

AGENDA
IRVINE RANCH WATER DISTRICT
FINANCE AND PERSONNEL COMMITTEE MEETING
TUESDAY, FEBRUARY 4, 2020

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

ATTENDANCE Member: Peer Swan _____ Alternate Member: Mary Aileen Matheis _____

<u>ALSO PRESENT</u>	Paul Cook	_____	Cheryl Clary	_____
	Rob Jacobson	_____	Kevin Burton	_____
	Paul Weghorst	_____	Wendy Chambers	_____
	Jennifer Davis	_____	Jenny Roney	_____
	Christopher Smithson	_____	Tanja Fournier	_____
	Eileen Lin	_____	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. | <u>EMPLOYEE POPULATION AND TURNOVER STATUS REPORT – SRADER / RONEY</u>

Recommendation: Receive and file. |
| 6. | <u>PERFORMANCE RECOGNITION PROGRAM QUARTERLY UPDATE – HALL / RONEY</u>

Recommendation: Receive and file. |
| 7. | <u>MONTHLY INVESTMENT AND DEBT REVIEW – DAVIS / FOURNIER / JACOBSON / CLARY</u>

Recommendation: Receive and file. |

INFORMATION - Continued

- | | |
|-----|---|
| 8. | <u>LEGAL FEES QUARTERLY UPDATE – TOBAR / CLARY</u>

Recommendation: Receive and file. |
| 9. | <u>GENERAL MANAGER AND BOARD MEMBERS EXPENSES AND FEES QUARTERLY UPDATE – PULLES / CLARY</u>

Recommendation: Receive and file. |
| 10. | <u>FISCAL YEAR 2019-20 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS QUARTERLY UPDATE – PARDEE / SMITHSON / CLARY</u>

Recommendation: Receive and file. |
| 11. | <u>REAL ESTATE PERFORMANCE QUARTERLY PERFORMANCE – DECEMBER 2019 – DAVIS / FOURNIER / JACOBSON / CLARY</u>

Recommendation: Receive and file. |
| 12. | <u>RISK MANAGEMENT QUARTERLY REPORT – KANOFF / SHINBASHI / JACOBSON / CLARY</u>

Recommendation: Receive and file. |

OTHER BUSINESS

13. CLOSED SESSION CONFERENCE WITH REAL PROPERTY NEGOTIATORS — UNSOLICITED OFFER – Pursuant to Government Code Section 54956.8.
- Property: Sycamore Canyon Apartments, 8201 E. Blackwillow Circle, Anaheim, California 92808, County of Orange
Agency Negotiator: Robert Jacobson
Negotiating Parties: Nautilus Housing LLC
Under Negotiation: Price and terms of payment

OTHER BUSINESS - Continued

14. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL — EXISTING LITIGATION – Pursuant to Government Code Section 54956.9(d)(1):
 - *Kristina Quinn v. IRWD*, Case No. 30-2019-01069109-CU-PA-CJC
 - *Victoria Gleason v. County of Orange, et al.*, Case No. 30-2018-00977432
 - *United States, et al., ex rel. John Hendrix, et al. v. J-M Manufacturing Company, Inc., et al.*, Case No. CV 06-0055-GW
 - *State of Nevada, et al. v. J-M Manufacturing Company, Inc., et al.*, Los Angeles Case No. BC459943
 - *Lynne C. Pearse v. Pelican Heights Homeowners Association, et al.*, Case No. 30-201700963297-CU-OR-CJC
15. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL — ANTICIPATED LITIGATION – Pursuant to Government Code Section 54956.9(d)(2): significant exposure to litigation. (One (1) potential case; claim on file with the District.)
16. Directors' Comments
17. Adjournment

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

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February 4, 2020
Prepared by: L. Srader
Submitted by: J. Roney
Approved by: Paul A. Cook



FINANCE AND PERSONNEL COMMITTEE

EMPLOYEE POPULATION AND TURNOVER STATUS REPORT

SUMMARY:

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

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

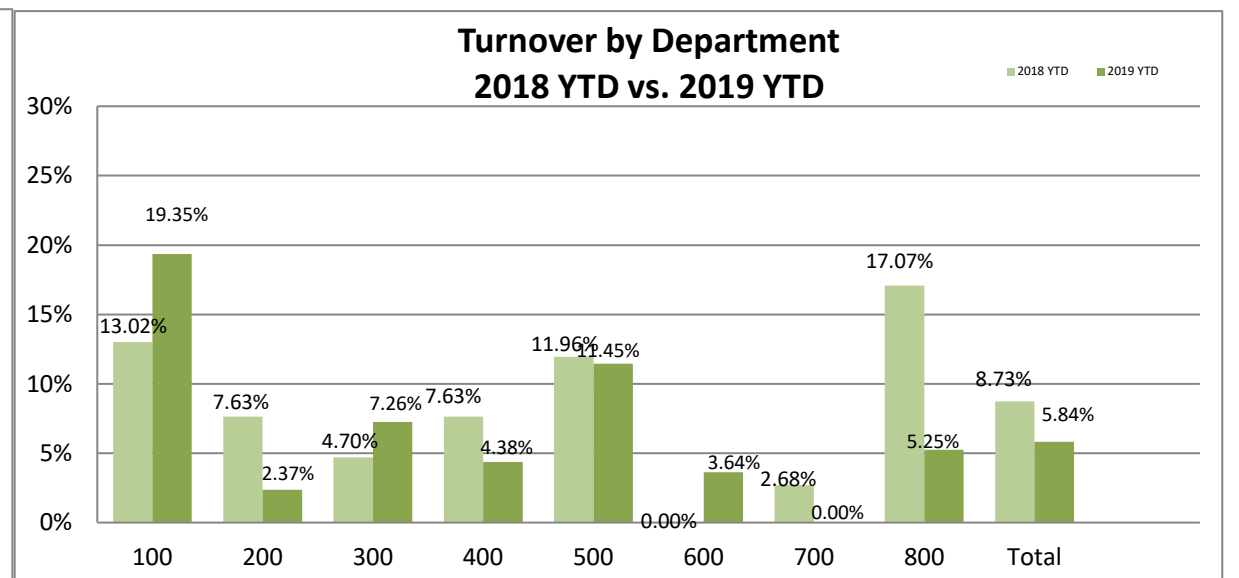
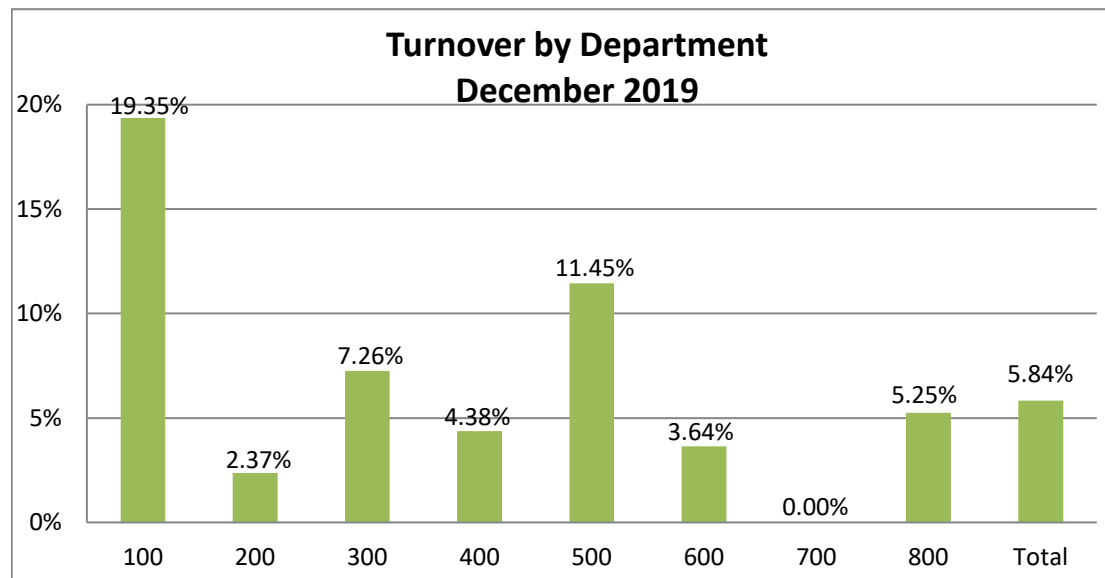
LIST OF EXHIBITS:

Exhibit "A" – Employee Population/Turnover Status Report

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EXHIBIT A
IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
December 2019

	@11/01/19	Current Month Activity							@11/30/19		FY 19/20	Avg FYTD	Avg FYTD	Avg FYTD	Internal Turnover		External Turnover	
Dept	Positions Filled	New Hires	Terms		Promo Trnsfr		Lateral Trnsfr		Positions Filled	Positions Unfilled	Budgeted Positions*	Filled Budget Positions	Temp Emp FTE	Total Filled Positions	Current Period	2019 YTD	Current Period	2019 YTD
			Vol	Invol	In	Out	In	Out										
100	16.0		1						15.0	1	16.0	15.3	0.4	15.7	0.00%	0.00%	6.25%	19.35%
200	85.0		1						84.0	4	88.0	80.7	6.8	87.5	0.00%	0.00%	1.18%	2.37%
300	41.0	1							42.0	2	44.0	41.9	4.3	46.2	0.00%	0.00%	0.00%	7.26%
400	70.0		1						69.0	3	72.0	66.8	3.1	70.0	0.00%	0.00%	1.43%	4.38%
500	51.0								51.0	8	59.0	51.4	1.3	52.7	0.00%	0.00%	0.00%	11.45%
600	28.0								28.0	1	29.0	23.3	3.6	26.9	0.00%	0.00%	0.00%	3.64%
700	35.0								35.0	0	35.0	37.3	4.4	41.8	0.00%	0.00%	0.00%	0.00%
800	55.0								55.0	6	61.0	55.4	0.4	55.8	0.00%	0.00%	0.00%	5.25%
Totals	382	1	3	0	0	0	0	0	380.0	25	404.0	372.3	24.2	396.5	0.00%	0.00%	0.79%	5.84%
10/18	372	2	1	0	0	0	0	0	373	20	393.00	364.40	6.17	370.6	0.00%	0.28%	0.27%	8.73%

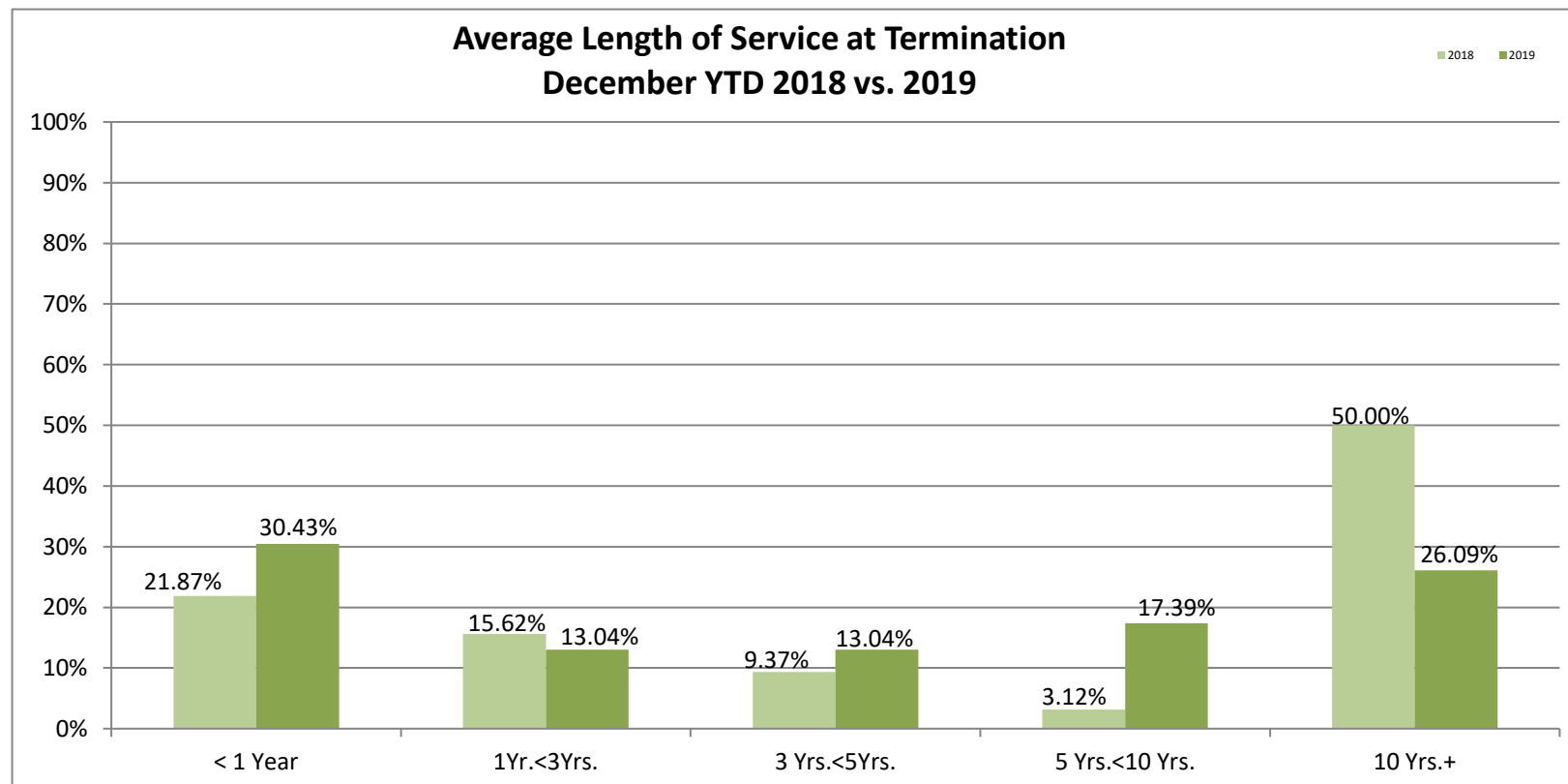


100-GM, HR, Safety; 200-Fin., Cust. Serv., IS, Purch.; 300-Eng.; 400-Water Ops; 500-Recycling; 600-WQ&RC; 700-Water Res., Recyc. Water and Public Affairs; 800-Adm. & Maintenance Ops

**IRVINE RANCH WATER DISTRICT
TURNOVER LONGEVITY RATIO
December 2019**

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		2										1	3	1	1		1	
200										1		1	2					2
300		1					1	1					2		1			2
400	1		1		1							1	3	2		2	1	1
500	1	1					2			2			6	4				
600											1		1			1		
700													0					
800				1	1	1				1			4		1		2	1
2019 Total	2	4	1	1	2	1	3	1	0	4	1	3	23	7	3	3	4	6
2018 Data	1	2	0	2	3	4	4	1	4	2	2	3	28					
Percentage of Total Turnover														30.43%	13.04%	13.04%	17.39%	26.09%

2019 Average YTD Length of Service at Termination	7.97 Years
2018 Average YTD Length of Service at Termination	13.85 Years
2017 Average YTD Length of Service at Termination	14.35 Years
2016 Average YTD Length of Service at Termination	12.43 Years
2015 Average YTD Length of Service at Termination	12.27 Years



**IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
December 2019**

NEW HIRES				
Hire	Dept	Employee Name	Position	Comments
12/30/19	300	Kenneth Binares	GIS Technician I	

TERMINATIONS					
Termination Date	Dept	Employee Name	Position	Reason	Comments
12/27/19	100			VOL	Moved

RETIREMENTS					
Effective Date	Departing Dept	Employee Name	Position	Reason	Comments
12/26/19	400	Rory Moore	Construction Services Manager	VOL	Retirement
12/27/19	200	Tony Mossbarger	Director Administrative Services	VOL	Retirement

PROMOTIONS					
Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
12/14/19	800	Morgan Jones	Sr. Maintenance Mechanic	800	Mechanical Services Supervisor
12/14/19	800	Justin Sagert	Maintenance Mechanic	800	Asset Maintenance Coordinator
12/14/19	600	Jacob Kanady	Scientist	600	Sr. Scientist
12/28/19	200	Jonathan Faulds	Sr. Support Specialist	200	User Support Administrator

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

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

**IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
December 2019**

UNFILLED POSITIONS				
Dept	Position	Salary Grade	Comments	
100	Safety Specialiat	U29.N		
200	Material Control Clerk I	11.N	Offer pending	
200	Material Control Clerk I	11.N	Offer pending	
200	Sr. Purchasing Coordinator	22.N		
200	User Support Administrator	U33.N	Recruiting	
300	Engineer	U17.E		
300	Engineer	U17.E		
400	Metering Systems Technician I	22.N	Recruiting	
400	Water Maintenance Technician II	22.N	Recruiting	
400	Construction Services Manager	U18.E		
500	Process Specialist	32.N		
500	Collection Systems CCTV Technician	21.N		
500	Operator III	29.N		
500	Operator III	29.N		
500	Operator III	29.N		
500	Sr. SCADA	U15.E	Position Reposted	
500	Operator III	29.N		
500	Operator II	29.N		
600	Sr.Regulatory Compliance Administrator	U15.E	Offer pending	
800	Asset Systems Manager	U17.E		
800	Sr. Electrical Technician	30.N		
800	Electrical Technician	28.N		
800	Maintenance Mechanic	22.N	Recruiting	
800	Sr. Maintenance Mechanic	27.N	Recruiting	
800	Sr. Maintenance Mechanic	27.N		

**IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
December 2019**

LEAVE OF ABSENCE					
Type of Leave	Pay Status	Date Leave Began	Anticipated Return Date	Current Length	Comments
FMLA/CFRA	SDI	10/7/2019	2/10/2020	3 month	
FMLA/CFRA	SDI	7/9/2019	12/1/2019	6 months	
FMLA/CFRA	SDI	9/2/2019	2/17/2020	4 months	
WC/FMLA/CFRA	SDI	9/9/2019	12/17/2019	4 months	
FMLA/CFRA	SDI	12/10/2019	2/6/2020	1 month	
FMLA/CFRA	SDI	12/2/2019	2/3/2020	1 month	
FMLA/CFRA	SDI	9/23/2019	11/4/2019	3 months	

Leave	Original Status	Date Leave Began	Return Date	Length	Return Date	Comments
FMLA/CFRA	PFL	4/8/2018	4/9/2018	1 Week	04/09/18	Returned
FMLA/CFRA	PFL	2/27/2018	4/11/2018	7 Weeks	04/11/18	Returned
FMLA/CFRA	SDI	3/23/2018	4/6/2018	1 Week	04/09/18	Returned
FMLA/CFRA	PFL	3/16/2018	5/7/2018	1.5 Months	05/07/18	Returned
FMA/CFRA	PFL	4/3/2018	5/16/2018	1 Month	05/16/18	Returned
FMA/CFRA	SDI	4/26/2018	5/7/2018	1 week	05/07/18	Returned
FMA/CFRA	PFL	4/17/2018	5/15/2018	1 month	05/15/18	Returned
FMLA/CFRA	PFL	5/11/2018	5/21/2018	2 weeks	05/21/18	Returned
FMLA/CFRA	PFL	5/14/2018	5/24/2018	10 days	05/24/18	Returned
FMLA/CFRA	SDI	4/10/2018	5/17/2018	2 Months	05/28/18	Returned
CFRA	PFL	5/29/2018	6/11/2018	8 days	06/11/18	Returned
FMLA/CFRA	PFL	5/25/2018	6/11/2018	1 Week	06/11/18	Returned
WC/FMLA/CFRA	WC	4/12/2017	6/28/2018	13 months	06/28/18	Retired
FMLA/CFRA	SDI	2/12/2018	7/4/2018	4 months	07/03/18	Returned
FMLA/CFRA	PFL	6/5/2018	6/26/2017	4 weeks	06/19/18	Returned

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

Month	Length of Employment	Termination		Comments
		Vol	Invol	
January	6 months	X		Other employment - more money
	6 months		X	Probation rejection
February	12 months	X		Other employment
	11 months	X		Other employment - closer to home; more money
	6 years 2 months	X		Other employment - promotional; PERS
	17 years 6 months	X		Other employment - promotional
March	5 years 5 months	X		Other Employment
April	6years 3 months	X		Moved out of state
May	6 years 5 months	X		Other employment - West Basin
June	17 years 9 months	X		Retirement
July	11 months		X	Probation rejection
	11 months	X		Other employment
	2 years 9 months	X		Other employment - OC Water District; more money/promotion
August	40 years 6 months	X		Retirement
September				
October	15 years 1 month	X		Moved out of state
	4 years 10 months	X		Other employment - City of Corona
	4 years 4 months	X		Other employment - City of Corona
	1 year 11 months	X		Other employment - close to home
November	4 years 11 months	X		Other employment - promotion
December	26 years 2 months	X		Retirement
	17 years 4 months	X		Retirement
	1 year 5 months	X		Moved up north

**IRVINE RANCH WATER DISTRICT
SUMMARY
AGENCY & DISTRICT TEMPORARY EMPLOYEES
December 2019***

ACTIVE											
Current Month	FYTD Ave Hours Worked	PERS Enroll- ment	Agency		Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FY' YTD	Actual Cost FY 'YTD
0.40	0.12	Yes		130	47.75	84	4,011.00	9	2	8,022.00	5,849.38
0.00	0.00	No		140	37.15	168	6,241.20	7	1	6,241.20	4,300.11
0.40	0.12			100							
0.98	1.00	Yes		200	22.99	168	3,862.32	12	6	23,173.92	25,070.60
0.00	0.01	Yes		200	56.55	84	4,750.20	12	6	28,501.20	508.95
0.62	0.91	Yes		200	23.50	84	1,974.00	12	6	11,844.00	22,372.00
0.70	0.89	No	X	200	31.00	168	5,208.00	12	6	31,248.00	28,748.63
0.69	0.88	No	X	200	30.29	168	5,088.72	12	6	30,532.32	27,677.49
0.92	0.89	No	X	200	27.87	168	4,682.16	12	6	28,092.96	25,669.38
0.81	1.00	No	X	200	29.05	168	4,880.40	7	6	29,282.40	35,259.44
0.54	0.84	No	X	200	29.36	168	4,932.48	9	6	29,594.88	25,710.26
5.26	6.41			200							
0.77	0.89	Yes		300	37.44	84	3,144.96	12	6	18,869.76	34,781.76
0.24	0.51	EXC		300	18.00	84	1,512.00	12	6	9,072.00	9,504.00
0.37	0.45	Yes		300	72.97	84	6,129.48	6	6	36,776.88	34,076.99
0.24	0.43	EXC		300	17.00	84	1,428.00	12	6	8,568.00	7,658.50
0.07	0.39	EXC		300	17.00	84	1,428.00	12	6	8,568.00	6,817.00
0.39	0.45	EXC		300	17.00	84	1,428.00	12	6	8,568.00	8,041.00
0.52	0.22	EXC		300	15.00	84	1,260.00	9	3	3,780.00	3,412.50
0.87	0.93	EXC		300	37.44	84	3,144.96	12	6	18,869.76	36,354.24
3.48	4.28			300							
0.88	0.96	Yes		400	22.99	168	3,862.32	12	6	23,173.92	23,049.77
0.86	0.94	Yes		400	22.99	168	3,862.32	12	6	23,173.92	22,518.71
0.83	0.91	Yes		400	22.23	168	3,734.64	6	6	22,407.84	21,351.92
0.69	0.32	No	X	400	31.51	168	5,293.68	9	4	21,174.72	10,461.32
3.25	3.13			400							
0.34	0.79	Yes		500	29.03	84	2,438.52	12	6	14,631.12	23,790.09
0.69	0.47	No		500	31.84	168	5,349.12	9	4	21,396.48	15,641.40
1.03	0.79			500							
0.40	0.44	EXC		600	15.00	84	1,260.00	6	6	7,560.00	6,847.50
0.73	0.20	No	X	600	43.84	1678	73,563.52	8	2	147,127.04	9,146.12
0.32	0.33	EXC		600	15.00	84	1,260.00	12	6	7,560.00	5,077.50
0.31	0.50	EXC		600	15.00	84	1,260.00	12	6	7,560.00	7,747.50
0.91	1.00	Yes		600	31.49	168	5,290.32	12	6	31,741.92	33,434.51
0.00	0.00	No	X	600	52.00	168	8,736.00	5	3	26,208.00	0.00
0.36	0.45	EXC		600	15.00	84	1,260.00	12	6	7,560.00	6,967.50
3.03	2.90			600							
0.72	0.89	Yes		700	29.73	84	2,497.32	12	6	14,983.92	27,648.90
0.69	0.17	No	X	700	43.53	168	7,313.04	8	2	14,626.08	7,857.17
0.87	0.90	yes	X	300	27.50	168	4,620.00	12	6	27,720.00	25,891.25
0.53	0.78	No	X	700	31.00	168	5,208.00	12	6	31,248.00	25,722.25
0.64	0.89	No	X	700	31.00	168	5,208.00	12	6	31,248.00	28,644.00
3.45	3.64			700							
0.63	0.42	No	X	800	40.82	168	6,857.76	11	3	20,573.28	17,940.39
0.63	0.42			800							
20.53	21.68										

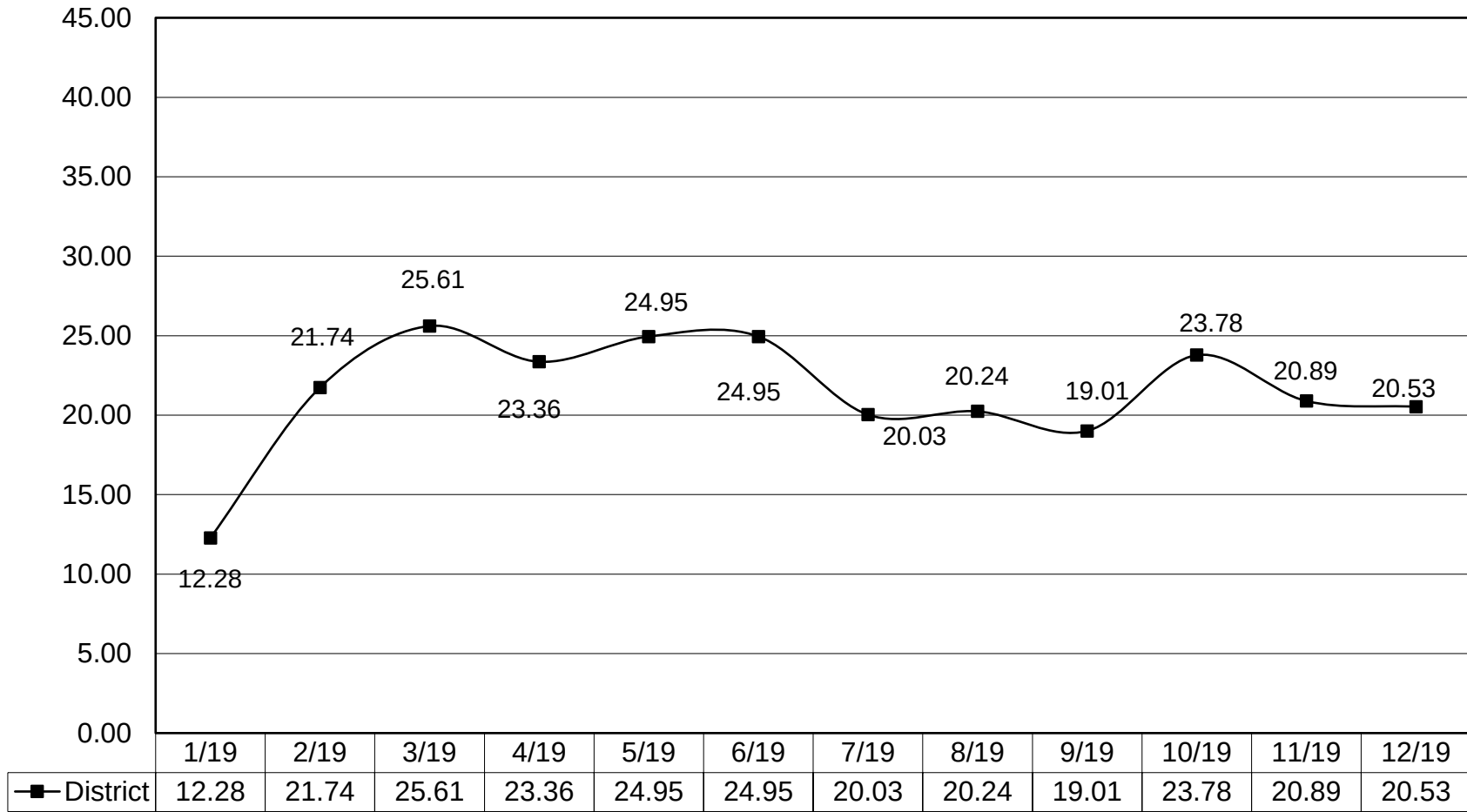
**IRVINE RANCH WATER DISTRICT
SUMMARY
AGENCY & DISTRICT TEMPORARY EMPLOYEES
December 2019***

TERMINATED

Current Month FTE	Avg FYTD Temp Emp FTE	Active PERS Y/N *	Agency	Dept	Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FYTD	Actual Cost FYTD
0.63	0.16	No	X		27.87	168	4,682.16	3	1		
0.46	0.08	No	X	140	37.15	168	6,241.20	3	1	6,241.20	2,953.43
0.46	0.08			100							
0.18	0.39	EXC		200	15.00	84	1,260.00	12	1	1,260.00	2,010.00
0.18	0.39			200							
0.00	0.00			300							
0.00	0.00			400							
0.00	0.00			500							
0.65	0.68	Yes		600	30.28	168	5,087.04	12	3	15,261.12	17,819.78
0.65	0.68			600							
0.53	0.78	No	X	700	31.00	168	5,208.00	12	5	26,040.00	25,722.25
0.53	0.78			700							
0.00	0.00			800							
1.82	1.92									890,081.84	710,055.45

EXC = Exclude from PERS enrollment
Yes= Temporary employee enrolled in PERS Membership
No=Temporary Agency employee
*Data reported 30 days in arrears

Temporary Employees **Full Time Equivalency** **District Totals as of December 31, 2019**



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February 4, 2020

Prepared by: A. Hall

Submitted by: J. Roney

Approved by: Paul A. Cook



FINANCE AND PERSONNEL COMMITTEE

PERFORMANCE RECOGNITION PROGRAM QUARTERLY UPDATE

SUMMARY:

IRWD's Performance Recognition Program recognizes employees who exhibit outstanding performance, which depicts initiative, creativity and/or enthusiasm above and beyond the performance requirements of their positions.

BACKGROUND:

During the second quarter of FY 2019-20, there were 50 Performance Recognition Award nominations totaling \$4,902.00 for 141 IRWD employees from multiple departments. Provided as Exhibit "A" is an update of activities within the program from for the second quarter of FY 2019-20, from October 1, 2019 through December 31, 2019.

FISCAL IMPACTS:

IRWD's annual budget for FY 2019-20 is \$170,000 for the Performance Recognition Program, of which \$8,312.00 was distributed for performance recognition (as of December 31, 2019).

RECOMMENDATION:

Receive and file.

LISTS OF EXHIBITS:

Exhibit "A" – Quarterly Update for Second Quarter of FY 2019-20

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EXHIBIT A

			PERFORMANCE RECOGNITION PROGRAM			
			QUARTERLY UPDATE			
			Fiscal Year 2019-2020			
			Q2 October - December 2019			
QTR.	DATE	EMPLOYEE	PERFORMANCE RECOGNIZED	AWARD	GROSS AMOUNT	NET AMOUNT
2nd Qtr.	10/1/2019	Dawn Jordan	Recognized for her above-and-beyond work assisting in a website medial folder training and a website media organization process.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	10/1/2019	Andrea Henton-Hall	Recognized for their over-and-above help and assistance to a fellow co-worker with the biannual EEO-4 report filing project.	2 Gift Cards	\$20.00	\$20.00
	"	Krishna Chilukuri		"	\$20.00	\$20.00
	10/1/2019	Jerry Whittaker	Recognized for his work assisting with a change on the Maximo work order screen page to streamline the auto control valve maintenance preparation and completion process.	3 Gift Cards	\$30.00	\$30.00
	10/1/2019	Jenny Pan	Recognized for her patience and customer care assisting an employee with an errored expense report processing.	4 Gift Cards	\$20.00	\$20.00
	10/1/2019	Jessie Muncy	Recognized for their assistance with providing copier paper to an employee for an immediate need.	2 Gift Cards	\$15.00	\$15.00
	"	Scott Beltran		"	\$15.00	\$15.00
	"	Choe Nguyen		"	\$15.00	\$15.00
	"	Diana Sands		"	\$15.00	\$15.00
	10/10/2019	Jenny Pan	Recognized for her patience and extra time assisting a co-worker with using EBS iProcurement system.	2 Gift Cards	\$20.00	\$20.00
	10/10/2019	Tony Rojas	Recognized for his work addressing the concerns of an IRWD service area property owner about construction markings on, and adjacent to her home.	2 Tickets & 1 Gift Card	\$23.00	\$23.00
	10/11/2019	Douglas Rock	Recognized for his over-and-above performance investigating, and notifying the Inspector assigned to the job of potential problem with a dig location adjacent to an IRWD Domestic Water Line.	2 Tickets & 2 Gift Cards	\$28.00	\$28.00
	10/15/2019	Alejandro Garcia	Recognized for coordinating assignment duties for the team while his supervisor was out of the office.	3 Gift Cards	\$25.00	\$25.00
	10/15/2019	Amie Pham	Recognized for her attention to detail which provided the District an opportunity to re-submit lab analysis with the appropriate preservation previously compromised by a wrong supply of preservative from vendor due to their database error.	Payroll Check	\$100.00	\$68.95
	10/17/2019	Ray Thatcher	Recognized for his professionalism and willingness to go above and beyond in helping a new IRWD customer receive an easement for water service therefore improving their water supply.	3 Gift Cards	\$30.00	\$30.00
	10/21/2019	Robert Brown	Recognized for implementing new work flows for line flushing in collaboration with inspections and the meter shop, and back-billing procedures with customer service.	3 Gift Cards	\$20.00	\$20.00
	"	Craig Irey		3 Gift Cards	\$20.00	\$20.00

EXHIBIT A

PERFORMANCE RECOGNITION PROGRAM						
QUARTERLY UPDATE						
Fiscal Year 2019-2020						
Q2 October - December 2019						
QTR.	DATE	EMPLOYEE	PERFORMANCE RECOGNIZED	AWARD	GROSS AMOUNT	NET AMOUNT
2nd Qtr.	10/21/2019	Nola Hastings	Recognized for taking on extra work during the Manager's extended absence.	3 Gift Cards	\$20.00	\$20.00
	10/21/2019	Melody Seesangrit	Recognized for representing IRWD superbly at the International Water Smart	3 Gift Cards	\$20.00	\$20.00
	"	Joseph Baquerizo	Innovations conference, and receiving the EPA WaterSense Award for excellence on behalf of IRWD.	"	\$20.00	\$20.00
	10/21/2019	Allen Pascual	Recognized for their diligent work with customers in enrolling them in our WaterStar	3 Gift Cards	\$20.00	\$20.00
	"	Juan Garcia	and Commercial Landscape Incentive Program.	"	\$20.00	\$20.00
	10/21/2019	Enrique Zanetti	Recognized for his numerous ideas to help recover revenue, improve efficiency, and provide data analysis to support multiple projects.	3 Gift Cards	\$20.00	\$20.00
	10/22/2019	Warren Williams	Recognized for his excellent customer service to a co-worker who needed additional equipment to perform their job successfully.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	10/24/2019	Cody Bill	Recognized for their efforts on the 2019 Vault Replacement project. These employee	4 Gift Cards	\$30.00	\$30.00
	"	Robert Estrada	played various significant roles in coordinating and conducting safe entries to 11 vaults	"	\$30.00	\$30.00
	"	Michael Kulick	(confined space).	"	\$30.00	\$30.00
	"	Brian Cortez		"	\$30.00	\$30.00
	"	Jim Lassalette		"	\$30.00	\$30.00
	"	Nicholas Cook		"	\$30.00	\$30.00
	"	Dave McCarter		"	\$30.00	\$30.00
	"	Eric Olivolo		"	\$30.00	\$30.00
	"	Hector Alvarado		"	\$30.00	\$30.00
	"	George Sanchez		"	\$30.00	\$30.00
	"	Nicholas Korneff		"	\$30.00	\$30.00
	"	Nicholas Coleman		"	\$30.00	\$30.00
	"	Jonathan Villalta		"	\$30.00	\$30.00
	"	Stephen Donnelly		"	\$30.00	\$30.00
	"	Husai Magana		"	\$30.00	\$30.00
	"	Kyle Richardson		"	\$30.00	\$30.00
	"	Steve Habiger, Jr.		"	\$30.00	\$30.00
	"	Dave Crowe		"	\$30.00	\$30.00
	"	Rory Moore		"	\$30.00	\$30.00
	"	Ken Pfister		"	\$30.00	\$30.00
	"	Brian Clinton		"	\$30.00	\$30.00
	"	Juan Guzman		"	\$30.00	\$30.00
	10/28/2019	Dorota Jakubas-Pufal	Recognized for their early completion of the newly implemented returned mail process.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Lina Santos		"	\$28.00	\$28.00

EXHIBIT A

PERFORMANCE RECOGNITION PROGRAM						
QUARTERLY UPDATE						
Fiscal Year 2019-2020						
Q2 October - December 2019						
QTR.	DATE	EMPLOYEE	PERFORMANCE RECOGNIZED	AWARD	GROSS AMOUNT	NET AMOUNT
2nd Qtr.	10/29/2019	Angel Cervantes	Recognized for planning five days worth of events for the Customer Service	3 Gift Cards	\$30.00	\$30.00
	"	Courtney Fajatin	Appreciation Week celebrations for staff.	"	\$30.00	\$30.00
	"	Erika Garibay		"	\$30.00	\$30.00
	"	Renee Gonzales		"	\$30.00	\$30.00
	10/29/2019	Justine Fehser	Recognized for their extensive work on the Northwood Meter Project assisting	Payroll Check	\$100.00	\$67.55
	"	Crystal Martin	customers at their residence with the process of downsizing their water meters.		\$100.00	\$97.55
	10/29/2019	Alex Murphy	Recognized for taking the initiative on a last minute assignment in putting together a PowerPoint presentation for the Technical Services department for the quarterly All Hands Safety meeting.	3 Gift Cards	\$30.00	\$30.00
	10/31/2019	Alfrazuddin Haquani	Recognized for going above-and-beyond in assisting the Risk & Security team in setting up a work station for their new employee.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	11/4/2019	Ashley Armstrong	Recognized for assisting a fellow co-worker in securing wireless reimbursement	1 Gift Card	\$10.00	\$10.00
	"	Tammy Norman	documentation from the Operations field staff.	1 Gift Card	\$10.00	\$10.00
	11/4/2019	Richard Lao	Recognized for their work orienting the new Regulatory Compliance Manager to	3 Gift Cards	\$30.00	\$30.00
	"	Jonathan Faulds	her new role, tending to her technology, and information service needs.	3 Gift Cards	\$30.00	\$30.00
	11/5/2019	Jose Martinez IV	Recognized for his integrity by reporting receipt of a gift from an insistent customer.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	11/5/2019	Pio Reynoso	Recognized for stepping in at the last minute to provide informative and educational	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Andrew Willis	tours to an IRWD guest from IEUA.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	11/5/2019	Eric Akiyoshi	Recognized for his MS-Word expertise in assisting a co-worker reformat a report that helped save much time, and effort for preparation of similar report in the future.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	11/5/2019	John Hayes	Recognized for their work taking emergency compliance samples.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Franklin Soto		2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Linda Orozco	Recognized for her consistent above and beyond work ethic.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	11/5/2019	William Wesson	Recognized for work contribution on several pipeline shutdowns required for	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Casey King	construction of the Irvine Lake Pipeline North Conversion Project by dewatering the	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Alejandro Ledesma	pipeline at several locations, and working on the weekend.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Anthony Zaragoza		2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Jonathan Vasquez		2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Steve Habiger Jr.		2 Tickets & 1 Gift Card	\$28.00	\$28.00

EXHIBIT A

PERFORMANCE RECOGNITION PROGRAM						
QUARTERLY UPDATE						
Fiscal Year 2019-2020						
Q2 October - December 2019						
QTR.	DATE	EMPLOYEE	PERFORMANCE RECOGNIZED	AWARD	GROSS AMOUNT	NET AMOUNT
	"	Matthew Daniel		2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Jonathon Moore		2 Tickets & 1 Gift Card	\$28.00	\$28.00
	11/13/2019	Romuel-Dave Chaves	Recognized for his commitment and concern for the responsibility of the WQ/RC department and the district in analyzing the Regional Water Quality Control Board requirements of NPDES samples, and avoiding a monitoring violation for the MWRP and LAWRP facilities.	Payroll Check	\$100.00	\$97.55
	11/13/2019	Sophia Phuong	Recognized for assuming the duties of the Controller while on leave and successfully completing the audit and CAFR, and presenting the summary to the F&P.	Payroll Check	\$500.00	\$344.75
	11/14/2019	Alexander Murphy	Recognized for assisting the Regulatory Compliance Manager with development of the regulatory packet for testing approval by the Regional Board for the Emergency Discharge project to the creek.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	11/19/2019	Rodolfo Perez	Recognized for thinking outside the box and bringing innovation into the workplace via a new solution for an outdated Regulatory Compliance samples and monitoring calendar system.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	11/20/2019	Vladimir Li	Recognized for their collaborative efforts in assisting the Payroll Administrator with the Sick Leave Buyback Program check processing.	2 Gift Cards	\$20.00	\$20.00
	"	Naveen Gudala		2 Gift Cards	\$20.00	\$20.00
	11/20/2019	Todd Colvin	Recognized for their collaborative and teamwork efforts in assisting the Senior Engineer with preparation work for video logging of IRWD Well 51R.	2 Tickets	\$18.00	\$18.00
	"	Rory Moore		2 Tickets	\$18.00	\$18.00
	"	David Crowe		2 Tickets	\$18.00	\$18.00
	"	David McCarter		2 Tickets	\$18.00	\$18.00
	"	Richard Olson		2 Tickets	\$18.00	\$18.00
	"	Eric Olivolo		2 Tickets	\$18.00	\$18.00
	"	Elias Rios		2 Tickets	\$18.00	\$18.00
	11/22/2019	Matthew Perry	Recognized for his expertise in customizing a new table tray for field use protection.	1 Gift Card	\$10.00	\$10.00
	"	Scott Beltran	Recognized for their assistance and expertise procuring warehouse supplies for a co-worker.	1 Gift Card	\$10.00	\$10.00
	"	Jimmy Rodriguez		1 Gift Card	\$10.00	\$10.00
	"	Adam Madrid		1 Gift Card	\$10.00	\$10.00
	11/22/2019	Stephen Donnelly	Recognized for their response to a recycled water main break and their expert set up of a recycled water high line operation to 5 high rise buildings at Jamboree & Fairchild thereby maintaining recycled water service to the corporate buildings for busy, high profile customers.	3 Gift Cards	\$30.00	\$30.00
	"	Bailey Hall		3 Gift Cards	\$30.00	\$30.00
	"	Matthew Janelli		3 Gift Cards	\$30.00	\$30.00
	"	Joshua Leonard		3 Gift Cards	\$30.00	\$30.00
	"	Husai Magana		3 Gift Cards	\$30.00	\$30.00

EXHIBIT A

PERFORMANCE RECOGNITION PROGRAM						
QUARTERLY UPDATE						
Fiscal Year 2019-2020						
Q2 October - December 2019						
QTR.	DATE	EMPLOYEE	PERFORMANCE RECOGNIZED	AWARD	GROSS AMOUNT	NET AMOUNT
	"	Jeremy Spencer		3 Gift Cards	\$30.00	\$30.00
	"	Tyler Trigg		3 Gift Cards	\$30.00	\$30.00
	"	Miguel Ramirez		3 Gift Cards	\$30.00	\$30.00
	"	Jerry Whittaker		3 Gift Cards	\$30.00	\$30.00
	"	James Reed		3 Gift Cards	\$30.00	\$30.00
	"	Kyle Richardson		3 Gift Cards	\$30.00	\$30.00
	"	David Perez	Recognized for their efforts facilitating 2 other seperate high-line operations that kept	3 Gift Cards	\$30.00	\$30.00
	"	Casey Karpan	customers affected by the main breaks with water. The main breaks in reference	3 Gift Cards	\$30.00	\$30.00
	"	Jose Martinez IV	happened on Barranca on 10/14/19, and the other at 23 Pelican Hill Circle on 10/15/19.	3 Gift Cards	\$30.00	\$30.00
	"	Douglas Rock		3 Gift Cards	\$30.00	\$30.00
	"	Diego Martinez		3 Gift Cards	\$30.00	\$30.00
	"	Omar Real		3 Gift Cards	\$30.00	\$30.00
	11/25/2019	Todd Colvin	Recognized for his leadership and excellent communication in organizing his team for the placement of three very complicated high lines for dual plumbed buildings at both Irvine Valley College and Google buildings.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	11/25/2019	Rory Moore	Recognized for their support on the Culver Drive 12 inch Domestic Water Pipeline	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	David Crowe	Relocation project which allowed the District to successfully meet both the City of	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Marco Cano	Irvine's and the design consultant's project schedule.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Jim Lassalette		2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Reynaldo Valencia		2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Matthew Shapiro		2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Nicholas Cook		2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Alberto Leon		2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Hector Alvarado		2 Tickets & 1 Gift Card	\$28.00	\$28.00
	11/27/2019	David McCarter	Recognized for their responsiveness in quickly replacing several outdated, water quality	2 Gift Cards	\$20.00	\$20.00
	"	Elias Rios	sample collection stations to ensure that Regulatory Compliance can properly monitor	2 Gift Cards	\$20.00	\$20.00
	"	Richard Olson	water quality samples.	2 Gift Cards	\$20.00	\$20.00
	12/3/2019	Diane Squyres		2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Brianna Palecek	Recognized for their efforts putting together the annual Engineering Thanksgiving	2 Tickets & 1 Gift Card	\$28.00	\$28.00
			Potluck event that brings together approximately 40 staff members from all the IRWD			
			Engineering groups located at the two different facilities. This allows an opportunity for			
			everyone to gather, converse and build rapport/relationships with fellow co-workers			
			face-to-face.			
	12/4/2019	Warren Williams	Recognized for their work as the Holiday Breakfast Committee members and Facilities	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Lisa Haney	Services staff for planning and organizing the 2019 holiday breakfast, where a great time	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Jose Zepeda	was had by all!	2 Tickets & 1 Gift Card	\$28.00	\$28.00

EXHIBIT A

PERFORMANCE RECOGNITION PROGRAM						
QUARTERLY UPDATE						
Fiscal Year 2019-2020						
Q2 October - December 2019						
QTR.	DATE	EMPLOYEE	PERFORMANCE RECOGNIZED	AWARD	GROSS AMOUNT	NET AMOUNT
	"	Richard Brown		2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Mark Stone		2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Damien McBride		2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Steve Tolerico		2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Daniel Jara		2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Jessee Hesch		2 Tickets & 1 Gift Card	\$28.00	\$28.00
	"	Jay Eggers		2 Tickets & 1 Gift Card	\$28.00	\$28.00
	12/12/2019	Michael Bornhoff	Recognized for his collaborative efforts in bringing together the MWRP and Maintenance groups together and devising a plan on how to move forward with the ongoing, reliable operation, and maintenance of the CCT analyzer sample pumps.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	12/16/2019	Michael Mares	Recognized for his initiative in developing a tool that helps remove membrane and end caps, which greatly enhanced the success of Wells 21/22 treatment plant membrane cap removal project.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	12/18/2019	Peter Wang	Recognized for his work with customer service on the Regulatory Compliance Roles and Responsibilities, and his review and comment on the lead and copper rule issue.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	12/18/2019	Ray Bennett	Recognized for his expertise researching, and presenting to the Santa Ana Regional Water Quality Control Board the results of three complex investigations on the impacts that the proposed Huntington Beach Seawater Desalination Project will have on IRWD's water supplies and other Groundwater producing agencies.	Payroll Check	\$500.00	\$92.75
	12/19/2019	Devon Morse	Recognized for her work assisting a fellow colleague with the Ammonia Matrix, preservative study, protocols, cheat sheets, and taking the lead on the COC's.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	12/30/2019	Esther Parker	Recognized for her work in formatting and creating hyperlinks for the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This was the first time the District accomplished this task without the use of an outside graphics design vendor.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	12/31/2019	Krishna Chilukuri	Recognized for his expertise in developing a script that automated the process for updating the regional splits for all capital projects, effective January 2020, thereby saving an employee hours of data entry time.	2 Tickets & 1 Gift Card	\$28.00	\$28.00
	Awards 50	Recipients 141	<i>Second Quarter Total</i>		\$4,902.00	\$4,271.10
			FISCAL YEAR TO DATE TOTAL		\$8,312.00	\$7,635.20

February 4, 2020

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 January 27, 2020, as outlined in Exhibit "A";
- The U.S. Treasury Yield Curve as of January 27, 2020, as outlined in Exhibit "B";
- The Summary of Fixed and Variable Debt as of January 27, 2020, as outlined in Exhibit "C"; and
- The Summary of Variable Rate Debt Rates as of January 27, 2020, as outlined in Exhibit "D".

BACKGROUND:

Investment Portfolio:

Due to the timing of the Committee meeting, the rate of return for January 2020 is not complete at this time. Preliminary calculations indicate a rate of return for the fixed income investment portfolio of 2.06%, which is a 0.07% decrease from December's rate of 2.13%. The decrease is due to a greater average balance in the fixed income portfolio and reinvestment at lower interest rates. Including real estate investments, the weighted average rate of return for the District's investment portfolio for January 2020 is estimated to be 4.06%, which is a 0.09% decrease from December's rate of 4.15%. The decrease was due to lower interest rates and the increase in the fixed income portfolio average monthly balance from \$358.8 million to \$370.7 million.

Debt Portfolio:

As of January 27, 2020, the District's weighted average all-in variable rate was 1.04%, which was a 0.21% decrease from December's rate of 1.25% due to lower interest rates in the variable rate debt market. Including the District's weighted average fixed rate bond issues of 3.69% 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 3.02%, a 0.02% decrease from December's rate of 3.04%.

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 January 27, 2020

Exhibit "B" – Yield Curve as of January 27, 2020

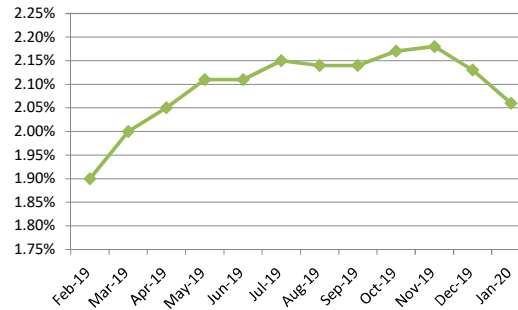
Exhibit "C" – Summary of Fixed and Variable Debt as of January 27, 2020

Exhibit "D" – Summary of Variable Rate Debt Rates as of January 27, 2020

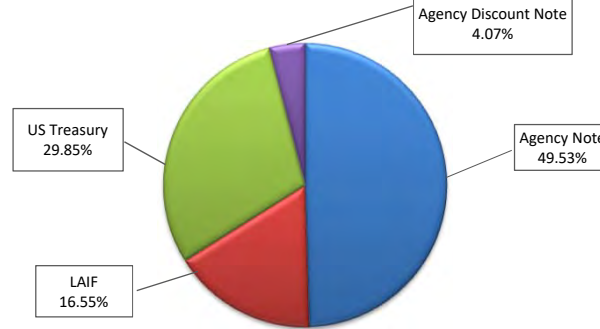
Exhibit "A"

Irvine Ranch Water District Investment Portfolio Summary January 2020

Monthly Fixed Income Yield



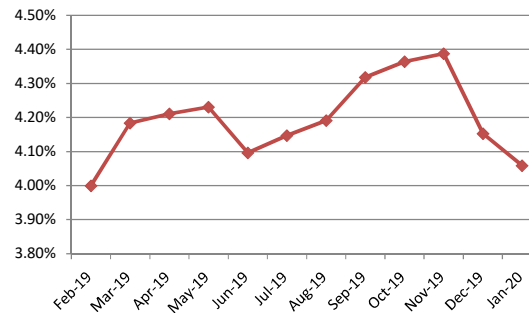
Portfolio Distribution



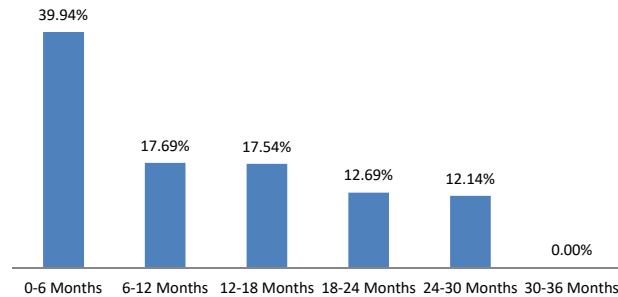
Investment Summary

Type	PAR	Book Value	Market Value
Agency Note	177,550,000	177,470,191	178,227,169
US Treasury	115,000,000	114,987,626	115,599,406
LAIF	73,000,000	73,000,000	73,129,232
Agency Discount Note	5,000,000	4,997,383	4,991,150
Grand Total	370,550,000	370,455,200	371,946,957

Weighted Average Return
Including Real Estate Portfolio



Maturity Distribution



Top Issuers

Issuer	PAR	% Portfolio
US Treasury	115,000,000	31.03%
State of California Tsy.	73,000,000	19.70%
Fed Farm Credit Bank	67,000,000	18.08%
Fed Home Loan Bank	45,000,000	12.14%
Fed Natl Mortgage Assoc	40,550,000	10.95%
Fed Home Loan Mortgage Corp	30,000,000	8.10%
Grand Total	370,550,000	100.00%

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

01/27/20

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE ⁽¹⁾ 1/27/2020	UNREALIZED ⁽²⁾ GAIN/(LOSS)
08/23/17			01/28/20		LAIF	State of California Tsy.	\$73,000,000		2.020%	\$73,000,000.00	\$73,000,000.00	73,129,231.75	129,231.75
12/30/19	NA	NA	01/30/20	NR	Treasury - Bill	US Treasury	10,000,000	1.410%	1.431%	9,987,858.33	10,000,000.00	9,988,700.00	(11,300.00)
12/27/19	NA	NA	02/13/20	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	1.570%	1.595%	4,989,533.35	4,997,383.34	4,991,150.00	(6,233.34)
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	4,999,595.00	4,999,050.00	(545.00)
12/19/18	NA	NA	02/29/20	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	1.250%	2.672%	9,833,593.76	9,984,387.52	9,993,400.00	9,012.48
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	5,041,670.27	5,023,800.00	(17,870.27)
12/20/18	NA	NA	03/31/20	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	2.250%	2.665%	9,948,000.00	9,992,094.22	10,014,100.00	22,005.78
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	4,997,311.45	4,996,000.00	(1,311.45)
06/29/18	NA	NA	04/23/20	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	2.500%	2.544%	4,996,000.00	4,999,614.91	5,013,350.00	13,735.09
06/29/18	NA	NA	05/15/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.550%	2.566%	4,998,450.00	4,999,765.01	5,018,000.00	18,234.99
12/04/19	NA	NA	05/28/20	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.625%	1.582%	5,025,000.00	5,016,619.32	5,019,550.00	2,930.68
06/11/18	NA	NA	06/11/20	Aaa/NR/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.550%	2.570%	4,997,100.00	4,999,480.30	5,021,800.00	22,319.70
11/10/17	NA	NA	06/22/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.500%	1.750%	4,968,655.32	4,998,655.32	4,996,500.00	(2,155.32)
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	4,975,366.15	4,995,350.00	19,983.85
06/08/18	NA	NA	07/30/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.500%	2.559%	4,890,100.00	4,974,735.63	4,995,350.00	20,614.37
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	4,976,596.47	4,996,200.00	19,603.53
09/14/18	NA	NA	08/24/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.680%	2.789%	4,989,700.00	4,997,026.06	5,036,950.00	39,923.94
05/21/18	Continuous after	12/01/17	09/01/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.680%	2.735%	4,884,250.00	4,970,437.95	5,000,050.00	29,612.05
09/14/18	NA	NA	09/04/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.690%	2.794%	4,990,050.00	4,997,019.14	5,038,950.00	41,930.86
12/12/17	NA	NA	09/28/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	2.000%	2.000%	5,000,000.00	5,000,000.00	5,009,050.00	9,050.00
10/31/17	NA	NA	10/30/20	Aaa/NR/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,550,000	1.850%	1.850%	5,550,000.00	5,550,000.00	5,552,109.00	2,109.00
09/28/18	NA	NA	10/31/20	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.750%	2.847%	4,889,453.13	4,818,407.96	5,004,100.00	185,692.04
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	4,984,473.75	5,000,000.00	15,526.25
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	4,995,517.75	5,013,750.00	18,232.25
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	4,991,528.26	5,012,200.00	20,671.74
11/09/18	NA	NA	12/31/20	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.375%	2.958%	4,939,843.75	4,974,339.48	5,035,350.00	61,010.52
10/12/18	NA	NA	01/31/21	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	1.375%	2.890%	9,664,843.76	9,854,712.56	9,972,300.00	117,587.44
12/14/18	NA	NA	02/16/21	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	2.375%	2.806%	4,954,750.00	4,977,289.62	5,042,850.00	65,560.38
12/14/18	NA	NA	02/28/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.000%	2.755%	4,919,515.95	4,959,009.98	5,020,500.00	61,490.02
02/12/19	NA	NA	03/12/21	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	2.500%	2.516%	9,996,500.00	9,998,132.41	10,097,100.00	98,967.59
02/25/19	NA	NA	03/12/21	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.375%	2.549%	4,982,700.00	4,990,607.91	5,043,050.00	52,442.09
06/17/19	NA	NA	03/17/21	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.950%	1.938%	5,001,050.00	5,000,673.71	5,021,750.00	21,076.29
06/14/19	NA	NA	04/30/21	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.750%	1.913%	4,985,000.00	4,990,072.89	5,012,550.00	22,477.11
12/05/19	NA	NA	04/30/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.250%	1.650%	5,041,406.25	5,036,715.70	5,042,200.00	5,484.30
09/13/19	NA	NA	05/15/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.625%	1.757%	5,071,093.75	5,054,660.60	5,068,750.00	14,089.40

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

01/27/20

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE ⁽¹⁾ 1/27/2020	UNREALIZED ⁽²⁾ GAIN/(LOSS)
09/18/19	NA	NA	06/11/21	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.250%	1.786%	5,039,300.00	5,030,843.04	5,043,850.00	13,006.96
01/16/20	NA	NA	06/30/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.125%	1.594%	4,966,406.25	4,967,418.49	4,966,406.25	(1,012.24)
07/26/19	NA	NA	07/19/21	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.875%	1.927%	4,995,000.00	4,996,312.15	5,024,350.00	28,037.85
12/12/19	One Time	05/27/20	08/21/21	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.750%	1.712%	5,003,200.00	5,002,935.92	5,002,700.00	(235.92)
08/01/19	NA	NA	08/31/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.125%	1.816%	4,929,687.50	4,946,688.16	4,961,550.00	14,861.84
10/11/19	NA	NA	10/15/21	Aaa/AA+/NR	Treasury - Note	US Treasury	5,000,000	2.875%	1.540%	5,131,640.63	5,111,402.00	5,112,100.00	698.00
10/22/19	NA	NA	10/15/21	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.400%	1.642%	4,976,500.00	4,979,810.77	4,985,500.00	5,689.23
11/05/19	NA	NA	11/15/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.875%	1.610%	5,125,585.94	5,110,671.55	5,117,950.00	7,278.45
11/08/19	NA	NA	11/30/21	Aaa/AA+/NR	Treasury - Note	US Treasury	5,000,000	1.750%	1.680%	5,007,031.25	5,006,237.55	5,015,450.00	9,212.45
12/02/19	Continuous after	03/02/20	12/02/21	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	7,000,000	1.700%	1.726%	6,996,500.00	6,996,792.07	6,999,160.00	2,367.93
11/25/19			12/31/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.000%	1.619%	5,039,062.50	5,035,599.33	5,040,050.00	4,450.67
11/25/19	NA	NA	01/13/22	Aaa/NA/NR	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	2.375%	1.635%	5,077,250.00	5,070,515.38	5,077,100.00	6,584.62
03/08/19	NA	NA	01/15/22	Aaa/AA+/NR	Treasury - Note	US Treasury	5,000,000	2.500%	2.460%	5,005,468.75	5,003,740.12	5,090,450.00	86,709.88
01/15/20	One Time	7/10/20	01/10/22	Aaa/NA/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.625%	1.625%	5,000,000.00	5,000,000.00	5,000,000.00	
12/19/19	NA	NA	01/31/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.875%	1.641%	5,024,218.75	5,022,841.97	5,029,300.00	6,458.03
03/21/19	NA	NA	02/03/22	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.030%	2.361%	4,954,350.00	4,968,131.95	5,044,600.00	76,468.05
12/19/19	NA	NA	02/15/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.500%	1.652%	5,089,453.13	5,084,464.62	5,094,900.00	10,435.38
03/08/19	NA	NA	03/11/22	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.500%	2.549%	5,002,750.00	5,001,924.25	5,093,850.00	91,925.75
12/19/19	NA	NA	03/31/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.875%	1.645%	5,025,585.94	5,024,234.46	5,031,850.00	7,615.54
01/15/20	NA	NA	07/15/22	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.600%	1.594%	5,000,750.00	5,000,736.02	5,000,750.00	13.98
TOTAL INVESTMENTS							\$370,550,000			\$369,805,807.67	\$370,455,200.44	\$371,946,957.00	\$1,491,756.56

Petty Cash
Ck Balance

Bank of America

3,400.00

273,413.00

\$370,082,620.67

⁽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	\$262,300,000
Net Outstanding Variable Rate Debt (Less \$60 million fixed-payer swaps)	\$202,300,000
Investment Balance:	\$370,082,621
Investment to Variable Rate Debt Ratio:	183%
Portfolio - Average Number of Days To Maturity	306

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

*S - Step up

	Investment Portfolio	Real Estate ⁽³⁾ Portfolio	Weighted Avg. Return
January	2.06%	8.67%	4.06%
December	2.13%	8.67%	4.15%
Change	-0.07%		-0.09%

IRVINE RANCH WATER DISTRICT
SUMMARY OF MATURITIES

01/27/20

DATE	TOTAL	%	LAIF	Agency Notes	Agency Discount Notes	Collateral Deposit	US Treasury
01/20	\$83,000,000	22.40%	\$73,000,000				10,000,000
02/20	20,000,000	5.40%		5,000,000	5,000,000		10,000,000
03/20	15,000,000	4.05%		5,000,000			10,000,000
04/20	10,000,000	2.70%		10,000,000			
05/20	10,000,000	2.70%		10,000,000			
06/20	10,000,000	2.70%		10,000,000			
07/20	10,000,000	2.70%		10,000,000			
08/20	10,000,000	2.70%		10,000,000			
09/20	15,000,000	4.05%		15,000,000			
10/20	10,550,000	2.85%		5,550,000			5,000,000
11/20	10,000,000	2.70%		10,000,000			
12/20	10,000,000	2.70%		5,000,000			5,000,000
SUB-TOTAL	\$213,550,000	57.63%	\$73,000,000	\$95,550,000	\$5,000,000		\$40,000,000
13 Months - 3 YEARS							
01/31/2021 - 03/21/21	40,000,000	10.79%		25,000,000			15,000,000
04/01/2021 - 06/30/2021	25,000,000	6.75%		10,000,000			15,000,000
07/01/2021 - 09/30/2021	15,000,000	4.05%		10,000,000			5,000,000
10/01/2021 - 12/31/2021	32,000,000	8.64%		12,000,000			20,000,000
01/01/2022 - 03/31/2022	40,000,000	10.79%		20,000,000			20,000,000
04/01/2022 - 07/31/2022	5,000,000	1.35%		5,000,000			
	-						
	-						
	-						
TOTALS	\$370,550,000	100.00%	\$73,000,000	\$177,550,000	\$5,000,000		\$115,000,000

% OF PORTFOLIO		19.70%	47.92%	1.35%	31.03%
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Irvine Ranch Water District
Summary of Real Estate - Income Producing Investments
12/31/2019

	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	MARKET VALUE 12/31/2019	ANNUALIZED RATE OF RETURN QUARTER ENDED 12/31/2019
Sycamore Canyon	Dec-92	Apartments	Fee Simple	\$ 43,550,810	\$ 148,625,000	18.28%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	\$ 6,000,000	\$ 28,710,327	8.53%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	\$ 5,739,845	\$ 11,730,000	10.47%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	\$ 8,630,577	\$ 9,180,000	6.71%
Sand Canyon Professional Center	Jul-12	Medical Office	Fee Simple	\$ 8,648,594	\$ 11,220,000	8.73%
Total - Income Properties				\$ 72,569,826	\$ 209,465,327	14.34%
OTHER REAL ESTATE DESCRIPTION						
Serrano Summit - Promissory Note	Sep-17	NA	NA	\$ 88,128,000	\$ 88,128,000	4.00%
Total - Income Producing Real Estate Investments				\$ 160,697,826	\$ 297,593,327	8.67%

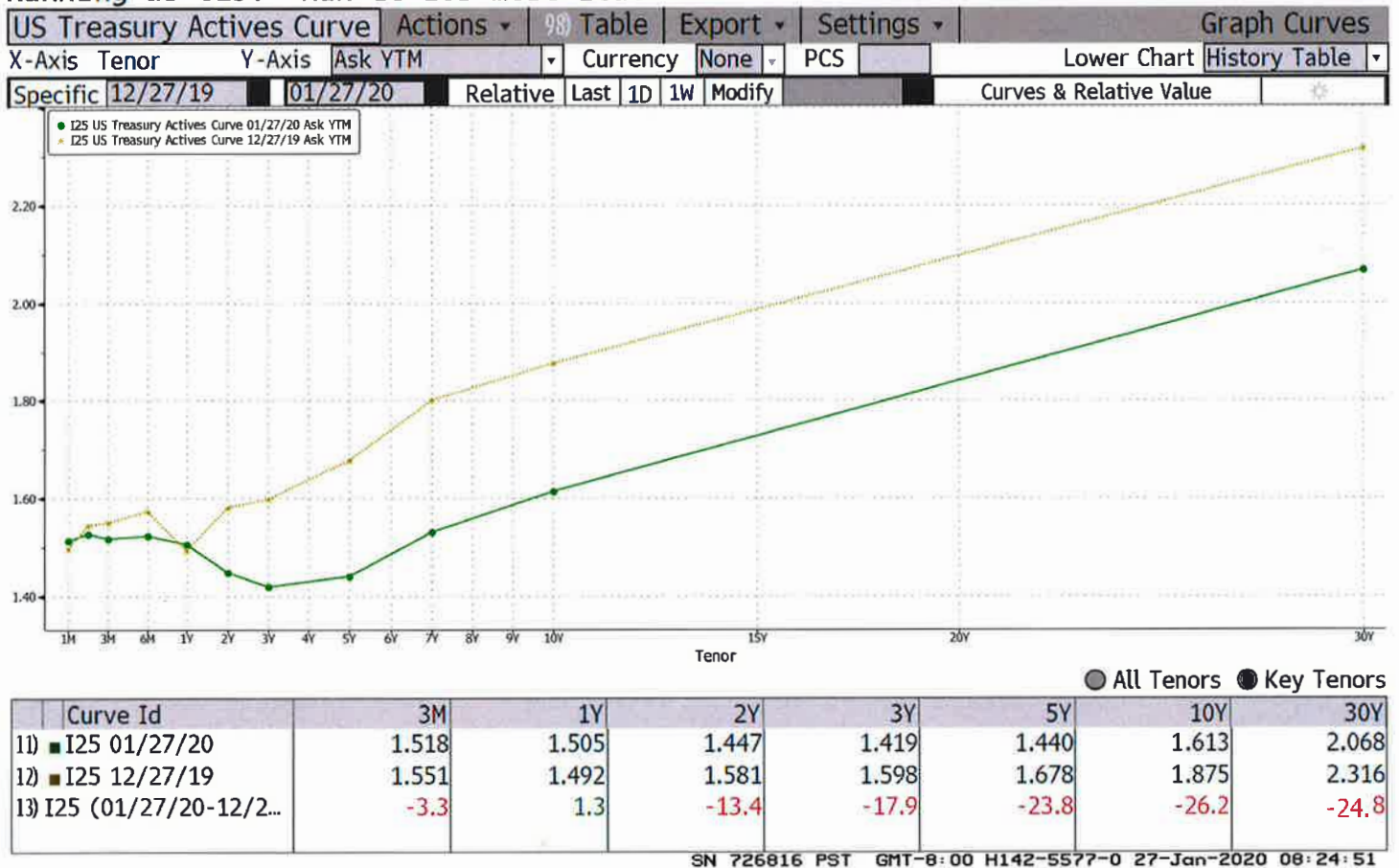
Jan-20

PURCHASES

A - 6

Exhibit "B"

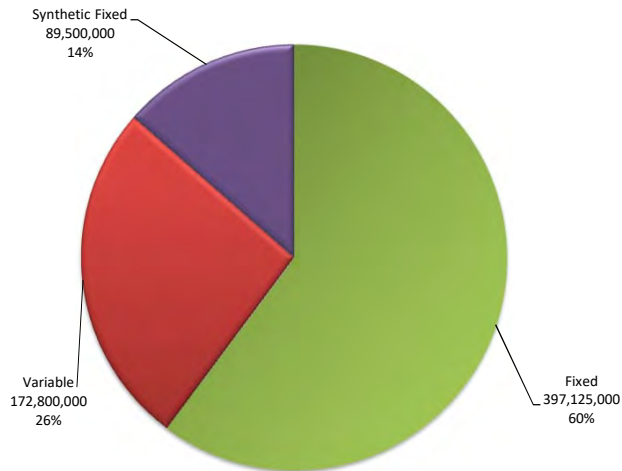
Running as C15. Run GC for more features.



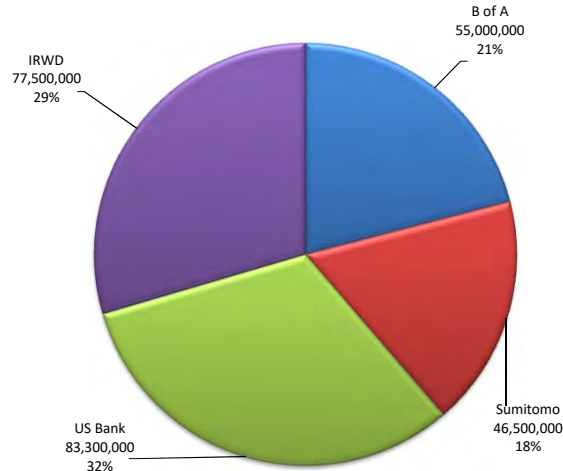
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Exhibit "C"
Irvine Ranch Water District
Summary of Fixed and Variable Rate Debt
January 2020

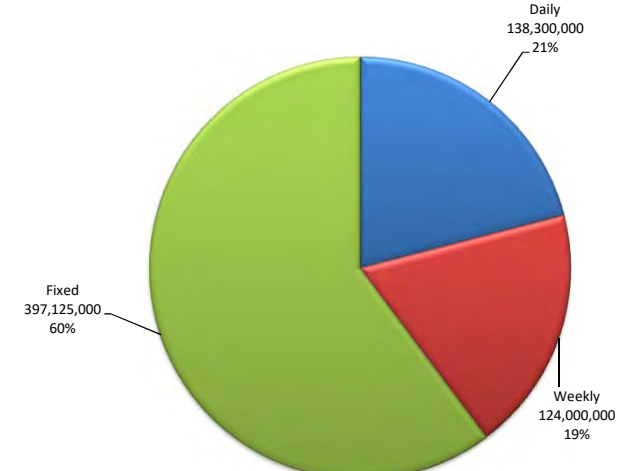
Current Debt Mix By Type



Letters of Credit / Support



Current Debt Rate Reset



Outstanding Par by Series

Series	Issue Date	Maturity Date	Remaining Principal	Percent	Letter of Credit/Support	Rmkt Agent	Mode	Reset
Series 1993	05/19/93	04/01/33	\$28,300,000	4.29%	US Bank	BAML	Variable	Daily
Series 2008-A Refunding	04/24/08	07/01/35	\$46,500,000	7.05%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	\$46,500,000	7.05%	IRWD	Goldman	Variable	Weekly
Series 2011-A-2 Refunding	04/15/11	10/01/37	\$31,000,000	4.70%	IRWD	Goldman	Variable	Weekly
Series 2009 - A	06/04/09	10/01/41	\$55,000,000	8.34%	US Bank	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	\$55,000,000	8.34%	B of A	Goldman	Variable	Daily
2010 Refunding COPS	02/23/10	03/01/20	\$1,980,000	0.30%	N/A	N/A	Fixed	Fixed
2016 COPS	09/01/16	03/01/46	\$116,745,000	17.70%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	\$175,000,000	26.54%	N/A	N/A	Fixed	Fixed
Series 2016	10/12/16	02/01/46	\$103,400,000	15.68%	N/A	N/A	Fixed	Fixed
Total			\$659,425,000	100.00%				

January-20

LOC Banks		Breakdown Between Variable & Fixed Rate Mode	
		Daily Issues	138,300,000 21%
SUMITOMO	46,500,000	Weekly Issues	46,500,000 7%
BANK OF AMERICA	55,000,000	ITN Issues	77,500,000 12%
US BANK	83,300,000	Sub-Total	<u>262,300,000</u>
	<u>184,800,000</u>		
		Fixed Rate Issues	\$397,125,000 60%
		Sub-Total - Fixed	<u>397,125,000</u>
		TOTAL DEBT	
		FIXED & VAR.	<u>659,425,000</u> 100%

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

Rmkt Agent	GOLDMAN	GOLDMAN	GOLDMAN	MERRILL LYNCH	US BANK
Mode	DAILY	WEEKLY	WEEKLY	DAILY	DAILY
Bond Issue	2009 - B	2011 A-1	2011 A-2	1993	2008-A
Par Amount	55,000,000	46,500,000	31,000,000	28,300,000	55,000,000
Bank	BOFA	(SIFMA -1)	(SIFMA -1)	US BANK	Sumitomo
Reset		Wednesday	Wednesday	Wednesday	
1/1/2020	1.36%	1.60%	1.60%	1.43%	1.37%
1/2/2020	0.88%	1.31%	1.31%	1.09%	1.00%
1/3/2020	0.65%	1.31%	1.31%	0.74%	0.70%
1/4/2020	0.65%	1.31%	1.31%	0.74%	0.70%
1/5/2020	0.65%	1.31%	1.31%	0.74%	0.70%
1/6/2020	0.48%	1.31%	1.31%	0.56%	0.60%
1/7/2020	0.40%	1.31%	1.31%	0.41%	0.50%
1/8/2020	0.36%	1.31%	1.31%	0.31%	0.41%
1/9/2020	0.28%	0.93%	0.93%	0.30%	0.33%
1/10/2020	0.28%	0.93%	0.93%	0.20%	0.33%
1/11/2020	0.28%	0.93%	0.93%	0.20%	0.33%
1/12/2020	0.28%	0.93%	0.93%	0.20%	0.33%
1/13/2020	0.28%	0.93%	0.93%	0.21%	3.00%
1/14/2020	0.27%	0.93%	0.93%	0.22%	0.30%
1/15/2020	0.27%	0.93%	0.93%	0.27%	0.30%
1/16/2020	0.30%	0.79%	0.79%	0.32%	0.32%
1/17/2020	0.44%	0.79%	0.79%	0.54%	0.45%
1/18/2020	0.44%	0.79%	0.79%	0.54%	0.45%
1/19/2020	0.44%	0.79%	0.79%	0.54%	0.45%
1/20/2020	0.44%	0.79%	0.79%	0.54%	0.45%
1/21/2020	0.55%	0.79%	0.79%	0.59%	0.65%
1/22/2020	0.66%	0.79%	0.79%	0.62%	0.67%
1/23/2020	0.67%	0.81%	0.81%	0.72%	0.70%
1/24/2020	0.88%	0.81%	0.81%	0.79%	0.80%
1/25/2020	0.88%	0.81%	0.81%	0.79%	0.80%
1/26/2020	0.88%	0.81%	0.81%	0.79%	0.80%
1/27/2020	0.95%	0.81%	0.81%	0.89%	0.86%
Avg Interest Rates	0.55%	0.99%	0.99%	0.57%	0.68%
Rmkt Fee	0.10%	0.13%	0.13%	0.10%	0.07%
LOC Fee	0.30%			0.33%	0.33%
All-In Rate	0.95%	1.12%	1.12%	1.00%	1.08%
Par Amount	101,500,000		31,000,000	74,800,000	55,000,000

Interest Rate Mode	Percent of Total Variable Rate Debt	Par Outstanding	Weighted All-In Average Rate	Base Rate Average
Daily	52.73%	138,300,000	1.01%	0.60%
Weekly	47.27%	124,000,000	1.07%	0.85%
	100.00%	\$ 262,300,000	1.04%	0.72%
Fixed				
COPS 2010	0.50%	1,980,000	3.82%	
COPS 2016	29.40%	116,745,000	2.90%	
BABS 2010	44.07%	175,000,000	4.44%	(1)
SERIES 2016	26.04%	103,400,000	3.32%	
	100.00%	\$ 397,125,000	3.69%	
All-In Debt Rate Including \$60 Million Notional Amount of Swaps				3.02%

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

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February 4, 2020
Prepared: by: J. Tobar
Submitted by: C. Clary
Approved by: Paul A. Cook



FINANCE AND PERSONNEL COMMITTEE

LEGAL FEES QUARTERLY UPDATE

SUMMARY:

Below is an analysis that provides a summary of legal fees incurred by IRWD through the second quarter of Fiscal Year (FY) 2019-20.

BACKGROUND:

Legal fees for IRWD's general operations through the second quarter of FY 2019-20 totaled \$660,719 compared to a budget of \$1,595,000, which resulted in a positive variance of \$934,281, or 58.6%. There were positive variances in all operating legal services categories including general services, litigation, special projects, personnel issues, and insurance litigation. Actual legal fees accounted for 0.83% of actual operating expenses and 2.98% of total expenditures.

Capitalized legal fees associated with major capital projects through the second quarter of FY 2019-20 totaled \$2,862,678. The Michelson Water Recycling Plant Biosolids and Energy Recovery Facility comprised 99.0% of the total legal fees associated with capital spending through the second quarter of FY 2019-20.

There were no non-operating legal fees through the second quarter of FY 2019-20.

Provided as Exhibit "A" is a detailed comparison of actual to budgeted legal fees through the second quarter of FY 2019-20. Provided as Exhibit "B" is a three-year comparison of fees incurred by the firms providing services to IRWD in FY 2017-18 through FY 2019-20, their hourly rates, and a general description of the services provided.

FISCAL IMPACTS:

Fiscal impacts are outlined above.

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" –Legal Fees, Fiscal Year 2019-20

Exhibit "B" –Comparative Analysis of Legal Fees for FY 2017-18 through FY 2019-20

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Legal Fees
Fiscal Year 2019 - 2020

Firm	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Actual Operating Legal Fees	YTD Budget Operating Legal Fees	YTD % Actual vs Budget
<u>Operating Legal Fees:</u>							
<u>General Services:</u>							
Alston & Bird LLP	\$ -	\$ 877	\$ -	\$ -	\$ 877		
Kronick Moskowitz Tiedemann & Girard	\$ (11,915)	\$ 16,333	\$ -	\$ -	\$ 4,418		
Lewis Brisbois Bisgaard & Smith LLP	\$ 121,270	\$ 198,990	\$ -	\$ -	\$ 320,260		
Sub-total	\$ 109,355	\$ 216,200	\$ -	\$ -	\$ 325,555	\$ 450,000	72.4%
<u>Litigation:</u>							
Alston & Bird LLP	\$ 221,290	\$ 39,182	\$ -	\$ -	\$ 260,472		
Sub-total	\$ 221,290	\$ 39,182	\$ -	\$ -	\$ 260,472	\$ 925,000	28.2%
<u>Special Projects:</u>							
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	0.0%
<u>Personnel Issues:</u>							
Burke, Williams & Sorensen, LLP	\$ 2,633	\$ -	\$ -	\$ -	\$ 2,633		
Payne & Fears LLP	\$ 9,809	\$ 1,785	\$ -	\$ -	\$ 11,594		
Pillsbury Winthrop Shaw Pittman LLP	\$ 5,177	\$ 13,983	\$ -	\$ -	\$ 19,160		
Sub-total	\$ 17,619	\$ 15,768	\$ -	\$ -	\$ 33,387	\$ 70,000	47.7%
<u>Insurance Litigation:</u>							
Everett Dorey LLP	\$ 14,553	\$ 26,624	\$ -	\$ -	\$ 41,177		
Woodruff, Spradlin & Smart	\$ 51	\$ 77	\$ -	\$ -	\$ 128		
Sub-total	\$ 14,604	\$ 26,701	\$ -	\$ -	\$ 41,305	\$ 50,000	82.6%
Total Operating Legal Fees	\$ 362,868	\$ 297,851	\$ -	\$ -	\$ 660,719	\$ 1,595,000	41.4%

Major Capital Projects Legal Fees:

Asset Optimization - Lake Forest Develop.	\$ 2,688	\$ -	\$ -	\$ -	\$ 2,688
MWRP Biosolids and Energy Recovery	\$ 996,780	\$ 1,837,155	\$ -	\$ -	\$ 2,833,935
Syphon Reservoir Improvements	\$ -	\$ 1,903	\$ -	\$ -	\$ 1,903
Water and Energy Planning Studies DW	\$ -	\$ 315	\$ -	\$ -	\$ 315
Water Supply Reliability Agreements	\$ 20,547	\$ 3,290	\$ -	\$ -	\$ 23,837
Capital Projects Total	\$ 1,020,015	\$ 1,842,663	\$ -	\$ -	\$ 2,862,678
Total Operating and Capital Legal Fees	\$ 1,382,883	\$ 2,140,514	\$ -	\$ -	\$ 3,523,397

	YTD Actual	YTD Budget
Operating Expense	\$ 79,145,978	\$ 85,209,569
Operating Legal Fees	\$ 660,719	\$ 1,595,000
% of Legal to Operating	0.83%	1.87%
Capital Projects	\$ 39,104,065	\$ 45,428,658
Capital Legal Fees	\$ 2,862,678	
% of Legal to Capital	7.32%	
Total Operating and Capital Expenditures	\$ 118,250,043	\$ 130,638,227
Total Operating and Capital Legal Fees	\$ 3,523,397	
% of Legal Fees to Total Operating and Capital Expenditures	2.98%	

Non-operating Legal Fees:

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Bond Counsel:					
Total	\$ -	\$ -	\$ -	\$ -	\$ -

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Analysis of Legal Fees
Second Quarter Ended December 31, 2017 - 2019

Firm	YTD Actual 2017-2018	YTD Actual 2018-2019	YTD Actual 2019-2020	Hourly Rate	Area of Expertise	Service Provided
<u>Operating Legal Fees:</u>						
Alston & Bird LLP	\$ 315,879	\$ 174,690	\$ 261,349	\$ 275 to \$ 585	Litigation	Orange County Water District litigation
Alexander Bowie a Law Corp	\$ 19,262	\$ -	\$ -	\$ 185 to \$ 220	IRWD legal counsel	District general counsel/legislative/litigation/special project
Atkinson, Andelson, Loya, Ruud and Rom	\$ -	\$ 8,129	\$ -	\$ 220	IRWD legal counsel	District general counsel/legislative/litigation/special project
Burke, Williams & Sorensen, LLP	\$ 26,525	\$ 16,437	\$ 2,633	\$ 325	Employee relations	Personnel policy review and revision
CSU Fullerton Auxiliary Services Corp	\$ -	\$ -	\$ -	n/a	Demographic research	IRWD 2018 districting existing conditions analysis
Daley & Heft LLP ⁽¹⁾	\$ -	\$ -	\$ -	\$ 175	Legal Counsel	Legal counsel related to insurance claim issues
Everett Dorey LLP ⁽¹⁾	\$ -	\$ 34,988	\$ 41,177	\$ 235 to \$ 260	Litigation	County of Orange Litigation
EXTTI, Incorporated	\$ -	\$ -	\$ -	\$ 200 to \$ 275	Employee relations	Personnel matters
Koeller Nebeker Carlson & Haluck LLP ⁽¹⁾	\$ 10,109	\$ 5,104	\$ -	\$ 195	Legal Counsel	Legal counsel related to insurance claim issues
Kronick Moskowitz Tiedemann & Girard	\$ -	\$ (32,260)	\$ 4,418	\$ 100 to \$ 350	IRWD legal counsel	Counsel services related to water resources and policy matters
Law Office of Atoosa Vakili	\$ -	\$ 763	\$ -	\$ 75 to \$ 250	Employee relations	General personnel and human resources
Lewis Brisbois Bisgaard & Smith LLP	\$ -	\$ 346,988	\$ 320,260	\$ 335	IRWD legal counsel	District general counsel/legislative/litigation/special project
Lewis Brisbois Bisgaard & Smith LLP ⁽¹⁾	\$ 2,666	\$ 6,249	\$ -	\$ 200	Legal Counsel	Legal counsel related to insurance claim issues
Nossaman LLP	\$ 440,576	\$ -	\$ -	\$ 333	IRWD legal counsel	District general counsel/legislative/litigation/special project
Olson, Hagel & Fishburn, LLP	\$ -	\$ 128	\$ -	\$ 255	IRWD legal counsel	District general counsel/legislative/litigation/special project
Payne & Fears, LLP	\$ 34,443	\$ 29,004	\$ 11,594	\$ 235 to \$ 550	Employee relations	General personnel and human resources
Pillsbury Winthrop Shaw Pittman LLP	\$ 20,457	\$ 25,909	\$ 19,160	\$ 695	Employee relations	Employee benefits
Shenkman & Hughes PC	\$ -	\$ -	\$ -	n/a		California Voters Right Act: Release of all claims
Woodruff, Spradlin & Smart ⁽¹⁾	\$ -	\$ 1,689	\$ 128	\$ 105 to \$ 255	Legal Counsel	Legal counsel related to insurance claim issues
Total Operating Legal Fees	\$ 869,917	\$ 617,818	\$ 660,719			
⁽¹⁾ Insurance Litigation						
<u>Capitalized Legal Fees:</u>						
Alexander Bowie a Law Corp	\$ 2,688	\$ -	\$ -	\$ 185 to \$ 220	IRWD legal counsel	District general counsel/legislative/litigation/special project
Alston & Bird LLP	\$ -	\$ 258,428	\$ 2,833,935	\$ 275 to \$ 585	IRWD legal counsel	Counsel services in connection with the Biosolids project
Burke, Williams & Sorensen, LLP	\$ 4,550	\$ 16,568	\$ -	\$ 325	Employee relations	
Jackson Tidus, a Law Corporation	\$ 110,459	\$ 882	\$ 2,688	\$ 225 to \$ 595	IRWD legal counsel	Counsel services in connection with Serrano Summit property sale
Kronick Moskowitz Tiedemann & Girard	\$ -	\$ 74,571	\$ 26,055	\$ 100 to \$ 350	IRWD legal counsel	Counsel services in connection with water resources and policy matters
Nossaman LLP	\$ 9,158	\$ -	\$ -	\$ 333	IRWD legal counsel	Counsel services in connection with Serrano Summit property sale
Capitalized Legal Fees Total	\$ 126,855	\$ 350,449	\$ 2,862,678			
Total Operating and Capital Legal Fees	\$ 996,772	\$ 968,267	\$ 3,523,397			
<u>Non-operating Legal Fees:</u>						
Bond Counsel:						
Kutak Rock LLP	\$ -	\$ 6,000	\$ -	n/a	Bond counsel	Counsel in connection with the extension of the letter of credit
Non-operating Legal Fees Total	\$ -	\$ 6,000	\$ -			

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February 4, 2020
Prepared by: M. Pulles
Submitted by: C. Clary
Approved by: Paul A. Cook



FINANCE AND PERSONNEL COMMITTEE

GENERAL MANAGER AND BOARD MEMBERS EXPENSES AND FEES QUARTERLY UPDATE

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 second quarter of Fiscal Year (FY) 2019-20. Provided below is a summary of expenses paid to date.

	Name	Conference, Travel, and Other District-Related Expenses	Meeting Fees	Total
Board Members:	LaMar	\$ 7,906	\$15,730	\$ 23,636
	Matheis	11,017	16,302	27,319
	Reinhart	3,148	16,588	19,736
	Swan	12,954	9,152	22,106
	Withers	1,459	13,442	14,901
	<i>Total:</i>	<i>\$36,484</i>	<i>\$71,214</i>	<i>\$107,698</i>
General Manager:	Cook	\$3,015	N/A	\$3,015
	<i>Total:</i>	<i>\$3,015</i>	<i>N/A</i>	<i>\$3,015</i>

FISCAL IMPACTS:

Meeting fees total \$71,214 versus a budget of \$88,500 resulting in a positive variance of \$17,286 year to date. Conference and meeting-related travel expenses for both the Board of Directors and the General Manager totaled \$39,499 versus a budget of \$54,000, resulting in a positive variance of \$14,501.

The total cost for Board and General Manager conference, travel, and other District-related expenses, including meeting fees, through the second quarter of FY 2019-20, is \$110,713, resulting in a positive variance of \$31,787 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 Overview for the Board Members and General Manager

Exhibit “B” – Expense Summaries by Individual



**Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Second Quarter, FY 19-20**

All Board Members/General Manager

Name	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Reimb. By ACWA	Total
								# Miles	Amount		
Board Members:											
Steven LaMar	\$ 1,180	\$ 7,010	\$ 2,782	\$ 149	\$ 256	\$ 285	\$ -	601	\$ 348	(4,104)	7,906
Mary Aileen Matheis	2,076	3,172	4,780	165	593	-	43	325	188	-	11,017
Doug Reinhart	731	-	1,690	155	253	133	-	320	186	-	3,148
Peer Swan	1,920	4,789	3,057	208	195	483	413	3,256	1,889	-	12,954
John Withers	661	-	521	-	227	50	-	-	-	-	1,459
											-
											-
											-
											-
											-
General Manager:											
Paul Cook	-	1,168	542	475	90	37	703	-	-	-	3,015
											-
											-
Total	\$ 6,568	\$ 16,139	\$ 13,372	\$ 1,152	\$ 1,614	\$ 988	\$ 1,159	4,502	\$ 2,611	\$ (4,104)	\$ 39,499

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Steven LaMar

*Detail of Description/Location provided on Expense Report



**Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Second Quarter, FY 19-20**

Mary Aileen Matheis

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Reimb. By ACWA	Total
										# Miles	Amount		
Monthly Expense Reports													
Paid	July 2019	*Various business meetings	505.46				50.00						\$ 555.46
Paid	August 2019	*Various business meetings	130.00										130.00
Paid	September 2019	IEUA Water Association Leadership, Ontario, CA	20.00										20.00
Paid	October 2019	ISDOC Quarterly meeting, Fountain Valley, CA	20.00										20.00
Paid	November 2019	Orange County Business Council Red Carpet Awards, Costa M	85.00										85.00
	December 2019	Monthly Expense Report (no activity this period)											-
	January 2020	Monthly Expense Report (no activity this period)											-
	February 2020	Monthly Expense Report (no activity this period)											-
	March 2020	Monthly Expense Report (no activity this period)											-
	April 2020	Monthly Expense Report (no activity this period)											-
	May 2020	Monthly Expense Report (no activity this period)											-
	June 2020	Monthly Expense Report (no activity this period)											-
Conferences/Seminars and Other Non-local Travel													-
													-
Paid July'19	February 2019	*Various business meetings for the month of February 2019		60.00	946.94		69.94		8.00				1,084.88
Paid July'19	April 2019	*Various business meetings for the month of April 2019			224.27					165	95.82		320.09
Paid July'19	May 2019	*Various business meetings for the month of May 2019		711.00	1,042.92	48.59	62.48		8.00				1,872.99
Paid Aug'19	June 2019	*Various business meetings for the month of June 2019		354.60	1,135.70	26.29	30.00		8.00				1,554.59
Paid	August 2019	Urban Water Institute's Annual Conf., San Diego, CA			808.05	48.88			6.00	160	92.57		955.50
Paid	September 2019	WEF 2019 Colorado River Symposium, Santa Fe, NM	725.00	878.50	425.97	15.16	132.32		11.00				2,187.95
Paid	October 16, 2019	ACWA Regulatory Summit, Sacramento, CA	290.00	583.96	195.71	25.75	146.40		2.00				1,243.82
Paid	October 30, 2019	WEF 36th Annual Water Summit, Sacramento, CA	300.44	583.96			102.00						986.40
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													-
Total			\$ 2,075.90	\$ 3,172.02	\$ 4,779.56	\$ 164.67	\$ 593.14	\$ -	\$ 43.00	325	\$ 188.39	\$ -	\$ 11,016.68

*Detail of Description/Location provided on Expense Report



**Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Second Quarter, FY 19-20**

Doug Reinhart

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Reimb. By ACWA	Total		
										# Miles	Amount				
<u>Monthly Expense Reports</u>															
Paid Paid	July 2019	Monthly Expense Report (no activity this period)	106.25 200.00										\$ -		
	August 2019	Monthly Expense Report (no activity this period)											-		
	September 2019	MWDOC Water Policy Forum & Dinner, Costa Mesa											106.25		
	October 2019	Orange County Business Council's Economic Forescast,Irv											200.00		
	November 2019	Monthly Expense Report (no activity this period)											-		
	December 2019	Monthly Expense Report (no activity this period)											-		
	January 2020	Monthly Expense Report (no activity this period)											-		
	February 2020	Monthly Expense Report (no activity this period)											-		
	March 2020	Monthly Expense Report (no activity this period)											-		
	April 2020	Monthly Expense Report (no activity this period)											-		
	May 2020	Monthly Expense Report (no activity this period)											-		
	June 2020	Monthly Expense Report (no activity this period)											-		
													-		
													-		
<u>Conferences/Seminars and Other Non-local Travel</u>															
Paid Jul'19 Paid Paid	May 2019	ACWA 2019 Spring Conf., Monterey, CA	425.00		774.84	99.94	252.86	60.00					1,187.64		
	August 2019	Urban Water Institute's Annual Conf., San Diego, CA			538.70	45.60							154	89.44	1,098.74
	09/09/2019	WateReuse 2019 Annual Conf., San Diego, CA			376.75	9.43		73.00					166	96.28	555.46
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Total			\$ 731.25	\$ -	\$ 1,690.29	\$ 154.97	\$ 252.86	\$ 133.00	\$ -	320	\$ 185.72	\$ -	\$ 3,148.09		

*Detail of Description/Location provided on Expense Report



Peer Swan

**Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Second Quarter, FY 19-20**

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Reimb. By ACWA	Total
										# Miles	Amount		
Monthly Expense Reports *													
Paid	July 2019	*Various business meetings							\$ 9.72	50	\$ 29.24		\$ 38.96
	August 2019	Monthly Expense Report (no activity this period)											-
Paid	September 2019	*Various business meetings	20.00						34.02	254	147.57		201.59
Paid	October 2019	*Various business meetings	30.00					20.00	59.58	419	243.22		352.80
Paid	November 2019	*Various business meetings	30.00						45.00	189	109.42		184.42
	December 2019	Monthly Expense Report (no activity this period)											-
	January 2020	Monthly Expense Report (no activity this period)											-
	February 2020	Monthly Expense Report (no activity this period)											-
	March 2020	Monthly Expense Report (no activity this period)											-
	April 2020	Monthly Expense Report (no activity this period)											-
	May 2020	Monthly Expense Report (no activity this period)											-
	June 2020	Monthly Expense Report (no activity this period)											-
Conferences/Seminars and Other Non-local Travel													
Paid Jul'19	February 2019	Annual Washington DC Conf for CASA & ACWA		743.56		29.52	67.16		4.86	14	8.12		853.22
Paid Jul'19	February 2019	*Professional meetings for month of February 2019							43.74	226	131.04		174.78
Paid Jul'19	March 2019	Water Now 4th Annual Summit, Austin, TX		643.36	863.56	27.55	48.36	70.00	4.86	14	8.24		1,665.93
Paid Jul'19	March 2019	*Professional meetings for month of March 2019		573.96		31.54		20.00	38.88	193	112.09		776.47
Paid Jul'19	April 2019	*Professional meetings for month of April 2019		573.96		6.19	66.50	20.00	63.18	430	249.21		979.04
Paid Sep'19	May 2019	*Professional meetings for month of May 2019						26.00	41.31	357	206.86		274.17
Paid Sep'19	May 2019	ACWA 2019 Spring Conf., Monterey, CA			1,356.16	14.97		125.00	4.86	736	426.88		1,927.87
Paid Sep'19	June 2019	Watershed Stewardship Wildland Urban, Auburn, CA		583.96	313.74	44.30		48.00	2.43	10	6.09		998.52
Paid Sep'19	June 2019	*Professional meetings for month of June 2019							48.60	315	182.96		231.56
Paid	10/01/2019	WEF Northern California Water Tour, Sacramento, CA	895.00	583.96	234.10	34.50		80.00	4.86	14	8.24		1,840.66
Paid	10/30/2019	WEF 2019 Water Summit, Sacramento, CA	300.44	583.96		8.64		20.00	2.43	21	11.95		927.42
Paid	11/05/2019	WEF Central Coast Tour, San Jose, CA	645.00	501.96	289.56	10.32	13.15	54.00	4.86	14	8.24		1,527.09
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*Detail of Description/Location provided on Expense Report

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*Detail of Description/Location provided on Expense Report



Paul Cook

Paul Cook

Paul Cook

February 4, 2020
Prepared by: D. Pardee / C. Smithson
Submitted by: C. Clary
Approved by: Paul A. Cook



FINANCE AND PERSONNEL COMMITTEE

FISCAL YEAR 2019-20 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS QUARTERLY UPDATE

SUMMARY:

Staff prepared a financial analysis of the unaudited operating statements for the second quarter of Fiscal Year (FY) 2019-20. Actual overall net expenses totaled \$79.1 million, compared with a budget of \$85.2 million. Net operating revenue was \$75.9 million, while total operating expenses were \$70.7 million, resulting in positive net operating income of \$5.3 million for the second quarter. Net non-operating income was \$45.8 million, compared with a budget of \$43.0 million.

BACKGROUND:

Staff prepared an analysis of the unaudited operating statements for the second quarter of FY 2019-20 as follows:

- Actual to budget comparison of operating expenses for IRWD, attached as Exhibit “A”;
- Actual to budget comparison of revenues and expenses for the water, sewer, recycled water, natural treatment system (NTS) and conservation, attached as Exhibit “B”;
- Actual to budget comparison of non-operating revenues and expenses for IRWD, attached as Exhibit “C”;
- Budget to forecast comparison of operating expenses for IRWD, attached as Exhibit “D”; and
- Budget to forecast comparison of non-operating revenues and expenses for IRWD, attached as Exhibit “E”.

The highlights of these documents are described in the following sections. Significant variances (greater than \$0.25 million) are also discussed.

Overall Operating Expenses:

Overall net operating expenses were under budget by \$6.1 million (7.1%). Exhibit “A” is a summary of actual to budget expenses by major category. Noteworthy variances to budget include:

- Contract Labor was under budget by \$0.3 million (27.4%). This is primarily a result of a postponement in hiring three contract positions due to schedule delays for the commissioning and operation of the Michelson Water Recycling Plant (MWRP) Biosolids facility;

- The cost of water exceeded budget by \$1.0 million (4.8%), which is summarized below:
 - *Treated System* – Sales were below budget by 699 acre-feet (AF) (2.5%). Imported water purchases exceeded budget, while groundwater and the Baker Water Treatment Plant were under budget. Cost Impact: Expenses were \$1.8 million over budget; and
 - *Recycled Water System* – Sales were below budget by 1,780 AF (8.9%). Imported, pumped and native water were over budget and native water was transferred to the Baker Plant for the treated system. Produced / stored water was below budget. Cost Impact: Expenses were \$0.8 million less than budget.

For the treated potable system, sales were under budget by 699 AF. IRWD used 1,229 AF more imported water than budgeted, while pumped groundwater, including in-lieu water, was 1,406 AF under budget. In lieu is a program that provides for agencies to use imported water at a cost equivalent to extracting groundwater to allow replenishment of natural groundwater basins. Several wells were shut down for maintenance; others were off. IRWD intends to maximize pumping options by year end. Included in the Baker Plant cost of water is \$1.4 million for 1,976 AF of native water and \$2.1 million for 2,826 AF of untreated imported water. The Baker Partners reimbursed IRWD \$1.0 million for 1,469 AF of this water, which is included in reimbursements shown in Exhibit “A”.

	Treated Water					
	Acre Feet			Millions		
	Actual	Budget	Variance	Actual	Budget	Variance
Imported	3,604	2,375	(1,229)	\$4.6	\$3.0	(\$1.6)
Pumped	17,512	24,300	6,788	11.3	11.9	0.6
Baker Import	2,826	3,616	790	2.1	3.2	1.1
Baker Native	1,976		(1,976)	1.4		(1.4)
Baker Partners	(1,469)		1,469			
In-lieu	5,382		(5,382)	0.5		(0.5)
Total	29,831	30,291	460	19.9	18.1	(1.8)
Process Waste	(350)	(486)	(136)			
System Loss	(1,967)	(1,592)	375			
Sales/Cost of Sales	27,514	28,213	699	\$19.9	\$18.1	(\$1.8)
Baker Reimbursement (Exhibit A)				\$1.0		(\$1.0)

The recycled water system sales were below budget by 1,780 AF. Produced / stored water was below budget by 925 AF. Imported water was over budget by 209 AF primarily due to carriage water which is used to keep the pipeline full for the Baker Plant. Native water used by the recycled system was over budget by 103 AF, and 1,976 AF was transferred to the Baker Plant as noted above.

	Recycled Water					
	Acre Feet			Millions		
	Actual	Budget	Variance	Actual	Budget	Variance
Imported	479	270	(209)	\$0.7	\$0.5	(\$0.2)
Native	5,103	5,000	(103)	1.7	1.5	(0.2)
Native Trsf to Baker	(1,976)		1,976	(1.4)		1.4
Pumped	2,674	2,300	(374)	1.3	1.1	(0.2)
Produced/ Storage	12,320	13,245	925	-	-	0.0
Total	18,600	20,815	2,215	2.3	3.1	0.8
Process Waste	(401)	(345)	56			
System Loss	(23)	(514)	(491)			
Sales/Cost of Sales	18,176	19,956	1,780	\$2.3	\$3.1	\$0.8

- Electricity was under budget by \$1.2 million (13.5%) due to reduced pumping (\$0.3 million) and MWRP Biosolids facility startup delays (\$0.9 million);
- Repairs and Maintenance (IRWD) was below budget by \$0.6 million (11.8%). This was due to the costs budgeted for the MWRP Biosolids facility, which is not yet on-line (\$0.5 million). The delay is expected to offset higher unbudgeted costs from Orange County Sanitation District in the second half of the year;
- Legal Fees were under budget by \$0.9 million (58.6%) due to the dismissal of Soco West litigation (\$0.3) million and the timing of invoices;
- Data Processing was under budget by \$0.4 million (24.8%) due to timing of various projects with independent contractors;
- Other Professional Fees were below budget by \$1.4 million (51.5%). This was due to timing of water efficiency and education programs (\$0.5 million) and timing of projects planned for various other departments with the largest being administration (\$0.2 million);
- Conservation is under budget by \$0.4 million (82.7%) mainly due to low participation in conservation programs (\$0.1 million), reimbursements by outside agencies (\$0.1 million) and timing of invoices and projects (\$0.2 million); and
- Baker Partners' reimbursement was positive by \$0.7 million (30.0%) largely due to reimbursement for the cost of water by partners for native water.

Summary of System Actual to Budget Performance:

Exhibit "B" shows a detailed comparison of actual to budgeted revenue and expenses by system for the second quarter of FY 2019-20. Expenses are summarized by direct, indirect and general plant.

The net operating income for IRWD (systems) was under budget by \$0.6 million. Net revenues were under budget by \$2.8 million (3.6%) and total expenses were under budget by \$2.2 million (3.1%). Significant variances by system over \$0.25 million are explained below.

Potable Water System:

The net operating income variance for the potable water system was below budget by \$1.4 million. Net revenues were under budget by \$0.8 million (2.1%). Total expenses were over budget by \$0.6 million (1.7%).

Commodity revenue was below budget by \$0.7 million mainly due to reduced commercial and public authority water usage.

Direct expenses were over budget due to the cost of water, which exceeded budget by \$0.3 million. This was a result of using more imported water as discussed above, partially offset by reimbursements from the Baker Partners and various other expenses.

Potable Water Variances (in millions)	Imported	Clear and Process Wells	Baker WTP	Total
Water	(\$2.1)	\$0.6	(\$0.3)	(\$1.8)
Labor and G&A	0.0	(0.1)	0.3	0.2
Electricity	0.0	0.2	(0.1)	0.1
Chemicals	0.0	0.1	0.0	0.1
Other	0.0	0.2	0.3	0.5
Baker Reimbursement	0.0	0.0	0.6	0.6
Total Cost of Water	(\$2.1)	\$1.0	\$0.8	(\$0.3)

Indirect expenses were over budget by \$0.3 million. General and administrative (G&A) expense exceeded budget by \$0.5 million. This is due to an applied allocation of 195%, based on the FY 2018-19 final allocation of 200%, compared to a budget assumption of 180%. Staff is analyzing the G&A expenses to ensure the appropriate expenses are being allocated to G&A.

Recycled Water System:

The net operating income variance for the recycled water system was under budget by \$1.0 million. Net revenue was below budget by \$1.3 million (8.1%) and total expenses were under budget by \$0.2 million (1.6%)

Total revenues were under budget by \$1.3 million (8.0%). Commodity sales were lower (\$1.1 million) due to reduced landscape and agricultural recycled usage (\$0.9 million) resulting from mild/cooler weather.

Direct expenses were under budget by \$0.8 million with the cost of water under budget by \$0.8 million primarily due to Baker Partners reimbursement for native water. Indirect expenses were over budget (\$0.6 million). The recycled system customer service budget was \$0.4 million over budget as a result of an incorrect allocation for the FY 2019-20 budget and the variance is expected to double by year end. The allocation for the FY 2020-21 budget is correct.

Sewer System:

The net operating income variance for the sewer system was positive to budget by \$1.1 million. Net revenues were under budget by \$0.6 million (3.5%) and total expenses were under budget by \$1.7 million (10.7%).

Service revenues were under budget by \$0.5 million due to a delay in invoicing Santa Margarita Water District sewer service revenue for English Canyon pending results of a billing review.

Direct expenses were under budget from reduced operating costs (\$1.4 million) related to the MWRP Biosolids facility, which is not online yet as mentioned above.

Conservation/NTS:

The net operating income variance to budget for Conservation/NTS was positive to budget by \$0.8 million. Net revenues were under budget by \$0.2 million (2.2%). Total expenses were under budget by \$1.0 million (14.6%).

Direct expenses were under budget mainly due to operations expense, which was below budget by \$1.2 million due to reduced professional fees and conservation expenses as discussed previously. Indirect expenses were over budget by \$0.3 million due to a higher direct labor allocation applied to general and administrative expenses as discussed above.

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

IRWD's non-operating revenues are related to income generated from sources other than user rates. They include property taxes, investment income, connection fees, and real estate. A portion of the non-operating revenues pay debt service. Property taxes and connection fees help pay for new infrastructure. Exhibit "C" provides a detailed comparison of actual to budget for the second quarter of FY 2019-20 and significant variances greater than \$0.25 million are discussed below.

Non-Operating Income/Expenses:

The net non-operating income variance to budget was positive by \$2.8 million. Revenues exceeded budget by \$1.5 million and expenses were below budget by \$1.3 million.

Key variances greater than \$0.25 million are as follows:

	Variance (\$ millions)
Property Tax Revenue exceeded budget due to higher assessed values.	\$3.1
Connection fees were under budget due to slower than expected development completion.	(3.2)
Real estate income was positive to budget due to higher than expected occupancy at investment properties.	0.4
Other income was above budget primarily due to revenue generated from the sales of native water to Baker that was unbudgeted.	1.1
Interest expense was under budget due to lower than budgeted variable rates (Actual 1.07% versus 2.0%).	1.5
Real estate expense was over budget due unexpected repairs and maintenance costs at Sycamore Canyon Apartment properties.	(.3)
Other variances under \$0.25 million.	0.2
<i>Total</i>	\$2.8

Operating and Non-Operating Forecasts:

Exhibit “D” is a full year forecast of operating expenses for FY 2019-20. Expenses at year end are forecasted to be at \$163.1 million, after reimbursement from Baker Partners. Several individual line items differ in the forecast to budget and include:

- \$0.3 million decreased contract labor for biosolids facility positions;
- \$0.8 million increased cost of water due to in-lieu calculation;
- \$1.7 million lower electricity costs due to delay in biosolids facility commissioning and reduced pumping from in-lieu;
- \$0.3 million reduced chemicals due to biosolids facility delays;
- \$1.5 million increased repairs and maintenance OCSO due to biosolids facility delays;
- \$0.8 million reduced repairs and maintenance IRWD due to biosolids facility delays;
- \$0.5 million decreased legal fees due to dismissal of SOCO west litigation;
- \$1.5 million decreased other professional fees due to reduced spending;
- \$0.5 million reduced conservation due to low participation and reimbursement from other agencies; and
- \$0.6 million additional reimbursement for cost of native water by the Baker Partners.

Exhibit “E” is a full year forecast of non-operating revenues and expenses for FY 2019-20. It is anticipated that the District will generate \$125.9 million in revenues and \$30.2 million in expenses for a net positive position of \$95.7 million versus a budget of \$92.7 million. The variance includes higher property tax revenues, real estate income, and other income and lower investment income and connection fees. Interest expense is lower and real estate expense is higher. Net impact is positive \$3.0 million.

FISCAL IMPACTS:

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

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 Budget to Forecast
Exhibit "E" – Consolidated Non-Operating Budget to Forecast

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Exhibit A
Irvine Ranch Water District
Consol Operating Actual to Budget Expense (A vs B)
Period Ending December 31, 2019
(in thousands)

Expense Group	Expense Name	Actual 12/31/19	Budget 12/31/19	Budget (Over)/Under	Budget Variance %
Salaries & Benefits	Regular Labor	\$18,043	\$17,974	(\$70)	(0.4%)
	Overtime Labor	1,251	1,197	(54)	(4.5%)
	Contract Labor	813	1,120	307	27.4%
	Employee Benefits	9,913	10,112	199	2.0%
Salaries & Benefits Total		\$30,020	\$30,403	\$382	1.3%
Purchased Water & Utilities	Water	22,177	21,154	(1,023)	(4.8%)
	Electricity	7,513	8,689	1,176	13.5%
	Fuel	468	435	(33)	(7.5%)
	Telecommunication	334	384	50	12.9%
	Other Utilities	107	105	(2)	(2.0%)
Purchased Water & Utilities Total		\$30,599	\$30,767	\$168	0.5%
Materials & Supplies	Chemicals	1,593	1,809	215	11.9%
	Operating Supplies	1,248	1,304	56	4.3%
	Printing	112	147	36	24.4%
	Postage	283	322	39	12.0%
	Permits, Licenses and Fees	1,553	1,593	40	2.5%
	Office Supplies	44	51	7	13.2%
	Duplicating Equipment	56	94	38	40.3%
	Equipment Rental	28	60	32	53.6%
Materials & Supplies Total		\$4,917	\$5,380	\$463	8.6%
Professional Services	Rep & Maint OCSD & Others	5,228	5,193	(34)	(0.7%)
	Rep & Maint IRWD	4,744	5,379	636	11.8%
	Insurance	632	658	26	4.0%
	Legal Fees	661	1,595	934	58.6%
	Engineering Fees	327	544	217	39.9%
	Accounting Fees	41	50	9	17.1%
	Data Processing	1,273	1,693	420	24.8%
	Personnel Training	678	747	69	9.3%
	Personnel Physicals	13	22	8	37.3%
	Other Professional Fees	1,343	2,770	1,428	51.5%
	Directors' Fees	72	88	16	18.5%
Professional Services Total		\$15,011	\$18,740	\$3,729	19.9%
Other	Mileage Reimbursement	83	75	(8)	(10.1%)
	Collection Fees	1	7	6	88.4%
	Election Expense	75	113	38	33.8%
	Safety	62	71	9	12.0%
	Alarm and Patrol Services	399	400	1	0.3%
	Biosolids Disposals	15	33	18	54.2%
	Commuter Program	37	120	83	69.0%
	Computer Backup Storage	2	6	4	73.9%
	Contract Meter Reading	607	716	109	15.2%
	Other	50	63	13	21.2%
	Conservation	83	482	398	82.7%
Other Total		\$1,414	\$2,085	\$672	32.2%
Grand Total		\$81,961	\$87,375	\$5,414	6.2%
Less: Reimbursement from Baker Partners		(2,815)	(2,165)	650	(30.0%)
Grand Total		\$ 79,146	\$ 85,210	\$ 6,064	7.1%

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Exhibit B
 IRVINE RANCH WATER DISTRICT
 ACTUAL vs BUDGET CONSOLIDATED OPERATING NET INCOME
 Fiscal Year 2019-20
 Period Ending December 31, 2019

(in thousands)	Consolidated Total				
	Actual	Budget	Variance	Variance %	
Revenues:					
Commodity	\$ 34,940	\$ 36,759	\$ (1,819)		
Service	48,969	49,650	(681)		
Over Allocation	6,968	7,129	(160)		
Total Revenues	90,877	93,538	(2,660)	2.8%	
Contribution to Enhancement and Replacement Funds	(14,935)	(14,753)	(182)		
Net Revenues	\$ 75,942	\$ 78,785	\$ (2,842)	3.6%	
Expenses:					
Cost of Water	\$ 31,890	\$ 32,331	\$ 441		
Operations	16,991	19,634	2,643		
Water Banking	1,059	1,133	73		
OCSD - O&M	4,581	4,562	(20)		
Total Direct	54,521	57,659	3,138	-5.4%	
Customer Service	4,080	3,957	(123)		
General & Administrative	11,164	10,395	(769)		
Total Indirect	15,244	14,351	(893)	6.2%	
General Plant	899	899	-		
Total Expenses	\$ 70,665	\$ 72,910	\$ 2,245	-3.1%	
Net Operating Income	\$ 5,277	\$ 5,875	\$ (597)		

IRVINE RANCH WATER DISTRICT
 ACTUAL vs BUDGET SYSTEM OPERATING NET INCOME
 Fiscal Year 2019-20
 Period Ending December 31, 2019

	Potable Water				Recycled Water			
	Actual	Budget	Variance	Variance %	Actual	Budget	Variance	Variance %
Revenues:								
Commodity	\$ 23,579	\$ 24,304	\$ (725)		\$ 11,361	\$ 12,455	\$ (1,094)	
Service	18,414	18,446	(32)		3,298	3,484	(186)	
Total Revenues	41,993	42,750	(757)	1.8%	14,658	15,939	(1,280)	8.0%
Contribution to Enhancement and Replacement Funds	(4,384)	(4,345)	(39)		(533)	(560)	27	
Net Revenues	\$ 37,609	\$ 38,405	\$ (796)	2.1%	\$ 14,126	\$ 15,379	\$ (1,253)	8.1%
Expenses:								
Cost of Water	\$ 24,722	\$ 24,388	\$ (334)		\$ 7,168	\$ 7,943	\$ 775	
Operations	6,435	6,462	27		3,125	3,176	51	
Total Direct	31,157	30,851	(307)	1.0%	10,293	11,119	826	-7.4%
Customer Service	1,836	1,978	142		816	440	(376)	
General & Administrative	4,525	4,046	(479)		1,709	1,474	(234)	
Total Indirect	6,361	6,024	(336)	5.6%	2,525	1,914	(611)	31.9%
General Plant	315	315	-		159	159	-	
Total Expenses	\$ 37,833	\$ 37,190	\$ (643)	1.7%	\$ 12,976	\$ 13,192	\$ 215	-1.6%
Net Operating Income	\$ (224)	\$ 1,215	\$ (1,439)		\$ 1,150	\$ 2,187	\$ (1,038)	
	Sewer				NTS & Conservation			
	Actual	Budget	Variance	Variance %	Actual	Budget	Variance	Variance %
Revenues:								
Service	\$ 27,258	\$ 27,720	\$ (462)		\$ -	\$ -	\$ -	
Over Allocation			-		6,968	7,129	(160)	
Total Revenues	27,258	27,720	(462)	1.7%	6,968	7,129	(160)	2.2%
Contribution to Enhancement and Replacement Funds	(10,018)	(9,848)	(170)		-	-	-	
Net Revenues	\$ 17,240	\$ 17,872	\$ (633)	3.5%	\$ 6,968	\$ 7,129	\$ (160)	2.2%
Expenses:								
Operations	\$ 4,919	\$ 6,315	\$ 1,396		\$ 2,511	\$ 3,680	\$ 1,169	
Water Banking	-	-	-		1,059	1,133	73	
OCSD - O&M	4,581	4,562	(20)		-	-	-	
Total Direct	9,500	10,877	1,376	-12.7%	3,571	4,813	1,242	-25.8%
Customer Service	1,020	1,099	79		408	440	32	
General & Administrative	3,250	3,487	237		1,681	1,388	(293)	
Total Indirect	4,270	4,586	316	-6.9%	2,089	1,827	(262)	14.3%
General Plant	376	376	-		50	50	-	
Total Expenses	\$ 14,146	\$ 15,839	\$ 1,692	-10.7%	\$ 5,710	\$ 6,690	\$ 980	-14.6%
Net Operating Income	\$ 3,093	\$ 2,034	\$ 1,060		\$ 1,259	\$ 439	\$ 820	

Exhibit C
 IRVINE RANCH WATER DISTRICT
 CONSOLIDATED NON-OPERATING ACTUAL TO BUDGET EXPENSES
 Period Ending December 31, 2019
 (in thousands)

Non-operating Revenues:	Actual 12/31/19	Budget 12/31/19	Budget Variance
Property Taxes	\$ 35,500	\$ 32,400	\$ 3,100
Investment Income	3,812	3,740	72
Connection Fees	6,303	9,500	(3,197)
Real Estate Income	9,129	8,700	429
Other Income	5,071	4,000	1,071
Total Revenues	<u>\$ 59,815</u>	<u>\$ 58,340</u>	<u>\$ 1,475</u>
Non-operating Expenses:			
Interest Expense	\$ 10,878	\$ 12,380	\$ 1,502
Real Estate Expense	3,194	2,900	(294)
Other Expenses	(20)	100	120
Total Expenses	<u>\$ 14,051</u>	<u>\$ 15,380</u>	<u>\$ 1,329</u>
Net Revenues & Expenses	<u><u>\$ 45,764</u></u>	<u><u>\$ 42,960</u></u>	<u><u>\$ 2,804</u></u>

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Exhibit D
IRVINE RANCH WATER DISTRICT
CONSOLIDATED OPERATING FORECAST EXPENSE
Period Ending December 31, 2019

(in thousands)

Expense Group	Expense Name	Actual 12/31/19	Budget FY 2019-20	Forecast FY 2019-20	Forecast vs Budget (Over)/ Under	%
Salaries & Benefits	Regular Labor	\$ 18,043	\$ 36,681	\$ 36,681	\$ -	0
	Overtime Labor	1,251	2,413	2,413	-	-
	Contract Labor	813	2,204	1,904	300	13.6%
	Employee Benefits	9,913	20,224	20,224	-	-
Salaries & Benefits Total		\$ 30,020	\$ 61,522	\$ 61,222	300	0.5%
Water & Utilities	Water	22,177	39,242	40,042	(800)	(2.0%)
	Electricity	7,513	17,064	15,364	1,700	10.0%
	Fuel	468	946	946	-	-
	Telecommunication	334	767	767	-	-
	Other Utilities	107	194	194	-	-
Water & Utilities Total		\$ 30,599	\$ 58,214	\$ 57,314	900	1.5%
Materials & Supplies	Chemicals	1,593	3,930	3,630	300	7.6%
	Operating Supplies	1,248	2,642	2,642	-	-
	Printing	112	303	303	-	-
	Postage	283	644	644	-	-
	Permits, Licenses and Fees	1,553	1,869	1,869	-	-
	Office Supplies	44	104	104	-	-
	Duplicating Equipment	56	188	188	-	-
	Equipment Rental	28	119	119	-	-
Materials & Supplies Total		\$ 4,917	\$ 9,800	\$ 9,500	300	3.1%
Professional Services	Rep & Maint OCSD & Others	5,228	10,391	11,891	(1,500)	(14.4%)
	Rep & Maint IRWD	4,744	11,268	10,468	800	7.1%
	Insurance	632	1,317	1,317	-	-
	Legal Fees	661	2,690	2,190	500	18.6%
	Engineering Fees	327	885	885	-	-
	Accounting Fees	41	100	100	-	-
	Data Processing	1,273	3,331	3,331	-	-
	Personnel Training	678	1,489	1,489	-	-
	Personnel Physicals	13	43	43	-	-
	Other Professional Fees	1,343	5,422	3,922	1,500	27.7%
	Directors' Fees	72	177	177	-	-
Professional Services Total		\$ 15,011	\$ 37,113	\$ 35,813	1,300	3.5%
Other	Mileage Reimbursement	83	150	150	-	-
	Collection Fees	1	13	13	-	-
	Election Expense	75	150	150	-	-
	Safety	62	141	141	-	-
	Commuter Program	399	800	800	-	-
	Alarm and Patrol Services	15	670	670	-	-
	Biosolids Disposals	37	240	240	-	-
	Computer Backup Storage	2	12	12	-	-
	Contract Meter Reading	607	1,432	1,432	-	-
	Other	50	127	127	-	-
	Conservation	83	963	463	500	51.9%
Other Total		\$ 1,414	\$ 4,698	\$ 4,198	500	10.6%
Grand Total		\$ 81,961	\$ 171,347	\$ 168,047	\$ 3,300	1.9%
Less: Reimbursement from Baker Partners		(2,815)	(4,378)	(4,978)	600	(13.7%)
Grand Total		\$ 79,146	\$ 166,969	\$ 163,069	\$ 3,900	2.3%

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Exhibit E
 IRVINE RANCH WATER DISTRICT
 NON-OPERATING FORECAST TO BUDGET REVENUES & EXPENSES
 FULL YEAR FORECAST AS OF DECEMBER 31, 2019
 (in thousands)

Non-operating Revenues:	Actual 12/31/19	Full Year Budget	Full Year Forecast	Forecast Variance
Property Taxes	\$ 35,500	\$ 66,000	\$ 71,000	\$ 5,000
Investment Income	3,812	8,200	7,800	(400)
Connection Fees	6,303	19,000	13,000	(6,000)
Real Estate Income	9,129	17,400	18,500	1,100
Real Estate Fair Value Change	-	6,600	6,600	-
Other Income	5,071	8,000	9,000	1,000
Total Revenues	<u>\$ 59,815</u>	<u>\$ 125,200</u>	<u>\$ 125,900</u>	<u>\$ 700</u>
Non-operating Expenses:				
Interest Expense	\$ 10,878	\$ 24,700	\$ 22,000	\$ 2,700
Real Estate Expense	3,194	5,800	6,200	(400)
Other Expenses	(20)	2,000	2,000	-
Total Expenses	<u>\$ 14,051</u>	<u>\$ 32,500</u>	<u>\$ 30,200</u>	<u>\$ 2,300</u>
Net Revenues & Expenses	<u><u>\$ 45,764</u></u>	<u><u>\$ 92,700</u></u>	<u><u>\$ 95,700</u></u>	<u><u>\$ 3,000</u></u>

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February 4, 2020

Prepared by: J. Davis / T. Fournier

Submitted by: R. Jacobson / C. Clary

Approved by: Paul A. Cook



FINANCE AND PERSONNEL COMMITTEE

REAL ESTATE PERFORMANCE QUARTERLY UPDATE

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 December 31, 2019.

BACKGROUND:

For the quarter ended December 31, 2019, the net operating income (NOI) for the District's residential and commercial real estate investment properties was \$2.6 million, which represents a 14.34% return for the period. The fiscal year (FY) to date NOI was approximately \$5.4 million. Including the Serrano Summit / Lennar Homes promissory note, which earned a rate of 4.00%, the weighted average return of the District's real estate investment portfolio was 8.67%. Land lease income from the Strawberry Farms Golf Course was \$146,810 and \$308,212 for the quarter end and FY periods, respectively. Lease revenue from the District's six cell sites were \$46,820 and \$130,647 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 provided as Exhibit "A".

Residential Investment Properties:

For the quarter ended December 31, 2019, the NOI for the Sycamore Canyon Apartments was \$2.0 million, which was favorable to budget by \$14,156 due to higher-than-anticipated occupancy. FY to date NOI was approximately \$4.2 million, which was favorable to budget by \$120,116 due to lower-than-anticipated vacancies and lower expenses related to apartment turn-overs. The District's limited partnership investment in the Wood Canyon Villa property earned a preferred return of 9.00%, providing income of \$136,110 for the quarter-end and \$272,220 for the FY to date. The net return for Wood Canyon was 8.53% and 8.52% for quarter-end and FY periods, respectively.

Commercial Investment Properties:

The NOI for the quarter ended December 31, 2019 at the Irvine Market Place (230 Commerce) property was \$150,190, which was favorable to budget by \$24,214, primarily due to a suite being leased earlier than anticipated. For FY to date, NOI at the property was \$283,448, which was favorable to budget by \$44,917 due to higher-than-anticipated occupancy and lower expenses for utilities and maintenance. The property has one suite available, which is being marketed by the District's real estate broker.

For the quarter ended December 31, 2019, the NOI for the Sand Canyon Professional Center medical office property was \$188,738 and \$385,062 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 December 31, 2019 was \$144,703 and \$287,919 year-to-date, which were favorable to budget by \$24,717 and \$52,451, respectively. The quarter-end and fiscal year variances were due to higher-than-anticipated lease income. The property is currently 100% occupied.

Strawberry Farms Golf Course and Cell Site Leases:

Land lease income for Strawberry Farms Golf Course for the quarter ended December 31, 2019 was \$146,810. This compares with income of \$140,568 for the same period last year, representing a 4.44% increase for the period. The FY year-to-date income was \$308,212, representing an increase of 7.68% compared to the same period last year. For the quarter ended December 31, 2019 the lease revenue from the District's six cell sites was \$46,820 and was in-line with the budget. FY to date lease revenue was \$130,647, which was favorable to budget by approximately \$26,500, primarily due to an unanticipated revenue share amount received in the first quarter.

FISCAL IMPACTS:

For the quarter and fiscal period ended December 31, 2019, the District's commercial and residential real estate investments provided NOI of approximately \$2.6 million and \$5.4 million, respectively. Lease revenue for Strawberry Farms Golf Course was \$146,810 for the quarter and \$308,212 for the FY to date. The District's cell site revenue was \$46,820 for the quarter and the FY to date was \$130,647. The Serrano Summit / Lennar Homes promissory note earned interest of \$881,280 for the quarter and \$1.7 million year to date.

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 December 31, 2019

INCOME PROPERTIES			FY 2019-20					FY 2019-20 RATE OF RETURN			3 Year Average Rate of Return	5 Year Average Rate of Return
Property Description	Capital Investment	Investment Inception	Oct-19	Nov-19	Dec-19	FY Q2	FY 2019-20 TOTAL	FY Q1	FY Q2	Average Fiscal YTD	FY 17/18 - 19/20	FY 15/16 - 19/20
Sycamore Canyon Apartments	\$ 43,550,810	Dec-92	\$ 595,831	\$ 710,121	\$ 683,911	\$ 1,989,863	\$ 4,183,698	20.15%	18.28%	19.21%	18.96%	18.56%
Wood Canyon Villa Apartments	\$ 6,000,000	Jun-91	\$ 45,863	\$ 44,384	\$ 45,863	\$ 136,110	\$ 272,220	8.50%	8.53%	8.52%	8.55%	8.56%
Irvine Market Place Office	\$ 5,739,845	Jul-03	\$ 58,360	\$ 44,501	\$ 47,329	\$ 150,190	\$ 283,448	9.29%	10.47%	9.88%	9.94%	8.18%
Waterworks Way Business Park	\$ 8,630,577	Nov-08	\$ 51,522	\$ 49,543	\$ 43,638	\$ 144,703	\$ 287,919	6.64%	6.71%	6.67%	5.81%	5.56%
Sand Canyon Professional Center	\$ 8,648,594	Jul-12	\$ 64,717	\$ 61,536	\$ 62,485	\$ 188,738	\$ 385,062	9.08%	8.73%	8.90%	8.87%	8.73%
TOTAL - INCOME PROPERTIES	\$ 72,569,826		\$ 816,293	\$910,085	\$883,226	\$2,609,604	\$ 5,412,347	15.40%	14.34%	14.87%	14.62%	14.19%

OTHER REAL ESTATE INVESTMNET			FY 2019-20					PROMISSORY NOTE RATE OF RETURN		
Property Description	Original Cost	Investment Inception	Oct-19	Nov-19	Dec-19	FY Q2	FY 2019-20 TOTAL	FY Q1	FY Q2	Average Fiscal YTD
Serrano Summit - Promissory Note - extension	\$ 88,128,000		\$ 293,760	\$ 293,760	\$ 293,760	\$ 881,280	\$ 1,719,040	4.00%	4.00%	4.00%
TOTAL - REAL ESTATE INVESTMENTS	\$ 160,697,826		Weighted Average Rate of Return					9.15%	8.67%	8.91%

**Irvine Ranch Water District
Real Estate Investment Performance Report - Investment
Strawberry Farms Golf Course & Cell Site
as of December 31, 2019**

	2019-20 NET INCOME					
Property Description	FY Q1	Oct-19	Nov-19	Dec-19	FY Q2	NET INCOME 2019-2020
Strawberry Farms Golf Course	\$ 161,402	\$ 53,243	\$ 44,263	\$ 49,304	\$ 146,810	\$ 308,212
Change From Prior Year Period:					\$ 6,243 4.44%	\$ 21,993 7.68%
Cellular Sites	\$ 83,827	\$ 16,582	\$ 12,647	\$ 17,591	\$ 46,820	\$ 130,647
Change From Prior Year Period:					\$ (550) -1.16%	\$ 33,172 34.03%

February 4, 2020

Prepared by: D. Kanoff / A. Shinbashi

Submitted by: R. Jacobson / C. Clary

Approved by: Paul A. Cook



FINANCE AND PERSONNEL COMMITTEE

RISK MANAGEMENT QUARTERLY REPORT

SUMMARY:

Staff will provide the Committee with a report on the insurance and claim expenses incurred by the District through second quarter Fiscal Year (FY) ended December 31, 2019.

BACKGROUND:

A comparison of the District's actual versus budget insurance expenses for the six months of FY 2019-20 and FY 2018-19 is provided as Exhibit "A" and summarized as follows:

- Insurance premiums total \$515,307 and are \$62,843 under budget;
- Third-party claims administration expenses total \$1,365 and are \$13,735 under budget;
- Legal expenses total \$41,305 and are \$8,695 under budget; and,
- Claim payments totaled \$115,280 and are \$50,280 over budget. This amount includes an accrual of \$100,000 for anticipated payment on an open claim.

The register of closed general liability claims, including current fiscal year and prior period claim expenses, is provided 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 2019-20 Register of Closed General Liability Claims

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Exhibit "A"

Irvine Ranch Water District Insurance and Claims Summary Period Ending December 31, 2019

PREMIUM	Actual FY 19/20	Budget FY 19/20	Variance	% Variance	Prior FY 18/19
Crime	4,848	4,900	52	1%	9,325
General Liability	373,381	410,642	37,261	9%	282,719
Pollution	9,127	10,000	873	9%	9,126
Property	125,343	150,000	24,657	16%	123,522
Cyber	2,608	2,608	0	0%	2,444
Total	515,307	578,150	62,843	11%	427,136

CATEGORY	Open FY 19/20	Closed FY 19/20	Total FY 19/20	Budget FY 19/20	Variance	Prior FY 18/19
Claim		1,365	1,365	15,100	13,735	1,615
Claim Payments -		15,280	15,280	65,000	49,720	142,813
Accrual - Bodily	100,000		100,000		(100,000)	144,428
Total	100,000	16,645	116,645	80,100	(50,280)	287,241

Includes \$1,250 annual administrative fee

CATEGORY	Open FY 19/20	Total FY 19/20	Budget FY 19/20	Variance	Prior FY 18/19
Legal	41,305	41,305	50,000	8,695	48,030
Total	41,305	41,305	50,000	8,695	48,030

Legal fees related to claims

ACTIVITY	FY 2018/19	FY 2019/20
Beginning Open Cla	4	4
New Claims	27	7
Closed Claims	-27	-8
Current Open Claim	4	3

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Exhibit "B"

Register of Closed General Liability Claims as of December 31, 2019

Closed Claims Fiscal Year 2019-2020				
CLAIM TYPE	CLAIMANT	Claim Administration	Claim Payments - Property	Grand Total
Single Event	Mercury Insurance-Ely Almaleh	115	1,069	1,184
	Tom Smisek		417	417
	John Stahman		588	588
	Robert Bos		2,738	2,738
	Paige Bautista		1,685	1,685
	Andrew Minh Tran		422	422
	John Reichel		855	855
	Frank Torres Construction		7,506	7,506
Third Party Administration	George Hills Company, Inc.	1,250		1,250
Grand Total		1,365	15,280	16,645