AGENDA
IRVINE RANCH WATER DISTRICT
FINANCE AND PERSONNEL COMMITTEE MEETING
TUESDAY, JUNE 7, 2016

CALL TO ORDER	**11:30 a.m.,** Committee Room, Second Floor, District Office 15600 Sand Canyon Avenue, Irvine, California			
ATTENDANCE	Committee Chair: Peer Swan ____		Member: Mary Aileen Matheis ____	
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. PERFORMANCE RECOGNITION PROGRAM QUARTERLY UPDATE – BOWERS/RONEY

   Recommendation: Receive and file.

7. EXPENSES AND FEES OF BOARD MEMBERS AND GENERAL MANAGER PAID THROUGH THIRD QUARTER, FY 2015-16 – PULLES/CLARY

   Recommendation: Receive and file.

8. THIRD QUARTER FY 2015-16 LEGAL FEES ANALYSIS – TOBAR/CLARY

   Recommendation: Receive and file.

INFORMATION (Continued)

9. QUARTERLY RISK MANAGEMENT REPORTING – KANOFF/ JACOBSON

   Recommendation: Receive and file.

10. FY 2015-16 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS – BERTSCH, T/SMITHSON/CLARY

    Recommendation: Receive and file.

ACTION CALENDAR

11. FISCAL YEAR 2016-17 GENERAL COUNSEL SERVICES FOR BOWIE, ARNESON, WILES, AND GIANNONE - SAVEDRA

    Recommendation: That the Board approve and authorize the General Manager to execute the Engagement Agreement with Bowie, Arneson, Wiles, and Giannone effective July 1, 2016 for general counsel services in the amount not to exceed $400,000.

12. CANDIDATE STATEMENTS FOR GENERAL ELECTION - SAVEDRA

    Recommendation: Staff recommends the Board approve the District Secretary to authorize 200 words on the candidate's statement of qualifications and elect not to pay for these statements.

13. INFORMATION SERVICES PROFESSIONAL SERVICES SUPPORT CONTRACT RENEWALS – MOSSBARGER/CLARY

    Recommendation: That the Board authorize the General Manager to execute Professional Services Agreements for the period July 1, 2016 to June 30, 2017 with; Infosys Ltd in the amount of $375,000 for managed support services and one-time projects; LCS Technologies in the amount of $100,000 for on-call DBA services; and Outsource Technical in the amount of $225,000 for on-call programming, analysis, project management, and networking services.

14. FY 2016-17 OPERATING BUDGET VENDOR EXPENDITURE COMMITMENTS GREATER THAN $100,000 – AGUILAR/JACOBSON

    Recommendation: That the Board approve the list of vendor commitments greater than $100,000 based on approved FY 2016/17 Operating Budget expenditures, and recommend Board approval of the same.

ACTION CALENDAR (Continued)

15. SETTING CONNECTION FEES AND PROPERTY TAXES FOR FISCAL YEAR 2016-17 – SMITHSON/CLARY

Recommendation: That the Board approve the revised connection fees and property taxes as proposed.

TREASURY SECTION

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

Recommendation: Receive and file.

17. QUARTERLY DEFERRED COMPENSATION PLAN AND FUND REVIEW – FOURNIER/JACOBSON

Recommendation: Receive and file.

18. PROPOSED 2016 GENERAL OBLIGATION BOND AND CERTIFICATES OF PARTICIPATION DEBT ISSUANCE – FOURNIER/JACOBSON

Recommendation: That the Board approve the issuance of General Obligation bonds in an amount not to exceed $130 million in either a fixed or variable mode to be determined prior to issuance, and approve the issuance of Certificates of Participation in an amount not to exceed $75 million, in a fixed or variable mode to be determined prior to issuance, and approve the retention of Bank of America Merrill Lynch and Morgan Stanley as underwriters for the GO bond issue, and approve the retention of Goldman Sachs as underwriter for the COPs issue (to include any potential refunding of the District's 2010 COPs issue), and retain Orrick, Herrington & Sutcliffe and Bowie, Arneson, Wiles & Giannone as co-bond counsel; and adopt a Resolution Declaring Intention to Issue Consolidated Bonds of said District ([Consolidated] Series 2016).

19. DISCUSSION ITEMS – ALL

a. Updated investment activities/rates

20. Items for discussion at next meeting.

OTHER BUSINESS

21. A. Directors' Comments

B. CLOSED SESSION WITH LEGAL COUNSEL RELATIVE TO:

1) Existing litigation - Government Code Section 54956.9(d)(1) – United States, State of California, et al., ex rel. Hendrix v. J-M Manufacturing Company, Inc. et al; Williams vs. IRWD and MWDSC; KPM Spectrum vs. Lusardi Construction Company.

2) Anticipated litigation - Government Code Section 54956.9(d)(2) - significant exposure to litigation (one potential case – BKK Working Group notification to IRWD of potential liability, claim and/or litigation on file with the District).

22. Adjournment

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

June 7, 2016
Prepared by: Marta Ramos MR
Submitted by: Jenny Roney JR
Approved by: Paul Cook P. 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.

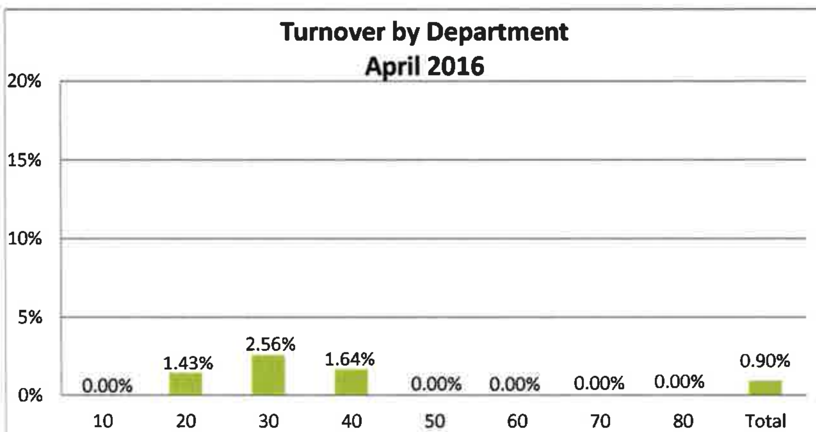
LIST OF EXHIBITS:

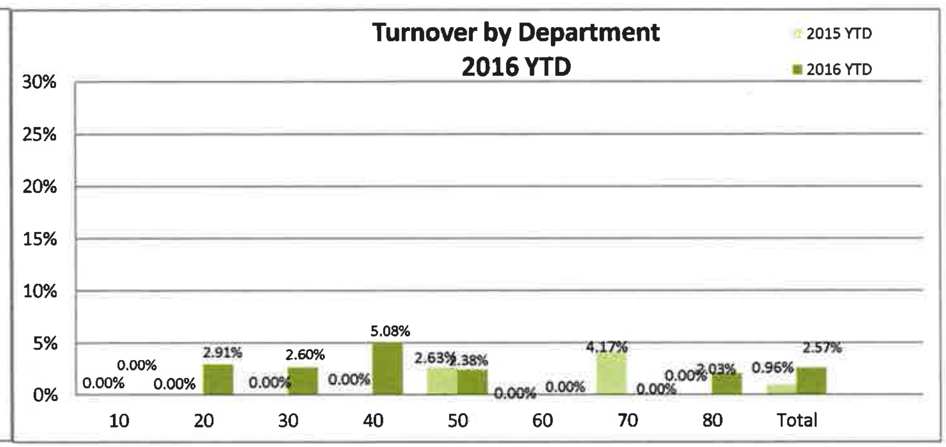
Exhibit "A" - Employee Population/Turnover Status Report

Exhibit "A"

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
April 2016

	@04/01/16	Current Month Activity							@04/30/16		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	13.0	1.0	14.0	0.00%	0.00%	0.00%	0.00%
20P	70.0	2		1					71.0	4	75.0	66.8	12.9	79.7	0.00%	1.45%	1.43%	2.91%
30P	39.0	1	1						39.0	1	40.0	38.6	4.5	43.1	0.00%	0.00%	2.56%	2.60%
40P	61.0	4	1						64.0	3	67.0	59.3	3.9	63.2	0.00%	0.00%	1.64%	5.08%
50P	45.0								45.0	3	48.0	40.8	2.0	42.8	0.00%	0.00%	0.00%	2.38%
60P	19.0	1							20.0	0	20.0	19.1	0.6	19.7	0.00%	0.00%	0.00%	0.00%
70P	34.0								34.0	0	34.0	31.5	8.3	39.8	0.00%	0.00%	0.00%	0.00%
80P	50.0								50.0	4	54.0	47.1	1.8	48.9	0.00%	0.00%	0.00%	2.03%
Totals	332	8	2	1	0	0	0	0	337.0	15	352.0	316.2	34.9	351.1	0.00%	0.31%	0.90%	2.50%
4/15	312	0	3	0	0	0	0	0	308	336	336.00	307.60	21.30	328.84	0.00%	0.00%	0.96%	0.57%



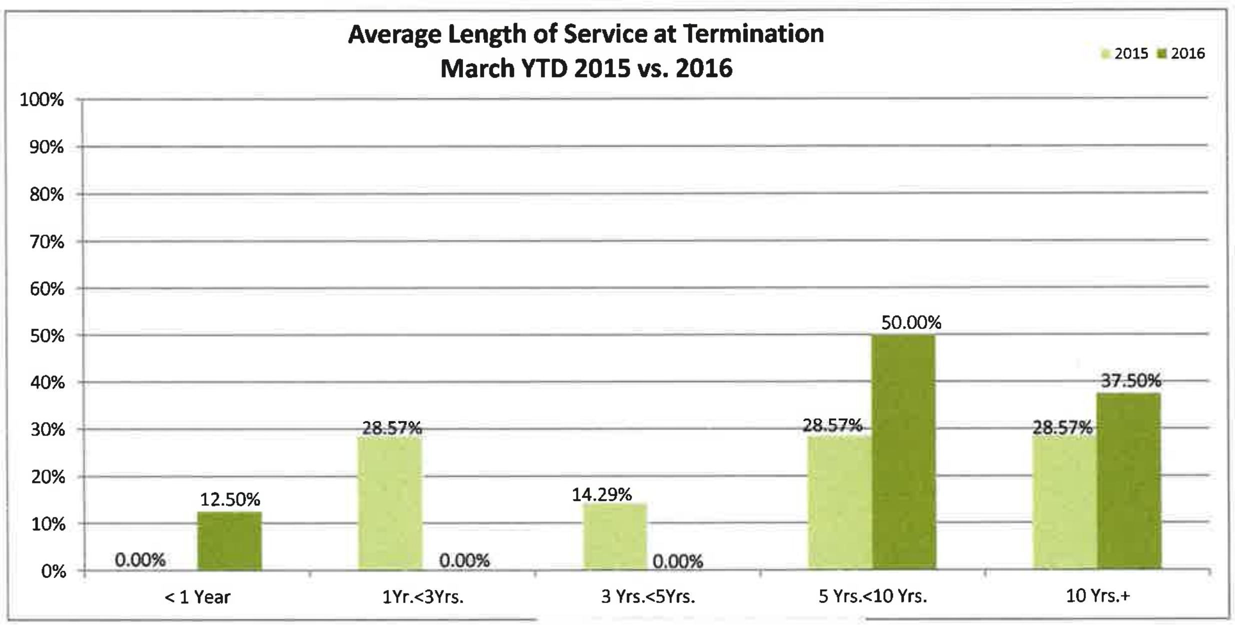


10P-GM, HR, Safety; 20P-Fin., Cust. Serv., IS, Purch.; 30P-Eng.: 40P-Water Ops; 50P-Recycling; 60P-Water Qualty; 70P-Water Res., Pol., Conserv. and Public Affairs; 80P-Maintenance Ops

IRVINE RANCH WATER DISTRICT
TURNOVER STATUS REPORT
April 2016

														YTD Turnover Longevity Ratio				
Dept.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	< 1 Year	1Yr.<3Yrs.	3 Yrs.<5Yrs.	5 Yrs.<10 Yrs.	10 Yrs.+
10P																		
20P			1	1														2
30P				1													1	
40P	1	1		1													2	1
50P		1												1				
60P																		
70P																		
80P		1															1	
2016 Total	1	3	1	3									8	1	0	0	4	3
2015 Data	1	2	1	3	2	4	5	3	2	3	2	2	30					
Percentage of Total Turnover														12.50%	0.00%	0.00%	50.00%	37.50%

2016 Average YTD Length of Service at Termination	9.54 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
April 2016

NEW HIRES

Hire	Dept	Employee Name	Position	Comments
04/04/16	30P	Mark Marcacci	Engineer	
04/11/16	20P	Dan Vo	Sr. Database Administrator	
04/11/16	60P	Denise Chauv	Laboratory Supervisor	
04/11/16	40P	Kyle Richardson	Water Maintenance Technician I	
04/11/16	20P	Venkata Chilukuri	Sr. Applications Developer	
04/18/16	40P	Deigo Martinez	Water Maintenance Technician I	
04/18/16	40P	Tyler Dillman	Water Maintenance Technician I	
04/18/16	40P	Jesse Arce	Water Maintenance Technician I	

TERMINATIONS

Termination Date	Dept	Employee Name	Position	Reason	Comments
04/18/16	20P			Invol.	
04/20/16	30P			Vol.	
04/22/16	40P			Vol.	Relocating

RETIREMENTS

Effective Date	Departing Dept	Employee Name	Position	Reason	Comments

PROMOTIONS

Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
04/25/16	430	Cody Bill	Water Maintenance Technician II	430	Water Maintenance Technician III

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
05/12/14	20P	Ozzie Gonzalez	Mailroom Coordinator	70P	Water Use Efficiency Specialist

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
April 2016

UNFILLED POSITIONS			
Dept	**Position**	**Salary Grade**	**Comments**
20P	Mgr. of Contract Admin. & Risk	U18.E	Recruiting
20P	Customer Service Manager	U16.E	Recruiting
20P	Applications Analyst	U15.E	Filled by a consultant
20P	Purchasing Coordinator	19.N	
30P	Engineering Technician I	20.N	
40P	Water Maintenance Technician III	26.N	
40P	Operator III	29.N	
40P	Water Maintenance Supervisor	U31.N	
50P	Operator III	29.N	
50P	Operator III	29.N	
50P	Operator III	29.N	
80P	Instrumentation Technician	28.N	
80P	Electrical Technician	28.N	
80P	Analyst	10.E	
80P	Electrical & Automation Manager	U19.E	

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
April 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	23 Months	
FMLA	WC	WC/LTD	50P	001341	4/30/2015	5/5/2016	12 Months	WC Claim
FMLA	SDI	SDI/LTD	80P	001880	8/18/2015	5/30/2016	9 Months	
FMLA	SDI		80P	001572	9/18/2015	9/18/2016		Intermittent
FMLA	PFL		10P	000870	12/8/2015	12/31/2016		Intermittent
FMLA	PFL		70P	001445	2/2/2016	2/2/2017		Intermittent
FMLA	WC		40P	000875	2/9/2016	5/19/2016	2 Months	WC Claim
FMLA	SDI	PFL	60P	001895	2/12/2016	6/10/2016	2 Months	
FMLA	SDI	PFL	10P	001869	2/20/2016	6/20/2016	10 Weeks	
FMLA	SDI		70P	001303	4/15/2016	5/9/2016	2 Weeks	
FMLA	SDI		80P	001375	4/21/2016	6/6/2016	1 Week	

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
FMLA	PFL	PFL	30P	001876	2/21/2016	4/4/2016	6 Weeks	04/04/16	Returned
FMLA	WC	WC/LTD	40P	001401	5/12/2015	4/6/2016	11 Months	04/06/16	Part-time
FMLA	SDI	SDI	20P	001718	1/15/2016	4/19/2016	3 Months	04/19/16	Returned
FMLA	PFL	PFL	80P	001896	4/4/2016	4/18/2016	2 Weeks	04/18/16	Returned
FMLA	SDI	PFL	30P	001787	11/23/2015	4/23/2016	4 Months	04/20/16	Resigned

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	20P	19 Years, 6 Months		X	
	30P	5 Years	X		Resigned
	40P	8 Years, 9 Months	X		Resigned
May					
June					
July					
August					
September					
October					
November					
December					

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

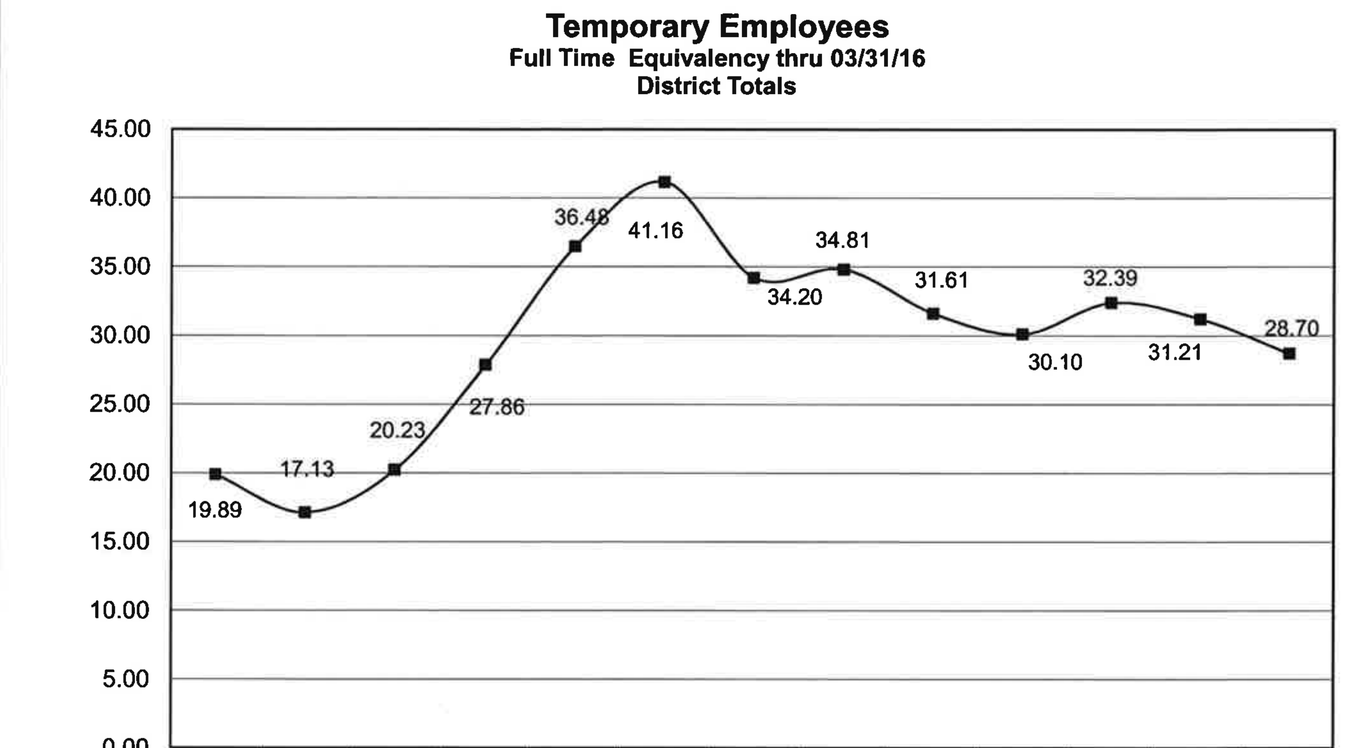
Current Month FTE	Avg FYTD Temp Emp FTE	Active PERS Y/N *	Agency	Dept	Hire Date	Term Date	Classification	Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FY' YTD	Actual Cost FY 'YTD
0.79	0.77	Yes		130	1/29/2014		Full Time	21.00	168	3,528.00	12	9	31,752.00	25,714.50
0.79	**0.77**			**10P**										
0.86	0.90	Yes		220	10/16/2012		Full Time	17.00	168	2,856.00	12	9	25,704.00	24,924.13
0.83	0.84	Yes		220	6/1/2015		Full Time	26.12	168	4,388.16	12	9	39,493.44	35,226.61
0.84	0.90	Yes		220	7/13/2015		Full Time	26.12	168	4,388.16	12	9	39,493.44	38,033.99
0.82	0.72	Yes		220	8/24/2015		Full Time	26.12	168	4,388.16	12	7.25	31,814.16	30,187.28
0.92	0.11	No	X	220	3/8/2016		Full Time	26.12	168	4,388.16	12	7.25	31,814.16	4,734.25
0.54	0.06	No	X	220	3/21/2016		Full Time	26.12	168	4,388.16	12	7.25	31,814.16	2,573.34
0.86	0.86	Yes		220	3/3/2014		Full Time	20.84	168	3,501.12	12	9	31,510.08	28,884.24
0.88	1.00	Yes		220	5/11/2015		Full Time	28.95	168	4,863.60	12	9	43,772.40	47,962.91
0.87	0.20	No	X	220	2/16/2016		Full Time	28.95	168	4,863.60	0.5	7	34,045.20	9,075.83
0.77	0.97	Yes		240	2/2/2015		Full Time	22.41	168	3,764.88	12	9	33,883.92	34,724.30
0.17	0.38	EXC		250	5/26/2015	3/16/2016	Part Time	14.00	84	1,176.00	12	9	10,584.00	8,372.00
8.35	**6.94**			**20P**										
0.79	0.82	Yes		300	6/20/2015		Full Time	32.78	168	5,507.04	12	9	49,563.36	42,777.90
0.82	0.73	Yes		300	6/20/2015		Full Time	32.78	168	5,507.04	12	9	49,563.36	37,860.90
0.77	0.78	Yes		300	6/20/2015		Full Time	22.83	168	3,835.44	12	9	34,518.96	28,354.86
0.20	0.39	EXC		300	7/21/2014		Part Time	15.00	84	1,260.00	12	9	11,340.00	9,285.00
0.21	0.43	EXC		300	6/1/2015		Part Time	14.00	84	1,176.00	12	9	10,584.00	9,558.50
0.20	0.42	EXC		300	6/1/2015		Part Time	14.00	84	1,176.00	12	9	10,584.00	9,348.50
0.16	0.42	EXC		300	6/22/2015		Part Time	14.00	84	1,176.00	12	9	10,584.00	9,310.00
3.14	**3.98**			**30P**										
0.80	1.00	Yes		425	5/26/2015	4/25/2016	Full Time	26.40	168	4,435.20	8	9	39,916.80	45,394.80
0.82	1.00	No	X	430	5/28/2015		Full Time	26.40	168	4,435.20	12	9	39,916.80	45,493.80
0.92	0.58	No	X	430	10/14/2015	4/8/2016	Full Time	26.40	168	4,435.20	9	6.5	28,828.80	24,545.40
1.00	0.49	No	X	430	10/26/2015		Full Time	26.40	168	4,435.20	9	6.25	27,720.00	22,156.20
1.00	0.54	No	X	430	11/16/2015		Full Time	26.40	168	4,435.20	8	4.5	19,958.40	23,469.60
4.54	**3.61**			**40P**										
0.81	0.48	No	X	510	10/5/2015	3/18/2016	Full Time	43.56	168	7,318.08	9	6	43,908.48	33,772.50
0.54	0.71	Yes		515	11/3/2014		Full Time	25.47	168	4,278.96	12	9	38,510.64	28,774.73
0.39	0.49	EXC		515	6/29/2015		Part Time	14.00	84	1,176.00	12	9	10,584.00	10,906.00
1.73	**1.68**			**50P**										
0.29	0.44	EXC		630	7/6/2015		Part Time	14.00	84	1,176.00	12	9	10,584.00	9,870.00
0.29	**0.44**			**60P**										
0.82	0.82	Yes		710	5/8/2014		Full Time	24.96	168	4,193.28	12	9	37,739.52	32,928.48
0.84	1.00	Yes		710	6/8/2015		Full Time	33.62	168	5,648.16	12	9	50,833.44	56,409.49
0.84	1.00	Yes		710	6/8/2015		Full Time	33.62	168	5,648.16	12	9	50,833.44	63,781.34
0.86	1.00	Yes		710	6/29/2015		Full Time	33.62	168	5,648.16	12	9	50,833.44	56,414.36
0.37	0.51	EXC		710	6/29/2015		Part Time	14.00	84	1,176.00	12	9	10,584.00	11,322.50
1.00	0.42	No	X	710	12/14/2015		Full Time	33.62	168	5,648.16	7	3.75	21,180.60	23,748.33
1.00	0.42	No	X	710	12/14/2015		Full Time	33.62	168	5,648.16	7	3.75	21,180.60	23,307.07
0.72	0.60	No	X	730	8/13/2015		Part Time	19.80	84	1,663.20	12	7.5	12,474.00	18,998.10
0.94	0.63	No	X	730	8/13/2015		Part Time	19.00	84	1,596.00	12	7.5	11,970.00	19,304.00
0.85	0.32	No	X	730	11/23/2015		Part Time	19.80	84	1,663.20	7	4.25	7,068.60	10,093.05
0.80	0.85	Yes		730	7/8/2015		Full Time	54.00	168	9,072.00	6	9	81,648.00	73,696.50
9.04	**7.57**			**70P**										
0.82	0.64	No	X	840	9/28/2015		Full Time	30.59	168	5,139.12	6	6.25	32,119.50	31,354.75
0.82	**0.64**			**80P**										
28.70	**25.63**											**25**		

IRVINE RANCH WATER DISTRICT
SUMMARY OF TEMPORARY AND CONTRACT EMPLOYEES
March 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
0.80	0.19	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
0.80	**0.19**			**10P**										
0.85	0.21	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
0.88	0.72	Yes		210	4/28/2015	1/30/2016	Full Time	27.50	168	4,620.00	6	7	32,340.00	31,886.25
0.74	0.63	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
0.29	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	1,417.01
0.09	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
0.34	0.23	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
0.24	0.22	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
0.39	0.51	Yes		220	10/13/2014	1/19/2016	Full Time	36.80	168	6,182.40	12	7	43,276.80	30,590.00
0.83	0.71	Yes		220	4/21/2014	2/22/2016	Full Time	32.30	168	5,426.40	12	8	43,411.20	36,898.71
0.85	0.73	Yes		220	4/21/2014	2/22/2016	Full Time	32.30	168	5,426.40	12	8	43,411.20	38,433.77
0.65	0.74	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
0.73	0.64	Yes		250	6/6/2015	1/25/2016	Full Time	19.49	168	3,274.32	12	7	22,920.24	19,952.89
0.35	0.54	EXC		250	6/1/2015	2/19/2016	Part Time	14.00	84	1,176.00	12	8	9,408.00	11,949.00
0.59	**0.45**			**20P**										
0.08	0.57	Yes		300	7/5/2014	1/22/2016	Full Time	34.09	168	5,727.12	12	8	45,816.96	30,663.96
0.08	**0.57**			**30P**										
0.53	0.25	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
0.61	**0.82**			**40P**										
0.67	0.27	No		515	11/3/2014	9/30/2015	Full Time	25.47	168	4,278.96	3	3	12,836.88	10,901.16
1.29	**1.09**			**50P**										
0.00	0.16	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	**0.16**			**60P**										
0.24	0.13	No		710	5/23/2015	8/7/2015	Full Time	25.47	168	4,278.96	3	2	8,557.92	5,297.76
0.25	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
0.43	0.33	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
0.11	0.19	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
0.54	**0.52**			**70P**										
0.95	0.42	Yes		850	4/14/2014	11/9/2015	Full Time	24.13	168	4,053.84	12	5	20,269.20	16,462.69
0.22	0.76	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
2.03	**1.47**			**80P**										
	4.72												1,707,876.90	1,504,350.88

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

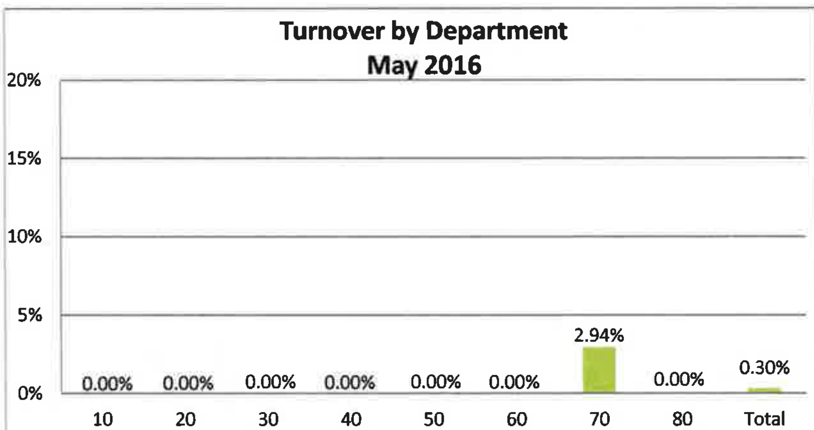


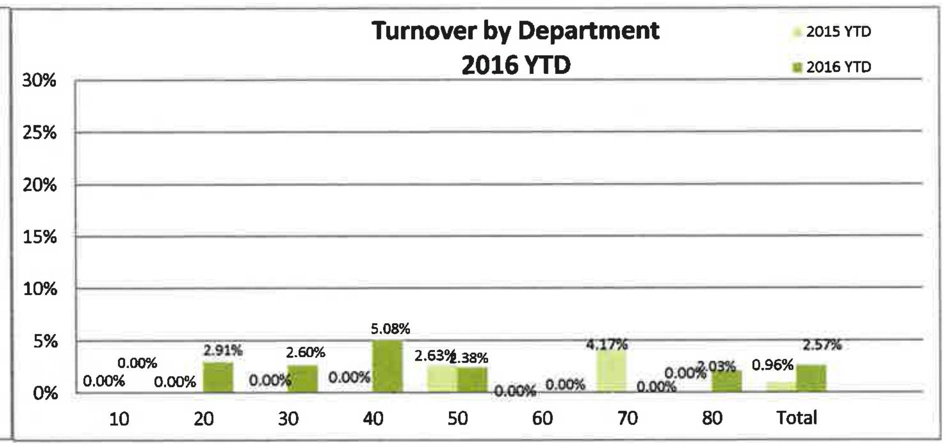
	3/15	4/15	5/15	6/15	7/15	8/15	9/15	10/15	11/15	12/15	1/16	2/16	3/16
District	19.89	17.13	20.23	27.86	36.48	41.16	34.20	34.81	31.61	30.10	32.39	31.21	28.70

EXHIBIT A

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
May 2016

	@05/01/16	Current Month Activity							@05/31/16		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	13.0	1.1	14.1	0.00%	0.00%	0.00%	0.00%
20P	71.0								71.0	4	75.0	66.8	1.6	68.4	0.00%	1.45%	0.00%	2.89%
30P	39.0								39.0	1	40.0	38.6	4.9	43.5	0.00%	0.00%	0.00%	2.59%
40P	64.0								64.0	3	67.0	59.3	4.3	63.6	0.00%	0.00%	0.00%	5.00%
50P	45.0								45.0	3	48.0	40.8	1.6	42.4	0.00%	0.00%	0.00%	2.35%
60P	20.0								20.0	0	20.0	19.1	0.6	19.7	0.00%	0.00%	0.00%	0.00%
70P	34.0		1						33.0	1	34.0	31.5	0.8	32.3	0.00%	0.00%	2.94%	3.05%
80P	50.0								50.0	4	54.0	47.1	1.9	49.0	0.00%	0.00%	0.00%	2.02%
Totals	337	0	1	0	0	0	0	0	336.0	16	352.0	316.2	16.7	332.9	0.00%	0.31%	0.30%	2.81%
4/15	312	0	3	0	0	0	0	0	308	19	336.00	307.60	21.30	328.84	0.00%	0.00%	0.96%	0.57%



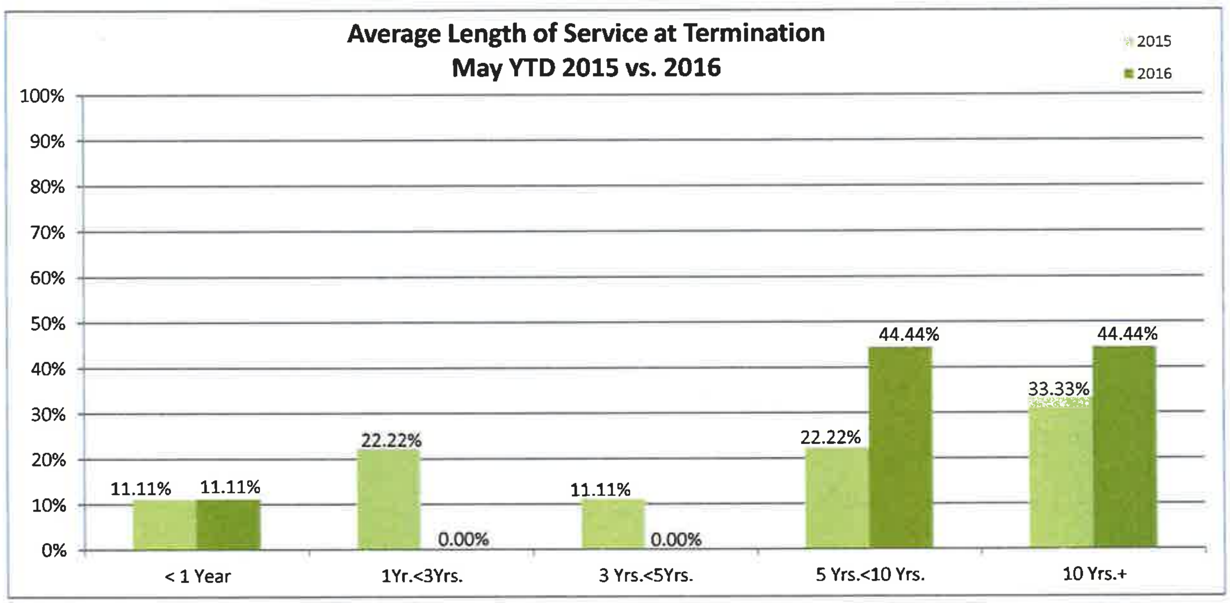


10P-GM, HR, Safety; 20P-Fin., Cust. Serv., IS, Purch.; 30P-Eng.: 40P-Water Ops; 50P-Recycling; 60P-Water Qualty; 70P-Water Res., Pol., Conserv. and Public Affairs; 80P-Maintenance Ops

IRVINE RANCH WATER DISTRICT
TURNOVER STATUS REPORT
May 2016

														YTD Turnover Longevity Ratio				
Dept.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	< 1 Year	1Yr.<3Yrs.	3 Yrs.<5Yrs.	5 Yrs.<10 Yrs.	10 Yrs.+
10P																		
20P			1	1														2
30P				1													1	
40P	1	1		1													2	1
50P		1												1				
60P																		
70P					1													1
80P		1															1	
2016 Total	**1**	**3**	**1**	**3**	**1**								**9**	**1**	**0**	**0**	**4**	**4**
2015 Data	**1**	**2**	**1**	**3**	**2**	**4**	**5**	**3**	**2**	**3**	**2**	**2**	**30**					
													Percentage of Total Turnover	**11.11%**	**0.00%**	**0.00%**	**44.44%**	**44.44%**

2016 Average YTD Length of Service at Termination	**11.66 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
May 2016

NEW HIRES				
Hire	**Dept**	**Employee Name**	**Position**	**Comments**

TERMINATIONS					
Termination Date	**Dept**	**Employee Name**	**Position**	**Reason**	**Comments**

RETIREMENTS					
Effective Date	**Departing Dept**	**Employee Name**	**Position**	**Reason**	**Comments**
05/01/16	70P	Greg Herr	Recycled Water Project Specialist	Retired	

PROMOTIONS					
Effective Date	**Departing Dept**	**Employee Name**	**Departing Position**	**New Dept**	**New Position**
05/07/16	40P	Robert Estrada	Water Maintenance Technician I	40P	Water Maintenance Technician II

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**
05/12/14	20P	Ozzie Gonzalez	Mailroom Coordinator	70P	Water Use Efficiency Specialist

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
May 2016

UNFILLED POSITIONS			
Dept	**Position**	**Salary Grade**	**Comments**
20P	Mgr. of Contract Admin. & Risk	U18.E	Selected candidate started pre-employment physical
20P	Customer Service Manager	U16.E	Candidate to start 6-6-16
20P	Applications Analyst	U15.E	Filled by a consultant
20P	Purchasing Coordinator	19.N	Currently filling with a temporary
30P	Engineering Technician I	20.N	
40P	Water Maintenance Technician III	26.N	
40P	Operator III	29.N	Recruiting
40P	Water Maintenance Supervisor	U31.N	
50P	Operator III	29.N	Recruiting
50P	Operator III	29.N	
50P	Operator III	29.N	
70P	Recycled Water Project Specialist	29.N	Recruiting
80P	Instrumentation Technician	28.N	Waiting for dept. selection
80P	Electrical Technician	28.N	Waiting for dept. selection
80P	Analyst	10.E	
80P	Electrical & Automation Manager	U19.E	

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
May 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	7/18/2016	23 Months	
FMLA	WC	WC/LTD	50P	001341	4/30/2015	7/7/2016	13 Months	WC Claim
FMLA	SDI	SDI/LTD	80P	001880	8/18/2015	6/6/2016	9 Months	
FMLA	SDI		80P	001572	9/18/2015	9/18/2016		Intermittent
FMLA	PFL		10P	000870	12/8/2015	12/31/2016		Intermittent
FMLA	PFL		70P	001445	2/2/2016	2/2/2017		Intermittent
FMLA	WC		40P	000875	2/9/2016	6/19/2016	3 Months	WC Claim
FMLA	SDI	PFL	60P	001895	2/12/2016	6/10/2016	3 Months	
FMLA	SDI		80P	001375	4/21/2016	6/6/2016	1 Month	

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
FMLA	PFL	PFL	30P	001876	2/21/2016	4/4/2016	6 Weeks	04/04/16	Returned
FMLA	WC	WC/LTD	40P	001401	5/12/2015	4/6/2016	11 Months	04/06/16	Part-time
FMLA	SDI	SDI	20P	001718	1/15/2016	4/19/2016	3 Months	04/19/16	Returned
FMLA	PFL	PFL	80P	001896	4/4/2016	4/18/2016	2 Weeks	04/18/16	Returned
FMLA	SDI	PFL	30P	001787	11/23/2015	4/23/2016	4 Months	04/20/16	Resigned
FMLA	SDI	SDI	70P	001303	4/15/2016	5/9/2016	2 Weeks	05/09/16	Returned
FMLA	SDI	PFL	10P	001869	2/20/2016	5/31/2016	10 Weeks	05/31/16	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	20P	19 Years, 6 Months		X	
	30P	5 Years	X		Resigned
	40P	8 Years, 9 Months	X		Resigned
May	70P	28 years, 7 months	X		Retired
June					
July					
August					
September					
October					
November					
December					

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

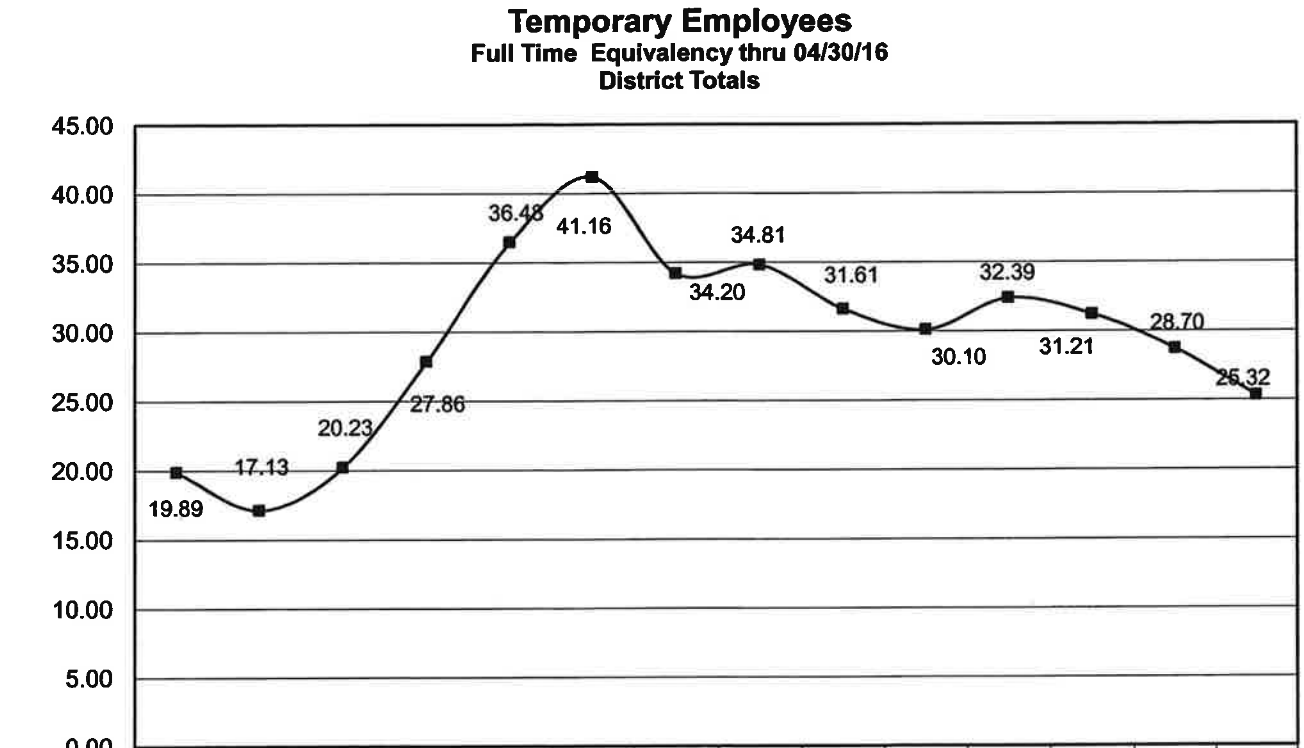
Current Month FTE	Avg FYTD Temp Emp FTE	Active PERS Y/N *	Agency	Dept	Hire Date	Term Date	Classification	Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FY' YTD	Actual Cost FY 'YTD
0.84	0.87	Yes		130	1/29/2014		Full Time	21.00	168	3,528.00	12	10	35,280.00	28,969.50
0.84	**0.87**			**10P**										
0.93	1.00	Yes		220	10/16/2012		Full Time	17.00	168	2,856.00	12	10	28,560.00	27,943.75
0.83	0.84	Yes		220	6/1/2015		Full Time	26.12	168	4,388.16	12	10	43,881.60	35,226.61
0.85	1.00	Yes		220	7/13/2015		Full Time	26.12	168	4,388.16	12	10	43,881.60	42,239.31
0.90	0.82	Yes		220	8/24/2015		Full Time	26.12	168	4,388.16	12	8.25	36,202.32	34,581.97
0.74	0.19	No	X	220	3/8/2016	5/16/2016	Full Time	26.12	168	4,388.16	12	2	8,776.32	7,829.47
0.68	0.14	No	X	220	3/21/2016		Full Time	26.12	168	4,388.16	12	1	4,388.16	5,856.10
0.90	0.96	Yes		220	3/3/2014		Full Time	20.84	168	3,501.12	12	10	35,011.20	32,390.57
0.91	1.00	Yes		220	5/11/2015		Full Time	28.95	168	4,863.60	12	10	48,636.00	52,920.60
0.72	0.28	No	X	220	2/16/2016		Full Time	28.95	168	4,863.60	0.5	2.5	12,159.00	12,911.70
0.74	1.00	Yes		240	2/2/2015		Full Time	22.41	168	3,764.88	12	10	37,648.80	37,816.88
8.20	**7.23**			**20P**										
0.57	0.89	Yes		300	6/20/2015		Full Time	32.78	168	5,507.04	12	10	55,070.40	46,187.02
0.82	0.82	Yes		300	6/20/2015		Full Time	32.78	168	5,507.04	12	10	55,070.40	42,810.68
0.87	0.88	Yes		300	6/20/2015		Full Time	23.29	168	3,912.72	12	10	39,127.20	32,652.58
0.26	0.42	EXC		300	7/21/2014	6/10/2016	Part Time	15.00	84	1,260.00	12	10	12,600.00	9,990.00
0.19	0.45	EXC		300	6/1/2015		Part Time	14.00	84	1,176.00	12	10	11,760.00	10,048.50
0.16	0.42	EXC		300	6/1/2015	6/2/2016	Part Time	14.00	84	1,176.00	12	10	11,760.00	9,348.50
0.18	0.44	EXC		300	6/22/2015		Part Time	14.00	84	1,176.00	12	10	11,760.00	9,779.00
3.05	**4.31**			**30P**										
0.43	1.00	Yes		425	5/26/2015	4/25/2016	Full Time	26.40	168	4,435.20	8	10	44,352.00	47,506.80
0.87	1.00	No	X	430	5/28/2015		Full Time	26.40	168	4,435.20	12	10	44,352.00	49,678.20
0.49	0.64	No	X	430	10/14/2015	4/8/2016	Full Time	26.40	168	4,435.20	9	7.5	33,264.00	26,921.40
0.87	0.82	Yes		430	10/26/2015		Full Time	26.40	168	4,435.20	9	7.25	32,155.20	35,791.80
1.00	0.61	No	X	430	11/16/2015		Full Time	26.40	168	4,435.20	8	5.5	24,393.60	26,532.00
3.67	**4.06**			**40P**										
0.71	0.79	Yes		515	11/3/2014		Full Time	25.47	168	4,278.96	12	10	42,789.60	32,111.30
0.34	0.53	EXC		515	6/29/2015		Part Time	14.00	84	1,176.00	12	10	11,760.00	11,788.00
1.05	**1.32**			**50P**										
0.37	0.44	EXC		630	7/6/2015	7/15/2016	Part Time	14.00	84	1,176.00	12	10	11,760.00	9,870.00
0.37	**0.44**			**60P**										
0.87	0.92	Yes		710	5/8/2014		Full Time	24.96	168	4,193.28	12	10	41,932.80	36,922.08
0.82	1.00	Yes		710	6/8/2015		Full Time	33.62	168	5,648.16	12	10	56,481.60	61,486.11
0.84	1.00	Yes		710	6/8/2015		Full Time	33.62	168	5,648.16	12	10	56,481.60	63,781.34
0.86	1.00	Yes		710	6/29/2015		Full Time	33.62	168	5,648.16	12	10	56,481.60	56,414.36
0.48	0.56	EXC		710	6/29/2015		Part Time	14.00	84	1,176.00	12	10	11,760.00	12,554.50
0.82	0.49	No	X	710	12/14/2015		Full Time	33.62	168	5,648.16	7	4.75	26,828.76	27,581.01
0.75	0.49	No	X	710	12/14/2015		Full Time	33.62	168	5,648.16	7	4.75	26,828.76	26,786.74
0.71	0.64	Yes		730	8/13/2015		Part Time	19.80	84	1,663.20	12	8.5	14,137.20	20,403.90
0.71	0.69	Yes		730	8/13/2015		Part Time	19.00	84	1,596.00	12	8.5	13,566.00	20,919.00
0.42	0.37	No	X	730	11/23/2015		Part Time	19.80	84	1,663.20	7	5.25	8,731.80	11,637.45
7.27	**7.16**			**70P**										
0.87	0.74	Yes		840	9/28/2015		Full Time	30.59	168	5,139.12	6	7.25	37,258.62	36,249.15
0.87	**0.74**			**80P**										
25.32	**26.13**											**25**		

IRVINE RANCH WATER DISTRICT
SUMMARY OF TEMPORARY AND CONTRACT EMPLOYEES
April 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
0.80	0.19	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
0.80	**0.19**			**10P**										
0.85	0.21	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
0.88	0.72	Yes		210	4/28/2015	1/30/2016	Full Time	27.50	168	4,620.00	6	7	32,340.00	31,886.25
0.74	0.63	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
0.29	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	1,417.01
0.09	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
0.34	0.23	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
0.24	0.22	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
0.39	0.51	Yes		220	10/13/2014	1/19/2016	Full Time	36.80	168	6,182.40	12	7	43,276.80	30,590.00
0.83	0.71	Yes		220	4/21/2014	2/22/2016	Full Time	32.30	168	5,426.40	12	8	43,411.20	36,898.71
0.85	0.73	Yes		220	4/21/2014	2/22/2016	Full Time	32.30	168	5,426.40	12	8	43,411.20	38,433.77
0.65	0.74	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
0.73	0.64	Yes		250	6/6/2015	1/25/2016	Full Time	19.49	168	3,274.32	12	7	22,920.24	19,952.89
0.35	0.54	EXC		250	6/1/2015	2/19/2016	Part Time	14.00	84	1,176.00	12	8	9,408.00	11,949.00
0.17	0.38	EXC		250	5/26/2015	3/16/2016	Part Time	14.00	84	1,176.00	12	9	10,584.00	8,372.00
0.59	**0.45**			**20P**										
0.08	0.57	Yes		300	7/5/2014	1/22/2016	Full Time	34.09	168	5,727.12	12	8	45,816.96	30,663.96
0.08	**0.57**			**30P**										
0.53	0.25	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
0.61	**0.82**			**40P**										
0.67	0.27	No		515	11/3/2014	9/30/2015	Full Time	25.47	168	4,278.96	3	3	12,836.88	10,901.16
0.81	0.48	No	X	510	10/5/2015	3/18/2016	Full Time	43.56	168	7,318.08	9	6	43,908.48	33,772.50
1.29	**1.09**			**50P**										
0.00	0.16	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	**0.16**			**60P**										
0.24	0.13	No		710	5/23/2015	8/7/2015	Full Time	25.47	168	4,278.96	3	2	8,557.92	5,297.76
0.25	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
0.43	0.33	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
0.11	0.19	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
0.80	0.85	Yes		730	7/8/2015	3/21/2016	Full Time	54.00	168	9,072.00	6	9	81,648.00	73,696.50
0.54	**0.52**			**70P**										
0.95	0.42	Yes		850	4/14/2014	11/9/2015	Full Time	24.13	168	4,053.84	12	5	20,269.20	16,462.69
0.22	0.76	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
2.83	**2.32**			**80P**										
	5.57												1,760,093.82	1,611,979.73

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



	3/15	4/15	5/15	6/15	7/15	8/15	9/15	10/15	11/15	12/15	1/16	2/16	3/16	4/16
District	19.89	17.13	20.23	27.86	36.48	41.16	34.20	34.81	31.61	30.10	32.39	31.21	28.70	25.32

June 7, 2016
Prepared by: Marie Bowers MB
Submitted by: Jenny Roney JR
Approved by: Paul Cook P. Cook

FINANCE AND PERSONNEL COMMITTEE

PERFORMANCE RECOGNITION PROGRAM QUARTERLY UPDATE

SUMMARY:

Irvine Ranch Water District'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. This memo provides an update of activities within this program through the third quarter of FY 2015-16.

BACKGROUND:

During the third quarter of the FY 2015-16, there were 22 Performance Recognition Awards totaling $877.00 and involving 42 IRWD employees. As described in Exhibit A, the awards include employees in Finance, Customer Service, Maintenance Operation, Engineering, Public Affairs, Construction Services, Water Quality, Water Operations, Information Services, Safety, Purchasing, and Field Services.

Exhibit "A" summarizes the Performance Recognition Awards for the third quarter of FY 2015-16.

FISCAL IMPACTS:

The District's annual budget for FY 2015-16 is $110,000 for this program of which $4,643.14 has been distributed for awards to date.

RECOMMENDATION:

Receive and file.

LISTS OF EXHIBITS:

Exhibit "A" – Quarterly Update for Third Quarter of FY 2015-16

Exhibit "A"

			PERFORMANCE RECOGNITION PROGRAM			
			QUARTERLY UPDATE			
			Fiscal Year 2015-2016			
QTR.	**DATE**	**EMPLOYEE**	**PERFORMANCE RECOGNIZED**	**AWARD**	**GROSS AMOUNT**	**NET AMOUNT**
3rd Qtr.	1/11/2016	Steve Habiger, Jr.	For the above and beyond efforts in severely inclement weather to assist	Gift Cards ($10 each)	$30.00	$30.00
		Morgan Jones	with the delivery of heavy equipment at the DATS facility.			
		Rob Ashby				
	1/11/2016	Waukecha Wilkerson	For her work ethic and dedication to her customer service duties and	Gift Card	$10.00	$10.00
			service to our customers.			
	1/11/2016	Bill Wesson	For his work efforts to assist with the RattleSnake Reservoir Chlorine Gas	Gift Cards	$25.00	$25.00
			Removal project and his commitment to be available on weekends and			
			assist the contractor whenever needed to help keep the project on time			
			and on budget.			
	1/11/2016	Bryan Clinton	For his efforts on the IDF Sodium Hypochlorite Storage and Feed	Gift Cards	$25.00	$25.00
			System project to review quotes and make system design suggestions			
			which allowed the district to save money on the project.			
	1/11/2016	Barkev Meserlian	For their work on developing the Capital Budget Manual and successfully	Gift Cards ($30 each)	$60.00	$60.00
		Mitch Robinson	coordinating Capital Budget kickoff meeting.			
	1/11/2016	Ray Thatcher	For successfully coordinating the easement issues and coordination	Gift Card	$30.00	$30.00
			related to projects including the Baker Raw Water Pump Station, Eastwood			
			Development Pump Station, and Hidden Canyon Pump Station.			
	1/11/2016	Josephine Shih	Successfully leading the GIS group through leadership changes for the	Gift Card	$30.00	$30.00
			past five months.			
	1/14/2016	Liz Reyes	Recognition for her work cleaning and organizing the copy and supply	2 Movie Tickets	$17.00	$17.00
			room to improve the efficiency of the space and use by staff.			
	1/14/2016	Jenny Pan	Recognition for her work assisting with Oracle Work Order Confirmation	2 Movie Tickets	$17.00	$17.00
			process.			

			PERFORMANCE RECOGNITION PROGRAM			
			QUARTERLY UPDATE			
			Fiscal Year 2015-2016			
QTR.	**DATE**	**EMPLOYEE**	**PERFORMANCE RECOGNIZED**	**AWARD**	**GROSS AMOUNT**	**NET AMOUNT**
3rd Qtr.	1/22/2016	Cheryl Kelly	Recognition for their extra work, commitment and customer service	Gift Cards ($10 ea.)	$60.00	$60.00
cont.		Matt Daniels	demonstrated on the Silverado Canyon drainage improvement			
		Frank Tesser	project.			
		Rory Moore				
		Dave Crowe				
		Rick Bouslog				
	1/27/2016	Alex Murphy	Recognized for his design and CAD drawings efforts on the Syphon	Gift Cards ($5.00 ea.)	$30.00	$30.00
			Reservoir Slide Gate Replacement project which allowed the district to			
			avoid the use of a consultant.			
	1/27/2016	Frank Tessers Jr.	Recognized for their work assisting with the USPS mail vandalization and	Gift Cards ($10 ea.)	$60.00	$60.00
		Alan Hoetker	subsequent effect on IRWD mail receipt from customers.			
	2/2/2016	Josh Leonard	Recognized for outstanding work performing a weekend scheduled	2 Tickets and 1 Cert	$22.00	$22.00
		Omar Escobar	line flushing and meter replacement project at two high profile	2 Tickets and 1 Cert	$22.00	$22.00
		Doug Rock	buildings in the District that use recycled water for toilet flushing.	2 Tickets and 1 Cert	$22.00	$22.00
		Bill Wesson		2 Tickets and 1 Cert	$22.00	$22.00
		Andrew Yue		2 Tickets and 1 Cert	$22.00	$22.00
	2/3/2016	Dave Chia	Recognized for his work to minimize overtime costs while working on	Gift Cards ($5.00 ea.)	$30.00	$30.00
			selenium speciation.			
				Gift Cards ($5.00 ea.)	$15.00	$15.00
	2/18/2016	Rhett Kuseki	Recognized for their late night/early morning response to fix an IS	Gift Cards ($5.00 ea.)	$15.00	$15.00
		Brian McKinstry	emergency issue.			
	2/29/2016	Ray Thatcher	Recognized for his work to ensure that the OC Parks Easement was	Gift Cards ($5.00 ea.)	$20.00	$20.00
			recorded on time.			
	3/8/2016	Andrea Henton-Hall	Recognized for her excellent work in representing IRWD to our staff and	Gift Cards	$20.00	$20.00
			customers.			

			PERFORMANCE RECOGNITION PROGRAM			
			QUARTERLY UPDATE			
			Fiscal Year 2015-2016			
QTR.	**DATE**	**EMPLOYEE**	**PERFORMANCE RECOGNIZED**	**AWARD**	**GROSS AMOUNT**	**NET AMOUNT**
3rd Qtr.	3/9/2016	Jim Hamer	Recognized for their work on the recent Ops power shut down.	Gift Cards ($25.00 ea)	$125.00	$125.00
cont.		Gus Barreto				
		Morgan Jones				
		Darin Nicholson				
		Jack Justice				
	3/15/2016	Debbie Kanoff	Recognized for their efforts in acknowledging the district employees with	2 tickets and 1 Cert	$27.00	$27.00
		Emilyn Zuniga	safe driving.	2 tickets and 1 Cert	$27.00	$27.00
	3/16/2016	Eric Akiyoshi	Recognized for their outstanding work efforts on their recent board and	Gift Cards	$25.00	$25.00
		Barkev Meserlian	committee presentation.	Gift Cards	$25.00	$25.00
	3/22/2016	Benjamin Reed	Recognized for his efforts in expediting an important payment for	2 Tickets	$17.00	$17.00
			pre-application fees to the City of Irvine.			
	3/29/2016	Jesse Muncy	Recognized for his efforts to expedite and save money on a recent	2 tickets and 1 Cert	$27.00	$27.00
			purchasing order for their department.			
			Third Quarter Total		$877.00	$877.00
			FISCAL YEAR TO DATE TOTAL		$4,643.14	$3,738.00

June 7, 2016
Prepared by: Margaret Pulles MP
Submitted by: Cheryl Clary
Approved by: Paul Cook

FINANCE AND PERSONNEL COMMITTEE

EXPENSES AND FEES OF BOARD MEMBERS AND GENERAL MANAGER
PAID THROUGH THE THIRD QUARTER, FY 2015-16

SUMMARY:

Pursuant to the Policy Regarding Business Expense Reimbursement, Travel, Meeting Compensation and Representation, staff has assembled for Committee review an Expense Summary, as shown in Exhibits "A" and "B" for the District's Board Members and the General Manager through the third quarter of Fiscal Year (FY) 2015-16. Provided below is a summary of expenses paid to date.

	Name	Conference, Travel and Other District-related Expenses	Meeting Fees	Total
Board Members:	LaMar	$ 16,447	$ 22,560	$ 39,007
	Matheis	14,363	20,080	34,443
	Reinhart	4,986	19,584	24,570
	Swan	8,677	22,560	31,237
	Withers	1,636	20,268	21,904
	Sub-Total:	**$ 46,109**	**$ 105,052**	**$ 151,161**
General Manager:	Cook	$ 8,440	N/A	$ 8,440
	Sub-Total:	**$ 8,440**	**N/A**	**$ 8,440**
	TOTAL:	**$ 54,549**	**$105,052**	**$ 159,601**
	YTD Budget:	**$ 60,000**	**$ 111,450**	**$ 171,450**
	Variance:	**$ 5,451**	**$ 6,398**	**$ 11,849**

FISCAL IMPACTS:

Meeting fees total $105,052 versus a budget of $111,450 resulting in a positive variance of $6,398 year-to-date. Conference and meeting-related travel expenses total $54,549 versus a budget of $60,000, resulting in a positive variance of $5,451.

The total cost for Board and General Manager conference, travel, and other District-related expenses, including meeting fees, through the third quarter, FY 2015-16, is $159,601, resulting in a positive variance of $11,849 to budget.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Expense Summary, All Members
Exhibit "B" – Expense Summary, By Individual

Exhibit “A”

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2015-16

All Board Members/General Manager

Name	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Board Members:										
Steven LaMar	3,093.00	6,656.08	4,225.68	282.98	868.58	485.25	127.40	1,240	708.38	16,447.35
Mary Aileen Matheis	4,397.00	4,154.96	4,851.12	110.02	481.82	105.00	3.00	466	260.39	14,363.31
Doug Reinhart	1,985.00	555.98	1,829.14	80.00	49.37	90.00	-	702	396.86	4,986.35
Peer Swan	1,970.00	1,730.92	2,253.33	114.32	69.00	160.00	480.66	3,399	1,898.46	8,676.69
John Withers	1,164.00	-	233.54	-	-	10.00	-	402	228.63	1,636.17
General Manager:										
Paul Cook	556.00	4,237.14	1,130.38	1,588.56	295.85	79.80	552.00	0	-	8,439.73
Total	13,165.00	17,335.08	14,523.19	2,175.88	1,764.62	930.05	1,163.06	6,209	3,492.72	54,549.60

Exhibit "B"

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2015-16

Steven LaMar

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Monthly Expense Reports												
Paid	July 2015	*Various business meetings	70.00					8.75		72	41.40	120.15
Paid	August 2015	*Various business meetings	158.00							234	134.55	292.55
Paid	September 2015	*Various business meetings		1,012.00			50.00	50.25		52	29.90	1,142.15
Paid	October 2015	*Various business meetings						24.00		136	78.20	102.20
Paid	November 2015	*Various business meetings						10.50		176	101.20	111.70
Paid	December 2015	*Various business meetings		505.96		15.84	45.00	35.75		36	20.70	623.25
	January 2016	Monthly Expense Report (no activity this period)										
Paid	February 2016	OCBC Annual Dinner/Installation of Board, Irvine, CA	275.00							12	6.48	281.48
	March 2016	Monthly Expense Report (no activity this period)										
	April 2016	Monthly Expense Report (no activity this period)										
	May 2016	Monthly Expense Report (no activity this period)										
	June 2016	Monthly Expense Report (no activity this period)										
Conferences/Seminars and Other Non-local Travel												
Paid	07/20/2015	ACWA Headwater Work Group Tour, Auburn, CA		515.99	91.79	14.89	149.33	50.00	8.40	16	9.20	839.60
Paid	07/29/2015	Calif. Environmental Dialogue Plenary Meeting, Sonoma, CA		509.99	296.80		193.38	40.00	19.00	16	9.20	1,068.37
Paid	08/26/2015	Urban Water Institute Annual Conf., San Diego, CA	375.00		448.54	67.04				158	90.85	981.43
Paid	12/01/2015	ACWA Fall Conference, Indian Wells, CA	695.00		467.08	9.98				212	121.90	1,293.96
Paid	01/12/2016	National Water Resources Assoc. Leadership Forum, Las Vegas, NV	300.00	555.96	85.12	29.39	20.71	38.00		16	8.64	1,037.82
Paid	01/27/2016	ACWA Federal Legislative Affairs and Board mtg., Sacramento, CA		505.96	245.70	40.00	105.00	60.00		16	8.64	965.30
Paid	02/05/2016	CED Long View Committee meeting, Sacramento, CA		511.96		11.17	74.00	20.00		16	8.64	625.77
Paid	02/22/2016	ACWA Washington DC Conference, Washington, DC	625.00	628.20	1,059.66	26.00	38.39	80.00	50.00	16	8.64	2,515.89
Paid	03/03/2016	ACWA Board and Strategic and Business Plan workshop, Sacramento		511.96		11.17	14.83	20.00		16	8.64	566.60
Paid	03/17/2016	CED Dialogue Plenary meeting, Burbank, CA			225.35		12.50			8	4.32	242.17
Paid	03/24/2016	ACWA Board meeting, Sacramento, CA		511.96	137.08	20.00		28.00		16	8.64	705.68
Paid	04/07/2016	Long View Committee meeting, Sacramento, CA		513.94			20.40	20.00		16	8.64	562.98
Paid	04/09/2016	NWRA Federal Water Issues Conf., Washington, DC	595.00	372.20	1,168.56	37.50	145.04		50.00			2,368.30
Total			$ 3,093.00	$ 6,656.08	$ 4,225.68	$ 282.98	$ 868.58	$ 485.25	$127.40	1,240	$ 708.38	$ 16,447.35

*Detail of Description/Location provided on Expense Report

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2015-16

Mary Aileen Matheis

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb # Miles	Amount	Total
Monthly Expense Reports												
Paid	July 2015	*Various business meetings	97.00							32	18.40	115.40
	August 2015	Monthly Expense Report (no activity this period)										
	September 2015	Monthly Expense Report (no activity this period)										
	October 2015	Monthly Expense Report (no activity this period)										
	November 2015	Monthly Expense Report (no activity this period)										
	December 2015	Monthly Expense Report (no activity this period)										
Paid	January 2016	*Various business meetings	125.00	489.96			90.00	30.00		20	10.80	745.76
Paid	February 2016	OCBC Annual Dinner and Installation of Board, Irvine, CA	275.00							10	5.40	280.40
	March 2016	Monthly Expense Report (no activity this period)										
	April 2016	Monthly Expense Report (no activity this period)										
	May 2016	Monthly Expense Report (no activity this period)										
	June 2016	Monthly Expense Report (no activity this period)										
Conferences/Seminars and Other Non-local Travel												
Paid	08/13/2015	Water Education Foundation Board Retreat, Santa Rosa, CA		528.02	361.00	9.38	42.00					940.40
Paid	09/15/2015	Colorado River Symposium, Santa Fe., NM	645.00	522.70	723.00	41.16	102.34					2,034.20
Paid	09/21/2015	CSDA Annual Conference, Monterey, CA	550.00	320.20	980.06	25.97	32.78					1,909.01
Paid	11/30/2015	ACWA Fall Conference, Indian Wells, CA	760.00		934.16			75.00		218	125.35	1,894.51
Paid	12/16/2015	CRWUA Annual Conference, Las Vegas, NV	445.00	555.96	331.52	13.51	85.80					1,431.79
Paid	02/10/2016	Urban Water Institute Annual Spring Conf., Palm Springs, CA	375.00		352.46					186	100.44	827.90
Paid	02/22/2016	ACWA Washington DC Conf., Washington, D.C.	625.00	714.20	1,059.66		83.90		3.00			2,485.76
Paid	03/09/2016	ACWA 2016 Legislative Symposium, Sacramento, CA	225.00	511.96			45.00					781.96
Paid	03/16/2016	Water Education Foundation Executive Briefing, Sacramento,	275.00	511.96	109.26	20.00						916.22
Total			$ 4,397.00	$ 4,154.96	$ 4,851.12	$ 110.02	$ 481.82	$ 105.00	$ 3.00	466	$ 260.39	$ 14,363.31

*Detail of Description/Location provided on Expense Report

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2015-16

Doug Reinhart

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Monthly Expense Reports												
	July 2015	Monthly Expense Report (no activity this period)										
Paid	August 2015	*Various business meetings	470.00		448.54					270	155.25	1,073.79
	September 2015	Monthly Expense Report (no activity this period)										
	October 2015	Monthly Expense Report (no activity this period)										
	November 2015	Monthly Expense Report (no activity this period)										
	December 2015	Monthly Expense Report (no activity this period)										
	January 2016	Monthly Expense Report (no activity this period)										
	February 2016	Monthly Expense Report (no activity this period)										
	March 2016	Monthly Expense Report (no activity this period)										
	April 2016	Monthly Expense Report (no activity this period)										
	May 2016	Monthly Expense Report (no activity this period)										
	June 2016	Monthly Expense Report (no activity this period)										
Conferences/Seminars and Other Non-local Travel												
Paid	12/01/2015	ACWA Fall Conference, Indian Wells, CA	695.00		700.62	40.00		50.00		226	129.95	1,615.57
Paid	12/16/2015	CRWUA Annual Conference, Las Vegas, NV	445.00	555.98	331.52	40.00	49.37	40.00		12	6.90	1,468.77
Paid	02/10/2016	Urban Water Institute Annual Conf., Palm Springs, CA	375.00		348.46					194	104.76	828.22
Total			$ 1,985.00	$ 555.98	$ 1,829.14	$ 80.00	$ 49.37	$ 90.00	$ -	702	$ 396.86	$ 4,986.35

*Detail of Description/Location provided on Expense Report

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2015-16

Peer Swan

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Monthly Expense Reports *												
Paid	July 2015	*Various business meetings							49.50	324	186.30	235.80
Paid	August 2015	*Various business meetings							38.50	226	129.95	168.45
Paid	September 2015	*Various business meetings							49.50	378	217.35	266.85
Paid	October 2015	*Various business meetings							49.50	358	205.85	255.35
Paid	November 2015	*Various business meetings							38.50	202	116.15	154.65
Paid	December 2015	*Various business meetings							49.50	204	117.30	166.80
Paid	January 2016	*Various business meetings							38.50	338	182.52	221.02
Paid	February 2016	*Various business meetings							44.00	280	151.20	195.20
Paid	March 2016	*Various business meetings							38.50	204	110.16	148.66
	April 2016	Monthly Expense Report (no activity this period)										
	May 2016	Monthly Expense Report (no activity this period)										
	June 2016	Monthly Expense Report (no activity this period)										
Conferences/Seminars and Other Non-local Travel												
Paid	10/22/2015	MWD Integrated Water Resources Plan meeting, Los Angeles, CA				6.65		14.00	5.50	92	52.90	79.05
Paid	12/16/2015	CRWUA Annual Conference, Las Vegas, NV	445.00	555.96	443.52	41.70	47.00	58.00	5.50	16	9.20	1,605.88
Paid	01/20/2016	CASA Winter Conference, Palm Springs, CA	525.00		399.92	26.90			68.16	202	109.08	1,129.06
Paid	02/10/2016	Urban Water Institute Spring Conf., Palm Springs, CA	375.00		348.46	27.65				202	109.08	860.19
Paid	02/12/2016	Palo Verde Irrigation District tour (mileage from Palm Springs)								357	192.78	192.78
Paid	02/21/2016	CASA Washington DC Conf., Washington, DC	625.00	1,174.96	1,061.43	11.42	22.00	88.00	5.50	16	8.64	2,996.95
Total			$ 1,970.00	$ 1,730.92	$ 2,253.33	$ 114.32	$ 69.00	$ 160.00	$ 480.66	3,399	$ 1,898.46	$ 8,676.69

*Detail of Description/Location provided on Expense Report

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2015-16

John Withers

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Monthly Expense Reports												
Paid	July 2015	*Various business meetings	207.00							118	67.85	274.85
	August 2015	Monthly Expense Report (no activity this period)										-
	September 2015	Monthly Expense Report (no activity this period)										
	October 2015	Monthly Expense Report (no activity this period)										
	November 2015	Monthly Expense Report (no activity this period)										
	December 2015	Monthly Expense Report (no activity this period)										
Paid	January 2016	*Various business meetings	262.00							72	38.88	300.88
	February 2016	Monthly Expense Report (no activity this period)										
	March 2016	Monthly Expense Report (no activity this period)										
	April 2016	Monthly Expense Report (no activity this period)										
	May 2016	Monthly Expense Report (no activity this period)										
	June 2016	Monthly Expense Report (no activity this period)										
Conferences/Seminars and Other Non-local Travel												
Paid	12/01/2015	ACWA Fall Conference, Indian Wells, CA	695.00		233.54			10.00		212	121.90	1,060.44
Total			$ 1,164.00	$ -	$ 233.54	$ -	$ -	$ 10.00	$ -	402	$ 228.63	1,636.17

*Detail of Description/Location provided on Expense Report

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2015-16

Paul Cook

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Monthly Expense Reports												
Paid	July 2015	*Monthly Expense Report # 345445/# 351449		525.98		90.75		11.25				627.98
Paid	August 2015	*Monthly Expense Report # 353445/# 352463		990.00		352.48	92.00					1,434.48
Paid	September 2015	*Monthly Expense Report # 362446				237.99						237.99
Paid	October 2015	*Monthly Expense Report # 369486				131.78		12.25	552.00			696.03
Paid	November 2015	LAFCO meeting in Santa Ana, CA						15.75				15.75
Paid	December 2015	*Monthly Expense Report # 376518		483.96								483.96
Paid	January 2016	*Monthly Expense Report # 381587/# 389607		1,196.16		164.32						1,360.48
Paid	February 2016	*Monthly Expense Report # 381588				226.02		12.50				238.52
Paid	March 2016	*Monthly Expense Report # 389610				240.52	20.00	12.30				272.82
	April 2016	Monthly Expense Report (no activity this period)										
	May 2016	Monthly Expense Report (no activity this period)										
	June 2016	Monthly Expense Report (no activity this period)										
Conferences/Seminars and Other Non-local Travel												
Paid	12/01/2015	ACWA Fall Conference, Indian Wells, CA	556.00		423.94	22.65	96.00	15.75				1,114.34
Paid	02/22/2016	ACWA Conference, Washington, DC		527.10	706.44	122.05	87.85					1,443.44
Paid	4/12/2016	CMUA Annual Conf., San Francisco, CA		513.94								513.94
Total			$ 556.00	$ 4,237.14	$ 1,130.38	$ 1,588.56	$ 295.85	$ 79.80	$ 552.00	-	$ -	$ 8,439.73

*Detail of Description/Location provided on Expense Report

June 7, 2016
Prepared: by: Javier Tobar
Submitted by: Cheryl Clary
Approved by: Paul Cook

FINANCE AND PERSONNEL COMMITTEE

THIRD QUARTER FY 2015-16 LEGAL FEES ANALYSIS

SUMMARY:

This write-up provides a summary of legal fees incurred by the Irvine Ranch Water District through the third quarter of Fiscal Year (FY) 2015-16.

BACKGROUND:

Legal fees through the third quarter of FY 2015-16 supporting the general operations of the District totaled $372,038 compared to a budget of $360,000, resulting in a negative variance of $12,038 or -3.3%. Of the total legal fees attributable to operations, general services were over budget by $15,529, due primarily to work associated with other agency matters; special projects were over budget by $34,604, due primarily to work associated with irrigation conservation programs/studies, and water storage/transfer projects; personnel issues were over budget by $40,494, due primarily to settlements and inter-agency issues were over budget by $21,115, due primarily to work associated with OCWD /Basin production percentage. There were significant positive variances in other areas including litigation and financial/real property issues. Actual legal fees through the third quarter accounted for 0.45% of actual operating expenses and 0.30% of total expenditures.

Insurance litigation through the third quarter of FY 2015-16, net of insurance reimbursements, totaled $32,685. Capitalized legal fees through the third quarter of FY 2015-16 totaled $69,945 versus a budget of $194,489, resulting in a positive variance of $124,544 or 64.0%. The Engineering Planning Study and the Stockdale West Wellhead Equipping projects comprise 70.7% of total capital spending through the third quarter of FY 2015-16.

Non-operating legal fees through the third quarter of FY 2015-16 totaled $30,000 consisting of bond counsel services rendered in connection with the 2016 remarketing of the 2011 A1 and 2011 A2 Indexed Tender Notes.

Exhibit "A" provides a detailed comparison of actual to budgeted legal fees through the third quarter of FY 2015-16. Exhibit "B" provides a three-year comparison of fees incurred by the firms providing services in FY 2013-14 through FY 2015-16, their hourly rates and a general description of the services provided.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Fiscal Year 2015-16, Legal Fees
Exhibit "B" – Analysis of Legal Fees, Expensed and Capitalized for FY 2014 through FY 2016

Exhibit "A"

Fiscal Year 2015 - 2016, Legal Fees
As of March 31, 2016

Firm	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Actual Operating Legal Fees	YTD Budget Operating Legal Fees	YTD % Actual vs Budget
Legal Fees:							
General Services (Fixed Fee):							
Alston & Bird LLP	$ 4,675	$ 22,771	$ 6,833	$ -	$ 34,279		
Bowie, Arneson, Wiles	$ 13,750	$ 13,750	$ 13,750	$ -	$ 41,250		
Sub-total	$ 18,425	$ 36,521	$ 20,583	$ -	$ 75,529	$ 60,000	125.88%
Litigation:							
Bowie, Arneson, Wiles	$ 12,919	$ 10,100	$ 9,361	$ -	$ 32,380	$ 75,000	43.17%
Special Projects:							
Bowie, Arneson, Wiles	$ 17,775	$ 20,762	$ 33,567	$ -	$ 72,104	$ 37,500	192.28%
Legislative Issues:							
Bowie, Arneson, Wiles	$ 9,196	$ 5,173	$ 12,099	$ -	$ 26,468	$ 22,500	117.64%
Financial/Real Property Issues:							
Bowie, Arneson, Wiles	$ 7,172	$ 5,110	$ 1,666	$ -	$ 13,948	$ 75,000	18.60%
Personnel Issues:							
Bowie, Arneson, Wiles	$ 638	$ 583	$ 660	$ -	$ 1,881		
Burke, Williams & Sorensen, LLP	$ 195	$ -	$ -	$ -	$ 195		
Payne & Fears LLP	$ 35,669	$ 18,691	$ 55,308	$ -	$ 109,668		
Sub-total	$ 36,502	$ 19,274	$ 55,968	$ -	$ 111,744	$ 71,250	156.83%
Inter-Agency Issues:							
Bowie, Arneson, Wiles	$ 6,314	$ 9,592	$ 23,959	$ -	$ 39,865	$ 18,750	212.61%
Legal Fees Total	$ 108,303	$ 106,532	$ 157,203	$ -	$ 372,038	$ 360,000	103.34%
Insurance Litigation:							
Daley & Heft LLP [1]	$ -	$ -	$ -	$ -	$ -		
Koeller Nebeker Carlson & Haluck LLP [1]	$ 2,961	$ -	$ 2,577	$ -	$ 5,538		
Lewis Brisbois Bisgaard & Smith LLP [1]	$ -	$ -	$ -	$ -	$ -		
Woodruff, Spradlin & Smart	$ 3,189	$ 11,176	$ 12,782	$ -	$ 27,147		
Insurance Litigation Total	$ 6,150	$ 11,176	$ 15,359	$ -	$ 32,685	$ 75,000	43.58%

[1] Net of insurance reimbursement

Firm	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Actual Operating Legal Fees	YTD Budget Operating Legal Fees	YTD % Actual vs Budget
Major Capital Projects Legal Fees:							
Baker Water Treatment Plant	$ 1,276	$ 1,650	$ 176	$ -	$ 3,102	$ 31,553	
Engineering Planning Study Reserve 15/16	$ -	$ 5,132	$ 15,000	$ -	$ 20,132	$ -	
Michelson Lift Station Relocation	$ 858		$ -	$ -	$ 858	$ -	
MWRP Expansion Phase II	$ -	$ 286	$ 660	$ -	$ 946	$ -	
PA 51 Alton Pkway SS Relocation 12" & 18"	$ -	$ -	$ -	$ -	$ -	$ 3,777	
Peters Cnyn Water Capture/Reuse Pipeline	$ 2,162	$ 4,378	$ 440	$ -	$ 6,980	$ 2,326	
Rosedale Drought Relief Project Facilities	$ -	$ -	$ -	$ -	$ -	$ 6,300	
RW Conversion Improv. for Off-site 15/16	$ -	$ -	$ -	$ -	$ -	$ 8,250	
Sewer Manhole Ring/Cover Replacement	$ -	$ -	$ 1,054	$ -	$ 1,054	$ -	
Stockdale West Wellhead Equipping	$ 4,598	$ 10,186	$ 14,542	$ -	$ 29,326	$ 4,883	
Syphon Reservoir Expansion	$ -	$ -	$ -	$ -	$ -	$ 5,675	
Tustin Legacy Redhill Well Acquisition	$ -	$ -	$ -	$ -	$ -	$ 4,137	
Water Banking Agreements 14/16	$ -	$ 4,165	$ -	$ -	$ 4,165	$ 16,500	
Water Banking Planning 15/16	$ -	$ -	$ -	$ -	$ -	$ 4,125	
Other	$ -	$ 1,635	$ 1,747	$ -	$ 3,382	$ 106,964	
Capital Projects Total	$ 8,894	$ 27,432	$ 33,619	$ -	$ 69,945	$ 194,489	35.96%

	YTD Actual	YTD Budget
Operating Expense	$ 90,880,885	$ 99,524,000
Operating Legal Fees	$ 404,723	$ 435,000
% of Legal to Operating	0.45%	0.44%
Capital Projects	$ 69,513,062	$ 119,609,250
Capital Legal Fees	$ 69,945	$ 194,489
% of Legal to Capital	0.10%	0.16%
Total Operating and Capital Expenditures	$ 160,393,947	$ 219,133,250
Total Operating and Capital Legal Fees	$ 474,668	$ 629,489
% of Legal Fees to Total Operating and Capital Expenditures	0.30%	0.29%

Non-operating Legal Fees:	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Bond Counsel:					
Orrick, Herrington & Sutcliffe	$ -	$ -	$ 30,000	$ -	$ 30,000
Stradling Yocca Carlson & Rauth	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ 30,000	$ -	$ 30,000

Exhibit "B"

Analysis of Legal Fees through the third quarter ended March 31, 2014 - 2016

Firm	YTD Actual 2013-2014	YTD Actual 2014-2015	YTD Actual 2015-2016	Hourly Rate	Area of Expertise	Service Provided
Legal Fees:						
Alston & Bird LLP	$ 28,269	$ 19,744	$ 34,279	$ 450	Agreement compliance	CEQA Compliance - East Orange County Water District
Bowie, Arneson, Wiles & Giannone	$ 175,859	$ 215,588	$ 227,896	$ 185 to $ 220	IRWD legal counsel	District general counsel/legislative/litigation/special project
Burke, Williams & Sorensen, LLP	$ -	$ 4,422	$ 195	$ 325	Employee relations	Personnel policy review and revision
Payne & Fears, LLP	$ 71,141	$ 22,618	$ 109,668	$ 235 to $ 550	Employee relations	General personnel and human resources
Sub-Total	$ 275,269	$ 262,372	$ 372,038			
Insurance Litigation:						
Daley & Heft LLP [1]	$ 70,058	$ -	$ -	$ 175	Legal Counsel	Legal counsel related to insurance claim issues
Koeller Nebeker Carlson & Haluck LLP [1]	$ 16,096	$ 7,319	$ 5,538	$ 195	Legal Counsel	Legal counsel related to insurance claim issues
Lewis Brisbois Bisgaard & Smith LLP [1]	$ 33,430	$ 29,026	$ -	$ 200	Legal Counsel	Legal counsel related to insurance claim issues
Woodruff, Spradlin & Smart	$ -	$ -	$ 27,147	$ 105 to $ 255	Legal Counsel	Legal counsel related to insurance claim issues
Sub-Total	$ 119,584	$ 36,345	$ 32,685			

[1] Net of insurance reimbursement

Firm	YTD Actual 2013-2014	YTD Actual 2014-2015	YTD Actual 2015-2016	Hourly Rate	Area of Expertise	Service Provided
Capitalized Legal Fees:						
Bowie, Arneson, Wiles & Giannone	$ 42,706	$ 52,420	$ 69,945	$ 185 to $ 220	IRWD legal counsel	District general counsel/legislative/litigation/special project
Clifford & Brown	$ -	$ -	$ -	$ 225	IRWD General Business	Legal Service Fees Regarding Jackson Ranch
Orrick, Herrington & Sutcliffe LLP	$ 15,160	$ -	$ -	n/a	Bond counsel	Bond Counsel services in connection the consolidation of ID's
Rutan & Tucker, LLP	$ -	$ -	$ -	$ 305	Real estate law	Legal services for asset optimization
Sub-Total	$ 57,866	$ 52,420	$ 69,945			
Total	$ 452,719	$ 351,137	$ 474,668			
Non-operating Legal Fees:						
Bond Counsel:						
Orrick, Herrington & Sutcliffe LLP	$ 80,765	$ -	$ 30,000	n/a	Bond counsel	Disclosure Counsel in connection with the remarketing of Bonds
Stradling Yocca Carlson & Rauth	$ -	$ -	$ -	n/a	Bond counsel	Index Tender Note remarketing
Sub-Total	$ 80,765	$ -	$ 30,000			

June 7, 2016
Prepared by: Debbie Kanoff
Submitted by: Rob Jacobson/Cheryl Clary
Approved by: Paul Cook

FINANCE AND PERSONNEL COMMITTEE

QUARTERLY RISK MANAGEMENT REPORTING

SUMMARY:

Staff will provide the Committee with a report on the insurance and claim expenses incurred by the District through the period ended March 31, 2016.

BACKGROUND:

A comparison of the District's actual versus budget insurance expenses for the first nine months of FY 2014-15 and FY 2015-16 is attached as Exhibit "A" and summarized as follows:

- Insurance premiums total $449,713 and are $67,712 under budget;
- Third-party claims administration expenses total $12,754 and are $9,746 under budget;
- Claim payments total $105,163 and are $15,163 over budget; and,
- Legal expenses total $32,685 and are $42,315 under budget.

The Closed General Liability Claims Register, attached as Exhibit "B", identifies all general liability claims closed during the nine months ended March 31, 2016.

FISCAL IMPACTS:

Fiscal impacts are outlined above.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Insurance and Claims Loss Expense
Exhibit "B" – FY 2015-16 Closed General Liability Claims Register

Exhibit "A"

INSURANCE AND CLAIMS LOSS EXPENSE
as of
March 31, 2016

	FY 2014-15	FY 2015-16		
	Actual	Actual	Budget	Variance
Premiums:				
Property, Boiler & Machinery	$ 144,804	$ 135,414	$ 180,750	$ 45,336
General Liability	297,938	296,934	300,075	3,141
Crime & Cyber	-	3,675	6,600	2,925
IDP Pollution	66,481	13,690	30,000	16,310
Subtotal	$ 509,223	$ 449,713	$ 517,425	$ 67,712
Claims Losses & Administration:				
Below Deductible Losses:				
Prior Year Open Claims	$ -	$ -		
Current Year Incurred				
Bodily Injury	-	-		
Vehicle Damage - Collision	-	-		
Vehicle Damage - Other	-	-		
Prop. Damage - Other (Net CSAC Receivable/Reimbursement)	28,868	105,163		
Subtotal - Losses	$ 28,868	$ 105,163	$ 90,000	$ (15,163)
Third Party Claim Administration (Net CSAC Receivable/Reimbursement)	80	12,754	22,500	9,746
Legal (Net CSAC Receivable/Reimbursement)	36,345	32,685	75,000	42,315
Other	-	700	-	(700)
Subtotal Losses & Claims Expenses	$ 65,293	$ 151,302	$ 187,500	$ 36,198
Total General Insurance Expense	$ 574,516	$ 601,015	$ 704,925	$ 103,910

Claims Activity:	FY 2014/15	FY 2015/16
Beginning Open Claims	42	3
New Claims	11	11
Closed Claims	(50)	(6)
Current Open Claims	3	8

Reserve	FY 2015/16
Beginning	$ 36,301
Additions	-
Reductions	(36,301)
Current Balance	$ -

CLOSED GENERAL LIABILITY CLAIMS REGISTER
as of
March 31, 2016

Exhibit "B"

No.	Incident Date	Claimant Cause Description	Payments					
			Current FY			Cumulative		
			Loss	Expense	Subtotal	Loss	Expense	Subtotal
1	2/16/16	Michelle Evans	325	-	325	325	-	325
2	8/1/15	Lisa Benjamin	693	-	693	693	-	693
3	11/2/15	Johnny & Nayla Manneh	987	-	987	987	-	987
4	11/17/11	Pelican Crest - Beltran	-	1,087	1,087	-	1,087	1,087
5	9/10/2015	Lance Mora	7,893	-	7,893	7,893	-	7,893
6	3/2/2015	Southern California Gas Company	2,132	-	2,132	2,132	-	2,132
		Subtotal - Closed Claims - General Liability	$ 12,030	$ 1,087	$ 13,117	$ 12,030	$ 1,087	$ 13,117
		Subtotal - Open Claims - General Liability	$ 93,133	$ 44,352	$ 137,485	$ 95,191	$ 161,644	$ 256,835
		Total Closed & Open Claims	$ 105,163	$ 45,439	$ 150,602	$ 107,221	$ 162,731	$ 269,952

June 7, 2016
Prepared by: Tina Bertsch/Christopher Smithson
Submitted by: Cheryl Clary CC
Approved by: Paul Cook

FINANCE AND PERSONNEL COMMITTEE

FY 2015-16 OPERATING AND
NON-OPERATING FINANCIAL HIGHLIGHTS

SUMMARY:

Staff has prepared an analysis of the unaudited operating statements through the third quarter Fiscal Year (FY) 2015-16, as follows:

- Actual to budget comparison of operating expense for the consolidated District, attached as Exhibit "A";
- Actual to budget comparison of revenue and expense for the water and sewer/recycled water systems, attached as Exhibit "B"; and
- Actual to budget comparison of non-operating revenue and expense for the consolidated District, attached as Exhibit "C";
- Full year forecast to budget comparison of operating expense for FY 2015-16, attached as Exhibit "D"; and
- Full year forecast to budget comparison of non-operating revenue and expense for FY 2015-16, attached as Exhibit "E".

As of the March 31, 2016, overall expenses totaled $90.9 million versus a budget of $99.5 million. Significant variances greater than $0.25 million are discussed below.

Based on system revenues and expenses shown on Exhibit "B", net operating revenues is over budget by $0.3 million and expenses were under budget by $8.3 million, resulting in a positive net operating position of $8.6 million through March 31, 2016.

As shown on Exhibit "C", actual net non-operating revenues and expenses were $52.3 million versus a budget of $39.6 million. Significant variances greater than $0.25 million are discussed below.

Staff has also provided a full year forecast for operating expenses and non-operating revenues and expenses in Exhibits "D" and "E", respectively.

BACKGROUND:

Overall Operating Expenses:

Overall operating expenses were under budget by $8.6 million or 8.7%. Exhibit "A" is a summary of actual to budget expenses by major category. Noteworthy variances to budget include:

- Regular labor was under budget by $1.0 million (4.6%). This was primarily due to 20 unfilled positions and 11 leave of absences through the end of March 2016. This was offset by higher than budgeted contract labor by $1.0 million (87.9%). Benefits directly associated with labor (dental, health and vision benefits) are tracking consistent with reduced labor. Some benefits are not tied directly to labor dollars. This includes worker's compensation ($0.1 million). In addition, the Districts 401A direct contribution ($0.1 million) was not included in the budget. Excluding these benefits brings the benefit variance in line with the labor variance.

- The cost of water was under budget by $6.7 million (24.7%). Total sales were under budget by 4,377 acre feet as described below.

Cost of Water Executive Summary

Treated System – Demands fell below budget and imported usage was down due to pumped water for process wells exceeding budget. Cost Impact: $1.4 million less than budget.

Untreated System – Sales were under budget and imported water purchases were reduced due to less supplemental demand. Cost Impact: $0.3 million less than budget.

Recycled System – Lower than expected sales resulted in a reduction in the use of supplemental water. Demands were met with increased groundwater production and the use of stored water from recycled reservoirs. Cost Impact: $5.0 million less than budget.

A more thorough discussion of the water system follows:

- For the treated potable system, sales were slightly over budget by 137 acre feet. Imported water was under budget by 2,907 acre feet while groundwater came in 2,426 acre feet over budget. This resulted in the potable cost of water falling below budget by $1.4 million.

	Treated					
	Acre Feet			Millions		
	Actual	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**
Imported/ Supplemental	6,333	9,240	2,907	$7.6	$10.2	$2.6
Pumped	32,458	30,032	(2,426)	10.6	9.3	(1.2)
Native/ Produced	-	-	-	-	-	-
Total	38,791	39,272	481	18.2	19.5	1.4
Lost and Process Water	(1,472)	(2,090)	(618)	-	-	-
Sales/Cost of Sales	*37,319*	*37,182*	*(137)*	$18.2	$19.5	$1.4

- For the untreated non-potable system, sales were under budget by 1,257 acre feet and the reduced sales were primarily in reduced agriculture demands.

	Non-Potable (untreated)					
	Acre Feet			Millions		
	Actual	Budget	Variance	Actual	Budget	Variance
Imported/ Supplemental	1,330	10,504	9,174	$1.2	$6.6	$5.4
Native Evaporated	-	-	-	-	-	-
Native/ Produced	-	-	-	-	-	-
Native Trsf to Rcycld	-	-	-	-	-	-
Imported Trsf to Rcycld	(392)	(8,091)	(7,699)	(0.3)	(5.4)	(5.1)
Total	938	2,413	1,475	0.9	1.2	0.3
Lost Water	(106)	(323)	(217)	-	-	-
Sales/Cost of Sales	*833*	*2,090*	*1,257*	$0.9	$1.2	$0.3

- The Recycled Water system sales were under budget by 3,257 acre feet. Our recycled customers responded to the water efficiency messaging and reduced overall demands in this system. As a result, supplemental water usage was reduced significantly with demands being met with less expensive sources that include recycled storage and additional groundwater.

	Recycled					
	Acre Feet			Millions		
	Actual	Budget	Variance	Actual	Budget	Variance
Imported/ Supplemental	450	8,529	8,079	$0.3	$5.6	$5.3
Pumped	3,075	2,030	(1,045)	0.9	0.7	(0.3)
Produced/ Storage	16,936	15,177	(1,759)	-	-	-
Total	20,462	25,736	5,274	1.2	6.2	5.0
Lost and Process Waste	(1,195)	(3,212)	(2,018)	-	-	-
Sales/Cost of Sales	*19,267*	*22,524*	*3,257*	$1.2	$6.2	$5.0

- Electricity was under budget by $2.7 million (22.8%). The variance is due to staff optimizing schedules to provide savings through a reduced number of pumps at each station ($1.0 million), lower rates than anticipated on the tertiary system ($1.1 million) and planned recovery cost associated with the Buena Vista site which was billed in the prior year ($0.3 million).
- The Operating Supplies category was under budget by $0.5 million (46.4%). This is due to a quarterly correction that adjusts the inventory to actual and decreases operating supplies expense.
- Repairs & Maintenance – Orange County Sanitation District (OCSD) and Others was over budget by $1.7 million (16.3%) due to a $50.0 million payment from OCSD to reduce their unfunded pension obligation. Irvine Ranch Water District's allocable portion is $1.6 million for FY 2015-16 or $1.2 million through March 2016. The appropriateness of the charge is currently being discussed with OCSD. In addition, disposal water from process wells was over budget by $0.6 through March 2016.
- Data Processing is over budget by $0.3 million (12.9%). The variance is due to increased managed support services for the Oracle utility billing system (CC&B).

- Personnel Training is under budget by $0.4 million (45.9%). The three significant categories contributing to the lower expenditures were personnel training, personnel membership and employee recognition all due to timing of expenditures.
- Other Professional Fees were under budget by $0.3 million (11.1%). Expenses were under budget due to the timing of expenditures.
- Conservation is over budget by $0.6 million (44.6%). Additional funding for the turf rebate program was approved by the board after July 2015 but is not reflected in the current year budget amount.

Summary of System Actual to Budget Performance:

Exhibit "B" shows a detailed comparison of actual to budgeted revenue and expenses by system for FY 2015-16. The Exhibit was changed this year to segregate the sewer and recycled systems as was presented in the Cost of Service Study and Operating Budget. Expenses are summarized into direct, indirect, general plant, marsh, natural treatment system and conservation. Exhibit "B" continues to include a reconciliation of system operating expenses to consolidated expenses included in Exhibit "A".

The net operating variance to budget for the consolidated District (all systems) was positive by $8.6 million. Net revenues exceeded budget by $0.3 million (0.3%) and total expenses were under budget by $8.3 million (9.1%). Variances by system are explained below.

Potable and Untreated Water Systems:

The net operating variance to budget for the water system was positive by $6.4 million. Net revenues exceeded budget by $3.4 million (6.7%) and total expenses were under budget by $3.0 million (6.2%).

Commodity revenue, excluding over allocation, was under budget by $0.7 million (treated and untreated). Fixed service revenue exceeded budget by $1.8 million (8.0%). As detailed above, commodity sales were slightly over budget for the potable system but sales were well below budget in the untreated system due to reduced demands. Fixed service revenue for both single family and multi-family customers is higher than budgeted, due to a higher number of units than anticipated. Over allocation revenue exceeded budget by $2.4 million (70.0%) due to sales for over allocation tiers exceeding budget by 902 acre feet.

Direct expenses were under budget by $1.8 million (5.1%) due primarily to a decrease in the cost of imported water resulting from the reduced usage as detailed below:

	Expenses (millions)
Imported Purchases	$2.9
Clear and Process Wells	(1.7)
Total Cost of Water	$1.2

Water operations and water banking expense, including labor and energy, were below budget by $0.7 million (8.5%) due to vacancies, reduced demands and expenses associated with the Buena Vista recovery that occurred in FY 2014-15 but were budgeted in FY 2015-16.

Indirect expenses, primarily allocated G&A were under budget by $2.5 million. Labor costs allocated to this system are under budget which reduces the total burden.

Conservation expense was over budget by $1.2 million due primarily to the unbudgeted turf removal program.

Sewer System:

The net operating variance for the sewer system was under budget by $1.0 million. Net revenues exceeded budget by $0.7 million (3.1%) and total expenses exceeded budget by $1.7 million (7.8%).

Fixed service revenue exceeded budget by $0.9 million (2.8%). Service revenue for both single family and multi-family customers is higher than budgeted, due to a higher number of units than anticipated.

Direct expenses exceeded budget by 1.3 million (8.3%) with OCSD driving this variance at $1.2 million as discussed previously.

Recycled Water System:

The net operating variance to budget for the recycled water system was positive by $3.2 million. Net revenues fell below budget by $3.7 million (20.5%) which were more than offset by lower expenses which were under budget by $6.9 million (3.8%).

Commodity revenue for recycled water sales fell well below budget by $2.5 million (19.7%) due to recycled sales falling 3,257 acre feet below budget through the third quarter. Our recycled customers responded to the water efficiency messaging and reduced overall demands in this system. Fixed service revenue was slightly below budget by $0.1 million (1.4%). Over allocation revenue was below budget by $1.2 million (69.9%). Sales for over allocation tiers were under budget by 184 acre feet

Direct expenses were under budget by $7.3 million (45.0%). This variance was driven primarily by lower imported purchases as detailed below. Demands were under budget by 3,257 acre feet.

	Expenses (millions)
Imported Purchases	$5.0
Tertiary Treatment	0.6
Total Cost of Water	$5.6

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

Exhibit "C" provides a detailed comparison of actual to budget for FY 2015-16 and significant variances greater than $0.25 million are discussed below.

Non-Operating Income/Expenses:

The net non-operating variance to budget was positive by $12.8 million. Revenues were over budget by $9.0 million and expenses were under budget by $3.8 million. Key variances greater than $0.25 million are as follows:

	Variance (millions)
Property tax income exceeded budget due to higher assessed valuations than anticipated;	$1.5
Actual connection fees exceeded budget due to higher than anticipated redevelopment ($9.0 million);	$5.5
Other income was over budget due primarily to higher than anticipated revenue from plan check fees;	$1.7
Interest expense was under budget due to lower interest rates than anticipated on variable rate debt and the postponed new debt issuance;	$3.3
Other expense was under budget due to lower than anticipated debt issuance costs from the postponed new debt issuance;	$0.6
Other variances under $0.25 million	$0.2
Total	$12.8

Operating and Non-Operating Forecasts:

Exhibit "D" is a full year forecast of operating expenses for FY 2015-16. Expenses are forecasted to be $133.6 million versus a budget of $140.4 million. The forecast includes $1.3 million of anticipated lower salaries. This was offset by higher than budgeted contract labor. The forecast for water purchases includes a $5.0 million reduction due to lower demands which is reflected in the actual results through March 2016. Electricity forecast is $3.7 under the original budget due to reduced water demands and reduced power cost. An additional $2.0 million was added to Repairs and Maintenance OCSD and Others to fund the District's proportionate share of OCSD's unfunded pension obligation and unbudgeted disposal water from Wells 21& 22. Data Processing includes an additional $0.4 million due to unbudgeted managed support services for the Oracle utility billing system (CC&B). The forecast for Conservation expense reflects an additional $0.3 million.

Exhibit "E" is a full year forecast of non-operating revenues and expenses for FY 2015-16. It is anticipated that the District will generate $99.5 million in revenues and $29.5 million in expenses for a net positive position of $70.0 million versus a budget of $55.1 million. The variance includes higher property tax revenues due to higher assessed values, and higher connection fees, and plan check fees from growth as well as lower interest expense due to lower rates and postponed new debt issue.

FISCAL IMPACTS:

Fiscal impacts are provided in this write-up.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Consolidated Operating Actual to Budget Expense
Exhibit "B" – Actual to Budget Revenues and Expenses by System
Exhibit "C" – Consolidated Non-Operating Actual To Budget
Exhibit "D" – Consolidated Operating Forecast to Budget FY 2015-16
Exhibit "E" – Consolidated Non-Operating Forecast to Budget FY 2015-16

Exhibit A
IRVINE RANCH WATER DISTRICT
CONSOLIDATED OPERATING ACTUAL TO BUDGET EXPENSE
YEAR TO DATE THROUGH MARCH 31, 2016

(in thousands)

Expense Category / Name		Actual YTD 3/31/16	Budget YTD 3/31/16	Variance	%
Salaries & Benefits	Regular Labor	$20,050	$21,019	$969	4.6%
	Overtime Labor	1,244	1,169	(76)	-6.5%
	Contract Labor	2,090	1,112	(978)	-87.9%
	Employee Benefits	5,903	5,980	77	1.3%
Salaries & Benefits Total		29,288	29,280	(7)	-0.0%
Water & Utilities	Water	20,323	27,006	6,682	24.7%
	Electricity	9,239	11,969	2,730	22.8%
	Fuel	353	527	174	33.0%
	Telecommunication	360	359	(1)	-0.2%
	Other Utilities	123	117	(6)	-5.2%
Water & Utilities Total		30,398	39,978	9,580	24.0%
Materials & Supplies	Chemicals	1,587	1,495	(92)	-6.2%
	Operating Supplies	562	1,048	487	46.4%
	Printing	95	159	64	40.3%
	Postage	499	399	(99)	-24.9%
	Permits, Licenses and Fees	669	722	54	7.4%
	Office Supplies	55	85	30	35.1%
	Duplicating Equipment	143	150	7	4.6%
	Equipment Rental	68	99	31	31.4%
Materials & Supplies Total		3,677	4,158	481	11.6%
Professional Services	Rep & Maint OCSD & Others	12,288	10,566	(1,722)	-16.3%
	Rep & Maint IRWD	5,610	5,750	140	2.4%
	Insurance	601	700	99	14.1%
	Legal Fees	372	360	(12)	-3.3%
	Engineering Fees	314	504	191	37.8%
	Accounting Fees	70	75	5	6.5%
	Data Processing	2,254	1,997	(257)	-12.9%
	Personnel Training	452	836	384	45.9%
	Personnel Physicals	20	32	12	37.4%
	Other Professional Fees	2,056	2,313	257	11.1%
	Directors' Fees	105	111	6	5.7%
Professional Services Total		24,143	23,245	(898)	-3.9%
Other	Mileage Reimbursement	77	99	22	22.7%
	Collection Fees	9	16	7	42.9%
	Election Expense	23	23	0	0.0%
	Safety	97	72	(25)	-34.6%
	Alarm and Patrol Services	91	98	7	6.8%
	Biosolids Disposals	86	114	28	24.5%
	Commuter Program	115	107	(8)	-7.7%
	Computer Backup Storage	21	17	(4)	-20.7%
	Contract Meter Reading	986	1,013	26	2.6%
	Other	6	16	10	60.4%
	Conservation	1,865	1,291	(575)	-44.6%
Other Total		3,375	2,863	(512)	-17.9%
TOTAL		$90,881	$99,524	$8,643	8.7%

Exhibit B
IRVINE RANCH WATER DISTRICT
CONSOLIDATED ACTUAL TO BUDGET REVENUES AND EXPENSES
PERIOD ENDED MARCH 31, 2016
(in thousands)

	Water			Sewer			Recycled			Total
FY 2015-16	**Actual**	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**	**Variance**
Revenues:										
Commodity Revenues	$27,468	$28,128	($660)			$0	$9,999	$12,448	($2,450)	($3,110)
Service Revenues	24,239	22,443	1,797	35,290	34,341	949	4,001	4,057	(56)	2,690
Over Allocation Revenues	5,838	3,436	2,403			0	531	1,764	(1,233)	1,170
Total Revenues	57,545	54,007	3,539	35,290	34,341	949	14,530	18,269	(3,739)	749
Contribution to Enhancement and Replacement Capital Funds	(4,403)	(4,218)	(185)	(13,421)	(13,130)	(291)			0	(476)
Net Revenues	$53,143	$49,789	$3,354	$21,870	$21,211	$658	$14,530	$18,269	($3,739)	$273
Expenses:										
Cost of Water	$26,119	$27,271	$1,152			$0	$4,567	$10,164	$5,598	$6,749
Operations	7,375	7,781	406	6,171	6,227	56	4,343	5,087	743	1,205
Water Banking	282	584	302			0			0	302
OCSD - O&M			0	10,856	9,663	(1,193)			0	(1,193)
Adjusting to Finalized Budget		(43)	(43)		(173)	(173)		(522)	(522)	(737)
Pending Capital to Potable Conversions			0			0		1,477	1,477	1,477
Total Direct	33,776	35,592	1,816	17,027	15,717	(1,309)	8,910	16,206	7,296	7,803
Customer Records and Collections	1,907	1,779	(128)	636	593	(43)	636	593	(43)	(214)
General & Admin Expense	4,745	7,327	2,582	4,839	4,530	(308)	2,274	2,545	271	2,545
Total Indirect	6,652	9,106	2,453	5,474	5,123	(351)	2,910	3,138	228	2,331
General Plant	444	444	0	346	346	0	346	346	0	0
Marsh/NTS/Conservation	5,678	4,464	(1,214)			0	1,386	788	(598)	(1,812)
Total Expenses	$46,550	$49,606	$3,056	$22,847	$21,186	($1,660)	$13,552	$20,478	$6,926	$8,321
Net Operating	$6,593	$183	$6,410	($977)	$25	($1,002)	$978	($2,209)	$3,187	$8,595

RECONCILIATION OF EXHIBIT "B" AND EXHIBIT "A"			
Total Water, Sewer and Recycled Expenses	$82,949	$91,270	$8,321
Other Expenses (including G&A)	1,847	1,216	(631)
Capital (including G&A)	10,528	11,660	1,132
General Plant	(1,136)	(1,136)	0
Un-Applied G&A & Balance Sheet Expenditures	(3,307)	(2,747)	560
Adjusting to Finalized Budget	0	737	737
Pending Capital to Potable Conversions	0	(1,477)	(1,477)
Total Consolidated Operating Expense - Sch A	$90,881	$99,524	$8,643

Exhibit C

IRVINE RANCH WATER DISTRICT

NON-OPERATING ACTUAL TO BUDGET REVENUES & EXPENSES

YEAR TO DATE THROUGH MARCH 31, 2016

(in thousands)

Non-operating Revenues:	**Actual Thru 3/31/16**	**Budget Thru 3/31/16**	**Variance**
Property Taxes	$32,608	$31,092	$1,517
Investment Income	1,235	1,232	3
Connection Fees	22,021	16,500	5,521
Real Estate Income	9,666	9,417	249
Other Income	6,108	4,436	1,672
Total Revenues	71,638	62,676	8,962
Non-operating Expenses:			
Interest Expense	14,016	17,356	3,340
Real Estate Expense	4,847	4,727	(120)
Other Expenses	439	1,023	584
Total Expenses	19,302	23,106	3,804
Net Revenues & Expenses	$52,336	$39,570	$12,766

Exhibit D
IRVINE RANCH WATER DISTRICT
CONSOLIDATED OPERATING BUDGET AND FORECAST EXPENSE
YEAR TO DATE THROUGH MARCH 31, 2016
(in thousands)

Expense Category / Name		Actual YTD 3/31/16	Full Year Budget	**Full Year Forecast**	Forecast Variance
Salaries & Benefits	Regular Labor	$20,050	$29,085	$27,785	$1,300
	Overtime Labor	1,244	1,560	1,560	0
	Contract Labor	2,090	1,483	2,783	(1,300)
	Employee Benefits	5,903	15,280	15,030	250
Salaries & Benefits Total		29,288	47,407	47,157	250
Water & Utilities	Water	20,323	34,975	29,975	5,000
	Electricity	9,239	16,391	12,716	3,675
	Fuel	353	702	702	0
	Telecommunication	360	477	477	0
	Other Utilities	123	156	156	0
Water & Utilities Total		30,398	52,702	44,027	8,676
Materials & Supplies	Chemicals	1,587	2,016	2,016	0
	Operating Supplies	562	1,391	891	500
	Printing	95	291	291	0
	Postage	499	518	518	0
	Permits, Licenses and Fees	669	888	888	0
	Office Supplies	55	113	113	0
	Duplicating Equipment	143	200	200	0
	Equipment Rental	68	131	131	0
Materials & Supplies Total		3,677	5,546	5,046	500
Professional Services	Rep & Maint OCSD & Others	12,288	14,189	16,189	(2,000)
	Rep & Maint IRWD	5,610	7,582	7,582	0
	Insurance	601	940	940	0
	Legal Fees	372	480	480	0
	Engineering Fees	314	669	669	0
	Accounting Fees	70	75	75	0
	Data Processing	2,254	2,663	3,013	(350)
	Personnel Training	452	1,093	1,093	0
	Personnel Physicals	20	43	43	0
	Other Professional Fees	2,056	3,049	3,049	0
	Directors' Fees	105	149	149	0
Professional Services Total		24,143	30,931	33,281	(2,350)
Other	Mileage Reimbursement	77	132	132	0
	Collection Fees	9	21	21	0
	Election Expense	23	30	30	0
	Safety	97	96	100	(4)
	Alarm and Patrol Services	91	130	130	0
	Biosolids Disposals	86	151	151	0
	Commuter Program	115	142	142	0
	Computer Backup Storage	21	23	23	0
	Contract Meter Reading	986	1,350	1,350	0
	Other	6	22	22	0
	Conservation	1,865	1,694	2,000	(306)
Other Total		3,375	3,791	4,101	(310)
TOTAL		$90,881	$140,378	$133,612	$6,766

Exhibit E

IRVINE RANCH WATER DISTRICT

NON-OPERATING FORECAST TO BUDGET REVENUES & EXPENSES

FULL YEAR FORECAST AS OF MARCH 31, 2016

(in thousands)

Non-operating Revenues:	**Actual YTD 3/31/16**	**Full Year Forecast**	**Full Year Budget**	**Forecast Variance**
Property Taxes	$32,608	$48,000	$43,466	$4,534
Investment Income	1,235	1,650	1,642	8
Connection Fees	22,021	29,000	22,000	7,000
Real Estate Income	9,666	12,700	12,556	144
Other Income	6,108	8,100	5,915	2,185
Total Revenues	71,638	99,450	85,579	13,871
Non-operating Expenses:				
Interest Expense	14,016	19,500	22,899	3,399
Real Estate Expense	4,847	6,700	6,303	(397)
Other Expenses	439	3,300	1,287	(2,013)
Total Expenses	19,302	29,500	30,489	989
Net Revenues & Expenses	$52,336	$69,950	$55,090	$14,860

June 7, 2016
Prepared and
Submitted by: N. Savedra NS
Approved by: Paul Cook CC for Paul Cook

FINANCE AND PERSONNEL COMMITTEE

FISCAL YEAR 2016-17 GENERAL COUNSEL SERVICES
FOR BOWIE, ARNESON, WILES, AND GIANNONE

SUMMARY:

Bowie, Arneson, Wiles & Giannone (BAWG) has provided a proposed Letter of Engagement for the purpose of providing legal services to the District for Fiscal Year (FY) 2016-17, effective July 1, 2016. BAWG's services shall not exceed $400,000 without additional authorization from the District.

Attached as Exhibit "A" are the proposed terms of the Legal Services Agreement. BAWG hourly rates are as follows with no increase from the previous fiscal year:

Partner:	$220/hour
Senior Associate:	$195/hour
Associate:	$185/hour
Paralegal:	$ 85/hour

As per the terms of the Legal Services Agreement, billing for miscellaneous general legal services will be on a fixed-fee basis, and all other services will be billed on an hourly basis. BAWG's hourly rates are based upon a number of factors, including the level of experience of the attorneys.

The only change to the terms of the contract from the previous fiscal year are the fees and expenses for bond counsel work as outlined in Exhibit "A" in section II(c) of the Letter of Engagement. The bond counsel work is pursuant to a recent Attorney General's opinion on compliance with Government Code 1090 requirements.

FISCAL IMPACTS:

BAWG's services shall not exceed a total of $400,000 for FY 2016-17 without additional authorization from the District.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

That the Board approve and authorize the General Manager to execute the Engagement Agreement with Bowie, Arneson, Wiles, and Giannone effective July 1, 2016 for general counsel services in the amount not to exceed $400,000.

LIST OF EXHIBITS:

Exhibit "A" – Terms of Legal Services Agreement from Bowie, Arneson, Wiles, and Giannone

Exhibit "A"

BOWIE, ARNESON, WILES & GIANNONE

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
ATTORNEYS AT LAW

ALEXANDER BOWIE*
JOAN C. ARNESON
WENDY H. WILES*
PATRICIA B. GIANNONE
ROBERT E. ANSLOW
BRIAN W. SMITH
JEFFREY A. HOSKINSON
JEFFREY W. FREY
TYLER E. MENDEZ
MARGOT E. H. STEVENS
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NEWPORT BEACH, CALIFORNIA 92660
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FAX: (949) 851-2014

REF. OUR FILE
8001A20

May 27, 2016

Mr. Paul Cook
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92619-7000

Dear Paul:

This letter sets forth our firm's engagement to provide general counsel services to Irvine Ranch Water District. Our services shall not exceed $400,000.00 for the District's fiscal year 2016-17 without additional authorization from the District. As described in the attached Terms of Legal Services Agreement, billing for miscellaneous general legal services will be on a fixed-fee basis, and all other services will be billed on an hourly basis.

Our firm's hourly rates are based upon a number of factors, including the level of experience of the attorneys. The 2016-17 hourly rates (effective July 1, 2016) are as follows:

Partner	$220
Senior Associate	$195
Associate	$185
Paralegal	$85

This letter, together with the attached Terms of Legal Services Agreement, sets forth the terms of our engagement.

We appreciate the opportunity to continue providing general counsel services to the District.

Very truly yours,

BOWIE, ARNESON,
WILES & GIANNONE

By Joan C. Arneson

Joan C. Arneson

JCA:
Encl.
38688

BOWIE, ARNESON, WILES & GIANNONE
Mr. Paul Cook
May 27, 2016

Approval of Engagement

We have read the foregoing letter and attached Terms of Legal Services Agreement and agree to the terms of Bowie, Arneson, Wiles & Giannone's engagement, effective as of the date on which Bowie, Arneson, Wiles & Giannone first provided services to us under the attached engagement terms.

Date: _______________, 2016

IRVINE RANCH WATER DISTRICT

By: ______________________________________

BOWIE, ARNESON, WILES & GIANNONE
Mr. Paul Cook
May 27, 2016

TERMS OF LEGAL SERVICES AGREEMENT

I. Legal Services Provided

Bowie, Arneson, Wiles & Giannone is retained by Irvine Ranch Water District for the purpose of providing legal services for general legal matters, including litigation and other matters as may be requested from time to time. Such services include bond counsel or co-bond counsel services. We will report regularly and keep you informed of significant developments in matters in which we are providing legal services. During the course of our services, we may express opinions or beliefs to you about the effectiveness of various courses of action, but such expressions shall not be construed as promises or guarantees.

II. Fees

A. Fixed Fee for Miscellaneous General Legal Services

The Miscellaneous General Legal Services ("General Services") provided by Bowie, Arneson, Wiles & Giannone to Irvine Ranch Water District will be charged on a fixed fee basis. The fixed fee for General Services will be paid on the basis of $55,000.00 for the services billed during the 2016-17 District fiscal year. One-twelfth of said amount will be billed as a monthly installment at the same time as each monthly statement prepared and sent for our hourly-basis services. Proration of the monthly amount will be made as necessary to adjust for any partial billing periods used to match our June and July cycles to the District fiscal year.

For informational purposes, our statements will include hours expended for the work included in the fixed fee. Unless the fixed fee would be unconscionable, the fixed fee will be earned in full and will not be refundable in any part once substantial services have been performed; provided, a refund may be computed based on facts and circumstances in the event of our termination or withdrawal.

The fixed fee will not include expenses, which will be billed and payable as set forth in Section III.

B. Scope of Services Included in Fixed Fee

The services <u>to be included</u> within the fixed fee are those of the type that we have typically furnished to you under the invoice entitled "General" in our monthly statements and include the following services as requested by the Board or a staff member: attendance at Board of Directors meetings; attendance at Committee meetings (unless in conjunction with a specific matter being billed on an hourly basis); review of agendas and other material in preparation for Board and Committee meeting attendance; review and assistance with draft minutes; preparation or assistance with preparation of miscellaneous resolutions; assistance with draft agenda item/closed session item preparation; and legal advice, consultation, research, drafting or assistance with drafting of contracts and correspondence and other assistance on miscellaneous general and/or non-continuing items of limited scope or duration.

C. Services Excluded from the Fixed Fee

The fixed fee services <u>will not include</u> services in conjunction with: litigation; administrative hearing or investigatory proceedings; bond counsel or general counsel services related to financings or outstanding bonds; capital or special projects; financial/ real property matters; legislative matters; interagency matters; personnel matters; conflict of interest matters; reorganizations; and other ongoing or extended matters involving negotiation, representation, drafting and similar services that we have typically furnished to you under separate invoices other than "General."

Fees for legal services excluded from the fixed fee are charged on an hourly basis for the time of the legal personnel spent on a matter. The rates are based on several factors, including the expertise and level of experience of the attorneys. The rates are adjusted by the firm from time to time, usually effective for the period July 1-June 30. We will provide advance notice of any rate change. Time on any task is billed in increments of a tenth of an hour. Statements are prepared and sent each month, and are due when presented.

Upon request and arrangement in advance, fees for a particular task or matter may be based on other than hourly rates or monthly billing. Fees and expenses for bond counsel, co-bond counsel and general counsel services related to financings shall be hourly, on a time and materials basis, and not on a percentage of the amount issued or other basis. Such hourly fees and expenses may be billed monthly or may be accrued and billed by us at closing to facilitate the District's aggregation of closing costs payable through the financing; however, such fees shall be payable whether or not the financing closes, and are not contingent.

Staffing work assignments will be made, to the extent possible, so as to maximize our legal effectiveness and minimize your legal expenses.

III. Expenses

In addition to fees, we will bill for reimbursement of actual and reasonable costs and expenses, including, but not limited to, reproduction of documents, long-distance telephone charges, messenger and courier services, facsimile, computerized legal research, document printing, recording charges and non-local mileage and travel expenses. We may also bill for clerical staff time of an unusual nature. Costs and expenses are included in the monthly statements.

IV. District's Obligations

You agree to provide us with direction and guidance and to keep us informed of significant developments related to matters with respect to which we are providing legal services. You also agree to pay our statements in a timely manner.

V. Termination of Representation

Our services may be terminated by you at any time by written notice to us. We may withdraw with your consent or for good cause. Good cause may include a failure to cooperate or follow our advice on a material matter, failure to pay our statements in a timely manner, or any fact or circumstance that would render our continuing representation unlawful or unethical. In the event of termination or withdrawal, we are to be paid for fees and charges incurred on your behalf up to the date of termination or withdrawal.

VII. Miscellaneous

No modifications hereof shall be effective unless set out in writing and signed by you and us.

We maintain errors and omissions insurance coverage applicable to the services to be rendered.

This statement of terms of legal services agreement shall be our entire agreement, subject to amendment by the parties to provide for, among other matters, other fee arrangements.

June 7, 2016
Prepared and
Submitted by: Nancy Savedra
Approved by: Paul Cook

FINANCE AND PERSONNEL COMMITTEE

CANDIDATE STATEMENTS FOR 2016 GENERAL ELECTION

SUMMARY:

The term of Directors Mary Aileen Matheis and John Withers will be up for election on November 8, 2016. Attached as Exhibit "A" is a letter from the Registrar of Voters requesting certain information by May 31, 2016. It is necessary for the District Secretary to advise the Registrar of Voters how many words the District authorizes on candidate statements, either 200 or 400 words, and if the District elects to pay for these statements. Historically, the District has authorized 200 words and has elected not to pay for candidate statements.

The candidate filing begins July 18 through August 12, 2016, 5:00 p.m.

FISCAL IMPACT:

Not applicable.

ENVIRONMENTAL IMPACTS:

Not applicable.

RECOMMENDATION:

Staff recommends that the Committee recommend Board approval for the District Secretary to authorize 200 words on the candidate's statement of qualifications and elect not to pay for these statements.

LIST OF EXHIBITS:

Exhibit "A" – Letter dated May 10, 2016 from the Registrar of Voters

Exhibit "A"

NEAL KELLEY
Registrar of Voters

Mailing Address:
P.O. Box 11298
Santa Ana, California 92711

REGISTRAR OF VOTERS
1300 South Grand Avenue, Bldg. C
Santa Ana, California 92705
(714) 567-7600
FAX (714) 567-7627
ocvote.com

May 10, 2016

TO: Manager/Director

FM: Marcia Nielsen, Acting Candidate & Voter Services Manager

RE: Election Information for the November 8, 2016 General Election

Enclosed is a Transmittal of Election Information form to be completed and returned to the Registrar of Voters' office by May 31, 2016.

On the Transmittal of Election Information form, please list the name(s) of Director(s) whose term(s) expire and whose seat(s) will be scheduled for election on November 8, 2016. This would include any Director(s) appointed since your last election. Appointed Directors must file for the two-year unexpired term if they were appointed to fill a vacancy which would not have been scheduled for election until 2018.

We also need to know if your District **will** or **will not** pay for a Candidate's Statement of Qualifications and if the District is authorizing 200 or 400 words to be used in that statement.

Please send the completed Transmittal of Election Information form to me at 1300 South Grand Avenue, Building C, Santa Ana, CA 92705 or email to marcia.nielsen@rov.ocgov.com.

Pursuant to Elections Code § 10522, the District is required to submit a map showing the current district boundary lines, with divisions (if any), regardless if changes have occurred. We would prefer to receive the map in shape file format by email to Johnson Tem at johnson.tem@rov.ocgov.com.

Candidate Filing for the November 8, 2016 General Election will be July 18, 2016 through August 12, 2016, 5:00 p.m. The Candidate's Handbook will be on our website at the middle of June. We ask that you post this information to advise your members of these important dates.

If you have any questions, please contact me at marcia.nielsen@rov.ocgov.com or (714) 567-7568. Thanks for your assistance.

Enclosure

TRANSMITTAL OF ELECTION INFORMATION SPECIAL DISTRICT

Exhibit "A"

(EC §10509, §10522)

____ DISTRICT

DISTRICT BOUNDARIES:

Choose One:

☐ I will send to the Registrar of Voters an electronic shape file of District boundaries and the boundaries of the Divisions of the District, if any, in which a Director is to be elected at the November 8, 2016 General Election. **(Note: This is the Registrar of Voters' preferred method of transmittal.)**

☐ Attached is a map showing the boundaries of this District and the boundaries of the Divisions of the District, if any, in which a Director is to be elected at the November 8, 2016 General Election.

Choose One:

Voters in the District will be voting: ☐ At-large ☐ By Division

THE ELECTIVE OFFICES FOR WHICH AN ELECTION WILL BE HELD WITHIN THE SPECIAL DISTRICT ON NOVEMBER 8, 2016 ARE:

Choose One:

________ Director(s) to be elected at-large
(# of directors)

OR

Director(s) to be elected in the following Divisions:

________ in Division ________
(# of directors) (# of division)

________ in Division ________
(# of directors) (# of division)

________ in Division ________
(# of directors) (# of division)

________ in Division ________
(# of directors) (# of division)

Please list below the names of the Incumbents/Appointed Incumbents for the above-mentioned positions:

(Name)________________ ☐ Elected ☐ Appointed (If appointed, the term ends in 20__.)

(Name)________________ ☐ Elected ☐ Appointed (If appointed, the term ends in 20__.)

(Name)________________ ☐ Elected ☐ Appointed (If appointed, the term ends in 20__.)

(Name)________________ ☐ Elected ☐ Appointed (If appointed, the term ends in 20__.)

The District authorizes the Candidate's Statement of Qualifications to contain no more than:

(Circle one) (200) or (400) words.

The District (will) or (will not) pay for a Candidate's Statement of Qualifications.

Dated ________________

____
(Signature)

(District Seal) ________________________
(Print Name)

Phone #: ____________ Email: ________________

NOTE: Please return the above information no later than **May 31, 2016** to the Registrar of Voters' office, 1300 South Grand Avenue, Building C, Santa Ana, CA 92705, Attn: Marcia Nielsen or email to marcia.nielsen@rov.ocgov.com. Send the boundary map to Johnson Tem at 1300 South Grand Avenue, Building C, Santa Ana, CA 92705 or at johnson.tem@rov.ocgov.com.

June 7, 2016
Prepared by: Tony Mossbarger
Submitted by: Cheryl Clary
Approved by: Paul Cook

FINANCE AND PERSONNEL COMMITTEE

INFORMATION SERVICES PROFESSIONAL SERVICES SUPPORT CONTRACT RENEWALS

SUMMARY:

IRWD requires additional resources to supplement existing staff to support and operate the Oracle Financial and Customer Care and Billing (CC&B) systems. In 2015, the Board authorized various outside service providers to assist in providing information technology services through June 2016. The providers include Infosys, who was the CC&B systems integrator, to provide managed support services; LCS Technologies to provide on-call data base administration (DBA) services; and Outsource Technical to provide on-call programming, analysis, project management, and networking services. Staff has identified the need to continue these support services through fiscal year 2017. In addition, staff has identified specific one-time CC&B related projects for completion by Infosys.

Staff recommends the Board authorize the General Manager to execute professional services agreements for the period July 1, 2016 to June 30, 2017 as follows:

- Infosys Ltd in the amount of $375,000 for support services and one-time special projects;
- LCS Technologies in the amount of $100,000 for on-call DBA services; and
- Outsource Technical in the amount of $225,000 for on-call programming, analysis, project management, and networking services.

BACKGROUND:

Infosys Utility Billing Support Services

A utility billing software support services contract was awarded to Infosys in September 2015 in the amount of $432.000. The contract provided managed support services for the period of August 2015 to June 2016 and one time projects which staff did not have the existing resources to complete.

Infosys has provided IRWD with managed support services for the Oracle CC&B system since August 2014. They provide highly skilled, experienced, and reliable resources that are very familiar with IRWD's systems, standards, and staff. Infosys has proven that they can provide additional resources to handle urgent projects with tight deadlines, as was done with the rate changes for FY 2015-16.

Staff has identified the need to continue the software support services agreement for the period July 1, 2016 through June 30, 2017. Under the proposed scope, Infosys will provide support for issues involving a high degree of complexity, while District staff will handle routine and less complex requests. The proposed software support services contract will run from July 1, 2016 through June 30, 2017, and is needed due to internal staffing and resource availability. The pricing for managed support services remains the same for this year's proposed contract. The proposed support request is $28,333 per month for twelve months totaling $340,000.

In addition to the software support services, staff has identified certain additional one-time projects which staff does not have the existing resources to complete. These projects include:

- Implementation of a new bill format to accommodate sewer loan accounts;
- Programming to automate adjustments for overcharges of late payment charges; and
- Modifications in CC&B required to generate the general ledger transactions resulting from the Oracle Financial Software Upgrade and Project Management implementation project.

The cost of the additional one-time projects totals $35,000. The scope for the software managed support services and change requests is included in Exhibit "A".

The District is also in the process of redesigning its customer utility bill. The redesign is not yet completed and as such, the cost of this effort is unknown at this time and therefore not included in the above scope of work.

Staff recommends that the Board authorize the General Manager to execute a Professional Services Agreement with Infosys Ltd in the amount of $375,000.

<u>LCS Technologies On-Call DBA Services</u>

Staff currently utilizes database administration resources from LCS Technologies to provide support for the Oracle Financial System and the Oracle CC&B system. There is an ongoing need for database administration services for the District's software systems as a result of several projects the District has recently undertaken, including the Oracle Financial Software Upgrade and Project Management implementation project, as well as smaller scale software and networking projects. In addition, consultants with the required skills could be retained to back fill staff vacancies where staff is working on special projects or for leaves of absences.

LCS Technologies has provided IRWD with data base administration support services for the District's Oracle systems since August 2011. They provide highly skilled, experienced, and reliable resources that are very familiar with IRWD's systems, standards, and staff. LCS Technologies has proven that they can provide resources to handle urgent projects with tight deadlines, as has been done with the Oracle Financial System Software Upgrade and Project Management implementation project. The pricing for data base administration support services remains the same for this year's proposed contract.

LCS Technologies' proposal with related fee schedule is attached as Exhibit 'B".

Staff recommends that the Board authorize the General Manager to execute a Professional Services Agreement with LCS Technologies in the amount of $100,000.

Outsource Technical On-Call Programming and Analysis Services

Staff currently utilizes on-call programming and analysis resources from Outsource Technical to provide support to regular positions. There is an ongoing need for programming, analysis, project management, and network assistance related to the District's software systems and networks as a result of several major capital projects the District has recently undertaken, including the Oracle Financial System Software Upgrade and Project Management implementation project, as well as smaller scale software and networking projects. In addition, consultants with the required skills could be retained to back fill staff vacancies where staff is working on special projects or for leaves of absences. Staff proposes to retain programmers, analysts, project managers, and network consultants who would provide services on an on- call basis.

Outsource Technical has provided IRWD with on-call programming and analysis services for the District's Oracle systems since November 2012. They provide highly skilled, experienced, and reliable resources that are very familiar with IRWD's systems, standards, and staff. Outsource Technical has proven that they can provide quality resources to handle urgent projects, as has been done with the Oracle Financial System Software Upgrade and Project Management implementation project. The pricing for on-call programming and analysis services remains the same for this year's proposed contract.

Outsource Technical's proposal with related fee schedule is attached as Exhibit "C".

Staff recommends that the Board authorize the General Manager to execute a Professional Services Agreement with Outsource Technical in the amount of $225,000.

FISCAL IMPACTS:

These amounts are budgeted in the current fiscal year's budget or in the current expense authorizations of affected projects. These professional services will be charged to the appropriate projects or expense account.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

That the Board authorize the General Manager to execute Professional Services Agreements for the period July 1, 2016 to June 30, 2017 with; Infosys Ltd in the amount of $375,000 for managed support services and one-time projects; LCS Technologies in the amount of $100,000 for on-call DBA services; and Outsource Technical in the amount of $225,000 for on-call programming, analysis, project management, and networking services.

LIST OF EXHIBITS:

Exhibit "A" – Infosys Scope for Managed Support Services and Change Request
Exhibit "B" – LCS Technologies Proposal for On-Call DBA Services
Exhibit "C" – Outsource Technical Proposal for On-Call Programing, Analysis, Project Management, and Networking Services

Exhibit "A"

Service Level Agreement

- ❑ Total fixed price for **12 months of L2/L3 support** is $**340 K USD**
- ❑ Scope and resource loading details are provided below
- ❑ No Enhancements hours
- ❑ Only CC&B Technical Resources are considered for the support. OUBI applications are not considered in the scope.
- ❑ Onsite Office hours : 9:00 AM PST/PDT – 5:30 PM PST/PDT
- ❑ Average 29 hours per ticket for L2/L3 support

	Jul'16	Aug'16	Sep'16	Oct'16	Nov'16	Dec'16	Jan'17	Feb'17	Mar'17	Apr'17	May'17	June'17
Tickets Per Month	20	20	20	20	20	20	20	20	20	20	20	20
Onsite Resource	1	1	1	1	1	1	1	1	1	1	1	1
Offshore Resource	2	2	2	2	2	2	2	2	2	2	2	2

Requirement Details	Onsite Effort (Hrs.)	Off shore Effort (Hrs.)	UAT Onsite (Hrs.)	UAT Off shore (Hrs.)	TOTAL	$Value	Remark	
Ticket 20886: **CCB Analysis for EBS ID/Account Consolidation project.** (1)There is the planning of new/adopted values in CC&B for following. -GL Account -Process account -Improvement District These new values will be added with new effective dates. For Improvement District on Premise there will be crossrefernce provision in CC&B, while genrating GL string this crossreference will be used so that corresponding new values can be passed to EBS. (2) By default Future1 will be 16100 instead of 00000 and if any conservation fund comes, use value 17100. These values 16100 and 17100 will be confirmed by business. Below is the list of conservation fund. - Over Allocation Commodity Low Volume - Over Allocation Commodity Inefficient - Over Allocation Commodity Excessive - Over Allocation Commodity Wasteful	24	60	8	16	108	$6,180.00	Please refer note 28916 under ticket 20886 for more detail	
Miscelleaneous Requests	40	40	10	10	100	$11,700.00		
TOTAL	64	100	18	26	208	$17,880.00		
TIME LINES: START DATE: 4-APRIL-2016 END DATE 29-APRIL-2016								

Requirement Details (CR 16983)	Onsite Effort (Hrs.)	Off shore Effort (Hrs.)	UAT Onsite (Hrs.)	UAT Off shore (Hrs.)	TOTAL	$Value	Remark
1. SD#21722 New bill Template for Sewer Loan Accounts - Configuration of new route Type for Loan. - Set up new bill cycle for loan account. - Set up new Postrout bacth for Sewer Loan Accounts.(Existing folders will be used for generation of postrout files for loan). - Custom Service Script for postrout batch to fetch loan specific information like **Previous month payment details, payment distribution, Previous principal balance, remaining principal balance etc.** - A separate xml file will be created for loan. So additional Logic will be required to create separate xml for loan in BILDS batch. **(Please note that the loan statment/bill will not be**	40	152	24	24	240	$12,320.00	
2. SD#21768 Fix for over charged LPC adjustments created between Aug-2014 to Mar 6th 2016 **Requirement:** In a bill, if multiple Late Payment Charges (LPC) are showing up due to non-timely payment of different bills in past, IRWD wants to return penalty part (10%) with interest, if Late Payment Charge is applied 11.5% consecutively. As part of IRWD process, first time 11.5 %(10%Penalty +1.5% interest) should be charged in bill under late payment but after that only 1.5% interest should be charged on bill. So except first time 11.5%, on all other consecutive 11.5% LPC showing up in a bill, 10% amount to be returned with interest. **Below are the interest calculation and other rules.** (1) For fiscal year 2014(July1)-2015(June30), interest rate will be 0.25*10/12=0.208.	16	56	8	16	96	$4,800.00	
TOTAL	56	208	32	40	336	$17,120.00	

Exhibit “B”

LCS TECHNOLOGIES INC
YOUR CONSULTING COMPANY FOR ORACLE SOLUTIONS

April 4, 2016

ON CALL SERVICES

Hi Tony,

We very much appreciate your business and support. As you know, LCS Technologies, Inc. (LCS) is your single source provider for Oracle services and software.

We are providing this proposal for On Call Services to assist Irvine Ranch Water District with ongoing support of your Oracle database environments from July 1, 2016 through June 30, 2017.

We are providing this proposal on a Time and Materials basis. We will invoice IRWD for actual time and travel expenses incurred. We understand that most of the work will be provided remotely so travel expenses should be minimal.

Our hourly rates for On Call Services are:

- Project Manager $150
- Database Administrator $135

Please let me know if you have any questions.

Sincerely,

Steve Simonetto
CEO
LCS Technologies, Inc.
916-761-4097

OUTSOURCE
TECHNICAL

April 06, 2016

Irvine Ranch Water District
Attn: Tony Mossbarger, Director of Information Technology
15600 Sand Canyon Avenue
Irvine, CA 92619-7000

Dear Mr. Mossbarger,

Proposal for Information Technology (IT) Professional Services and Consulting

OS Technical (OST) is pleased to submit this proposal to provide Information Technology Professional Services and Consulting in response to your request.

OST is an IT consulting firm providing professional services to both public and private sector clientele. Our emphasis is providing experienced technical consultants on an on-demand basis to support enterprise software projects. OST has been in business for over 18 years and is headquartered in Newport Beach, CA. We have extensive experience providing IT professional services and consultants to numerous clients who continue to do business with us year over year. A few of our clients are Newport Corporation, County of Orange, Irvine Company, PIMCO, Pacific Life and CareMore among others.

OST has been providing IT professional services and consulting for Irvine Ranch Water District (the District) since February 2013 with an emphasis on Oracle R-12 E-Business Suite. During this time, we have provided subject matter expertise to support enterprise software implementations, customizations and quality assurance. Services include:

- Attending project meetings as requested by the District
- Producing monthly billings in a form acceptable to the District
- Participating in weekly project status phone calls with Mohit Saini, the Project Lead for the District
- Providing IT Professional Services and Consulting as requested by the District

Our staff executing the delivery of IT professional services and consulting will consist of:

Mr. Steven Shwam, Senior Account Executive - Mr. Shwam has been with OST for 8 years. He has provided IT professional services and consultants for enterprise software projects for clientele including CareMore, Molina Healthcare, Pacific Dental Services, Forever 21, and ICU Medical among others. Steven will be the primary point of contact for the District, providing delivery of IT professional services and consulting per the direction of the District.

Ms. Janet Chung, Recruiting Manager - Ms. Chung has been working with OST for 5 years. Janet has over 15 years of experience sourcing and screening technical professionals for deployment on enterprise software projects. Her competencies include Oracle EBS, .Net and Java.

OUTSOURCE
TECHNICAL

Work will be billed at the following rates:

Hourly Rates

Project Management	\$128.00-\$140.00
Oracle DBA	\$120.00-\$135.00
Oracle Analyst	\$115.00-\$125.00
Oracle Developer	\$105.00-\$150.00
Software QA	\$90.00-\$100.00
IT Network & Systems Support	\$65.00-\$85.00

Our project delivery teams are paid current prevailing wage rates and we have insurance coverage that meets or exceeds the minimum District requirements.

If you have any questions, or I can be of further assistance, please call.

Sincerely,

Steven Shwam
Sr. Account Executive
OS Technical

June 7, 2016
Prepared by: Alex Aguilar
Submitted by: Rob Jacobson/Cheryl Clary
Approved by: Paul Cook

FINANCE AND PERSONNEL COMMITTEE:

FY 2016/17 OPERATING BUDGET
VENDOR EXPENDITURE COMMITMENTS GREATER THAN $100,000

SUMMARY:

Each year, following Board approval of the District's 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 $100,000 or greater in fiscal year (FY) 2016/17 for the Committee's review. The list of vendor commitments excludes contracts/agreements which have been previously approved by separate Board action. Consistent with provisions included in the District's *Policy Regarding Authorization of Expenditures*, staff recommends that the Committee approve the list of vendor expenditure commitments greater than $100,000 for FY 2016/17 and recommend Board approval of the same.

BACKGROUND:

On an annual basis, the Board approves the fiscal year operating budget for the District for the upcoming year. Included in the operating budget are expenditures for line items such as chemicals, fuel, hauling of biosolids and other products and services which result in commitments greater than $100,000. These expenditures typically utilize cooperative agreements for best pricing when applicable, or have been previously competitively bid and in some cases are for 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 $100,000. The approval structure allows staff to order goods and services on a regular and efficient basis during the fiscal year. These commitments are a "not to exceed" amount and can be cancelled at any time.

A list of the planned vendor commitments exceeding $100,000 for FY 2016/17 is attached 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 $100,000 which have been previously approved by separate Board action and are within their approved contract period, as well as recurring utility bills.

The total planned expenditure amount for the listed vendors for FY 2016/17 is $2,241,400, representing approximately 1.5% of total planned expenditures in the approved operating budget. Consistent with provisions included in the District's *Policy Regarding Authorization of Expenditures*, staff recommends that the Committee approve the list of vendor commitments greater than $100,000 for FY 2016/17 and recommends Board approval of the same.

FISCAL IMPACTS:

Total planned expenditures for FY 2016/17 for vendor commitments greater than $100,000 (excluding contracts/agreements approved by separate Board action) are $2,241,400, representing approximately 1.5% of total planned expenditures in the approved FY 2016/17 operating budget.

EVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

That the Committee approve the list of vendor commitments greater than $100,000 based on approved FY 2016/17 operating budget expenditures, and recommend Board approval of the same.

LIST OF EXHIBITS:

Exhibit "A" – FY 2016/17 Operating Budget - Vendor Commitments Greater than $100,000

Exhibit "A"

FY 2016-17 Open Purchase Orders Greater than $100,000

VENDORS	SERVICES	PO#	Dept	TYPE	TIME	PO Amt
Hill Brothers Chemical (operating budget approved)	OPEN PO FOR FERROUS CHLORIDE DELIVERIES TO LAWRP FACILITY COLLECTIONS SYSTEM FEED SITE FOR ODOR CONTROL CHEMICAL AS REQUIRED DURING FY JULY 1, 2016 THRU JUNE 30, 2017. UNIT PRICE $3.35/GAL, MINIMUM 1,500 GAL DEL. FUEL SURCHARGE $30.	520588	570	Competitive Bid	Year 2 of 2	$ 140,000.00
Olin Corporation (operating budget approved)	OPEN PO TO SUPPLY MWRP WITH SODIUM HYPOCHLORITE 12.5% FOR EFFLUENT DISINFECTION DELIVERIES DURING FY JULY 1, 2016 THRU JUNE 30, 2017. DEL METHOD: BULK, VOL 4500-5000 GAL. SOCWA AGREEMENT.	520011	550	Cooperative Agreement (SOCWA)	Annual	$ 430,000.00
Athens Services (operating budget approved)	OPEN PO TO SUPPLY SCREENINGS AND GRIT REMOVAL FROM MWRP DURING FY JULY 1, 2016 THRU JUNE 30, 2017. DEL METHOD: ATHENS TRUCK SERVICE. SOCWA AGREEMENT.	520184	550	Cooperative Agreement (SOCWA)	Annual	$ 126,400.00
Olin Corporation (operating budget approved)	FY 16/17 OPEN PO FOR BULK SODIUM HYPOCHLORITE 12.5% (#105004 NSF APPROVED) SOCWA CONTRACT PRICE - $0.554/GALLON UNTIL OCT 5, 2017	520007	420	Cooperative Agreement (SOCWA)	Annual	$ 175,000.00
JCI Jones Chemicals Inc (operating budget approved)	FY 16/17 OPEN PO FOR 1-TON CHLORINE GAS CYLINDERS FOR DYER ROAD WELLFIELD PDF (2915 S. HALLADAY ST. ID# 1) & IDF (2510 SUSAN ST. ID# 2) ACCOUNT# 53450050.	519944	420	Cooperative Agreement (SOCWA)	Annual	$ 140,000.00
Hill Brothers Chemical (operating budget approved)	OPEN PO FOR THE DELIVERY OF ODOR CONTROL PRODUCT (OXY-CAN) TO HATS DIVERSION SITE AS REQUIRED DURING FY JULY 1, 2016 THRU JUNE 30, 2017. UNIT PRICE $3.35/GAL, MINIMUM 300 GAL DEL. FUEL SURCHARGE $20.	520587	570	Single Source	5 Years	$ 100,000.00
Aqua Ben Corp (operating budget approved)	OPEN PO FOR HYDROFLOC 860 BULK SHIPMENTS FOR LAWRP DURING FY JULY 1, 2016 THRU JUNE 30, 2017. BULK SHIPMENT IS APPROX 4,200 GAL @ 10.34 LB/GAL = 43,428 LBS. EST @ $0.70/LB DELIVERED.	519733	590	Single Source	2 Years	$ 155,000.00
Il Fuels Inc (operating budget approved)	FY 16/17 OPEN PO FOR 87 OCTANE UNLEADED & ULTRA LOW SULPHER DIESEL #2 FUELS AT MRWP AND LAWRP FACILITIES	520179	850	Cooperative	Year 1 of 2	$ 610,000.00
BioMagic Inc. (operating budget approved)	FY 16/17 OPEN PO FOR ODOR CONTROL CHEMICL DELIVERIES(BIOMAGIC 250 - @3.20 PER GALLON) FOR COLLECTIONS LIFT STATION AND ODOR CONTROL INJECTION FACILITIES AS REQUIRED	525238	570	Single Source	5 Years	$ 200,000.00
Chem Tech International Inc. (operating budget approved)	FY 16/17 OPEN PO FOR CL-50 CORROSION CONTROL($15.36/GALLON) TO SGU AND PAP SITES	525315	420	Single Source	3 Years	$ 165,000.00
Total						$ 2,241,400.00

June 7, 2016
Prepared by: Christopher Smithson
Submitted by: Cheryl Clary CC
Approved by: Paul Cook

FINANCE AND PERSONNEL COMMITTEE

SETTING CONNECTION FEES AND PROPERTY TAXES FOR FISCAL YEAR 2016-17

SUMMARY:

Staff recommends changes to the existing connection fees and tax rates based on updated data within the Districts improvement districts (ID). The long term capital funding plan, completed in November 2013, established connection fees and formed new IDs for funding capital requirements and setting tax rates. They were last updated in July 2015. The District's financial model has been updated for rate setting for FY 2016-17 to include the following factors:

- Updated capital improvement program;
- Dedication of open space where development was planned (East Orange);
- Commercial and Residential development with no tax base; and
- Updated assessed valuations.

The proposed connection fees assume an increase within each of the IDs based on the Engineering News Records (ENR) estimated capital cost increase of 1.62% and are included in the Proposed Connection Fees and Property Tax Rates Summary included as Exhibit "A". Staff recommends that the Board approve the revised connection fees and property taxes as proposed.

BACKGROUND:

A fundamental concept in the District's capital funding plan is that the cost of new capital facilities is shared equally between the connection fees paid by the developer and property taxes paid by property owners when possible. The District uses a comprehensive financial model to incorporate regional capital costs, future development, growth rates, inflation, and other variables in order to determine connection fees. Connection fee increases were modeled for both residential and commercial development and a consolidated tax rate was also identified.

Connection fees were last updated for the IDs in July 2015, with recommended periodic updates based on an updated capital budget and other changing assumptions. The proposed changes, which include increases to the ENR construction cost index, are discussed below.

IDs 112/212 – Great Park Neighborhoods:

There were changes in the capital program primarily as a result of project allocation shifts related to the reduced development in the East Orange area. Staff recommends increasing connection fees to match the estimated increase in capital from ENR. This increases the water and sewer connection fee $93, from $4,910 to $5,003 per unit or 1.9%. Staff recommends maintaining the current consolidated tax rate of $0.7500 per $100 of land assessed value in order to maintain the 50/50 split.

Some development is being considered that will have no tax base. This includes both potential residential units as well as commercial development. Staff recommends establishing a separate connection fee within the water and sewer IDs for land with no tax base. The connection fee will be based on the assumption that development is funded entirely from connection fees with no sharing of costs with property tax revenue. Establishing the rate structure will protect other developers by fairly allocating costs to all development within the IDs. The proposed water and sewer connection fee is $9,206 per residential unit.

	Connection Fees		**Property Tax**	
Improvement Districts	**Current**	**Proposed**	**Current**	**Proposed**
112/212 (Great Park)	$4,910	$5,003	$0.0750	$0.0750
112a/212a (no tax base in Great Park)	$0	$9,206	$0.0000	$0.0000

IDs 113/213 – Tustin Base:

There were changes in the capital program with increases to the Tustin Legacy development projects and OCSD increases that increased capital costs associated with the sewer system by $3.8 million. Current development projections show residential development will end within the next few years while commercial development is expected to continue for several years. Staff recommends increasing connection fees and property tax rates to offset the increase in capital. This will increase water and sewer connection fee $973, from $6,948 to $7,921 per unit or 14%. Staff recommends increasing the property tax rate from $0.06400 to $0.09900 or $0.035 per $100 of land assessed value in order to maintain the 50/50 split.

	Connection Fees		**Property Tax**	
Improvement Districts	**Current**	**Proposed**	**Current**	**Proposed**
113/213	$6,948	$7,921	$0.0640	$0.0990

IDs 185/285 – Opportunity Study Area, Excluding Portola

In March 2014, General Obligation (GO) bonding authority was voted in for these IDs which provides for a sharing of the capital costs between connection fees and property taxes. Staff recommends increasing connection fees to match the estimated increase in capital, increasing the water and sewer connection fee $103, from $4,498 to $4,601 per residential unit or 2.3%.

	Connection Fees		**Property Tax**	
Improvement Districts	**Current**	**Proposed**	**Current**	**Proposed**
185/285 (Opportunity Study)	$4,498	$4,601	$0.0000	$0.0000

IDs 188/288 – Portola – Portion of OSA

Staff recommends increasing connection fees to match the estimated increase in capital by $91, increasing the water and sewer connection fee from $3,944 to $4,035 per residential unit or 2.3%.

	Connection Fees		Property Tax	
Improvement Districts	**Current**	**Proposed**	**Current**	**Proposed**
188/288 (Opportunity Study)	$3,944	$4,035	$0.2254	$0.2254[1]

IDs 153/253 – Developing IDs

There has been significant change in the development projections in this area. The East Orange development has been reduced with the land being donated as open space. Capital demands and development projections have been updated. A draft of the Irvine Lake Management Plan has been completed and staff recommendation is to continue the assumed native water yield of 3,200 acre feet (AF). The actual annual yield will be trued up annually. Connection fees were increased with ENR in July 2015. Staff recommends increasing connection fees by ENR or $67, increasing the water and sewer connection fee from $4,121 to $4,188 per residential unit or 1.6%.

	Connection Fees		Property Tax	
Improvement Districts	**Current**	**Proposed**	**Current**	**Proposed**
153/253 (Undeveloped ID)	$4,121	$4,188	$0.0000	$0.0000

All Other IDs

These areas experienced no significant changes in funding requirements. The recommendation for these ID's is a 1.62% increase to connection fees applied to the capital program, attributable to construction cost increases due to capital inflation. The change results in:

	Connection Fees		Property Tax	
Improvement Districts	**Current**	**Proposed**	**Current**	**Proposed**
125/225(Developed)	$5,397	$5,484	$0.028	$0.028
101/201(Developed no GO Authority)[2]	$8,955	$9,100	NA	NA

Redevelopment Connection Fee

The District continues to experience redevelopment and currently, there is no separate redevelopment connection fee as developers pay the full ID connection fee. Staff anticipates recommending a separate redevelopment connection fee to the Finance and Personnel Committee in July. Some developers have recently paid redevelopment connection fees in FY 2015-16 under protest with the expectation that they may be provided reimbursement for any overpayment based on the approved redevelopment fee. Staff recommends that any redevelopment connection fee be retroactive and will provide an update of the affected developers at the Committee meeting.

[1] Maintain current rate because there is no other source of funding for existing debt service.
[2] Identifies the consolidated connection fee for a density between 5.9 to 10.8 dwelling units (DU) per acre.

FISCAL IMPACTS:

Minimal impact is expected for the FY2016-17.

ENVIRONMENTAL COMPLIANCE:

Not Applicable

RECOMMENDATION:

That the Board approve the revised connection fees and property taxes as proposed.

LIST OF EXHIBITS:

Exhibit "A" – Proposed Connection Fees & Property Tax Rates by ID

Exhibit "A"

Proposed Connection Fees and Property Tax Rates
Fiscal Year 2016-17

CONNECTION FEES

Improvement District	Current Water	Current Sewer	Current Total	Proposed Water	Proposed Sewer	Proposed Total	Change $	Change %
101/201	$3,208	$5,747	$8,955	$3,260	$5,840	$9,100	$145	1.62%
112/212	$1,360	$3,550	$4,910	$1,386	$3,617	$5,003	$93	1.90%
112a/212a No Tax Authority (100% Connection Fee)				$2,550	$6,656	$9,206	$9,206	
113/213	$2,527	$4,421	$6,948	$2,881	$5,040	$7,921	$973	14.00%
125/240	$2,595	$3,563	$6,158	$2,637	$3,621	$6,258	$100	1.62%
125/225	$2,595	$2,802	$5,397	$2,637	$2,847	$5,484	$87	1.62%
153/253	$1,906	$2,215	$4,121	$1,937	$2,251	$4,188	$67	1.62%
153/253 PA 30	$3,561	$3,716	$7,277	$3,619	$3,776	$7,395	$118	1.62%
101/256 OPA	$3,208	$25,427	$28,635	$3,260	$25,839	$29,099	$464	1.62%
185/285	$1,615	$2,883	$4,498	$1,652	$2,949	$4,601	$103	2.30%
188/288	$1,453	$2,491	$3,944	$1,486	$2,548	$4,035	$91	2.30%
101/OPA1 (Ridgeline)	$3,208	$4,359	$7,567	$3,260	$4,430	$7,690	$123	1.62%

PROPERTY TAX RATES (2)

Improvement District	Current	Proposed
112/212	$0.0750	$0.0750
113/213	$0.0640	$0.0990
125/225	$0.0280	$0.0280
153/253 (3)	$0.0000	$0.0000
185/285 (3)	$0.0000	$0.0000
188/288	$0.2254	$0.2254

(1) Redevelopment connection fee is based a district capacity increase of 38%,assumed customer usage increase of 13%, and a replacement component of 23%.

(2) Based on $100 of land assessed value.

(3) No current or proposed tax rate because debt has not been issued in these IDs.

June 7, 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 May 31, 2016, as outlined in Exhibit "A"
- The U.S. Treasury Yield Curve as of May 31, 2016, as outlined in Exhibit "B"
- The Summary of Fixed and Variable Debt as of May 31, 2016, as outlined in Exhibit "C"
- The Summary of Variable Rate Debt Rates as of May 31, 2016, as outlined in Exhibit "D"

BACKGROUND:

Investment Portfolio:

For May 2016, the rate of return for the fixed income investment portfolio was 0.76%, which was a 0.03% increase from April's rate of 0.73%. Including real estate investments, the weighted average rate of return for the District's investment portfolio for May 2016 was 3.74%, which was a 0.03% decrease from April's rate of 3.77%.

Debt Portfolio:

As of May 31, 2016, the District's weighted average all-in variable rate was 0.69%, which was a 0.01% increase from April's rate of 0.68%. Including the District's fixed rate Certificates of Participation at 3.82%, the 2010 Build America Bonds at 4.46%, and the previous month's negative cash accruals from fixed payer interest rate swaps, which hedge a portion of the District's variable rate debt, the total average debt rate was 3.44%, which was a 0.17% decrease from April's rate of 3.61%.

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 May 31, 2016, the District had posted $8,208,997 of collateral with Citigroup, which represents a $140,932 decrease from the collateral posted in April and $4,900,000 with Merrill Lynch, which is unchanged from April's collateral. The total collateral deposit for the District is currently $13,108,997. The collateral earns the Fed Funds Effective Rate, which is 0.37% as of May 31, 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.

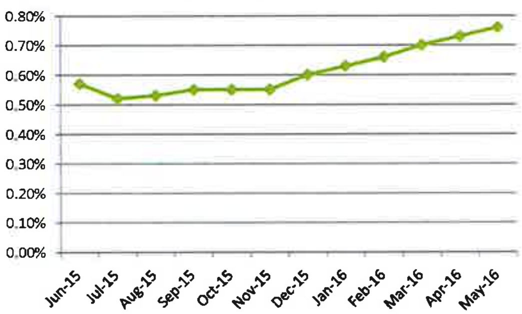
LIST OF EXHIBITS:

Exhibit "A" – Investment Portfolio Summary as of May 31, 2016
Exhibit "B" – Yield Curve as of May 31, 2016
Exhibit "C" – Summary of Fixed and Variable Debt as of May 31, 2016
Exhibit "D" – Summary of Variable Rate Debt Rates as of May 31, 2016

Exhibit "A"

Irvine Ranch Water District
Investment Portfolio Summary
May 2016

Monthly Fixed Income Yield

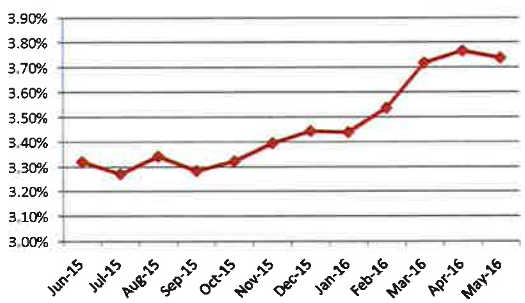


Portfolio Distribution

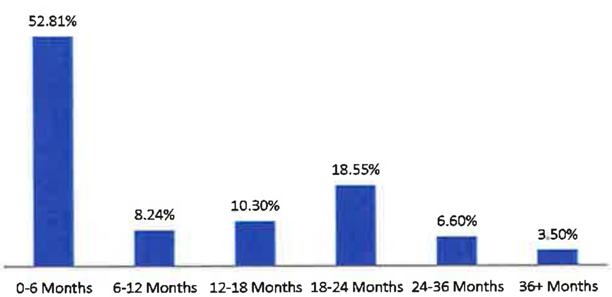
Investment Summary

Type	PAR	Book Value	Market Value
Agency Note	156,000,000	156,189,398	156,261,190
LAIF	65,000,000	65,000,000	65,014,369
Collateral Deposit	13,108,997	13,108,997	13,108,997
Direct Muni	8,496,575	8,496,575	8,496,575
Grand Total	242,605,572	242,794,970	242,881,131

Weighted Average Return Including Real Estate Portfolio



Maturity Distribution



Top Issuers

Issuer	PAR	% Portfolio
State of California Treasury - LAIF	65,000,000	26.79%
Fed Home Loan Bank	56,000,000	23.10%
Fed Home Loan Mortgage Corp	55,000,000	22.67%
Fed Natl Mortgage Assoc	25,000,000	10.30%
Fed Farm Credit Bank	15,000,000	6.18%
ETWD	8,496,575	3.50%
Citi-Group Collateral	8,208,997	3.38%
Fed Ag Mortgage Corp	5,000,000	2.06%
Merrill Lynch Collateral	4,900,000	2.02%

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

05/31/16

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] 5/31/2016	UNREALIZED[2] GAIN/(LOSS)
05/04/16			06/01/16		LAIF	State of California Tsy.	$65,000,000		0.510%		$65,000,000.00	$65,000,000.00	65,014,368.90	14,368.90
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	4,999,960.21	5,000,250.00	289.79
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	5,000,092.90	5,000,500.00	407.10
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	4,999,826.30	5,000,700.00	873.70
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	5,001,400.00	1,400.00
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	4,999,495.82	5,000,100.00	604.18
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	10,035,477.43	10,047,500.00	12,022.57
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	10,029,897.01	10,031,300.00	1,402.99
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	5,007,141.15	5,012,700.00	5,558.85
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	5,028,392.47	5,033,200.00	4,807.53
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	5,025,031.53	5,024,150.00	(881.53)
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	5,010,998.08	5,010,450.00	(548.08)
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	4,995,820.95	5,001,800.00	5,979.05
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	4,999,151.87	4,999,050.00	(101.87)
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	4,996,920.69	5,002,000.00	5,079.31
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	4,999,032.19	5,012,500.00	13,467.81
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	4,999,668.49	4,991,100.00	(8,568.49)
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	5,000,000.00	
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	4,976,483.45	4,995,300.00	18,816.55
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	5,998,839.24	6,002,880.00	4,040.76
04/22/16	N/A	N/A	01/29/18	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	4,000,000	0.850%	0.856%		3,999,600.00	3,999,624.73	4,001,520.00	1,895.27
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	5,000,150.00	150.00
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	4,998,210.96	5,000,300.00	2,089.04
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	5,017,178.08	5,024,800.00	7,621.92
04/07/16	N/A	N/A	04/09/18	NA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.750%	0.790%		4,996,000.00	4,996,300.55	4,996,000.00	(300.55)
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	5,014,386.94	5,009,300.00	(5,086.94)
05/16/16	N/A	N/A	05/16/18	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.750%	0.801%		4,995,000.00	4,995,109.59	4,995,000.00	(109.59)
05/13/16	N/A	N/A	05/21/18	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	0.875%	0.768%		5,010,700.00	5,010,424.53	5,010,700.00	275.47
05/24/16	N/A	N/A	06/08/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	11,000,000	1.250%	0.995%		11,056,540.00	11,055,932.86	11,056,540.00	607.14
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							$229,496,575				$229,956,831.32	$229,685,972.68	$229,772,133.57	$86,160.89
RESTRICTED CASH (Swap Collateral Deposits)[5]														
03/01/16					Collateral Deposit	Citi-Group	$8,208,997		0.370%		$8,208,997.08	$8,208,997.08	8,208,997.08	
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							$13,108,997				$13,108,997.08	$13,108,997.08	$13,108,997.08	
TOTAL INVESTMENTS							$242,605,572				$243,065,828.40	$242,794,969.76	$242,881,130.65	
					Petty Cash						3,400.00			
				April	Ck Balance	Bank of America					804,050.23			
											$243,873,278.63			

[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	$316,200,000
Net Outstanding Variable Rate Debt (Less $130 million fixed-payer swaps)	$186,200,000
Investment Balance:	$243,873,279
Investment to Variable Rate Debt Ratio:	131%
Portfolio - Average Number of Days To Maturity[4]	263

	Investment Portfolio	Real Estate[3] Portfolio	Weighted Avg. Return
May	0.76%	13.63%	3.74%
April	0.73%	13.63%	3.77%
Change	0.03%		

IRVINE RANCH WATER DISTRICT
SUMMARY OF MATURITIES

05/31/16

DATE	TOTAL	%	LAIF	Agency Notes	Agency Discount Notes	Collateral Deposit	Direct Muni
05/16	$65,000,000	26.79%	$65,000,000				
06/16	20,000,000	8.24%		20,000,000			
07/16	5,000,000	2.06%		5,000,000			
08/16	10,000,000	4.12%		10,000,000			
09/16	10,000,000	4.12%		10,000,000			
10/16	18,108,997	7.46%		5,000,000		$13,108,997	
11/16							
12/16	5,000,000	2.06%		5,000,000			
01/17	5,000,000	2.06%		5,000,000			
02/17	5,000,000	2.06%		5,000,000			
03/17	5,000,000	2.06%		5,000,000			
04/17							
SUB-TOTAL	$148,108,997	61.05%	$65,000,000	$70,000,000		$13,108,997	
13 Months - 3 YEARS							
05/01/17-07/30/17	5,000,000	2.06%		5,000,000			
08/01/17 - 10/31/2017	20,000,000	8.24%		20,000,000			
11/30/17 - 1/31/2018	15,000,000	6.18%		15,000,000			
02/01/2018-04/31/2018	25,000,000	10.30%		25,000,000			
05/01/2018-07/30/18	21,000,000	8.66%		21,000,000			
	-						
04/30/2036	8,496,575	3.50%					8,496,575
TOTALS	$242,605,572	100.00%	$65,000,000	$156,000,000		$13,108,997	$8,496,575
% OF PORTFOLIO			26.79%	64.31%		5.40%	3.50%

Irvine Ranch Water District
Summary of Real Estate
3/31/2016

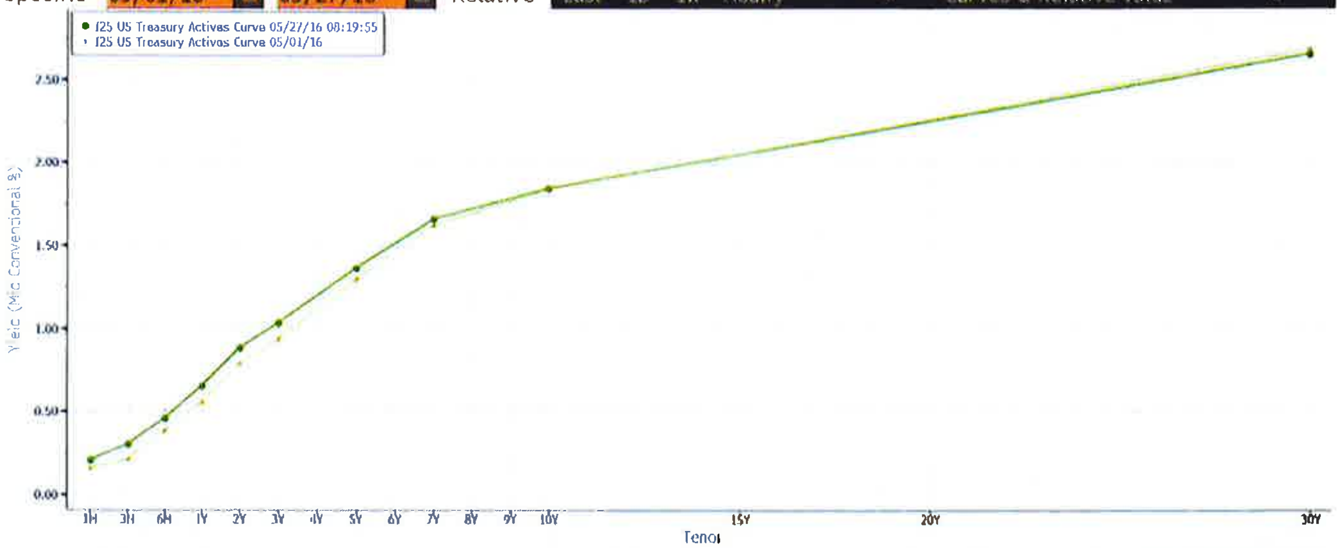
	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	RATE OF RETURN QUARTER ENDED Mar-16
Sycamore Canyon	Dec-92	Apartments	Fee Simple	$ 43,550,810	17.84%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	$ 6,000,000	8.58%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	$ 5,739,845	7.77%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	$ 8,630,577	5.11%
Sand Canyon Professional Center	Jul-12	Medical Office	Fee Simple	$ 8,648,594	8.28%
				$ 72,569,826	13.63%

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 05/01/16 | 05/27/16 | Relative | Last 1D 1W Modify | Curves & Relative Value



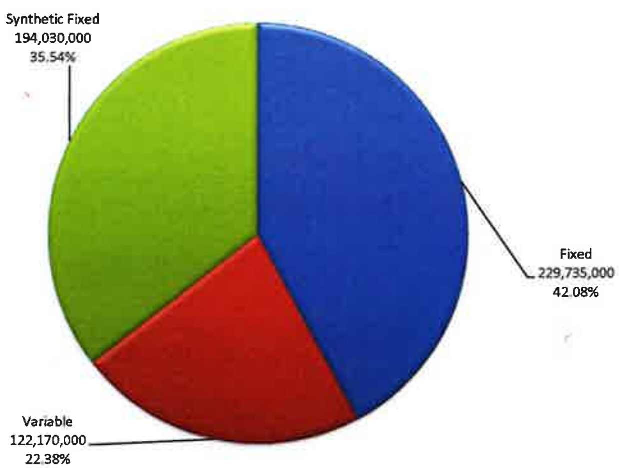
Show All Tenors >

Curve Id	3M	1Y	2Y	3Y	5Y	10Y	30Y
11) I25 05/27/16	0.298	0.655	0.881	1.032	1.360	1.841	2.648
12) I25 05/01/16	0.211	0.552	0.784	0.935	1.295	1.834	2.678
13) I25 (05/27/1	8.7	10.2	9.7	9.7	6.5	0.7	-3.1

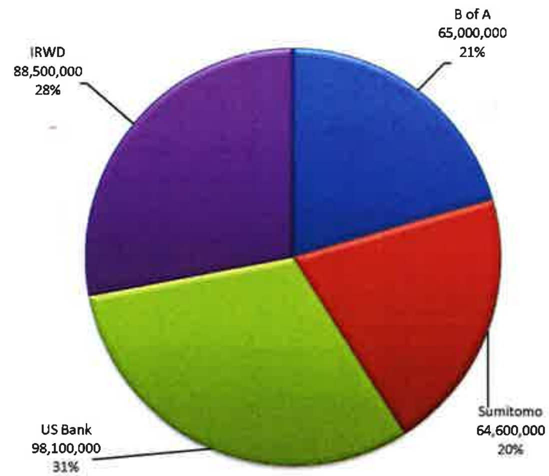
Exhibit "C"

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

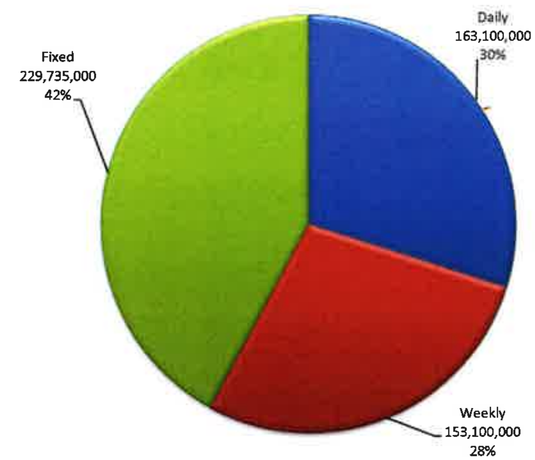
Current Debt Mix By Type



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	$33,100,000	6.06%	US Bank	BAML	Variable	Daily
Series 1995	12/13/95	01/01/21	$12,100,000	2.22%	Sumitomo	CG	Variable	Weekly
Series 2008-A Refunding	04/24/08	07/01/35	$52,500,000	9.62%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	$53,100,000	9.73%	IRWD	Goldman	Variable	Weekly
Series 2011-A-2 Refunding	04/15/11	10/01/37	$35,400,000	6.48%	IRWD	Morgan	Variable	Weekly
Series 2009 - A	06/04/09	10/01/41	$65,000,000	11.91%	US Bank	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	$65,000,000	11.91%	B of A	Goldman	Variable	Daily
2010 Refunding Cops	02/23/10	03/01/32	$54,735,000	10.03%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	$175,000,000	32.06%	N/A	N/A	Fixed	Fixed
Total			$545,935,000	100%				

IRVINE RANCH WATER DISTRICT

SUMMARY OF FIXED & VARIABLE RATE DEBT

May-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	$33,100,000
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	**$316,200,000**
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	**$545,935,000**

LETTER OF CREDIT INFORMATION

Issue	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	$33,546,170	0.3300%	$110,702
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							**$230,555,047**	**0.3556%** (Wt. Avg)	**$819,900**
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

Issue	Rmkt Agent	Reset	Rmkt Fees	Annual Cost	Trustee
SERIES 1993	BAML	DAILY	0.10%	$33,100	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
Sub-total variable			**0.09%** (Wt. Avg)	**$300,050**	
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	85,600,000	27%
US Bank	65,000,000	21%
	316,200,000	

GO VS COP's		
GO:	491,200,000	90%
COPS:	54,735,000	10%
Total	545,935,000	

LOC Banks	
SUMITOMO	64,600,000
BANK OF AMERICA	65,000,000
US BANK	98,100,000
	227,700,000

Breakdown Between Variable & Fixed Rate Mode		
Daily Issues	163,100,000	30%
Weekly Issues	64,600,000	12%
ITN Issues	88,500,000	16%
Sub-Total	316,200,000	
Fixed Rate Issues	$229,735,000	42%
Sub-Total - Fixed	229,735,000	
TOTAL DEBT FIXED & VAR.	545,935,000	100%

vrdsum.xlsx
5/27/2016

Exhibit "D"

IRVINE RANCH WATER DISTRICT
SUMMARY OF DEBT RATES
May-16

Rmkt Agent	GOLDMAN	GOLDMAN	MORGAN STANLEY	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	33,100,000	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	
5/1/2016	0.24%	0.49%	0.49%	0.20%	0.39%	0.39%	0.26%
5/2/2016	0.21%	0.49%	0.49%	0.17%	0.39%	0.39%	0.25%
5/3/2016	0.18%	0.49%	0.49%	0.19%	0.39%	0.39%	0.22%
5/4/2016	0.16%	0.49%	0.49%	0.18%	0.39%	0.39%	0.21%
5/5/2016	0.17%	0.47%	0.47%	0.18%	0.36%	0.37%	0.21%
5/6/2016	0.18%	0.47%	0.47%	0.17%	0.36%	0.37%	0.22%
5/7/2016	0.18%	0.47%	0.47%	0.17%	0.36%	0.37%	0.22%
5/8/2016	0.18%	0.47%	0.47%	0.17%	0.36%	0.37%	0.22%
5/9/2016	0.17%	0.47%	0.47%	0.18%	0.36%	0.37%	0.22%
5/10/2016	0.18%	0.47%	0.47%	0.19%	0.36%	0.37%	0.22%
5/11/2016	0.21%	0.47%	0.47%	0.24%	0.36%	0.37%	0.23%
5/12/2016	0.22%	0.47%	0.47%	0.27%	0.38%	0.37%	0.27%
5/13/2016	0.28%	0.47%	0.47%	0.27%	0.38%	0.37%	0.29%
5/14/2016	0.28%	0.47%	0.47%	0.27%	0.38%	0.37%	0.29%
5/15/2016	0.28%	0.47%	0.47%	0.27%	0.38%	0.37%	0.29%
5/16/2016	0.27%	0.47%	0.47%	0.27%	0.38%	0.37%	0.33%
5/17/2016	0.27%	0.47%	0.47%	0.30%	0.38%	0.37%	0.32%
5/18/2016	0.26%	0.47%	0.47%	0.30%	0.38%	0.37%	0.32%
5/19/2016	0.28%	0.48%	0.48%	0.26%	0.39%	0.38%	0.32%
5/20/2016	0.28%	0.48%	0.48%	0.26%	0.39%	0.38%	0.32%
5/21/2016	0.28%	0.48%	0.48%	0.26%	0.39%	0.38%	0.32%
5/22/2016	0.28%	0.48%	0.48%	0.26%	0.39%	0.38%	0.32%
5/23/2016	0.26%	0.48%	0.48%	0.27%	0.39%	0.38%	0.32%
5/24/2016	0.27%	0.48%	0.48%	0.27%	0.39%	0.38%	0.32%
5/25/2016	0.27%	0.48%	0.48%	0.27%	0.39%	0.38%	0.32%
5/26/2016	0.27%	0.48%	0.48%	0.27%	0.39%	0.38%	0.32%
5/27/2016	0.27%	0.48%	0.48%	0.27%	0.39%	0.38%	0.32%
5/28/2016	0.27%	0.48%	0.48%	0.27%	0.39%	0.38%	0.32%
5/29/2016	0.27%	0.48%	0.48%	0.27%	0.39%	0.38%	0.32%
5/30/2016	0.27%	0.48%	0.48%	0.27%	0.39%	0.38%	0.32%
5/31/2016	0.27%	0.48%	0.48%	0.27%	0.39%	0.38%	0.32%
Avg Interest Rate	0.24%	0.48%	0.48%	0.24%	0.38%	0.38%	0.28%
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	**0.69%**	**0.60%**	**0.60%**	**0.67%**	**0.83%**	**0.83%**	**0.70%**
Par Amount		118,100,000	35,400,000		85,600,000	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	51.58%		163,100,000	0.69%		0.26%
Weekly	48.42%		153,100,000	0.70%		0.44%
	100.00%	$	**316,200,000**	0.69%		0.34%
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						**3.44%**

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

June 7, 2016
Prepared by: Jennifer Davis/Tanja Fournier
Submitted by: Rob Jacobson/Cheryl Clary
Approved by: Paul Cook

FINANCE AND PERSONNEL COMMITTEE

QUARTERLY DEFERRED COMPENSATION PLAN AND FUND REVIEW

SUMMARY:

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

- A Summary of the Deferred Compensation Program and Distribution of Assets as of March 31, 2016, as outlined in Exhibit "A".
- Mutual Fund Performance Review as of March 31, 2016, as outlined in Exhibit "B".

BACKGROUND:

Overview of the Deferred Compensation Assets:

As of March 31, 2016, the District's Section 457(b) and 401(a) Plans (collectively, the "Plans") assets totaled $43,483,738, which represented a $342,702 increase from the quarter ending December 31, 2015 and a $927,947 decrease for the one year period ending March 31, 2016. The changes in Plan assets over these two periods are summarized as follows:

	For the One Year Period Ending March 31, 2016	*For the Quarter Ending March 31, 2016*
Beginning Balance	$44,411,685	$43,141,036
Employee Contributions	2,038,900	569,717
District Contributions	749,264	184,941
Transfers to/from other plans	335,854	118,622
Distributions	(2,578,204)	(605,693)
Loan Distributions(1)	(110,000)	(110,000)
Net Investment Gain (Loss)	(1,363,761)	185,114
Ending Balance - March 31, 2016	$43,483,738	$43,483,738
Change in assets for the period	($927,947)	$342,702

(1) Number of loans outstanding: 3

Review of Investment Options:

The District's deferred compensation policy states that any investment option performing "Below Benchmark" for four consecutive quarters or seven out of the trailing 12 quarters, has "Failed" the Long-Term Rolling Analysis (LTRA) and the investment option is to be replaced. For the quarter ending March 31, 2016, the Hotchkis & Wiley Mid-Cap Value fund failed the LTR for the first time since 2009. Staff will continue to monitor the fund's performance. The Advised Assets Group Performance Review as of March 31, 2016 is attached as Exhibit "B".

FISCAL IMPACTS:

As of March 31, 2016, the District's Plan assets totaled $43,483,738, which represented a $342,702 increase from the quarter ending December 31, 2015 and a $927,947 decrease for the one-year period ending March 31, 2016.

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" – Summary of the Deferred Compensation Plan and Distribution of Assets
Exhibit "B" – Advised Assets Group Fund Performance Review

Exhibit "A"

IRVINE RANCH WATER DISTRICT

SUMMARY OF DEFERRED COMPENSATION PROGRAM

March 31, 2016

Deferred Compensation IRS Section 457 (Employee Contributions)

Money Purchase Pension Plan & Executive Plan - IRS Section 401 (a) (District Contribution)

	457 Assets			401(a) Assets	
	Empower-Retirement Core Investments	Ameritrade Brokerage	**Total 457**	**Total 401(a)** **401 (a)**	**GRAND TOTAL** 457 & 401(a)
Assets	$31,037,266	$2,553,068	**$33,590,334**	**$9,893,404**	**$43,483,738**
Change From Prior Quarter	*$220,164*	*$11,872*	*$232,036*	*$110,666*	*$342,702*
Change From Prior Year (3/2015)	*($515,734)*	*($338,653)*	*($854,387)*	*($73,560)*	*($927,947)*
Quarterly Contributions	**$569,717**	n/a	**$569,717**	**$184,941**	**$754,658**
Change From Prior Quarter	*$56,038*			($45,867)	

	For the One Year Period Ending March 31, 2016	For the Quarter Ending March 31, 2016
Beginning Balance	$44,411,685	$43,141,036
Employee Contributions	2,038,900	569,717
District Contributions	749,264	184,941
Transfers to/from other plans	335,854	118,622
Distributions	(2,578,204)	(605,693)
Loan Distributions[1]	(110,000)	(110,000)
Net Investment Gain (Loss)	(1,363,761)	185,114
Ending Balance - March 31, 2016	$43,483,738	$43,483,738
Change in assets for the period	($927,947)	$342,702

[1] Number of loans outstanding: **3**

Employee Participation	
Full-time Permanent Employees	335
Temporary Employees	17
Student Interns	7
Permanent Employees Participating	290
Percent Participation	87%

IRVINE RANCH WATER DISTRICT
SUMMARY OF DEFERRED COMPENSATION PROGRAM
DISTRIBUTION OF ASSETS

Quarter Ending March 31, 2016

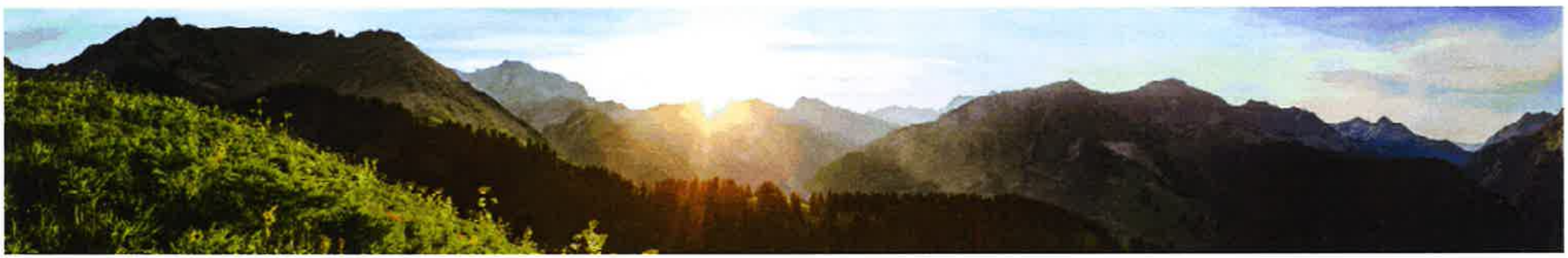
Fund	Assets	Percent of Assets	Change from previous quarter
PROFILE FUNDS			
Aggressive Profile Fund	4,284,263	9.9%	0.2%
Moderate Profile Fund	4,172,815	9.6%	0.2%
Conservative Profile Fund	2,555,782	5.9%	0.3%
Sub Total	**11,012,860**	**25.4%**	**0.7%**
INTERNATIONAL FUND			
Harbor International Instl	1,927,673	4.4%	0.0%
Vanguard Total Intl Stock Index Admiral	307,074	0.7%	0.1%
Sub Total	**2,234,747**	**5.1%**	**0.1%**
SMALL CAP FUNDS			
Baron Small-Cap Growth Fund	1,791,444	4.1%	-0.2%
Munder Veracity Small Cap	1,208,385	2.8%	0.0%
Vanguard Small Cap Index	474,974	1.1%	0.0%
Sub Total	**3,474,802**	**8.0%**	**-0.3%**
MEDIUM CAP FUNDS			
Munder Mid-Cap Core Growth Fund	1,736,425	4.0%	-0.1%
Hotchkis & Wiley Mid-Cap Value Fund	2,490,152	5.7%	-0.1%
Vanguard Mid-Cap Index Fund	502,289	1.2%	0.1%
Sub Total	**4,728,866**	**10.9%**	**-0.2%**
LARGE CAP FUNDS			
American Growth Fund R4	3,377,083	7.8%	-0.3%
Vanguard 500 Index Signal	0	0.0%	-9.7%
Vanguard Institutional Index(1)	4,078,643	9.4%	9.4%
Diamond Hill Large-Cap Fund	1,557,194	3.6%	-0.1%
Sub Total	**9,012,920**	**20.8%**	**-0.8%**
BOND FUND			
Metropolitan West Total Return Bond	2,341,762	5.4%	0.5%
Sub Total	**2,341,762**	**5.4%**	**0.5%**
STABLE VALUE FUND			
Putnam Stable Value	7,946,237	18.3%	0.0%
Sub Total	**7,946,237**	**18.3%**	**0.0%**
OTHER			
Ameritrade Brokerage	2,731,543	6.3%	0.0%
Total Assets	**$43,483,738**	**100%**	

(1) Assets transferred from Vanguard 500 Index to Institution shares resulting in lower expense ratio (0.04% vs 0.05%).

Exhibit "B"

ADVISED ASSETS
GROUP

FUND PERFORMANCE REVIEW



IRVINE RANCH WATER DISTRICT DEFERRED COMPENSATION PLAN | 98453-01

Reporting Period Ending March 31, 2016

The analytical material contained herein merely describes the process that AAG applies in evaluating funds. It may or may not be based on the plan's current investment policy and is not intended to be used by plan sponsor as a primary basis for deciding whether to make a particular fund available under the plan. Funds listed on the Fund Performance Review are designed to meet stated investment objectives and risk profiles, but do not constitute investment advice from AAG or its affiliate. Plan fiduciaries should review the educational material provided and consult with their investment advisers if necessary to make the investment decision. Neither AAG, nor its representatives, agents or affiliates are permitted to give legal, ERISA, or tax advice. Any discussion of these matters included or related to this document or other educational information is provided for informational purposes only. Such discussion does not purport to be complete or to cover every situation. Current tax and ERISA law are subject to interpretation and legislative change. The appropriateness of any product for any specific taxpayer may vary depending on the particular set of facts and circumstances. You should consult with and rely on your own legal and tax advisers.

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FUND PERFORMANCE REVIEW

IMPORTANT DISCLOSURES

The Fund Performance Review is compiled at the request of the Plan Sponsor and/or broker. It is designed as a high level analytical tool to plan sponsors in carrying out their fiduciary responsibilities; it is not intended as investment advice. Plan Sponsors may wish to review the enclosed material with their investment adviser, consultant or broker, if necessary, prior to making final investment decisions.

Funds listed on the Fund Performance Review are designed to meet stated investment objectives and risk profiles. Risks associated with th investment options can vary significantly and the relative risks of investment categories may change under certain economic conditions. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be more or less than original cost. Current performance may be lower or higher than performance data shown due to market activity. Past performance is not a guarantee of future results.

FUNDAMENTAL PERFORMANCE REVIEW: OVERVIEW

ADVISED ASSETS
GROUP

OBJECTIVE:
- To quantify historical fund performance relative to peer group benchmarks.
- To identify funds that have consistently underperformed over the long-term.
- To assist in identifying style drift and discern gaps within the plan portfolio.

FUNDAMENTALS:
- An objective analysis based on set criteria.
- Based on long-term and risk-adjusted performance.
- Comparison against peer group of similar funds as determined by *Morningstar, Inc.®*

SOURCE:
- Statistics are derived from an independent third-party: *primarily Morningstar Direct®*

SCOPE:
- The Fund Performance Review is designed as a high level analytical tool to aide plan sponsors in carrying out their fiduciary responsibilities.

The purpose of this document is to provide investment-related information only for the plan sponsor in its role as a fiduciary to the Plan, not as investment advice for plans or plan participants. Although the data contained in this report is from reliable sources, Advised Assets Group, LLC cannot guarantee is completeness or accuracy. Risks associated with investment options can vary significantly with each particular investment category and the relative risks of categories may change under certain economic conditions. The investment return and principal of an investment will fluctuate so that an investor's shares, when redeemed, may be more of less than their original cost.

Current performance may be lower or higher than performance data shown due to market volatility. Past performance is no guarantee of future returns.

FUND PERFORMANCE REVIEW: CRITERIA

ADVISED ASSETS GROUP

- **OVERALL RATING:** Based on performance, risk-adjusted performance and the Overall Morningstar Rating™.
  - **Return Composite:** Determined by taking the equal weighted average of the 3, 5 and 10 year category return percentiles.
  - **Sharpe Composite:** Calculated by averaging the 3 and 5 year category Sharpe percentiles.
  - **Overall Composite:** The equally weighted average of the Return Composite and Sharpe Composite.
  - **Overall Morningstar Rating™:** Represents a measure of an investment's risk-adjusted return, relative to similar investments.

  The Overall Composite is the sole determinate for the Overall Rating for funds that do not have an Overall Morningstar Category Rating.

Overall Composite		Overall Morningstar Rating	Overall Rating
≥ 50.0%	AND	❸, ❹, or ❺	Above
< 50.0%	OR	❸, ❹, or ❺	Neutral
< 50.0%	AND	❶, or ❷	Below
≤ 25.0%			Below

- **LONG-TERM ROLLING ANALYSIS:** Based on the accumulated trailing 12 quarters "Overall Ratings".

Consecutive number of Quarters Receiving a Below Rating		Total number of Quarters Below out of trailing 12 quarters	Long-Term Rolling Analysis
< 4 Quarters	AND	< 7 Quarters	Pass
≥ 4 Quarters	OR	≥ 7 Quarters	Warning OR Fail
OR			
Overall Rating: ≤ 25.0%			Warning OR Fail

- **FUNDS RECEIVING A WARNING:** Please see the footnotes page for Special Product Consideration Funds.

For expanded definitions of the Composites, Sharpe Ratio and Ratings, please refer to the corresponding glossary. Information for this fund evaluation was received from what we believe to be reliable sources, but we cannot absolutely guarantee accuracy, completeness or suitability for any purpose. The performance data quoted within represents past performance and is not a guarantee or indication of future investment results. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of the funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages). The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Past Performance is no guarantee of future results.

FUNND COMPLEX RATING (Based on Recent Mutual Fund Investigations)

ADVISED ASSETS GROUP

- **OVERVIEW:** Due to the issues involving mutual fund complexes and their compliance with security laws and regulations, Great-West FinancialSM developed a ratings system for funds involved in its packaged products. Mutual fund complexes are assigned a rank of red, yellow or green.

RED RATING: A fund complex or any of its respective funds may be placed on the Red Fund Corporate Rating and may be terminated or disqualified from participating in the packaged products if that fund complex is determined by a court or appropriate regulatory agency or the fund complex admits to having allowed regulatory violations or corporate infractions in its funds by its employees (officers or portfolio managers) of the complex. In such event, depending on the severity of the violation or infraction, the fund(s) may be terminated even if such activity was not found to have occurred in a fund used by Great-West FinancialSM but elsewhere in the fund complex.

YELLOW RATING: A fund or fund complex will be put on the Yellow Fund Complex Corporate Rating if that fund complex is by a court or appropriate regulatory agency or admits to having allowed regulatory violations or infractions in its funds. While a fund is on the Yellow Fund Complex Corporate Rating, no action shall be taken to terminate or replace the fund.

GREEN RATING: A fund or fund complex that has not been implicated in any regulatory violations or infractions nor has admitted to committing such activities.

PERFORMANCE SUMMARY

ADVISED ASSETS GROUP

Morningstar Category		Fund Complex Rating	Ticker Symbol	Fund Name	Overall Rating[1] Composite % Overall	Return	Sharpe	Mstar Rating		Long-Term Rolling Analysis[2] Consecutive Quarters Below	# of Quarters Below Out of Trailing 12	
International[11]	Foreign Large Blend		HAINX	Harbor International Institutional	46.9	55.3	38.5	3	Neutral	0	0 out of 12	Pass
Small-Cap[14]	Small Growth		BSFIX	Baron Small Cap Instl	43.1	40.7	45.5	3	Neutral	0	0 out of 12	Pass
	Small Value		VSVIX	Victory Integrity Small-Cap Value Y	75.4	79.3	71.5	4	Above	0	0 out of 12	Pass
Mid-Cap	Mid-Cap Growth		MGOSX	Victory Munder Mid-Cap Core Growth R6	62.6	59.7	65.5	3	Above	0	0 out of 12	Pass
	Mid-Cap Value		HWMIX	Hotchkis & Wiley Mid-Cap Value I	36.6	48.7	24.5	2	Below	1	1 out of 12	Pass
Large-Cap	Large Growth		RGAFX	American Funds Growth Fund of Amer R5	61.2	55.3	67.0	3	Above	0	0 out of 12	Pass
	Large Value		DHLYX	Diamond Hill Large Cap Y	81.7	86.3	77.0	4	Above	0	0 out of 12	Pass
Bond[30]/MMF[12]	Intermediate-Term Bond		MWTIX	Metropolitan West Total Return Bond I	93.3	93.7	93.0	5	Above	0	0 out of 12	Pass
Index Funds[15]	Foreign Large Blend		VTIAX	Vanguard Total Intl Stock Index Admiral (Idx)	31.8	38.0	25.5	2	N/A	0	0 out of 12	Pass
	Small Blend		VSMAX	Vanguard Small Cap Index Adm (Idx)	79.9	79.3	80.5	4	N/A	0	0 out of 12	Pass
	Mid-Cap Blend		VIMAX	Vanguard Mid Cap Index Adm (Idx)	85.8	83.0	88.5	4	N/A	0	0 out of 12	Pass
	Large Blend		VINIX	Vanguard Institutional Index I (Idx)	89.2	87.3	91.0	5	N/A	0	0 out of 12	Pass

Please refer to the Appendix page for additional footnotes

RETURN ANALYSIS

	Fund Name	1st Quarter 2016 Return	1st Quarter 2016 Percent	Performance vs. Benchmark (Annualized Returns and Return Percentiles) 1 Year Return	1 Year Percent	3 Year Return	3 Year Percent	5 Year Return	5 Year Percent	10 Year Return	10 Year Percent	Incept. Date
International[11]	Foreign Large Blend Peer Group	-2.33	50	-8.39	50	1.87	50	1.80	50	1.50	50	N/A
	Harbor International Institutional	0.50	89	-8.60	46	1.02	32	1.67	46	3.68	88	12/29/1987
Small-Cap [14]	Small Growth Peer Group	-4.56	50	-11.57	50	6.70	50	6.74	50	5.60	50	N/A
	Baron Small Cap Instl	-2.75	67	-12.60	43	4.91	26	6.63	48	5.49	48	05/29/2009
	Small Value Peer Group	2.10	50	-6.75	50	6.58	50	6.90	50	5.26	50	N/A
	Victory Integrity Small-Cap Value Y	0.84	31	-9.40	20	7.87	77	8.11	80	6.31	81	07/07/2005
Mid-Cap	Mid-Cap Growth Peer Group	-1.34	50	-7.86	50	8.48	50	7.55	50	6.22	50	N/A
	Victory Munder Mid-Cap Core Growth R6	1.16	87	-8.70	43	8.29	47	8.88	72	6.60	60	06/01/2012
	Mid-Cap Value Peer Group	2.35	50	-5.27	50	8.57	50	8.35	50	6.20	50	N/A
	Hotchkis & Wiley Mid-Cap Value I	1.31	31	-11.60	10	6.48	21	9.64	73	6.24	52	01/02/1997
Large-Cap	Large Growth Peer Group	-2.27	50	-2.10	50	11.37	50	10.19	50	6.74	50	N/A
	American Funds Growth Fund of Amer R5	-2.50	47	-0.40	70	11.73	56	10.66	60	6.76	50	05/15/2002
	Large Value Peer Group	0.97	50	-2.97	50	8.46	50	8.88	50	5.34	50	N/A
	Diamond Hill Large Cap Y	1.16	52	0.30	80	10.94	91	10.82	86	6.77	82	12/30/2011
Bond[30]/MMF[12]	Intermediate-Term Bond Peer Group	2.65	50	0.99	50	2.03	50	3.63	50	4.72	50	N/A
	Metropolitan West Total Return Bond I	2.43	33	1.30	63	2.69	87	4.87	95	6.62	99	03/31/2000
Index Funds[15]	Vanguard Total Intl Stock Index Admiral (Idx)	-0.17	80	-8.20	54	0.82	28	0.67	23	1.91	63	11/29/2010
	Vanguard Small Cap Index Adm (Idx)	1.00	64	-7.10	61	8.51	74	8.80	77	6.81	87	11/13/2000
	Vanguard Mid Cap Index Adm (Idx)	1.17	39	-4.30	58	10.78	91	10.03	86	7.24	72	11/12/2001
	Vanguard Institutional Index I (Idx)	1.34	77	1.80	87	11.79	89	11.55	90	7.01	83	07/31/1990

Please refer to the Appendix page for additional footnotes

SHARPE RATIO AND EXPENSE ANALYSIS

ADVISED ASSETS GROUP

	Fund Name	Sharpe Ratio and Percentiles 3 Yr Ratio	3 Yr %	5 Yr Ratio	5 Yr %	Standard Deviation 3 Yr	5 Yr	Expense Ratio	Expense %	Manager Tenure	Fund Size $ MM
International[11]	Foreign Large Blend Peer Group	0.200	50	0.190	50	13.00	15.28	1.14	50	-	-
	Harbor International Institutional	0.140	32	0.180	45	14.01	16.33	0.76	81	7	39363.0
Small-Cap [14]	Small Growth Peer Group	0.480	50	0.460	50	15.72	17.13	1.24	50	-	-
	Baron Small Cap Instl	0.410	34	0.480	57	13.99	15.73	1.04	73	19	3570.0
	Small Value Peer Group	0.510	50	0.500	50	14.29	16.05	1.26	50	-	-
	Victory Integrity Small-Cap Value Y	0.580	68	0.560	75	14.89	16.32	1.20	59	12	1568.0
Mid-Cap	Mid-Cap Growth Peer Group	0.670	50	0.550	50	13.22	15.04	1.16	50	-	-
	Victory Munder Mid-Cap Core Growth R6	0.700	56	0.660	75	12.37	14.29	0.88	82	15	5357.0
	Mid-Cap Value Peer Group	0.710	50	0.610	50	12.54	14.26	1.14	50	-	-
	Hotchkis & Wiley Mid-Cap Value I	0.473	14	0.572	35	15.65	19.11	1.00	67	19	2214.0
Large-Cap	Large Growth Peer Group	0.920	50	0.770	50	12.60	13.85	1.05	50	-	-
	American Funds Growth Fund of Amer R5	0.980	64	0.830	70	11.96	13.12	0.38	98	22	138447.0
	Large Value Peer Group	0.750	50	0.730	50	11.61	12.79	1.00	50	-	-
	Diamond Hill Large Cap Y	0.890	79	0.840	75	12.48	13.14	0.60	90	14	3572.0
Bond[30]/MMF[12]	Intermediate-Term Bond Peer Group	0.640	50	1.230	50	3.10	2.85	0.75	50	-	-
	Metropolitan West Total Return Bond I	0.910	90	1.733	96	2.90	2.73	0.44	88	19	74437.0
Index Funds[15]	Vanguard Total Intl Stock Index Admiral (Idx)	0.120	28	0.120	23	13.24	15.54	0.12	98	8	5403.0
	Vanguard Small Cap Index Adm (Idx)	0.660	82	0.610	79	13.76	15.72	0.09	98	24	55178.0
	Vanguard Mid Cap Index Adm (Idx)	0.900	90	0.750	87	12.07	14.04	0.09	97	18	67297.0
	Vanguard Institutional Index I (Idx)	1.040	91	0.950	91	11.35	12.22	0.04	99	15	199079.0

Please refer to the Appendix page for additional footnotes

ANNUAL RETURNS AND STATISTICS

ADVISED ASSETS GROUP

	Fund Name	Calendar Year Returns 2015	2014	2013	2012	2011	MPT Statistics (3 year) Alpha	Beta	R2	Portfolio Construction Turnover Ratio	Number of Holdings	% in Top 10 Holdings
International[11]	Foreign Large Blend Peer Group	-1.19	-5.36	20.13	17.98	-13.20	N/A	N/A	N/A	N/A	N/A	N/A
	Harbor International Institutional	-3.82	-6.81	16.84	20.87	-11.13	-0.65	0.95	94	25	78	29.0%
Small-Cap [14]	Small Growth Peer Group	-2.20	3.09	41.22	14.09	-2.03	N/A	N/A	N/A	N/A	N/A	N/A
	Baron Small Cap Instl	-5.01	1.95	38.10	18.30	-1.37	-1.68	0.86	94	14	82	33.0%
	Small Value Peer Group	-6.25	4.18	35.84	16.52	-4.50	N/A	N/A	N/A	N/A	N/A	N/A
	Victory Integrity Small-Cap Value Y	-6.65	7.33	41.02	13.97	-2.60	2.02	1.01	96	38	123	13.0%
Mid-Cap	Mid-Cap Growth Peer Group	-0.73	7.45	35.72	14.76	-4.07	N/A	N/A	N/A	N/A	N/A	N/A
	Victory Munder Mid-Cap Core Growth R6	-4.20	10.40	33.93	16.15	-0.77	-2.25	0.99	96	27	83	19.0%
	Mid-Cap Value Peer Group	-4.90	9.85	34.70	16.46	-4.19	N/A	N/A	N/A	N/A	N/A	N/A
	Hotchkis & Wiley Mid-Cap Value I	-12.53	12.18	42.55	31.09	-8.60	-4.18	1.25	83	54	63	33.0%
Large-Cap	Large Growth Peer Group	4.08	10.31	34.35	15.50	-1.75	N/A	N/A	N/A	N/A	N/A	N/A
	American Funds Growth Fund of Amer R5	5.65	9.61	34.20	20.92	-4.59	-1.05	0.98	96	29	410	24.0%
	Large Value Peer Group	-3.70	10.80	31.63	15.15	-0.39	N/A	N/A	N/A	N/A	N/A	N/A
	Diamond Hill Large Cap Y	-0.74	10.89	36.87	12.79	2.35	1.24	1.06	95	20	51	32.0%
Bond[30]/MMF[12]	Intermediate-Term Bond Peer Group	0.00	5.54	-1.65	6.62	6.46	N/A	N/A	N/A	N/A	N/A	N/A
	Metropolitan West Total Return Bond I	0.29	5.99	0.50	11.54	5.52	0.34	0.94	93	246	1711	27.0%
Index Funds[15]	Vanguard Total Intl Stock Index Admiral (Id	-4.26	-4.17	15.14	18.21	-14.52	0.49	0.97	98	3	5938	7.0%
	Vanguard Small Cap Index Adm (Idx)	-3.64	7.50	37.81	18.24	-2.69	0.94	0.95	99	11	1501	3.0%
	Vanguard Mid Cap Index Adm (Idx)	-1.34	13.76	35.15	15.99	-1.97	0.10	0.99	99	15	367	7.0%
	Vanguard Institutional Index I (Idx)	1.37	13.65	32.35	15.98	2.09	-0.02	1.00	100	5	511	18.0%

Please refer to the Appendix page for additional footnotes

INDEX PERFORMANCE

	Index	Total Return 1 Year	Total Return Annlzd 3 Year	Total Return Annlzd 5 Year	Total Return Annlzd 10 Year	Annual Return 2015	Annual Return 2014	Annual Return 2013	Annual Return 2012	Annual Return 2011
International[11]	MSCI EMF ID	-14.14	-6.84	-6.50	0.61	-16.96	-4.63	-4.98	15.15	-20.41
	MSCI EAFE Ndtr_D	-8.27	2.23	2.29	1.80	-0.81	-4.90	22.78	17.32	-12.14
	MSCI World Ndtr_D	-3.45	6.82	6.51	4.27	-0.87	4.94	26.68	15.83	-5.54
Small-Cap [14]	Russell 2000 Growth	-11.84	7.91	7.70	6.00	-1.38	5.60	43.30	14.59	-2.91
	Russell 2000	-9.76	6.84	7.20	5.26	-4.41	4.89	38.82	16.35	-4.18
	Russell 2000 Value	-7.72	5.73	6.67	4.42	-7.47	4.22	34.52	18.05	-5.50
Mid-Cap	Russell Mid Cap Growth	-4.75	10.99	9.99	7.43	-0.20	11.90	35.74	15.81	-1.65
	Standard & Poor's Midcap 400	-3.60	9.46	9.52	7.78	-2.18	9.77	33.50	17.88	-1.73
	Russell Mid Cap Value	-3.39	9.88	10.52	7.23	-4.78	14.75	33.46	18.51	-1.38
Large-Cap	Russell 1000 Growth	2.52	13.61	12.38	8.28	5.67	13.05	33.48	15.26	2.64
	Standard & Poor's 500	1.78	11.82	11.58	7.01	1.38	13.69	32.39	16.00	2.11
	Russell 1000 Value	-1.54	9.38	10.25	5.72	-3.83	13.45	32.53	17.51	0.39
Bond[30]/MMF[12]	BarCap US Aggregate Bond	1.96	2.50	3.78	4.90	0.55	5.97	-2.02	4.21	7.84
	BarCap US Credit	0.93	2.86	5.00	5.70	-0.77	7.53	-2.01	9.37	8.35
	BarCap US MBS	2.43	2.70	3.24	4.85	1.51	6.08	-1.41	2.59	6.23
	BarCap US Government Bond	2.37	2.11	3.42	4.52	0.86	4.92	-2.60	2.02	9.02
	BarCap US Govt 1-3 Yr	0.93	0.79	0.90	2.56	0.57	0.64	0.37	0.51	1.56

Please refer to the Appendix page for additional footnotes

IMPORTANT DISCLOSURES

Footnote Subscript	Disclosure
1	The Overall Rating is derived from the 3, 5 and 10 year net-of-fee performance figures, the 3 and 5 year Sharpe Ratio and the Morningstar Rating.
2	The Long-Term Rolling Analysis accumulates the trailing 12 quarter Overall Ratings and determines a Pass / Fail designation accordingly.
3	The Fund Performance Review is a proprietary high level analytical tool that is used to evaluate fund performance and is not intended as an offer or solicitation of securities, or as investment advice.
4	MSCI EMF ID: A capitalization-weighted index of stocks from 26 emerging markets that only includes issues that may be traded by foreign investors. The reported returns reflect equities priced in US dollars and do not include the effects of reinvested dividends.
5	A Percentile Ranking of 100% represents the best in class performance, whereas 0% represents the lowest.
6	MSCI Eafe Ndtr_D: Widely accepted as a benchmark for international stock performance, the EAFE Index is an aggregate of 21 individual country indexes that collectively represent many of the major markets of the world.
7	Please check on the availability of the Great-West product and its Blue Sky status for NAV.
8	MSCI World Ndtr_D: Includes all 23 MSCI developed market countries. Ndtr_D indexes are calculated daily and take into account actual dividends reinvested daily before withholding taxes, but exclude special tax credits declared by companies.
9	Russell 2000 Growth: Market-weighted total return index that measures the performance of companies within the Russell 2000 Index having higher price-to-book ratios and higher forecasted growth values.
10	Russell 2000: Consists of the smallest 2000 companies in the Russell 3000 Index, representing approximately 7% of the Russell 3000 total market capitalization.
11	Foreign investments, if part of the fund lineup, involve special risks, including currency fluctuations and political developments.
12	An investment in a Money Market Portfolio/Fund, if part of the portfolio/fund lineup, is not insured or guaranteed by the Federal Deposit Insurance Corporation. Although the portfolio/fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the portfolio/fund.
13	Russell 2000 Value: Market-weighted total return index that measures the performance of companies within the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values.
14	Equity securities of small-sized companies may be more volatile than securities of larger, more established companies.
15	Index Funds are not provided an overall rating as their objective is to track their respective index, not to outperform managed funds.
16	Russell Midcap Growth: Market-weighted total return index that measures the performance of companies within the Russell Midcap Index having higher price-to-book ratios and higher forecasted growth values.
17	Standard & Poor's Midcap 400: Includes approximately 10% of the capitalization of U.S. equity securities. These are comprised of stocks in the middle capitalization range.
18	Russell Midcap Value: Market-weighted total return index that measures the performance of companies within the Russell Midcap Index having lower price-to-book ratios and lower forecasted growth values.
19	Barra Large Cap Growth: Market capitalization-weighted index of the stocks in the Standard & Poor's 500 Index having the lowest book to price ratios. The index consists of approximately half of the S&P 500 on a market capitalization basis.
20	Standard & Poor's 500: A market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market. It measures the movement of the largest issues. Standard and Poor's chooses the member companies for the 500 based on market size, liquidity and industry group representation.
21	Barra Large Cap Value: Market capitalization-weighted index of the stocks in the Standard & Poor's 500 Index having the highest book to price ratios. The index consists of approximately half of the S&P 500 on a market capitalization basis.
22	Barclays Capital Aggregate Bond: Composed of the Barclays Capital Govt/Credit Index, the Mortgage-Backed Securities Index, and the Asset-Backed Securities Index.
23	Bar Cap Credit: Listed for corporate bond-general and high-quality funds. This index tracks the returns of all publicly issued, fixed-rate, nonconvertible, dollar-denominated, SEC-registered, investment-grade corporate debt.
24	Bar Cap Mortgage-Backed: Includes 15- and 30-year fixed-rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA).
25	Bar Cap Government Bond: Listed for government-bond general and Treasury funds because it tracks the returns of U.S. Treasuries, agency bonds, and one- to three-year U.S. government obligations. This index is effective for tracking portfolios holding non-mortgage government securities.

IMPORTANT DISCLOSURES

Footnote Subscript	Disclosure
26	Bar Cap 1-3 Year Government: Comprised of both the Treasury Bond index (all public obligations of the U.S. Treasury, excluding flower bonds and foreign-targeted issues) and the Agency Bond Index (all publicly issued debt of U.S. Government agencies and quasi-federal corporations and corporate-debt guaranteed by the U.S. Government).
27	In certain instances the fund shown and the related data is the load waived share class.
28	Investment options available in the plan may be through mutual funds and / or a group fixed annuity contract. Total return performance shown above represents that of the underlying fund and does not include a deduction for any applicable annuity contract of administrative fees / expenses. Performance numbers shown above would be less after applicable fees / expenses are deducted.

APPENDIX A - ADDITIONAL DISCLOSURES

ADVISED ASSETS GROUP

1. An investment in a money market fund, if part of the fund lineup, is not insured or guaranteed by the Federal Deposit Insurance Corporation. Although the fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the fund.

APPENDIX B - GLOSSARY

12b-1 Fee The maximum annual charge deducted from fund assets to pay for distribution and marketing costs. Although usually set on a percentage basis, this amount will occasionally be a flat figure.

Actively managed A fund attempts to add portfolio value through such active investment techniques as sector allocation (top-down) and/or security selection (bottom-up).

Aggressive Growth (Objective) Funds that seek high growth of capital. Investments may include smaller companies, companies in newly-emerging industries or in special situations (i.e., turnaround, mergers & acquisitions, etc.).

Alpha is the coefficient that measures the portion of an investment's return arising from non-market or unsystematic risk. In actively managed portfolios, alpha is considered to be the value added by the manager through sector or security selection. A negative alpha would indicate that active management had produced less-than-market returns.

Annual Returns Total returns calculated on a calendar-year basis. The annual return for a fund will be the same as its trailing 12-month total return only at year-end.

Annualized Returns Returns for periods longer than one year are expressed as "annualized returns." This is equivalent to the compound rate of return which, over a certain period of time, would produce a fund's total return over that same period.

Asset Allocation (Objective) Funds that seek high total return by investing in a mix of equities, fixed-income securities and money market instruments.

Barclays Capital Aggregate Index Composed of the Barclays Capital Govt/Credit Index, the Mortgage-Backed Securities Index, and the Asset-Backed Securities Index. The returns published for the index are total returns, which include reinvestment of dividends.

Barclays Capital Government Bond Index Listed for government-bond general and Treasury funds. Because it tracks the returns of U.S. Treasuries, agency bonds, and one- to three-year U.S. government obligations, this index is effective for tracking portfolios holding non-mortgage government securities. The returns published for the index are total returns, which include reinvestment of dividends.

Basis Point One-hundredth of a percentage point. For example, 50 basis points equals .50%.

Beta also known as market or systematic risk, beta is the coefficient that measures an investment's volatility relative to "the market" (the S & P 500 Index has a beta of 1.00) as a whole. Portfolios with a beta greater than 1.00 will move higher or lower than the market as a whole, while those with betas of less than 1.00 will move less than the market.

Bond funds Contrary to individual bonds, which offer a guaranteed rate of return, bond funds are variable funds and their returns may rise or fall depending on market conditions. Funds with 70% or more of their assets invested in bonds are classified as Bond Funds. Bond funds are divided into two main groups: Taxable Bond and Municipal Bond. Taxable Bond Fund categories include the following: Long-Term Government, Intermediate-Term Government, Short-Term Government, Long-Term Bond, Intermediate-Term Bond, Short-Term Bond, Ultrashort-Bond, International- Bond, High-Yield Bond, Emerging-Markets Bond and Multisector Bond.

Capital Appreciation The market rise in share value of a company as it experiences growth in earnings and/or assets. By extension, funds will experience capital appreciation as the underlying securities in their portfolios appreciate in value.

Capitalization The total market value of all stock issued by a company. Funds are frequently categorized by the market capitalization of the stocks in their portfolios; i.e., "small cap" generally refers to companies valued by the market at less than $1 billion, "Mid-cap" to companies valued between $1 billion and $5 billion, and "Large-cap" to companies valued at more than $5 billion.

Corporate Bond--General (Objective) Funds that seek income by investing in fixed-income securities. Funds with this objective may hold a variety of issues, including but not limited to government bonds, high-quality corporates, mortgages, asset-backeds, bank loans and junk bonds.

Corporate Bond--High Yield (Objective) Funds that seek income by generally investing 65% or more of their assets in bonds rated below BBB. The price of these issues is generally affected more by the condition of the issuing company (similar to a stock) than by the interest-rate fluctuation that usually causes bond prices to move up and down.

Diversification The investment practice of spreading assets in a portfolio among a number of different companies, industries, sectors and/or instruments. Under Modern Portfolio Theory, the practice of diversification may assist an investor in reducing overall portfolio risk and evening out portfolio returns.

Domestic equity funds are placed in a category based on the style and size of the stocks they typically own. The style and size parameters are based on the divisions used in the investment style box: Value, Blend, or Growth style and Small, Medium, or Large median market capitalization.

Equity-Income (Objective) Funds that are expected to pursue current income by investing at least 65% of their assets in dividend-paying equity securities.

Excess Returns The percentage of fund assets paid for operating and administrative expenses, as well as management fees. Fund expenses are reflected in a Fund's NAV.

APPENDIX B - GLOSSARY (CONTINUED)

Expense Ratio The percentage of fund assets paid for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV. Sales charges are not included in the expense ratio.

Foreign Stock Category An international fund having no more than 10% of stocks invested in the United States.

Fund of Funds A fund that specializes in buying shares in other mutual funds rather than individual securities. Quite often this type of fund is not discernible from its name alone, but rather through prospectus wording (i.e.: the fund's charter).

Government Bond–General (Objective) Offerings that pursue income by investing in a combination of mortgage-backed securities, Treasuries, and agency securities.

Growth (Objective) Funds that pursue capital appreciation by investing primarily in equity securities. Current income, if considered at all, is a secondary concern.

Growth and Income (Objective) Growth of capital and current income are near-equal objectives for these funds. Investments are typically selected for both appreciation potential and dividend-paying ability.

Index Fund A fund that tracks a particular index and attempts to match returns. While an index typically has a much larger portfolio than a mutual fund, the fund's management may study the index's movements to develop a representative sampling, and match sectors proportionately.

International Equity Funds with 40% or more of their equity holdings in foreign stocks (on average over three years) are placed in the international equity class. These categories include Europe, Japan, International Hybrid, Latin America, Diversified Pacific, Pacific ex. Japan, Specialty Precious Metals, Diversified Emerging Markets, World Stock, and Foreign Stock. Foreign investments involve special risks, including currency fluctuations and political developments.

Life Cycle These funds are geared toward investors of a certain age or with a specific time horizon for investing. Typically they are grouped together in sets (i.e. conservative, moderate, and aggressive portfolios).

Management Fees The management fee is the percentage deducted from fund assets to pay an advisor or subadvisor. Often, as the fund's net assets grow, the percentage deducted for management fees decreases. For example, a particular fund may report a management fee of 0.40% on the first $500 million in assets, 0.35% on all assets between $500 million and $1 billion, and 0.30% on assets in excess of $1 billion. Thus, if the fund contains $1.5 billion in total net assets, the advisor scales back its management fees accordingly. Alternatively, the fund may compute the fee as a flat percentage of average net assets.
The management fee might also come in the form of a group fee (G), a performance fee (P), or a gross income fee (I). Note: The management fee is just one (albeit a major) component of a fund's costs. The overall expense ratio is the most useful number for investors. Actual fees are also noted in this section.

Morningstar was founded in 1984 to provide investors with useful information for making intelligent, informed investment decisions. The company's first product, originally named the Mutual Fund Sourcebook, proved to be innovative in its ability to tap into an underserved market. Soon a demand grew for an even more in-depth and analytical publication, leading to the launch of Morningstar Mutual Funds in late 1986. Morningstar and Advised Assets Group are separate and unaffiliated. The Morningstar name is a registered mark of Morningstar. Marks used in conjunction with Morningstar products or services are the property of Morningstar or its subsidiaries.

Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings (portfolio statistics and compositions over the past three years). If the fund is new and has no portfolio, we estimate where it will fall before assigning a more permanent category. When necessary, we may change a category assignment based on current information.

MSCI EAFE Ndtr_D Listed for foreign stock funds (EAFE refers to Europe, Australasia, and Far East). Widely accepted as a benchmark for international stock performance, the EAFE Index is an aggregate of 21 individual country indexes that collectively represent many of the major markets of the world. Ndtr_D indexes are calculated daily and take into account actual dividends reinvested daily before withholding taxes, but exclude special tax credits declared by companies. In addition, Ndtr_D indexes subtract withholding taxes retained at the source, for foreigners who do not benefit from a double taxation treaty. The returns published for the index are total returns, which include reinvestment of dividends.

MSCI World Ndtr_D Includes all 23 MSCI developed market countries. Ndtr_D indexes are calculated daily and take into account actual dividends reinvested daily before withholding taxes, but exclude special tax credits declared by companies. In addition, Ndtr_D indexes subtract withholding taxes retained at the source, for foreigners who do not benefit from a double taxation treaty.

Mutual fund An investment option that pools money from many shareholders and invests it in a group of stocks, bonds, or other securities. Also known as an open-end investment management company, mutual funds are securities required to be registered with the SEC.

NAV Stands for net asset value, which is the fund's share price. Funds compute this value by dividing the total net assets by the total number of shares.

Net Assets The month-end net assets of the mutual fund, recorded in millions of dollars. Net-asset figures are useful in gauging a fund's size, agility, and popularity. They help determine whether a small company fund, for example, can remain in its investment-objective category if its asset base reaches an ungainly size.

Overall Rating The equal weighted average of the Return Composite and the Sharpe Composite. The Return Composite is the equal weighted average of the 3, 5, and 10 year category return percentiles. The Sharpe Composite is the equal weighted average of the 3 and 5 year category sharpe percentiles.

Prospectus A fund's formal written statement, generally issued on an annual basis. In this statement the fund sets forth its proposed purposes and goals, and other facts (e.g.: history and investment objective) that an investor should know in order to make an informed decision.

Prospectus Objective Indicates a particular fund's investment goals, based on the wording in a fund's prospectus.

R-squared (R2) measures the degree to which movement in one variable is related to the movement in another variable. Portfolios with a high R-squared will react similarly to various market conditions. By combining investments with low correlations, an investor can reduce the overall risk within a portfolio.

Risk Basically there are four types of risk: 1) inflation risk means your money may not earn enough in the long run because as prices go up the value of your money goes down; 2) market risk means you could lose money because the price of a stock may go down; 3) credit risk means a company or organization that borrowed your money may not be able to pay it back; and 4) interest rate risk means you could lose money because as interest rates go up the value of bond investments goes down.

Russell 1000 Consists of the 1000 largest companies within the Russell 3000 index. Also known as the Market-Oriented Index, because it represents the group of stocks from which most active money managers choose. The returns published for the index are total returns, which include reinvestment of dividends.

Russell 1000 Growth Market-capitalization weighted index of those firms in the Russell 1000 with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 includes the largest 1000 firms in the Russell 3000, which represents approximately 98% of the investable US equity market.

Russell 1000 Value Market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values. The Russell 1000 includes the largest 1000 firms in the Russell 3000, which represents approximately 98% of the investable US equity market.

Russell 2000 Consists of the smallest 2000 companies in the Russell 3000 Index, representing approximately 7% of the Russell 3000 total market capitalization. The returns published for the index are total returns, which include reinvestment of dividends.

Russell 2000 Growth Market-weighted total return index that measures the performance of companies within the Russell 2000 Index having higher price-to-book ratios and higher forecasted growth values. The Russell 2000 Index includes the 2000 firms from the Russell 3000 Index with the smallest market capitalizations. The Russell 3000 Index represents 98% of the of the investable US equity market.

Russell 2000 Value Market-weighted total return index that measures the performance of companies within the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Index includes the 2000 firms from the Russell 3000 Index with the smallest market capitalizations. The Russell 3000 Index represents 98% of the of the investable US equity market.

Share Classes Shares of the same fund that offer different shareholder rights and obligations, such as different fee and load charges. Common share classes are A (front-end load), B (deferred fees), C (no sales charge and a relatively high annual 12b-1 fee, such as 1.00%). Multi-class funds hold the same investment portfolio for all classes, and differ only in their surrounding fee structure.

Sharpe Ratio measures the risk-adjusted performance of a portfolio. It is calculated by subtracting the risk-free rate of return (i.e., the return on treasury bills) from the return of the portfolio as a whole, then dividing by the standard deviation of the returns. The higher the Sharpe Ratio, the better the risk-adjusted performance of the portfolio.

Standard Deviation A statistical measurement of dispersion about an average, which, for a mutual fund, depicts how widely the returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the range of returns that are most likely for a given fund. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

Tax-deferred earnings You don't have to pay taxes on any earnings in your 401(k) until you withdraw your money. The money in a 401(k) can grow faster than with other types of savings plans, because the earnings you accumulate, if any, are also tax-deferred.

APPENDIX B - GLOSSARY (CONCLUDED

Turnover Ratio A measure of the percentage of holdings that have been "turned over" -- replaced with other holdings -- within a portfolio during the course of a year.

Variable funds Investments that fluctuate with market conditions. Unlike guaranteed investments, such as bonds or CDs, variable funds don't guarantee a specific rate of return. They do offer potential for higher earnings in return for higher degree of market risk.

World Stock Category An international fund having more than 10% of stocks invested in the US. Also known as global funds. Foreign Investments involve special risks, including currency fluctuations and political developments.

June 7, 2016
Prepared by: Tanja Fournier
Submitted by: Robert Jacobson/Cheryl Clary CC
Approved by: Paul Cook

FINANCE AND PERSONNEL COMMITTEE

PROPOSED 2016 GENERAL OBLIGATION BOND AND CERTIFICATES OF PARTICIPATION DEBT ISSUANCE

SUMMARY:

Based on the District's decreasing cash balances, additional planned capital projects and regulations limiting reimbursement of prior Capital Fund and Replacement Fund expenditures, staff recommends the issuance of debt to fund previous and future capital expenditures.

In May 2016, staff and the District's independent registered municipal advisor, Public Financial Management (PFM), developed and distributed a request for proposal to a group of pre-qualified underwriters for a bond issuance estimated for September 2016. In connection with the proposed bond issuance and based on the proposals received, staff is recommending the following:

- Issuance of General Obligation Bonds (GO) in an amount not to exceed $130,000,000;
- Issuance of Certificates of Participation (COPs) for an amount not to exceed $75,000,000;
- Retention of Bank of America Merrill Lynch and Morgan Stanley as Underwriters for a GO Bond issue;
- Retention of Goldman Sachs as Underwriter for a COPs issue;
- Retention of Orrick, Herrington & Sutcliffe and Bowie, Arneson, Wiles & Giannone as co-bond counsel; and,
- Recommend the Board adopt the Resolution of Intent to Issue Bonds, attached as Exhibit "A".

BACKGROUND:

As of April 30, 2016, IRWD's cash balance was $237 million, which is a $207 million (or 46.6%) decrease from December 2010 when the District last issued new money debt ($175 million Build America Bonds). All bond proceeds from the 2010 bond issuance have since been spent. The District's history of significant unrestricted cash balances (liquidity) has been a substantial contributor to its current exemplary credit ratings (AAA, AAA, Aa1). Cash flow projections indicate that further reductions in the District's cash balances will continue. A Summary of Cash Flow Projections, including the recommended debt issuance, is attached as Exhibit "B".

Regulations Regarding Reimbursement of Capital Expenditures:

Public agencies are permitted to issue bonds for reimbursement of previous capital expenditures and to fund future planned capital projects. Treasury regulations provide the District with the ability to reimburse costs for a period of up to three years following expenditures for an open project, and 18-months following Board acceptance of a project.

As was previously discussed with the Committee, in September 2016 the District will begin to lose the ability to reimburse the capital and replacement funds for significant expenditures that have occurred over the past three years. The capital reimbursements are primarily related to the Biosolids project, as well as the Baker Water Treatment facility and other smaller capital projects. A Schedule of Eligible Project Reimbursements, showing available reimbursement amounts by month, is attached as Exhibits "C". Staff will provide additional detail regarding reimbursement restrictions at the meeting.

GO Bond and COPs Issuance:

Staff proposes the District proceed with a GO bond issuance, primarily for new capital reimbursement, with an expected issuance in September 2016 for a maximum of $130,000,000 million, including cost of issuance. The proposed bond proceeds would reimburse advances from the Capital Fund for expenditures from September 2013 through August 2016.

Staff also proposes issuing COPs to reimburse replacement-related capital expenditures for construction of the District's Biosolids facility. Based on the amount of replacement costs expended to date, as well as remaining projected replacement expenditures for the Biosolids facility, staff proposes an amount not to exceed $75,000,000, including cost of issuance. Utilizing a COPs structure for Replacement Fund expenditures is necessary because the use of District GO authorization is not permitted to finance replacement project expenditures. The proposed COPs issuance is net of $11.1 million in contributions to the Replacement Fund received from fiscal year (FY) 2013-2014 through FY 2016-17 from the Biosolids fixed charge paid by District customers during that period. The Summary of Expenditures by Improvement District for the GO and COPs issues is attached as Exhibit "D".

Potential 2010 COPs Refunding Opportunity:

The District currently has $54.7 million COPs outstanding at a fixed rate of 3.82%. As part of the recommended COPs issuance, staff also recommends including the option to refund the District's 2010 COPs fixed rate issue, should favorable economics continue. Based on current economics, a refunding of the issue would generate savings to the District of approximately $5.0 to $5.5 million. Staff will continue to monitor potential savings during the new issuance process in order to determine if a refunding continues to provide an economic benefit to the District.

Underwriters and Bond Counsel Selection:

In connection with the GO and COPs issuance, staff received proposals from Bank of America Merrill Lynch (BAML), Goldman Sachs (Goldman), Morgan Stanley, Citigroup, US Bank and Wells Fargo to act in an underwriter capacity for the District's debt issuance. Staff and PFM evaluated the proposals and, based on proposed fee schedules, recommended financing structures, planned financing teams and marketing strategies selected Goldman, BAML and Morgan Stanley, as finalists for debt issuance.

Based on staff's analysis of the proposals, as well as feedback from PFM, staff recommends that BAML and Morgan Stanley be retained as underwriters for the GO bond issue and Goldman

2010 COPs issue. A comparison of proposed fee structures including bond takedown, reimbursable expenses and legal costs is attached as Exhibit "E".

Additionally, it is recommended that Orrick, Herrington & Sutcliffe, and Bowie, Arneson, Wiles & Giannone be retained as co-bond counsel.

Proposed Issuance Mode and Structure:

Staff is continuing to evaluate the proposed debt structuring options available to the District including fixed versus variable mode, senior versus subordinate status and principal repayment schedule and will provide its recommendations to the Committee at the meeting. Based on discussion and feedback received at the meeting, staff will proceed accordingly.

FISCAL IMPACTS:

A $130 million GO bond sale will reimburse the Capital Fund for approximately $123 million of eligible expenditures that have occurred during the three years prior to expected issuance, and a $75 million COP's issuance will reimburse the Replacement Fund for eligible expenditures that have occurred over the past three years, and remaining estimated expenditures related to the Biosolids project through project completion.

The underwriter fees, expenses, and cost of issuance, including legal, rating agencies, trustee, and printing for the GO bond issue and the COPs issue are estimated at $563,000 and $445,000, 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 recommends Board approval of the issuance of General Obligation bonds in an amount not to exceed $130 million in either a fixed or variable mode to be determined prior to issuance, and approve the issuance of Certificates of Participation in an amount not to exceed $75 million, in a fixed or variable mode to be determined prior to issuance, and approve the retention of Bank of America Merrill Lynch and Morgan Stanley as underwriters for the GO bond issue, and approve the retention of Goldman Sachs as underwriter for the COPs issue (to include any potential refunding of the District's 2010 COPs issue), and retain Orrick, Herrington & Sutcliffe and Bowie, Arneson, Wiles & Giannone as co-bond counsel; and adopt a Resolution Declaring Intention to Issue Consolidated Bonds of said District ([Consolidated] Series 2016).

EXHIBITS:

Exhibit "A" – Resolution of Intent to Issue Bonds
Exhibit "B" – Summary of Cash Flow Projections
Exhibit "C" – Schedule of Eligible Project Reimbursements
Exhibit "D" – Summary of Project Expenditures and Cost of Issuance
Exhibit "E" – Summary of Underwriter Proposal Fees and Expenses

RESOLUTION NO. 2016-_____

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE IRVINE RANCH WATER DISTRICT
DECLARING INTENTION TO ISSUE
CONSOLIDATED BONDS OF SAID DISTRICT
([CONSOLIDATED] SERIES 2016)

WHEREAS, the Board of Directors of Irvine Ranch Water District ("IRWD") deems it proper that bonds of Improvement District Nos. 112, 113, 125, 153, 154, 185, 188, 212, 213, 225, 240, 253, 285 and 288 (the "Included Improvement Districts") be issued as consolidated bonds (hereinafter referred to as the "Bonds") pursuant to Sections 36447 and following of the California Water Code and Section 53541 of the California Government Code; and

WHEREAS, the Board of Directors has been presented with a proposed resolution providing for the issuance of the Bonds.

NOW, THEREFORE, the Board of Directors of the Irvine Ranch Water District DOES HEREBY RESOLVE, DETERMINE and ORDER as follows:

Section 1. The resolution providing for issuance of the Bonds, as presented to this Board of Directors concurrently herewith, is approved as to form. The total principal amount of the Bonds shall be a maximum amount of [$130,000,000], and the Bonds shall be comprised of the proportional amounts of the Included Improvement Districts determined as provided therein. The Bonds shall constitute the consolidated several general obligations of the Included Improvement Districts and shall, in addition, constitute obligations of IRWD payable from certain net revenues and secured by a pledge of revenues of IRWD as provided in said resolution providing for issuance.

The Bonds, the provisions for payment of and security for the Bonds, the interest rates to be borne by the Bonds, conversion from one interest rate determination method to another, purchase, remarketing, and other features of the Bonds shall be conceptually as set forth in the proposed form of the resolution providing for issuance of the Bonds and in an indenture to be entered into in connection with the negotiated sale of the Bonds. The indenture or the form thereof shall be adopted concurrently with the adoption of the resolution providing for issuance.

Section 2. Monday, the [25th day of July], 2016, at the hour of 5:00 p.m. of said day (or as soon thereafter as is reasonably practicable) in the Board of Directors Room of Irvine Ranch Water District, 15600 Sand Canyon Avenue, Irvine, California, be and the same are hereby fixed by this Board of Directors as the time and place for a hearing on the proposed resolution of issuance.

Section 3. At the time and place fixed in Section 2 or at any time or place to which such hearing may be continued, any person interested, including any person owning land in the Included Improvement Districts or any person otherwise interested in the Bonds as consolidated bonds, may appear and be heard concerning any matter set forth in this resolution declaring intention and the proposed resolution of issuance or any matters material thereto, including the question of whether the burden on the lands of any of the Included Improvement Districts would be increased over the burden that would be borne by such Included Improvement District were its bonds sold separately.

Section 4. The Secretary is directed to publish notice of such hearing by publishing a copy of this resolution declaring intention once a week for two successive weeks pursuant to Section 6066 of the California Government Code, in a newspaper of general circulation published in Orange County. The first publication shall be at least fourteen (14) days prior to the time fixed for the hearing. The Secretary is further directed to post a copy of this resolution declaring intention in three public places within each Included Improvement District for at least fourteen (14) days prior to the time fixed for the hearing. To the extent the Secretary has, prior to adoption hereof, accomplished any of the publications or postings directed by this Section, the same are hereby ratified.

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

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

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

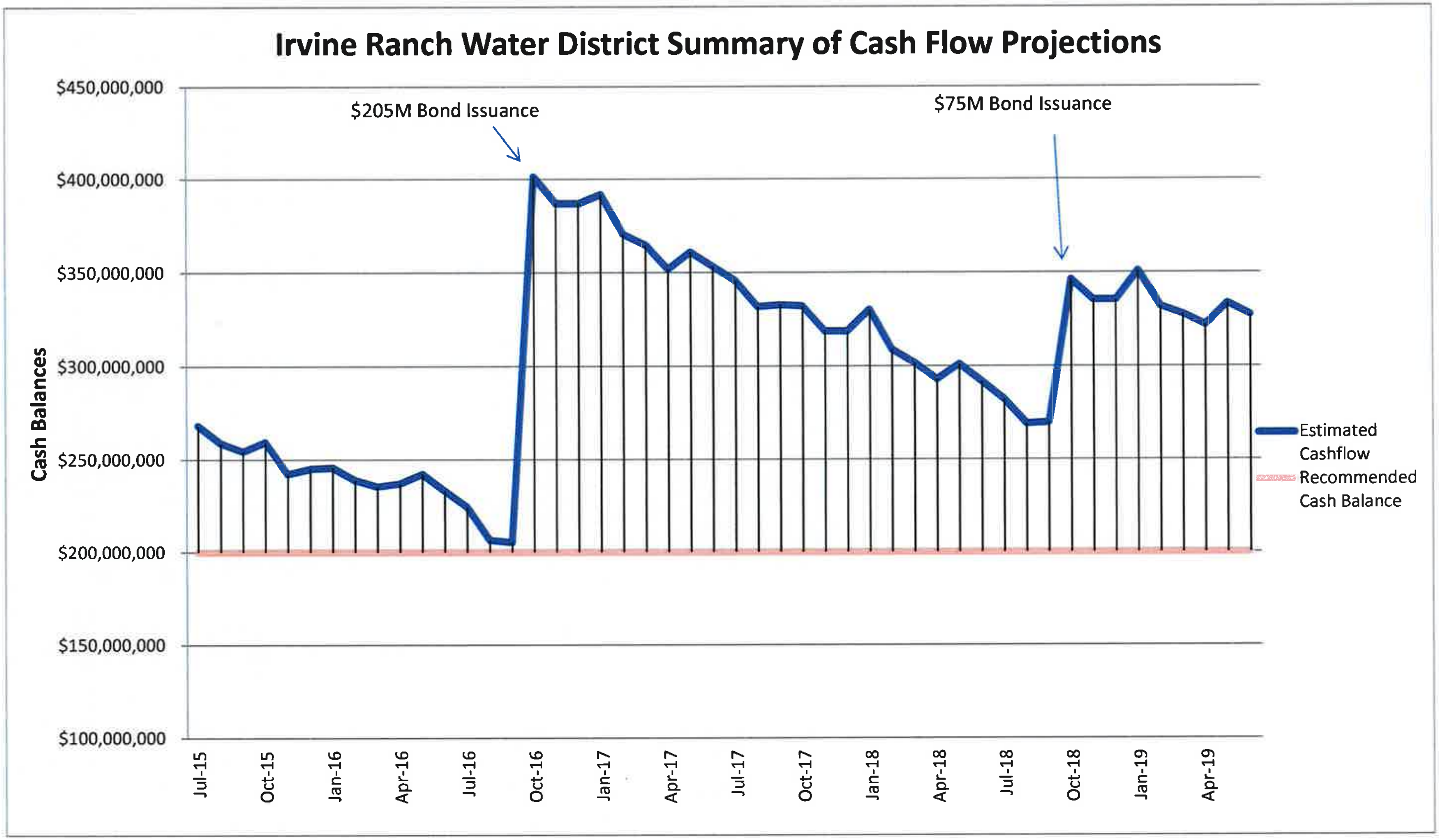
APPROVED AS TO FORM:

BOWIE, ARNESON,
WILES & GIANNONE
Legal Counsel - IRWD

By____________________

BAWG/ 00191143/ 053116

Exhibit "B"


Irvine Ranch Water District Summary of Cash Flow Projections
$450,000,000
$400,000,000
$350,000,000
$300,000,000
$250,000,000
$200,000,000
$150,000,000
$100,000,000
Cash Balances
$205M Bond Issuance
$75M Bond Issuance
Jul-15
Oct-15
Jan-16
Apr-16
Jul-16
Oct-16
Jan-17
Apr-17
Jul-17
Oct-17
Jan-18
Apr-18
Jul-18
Oct-18
Jan-19
Apr-19
Estimated Cashflow
Recommended Cash Balance

IRVINE RANCH WATER DISTRICT
Summary of Cash Flow Projections
FY 2016/2017 through FY 2018/2019

2016-2017	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	
	*Estimated												
BEGINNING BALANCE	**$224,514,442**	**$206,528,066**	**$205,392,327**	**$401,503,731**	**$387,141,147**	**$387,141,147**	**$391,897,219**	**$370,603,970**	**$364,887,279**	**$351,879,602**	**$361,199,993**	**$353,460,943**	
ENDING BALANCE	**$206,528,066**	**$205,392,327**	**$401,503,731**	**$387,141,147**	**$379,293,611**	**$391,897,219**	**$370,603,970**	**$364,887,279**	**$351,879,602**	**$361,199,993**	**$353,460,943**	**$345,684,677**	
MONTHLY CHANGES	**($17,986,376)**	**($1,135,739)**	**$196,111,404**	**($14,362,584)**	**($7,847,536)**	**$4,756,072**	**($21,293,249)**	**($5,716,690)**	**($13,007,677)**	**$9,320,391**	**($7,739,050)**	**($7,776,266)**	113,322,700
Notes													
Proposed Bond Issuance			205,000,000										

2017-2018	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	
BEGINNING BALANCE	**$345,684,677**	**$331,956,547**	**$332,947,782**	**$332,383,139**	**$318,648,603**	**$318,648,603**	**$330,298,276**	**$308,980,719**	**$301,708,466**	**$292,864,327**	**$301,098,257**	**$291,757,704**	
ENDING BALANCE	**$331,956,547**	**$332,947,782**	**$332,383,139**	**$318,648,603**	**$311,484,418**	**$330,298,276**	**$308,980,719**	**$301,708,466**	**$292,864,327**	**$301,098,257**	**$291,757,704**	**$282,389,164**	
MONTHLY CHANGES	**($13,728,130)**	**$991,235**	**($564,643)**	**($13,734,535)**	**($7,164,185)**	**$11,649,672**	**($21,317,556)**	**($7,272,253)**	**($8,844,139)**	**$8,233,930**	**($9,340,553)**	**($9,368,540)**	(70,459,699)
Notes													
Proposed Bond Issuance													

2018-2019	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	
BEGINNING BALANCE	**$282,389,164**	**$269,168,834**	**$269,886,588**	**$346,365,521**	**$335,494,790**	**$335,494,790**	**$351,021,888**	**$332,107,596**	**$327,824,098**	**$322,087,285**	**$333,855,159**	**$327,582,804**	
ENDING BALANCE	**$269,168,834**	**$269,886,588**	**$346,365,521**	**$335,494,790**	**$331,448,169**	**$351,021,888**	**$332,107,596**	**$327,824,098**	**$322,087,285**	**$333,855,159**	**$327,582,804**	**$321,399,745**	
MONTHLY CHANGES	**($13,220,330)**	**$717,754**	**$76,478,933**	**($10,870,731)**	**($4,046,620)**	**$15,527,098**	**($18,914,292)**	**($4,283,498)**	**($5,736,813)**	**$11,767,874**	**($6,272,355)**	**($6,183,059)**	34,963,961
Notes													
Proposed Bond Issuance			75,000,000										

Assumptions:
Revenue does not include sale of Serrano Summit
Debt service assumes $130 million ad valorem assessment bonds and $75 million COPS issued in FY 2016-2017 & $75 Milllion ad valorem assessment bonds FY 2018-2019

Exhibit "C"

Irvine Ranch Water District
Schedule of Eligible Project Reimbursements

MONTH	FY 2013-2014	FY 2014-2015	FY 2015-2016
July	129,150 (1)	2,459,109	2,330,572
August	465,106 (1)	3,496,998	3,471,530
September	2,468,520	1,769,635	2,537,131
October	1,178,783	11,228,693	7,874,038
November	1,711,864	5,182,641	6,536,008
December	3,193,402	9,041,334	12,201,009
January	1,431,225	6,557,447	2,113,906
February	4,792,013	5,679,783	7,280,469
March	1,851,060	7,415,425	4,601,350
April	2,569,416	7,209,251	5,240,096
May	2,999,847	5,848,755	*5,417,284* (2)
June	8,255,983	12,986,662	*5,417,284* (2)
Total	30,452,114	78,875,734	65,020,677

Eligible Reimbursements To Date	**174,348,525**

(1) Expenditures no longer available for reimbursement

(2) Estimate Based on FY 15/16 Ten Month Average

Exhibit "D"

IRVINE RANCH WATER DISTRICT
SUMMARY OF EXPENDITURES BY IMPROVEMENT DISTRICT
May 31, 2016

General Obligation Bonds

ID	GO Authorization	Eligible Reimbursements Through April 2016	Estimated Additional Expenditures Through August 2016	Total Estimated Reimbursable Expenditures
112	$22,772,300	$2,405,892	$233,868	$2,639,760
113	10,969,500	1,573,060	319,398	1,892,458
125	322,089,640	17,910,274	2,452,797	20,363,071
153	237,300,000	8,223,438	900,799	9,124,237
154	4,839,000	163,777	21,933	185,710
185	13,500,000	1,657,185	266,297	1,923,482
188	3,736,990	160,002	23,974	183,976
212	93,011,800	10,579,686	1,474,133	12,053,819
213	63,847,500	4,612,955	390,730	5,003,685
225	406,894,840	45,783,385	5,978,766	51,762,151
240	68,796,530	1,379,322	225,196	1,604,518
253	122,283,000	12,849,900	1,661,097	14,510,997
285	21,300,000	1,618,644	299,990	1,918,634
288	8,677,000	151,456	20,156	171,612
Total	$1,400,018,100	$109,068,976	$14,269,134	$123,338,110
Contingency				$6,099,565
Estimated Cost of Issuance (1)				$562,325
Total Estimated Bond Issue				**$130,000,000**

(1) Assumes $130 million par bond amount of bonds issued

Certificates of Participation

Eligible Reimbursements Through April 2016	Biosolids Expenditures between May 2016 and Project Completion	Contribution to Replacement Fund for Biosolids 2014-2017	Total Reimbursable Expenditures	Total COP Issuance
$54,444,983	$29,352,531	($11,100,000)	$72,697,514	$72,697,514
Contingency				1,858,392
Estimated Cost of Issuance (1)				$444,094
Total Estimated COP's Issue				**$75,000,000**

(1) Assumes $75 million par COPs issued

Exhibit “E”

Proposed Underwriter Expenses

General Obligation Bonds ($130 Million)(1)						
			(Recommended)		*(Recommended)*	
	Goldman		Bank of America		Morgan Stanley	
Underwriting Expenses	$/Bond	Total	$/Bond	Total	$/Bond	Total
Fixed Rate(2)	1.82	236,600.00	1.99	258,700.00	1.99	258,700.00
Variable Rate(2)	0.74	96,200.00	1.04	135,200.00	1.54	200,200.00

Certificate of Participation ($75 Million)(1)						
	(Recommended)					
	Goldman		Bank of America		Morgan Stanley	
Underwriting Expenses	$/Bond	Total	$/Bond	Total	$/Bond	Total
Fixed Rate(3)	2.07	155,250.00	2.24	168,000.00	2.24	168,000.00

(1)Assumes 30 yr Level Debt

(2)Assumes $0.29 for other fees

(2)Assumes $0.54 for other fees