.11% Due: 09/28/2020	100.000		3,000,000.00	0.00	3,000,000.00	0.00
Subtotal			76,000,000.00				76,000,000.00	0.00	76,000,000.00	0.00
TOTAL DISPOSITIONS			77,000,000.00				77,000,000.00	10,625.00	77,010,625.00	0.00

Important Disclosures

As of September 30, 2020

2020 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

Source ice Data Indices, LLC ("ICE"), used with permission. ICE permits use of the ICE indices and related data on an "as is" basis; ICE, its affiliates and their respective third party suppliers disclaim any and all warranties and representations, express and/or implied, including any warranties of merchantability or fitness for a particular purpose or use, including the indices, index data and any data included in, related to, or derived therefrom. Neither ICE data, its affiliates or their respective third party providers guarantee the quality, adequacy, accuracy, timeliness or completeness of the indices or the index data or any component thereof, and the indices and index data and all components thereof are provided on an "as is" basis and licensee's use it at licensee's own risk. ICE data, its affiliates and their respective third party do not sponsor, endorse, or recommend chandler asset management, or any of its products or services.

This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

ICE BAML 3-Month US Treasury Bill Index

The ICE BAML US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. (Index: GOO1. Please visit www.mlindex.ml.com for more information)

ICE BAML 1-5 Yr US Corp/Govt Rated AAA-A Index

The ICE BAML US Issuers 1-5 Year AAA-A US Corporate & Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational and corporate securities. Qualifying securities must be issued from US issuers and be rated AAA through A3 (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to final maturity at point of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for US Treasuries and \$250 million for all other securities. (Index: BV10. Please visit www.mlindex.ml.com for more information)

ICE BAML US 1-5 Yr US Corp/Govt Rated AAA-BBB Index

The ICE BAML 1-5 Year US Corporate & Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational and corporate securities. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to final maturity at point of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for US Treasuries and \$250 million for all other securities. (Index: BVA0. Please visit www.mlindex.ml.com for more information)

Rating Agency Comparisons

A summary of investment grade ratings are listed below. More complete descriptions of Moody's and Standard & Poor's ratings are included in the following pages.

Quality/Grade	Moody's	Standard & Poor's	Fitch
Best Quality	Aaa	AAA	AAA
High Quality	Aa1 Aa2 Aa3	AA+ AA AA-	AA+ AA AA-
Upper Medium Grade	A1 A2 A3	A+ A A-	A+ A A-
Medium Grade	Baa1 Baa2 Baa3	BBB+ BBB BBB-	BBB+ BBB BBB1

Moody's - Investment Grade

"Aaa" - Bonds rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk. Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

"Aa" - Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger than in Aaa securities.

"A" - Bonds which are rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment sometime in the future.

"Baa" - Bonds which are rated Baa are considered as medium grade obligations; i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Bonds in the Aa, A, and Baa are also assigned "1", "2", or "3" based on the strength of the issue within each category. Accordingly, "A1" would be the strongest group of A securities and "A3" would be the weakest A securities.

Ba, B, Caa, Ca, and C - Bonds that possess one of these ratings provide questionable protection of interest and principal ("Ba" indicates some speculative elements; "B" indicates a general lack of characteristics of desirable investment; "Caa" represents a poor standing; "Ca" represents obligations which are speculative in a high degree; and "C" represents the lowest rated class of bonds). "Caa", "Ca" and "C" bonds may be in default.

Standard and Poor's - Investment Grade

AAA - Debt rated "AAA" has the highest rating assigned by S&P. Capacity to pay interest and repay principal is extremely strong.

AA - Debt rated "AA" has a very strong capacity to pay interest and repay principal and differs from the highest rated issues only in small degree.

A - Debt rated "A" has a strong capacity to pay interest and repay principal although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than debt in higher rated categories.

BBB - Debt rated "BBB" is regarded as having an adequate capacity to pay interest and repay principal. Whereas it normally exhibits adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for debt in this category than in higher rated categories.

Standard and Poor's - Speculative Grade Rating

Debt rated "BB", "B", "CCC", "CC" and "C" is regarded as having predominantly speculative characteristics with respect to capacity to pay interest and repay principal. "BB" indicates the least degree of speculation and "C" the highest. While such debt will likely have some quality and protective characteristics these are outweighed by major uncertainties or major exposures to adverse conditions.

BB - Debt rated "BB" has less near-term vulnerability to default than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to inadequate capacity to meet timely interest and principal payments. The "BB" rating category is also used for debt subordinated to senior debt that is assigned an actual or implied "BBB" rating.

B - Debt rated "B" has a greater vulnerability to default but currently has the capacity to meet interest payments and principal repayments. Adverse business, financial, or economic conditions will likely impair capacity or willingness to pay interest and repay principal. The "B" rating category is also used for debt subordinated to senior debt that is assigned an actual or implied "BB" or "BB" rating.

CCC - Debt rated "CCC" has a currently identifiable vulnerability to default, and is dependent upon favorable business, financial, and economic conditions to meet timely payment of interest and repayment of principal. In the event of adverse business, financial, or economic conditions, it is not likely to have the capacity to pay interest and repay principal. The "CCC" rating category is also used for debt subordinated to senior debt that is assigned an actual or implied "B" or "B" rating.

CC - The rating "CC" typically is applied to debt subordinated to senior debt that is assigned an actual or implied "CCC" debt rating.

C - The rating "C" typically is applied to debt subordinated to senior debt which is assigned an actual or implied "CCC" debt rating. The "C" rating may be used to cover a situation where a bankruptcy petition has been filed, but debt service payments are continued.

CI - The rating "CI" is reserved for income bonds on which no interest is being paid.

D - Debt rated "D" is in payment default. The "D" rating category is used when interest payments or principal payments are not made on the date due even if the applicable grace period has not expired, unless S&P believes that such payments will be made during such grace period. The "D" rating also will be used upon the filing of a bankruptcy petition if debt service payments are jeopardized.

Plus (+) or Minus (-) - The ratings from "AA" to "CCC" may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

NR - Indicates no rating has been requested, that there is insufficient information on which to base a rating, or that S&P does not rate a particular type of obligation as a matter of policy.



October 31, 2020

STAFF REPORT

Certificates of Participation (COP) Quarterly Report for the Period Ended September 30, 2020

Summary

The Orange County Sanitation District (OCSD) began issuing Certificates of Participation (COPs) in 1990. These COPs were a part of our long-term financing plan that included both variable interest rate and traditional fixed rate borrowing. Following are the current outstanding debt issues of OCSD:

In May 2010, OCSD issued \$80 million of fixed rate BABs, Series 2010A at a true interest cost of 3.68 percent for the issue.

In December 2010, OCSD issued \$157 million of fixed rate BABs, Series 2010C at a true interest cost of 4.11 percent for the issue.

In October 2011, OCSD issued \$147.595 million of fixed rate COPs, Series 2011A refunding a portion of the Series 2000 variable rate debt and a portion of the Series 2003 fixed rate debt. The true interest cost for the issue is 2.61 percent.

In March 2012, OCSD issued \$100.645 million of fixed rate COPs, Series 2012A refunding the Series 2003 fixed rate debt. The true interest cost for the issue is 3.54 percent.

In August 2012, OCSD issued \$66.395 million of fixed rate COPs, Series 2012B refunding the Series 2000 variable rate debt. The true interest cost for the issue is 1.50 percent.

With the issuance of Series 2012B, there remains no variable interest rate COPs at OCSD.

In August 2014, OCSD issued \$85.09 million of fixed rate COPs, Series 2014A, refunding a portion of Series 2007B debt. The true interest cost for the issue is 2.34 percent.

In February 2015, OCSD issued \$127.51 million of fixed rate COPs, Series 2015A, refunding \$152.99 million of the Series 2007B debt. The true interest cost for the issue is 3.30 percent.

In March 2016, the OCSD issued \$145.88 million of fixed rate CANs, Series 2016A, refunding \$162.78 million of the Series 2009A fixed rate debt. The true interest cost for the issue is 3.02 percent.

In February 2017, OCSD issued \$66.37 million of fixed rate COPs, Series 2017A, refunding \$91.885 million of the Series 2007A debt. The true interest cost for the issue is 2.55 percent.

In November 2018, OCSD issued \$102.2 million of fixed rate CANs, Series 2018A, refunding the Series 2016B CANs. The true interest cost for the issue is 2.02 percent.

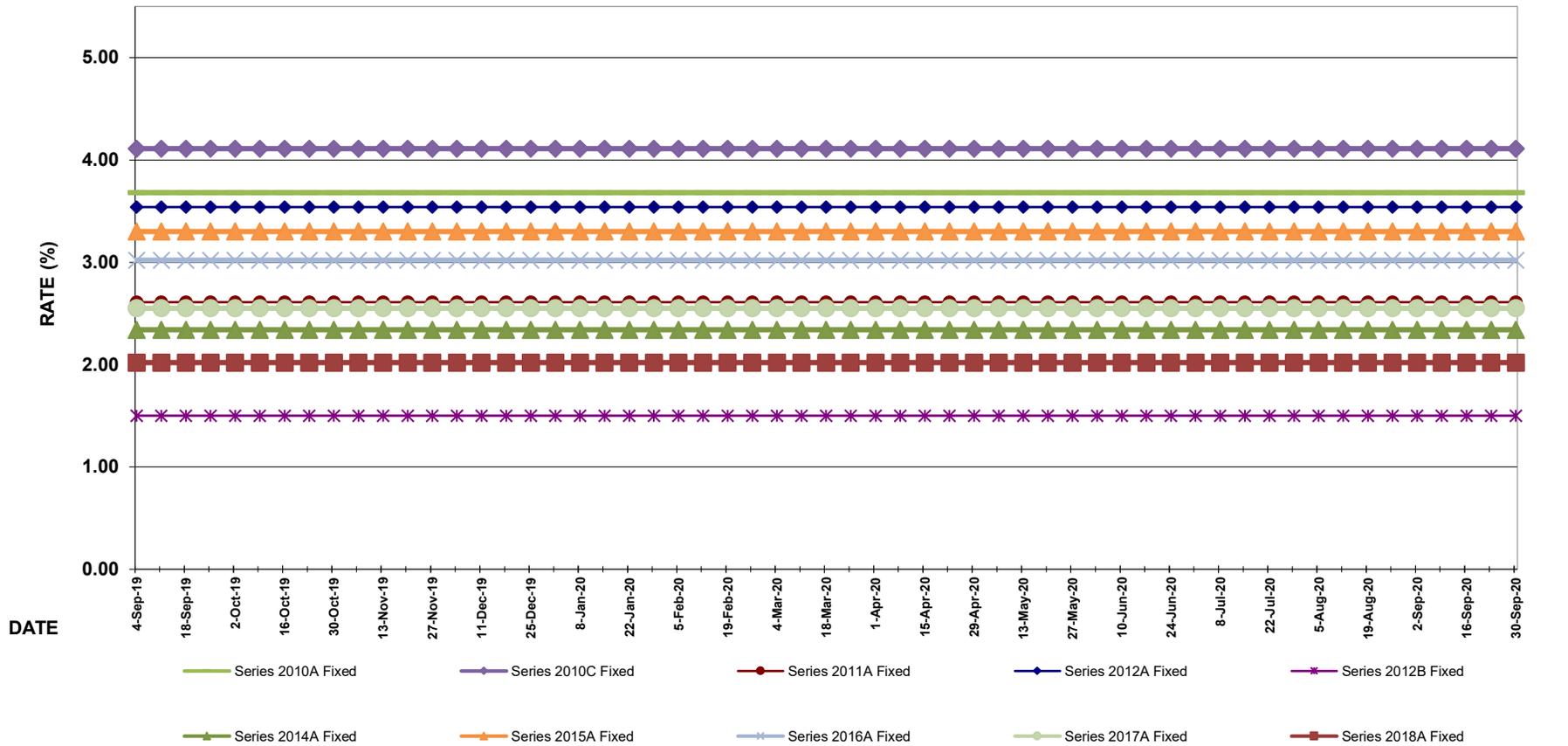
Additional Information

The graph entitled, "OCSD COP Rate History Report," shows the various fixed interest rates of the OCSD's ten debt issues.

Attachment

1. Graph - OCSD COP Rate History Report

OCSD COP RATE HISTORY REPORT SEPTEMBER 2020



FY 2020-21 First Quarter Financial Report

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**ORANGE COUNTY SANITATION DISTRICT
FINANCIAL MANAGEMENT DIVISION**

10844 Ellis Avenue
Fountain Valley, California 92708-7018
714.962.2411

www.ocsd.com

09/30/20



Orange County Sanitation District

ADMINISTRATION COMMITTEE

Administration Building
10844 Ellis Avenue
Fountain Valley, CA 92708
(714) 593-7433

Agenda Report

File #: 2020-1315

Agenda Date: 11/10/2020

Agenda Item No: 3.

FROM: James D. Herberg, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

GENERAL MANAGER APPROVED PURCHASES AND ADDITIONS TO THE PRE-APPROVED OEM SOLE SOURCE LIST

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Receive and file District purchases made under the General Manager's authority for the period of July 1, 2020 to September 30, 2020; and
- B. Approve the following additions to the pre-approved OEM Sole Source List for the period of July 1, 2020 to September 30, 2020:
 - CHEVROLET - Chevrolet Truck Engine Replacements
 - SANS - Vouchers for Cyber Security Trainings
 - TOTAL RESOURCE MANAGEMENT - IBM Maximo Level 3 Support
 - WATSON MARLOW - Pumps

BACKGROUND

Staff provides the Administration Committee and the Board of Directors quarterly reports of General Manager approved and executed purchases between \$50,000 and \$100,000; maintenance and repair Services Task Orders between \$50,000 and \$300,000; and additions to the pre-approved OEM Sole Source List.

The list of additions to the pre-approved OEM Sole Source List displays the original equipment manufacturers (OEM) added this quarter that require sole source procurement to maintain, service, or replace equipment currently in operation at Orange County Sanitation District facilities, because the parts and/or service can only be provided by the OEM or their designated representative.

RELEVANT STANDARDS

- Quarterly financial reporting
- Ensure the public's money is wisely spent

PRIOR COMMITTEE/BOARD ACTIONS

December 2016 - Minute Order 12(b) authorized the General Manager to ratify additions or deletions to the OEM Sole Source list on the General Manager's quarterly approved purchases agenda report.

ADDITIONAL INFORMATION

In accordance with Board purchasing policies, Ordinance No. OCS_D-52, the General Manager has authority to approve and execute purchases between \$50,000 and \$100,000. Below is a summary of General Manager approved purchases, in amounts exceeding \$50,000, for the first quarter of fiscal year 2020-21:

Vendor Name	Amount	Department	Description/Discussion
ALL AMERICAN ASPHALT	\$79,756.07	Operations & Maintenance	Manhole and Vault Abandonment near Slater Pump Station Sole Source Justification 2308 Reason: Unique Product/Service
CORTECH ENGINEERING	\$92,290.32	Administrative Services	Stock Item Purchase of a SEEPEX Rotor and Stator for Process Pumps Board Approved OEM Sole Source List M.O. 12/14/16, Item 12
E&M ELECTRIC AND MACHINERY INC.	\$77,165.00	Administrative Services	Annual Renewal for Wonderware Premium First Level Support Service 11/16/20 to 11/15/21 Board Approved OEM Sole Source List M.O. 8/28/19, Item 3
HACH C/O PONTON INDUSTRIES	\$69,394.67	Operations & Maintenance	Purchase of Multiple Hach Samplers for Sampling Activities Board Approved OEM Sole Source List M.O. 12/14/16, Item 12
KPR CONSULTING INC	\$77,514.00	Operations & Maintenance	Purchase of Three (3) Each 24-inch Diameter Metal-Seated Gate Valves (FRC-0004) Specification No. E-2020-1188BD
OFS BRANDS HOLDINGS INC.	\$75,258.00	Operations & Maintenance	Purchase of OFS Flexxy Guest/Multi-Use Chairs for Board Room Omnia/National IPA Contract# R191813, in Accordance with Ordinance OCSD-52 Section 2.03 (B) Cooperative Purchases
PUMPACTION CORP - SHG USA	\$76,089.87	Operations & Maintenance	Purchase of Putzmeister Hydraulic Pump Units for Sludge Transfer Pumps Board Approved OEM Sole Source List M.O. 12/14/16, Item 12
SMS PIPELINE SVCS dba LIBERTY ENERGY SVC	\$72,435.00	Operations & Maintenance	Blanket PO to provide Operator Qualified Construction Inspector to support the OCWD project Sole Source Justification 2302 Reason: Unique Product/Service
SOUTHERN CALIFORNIA NEWS GROUP	\$99,000.00	Administrative Services	Convenience Blanket PO for Notices, Classified, and Legal Advertising 7/1/20 to 6/30/21 GM Article 2, Section 2.2 (b) (1)

Additionally, in accordance with Board purchasing policies, Ordinance No. OCSD-52, the General Manager has authority to approve and execute maintenance and repair Services Task Orders

between \$50,000 and \$300,000. Below is a summary of General Manager approved maintenance and repair Services Task Orders, in amounts exceeding \$50,000, for the first quarter of fiscal year 2020-21:

Vendor Name	Amount	Department	Description/Discussion
CHARLES KING CO INC.	\$197,840.00	Operations & Maintenance	East Coast Highway Trunk Repair (FRC-0005) Specification No. TOB-2019-1187 of Master Service Contract S-2018-942BD-2
CHARLES KING CO INC.	\$298,850.00	Operations & Maintenance	Newhope-Placentia Grade Separation Replacement Repair (FE19-09) Specification No. TOB-2019-1173 of Master Service Contract S-2018-942BD-2
J R FILANC CONSTRUCTION	\$84,175.00	Operations & Maintenance	A-Side Primary Basin Launder Cover Repair at Plant 2 Specification No. TOB-2019-1166 of Master Service Contract S-2018-942BD-4
J R FILANC CONSTRUCTION	\$100,775.00	Operations & Maintenance	Effluent Pump Station Annex Discharge Pipe Repair at Plant 2 Specification No. TOB-2019-1175 of Master Service Contract S-2018-942BD-4
JAMISON ENGINEERING CONTRACTORS INC.	\$131,000.00	Operations & Maintenance	Digester O Repairs at Plant 2 (FR2-0019) Specification No. TOB-2019-1190 of Master Service Contract S-2018-942BD-5
O'CONNELL ENGINEERING & CONSTRUCTION INC	\$227,775.00	Operations & Maintenance	Plant 2 Digesters P, Q, & T Pump Room Roof Replacements Specification No. TOB-2019-1174 of Master Service Contract S-2018-942BD-6
W.A. RASIC CONSTRUCTION CO., INC.	\$57,700.00	Operations & Maintenance	Plant 1 Ramp Repair Specification No. TOB-2019-1179 of Master Service Contract S-2018-942BD-7

ATTACHMENT

The following attachment(s) may be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

N/A



Orange County Sanitation District

ADMINISTRATION COMMITTEE

Administration Building
10844 Ellis Avenue
Fountain Valley, CA 92708
(714) 593-7433

Agenda Report

File #: 2020-1266

Agenda Date: 11/10/2020

Agenda Item No: 4.

FROM: James D. Herberg, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

IBM MAXIMO EMERGENCY AND LEVEL 3 SUPPORT

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Approve a Sole Source Professional Services Agreement to Total Resource Management, Inc to provide Emergency and Level 3 support for IBM Maximo software, for the time period of January 1, 2021 through December 31, 2021, for a total amount not to exceed \$160,000; and
- B. Authorize an option for four (4) one-year renewals at \$160,000 per year.

BACKGROUND

The Operations, Maintenance, Warehouse, and Fleet Divisions utilize IBM-Maximo as their core business software. The benefits of IBM-Maximo include improved asset and labor productivity, optimization of maintenance resources, scheduling of all maintenance activities, and efficiency in inventory management. The Orange County Sanitation District (Sanitation District) requires Emergency and Level 3 support (the uppermost level of support to solve the most difficult problems) from a third-party vendor to support this software. Total Resource Management, Inc. (TRM) has been providing this support efficiently for the last four years.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard
- Protect Orange County Sanitation District assets
- Maintain a proactive asset management program

PROBLEM

Ongoing IBM-Maximo software support including troubleshooting, upgrades, implementing new functionality, testing, and documentation is necessary as the Sanitation District's Operations, Maintenance, Collections, Warehouse, and Fleet Divisions all utilize IBM-Maximo as their core business software.

PROPOSED SOLUTION

Approve a Sole Source Professional Services Agreement to TRM to provide on-call support on an as needed basis.

TIMING CONCERNS

The current agreement with TRM expires on December 31, 2020.

RAMIFICATIONS OF NOT TAKING ACTION

The decision not to award a professional service contract to TRM will result in lower levels of service in supporting IBM-Maximo software and its functionality which would result in decreased efficiency, reliability, compliance, and safety in the Operations, Maintenance, Warehouse, and Fleet Divisions.

PRIOR COMMITTEE/BOARD ACTIONS

November 2016 - Authorized a sole source purchase order agreement with Total Resource Management, Inc. for Maximo Emergency and Level 3 Support for one year commencing January 1, 2017 through December 31, 2017 for a total amount not to exceed \$160,000; and authorized an option for three annual renewals at \$160,000 per year for a total amount of \$480,000.

ADDITIONAL INFORMATION

This Professional Services Contract is being sole sourced because TRM is the developer of Rules Manager (RM) which is a proprietary software used by the Sanitation District to enforce all business rules within IBM-Maximo. TRM is also the developer of the Lock Out Tag Out (LOTO) module implemented within Maximo. The LOTO module tracks the safety procedures that are followed during maintenance work. In addition, over the past eight years, TRM has provided best practices and Maximo expertise in assisting the Sanitation District in succeeding with our business principles. TRM has assisted with the Maximo system architecture, setup, and implementation. TRM also has been providing very good Emergency and Level 3 Support for the past four years. TRM has a distinctive advantage because the Sanitation District uses TRM's proprietary software and they are familiar with the Sanitation District's business processes, personnel, and Maximo infrastructure.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of the Sanitation District's Purchasing Ordinance. This item has been budgeted. (FY 2020-21 & 2021-22 Budget, Section 8, Page 83, EAM Software & Process Implementation (SP-100)).

ATTACHMENT

The following attachment(s) may be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

- Professional Consultant Services Agreement

PROFESSIONAL CONSULTANT SERVICES AGREEMENT
IBM-MAXIMO Emergency and Level 3 Support
Sole Source No. 2337

THIS AGREEMENT is made and entered into as of the date fully executed below, by and between Orange County Sanitation District, with a principal place of business at 10844 Ellis Avenue, Fountain Valley, CA 92708 (hereinafter referred to as "OCSD") and Total Resource Management, Inc. with a principal place of business at 5695 King Centre Drive, Suite 200, Alexandria, VA 22315 (hereinafter referred to as "Consultant") collectively referred to as the "Parties".

WITNESSETH

WHEREAS, based on Consultant's expertise and experience, OCSD desires to temporarily engage Consultant to provide IBM-Maximo emergency and Level 3 support, "Services" as described in Exhibit "A"; and

WHEREAS, Consultant submitted its Proposal, dated September 8, 2020 and

WHEREAS, on November 10, 2020, the Administration Committee of OCSD, by minute order, authorized execution of this Agreement between OCSD and Consultant; and

WHEREAS, OCSD has chosen Consultant to conduct Services in accordance with Ordinance No. OCSD-52; and

NOW, THEREFORE, in consideration of the mutual promises and mutual benefits exchanged between the Parties, the Parties mutually agree as follows:

1. Introduction

1.1 This Agreement and all exhibits hereto (called the "Agreement") is made by OCSD and the Consultant. The terms and conditions herein exclusively govern the purchase of Services as described in Exhibit "A".

1.2 Exhibits to this Agreement are incorporated by reference and made a part of this Agreement as though fully set forth at length herein.

Exhibit "A" Scope of Work
Exhibit "B" Proposal
Exhibit "C" Determined Insurance Requirement Form
Exhibit "D" Contractor Safety Standards
Exhibit "E" Human Resources Policies

1.3 In the event of any conflict or inconsistency between the provisions of this Agreement and any of the provisions of the exhibits hereto, the provisions of this Agreement shall in all respects govern and control.

1.4 This Agreement may not be modified, changed, or supplemented, nor may any obligations hereunder be waived or extensions of time for performance granted, except by written instrument signed by both Parties.

1.5 The various headings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any section or provision hereof.

- 1.6 The term “days”, when used in the Agreement, shall mean calendar days, unless otherwise noted as workdays.
- 1.7 The term “workday”. Workdays are defined as all days that are not Saturday, Sunday, or OCSD observed holidays. Meetings with OCSD staff shall be scheduled from Monday through Thursday between the hours of 8 a.m. and 4 p.m. (exception is Operations staff who maintain plant operations 24/7 and work a rotated 12-hour shift) and shall conform to OCSD work schedules. OCSD review periods shall not include OCSD observed holidays.
- 1.8 OCSD holidays (non-working days) are as follows: New Year’s Day, Lincoln’s Birthday, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve, and Christmas Day.
- 1.9 Work Hours: The work required under this Agreement may include normal business hours, evenings, and weekends. OCSD will not pay for travel time.
- 1.10 Consultant shall provide OCSD with all required premiums and/or overtime work at no charge beyond the total amount of the Agreement.
- 1.11 Except as expressly provided otherwise, OCSD accepts no liability for any expenses, losses, or action incurred or undertaken by Consultant as a result of work performed in anticipation of purchases of said services by OCSD.
2. **Scope of Work** Subject to the terms of this Agreement, Consultant shall perform the Services identified in Exhibit “A”. Consultant warrants that all of its Services shall be performed in a competent, professional, and satisfactory manner.
3. **Modifications to Scope of Work** Requests for modifications to the Scope of Work hereunder can be made by OCSD at any time. All modifications must be made in writing and signed by both Parties. A review of the time required for the modification will be made by OCSD and Consultant and the Agreement period adjusted accordingly.
4. **Compensation** Compensation to be paid by OCSD to Consultant for the Services provided under this Agreement shall be a total amount not to exceed One Hundred Sixty Thousand Dollars (\$160,000.00).
5. **California Department of Industrial Relations (DIR) Registration and Record of Wages**
 - 5.1 To the extent Consultant’s employees and/or subconsultants who will perform work for which Prevailing Wage Determinations have been issued by the DIR and as more specifically defined under Labor Code Section 1720 et seq, Consultant and subconsultants shall comply with the registration requirements of Labor Code Section 1725.5. Pursuant to Labor Code Section 1771.4, the work is subject to compliance monitoring and enforcement by the DIR.
 - 5.2 The Consultant and subconsultants shall maintain accurate payroll records and shall comply with all the provisions of Labor Code Section 1776, and shall submit payroll records to the Labor Commissioner pursuant to Labor Code 1771.4(a)(3). Penalties for non-compliance with the requirements of Section 1776 may be deducted from progress payments per Section 1776.
 - 5.3 Pursuant to Labor Code Section 1776, the Consultant and subconsultants shall furnish a copy of all certified payroll records to OCSD and/or general public upon request, provided

the public request is made through OCSD, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement of the Department of Industrial Relations.

- 5.4 The Consultant and subconsultants shall comply with the job site notices posting requirements established by the Labor Commissioner per Title 8, California Code of Regulation Section 16461(e).

6. Payment and Invoicing

- 6.1 OCSD shall pay, net thirty (30) days, upon receipt and approval, by OCSD's Project Manager or designee, of itemized invoices submitted monthly for Services rendered in accordance with Exhibit "A". OCSD, at its sole discretion, shall be the determining party as to whether the Services have been satisfactorily completed.

- 6.2 Invoices shall be emailed by Consultant to OCSD Accounts Payable at APStaff@OCSD.com and "INVOICE" with the Purchase Order Number and Sole Source No. 2337 shall be referenced in the subject line.

7. **Audit Rights** Consultant agrees that, during the term of this Agreement and for a period of three (3) years after its termination, OCSD shall have access to and the right to examine any directly pertinent books, documents, and records of Consultant relating to the invoices submitted by Consultant pursuant to this Agreement.

8. **Commencement and Term** The Services provided under this Agreement shall be for the period of one (1) year commencing on January 1, 2021 and continuing through December 31, 2021.

9. Renewals

- 9.1 OCSD may exercise the option to renew this Agreement for up to four (4) one-year periods, under the terms and conditions contained herein. OCSD shall make no obligation to renew nor give reason if it elects not to renew.

- 9.2 This Agreement may be renewed by OCSD Purchase Order.

10. **Extensions** The term of this Agreement may be extended only by written instrument signed by both Parties.

11. **Performance** Time is of the essence in the performance of the provisions hereof.

12. Termination

- 12.1 OCSD reserves the right to terminate this Agreement for its convenience, with or without cause, in whole or in part, at any time, by written notice from OCSD. Upon receipt of a termination notice, Consultant shall immediately discontinue all work under this Agreement (unless the notice directs otherwise). OCSD shall thereafter, within thirty (30) days, pay Consultant for work performed (cost and fee) to the date of termination. Consultant expressly waives any claim to receive anticipated profits to be earned during the uncompleted portion of this Agreement. Such notice of termination shall terminate this Agreement and release OCSD from any further fee, cost or claim hereunder by Consultant other than for work performed to the date of termination.

- 12.2 OCSD reserves the right to terminate this Agreement immediately upon OCSD's determination that Consultant is not complying with the Scope of Work requirements, if the level of service is inadequate, or any other default of this Agreement.

12.3 OCSD may also immediately terminate for default of this Agreement in whole or in part by written notice to Consultant:

- if Consultant becomes insolvent or files a petition under the Bankruptcy Act; or
- if Consultant sells its business; or
- if Consultant breaches any of the terms of this Agreement; or
- if total amount of compensation exceeds the amount authorized under this Agreement.

12.4 All OCSD property in the possession or control of Consultant shall be returned by Consultant to OCSD on demand, or at the termination of this Agreement, whichever occurs first.

13. Indemnification and Hold Harmless Provision Consultant shall assume all responsibility for damages to property and/or injuries to persons, including accidental death, which may arise out of or be caused by Consultant's services under this Agreement, or by its subconsultant(s) or by anyone directly or indirectly employed by Consultant, and whether such damage or injury shall accrue or be discovered before or after the termination of the Agreement. Except as to the sole active negligence of or willful misconduct of OCSD, Consultant shall indemnify, protect, defend and hold harmless OCSD, its elected and appointed officials, officers, agents and employees, from and against any and all claims, liabilities, damages or expenses of any nature, including attorneys' fees: (a) for injury to or death of any person or damage to property or interference with the use of property, arising out of or in connection with Consultant's performance under the Agreement, and/or (b) on account of use of any copyrighted or uncopyrighted material, composition, or process, or any patented or unpatented invention, article or appliance, furnished or used under the Agreement, and/or (c) on account of any goods and services provided under this Agreement. This indemnification provision shall apply to any acts or omissions, willful misconduct, or negligent misconduct, whether active or passive, on the part of Consultant or anyone employed by or working under Consultant. To the maximum extent permitted by law, Consultant's duty to defend shall apply whether or not such claims, allegations, lawsuits, or proceedings have merit or are meritless, or which involve claims or allegations that any of the parties to be defended were actively, passively, or concurrently negligent, or which otherwise assert that the parties to be defended are responsible, in whole or in part, for any loss, damage, or injury. Consultant agrees to provide this defense immediately upon written notice from OCSD, and with well qualified, adequately insured, and experienced legal counsel acceptable to OCSD. This section shall survive the expiration or early termination of the Agreement.

14. Insurance Consultant and all subconsultants shall purchase and maintain, throughout the life of this Agreement and any periods of warranty or extensions, insurance in amounts equal to the requirements set forth in the signed Determined Insurance Requirement Form, Exhibit "C". Consultant shall not commence work under this Agreement until all required insurance is obtained in a form acceptable to OCSD, nor shall Consultant allow any subconsultant to commence service pursuant to a subcontract until all insurance required of the subconsultant has been obtained. Failure to maintain required insurance coverage shall result in termination of this Agreement.

15. Confidentiality and Non-Disclosure

15.1 Consultant acknowledges that in performing the Services hereunder, OCSD may have to disclose to Consultant orally and in writing certain confidential information that OCSD considers proprietary and has developed at great expense and effort.

15.2 Consultant agrees to maintain in confidence and not disclose to any person, firm, or corporation, without OCSD's prior written consent, any trade secret or confidential information, knowledge or data relating to the products, process, or operation of OCSD.

15.3 Consultant further agrees to maintain in confidence and not to disclose to any person, firm, or corporation any data, information, technology, or material developed or obtained by Consultant during the term of this Agreement.

15.4 Consultant agrees as follows:

- To use the confidential information only for the purposes described herein; to not reproduce the confidential information; to hold in confidence and protect the confidential information from dissemination to and use by anyone not a party to this Agreement; and to not use the confidential information to benefit itself or others.
- To restrict access to the confidential information to its Consultant or personnel of Consultant who (1) have a need to have such access and (2) have been advised of and have agreed in writing to treat such information in accordance with the terms of this Agreement.
- To return all confidential information in Consultant's possession upon termination of this Agreement or upon OCSD's request, whichever occurs first.
- To hold in confidence information and materials, if any, developed pursuant to the Services hereunder.

15.5 The provisions of this section shall survive termination or expiration of this Agreement and shall continue for so long as the material remains confidential.

16. Ownership of Documents All drawings, specifications, reports, records, documents, memoranda, correspondence, computations, and other materials prepared by Consultant, its employees, subconsultants, and agents in the performance of this Agreement shall be the property of OCSD and shall be promptly delivered to OCSD upon request of OCSD's Project Manager or designee, or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by OCSD of its full rights of ownership of the documents and materials hereunder. Any use of such completed documents for other projects and/or use of incomplete documents without specific written authorization by the Consultant will be at OCSD's sole risk and without liability to Consultant. Consultant shall ensure that all its subconsultants shall provide for assignment to OCSD of any documents or materials prepared by them.

17. Ownership of Intellectual Property

17.1 Consultant agrees that all designs, plans, reports, specifications, drawings, schematics, prototypes, models, inventions, and all other information and items made during the course of this Agreement and arising from the Services (hereinafter referred to as "New Developments") shall be and are assigned to OCSD as its sole and exclusive property.

17.2 Consultant agrees to promptly disclose to OCSD all such New Developments. Upon OCSD's request, Consultant agrees to assist OCSD, at OCSD's expense, to obtain patents or copyrights for such New Developments, including the disclosure of all pertinent information and data with respect thereto, the execution of all applications, specifications, assignments, and all other instruments and papers which OCSD shall deem necessary to apply for and to assign or convey to OCSD, its successors and assigns, the sole and exclusive right, title and interest in such New Developments. Consultant agrees to obtain or has obtained written assurances from its employees and contract personnel of their agreement to the terms hereof with regard to New Developments and confidential information.

17.3 Consultant warrants that Consultant has good title to any New Developments, and the right to assign New Developments to OCSD free of any proprietary rights of any other party or any other encumbrance whatever.

17.4 The originals of all computations, drawings, designs, graphics, studies, reports, manuals, photographs, videotapes, data, computer files, and other documents prepared or caused to be prepared by Consultant or its subconsultants in connection with these Services shall be delivered to and shall become the exclusive property of OCSD. OCSD may utilize these documents for OCSD applications on other projects or extensions of this project, at its own risk.

18. No Solicitation of Employees

18.1 Consultant agrees that it shall not, during the term of this Agreement and for a period of one (1) year immediately following termination of this Agreement, or any extension hereof, call on, solicit, or take away any of the employees whom Consultant became aware of as a result of Consultant's Services to OCSD.

18.2 Consultant acknowledges that OCSD's employees are critical to its business and OCSD expends significant resources to hire, employ, and train employees. Should Consultant employ or otherwise engage OCSD's employees during the term of this Agreement and for a period of one (1) year following termination of this Agreement, Consultant will pay OCSD fifty percent (50%) of the former employee's most recent annual salary earned at OCSD to accurately reflect the reasonable value of OCSD's time and costs. This payment is in addition to any other rights and remedies OCSD may have at law.

19. Independent Contractor Capacity

19.1 The relationship of Consultant to OCSD is that of an independent contractor and nothing herein shall be construed as creating an employment or agency relationship.

19.2 Consultant shall act independently and not as an officer or employee of OCSD. OCSD assumes no liability for Consultant's action and performance, nor assumes responsibility for taxes, funds, payments or other commitments, implied or expressed, by or for Consultant.

19.3 Consultant shall not be considered an agent of OCSD for any purpose whatsoever, nor shall Consultant have the right to, and shall not, commit OCSD to any agreement, contract or undertaking. Consultant shall not use OCSD's name in its promotional material or for any advertising or publicity purposes without expressed written consent.

19.4 Consultant shall not be entitled to any benefits accorded to those individuals listed on OCSD's payroll as regular employees including, without limitation, worker's compensation, disability insurance, vacation, holiday or sick pay. Consultant shall be responsible for providing, at Consultant's expense, disability, worker's compensation or other insurance as well as licenses and permits usual or necessary for conducting the Services hereunder.

19.5 Consultant shall be obligated to pay any and all applicable Federal, State and local payroll and other taxes incurred as a result of fees hereunder. Consultant hereby indemnifies OCSD for any claims, losses, costs, fees, liabilities, damages or penalties suffered by OCSD arising out of Consultant's breach of this provision.

19.6 Consultant shall not be eligible to join or participate in any benefit plans offered to those individuals listed on OCSD's payroll as regular employees. Consultant shall remain ineligible for such benefits or participation in such benefit plans even if a court later decides that OCSD misclassified Consultant for tax purposes.

20. **Licenses, Permits** Consultant represents and warrants to OCSD that it has obtained all licenses, permits, qualification and approvals of whatever nature that are legally required to engage in this work. Any and all fees required by Federal, State, County, City and/or municipal laws, codes and/or tariffs that pertain to work performed under the terms of this Agreement will be paid by Consultant.
21. **Consultant's Representations** In the performance of duties under this Agreement, Consultant shall adhere to the highest fiduciary standards, ethical practices and standards of care and competence for their trade/profession. Consultant agrees to comply with all applicable Federal, State and local laws and regulations.
22. **Familiarity with Work** By executing this Agreement, Consultant warrants that: 1) it has investigated the work to be performed; 2) it has investigated the site of the work and is aware of all conditions there; and 3) it understands the facilities, difficulties and restrictions of the work under this Agreement. Should Consultant discover any latent or unknown conditions materially differing from those inherent in the work or as represented by OCSD, it shall immediately inform OCSD of this and shall not proceed, except at Consultant's risk, until written instructions are received from OCSD.
23. **Right to Review Services, Facilities, and Records**
- 23.1 OCSD reserves the right to review any portion of the Services performed by Consultant under this Agreement, and Consultant agrees to cooperate to the fullest extent possible.
- 23.2 Consultant shall furnish to OCSD such reports, statistical data, and other information pertaining to Consultant's Services as shall be reasonably required by OCSD to carry out its rights and responsibilities under its agreements with its bondholders or noteholders and any other agreement relating to the development of the project(s) and in connection with the issuance of its official statements and other prospectuses with respect to the offering, sale, and issuance of its bonds and other obligations.
- 23.3 The right of OCSD to review or approve drawings, specifications, procedures, instructions, reports, test results, calculations, schedules, or other data that are developed by Consultant shall not relieve Consultant of any obligation set forth herein.
24. **Force Majeure** Neither party shall be liable for delays caused by accident, flood, acts of God, fire, labor trouble, war, acts of government or any other cause beyond its control, but said party shall use reasonable efforts to minimize the extent of the delay. Work affected by a Force Majeure condition may be rescheduled by mutual consent or may be eliminated from the Agreement.
25. **Severability** If any section, subsection, or provision of this Agreement, or any agreement or instrument contemplated hereby, or the application of such section, subsection, or provision is held invalid, the remainder of this Agreement or instrument in the application of such section, subsection or provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby, unless the effect of such invalidity shall be to substantially frustrate the expectations of the Parties.
26. **Waiver** The waiver of either party of any breach or violation of, or default under, any provision of this Agreement, shall not be deemed a continuing waiver by such party of any other provision or of any subsequent breach or violation of this Agreement or default thereunder. Any breach by Consultant to which OCSD does not object shall not operate as a waiver of OCSD's rights to seek remedies available to it for any subsequent breach.

27. **Remedies** In addition to other remedies available in law or equity, if the Consultant fails to make delivery of the goods or Services or repudiates its obligations under this Agreement, or if OCSD rejects the goods or Services or revokes acceptance of the goods or Services, OCSD may (1) terminate the Agreement; (2) recover whatever amount of the purchase price OCSD has paid, and/or (3) “cover” by purchasing, or contracting to purchase, substitute goods or Services for those due from Consultant. In the event OCSD elects to “cover” as described in (3), OCSD shall be entitled to recover from Consultant as damages the difference between the cost of the substitute goods or Services and the Agreement price, together with any incidental or consequential damages.
28. **Governing Law** This Agreement shall be governed by and interpreted under the laws of the State of California and the Parties submit to jurisdiction in Orange County, in the event any action is brought in connection with this Agreement or the performance thereof.
29. **Environmental Compliance** Consultant shall, at its own cost and expense, comply with all Federal, State, and local environmental laws, regulations, and policies which apply to the Consultant, its sub-consultants, and the Services, including, but not limited to, all applicable Federal, State, and local air pollution control laws and regulations.
30. **Attorney’s Fees** If any action at law or inequity or if any proceeding in the form of an Alternative Dispute Resolution (ADR) is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which it may be entitled.
31. **Dispute Resolution**
- 31.1 In the event of a dispute as to the construction or interpretation of this Agreement, or any rights or obligations hereunder, the Parties shall first attempt, in good faith, to resolve the dispute by mediation. The Parties shall mutually select a mediator to facilitate the resolution of the dispute. If the Parties are unable to agree on a mediator, the mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Agreement, through the alternate dispute resolution procedures of Judicial Arbitration through Mediation Services of Orange County ("JAMS"), or any similar organization or entity conducting an alternate dispute resolution process.
- 31.2 In the event the Parties are unable to timely resolve the dispute through mediation, the issues in dispute shall be submitted to arbitration pursuant to California Code of Civil Procedure, Part 3, Title 9, Sections 1280 et seq. For such purpose, an agreed arbitrator shall be selected, or in the absence of agreement, each party shall select an arbitrator, and those two (2) arbitrators shall select a third. Discovery may be conducted in connection with the arbitration proceeding pursuant to California Code of Civil Procedure Section 1283.05. The arbitrator, or three (3) arbitrators acting as a board, shall take such evidence and make such investigation as deemed appropriate and shall render a written decision on the matter in question. The arbitrator shall decide each and every dispute in accordance with the laws of the State of California. The arbitrator's decision and award shall be subject to review for errors of fact or law in the Superior Court for the County of Orange, with a right of appeal from any judgment issued therein.
32. **Damage to OCSD's Property** Any OCSD property damaged by Consultant will be subject to repair or replacement by Consultant at no cost to OCSD.
33. **Contractor Safety Standards** OCSD requires Consultant and its subconsultants to follow and ensure their employees follow all Federal, State and local regulations as well as Contractor Safety Standards while working at OCSD locations. If during the course of the

Agreement it is discovered that Contractor Safety Standards do not comply with Federal, State or local regulations, then the Consultant is required to follow the most stringent regulatory requirement at no additional cost to OCSD. Consultant and all of its employees and subconsultants, shall adhere to all applicable Contractor Safety Standards attached hereto in Exhibit "D" and the Human Resources Policies in Exhibit "E".

34. **Freight (F.O.B. Destination)** Consultant assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all products deemed necessary under this Agreement.
35. **Assignments** Consultant shall not delegate any duties nor assign any rights under this Agreement without the prior written consent of OCSD. Any such attempted delegation or assignment shall be void.
36. **Conflict of Interest and Reporting**
 - 36.1 Consultant shall at all times avoid conflicts of interest or appearance of conflicts of interest in performance of this Agreement.
 - 36.2 Consultant affirms that to the best of its knowledge there exists no actual or potential conflict between Consultant's families, business or financial interest or its Services under this Agreement, and in the event of change in either its private interests or Services under this Agreement, it will raise with OCSD any question regarding possible conflict of interest which may arise as a result of such change.
37. **Third Party Rights** Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than OCSD and Consultant.
38. **Non-Liability of OCSD Officers and Employees** No officer or employee of OCSD shall be personally liable to Consultant, or any successor-in-interest, in the event of any default or breach by OCSD or for any amount which may become due to Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.
39. **Authority to Execute** The persons executing this Agreement on behalf of the Parties warrant that they are duly authorized to execute this Agreement and that by executing this Agreement, the Parties are formally bound.
40. **Read and Understood** By signing this Agreement, Consultant represents that it has read and understood the terms and conditions of the Agreement.
41. **Entire Agreement** This Agreement constitutes the entire agreement of the Parties and supersedes all prior written or oral and all contemporaneous oral agreements, understandings, and negotiations between the Parties with respect to the subject matter hereof.

42. **Notices** All notices under this Agreement must be in writing. Written notice shall be delivered by personal service or sent by registered or certified mail, postage prepaid, return receipt requested, or by any other overnight delivery service which delivers to the noticed destination and provides proof of delivery to the sender. Any facsimile notice must be followed within three (3) days by written notice. Rejection or other refusal to accept or the inability to deliver because of changed address for which no notice was given as provided hereunder shall be deemed to be receipt of the notice, demand or request sent. All notices shall be effective when first received at the following addresses:

OCSD: Jackie Lagade
Principal Buyer
Orange County Sanitation District
10844 Ellis Avenue
Fountain Valley, CA 92708-7018

Consultant: Lori Wilkins
Director, Contracts
Total Resource Management, Inc.
5695 King Centre Drive, Suite 200
Alexandria, VA 22315

Each party shall provide the other party written notice of any change in address as soon as practicable.

IN WITNESS WHEREOF, intending to be legally bound, the Parties hereto have caused this Agreement to be signed by the duly authorized representatives.

ORANGE COUNTY SANITATION DISTRICT

Dated: _____ By: _____
Chad Wanke
Chair, Administration Committee

Dated: _____ By: _____
Kelly A. Lore
Clerk of the Board

Dated: _____ By: _____
Ruth Zintzun
Purchasing & Contracts Manager

TOTAL RESOURCE MANAGEMENT, INC.

Dated: _____ By: _____

Print Name and Title of Officer

EXHIBIT "A"
SCOPE OF WORK
IBM-MAXIMO Emergency and Level 3 Support
Sole Source #2337

The Orange County Sanitation District (OCSD) operates the third largest wastewater agency west of the Mississippi River. Since 1954, OCSD has safely collected, treated, and disposed of and/or reclaimed the wastewater generated by 2.6 million people living and working in central and northwestern Orange County, California.

A professional staff of more than 600 employees manages the day-to-day activities of OCSD. OCSD's facilities include 587 miles of sewer pipes, located throughout the county, and 2 treatment plants – one in Fountain Valley, CA and the other in Huntington Beach, CA – where wastewater is treated in accordance with strict Federal, State, and local standards.

1. Project Background

OCSD is utilizing IBM-MAXIMO as the core software for its Enterprise Asset Management Program. OCSD is running IBM-MAXIMO version 7.6.1.0 on IBM WebSphere 9.0.0.10. Within the next several months, OCSD will be upgrading to IBM-MAXMIO version 7.6.1.2. OCSD currently has four different IBM-MAXIMO environments installed (Vanilla, Development, Training, and Production). The IBM-MAXIMO environments are installed on Microsoft Windows Server 2016 64-bit server on VMWare. The IBM-MAXIMO database resides on a Microsoft SQL Server 2016 64-bit on VMWare. OCSD also utilizes IBM-SCHEDULER version 7.6.7.1, IBM-TRANSPORTATION version 7.6.2.5, IBM-SPATIAL version 7.6.0.5, TRM's Rules Manager Studio, and TRM's LOTO Module to provide additional functionality for the IBM-MAXIMO software.

2. Purpose

The purpose of this project is for OCSD to contract with Consultant to provide remote Emergency and Level 3 support for IBM-MAXIMO. This is an on-call support contract on an as needed basis and no hours are guaranteed. OCSD will be billed at the agreed upon hourly rate as specified within the contract. Based on past history, OCSD is predicting 1,000 hours of support will be required within the next several years (but no hours are guaranteed).

3. Scope

Consultant will provide a qualified technical resource in a timely manner for level 3 support request and one (1) hour for an emergency support request. Emergency support is defined as OCSD's IBM-MAXIMO production system is down.

OCSD is seeking support for but not limited to, the following modules/applications:

- IBM WebSphere
- Inventory
- Purchasing
- Self-Service (Desktop Requisition and Service Request)
- Asset and Location
- Work Order Management
- Planning and Scheduling
- Spatial / GIS
- Preventive Maintenance
- Job Plans

- Application Development and Support
- Rules Manager
- Integration between IBM-MAXIMO and OCSD's system such as the Financial System, Time Card System (Workforce Software), GIS, and etc...
- Transportation
- LOTO

4. Staff Assistance

The Consultant will be assigned a single point of contact on this contract. Any meetings and/or correspondence related to this project shall be scheduled and approved by OCSD's assigned representative.



Orange County Sanitation District

Administration Building
10844 Ellis Avenue
Fountain Valley, CA 92708
(714) 593-7433

ADMINISTRATION COMMITTEE

Agenda Report

File #: 2020-1311

Agenda Date: 11/10/2020

Agenda Item No: 5.

FROM: James D. Herberg, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

CORITY PLATFORM IMPLEMENTATION - MY CORITY, INDUSTRIAL HYGIENE, AND ERGONOMICS

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Authorize a Purchase Order to Cority Software Inc. for the implementation and annual software maintenance of myCority, Industrial Hygiene, and Ergonomics, using the approved U.S. General Services Agreement (GSA) IT Schedule 70 (M.O. 5/25/16, Item #13), for a total amount not to exceed \$134,834, in accordance with Ordinance No. OCSD-52, Section 2.03(B) Cooperative Purchases; and
- B. Approve a contingency in the amount of \$13,483 (10%).

BACKGROUND

The Orange County Sanitation District (Sanitation District) is seeking to enhance existing Cority software to provide a safer workplace for staff and maintain compliance with the state of California Occupational Safety and Health Administration (Cal OSHA) regulations regarding industrial hygiene, ergonomics, auditing, and workplace reporting.

The Sanitation District currently utilizes a Microsoft Access database to manage industrial hygiene exposure data. The database is limited in its functionality and has inefficiencies with data entry. The Sanitation District is seeking to leverage Cority Software Inc. (Cority) Industrial Hygiene module to perform statistical analysis of exposure results to make better decisions regarding engineering controls and personal protective equipment, ultimately saving time and money for the Sanitation District. The Industrial Hygiene module also allows for laboratory and other survey reports to be retained in the system, notify employees of their exposure results, streamline data entry, enable multiple users to enter data simultaneously, create sampling plans, and track surveys to completion.

The Sanitation District currently uses a SharePoint site to manage office-based ergonomic evaluations. The SharePoint site is also limited in functionality as it only permits safety staff to be notified when an assessment is initially requested and when the assessment is closed out. The Sanitation District is seeking to leverage Cority's Ergonomics module for ergonomic assessment

requests, identify risks, assign corrective actions, perform audits for both industrial and office workplaces, and track audits to completion.

The Sanitation District is also seeking to upgrade to myCority, which is a simplified user interface which will enhance the existing Cority system. The myCority upgrade will provide a more streamlined process for employees to complete safety tasks such as the submission of near misses, observations, injury reports, and the completion of inspections. Additionally, myCority is available for use on tablets and mobile phones, providing greater mobility options and improving accuracy of the information collected while reducing duplication of documentation efforts.

RELEVANT STANDARDS

- Commitment to safety & reducing risk in all operations
- Protect Orange County Sanitation District assets
- Provide a safe and collegial workplace
- Meet OSHA training requirements
- Ensure the public's money is wisely spent
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard

PROBLEM

The current system and process for collecting Industrial Hygiene information is limited in its function, inefficient, and does not permit transparent communication with the Sanitation District employees regarding exposures to hazardous chemicals. The current SharePoint site for ergonomics does not permit tracking of corrective actions or facilitate identifying and mitigating risks. The existing interface for Cority requires staff to input information from the office while the end user predominately completes these actions and submissions while in the field.

PROPOSED SOLUTION

To provide a greater level of safety and health to the Sanitation District employees, the Risk Management Division and Information Technology Division request to purchase the Industrial Hygiene module and Ergonomics module, as well as upgrade to myCority. These modules will enable the Risk Management Division to better assess the hazards and risks associated with the Sanitation District staff as it relates to industrial hygiene and ergonomics. Risk Management will be able to provide better guidance regarding engineering controls, administrative controls, and personal protective equipment.

TIMING CONCERNS

Safety and health records of the workforce generated by the Risk Management Division continue to augment as days/months go by, thus increasing the difficulty of maintaining quality data. Risk Management will continue to be overwhelmed with maintaining manual records which could potentially result in errors and non-compliance of regulatory requirements.

RAMIFICATIONS OF NOT TAKING ACTION

A decision not to purchase the Cority solution would result in continued inefficiencies, limitations in responding to employee requests, evaluating hazards, and determining appropriate safety controls.

PRIOR COMMITTEE/BOARD ACTIONS

May 2016 - Authorized purchases of information technology hardware, software, services, and licensing & maintenance agreements using the U.S. General Services Agreement (GSA) IT Schedule 70.

ADDITIONAL INFORMATION

- Cority Occupational Health System was implemented in April 2017 and is being used by the Sanitation District's Risk Management Division. The cost of implementation was \$32,000.
- Cority Safety Management System was implemented in April 2019 and is being used by the Sanitation District's Risk Management Division. The cost of implementation was \$38,000.
- Current annual maintenance cost for Cority Occupational Health and Safety Management modules \$55,861.
- Cority annual maintenance cost will be increased by \$40,112 after this purchase, and the new total annual maintenance cost would be \$95,972.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of the Sanitation District's Purchasing Ordinance. This item has been budgeted. (FY2020-21 & 2021-22 Budget, Section 8, Page 49, Information Technology Capital Program (M-MC-IT)).

ATTACHMENT

The following attachment(s) may be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

N/A



Orange County Sanitation District

Administration Building
10844 Ellis Avenue
Fountain Valley, CA 92708
(714) 593-7433

ADMINISTRATION COMMITTEE

Agenda Report

File #: 2020-1309

Agenda Date: 11/10/2020

Agenda Item No: 6.

FROM: James D. Herberg, General Manager
Originator: Lan C. Wiborg, Director of Environmental Services

SUBJECT:

PFAS INVESTIGATIVE ORDER

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Professional Services Agreement to CDM Smith, Inc. (CDM Smith) to provide PFAS Sampling and Analysis Services, Specification No. CS-2020-1178BD, for a total amount not to exceed \$369,006; and
- B. Approve a contingency in the amount of \$55,351 (15%).

BACKGROUND

The Orange County Sanitation District (Sanitation District) received a Per- and Poly-fluoroalkyl Substances (PFAS) Phase III Investigative Order WQ-2020-0015-DWQ (Order) from the State Water Resources Control Board (SWRCB) on July 13, 2020. The SWRCB is authorized by Water Code Sections 13267 and 13383 to require suspected dischargers of PFAS into the environment to furnish technical or monitoring reports of the release or the disposal of waste containing PFAS. The Order requires the Sanitation District to sample and analyze wastewater influent, effluent, and biosolids at both Reclamation Plant No. 1 and Treatment Plant No. 2 quarterly for a period of one year.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard
- Protect Orange County Sanitation District assets
- Commitment to safety & reducing risk in all operations

PROBLEM

PFAS are ubiquitous and can be found in many consumer products used daily, including cosmetics, personal care products, clothing, equipment, and materials. Therefore, there are significant challenges associated with sampling and analyzing for PFAS due to high potential for cross-contamination. In addition, these chemicals are very complex in nature and the Sanitation District

has limited experience in sampling and analyzing these chemicals. Therefore, the Sanitation District requires external expert support with the sampling and analysis to ensure the collection, analysis, and reporting are conducted in accordance with the Order. An experienced service provider is also needed to assist the Sanitation District with building internal capacity for PFAS sampling and analysis.

PROPOSED SOLUTION

The Sanitation District proposes hiring the above-listed qualified consulting firm (Consultant) to assist the Sanitation District with meeting the requirements of the Order, which will require the development of work plans, final reports, and presentations associated with the PFAS sampling and analysis for sites located at Reclamation Plant No. 1 and Treatment Plant No. 2. The Sanitation District will also require PFAS sampling and analysis at twelve (12) additional locations to determine PFAS loading to the Sanitation District's facilities. Lastly, the Consultant will provide written documentation to and training for Sanitation District staff on PFAS sampling at select locations within the Sanitation District's facilities and service area.

TIMING CONCERNS

As written, the Order requires the first quarterly sampling event to take place during the second quarter of the Sanitation District's Fiscal Year 2020-2021 (October to December 2020).

However, the SWRCB postponed the project kickoff to the third quarter of Fiscal Year 2020-2021 (January to March 2021), but is requiring the Sanitation District to conduct two sets of sampling events within this timeframe to retain the original project end date.

Board approval of this Professional Service Agreement will enable Sanitation District staff and Consultant to meet the Order's key deadlines.

RAMIFICATIONS OF NOT TAKING ACTION

If a consultant is not hired to conduct the PFAS sampling and analysis, the lack of internal expertise of Sanitation District staff may result in non-compliance with the Order and/or unreliable data.

ADDITIONAL INFORMATION

On July 9, 2020, the Sanitation District issued a Request for Proposals (RFP) to hire a Consultant to provide PFAS Sampling and Analysis Services. The following evaluation criterion were described in the RFP and used to determine the most qualified firm.

CRITERION	WEIGHT
1. Qualifications of the Firm	30%
2. Staffing and Project Organization	20%
3. Work Plan	20%
4. Oral Interviews	10%
5. Cost	20%

The RFP closed on September 1, 2020. The Sanitation District received responses from eight (8) companies. The RFP evaluation team consisted of three (3) Sanitation District staff and included a Resource Protection Division Engineering Supervisor, Laboratory Principal Environmental Specialist, and Environmental Compliance Senior Regulatory Specialist. This RFP used the individual scoring method. The evaluation team first reviewed and scored the proposals based upon the first three criteria listed above.

Rank	Proposer	Criterion 1 (Max 30%)	Criterion 2 (Max 20%)	Criterion 3 (Max 20%)	Subtotal Score (Max 70%)
1	CDM Smith	24	15	17	56
2	AECOM	20	14	14	48
3	TRC Companies, Inc.	19	13	12	44
4	Parsons	18	10	9	37
5	Geosyntec	17	9	10	36
6	GHD	18	9	9	36
7	Wood Environment	16	11	9	36
8	Trihydro Corp.	15	10	9	34

The three highest ranking firms, CDM Smith, AECOM, and TRC Companies, Inc. (TRC) were selected for interviews. The interviews were conducted from October 7 to October 8, 2020. Following the interviews, the evaluation team ranked the firms based on both the proposals and interviews using the evaluation criteria and weighting listed above.

Rank	Proposer	Subtotal Score (Max 70%)	Interview (Max 10%)	Total Weighted Score (Max 80%)
1	CDM Smith	56	7	63
2	AECOM	48	7	55
3	TRC Companies, Inc.	44	6	50

All proposals were accompanied by a sealed cost proposal. Only the cost proposals for the two highest ranked firms were opened and negotiated.

Rank	Proposer	Subtotal Score (Max 80%)	Cost (Max 20%)	Total Weighted Score (Max 100%)
1	CDM Smith	63	13	76
2	AECOM	55	20	75

Based on these results, staff recommends awarding the Agreement to CDM Smith. The term of this Agreement will begin upon the effective date of the Notice to Proceed.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of the Sanitation District's Purchasing Ordinance. This item has been budgeted. (FY2020-21 & 2021-22 Budget, Environmental Services Division Program).

ATTACHMENT

The following attachment(s) may be viewed on-line at the Sanitation District's website (www.ocsd.com) with the complete agenda package:

- Draft Professional Services Agreement

PROFESSIONAL SERVICES AGREEMENT
PFAS Sampling and Analysis Plan
Specification No. CS-2020-1178BD

THIS AGREEMENT is made and entered into as of the date fully executed below, by and between Orange County Sanitation District, with a principal place of business at 10844 Ellis Avenue, Fountain Valley, CA 92708 (hereinafter referred to as "OCSD") and [_____] with a principal place of business at [_____] (hereinafter referred to as "Consultant") collectively referred to as the "Parties".

WITNESSETH

WHEREAS, based on Consultant's expertise and experience, OCSD desires to temporarily engage Consultant to provide assistance in meeting the anticipated requirements of the State Water Resources Control Board's (SWRCB's) Per- and Poly-fluoroalkyl Substances (PFAS) Phase III Investigative Order (Order) "Services" as described in Exhibit "A"; and

WHEREAS, Consultant submitted its Proposal, dated [____]; and

WHEREAS, on [____], the Board of Directors of OCSD, by minute order, authorized execution of this Agreement between OCSD and Consultant; and

WHEREAS, OCSD has chosen Consultant to conduct Services in accordance with Ordinance No. OCSD-52; and

NOW, THEREFORE, in consideration of the mutual promises and mutual benefits exchanged between the Parties, the Parties mutually agree as follows:

1. Introduction

1.1 This Agreement and all exhibits hereto (called the "Agreement") is made by OCSD and the Consultant. The terms and conditions herein exclusively govern the purchase of Services as described in Exhibit "A".

1.2 Exhibits to this Agreement are incorporated by reference and made a part of this Agreement as though fully set forth at length herein.

Exhibit "A" Scope of Work
Exhibit "B" Proposal
Exhibit "C" Acknowledgement of Insurance Requirements
Exhibit "D" OCSD Safety Standards and
Safety SOP-102 Personal Protective Equipment (PPE)
Exhibit "E" Human Resources Policies

1.3 In the event of any conflict or inconsistency between the provisions of this Agreement and any of the provisions of the exhibits hereto, the provisions of this Agreement shall in all respects govern and control.

1.4 This Agreement may not be modified, changed, or supplemented, nor may any obligations hereunder be waived or extensions of time for performance granted, except by written instrument signed by both Parties.

- 1.5 The various headings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any section or provision hereof.
- 1.6 The term “days”, when used in the Agreement, shall mean calendar days, unless otherwise noted as workdays.
- 1.7 The term “workday”. Workdays are defined as all days that are not Saturday, Sunday, or OCSD observed holidays. OCSD review periods shall not include OCSD observed holidays.
- 1.8 OCSD holidays (non-working days) are as follows: New Year’s Day, Lincoln’s Birthday, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve, and Christmas Day.
- 1.9 Work Hours: All work with OCSD staff shall be scheduled Monday through Thursday, between the hours of 7:30 a.m. and 4:30 p.m. OCSD will not pay for travel time.
- 1.10 Consultant shall provide OCSD with all required premiums and/or overtime work at no charge beyond the total amount of the Agreement.
- 1.11 Except as expressly provided otherwise, OCSD accepts no liability for any expenses, losses, or action incurred or undertaken by Consultant as a result of work performed in anticipation of purchases of said Services by OCSD.

2. Scope of Work

- 2.1 Consultant agrees to furnish necessary professional Services to accomplish those project elements outlined in the Scope of Work attached hereto as "Exhibit A", and by this reference made a part of this Agreement.
- 2.2 The Consultant shall be responsible for the professional quality, technical accuracy, and completeness and coordination of the work and Services furnished by the Consultant under this Agreement, including the work performed by its subconsultants and subcontractors. Where approval by OCSD is indicated, it is understood to be conceptual approval only and does not relieve the Consultant of responsibility for complying with all applicable laws, regulations, codes, industry standards and liability for damages caused by errors, omissions, noncompliance with industry standards, and/or negligence on the part of the Consultant or its subconsultants or subcontractors.
- 2.3 Consultant is responsible for the quality of work prepared under this Agreement and shall ensure that all work is performed to the highest industry standards for clarity, uniformity, and completeness. Consultant shall timely respond to all comments, suggestions, and recommendations from OCSD. All comments from OCSD, or its agent, shall be incorporated into the work prior to the next review deadline or addressed, in writing, as to why the comment(s) has/have not been incorporated. Consultant shall ensure that each submittal is 100% accurate for the level of work submitted (i.e. correct references, terms, capitalization, spelling, punctuation, etc.).
- 2.4 In the event that Consultant's services and/or work product(s) is not to the satisfaction of the OCSD and/or does not conform to the requirements of this Agreement or the applicable industry standards, the Consultant shall, without additional compensation, promptly correct or revise any errors or deficiencies in its work product(s) within the timeframe specified by the Project Manager. OCSD may charge to Consultant all costs, expenses and damages associated with any such corrections or revisions.

- 2.5 All Services performed by the Consultant, including, but not limited to, all drafts, data, correspondence, proposals, and reports compiled or composed by the Consultant, pursuant to this Agreement, are for the sole use of OCSD, its agents and employees. Neither the documents nor their contents shall be released to any third party without the prior written consent of OCSD. This provision does not apply to information that (a) was publicly known, or otherwise known to the Consultant, at the time that it was disclosed to the Consultant by OCSD, or (b) subsequently becomes publicly known to the Consultant other than through disclosure by OCSD.
- 2.6 Consultant warrants that all of its Services shall be performed in a competent, professional, and satisfactory manner.
3. **Modifications to Scope of Work** Requests for modifications to the Scope of Work hereunder can be made by OCSD at any time. All modifications must be made in writing and signed by both Parties. A review of the time required for the modification will be made by OCSD and Consultant and the Agreement period adjusted accordingly.
4. **Compensation** Compensation to be paid by OCSD to Consultant for the Services provided under this Agreement shall be a total amount not to exceed [_____] Dollars (\$[_____]00).
5. **California Department of Industrial Relations (DIR) Registration and Record of Wages**
- 5.1 To the extent Consultant's employees and/or subconsultants who will perform work for which Prevailing Wage Determinations have been issued by the DIR and as more specifically defined under Labor Code Section 1720 et seq, Consultant and subconsultants shall comply with the registration requirements of Labor Code Section 1725.5. Pursuant to Labor Code Section 1771.4, the work is subject to compliance monitoring and enforcement by the DIR.
- 5.2 The Consultant and subconsultants shall maintain accurate payroll records and shall comply with all the provisions of Labor Code Section 1776, and shall submit payroll records to the Labor Commissioner pursuant to Labor Code 1771.4(a)(3). Penalties for non-compliance with the requirements of Section 1776 may be deducted from progress payments per Section 1776.
- 5.3 Pursuant to Labor Code Section 1776, the Consultant and subconsultants shall furnish a copy of all certified payroll records to OCSD and/or general public upon request, provided the public request is made through OCSD, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement of the Department of Industrial Relations.
- 5.4 The Consultant and subconsultants shall comply with the job site notices posting requirements established by the Labor Commissioner per Title 8, California Code of Regulation Section 16461(e).
6. **Payment and Invoicing**
- 6.1 OCSD shall pay, net thirty (30) days, upon receipt and approval, by OCSD's Project Manager or designee, of itemized invoices submitted for Milestones completed in accordance with Exhibit "A", not to exceed the prices agreed to in Exhibit "B". OCSD, at its sole discretion, shall be the determining party as to whether the Milestones have been satisfactorily completed.

- 6.2 Invoices shall be emailed by Consultant to OCSD Accounts Payable at APStaff@OCSD.com and "INVOICE" with the Purchase Order Number and CS-2020-1178BD shall be referenced in the subject line.
7. **Audit Rights** Consultant agrees that, during the term of this Agreement and for a period of three (3) years after its termination, OCSD shall have access to and the right to examine any directly pertinent books, documents, and records of Consultant relating to the invoices submitted by Consultant pursuant to this Agreement.
8. **Commencement and Term** The Services provided under this Agreement shall be for the period of one (1) year commencing on the date of the Notice to Proceed.
9. **Renewals**
- 9.1 OCSD may exercise the option to renew this Agreement for up to four (4) one-year periods, under the terms and conditions contained herein. OCSD shall make no obligation to renew nor give reason if it elects not to renew.
- 9.2 This Agreement may be renewed by OCSD Purchase Order.
10. **Extensions** The term of this Agreement may be extended only by written instrument signed by both Parties.
11. **Performance** Time is of the essence in the performance of the provisions hereof.
12. **Termination**
- 12.1 OCSD reserves the right to terminate this Agreement for its convenience, with or without cause, in whole or in part, at any time, by written notice from OCSD. Upon receipt of a termination notice, Consultant shall immediately discontinue all work under this Agreement (unless the notice directs otherwise). OCSD shall thereafter, within thirty (30) days, pay Consultant for work performed (cost and fee) to the date of termination. Consultant expressly waives any claim to receive anticipated profits to be earned during the uncompleted portion of this Agreement. Such notice of termination shall terminate this Agreement and release OCSD from any further fee, cost or claim hereunder by Consultant other than for work performed to the date of termination.
- 12.2 OCSD reserves the right to terminate this Agreement immediately upon OCSD's determination that Consultant is not complying with the Scope of Work requirements, if the level of service is inadequate, or any other default of this Agreement.
- 12.3 OCSD may also immediately terminate for default of this Agreement in whole or in part by written notice to Consultant:
- if Consultant becomes insolvent or files a petition under the Bankruptcy Act; or
 - if Consultant sells its business; or
 - if Consultant breaches any of the terms of this Agreement; or
 - if total amount of compensation exceeds the amount authorized under this Agreement.
- 12.4 All OCSD property in the possession or control of Consultant shall be returned by Consultant to OCSD on demand, or at the termination of this Agreement, whichever occurs first.

- 13. Indemnification and Hold Harmless Provision** Consultant shall assume all responsibility for damages to property and/or injuries to persons, including accidental death, which may arise out of or be caused by Consultant's services under this Agreement, or by its subconsultant(s) or by anyone directly or indirectly employed by Consultant, and whether such damage or injury shall accrue or be discovered before or after the termination of the Agreement. Except as to the sole active negligence of or willful misconduct of OCSD, Consultant shall indemnify, protect, defend and hold harmless OCSD, its elected and appointed officials, officers, agents and employees, from and against any and all claims, liabilities, damages or expenses of any nature, including attorneys' fees: (a) for injury to or death of any person or damage to property or interference with the use of property, arising out of or in connection with Consultant's performance under the Agreement, and/or (b) on account of use of any copyrighted or uncopyrighted material, composition, or process, or any patented or unpatented invention, article or appliance, furnished or used under the Agreement, and/or (c) on account of any goods and services provided under this Agreement. This indemnification provision shall apply to any acts or omissions, willful misconduct, or negligent misconduct, whether active or passive, on the part of Consultant or anyone employed by or working under Consultant. To the maximum extent permitted by law, Consultant's duty to defend shall apply whether or not such claims, allegations, lawsuits, or proceedings have merit or are meritless, or which involve claims or allegations that any of the parties to be defended were actively, passively, or concurrently negligent, or which otherwise assert that the parties to be defended are responsible, in whole or in part, for any loss, damage, or injury. Consultant agrees to provide this defense immediately upon written notice from OCSD, and with well qualified, adequately insured, and experienced legal counsel acceptable to OCSD. This section shall survive the expiration or early termination of the Agreement.
- 14. Insurance** Consultant and all subconsultants shall purchase and maintain, throughout the life of this Agreement and any periods of warranty or extensions, insurance in amounts equal to the requirements set forth in the signed Acknowledgement of Insurance Requirements, Exhibit "C". Consultant shall not commence work under this Agreement until all required insurance is obtained in a form acceptable to OCSD, nor shall Consultant allow any subconsultant to commence service pursuant to a subcontract until all insurance required of the subconsultant has been obtained. Failure to maintain required insurance coverage shall result in termination of this Agreement.
- 15. Key Personnel** Personnel, as provided in Exhibit "B", are considered "key" to the work under this Agreement and will be available for the term of the Agreement. No person designated as key under this Agreement shall be removed or replaced without prior written consent of OCSD. If OCSD asks Consultant to remove a person designated as key under this Agreement, Consultant agrees to do so immediately regardless of the reason, or the lack of reason, for OCSD's request. Consultant shall assign only competent personnel to perform services pursuant to this Agreement.
- 16. Confidentiality and Non-Disclosure**
- 16.1 Consultant acknowledges that in performing the Services hereunder, OCSD may have to disclose to Consultant orally and in writing certain confidential information that OCSD considers proprietary and has developed at great expense and effort.
- 16.2 Consultant agrees to maintain in confidence and not disclose to any person, firm, or corporation, without OCSD's prior written consent, any trade secret or confidential information, knowledge or data relating to the products, process, or operation of OCSD.

16.3 Consultant further agrees to maintain in confidence and not to disclose to any person, firm, or corporation any data, information, technology, or material developed or obtained by Consultant during the term of this Agreement.

16.4 Consultant agrees as follows:

- To use the confidential information only for the purposes described herein; to not reproduce the confidential information; to hold in confidence and protect the confidential information from dissemination to and use by anyone not a party to this Agreement; and to not use the confidential information to benefit itself or others.
- To restrict access to the confidential information to its Consultant or personnel of Consultant who (1) have a need to have such access and (2) have been advised of and have agreed in writing to treat such information in accordance with the terms of this Agreement.
- To return all confidential information in Consultant's possession upon termination of this Agreement or upon OCSD's request, whichever occurs first.
- To hold in confidence information and materials, if any, developed pursuant to the Services hereunder.

16.5 The provisions of this section shall survive termination or expiration of this Agreement and shall continue for so long as the material remains confidential.

17. Ownership of Documents All drawings, specifications, reports, records, documents, memoranda, correspondence, computations, and other materials prepared by Consultant, its employees, subconsultants, and agents in the performance of this Agreement shall be the property of OCSD and shall be promptly delivered to OCSD upon request of OCSD's Project Manager or designee, or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by OCSD of its full rights of ownership of the documents and materials hereunder. Any use of such completed documents for other projects and/or use of incomplete documents without specific written authorization by the Consultant will be at OCSD's sole risk and without liability to Consultant. Consultant shall ensure that all its subconsultants shall provide for assignment to OCSD of any documents or materials prepared by them.

18. Ownership of Intellectual Property

18.1 Consultant agrees that all designs, plans, reports, specifications, drawings, schematics, prototypes, models, inventions, and all other information and items made during the course of this Agreement and arising from the Services (hereinafter referred to as "New Developments") shall be and are assigned to OCSD as its sole and exclusive property.

18.2 Consultant agrees to promptly disclose to OCSD all such New Developments. Upon OCSD's request, Consultant agrees to assist OCSD, at OCSD's expense, to obtain patents or copyrights for such New Developments, including the disclosure of all pertinent information and data with respect thereto, the execution of all applications, specifications, assignments, and all other instruments and papers which OCSD shall deem necessary to apply for and to assign or convey to OCSD, its successors and assigns, the sole and exclusive right, title and interest in such New Developments. Consultant agrees to obtain or has obtained written assurances from its employees and contract personnel of their agreement to the terms hereof with regard to New Developments and confidential information.

18.3 Consultant warrants that Consultant has good title to any New Developments, and the right to assign New Developments to OCSD free of any proprietary rights of any other party or any other encumbrance whatever.

18.4 The originals of all computations, drawings, designs, graphics, studies, reports, manuals, photographs, videotapes, data, computer files, and other documents prepared or caused to be prepared by Consultant or its subconsultants in connection with these Services shall be delivered to and shall become the exclusive property of OCSD. OCSD may utilize these documents for OCSD applications on other projects or extensions of this project, at its own risk.

19. No Solicitation of Employees

19.1 Consultant agrees that it shall not, during the term of this Agreement and for a period of one (1) year immediately following termination of this Agreement, or any extension hereof, call on, solicit, or take away any of the employees whom Consultant became aware of as a result of Consultant's Services to OCSD.

19.2 Consultant acknowledges that OCSD's employees are critical to its business and OCSD expends significant resources to hire, employ, and train employees. Should Consultant employ or otherwise engage OCSD's employees during the term of this Agreement and for a period of one (1) year following termination of this Agreement, Consultant will pay OCSD fifty percent (50%) of the former employee's most recent annual salary earned at OCSD to accurately reflect the reasonable value of OCSD's time and costs. This payment is in addition to any other rights and remedies OCSD may have at law.

20. Independent Contractor Capacity

20.1 The relationship of Consultant to OCSD is that of an independent contractor and nothing herein shall be construed as creating an employment or agency relationship.

20.2 Consultant shall act independently and not as an officer or employee of OCSD. OCSD assumes no liability for Consultant's action and performance, nor assumes responsibility for taxes, funds, payments or other commitments, implied or expressed, by or for Consultant.

20.3 Consultant shall not be considered an agent of OCSD for any purpose whatsoever, nor shall Consultant have the right to, and shall not, commit OCSD to any agreement, contract or undertaking. Consultant shall not use OCSD's name in its promotional material or for any advertising or publicity purposes without expressed written consent.

20.4 Consultant shall not be entitled to any benefits accorded to those individuals listed on OCSD's payroll as regular employees including, without limitation, worker's compensation, disability insurance, vacation, holiday or sick pay. Consultant shall be responsible for providing, at Consultant's expense, disability, worker's compensation or other insurance as well as licenses and permits usual or necessary for conducting the Services hereunder.

20.5 Consultant shall be obligated to pay any and all applicable Federal, State and local payroll and other taxes incurred as a result of fees hereunder. Consultant hereby indemnifies OCSD for any claims, losses, costs, fees, liabilities, damages or penalties suffered by OCSD arising out of Consultant's breach of this provision.

20.6 Consultant shall not be eligible to join or participate in any benefit plans offered to those individuals listed on OCSD's payroll as regular employees. Consultant shall remain ineligible for such benefits or participation in such benefit plans even if a court later decides that OCSD misclassified Consultant for tax purposes.

21. **Licenses, Permits** Consultant represents and warrants to OCSD that it has obtained all licenses, permits, qualification and approvals of whatever nature that are legally required to engage in this work. Any and all fees required by Federal, State, County, City and/or municipal laws, codes and/or tariffs that pertain to work performed under the terms of this Agreement will be paid by Consultant.
22. **Consultant's Representations** In the performance of duties under this Agreement, Consultant shall adhere to the highest fiduciary standards, ethical practices and standards of care and competence for their trade/profession. Consultant agrees to comply with all applicable Federal, State and local laws and regulations.
23. **Familiarity with Work** By executing this Agreement, Consultant warrants that: 1) it has investigated the work to be performed; 2) it has investigated the site of the work and is aware of all conditions there; and 3) it understands the facilities, difficulties and restrictions of the work under this Agreement. Should Consultant discover any latent or unknown conditions materially differing from those inherent in the work or as represented by OCSD, it shall immediately inform OCSD of this and shall not proceed, except at Consultant's risk, until written instructions are received from OCSD.
24. **Right to Review Services, Facilities, and Records**
- 24.1 OCSD reserves the right to review any portion of the Services performed by Consultant under this Agreement, and Consultant agrees to cooperate to the fullest extent possible.
- 24.2 Consultant shall furnish to OCSD such reports, statistical data, and other information pertaining to Consultant's Services as shall be reasonably required by OCSD to carry out its rights and responsibilities under its agreements with its bondholders or noteholders and any other agreement relating to the development of the project(s) and in connection with the issuance of its official statements and other prospectuses with respect to the offering, sale, and issuance of its bonds and other obligations.
- 24.3 The right of OCSD to review or approve drawings, specifications, procedures, instructions, reports, test results, calculations, schedules, or other data that are developed by Consultant shall not relieve Consultant of any obligation set forth herein.
25. **Force Majeure** Neither party shall be liable for delays caused by accident, flood, acts of God, fire, labor trouble, war, acts of government or any other cause beyond its control, but said party shall use reasonable efforts to minimize the extent of the delay. Work affected by a Force Majeure condition may be rescheduled by mutual consent or may be eliminated from the Agreement.
26. **Severability** If any section, subsection, or provision of this Agreement, or any agreement or instrument contemplated hereby, or the application of such section, subsection, or provision is held invalid, the remainder of this Agreement or instrument in the application of such section, subsection or provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby, unless the effect of such invalidity shall be to substantially frustrate the expectations of the Parties.
27. **Waiver** The waiver of either party of any breach or violation of, or default under, any provision of this Agreement, shall not be deemed a continuing waiver by such party of any other provision or of any subsequent breach or violation of this Agreement or default thereunder. Any breach by Consultant to which OCSD does not object shall not operate as a waiver of OCSD's rights to seek remedies available to it for any subsequent breach.

28. **Remedies** In addition to other remedies available in law or equity, if the Consultant fails to make delivery of the goods or Services or repudiates its obligations under this Agreement, or if OCSD rejects the goods or Services or revokes acceptance of the goods or Services, OCSD may (1) terminate the Agreement; (2) recover whatever amount of the purchase price OCSD has paid, and/or (3) “cover” by purchasing, or contracting to purchase, substitute goods or Services for those due from Consultant. In the event OCSD elects to “cover” as described in (3), OCSD shall be entitled to recover from Consultant as damages the difference between the cost of the substitute goods or Services and the Agreement price, together with any incidental or consequential damages.
29. **Governing Law** This Agreement shall be governed by and interpreted under the laws of the State of California and the Parties submit to jurisdiction in Orange County, in the event any action is brought in connection with this Agreement or the performance thereof.
30. **Environmental Compliance** Consultant shall, at its own cost and expense, comply with all Federal, State, and local environmental laws, regulations, and policies which apply to the Consultant, its sub-consultants, and the Services, including, but not limited to, all applicable Federal, State, and local air pollution control laws and regulations.
31. **Attorney’s Fees** If any action at law or inequity or if any proceeding in the form of an Alternative Dispute Resolution (ADR) is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which it may be entitled.
32. **Dispute Resolution**
- 32.1 In the event of a dispute as to the construction or interpretation of this Agreement, or any rights or obligations hereunder, the Parties shall first attempt, in good faith, to resolve the dispute by mediation. The Parties shall mutually select a mediator to facilitate the resolution of the dispute. If the Parties are unable to agree on a mediator, the mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Agreement, through the alternate dispute resolution procedures of Judicial Arbitration through Mediation Services of Orange County ("JAMS"), or any similar organization or entity conducting an alternate dispute resolution process.
- 32.2 In the event the Parties are unable to timely resolve the dispute through mediation, the issues in dispute shall be submitted to arbitration pursuant to California Code of Civil Procedure, Part 3, Title 9, Sections 1280 et seq. For such purpose, an agreed arbitrator shall be selected, or in the absence of agreement, each party shall select an arbitrator, and those two (2) arbitrators shall select a third. Discovery may be conducted in connection with the arbitration proceeding pursuant to California Code of Civil Procedure Section 1283.05. The arbitrator, or three (3) arbitrators acting as a board, shall take such evidence and make such investigation as deemed appropriate and shall render a written decision on the matter in question. The arbitrator shall decide each and every dispute in accordance with the laws of the State of California. The arbitrator's decision and award shall be subject to review for errors of fact or law in the Superior Court for the County of Orange, with a right of appeal from any judgment issued therein.
33. **Damage to OCSD's Property** Any OCSD property damaged by Consultant will be subject to repair or replacement by Consultant at no cost to OCSD.

34. **OCSD Safety Standards** OCSD requires Consultant and its subconsultants to follow and ensure their employees follow all Federal, State and local regulations as well as OCSD Safety Standards while working at OCSD locations. If during the course of the Agreement it is discovered that OCSD Safety Standards do not comply with Federal, State or local regulations, then the Consultant is required to follow the most stringent regulatory requirement at no additional cost to OCSD. Consultant and all of its employees and subconsultants, shall adhere to all applicable OCSD Safety Standards attached hereto in Exhibit "D" including Safety SOP-102 Personal Protective Equipment (PPE) and the Human Resources Policies in Exhibit "E".
35. **Freight (F.O.B. Destination)** Consultant assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all products deemed necessary under this Agreement.
36. **Assignments** Consultant shall not delegate any duties nor assign any rights under this Agreement without the prior written consent of OCSD. Any such attempted delegation or assignment shall be void.
37. **Conflict of Interest and Reporting**
- 37.1 Consultant shall at all times avoid conflicts of interest or appearance of conflicts of interest in performance of this Agreement.
- 37.2 Consultant affirms that to the best of its knowledge there exists no actual or potential conflict between Consultant's families, business or financial interest or its Services under this Agreement, and in the event of change in either its private interests or Services under this Agreement, it will raise with OCSD any question regarding possible conflict of interest which may arise as a result of such change.
38. **Third Party Rights** Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than OCSD and Consultant.
39. **Non-Liability of OCSD Officers and Employees** No officer or employee of OCSD shall be personally liable to Consultant, or any successor-in-interest, in the event of any default or breach by OCSD or for any amount which may become due to Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.
40. **Authority to Execute** The persons executing this Agreement on behalf of the Parties warrant that they are duly authorized to execute this Agreement and that by executing this Agreement, the Parties are formally bound.
41. **Read and Understood** By signing this Agreement, Consultant represents that it has read and understood the terms and conditions of the Agreement.
42. **Entire Agreement** This Agreement constitutes the entire agreement of the Parties and supersedes all prior written or oral and all contemporaneous oral agreements, understandings, and negotiations between the Parties with respect to the subject matter hereof.

43. Notices All notices under this Agreement must be in writing. Written notice shall be delivered by personal service or sent by registered or certified mail, postage prepaid, return receipt requested, or by any other overnight delivery service which delivers to the noticed destination and provides proof of delivery to the sender. Any facsimile notice must be followed within three (3) days by written notice. Rejection or other refusal to accept or the inability to deliver because of changed address for which no notice was given as provided hereunder shall be deemed to be receipt of the notice, demand or request sent. All notices shall be effective when first received at the following addresses:

OCSD: Darius Ghazi
Senior Buyer
Orange County Sanitation District
10844 Ellis Avenue
Fountain Valley, CA 92708-7018

Consultant: [Contact Name]
[Contact Title]
[Company Name]
[Street Address]
[City, State, Zip Code]

Each party shall provide the other party written notice of any change in address as soon as practicable.

IN WITNESS WHEREOF, intending to be legally bound, the Parties hereto have caused this Agreement to be signed by the duly authorized representatives.

ORANGE COUNTY SANITATION DISTRICT

Dated: _____

By: _____

Shawver
Directors

David

John
Chair, Board of

Dated: _____

By: _____

Kelly A. Lore
Clerk of the Board

Dated: _____

By: _____

Ruth Zintzun
Purchasing & Contracts Manager

[COMPANY]

Dated: _____

By: _____

Print Name and Title of Officer

IRS Employer's I.D. Number



Orange County Sanitation District

ADMINISTRATION COMMITTEE

Administration Building
10844 Ellis Avenue
Fountain Valley, CA 92708
(714) 593-7433

Agenda Report

File #: 2020-1307

Agenda Date: 11/10/2020

Agenda Item No: 7.

FROM: James D. Herberg, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

ORANGE COUNTY SANITATION DISTRICT COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE YEAR END JUNE 30, 2020

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Receive and file the Orange County Sanitation District's Comprehensive Annual Financial Report for the year ended June 30, 2020, prepared by staff and audited by Macias Gini & O'Connell LLP (MGO), Certified Public Accountants, along with the following reports prepared by MGO:

1. Report to the Board of Directors; and
2. Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheets.

BACKGROUND

The CAFR for the year ended June 30, 2020 is enclosed for the Committee's consideration. Included within the report are the Orange County Sanitation District's financial statements for the year ended June 30, 2020, along with the Independent Auditor's Report that includes the unmodified opinion.

RELEVANT STANDARDS

- Produce appropriate financial reporting - annual financial report & audit letter

ATTACHMENT

The following attachment(s) may be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

- Report to the Board of Directors
- Independent Accountant's Report on Applying Agreed-Upon Procedures Related to Appropriations Limit Calculation
- Comprehensive Annual Financial Report for the Year Ended June 30, 2020
- OCSD Staff Presentation
- Auditor's Presentation



October 28, 2020

To the Board of Directors
Orange County Sanitation District
10844 Ellis Avenue
Fountain Valley, California

We have audited the financial statements of the Orange County Sanitation District (OCSD) as of and for the year ended June 30, 2020, and have issued our report thereon dated October 28, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our auditor and management responsibility letter dated September 16, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of OCSD solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you in our auditor and management responsibility letter dated September 16, 2020 and our planning communication letter also dated September 16, 2020.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of significant accounting policies adopted by OCSD is included in Note 1 to the financial statements. OCSD implemented Governmental Accounting Standard Board (GASB) Statement No. 84, *Fiduciary Activities*, No. 90, *Majority Equity Interests – an amendment of GASB Statement No. 14 and No. 61*, and No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* for the year ended June 30, 2020, as described in Note 1. There is no significant impact to OCSD's financial statements due to the implementation of those new pronouncements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are –

- Valuations of actuarially determined contributions, deferred outflows of resources, deferred inflows of resources, and net pension liability/asset for OCSD's employee pension plan and additional retiree benefit account plan are based on actuarial calculations, which incorporate actuarial methods and assumptions adopted by the Board of Directors.
- Valuations of actuarially determined contributions, deferred outflows of resources, deferred inflows of resources, and net OPEB liability for OCSD's employee OPEB plan are based on actuarial calculations, which incorporate actuarial methods and assumptions adopted by the Board of Directors.
- Management's estimates of workers' compensation and general liability are based on reports prepared by third party actuarial valuations. We evaluated the key factors and assumptions used to develop the estimate liability in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the allowance for uncollectible accounts is based on evaluating individual customer accounts receivable at least one year past due and considering the customer's financial condition, credit history and current economic conditions. We evaluated the key factors and assumptions used to assess the collectability of the receivables in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management's estimate of depreciation is based on the useful-lives of the related capital assets. We evaluated the key factors and assumptions used to develop the useful-lives of the related capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.

- Fair values of investments are based on quoted market prices or significant other observable inputs from independent published sources. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting OCSD's financial statements relate to:

- The disclosure of net pension liability and OPEB benefits in Notes 5 and 6 to the financial statements, respectively, are based on actuarial valuations.
- Transactions with Irvine Ranch Water District – Revenue Area No. 14 as disclosed in Note 7 to the basic financial statements.
- Commitments and contingencies that will impact future resources of OCSD as disclosed in Note 8 to the basic financial statements.
- Impact of COVID-19 pandemic to OCSD as disclosed in Note 9 to the basic financial statements.

Difficulties Encountered during the Audit

We encountered no difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no misstatements detected as a result of audit procedures and corrected by management which were material, either individually or in the aggregate, to the financial statements taken as a whole. In addition, there were no uncorrected misstatements noted as a result of the audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to OCSD's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated October 28, 2020 (Attachment A).

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with OCSD, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as OCSD's auditors.

This report is intended solely for the information and use of the Board of Directors and management of OCSD and is not intended to be, and should not be, used by anyone other than these specified parties.

Macias Gini & O'Connell LLP

Newport Beach, California

Serving:

Anaheim

Brea

Buena Park

Cypress

Fountain Valley

Fullerton

Garden Grove

Huntington Beach

Irvine

La Habra

La Palma

Los Alamitos

Newport Beach

Orange

Placentia

Santa Ana

Seal Beach

Stanton

Tustin

Villa Park

County of Orange

Costa Mesa
Sanitary District

Midway City
Sanitary District

Irvine Ranch
Water District

Yorba Linda
Water District



Orange County Sanitation District

10844 Ellis Avenue, Fountain Valley, CA 92708
714.962.2411 • www.ocsd.com

October 28, 2020

Macias Gini & O'Connell LLP
12264 El Camino Real, Ste. 402
San Diego, CA 92130

This representation letter is provided in connection with your audit of the financial statements of the Orange County Sanitation District (OCSD) as of June 30, 2020, and the respective changes in financial position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of October 28, 2020, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the auditor and management responsibilities letter dated September 16, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of OCSD.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance of which we are not aware of any, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of finding and questioned costs.

Our Mission: To protect public health and the environment by providing effective wastewater collection, treatment, and recycling.



- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which OCSD is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within OCSD from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects OCSD and involves
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting OCSD's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the identity of OCSD's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have a process to track the status of audit findings and recommendations.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.



- 21) OCSD has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources or net position.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We are not aware of any instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We are not aware of any instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) We are not aware of any instances, which have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) OCSD has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) OCSD has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 30) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 31) Investments are properly valued and recorded at fair value as defined by GASB Statement No. 72, *Fair Value Measurement and Application*.
- 32) Investments are properly classified and disclosed within the following fair value hierarchy, except for investments valued at net asset value that are not subject to the fair value hierarchy, as defined by GASB Statement No. 72:
 - a. Level 1: Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
 - b. Level 2: Inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
 - c. Level 3: Inputs are unobservable inputs for an asset or liability.
- 33) The valuation techniques used to measure fair value of investments, including non-readily marketable securities, are proper based on the provisions of GASB Statement No. 72.



- 34) Provisions for uncollectible receivables have been properly identified and recorded.
- 35) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 36) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated and amortized.
- 37) We have evaluated the useful lives of OCSD's capital assets and have adjusted the estimated useful life of the assets, and have adjusted all related balances accordingly.
- 38) OCSD has no:
 - 1) Commitments for the purchase or sale of services or assets at prices involving a material probable loss;
 - 2) Material amounts of obsolete, damaged, or unusable items included in the inventories at greater than salvage value.
- 39) We believe that all material expenses that have been deferred to future periods will be recoverable.
- 40) We have evaluated the provisions of GASB Statement No. 84, *Fiduciary Activities* and GASB Statement No. 90, *Majority Equity Interests* and have determined that the implementation of these Standards did not have a material impact to the financial statements.
- 41) We expect the principal and interest on the Revenue Refunding Certificate Anticipation Notes, Series 2016B, will be paid from proceeds of the sale, prior to the maturity date, of a future series of certificates of participation, notes or other obligations. We have a non-cancellable agreement with our lender to refinance the notes with future obligations that will not expire until August 2021.
- 42) We have appropriately disclosed OCSD's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 43) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 44) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- 45) With respect to the Combining Area financial statements presented as supplementary information:
 - 1) We acknowledge our responsibility for presenting the Combining Area financial statements in accordance with accounting principles generally accepted in the United States of America, and we believe the Combining Area financial statements, including its form and content, is



fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Combining Area financial statements have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

- 2) If the Combining Area financial statements is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 46) We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements except as disclosed in Note 9 regarding the impacts of COVID-19.

Signature: 
Jim Herberg
General Manager

Signature: 
Lorenzo Tyner
Assistant General Manager & Director of Finance
and Administrative Services

ORANGE COUNTY SANITATION DISTRICT

Independent Accountant's Report on Applying
Agreed-Upon Procedures Related to
Appropriations Limit Calculation

Year Ended June 30, 2020



Certified
Public
Accountants



Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors
Orange County Sanitation District

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet of the Orange County Sanitation District (OCSD) for the year ended June 30, 2020. These procedures, which were agreed to by OCSD and the League of California Cities as presented in the publication titled *Agreed-Upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*, were performed solely to assist OCSD in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. OCSD's management is responsible for the Appropriations Limit Worksheet. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings are as follows:

1. We obtained the completed worksheets setting forth the calculations necessary to establish OCSD's appropriations limit and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of OCSD's Board of Directors. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of OCSD's Board of Directors.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit Calculation, we added Line A, last year's limit, to Line E, total adjustments, and compared the resulting amount to Line F, current year's limit.

Finding: No exceptions were noted as a result of our procedures.

3. We compared the current year information presented in the accompanying Appropriations Limit Calculation to the appropriate supporting calculations described in item 1 above.

Finding: No exceptions were noted as a result of our procedures.

4. We compared the prior year Appropriations Limit presented in the accompanying Appropriations Limit Calculation to the prior year Appropriations Limit adopted by the Board of Directors for the prior year.

Finding: No exceptions were noted as a result of our procedures.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Appropriations Limit Calculation of OCSD. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriations limit for the base year, as defined by Article XIII-B of the California Constitution.

This report is intended solely for the information and use of the Board of Directors and management of OCSD, and is not intended to be, and should not be, used by anyone other than these specified parties.

Macias Gini & O'Connell LLP

Newport Beach, California
October 28, 2020

ORANGE COUNTY SANITATION DISTRICT
 Appropriations Limit Calculation
 Year Ended June 30, 2020

	Amount	Source
A. Last year's limit	\$ 110,229,598	
B. Adjustment factors:		
1. Population change	0.99960000	State Finance
2. Per capita change	<u>1.03850000</u>	State Finance
Total adjustments [(B.1 x B.2)-1.0]	<u>0.03808460</u>	
C. Annual adjustment	<u>4,198,050</u>	(BxA)
D. Other adjustments:		
1. Lost responsibility (-)	-	
2. Transfer to private (-)	-	
3. Transfer to fees (-)	-	
4. Assumed responsibility (+)	<u>-</u>	
Subtotal	<u>-</u>	
E. Total adjustments	<u>4,198,050</u>	(C+D)
F. This year's limit	<u><u>\$ 114,427,648</u></u>	(A+E)



Orange County Sanitation District
**Comprehensive Annual
Financial Report**
for the year ended June 30, 2020



Orange County, California



**ORANGE COUNTY SANITATION DISTRICT
ORANGE COUNTY, CALIFORNIA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

Prepared By:
Administrative Services Department
Financial Management Division

Wally Ritchie
Controller

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ORANGE COUNTY SANITATION DISTRICT
 Comprehensive Annual Financial Report
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Orange County Sanitation District

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Sanitary District
Irvine Ranch
Water District
Yorba Linda
Water District

October 28, 2020

The Board of Directors of the
Orange County Sanitation District,
Orange County, California

Submitted herewith is the Comprehensive Annual Financial Report of the Orange County Sanitation District (OCSD), Orange County, California for the fiscal year ended June 30, 2020. This report includes the financial position and activity of individual revenue areas, as described within the Governmental Structure below, as of June 30, 2020 and was prepared by the Financial Management Division of OCSD's Administrative Services Department.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with OCSD. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in the financial position of OCSD. All disclosures necessary to enable the reader to gain an understanding of the agency's financial activities have been included.

Included within the accompanying financial statements are all of the organizations, activities, and functions controlled by OCSD's Board of Directors in accordance with the Governmental Accounting Standards Board (GASB). For the purpose of this evaluation, control was determined by the Board's responsibility for: (1) adoption of the budget and user charges, (2) taxing authority, and (3) establishment of policies. The reporting entity and its services are described in further detail in Note 1 of the financial statements.

An audit of the books, financial records, and transactions of OCSD is conducted annually by independent certified public accountants. OCSD selected the accounting firm of Macias Gini & O'Connell LLP to perform the audit for the year ended June 30, 2020. The auditor's report on OCSD's basic financial statements and supplementary information is located on page 1 within the financial section of this report. This report renders an unmodified opinion on OCSD's basic financial statements for the year ended June 30, 2020.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

GOVERNMENTAL STRUCTURE

The Orange County Sanitation District encompasses the Northern section of Orange County. OCSD provides wastewater treatment for an area of the County covering 479 square miles and serving a population of approximately 2.6 million, or 81 percent of the County's population. OCSD was originally incorporated in 1954 as nine separate public corporations, or districts. In April of 1998, at OCSD's request, the Board of Supervisors of the County of Orange passed Resolution No. 98-140 ordering the consolidation of these nine County Sanitation Districts into a new, single sanitation district, to be known as the Orange County Sanitation District, effective July 1, 1998. This action was recommended to the Board by the Local Agency Formation Commission in order to simplify governance structures, reduce the size of the Board, ease administrative processes, streamline decision-making and consolidate accounting and auditing processes. The boundaries of the nine previous districts had remained intact for the purpose of collecting sewer user fees at the previously established rate schedules and were referred to as nine individual revenue areas through June 30, 2000. Effective July 1, 2003, all Revenue Areas, except Revenue Area 14, consolidated user fee rates and all enterprise fund accounting and budgeting activities and are now known as the Consolidated Revenue Area.

Our Mission: To protect public health and the environment by providing effective wastewater collection, treatment, and recycling.



OCSD is managed by an administrative organization composed of directors appointed by the agencies or cities which are serviced by OCSD. Each of the two remaining Revenue Areas, the Consolidated Revenue Area and Revenue Area 14, has its own budget and is responsible for the construction and maintenance of its own collection system. All Revenue Areas, except Revenue Area 14 and the portion of the Consolidated Revenue Area previously known as Revenue Area 13, receive their own share of the one-percent ad valorem property tax levy. In addition, all Revenue Areas, except Revenue Area 14, receive user fees from property owners. Revenue Area 14 receives all of its revenues from service charges to the Irvine Ranch Water District.

The purpose of OCSD's wastewater management program is to protect the public's health, preserve the beneficial uses of the coastal waters, and maintain air quality. The objectives of operating the treatment plants are to process and pass on for purification or dispose of the treated wastewater and the separated solids in accordance with Federal, state, and local laws including the Environmental Protection Agency.

OCSD sewerage system includes approximately 388 miles of sewers that convey wastewater generated within OCSD's boundaries to OCSD's two wastewater treatment plants; Reclamation Plant No. 1 located in the City of Fountain Valley, and Treatment Plant No. 2 located in the City of Huntington Beach.

Plants No. 1 and No. 2 have secondary treatment capacities of 182 million gallons per day (mgd) and 150 mgd, respectively. In fiscal year 2020-21, both plants are projected to receive a combined average daily wastewater flow of 188 million gallons per day from residential, commercial, and industrial sources.

After wastewater receives secondary treatment at Plant No. 1, it flows to the Groundwater Water Replenishment System (GWRS) at the Orange County Water District, located adjacent to OCSD, where it undergoes a state-of-the-art purification process consisting of microfiltration, reverse osmosis, and ultraviolet light with hydrogen peroxide. The product water is near-distilled quality. Approximately 35 million gallons (132,500 cubic meters) per day of the GWRS water are pumped into injection wells to create a seawater intrusion barrier. Another 65 million gallons (246,000 cubic meters) are pumped daily to Orange County Water District's percolation basins in Anaheim where the GWRS water naturally filters through sand and gravel to the deep aquifers of the groundwater basin.

Remaining outflows of treated wastewater from Plants 1 and 2 are combined and discharged to the ocean off the Huntington Beach coast through an outfall pipe that is 120 inches in diameter and approximately five miles long. The last mile of the outfall pipe is a diffuser that dilutes the wastewater with seawater in a ratio of 148 parts seawater to one part treated wastewater at an average depth of 185 feet.

ECONOMIC CONDITIONS AND OUTLOOK

Before the COVID-19 pandemic and shutdown, California's economy was growing at a relatively low, but steady rate. The stay at home orders effectively shut down large portions of the State and Orange County economies.

According to the California Employment Development Department (EDD), Orange County saw a decrease of approximately 10.7 percent in payroll jobs from August 2019 to August 2020. During this same time period, unemployment in Orange County increased to 9.9 percent from 3.0 percent while the unemployment in California as a whole increased to 11.6 percent from 4.2 percent. In June 2020, Chapman University forecasted Orange County's 2020 total payroll employment to decrease 8.1 percent over the prior year, or the subtraction of 135,000 payroll jobs in 2020.

Despite the forecasted decrease in the Orange County job market, Chapman University continues to project a residential housing appreciation of 1.4 percent. Short-run increases can occur when inventories remain tight. Longer-run economic and demographic forces will eventually dominate the pricing equation, especially when affordability, as measured by the median home price-to-median income ratio, is projected to continue increasing.

According to Chapman University, residential permit valuation in the County is forecasted to decrease from an 8.9 percent decline in 2019 to a 15.3 percent decline in 2020.

The COVID-19 recession will affect all of California, including Orange County. Orange County is a relatively diverse economy that is not heavily dependent on any one sector, which mitigates the effect when particular sectors of the economy weaken.

MAJOR INITIATIVES

Following are the Sanitation District's current major initiatives as outlined in the General Manager's work plan for FY 2020-21:

1. Business Principles

- **Budget Control and Fiscal Discipline** – Provide the Administration Committee with an analysis of options, including an IRS Section 115 Trust for funding the Sanitation District's pension obligations by October 31, 2020.
- **Asset Management** – Update the Asset Management Plan by December 31, 2020 including an inventory of critical assets for each process area and the collection system; an evaluation of their condition and performance; and an updated implementation plan to maintain, rehabilitate, and replace these assets to meet the required levels of service at the lowest life cycle cost and at an acceptable level of risk.
- **Headquarters Project** – Complete site preparation for the new Headquarters facility, Project P1-128C, by June 30, 2021.
- **Cybersecurity/Safety** – Develop and conduct two emergency response and recovery drills for the interplant digester gas line and a cybersecurity breach by June 30, 2021.
- **Property Management** – Inspect real property, easements, and rights-of-way for encroachments and encumbrances which limit access or impede proper use of the right by December 31, 2020. Develop action plans by June 30, 2021 that restore long-term use for identified encroachments or encumbrances.

2. Environmental Stewardship

- **Energy Independence** – Overhaul two Central Generation Engines to begin the second 25-year operations cycle for the Central Generation Facilities by June 30, 2021.
- **Climate and Catastrophic Event Resilience** – Execute a contingency biosolids disposal agreement with Orange County Waste and Recycling to formally establish a local emergency failsafe biosolids disposal option by March 31, 2021.
- **Food Waste Treatment** – Complete market assessment for food waste feedstock co-digestion at OCSD. Solicit bids to construct the Interim Food Waste Facility at Plant No. 2, Project P2-124, by December 31, 2020.
- **Water Reuse** – Study alternatives to reduce the use of City Water in its operations by October 31, 2020 and implement water saving measures by June 30, 2021.
- **Environmental Water Quality, Stormwater Management and Urban Runoff** – Complete business process mapping for source control permit management, compliance data management, and Environmental Protection Agency compliant reporting to evaluate the current system and alternatives for enhancing the system. Complete final report and recommendations by March 31, 2021.

3. Wastewater Management

- **Chemical Sustainability** – The Sanitation District will develop a plan to maintain at least two suppliers for Iron based coagulants at all times with a final report out to the Board of Directors by June 30, 2021.

- **Biosolids Management** – Conduct an annual review of the regulatory aspects of the OCSD Biosolids Management Plan to adjust for evolving regulations for contaminants of emerging concern and update contingency options as needed. Provide an informational update to the Board of Directors by June 30, 2021.
- **Constituents of Emerging Concern** – Continue OCSD's leadership role in developing analytical capability, advocating for sound science and regulations, and identification of significant sources in constituents of emerging concerns such as per- and polyfluoroalkyl (PFAS) and microplastics. Provide an informational briefing to the Board of Directors by June 30, 2021. Provide preliminary results from the California State Water Resources Control Board investigative order for PFAS by June 30, 2021.

4. **Workplace Environment**

- **COVID-19 Pandemic Response and Recovery** – Continue to respond to the COVID-19 pandemic with operations remaining in full permit compliance while providing a safe workplace and complying with the Center for Disease Control and Prevention health official guidance, and applicable employment and labor laws. Develop a “reopening plan” and present it to the Board of Directors by September 30, 2020.
- **Safety and Physical Security** – Complete implementation of an Industrial Hygiene Program and a Job Safety Analysis program to meet the Voluntary Protection Program requirements by June 30, 2021.
- **Classification and Compensation Study** – Begin preparations for an agency wide Classification and Compensation Study by completing a Request for Proposal for a specialized vendor and accessing, discussing, and meeting and conferring regarding the 17 survey agencies by June 30, 2021.
- **Succession Planning** – Conduct two specialized training classes for supervisors, managers, and executive management team members and provide organizational awareness coursework via OCSD University for all employees with a final report out on June 30, 2021.

Strategic Planning

In November 2019, the Board of Directors adopted a new comprehensive strategic plan to steer OCSD's efforts. The Strategic Plan developed by the Board of Directors and staff defines the strategic initiatives to be pursued by OCSD and provides a basis for long-term financial, capital, and operational planning. In addition, it provides for long-term continuity of vision as Board and staff members change over the many years it takes to deliver public works infrastructure.

Driven by our Mission, Vision and Core Values, this Strategic Plan continues OCSD's aggressive efforts to protect the public health of the more than 2.6 million people we serve while protecting the environment where we live.

The Strategic Plan is broken down into four broad categories with fourteen topic areas that define our responsibilities and the services we provide. These areas are:

- Business Principles
 - Budget Control and Fiscal Discipline
 - Asset Management
 - Cybersecurity
 - Property Management
- Environmental Stewardship
 - Energy Independence
 - Climate and Catastrophic Event Resiliency
 - Food Waste Treatment
 - Water Reuse

- Environmental Water Quality, Stormwater Management and Urban Runoff
- Wastewater Management
 - Chemical Sustainability
 - Biosolids Management
 - Constituents of Emerging Concern
- Workplace Environment
 - Resilient Staffing
 - Safety and Physical Security

The Strategic Plan is not a radical departure from the current direction, but rather the well-defined iterative update to the direction of OCSD. With the adoption of the Strategic Plan, staff will be updating the Asset Management Plan, Capital Improvement Plan, and Financial Plan that are the basis of a two-year budget that will be adopted by the Board of Directors. The Budget goals and the General Manager's work plan are the accountability steps that measure achievable progress toward the strategic initiatives listed in the Strategic Plan.

SERVICE EFFORTS AND ACCOMPLISHMENTS

The following service efforts and accomplishments were achieved by OCSD during the year ended June 30, 2020:

- **Utility of the Future Award** – 2020 Water Environmental Research Foundation, National Association of Clean Water Agencies, Water Environment Federation and Environmental Protection Agency
- **Platinum Peak Performance Award** – 2020 National Association of Clean Water Agencies
- **2019 Excellence Award in Information Technology Practices** from the Municipal Information Systems Association of California (MISAC)
- **American Inhouse Design Award** – Graphic Design USA
- **Grand Prize** – 2020 American Academy of Environmental Engineers & Scientists
- **Turning Red Tape into Red Carpet, Orange County Business Council**, Interim Food Waste Receiving Facility
- **Investment Policy Certification** – California Municipal Treasurers Association (CMTA)
- **Certificate of Achievement for Excellence in Financial Reporting** – Government Finance Officers Association (GFOA)
- **District Transparency Certificate of Excellence** – Special District Leadership Foundation
- **Distinguished Budget Presentation Award** – GFOA
- **Excellence in Procurement** – California Association of Public Procurement Officers
- **SARBS/CWEA 2019**
 - **Quarter Century Award**, Tony Lee
 - **1st Place Community Engagement and Outreach Project of the Year**, Large, State College Sewer Construction Outreach Program (Project Lead Daisy Covarrubias)
 - **Collections System 2nd Place**, Medium
 - **Laboratory Person of the Year 1st Place**, Dawn Myers
 - **Laboratory Person of the Year 2nd Place**, Arturo Diaz
 - **Operator of the Year 2nd Place**, Jennifer Alexander
 - **SARBS Spotlight Award**, Cindy Murra
 - **2020 PICK Award**, Professionalism, Integrity, Contribution, Knowledge

- **1st Place Winner Community Engagement and Outreach**
- **2nd Place Winner Community Engagement and Outreach: Project of the Year**

ACCOUNTING AND BUDGETARY CONTROLS

OCSD's accounting records are maintained on the accrual basis. In developing and evaluating OCSD's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. We believe that OCSD's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Each year OCSD's Board of Directors adopts an annual operating plan. A joint works budget is first prepared that identifies the specific capital projects and operating activities to be undertaken by OCSD during the year. The budgetary level of control, the level at which expenses cannot exceed budget, is exercised at the individual district, or fund level. OCSD has adopted a Uniform Purchasing Policy that identifies the agreed upon purchasing standards.

ACCUMULATED FUNDS AND RESERVES POLICY

The Board of Directors of the Orange County Sanitation District has established the following Accumulated Funds and Reserves Policy:

Cash Flow Reserve: A cash flow criterion has been established at a level to fund operations, maintenance, and certificates of participation expenses for the first half of the fiscal year, prior to the receipt of the first installment of the property tax allocation and the sewer service user fees which are collected as a separate line item on the property tax bill. The level of this criterion will be established as the sum of an amount equal to six months operations and maintenance expenses and the total of the annual debt (COP) service payments due in August each year.

Operating Contingency Reserve: An operating contingency criterion has been established to provide for non-recurring operating expenditures that were not anticipated when the annual budget was considered and adopted. The level of this criterion will be established at an amount equal to ten percent of the current fiscal year's annual operating budget.

Capital Improvement Reserve: A capital improvement criterion has been maintained to fund annual increments of the capital improvement program. The target level of this criterion has been established at one half of the average annual cash outlay of the capital improvement program through the year 2030. Levels higher and lower than the target can be expected while the long-term financing and capital improvement programs are being finalized.

Catastrophic Loss or Self-Insurance Reserves: A catastrophic loss or self-insurance criterion has been maintained for property damage including fire, flood, and earthquake, for general liability and for workers' compensation. This reserve criterion is intended to work with purchased insurance policies, FEMA, and State disaster reimbursements. Based on the plant infrastructure replacement value, the level of this criterion has been set to fund the Sanitation District's non-reimbursed costs, estimated to be \$100 million.

Capital Replacement/Renewal Reserve Policy: A capital replacement/renewal criterion policy has been established to provide funding to replace or refurbish the current collection, treatment, and recycling facilities at the end of their useful economic lives. The current replacement value of these facilities is estimated to be \$10.8 billion. The reserve criterion level had been established at \$75 million.

Debt Service Reserves: A debt service criterion policy has been established at ten percent of the outstanding certificate of participation (COP) issues. Other debt service reserves are required to be under the control of a Trustee by the provisions of the certificate of participation issues. These funds are not available for the general needs of the Sanitation District and must be maintained at specified levels.

Accumulated Funds exceeding the targets specified by OCSD policy will be maintained for Capital Improvements and Rate Stabilization. These funds will be applied to future years' CIP needs due to the timing of the actual CIP outlays, in order to maintain rates or to moderate annual fluctuations.

As of June 30, 2020, OCSD was in compliance with the Accumulated Funds and Reserves Policy with designated cash and investments totaling \$881 million, and have been earmarked for the following specific purposes in accordance with OCSD's reserve policy:

Designated Cash and Investments

Designated For Cash Flow Contingency	\$178 million
Designated For Self-Insurance	57 million
Designated For Capital Improvements	552 million
Designated For Debt Service Requirements	<u>94 million</u>
Total Designated Cash and Investments	<u>\$ 881 million</u>

**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE
IN FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Orange County Sanitation District for OCSD's Comprehensive Annual Financial Report for the year ended June 30, 2019. This was the twenty-fifth consecutive year that OCSD has received this award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

This report could not have been accomplished without the dedicated services of the Financial Management Division staff, and I would like to especially express my appreciation to Kim Cardenas, Accounting Supervisor, who assisted in its preparation. I would also like to thank OCSD's Board of Directors and the General Manager for their interest and support in conducting the financial operations of OCSD in a responsible and progressive manner.

Respectfully submitted,



Wally Ritchie
Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Orange County Sanitation District
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

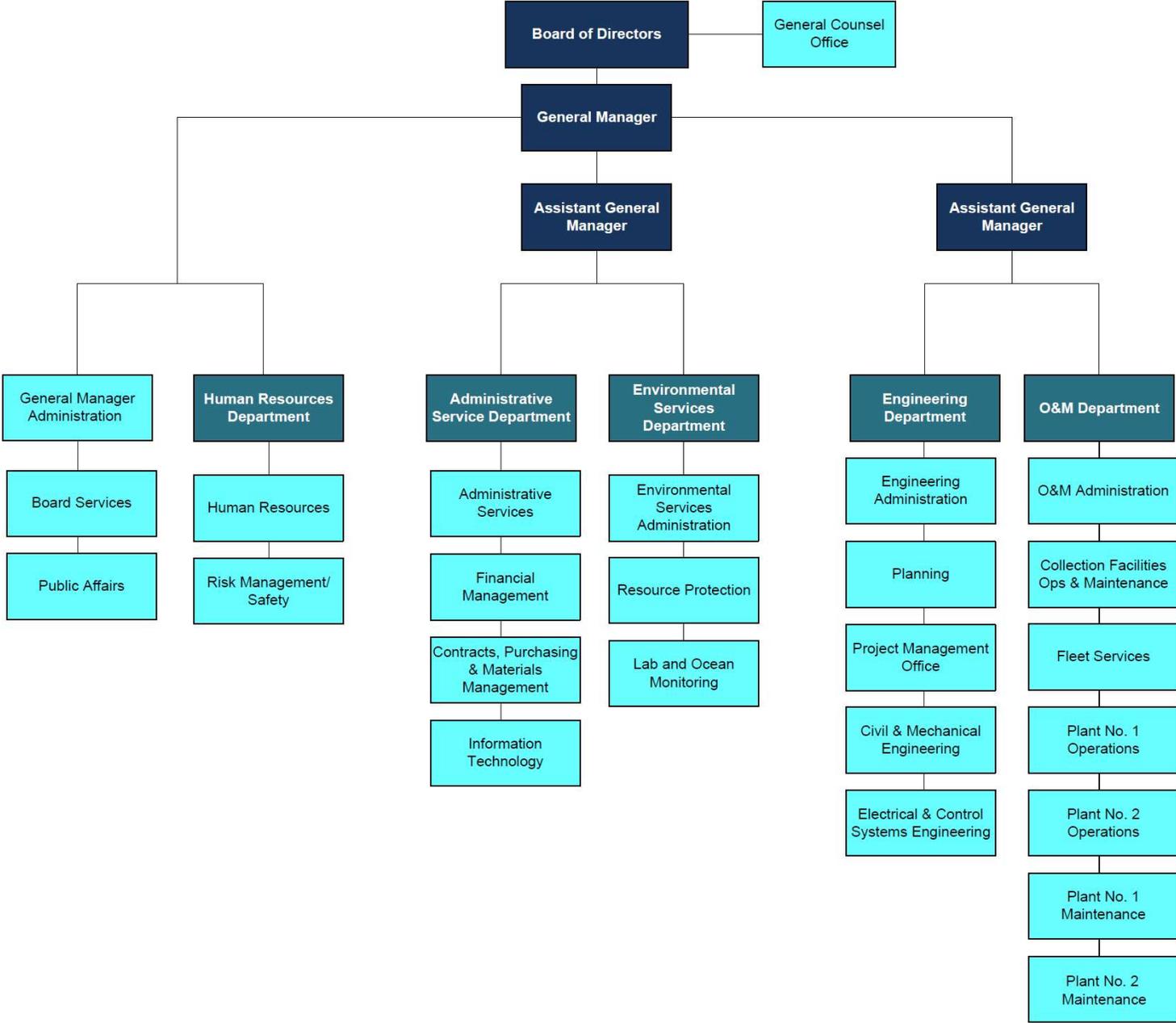
ORANGE COUNTY SANITATION DISTRICT

Board of Directors
As of June 30, 2020

<u>Agency</u>	<u>Active Director</u>	<u>Alternate Director</u>
Cities:		
Anaheim	Lucille Kring	Denise Barnes
Brea	Glenn Parker	Cecilia Hupp
Buena Park	Fred Smith	Connor Traut
Cypress	Mariellen Yarc	Stacy Berry
Fountain Valley	Steve Nagel	Patrick Harper
Fullerton	Jesus Silva	Jan Flory
Garden Grove	Steve Jones	John O'Neill
Huntington Beach	Erik Peterson	Lyn Semeta
Irvine	Christina Shea	Anthony Kuo
La Habra	Tim Shaw	Rose Espinoza
La Palma	Peter Kim	Nitesh Patel
Los Alamitos	Richard Murphy	Dean Grose
Newport Beach	Brad Avery	Joy Brenner
Orange	Mark Murphy	Kim Nichols
Placentia	Chad Wanke	Ward Smith
Santa Ana	Nelida Mendoza	David Penaloza
Seal Beach	Sandra Massa-Lavitt	Schelly Sustarsic
Stanton	David Shawver	Carol Warren
Tustin	Allan Bernstein	Chuck Puckett
Villa Park	Robert Collacott	Chad Zimmerman
Sanitary Water Districts:		
Costa Mesa Sanitary District	James M. Ferryman	Robert Ooten
Midway City Sanitary District	Andrew Nguyen	Margie Rice
Irvine Ranch Water District	John Withers	Douglas Reinhart
Yorba Linda Water District	Brooke Jones	Phil Hawkins
County Areas:		
Member of the Board of Supervisors	Doug Chaffee	Donald Wagner

ORANGE COUNTY SANITATION DISTRICT

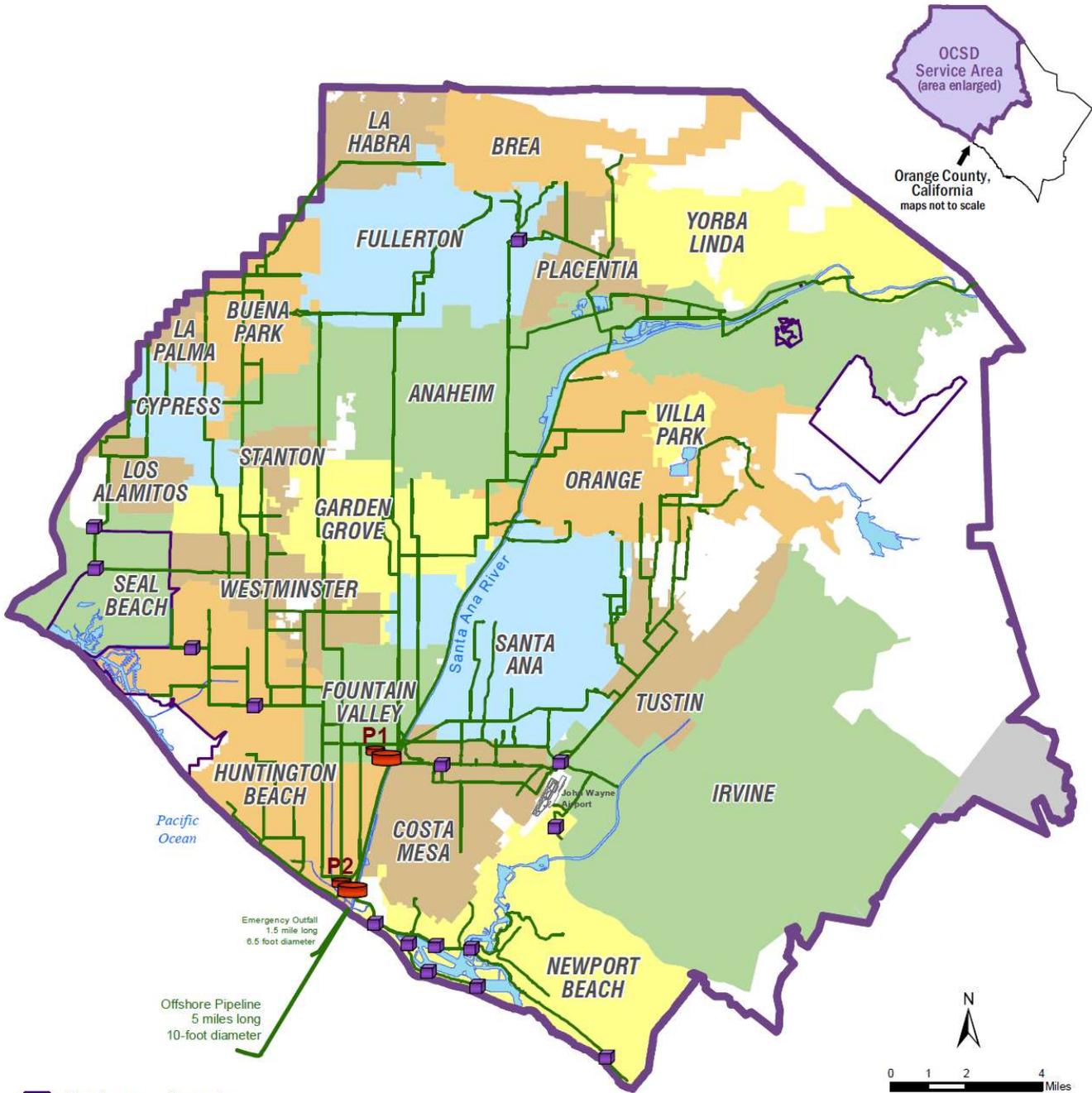
Organizational Chart
As of June 30, 2020



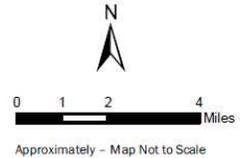
ORANGE COUNTY SANITATION DISTRICT

Map of Service Area

As of June 30, 2020



-  Service area boundary
-  Sewer pipelines
-  Reclamation Plant No. 1 (P1)
Treatment Plant No. 2 (P2)
-  Pump stations
-  Unincorporated Orange County (white areas)



DISCLAIMER: Map prepared by the Orange County Sanitation District. This map is intended for graphical representation only. No level of accuracy is claimed. Portions of this derived product contain geographical information copyrighted by Rand McNally. All Rights Reserved.
Revised December 2019

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Independent Auditor's Report

To the Board of Directors
Orange County Sanitation District
Fountain Valley, California

We have audited the accompanying financial statements of the Orange County Sanitation District (OCSD) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise OCSD's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to OCSD's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of OCSD's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Orange County Sanitation District, as of June 30, 2020, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Proportionate Share of the Net Pension Liability (Asset) – OCERS Pension Plan, Schedule of District Contributions – OCERS Pension Plan, Schedule of Total Pension Liability – Additional Retiree Benefit Account, Schedule of Changes in Total Pension Liability – Additional Retiree Benefit Account, Schedule of Total OPEB Liability – Post-Employment Medical Benefits Plan, and Schedule of Changes in Total OPEB Liability – Post-Employment Medical Benefits Plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise OCSD's basic financial statements. The separate "Combining Area" financial statements, introductory section, statistical section, and other data and trends are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The "Combining Area" financial statements are the responsibility of management and were derived from, and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the "Combining Area" financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections and other data and trends have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Macias Gini & O'Connell LLP

Newport Beach, California
October 28, 2020

ORANGE COUNTY SANITATION DISTRICT
Management Discussion and Analysis (Unaudited)
June 30, 2020

This section of the financial statements of the Orange County Sanitation District (OCSD) is management's narrative overview and analysis of the financial activities of OCSD for the fiscal year ended June 30, 2020. The information presented here is to be considered in conjunction with additional information provided within the letter of transmittal located in the Introductory Section of this report.

Financial Highlights

- As of June 30, 2020, OCSD's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$2,539.0 million (net position). Of this amount, \$861.0 million represents unrestricted net position, which may be used to meet OCSD's ongoing obligations to citizens and creditors.
- Total net position increased \$178.5 million, or 7.6 percent over the prior year.
- Net capital assets, consisting of non-depreciable capital assets and depreciable capital assets net of accumulated depreciation, increased \$4.9 million, or 0.2 percent over the prior year.
- Net investment in capital assets increased \$30.3 million, or 1.8 percent over the prior year.
- Unrestricted net position increased \$148.2 million, or 20.8 percent over the prior year.
- Total outstanding bonded debt decreased by \$32.7 million, or 3.4 percent from the prior year, to \$940.1 million.

Overview of the Basic Financial Statements

OCSD operates as a utility enterprise and presents its financial statements using the economic resources measurement focus and the full accrual basis of accounting. As an enterprise fund, OCSD's basic financial statements are comprised of two components: financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

In accordance with the GASB Codification of Governmental Accounting and Financial Reporting Standards, OCSD's financial statements include a Statement of Net Position; Statement of Revenues, Expenses, and Change in Net Position; and a Statement of Cash Flows.

The Statement of Net Position includes OCSD's assets, deferred outflows of resources, liabilities, and deferred inflows of resources; and provides information about the nature and amounts of investments in resources (assets) and the obligations to OCSD's creditors (liabilities). It also provides the basis for computing the rate of return, evaluating the capital structure of OCSD, and assessing the liquidity and financial flexibility of OCSD.

The Statement of Revenues, Expenses, and Change in Net Position accounts for the current year's revenues and expenses. This Statement measures the success of OCSD's operations over the past year and can be used to determine OCSD's creditworthiness. It also highlights OCSD's dependency on property tax revenues in supplementing user fees and other charges for recovering total cost.

The final required financial statement, the Statement of Cash Flows, reports cash receipts, cash payments, and net changes in cash resulting from operations, investments, and financial activities of the reporting period.

ORANGE COUNTY SANITATION DISTRICT
Management Discussion and Analysis (Unaudited)
June 30, 2020

Net Position

As previously noted, net position increased \$178.5 million, or 7.6 percent over the net position for FY 2018-19, to \$2,539.0 million in FY 2019-20.

(Dollars in thousands)

	June 30, 2020	June 30, 2019	Increase (Decrease)	Percentage Increase (Decrease)
Assets				
Current and other assets	\$ 964,535	\$ 789,769	\$ 174,766	22.1%
Net capital assets	2,674,201	2,669,309	4,892	0.2%
Total assets	3,638,736	3,459,078	179,658	5.2%
Deferred outflows of resources				
	63,213	122,683	(59,470)	-48.5%
Total assets and deferred outflows of resources				
	3,701,949	3,581,761	120,188	3.4%
Liabilities				
Current liabilities	138,390	109,982	28,408	25.8%
Noncurrent liabilities	991,389	1,065,679	(74,290)	-7.0%
Total liabilities	1,129,779	1,175,661	(45,882)	-3.9%
Deferred inflows of resources				
	33,160	45,598	(12,438)	-27.3%
Total liabilities and deferred inflows of resources				
	1,162,939	1,221,259	(58,320)	-4.8%
Net position				
Net investment in capital assets	1,678,041	1,647,723	30,318	1.8%
Unrestricted	860,969	712,779	148,190	20.8%
Total net position	\$ 2,539,010	\$ 2,360,502	\$ 178,508	7.6%

ORANGE COUNTY SANITATION DISTRICT
Management Discussion and Analysis (Unaudited)
June 30, 2020

Current and other assets increased \$174.8 million, or 22.1 percent, due primarily to net cash provided by operations of \$169.0 million, proceeds from property taxes of \$104.2 million, OCERS net pension asset of \$49.4 million, net investment activities and other items of \$21.8 million, receipt of capital facilities capacity charges of \$20.1 million, interest received of \$17.5 million, and contributions from other governments of \$6.5 million, offset by capital outlays of \$136.6 million, interest paid of \$44.4 million, and bonded debt retirements of \$32.7 million.

Net capital assets increased \$4.9 million, or 0.2 percent, due mostly to the ongoing capital improvement program construction in progress additions of \$118.2 million and capital equipment of \$1.8 million, offset by depreciation of \$113.9 million and \$1.2 million of prior capital project expenses that were written off as expense. Included in total capital outlay additions is the Ocean Outfall System Rehabilitation with incurred project costs of \$19.8 million FY 2019-20 and a total project budget of \$166.0 million. This project will rehabilitate the Ocean Outfall Booster Station at Plant No. 2, construct a new Low Flow Pump Station and a Plant Water Pump Station, and replace existing electrical switchgear at CenGen.

Collection system projects include the Newhope-Placentia Trunk Replacement. The Newhope-Placentia Trunk Replacement incurred outlays of \$23.0 million in FY 2019-20 with a total project budget of \$112.0 million through the projected completion in FY 2021-22. This project will increase the size of approximately 35,000 feet of the trunk line from Yorba Linda Boulevard to Orangewood Avenue. The upsized sewer will accommodate flows from the newly abandoned Yorba Linda Pump Station and the newly interconnected Atwood Sub-trunk.

See page 8 for the Schedule of Capital Assets and listing of other major capital additions for FY 2019-20.

Deferred outflows of resources decreased \$59.5 million, or 48.5 percent from the prior year, primarily due to a \$55.7 million decrease in pension deferred outflows attributable to the change in projected and actual earnings on pension plan investments and changes of actuarial assumptions and other inputs, as well as a decrease of \$3.8 million for the difference between carrying amount of the retired debt and the acquisition price of COP Series.

Deferred inflows of resources decreased \$12.4 million, or 27.3 percent under the prior year, primarily as a result of the change in projected and actual earnings on pension plan investments and differences between expected and actual experiences.

Net investment in capital assets increased \$30.3 million, or 1.8 percent over the prior year, primarily as a result of the net increase in capital assets of \$4.9 million coupled with a \$25.4 million decrease in related debt.

Unrestricted net position increased \$148.2 million, or 20.8 percent, due to the overall increase in net position of \$178.5 million, offset by the increase in net investment in capital assets of \$30.3 million.

ORANGE COUNTY SANITATION DISTRICT
Management Discussion and Analysis (Unaudited)
June 30, 2020

Change in Net Position

Net position increased \$12.8 million in FY 2019-20, or 7.7 percent over the prior year's increase in net position.

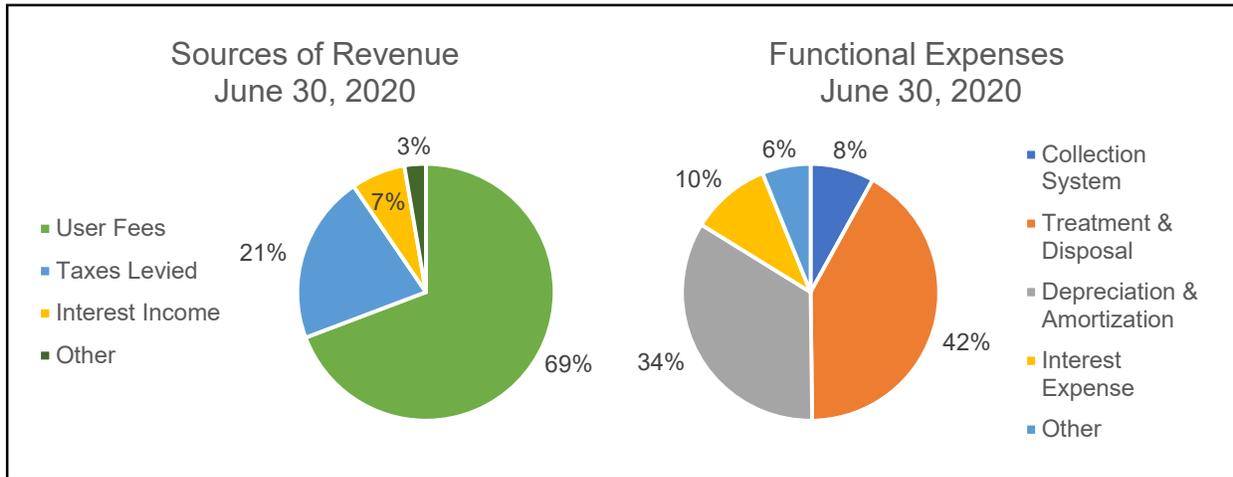
(Dollars in thousands)

	June 30, 2020	June 30, 2019	Increase (Decrease)	Percentage Increase (Decrease)
Revenues:				
Operating revenues				
Service charges	\$ 339,895	\$ 317,291	\$ 22,604	7.1%
Permit and inspection fees	1,169	1,199	(30)	-2.5%
Total operating revenues	<u>341,064</u>	<u>318,490</u>	<u>22,574</u>	<u>7.1%</u>
Non-operating revenues				
Property taxes	104,492	99,534	4,958	5.0%
Investment and interest income	33,669	29,102	4,567	15.7%
Contrib. from other governments	10,535	27,800	(17,265)	-62.1%
Other	2,637	2,162	475	22.0%
Total non-operating revenues	<u>151,333</u>	<u>158,598</u>	<u>(7,265)</u>	<u>-4.6%</u>
Total revenues	<u>492,397</u>	<u>477,088</u>	<u>15,309</u>	<u>3.2%</u>
Expenses:				
Operating expense other than depreciation and amortization	168,333	166,586	1,747	1.0%
Depreciation and amortization	113,888	102,239	11,649	11.4%
Non-operating expense	54,261	63,582	(9,321)	-14.7%
Total expenses	<u>336,482</u>	<u>332,407</u>	<u>4,075</u>	<u>1.2%</u>
Income before capital contributions	<u>155,915</u>	<u>144,681</u>	<u>11,234</u>	<u>7.8%</u>
Capital facilities capacity charges	22,593	21,032	1,561	7.4%
Increase in net position	<u>178,508</u>	<u>165,713</u>	<u>12,795</u>	<u>7.7%</u>
Beginning net position	2,360,502	2,194,789	165,713	7.6%
Ending net position	<u>\$ 2,539,010</u>	<u>\$ 2,360,502</u>	<u>\$ 178,508</u>	<u>7.6%</u>

As previously stated, an enterprise fund is used to account for the operations of OCSD, which is financed and operated in a manner similar to private business enterprises. This allows OCSD to determine that the costs (expenses, including depreciation and amortization) of providing wastewater management services on a continuing basis are financed or recovered primarily through user charges.

Sewer service user fees are evaluated annually based primarily on budget requirements for total operation and maintenance expenses and capital outlays for providing wastewater management services. Property tax revenues are dedicated for the payment of debt service.

ORANGE COUNTY SANITATION DISTRICT
Management Discussion and Analysis (Unaudited)
June 30, 2020



Operating revenues increased \$22.6 million, or 7.1 percent in FY 2019-20 from the prior year, primarily due to a 1.2 percent increase in the average sewer user fee rate and a decrease in user fee rebates issued over the prior year, as well as an increase in service charges to IRWD.

Non-operating revenues decrease of \$7.3 million, or 4.6 percent, primarily consists of a \$17.3 million or 62.1 percent decrease in contributions from other governments, reflective of the decrease in the integration adjustment of Revenue Area 14's equity share in OCSD's Joint Works Treatment Facilities based on the flows discharged to OCSD. This decrease is offset by a \$5.0 million or 5.0 percent increase in property taxes revenue due to the increase in total assessed valuation of 5.8 percent over the prior year, a \$4.5 million or 15.7 percent increase in investment and interest income as a result of higher account balances held in the investment portfolios, and a \$0.5 million or 22.0 percent increase in other revenues attributable to a retrospective insurance adjustment.

Operating expense before depreciation and amortization increased \$1.7 million, or 1.0 percent from the prior year. The majority of this increase is from a \$12.3 million or 38.7 percent rise in supplies, repairs and maintenance, attributable to delayed rehabilitation projects for primary and secondary clarifiers, increases in basic repairs and maintenance costs, and Central Generation engine overhaul. This increase is offset by a \$6.6 million or 69.0 percent decrease in other expenses primarily from a reduction in reserves for claims and judgments and a \$1.4 million or 5.6 percent decrease in contractual services resulting from lower biosolids removal costs due to new dewatering centrifuges that replaced aging belt presses. Additionally, salaries and benefits decreased by \$2.6 million or 3.0 percent over the prior year. When including the salaries and benefits capitalized within the capital improvement program, total operating salaries and benefits costs were \$99.9 million, a \$3.0 million or 2.9 percent decrease from the prior year total of \$102.9 million. This decrease is reflective of the \$5.9 million or 32.5 percent decrease in retirement expenses as a result of the change in projected and actual earnings on pension plan investments and changes of assumptions, somewhat offset by a \$2.6 million or 3.6 percent increase in salaries and wages.

Non-operating expense decreased \$9.3 million, or 14.7 percent, primarily resulting from the prior year \$23.2 million transfer of local sewer service fee assets and replacement funds to the City of Santa Ana, a \$4.2 million or 76.4 percent decrease in loss on disposal of capital assets, and a decrease in interest expense of \$0.6 million or 1.8 percent from the prior year total of \$34.5 million. Offsetting this decrease is the increase of \$16.4 million in contributions to other governments for the integration adjustment of Revenue Area 14's equity share in OCSD's Joint Works Treatment Facilities based on the flows discharged to OCSD and an increase of \$2.3 million in other non-operating expenses due to project 2-41-8 SARI rock removal.

ORANGE COUNTY SANITATION DISTRICT
Management Discussion and Analysis (Unaudited)
June 30, 2020

Capital facility capacity charges increased \$1.6 million, or 7.4 percent from the prior year, due to an increase in rates and connection fees collected from cities, offset by less supplemental capital facilities capacity charges assessed to industrial dischargers than last year.

Capital Assets

At June 30, 2020, OCSD had a net investment of \$2.7 billion in capital assets. This represents a net increase (including additions and deletions) of \$4.9 million, or 0.2 percent over the prior year.

Schedule of Capital Assets
(Net of Depreciation and Amortization)

(Dollars in thousands)

	June 30, 2020	June 30, 2019	Increase (Decrease)	Percentage Increase (Decrease)
Land	\$ 41,967	\$ 41,967	\$ -	0.0%
Construction in progress	363,931	521,832	(157,901)	-30.3%
Sewage collection facilities	494,680	508,164	(13,484)	-2.7%
Sewage treatment facilities	1,668,008	1,485,491	182,517	12.3%
Effluent disposal facilities	30,240	31,696	(1,456)	-4.6%
Solids disposal facilities	268	278	(10)	-3.6%
General and administrative facilities	75,107	79,881	(4,774)	-6.0%
Capital assets, net	\$ 2,674,201	\$ 2,669,309	\$ 4,892	0.2%

Major capital asset additions for the current fiscal year included the following:

- \$23.0 million Newhope-Placentia Trunk Replacement
- \$19.8 million Ocean Outfall System Rehabilitation
- \$12.0 million Primary Treatment Rehabilitation at Plant No. 2
- \$ 9.8 million Headworks Rehabilitation and Expansion at Plant No. 1
- \$ 6.5 million Safety Improvements Program
- \$ 5.6 million Headquarters Complex and Site Security at Plant No. 1
- \$ 5.2 million Westminster Blvd Force Main Replacement
- \$ 4.5 million Sludge Dewatering and Odor control at Plant 1
- \$ 4.4 million Sludge Dewatering and Odor Control at Plant 2
- \$ 3.4 million Digester Gas Facilities Rehabilitation

More detailed information about OCSD's capital assets is provided in Notes 1 and 3 of the Notes to Basic Financial Statements.

ORANGE COUNTY SANITATION DISTRICT
Management Discussion and Analysis (Unaudited)
June 30, 2020

Debt Administration

At June 30, 2020, OCSD had \$940.1 million outstanding in bonded debt, a net decrease of \$32.7 million, or 3.4 percent from the prior year. This reduction consisted of the accumulation of principal payments made in accordance with the schedule of debt service payments.

During OCSD's most recent debt refundings, Moody's, Standard and Poor's, and Fitch Ratings all reaffirmed their AAA rating of the Orange County Sanitation District. OCSD's long-range financing plan is designed to maintain this high rating. Over the next five years, OCSD is projecting over \$1.2 billion in future treatment plant and collection system capital improvements. In accordance with OCSD's long-term debt fiscal policy, OCSD will restrict long-term borrowing to capital improvements that cannot be financed from current revenue. No new debt issuances are being proposed over the next five years to assist with the funding of the system improvements scheduled over this time period. For more information on long-term debt activities, see Note 4 of the Notes to Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- The coronavirus pandemic decimated the U.S, California, and Orange County economies in 2020. There is uncertainty in how quickly California will ease restrictions to reopen the economy and if there will be renewed shutdowns. Orange County tourism and sales tax revenues have been hard hit and are affecting many government entity revenue streams. OCSD does not rely on sales or tourism related taxes for revenue.
- The unemployment rate within the County of Orange is at 13.6 percent in June 2020, an increase from the rate of 3.0 percent in June 2019.
- Inflation for the Los Angeles-Long Beach-Anaheim area increased 1.4 percent in June 2020 over the prior year June 2019 based on the actual percentage change in the consumer price index according to the U. S. Department of Labor, Bureau of Labor Statistics.
- The yield on investments decreased from the 2.0 percent earnings rate in FY 2018-19 to 0.4 percent for FY 2019-20.

All of these factors are considered in preparing OCSD's biennium budget.

As members of the community, we understand the financial impacts of COVID-19 on Orange County and that many of our ratepayers have incurred great losses.

The Board of Directors voted to adopt the two-year budget and not raise the sewer fee for FY 2020-21 as originally approved in OCSD's five-year rate schedule. The Single Family Residential (SFR) fee, which is the underlying rate for all other user rates, is applicable to OCSD's largest customer base: the SFR fee remained at \$339.00 instead of increasing by 1.2 percent or \$4.00 to \$343.00. The rate increase has been eliminated for FY 2020-21 in response to COVID-19 and will resume in FY 2021-22. The revenue from sewer fees is necessary to support OCSD's cash flow needs including \$174.3 million in operating costs, \$72.8 million in debt service costs and \$164.8 million in capital improvement outlays in 2020-21. Capital Improvement costs are projected to total \$2.7 billion over the next 10 years in order to rehabilitate and upgrade existing facilities and maintain full secondary treatment standards.

Requests for Information

The financial report is designed to provide a general overview of OCSD's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Financial Management Division, Orange County Sanitation District, 10844 Ellis Avenue, Fountain Valley, CA 92708-7018.

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**ORANGE COUNTY SANITATION DISTRICT
BASIC FINANCIAL STATEMENTS**

ORANGE COUNTY SANITATION DISTRICT

Statement of Net Position

June 30, 2020

Current assets:	
Cash and cash equivalents	\$ 106,562,503
Investments	774,218,874
Accounts receivable, net of allowance for uncollectibles \$304,619	15,585,233
Accrued interest receivable	3,261,437
Connection fees receivable	4,276,297
Property tax receivable	1,841,207
Inventories	6,852,604
Prepaid expenses	2,473,418
Total current assets	<u>915,071,573</u>
Noncurrent assets:	
Restricted:	
Cash and cash equivalents held by fiscal agents	6,998
Unrestricted:	
Non-depreciable capital assets	405,898,190
Depreciable capital assets, net of accumulated depreciation	2,268,302,719
Other noncurrent assets, net	10,344
Net pension asset - OCERS	49,446,615
Total noncurrent assets	<u>2,723,664,866</u>
Total assets	<u>3,638,736,439</u>
Deferred outflows of resources:	
Deferred charges on defeasances	25,162,613
Deferred outflows related to pensions	38,050,031
Total deferred outflows of resources	<u>63,212,644</u>
Total assets and deferred outflows of resources	<u>3,701,949,083</u>
Current liabilities:	
Accounts payable	16,007,700
Accrued expenses	16,259,932
Retentions payable	4,475,945
Interest payable	17,582,050
Due to other governmental agency	34,613,820
Current portion of long-term obligations	49,450,092
Total current liabilities	<u>138,389,539</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations	967,470,844
Total OPEB liability	2,483,644
Total pension liability - ARBA	21,434,655
Total noncurrent liabilities	<u>991,389,143</u>
Total liabilities	<u>1,129,778,682</u>
Deferred inflows of resources:	
Deferred inflows related to pensions	33,160,310
Total liabilities and deferred inflows of resources	<u>1,162,938,992</u>
Net position:	
Net investment in capital assets	1,678,041,015
Unrestricted	860,969,076
Total net position	<u>\$ 2,539,010,091</u>

See Accompanying Notes to Basic Financial Statements.

ORANGE COUNTY SANITATION DISTRICT
Statement of Revenues, Expenses, and Change in Net Position
For the Year Ended June 30, 2020

Operating revenues:	
Service charges	\$ 339,895,508
Permit and inspection fees	1,168,554
	<u>341,064,062</u>
Total operating revenues	<u>341,064,062</u>
Operating expenses other than depreciation and amortization:	
Salaries and benefits	82,916,642
Utilities	8,622,358
Supplies, repairs and maintenance	44,062,629
Contractual services	24,624,668
Feasibility studies	5,113,211
Other	2,993,614
	<u>168,333,122</u>
Total operating expenses other than depreciation and amortization	<u>168,333,122</u>
Operating income before depreciation and amortization	172,730,940
Depreciation and amortization	113,887,828
	<u>58,843,112</u>
Operating income	<u>58,843,112</u>
Non-operating revenues:	
Property taxes	104,491,530
Investment and interest income	33,669,185
Contributions from other governments	10,535,138
Other	2,637,274
	<u>151,333,127</u>
Total non-operating revenues	<u>151,333,127</u>
Non-operating expenses:	
Interest	33,832,605
Contributions to other governments	16,408,665
Other	2,725,028
Loss on disposal of assets	1,295,446
	<u>54,261,744</u>
Total non-operating expenses	<u>54,261,744</u>
Income before capital contributions	155,914,495
Capital contributions:	
Capital facilities capacity charges	22,593,121
	<u>178,507,616</u>
Change in net position	<u>178,507,616</u>
Total net position - beginning	2,360,502,475
	<u>2,360,502,475</u>
Total net position - ending	<u>\$ 2,539,010,091</u>

See Accompanying Notes to Basic Financial Statements.

ORANGE COUNTY SANITATION DISTRICT

Statement of Cash Flows

For the Year Ended June 30, 2020

Cash flows from operating activities:	
Receipts from customers and users	\$ 374,305,112
Payments to employees	(118,367,068)
Payments to suppliers	(86,927,267)
Net cash provided by operating activities	169,010,777
Cash flows from noncapital financing activities:	
Proceeds from property taxes	104,236,994
Payments for other activities	(90,298)
Net cash provided by noncapital financing activities	104,146,696
Cash flows from capital and related financing activities:	
Capital facilities capacity charges	20,051,888
Additions to capital assets	(136,578,436)
Interest paid	(44,351,789)
Principal payments on debt obligations	(32,730,000)
Contributions from other governments	6,533,131
Net cash used in capital and related financing activities	(187,075,206)
Cash flows from investing activities:	
Proceeds from the sale of investments	386,346,275
Purchases of investments	(459,325,245)
Interest received	17,507,225
Net cash used in investing activities	(55,471,745)
Net increase in cash and cash equivalents	30,610,522
Cash and cash equivalents, beginning of year	75,958,979
Cash and cash equivalents, end of year	\$ 106,569,501
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 58,843,112
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	113,887,828
Bad debt expense (net recoveries)	(45,354)
(Increase)/decrease in operating assets:	
Accounts receivable	(1,838,656)
Inventories	(920,236)
Due from other governmental agency	465,886
Prepaid expenses	(506,972)
Increase/(decrease) in operating liabilities:	
Accounts payable	3,728,708
Accrued expenses	(198,810)
Due to other governmental agency	34,613,820
Net pension/OPEB liabilities	(36,840,589)
Compensated absences	941,645
Claims and judgments	(3,119,605)
Net cash provided by operating activities	\$ 169,010,777
<u>Noncash activities:</u>	
Unrealized gain on the fair value of investments	\$ 16,701,780
Capital assets acquired through accounts payable	(4,171,751)
Capital facilities capacity charges acquired	2,541,233

See Accompanying Notes to Basic Financial Statements.

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

(1) Summary of Significant Accounting Policies

Reporting Entity

The Orange County Sanitation District (OCSD) is a public agency which owns and operates certain wastewater facilities in order to provide regional wastewater collection, treatment, and disposal services to approximately 2.6 million people in the northern and central portion of the County of Orange, California. OCSD is overseen by a Board comprised of directors appointed by the agencies and cities which are serviced by OCSD.

OCSD's service area was originally formed in 1954 pursuant to the County Sanitation District Act and consisted of seven independent special districts. Two additional districts were formed and additional service areas were added in 1985 and 1986. These special districts were jointly responsible for the treatment and disposal facilities which they each used. In April of 1998, the Board of Supervisors of Orange County passed Resolution 98-140 approving the consolidation of the existing nine special districts into a new, single sanitation district. This action was taken in order to simplify the governance structures, reduce the size of OCSD's Board of Directors, ease administrative processes, streamline decision-making and consolidate accounting and auditing processes. Pursuant to the Resolution and Government Code Section 57500, the predecessor special districts transferred and assigned all of their powers, rights, duties, obligations, functions and properties to OCSD, including all assets, liabilities, and equity.

Effective July 1, 1998, the organization became known as the Orange County Sanitation District. The boundaries of one of the previous districts, now known as Revenue Area No. 14, have been maintained separately because their use of OCSD's collection, treatment, and disposal system is funded by the Irvine Ranch Water District (IRWD). The boundaries of the other eight districts have been consolidated and are collectively referred to as the Consolidated Revenue Area. OCSD utilizes joint operating and capital outlay accounts to pay joint treatment, disposal, and construction costs. These joint costs are allocated to each revenue area based on gallons of sewage flow. The supplemental schedules and statements show internal segregations and are not intended to represent separate funds for presentation as major or non-major funds in the basic financial statements.

The accompanying financial statements present OCSD and its blended component unit, the Orange County Sanitation District Financing Corporation (Corporation). The Corporation is a legally separate entity although in substance it is considered to be part of OCSD's operations. OCSD is considered to be financially accountable for the Corporation which is governed by a board comprised entirely of OCSD's board members. There is no requirement for separate financial statements of the Corporation; consequently, separate financial statements for the Corporation are not prepared. The Corporation had no financial activity during the fiscal year ended June 30, 2020, other than principal and interest payments on outstanding certificates of participation/ revenue obligations and notes (see Note 4).

OCSD is independent of and overlaps other formal political jurisdictions. There are many governmental entities, including the County of Orange, that operate within OCSD's jurisdiction; however, financial information for these entities is not included in the accompanying financial statements in accordance with the Governmental Accounting Standards Board (GASB).

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

Measurement Focus and Basis of Accounting

OCSD operates as an enterprise activity. Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the Board of Directors is that the costs (expenses, including depreciation and amortization) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Enterprise funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

The accounting policies of OCSD conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States.

Operating Plans

Each year, OCSD staff prepares an annual operating plan which is adopted by the Board of Directors. The annual operating plan is used to serve as a basis for monitoring financial progress, estimating the levy and collection of taxes, and determining future service charge rates. During the year, these plans may be amended as circumstances or levels of operation dictate.

Cash and Cash Equivalents

Investments with original maturities of three months or less when purchased and money market mutual funds and external investment pools that can be withdrawn on demand are considered to be cash equivalents.

Investments

Except for certain investments in monies held by fiscal agents as disclosed in Note 2, section "Fair Value of Investments", all other investments are stated at fair value (the price that would be received to sell an asset in an orderly transaction between market participants acting in their economic best interest at the measurement date). Changes in fair value that occur during the fiscal year are reported as part of investment and interest income. Investment and interest income includes interest earnings and realized and unrealized gains or losses in fair value. Investment and interest income are recorded as revenues and receivables when declared and realized gains or losses are recorded when the investment is sold.

Accounts Receivable

Accounts receivable is reported net of the allowance for uncollectible receivables. Uncollectible receivables were \$304,619 at June 30, 2020. Unbilled sewer services through June 30, 2020 are recorded as revenue and receivables. Management determines the allowance for uncollectible receivables by evaluating individual accounts receivable at least one year past due and considering a customer's financial condition, credit history and current economic conditions. Accounts receivables are written off when deemed uncollectible. Recoveries of accounts receivables previously written off are recorded when received.

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

Inventories

Inventories, which are held for consumption and not resale, are stated at cost on a weighted-average basis and are expensed when used.

Capital Assets

Outlays for property, plant, equipment, and construction in progress are recorded in the revenue area which will use the asset. Such outlays may be for individual revenue area assets or for a revenue area's share of joint assets.

Capital assets of property, plant, and equipment are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of at least three years. Such assets are recorded at cost, except for donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement, which are recorded at acquisition value at the time received. Cost includes labor; materials; outside services; vehicle and equipment usage; other ancillary costs consisting of direct charges such as engineering, purchasing, supervision, or fringe benefits. Interest costs, net of interest earnings, have been capitalized on projects prior to fiscal year 2017-2018. Commencing with fiscal year 2017-2018, OCSD early implemented GASB Statement No. 89, where interest costs incurred before the end of the construction period are no longer capitalized.

Depreciation of plant and equipment is provided for over the estimated useful lives of the assets using the straight-line method in accordance with generally accepted accounting principles. OCSD also considers the guidelines of estimated useful lives as recommended in the State of California Controller's Uniform System of Accounts for Waste Disposal Districts, which range from 3 to 75 years. The following are estimated useful lives for major classes of depreciable assets: Sewage collection facilities – 50 years, Sewage treatment facilities – 40 years, Sewage disposal facilities – 40 years, General plant and administrative structures – 40 years, and other General plant and administrative facilities and equipment – 4 to 25 years.

Restricted Assets

Certain assets are classified as restricted because their use is limited by applicable debt covenants. Specifically, the assets are restricted for installment payments due on certificates of participation and revenue obligations or are maintained by a trustee as a reserve requirement for the certificates of participation and revenue obligations. When both restricted and unrestricted resources are available for use, it is OCSD's policy to use restricted resources first, then unrestricted resources as they are needed.

Amortization

Amortization of the excess purchase price over the book value of assets acquired is provided using the straight-line method over an estimated useful life of 30 years.

Premiums and discounts on certificate anticipation notes and wastewater refunding revenue obligations are amortized to interest expense over the respective terms of the installment obligations based on the effective interest method (Note 4).

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

Deferred Charges on Defeasances

For advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt (i.e. deferred charges) is reported as a deferred outflow of resources and amortized to interest expense based on the effective interest method over the remaining life of the old debt or the life of the new debt, whichever is shorter. OCSD's deferred charges on the refunding debt at June 30, 2020 are \$25,162,613.

Net Position

Net position represents the total of assets and deferred outflows of resources less liabilities and deferred inflows of resources, and is classified into two categories:

Net Investment in Capital Assets – This amount consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets and excludes unspent debt proceeds. Deferred outflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also are included in this component of net position.

Unrestricted – This amount represents the residual of amounts not classified in the other category and represents the net position available for OCSD.

Compensated Absences

OCSD's employees, other than operations and maintenance personnel, are granted vacation and sick leave in varying amounts with maximum accumulations of 200 hours and 560 hours for vacation and sick days earned but unused, respectively. Operations and maintenance personnel accrue between 80 and 250 personal leave hours per year depending on years of service, which can be accumulated up to a maximum of 440 hours. All accrued and unused vacation or personal leave is paid to the employee upon termination or retirement of the employee. Accrued and unused sick leave is paid to the employee at a percentage rate based on years of service, as stated in the Memorandum of Understanding for each bargaining group.

Vacation and sick leave benefits and personal days are recorded as an expense and liability when earned by eligible employees. The distribution between current and long-term portions of the liability is based on historical trends.

Claims and Judgments

OCSD records estimated losses when it is probable that a claim liability has been incurred and when the amount of the loss can be reasonably estimated. Claims payable includes an estimate for incurred but unreported claims. The distribution between current and long-term portions of the liability is based on historical trends.

Pensions

OCSD has two defined benefit pension plans for retirees: the plan maintained through and by the Orange County Employees Retirement System (OCERS) and the Additional Retiree Benefit Account (ARBA) administered directly by OCSD. For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of OCSD's cost sharing multiple-employer plan with the OCERS plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by OCERS. Benefit payments (including refunds of employee contributions) are recognized when due and payable in

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

accordance with the benefit terms. Investments are reported at fair value. A deferred outflow of resources and deferred inflow of resources related to pensions result from changes in the components of the net pension liability and are applicable to a future reporting period (Note 5).

Property Taxes

The County is permitted by State law (Proposition 13) to levy taxes at one percent of full market value (at time of purchase) and can increase the assessed value no more than two percent per year. OCSD receives a share of this basic levy, proportionate to what was received in the 1976 to 1978 period.

Property taxes are determined annually and attached as enforceable liens on real property as of January 1 and are payable in two installments which become delinquent after December 10 and April 10. The County bills and collects the property taxes and remits them to OCSD in installments during the year. Property tax revenues are recognized when levied. The Board of Directors has designated property tax revenue to be used for the annual debt service requirements prior to being used as funding for current operations.

Capital Facilities Capacity Charges

Capital facilities capacity charges represent fees imposed at the time a structure is newly connected to OCSD's system, directly or indirectly, or an existing structure or category of use is increased. This charge is to pay for OCSD facilities in existence at the time the charge is imposed or to pay for new facilities to be constructed that are of benefit to the property being charged.

Operating and Non-operating Revenues and Expenses

Operating revenues and expenses result from collecting, treating, and disposing of wastewater and inspection and permitting services. OCSD's operating revenues consist of charges to customers for the services provided. Operating expenses include the cost of providing these services, administrative expenses, and depreciation and amortization expenses. All revenues and expenses not meeting these definitions and which are not capital in nature are reported as non-operating revenues and expenses.

Self-Insurance Plans

For the year ended June 30, 2020, OCSD was self-insured for portions of workers' compensation, property damage, and general liability. The self-insurance portion of the workers' compensation exposure is the \$1,000,000 deductible per occurrence under the outside excess insurance coverage to statutory levels. The self-insurance portion of the property damage exposure covering fire and other perils is the \$500,000 per occurrence deductible (for most perils) under the outside excess property insurance coverage to \$1 billion. The self-insurance portion of the property damage exposure covering flood is the \$250,000 per occurrence deductible with outside excess property insurance coverage to \$300 million. The self-insurance portion of the property damage exposure covering earthquake is the 5% per structure, minimum \$5,000,000 deductible with outside excess insurance coverage to \$25 million on covered structures. OCSD has insured a number of key structures against the peril of earthquake, all other structures are completely self-insured. The self-insurance portion of the boiler & machinery exposure is the deductible ranging from \$25,000 to \$350,000 under the outside excess boiler & machinery insurance coverage to \$100 million per occurrence combined limit. The self-insurance portion of the general liability exposure is the \$500,000 per occurrence deductible under the outside excess liability coverage to \$40 million per occurrence and aggregate. The self-insurance portion of the pollution liability exposure is the \$75,000 per loss deductible under the outside pollution liability insurance coverage to \$10 million. There were no significant changes in insurance coverage during fiscal year ended June 30, 2020.

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

During the past three fiscal years there have been no settlements in excess of covered amounts. Claims against OCSD are processed by General Counsel or an outside claim administrator. These claims are charged to claims expense based on estimated or known amounts which will ultimately be paid. Claims incurred but not yet reported have been considered in determining the accrual for loss contingencies. Workers' compensation reserves are actuarially determined and general liability estimated loss accruals are estimated using past experience adjusted for current trends and any other factors that would modify past experience. The estimate of the claims liability also includes any amounts for incremental and nonincremental claim adjustment expenses. OCSD management believes that there are no unrecorded claims as of June 30, 2020 that would materially affect the financial position of OCSD.

Deferred Compensation Plan

OCSD offers its employees a deferred compensation plan established in accordance with Internal Revenue Code Section 457. The plan permits all employees of OCSD to defer a portion of their salary until future years. The amount deferred is not available to employees until termination, retirement, death or for unforeseeable emergency. The assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. Since the plan assets are administered by an outside party and are not subject to the claims of OCSD's general creditors, in accordance with GASB Statement 32, the plan's assets and liabilities are not included within OCSD's financial statements.

New Accounting Pronouncements

OCSD early implemented GASB Statement No. 84, *Fiduciary Activities* and GASB Statement No. 90, *Majority Equity Interests* for the fiscal year ended June 30, 2020 by adopting GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which postponed various GASB pronouncements by at least one year. Implementation of these Standards did not materially impact OCSD's financial statements.

The following GASB Statements have been issued but are not yet effective for the year ended June 30, 2020. OCSD is assessing what financial statement impact, if any, these Statements will have:

- GASB Statement No. 87, *Leases*, effective for the fiscal year ending June 30, 2022.
- GASB Statement No. 92, *Omnibus 2020*, effective upon issuance for the requirements related to the effective date of GASB Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments. The other requirements will be effective for the fiscal year ending June 30, 2022.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the fiscal year ending June 30, 2023.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the fiscal year ending June 30, 2023.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, effective for the fiscal year ending June 30, 2022.

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

(2) Cash and Investments

Cash and investments as of June 30, 2020 are classified within the accompanying Statement of Net Position as follows:

Statement of Net Position:	
Current, Unrestricted:	
Cash and cash equivalents	\$ 106,562,503
Investments	<u>774,218,874</u>
Subtotal - current, unrestricted	880,781,377
Restricted:	
Cash and cash equivalents	<u>6,998</u>
Total cash and cash equivalents and investments	<u><u>\$ 880,788,375</u></u>

Cash and investments consist of the following as of June 30, 2020:

Cash on hand	\$ 6,500
Deposits with financial institutions	9,056,262
Managed portfolio - cash and investments	<u>871,718,615</u>
Subtotal - unrestricted cash and investments	880,781,377
Monies held by trustees:	
Cash and cash equivalents	<u>6,998</u>
Grand total cash and investments	<u><u>\$ 880,788,375</u></u>

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

Investments Authorized by the California Government Code and OCSD's Investment Policy

The following table identifies the investment types that are authorized by the California Government Code and OCSD's investment policy. This table and the subsequent tables identify certain provisions of either the California Government Code or OCSD's investment policy (whichever is more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Investment Type - Authorized by the California Government Code	Authorized by OCSD's Investment Policy?	Maximum Maturity ⁽¹⁾⁽³⁾	Maximum Percentage of Portfolio ⁽¹⁾	Maximum Investment in a Single Issuer ⁽¹⁾
Local Agency Bonds	Yes	5 years	10% ⁽²⁾	5% ⁽²⁾
U.S. Treasury Obligations	Yes	5 years	No limit	No limit
California State Treasury Obligations	Yes	5 years	No limit	No limit
U.S. Agency Securities	Yes	5 years	No limit	20% ⁽²⁾
Banker's Acceptances	Yes	180 days	40%	5% ⁽²⁾
Commercial Paper	Yes	270 days	25%	5% ⁽²⁾
Negotiable Certificates of Deposit	Yes	5 years	30%	5% ⁽²⁾
Repurchase Agreements	Yes	1 year	20% ⁽²⁾	5% ⁽²⁾
Reverse Repurchase Agreements	Yes	90 days ⁽²⁾	5% ⁽²⁾	5% ⁽²⁾
Corporate Medium-Term Notes	Yes	5 years	30%	5% ⁽²⁾
Mutual Funds	Yes	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	20%
Mortgage Pass-Through Securities/ CMO/Asset-Backed Securities	Yes	5 years	20%	5% ⁽²⁾
County Investment Pools	Yes	N/A	15% ⁽²⁾	15% ⁽²⁾
Local Agency Investment Fund (LAIF)	Yes	N/A	15% ⁽²⁾	15% ⁽²⁾
Supranational Obligations	Yes	5 years	30%	30%

Notes

(1) Restrictions are in accordance with the California Government Code unless indicated otherwise.

(2) The restriction is in accordance with OCSD's Investment Policy which is more restrictive than the California Government Code.

(3) As allowed by California Government Code Section 53601, the Board of Directors has adopted a policy of a maximum maturity of 5 years for investments purchased by OCSD's external money manager for the long-term investment portfolio. The duration of the long-term investment portfolio can never exceed 60 months. Investments purchased for the short-term portfolio are subject to the maturity restrictions noted in this table.

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

Investments Authorized by Debt Agreements

The investment of debt proceeds held by trustees is governed by provisions of the debt covenant agreements, rather than the general provisions of the California Government Code or OCSD's investment policy. The following table identifies the investment types that are authorized for investments held by OCSD's debt trustees. This table and the subsequent tables identify certain provisions of the debt covenant agreements that address interest rate risk, credit risk, and concentration of credit risk.

Investment Type - Authorized by the Debt Covenant Agreement	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in a Single Issuer
State and Local Agency Bonds	5 years	No limit	No limit
U.S. Treasury Obligations	5 years	No limit	No limit
U.S. Agency Securities	5 years	No limit	No limit
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	30%
Repurchase Agreements	1 year	No limit	No limit
Corporate Medium-Term Notes	5 years	30%	30%
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	20%
Local Agency Investment Fund (LAIF)	N/A	No limit	No limit
Guaranteed Investment Contracts	N/A	No limit	No limit

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer an investment has before maturity, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that OCSD manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time, as necessary to provide the cash flow and liquidity needed for operations.

OCSD monitors the interest rate risk inherent in its managed portfolio by measuring the modified duration of its portfolio. The duration of monies held for shorter term purposes is recommended by OCSD's Treasurer and is based on OCSD's cash flow requirements in meeting current operating and capital needs. The average duration of monies invested for shorter term purposes may never exceed 180 days. The duration of monies held for longer term purposes is recommended annually by OCSD's Treasurer and is based on OCSD's five-year cash flow forecast. The average duration may not exceed 120 percent nor be less than 80 percent of the recommended duration. The average duration of monies invested for longer term purposes may never exceed 60 months. There is no stated maximum maturity for the Money Market Mutual Funds. The money market mutual funds for BlackRock Institutional Fund and First American Government Obligations Fund are daily liquid funds available on demand.

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

Following is a table which summarizes OCSD's managed portfolio investments by purpose with the modified duration as of June 30, 2020.

Investment Type	Fair Value	Modified Duration (in years)	Modified Duration (in months)
Short-Term Portfolio:			
U.S. Treasury Bills	\$ 99,428,600	0.441	5.29
Local Agency Investment Fund	72,372,513	0.522	6.26
U.S. Treasury Notes	37,106,350	0.168	2.02
U.S. Agency Securities	23,290,773	0.253	3.03
Corporate Medium-Term Notes	7,817,805	0.556	6.68
Supranationals	6,008,330	0.292	3.50
Money Market Mutual Funds	3,643,086	-	-
Certificates of Deposit	1,507,395	0.638	7.65
Short-term portfolio subtotal	<u>\$ 251,174,852</u>	<u>0.401</u>	<u>4.81</u>
Long-Term Portfolio:			
U.S. Treasury Notes	\$ 191,364,585	2.840	34.08
U.S. Agency Securities*	187,763,073	2.833	33.99
Corporate Medium-Term Notes	144,063,379	2.483	29.79
Supranationals	36,932,396	1.967	23.61
Asset Backed Securities/CMO*	30,260,229	0.804	9.65
U.S. Treasury Inflation-Protected Securities (TIPS)	11,731,592	4.049	48.59
U.S. Treasury Bills	9,997,900	0.153	1.84
Money Market Mutual Funds	6,486,692	-	-
Taxable Municipal Bonds	1,829,068	0.453	5.44
U.S. Govt. Backed Mortgage Pools (GNMA)*	114,849	3.281	39.37
Long-term portfolio subtotal	<u>\$ 620,543,763</u>	<u>2.547</u>	<u>30.56</u>
Total Portfolio	<u><u>\$ 871,718,615</u></u>		
* Includes highly sensitive securities.			

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

OCSD monitors the interest rate risk inherent in its other investments using specific identification of the investments. Following is a table of these investments all held by trustees, as of June 30, 2020.

	Fair Value	Maturities
Cash equivalents held by fiscal agents:		
Money Market Mutual Funds:		
First American Government Obligations Fund	\$ 5,456	43 days
BlackRock Institutional Funds	1,542	42 days
Total fair value of investments held by fiscal agents	<u>\$ 6,998</u>	

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

OCSD's investments (including investments held by trustees) include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

- **Mortgage-backed securities:** These securities are subject to early payment in a period of declining interest rates. The resulting reduction in expected total cash flows affects the fair value of these securities, making them highly sensitive to change in interest rates. At fiscal year end, the fair value of investments in mortgage-backed securities totaled \$2,099,218 including \$981,882 of mortgage pass-through securities, \$1,002,487 of U.S. agency securities, and \$114,849 of U.S. government backed mortgage pools.

Fair Value of Investments

OCSD measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and
- Level 3: Unobservable inputs.

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

At June 30, 2020, OCSD had the following fair value measurements for its managed investment portfolio:

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Unobservable Inputs Level 3
Investments in Short-Term Portfolio:				
U.S. Treasury Bills	\$ 99,428,600	\$ -	\$ 99,428,600	\$ -
U.S. Treasury Notes	37,106,350		37,106,350	-
U.S. Agency Securities	23,290,773	-	23,290,773	-
Corporate Medium-term Notes	7,817,805	-	7,817,805	-
Supranationals	6,008,330	-	6,008,330	-
Certificates of Deposits	1,507,395	-	1,507,395	-
Investments in Long-Term Portfolio:				
U.S. Treasury Notes	191,364,585	-	191,364,585	-
U.S. Agency Securities	187,763,073	-	187,763,073	-
Corporate Medium-term Notes	144,063,379	-	144,063,379	-
Supranationals	36,932,396	-	36,932,396	-
Asset Backed Securities/CMO	30,260,229	-	30,260,229	-
US Treasury Inflation Protected Securities (TIPS)	11,731,592	-	11,731,592	-
U.S. Treasury Bills	9,997,900	-	9,997,900	-
Taxable Municipal Bonds	1,829,068	-	1,829,068	-
U.S. Government Backed Mortgage Pools	114,849	-	114,849	-
Fair Value Hierarchy Totals		<u>\$ -</u>	<u>\$ 789,216,324</u>	<u>\$ -</u>
Investments Not Subject To Fair Value Hierarchy:				
Local Agency Investment Fund (LAIF)*	72,372,513			
Money Market Mutual Funds*	3,643,086			
Money Market Mutual Funds**	6,486,692			
Total Portfolio	<u>\$ 871,718,615</u>			

* Invested in Short-Term Portfolio

** Invested in Long-Term Portfolio

US Bank is the custodial bank for all of OCSD's investments shown above in the managed portfolio, except for LAIF. Investments classified as Level 2 are valued using US Bank's fair value hierarchy matrix based on the asset type classification. The fair value hierarchy level matrix is based on discussions with (1) pricing vendors, (2) broker/dealers, (3) investment managers, (4) industry groups, and (5) independent accounting firms.

Monies held by trustees (fiscal agents) that are invested in money market mutual funds are reported at carrying cost.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following table presents the minimum rating as required by the California Government Code, OCSD's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

ORANGE COUNTY SANITATION DISTRICT

Notes to Basic Financial Statements

For the Year Ended June 30, 2020

Investment Type and the Lowest Rating Reported at Year End	Fair Value
Investments with no legal minimum rating & no required disclosure:	
U.S. Treasury Obligations	\$ 349,629,027
U.S. Agency Securities - GNMA	114,849
Subtotal	<u>\$ 349,743,876</u>
Investments with no legal minimum rating:	
U.S. Agency Securities (other than GNMA):	
Rating of Aaa (Moody's)	12,924,736
Rating of AA+ (Standard & Poor's)	174,838,337
Rating of P-1 (Moody's)	23,290,773
Municipal Bonds:	
Rating of Aa1 (Moody's)	1,415,764
Rating of Aa3 (Moody's)	413,304
Certificates of Deposits;	
Rating of P-1 (Moody's)	1,507,395
Local Agency Investment Fund (LAIF):	
Not rated	72,372,513
Subtotal	<u>286,762,822</u>
Investments with a legal minimum rating (or its equivalent) of A:	
Corporate Medium-Term Notes:	
Rating of Aa1 (Moody's)	8,454,859
Rating of AA+ (Fitch)	3,086,686
Rating of Aa2 (Moody's)	10,511,356
Rating of AA (Standard & Poor's)	3,034,470
Rating of AA- (Standard & Poor's)	7,238,623
Rating of Aa3 (Moody's)	1,107,750
Rating of A1 (Moody's)	17,339,227
Rating of A+ (Fitch)	6,843,320
Rating of A2 (Moody's)	38,386,511
Rating of A (Standard & Poor's)	8,450,765
Rating of A- (Standard & Poor's)*	30,064,684
Rating of A3 (Moody's)*	14,407,785
Rating of BBB+ (Standard & Poor's)*	2,948,428
Not rated	6,720
Subtotal	<u>151,881,184</u>
Investments with a legal minimum rating (or its equivalent) of AA:	
Asset Backed Securities/CMO:	
Rating of Aaa (Moody's)	25,482,093
Rating of AAA (Standard & Poor's)	3,778,933
Rating of AA+ (Standard and Poor's)	880,203
Rating of BBB (Fitch)*	107,618
Rating of B (Standard & Poor's)*	11,382
Supranational Obligations:	
Rating of Aaa (Moody's)	37,941,976
Rating of P-1 (Moody's)	4,998,750
Subtotal	<u>73,200,955</u>
Investments with a legal minimum rating (or its equivalent) of AAA:	
Money Market Mutual Funds:	
Rating of Aaa (Moody's)	10,129,778
Invested with fiscal agents:	
Rating of Aaa-mf (Moody's)	6,998
Subtotal	<u>10,136,776</u>
Total	<u>\$ 871,725,613</u>

* Investment was in compliance with legal requirements at the time it was purchased.

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

Concentration of Credit Risk

Limitations on the amount that OCSD is allowed to invest in any one issuer have been identified previously in the section “Investments Authorized by the California Government Code and OCSD’s Investment Policy” and in the section “Investments Authorized by Debt Agreements.” OCSD follows whichever guideline is the most restrictive.

As of June 30, 2020, OCSD had the following investments representing five percent or more of total investments:

Name of Issuer	Fair Value	% of Total
Federal Home Loan Bank System (FHLB)	\$ 77,837,049	8.93%
Federal National Mortgage Association (FNMA)	\$ 79,922,212	9.17%

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and OCSD’s investment policy contain legal requirements that limit the exposure to custodial credit risk for deposits as follows: a financial institution must secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and OCSD’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. As of June 30, 2020, in accordance with OCSD’s investment policy, none of OCSD’s investments were held with a counterparty. All of OCSD’s investments were held with an independent third party custodian bank registered in the name of OCSD. OCSD uses US Bank as a third party custody and safekeeping service for its investment securities.

Investment in State Investment Pool

OCSD is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of OCSD’s investment in this pool is reported in the accompanying financial statements at amounts based upon OCSD’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF’s investment portfolio are mortgage-backed securities, other asset-backed securities, loans to certain state funds, securities with interest rates that vary according to changes in rates greater than a one-for-one basis, and structured notes. The amounts invested in LAIF are recorded as cash and cash equivalents at June 30, 2020.

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

(3) Capital Assets

Capital asset activity for the year ended June 30, 2020 is as follows:

	Beginning Balance at July 1, 2019	Additions / Transfers	Deletions / Transfers	Ending Balance at June 30, 2020
Capital assets not depreciated:				
Cost:				
Land	\$ 41,967,355	\$ -	\$ -	\$ 41,967,355
Construction in progress	521,831,634	118,173,084	(276,073,883)	363,930,835
Total nondepreciable assets	<u>563,798,989</u>	<u>118,173,084</u>	<u>(276,073,883)</u>	<u>405,898,190</u>
Depreciable capital assets:				
Cost:				
Sewage collection facilities	886,790,503	6,184,550	-	892,975,053
Sewage treatment facilities	2,478,726,934	267,623,249	(22,366)	2,746,327,817
Effluent disposal facilities	96,972,016	-	-	96,972,016
Solids disposal facilities	3,463,236	-	-	3,463,236
General and administrative facilities	257,168,345	2,872,831	(892,849)	259,148,327
Excess purchase price over book value on acquired assets	19,979,000	-	-	19,979,000
Subtotal	<u>3,743,100,034</u>	<u>276,680,630</u>	<u>(915,215)</u>	<u>4,018,865,449</u>
Accumulated depreciation:				
Sewage collection facilities	(378,625,640)	(19,669,198)	-	(398,294,838)
Sewage treatment facilities	(993,236,473)	(85,105,837)	22,366	(1,078,319,944)
Effluent disposal facilities	(65,276,356)	(1,456,254)	-	(66,732,610)
Solids disposal facilities	(3,185,408)	(9,718)	-	(3,195,126)
General and administrative facilities	(177,287,240)	(7,646,821)	892,849	(184,041,212)
Excess purchase price over book value on acquired assets	(19,979,000)	-	-	(19,979,000)
Subtotal	<u>(1,637,590,117)</u>	<u>(113,887,828)</u>	<u>915,215</u>	<u>(1,750,562,730)</u>
Net depreciable assets	<u>2,105,509,917</u>	<u>162,792,802</u>	<u>-</u>	<u>2,268,302,719</u>
Net capital assets	<u>\$2,669,308,906</u>	<u>\$280,965,886</u>	<u>\$(276,073,883)</u>	<u>\$2,674,200,909</u>

For the fiscal year ended June 30, 2020, capital asset additions of \$276.7 million in depreciable capital assets are \$0.6 million more than the \$276.1 million transferred from Construction in Progress due to capital equipment purchases of \$1.8 million, partially offset by \$1.2 million of prior capital project expenses that were written off as expense.

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

(4) Long-Term Liabilities

The following is a summary of the changes in long-term liabilities for the year ended June 30, 2020:

	Beginning Balance, July 1	Additions	Deletions	Ending Balance, June 30	Due within one year	Long-term amount
Compensated absences	\$ 8,022,669	\$7,620,959	\$ (6,679,314)	\$ 8,964,314	\$ 7,749,164	\$ 1,215,150
Claims and judgments	6,860,326	405,346	(3,524,951)	3,740,721	600,560	3,140,161
Certificates of participation, revenue obligations & notes	972,780,000	-	(32,730,000)	940,050,000	30,430,000	909,620,000
Unamortized premium	77,722,373	-	(13,556,472)	64,165,901	10,670,368	53,495,533
Totals	\$1,065,385,368	\$8,026,305	\$(56,490,737)	\$1,016,920,936	\$49,450,092	\$967,470,844

Compensated Absences

OCSD's policies related to compensated absences are described in Note 1. OCSD's liability at June 30, 2020 is \$8,964,314 with an estimated \$7,749,164 to be paid or used within the next fiscal year.

Claims and Judgments Payable

OCSD is self-insured in a number of areas as described in Note 1. The following is a summary of the change in claims and judgments payable for the years ended June 30, 2020 and 2019:

	2019-20	2018-19
Claims and judgments payable at July 1	\$6,860,326	\$4,436,087
Claims incurred during the fiscal year	405,346	2,820,028
Changes in estimates for claims of prior years	(3,122,401)	-
Payments on claims during the fiscal year	(402,550)	(395,789)
Claims and judgments payable at June 30	3,740,721	6,860,326
Less: current portion	(600,560)	(673,070)
Total long-term claims and judgments payable	\$3,140,161	\$6,187,256

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

Certificates of Participation/ Revenue Obligations and Notes

OCSD issues certificates of participation, revenue obligations and notes in order to finance construction of the treatment facilities. Each issuance represents a direct and proportionate interest in the semi-annual interest payments. Installment payments for the issues are payable from any source of lawfully available funds of OCSD. Certificates of participation, revenue obligations, and notes at June 30, 2020 are summarized as follows:

	Amount
2010A wastewater revenue obligations	\$ 80,000,000
2010C wastewater revenue obligations	157,000,000
2011A wastewater refunding revenue obligations	75,370,000
2012A wastewater refunding revenue obligations	100,645,000
2012B wastewater refunding revenue obligations	25,560,000
2014A wastewater refunding revenue obligations	63,930,000
2015A wastewater refunding revenue obligations	127,510,000
2016A wastewater refunding revenue obligations	141,465,000
2017A wastewater refunding revenue obligations	66,370,000
2018A revenue refunding certificate anticipation notes	102,200,000
Total certificates of participation, revenue obligations, and notes	<u>\$ 940,050,000</u>

Outstanding Certificates of Participation / Revenue Obligations and Notes

All of the outstanding debt of OCSD is senior lien debt with rate covenants that require a minimum coverage ratio of 1.25. The minimum coverage ratio is the ratio of net annual revenues available for debt service requirements to total annual debt service requirements. As of June 30, 2020, the coverage ratio for senior lien debt was 4.24.

May 2010 Wastewater Revenue Obligations, Series 2010A

On May 18, 2010, OCSD completed the sale of \$80,000,000 of wastewater revenue obligations under the federally taxable Build America Bonds program. The obligations were issued to finance and to reimburse OCSD for the acquisition, construction, and installation of additional improvements made to the wastewater system. The stated interest rate on the obligations is fixed and will range from 5.56 percent to 5.58 percent, however, in accordance with their designation as Build America Bonds, OCSD expects to receive a cash subsidy from the United States Treasury equal to 35 percent of the interest payable with respect to these revenue obligations. The expected net interest rate on the obligations is fixed and will range from 3.614 percent to 3.627 percent. Annual principal payments are due on February 1, beginning February 1, 2034 through February 1, 2040.

The trust agreement for the revenue obligations does not require the establishment of a reserve.

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

December 2010 Wastewater Revenue Obligations, Series 2010C

On December 8, 2010, OCSD completed the sale of \$157,000,000 of wastewater revenue obligations under the federally taxable Build America Bonds program. The obligations were issued to finance and to reimburse OCSD for the acquisition, construction, and installation of additional improvements made to the wastewater system. The stated interest rate on the obligations is fixed and will range from 6.35 percent to 6.40 percent, however, in accordance with their designation as Build America Bonds, OCSD expects to receive a cash subsidy from the United States Treasury equal to 35 percent of the interest payable with respect to these revenue obligations. The expected net interest rate on the obligations is fixed and will range from 4.1275 percent to 4.16 percent. Annual principal payments are due on February 1, beginning February 1, 2031 through February 1, 2044.

The trust agreement for the revenue obligations does not require the establishment of a reserve.

October 2011 Wastewater Refunding Revenue Obligations, Series 2011A

On October 3, 2011, OCSD completed the sale of \$147,595,000 of wastewater refunding revenue obligations. The obligations were issued to refund \$89,800,000 of the outstanding principal balance of 2000 Series A and B refunding certificates of participation, and \$83,320,000 of the outstanding principal balance of 2003 certificates of participation. The stated interest rate on the obligations is fixed and will range from 3 percent to 5 percent. Annual principal payments are due on August 1 and February 1, beginning August 1, 2012 through February 1, 2026.

The trust agreement for the revenue obligations does not require the establishment of a reserve.

March 2012 Wastewater Refunding Revenue Obligations, Series 2012A

On March 22, 2012, OCSD completed the sale of \$100,645,000 of wastewater refunding revenue obligations. The obligations were issued to refund the \$108,180,000 outstanding principal balance of the 2003 certificates of participation. The stated interest rate on the obligations is fixed and will range from 3 percent to 4 percent. Annual principal payments are due on February 1, beginning February 1, 2031 through February 1, 2033.

The trust agreement for the revenue obligations does not require the establishment of a reserve.

August 2012 Wastewater Refunding Revenue Obligations, Series 2012B

On August 16, 2012, OCSD completed the sale of \$66,395,000 of wastewater refunding revenue obligations. The obligations were issued to refund the remaining \$91,900,000 outstanding principal balance of the Series 2000A and 2000B refunding certificates of participation. The stated interest rate on the obligations is fixed and will range from 3 to 5 percent. Annual principal payments are due on February 1, beginning February 1, 2019 through February 1, 2026.

The trust agreement for the revenue obligations does not require the establishment of a reserve.

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

August 2014 Wastewater Refunding Revenue Obligations, Series 2014A

On August 7, 2014, OCSD completed the sale of \$85,090,000 of wastewater refunding revenue obligations. The obligations were issued to partially refund an amount of \$93,930,000 of the outstanding principal balance of 2007 Series B certificates of participation. The stated interest rate on the obligations is fixed at 5 percent. Annual principal payments are due on February 1, beginning February 1, 2018 through February 1, 2027.

The trust agreement for the revenue obligations does not require the establishment of a reserve.

February 2015 Wastewater Refunding Revenue Obligations, Series 2015A

On February 12, 2015, OCSD completed the sale of \$127,510,000 of wastewater refunding revenue obligations. The obligations were issued to partially refund an amount of \$152,990,000 of the outstanding principal balance of 2007 Series B certificates of participation. The stated interest rate on the obligations is fixed at 5 percent. Annual principal payments are due on February 1, beginning February 1, 2028 through February 1, 2037.

The trust agreement for the revenue obligations does not require the establishment of a reserve.

March 2016 Wastewater Refunding Revenue Obligations, Series 2016A

On March 30, 2016, OCSD completed the sale of \$145,880,000 of wastewater refunding revenue obligations. The obligations were issued to partially refund an amount of \$162,780,000 of the outstanding principal balance of 2009 Series A certificates of participation. The stated interest rate on the obligations is fixed and will range from 4 to 5 percent. Annual principal payments are due on February 1, beginning February 1, 2020 through February 1, 2039.

The trust agreement for the revenue obligations does not require the establishment of a reserve.

February 2017 Wastewater Refunding Revenue Obligations, Series 2017A

On February 1, 2017, OCSD completed the sale of \$66,370,000 of wastewater refunding revenue obligations. The obligations were issued to refund \$91,620,000 of the outstanding principal balance of 2007 Series A certificates of participation. The stated interest rate on the obligations is fixed at 5 percent. Annual principal payments are due on February 1, beginning February 1, 2021 through February 1, 2030.

The trust agreement for the revenue obligations does not require the establishment of a reserve.

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

November 2018 Revenue Refunding Certificate Anticipation Notes, Series 2018A

On November 1, 2018, OCSD completed the sale of \$102,200,000 of revenue refunding certificate anticipation notes. The notes were issued to fully refund the \$109,875,000 outstanding principal balance of the 2016 Series B revenue refunding certificate anticipation notes. The interest rate on the notes is fixed at 5 percent. The notes will mature on August 15, 2021. OCSD expects the principal and interest on the notes to be paid from proceeds of the sale, prior to the maturity date, of a future series of certificates of participation, notes or other obligations.

The trust agreement for the certificates does not require the establishment of a reserve.

Annual Amortization Requirements

The annual requirements to amortize all debt related to certificates of participation, revenue obligations, and anticipation notes as of June 30, 2020, including the Revenue Refunding Certificate Anticipation Notes, Series 2018A that currently matures in August 2021, are as follows:

Year Ending June 30,	Principal	Estimated Interest	Total
2021	\$ 30,430,000	\$ 42,408,369	\$ 72,838,369
2022	130,605,000	38,331,869	168,936,869
2023	29,805,000	34,371,619	64,176,619
2024	31,140,000	33,041,769	64,181,769
2025	32,655,000	31,517,369	64,172,369
2026-2030	184,345,000	133,803,696	318,148,696
2031-2035	262,945,000	83,325,554	346,270,554
2036-2040	192,615,000	30,174,855	222,789,855
2041-2044	45,510,000	3,534,752	49,044,752
Total	<u>\$ 940,050,000</u>	<u>\$ 430,509,852</u>	<u>\$ 1,370,559,852</u>

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

(5) Pension Benefits

OCSD has two defined benefit pension plans for retirees: the plan maintained through and by the Orange County Employees Retirement System (OCERS) and the Additional Retiree Benefit Account (ARBA) administered directly by OCSD.

A summary of pension amounts for OCSD's plans at June 30, 2020 is presented below:

	OCERS	ARBA	Total
Net pension asset - OCERS	\$ 49,446,615	\$ -	\$ 49,446,615
Deferred outflows - pensions	34,617,009	3,433,022	38,050,031
Total pension liability - ARBA	-	21,434,655	21,434,655
Deferred inflows - pensions	31,219,913	1,940,397	33,160,310
Pension expenses	11,505,954	1,583,988	13,089,942

A. Orange County Employees Retirement System (OCERS)

Plan Description: All qualified permanent and probationary employees are eligible to participate in OCSD's Employee Pension Plan (Plan), which is a cost-sharing multiple employer defined benefit pension plan administered by the Orange County Employees Retirement System (OCERS). OCERS was established in 1945 under the provisions of the County Employees Retirement Law of 1937 (CERL). The Plan operates under the provisions of the CERL, the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by OCERS' Board of Retirement. The Plan's authority to establish and amend the benefit terms are set by the CERL and PEPRA and may be amended by the California state legislature. The Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

Benefits Provided: OCERS provides service retirement, disability, death and survivor benefits to plan members who may be public employees or beneficiaries. The CERL and PEPRA establish benefit terms. Benefits are based on years of credited service equal to one year of full time employment. Members of plans B, G and H with ten years of service credit are entitled to receive a retirement allowance beginning at age 50; members of plan U with 5 years of service are eligible to receive a retirement allowance at age 52. Members attaining age 70 are eligible to retire regardless of credited service.

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

Benefits are determined by plan formula, age, years of service and final average salary (FAS) as follows:

	Plan G	Plan H	Plan B	Plan U
Hire Date	Prior to 9/21/79	After 9/21/79 Prof/Sup*: Before 10/1/10 OCEA*: Before 8/1/11 501*: Before 7/1/11	Prof/Sup: After 10/1/10 OCEA: After 8/1/11 501: After 7/1/11 All: Before 1/1/2013	On or after 1/1/2013
Final Average Compensation (FAS)	Highest 12 months	Highest 36 months	Highest 36 months	Highest 36 months
Normal Retirement Age	Age 55	Age 55	Age 57.5	Age 67
Service Requirement Eligibility	Age 70, any years Age 50, 10 years	Age 70, any years Age 50, 10 years	Age 70, any years Age 50, 10 years	Age 70, any years Age 52, 5 years
Benefit percent per year of service for normal retirement age	2.5% per year of FAS for every year of service credit	2.5% per year of FAS for every year of service credit	1.667% per year of FAS for every year of service credit	2.5% per year of FAS for every year of service credit
Benefit Adjustments	Reduced before age 55	Reduced before age 55	Reduced before age 57.5	Reduced before age 67
FAS Limitation	Internal Revenue Code Section 401(a)(17)	Internal Revenue Code Section 401(a)(17)	Internal Revenue Code Section 401(a)(17)	Public Employees Pension Reform Act (PEPRA): 120% of Social Security wage base per year

* Prof/Sup: Professional and Supervisor employee groups, bargaining unit SPMG.

* OCEA: Administrative, Clerical, Engineering, and Technical Services employee groups, bargaining unit OCEA.

* 501: Operations and Maintenance employee groups, bargaining unit International Union of Operating Engineers Local 501.

A cost of living adjustment is provided to benefit recipients based on changes in the Consumer Price Index (CPI) up to a maximum of 3% per year. Any increase greater than 3% is banked and may be used in years when the CPI is less than 3%. The increase is established and approved annually by the Board of Retirement.

The Plan also provides disability and death benefits to eligible members and their beneficiaries, respectively. For retirees the death benefit is determined by the retirement benefit option chosen. For all other members the beneficiary is entitled to benefits based on the member's years of service and whether or not the cause of death is service related.

At the December 31, 2019 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	508
Inactive employees entitled to but not yet receiving benefits	135
Active employees	<u>608</u>
Total	<u><u>1,251</u></u>

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

Contributions: Participating employers and active members are required by statute to contribute a percentage of covered salary to the Plan. CERL requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and be effective on the July 1 following notice of a change in rate. Funding contributions are determined annually on an actuarial basis as of December 31 by OCERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Contributions to the Plan from OCSD were \$8,739,661 for the year ended June 30, 2020. An additional \$38,000,000 was contributed to pay down OCSD's Net Pension Liability.

Contribution rates in effect for the fiscal year ended June 30, 2020 are as follows:

	Plan G	Plan H	Plan B	Plan U
Employer Contribution Rate, 7/1/19 - 6/30/20	13.30%	13.30%	11.25%	10.37%
Employee Contribution Rate, 7/1/19 - 6/30/20 (2)	7.14-12.79% (1)	6.69-12.79% (1)	7.52-13.02%	7.28-14.49%
Paid by Employer for Employee	3.50%	3.50%	0.00%	0.00%

(1) Net of employer paid portion of 3.5%.

(2) Employee rates are determined by the age of entry into the retirement system.

For the year ended June 30, 2020, the contributions and average employer's contribution rate as a percentage of covered payroll were as follows:

Plans	Employer Contributions	Employee (Paid by Employer) Contributions	Average Employer Contribution Rate (%)
Plan G	\$ 14,314	\$ 3,767	0.03%
Plan H	5,413,897	1,410,906	9.79%
Plan B	758,267	-	1.09%
Plan U	2,553,183	-	3.66%
Total	<u>\$ 8,739,661</u>	<u>\$ 1,414,673</u>	

Pension Assets / Liabilities: As of June 30, 2020, OCSD reported a net pension asset of \$49,446,615 for its proportionate share of OCERS' net pension liability. The net pension asset was measured as of December 31, 2019 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. OCSD's proportion of the net pension asset was based on a projection of OCSD's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined.

At December 31, 2019, OCSD's proportion of the net pension liability was (0.974%), which was a decrease of 1.442% from its proportion measured as of December 31, 2018. The change in OCSD's proportion of the net pension liability during the fiscal year ended June 30, 2020 was caused by additional contributions made in September and November 2019 and projections noted above.

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions: For the year ended June 30, 2020, OCSD recognized pension expense of \$11,505,954 for its proportionate share of the pension expense. At June 30, 2020 OCSD reported its share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 9,606,499	\$ 5,416,832
Net difference between projected and actual investment earnings on pension plan investments	-	25,420,889
Changes of assumptions (1)	12,311,067	372,978
Changes in proportion and differences between employer contributions and proportionate share of contributions	449,137	9,214
Employer contributions paid to OCERS subsequent to the measurement date	12,250,306	-
Total	\$ 34,617,009	\$ 31,219,913

(1) The monetary effects of changes in actuarial assumptions and method totals \$12,311,067 for deferred outflows and \$372,978 for deferred inflows of resources. These changes include:

- adjustments to the mortality tables,
- retirement assumptions for deferred vested members (age at retirement 59, increase of 4.25% in reciprocity, and an increase in compensation increases),
- % in the rate of marriage for male and female members at retirement or pre-retirement death,
- an increase in the Consumer Price Index of 2.75% per year, maximum increase is 3%,
- and a slight increase of .50% in salaries per year.

Detail for these changes is available in the Segal Actuarial Valuation for December 31, 2019, Section 3. This report is available on the OCERS website at www.ocers.org.

The \$12,250,306 reported as deferred outflows of resources related to pensions resulting from OCSD's contributions to OCERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OCERS pensions will be recognized in pension expense as follows:

Year ended June 30	Amount
2021	\$ (5,922,898)
2022	(2,855,374)
2023	7,473,909
2024	(8,862,635)
2025	1,313,788
Total	\$ (8,853,210)

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

Actuarial Assumptions and Methods: The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.00% of net pension plan investment expenses, including inflation
Discount rate	7.00%
Inflation rate	2.75%
Projected salary increases	4.25% to 12.25%
Cost of living adjustment	2.75% of retirement income

OCERS Economic and Demographic Assumptions: On October 16, 2017, the OCERS Board adopted the following significant changes to the economic and demographic actuarial assumptions, used to establish retirement contribution rates effective July 1, 2019:

- Reduced the assumed investment rate of return from 7.25% to 7.00%
- Reduced the assumed rate of price inflation from 3.00% to 2.75%
- Adopted the use of generational tables, which have identified reduced rates of mortality for members

Additionally, the OCERS Board adopted a three-year phase-in of the impact to the contribution rates associated with the Unfunded Actuarially Accrued Liability. The cumulative effect of these changes will have the impact of increasing contribution rates for members and plan sponsors.

The mortality assumptions used in the total pension liability at December 31, 2019 were based on the Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table as a starting point, projected generationally using the two-dimensional Scale MP-2016, with age adjustments, and adjusted separately for healthy and disabled members. The basis for determining the mortality assumptions used were based on the results of the actuarial experience study for the period January 1, 2014 through December 31, 2016.

Further details of the experience study can be found in the OCERS CAFR, available on their website at www.ocers.org.

Long-Term Expected Real Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and deducting expected investment expenses.

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table for the calendar year ended December 31, 2019:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	6.38%
Core Bonds	13.00%	1.03%
High Yield Bonds	4.00%	3.52%
Bank Loan	2.00%	2.86%
TIPS	4.00%	0.96%
Emerging Markets Debt	4.00%	3.78%
Real Estate	10.00%	4.33%
Core Infrastructure	2.00%	5.48%
Natural Resources	10.00%	7.86%
Risk Mitigation	5.00%	4.66%
Mezzanine/Distressed Debts	3.00%	6.53%
Private Equity	8.00%	9.48%
Total	100.00%	

Discount Rate: The discount rate used to measure the total pension liability was 7.00% for the year ended December 31, 2019. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2019.

Sensitivity of the Proportionate Share of Net Pension Liability to Changes in the Discount Rate: The following table represents OCSD's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what OCSD's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

<u>Net Pension Asset (Liability)</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
December 31, 2019	\$ (58,125,867)	\$ 49,446,615	\$ 136,946,632

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

Pension Plan Fiduciary Net Position: Detailed information about OCERS' fiduciary net position is available in a separately issued OCERS comprehensive annual financial report. That report may be obtained from OCERS at 2223 Wellington Avenue, Santa Ana, California 92708 or at their web site (www.ocers.org).

B. Additional Retiree Benefit Account (ARBA)

Plan Description: The OCSD ARBA plan is a single-employer defined benefit plan which was administered by OCERS until February 29, 2008, when OCSD began direct administration. This benefit was established by the OCSD Board of Directors on October 25, 1992. It provides a monthly payment to retirees towards the premium costs of health insurance for the retiree and eligible dependents. The retiree is not required to use this amount for health insurance premium or to remain on the OCSD medical plan. The plan is currently paying benefits to 384 retirees. The ARBA plan is not subject to the reporting requirements of GASB 68 and 71 because a trust has not been set up for the plan. However, GASB 73 has been implemented for the ARBA plan in the fiscal year ended June 30, 2016. The plan is a funded on a pay-as-you-go plan from general funds and is administered by OCSD. Stand-alone financial statements are not issued for the plan.

Benefits Provided: Employees who retire receive \$10 per month for every year of service up to a maximum of 25 years, or \$250 per month. This amount is independent of salary and is fixed at retirement. Because OCSD cannot ensure the use of the benefit for payment of eligible health insurance expenses, the benefit is taxable to the retiree. Survivor benefits are provided in the event that a retiree pre-deceases his/her spouse. For retirees hired prior to July 1, 1988, OCSD provides health insurance coverage for 2½ months per year of service (see Note 6 – Other Post-Employment Benefits). ARBA benefits begin immediately after this benefit ends. For those hired on or after July 1, 1988, ARBA benefits begin immediately upon retirement and continue for life. Employees hired into the OCEA bargaining group after August 1, 2011 are ineligible for this benefit.

Benefits are determined by hire date, bargaining unit and years of service as follows:

Hire date	All: Prior to 7/1/88	All: After 7/1/88 OCEA*: Before 8/1/11
Benefit amount per year of service for normal retirement age	\$10 per month x years of service up to a maximum of 25 years	\$10 per month x years of service up to a maximum of 25 years
Service requirement eligibility	Age 50 or over with 10 or more years Any age with 30 or more years Age 70 or over, any years	Age 50 or over with 10 or more years Any age with 30 or more years Age 70 or over, any years
Benefit payments	Monthly for life	Monthly for life
Benefit schedule	Immediately after retiree health insurance coverage ends	Immediately upon retirement

* OCEA: Administrative, Clerical, Engineering, and Technical Services employee groups, bargaining unit OCEA.

No cost of living adjustment is provided to benefit recipients.

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	384
Inactive employees entitled to but not yet receiving benefits	36
Active employees	548
Total	968

Contributions: There are no employee contributions for this plan; OCSD covers 100% of the cost. OCSD utilizes a pay-as-you-go method for funding the plan. Contributions to the plan from OCSD were \$888,120 for the year ended June 30, 2020.

Pension Liabilities: As of June 30, 2020, OCSD reported total pension liability of \$21,434,655 for its ARBA plan. The total pension liability was determined by an actuarial valuation as of July 1, 2019. OCSD funds benefits on a “pay as you go” basis and elected not to pre-fund its pension obligation. As a result, there are no plan assets and the total pension liability is equal to the net pension liability. Standard actuarial update procedures were used to project/discount from July 1, 2019 to the measurement date of June 30, 2020.

The actuarial valuation performed as of July 1, 2019, used the entry age, level percent of pay cost method. This method represents the present value of all benefits accrued through the valuation date assuming that each employee’s liability is expensed from hire date until retirement date as a level percentage of pay.

The following table shows the changes in the total pension liability:

	Total Pension Liability Increase (Decrease)
Beginning balance at July 1, 2019	\$ 21,577,464
Changes in the year:	
Service cost	576,661
Interest on total pension liability	608,775
Difference between expected and actual experience	(2,263,797)
Changes of assumptions	1,823,672
Benefit payments	(888,120)
Net changes	(142,809)
Ending balance at June 30, 2020	\$ 21,434,655

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension: For the year ended June 30, 2020, OCSD recognized pension expense of \$1,583,988 for its ARBA plan. At June 30, 2020 OCSD reported its share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,030,512	\$ 1,940,397
Changes of assumptions (1)	2,402,510	-
Total	\$ 3,433,022	\$ 1,940,397

(1) The monetary effects of changes in actuarial assumptions and method totals \$2,402,510. These changes include passage of time, a change in the discount rate from 3.13% to 2.45%, change in actuarial system, census and other losses.

Amounts reported as deferred outflows of resources related to ARBA pensions will be recognized in pension expense as follows:

Year ended June 30	Amount
2021	\$ 398,552
2022	398,552
2023	398,552
2024	284,048
2025	75,796
2026	(62,875)
Total	\$ 1,492,625

Actuarial Assumptions and Methods: The total pension liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	3.75% per annum
Discount rate	3.13% per annum as of July 1, 2019 (valuation date) 2.45% per annum as of June 30, 2020 (measurement date)
Inflation rate	3.00% per annum
Projected salary increases	3.00% per annum (for service cost only; benefits not pay-related)

The mortality assumptions used in the total pension liability at July 1, 2019 were based on the RP-2014 Employee Mortality and Health Annuitant Mortality Tables for Males or Females, as appropriate, without projection.

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

Discount Rate: The discount rate used to measure the total pension liability was 3.13% as of the valuation date, July 1, 2019, and 2.45% as of the measurement date, June 30, 2020. Because there are no assets held in a trust that meets GASB 68 or 71, the discount rate is based on the 20-year, tax exempt general obligation municipal bonds with an average rating of AA or higher.

Sensitivity of the Total Pension Liability to Changes in the Discount Rate: The following table represents the total pension liability calculated using the discount rate of 2.45% as of the measurement date, as well as what total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.45%) or 1 percentage point higher (3.45%) than the current rate:

Total Pension Liability	1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
June 30, 2020	\$ 24,603,943	\$ 21,434,655	\$ 18,831,919

(6) Other Post-Employment Benefits (OPEB)

Plan Description: The post-employment medical benefits plan is a single-employer defined benefit plan administered by OCSD. This plan was established and may be modified only by action of the OCSD Board of Directors. Stand-alone financial statements are not issued.

Benefits Provided: OCSD offers medical insurance to active and retired employees, as well as their qualified dependents. All retirees may choose coverage in an OCSD medical plan, with retirees paying the full premium. However, for employees hired prior to July 1, 1988, medical benefits begin immediately at retirement with OCSD paying 2.5 months of premium for each year of continuous service toward the cost of coverage under OCSD medical plans. At the termination of this period the retiree may elect to continue coverage at his/her own expense. For the fiscal year ended June 30, 2020, premiums ranged between \$227 and \$4,078 per month, depending on the plan and number of dependents covered.

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits (includes 115 paying premiums and 36 with premiums paid by OCSD)	151
Inactive employees entitled to but not yet receiving benefits	0
Active employees (includes 4 eligible for premiums paid by OCSD)	597
Total	748

Contributions: There are no employee contributions to this plan; OCSD covers 100% of the cost for qualifying employees as stated above. Retirees opting to remain with the plan after employment pay 100% of the premium cost, except for those for whom OCSD pays for a period (see above). OCSD utilizes a pay-as-you-go method for funding the plan. Contributions to the plan from OCSD were \$739,045 and the estimated implicit subsidy was \$865,348, resulting in total payments of \$1,604,393, and retirees contributed \$1,148,038 for the year ended June 30, 2020.

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

OPEB Liabilities: As of June 30, 2020, OCSD reported total OPEB liability of \$2,483,644 for its post-employment retiree medical benefits plan. The total OPEB liability was determined by an actuarial valuation as of July 1, 2019. OCSD funds benefits on a “pay as you go” basis and elected not to pre-fund its OPEB obligation. As a result, there are no plan assets and the total OPEB liability is equal to the net OPEB liability. Standard actuarial update procedures were used to project/discount from July 1, 2019 to the measurement date of June 30, 2020.

The actuarial valuation performed as of July 1, 2019 used the entry age, level percent of pay cost method. This method represents the present value of benefits accrued through the valuation date, assuming that each employee’s liability is expensed from hire date until retirement date as a level percentage of pay.

The following table shows the changes in the total OPEB liability:

	Total OPEB Liability Increase (Decrease)
Beginning balance at July 1, 2019	\$ 4,013,291
Changes in the year:	
Service cost	4,334
Interest on total OPEB liability	98,047
Difference between expected and actual experience	(115,924)
Changes of assumptions	88,289
Benefit payments (1)	(1,604,393)
Net changes	(1,529,647)
Ending balance at June 30, 2020	\$ 2,483,644

(1) As part of the July 1, 2019 actuarial valuation report, Demsey, Filliger & Associates prepared a projection of the expected annual cost to the District to pay OPEB benefits.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: For the year ended June 30, 2020, OCSD recognized OPEB expense of \$74,746 for its post-employment retiree medical benefits plan. At June 30, 2020 OCSD reported \$0 for its share of deferred outflows/inflows of resources related to OPEB.

Actuarial Assumptions and Methods: The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	4.00% per annum
Discount rate	2.45% per annum
Inflation rate	3.00% per annum
Healthcare cost trend rate	5.90% for 2020; 5.80% for 2021, 5.70% for 2022; and decreasing 0.10% per year to an ultimate rate of 5.00% for 2029 and later years
Projected salary increases	3.00% per annum

ORANGE COUNTY SANITATION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

The mortality assumptions used in the total OPEB liability at July 1, 2019 were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection for pre-retirement mortality rates and RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection for post-retirement mortality rates.

Actuarial assumptions used in the July 1, 2019 valuation were based on a review of plan experience during the period July 1, 2017 through June 30, 2019.

Discount Rate: The discount rate used to measure the total OPEB liability was 3.13% as of the valuation date, July 1, 2019, and 2.45% as of the measurement date, June 30, 2020. Because there are no assets held in a trust, for GASB 75 reporting purposes, the discount rate is based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following table represents the total OPEB liability calculated using the discount rate of 2.45% as of the measurement date, as well as what total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.45%) or 1 percentage point higher (3.45%) than the current rate:

Total OPEB Liability	1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
June 30, 2020	\$ 2,577,818	\$ 2,483,644	\$ 2,393,930

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following table represents the total OPEB liability calculated using the healthcare cost trend rate of 5.90% decreasing to 5.00% as of the measurement date, as well as what total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower (4.90% decreasing to 4.00%) or 1 percentage point higher (6.90% decreasing to 6.00%) than the current rate:

Total OPEB Liability	1% Decrease (4.90% decreasing to 4.00%)	Current Trend Rate (5.90% decreasing to 5.00%)	1% Increase (6.90% decreasing to 6.00%)
June 30, 2020	\$ 2,379,523	\$ 2,483,644	\$ 2,592,795

(7) Transactions with Irvine Ranch Water District – Revenue Area No. 14

Formation of Revenue Area No. 14 & Excess Purchase Price Over Book Value of Acquired Assets

On July 1, 1985, Revenue Area No. 14 was formed as an independent special district as a result of a negotiated agreement between OCSD and IRWD. At the time of Revenue Area 14's creation, OCSD consisted of eight independent special districts (see Note 1 – Reporting Entity). The eight existing districts sold a portion of the joint treatment facilities and land to the newly created district and recorded capacity rights revenue at the time of the sale.

In accordance with the negotiated agreement between OCSD and IRWD, IRWD paid OCSD \$34,532,000 for an initial 15,000,000 gallons per day capacity in OCSD's joint treatment facilities (with an ultimate collection capacity of 32,000,000 gallons per day) and for a pro-rata interest in real

ORANGE COUNTY SANITATION DISTRICT

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For the Year Ended June 30, 2020

property (based on flow of 32,000,000 gallons per day). The book value of the assets acquired was determined to be \$14,553,000 as of June 30, 1986; these assets were recorded at book value in Revenue Area 14. The excess of the purchase price over the assets' book value was \$19,979,000 and was recorded as an intangible asset in Revenue Area 14. The excess of the purchase price over the assets' book value was amortized over useful lives of the original assets acquired. The excess of purchase price over the assets' book value was fully amortized as of June 30, 2017.

Annual Transactions

IRWD entered into a separate agreement with Revenue Area 14 on January 1, 1986 whereby IRWD agreed to fund quarterly payments of Revenue Area 14's proportionate share of OCSD's joint capital outlay revolving fund budget requirements and certain capital improvements during the term of the agreement, for which contributions of \$4,002,007 were recorded as contribution from other government during the fiscal year ended June 30, 2020. IRWD also agreed to fund the annual integration adjustment of Revenue Area 14's equity share in OCSD's Joint Works Treatment Facilities based on the flows discharged to OCSD. Integration contributions credited to IRWD of \$16,408,665 from Revenue Area 14 were recognized and reported as contributions to other governments during the fiscal year ended June 30, 2020. These contributions received from or credited to IRWD for their agreed-upon share of capital assets and equity share in OCSD's Joint Works Treatment Facilities are calculated as prescribed in the agreements.

In addition, a separate agreement for transfer of IRWD's wastewater solids residuals to OCSD was entered on April 28, 2010. IRWD agreed to pay OCSD for an interim solids handling charge which includes annual capital and quarterly operating expense components designed to compensate OCSD for IRWD's share of the cost of operating and maintaining the existing facilities for the treatment of solids. As a result, \$2,353,370 in annual solids capital handling charges were reported as operating revenue in Consolidated Revenue Area, and \$10,312,529 in quarterly solids operating and maintenance charges were reported as operating revenue in Revenue Area No. 14 during the fiscal year ended June 30, 2020.

Any amounts credited to IRWD are not refunded in cash but are held as a credit to satisfy future contributions required of IRWD. Amounts owed from IRWD are invoiced on a quarterly or annual basis. As a result, a balance of \$34,613,820 was reported in due to other governmental agency as of June 30, 2020.

Annual Cash Reserve Requirement

The cash reserve contribution requirement from IRWD at June 30, 2020; in accordance with Amendment No. 2 to the Agreement between IRWD and OCSD Acquiring Ownership Interests, Assigning Rights, and Establishing Obligations; is \$14.2 million. This cash reserve requirement is recognized as a liability to IRWD.

(8) Commitments and Contingencies

Pollution Remediation: An Underground Storage Tank (UST) at Plant No. 1 failed the pressure test to ensure its tank integrity. As a result of the test failure, OCSD voluntarily took this UST out of service and tested the immediate surrounding area and determined that both gasoline and diesel were present. During the fiscal year ended June 30, 2017, OCSD completed an analysis of remediation alternatives resulting in a less costly remediation plan for the contaminated soil than the plan developed during the previous fiscal year. The new remediation plan received approval from the Orange County Health Care Agency, and based upon their feedback a final design was completed. The new remediation plan called for removal and disposal of approximately 2,200 tons of contaminated soil, and some limited groundwater treatment. This work was issued a construction

ORANGE COUNTY SANITATION DISTRICT

Notes to Basic Financial Statements

For the Year Ended June 30, 2020

contract in March 2019 and has been substantially completed as of June 30, 2020. As of June 30, 2020, actual costs of \$1,202,457 were incurred. Total remaining costs are estimated not to exceed \$500,000, including a contingency for the remediation effort. This does not include operating costs for post-remediation monitoring over a five-year period.

Construction Commitments: OCSD has active construction projects to add additional capacity, improve treatment, or replace/ rehabilitate existing assets. At June 30, 2020, the outstanding commitments with contractors totaled \$145,213,107.

Litigation: Certain claims involving disputed construction costs have arisen in the ordinary course of business. Additionally, OCSD is a defendant in lawsuits. Although the outcome of these matters is not presently determinable, management does not expect that the resolution of these matters will have a material adverse impact on the financial condition of OCSD.

(9) COVID-19 Pandemic

The spread of the novel strain of coronavirus and the disease it causes (now known as “COVID-19”) is having significant negative impacts throughout the world, including in Southern California. The World Health Organization declared the COVID-19 outbreak to be a pandemic, and states of emergency were declared by the United States, the State of California, and numerous counties throughout the State, including Orange County of which, comprises the service area of OCSD. On March 17, 2020, OCSD’s General Manager declared a state of emergency at OCSD. The purposes behind these declarations were to initiate emergency response protocols, coordinate and formalize emergency actions across federal, state and local governmental agencies, and to proactively prepare for a wider spread of the virus.

OCSD is assessing the effects the ongoing COVID-19 outbreak will have on OCSD and its business and operations, as well as in the region, including the adverse financial impacts likely to be experienced by its member agencies. The degree of impact to OCSD’s finances and operations is difficult to predict due to the evolving nature of the COVID-19 pandemic, including uncertainties relating to (i) the ultimate extent of the geographic spread of the virus; (ii) the duration and severity of the outbreak; (iii) the extent of the disruption to or decline in the local and global economies and financial markets; (iv) the degree to which business closures, increased unemployment, housing foreclosures and/or other economic consequences may reduce water and sewer demands in the region and OCSD’s wastewater transactions, or negatively affect future property values in OCSD’s service area and/or OCSD’s property tax levy receipts, and reduce OCSD’s revenues; (v) the extent to which a protracted disruption in the manufacturing or construction industry may affect supply chains or further delay construction schedules for, or the implementation of, OCSD’s capital improvement programs and projects, or the costs of such programs or projects or OCSD’s sewer system operations; and (vi) what additional actions may be taken or required by governmental authorities to contain and respond to the outbreak and what costs or impacts of such actions may be. The restrictions and limitations instituted related to COVID-19 will likely remain in place for some period and may increase, that the ongoing economic downturn may continue for many months and an economic recession has been projected as likely to occur, and that the recovery may be prolonged. As a result, OCSD’s finances and operations may be adversely impacted by COVID-19.

**ORANGE COUNTY SANITATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

ORANGE COUNTY SANITATION DISTRICT
 Proportionate Share of the Net Pension Liability (Asset)
 Orange County Employees Retirement System (OCERS) Pension Plan
 Last 10 Fiscal Years (1)

	Fiscal Year Ended June 30,					
	2015	2016	2017	2018	2019	2020
OCSD's proportion of the net pension liability (asset)	1.13%	0.74%	(0.20%)	(0.80%)	0.47%	(0.97%)
OCSD's proportionate share of the net pension liability (asset)	\$ 57,418,760	\$ 42,439,759	\$ (10,384,508)	\$ (39,571,100)	\$ 29,029,147	\$ (49,446,615)
OCSD's covered payroll (2)	\$ 58,641,163	\$ 59,789,927	\$ 60,000,017	\$ 62,341,796	\$ 66,475,479	\$ 71,395,906
OCSD's proportionate share of the net pension liability (asset) as a percentage of covered payroll	97.92%	70.98%	(17.31%)	(63.47%)	43.67%	(69.26%)
OCERS' fiduciary net position as a percentage of the total pension liability	89.61%	92.74%	101.70%	105.96%	95.86%	106.64%

(1) The amounts presented were determined as of the measurement date December 31. Data for fiscal years ended June 30, 2011 through 2014 is not available in a comparable format.

(2) Covered payroll represents compensation earnable and pensionable compensation for the measurement period ended December 31. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

ORANGE COUNTY SANITATION DISTRICT
Schedule of District Contributions
Orange County Employees Retirement System (OCERS) Pension Plan
Last 10 Fiscal Years (1)

	Fiscal Year Ended June 30,					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 17,201,569	\$ 12,222,849	\$ 7,709,734	\$ 7,525,655	\$ 7,769,431	\$ 8,739,661
Contributions in relation to the contractually required contribution	<u>(17,201,569)</u>	<u>(12,222,849)</u>	<u>(7,709,734)</u>	<u>(7,525,655)</u>	<u>(7,769,431)</u>	<u>(8,739,661)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll (2)	\$ 60,025,942	\$ 60,595,474	\$ 62,266,907	\$ 65,390,144	\$ 69,101,109	\$ 69,688,759
Contributions as a percentage of covered payroll	28.66%	20.17%	12.38%	11.51%	11.24%	12.54%

(1) The amounts presented for each fiscal year were determined as of June 30. Data for fiscal years ended June 30, 2011 through 2014 is not available in a comparable format.

(2) Covered payroll represents compensation earnable and pensionable compensation for the fiscal year ended June 30. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

ORANGE COUNTY SANITATION DISTRICT
 Total Pension Liability (3)
 Additional Retiree Benefit Account (ARBA)
 Last 10 Fiscal Years (1)

	Fiscal Year Ended June 30,					
	2015	2016	2017	2018	2019	2020
Total pension liability	\$ 16,680,614	\$ 18,313,122	\$ 18,467,361	\$ 20,831,172	\$ 21,577,464	\$ 21,434,655
Covered-employee payroll (2)	\$ 62,139,375	\$ 62,977,577	\$ 65,120,945	\$ 68,126,103	\$ 71,948,599	\$ 74,602,862
Total pension liability as a percentage of covered-employee payroll	26.84%	29.08%	28.36%	30.58%	29.99%	28.73%

- (1) The amounts presented for each fiscal year were determined as of June 30. Data for fiscal years ended June 30, 2011 through 2014 is not available in a comparable format.
- (2) This plan is not administered through a trust or equivalent arrangement, thus covered-employee payroll is used. Covered-employee payroll represents total payroll of employees that are provided benefits through the pension plan for the fiscal year ended June 30.
- (3) There are no assets in a trust compliant with GASB codification P22.101. OCSD funds benefits on a “pay as you go” basis and elected not to pre-fund its pension obligation. As a result, there are no plan assets and the total pension liability is equal to the net pension liability.

ORANGE COUNTY SANITATION DISTRICT
Changes in Total Pension Liability (2)
Additional Retiree Benefit Account (ARBA)
Last 10 Fiscal Years (1)

	Fiscal Year Ended June 30,				
	2016	2017	2018	2019	2020
Beginning balance at July 1	\$ 16,680,614	\$ 18,313,122	\$ 18,467,361	\$ 20,831,172	\$ 21,577,464
Changes in the year:					
Service cost	270,223	278,330	553,795	570,409	576,661
Interest on total pension liability	626,386	593,711	649,192	663,852	608,775
Difference between expected and actual experience	-	-	-	-	(2,263,797)
Changes of assumptions	1,230,327	(70,952)	1,889,274	328,481	1,823,672
Benefit payments	(494,428)	(646,850)	(728,450)	(816,450)	(888,120)
Net changes	1,632,508	154,239	2,363,811	746,292	(142,809)
Ending balance at June 30	<u>\$ 18,313,122</u>	<u>\$ 18,467,361</u>	<u>\$ 20,831,172</u>	<u>\$ 21,577,464</u>	<u>\$ 21,434,655</u>

(1) The amounts presented for each fiscal year were determined as of June 30. Data for fiscal years ended June 30, 2011 through 2015 is not available in a comparable format.

(2) OCSD funds benefits on a "pay as you go" basis and elected not to pre-fund its pension obligation. As a result, there are no plan assets and the total pension liability is equal to the net pension liability.

ORANGE COUNTY SANITATION DISTRICT

Total OPEB Liability (3)
Post-Employment Medical Benefits Plan
Last 10 Fiscal Years (1)

	Fiscal Year Ended June 30,			
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB liability	\$ 6,398,694	\$ 5,025,395	\$ 4,013,291	\$ 2,483,644
Covered-employee payroll (2)	\$ 65,120,945	\$ 68,126,103	\$ 71,948,599	\$ 74,602,862
Total OPEB liability as a percentage of covered-employee payroll	9.83%	7.38%	5.58%	3.33%

- (1) The amounts presented for each fiscal year were determined as of June 30. Data for fiscal years ended June 30, 2011 through 2016 is not available in a comparable format.
- (2) This plan is not administered through a trust or equivalent arrangement, thus covered-employee payroll is used. Covered-employee payroll represents total payroll of employees that are provided benefits through the OPEB plan for the fiscal year ended June 30.
- (3) There are no assets in a trust compliant with GASB codification P52.101. OCSD funds benefits on a "pay as you go" basis and elected not to pre-fund its OPEB obligation. As a result, there are no plan assets and the total OPEB liability is equal to the net OPEB liability.

ORANGE COUNTY SANITATION DISTRICT
Changes in Total OPEB Liability (3)
Post-Employment Medical Benefits Plan
Last 10 Fiscal Years (1)

	Fiscal Year Ended June 30,		
	2018	2019	2020
Beginning balance at July 1	\$ 6,398,694	\$ 5,025,395	\$ 4,013,291
Changes in the year:			
Service cost	18,182	16,489	4,334
Interest on total OPEB liability	177,395	159,195	98,047
Difference between expected and actual experience	-	-	(115,924)
Changes of assumptions	(95,279)	78,935	88,289
Benefit payments (2)	(1,473,597)	(1,266,723)	(1,604,393)
Net changes	(1,373,299)	(1,012,104)	(1,529,647)
Ending balance at June 30	\$ 5,025,395	\$ 4,013,291	\$ 2,483,644

- (1) The amounts presented for each fiscal year were determined as of June 30. Data for fiscal years ended June 30, 2011 through 2017 is not available in a comparable format.
- (2) Benefit payments include implicit subsidy associated with benefits paid.
- (3) OCSD funds benefits on a “pay as you go” basis and elected not to pre-fund its OPEB obligation. As a result, there are no plan assets and the total OPEB liability is equal to the net OPEB liability.

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**ORANGE COUNTY SANITATION DISTRICT
SUPPLEMENTARY INFORMATION**

ORANGE COUNTY SANITATION DISTRICT

Combining Area Schedule of Net Position

June 30, 2020

	Revenue Area No. 14	Consolidated Revenue Area	Totals
Current assets:			
Cash and cash equivalents	\$ 4,187,799	\$ 102,374,704	\$ 106,562,503
Investments	30,426,021	743,792,853	774,218,874
Accounts receivable, net of allowance for uncollectibles \$304,619	-	15,585,233	15,585,233
Accrued interest receivable	-	3,261,437	3,261,437
Connection fees receivable	-	4,276,297	4,276,297
Property tax receivable	-	1,841,207	1,841,207
Inventories	-	6,852,604	6,852,604
Prepaid expenses	-	2,473,418	2,473,418
Total current assets	34,613,820	880,457,753	915,071,573
Noncurrent assets:			
Restricted:			
Cash and cash equivalents held by fiscal agents	-	6,998	6,998
Unrestricted:			
Non-depreciable capital assets	11,668,481	394,229,709	405,898,190
Depreciable capital assets, net of accumulated depreciation	83,272,424	2,185,030,295	2,268,302,719
Other noncurrent assets, net	-	10,344	10,344
Net pension asset - OCERS	-	49,446,615	49,446,615
Total noncurrent assets	94,940,905	2,628,723,961	2,723,664,866
Total assets	129,554,725	3,509,181,714	3,638,736,439
Deferred outflows of resources:			
Deferred charges on defeasances	-	25,162,613	25,162,613
Deferred outflows related to pensions	-	38,050,031	38,050,031
Total deferred outflows of resources	-	63,212,644	63,212,644
Total assets and deferred outflows of resources	129,554,725	3,572,394,358	3,701,949,083
Current liabilities:			
Accounts payable	-	16,007,700	16,007,700
Accrued expenses	-	16,259,932	16,259,932
Retentions payable	-	4,475,945	4,475,945
Interest payable	-	17,582,050	17,582,050
Due to other governmental agency	34,613,820	-	34,613,820
Current portion of long-term obligations	-	49,450,092	49,450,092
Total current liabilities	34,613,820	103,775,719	138,389,539
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	-	967,470,844	967,470,844
Total OPEB liability	-	2,483,644	2,483,644
Total pension liability - ARBA	-	21,434,655	21,434,655
Total noncurrent liabilities	-	991,389,143	991,389,143
Total liabilities	34,613,820	1,095,164,862	1,129,778,682
Deferred inflows of resources:			
Deferred inflows related to pensions	-	33,160,310	33,160,310
Total liabilities and deferred inflows of resources	34,613,820	1,128,325,172	1,162,938,992
Net position:			
Net investment in capital assets:			
Collection system	14,195,529	522,884,262	537,079,791
Treatment and disposal land	1,671,705	36,354,693	38,026,398
Treatment and disposal system	79,073,671	2,020,021,049	2,099,094,720
Capital-related liabilities	-	(996,159,894)	(996,159,894)
Subtotal	94,940,905	1,583,100,110	1,678,041,015
Unrestricted	-	860,969,076	860,969,076
Total net position	\$ 94,940,905	\$ 2,444,069,186	\$ 2,539,010,091

ORANGE COUNTY SANITATION DISTRICT

Combining Area Schedule of Revenues, Expenses, and Change in Net Position For the Year Ended June 30, 2020

	Revenue Area No. 14	Consolidated Revenue Area	Totals
Operating revenues:			
Service charges	\$ 14,264,898	\$ 325,630,610	\$ 339,895,508
Permit and inspection fees	9,822	1,158,732	1,168,554
Total operating revenues	<u>14,274,720</u>	<u>326,789,342</u>	<u>341,064,062</u>
Operating expenses other than depreciation and amortization:			
Salaries and benefits	4,997,317	77,919,325	82,916,642
Utilities	263,593	8,358,765	8,622,358
Supplies, repairs and maintenance	1,577,732	42,484,897	44,062,629
Contractual services	10,743,592	13,881,076	24,624,668
Feasibility studies	121,461	4,991,750	5,113,211
Other	335,628	2,657,986	2,993,614
Total operating expenses other than depreciation and amortization	<u>18,039,323</u>	<u>150,293,799</u>	<u>168,333,122</u>
Operating income (loss) before depreciation and amortization	(3,764,603)	176,495,543	172,730,940
Depreciation and amortization	<u>5,018,569</u>	<u>108,869,259</u>	<u>113,887,828</u>
Operating income (loss)	<u>(8,783,172)</u>	<u>67,626,284</u>	<u>58,843,112</u>
Non-operating revenues:			
Property taxes	3,207,030	101,284,500	104,491,530
Investment and interest income	390,838	33,278,347	33,669,185
Contributions from other governments	4,118,251	6,416,887	10,535,138
Other	55,180	2,582,094	2,637,274
Total non-operating revenues	<u>7,771,299</u>	<u>143,561,828</u>	<u>151,333,127</u>
Non-operating expenses:			
Interest	-	33,832,605	33,832,605
Contributions to other governments	16,408,665	-	16,408,665
Other	2,145	2,722,883	2,725,028
Loss on disposal of assets	21,515	1,273,931	1,295,446
Total non-operating expenses	<u>16,432,325</u>	<u>37,829,419</u>	<u>54,261,744</u>
Income (loss) before capital contributions	(17,444,198)	173,358,693	155,914,495
Capital contributions:			
Capital facilities capacity charges	-	22,593,121	22,593,121
Change in net position	(17,444,198)	195,951,814	178,507,616
Total net position - beginning	<u>112,385,103</u>	<u>2,248,117,372</u>	<u>2,360,502,475</u>
Total net position - ending	<u>\$ 94,940,905</u>	<u>\$ 2,444,069,186</u>	<u>\$ 2,539,010,091</u>

ORANGE COUNTY SANITATION DISTRICT

Combining Area Schedule of Cash Flows

For the Year Ended June 30, 2020

	Revenue Area No. 14	Consolidated Revenue Area	Eliminations	Totals
Cash flows from operating activities:				
Receipts from customers and users	\$ 48,888,540	\$ 325,416,572	\$ -	\$ 374,305,112
Payments to employees	(4,997,317)	(113,369,751)	-	(118,367,068)
Payments to suppliers	(13,042,006)	(73,885,261)	-	(86,927,267)
Net cash provided by operating activities	<u>30,849,217</u>	<u>138,161,560</u>	<u>-</u>	<u>169,010,777</u>
Cash flows from noncapital financing activities:				
Proceeds from property taxes	3,207,030	101,029,964	-	104,236,994
Receipts (payments) for other activities	50,491	(140,789)	-	(90,298)
Net cash provided by noncapital financing activities	<u>3,257,521</u>	<u>100,889,175</u>	<u>-</u>	<u>104,146,696</u>
Cash flows from capital and related financing activities:				
Capital facilities capacity charges	-	20,051,888	-	20,051,888
Additions to capital assets	(4,002,007)	(136,578,436)	4,002,007	(136,578,436)
Disposal of capital assets	16,408,665	-	(16,408,665)	-
Interest paid	-	(44,351,789)	-	(44,351,789)
Principal payments on debt obligations	-	(32,730,000)	-	(32,730,000)
Contributions from (to) other governments	(12,290,414)	6,416,887	12,406,658	6,533,131
Net cash provided by (used in) capital and related financing activities	<u>116,244</u>	<u>(187,191,450)</u>	<u>-</u>	<u>(187,075,206)</u>
Cash flows from investing activities:				
Proceeds from the sale of investments	9,774,252	376,572,023	-	386,346,275
Purchases of investments	(40,006,396)	(419,318,849)	-	(459,325,245)
Interest received	196,961	17,310,264	-	17,507,225
Net cash used in investing activities	<u>(30,035,183)</u>	<u>(25,436,562)</u>	<u>-</u>	<u>(55,471,745)</u>
Net increase in cash and cash equivalents	4,187,799	26,422,723	-	30,610,522
Cash and cash equivalents, beginning of year	-	75,958,979	-	75,958,979
Cash and cash equivalents, end of year	<u>\$ 4,187,799</u>	<u>\$ 102,381,702</u>	<u>\$ -</u>	<u>\$ 106,569,501</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (8,783,172)	\$ 67,626,284	\$ -	\$ 58,843,112
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	5,018,569	108,869,259	-	113,887,828
Bad debt expense (net recoveries)	-	(45,354)	-	(45,354)
(Increase)/decrease in operating assets:				
Accounts receivable	-	(1,838,656)	-	(1,838,656)
Inventories	-	(920,236)	-	(920,236)
Due from other governmental agency	-	465,886	-	465,886
Prepaid expenses	-	(506,972)	-	(506,972)
Increase/(decrease) in operating liabilities:				
Accounts payable	-	3,728,708	-	3,728,708
Accrued expenses	-	(198,810)	-	(198,810)
Due to other governmental agency	34,613,820	-	-	34,613,820
Net pension/OPEB liabilities	-	(36,840,589)	-	(36,840,589)
Compensated absences	-	941,645	-	941,645
Claims and judgments	-	(3,119,605)	-	(3,119,605)
Net cash provided by operating activities	<u>\$ 30,849,217</u>	<u>\$ 138,161,560</u>	<u>\$ -</u>	<u>\$ 169,010,777</u>
Noncash activities:				
Unrealized gain on the fair value of investments	\$ 193,877	\$ 16,507,903		\$ 16,701,780
Capital assets acquired through accounts payable	-	(4,171,751)		(4,171,751)
Capital facilities capacity charges acquired	-	2,541,233		2,541,233

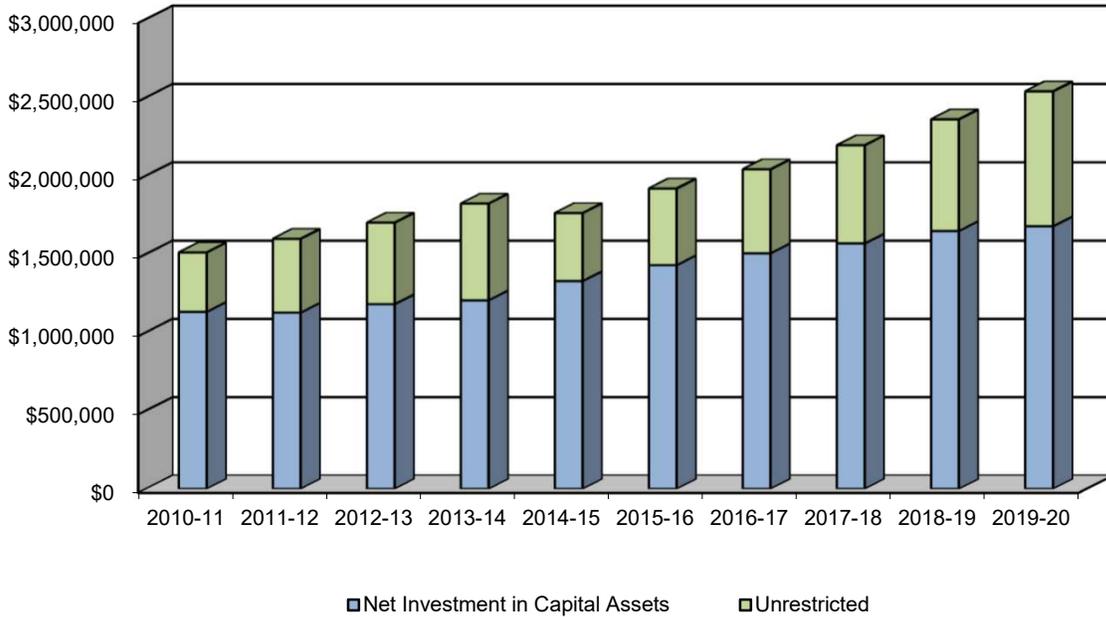
**ORANGE COUNTY SANITATION DISTRICT
STATISTICAL SECTION**

This part of the comprehensive annual financial report of the Orange County Sanitation District (OCSD) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about OCSD's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Position and Trends These schedules contain current and trend information to help the reader understand OCSD's financial position and how OCSD's financial performance and well-being have changed over time.	62 - 66
Revenue Capacity These schedules contain information to help the reader assess OCSD's most significant revenue source of sewer service fees.	67 - 69
Debt Capacity These schedules present information to help the reader assess the affordability of OCSD's current levels of outstanding debt and OCSD's ability to issue additional debt in the future. All of OCSD's debt is recorded in a proprietary fund; consequently, many of the schedules which are applicable to governmental funds are not presented.	70 - 72
Operating Information These schedules contain data to help the reader understand how the information in OCSD's financial report relates to the services it provides and the activities it	73 - 76
Demographic and Economic Factors These schedules offer demographic information to help the reader understand the environment within which OCSD's financial activities take place.	77 - 80

ORANGE COUNTY SANITATION DISTRICT

Net Position by Component
(Dollars in Thousands)
Last Ten Fiscal Years



Fiscal Year	Net Investment in Capital Assets	Unrestricted	Total Net Position
2010-11	\$1,131,063	\$ 379,423	\$ 1,510,486
2011-12	1,125,966	471,652	1,597,618 ⁽¹⁾
2012-13	1,180,298	520,427	1,700,725
2013-14	1,204,706	617,589	1,822,295
2014-15	1,327,384	434,460	1,761,844 ⁽²⁾
2015-16	1,429,269	489,303	1,918,572 ⁽³⁾
2016-17	1,504,898	536,327	2,041,225
2017-18	1,568,118	626,671	2,194,789 ⁽⁴⁾
2018-19	1,647,723	712,779	2,360,502
2019-20	1,678,041	860,969	2,539,010

⁽¹⁾ Beginning net position restated due to implementation of GASB 65.

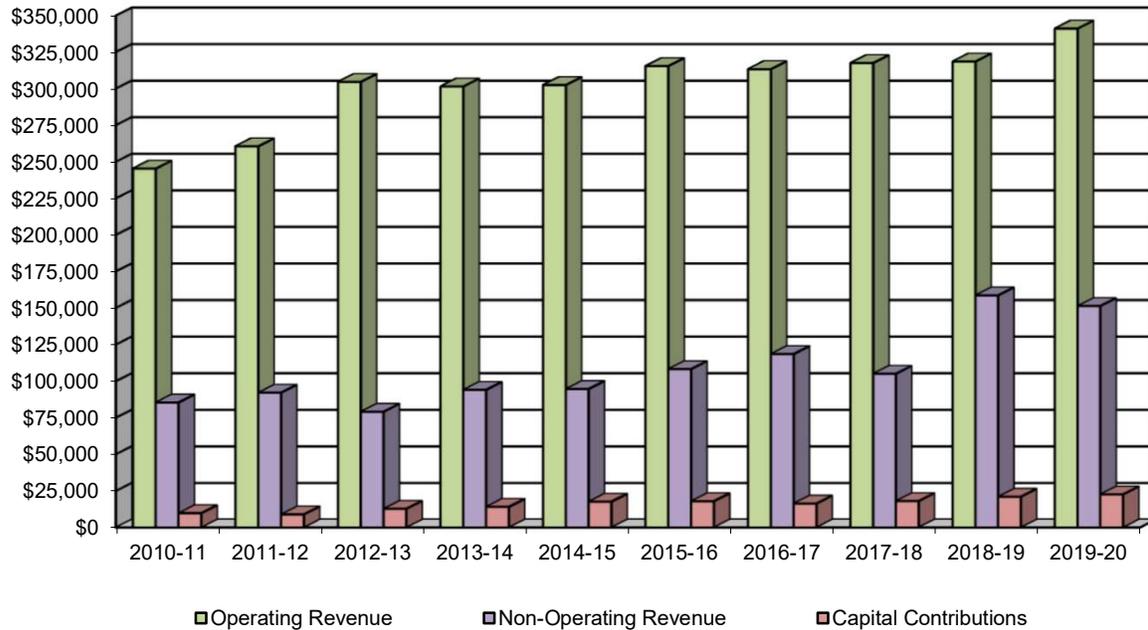
⁽²⁾ Beginning net position restated due to implementation of GASB 68.

⁽³⁾ Beginning net position restated due to implementation of GASB 73.

⁽⁴⁾ Beginning net position restated due to implementation of GASB 75.

Source: Orange County Sanitation District's Financial Management Division.

ORANGE COUNTY SANITATION DISTRICT
Revenues and Gross Capital Contributions by Source
(Dollars in Thousands)
Last Ten Fiscal Years

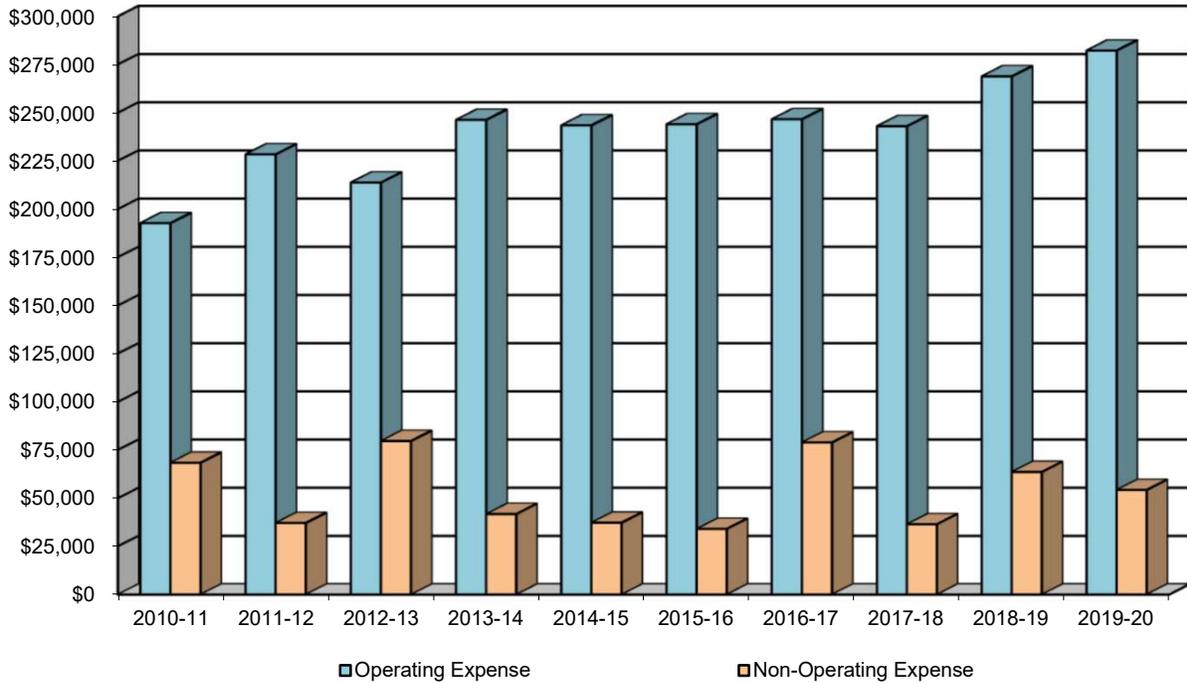


Fiscal Year	Operating Revenue			Non-Operating Revenue			Total Non-Operating	Capital Contributions
	Service Charges	Permit & Inspection Fees	Total Operating	Property Taxes	Interest	Other		
2010-11	\$ 244,465	\$ 784	\$ 245,249	\$ 64,307	\$ 10,092	\$ 11,015	\$ 85,414	\$ 9,800
2011-12	259,491	1,030	260,521	67,882	15,747	8,486	92,115	8,936
2012-13	303,400	1,176	304,576	79,240	(3,913)	3,781	79,108	12,797
2013-14	300,611	848	301,459	74,944	6,498	12,595	94,037	14,093
2014-15	301,548	902	302,450	79,835	4,806	9,996	94,637	17,656
2015-16	314,477	951	315,428	84,407	9,183	14,658	108,248	17,974
2016-17	312,237	1,045	313,282	88,284	3,081	27,146	118,511	16,351
2017-18	316,329	1,170	317,499	94,188	3,230	7,611	105,029	18,077
2018-19	317,291	1,199	318,490	99,534	29,102	29,962	158,598	21,032
2019-20	339,895	1,169	341,064	104,492	33,669	13,172	151,333	22,593

Source: Orange County Sanitation District's Financial Management Division.

ORANGE COUNTY SANITATION DISTRICT

Expenses by Type
(Dollars in Thousands)
Last Ten Fiscal Years

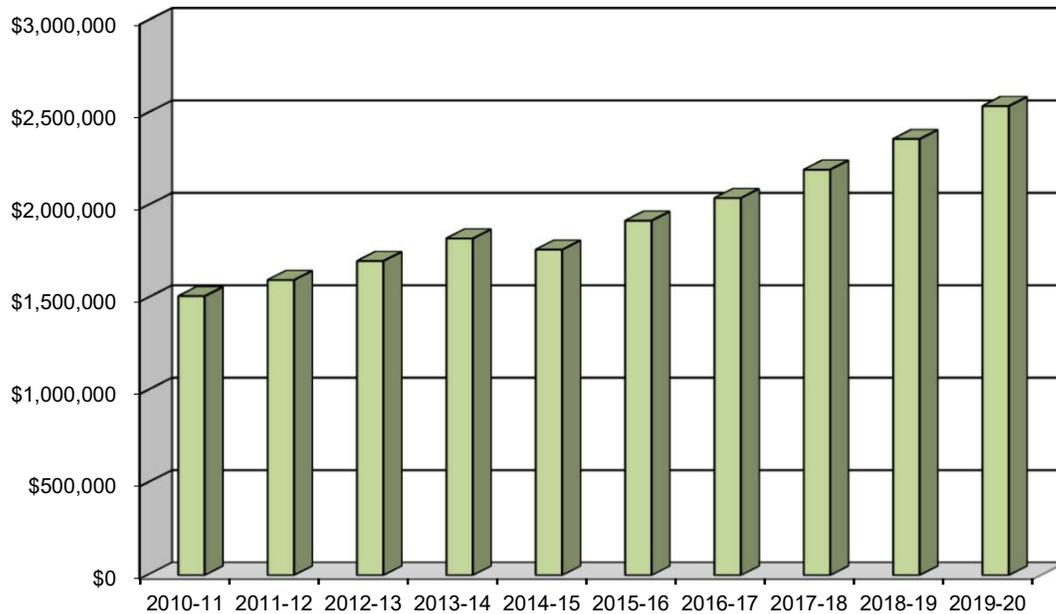


Fiscal Year	Operating Expense				Total Operating	Non - Operating Expense		Total Non-Operating
	Salaries & Benefits	Utilities	Maint & Other	Depr & Amort		Interest Expense	Other	
2010-11	\$ 73,112	\$ 6,948	\$ 63,328	\$ 49,288	\$ 192,676	\$ 29,129	\$ 39,245	\$ 68,374
2011-12	75,642	7,405	89,272	56,051	228,370	28,700	8,433	37,133
2012-13	76,878	6,403	66,536	63,907	213,724	42,315	37,335	79,650
2013-14	79,179	6,381	60,887	99,805	246,252	40,450	1,317	41,767
2014-15	79,657	7,246	62,323	94,186	243,412	34,112	3,168	37,280
2015-16	75,576	7,246	70,679	90,502	244,003	27,597	6,482	34,079
2016-17	74,291	6,119	69,843	96,320	246,573	25,648	53,270	78,918
2017-18	67,418	7,298	70,840	97,399	242,955	35,011	1,483	36,494
2018-19	85,506	7,733	73,347	102,239	268,825	34,466	29,116	63,582
2019-20	82,917	8,622	76,794	113,888	282,221	33,833	20,428	54,261

Source: Orange County Sanitation District's Financial Management Division.

ORANGE COUNTY SANITATION DISTRICT

Change in Net Position
(Dollars in Thousands)
Last Ten Fiscal Years



Ending Net Position by Fiscal Year

Fiscal Year	Total Revenues	Total Expenses	Change in Net Position	Beginning Net Position	Ending Net Position
2010-11	\$ 340,463	\$ 261,050	\$ 79,413	\$1,431,073	\$ 1,510,486
2011-12	361,572	265,503	96,069	1,501,549 ⁽¹⁾	1,597,618
2012-13	396,481	293,374	103,107	1,597,618	1,700,725
2013-14	409,589	288,019	121,570	1,700,725	1,822,295
2014-15	414,743	280,692	134,051	1,627,793 ⁽²⁾	1,761,844
2015-16	441,650	278,082	163,568	1,755,004 ⁽³⁾	1,918,572
2016-17	448,144	325,491	122,653	1,918,572	2,041,225
2017-18	440,605	279,449	161,156	2,033,633 ⁽⁴⁾	2,194,789
2018-19	498,120	332,407	165,713	2,194,789	2,360,502
2019-20	514,990	336,482	178,508	2,360,502	2,539,010

⁽¹⁾ Beginning net position restated due to implementation of GASB 65.

⁽²⁾ Beginning net position restated due to implementation of GASB 68.

⁽³⁾ Beginning net position restated due to implementation of GASB 73.

⁽⁴⁾ Beginning net position restated due to implementation of GASB 75.

Source: Orange County Sanitation District's Financial Management Division.

ORANGE COUNTY SANITATION DISTRICT
Cash and Investment Reserve Balances
(Dollars in Millions)
Last Ten Fiscal Years

Fiscal Year	Cash Flow Contingency	Self- Insurance	Capital Improvement Program	Debt Service Requirements	Total
2010-11	\$ 187	\$ 57	\$ 176	\$ 141	\$ 561
2011-12	196	57	186	138	577
2012-13	174	57	234	135	600
2013-14	189	57	296	131	673
2014-15	177	57	194	129	557
2015-16	181	57	190	117	545
2016-17	174	57	173	107	511
2017-18	173	57	350	100	680
2018-19	177	57	429	97	760
2019-20	178	57	552	94	881

Notes:

The Board of Directors of the Orange County Sanitation District has established the criteria below to determine the total funds required as listed in the Accumulated Funds and Reserves Policy:

The Cash Flow Contingency Reserve is to fund operations, maintenance, and certificates of participation debt service expenses for the first half of the fiscal year, prior to the receipt of the first installment of the property tax allocation and sewer service user fees.

The Self-Insurance Reserve is to provide requirements for property damage including fire, flood and earthquake, general liability and workers' compensation.

The Capital Improvement Program Reserve is to fund annual increments of the capital improvement program with a target level at one half of the average annual capital improvement program over the next 10 years.

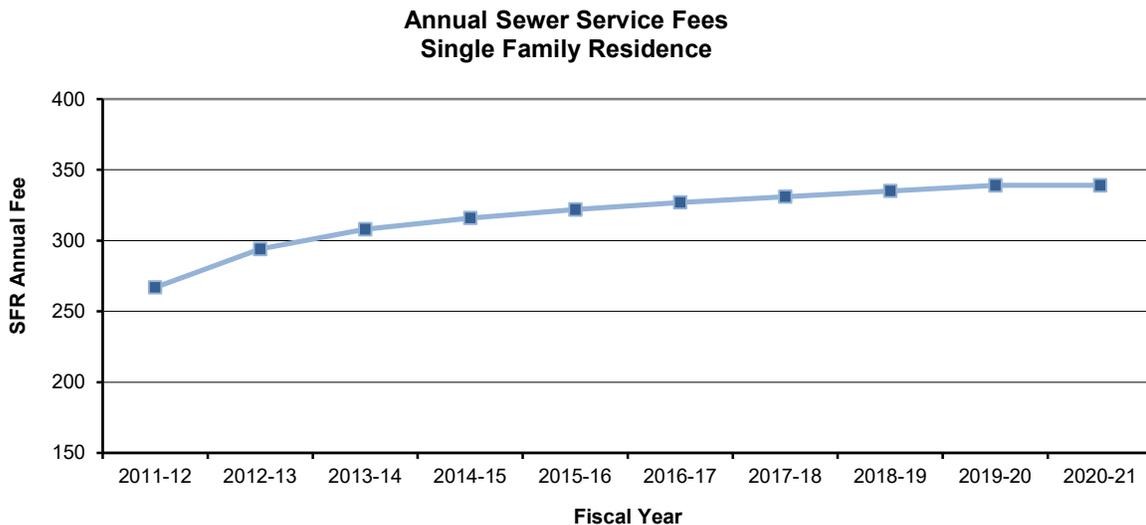
The Debt Service Requirements Reserve is held pursuant to the provisions of certificates of participation issues, and the monies are not available for the general needs of the District.

Source: Orange County Sanitation District's Financial Management Division.

ORANGE COUNTY SANITATION DISTRICT
 Sewer Service Fees
 Single Family Residence Rate
 Last Nine Fiscal Years and Next Fiscal Year

Sewer service fees are comprised of three categories: residential customers, commercial customers, and industrial customers. Although the majority of sewer service fee revenues are from residential and commercial customers (see the schedule of Number of Accounts and Revenues by Customer Class), the fee paid by each residential and commercial customer is less than the individual fees paid by industrial customers. The rates for commercial and industrial customers are derived from the base sewer service fee charged for a single-family residence and are based on the type of business and the strength and volume of waste that is discharged into the sewer system. Due to the complexity of the rate structure for commercial and industrial customers and since the rates are derivatives of the single-family residence rate, only the single-family residence rate is presented within the statistical section.

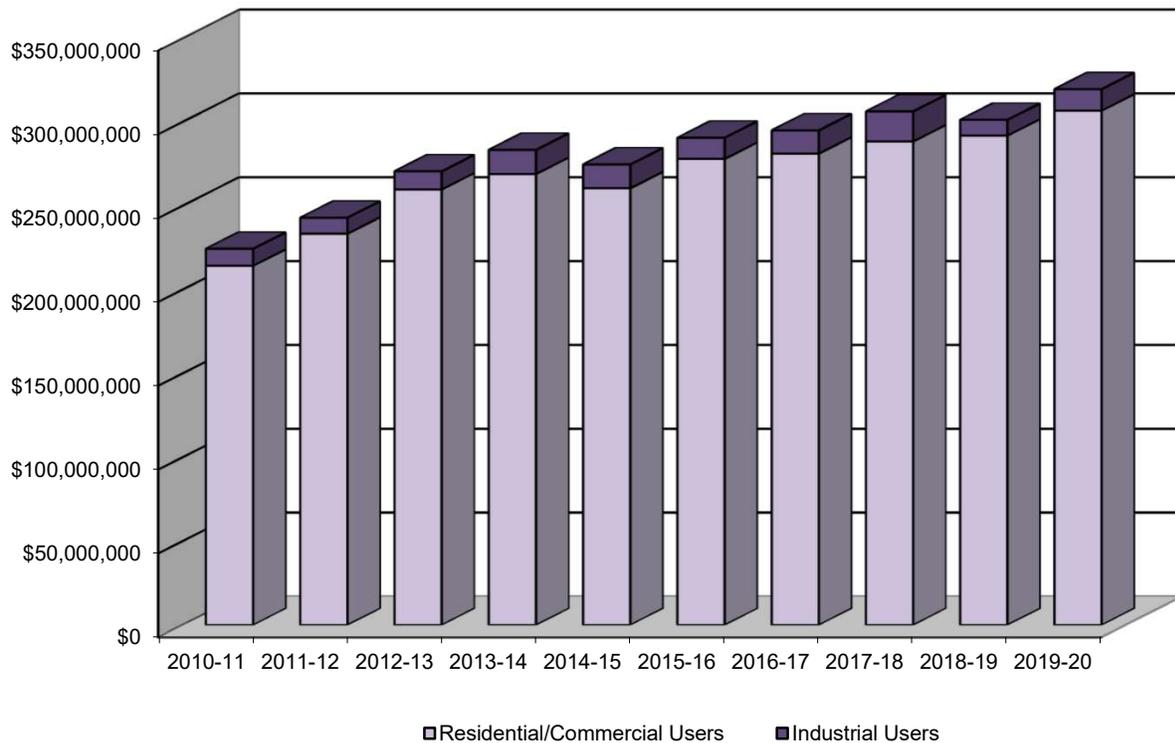
<u>Fiscal Year</u>	<u>Sewer Service Charge</u>
2011-12	\$ 267.00
2012-13	294.00
2013-14	308.00
2014-15	316.00
2015-16	322.00
2016-17	327.00
2017-18	331.00
2018-19	335.00
2019-20	339.00
2020-21	339.00



Source: Orange County Sanitation District's Financial Management Division.

ORANGE COUNTY SANITATION DISTRICT
 Number of Accounts and Revenues by Customer Class
 (Dollars in Millions)
 Last Ten Fiscal Years

Fiscal Year	Residential/Commercial			Industrial		
	Number of Equivalent Single-Family Dwellings	Total Sewer Svc. Charge Revenue	Percentage of Sewer Service Charge Revenues	Number of Customer Accounts	Total Sewer Svc. Charge Revenue	Percentage of Sewer Service Charge Revenues
2010-11	878,408	\$ 214.3	95%	479	\$ 10.1	5%
2011-12	874,008	233.4	96%	516	9.5	4%
2012-13	883,477	259.8	96%	527	10.8	4%
2013-14	873,308	269.0	95%	489	14.4	5%
2014-15	824,465	260.5	95%	467	14.2	5%
2015-16	863,317	278.0	96%	450	12.6	4%
2016-17	859,869	281.2	95%	466	13.8	5%
2017-18	871,338	288.4	94%	473	17.9	6%
2018-19	871,312	291.9	97%	476	9.4	3%
2019-20	904,886	306.8	96%	473	12.8	4%



Source: Orange County Sanitation District's Financial Management Division.

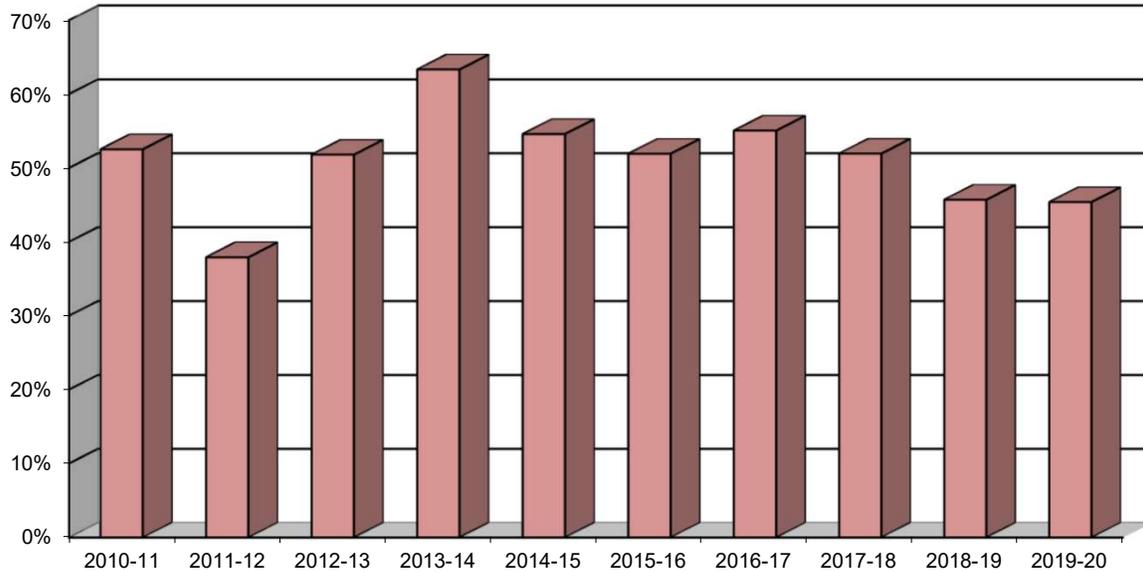
ORANGE COUNTY SANITATION DISTRICT
Principal Sewer Service Customers
For the Current Fiscal Year and Nine Years Ago

Customer	Fiscal Year Ended 6/30/20			Fiscal Year Ended 6/30/11		
	Industrial Permittee Service Charges	Rank	% to Total Service Charge Revenue	Industrial Permittee Service Charges	Rank	% to Total Service Charge Revenue
House Foods America Corp. (West)	\$ 1,595,677	1	0.47%	\$ 588,739	5	0.24%
Stremicks Heritage Foods, LLC	782,334	2	0.23%	756,778	4	0.31%
Pulmuone Wildwood, Inc.	778,107	3	0.23%	293,669	10	0.12%
Newport Fab, LLC (TowerJazz Semiconductor)	589,702	4	0.17%	344,671	7	0.14%
House Foods America Corp. (East)	415,677	5	0.12%			
MCP Foods, Inc.	408,862	6	0.12%	1,036,648	2	0.42%
Nor-Cal Beverage Co. Inc. (Main)	396,810	7	0.12%			
California State University-Fullerton	332,746	8	0.10%			
Patriot Wastewater, LLC (Freedom CWT)	313,793	9	0.09%			
Van Law Food Products, Inc.	306,275	10	0.09%			
Kimberly-Clark Worldwide, Inc.				1,533,243	1	0.63%
Alstyle Apparel-A&G Inc.				909,188	3	0.37%
Pepsi-Cola Bottling Group				440,707	6	0.18%
Dean Foods Co. of CA Inc.				316,641	8	0.13%
Schreiber Foods Inc.				298,157	9	0.12%
	<u>\$ 5,919,983</u>		<u>1.74%</u>	<u>\$ 6,518,441</u>		<u>2.66%</u>

Although the majority of sewer service fee revenues are from residential and commercial customers (see the schedule of Number of Accounts and Revenues by Customer Class), the fee paid by each residential and commercial customer is less than the individual fees paid by industrial customers. Consequently, this schedule shows the largest sewer service fee customers.

Source: Orange County Sanitation District's Financial Management Division.

ORANGE COUNTY SANITATION DISTRICT
Ratio of Annual Debt Service to Total Expenses
(Dollars in Thousands)
Last Ten Fiscal Years



<u>Fiscal Year</u>	<u>Principal (1)</u>	<u>Interest (4)</u>	<u>Total Debt Service (3)</u>	<u>Total Operating Expenses (2)</u>	<u>Ratio of Debt Service to Total Operating Expenses</u>
2010-11	\$ 25,895	\$ 49,426	\$ 75,321	\$ 143,388	52.53%
2011-12	14,370	50,975	65,345	172,319	37.92
2012-13	23,965	53,640	77,605	149,817	51.80
2013-14	39,590	53,163	92,753	146,447	63.34
2014-15	27,875	53,586	81,461	149,226	54.59
2015-16	29,405	50,301	79,706	153,501	51.93
2016-17	35,575	47,143	82,718	150,253	55.05
2017-18	32,140	43,466	75,606	145,555	51.94
2018-19	31,655	44,481	76,136	166,586	45.70
2019-20	32,730	43,664	76,394	168,333	45.38

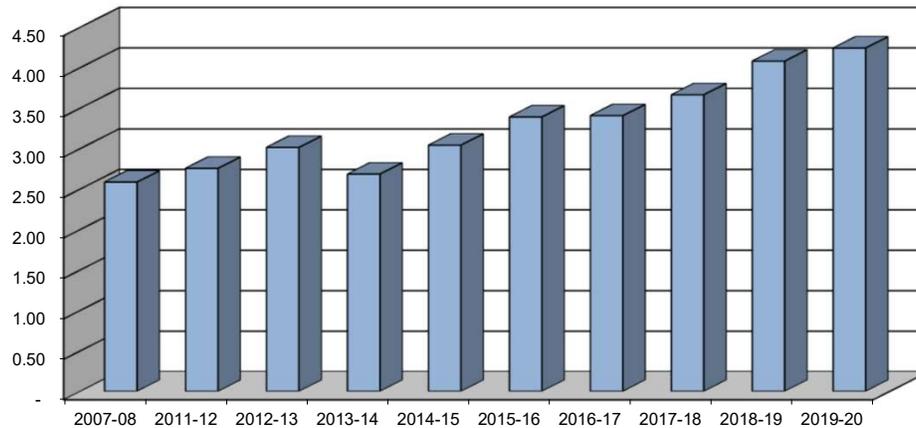
Notes

- (1) - Excludes principal reductions due to advanced refunding.
- (2) - Excludes depreciation and amortization expense.
- (3) - Debt consists of certificates of participation, revenue obligations, and anticipation notes.
- (4) - Excludes amortization of premium/discount and deferred amount.

Source: Orange County Sanitation District's Financial Management Division.

ORANGE COUNTY SANITATION DISTRICT
Debt Coverage Ratios
(Dollars in Millions)
Last Ten Fiscal Years

The Orange County Sanitation District has no legal debt limits as imposed by State legislation. The District does have contractual covenants within the existing Certificates of Participation indenture agreements which require minimum coverage ratios of 1.25. The coverage ratio is calculated as the ratio of net annual revenues available for debt service payments to total annual debt service requirements.



	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating & Non-operating Revenues:										
Service Charges, Net of Refunds-Regional	\$ 214.3	\$ 233.4	\$ 259.8	\$ 269.0	\$ 260.5	\$ 278.0	\$ 281.2	\$ 288.4	\$ 291.9	\$ 306.8
Service Charges, Net of Refunds-Local (3)	5.7	5.7	5.8	5.7	5.5	5.7	1.3	(0.1)	-	-
Industrial Sewer Service Charges	10.1	9.5	10.8	14.4	14.2	12.6	13.8	17.9	9.4	12.8
SAWPA Assessment	4.9	3.6	2.7	2.4	2.7	3.2	3.3	2.7	2.9	2.6
IRWD Assessment	18.2	14.2	25.6	19.6	26.4	26.6	36.0	9.9	36.3	20.8
Ad Valorem Taxes	64.3	67.9	79.2	74.9	79.8	84.4	88.3	94.2	99.5	104.5
Interest Earnings	10.1	15.7	(3.9)	6.5	4.8	9.2	3.1	3.2	29.1	33.7
Other Revenues	3.0	2.5	3.7	3.0	3.2	4.0	5.0	6.4	8.0	11.2
Total Revenues	330.6	352.5	383.7	395.5	397.1	423.7	432.0	422.6	477.1	492.4
Operating Expenses (1)	143.4	172.3	149.8	146.4	149.2	153.5	150.3	145.6	166.6	168.3
Net Revenues	\$ 187.2	\$ 180.2	\$ 233.9	\$ 249.1	\$ 247.9	\$ 270.2	\$ 281.7	\$ 277.0	\$ 310.5	\$ 324.1
Debt Service Requirements										
Principal Payments	25.9	14.4	24.0	39.6	27.9	29.4	35.6	32.1	31.7	32.7
Interest Payments	46.5	51.0	53.6	53.2	53.6	50.3	47.1	43.5	44.4	43.7
Total Debt Service Requirements	\$ 72.4	\$ 65.4	\$ 77.6	\$ 92.8	\$ 81.5	\$ 79.7	\$ 82.7	\$ 75.6	\$ 76.1	\$ 76.4
Coverage Ratios	2.59	2.76	3.01	2.68	3.04	3.39	3.41	3.66	4.08	4.24
Ending Reserves (2)	\$ 420.0	\$ 439.0	\$ 465.0	\$ 542.0	\$ 428.0	\$ 428.0	\$ 404.0	\$ 580.0	\$ 663.0	\$ 787.0

Notes

- (1) - Operating expenses exclude depreciation and amortization expenses.
- (2) - Excludes debt service reserves in accordance with the District's reserve policy.
- (3) - Local Sewer transferred to East Orange County Water District in FY2016-17.

Source: Orange County Sanitation District's Financial Management Division.

ORANGE COUNTY SANITATION DISTRICT

Ratios of Outstanding Debt
Last Ten Fiscal Years

Fiscal Year	(5) Total Outstanding Debt	(3) Median Family Income (1)	Debt as a Percentage of Median Family Income	(4) Population Estimate (2)	Debt per Capita
2010-11	\$ 1,427,792,453	\$ 84,200	0.006%	2,563,170	557.04
2011-12	1,376,404,782	85,300	0.006%	2,457,571	560.07
2012-13	1,325,928,512	84,100	0.006%	2,472,122	536.35
2013-14	1,278,998,124	84,900	0.007%	2,491,268	513.39
2014-15	1,241,140,357	85,900	0.007%	2,521,803	492.16
2015-16	1,206,722,347	85,000	0.007%	2,548,745	473.46
2016-17	1,140,679,773	88,000	0.008%	2,578,681	442.35
2017-18	1,095,737,610	92,700	0.008%	2,609,419	419.92
2018-19	1,050,502,373	97,900	0.009%	2,607,092	402.94
2019-20	1,004,215,901	103,000	0.010%	2,589,011	387.88

Notes & Data Sources

(1) - Data is for the entire County of Orange.

(2) - Data is for the estimated population served by the Orange County Sanitation District.

(3) - Data Source: U.S. Department of Housing and Urban Development.

(4) - Data Source: Demographic Research Unit, California Department of Finance.

(5) - Data Source: Orange County Sanitation District. Debt includes certificates of participation, revenue obligations, and anticipation notes and is presented net of original issuance premiums.

ORANGE COUNTY SANITATION DISTRICT
 Comparison of the Volume of Wastewater Treated
 With Revenues and Expenses
 Last Ten Fiscal Years

Fiscal Year	Millions of Gallons of Waste-water Treated Per Day	Collection, Treatment & Disposal Cost per Million Gallons	Total Operating Costs (In Thousands)	Total Non-Operating Costs (In Thousands)	Total Operating Revenues (In Thousands)	Total Non-Operating Revenues (In Thousands)
2010-11	207	\$ 1,816.62	\$ 192,676	\$ 68,374	\$ 245,249	\$ 85,414
2011-12	201	1,871.47	228,370	37,133	260,521	92,115
2012-13	200	1,906.01	213,724	79,650	304,576	79,108
2013-14	198	1,936.64	246,252	41,767	301,459	94,037
2014-15	187	2,070.97	243,412	37,280	302,450	94,637
2015-16	183	2,110.43	244,003	34,079	315,428	108,248
2016-17	188	2,054.56	246,573	78,918	313,282	118,511
2017-18	185	2,069.30	242,955	36,494	317,499	105,029
2018-19	191	2,274.73	268,825	63,582	318,490	158,598
2019-20	188	2,421.83	282,221	54,261	341,064	151,333

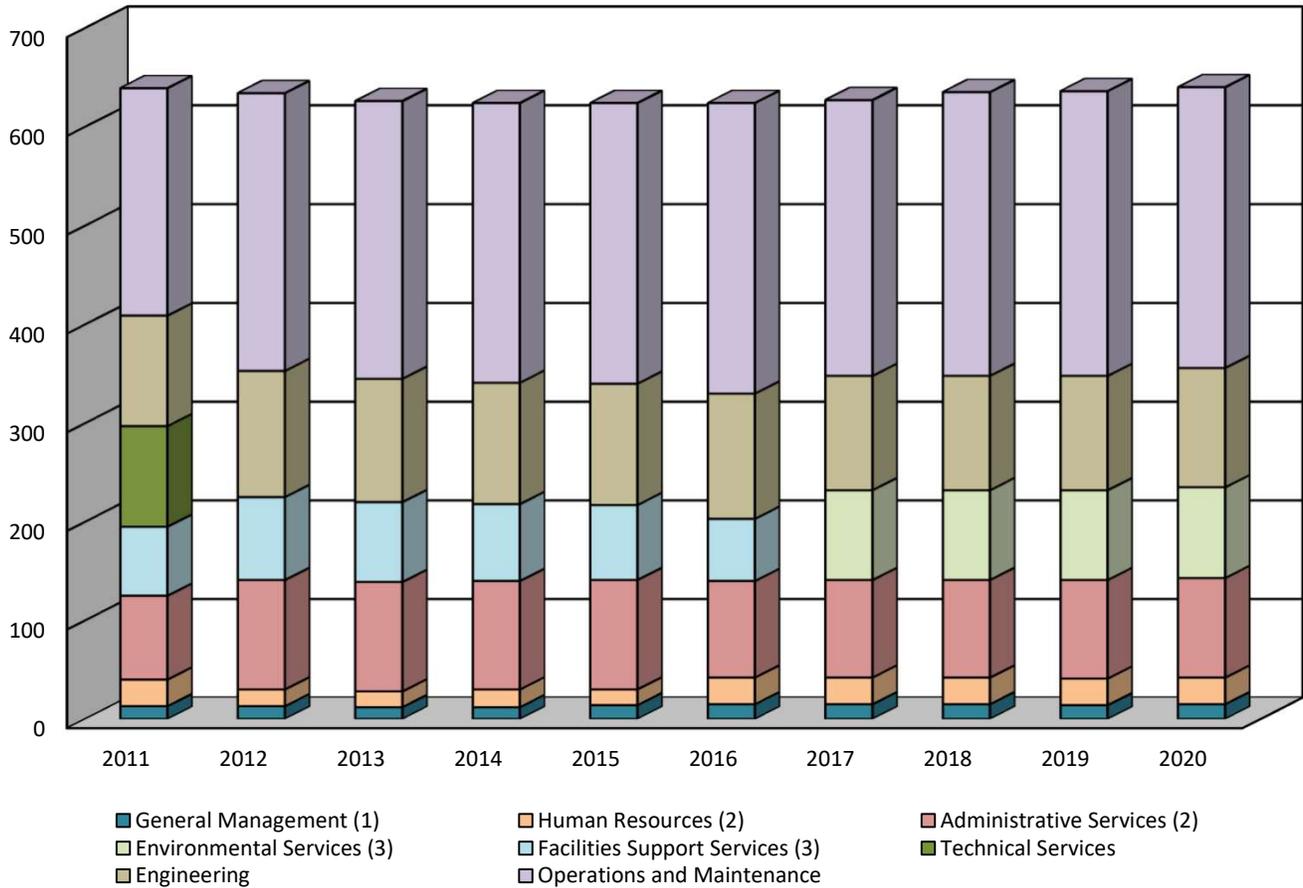
Total expenses in FY 2019-20 increased \$75 million, or 28.9 percent since FY 2010-11, primarily as a result of expansion of the Capital Improvement Program (CIP) and increase in operational services levels with OCSD's decision beginning in FY 2002-03 to maximize existing secondary treatment facilities as OCSD moved from a 50/50 mix of primary and secondary effluent treatment to meeting secondary treatment standards as of December 31, 2012.

Depreciation expense represents 85.6 percent of the increase as a result of the expansion in capital facilities and the financing associated with the expansion. Increases were also realized in maintenance, chemicals, utilities, and other operating costs, primarily due to the increase in the levels of treatment referred to above. These increases are offset by a decrease in other non-operating expense due to a decrease in integration contributions credited to IRWD. In FY 2019-20, personnel expenses decreased 3.0 percent over the prior year. This decrease is mainly caused by a reduction in the OCERS retirement contribution rate as a result of paying down the unfunded actuarial accrued liability in September and November 2019. The full-time equivalent positions authorized increased by 4 in FY 2019-20.

As depicted from the chart above, actual wastewater treatment flows were 207 mgd in FY 2010-11. The last several years of California's record-breaking drought and water conservation efforts have resulted in FY 2019-20 flows of only 188 mgd, a decrease of 19 mgd or 9.18 percent since FY 2010-11.

Source: Orange County Sanitation District.

ORANGE COUNTY SANITATION DISTRICT
 Authorized Full-time Equivalents by Function
 Last Ten Fiscal Years



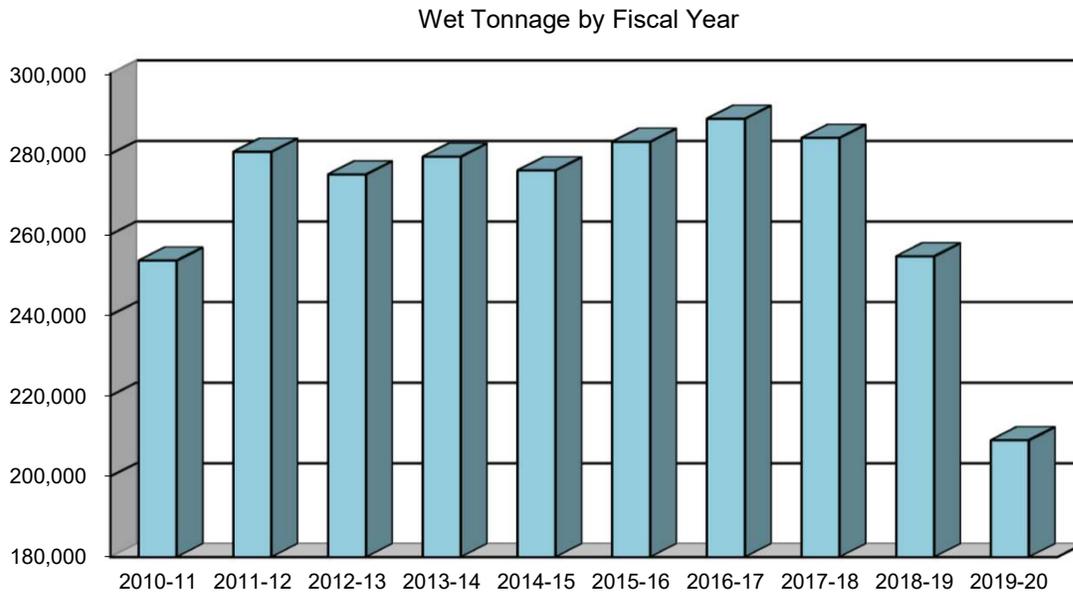
	Fiscal Year Ending June 30,										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
General Management (1)	13	13	12	12	14	15	15	15	14	15	
Human Resources (2)	27	17	16	18	16	27	27	27	27	27	
Administrative Services (2)	85	111	111	110	111	98	99	99	100	101	
Environmental Services (3)	-	-	-	-	-	-	91	91	91	92	
Facilities Support Services (3)	70	84	81	78	76	63	-	-	-	-	
Technical Services	102	-	-	-	-	-	-	-	-	-	
Engineering	112	128	125	123	123	127	116	116	116	121	
Operations and Maintenance	230	281	281	283	284	294	279	287	288	284	
Total FTEs	639	634	626	624	624	624	627	635	636	640	

Notes

- (1) - Management Discretion positions used on a temporary basis have been excluded from FTE count.
- (2) - In 2016, Risk Management moved from Administrative Services to Human Resources Department.
- (3) - In 2017, District reorganization created Environmental Services and eliminated Facilities Support Services.

Source: Orange County Sanitation District's Financial Management Division.

ORANGE COUNTY SANITATION DISTRICT
 Biosolids Produced
 Last Ten Fiscal Years



<u>Fiscal Year</u>	<u>Wet Tonnage</u>
2010-11	253,557
2011-12	280,572
2012-13	274,957
2013-14	279,362
2014-15	275,943
2015-16	283,052
2016-17	288,771
2017-18	284,039
2018-19	254,616 ⁽¹⁾
2019-20	209,000

⁽¹⁾ Beginning in Fiscal Year 2018-19, biosolids produced were reduced due to the commissioning of dewatering centrifuges at both treatment plants.

Source: Orange County Sanitation District's Environmental Compliance Division.

ORANGE COUNTY SANITATION DISTRICT

Capital Asset Statistics

Last Ten Fiscal Years

Fiscal Year	Miles of Trunk & Subtrunk Sewers	Number of Pump Stations	Primary Treatment Capacity (1)	Secondary Treatment Capacity (1)
2010-11	587	17	376	212
2011-12	572	17	376	332
2012-13	572	17	376	332
2013-14	580	17	376	332
2014-15	580	17	376	332
2015-16	570	17	376	332
2016-17	396 (2)	17	376	332
2017-18	396	17	376	332
2018-19	389	17	376	332
2019-20	388	17	376	332

Notes

(1) - Capacity is presented as million gallons treated per day.

(2) - In FY 2016-17, local sewers were transferred to East Orange County Water District.

Source: Orange County Sanitation District

ORANGE COUNTY SANITATION DISTRICT
Demographic Statistics
Covering The Entire County of Orange (1)
Last Ten Fiscal Years

Fiscal Year	(2) Population Estimates	Total Personal Income (in thousands)	Per Capita Personal Income	(5) Median Family Income	(6) Public School Enrollment	(7) Unemployment Rate
2010-11	3,030,000	\$ 154,131,535 (3)	\$ 50,868	\$ 84,200	502,903	9.2%
2011-12	3,056,000	169,584,000 (4)	55,492	85,300	502,195	7.9%
2012-13	3,082,000	166,370,000 (4)	53,981	84,100	501,801	6.1%
2013-14	3,114,000	179,141,000 (4)	57,528	84,900	500,487	5.2%
2014-15	3,148,000	193,359,000 (4)	61,423	85,900	497,116	4.3%
2015-16	3,183,000	199,442,000 (4)	62,658	85,000	493,030	4.4%
2016-17	3,194,000	208,653,000 (4)	65,327	88,000	490,430	3.8%
2017-18	3,221,000	220,368,000 (4)	68,416	92,700	485,835	3.3%
2018-19	3,222,000	230,180,000 (4)	71,440	97,900	478,823	3.0%
2019-20	3,194,000	226,531,000 (4),(8)	70,924	103,000	473,612	13.6%

Notes and Data Sources

(1) - The Orange County Sanitation District services 479 square miles or 60% of the total 799 square miles that make up the boundaries of the County of Orange.

(2) - Data Source: Demographic Research Unit, California Department of Finance.

(3) - Data Source: Bureau of Economic Analysis, U.S. Department of Commerce.

(4) - Data Source: A. Gary Anderson Center for Economic Research, Chapman University.

(5) - Data Source: U.S. Department of Housing and Urban Development.

(6) - Data Source: California Department of Education, Educational Demographics Unit.

(7) - Data Source: State of California, Employment Development Department as of June 30 of each fiscal year.

(8) - Forecasted number.

ORANGE COUNTY SANITATION DISTRICT

Estimated Population Served by the
Orange County Sanitation District
June 30, 2020

	Population as of January 1, 2020
Anaheim	357,325
Brea	45,629
Buena Park	81,998
Costa Mesa	114,778
Cypress	49,272
Fountain Valley	55,878
Fullerton	141,863
Garden Grove	174,801
Huntington Beach	201,281
Irvine	281,707
La Habra	63,371
La Palma	15,492
Los Alamitos	11,567
Newport Beach	85,780
Orange	140,065
Placentia	51,494
Santa Ana	335,052
Seal Beach	24,992
Stanton	39,077
Tustin	80,382
Villa Park	5,766
Westminster	92,421
Yorba Linda	68,650
Subtotal Cities ⁽¹⁾	2,518,641
Estimated Population Served in Unincorporated Areas ⁽²⁾	70,370
	<u>2,589,011</u>

Data Sources:

- (1) Demographic Research Unit, State of California Department of Finance
- (2) Center for Demographic Research, California State University, Fullerton.

ORANGE COUNTY SANITATION DISTRICT
Principal Orange County Employers (1)
For the Current Fiscal Year and Nine Years Ago

<u>Employers</u>	<u>Fiscal Year Ended 6/30/20</u>			<u>Fiscal Year Ended 6/30/11</u>		
	<u>Number of Employees (2)</u>	<u>Rank</u>	<u>Percentage of Total County Employment (3)</u>	<u>Number of Employees (4)</u>	<u>Rank</u>	<u>Percentage of Total County Employment (5)</u>
Walt Disney Co.	32,000	1	2.32%	20,000	2	1.40%
University of California, Irvine	24,714	2	1.79%	20,650	1	1.45%
County of Orange	17,365	3	1.26%	17,655	3	1.24%
St. Joseph Health	14,000	4	1.02%	11,965	4	0.84%
Kaiser Permanente	8,200	5	0.60%	5,397	9	0.38%
Albertsons Southern California	7,535	6	0.55%			
Boeing Co.	6,600	7	0.48%	8,060	5	0.57%
Hoag Memorial Hospital	6,500	8	0.47%			
Wal-Mart Stores Inc.	6,200	9	0.45%			
Target Corp.	6,000	10	0.44%	5,325	10	0.37%
BankAmerica Corp.				6,500	6	0.46%
Yum! Brands Inc				6,500	7	0.46%
SuperValu, Inc.				5,900	8	0.41%
Total	129,114		9.38%	107,952		7.58%

Notes & Data Sources

- (1) - Data is for the entire County of Orange.
- (2) - Data Source: Orange County Business Journal Book of Lists published November 2019
- (3) - Data Source: State of California, Employment Development Department.
- Percentage is calculated by dividing employees by total employment of 1,377,000 as of June 2020.
- (4) - Data Sources: Orange County Business Journal Book of Lists published November 2010; County of Orange
- (5) - Data Source: State of California, Employment Development Department.
- Percentage is calculated by dividing employees by total employment of 1,423,600 as of June 2011.

ORANGE COUNTY SANITATION DISTRICT

Operating Indicators

June 30, 2020

District Organization: The Orange County Sanitation District is one consolidated district made up of two revenue areas which service unincorporated county areas and twenty-three cities and related special districts, as follows:

Consolidated Revenue Area

County of Orange (unincorporated areas)

Cities:

Anaheim	Huntington Beach	Santa Ana
Brea	Irvine	Seal Beach
Buena Park	La Habra	Stanton
Costa Mesa	La Palma	Tustin
Cypress	Los Alamitos	Villa Park
Fountain Valley	Newport Beach	Westminster
Fullerton	Orange	Yorba Linda
Garden Grove	Placentia	

Special Districts:

- Costa Mesa Sanitary District
- Midway City Sanitary District
- Yorba Linda Water District

Revenue Area No. 14

County of Orange (unincorporated areas)

Cities:

- Irvine
- Orange
- Tustin

Special District:

- Irvine Ranch Water District

Governing Body:	25-member Board of Directors
Authorized Full-Time Equivalent Employees:	640
Operational Date:	July 1, 1954
Authority:	California Health & Safety Code Section 4700 et. seq.
Services:	Wastewater collection, treatment, and disposal
Service Area:	479 square miles
Population Served:	2.6 million
Total Miles of Sewers (including force mains):	388 miles
Number of Pumping Stations:	17

Wastewater System Treatment Capacities (Million Gallons per Day)

	<u>Actual Flows FY19-20</u>	<u>Existing Primary Treatment Capacity</u>	<u>Existing Secondary Treatment Capacity</u>
Plant 1	119	208	182
Plant 2	69	168	150
Total	<u>188</u>	<u>376</u>	<u>332</u>

Source: Orange County Sanitation District's Financial Management Division.

**ORANGE COUNTY SANITATION DISTRICT
OTHER DATA & TRENDS**

Information within this section consists of other data and trends including additional annual disclosures as required by the Sanitation District's debt covenants beyond what is allowed to be reported in the Statistical Section.

ORANGE COUNTY SANITATION DISTRICT

Cash and Investment Portfolio

As of June 30, 2020

	Shares Par	Cost Base	Market Value Base	% of Total	Net Unrealized Gain/(Loss) Base
INVESTMENT PORTFOLIO:					
CASH & CASH EQUIVALENTS (U.S. DOLLAR):					
FIRST AMERICAN SHORT TERM FDS	\$ 10,129,778	\$ 10,129,778	\$ 10,129,778	1.27%	\$ -
COMMERCIAL PAPER	10,000,000	4,998,750	9,997,900	1.25%	4,999,150
US AGENCY	5,000,000	9,997,815	4,999,550	0.62%	(4,998,265)
SUBTOTAL - CASH & CASH EQUIVALENTS	25,129,778	25,126,343	25,127,228	3.14%	885
FIXED INCOME SECURITIES (U.S. DOLLAR):					
CONSUMER DISCRETIONARY	9,064,000	9,174,702	9,483,848	1.19%	309,146
CONSUMER STAPLES	4,630,000	4,647,869	4,994,583	0.62%	346,714
ENERGY	9,000,000	8,942,542	9,319,070	1.17%	376,528
FINANCE	91,059,000	91,403,503	95,303,699	11.92%	3,900,196
HEALTH CARE	2,000,000	1,948,640	2,131,080	0.27%	182,440
INDUSTRIAL	4,410,000	4,388,275	4,607,339	0.58%	219,064
INFORMATION TECHNOLOGY	24,870,000	24,813,717	26,041,565	3.26%	1,227,848
INVESTMENT GRADE-MUNI REVENUE	1,800,000	1,800,000	1,829,068	0.23%	29,068
MTG RELATED SECURITY	30,789,602	30,845,476	31,371,850	3.92%	526,374
SHORT TERM FUNDS	1,500,000	1,500,000	1,507,395	0.19%	7,395
SUPRANATIONAL	42,215,000	41,939,678	42,940,726	5.37%	1,001,048
U.S. AGENCY	197,090,000	198,627,671	205,051,809	25.65%	6,424,138
U.S. GOVERNMENT	319,504,478	317,991,120	327,905,250	41.02%	9,914,130
U.S. GOVERNMENT TIPS	11,232,208	11,087,488	11,731,592	1.47%	644,104
SUBTOTAL - FIXED INCOME SECURITIES	749,164,288	749,110,681	774,218,874	96.86%	25,108,193
TOTAL INVESTMENT PORTFOLIO	\$ 774,294,066	774,237,024	799,346,102	100.00%	\$ 25,109,078
DEMAND DEPOSITS AND CASH ON HAND		9,062,762	9,062,762		
MONIES HELD WITH FISCAL AGENTS		6,998	6,998		
MONIES WITH THE LOCAL AGENCY INVESTMENT FUND		72,018,699	72,372,513		
TOTAL CASH AND INVESTMENTS		\$ 855,325,483	\$ 880,788,375		

Source: US Bank and Orange County Sanitation District's Financial Management Division.

ORANGE COUNTY SANITATION DISTRICT
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

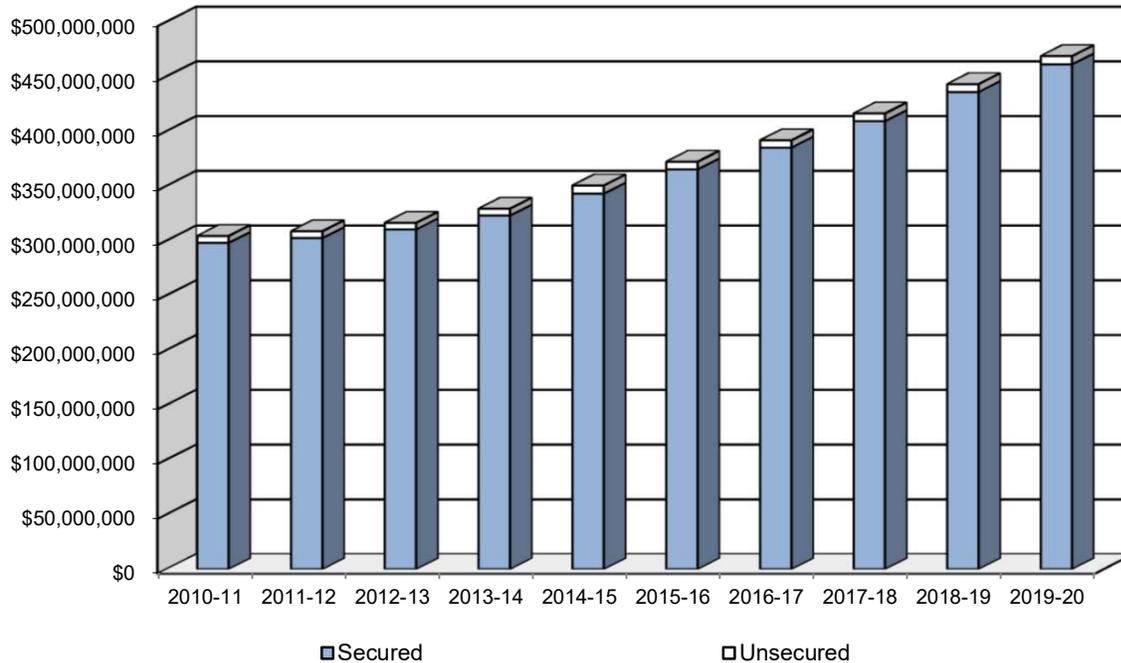
Fiscal Year	Tax Rate			OCSD's Average Share of Basic Levy
	Basic Levy	OCSD 1958 General Obligation Bonds	Total Tax Rate	
2010-11	1.00%	0.00%	1.00%	1.64%
2011-12	1.00%	0.00%	1.00%	1.64%
2012-13	1.00%	0.00%	1.00%	1.64%
2013-14	1.00%	0.00%	1.00%	1.65%
2014-15	1.00%	0.00%	1.00%	1.63%
2015-16	1.00%	0.00%	1.00%	1.62%
2016-17	1.00%	0.00%	1.00%	1.61%
2017-18	1.00%	0.00%	1.00%	1.59%
2018-19	1.00%	0.00%	1.00%	1.59%
2019-20	1.00%	0.00%	1.00%	1.58%

Notes

In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount of assessed value. This 1.00% is shared by all taxing agencies within which the subject property resides. In addition to the 1.00% fixed amount, property owners were charged taxes as a percentage of assessed property values for the payment of OCSD general obligation bonds (which were paid in full in fiscal year 1998-99).

Source: Orange County Auditor-Controller's Office.

ORANGE COUNTY SANITATION DISTRICT
 Assessed and Estimated Actual Value of Taxable Property
 (Dollars In Thousands)
 Last Ten Fiscal Years

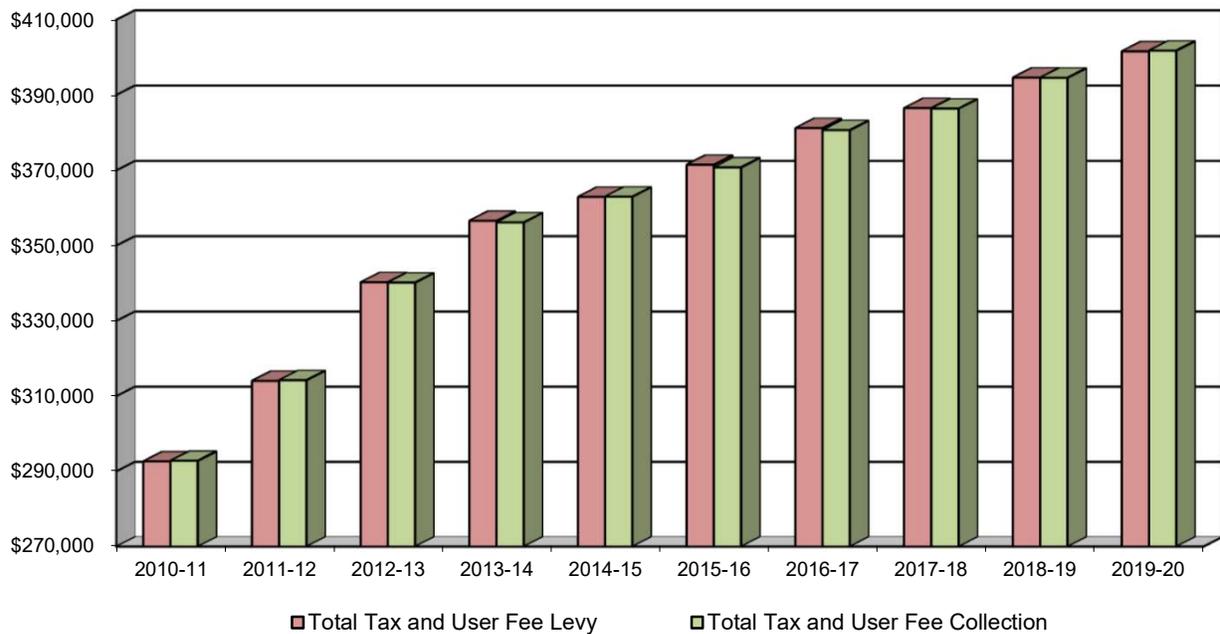


Fiscal Year	Secured	Unsecured	Total	Percent Change in Assessed Value
2010-11	\$ 298,099,034	\$ 6,238,834	\$ 304,337,868	-0.27%
2011-12	302,526,970	6,163,979	308,690,949	1.43%
2012-13	310,451,986	5,901,040	316,353,026	2.48%
2013-14	323,064,994	6,220,505	329,285,499	4.09%
2014-15	343,102,030	7,378,643	350,480,673	6.44%
2015-16	365,267,850	6,936,768	372,204,618	6.20%
2016-17	385,137,024	6,642,312	391,779,336	5.26%
2017-18	409,310,248	6,990,609	416,300,857	6.26%
2018-19	435,911,818	7,213,037	443,124,855	6.44%
2019-20	461,217,033	7,489,937	468,706,970	5.77%

In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an inflation factor which is limited to a maximum increase of 2%. With a few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above. Consequently, the assessed and estimated values are the same.

Source: Orange County Auditor-Controller's Office.

ORANGE COUNTY SANITATION DISTRICT
Property Tax and User Fee Levies and Collections
(Dollars in Thousands)
Last Ten Fiscal Years



Fiscal Year	Total Tax and User Fee Levy	Current Tax and User Fee Collection	Percent of Levy Collected	Delinquent Collection	Total Tax and User Fee Collection	% of Total Collection to Levy	Outstanding Delinquencies	% of Delinquencies to Levy	(1) Pass-Through Payments
2010-11	\$292,646	\$ 292,689	100.01	\$ 120	\$ 292,809	100.06	\$ (43)	(0.01)	\$ -
2011-12	314,077	314,133	100.02	121	314,254	100.06	(56)	(0.02)	3,116
2012-13	340,298	340,156	99.96	64	340,220	99.98	142	0.04	14,687
2013-14	356,607	356,108	99.86	76	356,184	99.88	499	0.14	7,274
2014-15	362,978	362,927	99.99	108	363,035	100.02	51	0.01	8,447 (2)
2015-16	371,502	370,170	99.64	637	370,807	99.81	1,332	0.36	9,199 (2)
2016-17	381,226	380,078	99.70	608	380,686	99.86	1,148	0.30	9,751
2017-18	386,538	385,673	99.78	741	386,414	99.97	865	0.22	11,353
2018-19	394,641	393,809	99.79	786	394,595	99.99	832	0.21	12,524
2019-20	401,604	400,865	99.82	931	401,796	100.05	739	0.18	13,469

Notes

(1) Upon dissolution of California redevelopment agencies during fiscal year 2011-12, property tax increment formerly remitted to OCSD by its member city redevelopment agencies was instead deposited into the newly formed Redevelopment Property Tax Trust Fund (RPTTF) from which the Auditor-Controller makes disbursements on behalf of the successor agencies. There is no tax levy associated with these collections; thus, they have been excluded from the "% of Total Collection to Levy" calculation.

(2) In fiscal year 2014-15 and 2015-16, the County did not bill user fees for wholly exempt agencies not subject to property taxes. In fiscal year 2014-15 and 2015-16, OCSD internally billed user fees of \$5 million and \$4.5 million, respectively, to wholly exempt agencies. These amounts have been excluded from the levy and collection amounts above, as only tax and user fees included on County property tax billings are shown in this schedule.

Source: Orange County Auditor-Controller's Office.

ORANGE COUNTY SANITATION DISTRICT

Property Value and Construction
 Covering The Entire County of Orange (1)
 (Dollars In Thousands)
 Last Ten Fiscal Years

<u>Assessed Property Value (2)</u>		<u>Calendar Year</u>	<u>Non- Residential Construction (3)</u>		<u>Residential Construction (3)</u>		<u>Total Construction Value (3)</u>
<u>Fiscal Year</u>	<u>Value</u>		<u>Value</u>	<u>No. of Units</u>	<u>Value</u>		
2010-11	\$ 420,751,575	2011	\$ 1,300,019	4,807	\$ 1,236,973	\$ 2,536,992	
2011-12	424,769,642	2012	1,265,430	6,163	1,560,509	2,825,939	
2012-13	432,902,274	2013	1,521,280	10,453	2,653,728	4,175,008	
2013-14	447,749,156	2014	1,993,154	10,636	2,640,484	4,633,638	
2014-15	476,303,290	2015	2,196,000	10,897	2,834,000	5,030,000	
2015-16	504,650,360	2016	2,487,000	12,134	3,160,000	5,647,000	
2016-17	531,052,158	2017	2,062,000	10,294	3,217,000	5,279,000	
2017-18	563,662,044	2018	3,507,000	8,105	2,776,000	6,283,000	
2018-19	598,901,016	2019	3,097,000	9,816	2,528,000	5,625,000	
2019-20	632,758,256	2020	2,408,000	8,313	2,140,000	4,548,000 (4)	

Notes and Data Sources

(1) - The Orange County Sanitation District services 479 square miles or 60% of the total 799 square miles that make up the boundaries of the County of Orange.

(2) - Data Source: Orange County Auditor-Controller's Office.

(3) - Data Source: A. Gary Anderson Center for Economic Research, Chapman University.

(4) - Forecasted numbers.

ORANGE COUNTY SANITATION DISTRICT

Insurance in Force
As of June 30, 2020

Type	Insurer	Deductible	Limit
<u>All-Risk Property</u>			
Fire and Other Perils	Public Entity Property Insurance Program (multiple insurers)	\$500,000 per occurrence	\$1 billion/occurrence
Flood	Public Entity Property Insurance Program	\$2500,000 per occurrence	\$300 million/occurrence
Earthquake (certain structures only)	Two insurers	5% per structure, min. \$5,000,000	\$25 million
<u>Boiler & Machinery</u>			
	Public Entity Property Insurance Program (multiple insurers)	\$25,000 to \$350,000	\$100 million/occurrence
<u>Crime Insurance</u>			
	Alliant Crime Insurance Program	\$25,000	\$5 million
<u>Cyber Insurance</u>			
	Lloyd's of London (Beazley)	\$100,000	\$2 million \$500,000 for Breach Response
<u>Excess General Liability</u>			
	Great American (first \$10 million layer); Berkley National (\$20 million layer excess \$10 million) Great American (\$10 million layer excess \$30 million)	\$500,000	\$40 million/occurrence and annual aggregate
<u>Travel & Accident</u>			
	Chubb Group of Insurance Companies	None	Accidental Death & Dismemberment: Class 1: Elected Officials, \$500,000 per occurrence Class 2: Employees, 10X annual salary, up to \$500,000 per occur.
<u>Excess Workers' Compensation</u>			
	CSAC Excess Insurance Authority Program	\$1,000,000 Each Accident	Unlimited statutory coverage each accident, each employee \$4 million employer's liability
<u>Pollution Liability</u>			
	CSAC Excess Insurance Authority Program	\$75,000	\$10,000,000 per loss
<u>Watercraft</u>			
Liability	Atlantic Specialty	\$2,500 BI / \$10,000 All other	\$10 million
Hull & Machinery	Atlantic Specialty	\$10,000	\$600,000
Pollution Liability	Great American Ins. Co,	\$25,000	\$5 million

Source: Orange County Sanitation District's Risk Management Office.

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**ORANGE COUNTY SANITATION DISTRICT
FINANCIAL MANAGEMENT DIVISION**

10844 Ellis Avenue Fountain Valley, California 92708-7018
714.962.2411 • www.ocsd.com

06/30/20



Comprehensive Annual Financial Report

For the Year Ended June 30, 2020

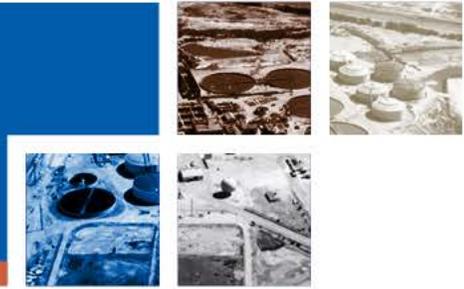
Administration Committee

November 10, 2020

Presenter: Wally Ritchie, Controller



CAFR Overview



Meet criteria for GFOA Award - 25 Consecutive Awards

Present OCSD's Financial Information

3 Areas of Review

- Financial Position
- Available Resources
- Financial Performance

Independent Auditor – Macias Gini & O'Connell, LLP

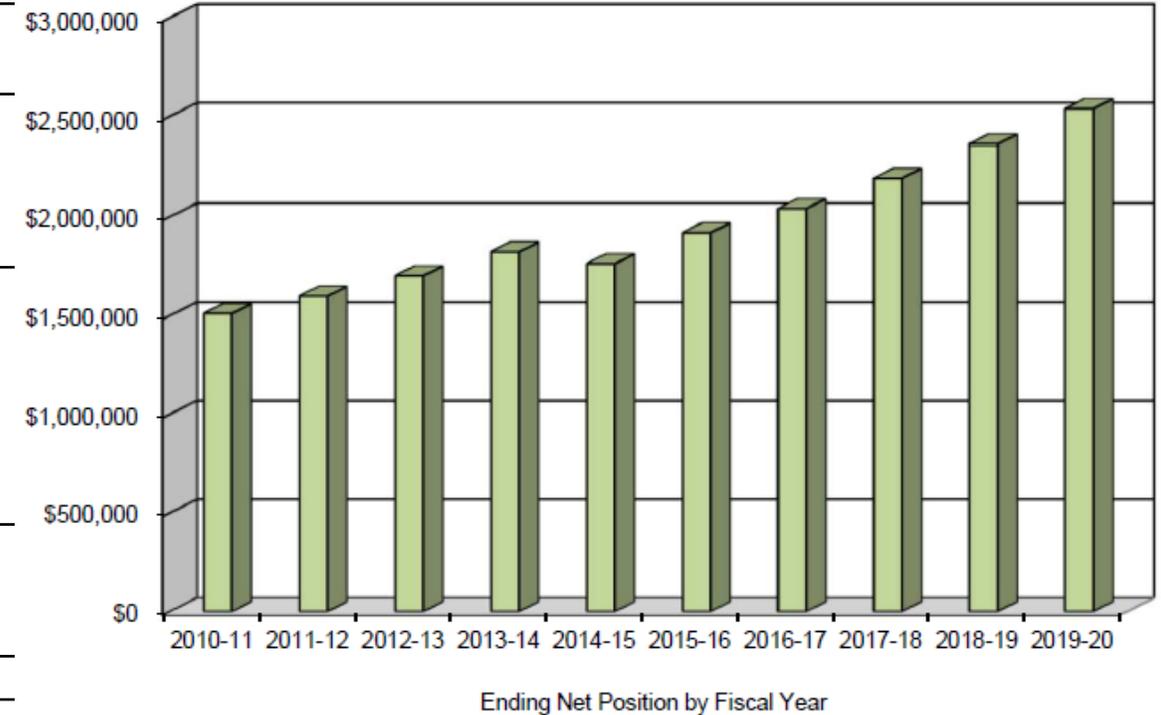
Financial Position



- Net Position - \$2.5 billion
 - Change in Net Position - \$178.5 million

(Dollars in thousands)

	June 30, 2020	June 30, 2019	Increase (Decrease)	% Increase (Decrease)
Total Revenues	492,397	477,088	15,309	3.2%
Total Expenses	(336,482)	(332,407)	4,075	1.2%
Income before capital contributions	155,915	144,681	11,234	7.8%
Capital facilities capacity charges	22,593	21,032	1,561	7.4%
Increase in net position	178,508	165,713	12,795	7.7%
Beginning net position	2,360,502	2,194,789	165,713	7.6%
Ending net position	\$ 2,539,010	\$ 2,360,502	\$ 178,508	7.6%



Capital Assets



Major capital asset additions for the current fiscal year included the following:

- \$23.0 million Newhope-Placentia Trunk Replacement
- \$19.8 million Ocean Outfall System Rehabilitation
- \$12.0 million Primary Treatment Rehabilitation at Plant No. 2
- \$ 9.8 million Headworks Rehabilitation and Expansion at Plant No. 1
- \$ 6.5 million Safety Improvements Program
- \$ 5.6 million Headquarters Complex and Site Security at Plant No. 1
- \$ 5.2 million Westminster Blvd Force Main Replacement
- \$ 4.5 million Sludge Dewatering and Odor control at Plant 1
- \$ 4.4 million Sludge Dewatering and Odor Control at Plant 2
- \$ 3.4 million Digester Gas Facilities Rehabilitation

Available Resources



- Cash & Investments - \$880.8 million
 - Increase of \$120.3 million

Cash and investments consist of the following as of June 30, 2020:

Cash on hand	\$ 6,500
Deposits with financial institutions	9,056,262
Managed portfolio - cash and investments	<u>871,718,615</u>
Subtotal - unrestricted cash and investments	880,781,377
Monies held by trustees:	
Cash and cash equivalents	<u>6,998</u>
Grand total cash and investments	<u><u>\$ 880,788,375</u></u>

Financial Performance – Operations



<u>Category</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>Change</u>	<u>%</u>
Salaries and benefits	\$ 82.9 M	\$ 85.5 M	\$ (2.6 M)	-3.0%
Utilities	8.6 M	7.7 M	0.9 M	11.7%
Supplies, repairs and maintenance	44.1 M	31.8 M	12.3 M	38.7%
Contractual services	24.6 M	26.1 M	(1.5 M)	-5.8%
Feasibility studies	5.1 M	5.9 M	(0.8 M)	-13.6%
Other	3.0 M	9.6 M	(6.6 M)	68.8%
Total	\$ 168.3 M	\$ 166.6 M	\$ 1.7 M	1.0%

- \$12.3 million increase in supplies, repairs and maintenance due to \$9.9 million increase in repairs and maintenance services and materials

November 10, 2020

Administration Committee

Orange County
Sanitation District



PRESENTED BY

Peter S. George, CPA
Partner

T: (949) 296-4303

E: pgeorge@mgocpa.com

4675 MacArthur Court, Suite 600

Newport Beach, CA 92660

mgo

Certified
Public
Accountants



Agenda

- Introductions
- Our Audit Responsibilities
- Audit Focus Areas
- Deliverables
- Required Communications to the Administration
Committee
- Questions?

Our Responsibilities



- Perform an audit of OCSD's financial statements as of and for the year ended June 30, 2020.
- The objective of an audit of financial statements is to express an opinion that the financial statements are in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP).
- The audit is performed in accordance with auditing standards generally accepted in the United States of America.
- Those standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether OCSD's financial statements are free of material misstatement whether caused by fraud or error.

Audit Focus Areas

- Cash and cash equivalents
- Investments
- Accounts and other receivables
- Capital assets
- Net pension asset - OCERS
- Accounts payable and accrued liabilities
- Debt and related accounts
- Pension and OPEB liabilities and related accounts
- Net position classifications
- Proper revenue recognition and expense cutoff testing
- Adequacy and completeness of footnote disclosures

Deliverables



- Unmodified opinion on OCSD's basic financial statements included in the Comprehensive Annual Financial Report – GFOA submission
- U.S. Bank debt covenant compliance opinion
- Union Bank debt covenant compliance opinion
- Southern California Edison tangible net worth calculation agreed-upon procedures report
- GANN Limit Calculation agreed-upon procedures report
- Communications to the Administration Committee including summary of audit results for OCSD

Auditor's Communication with the Administration Committee

- Auditor's responsibility under professional standards.
- We affirm our compliance with all ethical requirements regarding independence.
- Accounting practices – adoption of or changes in accounting policies, alternative treatments – GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* and GASB Statement No. 84, *Fiduciary Activities* and GASB Statement No. 90 *Majority Equity Interests – an amendment of GASB Statements No. 14 & No. 61*.
- There were no auditor or management proposed adjustments or reclassifications made to the financial statements.
- There were no uncorrected misstatements related to current year.
- There were no difficulties encountered in performing our audit.
- There were no disagreements with management.
- Management representations were provided to us.
- There were no consultations with other accountants.
- There were no major issues encountered during the fiscal year that were a condition to our retention as auditors.
- There were no material weaknesses or significant deficiencies noted for FY 19/20.

Questions?



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Orange County Sanitation District

ADMINISTRATION COMMITTEE

Administration Building
10844 Ellis Avenue
Fountain Valley, CA 92708
(714) 593-7433

Agenda Report

File #: 2020-1316

Agenda Date: 11/10/2020

Agenda Item No: 8.

FROM: James D. Herberg, General Manager
Originator: Lan C. Wiborg, Director of Environmental Services

SUBJECT:

BIOSOLIDS THERMAL CONVERSION RFI UPDATE

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Information Item.

BACKGROUND

The 2019 Strategic Plan Biosolids Management Policy paper states that the Orange County Sanitation District (Sanitation District) "will issue a request for information (RFI) to research and evaluate available emerging markets such as biosolids-to-energy options or other biosolids recycling operations within a 200-mile radius of the Sanitation District to potentially develop a scope of work and minimum requirements for a future contract solicitation".

The Biosolids Master Plan strategy also calls for maintaining diversity of biosolids management options by investigating emerging markets such as thermal conversion of biosolids. A biosolids-to-energy option RFI was completed in April 2020. The results of the RFI process will be presented along with anticipated next steps.

RELEVANT STANDARDS

- Maintain and adhere to appropriate internal planning documents (Strategic Plan, Biosolids Master Plan)
- Safe, beneficial reuse of Biosolids
- Comply with environmental permit requirements

PROBLEM

The Sanitation District has completed the RFI process and is ready to move to the next step. New and anticipated regulations may limit future options for biosolids recycling and there are only a small number of established Biosolids Thermal Conversion contractors with limited capacity.

PROPOSED SOLUTION

The Sanitation District plans to strategically establish contracts with Biosolids Thermal Conversion operators to secure capacity for beneficial reuse and/or disposal of biosolids in preparation for new and anticipated regulations.

TIMING CONCERNS

Several Biosolids Thermal Conversion Operations will be coming online in 2021, and the Sanitation District would like to secure capacity and demonstrate effectiveness of these technologies in advance of new and anticipated regulations.

RAMIFICATIONS OF NOT TAKING ACTION

The Sanitation District may be facing inadequate offsite biosolids management capacity if future environmental regulations limit biosolids recycling options.

ADDITIONAL INFORMATION

The RFI found two viable Biosolids Thermal Conversion options that have available near-term and long-term capacity that do not require guaranteed biosolids tonnages. These facilities have been funded for construction independent of the Sanitation District's potential financial contributions, making these options low risk.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

N/A

ORANGE COUNTY SANITATION DISTRICT COMMON ACRONYMS

ACWA	Association of California Water Agencies	LOS	Level Of Service	RFP	Request For Proposal
APWA	American Public Works Association	MGD	Million Gallons Per Day	RWQCB	Regional Water Quality Control Board
AQMD	Air Quality Management District	MOU	Memorandum of Understanding	SARFPA	Santa Ana River Flood Protection Agency
ASCE	American Society of Civil Engineers	NACWA	National Association of Clean Water Agencies	SARI	Santa Ana River Interceptor
BOD	Biochemical Oxygen Demand	NEPA	National Environmental Policy Act	SARWQCB	Santa Ana Regional Water Quality Control Board
CARB	California Air Resources Board	NGOs	Non-Governmental Organizations	SAWPA	Santa Ana Watershed Project Authority
CASA	California Association of Sanitation Agencies	NPDES	National Pollutant Discharge Elimination System	SCADA	Supervisory Control And Data Acquisition
CCTV	Closed Circuit Television	NWRI	National Water Research Institute	SCAP	Southern California Alliance of Publicly Owned Treatment Works
CEQA	California Environmental Quality Act	O & M	Operations & Maintenance	SCAQMD	South Coast Air Quality Management District
CIP	Capital Improvement Program	OCCOG	Orange County Council of Governments	SOCWA	South Orange County Wastewater Authority
CRWQCB	California Regional Water Quality Control Board	OCHCA	Orange County Health Care Agency	SRF	Clean Water State Revolving Fund
CWA	Clean Water Act	OCSD	Orange County Sanitation District	SSMP	Sewer System Management Plan
CWEA	California Water Environment Association	OCWD	Orange County Water District	SSO	Sanitary Sewer Overflow
EIR	Environmental Impact Report	OOBS	Ocean Outfall Booster Station	SWRCB	State Water Resources Control Board
EMT	Executive Management Team	OSHA	Occupational Safety and Health Administration	TDS	Total Dissolved Solids
EPA	US Environmental Protection Agency	PCSA	Professional Consultant/Construction Services Agreement	TMDL	Total Maximum Daily Load
FOG	Fats, Oils, and Grease	PDSA	Professional Design Services Agreement	TSS	Total Suspended Solids
gpd	gallons per day	PFAS	Per- and Polyfluoroalkyl Substances	WDR	Waste Discharge Requirements
GWRS	Groundwater Replenishment System	PFOA	Perfluorooctanoic Acid	WEF	Water Environment Federation
ICS	Incident Command System	PFOS	Perfluorooctanesulfonic Acid	WERF	Water Environment & Reuse Foundation
IERP	Integrated Emergency Response Plan	POTW	Publicly Owned Treatment Works	WIFIA	Water Infrastructure Finance and Innovation Act
JPA	Joint Powers Authority	ppm	parts per million	WIIN	Water Infrastructure Improvements for the Nation Act
LAFCO	Local Agency Formation Commission	PSA	Professional Services Agreement	WRDA	Water Resources Development Act

ORANGE COUNTY SANITATION DISTRICT GLOSSARY OF TERMS

ACTIVATED SLUDGE PROCESS – A secondary biological wastewater treatment process where bacteria reproduce at a high rate with the introduction of excess air or oxygen and consume dissolved nutrients in the wastewater.

BENTHOS – The community of organisms, such as sea stars, worms, and shrimp, which live on, in, or near the seabed, also known as the benthic zone.

BIOCHEMICAL OXYGEN DEMAND (BOD) – The amount of oxygen used when organic matter undergoes decomposition by microorganisms. Testing for BOD is done to assess the amount of organic matter in water.

BIOGAS – A gas that is produced by the action of anaerobic bacteria on organic waste matter in a digester tank that can be used as a fuel.

BIOSOLIDS – Biosolids are nutrient rich organic and highly treated solid materials produced by the wastewater treatment process. This high-quality product can be recycled as a soil amendment on farmland or further processed as an earth-like product for commercial and home gardens to improve and maintain fertile soil and stimulate plant growth.

CAPITAL IMPROVEMENT PROGRAM (CIP) – Projects for repair, rehabilitation, and replacement of assets. Also includes treatment improvements, additional capacity, and projects for the support facilities.

COLIFORM BACTERIA – A group of bacteria found in the intestines of humans and other animals, but also occasionally found elsewhere, used as indicators of sewage pollution. E. coli are the most common bacteria in wastewater.

COLLECTIONS SYSTEM – In wastewater, it is the system of typically underground pipes that receive and convey sanitary wastewater or storm water.

CERTIFICATE OF PARTICIPATION (COP) – A type of financing where an investor purchases a share of the lease revenues of a program rather than the bond being secured by those revenues.

CONTAMINANTS OF POTENTIAL CONCERN (CPC) – Pharmaceuticals, hormones, and other organic wastewater contaminants.

DILUTION TO THRESHOLD (D/T) – The dilution at which the majority of people detect the odor becomes the D/T for that air sample.

GREENHOUSE GASES (GHG) – In the order of relative abundance water vapor, carbon dioxide, methane, nitrous oxide, and ozone gases that are considered the cause of global warming (“greenhouse effect”).

GROUNDWATER REPLENISHMENT SYSTEM (GWRS) – A joint water reclamation project that proactively responds to Southern California’s current and future water needs. This joint project between the Orange County Water District and OCSD provides 70 million gallons per day of drinking quality water to replenish the local groundwater supply.

LEVEL OF SERVICE (LOS) – Goals to support environmental and public expectations for performance.

N-NITROSODIMETHYLAMINE (NDMA) – A N-nitrosamine suspected cancer-causing agent. It has been found in the GWRS process and is eliminated using hydrogen peroxide with extra ultra-violet treatment.

NATIONAL BIOSOLIDS PARTNERSHIP (NBP) – An alliance of the NACWA and WEF, with advisory support from the EPA. NBP is committed to developing and advancing environmentally sound and sustainable biosolids management practices that go beyond regulatory compliance and promote public participation to enhance the credibility of local agency biosolids programs and improved communications that lead to public acceptance.

PER- AND POLYFLUOROALKYL SUBSTANCES (PFAS) – A large group (over 6,000) of human-made compounds that are resistant to heat, water, and oil and used for a variety of applications including firefighting foam, stain and water-resistant clothing, cosmetics, and food packaging. Two PFAS compounds, perfluorooctanesulfonic acid (PFOS) and perfluorooctanoic acid (PFOA) have been the focus of increasing regulatory scrutiny in drinking water and may result in adverse health effects including developmental effects to fetuses during pregnancy, cancer, liver damage, immunosuppression, thyroid effects, and other effects.

PERFLUOROCTANOIC ACID (PFOA) – An ingredient for several industrial applications including carpeting, upholstery, apparel, floor wax, textiles, sealants, food packaging, and cookware (Teflon).

PERFLUOROCTANESULFONIC ACID (PFOS) – A key ingredient in Scotchgard, a fabric protector made by 3M, and used in numerous stain repellents.

PLUME – A visible or measurable concentration of discharge from a stationary source or fixed facility.

PUBLICLY OWNED TREATMENT WORKS (POTW) – A municipal wastewater treatment plant.

SANTA ANA RIVER INTERCEPTOR (SARI) LINE – A regional brine line designed to convey 30 million gallons per day of non-reclaimable wastewater from the upper Santa Ana River basin to the ocean for disposal, after treatment.

SANITARY SEWER – Separate sewer systems specifically for the carrying of domestic and industrial wastewater.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCAQMD) – Regional regulatory agency that develops plans and regulations designed to achieve public health standards by reducing emissions from business and industry.

SECONDARY TREATMENT – Biological wastewater treatment, particularly the activated sludge process, where bacteria and other microorganisms consume dissolved nutrients in wastewater.

SLUDGE – Untreated solid material created by the treatment of wastewater.

TOTAL SUSPENDED SOLIDS (TSS) – The amount of solids floating and in suspension in wastewater.

ORANGE COUNTY SANITATION DISTRICT GLOSSARY OF TERMS

TRICKLING FILTER – A biological secondary treatment process in which bacteria and other microorganisms, growing as slime on the surface of rocks or plastic media, consume nutrients in wastewater as it trickles over them.

URBAN RUNOFF – Water from city streets and domestic properties that carry pollutants into the storm drains, rivers, lakes, and oceans.

WASTEWATER – Any water that enters the sanitary sewer.

WATERSHED – A land area from which water drains to a particular water body. OCSD's service area is in the Santa Ana River Watershed.