AGENDA
IRVINE RANCH WATER DISTRICT
FINANCE AND PERSONNEL COMMITTEE MEETING
TUESDAY, APRIL 5, 2016

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

ATTENDANCE Committee Chair: Mary Aileen Matheis ____ Alternate Member: Steven LaMar ____

ALSO PRESENT

Paul Cook	_____	Cheryl Clary	_____
Rob Jacobson	_____	Christopher Smithson	_____
Tanja Fournier	_____	Eileen Lin	_____
Kevin Burton	_____	Tina Bertsch	_____
Jenny Roney	_____	Tony Mossbarger	_____
Paul Weghorst	_____	Gretchen Ronin	_____
______________	_____	______________	_____

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 – RAMOS/RONEY

   Recommendation: Receive and file.

6. INFORMATION SERVICES PROJECT STATUS REPORT – MOSSBARGER/CLARY

   Recommendation: Receive and file.

ACTION CALENDAR

7. ANNUAL ORACLE SOFTWARE MAINTENANCE AND SUPPORT AGREEMENT RENEWAL – MOSSBARGER/CLARY

   Recommendation: That the Board approve the renewal of the annual Oracle Software Maintenance and Support Agreements and additional licenses and support in the amount of $919,711.

ACTION CALENDAR

8. FISCAL YEAR 2016-17 OPERATING BUDGET REVIEW OF SUGGESTED BUDGET AND RECOMMENDED RATE INCREASES – SMITHSON/CLARY

   Recommendation: That the Committee review and provide comments on the proposed FY 2016-17 Operating Budget and proposed rates and charges for further review at the April 11, 2016 Board workshop.

TREASURY SECTION

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

   Recommendation: Receive and file.

10. SERIES 2009A AND 2009B BONDS LETTERS OF CREDIT - FOURNIER/ JACOBSON/CLARY

    Recommendation: That the Board approve to extend the US Bank Letter of Credit supporting the 2009A Bonds for 4-1/2 years at an annual cost of 0.41%, approve to extend the Bank of America Letter of Credit supporting the 2009B Bonds for three years at an annual cost of 0.40%; and adopt a resolution authorizing certain actions in connection with extension of Letters of Credit (Consolidated Series 2009A and Consolidated Series 2009B.

11. DISCUSSION ITEMS – ALL

    a. Updated investment activities/rates

12. Items for discussion at next meeting.

OTHER BUSINESS

13. Directors' Comments

14. Adjourn

April 5, 2016
Prepared by: Marta Ramos
Submitted by: Jenny Roney
Approved by: Paul 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.

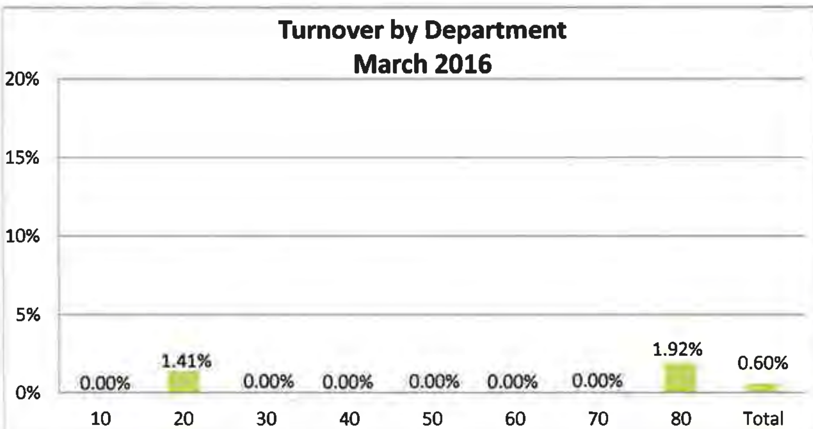
LIST OF EXHIBITS:

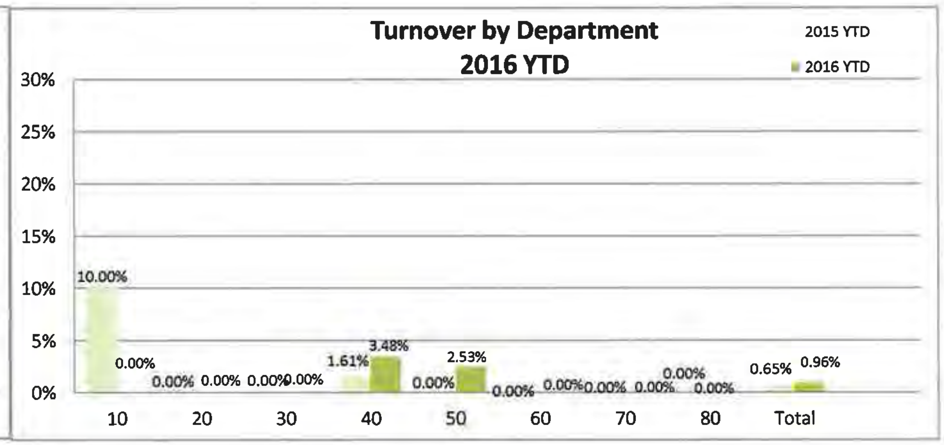
Exhibit "A" - Employee Population/Turnover Status Report

Exhibit "A"

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
March 2016

	@03/01/16	Current Month Activity							@03/31/16		FY 15/16	Avg FYTD	Avg FYTD	Avg FYTD	Internal Turnover		External Turnover	
	Positions	New	Terms		Promo Trnsfr		Lateral Trnsfr		Positions	Positions	Budgeted	Filled Budget	Temp Emp	Total Filled	Current	2016	Current	2016
Dept No	Filled	Hires	Vol	Invol	In	Out	In	Out	Filled	Unfilled	Positions*	Positions	FTE	Positions	Period	YTD	Period	YTD
10P	14.0								14.0	0	14.0	12.9	1.0	13.9	0.00%	0.00%	0.00%	0.00%
20P	71.0		1						70.0	5	75.0	66.4	13.5	79.9	0.00%	1.46%	1.41%	1.46%
30P	39.0								39.0	1	40.0	38.6	4.7	43.3	0.00%	0.00%	0.00%	0.00%
40P	60.0	1							61.0	6	67.0	59.1	3.7	62.8	0.00%	0.00%	0.00%	3.43%
50P	44.0				1				45.0	3	48.0	40.3	2.1	42.4	0.00%	0.00%	0.00%	2.44%
60P	19.0								19.0	1	20.0	19.1	0.6	19.8	0.00%	0.00%	0.00%	0.00%
70P	33.0	1							34.0	0	34.0	31.2	8.0	39.2	0.00%	0.00%	0.00%	0.00%
80P	52.0		1			1			50.0	4	54.0	46.8	1.9	48.7	1.92%	0.00%	1.92%	2.04%
Totals	**332**	**2**	**2**	**0**	**1**	**1**	**0**	**0**	**332.0**	**20**	**352.0**	**314.4**	**35.6**	**350.0**	**0.30%**	**0.32%**	**0.60%**	**1.61%**
3/15	**311**	**6**	**1**	**0**	**1**	**0**	**0**	**0**	**6**	**8**	**14.00**	**336.00**	**307.56**	**0.00**	**1.30%**	**0.00%**	**0.65%**	**0.65%**



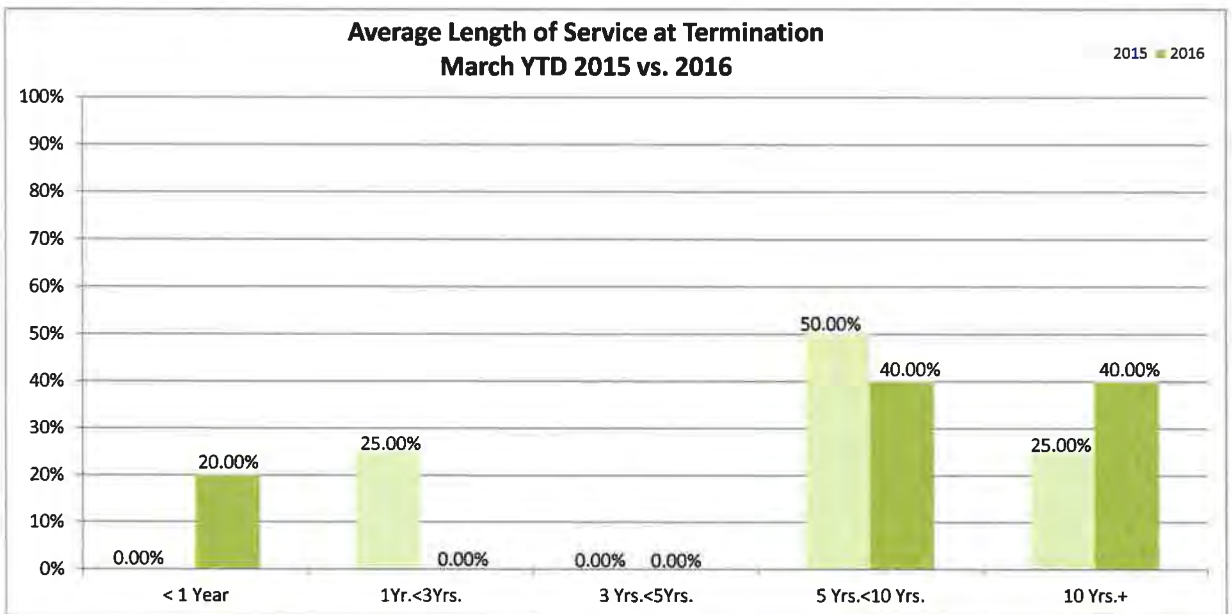


10P-GM, HR, Safety; 20P-Fin., Cust. Serv., IS, Purch.; 30P-Eng.: 40P-Water Ops; 50P-Recycling; 60P-Water Qualty; 70P-Water Res., Pol., Conserv. and Public Affairs; 80P-Maintenance Ops

IRVINE RANCH WATER DISTRICT
TURNOVER STATUS REPORT
March 2016

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.+
10P																		
20P			1															1
30P																		
40P	1	1															1	1
50P		1												1				
60P																		
70P																		
80P		1															1	
2016 Total	1	3	1										5	1	0	0	2	2
2015 Data	1	2	1	3	2	4	5	3	2	3	2	2	30					
Percentage of Total Turnover														20.00%	0.00%	0.00%	40.00%	40.00%

2016 Average YTD Length of Service at Termination	8.62 Years
2015 Average YTD Length of Service at Termination	12.27 Years
2014 Average YTD Length of Service at Termination	19.07 Years
2013 Average YTD Length of Service at Termination	17.24 Years
2012 Average YTD Length of Service at Termination	16.69 Years



IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
March 2016

NEW HIRES				
Hire	**Dept**	**Employee Name**	**Position**	**Comments**
03/14/16	40P	Kevin Reideler	Operator II	
03/21/16	70P	Robert Denhaan	Public Affairs Specialist	

TERMINATIONS					
Termination Date	**Dept**	**Employee Name**	**Position**	**Reason**	**Comments**
02/22/16	80P			Vol.	

RETIREMENTS					
Effective Date	**Departing Dept**	**Employee Name**	**Position**	**Reason**	**Comments**
03/31/16	20P	Gina Jackson	Customer Service Manager	Retire	

PROMOTIONS					
Effective Date	**Departing Dept**	**Employee Name**	**Departing Position**	**New Dept**	**New Position**
03/12/16	80P	Jose Zepeda	Electrical & Automation Manager	50P	Assistant Director of Recyling Operations

TRANSFERS					
Effective Date	**Departing Dept**	**Employee Name**	**Departing Position**	**New Dept**	**New Position**
03/12/16	40P	Nick Pizanie	Water Maintenance Technician I	40P	Water Maintenance Technician I
03/12/16	80P	Michael Borowski	Electrical Technician	80P	Instrumentation Technician

CROSS TRAINING					
Effective Date	**Departing Dept**	**Employee Name**	**Departing Position**	**New Dept**	**New Position**
11/23/15	30P	Carlos Collazo	Water Maintenance Technician III	30P	Construction Inspector
05/12/14	20P	Ozzie Gonzalez	Mailroom Coordinator	70P	Water Use Efficiency Specialist

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
March 2016

UNFILLED POSITIONS			
Dept	**Position**	**Salary Grade**	**Comments**
20P	Mgr. of Risk & Contract Admin.	U17.E	Recruiting
20P	Customer Service Manager	U16.E	Recruiting
20P	Applications Analyst	U15.E	
20P	Sr. Application Developer	U18.E	Candidate starting 4/11/16
20P	Sr. Database Administrator	U18.E	Candidate selected, pre-employment physical in process
30P	Senior Engineer	U20.E	Candidate starting 4/4/16
40P	Water Maintenance Technician I	16.N	Started background check
40P	Metering Systems Technician I	16.N	Started background check
40P	Water Maintenance Technician II	22.N	Started background check
40P	Water Maintenance Technician III	26.N	
40P	Water Maintenance Technician III	26.N	
40P	Water Maintenance Supervisor	U31.N	COS pending approvals
50P	Operator III	29.N	
50P	Operator III	29.N	
50P	Operator III	29.N	
60P	Laboratory Supervisor	U13.E	COS pending approvals
80P	Instrumentation Technician	28.N	COS pending approvals
80P	Electrical Technician	28.N	
80P	Analyst	10.E	
80P	Electrical & Automation Manager	U19.E	

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
March 2016

LEAVE OF ABSENCE								
Type of Leave	Original Status	Final Status	Dept. No.	Claim #	Date Leave Began	Anticipated Return Date	Current Length	Comments
Extended LOA	SDI		50P	001149	6/27/2014	5/18/2016	22 Months	
FMLA	WC	WC/LTD	50P	001341	4/30/2015	3/24/2016	11 Months	WC Claim
FMLA	WC	WC/LTD	40P	001401	5/12/2015	4/1/2016	11 Months	WC Claim
FMLA	SDI	SDI/LTD	80P	001880	8/18/2015	5/1/2016	8 Months	
FMLA	SDI		80P	001572	9/18/2015	9/18/2016		Intermittent
FMLA	SDI	PFL	30P	001787	11/23/2015	4/23/2016	4 Months	
FMLA	PFL		10P	000870	12/8/2015	12/31/2016		Intermittent
FMLA	SDI		20P	001718	1/15/2016	4/15/2016	3 Months	
FMLA	PFL		70P	001445	2/2/2016	2/2/2017		Intermittent
FMLA	WC		40P	000875	2/9/2016	4/10/2016	8 Weeks	WC Claim
FMLA	SDI		60P	001895	2/12/2016	6/10/2016	7 Weeks	
FMLA	SDI		10P	001869	2/20/2016	6/20/2016	6 Weeks	
FMLA	PFL		30P	001876	2/21/2016	5/21/2016	6 Weeks	Intermittent

Leave	Original Status	Final Status	Dept. No.	Claim #	Date Leave Began	Anticipated Return Date	Expected Length	Actual Return Date	Comments
Personal	Personal	VAC	50P	001119	7/27/2015	8/5/2015	7 days	08/05/15	Returned
FMLA	PFL	PFL	80P	001896	7/23/2015	8/10/2015	2 Weeks	08/10/15	Returned
FMLA	SDI	SDI	80P	001173	7/18/2015	8/18/2015	1 Month	08/19/15	Returned
Extended LOA	WC	WC	80P	001389	4/29/2013	9/30/2015	29 Months	09/30/15	Retired
FMLA	SDI	SDI	40P	001736	5/27/2015	9/1/2015	3 Months	09/01/15	Returned
Medical	SDI	SDI	50P	002061	9/11/2015	9/30/2015	2 Weeks	09/05/15	Returned
FMLA	SDI	Sick	20P	001503	10/14/2015	10/21/2015	2 Weeks	10/21/15	Returned
Extended LOA	SDI	LTD	80P	000857	4/23/2015	10/23/2015	6 Months	11/02/15	Returned
FMLA	PFL	PFL	40P	001706	9/14/2015	11/2/2015	6 Weeks	11/02/15	Returned
FMLA	SDI	SDI	30P	000652	10/19/2015	11/9/2015	3 Weeks	11/09/15	Returned
FMLA	Sick	Sick	40P	001228	10/26/2015	11/2/2015	1 Week	11/02/15	Returned
FMLA	SDI	SDI	20P	001587	7/29/2015	12/1/2015	3 Months	11/29/15	Returned
FMLA	SDI	SDI	60P	001305	10/26/2015	11/29/2015	5 Weeks	11/30/15	Returned
FMLA	SDI	SDI	50P	001409	10/2/2015	1/2/2016	3 Months	12/16/15	Returned
FMLA	SDI	LTD	40P	001618	6/30/2015	12/16/2015	5 Months	12/17/15	Returned
FMLA	PFL	PFL	80P	001896	12/22/2015	12/31/2015	2 Weeks	01/04/16	Returned
FMLA	SDI	PFL	60P	001554	8/25/2015	1/4/2016	4 Months	01/04/16	Returned
FMLA	SDI	SDI	40P	001339	10/19/2015	1/11/2016	2 Months	01/11/15	Returned
FMLA	SDI	SDI	80P	001962	11/7/2015	1/20/2016	2 Months	01/20/16	Returned
FMLA	SDI	PFL	70P	001779	10/8/2015	2/7/2015	3 Months	02/09/16	Returned
FMLA	SDI	Sick	80P	01572	2/17/2016	2/22/2016	1.5 Weeks	02/22/16	Returned
Extended LOA	SDI		80P	001640	8/1/2013	2/22/2016	32 Months	02/22/16	Resigned
FMLA	SDI	SDI	70P	002017	1/18/2016	3/8/2016	7 Weeks	03/08/16	Returned
FMLA	WC	WC	40P	001843	11/9/2015	3/23/2016	5 Months	03/23/16	Returned
FMLA	SDI	SDI	80P	001572	2/29/2016	3/28/2016	5 Weeks	03/28/16	Returned

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
March 2016

Month	Dept	Length of Employment	Termination Vol	Termination Invol	Comments
January	40P	5 Years, 2 Months		X	
February	50P	1 Week	X		Returned to previous employer
	40P	16 Years, 5 Months	X		Retired
	80P	8 Years, 7 Months	X		Resigned
March	20P	12 Years, 11 Months	X		Retired
April					
May					
June					
July					
August					
September					
October					
November					
December					

IRVINE RANCH WATER DISTRICT
SUMMARY OF TEMPORARY AND CONTRACT EMPLOYEES
February 2016
ACTIVE EMPLOYEES

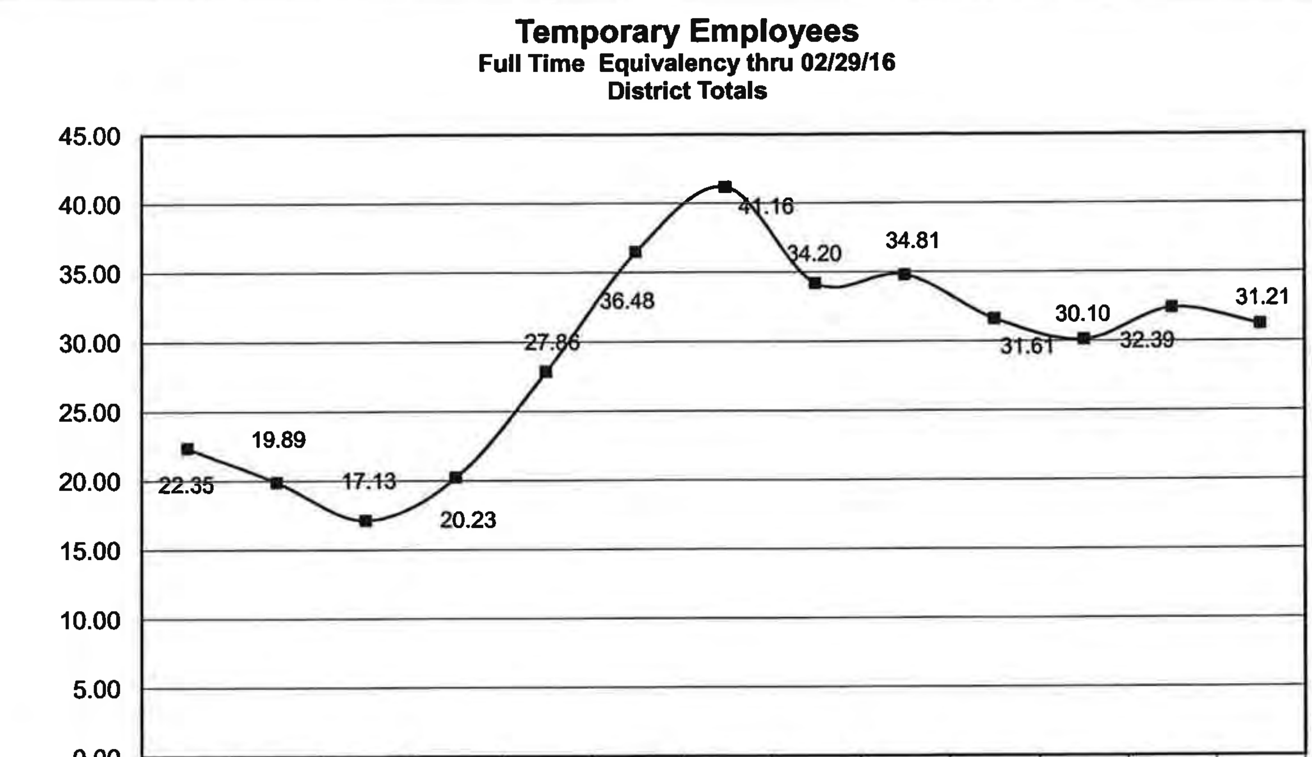
Current Month FTE	Avg FYTD Temp Emp FTE	Active PERS Y/N *	Agency	Dept	Hire Date	Term Date	Classification	Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FY' YTD	Actual Cost FY 'YTD
0.95	0.77	Yes		130	1/29/2014		Full Time	21.00	168	3,528.00	12	8	28,224.00	22,648.50
0.95	**0.77**			**10P**										
0.81	0.71	No	X	210	7/21/2015	2/28/2016	Full Time	27.50	168	4,620.00	6	7.5	34,650.00	27,417.50
1.00	0.91	Yes		220	10/16/2012		Full Time	17.00	168	2,856.00	12	8	22,848.00	22,140.38
0.90	0.80	Yes		220	4/21/2014	2/22/2016	Full Time	32.30	168	5,426.40	12	8	43,411.20	36,898.71
0.93	0.82	Yes		220	4/21/2014	2/22/2016	Full Time	32.30	168	5,426.40	12	8	43,411.20	38,433.77
0.90	0.95	Yes		220	6/1/2015		Full Time	26.12	168	4,388.16	12	8	35,105.28	35,226.61
0.71	0.83	No	X	220	7/13/2015	2/22/2016	Full Time	26.12	168	4,388.16	12	8	35,105.28	30,746.51
0.90	0.91	Yes		220	7/13/2015		Full Time	26.12	168	4,388.16	12	8	35,105.28	33,949.47
0.95	0.70	No	X	220	8/24/2015		Full Time	26.12	168	4,388.16	12	6.25	27,426.00	26,269.28
0.93	0.86	Yes		220	3/3/2014		Full Time	20.84	168	3,501.12	12	8	28,008.96	25,534.21
1.00	1.00	Yes		220	5/11/2015		Full Time	28.95	168	4,863.60	12	8	38,908.80	43,113.79
0.43	0.05	No	X	220	2/16/2016		Full Time	28.95	168	4,863.60	0.5	6	29,181.60	2,084.40
0.95	1.00	Yes		240	2/2/2015		Full Time	22.41	168	3,764.88	12	8	30,119.04	31,530.87
0.38	0.61	EXC		250	6/1/2015	2/19/2016	Part Time	14.00	84	1,176.00	12	8	9,408.00	11,949.00
0.19	0.40	EXC		250	5/26/2015		Part Time	14.00	84	1,176.00	12	8	9,408.00	7,924.00
11.00	**10.55**			**20P**										
0.95	0.82	Yes		300	6/20/2015		Full Time	32.78	168	5,507.04	12	8	44,056.32	38,024.80
0.88	0.71	Yes		300	6/20/2015		Full Time	32.78	168	5,507.04	12	8	44,056.32	32,911.12
0.93	0.78	Yes		300	6/20/2015		Full Time	22.83	168	3,835.44	12	8	30,683.52	25,113.00
0.23	0.41	EXC		300	7/21/2014		Part Time	15.00	84	1,260.00	12	8	10,080.00	8,737.50
0.15	0.46	EXC		300	6/1/2015		Part Time	14.00	84	1,176.00	12	8	9,408.00	9,030.00
0.47	0.45	EXC		300	6/1/2015		Part Time	14.00	84	1,176.00	12	8	9,408.00	8,844.50
0.16	0.45	EXC		300	6/22/2015		Part Time	14.00	84	1,176.00	12	8	9,408.00	8,904.00
3.78	**4.09**			**30P**										
0.95	1.00	Yes		425	5/26/2015		Full Time	26.40	168	4,435.20	8	8	35,481.60	41,487.60
0.95	1.00	No	X	430	5/28/2015		Full Time	26.40	168	4,435.20	12	8	35,481.60	41,507.40
1.00	0.53	No	X	430	10/14/2015		Full Time	26.40	168	4,435.20	9	5.5	24,393.60	20,057.40
1.00	0.50	No	X	430	10/26/2015		Full Time	26.40	168	4,435.20	9	5.25	23,284.80	18,829.80
1.00	0.40	No	X	430	11/16/2015		Full Time	26.40	168	4,435.20	8	3.5	15,523.20	15,048.00
4.90	**3.43**			**40P**										
0.88	0.55	No	X	510	10/5/2015	3/18/2016	Full Time	43.56	168	7,318.08	9	5	36,590.40	33,772.50
0.76	0.73	Yes		515	11/3/2014		Full Time	25.47	168	4,278.96	12	8	34,231.68	26,227.73
0.38	0.50	EXC		515	6/29/2015		Part Time	14.00	84	1,176.00	12	8	9,408.00	9,912.00
2.02	**1.78**			**50P**										
0.27	0.46	EXC		630	7/6/2015		Part Time	14.00	84	1,176.00	12	8	9,408.00	9,135.00
0.27	**0.46**			**60P**										
0.94	0.82	Yes		710	5/8/2014		Full Time	24.96	168	4,193.28	12	8	33,546.24	29,159.52
0.80	1.00	Yes		710	6/8/2015		Full Time	33.62	168	5,648.16	12	8	45,185.28	51,156.36
1.00	1.00	Yes		710	6/8/2015		Full Time	33.62	168	5,648.16	12	8	45,185.28	58,444.17
1.00	1.00	Yes		710	6/29/2015		Full Time	33.62	168	5,648.16	12	8	45,185.28	51,009.95
0.48	0.52	EXC		710	6/29/2015		Part Time	14.00	84	1,176.00	12	8	9,408.00	10,370.50
0.98	0.29	No	X	710	12/14/2015		Full Time	33.62	168	5,648.16	7	2.75	15,532.44	14,456.60
1.00	0.30	No	X	710	12/14/2015		Full Time	33.62	168	5,648.16	7	2.75	15,532.44	14,221.26
1.00	0.58	No	X	730	8/13/2015		Part Time	19.80	84	1,663.20	12	6.5	10,810.80	16,359.75
0.78	0.59	No	X	730	8/13/2015		Part Time	19.00	84	1,596.00	12	6.5	10,374.00	16,007.50
0.62	0.25	No	X	730	11/23/2015		Part Time	19.80	84	1,663.20	7	3.25	5,405.40	7,009.20
0.88	0.86	Yes		730	7/8/2015		Full Time	54.00	168	9,072.00	6	8	72,576.00	65,758.50
9.48	**7.22**			**70P**										
1.00	0.61	No	X	840	9/28/2015		Full Time	30.59	168	5,139.12	6	5.25	26,980.38	26,735.66
1.23	**1.32**			**80P**										
31.21	**28.14**											**25**		

IRVINE RANCH WATER DISTRICT
SUMMARY OF TEMPORARY AND CONTRACT EMPLOYEES
February 2016
TERMINATED TEMPORARY EMPLOYEES

Current Month FTE	Avg FYTD Temp Emp FTE	Active PERS Y/N *	Agency	Dept	Hire Date	Term Date	Classification	Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FYTD	Actual Cost FYTD
0.88	0.21	Yes		110	1/1/2015	8/14/2015	Full Time	20.00	168	3,360.00	3	1.5	5,040.00	5,960.00
0.88	**0.21**			**10P**										
0.93	0.24	No	X	210	6/8/2015	8/27/2015	Full Time	30.14	168	5,063.52	3	2	10,127.04	9,976.34
0.96	0.81	Yes		210	4/28/2015	1/30/2016	Full Time	27.50	168	4,620.00	6	7	32,340.00	31,886.25
0.32	0.05	No	X	220	8/24/2015	9/9/2015	Full Time	26.12	168	4,388.16	12	0.5	2,194.08	1,417.01
0.10	0.04	No	X	220	8/24/2015	9/9/2015	Full Time	26.12	168	4,388.16	12	0.5	2,194.08	437.51
0.38	0.26	No	X	220	7/13/2015	9/14/2015	Full Time	26.12	168	4,388.16	12	2	8,776.32	1,645.56
0.27	0.25	No	X	220	7/13/2015	9/14/2015	Full Time	26.12	168	4,388.16	12	2	8,776.32	1,188.46
0.43	0.57	Yes		220	10/13/2014	1/19/2016	Full Time	36.80	168	6,182.40	12	7	43,276.80	30,590.00
0.80	0.72	Yes		250	6/6/2015	1/25/2016	Full Time	19.49	168	3,274.32	12	7	22,920.24	19,952.89
0.64	**0.50**			**20P**										
0.09	0.64	Yes		300	7/5/2014	1/22/2016	Full Time	34.09	168	5,727.12	12	8	45,816.96	30,663.96
#REF!	**#REF!**			**30P**										
0.58	0.28	No	X	430	5/28/2015	9/22/2015	Full Time	26.40	168	4,435.20	3	3	13,305.60	10,685.40
#REF!	**#REF!**			**40P**										
0.74	0.30	No		515	11/3/2014	9/30/2015	Full Time	25.47	168	4,278.96	3	3	12,836.88	10,901.16
#REF!	**#REF!**			**50P**										
0.00	0.18	No	X	630	8/31/2015	11/25/2015	Full Time	28.53	160	4,564.80	6	3.1	14,150.88	7,139.63
0.00	**0.18**			**60P**										
0.26	0.14	No		710	5/23/2015	8/7/2015	Full Time	25.47	168	4,278.96	3	2	8,557.92	5,297.76
0.27	0.04	No	X	730	7/29/2015	8/6/2015	Part Time	15.84	84	1,330.56	1	0.5	665.28	930.60
0.48	0.38	No	X	710	6/8/2015	11/23/2015	Full Time	33.62	168	5,648.16	12	5	28,240.80	18,104.37
0.12	0.22	No	X	730	8/13/2015	11/6/2015	Part Time	19.80	84	1,663.20	12	3.5	5,821.20	6,053.95
0.59	**0.59**			**70P**										
1.00	0.47	Yes		850	4/14/2014	11/9/2015	Full Time	24.13	168	4,053.84	12	5	20,269.20	16,462.69
0.24	0.86	No	X	850	5/11/2015	1/8/2016	Full Time	38.92	168	6,538.56	7	7	45,769.92	46,961.85
2.18	**1.66**			**80P**										
	#REF!												1,498,024.74	1,360,353.68

RET = Retired Annuitant working less than 960 hrs/yr/No=Temporary Employee not enrolled in PERS Membership
EXC = Exclude by PERS Contract / Yes= Temporary employee enrolled in PERS Membership

* Temporaries are reported 30 days in arrears



	2/15	3/15	4/15	5/15	6/15	7/15	8/15	9/15	10/15	11/15	12/15	1/16	2/16
District	22.35	19.89	17.13	20.23	27.86	36.48	41.16	34.20	34.81	31.61	30.10	32.39	31.21

April 5, 2016
Prepared by: Tony Mossbarger
Submitted by: Cheryl Clary
Approved by: Paul Cook

FINANCE AND PERSONNEL COMMITTEE

INFORMATION SERVICES PROJECT STATUS REPORT

SUMMARY:

Attached in Exhibit "A" is a list of projects on which Information Services staff is currently working. Also attached in Exhibit "B" is a summary of the costs for Oracle software, hardware, and implementation for the Financial System and Utility Billing System replacement projects.

FISCAL IMPACTS:

The fiscal impacts vary depending on project, and are incorporated in Exhibit "A".

ENVIRONMENTAL COMPLIANCE:

Not Applicable.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Information Services Project Status Report
Exhibit "B" – Oracle Cost Summary

Exhibit A

Information Services Project Status Report

Five Month Update as of March 2016

Fiscal Year Initially Budgeted	Project No.	Project Name	Project Summary	Schedule		Project Budget	Status
14/15	VSDR	Remote Network File Access from Any Device	Provide secure remote network file access from any device (PC, Laptop, Tablet, or Smartphone).	Start **Completed**	3/15 2/16	$14,000	The remote file access application implementation was completed in February 2016.
15/16	VSDR	Utility Bill Rate Change Proration	Perform modifications to the Customer Care and Billing (CC&B) system that will allow a consolidated bill for rate changes.	Start **Completed**	9/15 12/15	$78,240	Infosys completed work on the required modifications. Due to the initiation of the Bill Re-design project, the modifications will not be implemented until the bill re-design is completed in February 2017.
13/14	11889/ 21889	Oracle Financial Business Intelligence Upgrade	Complete the Upgrade of OBIEE (Oracle Business Intelligence Enterprise Edition).	Start **Completed**	9/15 3/16	$492,800	The project was completed in March 2016.

SDR – Service Desk Request Number

Exhibit A
Information Services Project Status Report
Five Month Update as of March 2016

Fiscal Year Initially Budgeted	Project No.	Project Name	Project Summary	Schedule		Project Budget	Status
12/13	11619/ 21619	Enterprise Asset Management (EAM) System Pre-implementation Activities.	Conduct EAM strategic planning; develop enterprise standards, asset definition, criticality rating, data collection, business process development, and implementation RFP.	Start Completion	5/14 8/16	$957,800	Operations staff is working with a consultant on pre-implementation activities. The completion will be revised from March 2016 to August 2016.
13/14	11711/ 21711	Oracle Financials Upgrade, Improvement District (ID) Consolidation, and Project Management Implementation	Upgrade Oracle Financial application to latest version, implement the software changes required to accommodate the consolidation of ID's and simplification of existing implemented modules, and implement the project management module.	Start Completion	3/16 1/17	$4,185,600	Board approved contract to KPMG on 2/08/2016. KPMG has mobilized resources and is conducting project initiation activities. Project Kickoff meeting was held 3/29/2016.

SDR – Service Desk Request Number

Exhibit A
Information Services Project Status Report
Five Month Update as of March 2016

Fiscal Year Initially Budgeted	Project No.	Project Name	Project Summary	Schedule		Project Budget	Status
14/15	VSDR	Identity and Password Management Software Upgrade	Replace the existing software used to manage user passwords and identity across all of the Districts applications and systems. Existing software needs to be replaced with software that integrates with Oracle applications and systems.	Start Completion	5/14 6/16	$105,000	Work is in process on the configuration of the software and testing. Based on the updated schedule, the target completion date has been revised from December 2015 to June 2016.
14/15	11619/ 21619	Enterprise Asset Management (EAM) System Implementation	Replace existing work orders and maintenance management systems with EAM system as recommended in the Applications Strategic Plan.	Start Completion	10/16 12/18	$4,853,000 (estimate)	Target start date for implementation has been revised from July 2016 to October 2016 to reflect the current projected implementation schedule.
14/15	21191	Operational Database for Reporting	Implement an operational database that will store collected data for reporting and analysis.	Start Completion	1/15 6/16	$315,000	Operations staff is working with Hach to implement the system. The project is on target to be completed in June 2016.

SDR – Service Desk Request Number

Exhibit A
Information Services Project Status Report
Five Month Update as of March 2016

Fiscal Year Initially Budgeted	Project No.	Project Name	Project Summary	Schedule		Project Budget	Status
15/16	VSDR	IRWD Enterprise – Hardware and Software Upgrades	Replace hardware based on replacement policy. Upgrade software as hardware is replaced.	Start Completion	7/15 6/16	$1,141,400	Hardware replacements are 60% complete.
15/16	VSDR	Document Image Management Software (WebDocs) Upgrade	Upgrade the District's document image management software. The upgrade will facilitate the move from the District's legacy IBM AS/400 to a Microsoft Windows Server system.	Start Completion	4/16 7/16	$45,000	Staff is working with the software vendor to finalize the scope of work and schedule. Target start date for implementation has been revised from July 2015 to April 2016 to reflect the current projected implementation schedule
15/16	VSDR	Technology Opportunity Assessment	Hire a consultant to conduct an assessment of the District's Information Technology Infrastructure. Identify potential opportunities for improved utilization and efficiency.	Start Completion	4/16 7/16	$62,325	Nexlevel Information Technology, Inc. has been selected to conduct the assessment and the project will begin in April 2016.

SDR – Service Desk Request Number

Exhibit A
Information Services Project Status Report
Five Month Update as of March 2016

Fiscal Year Initially Budgeted	Project No.	Project Name	Project Summary	Schedule		Project Budget	Status
15/16	VDSR	Utility Bill Re-Design	Staff is conducting a complete de-design of the utility bill. The process includes conducting focus groups with customers and reviewing the entire bill print and delivery process	Start Completion	10/15 2/17	$200,000 (estimate)	Staff has developed new bill formats. Customer prepared focus groups are scheduled for early April 2016.
16/17	VSDR	IRWD Enterprise – Hardware and Software Upgrades	Replace hardware based on replacement policy. Upgrade software as hardware is replaced.	Start Completion	7/16 6/17	$701,500 (estimate)	Pending approval of FY16/17 General Plant Budget.
16/17	VSDR	Network Equipment replacement	Replace network equipment hardware based on end of vendor support.	Start Completion	7/16 6/17	$471,500 (estimate)	Pending approval of FY16/17 General Plant Budget.
16/17	VSDR	Debt and Investment Management Software	Purchase and Implement Debt and Investment Management Software.	Start Completion	7/16 6/17	$65,000 (estimate)	Pending approval of FY16/17 General Plant Budget.

SDR – Service Desk Request Number

Exhibit A
Information Services Project Status Report
Five Month Update as of March 2016

Fiscal Year Initially Budgeted	**Project No.**	**Project Name**	**Project Summary**	**Schedule**		**Project Budget**	**Status**
16/17	VSDR	Invoice Scan and Capture Software Replacement	Purchase and Implement replacement Invoice Scan and Capture Software.	Start Completion	7/16 6/17	$48,000 (estimate)	Pending approval of FY16/17 General Plant Budget.
16/17	VISR	Network Infrastructure Security Assessment	Conduct a network security assessment to identify vulnerabilities and risks to the IRWD network infrastructure environment.	Start Completion	1/17 6/17	$30,000 (estimate)	Pending approval of 16/17 Expense Budget.

SDR – Service Desk Request Number

Exhibit B
Oracle Cost Summary
Through March 2016

	Budget	Expended to Date
One Time Expenditures:		
Oracle Financial Implementation (Includes software application licenses and hardware)	$7,264,200	$7,264,200
Oracle Customer Care & Billing Implementation (Includes software application licenses, hardware, and Unlimited License Agreement (ULA) for technology licenses 5/2011 to 5/2014)	$11,565,400	$11,335,926
Oracle Business Intelligence Software Upgrade	$492,800	$476,016
Oracle Financial System Version Upgrade, ID Consolidation Changes, and Project Management Implementation	$4,185,600	$2,093
Total Capital Expenditures	$23,508,000	$19,078,235
Extention to ULA for technology licenses (5/2014 to 11/2017)		$1,373,774
Total One Time Expenditures		$20,452,009
Ongoing Annual Expenses*:		
Annual Oracle Software and Support Maintenace for FY 2015-16. (585006)	$1,268,700	$954,387
Managed Services contract with Infosys for Oracle Customer Care & Billing (CC&B) for eleven months starting 8/2015 through 6/2016. (585007)	$524,391	$235,636

* On-call Services for Database Administration, Programming and Analysis, and the additional four full time positions added to Information Services are not included.

April 5, 2016
Prepared by: Tony Mossbarger
Submitted by: Cheryl Clary
Approved by: Paul Cook

FINANCE AND PERSONNEL COMMITTEE

ANNUAL ORACLE SOFTWARE MAINTENANCE AND SUPPORT AGREEMENT RENEWAL

SUMMARY:

The Oracle Software Maintenance and Support Agreements, which expire in May 2016, provide for upgrades and maintenance of the District's Oracle Customer Care and Billing (CC&B) software, Oracle eBusiness Suite (EBS) Financial software, and Oracle Technology software. These agreements provide pricing for software maintenance and licenses contained in the Unlimited License Agreement (ULA) executed with Oracle in May 2014 as well as the EBS Financial Software Agreement executed with Oracle in May 2010. Staff recommends renewal of the annual Oracle Software Maintenance and Support Agreements, and additional licenses and support, in the amount of $919,711 which will become effective (ULA) May 30, 2016 and (EBS) May 22, 2016 respectively.

BACKGROUND:

The Board approved a ULA software agreement, with a term of 42 months, with Oracle in May 2014 through November 2017, for Technology software and additional CC&B software licenses. Included in the agreement was a zero percent increase in software and support maintenance for renewals commencing in 2015 and 2016. The renewal amount remains unchanged from 2015.

The Board approved a software agreement with Oracle in May, 2010 for EBS Financial software licenses. The agreement includes an annual increase in software and support maintenance for renewals commencing in 2011. The renewal amount increased 3.1% from 2015.

Several of the EBS software programs are licensed by enterprise based on operating revenue. For the District, this value is the audited operating revenue before adjustments for expenses and taxes generated during a fiscal year. The agreement provides that if the operating revenues increase, the District is required to order additional licenses and technical support for such licenses. The formula generates an increase of $34,707 for additional licenses and support, as required by the agreement.

The District uses Oracle Technology software to run the servers and databases that support the Oracle EBS Financial applications, Oracle CC&B applications, and Oracle Business Intelligence applications software. The agreements cover all versions of Oracle Technology software products, CC&B software products, and EBS Financial products purchased by the District, and allows for upgrade to new versions as they become available.

The following table provides a summary of costs for the Oracle software maintenance and support agreements and additional licenses and support:

Description	Cost
Oracle Technology (ULA) Software & Support Maintenance	$ 639,282
Oracle CC&B Software & Support Maintenance	$ 132,273
Oracle EBS Financial Software & Support Maintenance	$ 113,449
Oracle EBS Financial Software Additional Licenses & Support Based on $M Revenue (28.4K license, 6.3K support)	$ 34,707
Total Oracle Software Maintenance and Support Agreements & Additional Licenses & Support	$ 919,711

Staff recommends renewal of the annual Oracle Software Maintenance and Support Agreements and additional licenses and support in the amount of $919,711.

FISCAL IMPACTS:

Oracle Software Maintenance and Support Agreements are included in the FY 2016-17 operating budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

That the Board approve the renewal of the annual Oracle Software Maintenance and Support Agreements and additional licenses and support in the amount of $919,711.

LIST OF EXHIBITS.

None.

April 5, 2016
Prepared by: Christopher Smithson CS
Submitted by: Cheryl Clary CC
Approved by: Paul Cook P. Cook.

FINANCE AND PERSONNEL COMMITTEE

FISCAL YEAR 2016-17 OPERATING BUDGET
REVIEW OF SUGGESTED BUDGET AND RECOMMENDED RATE INCREASES

SUMMARY:

The proposed Fiscal Year (FY) 2016-17 Operating Budget for Irvine Ranch Water District is $146.9 million, representing an increase of $6.6 million, or 4.7%, when compared to the Operating Budget for FY 2015-16. The total is consistent with the budget discussed at the March 15, 2016 Special Finance and Personnel Committee. In total the change is $0.02 million. The Consolidated Operating Budget for All Department FY 2016-17 is included as Exhibit "A". The Committee requested that two items be brought back for further consideration:

1. Alternative funding strategies for the MWDOC meter surcharge - The MWDOC meter surcharge creates variations in the all-in cost for imported water. The Committee directed staff to consider alternative methods of funding this cost, including moving the charge from the commodity rates to the fixed service charge.
2. Comparison of the Baker Water Treatment Plant (WTP) water cost projected to drop below the MWD cost of potable imported water identifying causes of change from the initial projection.

Both of these will be discussed in detail at the Committee meeting on April 5, 2016.

As previously reviewed, the proposed increase over last year's budget is driven primarily by the following:

Primary Drivers	Expenses (millions)
Increase in labor costs associated with new positions to support new or planned operating facilities as well as labor rate increases	$2.2
Increase in employee benefits associated with labor and rate increases in health insurance and PERS contributions	$1.7
Increase in the cost of water primarily due to anticipated rate increases from outside agencies	$1.3
Decrease in electricity due to a pass through rate reduction and shifts in well production partially offset by operating facilities coming on line (Baker and Biosolids)	$(1.6)
Higher chemical costs associated with the Baker Water Treatment Plant	$1.1
Higher permits, licenses and fees associated with the Baker Water Treatment Plant and property taxes for water banking properties	$0.3
Higher operating and maintenance expenses associated with additional facilities coming on line and increased maintenance associated with aging infrastructure	$1.0
Increase in data processing costs associated with the Oracle unlimited	$0.4

license agreement	
Increase in professional fees and programs primarily associated with conservation programs	$1.4
Higher conservation rebates associated with higher reimbursable expenditures and tactical measure programs	$1.6
Expected reimbursement from Baker Partners	$(3.4)
All others less than $0.3 million individually	$0.5
Total proposed budget increases in FY 2016-17:	*$6.5*

Based on the recommended increases, the Irvine Ranch Rate Area will experience an increase to the average residential customer of $2.06 or 4.2%, from $49.04 to $51.10 per month, and the Los Alisos Rate Area will experience an overall rate increase to the average residential customer of $2.65 or 4.6%, from $57.08 to $59.72 per month.

The commodity rate setting methodology continues to utilize the four tiers beginning with a low volume tier, a base rate and two over allocation tiers. Staff will present a powerpoint presentation on the rate comparisons to other agencies at the Committee meeting.

Staff recommends the Committee review and provide comments on the proposed operating budget and rates which will be incorporated into the first of two Board workshops in April with the first occurring on April 11, 2016.

BACKGROUND:

Rate increases are necessary to fund anticipated shortfalls in the water, sewer and recycled water systems. In the Irvine Ranch Rate Area, the proposed adjustments to the low volume and base commodity rates are $0.10 and $0.03 per hundred cubic feet (ccf), respectively. No change is recommended for the fixed water service charge. The proposed increase to the fixed sewer charge is $1.35 per month for a typical residential customer. In the Los Alisos Rate Area, the proposed adjustments to the low volume and base commodity rates are $0.16 and $0.07 per hundred cubic feet (ccf), respectively. The proposed increase to the fixed sewer charge is $1.35 per month for a typical residential customer based on the average use of 12 ccf per month.

Consider Alternative Funding Strategies for the MWDOC Meter Surcharge:

The cost of service study, completed prior to setting rates for FY 2015-16, supports the District's historic position of including all surcharges, including the MWDOC meter surcharge from MWDOC and MWD in the fully loaded cost of water. The current meter surcharge is $11 per month per meter or $1.2 million annually. The Committee requested that staff consider alternatives to funding the MWDOC meter surcharge. The analysis considers three alternatives:

- Maintain the District current practice of allocating the MWDOC meter surcharge to the commodity rate within each rate area based on the number of respective meters within each area;

- Maintain the MWDOC meter surcharge in the commodity rate allocated on a cost per unit for the MWDOC surcharge that is applied to each unit of imported water sold (melded cost approach); or
- Move the MWDOC meter surcharge from the commodity rate to the fixed service charge.

All alternatives are defensible from a cost of service perspective. Staff recommends the second option which maintains the cost in the commodity rate and uses a melded cost approach by spreading the meter surcharge more evenly to all customers than the current practice. This approach has a minimal impact on the existing commodity rates. Moving the expense to the fixed service charge would increase the fixed service rate by $0.50 for a 5/8" by ¾" meter, Staff will discuss these in more detail at the meeting.

Cost of water for the Baker WTP:

The Baker WTP presentation was viewed by the Board and project partners prior to October 2013. It forecasted the production cost of Baker water would approximate the cost of imported potable water in 2019. The FY 2016-17 budget forecasts the costs will approximate one another in FY 2016-17. This is due to the fact that the original forecast anticipated the untreated cost of imported water would be $712 / acre foot in FY 2016/2017 versus the actual cost of imported water currently in FY 2016/17 of $669/acre foot. FY 2016/17 budgeted treatment. Capital costs are consistent with the original forecast. Further details will be discussed at the meeting.

Year over Year Change in System Operating Results:

Below is a table with a year over year comparison identifying the change by system with the rate increases necessary to meet operating demands:

Systems Expenses (in thousands)	**Treated**	**Sewer**	**Recycled**	**Conserve/ NTS**	**Capital & Non-Oper.**	**Total**
FY 2015-16	$60,934	$28,642	$23,699	$7,046	$20,328	$140,649
FY 2016-17	$67,615	$32,616	$20,839	$11,549	$18,592	$151,211
Change from Prior Year	($6,681)	($3,974)	$2,860	($4,503)	$1,736	($10,562)
General Plant Change	($1,482)	($393)	($1,077)			($2,952)
Total Change to offset	($8,163)	($4,367)	$1,783	($4,503)		($15,250)
Revenue Applied:						
Change from Prior Year	$1,442	$1,338	($89)			$2,691
Rate Increases	$5,565	$2,460	$450			$8,475
Over Allocation	$3,202	$0	($2,444)	$758		$1,516
Other sources	($2,046)	$569	$300	$3,745		$2,568
Total Additional Revenue	$8,163	$4,367	($1,783)	$4,503		$15,250
Net	$0	$0	$0	$0		$0

Tiered Rate Structure Cost Allocation:

In the tables below, staff has provided the methodology for allocating costs to the tiered rates. The District moved to an allocation-based rate structure in 1991 and initially established the over allocation use tiers to incentivize water conservation. This approach immediately resulted in a decrease of water consumption that exceeded 10% and laid the groundwork for the efficient use of water by IRWD customers that is firmly established today. The rate structure continues to align excessive use with a marked increase in rates over the base rate to fund costs including recycled water conversions which helps reduce the District's need to purchase expensive imported water, the District conservation efforts, and urban runoff (NTS) which is a byproduct of wasteful water usage. The rate structure is based on the cost of service to provide water to each tier.

The allocation based rate structure is designed to promote conservation and the District's rate setting process utilizes approved legislation included in Chapter 3.4 (sections 370-374) of the California Water Code that provides for the ability to add a conservation charge for uses beyond the reasonable use basic allocation. The proposed FY 2016-17 Operating Budget and recommended rate increases follow these guidelines. The District's rate setting process provides for the determination of the nexus between the revenue generated from the proposed rates and the costs driving those rates, and between the rates and the estimated benefit from the additional associated costs.

Over allocation revenue can fluctuate significantly from year to year; weather is typically the most unpredictable factor. During wet years, over allocation revenue is reduced while dry years generate more as consumption increases. Consistent with the District's practice, as weather and consumption cannot be predicted, this over allocation fund is to be considered cyclical for use over a three to five year timeframe. The proposed FY 2016-17 operating budget includes prioritized programs and expenditures that will utilize the fund and provide a benefit to the District during drier than normal years.

Irvine Ranch Rate Area:

The District's rate setting methodology utilizes four tiers that include a low volume tier, a base rate and two over allocation tiers. The allocation of costs associated with the Irvine Ranch Rate Area tiers follow:

IRVINE RANCH RATE AREA METHODOLOGY	
Tiers	**Proposed**
Low Volume (LV)	Lowest cost of source water for the Irvine Ranch Rate Area ($1.18/ccf) + District wide conservation and NTS costs ($0.03/ccf).
Base Rate	All sources melded cost of budgeted water ($1.62/ccf) + District wide conservation and NTS costs ($0.03/ccf).
Inefficient	Loaded cost of imported water ($3.69/ccf) + District wide conservation and NTS costs ($0.03/ccf) + water banking costs ($0.16/ccf) + the conservation commitment to this tier ($0.13/ccf)
Wasteful	Loaded cost of imported water ($3.69/ccf) + District wide conservation and NTS costs ($0.03/ccf) +water banking costs ($0.16/ccf) + the conservation commitment to this tier ($8.13/ccf)

When this approach is applied to the budgeted revenues and expenses within each tier, the resulting proposed rates for the Irvine Ranch Rate Area for FY 2016-17 follows in the table below:

Irvine Ranch Rate Area:

Tiers	Current (FY 15-16) (per ccf)	Proposed (FY 16-17) (per ccf)	Diff.
Low Volume	$1.11	$1.21	$0.10
Base Rate	$1.62	$1.65	$0.03
Inefficient	$3.92	$4.01	$0.09
Wasteful	$14.53	$12.01	($2.52)

Los Alisos Rate Area:

The methodology used for the Los Alisos Rate Area is similar to the Irvine Ranch Rate Area. The methodology continues to utilize four tiers that include a low volume tier, a base rate and two over allocation tiers. The allocation of costs associated with the tiers follow:

LOS ALISOS RATE AREA METHODOLOGY	
Tiers	**Proposed**
Low Volume	Lowest cost of source water for the ($1.77/ccf) + District wide conservation and NTS costs ($0.03/ccf).
Base Rate	All sources melded cost of budgeted water ($2.43/ccf) + District wide conservation and NTS costs ($0.03/ccf).
Inefficient	Loaded cost of imported water ($3.69/ccf) + District wide conservation and NTS costs ($0.03/ccf) + water banking costs ($0.16/ccf) + the conservation commitment to this tier ($0.13/ccf)
Wasteful	Loaded cost of imported water ($3.69/ccf) + District wide conservation and NTS costs ($0.03/ccf) +water banking costs ($0.16/ccf) + the conservation commitment to this tier ($8.13/ccf)

The proposed rate structure for the Los Alisos Rate Area follows:

Los Alisos Rate Area:

Tiers	Current (FY 15-16) (per ccf)	Proposed (FY 16-17) (per ccf)	Diff.
Low Volume	$1.64	$1.80	$0.16
Base Rate	$2.39	$2.46	$0.07
Inefficient	$3.60	$4.01	$0.41
Wasteful	$15.20	$12.01	($3.19)

Average usage for a typical residential customer in the Irvine Ranch and Los Alisos Rate Areas is approximately 12 ccf and the three lowest months usage would place them in the 5-10 ccf category for sewage demand. Based on the recommended increases, the Irvine Ranch Rate Area will experience an increase to the average residential customer of $2.06 or 4.2%, from $49.04 to

$51.10 per month, and the Los Alisos Rate Area will experience an overall rate increase to the average residential customer of $2.65 or 4.6%, from $57.08 to $59.72 per month.

Pumping Surcharges:

The Districts pumping surcharges were reviewed in detail through the Embedded Energy Study during the rate setting process for FY 2015-16. The study provides a nexus between the surcharge and the cost associated with moving the water to higher elevations. It also identifies a necessary increase that would occur over two years with a partial increase applied in FY 2015-16 and the second increase to occur in FY 2016-17. The study recommended some changes that would affect the current zone structure:

- The District had 8 potable zones with rates ranging from $0.16/ccf to $0.42/ccf prior to the proposed increase that would be phased in over two fiscal years;
- The eight potable zones would be reduced to three zones with rates ranging from $0.21/ccf to $0.65/ccf; and
- Include the community in the canyons in the surcharge zones.

Staff recommends reducing the number of potable pumping zones to three, applying the second of two increases to the applicable zones and establishing a temporary pumping zone for the areas previously not included in zones with 50% of the increase proposed in FY 2016-17. The second increase will occur in FY 2017-18. At that time, the temporary zone would dissolve into the existing three zones.

FISCAL IMPACTS:

Planned operating expenses in the FY 2016-17 Proposed Operating Budget reflect an increase of $6.5 million from the adopted Operating Budget for FY 2015-16. The Committee has reviewed the budget and staff's proposed rate increases at Finance and Personnel Committee meetings on March 1, and March 15, 2016. The budget includes $0.9 million of rate stabilization for the sewer and recycled system. It is expected that the proposed rate increases will result in a contribution to the enhancement and replacement funds of approximately $3.8 million and $24.3 million for water and sewer, respectively.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

That the Committee review and provide comments on the proposed FY 2016-17 Operating Budget and proposed rates and charges for further review at the April 11, 2016 Board workshop.

LIST OF EXHIBITS:

Exhibit "A" – Consolidated Operating Budget for All Department FY 2016-17

Exhibit A

Irvine Ranch Water District

Consolidated Operating Budget for All Departments FY 2016-17

(in thousands)

Expense Category	Name	2014-15 Actual	2015-16 Actual 12/31/15	2015-16 Original Budget	2016-17 Proposed Budget	Incr/(Decr)	%
Salaries & Benefits	Regular Labor	$26,123	$13,309	$29,085	$31,258	$2,173	7.5%
	Overtime Labor	1,478	864	1,560	1,758	198	12.7%
	Contract Labor	1,902	1,460	1,483	1,347	(136)	-9.2%
	Employee Benefits	7,267	4,010	15,280	16,938	1,658	10.9%
Salaries & Benefits Total		$36,770	$19,644	$47,407	$51,300	$3,893	8.2%
Water & Utilities	Water	32,892	14,492	34,975	36,234	1,259	3.6%
	Electricity	13,601	6,358	16,391	14,829	(1,562)	-9.5%
	Fuel	617	161	702	566	(136)	-19.3%
	Telecommunication	489	227	477	502	25	5.1%
	Other Utilities	155	76	156	178	22	13.8%
Water & Utilities Total		$47,754	$21,313	$52,702	$52,309	($393)	-0.7%
Materials & Supplies	Chemicals	2,284	1,123	2,016	3,133	1,118	55.5%
	Operating Supplies	(443)	524	1,391	1,484	93	6.7%
	Printing	182	64	291	265	(26)	-9.0%
	Postage	496	336	518	579	61	11.9%
	Permits, Licenses and Fees	359	612	888	1,219	331	37.3%
	Office Supplies	59	31	113	128	15	13.6%
	Duplicating Equipment	166	100	200	225	25	12.5%
	Equipment Rental	92	49	131	129	(2)	-1.6%
Materials & Supplies Total		$3,196	$2,839	$5,546	$7,162	$1,616	29.1%
Professional Services	Rep & Maint OCSD & Others	21,995	7,821	14,189	14,400	211	1.5%
	Rep & Maint IRWD	6,376	3,447	7,582	8,726	1,144	15.1%
	Insurance	583	444	940	1,004	64	6.8%
	Legal Fees	394	215	480	455	(25)	-5.2%
	Engineering Fees	424	176	669	736	67	10.0%
	Accounting Fees	56	63	75	95	20	26.5%
	Data Processing	2,224	1,612	2,663	3,027	364	13.7%
	Personnel Training	654	312	1,093	1,103	10	1.0%
	Personnel Physicals	19	11	43	51	8	18.6%
	Other Professional Fees	1,594	1,354	3,049	4,401	1,352	44.3%
	Directors' Fees	137	68	149	156	7	5.0%
Professional Services Total		$34,454	$15,522	$30,931	$34,154	$3,223	10.4%
Other	Mileage Reimbursement	104	50	132	132	0	0.1%
	Collection Fees	7	9	21	21	0	1.0%
	Election Expense	30	15	30	145	115	383.3%
	Safety	59	41	96	83	(13)	-13.8%
	Alarm and Patrol Services	92	62	130	170	40	30.8%
	Biosolids Disposals	140	55	151	374	223	147.2%
	Commuter Program	126	50	142	156	14	9.9%
	Computer Backup Storage	43	13	23	24	1	4.3%
	Contract Meter Reading	1,289	655	1,350	1,350	0	0.0%
	Other	27	6	22	12	(10)	-44.4%
	Conservation Rebates	1,415	232	1,694	2,948	1,254	74.0%
Other Total		$3,331	$1,188	$3,791	$5,415	$1,624	42.8%
TOTAL		$125,505	$60,506	$140,378	$150,341	$9,963	7.1%
Less: Reimbursement from Baker Partners					(3,408)	(3,408)	
Grand Total		**$125,505**	**$60,506**	**$140,378**	**$146,933**	**$6,555**	**4.7%**

April 5, 2016
Prepared by: Jennifer Davis/Tanja Fournier
Submitted by: Robert Jacobson/Cheryl Clary
Approved by: Paul 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 March 24, 2016, as outlined in Exhibit "A"
- The U.S. Treasury Yield Curve as of March 24, 2016, as outlined in Exhibit "B"
- The Summary of Fixed and Variable Debt as of March 24, 2016, as outlined in Exhibit "C"
- The Summary of Variable Rate Debt Rates as of March 24, 2016, as outlined in Exhibit "D"

BACKGROUND:

Investment Portfolio:

Due to the timing of the Committee meeting, the rate of return for March 2016 is not complete at this time. Preliminary calculations indicate a return of 0.69%, which is a 0.03% increase from February's rate of 0.66%. Including real estate investments, the weighted average rate of return for the District's investment portfolio for March 2016 was 3.54%, which was unchanged from Februay.

Debt Portfolio:

As of March 24, 2016, the District's weighted average all-in variable rate was 0.47%, which was a 0.10% increase from February's rate of 0.37%. Including the District's fixed rate Certificates of Participation at 3.82%, the 2010 Build America Bonds at 4.46%, 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 3.39%, which was a 0.13% increase from February's rate of 3.26%.

Interest Rate Swaps:

Due to the timing of the Committee meeting, the swap report is not complete at this time. Staff will provide an update at the meeting. As of March 24, 2016, the District had posted $9,422,968 of collateral with Citigroup, which represents a $1,070,875 increase from the collateral posted in February and $4,900,000 with Merrill Lynch, which is unchanged from February's collateral. The total collateral deposit for the District is currently $14,322,968. The collateral earns the Fed Funds Effective Rate, which is 0.37% as of March 24, 2016.

FISCAL IMPACTS:

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

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

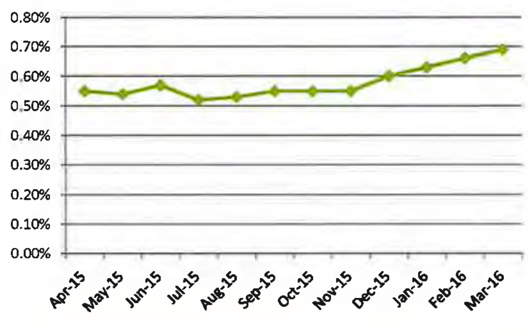
LIST OF EXHIBITS:

Exhibit "A" – Investment Portfolio Summary as of March 24, 2016
Exhibit "B" – Yield Curve as of March 24, 2016
Exhibit "C" – Summary of Fixed and Variable Debt as of March 24, 2016
Exhibit "D" – Summary of Variable Rate Debt Rates as of March 24, 2016

Exhibit "A"

Irvine Ranch Water District
Investment Portfolio Summary
March 2016

Monthly Fixed Income Yield

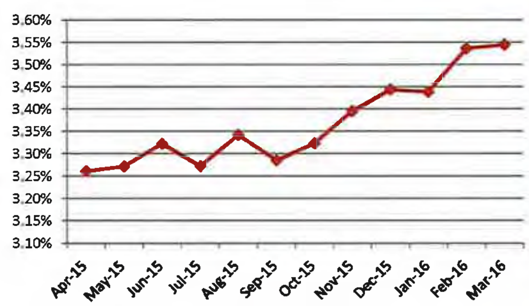


Portfolio Distribution

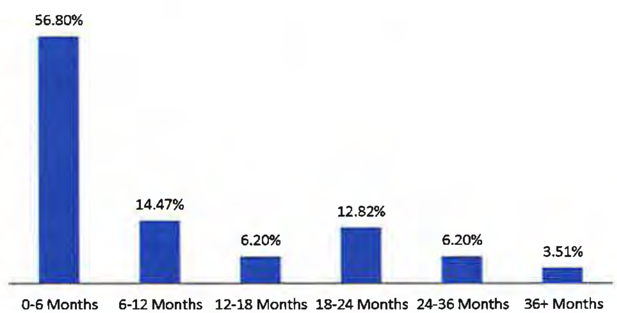
Investment Summary

Type	PAR	Book Value	Market Value
Agency Note	154,000,000	154,208,646	154,225,990
LAIF	65,000,000	65,000,000	64,947,153
Collateral Deposit	14,322,968	14,322,968	14,322,968
Direct Muni	8,496,575	8,496,575	8,496,575
Grand Total	241,819,543	242,028,189	241,992,686

Weighted Average Return Including Real Estate Portfolio



Maturity Distribution



Top Issuers

Issuer	PAR	% Portfolio
State of California Treasury - LAIF	65,000,000	26.88%
Fed Home Loan Mortgage Corp	61,000,000	25.22%
Fed Home Loan Bank	58,000,000	23.98%
Fed Natl Mortgage Assoc	20,000,000	8.27%
Fed Farm Credit Bank	10,000,000	4.14%
Citi-Group Collateral	9,422,968	3.90%
ETWD	8,496,575	3.51%
Fed Ag Mortgage Corp	5,000,000	2.07%
Merrill Lynch Collateral	4,900,000	2.03%

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

03/24/16

SETTLMT *	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	YTFC	ORIGINAL COST	CARRY VALUE	MARKET VALUE[1] 3/24/2016	UNREALIZED[2] GAIN/(LOSS)
02/23/16			03/25/16		LAIF	State of California Tsy	$65,000,000		0.510%		$65,000,000.00	$65,000,000.00	64,947,152.60	(52,847.41)
10/16/15	N/A	N/A	04/07/16	NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.220%	0.220%		5,000,000.00	5,000,000.00	4,999,800.00	(200.00)
05/20/15	N/A	N/A	05/04/16	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	3,000,000	0.300%	0.315%		2,999,565.00	2,999,958.99	2,999,940.00	(18.99)
10/14/15	N/A	N/A	05/13/16	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.500%	0.238%		5,007,600.00	5,001,505.66	5,000,800.00	(705.66)
05/20/15	N/A	N/A	05/18/16	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.250%	0.305%		4,997,285.00	4,999,649.44	4,998,800.00	(849.44)
05/20/15	N/A	N/A	05/27/16	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	2.500%	0.304%		5,111,650.00	5,016,762.47	5,024,700.00	7,937.53
06/04/15	N/A	N/A	06/20/16	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.340%	0.355%		4,999,200.00	4,999,832.46	4,998,650.00	(1,182.46)
07/01/15	N/A	N/A	06/24/16	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.375%	0.345%		5,001,450.00	5,000,339.28	4,998,200.00	(2,139.28)
11/20/14	N/A	N/A	06/27/16	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.375%	0.424%		4,996,091.65	4,999,418.76	5,001,100.00	1,681.24
01/11/16	N/A	N/A	06/30/16	NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.500%	0.500%		5,000,000.00	5,000,000.00	5,001,100.00	1,100.00
05/08/14	N/A	N/A	07/05/16	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	0.375%	0.484%		4,988,300.00	4,998,591.25	4,997,000.00	(1,591.25)
06/09/15	N/A	N/A	08/25/16	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	10,000,000	2.000%	0.467%		10,184,900.00	10,060,937.70	10,071,100.00	10,162.30
10/19/15	N/A	N/A	09/28/16	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	10,000,000	1.250%	0.342%		10,085,280.00	10,044,845.52	10,036,600.00	(8,245.52)
06/15/15	N/A	N/A	10/13/16	NR	FAMCA - Note	Fed Ag Mortgage Corp	5,000,000	0.970%	0.578%		5,025,900.00	5,010,391.98	5,018,800.00	8,408.02
11/28/14	Quarterly	05/15/15	11/15/16	Aaa/AA+/NR	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.600%	0.600%	0.600%	5,000,000.00	5,000,000.00	5,003,950.00	3,950.00
09/21/15	N/A	N/A	12/09/16	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Bank	5,000,000	1.625%	0.532%		5,066,150.00	5,037,460.22	5,035,150.00	(2,310.22)
10/08/15	N/A	N/A	01/30/17	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.250%	0.492%		5,049,445.00	5,031,315.17	5,026,800.00	(4,515.17)
09/21/15	N/A	N/A	02/22/17	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.875%	0.570%		5,021,500.00	5,013,520.19	5,008,800.00	(4,720.19)
06/15/15	N/A	N/A	03/30/17	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.625%	0.727%		4,990,950.00	4,994,976.83	5,000,950.00	5,973.17
08/27/15	N/A	N/A	05/30/17	NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.625%	0.642%		4,998,500.00	4,999,009.35	4,992,000.00	(7,009.35)
11/05/15	N/A	N/A	08/28/17	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.750%	0.800%		4,995,500.00	4,996,506.04	4,998,200.00	1,693.96
09/16/15	N/A	N/A	09/15/17	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.900%	0.915%	0.960%	4,998,500.00	4,998,906.85	5,000,950.00	2,043.15
09/29/15	Continuous after	03/28/16	09/28/17	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.810%	0.815%		4,999,500.00	4,999,626.71	4,986,950.00	(12,676.71)
07/29/15	Continuous after	01/16/13	10/16/17	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.000%	0.997%		5,000,000.00	5,000,000.00	5,000,050.00	50.00
12/18/15	Continuous after	12/13/13	12/12/17	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.820%	1.132%		4,969,500.00	4,973,917.24	4,990,550.00	16,632.76
12/18/15	Quarterly	03/18/16	12/18/17	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	6,000,000	1.125%	1.138%		5,998,500.00	5,998,714.58	6,001,800.00	3,085.42
03/01/16	Quarterly	05/26/16	02/26/18	NR/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.050%	1.050%		5,000,000.00	5,000,000.00	5,000,000.00	
03/16/16	Quarterly	06/16/16	03/16/18	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.125%	1.145%	1.128%	4,998,000.00	4,998,043.84	4,998,000.00	(43.84)
03/23/16	N/A	N/A	03/23/18	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.100%	0.908%		5,019,000.00	5,018,765.75	5,019,000.00	234.25
03/03/16	One Time	07/27/16	04/27/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.250%	1.096%	0.436%	5,016,250.00	5,015,649.68	5,016,250.00	600.32
05/30/15	N/A	N/A	04/30/36	NR	Direct Muni	ETWD	8,496,575	4.570%	4.570%	4.570%	8,496,574.67	8,496,574.67	8,496,574.67	
SUB-TOTAL							$227,496,575				$228,015,091.32	$227,705,220.62	$227,669,717.27	($35,503.35)
RESTRICTED CASH (Swap Collateral Deposits)[5]														
03/01/16					Collateral Deposit	Citi-Group	$9,422,968		0.370%		$9,422,968.37	$9,422,968.37	9,422,968.37	
02/28/16					Collateral Deposit	Merrill Lynch	$4,900,000		0.370%		$4,900,000.00	$4,900,000.00	4,900,000.00	
SUB-TOTAL							$14,322,968				$14,322,968.37	$14,322,968.37	$14,322,968.37	
TOTAL INVESTMENTS							$241,819,543				$242,338,059.69	$242,028,188.99	$241,992,685.64	
					Petty Cash						3,400.00			
				February	Ck Balance	Bank of America					6,240,378.11			
											$248,581,837.80			

[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
[4] Calculation excludes Direct Muni - ETWD
[5] Swap Collateral Deposits assumes 6 month maturity, dependent on interest rate changes

This Investment Summary Report is in conformity with the 2016 Investment Policy and provides sufficient liquidity to meet the next six months estimated expenditures.
*S - Step up

Outstanding Variable Rate Debt	$317,700,000
Net Outstanding Variable Rate Debt (Less $130 million fixed-payer swaps)	$187,700,000
Investment Balance:	$248,581,838
Investment to Variable Rate Debt Ratio:	132%
Portfolio - Average Number of Days To Maturity[4]	126

	Investment Portfolio	Real Estate[3] Portfolio	Weighted Avg. Return
March	**0.69%**	**12.92%**	**3.54%**
February	**0.66%**	**12.92%**	**3.54%**
Change	**0.03%**		

IRVINE RANCH WATER DISTRICT
SUMMARY OF MATURITIES

03/24/16

DATE	TOTAL	%	LAIF	Agency Notes	Agency Discount Notes	Collateral Deposit	Direct Muni
03/16	$65,000,000	26.88%	$65,000,000				
04/16	5,000,000	2.07%		5,000,000			
05/16	18,000,000	7.44%		18,000,000			
06/16	20,000,000	8.27%		20,000,000			
07/16	5,000,000	2.07%		5,000,000			
08/16	24,322,968	10.06%		10,000,000		$14,322,968	
09/16	10,000,000	4.14%		10,000,000			
10/16	5,000,000	2.07%		5,000,000			
11/16	5,000,000	2.07%		5,000,000			
12/16	5,000,000	2.07%		5,000,000			
01/17	5,000,000	2.07%		5,000,000			
02/17	5,000,000	2.07%		5,000,000			
SUB-TOTAL	$172,322,968	71.26%	$65,000,000	$93,000,000		$14,322,968	
13 Months - 3 YEARS							
03/01/17-06/30/17	10,000,000	4.14%		10,000,000			
07/01/17 - 9/30/2017	15,000,000	6.20%		15,000,000			
10/30/17 - 12/31/2017	16,000,000	6.62%		16,000,000			
01/01/2018-03/31/2018	15,000,000	6.20%		15,000,000			
04/01/18-06/30/2018	5,000,000	2.07%		5,000,000			
	-						
04/30/2036	8,496,575	3.51%					8,496,575
TOTALS	$241,819,543	100.00%	$65,000,000	$154,000,000		$14,322,968	$8,496,575
% OF PORTFOLIO			26.88%	63.69%		5.92%	3.51%

Irvine Ranch Water District
Summary of Real Estate
12/31/2015

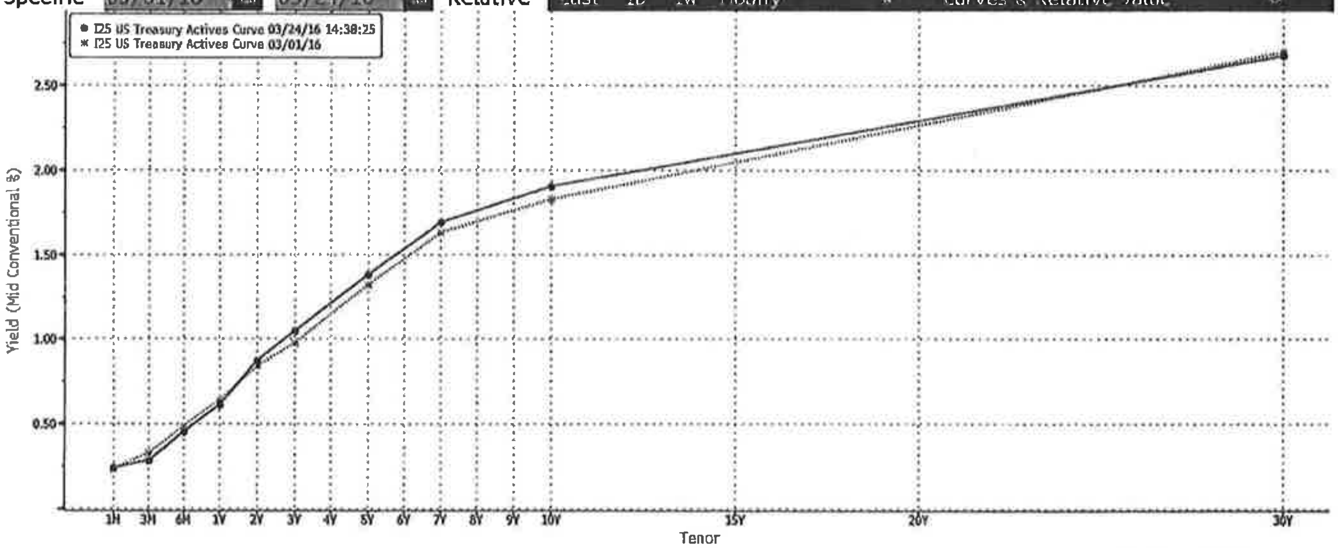
	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	RATE OF RETURN QUARTER ENDED Dec-15
Sycamore Canyon	Dec-92	Apartments	Fee Simple	$ 43,550,810	16.64%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	$ 6,000,000	8.54%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	$ 5,739,845	7.47%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	$ 8,630,577	5.25%
Sand Canyon Professional Center	Jul-12	Medical Office	Fee Simple	$ 8,648,594	8.49%
				$ 72,569,826	12.92%

Exhibit "B"

US Treasury Actives Curve | 97) Actions | 98) Table | 99) Settings | Graph Curves

X-Axis Tenor | Y-Axis Yield | Currency | PCS BGN | Lower Chart History Table

Specific 03/01/16 | 03/24/16 | Relative | Last 1D 1W Modify | Curves & Relative Value



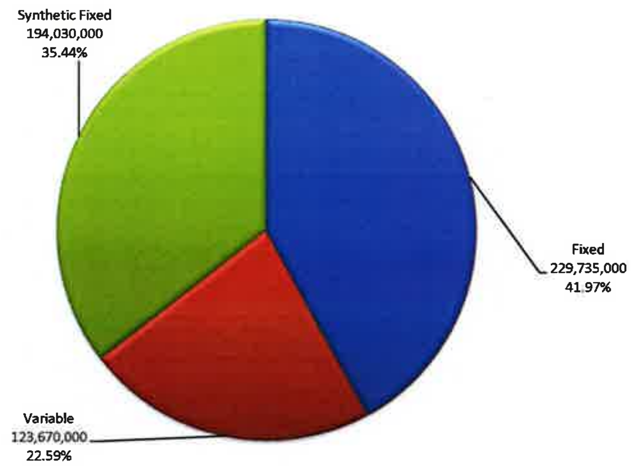
3) Show All Tenors >

Curve Id	3M	1Y	2Y	3Y	5Y	10Y	30Y
11) I25 03/24/16	0.282	0.608	0.871	1.044	1.379	1.901	2.674
12) I25 03/01/16	0.328	0.636	0.841	0.974	1.317	1.826	2.698
13) I25 (03/24/1	-4.6	-2.7	3.0	7.0	6.2	7.5	-2.4

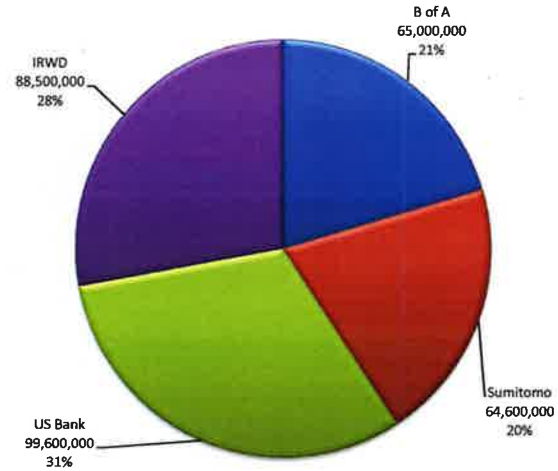
Exhibit "C"

Irvine Ranch Water District
Summary of Fixed and Variable Rate Debt
March 2016

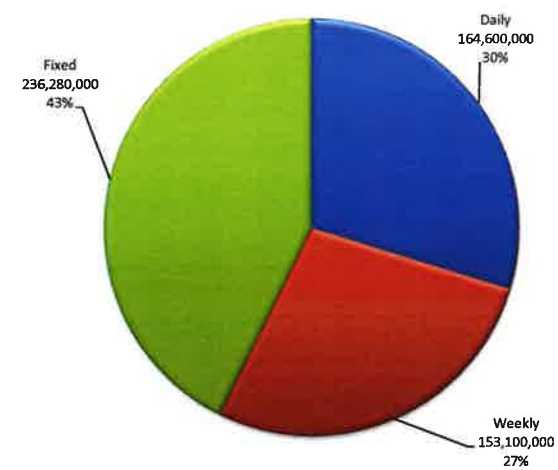
Current Debt Mix By Type



Letters of Credit / Support



Current Debt Rate Reset



Outstanding Par by Series

Series	Issue Date	Maturity Date	Remaining Principal	Percent	Letter of Credit	Rmkt Agent	Mode	Reset
Series 1993	05/19/93	04/01/33	$34,600,000	6.32%	US Bank	BAML	Variable	Daily
Series 1995	12/13/95	01/01/21	$12,100,000	2.21%	Sumitomo	CG	Variable	Weekly
Series 2008-A Refunding	04/24/08	07/01/35	$52,500,000	9.59%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	$53,100,000	9.70%	IRWD	Goldman	Variable	Weekly
Series 2011-A-2 Refunding	04/15/11	10/01/37	$35,400,000	6.47%	IRWD	Morgan	Variable	Weekly
Series 2009 - A	06/04/09	10/01/41	$65,000,000	11.87%	US Bank	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	$65,000,000	11.87%	B of A	Goldman	Variable	Daily
2010 Refunding Cops	02/23/10	03/01/32	$54,735,000	10.00%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	$175,000,000	31.97%	N/A	N/A	Fixed	Fixed
Total			$547,435,000	100%				

IRVINE RANCH WATER DISTRICT

SUMMARY OF FIXED & VARIABLE RATE DEBT

March-16

ITN
Daily
Weekly

GENERAL BOND INFORMATION

VARIABLE RATE ISSUES	Issue Date	Maturity Date	Principal Payment Date	Payment Date	Original Par Amount	Remaining Principal
SERIES 1993	05/19/93	04/01/33	APR 1 (2014)	5th Bus. Day	$38,300,000	$34,600,000
SERIES 1995	12/13/95	01/01/21	JAN 1	1st Bus. Day	$40,000,000	$12,100,000
SERIES 2008-A Refunding	04/24/08	07/01/35	JUL 1	5th Bus. Day	$60,215,000	$52,500,000
SERIES 2011-A-1 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	$60,545,000	$53,100,000
SERIES 2011-A-2 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	$40,370,000	$35,400,000
SERIES 2009 - A	06/04/09	10/01/41	Oct 1	1st Bus. Day	$75,000,000	$65,000,000
SERIES 2009 - B	06/04/09	10/01/41	Oct 1	1st Bus. Day	$75,000,000	$65,000,000
					$389,430,000	$317,700,000
FIXED RATE ISSUES						
2010 REFUNDING COPS	02/23/10	03/01/32	Mar -1	MAR/SEPT	$85,145,000	$54,735,000
2010 GO Build America Taxable Bonds	12/16/10	05/01/40	MAY (2025)	MAY/NOV	$175,000,000	$175,000,000
					$260,145,000	$229,735,000
					$649,575,000	$547,435,000

LETTER OF CREDIT INFORMATION

VARIABLE RATE ISSUES	Letter of Credit	Reimbursment Agreement Date	L/C Exp. Date	MOODYS	S&P	FITCH	LOC Stated Amount	LOC Fee	Annual LOC Cost
SERIES 1993	US BANK	05/07/15	11/07/18	Aa3/VMIG1	AA-/A-1+	N/R	$35,066,389	0.3300%	$115,719
SERIES 1995	SUMITOMO	04/01/11	07/14/17			N/R	$12,279,014	0.3800%	$46,660
SERIES 2008-A Refunding	SUMITOMO	04/01/11	07/14/17	Aa2 (*)	N/R	N/R	$53,276,712	0.3800%	$202,452
SERIES 2011-A-1 Refunding	N/A	N/A	N/A	Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A
SERIES 2011-A-2 Refunding	N/A	N/A	N/A	Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A
SERIES 2009 - A	US BANK	04/01/11	07/15/16	Aa2/VMIG 1	AA-/A-1+	AA/F1+	$65,726,575	0.3500%	$230,043
SERIES 2009 - B	B of A	04/01/11	07/15/16	A1/VMIG 1	A/A-1	A1/F1+	$65,726,575	0.3500%	$230,043
SUB-TOTAL VARIABLE RATE DEBT							$232,075,266	0.3554% (Wt. Avg)	$824,917
FIXED RATE ISSUES									
2010 REFUNDING COPS	N/A	N/A	N/A	Aa1	AAA	AAA	N/A	N/A	N/A
2010 GO Build America Taxable Bonds	N/A	N/A	N/A	Aa1	AAA	NR	N/A	N/A	N/A
SUB-TOTAL FIXED RATE DEBT									
TOTAL- FIXED & VARIABLE RATE DEBT									

TRUSTEE INFORMATION

VARIABLE RATE ISSUES	Rmkt Agent	Reset	Rmkt Fees	Annual Cost	Trustee
SERIES 1993	BAML	DAILY	0.10%	$34,600	BANK OF NY
SERIES 1995	CG	WED	0.08%	$9,075	BANK OF NY
SERIES 2008-A Refunding	BAML	WED	0.07%	$36,750	BANK OF NY
SERIES 2011-A-1 Refunding	Goldman	WED	0.13%	$66,375	BANK OF NY
SERIES 2011-A-2 Refunding	Morgan S.	WED	0.13%	$44,250	BANK OF NY
SERIES 2009 - A	US Bank	DAILY	0.07%	$45,500	US BANK
SERIES 2009 - B	Goldman	DAILY	0.10%	$65,000	US BANK
			0.09% (Wt. Avg)	$301,550	
FIXED RATE ISSUES					
2010 REFUNDING COPS	N/A	N/A	N/A	N/A	BANK OF NY
2010 GO Build America Taxable Bonds	N/A	N/A	N/A	N/A	US BANK

Remarketing Agents		
CG	12,100,000	4%
Goldman	118,100,000	37%
Morgan Stanley	35,400,000	11%
BAML	87,100,000	27%
US Bank	65,000,000	20%
	317,700,000	

GO VS COP's		
GO:	492,700,000	90%
COPS:	54,735,000	10%
Total	547,435,000	

LOC Banks	
SUMITOMO	64,600,000
BANK OF AMERICA	65,000,000
US BANK	99,600,000
	229,200,000

Breakdown Between Variable & Fixed Rate Mode		
Daily Issues	164,600,000	30%
Weekly Issues	64,600,000	12%
ITN Issues	88,500,000	16%
Sub-Total	317,700,000	
Fixed Rate Issues	$229,735,000	42%
Sub-Total - Fixed	229,735,000	
TOTAL DEBT FIXED & VAR.	547,435,000	100%

vrdsum.xlsx
3/24/2016

Exhibit "D"

IRVINE RANCH WATER DISTRICT
SUMMARY OF DEBT RATES
Mar-16

Rmkt Agent	GOLDMAN	GOLDMAN	MORGAN STANLEY	MERRILL LYNCH	MERRILL LYNCH	CITIGROUP	US BANK
	DAILY	WEEKLY	WEEKLY	DAILY	WEEKLY	WEEKLY	DAILY
Bond Issue	2009 - B	2011 A-1	2011 A-2	1993	2008-A	1995	2009-A
Par Amount	65,000,000	53,100,000	35,400,000	34,600,000	52,500,000	12,100,000	65,000,000
Bank	BOFA	(SIFMA+8)	(SIFMA+8)	US BANK	Sumitomo	Sumitomo	US BANK
Reset		Wednesday	Wednesday		Wednesday	Wednesday	
3/1/2016	0.01%	0.09%	0.09%	0.01%	0.01%	0.01%	0.01%
3/2/2016	0.01%	0.09%	0.09%	0.01%	0.01%	0.01%	0.01%
3/3/2016	0.01%	0.10%	0.10%	0.01%	0.01%	0.02%	0.01%
3/4/2016	0.01%	0.10%	0.10%	0.01%	0.01%	0.02%	0.01%
3/5/2016	0.01%	0.10%	0.10%	0.01%	0.01%	0.02%	0.01%
3/6/2016	0.01%	0.10%	0.10%	0.01%	0.01%	0.02%	0.01%
3/7/2016	0.01%	0.10%	0.10%	0.01%	0.01%	0.02%	0.01%
3/8/2016	0.01%	0.10%	0.10%	0.01%	0.01%	0.02%	0.01%
3/9/2016	0.01%	0.10%	0.10%	0.01%	0.01%	0.02%	0.01%
3/10/2016	0.01%	0.14%	0.14%	0.01%	0.10%	0.06%	0.01%
3/11/2016	0.01%	0.14%	0.14%	0.01%	0.10%	0.06%	0.03%
3/12/2016	0.01%	0.14%	0.14%	0.01%	0.10%	0.06%	0.03%
3/13/2016	0.01%	0.14%	0.14%	0.01%	0.10%	0.06%	0.03%
3/14/2016	0.02%	0.14%	0.14%	0.03%	0.10%	0.06%	0.03%
3/15/2016	0.03%	0.14%	0.14%	0.03%	0.10%	0.06%	0.02%
3/16/2016	0.04%	0.14%	0.14%	0.03%	0.10%	0.06%	0.04%
3/17/2016	0.04%	0.21%	0.21%	0.03%	0.13%	0.13%	0.06%
3/18/2016	0.06%	0.21%	0.21%	0.11%	0.13%	0.13%	0.06%
3/19/2016	0.06%	0.21%	0.21%	0.11%	0.13%	0.13%	0.06%
3/20/2016	0.06%	0.21%	0.21%	0.11%	0.13%	0.13%	0.06%
3/21/2016	0.06%	0.21%	0.21%	0.12%	0.13%	0.13%	0.09%
3/22/2016	0.09%	0.21%	0.21%	0.13%	0.13%	0.13%	0.10%
3/23/2016	0.25%	0.21%	0.21%	0.25%	0.13%	0.13%	0.30%
3/24/2016	0.24%	0.37%	0.37%	0.29%	0.30%	0.30%	0.33%
3/25/2016	0.24%	0.37%	0.37%	0.29%	0.30%	0.30%	0.33%
3/26/2016	0.24%	0.37%	0.37%	0.29%	0.30%	0.30%	0.33%
3/27/2016	0.24%	0.37%	0.37%	0.29%	0.30%	0.30%	0.33%
3/28/2016		0.37%	0.37%		0.30%	0.30%	
3/29/2016		0.37%	0.37%		0.30%	0.30%	
3/30/2016		0.37%	0.37%		0.30%	0.30%	
3/31/2016							
Avg Interest Rate	0.07%	0.20%	0.20%	0.08%	0.13%	0.12%	0.09%
Rmkt Fee	0.10%	0.13%	0.13%	0.10%	0.07%	0.08%	0.07%
LOC Fee	0.35%			0.33%	0.38%	0.38%	0.35%
All-In Rate	**0.52%**	**0.32%**	**0.32%**	**0.51%**	**0.58%**	**0.57%**	**0.51%**
Par Amount		118,100,000	35,400,000		87,100,000	12,100,000	65,000,000

Interest Rate Mode	Percent of Total Variable Rate Debt		Par Outstanding	Weighted All-In Average Rate		Base Rate Average
Daily	51.81%		164,600,000	0.51%		0.08%
Weekly	48.19%		153,100,000	0.43%		0.17%
	100.00%	$	**317,700,000**	0.47%		0.12%
Fixed Rate COPS	23.83%		54,735,000	3.82%		
Fixed Rate BABS	76.17%		175,000,000	4.46%	(1)	
	100.00%	$	**229,735,000**	4.31%		
All-In Debt Rate Including $130 Million Notional Amount of Swaps						**3.39%**

(1) Rate adjusted up from 4.35% as a result of sequestration reducing BAB's subsidy by 6.8%

April 5, 2016
Prepared by: Tanja Fournier
Submitted by: Cheryl Clary/Rob Jacobson
Approved by: Paul Cook

FINANCE AND PERSONNEL COMMITTEE

SERIES 2009-A AND 2009-B BONDS LETTERS OF CREDIT EXTENSION

SUMMARY:

The District currently has $65 million of Series 2009-A Bonds (2009-A Bonds) with a U.S. Bank letter of credit (LOC) and $65 million of Series 2009-B Bonds (2009-B Bonds) with a Bank of America (B of A) letter of credit, both scheduled to expire on July 15, 2016. Staff requested each of the banks to provide pricing options to extend the letters of credit for three, four and five year periods. U.S. Bank provided a proposal to extend the LOC for three and one-half years at an annual cost of 0.36%, or four and one-half years at 0.41%. B of A provided only a three-year extension proposal at an annual cost of 0.40%. Staff is recommending the Committee approve extending the US Bank LOC for four and one-half years at 0.41% and the B of A LOC for three years at 0.40%.

BACKGROUND:

The District currently has $65 million of 2009-A Bonds supported by a U.S. Bank letter of credit and $65 million of 2009-B Bonds supported by a Bank of America letter of credit. Each of the LOCs are scheduled to expire on July 15, 2016. Staff requested both banks to provide pricing options to extend the letters of credit for three, four and five year terms. U.S. Bank provided a proposal to extend the LOC for three and one half years at 0.36% or four and one half years at 0.41%. Bank of America provided a three-year extension proposal at 0.40%.

The annual cost of the current LOCs for the bonds is 0.35%. Due to changes in bank regulations requiring increased capital reserves, bank LOC pricing has increased since the last renewals. Staff discussed the proposals with the District's Municipal Advisor, Public Financial Management (PFM), and spoke with other underwriters to ensure the proposals received were competitive with other banks of similar credit quality. Both PFM and the underwriters felt that the Bank of America LOC pricing was slightly above market, however; due to the expense of changing an LOC (primarily legal and rating agency fees estimated at more than $85,000) the replacement would be cost prohibitive. Staff recommends the Committee authorize extending the US Bank LOC for four and one-half years at 0.41% and the Bank of America LOC for three years at 0.40%, and recommend Board approval of the same. The Letter of Credit Pricing Analysis is attached as Exhibit "A".

Legal counsel has provided a Resolution Authorizing Certain Actions in Connection with the LOC Extensions attached as Exhibit "B".

FISCAL IMPACTS:

Extending the US Bank LOC for four and one-half years at 0.41% will result in a total cost of $1,083,098 and extending the Bank of America LOC for three years at 0.40% will result in a total cost $728,048.

RECOMMENDATION:

That the Board approve to extend the US Bank Letter of Credit supporting the 2009A Bonds for 4-1/2 years at an annual cost of 0.41%, approve to extend the Bank of America Letter of Credit supporting the 2009B Bonds for three years at an annual cost of 0.40%; and adopt a resolution authorizing certain actions in connection with extension of Letters of Credit (Consolidated Series 2009A and Consolidated Series 2009B.

LIST OF EXHIBITS:

Exhibit "A" – Letter of Credit Extension Pricing Analysis
Exhibit "B" – Resolution Authorizing Certain Actions in Connection with the LOC Extensions

EXHIBIT "A"

IRVINE RANCH WATER DISTRICT
Letter of Credit Pricing Analysis
April 5, 2016

		2009-A Bonds US Bank Aa2/AA-/AA			2009-B Bonds Bank of America A1/A/A+	
Term	Stated Amount(1)	Fee	Annual Cost		Fee	Annual Cost
2016-2017	63,198,630	0.41%	$259,114		0.40%	$252,795
2017- 2018	60,670,685	0.41%	248,750		0.40%	242,683
2018 - 2019	58,142,740	0.41%	238,385		0.40%	232,571
2019 - 2020	55,614,795	0.41%	228,021			
2020-2021	53,086,849	0.41%	108,828	(2)		
Total			$1,083,098			$728,048

(1) Stated amount represents the average par amount of bonds outstanding for each issue for the period, plus an average of 34 days of interest at the maximum rate of 12%.

(2) Represents six months of fiscal year 2020-2021.

Exhibit "B"

DRAFT

RESOLUTION NO. 2016-___

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT
AUTHORIZING CERTAIN ACTIONS IN CONNECTION
WITH EXTENSION OF LETTERS OF CREDIT
(CONSOLIDATED SERIES 2009A AND CONSOLIDATED SERIES 2009B)

WHEREAS, the Irvine Ranch Water District ("IRWD") has issued the Bonds of Irvine Ranch Water District, Consolidated Series 2009A (the "Series 2009A Bonds") and the Bonds of Irvine Ranch Water District, Consolidated Series 2009B (the "Series 2009B Bonds"); and

WHEREAS, the irrevocable letter of credit of U.S. Bank National Association has been issued with respect to the Series 2009A Bonds (the "2009A Letter of Credit");

WHEREAS, the irrevocable letter of credit of Bank of America, N.A., has been issued with respect to the Series 2009B Bonds (the "2009B Letter of Credit" and, together with the 2009A Letter of Credit, the "Letters of Credit"); and

WHEREAS, the Letters of Credit are scheduled to expire on July 15, 2016; and

WHEREAS, after evaluating proposed terms and conditions for extending the Letters of Credit, the Board of Directors believes it is in the interest of IRWD to authorize the extension of each of the Letters of Credit as provided herein; and

WHEREAS, the 2009A Letter of Credit was issued pursuant to the Amended and Restated Reimbursement Agreement, dated as of April 1, 2011, as amended by the First Amendment to Amended and Restated Reimbursement Agreement, dated as of July 15, 2013, each by and between the District and U.S. Bank National Association (collectively, the "2009A Reimbursement Agreement"); and

WHEREAS, the 2009B Letter of Credit was issued pursuant to the Amended and Restated Reimbursement Agreement, dated as of April 1, 2011, as amended by the First Amendment to Amended and Restated Reimbursement Agreement, dated as of July 15, 2013, each by and between the District and Bank of America, N.A. (collectively, the "2009B Reimbursement Agreement" and, together with the 2009A Reimbursement Agreement, the "Reimbursement Agreements"); and

WHEREAS, pursuant to the 2009A Reimbursement Agreement, U.S. Bank National Association expects to execute and deliver a notice in the form of Annex [J] thereto that it has extended the stated expiration date of the 2009A Letter of Credit; and

WHEREAS, pursuant to the 2009B Reimbursement Agreement, Bank of America, N.A., expect to execute and deliver a notice in the form of Annex [J] thereto that it has extended the stated expiration date of the 2009B Letter of Credit.

NOW THEREFORE, the Board of Directors of IRWD DOES HEREBY RESOLVE, DETERMINE and ORDER as follows:

Section 1. The Treasurer is hereby authorized and directed to cause the extension of the 2009A Letter of Credit, so as to expire on or about December 15, 2020, and to cause the extension of the 2009B Letter of Credit, so as to expire on or about July 15, 2019. An amendment to each Reimbursement Agreement, if required, to provide for the extension of the respective Letter of Credit, without substantive changes to the existing terms and provisions of the Reimbursement Agreement, is hereby approved, and the President and Secretary of IRWD are authorized and directed to execute any amendment so approved.

Section 2. The foregoing authorization to cause the extension of the Letters of Credit shall include the approval of the terms of any amendments to agreements and instruments to be delivered by and to the respective remarketing agent. The President and Secretary of IRWD are authorized and directed to execute any amendment so approved.

Section 3. The foregoing authorization to cause the extension of the Letters of Credit shall further include any and all of the following: preparation and/or approval, execution and delivery of any notices, instruments, disclosure or other documents to be delivered or distributed in conjunction with the authorized actions, and any other actions to implement such extension of the Letters of Credit.

Section 5. The President, Secretary and each other officer of IRWD hereby is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution.

ADOPTED, SIGNED AND APPROVED this _____ day of __________, 2016.

____
President
IRVINE RANCH WATER DISTRICT and
of the Board of Directors thereof

____
Secretary
IRVINE RANCH WATER DISTRICT and
of the Board of Directors thereof

APPROVED AS TO FORM:

BOWIE, ARNESON,
WILES & GIANNONE
Legal Counsel - IRWD

By ____________________

00189875/ 032616