

AGENDA
IRVINE RANCH WATER DISTRICT
FINANCE AND PERSONNEL COMMITTEE MEETING
TUESDAY, JULY 6, 2021

This meeting will be held in person at the District's headquarters located at 15600 Sand Canyon Avenue, Irvine, California. Members of the public may attend in person. In addition, members of the public may observe the meeting via Webex and may submit comments via the "Chat" function. To observe via Webex, please use the link and information below.

Via Web: <https://irwd.webex.com/irwd/j.php?MTID=m358cec9350ecbfe9d6489470352453fa>

Meeting Number: 146 792 8003

Password: mkXdmJFZ333

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 by using the call-in information and attendee identification number provided.

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

PLEASE NOTE: Webex observers of the meeting will be placed into the Webex lobby when the Committee enters closed session. Participants who remain in the "lobby" will automatically be returned to the open session of the Committee once the closed session has concluded. Observers joining the meeting while the Committee is in closed session will receive a notice that the meeting has been locked. They will be able to observe the meeting once the closed session has concluded.

CALL TO ORDER 11:30 a.m., 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	_____
	Tom Malone	_____	Tiffany Mitcham	_____
	Eileen Lin	_____	Christopher Smithson	_____
	Jennifer Davis	_____	_____	_____
	_____	_____	_____	_____

PUBLIC COMMENT NOTICE

Public comments are limited to three minutes per speaker on each subject. If you wish to address the Committee on any item, you may attend the meeting in person and submit a "speaker slip" to the Secretary. Forms are provided at the meeting. If observing by Webex, please submit your comment via the "chat" feature and your remarks will be read into the record at the meeting. You may also submit a public comment in advance of the meeting by emailing comments@irwd.com before 8:00 a.m. on Tuesday, July 6, 2021.

COMMUNICATIONS

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.

INFORMATION

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

Recommendation: Receive and file.

6. PERFORMANCE RECOGNITION PROGRAM – HALL / MITCHAM

Recommendation: Receive and file.

7. IRWD PERFORMANCE EVALUATION SYSTEM

Recommendation: Receive and file.

8. MONTHLY INVESTMENT AND DEBT REVIEW – MENDOZA / DAVIS / JACOBSON

Recommendation: Receive and file.

ACTION

9. SETTING CONNECTION FEES AND PROPERTY TAXES FOR FISCAL YEARS 2021-22 AND 2022-23 – PARDEE / SMITHSON / CLARY

Recommendation: That the Board approve revisions to connection fees and property taxes as presented and adopt resolutions approving these revisions at the July 12, 2021, Board meeting.

ACTION – Continued

10. FISCAL YEAR 2021-22 OPERATING BUDGET VENDOR EXPENDITURE COMMITMENTS GREATER THAN \$200,000 – MUNCY / JACOBSON / CLARY

Recommendation: That the Board approve the list of vendor commitments greater than \$200,000 based on approved FY 2021-22 operating budget expenditures.

11. LUMP SUM PAYMENT OPTION FOR EMPLOYER CONTRIBUTIONS FOR FISCAL YEAR 2021-22 TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM – LIN / CLARY

Recommendation: That the Board approve the lump sum payment for employer contributions to the California Public Employees' Retirement System (CalPERS) by making a one-time contribution of \$6,811,095 for IRWD's FY 2021-22 employer Unfunded Accrued Liability (UAL) contribution.

12. UTILITY BILL PRINTING, MAILING, AND ELECTRONIC BILL PRESENTMENT SERVICES CONTRACT EXTENSION – COTTON / CLARY

Recommendation That the Board ratify approval of the two-year contract extension effective August 15, 2020 through August 15, 2022 with InfoSend Inc. for utility bill printing, mailing, and electronic bill presentment services in the amount of approximately \$1,246,000.

OTHER BUSINESS

13. Directors' Comments

14. Adjournment


Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the above-named Committee in connection with a matter subject to discussion or consideration at an open meeting of the Committee are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Committee less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Committee Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available 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. 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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July 6, 2021

Prepared by: L. Srader

Submitted by: T. Mitcham

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.

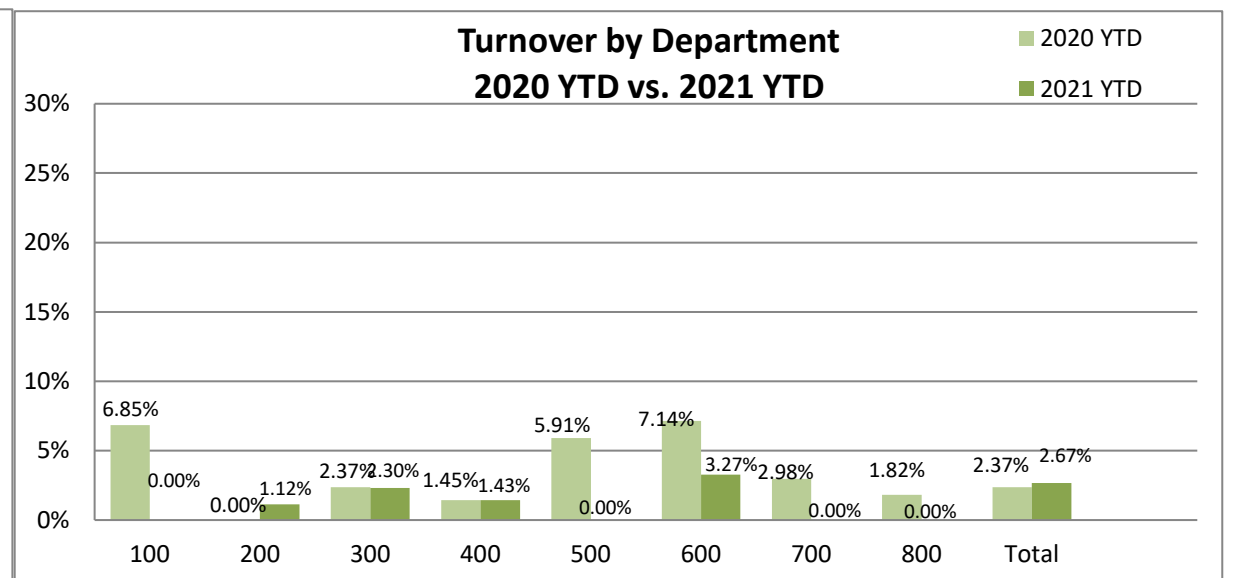
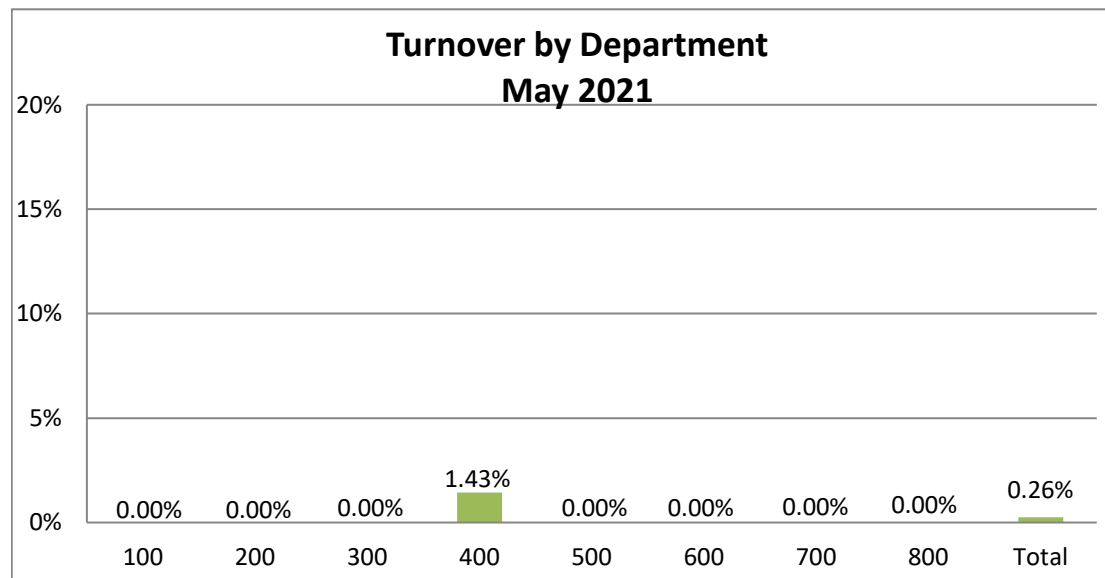
LIST OF EXHIBITS:

Exhibit "A" – Employee Population/Turnover Status Report

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EXHIBIT A
IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
May 2021

	@5/01/21	Current Month Activity							@5/31/21						Internal Turnover		External Turnover	
Dept	Positions Filled	New Hires	Terms		Promo Trnsfr		Lateral Trnsfr		Positions Filled	Positions Unfilled	FY 20/21 Budgeted Positions	Avg FYTD Filled Budget Positions	Avg FYTD Temp Emp FTE	Avg FYTD Total Filled Positions	Current Period	2020 YTD	Current Period	2021 YTD
			Vol	Invol	In	Out	In	Out										
100	16.0								16.0	0	16.0	15.5	1.1	16.6	0.00%	0.00%	0.00%	0.00%
200	89.0	2							91.0	1	92.0	89.7	2.4	92.1	0.00%	0.00%	0.00%	1.12%
300	43.0								43.0	1	44.0	43.4	0.0	43.4	0.00%	0.00%	0.00%	2.30%
400	70.0		1						69.0	4	73.0	69.7	3.4	73.1	0.00%	0.00%	1.43%	1.43%
500	53.0	1							54.0	7	61.0	51.7	1.9	53.7	0.00%	0.00%	0.00%	0.00%
600	30.0								30.0	1	31.0	29.9	5.9	35.8	0.00%	0.00%	0.00%	3.27%
700	33.0								33.0	2	35.0	33.4	0.0	33.4	0.00%	0.00%	0.00%	0.00%
800	56.0								56.0	5	61.0	55.5	0.9	56.4	0.00%	0.00%	0.00%	0.00%
Totals	390	3	1	0	0	0	0	0	392.0	21	413.0	388.9	15.5	404.4	0.00%	0.00%	0.26%	2.67%
5/20	379	7	3	0	0	0	0	0	383	28	407.0	372.3	21.4	393.7	0.00%	0.53%	0.79%	2.37%

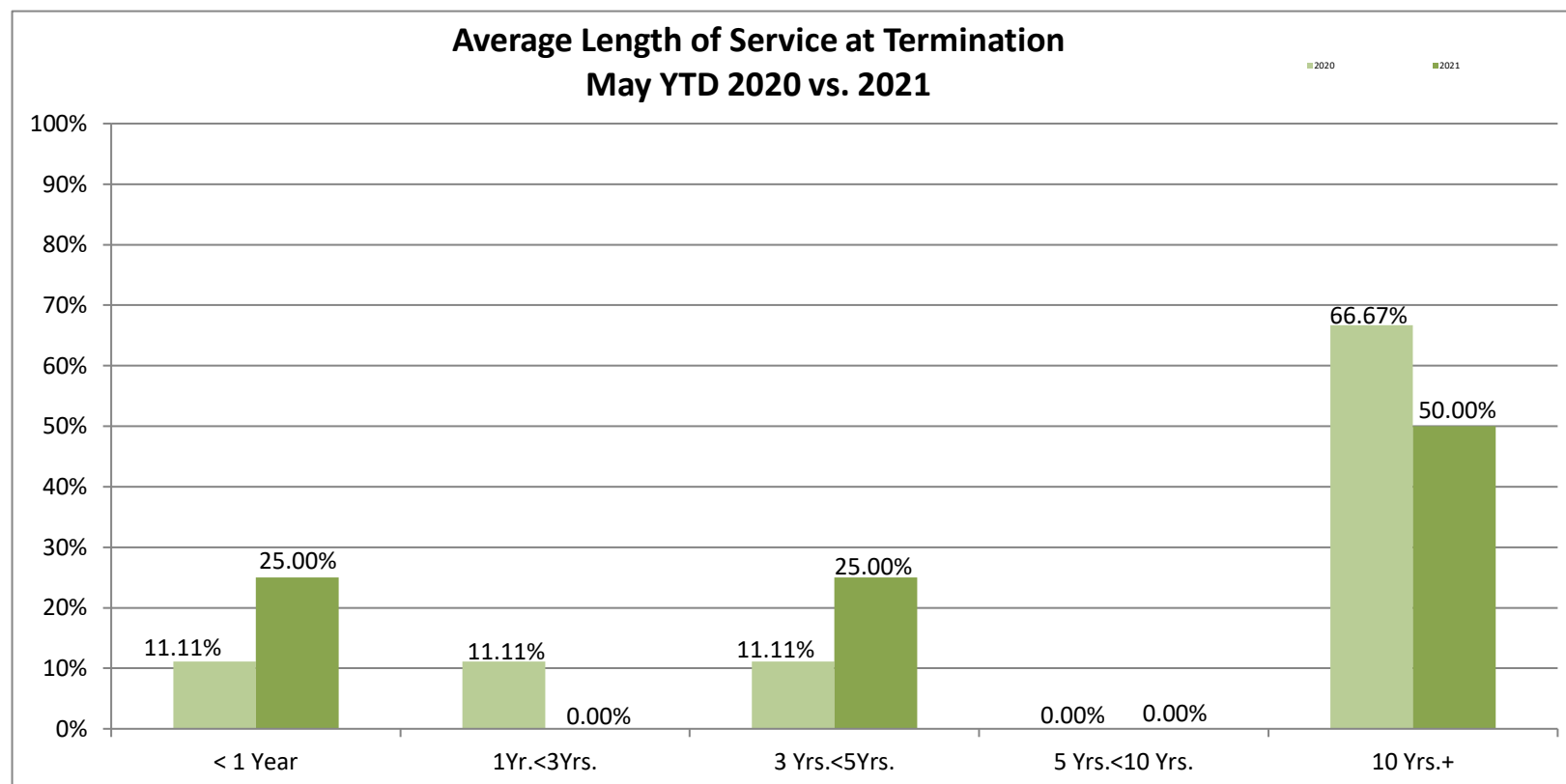


100-GM, HR, Safety; 200-Fin., Cust. Serv., IS, Purch.; 300-Eng.; 400-Water Ops; 500-Recycling; 600-WQ&RC; 700-Water Res., Recyc. Water and Public Affairs; 800-Adm. & Maintenance Ops

**IRVINE RANCH WATER DISTRICT
TURNOVER LONGEVITY RATIO
May 2021**

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													0					
200	1												0					1
300		1											1					1
400					1								1			1		
500													0					
600			1										1	1				
700													0					
800													0					
2021 Total	1	1	1	0	1	0	0	0	0	0	0	0	4	1	0	1	0	2
2020 Data	2	0	2	2	3	1	2	0	1	1	0	4	18					
Percentage of Total Turnover														25.00%	0.00%	25.00%	0.00%	50.00%

2021 Average YTD Length of Service at Termination	11.77 Years
2020 Average YTD Length of Service at Termination	16.33 Years
2019 Average YTD Length of Service at Termination	9.21 Years
2020 Average YTD Length of Service at Termination	13.85 Years
2017 Average YTD Length of Service at Termination	14.35 Years



**IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
May 2021**

NEW HIRES				
Date	Dept	Employee Name	Position	Comments
05/24/21	200	Oliver Mendoza	Treasury Analyst	
05/24/21	500	Joseph Schiffman	Cybersecurity Analyst	
05/24/21	200	Alfredo Luevano	User Support Administrator	

TERMINATIONS					
Date	Dept	Employee Name	Position	Reason	Comments
05/06/21	400			VOL	

RETIREMENTS					
Date	Dept	Employee Name	Position	Reason	Comments

PROMOTIONS					
Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
05/01/21	800	Jonathan Monroy	Electrical Technician	800	Senior Electrical Technician

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
May 2021**

UNFILLED POSITIONS			
Dept	Position	Salary Grade	Comments
200	User Support Manager	U20.E	Recruiting
300	Development Services Supervisor	U10.E	
400	Water Maintenance Technician II	22.N	
400	Field Services Manager	U18.E	
400	Metering Systems Technician I	16.N	
400	Metering Systems Technician II	22.N	
500	Process Specialist	32.N	
500	Collection Systems CCTV Technician	21.N	
500	Operations Supervisor	S35.N	
500	Collection Systems Supervisor	S32.N	
500	Operator II	27.N	
500	Operator III	29.N	
500	Operator II	27.N	
600	Regulatory Compliance Administrator	U12.E	
700	Cross Connection Specialist	26.N	Recruiting
700	Director of Public Affairs	U27.E	
800	Reliability Engineer	U20.E	Recruiting
800	Senior Electrical Technician	30.N	
800	Senior Instrumentation Technician	30.N	Recruiting
800	Electrical Technician	28.N	
800	Director of Field Operations	U27.E	

**IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
May 2021**

LEAVE OF ABSENCE					
Type of Leave	Pay Status	Date Leave Began	Anticipated Return Date	Current Length	Comments
FMLA/CFRA	SDI	4/22/2021	6/3/2021	1 month	
FMLA/CFRA	SDI	4/16/2021	10/15/2021	2 months	
FMLA/CFRA	SDI	2/26/2021	7/1/2021	3 months	

Leave	Original Status	Date Leave Began	Return Date	Length	Return Date	Comments
FFCRA/FMLA	SDI	6/26/2020	8/5/2020	1 month	8/5/2020	Returned
FFCRA/FMLA	SDI	6/21/2020	7/6/2020	3 weeks	7/6/2020	Returned
FFCRA/FMLA	SDI	6/22/2020	7/6/2020	3 weeks	7/6/2020	Returned
FMLA/CFRA	SDI	6/20/2020	7/6/2020	3 weeks	7/6/2020	Returned
FMLA/CFRA	SDI	6/2/2020	7/6/2020	1 month	7/6/2020	Returned
FMLA/CFRA	SDI	6/1/2020	7/13/2020	1.5 months	7/13/2020	Returned
FMLA/CFRA	SDI	5/7/2020	7/27/2020	3 months	7/27/2020	Returned
FMLA/CFRA	SDI	7/2/2020	7/28/2020	1 month	7/28/2020	Returned
FMLA/CFRA	SDI	7/29/2020	8/31/2020	1 month	8/31/2020	Returned
FMLA/CFRA	SDI	7/21/2020	9/2/2020	2 weeks	09/02/20	Returned
FMLA/CFRA	SDI	8/4/2020	9/8/2020	1 month	09/08/20	Returned
FMLA/CFRA	SDI	9/22/2020	10/15/2020	1 month	10/15/20	Returned
FFCRA/FMLA	SDI	9/8/2020	10/12/2020	2 months	10/12/20	Returned
FFCRA/FMLA	LVBK	9/8/2020	10/8/2020	1 month	10/08/20	Returned

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

Month	Length of Employment	Termination		Comments
		Vol	Invol	
January	28 years, 9 months	X		Retirement
February	13 years, 10 months	X		Moved out of state
March	9 months		X	Probation Rejection
April	3 years, 9 months	X		New employment
May				
June				
July				
August				
September				
October				
November				
December				

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

ACTIVE											
Current Month	FYTD Ave Hours Worked	PERS Enroll- ment	Agency		Hourly	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FY' YTD	Actual Cost FY 'YTD
0.42 0.42	0.47 0.47	Yes		130 100	47.75	84	4,011.00	10	11	44,121.00	39,537.00
0.00 0.69 0.69	0.00 1.00 1.00	Yes Yes		200 200 200	56.55 22.37	84 168	4,750.20 3,758.16	12 12	11 11	52,252.20 41,339.76	339.30 39,215.73
0.29 0.24 0.53	0.39 0.27 0.66	EXC EXC		300 300 300	18.00 17.00	84 84	1,512.00 1,428.00	12 9	11 9	16,632.00 12,852.00	12,438.00 7,947.50
0.98 0.92 1.90	1.00 0.97 1.97	No Yes	X	400 400 400	23.92 23.92	168 168	4,018.56 4,018.56	12 12	11 11	44,204.16 44,204.16	45,866.60 40,921.14
0.92 0.92 1.85	0.79 0.34 1.13	Yes No	X	500 500 500	29.23 33.13	168 168	4,910.64 5,565.84	12 6	10 5	49,106.40 27,829.20	40,381.25 19,646.09
0.96 0.93 0.98 0.96 0.25 4.08	1.00 1.00 1.00 1.00 0.55 4.55	No No No No EXC	X X X X	600 600 600 600 600 600	32.76 32.76 32.76 32.76 15.00	168 168 168 168 84	5,503.68 5,503.68 5,503.68 5,503.68 1,260.00	11 12 12 12 12	11 11 11 11 11	60,540.48 60,540.48 60,540.48 60,540.48 13,860.00	62,876.27 61,654.32 62,005.34 61,023.69 14,340.00
0.92 0.81 0.58 2.31	1.00 0.94 0.49 2.43	No No EXC	X X	700 700 700 700	30.92 30.92 14.00	168 168 84	5,194.56 5,194.56 1,176.00	10 10 10	11 11 8	57,140.16 57,140.16 9,408.00	54,233.68 50,631.50 12,124.00
0.00	0.00			800							
11.79	12.21										

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

TERMINATED											
Current Month FTE	Avg FYTD Temp Emp FTE	Active PERS Y/N *	Agency	Dept	Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FYTD	Actual Cost FYTD
0.25	0.19	No	X	140	37.15	168	6,241.20	6	3	18,723.60	12,468.65
0.41	0.41	No	X	140	40.43	168	6,792.24	8	5	33,961.20	28,988.31
0.25	0.19			100							
0.25	0.22	Yes		200	22.37	168	3,758.16	12	3	11,274.48	8,746.67
0.56	0.85	Yes		200	23.92	168	4,018.56	2	4	16,074.24	14,017.12
1.00	0.29	No	X	200	37.73	168	6,338.64	6	2	12,677.28	11,319.00
1.81	1.36			200							
0.93	0.95	Yes		300	37.70	168	6,333.60	6	6	38,001.60	37,436.10
0.98	0.98	EXC		300	37.70	84	3,166.80	6	6	19,000.80	38,265.50
0.06	0.19	Yes		300	72.97	84	6,129.48	12	9	55,165.32	24,627.38
0.01	0.04	Yes		300	85.30	84	7,165.20	12	9	64,486.80	5,864.38
1.98	0.00			300							
0.17	0.46	No	X	400	30.53	168	5,129.04	5	3	15,387.12	9,769.60
1.00	0.93	No	X	400	30.53	168	5,129.04	6	6	30,774.24	29,614.10
1.17	1.39			400							
0.80	0.54	Yes		500	29.23	168	4,910.64	4	4	19,642.56	16,281.11
1.00	0.26	No	X	500	33.13	168	5,565.84	4	4	22,263.36	15,239.80
1.80	0.80			500							
1.80	0.26	Yes		600	32.76	168	5,503.68	2	3	16,511.04	14,840.28
3.61	0.63	No	X	600	52.00	168	8,736.00	5	5	43,680.00	34,190.00
5.41	0.49	EXC		600	16.00	84	1,344.00	6	6	8,064.00	8,196.80
10.83	0.26			600							
1.00	0.86	Yes	X	700	30.92	168	5,194.56	9	9	46,751.04	46,596.44
0.99	0.85	Yes		700	30.92	168	5,194.56	9	9	46,751.04	46,256.32
0.99	0.85			700							
0.92	0.87	No	X	800	40.00	168	6,720.00	7	7	47,040.00	42,440.00
0.92	0.00			800							
19.76	4.85									1,278,480.84	1,070,338.96

EXC = Exclude from PERS enrollment

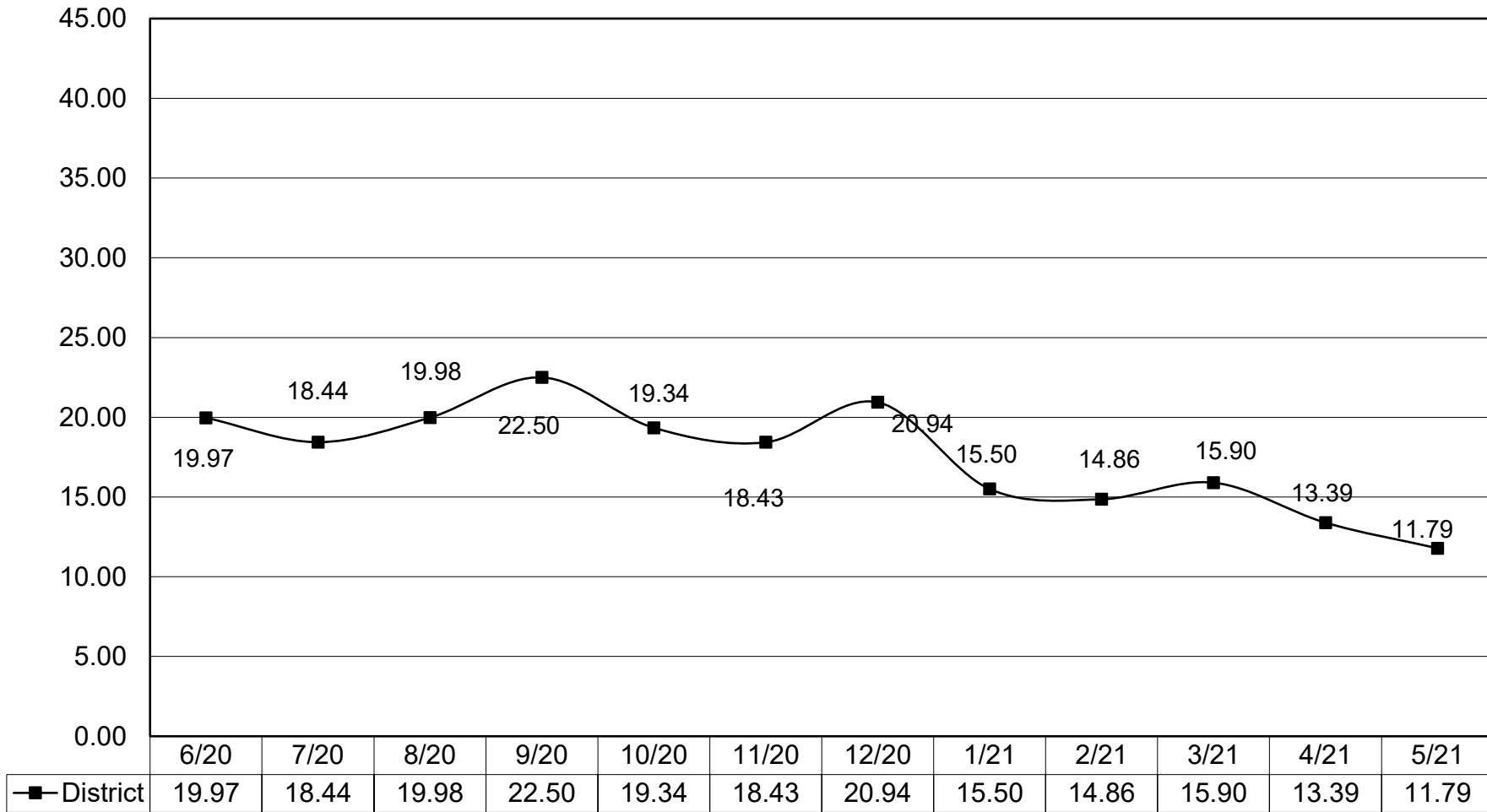
Yes= Temporary employee enrolled in PERS Membership

No=Temporary Agency employee

*Data reported 30 days in arrears

Temporary Employees

Full Time Equivalency
District Totals as of May 31, 2021



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July 6, 2021

Prepared by: A. Hall

Submitted by: T. Mitcham

Approved by: Paul A. Cook



FINANCE AND PERSONNEL COMMITTEE

PERFORMANCE RECOGNITION PROGRAM QUARTERLY UPDATE

SUMMARY:

IRWD's Performance Recognition Program recognizes employees who exhibit outstanding performance which depicts initiative, creativity and/or enthusiasm above and beyond the performance requirements of their positions. Below is an update of activities within the program through the fourth quarter of Fiscal Year (FY) 2020-21.

BACKGROUND:

During the fourth quarter of FY 2020-21, there were 28 Performance Recognition Award nominations totaling \$6,930 and involving 81 IRWD employees. As described in Exhibit "A", the awards include employees from the Technical Services, Water Resources and Policy, Operations, Water Quality and Regulatory Compliance, Finance and Administration, and Human Resources Departments. Also in the fourth quarter of FY 2020-21, year-end Performance Recognition Awards were presented to 191 employees across the organization.

Exhibit "A" summarizes the Performance Recognition Awards for the fourth quarter of FY 2020-21.

FISCAL IMPACTS:

IRWD's annual budget for FY 2020-21 is \$170,000 for this program, of which \$168,460 was distributed for performance recognition as of June 30, 2021.

RECOMMENDATION:

Receive and file.

LISTS OF EXHIBITS:

Exhibit "A" – Quarterly Update for Fourth Quarter of FY 2020-21

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EXHIBIT A

PERFORMANCE RECOGNITION PROGRAM						
QUARTERLY UPDATE						
Fiscal Year 2020-2021						
Q4 April - June 2021						
QTR.	DATE	EMPLOYEE	PERFORMANCE RECOGNIZED	AWARD	GROSS AMOUNT	NET AMOUNT
4th Qtr.	4/1/2021	Richard Brown	Recognized for their outstanding assistance during the Sand Canyon facility renovation project.	Payroll Check	\$1,000.00	\$920.56
	"	Mark Stone		"	\$250.00	\$97.55
	"	Damien McBride		"	\$250.00	\$233.50
	"	Jessee Hesch		"	\$100.00	\$97.55
	"	Daniel Jara		"	\$100.00	\$97.55
	"	Steven Tolerico		"	\$100.00	\$97.55
	"	Jay Eggers		"	\$100.00	\$97.55
	"	Warren Williams		"	\$500.00	\$492.75
	"	Alfrazuddin Haquani		"	\$250.00	\$233.50
	"	Eric Flotho		"	\$250.00	\$243.87
	"	Alex Munoz		"	\$250.00	\$233.50
	"	Tanja Fournier		"	\$1,500.00	\$1,080.17
	4/5/2021	Jesus Perez	Recognized for their support of the MWRP MBR Fall Protection drop test. The test was conducted to confirm the viability of the fall protection system pending installation. Operations staff coordinated with the Engineering staff to	3 Gift Cards	\$30.00	\$30.00
	"	Jesus Arce	schedule the drop test by draining the MBR tank, removing two MBR cassettes, operating the bridge case to lift and	"	\$30.00	\$30.00
	"	Constantino Silva	maneuver the test weight and remove and re-install the covers. The test could not have been successful without the	"	\$30.00	\$30.00
	"	Gaspar Garza	efforts of the Operations staff.	"	\$30.00	\$30.00
	"	Alejandro Coria		"	\$30.00	\$30.00
	4/6/2021	Dawn Jordan	Dawn proactively took the initiative to setup the Water Efficiency workshops via a webinar platform. She facilitated the communications and the question and answer portion. Additionally, she has taken on various on-line initiatives for the Public Affairs department.	3 Gift Cards	\$30.00	\$30.00
	4/6/2021	Deniene Rivenburg	Deniene has taken the lead in the editing of both the quarterly Gardening and monthly newsletters. As a result, IRWD customers have been well informed on upcoming activities and best practices for water efficiency. She demonstrates the value of teamwork in working collaboratively on communications-related projects.	3 Gift Cards	\$30.00	\$30.00
	4/6/2021	Robert Denhaan	Bob recently edited an introductory video for the new Paymentus system. The video was very helpful in laying out the steps to use the new website accompanied by helpful visual aids. He continues to take on new projects, including updating web pages, online and editing other video assignments that arise.	3 Gift Cards	\$30.00	\$30.00
	4/6/2021	Julie Bendzick-Sin	Julie utilized her public speaking experience to encourage youths to learn about the environment. She participated in the Youth Summit with the Orange County Water District. In addition, she was the lead speaker in a video for Santiago STEAM Elementary School, in Lake Forest, CA. These are new programs IRWD has participated in. Her videos have fostered environmentalism and inspired future leaders to take part in environmental stewardship.	3 Gift Cards	\$30.00	\$30.00
	4/15/2021	Andrea Hall	Recognized for going above and beyond. Andrea is very approachable and eager to help everyone who comes to the Human Resources for assistance. She assisted with the new hire onboarding process, a task that has proved challenging due to the COVID 19 Pandemic.	3 Gift Cards	\$30.00	\$30.00
	4/19/2021	Michael Mares	Recognized for his efforts volunteering to assist with a large project that involved locating and updating our Water Plant Safety data sheets for a week.	3 Gift Cards	\$30.00	\$30.00

EXHIBIT A

PERFORMANCE RECOGNITION PROGRAM						
QUARTERLY UPDATE						
Fiscal Year 2020-2021						
Q4 April - June 2021						
QTR.	DATE	EMPLOYEE	PERFORMANCE RECOGNIZED	AWARD	GROSS AMOUNT	NET AMOUNT
4th Qtr.	4/27/2021	Gustavo Barreto	Recognized for their support on the MWRP Primary Clarifiers 1-5 Cover Replacements Project (PN11599). The contractor notified staff a conduit was leaking water inside the pump gallery and needed to be addressed in order to coat the pump gallery. Gus Barreto from Electrical services quickly responded, found the electrical box full of water, which allowed water to travel to the interior of the pump gallery. Gus engaged the Construction Services team to address the leak over the weekend. Within less than 45 minutes of notification, Dave Crowe and his team mobilized immediately and were to remove water from the vault, made the necessary repairs. Through the weekend, Jesse Perez, from MWRP continued to monitor, pumping water from the vault. The excellent teamwork and collaboration between the groups in quickly addressing the leak allowed for a successful application of the pump gallery coating.	3 Gift Cards	\$30.00	\$30.00
	"	David Crowe	notified staff a conduit was leaking water inside the pump gallery and needed to be addressed in order to coat the pump gallery. Gus Barreto from Electrical services quickly responded, found the electrical box full of water, which allowed water to travel to the interior of the pump gallery. Gus engaged the Construction Services team to address the leak over the weekend. Within less than 45 minutes of notification, Dave Crowe and his team mobilized immediately and were to remove water from the vault, made the necessary repairs. Through the weekend, Jesse Perez, from MWRP continued to monitor, pumping water from the vault. The excellent teamwork and collaboration between the groups in quickly addressing the leak allowed for a successful application of the pump gallery coating.	"	\$30.00	\$30.00
	"	Cody Bill	notified staff a conduit was leaking water inside the pump gallery and needed to be addressed in order to coat the pump gallery. Gus Barreto from Electrical services quickly responded, found the electrical box full of water, which allowed water to travel to the interior of the pump gallery. Gus engaged the Construction Services team to address the leak over the weekend. Within less than 45 minutes of notification, Dave Crowe and his team mobilized immediately and were to remove water from the vault, made the necessary repairs. Through the weekend, Jesse Perez, from MWRP continued to monitor, pumping water from the vault. The excellent teamwork and collaboration between the groups in quickly addressing the leak allowed for a successful application of the pump gallery coating.	"	\$30.00	\$30.00
	"	Reynaldo Valencia	notified staff a conduit was leaking water inside the pump gallery and needed to be addressed in order to coat the pump gallery. Gus Barreto from Electrical services quickly responded, found the electrical box full of water, which allowed water to travel to the interior of the pump gallery. Gus engaged the Construction Services team to address the leak over the weekend. Within less than 45 minutes of notification, Dave Crowe and his team mobilized immediately and were to remove water from the vault, made the necessary repairs. Through the weekend, Jesse Perez, from MWRP continued to monitor, pumping water from the vault. The excellent teamwork and collaboration between the groups in quickly addressing the leak allowed for a successful application of the pump gallery coating.	"	\$30.00	\$30.00
	"	Juan Guzman	notified staff a conduit was leaking water inside the pump gallery and needed to be addressed in order to coat the pump gallery. Gus Barreto from Electrical services quickly responded, found the electrical box full of water, which allowed water to travel to the interior of the pump gallery. Gus engaged the Construction Services team to address the leak over the weekend. Within less than 45 minutes of notification, Dave Crowe and his team mobilized immediately and were to remove water from the vault, made the necessary repairs. Through the weekend, Jesse Perez, from MWRP continued to monitor, pumping water from the vault. The excellent teamwork and collaboration between the groups in quickly addressing the leak allowed for a successful application of the pump gallery coating.	"	\$30.00	\$30.00
	"	Elias Rios	notified staff a conduit was leaking water inside the pump gallery and needed to be addressed in order to coat the pump gallery. Gus Barreto from Electrical services quickly responded, found the electrical box full of water, which allowed water to travel to the interior of the pump gallery. Gus engaged the Construction Services team to address the leak over the weekend. Within less than 45 minutes of notification, Dave Crowe and his team mobilized immediately and were to remove water from the vault, made the necessary repairs. Through the weekend, Jesse Perez, from MWRP continued to monitor, pumping water from the vault. The excellent teamwork and collaboration between the groups in quickly addressing the leak allowed for a successful application of the pump gallery coating.	"	\$30.00	\$30.00
	"	Gustavo Orozco	notified staff a conduit was leaking water inside the pump gallery and needed to be addressed in order to coat the pump gallery. Gus Barreto from Electrical services quickly responded, found the electrical box full of water, which allowed water to travel to the interior of the pump gallery. Gus engaged the Construction Services team to address the leak over the weekend. Within less than 45 minutes of notification, Dave Crowe and his team mobilized immediately and were to remove water from the vault, made the necessary repairs. Through the weekend, Jesse Perez, from MWRP continued to monitor, pumping water from the vault. The excellent teamwork and collaboration between the groups in quickly addressing the leak allowed for a successful application of the pump gallery coating.	"	\$30.00	\$30.00
	"	Jesus Perez	notified staff a conduit was leaking water inside the pump gallery and needed to be addressed in order to coat the pump gallery. Gus Barreto from Electrical services quickly responded, found the electrical box full of water, which allowed water to travel to the interior of the pump gallery. Gus engaged the Construction Services team to address the leak over the weekend. Within less than 45 minutes of notification, Dave Crowe and his team mobilized immediately and were to remove water from the vault, made the necessary repairs. Through the weekend, Jesse Perez, from MWRP continued to monitor, pumping water from the vault. The excellent teamwork and collaboration between the groups in quickly addressing the leak allowed for a successful application of the pump gallery coating.	"	\$30.00	\$30.00
	4/30/2021	Tanner Webster	Recognized for his efforts with a billing dispute at UCI that involved multiple meters and locations. Tanner validated the meter numbers, provided a brief description of the physical location of the meters and took photos of the connection. His attention to detail was key to resolving the dispute.	3 Gift Cards	\$30.00	\$30.00
	5/4/2021	Eric Flotho	Recognized for going above-and-beyond to assist with a computer issue that resulted in the procurement of new equipment and coordination with the Facilities team to evaluate if the problem was electrical. Eric's responsiveness, follow-up and determination to resolve the issue was impressive. He never once made it feel as though the request was not burdensome.	3 Gift Cards	\$30.00	\$30.00
	5/10/2021	Melody Seesangrit	Recognized for her efforts during a virtual tour of the Michelson Recycling Plant. She went above the call of duty assisting both Customer Service and Technical Services on how to use the WebEx platform. She provided her personal cell phone number to customers who required additional support with login issues.	3 Gift Cards	\$30.00	\$30.00
	5/10/2021	Melinda Bergen	Recognized for their efforts coaching their staff on how to interact with an assessor, maintaining a calm and professional demeanor. The team was well prepared during the assessment of each of the analyses reviewed allowing the assessor to complete their work in a timely and efficient manner.	3 Gift Cards	\$30.00	\$30.00
	"	Denise Chauv	Recognized for their efforts coaching their staff on how to interact with an assessor, maintaining a calm and professional demeanor. The team was well prepared during the assessment of each of the analyses reviewed allowing the assessor to complete their work in a timely and efficient manner.	"	\$30.00	\$30.00
	"	Andrew Yue	Recognized for their efforts coaching their staff on how to interact with an assessor, maintaining a calm and professional demeanor. The team was well prepared during the assessment of each of the analyses reviewed allowing the assessor to complete their work in a timely and efficient manner.	"	\$30.00	\$30.00
	"	Lars Oldewage	Recognized for their efforts coaching their staff on how to interact with an assessor, maintaining a calm and professional demeanor. The team was well prepared during the assessment of each of the analyses reviewed allowing the assessor to complete their work in a timely and efficient manner.	"	\$30.00	\$30.00
	5/10/2021	Erika Garibay	Recognized for her efforts assisting a customer who entered the building, demanding to make his payment and obtain a receipt. Erika advised the customer of IRWD's closure to the public and guided him on how to accomplish his need. her quick thinking and accountability proved valuable in diffusing a hostile customer.	3 Gift Cards	\$30.00	\$30.00
	5/10/2021	Somkit Rattan	Recognized for their execution as a team when an employee suffered an emergency during the audit. A coworker stepped in instruct the auditor on how a specific method was conducted and as a team, provided answers to questions from the auditor. The entire team took personal ownership of their methods, which was impressive to the auditor.	3 Gift Cards	\$30.00	\$30.00
	"	David Cole	Recognized for their execution as a team when an employee suffered an emergency during the audit. A coworker stepped in instruct the auditor on how a specific method was conducted and as a team, provided answers to questions from the auditor. The entire team took personal ownership of their methods, which was impressive to the auditor.	"	\$30.00	\$30.00
	"	Maria Reppert	Recognized for their execution as a team when an employee suffered an emergency during the audit. A coworker stepped in instruct the auditor on how a specific method was conducted and as a team, provided answers to questions from the auditor. The entire team took personal ownership of their methods, which was impressive to the auditor.	"	\$30.00	\$30.00
	"	Claire Nguyen	Recognized for their execution as a team when an employee suffered an emergency during the audit. A coworker stepped in instruct the auditor on how a specific method was conducted and as a team, provided answers to questions from the auditor. The entire team took personal ownership of their methods, which was impressive to the auditor.	"	\$30.00	\$30.00
	"	Joseph Rempel	Recognized for their execution as a team when an employee suffered an emergency during the audit. A coworker stepped in instruct the auditor on how a specific method was conducted and as a team, provided answers to questions from the auditor. The entire team took personal ownership of their methods, which was impressive to the auditor.	"	\$30.00	\$30.00
	5/10/2021	Jenny Pan	Recognized for their efforts on the UCI Billing Issue Resolution Project that began in March 2020. UCI was disputing past due bills over 120 days in excess of \$500K. Both Jenny and Tera were instrumental in working as a team to satisfactorially resolve the issue with UCI, who agreed to paying all the past due bills.	Payroll Check	\$100.00	\$22.35
	"	Tera Rice	Recognized for their efforts on the UCI Billing Issue Resolution Project that began in March 2020. UCI was disputing past due bills over 120 days in excess of \$500K. Both Jenny and Tera were instrumental in working as a team to satisfactorially resolve the issue with UCI, who agreed to paying all the past due bills.	"	\$100.00	\$97.35
	5/10/2021	Michele Drzymkowski	Recognized for her efforts as the lead on the Environmental Laboratory Accreditation Program. Michele took the lead interviewing three firms for their qualifications to conduct the audit including a complete inspection of their work,	Payroll Check	\$100.00	\$97.35

EXHIBIT A

PERFORMANCE RECOGNITION PROGRAM						
QUARTERLY UPDATE						
Fiscal Year 2020-2021						
Q4 April - June 2021						
QTR.	DATE	EMPLOYEE	PERFORMANCE RECOGNIZED	AWARD	GROSS AMOUNT	NET AMOUNT
			experience and professional competence. In addition, she participated on five webinars related to the new ELAP standards to prepare the lab in its compliance with the new standards.			
	5/17/2021	Diego Martinez	Recognized for going above-and-beyond assisting Water Operations with Sodium Hypochlorite deliveries. Diego and	3 Gift Cards	\$30.00	\$30.00
	"	Adriel Gallegos	Adriel are the only employees trained on this task, they willingly came in after hours and over their weekend off ensuring the deliveries were made on time.	"	\$30.00	\$30.00
	5/17/2021	Henry Solis	Recognized for their efforts addressing a odor complaint in Portola Hills. The complaint was elevated to the Air Quality	3 Gift Cards	\$30.00	\$30.00
	"	Dorien McElroy	Management District (AQMD). The investigation required coordination with multiple departments and involved very	"	\$30.00	\$30.00
	"	Mike Hoffman	long hours. It was determined the source of the odor was not caused by IRWD. The residents were very appreciative	"	\$30.00	\$30.00
	"	Deniene Rivenburg	of IRWD's staff efforts and follow up.	"	\$30.00	\$30.00
	"	Brandon Joseph		"	\$30.00	\$30.00
	"	Dennis Parra		"	\$30.00	\$30.00
	"	Craig Cascelli		"	\$30.00	\$30.00
	"	Armando Barboza		"	\$30.00	\$30.00
	"	Richard Torres		"	\$30.00	\$30.00
	"	Lisa Haney		"	\$30.00	\$30.00
	5/17/2021	Jacob Broderick	Recognized for exhibiting great accountability before and during the biennial CA ELAP Assessment. Each member of the	3 Gift Cards	\$30.00	\$30.00
	"	Jacob Carlos	team reviewed the methods and SOP's associated with their assigned test prior to the audit. In addition, each employee	"	\$30.00	\$30.00
	"	Romuel -Dave Chaves	was tasked with compiling a list of all Certificates of Analysis (CofA) for the standards and chemicals for the test.	"	\$30.00	\$30.00
	"	Jacob Kanady	The team responded immediately and completed the project ahead of schedule. The assessor was very impressed by	"	\$30.00	\$30.00
	"	Bernardino Ordenez	the laboratory staff.	"	\$30.00	\$30.00
	5/17/2021	Dane Johnson	Recognized for his efforts on the Urban Water Management Plan (UWMP). Dane went above-and-beyond preparing all the forecast water supply and demand projections for the UWMP, required every five years. He dedicated himself over the last 4-5 months updating the UWMP tables, working late on revisions to meet the deadlines, and being available for unplanned meetings. His dedication assisting employees to understand and refine the UWMP material across across both the Planning and Water Resources departments was highly appreciated.	3 Gift Cards	\$30.00	\$30.00
	5/19/2021	James Lassalette	Recognized for their efforts performing the piping installation on a bypass discharge line at the DRWF Well No. 14	3 Gift Cards	\$30.00	\$30.00
	"	Michael Kulick	wellhead. The work was completed very quickly and professionally while simultaneously providing assistance to the	"	\$30.00	\$30.00
	"	Elias Rios	contractor working onsite.	"	\$30.00	\$30.00
	"	Earl De Castro		"	\$30.00	\$30.00
	"	Dave Crowe		"	\$30.00	\$30.00
	"	Gustavo Orozco		"	\$30.00	\$30.00
	"	Reynaldo Valencia		"	\$30.00	\$30.00
	5/23/2021	Margaret Pulles	Recognized for her efforts assisting with second interviews scheduling. Given the multiple recruitments the Finance / Treasury and IS departments have had since the onset of 2021, Margaret has played a key role in assisting with the scheduling. Her efforts demonstrate teamwork, collaboration and enjoyment of work.	3 Gift Cards	\$30.00	\$30.00
	6/15/2021	Alfredo Luevano	Recognized for his outstanding efforts with technical issues that occurred less than ten minutes prior to a scheduled interview panel. Alfredo immediately addressed the issues. He worked with a sense of urgency and in a calm manner.	3 Gift Cards	\$30.00	\$30.00

EXHIBIT A

PERFORMANCE RECOGNITION PROGRAM						
QUARTERLY UPDATE						
Fiscal Year 2020-2021						
Q4 April - June 2021						
QTR.	DATE	EMPLOYEE	PERFORMANCE RECOGNIZED	AWARD	GROSS AMOUNT	NET AMOUNT
			He took the initiative, ordering a speaker and camera for the HR conference room.			
	6/21/2021	Gustavo Orozco	Recognized for addressing a complaint regarding uneven manhole covers on the Peter's Canyon Reservoir Trail. These	3 Gift Cards	\$30.00	\$30.00
	"	Michael Kulick	employees worked on their scheduled day off, ensuring the necessary repairs were made to the manhole to avoid	3 Gift Cards	\$30.00	\$30.00
	"	Eric Olivolo	potential injuries and lawsuits from the trip and fall hazards.	3 Gift Cards	\$30.00	\$30.00
	"	Juan Guzman		3 Gift Cards	\$30.00	\$30.00
	6/21/2021	Jim Dowling	Recognized for observing homeless activity at one of the IDF sites. Jim took photos of the exact location, and provided the information to the Risk department immediately.	3 Gift Cards	\$30.00	\$30.00
	6/24/2021	Carlos Collazo	A resident (Daniel Duncan) contacted the District to ensure an employees was recognized for his honesty and integrity. He was rushing to leave his home and didn't realize he had placed his phone on the top of his car. He returned home after realizing what had occurred. An IRWD crew working near his home. He was approached by Carlos Collazo, who found his phone and wanted to return it to him. He was very impressed by his actions.	3 Gift Cards	\$30.00	\$30.00
	6/24/2021	Laura Gates	Recognized for her exceptional work related to the fiscal year end accrual process. Luara demonstrated teamwork, gathering all the June construction progress payments for Finance, so all payments could be processed without having to accrue the invoices.	3 Gift Cards	\$30.00	\$30.00
			<i>Fourth Quarter Totals</i>		\$6,930.00	\$6,092.45
			Exemplary Performance Awards - 191 Employees		\$154,000.00	\$135,548.06
			FISCAL YEAR TO DATE TOTAL		\$ 168,460.00	\$149,056.83

July 6, 2021

Prepared by: O. Mendoza / J. Davis

Submitted by: R. Jacobson / C. Clary

Approved by: Paul A. Cook



FINANCE AND PERSONNEL COMMITTEE

MONTHLY INVESTMENT AND DEBT REVIEW

SUMMARY:

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

- The Investment Portfolio Summary Report as of June 25, 2021, as outlined in Exhibit "A";
- The U.S. Treasury Yield Curve as of June 25, 2021, as shown in Exhibit "B";
- The Summary of Fixed and Variable Debt as of June 25, 2021, as outlined in Exhibit "C"; and
- The Summary of Variable Rate Debt Rates as of June 25, 2021, as outlined in Exhibit "D".

BACKGROUND:

Investment Portfolio:

Due to the timing of the Committee meeting, the rate of return for June 2021 is not complete at this time. Preliminary calculations indicate a rate of return for the fixed income investment portfolio of 0.52%, which is a 0.06% decrease from May's rate of 0.58%. The decrease is due to the reinvestment of \$20.0 million at lower interest rates and a decrease in the Local Agency Investment Fund's (LAIF) rate from 0.33% to 0.27%. Including real estate investments, the weighted average rate of return for IRWD's investment portfolio for June 2021 was 2.63%, which was a 0.03% decrease from May's rate of 2.66%.

Debt Portfolio:

As of June 25, 2021, IRWD's weighted average all-in variable rate was 0.35%, which was a 0.02% decrease from May's rate of 0.37%. Including IRWD's weighted average fixed rate bond issues of 3.70% 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 2.92%, a 0.02% decrease from May's rate of 2.94%.

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 June 25, 2021

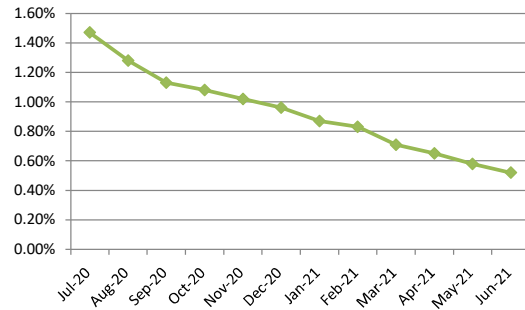
Exhibit “B” – Yield Curve as of June 25, 2021

Exhibit “C” – Summary of Fixed and Variable Debt as of June 25, 2021

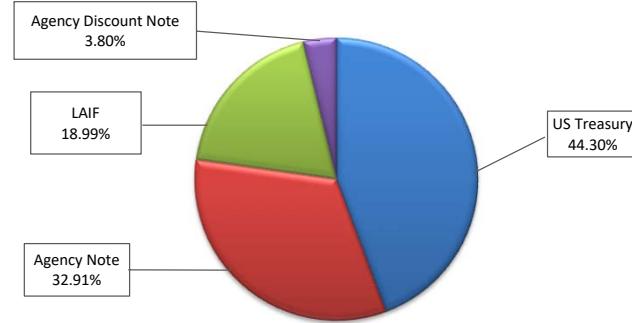
Exhibit “D” – Summary of Variable Rate Debt Rates as of June 25, 2021

Exhibit "A"
Irvine Ranch Water District
Investment Portfolio Summary
June 2021

Monthly Fixed Income Yield



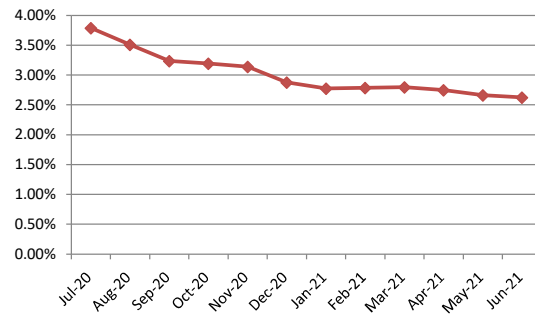
Portfolio Distribution



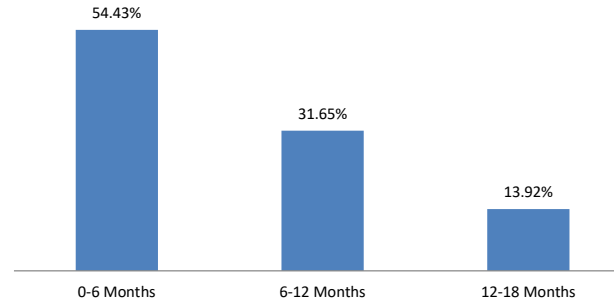
Investment Summary

Type	PAR	Book Value	Market Value
US Treasury	175,000,000	175,575,548	176,086,459
Agency Note	130,000,000	130,459,835	130,955,250
LAIF	75,000,000	75,000,000	75,095,239
Agency Discount Note	15,000,000	14,996,254	14,999,400
Grand Total	395,000,000	396,031,637	397,136,348

Weighted Average Return Including Real Estate Portfolio



Maturity Distribution



Top Issuers

Issuer	PAR	% Portfolio
US Treasury	175,000,000	44.30%
State of California Tsy.	75,000,000	18.99%
Fed Farm Credit Bank	65,000,000	16.46%
Fed Home Loan Bank	55,000,000	13.92%
Fed Natl Mortgage Assoc	15,000,000	3.80%
Fed Home Loan Mortgage Corp	10,000,000	2.53%
Grand Total	395,000,000	100.00%

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

06/25/21

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE ⁽¹⁾ 6/25/2021	UNREALIZED ⁽²⁾ GAIN/(LOSS)
07/24/20			06/26/21		LAIF	State of California Tsy.	\$75,000,000		0.340%	\$75,000,000.00	\$75,000,000.00	75,095,238.98	95,238.97
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	5,000,000.00	5,004,400.00	4,400.00
12/31/20	NA	NA	07/01/21	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	0.090%	0.090%	9,995,450.00	10,000,000.00	9,999,900.00	(100.00)
01/19/21	NA	NA	07/15/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	0.075%	0.076%	4,998,156.25	4,999,854.17	4,999,950.00	95.83
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	4,999,875.69	5,012,000.00	12,124.31
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	9,998,366.67	9,999,800.00	1,433.33
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	9,999,908.11	10,000,800.00	891.89
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	4,994,363.91	5,013,650.00	19,286.09
03/10/21	NA	NA	09/09/21	NR	Treasury - Note	US Treasury	10,000,000	0.045%	0.046%	9,997,712.50	9,998,850.00	9,999,700.00	850.00
09/17/20	NA	NA	09/17/21	NA	FHLB - Note	Fed Home Loan Bank	5,000,000	0.125%	0.132%	4,999,660.00	4,999,927.34	5,000,850.00	922.66
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	10,024,702.07	10,036,100.00	11,397.93
09/30/20	NA	NA	09/30/21	NA	FHLB - Note	Fed Home Loan Bank	10,000,000	0.125%	0.122%	10,000,336.80	10,000,083.97	10,001,400.00	1,316.03
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	10,033,016.67	10,047,000.00	13,983.33
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	5,018,984.91	5,052,750.00	33,765.09
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	4,996,559.39	5,025,150.00	28,590.61
10/29/20	NA	NA	10/19/21	Aaa/NR/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	0.125%	0.127%	9,999,800.00	9,999,938.03	10,002,100.00	2,161.97
10/27/20	NA	NA	10/26/21	NR	FFCB - Discount Note	Fed Farm Credit Bank	5,000,000	0.130%	0.132%	4,993,427.78	4,997,887.50	4,999,600.00	1,712.50
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	5,023,218.99	5,064,050.00	40,831.01
06/11/21	NA	NA	11/26/21	Aaa/NR/AAA	Treasury - Bill	US Treasury	5,000,000	0.030%	0.030%	4,999,300.00	4,999,383.33	4,999,300.00	(83.33)
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	5,001,419.32	5,042,200.00	40,780.68
03/17/21	NA	NA	11/30/21	Aaa/AA+/NR	Treasury - Note	US Treasury	5,000,000	1.875%	0.057%	5,064,120.00	5,041,504.03	5,045,300.00	3,795.97
09/28/20	NA	NA	12/03/21	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.150%	0.120%	5,001,765.00	5,000,634.74	5,002,300.00	1,665.26
10/30/20	NA	NA	12/15/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.625%	0.127%	5,140,429.69	5,057,060.24	5,069,750.00	12,689.76
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	10,075,723.23	10,087,300.00	11,576.77
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	5,009,320.00	5,056,250.00	46,930.00
06/02/21	NA	NA	12/31/21	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	2.125%	0.027%	10,121,093.75	10,104,529.04	10,121,093.75	16,564.71
05/26/21	NA	NA	01/11/22	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	2.625%	0.031%	5,081,057.95	5,068,370.62	5,079,150.00	10,779.38
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	5,019,411.54	5,072,050.00	52,638.46
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	5,059,632.99	5,072,050.00	12,417.01
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	5,001,037.18	5,075,800.00	74,762.82
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	5,006,696.14	5,060,150.00	53,453.86
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	4,990,565.67	5,065,100.00	74,534.33
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	5,025,962.95	5,086,350.00	60,387.05
11/13/20	NA	NA	02/28/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.875%	0.139%	5,112,304.69	5,057,579.95	5,067,950.00	10,370.05
11/19/20	NA	NA	02/28/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.750%	0.126%	5,103,710.94	5,053,858.47	5,063,100.00	9,241.53
06/09/21	NA	NA	02/28/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.125%	0.051%	5,038,964.84	5,035,717.77	5,038,964.85	3,247.08
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	5,000,633.08	5,095,200.00	94,566.92
12/23/20	NA	NA	03/22/22	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	10,000,000	0.090%	0.090%	10,000,000.00	10,000,000.00	10,000,800.00	800.00
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	5,008,385.31	5,075,000.00	66,614.69
04/30/21	NA	NA	03/31/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	0.375%	0.056%	5,014,648.44	5,011,937.39	5,012,700.00	762.61
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	4,999,316.09	5,056,450.00	57,133.91
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	10,103,791.76	10,131,400.00	27,608.24
04/22/21	NA	NA	06/30/22	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	0.125%	0.082%	10,005,078.13	10,004,259.08	10,003,500.00	(759.08)
04/30/21	NA	NA	06/30/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	0.125%	0.082%	5,002,539.06	5,002,169.53	5,001,750.00	(419.53)
05/28/21	NA	NA	06/30/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	0.125%	0.064%	5,003,320.31	5,003,036.67	5,001,750.00	(1,286.67)
05/20/21	NA	NA	06/30/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.750%	0.065%	5,093,750.00	5,084,051.72	5,089,250.00	5,198.28
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	5,000,311.68	5,083,650.00	83,338.32
04/28/21	NA	NA	08/31/22	Aaa/NR/NR	Treasury - Note	US Treasury	5,000,000	0.125%	0.102%	5,001,562.50	5,001,358.42	5,001,750.00	391.58
04/28/21	NA	NA	09/09/22	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.000%	0.112%	5,128,632.30	5,112,134.37	5,120,500.00	8,365.63
04/22/21	NA	NA	10/31/22	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	0.125%	0.110%	10,002,343.75	10,004,783.58	10,002,700.00	(2,083.58)
05/20/21	NA	NA	11/30/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	0.125%	0.103%	5,001,647.15	5,001,523.39	5,001,350.00	(173.39)

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

06/25/21

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE ⁽¹⁾ 6/25/2021	UNREALIZED ⁽²⁾ GAIN/(LOSS)
SUB-TOTAL							<u>\$395,000,000</u>			<u>\$397,113,703.52</u>	<u>\$396,031,636.68</u>	<u>\$397,136,347.58</u>	<u>\$1,104,710.90</u>
<u>TOTAL INVESTMENTS</u>							<u>\$395,000,000</u>			<u>\$397,113,703.52</u>	<u>\$396,031,636.68</u>	<u>\$397,136,347.58</u>	<u>\$1,104,710.90</u>
Petty Cash										3,400.00			
Ck Balance							Bank of America	ECR	0.19%	<u>13,676,554.00</u>			
										<u>\$410,793,657.52</u>			

⁽¹⁾ 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.

⁽²⁾ Gain (loss) calculated against carry value using the trading value provided by Bank of New York/or Brokers

⁽³⁾ Real estate rate of return is based on most recent quarter end return

Outstanding Variable Rate Debt	\$249,300,000
Net Outstanding Variable Rate Debt (Less \$60 million fixed-payer swaps)	\$189,300,000
Investment Balance:	\$410,793,658
Investment to Variable Rate Debt Ratio:	217%
Portfolio - Average Number of Days To Maturity	161

This Investment Summary Report is in conformity with the 2021 Investment Policy and provides sufficient liquidity to meet the next six months estimated expenditures.

*S - Step up

	Investment Portfolio	Real Estate ⁽³⁾ Portfolio	Weighted Avg. Return
June	0.52%	11.09%	2.63%
May	0.58%	11.09%	2.66%
Change	-0.06%		-0.03%

IRVINE RANCH WATER DISTRICT
SUMMARY OF MATURITIES

06/25/21

DATE	TOTAL	%	LAIF	Agency Notes	Agency Discount Notes	Municipal Bonds	US Treasury
06/21	\$80,000,000	20.25%	\$75,000,000	-			5,000,000
07/21	20,000,000	5.06%		5,000,000			15,000,000
08/21	25,000,000	6.33%		10,000,000	10,000,000		5,000,000
09/21	35,000,000	8.86%		15,000,000			20,000,000
10/21	35,000,000	8.86%		25,000,000	5,000,000		5,000,000
11/21	20,000,000	5.06%		-			20,000,000
12/21	35,000,000	8.86%		15,000,000			20,000,000
01/22	25,000,000	6.33%		15,000,000			10,000,000
02/22	25,000,000	6.33%		5,000,000			20,000,000
03/22	25,000,000	6.33%		15,000,000			10,000,000
04/22	15,000,000	3.80%		15,000,000			
05/22							
SUB-TOTAL	\$340,000,000	86.08%	\$75,000,000	\$120,000,000	15,000,000		\$130,000,000
13 Months - 3 YEARS							
6/01/2022 - 8/31/2022	35,000,000	8.86%		5,000,000			30,000,000
09/01/2022 - 11/30/2022	20,000,000	5.06%		5,000,000			15,000,000
12/01/2022 +	-						
	-						
	-						
	-						
	-						
	-						
	-						
	-						
TOTALS	\$395,000,000	100.00%	\$75,000,000	\$130,000,000	\$15,000,000		\$175,000,000

% OF PORTFOLIO		18.99%	32.91%	3.80%		44.30%
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Irvine Ranch Water District
Summary of Real Estate - Income Producing Investments
3/31/2021

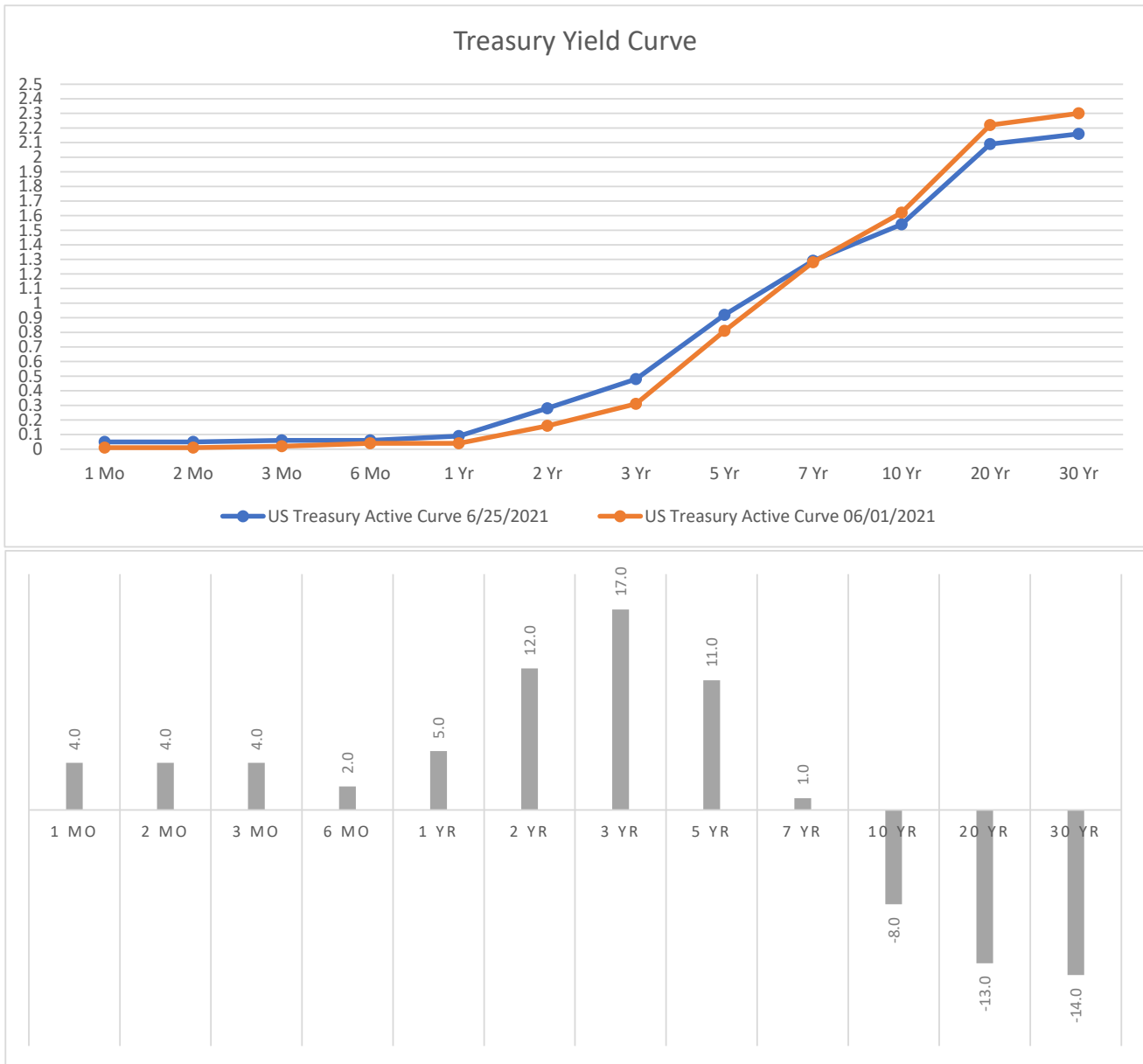
	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	MARKET VALUE 6/30/2020	ANNUALIZED RATE OF RETURN QUARTER ENDED 3/31/2021
Sycamore Canyon	Dec-92	Apartments	Fee Simple	\$ 43,550,810	\$ 152,340,625	19.69%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	\$ 6,000,000	\$ 30,432,947	8.51%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	\$ 5,739,845	\$ 11,964,600	11.05%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	\$ 8,630,577	\$ 9,363,600	6.61%
Sand Canyon Professional Center - Medical Office	Jul-12	Medical Office	Fee Simple	\$ 8,648,594	\$ 11,444,400	9.25%
Sand Canyon Professional Center - General Office	Sep-20	Office Building	Fee Simple	\$ 25,985,968	\$ 28,770,000	-0.64%
Total - Income Properties				\$ 98,555,794	\$ 244,316,172	11.09%

Jun-21

PURCHASES

A - 6

Exhibit "B"

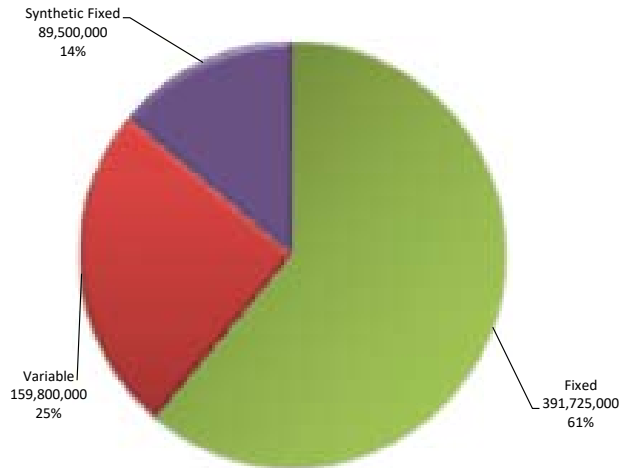


Tenor	US Treasury Active Curve 6/25/2021	US Treasury Active Curve 06/01/2021	Change
1 Mo	0.05	0.01	4.0
2 Mo	0.05	0.01	4.0
3 Mo	0.06	0.02	4.0
6 Mo	0.06	0.04	2.0
1 Yr	0.09	0.04	5.0
2 Yr	0.28	0.16	12.0
3 Yr	0.48	0.31	17.0
5 Yr	0.92	0.81	11.0
7 Yr	1.29	1.28	1.0
10 Yr	1.54	1.62	-8.0
20 Yr	2.09	2.22	-13.0
30 Yr	2.16	2.3	-14.0

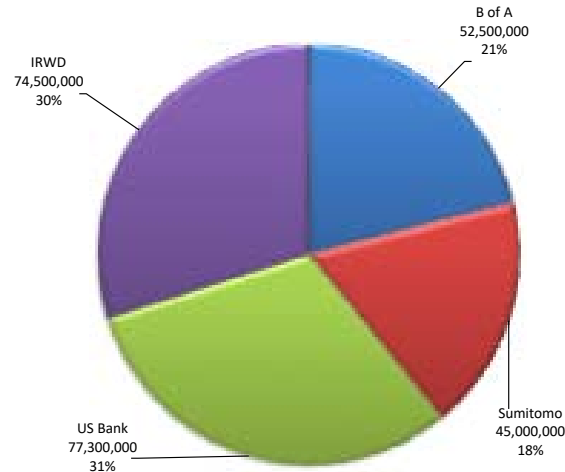
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Exhibit "C"
Irvine Ranch Water District
Summary of Fixed and Variable Rate Debt
June 2021

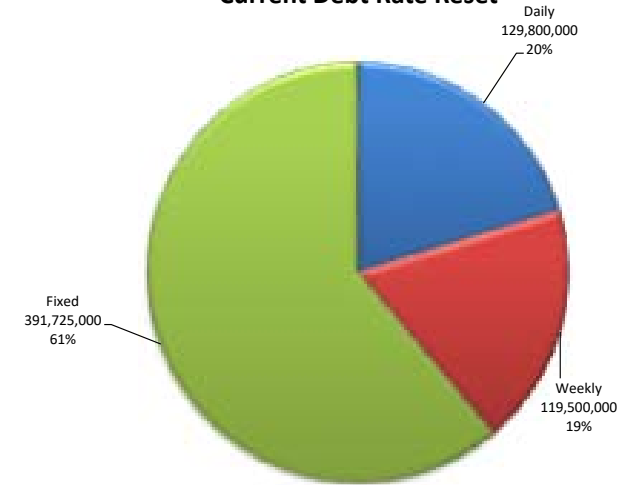
Current Debt Mix By Type



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	\$24,800,000	3.87%	US Bank	BAML	Variable	Daily
Series 2008-A Refunding	04/24/08	07/01/35	\$45,000,000	7.02%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	\$44,700,000	6.97%	IRWD	Goldman	Variable	Weekly
Series 2011-A-2 Refunding	04/15/11	10/01/37	\$29,800,000	4.65%	IRWD	Goldman	Variable	Weekly
Series 2009 - A	06/04/09	10/01/41	\$52,500,000	8.19%	US Bank	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	\$52,500,000	8.19%	B of A	Goldman	Variable	Daily
2016 COPS	09/01/16	03/01/46	\$113,325,000	17.68%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	\$175,000,000	27.30%	N/A	N/A	Fixed	Fixed
Series 2016	10/12/16	02/01/46	\$103,400,000	16.13%	N/A	N/A	Fixed	Fixed
Total			\$641,025,000	100.00%				

June-21

LOC Banks		Breakdown Between Variable & Fixed Rate Mode		
SUMITOMO	45,000,000	Daily Issues	129,800,000	20%
BANK OF AMERICA	52,500,000	Weekly Issues	45,000,000	7%
US BANK	77,300,000	ITN Issues	74,500,000	12%
	<u>174,800,000</u>	Sub-Total	<u>249,300,000</u>	
		Fixed Rate Issues	\$391,725,000	61%
		Sub-Total - Fixed	<u>391,725,000</u>	
		TOTAL DEBT		
		FIXED & VAR.	<u>641,025,000</u>	100%

Exhibit "D"

SUMMARY OF DEBT RATES Jun-21

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	52,500,000	44,700,000	29,800,000	24,800,000	45,000,000	52,500,000
Bank Reset	BOFA	(SIFMA + 3) Wednesday	(SIFMA + 3) Wednesday	US BANK	Sumitomo Wednesday	US BANK
6/1/2021	0.01%	0.08%	0.08%	0.01%	0.06%	0.01%
6/2/2021	0.01%	0.08%	0.08%	0.01%	0.06%	0.01%
6/3/2021	0.01%	0.06%	0.06%	0.01%	0.05%	0.01%
6/4/2021	0.01%	0.06%	0.06%	0.01%	0.05%	0.01%
6/5/2021	0.01%	0.06%	0.06%	0.01%	0.05%	0.01%
6/6/2021	0.01%	0.06%	0.06%	0.01%	0.05%	0.01%
6/7/2021	0.01%	0.06%	0.06%	0.01%	0.05%	0.01%
6/8/2021	0.01%	0.06%	0.06%	0.01%	0.05%	0.01%
6/9/2021	0.01%	0.06%	0.06%	0.01%	0.05%	0.01%
6/10/2021	0.03%	0.06%	0.06%	0.01%	0.04%	0.01%
6/11/2021	0.01%	0.06%	0.06%	0.01%	0.04%	0.01%
6/12/2021	0.01%	0.06%	0.06%	0.01%	0.04%	0.01%
6/13/2021	0.01%	0.06%	0.06%	0.01%	0.04%	0.01%
6/14/2021	0.01%	0.06%	0.06%	0.01%	0.04%	0.01%
6/15/2021	0.01%	0.06%	0.06%	0.01%	0.04%	0.01%
6/16/2021	0.01%	0.06%	0.06%	0.01%	0.04%	0.01%
6/17/2021	0.01%	0.06%	0.06%	0.01%	0.03%	0.01%
6/18/2021	0.01%	0.06%	0.06%	0.01%	0.03%	0.01%
6/19/2021	0.01%	0.06%	0.06%	0.01%	0.03%	0.01%
6/20/2021	0.01%	0.06%	0.06%	0.01%	0.03%	0.01%
6/21/2021	0.01%	0.06%	0.06%	0.01%	0.03%	0.01%
6/22/2021	0.01%	0.06%	0.06%	0.01%	0.03%	0.01%
6/23/2021	0.01%	0.06%	0.06%	0.01%	0.03%	0.01%
6/24/2021	0.01%	0.06%	0.06%	0.01%	0.02%	0.01%
6/25/2021	0.01%	0.06%	0.06%	0.01%	0.02%	0.01%
Avg Interest Rates	0.01%	0.06%	0.06%	0.01%	0.04%	0.01%
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	0.41%	0.19%	0.19%	0.44%	0.42%	0.41%
Par Amount	97,200,000		29,800,000	69,800,000		52,500,000

Interest Rate Mode	Percent of Total Variable Rate Debt	Par Outstanding	Weighted All-In Average Rate	Base Rate Average
Daily	52.07%	129,800,000	0.42%	0.01%
Weekly	47.93%	119,500,000	0.27%	0.05%
	100.00%	\$ 249,300,000	0.35%	0.03%
Fixed				
COPS 2016	28.93%	113,325,000	2.90%	
BABS 2010	44.67%	175,000,000	4.44%	(1)
SERIES 2016	26.40%	103,400,000	3.32%	
	100.00%	\$ 391,725,000	3.70%	
All-In Debt Rate Including \$60 Million Notional Amount of Swaps				2.92%


(1) Rate adjusted up from 4.35% as a result of sequestration reducing BAB's subsidy by 5.7%

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July 6, 2021

Prepared by: D. Pardee / C. Smithson

Submitted by: C. Clary

Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

SETTING CONNECTION FEES AND PROPERTY TAXES FOR FISCAL YEARS 2021-22 AND 2022-23

SUMMARY:

IRWD typically adjusts connection fees annually, with the most recent adjustment occurring in July 2020. This year, staff is proposing to set the connection fees for two fiscal years, consistent with the two-year budget cycle. The changes to connection fees proposed for Fiscal Year (FY) 2021-22 are based on updates to IRWD's capital budget, updated developer projections, and adjustments to the Engineering News Record (ENR) construction cost index. Changes to the connection fees proposed for FY 2022-23 are based on estimated construction cost increases of 3% for all improvement districts (ID). Staff recommends the Board approve the changes to the existing connection fees and property tax rates, and adopt resolutions approving these revisions at the July 12, 2021 Board meeting. Details by Improvement District are discussed below.

BACKGROUND:

A fundamental concept in the District's Long-Term Capital Funding Plan (LTFP) is that the costs of new capital facilities are shared equally between the connection fees paid by the developer and property taxes paid by property owners (a 50/50 split). IRWD uses a comprehensive financial model to incorporate capital costs, debt funding, future development, growth rates, inflation, and other variables to determine connection fees. The model reflects projected fund balances through FY 2052-53.

Connection fees were modeled along with a consolidated tax rate for both residential and commercial development. Staff updated the District's financial model for FY 2021-22 and FY 2022-23 connection fees and tax rate-setting to include the following:

- Updated capital improvement program;
- ENR estimated capital cost increase for FY 2021-22 (0.7%) and FY 2022-23 (3.0%);
- Fund balance adjustments through April 2021 with assumptions through fiscal year end;
- Updated assessed valuations; and
- Updated projections for development units.

Exhibit "A" provides a summary of the proposed connection fees and property tax rates by ID, and Exhibit "B" provides an analysis of changes within each ID. Provided as Exhibit "C" is a PowerPoint presentation summarizing the changes.

IDs 112/212:

Three separate developments contribute to IDs 112/212: 1) the City of Irvine / Great Park, 2) the FivePoint Communities Great Park Neighborhoods, and 3) the County of Orange 100-acre parcel. Connection fees for these developments will be set separately.

City of Irvine / Great Park

The recycled water connection fee of \$28.85 million for the Great Park, per an agreement with the City of Irvine, was approved by the Board in June 2017. The City made the first recycled water connection fee payment of \$9.9 million in September 2017. The remainder will be paid as the parcels are put into service. The Great Park will pay 100% of the planned recycled capital expenditures.

FivePoint Communities – Great Park Neighborhoods

The Great Park Neighborhoods is the FivePoint Communities development within ID 112/212. For FY 2021-22, staff recommends increasing connection fees by 21.0% due to increases in capital improvement projects and changes in development projections from the County of Orange.

For FY 2022-23, Staff recommends increasing connection fees by 3% based on estimated ENR. The split between the water connection fee and the sewer connection fee was changed to reflect changes in capital spending. The consolidated water and sewer connection fee will increase from \$5,155 per unit to \$6,238 per unit in FY 2021-22 and to \$6,426 per unit in FY 2022-23. Staff recommends reducing the current consolidated tax rate of \$0.6420 to \$0.4750 per \$100 of land assessed value to meet debt requirements and maintain the 50/50 split.

County of Orange 100-acre Parcel (ID 112/212a)

Staff recommends applying the same 21.0% increase for FY 2021-22 and 3% increase for FY 2022-23 to the connection fees, for the reasons discussed above, for the 100-acre development site owned by the County of Orange, which has no tax base. The consolidated water and sewer connection fee will increase from \$9,485 to \$11,477 per unit in FY 2021-22 and to \$11,821 per unit in FY 2022-23. The property tax rate will remain at zero as long as the property is owned by the County.

Improvement Districts	Connection Fees			Property Tax	
	Current	Proposed FY 2021-22	Proposed FY 2022-23	Current	Proposed FY 2021-22 to 23
112/212 (Great Park Neighborhood)	\$5,155	\$6,238	\$6,426	\$0.0642	\$0.0475
112a/212a (County 100-acre Parcel)	\$9,485	\$11,477	\$11,821	\$0.0000	\$0.0000

IDs 113/213 – Former Tustin Marine Base:

For FY 2021-22 and FY 2022-23, staff recommends increasing connection fees by 0.7% and 3.0% respectively due to increases in ENR. This will increase the total water and sewer connection fee by \$62, from \$8,888 per unit to \$8,950 per unit in FY 2021-22. The split between the water connection fee and the sewer connection fee was adjusted to reflect changes in capital spending. Connection fees will increase to \$9,219 per unit in FY 2022-23. Staff recommends continuing the current consolidated tax rate of \$0.09900 per \$100 of land assessed value to maintain the 50/50 split.

Improvement Districts	Connection Fees			Property Tax	
	Current	Proposed FY 2021-22	Proposed FY 2022-23	Current	Proposed FY 2021-22 to 23
113/213	\$8,888	\$8,950	\$9,219	\$0.0990	\$0.0990

IDs 185/285 – Lake Forest Opportunity Study Area, Excluding Portola:

For FY 2021-22 and FY 2022-23, staff recommends increasing connection fees by 0.7% and by 3.0% respectively due to increases in ENR. The consolidated water and sewer connection fee will increase by \$35 in FY 2021-22, increasing the water and sewer connection fee from \$5,014 per unit \$5,049 per unit and by an additional \$151 per unit to \$5,200 per unit in FY 2022-23. Staff recommends continuing the current consolidated tax rate of \$0.0218 per \$100 of land-assessed value to meet debt requirements and maintain the 50/50 split.

Improvement Districts	Connection Fees			Property Tax	
	Current	Proposed FY 2021-22	Proposed FY 2022-23	Current	Proposed FY 2021-22 to 23
185/285 (Opportunity Study)	\$5,014	\$5,049	\$5,200	\$0.0218	\$0.0218

IDs 188/288 – Portola – Portion of Opportunity Study Area:

For FY 2021-22 and FY 2022-23, staff recommends increasing connection fees by 0.7% and by 3.0% respectively due to increases in ENR. The consolidated water and sewer connection fee will increase by \$31 from \$4,418 per residential unit to \$4,449 per residential unit in FY 2021-22 and to \$4,582 per unit in FY 2022-23. Staff recommends maintaining the current consolidated tax rate of \$0.0394 per \$100 of land assessed value to meet debt requirements and maintain the 50/50 split.

Improvement Districts	Connection Fees			Property Tax	
	Current	Proposed FY 2021-22	Proposed FY 2022-23	Current	Proposed FY 2021-22 to 23
188/288 (Opportunity Study)	\$4,418	\$4,449	\$4,582	\$0.0394	\$0.0394

IDs 153/253 – Developing IDs:

IRWD and the Irvine Company established future usage and related revenue from the sale of native water from Irvine Lake. A portion of the revenue produced by native water sales is applied to connection fees for the developing IDs 153/253. The amended Irvine Lake agreement, executed in July 2019, ensures that the Irvine Company pays its fair share of capital infrastructure (without overpaying), recognizing that future sales of native water will reduce the amount of connection fees. The native water assumption includes 3,800 acre-feet (AF) per year at a rate of \$337 per AF in FY 2021-22 with the cost of water escalating annually at 3% thereafter. The agreement also provides for a reconciliation every five years between the assumed and the actual native water revenue. The final reconciliation will occur at the end of 20 years in 2038.

For FY 2021-22, staff recommends an 8% increase in the consolidated water and sewer connection fee due to increases in capital improvement projects. The split between the water connection fee and the sewer connection fee was changed to reflect changes in capital spending. For FY 2022-23. Staff recommends increasing connection fees by 3% based on estimated ENR. The consolidated water and sewer connection fee will increase from \$2,828 per residential unit to \$3,054 per residential unit in FY 2021-22 and to \$3,145 per unit in FY 2022-23. Staff recommends maintaining the current consolidated tax rate of \$0.0220 per \$100 of land assessed value to meet debt requirements and maintain the 50/50 split.

Improvement Districts	Connection Fees			Property Tax	
	Current	Proposed FY 2021-22	Proposed FY 2022-23	Current	Proposed FY 2021-22 to 23
153/253 (Undeveloped ID)	\$2,828	\$3,054	\$3,145	\$0.0220	\$0.0220

ID 256 – Orange Park Acres (OPA) Sewer:

For FY 2021-22 and FY 2022-23, staff recommends increasing connection fees by 0.7% and by 3.0% respectively due to increases in ENR. The connection fees will increase from \$6,290 to \$6,334 per residential unit in FY 2021-22 and to \$6,524 in FY 2022-23. There is no bonding authority for this ID so there are no property taxes.

Improvement Districts	Connection Fees			Property Tax	
	Current	Proposed FY 2021-22	Proposed FY 2022-23	Current	Proposed FY 2021-22 to 23
156/256 (Undeveloped ID)	\$6,290	\$6,334	\$6,524	NA	NA

All Other IDs:

For FY 2021-22 and FY 2022-23, staff recommends increasing connection fees by 0.7% and by 3.0% respectively due to increases in ENR. Staff recommends maintaining the current consolidated tax rate of \$0.280 per \$100 of land assessed value to meet debt requirements.

Improvement Districts	Connection Fees			Property Tax	
	Current	Proposed FY 2021-22	Proposed FY 2022-23	Current	Proposed FY 2021-22 to 23
125/225(Developed)	\$5,975	\$6,017	\$6,198	\$0.028	\$0.028
125/240(Developed)	\$6,818	\$6,866	\$7,072	\$0.028	\$0.028
111/222 (Developed, no G.O. Authority) ¹	\$9,914	\$9,984	\$10,283	NA	NA

¹ Identifies the consolidated connection fee for a density between 5.9 to 10.8 dwelling units (DU) per acre.

FISCAL IMPACTS:

Total connection fees discussed above are included in the FY 2021-22 and FY 2022-23
Non-operating budgets.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

That the Board approve revisions to connection fees and property taxes as presented and adopt
resolutions approving these revisions at the July 12, 2021, Board meeting.

LIST OF EXHIBITS:

Exhibit “A” – Proposed Connection Fees and Property Tax Rates

Exhibit “B” – Analysis of Changes within IDs

Exhibit “C” – PowerPoint Presentation

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EXHIBIT "A"

**Proposed Connection Fees and Property Tax Rates
Fiscal Years 2021-22 and 2022-23**

CONNECTION FEES

Improvement District	Current FY 2020-21			Proposed FY 2021-22			Change ⁽¹⁾	
	Water	Sewer	Total	Water	Sewer	Total	\$	%
111/222	\$3,551	\$6,363	\$9,914	\$3,576	\$6,408	\$9,984	\$70	0.7%
112/212	\$1,428	\$3,727	\$5,155	\$1,888	\$4,350	\$6,238	\$1,083	21.0%
112a/212a No Tax Authority (100% Connection Fee)	\$2,628	\$6,857	\$9,485	\$3,180	\$8,297	\$11,477	\$1,992	21.0%
113/213	\$3,232	\$5,656	\$8,888	\$1,259	\$7,691	\$8,950	\$62	0.7%
125/240	\$2,873	\$3,945	\$6,818	\$2,893	\$3,973	\$6,866	\$48	0.7%
125/225	\$2,873	\$3,102	\$5,975	\$2,893	\$3,124	\$6,017	\$42	0.7%
153/253	\$1,308	\$1,520	\$2,828	\$1,110	\$1,944	\$3,054	\$226	8.0%
153/253 PA 30	\$3,943	\$4,115	\$8,058	\$4,258	\$4,444	\$8,702	\$644	8.0%
256 OPA		\$6,290	\$6,290		\$6,334	\$6,334	\$44	0.7%
185/285	\$1,800	\$3,214	\$5,014	\$1,813	\$3,236	\$5,049	\$35	0.7%
188/288	\$1,627	\$2,791	\$4,418	\$1,638	\$2,811	\$4,449	\$31	0.7%

Improvement District	Proposed FY 2021-22			Proposed FY 2022-23			Change ⁽²⁾	
	Water	Sewer	Total	Water	Sewer	Total	\$	%
111/222	\$3,576	\$6,408	\$9,984	\$3,683	\$6,600	\$10,283	\$299	3.0%
112/212	\$1,888	\$4,350	\$6,238	\$1,945	\$4,481	\$6,426	\$188	3.0%
112a/212a No Tax Authority (100% Connection Fee)	\$3,180	\$8,297	\$11,477	\$3,275	\$8,546	\$11,821	\$344	3.0%
113/213	\$1,259	\$7,691	\$8,950	\$1,297	\$7,922	\$9,219	\$269	3.0%
125/240	\$2,893	\$3,973	\$6,866	\$2,980	\$4,092	\$7,072	\$206	3.0%
125/225	\$2,893	\$3,124	\$6,017	\$2,980	\$3,218	\$6,198	\$181	3.0%
153/253	\$1,110	\$1,944	\$3,054	\$1,143	\$2,002	\$3,145	\$91	3.0%
153/253 PA 30	\$4,258	\$4,444	\$8,702	\$4,386	\$4,577	\$8,963	\$261	3.0%
256 OPA		\$6,334	\$6,334		\$6,524	\$6,524	\$190	3.0%
185/285	\$1,813	\$3,236	\$5,049	\$1,867	\$3,333	\$5,200	\$151	3.0%
188/288	\$1,638	\$2,811	\$4,449	\$1,687	\$2,895	\$4,582	\$133	3.0%

PROPERTY TAX RATES ⁽³⁾

Improvement District	Current			Proposed		
	Water	Sewer	Total	Water	Sewer	Total
112/212	\$0.0156	\$0.0486	\$0.0642	\$0.0110	\$0.0365	\$0.0475
113/213	\$0.0400	\$0.0590	\$0.0990	\$0.0400	\$0.0590	\$0.0990
125/225/240	\$0.0130	\$0.0150	\$0.0280	\$0.0130	\$0.0150	\$0.0280
153/253	\$0.0090	\$0.0130	\$0.0220	\$0.0090	\$0.0130	\$0.0220
185/285	\$0.0081	\$0.0137	\$0.0218	\$0.0081	\$0.0137	\$0.0218
188/288	\$0.0309	\$0.0085	\$0.0394	\$0.0309	\$0.0085	\$0.0394

⁽¹⁾ ENR for June 2020 through June 2021 is 0.7%.

⁽²⁾ Estimated ENR for June 2021 through June 2022 is 3.0%.

⁽³⁾ Based on \$100 of land assessed value.

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IRVINE RANCH WATER DISTRICT
Analysis of Changes within IDs
(in millions)

Improvement District:

111/222

To Date:

Fund Balance (4/30/2021)

Water	Sewer	Total
\$ 4.6	\$ (28.7)	\$ (24.1)

Future Projection:**Revenue:**

Interest Income on Balance	\$ 7.3	\$ (14.4)	\$ (7.1)
Other Revenues ⁽¹⁾	16.1	0.9	\$ 17.1
1% and Enhancement	112.4	142.6	\$ 255.0
Bond Sales	58.6	35.3	93.9
Connection Fees	3.6	6.5	10.1
GO Property Taxes ⁽²⁾	-	-	-
Total Revenue	\$ 198.1	\$ 170.9	\$ 368.9

Expenditures:

Capital	\$ (111.3)	\$ (90.2)	\$ (201.6)
Debt	(81.8)	(49.9)	(131.7)
Total Expenditures	\$ (193.1)	\$ (140.1)	\$ (333.2)

Fund Balance (FY 2052-53)

\$ 9.5	\$ 2.1	\$ 11.6
--------	--------	---------

Change

Connection Fees:

Year	Current	Proposed	\$	%
21-22	\$9,914	\$9,984	\$70	0.7%
22-23	\$9,984	\$10,283	\$299	3.0%

GO Property Taxes ⁽²⁾:

21-22	\$0.0000	\$0.0000	\$0.0000	0.0%
22-23	\$0.0000	\$0.0000	\$0.0000	0.0%

(1) Other includes Grants, AMP, LRP, LPP, and any other revenue sources that were used to offset capital.

(2) This ID has no GO authority and therefore no property taxes

IRVINE RANCH WATER DISTRICT
Analysis of Changes within IDs
(in millions)

Improvement District:

112/212

To Date:

	Water	Sewer	Total
Expenditures ⁽¹⁾	\$ (20.3)	\$ (71.5)	\$ (91.8)
Connection Fees	\$ 6.2	\$ 26.3	32.5
GO Property Taxes	3.8	10.5	14.3
Previous Bond Sales	8.1	26.0	34.1
Other ⁽²⁾	4.6	5.6	10.3
Fund Balance (4/30/2021)	\$ 2.4	\$ (3.1)	\$ (0.7)

Future Projection:

Revenue:

Interest Income on Balance	\$ 3.4	\$ 6.8	\$ 10.2
Other Revenues ⁽²⁾	(1.1)	3.1	2.0
1% and Enhancement	-	-	
Bond Sales	13.2	29.1	42.3
Connection Fees	15.4	35.0	50.4
GO Property Taxes	16.9	51.8	68.7
Total Revenue	\$ 47.8	\$ 125.7	\$ 173.5

Expenditures:

Capital	\$ (20.9)	\$ (42.3)	\$ (63.2)
Debt	(29.3)	(80.1)	(109.4)
Total Expenditures	\$ (50.2)	\$ (122.4)	\$ (172.6)
Fund Balance (FY 2052-53)	\$ 0.0	\$ 0.2	\$ 0.2

Connection Fees:

Previous	\$6.2	\$26.3	\$32.5
Future	15.4	35.0	50.4

Total Connection Fees \$21.6 \$61.3 \$82.9 50%

		Change	
Year	Current	Proposed	
	\$	%	
21-22	\$5,155	\$6,238	\$1,083 21.0%
22-23	\$6,238	\$6,426	\$188 3.0%

GO Property Taxes:

Previous	\$3.8	\$10.5	\$14.3
Underlay (ID 125/225)	0.0	0.0	0.0
Future	16.9	51.8	68.7

Total GO Property Taxes \$20.7 \$62.2 \$82.9 50%

21-22	\$0.0642	\$0.0475	(\$0.0167) -26.0%
22-23	\$0.0475	\$0.0475	\$0.0000 0.0%

(1) Expenditures includes both capital infrastructure and general plant expenditures.

(2) Other includes Grants, AMP, LRP, LPP, and any other revenue sources that were used to offset capital.

IRVINE RANCH WATER DISTRICT
Analysis of Changes within IDs
(in millions)

Improvement District:

113/213

To Date:

	Water	Sewer	Total
Expenditures ⁽¹⁾	\$ (20.9)	\$ (36.4)	\$ (57.3)
Connection Fees	4.2	7.9	12.1
GO Property Taxes	2.3	3.3	5.6
Previous Bond Sales	16.3	28.6	44.9
Other ⁽²⁾	1.3	0.2	1.5
Fund Balance (4/31/2021)	\$ 3.1	\$ 3.6	\$ 6.7

Future Projection:

Revenue:

Interest Income on Balance	\$ 5.5	\$ 4.3	\$ 9.8
Other Revenues ⁽²⁾	1.7	1.2	2.9
1% and Enhancement	-	-	-
Bond Sales	9.2	14.6	23.8
Connection Fees	9.1	22.1	31.2
GO Property Taxes	18.3	19.5	37.8
Total Revenue	\$ 43.8	\$ 61.7	\$ 105.4

Expenditures:

Capital	\$ (11.2)	\$ (18.6)	\$ (29.8)
Debt	(31.5)	(48.9)	(80.4)
Total Expenditures	\$ (42.7)	\$ (67.5)	\$ (110.2)
Fund Balance (FY 2052-53)	\$ 4.2	\$ (2.2)	\$ 2.0

Connection Fees:

Previous	\$4.2	\$7.9	\$12.1
Future	9.1	22.1	31.2

					Year	Current	Proposed	\$	%
Total Connection Fees	\$13.3	\$30.1	\$43.3	50%	21-22	\$8,888	\$8,950	\$62	0.7%
					22-23	\$8,950	\$9,219	\$269	3.0%

GO Property Taxes:

Previous	\$2.3	\$3.3	\$5.6
Underlay (ID 125/225)	0.0	0.0	0.0
Future	18.3	19.5	37.8

Total GO Property Taxes	\$20.6	\$22.8	\$43.4	50%	21-22	\$0.0990	\$0.0990	\$0.0000	0.0%
					22-23	\$0.0990	\$0.0990	\$0.0000	0.0%

(1) Expenditures includes both capital infrastructure and general plant expenditures.

(2) Other includes Grants, AMP, LRP, LPP, and any other revenue sources that were used to offset capital.

IRVINE RANCH WATER DISTRICT
Analysis of Changes within IDs
(in millions)

Improvement District:

125/225

To Date:

Fund Balance (4/30/2021)

Water	Sewer	Total
\$ 154.8	\$ (28.6)	\$ 126.2

Future Projection:

Revenue:

Interest Income on Balance	\$ 55.9	\$ (18.4)	\$ 37.5
Other Revenues ⁽²⁾	24.8	12.0	\$ 36.7
1% and Enhancement	-	379.6	\$ 379.6
Bond Sales	69.3	156.5	225.8
Connection Fees	0.7	0.8	1.5
GO Property Taxes	208.2	276.7	484.9
Total Revenue	\$ 358.8	\$ 807.2	\$ 1,166.1

Expenditures:

Capital	\$(135.7)	\$(193.8)	\$ (329.5)
Debt	(348.3)	(609.4)	(957.7)
Total Expenditures	\$(483.9)	\$(803.2)	\$ (1,287.1)

Fund Balance (FY 2052-53)

\$ 29.7	\$ (24.6)	\$ 5.2
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Change

Connection Fees:

Year	Current	Proposed	\$	%
21-22	\$5,975	\$6,017	\$42	0.7%
22-23	\$6,017	\$6,198	\$181	3.0%

GO Property Taxes:

21-22	\$0.0280	\$0.0280	\$0.0000	0.0%
22-23	\$0.0280	\$0.0280	\$0.0000	0.0%

(1) Expenditures includes both capital infrastructure and general plant expenditures.

(2) Other includes Grants, AMP, LRP, LPP, and any other revenue sources that were used to offset capital.

IRVINE RANCH WATER DISTRICT
Analysis of Changes within IDs
(in millions)

Improvement District

153/253 (Undeveloped)

To Date:

	Water	Sewer	Total
Expenditures ⁽¹⁾	\$ (9.1)	\$ (43.0)	\$ (52.2)
Connection Fees	15.44	16.06	31.50
GO Property Taxes	2.62	3.14	5.77
Previous Bond Sales	7.60	11.90	19.50
Other ⁽²⁾	8.25	9.27	17.52
Fund Balance (4/30/2021)	\$ 24.8	\$ (2.6)	\$ 22.1
Underlay	\$ 6.2	\$ 4.1	\$10.3

Future Projection:

Revenue:

Interest Income on Balance	\$ 17.7	\$ 1.0	\$ 18.8
Other Revenues ⁽²⁾	19.7	80.6	100.2
1% and Enhancement	-	-	-
Bond Sales	34.0	45.8	79.8
Connection Fees	5.2	8.9	14.1
GO Property Taxes	3.0	4.3	7.3
Total Revenue	\$ 79.6	\$ 140.6	\$ 220.2

Expenditures:

Capital	\$ (42.9)	\$ (57.1)	\$ (100.0)
Debt	(57.9)	(83.3)	(141.2)
Total Expenditures	\$ (100.8)	\$ (140.5)	\$ (241.3)

Fund Balance (FY 2052-53)

\$ 3.6	\$ (2.5)	\$ 1.1
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Change

Connection Fees:

Previous	\$15.4	\$16.1	\$31.5
Future	\$5.2	\$8.9	\$14.1

	Year	Current	Proposed	\$	%
Total Connection Fees	21-22	\$2,828	\$3,054	\$226	8.0%
	22-23	\$3,054	\$3,145	\$91	3.0%

GO Property Taxes:

Previous	\$8.9	\$7.2	\$16.1
Underlay (ID 125/225)	\$10.7	\$12.3	\$23.0
Future	\$3.0	\$4.3	\$7.3

Total GO Property Taxes	21-22	\$0.0220	\$0.0220	\$0.0000	0%
	22-23	\$0.0220	\$0.0220	\$0.0000	0.0%

(1) Expenditures includes both capital infrastructure and general plant expenditures.

(2) Other Revenues include native water and golf course revenue for 153/253, buy-in costs, and estimated grant revenue.

IRVINE RANCH WATER DISTRICT
Analysis of Changes within IDs
(in millions)

Improvement District:	185/285
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<u>To Date:</u>	Water	Sewer	Total
Expenditures ⁽¹⁾	\$ (2.1)	\$ (4.2)	\$ (6.3)
Connection Fees	\$ 2.9	\$ 5.2	8.1
GO Property Taxes	\$ 0.5	\$ 0.8	1.3
Previous Bond Sales	\$ 1.5	\$ 1.8	3.3
Other ⁽²⁾	\$ 0.4	\$ 2.8	3.3
Fund Balance	\$ 3.2	\$ 6.4	\$ 9.7
(4/30/2021)			

<u>Future Projection:</u>			
Revenue:			
Interest Income on Balance	\$ (0.2)	\$ 5.4	\$ 5.2
Other Revenues ⁽²⁾	0.2	2.4	2.7
Bond Sales	0.3	0.4	0.8
Connection Fees	0.7	1.2	1.9
GO Property Taxes	1.7	2.8	4.5
Total Revenue	\$ 2.7	\$ 12.3	\$ 15.0

Expenditures:			
Capital	\$ (4.5)	\$ (7.1)	\$ (11.7)
Debt	(3.1)	(3.9)	(7.0)
Total Expenditures	\$ (7.6)	\$ (11.0)	\$ (18.7)
Fund Balance (FY 2052-53)	\$ (1.7)	\$ 7.8	\$ 6.1

<u>Connection Fees:</u>									
Previous	\$2.9	\$5.2	\$8.1						
Future	\$0.7	\$1.2	\$1.9						
Total Connection Fees	\$4	\$6	\$10.0	50%	21-22	\$5,014	\$5,049	\$35	0.7%
					22-23	\$5,049	\$5,200	\$151	3.0%

<u>GO Property Taxes:</u>									
Previous	\$0.5	\$0.8	\$1.3						
Underlay (ID 125/225)	\$1.8	\$2.1	\$3.9						
Future	\$1.7	\$2.8	\$4.5						
Total GO Property Taxes	\$4	\$6	\$9.8	50%	21-22	\$0.0218	\$0.0218	\$0.0000	0.0%
					22-23	\$0.0218	\$0.0218	\$0.0000	0.0%

(1) Expenditures includes both capital infrastructure and general plant expenditures.

(2) Other includes Grants, AMP, LRP, LPP, and any other revenue sources that were used to offset capital.

IRVINE RANCH WATER DISTRICT
Analysis of Changes within IDs
(in millions)

Improvement District:

188/288

To Date:

	Water	Sewer	Total
Expenditures ⁽¹⁾	\$ (9.5)	\$ (8.3)	\$ (17.8)
Connection Fees	0.9	1.4	2.3
GO Property Taxes	2.4	0.3	2.6
Previous Bond Sales	4.6	0.4	5.0
Other ⁽²⁾	2.6	6.7	9.3
Fund Balance (4/30/2021)	\$ 0.9	\$ 0.5	\$ 1.4

Future Projection:

Revenue:

Interest Income on Balance	\$ 0.3	\$ 2.1	\$ 2.5
Other Revenues ⁽²⁾	0.2	-	0.2
1% and Enhancement	-	-	
Bond Sales	0.7	0.3	1.0
Connection Fees	0.8	1.4	2.3
GO Property Taxes	1.5	0.4	1.9
Total Revenue	\$ 3.5	\$ 4.3	\$ 7.8

Expenditures:

Capital	\$ (1.5)	\$ (0.7)	\$ (2.2)
Debt	(3.5)	(0.9)	(4.4)
Total Expenditures	\$ (5.0)	\$ (1.6)	\$ (6.5)
Fund Balance (FY 2052-53)	\$ (0.5)	\$ 3.2	\$ 2.7

Connection Fees:

Previous	\$0.9	\$1.4	\$2.3
Future	\$0.8	\$1.4	\$2.3

Total Connection Fees \$1.7 \$2.8 \$4.6 50%

		Change	
Year	Current	Proposed	
	\$	\$	%
21-22	\$4,418	\$4,449	\$31 0.7%
22-23	\$4,449	\$4,582	\$133 3.0%

GO Property Taxes:

Previous	\$2.4	\$0.3	\$2.6
Future	\$1.5	\$0.5	\$1.9

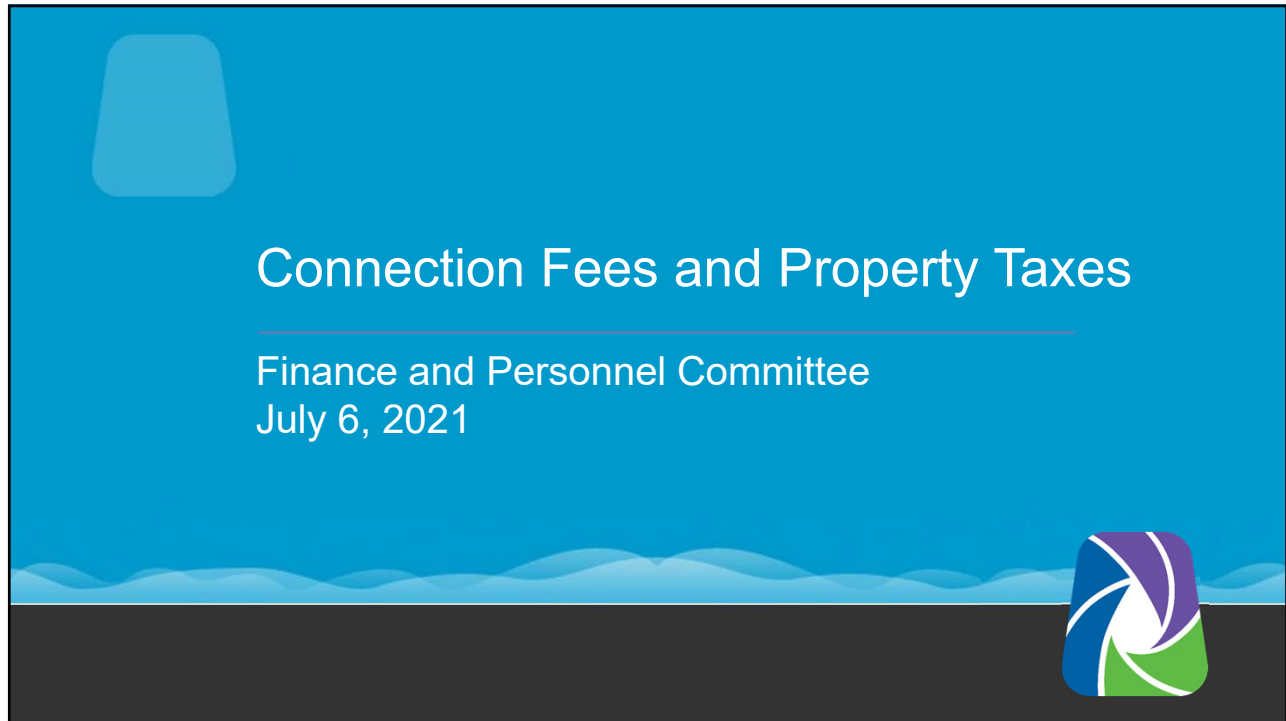
Total GO Property Taxes \$3.8 \$0.8 \$4.6 50%

21-22	\$0.0394	\$0.0394	\$0.0000 0.0%
22-23	\$0.0394	\$0.0394	\$0.0000 0.0%

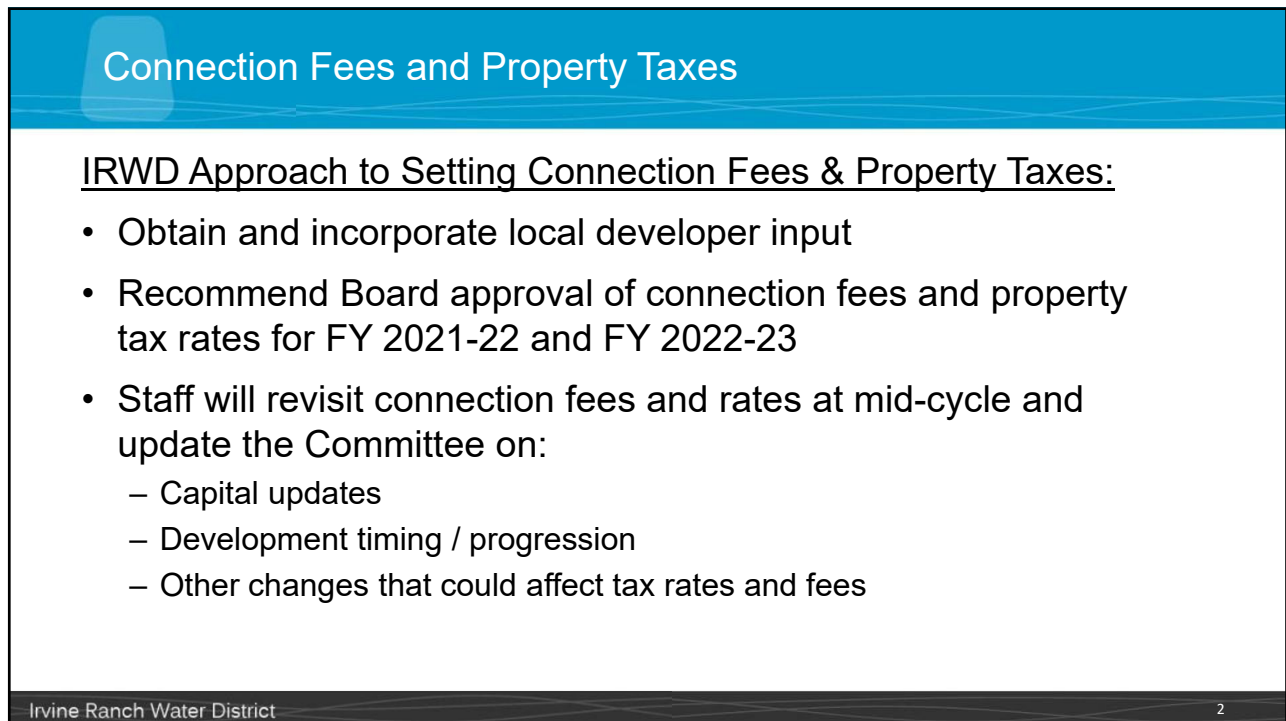
(1) Expenditures includes both capital infrastructure and general plant expenditures.

(2) Other includes Grants, AMP, LRP, LPP, and any other revenue sources that were used to offset capital.

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Connection Fees and Property Taxes

- Updated critical components of the rate setting model:
 - Recommendation is most ID connection fees change with ENR in FY 21-22
 - Recommendation is all ID connection fees change with estimated ENR(3%) in FY 22-23
 - Recommendation for reduction in property tax rate for ID 112/212
- Key changes:
 - Capital:
 - 112/212 \$9.9 million increase
 - 153/253 \$16.3 million increase
 - Development projections:
 - 112/212 2,600 units reduced to 1,000 on County parcel
 - 153/253 Increased over 400 units in future projection

Connection Fees and Property Taxes

Proposed 2-Year Connection Fees

Improvement District	FY 2020-21	FY 2021-22	%	FY 2022-23	%
111/222	\$9,914	\$9,984	0.7%	\$10,283	3.0%
112/212	\$5,155	\$6,238	21.0%	\$6,426	3.0%
113/213	\$8,888	\$8,950	0.7%	\$9,219	3.0%
125/225	\$5,975	\$6,017	0.7%	\$6,198	3.0%
153/253	\$2,828	\$3,054	8.0%	\$3,145	3.0%
185/285	\$5,014	\$5,049	0.7%	\$5,200	3.0%
188/288	\$4,418	\$4,449	0.7%	\$4,582	3.0%

Proposed Two-Year Property Tax Rates

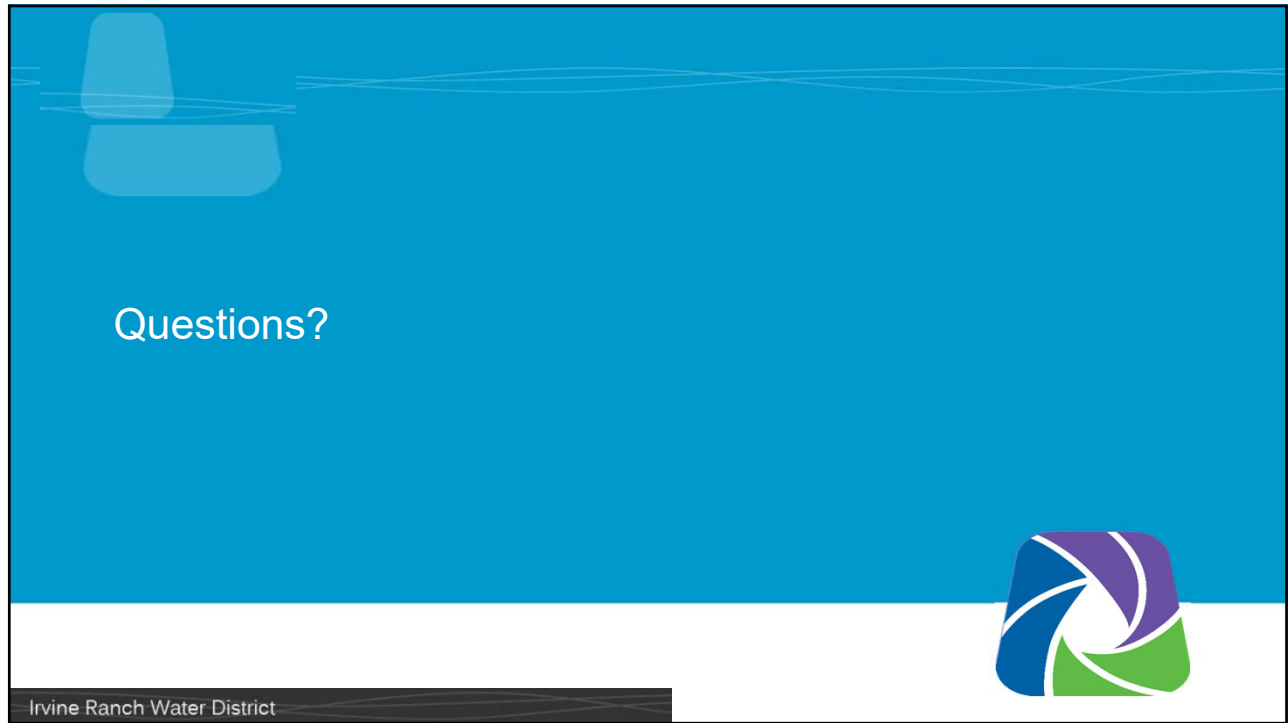
Improvement District	FY 2020-21	FY 2021-22	FY 2021-22
112/212	\$ 0.0642	\$ 0.0475	\$ 0.0475
113/213	\$ 0.0990	\$ 0.0990	\$ 0.0990
125/225/240	\$ 0.0280	\$ 0.0280	\$ 0.0280
153/253	\$ 0.0220	\$ 0.0220	\$ 0.0220
185/285	\$ 0.0218	\$ 0.0218	\$ 0.0218
188/288	\$ 0.0394	\$ 0.0394	\$ 0.0394

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Snapshot of Exhibit “B” – Analysis of Changes within ID’s

Improvement Districts 113/213				
(in millions)				
Connection Fees:				
Previous	\$4.2	\$7.9	\$12.1	
Future	9.1	22.1	31.2	
Total Connection Fees	\$13.3	\$30.1	\$43.3	50%
GO Property Taxes:				
Previous	\$2.3	\$3.3	\$5.6	
Underlay (ID 125/225)	0.0	0.0	0.0	
Future	18.3	19.5	37.8	
Total GO Property Taxes	\$20.6	\$22.8	\$43.4	50%

6



July 6, 2021

Prepared by: J. Muncy

Submitted by: R. Jacobson / C. Clary

Approved by: Paul A. Cook



FINANCE AND PERSONNEL COMMITTEE

FY 2021-22 OPERATING BUDGET VENDOR EXPENDITURE COMMITMENTS GREATER THAN \$200,000

SUMMARY:

Each year, based on the Board-approved operating budget, staff initiates or renews commitments with vendors for certain products and services included in the approved budget. Staff has provided a list of those vendors with expected commitments totaling \$200,000 or greater in Fiscal Year (FY) 2021-22 for the Committee's review. The list of vendor commitments excludes contracts or agreements approved by separate Board action. Consistent with provisions included in IRWD's Policy Regarding Authorization of Expenditures, staff recommends the Board approve the attached list of vendor expenditure commitments greater than \$200,000 for FY 2021-22.

BACKGROUND:

On a biennial basis, the Board approves the fiscal year operating budget for the District for the upcoming two-year period. Included in the operating budget are expenditures for line items such as chemicals, fuel, hauling of biosolids, and other products and services which require vendor commitments greater than \$200,000. These expenditures often utilize cooperative agreements for best pricing when available or have been previously competitively bid and, in some cases, are for specialized products (e.g., certain chemicals) provided by a single supplier.

These commitments are structured as open purchase orders and typically consist of multiple individual transactions during the fiscal year with the cumulative total of the purchase order exceeding \$200,000. The approval structure allows staff to order goods and services on a regular and efficient basis during the fiscal year. These commitments are made based on a not-to-exceed amount and can be cancelled at any time.

A list of the planned vendor commitments exceeding \$200,000 for FY 2021-22 is provided as Exhibit "A". The list includes vendor names, descriptions of the products or service being provided, the basis for pricing (e.g., cooperative agreement, single source, etc.), and estimated annual expense. Excluded from this list are contracts in excess of \$200,000, which have been approved by separate Board action and are within their approved contract period, as well as recurring utility bills.

The cumulative planned expenditure amount for the listed vendors for FY 2021-22 is \$3,960,000, representing approximately 2.20% of total planned expenditures in the approved operating budget. Consistent with provisions included in the District's Policy Regarding Authorization of Expenditures, staff recommends the Board approve the list of vendor commitments greater than \$200,000 for FY 2021-22.

FISCAL IMPACTS:

Total planned expenditures for FY 2021-22 for vendor commitments greater than \$200,000 (excluding contracts/agreements approved by separate Board action) are \$3,960,000, representing approximately 2.20% of total planned expenditures in the approved FY 2021-22 operating budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

That the Board approve the list of vendor commitments greater than \$200,000 based on approved FY 2021-22 operating budget expenditures.

LIST OF EXHIBITS:

Exhibit "A" – FY 2021-22 Operating Budget Vendor Commitments Greater than \$200,000

Exhibit A

FY 2021/22 Operating Budget - Vendor Commitments Greater than \$200,000


Supplier	Service	Requester	Type	PO Amount
BioMagic Inc.	FY 21/22 Open PO for odor control chemical deliveries as part of the odor control program to various locations determined by IRWD.	H. Solis	Single Source	\$ 300,000
Culligan of Santa Ana	FY 21/22 Open PO for Resin Exchange Services at BWTP	K. Reideler	Single Source	\$ 250,000
Hill Brothers Chemical	FY 21/22 Open PO for the delivery of odor control product (Oxy-Can) at various sites in the District.	H. Solis	Single Source	\$ 275,000
Merrimac Petroleum, Inc.	FY 21/22 Open PO for gasoline and diesel motor fuel.	J. Sciabica	Cooperative Agreement (County of Orange)	\$ 575,000
Traffic Control Vendor(s) TBD	FY 21/22 Open PO to provide IRWD traffic control services for Departments 420, 425 & 430.	B. Clinton O. Escobar M. Cano	Competitive Bid	\$ 450,000
Traffic Control Vendor(s) TBD	FY 21/22 Open PO to provide routine and early morning traffic control services for the Collections Dept.	H. Solis	Competitive Bid	\$ 300,000
Olin Corporation	FY 21/22 Open PO to supply MWRP with Sodium Hypochlorite 12.5% for Effluent Disinfection, MBR and Odor Scrubber as required.	J. Perez	Cooperative Agreement (SOCWA)	\$ 650,000
Polydyne Inc.	FY 21/22 Open PO to supply LAW RP with bulk 12.5% sodium hypochlorite deliveries.	A. Nieto	Cooperative Agreement (SOCWA)	\$ 580,000
Synagro-WWT Inc.	FY 21/22 Open PO to provide Class A Pellets/ Class B biosolids hauling for MWRP Biosolids	J. Perez	Cooperative Agreement (SOCWA)	\$ 250,000
Zebron Contracting	FY 21/22 Open PO Manhole Rehabilitation of Collections System Structures at Various Locations.	H. Solis	Competitive Bid	\$ 330,000
TOTALS				\$ 3,960,000

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July 6, 2021

Prepared by: E. Lin

Submitted by: C. Clary

Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

LUMP SUM PAYMENT OPTION FOR EMPLOYER CONTRIBUTIONS
FOR FY 2021-22 TO THE CALIFORNIA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

SUMMARY:

Staff recommends the Board approve a lump sum payment option for employer contributions to the California Public Employees Retirement System (CalPERS) by making a one-time contribution of \$6,811,095 to CalPERS for the District's Fiscal Year (FY) 2021-22. This recommendation is consistent with the "pre-funding approach" developed by the Board during the operating budget process and with prior years.

BACKGROUND:

The total minimum required employer contribution is the sum of the CalPERS Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the employer Unfunded Accrued Liability (UAL) contribution amount (billed monthly in dollars). Beginning in FY 2009-10, IRWD elected to utilize the lump sum payment option for the total minimum required employer contribution as the District benefits from not incurring interest expense at the assumed actuarial interest rate, which is currently 7.00%.

Beginning four years ago, CalPERS changed its rules so that only the UAL portion of the employer contribution can be prepaid in full no later than July 31 of each year. The normal cost contributions, estimated to be \$3.7 million, will be made as part of the bi-weekly payroll reporting process. CalPERS indicates that IRWD's UAL lump sum payment will be \$6,811,095 as provided in Exhibit "A". The total UAL cost of choosing the monthly payments option is approximately \$7,045,451, so the lump sum payment option saves IRWD approximately \$234,356 this fiscal year.

FISCAL IMPACTS:

The District's approved operating budget for FY 2021-22 includes normal and UAL employer contributions of \$10.7 million. The payments are consistent with the impacts identified in setting rates for FY 2021-22.

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.

Finance and Personnel Committee: Lump Sum Payment Option for Employer Contributions for
FY 2021-22 to the California Public Employees Retirement System

July 6, 2021

Page 2

RECOMMENDATION:

That the Board approve the lump sum payment for employer contributions to the California Public Employees Retirement System (CalPERS) by making a one-time contribution of \$6,811,095 for IRWD's FY 2021-22 employer Unfunded Accrued Liability (UAL) contribution.

LIST OF EXHIBITS:

Exhibit "A" – Letter from CalPERS Regarding Lump Sum Prepayment Amount

Required Contributions

	Fiscal Year
Required Employer Contribution	2021-22
Employer Normal Cost Rate	9.27%
<i>Plus, Either</i>	
1) Monthly Employer Dollar UAL Payment	\$587,121
<i>Or</i>	
2) Annual UAL Prepayment Option*	\$6,811,095
Required PEPRAs Member Contribution Rate	6.50%
<p><i>The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) and the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars).</i></p> <p><i>* Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31). Any prepayment totaling over \$5 million requires a 72-hour notice email to FCSD_public_agency_wires@calpers.ca.gov. Plan Normal Cost contributions will be made as part of the payroll reporting process. If there is contractual cost sharing or other change, this amount will change.</i></p> <p><i>In accordance with Sections 20537 and 20572 of the Public Employees' Retirement Law, if a contracting agency fails to remit the required contributions when due, interest and penalties may apply.</i></p> <p><i>For additional detail regarding the determination of the required contribution for PEPRAs members, see "PEPRAs Member Contribution Rates" in the "Liabilities and Contributions" section. Required member contributions for Classic members can be found in Appendix B.</i></p>	

	Fiscal Year 2020-21	Fiscal Year 2021-22
Normal Cost Contribution as a Percentage of Payroll		
Total Normal Cost	16.857%	16.60%
Employee Contribution ¹	7.429%	7.33%
Employer Normal Cost ²	9.428%	9.27%
Projected Annual Payroll for Contribution Year	\$35,640,482	\$39,473,694
Estimated Employer Contributions Based On Projected Payroll		
Total Normal Cost	\$6,007,915	\$6,552,633
Employee Contribution ¹	2,647,731	2,893,422
Employer Normal Cost²	3,360,184	3,659,211
Unfunded Liability Contribution	6,091,347	7,045,451
% of Projected Payroll (illustrative only)	17.091%	17.85%
Estimated Total Employer Contribution	\$9,451,531	\$10,704,662
% of Projected Payroll (illustrative only)	26.519%	27.12%

¹ For classic members, this is the percentage specified in the Public Employees' Retirement Law, net of any reduction from the use of a modified formula or other factors. For PEPRAs members, the member contribution rate is based on 50 percent of the normal cost. A development of PEPRAs member contribution rates can be found in the "Liabilities and Contributions" section. Employee cost sharing is not shown in this report.

² The Employer Normal Cost is a blended rate for all benefit groups in the plan. For a breakout of normal cost by benefit group, see "Normal Cost by Benefit Group" in the "Liabilities and Contributions" section.

Actuarial Assumptions

In 2017, CalPERS completed its most recent asset liability management study incorporating actuarial assumptions and strategic asset allocation. In December 2017, the CalPERS Board of Administration adopted relatively modest changes to the asset allocation that reduced the expected volatility of returns. The adopted asset allocation was expected to have a long-term blended return that continued to support a discount rate assumption of 7.00 percent. The Board also approved several changes to the demographic assumptions that more closely aligned with actual experience.

On December 21, 2016, the CalPERS Board of Administration lowered the discount rate from 7.50 percent to 7.00 percent using a three-year phase-in beginning with the June 30, 2016 actuarial valuations. The minimum employer contributions for fiscal year 2021-22 determined in this valuation were calculated using a discount rate of 7.00 percent. The decision to reduce the discount rate was primarily based on reduced capital market assumptions provided by external investment consultants and CalPERS investment staff. The specific decision adopted by the Board reflected recommendations from CalPERS staff and additional input from employer and employee stakeholder groups. Based on the investment allocation adopted by the Board and capital market assumptions, the reduced discount rate schedule provides a more realistic assumption for the long-term investment return of the fund.

Notwithstanding the Board's decision to phase into a 7.0 percent discount rate, subsequent analysis of the expected investment return of CalPERS assets or changes to the investment allocation may result in a change to this discount rate schedule.

For more details and additional rationale for the selection of the actuarial assumptions, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website under: "Forms and Publications". Click on "View All" and search for Experience Study.

All actuarial assumptions (except the discount rates used for the hypothetical termination liability) represent an estimate of future experience rather than observations of the estimates inherent in market data.

Economic Assumptions

Discount Rate

The prescribed discount rate assumption, adopted by the Board on December 21, 2016, is 7.00 percent compounded annually (net of investment and administrative expenses) as of June 30, 2019.

Termination Liability Discount Rate

The current discount rate assumption used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date.

The hypothetical termination liabilities in this report are calculated using an observed range of market interest rates. This range is based on the lowest and highest 20-year Treasury bond observed during an approximate 19-month period from 12 months before the valuation date to 7 months after. The 20-year Treasury bond has a similar duration to most plan liabilities and serves as a good proxy for the termination discount rate. The 20-year Treasury yield was 2.31 percent on June 30, 2019.



BENEFITS AND EMPLOYMENT TAX

HEALTH INSURANCE AND EMPLOYER CONTRIBUTIONS FY 2021-22

	FY 2020-21	FY 2021-22	Change
Insurance and Benefits			
Health Ins Actives	\$ 6,478	\$ 7,096	\$ 618
Paid Time Off *	5,099	5,185	86
Dental Premiums	488	511	23
Wrkrs Comp Premiums	763	750	(13)
Wrkrs Comp Paid Claims	772	772	-
Life Ins Actives	174	180	6
LT Disability Premiums	155	174	19
Medical Premiums - Retirees	177	425	248
Vision Benefit Premiums	85	98	13
RHCAP Payments - OPEB	575	351	(224)
Life Ins Retirees	13	13	-
Other	186	185	(1)
	<u>\$ 14,965</u>	<u>\$ 15,740</u>	<u>\$ 775</u>
Employment Tax and PERS			
PERS Employer Portion	\$ 8,319	\$ 10,690	\$ 2,371
PERS In Excess Of ARC	1,445	2,024	579
401A Employer Match Portion	973	1,006	33
401A Employer Direct Portion	387	402	15
Medicare Tax	553	572	19
St Unemployment Tax	50	50	-
	<u>\$ 11,727</u>	<u>\$ 14,744</u>	<u>\$ 3,017</u>
Total Insurance, Benefits, and Taxes	<u>\$ 26,692</u>	<u>\$ 30,484</u>	<u>\$ 3,792</u>


* Paid time off restated from labor to employee benefits in FY 2020-21

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July 6, 2021

Prepared by: D. Cotton

Submitted by: C. Clary

Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

UTILITY BILL PRINTING, MAILING, AND ELECTRONIC BILL PRESENTMENT SERVICES CONTRACT EXTENSION

SUMMARY:

IRWD's contract for utility bill printing, mailing, and electronic bill presentment services with InfoSend, Inc. was originally awarded on August 17, 2017 based on the evaluation of six proposals from qualified candidates. The original contract was for three years with automatic 24-month renewal extensions unless terminated. Staff recommends the Board ratify a two-year contract extension for utility bill printing, mailing, and electronic bill presentment services with InfoSend in the amount of approximately \$1,246,000 (\$623,000 per year based on the current number of bills, printed notifications, correspondence and postage rates) from August 17, 2020 through August 17, 2022.

BACKGROUND:

The District's contract for utility bill printing, mailing, and electronic bill presentment services with InfoSend, originally awarded in August 2017, expired on August 15, 2020. In April 2020, staff conducted a thorough evaluation of the services provided by InfoSend. Based on positive customer feedback, exceptional performance over the past three years, enhanced technology and cybersecurity options, and extensive Paymentus integration requirements, staff recommends a two-year contract extension. InfoSend has provided customers with on-time bill delivery and flexible bill delivery options. Its flexible and customizable bill messaging options has allowed IRWD to communicate the "*We'll Help You Through This*" campaign during COVID-19. Extending the InfoSend contract will maintain continuity and customer support as the transition to Paymentus, the District's electronic bill presentment and payment solution, continues to stabilize.

Responsibilities of the District's bill print provider include the ability to send customers a secure link to access the payment processor portal and usage history, send a PDF image of the monthly electronic bill (eBill), United States Postal Service (USPS) bill presentment, pre-printed newsletters, ad-hoc messaging on bills and envelopes, and in IRWD's newsletter. Estimated costs to print bills, correspondence and notifications are approximately \$220,000 per year. Estimated costs for pass-through postage costs to mail bills, correspondence and notifications are approximately \$403,000 per year (based on current and future USPS postage rates).

FISCAL IMPACTS:

Funds for utility bill printing, mailing, and electronic bill presentment services for FY 2020-21 and FY 2021-22 are included in the approved Operating Budgets.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

That the Board ratify approval of the two-year contract extension effective August 15, 2020 through August 15, 2022 with InfoSend Inc. for utility bill printing, mailing, and electronic bill presentment services in the amount of approximately \$1,246,000.

LIST OF EXHIBITS:

Exhibit “A” – InfoSend, Inc. Service Agreement



InfoSend Service Agreement

This Agreement entered into as of **August 15, 2017** in Anaheim, California, by and between **InfoSend, Inc.** having its main office at 4240 E. La Palma Ave, Anaheim, California 92807 and **Irvine Ranch Water District**, "Client" having its main office at: 15600 Sand Canyon Avenue, Irvine, CA 92618. InfoSend's primary phone number is (714) 993-2690.

Section 1. Term of Agreement

The "Initial Term" of this Agreement shall be a period of thirty-six (36) months. Subsequent twenty-four (24) month "Renewal Periods" Term shall automatically commence upon the expiration of any term (Initial Term or Renewal Period) unless either party shall:

- Execute a mutually agreeable Agreement Amendment prior to the expiration of the current term that documents a different mutually agreeable renewal period length.
- Give written notice of non-renewal at least 60 days prior to the end of the current term. The party giving non-renewal notice can indicate if it prefers for the contract to be terminated at the end of the current term or for it to continue on a month-to-month basis if mutually agreeable to the other party. This notice must be sent in writing via certified mail, FedEx, UPS, all with delivery signature requested to cancel the automatic renewal of the Agreement for Renewal Period should a mutually agreeable Agreement Amendment not be signed before the end of the current term.

This Agreement automatically terminates any prior contracts, terms or agreements previously executed between InfoSend and Client to cover the same services contained in this Agreement, unless specifically referenced herein.

Section 2. InfoSend Services

Subject to the terms and conditions of this Agreement, InfoSend will provide to Client, and Client will purchase from InfoSend, the services listed in Exhibit A ("Scope of Primary Services") to this Agreement for the pricing set forth in Exhibit B ("InfoSend Fees"). In the event Client requires other consulting, installation, development and/or customization services, InfoSend shall perform and Client shall purchase such services in accordance with the provisions of Exhibit C ("Professional Services") of this Agreement.

Section 3. Termination

This Agreement and any future amendments to the Agreement may be terminated for cause as follows:

- (a) If either party breaches any material term or condition of this Agreement, other than for Client's failure to pay and other than a failure to perform due to the causes described in Section 8, "Force Majeure," and fails either to substantially cure breach within thirty (30) days after receiving written notice specifying the breach, or, for those breaches which cannot reasonably be cured within thirty (30) days, to promptly commence curing such breach and thereafter proceed with all due diligence to substantially cure such breach, then the party not in breach may, by giving written notice to the breaching party, terminate this Agreement in its entirety, or as it pertains to a particular Product, Deliverable, Service or Professional Service, as of a date specified in such notice of termination. All of the obligations of the parties contained in this Agreement, except for Client's obligation to pay fees, shall be deemed to have been performed in an acceptable manner unless the party not in breach provides the breaching party with written notice as stated above within sixty (60) days of the event giving rise to the breach.
- (b) If Client fails to pay when due any payables owed hereunder within thirty (30) days of receiving written notice of such failure to pay thereof, InfoSend may, at InfoSend's option, terminate this Agreement in its entirety or only as it pertains to a particular Product, Deliverable, Service or Professional Service, by giving written notice to Client, as of a date specified in such termination notice.
- (c) In the event that either party hereto becomes or is declared insolvent or bankrupt, is the subject of any proceedings related to its liquidation, insolvency or for the appointment of a receiver or similar officer for it,

A handwritten signature in blue ink, appearing to be "Pa", written over a horizontal line.

makes an assignment for the benefit of all or substantially all of its creditors, or enters into an agreement for the composition, extension or readjustment of all or substantially all of its obligations, then the other party hereto may, by giving written notice thereof to such party, terminate this Agreement as of the date specified in such notice of termination.

Upon termination of this Agreement or any portion hereof for any reason, all rights granted to Client under this Agreement with respect to terminated Products, Deliverables, Services and Professional Services, will cease and Client will promptly pay to InfoSend any and all charges due, including but not limited to payables that are due pursuant to this Agreement, the Discontinuance Fee set forth in Section 4 below and accrued finance charges; however, Client shall not be responsible for paying the Discontinuance Fee if this Agreement is terminated by InfoSend other than as a result of Client's breach of its obligations hereunder or is terminated by Client pursuant to Paragraph 3(a).

Section 4. Discontinuance Fee

The parties have mutually agreed upon the Fees for the Services to be provided hereunder based upon certain assumed volumes, and the Term of this Agreement. Because of the difficulty in ascertaining InfoSend's actual damages for Client's termination without cause or a termination of the Agreement due to a breach by Client prior to the expiration of the then-current Term, Client agrees that, prior to the effective date of such termination and in addition to all other payables then due and owing to InfoSend, Client will pay to InfoSend the following discontinuance fee:

The discontinuance fee is equal to two (2) months of the Client's average monthly billing for the previous 6 months of Service (excluding any postage charges and professional services fees that were invoiced in that time period).

Client shall not be required to pay the Discontinuance Fee if InfoSend terminates the Agreement pursuant to Section 3, Paragraph (a).

Section 5. Confidentiality of Information

All information and data relating to Client's business submitted by Client to InfoSend under this Agreement shall be treated as confidential by InfoSend and shall not, unless otherwise required by law, be disclosed to any third party by InfoSend without Client's written consent. InfoSend shall promptly notify Client should InfoSend be served with a summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, requests for admission, or other discovery request or court order from any third party regarding this Agreement and/or the Services performed under this Agreement.

InfoSend takes great care in both data security and human resource security. InfoSend has a Human Resources policy that requires all new employees to pass a background check performed by an outside company. All new employees must pass a drug-screening test as well. These practices will remain in place for the duration of the Agreement.

Section 6. Limitation of Liability and Indemnification

InfoSend will not be responsible for actions or omissions resulting from receiving data and/or following instructions received from Client. No damages shall be assessed against InfoSend when any delay or breach on InfoSend's part is caused by failure of Client to perform Client's responsibilities or any other reason beyond the control of InfoSend.

InfoSend is a service provider, as such; Client acknowledges that data processing involves the risk of human and machine errors that InfoSend shall not be liable for any errors, omissions, delays or losses, except for damages or losses caused by the negligence or willful misconduct of InfoSend. InfoSend shall defend, hold harmless and indemnify Client from all claims, damages and losses, including reasonable attorney's fees, caused by the negligence or willful misconduct of InfoSend. In no event shall InfoSend be liable for indirect, special or consequential damages even if InfoSend has been advised of the possibility of such potential claim, loss or damage. The foregoing limitation of liability and exclusion of certain damages shall apply regardless of the success or effectiveness of other remedies. Notwithstanding anything to the contrary contained herein, InfoSend shall not be responsible for delays in receipt of Client information or processing Client information because of causes

beyond its reasonable control, including, without limitation, failures or limitations on the availability of third party telecommunications or other transmission facilities and Clients' failure to properly enter and/or transmit information.

Section 7. Invoicing and Payment

InfoSend will issue ^{monthly pc} ~~weekly~~ invoices. Invoice terms are NET ^{30 pc} ~~10~~. Should Client dispute any invoiced charges it must do so in a reasonable time frame. Disputes must be made within 3 months of the invoice date. Past due invoices are subject to a 1.5% per month finance charge.

Client acknowledges that past due invoices must be paid in a timely fashion to avoid service interruptions. The recurring nature of InfoSend's services result in a rapid rise in the Client's account balance if Client's accounts payable process is delayed. This is especially true if InfoSend is invoicing client for postage charges. It is therefore necessary for InfoSend to put service on hold if past due account balances are not paid in a timely manner. The Past Due Accounts Receivable notes and procedures are outlined below:

- InfoSend is at significant risk of financial loss if clients default on their past due debt. InfoSend's Accounts Receivable staff must therefore constantly monitor past due account balances and evaluate the risk of a client defaulting on debt if courtesy emails and finance charges do not reduce this risk. InfoSend reserves the right to reduce this risk by notifying Client's staff in writing that it must pay at least the portion of the account balance that is past due within five (5) days to avoid InfoSend's services being put on hold.
- Should a hold be instated it will immediately be removed once payment is received.
- Additionally, unpaid balances can result in cancellation of the agreement as per Section 3(b).


Section 8. Force Majeure

Neither party will be liable for any failure or delay in performing an obligation under this Agreement that is due to causes beyond its reasonable control, including, but not limited to, fire, explosion, epidemics, earthquake, lightning, failures or fluctuations in electrical power or telecommunications equipment, accidents, floods, acts of God, the elements, war, civil disturbances, acts of civil or military authorities or the public enemy, fuel or energy shortages, acts or omissions of any common carrier, strikes, labor disputes, regulatory restrictions, restraining orders or decrees of any court, changes in law or regulation or other acts of government authority, transportation stoppages or slowdowns or the inability to produce parts or materials. These causes will not excuse Client from paying accrued payables due to InfoSend through any available lawful means acceptable to InfoSend.

Section 9. Miscellaneous

The substantive laws of the state of California shall govern this Agreement. It constitutes the entire Agreement between the parties with respect to the subject matter hereof. No representations and agreements modifying or supplementing the terms of this Agreement will be valid unless in writing, signed by persons authorized to sign agreements on behalf of both parties. This Agreement is not intended to, and shall not be construed to, create or confer any right in or upon any person or entity not a party to it.

Irvine Ranch Water District

Name: Paul Cook
Title: General manager
Signature: 
Date: August 17, 2017

InfoSend, Inc.

Name: Russ Rezai
Title: President
Signature: 
Date: August 15, 2017

Exhibit A - Scope of InfoSend Primary Services

Client will select one or more of InfoSend's Primary Services from the list below by checking the box next to the Primary Service name. Any Primary Services not selected prior to the execution of this Agreement can be added at a later date via an Agreement Amendment. Optional Service Features can be turned on or off at any time without incurring a termination fee when turned off.

<input checked="" type="checkbox"/>	Data Processing, Printing and Mailing Service ("DPPM Service"): During the term of this Agreement, InfoSend will provide data processing, printing and mailing services. The Service consists of processing data, printing documents, mail preparation, applying postage (where applicable) and sending via the United States Postal Service. Document types include but are not limited to bills, postcards and letters.
<input checked="" type="checkbox"/>	InfoSend will provide eBusiness services (the "eBusiness Services"). During the term of this Agreement InfoSend can provide eBusiness Services. These services can include presenting bills online and/or accepting payment transaction information to facilitate ACH and/or credit card payments.

Section 1. Scope of DPPM Service:

Data Transfer and Processing

- Client to transmit data to InfoSend in an agreed upon format. Should Client make changes to data file format after initial setup is complete it agrees to pay for the professional services required to accommodate the new file format. See Exhibit C – Professional Services for information on initial setup and ongoing programming changes.
- A File Transfer Report will be emailed to the Client representatives who have opted-in to this email. A copy of this report is also available to download from the InfoSend website.
- Client will have access to an online Job Tracking application that shows the progress of each file as it is processed and becomes a batch of documents to be printed and mailed. Client can see both the original input file name and the InfoSend-assigned "Job Code".
- InfoSend will process the mailing addresses and perform the following functions:
 - Apply CASS-certified address validation
 - Comply with USPS requirements to obtain pre-sort automation rates
 - InfoSend will stay current with all USPS regulations required to mail presorted first class mail
- InfoSend will provide proofs of the final print-ready PDF files to Client to be reviewed and approved before printing begins (if requested).

Document Printing and Mailing

- Batches are printed by InfoSend using a high-speed production process onto the agreed upon forms.
- Printed documents are put through a quality control process and then released to the mailing department to be inserted into outgoing envelope. The return envelope and any applicable inserts are included as well.
- After a batch of mail is completed in InfoSend's system it will be marked as such in the online Job Tracker and a Process Confirmation Report will be emailed to the Client representatives who have opted-in to this email. A copy of this report is also available to download from the InfoSend website.

Exhibit B - InfoSend Fees

Section 1. Price Escalations to InfoSend Fees

InfoSend Fees can be adjusted once every twelve (12) months to account for increases in the cost of materials, labor, and other overhead costs. InfoSend reserves the right to increase InfoSend Fees on a yearly basis (starting with the first anniversary of the Agreement date). The Client will be notified, in writing, at least 30 days prior to such price increase. InfoSend fees will not be increased without the prior written consent of Client. An amendment to this Agreement will not be required if the Fees are changed, unless the terms or conditions of the Agreement have changed. Postage fees can change at any time per USPS regulations and do not require an Agreement amendment.

Section 2. DPPM Fees:

Client understands that print and mail production costs vary based on volume. The following InfoSend Fees are based on the estimated monthly volumes listed below. Should Client's actual continuous volume be less than 70% of the volume estimates Client has provided to InfoSend (listed below) then InfoSend reserves the right to invalidate the Fees listed in this Agreement. Should this rare situation arise then InfoSend will notify Client immediately and negotiate with Client in good faith to pass on any increased production costs to Client. If this circumstance arises and InfoSend invalidates the Fees listed in this Agreement, Client reserves the right to terminate this Agreement with no additional obligation or cost to InfoSend.

Sales tax is not included. Any applicable sales tax will be collected per government regulations.

Example Summary Service Fees for 2 Page Utility Bill – Custom Envelope Package

Summary of fee for a typical 2 page (2 physical sheets) bill including data processing, forms, printing, fold/insert, custom envelopes, Pipelines insert (physical and eInsert) mail preparation, delivery to USPS, account management, reports, and Web tools is **\$0.202** per bill package.

Item	Unit fee	Units	total
Processing	\$0.0145	2	\$0.029
Print 1 st page	\$0.025	1	\$0.025
Print 2 nd page	\$0.005	1	\$0.005
Forms	\$0.012	2	\$0.024
Bill page inserting	\$0.015	2	\$0.03
Archive	\$0.006	1	\$0.006
eInsert	\$0.002	1	\$0.002
Newsletter	\$0.047	1	\$0.047
Custom #10	\$0.018	1	\$0.018
Custom #9	\$0.016	1	<u>\$0.016</u>

\$0.202

Example Summary Service Fees for 2 Page Utility Bill – Standard Envelope Package

Summary of fee for a typical 2 page (2 physical sheets) bill including data processing, forms, printing, fold/insert, InfoSend standard envelopes, Pipelines insert (physical and eInsert) mail preparation, delivery to USPS, account management, reports, and Web tools is **\$0.194** per bill package.

Item	Unit fee	Units	total
Processing	\$0.0145	2	\$0.029
Print 1 st page	\$0.025	1	\$0.025
Print 2 nd page	\$0.005	1	\$0.005
Forms	\$0.012	2	\$0.024
Bill page inserting	\$0.015	2	\$0.03
Archive	\$0.006	1	\$0.006
eInsert	\$0.002	1	\$0.002
Newsletter	\$0.047	1	\$0.047

Custom #10	\$0.018	1	\$0.014
Custom #9	\$0.016	1	<u>\$0.012</u>
			\$0.194

5. Cost Proposal for Task 1 (Monthly Printing Services)

Display proposed cost per piece and pricing methodology on one page

Printing Services	Per Item	Options Below:
	Bills, Correspondence & Notices Data Processing & Document Composition Price is per page produced, no cost for production of backer image, where applicable.	\$0.0145
	Bills, Correspondence & Notices Printing Approximately 64,000 mail pieces per month, the exact number of sheets produced is unknown but estimated to be 102,400 sheets per month. Price is per physical sheet of paper produced, no cost to print the backer image.	
	<div>Per 1st Sheet</div> <div>Per Additional Sheet</div>	<div>\$0.025</div> <div>\$0.005</div>
	13 Months of Print Image Archive Per bill PDF. This is normally considered an optional service so the details (and additional retention options) are listed on the optional services page.	\$0.006
	Example Summary Printing Service Fees for 1 Page Utility Bill or other Notice (Excluding Materials & Postage) A utility bill or notice with 1 physical sheet of paper (with duplex printing) & 13 months of PDF archiving costs: \$0.0145 (processing) + \$0.025 (1 st Page Printing) + \$0.006 (13 Month Archive)	\$0.0455 for 1 Page Bill or Notice
	Example Summary Printing Service Fees for 2 Page Utility Bill (Excluding Materials & Postage) A utility bill with 2 physical sheets of paper (with duplex printing) & 13 months of PDF archiving costs: \$0.0145 (processing) x 2 + \$0.025 (1 st Page Printing) + \$0.005 (2 nd Page Printing) + \$0.006 (13 Month Archive)	\$0.065 for 2 Page Utility Bill

6. Cost Proposal for Task 2 (Monthly Mailing Services)

Display proposed costs per piece and pricing methodology on one page.

Mailing Services	Per Item	Options Below:
	Bills, Correspondence & Notices Mailing Mailing services required for folding, inserting, presorting, mailing via USPS. Price is per sheet mailed.	\$0.015
	Multiple Page Mail Piece Surcharge – Handwork This surcharge is assessed per mail piece (not per page). This surcharge only applies to multiple page bills that have too many pages to be inserted into the #10 envelope.	\$0.20
	Postage (for all job types) You will be invoiced for the exact postage used.	Pass Through
	Electronic Address Updates – NCOALink or ACS Per reported update. This is only charged if there is a change of address filed by the customer for the address you provided.	\$0.20 per hit
	Example Summary Mailing Service Fees for 1 Page Utility Bill or Notice (Excluding Materials & Postage) A utility bill with 1 physical sheet of paper \$0.015 (Mailing) x 1	\$0.015 for 1 Page Bill or Notice
	Example Summary Mailing Service Fees for 2 Page Utility Bill (Excluding Materials & Postage) A utility bill with 2 physical sheets of paper \$0.015 (Mailing Service) x 2	\$0.03 for 2 Page Utility Bill
	Example Summary Mailing Service Fees for 20 Page “House Holded” Utility Bill (Excluding Materials & Postage) A utility bill with 20 physical sheets of paper \$0.015 (Mailing Service) x 20 + \$0.20 (Multiple Mail Piece Handwork Surcharge)	\$0.50 for 20 Page Utility Bill

7. Cost Proposal for Task 3 (Electronic Bill Presentment Services)

Display proposed costs per piece and pricing methodology on one page.

eBill Loading and Storage Fee

Fee to load eBill PDFs in the eBusiness system and store for 13 months. \$0.023 each

8. Cost Proposal for Task 4 (Electronic Payment Services)

Display proposed costs per piece and pricing methodology on one page.

Payment Initiation & PCI Compliance Fee \$0.055 Each

Per payment initiated to one of InfoSend's preferred payment partners. This is for all payment initiations for ACH, credit card, auto pay, same day or scheduled payments made through the system. Processing costs will be covered under separate contract directly with processor.

9. Cost Proposal for Task 5 (Optional Newsletter Printing)

Display proposed costs per piece pricing methodology on one page.

Pipelines Newsletter Marketing Insert –

8.5" x 11", printed 4/4 on matte stock \$0.047 Each



10. Cost Proposal for Task 6 (Optional Special Direct Mail Services)

Display proposed costs per piece pricing methodology on one page.

We're sorry but there is no possible way to price optional special direct mail jobs up front. Pricing is provided upon request.

Direct mail has a myriad of different options such as paper stock, size of printed piece, type of postage used, etc. It cannot be priced up front unless IRWD provides some specific examples of direct mail job specifications and volumes.



Exhibit J – Pricing Detail

Bid Sheets for Utility Bill Printing, Mailing, and Electronic Bill Presentment Services for a Three Year Contract with Two Optional One Year Renewals

Company Name InfoSend Inc.

Year 1 of 3	BID PRICE
See assumptions document for detailed breakdown of quantities used to calculate totals	
Task 1 Perform printing services required for bill, correspondence, notice printing includes custom envelopes & PDF archiving of the printed pages for 13 months	\$94,556.16
Task 2 Perform mailing services required for folding, inserting, presorting, mailing excludes postage	\$18,432.00
Task 3 Perform electronic bill presentment services	\$15,180.00
Lump Sum Total Bid for Tasks 1-3 Year 1 of 3	\$128,168.16
Optional Task 4 – Perform electronic payment services	\$25,410.00
Optional Task 5 – Perform printing of monthly newsletter	\$30,456.00
Optional Task 6 – Perform Special Direct Mail Services There is no possible way to price this without specifications	Need specs
Lump Sum Total Bid for Optional Tasks 4-6 Year 1 of 3	\$55,866.00

Year 2 of 3	BID PRICE
Task 1 Perform printing services required for bill, correspondence, notice printing	\$94,556.16
Task 2 Perform mailing services required for folding, inserting, presorting, mailing	\$18,432.00
Task 3 Perform electronic bill presentment services	\$15,180.00
Lump Sum Total Bid for Tasks 1-3 Year 1 of 3	\$128,168.16
Optional Task 4 – Perform electronic payment services	\$25,410.00
Optional Task 5 – Perform printing of monthly newsletter	\$30,456.00
Optional Task 6 – Perform Special Direct Mail Services	Need specs
Lump Sum Total Bid for Optional Tasks 4-6 Year 1 of 3	\$55,866.00

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Year 3 of 3

BID PRICE

Task 1 Perform printing services required for bill, correspondence, notice printing	<u>\$94,556.16</u>
Task 2 Perform mailing services required for folding, inserting, presorting, mailing	<u>\$18,432.00</u>
Task 3 Perform electronic bill presentment services	<u>\$15,180.00</u>
Lump Sum Total Bid for Tasks 1-3 Year 1 of 3	<u>\$128,168.16</u>
Optional Task 4 – Perform electronic payment services	<u>\$25,410.00</u>
Optional Task 5 – Perform printing of monthly newsletter	<u>\$30,456.00</u>
Optional Task 6 – Perform Special Direct Mail Services	<u>Need specs</u>
Lump Sum Total Bid for Optional Tasks 4-6 Year 1 of 3	<u>\$55,866.00</u>
Lump Sum Total Bid for Combined Years 1 through 3 Tasks 1 -3	<u>\$384,504.48</u>
Lump Sum Total Bid for Combined Years 1 through 3 Optional Tasks 4 - 6	<u>\$167,598.00</u>

Bid Submitted by:

Company: InfoSend, Inc.
(Print)

Name: Russ Rezai
(Print)

Name: 
(Signature)

Title: President
(Print)

Date: 4/28/2017

Pricing: Data Processing, Print & Mail Service Set-up Fee

The setup fee is waived.

Pricing: Data Processing, Print & Mail Service & Material Fees

Please note that the below pricing is not contingent on IRWD using InfoSend's Electronic Bill Presentment and Payment service. Either service can be purchased independently of the other. While we would be ecstatic to win the contract for both services we are totally comfortable with providing one or the other and we can provide archived bill images to a third party if needed via a secure API.

InfoSend's Fees – Turnkey Data Processing, Print & Mail Service:			
The individual prices shown in the table below apply only to the turnkey Data Processing Print & Mail service for the following document types. Other types of document printing and or mailing can be quoted later, if needed.			
Primary Services	Turnkey Data Processing Print & Mail service	Per Item	Options Below:
	<p>Price is per physical page. Includes processing of your unique data, CASS address validation, presorting, printing, and mail insertion. Finished mail pieces are delivered to the USPS within the same) business day. If samples (proofs) are requested then the mailing will be completed within one day of sample approval. File upload deadline for same-day mailing is 10:00AM local time at the production facility designated for your account. If samples are required then they must be approved by 12:00PM for the file to be mailed by the same day.</p> <p>Excludes materials, sales tax (where applicable), and postage. A postage deposit will be required prior to go live.</p> <p>For the quoted prices to apply InfoSend must have the right to combine data files sent by your organization with other files you have sent, when possible. Higher pricing applies if files must be printed separately.</p> <p><i>Pricing assumes the use of materials options listed in the below section.</i></p>	Bills, Correspondence & Notices Data Processing & Document Composition Price is per page produced, no cost for production of backer image, where applicable.	\$0.0145
		Bills, Correspondence & Notices Printing Approximately 64,000 mail pieces per month, the exact number of sheets produced is unknown but estimated to be 102,400 sheets per month. Price is per physical sheet of paper produced, no cost to print the backer image.	Per 1 st Sheet \$0.025 Per Additional Sheet \$0.005
		Bills, Correspondence & Notices Mailing Mailing services required for folding, inserting, presorting, mailing via USPS. Price is per sheet mailed.	\$0.015
		Multiple Page Mail Piece Surcharge – Handwork This surcharge is assessed per mail piece (not per page). This surcharge only applies to multiple page bills that have too many pages to be inserted into the #10 envelope.	\$0.20
		Postage (for all job types) You will be invoiced for the exact postage used.	Pass Through
		Electronic Address Updates – NCOALink or ACS Per reported update.	\$0.20
		Pipelines Newsletter Marketing Insert – 8.5 x 11, printed 4/4 on matte stock	\$0.047
		13 Months of Print Image Archive Per bill PDF. This is normally considered an optional service so the details (and additional retention options) are listed on the optional services page.	\$0.006
		Example Summary Service Fees for 2 Page Utility Bill (Excluding Materials & Postage) A utility bill with 2 physical sheets of paper (with duplex printing) & 13 months of PDF archiving costs: \$0.0145 (processing) x 2 + \$0.025 (1 st Page Printing) + \$0.005 (2 nd Page Printing) + \$0.015 (Mailing) x 2 + \$0.006 (13 Month Archive)	\$0.095

Material Component Fees – Data Processing Print & Mail Service			
Materials	Statement, Invoice, or Letter Paper Stock		
	All Documents: white paper stock with or without perforation. Paper is 8.5x11" and 24lb. Price includes all inventory costs.	Per Sheet	\$0.012
	InfoSend Standard Window Envelopes		
	Standard Window Envelopes	Per Standard Envelope	Options Below:
	These envelopes include security tint printed on the inside of the paper stock and clear film that prevent the contents of the envelope from being viewed.	#10 InfoSend Standard Double Window Outgoing Envelope	\$0.014
	These envelopes include security tint printed on the inside of the paper stock and clear film that prevent the contents of the envelope from being viewed. These envelopes also use sustainably logged paper (SFI).	#9 InfoSend Standard Single Window Return Envelope	\$0.012
		Flat Single Window Envelope – only used for multiple page statements that do not fit in the #10 envelope.	\$0.08
	Other Envelopes		
	IRWD Custom #10 Envelope printed 1/0 – order quantity of 50,000	Per Envelope	\$0.018
	Tustin Custom #10 Envelope printed 1/0 – order quantity of 50,000	Per Envelope	\$0.018
	IRWD Custom #10 Envelope printed 1/0 Version 2 – order quantity of 500,000	Per Envelope	\$0.018
	IRWD Custom #10 Envelope printed 2/0 (urgent) – order quantity of 50,000	Per Envelope	\$0.018
	IRWD Custom #9 Envelope printed 1/0 - order quantity of 500,000	Per Envelope	\$0.016
	IRWD Custom Flat Envelope, 9" x 12", printed 1/0 – order quantity of 25,000	Per Flat Envelope	\$0.11



Pricing: Turnkey Data Processing Print & Mail Service Optional Services

Optional Services

Drop-Shipped Inserts & Inserting of InfoSend-Printed Inserts Clients can print and fold inserts and ship them to InfoSend to be mailed with the statements. If folding is required add \$0.01 to the fee. InfoSend-printed inserts are quoted upon request. No additional service cost to use selective inserting to selectively include inserts with certain bill types as long as at least 3,000 customers are targeted (set-up costs can apply in some situations for advanced selective inserting criteria). Cost includes all inventory costs.	Per Insert	\$0.006
Enhanced Transactional Image Quality The baseline print image quality for transactional documents such as statements and invoices is 600 x 600 DPI. Work produced from the Anaheim facility can be printed at an enhanced image quality at an additional cost. This option uses high definition pigment ink & variable drop sizes to achieve a perceived 1200 x 1200 DPI image quality.	Per Sheet	\$0.01
Print Image Archive Each bill is stored as a PDF and indexed in a database. Search by account number or other key fields. You are charged one up-front fee per document to process it, index it, and store it for a set number of months. The PDFs are accessed using a browser-based application that is accessed by logging in to the InfoSend website. Third party applications can also access the PDFs via a lightweight API with no cost increase to the unit fees. Setup fees may apply depending on your configuration needs. <i>This service includes outbound mail tracking at no additional cost. You can view USPS-provided mail tracking data from the same interface that you use to view PDFs of the printed bills. Only available with mail sent using 1st Class Postage, and not available in some cases with postcard mailings.</i>	Per PDF (No Set-up Fee)	\$0.006 - For 13 Months of Retention \$0.010 - For 18 Months of Retention \$0.013 - For 24 Months of Retention
Electronic Inserts PDF copies of your physical inserts can be included in the Print Image Archive at an additional cost. This will let your team see exactly which inserts were delivered with each mail piece. This will also allow you to include the inserts in the eBill PDFs that are presented and/or emailed to customers if you use an InfoSend eBusiness service that delivers eBills to your customers or if you use a third-party application that pulls the PDFs from InfoSend's Print Image Archive API to present to your customers.	Per Insert (No Set-up Fee)	\$0.002
FinalDoc Transfer Option1: Each completed InfoSend batch is indexed and transferred to you via FTP or SFTP to store on your own network. InfoSend will transmit each batch as one PDF file, and can provide an optional companion XML index file that provides a breakdown of the PDF's contents. All individual documents from the batch will be included in the file. Option 2: InfoSend is able to transfer individual PDF files for each document in the batch (it is not possible to just receive a subset of the documents), provide a customer file-naming scheme, or provide a custom index file. Additional Professional Service Fees may be required depending on the customizations requested.	Per Document Option 1: Option 2:	 \$0.007 \$0.012
Professional Services Per hour and performed only upon request. For customizations made to document processing program or document format after go-live. Work is only started after receiving your approval of a formal quote. <i>Please note that when you send billing files in PDF format and control your own document design there are no professional services charges when you modify the document template on your end.</i>	Per Hour	\$150.00

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Pricing: Electronic Bill Presentment (EBP) or Electronic Bill Presentment & Payment (EBPP)

Please note that the below pricing is not contingent on IRWD using InfoSend's Data Processing, Print and Mail service. Either service can be purchased independently of the other. While we would be ecstatic to win the contract for both services we are totally comfortable with providing one or the other.

InfoSend's Fees – Initial Set-up Costs			
Implementation, professional services, and optional fees.			
Professional Services Fees	Electronic Bill Presentment (EBP) or Electronic Bill Presentment & Payment (EBPP) Initial Set-up Cost: Waived		
	One-time implementation fee. The above pricing includes: <ul style="list-style-type: none"> ▪ Branding of the portal with customized logo and banner, configuration of email templates ▪ InfoSend standard reports. A custom payment-posting file costs an additional \$750. ▪ Payment integration to one of InfoSend's existing preferred payment partners. Integration to a new bank/payment processor is not included and raises costs significantly (when available). <p>Please note: Clients must sign off on requirements documents (Statement of Work, project plan, etc.) before programming and system configuration can begin. Quoted implementation timeline begins upon approval of the SOW. Client can be charged additional fees and/or have the project go-live date delayed if requirements are changed after they have been finalized and signed off.</p>		
	Professional Services Fee Per hour and performed upon request. For customizations made to your Online BillPay configuration after go-live. Work is only started after receiving approval of a formal quote.	Per Hour	\$150.00

InfoSend's Monthly Transaction Fees – EBP or EBPP			
This pricing is based on an estimated number of eBills that are created and sent out each month equal to 55,000 Documents Per Month.			
Monthly Fees	eBill Loading and Storage Fee Fee to load eBill PDFs in the eBusiness system and store for 13 months.	Per eBill	\$0.023
	Optional Electronic Inserts - eInserts PDF copies of your physical inserts can be included in eBills at an additional cost. This will allow you to include the inserts in the eBill PDFs that are presented to your customers via the Online BillPay portal or emailed to the customer if you are not a healthcare organization and elect to let your customers decide whether they want their eBill PDFs attached to the new bill notification email.	Per Insert	\$0.0025
	Payment Initiation & PCI Compliance Fee (only applies for EBPP with payments) Per payment initiated to one of InfoSend's preferred payment partners. This is for all payment initiations for ACH, credit card, auto pay, same day or scheduled payments made through the system. Processing costs will be covered under separate contract directly with processor.	Per Payment	\$0.055
	Monthly Support Fee Per month fee to support the Online BillPay service.	Per Month	WAIVED

Please see the below table to understand how InfoSend came up with the annual totals. This worksheet has been provided on the CD as well. When comparing annual totals for each vendor who submitted a bid you will need to check to see if the same assumptions were made on what to include in the annual totals. For example, InfoSend included 13 months of print image archiving in the printing total (Task 1) because this seemed like a core requirement to IRWD. But some vendors may have excluded it. We would be happy to later re-adjust the annual totals with specific IRWD-provided line items and quantities to use, if requested.

IRWD Assumptions Document				
Printing & Mailing Year 1				
	Quantity	Unit Price	Extended Monthly	Extended Annually
Bills, Correspondence & Notices Data Processing & Document Composition	102,400	\$ 0.0145	\$ 1,484.80	\$ 17,817.60
Bills, Correspondence & Notices Printing: First Pages	64,000	\$ 0.0250	\$ 1,600.00	\$ 19,200.00
Bills, Correspondence & Notices Printing: Additional Pages	38,400	\$ 0.0050	\$ 192.00	\$ 2,304.00
Bills, Correspondence & Notices Mailing	102,400	\$ 0.0150	\$ 1,536.00	\$ 18,432.00
13 Months of Print Image Archive	64,000	\$ 0.0060	\$ 384.00	\$ 4,608.00
Bills, Correspondence & Notices 8.5" x 11" Paper Stock	102,400	\$ 0.0120	\$ 1,228.80	\$ 14,745.60
IRWD Custom #10 Envelope	102,400	\$ 0.0180	\$ 1,843.20	\$ 22,118.40
IRWD Custom #9 Envelope (assuming 30% AutoPay suppression)	71,680	\$ 0.0160	\$ 1,146.88	\$ 13,762.56
			Printing Total (Task 1)	\$ 94,556.16
			Mailing Total (Task 2)	\$ 18,432.00
			Grand Total	\$ 112,988.16
Electronic Bill Presentment (Task 3) Year 1	55,000	\$ 0.0230	\$ 1,265.00	\$ 15,180.00
Electronic Bill Presentment (Task 4) Year 1 (assuming 70% of eBill customers make payment)	38,500	\$ 0.0550	\$ 2,117.50	\$ 25,410.00
Printing of Monthly Newsletter (Task 5)	54,000	\$ 0.0470	\$ 2,538.00	\$ 30,456.00

Pricing Notes

Change requests and bill redesigns are handled utilizing InfoSend's Client Application Change Management process (detailed in Exhibit I). Additional costs vary based on total scope, however the Professional Services rate is defined in the pricing detail. New bill designs are determined according to the client application and billing workflow needs. However, InfoSend does provide notice when new application or printing technology becomes available that could enhance client bill designs. Please note that when clients export batches in PDF format for InfoSend to process the ongoing professional services costs are dramatically reduced as the vast majority of changes are handled on the client's end.

InfoSend's pricing includes environmentally friendly SFI® (Sustainable Forestry Initiative) Certified paper envelopes for all clients that use standard envelopes, InfoSend's standard double window #10 and single window #9 envelopes are sustainably produced and are provided at no additional cost to clients. The Sustainable Forestry Initiative ensures materials are sourced from sustainably managed forests. Please visit www.sfiprogram.com for more information.

InfoSend does not impose fees to accept and implement upgrades to IRWD's customer information and billing system.

InfoSend does not impose charges for monthly updates or software upgrades to our portal or software.

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Section 2.1. Custom Forms/Envelopes

If Client has selected the Printing and Mailing Service and at any time requests that InfoSend Fees include the cost of custom Client-specific materials (either in this Agreement or since its execution), then Client understands and accepts that these materials will be purchased in bulk to achieve the lowest possible per-unit cost. Client agrees to purchase any remaining supplies of requested custom materials (normally forms or envelopes) if Client stops using InfoSend's Service for any reason. Client agrees to purchase the remaining supply of custom forms/envelopes upon Client's request to change the custom forms/envelopes before the supply has been depleted.

Section 2.2. USPS Postage Rates

Postage rates are determined by the United States Postal Service. All postage rate changes are determined directly by USPS and are independent of any InfoSend service or materials fees. In no event shall any change in the postage rates affect the InfoSend service or materials fees. The Client will be invoiced the amount of excess for overweight and foreign mail.

Section 2.3. Postage Deposit

InfoSend purchases the postage needed to mail Client documents on the day of mailing. The postage charges are later invoiced to Client based on the Client's payment terms. InfoSend requires Client to submit a postage deposit prior to the first mailing to facilitate the payment terms. This amount will remain in deposit for the duration of the Agreement. Upon Agreement expiration or termination Client must pay in full any outstanding invoices from InfoSend for payables created under this Agreement; the postage deposit will be refunded within fifteen (15) days of the date that the last open invoice is paid.

The postage deposit is subject to an annual review and may be adjusted to account for changes to Client average mailing volume or changes to USPS postage rates. There will be no more than one adjustment requested per year, if at all.

The postage deposit amount is calculated by multiplying the estimated number mail pieces per month by the current 5-Digit pre-sorted first class postage rate. The postage deposit amount due for your account is:

54,000 mail pieces per month x \$0.376 = \$20,304.

Exhibit C – Professional Services

Section 1. Price Escalations to InfoSend Professional Services Fees

InfoSend Professional Services Fees can be adjusted once every twelve (12) months to account for increases to the cost of providing these services. InfoSend reserves the right to increase Professional Services Fees on a yearly basis, starting with the first anniversary of the Agreement date, if needed. The Client will be notified, in writing, at least 30 days prior to such price increase. InfoSend fees will not be increased without the prior written consent of Client. An amendment to this Agreement will not be required if the Professional Services Fees are changed with Client's prior written consent, unless the terms or conditions of the Agreement have changed.

Section 2. Definition of Professional Services

InfoSend Professional Services are the technical services that are required to perform the initial setup of the InfoSend Primary Services defined in Exhibit A and the technical services required to make changes to these Primary Services after the initial setup is complete. Once any Primary Service is live and operational Professional Services will not be required unless Client requests a change or makes changes to its data file format or business rules which necessitates a change to InfoSend's system configuration or programming. Examples of InfoSend Professional Services:

- Project requirements gathering and analysis hours
- Project management and/or consulting hours
- Software development and system configuration hours related to the processing of Client's data
- Software development and system configuration hours related to document design, web portal setup, business rule configuration, or any other applicable technical services
- Application testing and deployment hours

Section 3. Professional Services Fee and Process for Approval and Payment of Fee

The current Professional Services Fee is \$175.00 per hour.

Anytime a project will incur billable Professional Services hours Client will be informed before work begins. Professional services shall not be performed without Client's prior written consent. InfoSend and Client will execute a Statement of Work for project that Client wants InfoSend to undertake. The payment terms for the project depend on the size and scope of the project. The Statement of Work can include payment terms that are different than the terms listed in this Agreement for InfoSend Fees, otherwise these terms will apply and the project fees will be invoiced upon project completion. Small projects that incur less than five (5) hours of Professional Services can be initiated without a Statement of Work if Client accepts and executes a Programming Quote for this work.

All projects that will take more than five (5) hours of Professional Services work will require both parties execute a formal Statement of Work. Depending on the nature of the work required InfoSend will provide one of the following quotation methods:

- Fixed Quote – a fixed project cost will be set. InfoSend may elect to waive this cost in some circumstances. Client understands and accepts that it must accept the terms and conditions of the Statement of Work for the project and that changes made to the project requirements, data file structure, etc. after the Statement of Work and any amendments to it have been finalized will require Client to pay for these changes on a Time and Materials basis. Client will be notified immediately if this scenario happens and given an option to keep the original project specifications to keep the fixed quote in place.
- Time and Materials quote – should it not be possible to provide a fixed quote due to the nature of a Client's requested project then InfoSend will provide an estimated number of hours to complete the project and bill the hours on a Time and Materials basis. The Statement of Work will include the terms and conditions for these project types and Client will be invoiced weekly for the hours spent on the project.

Section 4. Initial Setup Cost: InfoSend Primary Services

The Initial Setup cost for the InfoSend Primary Services selected in Exhibit A are listed below. These costs have been provided using a Fixed Quote process, explained in Section 3 above. Client understands and agrees to these terms and to the project-specific terms and conditions that will be provided in the Statement of Work that will be created to capture Client's specific requirements and data types.

Data Processing and Document Creation Initial Setup Fee This applies to the following services, unless client provides pre-rendered PDF files: DPPM Service, Online BillPay (EBPP) Service	
Project Fixed Initial Setup Cost:	\$WAIVED
Project Summary: This project will be completed to process Client's input data files and create the output to be used for the print or online delivery channel.	
Project Details: A requirements gathering process will be initiated to build the Statement of Work required to begin programming and system configuration. During the requirements gathering process the InfoSend and the Client will discuss: <ul style="list-style-type: none">• Client's custom data (if applicable). When custom data is provided by the Client a "field mapping" or "field description" document is required before project implementation can begin. This document is an absolute requirement; programming cannot be based on assumptions and all fields must be defined before programming can begin.• Document design. Client must sign-off on a document design "mockup" before programming can begin. The mockup is a visual representation of how the document will look after Client's custom data is processed by InfoSend's system.	
Project Schedule: Project is estimated to take 8-12 weeks to complete. The Statement of Work will contain all client deliverables and responsibilities. Both parties agree to dedicate adequate resources to the project to complete it in the shortest amount of time possible. Should Client make changes to the data file after programming has begun it must pay Professional Services Fees, on a Time and Materials basis, to cover the programming changes required to accept the new data. Should the document design be changed after the final mockup is accepted and signed off on by the Client then Professional Services Fees will apply, on a Time and Materials basis, to cover the cost of making these changes. Changes to the Client data file, document design, or other key specifics collected and finalized during the requirements gathering process will impact the project completion date. Changes made after the Client has executed the Statement of Work and any follow up documents can cause delays to the project completion.	