

AGENDA  
IRVINE RANCH WATER DISTRICT  
FINANCE AND PERSONNEL COMMITTEE MEETING  
TUESDAY, SEPTEMBER 3, 2019

CALL TO ORDER    11:30 a.m., Committee Room, Second Floor, District Office  
15600 Sand Canyon Avenue, Irvine, California

ATTENDANCE    Member: Steve LaMar \_\_\_\_\_ Alt. Member: Doug Reinhart \_\_\_\_\_

ALSO PRESENT

Paul Cook	_____	Cheryl Clary	_____
Rob Jacobson	_____	Christopher Smithson	_____
Tanja Fournier	_____	Eileen Lin	_____
Kevin Burton	_____	Jennifer Davis	_____
Jenny Roney	_____	Tony Mossbarger	_____
Paul Weghorst	_____	Claire Collins	_____
Wendy Chambers	_____	_____	_____
Allen Shinbashi	_____	_____	_____

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**COMMUNICATIONS**

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1. Notes: Clary
2. Public Comments
3. Determine the need to discuss and/or take action on item(s) introduced, which came to the attention of the District subsequent to the agenda being posted.
4. Determine which items may be approved without discussion.

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**INFORMATION**

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5. EMPLOYEE POPULATION AND TURNOVER STATUS REPORT – SRADER / RONEY

Recommendation: Receive and file.

6. MONTHLY INVESTMENT AND DEBT REVIEW – DAVIS/FOURNIER/JACOBSON/CLARY

Recommendation: Receive and file.

7. FISCAL YEAR 2018-19 LEGAL FEES ANALYSIS – TOBAR / CLARY

Recommendation: Receive and file.

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**INFORMATION – Continued**

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8. FISCAL YEAR 2018-19 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS AS OF JUNE 30, 2019 – PARDEE / SMITHSON / CLARY

Recommendation: Receive and file.

9. QUARTERLY RISK MANAGEMENT REPORTING – KANOFF / SHINBASHI / JACOBSON / CLARY

Recommendation: Receive and file.

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**OTHER BUSINESS**

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10. Directors' Comments

11. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL — EXISTING LITIGATION – Pursuant to Government Code Section 54956.9(d)(1):

- *Kristina Quinn v. IRWD, Case No. 30-2019-01069109-CU-PA-CJC*
- *Victoria Gleason v. County of Orange, et al., Case No. 30-2018-00977432*
- *United States, et al., ex rel. John Hendrix, et al. v. J-M Manufacturing Company, Inc., et al, Case No. CV 06-0055-GW*
- *State of Nevada, et al. v. J-M Manufacturing Company, Inc., et al., Los Angeles Case No. BC459943,*

B. CONFERENCE WITH LEGAL COUNSEL — ANTICIPATED LITIGATION – Pursuant to Government Code Section 54956.9(d)(2): significant exposure to litigation (*one potential case: BKK Working Group notification to IRWD of potential liability, claim and/or litigation on file with the District.*)

C. CONFERENCE WITH REAL PROPERTY NEGOTIATORS — Pursuant to Government Code Section 54956.8:

*Property:* 15550 Sand Canyon Ave., Irvine, California 92618, County of Orange

*Agency negotiator:* Rob Jacobson

*Negotiating parties:* Stratford School/Spring Education Group and Auction.com

*Under negotiation:* Lease Price and Terms of Payment

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**OTHER BUSINESS – Continued**

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12. OPEN SESSION
13. Adjournment

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the above-named Committee in connection with a matter subject to discussion or consideration at an open meeting of the Committee are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Committee less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Committee Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available at the entrance of the meeting room at the District Office. The Irvine Ranch Water District Committee Room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.), please contact the District Secretary at (949) 453-5300 during business hours at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in an alternative format upon written request to the District Secretary at least seventy-two (72) hours prior to the scheduled meeting.

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September 3, 2019  
Prepared by: L. Srader  
Submitted by: J. Roney  
Approved by: Paul A. Cook



FINANCE AND PERSONNEL COMMITTEE

EMPLOYEE POPULATION AND TURNOVER STATUS REPORT

SUMMARY:

Staff has prepared various population and turnover reports for Committee review.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

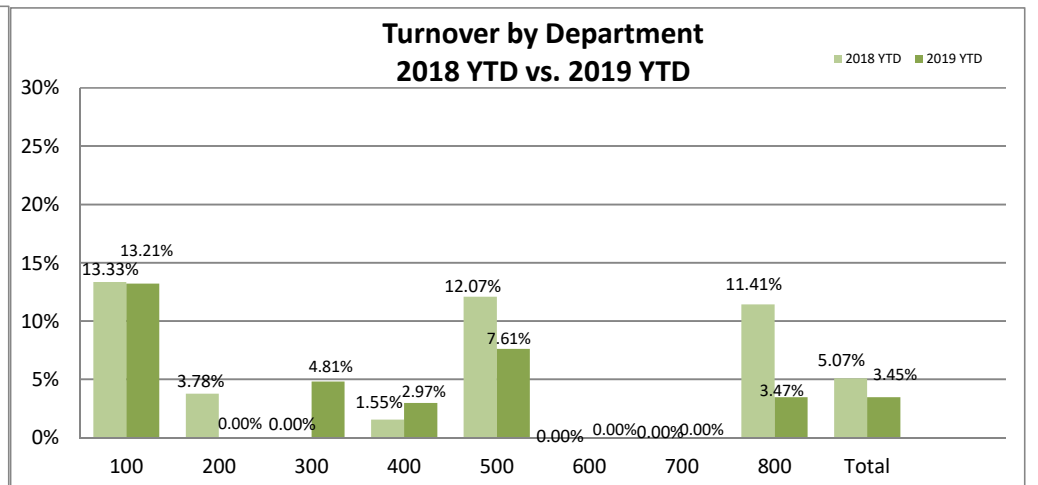
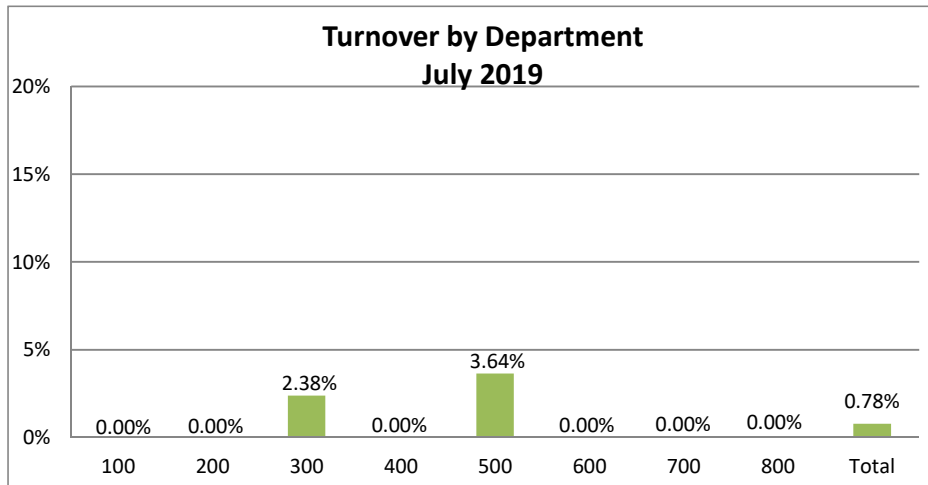
LIST OF EXHIBITS:

Exhibit "A" – Employee Population and Turnover Status Report

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**EXHIBIT A**  
**IRVINE RANCH WATER DISTRICT**  
**EMPLOYEE POPULATION STATUS REPORT**  
**July 2019**

Dept	@07/01/19	Current Month Activity							@07/31/19		FY 19/20	Avg FYTD	Avg FYTD	Avg FYTD	Internal Turnover		External Turnover	
	Positions Filled	New Hires	Terms		Promo Trnsfr		Lateral Trnsfr		Positions Filled	Positions Unfilled	Budgeted Positions*	Filled Budget Positions	Temp Emp FTE	Total Filled Positions	Current Period	2019 YTD	Current Period	2019 YTD
			Vol	Invol	In	Out	In	Out										
100	16.0								16.0	0	16.0	15.3	0.0	15.3	0.00%	0.00%	0.00%	13.21%
200	84.0	2							86.0	2	88.0	80.7	7.0	87.7	0.00%	0.00%	0.00%	0.00%
300	42.0	1	1						42.0	2	44.0	41.9	5.3	47.2	0.00%	0.00%	2.38%	4.81%
400	70.0								70.0	2	72.0	66.8	3.0	69.8	0.00%	0.00%	0.00%	2.97%
500	55.0		1	1					53.0	6	59.0	51.4	1.0	52.4	0.00%	0.00%	3.64%	7.61%
600	28.0								28.0	1	29.0	23.3	1.0	24.3	0.00%	0.00%	0.00%	0.00%
700	34.0								34.0	1	35.0	37.3	2.7	40.1	0.00%	0.00%	0.00%	0.00%
800	57.0								57.0	4	61.0	55.4	0.0	55.4	0.00%	0.00%	0.00%	3.47%
<b>Totals</b>	<b>386</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>386.0</b>	<b>18</b>	<b>404.0</b>	<b>372.3</b>	<b>20.0</b>	<b>392.3</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.78%</b>	<b>3.45%</b>
<b>7/18</b>	<b>381</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>386</b>	<b>9</b>	<b>395.00</b>	<b>365.80</b>	<b>30.75</b>	<b>403.0</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.26%</b>	<b>2.65%</b>

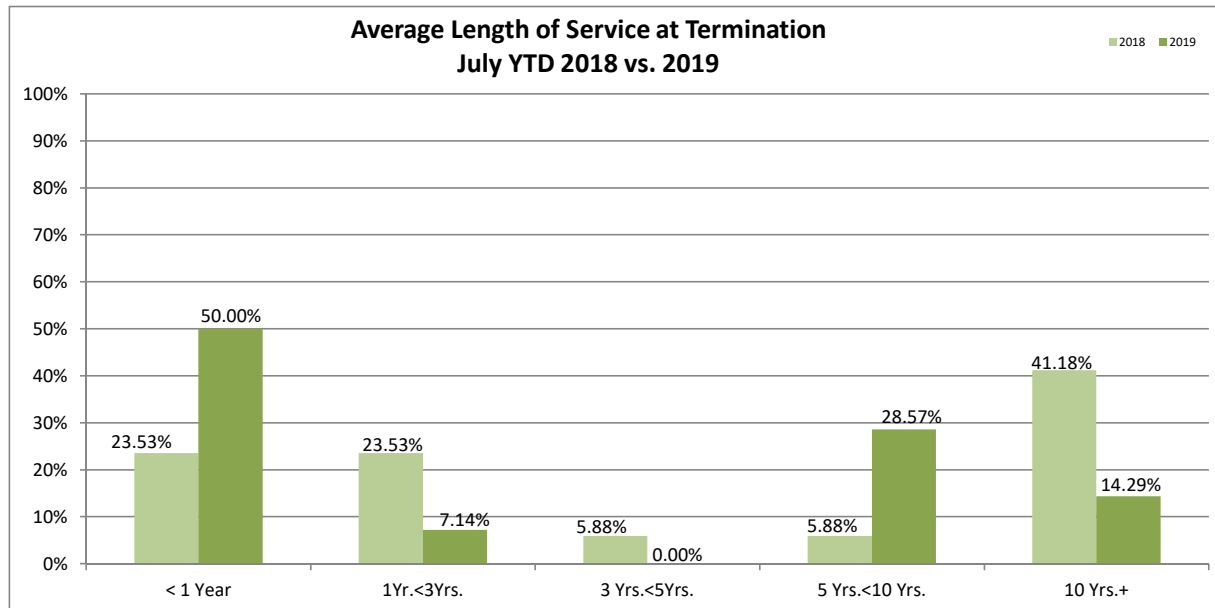


100-GM, HR, Safety; 200-Fin., Cust. Serv., IS, Purch.; 300-Eng.; 400-Water Ops; 500-Recycling; 600-WQ&RC; 700-Water Res., Pol., Conserv. and Public Affairs; 80-Adm. & Maintenance Ops

**IRVINE RANCH WATER DISTRICT  
TURNOVER LONGEVITY RATIO  
July 2019**

Dept.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	YTD Turnover Longevity Ratio				
														< 1 Year	1Yr.<3Yrs.	3 Yrs.<5Yrs.	5 Yrs.<10 Yrs.	10 Yrs.+
100		2											2	1			1	
200													0					
300		1					1						1		1			1
400	1		1		1								2	2			1	
500	1	1					2						4	4				
600													0					
700													0					
800				1	1	1							3				2	1
<b>2019 Total</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>2</b>
<b>2018 Data</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>28</b>					
<b>Percentage of Total Turnover</b>														<b>50.00%</b>	<b>7.14%</b>	<b>0.00%</b>	<b>28.57%</b>	<b>14.29%</b>

<b>2019 Average YTD Length of Service at Termination</b>	<b>4.83 Years</b>
<b>2018 Average YTD Length of Service at Termination</b>	<b>13.85 Years</b>
<b>2017 Average YTD Length of Service at Termination</b>	<b>14.35 Years</b>
<b>2016 Average YTD Length of Service at Termination</b>	<b>12.43 Years</b>
<b>2015 Average YTD Length of Service at Termination</b>	<b>12.27 Years</b>





**IRVINE RANCH WATER DISTRICT  
EMPLOYEE POPULATION STATUS REPORT  
July 2019**

<b>NEW HIRES</b>				
<b>Hire</b>	<b>Dept</b>	<b>Employee Name</b>	<b>Position</b>	<b>Comments</b>
07/01/19	200	Vladimir Li	Accountant	
07/23/19	200	Naveen Gudala	Senior Applications Analyst	
07/30/19	300	Rachael Burk	Associate Engineer	

<b>TERMINATIONS</b>					
<b>Termination Date</b>	<b>Dept</b>	<b>Employee Name</b>	<b>Position</b>	<b>Reason</b>	<b>Comments</b>
07/02/19	500			Invol	
07/19/19	300			Vol	
07/23/19	500			Vol	

<b>RETIREMENTS</b>					
<b>Effective Date</b>	<b>Departing Dept</b>	<b>Employee Name</b>	<b>Position</b>	<b>Reason</b>	<b>Comments</b>

<b>PROMOTIONS</b>					
<b>Effective Date</b>	<b>Departing Dept</b>	<b>Employee Name</b>	<b>Departing Position</b>	<b>New Dept</b>	<b>New Position</b>
07/13/19	200	Tina Fehser	Customer Service Specialist II	200	Customer Service Specialist III

<b>TRANSFERS</b>					
<b>Effective Date</b>	<b>Departing Dept</b>	<b>Employee Name</b>	<b>Departing Position</b>	<b>New Dept</b>	<b>New Position</b>

<b>CROSS TRAINING</b>					
<b>Effective Date</b>	<b>Departing Dept</b>	<b>Employee Name</b>	<b>Departing Position</b>	<b>New Dept</b>	<b>New Position</b>

**IRVINE RANCH WATER DISTRICT  
EMPLOYEE POPULATION STATUS REPORT  
July 2019**

<b>UNFILLED POSITIONS</b>			
<b>Dept</b>	<b>Position</b>	<b>Salary Grade</b>	<b>Comments</b>
200	Risk Assistant	22.N	Recruiting
200	Material Clerk I	11.N	
300	Engineer	U17.E	
300	GIS Technician	20.N	
400	Metering Systems Technician I	22.N	1/1/2020
400	Water Maintenance Technician II	22.N	1/1/2020
500	Process Specialist	32.N	
500	Collection Systems CCTV Tech	21.N	
500	Operator III	29.N	
500	Sr. SCADA	U15.E	
500	Operator III	29.N	
500	Operator I	20.N	
600	Regulatory Compliance Manager	U18.E	Offer Pending
700	Cross Connection Specialist	24.N	
800	Asset Systems Manager	U17.E	Recruiting
800	Sr. Maintenance Mechanic	27.N	
800	Electrical Supervisor	S34.N	
800	Asset Maintenance Coordinator	32.N	

**IRVINE RANCH WATER DISTRICT  
EMPLOYEE POPULATION STATUS REPORT  
July 2019**

LEAVE OF ABSENCE					
Type of Leave	Pay Status	Date Leave Began	Anticipated Return Date	Current Length	Comments
FMLA/CFRA	SDI	3/28/2019	8/28/2019	4 months	
FMLA/CFRA	SDI	3/20/2019	8/20/2019	4 months	
FMLA/CFRA	SDI	7/26/2019	9/20/2019	1 month	
FMLA/CFRA	SDI	7/2/2019	8/5/2019	1 month	
FMLA/CFRA	SDI	7/9/2019	10/7/2019	1 month	
FMLA/CFRA	PFL	6/26/2019	8/12/2019	2 month	

Leave	Original Status	Date Leave Began	Return Date	Length	Return Date	Comments
FMLA/CFRA	PFL	4/8/2018	4/9/2018	1 Week	04/09/18	REturned
FMLA/CFRA	PFL	2/27/2018	4/11/2018	7 Weeks	04/11/18	Returned
FMLA/CFRA	SDI	3/23/2018	4/6/2018	1 Week	04/09/18	Returned
FMLA/CFRA	PFL	3/16/2018	5/7/2018	1.5 Months	05/07/18	Returned
FMA/CFRA	PFL	4/3/2018	5/16/2018	1 Month	05/16/18	Returned
FMA/CFRA	SDI	4/26/2018	5/7/2018	1 week	05/07/18	Returned
FMA/CFRA	PFL	4/17/2018	5/15/2018	1 month	05/15/18	Returned
FMLA/CFRA	PFL	5/11/2018	5/21/2018	2 weeks	05/21/18	Returned
FMLA/CFRA	PFL	5/14/2018	5/24/2018	10 days	05/24/18	Returned
FMLA/CFRA	SDI	4/10/2018	5/17/2018	2 Month	05/28/18	Returned
CFRA	PFL	5/29/2018	6/11/2018	8 days	06/11/18	Returned
FMLA/CFRA	PFL	5/25/2018	6/11/2018	1 Week	06/11/18	Returned
WC/FMLA/CFRA	WC	4/12/17	43279	13 months	06/28/18	Retired
FMLA/CFRA	SDI	2/12/2018	7/4/2018	4 months	07/03/18	Returned
FMLA/CFRA	PFL	6/5/2018	6/26/2017	4 weeks	06/19/18	Returned

**IRVINE RANCH WATER DISTRICT  
EMPLOYEE POPULATION STATUS REPORT**

Month	Dept	Length of Employment	Termination		Comments
			Vol	Invol	
January	400	6 months	X		Other employment - more money
	500	6 months		X	Probation Rejection
February	100	12 months	X		Other employment
	500	11 months	X		Other employment - closer to home; more money
	100	6 years 2 months	X		Other employment - promotional; PERS
	300	17 years 6 months	X		Other employment - promotional
March	400	5 years, 5 months	X		Other Employment
April	800	6yrs, 3 months	X		Moved out of state
May	800	6 years 5 months	X		Other Employment - West Basin
June	800	17 years 9 months	X		Retirement
July	500	17 years 9 months		X	Probation Rejection
	300	11 months	X		Other employment
	500	2yrs 9 months	X		Other employment - OC Water District; more money/promotion
August					
September					
October					
November					
December					

**IRVINE RANCH WATER DISTRICT  
SUMMARY  
AGENCY & DISTRICT TEMPORARY EMPLOYEES  
July 2019\*  
ACTIVE**

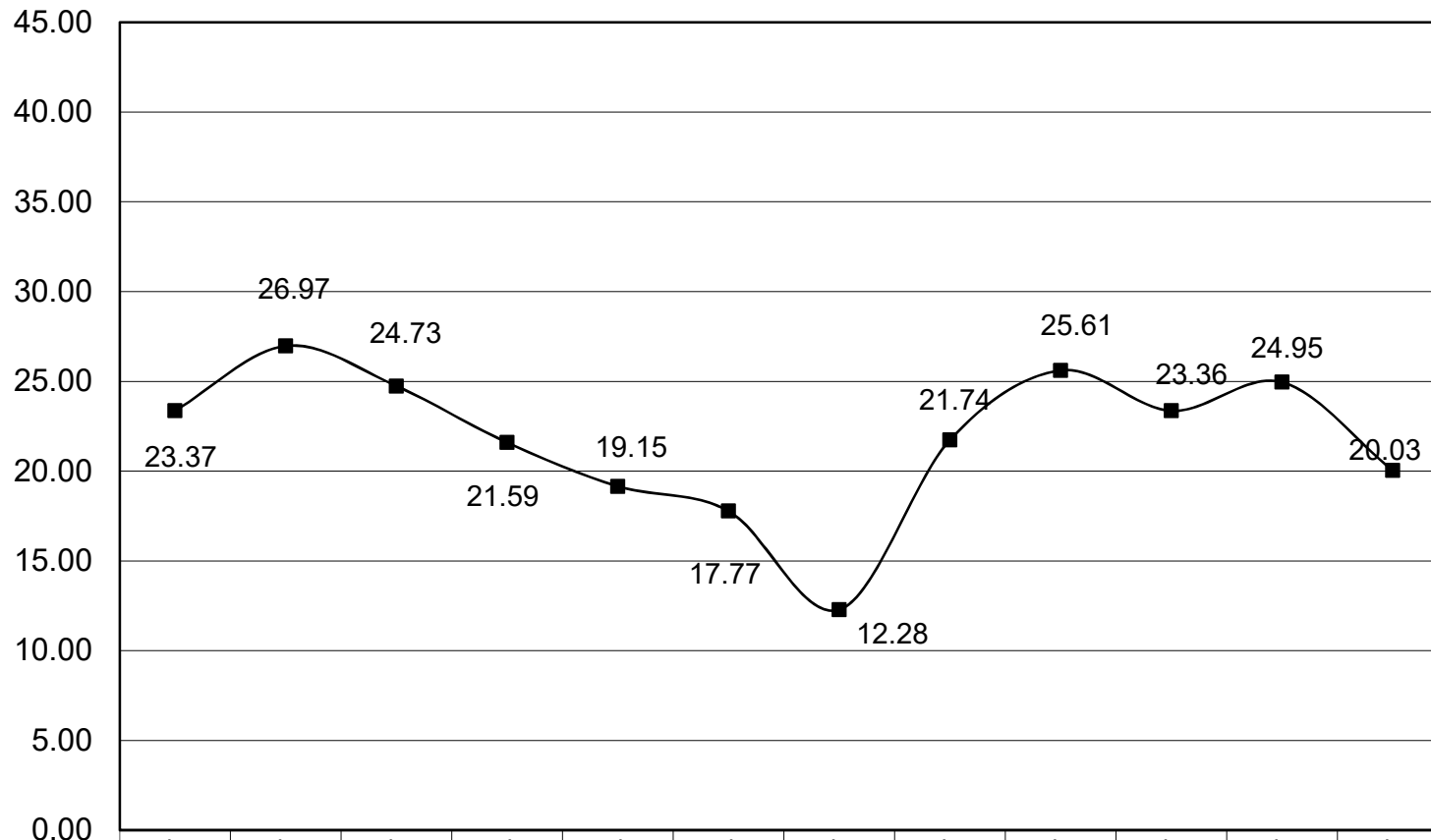
Current Month	FYTD Ave Hours Worked	PERS Enrollment	Agency	Dept	Hire Date	Term Date	Job Assignment	Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FY' YTD	Actual Cost FY 'YTD
<b>0.00</b>	<b>0.00</b>			<b>100</b>										
1.00	1.00	Yes		200	1/22/2018		Temp CS Fld Tech	22.99	168	3,862.32	12	1	3,862.32	5,310.69
0.01	0.01	Yes		200	9/17/2018		Retired Annuitant	56.55	84	4,750.20	12	1	4,750.20	113.10
1.00	1.00	Yes		200	11/14/2018		Temp Supp Spec	23.50	84	1,974.00	12	1	1,974.00	4,183.00
0.88	0.88	No	X	200	3/4/2019		Temp CS Fld Tech	31.00	168	5,208.00	12	1	5,208.00	4,712.00
0.85	0.85	No	X	200	2/19/2019		Temp CS Spec I	30.29	168	5,088.72	12	1	5,088.72	4,498.07
0.88	0.88	No	X	200	3/20/2019		Temp CS Spec I	27.87	168	4,682.16	12	1	4,682.16	4,243.35
0.96	0.96	No	X	200	3/25/2019		Temp Mtl Clerk	29.05	168	4,880.40	3	1	4,880.40	4,909.45
0.87	0.87	No	X	200	4/15/2019		Temp CS Spec I	29.36	168	4,932.48	3	1	4,932.48	4,432.48
0.59	0.59	EXC		200	11/14/2018		Student Intern	15.00	84	1,260.00	12	1	1,260.00	1,530.00
<b>7.03</b>	<b>7.03</b>			<b>200</b>										
0.93	0.93	yes	X	300	3/19/2018		Temp. Sr. Office Special	27.50	168	4,620.00	12	1	4,620.00	4,482.50
0.62	0.62	Yes		300	6/16/2018		Temp Asst Engr	37.44	84	3,144.96	12	1	3,144.96	4,006.08
0.77	0.77	EXC		300	6/16/2018		Student Intern	18.00	84	1,512.00	12	1	1,512.00	2,412.00
0.57	0.57	Yes		300	7/8/2019		Ret Anntnt	72.97	84	6,129.48	6	1	6,129.48	7,187.55
0.46	0.46	EXC		300	6/24/2019		Student Intern	17.00	84	1,428.00	12	1	1,428.00	1,360.00
0.46	0.46	EXC		300	7/8/2019		Student Intern	17.00	84	1,428.00	12	1	1,428.00	1,360.00
0.46	0.46	EXC		300	6/24/2019		Student Intern	17.00	84	1,428.00	12	1	1,428.00	1,360.00
1.00	1.00	EXC		300	6/16/2018		Student Intern	37.44	84	3,144.96	12	1	3,144.96	6,664.32
<b>5.28</b>	<b>5.28</b>			<b>300</b>										
1.00	1.00	Yes		400	3/8/2018		Temp. Water Maintenance	22.99	168	3,862.32	12	1	3,862.32	4,299.13
1.00	1.00	Yes		400	8/20/2018		Metering Sys. Tech	22.99	168	3,862.32	12	1	3,862.32	4,299.13
1.00	1.00	Yes		400	10/23/2018		Temp Utility Wkr	22.23	168	3,734.64	6	1	3,734.64	4,157.01
<b>3.00</b>	<b>3.00</b>			<b>400</b>										
1.00	1.00	Yes		500	7/23/2018		Temp Wetlnd Spec	29.03	84	2,438.52	12	1	2,438.52	5,022.19
<b>1.00</b>	<b>1.00</b>			<b>500</b>										
1.00	1.00	Yes		600	11/27/2017		Temp. Scientist	30.28	168	5,087.04	12	1	5,087.04	5,707.78
0.00	0.00	EXC		600	1/8/2019		Student Intern	15.00	84	1,260.00	6	1	1,260.00	1,200.00
0.00	0.00	EXC		600	7/1/2019		Student Intern	15.00	84	1,260.00	12	1	1,260.00	1,200.00
0.00	0.00	EXC		600	7/9/2019		Student Intern	15.00	84	1,260.00	12	1	1,260.00	2,606.25
0.00	0.00	Yes		600	2/5/2018		Temp Scientist	31.49	168	5,290.32	12	1	5,290.32	5,888.63
0.00	0.00	EXC		600	7/15/2019		Student Intern	15.00	84	1,260.00	12	1	1,260.00	2,212.50
<b>1.00</b>	<b>1.00</b>			<b>600</b>										
0.98	0.98	Yes		700	2/4/2019		Temp Wtr Eff Spec	29.73	84	2,497.32	12	1	2,497.32	5,024.37
0.87	0.87	No	X	700	4/9/2019		Temp WE Spec	31.00	168	5,208.00	12	1	5,208.00	4,681.00
0.87	0.87	No	X	700	6/24/2019									
<b>2.72</b>	<b>2.72</b>			<b>700</b>										
<b>0.00</b>	<b>0.00</b>			<b>800</b>										
<b>20.03</b>	<b>20.03</b>													

IRVINE RANCH WATER DISTRICT  
SUMMARY  
AGENCY & DISTRICT TEMPORARY EMPLOYEES  
July 2019\*  
TERMINATED

Current Month FTE	Avg FYTD Temp Emp FTE	Active PERS Y/N *	Agency	Dept	Hire Date	Term Date	Classification	Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FYTD	Actual Cost FYTD
0.00	0.00			100										
0.00	0.00			200										
0.00	0.00			300										
0.00	0.00			400										
0.00	0.00			500										
0.00	0.00			600										
0.00	0.00			700										
0.00	0.00			800										
0.00	0.00												96,494.16	109,062.57

EXC = Exclude from PERS enrollment  
Yes= Temporary employee enrolled in PERS Membership  
No=Temporary Agency employee  
\*Data reported 30 days in arrears

**Temporary Employees**  
**Full Time Equivalency**  
**District Totals as of July 31, 2019**



■ District	7/18	8/18	9/18	10/18	11/18	12/18	1/19	2/19	3/19	4/19	5/19	7/19
	23.37	26.97	24.73	21.59	19.15	17.77	12.28	21.74	25.61	23.36	24.95	20.03

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September 3, 2019  
Prepared by: J. Davis / T. Fournier  
Submitted by: R. Jacobson / C. Clary  
Approved by: Paul A. Cook



FINANCE AND PERSONNEL COMMITTEE

MONTHLY INVESTMENT AND DEBT REVIEW

SUMMARY:

The following items are submitted for the Committee's review and consideration:

- The Investment Portfolio Summary Report as of August 26, 2019, as outlined in Exhibit "A";
- The U.S. Treasury Yield Curve as of August 26, 2019, as outlined in Exhibit "B";
- The Summary of Fixed and Variable Debt as of August 26, 2019, as outlined in Exhibit "C"; and
- The Summary of Variable Rate Debt Rates as of August 26, 2019, as outlined in Exhibit "D".

BACKGROUND:

Investment Portfolio:

Due to the timing of the Committee meeting, the rate of return for August 2019 is not complete at this time. Preliminary calculations indicate a rate of return for the fixed income investment portfolio of 2.13%, which is a 0.02% decrease from July's rate of 2.15%. Including real estate investments, the weighted average rate of return for the District's investment portfolio for August 2019 is estimated to be 4.18%, which is a 0.03% increase from July's rate of 4.15%.

Debt Portfolio:

As of August 26, 2019, the District's weighted average all-in variable rate was 1.54%, which was a 0.08% increase from July's rate of 1.46%. Including the District's weighted average fixed rate bond issues of 3.70% and the previous month's negative cash accruals from fixed payer interest rate swaps, which hedge a portion of the District's variable rate debt, the total average debt rate was 3.15%, which was a 0.10% increase from July's rate of 3.05%. The increase was due to higher interest rates on the District's variable rate debt portfolio and the change in the negative cash accrual for the District's fixed payer swaps from \$142,710 to \$181,268.

FISCAL IMPACTS:

Fiscal impacts are outlined above and included in the attached exhibits.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Investment Portfolio Summary as of August 26, 2019

Exhibit "B" – Yield Curve as of August 26, 2019

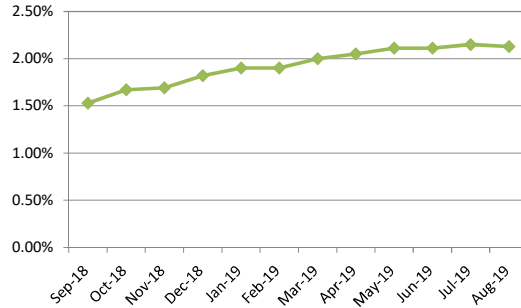
Exhibit "C" – Summary of Fixed and Variable Debt as of August 26, 2019

Exhibit "D" – Summary of Variable Rate Debt Rates as of August 26, 2019

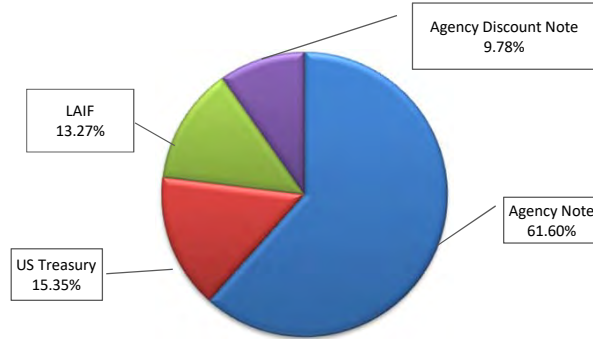
# Exhibit "A"

## Irvine Ranch Water District Investment Portfolio Summary August 2019

**Monthly Fixed Income Yield**



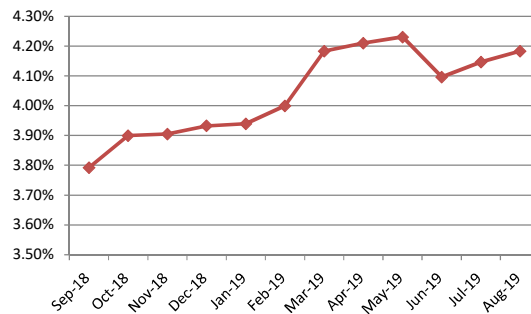
**Portfolio Distribution**



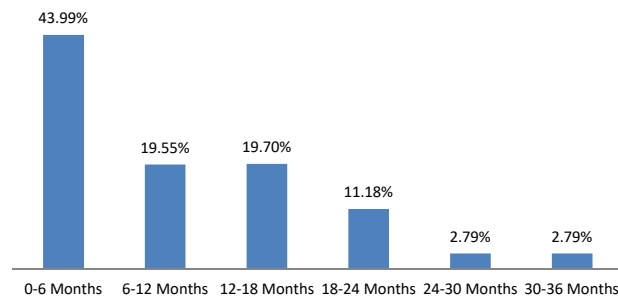
**Investment Summary**

Type	PAR	Book Value	Market Value
Agency Note	220,550,000	220,251,965	220,504,034
US Treasury	55,000,000	54,378,971	54,880,238
LAIF	47,500,000	47,500,000	47,581,310
Agency Discount Note	35,000,000	34,930,851	34,879,292
<b>Grand Total</b>	<b>358,050,000</b>	<b>357,061,786</b>	<b>357,844,873</b>

**Weighted Average Return  
Including Real Estate Portfolio**



**Maturity Distribution**



**Top Issuers**

Issuer	PAR	% Portfolio
Fed Farm Credit Bank	85,000,000	23.75%
Fed Home Loan Bank	75,000,000	20.95%
Fed Natl Mortgage Assoc	70,550,000	19.70%
US Treasury	55,000,000	15.35%
State of California Treasury - LAIF	47,500,000	13.27%
Fed Home Loan Mortgage Corp	25,000,000	6.98%
<b>Grand Total</b>	<b>358,050,000</b>	<b>100.00%</b>

IRVINE RANCH WATER DISTRICT  
INVESTMENT SUMMARY REPORT

08/26/19

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE <sup>(1)</sup> 8/26/2019	UNREALIZED <sup>(2)</sup> GAIN/(LOSS)
08/23/17			08/27/19		LAIF	State of California Tsy.	\$47,500,000		2.440%	\$47,500,000.00	\$47,500,000.00	47,581,310.03	81,310.03
09/01/16	N/A	N/A	08/28/19	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.150%	1.160%	4,998,500.00	5,000,000.00	4,996,450.00	(3,550.00)
09/01/16	NA	NA	08/28/19	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.125%	1.132%	4,999,000.00	5,000,000.00	4,996,150.00	(3,850.00)
03/29/19	NA	NA	08/29/19	NR	FHLB - Discount Note	Fed Home Loan Bank	10,000,000	2.400%	2.460%	9,898,000.00	10,000,000.00	9,983,700.00	(16,300.00)
09/28/16	Quarterly	03/09/17	09/09/19	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.125%	1.142%	4,997,500.00	4,999,974.51	4,994,650.00	(5,324.51)
04/10/18	NA	NA	09/13/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.375%	2.288%	5,006,000.00	5,000,138.20	5,000,900.00	761.80
08/16/19	NA	NA	09/18/19	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	2.020%	2.052%	4,990,741.50	4,995,230.47	4,990,741.50	(4,488.97)
09/28/16	Continuous after	12/27/16	09/27/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.250%	1.189%	5,001,500.00	5,000,035.65	4,993,600.00	(6,435.65)
04/18/19	NA	NA	10/01/19	NR	FHLB - Discount Note	Fed Home Loan Bank	10,000,000	2.370%	2.429%	9,890,717.00	9,980,250.06	9,964,400.00	(15,850.06)
10/12/16	Continuous after	10/03/17	10/03/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	1.125%	1.160%	9,989,780.00	9,999,510.64	9,977,100.00	(22,410.64)
10/12/16	Continuous after	10/11/17	10/11/19	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	10,000,000	1.120%	1.205%	9,975,000.00	9,998,628.88	9,978,500.00	(20,128.88)
06/14/19	NA	NA	11/05/19	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	2.130%	2.178%	4,957,400.00	4,980,770.83	4,972,250.00	(8,520.83)
11/08/16	Quarterly	05/08/17	11/08/19	Aaa/AA+/NR	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.250%	1.245%	5,000,750.00	5,000,046.58	4,988,250.00	(11,796.58)
11/28/16	NA	NA	11/15/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.375%	1.440%	4,990,550.00	4,999,344.96	4,989,200.00	(10,144.96)
05/30/19	NA	NA	11/19/19	NR	FFCB - Discount Note	Fed Farm Credit Bank	5,000,000	2.315%	2.374%	4,944,375.69	4,974,599.30	4,968,200.00	(6,399.30)
11/28/16	Quarterly	05/25/17	11/25/19	Aaa/AA+/NR	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.400%	1.503%	4,985,000.00	4,998,832.42	4,984,000.00	(14,832.42)
12/12/16	NA	NA	12/12/19	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.450%	1.440%	5,001,450.00	5,000,133.87	4,987,050.00	(13,083.87)
12/21/16	NA	NA	12/19/19	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.500%	1.621%	4,982,350.00	4,998,239.84	4,987,100.00	(11,139.84)
12/20/17	NA	NA	01/17/20	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.500%	1.932%	4,956,250.00	4,986,147.76	4,985,700.00	(447.76)
10/16/17	NA	NA	02/28/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.500%	1.612%	4,987,025.00	4,997,300.00	4,982,150.00	(15,150.00)
12/19/18	NA	NA	02/29/20	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	1.250%	2.672%	9,833,593.76	9,926,126.29	9,946,500.00	20,373.71
12/20/17	NA	NA	03/13/20	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	4.125%	1.940%	5,237,200.00	5,086,254.55	5,063,550.00	(22,704.55)
12/20/18	NA	NA	03/31/20	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	2.250%	2.665%	9,948,000.00	9,975,057.82	10,007,400.00	32,342.18
10/03/17	NA	NA	04/20/20	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.375%	1.630%	4,968,350.00	4,992,104.52	4,973,950.00	(18,154.52)
06/29/18	NA	NA	04/23/20	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	2.500%	2.544%	4,996,000.00	4,998,664.60	5,013,600.00	14,935.40
06/29/18	NA	NA	05/15/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.550%	2.566%	4,998,450.00	4,999,419.31	5,017,550.00	18,130.69
11/21/17	Continuous after	02/20/18	05/20/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.830%	1.930%	4,987,500.00	4,989,746.60	4,991,500.00	1,753.40
06/11/18	NA	NA	06/11/20	Aaa/NR/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.550%	2.570%	4,997,100.00	4,998,873.32	5,015,700.00	16,826.68
11/10/17	NA	NA	06/22/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.500%	1.750%	4,968,000.00	4,996,555.98	4,975,650.00	(20,905.98)
04/19/18	NA	NA	07/30/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.500%	2.535%	4,886,000.00	4,954,427.37	4,973,000.00	18,572.63
06/08/18	NA	NA	07/30/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.500%	2.559%	4,890,100.00	4,953,260.92	4,973,000.00	19,739.08
12/20/17	Quarterly	11/10/16	08/10/20	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.450%	2.052%	4,923,000.00	4,964,375.52	4,965,150.00	774.48
09/14/18	NA	NA	08/24/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.680%	2.789%	4,989,700.00	4,994,806.48	5,035,150.00	40,343.52
05/21/18	Continuous after	12/01/17	09/01/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.680%	2.735%	4,884,250.00	4,949,203.24	4,976,650.00	27,446.76
09/14/18	NA	NA	09/04/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.690%	2.794%	4,990,050.00	4,994,907.70	5,034,900.00	39,992.30
12/12/17	One Time	09/28/18	09/28/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	2.000%	2.000%	5,000,000.00	5,000,000.00	4,991,600.00	(8,400.00)

IRVINE RANCH WATER DISTRICT  
INVESTMENT SUMMARY REPORT

08/26/19

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE <sup>(1)</sup> 8/26/2019	UNREALIZED <sup>(2)</sup> GAIN/(LOSS)
10/31/17	One Time	10/30/18	10/30/20	Aaa/NR/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,550,000	1.850%	1.850%	5,550,000.00	5,550,000.00	5,527,134.00	(22,866.00)
09/28/18	NA	NA	10/31/20	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.750%	2.847%	4,889,453.13	4,840,546.27	4,983,200.00	142,653.73
12/13/17	Continuous after	08/23/17	11/23/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.770%	2.060%	4,958,750.00	4,978,608.27	4,981,050.00	2,441.73
12/13/17	Quarterly	05/24/18	11/24/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.900%	2.023%	4,982,500.00	4,990,916.90	4,990,350.00	(566.90)
11/30/17	NA	NA	11/24/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.850%	1.964%	4,983,550.00	4,993,208.72	4,989,200.00	(4,008.72)
12/20/17	NA	NA	12/28/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.875%	2.023%	4,978,400.00	4,988,534.78	4,990,750.00	2,215.22
11/09/18	NA	NA	12/31/20	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.375%	2.958%	4,939,843.75	4,962,584.81	5,026,350.00	63,765.19
10/12/18	NA	NA	01/31/21	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	1.375%	2.890%	9,664,843.76	9,793,811.24	9,911,300.00	117,488.76
12/14/18	NA	NA	02/16/21	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	2.375%	2.806%	4,954,750.00	4,968,581.13	5,028,200.00	59,618.87
12/14/18	NA	NA	02/28/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.000%	2.755%	4,919,515.95	4,943,750.92	5,002,150.00	58,399.08
02/12/19	NA	NA	03/12/21	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	2.500%	2.516%	9,996,500.00	9,997,426.88	10,079,600.00	82,173.12
02/25/19	NA	NA	03/12/21	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.375%	2.549%	4,982,700.00	4,987,059.79	5,030,500.00	43,440.21
06/17/19	NA	NA	03/17/21	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.950%	1.938%	5,001,050.00	5,000,925.12	4,995,950.00	(4,975.12)
06/14/19	NA	NA	04/30/21	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.750%	1.913%	4,985,000.00	4,986,727.41	4,978,850.00	(7,877.41)
07/26/19	NA	NA	07/19/21	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.875%	1.927%	4,995,000.00	4,995,255.52	4,992,100.00	(3,155.52)
08/01/19	NA	NA	08/31/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.125%	1.816%	4,929,687.50	4,932,551.74	4,929,687.50	(2,864.24)
03/08/19	NA	NA	01/15/22	Aaa/AA+/NR	Treasury - Note	US Treasury	5,000,000	2.500%	2.460%	5,005,468.75	5,004,541.58	5,073,650.00	69,108.42
03/21/19	NA	NA	02/03/22	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.030%	2.361%	4,954,350.00	4,961,480.10	5,008,650.00	47,169.90
03/08/19	NA	NA	03/11/22	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.500%	2.549%	5,002,750.00	5,002,307.10	5,069,950.00	67,642.90

TOTAL INVESTMENTS

\$358,050,000

\$356,223,295.79

\$357,061,786.45

\$357,844,873.03

\$783,086.57

Petty Cash  
Ck Balance

Bank of America

3,400.00

273,413.00

\$356,500,108.79

<sup>(1)</sup> LAIF market value is as of the most recent quarter-end as reported by LAIF.  
Security market values are determined using Bank of New York ("Trading Prices"), Bloomberg and/or broker dealer pricing.  
<sup>(2)</sup> Gain (loss) calculated against carry value using the trading value provided by Bank of New York/or Brokers  
<sup>(3)</sup> Real estate rate of return is based on most recent quarter end return

Outstanding Variable Rate Debt	\$270,200,000
Net Outstanding Variable Rate Debt (Less \$60 million fixed-payer swaps)	\$210,200,000
Investment Balance:	\$356,500,109
Investment to Variable Rate Debt Ratio:	170%
Portfolio - Average Number of Days To Maturity	263

	Investment Portfolio	Real Estate <sup>(3)</sup> Portfolio	Weighted Avg. Return
August	2.13%	8.94%	4.18%
July	2.15%	8.94%	4.15%
Change	-0.02%		0.03%

This Investment Summary Report is in conformity with the 2019 Investment Policy and provides sufficient liquidity to meet the next six months estimated expenditures.  
\*S - Step up

IRVINE RANCH WATER DISTRICT  
SUMMARY OF MATURITIES

08/26/19

DATE	TOTAL	%	LAIF	Agency Notes	Agency Discount Notes	Collateral Deposit	US Treasury
08/19	\$67,500,000	18.85%	\$47,500,000	10,000,000	10,000,000		
09/19	20,000,000	5.59%		15,000,000	5,000,000		
10/19	30,000,000	8.38%		20,000,000	10,000,000		
11/19	25,000,000	6.98%		15,000,000	10,000,000		
12/19	10,000,000	2.79%		10,000,000			
01/20	5,000,000	1.40%		5,000,000			
02/20	15,000,000	4.19%		5,000,000			10,000,000
03/20	15,000,000	4.19%		5,000,000			10,000,000
04/20	10,000,000	2.79%		10,000,000			
05/20	10,000,000	2.79%		10,000,000			
06/20	10,000,000	2.79%		10,000,000			
07/20	10,000,000	2.79%		10,000,000			
<b>SUB-TOTAL</b>	<b>\$227,500,000</b>	<b>63.54%</b>	<b>\$47,500,000</b>	<b>\$125,000,000</b>	<b>\$35,000,000</b>		<b>\$20,000,000</b>
<b>13 Months - 3 YEARS</b>							
8/01/2020 - 10/31/2020	35,550,000	9.93%		30,550,000			5,000,000
11/01/2020 -01/31/2021	35,000,000	9.78%		20,000,000			15,000,000
02/01/2021 -4/30/2021	35,000,000	9.78%		30,000,000			5,000,000
05/01/2021 - 07/31/2021	5,000,000	1.40%		5,000,000			
8/01/2021 - 10/31/2021	5,000,000	1.40%					5,000,000
11/01/2021 -1/31/2022	5,000,000	1.40%					5,000,000
2/01/2022 - 04/30/2022	10,000,000	2.79%		10,000,000			
	-						
	-						
<b>TOTALS</b>	<b>\$358,050,000</b>	<b>100.00%</b>	<b>\$47,500,000</b>	<b>\$220,550,000</b>	<b>\$35,000,000</b>		<b>\$55,000,000</b>

% OF PORTFOLIO 13.27% 61.60% 9.78% 15.35%

Irvine Ranch Water District  
Summary of Real Estate - Income Producing Investments  
6/30/2019

	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	MARKET VALUE 6/30/2019	ANNUALIZED RATE OF RETURN QUARTER ENDED 6/30/2019
Sycamore Canyon	Dec-92	Apartments	Fee Simple	\$ 43,550,810	\$ 148,625,000	18.69%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	\$ 6,000,000	\$ 28,710,327	8.53%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	\$ 5,739,845	\$ 11,730,000	9.45%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	\$ 8,630,577	\$ 9,180,000	6.48%
Sand Canyon Professional Center	Jul-12	Medical Office	Fee Simple	\$ 8,648,594	\$ 11,220,000	8.89%
<b>Total - Income Properties</b>				<b>\$ 72,569,826</b>	<b>\$ 209,465,327</b>	<b>14.50%</b>
<b>OTHER REAL ESTATE DESCRIPTION</b>						
Serrano Summit - Promissory Note	Sep-17	NA	NA	\$ 81,600,000	\$ 81,600,000	4.00%
<b>Total - Income Producing Real Estate Investments</b>				<b>\$ 154,169,826</b>	<b>\$ 291,065,327</b>	<b>8.94%</b>

**IRVINE RANCH WATER DISTRICT INVESTMENT SUMMARY REPORT**  
**INVESTMENT ACTIVITY**  
**Aug-19**

**MATURITIES/SALES/CALLS**

**PURCHASES**

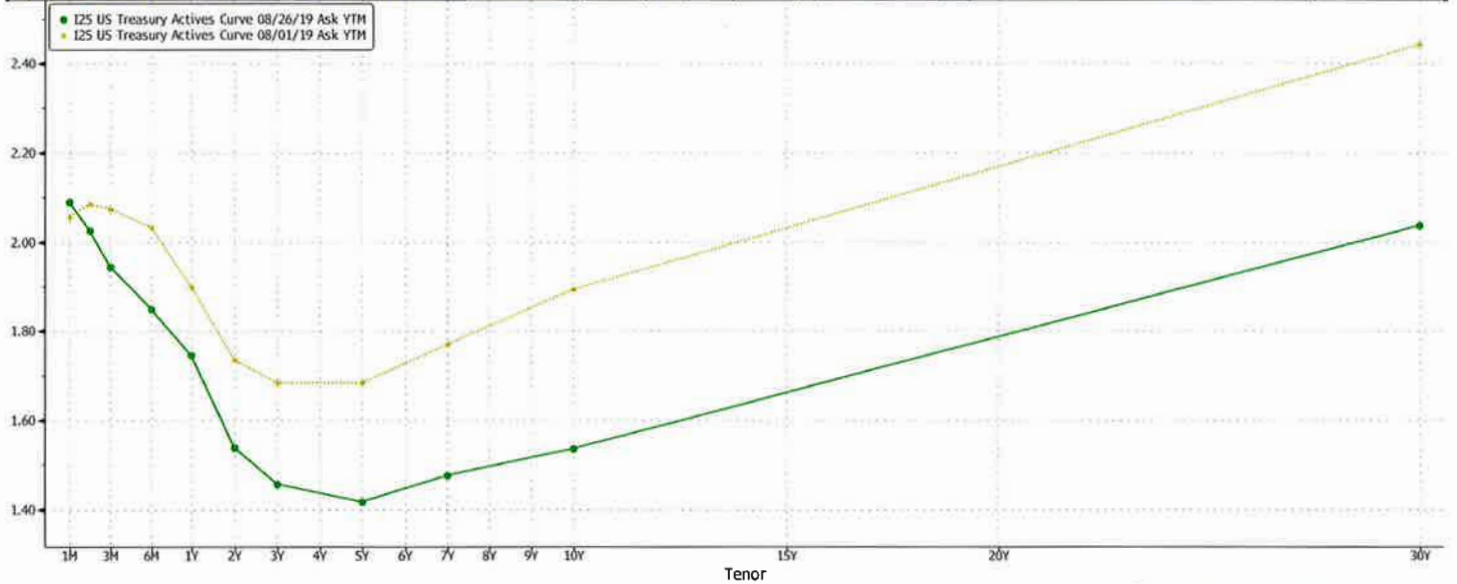
DATE	SECURITY TYPE	PAR	YIELD	Settlement Date	Maturity Date	SECURITY TYPE	PAR	YIELD TO MATURITY
8/16/2019	FHLB - Discount Note	\$5,000,000	2.38%	8/1/2019	8/31/2021	Treasury - Note	\$5,000,000	1.82%
				8/6/2019	9/15/2019	FHLB - Discount Note	\$5,000,000	2.05%



Exhibit "B"

Screen Printed

US Treasury Actives Curve		Actions ▾	Table	Export ▾	Settings ▾	Graph Curves	
X-Axis	Tenor	Y-Axis	Ask YTM	Currency	None ▾	PCS	Lower Chart
Specific	08/01/19	08/26/19	Relative	Last	1D	1W	Modify
							Curves & Relative Value



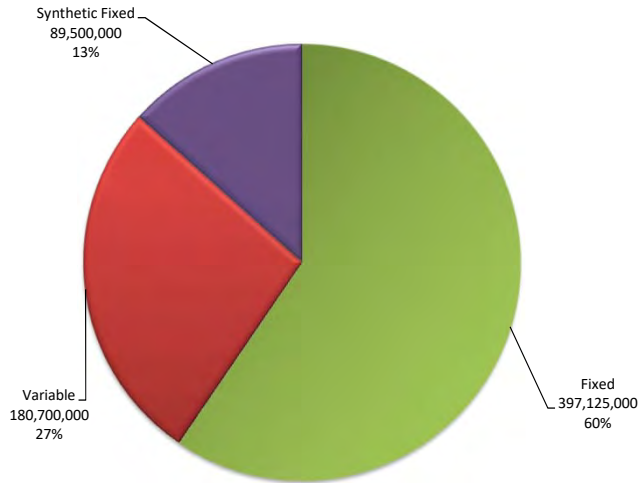
Curve Id	3M	1Y	2Y	3Y	5Y	10Y	30Y
1) I25 08/26/19	1.944	1.745	1.539	1.457	1.417	1.535	2.035
2) I25 08/01/19	2.074	1.899	1.734	1.684	1.683	1.893	2.442
13) I25 (08/26/19-08/0...	-13.0	-15.4	-19.5	-22.8	-26.6	-35.8	-40.7

SN 726816 PDT GMT-7:00 G599-1662-0 26-Aug-2019 16:00:12

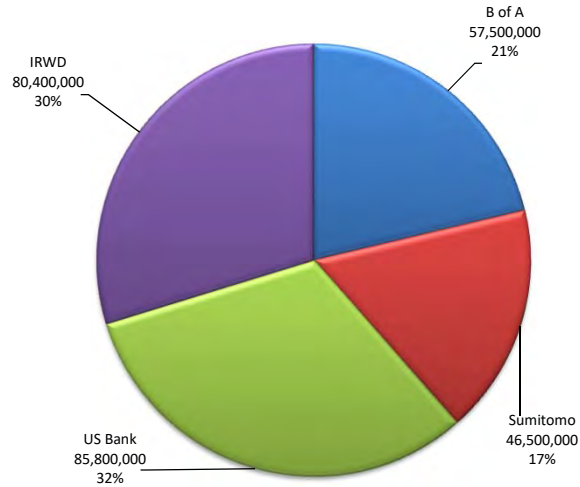
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Exhibit "C"  
**Irvine Ranch Water District**  
**Summary of Fixed and Variable Rate Debt**  
**August 2019**

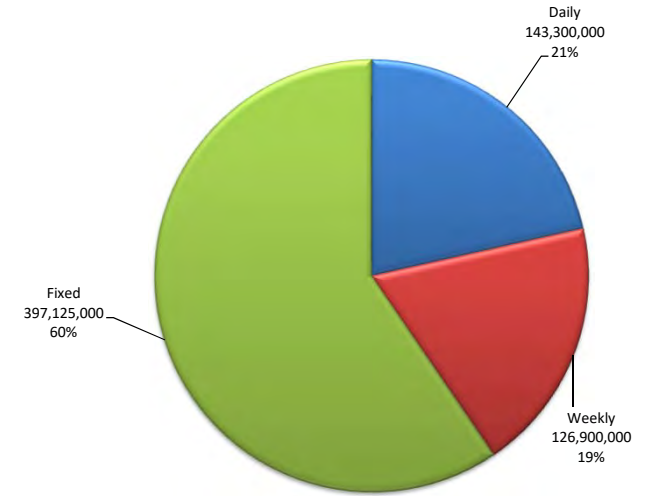
**Current Debt Mix By Type**



**Letters of Credit / Support**



**Current Debt Rate Reset**



**Outstanding Par by Series**

Series	Issue Date	Maturity Date	Remaining Principal	Percent	Letter of Credit/Support	Rmkt Agent	Mode	Reset
Series 1993	05/19/93	04/01/33	\$28,300,000	4.24%	US Bank	BAML	Variable	Daily
Series 2008-A Refunding	04/24/08	07/01/35	\$46,500,000	6.97%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	\$48,240,000	7.23%	IRWD	Goldman	Variable	Weekly
Series 2011-A-2 Refunding	04/15/11	10/01/37	\$32,160,000	4.82%	IRWD	Goldman	Variable	Weekly
Series 2009 - A	06/04/09	10/01/41	\$57,500,000	8.62%	US Bank	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	\$57,500,000	8.62%	B of A	Goldman	Variable	Daily
2010 Refunding COPS	02/23/10	03/01/20	\$1,980,000	0.30%	N/A	N/A	Fixed	Fixed
2016 COPS	09/01/16	03/01/46	\$116,745,000	17.49%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	\$175,000,000	26.22%	N/A	N/A	Fixed	Fixed
Series 2016	10/12/16	02/01/46	\$103,400,000	15.49%	N/A	N/A	Fixed	Fixed
<b>Total</b>			<b>\$667,325,000</b>	<b>100.00%</b>				

**IRVINE RANCH WATER DISTRICT**  
**SUMMARY OF FIXED & VARIABLE RATE DEBT**

August-19

<b>ITN</b>
Daily
Weekly

GENERAL BOND INFORMATION							LETTER OF CREDIT INFORMATION										TRUSTEE INFORMATION														
VARIABLE RATE ISSUES	Issue Date	Maturity Date	Principal Payment Date	Payment Date	Original Par Amount	Remaining Principal	Letter of Credit	Reimbursement Agreement Date	L/C Exp. Date	MOODY'S	S&P	FITCH	LOC Stated Amount	LOC Fee	Annual LOC Cost	Rmkt Agent	Reset	Rmkt Fees	Annual Cost	Trustee											
SERIES 1993	05/19/93	04/01/33	APR 1	5th Bus. Day	\$38,300,000	\$28,300,000	US BANK	05/07/15	12/15/21	Aa3/VMIG1	AA-/A-1+	N/R	\$28,681,468	0.3300%	\$94,649	BAML	DAILY	0.10%	\$28,300	BANK OF NY											
SERIES 2008-A Refunding	04/24/08	07/01/35	JUL 1	5th Bus. Day	\$60,215,000	\$46,500,000	SUMITOMO	04/01/11	07/21/21	A1/P-1	A/A-1	A/F1	\$47,187,945	0.3150%	\$148,642	BAML	WED	0.07%	\$32,550	BANK OF NY											
SERIES 2011-A-1 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	\$60,545,000	\$48,240,000	N/A	N/A	N/A	Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A	Goldman	WED	0.13%	\$60,300	BANK OF NY											
SERIES 2011-A-2 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	\$40,370,000	\$32,160,000	N/A	N/A	N/A	Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A	Goldman	WED	0.13%	\$40,200	BANK OF NY											
SERIES 2009 - A	06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$57,500,000	US BANK	04/01/11	12/15/21	Aa2/VMIG 1	AA-/A-1+	AA/F1+	\$58,142,740	0.3300%	\$191,871	US Bank	DAILY	0.07%	\$40,250	US BANK											
SERIES 2009 - B	06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$57,500,000	B of A	04/01/11	05/16/22	Aa2/VMIG 1	A/A-1	A1/F1+	\$58,142,740	0.3000%	\$174,428	Goldman	DAILY	0.10%	\$57,500	US BANK											
<b>\$349,430,000</b>						<b>\$270,200,000</b>						<b>SUB-TOTAL VARIABLE RATE DEBT</b>					<b>\$192,154,893</b>					<b>0.3172%</b>					<b>\$609,590</b>				
															(Wt. Avg)					(Wt. Avg)											
<b>FIXED RATE ISSUES</b>																															
2010 REFUNDING COPS	02/23/10	03/01/20	Mar -1	MAR/SEPT	\$85,145,000	\$1,980,000	N/A	N/A	N/A	Aa1	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	BANK OF NY											
2010 GO Build America Taxable Bonds	12/16/10	05/01/40	MAY (2025)	MAY/NOV	\$175,000,000	\$175,000,000	N/A	N/A	N/A	Aa1	AAA	NR	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK											
2016 COPS	09/01/16	03/01/46	Mar - 1	MAR/SEPT	\$116,745,000	\$116,745,000	N/A	N/A	N/A	NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK											
SERIES 2016	10/12/16	02/01/46	Feb - 1	FEB/AUG	\$103,400,000	\$103,400,000	N/A	N/A	N/A	NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	BANK OF NY											
<b>\$480,290,000</b>						<b>\$397,125,000</b>						<b>SUB-TOTAL FIXED RATE DEBT</b>																			
<b>\$829,720,000</b>						<b>\$667,325,000</b>						<b>TOTAL- FIXED &amp; VARIABLE RATE DEBT</b>																			

Remarketing Agents			GO VS COP's		
Goldman	137,900,000	51%	GO:	548,600,000	82%
BAML	74,800,000	28%	COPS:	118,725,000	18%
US Bank	57,500,000	21%	Total	<u>667,325,000</u>	
	<u>270,200,000</u>				

LOC Banks		Breakdown Between Variable & Fixed Rate Mode	
SUMITOMO	46,500,000	Daily Issues	143,300,000 21%
BANK OF AMERICA	57,500,000	Weekly Issues	46,500,000 7%
US BANK	85,800,000	ITN Issues	80,400,000 12%
	<u>189,800,000</u>	Sub-Total	<u>270,200,000</u>
		Fixed Rate Issues	\$397,125,000 60%
		Sub-Total - Fixed	<u>397,125,000</u>
		TOTAL DEBT	
		FIXED & VAR.	<u>667,325,000</u> 100%

**Exhibit "D"**  
**IRVINE RANCH WATER DISTRICT**  
**SUMMARY OF DEBT RATES**  
Aug-19

Rmkt Agent Mode	GOLDMAN DAILY	GOLDMAN WEEKLY	GOLDMAN WEEKLY	MERRILL LYNCH DAILY	MERRILL LYNCH WEEKLY	US BANK DAILY
Bond Issue	2009 - B	2011 A-1	2011 A-2	1993	2008-A	2009-A
Par Amount	57,500,000	48,240,000	32,160,000	28,300,000	46,500,000	57,500,000
Bank Reset	BOFA	(SIFMA -1) Wednesday	(SIFMA -1) Wednesday	US BANK	Sumitomo Wednesday	US BANK
8/1/2019	1.25%	1.39%	1.39%	1.27%	1.29%	1.38%
8/2/2019	1.20%	1.39%	1.39%	1.14%	1.29%	1.20%
8/3/2019	1.20%	1.39%	1.39%	1.14%	1.29%	1.20%
8/4/2019	1.20%	1.39%	1.39%	1.14%	1.29%	1.20%
8/5/2019	1.12%	1.39%	1.39%	1.15%	1.29%	1.15%
8/6/2019	1.09%	1.39%	1.39%	1.80%	1.29%	1.10%
8/7/2019	1.06%	1.39%	1.39%	1.07%	1.29%	1.04%
8/8/2019	1.06%	1.31%	1.31%	1.10%	1.16%	1.03%
8/9/2019	1.08%	1.31%	1.31%	1.16%	1.16%	1.08%
8/10/2019	1.08%	1.31%	1.31%	1.16%	1.16%	1.08%
8/11/2019	1.08%	1.31%	1.31%	1.16%	1.16%	1.08%
8/12/2019	1.08%	1.31%	1.31%	1.20%	1.16%	1.08%
8/13/2019	1.10%	1.31%	1.31%	1.17%	1.16%	1.12%
8/14/2019	1.12%	1.31%	1.31%	1.16%	1.16%	1.15%
8/15/2019	1.13%	1.34%	1.34%	1.19%	1.20%	1.17%
8/16/2019	1.13%	1.34%	1.34%	1.18%	1.20%	1.19%
8/17/2019	1.13%	1.34%	1.34%	1.18%	1.20%	1.19%
8/18/2019	1.13%	1.34%	1.34%	1.18%	1.20%	1.19%
8/19/2019	1.12%	1.34%	1.34%	1.16%	1.20%	1.19%
8/20/2019	1.14%	1.34%	1.34%	1.14%	1.20%	1.19%
8/21/2019	1.10%	1.34%	1.34%	1.17%	1.20%	1.14%
8/22/2019	1.08%	1.35%	1.35%	1.20%	1.22%	1.19%
8/23/2019	1.13%	1.35%	1.35%	1.22%	1.22%	1.21%
8/24/2019	1.13%	1.35%	1.35%	1.22%	1.22%	1.21%
8/25/2019	1.13%	1.35%	1.35%	1.22%	1.22%	1.21%
8/26/2019	1.18%	1.35%	1.35%	1.26%	1.22%	1.21%
Avg Interest Rates	1.13%	1.35%	1.35%	1.20%	1.22%	1.16%
Rmkt Fee	0.10%	0.13%	0.13%	0.10%	0.07%	0.07%
LOC Fee	0.30%			0.33%	0.32%	0.33%
<b>All-In Rate</b>	<b>1.53%</b>	<b>1.47%</b>	<b>1.47%</b>	<b>1.63%</b>	<b>1.60%</b>	<b>1.56%</b>
Par Amount		105,740,000	32,160,000		74,800,000	57,500,000

Interest Rate Mode	Percent of Total Variable Rate Debt	Par Outstanding	Weighted All-In Average Rate	Base Rate Average
Daily	53.03%	143,300,000	1.56%	1.15%
Weekly	46.97%	126,900,000	1.52%	1.30%
	100.00%	<b>\$ 270,200,000</b>	1.54%	1.22%
<b>Fixed</b>				
COPS 2010	0.50%	1,980,000	3.82%	
COPS 2016	29.40%	116,745,000	2.90%	
BABS 2010	44.07%	175,000,000	4.45%	(1)
SERIES 2016	26.04%	103,400,000	3.32%	
	100.00%	<b>\$ 397,125,000</b>	3.70%	
<b>All-In Debt Rate Including \$60 Million Notional Amount of Swaps</b>				<b>3.15%</b>

(1) Rate adjusted up from 4.35% as a result of sequestration reducing BAB's subsidy by 6.2%

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September 3, 2019  
Prepared: by: J. Tobar / E. Lin  
Submitted by: C. Clary  
Approved by: Paul A. Cook



FINANCE AND PERSONNEL COMMITTEE

FISCAL YEAR 2018-19 LEGAL FEES ANALYSIS

SUMMARY:

This analysis provides a summary of legal fees incurred by the Irvine Ranch Water District for the full Fiscal Year (FY) 2018-19.

BACKGROUND:

Legal fees for FY 2018-19 supporting the general operations of the District totaled \$2,082,700 compared to a budget of \$1,925,000 resulting in a negative variance of \$157,700 or (8.2)%.

Of the total legal fees attributable to operations, litigation was over budget by \$461,342 due primarily to work associated with the SOCO West and Orange County Water District lawsuits; insurance-related litigation was over budget by \$5,224. There were positive variances in all other legal services categories including general services, special projects, and personnel issues. Legal fees for the current year associated with the Kern Fan Groundwater Storage Project and the MWRP Biosolids and Energy Recovery Project were capitalized. Actual legal fees accounted for 1.30% of actual operating expenses and 1.33% of total expenditures.

Capitalized legal fees associated with major capital projects for FY 2018-19 totaled \$1,193,912. The MWRP Biosolids and Energy Recovery Facility comprised 89.8% of the total legal fees associated with capital spending for FY 2018-19.

Non-operating legal fees for FY 2018-19 totaled \$97,312 for bond counsel rendered in connection with the 1993 and 2009A letter of credit extensions, and Index Tender Notes Remarketing.

Exhibit "A" provides a detailed comparison of actual to budgeted legal fees for FY 2018-19. Exhibit "B" provides a three-year comparison of fees incurred by the firms providing services in FY 2016-17 through FY 2018-19, their hourly rates, and a general description of the services provided.

FISCAL IMPACTS:

Fiscal impacts are outlined above.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act (CEQA), Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Legal Fees, Fiscal Year 2018 - 2019

Exhibit "B" – Analysis of Legal Fees, Expensed and Capitalized for FY 2016-17 through  
FY 2018-19



# Exhibit "A"

## Legal Fees Fiscal Year 2018 - 2019

Firm	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Actual Operating Legal Fees	YTD Budget Operating Legal Fees	YTD % Actual vs Budget
<b>Operating Legal Fees:</b>							
<b>General Services:</b>							
Alston & Bird LLP	\$ 12,288	\$ 18,607	\$ 13,041	\$ 305	\$ 44,241		
CSU Fullerton Auxiliary Services Corp	\$ -	\$ -	\$ -	\$ 13,021	\$ 13,021		
Kronick Moskovitz Tiedemann & Girard	\$ (52,822)	\$ 20,562	\$ 8,138	\$ 16,580	\$ (7,542)		
Lewis Brisbois Bisgaard & Smith LLP	\$ 142,539	\$ 204,449	\$ 169,734	\$ 122,936	\$ 639,658		
Olson, Hagel & Fishburn, LLP	\$ 128	\$ -	\$ -	\$ -	\$ 128		
Sub-total	<u>\$ 102,133</u>	<u>\$ 243,618</u>	<u>\$ 190,913</u>	<u>\$ 152,842</u>	<u>\$ 689,506</u>	\$ 800,000	86.2%
<b>Litigation:</b>							
Alston & Bird LLP	\$ 42,478	\$ 101,317	\$ 251,692	\$ 755,855	\$ 1,151,342		
Shenkman & Hughes PC	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000		
Sub-total	<u>\$ 42,478</u>	<u>\$ 101,317</u>	<u>\$ 251,692</u>	<u>\$ 785,855</u>	<u>\$ 1,181,342</u>	\$ 720,000	164.1%
<b>Special Projects:</b>							
Atkinson, Andelson, Loya, Ruud and Romo	\$ 6,540	\$ 1,589	\$ -	\$ -	\$ 8,129		
Sub-total	<u>\$ 6,540</u>	<u>\$ 1,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,129</u>	\$ 200,000	4.1%
<b>Personnel Issues:</b>							
Burke, Williams & Sorensen, LLP	\$ 14,170	\$ 2,267	\$ 2,130	\$ -	\$ 18,567		
Law Office of Atoosa Vakili	\$ 763	\$ -	\$ 6,000	\$ 2,000	\$ 8,763		
Payne & Fears LLP	\$ 23,565	\$ 5,439	\$ 18,814	\$ 21,851	\$ 69,669		
Pillsbury Winthrop Shaw Pittman LLP	\$ 21,294	\$ 4,615	\$ 5,875	\$ 9,716	\$ 41,500		
Sub-total	<u>\$ 59,792</u>	<u>\$ 12,321</u>	<u>\$ 32,819</u>	<u>\$ 33,567</u>	<u>\$ 138,499</u>	\$ 145,000	95.5%
<b>Insurance Litigation:</b>							
Everett Dorey LLP	\$ 31,262	\$ 3,726	\$ 6,808	\$ 7,247	\$ 49,043		
Koeller Nebeker Carlson & Haluck LLP	\$ 2,364	\$ 2,740	\$ 2,021	\$ 1,016	\$ 8,141		
Lewis Brisbois Bisgaard & Smith LLP	\$ 3,340	\$ 2,910	\$ -	\$ -	\$ 6,250		
Woodruff, Spradlin & Smart	\$ 1,274	\$ 414	\$ -	\$ 102	\$ 1,790		
Sub-total	<u>\$ 38,240</u>	<u>\$ 9,790</u>	<u>\$ 8,829</u>	<u>\$ 8,365</u>	<u>\$ 65,224</u>	<u>\$ 60,000</u>	<u>108.7%</u>
<b>Total Operating Legal Fees</b>	<u>\$ 249,183</u>	<u>\$ 368,635</u>	<u>\$ 484,253</u>	<u>\$ 980,629</u>	<u>\$ 2,082,700</u>	<u>\$ 1,925,000</u>	<u>108.2%</u>
					\$ -		

### Major Capital Projects Legal Fees:

Asset Optimization - Lake Forest Develop.	\$ -	\$ -	\$ -	\$ 4,116	\$ 4,116
Asset Optimization - Sand Canyon Profess.	\$ 882	\$ -	\$ -	\$ -	\$ 882
Baker WTP Outfall Struct., Fence & Access	\$ -	\$ -	\$ -	\$ 26,250	\$ 26,250
MWRP Biosolids and Energy Recovery	\$ 137,140	\$ 121,288	\$ 327,879	\$ 485,382	\$ 1,071,689
Syphon Reservoir Improvements	\$ 6,815	\$ (816)	\$ -	\$ -	\$ 5,999
Water and Energy Planning Studies DW	\$ 46,046	\$ 2,925	\$ -	\$ -	\$ 48,971
Water Supply Reliability Agreements	\$ 19,802	\$ (340)	\$ -	\$ -	\$ 19,462
Water Supply Reliability Planning	\$ 4,550	\$ 12,157	\$ (164)	\$ -	\$ 16,543
<b>Capital Projects Total</b>	<u>\$ 215,235</u>	<u>\$ 135,214</u>	<u>\$ 327,715</u>	<u>\$ 515,748</u>	<u>\$ 1,193,912</u>

**Total Operating and Capital Legal Fees** \$ 464,418 \$ 503,849 \$ 811,968 \$ 1,496,377 \$ 3,276,612

	YTD Actual	YTD Budget
Operating Expense	\$ 160,509,702	\$ 157,121,151
Operating Legal Fees	\$ 2,082,700	\$ 1,925,000
% of Legal to Operating	1.30%	1.23%
Capital Projects	\$ 85,304,396	\$ 94,822,459
Capital Legal Fees	\$ 1,193,912	
% of Legal to Capital	1.40%	
Total Operating and Capital Expenditures	\$ 245,814,098	\$ 251,943,610
Total Operating and Capital Legal Fees	\$ 3,276,612	
% of Legal Fees to Total Operating and Capital Expenditures	1.33%	

### Non-operating Legal Fees:

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
<b>Bond Counsel:</b>					
Lewis Brisbois Bisgaard & Smith LLP	\$ -	\$ -	\$ -	\$ 27,262	\$ 27,262
Orrick, Herrington & Sutcliffe LLP	\$ -	\$ -	\$ 30,000	\$ 1,500	\$ 31,500
Stradling Yocca Carlson & Rauth	\$ -	\$ -	\$ 25,000	\$ -	\$ 25,000
Kutak Rock LLP	\$ -	\$ 6,000	\$ -	\$ 7,550	\$ 13,550
<b>Total</b>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 55,000</u>	<u>\$ 36,312</u>	<u>\$ 97,312</u>


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## Exhibit "B"

### Analysis of Legal Fees Fiscal Years 2017 - 2019

Firm	YTD Actual 2016-2017	YTD Actual 2017-2018	YTD Actual 2018-2019	Hourly Rate	Area of Expertise	Service Provided
<b><u>Operating Legal Fees:</u></b>						
Alston & Bird LLP	\$ 446,971	\$ 978,103	\$ 1,195,583	\$ 275 to \$ 585	Litigation	Orange County Water District and SOCO West litigation
Alexander Bowie a Law Corp	\$ 130,790	\$ 22,261	\$ -	\$ 185 to \$ 220	IRWD legal counsel	District general counsel/legislative/litigation/special project
Atkinson, Andelson, Loya, Ruud and Romo	\$ -	\$ 20,756	\$ 8,129	\$ 220	IRWD legal counsel	District general counsel/legislative/litigation/special project
Burke, Williams & Sorensen, LLP	\$ 56,892	\$ 36,040	\$ 18,567	\$ 325	Employee relations	Personnel policy review and revision
CSU Fullerton Auxiliary Services Corp	\$ -	\$ 1,270	\$ 13,021	n/a	Demographic research	IRWD 2018 districting existing conditions analysis
Daley & Heft LLP <sup>(1)</sup>	\$ -	\$ -	\$ -	\$ 175	Legal Counsel	Legal counsel related to insurance claim issues
Everett Dorey LLP <sup>(1)</sup>	\$ -	\$ -	\$ 49,043	\$ 235 to \$ 260	Litigation	County of Orange Litigation
EXTTI, Incorporated	\$ 25,251	\$ 5,000	\$ -	\$ 200 to \$ 275	Employee relations	Personnel matters
Koeller Nebeker Carlson & Haluck LLP <sup>(1)</sup>	\$ 20,998	\$ 22,986	\$ 8,141	\$ 195	Legal Counsel	Legal counsel related to insurance claim issues
Kronick Moskovitz Tiedemann & Girard	\$ -	\$ 70,000	\$ (7,542)	\$ 100 to \$ 350	IRWD legal counsel	Counsel services related to water resources and policy matters
Law Office of Atoosa Vakili	\$ -	\$ -	\$ 8,763	\$ 75 to \$ 250	Employee relations	General personnel and human resources
Lewis Brisbois Bisgaard & Smith LLP	\$ -	\$ 223,467	\$ 639,658	\$ 335	IRWD legal counsel	District general counsel/legislative/litigation/special project
Lewis Brisbois Bisgaard & Smith LLP <sup>(1)</sup>	\$ -	\$ 9,049	\$ 6,250	\$ 335	Legal Counsel	Legal counsel related to insurance claim issues
Nossaman LLP	\$ 142,717	\$ 495,535	\$ -	\$ 333	IRWD legal counsel	District general counsel/legislative/litigation/special project
Olson, Hagel & Fishburn, LLP	\$ -	\$ -	\$ 128	\$ 255	IRWD legal counsel	District general counsel/legislative/litigation/special project
Payne & Fears, LLP	\$ 106,156	\$ 118,675	\$ 69,669	\$ 235 to \$ 550	Employee relations	General personnel and human resources
Pillsbury Winthrop Shaw Pittman LLP	\$ 24,584	\$ 39,499	\$ 41,500	\$ 695	Employee relations	Employee benefits
Shenkman & Hughes PC	\$ -	\$ -	\$ 30,000	n/a		California Voters Right Act
Woodruff, Spradlin & Smart <sup>(1)</sup>	\$ 37,458	\$ 3,315	\$ 1,790	\$ 105 to \$ 255	Legal Counsel	Legal counsel related to insurance claim issues
<b>Total Operating Legal Fees</b>	<b>\$ 991,817</b>	<b>\$ 2,045,956</b>	<b>\$ 2,082,700</b>			
<sup>(1)</sup> Insurance Litigation						
<b><u>Capitalized Legal Fees:</u></b>						
Alexander Bowie a Law Corp	\$ 40,578	\$ 2,689	\$ -	\$ 185 to \$ 220	IRWD legal counsel	District general counsel/legislative/litigation/special project
Alston & Bird LLP	\$ -	\$ 203,932	\$ 1,071,690	\$ 275 to \$ 585	IRWD legal counsel	Counsel services in connection with the Biosolids project (Filanc, Balfour, Beatty and SCADA)
Burke, Williams & Sorensen, LLP	\$ -	\$ 4,550	\$ 16,542	\$ 325	Employee relations	
Jackson Tidus, a Law Corporation	\$ -	\$ 115,018	\$ 31,248	\$ 225 to \$ 595	IRWD legal counsel	Counsel services in connection with Serrano Summit property sale
Kronick Moskovitz Tiedemann & Girard	\$ -	\$ 57,708	\$ 74,432	\$ 100 to \$ 350	IRWD legal counsel	Counsel services in connection with water resources and policy matters
Nossaman LLP	\$ -	\$ 9,158	\$ -	\$ 333	IRWD legal counsel	Counsel services in connection with Serrano Summit property sale
<b>Capitalized Legal Fees Total</b>	<b>\$ 40,578</b>	<b>\$ 393,055</b>	<b>\$ 1,193,912</b>			
<b>Total Operating and Capital Legal Fees</b>	<b>\$ 1,032,395</b>	<b>\$ 2,439,011</b>	<b>\$ 3,276,612</b>			
<b><u>Non-operating Legal Fees:</u></b>						
Bond Counsel:						
Alexander Bowie a Law Corp	\$ 26,668	\$ -	\$ -	\$ 185 to \$ 220	Bond counsel	Counsel in connection with the issuance of GO bonds and COP
Hawkins Delafield & Wood LLP	\$ 14,225	\$ -	\$ -	n/a	Bond counsel	Counsel in connection with the extension of the letter of credit
Lewis Brisbois Bisgaard & Smith LLP	\$ -	\$ -	\$ 27,262	\$ 335	Bond counsel	Counsel in connection with the extension of the letter of credit
Orrick, Herrington & Sutcliffe LLP	\$ 205,000	\$ 30,000	\$ 31,500	n/a	Bond counsel	Counsel in connection with the issuance of GO bonds and COP
Stradling Yocca Carlson & Rauth	\$ 20,000	\$ 30,000	\$ 25,000	n/a	Bond counsel	Counsel in connection with the issuance of GO bonds and COP
Kutak Rock LLP	\$ -	\$ -	\$ 13,550	n/a	Bond counsel	Counsel in connection with the extension of the letter of credit
<b>Non-operating Legal Fees Total</b>	<b>\$ 265,893</b>	<b>\$ 60,000</b>	<b>\$ 97,312</b>			

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September 3, 2019  
Prepared by: D. Pardee / C. Smithson  
Submitted by: C. Clary  
Approved by: Paul A. Cook 

## FINANCE AND PERSONNEL COMMITTEE

### FISCAL YEAR 2018-19 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS AS OF JUNE 30, 2019

#### SUMMARY:

Staff prepared its financial analysis of the unaudited operating statements for the Fiscal Year (FY) 2018-19. For FY 2018-19, actual overall net expenses totaled \$160.5 million, compared with a budget of \$157.1 million and a forecast of \$156.1 million. Net operating revenue was \$135.2 million, while total operating expenses were \$139.8 million, resulting in a negative net operating income of \$4.6 million for the fiscal year. Net non-operating income was \$86.3 million, compared with a budget of \$81.9 million and a forecast of \$91.3 million.

#### BACKGROUND:

Staff prepared an analysis of the unaudited operating statements for the Fiscal Year (FY) 2018-19. The analysis is detailed in the following documents:

- Actual to budget and forecast comparison of operating expenses for IRWD, attached as Exhibit “A”;
- Actual to budget comparison of revenues and expenses for the water, sewer, recycled water, natural treatment system (NTS), and conservation, attached as Exhibit “B”;
- Actual to budget and forecast comparison of non-operating revenues and expenses for IRWD, attached as Exhibit “C”.

The highlights of these documents are described in the following sections. Significant variances (greater than \$0.25 million) are also discussed.

#### Overall Operating Expenses:

Overall net operating expenses were over budget by \$3.4 million (2.2%) and over forecast by \$4.4 million (2.8%). Exhibit “A” is a summary of actual to budget expenses by major category. Noteworthy variances to budget include:

- Regular labor was over budget and forecast by \$1.6 million (4.6%). This is due to several factors:
  - Cost of living increase was 4% while the budget included only 2% (\$0.3 million);
  - The actual vacancy factor was 5% while the budget anticipated 7% (\$0.7 million);
  - and
  - The final week of June accrued payroll was included (accrued) (\$0.6 million).
- Overtime labor was over budget by \$0.4 million (18.4%) mainly due to increased overtime for water system maintenance standby and new employee training;
- The cost of water exceeded budget by \$1.4 million (3.8%). This is summarized below:

- *Treated System* – Sales were below budget by 1,378 acre feet (AF) (2.6%). Imported water purchases were over budget, while groundwater came in under budget. Cost Impact: expenses were \$3.4 million over budget.
- *Untreated System* – Sales were under budget by 688 AF (35.2%). Native water supplied supplemental water to the recycled system and Baker Water Treatment Plant. Imported water was under budget and native water exceeded budget. Cost Impact: expenses were under budget by \$1.6 million.
- *Recycled Water System* – Sales were below budget by 572 AF (2%). Supplemental, pumped, and produced water were under budget. Cost Impact: expenses were \$0.4 million less than budget.

A more thorough discussion of the water system follows:

For the treated potable system, sales were under budget by 1,378 AF. IRWD used 1,898 AF more imported water than budgeted, while groundwater was 2,805 AF under budget. Reduced pumping was primarily due to downtime for maintenance at Deep Aquifer Treatment System (271 AF), Irvine Desalter Project (1,738 AF), and Dyer Road Well Field (1,359 AF). IRWD pumped more groundwater than the Orange County Water District (OCWD) basin pumping percentage (BPP) allowance, resulting in an estimated Basin Equity Assessment charge of \$2.1 million. This charge was not budgeted or forecasted. IRWD also received an in-lieu adjustment from OCWD relating to the prior year FY 2017-18 (\$0.4 million). Included in the Baker Plant cost of water is \$1.1 million for native water that was reimbursed by the partners. The potable system exceeded budget by \$3.4 million.

	<b>Treated Water</b>					
	<b>Acre Feet</b>			<b>Millions</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
Imported	5,361	3,463	(1,898)	\$6.3	\$4.7	(\$1.6)
Pumped	42,695	45,500	2,805	19.6	21.0	1.4
Baker	8,728	7,232	(1,496)	6.9	6.2	(0.7)
Baker Partners	(1,732)		1,732			
In-lieu				0.4		(0.4)
Basin Equity Assessment				2.1		(2.1)
<b>Total</b>	<b>55,052</b>	<b>56,195</b>	<b>1,143</b>	<b>35.3</b>	<b>31.9</b>	<b>(3.4)</b>
Process Waste	(854)	(910)	(56)			
System Loss	(3,458)	(3,167)	291			
<b>Sales/Cost of Sales</b>	<b>50,740</b>	<b>52,118</b>	<b>1,378</b>	<b>\$35.3</b>	<b>\$31.9</b>	<b>(\$3.4)</b>

For the untreated non-potable system, sales were under budget by 688 AF. Native water exceeded budget, reducing the demand for imported water. Native water supplied 249 AF to the recycled system and an additional 3,195 AF to the Baker Plant for potable demand. The untreated system was \$1.6 million under budget.

	<b>Non-Potable (untreated) Water</b>					
	<b>Acre Feet</b>			<b>Millions</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
Imported	2,366	3,010	644	1.8	2.3	\$0.4
Native	4,472	1,000	(3,472)	1.3	0.2	(\$1.1)
Native Trsf to Baker	(3,195)		3,195	(2.3)	-	\$2.3
Native Trsf to Recycled	(249)		249	(0.2)	-	0.2
Imported Trsf to Recycld	(1,637)	(1,961)	(324)	(1.5)	(1.7)	(\$0.2)
<b>Total</b>	<b>1,757</b>	<b>2,049</b>	<b>292</b>	<b>(0.8)</b>	<b>0.8</b>	<b>1.6</b>
System Loss	(490)	(94)	396			
Sales/Cost of Sales	1,267	1,955	688	(\$0.8)	\$0.8	\$1.6

The recycled water system sales were below budget by 572 AF. Produced /stored water was below budget by 508 AF. Imported / supplemental water transferred from the untreated system was 75 AF under budget and pumped water was below budget by 441 AF. Costs were under budget by \$0.4 million.

	<b>Recycled Water</b>					
	<b>(acre-feet)</b>			<b>(\$ millions)</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
Imported/ Supplemental	1,886	1,961	75	\$1.5	\$1.7	\$0.2
Pumped	4,109	4,550	441	1.9	2.1	0.2
Produced/ Storage	22,382	22,890	508	-	-	0.0
<b>Total</b>	<b>28,377</b>	<b>29,401</b>	<b>1,024</b>	<b>3.4</b>	<b>3.8</b>	<b>0.4</b>
Process Waste	(437)	(683)	(246)			
System Loss	(251)	(458)	(206)			
Sales/Cost of Sales	27,689	28,261	572	\$3.4	\$3.8	\$0.4

- Electricity was over budget by \$0.4 million (2.7%). This is due to a change in the Southern California Edison Base Interruptible Program that reduced the incentive credits for limiting electrical usage during peak hours (\$0.4 million). The Michelson Water Recycling Plant (MWRP) electricity expense exceeded budget by \$0.4 million with over half associated with the cost of moving water to storage. Water banking expenditures were under budget due to water not being moved out of storage resulting from the higher rainfall (\$0.3 million). Details are shown below:

<b>Program Name</b>	<b>Actual</b> (in thousands)	<b>Budget</b> (in thousands)	<b>Variance</b> (in thousands)
So Cal Edison Base Interruptible Program	\$ 430	\$ -	\$ (430)
Recycled Pumping to Storage (MWRP)	1,381	1,137	(244)
MWRP All Other	1,765	1,638	(127)
Strand Ranch Water Banking	159	457	299
All Other	11,199	11,304	105
<b>Total Electricity</b>	<b>\$ 14,934</b>	<b>\$ 14,537</b>	<b>\$ (397)</b>

- Operating Supplies were over budget by \$1.0 million (64.9%). This was a result of inventory stock that was budgeted as repairs and maintenance IRWD and was accounted for in the inventory system as operating supplies expense (the offset is described below);
- Repairs & Maintenance OCS&D & Others exceeded budget by \$2.8 million (20.3%). This was due to heavy rainfall filling IRWD reservoirs, resulting in more sewage being sent to OCS&D than expected (\$2.2 million). There were also additional costs (\$0.6 million) for solids handling from the annual true-up of FY 2017-18 expenses;
- Repairs and Maintenance (IRWD) was below budget by \$0.9 million (8.4%). This was primarily due to inventory stock being recorded as operating supplies as mentioned above (\$1.0 million);
- Other Professional Fees were below budget by \$1.5 million (29.0%). This was mainly due to reduced spending for water efficiency and conservation communication, education, and research services and programs (\$0.9 million) since heavy rainfall eased drought conditions;
- Conservation was below budget by \$1.1 million (53.5%) attributable to lower-than-anticipated customer participation in IRWD's rebate programs due to saturation for many of the indoor rebate qualified devices (\$0.7 million) and Metropolitan Water District (MWD) providing full funding for the majority of the turf removal rebates (\$0.2 million); and
- Baker Partner's reimbursement was positive by \$1.0 million (24.5%) largely due to reimbursement for the cost of water by partners for native water (\$1.1 million) as discussed above.

#### Summary of System Actual to Budget Performance:

Exhibit "B" shows a detailed comparison of actual to budgeted revenue and expenses by system for FY 2018-19. Expenses are summarized into direct, indirect, general plant, marsh, natural treatment system, and conservation which are funded by over-allocation revenues.

The net operating income for IRWD (all systems) was under budget by \$4.6 million. Net revenues were over budget by \$2.2 million (1.7%) and total expenses were over budget by \$6.8 million (5.1%). Variances by system are explained below.

#### *Potable and Untreated Water System:*

The net operating income variance to budget for the water system was below budget by \$0.7 million. Net revenues exceeded budget by \$1.3 million (2.0%) and total expenses were over budget by \$2.0 million (3.0%). Commodity revenue was below budget by \$0.3 million (treated and untreated) due to significant rainfall. Fixed service revenue was over budget by \$2.0 million due to higher customer growth than anticipated.

Direct expenses exceeded budget by \$1.0 million (1.9%). The cost of water was over budget by \$0.5 million. As discussed previously, more expensive imported water (\$1.6 million) replaced groundwater; concurrently, it also reduced electrical and chemical costs (\$0.6 million). Additional native and untreated water purchases offset increased imported water spending. Native water was used to supplement the Baker Water Treatment Plant and the recycled system.



The Baker Partner's reimbursement to the District also exceeded budget by \$1.0 million as discussed above. Key variances associated with the cost of water are as follows:

<b>Potable and Untreated Variances</b> (\$ millions)	<b>Imported/ Native</b>	<b>Clear and Process Wells</b>	<b>Baker WTP</b>	<b>Total</b>
Water	\$0.0	(\$1.1)	(\$0.7)	(\$1.8)
Labor and G&A	(0.1)	(0.8)	0.6	(0.3)
Electricity	0.0	0.4	(0.1)	0.3
Chemicals	0.0	0.2	(0.1)	0.1
Other	0.0	(0.2)	0.4	0.2
Baker Reimbursement			1.0	1.0
<i>Total Cost of Water</i>	(\$0.1)	(\$1.5)	\$1.1	(\$0.5)

Operations exceeded budget by \$0.5 million due primarily to the higher electricity cost (\$0.4 million) from the Base Interruptible Program as discussed previously.

Indirect expenses were over budget by \$1.0 million due to general and administrative (G&A) expense exceeding budget by \$3.0 overall. The largest shift for G&A was related to labor. Capital labor fell below budget due to the completion of a number of significant projects, while G&A labor increased significantly. This increased the G&A allocated cost to 200% of direct labor, while only 176% was budgeted.

*Sewer System:*

The net operating income variance for the sewer system was below budget by \$2.3 million. Net revenues exceeded budget by \$1.1 million (3.3%). Service revenues exceeded budget by \$1.3 million (2.5%) due to higher residential customer growth than expected.

Direct Expenses were over budget by \$2.9 million (13.1%) due primarily to pass-through costs from OCSB, which exceeded budget by \$2.8 million as discussed above.

Indirect expenses were over budget by \$0.5 million, primarily from the shift in labor to allocated G&A as discussed above.

*Recycled Water System:*

The net operating income variance to budget for the recycled water system was under budget by \$1.3 million. Net revenue was below budget by \$0.3 million (1.3%) and total expenses were over budget by \$1.0 million (4.6%)

Total revenues were under budget by \$0.5 million with service revenue for recycled water sales under budget by \$0.3 million (4.8%). This was due to Caltrans dewatering revenue falling below budget by \$0.3 million.

Indirect expenses were over budget by \$0.8 million due to higher G&A allocations from the shift to labor expense from capital as discussed above.

*Conservation/NTS:*

The net operating income variance to budget for NTS and conservation was under budget by \$0.3 million. Total expenses were over budget by \$0.4 million (3.2%) with indirect expense exceeding budget by \$0.6 million primarily from the shift in labor to allocated G&A as discussed above.

Summary of Non-Operating Actual-to-Budget Expense:

The District’s non-operating revenues are related to income generated from sources other than user rates. They include property taxes, investment income, connection fees, and real estate. A portion of the non-operating revenues pay debt service. Property taxes and connection fees help pay for new infrastructure. Exhibit “C” provides a detailed comparison of actual to budget and forecast for FY 2018-19 and significant variances greater than \$0.25 million are discussed below.

*Non-Operating Income/Expenses:*

The net non-operating income variance to budget was positive by \$4.4 million and negative to forecast by \$5.0 million. Revenues exceeded budget by \$8.8 million and expenses were above budget by 4.3 million. Forecasted expenses were over budget by \$5.0 million primarily due to other expenses.

Key variances greater than \$0.25 million are as follows:

	<b>Variance</b> ( <b>\$ millions</b> )
Property Tax Revenue exceeded budget due to higher assessed values.	\$3.8
Investment Income was above budget due to a higher rate of return than expected. (Actual 1.82% versus Budget 1.58%).	1.7
Connection fees were under budget due to slower than expected development completion.	(1.8)
Real Estate Income exceeded budget due to higher than anticipated occupancy at residential investment properties.	0.8
Other income was above budget primarily due to higher than anticipated grant revenue related to the Irvine Lake Pipeline project.	4.5
Interest expense was under budget due to lower than budgeted variable rates (Actual 1.33% versus 1.53%) and a reduction in letter of credit fees.	0.4

Real Estate expense was under budget due to lower than expected apartment turn-over expenses at Sycamore Canyon Apartments property.	0.3
Other Expenses were over budget and forecast due to remaining contractual development expenses related to the sold Lake Forest Property.	(5.0)
Other variances under \$0.25 million.	0.2
<i>Total</i>	\$4.4

FISCAL IMPACTS:

Fiscal impacts are outlined above and are included in the attached exhibits.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act (CEQA), Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

- Exhibit "A" – Consolidated Operating Actual to Budget Expense
- Exhibit "B" – Actual to Budget Revenues and Expenses by System
- Exhibit "C" – Consolidated Non-Operating Actual to Budget

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**Exhibit A**  
**Irvine Ranch Water District**  
**Consol Operating Actual to Budget Expense (A vs B)**  
**Fiscal Year ending June 30, 2019**

(in thousands)

Expense Group	Expense Name	Actual 6/30/19	Budget 6/30/19	Budget (Over)/Under	Full Year Forecast	Forecast (Over)/ Under
Salaries & Benefits	Regular Labor	\$36,597	\$34,981	(\$1,615)	\$ 34,981	(\$1,615)
	Overtime Labor	2,491	2,104	(388)	2,304	(188)
	Contract Labor	1,914	1,846	(68)	2,046	132
	Employee Benefits	19,128	19,124	(5)	18,824	(305)
<b>Salaries &amp; Benefits Total</b>		<b>\$60,131</b>	<b>\$58,055</b>	<b>(\$2,075)</b>	<b>\$58,155</b>	<b>(\$1,975)</b>
Purchased Water & Utilities	Water	38,890	37,454	(1,436)	37,454	(1,436)
	Electricity	14,934	14,537	(397)	14,937	3
	Fuel	784	559	(225)	559	(225)
	Telecommunication	665	627	(37)	627	(37)
	Other Utilities	182	182	0	182	0
<b>Purchased Water &amp; Utilities Total</b>		<b>\$55,455</b>	<b>\$53,360</b>	<b>(\$2,095)</b>	<b>\$53,760</b>	<b>(\$1,695)</b>
Materials & Supplies	Chemicals	2,979	3,146	167	3,146	167
	Operating Supplies	2,471	1,498	(973)	2,398	(73)
	Printing	391	401	11	401	11
	Postage	592	520	(72)	520	(72)
	Permits, Licenses and Fees	1,594	1,749	155	1,749	155
	Office Supplies	122	96	(26)	96	(26)
	Duplicating Equipment	180	174	(6)	174	(6)
Equipment Rental	78	73	(6)	73	(6)	
<b>Materials &amp; Supplies Total</b>		<b>\$8,407</b>	<b>\$7,656</b>	<b>(\$751)</b>	<b>\$8,556</b>	<b>\$149</b>
Professional Services	Rep & Maint OCSD & Others	16,492	13,704	(2,788)	13,704	(2,788)
	Rep & Maint IRWD	9,389	10,254	865	9,354	(35)
	Insurance	1,030	1,025	(4)	1,085	56
	Legal Fees	2,083	1,925	(158)	1,865	(218)
	Engineering Fees	793	967	174	967	174
	Accounting Fees	95	102	7	102	7
	Data Processing	2,828	2,857	29	2,857	29
	Personnel Training	1,336	1,267	(70)	1,267	(70)
	Personnel Physicals	25	41	16	41	16
	Other Professional Fees	3,611	5,087	1,475	4,487	875
Directors' Fees	161	168	7	168	7	
<b>Professional Services Total</b>		<b>\$37,843</b>	<b>\$37,396</b>	<b>(\$447)</b>	<b>\$35,896</b>	<b>(\$1,947)</b>
Other	Mileage Reimbursement	168	148	(20)	148	(20)
	Collection Fees	2	7	5	7	5
	Election Expense	101	145	44	145	44
	Safety	191	122	(69)	122	(69)
	Alarm and Patrol Services	746	751	5	751	5
	Biosolids Disposals	17	20	3	20	3
	Commuter Program	215	156	(59)	156	(59)
	Computer Backup Storage	19	6	(13)	6	(13)
	Contract Meter Reading	1,436	1,390	(46)	1,390	(46)
	Other	142	129	(13)	129	(13)
	Conservation	954	2,050	1,096	1,100	146
<b>Other Total</b>		<b>\$3,990</b>	<b>\$4,923</b>	<b>\$933</b>	<b>\$3,973</b>	<b>(\$17)</b>
<b>Grand Total</b>		<b>\$165,825</b>	<b>\$161,390</b>	<b>(\$4,435)</b>	<b>\$160,340</b>	<b>(\$5,485)</b>
Less: Reimbursement from Baker Partners		(5,316)	(4,269)	1,047	(4,269)	1,047
<b>Grand Total</b>		<b>\$ 160,510</b>	<b>\$ 157,121</b>	<b>\$ (3,389)</b>	<b>\$ 156,071</b>	<b>\$ (4,439)</b>

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Exhibit B  
 IRVINE RANCH WATER DISTRICT  
 CONSOLIDATED ACTUAL TO BUDGET REVENUES AND EXPENSES  
 Fiscal Year ending June 30, 2019  
 (in thousands)

FY 2018-19	Water			Sewer			Recycled			NTS & Conservation			Total		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Revenues:															
Commodity Revenues	\$ 41,872	\$ 42,159	\$ (288)	\$ -	\$ -	\$ -	\$ 15,833	\$ 15,972	\$ (140)	\$ -	\$ -	\$ -	\$ 57,704	\$ 58,132	\$ (427)
Service Revenues	36,343	34,322	2,022	53,172	51,893	1,279	6,485	6,813	(328)	-	-	-	96,000	93,028	2,972
Over Allocation Revenues			-			-			-	11,075	11,012	64	11,075	11,012	64
<b>Total Revenues</b>	<b>78,215</b>	<b>76,481</b>	<b>1,734</b>	<b>53,172</b>	<b>51,893</b>	<b>1,279</b>	<b>22,317</b>	<b>22,785</b>	<b>(468)</b>	<b>11,075</b>	<b>11,012</b>	<b>64</b>	<b>164,779</b>	<b>162,171</b>	<b>2,608</b>
Contribution to Enhancement and Replacement Capital Funds	(8,914)	(8,520)	(394)	(19,707)	(19,500)	(207)	(938)	(1,120)	182	-	-	-	(29,559)	(29,140)	(419)
<b>Net Revenues</b>	<b>\$ 69,301</b>	<b>\$ 67,961</b>	<b>\$ 1,340</b>	<b>\$ 33,465</b>	<b>\$ 32,393</b>	<b>\$ 1,072</b>	<b>\$ 21,379</b>	<b>\$ 21,665</b>	<b>\$ (286)</b>	<b>\$ 11,075</b>	<b>\$ 11,012</b>	<b>\$ 64</b>	<b>\$ 135,220</b>	<b>\$ 133,031</b>	<b>\$ 2,189</b>
Expenses:															
Cost of Water	\$ 43,132	\$ 42,585	\$ (547)	\$ -	\$ -	\$ -	\$ 9,835	\$ 9,764	\$ (71)	\$ -	\$ -	\$ -	\$ 52,967	\$ 52,349	\$ (618)
Operations	12,293	11,807	(486)	9,932	9,831	(101)	4,968	4,878	(90)	-	-	-	27,193	26,516	(677)
Water Banking	-	-	-	-	-	-	-	-	-	1,787	1,887	99	1,787	1,887	99
OCSD - O&M	-	-	-	15,388	12,554	(2,834)	-	-	-	-	-	-	15,388	12,554	(2,834)
<b>Total Direct</b>	<b>55,425</b>	<b>54,392</b>	<b>(1,033)</b>	<b>25,320</b>	<b>22,385</b>	<b>(2,935)</b>	<b>14,803</b>	<b>14,642</b>	<b>(161)</b>	<b>1,787</b>	<b>1,887</b>	<b>99</b>	<b>97,335</b>	<b>93,306</b>	<b>(4,029)</b>
Customer Service	2,443	2,473	30	1,332	1,349	17	666	678	12	-	-	-	4,441	4,500	59
General & Admin Expense	11,610	10,584	(1,026)	8,424	7,927	(497)	6,665	5,808	(857)	3,523	2,898	(624)	30,222	27,217	(3,005)
<b>Total Indirect</b>	<b>14,053</b>	<b>13,057</b>	<b>(996)</b>	<b>9,757</b>	<b>9,276</b>	<b>(481)</b>	<b>7,331</b>	<b>6,486</b>	<b>(845)</b>	<b>3,523</b>	<b>2,898</b>	<b>(624)</b>	<b>34,663</b>	<b>31,717</b>	<b>(2,946)</b>
General Plant	512	512	-	732	732	-	537	537	-	153	153	-			-
Marsh/NTS/Conservation										5,906	6,074	168	5,906	6,074	168
<b>Total Expenses</b>	<b>\$ 69,990</b>	<b>\$ 67,961</b>	<b>\$ (2,029)</b>	<b>\$ 35,808</b>	<b>\$ 32,393</b>	<b>\$ (3,415)</b>	<b>\$ 22,671</b>	<b>\$ 21,665</b>	<b>\$ (1,006)</b>	<b>\$ 11,369</b>	<b>\$ 11,012</b>	<b>\$ (357)</b>	<b>\$ 139,838</b>	<b>\$ 133,031</b>	<b>\$ (6,807)</b>
<b>Net Operating Income</b>	<b>\$ (689)</b>	<b>\$ -</b>	<b>\$ (689)</b>	<b>\$ (2,343)</b>	<b>\$ -</b>	<b>\$ (2,343)</b>	<b>\$ (1,292)</b>	<b>\$ -</b>	<b>\$ (1,292)</b>	<b>\$ (294)</b>	<b>\$ -</b>	<b>\$ (293)</b>	<b>\$ (4,618)</b>	<b>\$ -</b>	<b>\$ (4,618)</b>

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Exhibit C  
 IRVINE RANCH WATER DISTRICT  
 CONSOLIDATED NON-OPERATING ACTUAL TO BUDGET EXPENSES  
 Fiscal Year ending June 30, 2019  
 (in thousands)

<b>Non-operating Revenues:</b>	<b>Actual 6/30/19</b>	<b>Budget 6/30/19</b>	<b>Budget Variance</b>	<b>Full Year Forecast</b>	<b>Forecast Variance</b>
Property Taxes	\$ 63,057	\$ 59,300	\$ 3,757	\$ 63,400	\$ (343)
Investment Income	6,474	4,768	1,706	6,600	(126)
Connection Fees	18,205	20,000	(1,795)	20,000	(1,795)
Real Estate Income	17,813	17,000	813	17,800	13
Real Estate Fair Value Change	6,095	6,300	(205)	6,300	(205)
Other Income	12,482	8,000	4,482	10,000	2,482
<b>Total Revenues</b>	<b>\$ 124,126</b>	<b>\$ 115,368</b>	<b>\$ 8,758</b>	<b>\$ 124,100</b>	<b>\$ 26</b>
<b>Non-operating Expenses:</b>					
Interest Expense	\$ 25,926	\$ 26,294	\$ 368	\$ 25,800	\$ (126)
Real Estate Expense	4,888	5,170	282	5,000	112
Other Expenses	6,985	2,000	(4,985)	2,000	(4,985)
<b>Total Expenses</b>	<b>\$ 37,798</b>	<b>\$ 33,464</b>	<b>\$ (4,334)</b>	<b>\$ 32,800</b>	<b>\$ (4,998)</b>
<b>Net Revenues &amp; Expenses</b>	<b>\$ 86,328</b>	<b>\$ 81,904</b>	<b>\$ 4,424</b>	<b>\$ 91,300</b>	<b>\$ (4,972)</b>

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September 3, 2019  
Prepared by: D. Kanoff / A. Shinbashi  
Submitted by: R. Jacobson / C. Clary  
Approved by: Paul A. Cook



FINANCE AND PERSONNEL COMMITTEE

QUARTERLY RISK MANAGEMENT REPORTING

SUMMARY:

Staff will provide the Committee with a report on the insurance and claim expenses incurred by the District through fourth quarter Fiscal Year (FY) ending June 30, 2019.

BACKGROUND:

A comparison of the District's actual versus budget insurance expenses for the twelve months of FY 2018-19 and FY 2017-18 is attached as Exhibit "A" and summarized as follows:

- Insurance premiums total \$850,590 and are \$14,610 under budget;
- Third-party claims administration expenses total \$10,754 and are \$19,246 under budget;
- Legal expenses total \$65,224 and are \$5,224 over budget; and,
- Claim payments totaled \$168,358. After CSAC-EIA final reimbursements for the Williams claim (\$120,329), and the 4100 MacArthur claim (\$144,805), net claim payments total (\$96,776).

The register of closed general liability claims, including current fiscal year and prior period claim expenses, is attached as Exhibit "B".

FISCAL IMPACTS:

Fiscal impacts are outlined above.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Insurance and Claims Summary

Exhibit "B" – FY 2018-19 Register of Closed General Liability Claims

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Exhibit "A"

Irvine Ranch Water District  
Insurance and Claims Summary  
Period Ending June 30, 2019

PREMIUM	Actual FY 18/19	Budget FY 18/19	Variance	% Variance	Prior FY 17/18
Crime	13,987	4,700	(9,287)	-198%	4,664
General Liability	570,395	542,000	(28,395)	-5%	511,740
Pollution	18,253	18,300	47	0%	18,253
Property	247,955	300,200	52,245	17%	245,063
<b>Total</b>	<b>850,590</b>	<b>865,200</b>	<b>14,610</b>	<b>1%</b>	<b>779,720</b>

CATEGORY	Open FY 18/19	Closed FY 18/19	Total FY 18/19	Budget FY 18/19	Variance	Prior FY 17/18
* Claim Administration	340	10,414	10,754	30,000	19,246	5,085
Claim Payments -Property	1,067	167,291	168,358	60,000	(108,358)	35,349
CSAC-EIA Reimbursement		(265,134)	(265,134)		265,134	(2,345,588)
Membership		150	150	200	86,072	0
<b>Total FY 18/19</b>	<b>1,407</b>	<b>(87,279)</b>	<b>(85,872)</b>	<b>220,200</b>	<b>262,093</b>	<b>(2,305,154)</b>

\* Includes \$1,250 annual administrative fee

CATEGORY	Open FY 18/19	Closed FY 18/19	Total FY 18/19	Budget FY 18/19	Variance	Prior FY 17/18
** Legal	50,833	14,391	65,224	60,000	(5,224)	35,349
<b>Total FY 18/19</b>	<b>50,833</b>	<b>14,391</b>	<b>65,224</b>	<b>60,000</b>	<b>(5,224)</b>	<b>35,349</b>

\*\* Legal fees related to claims

ACTIVITY	FY 2017/18	FY 2018/19
Beginning Open Claims	8	4
New Claims	27	27
Closed Claims	-31	-27
Current Open Claims	4	4

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## Exhibit "B"

### Register of Closed General Liability Claims as of June 30, 2019

Closed Claims Fiscal Year 2018-2019						
CLAIM TYPE	CLAIMANT	Claim Administration	Legal	CSAC-EIA Reimbursement	Claim Payments - Property	Grand Total
<b>4100 MacArthur</b>	Steven Craig	170	1,804			1,974
	Makar Properties, Llc				130,057	130,057
<b>Single Event</b>	R. Trinh	128				128
	Priya Navkar	118				118
	Pelican Heights HOA		560			560
	Parviz Ardeshirpour				178	178
	2550 Elden Avenue, Costa Mesa				405	405
	Viking Billing Service				2,293	2,293
	Aaron Eilers				290	290
	Hsiang Ling Hsu				250	250
	Pardaman Singh Sawhney				1,242	1,242
	Irvine Company Retail Properties				5,438	5,438
	Farmers v. IRWD			5,777		5,777
	Elain Nermon				500	500
	Douglas Campbell				250	250
	Tom Davidson				645	645
	Alexis Braly	884			308	1,192
	Jan Amundson				3,150	3,150
	Hugh Braly				1,734	1,734
	Firooz Goodarz				1,300	1,300
	Chanchal Sethi				15,000	15,000
	Moreland, Tara				1,940	1,940
Class, Pat				525	525	
Ludlow, Chris				1,549	1,549	
City of Irvine Towing (Cano accident)				237	237	
<b>Reimbursement</b>	4100 MacArthur (Over \$100K)			(144,805)		(144,805)
	Lisa & Shawn Williams (Over \$100K)			(120,329)		(120,329)
<b>Copper Pipes/Pinhole Leaks</b>	Lisa & Shawn Williams		6,250			6,250
<b>Well 11 Construction</b>	Frank & Sharon Stephens	7,865				7,865
<b>Grand Total</b>		9,165	14,391	167,291	(265,134)	(74,287)

Register of Closed General Liability Claims as of June 30, 2019

Closed Claims From Prior Years							
CLAIM TYPE	CLAIMANT	Claim Administration	CSAC-EIA Reimbursement	Legal	Property	Vehicle	Grand Total
4100 MacArthur	AT&T				6,904		6,904
	C. Matheson					12,424	12,424
	D. Sanner				2,603	16,242	18,845
	George Hills Company, Inc.	8,653					8,653
	Makar Properties, Llc				236,586		236,586
	Real Estate Dev Assoc LLC				14,333		14,333
Reimbursement	Steven Craig	45,999		52,628	2,509,576	44,044	2,652,247
	4100 MacArthur (Over \$100K)		(2,855,713)				(2,855,713)
Copper Pipes/Pinhole Leaks	Lisa & Shawn Williams	31,277		184,537			215,814
Grand Total		85,929	(2,855,713)	237,165	2,770,002	72,710	310,093