

AGENDA  
IRVINE RANCH WATER DISTRICT  
FINANCE AND PERSONNEL COMMITTEE MEETING  
TUESDAY, SEPTEMBER 1, 2020

*Due to COVID-19, this meeting will be conducted as a teleconference pursuant to the provisions of the Governor's Executive Orders N-25-20 and N-29-20, which suspend certain requirements of the Ralph M. Brown Act. Members of the public may not attend this meeting in person.*

Participation by Committee Members will be from remote locations. Public access and participation will only be available telephonically/electronically.

To virtually attend the meeting and to be able to view any presentations or additional materials provided at the meeting, please join online via Webex using the link and information below:

Via Web:

<https://irwd.my.webex.com/irwd.my/j.php?MTID=m9ca8735d3ebcf388fa5c8a51bf9696aa>

Meeting Number: 126 547 7453

Password: ANhCxYGF873 (26429943 from phones and video systems)

After joining the meeting, in order to ensure all persons can participate and observe the meeting, please select the "Call in" option and use a telephone to access the audio for the meeting shown.

Please enter the attendee id number, which will be provided when you connect to Webex, followed by #.

As courtesy to the other participants, please mute your phone when you are not speaking.

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

ATTENDANCE    Chair: Peer Swan    \_\_\_\_\_    Member: Steve LaMar    \_\_\_\_\_

<u>ALSO PRESENT</u>	Paul Cook	_____	Cheryl Clary	_____
	Wendy Chambers	_____	Kevin Burton	_____
	Paul Weghorst	_____	Rob Jacobson	_____
	Eileen Lin	_____	Jenny Roney	_____
	Christopher Smithson	_____	Allen Shinbashi	_____
	Jennifer Davis	_____	Tanja Fournier	_____
	_____	_____	_____	_____

PUBLIC COMMENT NOTICE

If you wish to address the Committee on any item, please submit a request to speak via the "chat" feature available when joining the meeting virtually. Remarks are limited to three minutes per speaker on each subject. You may also submit a public comment in advance of the meeting by emailing [comments@irwd.com](mailto:comments@irwd.com) before 8:00 a.m. on Tuesday, September 1, 2020.

**ALL VOTES SHALL BE TAKEN BY A ROLL CALL VOTE.**

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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. | <u>EMPLOYEE POPULATION AND TURNOVER STATUS REPORT –<br/>SRADER / RONEY</u><br><br>Recommendation: Receive and file.                |  |
| 6. | <u>MONTHLY INVESTMENT AND DEBT REVIEW – DAVIS / FOURNIER /<br/>JACOBSON / CLARY</u><br><br>Recommendation: Receive and file.       |  |
| 7. | <u>INFORMATION SERVICES PROJECT STATUS REPORT – MALONE /<br/>CLARY</u><br><br>Recommendation: Receive and file                     |  |
| 8. | <u>FISCAL YEAR 2019-20 NET OPERATING INCOME BY SYSTEM –<br/>PARDEE / SMITHSON / CLARY</u><br><br>Recommendation: Receive and file. |  |

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## ACTION

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|----|--|--|
| 9. | <u>FINANCIAL REPLACEMENT FUND BALANCE MODEL UPDATE –<br/>SMITHSON / CLARY</u><br><br>Recommendation: That the Committee provide input on the key assumptions presented by staff to be updated in the Financial Replacement Fund Balance Model. |  |
|----|--|--|

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**ACTION - Continued**

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10. SAND CANYON PROFESSIONAL CENTER – PHASE II PROJECT UPDATE  
AND LISTING AGREEMENT EXTENSION – JACOBSON / CLARY

Recommendation: That the Board approve a new listing agreement for the lease of the Sand Canyon Professional Office Center Phase II with the brokerage team of Cushman & Wakefield and Colliers International under previously agreed upon commission terms and expiring February 28, 2021.

11. RENEWAL OF GROUP MEDICAL, DENTAL, VISION AND TERM LIFE  
INSURANCE FOR CALENDAR YEAR 2021 – MONTEJANO / RONEY

Recommendation: That the Board authorize the continuation of IRWD's health insurance coverage with CalPERS with changes in District and employee contribution rates as outlined in Exhibit "A", authorize the continuation of the District's dental insurance coverage with ACWA/JPIA with no change in premium rates, authorize the continuation of the District's vision insurance coverage with EyeMed with no change in premium rates, authorize the continuation of the District's Term Life and Accidental Death and Dismemberment coverage with Reliance Standard with no change in rates, and authorize the continuation of voluntary Delta Dental and EyeMed buy-up plans for employee purchase.

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**OTHER BUSINESS**

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12. Directors' Comments

13. Adjournment

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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 electronically via the Webex meeting noted. Upon request, the District will provide for written agenda materials in appropriate alternative formats, and reasonable disability-related modification or accommodation to enable individuals with disabilities to participate in and provide comments at public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, or alternative format requested at least two days before the meeting. Requests should be emailed to [comments@irwd.com](mailto:comments@irwd.com). Requests made by mail must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

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September 1, 2020  
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.

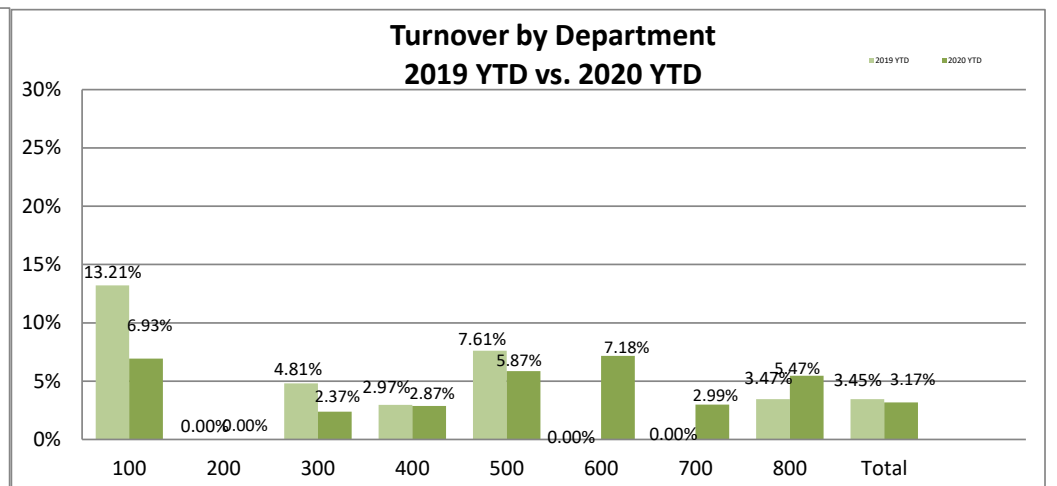
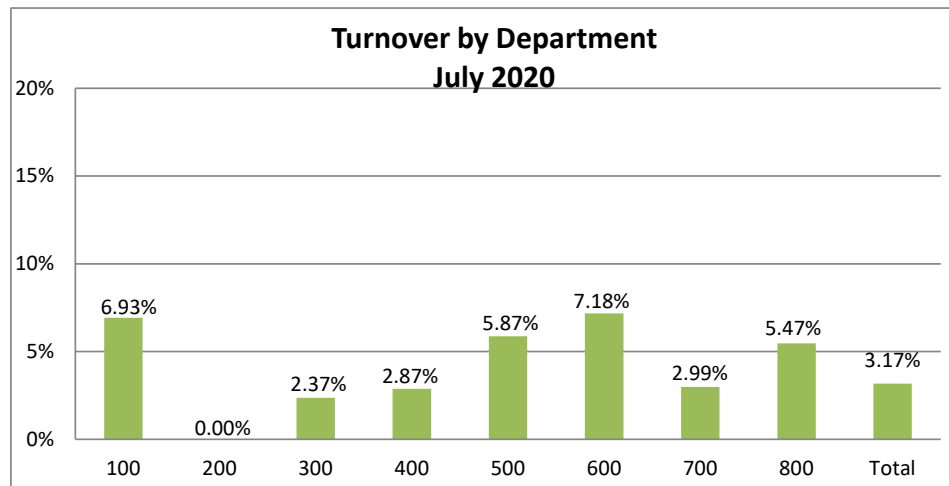
LIST OF EXHIBITS:

Exhibit "A" – Employee Population/Turnover Status Report

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**EXHIBIT A**  
**IRVINE RANCH WATER DISTRICT**  
**EMPLOYEE POPULATION STATUS REPORT**  
**July 2020**

	@07/01/20	Current Month Activity							@07/31/20		FY 20/21	Avg FYTD	Avg FYTD	Avg FYTD	Internal Turnover		External Turnover	
Dept	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	2020 YTD	Current Period	2020 YTD
			Vol	Invol	In	Out	In	Out							Period	YTD	Period	YTD
100	14.0	1							15.0	1	16.0	0.0	1.2	1.2	0.00%	0.00%	0.00%	6.93%
200	89.0								89.0	3	92.0	0.0	2.9	2.9	0.00%	0.00%	0.00%	0.00%
300	42.0								42.0	2	44.0	0.0	0.0	0.0	0.00%	0.00%	0.00%	2.37%
400	70.0								70.0	3	73.0	0.0	0.9	0.9	0.00%	1.44%	0.00%	2.87%
500	52.0								52.0	8	60.0	0.0	0.0	0.0	0.00%	0.00%	0.00%	5.87%
600	28.0								28.0	3	31.0	0.0	5.3	5.3	0.00%	0.00%	0.00%	7.18%
700	33.0								33.0	2	35.0	0.0	3.8	3.8	0.00%	2.99%	0.00%	2.99%
800	55.0	1	2						54.0	7	61.0	0.0	0.9	0.9	0.00%	0.00%	3.64%	5.47%
Totals	383	2	2	0	0	0	0	0	383.0	29	412.0	0.0	15.1	15.1	0.00%	0.53%	0.52%	3.17%
7/19	386	3	2	1	0	0	0	0	386	18	404.0	372.3	20.0	392.3	0.00%	0.00%	0.78%	3.45%

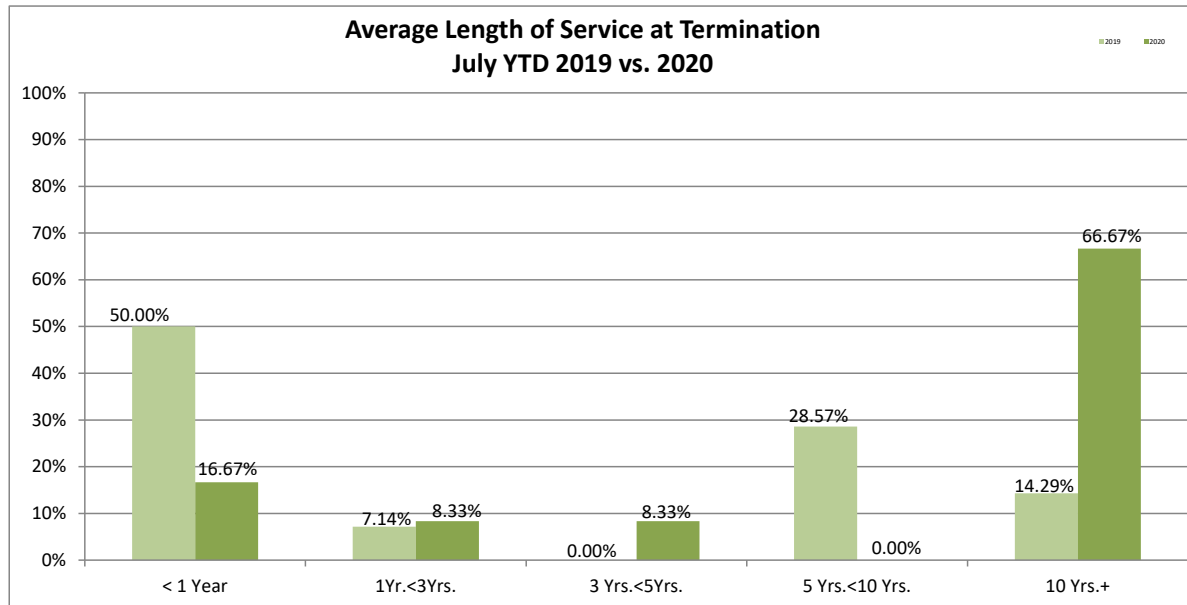


100-GM, HR, Safety; 200-Fin., Cust. Serv., IS, Purch.; 300-Eng.; 400-Water Ops; 500-Recycling; 600-WQ&RC; 700-Water Res., Recyc. Water and Public Affairs; 800-Adm. & Maintenance Ops

**IRVINE RANCH WATER DISTRICT  
TURNOVER LONGEVITY RATIO  
July 2020**

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			1										1	1				
200													0					
300					1								1					1
400						1							1	1				
500	1			1	1								3		1			2
600	1				1								2					2
700			1										1			1		
800				1			2						3					3
2020 Total	2	0	2	2	3	1	2	0	0	0	0	0	12	2	1	1	0	8
2019 Data	2	4	1	1	2	1	3	1	0	4	2	4	25					
Percentage of Total Turnover														16.67%	8.33%	8.33%	0.00%	66.67%

2020 Average YTD Length of Service at Termination	18.15 Years
2019 Average YTD Length of Service at Termination	9.21 Years
2018 Average YTD Length of Service at Termination	13.85 Years
2017 Average YTD Length of Service at Termination	14.35 Years
2016 Average YTD Length of Service at Termination	12.43 Years



**IRVINE RANCH WATER DISTRICT  
EMPLOYEE POPULATION STATUS REPORT  
July 2020**

NEW HIRES				
Hire	Dept	Employee Name	Position	Comments
07/27/20	100	Alix Stayton-Hernandez	Safety Specialist	
07/27/20	800	Victor Zamora	Landscape Contracts Administrator	

TERMINATIONS					
Termination Date	Dept	Employee Name	Position	Reason	Comments

RETIREMENTS					
Effective Date	Departing Dept	Employee Name	Position	Reason	Comments
7/6/20	800	Dave Asman	Landscape Contracts Administrator	Ret	
07/16/20	800	Jason Tran	Asset Maintenance Coordinator	Ret	

PROMOTIONS					
Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
07/11/20	600	Frank Soto	Senior Scientist	600	Water Monitoring Supervisor

TRANSFERS					
Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position

CROSS TRAINING					
Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position

**IRVINE RANCH WATER DISTRICT  
EMPLOYEE POPULATION STATUS REPORT  
July 2020**

UNFILLED POSITIONS			
Dept	Position	Salary Grade	Comments
100	HR Analyst	U31.N	Recruiting
200	Cybersecurity Analyst	U18.E	Recruiting
200	Customer Service Specialist I	13.N	
200	Customer Service Field Technician	14.N	
300	Associate Engineer	U17.E	Recruiting
300	Associate Engineer	U17.E	Recruiting
400	Field Services Manager	U18.E	
400	Metering Systems Technician I	16.N	1/1/2021
400	Water Maintenance Technician II	22.N	
500	Process Specialist	32.N	
500	Wetlands Specialist	24.N	
500	Collection Systems CCTV Technician	21.N	
500	Operations Supervisor	S35.N	
500	Collection Systems Supervisor	S32.N	
500	Operator II	27.N	Recruiting
500	Operator III	29.N	Recruiting
500	Operator II	27.N	Recruiting
600	Scientist	28.N	Recruiting
600	Scientist	28.N	Recruiting
600	Scientist	28.N	Recruiting
700	Recycled Water Specialist	24.N	Recruiting
700	Water Resources Planner	U13.E	Recruiting
800	Reliability Engineer	U20.E	Recruiting
800	Sr. Electrical Technician	30.N	
800	Asset Maintenance Coordinator	32.N	
800	Electrical Technician	28.N	
800	Maintenance Mechanic	22.N	Recruiting
800	Sr. Maintenance Mechanic	27.N	Recruiting
805	Director of Field Operations	U27.E	

**IRVINE RANCH WATER DISTRICT  
EMPLOYEE POPULATION STATUS REPORT  
July 2020**

<b>LEAVE OF ABSENCE</b>					
<b>Type of Leave</b>	<b>Pay Status</b>	<b>Date Leave Began</b>	<b>Anticipated Return Date</b>	<b>Current Length</b>	<b>Comments</b>
FFCRA/FMLA	SDI	6/26/2020	8/5/2020	3 weeks	
FFCRA/FMLA	SDI	6/21/2020	7/6/2020	3 weeks	
FFCRA/FMLA	SDI	6/22/2020	7/6/2020	3 weeks	
FMLA/CFRA	SDI	6/20/2020	7/6/2020	3 weeks	
FMLA/CFRA	SDI	6/2/2020	7/6/2020	1 month	
FMLA/CFRA	SDI	6/1/2020	7/13/2020	1 month	
FMLA/CFRA	SDI	5/7/2020	7/27/2020	3 months	
FMLA/CFRA	SDI	7/2/2020	7/28/2020	1 month	
FMLA/CFRA	SDI	7/21/2020	8/19/2020	2 weeks	
FMLA/CFRA	WC	7/27/2020		1 week	
FMLA/CFRA	SDI	7/29/2020	8/31/2020	1 week	

<b>Leave</b>	<b>Original Status</b>	<b>Date Leave Began</b>	<b>Return Date</b>	<b>Length</b>	<b>Return Date</b>	<b>Comments</b>
FMLA/CFRA/PFL	SDI	10/25/2018	1/2/2019	2 months	01/14/19	Returned
FMLA/CFRA/PFL	SDI	12/19/2018	1/21/2019	2 weeks	01/21/19	Returned
FMLA/CFRA/PFL	SDI	12/19/2018	1/24/2019	2 weeks	01/21/19	Returned
FMLA/CFRA/PFL	SDI	12/18/2018	1/8/2019	2 weeks	01/08/19	Returned
FMLA/CFRA/PFL	SDI	12/17/2018	1/7/2019	2 weeks	01/07/19	Returned
FMLA/CFRA	SDI	7/23/2018	2/1/2019	6 months	02/01/19	Returned
FMLA/CFRA	SDI	12/17/2018	1/2/2019	2 weeks	01/02/19	Returned
FMLA/CFRA/PFL	SDI	12/17/2018	1/7/2019	2 weeks	01/07/19	Returned
FMLA/CFRA	SDI	1/24/2019	2/26/2019	2 months	03/12/19	Returned
FMLA/CFRA	SDI	1/11/2019	4/16/2019	3 months	04/16/19	Returned
FMLA/CFRA	SDI	3/30/2019	4/11/2019	1 week	04/09/19	Returned
FMLA/CFRA	SDI	1/9/2019	3/5/2019	4 months	04/02/19	Returned
FMLA/CFRA	SDI	9/9/2019	43773	2 months	11/04/19	Returned
FMLA/CFRA	SDI	3/30/2019	10/28/2019	7 months	10/28/19	Returned
FMLA/CFRA	SDI	9/3/2019	10/28/2019	2 months	10/28/19	Returned
FMLA/CFRA	PFL	9/23/2019	11/4/2019	2 months	11/04/19	Returned
FMLA/CFRA	SDI	7/2/2019	11/29/2019	5 months	11/29/19	Retired
FMLA/CFRA	SDI	9/30/2019	12/1/2019	3 months	12/30/19	Returned
FMLA/CFRA	SDI	10/7/2019	2/10/2020	4 months	02/03/20	Returned
FMLA/CFRA	SDI	7/9/2019	12/1/2019	7 months	12/01/19	Returned
FMLA/CFRA	SDI	9/2/2019	2/17/2020	5 months	02/03/20	Returned
FMLA/CFRA	SDI	12/10/2019	2/6/2020	2 months	02/10/20	Returned
FMLA/CFRA	SDI	12/2/2019	2/3/2020	2 months	02/03/20	Returned
FMLA/CFRA	SDI	1/27/2020	3/9/2020	1 month	03/09/20	Returned
FMLA/CFRA	SDI	9/23/2019	3/2/2020	5 months	03/09/20	Returned
FMLA/CFRA	SDI	1/23/2020	3/9/2020	2 months	03/09/20	Returned
WC/FMLA/CFRA	SDI	2/3/2020	4/13/2020	1 month	04/13/20	Returned

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

Month	Length of Employment	Termination		Comments
		Vol	Invol	
January	14 years, 6 months	X		Other employment - Metropolitan Water
	1 year, 4 months	X		Other employment
February				
March	10 months	X		No reason given
	3 years, 2 months	X		Other employment - Mesa Water
April	32 years, 2 months	X		Retired
	24 years, 1 month	X		Retired
May	28 years	X		Retired
	26 years, 9 months	X		Other employment - Metropolitan WD
	26 years, 1 month	X		Other employment - Las Vegas WD
June	1 month	X		Other employment - returned to old job
July	25 years, 11 months	X		Retired
	29 years, 10 months	X		Retired
August				
September				
October				
November				
December				

**IRVINE RANCH WATER DISTRICT  
SUMMARY  
AGENCY & DISTRICT TEMPORARY EMPLOYEES  
July 2020**

**ACTIVE**

Current Month	FYTD Ave Hours Worked	PERS Enrollment	Agency	Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FY' YTD	Actual Cost FY 'YTD
0.47	0.47	Yes	X	47.75	84	4,011.00	9	1	4,011.00	3,867.75
0.73	0.73	No		37.15	168	6,241.20	6	1	6,241.20	4,710.25
<b>1.20</b>	<b>1.20</b>									
0.00	0.00	Yes		56.55	84	4,750.20	12	1	4,750.20	28.28
0.92	0.92	Yes		23.92	168	4,018.56	2	1	4,018.56	3,827.20
1.00	1.00	Yes		22.37	168	3,758.16	12	1	3,758.16	3,937.12
1.00	1.00	Yes		22.37	168	3,758.16	12	1	3,758.16	3,881.20
<b>2.93</b>	<b>2.93</b>									
1.00	1.00	Yes		37.70	168	6,333.60	6	1	6,333.60	6,710.60
0.57	0.57	Yes		72.97	84	6,129.48	6	1	6,129.48	7,260.52
0.06	0.06	Yes		85.30	84	7,165.20	6	1	7,165.20	831.68
0.75	0.75	EXC		18.00	84	1,512.00	12	1	1,512.00	2,340.00
1.00	1.00	EXC		37.70	84	3,166.80	6	1	3,166.80	6,710.60
<b>3.38</b>	<b>3.38</b>									
0.92	0.92	No	X	33.67	168	5,656.56	6	1	5,656.56	5,387.20
0.47	0.47	No	X	30.53	168	5,129.04	6	1	5,129.04	2,511.09
0.00	0.00	No	X	30.53	168	5,129.04	5		0.00	0.00
0.77	0.77	No	X	30.53	168	5,129.04	6	1	5,129.04	4,316.18
<b>0.92</b>	<b>0.92</b>									
<b>0.00</b>	<b>0.99</b>									
1.00	1.00	No	X	52.00	168	8,736.00	11	1	8,736.00	9,958.00
1.00	1.00	No	X	52.00	168	8,736.00	6	1	8,736.00	9,256.00
0.92	0.92	No	X	43.84	168	7,365.12	2	1	7,365.12	7,014.40
0.91	0.91	No	X	43.84	168	7,365.12	2	1	7,365.12	6,926.72
0.00	0.00	No	X	52.00	168	8,736.00	5			
0.98	0.98	Yes		32.76	168	5,503.68	2	1	5,503.68	5,577.39
0.53	0.53	EXC		16.00	84	1,344.00	6	1	1,344.00	1,456.00
<b>5.34</b>	<b>5.34</b>									
0.90	0.90	No	X	30.92	168	5,194.56	6	1	5,194.56	4,823.52
0.90	0.90	No	X	43.53	168	7,313.04	6	1	7,313.04	6,790.68
1.00	1.00	Yes	X	30.92	168	5,194.56	6	1	5,194.56	5,503.76
1.00	1.00	yes		30.92	168	5,194.56	6	1	5,194.56	5,503.76
<b>3.80</b>	<b>3.80</b>									
0.87	0.87	No	X	56.70	168	9,525.60	6	1	9,525.60	8,505.00
<b>0.87</b>	<b>0.87</b>									
<b>18.44</b>	<b>19.42</b>									

IRVINE RANCH WATER DISTRICT  
SUMMARY  
AGENCY & DISTRICT TEMPORARY EMPLOYEES  
July 2020

TERMINATED

Current Month FTE	Avg FYTD Temp Emp FTE	Active PERS Y/N *	Agency	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									
0.00	0.00									
0.00	0.00									
0.00	0.00									
0.00	0.00									
0.00	0.00									
0.00	0.00									
0.00	0.00									
0.00	0.00									
0.00	0.00									
0.00	0.00								138,231.24	127,634.88

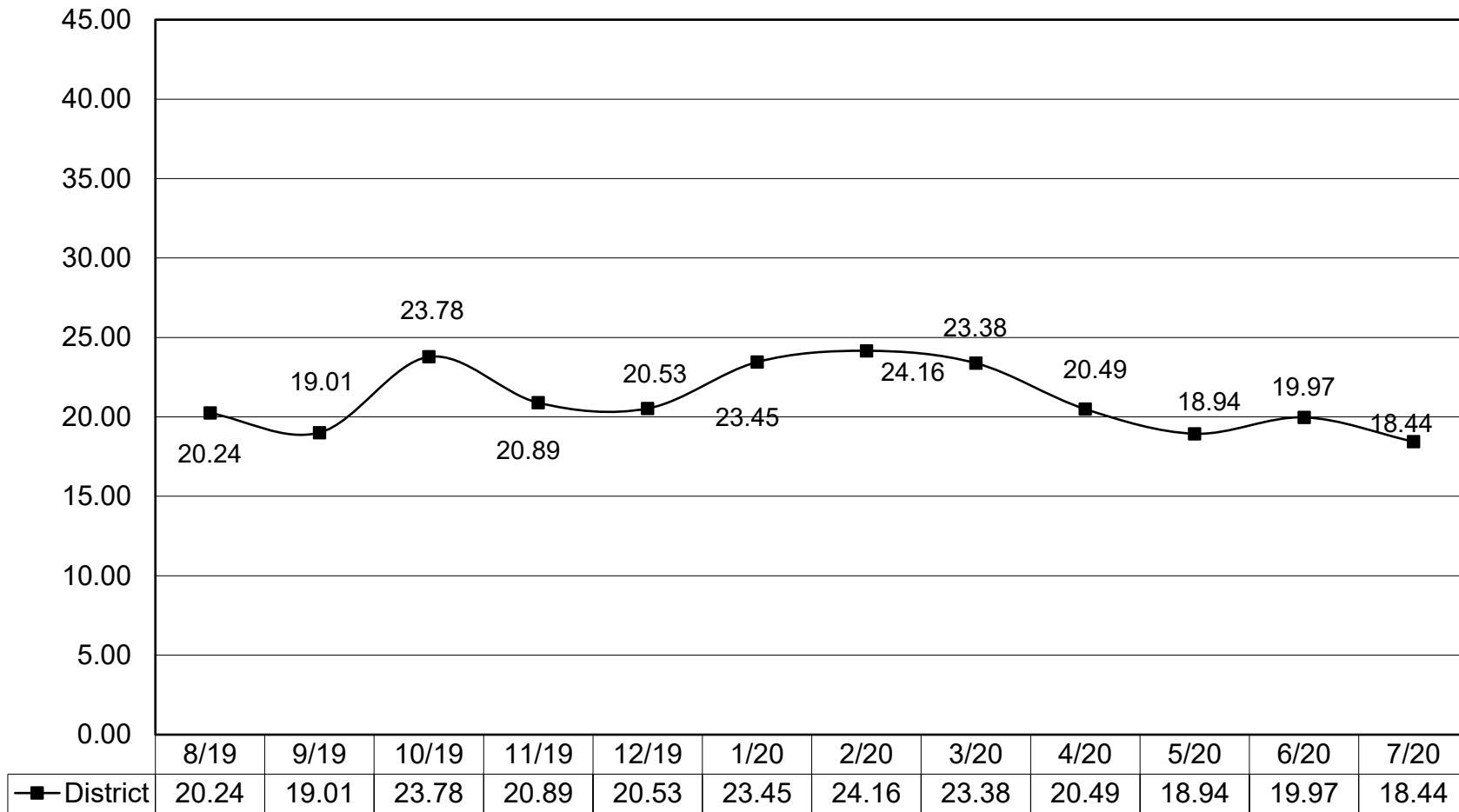
EXC = Exclude from PERS enrollment

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, 2020**



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September 1, 2020  
Prepared by: J. Davis / T. Fournier  
Submitted by: R. Jacobson / C. Clary  
Approved by: Paul A. Cook *P. 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 24, 2020, as outlined in Exhibit "A";
- The U.S. Treasury Yield Curve as of August 24, 2020, as outlined in Exhibit "B";
- The Summary of Fixed and Variable Debt as of August 24, 2020, as outlined in Exhibit "C"; and
- The Summary of Variable Rate Debt Rates as of August 24, 2020, as outlined in Exhibit "D".

#### BACKGROUND:

##### Investment Portfolio:

Due to the timing of the Committee meeting, the rate of return for August 2020 is not complete at this time. Preliminary calculations indicate a rate of return for the fixed income investment portfolio of 1.28%, which is a 0.19% decrease from July's rate of 1.47%. The decrease is due to a greater average balance in the fixed income portfolio (\$338.7 million to \$372.2 million) related to the \$79.0 million Lennar note payoff on August 12, with proceeds reinvested at lower interest rates and a decrease in LAIF's rate from 0.92% to 0.78%. Including real estate investments, the weighted average rate of return for IRWD's investment portfolio for August 2020 is estimated to be 3.51%, which is a 0.28% decrease from July's rate of 3.79%. The decrease in the overall investment rate is also related to the Lennar note pay-off, which was previously earning 4.0%.

Based on available fixed income investment rates at the time of the Serrano Summit property sale to Lennar (in September 2017) and estimated reinvestment rates, IRWD earned approximately \$5.6 million in additional interest income on the 4.0% fixed rate note.

##### Debt Portfolio:

As of August 24, 2020, IRWD's weighted average all-in variable rate was 0.38%, which was a 0.04% decrease from July's rate of 0.42%. Including the District's weighted average fixed rate bond issues of 3.69% and the 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 2.90%, a 0.02% decrease from July's rate of 2.92%.

FISCAL IMPACTS:

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

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 24, 2020

Exhibit “B” – Yield Curve as of August 24, 2020

Exhibit “C” – Summary of Fixed and Variable Debt as of August 24, 2020

Exhibit “D” – Summary of Variable Rate Debt Rates as of August 24, 2020

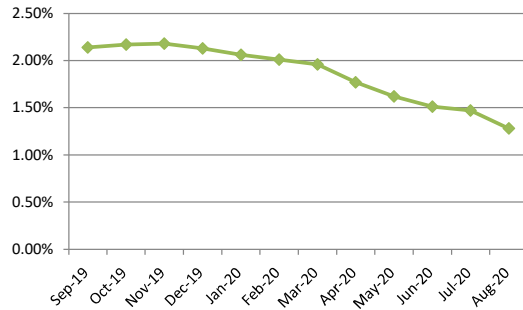
# Exhibit "A"

## Irvine Ranch Water District

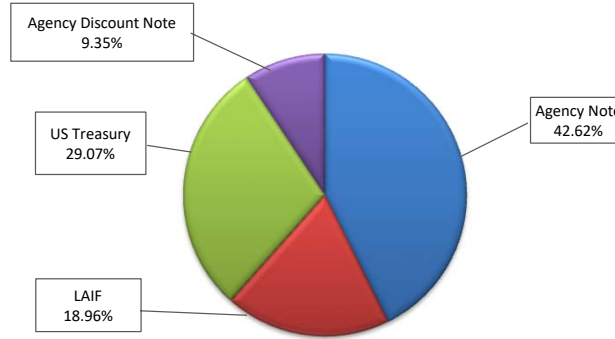
### Investment Portfolio Summary

#### August 2020

**Monthly Fixed Income Yield**



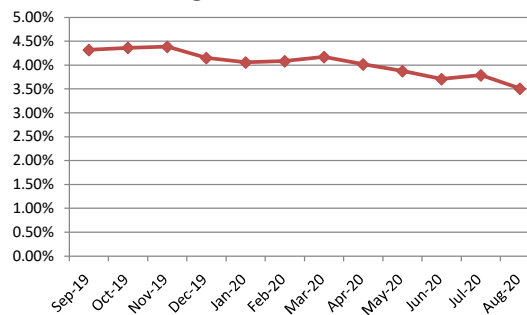
**Portfolio Distribution**



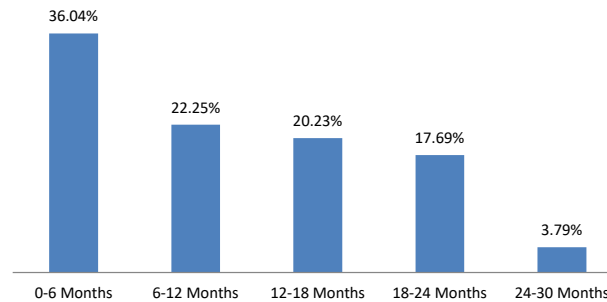
**Investment Summary**

Type	PAR	Book Value	Market Value
Agency Note	168,550,000	169,265,780	170,822,135
US Treasury	115,000,000	115,162,122	116,962,861
LAIF	75,000,000	75,000,000	75,368,460
Agency Discount Note	37,000,000	36,948,729	36,975,204
Grand Total	395,550,000	396,376,632	400,128,660

**Weighted Average Return Including Real Estate Portfolio**



**Maturity Distribution**



**Top Issuers**

Issuer	PAR	% Portfolio
US Treasury	115,000,000	29.07%
State of California Tsy.	75,000,000	18.96%
Fed Home Loan Bank	72,000,000	18.20%
Fed Farm Credit Bank	60,000,000	15.17%
Fed Home Loan Mortgage Corp	40,000,000	10.11%
Fed Natl Mortgage Assoc	33,550,000	8.49%
Grand Total	395,550,000	100.00%

IRVINE RANCH WATER DISTRICT  
INVESTMENT SUMMARY REPORT

08/24/20

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> 8/24/2020	UNREALIZED <sup>(2)</sup> GAIN/(LOSS)
07/24/20			08/25/20		LAIF	State of California Tsy.	\$75,000,000		0.780%	\$75,000,000.00	\$75,000,000.00	75,368,459.63	368,459.63
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	4,999,958.60	5,011,000.00	11,041.40
03/13/20	NA	NA	09/16/20	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	0.480%	0.489%	4,987,533.35	4,993,666.68	4,999,450.00	5,783.32
12/12/17	NA	NA	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	5,014,400.00	14,400.00
10/31/17	NA	NA	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	5,573,088.00	23,088.00
03/31/20	NA	NA	10/30/20	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	0.150%	0.153%	4,995,562.50	4,997,479.17	4,998,900.00	1,420.83
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	4,787,587.95	5,019,700.00	232,112.05
03/16/20	NA	NA	11/18/20	NR	FHLB - Discount Note	Fed Home Loan Bank	7,000,000	0.530%	0.540%	6,974,545.28	6,984,026.39	6,998,110.00	14,083.61
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	4,998,732.29	5,026,800.00	28,067.71
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	4,995,695.65	5,035,600.00	39,904.35
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	4,990,703.82	5,046,500.00	55,796.18
03/31/20	NA	NA	01/19/21	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	0.200%	0.204%	4,991,833.33	4,994,388.89	4,997,650.00	3,261.11
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	9,939,496.74	10,060,900.00	121,403.26
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	4,989,413.21	5,060,350.00	70,936.79
08/13/20	NA	NA	02/25/21	Aaa/NR/AAA	Treasury - Bill	US Treasury	10,000,000	0.110%	0.112%	9,994,011.11	9,994,591.67	9,994,011.11	(580.56)
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	4,980,252.98	5,054,300.00	74,047.02
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	9,999,114.62	10,146,000.00	146,885.38
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	4,995,547.45	5,067,500.00	71,952.55
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	5,000,323.71	5,056,000.00	55,676.29
02/28/20	NA	NA	04/13/21	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	3,000,000	2.500%	1.185%	3,043,950.00	3,034,088.05	3,048,780.00	14,691.95
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	4,994,730.32	5,059,750.00	65,019.68
12/05/19	NA	NA	04/30/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.250%	1.650%	5,041,406.25	5,019,490.05	5,079,300.00	59,809.95
09/13/19	NA	NA	05/15/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.625%	1.757%	5,071,093.75	5,029,836.07	5,098,050.00	68,213.93
03/02/20	NA	NA	05/31/21	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	2.125%	1.186%	10,115,711.10	10,092,314.57	10,165,600.00	73,285.43
06/11/20	NA	NA	06/09/21	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	0.190%	0.193%	4,990,420.85	4,992,584.74	4,995,250.00	2,665.26
09/18/19	NA	NA	06/11/21	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.250%	1.786%	5,039,300.00	5,017,597.94	5,091,150.00	73,552.06
01/16/20	NA	NA	06/30/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.125%	1.594%	4,966,406.25	4,980,893.95	5,045,100.00	64,206.05
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	4,997,783.15	5,082,700.00	84,916.85
08/13/20	NA	NA	08/12/21	NR	FFCB - Discount Note	Fed Farm Credit Bank	10,000,000	0.140%	0.142%	9,985,844.44	9,986,583.33	9,985,844.00	(739.33)
08/13/20	NA	NA	08/13/21	Aaa/NR/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	0.125%	0.133%	9,999,220.00	9,999,260.60	9,999,220.00	(40.60)
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	4,966,368.27	5,053,300.00	86,931.73
08/13/20	NA	NA	09/30/21	Aaa/AA+/NR	Treasury - Note	US Treasury	10,000,000	1.125%	0.133%	10,112,109.38	10,106,951.81	10,138,750.00	31,798.19
08/13/20	NA	NA	10/07/21	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	10,000,000	1.375%	0.143%	10,141,500.00	10,135,098.81	10,141,500.00	6,401.19
10/11/19	NA	NA	10/15/21	Aaa/AA+/NR	Treasury - Note	US Treasury	5,000,000	2.875%	1.540%	5,131,640.63	5,073,253.09	5,164,850.00	91,596.91
10/22/19	NA	NA	10/15/21	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.400%	1.642%	4,976,500.00	4,986,724.45	5,074,150.00	87,425.55
11/05/19	NA	NA	11/15/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.875%	1.610%	5,125,585.94	5,074,571.95	5,175,200.00	100,628.05
11/08/19	NA	NA	11/30/21	Aaa/AA+/NR	Treasury - Note	US Treasury	5,000,000	1.750%	1.680%	5,007,031.25	5,004,248.63	5,107,250.00	103,001.37
04/23/20	NA	NA	12/20/21	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	1.625%	0.309%	10,217,480.00	10,184,463.23	10,206,400.00	21,936.77
11/25/19	NA	NA	12/31/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.000%	1.619%	5,039,062.50	5,024,751.47	5,131,850.00	107,098.53
11/25/19	NA	NA	01/13/22	Aaa/NA/NR	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	2.375%	1.635%	5,077,250.00	5,049,420.19	5,160,550.00	111,129.81
08/14/20	NA	NA	01/13/22	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	2.375%	0.147%	5,157,297.23	5,151,820.73	5,157,297.25	5,476.52
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	5,002,624.37	5,171,500.00	168,875.63
12/19/19	NA	NA	01/31/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.875%	1.641%	5,024,218.75	5,016,177.12	5,130,300.00	114,122.88
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	4,977,392.38	5,139,250.00	161,857.62
12/19/19	NA	NA	02/15/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.500%	1.652%	5,089,453.13	5,060,315.67	5,181,650.00	121,334.33
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	5,001,391.26	5,185,600.00	184,208.74
12/19/19	NA	NA	03/31/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.875%	1.645%	5,025,585.94	5,017,692.08	5,144,750.00	127,057.92
02/21/20	NA	NA	04/14/22	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.400%	1.414%	4,998,500.00	4,998,735.63	5,103,050.00	104,314.37
04/23/20	NA	NA	04/21/22	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	10,000,000	1.580%	0.320%	10,250,200.00	10,207,927.20	10,239,100.00	31,172.80
04/27/20	Quarterly	10/27/20	04/27/22	Aaa/NA/NA	FHLMC - Note	Fed Home Loan Mortgage Corp	10,000,000	0.550%	0.550%	10,000,000.00	10,000,000.00	10,002,200.00	2,200.00
05/28/20	One Time	05/26/21	05/26/22	Aaa/NR/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.270%	0.270%	5,000,000.00	5,000,000.00	5,001,750.00	1,750.00
01/15/20	NA	NA	07/15/22	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.600%	1.594%	5,000,750.00	5,000,560.86	5,136,500.00	135,939.14

IRVINE RANCH WATER DISTRICT  
INVESTMENT SUMMARY REPORT

08/24/20

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> 8/24/2020	UNREALIZED <sup>(2)</sup> GAIN/(LOSS)
05/28/20	One Time	05/26/21	08/26/22	Aaa/NR/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.300%	0.300%	5,000,000.00	5,000,000.00	5,001,650.00	1,650.00
04/24/20	NA	NA	10/21/22	Aaa/NR/NR	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.550%	0.555%	5,000,000.00	5,000,000.00	5,000,800.00	800.00
<b>TOTAL INVESTMENTS</b>							<b>\$395,550,000</b>			<b>\$396,293,915.80</b>	<b>\$396,376,631.78</b>	<b>\$400,128,659.99</b>	<b>\$3,752,028.21</b>

Petty Cash  
Ck Balance

Bank of America

3,400.00  
1,136,349.00  
\$397,433,664.80

<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	\$259,100,000
Net Outstanding Variable Rate Debt (Less \$60 million fixed-payer swaps)	\$199,100,000
Investment Balance:	\$397,433,665
Investment to Variable Rate Debt Ratio:	200%
Portfolio - Average Number of Days To Maturity	281

	Investment Portfolio	Real Estate <sup>(3)</sup> Portfolio	Weighted Avg. Return
August	1.28%	8.76%	3.51%
July	1.47%	8.76%	3.79%
Change	-0.19%		-0.28%

This Investment Summary Report is in conformity with the 2020 Investment Policy and provides sufficient liquidity to meet the next six months estimated expenditures.

\*S - Step up

IRVINE RANCH WATER DISTRICT  
SUMMARY OF MATURITIES

08/24/20

DATE	TOTAL	%	LAIF	Agency Notes	Agency Discount Notes	Municipal Bonds	US Treasury
08/20	\$75,000,000	18.96%	\$75,000,000				
09/20	15,000,000	3.79%		10,000,000	5,000,000		
10/20	15,550,000	3.93%		5,550,000	5,000,000		5,000,000
11/20	12,000,000	3.03%		5,000,000	7,000,000		
12/20	10,000,000	2.53%		5,000,000			5,000,000
01/21	15,000,000	3.79%			5,000,000		10,000,000
02/21	20,000,000	5.06%		5,000,000			15,000,000
03/21	20,000,000	5.06%		20,000,000			
04/21	13,000,000	3.29%		8,000,000			5,000,000
05/21	15,000,000	3.79%					15,000,000
06/21	15,000,000	3.79%		5,000,000	5,000,000		5,000,000
07/21	5,000,000	1.26%		5,000,000			
SUB-TOTAL	\$230,550,000	58.29%	\$75,000,000	\$68,550,000	\$27,000,000		\$60,000,000
13 Months - 3 YEARS							
08/01/2021 - 09/30/2021	35,000,000	8.85%		10,000,000	10,000,000		15,000,000
10/01/2021 - 12/31/2022	45,000,000	11.38%		25,000,000			20,000,000
01/01/2022 - 03/31/2022	40,000,000	10.11%		20,000,000			20,000,000
04/01/2022 - 06/30/2022	30,000,000	7.58%		30,000,000			
07/01/2022 +	15,000,000	3.79%		15,000,000			
	-						
	-						
	-						
	-						
TOTALS	\$395,550,000	100.00%	\$75,000,000	\$168,550,000	\$37,000,000		\$115,000,000

% OF PORTFOLIO		18.96%	42.62%	9.35%		29.07%
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Irvine Ranch Water District  
Summary of Real Estate - Income Producing Investments  
6/30/2020

	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	MARKET VALUE 6/30/2020	ANNUALIZED RATE OF RETURN QUARTER ENDED 6/30/2020
Sycamore Canyon	Dec-92	Apartments	Fee Simple	\$ 43,550,810	\$ 152,340,625	18.54%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	\$ 6,000,000	\$ 30,432,947	8.48%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	\$ 5,739,845	\$ 11,964,600	9.65%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	\$ 8,630,577	\$ 9,363,600	7.04%
Sand Canyon Professional Center	Jul-12	Medical Office	Fee Simple	\$ 8,648,594	\$ 11,444,400	9.35%
Total - Income Properties				\$ 72,569,826	\$ 215,546,172	14.54%
OTHER REAL ESTATE DESCRIPTION						
Serrano Summit - Promissory Note Payment received - 8/12/20	Sep-17	NA	NA	\$ 85,352,804	\$ 85,352,804	4.00%
Total - Income Producing Real Estate Investments				\$ 157,922,630	\$ 300,898,976	8.76%

**IRVINE RANCH WATER DISTRICT INVESTMENT SUMMARY REPORT  
INVESTMENT ACTIVITY**

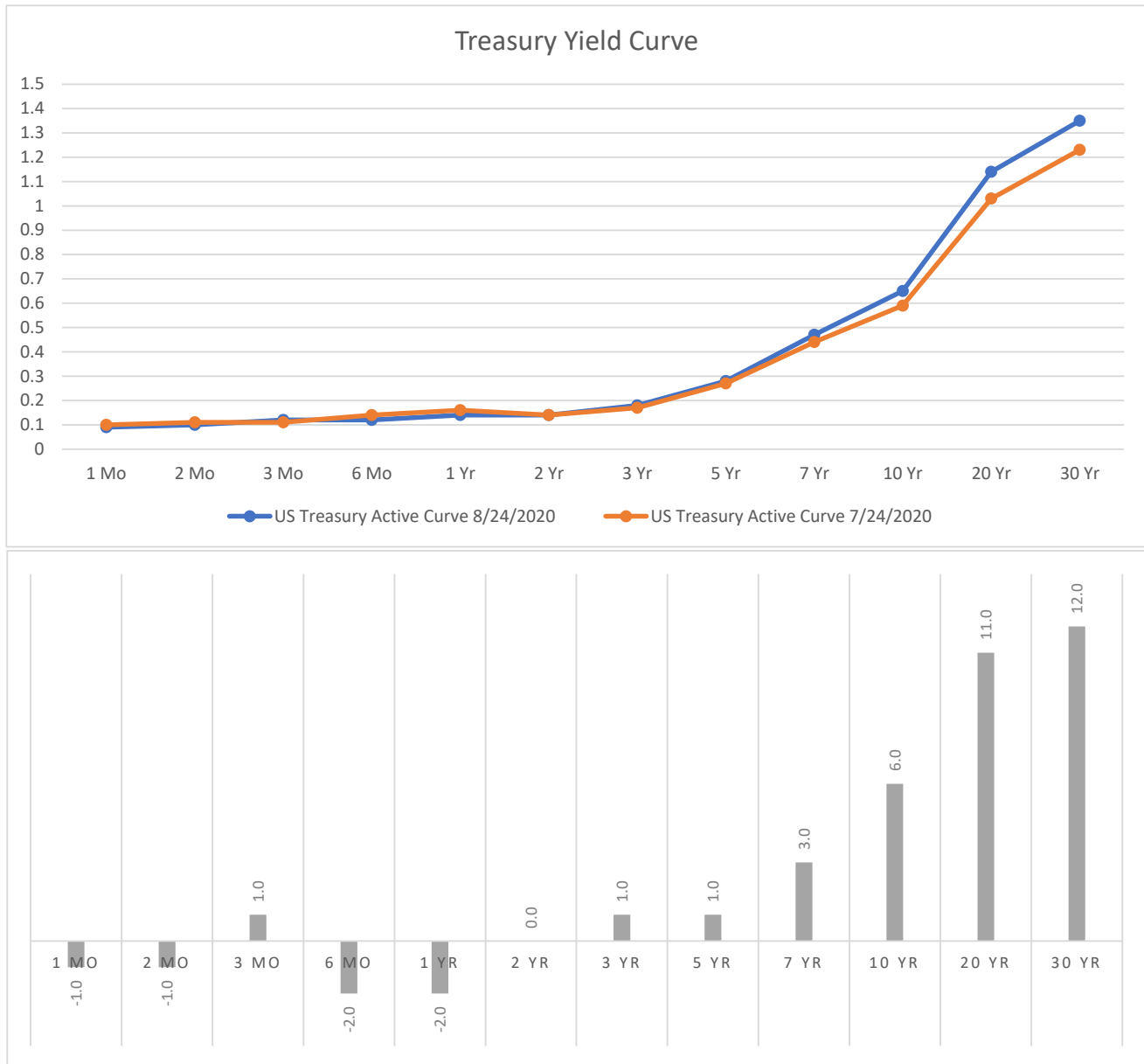
**Aug-20**

**MATURITIES/SALES/CALLS**

**PURCHASES**

DATE	SECURITY TYPE	PAR	YIELD	Settlement Date	Maturity Date	SECURITY TYPE	PAR	YIELD TO MATURITY
8/24/2020	FFCB - Note	\$5,000,000	2.79%	8/13/2020	2/25/2021	Treasury - Bill	\$10,000,000	0.11%
				8/13/2020	8/12/2021	FFCB - Discount Note	\$10,000,000	0.14%
				8/13/2020	8/13/2021	FHLB - Note	\$10,000,000	0.13%
				8/13/2020	9/30/2021	Treasury - Note	\$10,000,000	0.13%
				8/13/2020	10/7/2021	FNMA - Note	\$10,000,000	0.14%
				8/14/2020	1/13/2022	FHLMC - Note	\$5,000,000	0.15%

## Exhibit "B"

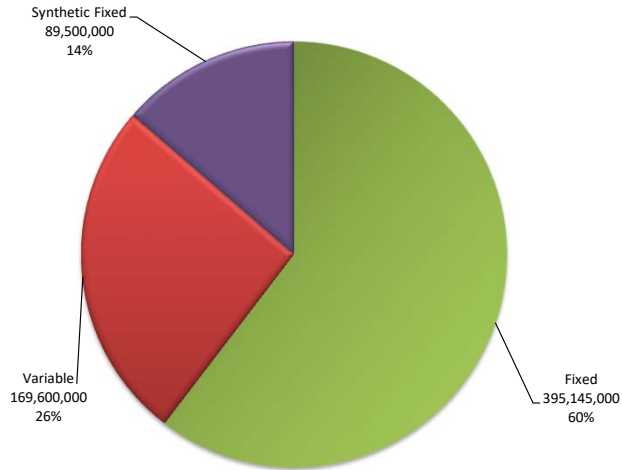


Tenor	US Treasury Active Curve 8/24/2020	US Treasury Active Curve 7/24/2020	Change
1 Mo	0.09	0.1	-1.0
2 Mo	0.1	0.11	-1.0
3 Mo	0.12	0.11	1.0
6 Mo	0.12	0.14	-2.0
1 Yr	0.14	0.16	-2.0
2 Yr	0.14	0.14	0.0
3 Yr	0.18	0.17	1.0
5 Yr	0.28	0.27	1.0
7 Yr	0.47	0.44	3.0
10 Yr	0.65	0.59	6.0
20 Yr	1.14	1.03	11.0
30 Yr	1.35	1.23	12.0

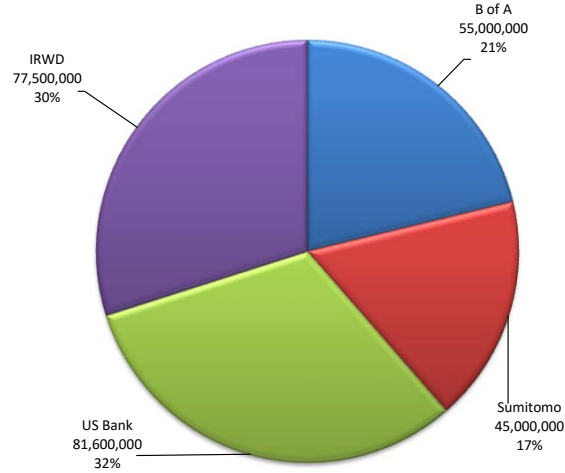
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Exhibit "C"  
**Irvine Ranch Water District**  
**Summary of Fixed and Variable Rate Debt**  
**August 2020**

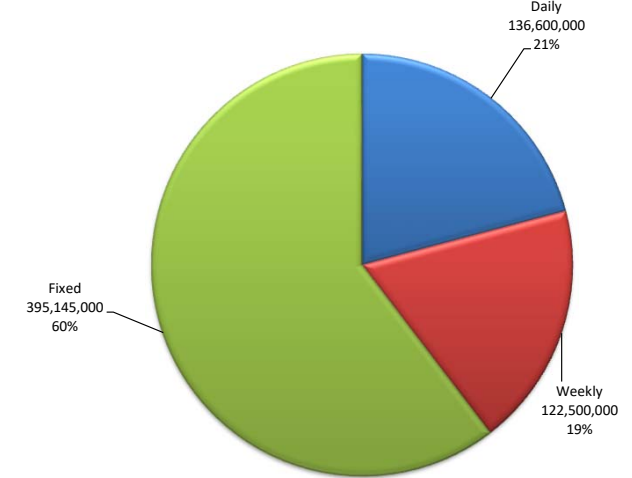
**Current Debt Mix By Type**



**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	\$26,600,000	4.07%	US Bank	BAML	Variable	Daily
Series 2008-A Refunding	04/24/08	07/01/35	\$45,000,000	6.88%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	\$46,500,000	7.11%	IRWD	Goldman	Variable	Weekly
Series 2011-A-2 Refunding	04/15/11	10/01/37	\$31,000,000	4.74%	IRWD	Goldman	Variable	Weekly
Series 2009 - A	06/04/09	10/01/41	\$55,000,000	8.41%	US Bank	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	\$55,000,000	8.41%	B of A	Goldman	Variable	Daily
2016 COPS	09/01/16	03/01/46	\$116,745,000	17.84%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	\$175,000,000	26.75%	N/A	N/A	Fixed	Fixed
Series 2016	10/12/16	02/01/46	\$103,400,000	15.80%	N/A	N/A	Fixed	Fixed
<b>Total</b>			<b>\$654,245,000</b>	<b>100.00%</b>				

**August-20**

FIXED RATE ISSUES																							
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 (2021)	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 (2022)	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
					\$395,145,000	\$395,145,000	SUB-TOTAL FIXED RATE DEBT																
					\$744,575,000	\$654,245,000	TOTAL- FIXED & VARIABLE RATE DEBT																

LOC Banks		Breakdown Between Variable & Fixed Rate Mode	
		Daily Issues	136,600,000 21%
SUMITOMO	45,000,000	Weekly Issues	45,000,000 7%
BANK OF AMERICA	55,000,000	ITN Issues	77,500,000 12%
US BANK	81,600,000	Sub-Total	<u>259,100,000</u>
	<u>181,600,000</u>		
		Fixed Rate Issues	\$395,145,000 60%
		Sub-Total - Fixed	<u>395,145,000</u>
		TOTAL DEBT	
		FIXED & VAR.	<u>654,245,000</u> 100%


Exhibit "D"  
IRVINE RANCH WATER DISTRICT  
SUMMARY OF DEBT RATES  
Aug-20

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	55,000,000	46,500,000	31,000,000	26,600,000	45,000,000	55,000,000
Bank	BOFA	(SIFMA -6)	(SIFMA -6)	US BANK	Sumitomo	US BANK
Reset		Wednesday	Wednesday		Wednesday	
8/1/2020	0.11%	0.10%	0.10%	0.14%	0.16%	0.10%
8/2/2020	0.11%	0.10%	0.10%	0.14%	0.16%	0.10%
8/3/2020	0.05%	0.10%	0.10%	0.12%	0.16%	0.05%
8/4/2020	0.02%	0.10%	0.10%	0.06%	0.16%	0.03%
8/5/2020	0.02%	0.10%	0.10%	0.04%	0.16%	0.02%
8/6/2020	0.03%	0.05%	0.05%	0.04%	0.10%	0.02%
8/7/2020	0.05%	0.05%	0.05%	0.07%	0.10%	0.05%
8/8/2020	0.05%	0.05%	0.05%	0.07%	0.10%	0.05%
8/9/2020	0.05%	0.05%	0.05%	0.07%	0.10%	0.05%
8/10/2020	0.05%	0.05%	0.05%	0.06%	0.10%	0.06%
8/11/2020	0.04%	0.05%	0.05%	0.05%	0.10%	0.06%
8/12/2020	0.04%	0.05%	0.05%	0.05%	0.10%	0.05%
8/13/2020	0.04%	0.05%	0.05%	0.05%	0.08%	0.05%
8/14/2020	0.03%	0.05%	0.05%	0.05%	0.08%	0.05%
8/15/2020	0.03%	0.05%	0.05%	0.05%	0.08%	0.05%
8/16/2020	0.03%	0.05%	0.05%	0.05%	0.08%	0.05%
8/17/2020	0.02%	0.05%	0.05%	0.05%	0.08%	0.04%
8/18/2020	0.02%	0.05%	0.05%	0.04%	0.08%	0.03%
8/19/2020	0.01%	0.05%	0.05%	0.04%	0.08%	0.03%
8/20/2020	0.01%	0.04%	0.04%	0.03%	0.08%	0.03%
8/21/2020	0.01%	0.04%	0.04%	0.02%	0.08%	0.03%
8/22/2020	0.01%	0.04%	0.04%	0.02%	0.08%	0.03%
8/23/2020	0.01%	0.04%	0.04%	0.02%	0.08%	0.03%
8/24/2020	0.01%	0.04%	0.04%	0.02%	0.08%	0.03%
Avg Interest Rates	0.03%	0.06%	0.06%	0.05%	0.10%	0.04%
Rmkt Fee	0.10%	0.13%	0.13%	0.10%	0.07%	0.07%
LOC Fee	0.30%			0.33%	0.32%	0.33%
All-In Rate	0.43%	0.18%	0.18%	0.48%	0.49%	0.44%
Par Amount	101,500,000		31,000,000	71,600,000		55,000,000

Interest Rate Mode	Percent of Total Variable Rate Debt	Par Outstanding	Weighted All-In Average Rate	Base Rate Average
Daily	52.72%	136,600,000	0.45%	0.04%
Weekly	47.28%	122,500,000	0.29%	0.07%
	100.00%	\$ 259,100,000	0.38%	0.06%
<b>Fixed</b>				
COPS 2016	29.54%	116,745,000	2.90%	
BABS 2010	44.29%	175,000,000	4.44%	(1)
SERIES 2016	26.17%	103,400,000	3.32%	
	100.00%	\$ 395,145,000	3.69%	
All-In Debt Rate Including \$60 Million Notional Amount of Swaps				2.90%

(1) Rate adjusted up from 4.35% as a result of sequestration reducing BAB's subsidy by 5.9%

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September 1, 2020  
Prepared by: T. Malone  
Submitted by: C. Clary  
Approved by: Paul A. Cook 

## FINANCE AND PERSONNEL COMMITTEE

### INFORMATION SERVICES PROJECT STATUS REPORT

#### SUMMARY:

The Information Services Department has provided a list of projects on which staff is currently working, which is provided for the Committee's review.

#### BACKGROUND:

Information Services periodically submits a project status report for the Committee's review. The current project status report is provided as Exhibit "A".

#### FISCAL IMPACTS:

The fiscal impacts are shown in Exhibit "A".

#### 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" – Information Services Project Status Report

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# Exhibit "A"


## Information Services Project Status Report

Project Name	Project Summary	Schedule		Project Budget	Status
Cyber Security Risk Assessment and Response Plan	Conduct a Cyber Security Risk Assessment to identify areas of risk and develop an incident response plan.	Start Complete	3/19 10/20	\$235,500	Tevora completed the assessment of IRWD's Information Security Risk Management. Findings and recommendations were presented to the Board in December 2019. Development of Information Security Practices and Standards and Cybersecurity Incident Response Practices and procedures have been drafted, "tabletop" exercise to test these to occur in September.
Replace Customer eBill and Payment Web Access Portal	Replace the current customer eBill and Payment Web Access portal with a cloud-based solution.	Start Complete	8/20 1/21	TBD	Contract finalized with the selected provider, Paymentus. Paymentus project manager recently assigned. Awaiting kick-off meeting.
Oracle Customer Care & Billing (CC&B) Software Upgrade	Implement a technical upgrade of IRWD's Oracle CC&B software to the most current version.	Start Complete	1/21 6/22	\$2,849,000	RFP for upgrade implementation services has been developed and will be issued close to the end of the Web Access Portal project.
IRWD Enterprise – Hardware and Software Upgrades	Replace hardware based on IRWD replacement practices. Upgrade software as hardware is replaced.	Start Complete	7/19 12//20	\$721,500	Hardware and software replacements are 80% completed.

June 2, 2020

## Information Services Project Status Report (continued)

Project Name	Project Summary	Schedule		Project Budget	Status
New VOIP Telephone System	Replace the District's legacy telephone system (3-Com) with a modern, cloud-based telephony system.	Start Complete	08/20 06/21	TBD	Initial technical assessment of providers (8x8, RingCentral and CallTower) completed. RingCentral is the preferred offering, staff now getting cost quotes to develop a budget.

September 1, 2020  
Prepared by: D. Pardee / C. Smithson  
Submitted by: Cheryl Clary  
Approved by: Paul A. Cook 

## FINANCE AND PERSONNEL COMMITTEE

### FISCAL YEAR 2019-20 NET OPERATING INCOME BY SYSTEM

#### SUMMARY:

Staff presented the Fiscal Year 2019-20 Quarterly Operating Highlights as of June 30, 2020 to the Finance and Personnel Committee on August 4, 2020. At that meeting, staff was asked to clarify and revise the Net Operating Income by System for presentation to the Finance and Personnel Committee on September 1, 2020. In addition, staff updated the General and Administrative(G&A) Cost Review to be consistent with the Net Operating Income by System. At the Committee meeting, staff will present the requested information.

#### BACKGROUND:

At the Finance and Personnel Committee meeting on August 4, 2020, staff presented the IRWD Quarterly Financial Operating Highlights. At the meeting, staff was asked to clarify how pension and Other Post-Employment Benefits (OPEB) were included in the exhibits provided and revise the exhibits to reflect pension and OPEB contributions versus expense. The contribution approach is consistent with how rates are set in the budget. Provided as Exhibit "A" is the revised Net Operating Income summary by System. The resulting revised consolidated net operating loss for FY 2019-20 is \$3.7 million of which \$0.9 million is funded from the Over Allocation Fund and \$2.8 million is funded from the Replacement Fund. The Over Allocation Fund Balance as of June 30, 2020 is \$7.3 million. The changes were also updated to be consistent in the G&A Cost Review. The revised G&A allocation rate is 190% versus an original budget of 180%. Staff will review the updated PowerPoint presentation with the Committee, which is provided as Exhibit "B".

#### FISCAL IMPACTS:

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

#### 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" – FY 2019-20 Net Operating Income by System  
Exhibit "B" – G&A Cost Review for FY 2019-20

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Exhibit A  
 IRVINE RANCH WATER DISTRICT  
 NET OPERATING INCOME BY SYSTEM  
 Fiscal Year 2019-20  
 Period Ending June 30, 2020

(in thousands)

	Consolidated Total			
	Actual	Budget	Variance	Variance %
<b>Revenues:</b>				
Commodity	\$ 61,540	\$ 65,760	\$ (4,220)	
Service	95,843	98,490	(2,647)	
Over Allocation	11,613	13,310	(1,697)	
<b>Total Revenues</b>	168,996	177,560	(8,564)	4.8%
Contribution to Enhancement and Replacement Funds	(29,272)	(29,506)	234	
<b>Net Revenues</b>	<b>\$ 139,724</b>	<b>\$ 148,054</b>	<b>\$ (8,330)</b>	<b>5.6%</b>
<b>Expenses:</b>				
Cost of Water	\$ 60,499	\$ 61,500	\$ 1,001	
Operations	35,517	41,505	5,988	
Water Banking	1,748	1,614	(134)	
OCSD - O&M	11,027	9,124	(1,903)	
<b>Total Direct</b>	108,791	113,743	4,952	-4.4%
Customer Service	9,400	8,750	(650)	
General & Administrative	23,403	23,762	359	
<b>Total Indirect</b>	32,803	32,512	(291)	0.9%
General Plant	1,799	1,799	-	
<b>Total Expenses</b>	<b>\$ 143,393</b>	<b>\$ 148,054</b>	<b>\$ 4,661</b>	<b>-3.1%</b>
<b>Net Operating Income (Loss)</b>	<b>\$ (3,669)</b>	<b>\$ -</b>	<b>\$ (3,669)</b>	

Reconciliation of Exhibit B and Exhibit A

<b>Total Operating Expenses from above</b>	<b>\$ 143,393</b>
General Plant (Capital from above)	(1,799)
Capital Expenses (primarily labor and related G&A)	19,797
All Other Non-Operating Expenses (primarily labor and related G&A)	904
Baker G&A not Reimbursed by Partners	1,077
All Other	(199)
<b>Total Exhibit A</b>	<b>\$ 163,173</b>

\*Balance of Over-allocation Fund is \$7.3 million

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# Exhibit “B”

## General and Administrative Cost Review for Fiscal Year 2019-20

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**DRAFT**

Finance & Personnel Committee

September 1, 2020



# G&A Expenses

in millions	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
<b>G&amp;A:</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
<b>Indirect Labor</b>	\$ 12.2	\$ 13.8	\$ 15.8	\$ 17.0
<b>Benefits*</b>	11.2	17.4	18.8	20.2
<b>Data Processing</b>	3.0	2.8	2.7	3.1
<b>Ins. &amp; Legal</b>	1.9	2.5	3.1	2.2
<b>Pro Fees</b>	1.6	1.2	1.5	1.7
<b>Other</b>	5.9	5.2	5.7	4.9
<b>Total G&amp;A</b>	\$ 35.8	\$ 42.9	\$ 47.6	\$ 49.1

\*Adjusted for Contributions to Pension and OPEB.

# Indirect Labor

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
in millions				
<b>Indirect Labor*</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Administration	\$ 1.7	\$ 1.8	\$ 2.0	\$ 2.1
Engineering	1.1	1.4	1.6	1.4
Fin & Admin Srvcs	4.7	5.1	5.8	6.4
Maint. Ops	0.8	0.8	1.0	1.3
Recycling Ops	0.7	0.8	0.9	1.0
Water Ops	1.4	1.8	2.1	2.4
Wtr Policy	1.4	1.6	1.8	1.8
Wtr Quality & Compliance	0.4	0.5	0.6	0.6
<b>Total Indirect Labor</b>	<b>\$ 12.2</b>	<b>\$ 13.8</b>	<b>\$ 15.8</b>	<b>\$ 17.0</b>

\* Includes approximately \$4.5 million for holiday, vacation, and sick in FY 2019-20.

# Benefits

	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
in millions	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
<b>Benefits</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
<b>Pension/OPEB Contribution*</b>	\$ 8.5	\$ 8.7	\$ 9.7	\$ 10.7
<b>Employee Health Ins</b>	5.3	5.9	6.2	6.5
<b>401A Employer</b>	0.9	0.9	1.1	1.3
<b>Workers Comp</b>	1.1	1.3	1.1	1.1
<b>Employer Tax</b>	0.6	0.6	0.6	0.6
<b>All other</b>	-5.2	0.0	0.1	0.0
<b>Total Benefits</b>	\$ 11.2	\$ 17.4	\$ 18.8	\$ 20.2

\*Based on contributions to pension and OPEB.

# G&A Allocation Percentage





# G&A Allocation Formula

$$\frac{\text{Total G\&A Expense}}{\text{Direct Labor}}$$

# Adjusted G&A Allocation

## G&A Calculation for Budget and Actual\*

in millions	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Total G&A	\$35.8	\$38.2	\$42.9	\$40.5	\$47.6	\$45.1	\$49.1	\$47.9
Total Direct Labor	\$22.2	\$22.9	\$22.7	\$22.9	\$24.2	\$25.0	\$25.8	\$26.6
<b>G&amp;A Allocation %</b>	<b>161%</b>	<b>167%</b>	<b>189%</b>	<b>177%</b>	<b>197%</b>	<b>180%</b>	<b>190%</b>	<b>180%</b>

\*Based on contributions to pension and OPEB.



# Next Steps

## **Review G&A Allocation Percentage**


Review allocation of benefit expenses to G&A:

- Pension benefits
- Paid time off (vacation, sick, holiday, etc.)
- Health care benefits
- Employer retirement contribution

# Questions / Discussion



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September 1, 2020  
Prepared by: D. Pardee / C. Smithson  
Submitted by: C. Clary  
Approved by: Paul A. Cook 

## FINANCE AND PERSONNEL COMMITTEE

### FINANCIAL REPLACEMENT FUND BALANCE MODEL UPDATE

#### SUMMARY:

IRWD utilizes various planning tools, including the Replacement Planning Model (RPM) and Financial Replacement Fund Balance Model (FRM), to assist with the financial planning for setting future water and sewer rates. At the Committee meeting, staff will provide an update on changes to the RPM, and recommends the Committee provide input on the key assumptions to be updated in the FRM.

#### BACKGROUND:

IRWD's RPM model compiles the current and future costs associated with funding the replacement of IRWD facilities. At its meeting on August 18, 2020, the Engineering and Operations Committee discussed the most current version of the RPM, which includes updated pricing strategy for replacement reserve needs used in recommending the contribution of future water and sewer rates. The RPM utilizes a technique called "Continuous Refurbishment" – a hybrid approach of estimating refurbishment, repair, and periodic replacement costs that more closely aligns with the estimated timing of the projected expenditure. The most current update of the RPM, which incorporate updated unit construction costs with the resulting cumulative replacement costs over the next 50 years, reflects an estimated cost to replace IRWD facilities at \$10.7 billion.

Staff is in the process of incorporating the updated costs into the FRM. At this meeting of the Finance and Personnel Committee, staff will present the results and key assumptions used in the FRM. At the October meeting of the Committee, staff will incorporate the Committee's comments along with the final outputs of the FRM for discussion. Subsequently, staff envisions a final discussion with the entire Board to evaluate IRWD's replacement reserve needs to be considered in future discussion of setting future water and sewer rates.

#### FISCAL IMPACTS:

As described above.

#### ENVIRONMENTAL COMPLIANCE:

This item is statutorily exempt from the California Environmental Quality Act (CEQA).

#### RECOMMENDATION:

That the Committee provide input on the key assumptions presented by staff to be updated in the Financial Replacement Fund Balance Model.

LIST OF EXHIBITS:

Exhibit “A” – Financial Replacement Fund Balance Model Update

# Financial Replacement Fund Balance Model

**DRAFT**

Finance and Personnel Committee  
September 1, 2020



1

## Replacement Fund Review Timeline

### September 2020

- Summarize Replacement Planning Model (RPM) update
- Review Financial Replacement Fund Balance Model (FRM) assumptions
- Review Criteria for Replacement Fund Policy

### October 2020

- FRM updates
- Application to rate setting strategy

2

## Process Overview

1. RPM
2. FRM
3. Replacement Fund Policy
4. Application to the Rate Setting Process

3

## Agenda

### F&P Discussion

- RPM Updated:
  - Phase 1 2018 Implemented Continuous Refurbishment
  - Phase 2 2020 Updated Unit Costs
  - Identified Changes by System
- Review FRM Assumptions
- Review Replacement Fund Policy
- Next Steps



Michelson Water Recycling Plant and Biosolids Dewatering Facilities



Baker Water Treatment Plant

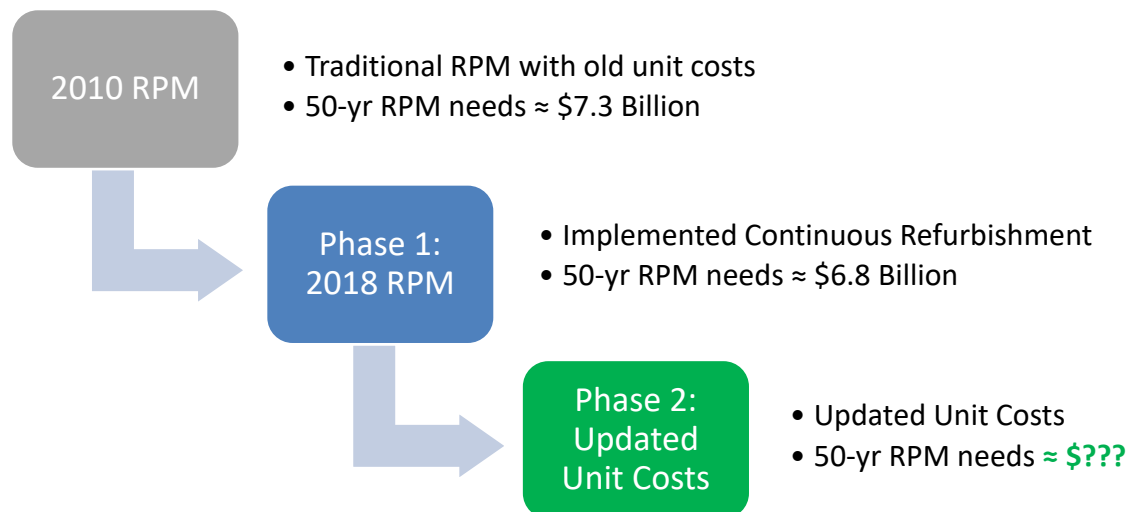
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## RPM Model and Results



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### Phase 1 Review: 50-year Projection



Irvine Ranch Water District

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## Updated Facilities and Assets

### Phase 2

- Included all assets through March 2020
- Included facilities recently constructed
- Added near-term planned projects



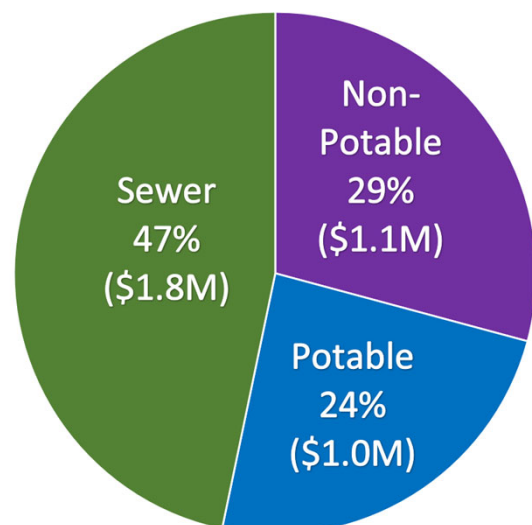
Irvine Ranch Water District

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## Phase 2 Analysis Results

- Total Increase of approximately \$3.9 billion
- Percent increase by system consistent with expectations



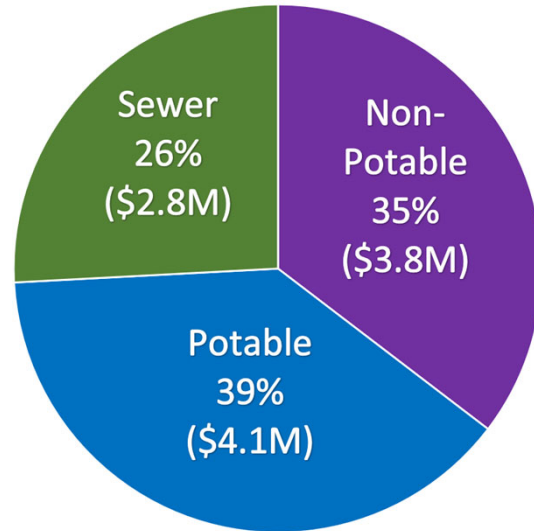
Irvine Ranch Water District

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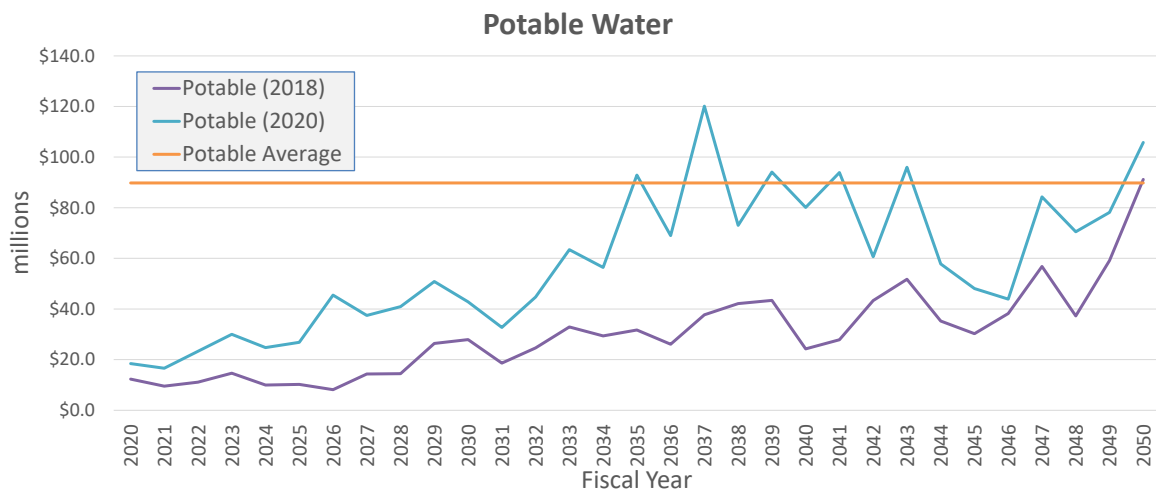
## Phase 2 Analysis Results

Total 50-year RPM needs:  
approximately \$10.7 billion



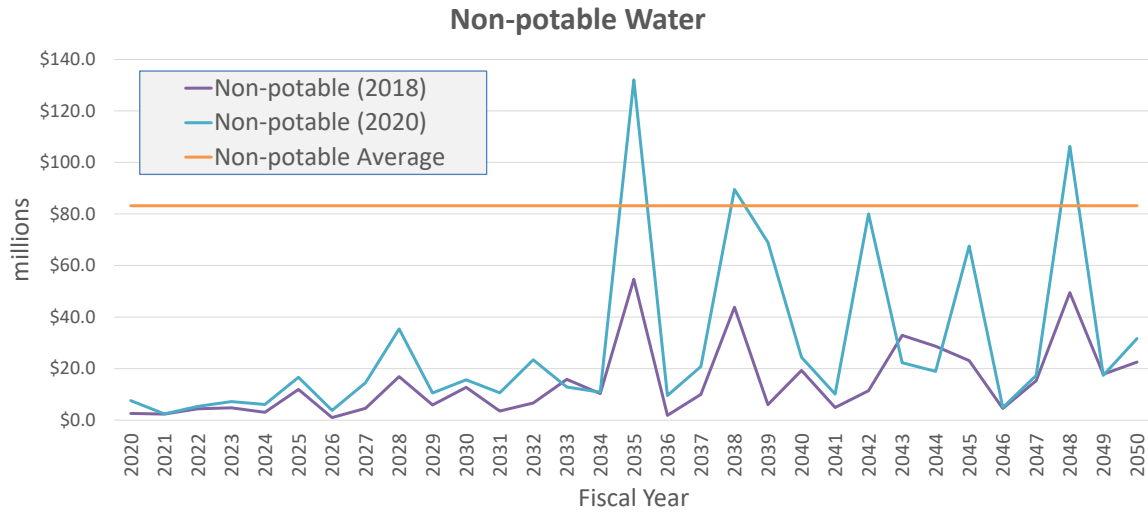
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## Phase 2 Analysis Results – Potable



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## Phase 2 Analysis Results – Non-potable Water

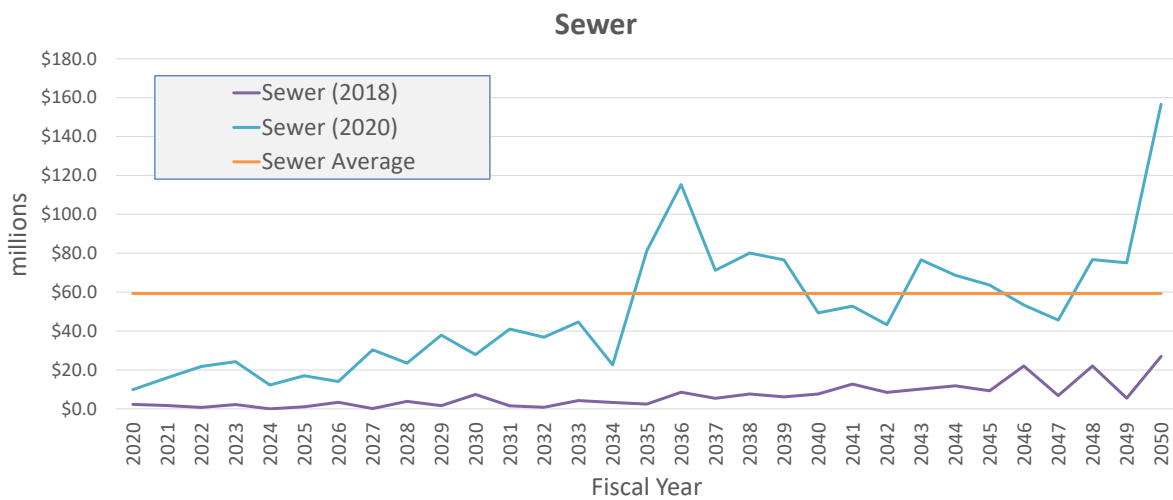


Irvine Ranch Water District

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## Phase 2 Analysis Results – Sewer



Irvine Ranch Water District

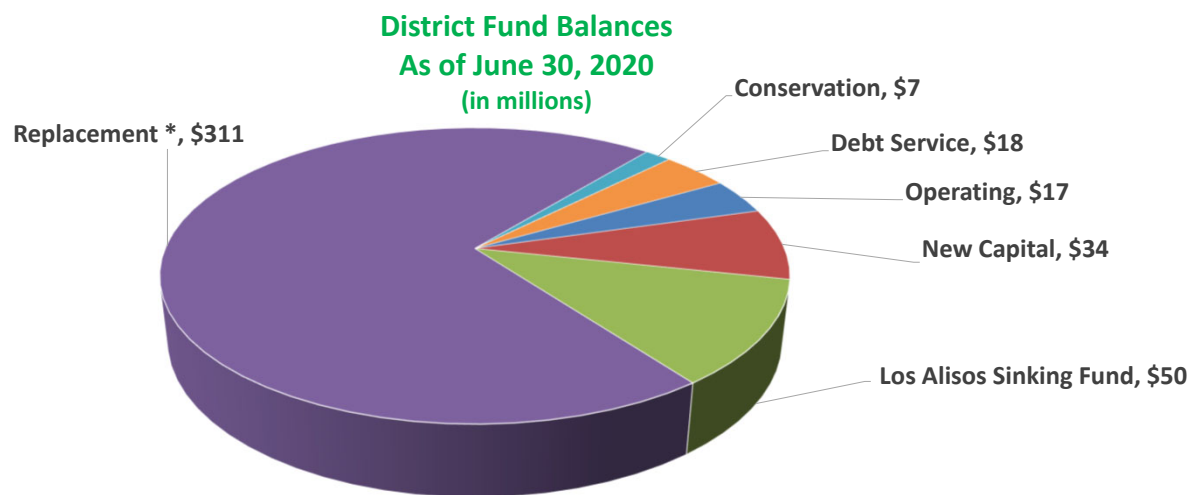
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## FRM Assumptions

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## IRWD Fund Balances



\* Includes \$80 million from Serrano Summit note.

Irvine Ranch Water District

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## FRM Revenue Assumptions

Replacement Fund Revenue Assumptions				
Description	Basis	Years	Escalator	Driver
<b>User Rates</b>	Current Budget - \$25.7 Million	50 Year Period	3.00%	Growth and rates
<b>Real Estate Net Income</b>	Current Budget - \$11.6 Million	50 Year Period	between 2.5-3.0%	Based upon real estate market projections
<b>1% Tax</b>	Current Allocation (30%) - \$13.5 Million	<b>Reallocate after: 2025</b>	2.50%	The County choosing to reallocate 1% tax revenue
<b>Rate of Return</b>	District return on cash and investment	50 Year Period	0.75% - 3.5%	Increased to 3.5% over a 10 year period
<b>Bond Sales</b>	As needed	After FY 2052	3%	Negative Fund balance

Irvine Ranch Water District

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## Replacement Fund Policy



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## Approved Funding Criteria

### Board Approved

	Category	Target
1	Capital Facilities	Long term replacement (RPM model data Min: 1-5 years 100% and 6-10 years 50%; Max: 1-10 years 100%)
2	Insurance	Catastrophic events and unplanned emergency repairs: 5 times the deductible (\$125K for property; \$100K general liability)
3	Variable Rate Hedge	Excluded based on current debt ratio (variable to fixed)
4	System Refurbishments	(included in # 1)
5	Environmental Compliance	(included in # 1)
6	Rate Stabilization	Mitigate the impact of short-term effects on user rates (3 year average net operating working capital)

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## Current Replacement Fund Balance

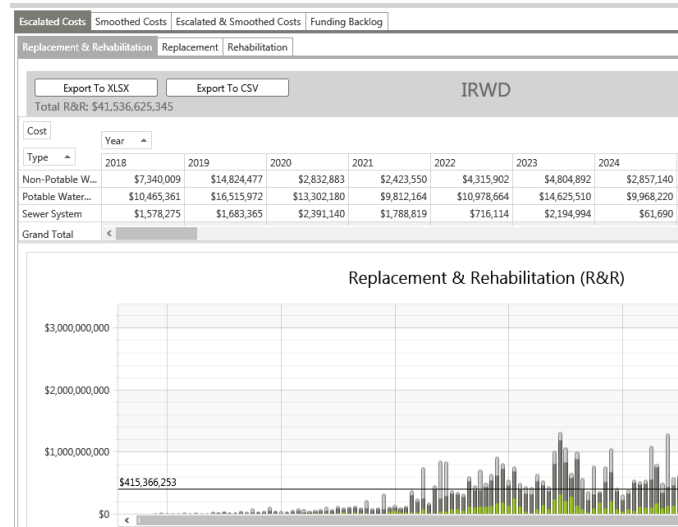
Replacement Criteria Application:	FY 2019-20
(in millions)	
Capital Facilities Replacement: Continuous Refurbishment - 100% of Years 1-5 and 50% of years 6-10	\$428
Insurance: 5 times the deductible (\$125K for property and \$100K general liability)	\$ 1
Rate Stabilization: Three years net working capital from operations	\$ 16
Total required based on criteria	\$445
<b>Replacement Fund Current Balances:</b>	
Current Cash Balance	\$361
Trust Fund Borrowing	\$53
Total	\$414

18

## Next Steps

### October F&P:

- Update FRM to include new cost projections
- Apply to rate-setting strategy



September 1, 2020  
Prepared by: R. Jacobson  
Submitted by: C. Clary  
Approved by: Paul A. Cook



## FINANCE AND PERSONNEL COMMITTEE

### SAND CANYON PROFESSIONAL CENTER – PHASE II PROJECT UPDATE AND LISTING AGREEMENT EXTENSION

#### SUMMARY:

Staff and the District's commercial real estate brokers will provide the Committee with an update on marketing and leasing activities related to the recently completed Sand Canyon Professional Center office property. Staff recommends that the Board approve a new listing agreement with the existing brokerage team, under the general terms as the previously executed listing agreement, with a time extension through February 28, 2021.

#### BACKGROUND:

Construction of the Sand Canyon Professional Center Phase II office building was completed in August 2020. The 70,000 square foot for-lease building includes a rooftop patio area, central courtyard, bi-fold doors, covered parking spaces and other amenities.

IRWD's commercial brokers, Cushman & Wakefield (Kevin Turner) and Colliers International (Mike Hartel), are marketing the building as creative office space featuring open ceilings, polished concrete flooring, and open architecture. In response to recent concerns from prospective tenants related to COVID-19 and future office requirements, the brokers are promoting the new building's many related benefits including the bi-fold doors for fresh air access, rooftop meeting area, 14-foot finished ceiling height, and state of the art HVAC filtration system. At the meeting, staff and the District's brokers will provide an update on the commercial market, including impacts from COVID-19, as well as marketing efforts and leasing activities. Staff will also update the Committee on recent discussions with a potential tenant interested in leasing approximately 40% of the building.

#### Listing Agreement Extension:

The Board previously approved the current listing agreement with Cushman & Wakefield and Colliers International expiring August 31, 2020. Staff recommends extending the agreement for six months to February 28, 2021. The general terms of the listing agreement are as follows:

*Brokers:* Kevin Turner (Cushman & Wakefield) and Michael Hartel (Colliers International)

*Proposed Extension Term:* February 28, 2021

*Termination:* Upon 30-Day Notice

*Commission Rates:*

Year 1 through Year 5: 4% to the procuring broker and 2.50% to the listing brokers

Year 6 through Year 10: 2% to the procuring broker and 1.25% to the listing brokers

The Proposed Listing Agreement is provided as Exhibit "A".

FISCAL IMPACTS:

The total proposed lease commission rate is 6.5% of the gross lease revenue for years one through five, and 3.25% for years six through 10. The total commission will be determined based on the final lease terms.

ENVIRONMENTAL COMPLIANCE:

A Final Environmental Impact Report has been prepared, certified and the project approved by the County of Orange Environmental Management Agency in compliance with the California Environmental Quality Act (CEQA) of 1970 (as amended), codified at California Public Resources Code Sections 21000 et. seq., and the State CEQA Guidelines in the Code of Regulations, Title 14, Division 6, Chapter 3.

RECOMMENDATION:

That the Board approve a new listing agreement for the lease of the Sand Canyon Professional Office Center Phase II with the brokerage team of Cushman & Wakefield and Colliers International under previously agreed upon commission terms and expiring February 28, 2021.

LIST OF EXHIBITS:

Exhibit “A” – Proposed Listing Agreement



**EXCLUSIVE RIGHT TO REPRESENT OWNER  
FOR SALE OR LEASE OF REAL PROPERTY**  
(Non-Residential)

**1. BASIC PROVISIONS ("BASIC PROVISIONS").**

1.1 **Parties:** This agency Agreement ("**Agreement**"), dated for reference purposes only September 1, 2019, is made by and between Irvine Ranch Water District, whose address is 15600 Sand Canyon, Irvine, CA 92618, telephone number (949) 453-5358, Fax No. (949) 453-0128 ("**Owner**"), and Cushman & Wakefield of California, Inc., whose address is 18111 Von Karman Avenue, Suite 1000, Irvine, CA 92612, telephone number (949) 474-4004, Fax No. (949) 474-0405 ("**Agent**").

1.2 **Property/Premises:** The real property, or a portion thereof, which is the subject of this Agreement is commonly known as (street address, city, state, zip) The Source H2O, Building B (TBD), located in the County of Orange, and generally described as (describe briefly the nature of the property): an approximate 71,000 square foot, ready to be constructed, planned office project ("**Property**"). (See also Paragraph 3).

1.3 **Term of Agreement:** The term of this Agreement shall commence on August 24, 2020 and expire at 5:00 p.m. on February 28, 2021, except as it may be extended ("**Term**"). (See also paragraph 4)

1.4 **Transaction:** The nature of the transaction concerning the Property for which Agent is employed ("**Transaction**") is (check the appropriate box(es)):

- (a) ☐ A sale for the following sale price and terms: \_\_\_\_\_ and other additional standard terms reasonably similar to those contained in the "STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR THE PURCHASE OF REAL ESTATE" published BY AIR CRE ("**AIR**"), or for such other price and terms agreeable to Owner;
- (b) ☒ A lease or other tenancy for the following rent and terms: \_\_\_\_\_ and other additional standard terms reasonably similar to those contained in the appropriate AIR lease form or for such other rent and terms agreeable to Owner.

**2. EXCLUSIVE EMPLOYMENT AND RIGHTS.**

2.1 Owner hereby employs Agent as Owner's sole and exclusive agent to represent Owner in the Transaction and to find buyers or lessees/tenants ("**lessees**"), as the case may be, for the Property. Agent shall use reasonably diligent efforts to find such buyers or lessees. All negotiations and discussions for a Transaction shall be conducted by Agent on behalf of Owner. Owner shall promptly disclose and refer to Agent all written or oral inquiries or contacts received by Owner from any source regarding a possible Transaction.

2.2 Owner authorizes Agent to:

- (a) Place advertising signs on the Property;
- (b) Place a lock box on the Property if vacant;
- (c) Accept deposits from potential buyers or lessees; and
- (d) Distribute information regarding the Property to participants in THE MULTIPLE ("**MULTIPLE**") of the AIR and/or any other appropriate local commercial multiple listing service, to other brokers, and to potential buyers or lessees of the Property. Owner shall identify as "confidential" any information provided to Agent that Owner considers confidential and does not want disclosed. All other information provided by Owner may be disclosed as Agent may deem appropriate or necessary. After consummation of a Transaction, Agent may publicize the terms of such Transaction.

2.3 Agent shall comply with the Rules of Professional Conduct of the AIR, if a member or if not, the Rules of Professional Conduct of the Society of Industrial and Office Realtors, and shall submit the Property to the MULTIPLE. Agent shall cooperate with participants in the MULTIPLE and may, at Agent's election, cooperate with other real estate brokers (collectively "**Cooperating Broker**").

2.4 If the Transaction is a sale and Agent finds a prospective buyer for the Property, or if the Transaction is a lease and Agent finds a prospective lessee for the Property, Owner hereby authorizes Agent also to represent and act as the agent for such buyer or lessee, and Owner consents to such dual agency. If a Cooperating Broker finds such a buyer or lessee, then Agent shall act as agent for Owner only, the Cooperating Broker shall act as agent for the buyer or lessee only, and the Cooperating Broker shall not be Owner's agent, even though the Cooperating Broker may share in the commission paid by Owner to Agent. A Cooperating Broker shall not be an agent or subagent of Owner or Agent.

2.5 Owner agrees that Agent may, during the ordinary and normal course of marketing the Property, respond to inquiries on the Property by showing and providing information on the Property, as well as on other competing properties, to prospective buyers and lessees and that such activities may result in the payment of a commission to Agent by a third party.

**3. PROPERTY.**

3.1 The term "Property" shall include all of the following which are currently located on the Property and owned by Owner: permanent improvements, electrical distribution systems (power panels, buss ducting, conduits, disconnects, lighting fixtures, etc.), ~~telephone distribution systems (lines, jacks and connections), space heaters;~~ air conditioning equipment, air lines, carpets, window coverings, wall coverings, partitions, doors, suspended ceilings, built-ins such as cabinets, and \_\_\_\_\_ (if there are no additional items write "NONE"). If the Transaction is a sale,

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## Exhibit A

the term "Property" shall additionally include, to the extent owned by Owner, oil and mineral rights, leases and other agreements which will continue in effect after Owner's transfer of title to the Property.

3.2 Within five business days after the commencement of the Term hereof, Owner shall provide Agent with the following:

(a) ~~A duly completed and fully executed Property Information Sheet on the most current form published by the AIR;~~

(b) Copies of all leases, subleases, rental agreements, option rights, rights of first refusal, rights of first offer, or other documents containing any other limitations on Owner's right, ability and capacity to consummate a Transaction, and

(c) If available to Owner, copies of building plans, and if the Transaction is a sale, title reports, boundary surveys, and existing notes and trust deeds which will continue to affect the Property after consummation of a sale.

3.3 Agent shall have no responsibility for maintenance, repair, replacement, operation, or security of the Property, all of which shall be Owner's sole responsibility. Unless caused by Agent's gross negligence, Agent shall not be liable for any loss, damage, or injury to the person or property of Owner, any lessees of the Property, any buyer, prospective buyer, lessee, or prospective lessee, including, but not limited to, those which may occur as a result of Agent's use of a lock box.

**4. EXTENSION OF TERM.** If the Transaction is a sale, and a sale is not consummated for any reason after Owner accepts an offer to purchase the Property ("**Sale Agreement**"), then the expiration date of the Term of this Agreement shall be extended by the number of days that elapsed between the date Owner entered into the Sale Agreement and the later of the date on which the Sale Agreement is terminated or the date Owner is able to convey title to a new buyer free and clear of any claims by the prior buyer of the Property; provided, however, in no event shall the Term be so extended beyond one year from the date the Term would have otherwise expired.

### 5. COMMISSION.

5.1 Owner shall pay Agent a commission ☐ in the amount of \_\_\_\_\_ ☒ in accordance with the commission schedule attached hereto ("**Agreed Commission**"), for a Transaction, whether such Transaction is consummated as a result of the efforts of Agent, Owner, or some other person or entity. Agent shall also be entitled to the Agreed Commission if any of the Owner's representations and warranties described in paragraph 8 are shown to be false. Such Agreed Commission is payable:

(a) If the Transaction is a sale, (i) the Property is sold; (ii) Owner breaches or repudiates any Sale Agreement, escrow instructions or other documents executed by Owner regarding the sale of the Property; (iii) the Property or any interest therein is voluntarily or involuntarily sold, conveyed, contributed or transferred; (iv) the Property or any interest therein is taken under the power of Eminent Domain or sold under threat of condemnation, or (v) if Owner is a partnership, joint venture, limited liability company, corporation, trust or other entity, and any interest in Owner is voluntarily or involuntarily sold, contributed, conveyed or transferred to another person or entity that, as of the date hereof, does not have any ownership interest in Owner;

(b) If the Transaction is a lease and a lease of the Property, or a portion thereof is executed; or

(c) If Owner (i) removes or withdraws the Property from a Transaction or the market; (ii) acts as if the Property is not available for a Transaction; (iii) treats the Property as not available for a Transaction; (iv) breaches, terminates, cancels or repudiates this Agreement; (v) renders the Property unmarketable; or (vi) changes the status of the Property's title, leases, agreements, physical condition or other aspects thereof, which such change adversely impacts the value, use, desirability or marketability of the Property.

(d) If earnest money or similar deposits made by a prospective purchaser or tenant are forfeited Agent shall be entitled to one-half (½) thereof, but not to exceed the total amount of the commission that would have been payable had the sale or lease transaction been consummated.

5.2 If the Transaction is a sale, the purchase agreement and/or escrow instructions to be entered into by and between Owner and a buyer of the Property shall provide that:

(a) Owner irrevocably instructs the escrow holder to pay from Owner's proceeds accruing to the account of Owner at the close of escrow the Agreed Commission to Agent;

(b) A contingency to the consummation of the sale shall be the payment of the Agreed Commission to Agent at or prior to close of the escrow; and

(c) No change shall be made by Owner or buyer with respect to the time of, amount of, or the conditions to payment of the Agreed Commission, without Agent's written consent.

**6. ALTERNATIVE TRANSACTION.** If the Transaction changes to any other transaction, including, but not limited to, a sale, exchange, option to buy, right of first refusal, ground lease, lease, sublease or assignment of lease (collectively "**Alternative Transaction**"), then Agent shall automatically be Owner's sole and exclusive Agent for such Alternative Transaction and represent Owner in such Alternative Transaction, under the terms and conditions of this Agreement. If, during the Term hereof, an Alternative Transaction is entered into, then Owner shall pay Agent the Agreed Commission.

### 7. EXCLUDED AND REGISTERED PERSONS.

7.1 Owner shall, within 5 business days after the date hereof, provide Agent, in writing, with the names of those persons or entities registered with Owner by any other broker under any prior agreement concerning the Property ("**Excluded Persons**", see paragraph 7.5). Owner shall also specify for each Excluded Person the type of transaction the consummation of which during the Term of this Agreement entitles such other broker to any compensation ("**Excluded Transaction**"). Agent may within 10 days of receiving such written list, either (a) accept the Excluded Persons and Excluded Transactions, (b) cancel this Agreement, or (c) attempt to renegotiate this portion of the Agreement with Owner. Once accepted by Agent, the written list shall automatically become an exhibit to this Agreement. If Owner timely provides Agent with the names of the Excluded Persons and specifies the Excluded Transaction for each Excluded Person, then the Agreed Commission paid to Agent with respect to consummation of such an Excluded Transaction with an Excluded Person shall be limited as follows: if such Excluded Transaction is concluded within the first 30 days of the commencement of the Term hereof, then Agent shall be paid a commission equal to the reasonable out-of-pocket expenses incurred by Agent in

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## Exhibit A

the marketing of the Property during said 30 days; or if such Excluded Transaction is concluded during the remainder of the Term hereof, then Agent shall be entitled to a commission equal to one-half of the Agreed Commission. If the specified information concerning Excluded Persons and Transactions is not provided as set forth herein, then it shall be conclusively deemed that there are no Excluded Persons.

7.2 Agent shall, within 5 business days after the expiration of the Term hereof, provide Owner, in writing, with the name of those persons or entities with whom Agent either directly or through another broker had negotiated during the Term hereof ("**Registered Persons**", see paragraph 7.5), and specify the type of transaction of the Property for which such negotiations were conducted ("**Registered Transaction**"). Those persons or entities who submitted written offers or letters of intent shall, however, automatically be deemed to be Registered Persons for the type of transaction which was the subject of such offer or letter of intent. If Agent fails to timely notify Owner of the existence of any other Registered Persons, then it shall be conclusively deemed that there are no other Registered Persons. A person or entity shall not be a Registered Person if Agent fails to timely specify a Registered Transaction for such person or entity. The parties are aware that the registration of certain individuals and/or entities might create a Dual Agency, and Owner hereby consents to any such Dual Agency.

7.3 If, within 180 days after the expiration of the Term hereof, Owner enters into a contract with a Registered Person for consummation of a Registered Transaction, then Owner shall, upon consummation of such Registered Transaction, pay Agent the Agreed Commission for the Registered Transaction.

7.4 If, within 180 days after the expiration of the Term hereof, Owner enters into another owner-agency or listing agreement with a broker other than Agent for any transaction concerning the Property, then Owner shall provide to Owner's new broker the names of the Registered Persons and the Registered Transaction for each Registered Person, and provide in such new agreement that the new broker shall not be entitled to receive any of the compensation payable to Agent hereunder for consummation of a Registered Transaction with a Registered Person.

7.5 In order to qualify to be an Excluded Person or a Registered Person the individual or entity must have: toured the Property, submitted a letter of interest or intent, and/or made an offer to buy or lease the Property. ~~In addition, Excluded Persons may only be registered by a broker who previously had a valid listing agreement covering the Property, and such broker may only register individuals and entities actually procured by such listing broker.~~

### 8. OWNER'S REPRESENTATIONS.

Owner represents and warrants that:

- (a) Each person executing this Agreement on behalf of Owner has the full right, power and authority to execute this Agreement as or on behalf of Owner;
- (b) Owner owns the Property and/or has the full right, power and authority to execute this Agreement and to consummate a Transaction as provided herein, and to perform Owner's obligations hereunder;
- (c) Neither Owner nor the Property is the subject of a bankruptcy, insolvency, probate or conservatorship proceeding;
- (d) Owner has no notice or knowledge that any lessee or sublessee of the Property, if any, is the subject of a bankruptcy or insolvency proceeding;
- (e) There are no effective, valid or enforceable option rights, rights of first refusal, rights of first offer or any other restrictions, impediments or limitations on Owner's right, ability and capacity to consummate a Transaction, except as disclosed in writing pursuant to Paragraph 3.2(b).
- (f) That as of the date of this Agreement the asking sales price is not less than the total of all monetary encumbrances on the Property.

**9. OWNER'S ACKNOWLEDGMENTS.** Owner acknowledges that it has been advised by Agent to consult and retain experts to advise and represent it concerning the legal and tax effects of this Agreement and consummation of a Transaction or Alternative Transaction, as well as the condition and/or legality of the Property, including, but not limited to, the Property's improvements, equipment, soil, tenancies, title and environmental aspects. Agent shall have no obligation to investigate any such matters unless expressly otherwise agreed to in writing by Owner and Agent. Owner further acknowledges that in determining the financial soundness of any prospective buyer, lessee or security offered, Owner will rely solely upon Owner's own investigation, notwithstanding Agent's assistance in gathering such information.

### 10. MISCELLANEOUS.

10.1 This Agreement shall not be construed either for or against Owner or Agent, but shall be interpreted, construed and enforced in accordance with the mutual intent of the parties ascertainable from the language of this Agreement.

10.2 All payments by Owner to Agent shall be made in lawful United States currency. If Owner fails to pay to Agent any amount when due under this Agreement, then such amount shall bear interest at the rate of 15% per annum or the maximum rate allowed by law, whichever is less.

10.3 In the event of litigation or arbitration between Owner and Agent arising under or relating to this Agreement or the Property, the prevailing party shall be paid its attorney's fees and costs by the losing party. The term, "Prevailing Party" shall include, without limitation, one who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other party of its claim or defense. The attorney's fees award shall not be computed in accordance with any court fee schedule, but shall be in an amount to fully reimburse all attorney's fees reasonably incurred in good faith.

10.4 Owner agrees to indemnify, defend (with counsel reasonably acceptable to Agent), and hold Agent harmless from and against any claim or liability asserted against Agent as a result of the failure of Owner to make a full and complete disclosure pursuant to law and paragraph 3.2(a) or as a result of the fact that any of the representations made by Owner (see paragraph 8) were not true at the time that this Agreement was signed.

10.5 Owner hereby releases and relieves Agent, and waives Owner's entire right of recovery against Agent, for direct or consequential loss or damage arising out of or incident to the perils covered by insurance carried by Owner, whether or not due to the negligence of Agent.

10.6 In the event that the Transaction is not an outright sale, Owner agrees that if Agent is not paid the Agreed Commission provided for herein within thirty days of the date due, that Agent shall have a lien in the amount of such commission, and may record a notice of such lien, against the Property.

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10.7 Owner agrees that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to the services to be performed by Agent pursuant to this Agreement may be brought against Agent more than one year after the expiration of the Term of this Agreement (see paragraph 1.3) and that the liability (including court costs and attorney's fees) of Agent with respect to any such lawsuit and/or legal proceeding shall not exceed any fee received by Agent pursuant to this Agreement; provided, however, that the foregoing limitation on liability shall not be applicable to any gross negligence or willful misconduct of Agent.

### 11. ARBITRATION OF DISPUTES.

11.1 ANY CONTROVERSY ARISING UNDER OR RELATING TO THIS AGREEMENT SHALL BE DETERMINED BY BINDING ARBITRATION TO BE CONDUCTED BY: ☐ THE AMERICAN ARBITRATION ASSOCIATION OR ☐ \_\_\_\_\_ USING THE COMMERCIAL RULES ESTABLISHED BY SUCH ORGANIZATION OR IF NONE THE AMERICAN ARBITRATION ASSOCIATION'S COMMERCIAL RULES. ARBITRATION HEARINGS SHALL BE HELD IN THE COUNTY WHERE THE PROPERTY IS LOCATED.

11.2 NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

11.3 WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

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Owner's Initials

\_\_\_\_\_  
Agent's Initials

11.4 THE PROVISIONS OF THE ABOVE ARBITRATION CLAUSE SHALL NOT BE BINDING ON EITHER PARTY UNLESS BOTH PARTIES HAVE PLACED THEIR INITIALS UNDER PARAGRAPH 11.3.

12. **Additional Provisions:** Additional provisions of this Agreement are set forth in the following blank lines or in an addendum attached hereto and made a part hereof consisting of paragraphs None through None (if there are no additional provisions write "NONE"):

13. **Disclosures Regarding The Nature of a Real Estate Agency Relationship.** When entering into an agreement with a real estate agent an Owner should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction.

(i) *Owner's Agent.* An Owner's agent may act as an agent for the Owner only. An Owner's agent or subagent has the following affirmative obligations: To the Owner: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings. To a potential buyer/lessee and the Owner: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) *Agent Representing Both Parties.* A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both Parties in a transaction, but only with the knowledge and consent of the Parties. In a dual agency situation, the agent has the following affirmative obligations to both Parties: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Party. b. Other duties to the Owner as stated above in subparagraph (i). When representing both Parties, an agent may not without the express permission of the respective Party, disclose to the other Party that the Owner will accept rent/purchase price in an amount less than that indicated in the listing or that the buyer/lessee is willing to pay a higher rent/purchase price than that offered.

The above duties of the Agent do not relieve Owner from the responsibility to protect its own interests. Owner should carefully read all agreements to assure that they adequately express its understanding of the transaction.

Date: \_\_\_\_\_

Date: \_\_\_\_\_

#### OWNER

Irvine Ranch Water District

By: \_\_\_\_\_

Name Printed: \_\_\_\_\_

Title: \_\_\_\_\_

#### AGENT

Cushman & Wakefield of California, Inc.

By: \_\_\_\_\_

Name Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Agent BRE License #: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

AIR CRE. 500 North Brand Blvd, Suite 900, Glendale, CA 91203, Tel 213-687-8777, Email [contracts@aircre.com](mailto:contracts@aircre.com)

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## Exhibit A

### **Proposed Commission Structure – Exhibit “A”**

#### **BUILDING LEASING**

Marketing Team: Kevin Turner and John Gallivan (Cushman & Wakefield) and Michael Hartel and Nick Velasquez (Colliers International)

<b>New Lease – Marketing Team represents both sides of the lease:</b>	
Years 1-5	(5%) = Five percent of NNN Base Rental for years 1-5.
Years 6-10	(2.5%) = Two and one-half percent of NNN Base Rental for years 6-10.

<b>New Lease – Tenant is represented by a broker other than the Marketing Team:</b>	
Years 1-5	(4.0%) = Four percent of NNN Base Rental for years 1-5 to the procuring Broker. (2.50%) = Two and one-half percent of NNN Base Rental for years 1-5 to Marketing Team.
Years 6-10	(2.0%) = Two percent of NNN Base Rental for years 6-10 to the procuring Broker. (1.25%) = One and one-quarter percent of NNN Base Rental for years 6-10 to Marketing Team.

AGREED & ACCEPTED

**IRVINE RANCH WATER DISTRICT**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**CUSHMAN & WAKEFIELD OF  
CALIFORNIA, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

September 1, 2020  
Prepared by: G. Montejano  
Submitted by: J. Roney  
Approved by: Paul A. Cook

## FINANCE AND PERSONNEL COMMITTEE

### RENEWAL OF GROUP MEDICAL, DENTAL, VISION AND TERM LIFE INSURANCE FOR CALENDAR YEAR 2021

#### SUMMARY:

CalPERS Health Benefits Services has notified participating agencies of premium rates for the 2021 plan year beginning January 1, 2021. ACWA/JPIA has negotiated rates for dental insurance coverage with Delta Dental for the plan year beginning January 1, 2021, which results in no change in the premiums for IRWD's current dental plan. EyeMed will extend a fourth year rate guarantee, which results in no change in premiums for IRWD's current vision plan. Reliance Standard will extend a fifth year rate guarantee, which results in no change in premiums for IRWD's current Term Life and Accidental Death and Dismemberment (AD&D) plan.

ACWA/JPIA and EyeMed will continue to offer IRWD voluntary buy-up plans for both dental and vision insurance respectively, with no change in premium for the 2021 plan year. The buy-up program was approved by the Board in 2020 to provide employees an option to purchase a higher level of dental and/or vision insurance coverage on a voluntary basis. Employees pay the cost of the buy-up plan through payroll deductions.

Staff recommends the Board:

- Continue IRWD's health insurance coverage with CalPERS for the calendar year 2021 with changes in District and employee contribution rates as outlined in Exhibit "A";
- Extend IRWD's existing contracts with ACWA/JPIA for Delta Dental DPO Plan A and EyeMed for vision insurance for coverage in calendar year 2021;
- Continue to offer the voluntary buy-up Delta Dental plan from ACWA/JPIA for employee purchase for the 2021 plan year; and
- Continue to offer the voluntary buy-up vision insurance plan from EyeMed for employee purchase for the 2021 plan year.

#### BACKGROUND:

##### CalPERS Medical Insurance Renewal Information:

IRWD currently utilizes the CalPERS medical insurance program to provide medical insurance coverage for District employees. Each year, in advance of the annual insurance benefit open enrollment period, the District receives the premium rates for each health insurance plan for the upcoming calendar year. The health care rate and plan changes for 2021 include an overall average premium increase of 4.32%. For the 2021 calendar year, CalPERS has notified the District of premium rate changes for each of the specific plans from which IRWD employees may choose.

This year CalPERS announced that due to the impact of COVID-19, CalPERS had a stronger negotiation power on behalf of its 1.5 million health program members. Factors in projecting COVID-19's impact included the savings due to delayed and deferred care this year, which CalPERS was able to use to reduce rate increases for 2021.

Dental Coverage:

IRWD's current employee dental insurance coverage is provided by Delta Dental Plan of California through ACWA/JPIA. IRWD currently contracts through ACWA/JPIA for the DPO Plan A with child and adult orthodontic coverage as an add-on, as well as a Delta Dental voluntary employee-purchase buy-up plan as an additional dental insurance option for District staff. The ACWA/JPIA negotiated rates with Delta Dental for the calendar year 2021, resulting in no change to premiums for the 2021 year for the DPO Plan A with child and adult orthodontic coverage or for the voluntary employee-purchase buy-up plan.

IRWD's 2021 monthly premium rates for the DPO Plan A with child and adult orthodontic coverage as an add-on will be \$35.36 for "employee only" coverage, \$69.99 for "employee plus+1" coverage and \$128.10 for "family" coverage. These premium rates include the ACWA/JPIA administration fee of \$2.24 per enrollee per month. The cost of the buy-up plan to the employee is the difference between the premium cost the District pays for dental insurance and the cost of the buy-up plan premiums.

Vision Coverage:

IRWD's current employee vision insurance coverage is provided by EyeMed. IRWD negotiated rates with EyeMed for calendar year 2021, resulting in no change to the premiums for the 2021 plan year for the standard District-provided vision insurance plan and the voluntary employee-purchase buy-up plan.

The District's 2021 monthly premium rates for vision insurance will be \$8.69 for "employee only" coverage, \$16.52 for "employee plus+1" coverage and \$24.23 for "family" coverage. The cost of the buy-up plan to the employee is the difference between the premium cost the District pays for vision insurance and the cost of the buy-up plan premiums.

Term Life and AD&D Insurance Coverage:

IRWD's current employee Term Life and AD&D insurance coverage is provided by Reliance Standard. IRWD negotiated rates with Reliance Standard in 2017 which included a rate guarantee through December 2019. Reliance Standard has agreed to continue the rate guarantee for the 2021 plan year. Premium rates for the 2021 plan year remain unchanged from the 2017 rates.

Open Enrollment Process for 2021:

The CalPERS 2021 health insurance open enrollment period is scheduled for September 21, 2020 through October 16, 2020. Due to COVID-19 social distancing protocols, Human Resources staff will introduce a Virtual Wellness and Open Enrollment Expo this year. Health insurance plan representatives have been invited to participate in the District's first Virtual Wellness and Open Enrollment Expo, which will run from September 28, 2020 through October 4, 2020.

Employer Health Insurance Contribution Rates:

IRWD has a long-standing practice of calculating the employer and employee contribution rates for health insurance premiums based on rates of the Preferred Provider Organization (PPO) plan offered which had the highest enrollment in the prior renewal year. The rates for this plan are then used to calculate the maximum District contribution rates for all plans offered.

In 2020 (for the year prior to this 2021 renewal), the PPO plan offered with the highest enrollment was the PERS Choice-PPO – Other Southern California Region (OSC) plan. The premium for this plan will increase 2.1% for the 2021 renewal, resulting in an increase to the District's maximum contribution rates to align with the higher 2021 PERS Choice-PPO plan premiums.

CalPERS Administrative Fees and Reserves:

On July 2, 2020, the CalPERS administrative fee decreased from 0.27% to 0.24% for the fiscal year from July 1, 2020 to June 30, 2021. The administrative fee is calculated on total active and retiree gross health premiums and billed to contracting agencies monthly. CalPERS can also charge up to 4% for a contingency reserve fund; however, a contingency fee has not been assessed since 1985. For 2021, IRWD has not been notified of any contingency reserve fees.

FISCAL IMPACTS:

Continuation of the CalPERS medical insurance plans will result in total projected expenses for FY 2020-21 of \$6,931,139, approximately 107.0% of the \$6,477,700 budget for this item. Actual District medical insurance expenses for FY 2019-20 were \$5,572,791, which represents a 5.4% (\$315,959) increase over 2019-20 budget for this item due to a smaller vacancy factor than what was projected for the FY 2019-20 fiscal year.

Renewal of the ACWA/JPIA for Delta Dental DPO Plan A will result in no change in premium rates. Annual dental insurance premium rates for FY 2020-2021 will be approximately \$484,605, which is 99.3% of the budgeted \$488,000.

Renewal of the EyeMed vision plan will result in no change in premium rates. Annual vision insurance premium rates for FY 2020-21 will be approximately \$94,805, which is 112.1% of the budgeted \$84,600.

Renewal of Reliance Standard Term Life and AD&D plan will result in no change in premium rates. Annual Term Life and AD&D insurance premium rates for FY 2020-21 will be approximately \$338,339, which is 2.7% over the budgeted \$329,500.

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:

That the Board authorize the continuation of IRWD's health insurance coverage with CalPERS with changes in District and employee contribution rates as outlined in Exhibit "A", authorize the continuation of the District's dental insurance coverage with ACWA/JPIA with no change in premium rates, authorize the continuation of the District's vision insurance coverage with EyeMed with no change in premium rates, authorize the continuation of the District's Term Life and Accidental Death and Dismemberment coverage with Reliance Standard with no change in rates, and authorize the continuation of voluntary Delta Dental and EyeMed buy-up plans for employee purchase.

LIST OF EXHIBITS:

Exhibit "A" – CalPERS Medical Premium and IRWD Contribution Rates

# EXHIBIT "A"

## CalPers Medical Premium and District Contribution Rates

	Current Enrollment	2020 Premium Rates	\$ Employee Contribution	% Employee Contribution	\$ IRWD Contribution	2021 Premium Rates	2021 Premium Increase %	\$ Employee Contribution	% Employee Contribution	\$ IRWD Contribution
<b>Blue Shield of California Access+ - Region 2</b>										
Employee Only	5	\$909.87	\$247.22	27%	\$662.65	\$938.96	3.2%	\$234.09	25%	\$704.87
Employee + 1 Dependent	1	\$1,819.74	\$494.44	27%	\$1,325.30	\$1,877.92	3.2%	\$468.18	25%	\$1,409.74
Employee + Family	8	<u>\$2,365.66</u>	<u>\$642.76</u>	27%	<u>\$1,722.90</u>	<u>\$2,441.30</u>	3.2%	<u>\$608.64</u>	25%	<u>\$1,832.66</u>
	14	\$25,294	\$6,873		\$18,422	\$28,103		\$6,508		\$19,595
<b>Blue Shield Trio - Region 2</b>										
Employee Only	0	\$0.00	\$0.00	N/A	\$0.00	\$722.56	N/A	\$17.69	2%	\$704.87
Employee + 1 Dependent	0	\$0.00	\$0.00	N/A	\$0.00	\$1,445.12	N/A	\$35.38	2%	\$1,409.74
Employee + Family	0	<u>\$0.00</u>	<u>\$0.00</u>	N/A	<u>\$0.00</u>	<u>\$1,878.66</u>	N/A	<u>\$46.00</u>	2%	<u>\$1,832.66</u>
	0	\$0	\$0		\$0	\$0		\$0		\$0
<b>Anthem Select HMO - Region 2</b>										
Employee Only	6	\$654.04	\$0.00	0%	\$654.04	\$674.69	3.2%	\$0.00	0%	\$674.69
Employee + 1 Dependent	1	\$1,308.08	\$0.00	0%	\$1,308.08	\$1,349.38	3.2%	\$0.00	0%	\$1,349.38
Employee + Family	5	<u>\$1,700.50</u>	<u>\$0.00</u>	0%	<u>\$1,700.50</u>	<u>\$1,754.19</u>	3.2%	<u>\$0.00</u>	0%	<u>\$1,754.19</u>
	12	\$13,735	\$0		\$13,735	\$14,168		\$0		\$14,168
<b>Anthem Traditional HMO - Region 2</b>										
Employee Only	0	\$934.95	\$272.30	29%	\$662.65	\$1,046.04	11.9%	\$341.17	33%	\$704.87
Employee + 1 Dependent	1	\$1,869.90	\$544.60	29%	\$1,325.30	\$2,092.08	11.9%	\$682.34	33%	\$1,409.74
Employee + Family	0	<u>\$2,430.87</u>	<u>\$707.97</u>	29%	<u>\$1,722.90</u>	<u>\$2,719.70</u>	11.9%	<u>\$887.04</u>	33%	<u>\$1,832.66</u>
	1	\$1,870	\$545		\$1,325	\$2,092		\$682		\$1,410
<b>Health Net Salud y Mas - Region 2</b>										
Employee Only	0	\$435.14	\$0.00	0%	\$435.14	\$458.66	5.4%	\$0.00	0%	\$458.66
Employee + 1 Dependent	0	\$870.28	\$0.00	0%	\$870.28	\$917.32	5.4%	\$0.00	0%	\$917.32
Employee + Family	0	<u>\$1,131.36</u>	<u>\$0.00</u>	0%	<u>\$1,131.36</u>	<u>\$1,192.52</u>	6.4%	<u>\$0.00</u>	0%	<u>\$1,192.52</u>
	0	\$0	\$0		\$0	\$0		\$0		\$0
<b>Health Net SmartCare - Region 2</b>										
Employee Only	0	\$719.26	\$56.61	8%	\$662.65	\$769.11	6.9%	\$64.24	8%	\$704.87
Employee + 1 Dependent	0	\$1,438.52	\$113.22	8%	\$1,325.30	\$1,538.22	6.9%	\$128.48	8%	\$1,409.74
Employee + Family	0	<u>\$1,870.08</u>	<u>\$147.18</u>	8%	<u>\$1,722.90</u>	<u>\$1,999.69</u>	6.9%	<u>\$167.03</u>	8%	<u>\$1,832.66</u>
	0	\$0	\$0		\$0	\$0		\$0		\$0
<b>Kaiser Health Plan of California - Region 2</b>										
Employee Only	31	\$645.24	\$0.00	0%	\$645.24	\$669.77	3.8%	\$0.00	0%	\$669.77
Employee + 1 Dependent	34	\$1,290.48	\$0.00	0%	\$1,290.48	\$1,339.54	3.8%	\$0.00	0%	\$1,339.54
Employee + Family	82	<u>\$1,677.62</u>	<u>\$0.00</u>	0%	<u>\$1,677.62</u>	<u>\$1,741.40</u>	3.8%	<u>\$0.00</u>	0%	<u>\$1,741.40</u>
	147	\$201,444	\$0		\$201,444	\$209,102		\$0		\$209,102
<b>PERS Select - Region 2</b>										
Employee Only	12	\$451.54	\$0.00	0%	\$451.54	\$476.92	5.6%	\$0.00	0%	\$476.92
Employee + 1 Dependent	3	\$903.08	\$0.00	0%	\$903.08	\$953.84	5.6%	\$0.00	0%	\$953.84
Employee + Family	15	<u>\$1,174.00</u>	<u>\$0.00</u>	0%	<u>\$1,174.00</u>	<u>\$1,239.99</u>	5.6%	<u>\$0.00</u>	0%	<u>\$1,239.99</u>
	30	\$25,738	\$0		\$25,738	\$27,184		\$0		\$27,184
<b>PERS Choice - Region 2</b>										
Employee Only	11	\$736.28	\$73.63	10%	\$662.65	\$783.19	6.4%	\$78.32	10%	\$704.87
Employee + 1 Dependent	22	\$1,472.56	\$147.26	10%	\$1,325.30	\$1,566.38	6.4%	\$156.64	10%	\$1,409.74
Employee + Family	28	<u>\$1,914.33</u>	<u>\$191.43</u>	10%	<u>\$1,722.90</u>	<u>\$2,036.29</u>	6.4%	<u>\$203.63</u>	10%	<u>\$1,832.66</u>
	61	\$94,097	\$9,410		\$84,687	\$100,092		\$10,009		\$90,082
<b>PERS Care - Region 2</b>										
Employee Only	3	\$986.66	\$324.01	33%	\$662.65	\$1,115.68	13.1%	\$410.81	37%	\$704.87
Employee + 1 Dependent	2	\$1,973.32	\$648.02	33%	\$1,325.30	\$2,231.36	13.1%	\$821.62	37%	\$1,409.74
Employee + Family	1	<u>\$2,565.32</u>	<u>\$842.42</u>	33%	<u>\$1,722.90</u>	<u>\$2,900.77</u>	13.1%	<u>\$1,068.11</u>	37%	<u>\$1,832.66</u>
	6	\$9,472	\$3,110		\$6,361	\$10,711		\$3,944		\$6,767
<b>Sharp - Region 2</b>										
Employee Only	1	\$606.02	\$0.00	0%	\$606.02	\$632.27	4.3%	\$0.00	0%	\$632.27
Employee + 1 Dependent	0	\$1,212.04	\$0.00	0%	\$1,212.04	\$1,264.54	4.3%	\$0.00	0%	\$1,264.54
Employee + Family	0	<u>\$1,575.65</u>	<u>\$0.00</u>	0%	<u>\$1,575.65</u>	<u>\$1,643.90</u>	4.3%	<u>\$0.00</u>	0%	<u>\$1,643.90</u>
	1	\$606	\$0		\$606	\$632		\$0		\$632
<b>UnitedHealthcare - Region 2</b>										
Employee Only	4	\$671.60	\$8.95	1%	\$662.65	\$723.84	7.8%	\$18.97	3%	\$704.87
Employee + 1 Dependent	7	\$1,343.20	\$17.90	1%	\$1,325.30	\$1,447.68	7.8%	\$37.94	3%	\$1,409.74
Employee + Family	13	<u>\$1,746.16</u>	<u>\$23.26</u>	1%	<u>\$1,722.90</u>	<u>\$1,881.98</u>	7.8%	<u>\$49.32</u>	3%	<u>\$1,832.66</u>
	24	\$34,789	\$463		\$34,325	\$37,495		\$983		\$36,512
<b>Region 2 Total</b>	<b>296</b>	<b>\$4,884,527</b>	<b>\$244,810</b>		<b>\$4,639,716</b>	<b>\$5,130,952</b>	<b>5.0%</b>	<b>\$265,507</b>		<b>\$4,865,445</b>

# EXHIBIT "A"

## CalPers Medical Premium and District Contribution Rates

	Current Enrollment	2020 Premium Rates	\$ Employee Contribution	% Employee Contribution	\$ IRWD Contribution	2021 Premium Rates	2021 Premium Increase %	\$ Employee Contribution	% Employee Contribution	\$ IRWD Contribution
<b>Blue Shield of California Access+ - Region 3</b>										
Employee Only	1	\$613.17	\$150.52	19%	\$662.65	\$834.88	2.7%	\$130.01	16%	\$704.87
Employee + 1 Dependent	0	\$1,626.34	\$301.04	19%	\$1,325.30	\$1,669.76	2.7%	\$260.02	16%	\$1,409.74
Employee + Family	1	<u>\$2,114.24</u>	<u>\$391.34</u>	19%	<u>\$1,722.90</u>	<u>\$2,170.69</u>	2.7%	<u>\$338.03</u>	16%	<u>\$1,832.66</u>
	2	\$2,927	\$542		\$2,386	\$3,006		\$468		\$2,538
<b>Blue Shield Trio - Region 3</b>										
Employee Only	1	\$624.93	\$0.00	0%	\$624.93	\$660.49	5.7%	\$0.00	0%	\$660.49
Employee + 1 Dependent	0	\$1,249.86	\$0.00	0%	\$1,249.86	\$1,320.98	5.7%	\$0.00	0%	\$1,320.98
Employee + Family	2	<u>\$1,624.82</u>	<u>\$0.00</u>	0%	<u>\$1,624.82</u>	<u>\$1,717.27</u>	5.7%	<u>\$0.00</u>	0%	<u>\$1,717.27</u>
	3	\$3,875	\$0		\$3,875	\$4,095		\$0		\$4,095
<b>Anthem Select HMO - Region 3</b>										
Employee Only	0	\$619.93	\$0.00	0%	\$619.93	\$639.10	3.1%	\$0.00	0%	\$639.10
Employee + 1 Dependent	0	\$1,239.86	\$0.00	0%	\$1,239.86	\$1,278.20	3.1%	\$0.00	0%	\$1,278.20
Employee + Family	8	<u>\$1,611.82</u>	<u>\$0.00</u>	0%	<u>\$1,611.82</u>	<u>\$1,661.66</u>	3.1%	<u>\$0.00</u>	0%	<u>\$1,661.66</u>
	8	\$12,895	\$0		\$12,895	\$13,293		\$0		\$13,293
<b>Anthem Traditional HMO - Region 3</b>										
Employee Only	0	\$902.63	\$239.98	27%	\$662.65	\$984.21	9.0%	\$279.34	28%	\$704.87
Employee + 1 Dependent	0	\$1,805.26	\$479.96	27%	\$1,325.30	\$1,968.42	9.0%	\$558.68	28%	\$1,409.74
Employee + Family	0	<u>\$2,346.84</u>	<u>\$623.94</u>	27%	<u>\$1,722.90</u>	<u>\$2,558.95</u>	9.0%	<u>\$726.29</u>	28%	<u>\$1,832.66</u>
	0	\$0	\$0		\$0	\$0		\$0		\$0
<b>Health Net Salud y Mas - Region 3</b>										
Employee Only	0	\$392.31	\$0.00	0%	\$392.31	\$412.88	5.2%	\$0.00	0%	\$412.88
Employee + 1 Dependent	0	\$784.62	\$0.00	0%	\$784.62	\$825.76	5.2%	\$0.00	0%	\$825.76
Employee + Family	0	<u>\$1,020.01</u>	<u>\$0.00</u>	0%	<u>\$1,020.01</u>	<u>\$1,073.49</u>	5.2%	<u>\$0.00</u>	0%	<u>\$1,073.49</u>
	0	\$0	\$0		\$0	\$0		\$0		\$0
<b>Health Net SmartCare - Region 3</b>										
Employee Only	1	\$648.42	\$0.00	0%	\$648.42	\$691.48	6.6%	\$0.00	0%	\$691.48
Employee + 1 Dependent	1	\$1,296.84	\$0.00	0%	\$1,296.84	\$1,382.96	6.6%	\$0.00	0%	\$1,382.96
Employee + Family	3	<u>\$1,685.89</u>	<u>\$0.00</u>	0%	<u>\$1,685.89</u>	<u>\$1,797.85</u>	6.6%	<u>\$0.00</u>	0%	<u>\$1,797.85</u>
	5	\$7,003	\$0		\$7,003	\$7,468		\$0		\$7,468
<b>Kaiser Health Plan of California - Region 3</b>										
Employee Only	15	\$664.39	\$1.74	0%	\$662.65	\$669.84	0.8%	\$0.00	0%	\$669.84
Employee + 1 Dependent	2	\$1,328.78	\$3.48	0%	\$1,325.30	\$1,339.69	0.8%	\$0.00	0%	\$1,339.69
Employee + Family	22	<u>\$1,727.41</u>	<u>\$4.51</u>	0%	<u>\$1,722.90</u>	<u>\$1,741.60</u>	0.8%	<u>\$0.00</u>	0%	<u>\$1,741.60</u>
	39	\$50,626	\$132		\$50,494	\$51,042		\$0		\$51,042
<b>PERS Select - Region 3</b>										
Employee Only	0	\$435.74	\$0.00	0%	\$435.74	\$459.94	5.6%	\$0.00	0%	\$459.94
Employee + 1 Dependent	0	\$871.48	\$0.00	0%	\$871.48	\$919.88	5.6%	\$0.00	0%	\$919.88
Employee + Family	3	<u>\$1,132.92</u>	<u>\$0.00</u>	0%	<u>\$1,132.92</u>	<u>\$1,195.84</u>	5.6%	<u>\$0.00</u>	0%	<u>\$1,195.84</u>
	3	\$3,399	\$0		\$3,399	\$3,588		\$0		\$3,588
<b>PERS Choice - Region 3</b>										
Employee Only	3	\$710.29	\$47.64	7%	\$662.65	\$761.23	7.2%	\$56.36	7%	\$704.87
Employee + 1 Dependent	3	\$1,420.58	\$95.28	7%	\$1,325.30	\$1,522.46	7.2%	\$112.72	7%	\$1,409.74
Employee + Family	5	<u>\$1,846.75</u>	<u>\$123.85</u>	7%	<u>\$1,722.90</u>	<u>\$1,979.20</u>	7.2%	<u>\$146.54</u>	7%	<u>\$1,832.66</u>
	11	\$15,626	\$1,048		\$14,578	\$16,747		\$1,240		\$15,507
<b>PERS Care - Region 3</b>										
Employee Only	0	\$931.12	\$268.47	29%	\$662.65	\$1,036.07	11.3%	\$331.20	32%	\$704.87
Employee + 1 Dependent	0	\$1,862.24	\$536.94	29%	\$1,325.30	\$2,072.14	11.3%	\$662.40	32%	\$1,409.74
Employee + Family	0	<u>\$2,420.91</u>	<u>\$698.01</u>	29%	<u>\$1,722.90</u>	<u>\$2,693.78</u>	11.3%	<u>\$861.12</u>	32%	<u>\$1,832.66</u>
	0	\$0	\$0		\$0	\$0		\$0		\$0
<b>UnitedHealthcare - Region 3</b>										
Employee Only	2	\$668.31	\$5.66	1%	\$662.65	\$720.89	7.9%	\$16.02	2%	\$704.87
Employee + 1 Dependent	0	\$1,336.62	\$11.32	1%	\$1,325.30	\$1,441.78	7.9%	\$32.04	2%	\$1,409.74
Employee + Family	3	<u>\$1,737.61</u>	<u>\$14.71</u>	1%	<u>\$1,722.90</u>	<u>\$1,874.31</u>	7.9%	<u>\$41.65</u>	2%	<u>\$1,832.66</u>
	5	\$6,549	\$55		\$6,494	\$7,065		\$167		\$6,908
<b>Medical Annual Total</b>	<b>372</b>	<b>\$6,119,332</b>	<b>\$266,142</b>		<b>\$5,853,191</b>	<b>\$6,406,592</b>	<b>4.7%</b>	<b>\$297,706</b>		<b>\$6,118,706</b>