AGENDA
IRVINE RANCH WATER DISTRICT
FINANCE AND PERSONNEL COMMITTEE MEETING
TUESDAY, MAY 1, 2018

CALL TO ORDER 3:00 p.m., Committee Room, Second Floor, District Office
15600 Sand Canyon Avenue, Irvine, California

ATTENDANCE Committee Chair: Peer Swan ____ Member: Steve LaMar ____

ALSO PRESENT

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

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 – HALL/RONEY

   Recommendation: Receive and file.

7. EXPENSES AND FEES OF BOARD MEMBERS AND GENERAL MANAGER PAID THROUGH THE THIRD QUARTER, FY 2017-18 – PULLES/CLARY

   Recommendation: Receive and file.

8. REVIEW OF PERSONNEL POLICIES AND PROCEDURES, POLICY NO. 45 – CONFLICT OF INTEREST – RONEY

   Recommendation: Review and discuss.

INFORMATION – Continued

9. FY 2017-18 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS THROUGH MARCH 31, 2018 – SMITHSON/CLARY

   Recommendation: Receive and file.

10. THIRD QUARTER FY 2017-18 LEGAL FEES ANALYSIS – TOBAR/CLARY

   Recommendation: Receive and file.

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

   Recommendation: Receive and file.

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

   Recommendation: Receive and file.

13. REAL ESTATE QUARTERLY PERFORMANCE – MARCH 2018 – DAVIS/FOURNIER/JACOBSON/CLARY

   Recommendation: Receive and file.

14. SAND CANYON PROFESSIONAL CENTER PHASE 2 VERBAL UPDATE – JACOBSON/CLARY

   Recommendation: Receive and file.

OTHER BUSINESS

15. Directors' Comments

16. CLOSED SESSION

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

   - *Pearse v. Pelican Heights Homeowners Association (HOA), et al,* Case No.: 30-2017-00963297

   - *Bejac Corporation v. Abajian Enterprise (Socal Removal) et al*, Case No.: 30-2017-00955508-CL-CL-CJC

OTHER BUSINESS – Continued

- *Lipman v. Montserrat, et al. v. Irvine Ranch Water District,* Case No.: 30-2017-00905356-CU-PO-CJC

- *Eureka Realty Partners, Inc. d/b/a/ Craig Realty Group, Craig Realty Group-MacArthur, LLC, Eureka Food Enterprises, LLC and CJK Investments, LLC v. American Guarantee & Liability Insurance Company, Irvine Ranch Water District,* Case No.: 30-2017-00916076-CU-PO-CJC

- *Williams v. IRWD, Metropolitan Water District,* Case No.: 30-2012-00616648-CU-PL-CXC

- *National Union Fire Ins. Co. of Pittsburgh, PA, et al, v. J-M Manufacturing Co., Inc. and Formosa Plastics Corp., USA,* Case No.: BC444309

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

17. Adjournment

<u>Availability of agenda materials</u>: 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.

May 1, 2018
Prepared by: M. Ramos
Submitted by: J. Roney
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

EMPLOYEE POPULATION AND TURNOVER STATUS REPORT

SUMMARY:

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

BACKGROUND:

The information attached as Exhibit "A" is a status report submitted monthly to the Committee for review.

FISCAL IMPACTS:

None.

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.

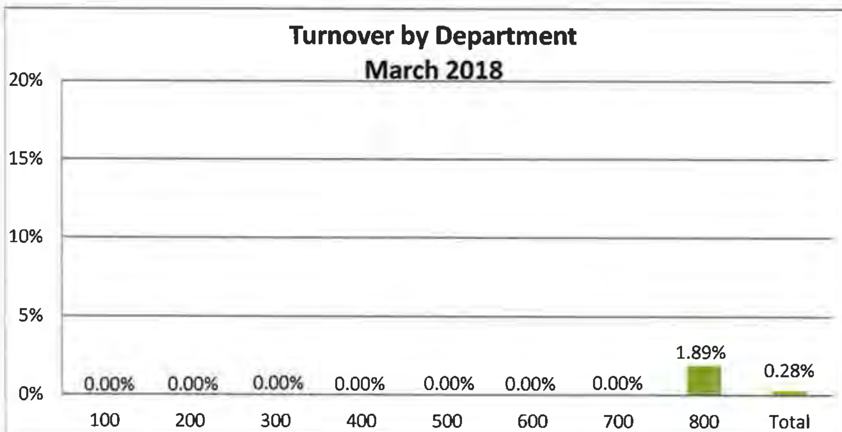
LISTS OF EXHIBITS:

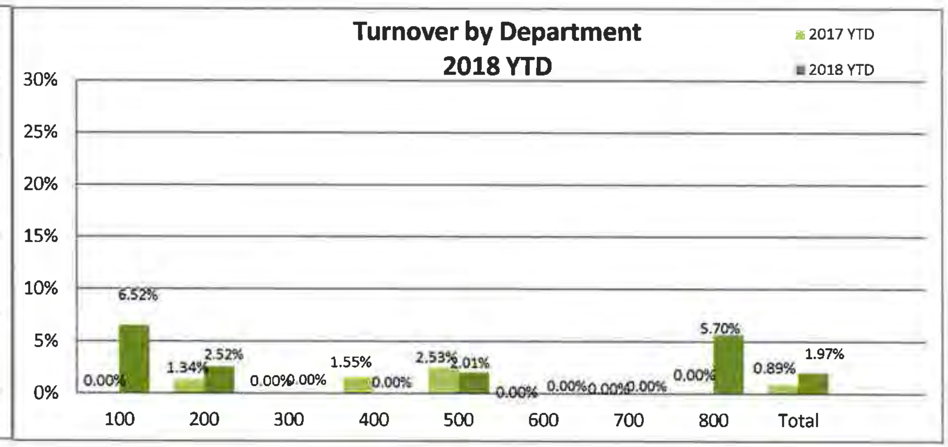
Exhibit "A" – Employee Population/Turnover Status Report

Exhibit "A"

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
April 2018

	@04/01/18	Current Month Activity								@04/30/18		FY 17/18	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	2018	Current	2018
Dept No	Filled	Hires	Vol	Invol	In	Out	In	Out		Filled	Unfilled	Positions*	Positions	FTE	Positions	Period	YTD	Period	YTD
100	15.0									15.0	1	16.0	13.7	0.0	13.7	0.00%	0.00%	0.00%	6.56%
200	79.0	1								80.0	1	81.0	74.3	8.6	82.9	0.00%	0.00%	0.00%	2.52%
300	43.0									43.0	1	44.0	39.9	4.1	44.0	0.00%	0.00%	0.00%	0.00%
400	69.0									69.0	4	69.0	63.0	3.4	66.4	0.00%	0.00%	0.00%	0.00%
500	51.0									51.0	4	55.0	41.0	4.1	45.1	0.00%	0.00%	0.00%	2.00%
600	19.0	1								20.0	0	20.0	19.5	1.6	21.1	0.00%	0.00%	0.00%	0.00%
700	36.0									36.0	1	37.0	32.0	3.0	35.0	0.00%	0.00%	0.00%	0.00%
800	53.0		1							52.0	4	56.0	55.0	0.2	55.2	0.00%	0.00%	1.89%	7.58%
Totals	361	2	1	0	0	0	0	0		362.0	16	378.0	338.4	25.0	363.4	0.00%	0.00%	0.28%	2.25%
4/17*	343	5	2	0	0	0	0	0		346	20	368.00	338.40	24.72	363.1	0.00%	0.30%	0.58%	1.49%



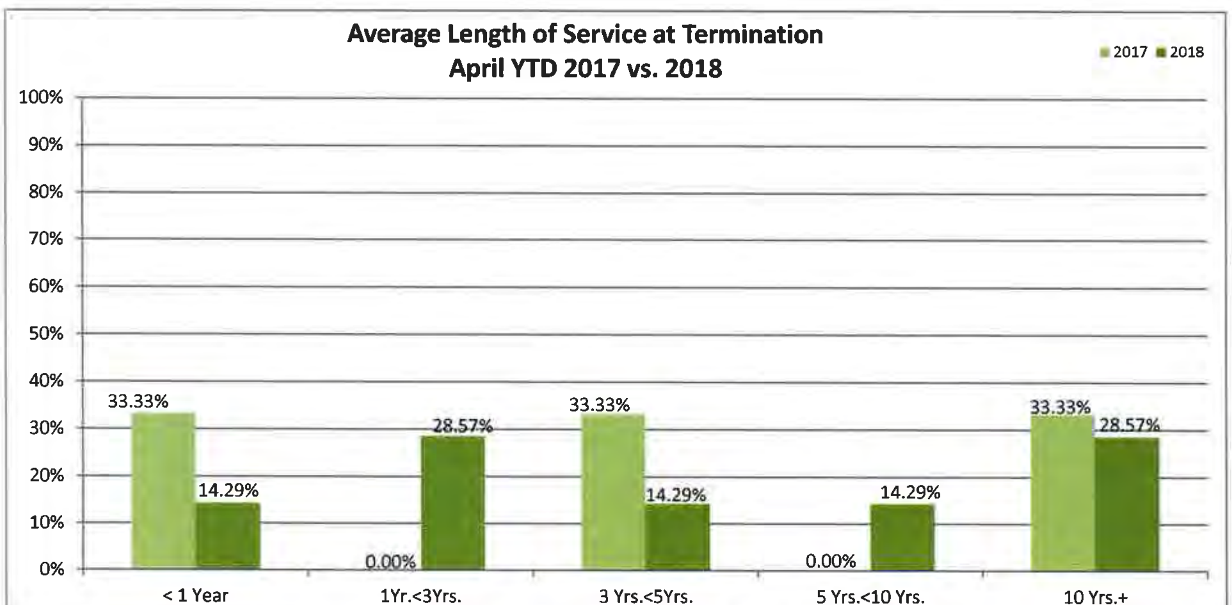


100-GM, HR, Safety; 200-Fin., Cust. Serv., IS, Purch.; 300-Eng.: 400-Water Ops; 500-Recycling; 600-Water Qualty; 700-Water Res., Pol., Conserv. and Public Affairs; 80-Adm. & Maintenance Ops
*Compares prior year with current year

IRVINE RANCH WATER DISTRICT
TURNOVER LONGEVITY RATIO
April 2018

Dept.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	YTD Turnover Longevity Ratio < 1 Year	1Yr.<3Yrs.	3 Yrs.<5Yrs.	5 Yrs.<10 Yrs.	10 Yrs.+
100			1										1		1			
200		1	1										2		1			1
300													0					
400													0					
500			1										1					1
600													0					
700													0					
800	1	1		1									3	1		1	1	
2018 Total	1	2	3	1	0	0	0	0	0	0	0	0	7	1	2	1	1	2
2017 Data	1	2	0	2	3	4	4	1	4	2	2	3	28					
Percentage of Total Turnover														14.29%	28.57%	14.29%	14.29%	28.57%

2018 Average YTD Length of Service at Termination	10.68 Years
2017 Average YTD Length of Service at Termination	14.35 Years
2016 Average YTD Length of Service at Termination	12.43 Years
2015 Average YTD Length of Service at Termination	12.27 Years
2014 Average YTD Length of Service at Termination	19.07 Years



IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
April 2018

NEW HIRES				
Hire	**Dept**	**Employee Name**	**Position**	**Comments**
04/03/18	220	Kelleen Bosley	Customer Service Specialist I	
04/09/18	600	Romuel-Dave Chaves	Scientist	

TERMINATIONS					
Termination Date	**Dept**	**Employee Name**	**Position**	**Reason**	**Comments**
04/20/18	840			Vol.	Other employment

RETIREMENTS					
Effective Date	**Departing Dept**	**Employee Name**	**Position**	**Reason**	**Comments**

PROMOTIONS					
Effective Date	**Departing Dept**	**Employee Name**	**Departing Position**	**New Dept**	**New Position**
04/07/18	550	Ricky Ruiz	Operator II	550	Operator III
04/21/18	430	Nicholas Coleman	Water Maintenance Technician II	425	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**
12/30/17	550	Robert Strunk	Operator II	570	Operator II
12/30/17	550	Rafael Vazquez	Operator II	420	Operator II
04/07/18	430	Richard Olson	Water Maintenance Technician III	830	Asset Maintenance Coordinator

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
April 2018

UNFILLED POSITIONS			
Dept	**Position**	**Salary Grade**	**Comments**
130	Safety & Security Specialist	U26.N	
210	Financial Analyst	U11.E	
300	Construction Inspection Manager	U17.E	Recruiting
425	Water Maintenance Technician III	26.N	Interviews scheduled for 4/4/18
430	Water Maintenance Technician II	22.N	Recruiting
430	Water Maintenance Technician II	22.N	
430	Water Maintenance Technician III	26.N	
550	Operator III (MWRP)	29.N	Internal recruitment
550	Process Specialist	32.N	
570	Senior Collection Systems Technician	25.N	
590	Operator III (LAWRP)	U18.E	
750	Water Efficiency Supervisor	11.E	Interviews scheduled for 4/3/18
805	Executive Director of Operations	U30.E	Recruiting
820	Instrumentation Technician	28.N	Interviews scheduled for 3/27/18
830	Asset Systems Analyst	10.E	
840	Maintenance Mechanic	20.N	

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
April 2018

LEAVE OF ABSENCE						
Type of Leave	**Pay Status**	**Date Leave Began**	**Anticipated Return Date**	**Current Length**	**Comments**	
VC/FMLA/CFRA	WC	4/12/2017	6/28/2018	12 Months	Pending retirement 6-2018	
FMLA/CFRA	SDI	1/12/2018	5/20/2018	4 Months		
FMLA/CFRA	SDI	2/12/2018	7/4/2018	2 Months		
FMLA/CFRA	PFL	3/16/2018	5/7/2018	1.5 Months		
FMA/CFRA	PFL	4/3/2018	5/16/2018	1 Month		
FMLA/CFRA	SDI	4/10/2018	5/17/2018	1 Month		
Leave	**Original Status**	**Date Leave Began**	**Anticipated Return Date**	**Expected Length**	**Actual Return Date**	**Comments**
FMLA/CFRA	SDI	6/19/2017	7/1/2017	2 Weeks	07/10/17	Returned
FMLA/CFRA	SDI	6/26/2017	7/17/2017	3 Weeks	07/10/17	Returned
VC FMLA/CFRA	WC	3/8/2017	7/19/2017	4 Months	07/19/17	Returned
FMLA/CFRA	Sick/Vac	7/10/2017	7/17/2017	1 Week	07/17/17	Returned
VC/FMLA/CFRA	WC	7/12/2017	7/20/2017	1 Week	07/20/17	Returned
VC/FMLA/CFRA	WC	6/12/2017	8/15/2017	6 Weeks	07/28/17	Returned
FMLA/CFRA	SDI	6/20/2017	8/1/2017	5 Weeks	08/01/17	Returned
FMLA/CFRA	SDI	7/11/2017	7/31/2017	3 Weeks	08/01/17	Returned
FMLA/CFRA	SDI	7/13/2017	7/29/2017	2 Weeks	08/08/17	Returned
FMLA/CFRA	PFL	7/17/2017	8/3/2017	2 Weeks	08/07/17	Returned
FMLA/CFRA	PFL	7/17/2017	8/3/2017	2 Weeks	08/07/17	Returned
FMLA/CFRA	SDI	4/3/2017	8/31/2017	4 Months	08/31/17	Returned
WC	WC	10/14/2016	9/5/2017	10 Months	09/05/17	Returned
DL/FMLA/CFRA	SDI	5/12/2017	9/5/2017	3 Months	09/05/17	Returned
FMLA/CFRA	PFL	9/7/2017	9/27/2017	3 Weeks	09/27/17	Returned
FMLA/CFRA	PFL	9/16/2017	10/16/2017	2 Weeks	10/10/17	Returned
FMLA/CFRA	SDI	9/11/2017	10/23/2017	2 Weeks	10/27/17	Returned
PDL/Personal	SDI	7/28/2017	11/7/2017	3 Months	11/06/17	Returned
VC/FMLA/CFRA	WC	10/30/2017	11/6/2017	1 Week	11/06/17	Returned
VC/FMLA/CFRA	WC	10/30/2017	11/6/2017	1 Week	11/06/17	Returned
VC/FMLA/CFRA	WC	10/30/2017	11/2/2017	1 Week	11/06/17	Returned
FMLA/CFRA	PFL	10/19/2017	11/27/2017	2 Weeks	11/27/17	Returned
FMLA/CFRA	PFL	11/11/2017	12/5/2017	3 Weeks	11/28/17	Returned
FMLA/CFRA	SDI	8/14/2017	12/6/2017	2 Month	12/06/17	Returned
FMLA/CFRA	SDI	12/5/2017	12/27/2017	3 Weeks	12/18/17	Returned
FMLA/CFRA	SDI	12/1/2017	12/17/2017	2 Weeks	12/18/17	Returned
FMLA/CFRA	PFL	12/16/2017	1/2/2018	2 Weeks	01/02/18	Returned
FMLA/CFRA	Sick	12/29/2017	1/8/2018	1 Week	01/08/18	Returned
FMLA/CFRA	SDI	12/28/2017	1/15/2018	3 Weeks	01/15/18	Returned

IRVINE RANCH WATER DISTRICT
SUMMARY
AGENCY & DISTRICT TEMPORARY EMPLOYEES
March 2018*
ACTIVE

Current Month FTE	Avg FYTD Temp Emp FTE	PERS Enroll-ment	Agency	Dept	Hire Date	Term Date	Job Assignment	Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FY' YTD	Actual Cost FY 'YTD
0.00	**0.00**			**100**										
0.92	0.84	Yes		210	6/5/2017		Temp. Accountant	30.00	168	5,040.00	9	9	45,360.00	39,172.50
0.16	0.09	No	X	210	11/30/2017		Temp. Accountant	48.05	168	8,072.40	7.25	4.25	34,307.70	6,591.02
0.99	0.92	Yes		220	7/17/2017		Temp. CS Field Tech	35.22	168	5,916.96	12	8.5	50,294.16	52,033.15
0.95	0.45	No	X	220	10/2/2017		Temp. CS Field Tech	31.00	168	5,208.00	9	8.5	44,268.00	21,750.38
0.83	0.19	No	X	220	2/5/2018		Temp. CS Specilaist I	25.97	168	4,362.96	5	1.75	7,635.18	7,729.19
0.92	0.20	No	X	220	2/5/2018		Temp. CS Specilaist I	25.97	168	4,362.96	5	1.75	7,635.18	8,115.63
0.97	0.95	YES		240	6/5/2017		Temp. Help	26.01	168	4,369.68	12	9	39,327.12	38,754.90
1.00	0.13	No	X	240	2/20/2018		Temp. Material Control	26.01	168	4,369.68	5	1.25	5,462.10	5,696.19
0.44	0.05	No	X	240	3/12/2018		Temp. Material Control	26.01	168	4,369.68	1	2	8,739.36	2,139.32
0.62	0.71	EXC		250	2/13/2017	4/27/2018	Student Intern	14.00	168	2,352.00	12	9	21,168.00	15,526.00
0.56	0.73	EXC		250	2/17/2017		Student Intern	14.00	84	1,176.00	12	9	10,584.00	15,960.00
8.36	**5.25**			**200**										
0.53	0.80	Yes		300	6/20/2015		Temp. GIS Tech	24.23	168	4,070.64	12	9	36,635.76	30,287.50
0.44	0.59	EXC		300	5/23/2016		Student Intern	15.00	84	1,260.00	12	9	11,340.00	13,860.00
0.75	0.71	Yes		300	6/20/2016		Temp. Asst. Engineer	15.00	84	1,260.00	12	9	11,340.00	16,507.50
0.31	0.48	EXC		300	5/30/2017		Student Intern	15.00	84	1,260.00	12	9	11,340.00	11,227.50
0.25	0.45	EXC		300	6/26/2017		Student Intern	15.00	84	1,260.00	12	9	11,340.00	10,492.50
0.23	0.43	EXC		300	6/26/2017		Student Intern	15.00	84	1,260.00	12	9	11,340.00	10,048.50
0.46	0.05	No		300	3/8/2018		Temp. Development Ser	38.44	168	6,457.92	4	2	12,915.84	3,075.20
0.23	0.03	No		300	3/19/2018		Temp. Sr. Office Special	35.31	168	5,932.08	4	2	11,864.16	1,412.40
3.18	**3.53**			**300**										
0.93	0.35	No	X	425	11/28/2017		Temp. WM Tech I	30.82	168	5,177.76	7.25	4.25	22,005.48	17,363.22
0.81	0.28	No	X	425	11/28/2017		Temp. WM Tech I	30.82	168	5,177.76	7.25	4.25	22,005.48	13,406.70
0.93	0.28	No	X	425	12/7/2017		Temp. WM Tech I	30.82	168	5,177.76	7	4	20,711.04	13,699.49
0.58	0.06	No	X	425	3/8/2018		Temp. Water Maintenan	31.18	168	5,238.24	4	2	10,476.48	3,118.00
0.23	0.03	No	X	425	3/20/2018		Temp. Water Maintenan	31.18	168	5,238.24	4	2	10,476.48	1,247.20
0.91	0.70	No	X	430	8/1/2017		Temp. Utility Worker	30.82	168	5,177.76	12	8	41,422.08	33,655.44
0.90	0.89	Yes		430	5/2/2017		Temp. Utility Worker	26.65	168	4,477.20	12	9	40,294.80	38,122.83
1.00	0.15	No	X	430	2/13/2018		Temp. Utility Worker	31.18	168	5,238.24	7	1.5	7,857.36	7,802.80
0.92	0.15	No	X	430	2/13/2018		Temp. Utility Worker	31.18	168	5,238.24	7	1.5	7,857.36	7,483.20
7.20	**2.89**			**400**										
0.78	0.66	Yes		515	6/20/2016		Temp. Wetlands Spec.	27.02	84	2,269.68	6	9	20,427.12	27,884.64
0.92	0.88	Yes		515	6/27/2016		Temp. Wetlands Spec.	27.02	84	2,269.68	7	9	20,427.12	36,963.36
0.78	0.89	Yes		515	1/19/2017		Temp. Wetlands Spec.	34.65	168	5,821.20	7	9	52,390.80	48,284.78
0.66	0.12	No		570	2/13/2018	3/19/2018	Temp. Collection Systen	30.29	168	5,088.72	12	1.5	7,633.08	5,830.83
0.66	0.12	No		570	3/19/2018		Temp. Collection Systen	30.29	168	5,088.72	11	0.25	1,272.18	1,211.60
3.82	**2.68**			**500**										
0.31	0.37	EXC		600	6/19/2017		Student Intern	17.00	84	1,428.00	12	9	12,852.00	9,860.85
0.50	0.44	EXC		600	6/26/2017		Student Intern	15.00	84	1,260.00	12	9	11,340.00	10,241.25
0.56	0.32	EXC		600	7/8/2017		Student Intern	17.00	84	1,428.00	12	9	12,852.00	8,474.50
0.90	0.44	No	X	600	11/27/2017		Temp. Scientist	31.50	168	5,292.00	4	4.25	22,491.00	22,006.69
2.26	**1.57**			**600**										
0.00	0.27	Yes		730	8/13/2015		Temp. Filling Station At	19.80	84	1,663.20	12	8	13,305.60	8,444.70
0.00	0.31	Yes		730	8/13/2015		Temp. Filling Station At	19.00	84	1,596.00	12	8	12,768.00	9,205.50
0.00	0.22	No	X	730	7/17/2017		Temp. Filling Station At	19.99	84	1,679.16	12	8	13,433.28	6,971.51
0.35	0.79	EXC		750	7/10/2017		Student Intern	16.00	84	1,344.00	12	9	12,096.00	19,720.00
0.97	0.86	Yes		750	7/18/2017		Temp. Water Eff. Spec.	27.02	168	4,539.36	12	9	40,854.24	36,571.57
1.32	**2.45**			**700**										
0.69	0.08	No	X	850	2/28/2018	3/21/2018	Temp. Landscape Contr	50.49	168	8,482.32	6	0.25	2,120.58	6,715.17
0.69	0.10	No	X	850	2/28/2018		Temp. Facilities Services	36.48	168	6,128.64	4	0.25	1,532.16	5,836.80
1.38	**0.19**			**800**										
27.53	**18.57**													

IRVINE RANCH WATER DISTRICT
SUMMARY
AGENCY & DISTRICT TEMPORARY EMPLOYEES
March 2018*

TERMINATED

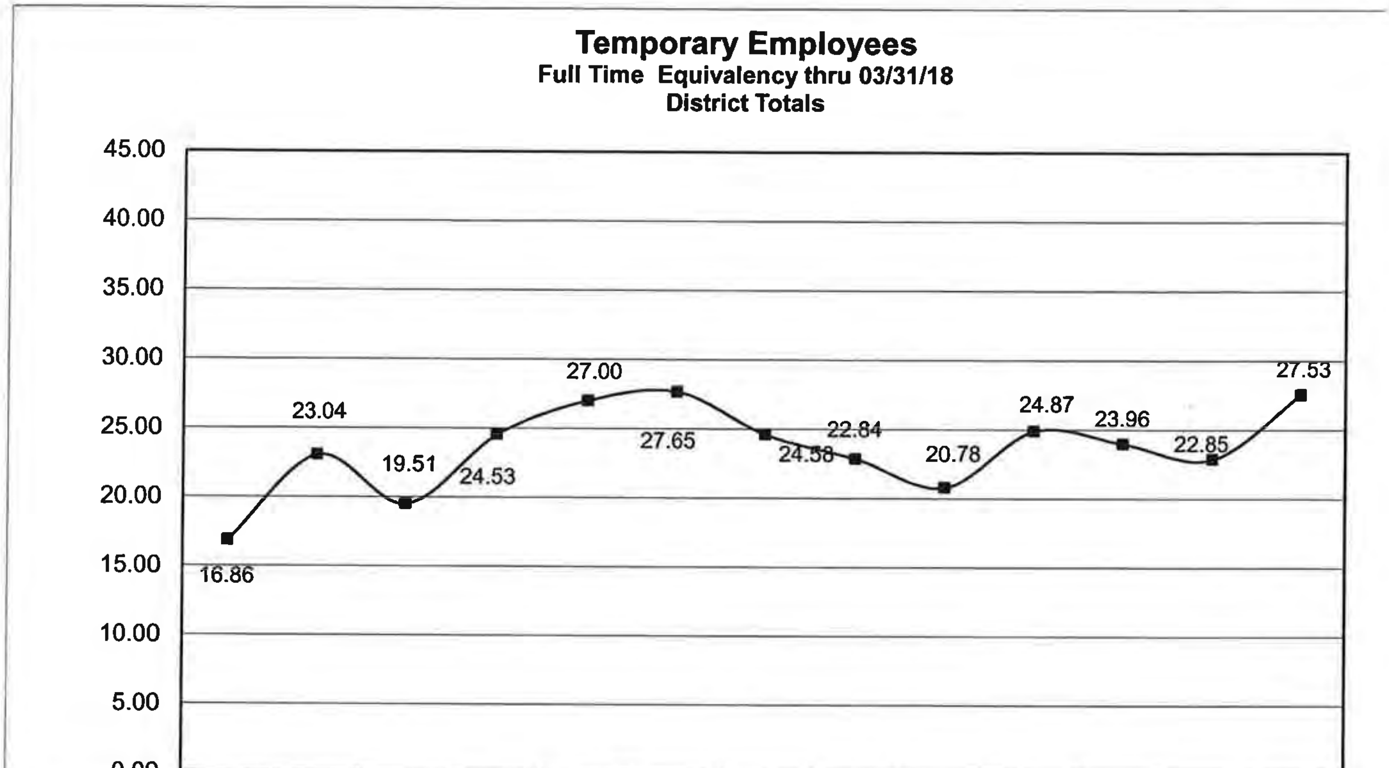
Current Month FTE	Avg FYTD Temp Emp FTE	Active PERS Y/N *	Agency	Dept	Hire Date	Term Date	Classification	Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FYTD	Actual Cost FYTD
0.00	**0.00**			**100**										
0.00	0.00	No	X	210	10/23/2017	10/26/2017	Full Time	51.26	31	1,589.06	6	2	3,178.12	0.00
0.41	0.34	Yes		220	3/3/2014	10/21/2017	Temp. CS Field Tech	20.84	168	3,501.12	7	4	14,004.48	11,118.14
0.41	0.38	Yes		220	5/11/2015	10/21/2017	Temp. CS Field Tech	28.95	168	4,863.60	7	4	19,454.40	18,064.80
0.63	0.59	No	X	220	3/13/2017	12/18/2017	Temp. CS Specialist I	25.97	168	4,362.96	12	6	26,177.76	23,916.03
0.70	0.67	No	X	220	5/30/2017	12/26/2017	Temp. Mailroom Coord.	19.99	168	3,358.32	6	6	20,149.92	21,629.18
0.38	0.62	No	X	220	7/17/2017	1/11/2018	Temp. CS Field Tech	31.00	168	5,208.00	12	7.5	39,060.00	30,372.25
0.00	0.00	No	X	240	6/5/2017	7/28/2017	Full Time	26.01	168	4,369.68	6	2	8,739.36	0.00
0.28	0.78	No	X	240	5/31/2017	2/12/2018	Temp. Help	26.01	168	4,369.68	12	8	34,957.44	32,057.33
0.00	0.00	EXC		250	9/5/2017	9/27/2017	Part Time	17.00	84	1,428.00	6	2	2,856.00	0.00
0.28	**0.78**			**200**										
0.00	0.00	No	X	300	5/4/2017	8/31/2017	Full Time	26.70	168	4,485.60	3	2	8,971.20	0.00
0.88	0.59	Yes		300	7/19/2017	1/30/2018	Temp. Dev. Serv. Spec.	23.60	168	3,964.80	12	8	31,718.40	21,635.30
0.00	**0.00**			**300**										
0.00	0.00	No	X	425	6/6/2017	7/7/2017	Full Time	30.65	168	5,149.20	1	2	10,298.40	0.00
0.00	0.40	No	X	425	6/6/2017	1/2/2018	Temp. WM Tech I	30.65	168	5,149.20	6	7	36,044.40	19,478.08
0.63	0.07	No	X	430	4/5/2017	7/20/2017	Full Time	20.00	168	3,360.00	1	2	6,720.00	2,190.00
0.00	0.00	Yes		430	10/26/2015	8/24/2017	Full Time	19.14	168	3,215.52	1	2	6,431.04	0.00
0.58	0.75	Yes		430	8/22/2016	2/20/2018	Temp. Utility Worker	29.45	168	4,947.60	12	8	39,580.80	34,522.76
0.67	0.71	No	X	430	8/8/2017	2/20/2018	Temp. WM Tech I	29.63	168	4,977.84	12	7	34,844.88	33,448.57
0.63	**0.47**			**400**										
0.00	**0.00**			**500**										
0.00	0.00	No	X	600	5/1/2017	8/18/2017	Full Time	35.00	168	5,880.00	3	2	11,760.00	0.00
0.00	0.00	No	X	600	6/27/2017	8/8/2017	Full Time	31.50	168	5,292.00	1	2	10,584.00	0.00
0.00	**0.00**			**600**										
0.00	0.00	Yes		720	7/5/2016	8/12/2017	Full Time	20.00	168	3,360.00	12	2	6,720.00	0.00
0.21	0.50	Yes		710	12/14/2015	1/23/2018	Temp. Water Eff. Spec.	33.62	168	5,648.16	12	8	45,185.28	26,065.25
0.56	0.07	No	X	710	12/18/2017	1/25/2018	Temp. Water Eff. Spec.	37.90	168	6,367.20	12	2.5	15,918.00	4,169.00
0.21	**0.50**			**700**										
0.00	0.00	No	X		8/1/2017	11/19/2017	Temp. Maint. Mechanic	29.45	168	4,947.60	4	5	24,738.00	0.00
0.00	**0.00**			**800**										
	1.25												1,291,890.16	989,168.66

EXC = Exclude from PERS enrollment

Yes= Temporary employee enrolled in PERS Membership

No=Temporary Agency employee

*Data reported 30 days in arrears



	3/17	4/17	5/17	6/17	7/17	8/17	9/17	10/17	11/17	12/17	01/18	02/18	03/18
District	16.86	23.04	19.51	24.53	27.00	27.65	24.58	22.84	20.78	24.87	23.96	22.85	27.53

May 1, 2018
Prepared by: A. Hall
Submitted by: J. Roney
Approved by: Paul A. 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 depicting 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 2017-18.

BACKGROUND:

During the third quarter of the FY 2017-18, there were 26 Performance Recognition Awards totaling $3,002.00 and involving 61 IRWD employees. The awards include employees in Engineering, Water Resources and Policy, Maintenance Operations, Administration, Water Operations, Water Quality, and Finance and Administration.

As of March 31, 2018, the Fiscal Year overall Performance Recognition Awards totaled $16,476.00.

Exhibit "A" summarizes the Performance Recognition Awards for the third quarter of FY 2017-18.

FISCAL IMPACTS:

The District's annual budget for FY 2017-18 is $145,000 for this program of which $16,476.00 has been distributed for awards to date.

RECOMMENDATION:

Receive and file.

LISTS OF EXHIBITS:

Exhibit "A" – Quarterly Update for Third Quarter of FY 2017-18

EXHIBIT "A"

PERFORMANCE RECOGNITION PROGRAM
QUARTERLY UPDATE
Fiscal Year 2017-2018
Q3 January - March 2018

QTR.	DATE	EMPLOYEE	PERFORMANCE RECOGNIZED	AWARD	GROSS AMOUNT	NET AMOUNT
3rd Qtr	1/8/2018	Crystal Martin	Recognized for their efforts in assisting with significant call volume due	2 tickets	$17.00	$17.00
		Jeanne Medina	to an increase eligible disconnections for non-payment accounts and	2 tickets	$17.00	$17.00
		Karina Pasillas	during a low-staffing period.	2 tickets	$17.00	$17.00
		Kendra Brennan		2 tickets	$17.00	$17.00
		Courtney King		2 tickets	$17.00	$17.00
		Lina Santos		2 tickets	$17.00	$17.00
		Maria Sanchez		2 tickets	$17.00	$17.00
		Dorota Pufal		2 tickets	$17.00	$17.00
		Tera Rice		2 tickets	$17.00	$17.00
		Tina Fehser		2 tickets	$17.00	$17.00
	1/9/2018	Nang Mwe	Recognized for her efforts as the project manager for the 5-Year (OCSD)	Payroll Check	$100.00	$97.55
			Irvine Business Complex (IBC) Sewage Flow monitoring project. As a			
			result, the flow monitoring will save IRWD $8.1M in OCSD Capital			
			expenditures over the next 5 years.			
	1/15/2018	Anthony Zaragoza	Recognized for his efforts utilitizing his own time to identify a solution for	Payroll Check	$100.00	$96.40
			navigating logistical challenges the Water Operations faces daily. He			
			researched an APP called PinBox that allows the identification, location			
			and specifics and smart routing for District facilities to share with			
			District staff groups and locations, which inturn assist employees			
			with navigating routes to avoid congested areas.			
	1/31/2018	Angel Cervantes	Recognized for his outstanding customer service attitude and willingness	2 tickets 2 Certs	$27.00	$27.00
			to assist so expediently.			
	2/1/2018	Michael Chaney	Recognized for their excellent work at the very difficult task of collecting	2 tickets 2 Certs	$27.00	$27.00
		Angel Cervantes	and moving over 200 boxes from our former attorney's office to IRWD		$27.00	$27.00
			headquarters.			
	2/20/2018	Venkata Chilukuri	Recognized for their outstanding efforts over the past 10 months indenti-	Payroll Check	$250.00	$243.87
		Sophia Phuong	fying W-2 payroll related issues, researching payroll tax requirements	Payroll Check	$250.00	$243.87
			within Oracle, testing and implementing solutions. They both worked			
			many hours including weekends to ensure all W-2 related issues			
			were resolved prior to the deadline for employee W-2's printing.			

PERFORMANCE RECOGNITION PROGRAM
QUARTERLY UPDATE
Fiscal Year 2017-2018
Q3 January - March 2018

QTR.	DATE	EMPLOYEE	PERFORMANCE RECOGNIZED	AWARD	GROSS AMOUNT	NET AMOUNT
3rd Qtr	2/21/2018	Linda Orozco	Recognized for her efforts assisting the Laboratory Assurance Specialist	2 tickets 2 Certs	$27.00	$27.00
			in retrieving and returning calibration pipets to and from the Baker Water			
			Treatment plant.			
	2/27/2018	Connie Ho	Recognized for her efforts in assisting customers during a crucial time	Payroll Check	$100.00	$97.55
			when an employee unexpectedly went on a leave of absence.			
	2/27/2018	Richard Brown	Recognized for his efforts managing three space planning projects in which	Payroll Check	$250.00	$223.87
			he acted as the general contractor, identifying tenant requirements			
			managing all trades, flooring lighting, data and A/V installations.			
	2/27/2018	Casey King	Recognized for his efforts coordinating and producing a certification	Payroll Check	$250.00	$223.88
			credit from the State Department of Water Resources Control Board on			
			training obtained at the Baker Plant/Pall Membrane project.			
	2/27/2018	Dane Johnson	Recognized for their outstanding work on the WSIP Kern Fan Project	Payroll Check	$250.00	$233.10
		Kelly Welch		Payroll Check	$250.00	$223.88
	3/6/2018	Richard Lao	Recognized for his extra efforts on the FOG Cost of Service Study.	2 tickets 2 Certs	$27.00	$27.00
	3/6/2018	Rudy Perez	Recognized for his outstanding initiative with the UCMR4 program.	2 tickets 2 Certs	$27.00	$27.00
	3/7/2018	Matt Janelli	Recognized for his efforts in clearing a line after hours to address a	2 tickets	$17.00	$17.00
			customer complaint.			
	3/8/2018	Richard Brown	Recognized for their outstanding customer service efforts cleaning up and	2 tickets 2 Certs	$27.00	$27.00
		Damien McBride	disposing of trash and debris from one of the District owned commercial	2 tickets 2 Certs	$27.00	$27.00
		Jessee Hesch	properties.	2 tickets 2 Certs	$27.00	$27.00
		Mark Stone		2 tickets 2 Certs	$27.00	$27.00
	3/8/2018	Venkata Chilukuri	Recognized for their efforts with the ongoing Oracle project of imple-	2 tickets 2 Certs	$27.00	$27.00
		Quynh Nguyen	menting new salary grade schedules and the Affordable Care Act	2 tickets 2 Certs	$27.00	$27.00
			required notifications.			
	3/15/2018	Elizabeth Duarte	Recognized for her efforts ensuring the Hazardous Waste Generator Fees	3 Certs	$30.00	$30.00
			due to the California Department of Tax and Fee Administration were			
			submitted without any penalty assessed to the District.			

PERFORMANCE RECOGNITION PROGRAM QUARTERLY UPDATE Fiscal Year 2017-2018 Q3 January - March 2018						
QTR.	DATE	EMPLOYEE	PERFORMANCE RECOGNIZED	AWARD	GROSS AMOUNT	NET AMOUNT
3rd Qtr	3/18/2018	Angel Cervantes	Recognized for his efforts in making a special mail run to deliver payroll	2 tickets 2 Certs	$27.00	$27.00
			checks to Operations staff.			
	3/22/2018	Jose Martinez	Recognized for their efforts with the MWRP Battery project which	2 tickets 2 Certs	$27.00	$27.00
		Mike Borowski	consisted of an additional 2.5 megawatt (MW) of power that requires	2 tickets 2 Certs	$27.00	$27.00
		Brian Bystrom	connection to the IRWD 5000V (5kV) primary system.	2 tickets 2 Certs	$27.00	$27.00
		Gustavo Barreto		2 tickets 2 Certs	$27.00	$27.00
		Alexander Escalante		2 tickets 2 Certs	$27.00	$27.00
		Jesse Perez		2 tickets 2 Certs	$27.00	$27.00
		Wayne Sidlin		2 tickets 2 Certs	$27.00	$27.00
		Alfonso Calderon		2 tickets 2 Certs	$27.00	$27.00
		Owen O'Neill		2 tickets 2 Certs	$27.00	$27.00
		Gaspar Garza		2 tickets 2 Certs	$27.00	$27.00
	3/27/2018	Dorien McElroy	Recognized for their efforts on the 2017 Sewer Rehabilitation project,	2 tickets 2 Certs	$27.00	$27.00
		Joe Costantino	facilitating CCTV inspection of the work performed by the contractor	2 tickets 2 Certs	$27.00	$27.00
		Henry Solis	ensuring IRWD got the best possible final product.	2 tickets 2 Certs	$27.00	$27.00
		Michael Hoffman		2 tickets 2 Certs	$27.00	$27.00
		Jeremy Hartoog		2 tickets 2 Certs	$27.00	$27.00
		Charlie Hjorth		2 tickets 2 Certs	$27.00	$27.00
	3/27/2018	John Fabris	Recognized for their efforts working above and beyond to ensure all	2 tickets 2 Certs	$27.00	$27.00
		Connie Ho	affected customers were notified of the shutdown of water and sewer	2 tickets 2 Certs	$27.00	$27.00
			services during the 2017 Sewer Rehabilitation project.			
	3/28/2018	Juan Gracia	Recognized for their efforts working with Hoyon Lee, Geography student	2 Certs	$10.00	$10.00
		Melody Seesangrit	job shadow student from CSU Fullerton.	2 Certs	$10.00	$10.00
		Allan Pascual		2 Certs	$10.00	$10.00
		Joseph Baquerizo		2 Certs	$10.00	$10.00
		Luis Genis		2 Certs	$10.00	$10.00
		Amy McNulty		2 tickets 2 Certs	$27.00	$27.00
	3/28/2018	William Stewart	Recognized for his efforts and assistance on the Energy Storage System	2 tickets 2 Certs	$27.00	$27.00
			Project.			
	3/29/2018	Joel Nash	Recognized for his efforts creating the (MOP) Method of Procedures for	2 tickets 2 Certs	$27.00	$27.00
			the MWRP Battery project.			

PERFORMANCE RECOGNITION PROGRAM QUARTERLY UPDATE Fiscal Year 2017-2018 Q3 January - March 2018						
QTR.	**DATE**	**EMPLOYEE**	**PERFORMANCE RECOGNIZED**	**AWARD**	**GROSS AMOUNT**	**NET AMOUNT**
3rd Qtr	3/29/2018	Kendra Brennan	Recognized for her efforts during a recent phone outage and interaction	2 tickets	$17.00	$17.00
			with a You Tube reporter.			
			Third Quarter Total		$3,002.00	$2,885.97

May 1, 2018
Prepared by: Margaret Pulles
Submitted by: Cheryl Clary
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

EXPENSES AND FEES OF BOARD MEMBERS AND GENERAL MANAGER
PAID THROUGH THE THIRD QUARTER, FY 2017-18

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) 2017-18. Provided below is a summary of expenses paid to date.

	Name	Conference, Travel, and Other District-Related Expenses	Meeting Fees	Total
Board Members:	LaMar	$ 12,052	$ 24,570	$ 36,622
	Matheis	10,422	22,113	32,535
	Reinhart	2,135	22,659	24,794
	Swan	6,574	20,748	27,322
	Withers	806	22,932	23,738
	Sub-Total:	**$ 31,989**	**$ 113,022**	**$ 145,011**
General Manager:	Cook	$ 6,009	N/A	$ 6,009
	Sub-Total:	**$ 6,009**	**N/A**	**$ 6,009**
	TOTAL:	**$ 37,998**	**$ 113,022**	**$ 151,020**
	YTD Budget:	**$ 57,000**	**$ 126,000**	**$ 183,000**
	Variance:	**$ 19,002**	**$ 12,978**	**$ 31,980**

FISCAL IMPACTS:

Meeting fees total $113,022 versus a budget of $126,000 resulting in a positive variance of $12,978 year-to-date. Conference and meeting-related travel expenses total $37,998 versus a budget of $57,000, resulting in a positive variance of $19,002.

The total cost for Board and General Manager conference, travel, and other District-related expenses, including meeting fees, through the third quarter, FY 2017-18, is $151,020, resulting in a positive variance of $31,980 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"

IRWD

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2017-18

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	1,674	6,009	2,525	347	500	441	9	1,020	547	12,052
Mary Aileen Matheis	3,466	3,255	2,956	97	264	193	-	341	191	10,422
Doug Reinhart	1,204	588	209	-	52	20	-	117	62	2,135
Peer Swan	2,444	1,124	1,562	79	164	221	197	1,464	783	6,574
John Withers	699	-	-	-	-	48	-	107	59	806
General Manager:										
Paul Cook	699	1,762	941	2,003	135	91	378	-	-	6,009
Total	10,186	12,738	8,193	2,526	1,115	1,014	584	3,049	1,642	37,998

Exhibit "B"

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2017-18

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												
	July 2017	Monthly Expense Report (no activity this period)										
	August 2017	Monthly Expense Report (no activity this period)										
	September 2017	Monthly Expense Report (no activity this period)										
Paid	October 2017	So. Calif. Water Committee Annual Meeting and Dinner, Anaheim, CA						20.00		25	13.59	33.59
Paid	November 2017	OCWA Luncheon Featuring IRWD Battery Storage, Irvine, CA	40.00							13	7.17	47.17
Paid	December 2017	California Environmental Dialogue, Sacramento, CA		519.96	229.45	13.73		40.00		16	8.77	811.91
	January 2018	Monthly Expense Report (no activity this period)										
	February 2018	Monthly Expense Report (no activity this period)										
	March 2018	Monthly Expense Report (no activity this period)										
	April 2018	Monthly Expense Report (no activity this period)										
	May 2018	Monthly Expense Report (no activity this period)										
	June 2018	Monthly Expense Report (no activity this period)										
Conferences/Seminars and Other Non-local Travel												
Paid	07/26/2017	ACWA Board of Directors' meeting, Sacramento		555.96	412.40	30.74	35.40	40.00		16	8.56	1,083.06
Paid	08/03/2017	ACWA Region 1, Marin Municpal Water Dist. Tour, Oakland, CA	50.00	555.97	279.34	34.10	90.27	38.00		16	8.56	1,056.24
Paid	08/06/2017	NWRA Wester Water Seminar, Santa Fe, NM	625.00	817.17	904.80	171.97	198.05	80.00		16	8.56	2,805.55
Paid	08/17/2017	California Environmental Dialogue Plenary meeting, San Diego, CA			258.09			18.00		172	92.02	368.11
Paid	08/24/2017	ACWA Region 8 Program 2017, Los Angeles, CA	50.00				10.00					60.00
Paid	09/08/2017	ACWA Regions 3 & 4 "How Watersheds are Connected" Sacramento, CA	60.00	503.96		5.08	51.86	20.00		16	8.56	649.46
Paid	09/11/2017	ACWA Nominations Committee meeting, Sacramento, CA		503.96		15.34	15.98	20.00		16	8.56	563.84
Paid	09/14/2017	ACWA Federal Affairs Committee meeting, Sacramento, CA		503.96		10.18	15.97	20.00		16	8.56	558.67
Paid	09/28/2017	ACWA Budget Workshop and Board meeting, Sacramento, CA		503.96	171.64	45.85	27.24	38.00		16	8.56	795.25
Paid	10/06/2017	ACWA Regions 9 and 10 Events, Corona, CA	65.00						8.70	43	22.90	96.60
Paid	10/12/2017	ACWA Regions 6 and 7 Water Forum, Visalia, CA	35.00		98.07					442	236.47	369.54
Paid	10/27/2017	OC Forum Series-Election 2018-Hon John Chiang, Costa Mesa, CA	50.00							22	11.77	61.77
Paid	11/09/2017	ACWA Predicting the Weather Seminar, Sacramento, CA		503.96			37.29	20.00		16	8.77	570.02
Paid	11/16/2017	ACWA Board of Directors' meeting, Sacramento		519.95	171.64	20.00	17.92	36.00		16	8.77	774.28
Paid	11/20/2017	Legislation meetings with CalEPA and SWRCB, Sacramento, CA		519.95				20.00		16	8.77	548.72
Paid	11/27/2017	ACWA 2017 Fall Conference, Anaheim, CA	699.00					31.00		127	67.95	797.95
Total			$ 1,674.00	$ 6,008.76	$ 2,525.43	$ 346.99	$ 499.98	$ 441.00	$ 8.70	1,020	$ 546.87	$ 12,051.73

*Detail of Description/Location provided on Expense Report

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2017-18

Mary Aileen Matheis

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 2017	Monthly Expense Report (no activity this period)										
	August 2017	Monthly Expense Report (no activity this period)										
Paid	September 2017	*Various business meetings	25.00				8.97			8	13.14	47.11
Paid	October 2017	*Various business meetings	352.00	503.96			24.00	63.00		96	51.21	994.17
	November 2017	Monthly Expense Report (no activity this period)										
	December 2017	Monthly Expense Report (no activity this period)										
	January 2018	Monthly Expense Report (no activity this period)										
	February 2018	Monthly Expense Report (no activity this period)										
	March 2018	Monthly Expense Report (no activity this period)										
	April 2018	Monthly Expense Report (no activity this period)										
	May 2018	Monthly Expense Report (no activity this period)										
	June 2018	Monthly Expense Report (no activity this period)										
Conferences/Seminars and Other Non-local Travel												
Paid	06/13/2017	WEF's Bay-Delta Tour, Sacramento, CA	815.00	555.96	226.86	7.43	8.76					1,614.01
Paid	08/15/2017	Urban Water Institute's Water Conference, San Diego, CA	375.00		740.43	20.73				160	85.60	1,221.76
Paid	08/24/2017	Water Education Foundation Retreat, Sacramento, CA		535.95			39.60	32.00		9	4.82	612.37
Paid	09/26/2017	2017 Colorado River Symposium, Santa Fe, NM	695.00	571.10	345.93	37.44	64.54					1,714.01
Paid	10/26/2017	Water Education Foundation's 40th Anniversary, Sacramento, CA		503.96	196.80	18.67	73.00	34.00		12	6.63	833.06
Paid	11/27/2017	ACWA Fall Conference, Anaheim, CA	699.00		921.92			64.00		56	29.96	1,714.88
Paid	12/12/2017	2017 Colorado River Water Users Assoc , Las Vegas, NV	505.00	583.96	523.83	12.45	45.00					1,670.24
Total			$ 3,466.00	$ 3,254.89	$ 2,955.77	$ 96.72	$ 263.87	$ 193.00	$ -	341	$ 191.36	$ 10,421.61

*Detail of Description/Location provided on Expense Report

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2017-18

Doug Reinhart

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Total
										# Miles	Amount	
Monthly Expense Reports												
	July 2017	Monthly Expense Report (no activity this period)										
	August 2017	Monthly Expense Report (no activity this period)										
	September 2017	Monthly Expense Report (no activity this period)										
	October 2017	Monthly Expense Report (no activity this period)										
	November 2017	Monthly Expense Report (no activity this period)										
	December 2017	Monthly Expense Report (no activity this period)										
	January 2018	Monthly Expense Report (no activity this period)										
	February 2018	Monthly Expense Report (no activity this period)										
	March 2018	Monthly Expense Report (no activity this period)										
	April 2018	Monthly Expense Report (no activity this period)										
	May 2018	Monthly Expense Report (no activity this period)										
	June 2018	Monthly Expense Report (no activity this period)										
Conferences/Seminars and Other Non-local Travel												
Paid	10/26/2017	Southern Calif. Water Committee meeting, Anaheim, CA						20.00		31	16.48	36.48
Paid	11/28/2017	ACWA 2017 Fall Conference, Anaheim, CA	699.00							75	39.92	738.92
Paid	12/14/2017	Colorado River Water Users Assoc., Las Vegas, NV	505.00	587.96	208.62		51.80			11	5.78	1,359.16
Total			$ 1,204.00	$ 587.96	$ 208.62	$ -	$ 51.80	$ 20.00	$ -	117	$ 62.18	$ 2,134.56

*Detail of Description/Location provided on Expense Report

Peer Swan

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2017-18

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 2017	*Various Business Meetings				27.68			38.55	284	151.95	218.18
Paid	August 2017	*Various Business Meetings							32.22	242	129.50	161.72
Paid	September 2017	*Various Business Meetings				16.59			36.55	184	98.47	151.61
	October 2017	Monthly Expense Report (no activity this period)										
	November 2017	Monthly Expense Report (no activity this period)										
Paid	December 2017	*Various Business Meetings							24.30	134	71.86	96.16
	January 2018	Monthly Expense Report (no activity this period)										
	February 2018	Monthly Expense Report (no activity this period)										
	March 2018	Monthly Expense Report (no activity this period)										
	April 2018	Monthly Expense Report (no activity this period)										
	May 2018	Monthly Expense Report (no activity this period)										
	June 2018	Monthly Expense Report (no activity this period)										
Conferences/Seminars and Other Non-local Travel												
Paid	08/29/2017	Misc. August Local Conferences and Mileage	165.00						9.72	67	35.85	210.57
Paid	08/16/2017	Urban Water Institute's Annual Water Conf., San Diego, CA			493.62	8.61		20.00	10.98	154	82.39	615.60
Paid	08/22/2017	Calif. Assoc. of Sanitation Agencies 62nd Annual Conf., San Diego	550.00		584.30	8.61		70.00	10.98	165	88.28	1,312.17
Paid	09/12/2017	Water Education Foundation Headwaters Tour, Sacramento, CA	525.00	535.95	135.01		134.75	60.00	4.86	15	8.03	1,403.60
Paid	11/27/2017	ACWA Fall Conference, Anaheim, CA	699.00					31.00	23.95	204	109.15	863.10
Paid	12/13/2017	Colorado River Water Users Assoc. Annual Conf., Las Vegas, I	505.00	587.96	349.22	17.60	28.98	40.00	4.86	15	8.03	1,541.65
Total			$ 2,444.00	$ 1,123.91	$ 1,562.15	$ 79.09	$ 163.73	$ 221.00	$ 196.97	1,464	$ 783.51	$ 6,574.36

*Detail of Description/Location provided on Expense Report

IRWD

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2017-18

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												
	July 2017	Monthly Expense Report (no activity this period)										
	August 2017	Monthly Expense Report (no activity this period)										-
	September 2017	Monthly Expense Report (no activity this period)										
	October 2017	Monthly Expense Report (no activity this period)										
	November 2017	Monthly Expense Report (no activity this period)										
	December 2017	Monthly Expense Report (no activity this period)										
	January 2018	Monthly Expense Report (no activity this period)										
	February 2018	Monthly Expense Report (no activity this period)										
	March 2018	Monthly Expense Report (no activity this period)										
	April 2018	Monthly Expense Report (no activity this period)										
	May 2018	Monthly Expense Report (no activity this period)										
	June 2018	Monthly Expense Report (no activity this period)										
Conferences/Seminars and Other Non-local Travel												
Paid	11/28/2017	ACWA Fall Conference, Anaheim, CA	699.00					48.00		107	58.64	805.64
Total			$ 699.00	$ -	$ -	$ -	$ -	$ 48.00	$ -	107	$ 58.64	805.64

*Detail of Description/Location provided on Expense Report

IRWD

Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2017-18

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 2017	Monthly Expense Report # 523676				168.46	63.60					232.06
Paid	August 2017	Monthly Expense Report # 536667				133.68		17.00				150.68
Paid	September 2017	Monthly Expense Report # 549667/# 549668		725.60	913.20	159.58	15.14					1,813.52
	October 2017	Monthly Expense Report (no activity this period)										
Paid	November 2017	Monthly Expense Report # 579670				505.39		58.00				563.39
Paid	December 2017	Monthly Expense Report # 606668			28.35	757.23	27.56	16.00	300.00			1,129.14
Paid	January 2018	Monthly Expense Report # 613666/ # 609703		519.96		51.48						571.44
Paid	February 2018	Monthly Expense Report # 632669	699.00			227.07						926.07
Paid	March 2018	Monthly Expense Report # 609825/ #648673/ #648672		515.96			28.85		77.96			622.77
	April 2018	Monthly Expense Report (no activity this period)										
	May 2018	Monthly Expense Report (no activity this period)										
	June 2018	Monthly Expense Report (no activity this period)										
Conferences/Seminars and Other Non-local Travel												
Total			$ 699.00	$ 1,761.52	$ 941.55	$ 2,002.89	$ 135.15	$ 91.00	$ 377.96	-	$ -	$ 6,009.07

*Detail of Description/Location provided on Expense Report

May 1, 2018
Prepared and
Submitted by: J. Roney
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

REVIEW OF PERSONNEL POLICIES AND PROCEDURES, POLICY NO. 45 – CONFLICT OF INTEREST

SUMMARY:

The IRWD Board of Directors adopted Personnel Policies and Procedures Policy No. 45 – Conflict of Interest in 2015 to ensure that all District personnel comply with all applicable statutory and administrative requirements pertaining to their actions, duties, and responsibilities on behalf of or in relation to IRWD. The Committee requested that this policy be reviewed at the Committee meeting.

BACKGROUND:

The Committee requested that Policy No. 45 – Conflict of Interest, provided as Exhibit "A", be reviewed for discussion. This policy addresses the applicable provisions of the Political Reform Act, the Fair Political Practices Commission (FPPC) Regulations issued under the Political Reform Act, Sections 1090 *et.seq.* of the California Government Code, and all other laws and regulations pertaining to conflicts of interest and incompatible public offices. This policy also addresses the disposition of gifts received by the District, guidelines on entertaining for business purposes, and guidelines on employees engaging in outside consulting (as provided in Exhibit "B"), business activity or employment. In addition, this policy lists the job classifications designated to disclose economic interests using Form 700 Schedules, outlines the economic interests that must be disclosed, and sets forth the FPPC regulations regarding distribution of tickets or passes received by the District.

Initially adopted in 1995, the IRWD Board of Directors adopted revisions of this policy over the years, with the most recent revision adopted in December 2015. This revision addressed employee-training requirements pursuant to Assembly Bill No. 1234, California Government Code Section 53234 *et seq.,* and gift/payment-to-District language due to regulatory changes.

FISCAL IMPACTS:

There are no fiscal impacts.

ENVIRONMENTAL IMPACTS:

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" – District Personnel Policy and Procedure, Policy No. 45 – Conflict of Interest
Exhibit "B" – Report and Request for Approval of Outside Consulting, Business Activity or Employment form

POLICY NO. 45 - CONFLICT OF INTEREST

1. Purpose of Policy

The purpose of this Conflict of Interest Policy is to ensure that all District personnel comply with all applicable statutory and administrative requirements pertaining to their actions, duties and responsibilities on behalf of or in relation to the District. These matters are not limited to, but include, "conflicts of interests," "potential conflicts of interest," "incompatible offices" and other activities which might reflect adversely on the District or District personnel.

District personnel shall conduct themselves in a manner so as not to give rise to improprieties or situations inconsistent with this Policy. Procedures, policies and records shall be established and maintained to verify that the Policy has been adhered to by all District personnel. District personnel shall recognize that this Policy and applicable laws are concerned with not only actual conflict or wrongdoing but the potential or appearance of conflict. District employees shall not use the prestige or influence of their positions for personal gain or advantage.

Unless otherwise expressly defined, the terms used in this Policy shall have the same meanings as in the Political Reform Act (Title 9 of the California Government Code) and the regulations issued by the Fair Political Practices Commission (FPPC) pursuant to the Political Reform Act.

2. Employee Responsibility

A. Compliance with Applicable Laws and Regulations

All District personnel shall comply with all applicable provisions of the Political Reform Act, the FPPC Regulations issued under the Political Reform Act, Section 1090 *et seq.* of the California Government Code (prohibitions on self-interest in contracts), and all other laws and regulations pertaining to conflicts of interest and incompatible public offices. These include, but are not limited, to the following requirements:

(1) **Reporting** of economic interests required annually, and upon assuming office and leaving office, by employees who are "Designated Persons" (as defined in the District's Conflict of Interest Code, Appendix A-1) on FPPC Form 700];

(2) **Compliance** with prohibitions on acceptance of gifts and honoraria above the dollar limit per source set pursuant to state law;

(3) **Disqualification** from participation in District decisions in which the employee knows or has reason to know the employee has a financial interest.

(4) **Ethics Training** is required to be completed by employees/positions who are designated by the General Manager. Unless the General Manager shall specify other training requirements and intervals, (1) the training content

shall be as permitted under Assembly Bill No. 1234, California Government Code Section 53234 *et seq*., and (2) the training shall be initially completed on or before one year after an employee is designated to receive training (or for an employee who initially becomes designated to receive training either through hiring or change of position to a position that the General Manager has designated, on or before one year after assuming that position), and after the initial training, at least once every two years.

NOTE: The following requirements established by the District in this Policy are *in addition to* the requirements of state laws and regulations:

B. Gifts to the District

Unless a gift qualifies as a gift to the District under this section, it will be treated as a gift to the employee. A gift of passes or tickets (not including travel or lodging) may be considered a gift to the District and not to an individual employee only under the following circumstances: (1) the General Manager receives and distributes the tickets or passes to employees, spouses and immediate families, and the donor does not earmark them for any specific employee(s), and the General Manager retains a record of the terms under which the tickets or passes were accepted by the District and the terms under which they were distributed and to whom they were distributed; (2) the tickets or passes are distributed in accordance with the written policy adopted by the District setting forth the District purpose in distributing passes and tickets and prohibiting the subsequent transfer except to the official's immediate family, or not more than one guest, for their personal use (see Appendix "B-1"). .

A payment (other than passes or tickets or travel expenses, including a monetary payment, loan, gift, and a payment for or provision of goods or services) may be considered a gift to the District and not to an individual employee only under the circumstances allowed in the FPPC regulations. These include the following: the General Manager or his/her designee receives and controls the payment, the payment is used only for official District business, the General Manager determines which employee(s) shall use the payment, and a record of all of the foregoing is filed and maintained with the District Secretary on the forms prescribed by the FPPC and, if required, is posted by the District Secretary on the District's website.

A payment to the District for travel, as long as it is not in excess of an applicable District reimbursement rate for travel, meals, lodging or other expenses, can be considered a payment made for the purpose of facilitating the District's official business and not a gift or income to a District employee, under the circumstances allowed in the FPPC regulations. These include the following: the payment is made directly to the District or coordinated with the District to be paid to providers; the General Manager or his designee determines which employee(s) shall use the payment, the payment does not provide a personal benefit, the travel does not exceed the duration necessary to accomplish the District purposes, and a record of all of the foregoing is filed and maintained with the District Secretary on the forms prescribed by the FPPC and, if required, is posted by the District Secretary on the District's website. The foregoing cannot include travel expenses for an elected official or any official who manages public investments (these officials are designated by the District in the District's Conflict of Interest Code) unless the travel is directly related to the official's public duties, is for a purpose that would otherwise be paid for with the District's funds, is authorized in the same manner as transportation, lodging, and food using the District's own funds, and otherwise meets the requirements of this paragraph, or any travel that the General Manager or his/her designee has not preapproved in writing before the date of the trip.

All gifts to the District must be submitted with either the "Gift of Tickets or Passes to Irvine Ranch Water District" or "Gift to Irvine Ranch Water District (Other Than Tickets or Passes)" form to the General Manager's Office for approval and distribution. These forms can be obtained from the District Secretary and must be approved by the General Manager or his/her designee.

C. Entertaining

District personnel who, for District business purposes, must dine and/or entertain vendors, contractors or consultants, shall do so at their own expense. Reimbursement of such expenses shall be subject to approval and shall be limited by the District's policy with respect to allowance of expenses. [Resolution No. 2014-38, as amended from time to time.]

D. Outside Consulting, Business Activity or Employment

All outside business, enterprise, consulting work or employment must be pre-approved by the General Manager or, in the case of the General Manager, by the President of the Board of Directors.

District personnel are prohibited from performing consulting work for or providing any other services or goods to any persons or firms doing business with the District.

District personnel shall not engage in any employment, activity, or enterprise which is inconsistent, incompatible or in conflict with their duties as District employees or with the duties, functions, or responsibilities of the District. District personnel shall not perform any business, enterprise, work, service, or counsel outside of their District employment where any part of their efforts will be subject to approval by any other officer, employee or board of the District, unless otherwise approved in the manner prescribed by this Policy.

An employee's outside employment, activity, business or enterprise may be prohibited if it: (1) involves the use for private gain or advantage of his or her District time, facilities, equipment and supplies; or the badge, uniform, prestige, or influence of his or her District office or employment or, (2) involves receipt or acceptance by the employee of any money or other consideration from anyone other than the District for the performance of an act which the employee, if not performing such act, would be required or expected to render in the regular course or hours of his or her District employment or as a part of his or her duties as a District employee or, (3) involves the performance of an act in other than his or her capacity as a District employee which act may later be subject directly or indirectly to the control, inspection, review, audit, or enforcement of any other District employee or the District, or (4) involves efforts or time demands as would render performance of his or her duties as a District employee less efficient. The General Manager (or the President, in the case of the General Manager) will notify the employee whether any outside employment, consulting work, activity, business or enterprise is approved or disapproved. Appeal from such determination may be made to the Board of Directors.

Nothing in this Section shall relieve employees from the requirement to report and other requirements applicable to outside employment, consulting work, activity, business or enterprise under Section 2A of this Policy.

3. Disciplinary Actions for Non-Compliance

Non-compliance with this Policy shall subject the employee to disciplinary actions commensurate with the violation, up to and including termination.

4. Administration

The District Secretary shall be responsible for administration of this Policy, under the direction of the Board of Directors, the General Manager and, if necessary, the Director of Human Resources.

Adopted by IRWD Board of Directors on: December 14, 2015

EXHIBIT "45"

NOTE: APPENDIX "A-1" set forth below is contained in the District's Conflict of Interest Code, as amended from time to time. Any amendment to APPENDIX "A-1" will automatically be included in this Policy No. 45.

Irvine Ranch Water District

APPENDIX "A-1"
DESIGNATED PERSONS FOR DISCLOSURE PURPOSES
PURSUANT TO CONFLICT OF INTEREST CODE [1]

The persons occupying the following positions are designated persons and must disclose the economic interests defined in the disclosure categories of Appendix "A-2," using the Form 700 schedules listed in the table below:

Designated Persons	**Disclosure Categories**	**Schedules Associated**
Group I Assistant Secretary of the District District Secretary Executive Director of Engineering and Water Quality Executive Director of Operations Executive Director of Water Policy General Legal Counsel	1, 2 and 3	All
Group II Assistant Director of Maintenance Assistant Director of Recycling Operations Assistant Director of Water Operations Customer Service Manager Director of Administrative Services Director of Human Resources Director of Public Affairs Director of Water Resources Electrical and Automation Manager Facilities & Fleet Manager Manager of Contracts Administration and Risk Principal Engineer Purchasing Manager Senior Engineer Maintenance & Reliability Manager Water Quality Manager	2 and 3	A-1, A-2, C, D and E
Designated Persons	**Disclosure Categories**	**Schedules Associated**
Group III Accounting Manager Administrative Assistant Analyst Application Manager Assistant Controller Assistant Engineer Associate Engineer Automation Programmer Applications Analyst Buyer Chief Plant Operator Collection Systems Manager Construction & Field Services Manager Construction Inspection Manager Construction Inspection Supervisor Construction Inspector I, II, III Cross Connection Supervisor	6	D, E

[1] The persons holding the following positions are "public officials who manage public investments" within the meaning of that term as used in Government Code Section 87200 and are required to make full disclosure of all economic interests as required in Form 700: members of the Board of Directors, General Manager, Assistant General Manager, Executive Director of Finance, Controller, Treasurer, Assistant Treasurer and Treasury Manager.

Customer Service Supervisor District Safety & Security Manager Electrical/Instrumentation Designer Electrical Supervisor Energy & Water Resource Planner Engineer Engineering Technician II, III Facilities Services Supervisor Fleet Supervisor GIS Supervisor Government Relations Manager Human Resources Manager Instrumentation Supervisor Laboratory Supervisor Landscape Contracts Administrator Material Control Clerk I/II Mechanical Maintenance Supervisor Operations Coordinator Operations Manager Operations Supervisor Principal Analyst Public Affairs Manager Purchasing Coordinator Recycled Water Development Manager Recycled Water Project Specialist Recycled Water Supervisor Recycled Water Systems Specialist Regulatory Compliance Manager Right-of-Way and Real Property Manager Safety & Security Manager Senior Analyst Senior Applications Analyst Senior Applications Developer Senior Buyer Senior Database Administrator Senior Water Use Efficiency Specialist Senior Network Administrator Senior Programmer/Analyst Senior Purchasing Coordinator Senior Recycled Water Systems Specialist Senior Vehicle/Equipment Maintenance Mechanic Senior Water Use Efficiency Specialist Supervising Wetlands/Wildlife Biologist Water Maintenance Supervisor Water Resources Manager Water Resources Planner Water Use Efficiency Analyst Water Use Efficiency Specialist		EXHIBIT "A"
Designated Persons	**Disclosure Categories**	**Schedules Associated**
Group IV Engineering Consultants[2] Special Legal Counsel[2]	1, 4 and 5	All
Group V Financial Consultants[2]	4 and 5	A-1, A-2, C, D and E

[2] Consultants shall be included in the list of DESIGNATED PERSONS and shall disclose pursuant to the disclosure categories specified, subject to the following limitation:

The General Manager may determine in writing that a particular consultant, although a "designated person," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in the Code. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

NOTE: APPENDIX "A-2" set forth below is contained in the District's Conflict of Interest Code, as amended from time to time. Any amendment to APPENDIX "A-2" will automatically be included in this Policy No. 45.

Irvine Ranch Water District

APPENDIX "A-2"

ECONOMIC INTERESTS THAT MUST BE REPORTED
PURSUANT TO CONFLICT OF INTEREST CODE

Category 1:

Interests in real property

Category 2:

Investments in or income (including loans, gifts and travel payments) from business entities which manufacture, distribute, lease, retail, or sell items which are, or which have been or foreseeably could be, utilized or procured by IRWD, including, but not limited to, any of the following:

1. Office equipment and supplies
2. Computer hardware and software
3. Printing, reproduction or photographic equipment and supplies
4. Periodicals, books, newspapers
5. Chemicals
6. Petroleum products
7. Motor vehicles and specialty vehicles, parts and supplies
8. Construction and maintenance equipment and supplies
9. Safety equipment and supplies
10. Food supplies
11. Water quality equipment and supplies
12. Cathodic protection equipment and supplies
13. Educational equipment and supplies
14. Medical supplies and informational materials
15. Landscape supplies
16. Pipes, valves, fittings, pumps, meters and similar items

Category 3:

Investments in or income (including loans, gifts and travel payments) from business entities which contract or subcontract for, or consult in, the performance of work or services which are, or which have been or foreseeably could be, utilized or procured by IRWD, including, but not limited to, any of the following:

1. Public utilities
2. Financial audit and accounting services
3. Insurance services
4. Construction and maintenance services
5. Transportation and lodging services
6. Security services
7. Banking, savings and loan services
8. Food services
9. Communication services
10. Water quality testing
11. Cathodic protection services
12. Engineering, architectural and construction inspection services
13. Employment and temporary help services
14. Educational and medical services
15. Landscape and topographical services
16. Equipment rentals
17. Real estate, appraisal and investment services
18. Consulting services in: legal, energy and power, soils testing, water treatment, data processing, computers, labor relations, employee training, advertising, design, audio visual, movie production, planning, water pricing and demand, economics, desalting, environmental analysis
19. Printing and reproduction services

Category 4:

Investments in or income (including loans, gifts and travel payments) from business entities which manufacture, distribute, lease, retail, or sell items which are recommended or suggested by you in your capacity as a consultant to IRWD, including, but not limited to, the items listed under Category 2.

Category 5:

Investments in or income (including loans, gifts and travel payments) from business entities which contract or subcontract for, or consult in, the performance of work or services which are recommended or suggested by you in your capacity as a consultant to IRWD, including, but not limited to, the items listed under Category 3.

Category 6:

Gifts and travel payments from

(A) business entities which manufacture, distribute, lease, retail, or sell items which are, or which have been or foreseeably could be, utilized or procured by IRWD, including, but not limited to, the items listed under Category 2, and

(B) business entities which contract or subcontract for, or consult in, the performance of work or services which are, or which have been or foreseeably could be, utilized or procured by IRWD, including, but not limited to, the items listed under Category 3.

APPENDIX "B-1"

Policy for Distribution of Tickets or Passes in accordance with
Fair Political Practices Commission (FPPC)
Regulation 18944.1 of Title 2 of the California Code of Regulations

1. Purpose of Policy

To ensure that tickets provided to and distributed by the Irvine Ranch Water District (IRWD) are in furtherance of a governmental and/or public purpose as required under Regulation 18944.1 and this policy.

To ensure that tickets distributed by IRWD under Regulation 18944.1 and this policy are disclosed on FPPC Form 802 (see Appendix "B-2") and forwarded to the FPPC for posting on its website as required by Regulation 18944.1.

2. Application of Policy

A. Types of Tickets

This policy applies to tickets that provide admission to a facility, event, show, or performance for an entertainment, amusement, recreational, or similar purpose and are either:

(1) gratuitously provided to IRWD by an outside source:
(2) acquired by IRWD by purchase at fair market value;
(3) acquired by IRWD as consideration pursuant to the terms of a contract for the use of an IRWD venue; or
(4) acquired and distributed by IRWD in any other manner.

B. Policy Applicable to Tickets Only

This policy shall only apply to IRWD's distribution of tickets to, or at the behest of, a District Official. This policy does not apply to other items of value provided to the District or any District Official, regardless of whether received gratuitously or for which consideration is provided. This includes food, beverage, or a gift provided to a District Official at an event that is not included in the fair market value of the ticket.

3. Definitions

Unless otherwise expressly provided herein, words and terms used in this policy shall have the same meaning as that ascribed to such words and terms in the California Political Reform Act of 1974 (Government Code Section 81000 et seq., as the same may from time to time be amended) and the FPPC Regulations (Title 2, Division 6 of the California Code of Regulation, Section 18110 et seq., as the same may from time to time be amended).

A. "IRWD" or "District" shall mean and include the Irvine Ranch Water District and any other affiliated agency created or activated by the District, and any departments, boards, and commissions thereof.

B. "District Official" shall mean and refer to every member, officer, employee, or consultant of the Irvine Ranch Water District, as defined by Government Code Section 82048 and FPPC Regulation 18701. Such terms shall include, without limitation, any District board or committee member or other appointed official or employee required to file an annual Statement of Economic Interest (FPPC Form 700).

C. "Immediate family" shall mean and refer to spouse and dependent children.

D. "Policy" shall mean and refer to this Policy for Distribution of Tickets and/or Passes.

E. "Ticket" shall mean and refer to a "ticket or pass" for admission privilege to a facility, event, show, or performance for an entertainment, amusement, recreational, or similar purpose.

4. General Provisions

A. No Right to Tickets

The use of tickets is a privilege extended by the District and not the right of any person to which the privilege may from time to time be extended.

B. Limitation on Transfer of Tickets

Tickets distributed to a District Official pursuant to this policy shall not be transferred to any other person except to members of such District Official's immediate family, or no more than one guest, solely for their personal use.

C. Prohibition Against Sale of or Receiving Reimbursement for Tickets

No person who receives a ticket pursuant to this policy shall sell or receive reimbursement for the value of the ticket.

D. No Earmarking of Ticket Given to District

No ticket gratuitously provided to the District by an outside source and distributed by the District to, or at the behest of, a District Official pursuant to this policy shall be earmarked by the original source for provision to a particular District Official. The District shall determine, in its sole discretion, who uses the ticket.

5. Ticket Administrator

A. The General Manager or his/her designee shall be the ticket administrator for purposes of implementing the provisions of this policy.

B. The General Manager or his/her designee shall have the authority, in his or her discretion, to establish procedures for the purchase and/or distribution of tickets in accordance with this policy. All requests for tickets that fall within the scope of this policy shall be made in accordance with the procedures established by the General Manager or his/her designee.

C. The General Manager or his/her designee shall determine the face value of tickets distributed by the District for the purposes of sections 6.A., 6.B., and 8.D.(1) of this policy.

D. The General Manager or his/her designee, in his or her discretion, may revoke or suspend the ticket privileges of any person who violates any provision of this policy.

6. Conditions Under Which Tickets May be Purchased and/or Distributed

Subject to the provisions of this policy, complimentary tickets may be distributed to District Officials under the following conditions:

A. The District Official reimburses the District for the face value of the ticket(s).

1. Reimbursement shall be made at the time the ticket(s) is/are distributed to the District Official.

2. The General Manager or his/her designee shall, in his or her discretion, determine which event tickets, if any, shall be available under this section.

B. The District Official treats the ticket(s) as income consistent with applicable federal and state income tax laws, and the District reports the distribution of the ticket(s) as income to the District Official in compliance with the reporting provisions of Section 8 below..

C. The District Official uses, or behests, such ticket(s) for one or more of the following governmental and/or public purposes:

(1) Facilitating the attendance of a District Official at an event where the job duties of the District Official require his or her attendance at the event.
(2) Promotion of intergovernmental relations and/or cooperation and coordination of resources with other governmental agencies, including, but not limited to, attendance at an event with or by elected or appointed public officials from other jurisdictions, their staff members and their guests.
(3) Promotion of District resources and/or facilities available to the public.
(4) Promotion of District-run, sponsored, or supported community programs or events.
(5) Promoting, supporting, and/or showing appreciation for programs or services rendered by charitable and non-profit organization benefiting District customers.
(6) Promotion of business or economic activity, development, and/or redevelopment within the District's service area.
(7) Exchange programs with foreign officials and dignitaries.
(8) Promotion of District recognition, visibility, and/or profile on a local, state, national, or international level.
(9) Promotion of open government by District Official appearances, participation, and/or availability at business and/or community events.
(10) Increasing public exposure to, and awareness of, the various educational venues and facilities available to the public through the District.
(11) Attracting or rewarding volunteer service.
(12) Encouraging or rewarding significant academic, athletic, or public service achievements by students, residents, or businesses within the District service area.
(13) Attracting and retaining highly qualified employees in District service; recognizing or rewarding meritous service by a District employee; and/or promoting enhanced District employee performance or morale.
(14) Recognizing contributions made to the District by former District Board Members, District Employees, or other District Officials.

7. Tickets Distributed at the Behest of a District Officials

A. Only the following District Officials shall have the authority to behest tickets: Elected or Appointed Board of Directors Members, the General Manager, and his/her designee.

B. Tickets shall be distributed at the behest of a District Official only for one or more public purposes set forth in section 6.C.

8. Disclosure Requirements

A. This policy shall be posted on the District website in a prominent manner.

B. Tickets provided to District Officials as part of their official duties, or tickets provided so that the District Official may perform a ceremonial role or function on behalf of the District are not to be subject to this policy and are exempt from any disclosure requirements under section 8. A ceremonial role or function includes, but is not limited to, making a speech, participating in a panel or seminar, presenting an award or proclamation, or cutting a ribbon.

C. Tickets distributed by the District for which the District receives reimbursement from the District Official as provided under Section 6.A. shall not be subject to the disclosure provisions of Section 8.

D. Tickets distributed by the District to any District Official either 1) which the District Official treats as income pursuant to Section 6.B. or 2) for one or more public purposes described in section 6.C., shall be disclosed on Form 802 provided by the FPPC and forwarded to the FPPC for posting on its website. Such posting shall include the following information:

(1) The name of the recipient, except that if the recipient is an organization, the District may post the name, address, description of the organization, and number of tickets provided to the organization in lieu of posting the names of each recipient, or if tickets are distributed to a department or other unit of the District in accordance with this policy, the District may post the name of the department or other unit in lieu of posting the names of each recipient;
(2) a description of the event;
(3) the date of the event;
(4) the face value of the ticket;
(5) the number of tickets provided to each person;
(6) if the ticket is distributed at the behest of a District Official, the name of the District Official who made such behest; and
(7) a description of the public purpose(s) under which the distribution was made, or, alternatively, the District Official is treating the ticket as income.

Tickets Provided by Agency Report

California Form 802

A Public Document

This form is for use by all state and local government agencies to disclose the distribution of tickets or passes that allow admission to facilities, events, shows, or performances for entertainment, amusement, recreational, or similar purposes. The agency must complete Form 802 identifying agency officials who receive tickets or passes from the agency as well as other individuals and organizations that receive tickets or passes at the behest of agency officials. Form 802 must be posted in a prominent fashion on the agency's website.

Gifts of Tickets or Passes to Public Officials
FPPC Regulation 18944.1 sets out the circumstances under which an agency's distribution of tickets or passes to or at the behest of an official in the agency does not result in a gift to the official. (Regulation 18944.1 is available on the FPPC website at www.fppc.ca.gov.) Even though the distribution of tickets or passes to a public official under the regulation is not a gift to the official, the agency must disclose the distribution on Form 802. The official does not have to disclose tickets or passes received or distributed under the regulation on his or her Statement of Economic Interests (Form 700), but tickets or passes received or distributed by the official that do not fall under the regulation may be subject to disclosure on the official's Form 700 and subject to gift limits.

Posting Form 802
The Form 802 must be posted on the agency's website within 30 days after the distribution. If the agency does not maintain a website, the form must be maintained by the agency as a public record, be available for public inspection and copying, and be forwarded to the FPPC for posting on its website.

Part 1. Agency Identification
List the agency's name, address and the name of an agency contact. Mark the amendment box if changing any information on a previously filed form and include the date of the original filing.

Part 2. Event For Which Tickets Were Distributed
Provide the date(s) of the event, a description of the event, and the face value (i.e. the cost to the public) of the ticket or pass. Check the box indicating whether the event was an "agency event" (such as a county fair, or an event for which the agency purchased tickets). If the agency received the tickets from an outside source, identify the source, the number of tickets received, and check the box to identify whether the tickets or passes were provided to the agency:

- Gratuitously; or
- Pursuant to a contract.

Part 3. Agency Official(s) Receiving Ticket(s)
Disclose the name of each agency official that received a ticket or pass and the number of tickets or passes the official received. Also state whether the distribution is income to the official or describe the public purpose for which the official received the tickets or passes.

Part 4. Individual or Organization Receiving Ticket(s)
If tickets or passes were distributed to an individual or organization outside the agency, at the behest of an official of the agency, provide the name of the official. Disclose the name(s) of the individual(s) who received the tickets or passes and the number of tickets or passes provided. If the tickets or passes were provided to an organization, the agency may post the name, address, a description of the organization, and the number of tickets or passes provided to the organization in lieu of posting the name of each individual that received a ticket or pass. Also, describe the public purpose for the distribution to the individual or organization.

Part 5. Verification
The agency head or his or her designee must sign the form.

Privacy Information Notice
Information requested on all FPPC forms is used by the FPPC to administer and enforce the Political Reform Act (Government Code Sections 81000-91014 and California Code of Regulations Sections 18109-18997). All information required by these forms is mandated by the Political Reform Act. Failure to provide all of the information required by the Act is a violation subject to administrative, criminal, or civil prosecution. All reports and statements provided are public records open for public inspection and reproduction.

If you have any questions regarding this Privacy Act Notice, please contact the FPPC.

General Counsel
Fair Political Practices Commission
428 J Street, Suite 620
Sacramento, CA 95814
(916) 322-5660

EXHIBIT "A"

Tickets Provided by Agency Report

A Public Document

TICKETS PROVIDED BY AGENCY REPORT

California Form **802**

For Official Use Only

1. Agency Name

Date Stamp

Division, Department, or Region (if applicable)

Street Address

Area Code/Phone Number | E-mail

Agency Contact (name and title)

☐ Amendment (Also explain in Part 5)

Date of Original Filing: ________ (month, day, year)

2. Event For Which Tickets Were Distributed

Date(s) of Event: ___/___/___ Description of Event: ________

___/___/___ Face Value of Ticket: $________

Agency Event ☐ Yes ☐ No (Identify source of tickets below.)

Name of Outside Source of Ticket(s) Provided to Agency: ________

Number of Tickets Received: ________ Ticket(s) Provided to Agency: ☐ Gratuitously ☐ Pursuant to Contract

3. Agency Official(s) Receiving Ticket(s) (use a continuation sheet for additional names)

Name of Official (Last, First)	Number of Tickets	State Whether the Distribution is Income to the Official or Describe the Public Purpose for the Distribution

4. Individual or Organization Receiving Ticket(s) (Provided at the behest of an agency official.)

Name of Behesting Agency Official: ________

Name of Individual or Organization: ________ Number of Tickets: ________

Description of Organization: ________

Address of Organization: ________ (Number and Street, City, State, Zip Code)

Purpose for Distribution: (Describe the public purpose for the distribution to the organization.)

____

5. Verification

I have determined that the distribution of tickets set forth above is in accordance with the provisions of FPPC Regulation 18944.1

________ Signature of Agency Head or Designee | ________ Print Name | ________ Title | ________ (month, day, year)

Comment: *(Use this space or an attachment for any additional information including amendment explanation.)*

____

FPPC Form 802 (Feb/09)

FPPC Toll-Free Helpline: 866/ASK-FPPC (866/275-3772)

Irvine Ranch WATER DISTRICT

REPORT AND REQUEST FOR APPROVAL OF OUTSIDE CONSULTING, BUSINESS ACTIVITY OR EMPLOYMENT

Pursuant to IRWD Personnel Policies and Procedures
Policy No. 45 - Conflict of Interest,
Section 2.D. Outside Consulting, Business Activity or Employment

All employees must complete this form at the time of hire and any time there is a change to outside consulting, business activity, or employment status as defined in Policy No. 45 ("outside activity").

Employee Name: ______________________ **Job Title:** ______________________

Department: ______________________ **Date of Report/Request:** ______________________

I. Report of Status (Required at time of hire or upon any change in outside employment)

- ☐ No outside activity to report
- ☐ Initial report and request for approval of outside activity (complete Sections II and/or III as applicable)
- ☐ Revised report and request for approval of outside activity (complete Sections II and/or III as applicable)
- ☐ Termination of the following previously-reported outside activity: ______________________ effective end date: ______________________

II. Request for Approval of Outside Employment:

Name of Employer: ______________________ Address: ______________________
Type of business: ______________________
Type of work you will perform: ______________________
Number of hours per week/month: ______________
Estimated end date for outside employment: ____________ (Maximum duration 12 mos. from Date of Request)
(Complete a new form once outside employment ends)

III. Request for Approval of Outside Consulting or Business Activity:
(Include family business for which you perform work, whether or not you are receiving compensation)

A. I will be performing work as:
☐ Business Owner ☐ Independent Consultant/Contractor ☐ Other__________

Name of Business: ______________________ Address: ______________________
Type of business: ______________________
Type of work you will perform: ______________________
Number of hours per week/month: ______________
Estimated end date for outside employment: ____________ (Maximum duration 12 mos. from Date of Request)
(Complete a new form once outside activity ends)

B. Retention of IRWD Employees and/or Contractors
Do you intend to retain other IRWD employees and/or contractors for your outside consulting/business activity?
Yes____ No_____

If yes, describe the nature of the work that IRWD employees/contractors will perform for this outside consulting/business activity: ______________________

(Please attach additional pages if needed)

I have read and reviewed and understand IRWD Personnel Policies and Procedures Policy No. 45 - Conflict of Interest, Section 2.D. Outside Consulting, Business Activity or Employment.

If section II or II above is completed, then I hereby request approval in advance of engaging in any outside consulting, business activity, and/or employment while employed with IRWD. If approved, then I understand that this approval is for a maximum of twelve months from the Date of Request indicated on the form. I must complete a new form to request approval of an extension beyond twelve months and once my approved outside consulting, business activity or employment ends. I understand that I, or any contractor I may hire, **must not** provide services and/or goods to IRWD through my outside consulting, business activity or employment.

I understand that I must complete a new form to request approval in advance of any future outside consulting, business activity or employment.

Employee Signature: ______________________________ Date: __________

Supervisor's Acknowledgement: ______________________ Date: __________

Reviewed by: Director of Human Resources: ____________ Date: __________

General Manager Review:

Approved ______________________ Date: __________ Expiration Date: __________

Denied ______________________ Date: __________

Form revision date: April 2018

May 1, 2018
Prepared by: C. Smithson/J. Davis
Submitted by: C. Clary
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

FY 2017-18 OPERATING AND NON-OPERATING
FINANCIAL HIGHLIGHTS THROUGH MARCH 31, 2018

SUMMARY:

Staff has prepared an analysis of the unaudited operating statements through the third quarter Fiscal Year (FY) 2017-18, 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, sewer, and recycled water systems, attached as Exhibit "B";
- 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 2017-18, attached as Exhibit "D"; and
- Full year forecast to budget comparison of non-operating revenue and expense for FY 2017-18, attached as Exhibit "E".

As of the March 31, 2018, overall expenses shown on Exhibit "A" totaled $114.9 million, compared with a budget of $113.4 million before reimbursement from the Baker partners.

Based on system revenues and expenses shown on Exhibit "B", net operating revenues exceeded budget by $6.8 million, and expenses were under budget by $0.2 million; this resulted in a positive net operating position of $7.1 million through March 31, 2018.

As shown on Exhibit "C", actual net non-operating revenues and expenses were $64.5 million versus a budget of $46.8 million.

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

Significant variances greater than $250,000 are discussed below.

BACKGROUND:

Overall Operating Expenses:

Overall operating expenses exceeded budget by $1.5 million or 1.4% prior to reimbursement from Baker partners. Exhibit "A" is a summary of actual to budget expenses by major category. Noteworthy variances to budget include:

- Regular labor exceeded budget by $0.3 million or 1.2% as March included a third payroll. This is a timing issue vs budget and should correct by year end.

- The cost of water exceeded budget by $3.8 million or 14.7% as summarized below:

Water Purchases Executive Summary

Treated System – Sales exceeded budget by 891 acre feet. The District participated in the Municipal Water District of Orange County (MWDOC) in-lieu water program from July 2017 to January 2018. The District pumped 12,450 AF less water from the ground basin. In-lieu water accounted for 10,899 AF of groundwater demand and imported water exceeded budget by 3,113 AF. Cost Impact: expenses are $3.7 million over budget.

Untreated System – Sales exceeded budget by 227 AF. Demand for supplemental water was below budget by 909 AF, and native water usage fell below budget by 1,479 AF. Cost Impact: expenses exceeded budget by $0.9 million.

Recycled System – Sales exceeded budget by 2,890 AF. Increased production and the use of stored water from recycled reservoirs reduced supplemental demands. Cost Impact: Expenses are $0.9 million less than budget.

A more thorough discussion of the water system follows:

- For the treated potable system, sales exceeded budget by 891 AF. Total variance included imported and in-lieu water exceeding budget by 3,113 and 10,899 AF, respectively while groundwater was 12,450 acre feet under budget. The cost of in-lieu water was $533 per AF. The increase of $88 per AF is offset by a reduction in the cost of energy. The net impact between in-lieu and pumped water is $1.0 million. The Baker Water Treatment Plant was 823 AF under budget.

	Treated					
	Acre Feet			Millions		
	Actual	Budget	Variance	Actual	Budget	Variance
Imported/ Supplemental	5,334	2,221	(3,113)	$7.9	$2.3	($5.6)
In-lieu	10,899		(10,899)	5.8		(5.8)
Pumped	21,742	34,192	12,450	8.7	15.2	6.5
Baker	4,883	5,706	823	3.6	4.8	1.2
Total	42,858	42,119	(739)	26.0	22.3	(3.7)
Lost and Process Water	(2,924)	(3,076)	(152)	-	-	-
Sales/Cost of Sales	*39,934*	*39,043*	*(891)*	$26.0	$22.3	($3.7)

- For the untreated non-potable system, sales exceeded budget by 227 AF. The untreated system exceeded budget by $0.9 million. This variance was driven primarily by reduced recycled supplemental purchases of 976 AF. Imported purchases and native water met untreated demands.

	Non-Potable (untreated)					
	Acre Feet			Millions		
	Actual	Budget	Variance	Actual	Budget	Variance
Imported/ Supplemental	1,997	1,088	(909)	$1.6	$0.9	($0.7)
Native	1,788	3,267	1,479	0.4	0.8	0.4
Native Trsf	(510)		510	(0.3)	-	0.3
Imported Trsf to Rcycld	(1,482)	(2,968)	(1,486)	(0.9)	(1.9)	(1.0)
Total	1,793	1,387	(406)	0.8	(0.1)	(0.9)
Lost Water	(247)	(68)	179	-	-	-
Sales/Cost of Sales	*1,546*	*1,319*	*(227)*	$0.8	($0.1)	($0.9)

- The Recycled Water system sales exceeded budget by 2,890 AF. Supplemental water usage was reduced significantly with demands being met with less expensive recycled production and storage (3,583 AF).

	Recycled					
	Acre Feet			Millions		
	Actual	Budget	Variance	Actual	Budget	Variance
Imported/ Supplemental	1,992	2,968	976	$1.3	$1.9	$0.6
Pumped	2,764	2,917	153	1.2	1.5	$0.3
Produced/ Storage	18,946	15,363	(3,583)	-	-	$0.0
Total	23,702	21,248	(2,454)	2.5	3.4	0.9
Lost and Process Waste	(408)	(844)	(436)	-	-	$0.0
Sales/Cost of Sales	*23,294*	*20,404*	*(2,890)*	$2.5	$3.4	$0.9

- Electricity was under budget by $0.9 million (8.8%). The potable system was under budget by $0.7 million as a result of IRWD's participation in the in-lieu program, reducing electrical demand at the Dyer Road Well Field. The recycled system was under budget by $0.3 million due in part to successful energy efficiency project implementation at MWRP and billing credits received from the utility for participation in load response programs which are credited predominately in the first quarter.
- Chemicals exceeded budget by $0.5 million or 23.8%. The potable system accounted for over $0.3 million of the increase due to:
    - An increase in sodium hypochlorite usage at the Initial Disinfection Facility (IDF) for the deep aquifer treatment plant (DATS) while it is being converted from gas to sodium hypochlorite; and
    - The Baker treatment required more citric acid cleaning to balance the ph of inflow water.
- Operating supplies was below budget by $0.3 million or 26.3%. Many line items make up the variance and are due primarily to timing of work and/or billings.

- Repairs & Maintenance – IRWD was below budget by $1.0 million or 13.5%. Many line items make up the variance and are due primarily to timing of work and/or billings.
- Insurance was below budget by $0.3 or 40.6%, relating primarily to insurance reimbursements received relating to claims on the 4100 MacArthur property.
- Other professional fees was under budget by $0.4 million (11.3%). Many planned projects make up this positive variance and are due primarily to timing of work and/or billings.

Summary of System Actual to Budget Performance:

Exhibit "B" shows a detailed comparison of actual to budgeted revenue and expenses by system for FY 2017-18. Expenses are summarized into direct, indirect, general plant, marsh, natural treatment system and conservation.

The net operating variance to budget for the consolidated District (all systems) was positive by $7.1 million. Net revenues exceeded budget by $6.8 million (7.9%) and total expenses were under budget by $0.2 million (0.3%). Variances by system are explained below.

Potable and Untreated Water System:

The net operating variance to budget for the water system was positive by $2.9 million. Net revenues exceeded budget by $4.6 million (9.7%) and total expenses were $1.7 million over budget.

Commodity revenue (treated and untreated systems), excluding over allocation, exceeded budget by $4.2 million. Fixed service revenue exceeded budget by $0.5 million. As detailed above, commodity sales exceeded budget for both the treated and untreated systems. The treated system had a higher percentage of sales in the over-allocation tiers, generating more commodity revenue. Fixed service revenue exceeded budget due to higher customer growth in several customer classes than budgeted.

In total, direct expenses exceeded budget by $1.6 million. The cost of water exceeded budget by $1.7 million as detailed below:

	Expenses (millions)
Imported Purchases	$5.7
Clear and Process Wells	(4.0)
Total Cost of Water	$1.7

Sewer System:

The net operating variance for the sewer system exceeded budget by $0.6 million. Net revenues were below budget by $0.1 million and total expenses were below budget by $0.8 million or 3.3%.

Direct expenses were below budget by $1.6 million (9.2%). The most significant variance relates to bio-solids costs which were budgeted but will not occur in this fiscal year due to the delay of the project.

Indirect expenses exceeded budget by $0.8 million. Labor allocated to sewer was higher than budget. The resulting indirect G & A expenses are also higher.

Recycled Water System:

The net operating variance to budget for the recycled water system was positive by $3.0 million. Net revenue exceeded budget by $2.1 million or 14.2% and expenses were below budget by $0.9 million or 5.3%.

Commodity revenue for recycled water sales exceeded budget by $2.1 million (19.1%) due to recycled sales exceeding budget by 2,890 AF through the third quarter. Fixed service revenue matched the budget.

Direct expenses were under budget by $1.5 million or 11.7%. Electricity associated with recycled water was under budget by $0.5 million which can be attributed to the successful energy efficiency project implementation discussed above. Many smaller items contribute to the remaining positive variance.

Indirect expenses, which include customer records and collections and allocated G&A exceeded budget by $0.7 million. Labor allocated to the recycled system was higher than budget. The resulting indirect G & A expenses are also higher.

NTS & Conservation:

The net operating variance to budget for the Natural Treatment System and Conservation was positive by $0.5 million. Net revenue exceeded budget by $0.2 million or 3.8% and expenses were below budget by $0.3 million or 3.3% due to lower than budgeted conservation expenses.

<u>Summary of Non-Operating Actual-to-Budget Expense:</u>

Exhibit "C" provides a detailed comparison of actual to budget for FY 2017-18 and significant variances greater than $0.25 million are discussed as follows:

Non-Operating Income/Expenses:

The net non-operating variance to budget was positive by $17.8 million. Revenues exceeded budget by $13.5 million and expenses were under budget by $4.3 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;	$5.0
Connection fees exceeded budget due primarily to a payment for recycled connections fees for the Great Park;	$2.4
Real estate income exceeded budget due to interest receivable not budgeted related to the Serrano Summit Promissory Note;	$2.3
Other income was above budget due to higher than anticipated grant revenue;	$3.8
Interest expense was under budget due to lower variable rates and an unbudgeted amortization of the premium related to the 2016 General Obligation bond issue;	$2.3
Real estate expense was under budget due to timing of work and/or billings;	$0.6
Other expenses were under budget due primarily to the gain from the sale of a former reservoir property in Orange Park Acres;	$1.4
Total	$17.8

Operating and Non-Operating Forecasts:

Exhibit "D" is a full year forecast of operating expenses for FY 2017-18. Expenses at year end are forecasted to be at $153.8 million, before reimbursement from Baker partners. Several individual line items differ in the forecast to budget and include:

- $0.2 million higher employee benefits associated with payments for Workers Compensation claims;
- $1.3 million from increased imported water;
- $0.9 million reduced electricity;
- $0.6 million increase in chemical expense;
- $0.4 million reduced repairs and maintenance-IRWD;
- $0.3 million reduced insurance; and
- $0.4 million in higher legal fees.

Exhibit "E" is a full year forecast of non-operating revenues and expenses for FY 2017-18. It is anticipated that the District will generate $119.2 million in revenues and $33.9 million in expenses for a net positive position of $85.3 million versus a budget of $66.5 million. The variance includes higher property tax revenues, higher connection fees, higher real estate and other income as well as lower interest expense as previously discussed.

FISCAL IMPACTS:

Fiscal impacts are included 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 2017-18
Exhibit "E" – Consolidated Non-Operating Forecast to Budget FY 2017-18

Exhibit "A"

IRVINE RANCH WATER DISTRICT
CONSOLIDATED OPERATING ACTUAL TO BUDGET EXPENSE
Period Ending March 31, 2018

(in thousands)

Expense Group	Expense Name	Actual 3/31/18	Budget 3/31/18	Budget (Over)/Under	%
	Regular Labor	$ 24,596	$ 24,313	$ (283)	(1.2%)
Salaries & Benefits	Overtime Labor	1,556	1,520	(36)	(2.4%)
	Contract Labor	1,296	1,109	(187)	(16.9%)
	Employee Benefits	13,124	12,969	(156)	(1.2%)
Salaries & Benefits Total		40,573	39,910	(663)	(1.7%)
	Water	29,404	25,632	(3,772)	(14.7%)
	Electricity	9,872	10,821	949	8.8%
Water & Utilities	Fuel	470	430	(41)	(9.5%)
	Telecommunication	475	396	(79)	(19.9%)
	Other Utilities	140	128	(12)	(9.1%)
Water & Utilities Total		40,361	37,407	(2,954)	(7.9%)
	Chemicals	2,436	1,968	(468)	(23.8%)
	Operating Supplies	825	1,120	294	26.3%
	Printing	99	149	49	33.2%
Materials & Supplies	Postage	394	446	52	11.7%
	Permits, Licenses and Fees	1,523	1,571	48	3.1%
	Office Supplies	70	82	12	14.7%
	Duplicating Equipment	130	144	14	9.5%
	Equipment Rental	75	86	10	12.0%
Materials & Supplies Total		5,553	5,564	12	0.2%
	Rep & Maint OCSD & Others	10,523	10,389	(134)	(1.3%)
	Rep & Maint IRWD	6,234	7,206	972	13.5%
	Insurance	455	766	311	40.6%
	Legal Fees	1,139	1,174	35	3.0%
	Engineering Fees	833	813	(20)	(2.4%)
Professional Services	Accounting Fees	83	93	10	10.7%
	Data Processing	2,213	2,358	145	6.1%
	Personnel Training	718	861	143	16.6%
	Personnel Physicals	16	38	22	58.0%
	Other Professional Fees	2,826	3,188	362	11.3%
	Directors' Fees	113	126	13	10.3%
Professional Services Total		25,151	27,010	1,859	6.9%
	Mileage Reimbursement	107	106	(1)	(1.1%)
	Collection Fees	1	9	8	86.2%
	Election Expense	128	128	0	-
	Safety	119	80	(39)	(48.0%)
	Commuter Program	130	117	(13)	(11.5%)
Other	Alarm and Patrol Services	393	390	(3)	(0.7%)
	Biosolids Disposals	13	19	6	31.3%
	Computer Backup Storage	12	9	(3)	(29.2%)
	Contract Meter Reading	1,041	1,043	2	0.2%
	Other	74	96	22	22.8%
	Conservation	1,286	1,509	223	14.8%
Other Total		3,303	3,504	201	5.7%
Grand Total		**$ 114,940**	**$ 113,396**	**$ (1,544)**	**(1.4%)**
Less: Reimbursement from Baker Partners		(2,953)	(3,374)	(421)	12.5%
Grand Total		**$ 111,988**	**$ 110,023**	**$ (1,965)**	**(1.8%)**

Exhibit "B"

IRVINE RANCH WATER DISTRICT
CONSOLIDATED ACTUAL TO BUDGET REVENUES AND EXPENSES
PERIOD ENDED MARCH 31, 2018
(in thousands)

	Water			Sewer			Recycled			NTS & Conservation			Total
FY 2017-18	**Actual**	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**	**Variance**
Revenues:													
Commodity Revenues	$ 32,676	$ 28,454	$ 4,222	$ -	$ -	$ -	$ 12,971	$ 10,895	$ 2,077	$ -	$ -	$ -	$ 6,299
Service Revenues	25,730	25,250	480	38,679	38,835	(156)	5,018	4,981	37			-	361
Over Allocation Revenues			-			-			-	6,139	5,913	226	226
Total Revenues	58,406	53,704	4,702	38,679	38,835	(156)	17,989	15,876	2,113	6,139	5,913	226	6,886
Contribution to Enhancement and Replacement Capital Funds	(6,451)	(6,356)	(96)	(14,221)	(14,243)	22	(814)	(840)	26			-	(47)
Net Revenues	$ 51,955	$ 47,348	$ 4,606	$ 24,459	$ 24,592	$ (133)	$ 17,175	$ 15,036	$ 2,140	$ 6,139	$ 5,913	$ 226	$ 6,839
Expenses:													
Cost of Water	$ 33,527	$ 31,818	$ (1,710)			$ -	$ 7,533	$ 7,772	$ 239			$ -	$ (1,470)
Operations	$ 7,800	7,936	136	5,786	7,383	1,597	3,848	5,122	1,274			-	3,007
Water Banking			-			-			-	1,241	1,227	(14)	(14)
OCSD - O&M			-	9,482	9,435	(47)			-			-	(47)
Total Direct	41,327	39,754	(1,573)	15,268	16,818	1,550	11,381	12,894	1,513	1,241	1,227	(14)	1,475
Customer Records and Collectic	3,113	1,821	(1,291)	1,415	828	(587)	1,132	662	(470)			-	(2,348)
General & Admin Expense	5,765	6,955	1,190	5,447	5,247	(200)	2,740	2,555	(185)			-	805
Total Indirect	8,878	8,777	(101)	6,862	6,075	(787)	3,872	3,218	(654)	-	-	-	(1,543)
General Plant	467	467	-	549	549	-	213	213	-			-	-
Marsh/NTS/Conservation										7,183	7,481	298	298
Total Expenses	$ 50,672	$ 48,998	$ (1,674)	$ 22,679	$ 23,442	$ 763	$ 15,466	$ 16,325	$ 859	$ 8,424	$ 8,707	$ 283	$ 231
Net Operating Income	$ 1,282	$ (1,650)	$ 2,932	$ 1,779	$ 1,150	$ 630	$ 1,710	$ (1,289)	$ 2,998	$ (2,285)	$ (2,794)	$ 510	$ 7,070

RECONCILIATION OF EXHIBIT "B" AND EXHIBIT "A"	**Act**	**Bgt**	**Var**
Total Water, Sewer and Recycled Expenses - Sch B	$ 97,241	$ 97,472	$ 231
Capital & Other Expenses (including G&A)	15,976	13,780	(2,196)
Baker Reimb.	2,953	3,374	421
General Plant	(1,229)	(1,229)	0
Total Consolidated Operating Expense - Sch A	$ 114,941	$ 113,396	$ (1,545)

Exhibit "C"

IRVINE RANCH WATER DISTRICT

CONSOLIDATED NON-OPERATING ACTUAL TO BUDGET EXPENSES

Period Ending March 31, 2018

(in thousands)

Non-operating Revenues:	**Actual 3/31/18**	**Budget 3/31/18**	**Budget Variance**
Property Taxes	$ 41,280	$ 36,250	$ 5,030
Investment Income	3,162	3,150	12
Connection Fees	21,934	19,500	2,434
Real Estate Income	12,317	10,050	2,267
Other Income	9,798	6,000	3,798
Total Revenues	$ 88,491	$ 74,950	$ 13,541
Non-operating Expenses:			
Interest Expense	$ 18,955	$ 21,225	$ 2,270
Real Estate Expense	4,882	5,475	593
Other Expenses	123	1,500	1,377
Total Expenses	$ 23,960	$ 28,200	$ 4,240
Net Revenues & Expenses	$ 64,531	$ 46,750	$ 17,781

Exhibit "D"

IRVINE RANCH WATER DISTRICT
CONSOLIDATED OPERATING ACTUAL TO BUDGET EXPENSE
Period Ending March 31, 2018

(in thousands)

Expense Group	Expense Name	Actual 3/31/18	Original Budget	Full Year Forecast (1)	Forecast (Over)/ Under	%
	Regular Labor	$ 24,596	$ 32,855	$ 32,855	$ -	-
Salaries & Benefits	Overtime Labor	1,556	2,037	2,037	-	-
	Contract Labor	1,296	1,470	1,470	-	-
	Employee Benefits	13,124	17,366	17,566	200	1.2%
Salaries & Benefits Total		40,573	53,728	53,928	200	0.4%
	Water	29,404	35,287	36,587	1,300	3.7%
	Electricity	9,872	14,631	13,701	(930)	(6.4%)
Water & Utilities	Fuel	470	627	627	-	-
	Telecommunication	475	566	566	-	-
	Other Utilities	140	171	171	-	-
Water & Utilities Total		40,361	51,282	51,652	370	0.7%
	Chemicals	2,436	3,074	3,674	600	19.5%
	Operating Supplies	825	1,475	1,175	(300)	(20.3%)
	Printing	99	276	276	-	-
Materials & Supplies	Postage	394	594	594	-	-
	Permits, Licenses and Fees	1,523	1,797	1,797	-	-
	Office Supplies	70	109	109	-	-
	Duplicating Equipment	130	192	192	-	-
	Equipment Rental	75	114	114	-	-
Materials & Supplies Total		5,553	7,632	7,932	300	3.9%
	Rep & Maint OCSD & Others	10,523	13,852	13,852	-	-
	Rep & Maint IRWD	6,234	9,683	9,283	(400)	(4.1%)
	Insurance	455	1,021	721	(300)	(29.4%)
	Legal Fees	1,139	1,565	2,000	435	27.8%
	Engineering Fees	833	980	980	-	-
Professional Services	Accounting Fees	83	95	95	-	-
	Data Processing	2,213	2,898	2,898	-	-
	Personnel Training	718	1,247	1,247	-	-
	Personnel Physicals	16	51	51	-	-
	Other Professional Fees	2,826	4,207	4,207	-	-
	Directors' Fees	113	168	168	-	-
Professional Services Total		25,151	35,766	35,501	(265)	(0.7%)
	Mileage Reimbursement	107	140	140	-	-
	Collection Fees	1	12	12	-	-
	Election Expense	128	145	145	-	-
	Safety	119	108	108	-	-
	Commuter Program	130	156	156	-	-
Other	Alarm and Patrol Services	393	520	520	-	-
	Biosolids Disposals	13	131	131	-	-
	Computer Backup Storage	12	12	12	-	-
	Contract Meter Reading	1,041	1,390	1,390	-	-
	Other	74	128	128	-	-
	Conservation	1,286	2,012	2,012	-	-
Other Total		3,303	4,753	4,753	-	-
Grand Total		**$ 114,940**	**$ 153,161**	**$ 153,766**	**$ 605**	**0.4%**
Less: Reimbursement from Baker Partners		(2,953)	(4,498)	(4,250)	248	(5.5%)
Grand Total		**$ 111,988**	**$ 148,663**	**$ 149,516**	**$ 853**	**0.6%**

Exhibit "E"

IRVINE RANCH WATER DISTRICT
NON-OPERATING FORECAST TO BUDGET REVENUES & EXPENSES
FULL YEAR FORECAST AS OF MARCH 31, 2018
(in thousands)

Non-operating Revenues:	**Actual 3/31/18**	**Full Year Forecast**	**Full Year Budget**	**Forecast Variance**
Property Taxes	$ 41,280	$ 57,500	$ 52,500	$ 5,000
Investment Income	3,162	4,200	4,200	-
Connection Fees	21,934	29,500	26,000	3,500
Real Estate Income	12,317	16,000	13,400	2,600
Other Income	9,798	12,000	8,000	4,000
Total Revenues	$ 88,491	$ 119,200	$ 104,100	$ 15,100
Non-operating Expenses:				
Interest Expense	$ 18,955	$ 25,000	$ 28,300	$ 3,300
Real Estate Expense	4,882	6,900	7,300	400
Other Expenses	123	2,000	2,000	-
Total Expenses	$ 23,960	$ 33,900	$ 37,600	$ 3,700
Net Revenues & Expenses	$ 64,531	$ 85,300	$ 66,500	$ 18,800

May 1, 2018
Prepared: by: Javier Tobar
Submitted by: Cheryl Clary
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

THIRD QUARTER FY 2017-18 LEGAL FEES ANALYSIS

SUMMARY:

This analysis provides a summary of legal fees incurred by the Irvine Ranch Water District through the third quarter of Fiscal Year (FY) 2017-18.

BACKGROUND:

Legal fees through the third quarter of FY 2017-18 supporting the general operations of the District totaled $1,138,519 compared to a budget of $1,173,750 resulting in a positive variance of $35,231 or 3.0%. Of the total legal fees attributable to operations, general services was over budget by $26,934; litigation was over budget by $57,017 due primarily to work associated with the Orange County Water District lawsuit; personnel issues were over budget by $26,572 due primarily to work associated with employee matters and personnel policy review and revisions. There was a positive variance in special projects. Actual legal fees accounted for 1.02% of actual operating expenses and 0.67% of total expenditures.

Insurance litigation through the third quarter of FY 2017-18, net of insurance reimbursements, totaled $23,925 versus a budget of $75,000. Capitalized legal fees associated with major capital projects through the third quarter of FY 2017-18 totaled $231,947. The Asset Optimization – Lake Forest Development project (Serrano Summit), and the MWRP Biosolids and Energy Recovery Facility comprised 96.9% of the total legal fees associated with capital spending through the third quarter of FY 2017-18.

Non-operating legal fees through the third quarter of FY 2017-18 totaled $30,000 for bond counsel rendered in connection with the 2018 Indexed Tender Notes remarketing of 2011A-1 and 2011A-2.

Exhibit "A" provides a detailed comparison of actual to budgeted legal fees through the third quarter of FY 2017-18. Exhibit "B" provides a three-year comparison of fees incurred by the firms providing services in FY 2015-16 through FY 2017-18, their hourly rates and a general description of the services provided.

FISCAL IMPACTS:

Fiscal impacts are included in the above narrative.

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" – Fiscal Year 2017 - 2018, Legal Fees
Exhibit "B" – Analysis of Legal Fees, Expensed and Capitalized for FY 2016 through FY 2018

Exhibit "A"

Legal Fees
Fiscal Year 2017-2018

Firm	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Actual Operating Legal Fees	YTD Budget Operating Legal Fees	YTD % Actual vs Budget
Operating Legal Fees:							
General Services (Fixed Fee):							
Alston & Bird LLP	$ -	$ 15,327	$ 39,657		$ 54,984		
Alexander Bowie a Law Corp	$ 3,916	$ 3,697	$ -		$ 7,613		
Nossaman LLP	$ 391,753	$ 48,823	$ 63,761		$ 504,337		
Sub-total	$ 395,669	$ 67,847	$ 103,418	$ -	$ 566,934	$ 540,000	105.0%
Litigation:							
Alston & Bird LLP	$ 72,678	$ 227,874	$ 119,945		$ 420,497		
Alexander Bowie a Law Corp	$ 2,176	$ 9,344	$ -		$ 11,520		
Sub-total	$ 74,854	$ 237,218	$ 119,945	$ -	$ 432,017	$ 375,000	115.2%
Special Projects:							
Alexander Bowie a Law Corp	$ 129	$ -	$ 930		$ 1,059		
Atkinson, Andelson, Loya, Ruud and Romc	$ -	$ -	$ 3,187		$ 3,187		
Sub-total	$ 129	$ -	$ 4,117	$ -	$ 4,246	$ 150,000	2.8%
Personnel Issues:							
Alexander Bowie a Law Corp	$ -				$ -		
Burke, Williams & Sorensen, LLP	$ 10,956	$ 15,569	$ 6,387		$ 32,912		
EXTTI, Incorporated	$ -	$ -	$ 5,000		$ 5,000		
Payne & Fears LLP	$ 20,601	$ 13,842	$ 28,557		$ 63,000		
Pillsbury Winthrop Shaw Pittman LLP	$ 12,773	$ 7,684	$ 13,953		$ 34,410		
Sub-total	$ 44,330	$ 37,095	$ 53,897	$ -	$ 135,322	$ 108,750	124.4%
Legal Fees Total	$ 514,982	$ 342,160	$ 281,377	$ -	$ 1,138,519	$ 1,173,750	97.0%
Insurance Litigation:							
Daley & Heft LLP [(1)]					$ -		
Koeller Nebeker Carlson & Haluck LLP [(1)]	$ 2,120	$ 7,989	$ 10,690		$ 20,799		
Lewis Brisbois Bisgaard & Smith LLP [(1)]	$ 1,040	$ 1,626	$ 460		$ 3,126		
Woodruff, Spradlin & Smart					$ -		
Insurance Litigation Total	$ 3,160	$ 9,615	$ 11,150	$ -	$ 23,925	$ 75,000	31.9%

[(1)] Net of insurance reimbursement

Firm	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Actual Operating Legal Fees
Major Capital Projects Legal Fees:					
Asset Optimization - Lake Forest Develop.	$ 12,432	$ 107,184	$ 612		$ 120,228
ILP North Conversion - Pipelines	$ 1,300	$ -	$ -		$ 1,300
MWRP Biosolids and Energy Recovery	$ -	$ -	$ 104,480		$ 104,480
Plan, Check, Inspection for ID 1120	$ -	$ 4,550			$ 4,550
Other	$ 1,389	$ -	$ -		$ 1,389
Capital Projects Total	$ 15,121	$ 111,734	$ 105,092	$ -	$ 231,947
Total Operating and Capital Legal Fees	$ 533,263	$ 463,509	$ 397,619	$ -	$ 1,394,391

	YTD Actual	YTD Budget
Operating Expense	$ 113,890,000	$ 113,396,000
Operating Legal Fees	$ 1,162,444	$ 1,248,750
% of Legal to Operating	1.02%	1.10%
Capital Projects	$ 93,014,958	$ 72,900,754
Capital Legal Fees	$ 231,947	
% of Legal to Capital	0.25%	
Total Operating and Capital Expenditures	$ 206,904,958	$ 186,296,754
Total Operating and Capital Legal Fees	$ 1,394,391	
% of Legal Fees to Total Operating and Capital Expenditures	0.67%	

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

Exhibit "B"

Analysis of Legal Fees
Third quarter ended March 31, 2016 - 2018

Firm	YTD Actual 2015-2016	YTD Actual 2016-2017	YTD Actual 2017-2018	Hourly Rate	Area of Expertise	Service Provided
Operating Legal Fees:						
Alston & Bird LLP	$ 34,279	$ 257,343	$ 475,481	$ 265 to $ 535	Litigation	Orange County Water District litigation
Alexander Bowie a Law Corp	$ 227,896	$ 113,855	$ 20,192	$ 185 to $ 220	IRWD legal counsel	District general counsel/legislative/litigation/special project
Atkinson, Andelson, Loya, Ruud and Rom	$ -	$ -	$ 3,187	$ 220	IRWD legal counsel	District general counsel/legislative/litigation/special project
Burke, Williams & Sorensen, LLP	$ 195	$ 53,160	$ 32,912	$ 325	Employee relations	Personnel policy review and revision
EXTTI, Incorporated	$ -	$ 25,251	$ 5,000	$ 200 to $ 275	Employee relations	Personnel matters
Nossaman LLP	$ -	$ 66,081	$ 504,337	$ 225 to $ 595	IRWD legal counsel	District general counsel/legislative/litigation/special project
Payne & Fears, LLP	$ 109,668	$ 84,822	$ 63,000	$ 235 to $ 550	Employee relations	General personnel and human resources
Pillsbury Winthrop Shaw Pittman LLP	$ -	$ 6,158	$ 34,410	$ 370 to $ 490	Employee relations	Employee benefits
Legal Fees Total	$ 372,038	$ 606,670	$ 1,138,519			
Insurance Litigation:						
Daley & Heft LLP [1]	$ -	$ -	$ -	$ 175	Legal Counsel	Legal counsel related to insurance claim issues
Koeller Nebeker Carlson & Haluck LLP [1]	$ 5,538	$ 19,005	$ 20,799	$ 195	Legal Counsel	Legal counsel related to insurance claim issues
Lewis Brisbois Bisgaard & Smith LLP [1]	$ -	$ -	$ 3,126	$ 200	Legal Counsel	Legal counsel related to insurance claim issues
Woodruff, Spradlin & Smart	$ 27,147	$ 37,458	$ -	$ 105 to $ 255	Legal Counsel	Legal counsel related to insurance claim issues
Insurance Litigation Total	$ 32,685	$ 56,463	$ 23,925			

[1] Net of insurance reimbursement

Firm	YTD Actual 2015-2016	YTD Actual 2016-2017	YTD Actual 2017-2018	Hourly Rate	Area of Expertise	Service Provided
Capitalized Legal Fees:						
Alexander Bowie a Law Corp	$ 69,945	$ 32,767	$ 2,689	$ 185 to $ 220	IRWD legal counsel	District general counsel/legislative/litigation/special project
Alston & Bird LLP	$ -	$ -	$ 104,480	$ 265 to $ 535	IRWD legal counsel	District general counsel/legislative/litigation/special project
Burke, Williams & Sorensen, LLP	$ -	$ -	$ 4,550	$ 325	Employee relations	
Jackson Tidus, a Law Corporation	$ -	$ -	$ 111,070	$ 225 to $ 595	IRWD legal counsel	Counsel in connection with Serrano Summit property sale
Nossaman LLP	$ -	$ -	$ 9,158	$ 420	IRWD legal counsel	Counsel in connection with Serrano Summit property sale
Capitalized Legal Fees Total	$ 69,945	$ 32,767	$ 231,947			
Total Operating and Capital Legal Fees	$ 474,668	$ 695,900	$ 1,394,391			
Non-operating Legal Fees:						
Bond Counsel:						
Alexander Bowie a Law Corp	$ -	$ 26,668	$ -	$ 185 to $ 220	Bond counsel	Counsel in connection with the issuance of GO bonds and COP
Orrick, Herrington & Sutcliffe LLP	$ 30,000	$ 205,000	$ -	n/a	Bond counsel	Counsel in connection with the issuance of GO bonds and COP
Stradling Yocca Carlson & Rauth	$ -	$ 20,000	$ 30,000	n/a	Bond counsel	Counsel in connection with the issuance of GO bonds and COP
Non-operating Legal Fees Total	$ 30,000	$ 251,668	$ 30,000			

May 1, 2018
Prepared by: D. Kanoff/A. Shimbashi
Submitted by: R. Jacobson/C. Clary
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

QUARTERLY RISK MANAGEMENT REPORTING

SUMMARY:

Staff will provide the Committee with a report on the insurance and claim expenses incurred by the District through the quarter ending March 31, 2018.

BACKGROUND:

A comparison of the District's actual versus budget insurance expenses for the third quarter of FY 2017-18 and FY 2016-17 is attached as Exhibit "A" and summarized as follows:

- Insurance premiums total $519,633 and are $43,592 under budget;
- Third-party claims administration expenses total $4,309 and are $25,691 under budget;
- Legal expenses total $23,925 and are $51,075 under budget; and,
- Claim payments totaled $2,112,331 of which $27,974 are not reimbursable.

Through March 31, 2018, the District received reimbursements totaling $246,591 from the District's excess insurance carrier, CSAC-EIA. On April 13, 2018, an additional reimbursement of $2,098,997 was received from CSAC-EIA.

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

FISCAL IMPACTS:

Fiscal impacts are outlined above.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Insurance and Claims Summary
Exhibit "B" – FY 2017-18 Register of Closed General Liability Claims

Exhibit "A"

Irvine Ranch Water District
Insurance and Claims Summary
Period Ending March 31, 2018

Premium	Actual	Budget	Variance	% Variance	FY 16/17
Crime	3,110	6,825	3,715	54%	3,175
General Liability	334,491	322,175	(12,316)	-4%	283,292
Pollution	12,169	13,725	1,557	11%	13,690
Property	169,863	220,500	50,637	23%	172,958
Total	519,633	563,225	43,592		473,115

CATEGORY	Open	Closed	Total	Budget	Variance	FY 16/17
Claim Administration		4,309	4,309	30,000	25,691	4,850
Legal	3,126	20,799	23,925	75,000	51,075	58,661
* Property	235,606	1,876,725	2,112,331	97,500	(2,014,831)	126,878
Vehicle		2,010	2,010	0	(2,010)	
CSAC-EIA Reimbursement		(246,591)	(246,591)	0	246,591	
Business Interruption		1,950	1,950	0	(1,950)	
Total	238,732	1,659,202	1,897,934	202,500	(1,695,434)	190,389

* $2,098,997 in claim payments related to the 4100 MacArthur claim reimbursed by CSAC on 4/13/18.

ACTIVITY	FY 2016/17	FY 2017/18
Beginning Open Claims	9	8
New Claims	20	23
Closed Claims	(21)	(27)
Current Open Claims	8	4

Exhibit "B"

Register of Closed General Liability Claims as of March 31, 2018

Closed Claims Fiscal Year 2017-2018

Sum of COST / CLAIM TYPE	CLAIMANT	CATEGORY Claim Administration	Legal	Property	Vehicle	CSAC-EIA Reimbursement	Business Interruption	Grand Total
4100 MacArthur	Steven Craig	1,886.29	15,427.30	1,852,584.38				1,869,897.97
Single Event	The Irvine Company Llc			8,295.61				8,295.61
	USAA for Marc & Stacey Thomas	824.50		6,092.65				6,917.15
	J. Blount			404.08				404.08
	S. Daneshmand			707.40				707.40
	W. Zhang			496.62				496.62
	B. Beltran			768.29				768.29
	H. Rawls			948.41				948.41
	R. West			500.00				500.00
	B. Zangger			1,020.41				1,020.41
	R. Trinh	187.00						187.00
	Apex Energetics			750.00				750.00
	Montbury HOA			980.00				980.00
	R. Tolliver			1,500.00				1,500.00
	Julia O'Brien	161.50						161.50
	Charles Elfsten			346.84				346.84
	Takayuki Hayashi				1,009.92			1,009.92
	Ronald Williams				1,000.00			1,000.00
	WONDERLAND BRANDS CALIFORNIA, LLC						1,950.00	1,950.00
	Lisa Benjamin			1,330.00				1,330.00
Slip and Fall	Lipman v. IRWD		5,371.39					5,371.39
Third Party Administration	George Hills Company, Inc.	1,250.00						1,250.00
Reimbursement	4100 MacArthur (Over $100K)					(246,591.00)		(246,591.00)
Grand Total		4,309.29	20,798.69	1,876,724.69	2,009.92	(246,591.00)	1,950.00	1,659,201.59

Closed Claims From Prior Years

CLAIM TYPE	CLAIMANT	Claim Administration	Legal	Property	Vehicle	Grand Total
4100 MacArthur	AT&T			6,903.75		6,903.75
	C. Matheson				12,424.20	12,424.20
	D. Sanner			2,603.00	16,241.94	18,844.94
	George Hills Company, Inc.	8,653.00				8,653.00
	Real Estate Dev Assoc LLC			14,332.61		14,332.61
	Steven Craig	43,556.67	36,512.50	656,992.36	44,044.10	781,105.63
Single Event	1100 Scholarship HOA	187.00				187.00
Slip and Fall	Lipman v. IRWD		320.00			320.00
Workplace Injury	Gonzales v. IRWD		4,076.55			4,076.55
Grand Total		52,396.67	40,909.05	680,831.72	72,710.24	846,847.68

May 1, 2018
Prepared by: J. Davis / T. Fournier
Submitted by: R. Jacobson / C. Clary
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

MONTHLY INVESTMENT AND DEBT REVIEW

SUMMARY:

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

- The Investment Portfolio Summary Report as of April 24, 2018, as outlined in Exhibit "A";
- The U.S. Treasury Yield Curve as of April 24, 2018, as outlined in Exhibit "B";
- The Summary of Fixed and Variable Debt as of April 24, 2018, as outlined in Exhibit "C"; and,
- The Summary of Variable Rate Debt Rates as of April 24, 2018, as outlined in Exhibit "D".

BACKGROUND:

Investment Portfolio:

Due to the timing of the Committee meeting, the rate of return for April 2018 is not complete at this time. Preliminary calculations indicate a rate of return for the fixed income investment portfolio of 1.32%, which is a 0.07% increase from March's rate of 1.25%. Including real estate investments, the weighted average rate of return for the District's investment portfolio for April 2018 is estimated to be 3.57%, which is a 0.11% increase from March's rate of 3.46%.

Debt Portfolio:

As of April 24, 2018, the District's weighted average all-in variable rate was 1.87%, which was a 0.43% increase from March's rate of 1.44%. Including the District's weighted average fixed rate bond issues of 3.70% and the previous month's negative cash accruals from fixed payer interest rate swaps, which hedge a portion of the District's variable rate debt, the total average debt rate was 3.68%, which was a 0.18% increase from March's rate of 3.50%. The increases were due to higher interest rates on the District's variable rate debt portfolio.

FISCAL IMPACTS:

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

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

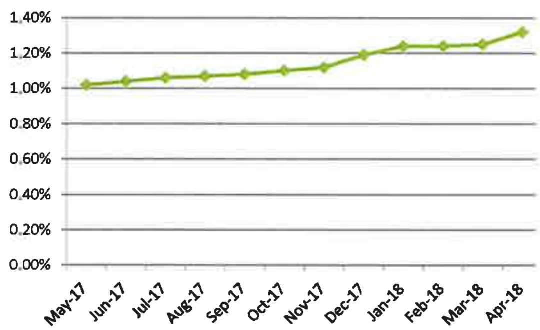
LIST OF EXHIBITS:

Exhibit "A" – Investment Portfolio Summary as of April 24, 2018
Exhibit "B" – Yield Curve as of April 24, 2018
Exhibit "C" – Summary of Fixed and Variable Debt as of April 24, 2018
Exhibit "D" – Summary of Variable Rate Debt Rates as of April 24, 2018

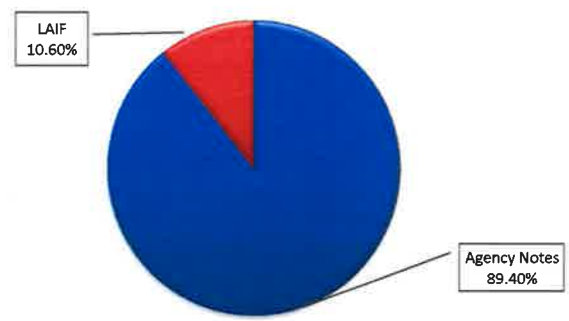
Exhibit "A"

Irvine Ranch Water District
Investment Portfolio Summary
April 2018

Monthly Fixed Income Yield



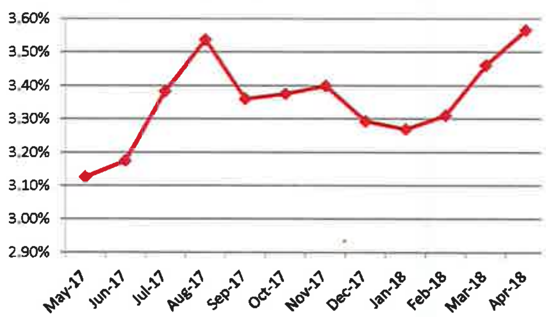
Portfolio Distribution



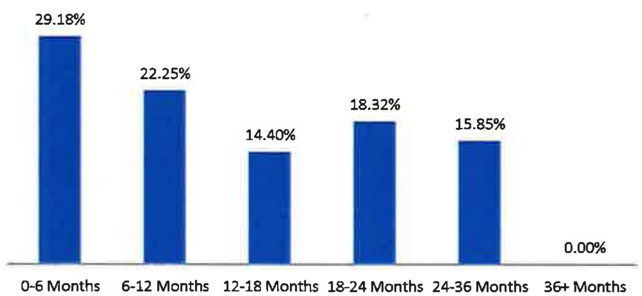
Investment Summary

Type	PAR	Book Value	Market Value
Agency Notes	341,550,000	341,466,271	338,427,433
LAIF	40,500,000	40,500,000	40,400,289
Grand Total	382,050,000	381,966,271	378,827,722

Weighted Average Return Including Real Estate Portfolio



Maturity Distribution



Top Issuers

Issuer	PAR	% Portfolio
Fed Home Loan Bank	116,000,000	30.36%
Fed Natl Mortgage Assoc	85,550,000	22.40%
Fed Home Loan Mortgage Corp	75,000,000	19.63%
Fed Farm Credit Bank	65,000,000	17.01%
State of California Treasury - LAIF	40,500,000	10.60%
Grand Total	382,050,000	100%

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

04/24/18

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE[1] 4/24/2018	UNREALIZED[2] GAIN/(LOSS)
08/23/17			04/25/18		LAIF	State of California Tsy.	$40,500,000		1.430%	$40,500,000.00	$40,500,000.00	40,400,289.04	(99,710.96)
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	4,999,897.26	4,994,500.00	(5,397.26)
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	5,000,289.97	4,994,200.00	(6,089.97)
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	11,002,883.92	10,989,110.00	(13,773.92)
06/29/16	N/A	N/A	06/29/18	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	10,000,000	1.000%	0.679%	10,016,000.00	10,001,293.15	9,979,200.00	(22,093.15)
09/01/16	N/A	N/A	07/27/18	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	0.750%	0.928%	4,983,250.00	4,997,900.22	4,981,800.00	(16,100.22)
12/21/16	N/A	N/A	08/15/18	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.000%	1.245%	4,980,000.00	4,996,478.41	4,983,950.00	(12,528.41)
09/01/16	N/A	N/A	08/28/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.000%	1.000%	5,000,000.00	5,000,000.00	4,980,000.00	(20,000.00)
09/01/16	NA	NA	09/14/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.125%	0.916%	5,021,000.00	5,003,843.88	4,980,350.00	(23,493.88)
12/28/16	NA	NA	09/14/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.125%	1.225%	4,991,500.00	4,998,150.40	4,980,350.00	(17,800.40)
10/12/16	N/A	N/A	09/27/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	0.900%	0.952%	9,990,000.00	9,997,636.36	9,946,400.00	(51,236.36)
10/12/16	N/A	N/A	09/28/18	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.880%	0.942%	4,994,000.00	4,998,575.42	4,976,050.00	(22,525.42)
09/01/16	NA	NA	10/01/18	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.030%	0.925%	5,010,750.00	5,002,164.14	4,980,000.00	(22,164.14)
10/12/16	N/A	N/A	10/12/18	Aaa/NR/NR	FFCB - Note	Fed Farm Credit Bank	10,000,000	1.000%	1.041%	9,992,000.00	9,997,983.56	9,947,900.00	(50,083.56)
10/12/16	N/A	N/A	11/27/18	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	10,000,000	1.625%	0.956%	10,140,360.00	10,041,601.55	9,974,100.00	(67,501.55)
12/21/16	N/A	N/A	12/05/18	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.100%	1.319%	4,978,900.00	5,024,850.24	4,967,800.00	(57,050.24)
09/01/16	NA	NA	12/14/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.750%	0.941%	5,091,300.00	5,013,150.23	4,989,350.00	(23,800.23)
12/27/16	NA	NA	12/14/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.750%	1.320%	5,041,536.20	4,993,557.70	4,989,350.00	(4,207.70)
09/01/16	One Time	07/30/18	01/30/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.950%	1.009%	4,993,000.00	4,997,822.93	4,949,800.00	(48,022.93)
10/26/16	One Time	07/30/18	01/30/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.950%	1.035%	4,990,500.00	4,996,779.66	4,949,800.00	(46,979.66)
10/26/16	One Time	07/30/18	01/30/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.950%	1.040%	4,990,000.00	4,996,610.17	4,949,800.00	(46,810.17)
10/12/16	Continuous after	02/12/18	02/12/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	1.050%	1.093%	9,990,000.00	9,996,400.94	9,907,000.00	(89,400.94)
09/01/16	NA	NA	03/08/19	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Bank	5,000,000	1.500%	0.964%	5,066,500.00	5,022,528.87	4,970,200.00	(52,328.87)
03/21/18	NA	NA	03/21/19	Aaa/NA/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	2.125%	2.125%	10,000,000.00	10,000,000.00	9,997,200.00	(2,800.00)
10/12/16	N/A	N/A	03/29/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.050%	1.050%	4,999,950.00	4,999,980.40	4,944,000.00	(55,980.40)
10/12/16	N/A	N/A	04/15/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	10,000,000	1.125%	0.992%	10,032,800.00	10,013,227.54	9,893,500.00	(119,727.54)
10/31/16	N/A	N/A	04/26/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.050%	1.060%	4,998,750.00	4,999,502.48	4,939,500.00	(60,002.48)
09/01/16	N/A	N/A	05/28/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.030%	1.048%	4,997,550.00	4,999,038.64	4,932,000.00	(67,038.64)
04/19/18	N/A	N/A	05/30/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.750%	2.252%	4,972,500.00	4,973,312.81	4,972,500.00	(812.81)
09/01/16	NA	NA	06/14/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.625%	0.987%	5,087,400.00	5,035,183.66	4,967,100.00	(68,083.66)
10/12/16	NA	NA	06/14/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.625%	1.103%	5,068,515.88	5,030,146.99	4,967,100.00	(63,046.99)
10/12/16	NA	NA	07/19/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.875%	1.098%	4,969,652.90	4,986,058.36	4,914,150.00	(71,908.36)
09/01/16	NA	NA	07/26/19	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.150%	1.180%	4,995,700.00	4,998,167.01	4,930,300.00	(67,867.01)
09/01/16	N/A	N/A	08/28/19	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.150%	1.160%	4,998,500.00	4,999,334.56	4,924,850.00	(74,484.56)
09/01/16	NA	NA	08/28/19	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.125%	1.132%	4,999,000.00	4,999,556.37	4,923,150.00	(76,406.37)
09/28/16	Quarterly	03/09/17	09/09/19	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.125%	1.142%	4,997,500.00	4,998,843.84	4,907,200.00	(91,643.84)
04/10/18	NA	NA	09/13/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.375%	2.288%	5,006,000.00	5,005,758.16	5,006,000.00	241.84
09/28/16	Continuous after	12/27/16	09/27/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.250%	1.189%	5,001,500.00	5,000,704.75	4,927,500.00	(73,204.75)
10/12/16	Continuous after	10/03/17	10/03/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	1.125%	1.160%	9,989,780.00	9,994,918.23	9,834,000.00	(160,918.23)
10/12/16	Continuous after	10/11/17	10/11/19	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	10,000,000	1.120%	1.205%	9,975,000.00	9,987,477.15	9,823,900.00	(163,577.15)

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

04/24/18

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE[1] 4/24/2018	UNREALIZED[2] GAIN/(LOSS)
11/08/16	Quarterly	05/08/17	11/08/19	Aaa/AA+/NR	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.250%	1.245%	5,000,750.00	5,000,380.82	4,919,800.00	(80,580.82)
11/28/16	NA	NA	11/15/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.375%	1.440%	4,990,550.00	4,995,082.86	4,928,900.00	(66,182.86)
11/28/16	Quarterly	05/25/17	11/25/19	Aaa/AA+/NR	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.400%	1.503%	4,985,000.00	4,992,129.12	4,929,550.00	(62,579.12)
12/12/16	NA	NA	12/12/19	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.450%	1.440%	5,001,450.00	5,000,780.67	4,931,250.00	(69,530.67)
12/21/16	NA	NA	12/19/19	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.500%	1.621%	4,982,350.00	4,990,359.52	4,932,500.00	(57,859.52)
12/20/17	NA	NA	01/17/20	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.500%	1.932%	4,956,250.00	4,957,981.53	4,928,700.00	(29,281.53)
10/16/17	NA	NA	02/28/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.500%	1.612%	4,987,025.00	4,989,980.00	4,924,550.00	(65,430.00)
12/20/17	NA	NA	03/13/20	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	4.125%	1.940%	5,237,200.00	5,228,457.99	5,166,200.00	(62,257.99)
10/03/17	NA	NA	04/20/20	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.375%	1.630%	4,968,350.00	4,975,496.77	4,904,650.00	(70,846.77)
11/21/17	Continuous after	02/20/18	05/20/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.830%	1.930%	4,987,500.00	4,973,394.76	4,928,550.00	(44,844.76)
11/10/17	NA	NA	06/22/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.500%	1.750%	4,968,000.00	4,989,860.04	4,903,250.00	(86,610.04)
04/19/18	NA	NA	07/30/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.500%	2.535%	4,886,000.00	4,887,642.26	4,886,000.00	(1,642.26)
12/20/17	Quarterly	11/10/16	08/10/20	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.450%	2.052%	4,923,000.00	4,925,396.27	4,886,450.00	(38,946.27)
12/12/17	One Time	09/28/18	09/28/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	2.000%	2.000%	5,000,000.00	5,000,000.00	4,947,750.00	(52,250.00)
10/31/17	One Time	10/30/18	10/30/20	Aaa/NR/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,550,000	1.850%	1.850%	5,550,000.00	5,550,000.00	5,460,922.50	(89,077.50)
12/13/17	Continuous after	08/23/17	11/23/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.770%	2.060%	4,958,750.00	4,959,900.09	4,905,050.00	(54,850.09)
12/13/17	Quarterly	05/24/18	11/24/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.900%	2.023%	4,982,500.00	4,982,987.47	4,926,550.00	(56,437.47)
11/30/17	NA	NA	11/24/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.850%	1.964%	4,983,550.00	4,985,843.94	4,923,800.00	(62,043.94)
12/20/17	NA	NA	12/28/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.875%	2.023%	4,978,400.00	4,978,986.96	4,928,050.00	(50,936.96)
TOTAL INVESTMENTS							$382,050,000			$382,239,559.98	$381,966,270.98	$378,827,721.54	

Petty Cash		3,400.00
Ck Balance	Bank of America	1,849,167.99
		$384,092,127.97

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

Outstanding Variable Rate Debt	$282,600,000
Net Outstanding Variable Rate Debt (Less $130 million fixed-payer swaps)	$152,600,000
Investment Balance:	$384,092,128
Investment to Variable Rate Debt Ratio:	252%
Portfolio - Average Number of Days To Maturity[4]	374

	Investment Portfolio	Real Estate[3] Portfolio	Weighted Avg. Return
April	1.32%	8.91%	3.57%
March	1.25%	8.91%	3.46%
Change	0.07%		0.11%

This Investment Summary Report is in conformity with the 2018 Investment Policy and provides sufficient liquidity to meet the next six months estimated expenditures.
*S - Step up

IRVINE RANCH WATER DISTRICT
SUMMARY OF MATURITIES

04/24/18

DATE	TOTAL	%	LAIF	Agency Notes	Agency Discount Notes	Collateral Deposit	US Treasury
04/18	$40,500,000	10.60%	$40,500,000				
05/18	10,000,000	2.62%		10,000,000			
06/18	21,000,000	5.50%		21,000,000			
07/18	5,000,000	1.31%		5,000,000		-	
08/18	10,000,000	2.62%		10,000,000			
09/18	25,000,000	6.54%		25,000,000			
10/18	15,000,000	3.93%		15,000,000			
11/18	10,000,000	2.62%		10,000,000			
12/18	15,000,000	3.93%		15,000,000			
01/19	15,000,000	3.93%		15,000,000			
02/19	10,000,000	2.62%		10,000,000			
03/19	20,000,000	5.23%		20,000,000			
SUB-TOTAL	$196,500,000	51.43%	$40,500,000	$156,000,000			
13 Months - 3 YEARS							
4/01/19 - 5/31/2019	25,000,000	6.54%		25,000,000			
6/01/19 - 8/31/2019	30,000,000	7.85%		30,000,000			
9/01/2019 - 11/30/19	50,000,000	13.09%		50,000,000			
12/01/19 - 2/28/2020	20,000,000	5.23%		20,000,000			
3/01/2020 - 5/31/2020	15,000,000	3.93%		15,000,000			
6/01/2020 - 8/31/2020	15,000,000	3.93%		15,000,000			
9/01/2020 -12/31/2020	30,550,000	8.00%		30,550,000			
1/01/2021 -2/28/2021	-						
	-						
TOTALS	$382,050,000	100.00%	$40,500,000	$341,550,000			
% OF PORTFOLIO			10.60%	89.40%			

Irvine Ranch Water District
Summary of Real Estate - Income Producing Investments
3/31/2018

	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	ESTIMATED MARKET VALUE 3/31/2018	ANNUALIZED RATE OF RETURN QUARTER ENDED 3/31/2018
Sycamore Canyon	Dec-92	Apartments	Fee Simple	$ 43,550,810	$ 147,507,750	18.94%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	$ 6,000,000	$ 28,934,076	8.56%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	$ 5,739,845	$ 9,571,680	11.08%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	$ 8,630,577	$ 7,803,000	3.39%
Sand Canyon Professional Center	Jul-12	Medical Office	Fee Simple	$ 8,648,594	$ 10,820,160	9.02%
Total - Income Properties				$ 72,569,826	$ 204,636,666	14.43%
OTHER REAL ESTATE DESCRIPTION						
Serrano Summit - Promissory Note	Sep-17	NA	NA	$ 81,600,000	$ 81,600,000	4.00%
Total - Income Producing Real Estate Investments				$ 154,169,826	$ 286,236,666	8.91%

IRVINE RANCH WATER DISTRICT INVESTMENT SUMMARY REPORT
INVESTMENT ACTIVITY
Apr-18

MATURITIES/SALES/CALLS

DATE	SECURITY TYPE	PAR	YIELD
4/9/2018	FHLMC - Note	$5,000,000	0.79%

PURCHASES

Settlement Date	Maturity Date	SECURITY TYPE	PAR	YIELD TO MATURITY
4/10/2018	9/13/2019	FHLB - Note	$5,000,000	2.29%
4/19/2018	5/30/2019	FHLMC - Note	$5,000,000	2.25%
4/19/2018	7/30/2020	FNMA - Note	$5,000,000	2.53%

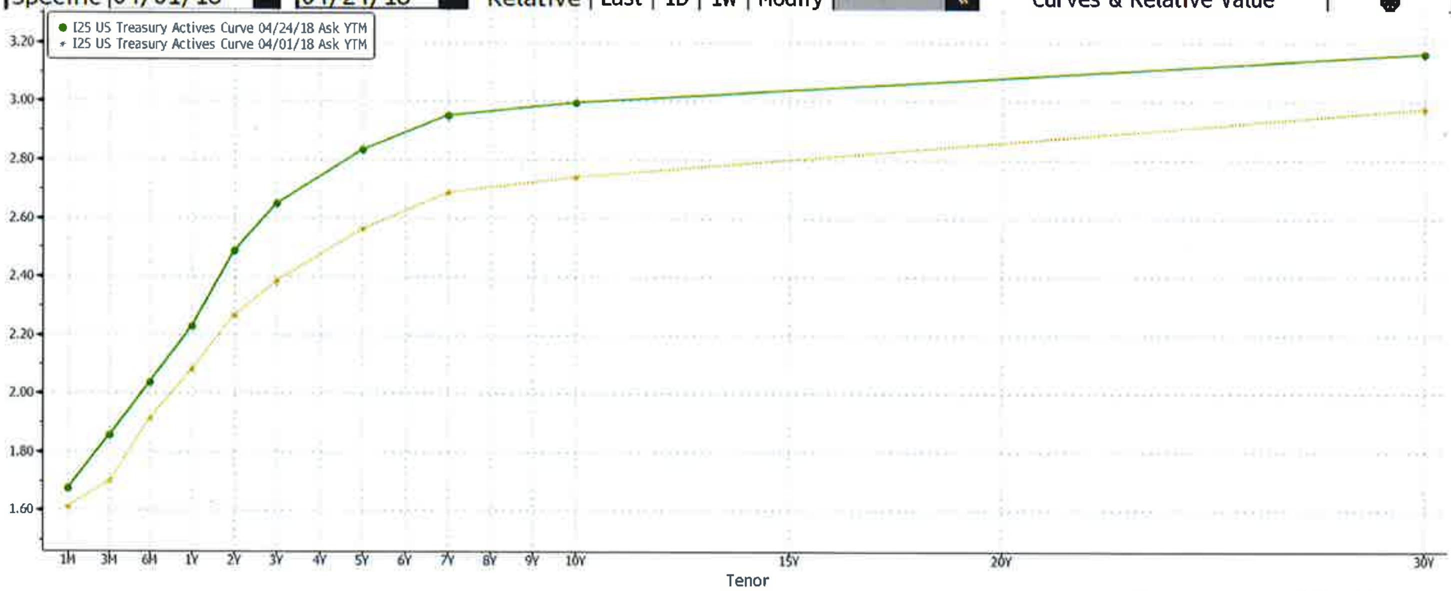
Exhibit “B”

Running as C15. Run GC for more features.

US Treasury Actives Curve | Graph Curves

X-Axis | Y-Axis Ask YTM | Currency None | PCS | Lower Chart History Table

Specific 04/01/18 | 04/24/18 | Relative | Last | 1D | 1W | Modify | Curves & Relative Value



All Tenors | Key Tenors

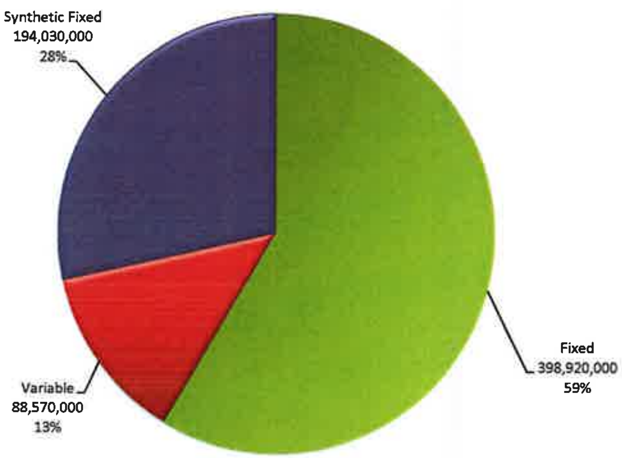
Curve Id	3M	1Y	2Y	3Y	5Y	10Y	30Y
11) I25 04/24/18	1.856	2.229	2.487	2.647	2.835	2.994	3.163
12) I25 04/01/18	1.700	2.082	2.266	2.383	2.562	2.739	2.974
13) I25 (04/24/18-04/0...	15.6	14.7	22.1	26.4	27.3	25.5	18.9

SN 736334 PDT GMT-7:00 G946-169-0 24-Apr-2018 08:08:10

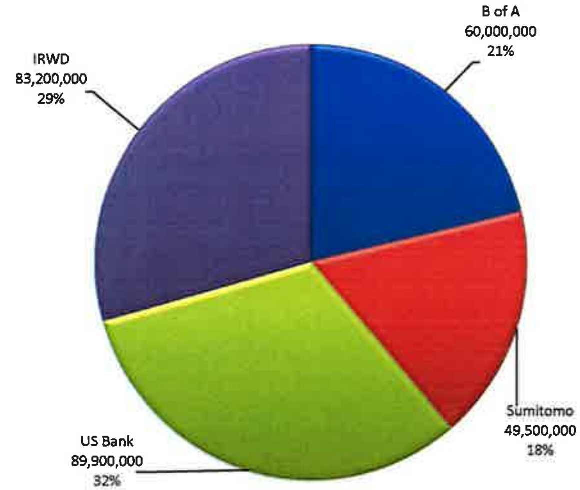
Exhibit "C"

Irvine Ranch Water District
Summary of Fixed and Variable Rate Debt
April 2018

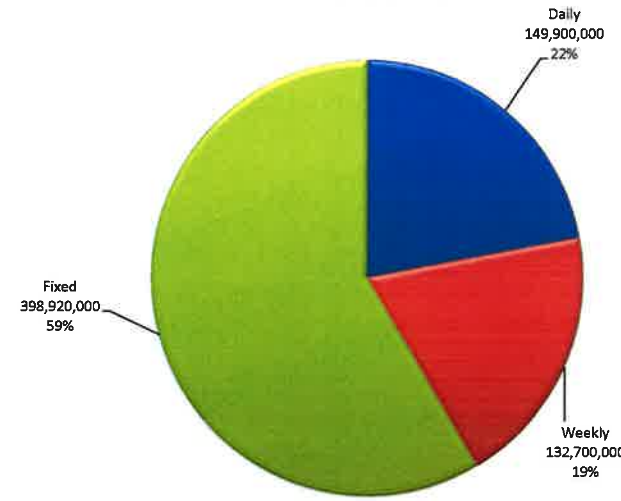
Current Debt Mix By Type



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	$29,900,000	4.39%	US Bank	BAML	Variable	Daily
Series 2008-A Refunding	04/24/08	07/01/35	$49,500,000	7.26%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	$49,920,000	7.32%	IRWD	Goldman	Variable	Weekly
Series 2011-A-2 Refunding	04/15/11	10/01/37	$33,280,000	4.88%	IRWD	Morgan	Variable	Weekly
Series 2009 - A	06/04/09	10/01/41	$60,000,000	8.80%	US Bank	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	$60,000,000	8.80%	B of A	Goldman	Variable	Daily
2010 Refunding Cops	02/23/10	03/01/20	$3,775,000	0.55%	N/A	N/A	Fixed	Fixed
2016 COPS	09/01/16	03/01/46	$116,745,000	17.13%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	$175,000,000	25.68%	N/A	N/A	Fixed	Fixed
Series 2016	10/12/16	02/01/46	$103,400,000	15.17%	N/A	N/A	Fixed	Fixed
Total			$681,520,000	100.00%				

F:\INVEST\DEBT\Analysis, Notices, and Misc\vrdsum.xlsx

IRVINE RANCH WATER DISTRICT

SUMMARY OF FIXED & VARIABLE RATE DEBT

April-18

ITN
Daily
Weekly

GENERAL BOND INFORMATION							LETTER OF CREDIT INFORMATION									TRUSTEE INFORMATION				
VARIABLE RATE ISSUES	Issue Date	Maturity Date	Principal Payment Date	Payment Date	Original Par Amount	Remaining Principal	Letter of Credit	Reimbursment Agreement Date	L/C Exp. Date	MOODYS	S&P	FITCH	LOC Stated Amount	LOC Fee	Annual LOC Cost	Rmkt Agent	Reset	Rmkt Fees	Annual Cost	Trustee
SERIES 1993	05/19/93	04/01/33	APR 1 (2014)	5th Bus. Day	$38,300,000	$29,900,000	US BANK	05/07/15	11/07/18	Aa3/VMIG1	AA-/A-1+	N/R	$30,303,036	0.3300%	$100,000	BAML	DAILY	0.10%	$29,900	BANK OF NY
SERIES 2008-A Refunding	04/24/08	07/01/35	JUL 1	5th Bus. Day	$60,215,000	$49,500,000	SUMITOMO	04/01/11	07/21/21	A1/P-1	A/A-1	A/F1	$50,232,329	0.3150%	$158,232	BAML	WED	0.07%	$34,650	BANK OF NY
SERIES 2011-A-1 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	$60,545,000	$49,920,000	N/A	N/A	N/A	Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A	Goldman	WED	0.13%	$62,400	BANK OF NY
SERIES 2011-A-2 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	$40,370,000	$33,280,000	N/A	N/A	N/A	Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A	Morgan S.	WED	0.13%	$41,600	BANK OF NY
SERIES 2009 - A	06/04/09	10/01/41	Oct 1	1st Bus. Day	$75,000,000	$60,000,000	US BANK	04/01/11	12/22/20	Aa2/VMIG 1	AA-/A-1+	AA/F1+	$60,670,685	0.4100%	$248,750	US Bank	DAILY	0.07%	$42,000	US BANK
SERIES 2009 - B	06/04/09	10/01/41	Oct 1	1st Bus. Day	$75,000,000	$60,000,000	B of A	04/01/11	07/15/19	A1/VMIG 1	A/A-1	A1/F1+	$60,670,685	0.4000%	$242,683	Goldman	DAILY	0.10%	$60,000	US BANK
					$349,430,000	**$282,600,000**	**SUB-TOTAL VARIABLE RATE DEBT**						**$201,876,734**	**0.3714%** (Wt. Avg)	**$749,664**			**0.10%** (Wt. Avg)	**$270,550**	
FIXED RATE ISSUES																				
2010 REFUNDING COPS	02/23/10	03/01/20	Mar -1	MAR/SEPT	$85,145,000	$3,775,000	N/A	N/A	N/A	Aa1	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	BANK OF NY
2010 GO Build America Taxable Bonds	12/16/10	05/01/40	MAY (2025)	MAY/NOV	$175,000,000	$175,000,000	N/A	N/A	N/A	Aa1	AAA	NR	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK
2016 COPS	09/01/16	03/01/46	Mar - 1	MAR/SEPT	$116,745,000	$116,745,000	N/A	N/A	N/A	NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK
SERIES 2016	10/12/16	02/01/46	Feb - 1	FEB/AUG	$103,400,000	$103,400,000	N/A	N/A	N/A	NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	BANK OF NY
					$480,290,000	**$398,920,000**	**SUB-TOTAL FIXED RATE DEBT**													
					$829,720,000	**$681,520,000**	**TOTAL- FIXED & VARIABLE RATE DEBT**													

Remarketing Agents		
Goldman	109,920,000	39%
Morgan Stanley	33,280,000	12%
BAML	79,400,000	28%
US Bank	60,000,000	21%
	282,600,000	

GO VS COP's		
GO:	561,000,000	82%
COPS:	120,520,000	18%
Total	681,520,000	

LOC Banks	
SUMITOMO	49,500,000
BANK OF AMERICA	60,000,000
US BANK	89,900,000
	199,400,000

Breakdown Between Variable & Fixed Rate Mode		
Daily Issues	149,900,000	22%
Weekly Issues	49,500,000	7%
ITN Issues	83,200,000	12%
Sub-Total	282,600,000	
Fixed Rate Issues	$398,920,000	59%
Sub-Total - Fixed	398,920,000	
TOTAL DEBT FIXED & VAR.	681,520,000	100%

vrdsum.xlsx
4/24/2018

Exhibit "D"

IRVINE RANCH WATER DISTRICT
SUMMARY OF DEBT RATES
Apr-18

Rmkt Agent	GOLDMAN	GOLDMAN	MORGAN STANLEY	MERRILL LYNCH		US BANK
Mode	DAILY	WEEKLY	WEEKLY	DAILY	WEEKLY	DAILY
Bond Issue	2009 - B	2011 A-1	2011 A-2	1993	2008-A	2009-A
Par Amount	60,000,000	49,920,000	33,280,000	29,900,000	49,500,000	60,000,000
Bank	BOFA	(SIFMA -1)	(SIFMA -1)	US BANK	Sumitomo	US BANK
Reset		Wednesday	Wednesday		Wednesday	
4/1/2018	1.47%	1.57%	1.57%	1.44%	1.47%	1.45%
4/2/2018	1.32%	1.57%	1.57%	1.27%	1.47%	1.37%
4/3/2018	1.22%	1.57%	1.57%	1.27%	1.47%	1.30%
4/4/2018	1.23%	1.57%	1.57%	1.25%	1.47%	1.27%
4/5/2018	1.23%	1.59%	1.59%	1.28%	1.55%	1.27%
4/6/2018	1.30%	1.59%	1.59%	1.25%	1.55%	1.27%
4/7/2018	1.30%	1.59%	1.59%	1.25%	1.55%	1.27%
4/8/2018	1.30%	1.59%	1.59%	1.25%	1.55%	1.27%
4/9/2018	1.27%	1.59%	1.59%	1.29%	1.55%	1.28%
4/10/2018	1.27%	1.59%	1.59%	1.32%	1.55%	1.28%
4/11/2018	1.33%	1.59%	1.59%	1.34%	1.55%	1.28%
4/12/2018	1.35%	1.71%	1.71%	1.42%	1.62%	1.38%
4/13/2018	1.42%	1.71%	1.71%	1.44%	1.62%	1.40%
4/14/2018	1.42%	1.71%	1.71%	1.44%	1.62%	1.40%
4/15/2018	1.42%	1.71%	1.71%	1.44%	1.62%	1.40%
4/16/2018	1.47%	1.71%	1.71%	1.47%	1.62%	1.44%
4/17/2018	1.49%	1.71%	1.71%	1.52%	1.62%	1.50%
4/18/2018	1.55%	1.71%	1.71%	1.51%	1.62%	1.53%
4/19/2018	1.53%	1.81%	1.81%	1.52%	1.70%	1.53%
4/20/2018	1.53%	1.81%	1.81%	1.50%	1.70%	1.53%
4/21/2018	1.53%	1.81%	1.81%	1.50%	1.70%	1.53%
4/22/2018	1.53%	1.81%	1.81%	1.50%	1.70%	1.53%
4/23/2018	1.53%	1.81%	1.81%	1.48%	1.70%	1.53%
4/24/2018	1.45%	1.81%	1.81%	1.47%	1.70%	1.52%
Avg Interest Rates	1.39%	1.68%	1.68%	1.39%	1.59%	1.40%
Rmkt Fee	0.10%	0.13%	0.13%	0.10%	0.07%	0.07%
LOC Fee	0.40%			0.33%	0.32%	0.41%
All-In Rate	**1.89%**	**1.80%**	**1.80%**	**1.82%**	**1.98%**	**1.88%**
Par Amount	109,920,000		33,280,000	79,400,000		60,000,000

Interest Rate Mode	Percent of Total Variable Rate Debt		Par Outstanding	Weighted All-In Average Rate		Base Rate Average
Daily	53.04%		149,900,000	1.87%		1.40%
Weekly	46.96%		132,700,000	1.87%		1.65%
	100.00%	$	**282,600,000**	1.87%		1.51%
Fixed						
COPS 2010	0.95%		3,775,000	3.82%		
COPS 2016	29.27%		116,745,000	2.90%		
BABS 2010	43.87%		175,000,000	4.46%	(1)	
SERIES 2016	25.92%		103,400,000	3.32%		
	100.00%	$	**398,920,000**	3.70%		
All-In Debt Rate Including $130 Million Notional Amount of Swaps						**3.68%**

(1) Rate adjusted up from 4 35% as a result of sequestration reducing BAB's subsidy by 6 8%

May 1, 2018
Prepared by: J. Davis / T. Fournier
Submitted by: R. Jacobson / C. Clary
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

REAL ESTATE QUARTERLY PERFORMANCE – MARCH 2018

SUMMARY:

Staff will provide the Committee with an update on the financial performance of the District's real estate investments and other revenue generating properties for the quarter ended March 31, 2018.

BACKGROUND:

For the quarter ended March 31, 2018, the net operating income (NOI) for the District's residential and commercial real estate investments was $2.6 million, which represents a 14.43% return for the period, and the fiscal year (FY) to date NOI was approximately $7.7 million. Land lease income from the Strawberry Farms Golf Course was $124,623 and $422,550 for the quarter end and FY periods, respectively. Lease revenue from the District's five cell sites was $107,873 and $229,155 for the quarter and FY, respectively. A report detailing the NOI and returns for the District's real estate investment properties, golf course, and cell sites is attached as Exhibit "A".

Residential Investment Properties:

For the quarter ended March 31, 2018, the NOI for the Sycamore Canyon Apartments was $2.1 million, which was favorable to budget by $12,939, due to higher than anticipated revenue from application fees and lower operating expenses related to payroll and building maintenance. FY to date NOI was approximately $6.0 million, which was unfavorable to budget by $110,808, due to higher than anticipated vacancies, lower than anticipated revenue from termination and month-to-month fees, and lower security deposit retention. The District's limited partnership investment in the Wood Canyon Villa property earned a preferred return of 9.00%, providing income of $133,151 for the quarter-end and $405,371 for the FY to date. The net return for Wood Canyon was 8.56% for quarter-end and FY periods.

Commercial Investment Properties:

The NOI for the quarter ended March 31, 2018 at the Irvine Market Place (230 Commerce) property was $158,924, which was favorable to budget by $7,994, primarily due to common area maintenance (CAM) adjustments related to 2017 expenses eligible for reimbursement from tenants as part of the annual CAM reconciliation. For FY to date, NOI at the property was $344,008, which was unfavorable to budget by $92,647, due to one suite not being leased as anticipated in the budget and higher operating expenses for HVAC repairs, electricity, and maintenance. The property is currently 100% leased, with the next lease due to expire in August 2018.

For the quarter ended March 31, 2018, the NOI for the Sand Canyon Professional Center medical office property was $194,999 and $574,365 for the FY to date, which were in line with the budget. The property is currently 100% occupied.

The NOI for the Waterworks Way Business Park property for the quarter ended March 31, 2018 was $73,216 and $310,140 year-to-date, which were unfavorable to budget by $34,625 and $53,595, respectively. The quarter-end variance was primarily due to a write-off for an outstanding balance from an evicted tenant. The fiscal year variance was due to an unbudgeted rent concession, a lease commission payment, and tenant improvement expenses for an unanticipated lease extension of suites 36/38.

Two leases are scheduled to expire in September 2018 (Unit 46) and November 2018 (Unit 42).

Strawberry Farms Golf Course and Cell Site Leases:

Land lease income for Strawberry Farms Golf Course for the quarter ended March 31, 2018 was $124,623, which was in line with budget. This compares with income of $116,674 for the same period last year, representing a 6.81% increase for the period. The FY year-to-date NOI was $422,550, representing an increase of 5.75% compared to the same period last year. For the quarter ended March 31, 2018 the lease revenue from the District's five cell sites was $107,873 and was in-line with the budget. FY to date lease revenue was $229,155, which was favorable to budget by $14,300, primarily due to a higher than anticipated revenue share amount received.

FISCAL IMPACTS:

For the quarter and fiscal period ended March 31, 2018, the District's commercial and residential real estate investments provided NOI of approximately $2.6 million and $7.7 million, respectively. Strawberry Farms Golf Course lease revenue was $124,623 for the quarter and $422,550 for the FY to date. The District cell site revenue was $107,873 for the quarter and the FY to date was $229,155. The Serrano Summit/Lennar Homes promissory note earned interest of $816,000 for the quarter and $1.9 million year to date (note inception September 1, 2017).

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" – Real Estate Performance Report

Exhibit "A"

Irvine Ranch Water District
Real Estate Investment Performance Report - Investment
as of March 31, 2018

INCOME PROPERTIES			FY 2017-18					FY 2017-18 RATE OF RETURN				3 Year Average Rate of Return	5 Year Average Rate of Return
Property Description	Capital Investment	Investment Inception	Jan-18	Feb-18	Mar-18	FY Q3	FY 2017-18 TOTAL	FY Q1	FY Q2	FY Q3	Average Fiscal YTD	FY 15/16 - 17/18	FY 13/14 - 17/18
Sycamore Canyon Apartments	$ 43,550,810	Dec-92	$ 673,234	$ 685,918	$ 702,466	$ 2,061,618	$ 6,032,044	18.69%	17.78%	18.94%	18.47%	18.13%	17.24%
Wood Canyon Villa Apartments	$ 6,000,000	Jun-91	$ 45,863	$ 41,425	$ 45,863	$ 133,151	$ 405,371	8.56%	8.56%	8.56%	8.56%	8.56%	8.54%
Irvine Market Place Office	$ 5,739,845	Jul-03	$ 41,047	$ 55,007	$ 62,870	$ 158,924	$ 344,008	7.12%	5.78%	11.08%	7.99%	6.37%	6.42%
Waterworks Way Business Park	$ 8,630,577	Nov-08	$ 33,184	$ 37,749	$ 2,283	$ 73,216	$ 310,140	5.57%	5.41%	3.39%	4.79%	5.05%	4.80%
Sand Canyon Professional Center	$ 8,648,594	Jul-12	$ 63,288	$ 64,281	$ 67,430	$ 194,999	$ 574,365	8.66%	8.88%	9.02%	8.85%	8.63%	8.33%
TOTAL - INCOME PROPERTIES	$ 72,569,826		$ 856,616	$ 884,380	$ 880,912	$ 2,621,908	$ 7,665,928	14.18%	13.54%	14.43%	14.05%	13.72%	13.13%

OTHER REAL ESTATE INVESTMNET			FY 2017-2018					PROMISSORY NOTE RATE OF RETURN			
Property Description	Original Cost	Investment Inception	Jan-18	Feb-18	Mar-18	FY Q3	FY 2017-18 TOTAL	FY Q1	FY Q2	FY Q3	Average Fiscal YTD
Serrano Summit - Promissory Note	$ 81,600,000	Sep-17	$ 272,000	$ 272,000	$ 272,000	$ 816,000	$ 1,904,000	4.00%	4.00%	4.00%	4.00%
TOTAL - REAL ESTATE INVESTMENTS	$ 154,169,826		Weighted Average Rate of Return					8.79%	8.49%	8.91%	8.73%

Notes/Assumptions:

- Wood Canyon cash flows represent partnership cash distributions from Western National Group.
- The 9.00% Preferred Return for Wood Canyon accrues on the original $6 million investment amount along with any accrued preferred return. The current total monthly accrual is approximately $45,000/month.
- Capital Investment does not include depreciation; Sycamore Canyon 2007-08 renovation costs included in Capital Investment total.
- Irvine Market Place capital investment amount includes land cost of $871,396; Waterworks Business Park capital investment includes land cost of $2,420,213.

Irvine Ranch Water District
Real Estate Investment Performance Report - Investment
Strawberry Farms Golf Course & Cell Site
as of March 31, 2018

	2017-18 NET INCOME				
Property Description	Jan-18	Feb-18	Mar-18	FY Q3	NET INCOME 2017-2018
Strawberry Farms Golf Course	$ 36,142	$ 41,834	$ 46,648	$ 124,623	$ 422,550
TOTALS	$ 36,142	$ 41,834	$ 46,648	$ 124,623	$ 422,550
Change From Prior Year Period:				$ 7,949 6.81%	$ 22,972 5.75%

Cellular Sites	$ 16,397	$ 82,502	$ 8,975	$ 107,873	$ 229,155
Change From Prior Year Period:				$ 8,894 8.99%	$ 14,820 6.91%