



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

Governor Newsom signed Assembly Bill (AB) 361 on September 16, 2021, which, in part, addresses the conduct of public meetings in light of the continued State of Emergency order.

Effective October 1, 2021, AB 361 suspends the requirements located in California Government Code, Section 54953, Subdivision (b), Paragraph (3) specifically pertaining to the conduct of public meetings. As such, the Orange County Sanitation District (OC San) Board of Directors has determined that due to the size of OC San'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. OC San offers several ways in which to interact during meetings. You will find information as to these opportunities below.

#### **ONLINE MEETING PARTICIPATION**

You may join the meeting live via Teams on your computer or similar device or web browser by using the link below:

[Click here to join the meeting](#)

We suggest testing joining a Teams meeting on your device prior to the commencement of the meeting. For recommendations, general guidance on using Teams, and instructions on joining a Teams meeting, [please click here](#).

Please mute yourself upon entry to the meeting. Please raise your hand if you wish to speak during the public comment section of the meeting. The Clerk of the Board will call upon you by using the name you joined with.

Meeting attendees are not provided the ability to make a presentation during the meeting. Please contact the Clerk of the Board at least 48 hours prior to the meeting if you wish to present any items. Additionally, camera feeds may be controlled by the meeting moderator to avoid inappropriate content.

## **HOW TO PARTICIPATE IN THE MEETING BY TELEPHONE**

To join the meeting from your phone: Dial (213) 279-1455  
When prompted, enter the Phone Conference ID: 310 704 567#

All meeting participants may be muted during the meeting to alleviate background noise. If you are muted, please use \*6 to unmute. You may also mute yourself on your device.

Please raise your hand to speak by using \*5 during the public comment section of the meeting. The Clerk of the Board will call upon you by using the last 4 digits of your phone number as identification.

**NOTE: All attendees will be disconnected from the meeting at the beginning of Closed Session. If you would like to return to the Open Session portion of the meeting, please login or dial-in to the Teams meeting again and wait in the Lobby for admittance.**

## **VIEW THE MEETING ONLINE ONLY**

The meeting will be available for online viewing only at:

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

## **HOW TO SUBMIT A COMMENT**

You may provide verbal comment in real time during the meeting. In order to provide a verbal comment, please raise your hand as described above or alert the Clerk of the Board before or during the public comment period.

You may also submit your comments and questions in writing for consideration in advance of the meeting by using the eComment feature available online at: <https://ocsd.legistar.com/Calendar.aspx> or sending them to [OCSanClerk@ocsan.gov](mailto:OCSanClerk@ocsan.gov) with the subject line "PUBLIC COMMENT ITEM # (insert the item number relevant to your comment)" or "PUBLIC COMMENT NON-AGENDA ITEM".

You may also submit comments and questions for consideration during the meeting by using the eComment feature available online at: <https://ocsd.legistar.com/Calendar.aspx>. The eComment feature will be available for the duration of the meeting.

All written public comments will be provided to the legislative body and may be read into the record or compiled as part of the record.

## **TECHNICAL SUPPORT PRIOR TO AND DURING MEETINGS**

For technical assistance before and during the meeting, please call 714-593-7431. For any other questions and/or concerns, please contact the Clerk of the Board's office at 714-593-7433. Thank you, in advance, for your patience in working with these technologies. We appreciate your interest in OC San!

February 1, 2023

**NOTICE OF REGULAR MEETING**

**ADMINISTRATION COMMITTEE  
ORANGE COUNTY SANITATION DISTRICT**

**Wednesday, February 8, 2023 – 5:00 P.M.**

**ACCESSIBILITY FOR THE GENERAL PUBLIC**

**Your participation is always welcome. Specific information as to how to participate in this meeting is detailed in the Special Notice attached to this agenda. In general, OC San offers several ways in which to interact during meetings: you may join the meeting live via Teams on your computer or similar device or web browser, join the meeting live via telephone, view the meeting online, and/or submit comments for consideration before or during the meeting.**

The Regular Meeting of the Administration Committee of the Orange County Sanitation District will be held at the above location and in the manner indicated on Wednesday, February 8, 2023 at 5:00 p.m.

  
\_\_\_\_\_  
Clerk of the Board

- 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

ADMINISTRATION COMMITTEE MEETING DATE	BOARD MEETING DATE
02/08/23	02/22/23
03/08/23	03/22/23
04/12/23	04/26/23
05/10/23	05/24/23
06/14/23	06/28/23
07/12/23	07/26/23
<b>AUGUST DARK</b>	08/23/23
09/13/23	09/27/23
10/11/23	10/25/23
11/08/23	<b>11/15/23 *</b>
12/13/23	<b>12/14/23 **</b>
<b>JANUARY DARK</b>	01/24/24

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

*\*\* Meeting will be held on the second Thursday of the month*

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

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Meeting Date: February 8, 2023

Time: 5:00 p.m.

Adjourn: \_\_\_\_\_

**COMMITTEE MEMBERS (13)**

Christine Marick, Chair	
Glenn Grandis, Vice-Chair	
Pat Burns	
Rose Espinoza	
Farrah Khan	
Jordan Nefulda	
Andrew Nguyen	
Robbie Pitts	
David Shawver	
Susan Sonne	
John Withers	
Chad Wanke (Board Chair)	
Ryan Gallagher (Board Vice-Chair)	

**OTHERS**

Brad Hogin, General Counsel	
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**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	
Riaz Moinuddin, Director of Operations & Maintenance	
Lan Wiborg, Director of Environmental Services	
Kelly Lore, Clerk of the Board	

**ORANGE COUNTY SANITATION DISTRICT**  
**BOARD OF DIRECTORS**  
**Complete Roster**

Effective 01/24/2023

<b>AGENCY/CITIES</b>	<b>ACTIVE DIRECTOR</b>	<b>ALTERNATE DIRECTOR</b>
Anaheim	Stephen Faessel	Natalie Meeks
Brea	Christine Marick	Cecilia Hupp
Buena Park	Susan Sonne	Art Brown
Cypress	Scott Minikus	Bonnie Peat
Fountain Valley	Glenn Grandis	Ted Bui
Fullerton	Bruce Whitaker	Nick Dunlap
Garden Grove	Steve Jones	John O'Neill
Huntington Beach	Pat Burns	Gracey Van Der Mark
Irvine	Farrah N. Khan	Tammy Kim
La Habra	Rose Espinoza	Jose Medrano
La Palma	Marshall Goodman	Debbie Baker
Los Alamitos	Jordan Nefulda	Emily Hibard
Newport Beach	Brad Avery	Erik Weigand
Orange	Jon Dumitru	John Gyllenhammer
Placentia	Chad Wanke	Ward Smith
Santa Ana	Johnathan Ryan Hernandez	Benjamin Vazquez
Seal Beach	Sandra Massa-Lavitt	Schelly Sustarsic
Stanton	David Shawver	Carol Warren
Tustin	Ryan Gallagher	Austin Lumbard
Villa Park	Robbie Pitts	Jordan Wu

**Sanitary/Water Districts**

Costa Mesa Sanitary District	Bob Ooten	Art Perry
Midway City Sanitary District	Andrew Nguyen	Mark Nguyen
Irvine Ranch Water District	John Withers	Douglas Reinhart
Yorba Linda Water District	Phil Hawkins	Tom Lindsey

**County Areas**

Board of Supervisors	Doug Chaffee	Donald P. Wagner
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**ADMINISTRATION COMMITTEE**  
**Regular Meeting Agenda**  
**Wednesday, February 8, 2023 - 5:00 PM**  
**Board Room**  
**Administration Building**  
**10844 Ellis Avenue**  
**Fountain Valley, CA 92708**  
**(714) 593-7433**

**ACCOMMODATIONS FOR THE DISABLED:** If you require any special disability related accommodations, please contact the Orange County Sanitation District (OC San) Clerk of the Board's office at (714) 593-7433 at least 72 hours prior to the scheduled meeting. Requests must specify the nature of the disability and the type of accommodation requested.

**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 OC San's Administration Building located at 10844 Ellis Avenue, Fountain Valley, California, and on the OC San's website at [www.ocsan.gov](http://www.ocsan.gov) 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 at <https://ocsd.legistar.com/Calendar.aspx> or by contacting the Clerk of the Board at (714) 593-7433.

**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@ocsan.gov](mailto:klore@ocsan.gov) at least 14 days before the meeting.

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

General Manager: Jim Herberg, [jherberg@ocsan.gov](mailto:jherberg@ocsan.gov) / (714) 593-7300  
Asst. General Manager: Lorenzo Tyner, [ltyner@ocsan.gov](mailto:ltyner@ocsan.gov) / (714) 593-7550  
Asst. General Manager: Rob Thompson, [rthompson@ocsan.gov](mailto:rthompson@ocsan.gov) / (714) 593-7310  
Director of Human Resources: Celia Chandler, [cchandler@ocsan.gov](mailto:cchandler@ocsan.gov) / (714) 593-7202  
Director of Engineering: Kathy Millea, [kmillea@ocsan.gov](mailto:kmillea@ocsan.gov) / (714) 593-7365  
Director of Environmental Services: Lan Wiborg, [lwiborg@ocsan.gov](mailto:lwiborg@ocsan.gov) / (714) 593-7450  
Director of Operations & Maintenance: Riaz Moinuddin, [rmoinuddin@ocsan.gov](mailto:rmoinuddin@ocsan.gov) / (714) 593-7269

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

Clerk of the Board

**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****[2023-2777](#)****RECOMMENDATION:**

Approve Minutes of the Regular Meeting of the Administration Committee held December 14, 2022.

**Originator:** Kelly Lore



**Attachments:** [Agenda Report](#)  
[12-14-2022 Administration Committee Minutes](#)

**2. MID-YEAR FINANCIAL REPORT FOR THE PERIOD ENDED DECEMBER 31, 2022** [2023-2715](#)

RECOMMENDATION: Recommend to the Board of Directors to:

Receive and file the Orange County Sanitation District Mid-Year Financial Report for the period ended December 31, 2022.

**Originator:** Lorenzo Tyner

**Attachments:** [Agenda Report](#)  
[Mid-Year Consolidated Financial Report, Period Ended 12/31/22](#)

**3. GENERAL MANAGER APPROVED PURCHASES AND ADDITIONS TO THE PRE-APPROVED OEM SOLE SOURCE LIST** [2023-2769](#)

RECOMMENDATION: 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 October 1, 2022 to December 31, 2022; and
- B. Approve the following additions to the pre-approved OEM Sole Source List:
  - AMETEK SPECTRO SCIENTIFIC - FluidScan Lubricant Condition Monitor Equipment, Parts, Accessories, and Repairs

**Originator:** Lorenzo Tyner

**Attachments:** [Agenda Report](#)

**NON-CONSENT:**

**4. INVESTMENT PERFORMANCE RESULTS** [2023-2716](#)

RECOMMENDATION:

Information Item.

**Originator:** Lorenzo Tyner

**Attachments:** [Agenda Report](#)  
[Chandler Asset Management Presentation](#)

**5. PROPOSED ORDINANCE ADOPTING REGIONAL SEWER SERVICE CHARGES** [2023-2735](#)

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Motion to read Ordinance No. OC SAN-XX by title only and waive reading of said entire Ordinance;
- B. Introduce Ordinance No. OC SAN-XX entitled, "An Ordinance of the Board of Directors of Orange County Sanitation District Adopting Regional Sewer Service Charges and Repealing Ordinance No. OCSD-49"; and
- C. Set March 22, 2023 as the date of the Public Hearing to hear protests and for the second reading of the Ordinance No. OC SAN-XX.

**Originator:** Lorenzo Tyner

**Attachments:** [Agenda Report](#)  
[Regional SSF Ordinance \(Redlined\)](#)  
[Regional SSF Ordinance \(Clean\)](#)  
[Cost Savings Memo](#)

**6. PROPOSED ORDINANCE ADOPTING CAPITAL FACILITIES CAPACITY CHARGES** [2023-2734](#)

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Motion to read Ordinance No. OC SAN-XX by title only and waive reading of said entire Ordinance;
- B. Introduce Ordinance No. OC SAN-XX entitled, "An Ordinance of the Board of the Orange County Sanitation District Adopting Capital Facilities Capacity Charges, and Repealing Ordinance No. OCSD-57"; and
- C. Set March 22, 2023 as the date of the Public Hearing to hear protests and for the second reading of Ordinance No. OC SAN-XX.

**Originator:** Lorenzo Tyner

**Attachments:** [Agenda Report](#)  
[Capacity Charge Ordinance \(Redlined\)](#)  
[Capacity Charge Ordinance \(Clean\)](#)

7. **PROPOSED ORDINANCE ADOPTING MISCELLANEOUS CHARGES AND FEES RELATING TO INDUSTRIAL DISCHARGERS, SOURCE CONTROL PERMITTEES AND WASTEHAULERS** [2023-2733](#)

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Motion to read Ordinance No. OC SAN-XX by title only and waive reading of said entire Ordinance on February 22, 2023;
- B. Introduce Ordinance No. OC SAN-XX entitled, "An Ordinance of the Board of Directors of Orange County Sanitation District Adopting Miscellaneous Charges and Fees Relating to Industrial Dischargers, Source Control Permittees and Waste haulers and Repealing Ordinance No. OCSD-51; and
- C. Set March 22, 2023 as the date of the Public Hearing to hear protests and for the second reading of Ordinance No. OC SAN-XX.

**Originator:** Lorenzo Tyner

**Attachments:** [Agenda Report](#)  
[Industrial Discharger Ordinance \(Redlined\)](#)  
[Industrial Discharger Ordinance \(Clean\)](#)

8. **CONSIDERATION OF BUDGET ASSUMPTIONS AND BUDGET CALENDAR FOR PREPARATION OF THE FY 2023-24 BUDGET UPDATE** [2023-2776](#)

RECOMMENDATION:

Approve the FY 2023-24 budget assumptions and direct staff to incorporate these parameters in preparing the FY 2023-24 budget update.

**Originator:** Lorenzo Tyner

**Attachments:** [Agenda Report](#)  
[FY 23-24 Budget Assumptions & Budget Calendar Presentation - FY23-24 Budget Assumptions](#)

**INFORMATION ITEMS:**

9. **OC SAN RESERVES AND INVESTMENTS** [2023-2782](#)

RECOMMENDATION:

Information Item.

**Originator:** Lorenzo Tyner

**Attachments:** [Agenda Report](#)  
[Presentation - Reserves and Investments](#)

10. HEADQUARTERS COMPLEX AT PLANT NO. 1, PROJECT NO. [2023-2783](#)  
P1-128A - QUARTERLY UPDATE

RECOMMENDATION:

Information Item.

**Originator:** Kathy Millea

**Attachments:** [Agenda Report](#)  
[Presentation - Headquarters Update](#)

**DEPARTMENT HEAD REPORTS:**

**CLOSED SESSION:**

None.

**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:**

Adjourn the meeting until the Special Meeting of the Administration Committee on March 8, 2023 at 3:00 p.m.



# ADMINISTRATION COMMITTEE

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

## Agenda Report

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**File #:** 2023-2777

**Agenda Date:** 2/8/2023

**Agenda Item No:** 1.

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**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 December 14, 2022.

**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. OC SAN 22-37

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

- Minutes of the Administration Committee meeting held December 14, 2022



## **CALL TO ORDER**

A regular meeting of the Administration Committee of the Orange County Sanitation District was called to order by Board Chairman Chad Wanke on Wednesday, December 14, 2022 at 5:00 p.m. in the Administration Building of the Orange County Sanitation District. Chair Wanke stated that the meeting was being held telephonically and via Internet accessibility. Chair Wanke led the flag salute.

## **ROLL CALL AND DECLARATION OF QUORUM:**

The Clerk of the Board declared a quorum present as follows:

**PRESENT:** Brad Avery, Rose Espinoza, Ryan Gallagher, Patrick Harper, Christine Marick, Jordan Nefulda, David Shawver, Andrew Nguyen, Chad Wanke, John Withers, Farrah Khan, Dan Kalmick (Alternate) and Connor Traut (Alternate)

**ABSENT:** None

**STAFF PRESENT:** Kelly Lore, Clerk of the Board, and Mo Abiodun were present in the Board Room. 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; Riaz Moinuddin, Director of Operations and Maintenance; Lan Wiborg, Director of Environmental Services; Angela Brandt; Jennifer Cabral; Tanya Chong; Daisy Covarrubias; Jessica Frazier; Tina Knapp; Tom Meregillano; Rob Michaels; Wally Ritchie; Thomas Vu; and Ruth Zintzun were in attendance telephonically.

**OTHERS PRESENT:** Brad Hogin, General Counsel, was in attendance telephonically.

## **PUBLIC COMMENTS:**

None.

Clerk of the Board Kelly Lore announced that correspondence was received from the City of Brea regarding the appointment of Christine Marick as their representative to the OC San Board. Chair Wanke welcomed Director Marick to the Board.

## **REPORTS:**

Chair Wanke reminded the Committee that the Steering and Board meetings would be taking place Thursday, December 15 and stated that due to the large Board turnover, if a Director was unable to attend to please notify the Clerk and their Alternate Director. He also

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announced the OC San Administrative Office closures of December 23 and 26, and January 2 due to the holidays.

General Manager Jim Herberg did not provide a report.

*Alternate Director Traut appeared to be away for the Consent Calendar vote.*

**CONSENT CALENDAR:**

**1. APPROVAL OF MINUTES**

[2022-2645](#)

**Originator:** Kelly Lore

MOVED, SECONDED, AND DULY CARRIED TO:

Approve Minutes of the Regular Meeting of the Administration Committee held November 9, 2022.

**AYES:** Brad Avery, Rose Espinoza, Ryan Gallagher, Patrick Harper, Christine Marick, Jordan Nefulda, David Shawver, Andrew Nguyen, Chad Wanke, John Withers, Farrah Khan and Dan Kalmick (Alternate)

**NOES:** None

**ABSENT:** Connor Traut (Alternate)

**ABSTENTIONS:** None

**2. INVEST AND/OR REINVEST ORANGE COUNTY SANITATION DISTRICT'S FUNDS AND ADOPT INVESTMENT POLICY STATEMENT**

[2022-2389](#)

**Originator:** Lorenzo Tyner

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

Adopt Resolution No. OC SAN 22-36, entitled: "A Resolution of the Board of Directors of the Orange County Sanitation District Authorizing the Orange County Sanitation District's Treasurer to Invest and/or Reinvest the Orange County Sanitation District's Funds, Adopting the Orange County Sanitation District's Investment Policy Statement and Performance Benchmarks, and Repealing Resolution No. OC SAN 21-22".

**AYES:** Brad Avery, Rose Espinoza, Ryan Gallagher, Patrick Harper, Christine Marick, Jordan Nefulda, David Shawver, Andrew Nguyen, Chad Wanke, John Withers, Farrah Khan and Dan Kalmick (Alternate)

**NOES:** None

**ABSENT:** Connor Traut (Alternate)

**ABSTENTIONS:** None

**3. MOVE MANAGEMENT CONSULTING SERVICES**

[2022-2585](#)

**Originator:** Kathy Millea

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Approve a Professional Consultant Services Agreement to CBRE, Inc. to provide Move Management Consulting Services, Specification No. CS-2022-1336, for a total amount not to exceed \$108,390; and
- B. Approve a contingency of \$10,839 (10%).

**AYES:** Brad Avery, Rose Espinoza, Ryan Gallagher, Patrick Harper, Christine Marick, Jordan Nefulda, David Shawver, Andrew Nguyen, Chad Wanke, John Withers, Farrah Khan and Dan Kalmick (Alternate)

**NOES:** None

**ABSENT:** Connor Traut (Alternate)

**ABSTENTIONS:** None

**4. MANAGED COPY CENTER SERVICES CHANGE ORDER**

[2022-2651](#)

**Originator:** Lorenzo Tyner

MOVED, SECONDED, AND DULY CARRIED TO:

- A. Approve a Change Order to add \$25,000 to Purchase Order 107521-OB for ARC Document Solutions to provide copy center services in accordance with the scope of work and terms and conditions of Specification No. S-2020-1177BD, for a new total amount not to exceed \$115,000 for the current contract year (January 1, 2022-December 31, 2022); and
- B. Approve three optional one-year renewals for a total amount not to exceed \$115,000 per year.

**AYES:** Brad Avery, Rose Espinoza, Ryan Gallagher, Patrick Harper, Christine Marick, Jordan Nefulda, David Shawver, Andrew Nguyen, Chad Wanke, John Withers, Farrah Khan and Dan Kalmick (Alternate)

**NOES:** None

**ABSENT:** Connor Traut (Alternate)

**ABSTENTIONS:** None



**5. CONTRACTING AQUATIC BIOASSAY & CONSULTING LABORATORIES, INC. FOR TAXONOMIC SERVICES**

[2022-2655](#)

**Originator:** Lan Wiborg

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

A. Approve a General Services Contract to Aquatic Bioassay & Consulting Laboratories, Inc. to provide services for sample processing and taxonomic identification of ocean bottom-dwelling animals as required by Orange County Sanitation District's NPDES ocean discharge permit, Specification No. S-2022-1366BD, for a total amount not to exceed \$200,000 for the period beginning March 1, 2023, through February 29, 2024, with four (4) one-year renewal options; and

B. Approve an annual contingency of \$20,000 (10%).

**AYES:** Brad Avery, Rose Espinoza, Ryan Gallagher, Patrick Harper, Christine Marick, Jordan Nefulda, David Shawver, Andrew Nguyen, Chad Wanke, John Withers, Farrah Khan and Dan Kalmick (Alternate)

**NOES:** None

**ABSENT:** Connor Traut (Alternate)

**ABSTENTIONS:** None

**NON-CONSENT:**

**6. INTERNET FIREWALL UPGRADE**

[2022-2648](#)

**Originator:** Lorenzo Tyner

Information Technology Manager Rob Michaels provided a verbal report on the item.

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

- A. Receive and file bid tabulation for Fortigate Firewall Upgrade, Specification No. E-2022-1363BD;
- B. Receive and file first Notice of Intent to Award dated October 13, 2022;
- C. Receive and file protest letter received from NH&A, LLC dated October 13, 2022 concerning the award to Xpert Solutions, Inc.;
- D. Receive and file second Notice of Intent to Award dated October 14, 2022;
- E. Receive and file second protest letter received from Xpert Solutions, Inc. dated October 18, 2022 concerning the award to NH&A, LLC;
- F. Receive and file Orange County Sanitation District's Protest Response Letter dated October 31, 2022;
- G. Approve a Purchase Order Contract to NH&A, LLC for the purchase of Fortigate Firewall Upgrade, Specification No. E-2022-1363BD, for a total amount not to exceed \$226,698 plus applicable sales tax;
- H. Approve four (4) optional one-year renewals for maintenance and support for an annual amount not to exceed \$80,458 plus applicable sales tax; and
- I. Approve a contingency of \$22,670 (10%) for the purchase upgrades and subsequent renewals.

**AYES:** Brad Avery, Rose Espinoza, Ryan Gallagher, Patrick Harper, Christine Marick, Jordan Nefulda, David Shawver, Andrew Nguyen, Chad Wanke, John Withers, Farrah Khan, Dan Kalmick (Alternate) and Connor Traut (Alternate)

**NOES:** None

**ABSENT:** None

**ABSTENTIONS:** None

**7. NEW HEADQUARTERS AND INDUSTRIAL CONTROL SYSTEM NETWORK EQUIPMENT [2022-2637](#)**

**Originator:** Lorenzo Tyner

Mr. Michaels provided a brief update on the item.

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

- A. Approve a Purchase Order to ePlus Technology, Inc. for the purchase of information technology hardware (New Headquarters & Industrial Control System Network Equipment), Specification No. E-2022-1360BD, for a total amount not to exceed \$428,865, plus applicable sales tax and shipping; and
- B. Approve a contingency in the amount of \$42,886 (10%).

**AYES:** Brad Avery, Rose Espinoza, Ryan Gallagher, Patrick Harper, Christine Marick, Jordan Nefulda, David Shawver, Andrew Nguyen, Chad Wanke, John Withers, Farrah Khan, Dan Kalmick (Alternate) and Connor Traut (Alternate)

**NOES:** None

**ABSENT:** None

**ABSTENTIONS:** None

**8. ORANGE COUNTY SANITATION DISTRICT WASTEWATER REVENUE PROGRAM RATE STUDY [2022-2411](#)**

**Originator:** Lorenzo Tyner

Assistant General Manager Lorenzo Tyner provided a PowerPoint presentation which provided a summary of OC San's Rate Program including the preparation and analysis of the Rate Study.

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

Receive and file the Orange County Sanitation District's 2022 Wastewater Rates, Fees, and Charges Study completed by HDR Engineering, Inc.

**AYES:** Brad Avery, Rose Espinoza, Ryan Gallagher, Patrick Harper, Christine Marick, Jordan Nefulda, David Shawver, Andrew Nguyen, Chad Wanke, John Withers, Farrah Khan, Dan Kalmick (Alternate) and Connor Traut (Alternate)

**NOES:** None

**ABSENT:** None

**ABSTENTIONS:** None

**9. PROPOSITION 218 NOTIFICATIONS [2022-2412](#)**

**Originator:** Lorenzo Tyner

Mr. Tyner provided a brief explanation of the process for the Proposition 218 notifications.

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

- A. Direct staff to prepare and mail Proposition 218 compliant notifications to affected property owners outlining a five-year regional sewer service fee schedule with annual increases of approximately 3.5 percent for fiscal years 2023-24 through 2027-28; and
- B. Authorize the General Manager to select a service provider for preparing, printing, and mailing the Proposition 218 compliant notifications and execute a Purchase Order for an amount not to exceed \$370,000.

**AYES:** Brad Avery, Rose Espinoza, Ryan Gallagher, Patrick Harper, Christine Marick, Jordan Nefulda, David Shawver, Andrew Nguyen, Chad Wanke, John Withers, Farrah Khan, Dan Kalmick (Alternate) and Connor Traut (Alternate)

**NOES:** None

**ABSENT:** None

**ABSTENTIONS:** None

**10. DENALI WATER SOLUTIONS, LLC BIOSOLIDS HAULING SERVICES [2022-2657](#)  
- SPECIFICATION NO. S-2020-1208BD - CONTINGENCY INCREASE**

**Originator:** Lan Wiborg

Director of Environmental Services Lan Wiborg provided a brief PowerPoint presentation regarding the requested contingency increase.

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

Approve an additional 10% unit price per ton contingency (for a total of 20% unit price per ton contingency) for Denali Water Solutions, LLC Biosolids Hauling Services Specification No. S-2020-1208BD contract renewal to collect and haul Orange County Sanitation District's biosolids to the Inland Empire Regional Composting Facility and alternative sites for the period between January 1, 2023 through December 31, 2023.

**AYES:** Brad Avery, Rose Espinoza, Ryan Gallagher, Patrick Harper, Christine Marick, Jordan Nefulda, David Shawver, Andrew Nguyen, Chad Wanke, John Withers, Farrah Khan, Dan Kalmick (Alternate) and Connor Traut (Alternate)

**NOES:** None

**ABSENT:** None

**ABSTENTIONS:** None

**INFORMATION ITEMS:**

None.

**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 5:39 p.m. to the next Regular Administration Committee meeting to be held on Wednesday, February 8, 2023 at 5:00 p.m.

Submitted by:

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Kelly A. Lore, MMC  
Clerk of the Board



# ADMINISTRATION COMMITTEE

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

## Agenda Report

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**File #:** 2023-2715

**Agenda Date:** 2/8/2023

**Agenda Item No:** 2.

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

**SUBJECT:**

**MID-YEAR FINANCIAL REPORT FOR THE PERIOD ENDED DECEMBER 31, 2022**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

Receive and file the Orange County Sanitation District Mid-Year Financial Report for the period ended December 31, 2022.

**BACKGROUND**

Included in this report are the following mid-year financial reports for the period ended December 31, 2022:

- **Mid-Year Budget Review**  
The Budget Review Summary provides the Directors, staff, and general public with a comprehensive overview of the mid-year financial results of the Orange County Sanitation District (OC San) for the period ended December 31, 2022.
- **Mid-Year Treasurer's Report**  
This section reports on financial portfolio performance with respect to the OC San'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 OC San's investment manager, Chandler Asset Management.
- **Mid-Year Certificates of Participation (COP) 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 mid-year treasurer’s report contained within the Consolidated Financial Reports for the period ended December 31, 2022, is being submitted in accordance with the OC San’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 December 31, 2022**

	Liquid Operating Monies (%)		Long-Term Operating Monies (%)	
	Total Rate of Return	Benchmark	Total Rate of Return	Benchmark
3 Months	0.89	0.84	1.07	1.08
6 Months	1.24	1.31	-0.96	-1.21
9 Months	1.29	1.42	-1.90	-2.16
12 Months	1.27	1.45	-4.78	-5.33
Annualized Since Inception 30 Nov 2014	1.01	0.93	0.97	0.86

- 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	\$224.4 M	\$753.8 M
Market Value	\$225.4 M	\$712.7 M

- Modified duration of the portfolio compared to the Benchmark:

	<u>Liquid Operating</u>	<u>Long-Term</u>
OC San Policy	< 0.50	< 5.00
Benchmark	0.14	2.50
Portfolio	0.21	2.28

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

Liquid Operating - \$473,907  
 Long- Term - \$16,248,709

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

- The percent of the Liquid Operating Monies portfolio maturing within 90 days: 61.8%
- 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 - 0.9%  
Long- Term - Percent of portfolio - 0.8%

	Cost	Maturity Date	Moody	S&P	Fitch
Virginia Electric Power Corp Callable	\$2,003,940.00	3/15/2023	A2	BBB+	A
SLM Student Loan Trust 2008-9 A	\$7,999.13	4/25/2023	B1	CCC	CC
AMRESKO Residential Securities 1999-1 A	\$87,577.91	6/25/2029	NR	BBB	A
Virginia Electric Power Corp Callable	\$5,736,523.40	5/15/2027	A2	BBB+	A

- All investments are in compliance with the investment policy and the California Government Code, except for the following Lehman Brother holdings that OC San 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 OC San to meet its operating expenditure requirements for the next six months.

**CEQA**

N/A

**FINANCIAL CONSIDERATIONS**

N/A

**ATTACHMENT**

The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:

- Mid-Year Consolidated Financial Report for the period ended December 31, 2022



Orange County Sanitation District

# Mid-Year Financial Report

For the period ended December 31, 2022



Orange County, California

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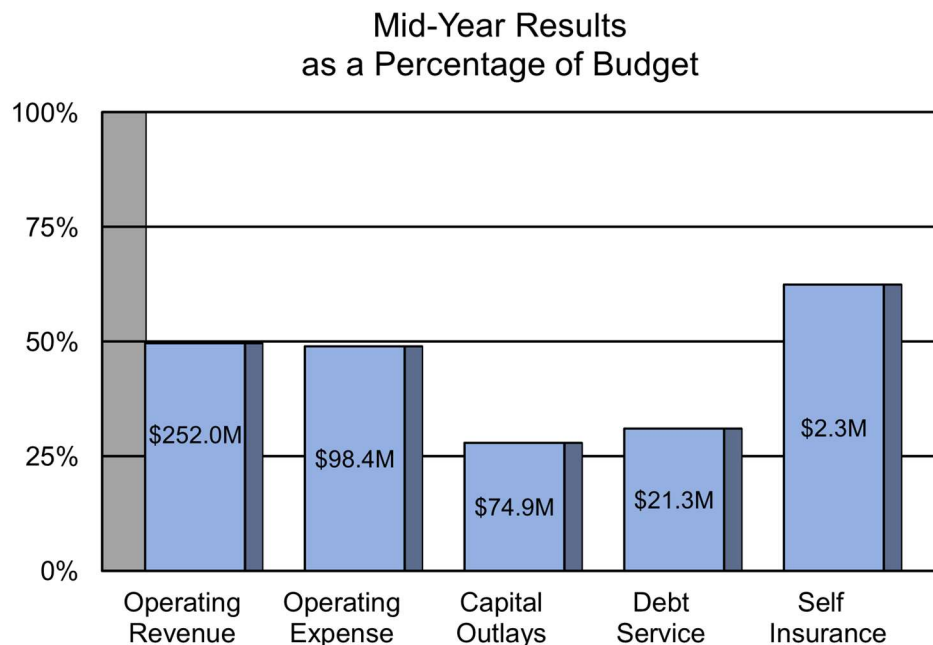
## Consolidated Financial Reports For the Mid-Year Ended December 31, 2022

Included in this consolidated report are the following quarterly financial reports for the period ended December 31, 2022:

- **Budget Review:**

The Consolidated Financial Reports Section 1 provides the Directors, staff, and the general public with a comprehensive overview of the financial results of the Orange County Sanitation District (OC San) through the mid-year ended December 31, 2022.

Contained within the Budget Review Sections 2 through 5 is the budget-to-actual status of the Collection, Treatment and Disposal Operations, Capital Improvement Program, Debt Service, and Self-Insurance Program. Also included is a Capital Assets Schedule as of December 31, 2022. 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 December 31, 2022:

- a) Most major expense categories are anticipated to approximate budget.
- b) Total revenues are at 49.6 percent of the \$508.0 million budget. Except for Intra District Sewer Use-IRWD, Capital Assessments-IRWD, Interest Earnings, CIP Reimbursements, Grant Revenue, CNG Sales, Rents and

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## FY 2022-23 Mid-Year Quarter Financial Report

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Leases, and Other Revenues, most major revenue sources are currently tracking close to or exceeding the proportionate budget through December 31. Overall, total revenues are projected to approximate or be slightly below budget at year-end. More detailed information on revenues is provided within Section 1 – Pages 4 through 5.

- c) **Collection, Treatment and Disposal Costs:**  
As indicated within the Consolidated Financial Reports Section of this report, the net operating requirements through the mid-year of \$98.4 million is currently tracking at 48.9 percent of the \$201.1 million budget. In addition, net operating expenses have increased \$8.9 million or 9.9 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 3.

The total cost per million gallons is \$2,996 based on flows of 179 million gallons per day. This is \$17 per million gallons, or 0.6 percent higher 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 6 through 8.

- d) The total projected capital outlay cash flow of the Capital Improvement Program (CIP) for FY 2022-23 has been revised to \$250.4 million, or 93.4 percent of the board approved cash outlay of \$268.2 million. The actual cash outlay spending through the mid-year is \$74.9 million, or 27.9 percent of the total budgeted outlay. More detailed information on the CIP budget review can be found in Section 1 – Page 9 and Section 3.

- **Treasurer's Report**

This section reports on financial portfolio performance with respect to OC San'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 OC San's money manager, Chandler Asset Management (Chandler).

Chandler notes the Long-Term Portfolio quarterly return of 107 basis points underperformed the ICE BofA 1-5 Year AAA-A US Corp & Govt Index return of 108 basis points, while the Liquid Operating Monies Portfolio quarterly return of 89 basis point outperformed the ICE BofA 3-Month US Treasury Bill Index return of 84 basis points.

Chandler further notes that market volatility has intensified as global central banks pursue monetary policies to combat persistently high inflation. Although the pace of job growth is moderating, the strength of the labor market has sustained economic growth. Inflation metrics are trending downward but remain significantly higher than the Fed's target. While evidence of slower economic conditions has begun to mount, Chandler expects the Federal Reserve to

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## Executive Summary

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continue to raise rates to battle inflation, albeit at a less aggressive pace. Over the near-term, Chandler expects financial market volatility to remain intensified with persistent inflation, geopolitical risk, and the Fed's hawkish monetary policy.

As expected at the December 14th meeting, the Federal Open Market Committee (FOMC) raised the fed funds target rate by 50 basis points to a range of 4.25 – 4.50%, in a downshift from four consecutive 75 basis point hikes. The decision was unanimous, and there was no change to the November statement. The sentiment was hawkish, indicating that “ongoing increases” in the fed funds rate are likely appropriate and citing continued labor market imbalances. FOMC members forecasted a higher fed funds rate, slower GDP growth, higher inflation, and higher unemployment in 2023 than in the September projections. Chandler believes the FOMC will continue to implement tighter monetary policy at a slower pace and hold rates at restrictive levels for some time until inflationary pressures subside and remain in the Fed's target range.

In December, yields rose, and the curve became less inverted. The 2-year Treasury yield increased 12 basis points to 4.43%, the 5-year Treasury yield rose 27 basis points to 4.01%, and the 10-year Treasury yield climbed 27 basis points to 3.88%. The inversion between the 2-year Treasury yield and 10-year Treasury yield narrowed to -55 basis points at December month-end versus -71 basis points at November month-end. The spread was a positive 78 basis points one year ago. The inversion between 3-month and 10-year treasuries narrowed to -50 basis points in December from -74 basis points in November. The year 2022 saw a dramatic shift in the Federal Reserve's policy from highly accommodative to aggressive tightening, resulting in significantly higher rates and an inverted yield curve. The shape of the yield curve indicates that the probability of recession is increasing.

Yields on Treasury securities increased in December and remain significantly higher from a year ago. The 2-year Treasury yield was 369 basis points higher, and the 10-Year Treasury yield was about 236 basis points higher, year-over-year. The inversion between 3-month and 10-year Treasury yields narrowed to -50 basis points in December from -74 basis points in November. The average historical spread between the 2-year Treasury and 10-Year Treasury yield (since 2003) is about +125 basis points. Inverted yield curves are typically harbingers of slower economic growth or an increased probability of a recession in the future.

The Consumer Price Index (CPI) decreased to up 6.5% on a year-over-year in December versus up 7.1% in November, in line with consensus expectations. The Core CPI, which excludes volatile food and energy components, declined to up 5.7% year-over-year, down from up 6.0% increase in November. Food and shelter costs continued to rise but were offset by broad price declines in energy. The Personal Consumption Expenditures (PCE) index rose 5.5% year-over-year in November, versus an upwardly revised 6.1% year-over-year gain in October. Core PCE increased 4.7% year-over-year in November versus a 5.0%

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## FY 2022-23 Mid-Year Quarter Financial Report

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year-over-year gain in October. Although inflation may have peaked, levels remain well above the Fed's target of around 2%, which is likely to keep the Federal Reserve on the path of tightening monetary policy, albeit at a less aggressive pace.

### Economic Outlook

On a quarter-over-quarter basis, markets were relatively sanguine in the last three months of the year compared to the elevated levels of volatility and negative asset price performance between January and September 2022. The majority of domestic equity indices generated a positive return for the quarter, with the exception of the technology dominated Nasdaq index, which generated a modest negative total return in the three-month period. Fixed income markets also generated positive total returns on the quarter as intermediate and longer maturity interest rates stabilized. Asset classes dependent on low interest rates to justify their valuation continue to face headwinds, with the technology sector and housing market being prime examples. Geopolitical risks continue to percolate impeding the ability of market participants to get comfortable in establishing solid visibility on the go forward outlook. China's relaxing of its zero COVID policy is a necessary positive step over an intermediate time horizon, but the short-term impacts could be severe to the global outlook given the lack of herd immunity and the efficacy of vaccines in the region. The Russia/Ukraine conflict continues to linger and thus far the weather/climate situation in the Euro region is cooperating helping to mitigate the potential for an energy crisis in the winter months. The Chandler team is forecasting geopolitical risks to remain prominent during the first half of 2023 which will keep policymakers and market participants on edge.

Trends in US economic data remain mixed with data available to support either the 'soft' or 'hard' landing outlook. Financial conditions have tightened throughout the year but outside of a few interest rate sensitive sectors the domestic economy is adjusting to the higher interest rate regime. On the constructive side, job growth remains very solid with the three-month moving average on payrolls a robust 247k and the unemployment rate down to 3.5%. Weekly jobless claims also remain sound, well below the 250k caution zone, and job openings remain well above normalized levels. Consumer Confidence improved of late, coming in at 108.3 in December compared to 101.4 in the prior month and well above the year-to-date low in July of 95.3. The goods producing portion of the economy is facing headwinds, with the ISM Manufacturing Index dropping modestly into contraction territory in both November (49.0) and December (48.4). The dollar has been appreciating for most of the year but is well off the highs as other developed market central banks are now tightening policy. The reversal in the strength of the dollar should serve as a catalyst to lessen pressure on the manufacturing sector in coming quarters. The services side of the economy has remained mostly resilient, but the December ISM Services Index surprisingly contracted by 6.9 points to 49.6; one number does not make a trend, and weather trends in December likely were a contributing factor to the decline, but

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## Executive Summary

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the data release was disconcerting to the outlook. The Chandler team will be scrutinizing other service sector data closely to either corroborate or discount the recent ISM Services release.

Inflation trends are crucial to the trajectory of monetary policy both domestically and globally; even the ultra-dovish Bank of Japan surprised markets in December by widening the bands on their yield curve control policy, a de facto tightening of policy. Given the base effects of both Core CPI and Core PCE inflation indices, with elevated inflation readings in December 2021, January 2022, and February 2022 rolling out of the year-over-year number, the Chandler team is confident inflation will be trending lower in the first half of 2023. We are less confident inflation will be able to trend all the way down to the Federal Reserve's 2% objective in 2023. The Chandler team believes the Federal Reserve will continue to tighten monetary policy up to the 5% area (current range is 4.25% to 4.50%) and hold policy in a restrictive stance for the majority of 2023. At this point, we believe pricing in an easing of monetary policy in the second half of 2023 is premature given the totality of the data. The lower trajectory of inflation and the ability of the Federal Reserve to pause interest rate hikes in the first quarter of 2023 are consistent with a 'softish' landing for the economy.

- **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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# Consolidated Financial Reports

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## Mid-Year Financial Report December 31, 2022

The Financial Management Division is pleased to present the FY 2022-23 mid-year financial report. This report provides a comprehensive overview of the financial activities of the Orange County Sanitation District (OC San) 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 December 31, 2022, 48.9 percent, or \$98.4 million of the FY 2022-23 net operating budget of \$201.1 million has been expended. Net operating expenses increased from the same period last year by \$8.9 million, or 9.9 percent, mainly due to an increase of \$2.6 million in Operating Materials and Supplies, \$2.2 million in Utilities, \$1.5 million in Contractual Services, \$884,000 in Other Operating Supplies, \$595,000 in Salaries and Benefits, \$444,000 in Professional Services, \$239,000 in Printing and Publication, and a decrease of \$652,000 in indirect costs allocated out to capital projects, partially offset by a decrease of \$163,000 in Administrative Expenses, and \$82,000 in Training and Meetings. 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 through the remainder of the year.**

At December 31, 2022, 49.6 percent, or \$252.0 million of the FY 2022-23 budgeted total revenues of \$508.0 million has been recognized. Revenues decreased from the same period last year by \$160.0 million, or 33.8 percent, mainly due to prior fiscal year receipt of \$164.4 million from issuance of Revenue Refunding Certificates of Participation (COP), Series 2021A in the first quarter. Other decreases include \$685,000 in CIP Reimbursements and \$115,000 in Capital Facilities Capacity Charges, which are offset by an increase of \$2.3 million in Property Taxes, \$1.5 million in Permit Fees, \$675,000 in Intra District Sewer Use-IRWD, \$327,000 in Other Revenues, \$252,000 in Interest Earnings, \$160,000 in Service Fees, and \$140,000 in Capital Assessments-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 approximate budget at the end of the fiscal year.**

Significant operating results as of December 31, 2022, include the following:

- **Salaries, Wages and Benefits – Personnel costs of \$54.8 million are on target at 48.6 percent of the budget through the mid-year of FY 2022-23.** The budget is based on a 5 percent vacancy factor, and staffing is 49 full-time equivalents (FTEs), or 7.6 percent below the total 647 FTEs approved in the FY 2022-23 budget. Salary and benefit costs are \$595,000, or 1.1 percent higher than the \$54.2 million incurred in the same period last year, mainly due to an increase of \$1.8 million in Salaries

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## FY 2022-23 Mid-Year Financial Report

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and Wages resulting from cost-of-living adjustments included in the current Memorandums of Understanding for all employee bargaining units, and is partially offset by decreases of \$969,000 in Group Insurances and \$362,000 in Retirement. **Net operating personnel costs are expected to approximate budget throughout the remainder of the year.**

- **Administrative Expenses – Administrative Expenses totaled \$1.1 million, or 50.5 percent of the \$2.3 million budget through December 31.** These costs are \$163,000, or 12.5 percent lower at December 31 in comparison with the prior year, mainly due to a decrease of \$84,000 in Small Computer Items, and \$64,000 in Minor Furniture & Fixtures. **It is anticipated that administrative costs will approximate budget at year-end.**
- **Printing and Publication Expenses – Printing and Publication Expenses totaled \$363,000 or 44.8 percent of the \$809,000 budget through December 31.** These costs are \$239,000, or 194.3 percent higher at December 31 in comparison with the prior year, primarily due to costs incurred for Proposition 218 notifications, which are printed and mailed every five years for regional sewer service fees. **Printing and publication costs are expected to approximate or be below budget at year-end.**
- **Training and Meetings – Training and meetings of \$108,000 is below target at 9.3 percent of the \$1.2 million budget through December 31.** This account is lower than the proportionate budget due to the timing and need for training throughout the year and the reduction of in-person training and meetings in response to the COVID-19 pandemic. These costs have decreased over the same period last year by \$82,000, or 43.0 percent. **Total training and meeting costs are anticipated to be below budget at year-end.**
- **Operating Materials and Supplies – Operating materials and supplies of \$13.1 million is approximating the target at 53.6 percent of the \$24.5 million budget through December 31.** Operating Materials and Supplies is higher than the prior year by \$2.6 million, or 25.0 percent, mostly due to increases of \$1.2 million in Chemical Coagulants resulting from increased usage and unit costs of cationic polymer, ferric chloride, and anionic polymer, \$894,000 in Odor and Corrosion Control, \$281,000 in Safety Equipment/Tools, and \$209,000 in Tools. **Based on current processes, operating materials and supplies are anticipated to approximate or be slightly above budget at year-end.**
- **Contractual Services – Contractual services is on target at \$9.8 million, or 48.4 percent of the \$20.1 million budget through December 31.** Solids Removal costs, budgeted at \$13.7 million, comprise the majority of this expense category at \$6.8 million, or 49.6 percent of its budget at December 31. Contractual Services is higher by \$1.5 million, or 17.8 percent over the same period last year, mainly due to the increase of \$978,000 in Solids Removal, \$215,000 in Oxygen, \$149,000 in Other Contractual Services, and \$132,000 in Janitorial. County Service Fees totaled only \$24,000, or 4.6 percent of the \$519,000 budget through the mid-year, as the

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## Consolidated Financial Reports

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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 \$2.8 million, or 35.0 percent of the \$7.9 million budget through December 31.** Professional services costs, such as Audit & Accounting, Environmental Scientific Consulting, Energy Consulting, Industrial Hygiene Services, Labor Negotiation Services, and Other Professional Services, are proportionately low through December 31 due to a variety of factors such as timing of services and re-evaluation of need for services. These costs are \$444,000, or 19.2 percent higher at December 31 in comparison with the prior year, mainly due to an increase of \$263,000 in Software Program Consulting and \$255,000 in Other Professional Services, partially offset by a decrease of \$55,000 in Audit and Accounting and \$40,000 in Legal. **It is anticipated that the costs for this category will be below budget at year-end.**
- **Research and Monitoring – Research and monitoring costs totaled \$708,000, or 41.8 percent of the \$1.7 million budget through December 31.** These costs are \$11,000, or 1.6 percent higher at December 31 in comparison with the prior year, due to an increase of \$54,000 in Research costs reflecting the higher annual contribution to Southern California Coastal Water Research Project and research of SARS-CoV-2 presence in wastewater, offset by a decrease of \$24,000 in Air Quality Monitoring costs for emissions testing and \$19,000 in Environmental Monitoring. **Total research and monitoring costs are anticipated to approximate or be below budget at year-end.**
- **Repairs and Maintenance – Repairs and maintenance costs totaled \$15.0 million, or 46.7 percent of the \$32.1 million budget through December 31.** These costs are \$16,000, or 0.1 percent higher at December 31 in comparison with the prior year. **It is anticipated that the costs for this category will approximate or be below budget at year-end.**
- **Utilities – Utilities costs totaled \$7.9 million, or 61.5 percent of the \$12.8 million budget through December 31.** These costs are \$2.2 million, or 38.0 percent higher at December 31 in comparison with the prior year, primarily due to an increase of \$1.8 million in Power and \$416,000 in Natural Gas due to greater consumption and higher unit costs. **It is anticipated that the costs will be above budget at year-end.**
- **Other Operating Supplies – Other operating supplies costs totaled \$2.5 million, or 57.3 percent of the \$4.4 million budget through December 31.** Property and General Liability Insurance, budgeted at \$2.4 million, comprise the majority of this expense category at \$1.2 million. Overall, Other Operating Supplies is \$884,000, or 53.7 percent higher at December 31 in comparison with the prior year, primarily due to an increase of \$829,000 in Regulatory Operating Fees as a result of timing of payments and \$143,000 in Property and General Liability Insurance, which is partially offset by a decrease of \$109,000 in Miscellaneous Operating Expenses. **It**

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## FY 2022-23 Mid-Year Financial Report

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is anticipated that other operating supplies costs will approximate budget at year-end.

- Revenues – Service Fees and Property Taxes – **Through December 31, revenues from Service Fees are at \$167.8 million, or 54.4 percent of the \$308.5 million budget and Property Taxes are at \$64.2 million, or 58.5 percent of the \$109.8 million budget.** These items comprise the majority of OC San’s revenues and are mostly collected by the County through the property tax roll and distributed to OC San throughout the year based on a set distribution schedule that begins in November of each year. The increase of \$160,000, or 0.1 percent in service fee revenue over the prior year is primarily due to the timing of receipts and user fee refunds. The property tax revenue increase of \$2.3 million, or 3.7 percent over the prior year is a result of the timing of secured, supplemental, and miscellaneous property tax receipts. **These revenues are expected to approximate budget at year-end.**
- Revenues – Permit Fees – **Permit Fees are at \$8.1 million, or 64.7 percent of the \$12.5 million budget.** The revenues through the mid-year are higher than the same period last year by \$1.5 million, or 22.9 percent, due to the fluctuation in the number of permittees from year to year as businesses establish or cease their operations and an increase in operation and maintenance charges based on flows received from these customers. **Permit Fees revenues are expected to approximate or be above budget at year-end.**
- Revenues – Inter District Sewer Use – SAWPA and SBSB – **Inter District Sewer Use-SAWPA and SBSB are at \$1.3 million or 43.1 percent of the \$3.0 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 mid-year are lower than the same period last year by \$81,000, or 5.9 percent, due to a decrease in operation and maintenance charges based on flows received from these agencies. **These revenues are expected to approximate or be below budget at year-end.**
- Revenues – Intra District Sewer Use – IRWD – **Intra District Sewer Use-IRWD are at \$872,000, or 17.2 percent of the \$5.1 million budget.** This revenue is derived from charges to the Irvine Ranch Water District (IRWD) for treatment of flows. The revenues through the mid-year are higher than the same period last year by \$675,000, or 343.0 percent, due to an increase of \$277,000 in operating and maintenance charges to IRWD and decreases in revenue allocated to IRWD of \$221,000 in property tax and \$177,000 in interest income. **These revenues are expected to be below budget at year-end.**
- Revenues – Capital Assessments – IRWD – **Capital Assessments-IRWD are at \$1.6 million, or 17.1 percent of the \$9.4 million budget.** The revenues through the mid-year are higher than the same period last year by \$140,000, or 9.5 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.**

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## Consolidated Financial Reports

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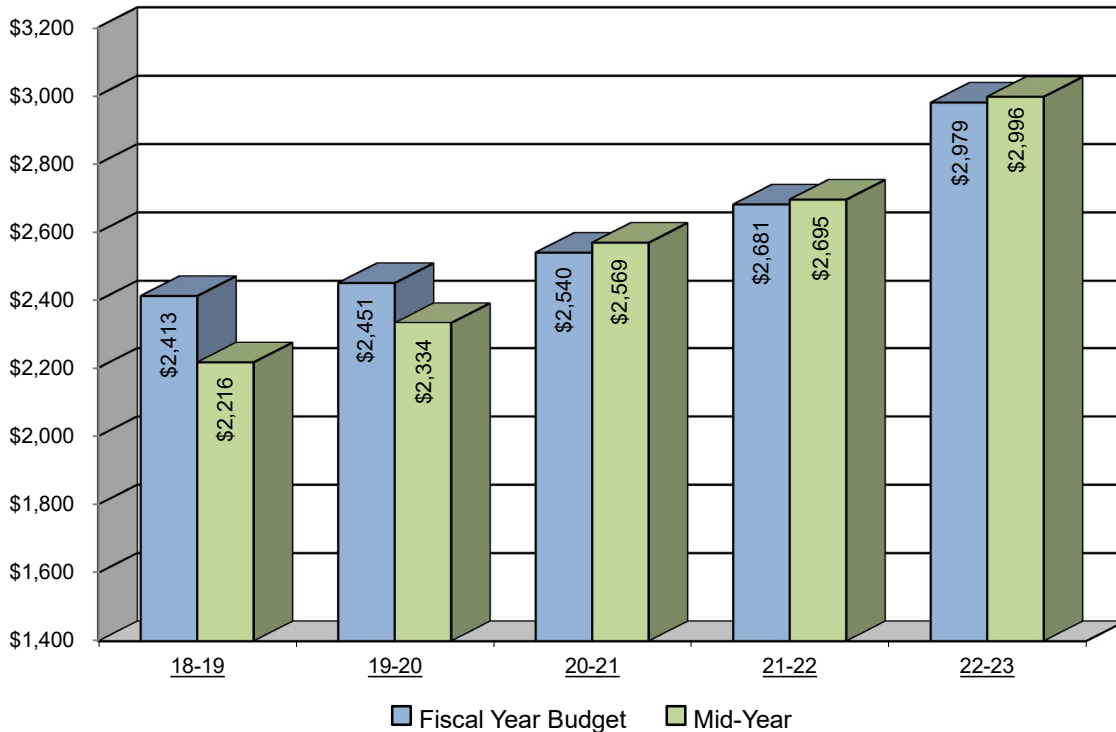
- Revenues – Capital Facilities Capacity Charges (CFCC) – **CFCC are at \$9.2 million, or 51.2 percent of the \$17.9 million budget.** The revenues through the mid-year are lower than the same period last year by \$115,000, or 1.2 percent, due to a decrease in capacity charges collected from local agencies, partially offset by an increase in supplemental charges assessed to industrial dischargers. **These revenues are expected to approximate budget at year-end.**
- Revenues – Interest Earnings (Loss) – **Interest Earnings are at negative \$3.7 million, or -25.4 percent of the \$14.5 million budget.** The revenues through the mid-year are lower than the same period last year by \$252,000, or 6.4 percent, due to a negative total rate of return on securities held in the long-term investment portfolio, which is largely comprised of unrealized losses. **It is estimated that interest earnings will be below budget at year-end.**
- Revenues – CIP Reimbursements – **CIP Reimbursements are at \$934,000, or 7.9 percent of the \$11.8 million budget.** This revenue is \$685,000, or 42.3 percent lower than the same period last year and is proportionately low to the budget through the mid-year due to timing of reimbursements for construction projects, such as from Orange County Water District for J-117B Outfall Low Flow Pump Station and for P2-122 Headworks Modifications at Plant No. 2 for GWRs Final Expansion. **These revenues are expected to be below budget at year-end.**
- Revenues – Wastehauler – **Wastehauler revenues are at \$516,000, or 68.9 percent of the \$750,000 budget.** This revenue is derived from fees charged to wastehaulers, allowing them to dump waste into OC San's system. The revenues through the mid-year are higher than the same period last year by \$79,000, or 18.0 percent, due to an increase in waste dumping. **These revenues are expected to approximate or be above budget at year-end.**
- Revenues – CNG Sales – **CNG Sales revenues are at \$161,000, or 40.2 percent of the \$400,000 budget.** This revenue is derived from public sales at OC San's Compressed Natural Gas (CNG) fueling station. The revenues through the mid-year are lower than the same period last year by \$8,000, or 4.6 percent, due to a decrease in compressed natural gas usage. **These revenues are expected to approximate or be below budget at year-end.**
- Revenues – Rents & Leases – **Rents & Leases revenues are at \$223,000, or 37.2 percent of the \$600,000 budget.** The revenues through the mid-year are lower than the same period last year by \$6,000, or 2.5 percent. **These revenues are expected to be below budget at year-end.**
- Revenues – Other – **Other revenues are at \$755,000, or 5.7 percent of the \$13.2 million budget.** These revenues are \$327,000, or 76.4 percent higher than the same period last year, primarily due to an increase in miscellaneous revenue from settlement claims and an energy management agreement. **These revenues are expected to be below budget at year-end.**

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# FY 2022-23 Mid-Year Financial Report

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**Comparison of Mid-Year 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 mid-year has been between 1.1 percent higher and 8.2 percent lower than the annual budget. The FY 2022-23 mid-year cost per million gallons of \$2,996 is 0.6 percent higher when compared with this year's budget. The increase in cost per million gallons of \$301 from the previous year is primarily due to an increase in operating expenses, which are 9.9 percent higher than the same period last year, and a decrease in flows, which are 1.1 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 December 31 is \$2,996 based on flows of 179 million gallons per day.** This is \$17 per million gallons, or 0.6 percent more than the budgeted cost per million gallons of \$2,979. The higher cost per million gallons is due to flows of 179 million gallons per day being 3.5 percent less than the budgeted flow of 185 million gallons today, which has an inverse relationship to cost per unit of collection, treatment, and disposal, partially offset by net expenses being 2.2 percent lower than the proportionate budget through December 31.

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

# Consolidated Financial Reports

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

## Benchmark Study Five-Year Single Family Residential Rate

Agency	Rates as of July					Notes
	2018 SFR	2019 SFR	2020 SFR	2021 SFR	2022 SFR	
San Francisco	\$ 988	1,076	1,169	1,270	1,270	
Vallejo Sanitation/Flood Control District	\$ 585	656	715	747	769	
Central Contra Costa Sanitary District	\$ 567	598	598	660	690	
City of San Diego	\$ 573	573	573	573	687	(1)
City of Los Angeles	\$ 561	597	636	636	636	(2)
Union Sanitary District	\$ 407	421	421	524	530	(3)
Dublin San Ramon Services District	\$ 423	447	469	486	496	
East Bay MUD	\$ 410	423	439	457	475	
City of Hayward	\$ 394	412	430	446	463	
Sacramento County	\$ 444	444	444	444	444	
Irvine Ranch Water District	\$ 309	313	313	313	357	(4)
<b>Orange County Sanitation District</b>	<b>\$ 335</b>	<b>339</b>	<b>339</b>	<b>343</b>	<b>347</b>	
Oro Loma Sanitary District	\$ 256	275	296	318	342	
City of Fresno	\$ 309	309	309	309	309	(5)
Los Angeles County	\$ 191	196	213	226	226	(6)

Notes:

- (1) - Data represents the base sewer fee plus the average usage of 9 hundred cubic feet per month.
- (2) - Data is for the typical SFR customer rate.
- (3) - Deferred rate increase for July 2020 incorporated into July 2021 rate.
- (4) - Data represents the usage of 10 hundred cubic feet per unit.
- (5) - Data represents the minimum SFR rate not including flow.
- (6) - Data represents the Average Service Charge Rates for the prior fiscal year.



# FY 2022-23 Mid-Year Financial Report

## Benchmark Study Five-Year Cost per MG

Agency	Svc.	Trt.	FY 17-18 Cost/MG	FY 18-19 Cost/MG	FY 19-20 Cost/MG	FY 20-21 Cost/MG	FY 21-22 Cost/MG	Notes
San Francisco	B	2	\$ 5,295	5,995	7,573	9,456	N/A	(1)
Vallejo Sanitation/Flood Control District	B	2	\$ 5,393	6,137	8,682	9,108	9,595	(2)
Central Contra Costa Sanitary District	B	3	\$ 5,588	3,980	5,284	6,513	N/A	(3)
Union Sanitary District	B	2	\$ 4,757	4,838	5,655	5,569	5,623	
City of San Diego	B	3	\$ 4,147	4,180	3,977	4,219	4,263	
East Bay MUD	T	2	\$ 3,137	2,710	3,122	4,052	3,674	(4)
Dublin San Ramon Services District	B	3	\$ 3,422	3,692	3,441	3,570	3,406	
City of Los Angeles	B	3	\$ 2,329	3,046	3,021	2,763	3,120	(5)
Sacramento County	T	3	\$ 2,831	2,812	3,407	3,470	2,819	(6)
Los Angeles County	B	3	\$ 2,077	2,264	2,343	2,338	2,786	
<b>Orange County Sanitation District</b>	<b>B</b>	<b>2</b>	<b>\$ 2,069</b>	<b>2,275</b>	<b>2,422</b>	<b>2,428</b>	<b>2,255</b>	
City of Fresno	B	3	\$ 1,813	1,945	1,993	2,100	2,235	

### Legend for Service Provided and Treatment Level:

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

### Notes:

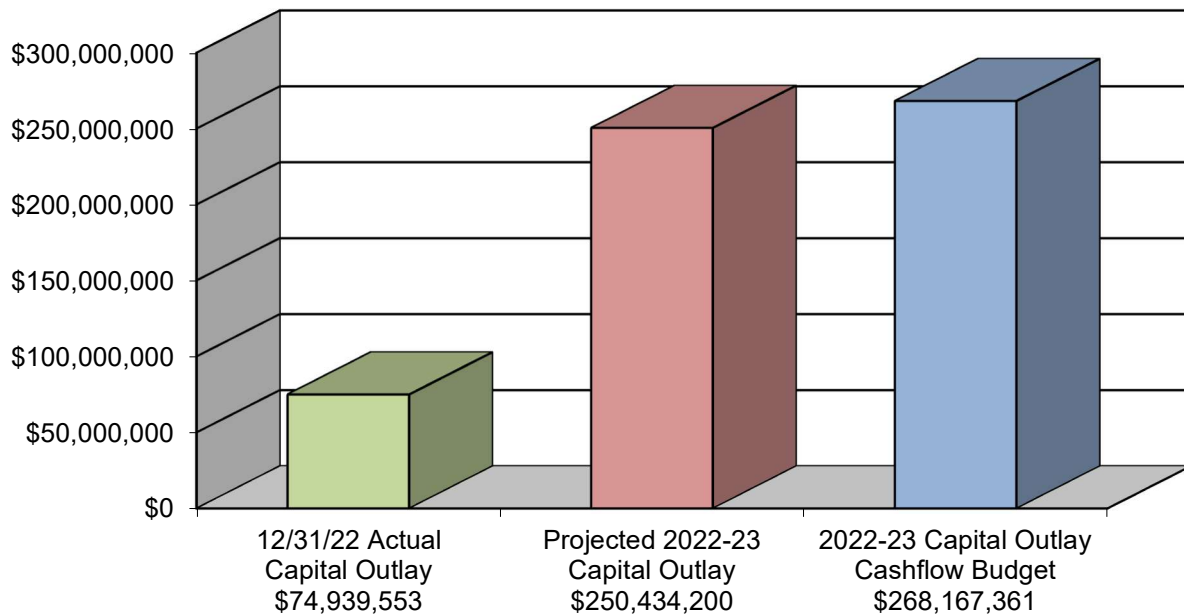
- (1) - FY19-20 operating expense increased \$2.9 million and average daily flow decreased 19.3MG per day. Combined stormwater/sewer system.
  - (2) - In FY19-20, Agency updated FY18-19 Annual Comprehensive Financial Report treatment cost.
  - (3) - FY18-19 operating expense decreased \$36.4 million; \$30.4 million due to an adjustment to the Agency's Other Post Employment Benefit Plan (OPEB) - Transition to CalPers Health Insurance.
  - (4) - FY21-22 operating expense decreased \$6.7 million.
  - (5) - FY17-18 influent flow has not been reduced by the amount of sludge discharged to the sewers from DCTWRP and LAGWRP.
  - (6) - FY21-22 operating expense decreased \$20.8 million.
- N/A - Not currently available.

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# Consolidated Financial Reports

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## Capital Outlay Review:



**As depicted by the preceding chart, Capital Outlays totaled \$74.9 million, or 27.9 percent of the capital outlay cash flow budget for FY 2022-23 as of December 31, 2022.** Costs are lower than the proportionate budget through the mid-year as some projects are still in the design phase or have experienced various delays or deferrals. Examples as of December 31 are Rehabilitation of Western Regional Sewers, which has a budget of \$17.1 million but actual costs of \$3.3 million, Primary Treatment Rehabilitation at Plant No. 2, which has a budget of \$30.5 million but actual costs of \$8.2 million, and Headquarters Complex, which has a budget of \$61.2 million but actual costs of \$11.7 million. **Overall, the capital outlay costs of the capital improvement program are expected to approximate \$250.4 million, or 93.4 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 OC San's capital facilities at December 31, 2022, as well as the debt service costs resulting from the need to provide funding for the construction of capital facilities.

Principal payments on debt issues are due in February, during the third quarter of each fiscal year. As of December 31, 2022, no principal payments have been made. Interest costs are expensed ratably throughout the fiscal year and are expected to approximate budget at year-end.

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## **FY 2022-23 Mid-Year Financial Report**

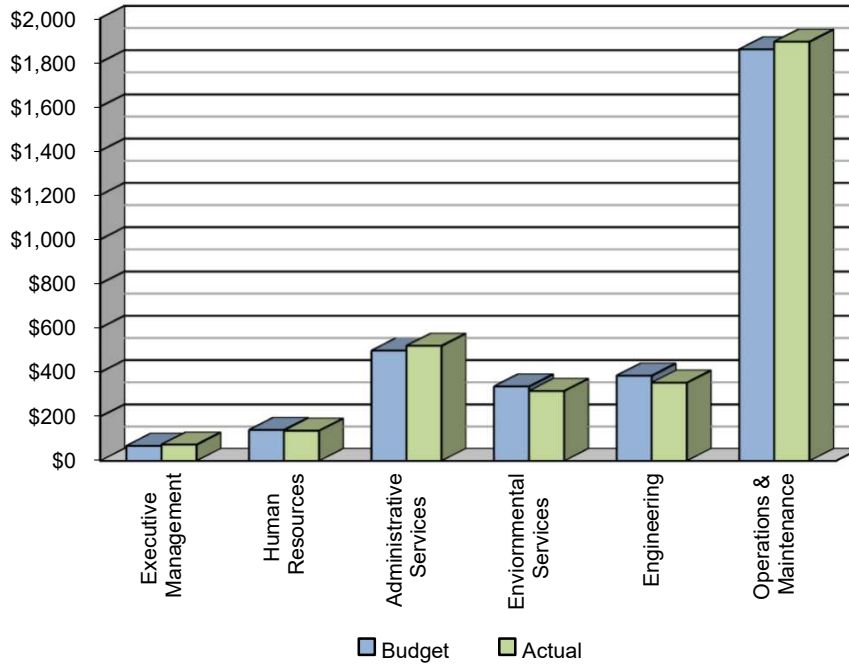
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***Self-Insurance Budget Review:*** Section 5 is the Self-Insurance Section. Through December 31, the Self-Insurance Fund revenues totaled \$1.5 million, or 50.1 percent of the budget, while expenses are at \$2.3 million, or 62.4 percent of the budget.

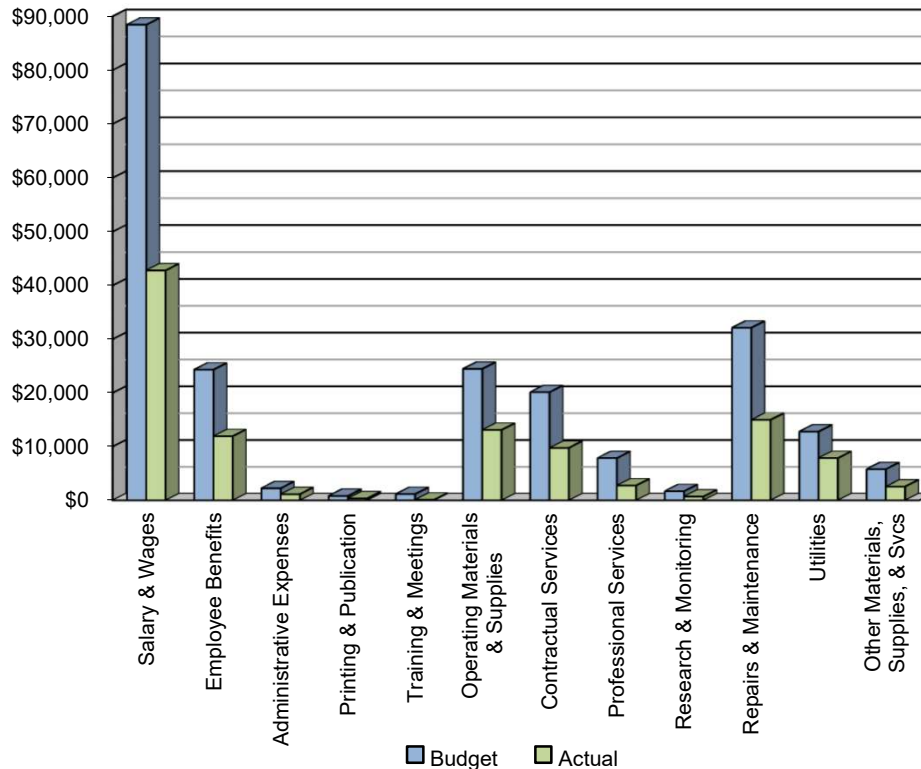
Separate fund accounting is used for recording the revenue and expenses incurred in managing these liability claims. The revenues to these funds represent charges to operating divisions. Expenses to these funds include actual claims paid, claims administration, and excess loss policies.

# Operating Budget Review

**Cost per Million Gallons by Department  
Budget and Actual  
December 31, 2022**



**Collection, Treatment, & Disposal Expenses by Major Category  
Budget and Actual (in thousands)  
December 31, 2022**



# FY 2022-23 Mid-Year Financial Report

## Divisional Contributions to Cost Per Million Gallons For the Six Months Ended December 31, 2022

	12/31/20 Actual	12/31/21 Actual	2022-23 Annual Budget	12/31/22 Actual
<b>Flow in Million Gallons</b>	33,859.20	33,222.87	67,525.00	32,849.01
<b>Flow in Million Gallons per Day</b>	184.02	180.56	185.00	178.53
<b>Executive Management Department</b>				
General Management Administration	\$ 24.78	\$ 24.25	\$ 24.24	\$ 33.14
Board Services	13.00	14.20	18.45	14.57
Public Affairs	16.43	16.94	25.54	25.87
<b>Subtotal</b>	54.21	55.39	68.23	73.58
<b>Human Resources Department</b>				
Human Resources	52.23	69.03	69.13	66.92
Risk Management / Safety / Security	51.61	59.21	70.78	69.58
<b>Subtotal</b>	103.84	128.24	139.91	136.50
<b>Administrative Services Department</b>				
Administrative Services	7.66	9.32	9.12	9.59
Consolidated Services	89.59	98.32	123.59	117.97
Financial Management	64.42	63.20	66.36	70.99
Contracts, Purchasing, & Materials Mgmt.	68.61	76.18	77.33	79.78
Information Technology	197.32	219.17	221.78	241.18
<b>Subtotal</b>	427.60	466.19	498.18	519.51
<b>Environmental Services Department</b>				
Environmental Services Administration	21.17	62.65	75.55	87.78
Resource Protection	86.62	83.62	106.84	88.01
Laboratory, Monitoring and Compliance	195.29	143.16	153.77	140.05
<b>Subtotal</b>	303.08	289.43	336.16	315.84
<b>Engineering Department</b>				
Engineering Administration	19.57	22.69	20.48	14.31
Planning	50.94	61.17	62.68	60.51
Project Management Office	66.97	69.64	66.63	68.75
Design	97.97	106.11	106.65	93.76
Construction Management	101.58	108.53	128.35	115.88
<b>Subtotal</b>	337.03	368.14	384.79	353.21
<b>Operations &amp; Maintenance Department</b>				
Operations & Maintenance Administration	2.00	2.27	9.96	7.26
Collections Facilities O & M	207.83	226.93	279.87	306.43
Fleet Services	27.19	34.31	36.49	37.25
Plant No. 1 Operations	490.11	515.21	562.81	599.97
Plant No. 2 Operations	266.15	267.99	281.97	299.77
Plant No. 1 Maintenance	355.83	403.55	395.67	395.69
Plant No. 2 Maintenance	300.51	250.20	292.25	247.00
<b>Subtotal</b>	1,649.62	1,700.46	1,859.02	1,893.37
<b>Total Operating Expenses</b>	2,875.38	3,007.85	3,286.29	3,292.01
<b>Cost Allocation</b>	(306.26)	(312.44)	(307.46)	(296.13)
<b>Net Operating Requirements</b>	\$ 2,569.12	\$ 2,695.41	\$ 2,979.00	\$ 2,995.88

# Operating Budget Review

## Comparison of Expenses by Department For the Six Months Ended December 31, 2022

Department and Division	12/31/20 Actual	12/31/21 Actual	2022-23		
			Budget	Year to Date 12/31/22	Budget % Realized
<b>Executive Management Department</b>					
General Management Administration	\$ 838,923	\$ 805,787	\$ 1,637,010	\$ 1,088,562	66.50%
Board Services	440,176	471,878	1,245,834	478,695	38.42%
Public Affairs	556,430	562,728	1,724,830	849,909	49.27%
<b>Subtotal</b>	1,835,529	1,840,393	4,607,674	2,417,166	52.46%
<b>Human Resources Department</b>					
Human Resources	1,768,493	2,293,432	4,668,135	2,198,175	47.09%
Risk Management / Safety / Security	1,747,465	1,967,054	4,779,373	2,285,561	47.82%
<b>Subtotal</b>	3,515,958	4,260,486	9,447,508	4,483,736	47.46%
<b>Administrative Services Department</b>					
Administrative Services	259,313	309,694	615,905	314,922	51.13%
Consolidated Services	3,033,609	3,266,316	8,345,184	3,875,065	46.43%
Financial Management	2,181,071	2,099,790	4,480,931	2,331,987	52.04%
Contracts, Purchasing, & Materials Mgmt.	2,322,923	2,530,783	5,221,431	2,620,789	50.19%
Information Technology	6,681,141	7,281,428	14,975,496	7,922,566	52.90%
<b>Subtotal</b>	14,478,057	15,488,011	33,638,947	17,065,329	50.73%
<b>Environmental Services Department</b>					
Environmental Services Administration	716,753	2,081,291	5,101,551	2,883,603	56.52%
Resource Protection	2,932,772	2,777,956	7,214,640	2,890,944	40.07%
Laboratory, Monitoring and Compliance	6,612,361	4,756,121	10,383,475	4,600,641	44.31%
<b>Subtotal</b>	10,261,886	9,615,368	22,699,666	10,375,188	45.71%
<b>Engineering Department</b>					
Engineering Administration	662,593	753,844	1,382,867	470,027	33.99%
Planning	1,724,783	2,032,380	4,232,470	1,987,590	46.96%
Project Management Office	2,267,587	2,313,491	4,499,180	2,258,387	50.20%
Design	3,317,329	3,525,405	7,201,590	3,079,981	42.77%
Construction Management	3,439,486	3,605,715	8,667,018	3,806,604	43.92%
<b>Subtotal</b>	11,411,778	12,230,835	25,983,125	11,602,589	44.65%
<b>Operations &amp; Maintenance Department</b>					
Operations & Maintenance Administration	67,707	75,465	672,570	238,534	35.47%
Collections Facilities O & M	7,036,860	7,539,114	18,898,442	10,065,882	53.26%
Fleet Services	920,572	1,139,736	2,463,959	1,223,730	49.67%
Plant No. 1 Operations	16,594,660	17,116,797	38,003,504	19,708,481	51.86%
Plant No. 2 Operations	9,011,578	8,903,299	19,040,302	9,847,287	51.72%
Plant No. 1 Maintenance	12,048,246	13,407,179	26,717,339	12,998,082	48.65%
Plant No. 2 Maintenance	10,175,189	8,312,317	19,733,896	8,113,804	41.12%
<b>Subtotal</b>	55,854,812	56,493,907	125,530,012	62,195,800	49.55%
<b>Total Operating Expenses</b>	97,358,020	99,929,000	221,906,932	108,139,808	48.73%
<b>Cost Allocation</b>	(10,369,765)	(10,379,845)	(20,762,230)	(9,728,222)	46.86%
<b>Net Operating Requirements</b>	\$ 86,988,255	\$ 89,549,155	\$ 201,144,702	\$ 98,411,586	48.93%

# FY 2022-23 Mid-Year Financial Report

## Summary of Collection, Treatment, & Disposal Expenses by Major Category For the Six Months Ended December 31, 2022

Description	Budget 2022-23	Expense Through 12/31/22	Expense Through 12/31/21	Increase (Decrease) \$	Increase (Decrease) %	Percent Budget Realized	Remaining Budget
Salary & Wages	\$ 88,436,482	42,820,211	41,040,777	\$ 1,779,434	4.34%	48.42%	\$ 45,616,271
Employee Benefits	24,335,100	11,943,776	13,128,520	(1,184,744)	-9.02%	49.08%	12,391,324
Administrative Expenses	2,253,179	1,137,346	1,300,375	(163,029)	-12.54%	50.48%	1,115,833
Printing & Publication	809,332	362,735	123,272	239,463	194.26%	44.82%	446,597
Training & Meetings	1,161,096	108,333	190,011	(81,678)	-42.99%	9.33%	1,052,763
Operating Materials & Supplies	24,478,657	13,124,979	10,502,046	2,622,933	24.98%	53.62%	11,353,678
Contractual Services	20,142,002	9,753,637	8,283,298	1,470,339	17.75%	48.42%	10,388,365
Professional Services	7,865,171	2,752,519	2,308,798	443,721	19.22%	35.00%	5,112,652
Research & Monitoring	1,695,550	707,947	696,573	11,374	1.63%	41.75%	987,603
Repairs & Maintenance	32,135,374	14,992,381	14,976,107	16,274	0.11%	46.65%	17,142,993
Utilities	12,803,268	7,874,670	5,706,152	2,168,518	38.00%	61.51%	4,928,598
Other Materials, Supplies, and Services	5,791,721	2,561,274	1,673,071	888,203	53.09%	44.22%	3,230,447
Net Cost Allocation	<u>(20,762,230)</u>	<u>(9,728,222)</u>	<u>(10,379,845)</u>	<u>651,623</u>	<u>-6.28%</u>	<u>46.86%</u>	<u>(11,034,008)</u>
Net Operating Requirements	201,144,702	98,411,586	89,549,155	8,862,431	9.90%	48.93%	102,733,116
Gallonge Flow (MG)	<u>67,525.00</u>	<u>32,849.01</u>	<u>33,222.87</u>	<u>(373.86)</u>	<u>-1.13%</u>		
Gallonge Flow (MGD)	<u>185.00</u>	<u>178.53</u>	<u>180.56</u>	<u>(2.03)</u>	<u>-1.12%</u>		
Gallonge Flow (\$'s /MG)	<u>\$2,979.00</u>	<u>\$2,995.88</u>	<u>\$2,695.41</u>	<u>\$300.47</u>	<u>11.15%</u>		

# Operating Budget Review

## Summary of Revenues For the Six Months Ended December 31, 2022

Description	Budget 2022-23	Revenue Through 12/31/22	Percent Budget Realized	Remaining Budget	Revenue Through 12/31/21	Increase (Decrease) \$	Increase (Decrease) %
Service Fees	\$ 308,534,310	\$ 167,778,445	54.38%	\$ 140,755,865	\$ 167,618,802	\$ 159,643	0.10%
Permit Fees	12,500,918	8,086,563	64.69%	4,414,355	6,581,036	1,505,527	22.88%
Inter District Sewer Use-SAWPA & SBSB	3,018,000	1,301,242	43.12%	1,716,758	1,382,725	(81,483)	-5.89%
Intra District Sewer Use-IRWD	5,063,872	871,507	17.21%	4,192,365	196,739	674,768	342.98%
Capital Assessments-IRWD	9,439,000	1,608,923	17.05%	7,830,077	1,468,963	139,960	9.53%
Capital Facilities Capacity Charges	17,923,749	9,178,869	51.21%	8,744,880	9,293,742	(114,873)	-1.24%
Debt Proceeds	-	-	N/A	-	164,350,308	(164,350,308)	-100.00%
Property Taxes	109,776,020	64,219,045	58.50%	45,556,975	61,921,621	2,297,424	3.71%
Interest Earnings (Loss)	14,504,000	(3,686,049)	-25.41%	18,190,049	(3,938,299)	252,250	6.41%
CIP Reimbursements	11,782,925	933,668	7.92%	10,849,257	1,618,971	(685,303)	-42.33%
Wastehauler	750,000	516,375	68.85%	233,625	437,773	78,602	17.95%
Grant Revenue	464,000	-	0.00%	464,000	-	-	0.00%
CNG Sales	400,000	160,935	40.23%	239,065	168,622	(7,687)	-4.56%
Rents & Leases	600,000	223,199	37.20%	376,801	228,802	(5,603)	-2.45%
Other Revenues	13,216,010	755,448	5.72%	12,460,562	428,324	327,124	76.37%
Power Sales	25,000	61,193	244.77%	(36,193)	152,097	(90,904)	-59.77%
Other Sales	50,000	34,609	69.22%	15,391	93,822	(59,213)	-63.11%
<b>Total Revenues</b>	<b>\$ 508,047,804</b>	<b>\$ 252,043,972</b>	<b>49.61%</b>	<b>\$ 256,003,832</b>	<b>\$ 412,004,048</b>	<b>\$(159,960,076)</b>	<b>-38.82%</b>



# FY 2022-23 Mid-Year Financial Report

## Summary of Collection, Treatment, & Disposal Expenses by Line Item For the Six Months Ended December 31, 2022

Description	Budget 2022-23	Expense Through 12/31/22	Percent Budget Expensed	Remaining Budget	Expense Through 12/31/21	Increase (Decrease) \$	Increase (Decrease) %
<b>Salaries, Wages &amp; Benefits</b>							
<b>Salaries &amp; Wages</b>	\$ 88,436,482	\$ 42,820,211	48.42%	\$ 45,616,271	\$ 41,040,777	\$ 1,779,434	4.34%
<b>Employee Benefits</b>							
Retirement	12,120,500	5,881,284	48.52%	6,239,216	6,243,066	(361,782)	-5.79%
Group Insurances	10,742,800	4,993,130	46.48%	5,749,670	5,961,775	(968,645)	-16.25%
Tuition & Certification Reimb	87,000	46,903	53.91%	40,097	59,953	(13,050)	-21.77%
Edu. degrees, Cert. & Lic.	621,800	322,249	51.83%	299,551	349,627	(27,378)	-7.83%
Uniform Rental	102,200	118,060	115.52%	(15,860)	51,152	66,908	130.80%
Workers' Compensation	518,500	259,250	50.00%	259,250	389,999	(130,749)	-33.53%
Unemployment Insurance	21,300	4,458	20.93%	16,842	10,657	(6,199)	-58.17%
EMT Supplemental Benefits	121,000	318,442	263.18%	(197,442)	62,291	256,151	411.22%
<b>Total Benefits</b>	<b>24,335,100</b>	<b>11,943,776</b>	<b>49.08%</b>	<b>12,391,324</b>	<b>13,128,520</b>	<b>(1,184,744)</b>	<b>-9.02%</b>
<b>Salaries, Wages &amp; Benefits</b>	<b>112,771,582</b>	<b>54,763,987</b>	<b>48.56%</b>	<b>58,007,595</b>	<b>54,169,297</b>	<b>594,690</b>	<b>1.10%</b>
<b>Matl, Supplies, &amp; Services</b>							
<b>Administrative Expenses</b>							
Memberships	689,610	459,303	66.60%	230,307	459,979	(676)	-0.15%
Office Exp - Supplies	60,343	17,760	29.43%	42,583	24,900	(7,140)	-28.67%
Postage	35,720	13,234	37.05%	22,486	12,785	449	3.51%
Books & Publications	41,698	5,908	14.17%	35,790	13,560	(7,652)	-56.43%
Forms	608	-	0.00%	608	-	-	N/A
Small Computer Items	1,005,500	498,552	49.58%	506,948	582,257	(83,705)	-14.38%
Minor Furniture & Fixtures	419,700	142,589	33.97%	277,111	206,894	(64,305)	-31.08%
Subtotal	2,253,179	1,137,346	50.48%	1,115,833	1,300,375	(163,029)	-12.54%
<b>Printing &amp; Publication</b>							
Repro-In-House	185,432	73,535	39.66%	111,897	69,478	4,057	5.84%
Printing-Outside	404,850	256,498	63.36%	148,352	3,349	253,149	7558.94%
Notices & Ads	219,000	32,702	14.93%	186,298	50,445	(17,743)	-35.17%
Photo Processing	50	-	0.00%	50	-	-	N/A
Subtotal	809,332	362,735	44.82%	446,597	123,272	239,463	194.26%
<b>Training &amp; Meetings</b>							
Meetings	127,446	11,195	8.78%	116,251	4,655	6,540	140.49%
Training	1,033,650	97,138	9.40%	936,512	185,356	(88,218)	-47.59%
Subtotal	1,161,096	108,333	9.33%	1,052,763	190,011	(81,678)	-42.99%
<b>Operating Mat'ls &amp; Supplies</b>							
Chemical Coagulants	12,103,086	6,609,685	54.61%	5,493,401	5,443,221	1,166,464	21.43%
Odor & Corrosion Control	7,893,286	4,186,563	53.04%	3,706,723	3,292,696	893,867	27.15%
Disinfection	198,500	194,473	97.97%	4,027	41,725	152,748	366.08%
Chemicals - Misc & Cogen	435,000	128,724	29.59%	306,276	155,751	(27,027)	-17.35%
Gasoline, Diesel & Oil	805,385	370,777	46.04%	434,608	347,225	23,552	6.78%
Tools	865,500	561,032	64.82%	304,468	351,766	209,266	59.49%
Safety equipment/tools	1,101,932	650,455	59.03%	451,477	369,555	280,900	76.01%
Solv, Paints & Jan. Supplies	134,986	54,945	40.70%	80,041	67,615	(12,670)	-18.74%
Lab Chemicals & Supplies	680,319	278,584	40.95%	401,735	322,267	(43,683)	-13.55%
Misc. Operating Supplies	184,163	75,853	41.19%	108,310	87,175	(11,322)	-12.99%
Property Tax Fees	76,500	13,888	18.15%	62,612	23,050	(9,162)	-39.75%
Subtotal	24,478,657	13,124,979	53.62%	11,353,678	10,502,046	2,622,933	24.98%
<b>Contractual Services</b>							
Solids Removal	13,740,000	6,820,281	49.64%	6,919,719	5,841,917	978,364	16.75%
Other Waste Disposal	1,217,200	418,835	34.41%	798,365	387,850	30,985	7.99%
Groundskeeping	200,000	92,861	46.43%	107,139	88,520	4,341	4.90%
Janitorial	659,488	549,110	83.26%	110,378	417,457	131,653	31.54%
Outside Lab Services	357,000	78,129	21.88%	278,871	106,409	(28,280)	-26.58%
Oxygen	476,000	444,930	93.47%	31,070	230,135	214,795	93.33%
County Service Fee	518,782	23,760	4.58%	495,022	12,235	11,525	94.20%
Temporary Services	574,400	151,718	26.41%	422,682	217,888	(66,170)	-30.37%
Security Services	1,716,007	858,449	50.03%	857,558	814,554	43,895	5.39%
Other	683,125	315,564	46.19%	367,561	166,333	149,231	89.72%
Subtotal	20,142,002	9,753,637	48.42%	10,388,365	8,283,298	1,470,339	17.75%

(Continued)

# Operating Budget Review

## Summary of Collection, Treatment, & Disposal Expenses by Line Item For the Six Months Ended December 31, 2022

Description	Budget 2022-23	Expense Through 12/31/22	Percent Budget Expended	Remaining Budget	Expense Through 12/31/21	Increase (Decrease) \$	Increase (Decrease) %
<u>Continued:</u>							
<b>Professional Services</b>							
Legal	1,472,000	652,814	44.35%	819,186	693,154	(40,340)	-5.82%
Audit & Accounting	230,000	57,500	25.00%	172,500	112,852	(55,352)	-49.05%
Engineering	1,755,000	780,163	44.45%	974,837	774,111	6,052	0.78%
Enviro Scientific Consulting	879,221	26,277	2.99%	852,944	17,512	8,765	50.05%
Software Prgm Consulting	710,500	426,289	60.00%	284,211	162,904	263,385	161.68%
Energy Consulting	50,000	13,500	27.00%	36,500	4,000	9,500	237.50%
Advocacy Efforts	181,000	86,036	47.53%	94,964	90,134	(4,098)	-4.55%
Industrial Hygiene Services	100,000	13,942	13.94%	86,058	12,539	1,403	11.19%
Labor Negotiation Services	90,000	-	0.00%	90,000	609	(609)	-100.00%
Other	2,397,450	695,998	29.03%	1,701,452	440,983	255,015	57.83%
Subtotal	<u>7,865,171</u>	<u>2,752,519</u>	<u>35.00%</u>	<u>5,112,652</u>	<u>2,308,798</u>	<u>443,721</u>	<u>19.22%</u>
<b>Research &amp; Monitoring</b>							
Environmental Monitoring	900,000	120,361	13.37%	779,639	139,363	(19,002)	-13.63%
Air Quality Monitoring	220,000	12,843	5.84%	207,157	37,075	(24,232)	-65.36%
Research	575,550	574,743	99.86%	807	520,135	54,608	10.50%
Subtotal	<u>1,695,550</u>	<u>707,947</u>	<u>41.75%</u>	<u>987,603</u>	<u>696,573</u>	<u>11,374</u>	<u>1.63%</u>
<b>Repairs &amp; Maintenance</b>							
Materials & Services	23,295,979	10,948,692	47.00%	12,347,287	10,897,800	50,892	0.47%
Svc. Mtc. Agreements	8,839,395	4,043,689	45.75%	4,795,706	4,078,307	(34,618)	-0.85%
Subtotal	<u>32,135,374</u>	<u>14,992,381</u>	<u>46.65%</u>	<u>17,142,993</u>	<u>14,976,107</u>	<u>16,274</u>	<u>0.11%</u>
<b>Utilities</b>							
Telephone	521,267	247,113	47.41%	274,154	251,249	(4,136)	-1.65%
Diesel For Generators	55,000	4,202	7.64%	50,798	15,211	(11,009)	-72.38%
Natural Gas	1,577,000	1,088,650	69.03%	488,350	672,485	416,165	61.88%
Power	9,774,042	5,976,109	61.14%	3,797,933	4,212,754	1,763,355	41.86%
Water	875,959	558,596	63.77%	317,363	554,453	4,143	0.75%
Subtotal	<u>12,803,268</u>	<u>7,874,670</u>	<u>61.51%</u>	<u>4,928,598</u>	<u>5,706,152</u>	<u>2,168,518</u>	<u>38.00%</u>
<b>Other Operating Supplies</b>							
Outside Equip Rental	100,000	22,273	22.27%	77,727	13,614	8,659	63.60%
Insurance Premiums	42,000	42,954	102.27%	(954)	36,733	6,221	16.94%
Prop & Gen Liab Insurance	2,425,500	1,212,496	49.99%	1,213,004	1,069,996	142,500	13.32%
Freight	150,000	81,331	54.22%	68,669	74,381	6,950	9.34%
Misc. Operating Expense	328,124	122,706	37.40%	205,418	231,675	(108,969)	-47.04%
Regulatory Operating Fees	1,371,000	1,049,256	76.53%	321,744	220,367	828,889	376.14%
Subtotal	<u>4,416,624</u>	<u>2,531,016</u>	<u>57.31%</u>	<u>1,885,608</u>	<u>1,646,766</u>	<u>884,250</u>	<u>53.70%</u>
<b>General Mgr Contingency &amp; Reappropriations</b>							
	<u>1,241,047</u>	<u>-</u>	<u>0.00%</u>	<u>1,241,047</u>	<u>-</u>	<u>-</u>	<u>N/A</u>
<b>Other Non-Oper Expense</b>							
	<u>134,050</u>	<u>30,258</u>	<u>22.57%</u>	<u>103,792</u>	<u>26,305</u>	<u>3,953</u>	<u>15.03%</u>
<b>Total Materials, Supplies &amp; Services</b>							
	<u>109,135,350</u>	<u>53,375,821</u>	<u>48.91%</u>	<u>55,759,529</u>	<u>45,759,703</u>	<u>7,616,118</u>	<u>16.64%</u>
<b>Total Expenditures</b>							
	<u>221,906,932</u>	<u>108,139,808</u>	<u>48.73%</u>	<u>113,767,124</u>	<u>99,929,000</u>	<u>8,210,808</u>	<u>8.22%</u>
<b>Cost Allocation</b>							
	<u>(20,762,230)</u>	<u>(9,728,222)</u>	<u>46.86%</u>	<u>(11,034,008)</u>	<u>(10,379,845)</u>	<u>651,623</u>	<u>6.28%</u>
<b>Net Operating Requirements</b>							
	<u>\$ 201,144,702</u>	<u>\$ 98,411,586</u>	<u>48.93%</u>	<u>\$ 102,733,116</u>	<u>\$ 89,549,155</u>	<u>\$ 8,862,431</u>	<u>9.90%</u>

# FY 2022-23 Mid-Year Financial Report

## Summary of Collection, Treatment, & Disposal Expenses by Process For the Six Months Ended December 31, 2022

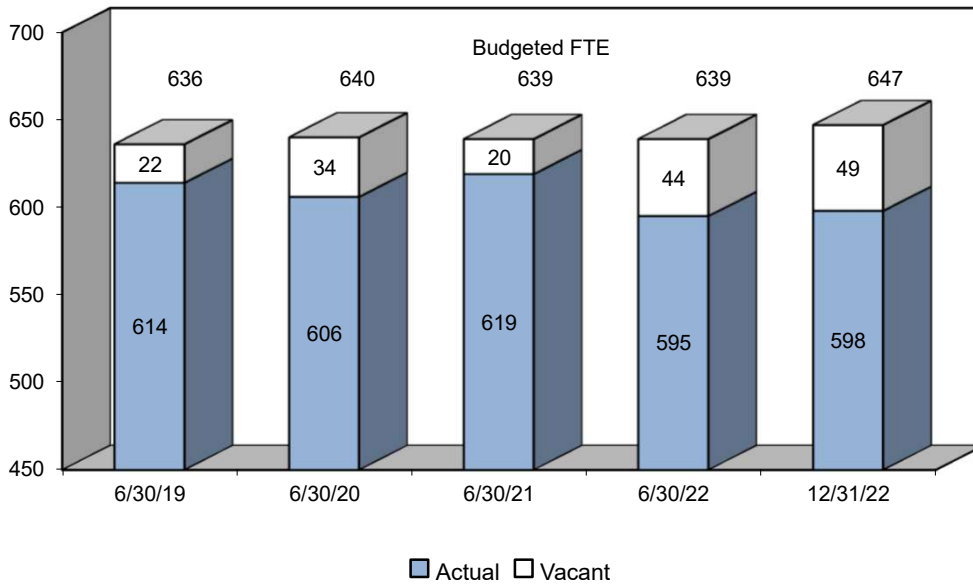
<u>Process:</u>	<u>Actual</u> <u>12/31/22</u>	<u>Actual</u> <u>12/31/21</u>	<u>Increase</u> <u>(Decrease)</u> <u>\$</u>	<u>Increase</u> <u>(Decrease)</u> <u>%</u>
Preliminary Treatment	\$ 4,968,411	\$ 5,299,684	\$ (331,273)	-6.25%
Primary Treatment	11,629,599	9,545,079	2,084,520	21.84%
Secondary Treatment	6,545,433	6,044,624	500,809	8.29%
Cryogenic Plant (Plant 2)	1,079,828	483,280	596,548	123.44%
Effluent Disposal	530,160	843,393	(313,233)	-37.14%
Solids Handling	25,723,410	27,261,096	(1,537,686)	-5.64%
Cogeneration	14,976,503	11,050,533	3,925,970	35.53%
Utilities	2,184,052	2,067,047	117,005	5.66%
Electrical Distribution	1,486,460	1,532,790	(46,330)	-3.02%
Miscellaneous Buildings	7,372,497	5,800,349	1,572,148	27.10%
External Location	599,461	234,625	364,836	155.50%
Nerissa Vessel	144,875	127,705	17,170	13.45%
Laboratory	7,814,409	7,645,395	169,014	2.21%
Collections	13,326,914	11,613,555	1,713,359	14.75%
<b>Net Operating Requirements</b>	<b>\$ 98,411,586</b>	<b>\$ 89,549,155</b>	<b>\$ 8,862,431</b>	<b>9.90%</b>

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# Operating Budget Review

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## Staffing Trends Full Time Equivalents (FTE) December 31, 2022



At December 31, 2022, the total head count was 606 employees, or a full time equivalency of 598.

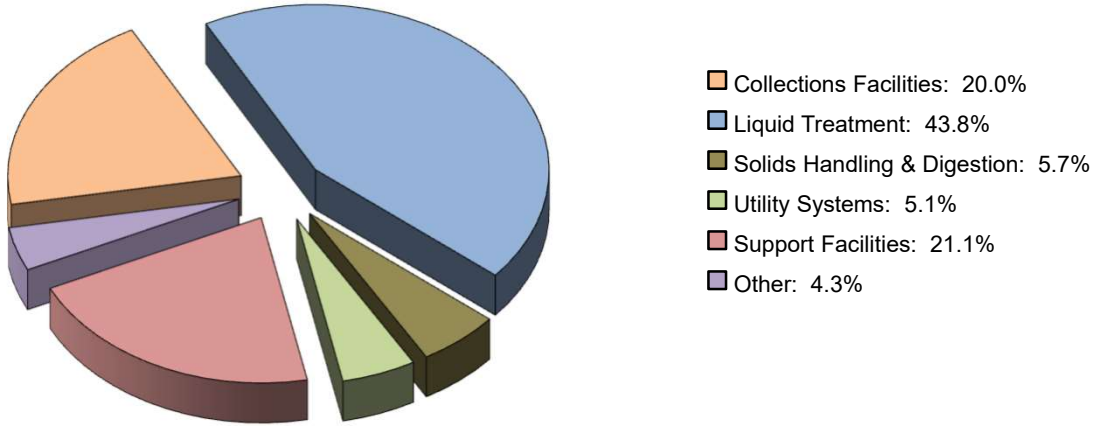
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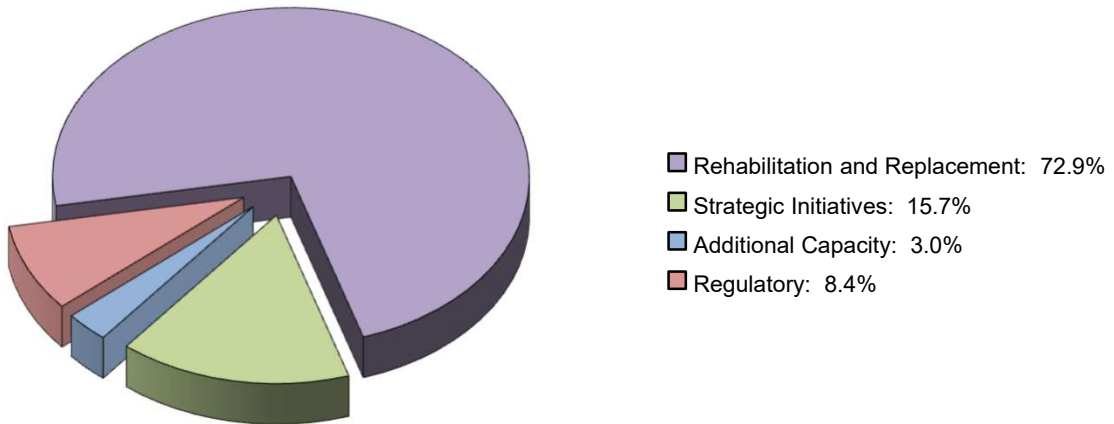
# Capital Improvement Program Budget Review

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Capital Improvement Program  
By Process Area and Project Driver  
For the Six Months Ended December 31, 2022



**Total Capital Improvement Outlays by Process Area - \$74,939,553**



**Total Capital Improvement Outlays by Project Driver - \$74,939,553**

# FY 2022-23 Mid-Year Financial Report

## Summary of Capital Improvement Construction Requirements - Current Year For the Six Months Ended December 31, 2022

	<b>2022-23 Cashflow Budget</b>	<b>2022-23 Actual at 12/31/2022</b>	<b>2022-23 Projected Outlay</b>
<b><u>Collection System Improvement Projects</u></b>			
<b>Collections Facilities</b>			
Santa Ana Trunk Sewer Rehabilitation	2,200,761	647,082	1,358,900
Greenville-Sullivan Trunk Improvements	543,619	50,644	641,900
Taft Branch Capacity Improvements	908,634	685,370	1,122,700
Newhope-Placentia Trunk Replacement	1,605,022	438,191	631,000
Knott - Miller Holder - Artesia Branch Rehabilitation	186,776	22,987	67,500
Westminster Blvd Force Main Replacement	5,482,851	3,802,195	7,407,800
Rehabilitation of Western Regional Sewers	17,143,810	3,273,430	12,655,800
Interstate 405 Widening Project Impacts on OC San Sewers	71,348	5,688	5,700
Seal Beach Pump Station Replacement	1,199,570	251,849	842,400
Bay Bridge Pump Station Replacement	2,410,280	1,265,394	3,709,200
Newport Beach Pump Station Pressurization Improvements	1,145,097	22,194	207,100
Fairview Trunk Sewer Rehabilitation	604,156	91,943	416,900
MacArthur Pump Station Rehabilitation	50,828	-	-
Gisler Red-Hill Interceptor & Baker Force Main Rehabilitation	9,688,402	287,538	1,133,900
MacArthur Force Main Improvement	312,173	144,334	279,900
Edinger Pump Station Replacement	653,066	168,108	1,032,100
Small Construction Projects Program - Collections	5,576,407	1,213,920	3,009,200
Planning Studies Program - Collections	470,544	42,905	267,900
Sunflower and Red Hill Interceptor Repairs	3,325,654	2,526,346	3,456,100
<b>Subtotal - Collections Facilities</b>	<b>53,578,998</b>	<b>14,940,118</b>	<b>38,246,000</b>
<b>Revenue Area 14</b>			
Bay Bridge Pumping Station Rehabilitation (3.62%)	90,529	47,528	139,400
Newport Beach Pump Station Pressurization Improve (0.27%)	3,100	60	600
<b>Subtotal - Revenue Area 14</b>	<b>93,629</b>	<b>47,588</b>	<b>140,000</b>
<b>Total Collection System Improvement Projects</b>	<b>53,672,627</b>	<b>14,987,706</b>	<b>38,386,000</b>

(Continued)

# Capital Improvement Program Budget Review

## Summary of Capital Improvement Construction Requirements - Current Year For the Six Months Ended December 31, 2022

	<u>2022-23 Cashflow Budget</u>	<u>2022-23 Actual at 12/31/2022</u>	<u>2022-23 Projected Outlay</u>
<b><u>Treatment &amp; Disposal Projects</u></b>			
<b>Headworks</b>			
Headworks Rehabilitation at Plant 1	34,978,474	14,147,580	34,271,200
Headworks Modifications at P2 for GWRS Final Expansion	4,930,162	3,167,469	4,268,400
<b>Subtotal - Headworks</b>	<u>39,908,636</u>	<u>17,315,049</u>	<u>38,539,600</u>
<b>Primary Treatment</b>			
Primary Sedimentation Basins 3-5 Replacement at Plant 1	2,729,469	406,137	2,401,400
Primary Sedimentation Basins 6-31 Reliability Improv at P1	2,629,590	933,683	2,643,000
Primary Treatment Rehabilitation at Plant 2	30,540,736	8,153,573	24,030,300
<b>Subtotal - Primary Treatment</b>	<u>35,899,795</u>	<u>9,493,393</u>	<u>29,074,700</u>
<b>Secondary Treatment</b>			
Activated Sludge-1 Aeration Basin & Blower Rehab at P1	1,096,586	121,622	1,426,800
Return Activated Sludge Piping Replacement at Plant 2	1,233,062	293,377	369,800
Activated Sludge Aeration Basin Rehabilitation at Plant 2	297,355	47,445	75,400
<b>Subtotal - Secondary Treatment</b>	<u>2,627,003</u>	<u>462,444</u>	<u>1,872,000</u>
<b>Solids Handling &amp; Digestion</b>			
Digester Ferric Chloride Piping Replacement at Plant 1	89,718	(12)	5,100
Interim Food Waste Receiving Facility	10,139	533	2,600
TPAD Digester Facility at Plant 2	10,444,999	3,469,963	10,108,500
Digesters Rehabilitation at Plant No. 2	1,843,647	772,210	1,588,400
<b>Subtotal - Solids Handling &amp; Digestion</b>	<u>12,388,503</u>	<u>4,242,694</u>	<u>11,704,600</u>
<b>Ocean Outfall Systems</b>			
Ocean Outfall System Rehabilitation	19,862,965	5,515,468	12,727,900
120-inch Ocean Outfall Rehabilitation	38,022	-	-
Sodium Bisulfite Station Rehabilitation at Plant 2	167,537	38,453	103,700
Emergency Overflow Pipes & Windwall Rehabilitation at P2	117,242	532	19,800
<b>Subtotal - Ocean Outfall Systems</b>	<u>20,185,766</u>	<u>5,554,453</u>	<u>12,851,400</u>

(Continued)



# FY 2022-23 Mid-Year Financial Report

## Summary of Capital Improvement Construction Requirements - Current Year For the Six Months Ended December 31, 2022

	<b>2022-23 Cashflow Budget</b>	<b>2022-23 Actual at 12/31/2022</b>	<b>2022-23 Projected Outlay</b>
<b><u>Treatment &amp; Disposal Projects (Continued)</u></b>			
<b>Utility Systems</b>			
Electrical Power Distribution System Improvements	2,119,310	326,380	1,668,700
Digester Gas Facilities Rehabilitation	146,143	(11,065)	519,800
Natural Gas Pipelines Replacement at Plants 1 and 2	78,826	78,001	78,100
Central Generation Engine Overhauls at Plants 1 and 2	1,494,195	3,456,009	5,940,900
Power Building Structural Seismic Improv at Plants 1 & 2	215,186	6,022	29,600
Uninterruptable Power Supply Improvements at Plant 1	1,931,267	(476)	1,801,000
Industrial Control System & IT Data Center Relocation at P1	219,007	-	-
<b>Subtotal - Utility Systems</b>	<b>6,203,934</b>	<b>3,854,871</b>	<b>10,038,100</b>
<b>Information Management Systems</b>			
Process Control Systems Upgrades	7,701,063	878,547	2,832,800
Project Management Information System	670,937	17,294	128,500
Information Technology Capital Program	3,007,946	909,630	3,385,200
EAM Software and Process Implementation	383,371	116,633	274,300
<b>Subtotal - Information Management Systems</b>	<b>11,763,317</b>	<b>1,922,104</b>	<b>6,620,800</b>
<b>Strategic &amp; Master Planning</b>			
Planning Studies Program	4,680,829	569,680	4,265,600
<b>Subtotal - Strategic &amp; Master Planning</b>	<b>4,680,829</b>	<b>569,680</b>	<b>4,265,600</b>
<b>Water Management Projects</b>			
GWRS Final Expansion Coordination	272,062	159,658	299,600
<b>Subtotal - Water Management Projects</b>	<b>272,062</b>	<b>159,658</b>	<b>299,600</b>
<b>Research</b>			
Research Program	6,001,774	112,231	3,020,600
<b>Subtotal - Research</b>	<b>6,001,774</b>	<b>112,231</b>	<b>3,020,600</b>

(Continued)

# Capital Improvement Program Budget Review

## Summary of Capital Improvement Construction Requirements - Current Year For the Six Months Ended December 31, 2022

	<u>2022-23 Cashflow Budget</u>	<u>2022-23 Actual at 12/31/2022</u>	<u>2022-23 Projected Outlay</u>
<b><u>Treatment &amp; Disposal Projects (Continued)</u></b>			
<b>Support Facilities</b>			
Small Construction Projects Program	15,340,569	2,054,713	9,562,100
Operations & Maintenance Capital Program	1,629,669	453,325	1,437,500
Headquarters Complex	61,197,823	11,726,229	70,452,600
South Perimeter Security & Utility Improvements at Plant 1	3,738,937	1,375,768	3,081,900
Support Buildings Seismic Improvements at Plant 1	769,029	15,205	542,000
Administrative Facilities & Power Building 3A Demolition	62,055	-	-
Collections Yard Relocation	168,066	118,657	228,000
Operations and Maintenance Complex at Plant 2	832,402	95,666	794,800
<b>Subtotal - Support Facilities</b>	<u>83,738,550</u>	<u>15,839,563</u>	<u>86,098,900</u>
<b>Others</b>			
Capital Improvement Program Management Services	324,865	48,486	323,200
<b>Subtotal - Others</b>	<u>324,865</u>	<u>48,486</u>	<u>323,200</u>
Additional Charges to CIP Completed at 6/30/22	<u>-</u>	<u>2,646</u>	<u>389,400</u>
<b>Total Treatment and Disposal Projects</b>	<u>223,995,034</u>	<u>59,577,272</u>	<u>205,098,500</u>
Capital Equipment Purchases	<u>6,949,700</u>	<u>374,575</u>	<u>6,949,700</u>
<b>Total Collection, Treatment and Disposal Projects and Capital Equipment Purchases</b>	284,617,361	74,939,553	250,434,200
Less: Savings and Deferrals	<u>(16,450,000)</u>	<u>-</u>	<u>-</u>
<b>Net Collection, Treatment and Disposal Projects and Capital Equipment Purchases</b>	<u>\$268,167,361</u>	<u>\$ 74,939,553</u>	<u>\$250,434,200</u>

# FY 2022-23 Mid-Year Financial Report

## Summary of Capital Improvement Construction Requirements - Project Life For the Six Months Ended December 31, 2022

	Approved Project Budget	June 30, 2022 Accumulated Cost	Current Year Projected Cost	Total Projected Cost at June 30, 2023	Remaining Future Budget
<b>Collection System Improvement Projects</b>					
<b>Collections Facilities</b>					
Santa Ana Trunk Sewer Rehabilitation	54,620,000	182,469	1,358,900	1,541,369	53,078,631
Greenville-Sullivan Trunk Improvements	48,600,000	68,831	641,900	710,731	47,889,269
Taft Branch Capacity Improvements	24,300,000	1,035,786	1,122,700	2,158,486	22,141,514
Newhope-Placentia Trunk Replacement	112,000,000	108,787,808	631,000	109,418,808	2,581,192
Yorba Linda Dosing Station Installation	11,266,000	-	-	-	11,266,000
Santa Ana Canyon South River Trunk Rehabilitation	16,276,000	-	-	-	16,276,000
Knott - Miller Holder - Artesia Branch Rehabilitation	28,317,000	-	67,500	67,500	28,249,500
Westminster Blvd Force Main Replacement	43,000,000	34,186,462	7,407,800	41,594,262	1,405,738
Rehabilitation of Western Regional Sewers	101,000,000	27,752,574	12,655,800	40,408,374	60,591,626
Interstate 405 Widening Project Impacts on OC San Sewers	500,000	292,050	5,700	297,750	202,250
Seal Beach Pump Station Replacement	100,000,000	7,663,266	842,400	8,505,666	91,494,334
Los Alamitos Sub-Trunk Extension	116,799,000	-	-	-	116,799,000
Crystal Cove Pump Station Rehabilitation	13,903,000	-	-	-	13,903,000
Bay Bridge Pump Station Replacement	102,162,800	10,176,020	3,709,200	13,885,220	88,277,580
Newport Beach Pump Station Pressurization Improvements	3,191,360	714,752	207,100	921,852	2,269,508
Fairview Trunk Sewer Rehabilitation	19,300,000	123,946	416,900	540,846	18,759,154
MacArthur Pump Station Rehabilitation	9,329,000	-	-	-	9,329,000
Main Street Pump Station Rehabilitation	37,663,000	-	-	-	37,663,000
Gisler Red-Hill Interceptor & Baker Force Main Rehabilitation	44,400,000	2,169,842	1,133,900	3,303,742	41,096,258
MacArthur Force Main Improvement	7,150,000	589,229	279,900	869,129	6,280,871
North Trunk Improvements	10,854,000	-	-	-	10,854,000
Edinger Pump Station Replacement	17,300,000	155,738	1,032,100	1,187,838	16,112,162
Slater Pump Station Rehabilitation	28,511,000	16,480	-	16,480	28,494,520
Small Construction Projects Program - Collections	9,489,000	3,267,693	3,009,200	6,276,893	3,212,107
Operations & Maintenance Capital Program - Collections	568,000	270,754	-	270,754	297,246
Planning Studies Program - Collections	1,371,000	379,436	267,900	647,336	723,664
Sunflower and Red Hill Interceptor Repairs	7,000,000	1,694,005	3,456,100	5,150,105	1,849,895
<b>Subtotal - Collections Facilities</b>	<b>968,870,160</b>	<b>199,527,141</b>	<b>38,246,000</b>	<b>237,773,141</b>	<b>731,097,019</b>
<b>Revenue Area 14:</b>					
Bay Bridge Pumping Station Rehabilitation (3.62%)	3,837,200	382,208	139,400	521,608	3,315,592
Newport Beach Pump Station Pressurization Improve (0.27%)	8,640	1,935	600	2,535	6,105
<b>Subtotal - Revenue Area 14</b>	<b>3,845,840</b>	<b>384,143</b>	<b>140,000</b>	<b>524,143</b>	<b>3,321,697</b>
<b>Total Collection System Improvement Projects</b>	<b>972,716,000</b>	<b>199,911,284</b>	<b>38,386,000</b>	<b>238,297,284</b>	<b>734,418,716</b>

(Continued)

# Capital Improvement Program Budget Review

## Summary of Capital Improvement Construction Requirements - Project Life For the Six Months Ended December 31, 2022

	Approved Project Budget	June 30, 2022 Accumulated Cost	Current Year Projected Cost	Total Projected Cost at June 30, 2023	Remaining Future Budget
<b>Treatment &amp; Disposal Projects</b>					
<b>Headworks</b>					
Headworks Rehabilitation at Plant 1	340,000,000	68,730,878	34,271,200	103,002,078	236,997,922
Headworks Modifications at P2 for GWRS Final Expansion	30,400,000	24,319,296	4,268,400	28,587,696	1,812,304
<b>Subtotal - Headworks</b>	<b>370,400,000</b>	<b>93,050,174</b>	<b>38,539,600</b>	<b>131,589,774</b>	<b>238,810,226</b>
<b>Primary Treatment</b>					
Primary Sedimentation Basins 3-5 Replacement at Plant 1	183,000,000	830,406	2,401,400	3,231,806	179,768,194
Primary Sedimentation Basins 6-31 Reliability Improv at P1	14,000,000	2,386,965	2,643,000	5,029,965	8,970,035
Primary Treatment Rehabilitation at Plant 2	188,000,000	56,597,712	24,030,300	80,628,012	107,371,988
B/C-Side Primary Clarifiers Rehabilitation at Plant 2	306,093,000	-	-	-	306,093,000
<b>Subtotal - Primary Treatment</b>	<b>691,093,000</b>	<b>59,815,083</b>	<b>29,074,700</b>	<b>88,889,783</b>	<b>602,203,217</b>
<b>Secondary Treatment</b>					
Activated Sludge-1 Aeration Basin & Blower Rehab at P1	280,000,000	202,873	1,426,800	1,629,673	278,370,327
Return Activated Sludge Piping Replacement at Plant 2	10,000,000	9,103,909	369,800	9,473,709	526,291
Activated Sludge Aeration Basin Rehabilitation at Plant 2	65,600,000	69,817	75,400	145,217	65,454,783
<b>Subtotal - Secondary Treatment</b>	<b>355,600,000</b>	<b>9,376,599</b>	<b>1,872,000</b>	<b>11,248,599</b>	<b>344,351,401</b>
<b>Solids Handling &amp; Digestion</b>					
Digester Ferric Chloride Piping Replacement at Plant 1	1,260,000	948,606	5,100	953,706	306,294
Interim Food Waste Receiving Facility	6,300,000	1,348,671	2,600	1,351,271	4,948,729
TPAD Digester Facility at Plant 2	475,000,000	15,113,088	10,108,500	25,221,588	449,778,412
Digester P, Q, R, and S Replacement	171,359,000	-	-	-	171,359,000
Digesters Rehabilitation at Plant No. 2	40,632,000	240,209	1,588,400	1,828,609	38,803,391
Truck Loading Bay Odor Control Improvements at Plant 2	7,600,000	-	-	-	7,600,000
<b>Subtotal - Solids Handling &amp; Digestion</b>	<b>702,151,000</b>	<b>17,650,574</b>	<b>11,704,600</b>	<b>29,355,174</b>	<b>672,795,826</b>
<b>Ocean Outfall Systems</b>					
Ocean Outfall System Rehabilitation	166,000,000	100,967,433	12,727,900	113,695,333	52,304,667
120-inch Ocean Outfall Rehabilitation	64,968,000	-	-	-	64,968,000
Sodium Bisulfite Station Rehabilitation at Plant 2	5,000,000	59,345	103,700	163,045	4,836,955
Emergency Overflow Pipes & Windwall Rehabilitation at P2	4,370,000	-	19,800	19,800	4,350,200
<b>Subtotal - Ocean Outfall Systems</b>	<b>240,338,000</b>	<b>101,026,778</b>	<b>12,851,400</b>	<b>113,878,178</b>	<b>126,459,822</b>

(Continued)

# FY 2022-23 Mid-Year Financial Report

## Summary of Capital Improvement Construction Requirements - Project Life For the Six Months Ended December 31, 2022

	Approved Project Budget	June 30, 2022 Accumulated Cost	Current Year Projected Cost	Total Projected Cost at June 30, 2023	Remaining Future Budget
<b>Treatment &amp; Disposal Projects (Continued)</b>					
<b>Utility Systems</b>					
Electrical Power Distribution System Improvements	27,700,000	3,064,884	1,668,700	4,733,584	22,966,416
Digester Gas Facilities Rehabilitation	173,000,000	16,305,089	519,800	16,824,889	156,175,111
Natural Gas Pipelines Replacement at Plants 1 and 2	2,150,000	2,095,716	78,100	2,173,816	(23,816)
Central Generation Engine Overhauls at Plants 1 and 2	44,000,000	4,375,021	5,940,900	10,315,921	33,684,079
Power Building Structural Seismic Improv at Plants 1 & 2	5,400,000	23,811	29,600	53,411	5,346,589
Central Generation Rehabilitation at Plant 1	33,302,000	-	-	-	33,302,000
Uninterruptable Power Supply Improvements at Plant 1	9,600,000	1,481,688	1,801,000	3,282,688	6,317,312
12.47 kV Switchgear Replacement at CenGen at Plant 1	15,388,000	-	-	-	15,388,000
Industrial Control System & IT Data Center Relocation at P1	5,700,000	-	-	-	5,700,000
Central Generation Rehabilitation at Plant 2	53,108,000	-	-	-	53,108,000
<b>Subtotal - Utility Systems</b>	<b>369,348,000</b>	<b>27,346,209</b>	<b>10,038,100</b>	<b>37,384,309</b>	<b>331,963,691</b>
<b>Information Management Systems</b>					
Process Control Systems Upgrades	37,000,000	954,396	2,832,800	3,787,196	33,212,804
Project Management Information System	2,280,000	1,486,363	128,500	1,614,863	665,137
Information Technology Capital Program	10,000,000	815,948	3,385,200	4,201,148	5,798,852
EAM Software and Process Implementation	9,200,000	6,664,411	274,300	6,938,711	2,261,289
<b>Subtotal - Information Management Systems</b>	<b>58,480,000</b>	<b>9,921,118</b>	<b>6,620,800</b>	<b>16,541,918</b>	<b>41,938,082</b>
<b>Strategic &amp; Master Planning</b>					
Planning Studies Program	27,281,000	5,590,365	4,265,600	9,855,965	17,425,035
<b>Subtotal - Strategic &amp; Master Planning</b>	<b>27,281,000</b>	<b>5,590,365</b>	<b>4,265,600</b>	<b>9,855,965</b>	<b>17,425,035</b>
<b>Water Management Projects</b>					
GWRS Final Expansion Coordination	1,399,997	1,105,262	299,600	1,404,862	(4,865)
<b>Subtotal - Water Management Projects</b>	<b>1,399,997</b>	<b>1,105,262</b>	<b>299,600</b>	<b>1,404,862</b>	<b>(4,865)</b>
<b>Research</b>					
Research Program	10,000,000	2,617,245	3,020,600	5,637,845	4,362,155
<b>Subtotal - Research</b>	<b>10,000,000</b>	<b>2,617,245</b>	<b>3,020,600</b>	<b>5,637,845</b>	<b>4,362,155</b>

(Continued)

# Capital Improvement Program Budget Review

## Summary of Capital Improvement Construction Requirements - Project Life For the Six Months Ended December 31, 2022

	Approved Project Budget	June 30, 2022 Accumulated Cost	Current Year Projected Cost	Total Projected Cost at June 30, 2023	Remaining Future Budget
<b><u>Treatment &amp; Disposal Projects (Continued)</u></b>					
<b>Support Facilities</b>					
Small Construction Projects Program	80,511,000	19,373,667	9,562,100	28,935,767	51,575,233
Operations & Maintenance Capital Program	15,054,000	1,586,585	1,437,500	3,024,085	12,029,915
Laboratory Rehabilitation at Plant 1	100,000,000	-	-	-	100,000,000
Headquarters Complex	167,500,000	74,108,146	70,452,600	144,560,746	22,939,254
South Perimeter Security & Utility Improvements at Plant 1	8,150,000	4,437,929	3,081,900	7,519,829	630,171
Support Buildings Seismic Improvements at Plant 1	23,730,000	82,062	542,000	624,062	23,105,938
Administrative Facilities & Power Building 3A Demolition	8,910,000	-	-	-	8,910,000
Collections Yard Relocation	1,900,000	3,487	228,000	231,487	1,668,513
Operations and Maintenance Complex at Plant 2	84,000,000	226,529	794,800	1,021,329	82,978,671
<b>Subtotal - Support Facilities</b>	<b>489,755,000</b>	<b>99,818,405</b>	<b>86,098,900</b>	<b>185,917,305</b>	<b>303,837,695</b>
<b>Others</b>					
Capital Improvement Program Management Services	700,000	423,335	323,200	746,535	(46,535)
<b>Subtotal - Others</b>	<b>700,000</b>	<b>423,335</b>	<b>323,200</b>	<b>746,535</b>	<b>(46,535)</b>
Additional Charges to CIP Completed at 6/30/22	-	-	389,400	389,400	(389,400)
<b>Total Treatment and Disposal Projects</b>	<b>3,316,545,997</b>	<b>427,741,147</b>	<b>205,098,500</b>	<b>632,839,647</b>	<b>2,683,706,350</b>
Capital Equipment Purchases	16,278,248	-	6,949,700	6,949,700	9,328,548
<b>Total Collection, Treatment and Disposal Projects and Capital Equipment Purchases</b>	<b>\$4,305,540,245</b>	<b>\$627,652,431</b>	<b>\$250,434,200</b>	<b>\$878,086,631</b>	<b>\$3,427,453,614</b>

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# Capital Assets Schedule & Debt Service Budget Review

## Capital Assets Schedule & Debt Service Budget Review For the Six Months Ended December 31, 2022

### Capital Assets Schedule

	<u>Balance 07/01/22</u>	<u>Year-to-Date Activity</u>	<u>Balance 12/31/22</u>
<b>CONSTRUCTION IN PROGRESS (CIP):</b>			
Collection System	\$ 169,154,138	\$ 14,987,706	\$ 184,141,844
Treatment Plant	382,973,407	59,951,847	442,925,254
<b>Subtotal</b>	552,127,545	74,939,553	627,067,098
<b>PROPERTY, PLANT &amp; EQUIPMENT (at cost):</b>			
Land and Property Rights	57,680,623	-	57,680,623
Collection Lines and Pump Stations	900,839,423	-	900,839,423
Treatment Facilities	2,826,642,906	-	2,826,642,906
Effluent disposal facilities	96,972,016	-	96,972,016
Solids disposal facilities	3,463,236	-	3,463,236
General and administrative facilities	261,393,327	-	261,393,327
Leased sewage collection facilities	86,747	-	86,747
Excess purchase price over book value on acquired assets	19,979,000	-	19,979,000
<b>Subtotal</b>	4,167,057,278	-	4,167,057,278
<b>Total Property, Plant &amp; Equipment &amp; CIP</b>	\$ 4,719,184,823	\$ 74,939,553	\$ 4,794,124,376

### Debt Service Budget Review

	<u>2022-23 Budget</u>	<u>Year-to-Date Payments</u>	<u>% of Budget</u>	<u>Remaining Budget</u>
<b>Principal Payments by Debt Issue:</b>				
2010A BABs	\$ -	\$ -	-	\$ -
2010C BABs	-	-	-	-
2014A COP	8,655,000	-	0.00%	8,655,000
2015A COP	-	-	-	-
2016A COP	5,110,000	-	0.00%	5,110,000
2017A COP	-	-	-	-
2021A COP	16,270,000	-	0.00%	16,270,000
2022A COP	-	-	-	-
<b>Subtotal Principal Payments</b>	30,035,000	-	0.00%	30,035,000
<b>Interest Expense by Debt Issue:</b>				
2010A BABs	2,986,574	2,106,337	70.53%	880,237
2010C BABs	6,724,010	4,742,255	70.53%	1,981,755
2014A COP	2,391,750	1,195,875	50.00%	1,195,875
2015A COP	6,375,500	3,187,750	50.00%	3,187,750
2016A COP	6,281,550	3,140,775	50.00%	3,140,775
2017A COP	3,290,750	1,645,375	50.00%	1,645,375
2021A COP	6,402,000	3,201,000	50.00%	3,201,000
2022A COP	4,081,000	2,042,528	50.05%	2,038,472
<b>Subtotal Interest Expense</b>	38,533,134	21,261,895	55.18%	17,271,239
<b>Total Debt Service</b>	\$ 68,568,134	\$ 21,261,895	31.01%	\$ 47,306,239



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# Self Insurance Budget Review

## General Liability and Property Fund Budget Review For the Six Months Ended December 31, 2022

	2022-23 Budget	Actual Through 12/31/22	Percent of Budget Through 12/31/22	Remaining 2022-23 Budget	Actual Through 12/31/21	Increase (Decrease)
<b>Revenues:</b>						
In-Lieu Premiums	\$ 2,425,000	\$ 1,212,496	50.00%	\$ 1,212,504	\$ 1,069,996	\$ 142,500
Service Department Allocations	10,000	4,440	44.40%	5,560	3,552	888
<b>Total Revenues</b>	<u>2,435,000</u>	<u>1,216,936</u>	<u>49.98%</u>	<u>1,218,064</u>	<u>1,073,548</u>	<u>143,388</u>
<b>Expenses:</b>						
Benefits/Claims	20,000	40,000	200.00%	(20,000)	3,233	36,767
Legal Services	40,000	-	0.00%	40,000	-	-
Professional Services	20,000	5,472	27.36%	14,528	10,177	(4,705)
<b>Subtotal</b>	80,000	45,472	56.84%	34,528	13,410	32,062
Policy Premium Expense	2,820,000	1,478,624	52.43%	1,341,376	1,226,313	252,311
<b>Total Expenses</b>	<u>2,900,000</u>	<u>1,524,096</u>	<u>52.56%</u>	<u>1,375,904</u>	<u>1,239,723</u>	<u>284,373</u>
<b>Excess Revenue (Expense)</b>	(465,000)	(307,160)		<u>\$ (157,840)</u>	(166,175)	(140,985)
<b>Beginning Reserves</b>	<u>98,465,000</u>	<u>98,000,000</u>			<u>98,861,957</u>	<u>(861,957)</u>
<b>Ending Reserves</b>	<u>\$ 98,000,000</u>	<u>\$ 97,692,840</u>			<u>\$ 98,695,782</u>	<u>\$ (1,002,942)</u>

# FY 2022-23 Mid-Year Financial Report

## Workers' Compensation Fund Budget Review For the Six Months Ended December 31, 2022

	<u>2022-23 Budget</u>	<u>Actual Through 12/31/22</u>	<u>Percent of Budget Through 12/31/22</u>	<u>Remaining 2022-23 Budget</u>	<u>Actual Through 12/31/21</u>	<u>Increase (Decrease)</u>
<b>Revenues:</b>						
In-Lieu Premiums	\$ 518,500	\$ 259,250	50.00%	\$ 259,250	\$ 390,000	\$ (130,750)
Service Department Allocations	90,000	49,398	54.89%	40,602	44,850	4,548
<b>Total Revenues</b>	<u>608,500</u>	<u>308,648</u>	<u>50.72%</u>	<u>299,852</u>	<u>434,850</u>	<u>(126,202)</u>
<b>Expenses:</b>						
Benefits/Claims	390,000	508,878	130.48%	(118,878)	185,426	323,452
Legal Services	60,000	73,685	122.81%	(13,685)	-	73,685
Professional Services	70,000	40,624	58.03%	29,376	40,562	62
<b>Subtotal</b>	<u>520,000</u>	<u>623,187</u>	<u>119.84%</u>	<u>(103,187)</u>	<u>225,988</u>	<u>397,199</u>
Policy Premium Expense	<u>270,000</u>	<u>154,691</u>	<u>57.29%</u>	<u>115,309</u>	<u>133,178</u>	<u>21,513</u>
<b>Total Expenses</b>	<u>790,000</u>	<u>777,878</u>	<u>98.47%</u>	<u>12,122</u>	<u>359,166</u>	<u>418,712</u>
<b>Excess Revenue (Expense)</b>	(181,500)	(469,230)		<u>\$ 287,730</u>	75,684	(544,914)
<b>Beginning Reserves</b>	<u>2,181,500</u>	<u>2,000,000</u>			<u>2,149,679</u>	<u>(149,679)</u>
<b>Ending Reserves</b>	<u>\$ 2,000,000</u>	<u>\$ 1,530,770</u>			<u>\$ 2,225,363</u>	<u>\$ (694,593)</u>

January 31, 2023

## **STAFF REPORT**

Treasurer's Report  
For the Mid-Year Ended December 31, 2022

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### **SUMMARY**

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

The ongoing monitoring of OC San's investment program by staff and Callan Associates, OC San's independent investment advisor, indicates that OC San's investments are in compliance with OC San'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 OC San to meet budgeted expenditures for the next six months. OC San'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 OC San's portfolios, as of December 31, 2022. The Liquid Operating Monies portfolio, with an average maturity of 77 days, consists entirely of high quality fixed income investments consistent with OC San's investment policy.

#### **Portfolio Performance Summary**

The following table presents a performance summary of OC San's portfolios as compared to their benchmarks as of December 31, 2022.

Treasurer's Report  
For the Mid-Year Ended December 31, 2022  
Page 2 of 4

<b>Portfolio Performance Summary As of December 31, 2022</b>				
	Liquid Operating Monies (%)		Long-Term Operating Monies (%)	
	Total Rate of Return	Benchmark <sup>(1)</sup>	Total Rate of Return	Benchmark <sup>(1)</sup>
3 Months	0.89	0.84	1.07	1.08
6 Months	1.24	1.31	-0.96	-1.21
9 Months	1.29	1.42	-1.90	-2.16
12 Months	1.27	1.45	-4.78	-5.33
Annualized Since inception 30 Nov 2014	1.01	0.93	0.97	0.86
<b>Market Value</b>				
Market Value	\$225.4 M		\$712.7 M	
Average Quality	"AAA"/"Aaa"		"AA"/"Aa1"	
Current Yield (%)	2.5		1.9	
Estimated Yield to Maturity (%)	4.3		4.6	
Quarterly Deposits (Withdrawals)	\$114.8 M		\$5.0 M	
Estimated Annual Income	\$8.0 M		\$12.9 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.

<b>Quarter Ending</b>	<b>Liquid Operating Monies (\$M)</b>	<b>Long-Term Operating Monies (\$M)</b>
31 Mar 22	155.8	720.7
30 Jun 22	183.9	714.1
30 Sep 22	109.5	700.2
31 Dec 22	225.4	712.7

**Orange County Sanitation District Investment Account Balances as of December 31, 2022**

Investment Accounts	Book Balances December 31, 2022	Estimated Yield (%)
Chandler/U.S. Bank – Long-Term Portfolio	\$711,809,962	4.57
Chandler/U.S. Bank – Short-Term Portfolio	225,457,986	4.27
State of California LAIF	72,151,535	2.17
PARS Section 115 Trust - Moderate	8,735,507	-2.53
PARS Section 115 Trust - Balanced	4,346,593	-3.01
Banc of California – General	5,000,000	0.45
Banc of California – Sweep	9,933,278	0.02
Banc of California – Workers' Compensation	79,766	0.45
Banc of California – Property, Liability Claim, Exp	50,000	0.45
Union Bank – Mount Langley	415,373	0.66
Union Bank – Bandilier	247,212	0.66
BNY Mellon OCIP Reserve	250,000	0.00
Petty Cash	3,000	0.00
TOTAL	<u>\$1,038,480,212</u>	4.18
Debt Service Reserves w/Trustees	<u>\$26,946</u>	4.06

**Orange County Sanitation District Cost of Funds on Debt Issues as of December 31, 2022**

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
2014A Fixed	47,835,000	2.34
2015A Fixed	127,510,000	3.30
2016A Fixed	131,965,000	3.02
2017A Fixed	65,815,000	2.55
2021A Fixed	128,040,000	1.06
2022A Fixed	<u>81,620,000</u>	1.59
TOTAL	<u>\$819,785,000</u>	
Weighted Avg. Cost of Funds		2.81

## **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. Chandler/U.S. Bank Custody Transaction History – Consolidated
11. Callan Quarterly Review
12. Chandler Quarterly Review
13. Rating Agency Comparisons
14. PARS Section 115 Trust Quarterly Review

December 31, 2022

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**

Market volatility has intensified as global central banks pursue monetary policies to combat persistently high inflation. Although the pace of job growth is moderating, the strength of the labor market has sustained economic growth. Inflation metrics are trending downward but remain significantly higher than the Fed's target. While evidence of slower economic conditions has begun to mount, we expect the Federal Reserve to continue to raise rates to battle inflation, albeit at a less aggressive pace. Over the near-term, we expect financial market volatility to remain intensified with persistent inflation, geopolitical risk, and the Fed's hawkish monetary policy.

As expected at the December 14th meeting, the Federal Open Market Committee (FOMC) raised the fed funds target rate by 50 basis points to a range of 4.25 – 4.50%, in a downshift from four consecutive 75 basis point hikes. The decision was unanimous, and there was no change to the November statement. The sentiment was hawkish, indicating that “ongoing increases” in the fed funds rate are likely appropriate and citing continued labor market imbalances. FOMC members forecasted a higher fed funds rate, slower GDP growth, higher inflation, and higher unemployment in 2023 than in the September projections. We believe the FOMC will continue to implement tighter monetary policy at a slower pace and hold rates at restrictive levels for some time until inflationary pressures subside and remain in the Fed's target range.

In December, yields rose, and the curve became less inverted. The 2-year Treasury yield increased 12 basis points to 4.43%, the 5-year Treasury yield rose 27 basis points to 4.01%, and the 10-year Treasury yield climbed 27 basis points to 3.88%. The inversion between the 2-year Treasury yield and 10-year Treasury yield narrowed to -55 basis points at December month-end versus -71 basis points at November month-end. The spread was a positive 78 basis points one year ago. The inversion between 3-month and 10-year treasuries narrowed to -50 basis points in December from -74 basis points in November. The year 2022 saw a dramatic shift in the Federal Reserve's policy from highly accommodative to aggressive tightening, resulting in significantly higher rates and an inverted yield curve. The shape of the yield curve indicates that the probability of recession is increasing.

Yields on Treasury securities increased in December and remain significantly higher from a year ago. The 2-year Treasury yield was 369 basis points higher, and the 10-Year Treasury yield was about 236 basis points higher, year-over-year. The inversion between 3-month and 10-year Treasury yields narrowed to -50 basis points in December from -74 basis points in November. The average historical spread between the 2-year Treasury and 10-Year Treasury yield (since 2003) is about +125 basis points. Inverted yield curves are typically harbingers of slower economic growth or an increased probability of a recession in the future.



## Consumer Prices

The Consumer Price Index (CPI) decreased to up 6.5% on a year-over-year in December versus up 7.1% in November, in line with consensus expectations. The Core CPI, which excludes volatile food and energy components, declined to up 5.7% year-over-year, down from up 6.0% increase in November. Food and shelter costs continued to rise but were offset by broad price declines in energy. The Personal Consumption Expenditures (PCE) index rose 5.5% year-over-year in November, versus an upwardly revised 6.1% year-over-year gain in October. Core PCE increased 4.7% year-over-year in November versus a 5.0% year-over-year gain in October. Although inflation may have peaked, levels remain well above the Fed's target of around 2%, which is likely to keep the Federal Reserve on the path of tightening monetary policy, albeit at a less aggressive pace.

## Retail Sales

Advance Retail Sales declined more than expected in November at -0.6% month-over-month and +6.5% year-over-year, possibly suggesting some loss of momentum in consumer demand for goods amid high inflation and shifting preferences toward services. Additionally, Amazon's Prime Day may have pulled some holiday spending activity forward into October from November. The Conference Board's Consumer Confidence Index jumped more than expected to 108.3 in December from an upwardly revised 101.4 in November. Views of current conditions and the future outlook for the economy both improved as inflation expectations declined.

## Labor Market

The U.S. economy added 223,000 jobs in December, slightly higher than market expectations of 205,000, but a decline from November's revised increase of 256,000. Trends in employment remain healthy, with the three-month moving average payrolls at 247,000 and the six-month moving average at 307,000. Jobs in the goods producing sector were surprisingly strong, and leisure and hospitality employment growth remained solid. The unemployment rate dipped to 3.5%, returning to its pre-pandemic level. The labor participation rate increased only slightly to 62.3% in December from 62.1% in November, indicating the supply of labor remains challenging for employers. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons declined to 6.5% from the prior month at 6.7%. Average hourly earnings rose 4.6% year-over-year in December, down from a revised 4.8% increase in November. Overall, the December employment report demonstrates a strong demand for labor and supports the case for the Fed to continue raising the federal funds rate, but perhaps at a slower pace.

## Housing Starts

Total housing starts declined 0.5% in November to 1,427,000 units after an upward revision to 1,434,000 units in October. Single-family home starts fell 4.1%, whereas multi-family starts rose 4.9% month-over-month. On a year-over-year basis, total housing starts decreased 16.4% reflecting a shift from single-family units to more affordable multi-family units as homebuyers struggle with a combination of elevated prices and higher mortgage rates. The 30-year mortgage rate has edged up to 6.4% according to Freddie Mac but remains below recent highs which topped 7%. According to the Case-Shiller 20-City Home Price Index, the year-over-year increase continued its declining rate of gain to +8.6% in October from +10.4% in September, clearly displaying the impact of higher mortgage rates which have reduced demand for homebuying as affordability has declined.

TREASURY YIELDS	12/31/2022	9/30/2022	CHANGE
3 Month	4.37	3.27	1.10
2 Year	4.43	4.28	0.15
3 Year	4.23	4.29	(0.06)
5 Year	4.01	4.09	(0.08)
7 Year	3.97	3.99	(0.02)
10 Year	3.88	3.83	0.05
30 Year	3.97	3.78	0.19

#### Inflation Remains above the Federal Reserve's Target but has Receded from its Recent Highs

ECONOMIC INDICATOR	Current Release	Prior Release	One Year Ago
Trade Balance	(61.51) \$Bln NOV 22	(77.85) \$Bln OCT 22	(77.98) \$Bln NOV 21
Gross Domestic Product	3.20% SEP 22	(0.60%) JUN 22	2.70% SEP 21
Unemployment Rate	3.50% DEC 22	3.60% NOV 22	3.90% DEC 21
Prime Rate	7.50% DEC 22	7.00% NOV 22	3.25% DEC 21
Refinitiv/CoreCommodity CRB Index	277.75 DEC 22	279.76 NOV 22	232.37 DEC 21
Oil (West Texas Int.)	\$80.26 DEC 22	\$80.55 NOV 22	\$76.56 DEC 21
Consumer Price Index (y/o/y)	6.50% DEC 22	7.10% NOV 22	7.00% DEC 21
Producer Price Index (y/o/y)	10.60% NOV 22	11.20% OCT 22	13.30% NOV 21
Euro/Dollar	1.07 DEC 22	1.04 NOV 22	1.14 DEC 21

Source: Bloomberg

## **Performance Attribution**

### **Long-Term Portfolio**

The OC Sanitation Long-Term Portfolio generated a positive total return of 1.07% during the quarter, closely tracking the 1.08% return of the ICE Bank of America 1-5 Year US Corporate and Government AAA-A Index. In a welcome development, interest rates stabilized further out the maturity distribution on a quarter over quarter basis, despite some of the volatility within the quarter, and investment grade credit spreads moved tighter during the quarter, enabling the portfolio to generate a positive return. The Fed Funds rate has increased by 4.25% in 2022 and the Chandler team expects a few more modest increases in 2023 to bring the Fed Funds rate either side of the 5% area. Interest rate volatility will remain in the short term, but is set to return to more normalized levels later in the year when monetary policy stabilizes.

Multiple securities were purchased across the Treasury, Asset Backed, and Corporate portions of the sector allocation. The purchased securities ranged in maturity from October 2025 to September 2027. One security matured, several were sold, and a net \$5 million was contributed to the portfolio during the reporting period.

The sector allocation was relatively stable; the two largest changes were the 1.3% increase in the Treasury allocation, to 34.7% of the portfolio, partially offset by the 1.2% decline in the Agency allocation, to 17.8% of the portfolio. The duration of the portfolio contracted moderately during the quarter, currently at 2.28 compared to 2.41 at the end of September. The Chandler team focused on the structure of the portfolio, adding across the maturity distribution but with a bias towards the middle of the term structure, which we identified as having superior relative value.

### **Liquid Portfolio**

The Liquidity Portfolio generated a total quarterly return of 0.89% compared to the 0.84% return of the ICE Bank of America 3-month US Treasury Bill Index. Transaction activity was elevated in the portfolio as a net \$114.8 million was contributed to the Liquidity portfolio during the quarter. The Chandler team added exposure in the Treasury, Agency, Certificate of Deposit, Commercial Paper, and Corporate portions of the allocation. The purchased securities ranged in maturity from January 2023 to July 2023. Additionally, seven securities matured during the period. The sector allocation evolved materially driven by the large cash flows during the quarter, including the \$76.8 million in late December. Some of the notable changes include the 17.1% reduction in the Treasury allocation, to 46.2% of the portfolio, offset by the 18.9% increase in the Agency allocation, with discount notes becoming more attractively priced, to 24.5% of the portfolio. The elevated Money Market balance was a tactical decision with the money market sweep having a better yield than very short-term alternatives at the end of the year in illiquid markets. The duration of the portfolio contracted on a quarter over quarter basis, driven by upcoming large cash flow needs at the end of January. The current duration is 0.21 compared to 0.28 at the end of September 2022.

## Economic Outlook

On a quarter-over-quarter basis markets were relatively sanguine in the last three months of the year compared to the elevated levels of volatility and negative asset price performance between January and September 2022. The majority of domestic equity indices generated a positive return for the quarter, with the exception of the technology dominated Nasdaq index, which generated a modest negative total return in the three-month period. Fixed income markets also generated positive total returns on the quarter as intermediate and longer maturity interest rates stabilized. Asset classes dependent on low interest rates to justify their valuation continue to face headwinds, with the technology sector and housing market being prime examples. Geopolitical risks continue to percolate impeding the ability of market participants to get comfortable in establishing solid visibility on the go forward outlook. China's relaxing of its zero COVID policy is a necessary positive step over an intermediate time horizon, but the short-term impacts could be severe to the global outlook given the lack of herd immunity and the efficacy of vaccines in the region. The Russia/Ukraine conflict continues to linger and thus far the weather/climate situation in the Euro region is cooperating helping to mitigate the potential for an energy crisis in the winter months. The Chandler team is forecasting geopolitical risks to remain prominent during the first half of 2023 which will keep policymakers and market participants on edge.

Trends in US economic data remain mixed with data available to support either the 'soft' or 'hard' landing outlook. Financial conditions have tightened throughout the year but outside of a few interest rate sensitive sectors the domestic economy is adjusting to the higher interest rate regime. On the constructive side, job growth remains very solid with the three-month moving average on payrolls a robust 247k and the unemployment rate down to 3.5%. Weekly jobless claims also remain sound, well below the 250k caution zone, and job openings remain well above normalized levels. Consumer Confidence improved of late, coming in at 108.3 in December compared to 101.4 in the prior month and well above the year-to-date low in July of 95.3. The goods producing portion of the economy is facing headwinds, with the ISM Manufacturing Index dropping modestly into contraction territory in both November (49.0) and December (48.4). The dollar has been appreciating for most of the year but is well off the highs as other developed market central banks are now tightening policy. The reversal in the strength of the dollar should serve as a catalyst to lessen pressure on the manufacturing sector in coming quarters. The services side of the economy has remained mostly resilient, but the December ISM Services Index surprisingly contracted by 6.9 points to 49.6; one number does not make a trend, and weather trends in December likely were a contributing factor to the decline, but the data release was disconcerting to the outlook. The Chandler team will be scrutinizing other service sector data closely to either corroborate or discount the recent ISM Services release.

Inflation trends are crucial to the trajectory of monetary policy both domestically and globally; even the ultra-dovish Bank of Japan surprised markets in December by widening the bands on their yield curve control policy, a de facto tightening of policy. Given the base effects of both Core CPI and Core PCE inflation indices, with elevated inflation readings in December 2021, January 2022, and February 2022 rolling out of the year-over-year number, the Chandler team is confident inflation will be trending lower in the first half of 2023. We are less confident inflation will be able to trend all the way down to the Federal Reserve's 2% objective in 2023. The Chandler team believes the Federal Reserve will continue to tighten monetary policy up to the 5% area (current range is 4.25% to 4.50%) and hold policy in a restrictive stance for the majority of 2023. At this point, we believe pricing in an easing of monetary policy in the second half of 2023 is premature given the totality of the data. The lower trajectory of inflation and the ability of the Federal Reserve to pause interest rate hikes in the first quarter of 2023 are consistent with a 'softish' landing for the economy.

## Strategy

### Strategy highlights for the Long-Term portfolio in coming months

- Focus on risk management and optimizing the underlying mix of securities within the portfolio.
  - Seek opportunities to identify and purchase dislocated securities with attractive valuations correlated with the increased market volatility and tighter financial conditions.
  - Optimize the term structure of the portfolio by modestly favoring the middle of the maturity distribution where relative valuations are more compelling.
- Utilize the primary market to adjust the sector allocation of the portfolio in the Corporate and Asset Backed sectors.
- Diversify shorter maturity exposure by taking advantage of more attractive relative values in both short Agency securities and negotiable CDs at the expense of the Treasury allocation.

### Strategy highlights for the Liquidity portfolio in coming months

- Focus on upcoming liquidity needs based on the cash flow forecast; ensure maturing securities offset cash flow needs.
- Opportunistically add longer duration Corporate, Negotiable CD, and Commercial paper beyond the six-month maturity point to enhance the total return of the strategy.

## 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
U.S. Treasuries	10% minimum; 5 years max maturity	Complies
Federal 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; Securities, obligations, participations, or other instruments of, or issued by, or fully guaranteed as to principal and interest by the US Government, a federal agency, or a US Government-sponsored enterprise	Complies
Supranational Obligations	"AA" rated or better by a NRSRO; 30% max; 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
Municipal Securities	"A" rated or higher by a NRSRO; or as otherwise approved by the Board of Directors; Taxable or tax-exempt municipal bonds issued by any of the 50 states; 10% max; 5% max issuer; 5 years max maturity	Complies
Corporate Medium Term Notes	"A" rating category or better by a NRSRO; 30% max; 5% max per 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. with AUM >\$500 million	Complies
Non- Agency Asset-Backed Securities, Mortgage-Backed Securities, CMOs	"AA" rating category or better by a NRSRO; 20% max(combined MBS/CMO/ABS); 5% max issuer (except U.S. government or its agencies); 5 years max maturity; Mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond	Complies
Negotiable Certificates of Deposit (NCD)	"A" rating or better long term debt by a NRSRO; or highest short term rating for deposits by a NRSRO; or as otherwise approved by the Board of Directors; 30% max; 5% max issuer; 5 years max maturity; Negotiable certificates of deposit issued by a nationally or state-chartered bank or state of federal savings and loan association, as defined by Section 5102 of the California Financial Code	Complies
Certificates of Deposit	5% max issuer; 5 years max maturity; Secured (collateralized) time deposits issued by a nationally or state-chartered bank or state or federal savings and loan association, as defined by Section 5102 of the California Financial Code and having a net operating profit in the two most recently completed fiscal years; Collateral must comply with California Government Code	Complies
Banker's Acceptances	A-1 rated or highest short term rating by a NRSRO; 40% max; 5% max issuer; 180 days max maturity; Acceptance is eligible for purchase by the Federal Reserve System	Complies
Commercial Paper	A-1 rated or better by a NRSRO; "A" long term debt rating or better by a NRSRO; Issued by a domestic corporation organized and operating in the U.S. with assets > \$500 million; 40% max; 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; or SEC registered adviser with AUM >\$500 million and experience > than 5 years; 20% max in Mutual Funds; 10% max per one Mutual Fund; 20% max per issuer on Money Market Mutual Funds and are not subject to the 10% stipulation	Complies
Local Agency Investment Fund (LAIF)	No more than the statutory maximum may be 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, and on a continual basis to a level of review pursuant to the policy	Complies
Orange County Treasurer's Money Market Commingled Investment Pool (OCCIP)	15% max; Not used by investment adviser; Orange County Treasurer's Money Market Commingled Investment Pool; Investment of OCSD funds in OCCIP would be subject to investigation and due diligence prior to investing and on continual basis to a level of review pursuant to the policy	Complies
Repurchase Agreements	20% max; 102% collateralization	Complies
Reverse Repurchase Agreements	5% max, 90 days max maturity	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
Securities Downgrade	If securities owned by the OCSD are downgraded below the quality required by the Investment Policy, it shall be OCSD's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio. If a decision is made to retain the downgraded securities in the portfolio, their presence in the portfolio will be monitored and reported quarterly to the OCSD General Manager, the Administration Committee and Board of Directors	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 Funds); 20% max per issuer on Money Market Mutual Funds	Complies
Maximum Maturity	5 years max maturity	Complies*

\*The portfolio has eighteen (18) securities with maturities greater than 5 years including four (4) CMOs and sixteen (14) 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
U.S. Treasuries	10% minimum; 1 year max maturity	<i>Complies</i>
Federal 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; Securities, obligations, participations, or other instruments of, or issued by, or fully guaranteed as to principal and interest by the US Government, a federal agency, or a US Government-sponsored enterprise	<i>Complies</i>
Supranational Obligations	"AA" rated or better by a NRSRO; 30% max; 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")	<i>Complies</i>
Municipal Securities	"A" rated or higher by a NRSRO; or as otherwise approved by the Board of Directors; Taxable or tax-exempt municipal bonds issued by any of the 50 states; 10% max; 5% max issuer; 1 year max maturity	<i>Complies</i>
Corporate Medium Term Notes	"A" rating category or better by a NRSRO; 30% max; 5% max per 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. with AUM >\$500 million	<i>Complies</i>
Non-Agency Asset-Backed Securities, Mortgage-Backed Securities, CMOs	"AA" rating category or better by a NRSRO; 20% max (combined MBS/CMO/ABS); 5% max issuer (except U.S. government or its agencies); 1 year max maturity; Mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond	<i>Complies</i>
Negotiable Certificates of Deposit (NCD)	"A" rating or better long term debt by a NRSRO; or highest short term rating for deposits by a NRSRO; or as otherwise approved by the Board of Directors; 30% max; 5% max issuer; 1 year max maturity; Negotiable certificates of deposit issued by a nationally or state-chartered bank or state of federal savings and loan association, as defined by Section 5102 of the California Financial Code	<i>Complies</i>
Certificates of Deposit	5% max issuer; 1 year max maturity; Secured (collateralized) time deposits issued by a nationally or state-chartered bank or state or federal savings and loan association, as defined by Section 5102 of the California Financial Code and having a net operating profit in the two most recently completed fiscal years; Collateral must comply with California Government Code	<i>Complies</i>
Banker's Acceptances	A-1 rated or highest short term rating by a NRSRO; 40% max; 5% max issuer; 180 days max maturity; Acceptance is eligible for purchase by the Federal Reserve System	<i>Complies</i>
Commercial Paper	A-1 rated or better by a NRSRO; "A" long term debt rating or better by a NRSRO; Issued by a domestic corporation organized and operating in the U.S. with assets > \$500 million; 40% max; 5% max issuer; 10% max of the outstanding commercial paper of any single issuer; 270 days max maturity	<i>Complies</i>
Mutual Fund & Money Market Mutual Fund	Highest rating or "AAA" rated by two NRSROs; or SEC registered adviser with AUM >\$500 million and experience > than 5 years; 20% max in Mutual Funds; 10% max per one Mutual Fund; 20% max per issuer on Money Market Mutual Funds and are not subject to the 10% stipulation	<i>Complies</i>
Local Agency Investment Fund (LAIF)	No more than the statutory maximum may be 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, and on a continual basis to a level of review pursuant to the policy	<i>Complies</i>
Orange County Treasurer's Money Market Commingled Investment Pool (OCCIP)	15% max; Not used by investment adviser; Orange County Treasurer's Money Market Commingled Investment Pool; Investment of OCSD funds in OCCIP would be subject to investigation and due diligence prior to investing and on continual basis to a level of review pursuant to the policy	<i>Complies</i>
Repurchase Agreements	20% max; 102% collateralization	<i>Complies</i>
Reverse Repurchase Agreements	5% max, 90 days max maturity	<i>Complies</i>
Prohibited	Mortgage Derivatives, which include interest-only payments (IOs) and principal-only payments (POs); Inverse floaters, and RE-REMICS (Real Estate Mortgage Investment Conduits)	<i>Complies</i>
Securities Downgrade	If securities owned by the OCSD are downgraded below the quality required by the Investment Policy, it shall be OCSD's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio. If a decision is made to retain the downgraded securities in the portfolio, their presence in the portfolio will be monitored and reported quarterly to the OCSD General Manager, the Administration Committee and Board of Directors	<i>Complies</i>
Avg Duration	Not to exceed 180 days	<i>Complies</i>
Max Per Holding	5% max of the total debt outstanding of any issuer per individual holding	<i>Complies</i>
Max Per Issuer	5% max per issuer (except Supranationals, U.S. Government, Agencies, Mutual Funds); 20% max per issuer on Money Market Mutual Funds	<i>Complies</i>
Maximum Maturity	1 year max maturity	<i>Complies</i>

### 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
LAI F	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

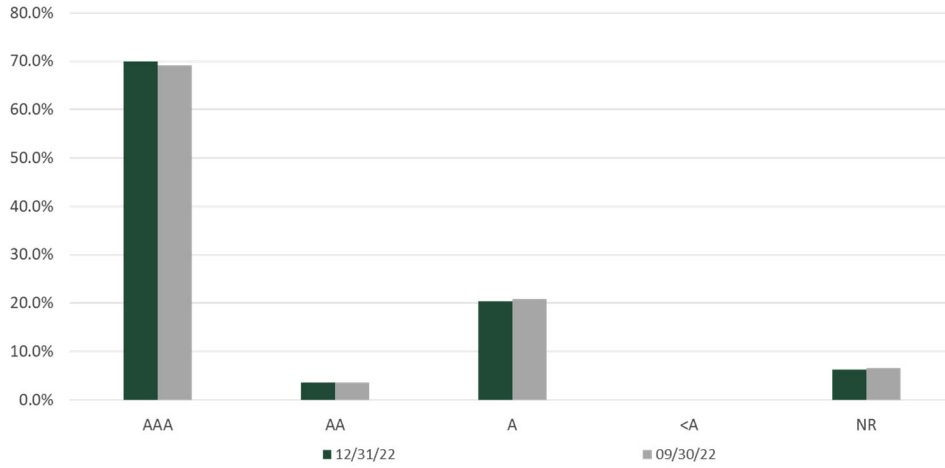
### OC SAN Lehman Exposure - Account #10284

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
<b>Common Stock</b>									
SLHOPNTA4	Lehman Brothers, Inc Open Position Long Exposure 0.000% Due 12/31/2022	60,641.49	11/21/2014 0.00%	57,842.64 57,842.64	0.42 0.00%	25,651.35 0.00	73.81% (32,191.29)	NR / NR NR	0.00 0.00
<b>TOTAL Common Stock</b>		<b>60,641.49</b>	<b>0.00%</b>	<b>57,842.64</b>	<b>0.00%</b>	<b>25,651.35</b> <b>0.00</b>	<b>73.81%</b> <b>(32,191.29)</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>Corporate</b>									
525ESCIB7	Lehman Brothers Note-Defaulted 0.000% Due 01/24/2023	600,000.00	09/19/2008 0.00%	316,106.64 316,106.64	0.35 0.00%	2,100.00 0.00	6.04% (314,006.64)	NR / NR NR	0.07 0.00
525ESCOY6	Lehman Brothers Note-Defaulted 0.000% Due 10/22/2049	2,000,000.00	09/18/2008 0.00%	1,018,311.90 1,018,311.90	0.35 0.00%	7,000.00 0.00	20.14% (1,011,311.90)	NR / NR NR	26.83 0.00
<b>TOTAL Corporate</b>		<b>2,600,000.00</b>	<b>0.00%</b>	<b>1,334,418.54</b>	<b>0.00%</b>	<b>9,100.00</b> <b>0.00</b>	<b>26.19%</b> <b>(1,325,318.54)</b>	<b>NR / NR</b> <b>NR</b>	<b>20.65</b> <b>0.00</b>
<b>TOTAL PORTFOLIO</b>		<b>2,660,641.49</b>	<b>0.00%</b>	<b>1,392,261.18</b>	<b>0.00%</b>	<b>34,751.35</b> <b>0.00</b>	<b>100.00%</b> <b>(1,357,509.83)</b>	<b>NR / NR</b> <b>NR</b>	<b>5.41</b> <b>0.00</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>34,751.35</b>			



**Ratings**

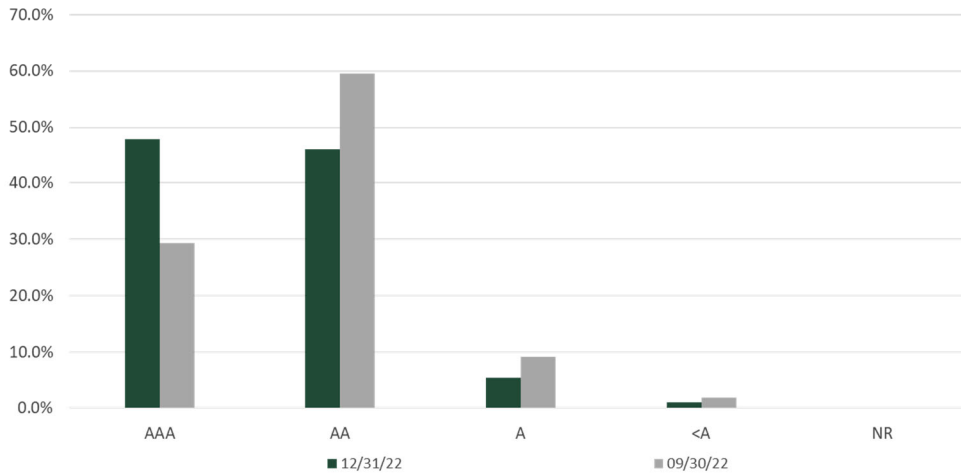
**Orange County Sanitation District Long Term**  
December 31, 2022 vs. September 30, 2022



	AAA	AA	A	<A	NR
12/31/22	69.9%	3.6%	20.3%	0.0%	6.3%
09/30/22	69.1%	3.6%	20.8%	0.0%	6.5%

Source: Moody's Ratings

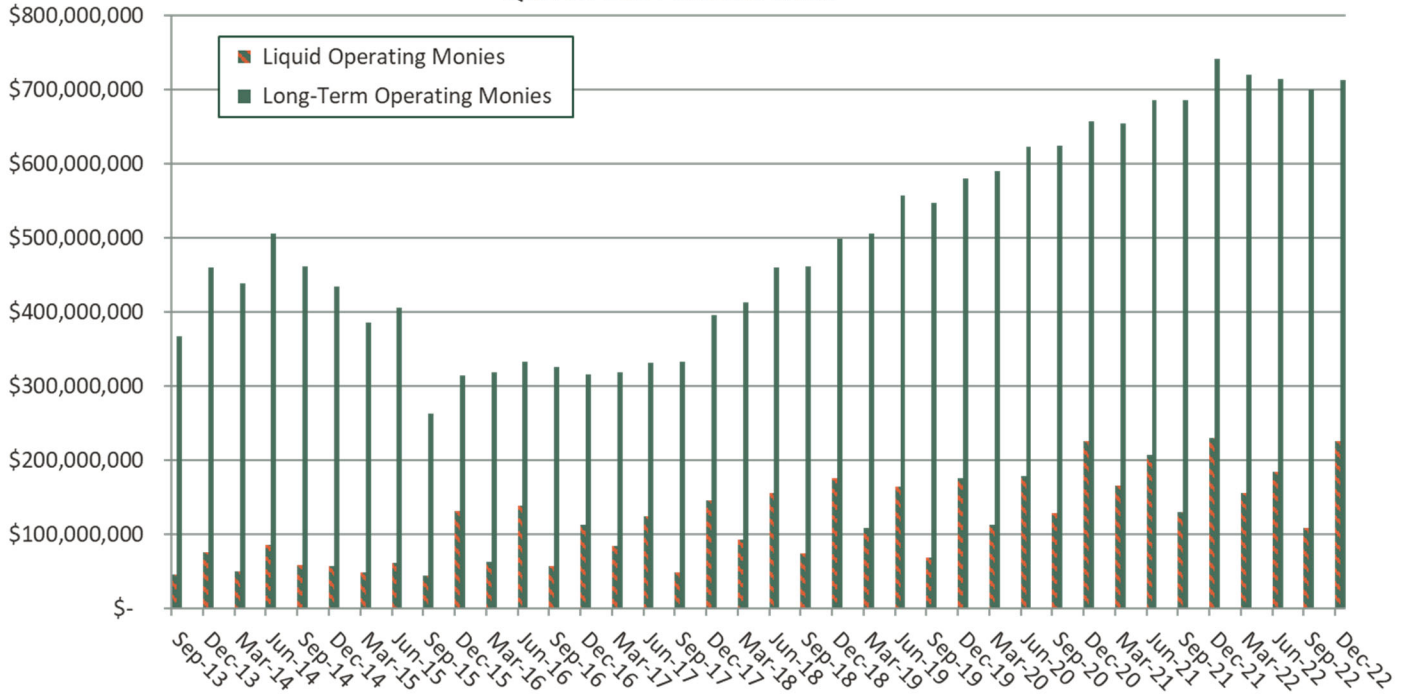
**Orange County Sanitation District Liquid**  
December 31, 2022 vs. September 30, 2022



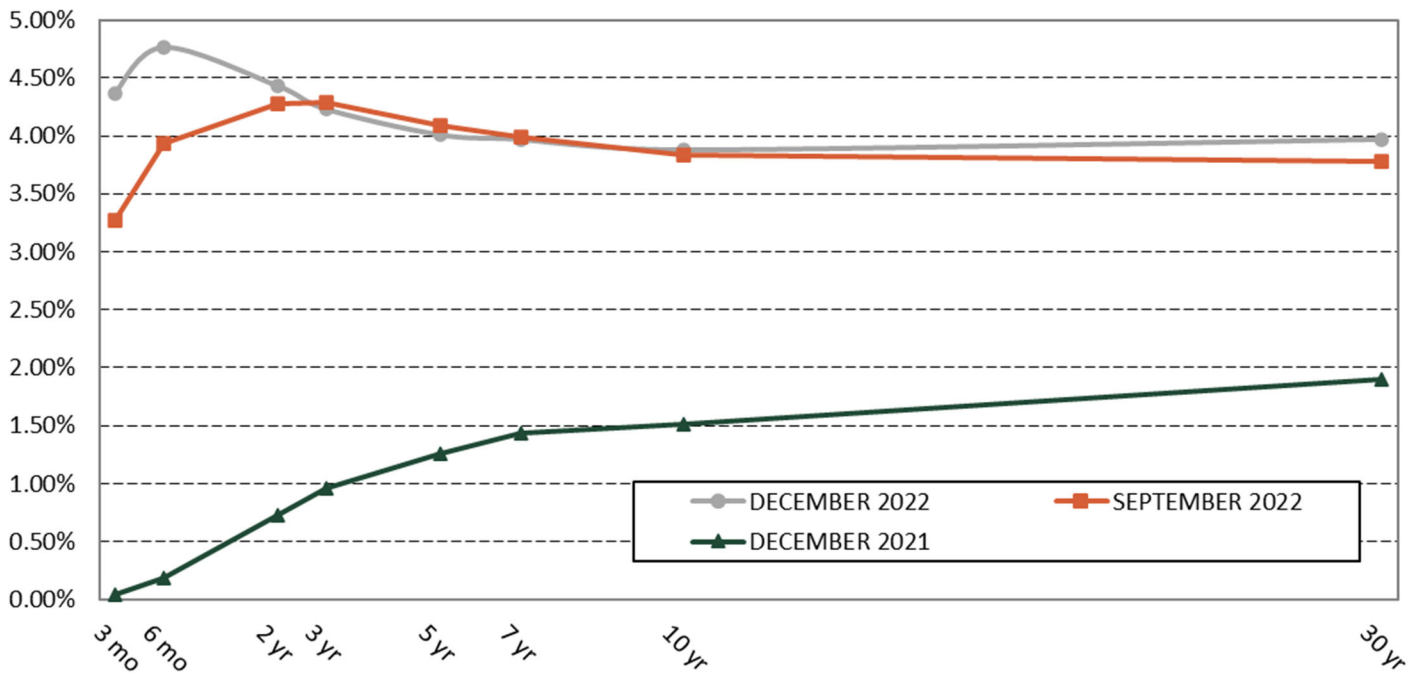
	AAA	AA	A	<A	NR
12/31/22	47.7%	45.9%	5.5%	0.9%	0.0%
09/30/22	29.4%	59.6%	9.2%	1.8%	0.0%

Source: S&P Ratings

### OC SAN Investment Program Quarter End Portfolio Value



### HISTORICAL YIELD CURVE





**PORTFOLIO CHARACTERISTICS**

Average Modified Duration	0.21
Average Coupon	2.50%
Average Purchase YTM	3.57%
Average Market YTM	4.27%
Average S&P/Moody Rating	AAA/Aaa
Average Final Maturity	0.21 yrs
Average Life	0.10 yrs

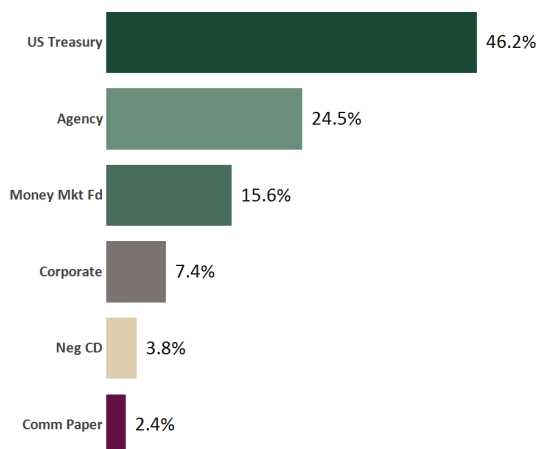
**ACCOUNT SUMMARY**

	Beg. Values as of 11/30/22	End Values as of 12/31/22
Market Value	109,262,920	225,074,983
Accrued Interest	241,034	319,908
<b>Total Market Value</b>	<b>109,503,954</b>	<b>225,394,892</b>
Income Earned	217,460	355,193
Cont/WD		115,350,000
Par	109,945,084	227,056,810
Book Value	109,607,872	225,234,190
Cost Value	109,028,652	224,417,756

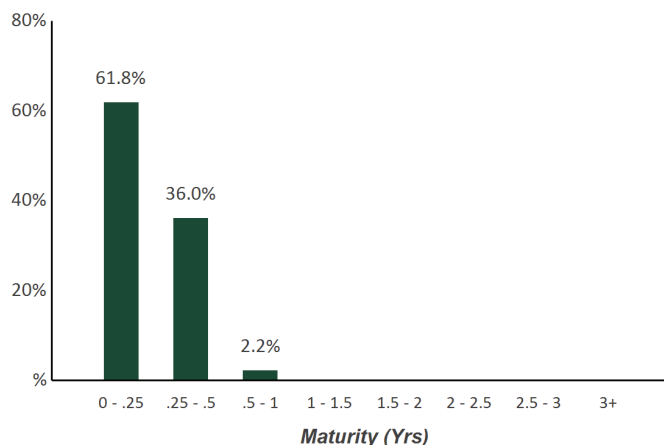
**TOP ISSUERS**

Government of United States	46.2%
Federal Home Loan Bank	23.9%
First American Govt Obligation	15.6%
Toronto Dominion Holdings	1.3%
Royal Bank of Canada	1.3%
MUFG Bank Ltd/NY	1.3%
Bank of Montreal Chicago	1.1%
Metlife Inc	1.0%
<b>Total</b>	<b>91.9%</b>

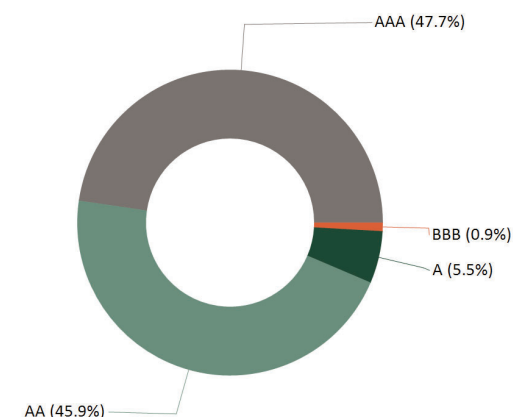
**SECTOR ALLOCATION**



**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 Liquid	0.34%	0.89%	1.27%	1.27%	0.67%	0.74%	1.31%	N/A	1.01%
ICE BofA 3-Month US Treasury Bill Index	0.36%	0.84%	1.45%	1.45%	0.75%	0.72%	1.26%	N/A	0.93%



**PORTFOLIO CHARACTERISTICS**

Average Modified Duration	2.28
Average Coupon	1.85%
Average Purchase YTM	1.82%
Average Market YTM	4.57%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.70 yrs
Average Life	2.43 yrs

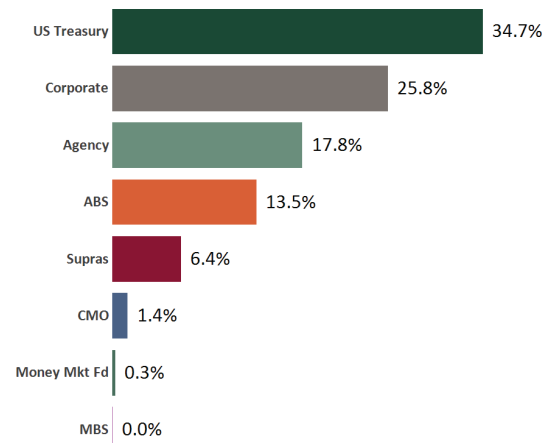
**ACCOUNT SUMMARY**

	Beg. Values as of 11/30/22	End Values as of 12/31/22
Market Value	703,686,896	709,904,388
Accrued Interest	2,880,397	2,800,178
<b>Total Market Value</b>	<b>706,567,293</b>	<b>712,704,567</b>
Income Earned	1,088,911	1,120,883
Cont/WD		5,052,030
Par	746,959,818	752,889,943
Book Value	746,139,681	752,210,713
Cost Value	747,702,866	753,841,240

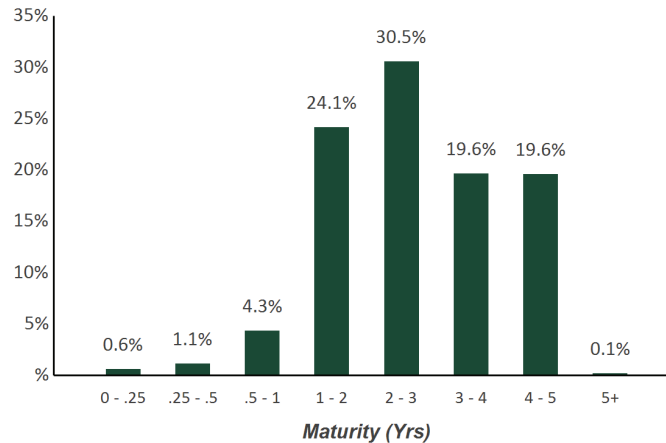
**TOP ISSUERS**

Government of United States	34.7%
Federal National Mortgage Assoc	8.1%
Federal Home Loan Bank	5.4%
Federal Home Loan Mortgage Corp	5.1%
Inter-American Dev Bank	3.7%
Intl Bank Recon and Development	2.7%
John Deere ABS	2.1%
Hyundai Auto Receivables	1.9%
<b>Total</b>	<b>63.7%</b>

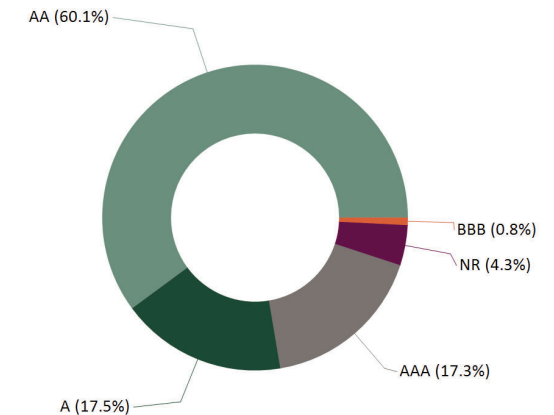
**SECTOR ALLOCATION**



**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	0.15%	1.07%	-4.78%	-4.78%	-2.87%	-0.51%	0.91%	N/A	0.97%
ICE BofA 1-5 Yr AAA-A US Corp & Govt Index	0.09%	1.08%	-5.33%	-5.33%	-3.19%	-0.71%	0.77%	N/A	0.86%
ICE BofA 1-5 Yr US Corp & Govt Index	0.11%	1.21%	-5.54%	-5.54%	-3.23%	-0.67%	0.87%	N/A	0.98%

**Orange County Sanitation District  
Investment Transactions and Balances in the  
State of California Local Agency Investment Fund  
December 31, 2022**

	<u>Par Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Rate</u>	<u>Yield</u>
<b>Balance</b>					
<b>12/1/2022</b>	<b>\$42,851,535</b>	<b>\$42,851,535</b>	<b>\$42,851,535</b>	<b>2.17</b>	<b>2.17</b>
Deposits:					
12/23/2023	43,900,000	43,900,000	43,900,000	2.17	2.17
Total Deposits	43,900,000	43,900,000	43,900,000	2.17	2.17
Quarterly Interest Distribution					
	-	-	-	2.17	2.17
Withdrawals:					
12/7/2022	(4,600,000)	(4,600,000)	(4,600,000)	2.17	2.17
12/13/2023	(1,800,000)	(1,800,000)	(1,800,000)	2.17	2.17
12/14/2023	(5,400,000)	(5,400,000)	(5,400,000)	2.17	2.17
12/22/2023	(2,800,000)	(2,800,000)	(2,800,000)	2.17	2.17
Total Withdrawals	(14,600,000)	(14,600,000)	(14,600,000)	2.17	2.17
<b>Balance</b>					
<b>12/31/2022</b>	<b>\$72,151,535</b>	<b>\$72,151,535</b>	<b>\$72,151,535</b>	<b>2.17</b>	<b>2.17</b>

**U.S. Bank**  
**Asset Summary - Liquid**  
**As of 12/31/2022**

Industry Name	Shares/Units	Cost Basis	Market Value	Percent of Total	Unrealized Gain/Loss
<b>Cash Equivalents</b>					
COMMERCIAL PAPER	5,500,000.0000	5,435,990.00	5,466,500.00	2.43	30,510.00
FIRST AMERICAN SHORT TERM FDS	35,130,059.5500	35,130,059.55	35,130,059.55	15.61	-
U. S. GOVERNMENT	10,000,000.0000	9,774,508.61	9,804,600.00	4.36	30,091.39
<b>Cash Equivalents Total</b>	<b>50,630,059.5500</b>	<b>50,340,558.16</b>	<b>50,401,159.55</b>	<b>22.39</b>	<b>60,601.39</b>
<b>Fixed Income</b>					
CONSUMER STAPLES	1,650,000.0000	1,640,331.00	1,645,974.00	0.73	5,643.00
FINANCE	7,918,000.0000	7,958,010.98	7,900,482.64	3.51	(57,528.34)
INDUSTRIAL	1,200,000.0000	1,188,972.00	1,192,740.00	0.53	3,768.00
PRIVATE PLACEMENTS	2,255,000.0000	2,259,126.65	2,253,308.75	1.00	(5,817.90)
SHORT TERM FUNDS	8,500,000.0000	8,499,999.50	8,467,410.00	3.76	(32,589.50)
U. S. GOVERNMENT	95,000,000.0000	93,759,765.64	94,389,700.00	41.94	629,934.36
US AGY - LONG TERM ISSUES	57,835,000.0000	56,698,302.52	56,819,642.25	25.25	121,339.73
UTILITY	2,000,000.0000	2,003,940.00	1,991,820.00	0.89	(12,120.00)
<b>Fixed Income Total</b>	<b>176,358,000.0000</b>	<b>174,008,448.29</b>	<b>174,661,077.64</b>	<b>77.61</b>	<b>652,629.35</b>
<b>Grand Total</b>	<b>226,988,059.5500</b>	<b>224,349,006.45</b>	<b>225,062,237.19</b>	<b>100.00</b>	<b>713,230.74</b>

**U.S. Bank**  
**Asset Summary - Long-Term**  
**As of 12/31/2022**

Industry Name	Shares/Units	Cost Basis	Market Value	Percent of Total	Unrealized Gain/Loss
<b>Cash Equivalents</b>					
FIRST AMERICAN SHORT TERM FDS	1,652,214.8500	1,652,214.85	1,652,214.85	0.23	-
<b>Cash Equivalents Total</b>	<b>1,652,214.8500</b>	<b>1,652,214.85</b>	<b>1,652,214.85</b>	<b>0.23</b>	<b>-</b>
<b>Fixed Income</b>					
CONSUMER DISCRETIONARY	24,554,000.0000	24,578,759.23	23,168,521.18	3.27	(1,410,238.05)
CONSUMER STAPLES	8,070,000.0000	8,060,858.95	7,719,937.05	1.09	(340,921.90)
FINANCE	99,700,000.0000	98,651,447.21	90,923,931.40	12.82	(7,727,515.81)
FOREIGN FIXED INCOME	59,940,000.0000	59,915,557.85	54,974,608.00	7.75	(4,940,949.85)
HEALTH CARE	4,000,000.0000	3,904,703.05	3,572,320.00	0.50	(332,383.05)
INDUSTRIAL	4,735,000.0000	4,730,811.55	4,625,994.55	0.65	(104,817.00)
INFORMATION TECHNOLOGY	19,922,000.0000	20,678,047.96	19,328,198.10	2.73	(1,349,849.86)
MTG RELATED SECURITY	109,835,918.8300	110,393,412.84	106,541,553.68	15.03	(3,851,859.16)
PRIVATE PLACEMENTS	20,400,000.0000	20,261,550.90	18,695,235.40	2.64	(1,566,315.50)
U. S. GOVERNMENT	249,752,870.5900	247,934,397.35	233,427,662.38	32.92	(14,506,734.97)
U.S. GOVERNMENT TIPS	13,051,064.0000	12,906,344.09	12,630,036.68	1.78	(276,307.41)
US AGY - LONG TERM ISSUES	133,740,000.0000	135,329,293.25	126,262,391.20	17.81	(9,066,902.05)
UTILITY	5,735,000.0000	5,736,523.40	5,473,082.55	0.77	(263,440.85)
<b>Fixed Income Total</b>	<b>753,435,853.4200</b>	<b>753,081,707.63</b>	<b>707,343,472.17</b>	<b>99.77</b>	<b>(45,738,235.46)</b>
<b>Grand Total</b>	<b>755,088,068.2700</b>	<b>754,733,922.48</b>	<b>708,995,687.02</b>	<b>100.00</b>	<b>(45,738,235.46)</b>



BNY MELLON

Statement Period 12/01/2022 Through 12/31/2022  
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
<b>CASH AND SHORT TERM</b>								
	CASH BALANCE		250,000.00	250,000.00	0.00000	0.00	0.00	0.00%
<b>Total CASH AND SHORT TERM</b>			<b>250,000.00</b>	<b>250,000.00</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>
<b>ACCOUNT TOTALS</b>			<b>250,000.00</b>	<b>250,000.00</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>

Total Market Value Plus Total Accrued Income 250,000.00

### 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 12/31/2021 for securities held in principal of account:

Short Term: 237.61 \* 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 12/31/2022**

Asset Category	CUSIP	Asset Short Name	Yield	Shares/Units	Moody's	S&P Rating	Price	Cost Basis	Market Value
Cash Equivalents	02314QR50	AMAZON COM INC C P 4/05/23	0.0000%	1,500,000.0000			98.79	1,472,387.50	1,481,910.00
Cash Equivalents	31846V567	FIRST AM GOVT OB FD CL Z	4.0876%	35,130,059.5500			1.00	35,130,059.55	35,130,059.55
Cash Equivalents	31846V567	FIRST AM GOVT OB FD CL Z	4.0876%	1,652,214.8500			1.00	1,652,214.85	1,652,214.85
Cash Equivalents	62479MNV9	MUFG BK LTD N Y BRH C P 1/30/23	0.0000%	3,000,000.0000			99.67	2,977,633.33	2,990,070.00
Cash Equivalents	86960KPG1	SVENSKA HANDELSBANKEN C P 2/16/23	0.0000%	1,000,000.0000			99.45	985,969.17	994,520.00
Cash Equivalents	912796ZP7	U S TREASURY BILL 6/08/23	4.5731%	10,000,000.0000	N/A	N/A	98.05	9,774,508.61	9,804,600.00
Fixed Income	00440EAS6	ACE INA HOLDING 3.150% 3/15/25	3.2622%	2,000,000.0000	A3	A	96.56	2,203,740.00	1,931,200.00
Fixed Income	023135CF1	AMAZON COM 3.300% 4/13/27	3.4773%	2,000,000.0000	A1	AA	94.90	1,996,540.00	1,898,000.00
Fixed Income	023135BW5	AMAZON COM INC 0.450% 5/12/24	0.4778%	5,490,000.0000	A1	AA	94.19	5,481,984.60	5,171,031.00
Fixed Income	02582JIT8	AMERICAN EXPRESS 3.390% 5/17/27	3.4923%	6,620,000.0000	N/A	AAA	97.07	6,618,535.66	6,426,100.20
Fixed Income	02582JVV3	AMERICAN EXPRESS 3.750% 8/16/27	3.8360%	2,000,000.0000	AAA	N/A	97.76	1,934,062.50	1,955,180.00
Fixed Income	02665WEA5	AMERICAN HONDA MTN 1.500% 1/13/25	1.6033%	6,000,000.0000	A3	A-	93.56	5,979,632.85	5,613,540.00
Fixed Income	02665WCZ2	AMERICAN HONDA MTN 2.400% 6/27/24	2.4910%	1,219,000.0000	A3	A-	96.35	1,213,843.63	1,174,469.93
Fixed Income	02665WCJ8	AMERICAN HONDA MTN 3.450% 7/14/23	3.4762%	845,000.0000	A3	A-	99.25	843,538.15	838,620.25
Fixed Income	02665WCQ2	AMERICAN HONDA MTN 3.625% 10/10/23	3.6506%	2,000,000.0000	A3	A-	99.30	1,998,320.00	1,985,960.00
Fixed Income	03215PFN4	AMRESKO 4.76595% 6/25/29	5.0828%	116,624.7700	N/A	BBB	93.77	87,577.91	109,355.55
Fixed Income	037833AZ3	APPLE INC 2.500% 2/09/25	2.6149%	3,922,000.0000	AAA	AA+	95.61	4,154,496.16	3,749,628.10
Fixed Income	037833CU2	APPLE INC 2.850% 5/11/24	2.9273%	3,000,000.0000	AAA	AA+	97.36	3,017,760.00	2,920,740.00
Fixed Income	06051GJD2	BANK AMER CORP MTN 1.319% 6/19/26	1.4647%	2,250,000.0000	A2	A-	90.05	2,254,432.50	2,026,125.00
Fixed Income	06367D2S3	BANK MONTREAL C D 4.580% 3/07/23	4.5794%	2,500,000.0000			100.01	2,499,999.50	2,500,350.00
Fixed Income	06051GHF9	BANK OF AMERICA 3.550% 3/05/24	3.5634%	6,675,000.0000	A2	A-	99.62	6,770,625.75	6,649,902.00
Fixed Income	06051GEU9	BANK OF AMERICA MTN 3.300% 1/11/23	3.3011%	2,000,000.0000	WR	N/R	99.97	2,018,300.00	1,999,320.00
Fixed Income	06051GHY8	BANK OF AMERICAN MTN 2.015% 2/13/26	2.1708%	2,500,000.0000	A2	A-	92.82	2,583,450.00	2,320,550.00
Fixed Income	06368FAC3	BANK OF MONTREAL MTN 1.250% 9/15/26	1.4306%	3,000,000.0000	A2	A-	87.38	2,994,647.40	2,621,310.00
Fixed Income	06367WB85	BANK OF MONTREAL MTN 1.850% 5/01/25	1.9805%	7,000,000.0000	A2	A-	93.41	7,226,940.00	6,538,770.00
Fixed Income	06406HCQ0	BANK OF NEW YORK MTN 3.950% 11/18/25	4.0364%	1,500,000.0000	A1	A	97.86	1,537,365.00	1,467,885.00
Fixed Income	06406RAM9	BANK OF NY MTN 1.850% 1/27/23	1.8540%	1,585,000.0000	A1	A	99.79	1,589,501.40	1,581,592.25
Fixed Income	084664CZ2	BERKSHIRE HATHAWAY 2.300% 3/15/27	2.4914%	6,875,000.0000	AA2	AA	92.32	6,873,693.75	6,346,931.25
Fixed Income	09247XAL5	BLACKROCK INC 3.500% 3/18/24	3.5581%	1,000,000.0000	AA3	AA-	98.37	1,036,330.00	983,660.00
Fixed Income	05602RAD3	BMW VEH OWNER TR 3.210% 8/25/26	3.2963%	2,530,000.0000	AAA	AAA	97.38	2,529,868.44	2,463,739.30
Fixed Income	09690AAC7	BMW VEHICLE LEASE 0.330% 12/26/24	0.3377%	2,017,454.6600	AAA	N/A	97.72	2,017,246.46	1,971,355.82
Fixed Income	05601XAC3	BMW VEHICLE LEASE 1.100% 3/25/25	1.1370%	2,400,000.0000	N/A	AAA	96.74	2,399,641.20	2,321,856.00
Fixed Income	14913R2V8	CATERPILLAR FINL MTN 3.400% 5/13/25	3.4996%	3,485,000.0000	A2	A	97.15	3,480,574.05	3,385,782.05
Fixed Income	14913R3A3	CATERPILLAR FINL MTN 3.600% 8/12/27	3.7728%	3,250,000.0000	A2	A	95.42	3,213,062.50	3,101,182.50
Fixed Income	808513BY0	CHARLES SCHWAB CORP 2.450% 3/03/27	2.6875%	2,325,000.0000	A2	A	91.16	2,322,489.00	2,119,539.75
Fixed Income	00440EAP2	CHUBB INA HLDGS INC 2.700% 3/13/23	2.7106%	2,000,000.0000	A3	A	99.61	1,937,000.00	1,992,200.00
Fixed Income	24422EWK1	DEERE JOHN MTN 4.150% 9/15/27	4.2316%	2,000,000.0000	A2	A	98.07	1,972,620.00	1,961,440.00
Fixed Income	3133EKVV4	F F C B DEB 1.850% 7/26/24	1.9342%	5,000,000.0000	AAA	AA+	95.65	5,048,280.00	4,782,450.00
Fixed Income	3130A1XJ2	F H L B 2.875% 6/14/24	2.9430%	11,110,000.0000	AAA	AA+	97.69	11,589,031.30	10,853,359.00
Fixed Income	3130A4CH3	F H L B DEB 2.375% 3/14/25	2.4843%	5,225,000.0000	AAA	AA+	95.60	5,526,848.25	4,995,204.50
Fixed Income	3130A2UW4	F H L B DEB 2.875% 9/13/24	2.9616%	2,500,000.0000	AAA	AA+	97.08	2,635,950.00	2,426,925.00

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Asset Category	CUSIP	Asset Short Name	Yield	Shares/Units	Moody's	S&P Rating	Price	Cost Basis	Market Value
Fixed Income	313383YJ4	F H L B DEB 3.375% 9/08/23	3.4093%	10,000,000.0000	AAA	AA+	98.99	10,211,831.00	9,899,300.00
Fixed Income	3130A0F70	F H L B DEB 3.375% 12/08/23	3.4243%	10,000,000.0000	AAA	AA+	98.56	10,269,043.75	9,856,100.00
Fixed Income	313384CW7	F H L B DISC NTS 3/10/23	0.0000%	10,000,000.0000	N/A	N/A	99.21	9,888,727.22	9,920,500.00
Fixed Income	313384ET2	F H L B DISC NTS 4/24/23	0.0000%	5,000,000.0000	N/A	N/A	98.65	4,913,462.50	4,932,450.00
Fixed Income	313384GM5	F H L B DISC NTS 6/05/23	0.0000%	10,000,000.0000	N/A	N/A	98.10	9,798,330.56	9,809,900.00
Fixed Income	313384HF9	F H L B DISC NTS 6/23/23	0.0000%	10,000,000.0000	N/A	N/A	97.88	9,768,455.56	9,787,800.00
Fixed Income	313384HL6	F H L B DISC NTS 6/28/23	0.0000%	20,000,000.0000	N/A	N/A	97.82	19,525,687.78	19,563,200.00
Fixed Income	3137BFE98	F H L B GTD REMIC 3.171% 10/25/24	3.2739%	5,000,000.0000	N/A	N/A	96.86	5,378,515.62	4,842,850.00
Fixed Income	3137EAEP0	F H L M C 1.500% 2/12/25	1.5919%	12,335,000.0000	AAA	AA+	94.23	12,510,182.05	11,623,023.80
Fixed Income	3137EAEN5	F H L M C 2.750% 6/19/23	2.7734%	3,000,000.0000	AAA	AA+	99.16	2,982,540.00	2,974,680.00
Fixed Income	3137EAES4	F H L M C MTN 0.250% 6/26/23	0.2553%	1,250,000.0000	AAA	AA+	97.94	1,214,137.50	1,224,200.00
Fixed Income	3137EAEU9	F H L M C MTN 0.375% 7/21/25	0.4144%	5,030,000.0000	AAA	AA+	90.50	5,004,950.60	4,551,898.50
Fixed Income	3137EAEX3	F H L M C MTN 0.375% 9/23/25	0.4167%	7,660,000.0000	AAA	AA+	89.99	7,636,943.40	6,893,080.80
Fixed Income	31348SWZ3	F H L M C #786064 3.687% 1/01/28	3.7841%	1,065.1900	N/A	N/A	97.44	1,039.25	1,037.87
Fixed Income	31394JY35	F H L M C MLTCL MT 9.50001% 9/25/43	9.4188%	409,270.4400	N/A	N/A	100.86	463,498.78	412,798.35
Fixed Income	3137BSRE5	F H L M C MLTCL MTG 3.120% 9/25/26	3.2782%	5,000,000.0000	N/A	AAA	95.18	5,214,062.50	4,758,750.00
Fixed Income	3133TCE95	F H L M C MLTCL MTG 3.870% 8/15/32	4.0015%	2,890.0500	N/A	N/A	96.71	2,893.09	2,795.08
Fixed Income	3135G05G4	F N M A 0.250% 7/10/23	0.2560%	6,775,000.0000	AAA	AA+	97.66	6,760,433.75	6,616,126.25
Fixed Income	3135G05X7	F N M A 0.375% 8/25/25	0.4158%	7,945,000.0000	AAA	AA+	90.19	7,907,817.40	7,165,516.05
Fixed Income	3135G04Z3	F N M A 0.500% 6/17/25	0.5495%	9,905,000.0000	AAA	AA+	90.99	9,884,496.65	9,012,658.55
Fixed Income	3135G06G3	F N M A 0.500% 11/07/25	0.5560%	8,255,000.0000	AAA	AA+	89.93	8,225,447.10	7,423,308.75
Fixed Income	3135G0X24	F N M A 1.625% 1/07/25	1.7202%	10,000,000.0000	AAA	AA+	94.46	10,157,936.40	9,446,400.00
Fixed Income	3135G0V34	F N M A 2.500% 2/05/24	2.5615%	5,000,000.0000	AAA	AA+	97.60	4,980,850.00	4,880,000.00
Fixed Income	31371NUC7	F N M A #257179 4.500% 4/01/28	4.5799%	5,113.4100	N/A	N/A	98.26	5,407.94	5,024.23
Fixed Income	31376KT22	F N M A #357969 5.000% 9/01/35	4.8961%	42,724.7100	N/A	N/A	102.12	45,929.06	43,631.76
Fixed Income	31403DJZ3	F N M A #745580 5.000% 6/01/36	4.8961%	42,613.4900	N/A	N/A	102.12	45,809.50	43,518.17
Fixed Income	31403GXF4	F N M A #748678 5.000% 10/01/33	4.9913%	737.5300	N/A	N/A	100.18	792.84	738.82
Fixed Income	31406PQY8	F N M A #815971 5.000% 3/01/35	4.8961%	64,967.3700	N/A	N/A	102.12	69,839.93	66,345.98
Fixed Income	31406XWT5	F N M A #823358 3.071% 2/01/35	3.0832%	18,268.2400	N/A	N/A	99.61	18,125.53	18,196.08
Fixed Income	31407BXH7	F N M A #826080 5.000% 7/01/35	4.8961%	8,113.5600	N/A	N/A	102.12	8,722.06	8,285.73
Fixed Income	31410F4V4	F N M A #888336 5.000% 7/01/36	4.8961%	71,194.5000	N/A	N/A	102.12	76,534.10	72,705.25
Fixed Income	3138EG6F6	F N M A #AL0869 4.500% 6/01/29	4.5349%	3,715.9200	N/A	N/A	99.23	3,929.96	3,687.31
Fixed Income	31417YAY3	F N M A #MA0022 4.500% 4/01/29	4.5349%	6,221.1500	N/A	N/A	99.23	6,579.47	6,173.25
Fixed Income	3135G03U5	F N M A DEB 0.625% 4/22/25	0.6803%	14,000,000.0000	AAA	AA+	91.87	13,996,711.60	12,862,360.00
Fixed Income	31397QRE0	F N M A GTD REMIC 2.472% 2/25/41	5.1352%	76,625.5200	N/A	N/A	98.71	76,601.61	75,633.99
Fixed Income	36225CAZ9	G N M A I I #080023 1.750% 12/20/26	1.7714%	6,113.7000	N/A	N/A	98.79	6,214.70	6,039.85
Fixed Income	36225CC20	G N M A I I #080088 3.000% 6/20/27	3.0556%	4,808.5900	N/A	N/A	98.18	4,913.78	4,721.12
Fixed Income	36225CNM4	G N M A I I #080395 2.875% 4/20/30	2.9424%	2,870.5900	N/A	N/A	97.71	2,844.56	2,804.88
Fixed Income	36225CN28	G N M A I I #080408 2.875% 5/20/30	2.9421%	25,268.2100	N/A	N/A	97.72	25,011.57	24,692.09
Fixed Income	36225DCB8	G N M A I I #080965 2.625% 7/20/34	2.7053%	18,790.2200	N/A	N/A	97.03	18,778.48	18,232.71
Fixed Income	36266FAC3	GM FIN AUTO LSNG 3.420% 6/20/25	3.4963%	3,035,000.0000	N/A	AAA	97.82	3,034,683.45	2,968,776.30

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Asset Category	CUSIP	Asset Short Name	Yield	Shares/Units	Moody's	S&P Rating	Price	Cost Basis	Market Value
Fixed Income	36265MAC9	GM FIN AUTO LSNG TR 1.900% 3/20/25	1.9664%	5,020,000.0000	AAA	N/A	96.62	5,019,956.83	4,850,424.40
Fixed Income	362585AC5	GM FIN CONS AUT 3.100% 2/16/27	3.2008%	2,330,000.0000	AAA	AAA	96.85	2,329,513.03	2,256,605.00
Fixed Income	362554AC1	GM FIN CONS AUTO 0.680% 9/16/26	0.7197%	1,705,000.0000	AAA	AAA	94.48	1,704,956.52	1,610,884.00
Fixed Income	380146AC4	GM FIN CONS AUTO 1.260% 11/16/26	1.3328%	1,590,000.0000	N/A	AAA	94.54	1,589,861.83	1,503,154.20
Fixed Income	40139LBD4	GUARDIAN LIFE MTN 1.250% 5/13/26	1.4197%	3,250,000.0000	AA1	AA+	88.05	3,124,290.00	2,861,462.50
Fixed Income	43813GAC5	HONDA AUTO 0.270% 4/21/25	0.2791%	1,125,494.0700	AAA	N/A	96.73	1,125,473.48	1,088,701.67
Fixed Income	43813KAC6	HONDA AUTO 0.370% 10/18/24	0.3783%	1,622,609.4600	N/A	AAA	97.82	1,622,371.11	1,587,155.44
Fixed Income	43815GAC3	HONDA AUTO REC 0.880% 1/21/26	0.9273%	2,290,000.0000	AAA	N/A	94.90	2,289,517.27	2,173,187.10
Fixed Income	43815BAC4	HONDA AUTO REC OWN 1.880% 5/15/26	1.9787%	3,930,000.0000	AAA	AAA	95.01	3,929,408.93	3,733,893.00
Fixed Income	438516CB0	HONEYWELL 1.350% 6/01/25	1.4603%	5,000,000.0000	A2	A	92.44	5,119,000.00	4,622,200.00
Fixed Income	44934KAC8	HTUNDAI AUTO REC TR 0.380% 1/15/26	0.3980%	6,040,000.0000	N/A	AAA	95.49	6,038,666.97	5,767,475.20
Fixed Income	44891VAC5	HYUNDAI AUTO LEASE 0.330% 6/17/24	0.3351%	4,155,000.0000	AAA	AAA	98.47	4,154,376.75	4,091,594.70
Fixed Income	44891WAC3	HYUNDAI AUTO LEASE 1.160% 1/15/25	1.2020%	2,895,000.0000	AAA	AAA	96.51	2,894,936.02	2,793,848.70
Fixed Income	44933LAC7	HYUNDAI AUTO REC 0.380% 9/15/25	0.3929%	1,962,237.5000	N/A	AAA	96.71	1,962,031.07	1,897,660.26
Fixed Income	448977AD0	HYUNDAI AUTO REC 2.220% 10/15/26	2.3236%	4,300,000.0000	N/A	AAA	95.54	4,299,834.45	4,108,306.00
Fixed Income	44935FAD6	HYUNDAI AUTO REC TR 0.740% 5/15/26	0.7834%	1,600,000.0000	N/A	AAA	94.46	1,599,642.88	1,511,280.00
Fixed Income	458140BD1	INTEL CORP 2.875% 5/11/24	2.9514%	5,000,000.0000	A1	A+	97.41	5,025,900.00	4,870,550.00
Fixed Income	4581X0DZ8	INTER AMER BK M T N 0.500% 9/23/24	0.5367%	10,775,000.0000	AAA	AAA	93.16	10,767,026.50	10,037,666.75
Fixed Income	4581X0DN5	INTER AMER BK M T N 0.625% 7/15/25	0.6866%	5,050,000.0000	AAA	AAA	91.03	5,071,967.50	4,597,166.50
Fixed Income	4581X0DV7	INTER AMER BK M T N 0.875% 4/20/26	0.9780%	13,370,000.0000	AAA	AAA	89.47	13,308,765.40	11,962,139.00
Fixed Income	459058JL8	INTL BK M T N 0.500% 10/28/25	0.5566%	15,000,000.0000	AAA	AAA	89.84	14,964,951.60	13,475,700.00
Fixed Income	459058JB0	INTL BK M T N 0.626% 4/22/25	0.6824%	6,245,000.0000	AAA	AAA	91.74	6,220,831.85	5,728,850.75
Fixed Income	24422EUM9	JOHN DEERE MTN 3.650% 10/12/23	3.6788%	1,250,000.0000	A2	A	99.22	1,250,237.50	1,240,212.50
Fixed Income	47789QAC4	JOHN DEERE OWN 0.520% 3/16/26	0.5479%	2,820,000.0000	AAA	N/A	94.90	2,819,748.46	2,676,264.60
Fixed Income	47788UAC6	JOHN DEERE OWNER 0.360% 9/15/25	0.3728%	2,006,065.1300	AAA	N/A	96.55	2,005,679.56	1,936,936.13
Fixed Income	47787NAC3	JOHN DEERE OWNER 0.510% 11/15/24	0.5180%	561,875.2500	AAA	N/A	98.46	561,789.62	553,244.85
Fixed Income	47787JAC2	JOHN DEERE OWNER 2.320% 9/15/26	2.4194%	3,010,000.0000	AAA	N/A	95.89	3,009,334.19	2,886,319.10
Fixed Income	47800BAC2	JOHN DEERE OWNER 5.090% 6/15/27	5.0743%	4,040,000.0000	AAA	N/A	100.31	4,039,686.50	4,052,524.00
Fixed Income	47800AAC4	JOHN DEERE OWNR TR 3.740% 2/16/27	3.8302%	3,140,000.0000	AAA	N/A	97.65	3,139,700.13	3,066,053.00
Fixed Income	46647PBH8	JPMORGAN CHASE CO 2.005% 3/13/26	2.1663%	3,500,000.0000	A1	A-	92.56	3,602,345.00	3,239,460.00
Fixed Income	46625HJH4	JPMORGAN CHASE CO 3.200% 1/25/23	3.2025%	2,000,000.0000	A1	A-	99.92	2,042,640.00	1,998,460.00
Fixed Income	46647PAU0	JPMORGAN CHASE CO 3.797% 7/23/24	3.8351%	2,500,000.0000	A1	A-	99.01	2,632,175.00	2,475,150.00
Fixed Income	46647PCB0	JPMORGAN CHASE CO SR 1.578% 4/22/27	1.7959%	5,000,000.0000	A1	A-	87.87	4,498,450.00	4,393,300.00
Fixed Income	525ESC0Y6	LEHMAN BRTH HLD ESC	0.0000%	2,000,000.0000			-	1,016,759.36	-
Fixed Income	525ESCIB7	LEHMAN BRTH MTN ES 0.00001% 1/24/13	0.0029%	600,000.0000	N/A	N/A	0.35	315,639.25	2,100.00
Fixed Income	58769KAD6	MERCEDES BENZ AUTO 0.400% 11/15/24	0.4119%	3,315,000.0000	N/A	AAA	97.12	3,314,749.72	3,219,461.70
Fixed Income	58768PAC8	MERCEDES BENZ AUTO 5.210% 8/16/27	5.1655%	7,195,000.0000	AAA	AAA	100.86	7,193,576.83	7,257,020.90
Fixed Income	59217GER6	MET LIFE GLOB MTN 1.875% 1/11/27	2.1197%	5,920,000.0000	AA3	AA-	88.46	5,913,251.20	5,236,654.40
Fixed Income	59217GEE5	MET LIFE GLOB MTN 1.950% 1/13/23	1.9515%	2,255,000.0000	WR	N/R	99.93	2,259,126.65	2,253,308.75
Fixed Income	58989V2D5	MET TOWER MTN 1.250% 9/14/26	1.4362%	3,745,000.0000	AA3	AA-	87.03	3,741,554.60	3,259,423.30
Fixed Income	61747YEA9	MORGAN STANLEY 0.790% 5/30/25	0.8497%	8,885,000.0000	A1	A-	92.97	8,889,710.25	8,260,295.65

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Asset Category	CUSIP	Asset Short Name	Yield	Shares/Units	Moody's	S&P Rating	Price	Cost Basis	Market Value
Fixed Income	61747YEX9	MORGAN STANLEY 6.138% 10/16/26	6.0098%	1,500,000.0000	A1	A-	102.13	1,498,185.00	1,532,010.00
Fixed Income	61744YAN8	MORGAN STANLEY MTN 3.125% 1/23/23	3.1279%	1,998,000.0000	WR	N/R	99.91	1,997,154.18	1,996,161.84
Fixed Income	65479JAD5	NISSAN AUTO 1.930% 7/15/24	1.9369%	494,450.6400	AAA	AAA	99.64	494,424.53	492,680.51
Fixed Income	66815L2J7	NORTHWESTERN MTN 4.000% 7/01/25	4.0803%	7,485,000.0000	AAA	AA+	98.03	7,482,455.10	7,337,695.20
Fixed Income	713448CG1	PEPSICO INC 2.750% 3/01/23	2.7567%	1,650,000.0000	A1	A+	99.76	1,640,331.00	1,645,974.00
Fixed Income	69353RFL7	PNC BANK NA MTN 3.500% 6/08/23	3.5214%	5,000,000.0000	A2	A	99.39	4,993,318.05	4,969,600.00
Fixed Income	747525AF0	QUALCOMM INC 3.450% 5/20/25	3.5442%	8,000,000.0000	A2	A	97.34	8,479,891.80	7,787,280.00
Fixed Income	78015K7H1	ROYAL BANK OF MTN 1.150% 6/10/25	1.2564%	4,000,000.0000	A1	A	91.53	4,013,620.00	3,661,320.00
Fixed Income	78013XZU5	ROYAL BANK OF MTN 2.550% 7/16/24	2.6431%	6,500,000.0000	A1	A	96.48	6,581,445.00	6,271,005.00
Fixed Income	78012U3M5	ROYAL BK CDA N Y C D 1.350% 2/14/23	1.3554%	3,000,000.0000			99.60	3,000,000.00	2,988,060.00
Fixed Income	78445JAA5	S L M A 5.98862% 4/25/23	6.0472%	8,031.7200	B1	CCC	99.03	7,999.13	7,953.89
Fixed Income	79466LAG9	SALESFORCE COM INC 0.625% 7/15/24	0.6663%	1,350,000.0000	A2	A+	93.80	1,349,311.50	1,266,327.00
Fixed Income	808513BN4	SCHWAB CHARLES 0.750% 3/18/24	0.7892%	2,785,000.0000	A2	A	95.04	2,783,607.50	2,646,780.45
Fixed Income	86787EAN7	SUNTRUST BANK MTN 2.750% 5/01/23	2.7694%	1,920,000.0000	A2	A	99.30	1,899,916.80	1,906,540.80
Fixed Income	89114WW68	TORONTO DOMINION C D 2.680% 4/28/23	2.6989%	3,000,000.0000			99.30	3,000,000.00	2,979,000.00
Fixed Income	89114TZN5	TORONTO DOMINION MTN 1.950% 1/12/27	2.1885%	2,000,000.0000	A1	A	89.10	1,984,582.40	1,782,040.00
Fixed Income	89114QCA4	TORONTO DOMINION MTN 2.650% 6/12/24	2.7394%	3,000,000.0000	A1	A	96.74	3,000,570.00	2,902,080.00
Fixed Income	89114TZT2	TORONTO DOMINION MTN 2.800% 3/10/27	3.0531%	5,000,000.0000	A1	A	91.71	4,960,350.00	4,585,500.00
Fixed Income	89237VAB5	TOYOTA AUTO RECV 0.440% 10/15/24	0.4472%	1,092,573.8300	AAA	AAA	98.40	1,092,489.71	1,075,081.72
Fixed Income	89239CAC3	TOYOTA LEASE OWNER 0.420% 10/21/24	0.4320%	3,185,000.0000	AAA	N/A	97.21	3,184,957.00	3,096,234.05
Fixed Income	89238LAC4	TOYOTA LEASE OWNER 1.960% 2/20/25	2.0323%	6,125,000.0000	N/A	AAA	96.44	6,124,035.93	5,907,133.75
Fixed Income	89236TJZ9	TOYOTA MOTOR MTN 3.050% 3/22/27	3.2713%	2,000,000.0000	A1	A+	93.24	1,945,900.00	1,864,700.00
Fixed Income	89236TJK2	TOYOTA MTR CR MTN 1.125% 6/18/26	1.2734%	7,285,000.0000	A1	A+	88.35	7,281,794.60	6,436,006.10
Fixed Income	912828S35	U S TREASURY BD 1.375% 6/30/23	1.3970%	10,000,000.0000	AAA	N/A	98.43	9,820,703.13	9,842,600.00
Fixed Income	912828WU0	U S TREASURY I P S 0.125% 7/15/24	0.1292%	13,051,064.0000	AAA	N/A	96.77	12,906,344.09	12,630,036.68
Fixed Income	91282CFE6	U S TREASURY NT 3.125% 8/15/25	3.2188%	5,000,000.0000	AAA	N/A	97.09	4,826,171.88	4,854,300.00
Fixed Income	91282CBG5	U S TREASURY NT 0.125% 1/31/23	0.1254%	70,000,000.0000	AAA	N/A	99.70	69,184,960.95	69,789,300.00
Fixed Income	91282CCN9	U S TREASURY NT 0.125% 7/31/23	0.1284%	5,000,000.0000	AAA	N/A	97.37	4,868,945.31	4,868,350.00
Fixed Income	912828ZH6	U S TREASURY NT 0.250% 4/15/23	0.2529%	5,000,000.0000	AAA	N/A	98.84	4,938,085.94	4,941,800.00
Fixed Income	91282CAM3	U S TREASURY NT 0.250% 9/30/25	0.2784%	6,500,000.0000	AAA	N/A	89.79	6,477,656.25	5,836,285.00
Fixed Income	91282CBH3	U S TREASURY NT 0.375% 1/31/26	0.4215%	18,000,000.0000	AAA	N/A	88.97	17,781,875.00	16,015,140.00
Fixed Income	912828ZL7	U S TREASURY NT 0.375% 4/30/25	0.4109%	12,000,000.0000	AAA	N/A	91.27	11,998,515.63	10,951,920.00
Fixed Income	91282CCX7	U S TREASURY NT 0.375% 9/15/24	0.4024%	10,500,000.0000	AAA	N/A	93.20	10,377,363.28	9,785,895.00
Fixed Income	91282CBC4	U S TREASURY NT 0.375% 12/31/25	0.4196%	10,000,000.0000	AAA	N/A	89.37	9,943,320.32	8,937,100.00
Fixed Income	91282CBT7	U S TREASURY NT 0.750% 3/31/26	0.8368%	10,000,000.0000	AAA	N/A	89.63	9,943,359.37	8,962,900.00
Fixed Income	91282CCF6	U S TREASURY NT 0.750% 5/31/26	0.8410%	7,500,000.0000	AAA	N/A	89.18	7,443,750.00	6,688,800.00
Fixed Income	91282CCW9	U S TREASURY NT 0.750% 8/31/26	0.8470%	8,000,000.0000	AAA	N/A	88.54	7,874,375.01	7,083,440.00
Fixed Income	91282CDG3	U S TREASURY NT 1.125% 10/31/26	1.2578%	19,250,000.0000	N/A	N/A	89.44	19,119,013.68	17,217,392.50
Fixed Income	912828Z78	U S TREASURY NT 1.500% 1/31/27	1.6614%	18,500,000.0000	AAA	N/A	90.29	17,870,410.15	16,702,725.00
Fixed Income	91282CDZ1	U S TREASURY NT 1.500% 2/15/25	1.5935%	5,000,000.0000	AAA	N/A	94.13	4,812,890.63	4,706,650.00
Fixed Income	912828YH7	U S TREASURY NT 1.500% 9/30/24	1.5797%	14,000,000.0000	AAA	N/A	94.96	13,859,296.88	13,293,980.00

**U.S. Bank  
Investment Listing - Yield  
As of 12/31/2022**

Asset Category	CUSIP	Asset Short Name	Yield	Shares/Units	Moody's	S&P Rating	Price	Cost Basis	Market Value
Fixed Income	912828VB3	U S TREASURY NT 1.750% 5/15/23	1.7685%	5,000,000.0000	AAA	N/A	98.95	4,947,070.31	4,947,650.00
Fixed Income	912828XX3	U S TREASURY NT 2.000% 6/30/24	2.0795%	5,000,000.0000	AAA	N/A	96.18	5,028,710.94	4,808,800.00
Fixed Income	912828W48	U S TREASURY NT 2.125% 2/29/24	2.1889%	10,000,000.0000	AAA	N/A	97.08	9,911,718.75	9,708,200.00
Fixed Income	9128283J7	U S TREASURY NT 2.125% 11/30/24	2.2199%	16,500,000.0000	AAA	N/A	95.72	16,783,886.72	15,794,295.00
Fixed Income	912828V80	U S TREASURY NT 2.250% 1/31/24	2.3109%	7,500,000.0000	AAA		97.36	7,491,503.91	7,302,225.00
Fixed Income	912828WJ5	U S TREASURY NT 2.500% 5/15/24	2.5756%	7,000,000.0000	AAA	N/A	97.06	7,193,046.88	6,794,410.00
Fixed Income	91282CEN7	U S TREASURY NT 2.750% 4/30/27	2.9019%	17,000,000.0000	AAA	N/A	94.77	16,417,148.43	16,110,220.00
Fixed Income	91282CEW7	U S TREASURY NT 3.250% 6/30/27	3.3612%	20,500,000.0000	AAA	N/A	96.69	20,645,273.45	19,821,655.00
Fixed Income	91282CFM8	U S TREASURY NT 4.125% 9/30/27	4.1096%	14,500,000.0000	AAA	N/A	100.38	14,620,742.19	14,554,375.00
Fixed Income	91282CFP1	U S TREASURY NT 4.250% 10/15/25	4.2533%	7,500,000.0000	AAA	N/A	99.92	7,511,523.44	7,494,150.00
Fixed Income	911312BK1	UNITED PARCEL 2.500% 4/01/23	2.5152%	1,200,000.0000	A2	A	99.40	1,188,972.00	1,192,740.00
Fixed Income	91324PEC2	UNITEDHEALTH 1.150% 5/15/26	1.2877%	4,000,000.0000	A3	A+	89.31	3,904,703.05	3,572,320.00
Fixed Income	90331HPL1	US BANK NA MTN 2.050% 1/21/25	2.1663%	7,270,000.0000	A1	AA-	94.63	7,254,514.90	6,879,673.70
Fixed Income	92348KAV5	VERIZON MASTER TR 3.720% 7/20/27	3.7773%	2,750,000.0000	N/A	AAA	98.48	2,749,879.00	2,708,255.00
Fixed Income	927804FN9	VIRGINIA ELEC PWR 2.750% 3/15/23	2.7613%	2,000,000.0000	A2	BBB+	99.59	2,003,940.00	1,991,820.00
Fixed Income	927804GH1	VIRGINIA ELEC PWR CO 3.750% 5/15/27	3.9295%	5,735,000.0000	A2	BBB+	95.43	5,736,523.40	5,473,082.55
Fixed Income	931142ER0	WALMART INC 1.050% 9/17/26	1.1857%	1,725,000.0000	AA2	AA	88.56	1,721,739.75	1,527,591.00
Fixed Income	931142EX7	WALMART INC 3.950% 9/09/27	4.0053%	4,995,000.0000	AA2	AA	98.62	4,989,807.70	4,926,019.05
<b>Total Consolidated</b>									<b>934,057,924.21</b>

**U.S. Bank**  
**Asset Detail - Consolidated**  
**As of 12/31/2022**

CUSIP	Asset Short Name	Price	Shares/Units	Cost Basis	Market Value	Percent of Total	Unrealized Gain/Loss
<b>Cash Equivalents</b>							
02314QR50	AMAZON COM INC C P 4/05/23	98.79	1,500,000.0000	1,472,387.50	1,481,910.00	0.16	9,522.50
31846V567	FIRST AM GOVT OB FD CL Z	1.00	35,130,059.5500	35,130,059.55	35,130,059.55	3.76	-
31846V567	FIRST AM GOVT OB FD CL Z	1.00	1,652,214.8500	1,652,214.85	1,652,214.85	0.18	-
62479MNVW9	MUFG BK LTD N Y BRH C P 1/30/23	99.67	3,000,000.0000	2,977,633.33	2,990,070.00	0.32	12,436.67
86960KPG1	SVENSKA HANDELSBANKEN C P 2/16/23	99.45	1,000,000.0000	985,969.17	994,520.00	0.11	8,550.83
912796ZP7	U S TREASURY BILL 6/08/23	98.05	10,000,000.0000	9,774,508.61	9,804,600.00	1.05	30,091.39
<b>Cash Equivalents Total</b>			<b>52,282,274.4000</b>	<b>51,992,773.01</b>	<b>52,053,374.40</b>	<b>5.57</b>	<b>60,601.39</b>
<b>Fixed Income</b>							
00440EAP2	CHUBB INA HLDGS INC 2.700% 3/13/23	99.61	2,000,000.0000	1,937,000.00	1,992,200.00	0.21	55,200.00
00440EAS6	ACE INA HOLDING 3.150% 3/15/25	96.56	2,000,000.0000	2,203,740.00	1,931,200.00	0.21	(272,540.00)
023135BW5	AMAZON COM INC 0.450% 5/12/24	94.19	5,490,000.0000	5,481,984.60	5,171,031.00	0.55	(310,953.60)
023135CF1	AMAZON COM 3.300% 4/13/27	94.90	2,000,000.0000	1,996,540.00	1,898,000.00	0.20	(98,540.00)
02582JIT8	AMERICAN EXPRESS 3.390% 5/17/27	97.07	6,620,000.0000	6,618,535.66	6,426,100.20	0.69	(192,435.46)
02582JIV3	AMERICAN EXPRESS 3.750% 8/16/27	97.76	2,000,000.0000	1,934,062.50	1,955,180.00	0.21	21,117.50
02665WCJ8	AMERICAN HONDA MTN 3.450% 7/14/23	99.25	845,000.0000	843,538.15	838,620.25	0.09	(4,917.90)
02665WCQ2	AMERICAN HONDA MTN 3.625% 10/10/23	99.30	2,000,000.0000	1,998,320.00	1,985,960.00	0.21	(12,360.00)
02665WCZ2	AMERICAN HONDA MTN 2.400% 6/27/24	96.35	1,219,000.0000	1,213,843.63	1,174,469.93	0.13	(39,373.70)
02665WEA5	AMERICAN HONDA MTN 1.500% 1/13/25	93.56	6,000,000.0000	5,979,632.85	5,613,540.00	0.60	(366,092.85)
03215PFN4	AMRESKO 4.76595% 6/25/29	93.77	116,624.7700	87,577.91	109,355.55	0.01	21,777.64
037833AZ3	APPLE INC 2.500% 2/09/25	95.61	3,922,000.0000	4,154,496.16	3,749,628.10	0.40	(404,868.06)
037833CU2	APPLE INC 2.850% 5/11/24	97.36	3,000,000.0000	3,017,760.00	2,920,740.00	0.31	(97,020.00)
05601XAC3	BMW VEHICLE LEASE 1.100% 3/25/25	96.74	2,400,000.0000	2,399,641.20	2,321,856.00	0.25	(77,785.20)
05602RAD3	BMW VEH OWNER TR 3.210% 8/25/26	97.38	2,530,000.0000	2,529,868.44	2,463,739.30	0.26	(66,129.14)
06051GEU9	BANK OF AMERICA MTN 3.300% 1/11/23	99.97	2,000,000.0000	2,018,300.00	1,999,320.00	0.21	(18,980.00)
06051GHF9	BANK OF AMERICA 3.550% 3/05/24	99.62	6,675,000.0000	6,770,625.75	6,649,902.00	0.71	(120,723.75)
06051GHY8	BANK OF AMERICAN MTN 2.015% 2/13/26	92.82	2,500,000.0000	2,583,450.00	2,320,550.00	0.25	(262,900.00)
06051GJD2	BANK AMER CORP MTN 1.319% 6/19/26	90.05	2,250,000.0000	2,254,432.50	2,026,125.00	0.22	(228,307.50)
06367D2S3	BANK MONTREAL C D 4.580% 3/07/23	100.01	2,500,000.0000	2,499,999.50	2,500,350.00	0.27	350.50
06367WB85	BANK OF MONTREAL MTN 1.850% 5/01/25	93.41	7,000,000.0000	7,226,940.00	6,538,770.00	0.70	(688,170.00)
06368FAC3	BANK OF MONTREAL MTN 1.250% 9/15/26	87.38	3,000,000.0000	2,994,647.40	2,621,310.00	0.28	(373,337.40)
06406HCQ0	BANK OF NEW YORK MTN 3.950% 11/18/25	97.86	1,500,000.0000	1,537,365.00	1,467,885.00	0.16	(69,480.00)
06406RAM9	BANK OF NY MTN 1.850% 1/27/23	99.79	1,585,000.0000	1,589,501.40	1,581,592.25	0.17	(7,909.15)
084664CZ2	BERKSHIRE HATHAWAY 2.300% 3/15/27	92.32	6,875,000.0000	6,873,693.75	6,346,931.25	0.68	(526,762.50)
09247XAL5	BLACKROCK INC 3.500% 3/18/24	98.37	1,000,000.0000	1,036,330.00	983,660.00	0.11	(52,670.00)
09690AAC7	BMW VEHICLE LEASE 0.330% 12/26/24	97.72	2,017,454.6600	2,017,246.46	1,971,355.82	0.21	(45,890.64)
14913R2V8	CATERPILLAR FINL MTN 3.400% 5/13/25	97.15	3,485,000.0000	3,480,574.05	3,385,782.05	0.36	(94,792.00)
14913R3A3	CATERPILLAR FINL MTN 3.600% 8/12/27	95.42	3,250,000.0000	3,213,062.50	3,101,182.50	0.33	(111,880.00)
24422EUM9	JOHN DEERE MTN 3.650% 10/12/23	99.22	1,250,000.0000	1,250,237.50	1,240,212.50	0.13	(10,025.00)
24422EWK1	DEERE JOHN MTN 4.150% 9/15/27	98.07	2,000,000.0000	1,972,620.00	1,961,440.00	0.21	(11,180.00)
3130A0F70	F H L B DEB 3.375% 12/08/23	98.56	10,000,000.0000	10,269,043.75	9,856,100.00	1.06	(412,943.75)

**U.S. Bank**  
**Asset Detail - Consolidated**  
**As of 12/31/2022**

CUSIP	Asset Short Name	Price	Shares/Units	Cost Basis	Market Value	Percent of Total	Unrealized Gain/Loss
3130A1XJ2	F H L B 2.875% 6/14/24	97.69	11,110,000.0000	11,589,031.30	10,853,359.00	1.16	(735,672.30)
3130A2UW4	F H L B DEB 2.875% 9/13/24	97.08	2,500,000.0000	2,635,950.00	2,426,925.00	0.26	(209,025.00)
3130A4CH3	F H L B DEB 2.375% 3/14/25	95.60	5,225,000.0000	5,526,848.25	4,995,204.50	0.53	(531,643.75)
313383YJ4	F H L B DEB 3.375% 9/08/23	98.99	10,000,000.0000	10,211,831.00	9,899,300.00	1.06	(312,531.00)
313384CW7	F H L B DISC NTS 3/10/23	99.21	10,000,000.0000	9,888,727.22	9,920,500.00	1.06	31,772.78
313384ET2	F H L B DISC NTS 4/24/23	98.65	5,000,000.0000	4,913,462.50	4,932,450.00	0.53	18,987.50
313384GM5	F H L B DISC NTS 6/05/23	98.10	10,000,000.0000	9,798,330.56	9,809,900.00	1.05	11,569.44
313384HF9	F H L B DISC NTS 6/23/23	97.88	10,000,000.0000	9,768,455.56	9,787,800.00	1.05	19,344.44
313384HL6	F H L B DISC NTS 6/28/23	97.82	20,000,000.0000	19,525,687.78	19,563,200.00	2.09	37,512.22
3133EKWV4	F F C B DEB 1.850% 7/26/24	95.65	5,000,000.0000	5,048,280.00	4,782,450.00	0.51	(265,830.00)
3133TCE95	F H L M C MLTCL MTG 3.870% 8/15/32	96.71	2,890.0500	2,893.09	2,795.08	0.00	(98.01)
31348SWZ3	F H L M C #786064 3.687% 1/01/28	97.44	1,065.1900	1,039.25	1,037.87	0.00	(1.38)
3135G03U5	F N M A DEB 0.625% 4/22/25	91.87	14,000,000.0000	13,996,711.60	12,862,360.00	1.38	(1,134,351.60)
3135G04Z3	F N M A 0.500% 6/17/25	90.99	9,905,000.0000	9,884,496.65	9,012,658.55	0.96	(871,838.10)
3135G05G4	F N M A 0.250% 7/10/23	97.66	6,775,000.0000	6,760,433.75	6,616,126.25	0.71	(144,307.50)
3135G05X7	F N M A 0.375% 8/25/25	90.19	7,945,000.0000	7,907,817.40	7,165,516.05	0.77	(742,301.35)
3135G06G3	F N M A 0.500% 11/07/25	89.93	8,255,000.0000	8,225,447.10	7,423,308.75	0.79	(802,138.35)
3135G0V34	F N M A 2.500% 2/05/24	97.60	5,000,000.0000	4,980,850.00	4,880,000.00	0.52	(100,850.00)
3135G0X24	F N M A 1.625% 1/07/25	94.46	10,000,000.0000	10,157,936.40	9,446,400.00	1.01	(711,536.40)
31371NUC7	F N M A #257179 4.500% 4/01/28	98.26	5,113.4100	5,407.94	5,024.23	0.00	(383.71)
31376KT22	F N M A #357969 5.000% 9/01/35	102.12	42,724.7100	45,929.06	43,631.76	0.00	(2,297.30)
3137BFE98	F H L B GTD REMIC 3.171% 10/25/24	96.86	5,000,000.0000	5,378,515.62	4,842,850.00	0.52	(535,665.62)
3137BSRE5	F H L M C MLTCL MTG 3.120% 9/25/26	95.18	5,000,000.0000	5,214,062.50	4,758,750.00	0.51	(455,312.50)
3137EAEN5	F H L M C 2.750% 6/19/23	99.16	3,000,000.0000	2,982,540.00	2,974,680.00	0.32	(7,860.00)
3137EAEP0	F H L M C 1.500% 2/12/25	94.23	12,335,000.0000	12,510,182.05	11,623,023.80	1.24	(887,158.25)
3137EAES4	F H L M C MTN 0.250% 6/26/23	97.94	1,250,000.0000	1,214,137.50	1,224,200.00	0.13	10,062.50
3137EAEU9	F H L M C MTN 0.375% 7/21/25	90.50	5,030,000.0000	5,004,950.60	4,551,898.50	0.49	(453,052.10)
3137EAEX3	F H L M C MTN 0.375% 9/23/25	89.99	7,660,000.0000	7,636,943.40	6,893,080.80	0.74	(743,862.60)
3138EG6F6	F N M A #AL0869 4.500% 6/01/29	99.23	3,715.9200	3,929.96	3,687.31	0.00	(242.65)
31394JY35	F H L M C MLTCL MT 9.50001% 9/25/43	100.86	409,270.4400	463,498.78	412,798.35	0.04	(50,700.43)
31397QRE0	F N M A GTD REMIC 2.472% 2/25/41	98.71	76,625.5200	76,601.61	75,633.99	0.01	(967.62)
31403DJZ3	F N M A #745580 5.000% 6/01/36	102.12	42,613.4900	45,809.50	43,518.17	0.00	(2,291.33)
31403GXF4	F N M A #748678 5.000% 10/01/33	100.18	737.5300	792.84	738.82	0.00	(54.02)
31406PQY8	F N M A #815971 5.000% 3/01/35	102.12	64,967.3700	69,839.93	66,345.98	0.01	(3,493.95)
31406XWT5	F N M A #823358 3.071% 2/01/35	99.61	18,268.2400	18,125.53	18,196.08	0.00	70.55
31407BXH7	F N M A #826080 5.000% 7/01/35	102.12	8,113.5600	8,722.06	8,285.73	0.00	(436.33)
31410F4V4	F N M A #888336 5.000% 7/01/36	102.12	71,194.5000	76,534.10	72,705.25	0.01	(3,828.85)
31417YAY3	F N M A #MA0022 4.500% 4/01/29	99.23	6,221.1500	6,579.47	6,173.25	0.00	(406.22)
36225CAZ9	G N M A I I #080023 1.750% 12/20/26	98.79	6,113.7000	6,214.70	6,039.85	0.00	(174.85)
36225CC20	G N M A I I #080088 3.000% 6/20/27	98.18	4,808.5900	4,913.78	4,721.12	0.00	(192.66)
36225CN28	G N M A I I #080408 2.875% 5/20/30	97.72	25,268.2100	25,011.57	24,692.09	0.00	(319.48)
36225CNM4	G N M A I I #080395 2.875% 4/20/30	97.71	2,870.5900	2,844.56	2,804.88	0.00	(39.68)

**U.S. Bank**  
**Asset Detail - Consolidated**  
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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 2.625% 7/20/34	97.03	18,790.2200	18,778.48	18,232.71	0.00	(545.77)
362554AC1	GM FIN CONS AUTO 0.680% 9/16/26	94.48	1,705,000.0000	1,704,956.52	1,610,884.00	0.17	(94,072.52)
362585AC5	GM FIN CONS AUT 3.100% 2/16/27	96.85	2,330,000.0000	2,329,513.03	2,256,605.00	0.24	(72,908.03)
36265MAC9	GM FIN AUTO LSNG TR 1.900% 3/20/25	96.62	5,020,000.0000	5,019,956.83	4,850,424.40	0.52	(169,532.43)
36266FAC3	GM FIN AUTO LSNG 3.420% 6/20/25	97.82	3,035,000.0000	3,034,683.45	2,968,776.30	0.32	(65,907.15)
380146AC4	GM FIN CONS AUTO 1.260% 11/16/26	94.54	1,590,000.0000	1,589,861.83	1,503,154.20	0.16	(86,707.63)
40139LBD4	GUARDIAN LIFE MTN 1.250% 5/13/26	88.05	3,250,000.0000	3,124,290.00	2,861,462.50	0.31	(262,827.50)
43813GAC5	HONDA AUTO 0.270% 4/21/25	96.73	1,125,494.0700	1,125,473.48	1,088,701.67	0.12	(36,771.81)
43813KAC6	HONDA AUTO 0.370% 10/18/24	97.82	1,622,609.4600	1,622,371.11	1,587,155.44	0.17	(35,215.67)
43815BAC4	HONDA AUTO REC OWN 1.880% 5/15/26	95.01	3,930,000.0000	3,929,408.93	3,733,893.00	0.40	(195,515.93)
43815GAC3	HONDA AUTO REC 0.880% 1/21/26	94.90	2,290,000.0000	2,289,517.27	2,173,187.10	0.23	(116,330.17)
438516CB0	HONEYWELL 1.350% 6/01/25	92.44	5,000,000.0000	5,119,000.00	4,622,200.00	0.49	(496,800.00)
44891VAC5	HYUNDAI AUTO LEASE 0.330% 6/17/24	98.47	4,155,000.0000	4,154,376.75	4,091,594.70	0.44	(62,782.05)
44891WAC3	HYUNDAI AUTO LEASE 1.160% 1/15/25	96.51	2,895,000.0000	2,894,936.02	2,793,848.70	0.30	(101,087.32)
448977AD0	HYUNDAI AUTO REC 2.220% 10/15/26	95.54	4,300,000.0000	4,299,834.45	4,108,306.00	0.44	(191,528.45)
44933LAC7	HYUNDAI AUTO REC 0.380% 9/15/25	96.71	1,962,237.5000	1,962,031.07	1,897,660.26	0.20	(64,370.81)
44934KAC8	HTUNDAI AUTO REC TR 0.380% 1/15/26	95.49	6,040,000.0000	6,038,666.97	5,767,475.20	0.62	(271,191.77)
44935FAD6	HYUNDAI AUTO REC TR 0.740% 5/15/26	94.46	1,600,000.0000	1,599,642.88	1,511,280.00	0.16	(88,362.88)
458140BD1	INTEL CORP 2.875% 5/11/24	97.41	5,000,000.0000	5,025,900.00	4,870,550.00	0.52	(155,350.00)
4581X0DN5	INTER AMER BK M T N 0.625% 7/15/25	91.03	5,050,000.0000	5,071,967.50	4,597,166.50	0.49	(474,801.00)
4581X0DV7	INTER AMER BK M T N 0.875% 4/20/26	89.47	13,370,000.0000	13,308,765.40	11,962,139.00	1.28	(1,346,626.40)
4581X0DZ8	INTER AMER BK M T N 0.500% 9/23/24	93.16	10,775,000.0000	10,767,026.50	10,037,666.75	1.07	(729,359.75)
459058JB0	INTL BK M T N 0.626% 4/22/25	91.74	6,245,000.0000	6,220,831.85	5,728,850.75	0.61	(491,981.10)
459058JL8	INTL BK M T N 0.500% 10/28/25	89.84	15,000,000.0000	14,964,951.60	13,475,700.00	1.44	(1,489,251.60)
46625HJH4	JPMORGAN CHASE CO 3.200% 1/25/23	99.92	2,000,000.0000	2,042,640.00	1,998,460.00	0.21	(44,180.00)
46647PAU0	JPMORGAN CHASE CO 3.797% 7/23/24	99.01	2,500,000.0000	2,632,175.00	2,475,150.00	0.26	(157,025.00)
46647PBH8	JPMORGAN CHASE CO 2.005% 3/13/26	92.56	3,500,000.0000	3,602,345.00	3,239,460.00	0.35	(362,885.00)
46647PCB0	JPMORGAN CHASE CO SR 1.578% 4/22/27	87.87	5,000,000.0000	4,498,450.00	4,393,300.00	0.47	(105,150.00)
47787JAC2	JOHN DEERE OWNER 2.320% 9/15/26	95.89	3,010,000.0000	3,009,334.19	2,886,319.10	0.31	(123,015.09)
47787NAC3	JOHN DEERE OWNER 0.510% 11/15/24	98.46	561,875.2500	561,789.62	553,244.85	0.06	(8,544.77)
47788UAC6	JOHN DEERE OWNER 0.360% 9/15/25	96.55	2,006,065.1300	2,005,679.56	1,936,936.13	0.21	(68,743.43)
47789QAC4	JOHN DEERE OWN 0.520% 3/16/26	94.90	2,820,000.0000	2,819,748.46	2,676,264.60	0.29	(143,483.86)
47800AAC4	JOHN DEERE OWNR TR 3.740% 2/16/27	97.65	3,140,000.0000	3,139,700.13	3,066,053.00	0.33	(73,647.13)
47800BAC2	JOHN DEERE OWNER 5.090% 6/15/27	100.31	4,040,000.0000	4,039,686.50	4,052,524.00	0.43	12,837.50
525ESC0Y6	LEHMAN BRTH HLD ESC	-	2,000,000.0000	1,016,759.36	-	-	(1,016,759.36)
525ESCIB7	LEHMAN BRTH MTN ES 0.00001% 1/24/13	0.35	600,000.0000	315,639.25	2,100.00	0.00	(313,539.25)
58768PAC8	MERCEDES BENZ AUTO 5.210% 8/16/27	100.86	7,195,000.0000	7,193,576.83	7,257,020.90	0.78	63,444.07
58769KAD6	MERCEDES BENZ AUTO 0.400% 11/15/24	97.12	3,315,000.0000	3,314,749.72	3,219,461.70	0.34	(95,288.02)
58989V2D5	MET TOWER MTN 1.250% 9/14/26	87.03	3,745,000.0000	3,741,554.60	3,259,423.30	0.35	(482,131.30)
59217GEE5	MET LIFE GLOB MTN 1.950% 1/13/23	99.93	2,255,000.0000	2,259,126.65	2,253,308.75	0.24	(5,817.90)
59217GER6	MET LIFE GLOB MTN 1.875% 1/11/27	88.46	5,920,000.0000	5,913,251.20	5,236,654.40	0.56	(676,596.80)
61744YAN8	MORGAN STANLEY MTN 3.125% 1/23/23	99.91	1,998,000.0000	1,997,154.18	1,996,161.84	0.21	(992.34)



**U.S. Bank**  
**Asset Detail - Consolidated**  
**As of 12/31/2022**

CUSIP	Asset Short Name	Price	Shares/Units	Cost Basis	Market Value	Percent of Total	Unrealized Gain/Loss
61747YEA9	MORGAN STANLEY 0.790% 5/30/25	92.97	8,885,000.0000	8,889,710.25	8,260,295.65	0.88	(629,414.60)
61747YEX9	MORGAN STANLEY 6.138% 10/16/26	102.13	1,500,000.0000	1,498,185.00	1,532,010.00	0.16	33,825.00
65479JAD5	NISSAN AUTO 1.930% 7/15/24	99.64	494,450.6400	494,424.53	492,680.51	0.05	(1,744.02)
66815L2J7	NORTHWESTERN MTN 4.000% 7/01/25	98.03	7,485,000.0000	7,482,455.10	7,337,695.20	0.79	(144,759.90)
69353RFL7	PNC BANK NA MTN 3.500% 6/08/23	99.39	5,000,000.0000	4,993,318.05	4,969,600.00	0.53	(23,718.05)
713448CG1	PEPSICO INC 2.750% 3/01/23	99.76	1,650,000.0000	1,640,331.00	1,645,974.00	0.18	5,643.00
747525AF0	QUALCOMM INC 3.450% 5/20/25	97.34	8,000,000.0000	8,479,891.80	7,787,280.00	0.83	(692,611.80)
78012U3M5	ROYAL BK CDA N Y C D 1.350% 2/14/23	99.60	3,000,000.0000	3,000,000.00	2,988,060.00	0.32	(11,940.00)
78013XZU5	ROYAL BANK OF MTN 2.550% 7/16/24	96.48	6,500,000.0000	6,581,445.00	6,271,005.00	0.67	(310,440.00)
78015K7H1	ROYAL BANK OF MTN 1.150% 6/10/25	91.53	4,000,000.0000	4,013,620.00	3,661,320.00	0.39	(352,300.00)
78445JAA5	S L M A 5.98862% 4/25/23	99.03	8,031.7200	7,999.13	7,953.89	0.00	(45.24)
79466LAG9	SALESFORCE COM INC 0.625% 7/15/24	93.80	1,350,000.0000	1,349,311.50	1,266,327.00	0.14	(82,984.50)
808513BN4	SCHWAB CHARLES 0.750% 3/18/24	95.04	2,785,000.0000	2,783,607.50	2,646,780.45	0.28	(136,827.05)
808513BY0	CHARLES SCHWAB CORP 2.450% 3/03/27	91.16	2,325,000.0000	2,322,489.00	2,119,539.75	0.23	(202,949.25)
86787EAN7	SUNTRUST BANK MTN 2.750% 5/01/23	99.30	1,920,000.0000	1,899,916.80	1,906,540.80	0.20	6,624.00
89114QCA4	TORONTO DOMINION MTN 2.650% 6/12/24	96.74	3,000,000.0000	3,000,570.00	2,902,080.00	0.31	(98,490.00)
89114TZN5	TORONTO DOMINION MTN 1.950% 1/12/27	89.10	2,000,000.0000	1,984,582.40	1,782,040.00	0.19	(202,542.40)
89114TZT2	TORONTO DOMINION MTN 2.800% 3/10/27	91.71	5,000,000.0000	4,960,350.00	4,585,500.00	0.49	(374,850.00)
89114WW68	TORONTO DOMINION C D 2.680% 4/28/23	99.30	3,000,000.0000	3,000,000.00	2,979,000.00	0.32	(21,000.00)
89236TJK2	TOYOTA MTR CR MTN 1.125% 6/18/26	88.35	7,285,000.0000	7,281,794.60	6,436,006.10	0.69	(845,788.50)
89236TJZ9	TOYOTA MOTOR MTN 3.050% 3/22/27	93.24	2,000,000.0000	1,945,900.00	1,864,700.00	0.20	(81,200.00)
89237VAB5	TOYOTA AUTO RECV 0.440% 10/15/24	98.40	1,092,573.8300	1,092,489.71	1,075,081.72	0.12	(17,407.99)
89238LAC4	TOYOTA LEASE OWNER 1.960% 2/20/25	96.44	6,125,000.0000	6,124,035.93	5,907,133.75	0.63	(216,902.18)
89239CAC3	TOYOTA LEASE OWNER 0.420% 10/21/24	97.21	3,185,000.0000	3,184,957.00	3,096,234.05	0.33	(88,722.95)
90331HPL1	US BANK NA MTN 2.050% 1/21/25	94.63	7,270,000.0000	7,254,514.90	6,879,673.70	0.74	(374,841.20)
911312BK1	UNITED PARCEL 2.500% 4/01/23	99.40	1,200,000.0000	1,188,972.00	1,192,740.00	0.13	3,768.00
9128283J7	U S TREASURY NT 2.125% 11/30/24	95.72	16,500,000.0000	16,783,886.72	15,794,295.00	1.69	(989,591.72)
912828S35	U S TREASURY BD 1.375% 6/30/23	98.43	10,000,000.0000	9,820,703.13	9,842,600.00	1.05	21,896.87
912828V80	U S TREASURY NT 2.250% 1/31/24	97.36	7,500,000.0000	7,491,503.91	7,302,225.00	0.78	(189,278.91)
912828VB3	U S TREASURY NT 1.750% 5/15/23	98.95	5,000,000.0000	4,947,070.31	4,947,650.00	0.53	579.69
912828W48	U S TREASURY NT 2.125% 2/29/24	97.08	10,000,000.0000	9,911,718.75	9,708,200.00	1.04	(203,518.75)
912828WJ5	U S TREASURY NT 2.500% 5/15/24	97.06	7,000,000.0000	7,193,046.88	6,794,410.00	0.73	(398,636.88)
912828WU0	U S TREASURY I P S 0.125% 7/15/24	96.77	13,051,064.0000	12,906,344.09	12,630,036.68	1.35	(276,307.41)
912828XX3	U S TREASURY NT 2.000% 6/30/24	96.18	5,000,000.0000	5,028,710.94	4,808,800.00	0.51	(219,910.94)
912828YH7	U S TREASURY NT 1.500% 9/30/24	94.96	14,000,000.0000	13,859,296.88	13,293,980.00	1.42	(565,316.88)
912828Z78	U S TREASURY NT 1.500% 1/31/27	90.29	18,500,000.0000	17,870,410.15	16,702,725.00	1.79	(1,167,685.15)
912828ZH6	U S TREASURY NT 0.250% 4/15/23	98.84	5,000,000.0000	4,938,085.94	4,941,800.00	0.53	3,714.06
912828ZL7	U S TREASURY NT 0.375% 4/30/25	91.27	12,000,000.0000	11,998,515.63	10,951,920.00	1.17	(1,046,595.63)
91282CAM3	U S TREASURY NT 0.250% 9/30/25	89.79	6,500,000.0000	6,477,656.25	5,836,285.00	0.62	(641,371.25)
91282CBC4	U S TREASURY NT 0.375% 12/31/25	89.37	10,000,000.0000	9,943,320.32	8,937,100.00	0.96	(1,006,220.32)
91282CBG5	U S TREASURY NT 0.125% 1/31/23	99.70	70,000,000.0000	69,184,960.95	69,789,300.00	7.47	604,339.05
91282CBH3	U S TREASURY NT 0.375% 1/31/26	88.97	18,000,000.0000	17,781,875.00	16,015,140.00	1.71	(1,766,735.00)

**U.S. Bank**  
**Asset Detail - Consolidated**  
**As of 12/31/2022**

CUSIP	Asset Short Name	Price	Shares/Units	Cost Basis	Market Value	Percent of Total	Unrealized Gain/Loss
91282CBT7	U S TREASURY NT 0.750% 3/31/26	89.63	10,000,000.0000	9,943,359.37	8,962,900.00	0.96	(980,459.37)
91282CCF6	U S TREASURY NT 0.750% 5/31/26	89.18	7,500,000.0000	7,443,750.00	6,688,800.00	0.72	(754,950.00)
91282CCN9	U S TREASURY NT 0.125% 7/31/23	97.37	5,000,000.0000	4,868,945.31	4,868,350.00	0.52	(595.31)
91282CCW9	U S TREASURY NT 0.750% 8/31/26	88.54	8,000,000.0000	7,874,375.01	7,083,440.00	0.76	(790,935.01)
91282CCX7	U S TREASURY NT 0.375% 9/15/24	93.20	10,500,000.0000	10,377,363.28	9,785,895.00	1.05	(591,468.28)
91282CDG3	U S TREASURY NT 1.125% 10/31/26	89.44	19,250,000.0000	19,119,013.68	17,217,392.50	1.84	(1,901,621.18)
91282CDZ1	U S TREASURY NT 1.500% 2/15/25	94.13	5,000,000.0000	4,812,890.63	4,706,650.00	0.50	(106,240.63)
91282CEN7	U S TREASURY NT 2.750% 4/30/27	94.77	17,000,000.0000	16,417,148.43	16,110,220.00	1.72	(306,928.43)
91282CEW7	U S TREASURY NT 3.250% 6/30/27	96.69	20,500,000.0000	20,645,273.45	19,821,655.00	2.12	(823,618.45)
91282CFE6	U S TREASURY NT 3.125% 8/15/25	97.09	5,000,000.0000	4,826,171.88	4,854,300.00	0.52	28,128.12
91282CFM8	U S TREASURY NT 4.125% 9/30/27	100.38	14,500,000.0000	14,620,742.19	14,554,375.00	1.56	(66,367.19)
91282CFP1	U S TREASURY NT 4.250% 10/15/25	99.92	7,500,000.0000	7,511,523.44	7,494,150.00	0.80	(17,373.44)
91324PEC2	UNITEDHEALTH 1.150% 5/15/26	89.31	4,000,000.0000	3,904,703.05	3,572,320.00	0.38	(332,383.05)
92348KAV5	VERIZON MASTER TR 3.720% 7/20/27	98.48	2,750,000.0000	2,749,879.00	2,708,255.00	0.29	(41,624.00)
927804FN9	VIRGINIA ELEC PWR 2.750% 3/15/23	99.59	2,000,000.0000	2,003,940.00	1,991,820.00	0.21	(12,120.00)
927804GH1	VIRGINIA ELEC PWR CO 3.750% 5/15/27	95.43	5,735,000.0000	5,736,523.40	5,473,082.55	0.59	(263,440.85)
931142ER0	WALMART INC 1.050% 9/17/26	88.56	1,725,000.0000	1,721,739.75	1,527,591.00	0.16	(194,148.75)
931142EX7	WALMART INC 3.950% 9/09/27	98.62	4,995,000.0000	4,989,807.70	4,926,019.05	0.53	(63,788.65)
<b>Fixed Income Total</b>			<b>929,793,853.4200</b>	<b>927,090,155.92</b>	<b>882,004,549.81</b>	<b>94.43</b>	<b>(45,085,606.11)</b>
<b>Grand Total</b>			<b>982,076,127.8200</b>	<b>979,082,928.93</b>	<b>934,057,924.21</b>	<b>100.00</b>	<b>(45,025,004.72)</b>

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
<b>Acquisitions</b>							
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/3/2022	31846V567	(2,429,400.00)	1.000000	2,429,400.00	2,429,400.00	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/4/2022	31846V567	(17,480.49)	1.000000	17,480.49	17,480.49	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/4/2022	31846V567	(9,177.28)	1.000000	9,177.28	9,177.28	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/6/2022	31846V567	(169.05)	1.000000	169.05	169.05	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/11/2022	31846V567	(36,250.00)	1.000000	36,250.00	36,250.00	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/12/2022	31846V567	(22,812.50)	1.000000	22,812.50	22,812.50	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/13/2022	31846V567	(2,491,462.48)	1.000000	2,491,462.48	2,491,462.48	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/14/2022	31846V567	(15,470.00)	1.000000	15,470.00	15,470.00	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/14/2022	31846V567	(6,000,000.00)	1.000000	6,000,000.00	6,000,000.00	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/17/2022	31846V567	(260,126.31)	1.000000	260,126.31	260,126.31	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/17/2022	31846V567	(153,413.03)	1.000000	153,413.03	153,413.03	-
PURCHASED PAR VALUE OF UNITED PARCEL 2.500% 4/01/23 /MARKETAXESS CORP/MTXX 1,200,000 PAR VALUE AT 99.081 %	10/17/2022	911312BK1	(1,188,972.00)	0.990810	1,200,000.00	1,188,972.00	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/18/2022	31846V567	(180,048.75)	1.000000	180,048.75	180,048.75	-
PURCHASED PAR VALUE OF JOHN DEERE OWNER 5.470% 6/15/27 /CITIGROUP GLOBAL MARKETS INC./4,040,000 PAR VALUE AT 99.9922401 %	10/19/2022	47800BAC2	(4,039,686.50)	0.999922	4,040,000.00	4,039,686.50	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/20/2022	31846V567	(4,000,000.00)	1.000000	4,000,000.00	4,000,000.00	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/20/2022	31846V567	(10,920.00)	1.000000	10,920.00	10,920.00	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/20/2022	31846V567	(96,338.80)	1.000000	96,338.80	96,338.80	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/21/2022	31846V567	(2,508,729.97)	1.000000	2,508,729.97	2,508,729.97	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/21/2022	31846V567	(100,652.13)	1.000000	100,652.13	100,652.13	-
PURCHASED PAR VALUE OF MORGAN STANLEY 6.138% 10/16/26 /RBC CAPITAL MARKETS, LLC/MTXX 1,500,000 PAR VALUE AT 99.879 %	10/21/2022	61747YEX9	(1,498,185.00)	0.998790	1,500,000.00	1,498,185.00	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/24/2022	31846V567	(102,746.85)	1.000000	102,746.85	102,746.85	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/25/2022	31846V567	(15,404.13)	1.000000	15,404.13	15,404.13	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/25/2022	31846V567	(29,785.39)	1.000000	29,785.39	29,785.39	-
PURCHASED PAR VALUE OF U S TREASURY NT 0.125% 1/31/23 /WELLS FARGO SECURITIES, LLC/XOFF 5,000,000 PAR VALUE AT 98.96875 %	10/25/2022	91282CBG5	(4,948,437.50)	0.989688	5,000,000.00	4,948,437.50	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/26/2022	31846V567	(4,000,000.00)	1.000000	4,000,000.00	4,000,000.00	-
PURCHASED PAR VALUE OF SVENSKA HANDELSBANKEN C P 2/16/23 /WELLS FARGO SECURITIES, LLC/XOFF 1,000,000 PAR VALUE AT 98.596917 %	10/26/2022	86960KPG1	(985,969.17)	0.985969	1,000,000.00	985,969.17	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/28/2022	31846V567	(37,500.00)	1.000000	37,500.00	37,500.00	-
PURCHASED PAR VALUE OF AMERICAN EXPRESS 3.750% 8/16/27 /BARCLAYS CAPITAL INC. FIXED IN/2,000,000 PAR VALUE AT 96.703125 %	10/31/2022	02582JVV3	(1,934,062.50)	0.967031	2,000,000.00	1,934,062.50	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/31/2022	31846V567	(7,875.00)	1.000000	7,875.00	7,875.00	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	10/31/2022	31846V567	(573,683.20)	1.000000	573,683.20	573,683.20	-

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
PURCHASED PAR VALUE OF SUNTRUST BANK MTN 2.750% 5/01/23 /MARKETAXESS CORP/MTXX 1,920,000 PAR VALUE AT 98.954 %	10/31/2022	86787EAN7	(1,899,916.80)	0.989540	1,920,000.00	1,899,916.80	-
PURCHASED PAR VALUE OF U S TREASURY NT 4.125% 9/30/27 /CITIGROUP GLOBAL MARKETS INC./XOFF 2,500,000 PAR VALUE AT 99.6640624 %	10/31/2022	91282CFM8	(2,491,601.56)	0.996641	2,500,000.00	2,491,601.56	-
PURCHASED PAR VALUE OF U S TREASURY NT 4.250% 10/15/25 /BMO CAPITAL MARKETS CORP/BONDS/XOFF 2,500,000 PAR VALUE AT 99.59375 %	10/31/2022	91282CFP1	(2,489,843.75)	0.995938	2,500,000.00	2,489,843.75	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	11/1/2022	31846V567	(26,400.00)	1.000000	26,400.00	26,400.00	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	11/1/2022	31846V567	(64,750.00)	1.000000	64,750.00	64,750.00	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	11/2/2022	31846V567	(13,946.69)	1.000000	13,946.69	13,946.69	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	11/2/2022	31846V567	(14,388.41)	1.000000	14,388.41	14,388.41	-
PURCHASED PAR VALUE OF U S TREASURY NT 0.125% 1/31/23 /CITADEL CLEARING LLC/XOFF 5,000,000 PAR VALUE AT 99.0585938 %	11/4/2022	91282CBG5	(4,952,929.69)	0.990586	5,000,000.00	4,952,929.69	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	11/7/2022	31846V567	(20,637.50)	1.000000	20,637.50	20,637.50	-
PURCHASED PAR VALUE OF PEPSICO INC 2.750% 3/01/23 /MARKETAXESS CORP/MTXX 1,650,000 PAR VALUE AT 99.414 %	11/9/2022	713448CG1	(1,640,331.00)	0.994140	1,650,000.00	1,640,331.00	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	11/14/2022	31846V567	(206,535.00)	1.000000	206,535.00	206,535.00	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	11/15/2022	31846V567	(314,738.82)	1.000000	314,738.82	314,738.82	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	11/15/2022	31846V567	(1,498,986.02)	1.000000	1,498,986.02	1,498,986.02	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	11/15/2022	31846V567	(492,266.58)	1.000000	492,266.58	492,266.58	-
PURCHASED PAR VALUE OF AMAZON COM INC C P 4/05/23 /BOFA SECURITIES, INC./FXD INC/XOFF 1,500,000 PAR VALUE AT 98.15916667 %	11/15/2022	02314QR50	(1,472,387.50)	0.981592	1,500,000.00	1,472,387.50	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	11/16/2022	31846V567	(8,654.84)	1.000000	8,654.84	8,654.84	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	11/17/2022	31846V567	(4,073,835.85)	1.000000	4,073,835.85	4,073,835.85	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	11/18/2022	31846V567	(199,990.08)	1.000000	199,990.08	199,990.08	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	11/21/2022	31846V567	(267,321.04)	1.000000	267,321.04	267,321.04	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z ( 14 )	11/22/2022	31846V567	(8,500,000.00)	1.000000	8,500,000.00	8,500,000.00	-
PURCHASED PAR VALUE OF MERCEDES BENZ AUTO 5.210% 8/16/27 /PERSHING LLC/XOFF 7,195,000 PAR VALUE AT 99.98022001 %	11/22/2022	58768PAC8	(7,193,576.83)	0.999802	7,195,000.00	7,193,576.83	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	11/25/2022	31846V567	(15,217.47)	1.000000	15,217.47	15,217.47	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	11/25/2022	31846V567	(32,403.07)	1.000000	32,403.07	32,403.07	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	11/30/2022	31846V567	(254,470.75)	1.000000	254,470.75	254,470.75	-
PURCHASED PAR VALUE OF MUFG BK LTD N Y BRH C P 1/30/23 /USBNA/CP/3,000,000 PAR VALUE AT 99.25444433 %	11/30/2022	62479MNV9	(2,977,633.33)	0.992544	3,000,000.00	2,977,633.33	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	12/1/2022	31846V567	(33,750.00)	1.000000	33,750.00	33,750.00	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	12/2/2022	31846V567	(38,010,583.48)	1.000000	38,010,583.48	38,010,583.48	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	12/2/2022	31846V567	(9,711.56)	1.000000	9,711.56	9,711.56	-

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
PURCHASED PAR VALUE OF U S TREASURY BD 1.375% 6/30/23 /WELLS FARGO SECURITIES, LLC/XOFF 10,000,000 PAR VALUE AT 98.2070313 %	12/6/2022	912828S35	(9,820,703.13)	0.982070	10,000,000.00	9,820,703.13	-
PURCHASED PAR VALUE OF F H L B DISC NTS 4/24/23 /TD SECURITIES (USA)/XOFF 5,000,000 PAR VALUE AT 98.26925 %	12/7/2022	313384ET2	(4,913,462.50)	0.982693	5,000,000.00	4,913,462.50	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	12/8/2022	31846V567	(256,250.00)	1.000000	256,250.00	256,250.00	-
PURCHASED PAR VALUE OF BANK MONTREAL C D 4.580% 3/07/23 /BOFA SECURITIES, INC./FXD INC/XOFF 2,500,000 PAR VALUE AT 99.99998 %	12/8/2022	06367D2S3	(2,499,999.50)	1.000000	2,500,000.00	2,499,999.50	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	12/12/2022	31846V567	(62,750.00)	1.000000	62,750.00	62,750.00	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	12/12/2022	31846V567	(5,000,000.00)	1.000000	5,000,000.00	5,000,000.00	-
PURCHASED PAR VALUE OF U S TREASURY BILL 6/08/23 /SG AMERICAS SECURITIES, LLC/XOFF 10,000,000 PAR VALUE AT 97.7450861 %	12/12/2022	912796ZP7	(9,774,508.61)	0.977451	10,000,000.00	9,774,508.61	-
PURCHASED PAR VALUE OF F H L B DISC NTS 3/10/23 /UBS SECURITIES LLC/10,000,000 PAR VALUE AT 98.8872722 %	12/12/2022	313384CW7	(9,888,727.22)	0.988873	10,000,000.00	9,888,727.22	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	12/14/2022	31846V567	(159,706.25)	1.000000	159,706.25	159,706.25	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	12/15/2022	31846V567	(7,668,404.99)	1.000000	7,668,404.99	7,668,404.99	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	12/15/2022	31846V567	(60,932.57)	1.000000	60,932.57	60,932.57	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	12/16/2022	31846V567	(1,669.50)	1.000000	1,669.50	1,669.50	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	12/16/2022	31846V567	(6,985.34)	1.000000	6,985.34	6,985.34	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	12/19/2022	31846V567	(283,963.78)	1.000000	283,963.78	283,963.78	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	12/20/2022	31846V567	(37,745.69)	1.000000	37,745.69	37,745.69	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	12/21/2022	31846V567	(87,373.62)	1.000000	87,373.62	87,373.62	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	12/21/2022	31846V567	(14.99)	1.000000	14.99	14.99	-
PURCHASED PAR VALUE OF U S TREASURY NT 4.250% 10/15/25 /BMO CAPITAL MARKETS CORP/BONDS/XOFF 5,000,000 PAR VALUE AT 100.4335938 %	12/21/2022	91282CFP1	(5,021,679.69)	1.004336	5,000,000.00	5,021,679.69	-
PURCHASED PAR VALUE OF U S TREASURY NT 4.125% 9/30/27 /CITIGROUP GLOBAL MARKETS INC./XOFF 5,000,000 PAR VALUE AT 101.2265626 %	12/21/2022	91282CFM8	(5,061,328.13)	1.012266	5,000,000.00	5,061,328.13	-
PURCHASED PAR VALUE OF F H L B DISC NTS 6/23/23 /BOFA SECURITIES, INC./FXD INC/XOFF 10,000,000 PAR VALUE AT 97.6845556 %	12/23/2022	313384HF9	(9,768,455.56)	0.976846	10,000,000.00	9,768,455.56	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	12/27/2022	31846V567	(49,464.64)	1.000000	49,464.64	49,464.64	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	12/27/2022	31846V567	(76,801,562.50)	1.000000	76,801,562.50	76,801,562.50	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	12/27/2022	31846V567	(85,470.94)	1.000000	85,470.94	85,470.94	-
PURCHASED PAR VALUE OF U S TREASURY NT 4.125% 9/30/27 /CITIGROUP GLOBAL MARKETS INC./XOFF 7,000,000 PAR VALUE AT 100.96875 %	12/27/2022	91282CFM8	(7,067,812.50)	1.009688	7,000,000.00	7,067,812.50	-
PURCHASED UNITS OF FIRST AM GOVT OB FD CL Z	12/28/2022	31846V567	(14,628.00)	1.000000	14,628.00	14,628.00	-
PURCHASED PAR VALUE OF F H L B DISC NTS 6/28/23 /CITIGROUP GLOBAL MARKETS INC./XOFF 20,000,000 PAR VALUE AT 97.6284389 %	12/28/2022	313384HL6	(19,525,687.78)	0.976284	20,000,000.00	19,525,687.78	-

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
PURCHASED PAR VALUE OF U S TREASURY NT 1.750% 5/15/23 /CITIGROUP GLOBAL MARKETS INC./XOFF 5,000,000 PAR VALUE AT 98.9414062 %	12/28/2022	912828VB3	(4,947,070.31)	0.989414	5,000,000.00	4,947,070.31	-
PURCHASED PAR VALUE OF U S TREASURY NT 0.250% 4/15/23 /WELLS FARGO SECURITIES, LLC/XOFF 5,000,000 PAR VALUE AT 98.7617188 %	12/28/2022	912828ZH6	(4,938,085.94)	0.987617	5,000,000.00	4,938,085.94	-
PURCHASED PAR VALUE OF U S TREASURY NT 0.125% 7/31/23 /BMO CAPITAL MARKETS CORP/BONDS/XOFF 5,000,000 PAR VALUE AT 97.3789062 %	12/28/2022	91282CCN9	(4,868,945.31)	0.973789	5,000,000.00	4,868,945.31	-
PURCHASED PAR VALUE OF F H L B DISC NTS 6/05/23 /MORGAN STANLEY & CO. LLC/XOFF 10,000,000 PAR VALUE AT 97.9833056 %	12/29/2022	313384GM5	(9,798,330.56)	0.979833	10,000,000.00	9,798,330.56	-
<b>Total Acquisitions</b>			<b>(315,343,285.20)</b>		<b>317,239,955.33</b>	<b>315,343,285.20</b>	<b>-</b>
<b>Dispositions</b>							
MATURED PAR VALUE OF UNITED PARCEL SVC 2.450% 10/01/22 2,400,000 PAR VALUE AT 100 %	10/3/2022	911312AQ9	2,400,000.00	1.000000	(2,400,000.00)	(2,407,152.00)	(7,152.00)
SOLD PAR VALUE OF U S TREASURY NT 2.125% 11/30/23 /J.P. MORGAN SECURITIES LLC/XOFF 2,500,000 PAR VALUE AT 97.5546876 %	10/13/2022	912828U57	2,438,867.19	0.975547	(2,500,000.00)	(2,460,839.84)	(21,972.65)
MATURED PAR VALUE OF SVENSKA C D 0.255% 10/14/22 6,000,000 PAR VALUE AT 100 %	10/14/2022	86959RTW0	6,000,000.00	1.000000	(6,000,000.00)	(6,000,302.58)	(302.58)
SOLD UNITS OF FIRST AM GOVT OB FD CL Z	10/17/2022	31846V567	17,721,455.27	5.000000	(17,721,455.27)	(17,721,455.27)	-
PAID DOWN PAR VALUE OF F H L M C MLTCL MTG 3.744% 8/15/32	10/17/2022	3133TCE95	42.70	0.000000	(42.70)	(42.74)	(0.04)
PAID DOWN PAR VALUE OF F H L M C #786064 2.262% 1/01/28 SEPTEMBER FHLMC DUE 10/15/22	10/17/2022	31348SWZ3	21.08	0.000000	(21.08)	(20.57)	0.51
PAID DOWN PAR VALUE OF TOYOTA AUTO RECV 0.440% 10/15/24	10/17/2022	89237VAB5	145,873.39	0.000000	(145,873.39)	(145,862.16)	11.23
PAID DOWN PAR VALUE OF NISSAN AUTO 1.930% 7/15/24	10/17/2022	65479JAD5	152,892.36	0.000000	(152,892.36)	(152,884.29)	8.07
PAID DOWN PAR VALUE OF JOHN DEERE OWNER 0.510% 11/15/24	10/17/2022	47787NAC3	44,742.41	0.000000	(44,742.41)	(44,735.59)	6.82
PAID DOWN PAR VALUE OF HONDA AUTO 0.370% 10/18/24	10/18/2022	43813KAC6	179,390.97	0.000000	(179,390.97)	(179,364.62)	26.35
PAID DOWN PAR VALUE OF G N M A I I #080023 1.750% 12/20/26 SEPTEMBER GNMA DUE 10/20/22	10/20/2022	36225CAZ9	539.95	0.000000	(539.95)	(548.87)	(8.92)
PAID DOWN PAR VALUE OF G N M A I I #080088 3.000% 6/20/27 SEPTEMBER GNMA DUE 10/20/22	10/20/2022	36225CC20	86.24	0.000000	(86.24)	(88.13)	(1.89)
PAID DOWN PAR VALUE OF G N M A I I #080408 2.875% 5/20/30 SEPTEMBER GNMA DUE 10/20/22	10/20/2022	36225CN28	311.03	0.000000	(311.03)	(307.87)	3.16
PAID DOWN PAR VALUE OF G N M A I I #080395 2.875% 4/20/30 SEPTEMBER GNMA DUE 10/20/22	10/20/2022	36225CNM4	45.55	0.000000	(45.55)	(45.14)	0.41
PAID DOWN PAR VALUE OF G N M A I I #080965 1.625% 7/20/34 SEPTEMBER GNMA DUE 10/20/22	10/20/2022	36225DCB8	499.10	0.000000	(499.10)	(498.79)	0.31
MATURED PAR VALUE OF TORONTO DOMINION C D 0.270% 10/20/22 2,000,000 PAR VALUE AT 100 %	10/20/2022	89114WJB2	2,000,000.00	1.000000	(2,000,000.00)	(1,987,255.53)	12,744.47
MATURED PAR VALUE OF ROYAL BK OF C D 0.270% 10/20/22 2,000,000 PAR VALUE AT 100 %	10/20/2022	78012UW43	2,000,000.00	1.000000	(2,000,000.00)	(1,986,927.04)	13,072.96

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
SOLD PAR VALUE OF CHARLES SCHWAB CORP 2.650% 1/25/23 /MARKETAXESS CORP/MTXX 4,000,000 PAR VALUE AT 99.559 %	10/21/2022	808513AT2	3,982,360.00	0.995590	(4,000,000.00)	(3,987,840.00)	(5,480.00)
PAID DOWN PAR VALUE OF HONDA AUTO 0.270% 4/21/25	10/21/2022	43813GAC5	98,658.02	0.000000	(98,658.02)	(98,656.21)	1.81
PAID DOWN PAR VALUE OF F N M A GTD REMIC 2.472% 2/25/41	10/25/2022	31397QRE0	981.73	0.000000	(981.73)	(981.42)	0.31
PAID DOWN PAR VALUE OF F N M A #745580 5.000% 6/01/36 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	31403DJZ3	748.96	0.000000	(748.96)	(805.13)	(56.17)
PAID DOWN PAR VALUE OF F N M A #748678 5.000% 10/01/33 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	31403GXF4	4.26	0.000000	(4.26)	(4.58)	(0.32)
PAID DOWN PAR VALUE OF F N M A #815971 5.000% 3/01/35 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	31406PQY8	476.24	0.000000	(476.24)	(511.96)	(35.72)
PAID DOWN PAR VALUE OF F N M A #823358 1.966% 2/01/35 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	31406XWT5	181.32	0.000000	(181.32)	(179.90)	1.42
PAID DOWN PAR VALUE OF F N M A #826080 5.000% 7/01/35 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	31407BXH7	105.12	0.000000	(105.12)	(113.00)	(7.88)
PAID DOWN PAR VALUE OF F N M A #888336 5.000% 7/01/36 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	31410F4V4	568.91	0.000000	(568.91)	(611.58)	(42.67)
PAID DOWN PAR VALUE OF F N M A #MA0022 4.500% 4/01/29 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	31417YAY3	122.52	0.000000	(122.52)	(129.58)	(7.06)
PAID DOWN PAR VALUE OF S L M A 4.37818% 4/25/23	10/25/2022	78445JAA5	450.77	0.000000	(450.77)	(448.94)	1.83
PAID DOWN PAR VALUE OF F N M A #AL0869 4.500% 6/01/29 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	3138EG6F6	76.43	0.000000	(76.43)	(80.83)	(4.40)
PAID DOWN PAR VALUE OF F H L M C MLTCL MT 9.50001% 9/25/43	10/25/2022	31394JY35	1,307.49	0.000000	(1,307.49)	(1,480.73)	(173.24)
PAID DOWN PAR VALUE OF F N M A #257179 4.500% 4/01/28 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	31371NUC7	102.38	0.000000	(102.38)	(108.28)	(5.90)
PAID DOWN PAR VALUE OF F N M A #357969 5.000% 9/01/35 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	31376KT22	250.19	0.000000	(250.19)	(268.95)	(18.76)
MATURED PAR VALUE OF WESTPAC BKG C D 0.300% 10/26/22 4,000,000 PAR VALUE AT 100 %	10/26/2022	96130ALA4	4,000,000.00	1.000000	(4,000,000.00)	(3,974,475.71)	25,524.29
MATURED PAR VALUE OF MUFG BANK LTD C D 0.300% 10/31/22 2,500,000 PAR VALUE AT 100 %	10/31/2022	55380TXV7	2,500,000.00	1.000000	(2,500,000.00)	(2,479,919.65)	20,080.35
SOLD UNITS OF FIRST AM GOVT OB FD CL Z	11/4/2022	31846V567	4,954,560.12	1.000000	(4,954,560.12)	(4,954,560.12)	-
SOLD UNITS OF FIRST AM GOVT OB FD CL Z	11/9/2022	31846V567	1,648,775.79	1.000000	(1,648,775.79)	(1,648,775.79)	-
SOLD UNITS OF FIRST AM GOVT OB FD CL Z	11/14/2022	31846V567	550,000.00	1.000000	(550,000.00)	(550,000.00)	-
SOLD PAR VALUE OF U S TREASURY BILL 11/22/22 /J.P. MORGAN SECURITIES LLC/XOFF 1,500,000 PAR VALUE AT 99.93240133 %	11/15/2022	912796YR4	1,487,650.83	0.999324	(1,500,000.00)	(1,487,650.83)	-
SOLD UNITS OF FIRST AM GOVT OB FD CL Z	11/15/2022	31846V567	1,472,387.50	1.000000	(1,472,387.50)	(1,472,387.50)	-
PAID DOWN PAR VALUE OF HYUNDAI AUTO REC 0.380% 9/15/25	11/15/2022	44933LAC7	14,722.18	50.940200	(14,722.18)	(14,720.63)	1.55
PAID DOWN PAR VALUE OF JOHN DEERE OWNER 0.360% 9/15/25	11/15/2022	47788UAC6	158,921.51	18.853647	(158,921.51)	(158,890.97)	30.54
PAID DOWN PAR VALUE OF NISSAN AUTO 1.930% 7/15/24	11/15/2022	65479JAD5	141,523.56	0.000000	(141,523.56)	(141,516.09)	7.47
PAID DOWN PAR VALUE OF JOHN DEERE OWNER 0.510% 11/15/24	11/15/2022	47787NAC3	76,211.48	0.000000	(76,211.48)	(76,199.87)	11.61

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
PAID DOWN PAR VALUE OF TOYOTA AUTO RECV 0.440% 10/15/24	11/15/2022	89237VAB5	139,239.32	0.000000	(139,239.32)	(139,228.60)	10.72
PAID DOWN PAR VALUE OF F H L M C MLTCL MTG 3.744% 8/15/32	11/15/2022	3133TCE95	44.65	0.000000	(44.65)	(44.70)	(0.05)
PAID DOWN PAR VALUE OF F H L M C #786064 2.262% 1/01/28 OCTOBER	11/15/2022	31348SWZ3	28.37	0.000000	(28.37)	(27.68)	0.69
SOLD PAR VALUE OF U S TREASURY NT 0.125% 12/15/23 /CITADEL	11/17/2022	91282CBA8	1,429,921.88	0.953281	(1,500,000.00)	(1,498,007.81)	(68,085.93)
SOLD PAR VALUE OF U S TREASURY NT 0.750% 12/31/23 /CITADEL	11/17/2022	91282CDR9	2,635,273.44	0.958281	(2,750,000.00)	(2,750,107.42)	(114,833.98)
PAID DOWN PAR VALUE OF HONDA AUTO 0.370% 10/18/24	11/18/2022	43813KAC6	169,762.61	0.000000	(169,762.61)	(169,737.67)	24.94
PAID DOWN PAR VALUE OF G N M A I I #080395 2.875% 4/20/30 OCTOBER GNMA DUE 11/20/22	11/21/2022	36225CNM4	38.56	0.000000	(38.56)	(38.21)	0.35
PAID DOWN PAR VALUE OF G N M A I I #080965 2.625% 7/20/34 OCTOBER GNMA DUE 11/20/22	11/21/2022	36225DCB8	734.45	0.000000	(734.45)	(733.99)	0.46
PAID DOWN PAR VALUE OF G N M A I I #080408 2.875% 5/20/30 OCTOBER GNMA DUE 11/20/22	11/21/2022	36225CN28	264.63	0.000000	(264.63)	(261.94)	2.69
PAID DOWN PAR VALUE OF G N M A I I #080088 3.000% 6/20/27 OCTOBER GNMA DUE 11/20/22	11/21/2022	36225CC20	86.60	0.000000	(86.60)	(88.49)	(1.89)
PAID DOWN PAR VALUE OF G N M A I I #080023 1.750% 12/20/26 OCTOBER GNMA DUE 11/20/22	11/21/2022	36225CAZ9	367.05	0.000000	(367.05)	(373.11)	(6.06)
PAID DOWN PAR VALUE OF HONDA AUTO 0.270% 4/21/25	11/21/2022	43813GAC5	89,480.29	0.000000	(89,480.29)	(89,478.65)	1.64
MATURED PAR VALUE OF U S TREASURY BILL 11/22/22 8,500,000 PAR VALUE AT 100 %	11/22/2022	912796YR4	8,430,021.39	1.000000	(8,500,000.00)	(8,430,021.39)	-
SOLD UNITS OF FIRST AM GOVT OB FD CL Z	11/22/2022	31846V567	7,193,576.83	1.000000	(7,193,576.83)	(7,193,576.83)	-
PAID DOWN PAR VALUE OF F N M A #748678 5.000% 10/01/33 OCTOBER FNMA DUE 11/25/22	11/25/2022	31403GXF4	4.28	0.000000	(4.28)	(4.60)	(0.32)
PAID DOWN PAR VALUE OF F N M A #815971 5.000% 3/01/35 OCTOBER FNMA DUE 11/25/22	11/25/2022	31406PQY8	382.18	0.000000	(382.18)	(410.84)	(28.66)
PAID DOWN PAR VALUE OF F N M A #823358 1.966% 2/01/35 OCTOBER FNMA DUE 11/25/22	11/25/2022	31406XWT5	156.08	0.000000	(156.08)	(154.86)	1.22
PAID DOWN PAR VALUE OF F N M A #745580 5.000% 6/01/36 OCTOBER FNMA DUE 11/25/22	11/25/2022	31403DJZ3	485.50	0.000000	(485.50)	(521.91)	(36.41)
PAID DOWN PAR VALUE OF F N M A #888336 5.000% 7/01/36 OCTOBER FNMA DUE 11/25/22	11/25/2022	31410F4V4	822.13	0.000000	(822.13)	(883.79)	(61.66)
PAID DOWN PAR VALUE OF F N M A #MA0022 4.500% 4/01/29 OCTOBER FNMA DUE 11/25/22	11/25/2022	31417YAY3	205.38	0.000000	(205.38)	(217.21)	(11.83)
PAID DOWN PAR VALUE OF F N M A #826080 5.000% 7/01/35 OCTOBER FNMA DUE 11/25/22	11/25/2022	31407BXH7	428.41	0.000000	(428.41)	(460.54)	(32.13)
PAID DOWN PAR VALUE OF F N M A GTD REMIC 2.472% 2/25/41	11/25/2022	31397QRE0	698.40	0.000000	(698.40)	(698.18)	0.22
PAID DOWN PAR VALUE OF F H L M C MLTCL MT 9.50001% 9/25/43	11/25/2022	31394JY35	3,932.26	0.000000	(3,932.26)	(4,453.28)	(521.02)
PAID DOWN PAR VALUE OF F N M A #357969 5.000% 9/01/35 OCTOBER FNMA DUE 11/25/22	11/25/2022	31376KT22	250.08	0.000000	(250.08)	(268.84)	(18.76)
PAID DOWN PAR VALUE OF F N M A #257179 4.500% 4/01/28 OCTOBER FNMA DUE 11/25/22	11/25/2022	31371NUC7	384.04	0.000000	(384.04)	(406.16)	(22.12)



**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
PAID DOWN PAR VALUE OF F N M A #AL0869 4.500% 6/01/29 OCTOBER FNMA DUE 11/25/22	11/25/2022	3138EG6F6	62.93	0.000000	(62.93)	(66.55)	(3.62)
SOLD UNITS OF FIRST AM GOVT OB FD CL Z	11/22/2022	31846V567	2,977,633.33	1.000000	(2,977,633.33)	(2,977,633.33)	-
SOLD UNITS OF FIRST AM GOVT OB FD CL Z	12/6/2022	31846V567	9,880,112.10	1.000000	(9,880,112.10)	(9,880,112.10)	-
SOLD UNITS OF FIRST AM GOVT OB FD CL Z	12/7/2022	31846V567	4,913,462.50	1.000000	(4,913,462.50)	(4,913,462.50)	-
SOLD UNITS OF FIRST AM GOVT OB FD CL Z	12/8/2022	31846V567	1,950,317.56	1.000000	(1,950,317.56)	(1,950,317.56)	-
SOLD UNITS OF FIRST AM GOVT OB FD CL Z	12/12/2022	31846V567	19,663,235.83	1.000000	(19,663,235.83)	(19,663,235.83)	-
MATURED PAR VALUE OF F H L B DISC NTS 12/12/22 5,000,000 PAR VALUE AT 100 %	12/12/2022	313385S80	4,966,597.22	1.000000	(5,000,000.00)	(4,966,597.22)	-
PAID DOWN PAR VALUE OF HYUNDAI AUTO REC 0.380% 9/15/25	12/15/2022	44933LAC7	123,040.32	0.000000	(123,040.32)	(123,027.38)	12.94
SOLD PAR VALUE OF F H L M C 2.750% 6/19/23 /MARKETAXESS CORP/MTXX 7,000,000 PAR VALUE AT 98.977 %	12/15/2022	3137EAEN5	6,928,390.00	0.989770	(7,000,000.00)	(6,973,960.00)	(45,570.00)
PAID DOWN PAR VALUE OF F H L M C #786064 2.262% 1/01/28 NOVEMBER FHLMC DUE 12/15/22	12/15/2022	31348SWZ3	11.82	0.000000	(11.82)	(11.53)	0.29
PAID DOWN PAR VALUE OF F H L M C MLTCL MTG 3.814% 8/15/32	12/15/2022	3133TCE95	42.80	79,139.026402	(42.80)	(42.84)	(0.04)
PAID DOWN PAR VALUE OF TOYOTA AUTO RECV 0.440% 10/15/24	12/15/2022	89237VAB5	134,043.45	0.000000	(134,043.45)	(134,033.13)	10.32
PAID DOWN PAR VALUE OF NISSAN AUTO 1.930% 7/15/24	12/15/2022	65479JAD5	139,059.56	0.000000	(139,059.56)	(139,052.22)	7.34
PAID DOWN PAR VALUE OF JOHN DEERE OWNER 0.360% 9/15/25	12/15/2022	47788UAC6	135,013.36	0.000000	(135,013.36)	(134,987.41)	25.95
PAID DOWN PAR VALUE OF JOHN DEERE OWNER 0.510% 11/15/24	12/15/2022	47787NAC3	52,807.42	0.000000	(52,807.42)	(52,799.37)	8.05
PAID DOWN PAR VALUE OF HONDA AUTO 0.370% 10/18/24	12/19/2022	43813KAC6	161,584.27	0.000000	(161,584.27)	(161,560.53)	23.74
PAID DOWN PAR VALUE OF G N M A I I #080088 3.000% 6/20/27 NOVEMBER GNMA DUE 12/20/22	12/20/2022	36225CC20	108.90	0.000000	(108.90)	(111.28)	(2.38)
PAID DOWN PAR VALUE OF G N M A I I #080408 2.875% 5/20/30 NOVEMBER GNMA DUE 12/20/22	12/20/2022	36225CN28	265.73	0.000000	(265.73)	(263.03)	2.70
PAID DOWN PAR VALUE OF G N M A I I #080395 2.875% 4/20/30 NOVEMBER GNMA DUE 12/20/22	12/20/2022	36225CNM4	92.13	0.000000	(92.13)	(91.29)	0.84
PAID DOWN PAR VALUE OF G N M A I I #080023 1.750% 12/20/26 NOVEMBER GNMA DUE 12/20/22	12/20/2022	36225CAZ9	156.40	0.000000	(156.40)	(158.98)	(2.58)
PAID DOWN PAR VALUE OF G N M A I I #080965 2.625% 7/20/34 NOVEMBER GNMA DUE 12/20/22	12/20/2022	36225DCB8	748.08	0.000000	(748.08)	(747.61)	0.47
PAID DOWN PAR VALUE OF HONDA AUTO 0.270% 4/21/25	12/21/2022	43813GAC5	85,409.45	0.000000	(85,409.45)	(85,407.89)	1.56
SOLD PAR VALUE OF U S TREASURY NT 2.125% 11/30/23 /WELLS FARGO SECURITIES, LLC/XOFF 1,500,000 PAR VALUE AT 97.746094 %	12/21/2022	912828U57	1,466,191.41	0.977461	(1,500,000.00)	(1,476,503.90)	(10,312.49)
SOLD UNITS OF FIRST AM GOVT OB FD CL Z	12/6/2022	31846V567	9,768,455.56	1.000000	(9,768,455.56)	(9,768,455.56)	-
PAID DOWN PAR VALUE OF F N M A #AL0869 4.500% 6/01/29 NOVEMBER FNMA DUE 12/25/22	12/27/2022	3138EG6F6	88.83	0.000000	(88.83)	(93.95)	(5.12)
PAID DOWN PAR VALUE OF F H L M C MLTCL MT 9.50001% 9/25/43	12/27/2022	31394JY35	3,715.85	0.000000	(3,715.85)	(4,208.20)	(492.35)
PAID DOWN PAR VALUE OF F N M A GTD REMIC 2.472% 2/25/41	12/27/2022	31397QRE0	818.80	0.000000	(818.80)	(818.54)	0.26

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
PAID DOWN PAR VALUE OF F N M A #745580 5.000% 6/01/36 NOVEMBER FNMA DUE 12/25/22	12/27/2022	31403DJZ3	502.77	0.000000	(502.77)	(540.48)	(37.71)
PAID DOWN PAR VALUE OF F N M A #815971 5.000% 3/01/35 NOVEMBER FNMA DUE 12/25/22	12/27/2022	31406PQY8	389.17	0.000000	(389.17)	(418.36)	(29.19)
PAID DOWN PAR VALUE OF F N M A #823358 1.966% 2/01/35 P & I DUE 12/25/22	12/27/2022	31406XWT5	153.20	0.000000	(153.20)	(152.00)	1.20
PAID DOWN PAR VALUE OF F N M A #826080 5.000% 7/01/35 NOVEMBER FNMA DUE 12/25/22	12/27/2022	31407BXH7	55.06	0.000000	(55.06)	(59.19)	(4.13)
PAID DOWN PAR VALUE OF F N M A #888336 5.000% 7/01/36 NOVEMBER FNMA DUE 12/25/22	12/27/2022	31410F4V4	600.90	0.000000	(600.90)	(645.97)	(45.07)
PAID DOWN PAR VALUE OF F N M A #748678 5.000% 10/01/33 NOVEMBER FNMA DUE 12/25/22	12/27/2022	31403GXF4	4.30	0.000000	(4.30)	(4.62)	(0.32)
PAID DOWN PAR VALUE OF F N M A #257179 4.500% 4/01/28 NOVEMBER FNMA DUE 12/25/22	12/27/2022	31371NUC7	100.31	0.000000	(100.31)	(106.09)	(5.78)
PAID DOWN PAR VALUE OF F N M A #357969 5.000% 9/01/35 NOVEMBER FNMA DUE 12/25/22	12/27/2022	31376KT22	525.08	0.000000	(525.08)	(564.46)	(39.38)
PAID DOWN PAR VALUE OF F N M A #MA0022 4.500% 4/01/29 NOVEMBER FNMA DUE 12/25/22	12/27/2022	31417YAY3	118.64	0.000000	(118.64)	(125.47)	(6.83)
SOLD PAR VALUE OF U S TREASURY NT 0.750% 12/31/23 /WELLS FARGO SECURITIES, LLC/XOFF 2,250,000 PAR VALUE AT 96.21484356 %	12/27/2022	91282CDR9	2,164,833.98	0.962148	(2,250,000.00)	(2,250,087.89)	(85,253.91)
PAID DOWN PAR VALUE OF BMW VEHICLE LEASE 0.330% 12/26/24	12/27/2022	09690AAC7	52,545.34	4.717043	(52,545.34)	(52,539.92)	5.42
SOLD UNITS OF FIRST AM GOVT OB FD CL Z	12/6/2022	31846V567	34,295,271.75	1.000000	(34,295,271.75)	(34,295,271.75)	-
SOLD UNITS OF FIRST AM GOVT OB FD CL Z	12/6/2022	31846V567	9,798,330.56	1.000000	(9,798,330.56)	(9,798,330.56)	-
SOLD UNITS OF FIRST AM GOVT OB FD CL Z	12/6/2022	31846V567	8,700,554.39	1.000000	(8,700,554.39)	(8,700,554.39)	-
<b>Total Dispositions</b>			<b>192,637,954.42</b>		<b>(193,207,847.08)</b>	<b>(192,927,016.86)</b>	<b>(289,062.44)</b>
<b>Other</b>							
INTEREST EARNED ON FIRST AM GOVT OB FD CL Z UNIT ON 0.0000 SHARES DUE 9/30/2022 INTEREST FROM 9/1/22 TO 9/30/22	10/3/2022	31846V567	26,658.00	0.000000	-	-	-
INTEREST EARNED ON UNITED PARCEL SVC 2.450% 10/01/22 \$1 PV ON 2400000.0000 SHARES DUE 10/1/2022	10/3/2022	911312AQ9	29,400.00	0.000000	-	-	-
Unknown LEHMAN BRTH HLD ESC PARTIAL LIQUIDATION @ 0.000064964/SHARE	10/6/2022	525ESC0Y6	129.93	0.000000	-	(129.93)	-
Unknown LEHMAN BRTH MTN ES 0.00001% 1/24/13 PARTIAL LIQUIDATION @ 0.000065195/SHARE	10/6/2022	525ESCIB7	39.12	0.000000	-	(39.12)	-
INTEREST EARNED ON AMERICAN HONDA MTN 3.625% 10/10/23 \$1 PV ON 2000000.0000 SHARES DUE 10/11/2022	10/11/2022	02665WCQ2	36,250.00	0.000000	-	-	-
INTEREST EARNED ON JOHN DEERE MTN 3.650% 10/12/23 \$1 PV ON 1250000.0000 SHARES DUE 10/12/2022	10/12/2022	24422EUM9	22,812.50	0.000000	-	-	-
INTEREST EARNED ON AMAZON COM 3.300% 4/13/27 \$1 PV ON 2000000.0000 SHARES DUE 10/13/2022	10/13/2022	023135CF1	33,000.00	0.000000	-	-	-

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
RECEIVED ACCRUED INTEREST ON SALE OF U S TREASURY NT 2.125% 11/30/23	10/13/2022	912828U57	19,595.29	0.000000	-	-	-
BOOK VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY -2184.00	10/13/2022	912828WU0	0.00	0.000000	-	-	-
UNITS DECREASE TO ADJUST FOR CHANGE IN CPI FED BASIS OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY -2184.00	10/13/2022	912828WU0	0.00	0.000000	-	(2,184.00)	-
UNITS DECREASE TO ADJUST FOR CHANGE IN CPI PAR VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY -	10/13/2022	912828WU0	0.00	0.000000	(2,184.00)	-	-
2184.0000 UNITS DECREASE TO ADJUST FOR CHANGE IN CPI STATE COST OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY -2184.00	10/13/2022	912828WU0	0.00	0.000000	-	-	-
UNITS DECREASE TO ADJUST FOR CHANGE IN CPI INTEREST EARNED ON SVENSKA C D 0.255% 10/14/22 \$1 PV ON	10/14/2022	86959RTW0	15,470.00	0.000000	-	-	-
6000000.0000 SHARES DUE 10/14/2022 INTEREST ON 10/14/22 MATURITY INTEREST EARNED ON AMERICAN EXPRESS 3.390% 5/17/27 \$1 PV ON	10/17/2022	02582JIT8	18,701.50	0.000000	-	-	-
18701.5000 SHARES DUE 10/15/2022 \$0.00283/PV ON 6,620,000.00 PV DUE INTEREST EARNED ON F H L M C MLTCL MTG 3.744% 8/15/32 \$1 PV ON	10/17/2022	3133TCE95	9.42	0.000000	-	-	-
9.4200 SHARES DUE 10/15/2022 \$0.00312/PV ON 3,020.20 PV DUE INTEREST EARNED ON F H L M C #786064 2.262% 1/01/28 \$1 PV ON 2.1200	10/17/2022	31348SWZ3	2.12	0.000000	-	-	-
SHARES DUE 10/15/2022 AUGUST FHLMC DUE 10/15/22 INTEREST EARNED ON GM FIN CONS AUTO 0.680% 9/16/26 \$1 PV ON	10/17/2022	362554AC1	966.17	0.000000	-	-	-
966.1700 SHARES DUE 10/16/2022 \$0.00057/PV ON 1,705,000.00 PV DUE 10/16/22 INTEREST EARNED ON GM FIN CONS AUT 3.100% 2/16/27 \$1 PV ON	10/17/2022	362585AC5	6,019.17	0.000000	-	-	-
6019.1700 SHARES DUE 10/16/2022 \$0.00258/PV ON 2,330,000.00 PV DUE 10/16/22 INTEREST EARNED ON GM FIN CONS AUTO 1.260% 11/16/26 \$1 PV ON	10/17/2022	380146AC4	1,669.50	0.000000	-	-	-
1669.5000 SHARES DUE 10/16/2022 \$0.00105/PV ON 1,590,000.00 PV DUE 10/16/22 INTEREST EARNED ON HONDA AUTO REC OWN 1.880% 5/15/26 \$1 PV ON	10/17/2022	43815BAC4	6,157.01	0.000000	-	-	-
6157.0100 SHARES DUE 10/15/2022 \$0.00157/PV ON 3,930,000.00 PV DUE 10/15/22 INTEREST EARNED ON HYUNDAI AUTO LEASE 0.330% 6/17/24 \$1 PV ON	10/17/2022	44891VAC5	1,142.63	0.000000	-	-	-
1142.6300 SHARES DUE 10/15/2022 \$0.00027/PV ON 4,155,000.00 PV DUE 10/15/22 INTEREST EARNED ON HYUNDAI AUTO LEASE 1.160% 1/15/25 \$1 PV ON	10/17/2022	44891WAC3	2,798.51	0.000000	-	-	-
2798.5100 SHARES DUE 10/15/2022 \$0.00097/PV ON 2,895,000.00 PV DUE 10/15/22 INTEREST EARNED ON HYUNDAI AUTO REC 2.220% 10/15/26 \$1 PV ON	10/17/2022	448977AD0	7,955.00	0.000000	-	-	-
7955.0000 SHARES DUE 10/15/2022 \$0.00185/PV ON 4,300,000.00 PV DUE 10/15/22 INTEREST EARNED ON HYUNDAI AUTO REC 0.380% 9/15/25 \$1 PV ON	10/17/2022	44933LAC7	665.01	0.000000	-	-	-
665.0100 SHARES DUE 10/15/2022 \$0.00032/PV ON 2,100,000.00 PV DUE 10/15/22							

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
INTEREST EARNED ON HTUNDAI AUTO REC TR 0.380% 1/15/26 \$1 PV ON 1912.6900 SHARES DUE 10/15/2022 \$0.00032/PV ON 6,040,000.00 PV DUE 10/15/22	10/17/2022	44934KAC8	1,912.69	0.000000	-	-	-
INTEREST EARNED ON HYUNDAI AUTO REC TR 0.740% 5/15/26 \$1 PV ON 986.6700 SHARES DUE 10/15/2022 \$0.00062/PV ON 1,600,000.00 PV DUE 10/15/22	10/17/2022	44935FAD6	986.67	0.000000	-	-	-
INTEREST EARNED ON JOHN DEERE OWNER 2.320% 9/15/26 \$1 PV ON 5819.3200 SHARES DUE 10/15/2022 \$0.00193/PV ON 3,010,000.00 PV DUE 10/15/22	10/17/2022	47787JAC2	5,819.32	0.000000	-	-	-
INTEREST EARNED ON JOHN DEERE OWNER 0.510% 11/15/24 \$1 PV ON 312.6500 SHARES DUE 10/15/2022 \$0.00042/PV ON 735,636.56 PV DUE 10/15/22	10/17/2022	47787NAC3	312.65	0.000000	-	-	-
INTEREST EARNED ON JOHN DEERE OWNER 0.360% 9/15/25 \$1 PV ON 690.0000 SHARES DUE 10/15/2022 \$0.00030/PV ON 2,300,000.00 PV DUE 10/15/22	10/17/2022	47788UAC6	690.00	0.000000	-	-	-
INTEREST EARNED ON JOHN DEERE OWN 0.520% 3/16/26 \$1 PV ON 1221.9900 SHARES DUE 10/15/2022 \$0.00043/PV ON 2,820,000.00 PV DUE 10/15/22	10/17/2022	47789QAC4	1,221.99	0.000000	-	-	-
INTEREST EARNED ON JOHN DEERE OWN TR 3.740% 2/16/27 \$1 PV ON 9786.3400 SHARES DUE 10/15/2022 \$0.00312/PV ON 3,140,000.00 PV DUE 10/15/22	10/17/2022	47800AAC4	9,786.34	0.000000	-	-	-
INTEREST EARNED ON MERCEDES BENZ AUTO 0.400% 11/15/24 \$1 PV ON 1104.9900 SHARES DUE 10/15/2022 \$0.00033/PV ON 3,315,000.00 PV DUE 10/15/22	10/17/2022	58769KAD6	1,104.99	0.000000	-	-	-
INTEREST EARNED ON NISSAN AUTO 1.930% 7/15/24 \$1 PV ON 1492.4100 SHARES DUE 10/15/2022 \$0.00161/PV ON 927,926.12 PV DUE 10/15/22	10/17/2022	65479JAD5	1,492.41	0.000000	-	-	-
INTEREST EARNED ON TOYOTA AUTO RECV 0.440% 10/15/24 \$1 PV ON 554.3000 SHARES DUE 10/15/2022 \$0.00037/PV ON 1,511,729.99 PV DUE 10/15/22	10/17/2022	89237VAB5	554.30	0.000000	-	-	-
PAID ACCRUED INTEREST ON PURCHASE OF UNITED PARCEL 2.500% 4/01/23	10/17/2022	911312BK1	(1,333.33)	0.000000	-	-	-
INTEREST EARNED ON HONDA AUTO 0.370% 10/18/24 \$1 PV ON 657.7800 SHARES DUE 10/18/2022 \$0.00031/PV ON 2,133,347.31 PV DUE 10/18/2022	10/18/2022	43813KAC6	657.78	0.000000	-	-	-
INTEREST EARNED ON G N M A I I #080023 1.750% 12/20/26 \$1 PV ON 10.4700 SHARES DUE 10/20/2022 SEPTEMBER GNMA DUE 10/20/22	10/20/2022	36225CAZ9	10.47	0.000000	-	-	-
INTEREST EARNED ON G N M A I I #080088 3.000% 6/20/27 \$1 PV ON 12.7300 SHARES DUE 10/20/2022 SEPTEMBER GNMA DUE 10/20/22	10/20/2022	36225CC20	12.73	0.000000	-	-	-
INTEREST EARNED ON G N M A I I #080408 2.875% 5/20/30 \$1 PV ON 62.5500 SHARES DUE 10/20/2022 SEPTEMBER GNMA DUE 10/20/22	10/20/2022	36225CN28	62.55	0.000000	-	-	-

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
INTEREST EARNED ON G N M A I I #080395 2.875% 4/20/30 \$1 PV ON 7.3000 SHARES DUE 10/20/2022 SEPTEMBER GNMA DUE 10/20/22	10/20/2022	36225CNM4	7.30	0.000000	-	-	-
INTEREST EARNED ON G N M A I I #080965 1.625% 7/20/34 \$1 PV ON 28.1300 SHARES DUE 10/20/2022 SEPTEMBER GNMA DUE 10/20/22	10/20/2022	36225DCB8	28.13	0.000000	-	-	-
INTEREST EARNED ON GM FIN AUTO LSNG TR 1.900% 3/20/25 \$1 PV ON 7948.3400 SHARES DUE 10/20/2022 \$0.00158/PV ON 5,020,000.00 PV DUE 10/20/22	10/20/2022	36265MAC9	7,948.34	0.000000	-	-	-
INTEREST EARNED ON GM FIN AUTO LSNG 3.420% 6/20/25 \$1 PV ON 8649.7500 SHARES DUE 10/20/2022 \$0.00285/PV ON 3,035,000.00 PV DUE 10/20/22	10/20/2022	36266FAC3	8,649.75	0.000000	-	-	-
INTEREST EARNED ON INTER AMER BK M T N 0.875% 4/20/26 \$1 PV ON 13370000.0000 SHARES DUE 10/20/2022	10/20/2022	4581X0DV7	58,493.75	0.000000	-	-	-
INTEREST EARNED ON ROYAL BK OF C D 0.270% 10/20/22 \$1 PV ON 2000000.0000 SHARES DUE 10/20/2022 INTEREST ON 10/20/22 MATURITY	10/20/2022	78012UW43	5,460.00	0.000000	-	-	-
INTEREST EARNED ON TORONTO DOMINION C D 0.270% 10/20/22 \$1 PV ON 2000000.0000 SHARES DUE 10/20/2022 INTEREST ON 10/20/22 MATURITY	10/20/2022	89114WJB2	5,460.00	0.000000	-	-	-
INTEREST EARNED ON TOYOTA LEASE OWNER 1.960% 2/20/25 \$1 PV ON 10004.1600 SHARES DUE 10/20/2022 \$0.00163/PV ON 6,125,000.00 PV DUE 10/20/22	10/20/2022	89238LAC4	10,004.16	0.000000	-	-	-
INTEREST EARNED ON TOYOTA LEASE OWNER 0.420% 10/21/24 \$1 PV ON 1114.7500 SHARES DUE 10/20/2022 \$0.00035/PV ON 3,185,000.00 PV DUE 10/20/22	10/20/2022	89239CAC3	1,114.75	0.000000	-	-	-
INTEREST EARNED ON VERIZON MASTER TR 3.720% 7/20/27 \$1 PV ON 8525.0000 SHARES DUE 10/20/2022 \$0.00310/PV ON 2,750,000.00 PV DUE 10/20/22	10/20/2022	92348KAV5	8,525.00	0.000000	-	-	-
INTEREST EARNED ON HONDA AUTO 0.270% 4/21/25 \$1 PV ON 314.7800 SHARES DUE 10/21/2022 \$0.00023/PV ON 1,399,041.83 PV DUE 10/21/22	10/21/2022	43813GAC5	314.78	0.000000	-	-	-
INTEREST EARNED ON HONDA AUTO REC 0.880% 1/21/26 \$1 PV ON 1679.3300 SHARES DUE 10/21/2022 \$0.00073/PV ON 2,290,000.00 PV DUE 10/21/22	10/21/2022	43815GAC3	1,679.33	0.000000	-	-	-
PAID ACCRUED INTEREST ON PURCHASE OF MORGAN STANLEY 6.138% 10/16/26	10/21/2022	61747YEX9	(767.25)	0.000000	-	-	-
RECEIVED ACCRUED INTEREST ON SALE OF CHARLES SCHWAB CORP 2.650% 1/25/23	10/21/2022	808513AT2	25,322.22	0.000000	-	-	-
INTEREST EARNED ON F N M A DEB 0.625% 4/22/25 \$1 PV ON 14000000.0000 SHARES DUE 10/22/2022	10/24/2022	3135G03U5	43,750.00	0.000000	-	-	-
INTEREST EARNED ON INTL BK M T N 0.626% 4/22/25 \$1 PV ON 6245000.0000 SHARES DUE 10/22/2022	10/24/2022	459058JB0	19,546.85	0.000000	-	-	-
INTEREST EARNED ON JPMORGAN CHASE CO SR 1.578% 4/22/27 \$1 PV ON 5000000.0000 SHARES DUE 10/22/2022	10/24/2022	46647PCB0	39,450.00	0.000000	-	-	-

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
INTEREST EARNED ON AMRESKO 3.88991% 6/25/29 \$1 PV ON 378.0500 SHARES DUE 10/25/2022 \$0.00324/PV ON 116,624.77 PV DUE 10/25/22	10/25/2022	03215PFN4	378.05	0.000000	-	-	-
INTEREST EARNED ON BMW VEHICLE LEASE 1.100% 3/25/25 \$1 PV ON 2200.0100 SHARES DUE 10/25/2022 \$0.00092/PV ON 2,400,000.00 PV DUE 10/25/22	10/25/2022	05601XAC3	2,200.01	0.000000	-	-	-
INTEREST EARNED ON BMW VEH OWNER TR 3.210% 8/25/26 \$1 PV ON 6767.7500 SHARES DUE 10/25/2022 \$0.00268/PV ON 2,530,000.00 PV DUE 10/25/22	10/25/2022	05602RAD3	6,767.75	0.000000	-	-	-
INTEREST EARNED ON BMW VEHICLE LEASE 0.330% 12/26/24 \$1 PV ON 569.2500 SHARES DUE 10/25/2022 \$0.00027/PV ON 2,070,000.00 PV DUE 10/25/22	10/25/2022	09690AAC7	569.25	0.000000	-	-	-
INTEREST EARNED ON F N M A #257179 4.500% 4/01/28 \$1 PV ON 21.3800 SHARES DUE 10/25/2022 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	31371NUC7	21.38	0.000000	-	-	-
INTEREST EARNED ON F N M A #357969 5.000% 9/01/35 \$1 PV ON 182.2900 SHARES DUE 10/25/2022 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	31376KT22	182.29	0.000000	-	-	-
INTEREST EARNED ON F H L B GTD REMIC 3.171% 10/25/24 \$1 PV ON 5000000.0000 SHARES DUE 10/25/2022	10/25/2022	3137BFE98	13,212.50	0.000000	-	-	-
INTEREST EARNED ON F H L M C MLTCL MTG 3.120% 9/25/26 \$1 PV ON 13000.0000 SHARES DUE 10/25/2022 \$0.00260/PV ON 5,000,000.00 PV DUE 10/25/22	10/25/2022	3137BSRE5	13,000.00	0.000000	-	-	-
INTEREST EARNED ON F N M A #AL0869 4.500% 6/01/29 \$1 PV ON 14.7900 SHARES DUE 10/25/2022 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	3138EG6F6	14.79	0.000000	-	-	-
INTEREST EARNED ON F H L M C MLTCL MT 9.50001% 9/25/43 \$1 PV ON 2265.4000 SHARES DUE 10/25/2022 \$0.00542/PV ON 418,226.04 PV DUE 10/25/22	10/25/2022	31394JY35	2,265.40	0.000000	-	-	-
INTEREST EARNED ON F N M A GTD REMIC 2.472% 2/25/41 \$1 PV ON 248.1900 SHARES DUE 10/25/2022 \$0.00314/PV ON 79,124.45 PV DUE 10/25/22	10/25/2022	31397QRE0	248.19	0.000000	-	-	-
INTEREST EARNED ON F N M A #745580 5.000% 6/01/36 \$1 PV ON 184.7900 SHARES DUE 10/25/2022 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	31403DJZ3	184.79	0.000000	-	-	-
INTEREST EARNED ON F N M A #748678 5.000% 10/01/33 \$1 PV ON 3.1300 SHARES DUE 10/25/2022 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	31403GXF4	3.13	0.000000	-	-	-
INTEREST EARNED ON F N M A #815971 5.000% 3/01/35 \$1 PV ON 275.9000 SHARES DUE 10/25/2022 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	31406PQY8	275.90	0.000000	-	-	-
INTEREST EARNED ON F N M A #823358 1.966% 2/01/35 \$1 PV ON 30.7300 SHARES DUE 10/25/2022 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	31406XWT5	30.73	0.000000	-	-	-
INTEREST EARNED ON F N M A #826080 5.000% 7/01/35 \$1 PV ON 36.2600 SHARES DUE 10/25/2022 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	31407BXH7	36.26	0.000000	-	-	-
INTEREST EARNED ON F N M A #888336 5.000% 7/01/36 \$1 PV ON 304.9400 SHARES DUE 10/25/2022 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	31410F4V4	304.94	0.000000	-	-	-

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
INTEREST EARNED ON F N M A #MA0022 4.500% 4/01/29 \$1 PV ON 25.0000 SHARES DUE 10/25/2022 SEPTEMBER FNMA DUE 10/25/22	10/25/2022	31417YAY3	25.00	0.000000	-	-	-
INTEREST EARNED ON S L M A 4.37818% 4/25/23 \$1 PV ON 92.8400 SHARES DUE 10/25/2022 \$0.01095/PV ON 8,482.49 PV DUE 10/25/22	10/25/2022	78445JAA5	92.84	0.000000	-	-	-
PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 0.125% 1/31/23	10/25/2022	91282CBG5	(1,460.60)	0.000000	-	-	-
INTEREST EARNED ON WESTPAC BKG C D 0.300% 10/26/22 \$1 PV ON 4000000.0000 SHARES DUE 10/26/2022 INTEREST ON 10/26/22 MATURITY	10/26/2022	96130ALA4	12,166.67	0.000000	-	-	-
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	10/27/2022	912828WU0	0.00	0.000000	-	-	-
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	10/27/2022	912828WU0	0.00	0.000000	-	(2,392.00)	-
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	10/27/2022	912828WU0	0.00	0.000000	(2,392.00)	-	-
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	10/27/2022	912828WU0	0.00	0.000000	-	-	-
INTEREST EARNED ON INTL BK M T N 0.500% 10/28/25 \$1 PV ON 15000000.0000 SHARES DUE 10/28/2022	10/28/2022	459058JL8	37,500.00	0.000000	-	-	-
PAID ACCRUED INTEREST ON PURCHASE OF AMERICAN EXPRESS 3.750% 8/16/27	10/31/2022	02582JIV3	(3,333.33)	0.000000	-	-	-
INTEREST EARNED ON MUFG BANK LTD C D 0.300% 10/31/22 \$1 PV ON 2500000.0000 SHARES DUE 10/31/2022 INTEREST ON 10/31/2022 MATURITY	10/31/2022	55380TXV7	7,875.00	0.000000	-	-	-
PAID ACCRUED INTEREST ON PURCHASE OF SUNTRUST BANK MTN 2.750% 5/01/23	10/31/2022	86787EAN7	(26,400.00)	0.000000	-	-	-
INTEREST EARNED ON U S TREASURY NT 0.375% 4/30/25 \$1 PV ON 12000000.0000 SHARES DUE 10/31/2022	10/31/2022	912828ZL7	22,500.00	0.000000	-	-	-
INTEREST EARNED ON U S TREASURY NT 1.125% 10/31/26 \$1 PV ON 19250000.0000 SHARES DUE 10/31/2022	10/31/2022	91282CDG3	108,281.25	0.000000	-	-	-
INTEREST EARNED ON U S TREASURY NT 2.750% 4/30/27 \$1 PV ON 17000000.0000 SHARES DUE 10/31/2022	10/31/2022	91282CEN7	233,750.00	0.000000	-	-	-
PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 4.125% 9/30/27	10/31/2022	91282CFM8	(8,782.62)	0.000000	-	-	-
PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 4.250% 10/15/25	10/31/2022	91282CFP1	(4,670.33)	0.000000	-	-	-
INTEREST EARNED ON BANK OF MONTREAL MTN 1.850% 5/01/25 \$1 PV ON 7000000.0000 SHARES DUE 11/1/2022	11/1/2022	06367WB85	64,750.00	0.000000	-	-	-
INTEREST EARNED ON FIRST AM GOVT OB FD CL Z UNIT ON 0.0000 SHARES DUE 10/31/2022 INTEREST FROM 10/1/22 TO 10/31/22	11/1/2022	31846V567	13,946.69	0.000000	-	-	-
INTEREST EARNED ON FIRST AM GOVT OB FD CL Z UNIT ON 0.0000 SHARES DUE 10/31/2022 INTEREST FROM 10/1/22 TO 10/31/22	11/1/2022	31846V567	14,388.41	0.000000	-	-	-
INTEREST EARNED ON SUNTRUST BANK MTN 2.750% 5/01/23 \$1 PV ON 1920000.0000 SHARES DUE 11/1/2022	11/1/2022	86787EAN7	26,400.00	0.000000	-	-	-

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 0.125% 1/31/23	11/4/2022	91282CBG5	(1,630.43)	0.000000	-	-	-
INTEREST EARNED ON F N M A 0.500% 11/07/25 \$1 PV ON 8255000.0000 SHARES DUE 11/7/2022	11/7/2022	3135G06G3	20,637.50	0.000000	-	-	-
PAID ACCRUED INTEREST ON PURCHASE OF PEPSICO INC 2.750% 3/01/23	11/9/2022	713448CG1	(8,444.79)	0.000000	-	-	-
STATE COST OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 12896.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	11/10/2022	912828WU0	0.00	0.000000	-	-	-
BOOK VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 12896.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	11/10/2022	912828WU0	0.00	0.000000	-	-	-
FED BASIS OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 12896.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	11/10/2022	912828WU0	0.00	0.000000	-	12,896.00	-
PAR VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 12896.0000 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	11/10/2022	912828WU0	0.00	0.000000	12,896.00	-	-
INTEREST EARNED ON AMAZON COM INC 0.450% 5/12/24 \$1 PV ON 5490000.0000 SHARES DUE 11/12/2022	11/14/2022	023135BW5	12,352.50	0.000000	-	-	-
INTEREST EARNED ON GUARDIAN LIFE MTN 1.250% 5/13/26 \$1 PV ON 3250000.0000 SHARES DUE 11/13/2022	11/14/2022	40139LBD4	20,312.50	0.000000	-	-	-
INTEREST EARNED ON INTEL CORP 2.875% 5/11/24 \$1 PV ON 5000000.0000 SHARES DUE 11/11/2022	11/14/2022	458140BD1	71,875.00	0.000000	-	-	-
INTEREST EARNED ON CATERPILLAR FINL MTN 3.400% 5/13/25 \$1 PV ON 3485000.0000 SHARES DUE 11/13/2022	11/14/2022	14913R2V8	59,245.00	0.000000	-	-	-
INTEREST EARNED ON APPLE INC 2.850% 5/11/24 \$1 PV ON 3000000.0000 SHARES DUE 11/11/2022	11/14/2022	037833CU2	42,750.00	0.000000	-	-	-
CASH DISBURSEMENT PAID TO OCS OUTGOING DOMESTIC WIRE TO XX6327; PER DIR DTD 11/14/2022	11/14/2022		(550,000.00)	0.000000	-	-	-
INTEREST EARNED ON HYUNDAI AUTO REC 2.220% 10/15/26 \$1 PV ON 7955.0000 SHARES DUE 11/15/2022 \$0.00185/PV ON 4,300,000.00 PV DUE 11/15/22	11/15/2022	448977AD0	7,955.00	0.000000	-	-	-
INTEREST EARNED ON HYUNDAI AUTO REC 0.380% 9/15/25 \$1 PV ON 665.0000 SHARES DUE 11/15/2022 \$0.00032/PV ON 2,100,000.00 PV DUE 11/15/22	11/15/2022	44933LAC7	665.00	0.000000	-	-	-
INTEREST EARNED ON HTUNDAI AUTO REC TR 0.380% 1/15/26 \$1 PV ON 1912.6700 SHARES DUE 11/15/2022 \$0.00032/PV ON 6,040,000.00 PV DUE 11/15/22	11/15/2022	44934KAC8	1,912.67	0.000000	-	-	-
INTEREST EARNED ON HYUNDAI AUTO REC TR 0.740% 5/15/26 \$1 PV ON 986.6700 SHARES DUE 11/15/2022 \$0.00062/PV ON 1,600,000.00 PV DUE 11/15/22	11/15/2022	44935FAD6	986.67	0.000000	-	-	-
INTEREST EARNED ON JOHN DEERE OWNER 2.320% 9/15/26 \$1 PV ON 5819.3300 SHARES DUE 11/15/2022 \$0.00193/PV ON 3,010,000.00 PV DUE 11/15/22	11/15/2022	47787JAC2	5,819.33	0.000000	-	-	-



**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
INTEREST EARNED ON JOHN DEERE OWNER 0.510% 11/15/24 \$1 PV ON 293.6300 SHARES DUE 11/15/2022 \$0.00043/PV ON 690,894.15 PV DUE 11/15/22	11/15/2022	47787NAC3	293.63	0.000000	-	-	-
INTEREST EARNED ON HYUNDAI AUTO LEASE 1.160% 1/15/25 \$1 PV ON 2798.5000 SHARES DUE 11/15/2022 \$0.00097/PV ON 2,895,000.00 PV DUE 11/15/22	11/15/2022	44891WAC3	2,798.50	0.000000	-	-	-
INTEREST EARNED ON VIRGINIA ELEC PWR CO 3.750% 5/15/27 \$1 PV ON 5735000.0000 SHARES DUE 11/15/2022	11/15/2022	927804GH1	98,570.31	0.000000	-	-	-
INTEREST EARNED ON JOHN DEERE OWNER 0.360% 9/15/25 \$1 PV ON 690.0000 SHARES DUE 11/15/2022 \$0.00030/PV ON 2,300,000.00 PV DUE 11/15/22	11/15/2022	47788UAC6	690.00	0.000000	-	-	-
INTEREST EARNED ON JOHN DEERE OWN 0.520% 3/16/26 \$1 PV ON 1222.0000 SHARES DUE 11/15/2022 \$0.00043/PV ON 2,820,000.00 PV DUE 11/15/22	11/15/2022	47789QAC4	1,222.00	0.000000	-	-	-
INTEREST EARNED ON JOHN DEERE OWN TR 3.740% 2/16/27 \$1 PV ON 9786.3300 SHARES DUE 11/15/2022 \$0.00312/PV ON 3,140,000.00 PV DUE 11/15/22	11/15/2022	47800AAC4	9,786.33	0.000000	-	-	-
INTEREST EARNED ON MERCEDES BENZ AUTO 0.400% 11/15/24 \$1 PV ON 1105.0000 SHARES DUE 11/15/2022 \$0.00033/PV ON 3,315,000.00 PV DUE 11/15/22	11/15/2022	58769KAD6	1,105.00	0.000000	-	-	-
INTEREST EARNED ON NISSAN AUTO 1.930% 7/15/24 \$1 PV ON 1246.5100 SHARES DUE 11/15/2022 \$0.00161/PV ON 775,033.76 PV DUE 11/15/22	11/15/2022	65479JAD5	1,246.51	0.000000	-	-	-
INTEREST EARNED ON TOYOTA AUTO RECV 0.440% 10/15/24 \$1 PV ON 500.8100 SHARES DUE 11/15/2022 \$0.00037/PV ON 1,365,856.60 PV DUE 11/15/22	11/15/2022	89237VAB5	500.81	0.000000	-	-	-
INTEREST EARNED ON HYUNDAI AUTO LEASE 0.330% 6/17/24 \$1 PV ON 1142.6300 SHARES DUE 11/15/2022 \$0.00027/PV ON 4,155,000.00 PV DUE 11/15/22	11/15/2022	44891VAC5	1,142.63	0.000000	-	-	-
INTEREST EARNED ON HONDA AUTO REC OWN 1.880% 5/15/26 \$1 PV ON 6157.0000 SHARES DUE 11/15/2022 \$0.00157/PV ON 3,930,000.00 PV DUE 11/15/22	11/15/2022	43815BAC4	6,157.00	0.000000	-	-	-
INTEREST EARNED ON U S TREASURY BILL 11/22/22 \$1 PV ON 1500000.0000 SHARES DUE 11/14/2022 1,500,000 PAR VALUE AT 99.93240133 %	11/15/2022	912796YR4	11,335.19	0.000000	-	-	-
INTEREST EARNED ON UNITEDHEALTH 1.150% 5/15/26 \$1 PV ON 4000000.0000 SHARES DUE 11/15/2022	11/15/2022	91324PEC2	23,000.00	0.000000	-	-	-
INTEREST EARNED ON AMERICAN EXPRESS 3.750% 8/16/27 \$1 PV ON 6250.0000 SHARES DUE 11/15/2022 \$0.00313/PV ON 2,000,000.00 PV DUE 11/15/22	11/15/2022	02582JVV3	6,250.00	0.000000	-	-	-

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
INTEREST EARNED ON F H L M C MLTCL MTG 3.744% 8/15/32 \$1 PV ON 9.3600 SHARES DUE 11/15/2022 \$0.00314/PV ON 2,977.50 PV DUE 11/15/22	11/15/2022	3133TCE95	9.36	0.000000	-	-	-
INTEREST EARNED ON F H L M C #786064 2.262% 1/01/28 \$1 PV ON 2.0800 SHARES DUE 11/15/2022 SEPTEMBER FHLMC DUE 11/15/22	11/15/2022	31348SWZ3	2.08	0.000000	-	-	-
INTEREST EARNED ON AMERICAN EXPRESS 3.390% 5/17/27 \$1 PV ON 18701.5000 SHARES DUE 11/15/2022 \$0.00283/PV ON 6,620,000.00 PV DUE 11/15/22	11/15/2022	02582JIT8	18,701.50	0.000000	-	-	-
INTEREST EARNED ON U S TREASURY NT 2.500% 5/15/24 \$1 PV ON 7000000.0000 SHARES DUE 11/15/2022	11/15/2022	912828WJ5	87,500.00	0.000000	-	-	-
INTEREST EARNED ON GM FIN CONS AUT 3.100% 2/16/27 \$1 PV ON 6019.1700 SHARES DUE 11/16/2022 \$0.00258/PV ON 2,330,000.00 PV DUE 11/16/22	11/16/2022	362585AC5	6,019.17	0.000000	-	-	-
INTEREST EARNED ON GM FIN CONS AUTO 0.680% 9/16/26 \$1 PV ON 966.1700 SHARES DUE 11/16/2022 \$0.00057/PV ON 1,705,000.00 PV DUE 11/16/22	11/16/2022	362554AC1	966.17	0.000000	-	-	-
INTEREST EARNED ON GM FIN CONS AUTO 1.260% 11/16/26 \$1 PV ON 1669.5000 SHARES DUE 11/16/2022 \$0.00105/PV ON 1,590,000.00 PV DUE 11/16/22	11/16/2022	380146AC4	1,669.50	0.000000	-	-	-
RECEIVED ACCRUED INTEREST ON SALE OF U S TREASURY NT 0.750% 12/31/23	11/17/2022	91282CDR9	7,846.47	0.000000	-	-	-
RECEIVED ACCRUED INTEREST ON SALE OF U S TREASURY NT 0.125% 12/15/23	11/17/2022	91282CBA8	794.06	0.000000	-	-	-
INTEREST EARNED ON HONDA AUTO 0.370% 10/18/24 \$1 PV ON 602.4700 SHARES DUE 11/18/2022 \$0.00031/PV ON 1,953,956.34 PV DUE 11/18/22	11/18/2022	43813KAC6	602.47	0.000000	-	-	-
INTEREST EARNED ON BANK OF NEW YORK MTN 3.950% 11/18/25 \$1 PV ON 1500000.0000 SHARES DUE 11/18/2022	11/18/2022	06406HCQ0	29,625.00	0.000000	-	-	-
INTEREST EARNED ON G N M A I I #080395 2.875% 4/20/30 \$1 PV ON 7.1900 SHARES DUE 11/20/2022 OCTOBER GNMA DUE 11/20/22	11/21/2022	36225CNM4	7.19	0.000000	-	-	-
INTEREST EARNED ON GM FIN AUTO LSNG TR 1.900% 3/20/25 \$1 PV ON 7948.3400 SHARES DUE 11/20/2022 \$0.00158/PV ON 5,020,000.00 PV DUE 11/20/22	11/21/2022	36265MAC9	7,948.34	0.000000	-	-	-
INTEREST EARNED ON G N M A I I #080965 2.625% 7/20/34 \$1 PV ON 44.3500 SHARES DUE 11/20/2022 OCTOBER GNMA DUE 11/20/22	11/21/2022	36225DCB8	44.35	0.000000	-	-	-
INTEREST EARNED ON QUALCOMM INC 3.450% 5/20/25 \$1 PV ON 8000000.0000 SHARES DUE 11/20/2022	11/21/2022	747525AF0	138,000.00	0.000000	-	-	-
INTEREST EARNED ON GM FIN AUTO LSNG 3.420% 6/20/25 \$1 PV ON 8649.7500 SHARES DUE 11/20/2022 \$0.00285/PV ON 3,035,000.00 PV DUE	11/21/2022	36266FAC3	8,649.75	0.000000	-	-	-
INTEREST EARNED ON HONDA AUTO 0.270% 4/21/25 \$1 PV ON 292.5900 SHARES DUE 11/21/2022 \$0.00023/PV ON 1,300,383.81 PV DUE	11/21/2022	43813GAC5	292.59	0.000000	-	-	-

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
INTEREST EARNED ON G N M A I I #080408 2.875% 5/20/30 \$1 PV ON 61.8100 SHARES DUE 11/20/2022 OCTOBER GNMA DUE 11/20/22	11/21/2022	36225CN28	61.81	0.000000	-	-	-
INTEREST EARNED ON G N M A I I #080023 1.750% 12/20/26 \$1 PV ON 9.6800 SHARES DUE 11/20/2022 OCTOBER GNMA DUE 11/20/22	11/21/2022	36225CAZ9	9.68	0.000000	-	-	-
INTEREST EARNED ON TOYOTA LEASE OWNER 1.960% 2/20/25 \$1 PV ON 10004.1600 SHARES DUE 11/20/2022 \$0.00163/PV ON 6,125,000.00 PV DUE 11/20/22	11/21/2022	89238LAC4	10,004.16	0.000000	-	-	-
INTEREST EARNED ON TOYOTA LEASE OWNER 0.420% 10/21/24 \$1 PV ON 1114.7500 SHARES DUE 11/20/2022 \$0.00035/PV ON 3,185,000.00 PV DUE 11/20/22	11/21/2022	89239CAC3	1,114.75	0.000000	-	-	-
INTEREST EARNED ON VERIZON MASTER TR 3.720% 7/20/27 \$1 PV ON 8525.0000 SHARES DUE 11/20/2022 \$0.00310/PV ON 2,750,000.00 PV DUE 11/20/22	11/21/2022	92348KAV5	8,525.00	0.000000	-	-	-
INTEREST EARNED ON G N M A I I #080088 3.000% 6/20/27 \$1 PV ON 12.5100 SHARES DUE 11/20/2022 OCTOBER GNMA DUE 11/20/22	11/21/2022	36225CC20	12.51	0.000000	-	-	-
INTEREST EARNED ON HONDA AUTO REC 0.880% 1/21/26 \$1 PV ON 1679.3300 SHARES DUE 11/21/2022 \$0.00073/PV ON 2,290,000.00 PV DUE 11/21/22	11/21/2022	43815GAC3	1,679.33	0.000000	-	-	-
INTEREST EARNED ON U S TREASURY BILL 11/22/22 \$1 PV ON 8500000.0000 SHARES DUE 11/22/2022 8,500,000 PAR VALUE AT 100 %	11/22/2022	912796YR4	69,978.61	0.000000	-	-	-
INTEREST EARNED ON F N M A #745580 5.000% 6/01/36 \$1 PV ON 181.6700 SHARES DUE 11/25/2022 OCTOBER FNMA DUE 11/25/22	11/25/2022	31403DJZ3	181.67	0.000000	-	-	-
INTEREST EARNED ON F N M A #748678 5.000% 10/01/33 \$1 PV ON 3.1100 SHARES DUE 11/25/2022 OCTOBER FNMA DUE 11/25/22	11/25/2022	31403GXF4	3.11	0.000000	-	-	-
INTEREST EARNED ON F N M A #815971 5.000% 3/01/35 \$1 PV ON 273.9100 SHARES DUE 11/25/2022 OCTOBER FNMA DUE 11/25/22	11/25/2022	31406PQY8	273.91	0.000000	-	-	-
INTEREST EARNED ON F N M A #823358 1.966% 2/01/35 \$1 PV ON 30.4400 SHARES DUE 11/25/2022 OCTOBER FNMA DUE 11/25/22	11/25/2022	31406XWT5	30.44	0.000000	-	-	-
INTEREST EARNED ON F N M A #826080 5.000% 7/01/35 \$1 PV ON 35.8200 SHARES DUE 11/25/2022 OCTOBER FNMA DUE 11/25/22	11/25/2022	31407BXH7	35.82	0.000000	-	-	-
INTEREST EARNED ON F N M A #888336 5.000% 7/01/36 \$1 PV ON 302.5700 SHARES DUE 11/25/2022 OCTOBER FNMA DUE 11/25/22	11/25/2022	31410F4V4	302.57	0.000000	-	-	-
INTEREST EARNED ON F N M A #MA0022 4.500% 4/01/29 \$1 PV ON 24.5400 SHARES DUE 11/25/2022 OCTOBER FNMA DUE 11/25/22	11/25/2022	31417YAY3	24.54	0.000000	-	-	-
INTEREST EARNED ON BMW VEH OWNER TR 3.210% 8/25/26 \$1 PV ON 6767.7500 SHARES DUE 11/25/2022 \$0.00268/PV ON 2,530,000.00 PV DUE 11/25/22	11/25/2022	05602RAD3	6,767.75	0.000000	-	-	-
INTEREST EARNED ON AMRESCO 4.6764% 6/25/29 \$1 PV ON 454.4900 SHARES DUE 11/25/2022 \$0.00390/PV ON 116,624.77 PV DUE 11/25/22	11/25/2022	03215PFN4	454.49	0.000000	-	-	-

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
INTEREST EARNED ON BMW VEHICLE LEASE 1.100% 3/25/25 \$1 PV ON 2200.0000 SHARES DUE 11/25/2022 \$0.00092/PV ON 2,400,000.00 PV DUE 11/25/22	11/25/2022	05601XAC3	2,200.00	0.000000	-	-	-
INTEREST EARNED ON BMW VEHICLE LEASE 0.330% 12/26/24 \$1 PV ON 569.2500 SHARES DUE 11/25/2022 \$0.00027/PV ON 2,070,000.00 PV DUE 11/25/22	11/25/2022	09690AAC7	569.25	0.000000	-	-	-
INTEREST EARNED ON F N M A GTD REMIC 2.472% 2/25/41 \$1 PV ON 277.7700 SHARES DUE 11/25/2022 \$0.00355/PV ON 78,142.72 PV DUE 11/25/22	11/25/2022	31397QRE0	277.77	0.000000	-	-	-
INTEREST EARNED ON F N M A #257179 4.500% 4/01/28 \$1 PV ON 20.9900 SHARES DUE 11/25/2022 OCTOBER FNMA DUE 11/25/22	11/25/2022	31371NUC7	20.99	0.000000	-	-	-
INTEREST EARNED ON F H L B GTD REMIC 3.171% 10/25/24 \$1 PV ON 13212.5000 SHARES DUE 11/25/2022 \$0.00264/PV ON 5,000,000.00 PV DUE 11/25/22	11/25/2022	3137BFE98	13,212.50	0.000000	-	-	-
INTEREST EARNED ON F H L M C MLTCL MTG 3.120% 9/25/26 \$1 PV ON 13000.0000 SHARES DUE 11/25/2022 \$0.00260/PV ON 5,000,000.00 PV DUE 11/25/22	11/25/2022	3137BSRE5	13,000.00	0.000000	-	-	-
INTEREST EARNED ON F N M A #AL0869 4.500% 6/01/29 \$1 PV ON 14.5000 SHARES DUE 11/25/2022 OCTOBER FNMA DUE 11/25/22	11/25/2022	3138EG6F6	14.50	0.000000	-	-	-
INTEREST EARNED ON F H L M C MLTCL MT 9.50001% 9/25/43 \$1 PV ON 2258.3100 SHARES DUE 11/25/2022 \$0.00542/PV ON 416,918.55 PV DUE 11/25/22	11/25/2022	31394JY35	2,258.31	0.000000	-	-	-
INTEREST EARNED ON F N M A #357969 5.000% 9/01/35 \$1 PV ON 181.2500 SHARES DUE 11/25/2022 OCTOBER FNMA DUE 11/25/22	11/25/2022	31376KT22	181.25	0.000000	-	-	-
STATE COST OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 13936.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	11/28/2022	912828WU0	0.00	0.000000	-	-	-
BOOK VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 13936.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	11/28/2022	912828WU0	0.00	0.000000	-	-	-
FED BASIS OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 13936.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	11/28/2022	912828WU0	0.00	0.000000	-	13,936.00	-
PAR VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 13936.0000 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	11/28/2022	912828WU0	0.00	0.000000	13,936.00	-	-
INTEREST EARNED ON MORGAN STANLEY 0.790% 5/30/25 \$1 PV ON 8885000.0000 SHARES DUE 11/30/2022	11/30/2022	61747YEA9	35,095.75	0.000000	-	-	-
INTEREST EARNED ON U S TREASURY NT 2.125% 11/30/24 \$1 PV ON 16500000.0000 SHARES DUE 11/30/2022	11/30/2022	912828J7	175,312.50	0.000000	-	-	-
INTEREST EARNED ON U S TREASURY NT 2.125% 11/30/23 \$1 PV ON 1500000.0000 SHARES DUE 11/30/2022	11/30/2022	912828U57	15,937.50	0.000000	-	-	-
INTEREST EARNED ON U S TREASURY NT 0.750% 5/31/26 \$1 PV ON 7500000.0000 SHARES DUE 11/30/2022	11/30/2022	91282CCF6	28,125.00	0.000000	-	-	-
CASH RECEIPT INCOMING WIRES WIRE REC'D 12/1/2022	12/1/2022		38,000,000.00	0.000000	-	-	-

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
INTEREST EARNED ON HONEYWELL 1.350% 6/01/25 \$1 PV ON 5000000.0000 SHARES DUE 12/1/2022	12/1/2022	438516CB0	33,750.00	0.000000	-	-	-
INTEREST EARNED ON FIRST AM GOVT OB FD CL Z UNIT ON 0.0000 SHARES DUE 11/30/2022 INTEREST FROM 11/1/22 TO 11/30/22	12/1/2022	31846V567	10,583.48	0.000000	-	-	-
INTEREST EARNED ON FIRST AM GOVT OB FD CL Z UNIT ON 0.0000 SHARES DUE 11/30/2022 INTEREST FROM 11/1/22 TO 11/30/22	12/1/2022	31846V567	9,711.56	0.000000	-	-	-
PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY BD 1.375% 6/30/23	12/6/2022	912828S35	(59,408.97)	0.000000	-	-	-
PAID ACCRUED INTEREST ON PURCHASE OF BANK MONTREAL C D 4.580% 3/07/23	12/8/2022	06367D2S3	(318.06)	0.000000	-	-	-
INTEREST EARNED ON F H L B DEB 3.375% 12/08/23 \$1 PV ON 10000000.0000 SHARES DUE 12/8/2022	12/8/2022	3130A0F70	168,750.00	0.000000	-	-	-
INTEREST EARNED ON PNC BANK NA MTN 3.500% 6/08/23 \$1 PV ON 5000000.0000 SHARES DUE 12/8/2022	12/8/2022	69353RFL7	87,500.00	0.000000	-	-	-
CASH RECEIPT MISCELLANEOUS RECEIPT CK# 90769684 DTD 12/5/2022 - RETURNED WIRE	12/8/2022		550,000.00	0.000000	-	-	-
INTEREST EARNED ON ROYAL BANK OF MTN 1.150% 6/10/25 \$1 PV ON 4000000.0000 SHARES DUE 12/10/2022	12/12/2022	78015K7H1	23,000.00	0.000000	-	-	-
INTEREST EARNED ON TORONTO DOMINION MTN 2.650% 6/12/24 \$1 PV ON 3000000.0000 SHARES DUE 12/12/2022	12/12/2022	89114QCA4	39,750.00	0.000000	-	-	-
INTEREST EARNED ON F H L B DISC NTS 12/12/22 \$1 PV ON 5000000.0000 SHARES DUE 12/12/2022 5,000,000 PAR VALUE AT 100 %	12/12/2022	313385S80	33,402.78	0.000000	-	-	-
BOOK VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 24752.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	12/13/2022	912828WU0	-	0.000000	-	-	-
STATE COST OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 24752.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	12/13/2022	912828WU0	-	0.000000	-	-	-
FED BASIS OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 24752.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	12/13/2022	912828WU0	-	0.000000	-	24,752.00	-
PAR VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 24752.0000 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	12/13/2022	912828WU0	-	0.000000	24,752.00	-	-
INTEREST EARNED ON F H L B 2.875% 6/14/24 \$1 PV ON 11110000.0000 SHARES DUE 12/14/2022	12/14/2022	3130A1XJ2	159,706.25	0.000000	-	-	-
INTEREST EARNED ON F H L M C MLTCL MTG 3.814% 8/15/32 \$1 PV ON 9.3200 SHARES DUE 12/15/2022 \$0.00318/PV ON 2,932.85 PV DUE	12/15/2022	3133TCE95	9.32	0.000000	-	-	-
INTEREST EARNED ON HYUNDAI AUTO REC 0.380% 9/15/25 \$1 PV ON 660.3400 SHARES DUE 12/15/2022 \$0.00032/PV ON 2,085,277.82 PV DUE 12/15/22	12/15/2022	44933LAC7	660.34	0.000000	-	-	-
INTEREST EARNED ON HYUNDAI AUTO REC 2.220% 10/15/26 \$1 PV ON 7955.0000 SHARES DUE 12/15/2022 \$0.00185/PV ON 4,300,000.00 PV DUE 12/15/22	12/15/2022	448977AD0	7,955.00	0.000000	-	-	-

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
INTEREST EARNED ON HYUNDAI AUTO LEASE 1.160% 1/15/25 \$1 PV ON 2798.5000 SHARES DUE 12/15/2022 \$0.00097/PV ON 2,895,000.00 PV DUE 12/15/22	12/15/2022	44891WAC3	2,798.50	0.000000	-	-	-
INTEREST EARNED ON HYUNDAI AUTO LEASE 0.330% 6/17/24 \$1 PV ON 1142.6300 SHARES DUE 12/15/2022 \$0.00027/PV ON 4,155,000.00 PV DUE 12/15/22	12/15/2022	44891VAC5	1,142.63	0.000000	-	-	-
INTEREST EARNED ON HONDA AUTO REC OWN 1.880% 5/15/26 \$1 PV ON 6157.0000 SHARES DUE 12/15/2022 \$0.00157/PV ON 3,930,000.00 PV DUE 12/15/22	12/15/2022	43815BAC4	6,157.00	0.000000	-	-	-
RECEIVED ACCRUED INTEREST ON SALE OF F H L M C 2.750% 6/19/23	12/15/2022	3137EAEN5	94,111.11	0.000000	-	-	-
INTEREST EARNED ON F H L M C #786064 2.262% 1/01/28 \$1 PV ON 2.0300 SHARES DUE 12/15/2022 OCTOBER FHLMC DUE 12/15/22	12/15/2022	31348SWZ3	2.03	0.000000	-	-	-
INTEREST EARNED ON AMERICAN EXPRESS 3.390% 5/17/27 \$1 PV ON 18701.5000 SHARES DUE 12/15/2022 \$0.00283/PV ON 6,620,000.00 PV DUE 12/15/22	12/15/2022	02582JIT8	18,701.50	0.000000	-	-	-
INTEREST EARNED ON AMERICAN EXPRESS 3.750% 8/16/27 \$1 PV ON 6250.0000 SHARES DUE 12/15/2022 \$0.00313/PV ON 2,000,000.00 PV DUE 12/15/22	12/15/2022	02582JIV3	6,250.00	0.000000	-	-	-
INTEREST EARNED ON JOHN DEERE OWNER 0.510% 11/15/24 \$1 PV ON 261.2400 SHARES DUE 12/15/2022 \$0.00043/PV ON 614,682.67 PV DUE 12/15/22	12/15/2022	47787NAC3	261.24	0.000000	-	-	-
INTEREST EARNED ON HTUNDAI AUTO REC TR 0.380% 1/15/26 \$1 PV ON 1912.6700 SHARES DUE 12/15/2022 \$0.00032/PV ON 6,040,000.00 PV DUE 12/15/22	12/15/2022	44934KAC8	1,912.67	0.000000	-	-	-
INTEREST EARNED ON TOYOTA AUTO RECV 0.440% 10/15/24 \$1 PV ON 449.7600 SHARES DUE 12/15/2022 \$0.00037/PV ON 1,226,617.28 PV DUE 12/15/22	12/15/2022	89237VAB5	449.76	0.000000	-	-	-
INTEREST EARNED ON JOHN DEERE OWNER 2.320% 9/15/26 \$1 PV ON 5819.3300 SHARES DUE 12/15/2022 \$0.00193/PV ON 3,010,000.00 PV DUE 12/15/22	12/15/2022	47787JAC2	5,819.33	0.000000	-	-	-
INTEREST EARNED ON MERCEDES BENZ AUTO 0.400% 11/15/24 \$1 PV ON 1105.0000 SHARES DUE 12/15/2022 \$0.00033/PV ON 3,315,000.00 PV DUE 12/15/22	12/15/2022	58769KAD6	1,105.00	0.000000	-	-	-
INTEREST EARNED ON MERCEDES BENZ AUTO 5.210% 8/16/27 \$1 PV ON 23949.3600 SHARES DUE 12/15/2022 \$0.00333/PV ON 7,195,000.00 PV DUE 12/15/22	12/15/2022	58768PAC8	23,949.36	0.000000	-	-	-
INTEREST EARNED ON NISSAN AUTO 1.930% 7/15/24 \$1 PV ON 1018.9000 SHARES DUE 12/15/2022 \$0.00161/PV ON 633,510.20 PV DUE 12/15/22	12/15/2022	65479JAD5	1,018.90	0.000000	-	-	-

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
INTEREST EARNED ON JOHN DEERE OWNR TR 3.740% 2/16/27 \$1 PV ON 9786.3300 SHARES DUE 12/15/2022 \$0.00312/PV ON 3,140,000.00 PV DUE 12/15/22	12/15/2022	47800AAC4	9,786.33	0.000000	-	-	-
INTEREST EARNED ON JOHN DEERE OWN 0.520% 3/16/26 \$1 PV ON 1222.0000 SHARES DUE 12/15/2022 \$0.00043/PV ON 2,820,000.00 PV DUE 12/15/22	12/15/2022	47789QAC4	1,222.00	0.000000	-	-	-
INTEREST EARNED ON JOHN DEERE OWNER 0.360% 9/15/25 \$1 PV ON 642.3200 SHARES DUE 12/15/2022 \$0.00030/PV ON 2,141,078.49 PV DUE 12/15/22	12/15/2022	47788UAC6	642.32	0.000000	-	-	-
INTEREST EARNED ON JOHN DEERE OWNER 5.090% 6/15/27 \$1 PV ON 31987.8200 SHARES DUE 12/15/2022 \$0.00792/PV ON 4,040,000.00 PV DUE 12/15/22	12/15/2022	47800BAC2	31,987.82	0.000000	-	-	-
INTEREST EARNED ON HYUNDAI AUTO REC TR 0.740% 5/15/26 \$1 PV ON 986.6700 SHARES DUE 12/15/2022 \$0.00062/PV ON 1,600,000.00 PV DUE 12/15/22	12/15/2022	44935FAD6	986.67	0.000000	-	-	-
INTEREST EARNED ON GM FIN CONS AUTO 0.680% 9/16/26 \$1 PV ON 966.1700 SHARES DUE 12/16/2022 \$0.00057/PV ON 1,705,000.00 PV DUE 12/16/22	12/16/2022	362554AC1	966.17	0.000000	-	-	-
INTEREST EARNED ON GM FIN CONS AUT 3.100% 2/16/27 \$1 PV ON 6019.1700 SHARES DUE 12/16/2022 \$0.00258/PV ON 2,330,000.00 PV DUE 12/16/22	12/16/2022	362585AC5	6,019.17	0.000000	-	-	-
INTEREST EARNED ON GM FIN CONS AUTO 1.260% 11/16/26 \$1 PV ON 1669.5000 SHARES DUE 12/16/2022 \$0.00105/PV ON 1,590,000.00 PV DUE 12/16/22	12/16/2022	380146AC4	1,669.50	0.000000	-	-	-
INTEREST EARNED ON F N M A 0.500% 6/17/25 \$1 PV ON 9905000.0000 SHARES DUE 12/17/2022	12/19/2022	3135G04Z3	24,762.50	0.000000	-	-	-
INTEREST EARNED ON F H L M C 2.750% 6/19/23 \$1 PV ON 3000000.0000 SHARES DUE 12/19/2022	12/19/2022	3137EAEN5	41,250.00	0.000000	-	-	-
INTEREST EARNED ON HONDA AUTO 0.370% 10/18/24 \$1 PV ON 550.1300 SHARES DUE 12/18/2022 \$0.00031/PV ON 1,784,193.73 PV DUE 12/18/22	12/19/2022	43813KAC6	550.13	0.000000	-	-	-
INTEREST EARNED ON TOYOTA MTR CR MTN 1.125% 6/18/26 \$1 PV ON 7285000.0000 SHARES DUE 12/18/2022	12/19/2022	89236TJK2	40,978.13	0.000000	-	-	-
INTEREST EARNED ON BANK AMER CORP MTN 1.319% 6/19/26 \$1 PV ON 2250000.0000 SHARES DUE 12/19/2022	12/19/2022	06051GJD2	14,838.75	0.000000	-	-	-
INTEREST EARNED ON G N M A I I #080965 2.625% 7/20/34 \$1 PV ON 42.7400 SHARES DUE 12/20/2022 NOVEMBER GNMA DUE 12/20/22	12/20/2022	36225DCB8	42.74	0.000000	-	-	-
INTEREST EARNED ON G N M A I I #080023 1.750% 12/20/26 \$1 PV ON 9.1400 SHARES DUE 12/20/2022 NOVEMBER GNMA DUE 12/20/22	12/20/2022	36225CAZ9	9.14	0.000000	-	-	-
INTEREST EARNED ON G N M A I I #080088 3.000% 6/20/27 \$1 PV ON 12.2900 SHARES DUE 12/20/2022 NOVEMBER GNMA DUE 12/20/22	12/20/2022	36225CC20	12.29	0.000000	-	-	-

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
INTEREST EARNED ON G N M A I I #080408 2.875% 5/20/30 \$1 PV ON 61.1800 SHARES DUE 12/20/2022 NOVEMBER GNMA DUE 12/20/22	12/20/2022	36225CN28	61.18	0.000000	-	-	-
INTEREST EARNED ON G N M A I I #080395 2.875% 4/20/30 \$1 PV ON 7.1000 SHARES DUE 12/20/2022 NOVEMBER GNMA DUE 12/20/22	12/20/2022	36225CNM4	7.10	0.000000	-	-	-
INTEREST EARNED ON GM FIN AUTO LSNG 3.420% 6/20/25 \$1 PV ON 8649.7500 SHARES DUE 12/20/2022 \$0.00285/PV ON 3,035,000.00 PV DUE 12/20/22	12/20/2022	36266FAC3	8,649.75	0.000000	-	-	-
INTEREST EARNED ON TOYOTA LEASE OWNER 1.960% 2/20/25 \$1 PV ON 10004.1600 SHARES DUE 12/20/2022 \$0.00163/PV ON 6,125,000.00 PV DUE 12/20/22	12/20/2022	89238LAC4	10,004.16	0.000000	-	-	-
INTEREST EARNED ON TOYOTA LEASE OWNER 0.420% 10/21/24 \$1 PV ON 1114.7500 SHARES DUE 12/20/2022 \$0.00035/PV ON 3,185,000.00 PV DUE 12/20/22	12/20/2022	89239CAC3	1,114.75	0.000000	-	-	-
INTEREST EARNED ON VERIZON MASTER TR 3.720% 7/20/27 \$1 PV ON 8525.0000 SHARES DUE 12/20/2022 \$0.00310/PV ON 2,750,000.00 PV DUE 12/20/22	12/20/2022	92348KAV5	8,525.00	0.000000	-	-	-
INTEREST EARNED ON GM FIN AUTO LSNG TR 1.900% 3/20/25 \$1 PV ON 7948.3400 SHARES DUE 12/20/2022 \$0.00158/PV ON 5,020,000.00 PV DUE 12/20/22	12/20/2022	36265MAC9	7,948.34	0.000000	-	-	-
PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 4.250% 10/15/25	12/21/2022	91282CFP1	(39,114.01)	0.000000	-	-	-
PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 4.125% 9/30/27	12/21/2022	91282CFM8	(46,462.91)	0.000000	-	-	-
RECEIVED ACCRUED INTEREST ON SALE OF U S TREASURY NT 2.125% 11/30/23	12/21/2022	912828U57	1,838.94	0.000000	-	-	-
INTEREST EARNED ON HONDA AUTO 0.270% 4/21/25 \$1 PV ON 272.4500 SHARES DUE 12/21/2022 \$0.00023/PV ON 1,210,903.52 PV DUE 12/21/22	12/21/2022	43813GAC5	272.45	0.000000	-	-	-
CASH RECEIPT SHORT-TERM CAPITAL GAIN DIV FIRST AM GOVT OB FD CL Z STCG PAYABLE 12/21/22	12/21/2022	31846V567	1.81	0.000000	-	-	-
CASH RECEIPT SHORT-TERM CAPITAL GAIN DIV FIRST AM GOVT OB FD CL Z STCG PAYABLE 12/21/22	12/21/2022	31846V567	2.19	0.000000	-	-	-
INTEREST EARNED ON HONDA AUTO REC 0.880% 1/21/26 \$1 PV ON 1679.3300 SHARES DUE 12/21/2022 \$0.00073/PV ON 2,290,000.00 PV DUE 12/21/22	12/21/2022	43815GAC3	1,679.33	0.000000	-	-	-
CASH RECEIPT LONG-TERM CAPITAL GAIN DIV FIRST AM GOVT OB FD CL Z LTCG PAYABLE 12/21/22	12/21/2022	31846V567	12.80	0.000000	-	-	-
CASH RECEIPT LONG-TERM CAPITAL GAIN DIV FIRST AM GOVT OB FD CL Z LTCG PAYABLE 12/21/22	12/21/2022	31846V567	10.58	0.000000	-	-	-
CASH RECEIPT INCOMING WIRES WIRE REC'D 12/23/2022	12/23/2022		76,800,000.00	0.000000	-	-	-
CASH RECEIPT INCOMING WIRES WIRE REC'D 12/23/2022	12/23/2022		5,000,000.00	0.000000	-	-	-



**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
INTEREST EARNED ON F N M A #AL0869 4.500% 6/01/29 \$1 PV ON 14.2700 SHARES DUE 12/25/2022 NOVEMBER FNMA DUE 12/25/22	12/27/2022	3138EG6F6	14.27	0.000000	-	-	-
INTEREST EARNED ON F H L M C MLTCL MT 9.50001% 9/25/43 \$1 PV ON 2237.0100 SHARES DUE 12/25/2022 \$0.00542/PV ON 412,986.29 PV DUE 12/25/22	12/27/2022	31394JY35	2,237.01	0.000000	-	-	-
INTEREST EARNED ON F N M A GTD REMIC 2.472% 2/25/41 \$1 PV ON 303.0700 SHARES DUE 12/25/2022 \$0.00391/PV ON 77,444.32 PV DUE 12/25/22	12/27/2022	31397QRE0	303.07	0.000000	-	-	-
INTEREST EARNED ON F N M A #745580 5.000% 6/01/36 \$1 PV ON 179.6500 SHARES DUE 12/25/2022 NOVEMBER FNMA DUE 12/25/22	12/27/2022	31403DJZ3	179.65	0.000000	-	-	-
INTEREST EARNED ON F N M A #748678 5.000% 10/01/33 \$1 PV ON 3.0900 SHARES DUE 12/25/2022 NOVEMBER FNMA DUE 12/25/22	12/27/2022	31403GXF4	3.09	0.000000	-	-	-
INTEREST EARNED ON F H L M C MLTCL MTG 3.120% 9/25/26 \$1 PV ON 13000.0000 SHARES DUE 12/25/2022 \$0.00260/PV ON 5,000,000.00 PV DUE 12/25/22	12/27/2022	3137BSRE5	13,000.00	0.000000	-	-	-
INTEREST EARNED ON F N M A #815971 5.000% 3/01/35 \$1 PV ON 272.3200 SHARES DUE 12/25/2022 NOVEMBER FNMA DUE 12/25/22	12/27/2022	31406PQY8	272.32	0.000000	-	-	-
INTEREST EARNED ON F N M A #823358 1.966% 2/01/35 \$1 PV ON 37.7900 SHARES DUE 12/25/2022 P & I DUE 12/25/22	12/27/2022	31406XWT5	37.79	0.000000	-	-	-
INTEREST EARNED ON F N M A #826080 5.000% 7/01/35 \$1 PV ON 34.0400 SHARES DUE 12/25/2022 NOVEMBER FNMA DUE 12/25/22	12/27/2022	31407BXH7	34.04	0.000000	-	-	-
INTEREST EARNED ON F N M A #888336 5.000% 7/01/36 \$1 PV ON 299.1500 SHARES DUE 12/25/2022 NOVEMBER FNMA DUE 12/25/22	12/27/2022	31410F4V4	299.15	0.000000	-	-	-
INTEREST EARNED ON F H L B GTD REMIC 3.171% 10/25/24 \$1 PV ON 13212.5000 SHARES DUE 12/25/2022 \$0.00264/PV ON 5,000,000.00 PV DUE 12/25/22	12/27/2022	3137BFE98	13,212.50	0.000000	-	-	-
INTEREST EARNED ON F H L M C M T N 0.250% 6/26/23 \$1 PV ON 1250000.0000 SHARES DUE 12/26/2022	12/27/2022	3137EAES4	1,562.50	0.000000	-	-	-
RECEIVED ACCRUED INTEREST ON SALE OF U S TREASURY NT 0.750% 12/31/23	12/27/2022	91282CDR9	8,254.08	0.000000	-	-	-
INTEREST EARNED ON F N M A #MA0022 4.500% 4/01/29 \$1 PV ON 23.7700 SHARES DUE 12/25/2022 NOVEMBER FNMA DUE 12/25/22	12/27/2022	31417YAY3	23.77	0.000000	-	-	-
INTEREST EARNED ON AMRESCO 5.10393% 6/25/29 \$1 PV ON 496.0400 SHARES DUE 12/25/2022 \$0.00425/PV ON 116,624.77 PV DUE 12/25/22	12/27/2022	03215PFN4	496.04	0.000000	-	-	-
INTEREST EARNED ON BMW VEHICLE LEASE 1.100% 3/25/25 \$1 PV ON 2200.0000 SHARES DUE 12/25/2022 \$0.00092/PV ON 2,400,000.00 PV DUE 12/25/22	12/27/2022	05601XAC3	2,200.00	0.000000	-	-	-
INTEREST EARNED ON BMW VEH OWNER TR 3.210% 8/25/26 \$1 PV ON 6767.7500 SHARES DUE 12/25/2022 \$0.00268/PV ON 2,530,000.00 PV DUE 12/25/22	12/27/2022	05602RAD3	6,767.75	0.000000	-	-	-

**U.S. Bank Transaction History**  
**10/01/22 - 12/31/22**

Transaction Type	Entry Date	CUSIP Id	Net Cash Amt	Price	Units	Cost	Gain/Loss
INTEREST EARNED ON BMW VEHICLE LEASE 0.330% 12/26/24 \$1 PV ON 569.2500 SHARES DUE 12/25/2022 \$0.00027/PV ON 2,070,000.00 PV DUE 12/25/22	12/27/2022	09690AAC7	569.25	0.000000	-	-	-
INTEREST EARNED ON F N M A #257179 4.500% 4/01/28 \$1 PV ON 19.5500 SHARES DUE 12/25/2022 NOVEMBER FNMA DUE 12/25/22	12/27/2022	31371NUC7	19.55	0.000000	-	-	-
INTEREST EARNED ON F N M A #357969 5.000% 9/01/35 \$1 PV ON 180.2100 SHARES DUE 12/25/2022 NOVEMBER FNMA DUE 12/25/22	12/27/2022	31376KT22	180.21	0.000000	-	-	-
PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 4.125% 9/30/27	12/21/2022	91282CFM8	(69,807.69)	0.000000	-	-	-
BOOK VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 27248.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	12/28/2022	912828WU0	-	0.000000	-	-	-
INTEREST EARNED ON AMERICAN HONDA MTN 2.400% 6/27/24 \$1 PV ON 1219000.0000 SHARES DUE 12/28/2022	12/28/2022	02665WCZ2	14,628.00	0.000000	-	-	-
STATE COST OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 27248.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	12/28/2022	912828WU0	-	0.000000	-	-	-
PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 1.750% 5/15/23	12/28/2022	912828VB3	(10,393.65)	0.000000	-	-	-
PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 0.250% 4/15/23	12/28/2022	912828ZH6	(2,541.21)	0.000000	-	-	-
PAID ACCRUED INTEREST ON PURCHASE OF U S TREASURY NT 0.125% 7/31/23	12/28/2022	91282CCN9	(2,547.55)	0.000000	-	-	-
FED BASIS OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 27248.00 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	12/28/2022	912828WU0	-	0.000000	-	27,248.00	-
PAR VALUE OF U S TREASURY I P S 0.125% 7/15/24 ADJUSTED BY 27248.0000 UNITS INCREASE TO ADJUST FOR CHANGE IN CPI	12/28/2022	912828WU0	-	0.000000	27,248.00	-	-
<b>Total Other</b>			<b>122,705,331.01</b>		<b>74,256.00</b>	<b>74,086.95</b>	<b>-</b>

December 31, 2022

**Orange County Sanitation District**



**Investment Measurement Service  
Quarterly Review**

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### December 31, 2022

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## Capital Market Review

**U.S. EQUITY**

**Markets fall in final month of quarter after gains**

- The S&P 500 Index posted positive returns in both October and November but fell in December. The index was up 7.6% during 4Q22 but ended 2022 down 18.1%.
- Energy was the best-performing sector during the quarter and 2022, returning 23% and 66% respectively. Consumer Discretionary and Communication Services were the only two sectors that posted negative returns in 4Q.
- Value stocks outperformed growth across the market capitalization spectrum, and for both 4Q and the full year.
- Large cap stocks (Russell 1000) outperformed small caps (Russell 2000) last quarter and for the year.
- Continued macroeconomic concerns (e.g., inflation, potential recession, geopolitical issues) led to higher volatility and a down-year for U.S. equities.

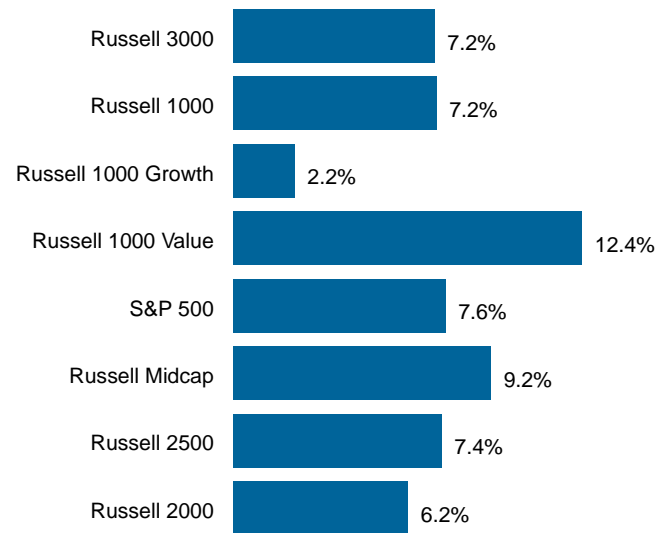
**Market valuations have reset with the broad-based sell-off**

- The drop for equities in 2022 was broad-based, and almost every sector experienced negative returns. Higher interest rates impacted the growth-oriented sectors the most (e.g., Technology, Communication Services).
- Mega-cap technology stocks have underperformed, ending an extended period of market leadership.
- Large cap stocks are now trading around their average P/E ratio, but they are not yet “cheap.”
- Despite the recent outperformance of value stocks, value still looks attractive relative to growth heading into 2023.

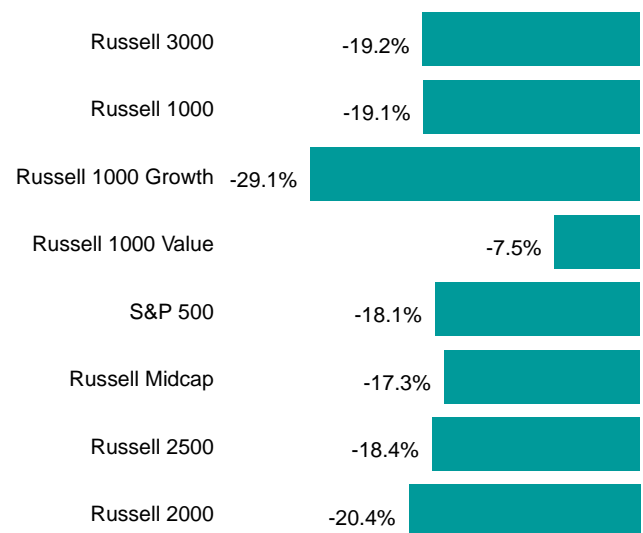
**Small cap valuations are attractive relative to large cap**

- During 4Q22, the Russell 2000 was trading at a 30% discount to its historical P/E average.
- Relative to large caps, the Russell 2000’s forward 12 months P/E is trading at the lowest level versus large-cap stocks since the Dot-Com Bubble.
- Relative to large and mid caps, small caps have looked significantly cheaper on various valuation metrics recently.

**U.S. Equity: Quarterly Returns**

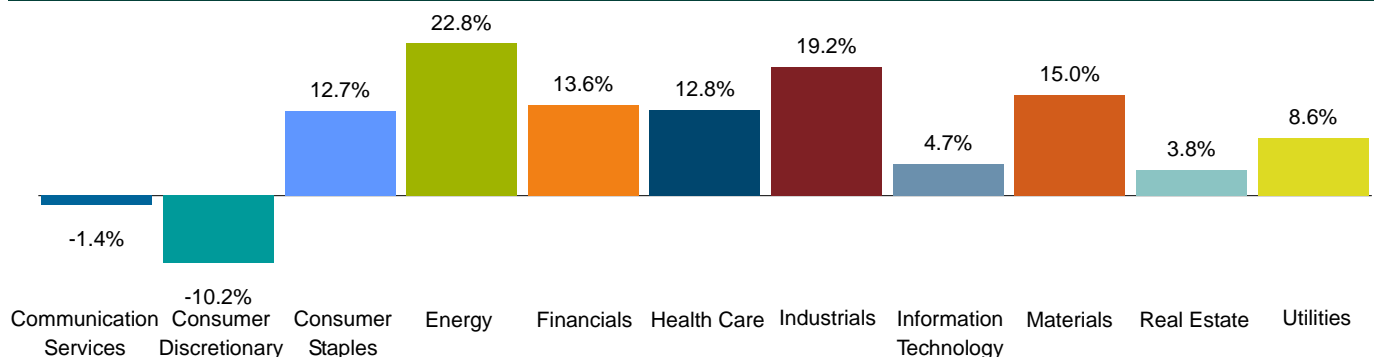


**U.S. Equity: One-Year Returns**



Sources: FTSE Russell, S&P Dow Jones Indices

**S&P Sector Returns, Quarter Ended 12/31/22**



Source: S&P Dow Jones Indices

**GLOBAL EQUITY**

**Ending on a high note**

4Q22 was a bright spot during a tough calendar year in global and global ex-U.S. equity markets.

**Encouraging signs**

- Lower-than-expected U.S. inflation data buoyed market optimism at the end of the year.
- The Fed slowed its pace of tightening, with further slowing expected in 2023.
- China reversed its zero-COVID policies, prompting exuberance from investors.

**Value outpaces growth**

- Value outpaced growth in developed and emerging markets.
- Economically sensitive sectors (e.g., Financials and Industrials) benefited from the anticipation of improved growth; Energy was the largest outperformer.

**U.S. dollar vs. other currencies**

- After reaching a multi-decade high, the dollar fell against all major currencies with signs of inflation easing.
- Despite the 7.7% decline in 4Q22, the dollar still gained nearly 8% over the full year.
- Global central banks’ rate hikes and the U.S. Federal Reserve’s slowing pace of tightening could prolong U.S. dollar decline.
- Continued weakening of the U.S. dollar would be a tailwind for non-U.S. equities.

**What about style?**

- A sustained shift to value after the recent prolonged growth cycle would likely favor non-U.S. equities over U.S. equities given higher representation of traditional value sectors in non-U.S. equity universes.

**China’s reopening spurs hopes for emerging markets**

- In addition to pivoting from its zero-COVID policy, Chinese regulators shifted to supportive policies to stabilize the property sector and tech/platform industry.

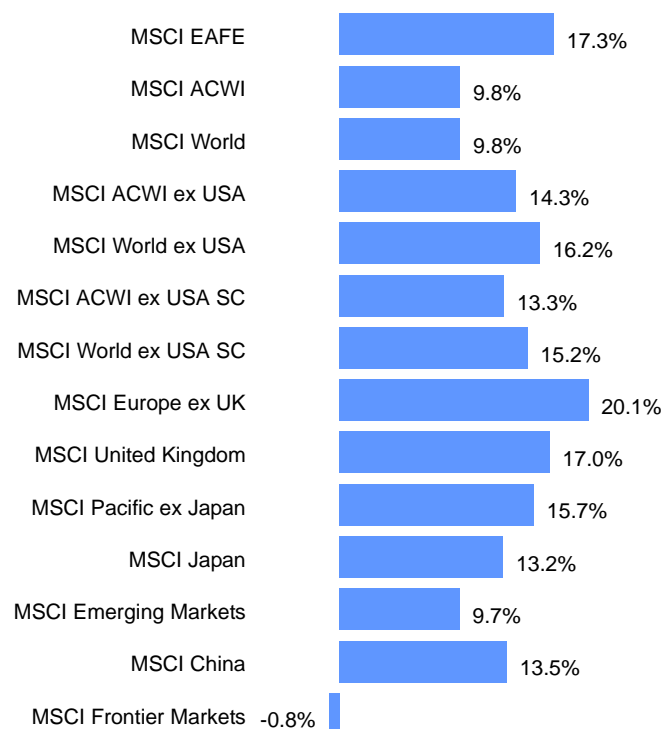
**Reopening is expected to jump-start Chinese economy**

- China’s real GDP growth is estimated to reach 5.5% in 2023 and nearly 7% on a 4Q/4Q basis.
- Real consumption is projected to grow by 8.5% in 2023 as Chinese households have amassed \$2.6 trillion in savings.

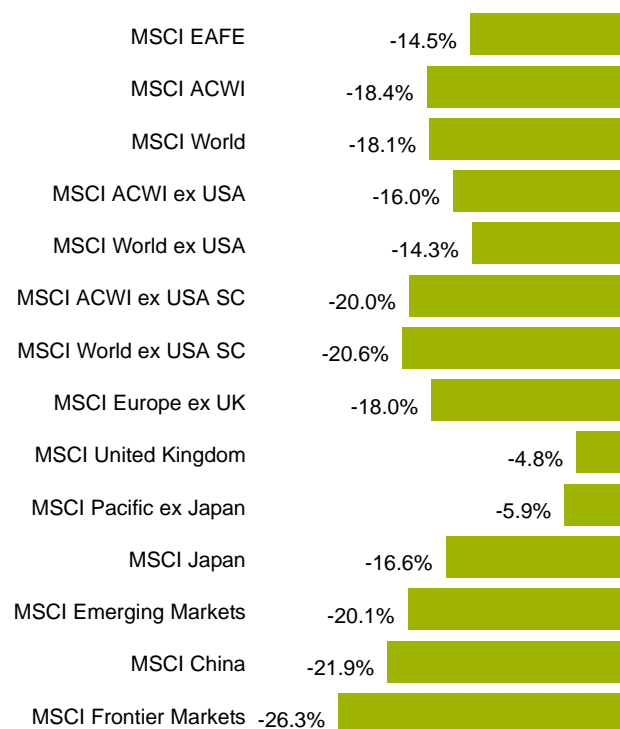
**Recovery in China will spill over to other EM regions**

- Growth in Chinese consumption is expected to have positive impact on tourism in Southeast Asia; goods exports in Europe, the Middle East, and Africa; and commodities in Latin America.

**Global Equity: Quarterly Returns**



**Global Equity: One-Year Returns**



Source: MSCI

**U.S. FIXED INCOME**

**Bonds were up in 4Q but 2022 results remain negative**

- Gain for the Bloomberg US Aggregate Bond Index driven by coupon income and spread tightening; interest rates rose modestly

**Rates were volatile intra-quarter**

- U.S. Treasury 10-year yield: high 4.22% on 11/7; low 3.42% on 12/7
- Curve remained inverted at quarter-end: 10-year yield 3.88% and 2-year yield 4.41%; most since 1981

**Fed raised rates bringing target to 4.25%-4.50%**

- Median expectation from Fed is 5.1% for year-end 2023
- Inflation showed signs of moderating but job market remained tight with solid wage growth

**Corporates and mortgages outperformed Treasuries in 4Q**

- 4Q: Corporates +289 bps excess return; residential mortgage-backed securities (RMBS) +110 bps
- 2022: Corporates -125 bps excess return; RMBS -223 bps
- RMBS had worst month ever (September: -191 bps) and best month ever (November: +135 bps) in excess returns

**Valuations fair**

- While absolute yields are higher, spreads have not widened materially, and most are close to historical averages.
- An economic slowdown could impact credit spreads.
- Higher yields have boosted forward-looking returns across sectors.

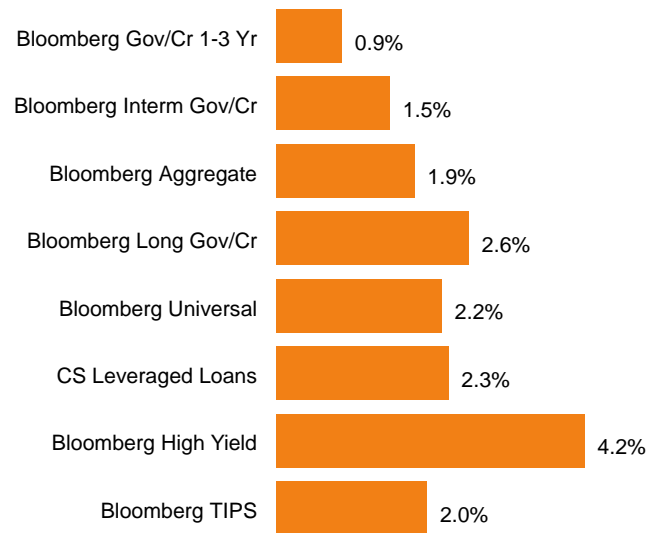
**Economic slowdown clouds the corporate credit picture**

- Despite prospects for an economic slowdown in 2023, fundamental credit metrics for many issuers are strong.
- Default rates are expected to tick up, albeit not to the same extent as in previous recessions.
- Investors may be biased toward higher-quality investment grade issuers as they weigh the threat of a looming recession and potential implications for increased volatility in lower-quality corporate credit markets.

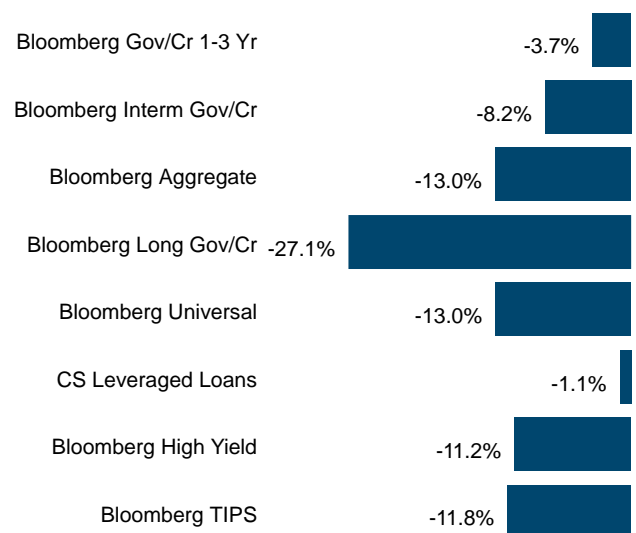
**TIPS: Beware of duration**

- Despite a rise in inflation, TIPS saw marked declines in 2022 amid rising interest rates.
- TIPS, like nominal Treasuries, are sensitive to changes in interest rates, and as a result, shorter-duration TIPS fared better than full spectrum TIPS in 2022.
- Shorter-term TIPS exhibit a higher correlation to realized inflation but also provide a similar risk-adjusted return as that of full spectrum TIPS.

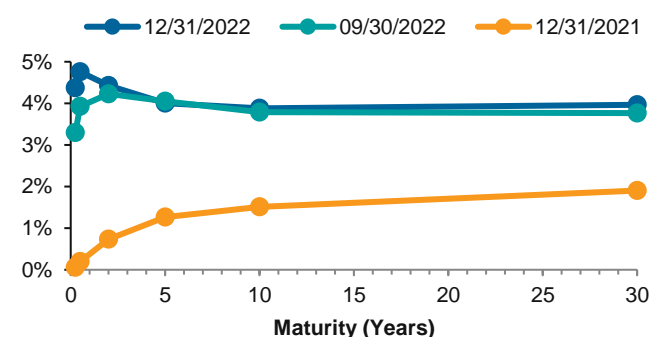
**U.S. Fixed Income: Quarterly Returns**



**U.S. Fixed Income: One-Year Returns**



**U.S. Treasury Yield Curves**



Sources: Bloomberg, Credit Suisse



**MUNICIPAL BONDS**

**Gains in 4Q but most 2022 results remain negative**

- Municipal Bond Index calendar year return worst since 1981
- Higher quality outperformed in 4Q (AAA: +4.3%; AA: +4.1%; A: +4.0%; BBB: +3.9%; High Yield: +3.5%) and in 2022
- Munis outperformed most other fixed income sectors in 4Q and in 2022

**Valuations relative to U.S. Treasuries on the rich side**

- 10-year AAA Muni/10-year U.S. Treasury yield ratio 68%; below 10-year average of 88%
- After-tax yield of Muni Bond Index = 6.0% (Source: Eaton Vance)

**Supply/demand**

- Mutual fund outflows hit a record \$122 billion in 2022, with tax loss harvesting being a key driver
- ETFs saw inflows as some investors reinvested in them.
- Supply also down; \$71 billion in 4Q and the lowest in 13 years; 2022 issuance off roughly 20% from 2021

**Credit quality remained stable**

- State and local tax collections robust and reserves elevated; state revenues up 16% on average vs. 2021

**GLOBAL FIXED INCOME**

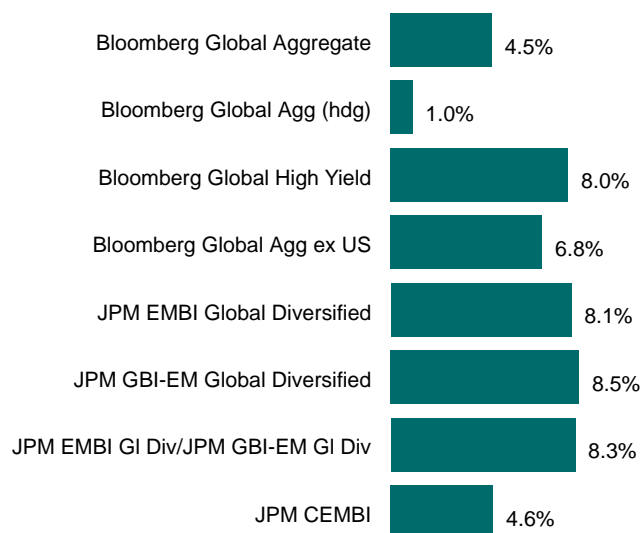
**4Q returns driven largely by U.S. dollar weakness**

- U.S. dollar down 9% vs. euro, 10% vs. yen, 8% vs. pound
- For the year, dollar up 6% vs. euro, 13% vs. yen, and 11% vs. pound
- Rates up across most of Europe and in Japan
- Rates fell in the U.K.

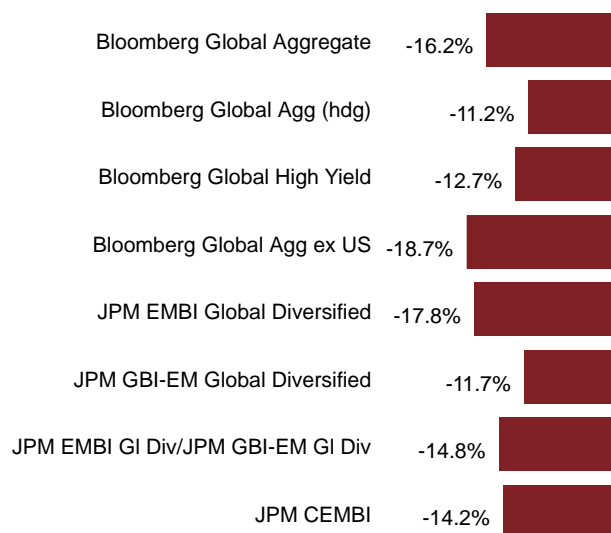
**Emerging market debt also did well**

- Returns varied across countries but most were positive

**Global Fixed Income: Quarterly Returns**

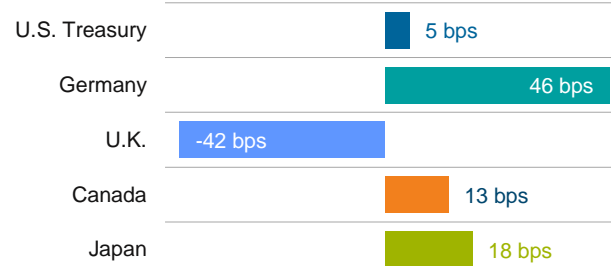


**Global Fixed Income: One-Year Returns**



**Change in 10-Year Global Government Bond Yields**

**3Q22 to 4Q22**



Sources: Bloomberg, JP Morgan

## Active Management Overview

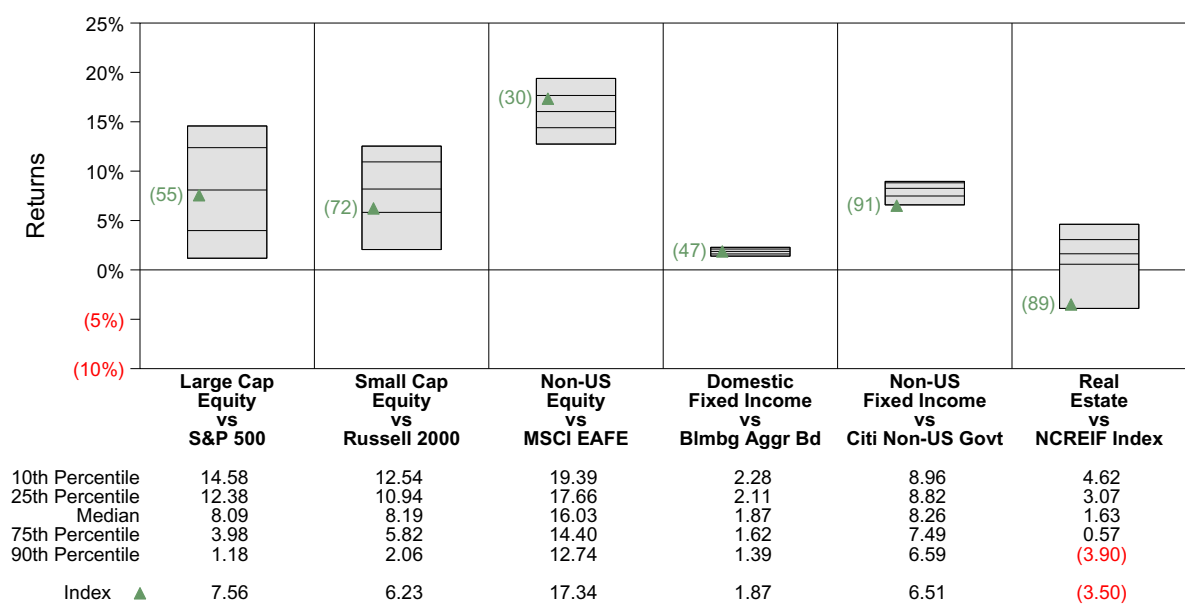
# Market Overview

## Active Management vs Index Returns

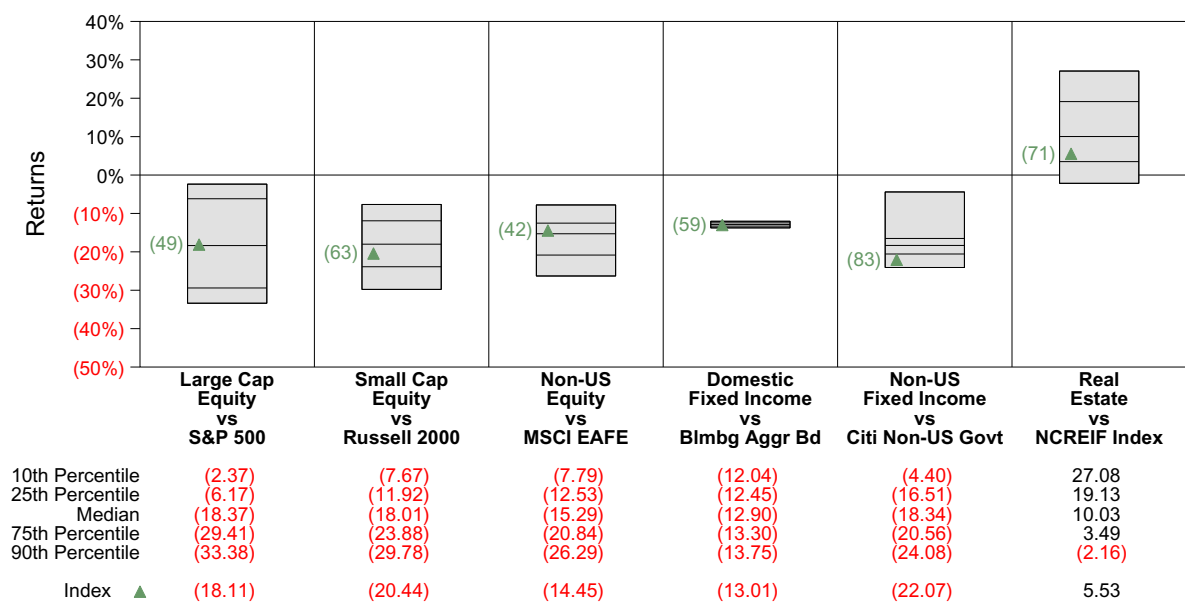
### Market Overview

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 December 31, 2022



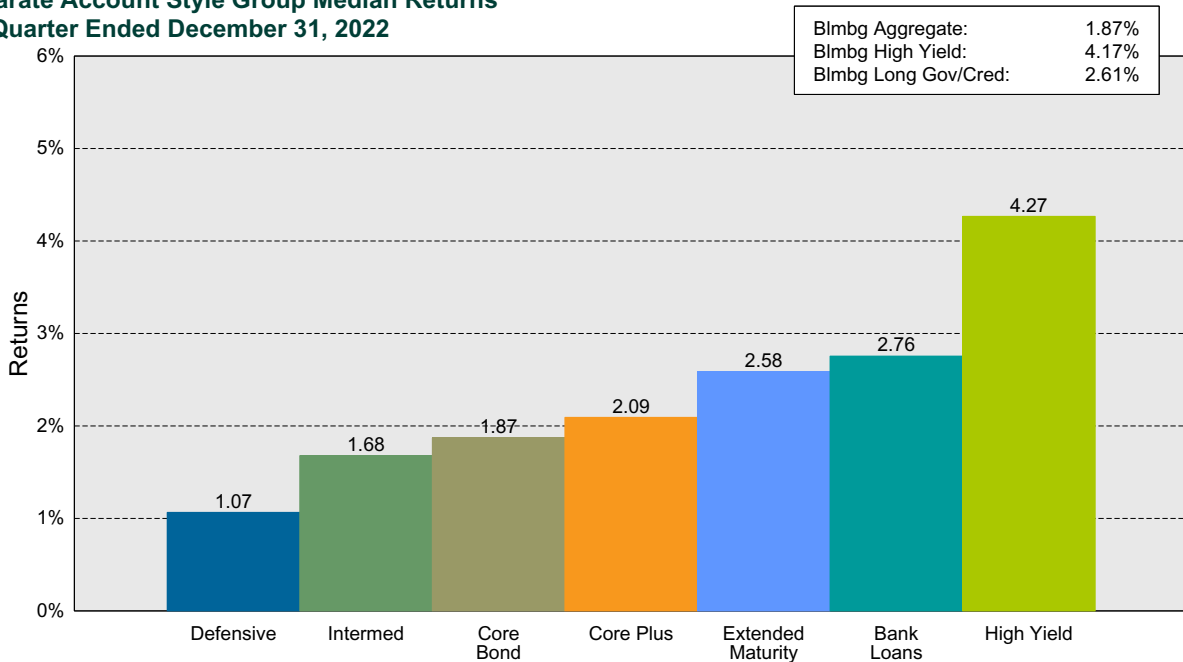
### Range of Separate Account Manager Returns by Asset Class One Year Ended December 31, 2022



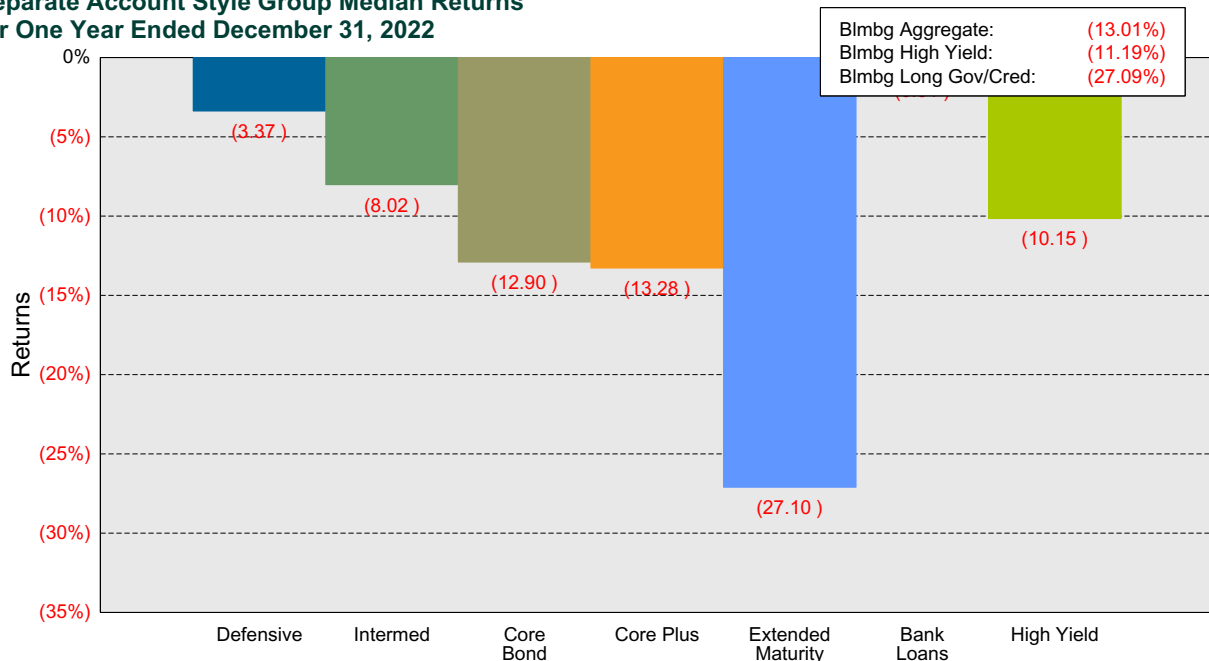
## Domestic Fixed Income Active Management Overview

U.S. fixed income experienced its worst year ever in 2022, by a wide margin. The Bloomberg US Aggregate Bond Index sank 13.0%; the next worst calendar year was 1994 when the Aggregate fell 2.9%. The silver lining lies in the 4.68% yield-to-worst for the Index, up from 1.75% at the beginning of the year. The yield curve remained inverted at year-end; the 10-year Treasury yield was 3.88% and the 2-year yield was 4.41%. The inversion reflects investor expectations for the economy to slow and an eventual need for the Fed to lower rates. The fourth quarter brought some relief to bond investors as longer rates fell modestly and most spread sectors outperformed Treasuries. The Aggregate gained 1.9%. High yield corporates (Bloomberg High Yield Index: +4.2%) were star performers, but this Index was down 11.2% for the year.

### Separate Account Style Group Median Returns for Quarter Ended December 31, 2022



### Separate Account Style Group Median Returns for One Year Ended December 31, 2022



## Asset Allocation

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## Investment Manager Asset Allocation

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The table below contrasts the distribution of assets across the Fund's investment managers as of December 31, 2022, with the distribution as of September 30, 2022. 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

	December 31, 2022		Net New Inv.	Inv. Return	September 30, 2022	
	Market Value	Weight			Market Value	Weight
Chandler Long Term Operating Fund	711,809,962	75.95%	5,000,000	6,889,546	699,920,416	86.48%
Chandler Liquid Operating Monies	225,457,986	24.05%	114,800,000	1,188,529	109,469,457	13.52%
<b>Total Fund</b>	<b>\$937,267,948</b>	<b>100.0%</b>	<b>\$119,800,000</b>	<b>\$8,078,075</b>	<b>\$809,389,873</b>	<b>100.0%</b>

## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended December 31, 2022. 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 December 31, 2022

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>Domestic Fixed Income</b>					
Long Term Operating Fund^	0.98%	(4.75%)	(0.45%)	0.97%	1.09%
Chandler	0.98%	(4.75%)	(0.45%)	0.97%	1.09%
Blmbg Govt/Cred 1-5 Year Idx	1.20%	(5.50%)	(0.67%)	0.85%	1.01%
ML 1-5 Govt/Corp	1.22%	(5.54%)	(0.67%)	0.87%	1.03%
<b>Liquid Operating Monies^</b>					
Chandler	0.89%	1.30%	0.76%	1.31%	1.13%
Citigroup 3-Month Treasury Bill	0.87%	1.50%	0.71%	1.25%	1.05%
<b>Total Fund</b>	<b>0.99%</b>	<b>(3.70%)</b>	<b>(0.24%)</b>	<b>1.04%</b>	<b>1.05%</b>
Target*	1.15%	(4.16%)	(0.39%)	0.95%	1.04%

\* Current Quarter Target = 80.0% ICE 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

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	Returns for Periods Ended December 31, 2022		
	Last 10 Years	Last 15 Years	Last 27-1/4 Years
<b>Domestic Fixed Income</b>			
Long Term Operating Fund^	0.86%	2.09%	3.70%
Blmbg Govt/Cred 1-5 Year Idx	0.98%	1.92%	3.53%
ML 1-5 Govt/Corp	1.01%	1.95%	3.56%
Liquid Operating Monies^	0.84%	0.80%	2.37%
Citigroup 3-Month Treasury Bill	0.74%	0.64%	2.11%
<b>Total Fund</b>	<b>0.84%</b>	<b>1.84%</b>	<b>3.49%</b>
Target*	0.96%	1.69%	3.27%

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

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## Investment Manager Returns

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	2022	2021	2020	2019	2018
<b>Domestic Fixed Income</b>					
Long Term Operating Fund^	(4.75%)	(0.79%)	4.42%	4.70%	1.60%
Chandler	(4.75%)	(0.79%)	4.42%	4.70%	1.60%
Bimbg Govt/Cred 1-5 Year Idx	(5.50%)	(0.97%)	4.71%	5.01%	1.38%
ML 1-5 Govt/Corp	(5.54%)	(0.87%)	4.65%	5.08%	1.40%
Liquid Operating Monies^	1.30%	0.15%	0.84%	2.39%	1.90%
Chandler	1.30%	0.15%	0.84%	2.39%	1.90%
Citigroup 3-Month Treasury Bill	1.50%	0.05%	0.58%	2.25%	1.86%
<b>Total Fund</b>	<b>(3.70%)</b>	<b>(0.61%)</b>	<b>3.73%</b>	<b>4.26%</b>	<b>1.72%</b>
Target*	(4.16%)	(0.68%)	3.82%	4.51%	1.49%

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

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Liquid Operating Monies^	1.30%	0.15%	0.84%	2.39%	1.90%
Citigroup 3-Month Treasury Bill	1.50%	0.05%	0.58%	2.25%	1.86%
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Target*	(4.16%)	(0.68%)	3.82%	4.51%	1.49%

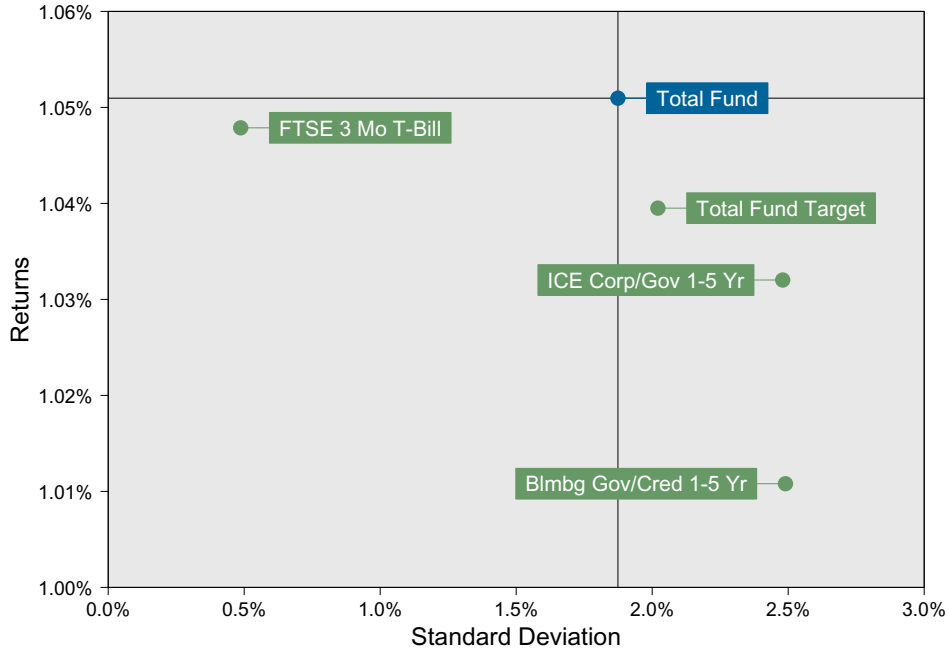
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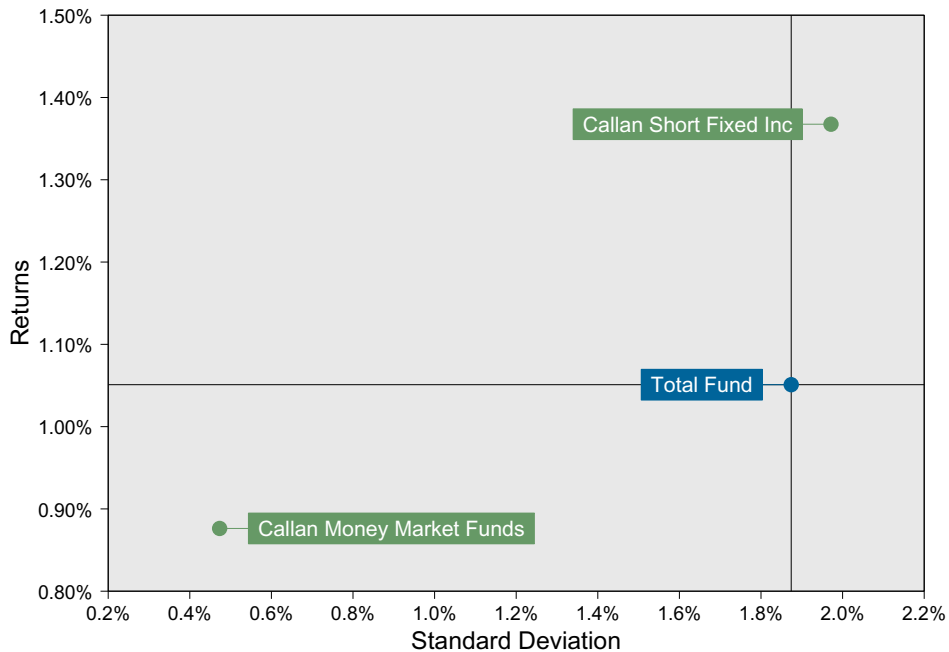
## Asset Class Risk and Return

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

# Long Term Operating Fund Period Ended December 31, 2022

## 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.

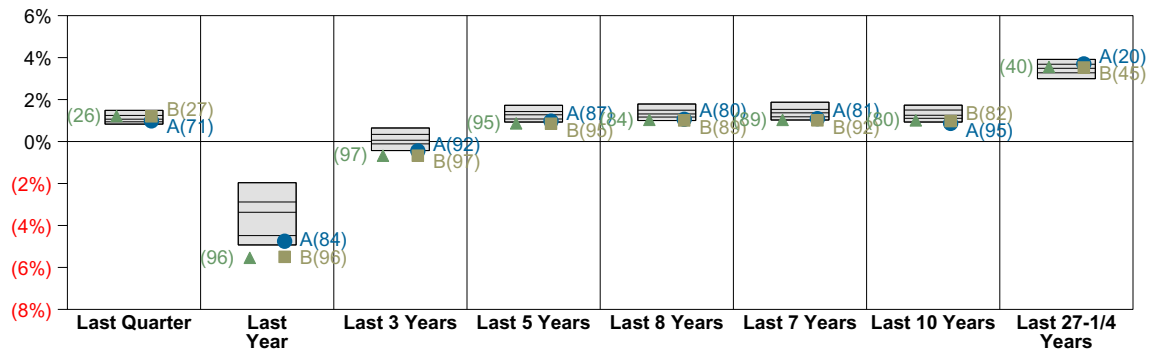
## Quarterly Summary and Highlights

- Long Term Operating Fund's portfolio posted a 0.98% return for the quarter placing it in the 71 percentile of the Callan Short Term Fixed Income group for the quarter and in the 84 percentile for the last year.
- Long Term Operating Fund's portfolio underperformed the ICE Corp/Gov 1-5 Yr by 0.23% for the quarter and outperformed the ICE Corp/Gov 1-5 Yr for the year by 0.79%.

## Quarterly Asset Growth

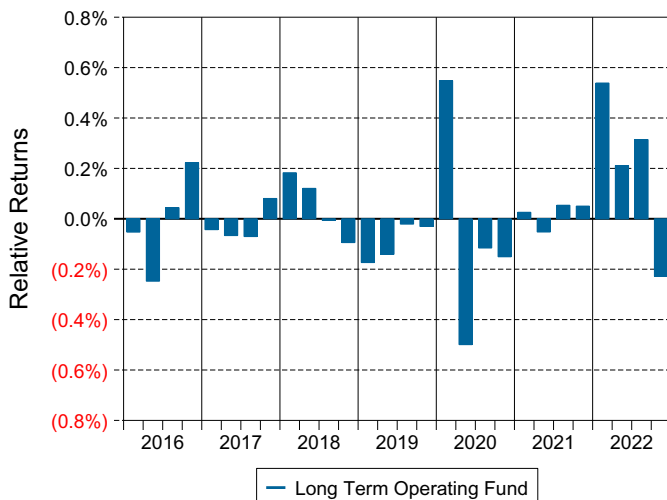
Beginning Market Value	\$699,920,416
Net New Investment	\$5,000,000
Investment Gains/(Losses)	\$6,889,546
Ending Market Value	\$711,809,962

## Performance vs Callan Short Term Fixed Income (Gross)

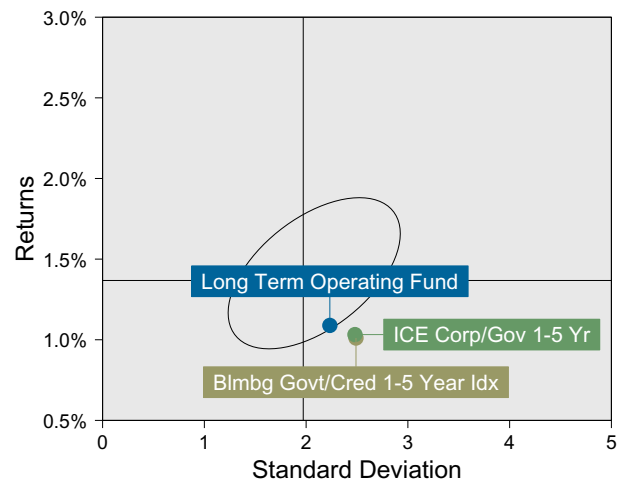


10th Percentile	1.49	(1.96)	0.65	1.73	1.79	1.87	1.73	3.92
25th Percentile	1.24	(2.88)	0.34	1.43	1.49	1.53	1.50	3.68
Median	1.07	(3.37)	0.06	1.27	1.31	1.37	1.25	3.49
75th Percentile	0.94	(4.48)	(0.11)	1.07	1.17	1.18	1.11	3.28
90th Percentile	0.83	(4.93)	(0.43)	0.93	1.00	1.03	0.93	3.00
Long Term Operating Fund	● A 0.98	(4.75)	(0.45)	0.97	1.06	1.09	0.86	3.70
Blmbg Govt/Cred 1-5 Year Idx	■ B 1.20	(5.50)	(0.67)	0.85	1.01	1.01	0.98	3.53
ICE Corp/Gov 1-5 Yr	▲ 1.22	(5.54)	(0.67)	0.87	1.03	1.03	1.01	3.56

## Relative Return vs ICE Corp/Gov 1-5 Yr



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

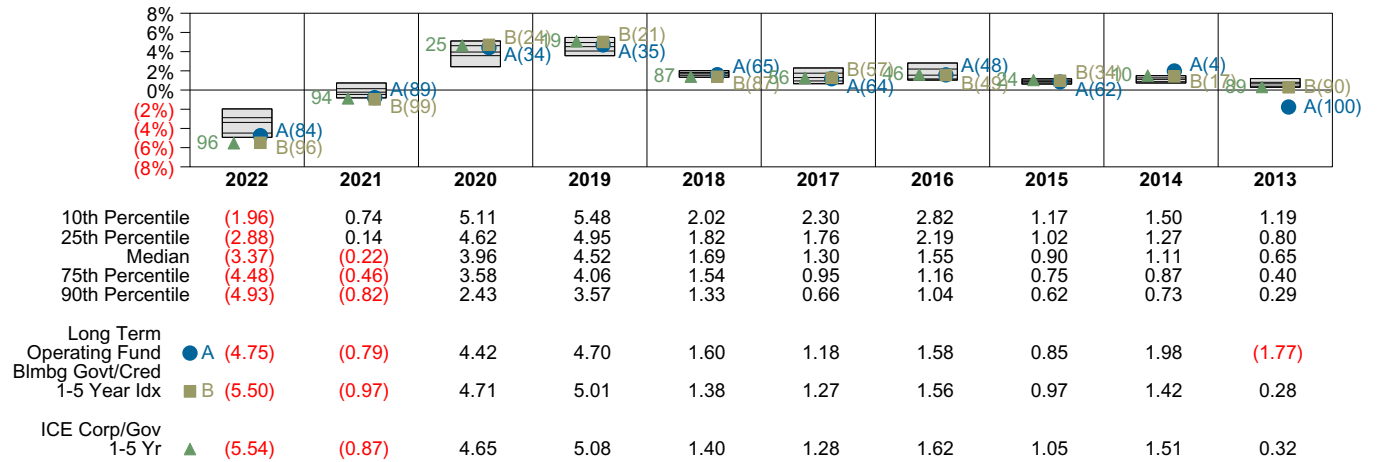


# Long Term Operating Fund Return Analysis Summary

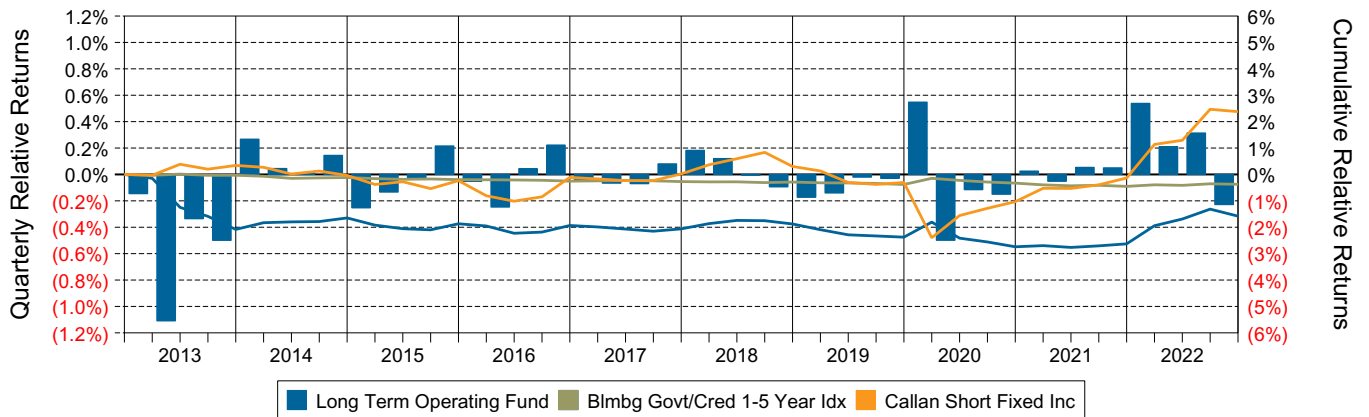
## Return Analysis

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.

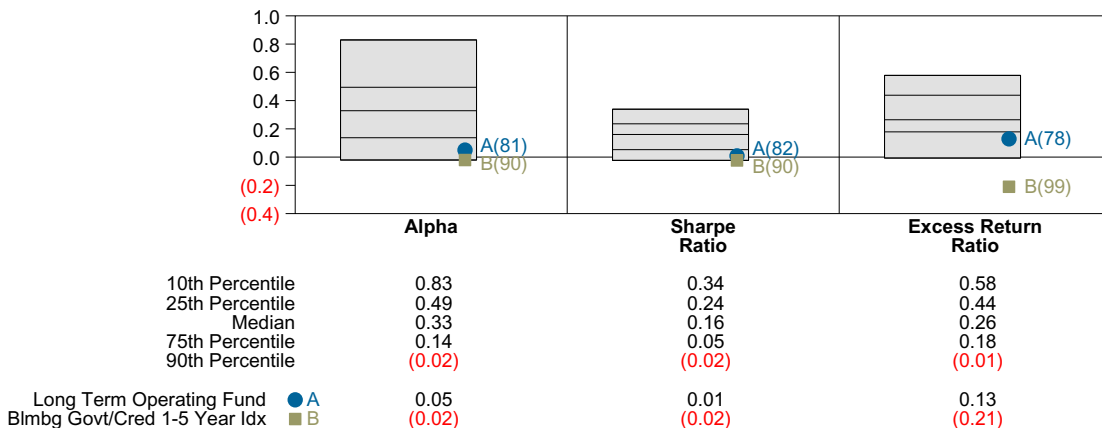
### Performance vs Callan Short Term Fixed Income (Gross)



### Cumulative and Quarterly Relative Returns vs ICE Corp/Gov 1-5 Yr



### Risk Adjusted Return Measures vs ICE Corp/Gov 1-5 Yr Rankings Against Callan Short Term Fixed Income (Gross) Seven Years Ended December 31, 2022

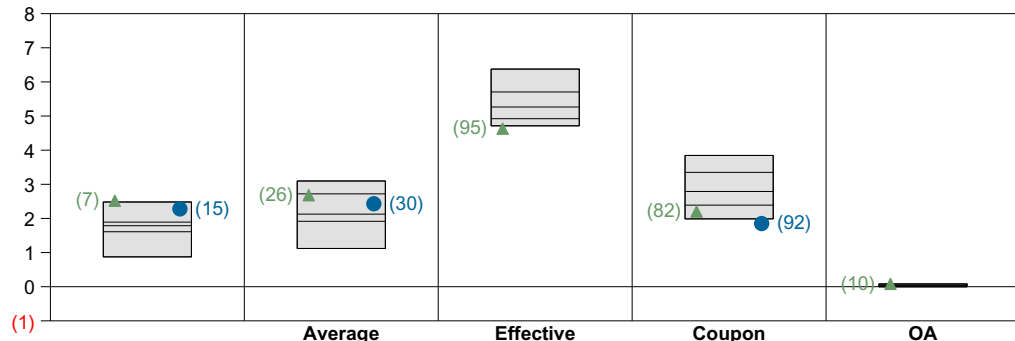


# Long Term Operating Fund Bond Characteristics Analysis Summary

## 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 December 31, 2022



	Duration	Average Life	Effective Yield	Coupon Rate	OA Convexity
10th Percentile	2.48	3.10	6.38	3.85	0.08
25th Percentile	1.89	2.72	5.71	3.35	0.05
Median	1.79	2.13	5.27	2.79	0.04
75th Percentile	1.61	1.92	4.92	2.39	0.02
90th Percentile	0.87	1.12	4.71	1.99	(0.00)
<b>Long Term Operating Fund</b> ●	2.28	2.43	-	1.85	-
ICE Corp/Gov 1-5 Yr ▲	2.52	2.68	4.63	2.20	0.08

## Sector Allocation and Quality Ratings

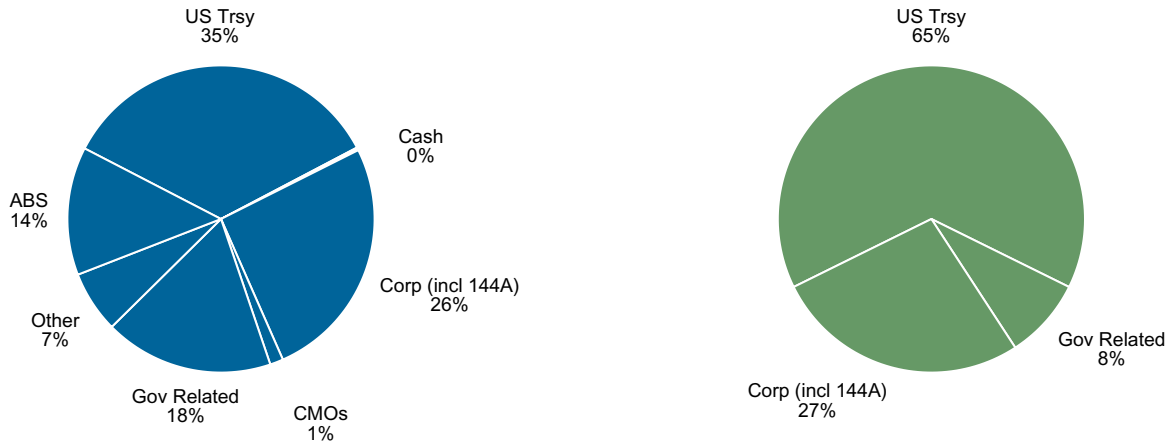
The first graph compares the manager's sector allocation with the average allocation across all the members of the manager's style. The second graph compares the manager's weighted average quality rating with the range of quality ratings for the style.

# Long Term Operating Fund Portfolio Characteristics Summary As of December 31, 2022

## 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.

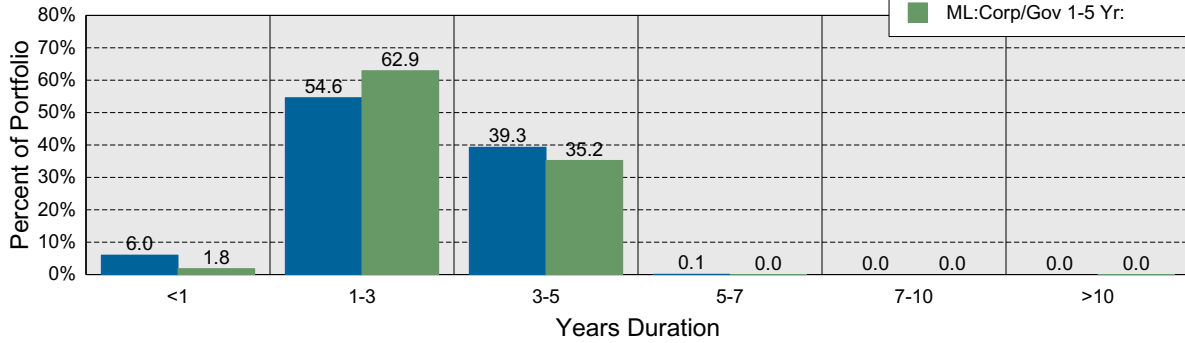
### Sector Allocation



### Long Term Operating Fund

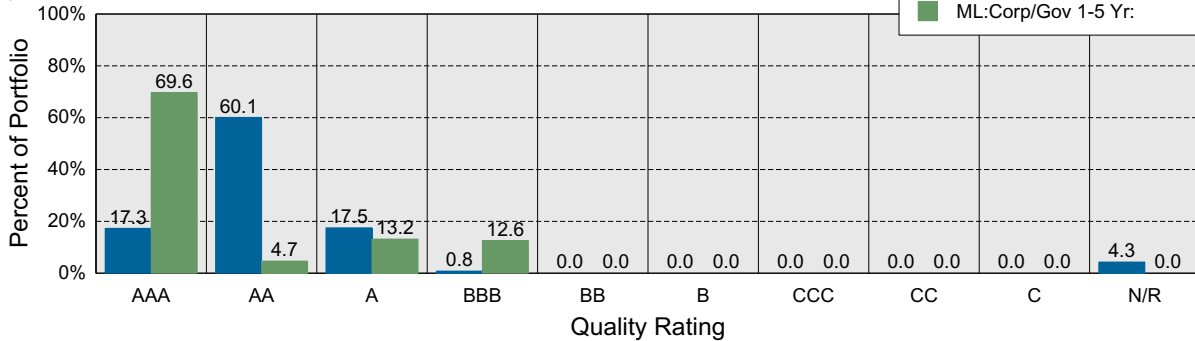
### ML:Corp/Gov 1-5 Yr

#### Duration Distribution



Weighted Average:	Duration
Long Term Operating Fund:	2.28
ML:Corp/Gov 1-5 Yr:	2.52

#### Quality Distribution



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



# Chandler-Liquid Operating Money Period Ended December 31, 2022

## Investment Philosophy

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

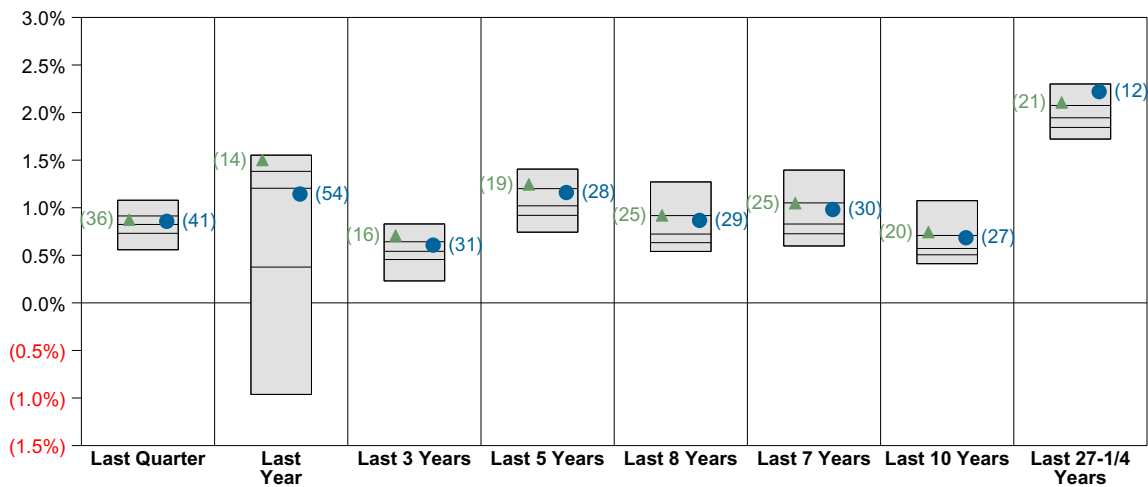
## Quarterly Summary and Highlights

- Liquid Operating Money Net's portfolio posted a 0.86% return for the quarter placing it in the 41 percentile of the Callan Money Market Funds group for the quarter and in the 54 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 underperformed the Citigroup 3-Month Treasury Bill for the year by 0.36%.

## Quarterly Asset Growth

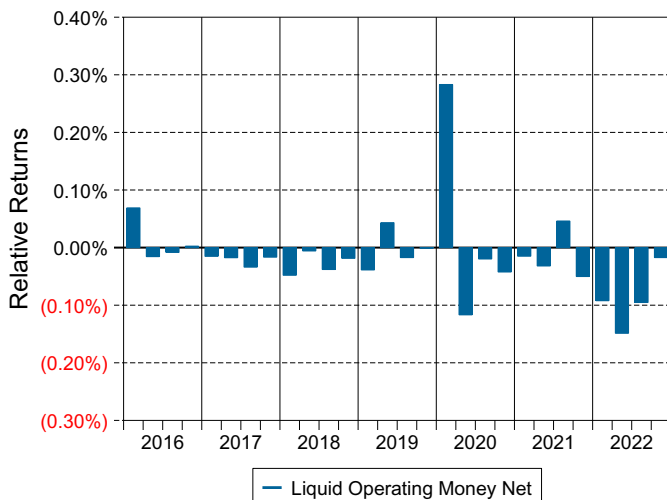
Beginning Market Value	\$109,469,457
Net New Investment	\$114,800,000
Investment Gains/(Losses)	\$1,188,529
Ending Market Value	\$225,457,986

## Performance vs Callan Money Market Funds (Net)

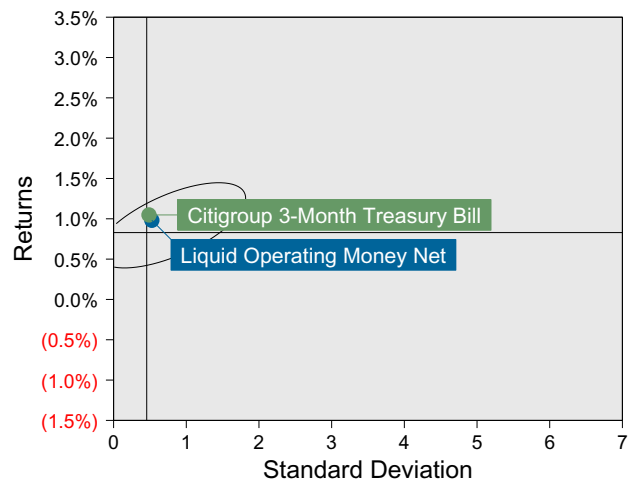


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 8 Years	Last 7 Years	Last 10 Years	Last 27-1/4 Years
10th Percentile	1.08	1.55	0.83	1.41	1.27	1.40	1.07	2.30
25th Percentile	0.91	1.38	0.64	1.20	0.92	1.05	0.71	2.07
Median	0.82	1.20	0.54	1.02	0.72	0.83	0.57	1.95
75th Percentile	0.73	0.38	0.46	0.92	0.63	0.73	0.51	1.84
90th Percentile	0.56	(0.96)	0.23	0.74	0.54	0.60	0.41	1.72
<b>Liquid Operating Money Net</b>	● 0.86	1.14	0.61	1.16	0.87	0.98	0.68	2.22
Citigroup 3-Month Treasury Bill	▲ 0.87	1.50	0.71	1.25	0.92	1.05	0.74	2.11

## Relative Returns vs Citigroup 3-Month Treasury Bill



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



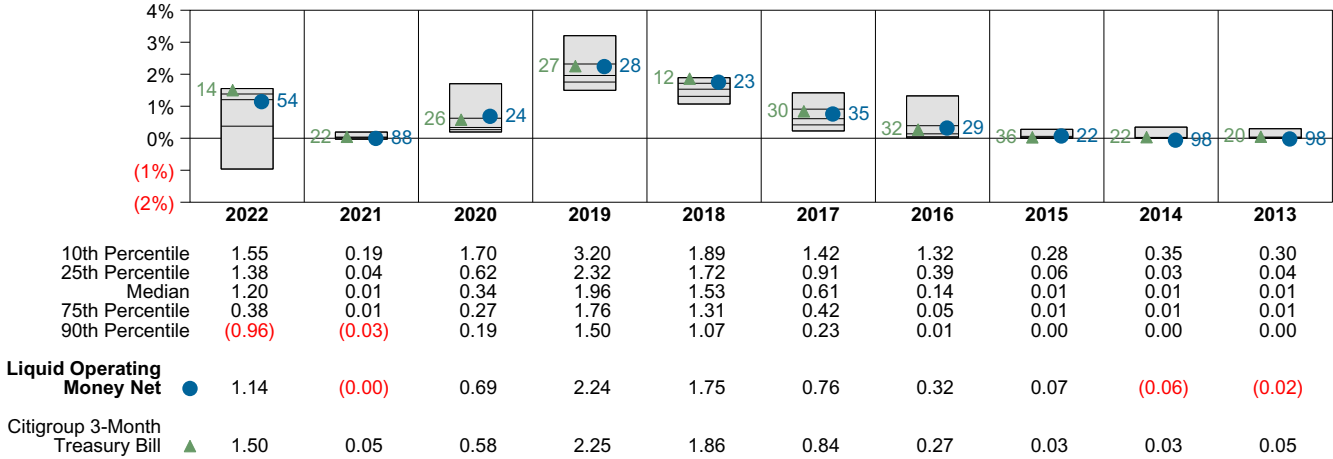
# Liquid Operating Money Net Return Analysis Summary

## Return Analysis

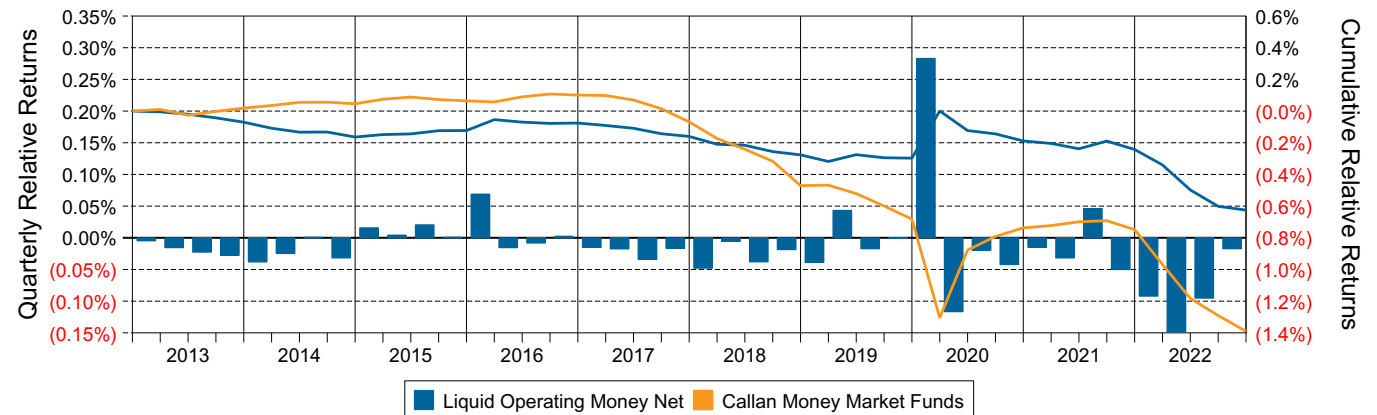
The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate 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.

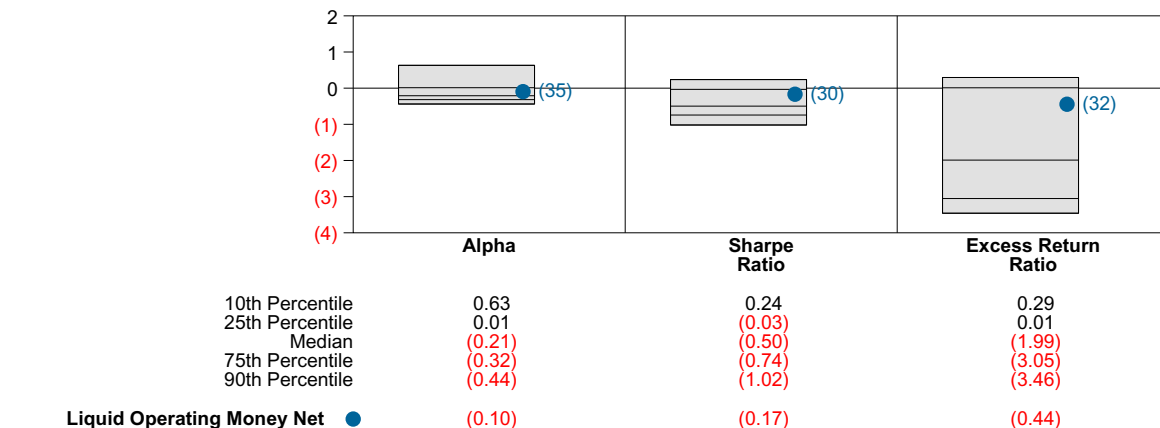
### Performance vs Callan Money Market Funds (Net)



### Cumulative and Quarterly Relative Returns 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 December 31, 2022



Callan Research/Education

## Quarterly Highlights

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/research-library](http://www.callan.com/research-library) to see all of our publications, and [www.callan.com/blog](http://www.callan.com/blog) to view our blog. For more information contact Barb Gerraty at 415-274-3093 / [institute@callan.com](mailto:institute@callan.com).

## New Research from Callan's Experts

**[Research Cafe: Preliminary Mid-Year Capital Markets Assumptions](#)** | In this coffee break session, our experts, Jay Kloepfer and Adam Lozinski, describe our preliminary 2023-2032 Capital Markets Assumptions, discuss the process and rationale behind the adjustments of these long-term projections, and explain the potential implications for strategic recommendations.

**[Is Financial Wellness the Right Prescription for Your DC Plan?](#)** Jana Steele discusses what financial wellness is and how it can be incorporated effectively into a defined contribution (DC) plan.

## Blog Highlights

**[Do Active Core Plus Fixed Income Managers Add Value With Sector Rotation?](#)** | To help answer this question, we used benchmark indices and risk-adjusted them to disentangle an active manager's contribution to performance from a strategic overweight to credit vs. the contribution added by true sector rotation. This provides a quantitative framework for evaluating potential performance, which can be balanced against other considerations, including fees and expenses, complexity, and desired risk and performance patterns.

**[Bubbles Bursting Everywhere](#)** | The S&P 500 posted its worst six-month return in over 50 years to start the year. Inflation is surging, hitting 40-year highs in the United States. At the same time, interest rates are rising, and, to top it off, a recession may be on the horizon. For institutional investors, navigating these treacherous cross-currents requires an understanding of just how we arrived at this point.

**[The Fading Unicorn: How Volatility, Inflation, and Rate Hikes Impact Venture Capital](#)** | With Fed rate hikes, skyrocketing prices, and a Nasdaq selloff, venture capital (VC) limited partners have no shortage of worries. The unicorn stampede of the past decade has begun to fade, with many technology companies drastically declining

in value in the public markets. By understanding venture capital's relationship with interest rates, inflation, and the public markets, institutional investors can better navigate the effect on their portfolios in 2022 and beyond.

**[Target Date Funds and the Ever-Evolving Glidepath](#)** | In 2021 and the first half of 2022, multiple target date fund (TDF) providers announced changes to their strategic TDF glidepaths. The timing of these changes was unique, as capital markets adjusted to a post-pandemic world and a vastly different global outlook.

## Quarterly Periodicals

**[Private Equity Update, 2Q22](#)** | A high-level summary of private equity activity in the quarter through all the investment stages

**[Active vs. Passive Charts, 2Q22](#)** | A comparison of active managers alongside relevant benchmarks over the long term

**[Market Pulse, 2Q22](#)** | 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 Markets Review, 2Q22](#)** | Analysis and a broad overview of the economy and public and private markets activity each quarter across a wide range of asset classes

**[Hedge Fund Update, 2Q22](#)** | Commentary on developments for hedge funds and multi-asset class (MAC) strategies

**[Real Assets Update, 2Q22](#)** | A summary of market activity for real assets and private real estate during the quarter

**[Private Credit Update, 2Q22](#)** | A review of performance and fundraising activity for private credit during the quarter

## Events

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A complete list of all upcoming events can be found on our website: [callan.com/events-education](https://callan.com/events-education).

*Please mark your calendar and look forward to upcoming invitations:*

### 2023 Capital Markets Projections Webinar

Jan. 18, 2023 – Virtual

### 2023 National Conference

April 2-4, 2023 – Scottsdale, AZ

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

## Education: By the Numbers

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**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

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## Education

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

### Introduction to Investments

March 1-2 – Chicago

May 23-25 – Virtual

This program familiarizes institutional investor trustees and staff and asset management advisers with basic investment theory, terminology, and practices. Our virtual session is held over three days with virtual modules of 2.5-3 hours, while the in-person session lasts one-and-a-half days. This course is designed for individuals with less than two years of experience with asset-management oversight and/or support responsibilities. Virtual tuition is \$950 per person and includes instruction and digital materials. In-person 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 registration can be found at: [callan.com/events-education](https://callan.com/events-education)



“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

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## 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.

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## 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.



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## 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.

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## 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

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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.

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Manager Name
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Acadian Asset Management LLC
Adams Street Partners, LLC
AEGON USA Investment Management Inc.
AllianceBernstein
Allianz
Allspring Global Investments
American Century Investments
Amundi US, Inc.
Antares Capital LP
AQR Capital Management
Ares Management LLC
Ariel Investments, LLC
Aristotle Capital Management, LLC
Atlanta Capital Management Co., LLC
AXA Investment Managers
Baillie Gifford International, LLC
Baird Advisors

Manager Name
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Baron Capital Management, Inc.
Barrow, Hanley, Mewhinney & Strauss, LLC
BentallGreenOak
BlackRock
Blackstone Group (The)
BNY Mellon Asset Management
Boston Partners
Brandes Investment Partners, L.P.
Brandywine Global Investment Management, LLC
Brookfield Asset Management Inc.
Brown Brothers Harriman & Company
Capital Group
Carillon Tower Advisers
CastleArk Management, LLC
Chartwell Investment Partners
ClearBridge Investments, LLC
Cohen & Steers Capital Management, Inc.

**Manager Name**

Columbia Threadneedle Investments North America

Credit Suisse Asset Management, LLC

Crescent Capital Group LP

DePrince, Race &amp; Zollo, Inc.

Dimensional Fund Advisors L.P.

Doubleline

Duff &amp; Phelps Investment Management Co.

DWS

EARNEST Partners, LLC

Epoch Investment Partners, Inc.

Fayez Sarofim &amp; Company

Federated Hermes, Inc.

Fidelity Institutional Asset Management

Fiera Capital Corporation

First Hawaiian Bank Wealth Management Division

First Sentier Investors

Fisher Investments

Franklin Templeton

Fred Alger Management, LLC

GAM (USA) Inc.

GlobeFlex Capital, L.P.

GoldenTree Asset Management, LP

Goldman Sachs

Golub Capital

Guggenheim Investments

GW&amp;K Investment Management

Harbor Capital Group Trust

Hardman Johnston Global Advisors LLC

Heitman LLC

Hotchkis &amp; Wiley Capital Management, LLC

Impax Asset Management LLC

Income Research + Management

Insight Investment

Intech Investment Management LLC

Intercontinental Real Estate Corporation

Invesco

J.P. Morgan

Janus

Jennison Associates LLC

Jobs Peak Advisors

**Manager Name**

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Lazard Asset Management

LGIM America

Lincoln National Corporation

Longview Partners

Loomis, Sayles &amp; Company, L.P.

Lord Abbett &amp; Company

LSV Asset Management

MackKay Shields LLC

Macquarie Asset Management

Manning &amp; Napier Advisors, LLC

Manulife Investment Management

Marathon Asset Management, L.P.

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Mellon

MetLife Investment Management

MFS Investment Management

MidFirst Bank

MLC Asset Management

Mondrian Investment Partners Limited

Montag &amp; Caldwell, LLC

Morgan Stanley Investment Management

MUFG Union Bank, N.A.

Natixis Investment Managers

Neuberger Berman

Newton Investment Management

Ninety One North America, Inc.

Northern Trust Asset Management

Nuveen

P/E Investments

Pacific Investment Management Company

Pantheon Ventures

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Partners Group (USA) Inc.

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Peregrine Capital Management, LLC

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PGIM Fixed Income

PGIM Quantitative Solutions LLC

Pictet Asset Management

**Manager Name**

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Principal Global Investors

Putnam Investments, LLC

Raymond James Investment Management

RBC Global Asset Management

Regions Financial Corporation

Richard Bernstein Advisors LLC

Robeco Institutional Asset Management, US Inc.

Rothschild &amp; Co. Asset Management US

S&amp;P Dow Jones Indices

Schroder Investment Management North America Inc.

Segall Bryant &amp; Hamill

SLC Management

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

State Street Global Advisors

Strategic Global Advisors, LLC

T. Rowe Price Associates, Inc.

**Manager Name**

The TCW Group, Inc.

Thompson, Siegel &amp; Walmsley LLC

Thornburg Investment Management, Inc.

Tri-Star Trust Bank

UBS Asset Management

VanEck

Versus Capital Group

Victory Capital Management Inc.

Virtus Investment Partners, Inc.

Vontobel Asset Management

Voya

Walter Scott &amp; Partners Limited

WCM Investment Management

Wellington Management Company, LLP

Western Asset Management Company LLC

Westfield Capital Management Company, LP

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# Orange County Sanitation District

*Period Ending December 31, 2022*

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | [www.chandlerasset.com](http://www.chandlerasset.com)



<b>SECTION 1</b>	<b>Economic Update</b>
<b>SECTION 2</b>	<b>Account Profile</b>
<b>SECTION 3</b>	<b>Consolidated Information</b>
<b>SECTION 4</b>	<b>Portfolio Holdings</b>
<b>SECTION 5</b>	<b>Transactions</b>

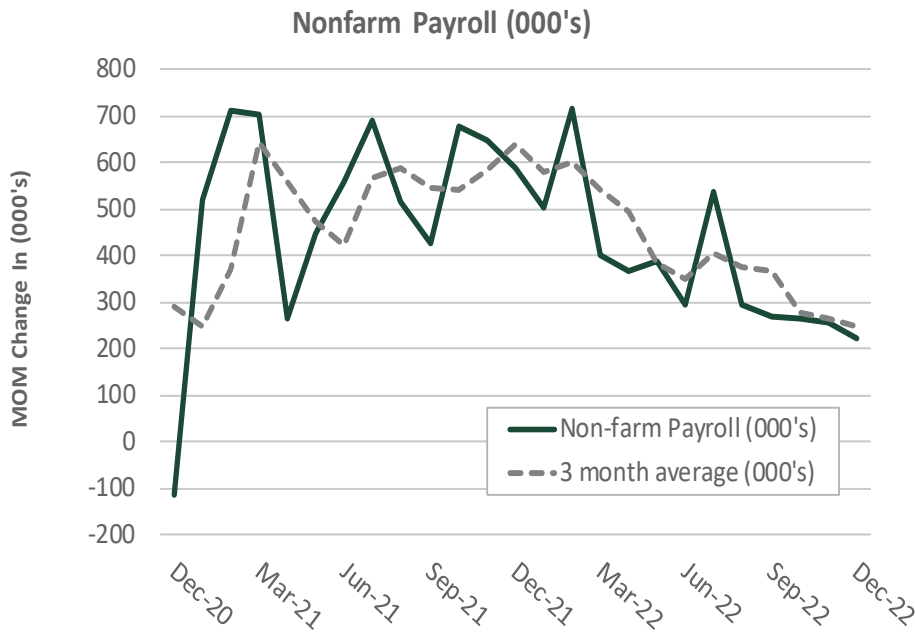


# Section 1 | Economic Update

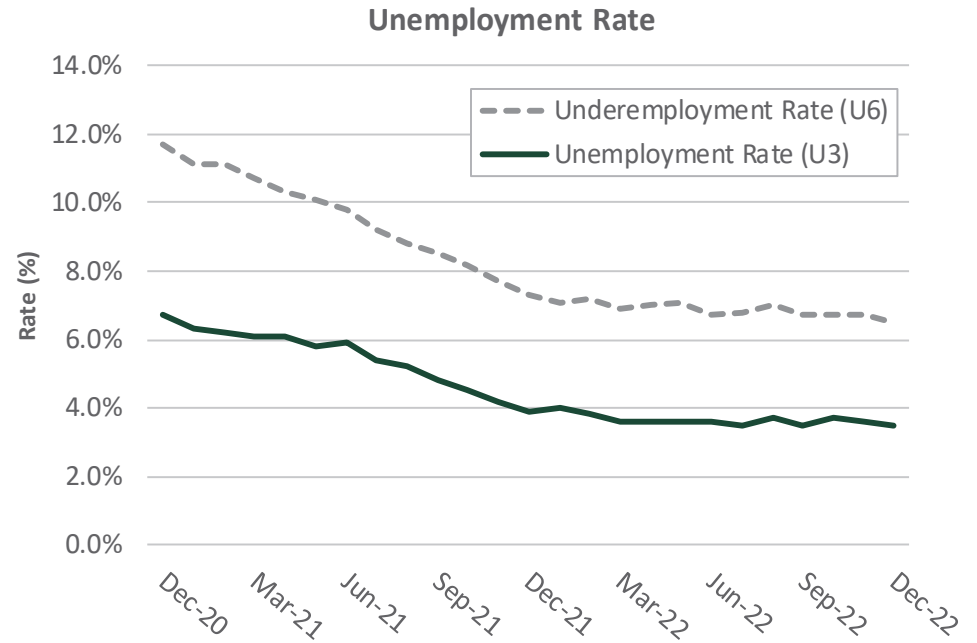
## Economic Update

- Market volatility has intensified as global central banks pursue monetary policies to combat persistently high inflation. Although the pace of job growth is moderating, the strength of the labor market has sustained economic growth. Inflation metrics are trending downward but remain significantly higher than the Fed's target. While evidence of slower economic conditions has begun to mount, we expect the Federal Reserve to continue to raise rates to battle inflation, albeit at a less aggressive pace. Over the near-term, we expect financial market volatility to remain intensified with persistent inflation, geopolitical risk, and the Fed's hawkish monetary policy.
- As expected at the December 14th meeting, the Federal Open Market Committee (FOMC) raised the fed funds target rate by 50 basis points to a range of 4.25 – 4.50%, in a downshift from four consecutive 75 basis point hikes. The decision was unanimous, and there was no change to the November statement. The sentiment was hawkish, indicating that “ongoing increases” in the fed funds rate are likely appropriate and citing continued labor market imbalances. FOMC members forecasted a higher fed funds rate, slower GDP growth, higher inflation, and higher unemployment in 2023 than in the September projections. We believe the FOMC will continue to implement tighter monetary policy at a slower pace and hold rates at restrictive levels for some time until inflationary pressures subside and remain in the Fed's target range.
- In December, yields rose, and the curve became less inverted. The 2-year Treasury yield increased 12 basis points to 4.43%, the 5-year Treasury yield rose 27 basis points to 4.01%, and the 10-year Treasury yield climbed 27 basis points to 3.88%. The inversion between the 2-year Treasury yield and 10-year Treasury yield narrowed to -55 basis points at December month-end versus -71 basis points at November month-end. The spread was a positive 78 basis points one year ago. The inversion between 3-month and 10-year treasuries narrowed to -50 basis points in December from -74 basis points in November. The year 2022 saw a dramatic shift in the Federal Reserve's policy from highly accommodative to aggressive tightening, resulting in significantly higher rates and an inverted yield curve. The shape of the yield curve indicates that the probability of recession is increasing.

# Employment



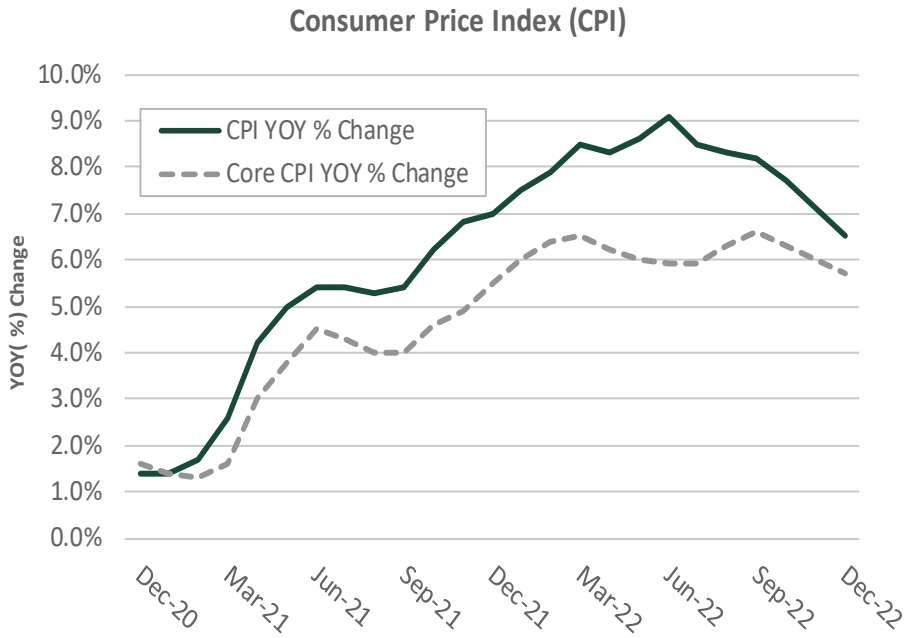
Source: US Department of Labor



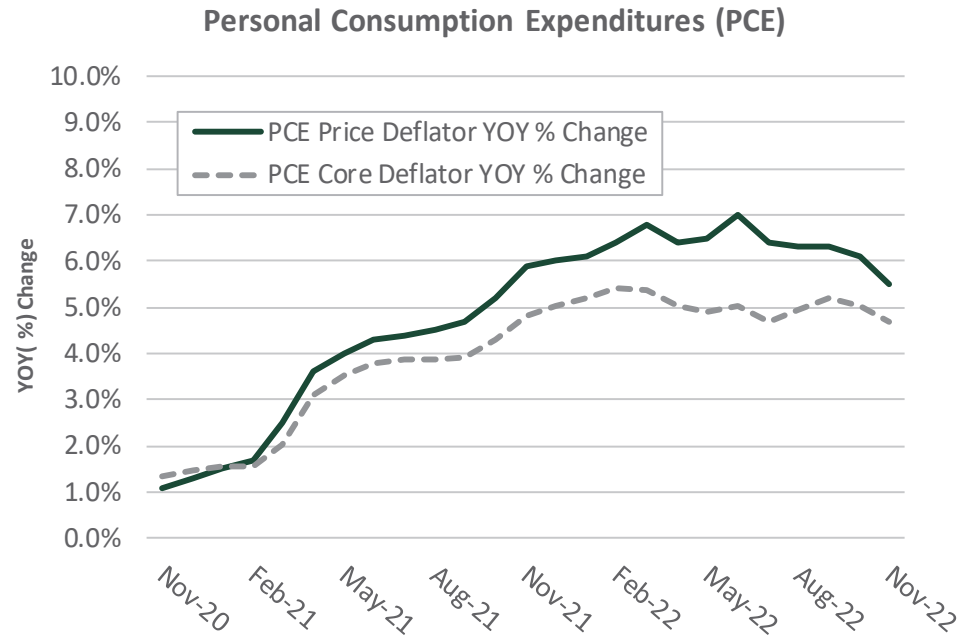
Source: US Department of Labor

The U.S. economy added 223,000 jobs in December, slightly higher than market expectations of 205,000, but a decline from November’s revised increase of 256,000. Trends in employment remain healthy, with the three-month moving average payrolls at 247,000 and the six-month moving average at 307,000. Jobs in the goods producing sector were surprisingly strong, and leisure and hospitality employment growth remained solid. The unemployment rate dipped to 3.5%, returning to its pre-pandemic level. The labor participation rate increased only slightly to 62.3% in December from 62.1% in November, indicating the supply of labor remains challenging for employers. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons declined to 6.5% from the prior month at 6.7%. Average hourly earnings rose 4.6% year-over-year in December, down from a revised 4.8% increase in November. Overall, the December employment report demonstrates a strong demand for labor and supports the case for the Fed to continue raising the federal funds rate, but perhaps at a slower pace.

# Inflation



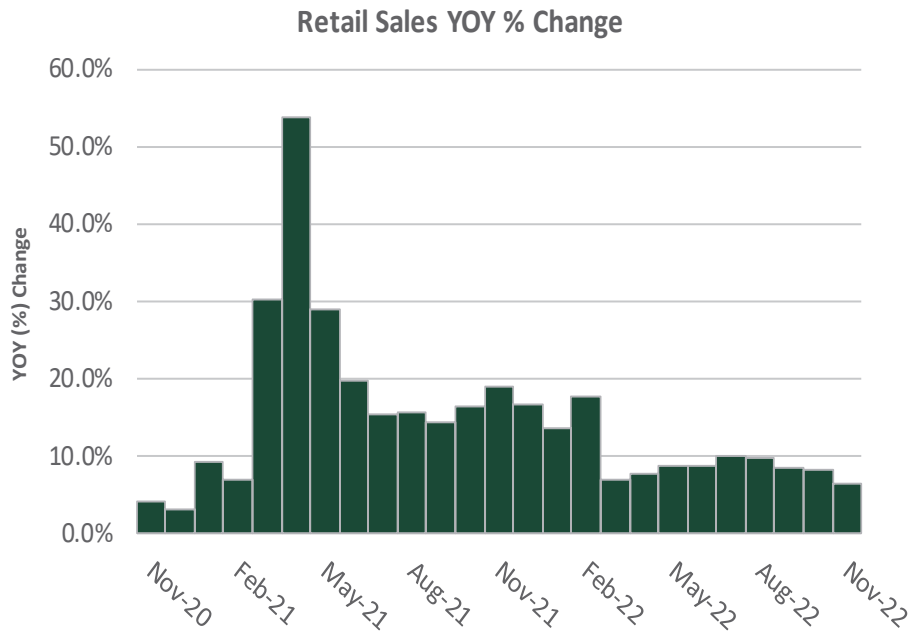
Source: US Department of Labor



Source: US Department of Commerce

The Consumer Price Index (CPI) increased 6.5% year-over-year in December, down from a 7.1% year-over-year increase in November. The Core CPI, which excludes volatile food and energy components, rose 5.7% year-over-year in December, down from 6.0% in November. Gasoline prices decelerated materially, while shelter prices continued to rise. A shift in spending from goods to services continues to dampen merchandise prices. The Personal Consumption Expenditures (PCE) index rose 5.5% year-over-year in November, versus an upwardly revised 6.1% year-over-year gain in October. Core PCE increased 4.7% year-over-year in November versus a 5.0% year-over-year gain in October. Declining inflationary trends should provide the Federal Reserve room to reduce the pace and magnitude of future federal funds rate hikes.

# Consumer



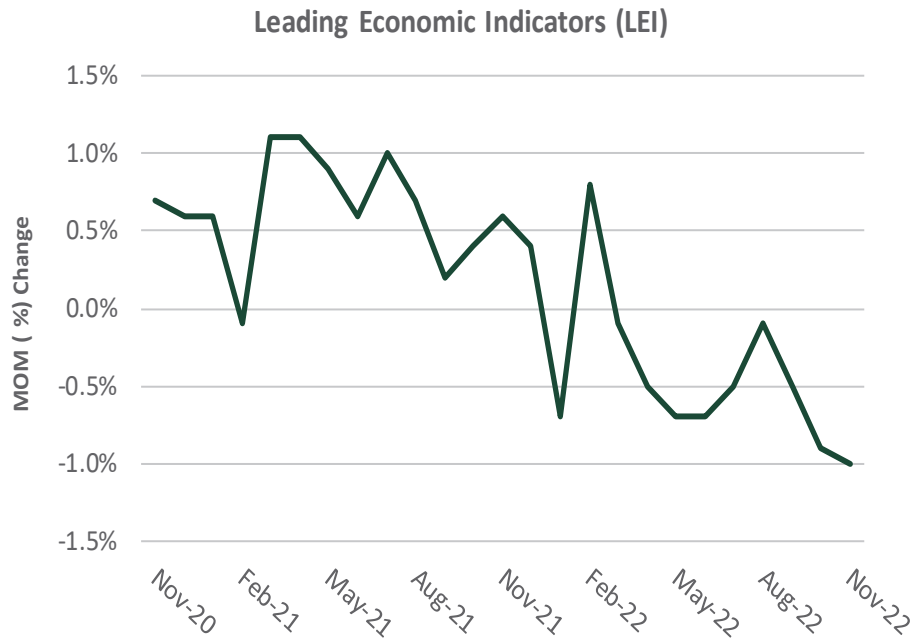
Source: US Department of Commerce



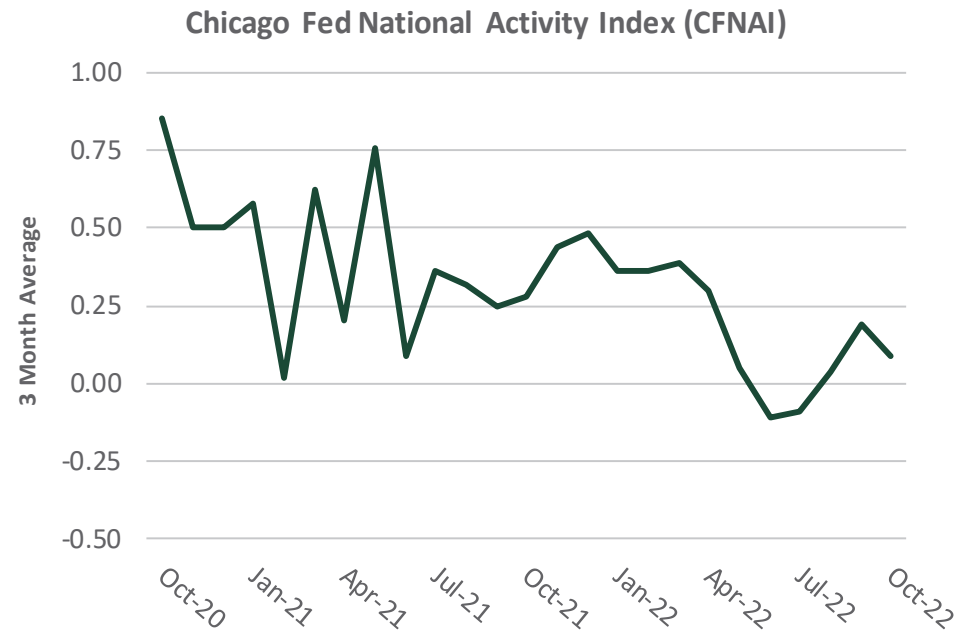
Source: The Conference Board

Advance Retail Sales declined more than expected in November at -0.6% month-over-month and +6.5% year-over-year, possibly suggesting some loss of momentum in consumer demand for goods amid high inflation and shifting preferences toward services. Additionally, Amazon’s Prime Day may have pulled some holiday spending activity forward into October from November. The Conference Board’s Consumer Confidence Index jumped more than expected to 108.3 in December from an upwardly revised 101.4 in November. Views of current conditions and the future outlook for the economy both improved as inflation expectations declined.

# Economic Activity



Source: The Conference Board



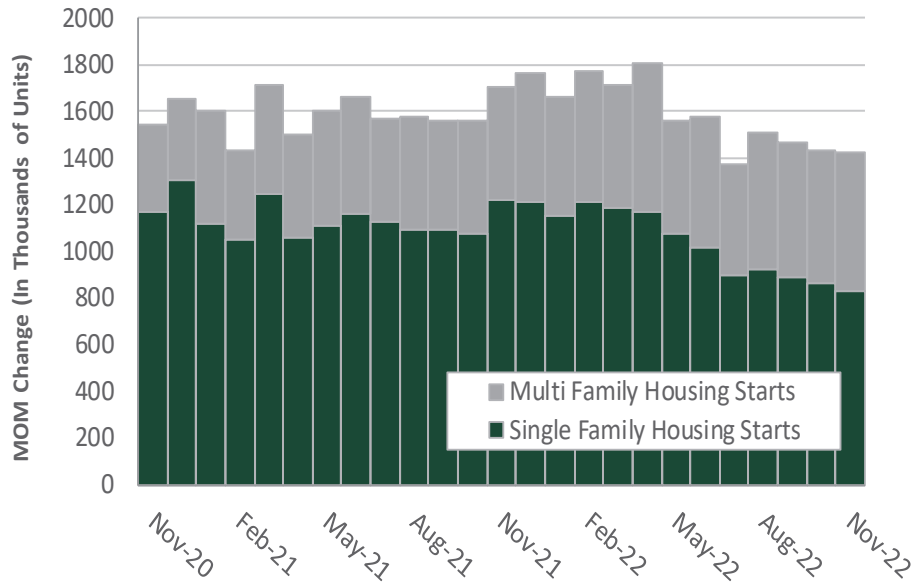
Source: Federal Reserve Bank of Chicago

The Conference Board’s Leading Economic Index (LEI) remained in negative territory for the ninth consecutive month at a worse than expected -1.0% in November, following a downwardly revised -0.9% in October. The LEI was down 4.5% year-over-year in November versus down 2.9% in October. The Conference Board cited a "lack of economic growth momentum in the near term." The Chicago Fed National Activity Index (CFNAI) decreased to -0.05 in October from +0.17 in September indicating below trend growth over the month. On a 3-month moving average basis, the CFNAI moved down to +0.09 in October from an upwardly revised +0.19 in September.



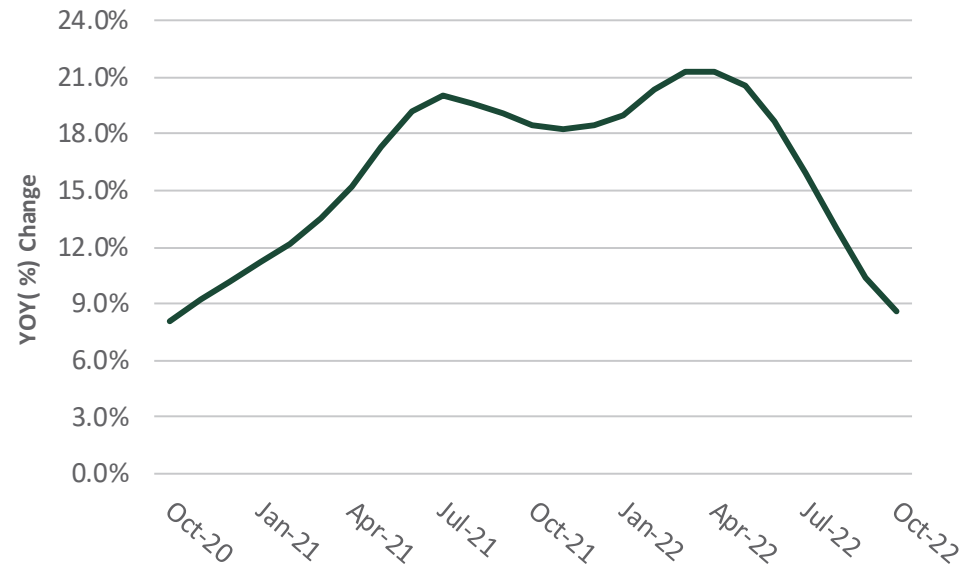
# Housing

Housing Starts



Source: US Department of Commerce

S&P/Case-Shiller 20 City Composite Home Price Index

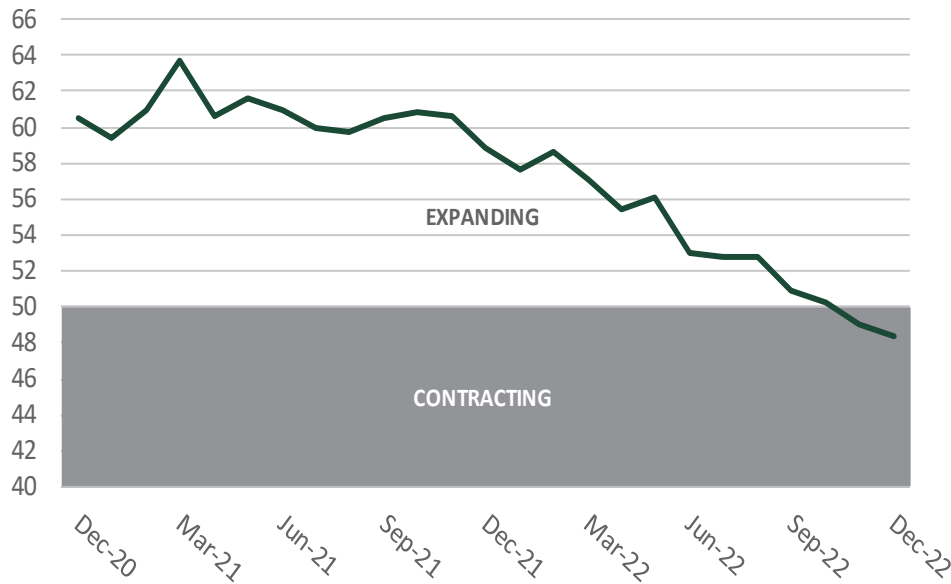


Source: S&P

Total housing starts declined 0.5% in November to 1,427,000 units after an upward revision to 1,434,000 units in October. Single-family home starts fell 4.1%, whereas multi-family starts rose 4.9% month-over-month. On a year-over-year basis, total housing starts decreased 16.4% reflecting a shift from single-family units to more affordable multi-family units as homebuyers struggle with a combination of elevated prices and higher mortgage rates. The 30-year mortgage rate has edged up to 6.4% according to Freddie Mac but remains below recent highs which topped 7%. According to the Case-Shiller 20-City Home Price Index, the year-over-year increase continued its declining rate of gain to +8.6% in October from +10.4% in September, clearly displaying the impact of higher mortgage rates which have reduced demand for homebuying as affordability has declined.

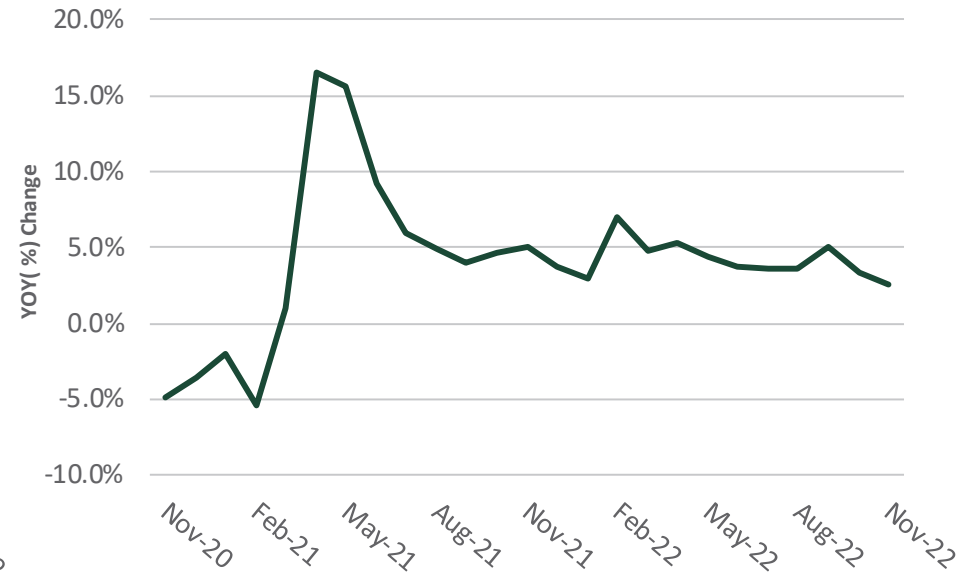
# Manufacturing

Institute of Supply Management Purchasing Manager Index



Source: Institute for Supply Management

Industrial Production



Source: Federal Reserve

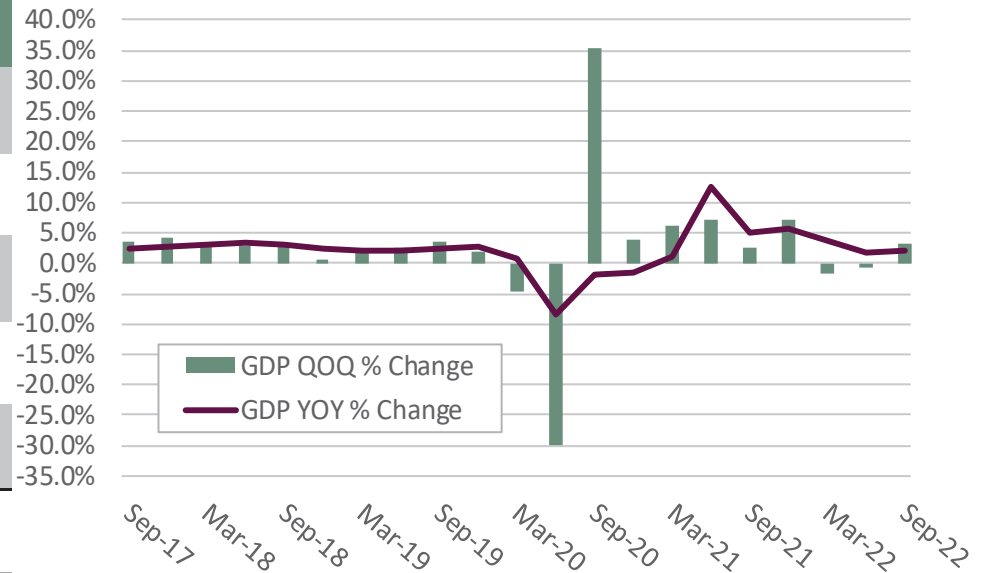
The Institute for Supply Management (ISM) manufacturing index declined to 48.4 in December from 49.0 in November. This is the second consecutive month of readings below 50.0, which is indicative of contraction in the manufacturing sector. The declining trend reflects sluggish demand amid economic uncertainty and easing price pressures in the goods sector. Industrial production was down 0.2% in November after an unrevised decline of 0.1% in October. The decrease was led by weakness in the manufacturing and mining indices. This equates to a 2.5% increase from the prior year. Capacity utilization fell to 79.7% in November from 79.9% in October and continues to run slightly above the 1972-2021 average of 79.6%.

# Gross Domestic Product (GDP)

Components of GDP	12/21	3/22	6/22	9/22
Personal Consumption Expenditures	2.1%	0.9%	1.4%	1.5%
Gross Private Domestic Investment	5.1%	1.0%	-2.8%	-1.8%
Net Exports and Imports	-0.2%	-3.1%	1.2%	2.9%
Federal Government Expenditures	0.0%	-0.4%	-0.2%	0.2%
State and Local (Consumption and Gross Investment)	-0.2%	0.0%	-0.1%	0.4%
<b>Total</b>	<b>7.0%</b>	<b>-1.6%</b>	<b>-0.6%</b>	<b>3.2%</b>

Source: US Department of Commerce

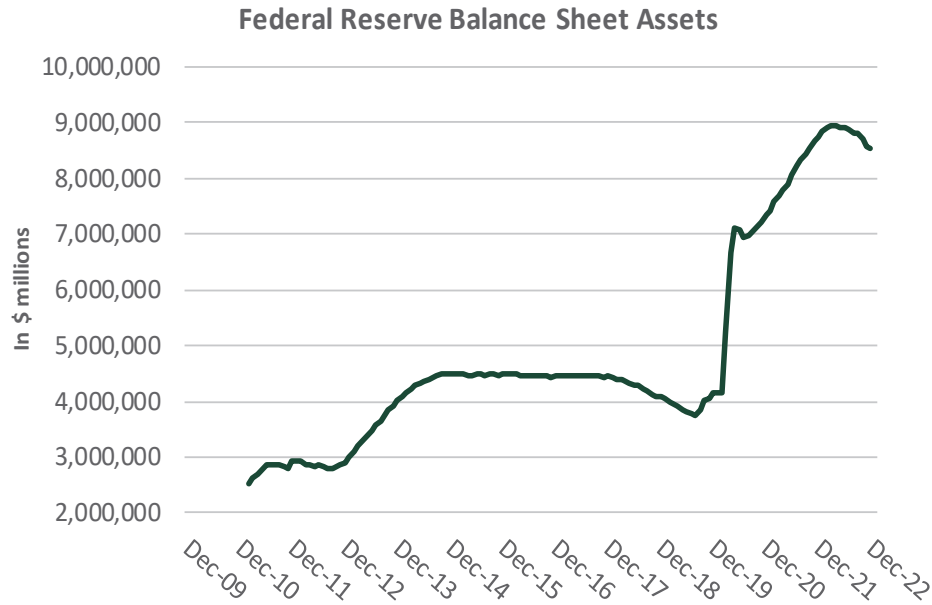
### Gross Domestic Product (GDP)



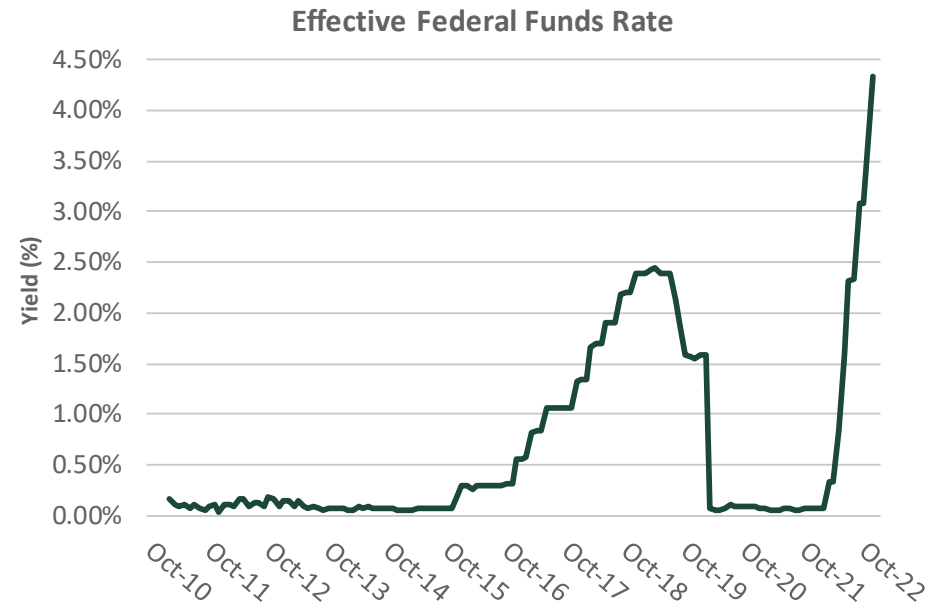
Source: US Department of Commerce

According to the third estimate, GDP increased at an annualized rate of 3.2% in the third quarter, revised up from 2.9%. The upward revision reflects stronger personal consumption expenditures which rose 2.3% in the third quarter, up from 1.7% in the previous estimate, primarily due to continued strength in services spending. Business investment, state and local government spending, and net exports also contributed to the upward revision. The consensus estimate calls for 1.1% growth in the fourth quarter and 1.9% growth for the full year 2022.

# Federal Reserve



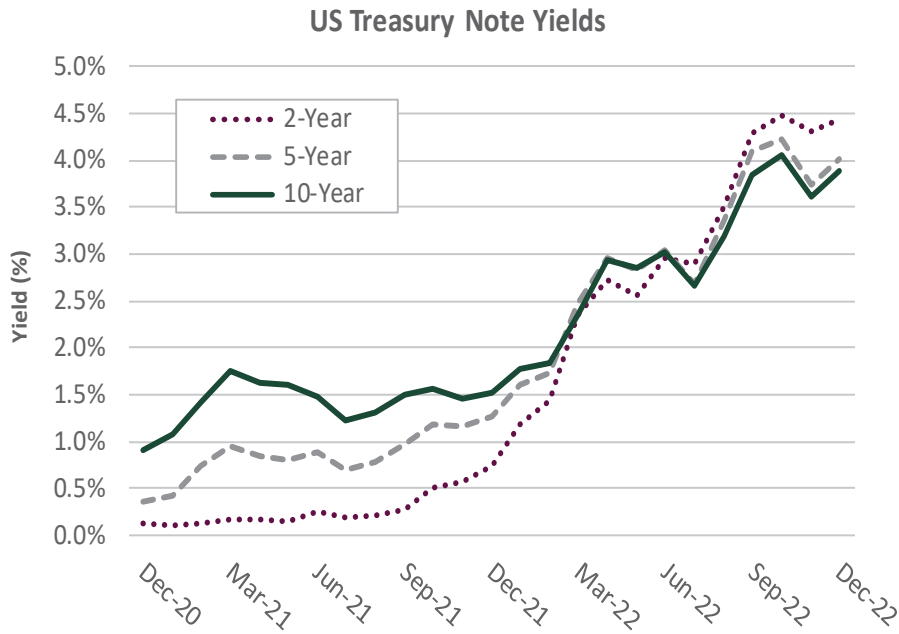
Source: Federal Reserve



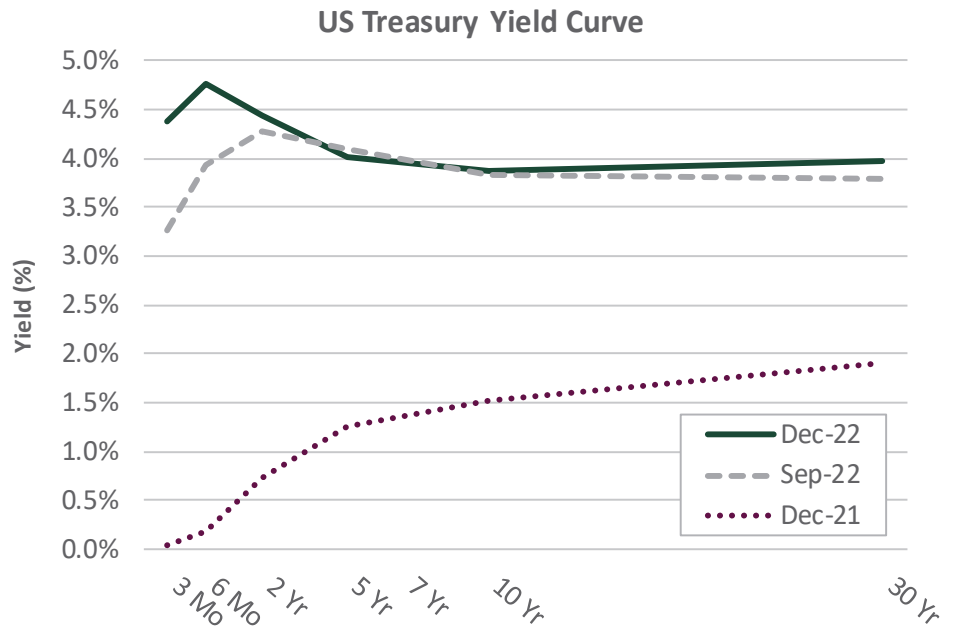
Source: Bloomberg

As expected at the December 14th meeting, the Federal Open Market Committee (FOMC) raised the fed funds target rate by 50 basis points to a range of 4.25 – 4.50%, in a downshift from four consecutive 75 basis point hikes. The decision was unanimous, and there was no change to the November statement. The sentiment was hawkish, indicating that “ongoing increases” in the fed funds rate are likely appropriate and citing continued labor market imbalances. The Summary of Economic Projections indicated a peak median forecast of 5.1% in 2023 and no rate cuts until 2024; however, the market consensus diverged, implying rate cuts in the second half of 2023. FOMC members forecasted a higher fed funds rate, slower GDP growth, higher inflation, and higher unemployment in 2023 than in the September projections. We believe the FOMC will continue to implement tighter monetary policy at a slower pace and hold rates at restrictive levels for some time until inflationary pressures subside and remain in the Fed’s target range.

# Bond Yields



Source: Bloomberg



Source: Bloomberg

At the end of December, the 2-year Treasury yield was 370 basis points higher, and the 10-Year Treasury yield was about 237 basis points higher, year-over-year. The inversion between the 2-year Treasury yield and 10-year Treasury yield narrowed to -55 basis points at December month-end versus -71 basis points at November month-end. The average historical spread (since 2003) is about +130 basis points. The inversion between 3-month and 10-year treasuries narrowed to -50 basis points in December from -74 basis points in November. The shape of the yield curve indicates that the probability of recession is increasing.



## 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 BofA 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
U.S. Treasuries	10% minimum; 5 years max maturity	Complies
Federal 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; Securities, obligations, participations, or other instruments of, or issued by, or fully guaranteed as to principal and interest by the US Government , a federal agency, or a US Government-sponsored enterprise	Complies
Supranational Obligations	"AA" rated or better by a NRSRO; 30% max; 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
Municipal Securities	"A" rated or higher by a NRSRO; or as otherwise approved by the Board of Directors; Taxable or tax-exempt municipal bonds issued by any of the 50 states; 10% max; 5% max issuer; 5 years max maturity	Complies
Corporate Medium Term Notes	"A" rating category or better by a NRSRO; 30% max; 5% max per 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. with AUM >\$500 million	Complies
Non- Agency Asset-Backed Securities, Mortgage-Backed Securities, CMOs	"AA" rating category or better by a NRSRO; 20% max(combined MBS/CMO/ABS); 5% max issuer (except U.S. government or its agencies) ; 5 years max maturity; Mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond	Complies
Negotiable Certificates of Deposit (NCD)	"A" rating or better long term debt by a NRSRO; or highest short term rating for deposits by a NRSRO; or as otherwise approved by the Board of Directors; 30% max; 5% max issuer; 5 years max maturity; Negotiable certificates of deposit issued by a nationally or state-chartered bank or state of federal savings and loan association, as defined by Section 5102 of the California Financial Code	Complies
Certificates of Deposit	5% max issuer; 5 years max maturity; Secured (collateralized) time deposits issued by a nationally or state-chartered bank or state or federal savings and loan association, as defined by Section 5102 of the California Financial Code and having a net operating profit in the two most recently completed fiscal years; Collateral must comply with California Government Code	Complies
Banker's Acceptances	A-1 rated or highest short term rating by a NRSRO; 40% max; 5% max issuer; 180 days max maturity; Acceptance is eligible for purchase by the Federal Reserve System	Complies
Commercial Paper	A-1 rated or better by a NRSRO; "A" long term debt rating or better by a NRSRO; Issued by a domestic corporation organized and operating in the U.S. with assets > \$500 million; 40% max; 5% max issuer; 10% max of the outstanding commercial paper of any single issuer; 270 days max maturity	Complies



## 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
Mutual Fund & Money Market Mutual Fund	Highest rating or "AAA" rated by two NRSROs; or SEC registered adviser with AUM >\$500 million and experience > than 5 years; 20% max in Mutual Funds; 10% max per one Mutual Fund; 20% max per issuer on Money Market Mutual Funds and are not subject to the 10% stipulation	Complies
Local Agency Investment Fund (LAIF)	No more than the statutory maximum may be 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, and on a continual basis to a level of review pursuant to the policy	Complies
Orange County Treasurer's Money Market Commingled Investment Pool (OCCIP)	15% max; Not used by investment adviser; Orange County Treasurer's Money Market Commingled Investment Pool; Investment of OCSD funds in OCCIP would be subject to investigation and due diligence prior to investing and on continual basis to a level of review pursuant to the policy	Complies
Repurchase Agreements	20% max; 102% collateralization	Complies
Reverse Repurchase Agreements	5% max, 90 days max maturity	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
Securities Downgrade	If securities owned by the OCSD are downgraded below the quality required by the Investment Policy, it shall be OCSD's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio. If a decision is made to retain the downgraded securities in the portfolio, their presence in the portfolio will be monitored and reported quarterly to the OCSD General Manager, the Administration Committee and Board of Directors	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 Funds); 20% max per issuer on Money Market Mutual Funds	Complies
Maximum Maturity	5 years max maturity	Complies*

\*The portfolio has eighteen (18) securities with maturities greater than 5 years including four (4) CMOs and sixteen (14) MBS. All securities were inherited from the previous manager and complied at time of purchase.

## Portfolio Characteristics

As of December 31, 2022

### Orange County Sanitation District Long Term

	12/31/22		09/30/22
	Benchmark*	Portfolio	Portfolio
<b>Average Maturity (yrs)</b>	2.65	2.70	2.78
<b>Average Modified Duration</b>	2.50	2.28	2.41
<b>Average Purchase Yield</b>	n/a	1.82%	1.68%
<b>Average Market Yield</b>	4.50%	4.57%	4.42%
<b>Average Quality**</b>	AAA	AA/Aa1	AA/Aa1
<b>Total Market Value</b>		712,704,567	700,168,917

\*ICE BofA 1-5 Yr AAA-A US Corp & Govt Index

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

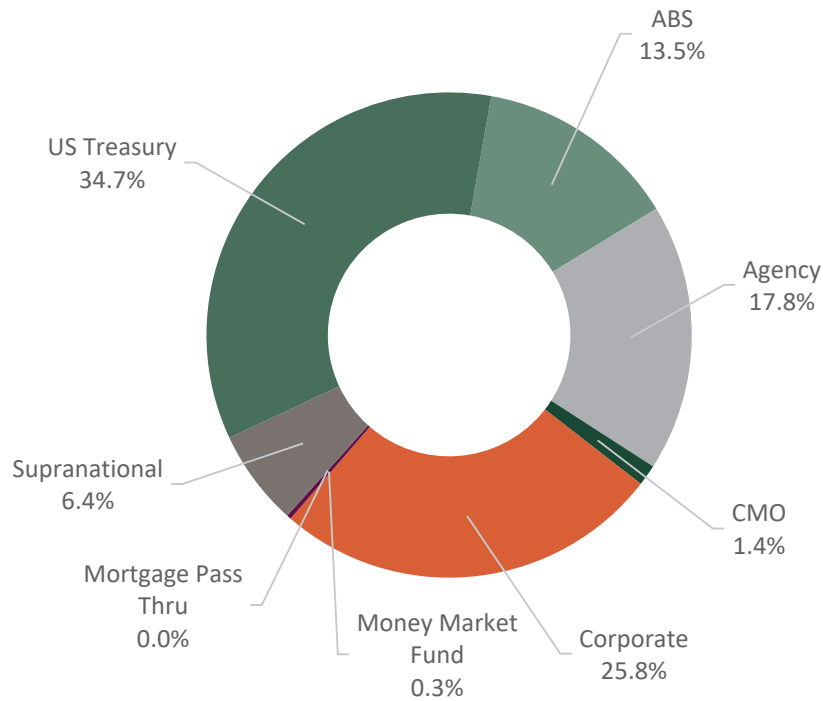
Multiple securities were purchased across the Treasury, Asset Backed, and Corporate portions of the sector allocation. The purchased securities ranged in maturity from October 2025 to September 2027. One security matured, several were sold, and a net \$5 million was contributed to the portfolio during the reporting period.

# Sector Distribution

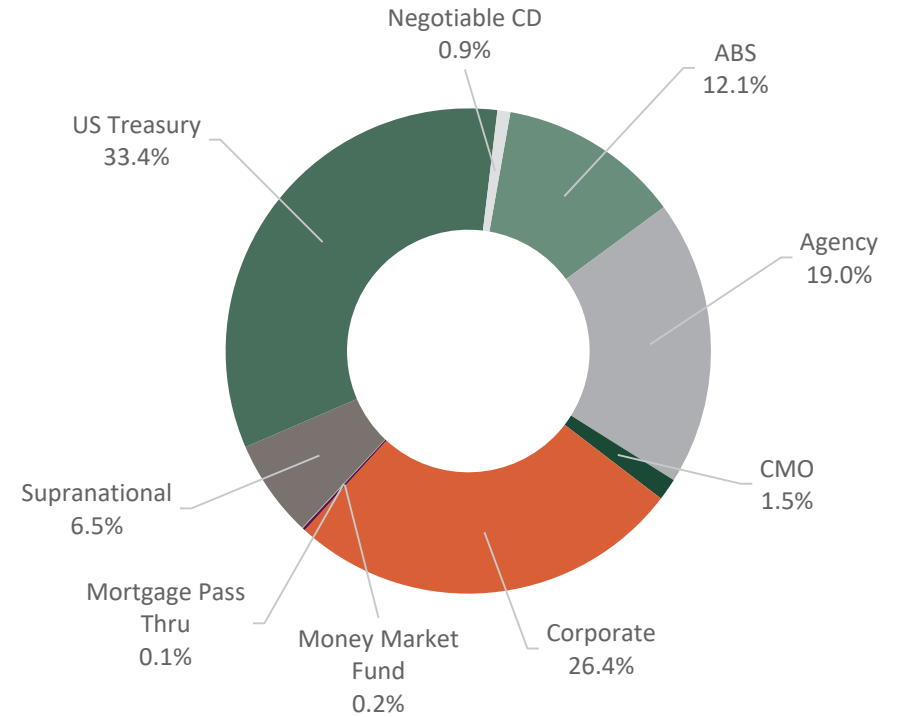
As of December 31, 2022

## Orange County Sanitation District Long Term

December 31, 2022



September 30, 2022



The sector allocation was relatively stable over the reporting period. The two largest changes were the 1.3% increase in the Treasury allocation, to 34.7% of the portfolio, partially offset by the 1.2% decline in the Agency allocation, to 17.8% of the portfolio.

## Orange County Sanitation District Long Term – Account #10268

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	34.68%
Federal National Mortgage Association	Agency	8.08%
Federal Home Loan Bank	Agency	5.37%
Inter-American Dev Bank	Supranational	3.74%
Federal Home Loan Mortgage Corp	Agency	3.67%
Intl Bank Recon and Development	Supranational	2.70%
John Deere ABS	ABS	2.13%
Hyundai Auto Receivables	ABS	1.87%
Bank of America Corp	Corporate	1.56%
JP Morgan Chase & Co	Corporate	1.43%
Federal Home Loan Mortgage Corp	CMO	1.41%
Royal Bank of Canada	Corporate	1.40%
Morgan Stanley	Corporate	1.38%
Honda Motor Corporation	Corporate	1.36%
Toronto Dominion Holdings	Corporate	1.31%
Bank of Montreal Chicago	Corporate	1.29%
Toyota Lease Owner Trust	ABS	1.26%
Honda ABS	ABS	1.20%
Metlife Inc	Corporate	1.20%
American Express ABS	ABS	1.18%
Toyota Motor Corp	Corporate	1.17%
GM Financial Automobile Leasing Trust	ABS	1.10%
Qualcomm Inc	Corporate	1.10%
Northwestern Mutual Gbl	Corporate	1.05%
Mercedes-Benz	ABS	1.02%
Amazon.com Inc	Corporate	1.00%
US Bancorp	Corporate	0.98%
Hyundai Auto Lease Securitization	ABS	0.97%
Apple Inc	Corporate	0.94%
Caterpillar Inc	Corporate	0.92%
Wal-Mart Stores	Corporate	0.92%
Berkshire Hathaway	Corporate	0.90%
Dominion Resources Inc	Corporate	0.77%
GM Financial Securitized Term Auto Trust	ABS	0.75%
PNC Financial Services Group	Corporate	0.70%
Intel Corp	Corporate	0.69%
Federal Farm Credit Bank	Agency	0.68%
Charles Schwab Corp/The	Corporate	0.67%

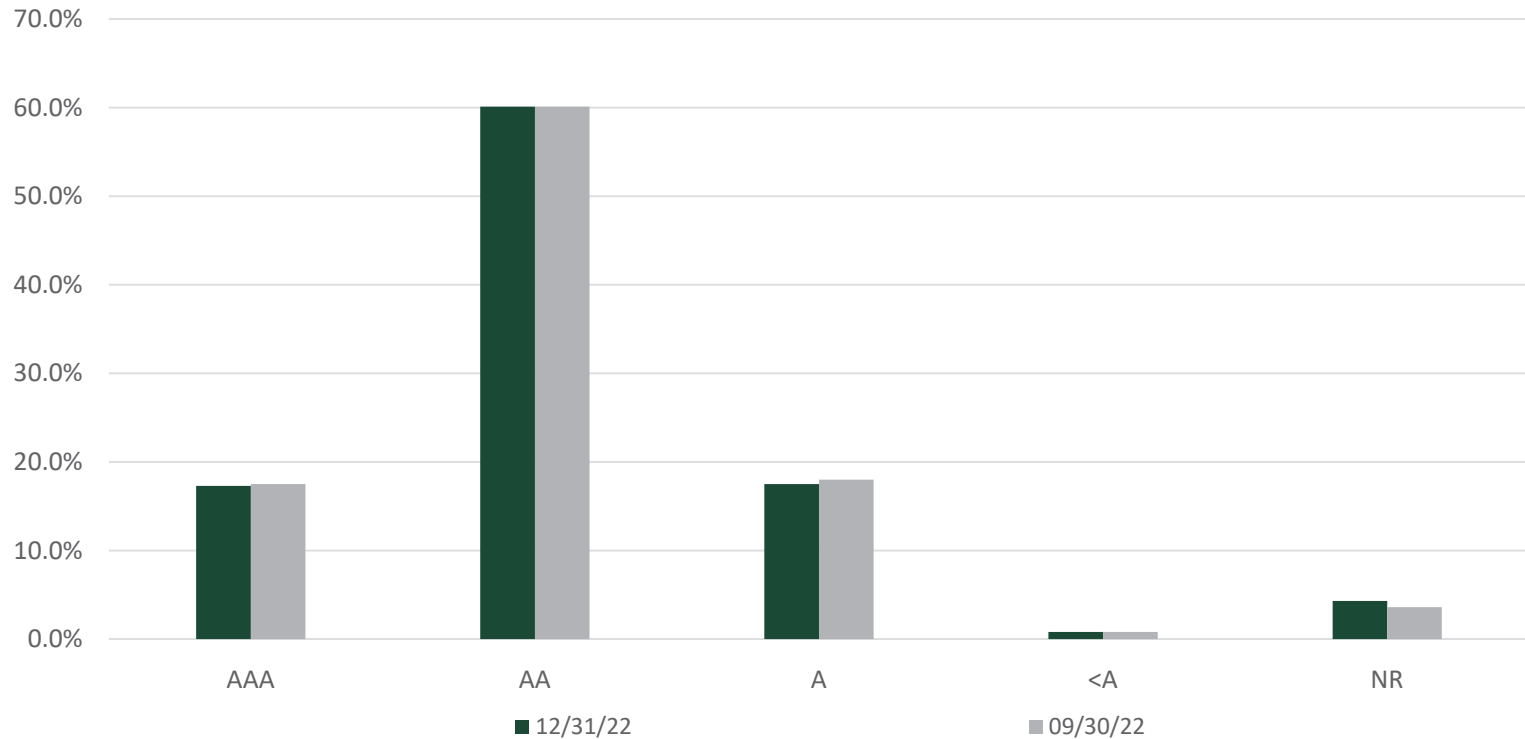
Orange County Sanitation District Long Term – Account #10268

Issue Name	Investment Type	% Portfolio
Honeywell Corp	Corporate	0.65%
BMW Vehicle Lease Trust	ABS	0.60%
Chubb Corporation	Corporate	0.56%
United Health Group Inc	Corporate	0.50%
Deere & Company	Corporate	0.45%
Mercedes-Benz Auto Lease Trust	ABS	0.45%
Guardian Life Global Funding	Corporate	0.40%
Verizon Master Trust	ABS	0.38%
BMW ABS	ABS	0.35%
First American Govt Obligation Fund Class-Z	Money Market Fund	0.29%
Bank of New York	Corporate	0.21%
Salesforce.com Inc	Corporate	0.18%
Toyota ABS	ABS	0.15%
BlackRock Inc/New York	Corporate	0.14%
Nissan ABS	ABS	0.07%
Federal National Mortgage Association	Mortgage Pass Thru	0.04%
AMRESO Residential Securities Corp	CMO	0.02%
Federal National Mortgage Association	CMO	0.01%
GNMA	Mortgage Pass Thru	0.01%
SLM Corp	ABS	0.00%
Federal Home Loan Mortgage Corp	Mortgage Pass Thru	0.00%
<b>TOTAL</b>		<b>100.00%</b>

# Quality Distribution

As of December 31, 2022

**Orange County Sanitation District Long Term**  
December 31, 2022 vs. September 30, 2022



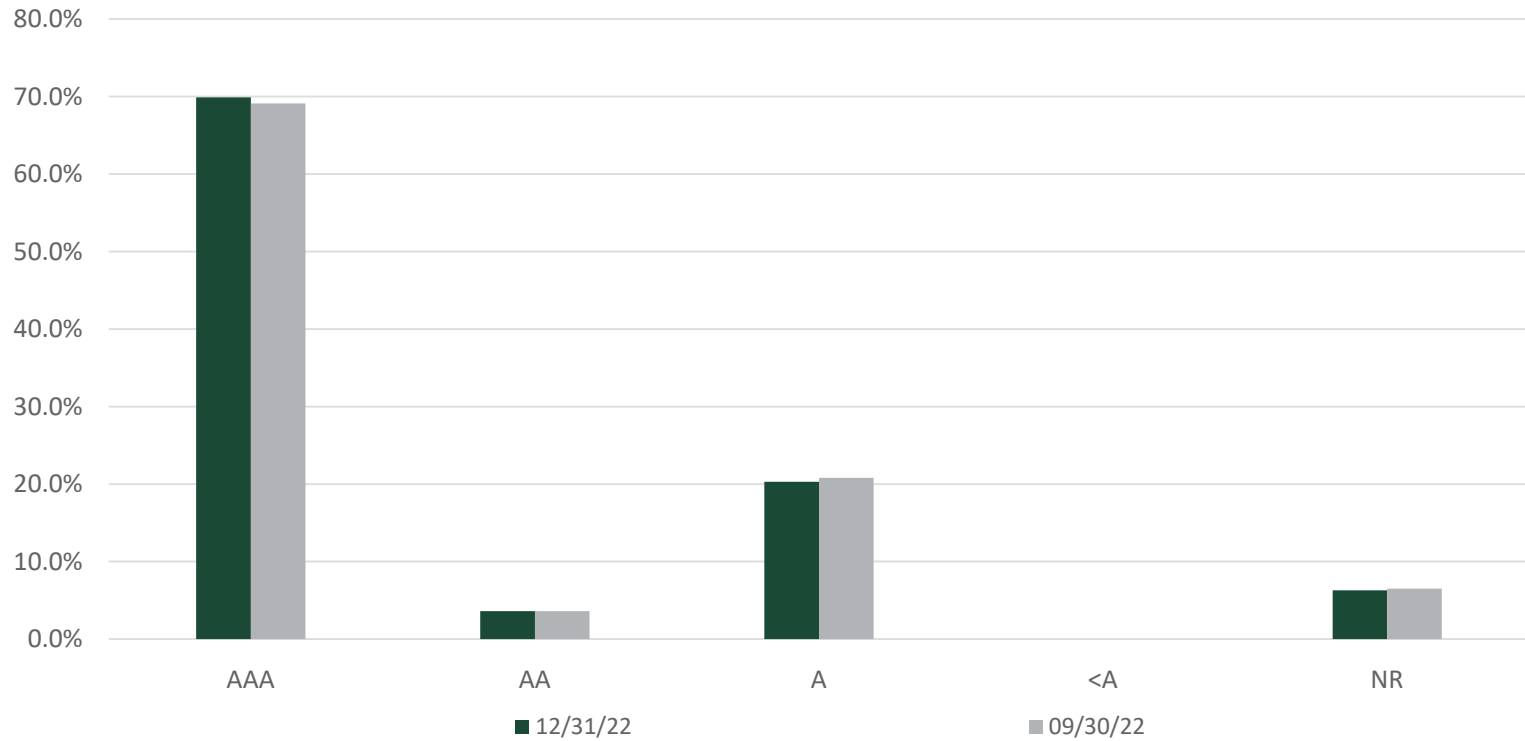
	AAA	AA	A	<A	NR
12/31/22	17.3%	60.1%	17.5%	0.8%	4.3%
09/30/22	17.5%	60.1%	18.0%	0.8%	3.6%

Source: S&P Ratings

# Quality Distribution

As of December 31, 2022

**Orange County Sanitation District Long Term**  
December 31, 2022 vs. September 30, 2022



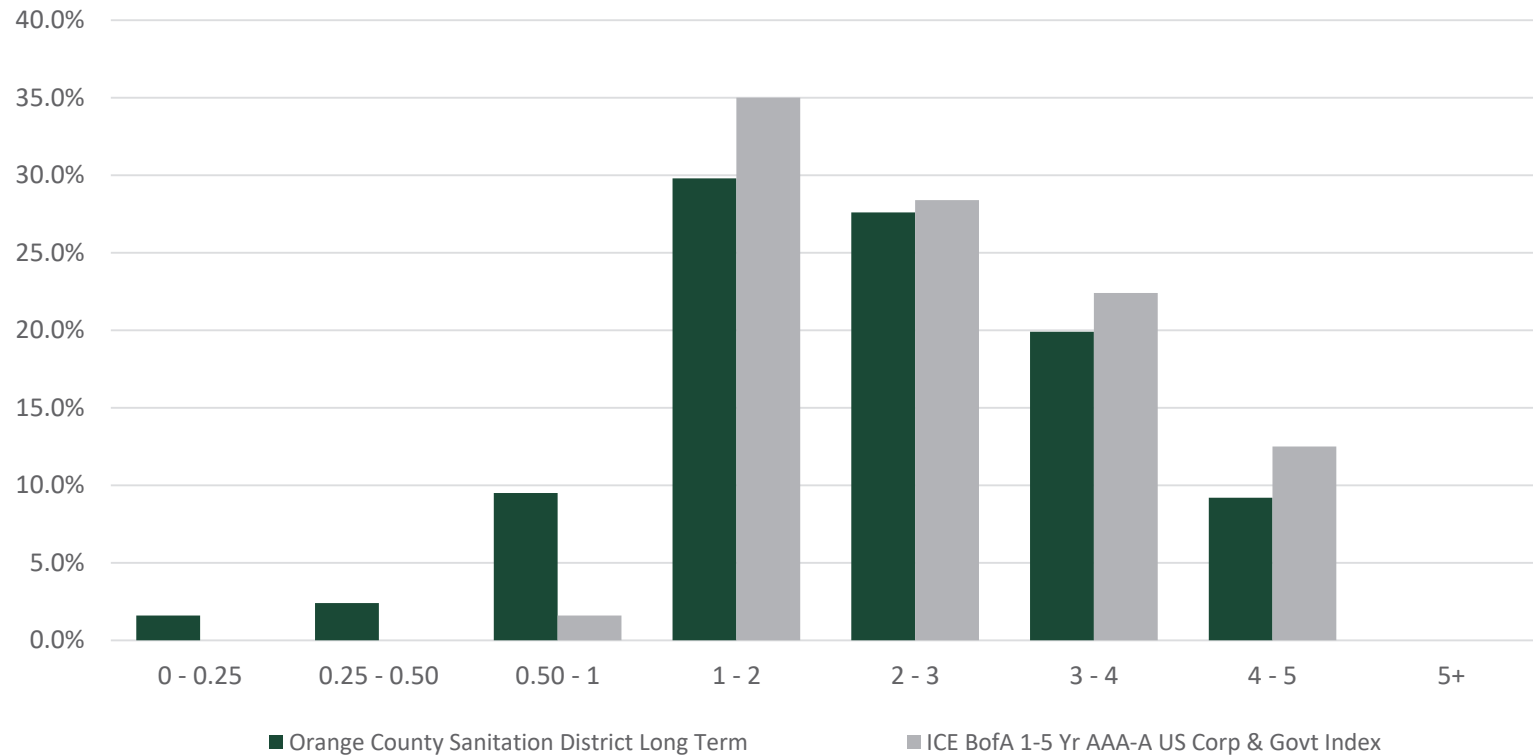
	AAA	AA	A	<A	NR
12/31/22	69.9%	3.6%	20.3%	0.0%	6.3%
09/30/22	69.1%	3.6%	20.8%	0.0%	6.5%

Source: Moody's Ratings

# Duration Distribution

As of December 31, 2022

**Orange County Sanitation District Long Term  
Portfolio Compared to the Benchmark**



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	1.6%	2.4%	9.5%	29.8%	27.6%	19.9%	9.2%	0.0%
Benchmark*	0.0%	0.0%	1.6%	35.0%	28.4%	22.4%	12.5%	0.0%

\*ICE BofA 1-5 Yr AAA-A US Corp & Govt Index

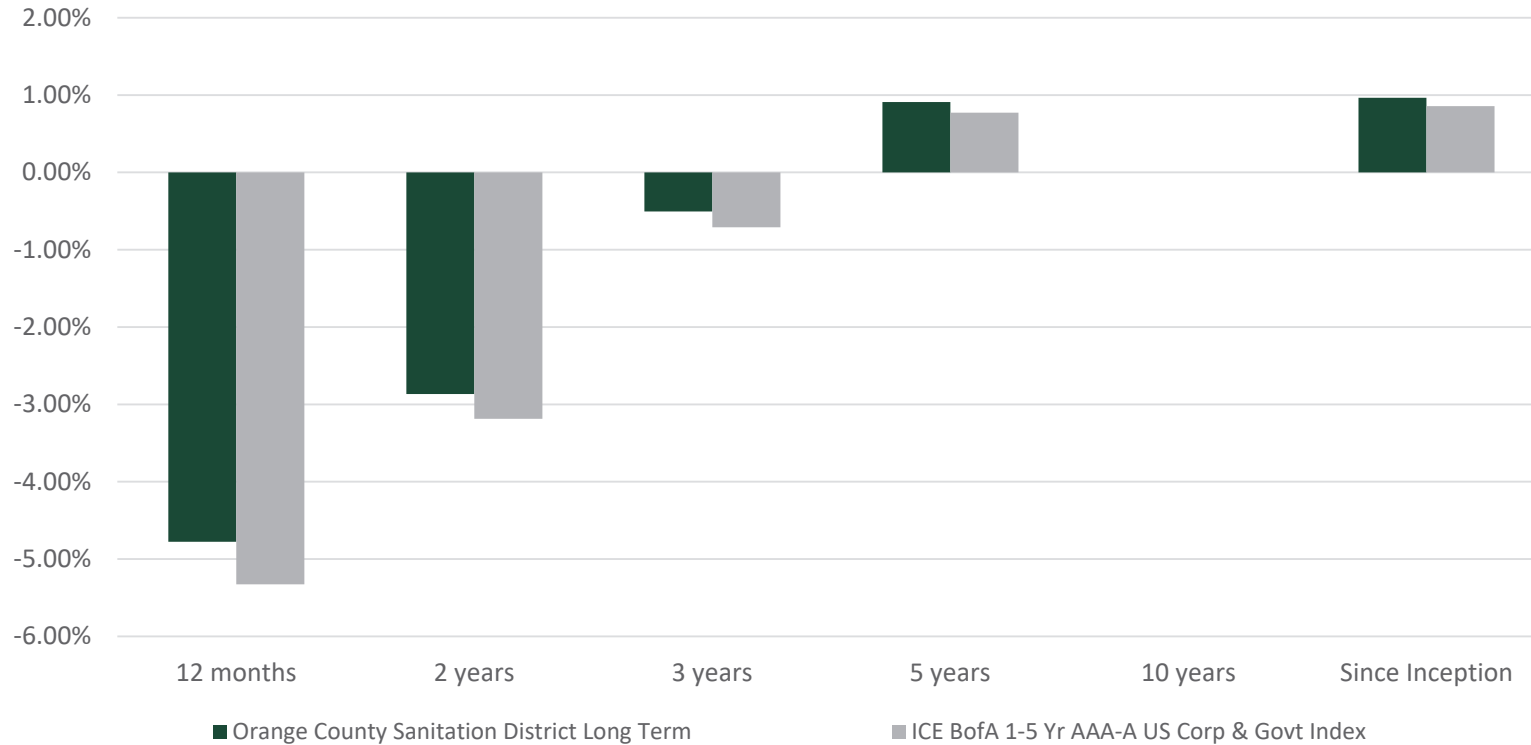
The duration of the portfolio contracted moderately during the quarter, currently at 2.28 compared to 2.41 at the end of September. The Chandler team focused on the structure of the portfolio, adding across the maturity distribution but with a bias towards the middle of the term structure, which we identified as having superior relative value.



# Investment Performance

As of December 31, 2022

**Orange County Sanitation District Long Term**  
**Total Rate of Return Annualized Since Inception November 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	1.07%	-4.78%	-2.87%	-0.51%	0.91%	N/A	0.97%
ICE BofA 1-5 Yr AAA-A US Corp & Govt Index	1.08%	-5.33%	-3.19%	-0.71%	0.77%	N/A	0.86%

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
U.S. Treasuries	10% minimum; 1 year max maturity	Complies
Federal 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; Securities, obligations, participations, or other instruments of, or issued by, or fully guaranteed as to principal and interest by the US Government , a federal agency, or a US Government-sponsored enterprise	Complies
Supranational Obligations	"AA" rated or better by a NRSRO; 30% max; 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
Municipal Securities	"A" rated or higher by a NRSRO; or as otherwise approved by the Board of Directors; Taxable or tax-exempt municipal bonds issued by any of the 50 states; 10% max; 5% max issuer; 1 year max maturity	Complies
Corporate Medium Term Notes	"A" rating category or better by a NRSRO; 30% max; 5% max per 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. with AUM >\$500 million	Complies
Non- Agency Asset-Backed Securities, Mortgage-Backed Securities, CMOs	"AA" rating category or better by a NRSRO; 20% max (combined MBS/CMO/ABS); 5% max issuer (except U.S. government or its agencies) ; 1 year max maturity; Mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond	Complies
Negotiable Certificates of Deposit (NCD)	"A" rating or better long term debt by a NRSRO; or highest short term rating for deposits by a NRSRO; or as otherwise approved by the Board of Directors; 30% max; 5% max issuer; 1 year max maturity; Negotiable certificates of deposit issued by a nationally or state-chartered bank or state of federal savings and loan association, as defined by Section 5102 of the California Financial Code	Complies
Certificates of Deposit	5% max issuer; 1 year max maturity; Secured (collateralized) time deposits issued by a nationally or state-chartered bank or state or federal savings and loan association, as defined by Section 5102 of the California Financial Code and having a net operating profit in the two most recently completed fiscal years; Collateral must comply with California Government Code	Complies
Banker's Acceptances	A-1 rated or highest short term rating by a NRSRO; 40% max; 5% max issuer; 180 days max maturity; Acceptance is eligible for purchase by the Federal Reserve System	Complies
Commercial Paper	A-1 rated or better by a NRSRO; "A" long term debt rating or better by a NRSRO; Issued by a domestic corporation organized and operating in the U.S. with assets > \$500 million; 40% max; 5% max issuer; 10% max of the outstanding commercial paper of any single issuer; 270 days max maturity	Complies

## 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
Mutual Fund & Money Market Mutual Fund	Highest rating or "AAA" rated by two NRSROs; or SEC registered adviser with AUM >\$500 million and experience > than 5 years; 20% max in Mutual Funds; 10% max per one Mutual Fund; 20% max per issuer on Money Market Mutual Funds and are not subject to the 10% stipulation	Complies
Local Agency Investment Fund (LAIF)	No more than the statutory maximum may be 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, and on a continual basis to a level of review pursuant to the policy	Complies
Orange County Treasurer's Money Market Commingled Investment Pool (OCCIP)	15% max; Not used by investment adviser; Orange County Treasurer's Money Market Commingled Investment Pool; Investment of OCSD funds in OCCIP would be subject to investigation and due diligence prior to investing and on continual basis to a level of review pursuant to the policy	Complies
Repurchase Agreements	20% max; 102% collateralization	Complies
Reverse Repurchase Agreements	5% max, 90 days max maturity	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
Securities Downgrade	If securities owned by the OCSD are downgraded below the quality required by the Investment Policy, it shall be OCSD's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio. If a decision is made to retain the downgraded securities in the portfolio, their presence in the portfolio will be monitored and reported quarterly to the OCSD General Manager, the Administration Committee and Board of Directors	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 Funds); 20% max per issuer on Money Market Mutual Funds	Complies
Maximum Maturity	1 year max maturity	Complies

## Portfolio Characteristics

As of December 31, 2022

### Orange County Sanitation District Liquid

	12/31/22		09/30/22
	Benchmark*	Portfolio	Portfolio
<b>Average Maturity (yrs)</b>	0.15	0.21	0.28
<b>Average Modified Duration</b>	0.14	0.21	0.28
<b>Average Purchase Yield</b>	n/a	3.57%	2.01%
<b>Average Market Yield</b>	4.13%	4.27%	3.53%
<b>Average Quality**</b>	AAA	AAA/Aaa	AA+/Aa1
<b>Total Market Value</b>		225,394,892	109,456,669

\*ICE BofA 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.

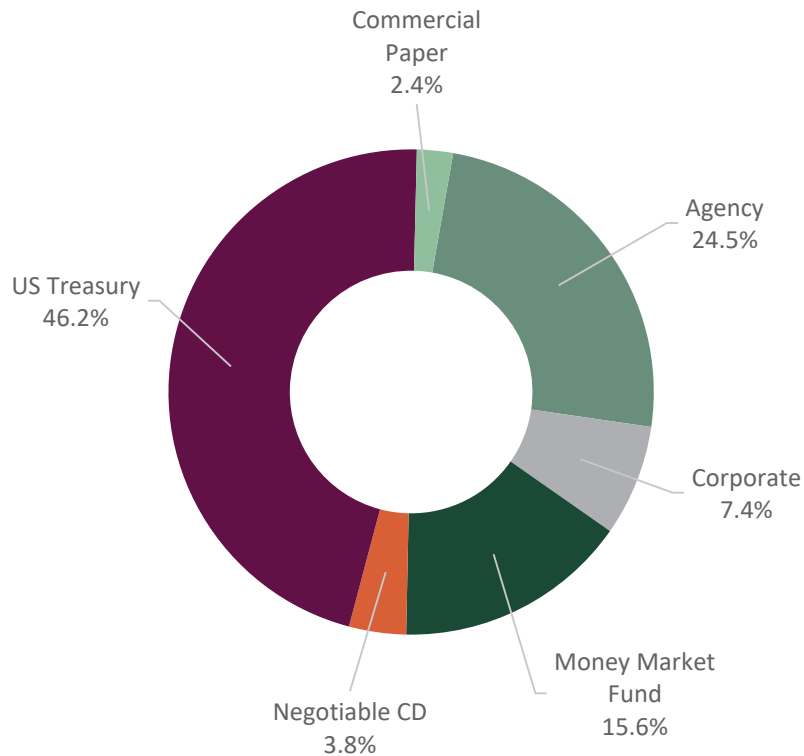
Transaction activity was elevated in the portfolio as a net \$114.8 million was contributed to the Liquidity portfolio during the quarter. The Chandler team added exposure in the Treasury, Agency, Certificate of Deposit, Commercial Paper, and Corporate portions of the allocation. The purchased securities ranged in maturity from January 2023 to July 2023. Additionally, seven securities matured during the period.

# Sector Distribution

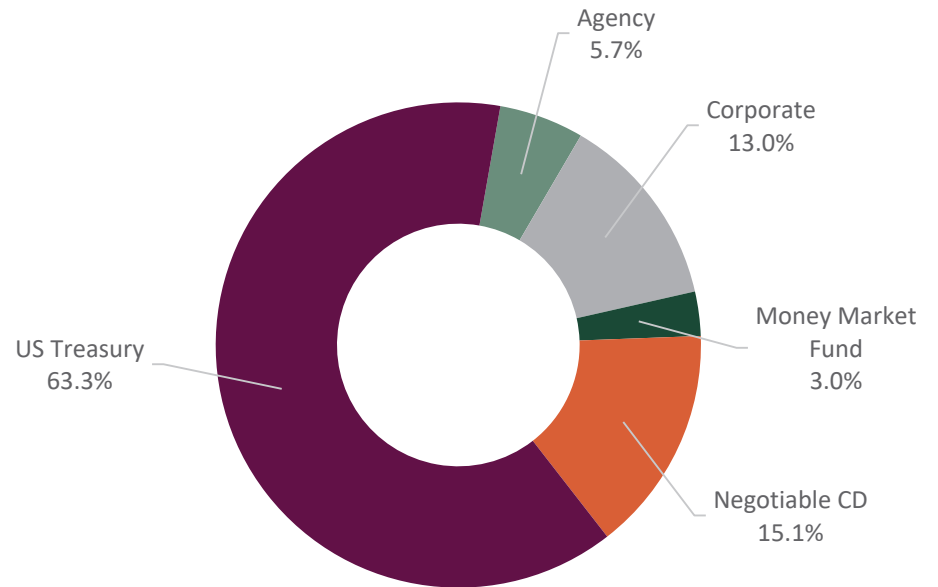
As of December 31, 2022

## Orange County Sanitation District Liquid

December 31, 2022



September 30, 2022



The sector allocation evolved materially driven by the large cash flows during the quarter, including the \$76.8 million in late December. Some of the notable changes include the 17.1% reduction in the Treasury allocation, to 46.2% of the portfolio, offset by the 18.9% increase in the Agency allocation, with discount notes becoming more attractively priced, to 24.5% of the portfolio. The elevated Money Market balance was a tactical decision with the money market sweep having a better yield than very short-term alternatives at the end of the year in illiquid markets.

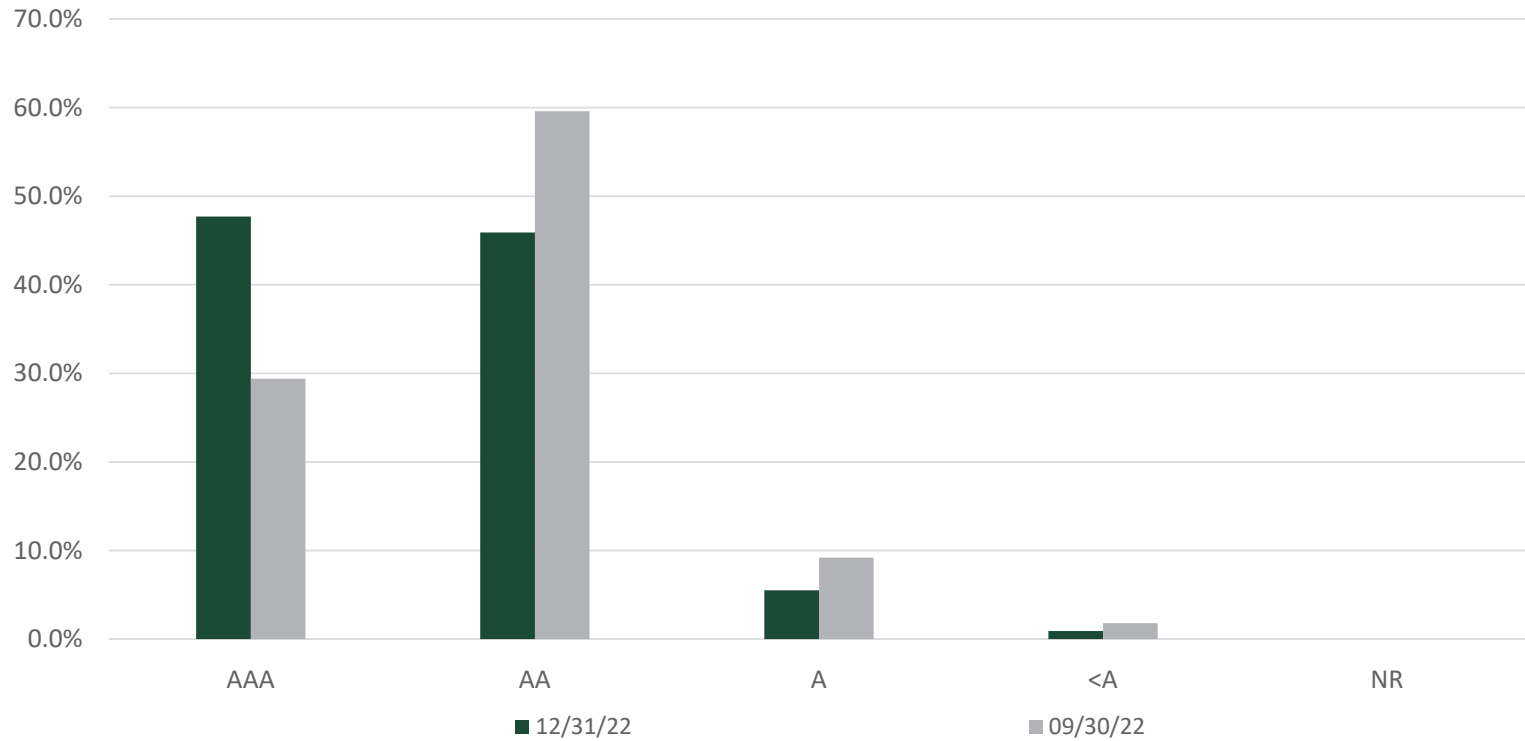
## Orange County Sanitation District Liquid – Account #10282

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	46.25%
Federal Home Loan Bank	Agency	23.94%
First American Govt Obligation Fund Class-Z	Money Market Fund	15.62%
Toronto Dominion Holdings	Negotiable CD	1.35%
Royal Bank of Canada	Negotiable CD	1.34%
MUFG Bank Ltd/NY	Commercial Paper	1.33%
Bank of Montreal Chicago	Negotiable CD	1.11%
Metlife Inc	Corporate	1.01%
Bank of America Corp	Corporate	0.90%
JP Morgan Chase & Co	Corporate	0.90%
Morgan Stanley	Corporate	0.90%
Dominion Resources Inc	Corporate	0.89%
Truist Financial Corporation	Corporate	0.85%
Pepsico Inc	Corporate	0.74%
Bank of New York	Corporate	0.71%
Amazon.com Inc	Commercial Paper	0.66%
Federal Home Loan Mortgage Corp	Agency	0.54%
United Parcel Service	Corporate	0.53%
Svenska Handelsbanken AB	Commercial Paper	0.44%
<b>TOTAL</b>		<b>100.00%</b>

# Quality Distribution

As of December 31, 2022

**Orange County Sanitation District Liquid**  
December 31, 2022 vs. September 30, 2022



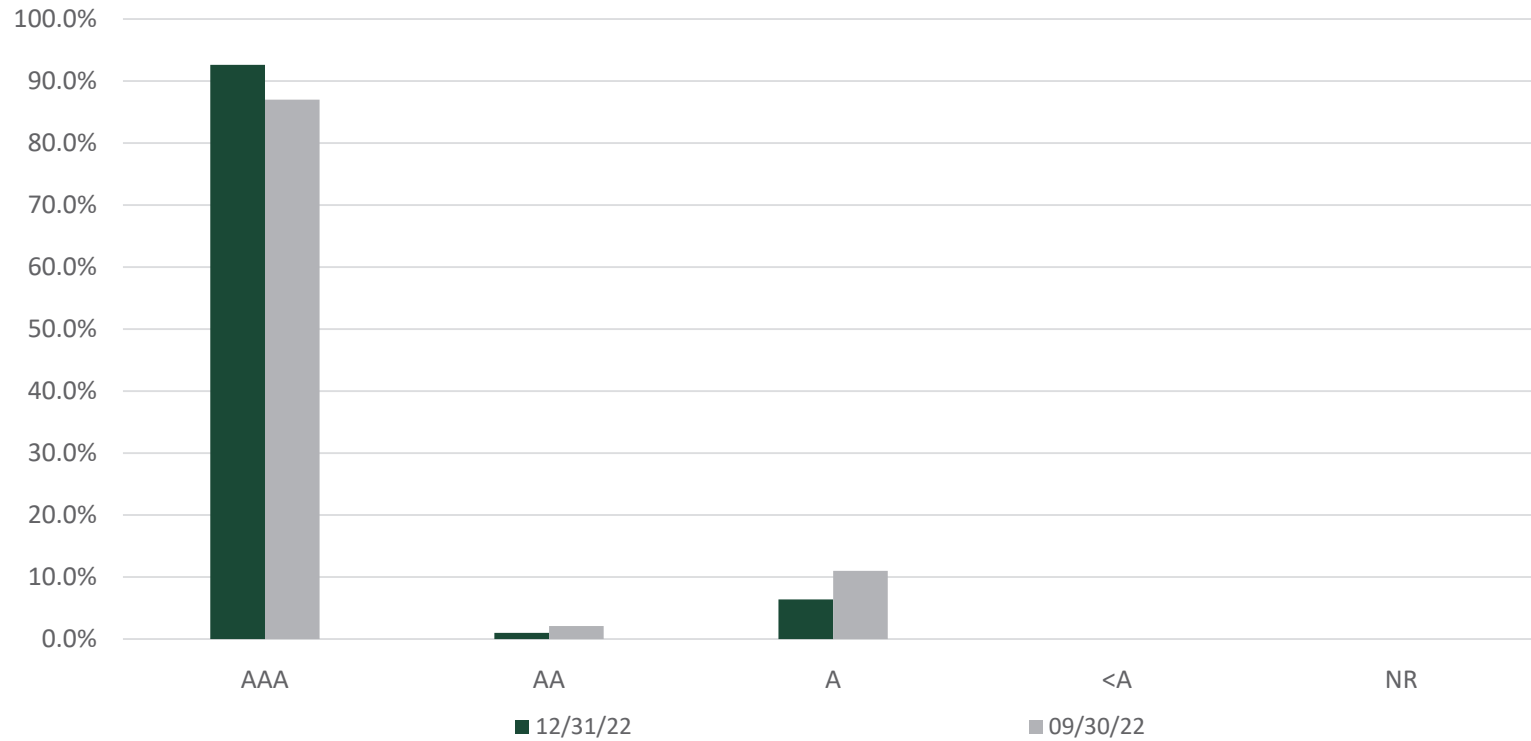
	AAA	AA	A	<A	NR
12/31/22	47.7%	45.9%	5.5%	0.9%	0.0%
09/30/22	29.4%	59.6%	9.2%	1.8%	0.0%

Source: S&P Ratings

# Quality Distribution

As of December 31, 2022

**Orange County Sanitation District Liquid**  
December 31, 2022 vs. September 30, 2022



	AAA	AA	A	<A	NR
12/31/22	92.6%	1.0%	6.4%	0.0%	0.0%
09/30/22	87.0%	2.1%	11.0%	0.0%	0.0%

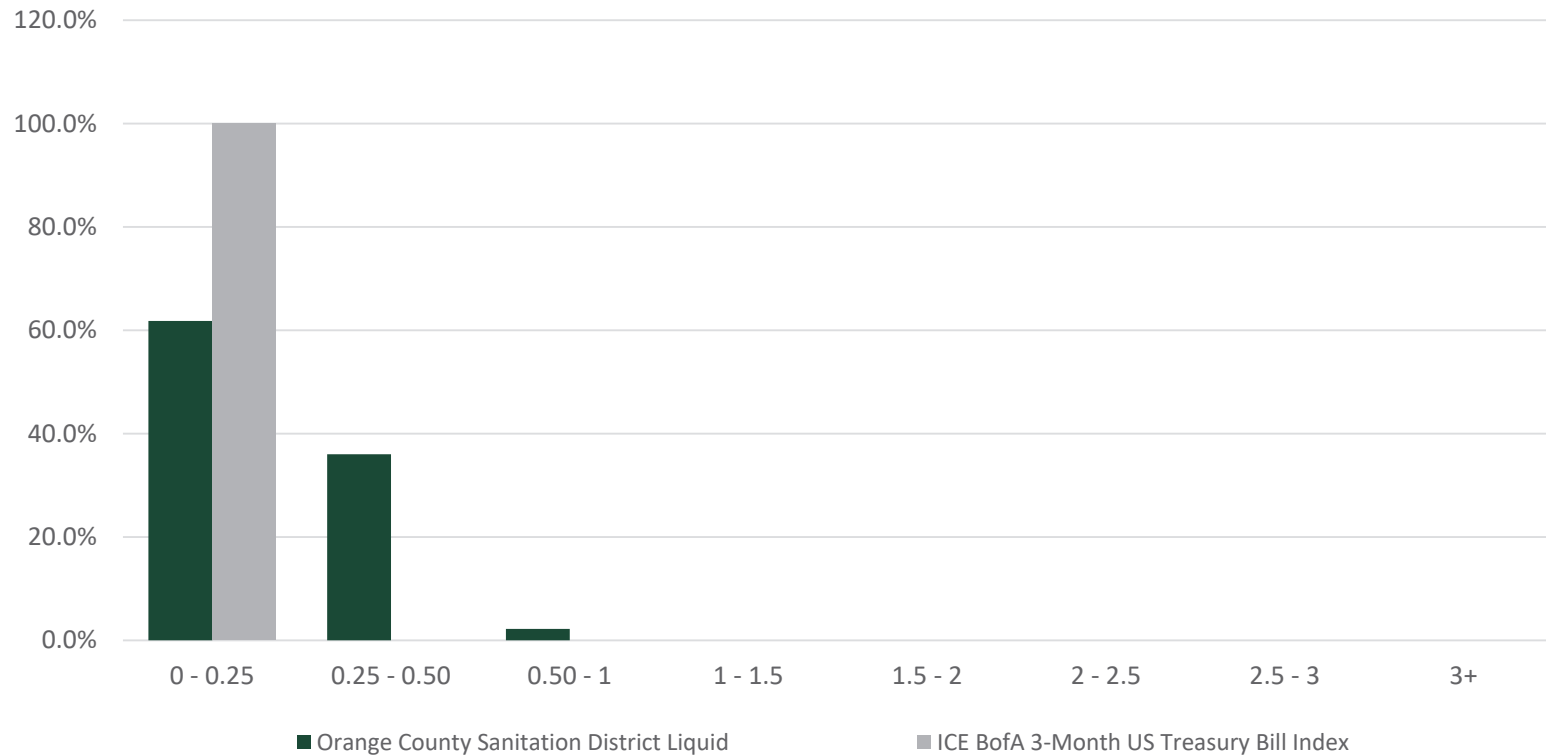
Source: Moody's Ratings



# Duration Distribution

As of December 31, 2022

**Orange County Sanitation District Liquid  
Portfolio Compared to the Benchmark**



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 1.5	1.5 - 2	2 - 2.5	2.5 - 3	3+
Portfolio	61.8%	36.0%	2.2%	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%

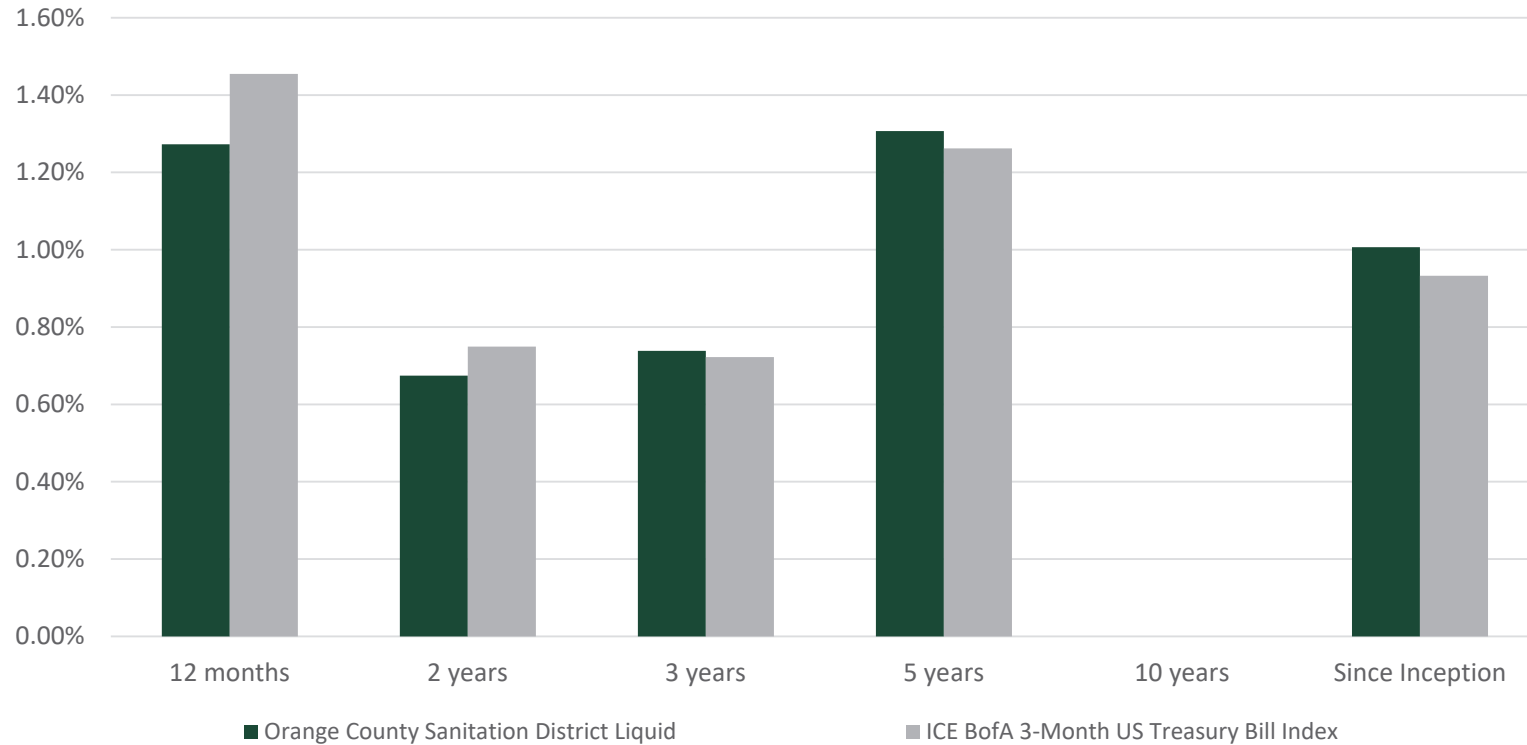
\*ICE BofA 3-Month US Treasury Bill Index

The duration of the portfolio contracted on a quarter over quarter basis, driven by upcoming large cash flow needs at the end of January. The current duration is 0.21 compared to 0.28 at the end of September 2022.

# Investment Performance

As of December 31, 2022

**Orange County Sanitation District Liquid**  
**Total Rate of Return Annualized Since Inception November 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	0.89%	1.27%	0.67%	0.74%	1.31%	N/A	1.01%
ICE BofA 3-Month US Treasury Bill Index	0.84%	1.45%	0.75%	0.72%	1.26%	N/A	0.93%

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 525ESC0Y6) and \$600,000 face value (cusip 525ESC1B7) of defaulted Lehman Bros Holdings that were purchased by the previous manager. Complied at time of purchase.

## Portfolio Characteristics

As of December 31, 2022

### OC SAN Lehman Exposure

	12/31/22 Portfolio	09/30/22 Portfolio
<b>Average Maturity (yrs)</b>	5.41	5.71
<b>Modified Duration</b>	0.00	0.00
<b>Average Purchase Yield</b>	0.00%	0.00%
<b>Average Market Yield</b>	0.00%	0.00%
<b>Average Quality*</b>	NR/NR	NR/NR
<b>Total Market Value</b>	34,751	35,241

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



## Section 3 | Consolidated Information

## Portfolio Characteristics

As of December 31, 2022

### Orange County Sanitation District Consolidated

	12/31/22 Portfolio	09/30/22 Portfolio
<b>Average Maturity (yrs)</b>	2.10	2.44
<b>Modified Duration</b>	1.78	2.12
<b>Average Purchase Yield</b>	2.22%	1.72%
<b>Average Market Yield</b>	4.50%	4.30%
<b>Average Quality*</b>	AA+/Aa1	AA+/Aa1
<b>Total Market Value</b>	938,134,210	809,660,827

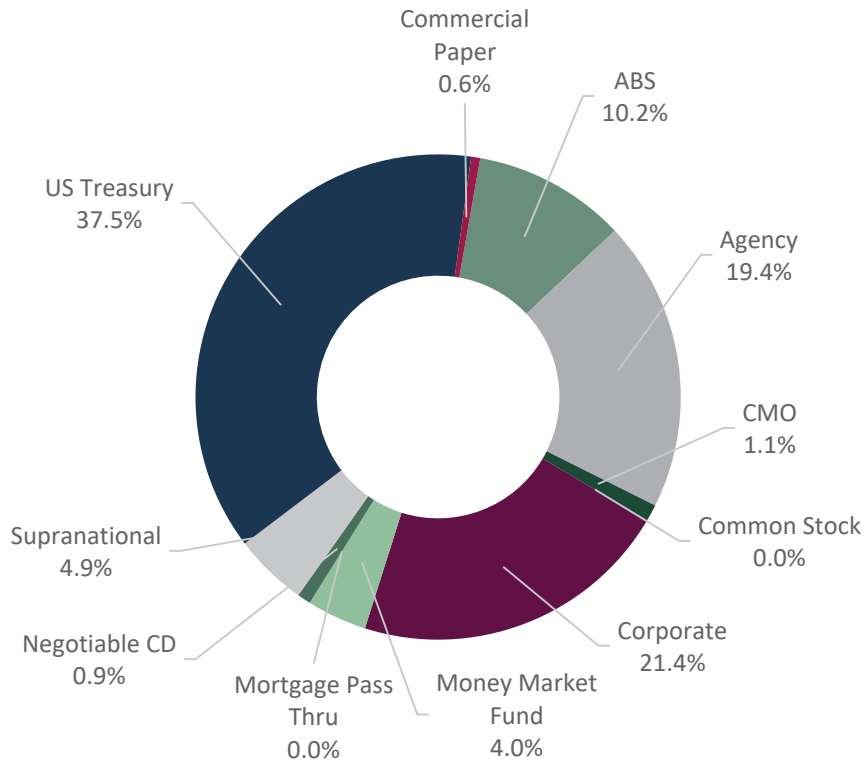
\* Portfolio is S&P and Moody's respectively.

# Sector Distribution

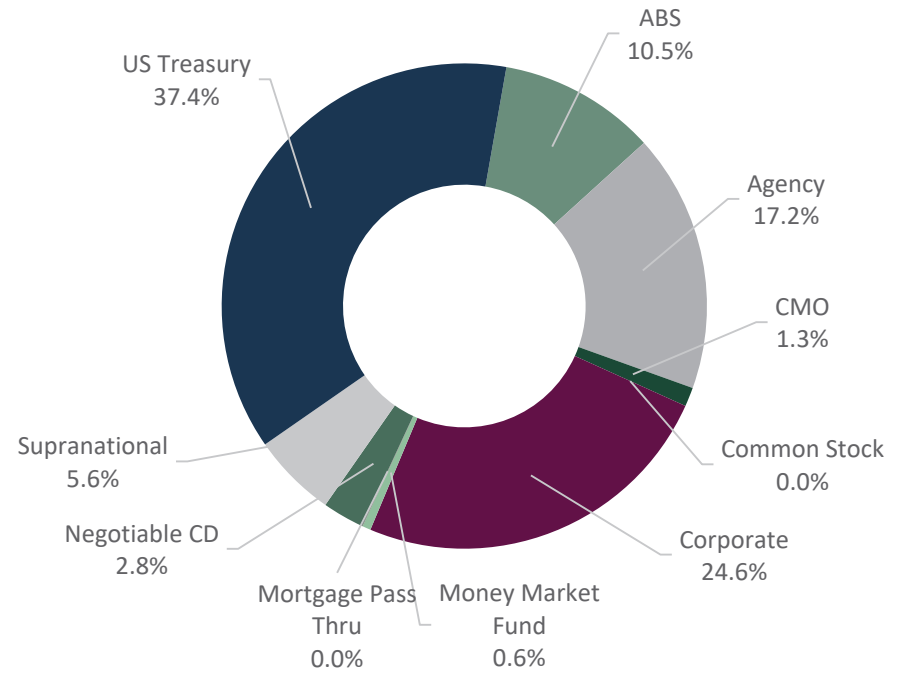
As of December 31, 2022

## Orange County Sanitation District Consolidated

December 31, 2022



September 30, 2022





## Section 4 | Portfolio Holdings



# Holdings Report

As of December 31, 2022

## 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
<b>ABS</b>									
78445JAA5	SLM Student Loan Trust 2008-9 A 5.174% Due 04/25/2023	8,031.72	08/22/2008 5.27%	7,999.13 8,031.03	99.03 6.72%	7,953.88 78.50	0.00% (77.15)	B1 / CCC CC	0.32 2.01
44891VAC5	Hyundai Auto Lease Trust 2021-B A3 0.330% Due 06/17/2024	4,155,000.00	06/08/2021 0.34%	4,154,376.75 4,154,804.90	98.47 5.00%	4,091,608.41 609.40	0.57% (63,196.49)	Aaa / AAA NR	1.46 0.32
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.930% Due 07/15/2024	494,450.64	10/16/2019 1.94%	494,424.53 494,442.16	99.64 5.03%	492,681.20 424.13	0.07% (1,760.96)	Aaa / AAA NR	1.54 0.11
89237VAB5	Toyota Auto Receivables Trust 2020-C A3 0.440% Due 10/15/2024	1,092,573.83	07/21/2020 0.44%	1,092,489.71 1,092,538.18	98.40 5.33%	1,075,085.37 213.66	0.15% (17,452.81)	Aaa / AAA NR	1.79 0.32
43813KAC6	Honda Auto Receivables Trust 2020-3 A3 0.370% Due 10/18/2024	1,622,609.46	09/22/2020 0.38%	1,622,371.11 1,622,542.64	97.82 5.31%	1,587,156.42 216.80	0.22% (35,386.22)	NR / AAA AAA	1.80 0.44
89239CAC3	Toyota Lease Owner Trust 2021-B A3 0.420% Due 10/21/2024	3,185,000.00	07/27/2021 0.42%	3,184,957.00 3,184,981.67	97.21 5.12%	3,096,230.23 408.74	0.43% (88,751.44)	Aaa / NR AAA	1.81 0.59
47787NAC3	John Deere Owner Trust 2020-B A3 0.510% Due 11/15/2024	561,875.25	07/14/2020 0.52%	561,789.62 561,849.74	98.46 5.34%	553,243.55 127.36	0.08% (8,606.19)	Aaa / NR AAA	1.88 0.32
58769KAD6	Mercedes-Benz Auto Lease Trust 2021-B A3 0.400% Due 11/15/2024	3,315,000.00	06/22/2021 0.40%	3,314,749.72 3,314,898.00	97.12 5.30%	3,219,452.75 589.33	0.45% (95,445.25)	NR / AAA AAA	1.88 0.59
09690AAC7	BMW Vehicle Lease Trust 2021-2 A3 0.330% Due 12/26/2024	2,017,454.66	09/08/2021 0.34%	2,017,246.46 2,017,364.97	97.72 5.25%	1,971,360.66 110.96	0.28% (46,004.31)	Aaa / NR AAA	1.99 0.46
44891WAC3	Hyundai Auto Lease Trust 2022-A A3 1.160% Due 01/15/2025	2,895,000.00	01/11/2022 1.16%	2,894,936.02 2,894,963.19	96.51 5.20%	2,793,861.73 1,492.53	0.39% (101,101.46)	Aaa / AAA NR	2.04 0.87
89238LAC4	Toyota Lease Owner Trust 2022-A A3 1.960% Due 02/20/2025	6,125,000.00	02/23/2022 1.98%	6,124,035.93 6,124,387.02	96.45 5.25%	5,907,482.88 3,668.19	0.83% (216,904.14)	NR / AAA AAA	2.14 1.09
36265MAC9	GM Financial Auto Lease Trust 2022-1 A3 1.900% Due 03/20/2025	5,020,000.00	02/15/2022 1.91%	5,019,956.83 5,019,973.94	96.62 5.32%	4,850,539.86 2,914.39	0.68% (169,434.08)	Aaa / NR AAA	2.22 1.00
05601XAC3	BMW Vehicle Lease Trust 2022-1 A3 1.100% Due 03/25/2025	2,400,000.00	01/11/2022 1.11%	2,399,641.20 2,399,797.61	96.74 5.29%	2,321,855.28 440.00	0.33% (77,942.33)	NR / AAA AAA	2.23 0.78
43813GAC5	Honda Auto Receivables Trust 2021-1 A3 0.270% Due 04/21/2025	1,125,494.07	02/17/2021 0.27%	1,125,473.48 1,125,485.90	96.73 6.22%	1,088,696.59 84.41	0.15% (36,789.31)	Aaa / NR AAA	2.31 0.55
36266FAC3	GM Financial Auto Lease Trust 2022-2 A3 3.420% Due 06/20/2025	3,035,000.00	05/03/2022 3.45%	3,034,683.45 3,034,776.32	97.83 5.23%	2,969,144.75 3,171.58	0.42% (65,631.57)	NR / AAA AAA	2.47 1.22
47788UAC6	John Deere Owner Trust 2021-A A3 0.360% Due 09/15/2025	2,006,065.13	03/02/2021 0.37%	2,005,679.56 2,005,873.66	96.55 5.21%	1,936,936.13 320.97	0.27% (68,937.53)	Aaa / NR AAA	2.71 0.71
44933LAC7	Hyundai Auto Receivables Trust 2021-A A3 0.380% Due 09/15/2025	1,962,237.50	04/20/2021 0.38%	1,962,031.07 1,962,144.76	96.71 5.51%	1,897,668.11 331.40	0.27% (64,476.65)	NR / AAA AAA	2.71 0.64

# Holdings Report

As of December 31, 2022

## 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
44934KAC8	Hyundai Auto Receivables Trust 2021-B A3 0.380% Due 01/15/2026	6,040,000.00	07/20/2021 0.39%	6,038,666.97 6,039,274.69	95.49 5.78%	5,767,448.02 1,020.09	0.81% (271,826.67)	NR / AAA AAA	3.04 0.84
43815GAC3	Honda Auto Receivables Trust 2021-4 A3 0.880% Due 01/21/2026	2,290,000.00	11/16/2021 0.89%	2,289,517.27 2,289,681.44	94.91 5.11%	2,173,341.90 559.78	0.31% (116,339.54)	Aaa / NR AAA	3.06 1.22
47789QAC4	John Deere Owner Trust 2021-B A3 0.520% Due 03/16/2026	2,820,000.00	07/13/2021 0.52%	2,819,748.46 2,819,848.28	94.91 5.29%	2,676,399.11 651.73	0.38% (143,449.17)	Aaa / NR AAA	3.21 1.08
44935FAD6	Hyundai Auto Receivables Trust 2021-C A3 0.740% Due 05/15/2026	1,600,000.00	11/09/2021 0.75%	1,599,642.88 1,599,769.65	94.47 5.54%	1,511,449.76 526.22	0.21% (88,319.89)	NR / AAA AAA	3.37 1.17
43815BAC4	Honda Auto Receivables Trust 2022-1 A3 1.880% Due 05/15/2026	3,930,000.00	02/15/2022 1.89%	3,929,408.93 3,929,565.61	95.03 5.03%	3,734,676.68 3,283.73	0.52% (194,888.93)	Aaa / AAA NR	3.37 1.60
05602RAD3	BMW Vehicle Owner Trust 2022-A A3 3.210% Due 08/25/2026	2,530,000.00	05/10/2022 3.23%	2,529,868.44 2,529,894.89	97.40 4.96%	2,464,318.92 1,353.55	0.35% (65,575.97)	Aaa / AAA NR	3.65 1.51
362554AC1	GM Financial Securitized Term 2021-4 A3 0.680% Due 09/16/2026	1,705,000.00	10/13/2021 0.68%	1,704,956.52 1,704,971.82	94.48 5.54%	1,610,905.16 483.08	0.23% (94,066.66)	Aaa / AAA NR	3.71 1.15
47787JAC2	John Deere Owner Trust 2022-A A3 2.320% Due 09/16/2026	3,010,000.00	03/10/2022 2.34%	3,009,334.19 3,009,485.68	95.91 5.12%	2,886,998.46 3,103.64	0.41% (122,487.22)	Aaa / NR AAA	3.71 1.48
448977AD0	Hyundai Auto Receivables Trust 2022-A A3 2.220% Due 10/15/2026	4,300,000.00	03/09/2022 2.23%	4,299,834.45 4,299,875.04	95.56 5.13%	4,109,277.80 4,242.67	0.58% (190,597.24)	NR / AAA AAA	3.79 1.55
380146AC4	GM Financial Auto Receivables 2022-1 A3 1.260% Due 11/16/2026	1,590,000.00	01/11/2022 1.27%	1,589,861.83 1,589,901.36	94.55 5.35%	1,503,317.65 834.75	0.21% (86,583.71)	NR / AAA AAA	3.88 1.35
362585AC5	GM Financial Securitized ART 2022-2 A3 3.100% Due 02/16/2027	2,330,000.00	04/05/2022 3.13%	2,329,513.03 2,329,615.32	96.88 5.05%	2,257,321.20 3,009.58	0.32% (72,294.12)	Aaa / AAA NR	4.13 1.63
47800AAC4	John Deere Owner Trust 2022-B A3 3.740% Due 02/16/2027	3,140,000.00	07/12/2022 3.77%	3,139,700.13 3,139,738.02	97.70 4.93%	3,067,804.49 5,219.38	0.43% (71,933.53)	Aaa / NR AAA	4.13 1.99
02582JIT8	American Express Credit Trust 2022-2 A 3.390% Due 05/17/2027	6,620,000.00	05/17/2022 3.42%	6,618,535.66 6,618,834.72	97.14 4.72%	6,430,537.59 9,974.13	0.90% (188,297.13)	NR / AAA AAA	4.38 2.22
47800BAC2	John Deere Owner Trust 2022-C A3 5.090% Due 06/15/2027	4,040,000.00	10/12/2022 5.15%	4,039,686.50 4,039,703.88	100.38 4.97%	4,055,222.36 9,139.38	0.57% 15,518.48	Aaa / NR AAA	4.46 2.15
92348KAV5	Verizon Master Trust 2022-5 A1A 3.720% Due 07/20/2027	2,750,000.00	08/02/2022 3.75%	2,749,879.00 2,749,896.08	98.48 5.00%	2,708,293.12 3,125.83	0.38% (41,602.96)	NR / AAA AAA	4.55 1.54
02582JIV3	American Express Credit Trust 2022-3 A 3.750% Due 08/16/2027	2,000,000.00	10/28/2022 5.24%	1,934,062.50 1,936,398.57	97.84 4.68%	1,956,733.00 3,125.00	0.27% 20,334.43	Aaa / NR AAA	4.63 2.43

# Holdings Report

As of December 31, 2022

## 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
58768PAC8	Mercedes-Benz Auto Receivables 2022-1 A3 5.210% Due 08/16/2027	7,195,000.00	11/15/2022 5.28%	7,193,576.83 7,193,621.65	100.93 4.28%	7,261,566.63 16,660.42	1.02% 67,944.98	Aaa / AAA NR	4.63 0.94
<b>TOTAL ABS</b>		<b>98,910,792.26</b>	<b>2.13%</b>	<b>98,832,635.16</b> <b>98,838,932.39</b>	<b>5.12%</b>	<b>96,036,569.65</b> <b>81,515.31 (2,802,362.74)</b>	<b>13.49%</b> <b>AAA</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>3.16</b> <b>1.19</b>
Agency									
3137EAEN5	FHLMC Note 2.750% Due 06/19/2023	3,000,000.00	Various 2.84%	2,986,950.00 2,998,777.41	99.16 4.59%	2,974,685.04 2,750.00	0.42% (24,092.37)	Aaa / AA+ AAA	0.47 0.46
3135G05G4	FNMA Note 0.250% Due 07/10/2023	6,775,000.00	07/08/2020 0.32%	6,760,433.75 6,772,472.52	97.65 4.83%	6,616,123.40 8,045.31	0.93% (156,349.12)	Aaa / AA+ AAA	0.52 0.51
313383YJ4	FHLB Note 3.375% Due 09/08/2023	10,000,000.00	Various 2.89%	10,211,831.00 10,031,164.70	98.99 4.88%	9,899,026.90 105,937.50	1.40% (132,137.80)	Aaa / AA+ NR	0.69 0.66
3130A0F70	FHLB Note 3.375% Due 12/08/2023	10,000,000.00	Various 2.79%	10,269,043.75 10,050,913.03	98.57 4.96%	9,856,750.20 21,562.51	1.39% (194,162.83)	Aaa / AA+ AAA	0.94 0.91
3135G0V34	FNMA Note 2.500% Due 02/05/2024	5,000,000.00	02/27/2019 2.58%	4,980,850.00 4,995,751.53	97.63 4.75%	4,881,505.70 50,694.44	0.69% (114,245.83)	Aaa / AA+ AAA	1.10 1.05
3130A1XJ2	FHLB Note 2.875% Due 06/14/2024	11,110,000.00	Various 1.96%	11,589,031.30 11,249,266.80	97.72 4.51%	10,856,663.11 15,083.37	1.53% (392,603.69)	Aaa / AA+ NR	1.45 1.40
3133EKVV4	FFCB Note 1.850% Due 07/26/2024	5,000,000.00	08/13/2019 1.65%	5,048,280.00 5,015,274.42	95.69 4.73%	4,784,274.80 39,826.39	0.68% (230,999.62)	Aaa / AA+ AAA	1.57 1.51
3130A2UW4	FHLB Note 2.875% Due 09/13/2024	2,500,000.00	09/12/2019 1.73%	2,635,950.00 2,546,209.61	97.12 4.65%	2,428,032.18 21,562.50	0.34% (118,177.43)	Aaa / AA+ AAA	1.70 1.62
3135G0X24	FNMA Note 1.625% Due 01/07/2025	10,000,000.00	Various 1.28%	10,157,936.40 10,066,791.69	94.54 4.48%	9,454,398.30 78,541.66	1.34% (612,393.39)	Aaa / AA+ AAA	2.02 1.93
3137EAEP0	FHLMC Note 1.500% Due 02/12/2025	12,335,000.00	Various 1.20%	12,510,182.05 12,410,045.46	94.29 4.35%	11,631,143.07 71,440.21	1.64% (778,902.39)	Aaa / AA+ AAA	2.12 2.03
3130A4CH3	FHLB Note 2.375% Due 03/14/2025	5,225,000.00	03/19/2020 1.18%	5,526,848.25 5,358,178.10	95.67 4.46%	4,998,957.93 36,883.42	0.71% (359,220.17)	Aaa / AA+ AAA	2.20 2.10
3135G03U5	FNMA Note 0.625% Due 04/22/2025	14,000,000.00	Various 0.63%	13,996,711.60 13,998,500.78	91.94 4.33%	12,872,291.18 16,770.84	1.81% (1,126,209.60)	Aaa / AA+ AAA	2.31 2.24
3135G04Z3	FNMA Note 0.500% Due 06/17/2025	9,905,000.00	06/17/2020 0.54%	9,884,496.65 9,894,905.70	91.07 4.37%	9,020,001.62 1,925.97	1.27% (874,904.08)	Aaa / AA+ AAA	2.46 2.40
3137EAEU9	FHLMC Note 0.375% Due 07/21/2025	5,030,000.00	07/21/2020 0.48%	5,004,950.60 5,017,200.64	90.57 4.31%	4,555,776.08 8,383.33	0.64% (461,424.56)	Aaa / AA+ AAA	2.56 2.49

# Holdings Report

As of December 31, 2022

## 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
3135G05X7	FNMA Note 0.375% Due 08/25/2025	7,945,000.00	08/25/2020 0.47%	7,907,817.40 7,925,287.51	90.27 4.30%	7,171,809.76 10,427.81	1.01% (753,477.75)	Aaa / AA+ AAA	2.65 2.58
3137EAEX3	FHLMC Note 0.375% Due 09/23/2025	7,660,000.00	09/23/2020 0.44%	7,636,943.40 7,647,409.88	90.07 4.27%	6,899,359.93 7,819.58	0.97% (748,049.95)	Aaa / AA+ AAA	2.73 2.66
3135G06G3	FNMA Note 0.500% Due 11/07/2025	8,255,000.00	11/09/2020 0.57%	8,225,447.10 8,238,105.67	90.01 4.26%	7,430,383.45 6,191.25	1.04% (807,722.22)	Aaa / AA+ AAA	2.85 2.77
<b>TOTAL Agency</b>		<b>133,740,000.00</b>	<b>1.33%</b>	<b>134,216,255.45</b>	<b>4.52%</b>	<b>126,331,182.65</b>	<b>17.80%</b> <b>(7,885,072.80)</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>1.83</b> <b>1.77</b>

<b>CMO</b>									
3137BFE98	FHLMC K041 A2 3.171% Due 10/25/2024	5,000,000.00	07/01/2021 0.72%	5,378,515.62 5,204,629.00	96.89 4.99%	4,844,561.50 13,212.50	0.68% (360,067.50)	Aaa / AAA AAA	1.82 1.63
3137BSRE5	FHLMC K059 A2 3.120% Due 09/25/2026	5,000,000.00	02/18/2022 1.98%	5,214,062.50 5,173,714.96	95.29 4.51%	4,764,476.50 13,000.00	0.67% (409,238.46)	NR / AAA AAA	3.74 3.36
03215PFN4	AMRESO Residential Securities 1999-1 A 5.060% Due 06/25/2029	116,624.77	05/20/2011 9.19%	87,577.91 106,218.55	93.77 8.67%	109,355.68 114.75	0.02% 3,137.13	NR / BBB A	6.49 1.64
3133TCE95	FHLMC FSPC E3 A 3.936% Due 08/15/2032	2,890.05	03/11/1998 3.90%	2,893.09 2,890.90	96.71 4.65%	2,795.08 9.64	0.00% (95.82)	Aaa / AA+ AAA	9.63 0.81
31397QRE0	FNMA FNR 2011-3 FA 4.800% Due 02/25/2041	76,625.52	12/20/2010 4.82%	76,601.61 76,611.09	98.71 5.42%	75,633.96 61.30	0.01% (977.13)	Aaa / AA+ AAA	18.17 0.00
31394JY35	FHLMC FSPC T-58 2A 6.500% Due 09/25/2043	409,270.44	06/09/2011 5.40%	463,498.78 444,095.05	100.97 5.97%	413,256.94 443.38	0.06% (30,838.11)	Aaa / AA+ AAA	20.75 2.26
<b>TOTAL CMO</b>		<b>10,605,410.78</b>	<b>1.62%</b>	<b>11,223,149.51</b>	<b>4.85%</b>	<b>10,210,079.66</b>	<b>1.44%</b> <b>(798,079.89)</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>3.65</b> <b>2.45</b>

<b>Corporate</b>									
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 1,997,442.54	99.61 4.63%	1,992,194.02 16,200.00	0.28% (5,248.52)	A3 / A A	0.20 0.20
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 4,999,420.94	99.39 4.92%	4,969,548.50 11,180.56	0.70% (29,872.44)	A2 / A A+	0.44 0.43
02665WCJ8	American Honda Finance Note 3.450% Due 07/14/2023	845,000.00	07/11/2018 3.49%	843,538.15 844,844.52	99.24 4.90%	838,595.00 13,523.52	0.12% (6,249.52)	A3 / A- A	0.53 0.52
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	2,000,000.00	Various 3.64%	1,998,320.00 1,999,736.81	99.29 4.56%	1,985,859.30 16,312.50	0.28% (13,877.51)	A3 / A- A	0.78 0.75

# Holdings Report

As of December 31, 2022

## 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
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 1,250,037.96	99.21 4.68%	1,240,157.80 10,012.15	0.18% (9,880.16)	A2 / A A	0.78 0.75
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.550% Due 03/05/2024	6,675,000.00	Various 3.16%	6,770,625.75 6,679,217.61	99.64 5.47%	6,651,217.85 76,354.59	0.94% (27,999.76)	A2 / A- AA-	1.18 0.18
09247XAL5	Blackrock Inc Note 3.500% Due 03/18/2024	1,000,000.00	05/09/2019 2.69%	1,036,330.00 1,009,067.11	98.40 4.87%	983,979.17 10,013.89	0.14% (25,087.94)	Aa3 / AA- NR	1.21 1.16
808513BN4	Charles Schwab Corp Callable Note Cont 2/18/2024 0.750% Due 03/18/2024	2,785,000.00	03/16/2021 0.77%	2,783,607.50 2,784,438.43	95.07 4.99%	2,647,643.83 5,976.15	0.37% (136,794.60)	A2 / A A	1.21 1.18
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 5,006,386.90	97.45 4.83%	4,872,347.40 19,965.28	0.69% (134,039.50)	A1 / A+ A+	1.36 1.31
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 3,004,399.54	97.39 4.85%	2,921,805.42 11,875.00	0.41% (82,594.12)	Aaa / AA+ NR	1.36 1.31
023135BW5	Amazon.com Inc Note 0.450% Due 05/12/2024	5,490,000.00	05/10/2021 0.50%	5,481,984.60 5,486,365.28	94.22 4.88%	5,172,941.25 3,362.63	0.73% (313,424.03)	A1 / AA AA-	1.36 1.33
89114QCA4	Toronto Dominion Bank Note 2.650% Due 06/12/2024	3,000,000.00	06/12/2019 2.65%	3,000,570.00 3,000,164.91	96.77 4.99%	2,903,211.72 4,195.83	0.41% (96,953.19)	A1 / A AA-	1.45 1.39
02665WCZ2	American Honda Finance Note 2.400% Due 06/27/2024	1,219,000.00	07/10/2019 2.49%	1,213,843.63 1,217,454.80	96.38 4.95%	1,174,887.21 325.07	0.16% (42,567.59)	A3 / A- A	1.49 1.44
79466LAG9	Salesforce.com Inc Callable Note Cont 7/15/2022 0.625% Due 07/15/2024	1,350,000.00	06/29/2021 0.64%	1,349,311.50 1,349,648.55	93.84 4.83%	1,266,852.10 3,890.63	0.18% (82,796.45)	A2 / A+ NR	1.54 1.49
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 6,525,874.56	96.41 4.99%	6,266,958.43 75,968.75	0.89% (258,916.13)	A1 / A AA-	1.54 1.47
46647PAU0	JP Morgan Chase & Co Callable Note 1X 7/23/2023 3.797% Due 07/23/2024	2,500,000.00	09/12/2019 2.35%	2,632,175.00 2,519,083.59	99.00 5.60%	2,475,042.28 41,661.53	0.35% (44,041.31)	A1 / A- AA-	1.56 0.54
02665WEA5	American Honda Finance Note 1.500% Due 01/13/2025	6,000,000.00	Various 1.62%	5,979,632.85 5,985,905.72	93.57 4.86%	5,614,305.48 42,000.00	0.79% (371,600.24)	A3 / A- A	2.04 1.95
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 7,263,634.75	94.76 4.75%	6,889,119.32 66,237.78	0.98% (374,515.43)	A1 / AA- AA-	2.06 1.96
037833AZ3	Apple Inc Note 2.500% Due 02/09/2025	3,922,000.00	07/14/2021 0.81%	4,154,496.16 4,059,286.84	95.68 4.68%	3,752,416.21 38,675.28	0.53% (306,870.63)	Aaa / AA+ NR	2.11 2.00
00440EAS6	Chubb INA Holdings Inc Note 3.150% Due 03/15/2025	2,000,000.00	10/28/2020 0.78%	2,203,740.00 2,102,571.67	96.63 4.78%	1,932,589.46 18,550.00	0.27% (169,982.21)	A3 / A A	2.21 2.08
06367WB85	Bank of Montreal Note 1.850% Due 05/01/2025	7,000,000.00	08/12/2021 0.96%	7,226,940.00 7,142,633.63	93.33 4.91%	6,533,293.69 21,583.33	0.92% (609,339.94)	A2 / A- AA-	2.33 2.23

# Holdings Report

As of December 31, 2022

## 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
14913R2V8	Caterpillar Financial Service Note 3.400% Due 05/13/2025	3,485,000.00	05/10/2022 3.44%	3,480,574.05 3,481,514.97	97.29 4.62%	3,390,481.05 15,798.67	0.48% (91,033.92)	A2 / A A	2.37 2.23
747525AF0	Qualcomm Inc Callable Note Cont 2/20/2025 3.450% Due 05/20/2025	8,000,000.00	Various 1.63%	8,479,891.80 8,335,329.10	97.42 4.60%	7,793,253.36 31,433.33	1.10% (542,075.74)	A2 / A NR	2.39 2.25
61747YEA9	Morgan Stanley Callable Note Cont 5/30/2024 0.790% Due 05/30/2025	8,885,000.00	05/26/2021 0.77%	8,889,710.25 8,887,217.35	93.18 5.28%	8,278,760.99 6,044.28	1.16% (608,456.36)	A1 / A- A+	2.41 2.32
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 5,057,181.82	92.53 4.65%	4,626,334.40 5,625.00	0.65% (430,847.42)	A2 / A A	2.42 2.33
78015K7H1	Royal Bank of Canada Note 1.150% Due 06/10/2025	4,000,000.00	Various 1.10%	4,013,620.00 4,004,702.29	91.61 4.84%	3,664,277.01 2,683.33	0.51% (340,425.28)	A1 / A AA-	2.44 2.35
66815L2J7	Northwestern Mutual Glbl Note 4.000% Due 07/01/2025	7,485,000.00	06/27/2022 4.01%	7,482,455.10 7,482,882.35	98.11 4.81%	7,343,591.06 149,700.00	1.05% (139,291.29)	Aaa / AA+ AAA	2.50 2.30
06406HCQ0	Bank of New York Callable Note Cont 10/18/2025 3.950% Due 11/18/2025	1,500,000.00	04/05/2022 3.20%	1,537,365.00 1,529,573.38	97.93 4.72%	1,468,947.42 7,077.08	0.21% (60,625.96)	A1 / A AA-	2.88 2.67
06051GHY8	Bank of America Corp Callable Note Cont 2/13/2025 2.015% Due 02/13/2026	2,500,000.00	03/04/2021 1.14%	2,583,450.00 2,544,916.76	92.76 5.63%	2,318,965.50 19,310.42	0.33% (225,951.26)	A2 / A- AA-	3.12 2.92
46647PBH8	JP Morgan Chase & Co Callable Note Mthly 3/13/2025 2.005% Due 03/13/2026	3,500,000.00	Various 1.24%	3,602,345.00 3,556,827.04	92.62 5.58%	3,241,772.14 21,052.50	0.46% (315,054.90)	A1 / A- AA-	3.20 3.00
40139LBD4	Guardian Life Glob Fun Note 1.250% Due 05/13/2026	3,250,000.00	02/09/2022 2.21%	3,124,290.00 3,150,533.58	88.15 5.13%	2,864,900.74 5,416.67	0.40% (285,632.84)	Aa1 / AA+ NR	3.37 3.21
91324PEC2	United Health Group Inc Callable Note Cont 4/15/2026 1.150% Due 05/15/2026	4,000,000.00	Various 1.74%	3,904,703.05 3,923,370.63	89.43 4.57%	3,577,327.72 5,877.77	0.50% (346,042.91)	A3 / A+ A	3.37 3.23
89236TJK2	Toyota Motor Credit Corp Note 1.125% Due 06/18/2026	7,285,000.00	06/15/2021 1.13%	7,281,794.60 7,282,781.15	88.46 4.78%	6,444,642.39 2,959.53	0.90% (838,138.76)	A1 / A+ A+	3.47 3.32
06051GJD2	Bank of America Corp Callable Note Cont 6/19/2025 1.319% Due 06/19/2026	2,250,000.00	06/24/2021 1.27%	2,254,432.50 2,252,747.42	90.23 5.45%	2,030,272.92 989.25	0.29% (222,474.50)	A2 / A- AA-	3.47 3.29
58989V2D5	Met Tower Global Funding Note 1.250% Due 09/14/2026	3,745,000.00	09/07/2021 1.27%	3,741,554.60 3,742,448.97	87.00 5.15%	3,258,187.45 13,913.72	0.46% (484,261.52)	Aa3 / AA- AA-	3.71 3.52
06368FAC3	Bank of Montreal Note 1.250% Due 09/15/2026	3,000,000.00	Various 1.29%	2,994,647.40 2,996,033.91	87.49 4.99%	2,624,744.85 11,041.67	0.37% (371,289.06)	A2 / A- AA-	3.71 3.52
931142ERO	Wal-Mart Stores Callable Note Cont 08/17/2026 1.050% Due 09/17/2026	1,725,000.00	09/08/2021 1.09%	1,721,739.75 1,722,580.70	88.67 4.39%	1,529,480.84 5,232.50	0.22% (193,099.86)	Aa2 / AA AA	3.72 3.55

# Holdings Report

As of December 31, 2022

## 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
61747YEX9	Morgan Stanley Callable Note Cont 10/16/2025 6.138% Due 10/16/2026	1,500,000.00	10/19/2022 6.19%	1,498,185.00 1,498,274.75	102.22 5.26%	1,533,336.95 18,669.75	0.22% 35,062.20	A1 / A- A+	3.79 2.52
59217GER6	Metlife Note 1.875% Due 01/11/2027	5,920,000.00	01/03/2022 1.90%	5,913,251.20 5,914,563.26	88.58 5.04%	5,244,015.21 52,416.67	0.74% (670,548.05)	Aa3 / AA- AA-	4.03 3.76
89114TZN5	Toronto-Dominion Bank Note 1.950% Due 01/12/2027	2,000,000.00	01/25/2022 2.11%	1,984,582.40 1,987,468.41	89.23 4.93%	1,784,554.76 18,308.33	0.25% (202,913.65)	A1 / A AA-	4.04 3.75
808513BY0	Charles Schwab Corp Callable Note Cont 2/3/2027 2.450% Due 03/03/2027	2,325,000.00	03/01/2022 2.47%	2,322,489.00 2,322,907.04	91.31 4.77%	2,123,058.41 18,671.04	0.30% (199,848.63)	A2 / A A	4.17 3.86
89114TZZ2	Toronto-Dominion Bank Note 2.800% Due 03/10/2027	5,000,000.00	03/09/2022 2.97%	4,960,350.00 4,966,780.90	91.84 4.98%	4,592,105.65 43,166.67	0.65% (374,675.25)	A1 / A NR	4.19 3.84
084664CZ2	Berkshire Hathaway Callable Note Cont 2/15/2027 2.300% Due 03/15/2027	6,875,000.00	03/07/2022 2.30%	6,873,693.75 6,873,902.64	92.41 4.29%	6,353,036.11 46,559.03	0.90% (520,866.53)	Aa2 / AA A+	4.21 3.91
89236TJZ9	Toyota Motor Credit Corp Note 3.050% Due 03/22/2027	2,000,000.00	06/03/2022 3.67%	1,945,900.00 1,952,333.85	93.40 4.79%	1,867,937.78 16,775.00	0.26% (84,396.07)	A1 / A+ A+	4.22 3.86
023135CF1	Amazon.com Inc Callable Note Cont 3/13/2027 3.300% Due 04/13/2027	2,000,000.00	04/25/2022 3.34%	1,996,540.00 1,997,015.46	95.04 4.59%	1,900,883.84 14,300.00	0.27% (96,131.62)	A1 / AA AA-	4.28 3.90
46647PCB0	JP Morgan Chase & Co Callable Note Cont 4/22/2026 1.578% Due 04/22/2027	5,000,000.00	08/23/2022 4.73%	4,498,450.00 4,536,486.42	88.01 5.41%	4,400,642.15 15,122.50	0.62% (135,844.27)	A1 / A- AA-	4.31 4.04
927804GH1	Virginia Electric Power Corp Callable Note Cont. 4/15/2027 3.750% Due 05/15/2027	5,735,000.00	Various 3.74%	5,736,523.40 5,736,410.26	95.48 4.91%	5,475,648.10 27,480.21	0.77% (260,762.16)	A2 / BBB+ A	4.37 3.95
14913R3A3	Caterpillar Financial Service Note 3.600% Due 08/12/2027	3,250,000.00	Various 3.85%	3,213,062.50 3,215,400.87	95.57 4.68%	3,105,935.56 45,175.00	0.44% (109,465.31)	A2 / A A	4.62 4.13
931142EX7	Wal-Mart Stores Callable Note Cont 09/09/2027 3.950% Due 09/09/2027	4,995,000.00	Various 3.97%	4,989,807.70 4,990,131.87	98.61 4.28%	4,925,680.44 61,383.00	0.70% (64,451.43)	Aa2 / AA AA	4.69 4.18
24422EWK1	John Deere Capital Corp Note 4.150% Due 09/15/2027	2,000,000.00	09/20/2022 4.46%	1,972,620.00 1,974,140.27	98.04 4.62%	1,960,848.96 26,052.78	0.28% (13,291.31)	A2 / A A	4.71 4.17
							<b>25.82%</b>		
<b>TOTAL Corporate</b>		<b>194,016,000.00</b>	<b>2.25%</b>	<b>194,144,074.08</b>	<b>4.89%</b>	<b>182,808,589.20</b>	<b>(11,335,484.88)</b>	<b>A1 / A+ A+</b>	<b>2.68 2.46</b>

# Holdings Report

As of December 31, 2022

## 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
<b>Money Market Fund</b>									
31846V567	First American Govt Obligation MMKT Class-Z	2,054,089.85	Various 4.06%	2,054,089.85 2,054,089.85	1.00 4.06%	2,054,089.85 0.00	0.29% 0.00	Aaa / AAA AAA	0.00 0.00
<b>TOTAL Money Market Fund</b>		<b>2,054,089.85</b>	<b>4.06%</b>	<b>2,054,089.85</b>	<b>4.06%</b>	<b>2,054,089.85</b> <b>0.00</b>	<b>0.29%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>Mortgage Pass Thru</b>									
36225CAZ9	GNMA Pool# G2 80023 1.790% Due 12/20/2026	6,113.70	08/08/1997 1.68%	6,214.95 6,127.40	98.79 4.18%	6,039.85 9.12	0.00% (87.55)	Aaa / AA+ AAA	3.97 1.47
36225CC20	GNMA Pool# G2 80088 3.510% Due 06/20/2027	4,808.58	08/11/1997 3.37%	4,913.77 4,824.33	98.18 5.28%	4,721.11 14.07	0.00% (103.22)	Aaa / AA+ AAA	4.47 1.72
31348SWZ3	FHLMC FH 786064 6.117% Due 01/01/2028	1,065.18	02/18/2000 6.37%	1,039.24 1,060.52	97.44 6.68%	1,037.86 5.43	0.00% (22.66)	Aaa / AA+ AAA	5.01 1.53
31371NUC7	FNMA FN 257179 4.500% Due 04/01/2028	5,113.40	12/05/2011 3.72%	5,407.93 5,208.21	98.36 5.24%	5,029.33 19.18	0.00% (178.88)	Aaa / AA+ AAA	5.25 1.93
31417YAY3	FNMA Pool# FN MA0022 4.500% Due 04/01/2029	6,221.14	12/05/2011 3.76%	6,579.46 6,350.52	99.33 4.71%	6,179.50 23.33	0.00% (171.02)	Aaa / AA+ AAA	6.25 2.21
3138EG6F6	FNMA FN AL0869 4.500% Due 06/01/2029	3,715.92	12/05/2011 3.77%	3,929.96 3,794.51	99.33 4.70%	3,691.04 3.25	0.00% (103.47)	Aaa / AA+ AAA	6.42 2.29
36225CNM4	GNMA Pool# G2 80395 3.510% Due 04/20/2030	2,870.59	03/15/2000 3.59%	2,844.56 2,864.24	97.71 5.53%	2,804.89 8.40	0.00% (59.35)	Aaa / AA+ AAA	7.31 2.84
36225CN28	GNMA Pool# G2 80408 3.510% Due 05/20/2030	25,268.25	03/15/2000 3.60%	25,011.60 25,205.08	97.72 5.54%	24,692.17 73.91	0.00% (512.91)	Aaa / AA+ AAA	7.39 3.00
31403GXF4	FNMA Pool# FN 748678 5.000% Due 10/01/2033	737.53	06/10/2013 4.16%	792.84 766.94	100.26 4.89%	739.46 3.07	0.00% (27.48)	Aaa / AA+ AAA	10.76 3.73
36225DCB8	GNMA Pool# G2 80965 5.480% Due 07/20/2034	18,790.21	07/19/2004 5.52%	18,778.47 18,785.68	97.03 5.50%	18,232.67 85.81	0.00% (553.01)	Aaa / AA+ AAA	11.56 2.50
31406XWT5	FNMA Pool# FN 823358 2.027% Due 02/01/2035	18,268.24	01/11/2006 2.08%	18,125.53 18,208.81	99.60 4.71%	18,196.07 30.86	0.00% (12.74)	Aaa / AA+ AAA	12.10 0.63
31406PQY8	FNMA Pool# FN 815971 5.000% Due 03/01/2035	64,967.38	06/10/2013 4.21%	69,839.94 67,707.46	102.21 4.42%	66,401.72 270.70	0.01% (1,305.74)	Aaa / AA+ AAA	12.17 3.99
31407BXH7	FNMA Pool# FN 826080 5.000% Due 07/01/2035	8,113.57	06/10/2013 4.22%	8,722.07 8,459.81	102.21 4.42%	8,292.71 33.81	0.00% (167.10)	Aaa / AA+ AAA	12.51 3.99
31376KT22	FNMA FN 357969 5.000% Due 09/01/2035	42,724.70	06/10/2013 4.22%	45,929.05 44,558.59	102.21 4.43%	43,668.25 41.54	0.01% (890.34)	Aaa / AA+ AAA	12.68 4.08



# Holdings Report

As of December 31, 2022

## 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
31403DJZ3	FNMA Pool #745580 5.000% Due 06/01/2036	42,613.48	06/10/2013 4.26%	45,809.49 44,487.41	102.21 4.43%	43,554.81 177.56	0.01% (932.60)	Aaa / AA+ AAA	13.43 4.09
31410F4V4	FNMA Pool# FN 888336 5.000% Due 07/01/2036	71,194.52	06/10/2013 4.25%	76,534.13 74,333.22	102.21 4.43%	72,766.74 296.64	0.01% (1,566.48)	Aaa / AA+ AAA	13.51 4.06
<b>TOTAL Mortgage Pass Thru</b>		<b>322,586.39</b>	<b>4.06%</b>	<b>340,472.99</b> <b>332,742.73</b>	<b>4.63%</b>	<b>326,048.18</b> <b>1,096.68</b>	<b>0.05%</b> <b>(6,694.55)</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>11.70</b> <b>3.50</b>
<b>Supranational</b>									
4581X0DZ8	Inter-American Dev Bank Note 0.500% Due 09/23/2024	10,775,000.00	09/15/2021 0.52%	10,767,026.50 10,770,409.42	93.20 4.64%	10,042,367.24 14,665.97	1.41% (728,042.18)	Aaa / AAA NR	1.73 1.68
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 6,233,855.65	91.81 4.40%	5,733,250.10 7,480.99	0.81% (500,605.55)	Aaa / AAA NR	2.31 2.24
4581X0DN5	Inter-American Dev Bank Note 0.625% Due 07/15/2025	5,050,000.00	01/13/2021 0.53%	5,071,967.50 5,062,388.49	91.11 4.36%	4,601,047.73 14,553.82	0.65% (461,340.76)	Aaa / AAA NR	2.54 2.46
459058JL8	Intl. Bank Recon & Development Note 0.500% Due 10/28/2025	15,000,000.00	Various 0.55%	14,964,951.60 14,979,172.10	89.92 4.33%	13,488,371.85 13,125.00	1.89% (1,490,800.25)	Aaa / AAA AAA	2.83 2.75
4581X0DV7	Inter-American Dev Bank Note 0.875% Due 04/20/2026	13,370,000.00	04/13/2021 0.97%	13,308,765.40 13,329,590.53	89.58 4.29%	11,976,311.20 23,072.53	1.68% (1,353,279.33)	Aaa / AAA AAA	3.30 3.19
<b>TOTAL Supranational</b>		<b>50,440,000.00</b>	<b>0.67%</b>	<b>50,333,542.85</b> <b>50,375,416.19</b>	<b>4.40%</b>	<b>45,841,348.12</b> <b>72,898.31</b>	<b>6.44%</b> <b>(4,534,068.07)</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>2.62</b> <b>2.54</b>
<b>US Treasury</b>									
912828V80	US Treasury Note 2.250% Due 01/31/2024	7,500,000.00	Various 2.27%	7,491,503.91 7,498,076.92	97.38 4.75%	7,303,710.00 70,618.20	1.03% (194,366.92)	Aaa / AA+ AAA	1.08 1.04
912828W48	US Treasury Note 2.125% Due 02/29/2024	10,000,000.00	04/24/2019 2.32%	9,911,718.75 9,978,864.34	97.11 4.70%	9,711,330.00 72,203.04	1.37% (267,534.34)	Aaa / AA+ AAA	1.16 1.12
912828WJ5	US Treasury Note 2.500% Due 05/15/2024	7,000,000.00	06/10/2019 1.91%	7,193,046.88 7,053,624.13	97.10 4.71%	6,796,839.00 22,720.99	0.96% (256,785.13)	Aaa / AA+ AAA	1.37 1.32
912828XX3	US Treasury Note 2.000% Due 06/30/2024	5,000,000.00	07/12/2019 1.88%	5,028,710.94 5,008,651.31	96.21 4.64%	4,810,545.00 276.24	0.68% (198,106.31)	Aaa / AA+ AAA	1.50 1.45
912828WU0	US Treasury Inflation Index Note 0.125% Due 07/15/2024	13,051,064.00	Various 0.21%	12,939,775.43 13,033,897.96	96.82 2.23%	12,636,588.33 7,536.27	1.77% (397,309.63)	Aaa / AA+ AAA	1.54 1.52
91282CCX7	US Treasury Note 0.375% Due 09/15/2024	10,500,000.00	Various 0.81%	10,377,363.28 10,423,664.02	93.25 4.53%	9,791,659.50 11,747.23	1.38% (632,004.52)	Aaa / AA+ AAA	1.71 1.66

# Holdings Report

As of December 31, 2022

## 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
912828YH7	US Treasury Note 1.500% Due 09/30/2024	14,000,000.00	Various	13,859,296.88	95.01	13,301,092.00	1.87%	Aaa / AA+	1.75
			1.72%	13,948,625.65	4.50%	53,653.85	(647,533.65)	AAA	1.69
912828J7	US Treasury Note 2.125% Due 11/30/2024	16,500,000.00	Various	16,783,886.72	95.78	15,803,254.50	2.22%	Aaa / AA+	1.92
			1.76%	16,609,755.51	4.45%	30,824.18	(806,501.01)	AAA	1.84
91282CDZ1	US Treasury Note 1.500% Due 02/15/2025	5,000,000.00	05/06/2022	4,812,890.63	94.19	4,709,570.00	0.66%	Aaa / AA+	2.13
			2.92%	4,856,666.46	4.39%	28,328.80	(147,096.46)	AAA	2.04
912828ZL7	US Treasury Note 0.375% Due 04/30/2025	12,000,000.00	Various	11,998,515.63	91.34	10,960,308.00	1.54%	Aaa / AA+	2.33
			0.38%	11,999,281.98	4.32%	7,707.19	(1,038,973.98)	AAA	2.27
91282CFE6	US Treasury Note 3.125% Due 08/15/2025	5,000,000.00	09/27/2022	4,826,171.88	97.16	4,858,205.00	0.69%	Aaa / AA+	2.62
			4.42%	4,841,869.29	4.28%	59,018.34	16,335.71	AAA	2.46
91282CAM3	US Treasury Note 0.250% Due 09/30/2025	6,500,000.00	10/16/2020	6,477,656.25	89.88	5,842,128.50	0.82%	Aaa / AA+	2.75
			0.32%	6,487,597.80	4.19%	4,151.79	(645,469.30)	AAA	2.68
91282CFP1	US Treasury Note 4.250% Due 10/15/2025	7,500,000.00	Various	7,511,523.44	100.01	7,500,585.00	1.06%	Aaa / AA+	2.79
			4.19%	7,511,874.72	4.24%	68,303.57	(11,289.72)	AAA	2.58
91282CBC4	US Treasury Note 0.375% Due 12/31/2025	10,000,000.00	Various	9,943,320.32	89.46	8,946,090.00	1.26%	Aaa / AA+	3.00
			0.50%	9,964,367.39	4.15%	103.59	(1,018,277.39)	AAA	2.92
91282CBH3	US Treasury Note 0.375% Due 01/31/2026	18,000,000.00	Various	17,781,875.00	89.06	16,030,548.00	2.25%	Aaa / AA+	3.09
			0.63%	17,862,852.52	4.19%	28,247.28	(1,832,304.52)	AAA	3.00
91282CBT7	US Treasury Note 0.750% Due 03/31/2026	10,000,000.00	Various	9,943,359.37	89.73	8,973,440.00	1.26%	Aaa / AA+	3.25
			0.87%	9,963,160.20	4.16%	19,162.09	(989,720.20)	AAA	3.14
91282CCF6	US Treasury Note 0.750% Due 05/31/2026	7,500,000.00	06/18/2021	7,443,750.00	89.29	6,696,975.00	0.94%	Aaa / AA+	3.42
			0.91%	7,461,170.36	4.14%	4,945.05	(764,195.36)	AAA	3.30
91282CCW9	US Treasury Note 0.750% Due 08/31/2026	8,000,000.00	Various	7,874,375.01	88.66	7,093,128.00	1.00%	Aaa / AA+	3.67
			1.08%	7,905,346.15	4.12%	20,386.74	(812,218.15)	AAA	3.53
91282CDG3	US Treasury Note 1.125% Due 10/31/2026	19,250,000.00	Various	19,119,013.68	89.56	17,240,781.25	2.42%	Aaa / AA+	3.84
			1.27%	19,147,394.83	4.10%	37,090.82	(1,906,613.58)	AAA	3.67
912828Z78	US Treasury Note 1.500% Due 01/31/2027	18,500,000.00	Various	17,870,410.15	90.41	16,725,887.00	2.36%	Aaa / AA+	4.09
			2.25%	17,964,599.27	4.07%	116,127.72	(1,238,712.27)	AAA	3.86
91282CEN7	US Treasury Note 2.750% Due 04/30/2027	17,000,000.00	Various	16,417,148.44	94.91	16,134,054.00	2.28%	Aaa / AA+	4.33
			3.54%	16,465,810.05	4.04%	80,069.05	(331,756.05)	AAA	4.01
91282CEW7	US Treasury Note 3.250% Due 06/30/2027	20,500,000.00	Various	20,645,273.45	96.84	19,852,159.00	2.79%	Aaa / AA+	4.50
			3.09%	20,633,441.89	4.02%	1,840.47	(781,282.89)	AAA	4.13

# Holdings Report

As of December 31, 2022

## 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
91282CFM8	US Treasury Note 4.125% Due 09/30/2027	14,500,000.00	Various 3.93%	14,620,742.19 14,620,450.37	100.54 4.00%	14,577,604.00 152,817.65	2.07% (42,846.37)	Aaa / AA+ AAA	4.75 4.23
							34.68%		
<b>TOTAL US Treasury</b>		<b>262,801,064.00</b>	<b>1.86%</b>	<b>261,241,043.12</b>	<b>4.16%</b>	<b>246,296,481.08</b> <b>897,880.15</b>	<b>(14,944,562.04</b> <b>)</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.96</b> <b>2.80</b>
							100.00%		
<b>TOTAL PORTFOLIO</b>		<b>752,889,943.28</b>	<b>1.82%</b>	<b>753,841,240.48</b> <b>752,210,713.36</b>	<b>4.57%</b>	<b>709,904,388.39</b> <b>2,800,178.28</b>	<b>(42,306,324.97</b> <b>)</b>	<b>Aa1 / AA</b> <b>AAA</b>	<b>2.70</b> <b>2.28</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>712,704,566.67</b>			

# Holdings Report

As of December 31, 2022

## 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
<b>Agency</b>									
313384CW7	FHLB Discount Note 4.402% Due 03/10/2023	10,000,000.00	12/09/2022 4.51%	9,888,727.22 9,916,851.11	99.17 4.51%	9,916,851.11 0.00	4.40% 0.00	P-1 / A-1+ F-1+	0.19 0.18
313384ET2	FHLB Discount Note 4.515% Due 04/24/2023	5,000,000.00	12/07/2022 4.66%	4,913,462.50 4,929,139.58	98.58 4.66%	4,929,139.58 0.00	2.19% 0.00	P-1 / A-1+ F-1+	0.31 0.31
313384GM5	FHLB Discount Note 4.595% Due 06/05/2023	10,000,000.00	12/29/2022 4.75%	9,798,330.56 9,802,159.73	98.02 4.75%	9,802,159.73 0.00	4.35% 0.00	P-1 / A-1+ F-1+	0.43 0.42
313384HF9	FHLB Discount Note 4.580% Due 06/23/2023	10,000,000.00	12/23/2022 4.75%	9,768,455.56 9,779,905.56	97.80 4.75%	9,779,905.56 0.00	4.34% 0.00	P-1 / A-1+ F-1+	0.48 0.47
3137EAES4	FHLMC Note 0.250% Due 06/26/2023	1,250,000.00	09/28/2022 4.22%	1,214,137.50 1,226,622.96	97.94 4.59%	1,224,193.78 43.40	0.54% (2,429.18)	Aaa / AA+ AAA	0.48 0.48
313384HL6	FHLB Discount Note 4.691% Due 06/28/2023	20,000,000.00	12/28/2022 4.87%	19,525,687.78 19,536,112.22	97.68 4.87%	19,536,112.22 0.00	8.67% 0.00	P-1 / A-1+ F-1+	0.49 0.48
<b>TOTAL Agency</b>		<b>56,250,000.00</b>	<b>4.73%</b>	<b>55,108,801.12</b> <b>55,190,791.16</b>	<b>4.74%</b>	<b>55,188,361.98</b> <b>43.40</b>	<b>24.49%</b> <b>(2,429.18)</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>0.41</b> <b>0.40</b>
<b>Commercial Paper</b>									
62479MNW9	MUFG Bank Ltd/NY Discount CP 4.400% Due 01/30/2023	3,000,000.00	11/30/2022 4.49%	2,977,633.33 2,989,366.67	99.65 4.49%	2,989,366.67 0.00	1.33% 0.00	P-1 / A-1 NR	0.08 0.08
86960KPG1	Svenska Handelsbanken AB Discount CP 4.470% Due 02/16/2023	1,000,000.00	10/26/2022 4.60%	985,969.17 994,288.33	99.43 4.60%	994,288.33 0.00	0.44% 0.00	P-1 / A-1+ F-1+	0.13 0.13
02314QR50	Amazon.com Inc Discount CP 4.700% Due 04/05/2023	1,500,000.00	11/14/2022 4.85%	1,472,387.50 1,481,591.67	98.77 4.85%	1,481,591.67 0.00	0.66% 0.00	P-1 / A-1+ F-1+	0.26 0.25
<b>TOTAL Commercial Paper</b>		<b>5,500,000.00</b>	<b>4.61%</b>	<b>5,435,990.00</b> <b>5,465,246.67</b>	<b>4.61%</b>	<b>5,465,246.67</b> <b>0.00</b>	<b>2.42%</b> <b>0.00</b>	<b>P-1 / A-1</b> <b>F-1+</b>	<b>0.14</b> <b>0.14</b>
<b>Corporate</b>									
06051GEU9	Bank of America Corp Note 3.300% Due 01/11/2023	2,000,000.00	04/25/2022 1.98%	2,018,300.00 2,000,706.56	99.97 4.46%	1,999,315.94 31,166.67	0.90% (1,390.62)	A2 / A- AA-	0.03 0.03
59217GEE5	Metlife Note 1.950% Due 01/13/2023	2,255,000.00	03/09/2022 1.73%	2,259,126.65 2,255,160.78	99.92 4.18%	2,253,301.24 20,520.50	1.01% (1,859.54)	Aa3 / AA- AA-	0.04 0.03
61744YAN8	Morgan Stanley Note 3.125% Due 01/23/2023	1,998,000.00	Various 3.22%	1,997,154.18 1,997,877.63	99.91 4.57%	1,996,166.34 27,403.13	0.90% (1,711.29)	A1 / A- A+	0.06 0.06
46625HJH4	JP Morgan Chase Note 3.200% Due 01/25/2023	2,000,000.00	02/03/2022 0.98%	2,042,640.00 2,002,907.27	99.92 4.30%	1,998,458.92 27,733.33	0.90% (4,448.35)	A1 / A- AA-	0.07 0.07

# Holdings Report

As of December 31, 2022

## 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
06406RAM9	Bank of NY Mellon Corp Callable Note Cont 1/2/2023 1.850% Due 01/27/2023	1,585,000.00	03/09/2022 1.49%	1,589,501.40 1,585,015.16	99.79 4.80%	1,581,594.77 12,543.51	0.71% (3,420.39)	A1 / A AA-	0.07 0.07
713448CG1	Pepsico Inc. Note 2.750% Due 03/01/2023	1,650,000.00	11/04/2022 4.62%	1,640,331.00 1,644,951.58	99.76 4.19%	1,645,970.44 15,125.00	0.74% 1,018.86	A1 / A+ NR	0.16 0.17
927804FN9	Virginia Electric Power Corp Callable Note Cont 12/15/2022 2.750% Due 03/15/2023	2,000,000.00	06/01/2022 2.75%	2,003,940.00 2,000,000.00	99.59 4.72%	1,991,825.98 16,194.44	0.89% (8,174.02)	A2 / BBB+ A	0.20 0.20
911312BK1	UPS Callable Note Cont 3/1/2023 2.500% Due 04/01/2023	1,200,000.00	10/13/2022 4.55%	1,188,972.00 1,194,020.96	99.40 4.92%	1,192,740.00 7,500.00	0.53% (1,280.96)	A2 / A NR	0.25 0.25
86787EAN7	Truist Bank Callable Note Cont 4/1/2023 2.750% Due 05/01/2023	1,920,000.00	10/27/2022 4.89%	1,899,916.80 1,906,758.33	99.30 4.87%	1,906,514.94 8,800.00	0.85% (243.39)	A2 / A A+	0.33 0.33
<b>TOTAL Corporate</b>		<b>16,608,000.00</b>	<b>2.80%</b>	<b>16,639,882.03</b> <b>16,587,398.27</b>	<b>4.53%</b>	<b>16,565,888.57</b> <b>166,986.58</b>	<b>7.42%</b> <b>(21,509.70)</b>	<b>A1 / A</b> <b>A+</b>	<b>0.13</b> <b>0.13</b>
<b>Money Market Fund</b>									
31846V567	First American Govt Obligation MMKT Class-Z	35,198,809.55	Various 4.06%	35,198,809.55 35,198,809.55	1.00 4.06%	35,198,809.55 0.00	15.62% 0.00	Aaa / AAA AAA	0.00 0.00
<b>TOTAL Money Market Fund</b>		<b>35,198,809.55</b>	<b>4.06%</b>	<b>35,198,809.55</b>	<b>4.06%</b>	<b>35,198,809.55</b> <b>0.00</b>	<b>15.62%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>Negotiable CD</b>									
78012U3M5	Royal Bank of Canada Yankee CD 1.350% Due 02/14/2023	3,000,000.00	02/11/2022 1.35%	3,000,000.00 3,000,000.00	99.60 4.50%	2,988,069.00 36,112.50	1.34% (11,931.00)	P-1 / A-1+ F-1+	0.12 0.12
06367D2S3	Bank of Montreal Chicago Yankee CD 4.580% Due 03/07/2023	2,500,000.00	12/08/2022 4.58%	2,499,999.50 2,499,999.63	100.01 4.49%	2,500,350.00 7,951.39	1.11% 350.37	P-1 / A-1 F-1+	0.18 0.18
89114WW68	Toronto Dominion Yankee CD 2.680% Due 04/28/2023	3,000,000.00	04/29/2022 2.68%	3,000,000.00 3,000,000.00	99.30 4.76%	2,979,003.00 55,163.33	1.35% (20,997.00)	P-1 / A-1+ F-1+	0.32 0.32
<b>TOTAL Negotiable CD</b>		<b>8,500,000.00</b>	<b>2.77%</b>	<b>8,499,999.50</b> <b>8,499,999.63</b>	<b>4.59%</b>	<b>8,467,422.00</b> <b>99,227.22</b>	<b>3.80%</b> <b>(32,577.63)</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>0.21</b> <b>0.21</b>
<b>US Treasury</b>									
91282CBG5	US Treasury Note 0.125% Due 01/31/2023	70,000,000.00	Various 2.09%	69,184,960.95 69,888,400.14	99.70 3.71%	69,789,020.00 36,616.85	30.98% (99,380.14)	Aaa / AA+ AAA	0.08 0.08
91282ZH6	US Treasury Note 0.250% Due 04/15/2023	5,000,000.00	12/28/2022 4.48%	4,938,085.94 4,940,379.05	98.84 4.33%	4,941,795.00 2,678.57	2.19% 1,415.95	Aaa / AA+ AAA	0.29 0.28

# Holdings Report

As of December 31, 2022

## 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
912828VB3	US Treasury Note 1.750% Due 05/15/2023	5,000,000.00	12/28/2022 4.57%	4,947,070.31 4,948,604.50	98.95 4.60%	4,947,655.00 11,360.50	2.20% (949.50)	Aaa / AA+ AAA	0.37 0.37
912796ZP7	US Treasury Bill 4.561% Due 06/08/2023	10,000,000.00	12/12/2022 4.73%	9,774,508.61 9,799,844.72	98.00 4.73%	9,799,844.72 0.00	4.35% 0.00	P-1 / A-1+ F-1+	0.44 0.43
912828S35	US Treasury Note 1.375% Due 06/30/2023	10,000,000.00	12/06/2022 4.61%	9,820,703.13 9,843,332.83	98.43 4.60%	9,842,580.00 379.83	4.37% (752.83)	Aaa / AA+ AAA	0.50 0.49
91282CCN9	US Treasury Note 0.125% Due 07/31/2023	5,000,000.00	12/28/2022 4.66%	4,868,945.31 4,871,383.54	97.37 4.75%	4,868,360.00 2,615.49	2.16% (3,023.54)	Aaa / AA+ AAA	0.58 0.57
<b>TOTAL US Treasury</b>		<b>105,000,000.00</b>	<b>2.93%</b>	<b>103,534,274.25</b>	<b>4.01%</b>	<b>104,189,254.72</b>	<b>46.25%</b> <b>(102,690.06)</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>0.20</b> <b>0.20</b>
<b>TOTAL PORTFOLIO</b>		<b>227,056,809.55</b>	<b>3.57%</b>	<b>224,417,756.45</b> <b>225,234,190.06</b>	<b>4.27%</b>	<b>225,074,983.49</b> <b>319,908.44</b>	<b>100.00%</b> <b>(159,206.57)</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>0.21</b> <b>0.21</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>225,394,891.93</b>			

# Holdings Report

As of December 31, 2022

## OC SAN 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
<b>Common Stock</b>									
SLHOPNTA4	Lehman Brothers, Inc Open Position Long Exposure 0.000% Due 12/31/2022	60,641.49	11/21/2014 0.00%	57,842.64 57,842.64	0.42 0.00%	25,651.35 0.00	73.81% (32,191.29)	NR / NR NR	0.00 0.00
<b>TOTAL Common Stock</b>		<b>60,641.49</b>	<b>0.00%</b>	<b>57,842.64</b>	<b>0.00%</b>	<b>25,651.35</b> <b>0.00</b>	<b>73.81%</b> <b>(32,191.29)</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>Corporate</b>									
525ESCIB7	Lehman Brothers Note-Defaulted 0.000% Due 01/24/2023	600,000.00	09/19/2008 0.00%	316,106.64 316,106.64	0.35 0.00%	2,100.00 0.00	6.04% (314,006.64)	NR / NR NR	0.07 0.00
525ESCOY6	Lehman Brothers Note-Defaulted 0.000% Due 10/22/2049	2,000,000.00	09/18/2008 0.00%	1,018,311.90 1,018,311.90	0.35 0.00%	7,000.00 0.00	20.14% (1,011,311.90)	NR / NR NR	26.83 0.00
<b>TOTAL Corporate</b>		<b>2,600,000.00</b>	<b>0.00%</b>	<b>1,334,418.54</b> <b>1,334,418.54</b>	<b>0.00%</b>	<b>9,100.00</b> <b>0.00</b>	<b>26.19%</b> <b>(1,325,318.54)</b>	<b>NR / NR</b> <b>NR</b>	<b>20.65</b> <b>0.00</b>
<b>TOTAL PORTFOLIO</b>		<b>2,660,641.49</b>	<b>0.00%</b>	<b>1,392,261.18</b> <b>1,392,261.18</b>	<b>0.00%</b>	<b>34,751.35</b> <b>0.00</b>	<b>100.00%</b> <b>(1,357,509.83)</b>	<b>NR / NR</b> <b>NR</b>	<b>5.41</b> <b>0.00</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>34,751.35</b>			



## Section 5 | Transactions



# Transaction Ledger

As of December 31, 2022

## Orange County Sanitation District Long Term - Account #10268

September 30, 2022 through December 31, 2022

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	10/19/2022	47800BAC2	4,040,000.00	John Deere Owner Trust 2022-C A3 5.09% Due: 06/15/2027	99.992	5.15%	4,039,686.50	0.00	4,039,686.50	0.00
Purchase	10/21/2022	61747YEX9	1,500,000.00	Morgan Stanley Callable Note Cont 10/16/2025 6.138% Due: 10/16/2026	99.879	6.07%	1,498,185.00	767.25	1,498,952.25	0.00
Purchase	10/31/2022	02582JIV3	2,000,000.00	American Express Credit Trust 2022-3 A 3.75% Due: 08/16/2027	96.703	5.24%	1,934,062.50	3,333.33	1,937,395.83	0.00
Purchase	10/31/2022	91282CFM8	2,500,000.00	US Treasury Note 4.125% Due: 09/30/2027	99.664	4.20%	2,491,601.56	8,782.62	2,500,384.18	0.00
Purchase	10/31/2022	91282CFP1	2,500,000.00	US Treasury Note 4.25% Due: 10/15/2025	99.594	4.40%	2,489,843.75	4,670.33	2,494,514.08	0.00
Purchase	11/22/2022	58768PAC8	7,195,000.00	Mercedes-Benz Auto Receivables 2022-1 A3 5.21% Due: 08/16/2027	99.980	5.28%	7,193,576.83	0.00	7,193,576.83	0.00
Purchase	12/21/2022	91282CFM8	5,000,000.00	US Treasury Note 4.125% Due: 09/30/2027	101.227	3.84%	5,061,328.13	46,462.91	5,107,791.04	0.00
Purchase	12/21/2022	91282CFP1	5,000,000.00	US Treasury Note 4.25% Due: 10/15/2025	100.434	4.08%	5,021,679.69	39,114.01	5,060,793.70	0.00
Purchase	12/27/2022	91282CFM8	7,000,000.00	US Treasury Note 4.125% Due: 09/30/2027	100.969	3.90%	7,067,812.50	69,807.69	7,137,620.19	0.00
<b>Subtotal</b>			<b>36,735,000.00</b>				<b>36,797,776.46</b>	<b>172,938.14</b>	<b>36,970,714.60</b>	<b>0.00</b>
Security Contribution	11/30/2022	912828WU0	26,832.00	US Treasury Inflation Index Note 0.125% Due: 07/15/2024	100.000		26,832.00	12.58	26,844.58	0.00

# Transaction Ledger

As of December 31, 2022

## Orange County Sanitation District Long Term - Account #10268

September 30, 2022 through December 31, 2022

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Security Contribution	12/30/2022	912828WU0	52,000.00	US Treasury Inflation Index Note 0.125% Due: 07/15/2024	100.000		52,000.00	29.85	52,029.85	0.00
<b>Subtotal</b>			<b>78,832.00</b>				<b>78,832.00</b>	<b>42.43</b>	<b>78,874.43</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>36,813,832.00</b>				<b>36,876,608.46</b>	<b>172,980.57</b>	<b>37,049,589.03</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	10/13/2022	912828U57	2,500,000.00	US Treasury Note 2.125% Due: 11/30/2023	97.555	2.52%	2,438,867.19	19,595.29	2,458,462.48	-50,348.64
Sale	10/21/2022	808513AT2	4,000,000.00	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due: 01/25/2023	99.559	2.74%	3,982,360.00	25,322.22	4,007,682.22	-16,770.78
Sale	11/17/2022	91282CBA8	1,500,000.00	US Treasury Note 0.125% Due: 12/15/2023	95.328	0.17%	1,429,921.88	794.06	1,430,715.94	-69,353.18
Sale	11/17/2022	91282CDR9	2,750,000.00	US Treasury Note 0.75% Due: 12/31/2023	95.828	0.75%	2,635,273.44	7,846.47	2,643,119.91	-114,786.74
Sale	12/15/2022	3137EAEN5	7,000,000.00	FHLMC Note 2.75% Due: 06/19/2023	98.977	2.84%	6,928,390.00	94,111.11	7,022,501.11	-68,470.34
Sale	12/21/2022	912828U57	1,500,000.00	US Treasury Note 2.125% Due: 11/30/2023	97.746	2.52%	1,466,191.41	1,838.94	1,468,030.35	-28,419.12
Sale	12/27/2022	91282CDR9	2,250,000.00	US Treasury Note 0.75% Due: 12/31/2023	96.215	0.75%	2,164,833.98	8,254.08	2,173,088.06	-85,210.45
<b>Subtotal</b>			<b>21,500,000.00</b>				<b>21,045,837.90</b>	<b>157,762.17</b>	<b>21,203,600.07</b>	<b>-433,359.25</b>
Maturity	10/14/2022	86959RTW0	6,000,000.00	Svenska Handelsbanken NY Yankee CD 0.255% Due: 10/14/2022	100.000		6,000,000.00	15,470.00	6,015,470.00	0.00
<b>Subtotal</b>			<b>6,000,000.00</b>				<b>6,000,000.00</b>	<b>15,470.00</b>	<b>6,015,470.00</b>	<b>0.00</b>

# Transaction Ledger

As of December 31, 2022

## Orange County Sanitation District Long Term - Account #10268

September 30, 2022 through December 31, 2022

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Security Withdrawal	10/31/2022	912828WU0	4,576.00	US Treasury Inflation Index Note 0.125% Due: 07/15/2024	99.904	0.13%	4,576.00	1.68	4,577.68	6.73
<b>Subtotal</b>			<b>4,576.00</b>				<b>4,576.00</b>	<b>1.68</b>	<b>4,577.68</b>	<b>6.73</b>
<b>TOTAL DISPOSITIONS</b>			<b>27,504,576.00</b>				<b>27,050,413.90</b>	<b>173,233.85</b>	<b>27,223,647.75</b>	<b>-433,352.52</b>

# Transaction Ledger

As of December 31, 2022

## Orange County Sanitation District Liquid - Account #10282

September 30, 2022 through December 31, 2022

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	10/17/2022	911312BK1	1,200,000.00	UPS Callable Note Cont 3/1/2023 2.5% Due: 04/01/2023	99.081	4.55%	1,188,972.00	1,333.33	1,190,305.33	0.00
Purchase	10/25/2022	91282CBG5	5,000,000.00	US Treasury Note 0.125% Due: 01/31/2023	98.969	4.04%	4,948,437.50	1,460.60	4,949,898.10	0.00
Purchase	10/26/2022	86960KPG1	1,000,000.00	Svenska Handelsbanken AB Discount CP 4.47% Due: 02/16/2023	98.597	4.60%	985,969.17	0.00	985,969.17	0.00
Purchase	10/31/2022	86787EAN7	1,920,000.00	Truist Bank Callable Note Cont 4/1/2023 2.75% Due: 05/01/2023	98.954	4.89%	1,899,916.80	26,400.00	1,926,316.80	0.00
Purchase	11/04/2022	91282CBG5	5,000,000.00	US Treasury Note 0.125% Due: 01/31/2023	99.059	4.10%	4,952,929.69	1,630.43	4,954,560.12	0.00
Purchase	11/08/2022	713448CG1	1,650,000.00	Pepsico Inc. Note 2.75% Due: 03/01/2023	99.414	4.62%	1,640,331.00	8,444.79	1,648,775.79	0.00
Purchase	11/15/2022	02314QR50	1,500,000.00	Amazon.com Inc Discount CP 4.7% Due: 04/05/2023	98.159	4.85%	1,472,387.50	0.00	1,472,387.50	0.00
Purchase	11/30/2022	62479MNV9	3,000,000.00	MUFG Bank Ltd/NY Discount CP 4.4% Due: 01/30/2023	99.254	4.49%	2,977,633.33	0.00	2,977,633.33	0.00
Purchase	12/06/2022	912828S35	10,000,000.00	US Treasury Note 1.375% Due: 06/30/2023	98.207	4.61%	9,820,703.13	59,408.97	9,880,112.10	0.00
Purchase	12/07/2022	313384ET2	5,000,000.00	FHLB Discount Note 4.515% Due: 04/24/2023	98.269	4.66%	4,913,462.50	0.00	4,913,462.50	0.00
Purchase	12/08/2022	06367D2S3	2,500,000.00	Bank of Montreal Chicago Yankee CD 4.58% Due: 03/07/2023	100.000	4.58%	2,499,999.50	318.06	2,500,317.56	0.00
Purchase	12/09/2022	313384CW7	10,000,000.00	FHLB Discount Note 4.402% Due: 03/10/2023	98.887	4.51%	9,888,727.22	0.00	9,888,727.22	0.00
Purchase	12/12/2022	912796ZP7	10,000,000.00	US Treasury Bill 4.561% Due: 06/08/2023	97.745	4.73%	9,774,508.61	0.00	9,774,508.61	0.00
Purchase	12/23/2022	313384HF9	10,000,000.00	FHLB Discount Note 4.58% Due: 06/23/2023	97.685	4.75%	9,768,455.56	0.00	9,768,455.56	0.00
Purchase	12/28/2022	313384HL6	20,000,000.00	FHLB Discount Note 4.691% Due: 06/28/2023	97.628	4.87%	19,525,687.78	0.00	19,525,687.78	0.00
Purchase	12/28/2022	912828VB3	5,000,000.00	US Treasury Note 1.75% Due: 05/15/2023	98.941	4.57%	4,947,070.31	10,393.65	4,957,463.96	0.00



# Transaction Ledger

As of December 31, 2022

## Orange County Sanitation District Liquid - Account #10282

September 30, 2022 through December 31, 2022

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	12/28/2022	912828ZH6	5,000,000.00	US Treasury Note 0.25% Due: 04/15/2023	98.762	4.48%	4,938,085.94	2,541.21	4,940,627.15	0.00
Purchase	12/28/2022	91282CCN9	5,000,000.00	US Treasury Note 0.125% Due: 07/31/2023	97.379	4.66%	4,868,945.31	2,547.55	4,871,492.86	0.00
Purchase	12/29/2022	313384GM5	10,000,000.00	FHLB Discount Note 4.595% Due: 06/05/2023	97.983	4.75%	9,798,330.56	0.00	9,798,330.56	0.00
<b>Subtotal</b>			<b>112,770,000.00</b>				<b>110,810,553.41</b>	<b>114,478.59</b>	<b>110,925,032.00</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>112,770,000.00</b>				<b>110,810,553.41</b>	<b>114,478.59</b>	<b>110,925,032.00</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	11/15/2022	912796YR4	1,500,000.00	US Treasury Bill 2.555% Due: 11/22/2022	99.932	2.61%	1,498,986.02	0.00	1,498,986.02	-268.77
<b>Subtotal</b>			<b>1,500,000.00</b>				<b>1,498,986.02</b>	<b>0.00</b>	<b>1,498,986.02</b>	<b>-268.77</b>
Maturity	10/01/2022	911312AQ9	2,400,000.00	UPS Note 2.45% Due: 10/01/2022	100.000		2,400,000.00	0.00	2,400,000.00	0.00
Maturity	10/20/2022	78012UW43	2,000,000.00	Royal Bank of Canada Yankee CD 0.27% Due: 10/20/2022	100.000		2,000,000.00	5,460.00	2,005,460.00	0.00
Maturity	10/20/2022	89114WJB2	2,000,000.00	Toronto Dominion Yankee CD 0.27% Due: 10/20/2022	100.000		2,000,000.00	5,460.00	2,005,460.00	0.00
Maturity	10/26/2022	96130ALA4	4,000,000.00	Westpac Banking Corp NY Yankee CD 0.3% Due: 10/26/2022	100.000		4,000,000.00	12,166.67	4,012,166.67	0.00
Maturity	10/31/2022	55380TXV7	2,500,000.00	MUFG Bank Yankee CD 0.3% Due: 10/31/2022	100.000		2,500,000.00	7,875.00	2,507,875.00	0.00
Maturity	11/22/2022	912796YR4	8,500,000.00	US Treasury Bill 2.555% Due: 11/22/2022	100.000		8,500,000.00	0.00	8,500,000.00	0.00

# Transaction Ledger

As of December 31, 2022

## Orange County Sanitation District Liquid - Account #10282

September 30, 2022 through December 31, 2022

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Maturity	12/12/2022	313385S80	5,000,000.00	FHLB Discount Note 3.25% Due: 12/12/2022	100.000		5,000,000.00	0.00	5,000,000.00	0.00
<b>Subtotal</b>			<b>26,400,000.00</b>				<b>26,400,000.00</b>	<b>30,961.67</b>	<b>26,430,961.67</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>27,900,000.00</b>				<b>27,898,986.02</b>	<b>30,961.67</b>	<b>27,929,947.69</b>	<b>-268.77</b>

# Transaction Ledger

As of December 31, 2022

## Orange County Sanitation District Consolidated - Account #10283

September 30, 2022 through December 31, 2022

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	10/17/2022	911312BK1	1,200,000.00	UPS Callable Note Cont 3/1/2023 2.5% Due: 04/01/2023	99.081	4.55%	1,188,972.00	1,333.33	1,190,305.33	0.00
Purchase	10/19/2022	47800BAC2	4,040,000.00	John Deere Owner Trust 2022-C A3 5.09% Due: 06/15/2027	99.992	5.15%	4,039,686.50	0.00	4,039,686.50	0.00
Purchase	10/21/2022	61747YEX9	1,500,000.00	Morgan Stanley Callable Note Cont 10/16/2025 6.138% Due: 10/16/2026	99.879	6.07%	1,498,185.00	767.25	1,498,952.25	0.00
Purchase	10/25/2022	91282CBG5	5,000,000.00	US Treasury Note 0.125% Due: 01/31/2023	98.969	4.04%	4,948,437.50	1,460.60	4,949,898.10	0.00
Purchase	10/26/2022	86960KPG1	1,000,000.00	Svenska Handelsbanken AB Discount CP 4.47% Due: 02/16/2023	98.597	4.60%	985,969.17	0.00	985,969.17	0.00
Purchase	10/31/2022	02582JJV3	2,000,000.00	American Express Credit Trust 2022-3 A 3.75% Due: 08/16/2027	96.703	5.24%	1,934,062.50	3,333.33	1,937,395.83	0.00
Purchase	10/31/2022	86787EAN7	1,920,000.00	Truist Bank Callable Note Cont 4/1/2023 2.75% Due: 05/01/2023	98.954	4.89%	1,899,916.80	26,400.00	1,926,316.80	0.00
Purchase	10/31/2022	91282CFM8	2,500,000.00	US Treasury Note 4.125% Due: 09/30/2027	99.664	4.20%	2,491,601.56	8,782.62	2,500,384.18	0.00
Purchase	10/31/2022	91282CFP1	2,500,000.00	US Treasury Note 4.25% Due: 10/15/2025	99.594	4.40%	2,489,843.75	4,670.33	2,494,514.08	0.00
Purchase	11/04/2022	91282CBG5	5,000,000.00	US Treasury Note 0.125% Due: 01/31/2023	99.059	4.10%	4,952,929.69	1,630.43	4,954,560.12	0.00
Purchase	11/08/2022	713448CG1	1,650,000.00	Pepsico Inc. Note 2.75% Due: 03/01/2023	99.414	4.62%	1,640,331.00	8,444.79	1,648,775.79	0.00
Purchase	11/15/2022	02314QR50	1,500,000.00	Amazon.com Inc Discount CP 4.7% Due: 04/05/2023	98.159	4.85%	1,472,387.50	0.00	1,472,387.50	0.00
Purchase	11/22/2022	58768PAC8	7,195,000.00	Mercedes-Benz Auto Receivables 2022-1 A3 5.21% Due: 08/16/2027	99.980	5.28%	7,193,576.83	0.00	7,193,576.83	0.00
Purchase	11/30/2022	62479MNV9	3,000,000.00	MUFG Bank Ltd/NY Discount CP 4.4% Due: 01/30/2023	99.254	4.49%	2,977,633.33	0.00	2,977,633.33	0.00
Purchase	12/06/2022	912828S35	10,000,000.00	US Treasury Note 1.375% Due: 06/30/2023	98.207	4.61%	9,820,703.13	59,408.97	9,880,112.10	0.00

# Transaction Ledger

As of December 31, 2022

## Orange County Sanitation District Consolidated - Account #10283

September 30, 2022 through December 31, 2022

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	12/07/2022	313384ET2	5,000,000.00	FHLB Discount Note 4.515% Due: 04/24/2023	98.269	4.66%	4,913,462.50	0.00	4,913,462.50	0.00
Purchase	12/08/2022	06367D2S3	2,500,000.00	Bank of Montreal Chicago Yankee CD 4.58% Due: 03/07/2023	100.000	4.58%	2,499,999.50	318.06	2,500,317.56	0.00
Purchase	12/09/2022	313384CW7	10,000,000.00	FHLB Discount Note 4.402% Due: 03/10/2023	98.887	4.51%	9,888,727.22	0.00	9,888,727.22	0.00
Purchase	12/12/2022	912796ZP7	10,000,000.00	US Treasury Bill 4.561% Due: 06/08/2023	97.745	4.73%	9,774,508.61	0.00	9,774,508.61	0.00
Purchase	12/21/2022	91282CFM8	5,000,000.00	US Treasury Note 4.125% Due: 09/30/2027	101.227	3.84%	5,061,328.13	46,462.91	5,107,791.04	0.00
Purchase	12/21/2022	91282CFP1	5,000,000.00	US Treasury Note 4.25% Due: 10/15/2025	100.434	4.08%	5,021,679.69	39,114.01	5,060,793.70	0.00
Purchase	12/23/2022	313384HF9	10,000,000.00	FHLB Discount Note 4.58% Due: 06/23/2023	97.685	4.75%	9,768,455.56	0.00	9,768,455.56	0.00
Purchase	12/27/2022	91282CFM8	7,000,000.00	US Treasury Note 4.125% Due: 09/30/2027	100.969	3.90%	7,067,812.50	69,807.69	7,137,620.19	0.00
Purchase	12/28/2022	313384HL6	20,000,000.00	FHLB Discount Note 4.691% Due: 06/28/2023	97.628	4.87%	19,525,687.78	0.00	19,525,687.78	0.00
Purchase	12/28/2022	912828VB3	5,000,000.00	US Treasury Note 1.75% Due: 05/15/2023	98.941	4.57%	4,947,070.31	10,393.65	4,957,463.96	0.00
Purchase	12/28/2022	912828ZH6	5,000,000.00	US Treasury Note 0.25% Due: 04/15/2023	98.762	4.48%	4,938,085.94	2,541.21	4,940,627.15	0.00
Purchase	12/28/2022	91282CCN9	5,000,000.00	US Treasury Note 0.125% Due: 07/31/2023	97.379	4.66%	4,868,945.31	2,547.55	4,871,492.86	0.00
Purchase	12/29/2022	313384GM5	10,000,000.00	FHLB Discount Note 4.595% Due: 06/05/2023	97.983	4.75%	9,798,330.56	0.00	9,798,330.56	0.00
<b>Subtotal</b>			<b>149,505,000.00</b>				<b>147,608,329.87</b>	<b>287,416.73</b>	<b>147,895,746.60</b>	<b>0.00</b>
Security Contribution	11/30/2022	912828WU0	26,832.00	US Treasury Inflation Index Note 0.125% Due: 07/15/2024	100.000		26,832.00	12.58	26,844.58	0.00



# Transaction Ledger

As of December 31, 2022

## Orange County Sanitation District Consolidated - Account #10283

September 30, 2022 through December 31, 2022

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Security Contribution	12/30/2022	912828WU0	52,000.00	US Treasury Inflation Index Note 0.125% Due: 07/15/2024	100.000		52,000.00	29.85	52,029.85	0.00
<b>Subtotal</b>			<b>78,832.00</b>				<b>78,832.00</b>	<b>42.43</b>	<b>78,874.43</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>149,583,832.00</b>				<b>147,687,161.87</b>	<b>287,459.16</b>	<b>147,974,621.03</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	10/13/2022	912828U57	2,500,000.00	US Treasury Note 2.125% Due: 11/30/2023	97.555	2.52%	2,438,867.19	19,595.29	2,458,462.48	-50,348.64
Sale	10/21/2022	808513AT2	4,000,000.00	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due: 01/25/2023	99.559	2.74%	3,982,360.00	25,322.22	4,007,682.22	-16,770.78
Sale	11/15/2022	912796YR4	1,500,000.00	US Treasury Bill 2.555% Due: 11/22/2022	99.932	2.61%	1,498,986.02	0.00	1,498,986.02	-268.77
Sale	11/17/2022	91282CBA8	1,500,000.00	US Treasury Note 0.125% Due: 12/15/2023	95.328	0.17%	1,429,921.88	794.06	1,430,715.94	-69,353.18
Sale	11/17/2022	91282CDR9	2,750,000.00	US Treasury Note 0.75% Due: 12/31/2023	95.828	0.75%	2,635,273.44	7,846.47	2,643,119.91	-114,786.74
Sale	12/15/2022	3137EAEN5	7,000,000.00	FHLMC Note 2.75% Due: 06/19/2023	98.977	2.84%	6,928,390.00	94,111.11	7,022,501.11	-68,470.34
Sale	12/21/2022	912828U57	1,500,000.00	US Treasury Note 2.125% Due: 11/30/2023	97.746	2.52%	1,466,191.41	1,838.94	1,468,030.35	-28,419.12
Sale	12/27/2022	91282CDR9	2,250,000.00	US Treasury Note 0.75% Due: 12/31/2023	96.215	0.75%	2,164,833.98	8,254.08	2,173,088.06	-85,210.45
<b>Subtotal</b>			<b>23,000,000.00</b>				<b>22,544,823.92</b>	<b>157,762.17</b>	<b>22,702,586.09</b>	<b>-433,628.02</b>
Maturity	10/01/2022	911312AQ9	2,400,000.00	UPS Note 2.45% Due: 10/01/2022	100.000		2,400,000.00	0.00	2,400,000.00	0.00

# Transaction Ledger

As of December 31, 2022

## Orange County Sanitation District Consolidated - Account #10283

September 30, 2022 through December 31, 2022

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Maturity	10/14/2022	86959RTW0	6,000,000.00	Svenska Handelsbanken NY Yankee CD 0.255% Due: 10/14/2022	100.000		6,000,000.00	15,470.00	6,015,470.00	0.00
Maturity	10/20/2022	78012UW43	2,000,000.00	Royal Bank of Canada Yankee CD 0.27% Due: 10/20/2022	100.000		2,000,000.00	5,460.00	2,005,460.00	0.00
Maturity	10/20/2022	89114WJB2	2,000,000.00	Toronto Dominion Yankee CD 0.27% Due: 10/20/2022	100.000		2,000,000.00	5,460.00	2,005,460.00	0.00
Maturity	10/26/2022	96130ALA4	4,000,000.00	Westpac Banking Corp NY Yankee CD 0.3% Due: 10/26/2022	100.000		4,000,000.00	12,166.67	4,012,166.67	0.00
Maturity	10/31/2022	55380TXV7	2,500,000.00	MUFG Bank Yankee CD 0.3% Due: 10/31/2022	100.000		2,500,000.00	7,875.00	2,507,875.00	0.00
Maturity	11/22/2022	912796YR4	8,500,000.00	US Treasury Bill 2.555% Due: 11/22/2022	100.000		8,500,000.00	0.00	8,500,000.00	0.00
Maturity	12/12/2022	313385S80	5,000,000.00	FHLB Discount Note 3.25% Due: 12/12/2022	100.000		5,000,000.00	0.00	5,000,000.00	0.00
<b>Subtotal</b>			<b>32,400,000.00</b>				<b>32,400,000.00</b>	<b>46,431.67</b>	<b>32,446,431.67</b>	<b>0.00</b>
Security Withdrawal	10/31/2022	912828WU0	4,576.00	US Treasury Inflation Index Note 0.125% Due: 07/15/2024	99.904	0.13%	4,576.00	1.68	4,577.68	6.73
<b>Subtotal</b>			<b>4,576.00</b>				<b>4,576.00</b>	<b>1.68</b>	<b>4,577.68</b>	<b>6.73</b>
<b>TOTAL DISPOSITIONS</b>			<b>55,404,576.00</b>				<b>54,949,399.92</b>	<b>204,195.52</b>	<b>55,153,595.44</b>	<b>-433,621.29</b>
<b>Other Transactions</b>										
Cash Capital Distribution	10/06/2022	525ESCOY6	0.00	Lehman Brothers Note-Defaulted Due: 10/22/2049	0.000		129.93	0.00	129.93	0.00

# Transaction Ledger

As of December 31, 2022

## Orange County Sanitation District Consolidated - Account #10283

September 30, 2022 through December 31, 2022

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Cash Capital Distribution	10/06/2022	525ESCIB7	0.00	Lehman Brothers Note-Defaulted Due: 01/24/2023	0.000		39.12	0.00	39.12	0.00
<b>Subtotal</b>			<b>0.00</b>				<b>169.05</b>	<b>0.00</b>	<b>169.05</b>	<b>0.00</b>
<b>TOTAL Other Transactions</b>			<b>0.00</b>				<b>169.05</b>	<b>0.00</b>	<b>169.05</b>	<b>0.00</b>

# Transaction Ledger

As of December 31, 2022

## OC SAN Lehman Exposure - Account #10284

September 30, 2022 through December 31, 2022

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>Other Transactions</b>										
Cash Capital Distribution	10/06/2022	525ESCOY6	0.00	Lehman Brothers Note-Defaulted Due: 10/22/2049	0.000		129.93	0.00	129.93	0.00
Cash Capital Distribution	10/06/2022	525ESCIB7	0.00	Lehman Brothers Note-Defaulted Due: 01/24/2023	0.000		39.12	0.00	39.12	0.00
<b>Subtotal</b>			<b>0.00</b>				<b>169.05</b>	<b>0.00</b>	<b>169.05</b>	<b>0.00</b>
<b>TOTAL Other Transactions</b>			<b>0.00</b>				<b>169.05</b>	<b>0.00</b>	<b>169.05</b>	<b>0.00</b>

# Important Disclosures

*As of December 31, 2022*

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Information contained herein is confidential. Prices are provided by ICE Data Services Inc ("IDS"), an independent pricing source. In the event IDS 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.

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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 BofA 3-Month US Treasury Bill Index**

*The ICE BofA 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.*

## **ICE BofA 1-5 Yr AAA-A US Corp & Govt Index**

*The ICE BofA 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 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.*

## **ICE BofA 1-5 Yr US Corp & Govt Index**

*The ICE BofA 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.*

## 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.

PUBLIC  
AGENCY  
RETIREMENT  
SERVICES

**PARS**

TRUSTED SOLUTIONS. LASTING RESULTS.



# ORANGE COUNTY SANITATION DISTRICT

PARS 115 Trust – Pension Rate Stabilization Program Client Review

January 19, 2023

# CONTACTS

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**Senior Portfolio Manager**  
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# PARS 115 TRUST TEAM

## Trust Administrator & Consultant



- Serves as record-keeper, consultant, and central point of contact
- Sub-trust accounting
- Coordinates all agency services
- Monitors plan compliance (IRS/GASB/State Government Code)
- Processes contributions/disbursements
- Hands-on, dedicated support teams

<b>39</b>	<b>2,000+</b>	<b>1,000+</b>	<b>490+</b>	<b>500K+</b>	<b>\$6.5B</b>
Years of Experience (1984-2023)	Plans under Administration	Public Agency Clients	115 Trust Clients	Plan Participants	Assets under Administration

## Trustee



- 5th largest commercial bank and one of the nation's largest trustees for Section 115 trusts
- Safeguard plan assets
- Oversight protection as plan fiduciary
- Custodian of assets

<b>160</b>	<b>\$9.0T</b>
Years of Experience (1863-2023)	Assets under Trust Custody

## Investment Manager



- Investment sub-advisor to trustee U.S. Bank
- Investment policy assistance
- Uses open architecture
- Active and passive platform options
- Customized portfolios (with minimum asset level)

<b>104</b>	<b>\$17.4B</b>
Years of Experience (1919-2023)	Assets under Management & Advisement

# PARS PLANS AND PROGRAMS

115 Combo Trust

**1 Pension Rate Stabilization Program (PRSP) - *client***

A pension prefunding trust designed specifically to address GASB 68 liabilities on its financial statements and stabilize future costs.

**2 OPEB Trust Program - *eligible***

An OPEB prefunding trust designed to address OPEB liabilities and increase investment rates of return (discount rate).

**3 Alternate Retirement System (ARS)**

An alternative to Social Security for part-time employees offered to provide a valuable benefit for employees and permanent payroll savings to the Agency.

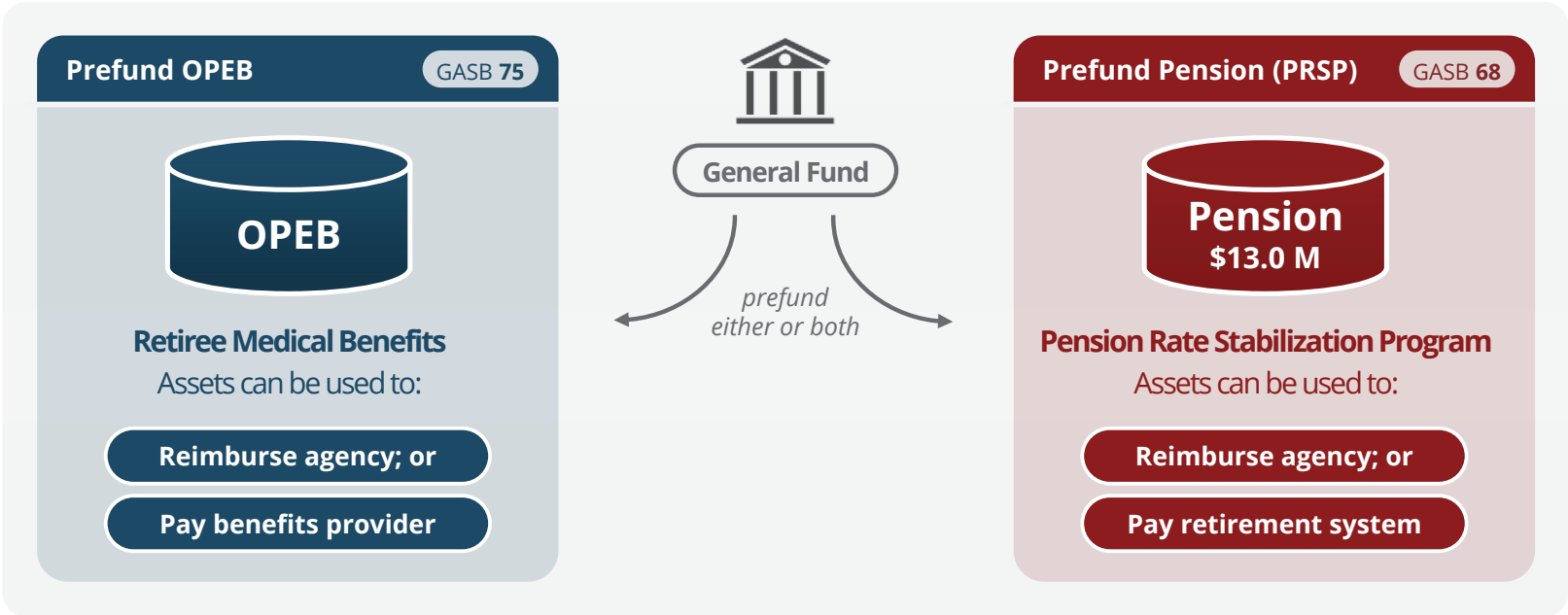
**4 Supplemental Defined Contribution Plan**

A locally designed retirement plan offered in addition to PERS or 37-Act retirement system with the goal of attracting and retaining select employees to the Agency.

**5 Accumulated Leave Plan**

A Defined Contribution solution that reduces leave balances on an annual basis during employment and minimizes total payout amounts.

# PARS IRS-APPROVED SECTION 115 TRUST



**Subaccounts**  
 OPEB and pension assets are individually sub-accounted, and can be divided by dept., bargaining group, or cost center.

**Financial Stability**  
 Assets in the PARS Section 115 Combination Trust can be used to address unfunded liabilities.

**Flexible Investing**  
 Allows separate investment strategies for OPEB and pension subaccounts.

**Anytime Access**  
 Trust funds are available anytime; OPEB for OPEB and pension for pension.

**Economies-of-Scale**  
 OPEB and pension assets aggregate and reach lower fees on tiered schedule sooner – saving money!

**No Set Up Cost or Minimums**  
 No set-up costs, no minimum annual contribution amounts, and no fees until assets are added.

# 115 TRUST – OPEB/PENSION CLIENT LIST

Updated January 2023

## SPECIAL DISTRICTS (112)

Agoura Hills/Calabasas Community Center Authority  
Alameda County Mosquito Abatement District  
Alpine Fire Protection District  
Beach Cities Health District  
Bighorn-Desert View Water Agency  
Bodega Bay Public Utilities District  
Calaveras County Water District  
California Joint Powers Insurance Authority  
California Joint Powers Risk Management Authority  
Central Contra Costa Sanitary District  
Central Contra Costa Transit Authority  
Coastline Regional Occupational Program  
Coastside Fire Protection District  
Colusa Mosquito Abatement District  
Contra Costa County EEs' Retirement Association  
Contra Costa Mosquito and Vector Control District  
Crestline Village Water District  
Delta Diablo  
Desert Recreation District  
East Bay Regional Park District  
East Orange County Water District  
Eastern Sierra Community Services District  
Eastern Sierra Transit Authority  
El Dorado Hills County Water (& Fire) District  
Fallbrook Public Utility District  
Fresno Irrigation District  
Fresno Metropolitan Flood Control District  
Glenn-Colusa Irrigation District  
Goleta Cemetery District  
Goleta West Sanitary District  
Great Basin Unified Air Pollution Control District  
Greater Vallejo Recreation District  
Hayward Area Recreation & Park District  
Hesperia Fire Protection District  
Housing Authority of the County of Butte  
Housing Authority of the County of Contra Costa  
Housing Authority of the County of San Bernardino  
Housing Authority of the County of Santa Cruz  
Humboldt Bay Fire Joint Powers Authority  
Humboldt Bay Municipal Water District

Humboldt No. 1 Fire Protection District  
Menlo Park Fire Protection District  
Mesa Water District  
Metropolitan Transportation Commission  
Midpeninsula Regional Open Space District  
Mid-Peninsula Water District  
Mojave Desert Air Quality Management District  
Montecito Fire Protection District  
Monterey Bay Unified Air Pollution Control District  
Monterey County Mosquito Abatement District  
Moraga-Orinda Fire Protection District  
Mosquito & Vector Mgmt Dist. of Santa Barbara Co.  
Municipal Pooling Authority  
Municipal Water District of Orange County  
Napa County Mosquito Abatement District  
Nevada County Consolidated Fire District  
North Central Fire Protection District  
North County Fire Protection District  
Novato Sanitary District  
Orange County Fire Authority  
Orange County LAFCO  
Orange County Mosquito and Vector Control District  
**Orange County Sanitation District**  
Orange County Water District  
Orchard Dale Water District  
Public Agency Risk Sharing Authority of CA (PARSAC)  
Pebble Beach Community Services District  
Placentia Library District  
Placer County Air Pollution Control District  
Placer County Resource Conservation District  
Rancho Cucamonga Fire Protection District  
Rancho Murieta Community Services District  
Redwood Empire Municipal Insurance Fund (REMIF)  
Regional Housing Authority  
Rowland Water District  
Sacramento Area Flood Control Agency  
San Andreas Sanitary District  
San Elijo Joint Powers Authority  
San Mateo County Mosquito & Vector Control District  
Santa Barbara County Law Library

Santa Cruz Regional 9-1-1 JPA  
Santa Fe Irrigation District  
Sewer Authority Mid-Coastside  
Shasta Valley Cemetery District  
South Coast Water District  
South Montebello Irrigation District  
South Orange County Wastewater Authority  
South Placer Fire Protection District  
Southern Marin Fire Protection District  
State Water Contractors  
Superior Court of CA, County of Imperial  
Superior Court of CA, County of Inyo  
Superior Court of CA, County of Kern  
Superior Court of CA, County of Marin  
Superior Court of CA, County of Merced  
Superior Court of CA, County of Orange  
Superior Court of CA, County of San Mateo  
Superior Court of CA, County of Shasta  
Superior Court of CA, County of Siskiyou  
Superior Court of CA, County of Sonoma  
Sweetwater Springs Water District  
Three Valleys Municipal Water District  
Twentynine Palms Water District  
Union Sanitary District  
Ventura Regional Sanitation District  
Walnut Valley Water District  
West Bay Sanitary District  
West County Wastewater District  
Western Riverside Council of Governments  
Yolo-Solano Air Quality Management District  
Yorba Linda Water District  
Zone 7 Water Agency

## EDUCATION DISTRICTS (3)

Shasta County Office of Education  
Sonoma County Office of Education  
Intelcom

# 115 TRUST – OPEB/PENSION CLIENT LIST

Updated January 2023

## CITIES & TOWNS (158)

Alameda  
Alhambra  
Anaheim  
Angels Camp  
Atherton  
Atwater  
Bakersfield  
Beaumont  
Bell Gardens  
Benicia  
Beverly Hills  
Bishop  
Brea  
Brisbane  
Burlingame  
Calabasas  
Camarillo  
Capitola  
Carmel  
Chino Hills  
Chula Vista  
Claremont  
Colma  
Commerce  
Corcoran  
Coronado  
Costa Mesa  
Covina  
Crescent City  
Cudahy  
Cupertino  
Cypress  
Daly City  
Dana Point  
Del Rey Oaks  
Dinuba  
Duarte  
Dublin  
El Cajon  
El Centro  
El Segundo  
Elk Grove  
Emeryville  
Escondido  
Fairfax  
Fairfield  
Fort Bragg  
Fountain Valley  
Fullerton  
Galt  
Garden Grove  
Gilroy  
Glendale  
Glendora  
Goleta  
Grand Terrace  
Grass Valley  
Half Moon Bay  
Hawthorne  
Healdsburg  
Hemet  
Hercules  
Hermosa Beach  
Huntington Beach  
Indian Wells  
Imperial  
Indio  
Ione  
La Habra  
Lakeport  
La Mesa  
La Quinta  
Laguna Niguel  
Lake Forest  
Lakewood  
Lemon Grove  
Livermore  
Lodi

Los Alamitos  
Los Altos Hills  
Mammoth Lakes  
Manhattan Beach  
Merced  
Modesto  
Monrovia  
Moraga  
Moreno Valley  
Morgan Hill  
Morro Bay  
Napa  
National City  
Norco  
Norwalk  
Novato  
Oakley  
Orinda  
Oroville  
Pacifica  
Palmdale  
Palo Alto  
Pasadena  
Patterson  
Perris  
Pico Rivera  
Piedmont  
Pinole  
Pittsburg  
Placentia  
Pleasant Hill  
Pleasanton  
Port Hueneme  
Rancho Cucamonga  
Redding  
Redwood City  
Rialto  
Richmond  
Rio Vista  
Ripon

Riverside  
Rohnert Park  
Rolling Hills  
Rosemead  
Ross  
San Anselmo  
San Jacinto  
San Leandro  
San Ramon  
Santa Ana  
Santa Clara  
Santa Clarita  
Sausalito  
Selma  
Solana Beach  
South El Monte  
Stanton  
Stockton  
Sutter Creek  
Taft  
Temecula  
Temple City  
Thousand Oaks  
Tiburon  
Tustin  
Twentynine Palms  
Union City  
Upland  
Vallejo  
Villa Park  
Walnut  
West Covina  
West Sacramento  
Westminster  
Winters  
Woodland  
Woodside  
Yountville  
Yuba City  
Yucca Valley

## COUNTIES (36)

Alpine  
Amador  
Calaveras  
Colusa  
Contra Costa  
Glenn  
Humboldt  
Imperial  
Inyo  
Kern  
Kings  
Lake  
Lassen  
Madera  
Mariposa  
Mendocino  
Merced  
Mono  
Monterey  
Napa  
Nevada  
Placer  
Plumas  
Riverside  
San Benito  
San Joaquin  
Shasta  
Siskiyou  
Solano  
Sonoma  
Sutter  
Tehama  
Trinity  
Tulare  
Yolo  
Yuba



# 115 TRUST – OPEB/PENSION CLIENT LIST

Updated January 2023

## SCHOOL DISTRICTS (59)

Alisal Union School District  
Alta Loma School District  
Auburn Union School District  
Bass Lake Joint Union Elementary School District  
Bellflower Unified School District  
Beverly Hills Unified School District  
Brea Olinda Unified School District  
Calistoga Joint Unified School District  
Campbell Union High School District  
Compton Unified School District  
Corning Union Elementary School District  
Coronado Unified School District  
Cotati-Rohnert Park Unified School District  
Dry Creek JESD  
El Dorado Union High School District  
El Monte Union High School District  
Folsom Cordova Unified School District  
Fontana Unified School District  
Fowler Unified School District  
Hermosa Beach City School District  
Hesperia Unified School District  
Hughes-Elizabeth Lakes Union E. School District  
John Swett Unified School District  
Lakeside Union School District (San Diego)  
Le Grand Union HSD  
Lemon Grove School District  
Lindsay Unified School District  
Madera Unified School District  
Manteca Unified School District  
Moreno Valley Unified School District  
Napa Valley Unified School District  
Natomas Unified School District

Newport-Mesa Unified School District  
Ocean View School District (Ventura)  
Ontario-Montclair School District  
Orcutt Union School District  
Palmdale School District  
Palos Verdes Peninsula Unified School District  
Paramount USD  
Placer Union High School District  
Porterville Unified School District  
Poway Unified School District  
Red Bluff Joint Union High School District  
Red Bluff Union Elementary School District  
River Delta Unified School District  
Riverdale Joint Unified School District  
Roseville Joint Union High School District

San Bruno Park School District  
San Dieguito Union High School District  
San Marino Unified School District  
Santa Barbara Unified School District  
Santa Rita Union School District  
Taft Union HSD  
Trona Joint Unified School District  
Upland USD  
Visalia Unified School District  
Westside Union School District  
Whittier City School District  
Wilsona School District

## COMMUNITY COLLEGE DISTRICTS (19)

Allan Hancock CCD  
Citrus CCD  
Coast CCD  
Grossmont-Cuyamaca CCD  
Hartnell CCD  
Imperial CCD  
Marin CCD  
Palo Verde CCD  
Pasadena Area CCD  
Rancho Santiago CCD

Rio Hondo CCD  
San Bernardino CCD  
San Luis Obispo County CCD (Cuesta)  
Shasta-Trinity-Tehama Joint CCD  
State Center CCD  
Victor Valley CCD  
West Valley-Mission CCD  
Yosemite CCD  
Yuba CCD

# SUMMARY OF AGENCY'S PENSION PLAN

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**Plan Type:** IRC Section 115 Irrevocable Exclusive Benefit Trust

**Trustee Approach:** Discretionary

**Plan Effective Date:** November 17, 2021

**Plan Administrator:** General Manager

**Current "OC SAN A1" Investment Strategy:** Moderate HighMark PLUS (Active) Strategy; Individual Account

**Current "OC SAN B1" Investment Strategy:** Balanced HighMark PLUS (Active) Strategy; Individual Account

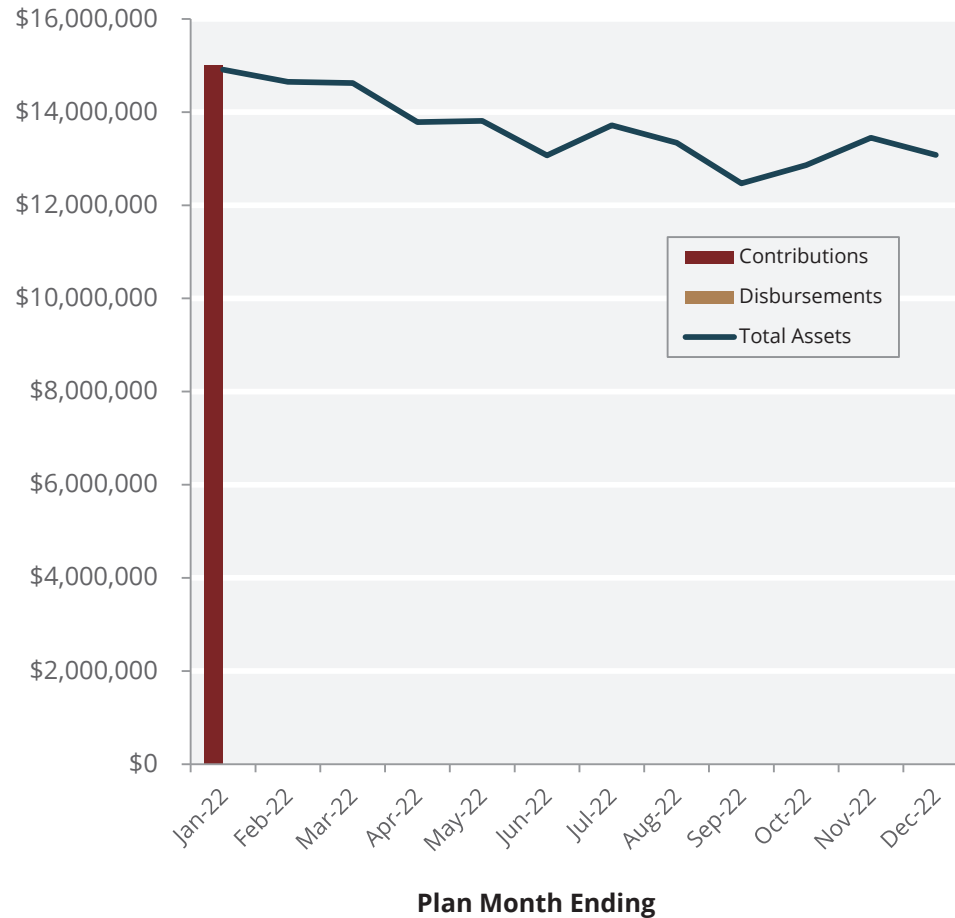
**AS OF DECEMBER 31, 2022:**

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	OC SAN A1	OC SAN B1	TOTAL
<b>Initial Contribution:</b>	January 2022: \$10,000,000	January 2022: \$5,000,000	January 2022: \$15,000,000
<b>Additional Contributions:</b>	\$0	\$0	\$0
<b>Total Contributions:</b>	\$10,000,000	\$5,000,000	\$15,000,000
<b>Disbursements:</b>	\$0	\$0	\$0
<b>Total Investment Earnings:</b>	(\$1,225,518)	(\$634,052)	(\$1,859,570)
<b>Account Balance:</b>	\$8,735,507	\$4,346,593	\$13,082,100

# SUMMARY OF AGENCY'S TOTAL PENSION PLAN

## HISTORY OF CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF DECEMBER 31, 2022:



Month	Contributions	Disbursements	Total Assets
Jan-22	\$15,000,000	\$0	\$14,910,223
Feb-22	\$0	\$0	\$14,649,008
Mar-22	\$0	\$0	\$14,623,146
Apr-22	\$0	\$0	\$13,784,198
May-22	\$0	\$0	\$13,810,584
Jun-22	\$0	\$0	\$13,070,591
Jul-22	\$0	\$0	\$13,715,516
Aug-22	\$0	\$0	\$13,339,975
Sep-22	\$0	\$0	\$12,469,379
Oct-22	\$0	\$0	\$12,861,764
Nov-22	\$0	\$0	\$13,449,662
Dec-22	\$0	\$0	\$13,082,100



# PENSION FUNDING STATUS

As of June 30, 2022, Orange County Sanitation District's ARBA pension plan is funded as \*:

	<b>2021 ACFR</b> Valuation Date: June 30, 2020	<b>2022 ACFR</b> Valuation Date: June 30, 2021
Total Pension Liability	\$23,320,422	\$20,382,770
Fiduciary Net Position (Asset)	\$0	\$0
Net Pension Liability	\$23,320,422	\$20,382,770
Funded Ratio	0.00%	0.00%
Service Cost	\$703,496 (FY 20-21)	\$835,711 (FY 21-22)
Discount Rate	1.92%	3.69%

\* Data from Agency's Annual Comprehensive Financial Report for FYE 2021 and 2022.



# PENSION FUNDING STATUS

As of June 30, 2022, Orange County Sanitation District's OCERS pension plan is funded as \*:

	<b>2021 ACFR</b> Valuation Date: June 30, 2020	<b>2022 ACFR</b> Valuation Date: June 30, 2021
<b>Approximate Total Pension Liability</b>	\$63.2 M	\$146.8 M
Proportionate Share for OCERS	(1.63%)	(8.72%)
Fiduciary Net Position (Asset)	\$68.6 M	\$178.7 M
Proportionate Share of Net Pension Liability	(\$5.4 M)	(\$31.9 M)
Funded Ratio	108.5%	121.74%
Employer Contribution Amount	\$8.5 M (FY 20-21)	\$8.5 M (FY 21-22)
Discount Rate	7.00%	7.00%

\* Data from Agency's Annual Comprehensive Financial Report for FYE 2021 and 2022.

**PARS: OC Sanitation District**

**January 19, 2023**

**Presented by  
Keith Stribling, CFA**

## DISCUSSION HIGHLIGHTS – OC Sanitation District

### Investment objective - OC Sanitation District A1

#### Asset Allocation: PARS/Moderate HighMark PLUS (As of 12.31.22)

- Allocation Target – 46.86% stocks (40-60% range), 47.37% bonds (40-60% range), 5.76% cash (0-20% range)
- Large cap 26.03%, Mid-cap 4.63%, Small cap 7.16%, International 7.23%, REIT 1.81%

#### Performance: OC Sanitation District A1

(as of 12-31-22) gross of investment management fees, net of fund fees

- 3-months: 4.80%
- 6-months: .20%
- 1-1-22 (ITD): -12.28%

### Investment objective- OC Sanitation District B1 Asset

#### Allocation: PARS/Balanced HighMark PLUS (As of 12.31.22)

- Allocation Target – 56.16% stocks (50-70% range), 37.45% bonds (30-50% range), 6.38% cash (0-20% range)
- Large cap 31.45%, Mid-cap 5.64%, Small cap 8.50%, International 8.53%; REIT 2.05%

#### Performance: OC Sanitation District B1

(as of 12-31-22) gross of investment management fees, net of fund fees

- 3-months: 5.40%
- 6-months: .62%
- 1-1-22 (ITD): -12.71%

#### Asset Allocation:

- Recently lowered equities
- Favoring value style over growth
- underweight high yield
- Neutral duration fixed income

# DISCUSSION HIGHLIGHTS – OC Sanitation District

## Economic Review

- Aggressive fiscal policy stoking inflation
- Monetary policy – Fed tightening to curb inflation and moving from QE to QT
- Unprecedented Rate hikes in 2022 should slow both inflation and economic growth in 2023
- China abandons zero covid without an effective vaccine and cases skyrocket risking more lockdowns while moving toward herd immunity
- Entire yield curve becomes inverted...implying recession is forthcoming
- Risks: Inflation...Fed goes too far; Russian aggression with Ukraine & NATO; China



**PARS/OC SANITATION 115P-A1 (\*\*\*\*065800)**  
**Performance Report**

As of: December 31, 2022



	<b>3 Months</b>	<b>6 Months</b>	<b>Year to Date (1 Year)</b>	<b>Inception to Date 01/01/2022</b>
Cash Equivalents	.86	1.33	1.48	1.48
Lipper Money Market Funds Index	.87	1.37	1.51	1.51
Total Fixed Income	1.80	-2.08	-10.37	-10.37
Bloomberg US Aggregate Bd Index (USD)	1.87	-2.97	-13.01	-13.01
Total Equities	8.59	2.69	-15.72	-15.72
Large Cap Funds	6.78	1.61	-17.00	-17.00
S&P 500 Composite Index	7.56	2.31	-18.11	-18.11
Mid Cap Funds	9.21	5.50	-12.97	-12.97
Russell Midcap Index	9.18	5.43	-17.32	-17.32
Small Cap Funds	8.59	5.02	-12.49	-12.49
Russell 2000 Index (USD)	6.23	3.91	-20.44	-20.44
International Equities	14.33	2.25	-16.26	-16.26
MSCI EAFE Index (Net)	17.34	6.36	-14.45	-14.45
MSCI EM Free Index (Net USD)	9.70	-2.99	-20.09	-20.09
Real Estate - ETFs / Sctr Fds	4.44	-6.89	-20.35	-20.35
Wilshire REIT Index	4.05	-6.60	-26.81	-26.81
Total Managed Portfolio	4.80	.20	-12.28	-12.28

Returns are gross of fees not including account level advisory fees unless otherwise stated. Gross returns are presented before management and custodial fees but after all trading expenses, embedded and reflect the reinvestment of dividends and other income. Net returns are net of investment management fees in effect for the respective time period. Returns for periods over one year are annualized. An investor cannot invest directly in unmanaged indices. The information presented has been obtained from sources believed to be accurate and reliable. Past performance is not indicative of future returns. Securities are not FDIC insured have no bank guarantee and may lose value.



## ASSET ALLOCATION- OC Sanitation District A1

	Ticker	Investment Vehicle	Weight
<b>Equity</b>			<b>46.86%</b>
Large Cap Core	COFYX	Columbia Contrarian Core Cl Y	4.81%
	VGIAX	Vanguard Gro & Inc Admiral Shares	9.13%
Large Cap Value	DODGX	Dodge & Cox Stock Fund	4.45%
	IVE	iShares S&P 500 Value ETF	2.06%
Large Cap Growth	HNACX	Harbor CP Appre Rtrmt Cl	2.78%
	PRUFX	T. Rowe Price Growth Stock Fund	2.79%
Mid Cap Growth	IWR	iShares Russell Mid Cap ETF	4.63%
Small Cap Value	UBVFX	Undiscovered Mgrs Behavrl R6	3.55%
Small Cap Growth	VBK	Vanguard Small Cap Gr Vipers	3.61%
International Core	DFALX	DFA Large Cap International Port	2.78%
International Value	DODFX	Dodge & Cox International Stock Fund	0.80%
International Growth	MGRDX	MFS International Growth Fund	0.81%
Emerging Markets	HHHFX	Hartford Schrodr Mkts Eq	2.84%
REIT	VNQ	Vngrd Index Tr Reit Viper Shs	1.81%
<b>Fixed Income</b>			<b>47.37%</b>
Short-Term	VFSUX	Vanguard Short-Term Corp Adm Fund	10.72%
Intermediate-Term	PTTRX	PIMCO Total Return Instl Fund	11.85%
	PTRQX	Prudential Total Return BD	11.84%
	DBLFX	Doubleline Core Fixed Inc Cl I	11.97%
High Yield	PHIYX	PIMCO High Yield	1.00%
<b>Cash</b>			<b>5.76%</b>
	FGZXX	First Amern Govt Oblig Fd CL Z	5.76%
<b>TOTAL</b>			<b>100.00%</b>

PARS/OC SANITATION 115P-B1 (\*\*\*\*065801)  
Performance Report

As of: December 31, 2022



	3 Months	6 Months	Year to Date (1 Year)	Inception to Date 01/01/2022
Cash Equivalents	.86	1.33	1.48	1.48
Lipper Money Market Funds Index	.87	1.37	1.51	1.51
Total Fixed Income	1.81	-2.13	-10.52	-10.52
Bloomberg US Aggregate Bd Index (USD)	1.87	-2.97	-13.01	-13.01
Total Equities	8.56	2.68	-15.64	-15.64
Large Cap Funds	6.79	1.62	-16.96	-16.96
S&P 500 Composite Index	7.56	2.31	-18.11	-18.11
Mid Cap Funds	9.21	5.50	-12.55	-12.55
Russell Midcap Index	9.18	5.43	-17.32	-17.32
Small Cap Funds	8.59	5.01	-12.18	-12.18
Russell 2000 Index (USD)	6.23	3.91	-20.44	-20.44
International Equities	14.30	2.19	-16.33	-16.33
MSCI EAFE Index (Net)	17.34	6.36	-14.45	-14.45
MSCI EM Free Index (Net USD)	9.70	-2.99	-20.09	-20.09
Real Estate - ETFs / Sctr Fds	4.44	-6.89	-20.14	-20.14
Wilshire REIT Index	4.05	-6.60	-26.81	-26.81
Total Managed Portfolio	5.40	.62	-12.71	-12.71

Returns are gross of fees not including account level advisory fees unless otherwise stated. Gross returns are presented before management and custodial fees but after all trading expenses, embedded and reflect the reinvestment of dividends and other income. Net returns are net of investment management fees in effect for the respective time period. Returns for periods over one year are annualized. An investor cannot invest directly in unmanaged indices. The information presented has been obtained from sources believed to be accurate and reliable. Past performance is not indicative of future returns. Securities are not FDIC insured have no bank guarantee and may lose value.

## ASSET ALLOCATION- OC Sanitation District B1

	Ticker	Investment Vehicle	Weight
<b>Equity</b>			<b>56.16%</b>
Large Cap Core	COFYX	Columbia Contrarian Core Cl Y	5.86%
	VGIAX	Vanguard Gro & Inc Admiral Shares	11.11%
Large Cap Value	DODGX	Dodge & Cox Stock Fund	5.33%
	IVE	iShares S&P 500 Value ETF	2.47%
Large Cap Growth	HNACX	Harbor CP Appre Rtrmt Cl	3.33%
	PRUFX	T. Rowe Price Growth Stock Fund	3.34%
Mid Cap Growth	IWR	iShares Russell Mid Cap ETF	5.64%
Small Cap Value	UBVFX	Undiscovered Mgrs Behavrl R6	4.21%
Small Cap Growth	VBK	Vanguard Small Cap Gr Vipers	4.28%
International Core	DFALX	DFA Large Cap International Port	3.27%
International Value	DODFX	Dodge & Cox International Stock Fund	0.92%
International Growth	MGRDX	MFS International Growth Fund	0.92%
Emerging Markets	HHHFX	Hartford Schrodr Mkts Eq	3.42%
REIT	VNQ	Vngrd Index Tr Reit Viper Shs	2.05%
<b>Fixed Income</b>			<b>37.45%</b>
Short-Term	VFSUX	Vanguard Short-Term Corp Adm Fund	7.49%
Intermediate-Term	PTTRX	PIMCO Total Return Instl Fund	9.66%
	PTRQX	Prudential Total Return BD	9.66%
	DBLFX	Doubleline Core Fixed Inc Cl I	9.77%
High Yield	PHIYX	PIMCO High Yield	0.87%
<b>Cash</b>			<b>6.38%</b>
	FGZXX	First Amern Govt Oblig Fd CL Z	6.38%
<b>TOTAL</b>			<b>100.00%</b>

# OC Sanitation District

## For Period Ending December 31, 2022

LARGE CAP EQUITY FUNDS							
Fund Name	1-Month Return	3-Month Return	Year-to-Date	1-Year Return	3-Year Return	5-Year Return	10-Year Return
Columbia Contrarian Core Inst3	-6.17	6.41	-18.45	-18.45	7.51	8.56	12.26
Vanguard Growth & Income Adm	-6.13	7.21	-17.11	-17.11	8.11	9.36	12.60
Dodge & Cox Stock I	-4.61	12.99	-7.22	-7.22	9.41	8.72	12.44
iShares S&P 500 Value ETF	-3.93	13.55	-5.41	-5.41	6.09	7.41	10.67
Harbor Capital Appreciation Retirement	-8.67	-1.46	-37.67	-37.67	3.69	8.05	12.84
T. Rowe Price Growth Stock I	-8.79	-2.23	-40.05	-40.05	-0.41	5.10	11.35
<b>S&amp;P 500 TR USD</b>	<b>-5.76</b>	<b>7.56</b>	<b>-18.11</b>	<b>-18.11</b>	<b>7.66</b>	<b>9.42</b>	<b>12.56</b>
MID CAP EQUITY FUNDS							
iShares Russell Mid-Cap ETF	-5.42	9.14	-17.43	-17.43	5.71	6.95	10.78
SMALL CAP EQUITY FUNDS							
Undiscovered Managers Behavioral Val R6	-3.86	13.77	-1.10	-1.10	11.29	7.59	11.57
Vanguard Small-Cap Growth ETF	-6.30	3.02	-28.40	-28.40	0.80	5.10	9.27
<b>Russell 2000 TR USD</b>	<b>-6.49</b>	<b>6.23</b>	<b>-20.44</b>	<b>-20.44</b>	<b>3.10</b>	<b>4.13</b>	<b>9.01</b>
INTERNATIONAL EQUITY FUNDS							
Dodge & Cox International Stock I	-1.69	16.01	-6.78	-6.78	1.85	1.25	4.81
DFA Large Cap International I	-2.05	17.21	-13.03	-13.03	1.99	2.14	4.79
MFS International Growth R6	-3.45	14.24	-15.02	-15.02	2.57	4.62	6.38
<b>MSCI EAFE NR USD</b>	<b>0.08</b>	<b>17.34</b>	<b>-14.45</b>	<b>-14.45</b>	<b>0.87</b>	<b>1.54</b>	<b>4.67</b>
Hartford Schrodgers Emerging Mkts Eq F	-2.62	10.50	-22.14	-22.14	-2.87	-1.06	1.85
<b>MSCI EM NR USD</b>	<b>-1.41</b>	<b>9.70</b>	<b>-20.09</b>	<b>-20.09</b>	<b>-2.69</b>	<b>-1.40</b>	<b>1.44</b>
REAL ESTATE FUNDS							
Fund Name	1-Month Return	3-Month Return	Year-to-Date	1-Year Return	3-Year Return	5-Year Return	10-Year Return
Vanguard Real Estate ETF	-5.08	4.32	-26.20	-26.20	-0.43	3.66	6.41
BOND FUNDS							
DoubleLine Core Fixed Income I	-0.36	1.17	-12.76	-12.76	-2.80	-0.17	1.39
PGIM Total Return Bond R6	-0.30	2.31	-14.86	-14.86	-3.10	0.09	1.80
PIMCO Total Return Instl	-0.31	1.77	-14.09	-14.09	-2.48	0.03	1.11
Vanguard Short-Term Investment-Grade Adm	0.11	1.72	-5.75	-5.75	-0.38	1.10	1.45
<b>Bloomberg US Agg Bond TR USD</b>	<b>-0.45</b>	<b>1.87</b>	<b>-13.01</b>	<b>-13.01</b>	<b>-2.71</b>	<b>0.02</b>	<b>1.06</b>
PIMCO High Yield Instl	-0.86	4.19	-10.78	-10.78	-0.75	1.85	3.55
#N/A	█ #N/A	█ #N/A	█ #N/A	█ #N/A	█ #N/A	█ #N/A	█ #N/A

Source: SEI Investments, Morningstar Investments

Returns less than one year are not annualized. Past performance is no indication of future results. The information presented has been obtained from sources believed to be accurate and reliable. Securities are not FDIC insured, have no bank guarantee and may lose value.



# ADMINISTRATIVE REVIEW

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- 1 Future contributions
- 2 Future disbursement requests/options
- 3 Investment Guidelines Document - *needed*
- 4 Client Feedback
- 5 Employer Portal – *Opted In*



# EMPLOYER PORTAL

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**Public Agency Retirement Services (PARS) has launched its new employer portal for the IRC Section 115 Trust. Features include:**

- Latest monthly account balance
- Transaction history
- Downloadable prior statements
- Investment Performance

[employer.pars.org](https://employer.pars.org)

# GASB COMPLIANCE

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- **To assist our public agency clients with GASB compliance, PARS will be providing the following:**
  - An individual trust statement of each agency's plan assets that shows a reconciliation of assets held at the beginning of the fiscal year through the end of the fiscal year, breaking out the appropriate plan contributions, benefit payments, expenses, and investment earnings
  - Year-end audited financial statements of the Trust as a whole including Schedule of Changes in Fiduciary Net Position by Employer completed by CliftonLarsonAllen (CLA) that is intended to be compliant with GASB 67/68 and GASB 74/75 requirements.
  - Supporting SOC 1-Type 2 report on the controls over the calculation and allocation of additions and deductions to employer accounts within the Trust
  - Investment allocation data and information on investment policies including target asset allocations and allowable asset class allocation ranges
- PARS Auditors have determined that participating plans should be considered an agent multiple-employer defined benefit OPEB plan (agent OPEB plan) as defined under GASB



## PARS DIVERSIFIED PORTFOLIOS CONSERVATIVE

Q3 2022

### WHY THE PARS DIVERSIFIED CONSERVATIVE PORTFOLIO?

#### Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

#### Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

#### Flexible Investment Options

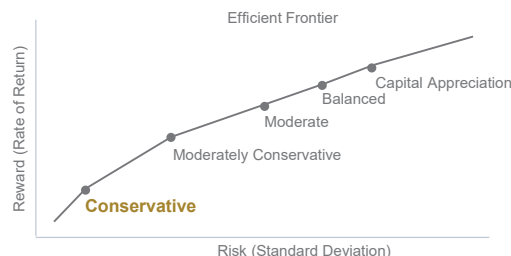
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

#### Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

### INVESTMENT OBJECTIVE

To provide a consistent level of inflation-protected income over the long-term. The major portion of the assets will be fixed income related. Equity securities are utilized to provide inflation protection.



### ASSET ALLOCATION — CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	5 – 20%	15%	14%
Fixed Income	60 – 95%	80%	82%
Cash	0 – 20%	5%	4%

### ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus Composite (Active)

Current Quarter*	-3.93%
Blended Benchmark**, **	-3.63%
Year To Date*	-14.84%
Blended Benchmark**, **	-12.94%
1 Year	-14.21%
Blended Benchmark**	-12.10%
3 Year	-1.23%
Blended Benchmark**	-0.84%
5 Year	1.01%
Blended Benchmark**	1.19%
10 Year	2.35%
Blended Benchmark**	2.27%

#### Index Plus Composite (Passive)

Current Quarter*	-3.97%
Blended Benchmark**, **	-3.63%
Year To Date*	-14.22%
Blended Benchmark**, **	-12.94%
1 Year	-13.40%
Blended Benchmark**	-12.10%
3 Year	-1.25%
Blended Benchmark**	-0.84%
5 Year	0.94%
Blended Benchmark**	1.19%
10 Year	2.11%
Blended Benchmark**	2.27%

\* Returns less than one year are not annualized. \*\* Breakdown for Blended Benchmark: From 10/1/2012 - Present: 7.5% S&P500, 1.5% Russell Mid Cap, 2.5% Russell 2000, 1% MSCI EM (net), 2% MSCI EAFE (net), 52.25% Bloomberg US Agg, 25.75% ICE BofA 1-3 Yr US Corp/Govt, 2% ICE BofA US High Yield Master II, 0.5% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 – 9/30/2012, the blended benchmark was 12% S&P 500, 1% Russell 2000, 2% MSCI EAFE (net), 40% ICE BofA 1-3 Year Corp./Govt, 40% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007: the blended benchmark was 15% S&P 500, 40% ICE BofA 1-3Yr Corp/Govt, 40% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

### ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus Composite (Active)

2008	-9.04%
2009	15.59%
2010	8.68%
2011	2.19%
2012	8.45%
2013	3.69%
2014	3.88%
2015	0.29%
2016	4.18%
2017	6.73%
2018	-1.35%
2019	11.05%
2020	9.03%
2021	2.20%

#### Index Plus Composite (Passive)

2008	-6.70%
2009	10.49%
2010	7.67%
2011	3.70%
2012	6.22%
2013	3.40%
2014	4.32%
2015	0.06%
2016	3.75%
2017	5.52%
2018	-1.09%
2019	10.37%
2020	8.56%
2021	1.97%

### PORTFOLIO FACTS

#### HighMark Plus (Active)

Composite Inception Date	07/2004
No of Holdings in Portfolio	20

#### Index Plus (Passive)

Composite Inception Date	07/2004
No of Holdings in Portfolio	13

## HOLDINGS

### HighMark Plus (Active)

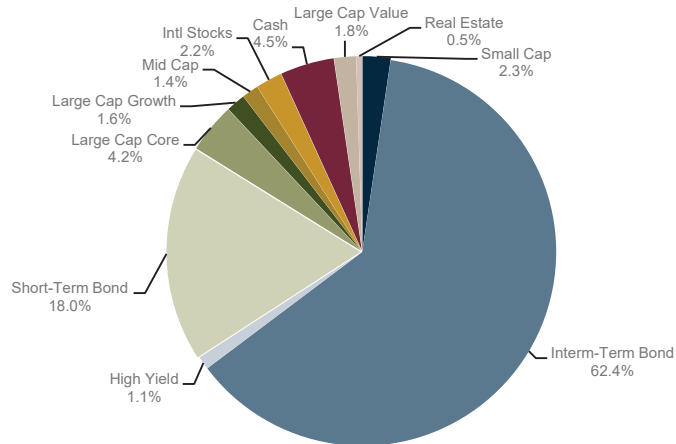
Columbia Contrarian Core I3  
 Vanguard Growth & Income Adm  
 Dodge & Cox Stock Fund  
 iShares S&P 500 Value ETF  
 Harbor Capital Appreciation - Retirement  
 T. Rowe Price Growth Stock - I  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 Undiscovered Managers Behavioral Value-R6  
 Vanguard Small Cap Growth ETF  
 DFA Large Cap International Portfolio  
 Dodge & Cox International Stock  
 MFS International Growth - R6  
 Hartford Schroders Emerging Markets Eq  
 Vanguard Short-Term Invest-Grade Adm  
 PIMCO High Yield Instl  
 PIMCO Total Return Fund - Inst  
 PGIM Total Return Bond - R6  
 DoubleLine Core Fixed Income - I  
 First American Government Obligations Z

### Index Plus (Passive)

iShares Core S&P 500 ETF  
 iShares S&P 500 Value ETF  
 iShares S&P 500 Growth ETF  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 iShares Russell 2000 Value ETF  
 iShares Russell 2000 Growth ETF  
 iShares Core MSCI EAFE ETF  
 Vanguard FTSE Emerging Markets ETF  
 Vanguard Short-Term Invest-Grade Adm  
 iShares Core U.S. Aggregate  
 Vanguard High-Yield Corp Adm  
 First American Government Obligations Z

*Holdings are subject to change at the discretion of the investment manager.*

## STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark with full investment authority according to the PARS Conservative active and passive objectives.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA U.S. High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT Index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month U.S. Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.

## HIGHMARK CAPITAL MANAGEMENT

350 California Street  
 Suite 1600  
 San Francisco, CA 94104  
 800-582-4734

### ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 100 years (including predecessor organizations) of institutional money management experience with \$8.7 billion in assets under management and \$8.7 billion in assets under advisement\*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

### ABOUT THE PORTFOLIO MANAGEMENT TEAM

#### Andrew Brown, CFA®

Senior Portfolio Manager  
 Investment Experience: since 1994  
 HighMark Tenure: since 1997  
 Education: MBA, University of Southern California; BA, University of Southern California

#### Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager  
 Investment Experience: since 2004  
 HighMark Tenure: since 2014  
 Education: BA, Colgate University

#### J. Keith Stribling, CFA®

Senior Portfolio Manager  
 Investment Experience: since 1985  
 HighMark Tenure: since 1995  
 Education: BA, Stetson University

#### Christiane Tsuda

Senior Portfolio Manager  
 Investment Experience: since 1987  
 HighMark Tenure: since 2010  
 Education: BA, International Christian University, Tokyo

#### Anne Wimmer, CFA®

Senior Portfolio Manager  
 Investment Experience: since 1987  
 HighMark Tenure: since 2007  
 Education: BA, University of California, Santa Barbara

### Asset Allocation Committee

Number of Members: 16  
 Average Years of Experience: 27  
 Average Tenure (Years): 15

### Manager Review Group

Number of Members: 7  
 Average Years of Experience: 22  
 Average Tenure (Years): 10

\*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.

**PARS DIVERSIFIED PORTFOLIOS**  
**MODERATELY CONSERVATIVE**

Q3 2022

**WHY THE PARS DIVERSIFIED MODERATELY CONSERVATIVE PORTFOLIO?**

**Comprehensive Investment Solution**

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

**Rigorous Manager Due Diligence**

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

**Flexible Investment Options**

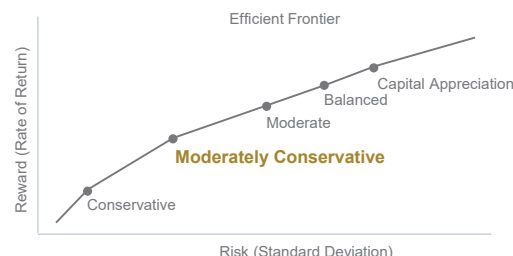
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

**Risk Management**

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

**INVESTMENT OBJECTIVE**

To provide current income, with capital appreciation as a secondary objective. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.



**ASSET ALLOCATION — MODERATELY CONSERVATIVE PORTFOLIO**

	Strategic Range	Policy	Tactical
Equity	20 - 40%	30%	28%
Fixed Income	50 - 80%	65%	67%
Cash	0 - 20%	5%	5%

**ANNUALIZED TOTAL RETURNS** (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
Current Quarter*	-4.11%	Current Quarter*	-4.21%
Blended Benchmark**, **	-4.12%	Blended Benchmark**, **	-4.12%
Year To Date*	-16.43%	Year To Date*	-15.94%
Blended Benchmark**, **	-15.65%	Blended Benchmark**, **	-15.65%
1 Year	-14.98%	1 Year	-14.17%
Blended Benchmark**	-13.82%	Blended Benchmark**	-13.82%
3 Year	0.00%	3 Year	-0.10%
Blended Benchmark**	0.18%	Blended Benchmark**	0.18%
5 Year	1.91%	5 Year	1.87%
Blended Benchmark**	2.11%	Blended Benchmark**	2.11%
10 Year	3.51%	10 Year	3.36%
Blended Benchmark**	3.58%	Blended Benchmark**	3.58%

\* Returns less than one year are not annualized. \*\*Breakdown for Blended Benchmark: From 10/1/2012 - Present: 15.5% S&P500, 3% Russell Mid Cap, 4.5% Russell 2000, 2% MSCI EM (net), 4% MSCI EAFE (net), 49.25% Bloomberg US Agg, 14% ICE BofA 1-3 Yr US Corp/Gov't, 1.75% ICE BofA US High Yield Master II, 1% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 - 9/30/2012: the blended benchmark was 25% S&P 500; 1.5% Russell 2000, 3.5% MSCI EAFE (net), 25% ICE BofA 1-3 Year Corp./Gov't, 40% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007, the blended benchmark was 30% S&P 500, 25% ICE BofA 1-3Yr Corp/Gov, 40% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

**ANNUAL RETURNS** (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
2008	-15.37%	2008	-12.40%
2009	18.71%	2009	11.92%
2010	10.46%	2010	9.72%
2011	1.75%	2011	3.24%
2012	10.88%	2012	8.24%
2013	7.30%	2013	6.78%
2014	4.41%	2014	5.40%
2015	0.32%	2015	-0.18%
2016	4.94%	2016	5.42%
2017	9.56%	2017	8.08%
2018	-2.60%	2018	-2.33%
2019	13.73%	2019	13.53%
2020	10.76%	2020	9.74%
2021	5.15%	2021	5.33%

**PORTFOLIO FACTS**

HighMark Plus (Active)		Index Plus (Passive)	
Composite Inception Date	08/2004	Composite Inception Date	05/2005
No of Holdings in Portfolio	20	No of Holdings in Portfolio	13

## HOLDINGS

### HighMark Plus (Active)

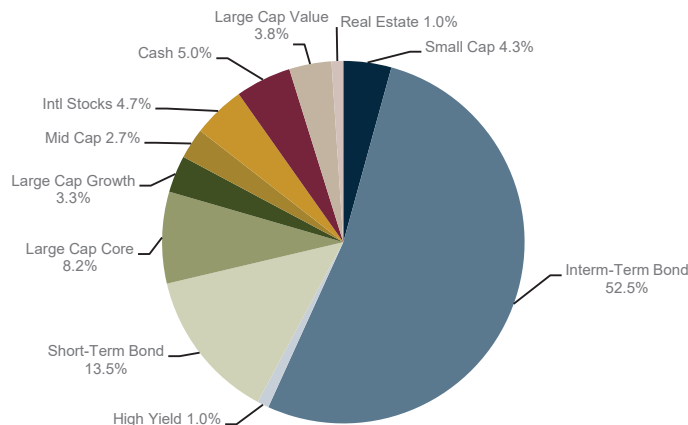
Columbia Contrarian Core I3  
 Vanguard Growth & Income Adm  
 Dodge & Cox Stock Fund  
 iShares S&P 500 Value ETF  
 Harbor Capital Appreciation - Retirement  
 T. Rowe Price Growth Stock - I  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 Undiscovered Managers Behavioral Value-R6  
 Vanguard Small Cap Growth ETF  
 DFA Large Cap International Portfolio  
 Dodge & Cox International Stock  
 MFS International Growth - R6  
 Hartford Schroders Emerging Markets Eq  
 Vanguard Short-Term Invest-Grade Adm  
 PIMCO High Yield Instl  
 PIMCO Total Return Fund - Inst  
 PGIM Total Return Bond - R6  
 DoubleLine Core Fixed Income - I  
 First American Government Obligations Z

### Index Plus (Passive)

iShares Core S&P 500 ETF  
 iShares S&P 500 Value ETF  
 iShares S&P 500 Growth ETF  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 iShares Russell 2000 Value ETF  
 iShares Russell 2000 Growth ETF  
 iShares Core MSCI EAFE ETF  
 Vanguard FTSE Emerging Markets ETF  
 Vanguard Short-Term Invest-Grade Adm  
 iShares Core U.S. Aggregate  
 Vanguard High-Yield Corp Adm  
 First American Government Obligations Z

*Holdings are subject to change at the discretion of the investment manager.*

## STYLE



The performance records shown represent a size-weighted composite of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark with full investment authority according to the PARS Moderately Conservative active and passive objectives.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA U.S. High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT Index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month U.S. Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFJ Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFJ Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

## HIGHMARK CAPITAL MANAGEMENT

350 California Street  
 Suite 1600  
 San Francisco, CA 94104  
 800-582-4734

### ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 100 years (including predecessor organizations) of institutional money management experience with \$8.7 billion in assets under management and \$8.7 billion in assets under advisement\*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

### ABOUT THE PORTFOLIO MANAGEMENT TEAM

#### Andrew Brown, CFA®

Senior Portfolio Manager  
 Investment Experience: since 1994  
 HighMark Tenure: since 1997  
 Education: MBA, University of Southern California; BA, University of Southern California

#### Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager  
 Investment Experience: since 2004  
 HighMark Tenure: since 2014  
 Education: BA, Colgate University

#### J. Keith Stribling, CFA®

Senior Portfolio Manager  
 Investment Experience: since 1985  
 HighMark Tenure: since 1995  
 Education: BA, Stetson University

#### Christiane Tsuda

Senior Portfolio Manager  
 Investment Experience: since 1987  
 HighMark Tenure: since 2010  
 Education: BA, International Christian University, Tokyo

#### Anne Wimmer, CFA®

Senior Portfolio Manager  
 Investment Experience: since 1987  
 HighMark Tenure: since 2007  
 Education: BA, University of California, Santa Barbara

### Asset Allocation Committee

Number of Members: 16  
 Average Years of Experience: 27  
 Average Tenure (Years): 15

### Manager Review Group

Number of Members: 7  
 Average Years of Experience: 22  
 Average Tenure (Years): 10

\*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFJ Union Bank, N.A.

PARS DIVERSIFIED PORTFOLIOS  
**MODERATE**

Q3 2022

**WHY THE PARS DIVERSIFIED MODERATE PORTFOLIO?**

**Comprehensive Investment Solution**

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

**Rigorous Manager Due Diligence**

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

**Flexible Investment Options**

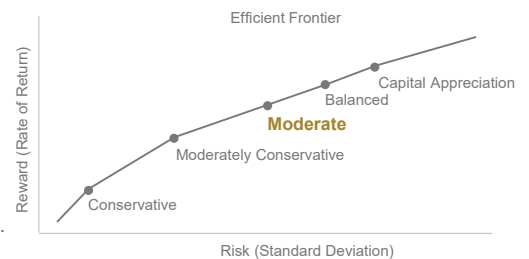
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

**Risk Management**

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

**INVESTMENT OBJECTIVE**

To provide current income and moderate capital appreciation. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.



**ASSET ALLOCATION — MODERATE PORTFOLIO**

	Strategic Range	Policy	Tactical
Equity	40 - 60%	50%	47%
Fixed Income	40 - 60%	45%	48%
Cash	0 - 20%	5%	5%

**ANNUALIZED TOTAL RETURNS** (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
Current Quarter*	-4.40%	Current Quarter*	-4.42%
Blended Benchmark**, **	-4.37%	Blended Benchmark**, **	-4.37%
Year To Date*	-18.47%	Year To Date*	-18.11%
Blended Benchmark**, **	-18.08%	Blended Benchmark**, **	-18.08%
1 Year	-15.92%	1 Year	-15.03%
Blended Benchmark**	-15.01%	Blended Benchmark**	-15.01%
3 Year	1.69%	3 Year	1.51%
Blended Benchmark**	1.85%	Blended Benchmark**	1.85%
5 Year	3.20%	5 Year	3.09%
Blended Benchmark**	3.43%	Blended Benchmark**	3.43%
10 Year	5.10%	10 Year	4.97%
Blended Benchmark**	5.33%	Blended Benchmark**	5.33%

\* Returns less than one year are not annualized. \*\*Breakdown for Blended Benchmark: From 10/1/2012 – Present: 26.5% S&P500, 5% Russell Mid Cap, 7.5% Russell 2000, 3.25% MSCI EM (net), 6% MSCI EAFE (net), 33.50% Bloomberg US Agg, 10% ICE BofA 1-3 Yr US Corp/Govt, 1.50% ICE BofA US High Yield Master II, 1.75% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 43% S&P 500, 2% Russell 2000, 5% MSCI EAFE (net), 15% ICE BofA 1-3 Year Corp./Govt, 30% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007: the blended benchmark was 50% S&P 500, 15% ICE BofA 1-3Yr Corp/Gov, 30% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

**ANNUAL RETURNS** (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
2008	-22.88%	2008	-18.14%
2009	21.47%	2009	16.05%
2010	12.42%	2010	11.77%
2011	0.55%	2011	2.29%
2012	12.25%	2012	10.91%
2013	13.06%	2013	12.79%
2014	4.84%	2014	5.72%
2015	0.14%	2015	-0.52%
2016	6.45%	2016	7.23%
2017	13.19%	2017	11.59%
2018	-4.03%	2018	-4.03%
2019	17.71%	2019	17.52%
2020	12.92%	2020	11.23%
2021	9.31%	2021	10.18%

**PORTFOLIO FACTS**

HighMark Plus (Active)		Index Plus (Passive)	
Composite Inception Date	10/2004	Composite Inception Date	05/2006
No of Holdings in Portfolio	20	No of Holdings in Portfolio	13

## HOLDINGS

### HighMark Plus (Active)

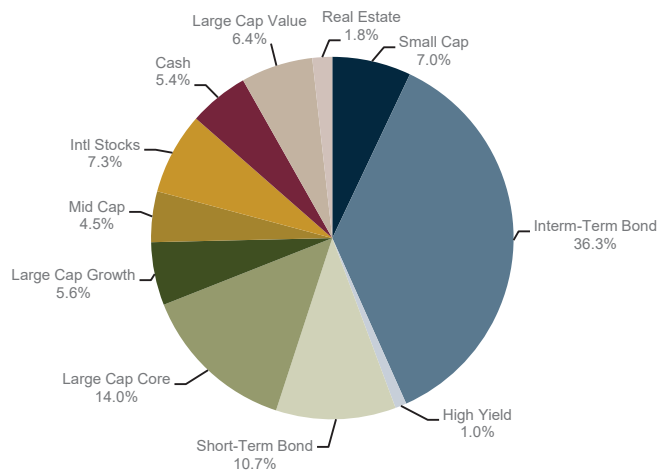
Columbia Contrarian Core I3  
 Vanguard Growth & Income Adm  
 Dodge & Cox Stock Fund  
 iShares S&P 500 Value ETF  
 Harbor Capital Appreciation - Retirement  
 T. Rowe Price Growth Stock - I  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 Undiscovered Managers Behavioral Value-R6  
 Vanguard Small Cap Growth ETF  
 DFA Large Cap International Portfolio  
 Dodge & Cox International Stock  
 MFS International Growth - R6  
 Hartford Schroders Emerging Markets Eq  
 Vanguard Short-Term Invest-Grade Adm  
 PIMCO High Yield Instl  
 PIMCO Total Return Fund - Inst  
 PGIM Total Return Bond - R6  
 DoubleLine Core Fixed Income - I  
 First American Government Obligations Z

### Index Plus (Passive)

iShares Core S&P 500 ETF  
 iShares S&P 500 Value ETF  
 iShares S&P 500 Growth ETF  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 iShares Russell 2000 Value ETF  
 iShares Russell 2000 Growth ETF  
 iShares Core MSCI EAFE ETF  
 Vanguard FTSE Emerging Markets ETF  
 Vanguard Short-Term Invest-Grade Adm  
 iShares Core U.S. Aggregate  
 Vanguard High-Yield Corp Adm  
 First American Government Obligations Z

*Holdings are subject to change at the discretion of the investment manager.*

## STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria. Accounts are managed by HighMark with full investment authority according to the PARS Moderate active and passive objectives.

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Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA U.S. High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month U.S. Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

## HIGHMARK CAPITAL MANAGEMENT

350 California Street  
 Suite 1600  
 San Francisco, CA 94104  
 800-582-4734

### ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 100 years (including predecessor organizations) of institutional money management experience with \$8.7 billion in assets under management and \$8.7 billion in assets under advisement\*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

### ABOUT THE PORTFOLIO MANAGEMENT TEAM

#### Andrew Brown, CFA®

Senior Portfolio Manager  
 Investment Experience: since 1994  
 HighMark Tenure: since 1997  
 Education: MBA, University of Southern California; BA, University of Southern California

#### Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager  
 Investment Experience: since 2004  
 HighMark Tenure: since 2014  
 Education: BA, Colgate University

#### J. Keith Stribling, CFA®

Senior Portfolio Manager  
 Investment Experience: since 1985  
 HighMark Tenure: since 1995  
 Education: BA, Stetson University

#### Christiane Tsuda

Senior Portfolio Manager  
 Investment Experience: since 1987  
 HighMark Tenure: since 2010  
 Education: BA, International Christian University, Tokyo

#### Anne Wimmer, CFA®

Senior Portfolio Manager  
 Investment Experience: since 1987  
 HighMark Tenure: since 2007  
 Education: BA, University of California, Santa Barbara

### Asset Allocation Committee

Number of Members: 16  
 Average Years of Experience: 27  
 Average Tenure (Years): 15

### Manager Review Group

Number of Members: 7  
 Average Years of Experience: 22  
 Average Tenure (Years): 10

\*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.

## WHY THE PARS DIVERSIFIED BALANCED PORTFOLIO?

### Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

### Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

### Flexible Investment Options

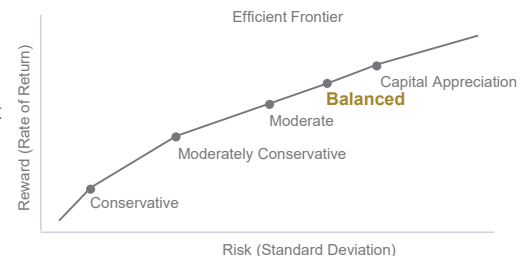
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

### Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

## INVESTMENT OBJECTIVE

To provide growth of principal and income. While dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return.



## ASSET ALLOCATION — BALANCED PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	50 – 70%	60%	56%
Fixed Income	30 – 50%	35%	38%
Cash	0 – 20%	5%	6%

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

## ANNUALIZED TOTAL RETURNS

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
Current Quarter*	-4.53%	Current Quarter*	-4.55%
Blended Benchmark**, **	-4.57%	Blended Benchmark**, **	-4.57%
Year To Date*	-19.53%	Year To Date*	-19.32%
Blended Benchmark**, **	-19.41%	Blended Benchmark**, **	-19.41%
1 Year	-16.46%	1 Year	-15.61%
Blended Benchmark**	-15.76%	Blended Benchmark**	-15.76%
3 Year	2.47%	3 Year	2.28%
Blended Benchmark**	2.62%	Blended Benchmark**	2.62%
5 Year	3.79%	5 Year	3.63%
Blended Benchmark**	4.04%	Blended Benchmark**	4.04%
10 Year	5.93%	10 Year	5.75%
Blended Benchmark**	6.18%	Blended Benchmark**	6.18%

\* Returns less than one year are not annualized. \*\*Breakdown for Blended Benchmark: From 10/1/2012 – Present: 32% S&P500, 6% Russell Mid Cap, 9% Russell 2000, 4% MSCI EM (net), 7% MSCI EAFE (net), 27% Bloomberg US Agg, 6.75% ICE BofA 1-3 Yr US Corp/Gov't, 1.25% ICE BofA US High Yield Master II, 2% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 51% S&P 500, 3% Russell 2000, 6% MSCI EAFE (net), 5% ICE BofA 1-3 Year Corp./Gov't, 30% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007: the blended benchmark was 60% S&P 500, 5% ICE BofA 1-3Yr Corp/Gov't, 30% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

## ANNUAL RETURNS

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
2008	-25.72%	2008	-23.22%
2009	21.36%	2009	17.62%
2010	14.11%	2010	12.76%
2011	-0.46%	2011	1.60%
2012	13.25%	2012	11.93%
2013	16.61%	2013	15.63%
2014	4.70%	2014	6.08%
2015	0.04%	2015	-0.81%
2016	6.81%	2016	8.26%
2017	15.46%	2017	13.39%
2018	-4.88%	2018	-5.05%
2019	19.85%	2019	19.59%
2020	13.85%	2020	12.07%
2021	11.44%	2021	12.63%

## PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Composite Inception Date	10/2006	Composite Inception Date	10/2007
No of Holdings in Portfolio	20	No of Holdings in Portfolio	13

## HOLDINGS

### HighMark Plus (Active)

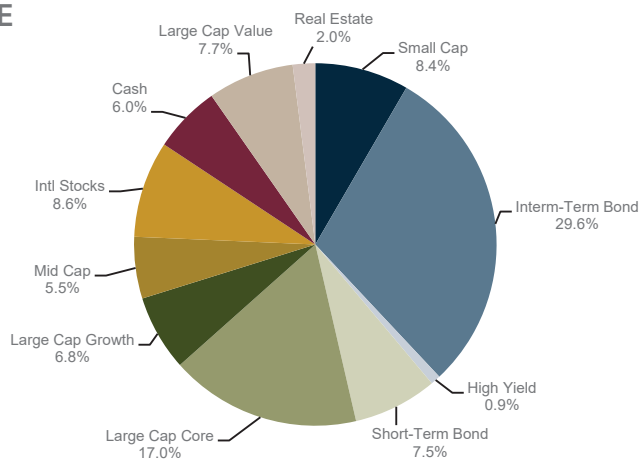
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 Vanguard Small Cap Growth ETF  
 DFA Large Cap International Portfolio  
 Dodge & Cox International Stock  
 MFS International Growth - R6  
 Hartford Schroders Emerging Markets Eq  
 Vanguard Short-Term Invest-Grade Adm  
 PIMCO High Yield Instl  
 PIMCO Total Return Fund - Inst  
 PGIM Total Return Bond - R6  
 DoubleLine Core Fixed Income - I  
 First American Government Obligations Z

### Index Plus (Passive)

iShares Core S&P 500 ETF  
 iShares S&P 500 Value ETF  
 iShares S&P 500 Growth ETF  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 iShares Russell 2000 Value ETF  
 iShares Russell 2000 Growth ETF  
 iShares Core MSCI EAFE ETF  
 Vanguard FTSE Emerging Markets ETF  
 Vanguard Short-Term Invest-Grade Adm  
 iShares Core U.S. Aggregate  
 Vanguard High-Yield Corp Adm  
 First American Government Obligations Z

*Holdings are subject to change at the discretion of the investment manager.*

## STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark with full investment authority according to the PARS Balanced active and passive objectives.

The composite name has been changed from PARS Balanced/Moderately Aggressive to PARS Balanced on 5/1/2013. The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as a 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA U.S. High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month U.S. Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.

## HIGHMARK CAPITAL MANAGEMENT

350 California Street  
 Suite 1600  
 San Francisco, CA 94104  
 800-582-4734

### ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 100 years (including predecessor organizations) of institutional money management experience with \$8.7 billion in assets under management and \$8.7 billion in assets under advisement\*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

### ABOUT THE PORTFOLIO MANAGEMENT TEAM

#### Andrew Brown, CFA®

Senior Portfolio Manager  
 Investment Experience: since 1994  
 HighMark Tenure: since 1997  
 Education: MBA, University of Southern California; BA, University of Southern California

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 Investment Experience: since 1987  
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 Education: BA, International Christian University, Tokyo

#### Anne Wimmer, CFA®

Senior Portfolio Manager  
 Investment Experience: since 1987  
 HighMark Tenure: since 2007  
 Education: BA, University of California, Santa Barbara

### Asset Allocation Committee

Number of Members: 16  
 Average Years of Experience: 27  
 Average Tenure (Years): 15

### Manager Review Group

Number of Members: 7  
 Average Years of Experience: 22  
 Average Tenure (Years): 10

\*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.



## PARS DIVERSIFIED PORTFOLIOS CAPITAL APPRECIATION

Q3 2022

### WHY THE PARS DIVERSIFIED CAPITAL APPRECIATION PORTFOLIO?

#### Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

#### Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

#### Flexible Investment Options

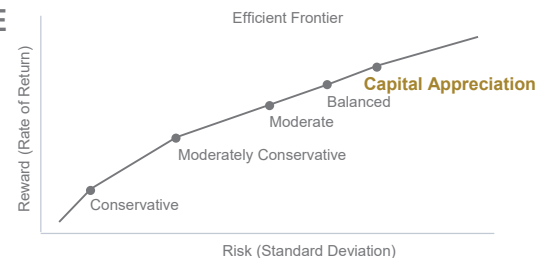
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

#### Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

### INVESTMENT OBJECTIVE

To provide growth of principal. The major portion of the assets are invested in equity securities and market fluctuations are expected.



### ASSET ALLOCATION — CAPITAL APPRECIATION PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	65 - 85%	75%	70%
Fixed Income	10 - 30%	20%	23%
Cash	0 - 20%	5%	7%

### ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### Consolidated Composite

Current Quarter*	-4.72%
Blended Benchmark*,**	-4.90%
Year To Date*	-21.04%
Blended Benchmark*,**	-21.32%
1 Year	-16.95%
Blended Benchmark**	-16.94%
3 Year	3.43%
Blended Benchmark**	3.59%
5 Year	4.57%
Blended Benchmark**	4.76%
10 Year	7.03%
Blended Benchmark**	7.30%

\* Returns less than one year are not annualized. \*\*Breakdown for Blended Benchmark: 39.5% S&P500, 7.5% Russell Mid Cap, 10.5% Russell 2000, 5.25% MSCI EM (net), 10.25% MSCI EAFE (net), 16% Bloomberg US Agg, 3% ICE BofA 1-3 Yr US Corp/Gov't, 1% ICE BofA US High Yield Master II, 2% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill.

### ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

Consolidated Composite	
2008	N/A
2009	23.77%
2010	12.95%
2011	-1.35%
2012	13.87%
2013	20.33%
2014	6.05%
2015	-0.26%
2016	8.79%
2017	16.72%
2018	-5.82%
2019	22.62%
2020	14.50%
2021	14.96%

### PORTFOLIO FACTS

Consolidated Composite	
Composite Inception Date	01/2009
No of Holdings in Portfolio	20

## HOLDINGS

### HighMark Plus (Active)

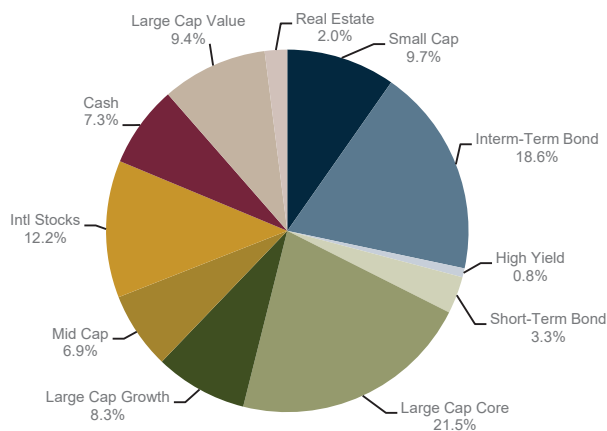
Columbia Contrarian Core I3  
Vanguard Growth & Income Adm  
Dodge & Cox Stock Fund  
iShares S&P 500 Value ETF  
Harbor Capital Appreciation – Retirement  
T. Rowe Price Growth Stock - I  
iShares Russell Mid-Cap ETF  
Vanguard Real Estate ETF  
Undiscovered Managers Behavioral Value-R6  
Vanguard Small Cap Growth ETF  
DFA Large Cap International Portfolio  
Dodge & Cox International Stock  
MFS International Growth - R6  
Hartford Schroders Emerging Markets Eq  
Vanguard Short-Term Invest-Grade Adm  
PIMCO High Yield Instl  
PIMCO Total Return Fund - Inst  
PGIM Total Return Bond - R6  
DoubleLine Core Fixed Income - I  
First American Government Obligations Z

### Index Plus (Passive)

iShares Core S&P 500 ETF  
iShares S&P 500 Value ETF  
iShares S&P 500 Growth ETF  
iShares Russell Mid-Cap ETF  
Vanguard Real Estate ETF  
iShares Russell 2000 Value ETF  
iShares Russell 2000 Growth ETF  
iShares Core MSCI EAFE ETF  
Vanguard FTSE Emerging Markets ETF  
Vanguard Short-Term Invest-Grade Adm  
iShares Core U.S. Aggregate  
Vanguard High-Yield Corp Adm  
First American Government Obligations Z

*Holdings are subject to change at the discretion of the investment manager.*

## STYLE



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January 31, 2023

## **STAFF REPORT**

### Certificates of Participation (COP) Report For the Mid-Year Ended December 31, 2022

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#### **Summary**

The Orange County Sanitation District (OC San) 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. There remains no variable interest rate COPs at OC San. Following are the current outstanding debt issues of OC San:

In May 2010, OC San issued \$80 million of fixed rate Build America Bonds (BABs), Series 2010A at a true interest cost of 3.68 percent for the issue.

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

In August 2014, OC San 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, OC San 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, OC San issued \$145.88 million of fixed rate COPs, 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, OC San 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 July 2021, OC San issued \$133.51 million of fixed rate COPs, Series 2021A, refunding \$61.575 million of the Series 2011A fixed rate debt and \$102.2 million of the Series 2018A fixed rate debt. The true interest cost for the issue is 1.06 percent.

In February 2022, OC San issued \$81.62 million of fixed rate COPs, Series 2022A, refunding \$100.645 million of the Series 2012A fixed rate debt and \$6.67 million of the Series 2012B fixed rate debt. The true interest cost for the issue is 1.59 percent.

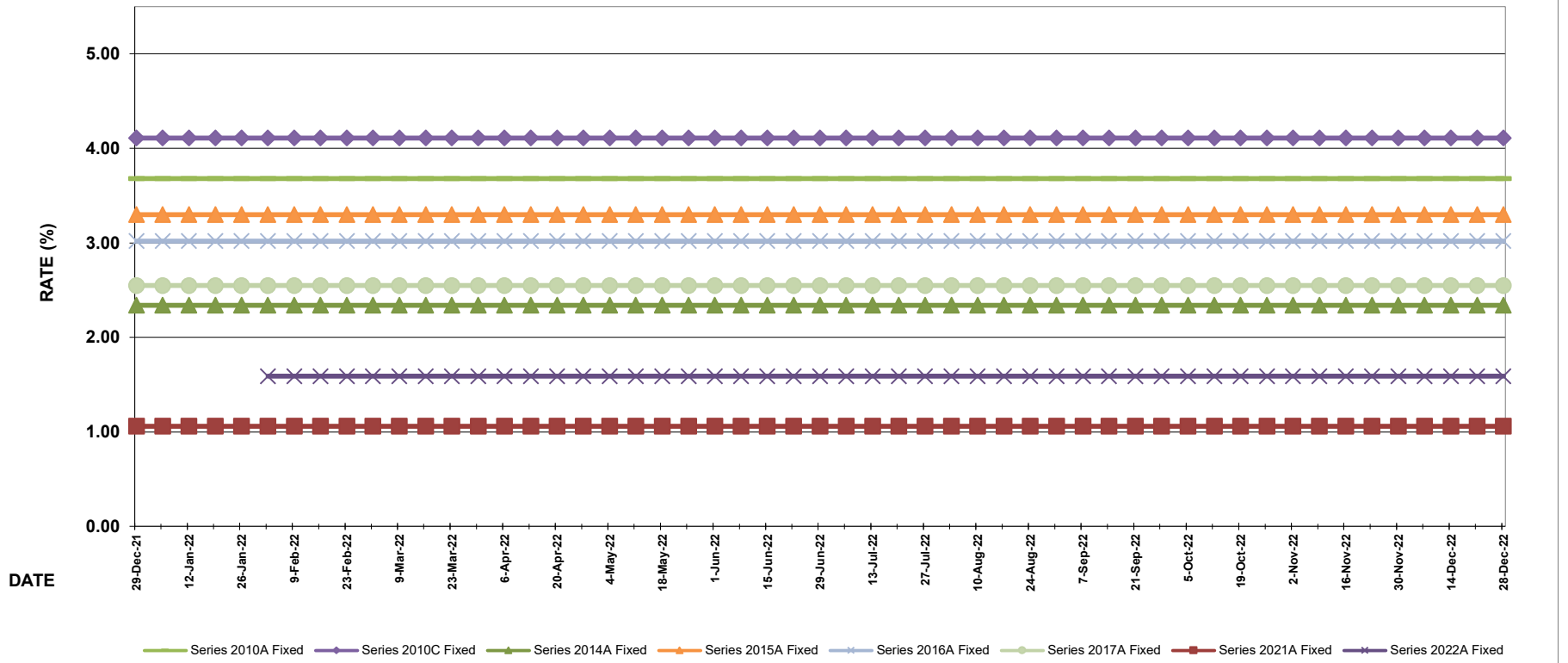
Additional Information

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

Attachment

1. Graph - COP Rate History Report

## OC SAN COP RATE HISTORY REPORT DECEMBER 2022



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**Orange County Sanitation District  
Financial Management Division  
10844 Ellis Avenue  
Fountain Valley, California 92708-7018  
714.962.2411 | [www.ocsan.gov](http://www.ocsan.gov)**

**12/31/22**





# ADMINISTRATION COMMITTEE

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

## Agenda Report

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**File #:** 2023-2769

**Agenda Date:** 2/8/2023

**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 Orange County Sanitation District purchases made under the General Manager's authority for the period of October 1, 2022 to December 31, 2022; and
- B. Approve the following additions to the pre-approved OEM Sole Source List:
  - AMETEK SPECTRO SCIENTIFIC - FluidScan Lubricant Condition Monitor Equipment, Parts, Accessories, and Repairs

**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 (OC San) 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, 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 second quarter of fiscal year 2022-23:

Vendor Name	Amount	Department	Description/Discussion
ADT COMMERCIAL LLC	\$95,000.00	Operations & Maintenance	Blanket PO for Maintenance and Repair of Fire Systems at Plant 1 and 2 11/1/22 - 10/31/23 with 4 Optional Renewal Periods Specification No. S-2022-1351
AVEVA SELECT CALIFORNIA	\$83,015.00	Administrative Services	Annual PO for Wonderware Premium First Level Support Service 11/16/22 - 11/15/23 Board Approved OEM Sole Source List M.O. 8/28/19, Item 3(B)
AVIVA ENERGY CORP.	\$95,000.00	Operations & Maintenance	Blanket PO for Utility Energy Consulting Services Related to the Direct Access (DA) Program Sole Source Justification 2646 Reason: Unique Product/Service
BEAMEX, INC	\$84,165.00	Operations & Maintenance	Purchase of One (1) Beamex MC6-EX Advance Field Calibrator/Communicator and One (1) ePG Electric Pressure Pump/Controller Board Approved OEM Sole Source List M.O. 8/22/18, Item 7(B)
DENOVO VENTURES, LLC	\$50,100.00	Administrative Services	JD Edwards Tools Upgrade Specification No. CS-2022-1342
EEC ENVIRONMENTAL	\$59,530.00	Environmental Services	Auditing Services to Assess Effectiveness of OC San's Stormwater Program Specification No. CS-2022-1357-R
GEA MECHANICAL EQUIPMENT US, INC.	\$95,000.00	Operations & Maintenance	On-call Maintenance Service Contract for P1 -101 GEA Westfalia Thickening and Dewatering Centrifuges 10/21/22 - 10/20/23 Board Approved OEM Sole Source List M.O. 9/23/20, Item 12(B)
MODERN ICONCEPTS	\$95,000.00	Administrative Services	Blanket PO for Sewer Agency Fee System (SAS) 2.0 Annual Application Support 1/1/23 - 12/31/23 Sole Source Justification 2695 Reason: Unique Product/Service
MURPHY INDUSTRIAL COATINGS, INC.	\$52,472.00	Operations & Maintenance	Junction Structure A Repairs at Plant 1 Sole Source Justification 2690 Reason: Unanticipated Additional Repairs and Labor

NATIONAL PLANT SERVICE	\$97,800.00	Operations & Maintenance	Blanket PO to Provide Sewer Flow Monitoring Services 12/1/22 - 11/30/23 with 4 Optional Renewal Periods Specification No. S-2021-1275
QUINN POWER SYSTEMS	\$77,935.00	Operations & Maintenance	Headworks Generator Load Bank Testing and Tuning at Plant 2 Specification No. S-2022-1369
SC FUELS	\$74,997.75	Operations & Maintenance	Purchase of 5,000 Gallons (Bulk Oil) of Chevron 5200 Hdax Low Ash 40 for Plants 1 and 2 Specification No. JA-124984
SHI INTERNATIONAL CORP	\$89,435.76	Administrative Services	WalkMe for Employees Application Support 1/17/23 - 1/16/26 OMNIA Partners Contract # 2018011-02, in Accordance with Ordinance OC SAN-56 Section 2.03 (B) Cooperative Purchases
TIANO CONSTRUCTION	\$99,000.00	Operations & Maintenance	Convenience Blanket PO for Cleaning and Removing Debris from OC San Collection System Property and Easements 10/18/22 - 10/17/23 GM Article 2, Section 2.2 (b) (1)
TROPICAL PLAZA NURSERY INC	\$90,000.00	Operations & Maintenance	Convenience Blanket PO for Irrigation Services and Repairs 11/17/22 - 6/30/24 GM Article 2, Section 2.2 (b) (1)

Additionally, in accordance with Board purchasing policies, 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 second quarter of fiscal year 2022-23:

Vendor Name	Amount	Department	Description/Discussion
J R FILANC CONSTRUCTION	\$151,425.00	Operations & Maintenance	Access Ladder Replacement at T&D Odor Control Facility at Plant 1 Specification No. TOB-2022-1352 of Master Service Contract S-2021-1234BD-2
O'CONNELL ENGINEERING & CONSTRUCTION INC	\$54,395.00	Operations & Maintenance	Ella Tunnel Walkway Replacement at Plant 2 (MP2-002) Specification No. TOB-2022-1361 of Master Service Contract S-2021-1234BD-5

### ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:

N/A



# ADMINISTRATION COMMITTEE

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

## Agenda Report

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**File #:** 2023-2716

**Agenda Date:** 2/8/2023

**Agenda Item No:** 4.

---

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

**SUBJECT:**

### INVESTMENT PERFORMANCE RESULTS

### GENERAL MANAGER'S RECOMMENDATION

#### RECOMMENDATION:

Information Item.

### BACKGROUND

Chandler Asset Management (Chandler) serves as the Orange County Sanitation District's (OC San) Investment Manager. Chandler's Co-Chief Investment Officer, William Dennehy II, CFA, will be providing an informational presentation on the performance of OC San's liquidity and long-term investment portfolios over the past year.

### RELEVANT STANDARDS

- Ensure that investment proposals and decisions are based on clearly defined standards
- Comply with OC San's Investment Policy
- Ensure the public's money is wisely spent

### ATTACHMENT

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

- Presentation

# Orange County Sanitation District

## *Administration Committee February 8, 2023*

*Period Ending December 31, 2022*

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | [www.chandlerasset.com](http://www.chandlerasset.com)



<b>SECTION 1</b>	<b>Firm Overview</b>
<b>SECTION 2</b>	<b>Economic Update</b>
<b>SECTION 3</b>	<b>Account Profile</b>

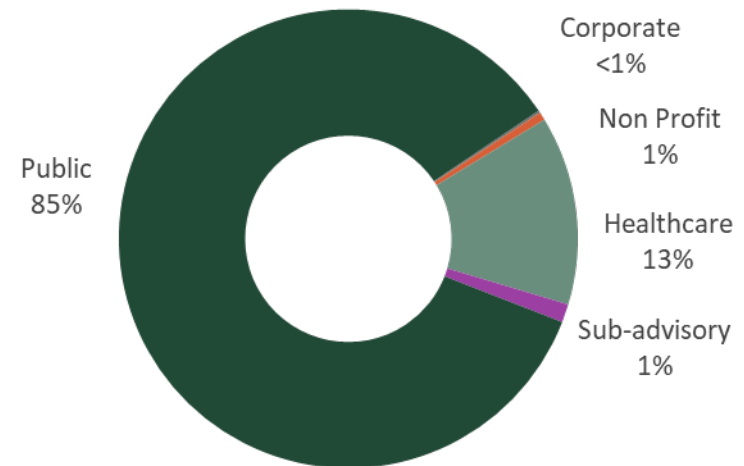
# Section 1 | Firm Overview

# Specializing in Investment Management for Public Agencies

*“We believe if we do what is right for our clients, our own success will follow.”*

- *Independent & 100% Employee-Owned*
  - Fixed income specialist since 1988
  - Founded by public investment professionals
  - Serve institutions with public sector focus
  - Headquartered in San Diego, CA
- *Custom Investment Programs*
  - Investment solutions based on your risk profile and return goals
  - Strategies for operating, short-, and long-term reserves
  - Direct contact with investment management team
- *Stable Team of Investment Professionals*
  - Team of investment professionals average over two decades portfolio management experience
  - Disciplined, repeatable investment philosophy and process
  - Proprietary investment analysis

## Assets Under Management \$28.6 Billion





# Lasting Partnerships with Neighbors and Peers

## Local Water District, Sanitation District, and Utilities Clients

Client Name	AUM
<b>Orange County Sanitation District</b>	<b>\$938 M</b>
Coachella Valley Water District	\$425 M
San Diego County Water Authority	\$339 M
Rancho California Water District	\$314 M
Western Municipal Water District	\$234 M
Elsinore Valley Muni. Water District	\$213 M
Alameda County Water District	\$179 M
Moulton Niguel Water District	\$130 M
Vallecitos Water District	\$51 M
West Basin Municipal Water District	\$44 M
San Bernardino Municipal Water Department	\$40 M
East Orange County Water District	\$37 M
Walnut Valley Water District	\$34 M

## Neighboring Public Agency Clients

Client Name	AUM
Transportation Corridor Agencies	\$1.4 B
<b>Orange County Sanitation District</b>	<b>\$938 M</b>
City of Riverside	\$738 M
Orange County Transportation Authority	\$475 M
City of Newport Beach	\$305 M
Moulton Niguel Water District	\$130 M
City of Brea	\$95 M
City of Buena Park	\$91 M
City of San Clemente	\$78 M
City of Costa Mesa	\$60 M
City of Tustin	\$64 M
City of Fountain Valley	\$41 M
City of San Juan Capistrano	\$58 M

*Chandler's water agency clients and sample Inland Empire area clients as of December 31, 2022. Both lists only include clients that have given permission to be listed. It is not known whether the clients listed approve or disapprove of Chandler Asset Management and the advisory services provided. Includes discretionary and non-discretionary relationships.*

# Our Experienced Team is a Resource for the District

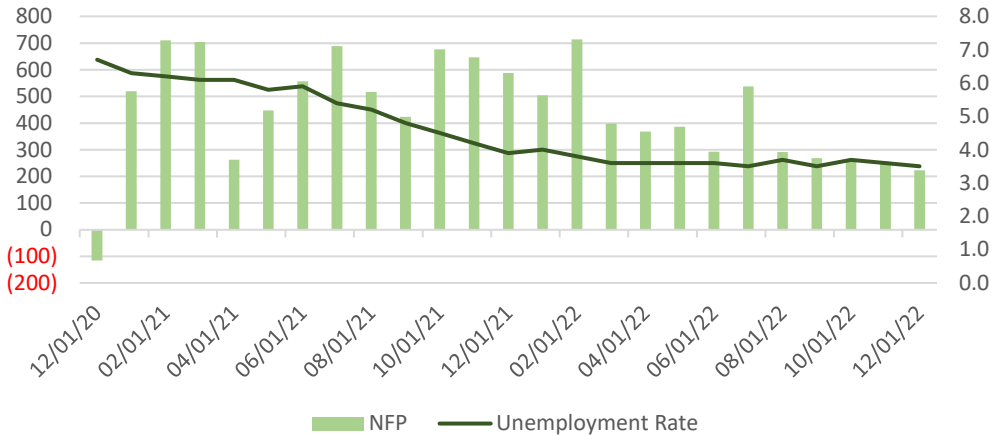
Investment Professionals	Responsibility	Industry Experience	Firm Tenure
Martin Cassell, CFA <i>Chief Finance Officer</i>	Leads the firm's finances and manages the Employee Stock Ownership Plan	1987	1991
William Dennehy II, CFA <i>Co-Chief Investment Officer</i>	Co leads the investment team. Implements portfolio strategies, performs credit analysis; Co-Chair of the Credit Committee and Economic and Market Analysis Committee, and member of the Multi-Asset Class Committee	1992	2011
Scott Prickett, CTP <i>Co-Chief Investment Officer</i>	Co leads the investment team. Implements portfolio strategies, monitors alignment with client objectives; Co-Chair of Economic and Market Analysis Committee, and member of the Multi-Asset Class Committee	1987	2014
Jayson Schmitt, CFA <i>Co-Chief Investment Officer</i>	Co leads the investment team. Implements portfolio strategies, performs credit analysis; Co-Chair of Quantitative Analysis Committee, and member of the Multi-Asset Class Committee and the Economic and Market Analysis Committee	1994	1995
Dan Delaney, CFA <i>Senior Portfolio Manager</i>	Implements portfolio strategies, performs credit analysis; Co-Chair of Sector Committee, and member of the Credit Committee	2006	2021
Genny Lynkiewicz, CFA <i>Senior Portfolio Manager</i>	Implements portfolio strategies, performs credit analysis; Co-Chair of Sector Committee and a member of the Economic and Market Analysis Committee	2000	2015
Ted Piorkowski, CFA <i>Senior Portfolio Manager</i>	Implements portfolio strategies, performs credit analysis, and member of the Sector Committee	1987	1999
Julie Hughes <i>Senior Portfolio Strategist</i>	Implements portfolio strategies and monitors alignment with client objectives and policies, and member of the Economic and Market Analysis committee and Quantitative Analysis Committee	1993	2014
Carlos Oblites <i>Senior Portfolio Strategist</i>	Implements portfolio strategies and monitors alignment with client objectives and policies; Co-Chair of Multi-Asset Class Committee	1995	2017
Alaynè Marie Sampson <i>Senior Portfolio Strategist</i>	Implements portfolio strategies and monitors alignment with client objectives and policies, and member of the Credit Committee	2000	2022
Karl Meng <i>Portfolio Strategist</i>	Implements portfolio strategies and monitors alignment with client objectives and policies	2006	2022
Stephen Church <i>Assistant Portfolio Manager</i>	Assists with implementation of portfolio strategies, and member of the Quantitative Analysis Committee and Credit Committee	2013	2022
Aaron Nail <i>Assistant Portfolio Manager</i>	Assists with implementation of portfolio strategies	2017	2022
Charlotte Powell <i>Assistant Portfolio Manager</i>	Assists with implementation of portfolio strategies, and member of the Sector and Quantitative Analysis Committee	2020	2021
Kara Hooks <i>Assistant Portfolio Strategist</i>	Implements portfolio strategies and monitors alignment with client objectives and policies	2012	2012
Client Service and Operations	Responsibility	Industry Experience	Firm Tenure
Nicole Drago, JD, IACCP <i>Chief Executive Officer</i>	Leads the firm's vision, oversight and strategy	2000	2001
Ryan Tauber <i>Managing Director, Business Development</i>	Leads the firm's Client Service, Marketing and Relationship Management teams	1999	2020
Mia Corral Brown <i>Regional Director</i>	Relationship Management	1997	2004
Stacey Alderson, CTP <i>Client Service Director</i>	Leads Client Service Team, reporting, onboarding	1998	2014



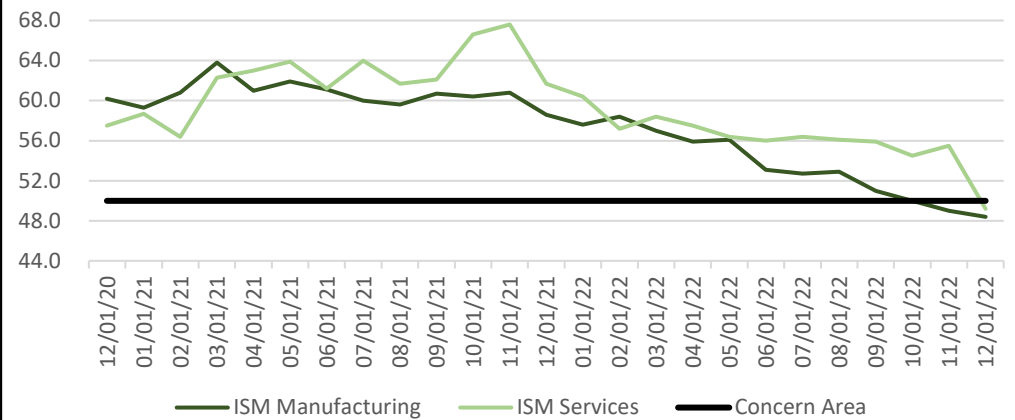
## Section 2 | Economic Update

# Economic Data Mixed

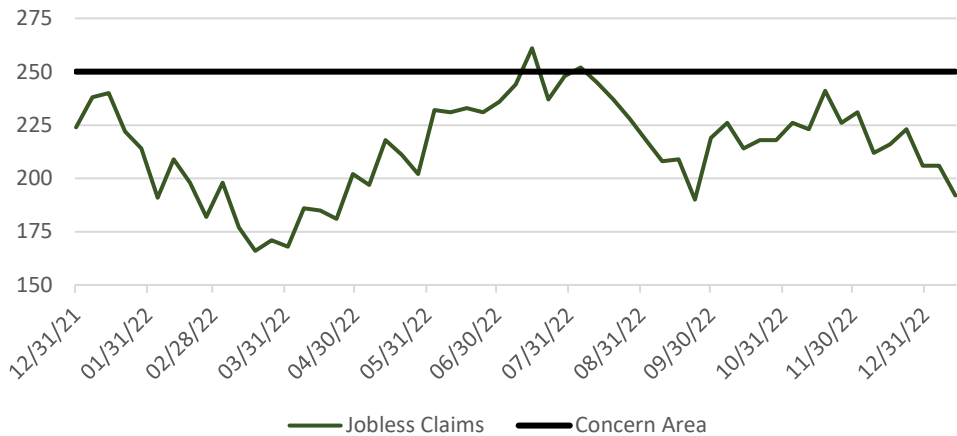
### Non Farm Payrolls and Unemployment



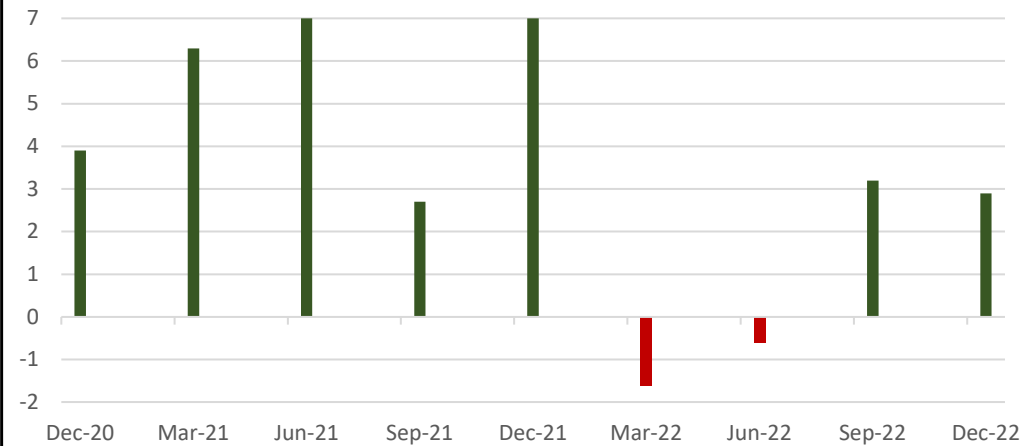
### ISM Manufacturing and ISM Services Indices



### Weekly Jobless Claims

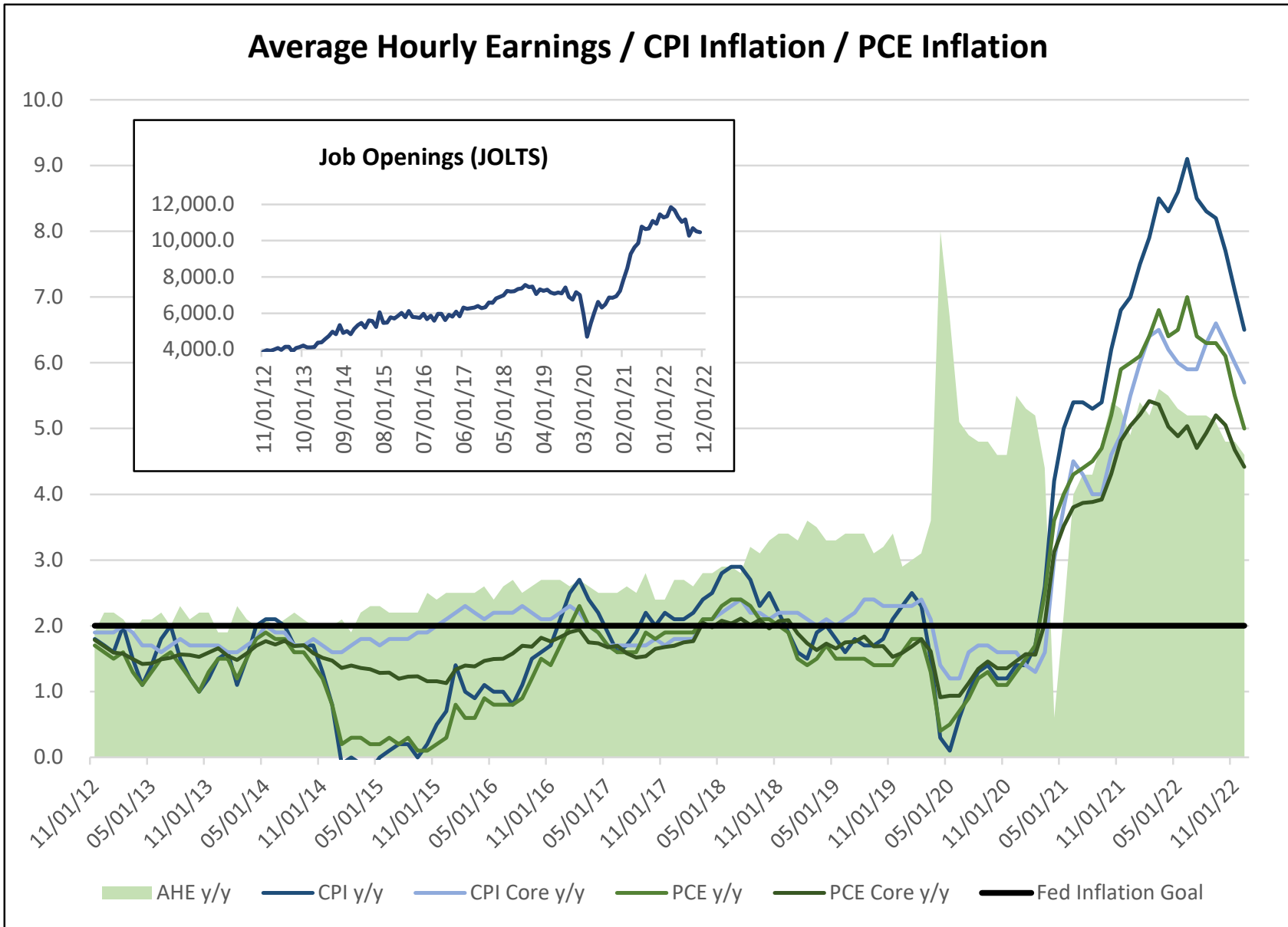


### Gross Domestic Product



Source: Bureau of Labor Statistics, Institute of Supply Management, Department of Labor, & Bureau of Economic Analysis

# Inflation Starting to Trend Lower – 2% Not Imminent



Source: Bureau of Labor Statistics & Bureau of Economic Analysis

## Nominal Yield = Break Even Spread + Real Yield

- Since the onset of monetary policy tightening Real Yields have moved higher, and indication of tighter financial conditions.
- Market based inflation metrics remain contained – the market has confidence policymakers will achieve their inflation objectives.
- Given the starting point of consumer and corporate balance sheets, higher real rates will not be a deterrent to the overall outlook for economic growth in Chandler's view.



Source: Bloomberg

## Treasury Yields Materially Higher in 2022

- The mark to market impact of the quick adjustment higher in yields has been detrimental to all asset classes, including fixed income.
- When inflation moderates, w/monetary policy less restrictive – total returns will improve.

Benchmark Rates	12/31/18	12/31/19	12/31/20	12/31/21	12/30/22	09/30/22	12/31/22
Fed Funds Tgt Upper Bound	2.50	1.75	0.25	0.25	4.50	3.25	4.50
Treasury 2y	2.49	1.57	0.12	0.73	2.96	4.28	4.43
Treasury 5y	2.51	1.69	0.36	1.26	3.04	4.09	4.01
Treasury 10y	2.69	1.92	0.92	1.51	3.02	3.83	3.88
German Bund 10y	0.24	(0.19)	(0.57)	(0.18)	1.33	2.11	2.57
Inflation Metrics	12/31/18	12/31/19	12/31/20	12/31/21	12/30/22	09/30/22	12/31/22
CPI y/y	1.9	2.3	1.4	7.0	9.1	8.2	6.5
CPI core y/y	2.2	2.3	1.6	5.5	5.9	6.6	5.7
PCE Deflator y/y	1.9	1.6	1.3	6.0	7.0	6.3	5.0
PCE Core y/y	2.1	1.6	1.5	5.0	5.0	5.2	4.4
Equity Benchmarks	12/31/18	12/31/19	12/31/20	12/31/21	12/30/22	09/30/22	12/31/22
S&P 500	2,506.85	3,230.78	3,756.07	4,766.18	3,785.38	3,585.62	3,839.50
YTD Change %		28.88%	16.26%	26.89%	-20.58%	-24.77%	-19.44%
Russell 2000	1,348.56	1,668.47	1,974.86	2,245.31	1,707.99	1,664.72	1,761.25
YTD Change %		23.72%	18.36%	13.70%	-23.93%	-25.86%	-21.56%

Source: Bloomberg, Bureau of Labor Statistics, & Bureau of Economic Analysis



## Section 3 | Account Profile



# Portfolio Characteristics

As of December 31, 2022

## Orange County Sanitation District Liquid

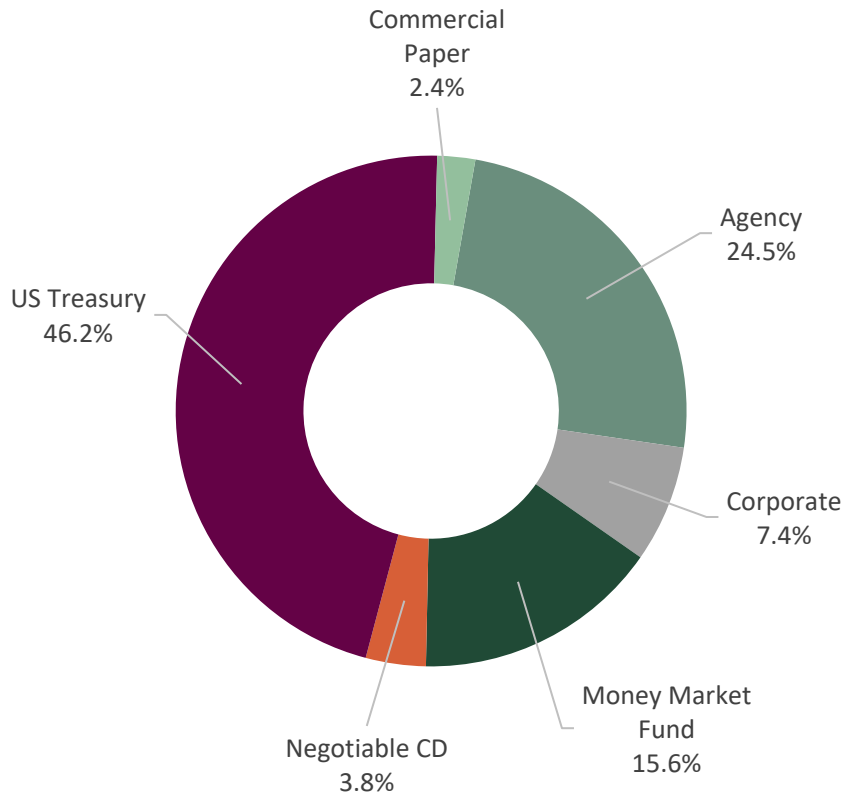
	12/31/22		09/30/22
	Benchmark*	Portfolio	Portfolio
<b>Average Maturity (yrs)</b>	0.15	0.21	0.28
<b>Average Modified Duration</b>	0.14	0.21	0.28
<b>Average Purchase Yield</b>	n/a	3.57%	2.01%
<b>Average Market Yield</b>	4.13%	4.27%	3.53%
<b>Average Quality**</b>	AAA	AAA/Aaa	AA+/Aa1
<b>Total Market Value</b>		225,394,892	109,456,669

\*ICE BofA 3-Month US Treasury Bill Index

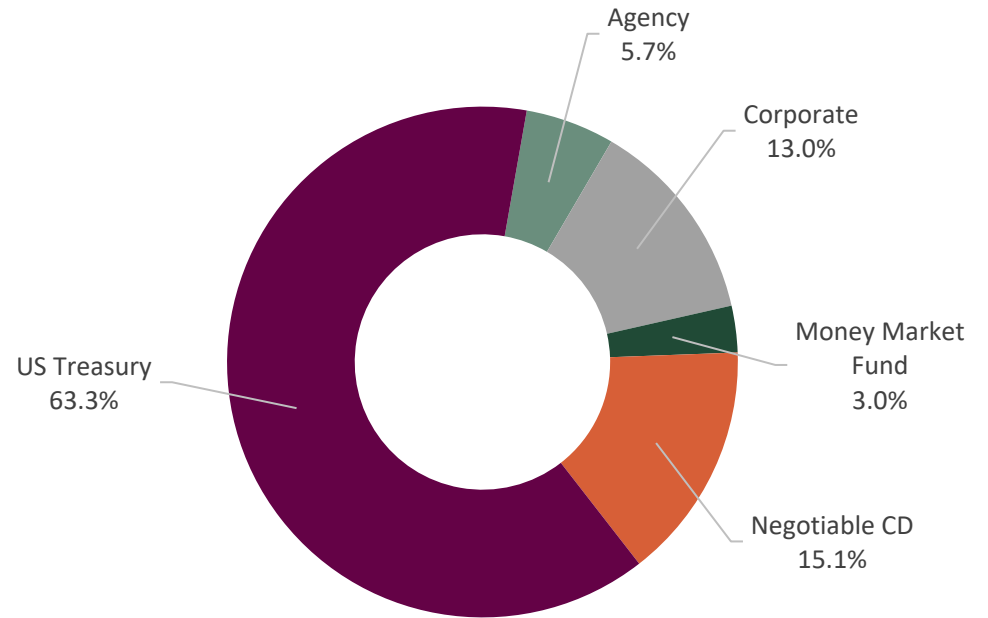
\*\*Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

## Orange County Sanitation District Liquid

December 31, 2022



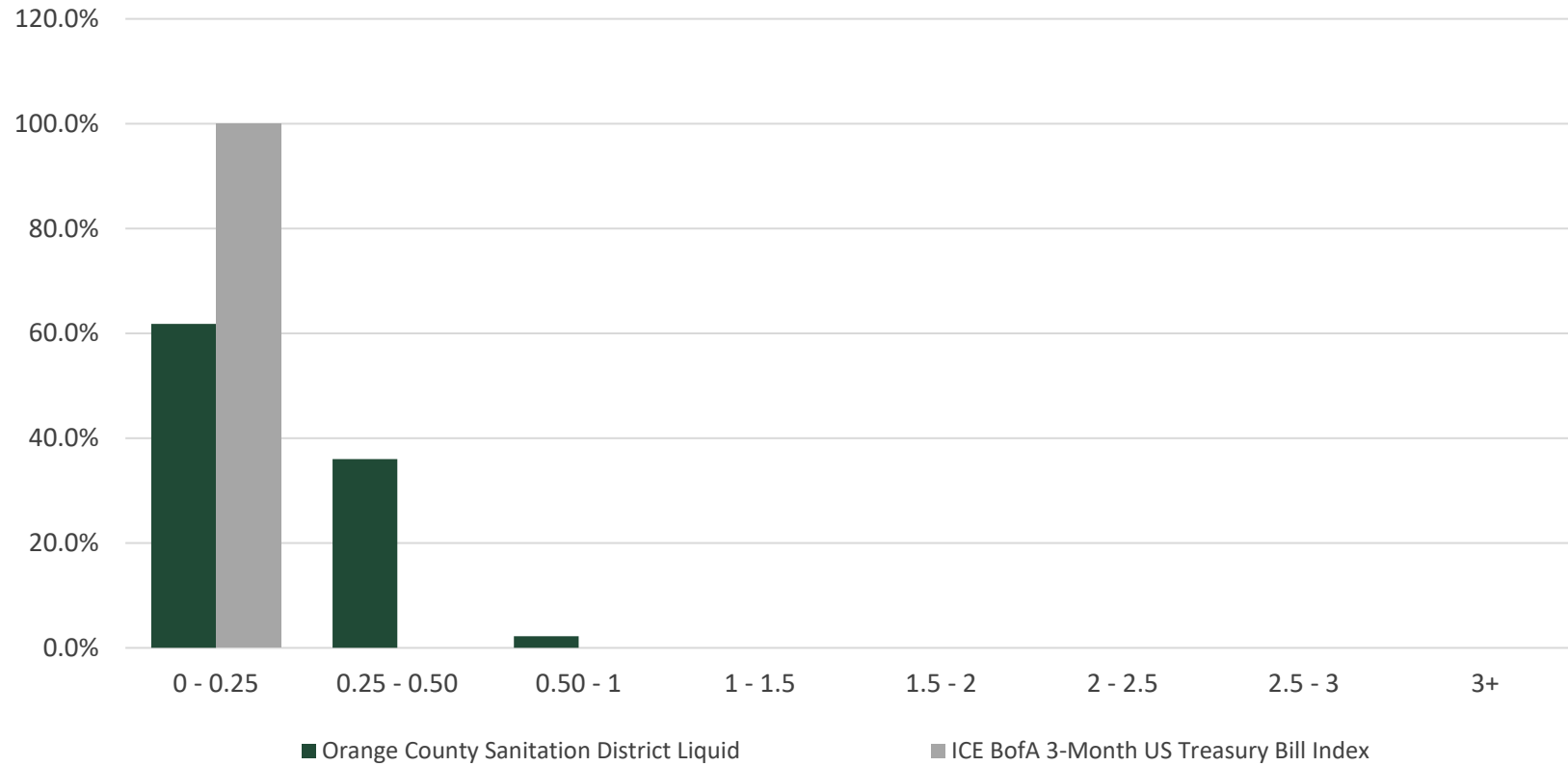
September 30, 2022



# Duration Distribution

As of December 31, 2022

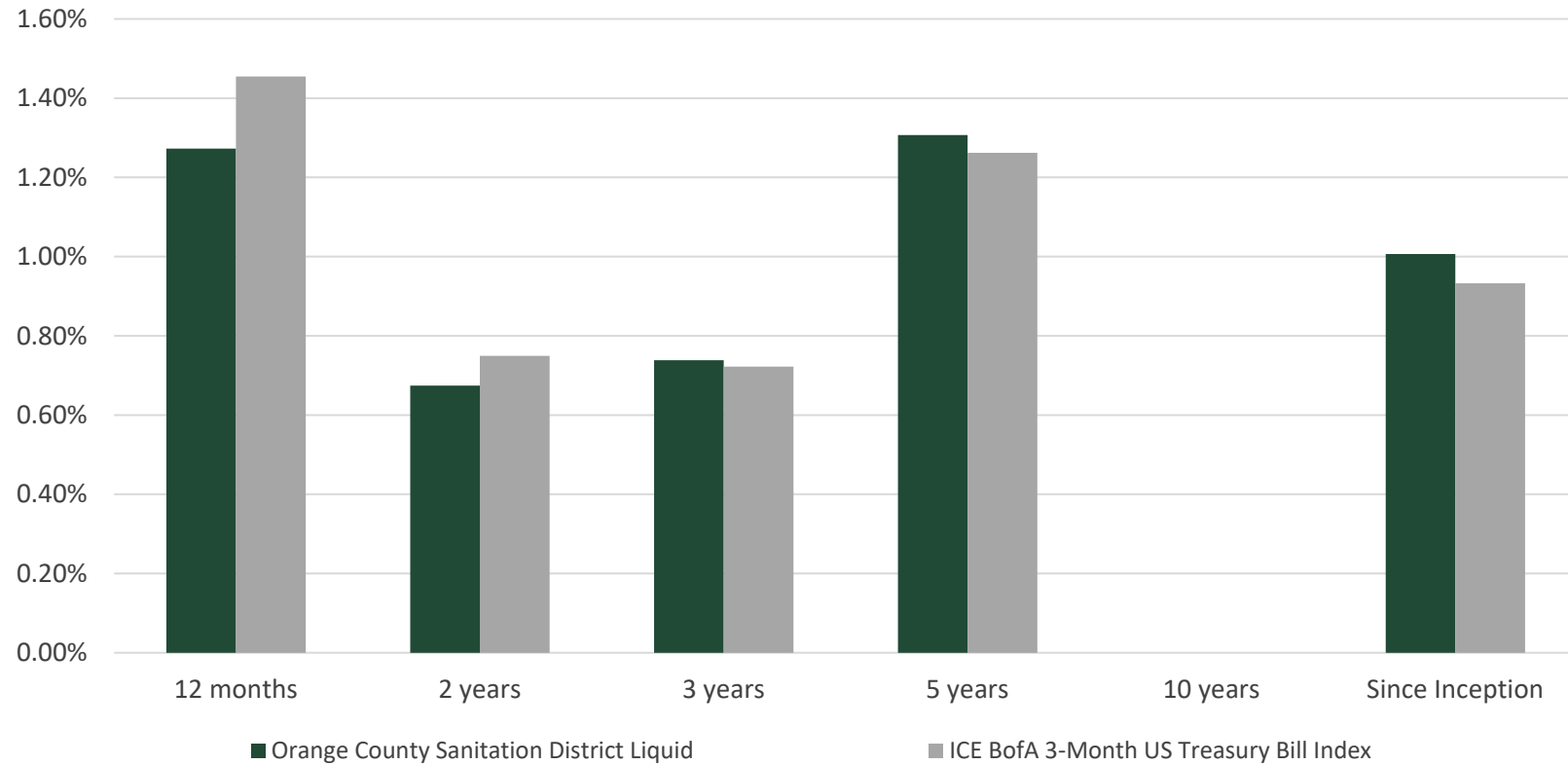
## Orange County Sanitation District Liquid Portfolio Compared to the Benchmark



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 1.5	1.5 - 2	2 - 2.5	2.5 - 3	3+
Portfolio	61.8%	36.0%	2.2%	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 BofA 3-Month US Treasury Bill Index

## Orange County Sanitation District Liquid Total Rate of Return Annualized Since Inception November 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	0.89%	1.27%	0.67%	0.74%	1.31%	N/A	1.01%
ICE BofA 3-Month US Treasury Bill Index	0.84%	1.45%	0.75%	0.72%	1.26%	N/A	0.93%

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.

# Portfolio Characteristics

As of December 31, 2022

## Orange County Sanitation District Long Term

	12/31/22		09/30/22
	Benchmark*	Portfolio	Portfolio
<b>Average Maturity (yrs)</b>	2.65	2.70	2.78
<b>Average Modified Duration</b>	2.50	2.28	2.41
<b>Average Purchase Yield</b>	n/a	1.82%	1.68%
<b>Average Market Yield</b>	4.50%	4.57%	4.42%
<b>Average Quality**</b>	AAA	AA/Aa1	AA/Aa1
<b>Total Market Value</b>		712,704,567	700,168,917

\*ICE BofA 1-5 Yr AAA-A US Corp & Govt Index

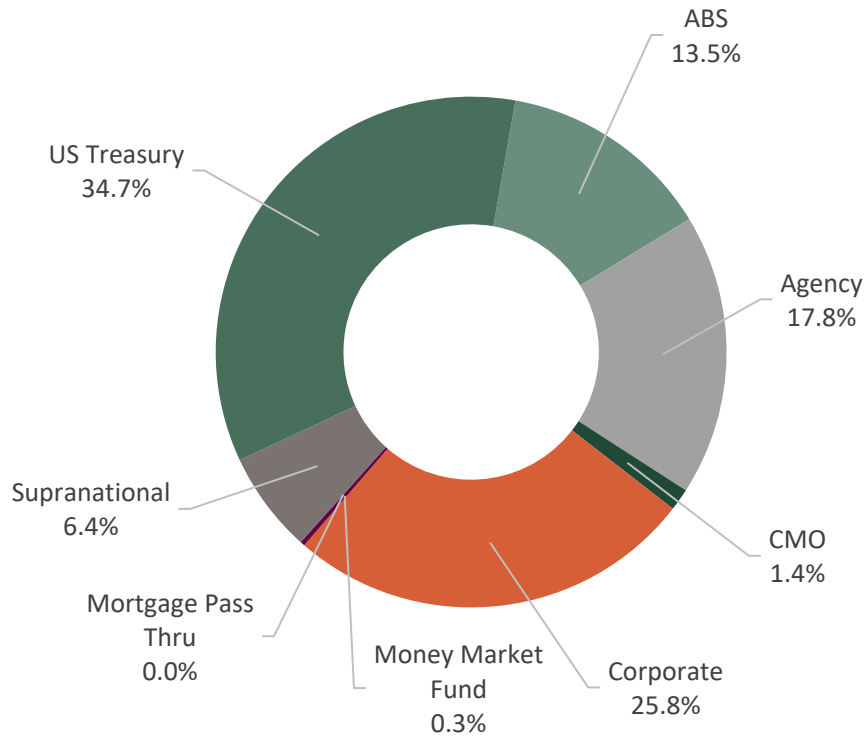
\*\*Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

# Sector Distribution

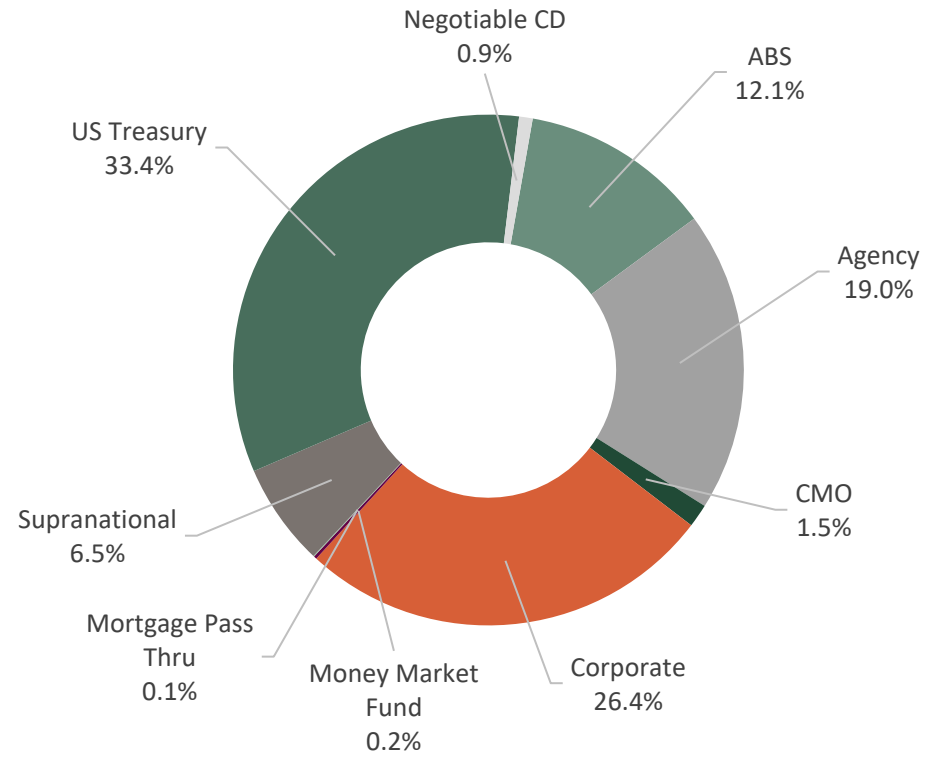
As of December 31, 2022

## Orange County Sanitation District Long Term

December 31, 2022



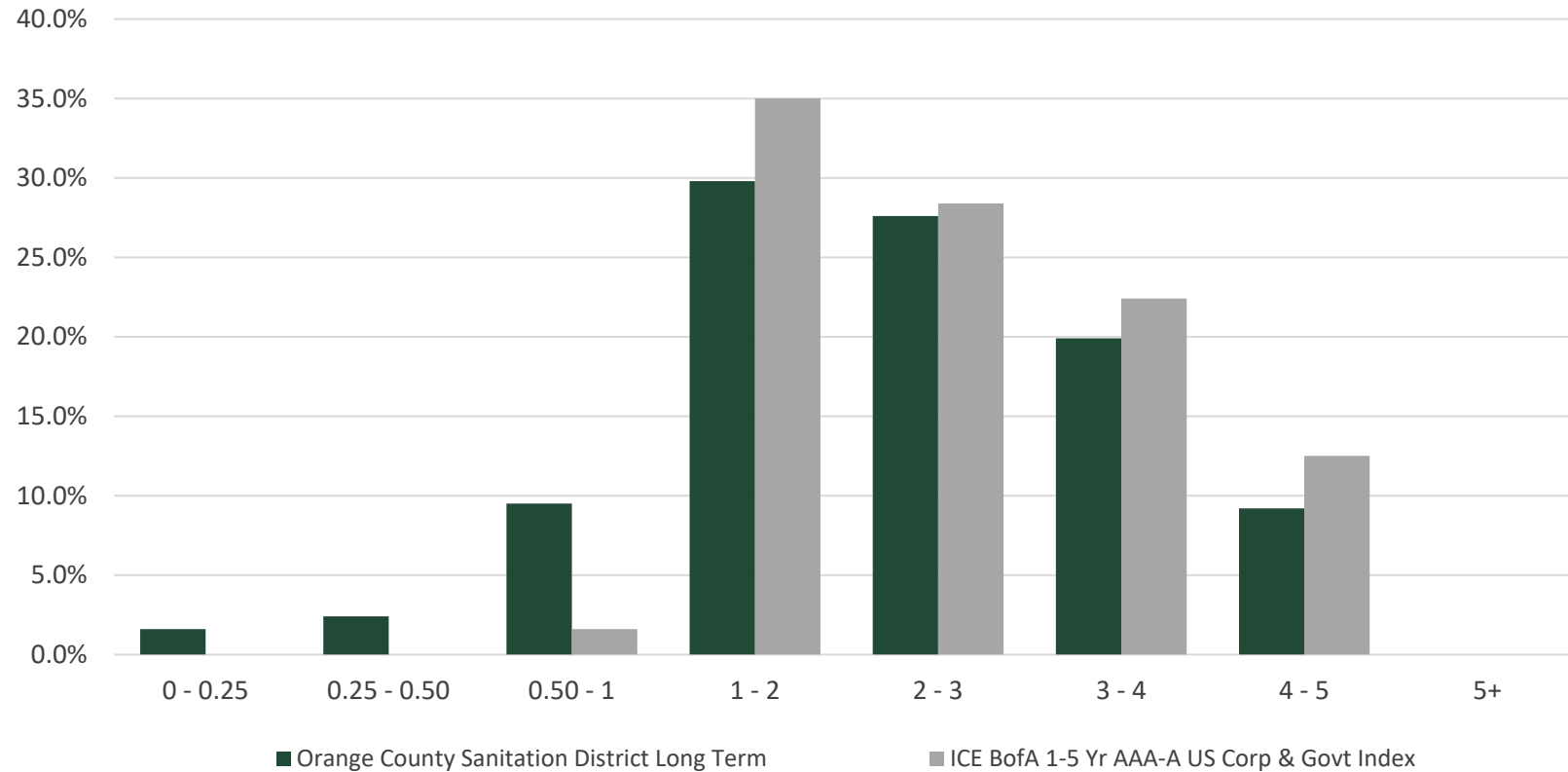
September 30, 2022



# Duration Distribution

As of December 31, 2022

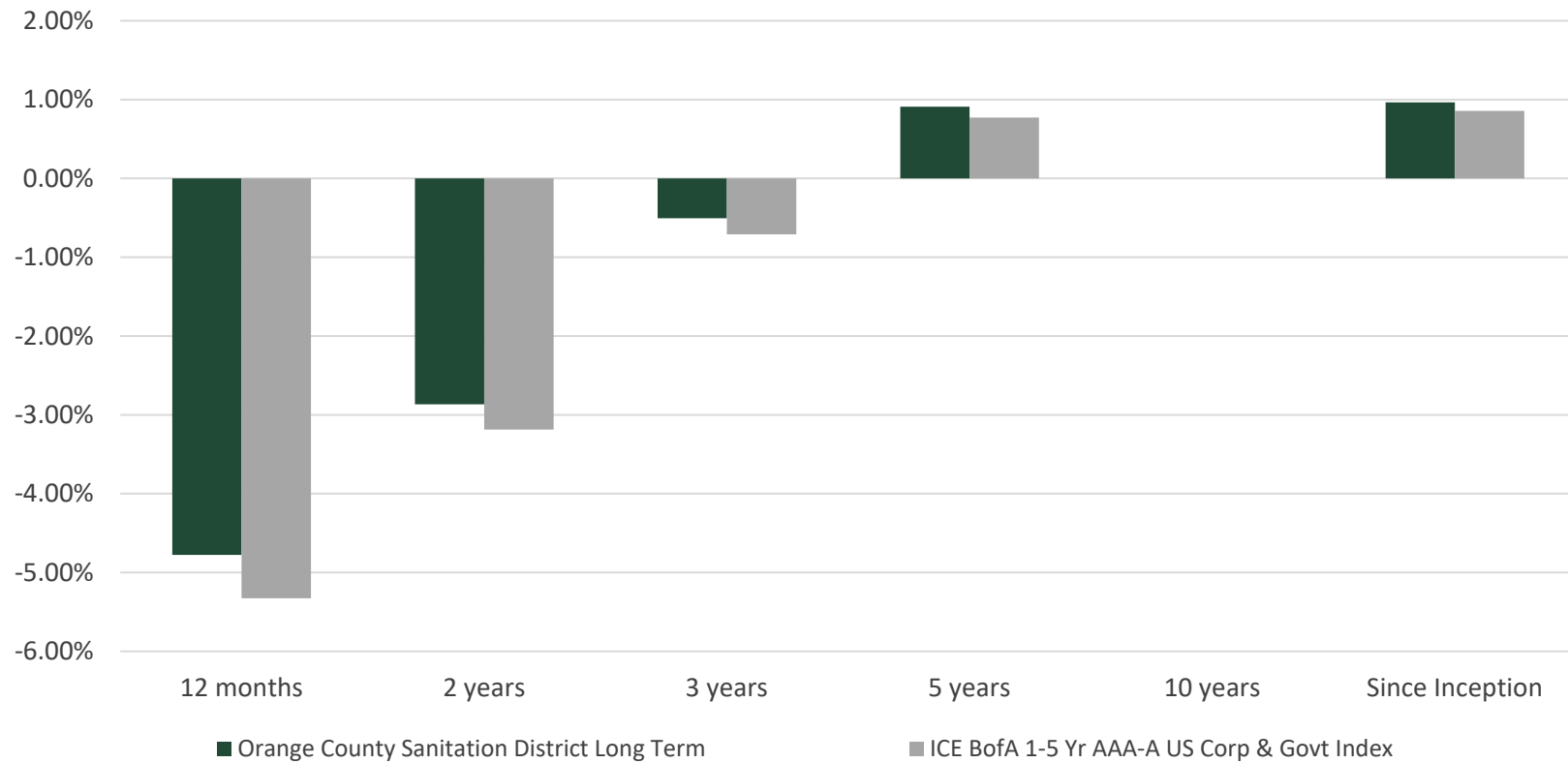
## Orange County Sanitation District Long Term Portfolio Compared to the Benchmark



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	1.6%	2.4%	9.5%	29.8%	27.6%	19.9%	9.2%	0.0%
Benchmark*	0.0%	0.0%	1.6%	35.0%	28.4%	22.4%	12.5%	0.0%

\*ICE BofA 1-5 Yr AAA-A US Corp & Govt Index

## Orange County Sanitation District Long Term Total Rate of Return Annualized Since Inception November 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	1.07%	-4.78%	-2.87%	-0.51%	0.91%	N/A	0.97%
ICE BofA 1-5 Yr AAA-A US Corp & Govt Index	1.08%	-5.33%	-3.19%	-0.71%	0.77%	N/A	0.86%

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.



# Important Disclosures

*As of December 31, 2022*

2022 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by ICE Data Services Inc ("IDS"), an independent pricing source. In the event IDS 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 BofA 3-Month US Treasury Bill Index**

*The ICE BofA 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.*

## **ICE BofA 1-5 Yr AAA-A US Corp & Govt Index**

*The ICE BofA 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 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.*

## **ICE BofA 1-5 Yr US Corp & Govt Index**

*The ICE BofA 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.*



# ADMINISTRATION COMMITTEE

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

## Agenda Report

**File #:** 2023-2735

**Agenda Date:** 2/8/2023

**Agenda Item No:** 5.

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

**SUBJECT:**

**PROPOSED ORDINANCE ADOPTING REGIONAL SEWER SERVICE CHARGES**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Motion to read Ordinance No. OC SAN-XX by title only and waive reading of said entire Ordinance;
- B. Introduce Ordinance No. OC SAN-XX entitled, "An Ordinance of the Board of Directors of Orange County Sanitation District Adopting Regional Sewer Service Charges and Repealing Ordinance No. OCSD-49"; and
- C. Set March 22, 2023 as the date of the Public Hearing to hear protests and for the second reading of the Ordinance No. OC SAN-XX.

**BACKGROUND**

The Orange County Sanitation District's (OC San) current five-year sewer fee rate schedule expires at the end of the current fiscal year. OC San engaged HDR Engineering, Inc., an engineering consulting firm, to provide an independent analysis of OC San's cash flow modeling and a comprehensive cost of service study to ensure the appropriate allocation of costs and fees. This study has been completed and received and filed by the Board in December of 2022, and demonstrates that OC San's proposed fees are appropriate and reasonable and will support projected capital and operating requirements. Based upon the Study, the Facilities Master Plan, forecasted operating expenses, and cash flow modeling, staff recommends annual increases on average of 3.5%. It is anticipated that this increase will be less than average inflation rates and will support OC San's programs while maintaining appropriate reserves levels.

The proposed five-year rate schedule provides for equitable and proportionate distribution for the cost of service of operating OC San's wastewater system:

<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>
\$358	\$371	\$384	\$397	\$411

## RELEVANT STANDARDS

- Stable rates, no large unforeseen rate increases

## PROBLEM

OC San's Board of Directors approved a five-year rate schedule which expires at the end of the current fiscal year.

## PROPOSED SOLUTION

Adopt an Ordinance with the new proposed five-year rate schedule based on the 2022 rate study completed by HDR Engineering, Inc.

## TIMING CONCERNS

February 3, 2023 - Notifications Mailed

February 22, 2023 - First Reading of the Ordinance

March 22, 2023 - Public Hearing, Second Reading, and Adoption of the Ordinance

July 1, 2023 - Ordinance takes effect

## RAMIFICATIONS OF NOT TAKING ACTION

Existing sewer service fees will be insufficient to support OC San's operating expenses and new facilities included in the Facilities Master Plan.

## PRIOR COMMITTEE/BOARD ACTIONS

December 2022 - Receive and file the Orange County Sanitation District's 2022 Wastewater Rates, Fees, and Charges Study completed by HDR Engineering, Inc.

March 2018 - Adopted Ordinance No. OCSD-49.

December 2017 - Adopted the 2017 Facilities Master Plan as OC San's New Master Plan for Future Capital Planning.

## ADDITIONAL INFORMATION

Based on the results of the rate study completed by HDR Engineering, Inc., OC San staff is in the process of recommending a five-year revenue program which includes an increase on average of 3.5% annually for the next five years.

### Rate Development Schedule

- 1) June 2022 - Board Meeting - Budget and 10-year Cashflow Approval
- 2) May 2022 - November 2022 - Development of the Independent Rate Study
- 3) December 2022 - Administration Committee - Rate Study Review and Approval
- 4) December 2022 - Board Meeting - Independent Rate Study Review and Approval

- 5) December 2022 - Board Meeting - Approval to issue Proposition 218 Notices
- 6) February 2023 - Proposition 218 Notice Mailed
- 7) February 2023 - Administration Committee - Introduce Rate Ordinances -Budget Assumptions for 2023-24
- 8) February 2023 - Board Meeting - Rate Ordinances - First Reading
- 9) March 2023 - Board Meeting - Rate Ordinances - Second Reading - Adoption

**CEQA**

N/A

**FINANCIAL CONSIDERATIONS**

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted.

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

- Ordinance No. OC SAN-XX (Redlined)
- Ordinance No. OC SAN-XX (Clean)
- Cost Saving Measures Memorandum

ORDINANCE NO. OC SAN-XX

AN ORDINANCE OF THE BOARD OF DIRECTORS OF ORANGE COUNTY SANITATION DISTRICT ADOPTING REGIONAL SEWER SERVICE CHARGES AND REPEALING ORDINANCE NO. OCSD-49.

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Deleted: -1 AND ORDINANCE NO. OCSD-46

WHEREAS, Health & Safety Code Section 5471 authorizes the Orange County Sanitation District's ("OC San") Board of Directors to impose fees and other charges for services and facilities furnished by OC San in connection with OC San's sewage collection, treatment, disposal, and reuse system; and

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WHEREAS, OC San imposes annual sewer service charges on residential and commercial users. OC San uses revenue from these charges to operate, maintain, replace, and improve OC San's existing facilities. The current service charges are set forth in Ordinance No. OCSD-49.

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WHEREAS, OC San recently retained HDR Engineering, Inc. to evaluate OC San's projected revenue needs and recommend rates for the five-year period of July 1, 2023 to June 30, 2028. In December of 2022, HDR Engineering, Inc. issued its "Final Wastewater Rates, Fees, and Charges Study" ("HDR Report") OC San's Board of Directors received the HDR Report on December 15, 2022, and the HDR Report is on file with OC San; and

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WHEREAS, the recommendations set forth in the HDR Report are based in part on OC San's 2017 Facilities Master Plan ("Master Plan"). The Master Plan identified the capital improvement projects that will be needed over the next 20 years, and estimated the cost of each project. OC San's Board of Directors approved the Master Plan on December 20, 2017; and

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WHEREAS, pursuant to Article XIID, section 6, of the California Constitution, OC San mailed notice of a public hearing on the proposed sewer service charges to the record owner of each parcel subject to the proposed charges. The notice, which set forth the date, time, and location of the public hearing, as well as the charges, fees, and rates proposed for imposition, was mailed no less than 45 days prior to the public hearing; and

WHEREAS, pursuant to Health and Safety Code sections 4766 and 5473, the Board of Directors may elect to have the proposed regional sewer service charges collected on the tax roll in the same manner, by the same persons, and at the same time as, together with and not separately from, its general taxes; and

WHEREAS, pursuant to Health and Safety Code section 5473.1, on March 8, 2023, notice of a public hearing regarding the proposed sewer service charges and the election to have such charges collected on the tax roll was published in the Orange County Register, a newspaper of general circulation within OC San published in the county where OC San is located. The notice set forth the date, time and location of the hearing; and

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WHEREAS, on Wednesday, March 22, 2023 at 6:00 P.M., in OC San's Boardroom on the first floor of its Administration Building located at 10844 Ellis Avenue, Fountain Valley, California, OC San held a properly noticed public hearing in order to receive and consider comments, including objections, concerning the proposed regional sewer service charges and the election to have such charges collected on the tax roll; and

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WHEREAS, the Board of Directors has carefully reviewed the HDR Report and considered oral and written comments from the public, Board Members, OC San staff, and OC San consultants made at and prior to the March 22, 2023, public hearing;

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NOW, THEREFORE, the Board of Directors of the Orange County Sanitation District does hereby ORDAIN:

SECTION I. Adopt Regional Sewer Service Charges

TABLE OF CONTENTS

ARTICLE I: FINDINGS

Section 1.01 Findings

ARTICLE II: SEWER SERVICE CHARGES

- Section 2.01. Purpose and Scope
- Section 2.02. Annual Sewer Service Charge
- Section 2.03. Exemptions, Rebates, Refunds and Reduced Charges
  - A. Exemptions
  - B. Application for Water Efficiency Rebate/ Reduced Charge
  - C. Application for Refund
  - D. Limitation Period
  - E. Determination
  - F. Administrative Fee
  - G. Duration of Reduced Charge
  - H. Penalty

- Section 2.04. Annual Charge Based on Fiscal Year
- Section 2.05. Method of Collection
- Section 2.06. Credit for Industrial Permittees
- Section 2.07. Open-Air Facilities
- Table A Annual Sewer Service Charges for Residential Users
- Table B Annual Sewer Service Charges Property Use Classifications

ARTICLE III: MISCELLANEOUS

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Section 3.01. Application of Ordinance  
Section 3.02. Exceptions  
Section 3.03. Out of Area Sewer Service Agreements

ARTICLE I

FINDINGS

Section 1.01. Findings. Based upon substantial evidence presented to the Board of Directors, the Board of Directors of District hereby finds that:

A. The revenues collected pursuant to this Ordinance shall be used to finance the improvements, programs, and staffing needed to operate, maintain, replace, and improve OC San's existing facilities, fund necessary reserves, and retire debt incurred to finance such activities. The revenues shall be used for no other purpose.

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B. The revenues collected pursuant to this Ordinance are reasonably related to, and will not exceed, the cost of the improvements, programs, and staffing needed to operate, maintain, replace, and improve OC San's existing facilities, fund necessary reserves, and retire debt incurred to finance such activities over a reasonable period of time.

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C. The amount charged to each parcel pursuant to this Ordinance does not exceed the proportional cost of the service attributable to the parcel.

D. The financial requirements of OC San as reflected in the Master Plan and other documents, are based on current, reliable information, and further, that data relating to population projections, wastewater flow, and capital facility needs are expected to be realized in each year as described in the reports.

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E. The successful operation, maintenance, replacement, and improvement of OC San's existing facilities is necessary to protect public health, safety, and the environment.

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F. The Sewer Service Charges adopted herein will not result in an expansion of facilities to accommodate growth within or outside the existing service area. The adoption of these Sewer Service Charges will not result in any specific project, nor result in a direct physical change in the environment.

G. This Ordinance is statutorily exempt from review under the California Environmental Quality Act pursuant to Section 21080(b)(8) of the Public Resources Code, because the Sewer Service Charges will be used (i) for operating expenses, (ii) for the purchase or lease of supplies, equipment, or materials, (iii) to meet financial reserve needs and requirements, and (iv) to obtain funds for capital projects necessary to maintain service within existing service areas.

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H. That all fees and charges established herein have been approved by OC San's Board of Directors at a noticed public meeting, all in accordance with applicable provisions of law.

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ARTICLE II

SEWER SERVICE CHARGES

Section 2.01. Purpose and Scope. The purpose of this Ordinance is to establish Sewer Service Charges to be paid by property owners for the services and facilities furnished by OC San. The revenues collected pursuant to this Ordinance shall be used to finance the improvements, programs, and staffing needed to operate, maintain, replace, and improve OC San's existing facilities, fund necessary reserves, and retire debt incurred to finance such activities.

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Section 2.02. Annual Sewer Service Charge.

Commencing with the effective date of this Ordinance, the owner of each parcel of real property located within OC San's service area which is improved with structures designed for residential, commercial, or industrial use and which, at the request of the owner or the owner's predecessor-in-interest, is connected to OC San's sewerage system, shall pay an annual Sewer Service Charge based on the respective class of users, in the sum or sums, as set forth in Tables A and B of this Ordinance, below, and incorporated by reference herein. The annual Sewer Service Charges for residential users are set forth in Table A. The applicable single family residential rate shown in Table A is multiplied by the applicable percentage figure shown on Table B with respect to the particular use classification to arrive at the annual Sewer Service Charge rate per 1,000 square feet or per unit. The annual Sewer Service Charges are dependent upon the respective classifications of property use, determined by reference to Table B.

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Section 2.03. Exemptions, Rebates, Refunds and Reduced Charges

A. Exemptions. It is the intent of OC San that the legal owner(s) of parcels of real property, otherwise subject to the levy and payment of the Sewer Service Charges, as prescribed herein, be relieved, in whole or in part, from the payment of said charges, in certain circumstances and under conditions prescribed herein, and be entitled to either a low-water rebate, reduced charge, or a refund with respect to charges paid, as more specifically set forth in Subparagraphs 2.03B and 2.03C below, provided an inequity is established or a billing error is proven, as specified in Subparagraphs 2.03B or 2.03C.

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B. Application for Low-Water or Reduced Charge.

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(1) A "low-water rebate" is based on the ratio of the annual flow to the assumed discharge for a parcel.;

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<u>Customer's Annual Flow Divided by Assumed Flow</u>	<u>Customer Percent Reduction</u>
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90% or Greater	0%
70% to 89%	20%
50% to 69%	40%
30% to 39%	60%
29% or Less	80%

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(2) A "reduced charge" is a lower sewer service charge imposed for the current fiscal year or a future fiscal year based on water consumption as provided herein.

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(5) Any property owner, or legally recognized authorized representative of the property owner, may apply to OC San for a low-water rebate or reduced charge by establishing that an inequity exists between the amount of the charge paid and the amount of wastewater discharged to OC San's system. Proof satisfactory to the General Manager of OC San, or his/her designee, shall establish that either:

Deleted: "Biochemical Oxygen Demand" (BOD) shall mean a measurement of oxygen utilized by the decomposition of organic material, over a specified time period (usually 5 days) in a wastewater sample. It is used as a measurement of the readily decomposable organic content of wastewater. ¶  
 Deleted: "Suspended Solids" (SS) shall mean any insoluble material contained as a component of wastewater and capable of separation from the liquid portion of said wastewater by laboratory filtration as determined by the appropriate testing procedure and expressed in terms of milligrams per liter.¶

- (a) The principal water use is agricultural or horticultural; or
- (b) The property is devoted to any other use wherein the amount of wastewater discharged to OC San's system is significantly less on a regular basis than the amount that would normally be expected to be discharged by the class of property in question.

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(6) Satisfactory proof shall include, but not be limited to, verifiable documentation showing actual water usage for each billing cycle during the entire period for which the rebate is sought.

(7) The amount of any low-water rebate shall not reduce the charge payable by any property owner, whose property is connected to OC San's system, to less than the single family residential charge shown on the applicable Table attached hereto.

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(8) Once a low-water rebate or reduced charge to a service charge is granted, additional rebates or reduced charges will not be granted in the same year unless the property was vacant for the entire year.

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C. Application for Refund.

- (1) A "refund" is the difference between the original service charge paid by a property owner and the corrected service charge when the original charge was billed erroneously.
- (2) Any property owner, or legally recognized authorized representative of the property owner, may apply to OC San for a refund of Sewer Service Charges paid to OC San by establishing that the amount paid was pursuant to an error in the amount billed or the amount paid. The applicant for a refund must submit proof satisfactory to the General Manager of OC San, or his/her designee, that a billing error has been made by OC San, or the County Tax Collector. Such proof shall include, but not be limited to, proof that:
  - (a) The owner's parcel of property is not connected to OC San's system; or
  - (b) The property has not been classified in the proper property use classification code; or
  - (c) A clerical error has been made.

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D. Limitations Period.

- (1) Applications for low-water rebates and reduced charges shall be deemed a claim and be governed by the provisions of California Government Code Sections 935 et seq. Low-water rebates are only available for the most recently ended fiscal year and shall be presented to OC San as provided in the Government Tort Claims Act, Government Code Sections 915 et seq., Reduced charge claims are available for the current fiscal year or future fiscal years. The claim for low-water rebate or reduced charge may only be made with respect to amounts paid or payable under such property tax bill. A claim for low-water rebate or reduced charge is not deemed a claim for refund, and California Revenue & Taxation Code Sections 5096 and 5097 are not applicable.
- (2) Applications for refunds shall be deemed to be governed by the provisions of California Revenue & Taxation Code Sections 5096 and 5097.

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(3) Consistent with Section 2.04, a "year" for purposes of this Section 2.03 commences on July 1 for all annual Sewer Service Charges, based on OC San's fiscal year.

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E. Determination. All applications for low-water rebates, reduced charges or refunds of the Sewer Service Charge will be determined by the General Manager of OC San, or his/her designee, who, based on the submitted proof, may grant a full or partial rebate, reduced charge or refund.

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F. Administrative Fee. At the time of filing the application for a low-water rebate, reduced charge or refund, the property owner shall pay OC San an administrative fee for the processing of such application. The amount of the fee shall be equal to the total of all fees and charges imposed on OC San by any other public entity, such as the Orange County Tax Collector, the Orange County Auditor, or the Orange County Recorder, in connection with the rebate or refund.

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G. Duration of Reduced Charge. A reduced charge will remain in effect for one fiscal year, subject to the provisions below:

(1) Standard 5-Year Lock-In. Upon submission of three consecutive fiscal years of verifiable water data that resulted in a rebate or reduced charge, OC San shall determine the average annual percentage reduction based upon those three years. If qualified, OC San will implement a locked-in reduced charge for a standard period of five years.

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(2) Renewals. At the end of the lock-in period, the owner of the parcel may apply for a renewal by submitting verifiable water consumption data for the previous three years.

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(3) Failure to Submit. Failure to submit the required water consumption data with lock-in renewal application is equivalent to making an election to opt-out pursuant to Section 2.03, Article II, G4.

(4) Lock-In Opt-Out. At the time the owner of a parcel qualifies for a five-year lock-in pursuant to Section 2.03, Article II, G1, whether as a first time application for rebate or reduced charge, as a renewal pursuant to Section 2.03, Article II, G2, or upon three annual submittals of the most recent fiscal year of verifiable water consumption records, the owner may elect in writing to opt-out of the lock-in and instead elect year to year renewals and submit verifiable water consumption records annually.

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(5) Significant Change in Business Operation-Demonstration. If the owner of a locked-in parcel is able to demonstrate that a significant change in business operation has occurred, verifiable water consumption may be submitted for the most recently ended fiscal year to be used in a recalculation of the reduction, with a duration of one year until three consecutive fiscal years of water consumption have been submitted and then the standard lock-in will apply.

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(6) Audit. If OC San becomes aware that a lock-in parcel has had a significant change in business operation that increases water consumption, OC San may request current verifiable water consumption records for the most recently ended fiscal year and re-establish the reduced charge prior to the expiration of the five-year period.

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H. Penalty. The falsification of an application for a low-water rebate or reduced charge is a misdemeanor, punishable as provided by the law. In addition, any person who falsifies an application for a water efficiency rebate or reduced charge shall be civilly liable to OC San in the maximum sum provided by law.

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Section 2.04. Annual Charge Based on Fiscal Year. The Sewer Service Charges established by this Ordinance shall be effective as of July 1 of each year, as set forth in Tables A and B, attached hereto, for OC San's fiscal year, and shall remain in effect until such time as the rates adopted herein are changed by OC San Ordinance. There shall be no proration of such charges in any fiscal year.

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Section 2.05. Method of Collection.

A. Pursuant to the authority granted by California Health & Safety Code Sections 4766 and 5473, and except as otherwise provided in Subparagraph 2.05B below, all Sewer Service Charges established herein shall be collected on the County Tax Roll in the same manner, by the same persons, and at the same time as, together with, and not separately from, its general taxes. The County Treasurer-Tax Collector is authorized and hereby ordered to make said collections in accordance with the terms and conditions of agreements between the County of Orange and OC San.

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B. In the event OC San determines that, due to billing or payment error, or to inequity in the amount billed, a property owner (or person who paid the tax) has underpaid annual Sewer Service Charges payable to OC San, OC San, within four (4) years after the date of mailing of the tax bill, may:

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- (1) collect the amount of any deficiency directly on the County Tax Roll;
- (2) off-set the amount of any deficiency against any amounts that OC San determines is owing, by OC San, to the property owner, as a rebate or refund under this Ordinance; or
- (3) submit, directly to the property owner, a bill for the amount of any deficiency, which shall be due and payable within thirty (30) days of the invoice date and which, if not paid, shall become a lien on said property.

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Section 2.06. Credit for Industrial Permittees. A credit shall be allowed to all dischargers permitted pursuant to Article 3 of District Ordinance No. OCSD-53, as amended, in an amount equal to the annual Sewer Service Charge established by Section 2.02 of this Ordinance.

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Section 2.07. Open-Air Facilities. Sewer Service Charges for open-air facilities will be based on annual attendance records. Open-Air facilities will pay a rate per million gallons based upon the related sewage flow, Biochemical Oxygen Demand ("BOD") and Suspended Solids ("SS") charge for single family residences. The usage per attendee will be 15 gallons.

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**TABLE A**  
**ANNUAL SEWER SERVICE CHARGES**  
**RESIDENTIAL USERS**

FISCAL YEAR	<del>2023-24</del>	<del>2024-25</del>	<del>2025-26</del>	<del>2026-27</del>	<del>2027-28</del>
SFR*	\$ <del>358.00</del>	\$ <del>371.00</del>	\$ <del>384.00</del>	\$ <del>397.00</del>	\$ <del>411.00</del>
MFR	\$ <del>50.60</del>	\$ <del>59.70</del>	\$ <del>68.80</del>	\$ <del>77.90</del>	\$ <del>87.70</del>

SFR = SINGLE FAMILY RESIDENTIAL  
MFR = MULTI FAMILY RESIDENTIAL

\* The SFR fee is the minimum sewer service charge any user must pay.

All properties located within Revenue Area No. 14 pay no annual sewer service charges. OC San costs relating to providing service to these properties are billed by OC San directly to the Irvine Ranch Water District, the local agency providing the local sewer service.

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**TABLE B**  
**ANNUAL SEWER SERVICE CHARGES**

PROPERTY USE CLASSIFICATIONS

Assessor Use Code or Unit	Description	Percentage of SFR Per 1,000 SF
1	Vacant Land Parcel	0%
5	Common Area Parcel	0%
6	"Hold" Parcel	0%
8	Equivalent to Vacant	0%
121	Parcel of Minimal or No Value	0%
122	Subsurface Parcels	0%
124	Oil/Mineral Rights	0%
125	Mineral Rights Equipment	0%
126	Vacant Comm. Area-IMP Alloc.	0%
201	Homeowners Exemption Add'l.	0%
666	Unassigned Vacant	0%
777	Septic Tank Property	0%
112	Steel Building	7%
113	Mini-Warehouse	7%
58	Nurseries (Plants)	10%
100	Drive-In Theater	10%
44	Lumber/Constr. Material Yard	17%
71	Parking Garage	17%
72	Paved Parking Lot	17%
110	Warehouse – Single Tenant	17%
111	Warehouse – Multi Tenant	17%
115	Recreational Vehicle Storage	17%
116	Truck Terminal	17%
33	Church Buildings	20%
94	Department Store	23%
95	Discount Store	23%
96	Unattached Single Store	23%
97	Strip Store	23%
74	Recreational Vehicle Park	27%
36	Financial Buildings	27%
40	Health Club	29%
68	High Rise Office	30%
225	United States Post Office	35%
21	Automobile Dealership	41%
22	Auto Repair Shop	41%
23	Automotive Service	41%
24	Used Car Lot	41%
39	Golf Course	41%
57	Motorcycle/Small Vehicle Building	41%
83	Automotive Service Station	41%

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**TABLE B (CONTINUED)**  
**ANNUAL SEWER SERVICE CHARGES**

PROPERTY USE CLASSIFICATIONS

Assessor Use Code or Unit	Description	Percentage of SFR Per 1,000 SF
84	Marine Service Station	41%
86	Combin.-Service Station/Convenience	41%
65	Single Office Bldgs. to 3 Stories	41%
66	Small Office Center	41%
67	Office Complex	41%
69	Converted Residence to Office	41%
7	Mobile Home	50%
55	Mobile Home Park	50%
107	Light Industrial – Single Tenant	50%
108	Light Industrial – Multi Tenant	50%
109	Research and Development	50%
114	Industrial Park	50%
37	Fraternal Buildings	51%
101	Unattached Theater	51%
26	Airport and Related Buildings	53%
45	Marinas	53%
88	Low Flow Center	53%
3	Two or More Residences	70%
10	Duplex Only	70%
11	Triplex Only	70%
12	04-Units Only	70%
13	5 to 16 Units	70%
14	17 to 25 Units	70%
15	26 to 40 Units Only	70%
16	41-99 Units Only	70%
17	100 or More Units	70%
18	Developed with a Mix of Forms	70%
63	Low Rise Retirement Building	70%
64	High Rise Retirement Building	70%
56	Low Demand Hotel/Motel	70%
81	Pre-Schools, Nursery or Care	82%
82	Private Schools	82%
98	Store with Offices or Living Quarter	82%
99	Store with Office Upstairs	82%
118	Governmental Use Vacant/Develop.	82%
19	SFR with 1 or 2 rental units	85%
34	Dormitory	97%
42	Hospital	97%
43	High Demand Hotel/Motel	97%
0	Conversion-C/1, Rural PC	100%
2	One Residence	100%

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**TABLE B (CONTINUED)**  
**ANNUAL SEWER SERVICE CHARGES**

PROPERTY USE CLASSIFICATIONS

Assessor Use Code or Unit	Description	Percentage of SFR Per 1,000 SF
4	Miscellaneous Improvement	100%
85	Comb. Serv. Stn./Restaurant	100%
103	Chemical Tank and Bulk Storage	100%
104	Food Processing Plant	100%
105	Cold Storage Plant	100%
106	Factory	100%
119	Public Utility	100%
120	Water Mutual or Company	100%
888	Conversion-Composite Prop.	100%
32	Cemetery & Related Buildings	101%
38	Funeral Home	101%
60	Nursing Home	102%
61	Convalescent Hospitals	102%
62	Converted Res. Used as Nursing	102%
28	Bowling Alleys	112%
92	Skating Rinks	112%
50	Single Medical Bldgs. to 3 Stories	124%
51	Small Medical Center	124%
52	Medical Center Complex	124%
53	High Rise Medical	124%
54	Converted Residence to Medical	124%
89	Average Flow Center	139%
20	Amusement Parks	144%
35	Entertainment Center	144%
73	Recreation	144%
30	Coin Operated Car Wash	151%
47	Supermarket	151%
48	Convenience Market	151%
224	Nightclub	200%
90	High Flow Center	226%
76	Restaurant – Low Demand	300%
77	Restaurant – Coffee Shop	600%
78	Restaurant – Dinner House	600%
79	Restaurant – Conversion from SF	600%
29	Conventional Car Wash	796%
223	Laundromat	1,800%

NOTE: Multiply the Table A Single Family Residential Rate by the percentage figure above in order to determine the rate per 1,000 square feet for the commercial or industrial user.

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ARTICLE III

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Section 3.01. Application of Ordinance. The provisions of this Ordinance shall be in addition to (i) the provisions of OC San's Wastewater Discharge Regulations for use of District's sewage facilities, including provisions for payment of charges or fees related thereto; (ii) District's ordinance establishing Fees Concerning Annexations of Territory to OC San; (iii) District's ordinance establishing Local Sewer Service Fees, where applicable, and (iii) any other District Ordinances and Resolutions not in conflict herewith.

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Section 3.02. Exceptions. The provisions of this Ordinance shall apply to all owners of properties within OC San, including those properties otherwise deemed exempt from payment of taxes or assessments by provisions of the State Constitution or statute, including properties owned by other public agencies or tax-exempt organizations, except as expressly provided herein.

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Section 3.03. Out of Area Sewer Service Agreements. Pursuant to Health and Safety Code Section 4742.1, OC San is empowered to contract for the handling, treatment or disposal by OC San of sewage or industrial wastes originating within OC San or county or within areas outside of OC San or county when, in the judgment of OC San Board, it is for the best interest of OC San to do so. In exercise of such power, OC San may, from time to time, enter into Out-of-Area Sewer Service Agreements. These Out-of-Area Sewer Service Agreements will establish fees and charges relative to the services provided by OC San for each individual agreement.

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The Board of Directors of the Orange County Sanitation District does further hereby ORDAIN:

SECTION II. Severability. If any provision of this Ordinance, or the application to any person or circumstances is held invalid by order of Court, the remainder of the Ordinance, or the application of such provision to other persons or other circumstances, shall not be affected.

SECTION III. Effective Date. This Ordinance shall take effect July 1, 2023.

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SECTION IV. Repeal. Ordinance No. OCSD-49 is repealed in its entirety effective June 30, 2023.

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SECTION V. Certification and Publication. The Clerk of the Board shall certify to the adoption of this Ordinance and shall cause a summary to be published in a newspaper of general circulation within 15 days as required by law.

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PASSED AND ADOPTED by a vote of not less than two-thirds of the Board of Directors of the Orange County Sanitation District at a Regular Meeting held on March 22, 2023.

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Chad P. Wanke  
Chairman, Board of Directors  
Orange County Sanitation District

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ATTEST:

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Kelly A. Lore, MMC  
Clerk of the Board  
Orange County Sanitation District

APPROVED AS TO FORM:

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Bradley R. Hogin  
General Counsel  
Orange County Sanitation District

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STATE OF CALIFORNIA )  
                                  )SS.  
COUNTY OF ORANGE  )

I, Kelly A. Lore, Clerk of the Board of Directors of Orange County Sanitation District, do hereby certify that the above and foregoing Ordinance No. OC\_SAN-XX, was introduced for first reading at a regular meeting of said Board on the 22nd day of February 2023, and passed and adopted by a vote of not less than two-thirds at a regular meeting of said Board on the 22nd day of March 2023, by the following vote, to wit:

**AYES:**  
**NOES:**  
**ABSTENTIONS:**  
**ABSENT:**

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of Orange County Sanitation District this 22nd day of March, 2023.

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Kelly A. Lore, MMC  
Clerk of the Board  
Orange County Sanitation District

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ORDINANCE NO. OC SAN-XX

AN ORDINANCE OF THE BOARD OF DIRECTORS OF  
ORANGE COUNTY SANITATION DISTRICT ADOPTING  
REGIONAL SEWER SERVICE CHARGES AND REPEALING  
ORDINANCE NO. OCSD-49

WHEREAS, Health & Safety Code Section 5471 authorizes the Orange County Sanitation District's ("OC San") Board of Directors to impose fees and other charges for services and facilities furnished by OC San in connection with OC San's sewage collection, treatment, disposal, and reuse system; and

WHEREAS, OC San imposes annual sewer service charges on residential and commercial users. OC San uses revenue from these charges to operate, maintain, replace, and improve OC San's existing facilities. The current service charges are set forth in Ordinance No. OCSD-49;

WHEREAS, OC San recently retained HDR Engineering, Inc. to evaluate OC San's projected revenue needs and recommend rates for the five-year period of July 1, 2023 to June 30, 2028-. In December of 2022, HDR Engineering, Inc. issued its "Final Wastewater Rates, Fees, and Charges Study" ("HDR Report") OC San's Board of Directors received the HDR Report on December 15, 2022, and the HDR Report is on file with OC San; and

WHEREAS, the recommendations set forth in the HDR Report are based in part on OC San's 2017 Facilities Master Plan ("Master Plan"). The Master Plan identified the capital improvement projects that will be needed over the next 20 years, and estimated the cost of each project. OC San's Board of Directors approved the Master Plan on December 20, 2017; and

WHEREAS, pursuant to Article XIID, section 6, of the California Constitution, OC San mailed notice of a public hearing on the proposed sewer service charges to the record owner of each parcel subject to the proposed charges. The notice, which set forth the date, time, and location of the public hearing, as well as the charges, fees, and rates proposed for imposition, was mailed no less than 45 days prior to the public hearing; and

WHEREAS, pursuant to Health and Safety Code sections 4766 and 5473, the Board of Directors may elect to have the proposed regional sewer service charges collected on the tax roll in the same manner, by the same persons, and at the same time as, together with and not separately from, its general taxes; and

WHEREAS, pursuant to Health and Safety Code section 5473.1, on March 8, 2023, notice of a public hearing regarding the proposed sewer service charges and the election to have such charges collected on the tax roll was published in the Orange County Register, a newspaper of general circulation within OC San published in the county where OC San is located. The notice set forth the date, time and location of the hearing; and

WHEREAS, on Wednesday, March 22, 2023 at 6:00 P.M., in OC San's Boardroom on the first floor of its Administration Building located at 10844 Ellis Avenue, Fountain Valley, California, OC San held a properly noticed public hearing in order to receive and consider comments, including objections, concerning the proposed regional sewer service charges and the election to have such charges collected on the tax roll; and

WHEREAS, the Board of Directors has carefully reviewed the HDR Report and considered oral and written comments from the public, Board Members, OC San staff, and OC San consultants made at and prior to the March 22, 2023 public hearing;

NOW, THEREFORE, the Board of Directors of the Orange County Sanitation District does hereby ORDAIN:

SECTION I. Adopt Regional Sewer Service Charges

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ARTICLE I

FINDINGS

Section 1.01. Findings. Based upon substantial evidence presented to the Board of Directors, the Board of Directors of District hereby finds that:

A. The revenues collected pursuant to this Ordinance shall be used to finance the improvements, programs, and staffing needed to operate, maintain, replace, and improve OC San's existing facilities, fund necessary reserves, and retire debt incurred to finance such activities. The revenues shall be used for no other purpose.

B. The revenues collected pursuant to this Ordinance are reasonably related to, and will not exceed, the cost of the improvements, programs, and staffing needed to operate, maintain, replace, and improve OC San's existing facilities, fund necessary reserves, and retire debt incurred to finance such activities over a reasonable period of time.

C. The amount charged to each parcel pursuant to this Ordinance does not exceed the proportional cost of the service attributable to the parcel.

D. The financial requirements of OC San as reflected in the Master Plan and other documents, are based on current, reliable information, and further, that data relating to population projections, wastewater flow, and capital facility needs are expected to be realized in each year as described in the reports.

E. The successful operation, maintenance, replacement, and improvement of OC San's existing facilities is necessary to protect public health, safety, and the environment.

F. The Sewer Service Charges adopted herein will not result in an expansion of facilities to accommodate growth within or outside the existing service area. The adoption of these Sewer Service Charges will not result in any specific project, nor result in a direct physical change in the environment.

G. This Ordinance is statutorily exempt from review under the California Environmental Quality Act pursuant to Section 21080(b)(8) of the Public Resources Code, because the Sewer Service Charges will be used (i) for operating expenses, (ii) for the purchase or lease of supplies, equipment, or materials, (iii) to meet financial reserve needs and requirements, and (iv) to obtain funds for capital projects necessary to maintain service within existing service areas.



H. That all fees and charges established herein have been approved by OC San's Board of Directors at a noticed public meeting, all in accordance with applicable provisions of law.

## ARTICLE II

### SEWER SERVICE CHARGES

Section 2.01. Purpose and Scope. The purpose of this Ordinance is to establish Sewer Service Charges to be paid by property owners for the services and facilities furnished by OC San. The revenues collected pursuant to this Ordinance shall be used to finance the improvements, programs, and staffing needed to operate, maintain, replace, and improve OC San's existing facilities, fund necessary reserves, and retire debt incurred to finance such activities.

Section 2.02. Annual Sewer Service Charge.  
Commencing with the effective date of this Ordinance, the owner of each parcel of real property located within OC San's service area which is improved with structures designed for residential, commercial, or industrial use and which, at the request of the owner or the owner's predecessor-in-interest, is connected to OC San's sewerage system, shall pay an annual Sewer Service Charge based on the respective class of users, in the sum or sums, as set forth in Tables A and B of this Ordinance, below, and incorporated by reference herein. The annual Sewer Service Charges for residential users are set forth in Table A. The applicable single family residential rate shown in Table A is multiplied by the applicable percentage figure shown on Table B with respect to the particular use classification to arrive at the annual Sewer Service Charge rate per 1,000 square feet or per unit. The annual Sewer Service Charges are dependent upon the respective classifications of property use, determined by reference to Table B.

### Section 2.03. Exemptions, Rebates, Refunds and Reduced Charges

A. Exemptions. It is the intent of OC San that the legal owner(s) of parcels of real property, otherwise subject to the levy and payment of the Sewer Service Charges, as prescribed herein, be relieved, in whole or in part, from the payment of said charges, in certain circumstances and under conditions prescribed herein, and be entitled to either a low-water rebate, reduced charge, or a refund with respect to charges paid, as more specifically set forth in Subparagraphs 2.03B and 2.03C below, provided an inequity is established or a billing error is proven, as specified in Subparagraphs 2.03B or 2.03C.

#### B. Application for Low-Water or Reduced Charge.

- (1) A "low-water rebate" is based on the ratio of the annual flow to the assumed discharge for a parcel.

Customer's Annual Flow Divided by Assumed Flow	Customer Percent Reduction
90% or Greater	0%
70% to 89%	20%
50% to 69%	40%
30% to 39%	60%
29% or Less	80%

- (2) A “reduced charge” is a lower sewer service charge imposed for the current fiscal year or a future fiscal year based on water consumption as provided herein.
- (3) Any property owner, or legally recognized authorized representative of the property owner, may apply to OC San for a low-water rebate or reduced charge by establishing that an inequity exists between the amount of the charge paid and the amount of wastewater discharged to OC San’s system. Proof satisfactory to the General Manager of OC San, or his/her designee, shall establish that either:
  - (a) The principal water use is agricultural or horticultural; or
  - (b) The property is devoted to any other use wherein the amount of wastewater discharged to OC San’s system is significantly less on a regular basis than the amount that would normally be expected to be discharged by the class of property in question.
- (4) Satisfactory proof shall include, but not be limited to, verifiable documentation showing actual water usage for each billing cycle during the entire period for which the rebate is sought.
- (5) The amount of any low-water rebate shall not reduce the charge payable by any property owner, whose property is connected to OC San’s system, to less than the single family residential charge shown on the applicable Table attached hereto.
- (5) Once a low-water rebate or reduced charge to a service charge is granted, additional rebates or reduced charges will not be granted in the same year unless the property was vacant for the entire year.

C. Application for Refund.

- (1) A "refund" is the difference between the original service charge paid by a property owner and the corrected service charge when the original charge was billed erroneously.
- (2) Any property owner, or legally recognized authorized representative of the property owner, may apply to OC San for a refund of Sewer Service Charges paid to OC San by establishing that the amount paid was pursuant to an error in the amount billed or the amount paid. The applicant for a refund must submit proof satisfactory to the General Manager of OC San, or his/her designee, that a billing error has been made by OC San, or the County Tax Collector. Such proof shall include, but not be limited to, proof that:
  - (a) The owner's parcel of property is not connected to OC San's system; or
  - (b) The property has not been classified in the proper property use classification code; or
  - (c) A clerical error has been made.

D. Limitations Period.

- (1) Applications for low-water rebates and reduced charges shall be deemed a claim and be governed by the provisions of California Government Code Sections 935 et seq. Low-water rebates are only available for the most recently ended fiscal year and shall be presented to OC San as provided in the Government Tort Claims Act, Government Code Sections 915 et seq., Reduced charge claims are available for the current fiscal year or future fiscal years. The claim for low-water rebate or reduced charge may only be made with respect to amounts paid or payable under such property tax bill. A claim for low-water rebate or reduced charge is not deemed a claim for refund, and California Revenue & Taxation Code Sections 5096 and 5097 are not applicable.
- (2) Applications for refunds shall be deemed to be governed by the provisions of California Revenue & Taxation Code Sections 5096 and 5097.

- (3) Consistent with Section 2.04, a "year" for purposes of this Section 2.03 commences on July 1 for all annual Sewer Service Charges, based on OC San's fiscal year.

E. Determination. All applications for low-water rebates, reduced charges or refunds of the Sewer Service Charge will be determined by the General Manager of OC San, or his/her designee, who, based on the submitted proof, may grant a full or partial rebate, reduced charge or refund.

F. Administrative Fee. At the time of filing the application for a low-water rebate, reduced charge or refund, the property owner shall pay OC San an administrative fee for the processing of such application. The amount of the fee shall be equal to the total of all fees and charges imposed on OC San by any other public entity, such as the Orange County Tax Collector, the Orange County Auditor, or the Orange County Recorder, in connection with the rebate or refund.

G. Duration of Reduced Charge. A reduced charge will remain in effect for one fiscal year, subject to the provisions below:

- (1) Standard 5- Year Lock-In. Upon submission of three consecutive fiscal years of verifiable water data that resulted in a rebate or reduced charge, OC San shall determine the average annual percentage reduction based upon those three years. If qualified, OC San will implement a locked-in reduced charge for a standard period of five years.
- (2) Renewals. At the end of the lock-in period, the owner of the parcel may apply for a renewal by submitting verifiable water consumption data for the previous three years.
- (3) Failure to Submit. Failure to submit the required water consumption data with lock-in renewal application is equivalent to making an election to opt-out pursuant to Section 2.03, Article II, G4.
- (4) Lock-In Opt-Out. At the time the owner of a parcel qualifies for a five-year lock-in pursuant to Section 2.03, Article II, G1, whether as a first time application for rebate or reduced charge, as a renewal pursuant to Section 2.03, Article II, G2, or upon three annual submittals of the most recent fiscal year of verifiable water consumption records, the owner may elect in writing to opt-out of the lock-in and instead elect year to year renewals and submit verifiable water consumption records annually.

- (5) Significant Change in Business Operation-Demonstration. If the owner of a locked-in parcel is able to demonstrate that a significant change in business operation has occurred, verifiable water consumption may be submitted for the most recently ended fiscal year to be used in a recalculation of the reduction with a duration of one year until three consecutive fiscal years of water consumption have been submitted and then the standard lock-in will apply.
- (6) Audit. If OC San becomes aware that a lock-in parcel has had a significant change in business operation that increases water consumption, OC San may request current verifiable water consumption records for the most recently ended fiscal year and re-establish the reduced charge prior to the expiration of the five-year period.

H. Penalty. The falsification of an application for a low-water rebate or reduced charge is a misdemeanor, punishable as provided by the law. In addition, any person who falsifies an application for a water efficiency rebate or reduced charge shall be civilly liable to OC San in the maximum sum provided by law.

Section 2.04. Annual Charge Based on Fiscal Year. The Sewer Service Charges established by this Ordinance shall be effective as of July 1 of each year, as set forth in Tables A and B, attached hereto, for OC San's fiscal year, and shall remain in effect until such time as the rates adopted herein are changed by OC San Ordinance. There shall be no proration of such charges in any fiscal year.

Section 2.05. Method of Collection.

A. Pursuant to the authority granted by California Health & Safety Code Sections 4766 and 5473, and except as otherwise provided in Subparagraph 2.05B below, all Sewer Service Charges established herein shall be collected on the County Tax Roll in the same manner, by the same persons, and at the same time as, together with, and not separately from, its general taxes. The County Treasurer-Tax Collector is authorized and hereby ordered to make said collections in accordance with the terms and conditions of agreements between the County of Orange and OC San.

B. In the event OC San determines that, due to billing or payment error, or to inequity in the amount billed, a property owner (or person who paid the tax) has underpaid annual Sewer Service Charges payable to OC San, OC San, within four (4) years after the date of mailing of the tax bill, may:

- (1) collect the amount of any deficiency directly on the County Tax Roll;

- (2) off-set the amount of any deficiency against any amounts that OC San determines is owing, by OC San, to the property owner, as a rebate or refund under this Ordinance; or
- (3) submit, directly to the property owner, a bill for the amount of any deficiency, which shall be due and payable within thirty (30) days of the invoice date and which, if not paid, shall become a lien on said property.

Section 2.06. Credit for Industrial Permittees. A credit shall be allowed to all dischargers permitted pursuant to Article 3 of District Ordinance No. OCSD-53, as amended, in an amount equal to the annual Sewer Service Charge established by Section 2.02 of this Ordinance.

Section 2.07. Open-Air Facilities. Sewer Service Charges for open-air facilities will be based on annual attendance records. Open-Air facilities will pay a rate per million gallons based upon the related sewage flow, Biochemical Oxygen Demand (“BOD”) and Suspended Solids (“SS”) charge for single family residences. The usage per attendee will be 15 gallons.

**TABLE A**

**ANNUAL SEWER SERVICE CHARGES**  
**RESIDENTIAL USERS**

FISCAL YEAR	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
SFR*	\$358.00	\$371.00	\$384.00	\$397.00	\$411.00
MFR	\$250.60	\$259.70	\$268.80	\$277.90	\$287.70

SFR = SINGLE FAMILY RESIDENTIAL

MFR = MULTI FAMILY RESIDENTIAL

\* The SFR fee is the minimum sewer service charge any user must pay.

All properties located within Revenue Area No. 14 pay no annual sewer service charges. OC San costs relating to providing service to these properties are billed by OC San directly to the Irvine Ranch Water District, the local agency providing the local sewer service.

**TABLE B**  
**ANNUAL SEWER SERVICE CHARGES**

PROPERTY USE CLASSIFICATIONS

Assessor Use Code or Unit	Description	Percentage of SFR Per 1,000 SF
1	Vacant Land Parcel	0%
5	Common Area Parcel	0%
6	"Hold" Parcel	0%
8	Equivalent to Vacant	0%
121	Parcel of Minimal or No Value	0%
122	Subsurface Parcels	0%
124	Oil/Mineral Rights	0%
125	Mineral Rights Equipment	0%
126	Vacant Comm. Area-IMP Alloc.	0%
201	Homeowners Exemption Add'l.	0%
666	Unassigned Vacant	0%
777	Septic Tank Property	0%
112	Steel Building	7%
113	Mini-Warehouse	7%
58	Nurseries (Plants)	10%
100	Drive-In Theater	10%
44	Lumber/Constr. Material Yard	17%
71	Parking Garage	17%
72	Paved Parking Lot	17%
110	Warehouse – Single Tenant	17%
111	Warehouse – Multi Tenant	17%
115	Recreational Vehicle Storage	17%
116	Truck Terminal	17%
33	Church Buildings	20%
94	Department Store	23%
95	Discount Store	23%
96	Unattached Single Store	23%
97	Strip Store	23%
74	Recreational Vehicle Park	27%
36	Financial Buildings	27%
40	Health Club	29%
68	High Rise Office	30%
225	United States Post Office	35%
21	Automobile Dealership	41%
22	Auto Repair Shop	41%
23	Automotive Service	41%
24	Used Car Lot	41%
39	Golf Course	41%
57	Motorcycle/Small Vehicle Building	41%
83	Automotive Service Station	41%



**TABLE B (CONTINUED)**  
**ANNUAL SEWER SERVICE CHARGES**

PROPERTY USE CLASSIFICATIONS

Assessor Use Code or Unit	Description	Percentage of SFR Per 1,000 SF
84	Marine Service Station	41%
86	Combin.-Service Station/Convenience	41%
65	Single Office Bldgs. to 3 Stories	41%
66	Small Office Center	41%
67	Office Complex	41%
69	Converted Residence to Office	41%
7	Mobile Home	50%
55	Mobile Home Park	50%
107	Light Industrial – Single Tenant	50%
108	Light Industrial – Multi Tenant	50%
109	Research and Development	50%
114	Industrial Park	50%
37	Fraternal Buildings	51%
101	Unattached Theater	51%
26	Airport and Related Buildings	53%
45	Marinas	53%
88	Low Flow Center	53%
3	Two or More Residences	70%
10	Duplex Only	70%
11	Triplex Only	70%
12	04-Units Only	70%
13	5 to 16 Units	70%
14	17 to 25 Units	70%
15	26 to 40 Units Only	70%
16	41-99 Units Only	70%
17	100 or More Units	70%
18	Developed with a Mix of Forms	70%
63	Low Rise Retirement Building	70%
64	High Rise Retirement Building	70%
56	Low Demand Hotel/Motel	70%
81	Pre-Schools, Nursery or Care	82%
82	Private Schools	82%
98	Store with Offices or Living Quarter	82%
99	Store with Office Upstairs	82%
118	Governmental Use Vacant/Develop.	82%
19	SFR with 1 or 2 rental units	85%
34	Dormitory	97%
42	Hospital	97%
43	High Demand Hotel/Motel	97%
0	Conversion-C/1, Rural PC	100%
2	One Residence	100%

**TABLE B (CONTINUED)**  
**ANNUAL SEWER SERVICE CHARGES**

PROPERTY USE CLASSIFICATIONS

Assessor Use Code or Unit	Description	Percentage of SFR Per 1,000 SF
4	Miscellaneous Improvement	100%
85	Comb. Serv. Stn./Restaurant	100%
103	Chemical Tank and Bulk Storage	100%
104	Food Processing Plant	100%
105	Cold Storage Plant	100%
106	Factory	100%
119	Public Utility	100%
120	Water Mutual or Company	100%
888	Conversion-Composite Prop.	100%
32	Cemetery & Related Buildings	101%
38	Funeral Home	101%
60	Nursing Home	102%
61	Convalescent Hospitals	102%
62	Converted Res. Used as Nursing	102%
28	Bowling Alleys	112%
92	Skating Rinks	112%
50	Single Medical Bldgs. to 3 Stories	124%
51	Small Medical Center	124%
52	Medical Center Complex	124%
53	High Rise Medical	124%
54	Converted Residence to Medical	124%
89	Average Flow Center	139%
20	Amusement Parks	144%
35	Entertainment Center	144%
73	Recreation	144%
30	Coin Operated Car Wash	151%
47	Supermarket	151%
48	Convenience Market	151%
224	Nightclub	200%
90	High Flow Center	226%
76	Restaurant – Low Demand	300%
77	Restaurant – Coffee Shop	600%
78	Restaurant – Dinner House	600%
79	Restaurant – Conversion from SF	600%
29	Conventional Car Wash	796%
223	Laundromat	1,800%

NOTE: Multiply the Table A Single Family Residential Rate by the percentage figure above in order to determine the rate per 1,000 square feet for the commercial or industrial user.

## ARTICLE III

### MISCELLANEOUS

Section 3.01. Application of Ordinance. The provisions of this Ordinance shall be in addition to (i) the provisions of OC San's Wastewater Discharge Regulations for use of District's sewage facilities, including provisions for payment of charges or fees related thereto; (ii) District's ordinance establishing Fees Concerning Annexations of Territory to OC San; (iii) District's ordinance establishing Local Sewer Service Fees, where applicable, and (iii) any other District Ordinances and Resolutions not in conflict herewith.

Section 3.02. Exceptions. The provisions of this Ordinance shall apply to all owners of properties within OC San, including those properties otherwise deemed exempt from payment of taxes or assessments by provisions of the State Constitution or statute, including properties owned by other public agencies or tax-exempt organizations, except as expressly provided herein.

Section 3.03. Out of Area Sewer Service Agreements. Pursuant to Health and Safety Code Section 4742.1, OC San is empowered to contract for the handling, treatment or disposal by OC San of sewage or industrial wastes originating within OC San or county or within areas outside of OC San or county when, in the judgment of OC San Board, it is for the best interest of OC San to do so. In exercise of such power, OC San may, from time to time, enter into Out-of-Area Sewer Service Agreements. These Out-of-Area Sewer Service Agreements will establish fees and charges relative to the services provided by OC San for each individual agreement.

The Board of Directors of the Orange County Sanitation District does further hereby ORDAIN:

SECTION II. Severability. If any provision of this Ordinance, or the application to any person or circumstances is held invalid by order of Court, the remainder of the Ordinance, or the application of such provision to other persons or other circumstances, shall not be affected.

SECTION III. Effective Date. This Ordinance shall take effect July 1, 2023.

SECTION IV. Repeal. Ordinance No. OCSD-49 is repealed in its entirety effective June 30, 2023.

SECTION V. Certification and Publication. The Clerk of the Board shall certify to the adoption of this Ordinance and shall cause a summary to be published in a newspaper of general circulation within 15 days as required by law.

PASSED AND ADOPTED by a vote of not less than two-thirds of the Board of Directors of the Orange County Sanitation District at a Regular Meeting held on March 22, 2023.

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Chad P. Wanke  
Chairman, Board of Directors  
Orange County Sanitation District

ATTEST:

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Kelly A. Lore, MMC  
Clerk of the Board  
Orange County Sanitation District

APPROVED AS TO FORM:

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Bradley R. Hogin  
General Counsel  
Orange County Sanitation District

STATE OF CALIFORNIA )  
  )SS.  
COUNTY OF ORANGE   )

I, Kelly A. Lore, Clerk of the Board of Directors of Orange County Sanitation District, do hereby certify that the above and foregoing Ordinance No. OC SAN-XX was introduced for first reading at a regular meeting of said Board on the 22nd day of February 2023, and passed and adopted by a vote of not less than two-thirds at a regular meeting of said Board on the 22nd day of March 2023, by the following vote, to wit:

**AYES:**  
**NOES:**  
**ABSTENTIONS:**  
**ABSENT:**

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of Orange County Sanitation District this 22nd day of March, 2023.

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Kelly A. Lore, MMC  
Clerk of the Board  
Orange County Sanitation District

**DATE:** February 1, 2023  
**TO:** Board of Directors  
**FROM:** James D. Herberg, General Manager  
**SUBJECT: Cost Savings Measures**

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As the Board of Directors prepares to consider a new rate program in 2023, I want to share with you some of the many cost savings and efficiency measures implemented during the past five years. Our ratepayers want to know that we are sound and that we are spending their fees responsibly to produce substantial benefits. In an effort to reduce costs, our employees are always looking for innovative ways to be more resourceful and efficient while ensuring we maintain our high standard of customer service.

The following list is a sample of some cost savings and efficiency measures that support our overarching goal to contain costs and limit long-term liabilities to the Orange County Sanitation District (OC San).

#### **FINANCIAL MANAGEMENT**

- Beginning in 2018, OC San issued three debt financing refunding obligations that generated a total of \$28.8 million in net present value savings due to the lower interest rate environment.
- Orange County Employee Retirement System (OCERS) pension prepayment over the last 5 years resulted in average savings of \$189,000/year.
- We continue to participate in local, state, and national cooperative purchasing programs such as OMNIA Partners Public Sector (formerly U.S. Communities), NASPO ValuePoint, and U.S. General Services Administration GSA Schedule 70/ GSA Multiple Award Schedule (MAS).
- We continue to maintain a AAA bond rating.

#### **ENVIRONMENTAL SERVICES**

- OC San holds a portfolio of air quality Emission Reduction Credits (ERCs). OC San will secure a brokerage firm to sell the surplus credits at fair market value which may range from \$1.2 to \$1.7 million of additional revenue which will offset other OC San expenditures.

- Despite adding almost 2,000 dental offices to the Pretreatment Program to comply with the new dental office regulation, OC San has not added new staff to the Pretreatment Program for this mandated program. OC San managed the workload internally. If outsourced, this extraordinary three-year effort to initiate and implement the program would have cost OC San at least \$3,000,000. Going forward, this is anticipated to result in an ongoing annual savings of \$300,000 by avoiding outsourcing.
- By developing internal capability and obtaining state and national accreditation for new analytical methods for constituents such as PFAS, Nitrate/Nitrite, and Microplastics, OC San has yielded up to \$175,000 in annual cost savings (when indexed against cost of contracting out these services).
- OC San's Ocean Monitoring Program Marine Vessel (M/V) *Nerissa* has been in service since 2004. Frequent maintenance, including in-house servicing by staff when possible, has kept *Nerissa* in excellent working condition despite its age, thus extending its lifespan and maximizing cost savings. Along with the modernization of instruments, this has yielded up to \$233,000 in annual cost savings by reducing/eliminating the need to outsource costly and inefficient monitoring services.

## **WORKFORCE OPTIMIZATION AND RISK MANAGEMENT**

- OC San moved its employees' Life and Disability plans to a new carrier and bundled coverages for a 23.8% decrease in premiums and continued to participate in an insurance risk pool with Public Risk Innovation, Solutions, and Management (PRISM), resulting in cost savings on medical and dental insurance compared to the open market.
- By negotiating three-year labor contracts, we are providing long-term labor stability. In those negotiations, we reached agreement on items that support OC San's efficient operations.
- OC San has continued to conduct annual succession planning analyses to identify and address vulnerable areas within the organization. Based on this analysis, we are providing targeted development opportunities to support future staffing needs.
- We successfully implemented a virtual interview recruitment process to comply with COVID-19 restrictions, which has resulted in paperwork reduction, time savings, and greater accessibility for participants.
- We also expanded our virtual training process which has resulted in time savings, can be extended to larger audiences, and is recorded for greater accessibility.

- We revamped the internal leadership development program (BLAST) and rebranded it as OC San "U" to include virtual learning and mentoring, in-house presenters, and new topics resulting in increased employee participation and cost savings. Some courses have also been extended to OC San member agencies for networking and cost sharing.
- OC San restructured its contractor safety prequalification process for small contractors who were at a disadvantage and who may not otherwise have been able to bid on OC San's projects based on a relatively small number of injuries. The revisions to the prequalification process maintained the standard of safety, all while increasing our contractor pool, allowing for more competitive bidding.
- OC San moved reporting of construction safety from Construction Management to Risk Management. This has allowed for a consistent approach to safety, where both operational and construction safety are managed out of one office.
- The quarterly safety & health scorecard was revamped to include injury rates, work hours, classifications of injuries, trainings completed, permits, and inspections. The modifications allow the management team to make changes based on real data to prevent future injuries and illnesses from occurring.
- OC San developed a physical security plan, setting the design standards for security for all projects. The security plan helps ensure OC San facilities will be protected from threats and helps save money from over designed or under designed facilities.

## **OPERATIONS AND MAINTENANCE**

- OC San completed the ferric chloride optimization study with an estimated cost savings of \$320,000 per year starting in FY 2021-2022. Due to volatile market conditions in FY 2022-2023 for chemicals, ferric chloride optimization is being reassessed at both plants.
- The anionic polymer optimization study at Plant No. 2 currently has a projected cost savings of \$75,000 per year. Estimated savings at Plant No. 1 will be evaluated after testing has concluded at Plant No. 2.
- The cationic polymer optimization study at Plant No. 1 thickening centrifuges currently has a projected cost savings of \$120,000 per year.
- Plant No. 1 switched from using City water to plant water for polymer blending at thickening and dewatering, resulting in \$150,000 City water cost savings.



- OC San is utilizing a variable speed drive for Plant No. 1 thickening centrifuges resulting in a \$76,000 SCE rebate.
- Through the use of new technology, OC San saved approximately \$2.5 million last year by optimizing odor control chemical dosing rates in the collection system.

## **ENGINEERING**

- OC San received a United States Bureau of Reclamation Grant for the Ground Water Replenishment System Final Expansion in the amount of \$1,125,000.
- OC San completed the annexation of over 1,300 parcels in Anaheim, Villa Park, and Yorba Linda into OC San's service area that will generate approximately \$420,000 more in sewer service fees each fiscal year.
- The location of the new 110,000 square foot administrative Headquarters Building is across the street from Plant No. 1. With the close proximity, newly constructed utilities from the plant site to the new building will allow the bio-gas driven generators and chilled water produced by the treatment plant processes to supply 100% of the Headquarters' heating and cooling, resulting in long-term utility savings.
- OC San transferred over 7 miles of local sewer systems to local agencies to focus resources on the regional system.
- We have reduced the amount of printed project documents, utilizing electronic records and digital copies. This reduces the amount of file storage space needed at the new Headquarters Building and saves approximately \$3,000 per construction project, reducing associated print job costs by approximately 70%.
- We operate a 4.9-megawatt, 32-megawatt-hour Tesla lithium-ion energy storage system, saving a minimum of \$300,000 annually and reducing our overall electrical needs during peak use periods so that other customers have greater access to the supply.
- The completion of the sludge dewatering projects have resulted in an average of 10 less truckloads of biosolids per day yielding a savings of \$5.97 million per year over the last five years.



# ADMINISTRATION COMMITTEE

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

## Agenda Report

**File #:** 2023-2734

**Agenda Date:** 2/8/2023

**Agenda Item No:** 6.

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

**SUBJECT:**

**PROPOSED ORDINANCE ADOPTING CAPITAL FACILITIES CAPACITY CHARGES**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Motion to read Ordinance No. OC SAN-XX by title only and waive reading of said entire Ordinance;
- B. Introduce Ordinance No. OC SAN-XX entitled, "An Ordinance of the Board of the Orange County Sanitation District Adopting Capital Facilities Capacity Charges, and Repealing Ordinance No. OCSD-57"; and
- C. Set March 22, 2023 as the date of the Public Hearing to hear protests and for the second reading of Ordinance No. OC SAN-XX.

**BACKGROUND**

The Capital Facilities Capacity Charge (CFCC) is a one-time, non-discriminatory charge imposed at the time a building or structure is newly connected to Orange County Sanitation District's (OC San) system, or an existing structure is expanded or increased. This charge is to pay a portion of the capacity costs and for access to capacity in the system. Based upon the rate study conducted by HDR Engineering, Inc., the Facilities Master Plan, forecasted operating expenses, and cash flow modeling, staff recommends the 3-bedroom base rate for the residential CFCC remain unchanged for Fiscal Year (FY) 2023-24 at \$5,719 and will adjust by the Engineering News Record Construction Cost Index each year thereafter.

The non-residential CFCC schedule for FY 2023-24 will decrease by 33% and will adjust by the Engineering News Record Construction Cost Index each year thereafter.

<u>Use Category</u>	<u>FY 2023-24*</u>
Low Demand	\$ 242
Average Demand	\$1,485
High Demand	\$3,521

\*per thousand square feet

The Supplemental Capital Facilities Capacity Charges (SCFCC) are fees to Industrial Permittees that exceed their annual baselines for Flow, Biochemical Oxygen Demand (BOD), and Total Suspended Solids (TSS). Flow and BOD will adjust by the Engineering News Record Construction Cost Index each year after FY 2023-24. The schedule for TSS is below.

	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>
FLOW	\$0.002140	ENR	ENR	ENR	ENR
BOD	\$0.500630	ENR	ENR	ENR	ENR
TSS	\$0.303640	\$0.336440	\$0.369240	\$0.402040	\$0.434930

FLOW - Gallons Per Day  
BOD - Pounds Per Day  
TSS - Pounds Per Day

### RELEVANT STANDARDS

- Stable rates, no large unforeseen rate increases

### PROBLEM

OC San's Board of Directors approved a five-year rate schedule for Capital Facilities Capacity Charges which expires at the end of the current fiscal year.

### PROPOSED SOLUTION

Adopt an Ordinance with updated fee schedules based upon the 2022 Rate Study performed by HDR Engineering, Inc. and received and filed by the Board in December 2022.

### TIMING CONCERNS

February 22, 2023 - First Reading of the Ordinance  
March 22, 2023 - Public Hearing, Second Reading, and Adoption of the Ordinance  
July 1, 2023 - Ordinance takes effect

### RAMIFICATIONS OF NOT TAKING ACTION

Revenues will be insufficient to support the Facilities Master Plan adopted in December 2017.

### PRIOR COMMITTEE/BOARD ACTIONS

December 2022 - Received and filed the Orange County Sanitation District's 2022 Wastewater Rates, Fees, and Charges Study completed by HDR Engineering, Inc.

July 2021 - Adopted Ordinance No. OCSD-57.

December 2017 - Approved the 2017 Facilities Master Plan and Rate Study.

## **ADDITIONAL INFORMATION**

To ensure the appropriate allocation of costs and fees, OC San engaged an engineering consulting firm, HDR Engineering, Inc., to provide an independent analysis of OC San's cash flow modeling and a cost of service study. The study demonstrates that OC San's proposed fees are appropriate and reasonable and will support its projected capital and operating requirements.

## **CEQA**

N/A

## **FINANCIAL CONSIDERATIONS**

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted.

## **ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

- Ordinance No. OC SAN-XX (Redlined)
- Ordinance No. OC SAN-XX (Clean)

ORDINANCE NO. OC SAN-XX

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AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE ORANGE COUNTY SANITATION DISTRICT ADOPTING CAPITAL FACILITIES CAPACITY CHARGES, AND REPEALING ORDINANCE NO. OCSD-57.

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WHEREAS, Health & Safety Code Section 5471 authorizes the Board of Directors of the Orange County Sanitation District ("District") to impose fees and other charges for services and facilities furnished by OC San in connection with OC San's wastewater collection, treatment, disposal, and reuse system.

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WHEREAS, the Board of Directors of the Orange County Sanitation District (the "District") levies Capital Facilities Capacity Charges ("Capacity Charges") to fund new capital projects or improve existing capital projects.

WHEREAS, OC San will use revenues collected from Capacity Charges to pay for capital projects identified in OC San's 2017 Facilities Master Plan ("Master Plan").

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WHEREAS, OC San previously retained HDR Engineering, Inc. to evaluate OC San's projected revenue needs and recommend service fees and Capacity Charges for the period July 1, 2023 to June 30, 2028. In December of 2022, HDR Engineering, Inc. issued its "Final Wastewater Rates, Fees, and Charges Study" ("HDR Report"). OC San's Board of Directors received the HDR Report on December 15, 2022, and the HDR Report is on file with OC San; and

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WHEREAS, the recommendations set forth in the HDR Report are based on various studies and plans including, among others, financial forecasts and OC San's 2017 Facilities Master Plan ("Master Plan"). The Master Plan identified the capital improvement projects that will be needed over the next 20 years and estimated the cost of each project. OC San's Board of Directors adopted the Master Plan on December 20, 2017; and

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WHEREAS, OC San recently retained Carollo Engineers to recommend a formula for levying Capacity Charges against non-exempt accessory dwelling units that complies with newly enacted legislative mandates codified in Government Code Section 65852.2. On June 2, 2021, Carollo Engineers provided its accessory dwelling unit capacity charge recommendation to OC San (the "Carollo Letter"), which OC San hereby adopts. The Carollo Letter is on file with OC San.

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WHEREAS, OC San finds there is a reasonable relationship between the Capacity Charge's use and the type of development project on which the capacity charge is imposed. OC San's determination is based on recommendations provided by HDR Engineering, Inc. in the HDR Report and the Carollo Letter.

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WHEREAS, OC San finds there is a reasonable relationship between the need for the capital facility and the type of development project on which the Capacity Charges is imposed. OC San's determination is based on recommendations provided by HDR Engineering, Inc. in the HDR Report and the Carollo Letter.

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WHEREAS, OC San finds there is a reasonable relationship between the amount of the Capacity Charges and the cost of the capital facility attributable to the development on which the fee is imposed. OC San's determination is based on recommendations provided by HDR Engineering, Inc. in the HDR Report and the Carollo Letter.

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WHEREAS, OC San finds the Capacity Charges do not exceed the estimated reasonable cost of providing sewer services to any parcel. OC San's determination is based on recommendations provided by HDR Engineering, Inc. in the HDR Report and the HDR Letter.

WHEREAS, OC San wishes to exempt certain accessory dwelling units and all junior accessory dwelling units from capacity charges pursuant to Government Code Sections 65852.2 and 65852.22, and

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NOW, THEREFORE, the Board of Directors of the Orange County Sanitation District does hereby ORDAIN:

SECTION I. Adopt Capital Facilities Capacity Charges

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Section 1.01. Findings – Declaration of Intent

ARTICLE II: CAPITAL FACILITIES CAPACITY CHARGES

Section 2.01. Purpose and Scope

Section 2.02. Definitions

Section 2.03. Connection Permits: Required

Section 2.04. Capital Facilities Capacity Charge: Payment

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Time of Payment

Section 2.06. Capital Facilities Capacity Charge:

Schedule of Amounts

Table A Capital Facilities Capacity Charges – Non-Residential, Residential Accessory Structures, and Accessory Dwelling Units

Table B Capital Facilities Capacity Charges – Residential

Table C Plan Check and Inspection Fee Schedule

Section 2.07. Supplemental Capital Facilities Capacity Charge: Significant Commercial – Industrial Users – Special Purpose Dischargers – Definitions

Section 2.08. Supplemental Capital Facilities Capacity Charge: New Significant Commercial – Industrial Users

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- Section 2.09. Supplemental Capital Facilities Capacity Charge: New Special Purpose Dischargers
- Section 2.10. Supplemental Capital Facilities Capacity Charge: Existing Significant Commercial – Industrial Users – Special Purpose Dischargers
- Table D Supplemental Capital Facilities Capacity Charges
- Section 2.11. Capital Facilities Capacity Charge: Replacement
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- Section 2.13. Capital Facilities Capacity Charge Exemption: Accessory Dwelling Units
- Section 2.14 Junior Accessory Dwelling Units
- Section 2.15. Payment of Capital Facilities Capacity Charge: Off-Site Sewers Not Part of Master Plan Relative to Reimbursement Agreements
- Section 2.16. No Refund or Transfer
- Section 2.17. Baseline Transferability
- Section 2.18. Capital Facilities Capacity Charge: Annual Updates
- Section 2.19. Affordable Housing Projects

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MISCELLANEOUS

- Section 3.01. Application of Ordinance
- Section 3.02. Exceptions
- Section 3.03. Out of Area Sewer Service Agreements

ARTICLE I

RECITAL OF FINDINGS

Section 1.01. Findings. Based on substantial evidence in the record, the Board of Directors hereby finds as follows:

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A. OC San operates a system for the collection, treatment, disposal, and reuse of wastewater ("System"). The System protects human health and the environment from the potentially harmful effects of wastewater.

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B. OC San regularly constructs, reconstructs, repairs, and/or rehabilitates System facilities through capital improvement projects ("Capital Projects"). OC San recovers the cost of Capital Projects through Capital Facilities Capacity Charges imposed on new users and Supplemental Capital Facilities Capacity Charges imposed on specified existing users. This Ordinance imposes Capital Facilities Capacity Charges and Supplemental Capital Facilities Capacity Charges as recommended in the HDR Report.

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C. OC San will use the revenues from Capital Facilities Capacity Charges and the Supplemental Capital Facilities Capacity Charges to fund future Capital Projects and/or repay principal and interest on debt incurred in connection with past Capital Projects. The revenues shall not be used for the acquisition or construction of new local street sewers or laterals as distinguished from main trunk, interceptor, and outfall sewers.

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D. The Capital Facilities Capacity Charges and Supplemental Capital Facilities Capacity Charges established by this ordinance are based on the information and analysis set forth in the HDR Report and the Master Plan, both of which were made available to the public in accordance with Government Code Section 66016 and other provisions of law.

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E. The Capital Facilities Capacity Charges and Supplemental Capital Facilities Capacity Charges established by this ordinance do not exceed the estimated reasonable cost of providing the wastewater collection, treatment, disposal, and reuse services for which the fees are charged. The manner in which the costs are allocated to each payor bears a fair or reasonable relationship to the payor's burdens on, and benefits received from, OC San's System.

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F. The Capital Facilities Capacity Charges and Supplemental Capital Facilities Capacity Charges established by this ordinance will retire debt and fund capital projects necessary to maintain service within OC San's existing service area. Therefore, adoption of this Ordinance is statutorily exempt under the California Environmental Quality Act pursuant to the provisions of Public Resources Code Section 21080(b)(8) and California Code of Regulations Section 15273(a).

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G. The Capital Facilities Capacity Charges and Supplemental Capital Facilities Capacity Charges established by this ordinance are not imposed as an "incident of property ownership" within the meaning of Article XIID of the California Constitution. Thus, the substantive and procedural requirements of Article XIID do not apply.

H. The Capital Facilities Capacity Charges and Supplemental Capital Facilities Capacity Charges established by this ordinance have been approved by OC San's Board of Directors at a noticed public meeting, all in accordance with applicable provisions of law.

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## ARTICLE II

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CAPITAL FACILITIES CAPACITY CHARGES

Section 2.01. Purpose and Scope. This Ordinance is designed to ensure that each user pays his or her fair share of the costs of Capital Projects, based on the burden that each user places on the System. OC San will use revenues generated by this Ordinance to (i) fund future Capital Projects, and (ii) repay principal and interest on debt incurred in connection with past Capital Projects.

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Section 2.02. Definitions.

A. "Actual construction costs" include the cost of all activities necessary or incidental to the construction of OC San facilities, such as financing, planning, designing, acquisition of the property or interests in the property, construction, reconstruction, rehabilitation, and repair.

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B. "Capital Facilities Capacity Charge (Capacity Charge)" means a one-time, non-discriminatory charge imposed at the time a building or structure is newly connected to OC San's System, directly or indirectly, or an existing structure or category of use is expanded or increased. Said charge is to pay for OC San facilities in existence at the time the charge is imposed, or to pay for new facilities to be constructed in the future, that are of benefit to the property being charged. This charge does not apply to temporary facilities or operations that are regulated under the provisions of a Special Purpose Discharge Permit. A schedule of the Capital Facilities Capacity Charges specified herein will be on file in the Office of the Clerk of the Board of OC San, and in the Building Department of each City within OC San.

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C. "Connection fee" means a fee equal to the cost necessary to physically connect a property to OC San's System, including but not limited to, installation of meters, meter boxes, pipelines, and appurtenances to make the connection and which fee does not exceed the actual cost of labor, materials, and overhead for the installation of those facilities.

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D. "Non-discriminatory" means that the Capital Facilities Capacity Charge does not exceed an amount determined on the basis of the same objective criteria and methodology applicable to comparable public or non-public users and is not in excess of the proportionate share of the cost of OC San's facilities of benefit to the person or property being charged, based upon the proportionate share of use of those facilities.

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E. "Public agency" means the United States or any of its agencies, the State or any of its agencies, the Regents of the University of California, a county, city, district, school district, local or regional public authority, or any other political entity, subdivision or public corporation of the State.

F. The Supplemental Capital Facilities Capacity Charge, as provided for in Sections 2.07, 2.08, 2.09, and 2.10 of this Ordinance, is an annual charge payable to OC San on a quarterly or annual basis, as determined by OC San. Said charge is required to be paid by dischargers that exceed the maximum quantity of flow or constituents (BOD or SS) allowed as a base use for which the Capacity Charge is paid.

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G. "Accessory Dwelling Unit (ADU)" means an attached or detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated.

H. "Junior Accessory Dwelling Unit (JADU)" means a unit that is no more than 500 square feet in size and contained entirely within a single-family residence. A junior accessory dwelling unit may include separate sanitation facilities, or may share sanitation facilities with the existing structure.

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Section 2.03. Connection Permits: Required.

A. Connection permits are required of each and every dwelling unit, and each commercial or industrial building, and structure connecting directly or indirectly to OC San's sewerage system facilities. Included are the connections of laterals to local municipal sewerage facilities, and the connection of local municipal sewerage facilities and laterals to OC San's facilities. Multiple detached structures on a single parcel of property shall each be required to obtain a connection permit.

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B. Except as authorized by the issuance of a Special Purpose Discharge Permit under Sections 305 – 305.6 of OC San's Wastewater Discharge Regulations, or as authorized pursuant to a special extra territorial service agreement approved by the Board of Directors, no permit shall be valid unless the real property to be served by use of the permit is included within the boundaries of OC San and within the boundaries of a local sewerage agency authorized to maintain public sewerage facilities. However, a permit, as authorized above, may be issued for property to be served outside the boundaries of a local sewerage agency if a local sewerage agency makes application for the issuance of such permit.

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There will be a non-discriminatory Capital Facilities Capacity Charge assessed to public agencies for connecting directly or indirectly to OC San's sewerage system facilities, and a connection permit must be obtained.

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Section 2.04. Capital Facilities Capacity Charge: Payment Required. No application for a permit for a connection of a structure to OC San's sewerage facility, or to any sewerage facility which discharges into OC San sewerage facility, shall be approved, nor a permit issued, until OC San's Capital Facilities Capacity Charge is paid by the applicant, except as provided for discharges under a Special Purpose Discharge Permit. No connection permit shall be issued unless there is an established category of use of the property to be served or a valid building permit issued which establishes the category of use of said property.

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Section 2.05. Capital Facilities Capacity Charge: Time of Payment.

A. Payment of the Capital Facilities Capacity Charge established by this Ordinance for connection to OC San's sewerage system facilities shall be required at the time of issuance of the building permit for all construction within OC San, except in the case of a building legally exempt from the requirement of obtaining a permit. The payment

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of the Capital Facilities Capacity Charge for such exempt buildings will be required at the time of and prior to the issuing of a plumbing connection permit for any construction within the territorial limits of OC San, or if none, prior to the issuance of a Certificate of Occupancy.

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B. Upon application of any property owner seeking to connect to the District's sewerage system, the General Manager or his designee, upon a finding of compelling need, may, pursuant to the authority of California Health & Safety Code Section 5474, approve of an agreement with the property owner for the payment of the applicable connection charge and/or annexation fees in installment payments over a period of not to exceed five (5) years, bearing an interest rate on the unpaid balance of not to exceed ten (10%) percent per annum and that the charges and interest shall constitute a lien on the property.

Section 2.06. Capital Facilities Capacity Charge and Plan Check and Inspection Fees: Schedule of Amounts.

A. Every person or entity connecting any new or expanded building or structure to OC San's system facilities shall pay a Capital Facilities Capacity Charge in the amount for the applicable category of use set forth on Table A & B, below.

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B. Every person or entity connecting any new or expanded building or structure directly to OC San's local or regional system facilities shall pay Plan Check and Inspection Fees in the amount set forth n Table C, below.

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**TABLE A**

**CAPITAL FACILITIES CAPACITY CHARGES (CFCC)**

NON-RESIDENTIAL, RESIDENTIAL ACCESSORY STRUCTURES, AND ACCESSORY DWELLING UNITS

<u>Use Category</u>	<u>Rate Basis</u>	<u>Base Charge</u>
Low Demand <sup>2</sup>	Per 1,000 square feet <sup>1</sup>	\$ <u>242,00</u> <sup>1</sup>
Average Demand <sup>4,5</sup>	Per 1,000 square feet	\$ <u>1485,00</u> <sup>1</sup>
High Demand <sup>3</sup>	Per 1,000 square feet	\$ <u>3521,00</u> <sup>1</sup>

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<sup>1</sup>Provided that the minimum Capital Facilities Capacity Charge for such new construction shall be \$5719; and all calculations shall be on a 1,000 square foot, or portion thereof, basis.

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<sup>2</sup>Low Demand connections are the following categories of users: Nurseries; Warehouses; Churches; Truck Terminals; RV Parks; RV Storage Yards; Lumber/Construction Yards; Public Storage Buildings; and other facilities whose wastewater discharge is similar to these listed categories.

<sup>3</sup>High Demand connections are the following categories of users: Food/Beverage Service Establishments; Supermarkets (with bakery, meat counter, and/or food service); Car

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Washes; Coin Laundries; Amusement Parks; Shopping Centers with one or more Food/Beverage Service Establishments; Food Courts; Food Processing Facilities; Textile Manufacturers; Breweries; and other facilities whose wastewater discharge is similar to these listed categories.

<sup>4</sup>All other connections are Average Demand users including: Church Offices and Schools; Hotels, Shopping Centers/Strip Malls without food/beverage service establishments, Music Halls without food facilities, Office buildings, Senior Housing with individual living units without kitchens but with a common kitchen

<sup>5</sup> Residential Accessory Structures such as workshops and hobby shops that connect to the sewer, will be charged at the average demand rate and the minimum charge does not apply.

<sup>6</sup> Accessory Dwelling Units will be charged at the average demand rate and the minimum charge does not apply.

**TABLE B**

**CAPITAL FACILITIES CAPACITY CHARGES (CFCC)**  
RESIDENTIAL (PER UNIT)\*

	<u>Base Charge</u>	
Single Family Residential (SFR) <sup>1</sup>		
5+ Bedrooms	\$ 7,949.00	Deleted: 430
4 Bedrooms	\$ 6,806.00	Deleted: 362
3 Bedrooms	\$ 5,719.00	Deleted: 346
2 Bedrooms	\$ 4,633.00	Deleted: 331
1 Bedroom	\$ 3,545.00	Deleted: 314
Multi-Family Residential (MFR) <sup>2</sup>	<u>Base Charge</u>	
4+ Bedrooms	\$ 6,177.00	Deleted: 5,774
3 Bedrooms	\$ 5,090.00	Deleted: 4,758
2 Bedrooms	\$ 4,004.00	Deleted: 3,743
1 Bedroom	\$ 2,859.00	Deleted: 672
Studio <sup>3</sup>	\$ 1,829.00	Deleted: 710

\*The Base Rate for Residential CFCC is the 3 Bedroom SFR with all others having a rate that is a percentage of the base rate depending on the size of the unit.

<sup>1</sup> Bedroom additions are considered a change of use and a CFCC must be paid. Enclosed loft additions, bonus rooms, offices, workout rooms, media rooms, libraries and any other enclosed addition which could potentially be used as a bedroom are included in this category. The classification of these additions will be reviewed and determined by staff.

<sup>2</sup> MFR units consist of multiple attached units that are not sold individually and receive one secured property tax bill such as apartments. Multiple attached units that are not sold individually and are senior housing with individual living units that include a kitchen are

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considered MFR units.

<sup>3</sup> Studio – one single room with no separating doors or openings leading to another part of the room (except for a bathroom).

Live/Work units will be charged at the residential rate for the living quarters and at the non-residential rate for the work portion square footage.

**TABLE C**

**PLAN CHECK AND INSPECTION FEE TABLE**

**INSPECTION FEES FOR SINGLE CONNECTIONS**

Lateral installation to property line:

<del>2023-24</del>	<del>2024-25</del>	<del>2025-26</del>	<del>2026-27</del>	<del>2027-28</del>
<del>\$950.00</del>	<del>\$980.00</del>	<del>\$1,010.00</del>	<del>\$1,040.00</del>	<del>\$1,070.00</del>

Lateral Installation to with optional cleanout to existing manhole:

<del>2023-24</del>	<del>2024-25</del>	<del>2025-26</del>	<del>2026-27</del>	<del>2027-28</del>
<del>\$1,250.00</del>	<del>\$1,290.00</del>	<del>\$1,330.00</del>	<del>\$1,370.00</del>	<del>\$1,410.00</del>

Core drilling into existing manhole base – add:

<del>2023-24</del>	<del>2024-25</del>	<del>2025-26</del>	<del>2026-27</del>	<del>2027-28</del>
<del>\$1630.00</del>	<del>\$1,680.00</del>	<del>\$1,730.00</del>	<del>\$1,780.00</del>	<del>\$1,835.00</del>

Installation of new manhole over existing sewer:

<del>2023-24</del>	<del>2024-25</del>	<del>2025-26</del>	<del>2026-27</del>	<del>2027-28</del>
<del>\$2,065.00</del>	<del>\$2,125.00</del>	<del>\$2,190.00</del>	<del>\$2,255.00</del>	<del>\$2,325.00</del>

Gas Flap Installation – add:

<del>2023-24</del>	<del>2024-25</del>	<del>2025-26</del>	<del>2026-27</del>	<del>2027-28</del>
<del>\$510.00</del>	<del>\$525.00</del>	<del>\$540.00</del>	<del>\$555.00</del>	<del>\$570.00</del>

**INSPECTION FEES FOR MULTIPLE CONNECTIONS**

Plan check and inspection fees of 20 percent of the sewer construction cost for new tract sewers, sewer extensions or special facilities are required when plans are submitted for plan check.

OC SAN-XX-9

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If additional funds are needed, they must be deposited as soon as they are requested to complete the inspection on the project. If funds are required after the work is completed, they must be paid before OC San finalizes the sewer project.

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**Section 2.07. Supplemental Capital Facilities Capacity Charge: Significant Commercial – Industrial Users and Significant Special Purpose Dischargers – Definitions.**

A. A Significant Commercial – Industrial User (“SCIU”) is any person or entity who discharges commercial or industrial process flow, but excluding domestic sewage flow, in an amount greater than 25,000 gallons per day (“gpd”), or Biochemical Oxygen Demand (“BOD”) greater than 150 pounds per day, or Suspended Solids (“SS”) greater than 150 pounds per day, or who is required to obtain a Waste Discharge Permit, as prescribed by Article 3 of OC San’s Wastewater Regulations, due to having federally or OC San regulated or significant discharges.

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B. A Significant Special Purpose Discharger (“SSPD”) is any person or entity who discharges to the sewer system wastewater or process flow in an amount greater than 25,000 gpd (excluding domestic, industrial or commercial) and who is required to obtain a Special Purpose Discharge Permit as prescribed in Section 305 of OC San’s Wastewater Regulations. A Special Purpose Discharger (SPD) discharges 25,000 gpd or less.

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C. An Existing SCIU or SSPD is any SCIU or SSPD connected and discharging to OC San’s system prior to January 1, 2000.

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D. A New SCIU or SSPD is any user who connects and discharges to OC San’s System pursuant to a Waste Discharge Permit issued on or after January 1, 2000; or if previously connected and not an SCIU, as defined in Subparagraphs 2.07A and B above, but, subsequent to January 1, 2000, increases flow, or BOD, or SS to a level as to constitute an SCIU or SSPD.

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E. The maximum discharge allowed to a user, for which a base Capital Facilities Capacity Charge is paid, as per Table A, above, is 25,000 gallons per day (“gpd”), or 150 pounds per day each of BOD and SS (the “base use”). Discharge of flow, or BOD, or SS in amounts greater than allowed by this Subsection 2.07E shall be subject to the provisions of Sections 2.08 and 2.09 hereof.

F. Each Existing SCIU shall have a baseline of allowed discharge of flow, and BOD, and SS established by the OC San as of January 1, 2000. The baseline shall be based upon the discharge for Fiscal Year 1998-99, or upon such other discharge data which OC San determines is representative of the user’s actual annual discharge to the sewerage system. Dischargers who are deemed to be SCIU’s solely because of the requirements to obtain a Waste Discharge Permit, pursuant to Section 2.07A above, shall have a minimum baseline established as follows: Flow – 25,000 gallons per day; BOD – 150 pounds per day; and SS – 150 pounds per day. The SCIU shall be authorized to discharge flow, and BOD, and SS up to the baseline amounts without payment of a Supplemental Capital Facilities Capacity Charge.

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G. Each Existing SPD shall have a baseline of 25,000 gpd. The Existing SPD shall be authorized to discharge flow up to 25,000 gpd without payment of a Supplemental Capital Facilities Capacity Charge.

H. The Supplemental Capital Facilities Capacity Charge, as prescribed by Sections 2.08, 2.09, and 2.10 below, shall be payable commencing with the effective date of this Ordinance.

Section 2.08. Supplemental Capital Facilities Capacity Charge: New Significant Commercial – Industrial Users. In addition to the base Capital Facilities Capacity Charge, as prescribed in Table A, for commercial – industrial use category properties, all New SCIU's shall pay a Supplemental Capital Facilities Capacity Charge for each gallon of flow, or pound of BOD, or SS, exceeding the base use discharge maximums, in the amount shown in Table D.

Section 2.09. Supplemental Capital Facilities Capacity Charge: Significant Special Purpose Dischargers. All SSPDs shall pay a Supplemental Capital Facilities Capacity Charge of \$.00~~2140~~ per gallon per day for each gallon of flow exceeding 25,000 gallons per day.

Section 2.10. Supplemental Capital Facilities Capacity Charge: Existing Significant Commercial – Industrial Users and Special Purpose Dischargers.

A. All Existing Significant Commercial – Industrial Users connected to and discharging to OC San's System shall be required to pay a Supplemental Capital Facilities Capacity Charge upon the occurrence of either (i) an increase of discharge flow of 25,000 gallons per day ("gpd"), or 25% per day over its established baseline authorization, whichever is lesser; or (ii) an increase of either BOD or SS discharge of 150 pounds each per day, or 25% each per day, whichever is lesser, over its established baseline authorization. The daily averages will be based on the daily discharges for a year, utilizing discharge records and reports of the discharger or OC San.

B. The Supplemental Capital Facilities Capacity Charge shall be in the following amounts for each component that is increased as provided in Section 2.10A above.

**TABLE D**

**SUPPLEMENTAL CAPITAL FACILITIES CAPACITY CHARGES**  
Daily Charge

	<del>2023-24</del>
FLOW	\$.00 <del>2140</del>
BOD	\$. <del>50063</del>

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FLOW – Gallons Per Day  
BOD – Pounds Per Day  
SS – Pounds Per Day

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C. All Existing SPDs connected and discharging to the sewer shall be required to pay a Supplemental Capital Facilities Capacity Charge upon occurrence of an increase of discharge flow over 25,000 gpd. The Supplemental Capital Facilities Capacity Charge shall be \$ 0.002140 per gallon per day of discharge for each gallon above 25,000 gpd.

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D. The Supplemental Capital Facilities Capacity Charge shall be calculated on the basis of the average daily quantity of discharge in excess of the User's baseline or 25,000 gpd for SPDs. The daily averages will be based on the daily discharges for a year, utilizing discharge records and reports of OC San.

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Section 2.11. Capital Facilities Capacity Charge: Replacement Structures. For new construction replacing former structures, the Capital Facilities Capacity Charge shall be calculated and paid to OC San on the rate basis of the category of the new use and the amounts as set forth in Tables A and B, less a credit amount, up to the amount of the new Capital Facilities Capacity Charge, equal to a charge, as prescribed in Tables A and B that would be for the prior category of use which was terminated and removed.

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Section 2.12. Capital Facilities Capacity Charge: Remodeled Structures. In the case of existing structures connected to OC San's system facilities, to which new construction or alteration is made to change or increase the category of use or number of bedrooms, a Capital Facilities Capacity Charge shall be calculated and paid to OC San on the rate basis of the category of the new use and the amounts as set forth in Tables A and B, less a credit amount, up to the amount of the new Capital Facilities Capacity Charge, equal to a charge, as prescribed in Tables A and B for the prior category of use.

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Section 2.13. Accessory Dwelling Units. Notwithstanding Section 2.12, pursuant to Government Code Section 65852.2, OC San shall not collect Capital Facilities Capacity Charges from any ADU if all the following conditions are met:

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- (a) the ADU is attached to a single-family residence or accessory structure;
- (b) the ADU is built after the single-family residence;
- (c) the ADU's side and rear setbacks are sufficient for fire safety;
- (d) the ADU has independent exterior access from the existing single-family residence;
- (e) the ADU does not expand the single-family residence;
- (f) the ADU does not expand an accessory structure by more than 150 square feet and that expansion is only used to accommodate ingress and egress and;
- (g) there are no other ADUs on the property.

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Section 2.14. Junior Accessory Dwelling Units. Notwithstanding Section 2.12, pursuant to Government Code Section 65852.2, OC San shall not collect Capital Facilities Capacity Charges from a JADU integrated into an existing single-family residence if a local agency approved the JADU pursuant to Government Code Section 65852.22 and a local ordinance.

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Section 2.15. Payment of Capital Facilities Capacity Charge: Off-Site Sewers Not Part of Master Plan Relative to Reimbursement Agreements. A charge for connection to off-site sewers which are not included as part of OC San Master Plan and for which a Non-Master Plan Reimbursement Agreement has been entered into between OC San and the property owner, shall be paid in the amount provided for in said Agreement, to be known as a Non-Master Plan Capital Facilities Capacity Charge. The amount set forth in said Agreement shall be the amount due, provided the original Agreement is still in force. The Non-Master Plan Capital Facilities Capacity Charge shall be in addition to the other Capital Facilities Capacity Charges provided for in Sections 2.06 through 2.10 hereinabove, established for property connecting to said facilities.

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Section 2.16. No Refund or Transfer. A Capital Facilities Capacity Charge is paid for the connection of a specific building or structure on a parcel of property. No refund of any charge shall be made because of non-use or change of use, or any other reason once the connection has been made. If the connection is not made and the request for connection is withdrawn within 12 months of the payment date, the charges paid will be refunded upon establishing proof from the City or County of a canceled permit. The connection permit is non-transferable to any other parcel of property.

Section 2.17. Baseline Transferability. The baseline of allowed discharge of flow, BOD and SS used to calculate a Supplemental Capital Facilities Capacity Charge shall not be transferable to a different property, nor shall a credit for such previously existing baseline be provided to another SCIU concurrently or subsequently occupying the same property for a different use. Each such SCIU shall pay Supplemental Capital Facilities Capacity Charges in accordance with Section 2.08 above.

Section 2.18. Capital Facilities Capacity Charge Annual Updates. The Capital Facilities Capacity Charge is based upon the most recently completed Facilities Master Plan. The residential, non-residential, and supplemental capital facilities capacity charge will be updated annually based upon the increase in the Engineering News-Record construction cost index for Los Angeles as of December of the prior year until the completion of the next Rate Study.

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Section 2.19. Affordable Housing Projects. Per Resolution OCS D 11-02, development projects that include lower income housing units shall not be denied approval of an application for service, nor shall conditions be imposed thereon, or services reduced which are applied for, unless OC San makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:

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- (a) insufficient water supply or insufficient water treatment or distribution capacity;
- (b) a State Department of Health Services order prohibiting new water connections;

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- (c) insufficient sewer treatment or collection capacity;
- (d) a Regional Water Quality Control Board order prohibiting new sewer connections;
- (e) the applicant has failed to agree to reasonable terms and conditions

ARTICLE III

MISCELLANEOUS

Section 3:01. Application of Ordinance. The provisions of this Ordinance shall be in addition to the provisions of OC San's Wastewater Discharge Regulations for use of OC San's sewage facilities, including provisions for payment of charges or fees related thereto; OC San's ordinance establishing Fees Concerning Annexations of Territory to OC San; and any other OC San Ordinances and Resolutions not in conflict herewith.

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Section 3:02. Exceptions. The provisions of this Ordinance shall apply to all owners of properties within OC San, including those properties otherwise deemed exempt from payment of taxes or assessments by provisions of the State Constitution or statute, including properties owned by other public agencies or tax-exempt organizations, except as expressly provided herein.

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Section 3:03 Out of Area Sewer Service Agreements. OC San is empowered to contract for the transport, treatment and disposal of wastewaters originating within areas outside of OC San if it is in the best interest of OC San to do so. These Out of Area Sewer Service Agreements will establish fees and charges relative to the services provided by OC San for each individual agreement.

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The Board of Directors of the Orange County Sanitation District does further hereby ORDAIN:

SECTION II. Severability. If any provision of this Ordinance, or the application to any person or circumstances is held invalid by order of Court, the remainder of the Ordinance, or the application of such provision to other persons or other circumstances, shall not be affected.

SECTION III. Effective Date. This Ordinance shall take effect July 1, 2023.

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SECTION IV. Repeal. Ordinance No. OCSD-57 is hereby repealed.

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SECTION V. Certification and Publication. The Clerk of the Board shall certify to the adoption of this Ordinance, and shall cause a summary to be published in a newspaper of general circulation as required by law.

PASSED AND ADOPTED by a vote of not less than two-thirds of the Board of Directors of the Orange County Sanitation District at a Regular Meeting held on March 22, 2023.

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\_\_\_\_\_  
**Chad P. Wanke**  
Chairman, Board of Directors  
Orange County Sanitation District

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ATTEST:

\_\_\_\_\_  
Kelly A. Lore, MMC  
Clerk of the Board  
Orange County Sanitation District

APPROVED AS TO FORM:

\_\_\_\_\_  
Bradley R. Hogin  
General Counsel  
Orange County Sanitation District

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STATE OF CALIFORNIA )  
 )SS.  
COUNTY OF ORANGE )

I, Kelly A. Lore, Clerk of the Board of Directors of Orange County Sanitation District, do hereby certify that the above and foregoing Ordinance No. OC SAN-XX was introduced for first reading at a regular meeting of said Board on the 22<sup>nd</sup> day of February 2023, and passed and adopted by a vote of not less than two-thirds at a regular meeting of said Board on the 22<sup>nd</sup> day of March 2023, by the following vote, to wit:

**AYES:**  
**NOES:**  
**ABSTENTIONS:**  
**ABSENT:**

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of Orange County Sanitation District this 22<sup>nd</sup> day of March 2023.

\_\_\_\_\_  
Kelly A. Lore, MMC  
Clerk of the Board  
Orange County Sanitation District

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## ORDINANCE NO. OC SAN-XX

### AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE ORANGE COUNTY SANITATION DISTRICT ADOPTING CAPITAL FACILITIES CAPACITY CHARGES, AND REPEALING ORDINANCE NO. OCSD-57

WHEREAS, Health & Safety Code Section 5471 authorizes the Board of Directors of the Orange County Sanitation District (“District”) to impose fees and other charges for services and facilities furnished by OC San in connection with OC San’s wastewater collection, treatment, disposal, and reuse system.

WHEREAS, the Board of Directors of the Orange County Sanitation District (the “District”) levies Capital Facilities Capacity Charges (“Capacity Charges”) to fund new capital projects or improve existing capital projects.

WHEREAS, OC San will use revenues collected from Capacity Charges to pay for capital projects identified in OC San’s 2017 Facilities Master Plan (“Master Plan”).

WHEREAS, OC San previously retained HDR Engineering, Inc. to evaluate OC San’s projected revenue needs and recommend service fees and Capacity Charges for the period July 1, 2023 to June 30, 2028. In December of 2022, HDR Engineering, Inc. issued its “Final Wastewater Rates, Fees, and Charges Study” (“HDR Report”). OC San’s Board of Directors received the HDR Report on December 15, 2022, and the HDR Report is on file with OC San; and

WHEREAS, the recommendations set forth in the HDR Report are based on various studies and plans including, among others, financial forecasts and OC San’s 2017 Facilities Master Plan (“Master Plan”). The Master Plan identified the capital improvement projects that will be needed over the next 20 years and estimated the cost of each project. OC San’s Board of Directors adopted the Master Plan on December 20, 2017; and

WHEREAS, OC San recently retained Carollo Engineers to recommend a formula for levying Capacity Charges against non-exempt accessory dwelling units that complies with newly enacted legislative mandates codified in Government Code Section 65852.2. On June 2, 2021, Carollo Engineers provided its accessory dwelling unit capacity charge recommendation to OC San (the “Carollo Letter”), which OC San hereby adopts. The Carollo Letter is on file with OC San.

WHEREAS, OC San finds there is a reasonable relationship between the Capacity Charge’s use and the type of development project on which the capacity charge is imposed. OC San’s determination is based on recommendations provided by HDR Engineering, Inc. in the HDR Report and the Carollo Letter.

WHEREAS, OC San finds there is a reasonable relationship between the need for the capital facility and the type of development project on which the Capacity Charges is imposed. OC San’s determination is based on recommendations provided by HDR Engineering, Inc. in the HDR Report and the Carollo Letter.

WHEREAS, OC San finds there is a reasonable relationship between the amount of the Capacity Charges and the cost of the capital facility attributable to the development on which the fee is imposed. OC San’s determination is based on recommendations provided by HDR Engineering, Inc. in the HDR Report and the Carollo Letter.

WHEREAS, OC San finds the Capacity Charges do not exceed the estimated reasonable cost of providing sewer services to any parcel. OC San’s determination is based on recommendations provided by HDR Engineering, Inc. in the HDR Report and the HDR Letter.

WHEREAS, OC San wishes to exempt certain accessory dwelling units and all junior accessory dwelling units from capacity charges pursuant to Government Code Sections 65852.2 and 65852.22, and

NOW, THEREFORE, the Board of Directors of the Orange County Sanitation District does hereby ORDAIN:

SECTION I. Adopt Capital Facilities Capacity Charges

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                          Section 2.09. Supplemental Capital Facilities Capacity

- Charge: New Special Purpose Dischargers
- Section 2.10. Supplemental Capital Facilities Capacity Charge: Existing Significant Commercial – Industrial Users – Special Purpose Dischargers
- Table D Supplemental Capital Facilities Capacity Charges
- Section 2.11. Capital Facilities Capacity Charge: Replacement
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- Section 2.18. Capital Facilities Capacity Charge: Annual Updates
- Section 2.19. Affordable Housing Projects

ARTICLE III:

MISCELLANEOUS

- Section 3.01. Application of Ordinance
- Section 3.02. Exceptions
- Section 3.03. Out of Area Sewer Service Agreements

## ARTICLE I

### RECITAL OF FINDINGS

Section 1.01. Findings. Based on substantial evidence in the record, the Board of Directors hereby finds as follows:

A. OC San operates a system for the collection, treatment, disposal, and reuse of wastewater (“System”). The System protects human health and the environment from the potentially harmful effects of wastewater.

B. OC San regularly constructs, reconstructs, repairs, and/or rehabilitates System facilities through capital improvement projects (“Capital Projects”). OC San recovers the cost of Capital Projects through Capital Facilities Capacity Charges imposed on new users and Supplemental Capital Facilities Capacity Charges imposed on specified existing users. This Ordinance imposes Capital Facilities Capacity Charges and Supplemental Capital Facilities Capacity Charges as recommended in the HDR Report.

C. OC San will use the revenues from Capital Facilities Capacity Charges and the Supplemental Capital Facilities Capacity Charges to fund future Capital Projects and/or repay principal and interest on debt incurred in connection with past Capital Projects. The revenues shall not be used for the acquisition or construction of new local street sewers or laterals as distinguished from main trunk, interceptor, and outfall sewers.

D. The Capital Facilities Capacity Charges and Supplemental Capital Facilities Capacity Charges established by this ordinance are based on the information and analysis set forth in the HDR Report and the Master Plan, both of which were made available to the public in accordance with Government Code Section 66016 and other provisions of law.

E. The Capital Facilities Capacity Charges and Supplemental Capital Facilities Capacity Charges established by this ordinance do not exceed the estimated reasonable cost of providing the wastewater collection, treatment, disposal, and reuse services for which the fees are charged. The manner in which the costs are allocated to each payor bears a fair or reasonable relationship to the payor's burdens on, and benefits received from, OC San's System.

F. The Capital Facilities Capacity Charges and Supplemental Capital Facilities Capacity Charges established by this ordinance will retire debt and fund capital projects necessary to maintain service within OC San's existing service area. Therefore, adoption of this Ordinance is statutorily exempt under the California Environmental Quality Act pursuant to the provisions of Public Resources Code Section 21080(b)(8) and California Code of Regulations Section 15273(a).

G. The Capital Facilities Capacity Charges and Supplemental Capital Facilities Capacity Charges established by this ordinance are not imposed as an “incident of property ownership” within the meaning of Article XIID of the California Constitution. Thus, the substantive and procedural requirements of Article XIID do not apply.



H. The Capital Facilities Capacity Charges and Supplemental Capital Facilities Capacity Charges established by this ordinance have been approved by OC San's Board of Directors at a noticed public meeting, all in accordance with applicable provisions of law.

## ARTICLE II

### CAPITAL FACILITIES CAPACITY CHARGES

Section 2.01. Purpose and Scope. This Ordinance is designed to ensure that each user pays his or her fair share of the costs of Capital Projects, based on the burden that each user places on the System. OC San will use revenues generated by this Ordinance to (i) fund future Capital Projects, and (ii) repay principal and interest on debt incurred in connection with past Capital Projects.

Section 2.02. Definitions.

A. "Actual construction costs" include the cost of all activities necessary or incidental to the construction of OC San facilities, such as financing, planning, designing, acquisition of the property or interests in the property, construction, reconstruction, rehabilitation, and repair.

B. "Capital Facilities Capacity Charge (Capacity Charge)" means a one-time, non-discriminatory charge imposed at the time a building or structure is newly connected to OC San's System, directly or indirectly, or an existing structure or category of use is expanded or increased. Said charge is to pay for OC San facilities in existence at the time the charge is imposed, or to pay for new facilities to be constructed in the future, that are of benefit to the property being charged. This charge does not apply to temporary facilities or operations that are regulated under the provisions of a Special Purpose Discharge Permit. A schedule of the Capital Facilities Capacity Charges specified herein will be on file in the Office of the Clerk of the Board of OC San, and in the Building Department of each City within OC San.

C. "Connection fee" means a fee equal to the cost necessary to physically connect a property to OC San's System, including but not limited to, installation of meters, meter boxes, pipelines, and appurtenances to make the connection and which fee does not exceed the actual cost of labor, materials, and overhead for the installation of those facilities.

D. "Non-discriminatory" means that the Capital Facilities Capacity Charge does not exceed an amount determined on the basis of the same objective criteria and methodology applicable to comparable public or non-public users and is not in excess of the proportionate share of the cost of OC San's facilities of benefit to the person or property being charged, based upon the proportionate share of use of those facilities.

E. "Public agency" means the United States or any of its agencies, the State or any of its agencies, the Regents of the University of California, a county, city,

district, school district, local or regional public authority, or any other political entity, subdivision or public corporation of the State.

F. The Supplemental Capital Facilities Capacity Charge, as provided for in Sections 2.07, 2.08, 2.09, and 2.10 of this Ordinance, is an annual charge payable to OC San on a quarterly or annual basis, as determined by OC San. Said charge is required to be paid by dischargers that exceed the maximum quantity of flow or constituents (BOD or SS) allowed as a base use for which the Capacity Charge is paid.

G. "Accessory Dwelling Unit (ADU)" means an attached or detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated.

H. "Junior Accessory Dwelling Unit (JADU)" means a unit that is no more than 500 square feet in size and contained entirely within a single-family residence. A junior accessory dwelling unit may include separate sanitation facilities or may share sanitation facilities with the existing structure.

Section 2.03. Connection Permits: Required.

A. Connection permits are required of each and every dwelling unit, and each commercial or industrial building, and structure connecting directly or indirectly to OC San's sewerage system facilities. Included are the connections of laterals to local municipal sewerage facilities, and the connection of local municipal sewerage facilities and laterals to OC San's facilities. Multiple detached structures on a single parcel of property shall each be required to obtain a connection permit.

B. Except as authorized by the issuance of a Special Purpose Discharge Permit under Sections 305 – 305.6 of OC San's Wastewater Discharge Regulations, or as authorized pursuant to a special extra territorial service agreement approved by the Board of Directors, no permit shall be valid unless the real property to be served by use of the permit is included within the boundaries of OC San and within the boundaries of a local sewerage agency authorized to maintain public sewerage facilities. However, a permit, as authorized above, may be issued for property to be served outside the boundaries of a local sewerage agency if a local sewerage agency makes application for the issuance of such permit.

There will be a non-discriminatory Capital Facilities Capacity Charge assessed to public agencies for connecting directly or indirectly to OC San's sewerage system facilities, and a connection permit must be obtained.

Section 2.04. Capital Facilities Capacity Charge: Payment Required. No application for a permit for a connection of a structure to OC San's sewerage facility, or to any sewerage facility which discharges into OC San sewerage facility, shall be approved, nor a permit issued, until OC San's Capital Facilities Capacity Charge is paid by the applicant, except as provided for discharges under a Special Purpose Discharge Permit. No connection permit shall be issued unless there is an established category of use of the

property to be served or a valid building permit issued which establishes the category of use of said property.

Section 2.05. Capital Facilities Capacity Charge: Time of Payment.

A. Payment of the Capital Facilities Capacity Charge established by this Ordinance for connection to OC San’s sewerage system facilities shall be required at the time of issuance of the building permit for all construction within OC San, except in the case of a building legally exempt from the requirement of obtaining a permit. The payment of the Capital Facilities Capacity Charge for such exempt buildings will be required at the time of and prior to the issuing of a plumbing connection permit for any construction within the territorial limits of OC San, or if none, prior to the issuance of a Certificate of Occupancy.

B. Upon application of any property owner seeking to connect to the District’s sewerage system, the General Manager or his designee, upon a finding of compelling need, may, pursuant to the authority of California Health & Safety Code Section 5474, approve of an agreement with the property owner for the payment of the applicable connection charge and/or annexation fees in installment payments over a period of not to exceed five (5) years, bearing an interest rate on the unpaid balance of not to exceed ten (10%) percent per annum and that the charges and interest shall constitute a lien on the property.

Section 2.06. Capital Facilities Capacity Charge and Plan Check and Inspection Fees: Schedule of Amounts.

A. Every person or entity connecting any new or expanded building or structure to OC San’s system facilities shall pay a Capital Facilities Capacity Charge in the amount for the applicable category of use set forth on Table A & B, below.

B. Every person or entity connecting any new or expanded building or structure directly to OC San’s local or regional system facilities shall pay Plan Check and Inspection Fees in the amount set forth in Table C, below.

**TABLE A**

**CAPITAL FACILITIES CAPACITY CHARGES (CFCC)**

NON-RESIDENTIAL, RESIDENTIAL ACCESSORY STRUCTURES, AND ACCESSORY DWELLING UNITS

<u>Use Category</u>	<u>Rate Basis</u>	<u>Base Charge</u>
Low Demand <sup>2</sup>	Per 1,000 square feet <sup>1</sup>	\$ 242.00 <sup>1</sup>
Average Demand <sup>4,5</sup>	Per 1,000 square feet	\$ 1485.00 <sup>1</sup>
High Demand <sup>3</sup>	Per 1,000 square feet	\$ 3521.00 <sup>1</sup>

<sup>1</sup>Provided that the minimum Capital Facilities Capacity Charge for such new construction shall be \$5719; and all calculations shall be on a 1,000 square foot, or portion thereof, basis.

<sup>2</sup>Low Demand connections are the following categories of users: Nurseries; Warehouses; Churches; Truck Terminals; RV Parks; RV Storage Yards; Lumber/Construction Yards; Public Storage Buildings; and other facilities whose wastewater discharge is similar to these listed categories.

<sup>3</sup>High Demand connections are the following categories of users: Food/Beverage Service Establishments; Supermarkets (with bakery, meat counter, and/or food service); Car Washes; Coin Laundries; Amusement Parks; Shopping Centers with one or more Food/Beverage Service Establishments; Food Courts; Food Processing Facilities; Textile Manufacturers; Breweries; and other facilities whose wastewater discharge is similar to these listed categories.

<sup>4</sup>All other connections are Average Demand users including: Church Offices and Schools; Hotels, Shopping Centers/Strip Malls without food/beverage service establishments, Music Halls without food facilities, Office buildings, Senior Housing with individual living units without kitchens but with a common kitchen

<sup>5</sup> Residential Accessory Structures such as workshops and hobby shops that connect to the sewer, will be charged at the average demand rate and the minimum charge does not apply.

<sup>6</sup> Accessory Dwelling Units will be charged at the average demand rate and the minimum charge does not apply.

**TABLE B**

**CAPITAL FACILITIES CAPACITY CHARGES (CFCC)**  
RESIDENTIAL (PER UNIT) \*

Single Family Residential (SFR) <sup>1</sup>	<u>Base Charge</u>
5+ Bedrooms	\$ 7,949.00
4 Bedrooms	\$ 6,806.00
3 Bedrooms	\$ 5,719.00
2 Bedrooms	\$ 4,633.00
1 Bedroom	\$ 3,545.00
Multi-Family Residential (MFR) <sup>2</sup>	<u>Base Charge</u>
4+ Bedrooms	\$ 6,177.00
3 Bedrooms	\$ 5,090.00
2 Bedrooms	\$ 4,004.00
1 Bedroom	\$ 2,859.00
Studio <sup>3</sup>	\$ 1,829.00

\*The Base Rate for Residential CFCC is the 3 Bedroom SFR with all others having a rate that is a percentage of the base rate depending on the size of the unit.

<sup>1</sup> Bedroom additions are considered a change of use and a CFCC must be paid. Enclosed loft additions, bonus rooms, offices, workout rooms, media rooms, libraries and any other enclosed addition which could potentially be used as a bedroom are included in this category. The classification of these additions will be reviewed and determined by staff.

<sup>2</sup> MFR units consist of multiple attached units that are not sold individually and receive one secured property tax bill such as apartments. Multiple attached units that are not sold individually and are senior housing with individual living units that include a kitchen are considered MFR units.

<sup>3</sup> Studio – one single room with no separating doors or openings leading to another part of the room (except for a bathroom).

Live/Work units will be charged at the residential rate for the living quarters and at the non-residential rate for the work portion square footage.

**TABLE C**

**PLAN CHECK AND INSPECTION FEE TABLE**

**INSPECTION FEES FOR SINGLE CONNECTIONS**

Lateral installation to property line:

<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
\$950.00	\$980.00	\$1,010.00	\$1,040.00	\$1,070.00

Lateral Installation to with optional cleanout to existing manhole:

<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
\$1,250.00	\$1,290.00	\$1,330.00	\$1,370.00	\$1,410.00

Core drilling into existing manhole base – add:

<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
\$1630.00	\$1,680.00	\$1,730.00	\$1,780.00	\$1,835.00

Installation of new manhole over existing sewer:

<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
\$2,065.00	\$2,125.00	\$2,190.00	\$2,255.00	\$2,325.00

Gas Flap Installation – add:

<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
\$510.00	\$525.00	\$540.00	\$555.00	\$570.00

### INSPECTION FEES FOR MULTIPLE CONNECTIONS

Plan check and inspection fees of 20 percent of the sewer construction cost for new tract sewers, sewer extensions or special facilities are required when plans are submitted for plan check.

If additional funds are needed, they must be deposited as soon as they are requested to complete the inspection on the project. If funds are required after the work is completed, they must be paid before OC San finalizes the sewer project.

Section 2.07. Supplemental Capital Facilities Capacity Charge: Significant Commercial – Industrial Users and Significant Special Purpose Dischargers – Definitions.

A. A Significant Commercial – Industrial User (“SCIU”) is any person or entity who discharges commercial or industrial process flow, but excluding domestic sewage flow, in an amount greater than 25,000 gallons per day (“gpd”), or Biochemical Oxygen Demand (“BOD”) greater than 150 pounds per day, or Suspended Solids (“SS”) greater than 150 pounds per day, or who is required to obtain a Waste Discharge Permit, as prescribed by Article 3 of OC San’s Wastewater Regulations, due to having federally or OC San regulated or significant discharges.

B. A Significant Special Purpose Discharger (“SSPD”) is any person or entity who discharges to the sewer system wastewater or process flow in an amount greater than 25,000 gpd (excluding domestic, industrial or commercial) and who is required to obtain a Special Purpose Discharge Permit as prescribed in Section 305 of OC San’s Wastewater Regulations. A Special Purpose Discharger (SPD) discharges 25,000 gpd or less.

C. An Existing SCIU or SSPD is any SCIU or SSPD connected and discharging to OC San’s system prior to January 1, 2000.

D. A New SCIU or SSPD is any user who connects and discharges to OC San’s System pursuant to a Waste Discharge Permit issued on or after January 1, 2000; or if previously connected and not an SCIU, as defined in Subparagraphs 2.07A and B above, but, subsequent to January 1, 2000, increases flow, or BOD, or SS to a level as to constitute an SCIU or SSPD.

E. The maximum discharge allowed to a user, for which a base Capital Facilities Capacity Charge is paid, as per Table A, above, is 25,000 gallons per day (“gpd”), or 150 pounds per day each of BOD and SS (the “base use”). Discharge of flow, or BOD, or SS in amounts greater than allowed by this Subsection 2.07E shall be subject to the provisions of Sections 2.08 and 2.09 hereof.

F. Each Existing SCIU shall have a baseline of allowed discharge of flow, and BOD, and SS established by the OC San as of January 1, 2000. The baseline shall be based upon the discharge for Fiscal Year 1998-99, or upon such other discharge data which OC San determines is representative of the user's actual annual discharge to the sewerage system. Dischargers who are deemed to be SCIU's solely because of the requirements to obtain a Waste Discharge Permit, pursuant to Section 2.07A above, shall have a minimum baseline established as follows: Flow – 25,000 gallons per day; BOD – 150 pounds per day; and SS – 150 pounds per day. The SCIU shall be authorized to discharge flow, and BOD, and SS up to the baseline amounts without payment of a Supplemental Capital Facilities Capacity Charge.

G. Each Existing SPD shall have a baseline of 25,000 gpd. The Existing SPD shall be authorized to discharge flow up to 25,000 gpd without payment of a Supplemental Capital Facilities Capacity Charge.

H. The Supplemental Capital Facilities Capacity Charge, as prescribed by Sections 2.08, 2.09, and 2.10 below, shall be payable commencing with the effective date of this Ordinance.

Section 2.08. Supplemental Capital Facilities Capacity Charge: New Significant Commercial – Industrial Users. In addition to the base Capital Facilities Capacity Charge, as prescribed in Table A, for commercial – industrial use category properties, all New SCIU's shall pay a Supplemental Capital Facilities Capacity Charge for each gallon of flow, or pound of BOD, or SS, exceeding the base use discharge maximums, in the amount shown in Table D.

Section 2.09. Supplemental Capital Facilities Capacity Charge: Significant Special Purpose Dischargers. All SSPDs shall pay a Supplemental Capital Facilities Capacity Charge of \$.002140 per gallon per day for each gallon of flow exceeding 25,000 gallons per day.

Section 2.10. Supplemental Capital Facilities Capacity Charge: Existing Significant Commercial – Industrial Users and Special Purpose Dischargers.

A. All Existing Significant Commercial – Industrial Users connected to and discharging to OC San's System shall be required to pay a Supplemental Capital Facilities Capacity Charge upon the occurrence of either (i) an increase of discharge flow of 25,000 gallons per day ("gpd"), or 25% per day over its established baseline authorization, whichever is lesser; or (ii) an increase of either BOD or SS discharge of 150 pounds each per day, or 25% each per day, whichever is lesser, over its established baseline authorization. The daily averages will be based on the daily discharges for a year, utilizing discharge records and reports of the discharger or OC San.

B. The Supplemental Capital Facilities Capacity Charge shall be in the following amounts for each component that is increased as provided in Section 2.10A above.

**TABLE D**

**SUPPLEMENTAL CAPITAL FACILITIES CAPACITY CHARGES**

Daily Charge

	2023-24
FLOW	\$0.002140
BOD	\$0.50063
SS	\$0.30364

FLOW – Gallons Per Day  
BOD – Pounds Per Day  
SS – Pounds Per Day

C. All Existing SPDs connected and discharging to the sewer shall be required to pay a Supplemental Capital Facilities Capacity Charge upon occurrence of an increase of discharge flow over 25,000 gpd. The Supplemental Capital Facilities Capacity Charge shall be \$ 0.002140 per gallon per day of discharge for each gallon above 25,000 gpd.

D. The Supplemental Capital Facilities Capacity Charge shall be calculated on the basis of the average daily quantity of discharge in excess of the User's baseline or 25,000 gpd for SPDs. The daily averages will be based on the daily discharges for a year, utilizing discharge records and reports of OC San.

Section 2.11. Capital Facilities Capacity Charge: Replacement Structures. For new construction replacing former structures, the Capital Facilities Capacity Charge shall be calculated and paid to OC San on the rate basis of the category of the new use and the amounts as set forth in Tables A and B, less a credit amount, up to the amount of the new Capital Facilities Capacity Charge, equal to a charge, as prescribed in Tables A and B that would be for the prior category of use which was terminated and removed.

Section 2.12. Capital Facilities Capacity Charge: Remodeled Structures. In the case of existing structures connected to OC San's system facilities, to which new construction or alteration is made to change or increase the category of use or number of bedrooms, a Capital Facilities Capacity Charge shall be calculated and paid to OC San on the rate basis of the category of the new use and the amounts as set forth in Tables A and B, less a credit amount, up to the amount of the new Capital Facilities Capacity Charge, equal to a charge, as prescribed in Tables A and B for the prior category of use.

Section 2.13. Accessory Dwelling Units. Notwithstanding Section 2.12, pursuant to Government Code Section 65852.2, OC San shall not collect Capital Facilities Capacity Charges from any ADU if all the following conditions are met:

- (a) the ADU is attached to a single-family residence or accessory structure;



- (b) the ADU is built after the single-family residence;
- (c) the ADU's side and rear setbacks are sufficient for fire safety;
- (d) the ADU has independent exterior access from the existing single-family residence;
- (e) the ADU does not expand the single-family residence;
- (f) the ADU does not expand an accessory structure by more than 150 square feet and that expansion is only used to accommodate ingress and egress and;
- (g) there are no other ADUs on the property.

Section 2.14. Junior Accessory Dwelling Units. Notwithstanding Section 2.12, pursuant to Government Code Section 65852.2, OC San shall not collect Capital Facilities Capacity Charges from a JADU integrated into an existing single-family residence if a local agency approved the JADU pursuant to Government Code Section 65852.22 and a local ordinance.

Section 2.15. Payment of Capital Facilities Capacity Charge: Off-Site Sewers Not Part of Master Plan Relative to Reimbursement Agreements. A charge for connection to off-site sewers which are not included as part of OC San Master Plan and for which a Non-Master Plan Reimbursement Agreement has been entered into between OC San and the property owner, shall be paid in the amount provided for in said Agreement, to be known as a Non-Master Plan Capital Facilities Capacity Charge. The amount set forth in said Agreement shall be the amount due, provided the original Agreement is still in force. The Non-Master Plan Capital Facilities Capacity Charge shall be in addition to the other Capital Facilities Capacity Charges provided for in Sections 2.06 through 2.10 hereinabove, established for property connecting to said facilities.

Section 2.16. No Refund or Transfer. A Capital Facilities Capacity Charge is paid for the connection of a specific building or structure on a parcel of property. No refund of any charge shall be made because of non-use or change of use, or any other reason once the connection has been made. If the connection is not made and the request for connection is withdrawn within 12 months of the payment date, the charges paid will be refunded upon establishing proof from the City or County of a canceled permit. The connection permit is non-transferable to any other parcel of property.

Section 2.17. Baseline Transferability. The baseline of allowed discharge of flow, BOD and SS used to calculate a Supplemental Capital Facilities Capacity Charge shall not be transferable to a different property, nor shall a credit for such previously existing baseline be provided to another SCIU concurrently or subsequently occupying the same property for a different use. Each such SCIU shall pay Supplemental Capital Facilities Capacity Charges in accordance with Section 2.08 above.

Section 2.18. Capital Facilities Capacity Charge Annual Updates. The Capital Facilities Capacity Charge is based upon the most recently completed Facilities Master Plan. The residential, non-residential, and supplemental capital facilities capacity charge will be updated annually based upon the increase in the Engineering News-Record construction cost index for Los Angeles as of December of the prior year until the completion of the next Rate Study.

Section 2.19. Affordable Housing Projects. Per Resolution OCSD 11-02, development projects that include lower income housing units shall not be denied approval of an application for service, nor shall conditions be imposed thereon, or services reduced which are applied for, unless OC San makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:

- (a) insufficient water supply or insufficient water treatment or distribution capacity;
- (b) a State Department of Health Services order prohibiting new water connections;
- (c) insufficient sewer treatment or collection capacity;
- (d) a Regional Water Quality Control Board order prohibiting new sewer connections;
- (e) the applicant has failed to agree to reasonable terms and conditions

### ARTICLE III

#### MISCELLANEOUS

Section 3:01. Application of Ordinance. The provisions of this Ordinance shall be in addition to the provisions of OC San's Wastewater Discharge Regulations for use of OC San's sewage facilities, including provisions for payment of charges or fees related thereto; OC San's ordinance establishing Fees Concerning Annexations of Territory to OC San; and any other OC San Ordinances and Resolutions not in conflict herewith.

Section 3:02. Exceptions. The provisions of this Ordinance shall apply to all owners of properties within OC San, including those properties otherwise deemed exempt from payment of taxes or assessments by provisions of the State Constitution or statute, including properties owned by other public agencies or tax-exempt organizations, except as expressly provided herein.

Section 3:03 Out of Area Sewer Service Agreements. OC San is empowered to contract for the transport, treatment and disposal of wastewaters originating within areas outside of OC San if it is in the best interest of OC San to do so. These Out of Area Sewer Service Agreements will establish fees and charges relative to the services provided by OC San for each individual agreement.

The Board of Directors of the Orange County Sanitation District does further hereby ORDAIN:

SECTION II. Severability. If any provision of this Ordinance, or the application to any person or circumstances is held invalid by order of Court, the remainder of the Ordinance, or the application of such provision to other persons or other circumstances, shall not be affected.

SECTION III. Effective Date. This Ordinance shall take effect July 1, 2023.

SECTION IV. Repeal. Ordinance No. OCSD-57 is hereby repealed.

SECTION V. Certification and Publication. The Clerk of the Board shall certify to the adoption of this Ordinance, and shall cause a summary to be published in a newspaper of general circulation as required by law.

PASSED AND ADOPTED by a vote of not less than two-thirds of the Board of Directors of the Orange County Sanitation District at a Regular Meeting held on March 22, 2023.

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Chad P. Wanke  
Chairman, Board of Directors  
Orange County Sanitation District

ATTEST:

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Kelly A. Lore, MMC  
Clerk of the Board  
Orange County Sanitation District

APPROVED AS TO FORM:

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Bradley R. Hogin  
General Counsel  
Orange County Sanitation District

STATE OF CALIFORNIA )  
 )SS.  
COUNTY OF ORANGE )

I, Kelly A. Lore, Clerk of the Board of Directors of Orange County Sanitation District, do hereby certify that the above and foregoing Ordinance No. OC SAN-XX was introduced for first reading at a regular meeting of said Board on the 22<sup>nd</sup> day of February 2023, and passed and adopted by a vote of not less than two-thirds at a regular meeting of said Board on the 22<sup>nd</sup> day of March 2023, by the following vote, to wit:

**AYES:**

**NOES:**

**ABSTENTIONS:**

**ABSENT:**

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of Orange County Sanitation District this 22<sup>nd</sup> day of March 2023.

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Kelly A. Lore, MMC  
Clerk of the Board  
Orange County Sanitation District



# ADMINISTRATION COMMITTEE

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

## Agenda Report

**File #:** 2023-2733

**Agenda Date:** 2/8/2023

**Agenda Item No:** 7.

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

**SUBJECT:**

**PROPOSED ORDINANCE ADOPTING MISCELLANEOUS CHARGES AND FEES RELATING TO INDUSTRIAL DISCHARGERS, SOURCE CONTROL PERMITTEES AND WASTEHAULERS**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Motion to read Ordinance No. OC SAN-XX by title only and waive reading of said entire Ordinance on February 22, 2023;
- B. Introduce Ordinance No. OC SAN-XX entitled, "An Ordinance of the Board of Directors of Orange County Sanitation District Adopting Miscellaneous Charges and Fees Relating to Industrial Dischargers, Source Control Permittees and Wastehaulers and Repealing Ordinance No. OCSD-51; and
- C. Set March 22, 2023 as the date of the Public Hearing to hear protests and for the second reading of Ordinance No. OC SAN-XX.

**BACKGROUND**

Based upon the 2022 Rate Study, the Facilities Master Plan, forecasted operating expenses, and cash flow modeling, staff recommends the five-year schedule below:

**Industrial Sewer Services Charges for Class I and Class II Permittees for Flow, Biochemical Oxygen Demand (BOD), and Total Suspended Solids (TSS):**

<u>Class I and II</u>	<u>FY 2023-24</u>	<u>FY2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>
Flow (*)	\$1676.09	\$1754.41	\$1836.37	\$1922.17	\$2011.98
B.O.D. (**)	\$705.08	\$744.23	\$785.55	\$829.17	\$875.21
S.S. (***)	\$815.51	\$855.92	\$898.34	\$842.86	\$989.58

- (\*) Flow Per million gallons of Flow
- (\*\*) B.O.D. Per thousand pounds of BOD
- (\*\*\*) S.S. Per thousand pounds of Suspended Solids

**Special Purpose Discharge Permits (SPDP) for Flow:**

<u>SPDP</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>
Flow (*)	\$1676.09	\$1754.41	\$1836.37	\$1922.17	\$2011.98

(\*) Flow Per million gallons of Flow

**Wastehauler charges for use\*:**

	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>
Within OC San Boundaries*	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09
Outside OC San Boundaries*,**	\$0.32	\$0.32	\$0.32	\$0.32	\$0.32

(\*) Per gallon of truck capacity

(\*\*) Outside OC San boundaries and inside OC San service area or authorized by the OC San General Manager.

**Class I, Class II, SPDP, Wastehauler, and Certified Permit Fees:**

	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>
A. Class I/Certified Discharger	\$ 1685.00	\$1,791.00	\$1,904.00	\$2,024.00	\$2,152.00
B. Class II	\$ 554.00	\$ 591.00	\$ 630.00	\$ 672.00	\$ 717.00
C. SPDP P <sup>1</sup>	\$1,192.00	\$1,225.00	\$1,259.00	\$1,293.00	\$1,328.00
SPDP Renewal	\$ 860.00	\$ 913.00	\$ 969.00	\$1,029.00	\$1,092.00
D. Wastehauler	\$ 207.00	\$ 225.00	\$ 245.00	\$ 267.00	\$ 291.00
E. Certified Zero/No Discharge	\$ 126.00	\$ 133.00	\$ 140.00	\$ 147.00	\$ 155.00

P<sup>1</sup> New permit only - add nonrefundable deposit for first 1 million gallons as defined in Table G

Additional Plan Check Fees and Miscellaneous Fees for Industrial Dischargers are proposed to be updated as well and are included in the attached revised ordinance.

**RELEVANT STANDARDS**

- Stable rates, no large unforeseen rate increases

**PROBLEM**

OC San's Board of Directors approved a five-year rate schedule for Industrial Sewer Service Charges, Wastehauler Charges and Miscellaneous Fees which expires at the end of the current fiscal year.

**PROPOSED SOLUTION**

Adopt an ordinance with the new proposed five-year rate schedule based on the 2022 Wastewater Rates, Fees, and Charges Study completed by HDR Engineering, Inc.

## **TIMING CONCERNS**

February 3, 2023 - Notifications Mailed  
February 22, 2023 - First Reading of the Ordinance  
March 22, 2023 - Public Hearing, Second Reading, and Adoption of the Ordinance  
July 1, 2023 - Ordinance takes effect

## **RAMIFICATIONS OF NOT TAKING ACTION**

Revenues will be insufficient to support OC San's operating expenses and the Facilities Master Plan adopted in December 2017.

## **PRIOR COMMITTEE/BOARD ACTIONS**

December 2022 - Received and filed the Orange County Sanitation District's 2022 Wastewater Rates, Fees, and Charges Study completed by HDR Engineering, Inc.

March 2018 - Adopted Ordinance No. OCSD-51.

December 2017 - Adopted the 2017 Facilities Master Plan as OC San's New Master Plan for Future Capital Planning.

## **ADDITIONAL INFORMATION**

The Orange County Sanitation District's (OC San) current five-year sewer fee rate schedule expires at the end of the current fiscal year. OC San engaged HDR Engineering, Inc., an engineering consulting firm, to provide an independent analysis of OC San's cash flow modeling and a comprehensive cost of service study to ensure the appropriate allocation of costs and fees. This study has been completed and received and filed by the Board, and demonstrates that OC San's proposed fees are appropriate and reasonable and will support projected capital and operating requirements.

## **CEQA**

N/A

## **FINANCIAL CONSIDERATIONS**

This request complies with authority levels of OC San's Purchasing Ordinance. These items have been budgeted.

## **ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

- Ordinance No. OC SAN-XX (Redlined)
- Ordinance No. OC SAN-XX (Clean)

ORDINANCE NO. OC ~~SAN-XX~~

AN ORDINANCE OF THE BOARD OF DIRECTORS OF ORANGE COUNTY SANITATION DISTRICT ADOPTING MISCELLANEOUS CHARGES AND FEES RELATING TO INDUSTRIAL DISCHARGERS, SOURCE CONTROL PERMITTEES AND WASTEHAULERS AND REPEALING ORDINANCE NO. OCSD-51,

WHEREAS, Health & Safety Code Section 5471 authorizes the Board of Directors of the Orange County Sanitation District (OC San) to impose fees and other charges for services and facilities furnished by OC San in connection with OC San's wastewater collection, treatment, disposal, and reuse system; and

WHEREAS, OC San imposes charges and fees on industrial dischargers, source control permittees, and waste haulers pursuant to Ordinance No. OCSD-51 and

WHEREAS, OC San recently retained HDR Engineering, Inc. to evaluate OC San's projected revenue needs and recommend service fees and charges for the period July 1, 2023 to June 30, 2028. In December of 2022, HDR Engineering, Inc. issued its "Final Wastewater Rates, Fees, and Charges Study" (HDR Report). OC San's Board of Directors received the HDR Report on December 15, 2022, and the HDR Report is on file with OC San; and

WHEREAS, the HDR Report recommended specified adjustments to the fees and charges that OC San imposes on industrial dischargers, source control permittees, and waste haulers; and

WHEREAS, the recommendations set forth in the HDR Report are based on various studies and plans including, among others, financial forecasts and OC San's 2017 Facilities Master Plan ("Master Plan"). The Master Plan identified the capital improvement projects that will be needed over the next 20 years and estimated the cost of each project. OC San's Board of Directors adopted the Master Plan on December 20, 2017; and

WHEREAS, on Wednesday, March 22, 2023 at 6:00 P.M., in OC San's Boardroom on the first floor of its Administration Building located at 10844 Ellis Avenue, Fountain Valley, California, OC San held a properly noticed public hearing, and received and considered comments concerning the proposed charges; and

WHEREAS, the Board of Directors has carefully reviewed the HDR Report and considered oral and written comments from the public, Board Members, OC San staff, and OC San consultants made at and prior to the March 22, 2023 public hearing;

NOW, THEREFORE, the Board of Directors of the Orange County Sanitation District does hereby ORDAIN:

SECTION I. Adopt miscellaneous charges and fees relating to industrial discharges, source control permittees, and waste haulers.

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Table E Administrative Fees and Charges Relating To Permittees  
Table F Industrial Discharger, Source Control and Non-Compliance Sampling Fees  
Table G Class I and Class II Permittees and Special Purpose Discharge Permittees Charges For Use  
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Section 3.02. Exceptions  
Section 3.03. Severability  
Section 3.04. Effective Date  
Section 3.05. Repeal  
Section 3.06. Certification and Publication

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ARTICLE I

RECITAL OF FINDINGS

Section 1.01. Findings – Declaration of Intent.

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A. OC San operates a system for the collection, treatment, disposal, and reuse of wastewater ("System"). The System protects human health and the environment from the potentially harmful effects of wastewater.

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B. The revenues collected pursuant to this Ordinance shall be used to finance the improvements, programs, and staffing needed to operate, maintain, replace, and improve OC San's existing facilities, fund necessary reserves, and retire debt incurred to finance such activities. The revenues shall be used for no other purpose.

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C. The fees and charges established by this Ordinance are based on the information and analysis set forth in the HDR Report and the Master Plan, both of which were made available to the public in accordance with Government Code Section 66016 and other provisions of law.

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D. The fees and charges established by this Ordinance do not exceed the estimated reasonable cost of providing the wastewater collection, treatment, disposal, and reuse services for which the fees are charged. The manner in which the costs are allocated to each payor bears a fair or reasonable relationship to the payor's burdens on, and benefits received from, OC San's System.

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E. The fees and charges established by this Ordinance will fund the operations, maintenance, construction, rehabilitation, and repair necessary to maintain service within OC San's existing service area. Therefore, adoption of this Ordinance is statutorily exempt under the California Environmental Quality Act pursuant to the provisions of Public Resources Code Section 21080(b)(8) and California Code of Regulations Section 15273(a).

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Deleted: The Capital Facilities Capacity Charges and Supplemental Capital Facilities Capacity Charges established by this ordinance have been approved by the District's Board of Directors at a noticed public meeting, all in accordance with applicable provisions of law.

## ARTICLE II

### MISCELLANEOUS CHARGES AND FEES RELATING TO INDUSTRIAL DISCHARGERS, SOURCE CONTROL PERMITTEES AND WASTEHAULERS

Section 2.01. Purpose and Scope. The purpose of this Ordinance is to recover those costs incurred by OC San (i) on account of industrial dischargers' and waste haulers' use of OC San's facilities; (ii) when administering OC San's source control program; and (iii) when performing non-compliance sampling of industrial wastewater dischargers who have violated OC San's Wastewater Discharge Regulations or the terms and conditions of the discharger's permit. Revenues derived under the provisions of this Ordinance shall be used to defray the costs incurred by OC San (i) on account of such use of OC San's facilities; and (ii) in performing these tasks.

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Section 2.02. Administrative Fees and Charges Relating to Permittees. Administrative fees and charges relating to permittees are hereby established in the sum or sums as set forth in Tables E, F, G, H, I and J, below.

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**Section 2.03. Source Control Non-Compliance Fees.** Source control non-compliance fees are hereby established for dischargers' non-compliance sampling and for self-monitoring and data reporting non-compliance, in the sum or sums as set forth in Table F, below.

**Section 2.04. Special Purpose Discharge Permittees: Charges for Use.** As authorized by Sections 305.5 and 305.6 of OC San's Wastewater Discharge Regulations, charges for use are hereby established for Special Purpose Discharge Permittees, as set forth in Table G, below.

**Section 2.05. Class I and Class II Permittees – Charges for Use.** As authorized by Sections 302.3, 302.6, 303.3 and 303.6 of OC San's Wastewater Discharge Regulations, the charges for use are hereby established for Class I and Class II Permittees as set forth in Table F, below.

**Section 2.06. Wastehauler Charges for Use.** As authorized by Sections 306.3 and 306.7 of the OC San's Wastewater Discharge Regulations, the charges for use are hereby established for wastehaulers as set forth in Table H, below.

**Section 2.07. Discharge Certifications Charges for Use** As authorized by Section 307 of the OC San's Wastewater Discharge Regulations, the charges for use are hereby established for a discharge certification (certified discharger) and Zero Discharge Certification (Certified Zero/No Discharge) as set forth in Table F, below.

**Section 2.08. Administrative Appeals.**

A. Any user, permit applicant, or permittee affected by any decision, action, or determination by OC San may, within forty-five (45) days of the date of mailing by OC San of the initial invoice for fees imposed pursuant to this Ordinance, request that OC San reconsider imposition of such fees. Following review of such a request, OC San shall notify the user, permit applicant, or permittee by certified mail of OC San's decision on the reconsideration request.

B. Any user, permit applicant, or permittee adversely affected by OC San's decision on the reconsideration request, may file an appeal in accordance with Sections 618 and 621 of OC San's Wastewater Discharge Regulations.

**TABLE E**

**ADMINISTRATIVE FEES AND CHARGES  
RELATING TO PERMITTEES**

Permit Fees Charges per year

	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>20</u>
A. Class I/ <u>Certified Discharger</u>	<u>\$ 1,685.00</u>	<u>\$ 1,791.00</u>	<u>\$ 1,904.00</u>	<u>\$ 2,024.00</u>	<u>\$ 2,141.00</u>
B. Class II	<u>\$ 554.00</u>	<u>\$ 591.00</u>	<u>\$ 630.00</u>	<u>\$ 672.00</u>	<u>\$ 714.00</u>
C. SPDP <sup>1</sup>	<u>\$ 1,192.00</u>	<u>\$ 1,225.00</u>	<u>\$ 1,259.00</u>	<u>\$ 1,293.00</u>	<u>\$ 1,327.00</u>
<u>D.</u> SPDP Renewal	<u>\$ 860.00</u>	<u>\$ 913.00</u>	<u>\$ 969.00</u>	<u>\$ 1,029.00</u>	<u>\$ 1,089.00</u>

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E.	Waste hauler	\$ 207.00	\$ 225.00	\$ 245.00	\$ 267.00	\$ 2
E.	Zero Discharge Certifications	\$ 126.00	\$ 133.00	\$ 140.00	\$ 147.00	\$ 1

<sup>1</sup> New permit only - add nonrefundable deposit for first 1 million gallons as defined in Table G

**Waste hauler Fees**

**Charges**

F.	Permit Decal Initial Issue	\$ 25.00
G.	Permit Decal Replacement	\$ 50.00
H.	Entry Card Initial Issue	\$ 50.00
I.	Entry Card Replacement	\$100.00
J.	After Hours Discharge – Prearranged	\$102.00/event
K.	After Hours Discharge – Emergency	\$165.00/event

**Administrative/Processing Fees**

**Charges**

L.	OC San's Collection of Water Consumption Data	\$ 500.00/permit
M.	Appeal Hearing Filing Fee	\$ 800.00/appeal
N.	Late Application (30 days or less from expiration date)	\$ 500.00
O.	Late Application (15 days or less from expiration date)	\$1,000.00

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**TABLE F  
INDUSTRIAL DISCHARGER, SOURCE CONTROL  
AND NON-COMPLIANCE SAMPLING FEES**

	<u>Charge</u>
<u>Cost of Processing and Sampling Following a Minor Violation</u>	\$200.00/event
<u>Cost of Processing and Sampling Following a Major Violation</u>	\$400.00/event
<u>Non-Compliance Resampling Fee</u>	\$275.00/event

Cost of Analysis

Heavy Metals:

<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
\$52.00	\$54.00	\$56.00	\$58.00	\$60.00

- Aluminum
- Antimony
- Arsenic
- Cadmium
- Chromium
- Copper
- Gold
- Lead
- Molybdenum

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- Nickel
- Palladium
- Platinum
- Selenium
- Silver
- Thallium
- Tin
- Titanium
- Vanadium
- Zinc

Ammonia Analysis as Nitrogen	\$38.00	\$39.00	\$40.00	\$41.00	\$43.00
Biochemical Oxygen Demand (BOD)	\$57.00	\$59.00	\$60.00	\$62.00	\$64.00
BOD and Suspended Solids (SS) Analysis	\$114.00	\$117.00	\$121.00	\$124.00	\$128.00
Chemical Oxygen Demand	\$38.00	\$39.00	\$40.00	\$41.00	\$43.00
Conductivity	\$76.00	\$78.00	\$81.00	\$83.00	\$85.00
Cyanide (Amenable)	\$171.00	\$176.00	\$181.00	\$187.00	\$182.00
Cyanide (Total)	\$99.00	\$102.00	\$105.00	\$108.00	\$111.00
Total Radium Determination	\$207.00	\$213.00	\$219.00	\$226.00	\$232.00
Gross Alpha and Beta Determination	\$111.00	\$114.00	\$117.00	\$121.00	\$124.00
Tritium Determination	\$102.00	\$105.00	\$108.00	\$112.00	\$115.00
Oil & Grease (Hexane Soluble Matter)	\$95.00	\$98.00	\$101.00	\$104.00	\$107.00
Total Organic Nitrogen	\$76.00	\$78.00	\$81.00	\$83.00	\$85.00
pH	\$38.00	\$39.00	\$40.00	\$41.00	\$43.00
Fluoride	\$38.00	\$39.00	\$40.00	\$41.00	\$43.00
Suspended Solids (Total)	\$57.00	\$59.00	\$60.00	\$62.00	\$64.00
Suspended Solids (Total and Volatile)	\$171.00	\$176.00	\$181.00	\$187.00	\$182.00
Total Dissolved Solids	\$57.00	\$59.00	\$60.00	\$62.00	\$64.00
Total Sulfides	\$83.00	\$87.00	\$89.00	\$92.00	\$95.00
Strontium Determination	\$134.00	\$138.00	\$142.00	\$146.00	\$150.00
Uranium Determination	\$45.00	\$46.00	\$48.00	\$49.00	\$50.00
Mercury (EPA 245.1)	\$76.00	\$78.00	\$81.00	\$83.00	\$85.00
Pharmaceutical Industry (EPA 1666)	\$342.00	\$352.00	\$363.00	\$374.00	\$385.00
Chlorinated Pesticides and Aroclors (EPA 608)	\$128.00	\$132.00	\$136.00	\$140.00	\$144.00
Volatile Organics (EPA 624)	\$304.00	\$313.00	\$322.00	\$332.00	\$342.00
Semi-Volatile Organics (EPA 625)	\$683.00	\$704.00	\$725.00	\$747.00	\$769.00
PFAS	\$413.00	\$431.00	\$444.00	\$457.00	\$471.00
Dissolved Sulfides	\$58.00	\$60.00	\$62.00	\$64.00	\$66.00

**SELF-MONITORING AND DATA REPORTING  
NON-COMPLIANCE**

Cost of Processing and Issuing Significant  
Non-Compliance Notification \$165.00

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Mercury	\$ 85.00
601/602	\$152.00
604	\$223.00
606	\$254.00
608	\$523.00
610	\$ 73.00
612	\$200.00
624	\$355.00
625	\$661.00
Ammonia Analysis as Nitrogen	\$
32.00	
Biochemical Oxygen Demand (BOD)	\$ 49.00
BOD and Suspended Solids (SS) Analysis	\$ 97.00
Chemical Oxygen Demand	\$
33.00	
Conductivity	\$ 65.00
Cyanide (Amenable)	\$146.00
Dissolved Mineral Solids	\$
15.00	
Gamma Radiation Determination	\$286.00
Gross Alpha and Beta Determination	\$ 34.00
Tritium Determination	\$123.00

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Cost of Processing Annual SNC and Publication \$485.00  
 Non-Compliance Appeal Filing Fee\* \$150.00

\*Filing Fee will be refunded if customer wins appeal

**TABLE G**

**CLASS I AND CLASS II PERMITTEES AND SPECIAL PURPOSE DISCHARGE PERMITTEES**

**CHARGES FOR USE**

	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
<u>Class I and II Flow (*)</u>	<u>\$1676.09</u>	<u>\$1754.41</u>	<u>\$1836.37</u>	<u>\$1922.17</u>	<u>\$2011.98</u>
<u>B.O.D. (**)</u>	<u>\$705.08</u>	<u>\$744.23</u>	<u>\$785.55</u>	<u>\$829.17</u>	<u>\$875.21</u>
<u>S.S. (***)</u>	<u>\$815.51</u>	<u>\$855.92</u>	<u>\$898.34</u>	<u>\$842.86</u>	<u>\$989.58</u>
<u>Special Purpose Discharge Permit Flow (*)</u>	<u>\$1676.09</u>	<u>\$1754.41</u>	<u>\$1836.37</u>	<u>\$1922.17</u>	<u>\$2011.98</u>

(\*) Flow Per million gallons of Flow  
 (\*\*) B.O.D. Per thousand pounds of Biochemical Oxygen Demand  
 (\*\*\*) S.S. Per thousand pounds of Suspended Solids

All properties located within Revenue Area No. 14 pay no annual service fees. OC San's costs relating to providing service to these properties are billed by OC San directly to the Irvine Ranch Water District, the local agency providing the local sewer service.

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**TABLE H**

**WASTEHAULER CHARGES FOR USE**

	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
<u>Within OC San Boundaries*,**</u>	<u>\$0.09</u>	<u>\$0.09</u>	<u>\$0.09</u>	<u>\$0.09</u>	<u>\$0.09</u>
<u>Outside OC San Boundaries*,**</u>	<u>\$0.32</u>	<u>\$0.32</u>	<u>\$0.32</u>	<u>\$0.32</u>	<u>\$0.32</u>

(\*) per gallon  
 (\*\*) Outside OC San boundaries and inside OC San service area or authorized by OC San's General Manager.

Waste hauled from a source that is not within OC San's service area is prohibited unless authorized by the General Manager. Service area is defined as any area the OC San has an agreement to serve.

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ARTICLE IV

MISCELLANEOUS

Section 4.01. Application of Ordinance. The provisions of this Ordinance shall be in addition to the provisions of OC San's Wastewater Discharge Regulations for use of OC San's sewage facilities, including provisions for payment of charges or fees related thereto; OC San's ordinance establishing Fees Concerning Annexations of Territory to OC San; and any other OC San Ordinances and Resolutions not in conflict herewith.

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Section 4.02. Exceptions. The provisions of this Ordinance shall apply to all owners of properties within OC San, including those properties otherwise deemed exempt from payment of taxes or assessments by provisions of the State Constitution or statute, including properties owned by other public agencies or tax-exempt organizations, except as expressly provided herein.

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Section 4.03 Out of Area Sewer Service Agreements. OC San is empowered to contract for the transport, treatment and disposal of wastewaters originating within areas outside of OC San if it is in the best interest of OC San to do so. These Out of Area Sewer Service Agreements will establish fees and charges relative to the services provided by OC San for each individual agreement.

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The Board of Directors of the Orange County Sanitation District does further hereby ORDAIN:

SECTION II. Severability. If any provision of this Ordinance, or the application to any person or circumstances is held invalid by order of Court, the remainder of the Ordinance, or the application of such provision to other persons or other circumstances, shall not be affected.

SECTION III. Effective Date. This Ordinance shall take effect July 1, 2023.

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SECTION IV. Repeal. Ordinance No. OCSD-51 js hereby repealed.

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SECTION V. Certification and Publication. The Clerk of the Board shall certify to the adoption of this Ordinance and shall cause a summary to be published in a newspaper of general circulation as required by law.

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PASSED AND ADOPTED by a vote of not less than two-thirds of the Board of Directors of the Orange County Sanitation District at a Regular Meeting held on March 22, 2023.

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Chad P. Wanke  
Chairman, Board of Directors  
Orange County Sanitation District

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ATTEST:

\_\_\_\_\_  
Kelly A. Lore, MMC  
Clerk of the Board  
Orange County Sanitation District

APPROVED AS TO FORM:

\_\_\_\_\_  
Bradley R. Hogin  
General Counsel  
Orange County Sanitation District

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STATE OF CALIFORNIA )  
 )SS.  
COUNTY OF ORANGE )

I, Kelly A. Lore, Clerk of the Board of Directors of Orange County Sanitation District, do hereby certify that the above and foregoing Ordinance No. OCSD-XX was introduced for first reading at a regular meeting of said Board on the 22nd day of February 2023, and passed and adopted by a vote of not less than two-thirds at a regular meeting of said Board on the 22nd day of March 2023, by the following vote, to wit:

**AYES:**  
**NOES:**  
**ABSTENTIONS:**  
**ABSENT:**

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of Orange County Sanitation District this 22nd day of March, 2023.

\_\_\_\_\_  
Kelly A. Lore, MMC  
Clerk of the Board  
Orange County Sanitation District

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ORDINANCE NO. OC SAN-XX

AN ORDINANCE OF THE BOARD OF DIRECTORS OF ORANGE COUNTY SANITATION DISTRICT ADOPTING MISCELLANEOUS CHARGES AND FEES RELATING TO INDUSTRIAL DISCHARGERS, SOURCE CONTROL PERMITTEES AND WASTEHAULERS AND REPEALING ORDINANCE NO. OCSD-51

WHEREAS, Health & Safety Code Section 5471 authorizes the Board of Directors of the Orange County Sanitation District (OC San) to impose fees and other charges for services and facilities furnished by OC San in connection with OC San's wastewater collection, treatment, disposal, and reuse system; and

WHEREAS, OC San imposes charges and fees on industrial dischargers, source control permittees, and waste haulers pursuant to Ordinance No. OCSD-51 and

WHEREAS, OC San recently retained HDR Engineering, Inc. to evaluate OC San's projected revenue needs and recommend service fees and charges for the period July 1, 2023 to June 30, 2028. In December of 2022, HDR Engineering, Inc. issued its "Final Wastewater Rates, Fees, and Charges Study" (HDR Report). OC San's Board of Directors received the HDR Report on December 15, 2022, and the HDR Report is on file with OC San; and

WHEREAS, the HDR Report recommended specified adjustments to the fees and charges that OC San imposes on industrial dischargers, source control permittees, and waste haulers; and

WHEREAS, the recommendations set forth in the HDR Report are based on various studies and plans including, among others, financial forecasts and OC San's 2017 Facilities Master Plan ("Master Plan"). The Master Plan identified the capital improvement projects that will be needed over the next 20 years and estimated the cost of each project. OC San's Board of Directors adopted the Master Plan on December 20, 2017; and

WHEREAS, on Wednesday, March 22, 2023 at 6:00 P.M., in OC San's Boardroom on the first floor of its Administration Building located at 10844 Ellis Avenue, Fountain Valley, California, OC San held a properly noticed public hearing, and received and considered comments concerning the proposed charges; and

WHEREAS, the Board of Directors has carefully reviewed the HDR Report and considered oral and written comments from the public, Board Members, OC San staff, and OC San consultants made at and prior to the March 22, 2023 public hearing;

NOW, THEREFORE, the Board of Directors of the Orange County Sanitation District does hereby ORDAIN:

SECTION I. Adopt miscellaneous charges and fees relating to industrial discharges, source control permittees, and waste haulers.

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Section 2.01. Purpose and Scope

Section 2.02. Administrative Fees and Charges Relating to Permittees

Section 2.03. Industrial Discharger, Source Control, and Non-Compliance Sampling Fees

Section 2.04. Special Purpose Discharge Permittees; Charges for Use

Section 2.05. Class I and Class II Permittees – Charges for Use

Section 2.06. Wastehauler Charges for Use

Section 2.07 Discharger Certifications for Use

Section 2.08. Administrative Appeals

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Section 3.01. Application of Ordinance

Section 3.02. Exceptions

Section 3.03. Severability

Section 3.04. Effective Date

Section 3.05. Repeal

Section 3.06. Certification and Publication

### ARTICLE I

#### RECITAL OF FINDINGS

Section 1.01. Findings – Declaration of Intent.

A. OC San operates a system for the collection, treatment, disposal, and reuse of wastewater (“System”). The System protects human health and the environment from the potentially harmful effects of wastewater.

B. The revenues collected pursuant to this Ordinance shall be used to finance the improvements, programs, and staffing needed to operate, maintain, replace, and improve OC San’s existing facilities, fund necessary reserves, and retire debt incurred to finance such activities. The revenues shall be used for no other purpose.

C. The fees and charges established by this Ordinance are based on the information and analysis set forth in the HDR Report and the Master Plan, both of which were made available to the public in accordance with Government Code Section 66016 and other provisions of law.

D. The fees and charges established by this Ordinance do not exceed the estimated reasonable cost of providing the wastewater collection, treatment, disposal, and reuse services for which the fees are charged. The manner in which the costs are allocated to each payor bears a fair or reasonable relationship to the payor's burdens on, and benefits received from, OC San’s System.

E. The fees and charges established by this Ordinance will fund the operations, maintenance, construction, rehabilitation, and repair necessary to maintain service within OC San’s existing service area. Therefore, adoption of this Ordinance is statutorily exempt under the California Environmental Quality Act pursuant to the provisions of Public Resources Code Section 21080(b)(8) and California Code of Regulations Section 15273(a).

## ARTICLE II

### MISCELLANEOUS CHARGES AND FEES RELATING TO INDUSTRIAL DISCHARGERS, SOURCE CONTROL PERMITTEES AND WASTEHAULERS

Section 2.01. Purpose and Scope. The purpose of this Ordinance is to recover those costs incurred by OC San (i) on account of industrial dischargers’ and waste haulers’ use of OC San’s facilities; (ii) when administering OC San’s source control program; and (iii) when performing non-compliance sampling of industrial wastewater dischargers who have violated OC San’s Wastewater Discharge Regulations or the terms and conditions of the discharger’s permit. Revenues derived under the provisions of this Ordinance shall be used to defray the costs incurred by OC San (i) on account of such use of OC San’s facilities; and (ii) in performing these tasks.

Section 2.02. Administrative Fees and Charges Relating to Permittees. Administrative fees and charges relating to permittees are hereby established in the sum or sums as set forth in Tables E, F, G, H, I and J, below.

Section 2.03.        Source Control Non-Compliance Fees. Source control non-compliance fees are hereby established for dischargers' non-compliance sampling and for self-monitoring and data reporting non-compliance, in the sum or sums as set forth in Table F, below.

Section 2.04.        Special Purpose Discharge Permittees; Charges for Use. As authorized by Sections 305.5 and 305.6 of OC San's Wastewater Discharge Regulations, charges for use are hereby established for Special Purpose Discharge Permittees, as set forth in Table G, below.

Section 2.05.        Class I and Class II Permittees – Charges for Use. As authorized by Sections 302.3, 302.6, 303.3 and 303.6 of OC San's Wastewater Discharge Regulations, the charges for use are hereby established for Class I and Class II Permittees as set forth in Table F, below.

Section 2.06.        Wastehauler Charges for Use. As authorized by Sections 306.3 and 306.7 of the OC San's Wastewater Discharge Regulations, the charges for use are hereby established for wastehaulers as set forth in Table H, below.

Section 2.07        Discharge Certifications Charges for Use As authorized by Section 307 of the OC San's Wastewater Discharge Regulations, the charges for use are hereby established for a discharge certification (certified discharger) and Zero Discharge Certification (Certified Zero/No Discharge) as set forth in Table F, below.

Section 2.08.        Administrative Appeals.

A. Any user, permit applicant, or permittee affected by any decision, action, or determination by OC San may, within forty-five (45) days of the date of mailing by OC San of the initial invoice for fees imposed pursuant to this Ordinance, request that OC San reconsider imposition of such fees. Following review of such a request, OC San shall notify the user, permit applicant, or permittee by certified mail of OC San's decision on the reconsideration request.

B. Any user, permit applicant, or permittee adversely affected by OC San's decision on the reconsideration request, may file an appeal in accordance with Sections 618 and 621 of OC San's Wastewater Discharge Regulations.

**TABLE E**

**ADMINISTRATIVE FEES AND CHARGES  
RELATING TO PERMITTEES**

Permit Fees Charges per Fiscal Year

	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
Class I/Certified					
A. Discharger	\$ 1685.00	\$1,791.00	\$1,904.00	\$2,024.00	\$2,152.00
B. Class II	\$ 554.00	\$ 591.00	\$ 630.00	\$ 672.00	\$ 717.00

C.	SPDP <sup>1</sup>	\$1,192.00	\$1,225.00	\$1,259.00	\$1,293.00	\$1,328.00
D.	SPDP Renewal	\$ 860.00	\$ 913.00	\$ 969.00	\$ 1,029.00	\$ 1,092.00
E.	Wastehauler Zero Discharge	\$ 207.00	\$ 225.00	\$ 245.00	\$ 267.00	\$ 291.00
E.	Certifications	\$ 126.00	\$ 133.00	\$ 140.00	\$ 147.00	\$ 155.00

<sup>1</sup> New permit only - add nonrefundable deposit for first 1 million gallons as defined in Table G

Wastehauler Fees

Charges

F.	Permit Decal Initial Issue	\$ 25.00
G.	Permit Decal Replacement	\$ 50.00
H.	Entry Card Initial Issue	\$ 50.00
I.	Entry Card Replacement	\$100.00
J.	After Hours Discharge – Prearranged	\$102.00/event
K.	After Hours Discharge – Emergency	\$165.00/event

Administrative/Processing Fees

Charges

L.	OC San’s Collection of Water Consumption Data	\$ 500.00/permit
M.	Appeal Hearing Filing Fee	\$ 800.00/appeal
N.	Late Application (30 days or less from expiration date)	\$ 500.00
O.	Late Application (15 days or less from expiration date)	\$1,000.00

**TABLE F  
INDUSTRIAL DISCHARGER, SOURCE CONTROL  
AND NON-COMPLIANCE SAMPLING FEES**

<u>Cost of Processing and Sampling Following a Minor Violation</u>	<u>Charge</u>										
	\$200.00/event										
<u>Cost of Processing and Sampling Following a Major Violation</u>	\$400.00/event										
<u>Non-Compliance Resampling Fee</u>	\$275.00/event										
<u>Cost of Analysis per Fiscal year</u>											
Heavy Metals:											
	<table border="1"> <tr> <td><u>2023-24</u></td> <td><u>2024-25</u></td> <td><u>2025-26</u></td> <td><u>2026-27</u></td> <td><u>2027-28</u></td> </tr> <tr> <td align="center">\$52.00</td> <td align="center">\$54.00</td> <td align="center">\$56.00</td> <td align="center">\$58.00</td> <td align="center">\$60.00</td> </tr> </table>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	\$52.00	\$54.00	\$56.00	\$58.00	\$60.00
<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>							
\$52.00	\$54.00	\$56.00	\$58.00	\$60.00							

- Aluminum
- Antimony
- Arsenic
- Cadmium
- Chromium
- Copper
- Gold
- Lead

- Molybdenum
- Nickel
- Palladium
- Platinum
- Selenium
- Silver
- Thallium
- Tin
- Titanium
- Vanadium
- Zinc

	<u>Per Fiscal Year</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
Ammonia Analysis as Nitrogen		\$38.00	\$39.00	\$40.00	\$41.00	\$43.00
Biochemical Oxygen Demand (BOD)		\$57.00	\$59.00	\$60.00	\$62.00	\$64.00
BOD and Suspended Solids (SS) Analysis		\$114.00	\$117.00	\$121.00	\$124.00	\$128.00
Chemical Oxygen Demand		\$38.00	\$39.00	\$40.00	\$41.00	\$43.00
Conductivity		\$76.00	\$78.00	\$81.00	\$83.00	\$85.00
Cyanide (Amenable)		\$171.00	\$176.00	\$181.00	\$187.00	\$182.00
Cyanide (Total)		\$99.00	\$102.00	\$105.00	\$108.00	\$111.00
Total Radium Determination		\$207.00	\$213.00	\$219.00	\$226.00	\$232.00
Gross Alpha and Beta Determination		\$111.00	\$114.00	\$117.00	\$121.00	\$124.00
Tritium Determination		\$102.00	\$105.00	\$108.00	\$112.00	\$115.00
Oil & Grease (Hexane Soluble Matter)		\$95.00	\$98.00	\$101.00	\$104.00	\$107.00
Total Organic Nitrogen		\$76.00	\$78.00	\$81.00	\$83.00	\$85.00
pH		\$38.00	\$39.00	\$40.00	\$41.00	\$43.00
Fluoride		\$38.00	\$39.00	\$40.00	\$41.00	\$43.00
Suspended Solids (Total)		\$57.00	\$59.00	\$60.00	\$62.00	\$64.00
Suspended Solids (Total and Volatile)		\$171.00	\$176.00	\$181.00	\$187.00	\$182.00
Total Dissolved Solids		\$57.00	\$59.00	\$60.00	\$62.00	\$64.00
Total Sulfides		\$83.00	\$87.00	\$89.00	\$92.00	\$95.00
Strontium Determination		\$134.00	\$138.00	\$142.00	\$146.00	\$150.00
Uranium Determination		\$45.00	\$46.00	\$48.00	\$49.00	\$50.00
Mercury (EPA 245.1)		\$76.00	\$78.00	\$81.00	\$83.00	\$86.00
Pharmaceutical Industry (EPA 1666)		\$342.00	\$352.00	\$363.00	\$374.00	\$385.00
Chlorinated Pesticides and Aroclors (EPA 608)		\$128.00	\$132.00	\$136.00	\$140.00	\$144.00
Volatile Organics (EPA 624)		\$304.00	\$313.00	\$322.00	\$332.00	\$342.00
Semi-Volatile Organics (EPA 625)		\$683.00	\$704.00	\$725.00	\$747.00	\$769.00
PFAS		\$413.00	\$431.00	\$444.00	\$457.00	\$471.00
Dissolved Sulfides		\$58.00	\$60.00	\$62.00	\$64.00	\$66.00

**SELF-MONITORING AND DATA REPORTING**  
**NON-COMPLIANCE**

Cost of Processing and Issuing Significant Non-Compliance Notification	\$165.00
Cost of Processing Annual SNC and Publication	\$485.00
Non-Compliance Appeal Filing Fee*	\$150.00

\*Filing Fee will be refunded if customer wins appeal

**TABLE G**

**CLASS I AND CLASS II PERMITTEES AND**  
**SPECIAL PURPOSE DISCHARGE PERMITTEES**

CHARGES FOR USE (Fiscal Year)

Class I and II	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
Flow (*)	\$1676.09	\$1754.41	\$1836.37	\$1922.17	\$2011.98
B.O.D. (**)	\$705.08	\$744.23	\$785.55	\$829.17	\$875.21
S.S. (***)	\$815.51	\$855.92	\$898.34	\$842.86	\$989.58
Special Purpose					
Discharge Permit	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
Flow (*) (Fiscal Year)	\$1676.09	\$1754.41	\$1836.37	\$1922.17	\$2011.98

- (\*) Flow Per million gallons of Flow
- (\*\*) B.O.D. Per thousand pounds of Biochemical Oxygen Demand
- (\*\*\*) S.S. Per thousand pounds of Suspended Solids

All properties located within Revenue Area No. 14 pay no annual service fees. OC San's costs relating to providing service to these properties are billed by OC San directly to the Irvine Ranch Water District, the local agency providing the local sewer service.

**TABLE H**

**WASTEHAULER CHARGES FOR USE**

	Per Fiscal Year	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
Within OC San Boundaries*		\$0.09	\$0.09	\$0.09	\$0.09	\$0.09
Outside OC San Boundaries*,**		\$0.32	\$0.32	\$0.32	\$0.32	\$0.32

- (\*) Per gallon of truck capacity
- (\*\*) Outside OC San boundaries and inside OC San service area or authorized by OC San's General Manager.



Waste hauled from a source that is not within OC San's service area is prohibited unless authorized by the General Manager. Service area is defined as any area the OC San has an agreement to serve.

## ARTICLE IV

### MISCELLANEOUS

Section 4.01. Application of Ordinance. The provisions of this Ordinance shall be in addition to the provisions of OC San's Wastewater Discharge Regulations for use of OC San's sewage facilities, including provisions for payment of charges or fees related thereto; OC San's ordinance establishing Fees Concerning Annexations of Territory to OC San; and any other OC San Ordinances and Resolutions not in conflict herewith.

Section 4.02. Exceptions. The provisions of this Ordinance shall apply to all owners of properties within OC San, including those properties otherwise deemed exempt from payment of taxes or assessments by provisions of the State Constitution or statute, including properties owned by other public agencies or tax-exempt organizations, except as expressly provided herein.

Section 4.03 Out of Area Sewer Service Agreements. OC San is empowered to contract for the transport, treatment and disposal of wastewaters originating within areas outside of OC San if it is in the best interest of OC San to do so. These Out of Area Sewer Service Agreements will establish fees and charges relative to the services provided by OC San for each individual agreement.

The Board of Directors of the Orange County Sanitation District does further hereby ORDAIN:

SECTION II. Severability. If any provision of this Ordinance, or the application to any person or circumstances is held invalid by order of Court, the remainder of the Ordinance, or the application of such provision to other persons or other circumstances, shall not be affected.

SECTION III. Effective Date. This Ordinance shall take effect July 1, 2023.

SECTION IV. Repeal. Ordinance No. OCSD-51 is hereby repealed.

SECTION V. Certification and Publication. The Clerk of the Board shall certify to the adoption of this Ordinance and shall cause a summary to be published in a newspaper of general circulation as required by law.

PASSED AND ADOPTED by a vote of not less than two-thirds of the Board of Directors of the Orange County Sanitation District at a Regular Meeting held on March 22, 2023.

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Chad P. Wanke  
Chairman, Board of Directors  
Orange County Sanitation District

ATTEST:

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Kelly A. Lore, MMC  
Clerk of the Board  
Orange County Sanitation District

APPROVED AS TO FORM:

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Bradley R. Hogin  
General Counsel  
Orange County Sanitation District

STATE OF CALIFORNIA )  
 )SS.  
COUNTY OF ORANGE )

I, Kelly A. Lore, Clerk of the Board of Directors of Orange County Sanitation District, do hereby certify that the above and foregoing Ordinance No. OCSD-XX was introduced for first reading at a regular meeting of said Board on the 22nd day of February 2023, and passed and adopted by a vote of not less than two-thirds at a regular meeting of said Board on the 22<sup>nd</sup> day of March 2023, by the following vote, to wit:

**AYES:**

**NOES:**

**ABSTENTIONS:**

**ABSENT:**

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of Orange County Sanitation District this 22nd day of March, 2023.

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Kelly A. Lore, MMC  
Clerk of the Board  
Orange County Sanitation District



# ADMINISTRATION COMMITTEE

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

## Agenda Report

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**File #:** 2023-2776

**Agenda Date:** 2/8/2023

**Agenda Item No:** 8.

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

**SUBJECT:**

**CONSIDERATION OF BUDGET ASSUMPTIONS AND BUDGET CALENDAR FOR PREPARATION OF THE FY 2023-24 BUDGET UPDATE**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

Approve the FY 2023-24 budget assumptions and direct staff to incorporate these parameters in preparing the FY 2023-24 budget update.

**BACKGROUND**

For the budget process, the Administration Committee establishes the Budget Assumptions and approves the Budget Calendar. Staff will make a brief presentation at the Committee meeting.

**RELEVANT STANDARDS**

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

**ADDITIONAL INFORMATION**

Currently, there are no proposed changes to the Orange County Sanitation District (OC San) Fiscal Policy. The Fiscal Policy is published in the FY 2022-23 and 2023-24 Budget document (Section 3, Pages 1-7), and is available on OC San's website.

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

- FY 2023-24 Preliminary Budget Assumptions & Budget Calendar
- Presentation

# FY 2023-24 Budget Update Manual

Tasks	Responsibility	Event/Due Date
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## **PHASE I – BUDGET PREPARATION**

Preliminary Budget Assumptions Identified	Financial Management	12/8/22
Preliminary Budget Assumptions & Draft Budget Calendar Presented to Managers Team (MT)	Financial Management	12/12/22
Preliminary Budget Assumptions & Draft Budget Calendar Presented to Executive Management Team (EMT)	Financial Management	1/9/23
Capital Improvement Program (CIP) – Annual Resource Forecast complete – review resources Needed to complete active CIP projects.	Engineering Project Management Office (PMO)	2/22/23
Preparation for Budget Kickoff / Training Session: <ul style="list-style-type: none"> <li>• Salary and benefits download to Excel worksheets</li> <li>• Develop line item worksheets with mid-year actual expense</li> </ul> Prepare/update budget instruction manual	Financial Management	1/11/23
Budget Kickoff / Training Session: <ul style="list-style-type: none"> <li>• Distribute budget instruction manual update</li> <li>• Conduct budget training session</li> <li>• Review submission deadlines</li> </ul>	Financial Management	1/18/23
<ul style="list-style-type: none"> <li>• Operating Divisional Budgets: New Position and Change to Existing Position Decision Packages Due to Human Resources (Laura Maravilla, Ext. 7007) with copies to Cristina Stanford</li> </ul>	Divisional Budget Coordinators	2/1/23
Operating Budget: Promotional Items Request Forms and Conference Request Forms Due to Public Affairs (Jennifer Cabral, Ext. 7581)	Divisional Budget Coordinators	2/1/23
Capital Equipment Budget: Vehicle Capital Equipment Decision Packages Due to Fleet Services (Bob Bell, Ext. 7214)	Divisional Budget Coordinators	2/1/23
Capital Equipment Budget: Computer Capital Equipment Decision Packages Due to Information Technology (Rob Michaels, Ext. 7260)	Divisional Budget Coordinators	2/1/23
Budget Assumptions Presented to Administration Committee	Financial Management	2/8/23
Mid-Year Financial Report to Administration Committee	Financial Management	2/8/23

# Budget Calendar

Division Budget Packages Due to Financial Management: <ul style="list-style-type: none"> <li>• Projection of 2022-23 actual operating costs</li> <li>• Proposed operating costs for 2023-24</li> <li>• Operating Budget Expense Detail</li> <li>• Meetings, Memberships and Training Requests</li> <li>• Capital Equipment Decision Packages (other than computer and vehicle decision packages which were due on 2/1/23)</li> <li>• New program decision packages</li> </ul> <i>(Financial Management will compile and provide PDF document to each division for printing and use during the budget review process. Finance Planning will update salary information into the Preliminary Division Budget Document.)</i>	Divisional Budget Coordinators	2/15/23
Mid-Year Financial Report to Board	Financial Management	2/22/23
Complete the Compilation of the Preliminary Division Budget Update Packages	Financial Management	2/22/23
CIP – Project Budget Reviews Complete	Engineering PMO	3/22/23
Department Budget Narrative – Updates of the Budget Executive Summary Due to Financial Management	Department Budget Coordinator	3/15/23
CIP – Validated CIP budgets delivered to IT/Finance	Engineering PMO	4/10/23

## **PHASE II - BUDGET REVIEW**

Divisional Budgets - Distribution of Preliminary Line Item Requested Budgets to Department Heads and Managers along with Analysis/Questions for Review	Financial Management	2/27/23
Operating Budget – Information on New Positions, Position Upgrades & Reclassifications Submitted to the General Manager	Human Resources	3/1/23
Operating Budget – Division Budget Review Meetings with Finance and Division Representatives	Financial Management & Division Representatives	3/6/23 – 3/10/23
Operating Budget - Completion of Preliminary Divisional Budgets and Compilation into Departmental Budgets	Financial Management	3/15/23
Operating Budget – Recommendations to General Manager	Financial Management	3/15/23
Final Operating Budget – General Manager Review of Budget Recommendations	Financial Management, General Manager, & Department Heads	3/20/23 – 3/23/23

# FY 2023-24 Budget Update Manual

Capital Equipment Budget – Requests Reviewed & Approved	Financial Management, General Manager, & Department Heads	3/20/23 – 3/23/23
Operating Budget – Report of General Manager's Decisions on New Positions, Position Upgrades & Reclassifications Submitted to the Financial Management	General Manager	3/20/23
CIP – Approve Proposed CIP Budget	EMT	4/3/23
CIP – Operations Committee information item – Review of Proposed Budget	Engineering	5/3/23

## **PHASE III - BUDGET PRESENTATION**

Operating Budget – Presentation of Preliminary Budget Update by Division/Department to EMT	Financial Management	4/3/23
Operating Budget Update – Overview to Administration Committee	Financial Management	<b>4/12/23</b>
CIP – Final CIP Budget Document Preparation and Incorporation into Final Budget Document	Financial Management	4/19/23
CIP – Review draft of Final Budget Document pages with Engineering Planning & PMO	Financial Management	4/19/23
CIP – Section 8 Executive Summary complete	Engineering Planning	4/26/23
Initial – Proposed Budget finalized	Financial Management	4/28/23
General Manager's Budget Message Completed	General Manager/ Financial Management	5/1/23
Approval of General Manager's Budget Message	General Manager	5/8/23
Final - Proposed Budget to Printer	Financial Management	5/22/23

## **PHASE IV - BUDGET DELIBERATIONS**

Final Draft - Proposed 2023-24 Budget Update Presented to Committees	Financial Management	Ops – <b>6/7/23</b> Admin – <b>6/14/23</b>
Public Hearing & Board Adoption	Board of Directors	<b>6/28/23</b>

## **PHASE V – DISTRIBUTION OF BUDGET**

Final line item budget and equipment budgets posted in H:\ntglobal	Financial Management	7/3/23
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# Preliminary Budget Assumptions

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## 2023-24 Proposed Budget Assumptions

### *Economic Assumptions*

- Inflation for Orange County in FY 2023-24 is projected to be 6.6 percent based on the projected percentage change in consumer price index obtained from the June 2022 Economic and Business Review report prepared by Chapman University. This is 1.6 percent higher than the 5.0 percent inflation factor that was used for the FY2022-23 budget.

### *Revenue Assumptions*

- After a one-year rate increase postponement, OC San will resume following the Board approved Sewer Service Fee Rate Schedule, the single-family residence (SFR) rate will increase by 3.2 percent to \$358 in FY 2023-24.
- Note that each \$1 increase in the SFR rate generates approximately \$900,000 per year.
- The capital facilities capacity charge (CFCC) fee captures only those infrastructure costs that relate to additional capacity. The proposed CFCC fee to be approved by the Board in March 2023 will remain flat for FY 2023-24. Other infrastructure costs such as improved treatment, rehabilitation, refurbishment, and replacement, will be supported through user fees.
- Given the Facilities Master Plan adopted in December 2017, a rate study was completed in December 2022 to ensure that the CFCC fee methodology remains equitable and to confirm that an appropriate share of system costs would be recovered from new development.
- Due to recent enacted legislation, a follow-up to the rate study completed

in 2017 for the CFCC methodology was completed in 2020 for cost recovery for Accessory Dwelling Units (ADU).

- Revenues will be budgeted to reflect little growth in Equivalent Dwelling Unit (EDU) connections that have remained flat over the past five years.
- Permit user rates for flow will increase by 4.7 percent, Biochemical Oxygen Demand (BOD) will increase by 5.6 percent and Total Suspended Solids (TSS) will increase by 5.0 percent for FY 2023-24 based upon the Rate Study completed in December 2022.
- Annexation fees capture both the net current assets and the equivalent property tax allocations and will increase to \$6,767 per acre based upon the Rate Study completed in December 2022.
- Annexable property in OC San's service area sphere is minimal; consequently, no FY 2023-24 income from annexation fees is anticipated.
- Property tax revenues are preliminarily estimated to increase by approximately three percent from FY 2022-23 to FY 2023-24. A two percent annual increase in Assessed Value is authorized by the state constitution and is included in the increases noted above. The additional increase in assessed value is from authorized increases to market value when property is sold at a higher value.
- Earnings on the investment of OC San's operating cash and reserves will be budgeted at 1.0 percent of the average cash and investment balance projected for the fiscal year.
- No additional debt issuance is scheduled for FY 2023-24.



# FY 2023-24 Budget Update Manual

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## *Operating Assumptions*

- Operating expenses are expected to approximate the adopted FY 2022-23 budget of \$201.1 million.
- Average daily flows are projected at 185 mgd for FY 2022-23 and 185 mgd for FY 2023-24. The estimated FY 2022-23 daily flow is 180 mgd based on actuals for the first 5 months of the current FY, and reflects a decrease of 4 mgd.

## *Employee/Staffing Assumptions*

- Staffing level is expected to increase by 1 FTE in FY 2023-24. The total FY 2022-23 authorized staffing level is 647.00 FTEs, excluding Management Discretion positions.
- Vacant positions as of 12/31/2022 are budgeted at 50 percent of step 1 for the remainder of FY 2022-23 and at 100 percent of step 2 for FY 2023-24.
- New positions will be projected at 100 percent of step 1 for FY 2023-24.
- A 3.0 percent vacancy factor on authorized positions has been budgeted for FY 2023-24. The actual vacancy factor is currently running at 4.5 percent. This vacancy factor accounts for time spent for recruitment and turnover.
- The Memorandums of Understanding (MOUs) for the OCEA, the Local 501, and the Supervisor and Professional (SPMT) groups expire on June 30, 2022. Salary adjustments will be included in the budget for COLA based upon the current MOUs.
- Retirement costs for employees enrolled in OCERS Plan H are estimated at a rate of 13.47 percent of the employee's base salary for FY 2023-24, up from 13.46 percent in FY 2022-23. The rates

for Plan H include OC San's pickup of 3.5 percent of employees' required contributions. Employees enrolled in OCERS Plan B are estimated at a rate of 13.09 percent of the employee's base salary for FY 2023-24, down from 13.25 percent in FY 2022-23. All employees hired on or after January 1, 2013 are enrolled in OCERS Plan U and are estimated at a rate of 9.82 percent for FY 2023-24, down from 9.86 percent in FY 2022-23. Interns are not enrolled in OCERS, so their retirement benefits are calculated at 6.2 percent (FICA rate).

- Other employee benefits and insurances will be budgeted to increase in FY 2023-24 by moderate but yet to be determined amounts.

## *Materials, Supplies & Services Assumptions*

- The proposed operating budget will continue to reflect an emphasis on safety, security, and maintenance of plant assets and infrastructure.
- An amount equal to half of one percent of the Operating materials and services budget will be a contingency for prior year re-appropriations. Since the current year's budget lapses on June 30, a contingency is needed in the succeeding budget year for goods or services ordered at the end of one budget year but not delivered until the following year.
- An amount equal to 0.85 percent of the Operating materials and services budget will be the General Manager's contingency budget. These funds will be allocated to appropriate line items during the year after requests and justifications for unanticipated needs are approved by the General Manager.
- Resource needs for strategic initiatives will be included in the budget.

# Preliminary Budget Assumptions

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## *Capital Improvement Program Assumptions*

- The FY 2023-24 cash flow budget, based on the most current Validated Capital Improvement Program (CIP), is the target.
- The baseline CIP cash flow for FY 2023-24 is \$315.3 million.
- Continual evaluation of the CIP by Financial Management, Project Management Office and Planning may result in deferral or reduction of some projects and a resultant increase in O&M repair costs for materials and services, if the net cash flow impact is a decrease.
- For the first five months of FY 2022-23, \$57.3 million of the \$268.2 million CIP budget, approximately 21.4 percent, was expended.

## *Debt Financing*

- OC San will issue new debt in the form of Certificates of Participation (COP) as needed to fund the CIP and to maintain reserves.
- No additional new debt issuance is scheduled for FY 2023-24.
- Debt will only be used for CIP and capital expenses, not for operating expenses.
- Capital financing plans no longer include future borrowings over the next ten years as the approved user fee schedule is considered sufficient.
- Borrowing is proposed only for facilities which do not add capacity and that are funded by all users for replacement, rehabilitation, and improved treatment.
- Upon COP's becoming callable or maturing, a determination will be made as to the benefit of paying off the obligation or refinancing the debt.

- There is consideration of refunding the callable 2014A.

## *Reserve Assumptions*

The existing reserve policy is summarized as follows:

- A cash flow criterion will be established to fund operations, maintenance and certificates of participation expenses for the first half of the fiscal year, prior to receipt of the first installment of the property tax allocation and 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.
- An operating contingency criterion will be established to provide for non-recurring expenditures that were not anticipated when the annual budget and sewer service fees were considered and adopted. The level of this criterion will be established at an amount equal to ten percent of the annual operating budget.
- A capital improvement criterion will be 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 capital improvement program over the next ten years.
- A catastrophic loss, or self-insurance, criterion will be maintained for property damage including fire, flood and earthquake, for general liability and for workers' compensation. This criterion is intended to work with purchased insurance policies, FEMA disaster

# FY 2023-24 Budget Update Manual

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reimbursements and State disaster reimbursements. The potential infrastructure loss from a major earthquake, of which OC San currently has limited outside insurance coverage of \$25 million, has been estimated to be as high as \$1.3 billion. The level of this criterion has been set at \$100 million should such a catastrophic event occur. This criterion amount will assist OC San with any short-term funding needs until Federal and State assistance becomes available.

- Accumulated capital funds will be set aside for certain specific, short-term capital improvements as the need and availability arise.
- A capital replacement/renewal criterion has been established to provide thirty percent of the funding to replace or refurbish the current collection, treatment and disposal facilities at the end of their useful economic lives. Based on the Facilities Evaluation Report completed in December 2017, the estimated replacement value of these facilities in FY 2022-23 is estimated to be \$3.85 billion for the collection facilities and \$7.75 billion for the treatment and disposal facilities. The initial criterion level has been established at \$75 million, which will be augmented by interest earnings and a small portion of the annual sewer user fee, in order to meet projected needs through the year 2032.
- Provisions of the various certificates of participation (COP) issues require debt service reserves to be under the control of the Trustee for that issue. These reserve funds are not available for the general needs of OC San and must be maintained at specified levels. The current level of required COP service reserves is projected to be \$75.8 million.

- Accumulated funds exceeding the levels specified by OC San policy will be maintained for future capital improvements and rate stabilization. These funds will be applied to future years' needs in order to maintain rates or to moderate annual fluctuations. There is no established target for this criterion.

# OC San FY 2023-24 Budget Update Assumptions / Calendar

*Presented by:*  
*Wally Ritchie,*  
*Controller*

*Administration*  
*Committee*

*February 8, 2023*



1

## Budget Development Assumptions

### **Economics**

- Inflation for Orange County is 4.9% (12/22)

### **Revenue**

- The single-family residence (SFR) rate will increase by \$11 (3.2 percent) to \$358

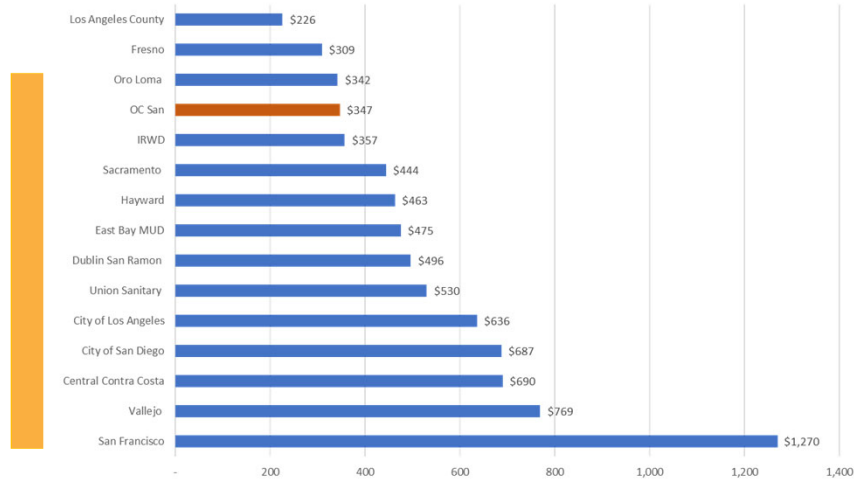
### **Reserves**

- Current reserve policy is unchanged

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## Comparison - SFR Rates (July 2022)



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## Operations

- Average daily flows are projected to be 185 mgd
- Operating expenses are expected to approximate the adopted FY 2023-24 budget of \$210 Million

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## Staffing

- Staffing level is expected to increase by 1 FTE in FY 2023-24 to 648
- A 3% vacancy factor will be budgeted for authorized positions
- Salary adjustments will be based on current MOUs
- Moderate increases in benefits are anticipated

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## Capital Improvement Program (CIP)

- Cash flow assumptions are based on the most recent validated CIP
- Baseline CIP is \$315 million for FY 2023-24

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## Debt Financing

- No additional “new money” or refunding debt issuance is scheduled for FY 2023-24

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## Budget Summary

<b>Revenues</b>	<b>FY 23-24</b>	<b>Ten Year Cash Flow</b>
Fees and Charges	\$ 371M (71%)	\$ 4,195M (72%)
Property Taxes	112M (21%)	1,248M (22%)
Interest / Other	<u>43M ( 8%)</u>	<u>316M ( 6%)</u>
<b>Total Revenues</b>	<b>\$ 526M</b>	<b>\$ 5,759M</b>
<b>Expenditures</b>	<b>FY 23-24</b>	<b>Ten Year Cash Flow</b>
Operating	\$ 210M (35%)	\$ 2,333M (38%)
CIP / RRR	315M (52%)	3,076M (50%)
Debt Service	69M (12%)	707M (11%)
Other	<u>7M ( 1%)</u>	<u>45M ( 1%)</u>
<b>Total Outlays</b>	<b>\$ 601M</b>	<b>\$ 6,161M</b>
<b>Net Surplus (Deficit)</b>	<b>\$ (75M)</b>	<b>\$ (402M)</b>

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## Budget - Key Meeting Dates

### Administration Committee

- Budget Assumptions  
February
- Review of Revenues  
March
- Review of Expenditures  
April

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## Budget - Key Meeting Dates

### Operations Committee

- Budget Elements Overview  
May, June

### Administration Committee

- Budget Elements Review  
May, June

### Board Meeting



- FY 23-24 Budget Update Approval  
June

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**Questions**



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# ADMINISTRATION COMMITTEE

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

## Agenda Report

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**File #:** 2023-2782

**Agenda Date:** 2/8/2023

**Agenda Item No:** 9.

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

**SUBJECT:**

**OC SAN RESERVES AND INVESTMENTS**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

Information Item.

**BACKGROUND**

Each month, staff provides an informational presentation on topics of interest to the Board of Directors. This month's topic: Orange County Sanitation District Reserves and Investments.

**RELEVANT STANDARDS**

- Ensure that investment proposals and decisions are based on clearly defined standards
- Ensure the public's money is wisely spent
- Stable rates, no large unforeseen rate increases

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

- Presentation

# OC San Reserves & Investments

*Presented by:*  
*Wally Ritchie,*  
*Controller*

*Administration*  
*Committee*

*February 8, 2023*



1

## Seven Reserve Criteria

### Non-Discretionary

- 1) Next Year's Dry Period (Cash Flow Reserve)  
50% of the Operating Budget
- 2) Next Year's Dry Period Debt Service  
100% of August Debt Service
- 3) Debt Service Reserve  
10% of the Outstanding COPs

\*Dry Period = prior to receiving funds from the County

\*\*Total Reserves = 4.7% of \$11.6B asset replacement value

2

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## Seven Reserve Criteria

### Discretionary

- 4) Operating Contingencies  
10% of Operating Budget
- 5) Capital Improvement Reserve  
50% of average CIP for the next ten years
- 6) Operating & Capital Share of Catastrophe Funds
- 7) Replacement and Refurbishment  
2% of the average CIP per year

\*\*Total Reserves = 4.7% of \$11.6B asset replacement value

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## Investment Objectives

### **First**

- Provide safety of principal

### **Second**

- Provide sufficient liquidity

### **Third**

- Earn a commensurate rate of return consistent with the constraints imposed by the objectives

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## Portfolios - Long-Term and Short Term

The Orange County Sanitation District's Investment Policy is consistent with California Government Code

- **Long-Term Benchmarks**

- ICE BofA 1-5 Year
  - US Corporate & Government Rated AAA – A Index

- **Short-Term Benchmarks**

- 3-month T-Bill rate
- Maximum maturity of 1-year

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## Long-Term Portfolio – Asset Allocation

- Approximately \$713 million

Category	Percent
US Treasury	35%
US Corporate	26%
US Govt Agency	18%
Asset Backed Sec	14%
Supranational	6%
Other	1%
<b>Total</b>	<b>100%</b>

6

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## Short-Term Portfolio – Asset Allocation

- Approximately \$225 million

Category	Percent
US Treasury	46%
US Govt Agency	25%
Money Market	16%
US Corporate	7%
Negotiable CDs	4%
Commercial Paper	2%
<b>Total</b>	<b>100%</b>

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## Questions



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# ADMINISTRATION COMMITTEE

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

## Agenda Report

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**File #:** 2023-2783

**Agenda Date:** 2/8/2023

**Agenda Item No:** 10.

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**FROM:** James D. Herberg, General Manager  
Originator: Kathy Millea, Director of Engineering

**SUBJECT:**

**HEADQUARTERS COMPLEX AT PLANT NO. 1, PROJECT NO. P1-128A - QUARTERLY UPDATE**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

Information Item.

**BACKGROUND**

Project No. P1-128A, Headquarters Complex, will construct a new Headquarters Building on the north side of Ellis Avenue to house administrative and engineering staff. The Headquarters Complex will also include a Board Room and a pedestrian/utility bridge over Ellis Avenue to Plant No. 1. Construction started in July 2021 and completion is scheduled for December 2023. Staff will present an update on the construction progress.

**RELEVANT STANDARDS**

- Provide a safe and collegial workplace
- Ensure the public's money is wisely spent
- Comply with current Building Codes

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

- Presentation

# Headquarters Complex at Plant No. 1

## Project No. P1-128A

Presented by:  
Kathy Millea  
Director of  
Engineering

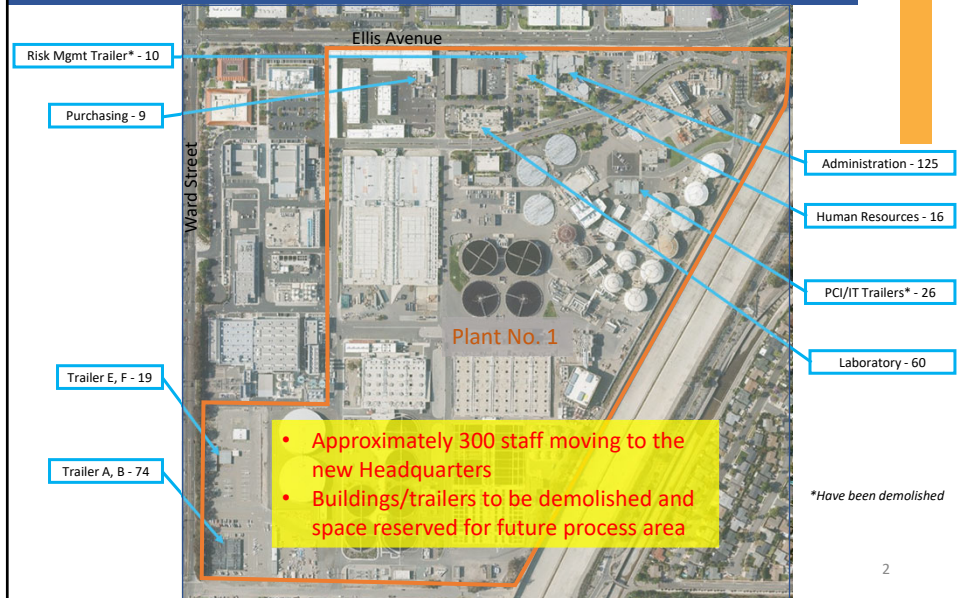
February 8, 2023  
Administration  
Committee

Quarterly Update



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## Distribution of Office Staff



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# Project Site



Headquarters Complex

Administration Building

Plant No. 1

3

3

# Site Plan



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## Main Entrance



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## Lobby Entrance



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## Lobby Looking into Board Room



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## Board Room



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# Building Layout

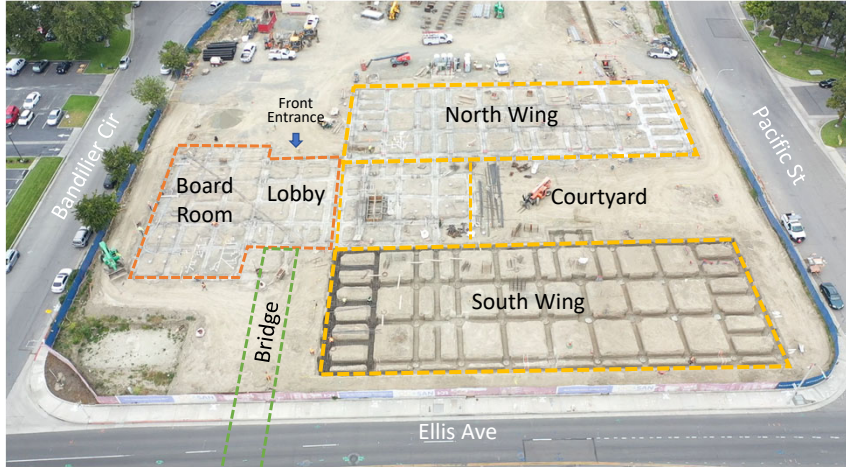


Photo taken: May 2, 2022

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## Progress Photos - Before and Now



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## Since Last Update

- FFE (furnishings, fixtures and equipment) package finalized
- Move Management Specialist contract awarded
- Educational Display update to January Steering
- SCE completed undergrounding powerlines
- Mass timber completed



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## Upcoming Activities

- Interior and exterior framing ongoing
- Begin bridge construction
- Parallel coordination efforts
  - A/V Procurement
  - Complete FFE Purchase
  - Educational Display Design
  - Move Management Specialist



*Pedestrian bridge over Ellis Avenue connects to Plant No. 1*

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# Project Status

## Budget

Original Approved Contract	\$102,544,973	
5 Approved Change Orders	\$840,310	(\$4,286,939 Remaining)
<b>Total Current Approved Contract</b>	<b>\$103,385,293</b>	
Amount Invoiced	\$43,138,929	(41% of Total)

## Schedule

- 65% of contract elapsed
- December 4, 2023 Final Completion

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# Live Camera Feed

[www.ocsan.gov/Headquarters](http://www.ocsan.gov/Headquarters)

One-time registration to view camera footage


The screenshot shows the OC SAN website with the following details:

- Header:** OC SAN ORANGE COUNTY SANITATION DISTRICT. Navigation links: Home, Board Agendas, Jobs, Report a Problem, Sewer Fees, Contact Us. Search bar and social media icons.
- Menu:** SERVICES, BUSINESSES, RESIDENTS, EDUCATION, ABOUT US, I WANT TO...
- Project Title:** Headquarters Administration Building Project
- Project Description:** This project will construct a new administrative headquarters building in the City of Fountain Valley. The project includes a 3-story office building, surface parking, and pedestrian bridge on Ellis Avenue to the OC San Plant No. 1 facility.
- More Information:**
  - Construction Hotline: (714) 378-2165, [ConstructionHelp@ocsan.gov](mailto:ConstructionHelp@ocsan.gov)
  - Social Media: @OCSanDistrict
  - Construction Schedule: Summer 2021 - Late 2023
  - Construction Budget: \$102.5 million
- Live Camera Feed:** Register [here](#) for access to view. (This section is circled in red in the image)
- Notifications:**
  - Mar 2022 - Ellis Avenue right work
  - July 2022 - Start of construction
  - November 3, 2020 - Helios distributed to affected businesses on Bauldwin

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**Questions**

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## ORANGE COUNTY SANITATION DISTRICT COMMON ACRONYMS

<b>ACWA</b>	Association of California Water Agencies	<b>LOS</b>	Level Of Service	<b>RFP</b>	Request For Proposal
<b>APWA</b>	American Public Works Association	<b>MGD</b>	Million Gallons Per Day	<b>RWQCB</b>	Regional Water Quality Control Board
<b>AQMD</b>	Air Quality Management District	<b>MOU</b>	Memorandum of Understanding	<b>SARFPA</b>	Santa Ana River Flood Protection Agency
<b>ASCE</b>	American Society of Civil Engineers	<b>NACWA</b>	National Association of Clean Water Agencies	<b>SARI</b>	Santa Ana River Interceptor
<b>BOD</b>	Biochemical Oxygen Demand	<b>NEPA</b>	National Environmental Policy Act	<b>SARWQCB</b>	Santa Ana Regional Water Quality Control Board
<b>CARB</b>	California Air Resources Board	<b>NGOs</b>	Non-Governmental Organizations	<b>SAWPA</b>	Santa Ana Watershed Project Authority
<b>CASA</b>	California Association of Sanitation Agencies	<b>NPDES</b>	National Pollutant Discharge Elimination System	<b>SCADA</b>	Supervisory Control And Data Acquisition
<b>CCTV</b>	Closed Circuit Television	<b>NWRI</b>	National Water Research Institute	<b>SCAP</b>	Southern California Alliance of Publicly Owned Treatment Works
<b>CEQA</b>	California Environmental Quality Act	<b>O &amp; M</b>	Operations & Maintenance	<b>SCAQMD</b>	South Coast Air Quality Management District
<b>CIP</b>	Capital Improvement Program	<b>OCCOG</b>	Orange County Council of Governments	<b>SOCWA</b>	South Orange County Wastewater Authority
<b>CRWQCB</b>	California Regional Water Quality Control Board	<b>OCHCA</b>	Orange County Health Care Agency	<b>SRF</b>	Clean Water State Revolving Fund
<b>CWA</b>	Clean Water Act	<b>OCSD</b>	Orange County Sanitation District	<b>SSMP</b>	Sewer System Management Plan
<b>CWEA</b>	California Water Environment Association	<b>OCWD</b>	Orange County Water District	<b>SSO</b>	Sanitary Sewer Overflow
<b>EIR</b>	Environmental Impact Report	<b>OOBS</b>	Ocean Outfall Booster Station	<b>SWRCB</b>	State Water Resources Control Board
<b>EMT</b>	Executive Management Team	<b>OSHA</b>	Occupational Safety and Health Administration	<b>TDS</b>	Total Dissolved Solids
<b>EPA</b>	US Environmental Protection Agency	<b>PCSA</b>	Professional Consultant/Construction Services Agreement	<b>TMDL</b>	Total Maximum Daily Load
<b>FOG</b>	Fats, Oils, and Grease	<b>PDSA</b>	Professional Design Services Agreement	<b>TSS</b>	Total Suspended Solids
<b>gpd</b>	gallons per day	<b>PFAS</b>	Per- and Polyfluoroalkyl Substances	<b>WDR</b>	Waste Discharge Requirements
<b>GWRS</b>	Groundwater Replenishment System	<b>PFOA</b>	Perfluorooctanoic Acid	<b>WEF</b>	Water Environment Federation
<b>ICS</b>	Incident Command System	<b>PFOS</b>	Perfluorooctanesulfonic Acid	<b>WERF</b>	Water Environment & Reuse Foundation
<b>IERP</b>	Integrated Emergency Response Plan	<b>POTW</b>	Publicly Owned Treatment Works	<b>WIFIA</b>	Water Infrastructure Finance and Innovation Act
<b>JPA</b>	Joint Powers Authority	<b>ppm</b>	parts per million	<b>WIIN</b>	Water Infrastructure Improvements for the Nation Act
<b>LAFCO</b>	Local Agency Formation Commission	<b>PSA</b>	Professional Services Agreement	<b>WRDA</b>	Water Resources Development Act



## ORANGE COUNTY SANITATION DISTRICT GLOSSARY OF TERMS

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**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**

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**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.