

**AGENDA  
IRVINE RANCH WATER DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING**

December 14, 2020

*Due to COVID-19, this meeting will be conducted as a teleconference pursuant to the provisions of the Governor's Executive Orders N-25-20 and N-29-20, which suspend certain requirements of the Ralph M. Brown Act. Members of the public may not attend this meeting in person.*

Participation by members of the Board of Directors will be from remote locations. Public access and participation will only be available telephonically/electronically.

To virtually attend the meeting and to be able to view any presentations or additional materials provided at the meeting, please join online via Webex using the link and information below:

Via Web:

<https://irwd.my.webex.com/irwd.my/j.php?MTID=mf21e9979b930cb1787ff9ea56c3a8ffc>

Meeting Number (Access Code): 126 482 7254

Meeting Password: 5cuRM3DS3uw (52876337 from phones and video systems)

After joining the meeting, in order to ensure all persons can participate and observe the meeting, please select the "Call in" option and use a telephone to access the audio for the meeting by using the call-in information and attendee identification number provided.

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

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

**CALL TO ORDER**      5:00 p.m.

**ROLL CALL**              Directors LaMar, Swan, McLaughlin, Withers, and Acting President Reinhart

**PUBLIC COMMENT NOTICE**

If you wish to address the Board of Directors on any item, please submit a request to speak via the "chat" feature available when joining the meeting virtually. Remarks are limited to three minutes per speaker on each subject. You may also submit a public comment in advance of the meeting by emailing [comments@irwd.com](mailto:comments@irwd.com) before 12:00 p.m. on Monday, December 14, 2020.

**ALL VOTES SHALL BE TAKEN BY A ROLL CALL VOTE.**

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**COMMUNICATIONS TO THE BOARD**

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| <p>1. A. <u>Written:</u></p> <p>B. <u>Oral:</u></p> <p>2. <u>ITEMS RECEIVED TOO LATE TO BE AGENDIZED</u></p> <p>Recommendation: Determine the need to discuss and/or take immediate action on item(s).</p> |  |
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<b>CONSENT CALENDAR</b>	<b>Next Resolution No. 2020-23</b>	<b>Items 3-8</b>
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| <p>3. <u>BOARD MEETING MINUTES</u></p> <p>Recommendation: That the minutes of the November 23, 2020 Regular Board meeting be approved as presented.</p> <p>4. <u>RATIFY/APPROVE BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS</u></p> <p>Recommendation: That the Board ratify/approve the meetings and events for Steven LaMar, Peer Swan, Mary Aileen Matheis, Douglas Reinhart and John Withers, as described.</p> <p>5. <u>2020 GENERAL DISTRICT ELECTION RESULTS</u></p> <p>Recommendation: That the Board adopt a resolution by title declaring results of the November 3, 2020 General Election.</p> <p>6. <u>NOVEMBER 2020 TREASURY REPORT</u></p> <p>Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Summary of Fixed and Variable Rate Debt, and Disclosure Report of Reimbursements to Board members and staff, approve the November 2020 Summary of Payroll ACH payments in the total amount of \$2,404,543 and approve the October 2020 accounts payable Disbursement Summary of warrants 412087 through 413650, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$11,536,504.</p> <p>7. <u>INFORMATION SERVICES CAPITAL PROJECTS</u></p> <p>Recommendation: That the Board approve: 1) the addition of Projects 11808 and 11810, each in the amount of \$150,000, for a total of \$300,000 to provide funding for the OBIEE Upgrade Project, and 2) a budget increase to Project 11204, General Plant Project, in the amount of \$200,000 for the acquisition of additional IT equipment to support IRWD business operations.</p> | <p>Reso. No. 2020-</p> |
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**CONSENT CALENDAR (CONTINUED)**

**Items 3-8**

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8. SALE OF FORMER CARPENTER IRRIGATION DISTRICT OFFICE PROPERTY

Recommendation: That the Board designate the former Carpenter Irrigation District office property located at 18741 East Center Avenue in unincorporated Orange County as "Exempt Surplus Land" and authorize staff to initiate the process to sell the property.

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**ACTION CALENDAR**

9. REVIEW OF 2020 GOVERNMENT RELATIONS ACTIVITIES AND 2021 LEGISLATIVE AND REGULATORY ISSUES PLANNING

Recommendation: That the Board provide input on the proposed 2021 regional, state and federal legislative issues of interest to IRWD, and receive and file the proposed "Initial 2021 Legislative and Regulatory Resource Allocation Plan" and the "Legislative / Regulatory Issues and Activities of High Concern to IRWD in 2021."

10. AGREEMENTS FOR PARTICIPATION IN PLANNING OF SITES RESERVOIR AND DELTA CONVEYANCE PROJECTS

Recommendation: That the Board authorize the General Manager to execute the Second Amendment to 2019 Reservoir Project Agreement by and Among the Sites Project Authority and the Project Agreement Members, authorize the General Manager to execute an agreement with Rosedale-Rio Bravo Water Storage District to Participate in the Planning and Environmental Review of the Delta Conveyance Project, approve the addition of Project 11746 to the Fiscal Year 2020-21 Capital Budget in the amount of \$275,000 for Sites Reservoir Planning, and approve the addition of Project 11747 to the Fiscal Year 2020-21 Capital Budget in the amount of \$263,000 for Delta Conveyance Project Planning.

11. 20219-20 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Recommendation: That the Board approve the Comprehensive Audit Report for the Fiscal Year ended June 30, 2020.

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**ACTION CALENDAR (CONTINUED)**

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12. ANNUAL BOARD OF DIRECTORS' FEES

Recommendation: That the Board either accept or decline the five (5%) percent compensation increase for calendar year 2021.

13. ELECTION OF OFFICERS FOR 2021

Recommendation: That an election be conducted of the President and Vice President of the Board of Directors of the Irvine Ranch Water District for 2021.

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**OTHER BUSINESS**

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Pursuant to Government Code Section 54954.2, members of the Board of Directors or staff may ask questions for clarification, make brief announcements, and make brief reports on his/her own activities. The Board or a Board member may provide a reference to staff or other resources for factual information, request staff to report back at a subsequent meeting concerning any matter, or direct staff to place a matter of business on a future agenda. Such matters may be brought up under the General Manager's Report or Directors' Comments.

14. General Manager's Report

15. Directors' Comments

16. Receive oral update(s) from District liaison(s) regarding communities within IRWD's service area and provide information on relevant community events.

17. Closed Session

Closed Session Conference with Legal Counsel – Existing Litigation - Pursuant to Government Code Section 54956.9(d)(1): *Filanc-Balfour Beatty, JV v. IRWD*, Case No. 30-2019-01048770-CU-BC-CXC

18. Open Session

19. Adjourn.

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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 Board in connection with a matter subject to discussion or consideration at an open meeting of the Board 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 Board 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 Board Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available electronically via the Webex meeting noted. Upon request, the District will provide for written agenda materials in appropriate alternative formats, and reasonable disability-related modification or accommodation to enable individuals with disabilities to participate in and provide comments at public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, or alternative format requested at least two days before the meeting. Requests should be emailed to [comments@irwd.com](mailto:comments@irwd.com). Requests made by mail must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.



December 14, 2020  
Prepared and  
submitted by: L. Bonkowski  
Approved by: Paul A. Cook



CONSENT CALENDAR

BOARD MEETING MINUTES

SUMMARY:

Provided are the minutes of the November 23, 2020 Regular Board meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE NOVEMBER 23, 2020 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – November 23, 2020 Minutes

Note: This page is intentionally left blank.

EXHIBIT “A”

MINUTES OF REGULAR MEETING – November 23, 2020

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:00 p.m. by President Matheis on November 23, 2020 via teleconference pursuant to the provisions of the Governor’s Executive Orders N-25-20 and N-29-20 due to COVID-19. Members of the public did not attend this meeting in person.

Directors Present: Reinhart, Swan, Withers, LaMar and Matheis.

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Technical Services Burton, Executive Director of Water Policy Weghorst, Director of Treasury and Risk Management Jacobson, Executive Director of Operations Chambers, General Counsel Collins, Director of Public Affairs Beeman, Director of Human Resources Roney, Director of Water Quality and Regulatory Compliance Colston, Director of Recycling Operations Zepeda, Director of Information Services Malone, Director of Water Resources Sanchez, Government Relations Officer/Deputy General Counsel Compton, Secretary Bonkowski, Ms. Karen McLaughlin, Special Legal Counsel Casey and members of staff and the public.

WRITTEN AND ORAL COMMUNICATIONS: None.

PRESENTATION

COMMENDATION OF MARY AILEEN MATHEIS

Members of the California legislature and congress, Board of Supervisors, water agencies, associations, the General Manager, Board members and individuals honored Matheis for her 32 years of service to the water industry with plaques, resolutions, and presentations.

On MOTION by Reinhart, seconded by Swan, and unanimously carried by a roll call vote (5-0) Withers, Matheis, Reinhart, Swan, and LaMar voting aye, and 0 noes, the following resolution was adopted by title:

RESOLUTION NO. 2020-21

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
IRVINE RANCH WATER DISTRICT  
COMMENDING MARY AILEEN MATHEIS  
FOR 32 YEARS OF DEDICATED SERVICE TO IRWD

PRETREATMENT ORDINANCE FOR FACILITIES TRIBUTARY TO SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

General Manager Cook reported that the current IRWD regulations to control industrial discharges to IRWD sewerage facilities tributary to the South Orange County Wastewater Authority (SOCWA) were last amended in 2015, and that periodic amendments to these regulations are needed to incorporate the requirements of new state and federal pretreatment

regulations to address changes in administrative procedures and/or as a result of regulatory audits. Mr. Cook said that the introduction of the Ordinance to amend regulations was completed at IRWD's Board meeting on October 26, 2020, and tonight staff recommends the Board conduct a public hearing, waive the reading, and adopt the Ordinance by title.

President Matheis declared this to be the time and place for the hearing on the Ordinance.

President Matheis asked Secretary Bonkowski to report the manner by which the Notice of Hearing was given.

Secretary Bonkowski said that the Notice of this hearing was published in the Orange County Register on November 8, 2020 and was posted on November 8, 2020 within the IRWD service area tributary to the South Orange County Wastewater Authority. The notice was also posted in the District office on November 9, 2020. The Secretary presented an Affidavit of Posting and Proof of Publication for the Board to receive and file.

On MOTION by Swan, seconded by LaMar, and unanimously carried by a roll call vote (5-0) Withers, Matheis, Reinhart, Swan, and LaMar voting aye, and 0 noes, THE BOARD RECEIVED AND FILED THE AFFIDAVIT OF POSTING THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY.

President Matheis asked the Secretary whether there have been any written communications. Secretary Bonkowski said that there had been no communications.

President Matheis asked for a report from the Director for Water Quality and Regulatory Compliance.

Director of Water Quality and Regulatory Compliance Colston describe the proposed revisions and indicated that the clarifications and revisions to the Ordinance are summarized in an exhibit to the writeup.

President Matheis inquired whether anyone was present who wished to address the Board concerning the amended Ordinance. There were none. She then asked whether there were any comments or questions from the members of the Board of Directors. There were none.

On MOTION by Swan, seconded by LaMar and unanimously carried by a roll call vote (5-0) Withers, Matheis, Reinhart, Swan, and LaMar voting aye, and 0 noes, THE HEARING WAS CLOSED, THE ORDINANCE WAS READ BY TITLE ONLY BY THE SECRETARY, FURTHER READING OF THE ORDINANCE WAS WAIVED, AND THE FOLLOWING ORDINANCE WAS ADOPTED AS FOLLOWS:

ORDINANCE NO. 2020-1

AN ORDINANCE OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT REPEALING ORDINANCE NO. 2015-1 AND ADOPTING REGULATIONS FOR THE DISCHARGE OF WASTEWATER TO SEWERAGE FACILITIES OF THE IRVINE RANCH WATER DISTRICT TRIBUTARY TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

## CONSENT CALENDAR

Director Swan asked that Item No. 8 be moved to the Action Calendar following the Closed Session item. There being no objections, this item was moved accordingly.

President Matheis said that before the final vote on the Consent Calendar, pertaining to Item No. 7 on tonight's agenda, on November 8, 2020, the Board conducted its annual performance evaluation of the General Manager. This evening the Board is considering changes to his compensation as a result of the performance review. Pursuant to Government Code Section 54953(c) (3) prior to taking final action on changes to the General Manager's compensation, she said she would provide a summary of the recommended action before us. She said that the recommendation is to: 1) increase the base salary of the General Manager by 2%, or \$6,356, to \$324,156, per year effective October 1, 2020, 2) provide a one-time performance award of \$30,000 as a taxable lump sum cash payment, and 3) increase his monthly automobile allowance to \$800 effective October 1, 2020. She further said that all other aspects of the General Manager's compensation would remain unchanged.

On MOTION by Reinhart, seconded by Swan, and unanimously carried by a roll call vote (5-0) Withers, Matheis, Reinhart, Swan, and LaMar voting aye, and 0 noes, ITEMS 5, 6, 7, AND 9 THROUGH 12 WERE APPROVED AS FOLLOWS:

5. BOARD MEETING MINUTES

Recommendation: That the minutes of the November 9, 2020 Regular Board meeting be approved as presented.

6. RATIFY/APPROVE BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS

Recommendation: That the Board ratify/approve the meetings and events for Mary Aileen Matheis, Peer Swan, and John Withers, as described.

7. CHANGES TO GENERAL MANAGER'S COMPENSATION

Recommendation: That the Board approve an increase to the annual salary of the General Manager to the amount of \$324,156, a one-time performance award in the amount of \$30,000, and increase the General Manager's automobile allowance to \$800 per month, effective October 1, 2020.

9. 2021 GENERAL COUNSEL CONTRACT

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement with Hanson Bridgett LLP for general counsel legal services focused on municipal law, transactional and non-complex issues, and rate-setting with a term of January 1, 2021, to December 31, 2021, and a not-to-exceed value of \$1,050,000.

CONSENT CALENDAR (CONTINUED)

10. 2021-22 IRWD LOBBYING AND ADVOCACY SERVICES

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement with Kadash & Associates for federal advocacy services for the period of January 1, 2021, through December 31, 2022, at a rate of \$10,200 per month plus reasonable reimbursement of direct expenses for a total contract amount not to exceed \$265,000.

11. ADOPTION OF A REVISED SCHEDULE OF POSITIONS AND SALARY RATE RANGES

Recommendation: That the Board adopt a resolution rescinding Resolution No. 2020-12 and adopting the following resolution by title:

RESOLUTION NO. 2020-22

RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE IRVINE RANCH WATER DISTRICT  
RESCINDING RESOLUTION NO. 2020-12 AND  
ADOPTING A REVISED SCHEDULE OF  
POSITIONS AND SALARY RATE RANGES

12. OCTOBER 2020 TREASURY REPORT

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Summary of Fixed and Variable Rate Debt, and Disclosure Report of Reimbursements to Board members and staff, approve the October 2020 Summary of Payroll ACH payments in the total amount of \$2,154,188 and approve the October 2020 accounts payable Disbursement Summary of warrants 412075 through 412086, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$30,169,398.

ACTION CALENDAR

REHABILITATION OF DYER ROAD WELLFIELD WELLS 1, 11, AND 13  
CONSTRUCTION AWARD

Executive Director of Technical Services Burton reported that staff recently updated the well rehabilitation priority list and DRWF Wells 1, 11 and 13 is the next set of wells requiring rehabilitation in order to improve their hydraulic performance and to remove foulants and scale from the wells. Mr. Burton said that DRWF Well 1 was constructed in 1979 with mild steel casing and louvers. He said that given the age of the well, the casing/louver properties, and because the well has not been rehabilitated in nearly 20 years, rehabilitation is required. The budget for DRWF Well 1 includes an option to install a stainless-steel liner in the event the casing is found to have lost its physical integrity. In addition, a new discharge header will be fabricated that includes a port for installation of a

transducer that will allow staff to monitor water levels and accurately determine the well's performance.

Mr. Burton said that DRWF Well 11 was constructed in 1986 with mild steel casing material and wire-wrapped, stainless steel Johnson screens. While the specific capacity and production levels have not dropped dramatically, a recent video of the well indicated heavy encrustation of iron-related and slime bacteria at various depths within the screened intervals within the well. Mr. Burton said that DRWF Well 13 was constructed in 1984 with copper bearing steel as the casing material and wire wrapped, stainless steel Johnson screens. The specific capacity of Well 13 has fluctuated dramatically throughout the past several years due to irregular and reduced pumping periods. Part of the rehabilitation efforts will be to determine the extent and location of this contaminant located within the well screens. A recent video of the well indicates that the well has moderate scaling and fouling in the screened intervals of the well.

Mr. Burton said that Richard C. Slade & Associates completed the design for the rehabilitation of DRWF Wells 1, 11 and 13 in October 2020, and the project was advertised for construction to a select bidders list of six contractors. He said that the bid opening was held on November 10, 2020 with one bid received. Best Drilling and Pump, Inc. is the apparent low bidder with a bid amount of \$1,698,100, which was lower than the engineer's estimate of \$1,791,300. He said that in the previous bid for well rehabilitation services, Best Drilling and Pump, Inc. was also the lone bidder, and is near completion of rehabilitating DRWF Wells 5, 14, and 16.

On MOTION by Reinhart, seconded by Swan, and unanimously carried by a roll call vote (5-0) Withers, Matheis, Reinhart, Swan, and LaMar voting aye, and 0 noes, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH BEST DRILLING AND PUMP, INC. IN THE AMOUNT OF \$1,698,100 FOR REHABILITATION OF DYER ROAD WELDFIELD WELLS 1, 11 AND 13, PROJECTS 07092, 07088 AND 10098.

#### DAM SAFETY PROGRAM CONSULTANT SELECTION

Using a PowerPoint presentation, Engineering Manager Moeder reported that the District owns and operates five jurisdictional dams that were constructed between 1933 and 1966. Mr. Moeder said that traditionally dam safety assessments, which are integral components of any DSP, utilize a standards-based approach (SBA) that follows established rules and guidelines for design events and loads, structural capacities, and defensive design measures. He said that historically the SBA to dam safety has proven to be good practice, but that this approach omits consideration of other dam safety elements such as human factors and operational issues that could potentially expose dam owners to increased levels of risk. He then reviewed the District's guiding principles for dam safety.

Mr. Moeder said another approach to dam safety that has primarily been used at the federal level is Risk-Informed Decision Making (RIDM), which is a more rigorous, systematic, and thorough process to dam safety that focuses on identifying and reducing risks. He said that earlier this year, the Division of Safety of Dams (DSOD) announced to California dam owners that it will be integrating RIDM into its regulatory oversight of dams under its jurisdiction.

Mr. Moeder said that in June 2020, IRWD contracted with HDR to review and enhance the District's current DSP and to integrate the RIDM process into the overall program. He said

that staff is executing the project in two phases with the first phase focused on data-gathering and establishment of the initial DSP framework, and the second phase focused on risk analyses, risk evaluation, and completion of the final DSP framework. HDR has completed the first phase, and staff is prepared to proceed with the second phase.

Director Reinhart said that this item was reviewed and approved by the Engineering and Operations Committee on November 17, 2020. In response to Director Swan's inquiry, General Manager Cook said that staff will provide an annual report of the conditions of all District dams to the Committee, and then to the Board. Following discussion, on MOTION by Reinhart, seconded by Swan and unanimously carried by a roll call vote (5-0) Withers, Matheis, Reinhart, Swan, and LaMar voting aye, and 0 noes, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$389,200 WITH HDR FOR THE SECOND PHASE OF THE DAM SAFETY PROGRAM, PROJECTS 10452 AND 10456 SUBJECT TO NONSUBSTANTIAL CHANGES.

#### REVISED WATER BANKING, TRANSFERS AND WHEELING POLICY POSITION PAPER

General Manager Cook reported that IRWD policy position papers are reviewed periodically to determine if the positions are still valid, need revisions or if additional papers need to be written on different issues of importance to the District. Staff has revised the existing Water Banking, Transfers and Wheeling Policy Position Paper that was last updated and approved on September 25, 2017. The current revisions take into consideration significant changes that have occurred since that time.

Executive Director of Water Policy Weghorst reported that since the 2017 update of the policy position paper, IRWD has completed construction of wells that allow IRWD to ensure the ability to recover water for itself and its partners during peak demand periods; IRWD has made progress on the development of the Kern Fan Groundwater Storage Project, and other extraordinary supply projects are being developed in the Metropolitan Water District of Southern California service area. Mr. Weghorst said that these changes, as well as other events that are increasing competition for water resources and increasing the cost of water, require updating of the Water Banking, Transfers and Wheeling Policy Position Paper. He said that the other events that are increasing the competition for supplies include: 1) implementation of the Sustainable Groundwater Management Act, 2) amendments to the State Water Project Contract allowing compensation for transfers of water, and 3) the Isabella Lake Dam Safety Modification Project. He further reviewed the changes on the position paper in the exhibit.

Director Swan reported that this item was reviewed by the Supply Reliability Programs Committee on November 19, 2020. He asked that a word be included to No. 17 on the exhibit. There being no objections, this item was revised accordingly. On MOTION by Swan, seconded by Matheis, and unanimously carried by a roll call vote (5-0) Withers, Matheis, Reinhart, Swan, and LaMar voting aye, and 0 noes THE BOARD APPROVED THE UPDATED WATER BANKING, TRANSFERS AND WHEELING POLICY POSITION PAPER AS AMENDED.



## GENERAL MANAGER'S REPORT

General Manager Cook reported that there is currently one more case of COVID-19, which was contracted on personal time, making the total number of IRWD employees eight. He said that CalOSHA has implemented new requirements effective December 1, 2020, with which the District will comply. He said he will email a memorandum to the employees after the Thanksgiving holiday outlining these requirements.

## DIRECTORS' COMMENTS

Director Withers said that he attended his regular meetings, along with an OCSD Board meeting.

Director Swan reported that he attended a Clarke Prize Lecture, an OCSD Water Issues Committee meeting, a MWDOC Board meeting, a Southern California Water Coalition meeting, a CASA Legislative meeting, a MWDOC Committee meeting, a WACO Planning meeting, and a MWDOC Executive Committee Meeting.

Director LaMar reported that he attended several ACWA Board and Executive Committee meetings, a Southern California Water Coalition meeting, a California Environmental Dialogue meeting, a National Communities Coalition, and a coastal meeting relative to the fire authority.

Director Reinhart reported on MWDOC and OCWD meetings he attended.

Director Matheis thanked all who made presentations honoring her service to the District. She also thanked staff for all their hard-working efforts over the years.

## CLOSED SESSION

Legal Counsel Collins said that the following Closed Session would be held this evening:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Government Code Section 54956.9(d)(1): *IRWD v. OCWD, et al.*, Case No. 30-2016-00858584-CU-WM-CJC.

## OPEN SESSION

Following the Closed Session, the meeting was reconvened with Directors Matheis, Swan, Reinhart, LaMar and Withers present. No action was reported.

ACTION CALENDAR (CONTINUED)

VARIANCE TO THE LETTER OF ENGAGEMENT WITH ALSTON & BIRD

Director Swan made a motion to increase the not-to-exceed value of the contract by \$1,000,000. The motion failed as it was not seconded. On MOTION by Reinhart, seconded by Withers and carried by a roll call vote (4-1) Withers, Matheis, Reinhart, and LaMar voting aye, and Swan voting no, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A VARIANCE TO THE LETTER OF ENGAGEMENT WITH ALSTON & BIRD FOR LEGAL SERVICES RELATED TO COMPLEX ISSUES AND LITIGATION INCREASING THE NOT-TO-EXCEED VALUE OF THE CONTRACT TO \$10,000,000.

ADJOURNMENT

There being no further business President Matheis adjourned the meeting at 8:32 p.m.

APPROVED and SIGNED this 14th day of December 2020.

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President, IRVINE RANCH WATER  
DISTRICT

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Secretary, IRVINE RANCH WATER  
DISTRICT

APPROVED AS TO FORM:

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Claire Hervey Collins, General Counsel  
Hanson Bridgett LLP

December 14, 2020  
Prepared and  
submitted by: K. Swan  
Approved by: Paul A. Cook



CONSENT CALENDAR

RATIFY/APPROVE BOARD OF DIRECTORS'  
ATTENDANCE AT MEETINGS AND EVENTS

SUMMARY:

Pursuant to Resolution 2006-29 adopted on August 28, 2006, the following events and meetings require approval by the Board of Directors:

Steven LaMar

November 4 MWDOC Virtual Workshop Meeting of the Board of Directors with  
MWD Directors  
November 16 MWDOC Public Affairs and Legislation Committee Meeting via  
Teleconference

Mary Aileen Matheis

December 8 City of Irvine Virtual Swearing In Ceremony for Mayor and Councilmembers

Douglas Reinhart

December 17 Chapman University Annual Virtual Economic Forecast

Peer Swan

November 30 OCWD Webinar: Soarin' Over the Surface Recharge System  
January 27-28, 2021 California Association of Sanitation Agencies' Virtual Winter Conference

John Withers

November 30 OCWD Webinar: Soarin' Over the Surface Recharge System  
December 8 City of Irvine Virtual Swearing-in Ceremony for Mayor and Councilmembers  
December 17 Chapman University Annual Virtual Economic Forecast

RECOMMENDATION:

THAT THE BOARD RATIFY/APPROVE THE MEETINGS AND EVENTS FOR STEVEN LAMAR, MARY AILEEN MATHEIS, DOUGLAS REINHART, PEER SWAN, AND JOHN WITHERS AS DESCRIBED HEREIN.

LIST OF EXHIBITS:

None.

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December 14, 2020  
Prepared and  
submitted by: L. Bonkowski  
Approved by: Paul A. Cook



CONSENT CALENDAR

2020 GENERAL DISTRICT ELECTION RESULTS

SUMMARY:

As a result of the November 4, 2020 General District Election, Ms. Karen McLaughlin was elected to a four-year term on the IRWD Board of Directors ending on December 4, 2024, per the Certificate of Registrar of Voters provided as Exhibit “A”. Director John Withers ran unopposed and was appointed to the Board for a four-year term ending on December 4, 2024, per the Certificate of Appointment in Lieu of Election provided as Exhibit “B”. The election results have been certified and a resolution declaring these results, provided as Exhibit “C”, is submitted for the Board’s adoption. The appointments made by the Board of Supervisors of District Officers In Lieu of Election is provided as Exhibit “D”.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2020-

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE  
RANCH WATER DISTRICT DECLARING RESULTS OF  
THE NOVEMBER 3, 2020 GENERAL DISTRICT ELECTION

LIST OF EXHIBITS:

- Exhibit “A” – Certified Election Results
- Exhibit “B” – Certificate of Appointment in Lieu of Election
- Exhibit “C” – Resolution
- Exhibit “D” – Board of Supervisors Appointments

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# *Certificate of Election*

*State of California, County of Orange*

*This is to certify that **Karen McLaughlin** was elected to the office of **Director, Irvine Ranch Water District, Division 4**, at the election held **November 3, 2020**. The official returns of said election and statement of votes cast are on file in the office of the Board of Supervisors, County of Orange.*



*Witness my hand and official seal this  
25th day of November, 2020*

*Neal Kelley*  
Neal Kelley  
Registrar of Voters





IRVINE RANCH WATER DISTRICT Director, Division 4

Cumulative Totals

Precinct	Registration	Ballots Cast	Turnout (%)	MARY AILEEN MATHEIS	KAREN MCLAUGHLIN	AARTI KAUSHAL
51066	0	0	0.0	0	0	0
51073	0	0	0.0	0	0	0
52206	0	0	0.0	0	0	0
52226	0	0	0.0	0	0	0
52236	0	0	0.0	0	0	0
59002	0	0	0.0	0	0	0
59007	73	64	87.7	23	25	1
59016	2,661	2,353	88.4	732	982	130
59026	2,189	1,958	89.4	710	765	135
59033	1,967	1,720	87.4	565	698	80
59036	1,875	1,689	90.1	563	667	58
59039	1,946	1,671	85.9	485	747	95
59044	1,684	1,542	91.6	601	567	53
59047	1,679	1,542	91.8	557	571	47
59054	1,205	1,095	90.9	367	462	35
59079	1,911	1,661	86.9	531	713	80
59084	0	0	0.0	0	0	0
59090	2,525	2,190	86.7	596	1,079	125
59097	2,644	2,304	87.1	699	1,053	155
59099	1,361	1,216	89.3	293	574	53
59100	1,910	1,679	87.9	477	747	73
59101	1,735	1,481	85.4	377	680	93
59103	1,707	1,415	82.9	378	662	93
59106	2,707	2,467	91.1	850	997	100
59108	836	722	86.4	150	384	45
59124	2,068	1,833	88.6	611	751	97
59170	3	2	66.7	0	0	0
59178	106	85	80.2	28	35	2
59179	0	0	0.0	0	0	0
68335	175	158	90.3	35	84	8
71125	81	34	42.0	8	13	3
71126	0	0	0.0	0	0	0
71127	748	646	86.4	149	297	60
71237	0	0	0.0	0	0	0
71245	2,033	1,831	90.1	638	696	112
71347	0	0	0.0	0	0	0
71349	0	0	0.0	0	0	0
71368	1,721	1,551	90.1	413	695	122
71370	2,016	1,818	90.2	589	783	118
71378	0	0	0.0	0	0	0
71381	2,359	2,099	89.0	629	869	134
<b>Early Vote Center Totals</b>	43,925	0	0.0	0	0	0
<b>Election Day Vote Center Totals</b>	43,925	5,237	11.9	1,960	1,779	279
<b>Vote by Mail Totals</b>	43,925	33,589	76.5	10,094	14,817	1,828
<b>Grand Totals</b>	43,925	38,826	88.4	12,054	16,596	2,107

IRVINE RANCH WATER DISTRICT Director, Division 4

Early Vote Center Totals

District	Registration	Ballots Cast	Turnout (%)	MARY AILEEN MATHES	KAREN MCLAUGHLIN	AARTI KAUSHAL
Orange County	43,925	0	0.0	0	0	0
Orange County	43,925	0	0.0	0	0	0
45th Congressional District	43,750	0	0.0	0	0	0
46th Congressional District	175	0	0.0	0	0	0
48th Congressional District	0	0	0.0	0	0	0
34th Senate District	175	0	0.0	0	0	0
37th Senate District	43,750	0	0.0	0	0	0
68th Assembly District	13,324	0	0.0	0	0	0
69th Assembly District	175	0	0.0	0	0	0
74th Assembly District	30,426	0	0.0	0	0	0
1st Supervisorial District	175	0	0.0	0	0	0
2nd Supervisorial District	0	0	0.0	0	0	0
3rd Supervisorial District	43,750	0	0.0	0	0	0
Costa Mesa	0	0	0.0	0	0	0
Costa Mesa Ward Division 2	0	0	0.0	0	0	0
Irvine	34,792	0	0.0	0	0	0
Santa Ana	175	0	0.0	0	0	0
Santa Ana Ward Division 6	175	0	0.0	0	0	0
Tustin	8,958	0	0.0	0	0	0
State Board of Equalization (4th District)	43,925	0	0.0	0	0	0
Unincorporated Area	0	0	0.0	0	0	0
County Board of Education Trustee Area 1	9,133	0	0.0	0	0	0
County Board of Education Trustee Area 2	0	0	0.0	0	0	0
County Board of Education Trustee Area 3	34,792	0	0.0	0	0	0
South Orange County Community College District	43,677	0	0.0	0	0	0
South Orange County Community College District Trustee Area 1	34,719	0	0.0	0	0	0
South Orange County Community College District Trustee Area 2	8,958	0	0.0	0	0	0
Rancho Santiago Community College District	248	0	0.0	0	0	0
Rancho Santiago Community College District Trustee Area 2	248	0	0.0	0	0	0
Santa Ana Unified School District	248	0	0.0	0	0	0
Irvine Unified School District	35,604	0	0.0	0	0	0
Irvine Unified School District Trustee Area 1	7,472	0	0.0	0	0	0
Irvine Unified School District Trustee Area 2	15,169	0	0.0	0	0	0
Irvine Unified School District Trustee Area 5	12,963	0	0.0	0	0	0
Tustin Unified School District	8,073	0	0.0	0	0	0
Tustin Unified School District Trustee Area 5	8,073	0	0.0	0	0	0
Municipal Water District Of Orange County	43,750	0	0.0	0	0	0
Municipal Water District of Orange County Div 4	0	0	0.0	0	0	0
Municipal Water District of Orange County Div 5	30,535	0	0.0	0	0	0
Municipal Water District of Orange County Div 6	13,215	0	0.0	0	0	0
Orange County Water District	43,750	0	0.0	0	0	0
Orange County Water District Division 2	0	0	0.0	0	0	0

IRVINE RANCH WATER DISTRICT Director, Division 4

Early Vote Center Totals

District	Registration	Ballots Cast	Turnout (%)	MARY AILEEN MATHEIS	KAREN MCLAUGHLIN	AARTI KAUSHAL
Orange County Water District Division 5	29,628	0	0.0	0	0	0
Orange County Water District Division 7	14,122	0	0.0	0	0	0
Irvine Ranch Water District	43,925	0	0.0	0	0	0
Irvine Ranch Water Dist - Div 4	43,925	0	0.0	0	0	0
Mesa Water District	0	0	0.0	0	0	0
Mesa Water District Division 4	0	0	0.0	0	0	0
East Orange County Water District	2,033	0	0.0	0	0	0
Costa Mesa Sanitary District	0	0	0.0	0	0	0
Costa Mesa Sanitary Dist - Div 2	0	0	0.0	0	0	0
<b>Early Vote Center Totals</b>	<b>43,925</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

IRVINE RANCH WATER DISTRICT Director, Division 4

Election Day Vote  
Center Totals

District	Registration	Ballots Cast	Turnout (%)	MARY AILEEN MATHEIS	KAREN MCLAUGHLIN	AARTI KAUSHAL
Orange County	43,925	5,237	11.9	1960	1779	279
Orange County	43,925	5,237	11.9	1960	1779	279
45th Congressional District	43,750	5,218	11.9	1957	1767	279
46th Congressional District	175	19	10.9	3	12	0
48th Congressional District	0	0	0.0	0	0	0
34th Senate District	175	19	10.9	3	12	0
37th Senate District	43,750	5,218	11.9	1957	1767	279
68th Assembly District	13,324	1,532	11.5	556	514	95
69th Assembly District	175	19	10.9	3	12	0
74th Assembly District	30,426	3,686	12.1	1401	1253	184
1st Supervisorial District	175	19	10.9	3	12	0
2nd Supervisorial District	0	0	0.0	0	0	0
3rd Supervisorial District	43,750	5,218	11.9	1957	1767	279
Costa Mesa	0	0	0.0	0	0	0
Costa Mesa Ward Division 2	0	0	0.0	0	0	0
Irvine	34,792	4,163	12.0	1592	1404	205
Santa Ana	175	19	10.9	3	12	0
Santa Ana Ward Division 6	175	19	10.9	3	12	0
Tustin	8,958	1,055	11.8	365	363	74
State Board of Equalization (4th District)	43,925	5,237	11.9	1960	1779	279
Unincorporated Area	0	0	0.0	0	0	0
County Board of Education Trustee Area 1	9,133	1,074	11.8	368	375	74
County Board of Education Trustee Area 2	0	0	0.0	0	0	0
County Board of Education Trustee Area 3	34,792	4,163	12.0	1592	1404	205
South Orange County Community College District Trustee Area 1	43,677	5,209	11.9	1953	1765	279
South Orange County Community College District Trustee Area 2	34,719	4,154	12.0	1588	1402	205
South Orange County Community College District Trustee Area 2	8,958	1,055	11.8	365	363	74
Rancho Santiago Community College District	248	28	11.3	7	14	0
Rancho Santiago Community College District Trustee Area 2	248	28	11.3	7	14	0
Santa Ana Unified School District	248	28	11.3	7	14	0
Irvine Unified School District	35,604	4,265	12.0	1621	1435	215
Irvine Unified School District Trustee Area 1	7,472	899	12.0	379	280	40
Irvine Unified School District Trustee Area 2	15,169	1,858	12.2	677	622	90
Irvine Unified School District Trustee Area 5	12,963	1,508	11.6	565	533	85
Tustin Unified School District	8,073	944	11.7	332	330	64
Tustin Unified School District Trustee Area 5	8,073	944	11.7	332	330	64
Municipal Water District Of Orange County	43,750	5,218	11.9	1957	1767	279
Municipal Water District of Orange County Div 4	0	0	0.0	0	0	0
Municipal Water District of Orange County Div 5	30,535	3,689	12.1	1403	1254	184
Municipal Water District of Orange County Div 6	13,215	1,529	11.6	554	513	95
Orange County Water District	43,750	5,218	11.9	1957	1767	279
Orange County Water District Division 2	0	0	0.0	0	0	0

IRVINE RANCH WATER DISTRICT Director, Division 4

Election Day Vote  
Center Totals

District	Registration	Ballots Cast	Turnout (%)	MARY AILEEN MATHIEIS	KAREN MCLAUGHLIN	AARTI KAUSHAL
Orange County Water District Division 5	29,628	3,489	11.8	1358	1155	186
Orange County Water District Division 7	14,122	1,729	12.2	599	612	93
Irvine Ranch Water District	43,925	5,237	11.9	1960	1779	279
Irvine Ranch Water Dist - Div 4	43,925	5,237	11.9	1960	1779	279
Mesa Water District	0	0	0.0	0	0	0
Mesa Water District Division 4	0	0	0.0	0	0	0
East Orange County Water District	2,033	278	13.7	113	77	13
Costa Mesa Sanitary District	0	0	0.0	0	0	0
Costa Mesa Sanitary Dist - Div 2	0	0	0.0	0	0	0
<b>Election Day Vote Center Totals</b>	<b>43,925</b>	<b>5,237</b>	<b>11.9</b>	<b>1,960</b>	<b>1,779</b>	<b>279</b>

IRVINE RANCH WATER DISTRICT Director, Division 4

Vote by Mail  
Totals

District	Registration	Ballots Cast	Turnout (%)	MARY AILEEN MATHEIS	KAREN MCLAUGHLIN	AARTI KAUSHAL
Orange County	43,925	33,589	76.5	10094	14817	1828
Orange County	43,925	33,589	76.5	10094	14817	1828
45th Congressional District	43,750	33,450	76.5	10062	14745	1820
46th Congressional District	175	139	79.4	32	72	8
48th Congressional District	0	0	0.0	0	0	0
34th Senate District	175	139	79.4	32	72	8
37th Senate District	43,750	33,450	76.5	10062	14745	1820
68th Assembly District	13,324	10,325	77.5	3219	4390	688
69th Assembly District	175	139	79.4	32	72	8
74th Assembly District	30,426	23,125	76.0	6843	10355	1132
1st Supervisorial District	175	139	79.4	32	72	8
2nd Supervisorial District	0	0	0.0	0	0	0
3rd Supervisorial District	43,750	33,450	76.5	10062	14745	1820
Costa Mesa	0	0	0.0	0	0	0
Costa Mesa Ward Division 2	0	0	0.0	0	0	0
Irvine	34,792	26,526	76.2	8001	11755	1345
Santa Ana	175	139	79.4	32	72	8
Santa Ana Ward Division 6	175	139	79.4	32	72	8
Tustin	8,958	6,924	77.3	2061	2990	475
State Board of Equalization (4th District)	43,925	33,589	76.5	10094	14817	1828
Unincorporated Area	0	0	0.0	0	0	0
County Board of Education Trustee Area 1	9,133	7,063	77.3	2093	3062	483
County Board of Education Trustee Area 2	0	0	0.0	0	0	0
County Board of Education Trustee Area 3	34,792	26,526	76.2	8001	11755	1345
South Orange County Community College District Trustee Area 1	43,677	33,395	76.5	10043	14722	1819
South Orange County Community College District Trustee Area 2	34,719	26,471	76.2	7982	11732	1344
South Orange County Community College District Trustee Area 2	8,958	6,924	77.3	2061	2990	475
Rancho Santiago Community College District	248	194	78.2	51	95	9
Rancho Santiago Community College District Trustee Area 2	248	194	78.2	51	95	9
Santa Ana Unified School District	248	194	78.2	51	95	9
Irvine Unified School District	35,604	27,189	76.4	8212	12010	1411
Irvine Unified School District Trustee Area 1	7,472	5,723	76.6	1835	2399	246
Irvine Unified School District Trustee Area 2	15,169	11,636	76.7	3507	5104	521
Irvine Unified School District Trustee Area 5	12,963	9,830	75.8	2870	4507	644
Tustin Unified School District	8,073	6,206	76.9	1831	2712	408
Tustin Unified School District Trustee Area 5	8,073	6,206	76.9	1831	2712	408
Municipal Water District Of Orange County	43,750	33,450	76.5	10062	14745	1820
Municipal Water District of Orange County Div 4	0	0	0.0	0	0	0
Municipal Water District of Orange County Div 5	30,535	23,209	76.0	6869	10389	1134
Municipal Water District of Orange County Div 6	13,215	10,241	77.5	3193	4356	686
Orange County Water District	43,750	33,450	76.5	10062	14745	1820
Orange County Water District Division 2	0	0	0.0	0	0	0

IRVINE RANCH WATER DISTRICT Director, Division 4

Vote by Mail  
Totals

District	Registration	Ballots Cast	Turnout (%)	MARY AILEEN MATHEIS	KAREN MCLAUGHLIN	AARTI KAUSHAL
Orange County Water District Division 5	29,628	22,877	77.2	7240	9727	1263
Orange County Water District Division 7	14,122	10,573	74.9	2822	5018	557
Irvine Ranch Water District	43,925	33,589	76.5	10094	14817	1828
Irvine Ranch Water Dist - Div 4	43,925	33,589	76.5	10094	14817	1828
Mesa Water District	0	0	0.0	0	0	0
Mesa Water District Division 4	0	0	0.0	0	0	0
East Orange County Water District	2,033	1,553	76.4	525	619	99
Costa Mesa Sanitary District	0	0	0.0	0	0	0
Costa Mesa Sanitary Dist - Div 2	0	0	0.0	0	0	0
<b>Vote by Mail Totals</b>	<b>43,925</b>	<b>33,589</b>	<b>76.5</b>	<b>10,094</b>	<b>14,817</b>	<b>1,828</b>



IRVINE RANCH WATER DISTRICT Director, Division 4

Grand Totals

District	Registration	Ballots Cast	Turnout (%)	MARY AILEEN MATHES	KAREN MCLAUGHLIN	AARTI KAUSHAL
Orange County	43,925	38,826	88.4	12054	16596	2107
Orange County	43,925	38,826	88.4	12054	16596	2107
45th Congressional District	43,750	38,668	88.4	12019	16512	2099
46th Congressional District	175	158	90.3	35	84	8
48th Congressional District	0	0	0.0	0	0	0
34th Senate District	175	158	90.3	35	84	8
37th Senate District	43,750	38,668	88.4	12019	16512	2099
68th Assembly District	13,324	11,857	89.0	3775	4904	783
69th Assembly District	175	158	90.3	35	84	8
74th Assembly District	30,426	26,811	88.1	8244	11608	1316
1st Supervisorial District	175	158	90.3	35	84	8
2nd Supervisorial District	0	0	0.0	0	0	0
3rd Supervisorial District	43,750	38,668	88.4	12019	16512	2099
Costa Mesa	0	0	0.0	0	0	0
Costa Mesa Ward Division 2	0	0	0.0	0	0	0
Irvine	34,792	30,689	88.2	9593	13159	1550
Santa Ana	175	158	90.3	35	84	8
Santa Ana Ward Division 6	175	158	90.3	35	84	8
Tustin	8,958	7,979	89.1	2426	3353	549
State Board of Equalization (4th District)	43,925	38,826	88.4	12054	16596	2107
Unincorporated Area	0	0	0.0	0	0	0
County Board of Education Trustee Area 1	9,133	8,137	89.1	2461	3437	557
County Board of Education Trustee Area 2	0	0	0.0	0	0	0
County Board of Education Trustee Area 3	34,792	30,689	88.2	9593	13159	1550
South Orange County Community College District	43,677	38,604	88.4	11996	16487	2098
South Orange County Community College District Trustee Area 1	34,719	30,625	88.2	9570	13134	1549
South Orange County Community College District Trustee Area 2	8,958	7,979	89.1	2426	3353	549
Rancho Santiago Community College District	248	222	89.5	58	109	9
Rancho Santiago Community College District Trustee Area 2	248	222	89.5	58	109	9
Santa Ana Unified School District	248	222	89.5	58	109	9
Irvine Unified School District	35,604	31,454	88.3	9833	13445	1626
Irvine Unified School District Trustee Area 1	7,472	6,622	88.6	2214	2679	286
Irvine Unified School District Trustee Area 2	15,169	13,494	89.0	4184	5726	611
Irvine Unified School District Trustee Area 5	12,963	11,338	87.5	3435	5040	729
Tustin Unified School District	8,073	7,150	88.6	2163	3042	472
Tustin Unified School District Trustee Area 5	8,073	7,150	88.6	2163	3042	472
Municipal Water District Of Orange County	43,750	38,668	88.4	12019	16512	2099
Municipal Water District of Orange County Div 4	0	0	0.0	0	0	0
Municipal Water District of Orange County Div 5	30,535	26,898	88.1	8272	11643	1318
Municipal Water District of Orange County Div 6	13,215	11,770	89.1	3747	4869	781
Orange County Water District	43,750	38,668	88.4	12019	16512	2099
Orange County Water District Division 2	0	0	0.0	0	0	0

IRVINE RANCH WATER DISTRICT Director, Division 4

Grand Totals

District	Registration	Ballots Cast	Turnout (%)	MARY ALLEEN MATHIEIS	KAREN MCLAUGHLIN	AARTI KAUSHAL
Orange County Water District Division 5	29,628	26,366	89.0	8598	10882	1449
Orange County Water District Division 7	14,122	12,302	87.1	3421	5630	650
Irvine Ranch Water District	43,925	38,826	88.4	12054	16596	2107
Irvine Ranch Water Dist - Div 4	43,925	38,826	88.4	12054	16596	2107
Mesa Water District	0	0	0.0	0	0	0
Mesa Water District Division 4	0	0	0.0	0	0	0
East Orange County Water District	2,033	1,831	90.1	638	696	112
Costa Mesa Sanitary District	0	0	0.0	0	0	0
Costa Mesa Sanitary Dist - Div 2	0	0	0.0	0	0	0
<b>Early Vote Center Totals</b>	43,925	0	0.0	0	0	0
<b>Election Day Vote Center Totals</b>	43,925	5,237	11.9	1,960	1,779	279
<b>Vote by Mail Totals</b>	43,925	33,589	76.5	10,094	14,817	1,828
<b>Grand Totals</b>	43,925	38,826	88.4	12,054	16,596	2,107



**NEAL KELLEY**  
Registrar of Voters

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

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

November 30, 2020

Dear Appointed in Lieu Candidate:

Enclosed please find your Certificate of Appointment in Lieu of Election for the November 3, 2020 Presidential General Election.

If you have any questions, please contact me at 714-567-7568.

Sincerely,

A handwritten signature in blue ink that reads "Marcia Nielsen". The signature is written in a cursive style.

Marcia Nielsen  
Candidate and Voter Services Manager

Enclosure



EXHIBIT "C"

RESOLUTION NO. 2020-

RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT DECLARING THE RESULTS OF  
THE NOVEMBER 3, 2020 GENERAL DISTRICT ELECTION

On November 3, 2020, the Irvine Ranch Water District held its 2020 General District Election in accordance with the procedures set forth in Section 35175 et seq. of the Water Code for the purpose of electing persons to the offices of Director for each of Division 1 and Division 4 of the Irvine Ranch Water District.

The Registrar of Voters has delivered to the Secretary of this District a *Certificate of Registrar of Voters to Result of the Canvass of the Presidential General Election Results* and a *Certificate of Election* certifying that Karen McLaughlin was elected to the office of Director for Division 4 of the Irvine Ranch Water District based upon the canvass of all votes cast at the General District Election held November 3, 2020.

The Registrar of Voters has also delivered to the Secretary a *Certificate of Appointment in Lieu of Election* appointing John B. Withers to the office of Director for Division 1 of the Irvine Ranch Water District.

The Board of Directors of Irvine Ranch Water District therefore resolves as follows:

Section 1. That the Certificates by the Registrar of Voters certifying that Karen McLaughlin has been elected Director, Division 4 and that John Withers has been appointed Director, Division 1 be received and filed.

Section 2. That the terms of office of each of these Directors will extend until the November 2024 General District Election and the qualification of their successors.

ADOPTED, SIGNED and APPROVED this 14th day of December, 2020.

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

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

APPROVED AS TO FORM:

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Claire Hervey Collins, General Counsel  
Hanson Bridgett LLP

Note: This page is intentionally left blank.



County Executive Office

928C

Memorandum

November 12, 2020

To: Clerk of the Board of Supervisors

From: Frank Kim, County Executive Officer for Michelle Aguirre

Digitally signed by Michelle Aguirre  
DN: cn=Michelle Aguirre, o=County Executive Office, ou=Chief Financial Officer, email=Michelle.aguirre@ocgov.com, c=US  
Date: 2020.11.12 11:45:05 -0800

Subject: Exception to Rule 21

The County Executive Office is requesting a Supplemental Agenda Staff Report for the November 17, 2020, Board Hearing.

Agency: Registrar of Voters

Subject: Appointment of District Officers in Lieu of Election (Various Districts)

Districts: All Districts


Reason for supplemental: In accordance with Elections Code Section 10515, the appointments shall be made prior to the Monday before the first Friday in December 2020. This Agenda Staff Report and attachments were finalized after the filing deadline to the Clerk of the Board.

Concur:   
Michelle Steel, Chairwoman of the Board of Supervisors

cc: Board of Supervisors  
County Executive Office  
County Counsel



**SUPPLEMENTAL AGENDA ITEM  
AGENDA STAFF REPORT**

**MEETING DATE:** 11/17/20  
**LEGAL ENTITY TAKING ACTION:** Board of Supervisors  
**BOARD OF SUPERVISORS DISTRICT(S):** All Districts  
**SUBMITTING AGENCY/DEPARTMENT:** Registrar of Voters  
**DEPARTMENT HEAD REVIEW:**   
*Department Head Signature*  
**DEPARTMENT CONTACT PERSON(S):** Neal Kelley (714) 567-5139  
Kim Hostler (714) 567-5107

NOV 17 11:05 AM  
REGISTRAR OF VOTERS

**SUBJECT:** Appointment of District Officers in Lieu of Election (Various Districts)

**CEO CONCUR**  
Michelle  
Aguirre

Digitally signed by Michelle Aguirre  
DN: cn=Michelle Aguirre, o=County  
Executive Office, ou=Chief Financial  
Officer,  
email=Michelle.Aguirre@co.gov.com, c=US  
Date: 2020.11.12 11:46:02 -0800

*CEO Signature*

**COUNTY COUNSEL REVIEW**

*No Legal Objection*  
*Action*

  
*County Counsel Signature*

**CLERK OF THE BOARD**  
Consent  
3 Votes Board Majority

**Budgeted:** N/A

**Current Year Cost:** N/A

**Annual Cost:** N/A

**Staffing Impact:** N/A

**# of Positions:**

**Sole Source:** N/A

**Current Fiscal Year Revenue:** N/A

**Funding Source:** N/A

**County Audit in last 3 years:** N/A

**Prior Board Action:** N/A

**RECOMMENDED ACTION(S)**

Appoint in lieu of election the persons on the attached list to offices for which they filed a Declaration of Candidacy. Appointees will take office as stated on the attached list.

**SUMMARY:**

Appointment of persons in lieu of election to the respective elective offices in each district ensures compliance with Elections Code Section 10515.

**BACKGROUND INFORMATION:**

Pursuant to Elections Code section 10515, if only one person has filed a declaration of candidacy for any election to be filled at that election the Registrar of Voters must submit a certified statement to that effect. At this time, the Registrar of Voters certifies that the number of persons filing a Declaration of Candidacy for the elective offices in the districts on the attached list is equal to the number of positions to be filled in each district for the November 3, 2020, Presidential General Election. As mandated under state election law, the Registrar of Voters further requests the Board of Supervisors (Board) to appoint in lieu of election



' the nominees, under their jurisdiction, to the respective elective offices in each district. Appointees will take office as stated on the attached list. For the November 3, 2020, Presidential General Election, the offices under the Board's jurisdiction for which nominees may be appointed in lieu of election are Special District Director and/or Trustee positions.

**FINANCIAL IMPACT:**

N/A

**STAFFING IMPACT:**

N/A

**ATTACHMENT(S):**

Attachment A - List of Nominees to be Appointed In Lieu of Election  
Attachment B - Elections Code Section 10515

**NOMINEES TO BE APPOINTED IN LIEU OF ELECTION  
NOVEMBER 3, 2020 PRESIDENTIAL GENERAL ELECTION**

<b>DISTRICT</b>	<b>EFFECTIVE DATE</b>	<b>SUPERVISORIAL DISTRICT</b>
EMERALD BAY SERVICE DISTRICT Phil De Carion* John L. Marconi*	12/04/2020	5 <sup>th</sup> District
ROSSMOOR COMMUNITY SERVICES DISTRICT, SHORT TERM Jeffrey T Rips	12/04/2020	2 <sup>nd</sup> District
SURFSIDE COLONY COMMUNITY SERVICES DISTRICT Rudy Lalonde*	12/04/2020	2 <sup>nd</sup> District
THREE ARCH BAY COMMUNITY SERVICES DISTRICT Gary Rubel* John Dorr Judy Yorke	12/04/2020	5 <sup>th</sup> District
SERRANO WATER DISTRICT Division 2 Chlell "Larry" Pharris Jr.* Division 3 Greg Mills* Division 5 Jerry L. Haight*	12/04/2020	3 <sup>rd</sup> District
EL TORO WATER DISTRICT Katherine "Kay" Havens** Jose Vergara* Mark Monin*	12/04/2020	5 <sup>th</sup> District
IRVINE RANCH WATER DISTRICT, DIVISION 1 John B Withers*	12/04/2020	3 <sup>rd</sup> & 5 <sup>th</sup> Districts
MOULTON NIGUEL WATER DISTRICT Richard S. "Dick" Fiore* Sherry Wanninger Duane D. Cave** Brian S Probolsky*	12/04/2020	5 <sup>th</sup> District
ROSSMOOR/LOS ALAMITOS, AREA SEWER DISTRICT Van M. Jew* Jim L. Bell* William Poe*	12/04/2020	2 <sup>nd</sup> District
MESA WATER DISTRICT Division 1 Fred Bockmiller* Division 3 Marice Depasquale*	12/04/2020	2 <sup>nd</sup> District
ORANGE COUNTY WATER DISTRICT, DIVISION 2 Denis R. Bilodeau*	12/04/2020	3 <sup>rd</sup> District

ORANGE COUNTY WATER DISTRICT, DIVISION 3 Roger C. Yoh*	12/04/2020	2 <sup>nd</sup> , 3 <sup>rd</sup> & 4 <sup>th</sup> Districts
TRABUCO CANYON WATER DISTRICT Stephen Dopudja* Don Chadd*	12/04/2020	3 <sup>rd</sup> & 5 <sup>th</sup> Districts
YORBA LINDA WATER DISTRICT John Wayne Miller* Trudi Kew Desroches	12/04/2020	3 <sup>rd</sup> & 4 <sup>th</sup> Districts
MUNICIPAL WATER DISTRICT, DIVISION 6 Jeffery M. Thomas*	12/04/2020	3 <sup>rd</sup> & 5 <sup>th</sup> Districts
PLACENTIA LIBRARY DISTRICT Gayle Carline* Hilaire Shioura Sharon "Sherri" Dahl	12/04/2020	3 <sup>rd</sup> & 4 <sup>th</sup> Districts
SANTIAGO GEO HAZARD ABATEMENT DISTRICT, SHORT TERM Hillard Seth Kaplan**	12/04/2020	3 <sup>rd</sup> District

\*Incumbent  
\*\*Appointed Incumbent

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December 14, 2020  
Prepared by: J. Davis / T. Fournier  
Submitted by: R. Jacobson / C. Clary  
Approved by: Paul A. Cook



## CONSENT CALENDAR

### NOVEMBER 2020 TREASURY REPORT

#### SUMMARY:

The following is submitted for the Board's information and approval:

- A. The November 2020 Investment Summary Report. This Investment Summary Report conforms with the 2020 Investment Policy and provides sufficient liquidity to meet estimated expenditures during the next six months, as outlined in Exhibit "A";
- B. The Summary of Fixed and Variable Rate Debt as of November 30, 2020, as outlined in Exhibit "B";
- C. The Monthly Interest Rate Swap Summary as of November 30, 2020, as outlined in Exhibit "C";
- D. The November 30, 2020 Disbursement Summary of warrants 413087 through 413650, wire transfers, Workers' Compensation distributions, payroll withholding distributions, and voided checks in the total amount of \$11,536,504, as outlined in Exhibit "D";
- E. The Summary of Payroll ACH payments in the total amount of \$2,404,543, as outlined in Exhibit "E"; and
- F. The Disclosure Report of Reimbursements to Board members and staff for November 2020, detailing payments or reimbursements for individual charges of \$100.00 or more per transaction, as outlined in Exhibit "F".

#### FISCAL IMPACTS:

As of November 30, 2020, the book value of the investment portfolio was \$414,223,998, with a 1.02% rate of return and a market value of \$416,475,020. Based on IRWD's September 30, 2020 quarterly real estate investment rate of return of 7.80%, the weighted average return for the fixed income and real estate investments was 3.14%.

As of November 30, 2020, the outstanding principal amount of fixed and variable rate debt was \$646,245,000. The monthly weighted average all-in variable rate was 0.38%. Including IRWD'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 2.92%.

Payroll ACH payments totaled \$2,404,543, and wire transfers, all other ACH payments, and checks issued for debt service, accounts payable, payroll, and water purchases for November totaled \$11,536,504.

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.

COMMITTEE STATUS:

This item was not submitted to a Committee; however, the investment and debt reports are submitted to the Finance and Personnel Committee on a monthly basis.

RECOMMENDATION:

THAT THE BOARD RECEIVE AND FILE THE TREASURER'S INVESTMENT SUMMARY REPORT, THE SUMMARY OF FIXED AND VARIABLE RATE DEBT, AND DISCLOSURE REPORT OF REIMBURSEMENTS TO BOARD MEMBERS AND STAFF, APPROVE THE NOVEMBER 2020 SUMMARY OF PAYROLL ACH PAYMENTS IN THE TOTAL AMOUNT OF \$2,404,543, AND APPROVE THE NOVEMBER 2020 ACCOUNTS PAYABLE DISBURSEMENT SUMMARY OF WARRANTS 413087 THROUGH 413650, WORKERS' COMPENSATION DISTRIBUTIONS, WIRE TRANSFERS, PAYROLL WITHHOLDING DISTRIBUTIONS AND VOIDED CHECKS IN THE TOTAL AMOUNT OF \$11,536,504.

LIST OF EXHIBITS:

Exhibit "A" – Investment Summary Report

Exhibit "B" – Summary of Fixed and Variable Debt

Exhibit "C" – Monthly Interest Rate Swap Summary

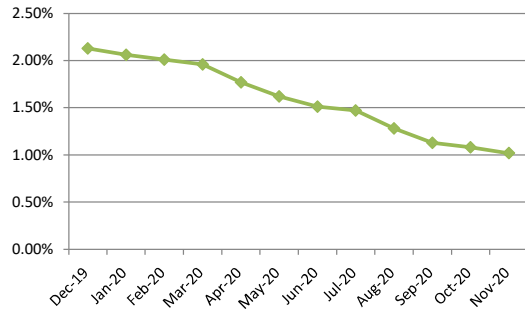
Exhibit "D" – Monthly Summary of District Disbursements

Exhibit "E" – Monthly Payroll ACH Summary

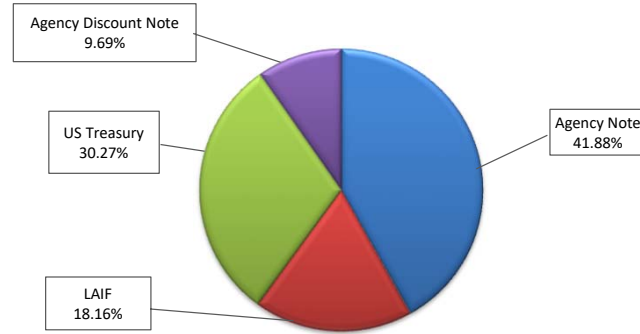
Exhibit "F" – Disclosure of Reimbursements to Board Members and Staff

Exhibit "A"  
**Irvine Ranch Water District  
Investment Portfolio Summary  
November 2020**

**Monthly Fixed Income Yield**



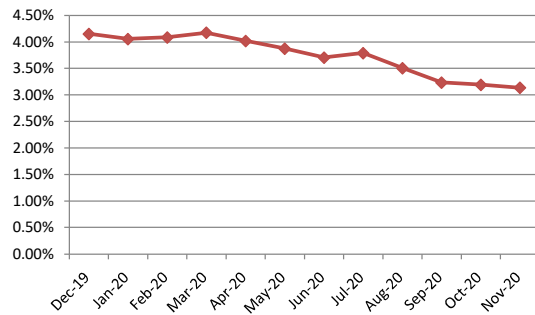
**Portfolio Distribution**



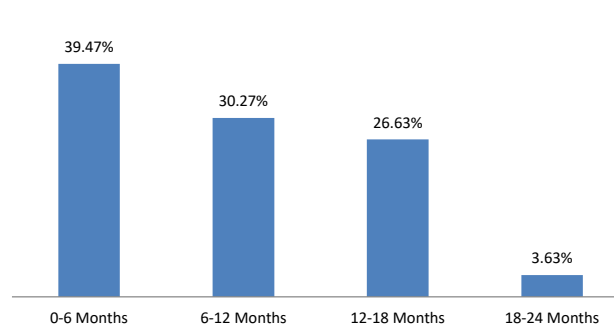
**Investment Summary**

Type	PAR	Book Value	Market Value
Agency Note	173,000,000	173,590,066	174,543,130
US Treasury	125,000,000	125,662,876	126,680,700
LAIF	75,000,000	75,000,000	75,308,590
Agency Discount Note	40,000,000	39,971,056	39,942,600
<b>Grand Total</b>	<b>413,000,000</b>	<b>414,223,998</b>	<b>416,475,020</b>

**Weighted Average Return Including Real Estate Portfolio**



**Maturity Distribution**



**Top Issuers**

Issuer	PAR	% Portfolio
US Treasury	125,000,000	30.27%
Fed Home Loan Bank	95,000,000	23.00%
State of California Tsy	75,000,000	18.16%
Fed Farm Credit Bank	70,000,000	16.95%
Fed Home Loan Mortgage Corp	25,000,000	6.05%
Fed Natl Mortgage Assoc	23,000,000	5.57%
<b>Grand Total</b>	<b>413,000,000</b>	<b>100.00%</b>

IRVINE RANCH WATER DISTRICT  
INVESTMENT SUMMARY REPORT

11/30/20

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE <sup>(1)</sup> 11/30/2020	UNREALIZED <sup>(2)</sup> GAIN/(LOSS)
07/24/20			12/01/20		LAIF	State of California Tsy.	\$75,000,000		0.580%	\$75,000,000.00	\$75,000,000.00	75,308,590.05	308,590.05
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	4,997,476.09	5,006,850.00	9,373.91
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	4,997,695.16	5,009,150.00	11,454.84
03/31/20	NA	NA	01/19/21	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	0.200%	0.204%	4,991,833.33	4,996,916.67	4,999,450.00	2,533.33
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	9,975,719.08	10,020,500.00	44,780.92
12/14/18	NA	NA	02/16/21	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Mortgage Corp	5,000,000	2.375%	2.806%	4,954,750.00	4,994,592.77	5,023,800.00	29,207.23
08/13/20	NA	NA	02/25/21	Aaa/NR/AAA	Treasury - Bill	US Treasury	10,000,000	0.110%	0.112%	9,994,011.11	9,997,372.22	9,997,900.00	527.78
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	4,989,328.63	5,022,750.00	33,421.37
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	9,999,534.26	10,067,000.00	67,465.74
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	4,997,657.77	5,032,000.00	34,342.23
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	5,000,174.18	5,027,100.00	26,925.82
02/28/20	NA	NA	04/13/21	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	3,000,000	2.500%	1.185%	3,043,950.00	3,024,333.29	3,026,280.00	1,946.71
11/24/20	NA	NA	04/27/21	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	0.075%	0.076%	4,998,395.83	4,998,468.75	4,998,150.00	(318.75)
11/25/20	NA	NA	04/27/21	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	0.075%	0.076%	4,998,406.25	4,998,468.75	4,998,150.00	(318.75)
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	4,996,720.12	5,034,150.00	37,429.88
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	5,012,130.74	5,044,900.00	32,769.26
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	5,019,230.28	5,058,200.00	38,969.72
11/18/20	NA	NA	05/27/21	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	0.080%	0.081%	4,997,888.89	4,998,033.33	4,997,800.00	(233.33)
03/02/20	NA	NA	05/31/21	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	2.125%	1.186%	10,115,711.10	10,069,172.35	10,101,600.00	32,427.65
06/11/20	NA	NA	06/09/21	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	0.190%	0.193%	4,990,420.85	4,994,986.12	4,997,650.00	2,663.88
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	5,011,939.24	5,055,550.00	43,610.76
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	4,986,651.07	5,030,100.00	43,448.93
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	4,998,411.60	5,056,600.00	58,188.40
08/13/20	NA	NA	08/12/21	NR	FFCB - Discount Note	Fed Farm Credit Bank	10,000,000	0.140%	0.142%	9,985,844.44	9,990,122.22	9,956,400.00	(33,722.22)
08/13/20	NA	NA	08/13/21	Aaa/NR/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	0.125%	0.133%	9,999,220.00	9,999,455.07	9,992,900.00	(6,555.07)
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	4,974,776.20	5,038,300.00	63,523.80
09/17/20	NA	NA	09/17/21	NA	FHLB - Note	Fed Home Loan Bank	5,000,000	0.125%	0.132%	4,999,660.00	4,999,729.86	4,998,700.00	(1,029.86)
08/13/20	NA	NA	09/30/21	Aaa/AA+/NR	Treasury - Note	US Treasury	10,000,000	1.125%	0.133%	10,112,109.38	10,082,249.74	10,085,200.00	2,950.26
09/30/20	NA	NA	09/30/21	NA	FHLB - Note	Fed Home Loan Bank	10,000,000	0.125%	0.122%	10,000,336.80	10,000,279.59	10,000,200.00	(79.59)
08/13/20	NA	NA	10/07/21	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	10,000,000	1.375%	0.143%	10,141,500.00	10,104,440.48	10,107,300.00	2,859.52
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	5,056,954.72	5,120,700.00	63,745.28
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	4,989,678.18	5,056,250.00	66,571.82
10/29/20	NA	NA	10/19/21	Aaa/NR/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	0.125%	0.127%	9,999,800.00	9,999,818.59	9,999,700.00	(118.59)
10/27/20	NA	NA	10/26/21	NR	FFCB - Discount Note	Fed Farm Credit Bank	5,000,000	0.130%	0.132%	4,993,427.78	4,994,059.72	4,995,000.00	940.28
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	5,059,149.11	5,131,650.00	72,500.89
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	5,003,398.90	5,082,050.00	78,651.10
09/28/20	NA	NA	12/03/21	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.150%	0.120%	5,001,765.00	5,001,502.91	4,999,700.00	(1,802.91)
10/30/20	NA	NA	12/15/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.625%	0.127%	5,140,429.69	5,129,495.99	5,129,500.00	4.01
04/23/20	NA	NA	12/20/21	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	1.625%	0.309%	10,217,480.00	10,151,805.35	10,156,700.00	4,894.65
11/25/19	NA	NA	12/31/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.000%	1.619%	5,039,062.50	5,020,116.93	5,101,750.00	81,633.07
11/25/19	NA	NA	01/13/22	Aaa/NA/NR	FHLB - Note	Fed Home Loan Mortgage Corp	5,000,000	2.375%	1.635%	5,077,250.00	5,040,407.69	5,125,900.00	85,492.31
08/14/20	NA	NA	01/13/22	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Mortgage Corp	5,000,000	2.375%	0.147%	5,157,297.23	5,124,133.98	5,125,900.00	1,766.02
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	5,002,147.69	5,133,200.00	131,052.31
10/21/20	Continuous after	04/21/21	01/21/22	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.150%	0.150%	5,000,000.00	5,000,000.00	4,998,750.00	(1,250.00)
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	5,013,329.70	5,102,350.00	89,020.30
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	4,981,348.71	5,109,250.00	127,901.29
11/13/20	Continuous after	05/04/21	02/04/22	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.140%	0.150%	4,999,390.00	4,999,414.51	5,000,100.00	685.49
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	5,049,998.52	5,144,150.00	94,151.48
11/13/20	NA	NA	02/28/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.875%	0.139%	5,112,304.69	5,108,021.88	5,108,800.00	778.12
11/19/20	NA	NA	02/28/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.750%	0.126%	5,103,710.94	5,101,040.27	5,101,950.00	909.73
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	5,001,163.56	5,149,800.00	148,636.44
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	5,014,896.98	5,116,000.00	101,103.02







Irvine Ranch Water District  
Summary of Real Estate - Income Producing Investments  
9/30/2020

	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	MARKET VALUE 6/30/2020	ANNUALIZED RATE OF RETURN QUARTER ENDED 9/30/2020
Sycamore Canyon	Dec-92	Apartments	Fee Simple	\$ 43,550,810	\$ 152,340,625	19.73%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	\$ 6,000,000	\$ 30,432,947	8.52%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	\$ 5,739,845	\$ 11,964,600	8.09%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	\$ 8,630,577	\$ 9,363,600	6.40%
Sand Canyon Professional Center - Medical Office	Jul-12	Medical Office	Fee Simple	\$ 8,648,594	\$ 11,444,400	9.36%
Sand Canyon Professional Center - General Office	Sep-20	Office Building	Fee Simple	\$ 25,985,968	\$ 28,770,000	0.00%
<b>Total - Income Properties</b>				<b>\$ 98,555,794</b>	<b>\$ 215,546,172</b>	<b>11.09%</b>
<b>OTHER REAL ESTATE</b>						
<b>DESCRIPTION</b>						
Serrano Summit - Promissory Note Payment received - 8/12/20	Sep-17	NA	NA	\$ 85,352,804	\$ 85,352,804	4.00%
<b>Total - Income Producing Real Estate Investments</b>				<b>\$ 183,908,598</b>	<b>\$ 300,898,976</b>	<b>7.80%</b>

**IRVINE RANCH WATER DISTRICT INVESTMENT SUMMARY REPORT**  
**INVESTMENT ACTIVITY**  
**Nov-20**

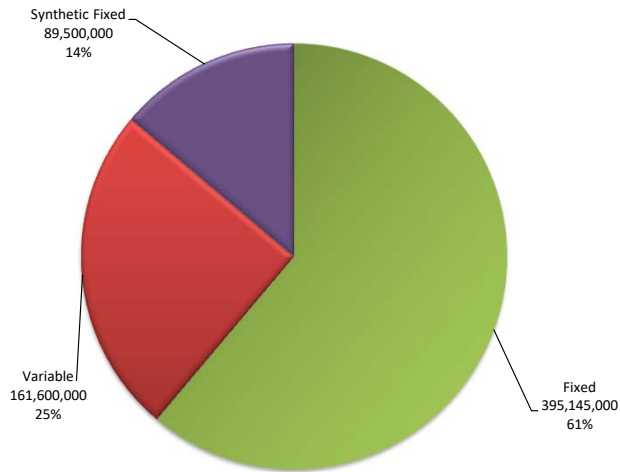
**MATURITIES/SALES/CALLS**

**PURCHASES**

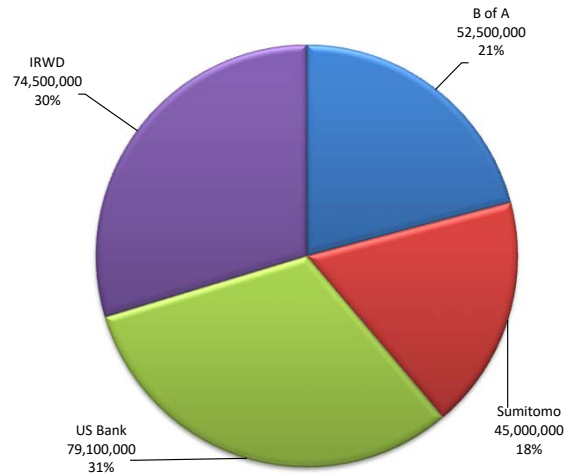
DATE	SECURITY TYPE	PAR	YIELD	Settlement Date	Maturity Date	SECURITY TYPE	PAR	YIELD TO MATURITY
11/2/2020	Treasury - Note	\$5,000,000	2.85%	11/13/2020	2/4/2022	FFCB - Note	\$5,000,000	0.15%
11/18/2020	FHLB - Discount Note	\$7,000,000	0.54%	11/13/2020	2/28/2022	Treasury - Note	\$5,000,000	0.14%
11/24/2020	FFCB - Note	\$5,000,000	1.85%	11/18/2020	5/27/2021	FHLB - Discount Note	\$5,000,000	0.08%
				11/19/2020	2/28/2022	Treasury - Note	\$5,000,000	0.13%
				11/24/2020	4/27/2021	FHLB - Discount Note	\$5,000,000	0.08%
				11/25/2020	4/27/2021	FHLB - Discount Note	\$5,000,000	0.08%

Exhibit "B"  
**Irvine Ranch Water District**  
**Summary of Fixed and Variable Rate Debt**  
**November 2020**

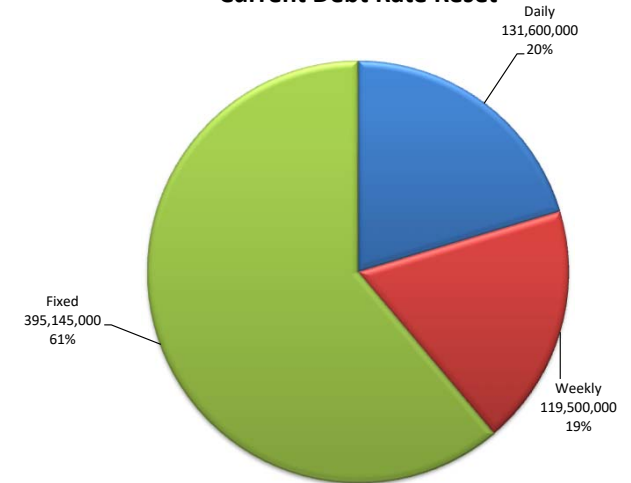
**Current Debt Mix By Type**



**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	\$26,600,000	4.12%	US Bank	BAML	Variable	Daily
Series 2008-A Refunding	04/24/08	07/01/35	\$45,000,000	6.96%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	\$44,700,000	6.92%	IRWD	Goldman	Variable	Weekly
Series 2011-A-2 Refunding	04/15/11	10/01/37	\$29,800,000	4.61%	IRWD	Goldman	Variable	Weekly
Series 2009 - A	06/04/09	10/01/41	\$52,500,000	8.12%	US Bank	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	\$52,500,000	8.12%	B of A	Goldman	Variable	Daily
2016 COPS	09/01/16	03/01/46	\$116,745,000	18.07%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	\$175,000,000	27.08%	N/A	N/A	Fixed	Fixed
Series 2016	10/12/16	02/01/46	\$103,400,000	16.00%	N/A	N/A	Fixed	Fixed
<b>Total</b>			<b>\$646,245,000</b>	<b>100.00%</b>				

**IRVINE RANCH WATER DISTRICT**  
**SUMMARY OF FIXED & VARIABLE RATE DEBT**

November-20

ITN
Daily
Weekly

GENERAL BOND INFORMATION							LETTER OF CREDIT INFORMATION										TRUSTEE INFORMATION									
VARIABLE RATE ISSUES	Issue Date	Maturity Date	Principal Payment Date	Payment Date	Original Par Amount	Remaining Principal	Letter of Credit	Reimbursement Agreement Date	L/C Exp. Date	MOODY'S	S&P	FITCH	LOC Stated Amount	LOC Fee	Annual LOC Cost	Rmkt Agent	Reset	Rmkt Fees	Annual Cost	Trustee						
SERIES 1993	05/19/93	04/01/33	Apr 1	5th Bus. Day	\$38,300,000	\$26,600,000	US BANK	05/07/15	12/15/21	Aa3/VMIG1	AA-/A-1+	N/R	\$26,958,553	0.3300%	\$88,963	BAML	DAILY	0.10%	\$26,600	BANK OF NY						
SERIES 2008-A Refunding	04/24/08	07/01/35	Jul 1	5th Bus. Day	\$60,215,000	\$45,000,000	SUMITOMO	04/01/11	07/21/21	A1/P-1	A/A-1	A/F1	\$45,665,753	0.3150%	\$143,847	BAML	WED	0.07%	\$31,500	BANK OF NY						
SERIES 2011-A-1 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	\$60,545,000	\$44,700,000	N/A	N/A	N/A	Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A	Goldman	WED	0.13%	\$55,875	BANK OF NY						
SERIES 2011-A-2 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	\$40,370,000	\$29,800,000	N/A	N/A	N/A	Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A	Goldman	WED	0.13%	\$37,250	BANK OF NY						
SERIES 2009 - A	06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$52,500,000	US BANK	04/01/11	12/15/21	Aa2/VMIG 1	AA-/A-1+	AA/F1+	\$53,086,849	0.3300%	\$175,187	US Bank	DAILY	0.07%	\$36,750	US BANK						
SERIES 2009 - B	06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$52,500,000	B of A	04/01/11	05/16/22	Aa2/VMIG 1	A/A-1	A1/F1+	\$53,086,849	0.3000%	\$159,261	Goldman	DAILY	0.10%	\$52,500	US BANK						
					<b>\$349,430,000</b>	<b>\$251,100,000</b>	<b>SUB-TOTAL VARIABLE RATE DEBT</b>										<b>\$178,798,005</b>		<b>0.3173%</b>		<b>\$567,258</b>		<b>0.10%</b>		<b>\$240,475</b>	
																	(Wt. Avg)				(Wt. Avg)					
FIXED RATE ISSUES																										
2010 GO Build America Taxable Bonds	12/16/10	05/01/40	May (2025)	May/Nov	\$175,000,000	\$175,000,000	N/A	N/A	N/A	Aa1	AAA	NR	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK						
2016 COPS	09/01/16	03/01/46	Mar (2021)	Mar/Sept	\$116,745,000	\$116,745,000	N/A	N/A	N/A	NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK						
SERIES 2016	10/12/16	02/01/46	Feb (2022)	Feb/Aug	\$103,400,000	\$103,400,000	N/A	N/A	N/A	NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	BANK OF NY						
					<b>\$395,145,000</b>	<b>\$395,145,000</b>	<b>SUB-TOTAL FIXED RATE DEBT</b>																			
					<b>\$744,575,000</b>	<b>\$646,245,000</b>	<b>TOTAL- FIXED &amp; VARIABLE RATE DEBT</b>																			

Remarketing Agents			GO VS COP's		
Goldman	127,000,000	51%	GO:	529,500,000	82%
BAML	71,600,000	29%	COPS:	116,745,000	18%
US Bank	52,500,000	21%	Total	<u>646,245,000</u>	
	<u>251,100,000</u>				

LOC Banks		Breakdown Between Variable & Fixed Rate Mode	
SUMITOMO	45,000,000	Daily Issues	131,600,000 20%
BANK OF AMERICA	52,500,000	Weekly Issues	45,000,000 7%
US BANK	79,100,000	ITN Issues	74,500,000 12%
	<u>176,600,000</u>	Sub-Total	<u>251,100,000</u>
		Fixed Rate Issues	\$395,145,000 61%
		Sub-Total - Fixed	<u>395,145,000</u>
		TOTAL DEBT	
		FIXED & VAR.	<u>646,245,000</u> 100%

IRVINE RANCH WATER DISTRICT  
SUMMARY OF DEBT RATES  
Nov-20

Rmkt Agent Mode	GOLDMAN DAILY	GOLDMAN WEEKLY	GOLDMAN WEEKLY	MERRILL LYNCH DAILY	MERRILL LYNCH WEEKLY	US BANK DAILY
Bond Issue	2009 - B	2011 A-1	2011 A-2	1993	2008-A	2009-A
Par Amount	52,500,000	44,700,000	29,800,000	26,600,000	45,000,000	52,500,000
Bank	BOFA	(SIFMA -6)	(SIFMA -6)	US BANK	Sumitomo	US BANK
Reset		Wednesday	Wednesday	Wednesday	Wednesday	
11/1/2020	0.08%	0.06%	0.06%	0.12%	0.14%	0.07%
11/2/2020	0.04%	0.06%	0.06%	0.08%	0.14%	0.05%
11/3/2020	0.04%	0.06%	0.06%	0.07%	0.14%	0.04%
11/4/2020	0.03%	0.06%	0.06%	0.07%	0.14%	0.04%
11/5/2020	0.03%	0.05%	0.05%	0.05%	0.12%	0.04%
11/6/2020	0.04%	0.05%	0.05%	0.04%	0.12%	0.04%
11/7/2020	0.04%	0.05%	0.05%	0.04%	0.12%	0.04%
11/8/2020	0.04%	0.05%	0.05%	0.04%	0.12%	0.04%
11/9/2020	0.03%	0.05%	0.05%	0.04%	0.12%	0.04%
11/10/2020	0.02%	0.05%	0.05%	0.04%	0.12%	0.04%
11/11/2020	0.02%	0.05%	0.05%	0.04%	0.12%	0.04%
11/12/2020	0.03%	0.05%	0.05%	0.04%	0.12%	0.03%
11/13/2020	0.06%	0.05%	0.05%	0.09%	0.12%	0.06%
11/14/2020	0.06%	0.05%	0.05%	0.09%	0.12%	0.06%
11/15/2020	0.06%	0.05%	0.05%	0.09%	0.12%	0.06%
11/16/2020	0.06%	0.05%	0.05%	0.07%	0.12%	0.06%
11/17/2020	0.03%	0.05%	0.05%	0.07%	0.12%	0.05%
11/18/2020	0.03%	0.05%	0.05%	0.06%	0.12%	0.04%
11/19/2020	0.03%	0.05%	0.05%	0.04%	0.12%	0.04%
11/20/2020	0.06%	0.05%	0.05%	0.07%	0.12%	0.04%
11/21/2020	0.06%	0.05%	0.05%	0.07%	0.12%	0.04%
11/22/2020	0.06%	0.05%	0.05%	0.07%	0.12%	0.04%
11/23/2020	0.06%	0.05%	0.05%	0.06%	0.12%	0.06%
11/24/2020	0.06%	0.05%	0.05%	0.09%	0.12%	0.07%
11/25/2020	0.08%	0.05%	0.05%	0.07%	0.12%	0.07%
11/26/2020	0.08%	0.05%	0.05%	0.07%	0.12%	0.07%
11/27/2020	0.08%	0.05%	0.05%	0.07%	0.12%	0.07%
11/28/2020	0.08%	0.05%	0.05%	0.07%	0.12%	0.07%
11/29/2020	0.08%	0.05%	0.05%	0.07%	0.12%	0.07%
11/30/2020	0.07%	0.05%	0.05%	0.07%	0.12%	0.07%
Avg Interest Rates	0.05%	0.05%	0.05%	0.07%	0.12%	0.05%
Rmkt Fee	0.10%	0.13%	0.13%	0.10%	0.07%	0.07%
LOC Fee	0.30%			0.33%	0.32%	0.33%
<b>All-In Rate</b>	<b>0.45%</b>	<b>0.18%</b>	<b>0.18%</b>	<b>0.50%</b>	<b>0.51%</b>	<b>0.45%</b>
Par Amount	97,200,000		29,800,000	71,600,000		52,500,000

Interest Rate Mode	Percent of Total Variable Rate Debt	Par Outstanding	Weighted All-In Average Rate	Base Rate Average
Daily	52.41%	131,600,000	0.46%	0.05%
Weekly	47.59%	119,500,000	0.30%	0.08%
	100.00%	<b>\$ 251,100,000</b>	0.38%	0.07%
<b>Fixed</b>				
COPS 2016	29.54%	116,745,000	2.90%	
BABS 2010	44.29%	175,000,000	4.44%	(1)
SERIES 2016	26.17%	103,400,000	3.32%	
	100.00%	<b>\$ 395,145,000</b>	3.69%	
All-In Debt Rate Including \$60 Million Notional Amount of Swaps				<b>2.92%</b>

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

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Exhibit "C"  
**Irvine Ranch Water District**  
**Interest Rate Swap Summary**  
**November 2020**

	Prior Mo.	Current Mo.	12-Mo Avg
LIBOR Avg %	0.15%	0.14%	0.66%

Current Fiscal Year Active Swaps								Cash Flow				Mark to Market	
Effective Date	Maturity Date	Years to Maturity	Counter Party	Notional Amt	Type	Base Index	Fixed Rate	Prior Month	Current Month	Fiscal YTD	(Since 3/07) Cumulative Net Accrual	Current Mark to Market	Notional Difference

**Fixed Payer Swaps - By Effective Date**

3/10/2007	3/10/2029	8.3	ML	30,000,000	FXP	LIBOR	5.687%	(138,231)	(138,699)	(690,515)	(18,715,657)	17,590,139	(12,409,861)
3/10/2007	3/10/2029	8.3	CG	30,000,000	FXP	LIBOR	5.687%	(138,231)	(138,699)	(690,515)	(18,715,657)	17,572,835	(12,427,165)
Totals/Weighted Avgs		8.3		\$ 60,000,000			5.687%	\$ (276,462)	\$ (277,399)	\$ (1,381,029)	\$ (37,431,314)	\$ 35,162,974	\$ (24,837,026)

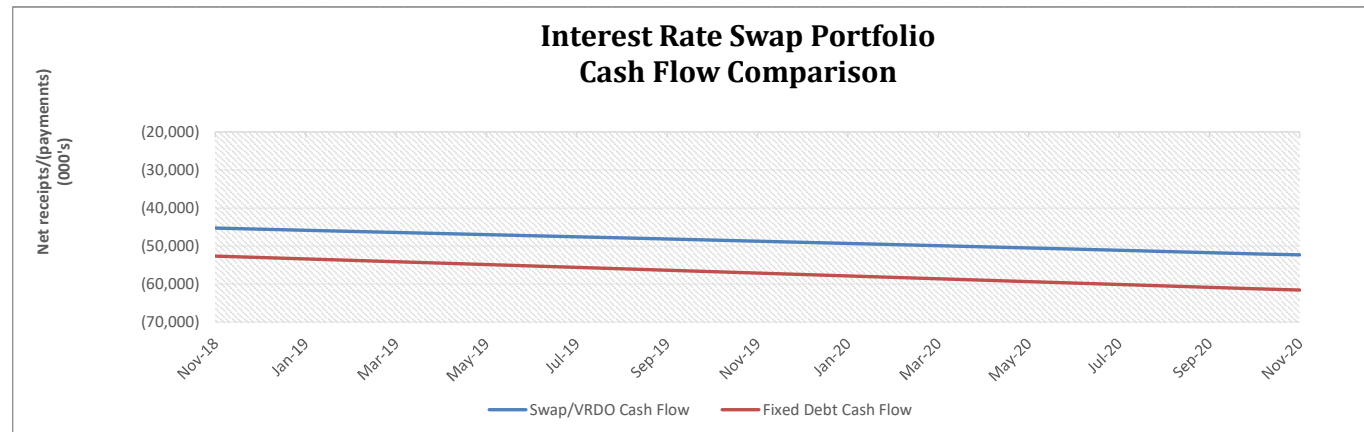
<b>Total Current Year Active Swaps</b>				\$ 60,000,000				\$ (276,462)	\$ (277,399)	\$ (1,381,029)	\$ (37,431,314)	\$ 35,162,974	\$ (24,837,026)
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Current Fiscal Year Terminated Swaps								Cash Flow				Mark to Market	
Effective Date	Maturity Date		Counter Party	Notional Amt	Type	Base Index	Fixed Rate	Prior Month	Current Month	Fiscal YTD	Cumulative Net Accrual	Current Mark to Market	Notional Difference

<b>Total Current Year Terminated Swaps</b>				\$ -				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Current Fiscal Year - Total Swaps								Cash Flow				Mark to Market	
Effective Date	Maturity Date		Counter Party	Notional Amt	Type	Base Index	Fixed Rate	Prior Month	Current Month	Fiscal YTD	Cumulative Net Accrual	Current Mark to Market	Notional Difference

<b>Total Current Year Active &amp; Terminated Swaps</b>				\$ 60,000,000				\$ (276,462)	\$ (277,399)	\$ (1,381,029)	\$ (37,431,314)	\$ 35,162,974	\$ (24,837,026)
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Cash Flow Comparison Synthetic Fixed vs. Fixed Rate Debt	
Cash Flow to Date	
Synthetic Fixed =	\$52,343,505
Fixed Rate =	\$61,600,473
<b>Assumptions:</b>	
- Fixed rate debt issued at 4.93% in Mar-07 (estimated TE rate - Bloomberg)	
- 'Synthetic' includes swap cash flow + interest + fees to date	

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Exhibit "D"

IRVINE RANCH WATER DISTRICT  
 AP DISBURSEMENTS AND VOIDS FOR NOVEMBER 2020

CHECK OR ELECTRONIC #	SUPPLIERS	PAYMENT DATE	PAYMENT AMOUNT	PAYMENT METHOD	STATUS
413087	Bergen, Melinda J (Mindy)	5-Nov-20	567.00	IRWD Check	Reconciled
413088	Borowski, Michael (Mike)	5-Nov-20	192.00	IRWD Check	Reconciled
413089	Chaney, David (Dave)	5-Nov-20	288.00	IRWD Check	Reconciled
413090	Cortez, Malcolm A (Malcolm)	5-Nov-20	67.28	IRWD Check	Reconciled
413091	Hoffman, Michael S (Mike)	5-Nov-20	200.00	IRWD Check	Reconciled
413092	Lassalette, James P (Jim)	5-Nov-20	92.80	IRWD Check	Reconciled
413093	Oldewage, Lars D (Lars)	5-Nov-20	375.00	IRWD Check	Reconciled
413094	Ryan, Sabrina N	5-Nov-20	17.25	IRWD Check	Reconciled
413096	A&Y ASPHALT CONTRACTORS, INC.	5-Nov-20	1,200.00	IRWD Check	Reconciled
413097	AECOM TECHNICAL SERVICES, INC.	5-Nov-20	33,931.25	IRWD Check	Reconciled
413098	AGILENT TECHNOLOGIES, INC.	5-Nov-20	191.58	IRWD Check	Reconciled
413099	AIRKINETICS, INC	5-Nov-20	3,748.00	IRWD Check	Reconciled
413100	ALSTON & BIRD LLP	5-Nov-20	42,315.49	IRWD Check	Reconciled
413101	AMAZON CAPITAL SERVICES, INC.	5-Nov-20	1,646.72	IRWD Check	Reconciled
413102	APEX SYSTEMS, LLC	5-Nov-20	2,444.00	IRWD Check	Reconciled
413103	AQUA BEN CORPORATION	5-Nov-20	18,975.00	IRWD Check	Reconciled
413104	ASHFORD, WALT	5-Nov-20	641.22	IRWD Check	Reconciled
413105	ASSURED FLOW SALES INC	5-Nov-20	161.98	IRWD Check	Reconciled
413106	AT&T	5-Nov-20	4,610.59	IRWD Check	Reconciled
413107	AT&T	5-Nov-20	60.70	IRWD Check	Reconciled
413108	AUTOZONE PARTS, INC.	5-Nov-20	810.19	IRWD Check	Reconciled
413109	AYER, JAY	5-Nov-20	96.37	IRWD Check	Negotiable
413110	B & K ELECTRIC WHOLESALE	5-Nov-20	938.50	IRWD Check	Reconciled
413111	BASS, DAVID	5-Nov-20	141.74	IRWD Check	Reconciled
413113	BILL'S SWEEPING SERVICE INC	5-Nov-20	1,393.00	IRWD Check	Reconciled
413114	BRIAN HOMSY	5-Nov-20	12,480.04	IRWD Check	Reconciled
413115	C WELLS PIPELINE MATERIALS INC	5-Nov-20	15,178.10	IRWD Check	Reconciled
413116	CAI, LI	5-Nov-20	67.35	IRWD Check	Negotiable
413117	CALIFORNIA BARRICADE RENTAL, INC.	5-Nov-20	31,342.50	IRWD Check	Reconciled
413118	CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION	5-Nov-20	925.17	IRWD Check	Reconciled
413119	CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION	5-Nov-20	1,229.51	IRWD Check	Reconciled
413120	CALIFORNIA STATE UNIVERSITY, FULLERTON	5-Nov-20	4,704.00	IRWD Check	Reconciled
413121	CAMPBELL, JOSLYN	5-Nov-20	26.25	IRWD Check	Reconciled
413122	CANON SOLUTIONS AMERICA, INC.	5-Nov-20	383.60	IRWD Check	Reconciled
413123	CDW GOVERNMENT LLC	5-Nov-20	377.12	IRWD Check	Reconciled
413124	CHARLES P CROWLEY COMPANY INC	5-Nov-20	16,517.35	IRWD Check	Reconciled
413125	CHEM TECH INTERNATIONAL INC	5-Nov-20	2,760.00	IRWD Check	Reconciled
413126	CHEN, JANJAN	5-Nov-20	37.65	IRWD Check	Reconciled
413127	CHEN, JIE	5-Nov-20	24.00	IRWD Check	Negotiable
413128	CHO DESIGN ASSOCIATES, INC	5-Nov-20	800.00	IRWD Check	Reconciled
413129	CHUNG, TERRY	5-Nov-20	553.29	IRWD Check	Reconciled
413130	CITY CIRCUIT BREAKERS	5-Nov-20	687.46	IRWD Check	Reconciled
413131	CITY OF LAKE FOREST	5-Nov-20	15,000.00	IRWD Check	Reconciled
413132	CLA-VAL COMPANY	5-Nov-20	14,752.30	IRWD Check	Reconciled
413133	CONSTELLATION NEWENERGY, INC.	5-Nov-20	106,247.34	IRWD Check	Reconciled
413134	COUNTY OF ORANGE	5-Nov-20	2,724.00	IRWD Check	Reconciled
413135	DAN'S MACHINE TOOL, INC.	5-Nov-20	406.71	IRWD Check	Reconciled
413136	DARYABEYGI, KOROSH	5-Nov-20	47.57	IRWD Check	Reconciled
413137	DAVIS, TODD	5-Nov-20	65.08	IRWD Check	Negotiable
413138	DEALERS SERVICE COMPANY, INC	5-Nov-20	2,198.05	IRWD Check	Reconciled
413139	DELASHAW, JOHNNY	5-Nov-20	28.94	IRWD Check	Reconciled

**IRVINE RANCH WATER DISTRICT  
AP DISBURSEMENTS AND VOIDS FOR NOVEMBER 2020**

<b>CHECK OR ELECTRONIC #</b>	<b>SUPPLIERS</b>	<b>PAYMENT DATE</b>	<b>PAYMENT AMOUNT</b>	<b>PAYMENT METHOD</b>	<b>STATUS</b>
413140	DEPOMO, PAUL	5-Nov-20	294.24	IRWD Check	Negotiable
413141	DOM, MIROU	5-Nov-20	111.62	IRWD Check	Reconciled
413142	DRAEGER, INC.	5-Nov-20	3,711.29	IRWD Check	Reconciled
413143	DRIVELINES INC	5-Nov-20	275.00	IRWD Check	Reconciled
413144	DUNN, MIKE	5-Nov-20	36.89	IRWD Check	Reconciled
413145	EAGLE PRINT DYNAMICS	5-Nov-20	10,072.63	IRWD Check	Reconciled
413146	EAST ORANGE COUNTY WATER DISTRICT	5-Nov-20	2,031.67	IRWD Check	Reconciled
413147	EDGERTON, SUSAN	5-Nov-20	37.59	IRWD Check	Reconciled
413148	ENVIRONMENTAL SCIENCE ASSOCIATES	5-Nov-20	63,337.69	IRWD Check	Reconciled
413149	EXECUTIVE LIGHTING & ELECTRIC	5-Nov-20	5,931.91	IRWD Check	Reconciled
413150	FAITHCO INC.	5-Nov-20	2,970.00	IRWD Check	Reconciled
413151	FARRELL & ASSOCIATES	5-Nov-20	2,706.44	IRWD Check	Reconciled
413152	FASTBLUE COMMUNICATIONS INC.	5-Nov-20	1,917.00	IRWD Check	Reconciled
413153	FEDEX	5-Nov-20	143.90	IRWD Check	Reconciled
413154	FERGUSON ENTERPRISES, LLC	5-Nov-20	682.06	IRWD Check	Reconciled
413155	FIRST CHOICE SERVICES	5-Nov-20	529.83	IRWD Check	Reconciled
413156	FISERV SOLUTIONS, LLC	5-Nov-20	23,378.12	IRWD Check	Reconciled
413157	FISHER SCIENTIFIC COMPANY LLC	5-Nov-20	33,644.91	IRWD Check	Reconciled
413158	FLEET SOLUTIONS LLC	5-Nov-20	5,772.56	IRWD Check	Reconciled
413159	FLUID CONSERVATION SYSTEMS INC	5-Nov-20	174.00	IRWD Check	Reconciled
413160	FLW, INC.	5-Nov-20	2,154.14	IRWD Check	Reconciled
413161	FORESTRY SUPPLIERS INC	5-Nov-20	3,213.00	IRWD Check	Reconciled
413162	FRANCHISE TAX BOARD	5-Nov-20	1,067.15	IRWD Check	Reconciled
413163	FRONTIER CALIFORNIA INC.	5-Nov-20	289.53	IRWD Check	Reconciled
413164	FUSCOE ENGINEERING, INC.	5-Nov-20	1,000.00	IRWD Check	Reconciled
413165	GALLADE CHEMICAL INC	5-Nov-20	2,749.78	IRWD Check	Reconciled
413166	GANAHL LUMBER CO.	5-Nov-20	2,682.98	IRWD Check	Reconciled
413167	GARIBAY, JOSE	5-Nov-20	108.63	IRWD Check	Reconciled
413168	GOLDING, JENNY	5-Nov-20	69.09	IRWD Check	Reconciled
413169	GRAINGER	5-Nov-20	5,415.31	IRWD Check	Reconciled
413170	GRAYBAR ELECTRIC COMPANY	5-Nov-20	1,699.08	IRWD Check	Reconciled
413171	GSRP ST SOLAR I LLC	5-Nov-20	12,084.15	IRWD Check	Reconciled
413172	HAAKER EQUIPMENT COMPANY	5-Nov-20	182.40	IRWD Check	Reconciled
413173	HABITAT RESTORATION SCIENCES, INC.	5-Nov-20	900.00	IRWD Check	Reconciled
413174	HACH COMPANY	5-Nov-20	3,627.55	IRWD Check	Reconciled
413175	HARRINGTON INDUSTRIAL PLASTICS LLC	5-Nov-20	1,326.03	IRWD Check	Reconciled
413176	HDR ENGINEERING INC	5-Nov-20	30,388.75	IRWD Check	Reconciled
413177	HELPMATES STAFFING SERVICES	5-Nov-20	7,211.93	IRWD Check	Reconciled
413178	HERC RENTALS INC.	5-Nov-20	681.90	IRWD Check	Reconciled
413179	HERITAGE FIELDS EL TORO, LLC	5-Nov-20	163.65	IRWD Check	Negotiable
413180	HI-LINE INC	5-Nov-20	251.22	IRWD Check	Reconciled
413181	HILL BROTHERS CHEMICAL COMPANY	5-Nov-20	10,664.99	IRWD Check	Reconciled
413182	HOME DEPOT USA INC	5-Nov-20	740.60	IRWD Check	Reconciled
413183	HORIZON ENGINEERING SYSTEMS LLC	5-Nov-20	6,360.00	IRWD Check	Reconciled
413184	HOWDEN USA COMPANY	5-Nov-20	1,077.50	IRWD Check	Reconciled
413185	HSUAN, JAMES	5-Nov-20	301.50	IRWD Check	Reconciled
413186	HUGHES, ALEXANDRIA	5-Nov-20	46.34	IRWD Check	Reconciled
413187	ICE QUBE, INC.	5-Nov-20	194.08	IRWD Check	Reconciled
413188	IDEXX DISTRIBUTION, INC	5-Nov-20	3,198.46	IRWD Check	Reconciled
413189	IMPERIAL SPRINKLER SUPPLY, INC.	5-Nov-20	263.82	IRWD Check	Reconciled
413190	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 47	5-Nov-20	2,815.99	IRWD Check	Reconciled
413191	INTERPRO SOLUTIONS, LLC.	5-Nov-20	130,068.75	IRWD Check	Reconciled
413192	IRVINE PIPE & SUPPLY INC	5-Nov-20	1,352.75	IRWD Check	Reconciled
413193	IRWD-PETTY CASH CUSTODIAN	5-Nov-20	524.80	IRWD Check	Reconciled
413194	J.L. WINGERT CO.	5-Nov-20	95.97	IRWD Check	Reconciled

**IRVINE RANCH WATER DISTRICT  
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413195	JAMBOREE PLAZA AUTO CENTER LLC	5-Nov-20	1,108.56	IRWD Check	Reconciled
413196	JAMES BRADFORD HALDEMAN	5-Nov-20	3,800.00	IRWD Check	Reconciled
413197	JCI JONES CHEMICALS INC	5-Nov-20	7,519.05	IRWD Check	Reconciled
413198	KAESER COMPRESSORS, INC.	5-Nov-20	1,955.91	IRWD Check	Reconciled
413199	KAN VENTURES, INC	5-Nov-20	6,500.00	IRWD Check	Reconciled
413200	KAPUSTA, TOMAS	5-Nov-20	431.23	IRWD Check	Reconciled
413201	KENT DAHLBERG	5-Nov-20	59,545.13	IRWD Check	Reconciled
413202	KHORASHADI, ARASH	5-Nov-20	360.99	IRWD Check	Negotiable
413203	KIM, JULIAN	5-Nov-20	192.11	IRWD Check	Reconciled
413204	KONECRANES INC	5-Nov-20	560.00	IRWD Check	Reconciled
413205	KRAMER, KYLEE	5-Nov-20	38.11	IRWD Check	Reconciled
413206	L & S CONSTRUCTION INC	5-Nov-20	236,982.45	IRWD Check	Reconciled
413207	LANDCARE HOLDINGS, INC.	5-Nov-20	79,804.43	IRWD Check	Reconciled
413208	LANDSEA HOLDINGS CORPORATION	5-Nov-20	5,807.88	IRWD Check	Negotiable
413209	LAYTON CONSTRUCTION COMPANY, LLC	5-Nov-20	495,631.58	IRWD Check	Reconciled
413210	LILLESTRAND LEADERSHIP CONSULTING, INC.	5-Nov-20	3,445.00	IRWD Check	Reconciled
413211	LIN, SANGJU ANNE	5-Nov-20	48.92	IRWD Check	Negotiable
413212	MARK ENTERPRISES TECHNOLOGIES LLC	5-Nov-20	197.55	IRWD Check	Reconciled
413213	MARK THOMAS & COMPANY, INC.	5-Nov-20	4,221.50	IRWD Check	Reconciled
413214	MC FADDEN-DALE INDUSTRIAL	5-Nov-20	217.88	IRWD Check	Reconciled
413215	MC MASTER CARR SUPPLY CO	5-Nov-20	692.12	IRWD Check	Reconciled
413216	MERRIMAC PETROLEUM, INC.	5-Nov-20	17,534.75	IRWD Check	Reconciled
413217	MSC INDUSTRIAL SUPPLY CO	5-Nov-20	2,050.42	IRWD Check	Reconciled
413218	NURLINK LLC	5-Nov-20	62.14	IRWD Check	Reconciled
413219	OLIN CORPORATION	5-Nov-20	26,723.77	IRWD Check	Reconciled
413220	ONESOURCE DISTRIBUTORS LLC	5-Nov-20	1,268.67	IRWD Check	Reconciled
413221	ORACLE AMERICA, INC.	5-Nov-20	28,243.96	IRWD Check	Reconciled
413222	ORANGE COUNTY AUTO PARTS CO	5-Nov-20	306.58	IRWD Check	Reconciled
413223	ORANGE COUNTY SHERIFF'S OFFICE	5-Nov-20	530.36	IRWD Check	Reconciled
413224	PACIFIC STAR CHEMICAL, LLC	5-Nov-20	1,318.86	IRWD Check	Reconciled
413225	PARKHOUSE TIRE INC	5-Nov-20	5,782.58	IRWD Check	Reconciled
413226	PATEL, RAJESH	5-Nov-20	61.40	IRWD Check	Negotiable
413227	PERKINELMER HEALTH SCIENCES INC	5-Nov-20	277.64	IRWD Check	Reconciled
413228	PERS LONG TERM CARE	5-Nov-20	538.89	IRWD Check	Reconciled
413229	PILAR ONATE	5-Nov-20	10,000.00	IRWD Check	Negotiable
413230	PIVOT INTERIORS INC	5-Nov-20	267,311.08	IRWD Check	Reconciled
413231	PLUMBERS DEPOT INC.	5-Nov-20	1,317.07	IRWD Check	Reconciled
413232	POWER CONNECTIONS CAREER SERVICES, INC.	5-Nov-20	1,500.00	IRWD Check	Reconciled
413233	PRAXAIR DISTRIBUTION INC	5-Nov-20	1,203.61	IRWD Check	Reconciled
413234	PSOMAS	5-Nov-20	8,962.50	IRWD Check	Reconciled
413235	PTI SAND & GRAVEL INC	5-Nov-20	1,275.33	IRWD Check	Reconciled
413236	PYRO-COMM SYSTEMS INC	5-Nov-20	535.00	IRWD Check	Reconciled
413237	QUADIENT LEASING USA, INC.	5-Nov-20	308.73	IRWD Check	Reconciled
413238	R&B AUTOMATION, INC.	5-Nov-20	660.00	IRWD Check	Reconciled
413239	RAM AIR ENGINEERING INC	5-Nov-20	645.00	IRWD Check	Reconciled
413240	RENTOKIL NORTH AMERICA, INC	5-Nov-20	3,588.00	IRWD Check	Reconciled
413241	RINCON TRUCK CENTER INC.	5-Nov-20	1,740.44	IRWD Check	Reconciled
413242	ROBERTS ROOFING INC	5-Nov-20	34,693.00	IRWD Check	Reconciled
413243	ROMERO, JOHN	5-Nov-20	39.86	IRWD Check	Reconciled
413244	ROSEDALE - RIO BRAVO WATER STORAGE DISTRICT	5-Nov-20	13,675.00	IRWD Check	Reconciled
413245	S&S SEEDS INC	5-Nov-20	3,296.84	IRWD Check	Reconciled
413246	SAFETY-KLEEN SYSTEMS, INC	5-Nov-20	475.00	IRWD Check	Reconciled
413247	SANTA ANA BLUE PRINT	5-Nov-20	37.80	IRWD Check	Reconciled
413248	SANTA MARGARITA FORD	5-Nov-20	38.47	IRWD Check	Reconciled
413249	SCHWAN, CAMILLE	5-Nov-20	30.30	IRWD Check	Negotiable

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413250	SCOTT FOSTER ENGINEERING, INC.	5-Nov-20	6,105.00	IRWD Check	Reconciled
413251	SERGIO JUAREZ AND MELISSA ALTAMIRANO	5-Nov-20	44.76	IRWD Check	Reconciled
413252	SHAMROCK SUPPLY CO INC	5-Nov-20	1,533.35	IRWD Check	Reconciled
413253	SHAREH, QASIM	5-Nov-20	44.51	IRWD Check	Negotiable
413254	SI TESTING	5-Nov-20	650.00	IRWD Check	Reconciled
413255	SIEMENS INDUSTRY INC	5-Nov-20	1,865.15	IRWD Check	Reconciled
413256	SOTO, ROBERTO	5-Nov-20	65.40	IRWD Check	Reconciled
413257	SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT	5-Nov-20	1,114.84	IRWD Check	Reconciled
413258	SOUTHERN CALIFORNIA EDISON COMPANY	5-Nov-20	140.94	IRWD Check	Reconciled
413259	SOUTHERN CALIFORNIA EDISON COMPANY	5-Nov-20	867,667.67	IRWD Check	Reconciled
413260	SOUTHERN CALIFORNIA SECURITY CENTERS, INC.	5-Nov-20	540.78	IRWD Check	Reconciled
413261	SOUTHERN CONTRACTING COMPANY	5-Nov-20	608,091.77	IRWD Check	Reconciled
413262	SREH PROPERTIES LLC	5-Nov-20	220.92	IRWD Check	Reconciled
413263	SS MECHANICAL CONSTRUCTION CORP	5-Nov-20	3,458.00	IRWD Check	Reconciled
413264	SUEZ TREATMENT SOLUTIONS INC.	5-Nov-20	352.83	IRWD Check	Reconciled
413265	SULZER ELECTRO-MECHANICAL SERVICES (US) INC.	5-Nov-20	19,999.83	IRWD Check	Reconciled
413266	SUN, DAVID	5-Nov-20	1,580.77	IRWD Check	Reconciled
413267	TANKVISIONS, INC	5-Nov-20	30.00	IRWD Check	Reconciled
413268	TEKDRAULICS	5-Nov-20	3,363.70	IRWD Check	Negotiable
413269	TEVORA BUSINESS SOLUTIONS, INC.	5-Nov-20	3,006.25	IRWD Check	Reconciled
413270	THOMAS, TRACI	5-Nov-20	32.10	IRWD Check	Reconciled
413271	THOMPSON INDUSTRIAL SUPPLY	5-Nov-20	923.28	IRWD Check	Reconciled
413272	THYSSENKRUPP ELEVATOR CORPORATION	5-Nov-20	204.73	IRWD Check	Reconciled
413273	TIC-RESORT PROPERTIES	5-Nov-20	35,100.98	IRWD Check	Reconciled
413274	TONY VALENTINE CONSTRUCTION	5-Nov-20	2,026.13	IRWD Check	Negotiable
413275	TOTAL RESOURCE MANAGEMENT, INC	5-Nov-20	2,497.50	IRWD Check	Reconciled
413276	TRI COUNTY PUMP COMPANY	5-Nov-20	8,040.00	IRWD Check	Reconciled
413277	TROPICAL PLAZA NURSERY INC	5-Nov-20	61,942.00	IRWD Check	Reconciled
413278	ULINE INC	5-Nov-20	305.49	IRWD Check	Reconciled
413279	UNITED PARCEL SERVICE INC	5-Nov-20	68.51	IRWD Check	Reconciled
413280	UNITED SITE SERVICES OF CALIFORNIA INC	5-Nov-20	835.67	IRWD Check	Reconciled
413281	VERIZON WIRELESS SERVICES LLC	5-Nov-20	7,058.07	IRWD Check	Reconciled
413282	VULCAN MATERIALS COMPANY	5-Nov-20	3,011.03	IRWD Check	Reconciled
413283	VWR INTERNATIONAL, LLC	5-Nov-20	113.76	IRWD Check	Reconciled
413284	WALTERS WHOLESALE ELECTRIC	5-Nov-20	467.07	IRWD Check	Reconciled
413285	WARD, WILLIAM P JR.	5-Nov-20	2,027.70	IRWD Check	Reconciled
413286	WASTE MANAGEMENT COLLECTIONS AND RECYCLING, INC.	5-Nov-20	2,829.28	IRWD Check	Reconciled
413287	WATERLINE TECHNOLOGIES INC	5-Nov-20	3,400.00	IRWD Check	Reconciled
413288	WAXIE'S ENTERPRISES, INC	5-Nov-20	386.37	IRWD Check	Reconciled
413289	WEST COAST SAFETY SUPPLY INC	5-Nov-20	1,295.63	IRWD Check	Reconciled
413290	WESTAMERICA COMMUNICATIONS, INC.	5-Nov-20	1,387.50	IRWD Check	Reconciled
413291	WESTERN WEATHER GROUP INC	5-Nov-20	3,098.00	IRWD Check	Reconciled
413292	YANG, BIN	5-Nov-20	131.87	IRWD Check	Reconciled
413293	ZHAN, CHUNGUANG	5-Nov-20	84.56	IRWD Check	Negotiable
413294	ZHANG, HAIYUN	5-Nov-20	158.32	IRWD Check	Negotiable
413296	ZHOU, QIRU	5-Nov-20	58.68	IRWD Check	Reconciled
413297	ZHOU, YONGMEI	5-Nov-20	45.98	IRWD Check	Reconciled
413298	Sciabica, Joseph	6-Nov-20	250.00	IRWD Check	Reconciled
413299	Estrada, Robert C	12-Nov-20	1,741.94	IRWD Check	Reconciled
413300	Joseph, Brandon	12-Nov-20	293.00	IRWD Check	Reconciled
413301	McElroy, Dorien	12-Nov-20	91.00	IRWD Check	Reconciled
413302	Oldewage, Lars D (Lars)	12-Nov-20	261.26	IRWD Check	Reconciled
413303	Solis, Henry (Henry)	12-Nov-20	293.00	IRWD Check	Reconciled
413304	Yuson, Janice C (Janice)	12-Nov-20	2,545.59	IRWD Check	Negotiable
413305	KILL-N-BUGS TERMITE AND PEST CONTROL SERVICES	12-Nov-20	4,250.00	IRWD Check	Reconciled

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413306	KILL-N-BUGS TERMITE AND PEST CONTROL SERVICES	12-Nov-20	3,050.00	IRWD Check	Reconciled
413307	COUNTY OF ORANGE	12-Nov-20	23,953.72	IRWD Check	Reconciled
413308	COUNTY OF ORANGE	12-Nov-20	10,499.26	IRWD Check	Reconciled
413309	COUNTY OF RIVERSIDE	12-Nov-20	158,786.06	IRWD Check	Reconciled
413310	COUNTY OF RIVERSIDE	12-Nov-20	108,681.48	IRWD Check	Reconciled
413311	COUNTY OF RIVERSIDE	12-Nov-20	280,040.80	IRWD Check	Reconciled
413312	ABM INDUSTRY GROUPS, LLC	12-Nov-20	7,098.00	IRWD Check	Reconciled
413313	ABSOLUTE STANDARDS, INC.	12-Nov-20	227.50	IRWD Check	Reconciled
413314	ADAM'S FALCONRY SERVICE, LLC	12-Nov-20	1,560.00	IRWD Check	Reconciled
413315	ADS LLC	12-Nov-20	5,100.00	IRWD Check	Reconciled
413316	AECOM TECHNICAL SERVICES, INC.	12-Nov-20	77,579.24	IRWD Check	Reconciled
413317	AIRGAS, INC.	12-Nov-20	1,338.55	IRWD Check	Reconciled
413318	ALL STAR GLASS	12-Nov-20	373.91	IRWD Check	Reconciled
413319	AMAZON CAPITAL SERVICES, INC.	12-Nov-20	266.50	IRWD Check	Reconciled
413320	APEX SYSTEMS, LLC	12-Nov-20	10,777.00	IRWD Check	Reconciled
413321	AQUA-METRIC SALES COMPANY	12-Nov-20	1,145.70	IRWD Check	Reconciled
413322	ARMORCAST PRODUCTS COMPANY	12-Nov-20	29,381.84	IRWD Check	Reconciled
413323	ASSEMBLED PRODUCTS CORPORATION	12-Nov-20	163.01	IRWD Check	Reconciled
413324	AT&T	12-Nov-20	1,098.74	IRWD Check	Reconciled
413325	AT&T	12-Nov-20	1,668.87	IRWD Check	Reconciled
413326	AUTOZONE PARTS, INC.	12-Nov-20	897.76	IRWD Check	Reconciled
413327	BANK OF AMERICA	12-Nov-20	26,859.02	IRWD Check	Reconciled
413328	BATTERIES PLUS AND BATTERIES PLUS BULBS	12-Nov-20	1,860.87	IRWD Check	Reconciled
413329	BATTERY SPECIALTIES	12-Nov-20	502.69	IRWD Check	Reconciled
413330	BIGWIG MONSTER, LLC	12-Nov-20	19,800.00	IRWD Check	Negotiable
413331	BIOMAGIC INC	12-Nov-20	10,306.02	IRWD Check	Reconciled
413332	BRAX COMPANY, INC	12-Nov-20	2,145.05	IRWD Check	Reconciled
413333	C WELLS PIPELINE MATERIALS INC	12-Nov-20	3,268.87	IRWD Check	Reconciled
413334	CALIFORNIA BARRICADE RENTAL, INC.	12-Nov-20	4,582.50	IRWD Check	Reconciled
413335	CALIFORNIA MUNICIPAL STATISTICS INC	12-Nov-20	1,825.00	IRWD Check	Reconciled
413336	CANON SOLUTIONS AMERICA, INC.	12-Nov-20	1,661.83	IRWD Check	Reconciled
413337	CAROLLO ENGINEERS, INC	12-Nov-20	4,778.50	IRWD Check	Reconciled
413338	CASA	12-Nov-20	20,500.00	IRWD Check	Reconciled
413339	CHAIREL CUSTOM HAY, INC.	12-Nov-20	5,597.00	IRWD Check	Reconciled
413340	CITY OF IRVINE	12-Nov-20	8,590.50	IRWD Check	Reconciled
413341	CLA-VAL COMPANY	12-Nov-20	26,429.97	IRWD Check	Reconciled
413342	CLEAN ENERGY	12-Nov-20	4,663.79	IRWD Check	Reconciled
413343	CLIFFORD MORIYAMA	12-Nov-20	4,000.00	IRWD Check	Reconciled
413344	CONSTELLATION NEWENERGY, INC.	12-Nov-20	115,349.68	IRWD Check	Reconciled
413345	COOMBS SERVICE GROUP	12-Nov-20	19,900.00	IRWD Check	Reconciled
413346	COUNTY OF ORANGE	12-Nov-20	938.36	IRWD Check	Reconciled
413347	COX COMMUNICATIONS, INC.	12-Nov-20	270.88	IRWD Check	Reconciled
413348	CR & R INCORPORATED	12-Nov-20	428.34	IRWD Check	Reconciled
413349	CUETARA, FLORENCIO	12-Nov-20	68.51	IRWD Check	Negotiable
413350	CULLIGAN OF SANTA ANA	12-Nov-20	22,000.00	IRWD Check	Reconciled
413351	D & G SIGNS	12-Nov-20	183.18	IRWD Check	Reconciled
413352	D & H WATER SYSTEMS INC.	12-Nov-20	4,660.78	IRWD Check	Reconciled
413353	DCS MANAGEMENT LLC	12-Nov-20	442.50	IRWD Check	Reconciled
413354	DEALERS SERVICE COMPANY, INC	12-Nov-20	696.24	IRWD Check	Reconciled
413355	DEX MEDIA, INC.	12-Nov-20	91.00	IRWD Check	Reconciled
413356	DIGITAL MAP PRODUCTS, INC.	12-Nov-20	4,457.07	IRWD Check	Reconciled
413357	ELITE EQUIPMENT, INC.	12-Nov-20	313.74	IRWD Check	Reconciled
413358	ENVIRONMENTAL ENGINEERING AND CONTRACTING, INC.	12-Nov-20	9,610.00	IRWD Check	Reconciled
413359	ENVIRONMENTAL RESOURCE ASSOCIATES	12-Nov-20	487.67	IRWD Check	Reconciled
413360	FERGUSON ENTERPRISES, LLC	12-Nov-20	17,853.11	IRWD Check	Reconciled

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413361	FIERRO, SERGIO D	12-Nov-20	3,960.00	IRWD Check	Reconciled
413362	FIRST AMERICAN TITLE CO.	12-Nov-20	750.00	IRWD Check	Reconciled
413363	FISHER SCIENTIFIC COMPANY LLC	12-Nov-20	27,235.00	IRWD Check	Reconciled
413364	FLUID CONSERVATION SYSTEMS INC	12-Nov-20	381.35	IRWD Check	Reconciled
413365	FOUGHT, CYNTHIA J.	12-Nov-20	2,912.20	IRWD Check	Reconciled
413366	FRONTIER CALIFORNIA INC.	12-Nov-20	57.77	IRWD Check	Reconciled
413367	FUEL SERV	12-Nov-20	517.33	IRWD Check	Negotiable
413368	FUEL SOLUTIONS, INC.	12-Nov-20	321.76	IRWD Check	Reconciled
413369	FUSCOE ENGINEERING, INC.	12-Nov-20	14,585.50	IRWD Check	Reconciled
413370	GARY BALE REDI-MIX CONCRETE, INC.	12-Nov-20	1,633.49	IRWD Check	Reconciled
413371	GEI CONSULTANTS INC	12-Nov-20	2,994.00	IRWD Check	Reconciled
413372	GRAINGER	12-Nov-20	5,048.30	IRWD Check	Reconciled
413373	GRAYBAR ELECTRIC COMPANY	12-Nov-20	38,234.95	IRWD Check	Reconciled
413374	HACH COMPANY	12-Nov-20	3,595.18	IRWD Check	Reconciled
413375	HAMILTON, KURT	12-Nov-20	1,540.53	IRWD Check	Reconciled
413376	HANSON BRIDGETT LLP	12-Nov-20	67,056.50	IRWD Check	Reconciled
413377	HARRINGTON INDUSTRIAL PLASTICS LLC	12-Nov-20	10,613.57	IRWD Check	Reconciled
413378	HDR ENGINEERING INC	12-Nov-20	159,622.00	IRWD Check	Reconciled
413379	HELPMATES STAFFING SERVICES	12-Nov-20	13,637.06	IRWD Check	Reconciled
413380	HI-LINE INC	12-Nov-20	247.03	IRWD Check	Reconciled
413381	HILL BROTHERS CHEMICAL COMPANY	12-Nov-20	15,971.95	IRWD Check	Negotiable
413382	HOME DEPOT USA INC	12-Nov-20	1,411.30	IRWD Check	Reconciled
413383	HOPKINS TECHNICAL PRODUCTS INC	12-Nov-20	4,048.40	IRWD Check	Reconciled
413384	ICE QUBE, INC.	12-Nov-20	4,764.60	IRWD Check	Reconciled
413385	IMPERIAL SPRINKLER SUPPLY, INC.	12-Nov-20	109.96	IRWD Check	Reconciled
413386	INDUSTRIAL METAL SUPPLY CO	12-Nov-20	233.40	IRWD Check	Reconciled
413387	INDUSTRIAL VIDEO & CONTROL CO	12-Nov-20	973.50	IRWD Check	Reconciled
413388	IRON MOUNTAIN INFORMATION MANAGEMENT INC	12-Nov-20	1,102.44	IRWD Check	Reconciled
413389	IRVINE PIPE & SUPPLY INC	12-Nov-20	1,018.91	IRWD Check	Reconciled
413390	IRVINE UNIFIED SCHOOL DISTRICT	12-Nov-20	1,218.62	IRWD Check	Negotiable
413391	JACK RUBIN & SONS, INC	12-Nov-20	1,120.60	IRWD Check	Reconciled
413392	JIG CONSULTANTS	12-Nov-20	5,795.00	IRWD Check	Negotiable
413393	KENT DAHLBERG	12-Nov-20	26,586.33	IRWD Check	Reconciled
413394	KERN COUNTY TREASURER TAX COLLECTOR	12-Nov-20	84,558.58	IRWD Check	Reconciled
413395	KIMBALL MIDWEST	12-Nov-20	251.84	IRWD Check	Reconciled
413396	KINGS COUNTY TAX COLLECTOR	12-Nov-20	22,254.38	IRWD Check	Reconciled
413397	LSA ASSOCIATES INC	12-Nov-20	9,527.19	IRWD Check	Reconciled
413398	LUBRICATION ENGINEERS, INC.	12-Nov-20	1,016.99	IRWD Check	Reconciled
413399	MARK KADESH	12-Nov-20	10,000.00	IRWD Check	Reconciled
413400	MBC AQUATIC SCIENCES, INC.	12-Nov-20	3,600.00	IRWD Check	Reconciled
413401	MBK ENGINEERS	12-Nov-20	21,068.25	IRWD Check	Reconciled
413402	MERRIMAC PETROLEUM, INC.	12-Nov-20	19,572.96	IRWD Check	Reconciled
413403	MILLER, BROOKE	12-Nov-20	57.94	IRWD Check	Reconciled
413404	NATIONAL READY MIXED CONCRETE SALES, LLC	12-Nov-20	3,342.19	IRWD Check	Reconciled
413405	NEWPORT REAL ESTATE SERVICES, INC.	12-Nov-20	9,592.82	IRWD Check	Reconciled
413406	NMG GEOTECHNICAL INC	12-Nov-20	55,909.64	IRWD Check	Reconciled
413407	O.C. SUPERIOR CUSTOM CLEANING	12-Nov-20	4,392.00	IRWD Check	Reconciled
413408	OCEAN BLUE ENVIRONMENTAL SERVICES INC	12-Nov-20	5,881.90	IRWD Check	Reconciled
413409	OLIN CORPORATION	12-Nov-20	16,589.13	IRWD Check	Reconciled
413410	ONESOURCE DISTRIBUTORS LLC	12-Nov-20	1,985.47	IRWD Check	Reconciled
413411	ORANGE COUNTY AUTO PARTS CO	12-Nov-20	399.23	IRWD Check	Reconciled
413412	ORANGE COUNTY BUSINESS COUNCIL	12-Nov-20	950.00	IRWD Check	Reconciled
413413	PACIFIC HYDROTECH CORPORATION	12-Nov-20	35,436.35	IRWD Check	Reconciled
413414	PACIFIC HYDROTECH CORPORATION	12-Nov-20	673,290.65	IRWD Check	Reconciled
413415	PACIFIC PARTS & CONTROLS INC	12-Nov-20	1,579.18	IRWD Check	Reconciled



**IRVINE RANCH WATER DISTRICT  
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413416	PAPER DEPOT DOCUMENT DESTRUCTION LLC	12-Nov-20	248.00	IRWD Check	Reconciled
413417	PAULUS ENGINEERING, INC.	12-Nov-20	60,721.28	IRWD Check	Reconciled
413418	PENN ARCHIVE SERVICES	12-Nov-20	62.20	IRWD Check	Reconciled
413419	PMC ENGINEERING LLC.	12-Nov-20	676.21	IRWD Check	Reconciled
413420	PRAXAIR DISTRIBUTION INC	12-Nov-20	690.06	IRWD Check	Reconciled
413421	PROCARE WORK INJURY CENTER	12-Nov-20	2,918.94	IRWD Check	Reconciled
413422	PROTEUS CONSULTING	12-Nov-20	2,340.00	IRWD Check	Reconciled
413423	PTI SAND & GRAVEL INC	12-Nov-20	1,747.55	IRWD Check	Reconciled
413424	PYRO-COMM SYSTEMS INC	12-Nov-20	2,380.00	IRWD Check	Reconciled
413425	R.F. MACDONALD CO.	12-Nov-20	3,054.43	IRWD Check	Reconciled
413426	RAM AIR ENGINEERING INC	12-Nov-20	3,127.39	IRWD Check	Reconciled
413427	REACH EMPLOYEE ASSISTANCE INC	12-Nov-20	1,097.60	IRWD Check	Reconciled
413428	RHEW, HYO-GYUEM	12-Nov-20	52.34	IRWD Check	Negotiable
413429	RINCON TRUCK CENTER INC.	12-Nov-20	80.49	IRWD Check	Reconciled
413430	RLG ENTERPRISES, INC	12-Nov-20	437.67	IRWD Check	Reconciled
413431	SANTA ANA BLUE PRINT	12-Nov-20	7,042.82	IRWD Check	Reconciled
413432	SANTA MARGARITA FORD	12-Nov-20	308.97	IRWD Check	Reconciled
413433	SHAMROCK SUPPLY CO INC	12-Nov-20	3,952.94	IRWD Check	Reconciled
413434	SIEMENS INDUSTRY INC	12-Nov-20	8,931.40	IRWD Check	Reconciled
413435	SIGNATURE FLOORING, INC	12-Nov-20	2,746.00	IRWD Check	Reconciled
413436	SMT AUTOMOTIVE LLC	12-Nov-20	159.44	IRWD Check	Reconciled
413437	SOUTH COAST WATER CO.	12-Nov-20	95.00	IRWD Check	Reconciled
413438	SOUTHERN CALIFORNIA EDISON COMPANY	12-Nov-20	14,619.51	IRWD Check	Reconciled
413439	SOUTHERN CALIFORNIA GAS COMPANY	12-Nov-20	4,102.11	IRWD Check	Reconciled
413440	SPARKLETTS	12-Nov-20	125.86	IRWD Check	Reconciled
413441	STACY DAN SCOTT	12-Nov-20	69,503.00	IRWD Check	Reconciled
413442	STONE MILLER CONSULTANTS INC	12-Nov-20	349.00	IRWD Check	Reconciled
413443	STREAKWAVE WIRELESS, INC.	12-Nov-20	6,249.09	IRWD Check	Reconciled
413444	SUSAN A. SIROTA	12-Nov-20	4,660.00	IRWD Check	Reconciled
413445	TETRA TECH, INC	12-Nov-20	14,850.00	IRWD Check	Reconciled
413446	THOMPSON INDUSTRIAL SUPPLY	12-Nov-20	2,486.74	IRWD Check	Reconciled
413447	TROPICAL PLAZA NURSERY INC	12-Nov-20	3,300.86	IRWD Check	Reconciled
413448	TRUCPARCO	12-Nov-20	191.29	IRWD Check	Reconciled
413449	U.S. GAIN - A DIVISION OF U.S. VENTURE, INC.	12-Nov-20	485.61	IRWD Check	Reconciled
413450	UNDERGROUND SERVICE ALERT OF SOUTHERN CALIFORNIA	12-Nov-20	2,338.10	IRWD Check	Reconciled
413451	UNITED PARCEL SERVICE INC	12-Nov-20	98.05	IRWD Check	Reconciled
413452	USA WASTE OF CALIFORNIA, INC.	12-Nov-20	465.00	IRWD Check	Reconciled
413453	V&A CONSULTING ENGINEERS	12-Nov-20	6,095.50	IRWD Check	Reconciled
413454	VULCAN MATERIALS COMPANY	12-Nov-20	1,508.30	IRWD Check	Reconciled
413455	WALTERS WHOLESALE ELECTRIC	12-Nov-20	5,556.04	IRWD Check	Reconciled
413456	WASTE MANAGEMENT COLLECTIONS AND RECYCLING, INC.	12-Nov-20	3,365.63	IRWD Check	Reconciled
413457	WATERSMART SOFTWARE INC	12-Nov-20	13,547.22	IRWD Check	Reconciled
413458	WAXIE'S ENTERPRISES, INC	12-Nov-20	46.53	IRWD Check	Reconciled
413459	WECK LABORATORIES INC	12-Nov-20	3,092.00	IRWD Check	Reconciled
413460	WEST COAST SAND & GRAVEL INC.	12-Nov-20	59,000.00	IRWD Check	Reconciled
413461	WEST YOST & ASSOCIATES	12-Nov-20	4,969.50	IRWD Check	Reconciled
413462	WESTERN WEATHER GROUP INC	12-Nov-20	557.99	IRWD Check	Reconciled
413463	WISCONSIN STATE LABORATORY OF HYGIENE	12-Nov-20	355.00	IRWD Check	Reconciled
413464	ZEBRON CONTRACTING INC	12-Nov-20	47,568.33	IRWD Check	Reconciled
413465	PHILIPP, JAMES F.	12-Nov-20	7,948.00	IRWD Check	Reconciled
413466	Korneff, Nicholas	19-Nov-20	183.16	IRWD Check	Reconciled
413467	Lassalette, James P (Jim)	19-Nov-20	48.00	IRWD Check	Negotiable
413468	Orozco, Gustavo A (Gus)	19-Nov-20	149.00	IRWD Check	Reconciled
413469	Rutherford, Allan	19-Nov-20	192.00	IRWD Check	Reconciled
413470	Sanchez, George (George)	19-Nov-20	149.00	IRWD Check	Reconciled

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413471	Sinclair, Todd C (Todd)	19-Nov-20	100.00	IRWD Check	Reconciled
413472	Yanes, Harry	19-Nov-20	191.73	IRWD Check	Reconciled
413473	AAF INTERNATIONAL	19-Nov-20	1,273.89	IRWD Check	Reconciled
413474	ABM INDUSTRY GROUPS, LLC	19-Nov-20	2,700.00	IRWD Check	Reconciled
413475	AGILENT TECHNOLOGIES, INC.	19-Nov-20	65.18	IRWD Check	Reconciled
413476	AIRGAS, INC.	19-Nov-20	1,601.60	IRWD Check	Reconciled
413477	ALEXANDER'S CONTRACT SERVICES, INC.	19-Nov-20	124,511.00	IRWD Check	Reconciled
413478	AMAZON CAPITAL SERVICES, INC.	19-Nov-20	2,097.71	IRWD Check	Reconciled
413479	AMERICAN TRAINING RESOURCES, INC	19-Nov-20	2,970.00	IRWD Check	Reconciled
413480	ANTHEM BLUE CROSS	19-Nov-20	257.88	IRWD Check	Reconciled
413481	ANTHEM BLUE CROSS	19-Nov-20	257.88	IRWD Check	Reconciled
413482	APEX SYSTEMS, LLC	19-Nov-20	2,028.00	IRWD Check	Reconciled
413483	APPLIED ENGINEERING CONCEPTS	19-Nov-20	6,500.00	IRWD Check	Reconciled
413484	ARCHROCK SERVICES, L.P.	19-Nov-20	3,412.54	IRWD Check	Reconciled
413485	ARYA, CYRUS	19-Nov-20	24.88	IRWD Check	Negotiable
413486	AT&T	19-Nov-20	81.27	IRWD Check	Reconciled
413487	AT&T	19-Nov-20	9,445.71	IRWD Check	Reconciled
413488	AT&T	19-Nov-20	173.84	IRWD Check	Reconciled
413489	ATHENS SERVICES	19-Nov-20	7,652.29	IRWD Check	Reconciled
413490	AUTOZONE PARTS, INC.	19-Nov-20	1,008.90	IRWD Check	Reconciled
413491	BANK OF NEW YORK MELLON TRUST COMPANY NA	19-Nov-20	2,785.00	IRWD Check	Reconciled
413492	BATTERIES PLUS AND BATTERIES PLUS BULBS	19-Nov-20	3,705.74	IRWD Check	Reconciled
413493	BAZIAK, MARY ROBIN	19-Nov-20	600.00	IRWD Check	Reconciled
413494	BLENKLE, STAR	19-Nov-20	51.24	IRWD Check	Reconciled
413495	BOYD & ASSOCIATES	19-Nov-20	125.00	IRWD Check	Reconciled
413496	BRUCE HADLEY NEWELL	19-Nov-20	2,500.00	IRWD Check	Reconciled
413497	C WELLS PIPELINE MATERIALS INC	19-Nov-20	4,419.49	IRWD Check	Reconciled
413498	CALIFORNIA BARRICADE RENTAL, INC.	19-Nov-20	25,492.50	IRWD Check	Reconciled
413499	CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION	19-Nov-20	3,363.00	IRWD Check	Reconciled
413500	CALIFORNIA DEPT OF PUBLIC HEALTH	19-Nov-20	473.00	IRWD Check	Reconciled
413501	CANON FINANCIAL SERVICES, INC	19-Nov-20	8,343.56	IRWD Check	Reconciled
413502	CAPTIVE AUDIENCE MARKETING INC.	19-Nov-20	79.00	IRWD Check	Reconciled
413503	CAROLLO ENGINEERS, INC	19-Nov-20	17,095.50	IRWD Check	Reconciled
413504	CDW GOVERNMENT LLC	19-Nov-20	420.58	IRWD Check	Negotiable
413505	CHEM TECH INTERNATIONAL INC	19-Nov-20	11,200.08	IRWD Check	Reconciled
413506	CHEMGLASS LIFE SCIENCES, LLC	19-Nov-20	551.15	IRWD Check	Reconciled
413507	CITY OF IRVINE	19-Nov-20	7,383.00	IRWD Check	Reconciled
413508	CITY OF TUSTIN	19-Nov-20	1,135.11	IRWD Check	Reconciled
413509	CLA-VAL COMPANY	19-Nov-20	11,159.85	IRWD Check	Reconciled
413510	COASTLINE EQUIPMENT COMPANY	19-Nov-20	641.25	IRWD Check	Reconciled
413511	COLE-PARMER INSTRUMENT CO	19-Nov-20	361.66	IRWD Check	Reconciled
413512	COMMUNITY EMERGENCY MANAGEMENT, INC	19-Nov-20	6,132.55	IRWD Check	Reconciled
413513	CONSOLIDATED ELECTRICAL DISTRIBUTORS, INC	19-Nov-20	2,279.66	IRWD Check	Reconciled
413514	CONSTELLATION NEWENERGY, INC.	19-Nov-20	6,461.87	IRWD Check	Negotiable
413515	D & G SIGNS	19-Nov-20	398.68	IRWD Check	Reconciled
413516	D & H WATER SYSTEMS INC.	19-Nov-20	1,561.55	IRWD Check	Negotiable
413517	DAVIS FARR LLP	19-Nov-20	1,610.00	IRWD Check	Reconciled
413518	DCS MANAGEMENT LLC	19-Nov-20	401.29	IRWD Check	Reconciled
413519	DEMARIA ELECTRIC MOTOR SERVICES, INC.	19-Nov-20	22,896.18	IRWD Check	Reconciled
413520	DILYTICS INC	19-Nov-20	4,100.00	IRWD Check	Reconciled
413521	DIRECTV INC	19-Nov-20	145.99	IRWD Check	Reconciled
413522	DPR SOUTHERN CALIFORNIA	19-Nov-20	772.54	IRWD Check	Negotiable
413523	DWYER INSTRUMENTS INC	19-Nov-20	370.12	IRWD Check	Reconciled
413524	EHS INTERNATIONAL, INC	19-Nov-20	950.00	IRWD Check	Reconciled
413525	ELITE EQUIPMENT, INC.	19-Nov-20	89.32	IRWD Check	Reconciled

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413526	ENVIRONMENTAL RESOURCE ASSOCIATES	19-Nov-20	627.23	IRWD Check	Reconciled
413527	EUROFINS CALSCIENCE, LLC	19-Nov-20	5,943.00	IRWD Check	Reconciled
413528	EVERETT DOREY LLP	19-Nov-20	10,193.48	IRWD Check	Reconciled
413529	FEDEX	19-Nov-20	485.42	IRWD Check	Reconciled
413530	FISHER SCIENTIFIC COMPANY LLC	19-Nov-20	1,618.54	IRWD Check	Reconciled
413531	FORESTRY SUPPLIERS INC	19-Nov-20	1,319.66	IRWD Check	Reconciled
413532	FOXFAB POWER SOLUTIONS INC.	19-Nov-20	7,593.00	IRWD Check	Negotiable
413533	FRANCHISE TAX BOARD	19-Nov-20	1,008.10	IRWD Check	Negotiable
413534	FRONTIER CALIFORNIA INC.	19-Nov-20	292.22	IRWD Check	Reconciled
413535	GARY BALE REDI-MIX CONCRETE, INC.	19-Nov-20	1,041.75	IRWD Check	Reconciled
413536	GCI CONSTRUCTION, INC.	19-Nov-20	39,500.00	IRWD Check	Reconciled
413537	GENOOT, EFRAIM	19-Nov-20	216.10	IRWD Check	Reconciled
413538	GEORGE HILLS COMPANY, INC.	19-Nov-20	360.00	IRWD Check	Reconciled
413539	GI ENDURANT LLC	19-Nov-20	27,278.50	IRWD Check	Reconciled
413540	GJ AUTOMOTIVE EQUIPMENT CO INC	19-Nov-20	980.25	IRWD Check	Reconciled
413541	GM SAGER CONSTRUCTION CO,INC.	19-Nov-20	7,100.00	IRWD Check	Reconciled
413542	GRAINGER	19-Nov-20	10,643.27	IRWD Check	Reconciled
413543	GRAYBAR ELECTRIC COMPANY	19-Nov-20	834.69	IRWD Check	Reconciled
413544	HACH COMPANY	19-Nov-20	14,838.34	IRWD Check	Reconciled
413545	HARRINGTON INDUSTRIAL PLASTICS LLC	19-Nov-20	4,062.95	IRWD Check	Reconciled
413546	HDR ENGINEERING INC	19-Nov-20	14,547.50	IRWD Check	Reconciled
413547	HELPMATES STAFFING SERVICES	19-Nov-20	14,810.80	IRWD Check	Reconciled
413548	HERC RENTALS INC.	19-Nov-20	573.34	IRWD Check	Reconciled
413549	HILL BROTHERS CHEMICAL COMPANY	19-Nov-20	8,674.19	IRWD Check	Negotiable
413550	HOME DEPOT USA INC	19-Nov-20	210.93	IRWD Check	Reconciled
413551	INFOSEND, INC.	19-Nov-20	33,186.52	IRWD Check	Reconciled
413552	INORGANIC VENTURES INC	19-Nov-20	222.52	IRWD Check	Negotiable
413553	INTEGRITY MUNICIPAL SERVICES LLC	19-Nov-20	2,500.00	IRWD Check	Reconciled
413554	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 47	19-Nov-20	2,834.83	IRWD Check	Reconciled
413555	IOSM, INC.	19-Nov-20	1,013.00	IRWD Check	Reconciled
413556	IRVINE PIPE & SUPPLY INC	19-Nov-20	103.86	IRWD Check	Reconciled
413557	IRVINE UNIFIED SCHOOL DISTRICT	19-Nov-20	1,272.05	IRWD Check	Negotiable
413558	IRVINE UNIFIED SCHOOL DISTRICT	19-Nov-20	80.04	IRWD Check	Negotiable
413559	IRWD-PETTY CASH CUSTODIAN	19-Nov-20	800.39	IRWD Check	Reconciled
413560	KEAR, LAUREN	19-Nov-20	566.57	IRWD Check	Reconciled
413561	KIMBALL MIDWEST	19-Nov-20	46.90	IRWD Check	Reconciled
413562	KUTAK ROCK LLP	19-Nov-20	6,619.00	IRWD Check	Reconciled
413563	LAGUNA BEACH COUNTY WATER DISTRICT	19-Nov-20	5,141.68	IRWD Check	Reconciled
413564	LCS TECHNOLOGIES, INC.	19-Nov-20	7,830.00	IRWD Check	Negotiable
413565	LEE & RO, INC.	19-Nov-20	3,356.50	IRWD Check	Reconciled
413566	LILLESTRAND LEADERSHIP CONSULTING, INC.	19-Nov-20	4,520.00	IRWD Check	Negotiable
413567	LINDSAY POLIC CONSULTING, INC.	19-Nov-20	9,000.00	IRWD Check	Reconciled
413568	M.CUBED	19-Nov-20	925.00	IRWD Check	Reconciled
413569	MC MASTER CARR SUPPLY CO	19-Nov-20	425.98	IRWD Check	Reconciled
413570	MICROSOFT CORPORATION	19-Nov-20	817.70	IRWD Check	Reconciled
413571	MISSION COMMUNICATIONS, LLC	19-Nov-20	1,126.80	IRWD Check	Reconciled
413572	MORROW-MEADOWS CORPORATION	19-Nov-20	7,700.00	IRWD Check	Reconciled
413573	MR CRANE INC	19-Nov-20	1,074.60	IRWD Check	Reconciled
413574	OCTA	19-Nov-20	589.00	IRWD Check	Reconciled
413575	OLIN CORPORATION	19-Nov-20	23,627.49	IRWD Check	Reconciled
413576	ONESOURCE DISTRIBUTORS LLC	19-Nov-20	2,636.38	IRWD Check	Reconciled
413577	ORACLE AMERICA, INC.	19-Nov-20	3.37	IRWD Check	Reconciled
413578	ORANGE COAST PLUMBING	19-Nov-20	844.98	IRWD Check	Reconciled
413579	ORANGE COUNTY AUTO PARTS CO	19-Nov-20	919.29	IRWD Check	Reconciled
413580	ORANGE COUNTY SHERIFF'S OFFICE	19-Nov-20	530.37	IRWD Check	Reconciled

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413581	ORIGIN CONSULTING LLC	19-Nov-20	10,740.00	IRWD Check	Reconciled
413582	OSTS, INC	19-Nov-20	9,395.00	IRWD Check	Reconciled
413583	PACIFIC PARTS & CONTROLS INC	19-Nov-20	2,547.91	IRWD Check	Reconciled
413584	PALO VERDE IRRIGATION DISTRICT	19-Nov-20	26,085.16	IRWD Check	Reconciled
413585	PELLETIER & ASSOCIATES, INC.	19-Nov-20	390.00	IRWD Check	Negotiable
413586	PERS LONG TERM CARE	19-Nov-20	538.89	IRWD Check	Reconciled
413587	PLUMBERS DEPOT INC.	19-Nov-20	1,763.74	IRWD Check	Reconciled
413588	PRAXAIR DISTRIBUTION INC	19-Nov-20	525.42	IRWD Check	Reconciled
413589	PRICE, LYNDA	19-Nov-20	49.33	IRWD Check	Reconciled
413590	PSOMAS	19-Nov-20	31,377.56	IRWD Check	Reconciled
413591	PTI SAND & GRAVEL INC	19-Nov-20	1,026.69	IRWD Check	Reconciled
413592	QUINTANA, WATTS & HARTMANN, LLC	19-Nov-20	5,000.00	IRWD Check	Reconciled
413593	R&B AUTOMATION, INC.	19-Nov-20	10,501.43	IRWD Check	Reconciled
413594	RAM AIR ENGINEERING INC	19-Nov-20	3,760.76	IRWD Check	Reconciled
413595	RANCHO MADERAS APTS	19-Nov-20	54.53	IRWD Check	Reconciled
413596	REACH EMPLOYEE ASSISTANCE INC	19-Nov-20	1,100.40	IRWD Check	Negotiable
413597	REAL WATER CONSULTANTS INC.	19-Nov-20	7,347.00	IRWD Check	Negotiable
413598	RED WING SHOE STORE	19-Nov-20	764.29	IRWD Check	Reconciled
413599	REFRIGERATION SUPPLIES DISTRIBUTOR	19-Nov-20	558.75	IRWD Check	Reconciled
413600	RESTEK CORPORATION	19-Nov-20	334.83	IRWD Check	Reconciled
413601	RICHARD C. SLADE & ASSOCIATES LLC	19-Nov-20	3,297.93	IRWD Check	Negotiable
413602	RODNEY HARMSWORTH ASSOCIATES, INC.	19-Nov-20	1,970.00	IRWD Check	Reconciled
413603	ROSEDALE - RIO BRAVO WATER STORAGE DISTRICT	19-Nov-20	79,637.66	IRWD Check	Negotiable
413604	ROSEMOUNT INC.	19-Nov-20	3,711.31	IRWD Check	Reconciled
413605	SANTA ANA BLUE PRINT	19-Nov-20	518.55	IRWD Check	Reconciled
413606	SANTA MARGARITA FORD	19-Nov-20	298.62	IRWD Check	Reconciled
413607	SANTA MARGARITA FORD	19-Nov-20	79.50	IRWD Check	Reconciled
413608	SECURITAS SECURITY SERVICES USA, INC.	19-Nov-20	42,551.60	IRWD Check	Reconciled
413609	SELSKI, DAVID	19-Nov-20	28.44	IRWD Check	Reconciled
413610	SERRANO WATER DISTRICT	19-Nov-20	23,380.57	IRWD Check	Reconciled
413611	SHAMROCK SUPPLY CO INC	19-Nov-20	376.07	IRWD Check	Reconciled
413612	SHOETERIA	19-Nov-20	393.47	IRWD Check	Reconciled
413613	SMT AUTOMOTIVE LLC	19-Nov-20	1,826.83	IRWD Check	Reconciled
413614	SNAP-ON INCORPORATED	19-Nov-20	176.61	IRWD Check	Reconciled
413615	SOMERSET APARTMENTS	19-Nov-20	604.76	IRWD Check	Reconciled
413616	SOUTH BAY FOUNDRY, INC	19-Nov-20	5,656.88	IRWD Check	Reconciled
413617	SOUTH COAST WATER DISTRICT	19-Nov-20	2,966.25	IRWD Check	Reconciled
413618	SOUTHERN CALIFORNIA EDISON COMPANY	19-Nov-20	3,700.00	IRWD Check	Reconciled
413619	SOUTHERN CALIFORNIA EDISON COMPANY	19-Nov-20	213,418.49	IRWD Check	Reconciled
413620	SOUTHERN CALIFORNIA GAS COMPANY	19-Nov-20	6,191.00	IRWD Check	Reconciled
413621	SOUTHERN CALIFORNIA SECURITY CENTERS, INC.	19-Nov-20	4.85	IRWD Check	Negotiable
413622	SOUTHERN COUNTIES LUBRICANTS LLC	19-Nov-20	3,012.85	IRWD Check	Reconciled
413623	SPARKLETTS	19-Nov-20	164.98	IRWD Check	Negotiable
413624	SPARLING INSTRUMENTS LLC	19-Nov-20	914.20	IRWD Check	Reconciled
413625	STANTEC CONSULTING SERVICES INC.	19-Nov-20	1,610.00	IRWD Check	Reconciled
413626	STETSON ENGINEERS INC.	19-Nov-20	2,228.75	IRWD Check	Reconciled
413627	TASSIN SCIENTIFIC SERVICES, LLC.	19-Nov-20	2,299.45	IRWD Check	Reconciled
413628	TETRA TECH, INC	19-Nov-20	17,401.50	IRWD Check	Reconciled
413629	THE SHERWIN WILLIAMS COMPANY	19-Nov-20	73.68	IRWD Check	Negotiable
413630	TROPICAL PLAZA NURSERY INC	19-Nov-20	114.66	IRWD Check	Reconciled
413631	TRUCPARCO	19-Nov-20	109.43	IRWD Check	Reconciled
413632	UNITED PARCEL SERVICE INC	19-Nov-20	39.53	IRWD Check	Reconciled
413633	UNITED WATER WORKS, INC.	19-Nov-20	452.02	IRWD Check	Negotiable
413634	VIDO ARTUKOVICH & SON, INC./VIDMAR, INC. A JV	19-Nov-20	11,515.00	IRWD Check	Reconciled
413635	VIDO ARTUKOVICH & SON, INC./VIDMAR, INC. A JV	19-Nov-20	218,785.00	IRWD Check	Reconciled

**IRVINE RANCH WATER DISTRICT  
AP DISBURSEMENTS AND VOIDS FOR NOVEMBER 2020**

<b>CHECK OR ELECTRONIC #</b>	<b>SUPPLIERS</b>	<b>PAYMENT DATE</b>	<b>PAYMENT AMOUNT</b>	<b>PAYMENT METHOD</b>	<b>STATUS</b>
413636	WALTERS WHOLESALE ELECTRIC	19-Nov-20	1,157.97	IRWD Check	Reconciled
413637	WARE MALCOMB	19-Nov-20	19,891.56	IRWD Check	Reconciled
413638	WASTE MANAGEMENT COLLECTIONS AND RECYCLING, INC.	19-Nov-20	1,021.82	IRWD Check	Reconciled
413639	WATER TREATMENT CHEMICALS INC	19-Nov-20	12,093.12	IRWD Check	Reconciled
413640	WATERLINE TECHNOLOGIES INC	19-Nov-20	4,080.00	IRWD Check	Reconciled
413641	WAXIE'S ENTERPRISES, INC	19-Nov-20	214.88	IRWD Check	Reconciled
413642	WEST YOST & ASSOCIATES	19-Nov-20	17,108.00	IRWD Check	Reconciled
413643	WHITMAN REQUARDT AND ASSOCIATES LLP	19-Nov-20	6,200.00	IRWD Check	Reconciled
413644	WIRELESS WATCHDOGS, LLC	19-Nov-20	1,660.00	IRWD Check	Reconciled
413645	WOODARD & CURRAN INC	19-Nov-20	15,262.63	IRWD Check	Reconciled
413646	WOODBURY LANE APARTMENTS	19-Nov-20	256.49	IRWD Check	Reconciled
413647	WORKFORCE SAFETY LLC	19-Nov-20	4,500.00	IRWD Check	Negotiable
413648	XYLEM WATER SOLUTIONS USA, INC.	19-Nov-20	1,445.44	IRWD Check	Reconciled
413649	YOUNG, JOHN	19-Nov-20	854.70	IRWD Check	Reconciled
413650	STATE WATER RESOURCES CONTROL BOARD	24-Nov-20	11,500.00	IRWD Check	Reconciled
<b>SUB-TOTAL CHECK DISBURSEMENTS</b>			<b>8,072,114.69</b>		
14049	CALPERS	2-Nov-20	548,917.70	IRWD Wire	Negotiable
14050	CALPERS	2-Nov-20	2,952.19	IRWD Wire	Negotiable
14051	CHARD SNYDER & ASSOCIATES, INC.	2-Nov-20	1,513.45	IRWD Wire	Negotiable
14052	YORK INSURANCE SERVICES GROUP INC - CA	3-Nov-20	6,635.88	IRWD Wire	Negotiable
14053	CHARD SNYDER & ASSOCIATES, INC.	3-Nov-20	22,631.60	IRWD Wire	Negotiable
14054	CHARD SNYDER & ASSOCIATES, INC.	3-Nov-20	3,084.34	IRWD Wire	Negotiable
14055	INTERNAL REVENUE SERVICE	5-Nov-20	236,464.91	IRWD Wire	Negotiable
14056	FRANCHISE TAX BOARD	5-Nov-20	72,682.43	IRWD Wire	Negotiable
14057	EMPLOYMENT DEVELOPMENT DEPARTMENT	5-Nov-20	12,402.34	IRWD Wire	Negotiable
14058	CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES	5-Nov-20	2,156.63	IRWD Wire	Negotiable
14059	GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY	5-Nov-20	158,519.49	IRWD Wire	Negotiable
14060	CHARD SNYDER & ASSOCIATES, INC.	9-Nov-20	4,308.63	IRWD Wire	Negotiable
14061	CHARD SNYDER & ASSOCIATES, INC.	9-Nov-20	2,571.58	IRWD Wire	Negotiable
14062	YORK INSURANCE SERVICES GROUP INC - CA	10-Nov-20	10,591.43	IRWD Wire	Negotiable
14063	CALPERS	10-Nov-20	251,203.37	IRWD Wire	Negotiable
14064	CALPERS	10-Nov-20	2,250.00	IRWD Wire	Negotiable
14065	CALPERS	10-Nov-20	1,170.79	IRWD Wire	Negotiable
14066	U.S. BANK NATIONAL ASSOCIATION	10-Nov-20	1,962.30	IRWD Wire	Negotiable
14067	SUMITOMO MITSUI BANKING CORPORATION	10-Nov-20	4,561.48	IRWD Wire	Negotiable
14068	BANK OF NEW YORK MELLON TRUST COMPANY NA	10-Nov-20	3,765.70	IRWD Wire	Negotiable
14069	U.S. BANK NATIONAL ASSOCIATION	10-Nov-20	3,040.99	IRWD Wire	Negotiable
14070	BANK OF AMERICA	10-Nov-20	3,098.37	IRWD Wire	Negotiable
14071	CHARD SNYDER & ASSOCIATES, INC.	16-Nov-20	3,150.28	IRWD Wire	Negotiable
14072	CHARD SNYDER & ASSOCIATES, INC.	16-Nov-20	3,815.11	IRWD Wire	Negotiable
14073	WELLS FARGO BANK, N.A.	16-Nov-20	6,391.38	IRWD Wire	Negotiable
14074	YORK INSURANCE SERVICES GROUP INC - CA	17-Nov-20	7,728.04	IRWD Wire	Negotiable
14075	MUNICIPAL WATER DISTRICT OF ORANGE COUNTY	17-Nov-20	1,024,084.21	IRWD Wire	Negotiable
14076	BANK OF NEW YORK MELLON TRUST COMPANY NA	17-Nov-20	19,164.36	IRWD Wire	Negotiable
14077	BANK OF NEW YORK MELLON TRUST COMPANY NA	17-Nov-20	175.00	IRWD Wire	Negotiable
14078	URREGO, CINTHYA	19-Nov-20	34.83	IRWD Wire	Negotiable
14079	INTERNAL REVENUE SERVICE	19-Nov-20	272,298.55	IRWD Wire	Negotiable
14080	FRANCHISE TAX BOARD	19-Nov-20	83,146.13	IRWD Wire	Negotiable
14081	EMPLOYMENT DEVELOPMENT DEPARTMENT	19-Nov-20	12,824.48	IRWD Wire	Negotiable
14082	CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES	19-Nov-20	2,156.63	IRWD Wire	Negotiable
14083	GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY	19-Nov-20	224,665.83	IRWD Wire	Negotiable
14084	BANK OF NEW YORK MELLON TRUST COMPANY NA	23-Nov-20	19,337.02	IRWD Wire	Negotiable
14085	CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES	23-Nov-20	2.50	IRWD Wire	Negotiable
14086	CALPERS	23-Nov-20	250,707.45	IRWD Wire	Negotiable

**IRVINE RANCH WATER DISTRICT  
AP DISBURSEMENTS AND VOIDS FOR NOVEMBER 2020**

<b>CHECK OR ELECTRONIC #</b>	<b>SUPPLIERS</b>	<b>PAYMENT DATE</b>	<b>PAYMENT AMOUNT</b>	<b>PAYMENT METHOD</b>	<b>STATUS</b>
14087	CALPERS	23-Nov-20	1,574.52	IRWD Wire	Negotiable
14088	YORK INSURANCE SERVICES GROUP INC - CA	24-Nov-20	1,085.76	IRWD Wire	Negotiable
14089	FILANC-BALFOUR BEATTY JV	25-Nov-20	99,294.17	IRWD Wire	Negotiable
14090	CHARD SNYDER & ASSOCIATES, INC.	30-Nov-20	366.32	IRWD Wire	Negotiable
14091	CHARD SNYDER & ASSOCIATES, INC.	30-Nov-20	2,412.78	IRWD Wire	Negotiable
14092	FIRST AMERICAN TITLE CO.	30-Nov-20	30,000.00	IRWD Wire	Negotiable
14093	BANK OF AMERICA MERRILL LYNCH	30-Nov-20	42,121.58	IRWD Wire	Negotiable
<b>SUB-TOTAL ELECTRONIC DISBURSEMENTS</b>			<b>3,463,022.53</b>		
<b>SUB-TOTAL AP CHECK AND ELECTRONIC DISBURSEMENTS</b>			<b>11,535,137.22</b>		
413095	36 SOUTH SUR, LLC	5-Nov-20	1,000.00	IRWD Check	Voided
413112	BIAGEYIAN, LARIS	5-Nov-20	40.35	IRWD Check	Voided
413295	ZHENG, QINGJUN	5-Nov-20	326.27	IRWD Check	Voided
<b>SUB-TOTAL CHECK AND ELECTRONIC ISSUED AND VOIDED IN NOV 2020</b>			<b>1,366.62</b>		
<b>TOTAL AP DISBURSEMENTS AND VOIDS FOR NOV 2020</b>			<b>11,536,503.84</b>		

Exhibit "E"

**MONTHLY SUMMARY OF PAYROLL ACH PAYMENTS**

**November  
2020**

	AMOUNT	VENDOR	PURPOSE
11/6/2020	1,094,670.00	BANK OF AMERICA	ACH Payments for Payroll
11/20/2020	1,309,873.01	BANK OF AMERICA	ACH Payments for Payroll
	<u><b>\$2,404,543.01</b></u>		

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## Exhibit "F"

### IRWD Gov Code 53065.5 Disclosure Report

Payment or Reimbursements for Individual charges of \$100 or more per transaction for services or product received.

01-NOV-20 to 30-NOV-20

NAME	CHECK NO.	CHECK DATE	AMOUNT	ITEM DESCRIPTION	EXPENSE JUSTIFICATION
Bergen, Mindy	413087	5-Nov-20	189.00	Registration Fees	CWEA AC20 Virtual Conference & Expo - October 19, 2020
Bergen, Mindy	413087	5-Nov-20	189.00	Registration Fees	CWEA AC20 Virtual Conference & Expo - October 20, 2020
Bergen, Mindy	413087	5-Nov-20	189.00	Registration Fees	CWEA AC20 Virtual Conference & Expo - October 21, 2020
Borowski, Mike	413088	5-Nov-20	192.00	Membership Renewal	CWEA Membership
Chaney, Dave	413089	5-Nov-20	288.00	Certification Renewal	CWEA Collections Systems Maintenance Grade II
Hoffman, Mike	413091	5-Nov-20	200.00	Other(Misc)	Safety Shoe Allowance
Joseph, Brandon	413300	12-Nov-20	293.00	Certification Renewal	CWEA Collection Systems Maintenance Grade III
Korneff, Nicholas	413466	19-Nov-20	183.16	Other(Misc)	Safety Shoe Allowance
Oldewage, Lars	413093	5-Nov-20	125.00	Registration Fees	CWEA AC20 Virtual Conference & Expo - October 19, 2020
Oldewage, Lars	413093	5-Nov-20	125.00	Registration Fees	CWEA AC20 Virtual Conference & Expo - October 20, 2020
Oldewage, Lars	413093	5-Nov-20	125.00	Registration Fees	CWEA AC20 Virtual Conference & Expo - October 21, 2020
Oldewage, Lars	413302	12-Nov-20	199.00	Membership Renewal	ACS Annual Membership
Orozco, Gus	413468	19-Nov-20	149.00	Other(Misc)	Replaced damaged cell phone
Rutherford, Allan	413469	19-Nov-20	192.00	Membership Renewal	CWEA Membership
Sanchez, George	413470	19-Nov-20	149.00	Other(Misc)	Replaced damaged cell phone
Sinclair, Todd	413471	19-Nov-20	100.00	Certification Renewal	AWWA Cross Connection Certificate
Solis, Henry	413303	12-Nov-20	192.00	Membership Renewal	CWEA Membership
Solis, Henry	413303	12-Nov-20	101.00	Certification Renewal	Collections Systems Maintenance Grade III
Yanes, Harry	413472	19-Nov-20	191.73	Other(Misc)	Safety Shoe Allowance
<b>Total Amount:</b>			<b>\$3,371.89</b>		

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December 14, 2020  
Prepared by: T. Malone  
Submitted by: C. Clary  
Approved by: Paul A. Cook



## CONSENT CALENDAR

### INFORMATION SERVICES CAPITAL PROJECTS

#### SUMMARY:

IRWD's primary business report platform, Oracle Business Intelligence Enterprise Edition (OBIEE), was last upgraded in 2015. In January 2021 it will no longer be supported by Oracle. Staff recommends upgrading OBIEE to the most current supported version of the application. In addition, due to COVID-19, the IS Department acquired equipment, including laptop computers, webcams, headphones and other items to support staff productivity while working remotely, which was not anticipated. Staff recommends the Board approve the addition of Projects 11808 and 11810, each in the amount of \$150,000, for a total of \$300,000 to provide funding for the OBIEE Upgrade Project and approve a budget increase to Project 11204, General Plant Project, in the amount of \$200,000 for the acquisition of additional information technology (IT) hardware and software needed to support IRWD business and work restrictions related to COVID-19.

#### BACKGROUND:

##### OBIEE Upgrade:

IRWD implemented its present version of OBIEE and related technical architecture in 2015 as its primary business analysis and reporting platform of the data from the Oracle EBS ERP application. This system is used for finance, expense management, procurement, inventory management, human resources and payroll purposes. IRWD's version of OBIEE and its related components are at their end of life and will no longer be supported by Oracle starting in January 2021. Staff recommends an upgrade of OBIEE and related components to the latest available versions from Oracle. A key feature of the upgrade will be to move to the Oracle Analytics Cloud (OAC). OAC offers enhanced usability, analytics and visualization tools. This will enable better data-driven decision making with fewer IS intervention requirements.

##### *OBIEE Upgrade Consultant Selection Process:*

In October 2020, staff issued a request for proposal to five consultants with experience performing OBIEE upgrades and support: Centroid, Dilytics, Emtec, Oracle and XTGlobal. All five of the consultants submitted proposals. Staff reviewed and ranked the proposals and selected for interviews the top three consultants: Centroid, Dilytics and Emtec. After conducting interviews, staff updated the rankings, as shown in the Consultant Selection Matrix provided as Exhibit "A".

Based on the interviews and the proposal rankings, staff believes that Centroid has the best understanding of the OBIEE Upgrade project. Staff also believes that Centroid has the most experienced project team with the OAC cloud application, submitted an optimal and realistic project schedule, has a proprietary automated tool that means a 50% improvement in project

length, and is the most capable of conducting a successful upgrade. The total cost of the OBIEE Upgrade project is expected to be \$300,000, which includes \$200,000 for an outside consultant and an estimated \$100,000 of staff time. Staff recommends awarding a Professional Service Agreement to Centroid in the amount of \$200,000. Centroid’s proposal is provided as Exhibit “B”.

Acquisition of Additional IT Hardware:

With the IRWD administrative offices closing on March 16, 2020, in response to COVID-19, many IRWD staff members transitioned from working on-site to working remotely. As a result, equipment was procured, including laptop computers, monitors, keyboards, mice, webcams, and headphones, to facilitate staff productivity. As this expense was not anticipated, it was not budgeted for Fiscal Year 2020-21. As a result, the current budget has been exhausted and several items will need to be procured through the end of FY 2021. Exhibit “C” details IT equipment purchase requirements that are anticipated through the end of the fiscal year. Staff recommends an addition of \$200,000 to the General Plant FY 2020-21 budget to cover the costs of anticipated equipment purchases required.

FISCAL IMPACTS:

The Oracle OBIEE Upgrade will be funded through replacement funds and is not included in the FY 2020-21 Capital Budget. The monthly subscription fee to Oracle for this upgrade is included in the FY 2020-21 Operating Budget. Staff requests the addition of projects for \$300,000 (split equally between water and sewer projects). The acquisition of IT equipment will be funded by the Department 250 General Plant Project, 11204. This project was included in the FY 2020-21 Capital Budget but requires a budget increase of \$200,000.

Project No.	Current Budget	Addition <Reduction>	Total Budget
11808	\$0	\$150,000	\$150,000
11810	\$0	\$150,000	\$150,000
11204	\$328,500	\$200,000	\$528,500
<b>Total</b>	<b>\$328,500</b>	<b>\$500,000</b>	<b>\$828,500</b>

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

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on December 8, 2020.

RECOMMENDATION:

THAT THE BOARD APPROVE: 1) THE ADDITION OF PROJECTS 11808 AND 11810, EACH IN THE AMOUNT OF \$150,000, FOR A TOTAL OF \$300,000 TO PROVIDE FUNDING FOR THE OBIEE UPGRADE PROJECT, AND 2) A BUDGET INCREASE TO PROJECT 11204, GENERAL PLANT PROJECT, IN THE AMOUNT OF \$200,000 FOR THE ACQUISITION OF ADDITIONAL IT EQUIPMENT TO SUPPORT IRWD BUSINESS OPERATIONS.

LIST OF EXHIBITS:

Exhibit "A" – OBIEE Upgrade Consultant Evaluation Matrix

Exhibit "B" – OBIEE Upgrade Centroid Statement of Work and Fee Proposal

Exhibit "C" – Dell Quotation of Estimated Hardware Costs through FY 2021

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### **Exhibit A - OBIEE Upgrade - Consultant Evaluation Matrix**

Below is a comparison of the vendors evaluated to perform the OBIEE Upgraded Project.

<b>Vendors</b>	<b>Selected for Interview</b>	<b>Project Duration (Months)</b>	<b>Project Duration (Weeks)</b>	<b>Cost</b>	<b>Migration tool for Customizations</b>	<b>Proposed Team Size</b>	<b>Separate Resource as Project Manager</b>	<b>Separate Resource as DBA</b>
Centroid	Yes	5.2 months	21 Weeks	\$ 198,500	Yes	6	Yes	Yes
Dilytics	Yes	10.5 months	42 Weeks	\$ 434,820	No	4	No	No
Emtec	Yes	8 months	32 Weeks	\$ 365,800	No	4	Yes	No
Oracle	No	12 Months	52 Weeks	\$ 849,514	No	6	Yes	Yes
XT Global	No	5 Months	21 weeks	\$ 211,535	No	5	Yes	Yes

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**Irvine Ranch Water District  
Business Intelligence Application  
Upgrade RFP  
Technical Proposal**

**October 21, 2020**

**Centroid Systems, Inc.  
1050 Wilshire Blvd. Ste 170  
Troy, MI 48084**

**Scott Morrell | Managing Partner | 248.730.3115 | [scott.morrell@centroid.com](mailto:scott.morrell@centroid.com)**

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## CONFIDENTIALITY STATEMENT

This document contains valuable proprietary information, copyrighted information, and/or intellectual property of Centroid Systems, Inc. Information contained herein may NOT be used, reproduced, displayed, performed, modified, transmitted, or distributed, unless you obtain written permission: (a) to use our name; and (b) to use this information and specify what portions are requested for use; and (c) notify us of the intentions for use and the audience. If permission is granted for use, the information remains the property of Centroid Systems, Inc. and does not become the property of any other party. Information herein may contain technical inaccuracies, typographical errors, unintentional omission, etc. Any rights not expressly granted herein are reserved.

# 1.0 COVER LETTER

## Cover Letter

Centroid is pleased to provide our response to the Irvine Ranch Water District (IRWD) RFP for an Oracle Business Intelligence Application Upgrade. We look forward to having the opportunity to further discuss our capabilities and explore a partnership with the Irvine Water District.

It is our understanding that the IRWD seeks a comprehensive proposal to provide Oracle Business Intelligence Analytics (OBIA) upgrade services for your current OBIA deployment. This includes not only the ability to upgrade the current deployment but to also consider an on-premise upgrade and also the IRWD preferred option of Oracle Cloud. The proposal should also include plans for testing, training, and post-production support.

We have included an RFP response to provide upgrade services to IRWD for your consideration.

In addition, we have reviewed the IRWD PSA included in the RFP and would not require any changes to the PSA should Centroid be chosen to deliver the upgrade project.

We appreciate the inclusion of Centroid in your RFP process.

Sincerely,

*Scott Morrell*

Scott Morrell  
Managing Partner  
1050 Wilshire Dr, Suite 170  
Troy, MI, 48084  
248-730-3115  
[scott.morrell@centroid.com](mailto:scott.morrell@centroid.com)

## 2.0 EXECUTIVE SUMMARY

### Executive Summary - Our Understanding of Irvine Ranch Water District Needs

Irvine Ranch Water District (IRWD) is seeking a qualified partner to upgrade its Oracle Business Intelligence platform from 11.1.1.9.2 to the most recent, stable version released from Oracle along with upgrading Oracle OBIEE and ODI to 12c.

IRWD has broken the project into 5 pre-determined tasks as follows:

1. Install OBIEE 12c, ODI 12c, and Oracle BI Apps (Provide on-prem and cloud options)
2. Upgrade and Migrate the web catalog reports and custom dashboards
3. Remediate and validate the web catalog reports and custom dashboards
4. Train the IRWD Staff
5. Provide Post-Production support to the IRWD staff

Centroid has reviewed the IRWD upgrade requirements, project phases, and the overall goals of the project and is happy to provide the following proposal to help IRWD accomplish its upgrade goals.

## 3.0 CENTROID EXPERIENCE OVERVIEW

### Centroid Experience

### Centroid Background and Structure

Founded in 1997, with headquarters in Troy, MI, Centroid provides Oracle enterprise workload consulting and managed services across Oracle, Azure, Amazon, Google, and Private Cloud. Centroid maintains one of the highest partner levels within Oracle and is recognized by many in the industry as a Top and Go-To Oracle Partner for Applications, Technology, and Infrastructure for both Consulting and Managed Services. We are dedicated to helping our customers eliminate uncertainty, risk, costs associated with implementations, upgrades, integrations, adaptation, and management on a wide range of Oracle Applications, Technologies and Infrastructure.

In 2014, 2015, and again in 2016 Inc. Magazine recognized Centroid as one of the fastest-growing private companies in the United States. The Inc. 5000 list represents a comprehensive look at the most important segment of the economy - America's independent-minded entrepreneurs.

<http://www.inc.com/profile/centroid>

#### Centroid Mission Statement:

Centroid strives to be experts in Oracle enterprise workloads and to be recognized by both our customers and technology partners for providing top talent who are capable and trusted to architect, deploy, and support the best solutions for any given business challenge. We believe this will lead us into long term relationships with our customers, employees, and partners that result in promising careers and profitable growth.

#### Centroid Vision:

We aspire to be the best technology consulting organization to help our customers address each and every enterprise need with the right approach and the right enabling technology.

#### Centroid Core Values:

Embedded in the DNA of every employee is the pursuit of our customer's success. We will build a workforce that is respected, competent, trusted to solve the toughest problems, and a culture where the team members expect greatness and believe the work makes a difference for our customers. We will challenge ourselves to pick up knowledge that we didn't have before and to share that knowledge for the benefit of our customers, our colleagues, and our partners.

#### CENTROID CORPORATE DEMOGRAPHICS

##### Ownership Structure

Centroid is a privately held, Michigan based, S-Corp. There are no anticipated nor have there been any significant changes to the

	ownership structure in the past 15 years. We are comprised of four owners. Each one of us loves what we do and are actively engaged in every aspect of the business.
<b>Employees</b>	We currently have 220 active employees that reside in 3 physical offices along with many of our staff spread across remote offices in the USA.
<b>Mergers or Acquisitions</b>	There are no anticipated nor have there been any mergers or acquisitions in the past 5 years.
<b>Key Security and Audit Compliance</b>	Centroid holds SOC 2 compliance, Oracle MSP designation and maintains long term strategic agreements with two SOC 2 Type 2 datacenters.  Oracle IaaS, PaaS, SaaS holds SOC 1, SOC 2, SOC 3, HIPAA, GDPR, FISC, ISO 27001, PCI DSS and others. <a href="https://www.oracle.com/cloud/cloud-infrastructure-compliance/">https://www.oracle.com/cloud/cloud-infrastructure-compliance/</a>

Our firm is profitable and has grown steadily the past 25 years. We are not in debt, have no pending litigation, we are not downsizing, nor have any plans to close any offices.

## Centroid Office Locations

### Corporate Headquarters

- Centroid Systems Inc.
- 1050 Wilshire Drive Ste 170
- Troy, Michigan 48084
- 248.465.9533
- [www.centroid.com](http://www.centroid.com)

### Dallas, TX Office

- Centroid Systems Inc.
- 6860 Dallas Pkwy, Ste 560
- Plano, Texas 75024
- 214.403.4779

### Hyderabad India Office

- Centroid Systems India PVT
- Part 7B, 7th floor, Melange Towers
- Patrika Nagar, Hitech City
- Madhapur, Hyderabad
- Telangana - 500081
- 248.465.9533



## Centroid Qualifications

Centroid has been in business for 25 years, carries over 200+ professional certifications, 150+ active customers, skilled professionals from Big 4, Large SI's, with many certifications and qualifications. We have migrated over 10,000 workloads to the Cloud within the past 3 years and have under Managed Services many of these same workloads. Our 25 year track record has put Centroid at the top of all Oracle Consulting Partners and we are 1 of 5 firms in North America that Oracle and a 3<sup>rd</sup> Party Auditor has approved as a certified MSP/CSP to migrate, run, and maintain your workloads on Oracle Cloud. You are in the best of hands with Centroid.

Centroid was founded on Oracle E-Business Suite deployments. 25 years later we are still managing E-Business Suite, Cloud ERP, BI Applications, APEX, database and other Oracle technologies in Private Clouds and across Public Clouds: AWS, AZURE, GCP, and OCI.

Our professionals and our organization have passed rigorous SOC 2 type II reporting and other third-party audits. These certs provide a higher level of Managed Services, Compliance, IT processes, and best-practices companies should follow.

CIO Review named Centroid the most promising Oracle Consulting and Managed Services Provider of 2019. <https://www.centroid.com/news/most-promising-oracle-consulting-services/>

Centroid just won '3' additional awards from Oracle from the 2021 N.A. Partner kick-off (virtual) held on July 15-16, 2020 and had the highest number achieved from any Partner. We have won 14+ awards from Oracle over the last 7 years and 5 from our customers, however, more achievements are when our Customers win awards for services we delivered. As in the case for the CIO of Subaru for winning CIO Innovation of the Year for the solution we designed and implemented that replaced an aging telematics system with modern Oracle technology. <https://www.centroid.com/news/centroid-client-subaru-wins-2017-cloud-platform-innovation-award/>

Centroid is uniquely capable of providing IRWD with the highest quality technology consulting services because:

- We specialize in Oracle Enterprise Workloads. Our experts have years of Application, Database, Middleware, Networking, Security, Infrastructure, Development, and Configuration expertise that is deep and wide. We understand the entire stack both in business processes and technology to maximize system performance and your return on investment.
- We are not new to Oracle, nor to OBIEE, OBIA, Informatica, EBS, Oracle Data Warehouse solutions, Oracle Cloud Infrastructure (OCI), and Oracle Exadata. We have a solid track record of success for the past 25 years and have never had a failed project and have never been asked to leave a project, nor has any of our contracts ever been exited early. Our first customer in 1997 is still a customer of Centroid's today.
- We use a methodology that is focused on optimizing business processes end-to-end and not one based on server, storage, network, or database metrics alone.
- Centroid has won many awards from Oracle, our customers, and the community for the solutions we have helped our customers deploy and manage.
- Centroid has passed SOC 2 Type II Audit as well as Oracle third party Audits for delivering and managing Oracle mission critical enterprise workloads.

- Centroid has the following designations within Oracle for their expertise: Oracle Platinum Partner, Oracle E-Business Suite, Oracle Business Intelligence, Performance and Tuning, Oracle Data Warehouse, Oracle Cloud Select, Oracle MSP, Specializations and Expertise in Oracle Cloud: PaaS | IaaS | SaaS, Oracle databases among a few. We carry over 18 Specializations and have over 200+ professional certifications.

### Centroid OBIEE Upgrade Experience

Centroid has successfully conducted similar OBIA upgrade projects involving an upgrade of 3 versions or more than the current release. Centroid developed and applied an approach to each of the upgrade projects along with a set of tools and scripts which allow us to successfully complete the projects on-time and on-budget.

#### Examples of customers we have helped moving to OAC are:

- Simmons Processed Foods, moved from a solution based in Oracle Discoverer to OAC 5.5. by replacing 350+ reports across 22 Business Areas
- HID Global, Migrated their 3 data-center to Oracle Cloud. Including a hybrid ERP: SaaS for Supply Chain, EBS for Finance & Manufacturing, OAC, 1500+ workloads moved to IaaS and PaaS
- Toshiba Global Commerce private cloud upgrade. This upgrade was from OBIA 11.1.1.7.1 to 11.1.1.10.2 and then we configured the upgraded environment with a 12c OBIEE server and upgraded the OBIEE content via the lift and shift process (the same process that is used for moving to OAC) to allow the user community to experience the features.

# 4.0 CENTROID TEAM

## Centroid Team

Centroid plans to deliver the IRWD upgrade with the same Oracle Business Analytics team that has delivered the latest OBIA/OBIEE deployments and upgrades to its clients. The team will be made up of resources from all three Centroid offices and led by BI Practice manager Jose Esparza who has been with Centroid for over 10 years and has completed over 20 OBIA/OBIEE implementations and upgrades across multiple clients and industries.

Jose's team will be rounded out by Sid Shivappa in our Dallas office, and Rekha Lukka, Partha Thota, and Satya V. in our Hyderabad India office. Jose's team members each have between 10 and 25 years of experience in OBIEE/OBI and Oracle E\*Business Suite.

The project team will be managed by our PM program lead Ann Habel, Ann has been with Centroid for over 8 years and has managed dozens of successful Oracle projects in recent years.

We have attached resumes for each of these resources in Appendix A of this document and would welcome interviews between IRWD and the team to confirm their skillsets and capabilities.

## Project Roles and Responsibilities

Roles which will be filled by Centroid on this engagement are described below:

Centroid Role	Responsibilities	Experience
<b>Centroid Project Manager (Ann Habel)</b>	<ul style="list-style-type: none"> <li>• Authors and maintains the project plan</li> <li>• Manages project scope, critical path, and issues</li> <li>• Develops and administers project management processes</li> <li>• Maintains regular project updates to Steering Committee</li> <li>• Maintains and manages the open issues list</li> <li>• Coordinates staff and resource requirements</li> <li>• Manages the Centroid resources on the project</li> <li>• Accountable for project delivery</li> </ul>	15-25 Years
<b>Centroid Account Partner Quality Assurance (Scott Morrell)</b>	<ul style="list-style-type: none"> <li>• Assists IRWD with achieving its on-time, within-budget, and high-quality project objectives</li> <li>• Provide insights on how to manage and control risks to be better equipped for the challenges that could cause unanticipated cost and schedule overruns</li> <li>• Deliverable review and executive briefings</li> <li>• Escalation Point of Contact</li> <li>• Accountable for contractual obligation</li> </ul>	20-25 Years

Centroid Role	Responsibilities	Experience
<b>Centroid Lead Solution Architect</b> (Jose Esparza)	<ul style="list-style-type: none"> <li>Leads solution and upgrade planning and identifies application, database, and infrastructure optimization requirements</li> <li>Executes OBIA/OBIEE and dependent upgrade tasks</li> <li>Resolves technical issues found during project</li> <li>Provides recommendations on technical decisions and guides teams during execution</li> <li>Shares knowledge with client team about upgrade details</li> <li>Accountable for project technical activities</li> </ul>	15-25 Years
<b>Centroid BI/ETL Consultants</b> (Partha Thota, Rekha Lukka)	<ul style="list-style-type: none"> <li>Analyzes current environment and develops detailed upgrade task list</li> <li>Executes technical upgrades</li> <li>Resolve upgrade related issues during Development, Testing, and Cutover</li> <li>Provides support and assists technical team with tuning and connectivity issues</li> <li>Creates documentation including upgrade runbooks</li> <li>Shares knowledge with client team about upgrade details</li> <li>Provides training for client team on new version requirements and maintenance procedures</li> </ul>	10-20 Years
<b>Cloud and Database Architect</b> (Sid Shivappa, Satya V)	<ul style="list-style-type: none"> <li>Cloud Provisioning</li> <li>Cloud Configuration</li> <li>OAC Setup</li> <li>Handles Database Upgrade</li> <li>Assists with database installation and configuration tasks</li> </ul>	10-20 Years

## Project Governance and Framework

Excellence in project management is one of the ways that Centroid distinguishes itself from its competitors. By leveraging our organization’s assets, Centroid can provide expertise in delivering an appropriate structure and methodology. This provides an effective structure for successful program management.

The key components of the project management framework we frequently use on similar projects include:

**Status reporting:** Our approach for status reporting provides project-level tracking including milestones, accomplishments, planned activities, risks, decisions, and issues. Each team is responsible for submitting status reports on a weekly basis with identification of task completion and issues for escalation. The project manager is responsible for assessing the status report content, including escalation, discussion of risks, and milestones. When required, the status report may be summarized for reporting to the client Steering Committee.

**Scope Management:** Our proposed operating model contains a rigorous and formal process used for managing the project scope. Scope must be carefully managed so that key activities occur on time. As the project continues, project management monitoring and control is used to manage the project team’s commitments. Added work after key milestones and phase exits may result in an increased level of complexity and risk to complete subsequent deliverables.

**Change Control:** The change control process enables tracking of potential change requests in the project scope that require project leadership attention. Change requests history can be reviewed to gain a sense of how project scope has changed over time.

**Risk Management and Issue Tracking:** Throughout the project, team members and project management members will identify risks and issues from many sources. Centroid has predefined templates to document project risks and key issues. Risks and issues are often reviewed by project leadership prior to the weekly status reporting meeting. If required, risks are escalated to the client Steering Committee.

- **Risk log:** The risk log enables the project team to raise potential risks that could affect the project. Risks can be classified by type, priority, potential impact, and next review date.
- **Issue log:** The issue log enables the project team to raise project issues that require project leadership attention. Issues can be classified by type, priority, and escalation level.

**Knowledge Repository:** We propose the use of a knowledge repository such as Share Point to manage team status reports and associated content including project tasks, milestones, risks, issues, and key decisions. If needed Centroid can provide a web-based knowledge repository.

**Phase Review:** A structured decision point occurs at the end of each phase. The phase reviews assess the completion of key project deliverables and identification, along with mitigation plans for known project risks, decisions, and issues. They are not a compliance review of each project activity. Rather, they are focused on making the decision whether or not to move the project forward into the next phase.

- **Phase Review Dashboard:** The phase review dashboard provides a mechanism to capture and track completed milestones, key project decisions, risks, and items related to a phase review. This includes capturing approvals.

## **Risk Management**

Risk management includes maximizing the results of positive events and minimizing adverse event consequences through risk identification, risk quantification, risk response development, and risk response control. Risk management is an iterative process that needs to occur throughout the engagement.

A risk is an event or action with a chance of occurring that would result in a negative impact on the project. Risks will have varying degrees of impact on the project and should be associated with a probability of occurrence. The likelihood of success of the project can be increased significantly through formal risk management. This involves:

- Taking a proactive approach to the management of risks
- Implementing actions to reduce or control identified risks
- Planning contingency actions to mitigate consequences of risks

A well-executed risk management strategy should not create the expectation that all risks can be eliminated. Such an outcome is unachievable with limited time, money, and people resources. Instead, the more realistic approach is to identify and evaluate potential risks before implementing, and to plan appropriate actions that will mitigate their effects. Throughout the project, these risks will be monitored.

We are committed to giving our clients the highest business value from every project. We do that by astute project oversight, coordinated and transparent communication and complete accountability. Over decades of experience, Centroid has developed a proven governance approach that drives uncertainty, scope creep and risk from projects.

## 5.0 PROJECT APPROACH & TIMELINE

### Project Approach & Timeline

Centroid has focused on implementations, upgrades, and supporting Oracle Data Warehouse and Business Intelligence Solutions as well as Oracle EBS, OCI, and Oracle Exadata to name a few for more than two decades and brings a proven approach and methodology with the appropriate level of structure and best practices that allows for flexibility to adapt to our clients' specific requirements and needs while delivering on-time and on budget successful projects.

We will bring to the table a comprehensive Project Approach and Management Plan that lends itself well to the desired project phasing and division of responsibilities.

Our approach begins with a solid foundation and definition of the primary workstreams, key activities, and outputs that is overseen with strict project management and governance framework.

### OBIA/OBIEE Upgrade Implementation Steps

Our proven upgrade methodology and experience will accelerate the timeline for your OBIA/OBIEE Upgrade and mitigate any risks along the way.

The upgrade process of OBIA from any prior release to 11.1.1.10.3 is done via an out-of-place upgrade. OBIA has multiple components including FMW, OBIEE, ODI and Business Intelligence Applications Configuration Manager which need to be installed and configured before the actual ODI code, BIACM configurations, etc. can be upgraded.

The two options to be evaluated are 1) On-premise and 2) Cloud Configuration. Even though the options are different, and the Cloud option gives access to new features reduces effort to support the solution, from an upgrade approach perspective they are not that different, so we'll call out the differences below.

At a high-level, the following steps will be performed as part of the upgrade process:

1. Prepare application server and DB services, DW DB services will be migrated and upgraded to DBCS (for Cloud Configuration Option #2) or if IRWD chooses option On-premises Installation (Option #1), then the DB upgrade would be done on-premise.

2. Fresh install and configuration OBIA 11.1.1.10.3 will be done in OCI-provisioned server (for Cloud Configuration Option #2) or if IRWD chooses option On-premises Installation (Option #1), then the install would be done on-premise.
3. For On-Premise Option, we'll configure SSL and integration with IRDW's LDAP and SSO solution to maintain the same security used and to have the same application roles that the current users are members of. For Cloud Option, will require configuring IDCS to connect to IRDW's LDAP and SSO solution to be leveraged in OAC.
4. Enable offerings in BIACM
5. Recreate Customizations in Oracle Data Integrator 12.2.1.3.2(\*)
6. Deploy Custom changes on the Datawarehouse schema
7. Move customizations done in BIACM
8. Apply Bundle Patch for OBIEE Foundation
9. Move OBIEE Customizations (RPD, Web Catalog and Security)
10. Generate Domain and Main load plans
11. Run load plans
12. Validate

*(\*) It is worth to mention that the ODI content that is prepackaged with OBIA 11.1.1.10.3, was prepared for ODI 12c this includes, knowledge modules, reusable mappings, procedures, user-defined functions, etc. For this reason, Oracle doesn't recommend exporting the customizations and mappings that were developed from scratch in the older versions of ODI and importing them into the new ODI repository. Regular export/import, smart export/smart import shouldn't be used, the same applies for upgrading the ODI repository and then exporting/importing into the new ODI repository. Any of the options mentioned would cause corruption and impact the functionality and behavior of the Integration Tool which wouldn't be supported by Oracle.*

There are two types of ODI Customizations that were done in IRDW's OBIA environment: 1) "New", which are new interfaces that were built and 2) "Customizations" which are extensions to the OOTB interfaces. Centroid is planning on using an ODI Customization Migration utility for #1. The utility does part of the work but still requires manual tasks. We'll analyze and determine if the use of this tool is suitable for the type of content. For Customizations (#2) we recommend not using the tool, because adding columns is typically a simple task and the tool wouldn't really add value or save time

Once the customizations are recreated in the new ODI, we'll run a process to deploy the custom changes that were done to the DW schema replicate

There are two sets of components which would typically require performing an incremental upgrade from OBIA 11.1.1.9.2 to 11.1.1.10.1 and then to 11.1.1.10.2 before moving to 11.1.11.0.3. These components are:

- BIACM Configuration
- BI Artifacts (Web Catalog, Repository and Security/JAZN file)

However, for BIACM, security and web catalog, it is possible to use a more direct route if the content can be identified. Based on our understanding of the customizations made by IRWD to the web catalog, best practices were followed, and the custom reports and dashboards are identified. Centroid has scripts to identify custom reports and dashboards which can help ensure the objects are identified and we can also identify if the out of the box (OOTB) web catalog objects were customized. For the BIACM configuration we also have developed scripts to identify changes and they will be run prior to importing them into 11.1.11.0.3. This will allow the team to capture settings which might be deprecated. Finally, for direct RPD upgrade, the patching utility can be used. We don't foresee the need of performing the incremental upgrades mentioned above.

Centroid has applied the methods mentioned above to successfully upgrade multiple OBIA environments in the past.

If IRWD chooses the Cloud Option (Option 2), in addition to the steps listed above, a new OAC environment will be configured and the OBIEE 12c upgraded content (Security, RPD and Web Catalog) will be migrated to OAC via lift-and-shift procedures.

**Database Upgrade**

This proposal includes upgrading the three DW Database instances from 12.1.0.2 to 19c for both options (on-premise or cloud) and SQL performance support is included as well.

IRDW clarified in a couple of answers to the questions we submitted, that this project includes upgrading the DW Database from 12.1, and that it would be feasible to perform a full load after the upgrade has been completed. Centroid suggests moving to the 19c release, which will bring the new environments to a stable release while maximizing the support life. This applies to both options, the On-premise and the DBCS version. This proposal assumes that the DW DB needs to be upgraded and that path is built into our plan, however, if the DW DB only includes data that was loaded via the load plans and it doesn't have any other schemas that are not part of OBIA, it would be possible to start from a fresh instance and perform a full load. This would reduce some cost and duration of the project. This decision can be confirmed during the short analysis phase we suggest at the beginning of the project.

**Oracle Analytics Server**



For On-premise option, we’re scoping the option as requested, we would also like to bring up for consideration the possibility of introducing Oracle Analytics Server 5.5 which is considered the next release of OBIEE from 12.2.1.4.x. OAS is the Customer-Managed version of Oracle Analytics Cloud and offers most of the features in OAC, including Visualization, Machine Learning, Artificial Intelligence, Machine Learning, etc.

**Upgrade Approach and Timeline**

**Upgrade Approach and Timeline**

Centroid has scoped a 12-14 week Upgrade project depending on which option IRWD chooses. We will follow our proven methodology with iterative phases geared towards meeting a successful delivery.

- Build and Execute runbook-based upgrade iterations, starting with Centroid’s prebuilt templates and optimizing with each iteration, including client specific requirements, and to remove any surprises from the upgrades prior to Cut-Over
- Validate each upgrade iteration from a Technology and Business perspective
- Execute on best-practices and provide additional knowledge transfer to the IRWS team
- The key activities, deliverables, and outputs from our proven upgrade methodology are summarized below:

	ANALYSIS & PLANNING	DEV UPGRADE CYCLE	INTEGRATION TEST	UAT UPGRADE CYCLE	CUTOVER & STABILIZE	
<b>Key Activities</b>	<p><b>Environment planning</b></p> <ul style="list-style-type: none"> <li>• Define upgrade approach and instance plan</li> <li>• Validate infrastructure requirements</li> </ul> <p><b>Technical object analysis</b></p> <ul style="list-style-type: none"> <li>• Confirm technical object inventory</li> <li>• Identify upgrade impacts</li> </ul> <p><b>Project governance</b></p> <ul style="list-style-type: none"> <li>• Draft Project plan</li> <li>• Define issue/risk management approach</li> </ul>	<p><b>Prepare for Testing</b></p> <ul style="list-style-type: none"> <li>• Identify Performance Benchmarks</li> <li>• Define testing scenarios and use cases</li> </ul>	<p><b>Run upgrade (Iteration 1)</b></p> <ul style="list-style-type: none"> <li>• Upgrade OBIA DEV environment (Including DW DB)</li> <li>• Prepare task list</li> <li>• Perform initial validation</li> </ul> <p><b>Complete retrofit development of ODI custom code</b></p> <ul style="list-style-type: none"> <li>• Technical design</li> <li>• Conduct development</li> <li>• Unit test code</li> </ul> <p><b>Execute Initial testing</b></p> <ul style="list-style-type: none"> <li>• Validate updated technical objects</li> </ul> <p><b>Cutover Planning</b></p> <ul style="list-style-type: none"> <li>• Define draft cutover plan</li> </ul> <p><b>Training Planning</b></p> <ul style="list-style-type: none"> <li>• Define training plan</li> </ul>	<p><b>Execute integration testing</b></p> <ul style="list-style-type: none"> <li>• Validate end-to-end test scenarios</li> </ul> <p><b>Prepare for training</b></p> <ul style="list-style-type: none"> <li>• Finalize training content</li> </ul>	<p><b>Run upgrade as mock cutover (Iteration 2)</b></p> <ul style="list-style-type: none"> <li>• Upgrade OBIA UAT environment (Including DW DB)</li> <li>• Finalize cutover plan</li> </ul> <p><b>Execute User Acceptance Testing</b></p> <ul style="list-style-type: none"> <li>• Validate end-to-end business scenarios</li> <li>• Performance test</li> </ul> <p><b>Deliver training</b></p> <ul style="list-style-type: none"> <li>• “Train the trainer”</li> <li>• End user training delivery</li> </ul>	<p><b>Production cutover</b></p> <ul style="list-style-type: none"> <li>• Execute cutover plan to upgrade PROD environment</li> </ul> <p><b>Stabilization and Knowledge Transfer</b></p> <ul style="list-style-type: none"> <li>• Stabilize environment</li> <li>• Perform knowledge transfer</li> <li>• Transition to steady-state</li> <li>• Ensure operational readiness for support team</li> </ul>
<b>Key Output</b>	<ul style="list-style-type: none"> <li>• Project plan</li> <li>• Instance plan</li> <li>• Technical object impact analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Upgrade task list defined</li> <li>• Testing scope and use cases defined</li> </ul>	<ul style="list-style-type: none"> <li>• Technical testing completed</li> <li>• Draft cutover plan</li> <li>• Training plan</li> </ul>	<ul style="list-style-type: none"> <li>• Integration testing Cycle complete</li> <li>• Training content</li> </ul>	<ul style="list-style-type: none"> <li>• Mock cutover executed</li> <li>• UAT testing cycle complete</li> <li>• Train the trainer delivered</li> </ul>	<ul style="list-style-type: none"> <li>• Production cutover</li> <li>• End user training delivered</li> <li>• Support fully transitioned</li> </ul>

A high-level project plan, with key milestone dates are shown for each option in the diagrams below. A final project plan will be developed as a key output during the planning and analysis phase referenced in

our methodology above and will be communicated with the IRWD team. We have attached the draft detailed project plan for each option in Appendix C.

### Upgrade Option 1: On-Premise Upgrade

OBIA Upgrade to 11.1.1.10.3 (On-Premise/Option 1)	IRWD Task	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Plan/Analysis	1	40	8																	
Architecture & Design	1		8																	
Prepare, Build (Install & Config) & Unit Test	1																			
Dev Database Upgrade	1																			
Install and Configure OBIEE 12.2.1.4/OBIA 11.1.1.10.3	1			40	16															
Configure SSL, SSO	1				24															
Recreate ODI Customizations ( 68 new)	2				109															
Recreate ODI Customizations (75 Custom)	2				11	120	109													
Move Oracle Business Analytics Changes	2							12												
Move Customization Changes in BIACM	2							16												
Upgrade BI Artifacts *	2							12	20											
Remediate Validate IRWD Webcat Reports and Custom Dashboards, ODI	3									24										
User Acceptance Test																				
UAT Database Upgrade	1																			
Install and Configure OBIEE 12.2.1.4/OBIA 11.1.1.10.3	1							40												
Configure SSL, SSO	1								16											
Migrate upgraded Content from Dev	2								16											
UA Testing	3										40									
Issue Resolution	3											20								
Deploy to Production																				
Prod Database Upgrade	1																			
Install and Configure OBIEE 12.2.1.4/OBIA 11.1.1.10.3	1											20	20							
Configure SSL, SSO	1												16							
Migrate upgraded Content from UAT	2													4	12					
Training and KT	4														12					
Load DW	3														8					
Go-Live - Validate and Release environment	3														8					
Stabilize																				
Post-Production Support (6 weeks) DB	5																			
Post-Production Support (6 weeks) OBIA	5															40	40	40	40	40
Project Close																				

### Upgrade Option 2: Oracle Cloud

OBIA Upgrade to 11.1.1.10.3 (OCI/OAC Option 2)	IRWD Task	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Plan/Analysis	1	40	8																			
Architecture & Design	1		8																			
Prepare, Build (Install & Config) & Unit Test	1																					
OCI Setup & Dev DB migration	1																					
Install and Configure OBIEE 12.2.1.4/OBIA 11.1.1.10.3 in OCI	1			40	16																	
Recreate ODI Customizations ( 68 new)	2				109																	
Recreate ODI Customizations (75 Custom)	2				11	120	109															
Move Oracle Business Analytics Changes	2								12													
Move Customization Changes in BIACM	2								16													
Upgrade BI Artifacts *	2								12	20												
Remediate Validate IRWD Webcat Reports and Custom Dashboards, ODI	3									20	4											
Prepare OAC Environment	1										40											
User Acceptance Test																						
OCI Setup & UAT DB migration	1																					
Install and Configure OBIEE 12.2.1.4/OBIA 11.1.1.10.3	1											40										
Migrate upgraded Content from Dev	2												16									
Load DW	2												16									
Prepare OAC Environment	2												24									
UA Testing	3													40								
Issue Resolution	3														20							
Deploy to Production																						
OCI Setup & PROD DB migration	1																					
Install and Configure OBIEE 12.2.1.4/OBIA 11.1.1.10.3	1														40							
Migrate upgraded Content from UAT	2															16						
Prepare OAC Environment	1																24					
Training and KT	4																	12				
Load DW	3																		8			
Go-Live - Validate and Release environment	3																			8		
Stabilize																						
Post-Production Support (6 weeks) DB	5																					
Post-Production Support (6 weeks) OBIA	5																				40	40
Project Close																						

Weekly status report-outs will occur from our project manager to the IRWD stakeholders to inform them of project status, progress, roadblocks, risks, and any suggestions for improvements related to the environment. Centroid will schedule break-out sessions with specific IRWD resources when interaction with district staff is required. We estimate that involvement from district staff should be less than 10 hours per week.

## 6.0 SCHEDULE

### Schedule Assurance

Centroid utilizes Salesforce and Replicon Workforce Management to support resource capacity planning globally. The team that we have earmarked for the IRWD project will be ready and available to kick-off the project in December should IRWD choose to work with Centroid on this project.

## 7.0 REFERENCES

### Customer References

At Centroid, our goal is to keep a client for life and as such we enjoy a better than 90% client retention rate. References for clients of comparable size and application landscape are available below.

As a professional courtesy to our references, we do request confirmation of which references you may be contacting so we may provide each with a courtesy notice and to be respectful of their time.

Centroid worked with each of the references below on OBIA/OBIEE upgrades and OAC deployments.

ORGANIZATION	NAME	TITLE	ADDRESS	CONTACT #	START DATE	END DATE
Toshiba Global Commerce	Rushi Vangapally	Application Manager	3901 S Miami Blvd. Durham, NC	984-355-3652	4/17	Ongoing
Simmons	Heather Moore	Sr Director of IT	490 N Hico St. Siloam Springs, AR	479-215-2169	6/19	Ongoing
HID Global	Sathish	Sr Director of IT	611 Center Ridge Drive, Austin, TX	512-776-9768	6/17	Ongoing

### Customer Testimonial Videos

The following are four (4) short (less than 90 seconds) customer testimonial videos that tell the Centroid story better than we do of our expertise and the trust our customers place in us to implement, upgrade, and run and maintain their mission critical workloads.

Please watch at least the first video.

Toshiba Video	<a href="https://youtu.be/TCKUNtmk8d8">https://youtu.be/TCKUNtmk8d8</a>
Canon Medical Video	<a href="https://www.youtube.com/watch?v=ljFditr31Vo">https://www.youtube.com/watch?v=ljFditr31Vo</a>
Tombras Video	<a href="https://www.youtube.com/watch?v=XDX-sbNwlsI">https://www.youtube.com/watch?v=XDX-sbNwlsI</a>
Simplifying Your Journey to the Cloud	<a href="https://youtu.be/un1vQUMV4og">https://youtu.be/un1vQUMV4og</a>

# 8.0 COST PROPOSAL

## Cost Proposal

### Option 1 – On-Premise Installation

The price below is fixed and will not exceed the total of \$151,580.

	Classification	Hours by Classification	Price	Cost by Classification	Cost by Task
<b>Task 1:</b> Install OBIEE 12.1.x, ODI 12.x, and Oracle BI Apps 11.1.1.x on prem	PM	15	\$ 150.00	\$ 2,250.00	\$ 34,900.00
	BI Architect	140	\$ 160.00	\$ 22,400.00	
	Cloud/DB Architect	45	\$ 150.00	\$ 6,750.00	
	Cloud/DB Architect Offshore	70	\$ 50.00	\$ 3,500.00	
	BI Developer Offshore	0	\$ 500.00	\$ -	
<b>Task 2:</b> Upgrade and Migrate IRWD Web Catalog reports and custom dashboards	PM	15	\$ 150.00	\$ 2,250.00	\$ 37,950.00
	BI Architect	110	\$ 160.00	\$ 17,600.00	
	Cloud/DB Architect	25	\$ 150.00	\$ 3,750.00	
	Cloud/DB Architect Offshore	70	\$ 50.00	\$ 3,500.00	
	BI Developer Offshore	217	\$ 50.00	\$ 10,850.00	
<b>Task 3:</b> Remediate, Validate IRWD Web Catalog Reports and custom Dashboards	PM	15	\$ 150.00	\$ 2,250.00	\$ 40,300.00
	BI Architect	120	\$ 160.00	\$ 19,200.00	
	Cloud/DB Architect	20	\$ 150.00	\$ 3,000.00	
	Cloud/DB Architect Offshore	100	\$ 50.00	\$ 5,000.00	
	BI Developer Offshore	217	\$ 50.00	\$ 10,850.00	
<b>Task 4:</b> Training	PM	15	\$ 150.00	\$ 2,250.00	\$ 18,200.00
	BI Architect	90	\$ 160.00	\$ 14,400.00	
	Cloud/DB Architect	5	\$ 150.00	\$ 750.00	
	Cloud/DB Architect Offshore	16	\$ 50.00	\$ 800.00	
	BI Developer Offshore	0	\$ 50.00	\$ -	
<b>Task 5:</b> Post-Production Support	PM	12	\$ 150.00	\$ 1,800.00	\$ 20,230.00
	BI Architect	88	\$ 160.00	\$ 14,080.00	
	Cloud/DB Architect	5	\$ 150.00	\$ 750.00	
	Cloud/DB Architect Offshore	72	\$ 50.00	\$ 3,600.00	
	BI Developer Offshore	0	\$ 50.00	\$ -	
		1482		\$ 151,580.00	\$ 151,580.00

Option 1 - Break down by Employee

Irvine Ranch Water District	Location	Rate Code	Rate	Total Estimated Budget	Total Estimated Hours	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	
<b>Resource Estimate</b>			<b>Rate</b>	<b>Total Budget</b>	<b>Total Hours</b>																					
Project Manager - Ann Habel	Onshore		\$ 150.00	\$ 10,800.00	72	8	8	8	8	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
BI Architect - Jose Esparza	Onshore		\$ 160.00	\$ 87,680.00	548	40	16	40	40	40	40	40	52	40	40	40	40	40	40	20	20	10	10	10	10	
Cloud Architect - Sid Shivappa	Onshore		\$ 150.00	\$ -	0																					
Database Architect - Sataya V.	Offshore		\$ 50.00	\$ 16,400.00	328	8	40	24	40	24	40	40	24						8	24	16	16	8	8	8	8
Database Architect - Sid Shivappa	Onshore		\$ 150.00	\$ 15,000.00	100	8	8	8	8	8	8	8	8						8	8	8	8	4	4	4	4
BI Developer - Partha Thota	Offshore		\$ 50.00	\$ 12,950.00	259				60	60	55			40	24	20										
BI Developer - Rekha Lukka	Offshore		\$ 50.00	\$ 8,750.00	175				60	60	55															
<b>SUBTOTAL</b>				\$ 151,580.00	1482.00	64	72	80	216	156	202	92	88	84	68	64	44	52	56	44	34	22	22	22	0	0
Travel Expenses (Estimated)				\$ -																						
<b>TOTALS</b>				\$ 151,580.00		40	16	40	160	120	149	40	52	40	40	40	40	40	40	40	40	40	40	40	40	0

## Option 2 – Cloud Installation

The price below is fixed and will not exceed the total of \$198,500.

	Classification	Hours by Classification	Price	Cost by Classification	Cost by Task
<b>Task 1:</b> Install OBIEE 12.1.x, ODI 12.x, and Oracle BI Apps 11.1.1.x on prem	PM	15	\$ 150.00	\$ 2,250.00	\$ 39,650.00
	BI Architect	140	\$ 160.00	\$ 22,400.00	
	Cloud/DB Architect	50	\$ 150.00	\$ 7,500.00	
	Cloud/DB Architect Offshore	150	\$ 50.00	\$ 7,500.00	
	BI Developer	0	\$ 500.00	\$ -	
<b>Task 2:</b> Upgrade and Migrate IRWD Web Catalog reports and custom dashboards	PM	15	\$ 150.00	\$ 2,250.00	\$ 59,500.00
	BI Architect	140	\$ 160.00	\$ 22,400.00	
	Cloud/DB Architect	100	\$ 150.00	\$ 15,000.00	
	Cloud/DB Architect Offshore	140	\$ 50.00	\$ 7,000.00	
	BI Developer	257	\$ 50.00	\$ 12,850.00	
<b>Task 3:</b> Remediate, Validate IRWD Web Catalog Reports and custom Dashboards	PM	15	\$ 150.00	\$ 2,250.00	\$ 47,400.00
	BI Architect	130	\$ 160.00	\$ 20,800.00	
	Cloud/DB Architect	50	\$ 150.00	\$ 7,500.00	
	Cloud/DB Architect Offshore	80	\$ 50.00	\$ 4,000.00	
	BI Developer	257	\$ 50.00	\$ 12,850.00	
<b>Task 4:</b> Training	PM	15	\$ 150.00	\$ 2,250.00	\$ 20,050.00
	BI Architect	100	\$ 160.00	\$ 16,000.00	
	Cloud/DB Architect	8	\$ 150.00	\$ 1,200.00	
	Cloud/DB Architect Offshore	12	\$ 50.00	\$ 600.00	
	BI Developer	0	\$ 50.00	\$ -	
<b>Task 5:</b> Post-Production Support	PM	12	\$ 150.00	\$ 1,800.00	\$ 31,900.00
	BI Architect	100	\$ 160.00	\$ 16,000.00	
	Cloud/DB Architect	70	\$ 150.00	\$ 10,500.00	
	Cloud/DB Architect Offshore	72	\$ 50.00	\$ 3,600.00	
	BI Developer	0	\$ 50.00	\$ -	
		1928		\$ 198,500.00	\$ 198,500.00

Option 2 - Break down by employee

Irvine Ranch Water District	Location	Rate Code	Rate	Total Estimated Budget	Total Estimated Hours	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 21
<b>Resource Estimate</b>			<b>Rate</b>	<b>Total Budget</b>	<b>Total Hours</b>																					
Project Manager - Ann Habel	Onshore		\$ 150.00	\$ 10,800.00	72	8	8	8	8	4	4	4	4	4	4	4	4	4	4	4						
BI Architect - Jose Esparza	Onshore		\$ 160.00	\$ 97,600.00	610	40	16		40	16			40	40	44	40	56	40	60	40	68	20	20	10	10	10
Cloud Architect - Sid Shivappa	Onshore		\$ 150.00	\$ 23,700.00	158	8	20	12	4	4	20	12	4	4	20	12	8	4			6	4	4	4	4	4
Cloud/Database Architect - Sataya V.	Offshore		\$ 50.00	\$ 22,700.00	454	8	36	36	40	24	28	40	24	24	28	40	24	24			30	16	8	8	8	8
Database Architect - Sid Shivappa	Onshore		\$ 150.00	\$ 18,000.00	120	8	8	8	8	8	8	8	8	8	8	8	4	4			4	4	4	4	4	4
BI Developer - Partha Thota	Offshore		\$ 50.00	\$ 12,850.00	257					60	60	55		20	12	10	20			20						
BI Developer - Rekha Lukka	Offshore		\$ 50.00	\$ 12,850.00	257					60	60	55		20	12	10	20			20						
<b>SUBTOTAL</b>				\$ 198,500.00	1928.00	72	88	64	100	176	180	174	80	120	128	124	136	76	104	40	108	44	36	26	26	26
Travel Expenses (Estimated)				\$ -																						
<b>TOTALS</b>				\$ 198,500.00		40	16	0	40	136	120	109	40	44	40	56	40	60	40	68	40	40	40	40	40	40

## 9.0 JOINT VENTURE

### Joint Venture

Centroid has no plans to engage in a joint venture to deliver the items listed in the IRWD proposal. The delivery team Centroid has outlined in this proposal consists of Centroid employees only, each with an average tenure of over 10 years with the company.

## 10.0 CONFLICT OF INTEREST

### Conflict of Interest

Centroid is not aware of any conflict of interest between the Centroid resources that worked on the IRWD proposal or the delivery team and the Irvine Ranch Water District.

## APPENDIX A TEAM RESUMES

### Appendix A Resumes

The resumes are included in individual pdf files for each team resource.

## APPENDIX B INSURANCE

### Appendix B Insurance



Centroid has confirmed that it meets or exceeds IRWD insurance requirements and has included a certificate listing the current coverage levels that are in place.

**Filename:** Appendix B Irvine Ranch Water District COA.pdf

# APPENDIX C PROJECT PLAN

## Appendix C Project Plan

Centroid has attached Draft IRWD project plans for each option. The filename attachments are below:

**Option 1 (On Prem):** Appendix C Option\_1\_On\_Prem\_Detailed\_Plan.pdf

**Option 2 (Oracle Cloud):** Appendix C Option\_2\_Oracle\_Cloud\_Detailed\_Plan.pdf

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**Exhibit "C" – Dell Quotation of Estimated Hardware Costs through FY2021**

Below are estimated IT procurement requirements through year-end of Fiscal Year 2021. Cost is based on Dell Computer's quotation, inclusive of Sales Tax.

<b>Device</b>	<b>Quantity</b>	<b>Cost (each)</b>	<b>Extended Cost</b>
Laptops	80	\$ 2,200	\$ 176,000
Monitors	30	200	6,000
USB Headsets	50	50	2,500
Curved monitors	2	1,000	2,000
Dell Soundbars	10	50	500
Backpacks	80	70	5,600
Miscellaneous	1	7,400	7,400
		<b>Total:</b>	<b>\$ 200,000</b>

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December 14, 2020  
Prepared by: R. Jacobson  
Submitted by: C. Clary  
Approved by: Paul A. Cook



## CONSENT CALENDAR

### SALE OF FORMER CARPENTER IRRIGATION DISTRICT OFFICE PROPERTY

#### SUMMARY:

IRWD owns real property located in an unincorporated area of Orange County which was the former office site for the Carpenter Irrigation District. Staff has determined that the property will not be required for any future IRWD operational purposes. Consistent with requirements of IRWD's Real Property Policy and the Surplus Land Act, staff recommends the Board designate the property as "Exempt Surplus Land" and authorize staff to initiate the process to sell the property.

#### BACKGROUND:

IRWD owns the former Carpenter Irrigation District headquarters property which includes an approximate 4,700-square-foot parcel and a small office building. The property is located at the intersection of Hewes Street and East Center Avenue in an unincorporated area of Orange County. The building has been vacant for many years and based on staff's analysis, the property will not be needed for any future District operating purposes.

Based on input from local real estate brokers, due to the size of the building (approximately 1,000 square feet), its condition and zoning for the property, the highest and best use for prospective buyers will likely be to remove most, if not all, of the existing structure and build a small home on the site. A location map and depiction of the building and adjacent parking area is provided as Exhibit "A". Sale of the property is included in IRWD's 2020 Goals and Target Activities List.

The State of California's Surplus Land Act (the "Act") states that parcels of less than 5,000 square feet are exempt from its surplus land sale process. Consistent with the requirements of IRWD's Real Property Policy, staff recommends the Board designate the property as "Exempt Surplus Land" and authorize staff to initiate the process to sell the property.

#### Next Steps:

Staff intends to retain a real estate agent with experience in the market area of the property and list the property for sale on an as-is basis. Based on the small size of the parcel, its location and the expected use of the property, brokers have estimated the value of the land to be from \$125,000 to \$175,000.

#### FISCAL IMPACTS:

Undetermined at this time.

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.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on December 8, 2020.

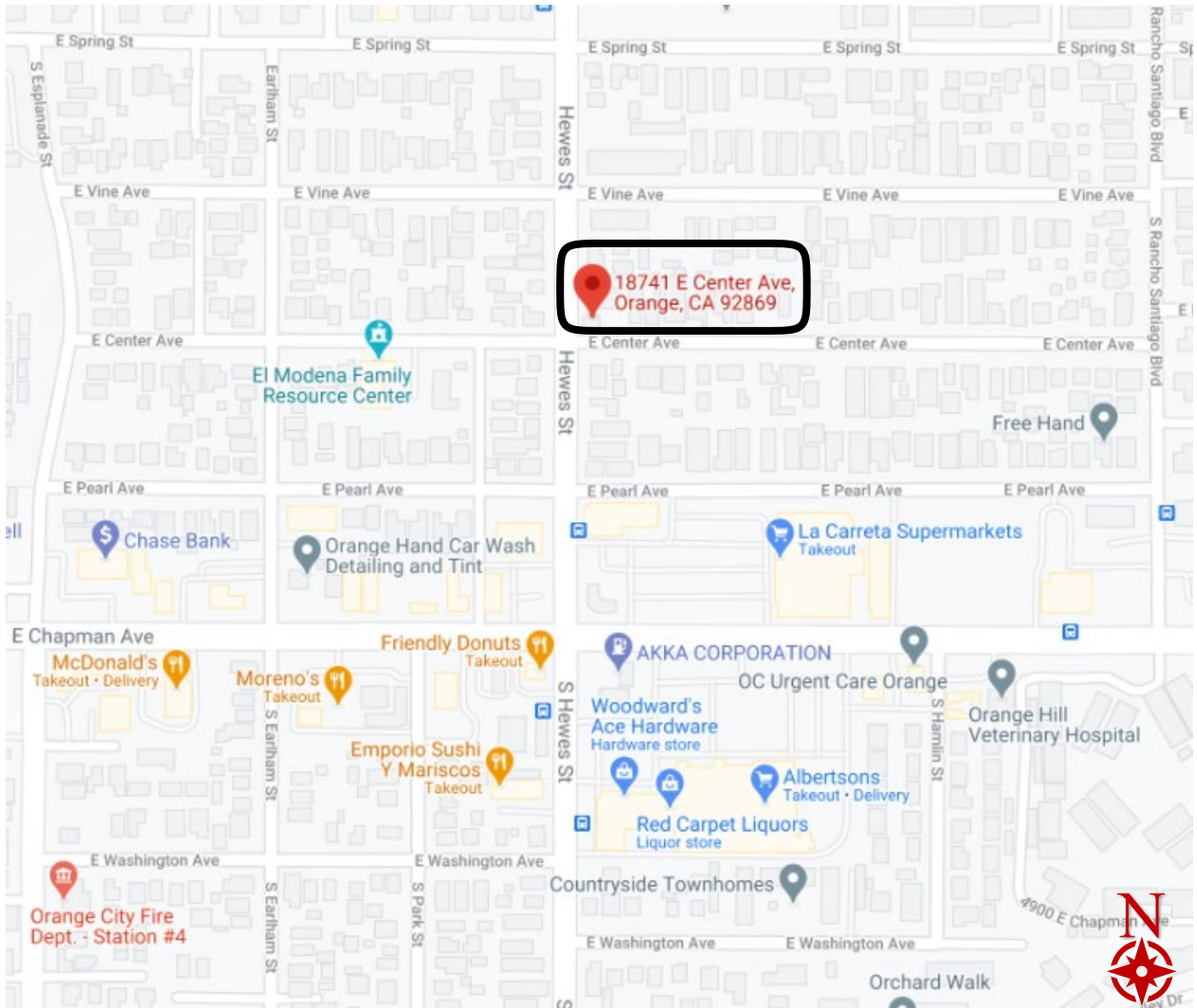
RECOMMENDATION:

THAT THE BOARD DESIGNATE THE FORMER CARPENTER IRRIGATION DISTRICT OFFICE PROPERTY LOCATED AT 18741 EAST CENTER AVENUE IN UNINCORPORATED ORANGE COUNTY AS “EXEMPT SURPLUS LAND” AND AUTHORIZE STAFF TO INITIATE THE PROCESS TO SELL THE PROPERTY.

LIST OF EXHIBITS:

Exhibit “A” – Location of the former Carpenter Irrigation property

# Exhibit "A"





**Carpenter Property**

**Exhibit "A"**





December 14, 2020  
Prepared and  
submitted by: C. Compton  
Approved by: Paul A. Cook



## ACTION CALENDAR

### REVIEW OF 2020 GOVERNMENT RELATIONS ACTIVITIES AND 2021 LEGISLATIVE AND REGULATORY ISSUES PLANNING

#### SUMMARY:

This report provides a review of IRWD's 2020 legislative and regulatory priorities and government relations activities. It also provides an overview of expected 2021 legislative and regulatory issues in Washington, D.C., Sacramento, and regionally. Also described are proposals that the District's associations and stakeholders are sponsoring. The report proposes an initial 2021 staff resource allocation plan for legislative and regulatory issues of importance to IRWD in the coming year. Staff recommends the Board provide input on the proposed 2021 regional, state and federal legislative issues of interest to IRWD, and receive and file the proposed Initial 2021 Legislative and Regulatory Resource Allocation Plan and the Legislative / Regulatory Issues and Activities of High Concern to IRWD in 2021.

#### BACKGROUND:

##### 2020 IRWD Priorities and Activities:

In December 2019, the Board reviewed an overview of expected 2020 legislative issues in Washington, D.C. and Sacramento, including proposals that IRWD's statewide associations were considering for introduction. At that time, the Board received and filed the Initial 2020 Legislative and Regulatory Resource Allocation Plan and the Legislative / Regulatory Issues and Activities of High Concern to IRWD in 2020, which guided the District's governmental relations activities this past year.

The 2020 priorities included protecting the District's various revenue sources, and actively engaging in the discussions related to implementation of the "Making Water Conservation a California Way of Life" legislation. Additionally, the priorities sought recognition of emergency water supplies, engagement in the discussions regarding the California Water Resilience Portfolio, and engagement with the State Water Resources Control Board and Department of Water Resources (DWR) on policy, regulatory and permit issues of concern to IRWD. Over the past year, staff and IRWD's state legislative and regulatory advocates worked on each of these issues and other issues of importance to the District including legislation related to fire hydrants and a variety of other regulatory issues.

At the federal level, staff and IRWD's federal legislative continued implementation of a multi-year strategy to obtain funding for the Kern Fan Groundwater Storage Project and advocated for the reauthorization of the federal water storage program. Additionally, staff and IRWD's federal legislative advocated for federal funding for dam safety and modernization at reservoirs used for water supply.

At the local level, IRWD continued to work to build stronger relationships with its partner agencies and community stakeholders.

Expected 2021 Federal Legislative and Regulatory Issues:

While it is expected that in 2021 Congress will work on a number of issues of interest to the water and wastewater communities, during the first part of 2021 Washington, D.C. will be consumed by the transition between the Trump and Biden Administrations. Despite the impact a transition between administrations has on the speed of federal agency and congressional work, staff and the District's federal advocates will continue to seek progress on the key issues of interest to IRWD.

Staff discussed the expected 2021 political environment and federal issues with the Water Resources Policy and Communications Committee (Committee) on December 10, which included the following federal issues:

- Reauthorization of the Water Storage Program;
- Federal funding for the Kern Fan Groundwater Storage Project;
- Water infrastructure funding; and
- Possible creation of a federal dam safety program.

Expected 2021 Statewide Legislative Issues:

As is the case at the beginning of each legislative year, it is expected that the California Legislature and State regulatory agencies will take up a number of issues of interest to the water and wastewater communities in 2021. Staff discussed the expected 2021 political environment and state issues with the Committee. More detailed information is also provided below on several expected issues of significant importance to IRWD.

*Connection Fees & Development Impact Fees:*

One of the prominent topics of discussion during the 2019-2020 legislative years was the lack of affordable housing in California. At the end of the 2019 legislative year, the discussion on housing affordability turned to the fees assessed on new housing developments. The discussion on fees was spurred by a report issued by the University of California, Berkeley's Turner Center – the "[Residential Impact Fees In California: Current Practices and Policy Considerations to Improve Implementation of Fees Governed by the Mitigation Fee Act](#)," (the "Turner Study").

After the release of the Turner Study, Assemblymember Timothy Grayson (D-Concord), along with several of his colleagues, proposed a number of changes to the laws governing fees charged to new housing developments, including connection fees. At the time and in 2020, staff engaged with IRWD's associations and industry partners to seek the removal of connections fees from the scope of Assemblymember Grayson's proposals. Due to the end of the legislative year in 2019 and due to COVID-19 impacting the Legislature's process during 2020, Assemblymember Grayson was unable to move any substantive proposals forward with the exception of [AB 1486](#).

Over the past several months, Assemblymember Grayson restarted discussions on the fees assessed on new housing development, including connections fees. He has put together a stakeholder working group to discuss proposals regarding these fees and how they are set. During one of the first stakeholder working group meetings, it was announced that the Turner Center was preparing to release a new report on development impact fees and the other fees charged to new housing developments. The new report was released in November 12, 2020, and is titled [“Improving Impact Fees in California: Rethinking the Nexus Study Requirement.”](#) The focus of the new report is on the nexus studies uses to justify the amount of the fees charged.

Again, this coming legislative year, it appears that Assemblymember Grayson will be proposing legislation related to the fees charged on new housing developing, including connection fees. While the specifics are now known, the proposal will likely relate to the Turner Study’s proposals on nexus studies, which contains some criticism of buy-in based fees.

*“Making Water Conservation a California Way of Life”:*

In 2018, in response to Governor Brown’s call to “Make Water Conservation a California Way of Life,” the legislature passed AB 1668 (Friedman, D-Glendale) and SB 606 (Hertzberg, D-Van Nuys). As enacted, the bills:

- Give the State Board one-time authority to set certain water use efficiency standards and implement water use objectives/targets;
- Authorize the State Board to establish guidelines and methodologies to identify how urban water use objectives/targets are to be calculated and reported;
- Require that urban retail water suppliers annually calculate an urban water use objective and report on accomplishments;
- Establish indoor water use efficiency standards through statute at 55 gallons per person daily (GPCD) until 2025, establish the indoor standard at 52.5 GPCD until 2030 and at 50 GPCD after 2030;
- Authorize the State Board to establish outdoor water use efficiency standards for residential landscapes and commercial, industrial and institutional (CII) irrigation based on the principles of the Model Water Efficient Landscape Ordinance;
- Authorize the State Board to establish performance measures for CII water use. Process water was excluded from the performance measures;
- Grant permissive, not mandatory, authority to the State Board to establish variances to the efficiency standards;
- Provide up to a 15 percent bonus for potable reuse supplies;
- Grant the State Board with new enforcement powers; and
- Modify the Urban Water Management Planning Act to require urban water suppliers to develop enhanced Urban Water Management Plans, enhanced Water Shortage Contingency Plans, Drought Risk Assessments, and an annual Water Supply and Demand Assessment.

In 2021, the State Board's and DWR's efforts to implement these two bills is expected to continue to be substantial. As IRWD was active in the policy discussions surrounding the drafting of AB 1668 and SB 606, the District will continue to be active in the implementation of the two bills with the goal of ensuring successful statewide implementation of the legislation. As part of the many issues that need to be addressed in the implementation process, IRWD will continue to seek recognition for emergency supplies – an issue not addressed in the “Making Conservation a Way of Life” legislation. Additionally, in 2021, the State Board will likely adopt several different regulations related reporting requirements for water agencies, and other regulations related to the implementation of any water conservation legislation passed by the Legislature. IRWD will continue to engage productively on water conservation in California and any related regulations before the State Board.

*Other State Issues of Interest to IRWD:*

In addition to the two issues discussed above, staff discussed the following state legislative and regulatory issues with the Committee:

- Legislation related to the Surplus Land Act;
- Implementation of the Water Resilience Portfolio;
- Water and resilience bond(s);
- Wildfire response and Public Safety Power Shut-offs (PSPS) impacts;
- Safe and Affordable for Equity and Resilience Program (SAFER) Implementation;
- Low Income Rate Assistance Program funding proposals;
- Proposals related to contaminants of emerging concern (CECs) and per- and polyfluoroalkyl substances (PFAS);
- Limitations on ocean discharges;
- 2021 efforts related to recycled water;
- Treatment of biosolids under the SB 1383 regulations; and
- State Board and other State agency regulations.

Expected 2021 Government Relations Activities and Staff Resource Allocations:

Provided as Exhibit “A” is a proposed list of issues of high concern to IRWD for 2021. Provided as Exhibit “B” is a proposed initial allocation plan for allocating 2021 staff resources to legislative and regulatory issues. The allocation will provide guidance to staff for committing District and outside resources.

Expected 2021 Association Proposals:

IRWD's association and industry partners are in the process of completing their 2021 legislative planning. A summary of those planning efforts is provided below:

*Association of California Water Agencies (ACWA):*

ACWA held its 2021 legislative planning meeting on October 30, 2020. The ACWA State Legislative Committee considered one proposal for sponsorship in 2021 and decided to sponsor that proposal. This next year, ACWA will be sponsoring legislation to permit “validation actions” for water, wastewater and sewer rates and charges. As this proposal takes shape and is further refined, staff will provide updates to the Committee and the Board.

*Bioenergy Association of California (BAC):*

BAC held its annual planning meeting on November 16. As of now, BAC is not planning on sponsoring legislation this next year.

*California Municipal Utilities Association (CMUA):*

CMUA held its 2020 legislative and regulatory planning meeting on November 5. The CMUA Legislative Committee considered sponsorship of five proposals. In 2020, CMUA will be sponsoring legislation to reintroduce [SB 996](#) (Portantino), related to Constituents of Emerging Concern; [SB 414](#) (Caballero), the Small System Water Authority Act; and establishing Public Power Week in California. Staff will provide the Committee and Board with updates, as appropriate, as these proposals move forward.

*California Association of Sanitation Agencies (CASA):*

CASA has not yet met to discuss its 2020 legislative and regulatory efforts. The planning meeting will be held on December 11. As of the writing of this report, no specific proposals or topics have been released for consideration at the meeting although the association will continue to pursue legislation related to flushable wipes labeling. Staff will provide an update on any new developments.

*California Special Districts Association (CSDA):*

CSDA held its 2020 legislative and regulatory planning meeting on November 6. CSDA will sponsor a joint resolution recognizing Special Districts Week again this year. Staff will provide updates to the Water Resources Policy and Communications Committee and the Board, as the proposal moves forward.

*WateReuse California:*

The WateReuse Association of California met to discuss its 2021 legislative and regulatory efforts on November 18. As of now WateReuse is not sponsoring legislation in 2021, although that may change if legislation on reuse is needed. Staff will provide the Committee and the Board with an oral update on any new developments.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on December 10, 2020.

RECOMMENDATION:

THAT THE BOARD PROVIDE INPUT ON THE PROPOSED 2021 REGIONAL, STATE AND FEDERAL LEGISLATIVE ISSUES OF INTEREST TO IRWD, AND RECEIVE AND FILE THE PROPOSED “INITIAL 2021 LEGISLATIVE AND REGULATORY RESOURCE ALLOCATION PLAN” AND THE “LEGISLATIVE / REGULATORY ISSUES AND ACTIVITIES OF HIGH CONCERN TO IRWD IN 2021.”

LIST OF EXHIBITS:

Exhibit “A” – Legislative / Regulatory Issues and Activities of High Concern to IRWD in 2021  
Exhibit “B” – Proposed Initial IRWD’s 2021 Legislative and Regulatory Resource Allocation Plan

## EXHIBIT “A”

### LEGISLATIVE / REGULATORY ISSUES AND ACTIVITIES OF HIGH CONCERN TO IRWD IN 2021

As a state and federal leader in water resources public policy and governance, the IRWD works to promote policy initiatives that allow the District, along with other water purveyors in California, to enhance the quality and reliability of water supplies throughout the state. While IRWD will engage in a number of legislative and regulatory issues of interest to the District, the following are specific issues and activities of high concern to IRWD in 2020:

#### 2021 Federal Issues and Activities of High Concern:

- 1) Seek federal funding for the Kern Fan Groundwater Storage Project.
- 2) Advocate for the reauthorization of the federal Water Storage Program and an increased funding authorization for the program.
- 3) Within the Water Resources Development Act or other water infrastructure package, seek the creation of a federal dam safety program to provide federal funding to improve dam safety and modernization at reservoirs used for water supply.

#### 2021 State Issues and Activities of High Concern:

- 1) Protect IRWD’s various revenue sources, and method of setting rates and other charges, in order to ensure that the District can continue to provide high quality services to its customers at low rates. Specifically, retain the District’s ability to set cost-based connections fees, to design and use its water budget-based rate structure, and to earn an adequate return on its real property investments.
- 2) Actively engage in the implementation of “Making Water Conservation a California Way of Life” legislation, including implementation of SB 555 which requires the State Water Resources Control Board (State Board) to set a water loss performance standard.
- 3) Engage productively in discussions surrounding proposals to eliminate ocean discharges to protect the District’s interests. Support efforts to promote funding of treatment process upgrades that improve water quality and reuse options.
- 4) Consistent with the Board’s adopted policy on a statewide public goods charge, oppose a statewide tax on water for Low Income Rate Assistance or to fund other resiliency efforts.
- 5) Engage with the State Board and the Department of Water Resources on policy, regulatory and permits issues of concern to IRWD.

#### 2021 Regional Issues and Activities of High Concern:

- 1) Work with Orange County Health Care Agency on completion of the Orange County Guidelines which include the frequencies and methods for conducting recycled water use site visual inspections and periodic cross-connection tests.
- 2) Engage with the South Coast Air Quality Management District’s proposed rule changes to create regulatory certainty regarding the ability of water agencies to run backup emergency generators during Public Safety Power Shutoff events, and on proposed rules changes related to the testing of emergency backup generators.

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## EXHIBIT “B”

### IRWD’s Initial 2021 Legislative and Regulatory Resource Allocation Plan **DRAFT**

The proposed initial resource allocations are aimed at balancing the importance of an issue to IRWD, the projected level of District resources available to work on the issue, and the likelihood that the issue will be raised, and the District will be able to shape the policy, legislative and regulatory discussions or outcomes related to the issue in 2020. The allocation of District resources may change over the course of the year, based on continued input from the Water Resources Policy and Communications Committee and the Board of Directors. The allocation categories are intended to reflect the following expected levels of resource use:

- Very High:** IRWD’s resource allocation would be significant. Staff and IRWD’s legislative advocates would dedicate a larger portion of their overall advocacy efforts to the issues designated “Very High” and would actively seek to be a key stakeholder shaping the policy, legislative or regulatory discussions related to those issues.
- High:** IRWD’s resource allocation would be considerable. Staff and IRWD’s legislative advocates would work to create strategic opportunities to shape the policy, legislative or regulatory discussions and outcomes related to issues designated “High.”
- Moderate:** IRWD’s resource allocation would be modest. Staff and IRWD’s advocates would actively engage in association and industry conversations on issues designated “Moderate” but would expect to work largely through issue-specific coalitions on these issues. Staff and IRWD’s advocates would work to identify and capitalized on opportunities to shape narrow aspects of a policy, legislative or regulatory outcome related to such issues.
- Low:** IRWD’s resource allocation would be low. Staff and IRWD’s advocates would track policy, legislative and regulatory discussions and outcomes related to issues designated “Low” and would continue to seek positive outcomes for the District through IRWD’s association and industry partners. Staff and IRWD’s advocates would work on such issues should resources be available. For issues that are currently not expected to be acted upon legislatively or regulatorily this next year and are given a “Low” initial allocation, staff will reevaluate the allocation when action appears likely and increased it, if appropriate.

<b>DRAFT</b> Expected 2021 Legislative and Regulatory Issues	Proposed Allocation of IRWD Resources
---	---------------------------------------

<u>FEDERAL ISSUES</u>	
<b>Kern Fan Groundwater Storage Project</b> – Seek federal funding for the project by engaging with the Bureau of Reclamation and Congress on the project.	<b>Very High</b>
<b>Water Storage Program Reauthorization</b> – Advocate for the reauthorization of the federal Water Storage Program and an increased funding authorization for the program.	<b>Very High</b>
<b>Dam Safety Program</b> – Advocate for federal investment in dam safety and the modernization of dams important to water supplies.	<b>High</b>
<b>Bureau of Reclamation’s Title XVI, Water Reclamation and Reuse Program, Reauthorization</b> – Advocate for the reauthorization of Title XVI and an increased funding authorization for the Water Reclamation and Reuse Program.	<b>Moderate</b>
<b>Clean Water Act Definition of “Waters of the U.S.”</b> – Advocate for a definition of “Waters of the U.S.” that limits impact to IRWD and its facilities and includes an exemption for constructed treatment wetlands.	<b>Moderate</b>
<b>PFAS</b> – If PFAS are to be designated as a “hazardous substance” under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), advocate for an exemption from liability for water and wastewater utilities.	<b>Moderate</b>
<b>Atmospheric River Research</b> – Advocate for federal programs and funding for atmospheric river research aimed at improving reservoir operations.	<b>Low</b>
<b>Delta Conveyance Implementation</b> – Advocate for a change in the operation of the Delta, consistent with the co-equal goals of ecosystem protection and water supply reliability; seek the federal actions necessary to implement a permanent solution in the Bay Delta.	<b>Low</b>
<b>Lead and Copper Rule</b> – Advocate that revision to the federal Lead and Copper Rule effectively protect public health while limiting the annual testing burden on water agencies (e.g. seek modification to the proposed school and childcare facility testing schedule).	<b>Low</b>
<b>Syphon Reservoir Improvement Project</b> – Engage with the Bureau of Reclamation and congressional staff on funding for the project.	<b>Low</b>
<b>Tax-Exempt Municipal Bonds</b> – Maintain the current tax-exempt status of municipal bonds with the exception of restoring the tax-exempt status of local government advanced refundings. Oppose prohibitions on the use of tax-exempt bonds within WIFI or any similar program.	<b>Low</b>
<b>Tax Parity for Water Efficiency Rebates</b> – Advocate for tax parity between water and energy efficiency rebates.	<b>Low</b>
<b>Total Maximum Daily Load Limits</b> – Advocate that the Environmental Protection Agency use the best available science when setting Total Maximum Daily Load (TMDL) limitations related to Clean Water Act compliance and approve TMDLs for California based on relevant studies related to California’s environment and local conditions.	<b>Low</b>
<b>Water Resource Development Act</b> – Seek enactment of a WRDA bill every two years which is beneficial to IRWD and Orange County, and which includes authorizations for the water infrastructure programs and funding supported by IRWD. Look for opportunities to clarify that water resources projects and water resources development projects are to be considered environmental infrastructure projects and eligible for consideration under WRDA.	<b>Low</b>

<b>DRAFT</b> Expected 2021 Legislative and Regulatory Issues	Proposed Allocation of IRWD Resources
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<u>STATE ISSUES</u>	
<b>Connection Fees</b> – Protect IRWD’s ability to charge cost-based connection fees for both water and sewer service based on the District’s current cost allocation formula.	<b>Very High</b>
<b>Conservation, Water Use Efficiency Regulations</b> – Engage with the State Board and the Department of Water Resources on regulations implementing the “Making Water Conservation a California Way of Life” legislation enacted.	<b>Very High</b>
<b>Limitations on Ocean Discharges</b> – Engage productively in discussions surrounding proposals to eliminate ocean discharges to protect the District’s interests. Support efforts to promote funding of treatment process upgrades that improve water quality and reuse options.	<b>Very High</b>
<b>Real Estate Investments</b> – Engage on regulatory or legislative proposals that may impact IRWD’s ability to maintain a high return of investment on its real estate investments.	<b>Very High</b>
<b>State Board</b> – Engage with the State Board on policy, regulatory and permits issues of concern to IRWD, including the revisions being proposed to the Electronic Annual Report, data requests, and other regulations proposed in 2021.	<b>Very High</b>
<b>Water and Sewer Rates</b> – Protect the District’s ability to design and use its water budget-based tiered rate structure, and advocate that state polices recognize water budget-based tiered rate structures and the importance of price signals to achieving greater water use efficiency. Engage in discussions surrounding water and sewer rates in order to protect IRWD’s ability to use a water budget-based tiered rate structure including discussions related to Low Income Rate Assistance programs, water system sustainability, and OEHHA’s “Human Right to Water” assessment tools.	<b>Very High</b>
<b>Water Loss Regulation</b> – Engage with the State Board to ensure that the SB 555 water loss performance measure/standard regulations are appropriate, consider cost-benefit, and contemplate key other factors that affect potable water loss.	<b>Very High</b>
<b>Water Tax</b> – Consistent with the Board’s adopted policy on a statewide public goods charge, oppose a statewide tax on water for Low Income Rate Assistance or to fund other resiliency efforts	<b>Very High</b>
<b>CECs and PFAS</b> – Engage with stakeholders, industry associations, and regulatory agencies on establishing better processes for identifying and regulating contaminants of emerging concern (CECs). Engage with stakeholders, industry associations, and regulatory agencies on microplastics and PFAS, and the regulatory actions proposed by state agencies	<b>High</b>
<b>Emergency Supplies</b> – Seek recognition of the importance of emergency water supplies in Urban Water Management Plans and implementation of the “Making Water Conservation a California Way of Life” legislation in a way that permits pre-emergency designation of such supplies, and protects their use during droughts or other water shortages. Seek State agency action consistent with the Initial Actions proposed in IRWD’s Water Resilience Policy Paper.	<b>High</b>
<b>Proposition 218 Reforms</b> – Advocate for common sense time periods for filing Proposition 218 rate challenges. If Proposition 218 reforms are proposed, engage in discussions surrounding the reform efforts to protect IRWD’s interests. Communicate the District’s concern over any water rate legislation which is not consistent with the California Constitution, not voluntary in nature, or that does not provide sufficient clarity or flexibility to water agencies.	<b>High</b>
<b>Title 17 and Title 22 Update</b> – Seek updates to Titles 17 and 22, including relief of dual-plumbed inspection/testing requirements.	<b>High</b>

<b>DRAFT</b> <b>Expected 2021 Legislative and Regulatory Issues</b>	<b>Proposed Allocation of IRWD Resources</b>
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<b>Potable Reuse</b> – Advocate for the expansion of potable reuse in California and support a science-based and fit-for-purpose regulatory approach to the various types of potable reuse considered in the California Water Code Section 13561.	<b>High</b>
<b>Plumbing Code Updates</b> – Seek clarification that Chapter 15 of the California Plumbing Code does not apply to recycled water irrigation sites. Work with the Building Standards Commission, Housing and Community Development Department, and Department of Water Resources on revisions to the California Plumbing Code during code revisions.	<b>High</b>
<b>30 Percent by 2030</b> – Engage on the implementation of 30 percent by 2030 to ensure water supplies and resources are adequately considered, and to limit impacts to existing and future water infrastructure and operations.	<b>Moderate</b>
<b>Climate Change Adaptation</b> – Engage in policy discussions related to climate change adaptation within the water and wastewater sectors.	<b>Moderate</b>
<b>Groundwater Clean-up</b> – Support efforts to obtain State funding to clean up groundwater contamination in the Orange County Basin, and funding for basin replenishment.	<b>Moderate</b>
<b>Public Safety Power Shut-offs-</b> Advocate for legislation or regulations that address the impacts of Public Safety Power Shutoff (PSPS) on water and wastewater agencies, including providing certainty regarding the ability of agencies to run their backup generators during PSPS events	<b>Moderate</b>
<b>Public Fleets</b> – Oppose efforts to expand regulatory authority over public fleets, and proposals designed to accelerate the replacement of existing public fleet stock without consideration of cost and age and technology of the current stock, and the availability of mandated replacement technology. Engage on efforts to replace medium- and heavy-duty diesel engine vehicles with zero emission and alternative fuel vehicles, to ensure that vehicle purchase requirements reflect commercial viability and the availability of mandated replacement technology. Oppose proposals governing the public fleets of water and wastewater providers that do not consider the constraints of certain technologies on the provision of essential public services during or after an emergency.	<b>Moderate</b>
<b>Recycled Water</b> – Promote the expanded use of recycled water, and its acceptance as a resource, by advocating for the removal of hindrances to recycled water projects and storage. Seek to: <ul style="list-style-type: none"> <li>• Remove recycled water as a waste, including addressing recycled water discharge requirements.</li> <li>• Promote a “Fit for Purpose” regulatory approach for recycled water.</li> <li>• Promote the development of needed potable water reuse regulations.</li> <li>• Eliminate operational constraints on recycled water operations and use, including unintended impacts created by the Enclosed Bays and Estuaries Policy.</li> </ul>	<b>Moderate</b>
<b>Safe Drinking Water-</b> Engage on the implementation of the Safe and Affordable for Equity and Resilience Program (SAFER) to ensure that the program is implemented in a way to effectively move communities to sustainable access to safe drinking water	<b>Moderate</b>
<b>Water Transfers and Markets</b> – Engage with the California Department of Water Resources and the Bureau of Reclamation, in coordination with IRWD’s Water Banking partners, in advocating for expedited processes to facilitate transfers between Central Valley Project and State Water Project Contractors and streamlined water marketing.	<b>Moderate</b>
<b>Wildfire Prevention and Liability</b> – Seek to ensure that proposals related to wildfire prevention and liability proposals consider the perspective of water and wastewater providers.	<b>Moderate</b>

<b>DRAFT</b> <b>Expected 2021 Legislative and Regulatory Issues</b>	<b>Proposed Allocation of IRWD Resources</b>
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<b>Biosolids</b> – Seek a broader spectrum of permissible uses of biosolids byproducts including a possible “healthy soils” designation. Advocate that the SB 1383 Proposed Organics Waste Reductions Regulations preserve and promote the use of biosolids.	<b>Low</b>
<b>Delta Conveyance Implementation</b> – Advocate for a change in the operation of the Delta, consistent with the co-equal goals of ecosystem protection and water supply reliability. Seek the State actions necessary to implement a solution in the Bay Delta and oppose efforts to make implementation of a solution more difficult.	<b>Low</b>
<b>Energy</b> – Advocate for policies that encourage energy reliability in Orange County, and energy efficiency or reductions in embedded energy in the water and wastewater sectors, including allocation of Cap-and-Trade revenues to the water and wastewater industries, use of energy conservation funding within the water sector, and expanded availability of direct access programs, without an increase in cost to or mandates on local entities; seek incentives for energy self-reliance projects (i.e. storage, generation, efficiency).	<b>Low</b>
<b>Groundwater Management</b> – Engage productively in discussions groundwater management in California to protect IRWD’s interests. Promote greater water banking opportunities to benefit IRWD banking programs.	<b>Low</b>
<b>Homelessness</b> – Within the larger discussions on addressing homeless, ensure that the impacts of homeless on water and wastewater agencies is recognized, and that agencies continue to retain adequate authority to secure their facilities.	<b>Low</b>
<b>Integrated Regional Water Management Program</b> – Oppose program changes that expand the scope of the IRWM Program, and that expand funding eligibility to projects that do not further water supply reliability.	<b>Low</b>
<b>Lead Testing Requirements</b> – Engage in policy discussions related to expanding lead testing requirements in order to protect IRWD’s interests.	<b>Low</b>
<b>Operators Certifications</b> – Address inconsistent certification processes for operator certifications (treatment, distribution, and recycling). Monitor for changes in certification requirements.	<b>Low</b>
<b>Political Reform Act/FPPC Issues</b> – Monitor for changes to the Political Reform Act and FPPC regulations that could impact IRWD.	<b>Low</b>
<b>Property Tax Allocations</b> – Protect existing property tax allocations to special districts.	<b>Low</b>
<b>Public Agency Liability and Public Contracting</b> – Oppose efforts to impose greater liability on public agencies for work performed by its contractors. Oppose proposals that make public contracting for labor, service or public works projects more cumbersome including reductions in contract retentions or changing the criteria agencies may consider when awarding contracts.	<b>Low</b>
<b>Public Records Act</b> – Monitor proposed changes to the Public Records Act that could impact IRWD costs including new requirements for local agency websites, data production and reporting.	<b>Low</b>
<b>Unfunded Pension Liability</b> – Oppose legislation or regulations that would increase IRWD’s pension liability either by making local agencies responsible for the pension liabilities of other entities (e.g. joint powers authorities) or by failing to recognize the liability reduction benefits of Section 115 Trust and other pre-funding efforts. Seek state support for refinements in the GASB rules that limit recognition of the benefits Section 115 Trust.	<b>Low</b>

<b>DRAFT</b> Expected 2021 Legislative and Regulatory Issues	Proposed Allocation of IRWD Resources
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<b>Water Theft</b> – Engage in industry discussions related to water theft and work to ensure that any legislative proposal addressing water theft provides the District with the statutory authority and flexibility is needs to establish appropriate administrative penalties for water theft.	<b>Low</b>
<b>Zero Carbon Energy</b> – Advocate for the inclusion of hydropower, bioenergy derived from biosolids, and other categories of energy generation invested in by the water and wastewater sectors in the types of energy generation that is defined as zero carbon for California’s Zero Carbon goal.	<b>Low</b>
<b>REGIONAL ISSUES</b>	
<b>Recycled Water Use Site Inspection and Testing</b> – Work with Orange County Health Care Agency on completion of the Orange County Guidelines which include the frequencies and methods for conducting recycled water use site visual inspections and periodic cross-connection tests.	<b>Very High</b>
<b>Public Safety Power Shutoffs</b> - Engage with the South Coast Air Quality Management District’s proposed rule changes to create regulatory certainty regarding the ability of water agencies to run backup emergency generators during Public Safety Power Shutoff events, and on proposed rules changes related to the testing of emergency backup generators.	<b>Very High</b>
<b>Santa Ana and San Diego Regional Water Quality Control Boards</b> –Work with the Board on issues of concern to IRWD including adjusting storm-induced overflow protections and expand the use of recycled water in decorative lakes.	<b>Low</b>
<b>South Coast Air Quality Management District (AQMD) Rule 1403</b> - Seek amendments to Proposed Amended Rule 1403 to clarify the application of the rule and to mitigate operational impacts on utilities with underground infrastructure while protecting public health during utility construction and demolition activities involving asbestos containing materials.	<b>Low</b>

December 14, 2020  
Prepared by: K. Welch  
Submitted by: F. Sanchez / P. Weghorst  
Approved by: Paul A. Cook



## ACTION CALENDAR

### AGREEMENTS FOR PARTICIPATION IN PLANNING OF SITES RESERVOIR AND DELTA CONVEYANCE PROJECTS

#### SUMMARY:

On November 23, 2020, the Board adopted an updated Policy Position on Water Banking, Transfers and Wheeling that calls for increased consideration of smaller schedulable sources of water banking supplies as costs and competition for water supplies rise in the state of California. In October, staff submitted non-binding letters of interest to participate in the Sites Reservoir and Delta Conveyance Projects. These letters were submitted with the concurrence of the Supply Reliability Programs Committee. Participation in these large projects as small capacity owners could provide a smaller schedulable supply to IRWD's existing Water Bank and the Kern Fan Groundwater Storage Project (Kern Fan Project), as described in IRWD's policy position paper. To facilitate the ability of the planning and environmental review of the projects as well as to conduct due diligence investigations without committing to participation in the construction and operation of the projects, staff recommends the Board:

- Authorize the General Manager to execute the Second Amendment to the 2019 Reservoir Project Agreement By and Among the Sites Project Authority and the Project Agreement Members;
- Authorize the General Manager to execute an agreement with Rosedale-Rio Bravo Water Storage District to Participate in the Planning and Environmental Review of the Delta Conveyance Project;
- Approve the addition of Project 11746 to the Fiscal Year 2020-21 Capital Budget in the amount of \$275,000 for Sites Reservoir Planning; and
- Approve the addition of Project 11747 to the Fiscal Year 2020-21 Capital Budget in the amount of \$263,000 for Delta Conveyance Project Planning.

#### BACKGROUND:

Increased costs and competition for water supplies in the state of California will require IRWD to adopt different strategies to continue securing water for its Water Banking Projects while minimizing its cost of water. In response to these pressures, the Board adopted an updated Policy Position on Water Banking, Transfers and Wheeling that calls for increased consideration of smaller, schedulable sources of supply for IRWD's Water Bank and the Kern Fan Project. This updated policy position was adopted on November 23, 2020.

In anticipation of the adoption of the updated policy position, staff submitted non-binding letters of interest to participate in the Sites Reservoir Project (Sites Project) and Delta Conveyance Project (DCP). These letters were submitted in September 2020 with the concurrence of the Supply Reliability Programs Committee. Participation in these large projects as small capacity



owners could provide a small and schedulable supply to IRWD's existing Water Bank and the Kern Fan Project.

Sites Reservoir Project:

The proposed Sites Project will provide 1.5 million acre-feet (AF) of off-stream storage in the Sacramento Valley that would capture and store stormwater flows from the Sacramento River after all other water rights and regulatory requirements are met. The stored water would be used in dry and critically dry years by California communities, farms and businesses as well as for environmental purposes.

Sites Project participants located south of the San Joaquin-Sacramento Delta would need to rely on available Delta pumping capacity to take delivery of Sites Project water. Currently, deliveries through the Delta are subject to pumping restrictions and 20% to 30% carriage losses. The proposed DCP would add new diversions in the north Delta to support a more resilient and flexible State Water Project (SWP) conveyance system, thereby allowing water to be moved with fewer restrictions and lower carriage losses which would result in the ability to move water more frequently and in greater amounts. As such, the DCP can potentially provide greater yields from the Sites Project for agencies south of the Delta.

*Participation in Planning and Environmental Review:*

IRWD's non-binding letter to participate in the Sites Project described IRWD's intent to participate in the planning and environmental review of the Sites Reservoir Project corresponding to 1,000 AF of release capacity in the project. This capacity would allow IRWD to establish a regulated water supply of 1,000 AF per year on average for its Water Banks and the Kern Fan Project. The planning and environmental review work would continue until December 31, 2021 and IRWD's pro-rata share of the cost of this work would be \$208,500.

The Sites Authority agreement that would facilitate IRWD's participation in the planning and environmental work, which is titled the "Second Amendment to 2019 Reservoir Project Agreement by and Among Sites Project Authority and The Project Agreement Members Listed Herein", is provided as Exhibit "A". This agreement has been reviewed by IRWD's special legal counsel, who has verified that IRWD is not required to be a signatory to the original agreement that this agreement amends in order to be a participating member. At the meeting, IRWD's special legal counsel provided the Committee with an overview of the agreement.

Staff recommends the Board authorize the General Manager to execute the Second Amendment to 2019 Reservoir Project Agreement and approve the addition of Project 11746 to the Fiscal Year 2020-21 Capital Budget in the amount of \$275,000 for IRWD's share of the Sites Project planning and environmental costs, \$21,500 for staff time, \$30,000 for consultant time and \$15,000 for contingencies to conduct due diligence work. Due diligence investigations will include hydrologic yield and financial modeling.



*Opportunity for Increased Sites Project Yield:*

The DCP can potentially facilitate delivery of greater yields from the Sites Project for agencies south of the Delta. By integrating the yield from the Sites Project with IRWD's Water Bank and Kern Fan Project, staff anticipates that IRWD could increase its share of the yield from Sites Reservoir. As part of its due diligence activities, staff plans to model various delivery scenarios from the Sites Project based on varying levels of DCP participation.

Delta Conveyance Project:

Participation in the proposed DCP would allow IRWD to secure Sites Project supplies from north of the Delta and convey the water to IRWD's Water Banks and the Kern Fan Project through a new tunnel conveyance with fewer restrictions and reduced carriage losses. IRWD could also receive water supply benefits from the SWP, including incremental Table A and Article 21 water. In September, staff, with the concurrence of the Supply Reliability Programs Committee, submitted non-binding letters of interest to receive an assignment of benefits from the DCP by paying a respective share of the DCP planning environmental costs to Dudley Ridge Water District and Rosedale-Rio Bravo Water Storage District.

*Participation Through Dudley Ridge:*

Dudley Ridge's pro-rata share of the DCP planning and environmental costs will be paid by all Dudley Ridge landowners through an assessment of a \$50 per AF charge on Table A deliveries over the next three years. IRWD's pro-rata share of the costs associated with the District's 1,749 AF of base Table A allotment in Dudley Ridge will be \$166,000. If Dudley Ridge agrees to continue in the DCP project beyond the planning and environmental phase, then IRWD will receive capacity in the DCP tunnel in the amount of 2.6 cubic feet per second (cfs). Staff expects that IRWD would receive incremental increases in Table A and Article 21 deliveries and have access to unused tunnel capacity when available. Should other landowners in Dudley Ridge choose not to continue to participate in the future DCP, staff anticipates that IRWD would have the opportunity to receive an assignment of a portion of other landowners' DCP benefits by paying their respective share of DCP costs.

*Participation Through Rosedale:*

Should Dudley Ridge decide to withdraw from the DCP following the planning and environmental work, then IRWD would not have access to capacity in the DCP conveyance facilities to move water from the Sites Project. IRWD would experience significant carriage losses and pumping restrictions when moving water through the Delta to the IRWD Water Banks and the Kern Fan Project, making participation in the Sites Project risky. The purpose of sending the letter of interest to Rosedale was to provide the ability to reduce this risk whereby IRWD would have the option to participate in the DCP by paying a share of the DCP planning and environmental costs associated with 2,000 AF of base Table A through Rosedale and the Kern County Water Agency (KCWA). Through an agreement, Rosedale would assign to IRWD a DCP conveyance capacity in the amount of 3.0 cfs.

*KCWA Policy Regarding Assignments of DCP Participation:*

By entering into an agreement with Rosedale, IRWD could assume DCP costs and benefits from a portion of the KCWA member units that choose not to participate in the DCP. On November 6, 2020, the KCWA Board adopted a policy regarding administration of DCP capacity and yield within Kern County, which allows for the assignment of a portion of allocated share of DCP capacity and yield to outside entities after member units have exercised a 90-day first right of refusal. The Policy Regarding Administration of Delta Conveyance Facility Yield Within Kern County is provided as Exhibit “B”.

*Benefits of Assignment Through Rosedale:*

With an assignment of DCP costs and benefits through Rosedale, IRWD would be entitled to an incremental increase in Table A water and would have the ability to use 3.0 cfs of dedicated DCP tunnel capacity and unused capacity when available. The SWP Contract and KCWA policies include restrictions that would prohibit IRWD from benefiting from the Article 21 water corresponding to IRWD’s participation in the DCP through Rosedale. Accordingly, this benefit would accrue to Rosedale.

*Cost of IRWD Participation:*

IRWD’s pro-rata share of the costs of the DCP planning and environmental review associated with the assignment of benefits associated with 2,000 AF of base Table A is estimated to be \$198,000, to be paid over four years. IRWD’s special legal counsel has prepared a draft agreement between IRWD and Rosedale providing for IRWD to pay these costs. The agreement also provides the basis for the assignment of future DCP benefits. A copy of the agreement with revisions proposed by Rosedale is provided as Exhibit “C”. At the Committee meeting, IRWD’s special legal counsel provided an overview of the agreement and Rosedale’s comments. In the future, IRWD and Rosedale would enter into a separate agreement to formally assign the DCP benefits to IRWD should KCWA agree to continue with its participation in the DCP beyond the planning and environmental phase.

Staff recommends the Board authorize the General Manager to execute the agreement with Rosedale and that the Board approve the addition of Project 11747 to the Fiscal Year 2020-21 Capital Budget in the amount of \$263,000 for IRWD’s share of the DCP planning and environmental costs to be paid through Rosedale, including \$20,000 in staff time, \$30,000 in consultant time, and \$15,000 in contingencies to conduct due diligence investigations. Due diligence investigations will include hydrologic and financial modeling.

FISCAL IMPACTS:

The planning and environmental review of the Sites Reservoir Project and the DCP are not included in the FY 2020-21 Capital Budget. The estimated cost of the Sites Reservoir Project Planning is \$275,000 and the estimated cost of the DCP Planning is \$263,000. Staff requests the addition of two projects with associated funding as shown in the following table.

Project No.	Current Budget	Addition <Reduction>	Total Budget
11746	\$0	\$275,000	\$275,000
11747	\$0	\$263,000	\$263,000

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.

COMMITTEE STATUS:

This item was reviewed by the Supply Reliability Programs Committee on December 9, 2020.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE SECOND AMENDMENT TO 2019 RESERVOIR PROJECT AGREEMENT BY AND AMONG THE SITES PROJECT AUTHORITY AND THE PROJECT AGREEMENT MEMBERS, AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT TO PARTICIPATE IN THE PLANNING AND ENVIRONMENTAL REVIEW OF THE DELTA CONVEYANCE PROJECT, APPROVE THE ADDITION OF PROJECT 11746 TO THE FISCAL YEAR 2020-21 CAPITAL BUDGET IN THE AMOUNT OF \$275,000 FOR SITES RESERVOIR PLANNING, AND APPROVE THE ADDITION OF PROJECT 11747 TO THE FISCAL YEAR 2020-21 CAPITAL BUDGET IN THE AMOUNT OF \$263,000 FOR DELTA CONVEYANCE PROJECT PLANNING.

LIST OF EXHIBITS:

- Exhibit "A" – Second Amendment to 2019 Reservoir Project Agreement By and Among the Sites Project Authority and the Project Agreement Members
- Exhibit "B" – Kern County Water Agency Policy Regarding Administration of Delta Conveyance Facility Yield Within Kern County
- Exhibit "C" – DRAFT Agreement Between Rosedale-Rio Bravo Water Storage District and Irvine Ranch Water District to Participate in the Planning and Environmental Review of the Delta Conveyance Project (with Rosedale's comments highlighted)

Note: This page is intentionally left blank.

# Exhibit "A"

*Stradling Yocca Carlson & Rauth  
Draft dated May 15, 2020*

## SECOND AMENDMENT TO 2019 RESERVOIR PROJECT AGREEMENT

BY AND AMONG  
SITES PROJECT AUTHORITY

and

THE PROJECT AGREEMENT MEMBERS LISTED HEREIN

Dated as of July 1, 2020

THIS SECOND AMENDMENT TO 2019 RESERVOIR PROJECT AGREEMENT (this “Second Amendment”), dated as of July 1, 2020, by and among SITES PROJECT AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the “Authority”), and the project agreement members listed in the Agreement referenced below (the “Project Agreement Members”) and amends that certain 2019 Reservoir Project Agreement dated as of April 1, 2019 (the “Original Agreement”), as previously amended by the First Amendment to 2019 Reservoir Project Agreement dated as of January 1, 2020 (the “First Amendment” and, together with the Original Agreement, the “Agreement”), each by and among the Authority and the Project Agreement Members;

WITNESSETH:

WHEREAS, Authority and the Project Agreement Members have determined to approve an Amendment 2 Work Plan and to extend the term of the Agreement to December 31, 2021; and

WHEREAS, under Section 11 of the Agreement, the Agreement may be amended by a writing executed by the Authority and at least 75% of the total weighted vote of the then current Committee members as provided in Subsection 3(g); and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the entering into of this Second Amendment do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Second Amendment;

NOW, THEREFORE, THIS SECOND AMENDMENT WITNESSETH, the Authority and the Project Agreement Members agree, as follows:

ARTICLE I

DEFINITIONS

Section 1.01. **Definitions.** All capitalized terms not otherwise defined herein shall have the meaning set forth in the Agreement.

ARTICLE II

AMENDMENTS TO AGREEMENT

Section 2.01. **Project Agreement Members.**

(a) Effective September 1, 2020, the Project Agreement Members attached as Exhibit A to the Agreement shall be succeeded in their entirety by the Project Agreement Members attached hereto as Exhibit A.

Section 2.02. **Work Plan.**

(a) Effective September 1, 2020, the 2019 Work Plan attached as Exhibit B to the Agreement shall be supplemented by the Work Plan attached hereto as Exhibit B (the “Amendment 2 Work Plan”).

Section 2.03. **Funding.**

The Agreement is hereby amended to remove Section 4(a) in its entirety and replace it with the following:

“(a) **Budget.** The Committee shall, in cooperation with the Authority’s Board, provide and approve both a Fiscal Year operating budget and reestablish a Phase 2 budget target, annually or more frequently as needed. The Project Agreement Members shall contribute their respective pro-rata share of the budgeted sums reflected in the 2019 Work Plan (prior to November 1, 2020) and the Amendment 2 Work Plan (on and after November 1, 2020) in accordance with Section 5 of this Project Agreement; provided, however, that in no event shall the amount paid by a Project Agreement Member exceed \$160 per acre-foot (with \$60 of such amount being attributable to the 2019 Work Plan and \$100 of such amount being attributable to the Amendment 2 Work Plan) without the approval of such Project Agreement Member. The contribution with respect to the pro-rata budgeted sums reflected in the Amendment 2 Work Plan shall be payable by each Project Agreement Member in two installments. The first installment shall be in an amount equal to \$60 per acre-foot and shall be payable by no later than November 1, 2020. The second installment shall be in an amount up to \$40 per acre-foot and shall be payable by no later than April 1, 2021. The exact amount per acre-foot of the second installment shall be established by the Committee, in cooperation with the Authority’s Board, and notice of such amount shall be provided by the Authority to each Project Agreement Member.”

Section 2.04. **Future Development of the Sites Reservoir Project.**

The Agreement is hereby amended to remove Section 6(b) in its entirety and replace it with the following:

“(b) Without limiting the foregoing, any Project Agreement Member that elects to continue participating in the development, financing, and construction of the Sites Reservoir Project to the time when the Authority offers contracts for a water supply or other services, will be afforded a first right, equal to that Project Agreement Member’s Participation Percentage, to contract for a share of any water supply that is developed, and for storage capacity that may be available from, the Sites Reservoir Project. In any successor phase agreements, Project Agreement Members who are parties to this Project Agreement that submitted a proposal to participate before February 28, 2019, shall be granted rights to contract for a share, in an amount equal to that Project Agreement Member’s Participation Percentage as of the effective date of such successor phase agreement, of any water supply that is developed, and for storage capacity that may be available from the Sites Reservoir Project prior to the rights of those becoming parties to this Project Agreement after that date.

If a participating Project Agreement Member as of February 28, 2019 identifies a lesser amount in the Second Amendment than its Original Agreement requested amount, that participating Project Agreement Member’s first rights of refusal in the future are to be based on the Second Amendment amounts and not the February 28, 2019 amounts.

Provided, however, that if a Project Agreement Member withdraws from the Project Agreement pursuant to Section 9 of this Agreement but later requests to be reinstated, then to the extent there is unsubscribed participation in the Project as determined by the Committee, the

Committee may vote to readmit said withdrawn Member with a reinstated first right of refusal provided said withdrawing Member provides funding to the Project commensurate with the funding requirements met by all current Project Agreement Members in the current phase of the Project as well as any prior phase, as adjusted for any credits, payments and/or reimbursements made under the Authority's credit reimbursement policy (the "Credit Reimbursement Policy").

Further provided, that if a Project Agreement Member desires to increase its participation after execution of the Second Amendment, then to the extent there is unsubscribed participation in the Project as determined by the Committee, the Committee may vote to approve said increase, or portion thereof, with a first right of refusal attendant thereto, provided said increasing Project Agreement Member provides funding to the Project commensurate with the funding requirements met by all current Project Agreement Members in the current phase of the Project as well as any prior phase, as adjusted for any credits, payments and/or reimbursements made under the Credit Reimbursement Policy.

The Authority and the Project Agreement Members will cooperate on the drafting of provisions in the water supply contract that will allow a Project Agreement Member or other eligible entity that commits to purchase a Sites Reservoir Project water supply to transfer water that the entity may not need from time to time on terms and conditions acceptable to the Project Agreement Member."

Section 2.05. **Term.** The Agreement is hereby amended to remove Section 8(b) in its entirety and replace it with the following:

"(b) The term of this Project Agreement shall continue until December 31, 2021. In the event that this Second Amendment is not approved by Project Agreement Members with the requisite percentage of the total weighted vote as set forth in the Agreement by June 30, 2020, the Agreement shall be revived immediately upon approval by such requisite percentage, without any additional approval of the Project Agreement Members, and this Second Amendment shall become effective."

Section 2.06. **Executive Director.** All references to the "General Manager" in the Agreement shall be changed to "Executive Director."

### ARTICLE III

#### PROJECT AGREEMENT MEMBER PARTICIPATION

Section 3.01. **Project Agreement Participation.** Each Project Agreement Member shall specify its participation in the Sites Reservoir Project by indicating its elected water participation amount in the Sites Reservoir Project and the associated cost in the space provided therefor on the signature page to this Second Amendment. Based upon the respective participation elections of the Project Agreement Members, the Authority shall update Exhibit A pursuant to Section 5 of the Agreement.



## ARTICLE IV

### MISCELLANEOUS

Section 4.01. **Effectiveness of Agreement.** Except as expressly amended by this Second Amendment, the Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof. The amendments set forth in this Second Amendment shall be incorporated as part of the Agreement upon their effectiveness in accordance with Section 11 of the Agreement.

Section 4.02. **Execution in Several Counterparts.** This Second Amendment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Project Agreement Members shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 4.03. **Authorization, Ratification and Confirmation of Certain Actions.** The Authority and the Project Agreement Members each hereby authorize, ratify and confirm the extension of the term of the Agreement, as previously extended pursuant to the First Amendment, to June 30, 2020, and the expenditure of funds collected under the Agreement with respect to the 2019 Work Plan on and prior to June 30, 2020.

Section 4.04. **Laws Governing Second Amendment.** The effect and meaning of this Second Amendment and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State.

IN WITNESS WHEREOF, the Authority and Project Agreement Members hereto, pursuant to resolutions duly and regularly adopted by their respective governing bodies, have caused their names to be affixed by their proper and respective officers on the date shown below:

Dated: \_\_\_\_\_

SITES PROJECT AUTHORITY

By: \_\_\_\_\_

Name:

Title:

[PROJECT AGREEMENT MEMBER]

Dated: \_\_\_\_\_

\_\_\_\_\_

(Authority & Project Agreement Member)

By: \_\_\_\_\_

Name:

Title:

PARTICIPATION AMOUNT

[PROJECT AGREEMENT MEMBER] hereby elects to participate in the Sites Reservoir Project in the amount and at the cost identified below.

**Participation  
(Second Amendment  
Annualized Acre-Foot):**

**Second Amendment Cost:  
Not to Exceed \$100 per  
Acre-Foot**

EXHIBIT A

PROJECT AGREEMENT MEMBERS

<b>Participant</b>	<b>Participation</b>	
	<b>(Second Amendment Annualized Acre-Foot)</b>	
	<b>Preliminary</b>	<b>Percent</b>
American Canyon, City of		
Antelope Valley-East Kern Water Agency		
Carter Mutual Water Company #		
Coachella Valley Water District		
Colusa County		
Colusa County Water District		
Cortina Water District		
Davis Water District		
Desert Water Agency		
Dunnigan Water District		
Glenn-Colusa Irrigation District		
Irvine Ranch Water District		
LaGrande Water District		
Metropolitan Water District of S. CA		
Pacific Resources Mutual Water Company #		
Reclamation District 108		
Rosedale-Rio Bravo Water Storage District		
San Bernardino Valley Municipal Water District		
San Geronio Pass Water Agency		
Santa Clara Valley Water District		
Santa Clarita Valley Water Agency		
Westside Water District		
Wheeler Ridge-Maricopa Water Storage District		
Zone 7 Water Agency		

**Total:**

Participation Percentages exclude State of California and United States Bureau of Reclamation share of the Project.

# Denotes a non-public agency. Refer to California Corporations Code Section 14300 et. seq. with additional requirements provided in both the Public Utilities Code and Water Code.

EXHIBIT B  
AMENDMENT 2 WORK PLAN

**Exhibit B**  
**Reservoir Committee**  
**2020 and 2021 Work Plan**

Reservoir Committee Annual Budget for FY 2020 and FY 2021 (\$000)

	Subject Area	2020	2021	Total
<b>Revenue</b>	Beginning Balance	\$6,847	\$0	\$6,847
	Participation Revenue	\$11,520	\$7,680	\$19,200
	Federal Revenue	\$0	\$4,000	\$4,000
	State Revenue	\$5,134	\$5,502	\$10,636
<b>Revenue Total</b>		<b>\$23,501</b>	<b>\$17,182</b>	<b>\$40,683</b>
<b>Expenses</b>	Permitting	(\$2,558)	(\$5,011)	(\$7,569)
	Early Mitigation	(\$243)	(\$2,257)	(\$2,500)
	Environmental Planning	(\$3,511)	(\$2,376)	(\$5,887)
	Operations Modeling	(\$3,486)	(\$536)	(\$4,022)
	Engineering	(\$4,360)	(\$2,180)	(\$6,540)
	Geotechnical	(\$1,142)	(\$2,003)	(\$3,145)
	Real Estate	(\$145)	(\$272)	(\$417)
	Communications	(\$489)	(\$579)	(\$1,068)
	Project Controls	(\$1,333)	(\$1,528)	(\$2,861)
	Funding	(\$777)	(\$590)	(\$1,367)
	Growth	(\$819)	(\$910)	(\$1,729)
	Management	(\$461)	(\$1,219)	(\$1,681)
	Support	(\$248)	(\$388)	(\$636)
<b>Expenses Total</b>		<b>(\$19,573)</b>	<b>(\$19,848)</b>	<b>(\$39,422)</b>
<b>Grand Total</b>		<b>\$3,928</b>	<b>(\$2,666)</b>	<b>\$1,261</b>

Annual expense budgets are based on the projected spend rate for the Amendment 1B and Amendment 2 work plans combined (Pg 2 and 3).

# Amendment 1B Budget by Month (\$000s)

Reservoir Committee Work Plan Summary

Subject Area	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Total
<b>Revenue</b>									
Beginning Balance*	\$6,847								\$6,847
Participation Revenue									\$0
Federal Revenue									\$0
State Revenue	\$3,300								\$3,300
<b>Revenue Sum</b>	<b>\$10,147</b>								<b>\$10,147</b>
<b>Expenses</b>									
Environmental Planning	(\$269)	(\$245)	(\$269)	(\$269)	(\$245)	(\$257)	\$0	\$0	(\$1,555)
Operations Modeling	(\$519)	(\$472)	(\$355)	(\$220)	(\$116)	(\$85)	(\$55)	(\$53)	(\$1,876)
Engineering	\$0	(\$151)	(\$237)	(\$239)	(\$247)	(\$272)	(\$248)	(\$205)	(\$1,600)
Geotechnical	\$0	\$0	(\$27)	(\$118)	(\$107)	(\$118)	(\$118)	(\$113)	(\$601)
Real Estate	(\$7)	(\$6)	(\$7)	(\$7)	(\$6)	(\$7)	(\$7)	(\$7)	(\$55)
Communications	(\$38)	(\$35)	(\$38)	(\$38)	(\$35)	(\$38)	(\$38)	(\$36)	(\$297)
Project Controls	(\$255)	(\$77)	(\$85)	(\$85)	(\$77)	(\$85)	(\$85)	(\$81)	(\$828)
Funding	(\$74)	(\$109)	(\$120)	(\$121)	(\$104)	(\$61)	(\$37)	(\$35)	(\$661)
Growth	(\$93)	(\$84)	(\$93)	(\$93)	(\$84)	(\$93)	(\$93)	(\$88)	(\$719)
Management	\$0	\$0	\$0	(\$1)	(\$23)	(\$25)	(\$9)	\$0	(\$58)
Support	(\$15)	(\$14)	(\$15)	(\$15)	(\$14)	(\$15)	(\$15)	(\$15)	(\$120)
<b>Expenses Sum</b>	<b>(\$1,271)</b>	<b>(\$1,194)</b>	<b>(\$1,247)</b>	<b>(\$1,206)</b>	<b>(\$1,059)</b>	<b>(\$1,056)</b>	<b>(\$705)</b>	<b>(\$633)</b>	<b>(\$8,370)</b>

\*Adjusted from value published in work plan based on 2019 close-out

# Amendment 2 Budget by Month (\$000s)

Reservoir Committee Work Plan Summary

Subject Area	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Oct 21	Sep 21	Nov 21	Dec 21	Total
<b>Revenue</b>																	
Participation Revenue			\$11,520					\$7,680									\$19,200
Federal Revenue							\$2,000				\$2,000						\$4,000
State Revenue			\$1,834			\$1,834						\$1,834			\$1,834		\$7,336
<b>Revenue Total</b>			\$13,354			\$1,834	\$2,000	\$7,680			\$2,000	\$1,834			\$1,834		\$30,536
<b>Expenses</b>																	
Permitting	(\$253)	(\$577)	(\$1,023)	(\$705)	(\$525)	(\$525)	(\$584)	(\$471)	(\$419)	(\$448)	(\$295)	(\$309)	(\$295)	(\$295)	(\$613)	(\$232)	(\$7,569)
Early Mitigation	\$0	\$0	(\$113)	(\$131)	(\$119)	(\$119)	(\$136)	(\$131)	(\$119)	(\$235)	(\$231)	(\$242)	(\$231)	(\$231)	(\$220)	(\$242)	(\$2,500)
Environmental Planning	(\$488)	(\$512)	(\$442)	(\$513)	(\$474)	(\$474)	(\$218)	(\$71)	(\$65)	(\$71)	(\$61)	(\$62)	(\$216)	(\$42)	(\$343)	(\$279)	(\$4,332)
Operations Modeling	(\$621)	(\$680)	(\$232)	(\$78)	(\$71)	(\$71)	(\$81)	(\$72)	(\$43)	(\$48)	(\$46)	(\$48)	(\$11)	(\$46)	\$0	\$0	(\$2,146)
Engineering	(\$1,134)	(\$768)	(\$398)	(\$461)	(\$108)	(\$185)	(\$355)	(\$292)	(\$221)	(\$190)	(\$161)	(\$186)	(\$155)	(\$155)	(\$147)	(\$25)	(\$4,941)
Geotechnical	(\$52)	(\$54)	(\$61)	(\$374)	(\$346)	(\$461)	(\$513)	(\$134)	(\$124)	(\$172)	(\$42)	(\$44)	(\$42)	(\$42)	(\$40)	(\$42)	(\$2,544)
Real Estate	(\$23)	(\$24)	(\$20)	(\$24)	(\$21)	(\$21)	(\$25)	(\$24)	(\$21)	(\$24)	(\$23)	(\$24)	(\$23)	(\$23)	(\$21)	(\$24)	(\$362)
Communications	(\$48)	(\$50)	(\$43)	(\$50)	(\$46)	(\$46)	(\$52)	(\$50)	(\$46)	(\$50)	(\$48)	(\$50)	(\$48)	(\$48)	(\$46)	(\$50)	(\$771)
Project Controls	(\$126)	(\$132)	(\$114)	(\$132)	(\$120)	(\$120)	(\$138)	(\$132)	(\$120)	(\$132)	(\$126)	(\$132)	(\$126)	(\$126)	(\$120)	(\$132)	(\$2,033)
Funding	(\$29)	(\$30)	(\$26)	(\$30)	(\$64)	(\$66)	(\$76)	(\$73)	(\$66)	(\$71)	(\$29)	(\$30)	(\$29)	(\$29)	(\$28)	(\$30)	(\$706)
Growth	(\$25)	(\$26)	(\$23)	(\$26)	\$0	\$0	(\$38)	(\$36)	(\$33)	(\$36)	(\$35)	(\$154)	(\$146)	(\$146)	(\$139)	(\$148)	(\$1,010)
Management	(\$101)	(\$106)	(\$91)	(\$106)	(\$96)	(\$96)	(\$110)	(\$106)	(\$96)	(\$106)	(\$101)	(\$106)	(\$101)	(\$101)	(\$96)	(\$106)	(\$1,623)
Support	(\$32)	(\$34)	(\$29)	(\$34)	(\$31)	(\$31)	(\$35)	(\$34)	(\$31)	(\$34)	(\$32)	(\$34)	(\$32)	(\$32)	(\$31)	(\$34)	(\$516)
<b>Expenses Total</b>	(\$2,931)	(\$2,994)	(\$2,616)	(\$2,663)	(\$2,020)	(\$2,214)	(\$2,362)	(\$1,624)	(\$1,404)	(\$1,616)	(\$1,230)	(\$1,422)	(\$1,454)	(\$1,314)	(\$1,844)	(\$1,345)	(\$31,052)

Note: This page is intentionally left blank.



# Exhibit "B"

## **Policy Regarding Administration of Delta Conveyance Facility Yield Within Kern County**

November 6, 2020

### **1. Goals and Objectives**

- a. Encourage Member Unit participation in Delta Conveyance Facility yield.
- b. Mitigate risk and expense associated with commitment to incremental Delta Conveyance Facility yield through market opportunities.
- c. Maximize Delta Conveyance Facility yield for Kern County.
- d. Simplify administration and billing to the greatest extent practicable.
- e. Recognition/Resolution of Zone of Benefit issue.

### **2. Delta Conveyance Facility Yield Allocation**

The Kern County Water Agency (Agency) shall allocate Delta Conveyance Facility yield in proportion to the Member Units' Table "1" amounts. A Member Unit may participate in the Delta Conveyance Facility up to its maximum share as allocated based upon the current Table "1." As determined by the Agency, Delta Conveyance Facility yield amounts may be adjusted to reflect assignments or transfers of Delta Conveyance Facility yield.

### **3. Determination of Yield**

The California Department of Water Resources will operate the Delta Conveyance Facility as an integrated part of the State Water Project (SWP) and will determine the incremental amount of water to be allocated to participating State Water Project Contractors attributable to a Delta conveyance project ("Delta Conveyance Facility yield").

### **4. Annual Transfers of Delta Conveyance Facility Yield**

A Member Unit may transfer all or a portion of its allocated share of Delta Conveyance Facility yield for one year subject to the following:

- a. Transfers may be negotiated between Member Units and the terms and conditions of the transfer, including price, shall be as agreed upon by the transferor and transferee.
- b. Additional considerations may be required to address Zones of Benefit issues related to the transfer as determined by the Agency.

### **5. Multi-Year Transfers of Delta Conveyance Facility Yield**

A Member Unit may assign or transfer all or a portion of its allocated share of Delta Conveyance Facility yield, subject to the following:

- a. Multi-year assignments or transfers are for any period greater than one year.

- b. The transferring Member Unit must adopt a finding that the water proposed for assignment or transfer is surplus to its needs for the period of the proposed assignment or transfer. This requirement may be modified or waived under certain conditions as determined by the Agency.
- c. Assignments or transfers may be negotiated between Member Units and the terms and conditions of the assignment or transfer, including price, shall be as agreed upon by the transferor and transferee.
- d. If a Member Unit proposes an assignment or transfer to any entity within the SWP service area of the Agency other than a Member Unit, Member Units shall have 90 days to exercise a first right of refusal to acquire the Delta Conveyance Facility yield under the same terms and conditions as the proposed assignment or transfer. In cases of oversubscription, Delta Conveyance Facility yield shall be prorated among Member Units in proportion to their Table "1" amounts.
- e. If a Member Unit proposes an assignment or transfer to another SWP Contractor, Member Units and other entities within the SWP service area of the Agency shall have 90 days to exercise a first right of refusal to acquire the Delta Conveyance Facility yield under the same terms and conditions as the proposed assignment or transfer. If both Member Units and other entities within the SWP service area of the Agency elect to exercise a first right of refusal, and the elected amounts exceed 100 percent of the amount of Delta Conveyance Facility yield proposed to be transferred, the Member Units shall have priority. In cases of oversubscription where only Member Units elect to exercise a first right of refusal, Delta Conveyance Facility yield shall be prorated among Member Units in proportion to their Table "1" amounts. In other cases of oversubscription, Delta Conveyance Facility yield shall be prorated based on amounts elected.
- f. Additional considerations may be required to address Zones of Benefit issues related to the assignment or transfer as determined by the Agency.

# EXHIBIT "C"

## DRAFT

### AGREEMENT BETWEEN ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT AND IRVINE RANCH WATER DISTRICT TO PARTICIPATE IN THE PLANNING AND ENVIRONMENTAL REVIEW OF A POTENTIAL DELTA CONVEYANCE PROJECT

This agreement for preliminary planning, environmental review and design costs related to a potential Delta conveyance project (“Agreement”) is made by and between the ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT (“Rosedale”) and IRVINE RANCH WATER DISTRICT (“IRWD”), each referred to as a “Party” and collectively as “Parties.”

WHEREAS, the Kern County Water Agency (“Agency”) and the State of California, Department of Water Resources (“Department”) have entered into and subsequently amended a long-term water supply contract providing that DWR shall supply certain quantities of water to the Agency, providing that the Agency shall make certain payments to the Department, and setting forth the terms and conditions of such supply and payments (“Master Contract”); and

WHEREAS, Rosedale is a Member Unit of the Agency, and Rosedale has entered into and subsequently amended a water supply contract, (the “Rosedale Contract”) wherein the Agency agreed to deliver a portion of the annual water supply it receives from the Department under the Master Contract, and in return Rosedale agreed to annually pay the Agency a percentage of the Agency’s obligation to pay the Department for that water; and

WHEREAS, the Bay Delta Conservation Plan (“BDCP”) process was initiated in 2005-2006 and the Delta Habitat Conservation and Conveyance Program (“DHCCP”) was initiated in 2008; and

WHEREAS, the BDCP and DHCCP resulted in development of a project known as the California WaterFix (“WaterFix”); and

WHEREAS, on July 21, 2017, the Department approved the California WaterFix project and in or about May 2019 set aside its approval of that project; and

WHEREAS, certain State Water Project contractors have entered into that certain Joint Powers Agreement dated May 14, 2018 forming the Delta Conveyance Design and Construction Authority (“DCA”); and

WHEREAS, the Department and DCA have entered into that certain Joint Powers Agreement (“JEPA”), dated May 22, 2018, as amended and restated, and as the same has or may be further amended, wherein the DCA will provide preliminary design, planning and other preconstruction activities to assist the environmental planning process for a potential Delta conveyance project under the supervision of the Department (the “Work” as defined in the JEPA); and

WHEREAS, the Department has advised the Agency that to improve the reliability of deliveries of State Water Project water to the Agency, it is in the interest of the Agency and the Department’s other water supply contractors that the Department continue to evaluate a potential Delta conveyance project; and

WHEREAS, the Department does not presently have the funds needed to continue the environmental review, planning and design of a potential Delta conveyance project and has asked its water supply contractors to provide the Department with the funds; and

WHEREAS, in order for the Agency to be able to provide its share of the funding for the environmental review, planning and design of a potential Delta conveyance project, the Agency must receive funding from its participating Member Units; and

WHEREAS, Rosedale anticipates entering into an agreement with the Agency to contribute funding for environmental review, planning and design of a potential Delta conveyance project in

return for a share of the Agency's portion of capacity in the potential future Delta conveyance project, if it is approved, constructed and operated; and

WHEREAS, on November 6, 2020, the Agency approved the Policy Regarding Administration of Delta Conveyance Facility Yield Within Kern County allowing Member Units to transfer Delta conveyance facility yield to other water supply contractors; and

WHEREAS, IRWD uses State Water Project water obtained through the Municipal Water District of Orange County and the Metropolitan Water District of Southern California and has entered into water banking agreements with Rosedale, including formation of the Groundwater Banking Joint Powers Authority with Rosedale, to help improve the reliability of IRWD's water supplies against droughts and supply interruptions; and

WHEREAS, IRWD owns land within the Dudley Ridge Water District that is entitled to receive State Water Project supply; and

WHEREAS, IRWD seeks to further improve the reliability of IRWD's State Water Project supply by participating in the potential future Delta conveyance project through Rosedale at a level equating to approximately 2,000 acre-feet of base Table A amount and to secure the corresponding benefits including of an incremental increase in the availability of Table A water, ~~Article 21 water~~ and conveyance capacity from the Delta conveyance project in the amount of three cubic feet per second (cfs) and access to unused capacity; and

WHEREAS, this Agreement to help pay for the preliminary planning, environmental review and design costs for a potential Delta conveyance project will assist in defining a stable and finite project description for purposes of completing California Environmental Quality Act ("CEQA") review, does not commit any Party to approving or implementing a Delta conveyance project, and is not a "project" requiring prior completion of CEQA review.

NOW, THEREFORE, it is hereby mutually agreed by the Parties hereto as follows:

1. This Agreement shall be effective upon the date when both Parties have signed this Agreement. This Agreement shall remain effective until both parties have performed their obligations under this Agreement.

2. IRWD agrees to pay Rosedale its proportionate share of costs, estimated to be up to approximately \$198,000 over four years from the effective date of this Agreement to reimburse Rosedale's costs to participate, through the Agency, in the potential Delta conveyance project at a level equating to 2,000 acre-feet of base Table A amount ("Participation Payments") with the intent that the corresponding benefits of such participation will accrue to IRWD, excepting any increase in Article 21 water supplies associated with said 2,000 acre-feet of based Table A amount. Rosedale will make efforts to secure the ability to transfer or assign the benefits and costs of participation to IRWD. The Parties will cooperate in due diligence investigations of benefits and costs of participation in the construction and operations of the Delta conveyance project, including IRWD's anticipated use of increased availability of Table A water, ~~Article 21 water~~ and Delta conveyance capacity . Provided as attachment 1 is the Agency White Paper detailing the requirements and options to assign capacity from a Member Unit to a non Member Unit.

3. Rosedale agrees to participate, through the Agency, in the preliminary planning, environmental review and design of the potential Delta conveyance project at a level equating to 2,000 acre-feet of base Table A amount for the benefit of IRWD.

4. IRWD shall have a first right of refusal to participate, through Rosedale, in any future phase of the Delta conveyance project, including construction and operations, at a level equating to 2,000 acre-feet of base Table A amount with the benefits of such participation accruing

to IRWD, excepting any increase in Article 21 water supplies associated with said 2,000 acre-feet of based Table A amount. The Parties will cooperate in the assignment of the identified benefits to IRWD through a separate agreement. Should IRWD's first right of refusal be circumvented or frustrated by any other priorities with the Agency and its Member Units, then IRWD shall owe no further reimbursement to Rosedale under this Agreement, and Rosedale shall reimburse IRWD for all IRWD's costs paid to Rosedale under this Agreement in the event that Rosedale elects to continue its participation in the Delta conveyance projects associated with the 2,000 acre-feet of base Table A amount that Rosedale is participating in for the benefit of IRWD; in the event Rosedale does not elect to continue its participation with respect to said 2,000 acre-feet of base Table A amount, it shall only be required to reimburse IRWD if it obtains reimbursement of such costs from the Agency. Rosedale shall provide IRWD with monthly updates on the environmental review, planning and design of the potential Delta conveyance project, including budget and progress updates if available. Prior to Rosedale's making a commitment to the Agency to provide additional funding for preliminary planning, environmental review and design of the potential Delta conveyance project for the benefit of IRWD, Rosedale and IRWD shall review the progress of the environmental review, planning and design of a potential Delta conveyance project and shall collectively determine whether additional funds shall be contributed without obligation of IRWD to contribute any additional funds. Any additional funds to be provided by IRWD shall be subject to an executed amendment to this Agreement.

6. At the time of such collective determination and upon completion of environmental review, Rosedale will consider and work cooperatively to facilitate any request by IRWD to change its participation level in a potential Delta conveyance project from that equating to 2,000

acre-foot base Table A Amount, recognizing that IRWD may not be required to change its participation level.

7. Rosedale shall invoice IRWD for Participation Payment amounts substantiated by documentation showing the reimbursement amounts arising from Rosedale's participation, through the Agency, in the potential Delta conveyance project at a level equating to 2,000 acre-feet of base Table A amount for the benefit of IRWD.

8. IRWD shall pay Rosedale's invoices for Participation Payments within ~~60~~30 days after receipt pursuant to section 8 of this Agreement.

9. IRWD may terminate this Agreement upon providing notice to Rosedale. IRWD shall not be entitled to reimbursement of any costs paid to Rosedale in the event IRWD terminates this Agreement.

10. Invoices, notices, or other communications required under this Agreement shall be in writing, and shall be deemed to have been duly given as follows: (i) on the date served personally on the Party to whom notice is to be given; (ii) on the date sent by electronic mail when the Party to whom notice is to be given confirms receipt; or (iii) on the third day after mailing, if mailed to the Party to whom invoice, notice or other communication is directed, by first-class United States mail, postage prepaid, and properly addressed to the designated representative(s) of the Party set forth below.

Invoices or notice to IRWD shall be made to:

Irvine Ranch Water District  
15600 Sand Canyon Avenue  
P.O. Box 57000  
Irvine, California 92619-7000  
Attn: General Manager  
Telephone No. (940) 453-5300  
Fax No. (949) 453-1228  
Electronic Mail: genmanager@irwd.com



Invoices or notice to Rosedale shall be made to:

Rosedale-Rio Bravo Water Storage District  
P.O. Box 867  
Bakersfield, California 93302-0867  
Attn: General Manager  
Telephone No. (661) 589-6045  
Fax No. (661) 589-1867  
Electronic Mail: \_\_\_\_\_

11. IRWD's financial obligations pursuant to this Agreement shall cease immediately upon the termination of Rosedale's financial obligations to the Agency for participating in the potential Delta conveyance project.

~~12. RRB shall at all times indemnify, defend and save IRWD, its Board of Directors, officers, representatives, consultants, contractors, agents and employees free and harmless from, and pay in full, any and all claims, demands, losses, damages or expenses including reasonable attorney fees and costs that IRWD, its Board of Directors, officers, representatives, consultants, contractors, agents and/or employees may sustain or incur in any manner relating to RRB's performance under this Agreement, excepting any loss, damage or expense and claims for loss, damage or expense resulting in any manner from the negligent act or acts of IRWD, its Board of Directors, officers, representatives, consultants, contractors, and agents or employees.~~

~~13. IRWD shall at all times indemnify, defend and save RRB, its Board of Directors, officers, representatives, consultants, contractors, agents and employees free and harmless from, and pay in full, any and all claims, demands, losses, damages or expenses including reasonable attorney fees and costs that RRB, its Board of Directors, officers, representatives, consultants, contractors, agents and/or employees may sustain or incur in any manner relating to IRWD's performance under this Agreement, excepting any loss, damage or expense and claims for loss,~~

~~damage or expense resulting in any manner from the negligent act or acts of RRB, its Board of Directors, officers, representatives, consultants, contractors, and agents or employees.~~

14. Each Party represents and warrants to the other Party that it is a duly organized or constituted entity, with all requisite power to carry out its obligations under this Agreement, and that the execution, delivery and performance of this Agreement have been duly authorized by all necessary action of the board of directors or other governing body of such Party, and shall not result in a violation of such Party's organizational documents or any agreement to which it is a party or to which it is otherwise subject or bound. ~~Each Party further represents and warrants to the other Party that, to its knowledge at the time it executed this Agreement, there is no pending or threatened litigation involving such representing Party that will affect this Agreement.~~ The Parties have relied on the forgoing representations as a material inducement to execute this Agreement, and should any representation not be correct or true in any material respect, it shall constitute a material breach of this Agreement.

15. This Agreement has been jointly negotiated and drafted. The language of this Agreement shall be construed as a whole according to its fair meaning and without regard to or aid of Civil Code Section 1654 or similar judicial rules of construction. Each Party acknowledges that it has had the opportunity to seek the advice of experts and legal counsel prior to executing this Agreement and that it is fully aware of and understands all of its terms and the legal consequences thereof.

16. This Agreement shall be construed and enforced in accordance in accordance with the laws of the State of California.

17. This Agreement may be amended or modified only by a subsequent written agreement approved and executed by Rosedale and IRWD.

18. This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this Agreement among the Parties concerning the subject matter, and supersedes all prior negotiations, representations or agreement, either oral or written, that may be related to the subject matter of this Agreement.

19. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which shall constitute one and the same agreement. Each signing Party shall have received a copy of the signature page signed by every other Party.

IN WITNESS WHEREOF, each Party has executed this Agreement on the date set forth below its signature.

Irvine Ranch Water District

Rosedale-Rio Bravo Water Storage District

By: \_\_\_\_\_

By: \_\_\_\_\_

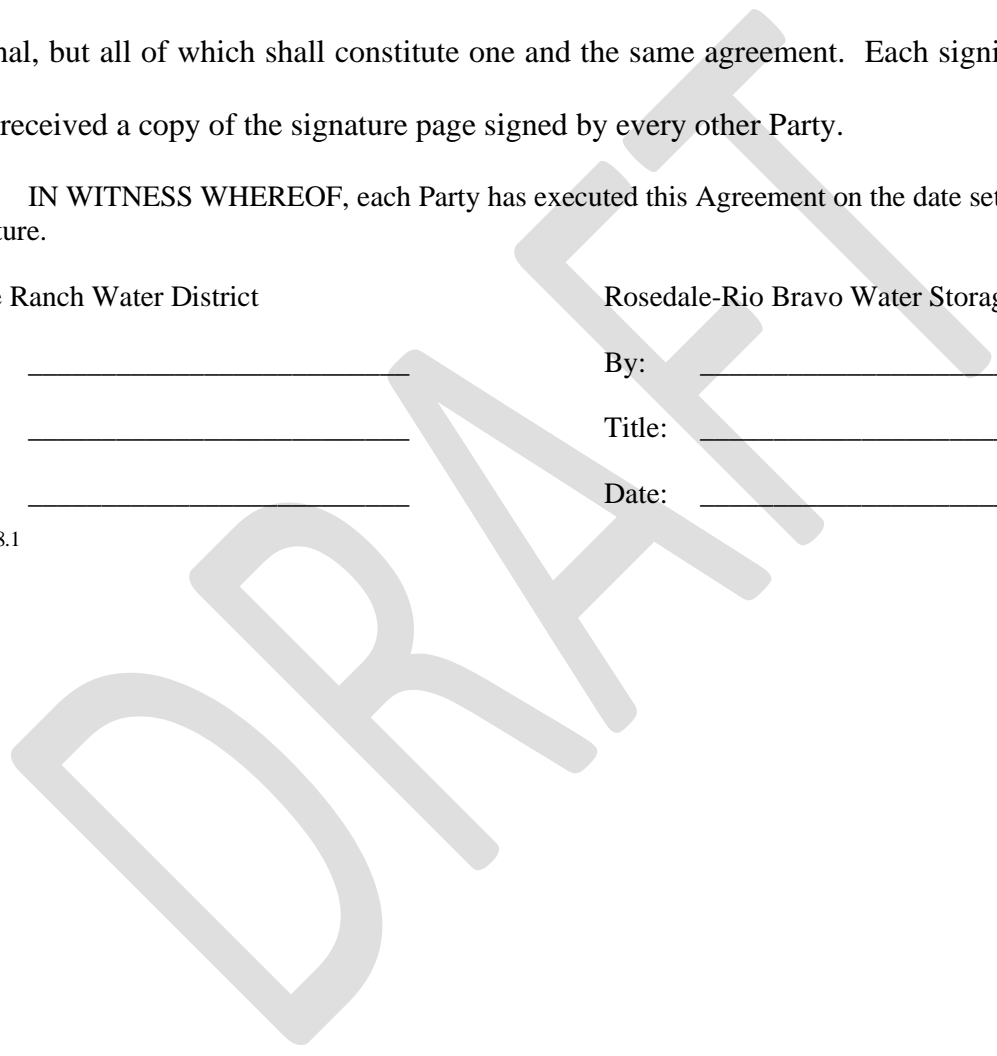
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Date: \_\_\_\_\_

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December 14, 2020  
Prepared by: E. Lin  
Submitted by: C. Clary  
Approved by: Paul A. Cook



## ACTION CALENDAR

### FY 2019-20 COMPREHENSIVE ANNUAL FINANCIAL REPORT

#### SUMMARY:

IRWD's auditor, Davis Farr LLP, has completed its annual audit of the District's financial statements for the Fiscal Year (FY) ended June 30, 2020. As stated in its report, Davis Farr concluded that in all material aspects, the statements fairly present the District's financial position as of June 30, 2020 and conform with generally accepted accounting principles.

A draft of the Comprehensive Annual Financial Report (CAFR), including the Introductory Section, audited financial statements, accompanying auditor's report, Management's Discussion and Analysis, and Statistical Section is provided as Exhibit "A". The draft is being presented for review and comment by the Board.

#### BACKGROUND:

At the Committee meeting, Davis Farr presented its required Auditor Communication pursuant to Statement on Auditing Standards 114 *The Auditor's Communication with Those Charged with Governance*. This letter, provided as Exhibit "B", reflects the auditor's understanding of key management assumptions and practices and indicates that there were no disagreements with management during the scope of the audit. The auditors have also provided a *Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*, provided as Exhibit "C", which states that the audit did not identify any material weakness deficiencies in internal control. In addition, the report states that the results of the audit disclosed no instances of noncompliance or other matters that were required to be reported under government auditing standards.

#### The IRWD Comprehensive Annual Financial Report:

The FY 2019-20 CAFR has been prepared for the 17<sup>th</sup> consecutive year by the District. All of IRWD's previous CAFRs have won awards from the Government Finance Officers Association (GFOA), which encourages state and local governments to prepare and publish expanded financial reports in conformity with generally accepted accounting principles (GAAP) and provides awards to recognize contributions to the practice of government finance that exemplify outstanding financial management. The awards stress practical, documented work that offers leadership to the profession and promotes improved public finance. Staff will continue to produce an enhanced electronic version with key references hyperlinked throughout the document. The CAFR will be made available on the IRWD website.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on November 3, 2020.

RECOMMENDATION:

THAT THE BOARD APPROVE THE COMPREHENSIVE AUDIT REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020.

LIST OF EXHIBITS:

Exhibit "A" –Draft FY 2019-20 Comprehensive Annual Financial Report

Exhibit "B" –SAS 114 Auditor's Communication with Those Charged with Governance from Davis Farr LLP

Exhibit "C" –Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards from Davis Farr LLP



## Essential for Our Community



Irvine Ranch Water District  
Irvine, California

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

for fiscal year ended June 30, 2020



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# Comprehensive Annual Financial Report

For fiscal year ended June 30, 2020

## **Irvine Ranch Water District**

Irvine, California

### Board of Directors

Mary Aileen Matheis, President

Douglas J. Reinhart, Vice President

Steven E. LaMar

Peer A. Swan

John B. Withers

### General Manager

Paul A. Cook

### Prepared by:

Irvine Ranch Water District

Finance Department

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# Introductory Section

Irvine Ranch Water District  
Fiscal Year Ended June 30, 2020

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December 14, 2020

To the Board of Directors,  
Irvine Ranch Water District:

Management of the Irvine Ranch Water District (IRWD or the District) has prepared a Comprehensive Annual Financial Report of IRWD for the fiscal year ended June 30, 2020. This document, which contains a complete set of basic financial statements, is presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted government auditing standards by a firm of licensed certified public accountants. State law requires that all special-purpose local governments publish these basic financial statements within six months of the close of the agency's fiscal year.

This report contains management's representations concerning the finances of the District. Management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable, rather than absolute, basis for making these representations, IRWD management has established a comprehensive framework of internal controls. These controls are designed to protect the District's assets from loss, theft, or misuse, and to ensure sufficiently reliable information for the preparation of the District's basic financial statements in conformity with GAAP. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the basic financial statements are free of any material misstatements. As management, we assert that this financial report is complete and reliable in all material respects.

The District's basic financial statements have been audited by Davis Farr LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the District for the fiscal year ended June 30, 2020 were free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor rendered an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

A profile of the District is presented in this Introductory Section. In the Financial Section, Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides an overview and analysis of the basic financial statements. This letter of transmittal and introduction is designed to complement the MD&A and should be read in conjunction with it.

# Profile of Irvine Ranch Water District

## Overview

Irvine Ranch Water District was established in 1961 as a California Water District under the provisions of the California Water Code. As a special district, IRWD focuses on four primary services - providing potable water, collecting sewage, producing and distributing recycled and other non-potable water, and implementing urban runoff source control and treatment programs.

IRWD is an independent public agency governed by a five-member, publicly elected Board of Directors. The members of the Board each have varied professional backgrounds, coupled with an average tenure for the Board members of approximately 26 years. The District is a leader in developing and implementing resource management initiatives such as water recycling, urban runoff control and treatment, water efficiency, and water banking. The District is a pioneer in financial management practices such as variable rate debt financing and long-term infrastructure replacement program development and funding.

The District serves a 181 square mile area, which includes all of the City of Irvine and portions of the cities of Tustin, Newport Beach, Costa Mesa, Orange and Lake Forest, as well as certain unincorporated areas of Orange County. Extending from the Pacific Coast to the top of the foothills of eastern Orange County, the District's region is semi-arid with a mild climate and an average annual rainfall of approximately 12 inches. The total estimated daytime population served is approximately 600,000 and includes approximately 118,000 water and 113,000 sewer service and recycled water connections. The number of service connections has increased by approximately 21% over the last ten years.

The District provides its core services to its customers by focusing on the following areas:

- *Operational Reliability* – having multiple sources of water supply, various sewage treatment alternatives, and emergency power capabilities to ensure reliable services.
- *Organizational Strength* – having professional staff work in close collaboration with the Board of Directors striving to exceed the expectations of our customers.
- *Long-Term Financial Planning* – ensuring sufficient funds are available to construct, operate, maintain, and replace facilities, while retaining competitive rates now and in the future.

## People



**Field Crew on Site - Providing Essential Services**

The District employs approximately 400 staff who are responsible for administering daily operations and implementing strategic objectives and policies set forth by the Board. The District actively promotes the training and education of employees to increase effectiveness and retention. The average tenure of District employees is approximately 16 years.



## Services

The District is functionally organized into four core service areas:

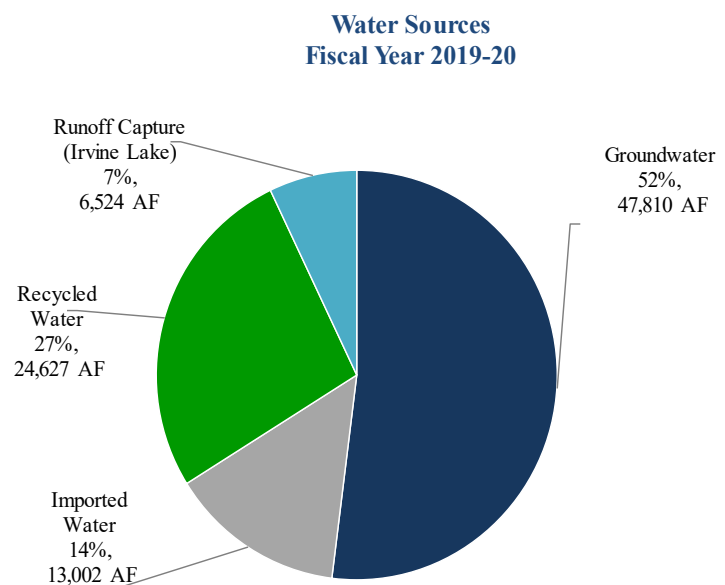
### Drinking or “Potable” Water System

For many years, the District received virtually all of its drinking water from imported sources. To minimize this dependence on imported water, in the early 1980’s, the District developed a series of local wells known as the Dyer Road Wellfield to access high quality groundwater from the Orange County Groundwater Basin, managed by the Orange County Water District (OCWD).

IRWD also operates many other groundwater wells with water from some of these wells requiring treatment. In Fiscal Year (FY) 2019-20, local groundwater accounted for 52% of the District’s total water supply.

Groundwater currently is significantly less expensive, more reliable, and less energy intensive than imported water that is transported over hundreds of miles into Southern California and subsequently treated.

The District purchased 14% of its water supply in FY 2019-20 from the Municipal Water District of Orange County (MWDOC), the regions local wholesale water supplier who purchases its water from the Metropolitan Water District of Southern California. This water is imported from both the Colorado River, which is transported approximately 240 miles to Southern California, and from the Delta, from which water is transported approximately 400 miles from Northern California.



### Recycled and Non-Potable Water Systems

The District treats sewage to provide water for irrigation, commercial, industrial and agricultural purposes which further reduces its reliance on the more expensive imported water and increases its system reliability. Sewage from the community is collected and recycled to California State Water Resources Control Board Title 22 standards at IRWD’s Michelson Water Recycling Plant and the Los Alisos Water Recycling Plant, which have the combined capacity to produce nearly 33.5 million gallons of tertiary recycled water per day.

Once treated, the recycled water is distributed throughout the service area and in FY 2019-20 accounted for approximately 27% of the District’s total water supply. Approximately 84% of all business and community landscaped areas (parks, school grounds, golf courses, street medians, etc.) in the District’s service area are irrigated with recycled water. The District also provides recycled water for various industrial and commercial uses. IRWD’s goal is to continue recycling its sewage flows to provide 25% to 30% of its total water supply once the District’s service area is fully developed.

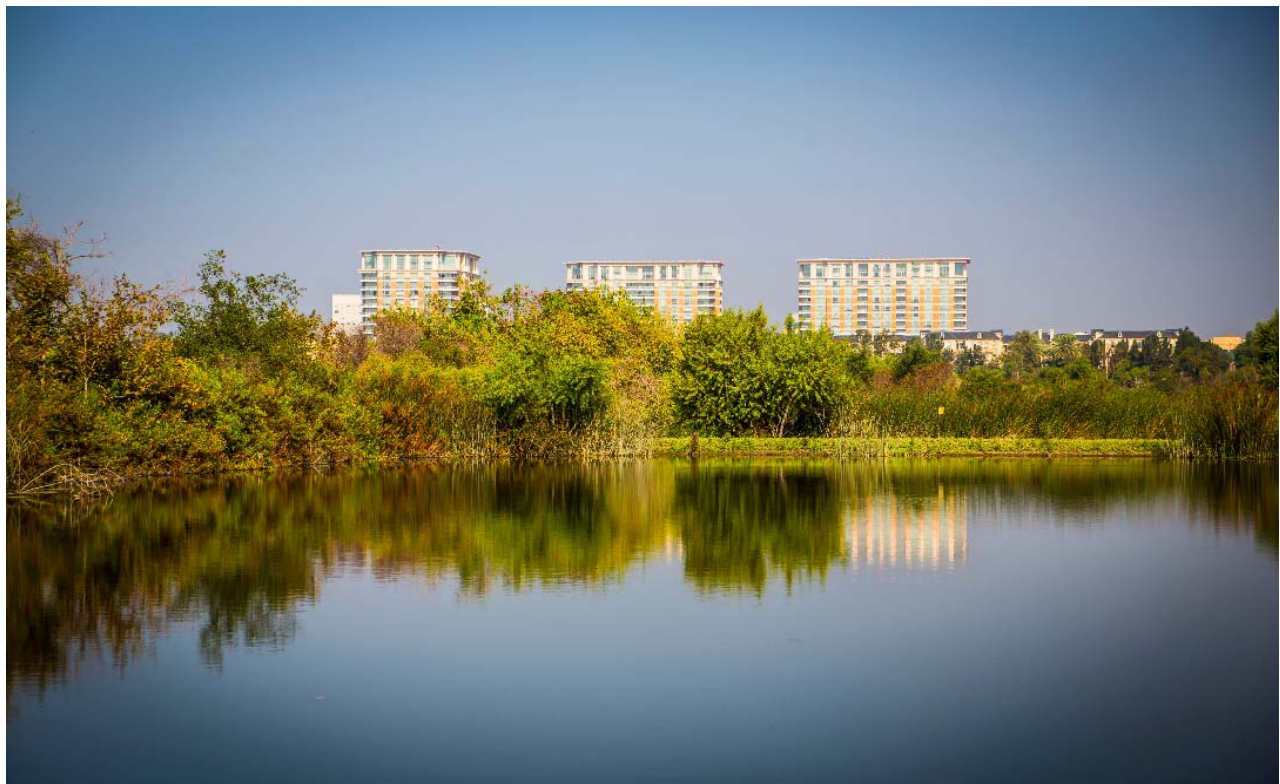
The District operates a non-potable system which includes 5 wells, 5 open reservoirs and 12 tanks that store water for non-potable uses. In total, the District has approximately 4,500 acre feet of active recycled water storage capacity. IRWD has a majority ownership in Irvine Lake, a 25,000 acre-feet reservoir that can capture and store both stormwater and imported water supplies.

### **Sewage Collection and Treatment System**

The District has an extensive network of gravity sewers, force mains, sewage lift stations, and siphons that convey sewage to two District-owned water recycling plants or to the Orange County Sanitation District (OCSD). In FY 2019-20, the District treated approximately 84% of its sewage while the remainder of the sewage collected by the District was diverted to the OCSD treatment facilities. The District plans to expand its treatment capacity when necessary to serve its growing population. This expansion is discussed in more detail in the *Major Initiatives* section of this document.

### **Urban Runoff Source Control and Treatment System**

IRWD is statutorily authorized to control and treat urban runoff and conducts various projects and programs as part of an effort to protect water quality in the San Diego Creek watershed. In the 1990s, the District constructed wetlands at the San Joaquin Marsh where natural biological processes remove a substantial pollutant load from San Diego Creek dry weather flow before it reaches the environmentally sensitive Upper Newport Bay State Ecological Reserve. The District operates a regional urban runoff treatment network known as the Natural Treatment System (NTS). As of June 30, 2020, the NTS consists of 43 constructed wetland treatment sites located throughout the San Diego Creek Watershed and one outside of the IRWD service area with several more currently under construction. In addition, IRWD's urban runoff diversion facilities along the Peters Canyon Wash pump runoff high in selenium into OCSD's sewers, where it eventually, after treatment, flows to OCWD's groundwater replenishment system.



**San Joaquin Marsh**

## Infrastructure Assets

The District builds and maintains significant capital infrastructure in order to provide superior service to its customers. The table below provides key information relating to its water and sewer system assets from 2011 to 2020.

Infrastructure Assets		
	<u>2011</u>	<u>2020</u>
<b>Potable System</b>		
Miles of Water Line	1,460	1,955
Number of Storage Tanks	37	37
Maximum Storage Capacity (acre feet)	456	467
Number of Pumping Stations	43	39
Number of Wells	24	27
Well Production Capacity (cfs)	117	118
Water Banking Storage Capacity (acre feet)	109,600	126,000
Potable Treatment Plants	3	5
<b>Non-Potable and Recycled Systems</b>		
Miles of Recycled Line	468	570
Number of Storage Tanks	11	12
Number of Open Reservoirs	4	5
Maximum Storage Capacity (acre feet)	23,703	24,155
Number of Pumping Plants	19	19
Number of Wells	5	5
Well Production Capacity (cfs)	10.0	10.0
<b>Sewer System</b>		
Miles of Sewer Line	950	1,143
Number of Lift Stations	13	13
Treatment Plants	2	2
Treatment Capacity (mgd) (Tertiary)	23.5	33.5
Sewage Flows to Michelson Plant	68%	72%
Sewage Flows to Los Alisos Plant	15%	12%
Sewage Flows to Orange County Sanitation District	17%	16%
1 acre foot = 325,900 gallons		
cfs = cubic feet per second		
mgd = millions gallons per day		

## 2020 Accomplishments

The District conducts a Strategic Planning Process where the Board annually adopts goals and target activities and monitors accomplishments against those goals. Major accomplishments achieved in FY 2019-20 were as follows:

1. Continued to deliver superior service to customers during the Coronavirus Pandemic without any interruptions in governance, operations or customer service. During the Pandemic, there were no customer shut offs or late fees charged for water service and customers were provided the opportunity to temporarily increase their residential water budget if needed due to the governor's stay at home orders. Customers facing financial hardship were offered payment plans to assist with the water bills.



**Field Crew on Site - Providing Essential Services**

2. Initiated start-up of the Michelson Water Recycling Plant Biosolids & Energy Recovery Facilities capital project (at a cost in excess of \$240 million) for the handling of solids, which will cost effectively provide resource recovery of solids and biogas for IRWD.
3. Continued to promote water use efficiency and long-term conservation measures resulting in District's customers having one of the lowest residential gallons per capita per day (gpcd) rates in California. In FY 2019-20, IRWD's residential water use (indoors and outdoors) averaged 65 gpcd, which was 26% lower than the statewide average of 88 gpcd. District finances were not negatively impacted as IRWD recovers its costs from customers through fixed and variable charges.
4. Completed agreements to form the Groundwater Banking Joint Powers Authority, a partnership between IRWD and Rosedale Rio-Bravo Water Storage District to design and construct the Kern Fan Groundwater Storage Project. Established key terms for construction of the project with the State agencies.
5. Completed construction of the remaining Sand Canyon Office property. The investment contributes to keeping customer rates low.
6. Completed installation of the photovoltaic (solar) energy system at the Baker Water Treatment Plant, which works in conjunction with the existing battery storage system.
7. Implemented improvements to the District's computer systems by increasing cybersecurity measures and upgrading the email system to a cloud-based system.
8. Continue to fully fund the IRWD employee pension plan, including the IRWD Pension Benefits Trust, which contains funds adequate to cover the District's CalPERS projected pension liability as of the current fiscal year end.
9. Received the United States Environmental Protection Agency's Excellence in Education and Outreach Award and the Wetland of Distinction Award for the San Joaquin Marsh and Wildlife Sanctuary from the Society of Wetland Scientists.



## Future Goals

The Strategic Planning Process resulted in the Board adoption of eighteen Strategic Goals which it expects to accomplish within the next 5 years along with Target Activities that are typically accomplished within 12 to 18 months. The Board adopted Strategic Goals are as follows:

1. Optimize and protect local water supply utilization: develop and implement projects to increase IRWD's access to local groundwater and stormwater capture; also implement solutions to remove emerging contaminants of concern (e.g. PFOA/ PFOS).
2. Evaluate and invest in projects and programs that will enhance future long-term water supply reliability: pursue projects and supply arrangements to enhance water supply reliability, including increased water banking and water recycling. Provide additional water storage opportunities for regional water supply reliability.
3. Optimize use of Irvine Lake as a water resource facility for IRWD and its partners: resolve property related issues and implement projects which will enhance the long-term operational reliability of the reservoir.
4. Develop water banking supplies for IRWD by working with current and future partners: develop capabilities for recharge, storage, and extraction capacity and store water as it becomes available. Continue development of IRWD water banking facilities in Kern County.
5. Develop and implement the Kern Fan Groundwater Storage Project: execute agreements and secure additional water storage investment funding. Complete planning and environmental compliance work.
6. Develop water recycling facilities and applications for optimal benefit: identify new opportunities for IRWD to utilize recycled water locally.
7. Maximize resource recovery from fully functional biosolids and other resource recovery facilities: complete start-up of IRWD's Biosolids and Energy Recovery Facilities.
8. Improve energy service reliability, manage demands, and control costs. Develop capability to continue operation of key facilities during short and long-term power outages.
9. Maximize watershed protection: control and treat urban runoff while preventing sewer spills.
10. Ensure financial and rate stability: ensure adequate funding for future infrastructure replacement needs, continue to provide low rates for IRWD customers, maintain strong financials through solid debt service coverage, liquidity balances, mixed debt profile, and pension plan obligation funding of at least 90 percent.
11. Identify, assess and implement new technologies, systems and facilities to improve operating efficiency: implement new systems such as mobility for Enterprise Asset Management while protecting existing and future systems through advanced cybersecurity measures.
12. Enhance customer communications: Implement improved customer web access portal and strategically extend community outreach.
13. Maximize water use efficiency in the community: explore future opportunities for increased water use efficiency and expand database for improved analytics.
14. Recruit, develop and retain a highly skilled, motivated, and educated work force: develop employee skills, develop and implement employee expectations for corporate values and ensure appropriate employee compensation.
15. Guide and lead local, state and federal policies and legislation: actively engage in issues of key interest to IRWD including water use efficiency, water rate structures, and others.
16. Engage and shape policies and regulations put forth by local, state and federal agencies: influence regulations to align with best practices for recycled water use and other applications.
17. Increase collaboration with other agencies and entities through leadership and innovation: engage at a high-level in industry associations, regional water agencies, and development of opportunities of mutual benefit for IRWD and partners.

18. Implement opportunities that enhance safety, security, and emergency preparedness throughout the District: protect the health and safety of IRWD employees and facilities.

## Water Use Efficiency

The District continues to be a leader in the innovation and implementation of water use measures that promote the most efficient use of water, both on a per capita and per acre basis.

The District's budget-based tiered rate structure, implemented in 1991, was carefully designed to promote the efficient use of water by providing customers pricing signals related to over-use of water in a financially sustainable way. This structure is recognized as a model for other agencies to emulate.

In 2016, Governor Brown issued an Executive Order calling for Californians to build on the actions taken during the recent statewide drought, and to "Make Conservation a Way of Life in California". In response, legislation requiring statewide long-term water use efficiency passed in 2018. As a result, the state will establish new long-term water efficiency objectives by June 30, 2022. IRWD has a long history of implementing cost-effective water efficiency programs, and it is well prepared to meet the future efficiency standards. The District's customers have one of the lowest residential gallons per capita per day (gpcd) rates in California.

In December 2019, the District completed a Future Potential Water Efficiency Study which provided a comprehensive evaluation of past water use efficiency programs and assessment of future water efficiency potential. The District's Water Use Efficiency Implementation Plan (Plan), adopted April 2020, provides a comprehensive strategy based on the conclusions and recommendations of the Study to implement cost-effective water use efficiency measures for the District and its customers. Specifically, the Plan addresses:

- Engaging in policy discussions and implementing targeted programs to ensure the District is well-positioned to meet the new statewide water use efficiency objectives.
- Continuing to implement cost-effective demand management programs that minimize the need to purchase more expensive imported water, and thereby maintain a lower unit cost of water for the District and its customers.
- Focusing on outdoor water use which remains the biggest potential water conservation opportunity for the District, and the associated urban runoff (typically the result of "over-watering") which to minimize water quality degradation from fertilizers, pesticides and animal waste in creeks, rivers and the ocean.
- Reducing water demands, which reduces energy usage and related costs needed to convey water.

The basic tenets of the Plan include local, state and national policy development and leadership, focused customer interface, extensive education and outreach, technology advances, and the development of financial incentives.

During the past fiscal year, the District provided financial incentives to residential and business customers to install water efficient devices such as irrigation equipment and conversions from high water use turf landscape to water-efficient landscapes. Due to the investments made by the District to diversify its resources, expand the use of recycled water and improve water use efficiency, IRWD provides reliable, high quality water to its customers in a cost-effective manner. The District has also pioneered the use of recycled water beginning in the late 1960s and presently serves over 6,100 sites, with approximately 25,000 acre feet of recycled water sold in FY 2019-20 representing 27% of the District's

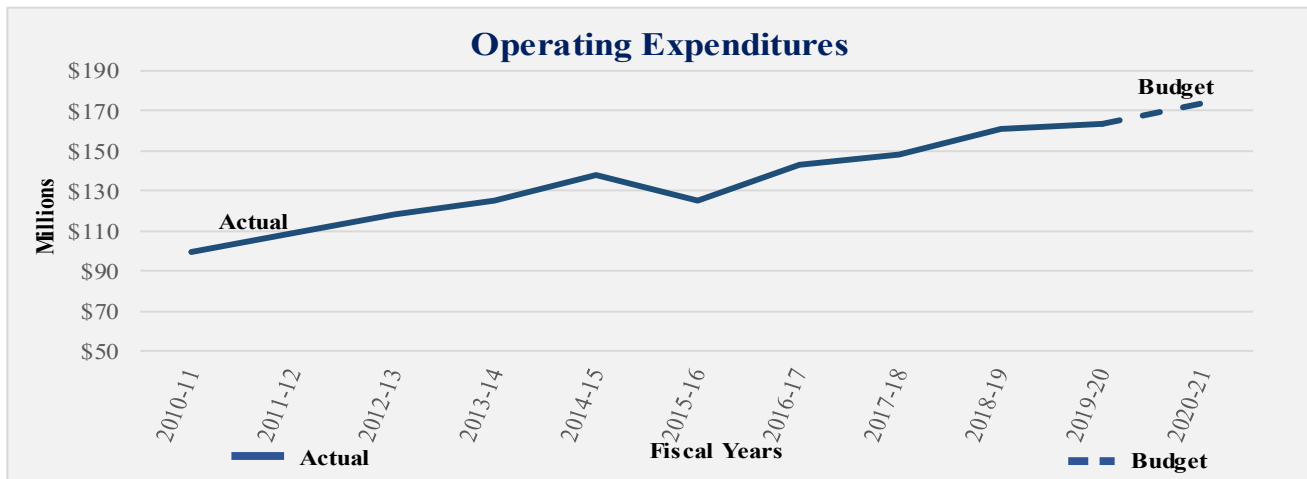
total water supply. The use of recycled water reduced the District’s need to import more expensive potable supplies.

## Legislative and Regulatory Affairs

The District actively monitors and works to influence local, state and federal legislation, policies and regulatory actions that could affect IRWD’s operations, existing and future facilities and strategic planning efforts. The Board of Directors is frequently engaged in, and takes active positions on, relevant pending legislation and regulatory actions. The District continues to engage proactively in policy discussions surrounding water use efficiency, recycled water, and water rates in California. The District and its Board of Directors also actively participate in state and regional trade associations including the Association of California Water Agencies, the California Association of Sewer Agencies, the Water Reuse Association, the California Special District Association, and the California Municipal Utilities Association.

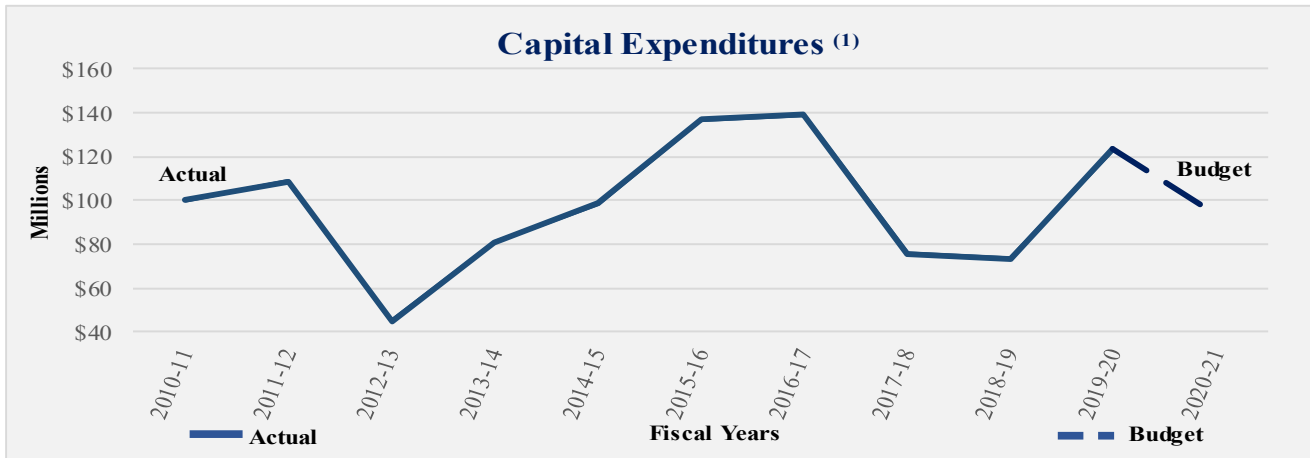
## Financial Plan

Last year, the Board approved a two-year (biennial) operating budget to improve IRWD’s long term planning, enhance funding stability, and create greater efficiency in the budgeting process. The goal of the District’s operating budget process is to appropriately fund the resources required to provide excellent service to IRWD customers as cost-efficiently as possible. The graph below shows the actual operating expenditures through FY 2019-20, as well as the Board approved operating budget for FY 2020-21. Increases reflect costs associated with customer growth within the District, as well as an increase in overall operating expenses. Increases have been kept to a minimum by aggressively pursuing reductions in expenses to offset uncontrollable expenses, such as pass-through rate increases from outside agencies.



The approved FY 2020-21 budget increased to \$173.6 million from \$170.0 million or 4.0% from FY 2019-20. The primary reasons were increases in labor and associated benefits for additional positions necessary to support new operating facilities, increases in the cost of water due to expected rate increases from outside agencies, and higher operating and maintenance costs associated with new facilities coming on line.

The Board also approved a two-year capital budget last year based on new, enhancement and replacement infrastructure needs. The following chart shows the actual capital expenditures through FY 2019-20 and the budget for FY 2020-21.



(1) Actual capital expenditures excluding overhead, intangibles and capitalized interest.

The reduced spending in FY 2012-13 and FY 2017-18 from prior years represents the District’s completion of several large projects including the MWRP Upgrade Project and the Baker Water Treatment Plant. Higher spending beginning in FY 2013-14 represents the design and construction phases for the Michelson Biosolids and Energy Recovery Facilities, which began construction in FY 2013-14. The Board approved capital budget is \$93.8 million for FY 2020-21. Many capital budget projects extend beyond one fiscal year.

## User Rates & Charges

User rates and charges are primarily used to fund the District’s operation and maintenance expenses. The District separates the cost of constructing water and sewer infrastructure from the cost of daily operations and maintenance. User rates, as discussed below, are billed to customers on a monthly basis, and include a component for the inevitable replacement of existing infrastructure. The District collects replacement funds in advance of their need and sets the monies aside. This helps stabilize rates and avoid significant potential future rate spikes. In 2015, the District completed a detailed cost of service study which confirmed that user rates billed to customers are based on actual costs to provide the services. The District will update that study in 2020. The District allocates capital costs within its service area through the use of water and sewer improvement districts, for which general obligation bond authorization is obtained and used as needed to fund new capital projects. Ad valorem property tax rates are set annually by the District, as are connection fees paid by property developers and landowners. Generally, the District’s policy is to allocate the cost of new infrastructure evenly between the developers/landowners and the ultimate property owners who utilize the water and sewer infrastructure.

### Water Rates

The District’s rate structure for water use is separated into a commodity charge component and a fixed service charge component. The commodity charge reflects the cost of providing the District’s water supplies while the fixed service charge funds the fixed operational and maintenance expenses of the District. For FY 2019-20, the District’s water fixed service charge was \$10.35 per month. The District has a long history of planning for the inevitable replacement of capital infrastructure and sets monies aside into enhancement and replacement funds for this purpose to avoid large, sudden rate increases in the future. In FY 2019-20, the monthly fixed service charge includes a user enhancement and



replacement component of \$0.70 and \$2.10, respectively, per month, intended to fund current and future replacement and refurbishment costs that provide reliability and redundancy to the District’s infrastructure. The District has a four-tiered rate structure that promotes water use efficiency. A basic use allocation is established for each customer account that provides a reasonable amount of water for the customer’s needs based on factors such as the number of occupants, type or classification of use, size of the irrigated area, evapotranspiration rate for the billing period and other consistently applied criteria. The chart below illustrates the four-tier structure that reflects the increased cost associated with usage in the higher tiers.

**FY 2019-20 Residential Rate Structure – Potable Water (Commodity Charge)**

Tier	Percent of Estimated Customer Need	Cost per ccf
Low Volume	0 – 40%	\$ 1.47
Base Rate	41 – 100%	\$ 2.00
Inefficient	101 – 140%	\$ 4.86
Wasteful	141% +	\$13.63

One ccf (100 cubic feet) = 748 gallons

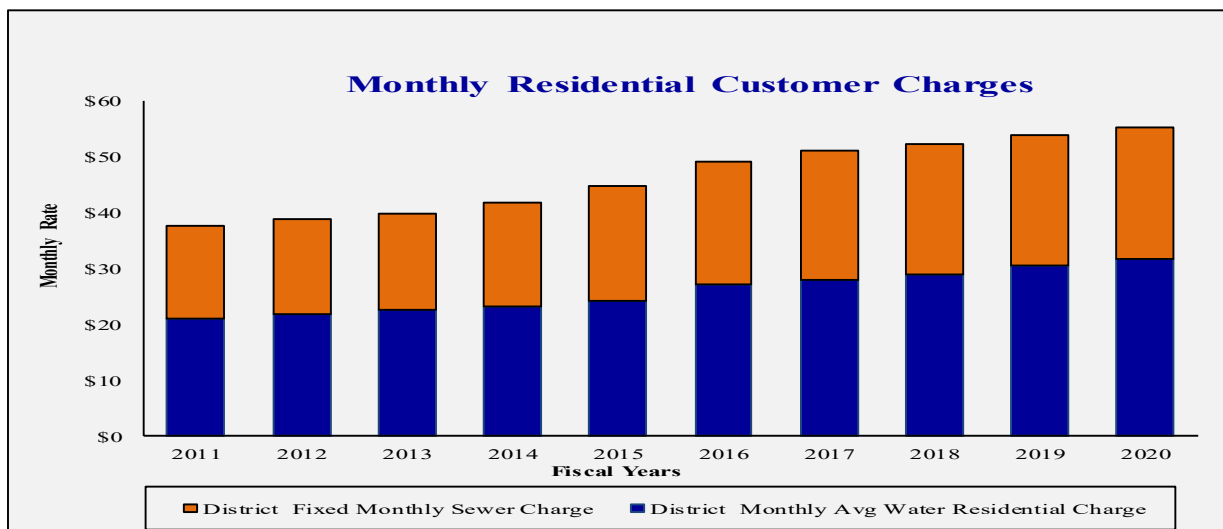
As of June 2020, approximately 80% of the District’s customers were within the first two tiers and approximately 93% of customers fell within the District’s first three tiers. IRWD residential bills are consistently among the lowest in Orange County.

**Sewer Rates**

The District’s sewer rates are also among the lowest in Orange County, with a fixed monthly service charge of \$23.50 in FY 2019-20 for a typical residential customer covering the collection and treatment of sewage. This monthly service charge includes a user enhancement and replacement component of \$0.82 and \$9.31, respectively, per month, which is intended to fund current and future capital costs to replace, refurbish and upgrade the existing system.

**Historic Rate Trends**

The following chart reflects the annual “base rate” charge for an average customer’s water and sewer service through FY 2019-20. The District has raised rates in each of the last several years due largely to increased costs from outside agencies or wholesale supplies and increased fixed service costs for both water and sewer, including funding for future infrastructure replacement.



## Factors Affecting Financial Condition

The information presented in the Financial Section is best understood in the context of the economic environment in which the District operates, as discussed below.

### State and Local Economy

Orange County is the third most populous county in California with nearly 3.2 million residents and a varied economy in which no single industry is considered dominant. With a location central to Orange County, the District's service area is the home to numerous corporate headquarters such as Oakley, Edwards Life Sciences, Blizzard Entertainment and Glidewell Laboratories. The District is also home to various educational institutions, including University of California Irvine, Concordia University, two community colleges, and other colleges and universities with satellite campuses. The total estimated daytime population served is approximately 600,000.

During FY 2019-20, the District continued to expand its operating facilities to accommodate approximately 3,700 new water and sewer service connections constructed within District boundaries. Development and entitlement needs of the builders continue to change and there remains less than 20% of land available for future development. Requirements for these areas have been included in the planning and these facilities are included in the capital budget. The assessed value of land within the District's service area has grown significantly in the last decade from \$35.0 billion in 2011 to more than \$70.3 billion in 2020, demonstrating the strength of the local economy.

### Long-Term Conservation

IRWD has a long history of implementing cost-effective water efficiency programs and is well prepared to meet the future efficiency standards. The District is well positioned to sustain any potential reduction in revenues and meet future efficiency targets with minimal impact on net revenues due to its rate structure which effectively splits costs into variable and fixed rate components. Any decrease in consumption would be offset by a decrease in related variable costs while the fixed rate component would cover the fixed operating and maintenance costs.

### COVID-19

The recent outbreak of coronavirus (COVID-19) and related government containment measures created an uncertain environment for essential service providers in the water and sewer industry, including IRWD. In mid-March, prior to the Executive Order issued by the Governor to suspend water shut-offs to customers for non-payment of services, the District proactively closed its offices to the public to protect the health and safety of staff and suspended all shut-offs and late payments to customers. Payment arrangements as well as temporary variances for additional water usage for people in the house due to the stay at home orders have been offered to all customers impacted by COVID-19. The District's believes there was only minimal impact to related revenue and potable demands in the fourth quarter of FY 2019-20.

Due to COVID-19 and its ramifications to District customers, the Board elected to defer a previously planned Board approved rate increase for FY 2020-21. The potential operating revenue impact of \$4.6 million is mitigated by a similar response from several third-party agencies not passing through planned cost increases. Any short fall in revenues created by the rate deferral will be covered by District reserves. The District continues to monitor the effects of COVID-19. To date, the impact to District revenues from non-payment of fees is not expected to have a material impact on its financial health.

## Financial Planning & Budgeting

### Short-Term

The Board of Directors approves operating and capital budgets every two years and allocates required funding accordingly. The General Manager has limited discretion to transfer capital between activities and Board approval is required for any overall increase or substantial changes. Throughout the fiscal year, actual expenditures are compared to budget. Variances between budget and actual results are analyzed and evaluated to ensure the District's financial goals and objectives are being met. The budget process is further supported by the District's long-term financial models, enabling the Board to make informed decisions on setting rates and charges that ensure the long-term stability of the District. Funding needs are assessed using these financial planning models.

### Long-Term

Meeting the goals of reliable, cost effective long-term water and sewer service requires substantial planning for both capital improvements and changing operating conditions. The District's capital program anticipates the need to update, expand or provide redundancy as well as refurbish and replace existing facilities as they reach the end of their useful life. District staff identifies future infrastructure requirements well in advance of needs to ensure the necessary funding for those projects is available. Capital projects are funded through a combination of connection fees, property taxes and user rates.

The District has a long history of planning for the enhancement and replacement of aging water and sewer infrastructure. Recognizing that infrastructure replacement is both inevitable and costly, the District established infrastructure Enhancement and Replacement Funds to provide funding for updating, expanding, creating redundancy, as well as replacing and refurbishing various components of the water and sewer systems. The objective of the funds is to help moderate the financial impact on future user rates attributable to expenditures associated with enhancing and replacing capital facilities. For FY 2019-20, the combined water and sewer user enhancement/replacement fees were \$12.93 per month.

Over time, the District has transitioned from a newly developing area to a fully developed area. While many of IRWD's projects slated for construction will provide additional capacity for ultimate demands, the focus of the District is transitioning from building new infrastructure projects to ongoing operations and maintenance activities, as well as upgrading and replacing existing infrastructure. Connection fees paid by developers, which generated \$18.2 million for new capital in FY 2018-19 declined to \$10.9 million in FY 2019-20 as the District nears build-out. The District utilizes a sophisticated financial model to factor in such variables as future development, construction costs, growth rates, inflation, redevelopment and other criteria in order to project rate setting for funding future capital needs.

In 2013, the District completed a strategic review of its existing current capital funding plan which resulted in a master consolidation plan that combined certain improvement districts in order to maintain the future financial viability of each area. The master plan allocates funding responsibility for capital improvements to the areas which will benefit from those respective facilities and separates areas on the basis of projected timing of development. Diversification of the District's water supply and sewage treatment options are also major objectives of the District's master plan. Those objectives are discussed in further detail in the *Major Initiatives* section of this introduction.

The District's approach to infrastructure replacement and funding defines the industry best practice and illustrates the District's commitment to financial stability and protection of its customers from significant future rate increases.

## Pension Funding

The District recognizes that defined benefit plans and the related future pension obligations pose significant issues for many government agencies. The District has taken a proactive approach to address the issue and, in 2013, established an irrevocable Pension Benefits Trust to substantially fund its PERS unfunded liability. The Pension Benefits Trust provides the District with an additional funding option to PERS that allows for investment by a professional fund management team selected and monitored by the District. The Pension Benefits Trust holds the funding contributions for the District pending future remittance to the PERS pension trust fund which will pay all retiree benefit payments to employees associated with the plan. Future contributions will be transferred from the Pension Benefits Trust to PERS at the District's discretion.

Investment policy and asset allocation decisions relating to the Pension Benefits Trust are made by a Retirement Board consisting of two members from the IRWD Board of Directors and the District's General Manager. In FY 2013, the District made an initial \$35.0 million contribution to the Pension Benefits Trust, and since then has made additional annual contributions ranging from \$1.9 million to \$12.8 million. As of June 30, 2020, the fair value of the assets in the Pension Benefits Trust was approximately \$83.1 million.

The following schedule shows the recent history of pension plan assets and liabilities including the trust assets:

<b>Fiscal Year</b>	<b>Total Pension Liability</b>	<b>Total Pension Assets</b>	<b>Total Pension Assets as a Percentage of the Total Pension Liability</b>
06/30/18	\$264,399	\$263,819	99.8%
06/30/19	275,457	284,426	103.2%
06/30/20	291,334	301,256	103.4%

## Cash Management Policies and Practices

The District is regulated by State law (primarily California Government Code Section 53600, et seq.) as to the types of fixed-income securities in which it can invest cash assets. In addition, the Board of Directors annually adopts an investment policy that is generally more restrictive than the State codes. The District's standard practice is to maintain an appropriate balance between safety, liquidity and yield of investments to fund required expenditures in conformance with all applicable State laws, the District's investment policy, and prudent cash management principles.

For FY 2019-20, the District's fixed-income investment portfolio consisted primarily of short-term securities with a portfolio average maturity of approximately 10 months. These securities included U.S. Treasury notes, U.S. government agency notes and the State-managed Local Agency Investment Fund. The average annual return on all of the District's cash investments in FY 2019-20 was 1.99%. Including real estate investments, the weighted average rate of return was 4.12% for the same period.

At June 30, 2020, the District's cash and investments totaled approximately \$347.3 million. Cash balances are allocated to various funds including the Replacement Fund, New Capital Fund, Debt Service Fund and others.

## Real Property Investments

As a means to match its long-term responsibility to replace water and sewer facilities when they reach the end of their useful lives with long-term funding investments, the District obtained legislative authority from the State to invest a portion of its capital facilities Replacement Fund in real property located in Orange County.

As of June 30, 2020, the District owns or has an interest in six properties with an approximate fair value of \$245 million. The District's income-producing real estate investments have a weighted average return (on original cost) for FY 2019-20 of 14.9%. Net revenues of \$12.5 million generated in FY 2019-20 from the District's real estate investments are retained within the Replacement Fund and effectively reduce future increases in user rates.

## Debt Management Policies and Practices

The District strives to minimize the cost of its long-term debt. In 1984, the District obtained State legislation that allowed for the use of variable rate debt to help achieve this goal. The Board minimizes its exposure to interest rate risk by utilizing both fixed and variable rate debt and has leveraged opportunities provided by the low interest rate environment in recent years. The District maintains a healthy balance between fixed and variable rate debt. As of June 30, 2020, the District's debt portfolio included fixed rate debt at 60.0%, with an average all-in cost of debt of 3.06% for the fiscal year.

In FY 2016-17, the Board of Directors adopted a Debt Management Policy Statement (Debt Policy). The Debt Policy objectives formalize previous District guidelines related to timing and amount of future debt issuance, allowable debt types and structures and spending requirements of bond proceeds. The Debt Policy also addresses underwriter selection and allowable methods of sale, continuing disclosure requirements, financial advisor and credit rating agency relationships and other key debt-related topics.

As of June 30, 2020, there were eight outstanding General Obligation (GO) bond issues consisting of \$260.6 million in variable rate mode and \$278.4 million in fixed rate mode (excluding any unamortized premium or discount).

As of June 30, 2020, the District also had one outstanding Certificate of Participation (COP) issue with a balance of \$116.7 million in fixed rate mode. The District has secured direct pay letters of credit to enhance certain issues of its variable rate debt.

The GO bond issues are secured by the District's ability to levy ad valorem property taxes to pay debt service. Although the District has elected to use a combination of ad valorem property taxes and other legally available funds to pay debt service, the legal authority exists to fully fund GO bond debt service through such ad valorem taxes. In addition to the ad valorem tax pledge, certain GO bond issues and the COPs issue are secured by the net revenues of the District. The District is required under some of its debt covenants to collect revenues sufficient to provide net revenues equal to 125% (1.25 times) of senior debt service coverage during the fiscal year. As of June 30, 2020, the District had net revenues equal to 4.3 times senior debt service coverage.

Prior to FY 2003-04, the District's outstanding debt was all in a variable rate mode and the Board of Directors took certain actions to manage and mitigate the interest rate risk. The District's practice is to maintain a target amount of cash and fixed income investment assets equal to at least 75% of the District's outstanding unhedged variable rate debt. In addition, in 2004 the District began an interest

rate swap program under which LIBOR-based fixed payer interest rate swaps were executed to hedge a portion of the District's variable rate exposure. The current \$60 million notional amount of outstanding interest rate swaps allow the District to limit the interest rate risk exposure on approximately \$89.5 million of its remaining tax-exempt variable rate debt to 3.81% (assuming a historical ratio for the tax-exempt SIFMA Index versus taxable 1-month LIBOR of 67%).

In FY 2010-11, the District issued \$175 million of general obligation fixed rate debt utilizing the taxable Build America Bond (BABs) program. BABs, created under the American Recovery and Reinvestment Act, are taxable bonds with subsidy payments made by the Treasury Department to issuers equaling 35% of the interest costs. In FY 2019-20, Federal subsidy payments were cut by 5.9% under congressionally mandated sequestration. As a result of the reduced subsidy payments, the net interest rate for the District's BABs issue increased from 4.30% to 4.44%.

## **Risk Management**

The District utilizes a combination of self-insurance and third-party liability insurance to minimize loss exposures from property claims, third-party liability claims and workers compensation claims. The District self-insures the first \$25,000 per occurrence for property losses, \$100,000 per occurrence for third-party liability claims and \$125,000 per occurrence for workers compensation claims. Various control techniques used to minimize loss include, but are not limited to, regular employee safety meetings and training sessions, the use of uniform language in contracts designed to limit or prevent liability exposure, general risk assessments, and the development of emergency plans, including a business continuation plan.

The District engages an outside firm annually to evaluate the District's network security. The annual external network security and cybersecurity assessments and ongoing staff education and awareness are just a few of the ongoing efforts by the District to safeguard information.

## **Major Initiatives**

The District's major initiatives during FY 2019-20 include continuing programs to secure water supplies, as well as expanding sewage treatment capacity and diverting sewage flows, water education programs, and the continuing implementation of the Water Use Efficiency Plan.

### **Water Supply Reliability**

#### **Groundwater Program**

One of the goals of the District's Water Resources Master Plan is to identify a reliable water supply mix which includes developing sufficient groundwater production capacity to pump IRWD's portion of the Orange County Ground Water Basin, additional local groundwater production, and to have enough capacity to meet demands during outage conditions. Currently, the District meets these goals and has the ability to produce approximately 45,000 – 50,000 acre feet per year (AFY) of potable groundwater and 4,000 – 5,000 AFY of non-potable groundwater.



## **Water Banking**

In addition to developing its local groundwater and recycled water systems, the District is further improving its water supply reliability by developing and operating water banking facilities in Kern County, California. These neighboring projects are known as the Strand Ranch Integrated Banking Project and the Stockdale Integrated Banking Project (collectively, the IRWD Water Bank). The IRWD's Water Bank is situated on groundwater recharge lands that overlie the regional Kern County groundwater basin. The purpose of the IRWD Water Bank is to improve the District's water supply reliability by capturing and storing low cost water available during wet hydrologic periods for use during dry periods. The IRWD Water Bank enhances the District's ability to respond to drought conditions and potential long-term water supply interruptions and enables it to reduce the cost of water delivered under such conditions.

The District has entered into agreements for a 30-year water banking partnership with the Rosedale-Rio Bravo Water Storage District (Rosedale) in Kern County. These agreements provide for Rosedale to operate the IRWD Water Bank on behalf of the District and permits the District: (i) to store up to 126,000 acre feet of water in the aquifer; (ii) to recharge a minimum of 44,600 acre feet of water per year in the aquifer; and (iii) to recover a minimum of 28,750 acre feet of water per year from the aquifer.

The District has constructed groundwater recharge ponds and related facilities at its IRWD Water Bank that are necessary to divert water from an adjacent canal into the ponds. Groundwater wells have been constructed on the Strand Ranch and Stockdale West properties. The District, in partnership with Rosedale and others, has also constructed additional wells that will increase the ability to recover water from the IRWD Water Bank during peak summer demand periods. The District has secured water from a number of sources for recharge at the IRWD Water Bank.

The District has entered into agreements with Metropolitan Water District of Southern California (MWD) which allows it to transfer water from the IRWD Water Bank into the District's service area.

Since 2010, the District has delivered a total of approximately 78,871 acre feet of water to the IRWD Water Bank through its water supply partnerships. The District has returned its partner's share of the water and holds approximately 36,000 acre feet of water in storage for future use in IRWD's service area. The District is currently pursuing additional potential water supply opportunities for diversion into the IRWD Water Bank.

## **Kern Fan Groundwater Storage Project**

The Kern Fan Groundwater Storage Project (Kern Fan Project) will become a regional water bank in the Kern Fan area to capture, recharge and store Article 21 water from the State Water Project (SWP) and other water supplies during wet hydrologic periods. The project is a joint venture between IRWD and Rosedale-Rio Bravo Water Storage District. The stored water would be extracted when needed to provide ecosystem, emergency supply and water supply benefits. IRWD's share of the Kern Fan Project would be used in conjunction with the Strand Ranch and Stockdale Integrated Banking Projects to meet IRWD's contingency storage needs at build-out. IRWD's goal for contingency storage is to secure supplies adequate to backfill the loss of imported supplies for three consecutive years. The Kern Fan Project, along with the IRWD Water Bank will allow IRWD to meet this goal.

In August 2017, IRWD and Rosedale jointly submitted a grant application to the California Water Commission (CWC) for the proposed Kern Fan Project. The application sought Proposition 1 funds available from the CWC through the Water Storage Investment Program (WSIP). In July 2018, the CWC conditionally awarded \$67.5 million to the Kern Fan Project. The District is currently pursuing additional funding opportunities.

## **Water Rights**

The District also owns property with rights to State Water Project water which can be stored in the IRWD Water Bank. The water is available as a result of the District's acquisition of property located within the Dudley Ridge Water District, including the rights to use approximately 1,750 acre feet of Table A State Water Project water allocated to Dudley Ridge. The District can store its Table A water in the IRWD Water Bank with half of the water being available for future use in the District's service area. The acquisition also includes certain participation rights in the Kern Water Bank allowing the District to store up to approximately 9,500 acre feet of water.

The District owns approximately 3,100 acres of agricultural land (PVID Properties) in Riverside County, California. IRWD's PVID Properties are located within Palo Verde Irrigation District (PVID), which has first priority rights on the Colorado River. The properties are included in a Metropolitan Water District of Southern California (MWD) and PVID fallowing program under which MWD makes payments to landowners (up to approximately 970 acres of IRWD's PVID properties) in exchange for letting land lie fallow. Water that is conserved through fallowing is available for use within MWD's service area (which includes the District's service area). The District has leased the PVID Properties to tenant farmers for agricultural uses.

## **Syphon Recycled Water Seasonal Storage Facility**

Syphon Reservoir, located in the northern portion of Irvine, is an existing water storage reservoir that had been used historically for agricultural purposes. The District purchased Syphon Reservoir in January 2010, and in 2015 completed the process of converting the reservoir into a recycled water seasonal storage facility. Seasonal storage reservoirs allow the District to store excess recycled water produced in the winter months for use in higher demand summer months. This approach increases water reliability by reducing the District's dependency on imported water from MWD used to supplement the recycled water system.

In 2013, the District completed a feasibility study to increase storage capacity in Syphon Reservoir from its current capacity of 450 acre feet to 5,000 acre feet. Additional storage capacity would allow the District to utilize more of the recycled water it produces. An expansion of Syphon Reservoir to 5,000 acre feet would allow for recycling 100% of the sewage flows tributary to MWRP and would reduce the District's need to supplement the recycled water system with imported water. The District recently completed initial geotechnical investigations associated with the reservoir expansion project and anticipates proceeding with the design phase of the expanded reservoir next year.

## **Expanded Water Recycling Options, Resource Recovery and System Reliability**

The District is continuing its program to increase the reliability of the sewage system by diversifying treatment options and increasing the reliability of critical sewage collections facilities. The goals of the program are to collect sewage in the most cost effective method available, create a high quality and reliable recycled water supply for irrigation and commercial uses and minimize environmental impacts and risks. Sewage collected throughout the District is treated at three locations: The Michelson Water Recycling Plant (MWRP), the Los Alisos Water Recycling Plant (LAWRP) and at the Orange County Sanitation District (OCSD). The District owns and operates the MWRP and LAWRP and owns capacity in the OCSD facilities.



The most recent example of expanded water recycling reliability is a major capacity expansion of the MWRP from 18 million gallons per day (mgd) to 28 mgd, completed in 2014. The two plants operated by the District currently have capacities of 28 (MWRP) and 7.5 (LAWRP) mgd, with a collective capacity of 35.5 mgd. Expanding existing infrastructure for sewage treatment has four primary benefits including:

- Increased recycled water production and utilization.
- Decreased exposure to third party treatment costs and operational constraints.
- Decreased dependencies on imported water supplies.
- Lower total cost.

In addition to the projects identified above, the District evaluated alternative approaches to recover the solids generated by its water recycling facilities. The evaluation of alternative approaches for handling MWRP solids, currently conveyed to Fountain Valley for treatment by OCSD, included consideration of many factors such as costs and potential community impacts.

As a result, in FY 2013-14, the District began construction of new capital facilities at the MWRP which integrates a new state-of-the-art organic handling system. The system makes efficient and sustainable use of locally generated renewable resources by creating a beneficial use of biosolids and biogases that



**Biosolids and Energy Recovery Facilities**

are produced during the sewage treatment/recycling process. This project aligns with green and sustainable business practices, while at the same time creating an effective cost management of sewage/recycling services for IRWD customers.

The biosolids treatment process allows for the conversion of biogas into electricity thereby further reducing the District's dependency on its third party electricity provider. The construction of the MWRP Biosolids and Energy Recovery Facilities is completed and the facilities are anticipated to be fully operational by February 2021.

## **Community Education and Outreach**

Lifelong water education and outreach are important tools for fostering a better appreciation and understanding of water issues. And that doesn't change in a pandemic. Irvine Ranch Water District took a nimble approach in 2020 — moving traditional in-person community events, workshops and children's education programs onto a variety of online and digital platforms, continuing to inform customers and the next generation of leaders about the importance of water to our lives and communities.

A longstanding educational partnership with Discovery Science Foundation was transformed. School assemblies and field trips for Kindergarten through 7<sup>th</sup> graders were replaced with recorded virtual workshops and presentations on a dedicated website. This content includes fun and educational activities students can do at home, and grade-appropriate workbooks that teach to state standards.



**Discovery Cube Workshop**

Video virtual tours of the District’s San Joaquin Marsh and Wildlife Sanctuary and Michelson Water Recycling Plant were created to provide an engaging experience that is available on demand and can be presented to audiences in live webinars. This enables a dynamic exchange and Q&A format while harnessing the educational power of video. The digital aspect of this programming lends itself to being shared on a variety of platforms to unlimited audiences. These tools will be integrated into outreach strategies well into the future.

Workshops on water efficiency, leak detection, drought-friendly plants, and gardening were also presented live via WebEx and other virtual platforms.

During the pandemic, it is important for customers to know how to receive service while maintaining social distance. Therefore, District websites — IRWD.com, RightScapeNow.com and RightScapeResources.com — were enhanced with quick links and answers to customer questions. This included information on policies and procedures, as well as help with leak detection, rebates, native plant palettes and water-efficient gardening techniques.

IRWD launched a quarterly digital gardening newsletter, “The Dirt,” which provides educational articles to inspire customers to beautify their home landscape while saving water. The District also prepared a monthly gardening column and a “California Native Plant of the Month” feature for a local newspaper, the Irvine Standard.

And because nothing can replace seeing something in person, a new demonstration garden was created at the District headquarters, featuring Kurapia — a ground cover that functions like a grass lawn but uses considerably less water.

Two campaigns were launched to communicate the value of water, and the many benefits of transforming a lawn to a drought-tolerant landscape. A video campaign featuring a Tyrannosaurus rex playing air guitar with a garden hose spewing water on a lawn provided a humorous look at the past, when lawns and inefficient watering techniques wasted water. A print and digital campaign promoted the beauty of drought-tolerant landscapes and the District’s financial incentives — up to \$10,000 for replacing turf with water-efficient flowers, succulents and California natives.

These changes increased awareness and participation in District programs and resulted in IRWD’s success in meeting its state-mandated drinking water efficiency targets.

Finally, in 2020, Irvine Ranch Water District was recognized by water professionals and executives around the nation as a Utility of the Future, a formal designation granted to agencies that have demonstrated forward-thinking, innovative approaches to trends in the industry. The honor was granted in recognition of the District’s recycled water programs and infrastructure. This program is sponsored

by the National Association of Clean Water Agencies, Water Environment Federation, Water Research Foundation, and WateReuse, with support from the United States Environmental Protection Agency.

## Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Irvine Ranch Water District for its comprehensive annual financial report (CAFR) for the fiscal years ended June 30, 2004 through June 30, 2019. In order to be awarded a Certificate of Achievement, IRWD was required to publish an easily readable and efficiently organized CAFR that satisfied both GAAP and applicable legal requirements.

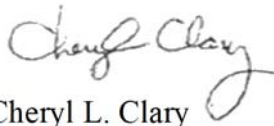
A Certificate of Achievement is valid for a period of one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

Staff would like to acknowledge the IRWD Board of Directors for their support and for maintaining the highest standards of professionalism in the management of the District's operations and finances. We would also like to thank the dedicated employees of the District for their commitment to providing high quality service to the District's customers. The preparation of this report would not have been possible without the efficient and dedicated service of the entire Finance Department staff. We also wish to express our appreciation to all staff that assisted and contributed to the preparation of this report.

Respectfully submitted,



Paul A. Cook  
General Manager



Cheryl L. Clary  
Executive Director of Finance & Administration

**Irvine Ranch Water District**  
List of Principal Officials

**Board of Directors**

President and Director	Mary Aileen Matheis
Vice President and Director	Douglas J. Reinhart
Director	Steven E. LaMar
Director	Peer A. Swan
Director	John B. Withers

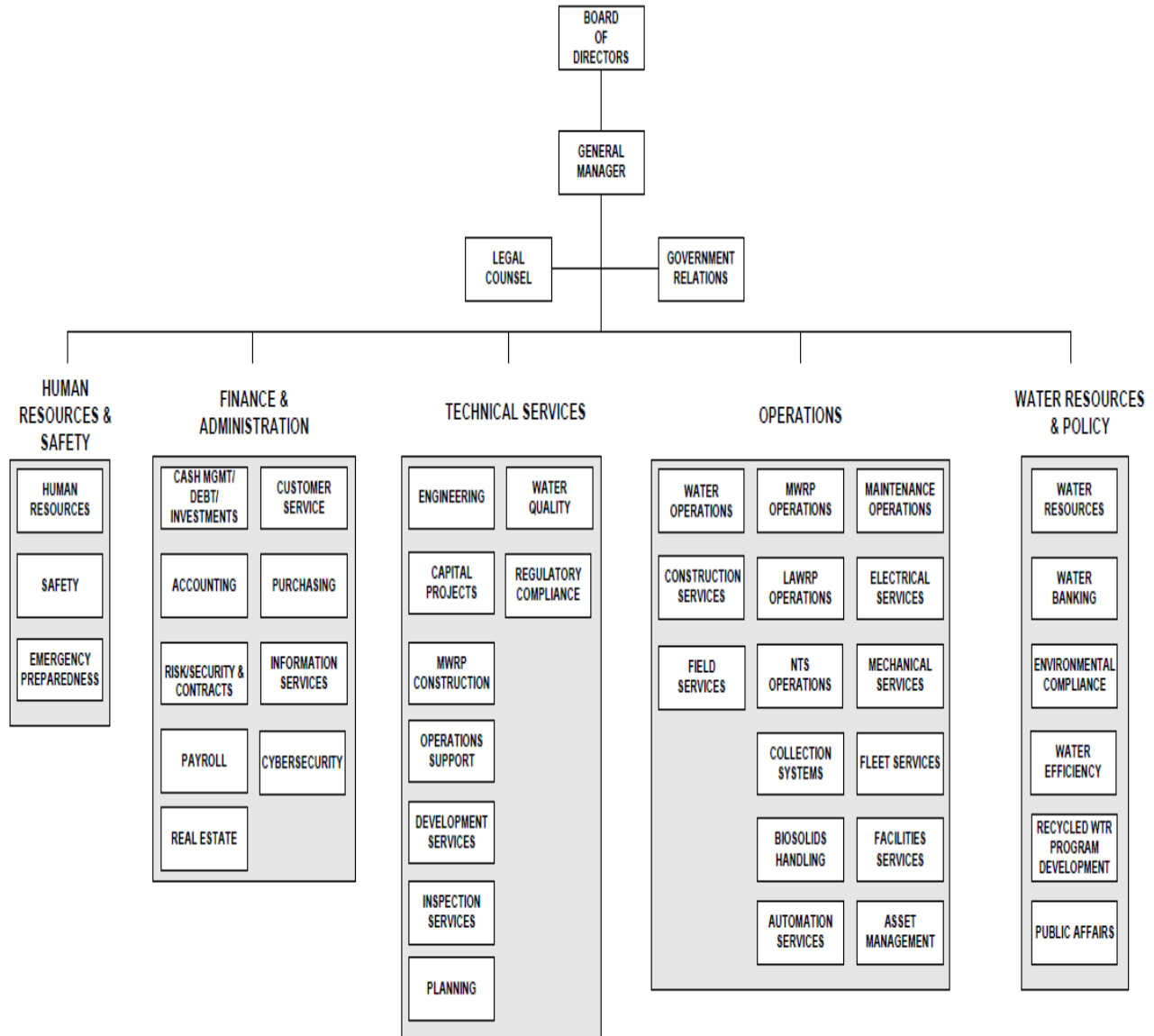
**Executive Management**

General Manager	Paul A. Cook
Executive Director of Finance & Administration	Cheryl L. Clary
Executive Director of Operations	Wendy L. Chambers
Executive Director of Engineering & Water Quality	Kevin L. Burton
Executive Director of Water Resources & Policy	Paul A. Weghorst
Director of Human Resources	Jenny L. Roney
Director of Water Resources	Fiona M. Sanchez
Director of Public Affairs	Beth M. Beeman
Director of Information Services	Tom J. Malone
Director of Treasury and Risk Management	Robert C. Jacobson
Director of Recycling Operations	Jose Zepeda
Director of Maintenance	Richard S. Mykitta
Director of Water Quality & Regulatory Compliance	James E. Colston

# Irvine Ranch Water District

## Organizational Chart (By Function)

### Fiscal Year 2019-20





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Irvine Ranch Water District  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# Financial Section

Irvine Ranch Water District  
Fiscal Year Ended June 30, 2020

## **Independent Auditors' Report**

Board of Directors  
Irvine Ranch Water District  
Irvine, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Irvine Ranch Water District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions



### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Irvine Ranch Water District, as of June 30, 2020, and the respective change in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited the District's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 12, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that *management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of contributions – defined benefit pension plan, schedule of changes in the OPEB liability and related ratios, and schedule of contributions – OPEB* be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements.

The *introductory section* and the *statistical section* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The *introductory section* and the *statistical section* have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Board of Directors  
Irvine Ranch Water District  
Page Three

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Davis Farr LLP*

Irvine, California  
November 23, 2020

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance of the Irvine Ranch Water District (District) provides an overview of the District's financial activities for the fiscal year ended June 30, 2020. This section should be read in conjunction with the basic financial statements and notes to the basic financial statements, which follow this analysis.

### **Financial Highlights:**

- Total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$1,991.8 million (net position), consisting of \$1,283.8 million in net investment in capital assets, \$350.0 million restricted for water services and \$358.0 million restricted for sewer services. This is an increase of \$63.8 million or 3.3 percent over the prior fiscal year net position of \$1,928.0 million.
- Total assets are \$2,816.5 million, an increase of \$54.0 million or 2.0 percent over the prior fiscal year. This is due primarily to a \$29.1 million increase in the District's net capital assets. The District added \$92.8 million in water and sewer assets during the year partially offset by an increase of \$63.4 million in accumulated depreciation.
- Total liabilities are \$868.4 million, a decrease of \$2.8 million or 0.3 percent from the prior year. Liabilities consist primarily of \$706.1 million of debt, net pension and OPEB liabilities of \$86.7 million, swap liability of \$27.0 million and accounts payable and other liabilities of \$48.6 million. The total decrease over the prior year is due primarily to \$13.4 million in principal debt payments during the fiscal year partially offset by increases in the pension, OPEB, and swap liabilities.
- The Irvine Ranch Water District Post-Employment Benefits Trust (Pension Benefits Trust) was established in June 2013 to assist in funding the District's CalPERS unfunded liability. As of June 30, 2020, the District's total pension assets (including the CalPERS and Pension Benefits Trust assets) as a percentage of the total pension liability is 103.4 percent. For more detail, see Note 13 of the Notes to the Basic Financial Statements.
- Total revenues are \$274.0 million, a decrease of \$9.5 million or 3.4 percent over the prior fiscal year. Operating revenues decreased \$3.5 million due primarily to lower water banking storage revenues and lower sales to customers. The was partially offset by a board approved rate increase. Non-operating revenues decreased \$6.0 million due primarily to decreases in the fair value of investments and real estate assets.
- Total expenses are \$256.6 million, an increase of \$10.8 million or 4.4 percent over the prior fiscal year. Operating expenses increased \$15.3 million due primarily to higher sewer costs associated with sending increased sewage flows to the District's third- party provider OCSD, higher labor and benefits, increased costs associated with the water banking program, and higher imported water purchases. Non-operating expenses decreased by \$4.5 million due to lower interest and real estate expenses.
- Capital contributions are \$46.4 million, a decrease of \$3.0 million or 6.1 percent over the prior fiscal. Connection fees paid by developers were \$7.3 million lower due to a slowdown in the building industry partially offset by a \$5.6 million increase in facilities completed and donated from developers to the District.

More detailed analysis about the overall District's financial position and operations is provided in the following sections.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### **Overview of the Financial Statements:**

The basic financial statements of the District consist of the financial statements (the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows) and notes to the basic financial statements. The basic financial statements are prepared using the accrual basis of accounting. This report also contains other supplementary information in addition to the basic financial statements.

**Statement of Net Position** depicts the District's financial position at June 30, the end of the District's fiscal year. The statement of net position shows all financial assets and liabilities of the District. Net position represents the District's residual interest after liabilities and deferred inflows of resources are deducted from assets and deferred outflows of resources. Net position is displayed in two components: net investment in capital assets and restricted for water and sewer services.

**Statement of Revenues, Expenses and Changes in Net Position** provides information on the District's operations and can be used to determine whether the District has recovered all of its costs through operating and non-operating revenues.

**Statement of Cash Flows** provides information on the District's cash receipts, cash payments and changes in cash resulting from operations, investments and financing activities.

**Notes to the Basic Financial Statements** provide additional information essential to a full understanding of the data provided in the basic financial statements.

The **Other Information** includes *required supplementary information* concerning the District's progress in funding its obligations to provide pension and other post-employment benefits to its employees.

### **Financial Analysis of the District:**

The following condensed schedules contain summary financial information extracted from the basic financial statements to assist general readers in evaluating the District's overall financial position and results of operations as described in this Management's Discussion and Analysis (MD&A). Increases or decreases in these schedules can be used as performance indicators to assess whether the District's overall financial position has improved or deteriorated. Other external factors such as changes in economic conditions, customer growth, and legislative mandates should also be considered as part of this analysis.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### **Financial Position Summary:**

The Statement of Net Position reflects the District's financial position as of June 30. The statement includes assets, deferred outflow of resources, liabilities, and deferred inflows of resources. The net position represents the District's net worth including, but not limited to, capital contributions and net investment in capital assets. A condensed summary of the District's total net position at June 30 is set forth below:

<b>Table 1 - Summary of Net Position (in millions)</b>				
	<b>2020</b>	<b>2019</b>	<b>Increase/(Decrease)</b>	
			<b>Amount</b>	<b>Percentage</b>
<b>Assets</b>				
Current assets	\$ 414.6	\$ 407.5	\$ 7.1	1.7%
Capital assets, net	1,987.8	1,958.7	29.1	1.5%
Other noncurrent assets	414.1	396.3	17.8	4.5%
<b>Total assets</b>	<b>2,816.5</b>	<b>2,762.5</b>	<b>54.0</b>	<b>2.0%</b>
<b>Deferred Outflows of Resources</b>	<b>47.6</b>	<b>41.2</b>	<b>6.4</b>	<b>15.5%</b>
<b>Liabilities</b>				
Current liabilities	56.0	53.8	2.2	4.1%
Long-term liabilities	812.4	817.4	(5.0)	-0.6%
<b>Total liabilities</b>	<b>868.4</b>	<b>871.2</b>	<b>(2.8)</b>	<b>-0.3%</b>
<b>Deferred Inflows of Resources</b>	<b>3.9</b>	<b>4.5</b>	<b>(0.6)</b>	<b>-13.3%</b>
<b>Net Position</b>				
Net investment in capital assets	1,283.8	1,238.8	45.0	3.6%
Restricted for water services	350.0	313.0	37.0	11.8%
Restricted for sewer services	358.0	376.2	(18.2)	-4.8%
<b>Total net position</b>	<b>\$1,991.8</b>	<b>\$1,928.0</b>	<b>\$63.8</b>	<b>3.3%</b>

As shown in Table 1, the District's total assets increased \$54.0 million or 2.0 percent during the current fiscal year. Current assets increased \$7.1 million. Amounts due from other agencies relating to cash deposits held by the Orange County Sanitation District (OCSD), the District's third party provider for excess sewage flows, increased by \$33.8 million based on the agreements between the two agencies for future obligations. This is partially offset by a \$26.7 million decrease in cash and investment balances.

Capital assets increased \$29.1 million or 1.5 percent during the current fiscal year. The District added \$92.8 million in water and sewer assets during the year partially offset by an increase of \$63.4 million in accumulated depreciation. The largest capital spending during the year was \$13.1 million for the Michelson Water Recycling Plant Biosolids and Energy Recovery Facilities project, a multiple year project with a total cost in excess of \$240 million and \$5.8 million for the 3.7 mg Zone 1 Reservoir construction project.

Other noncurrent assets increased \$17.8 million or 4.5 percent during the current fiscal year. Noncurrent assets include the District's real estate investments and the pension benefits trust investments which was established in 2013 to help fund the District's pension liability. The fair value of real estate investments increased by \$13.1 million due primarily to building construction costs for the Sand Canyon General Office building and a \$3.5 million increase in interest due from a loan to Lennar Homes of California, Inc. (Lennar) for the 2017 sale of the IRWD's Serrano Summit property located in Lake Forest. These are partially offset by \$5.1 million in principal payments on the loan due from Lennar. In addition, the fair value of the District's pension benefits trust investments increased \$4.7 million during the current fiscal year.

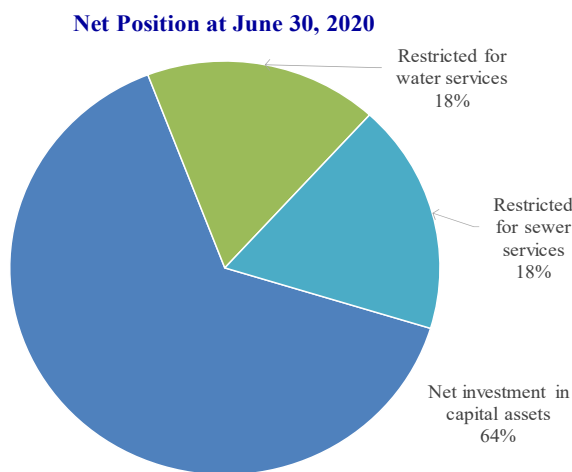
## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The District's deferred outflows of resources increased by \$6.4 million or 15.5 percent over the prior fiscal year. This is due primarily to a \$6.4 million increase in accumulated losses associated with the fair value of interest rate swaps.

The District's total liabilities decreased \$2.8 million or 0.3 percent in the current fiscal year. This was due primarily to \$13.4 million in principal payments of the District's general obligation bonds, certificates of participation, and notes payable during the year. The decrease partially offset by a \$6.4 million increase in accumulated losses associated with the fair value of interest rate swaps and a \$4.3 million increase in pension liability.

The District's deferred inflows of resources decreased \$0.6 million or 13.3 percent in the current fiscal year. This was due to pension and OPEB actuarial related changes in assumptions and experience.

Net position at end of the current fiscal year increased \$63.8 million or 3.3 percent in the current fiscal year. Net position consists of net investment in capital assets and restricted net positions.



Net investment in capital assets are capital assets, net of accumulated depreciation/amortization and liabilities (such as debt) attributable to the acquisition, construction, or improvement of those assets. Net investment in capital assets was \$1,283.8 million or 64.5 percent of total net position, an increase of \$45.0 million from the prior fiscal year. The change is due primarily to \$29.1 million in net capital asset additions, \$13.4 million of debt principal payments and \$2.6 million amortization of premiums in the current fiscal year.

Several major District capital projects contributed to the increase, including \$13.1 million for the Michelson Water Recycling Plant Biosolids and Energy Recovery Facilities project which will reduce the District's overall sewage treatment costs as well as provide other resource recovery benefits and \$5.8 million for a reservoir construction project. These projects account for 42.0 percent of the increase in net investment in capital assets.

Restricted net position for water services was \$350.0 million or 17.6 percent of total net position. Restricted net position for sewer services was \$358.0 million or 18.0 percent of total net position. Restricted net positions are restricted by legislation which imposes requirements that District assets be used only for the specific purposes for which it was formed.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### Activities and Changes in Net Position:

The Statement of Revenues, Expenses, and Changes in Net Position summarizes the District's operations during the current fiscal year. A Summary of the District's changes in net position for the fiscal years ended June 30, is included in Table 2 below:

<b>Table 2 - Revenues, Expenses and Changes in Net Position (in millions)</b>				
	<b>2020</b>	<b>2019</b>	<b>Increase/(Decrease)</b>	
			<b>Amount</b>	<b>Percentage</b>
<b>Operating revenues</b>				
Water sales and service charges	\$ 90.2	\$ 94.1	\$(3.9)	-4.1%
Sewer sales and service charges	77.2	76.8	0.4	0.5%
<b>Total operating revenues</b>	<b>167.4</b>	<b>170.9</b>	<b>(3.5)</b>	<b>-2.0%</b>
<b>Non-operating revenues</b>				
Property taxes	66.4	63.1	3.3	5.2%
Interest income	7.8	6.2	1.6	25.8%
Increase (decrease) in fair value of investments	2.3	5.2	(2.9)	-55.8%
Real estate income	18.2	17.8	0.4	2.2%
Increase (decrease) in fair value of real estate investments	0.5	6.1	(5.6)	-91.8%
Pension benefits trust interest and dividends income	3.3	2.1	1.2	57.1%
Increase (decrease) in fair value of pension benefits trust investments	1.5	3.2	(1.7)	-53.1%
Other income	6.6	8.9	(2.3)	-25.8%
<b>Total non-operating revenues</b>	<b>106.6</b>	<b>112.6</b>	<b>(6.0)</b>	<b>-5.3%</b>
<b>Total revenues</b>	<b>274.0</b>	<b>283.5</b>	<b>(9.5)</b>	<b>-3.4%</b>
<b>Operating expenses</b>				
Water services expenses	89.3	83.9	5.4	6.4%
Sewer services expenses	66.6	59.5	7.1	11.9%
Depreciation	67.6	64.8	2.8	4.3%
<b>Total operating expenses</b>	<b>223.5</b>	<b>208.2</b>	<b>15.3</b>	<b>7.3%</b>
<b>Non-operating expenses</b>				
Interest expense	22.2	25.5	(3.3)	-12.9%
Real estate expense	5.6	9.4	(3.8)	-40.4%
Other expense	5.3	2.7	2.6	96.3%
<b>Total non-operating expenses</b>	<b>33.1</b>	<b>37.6</b>	<b>(4.5)</b>	<b>-12.0%</b>
<b>Total expenses</b>	<b>256.6</b>	<b>245.8</b>	<b>10.8</b>	<b>4.4%</b>
Income/(loss) before capital contributions	17.4	37.7	(20.3)	-53.8%
Capital contributions	46.4	49.4	(3.0)	-6.1%
Change in net position	63.8	87.1	(23.3)	-26.8%
Beginning net position	1,928.0	1,840.9	87.1	4.7%
<b>Ending net position</b>	<b>\$1,991.8</b>	<b>\$1,928.0</b>	<b>\$63.8</b>	<b>3.3%</b>



## MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

### Revenues:

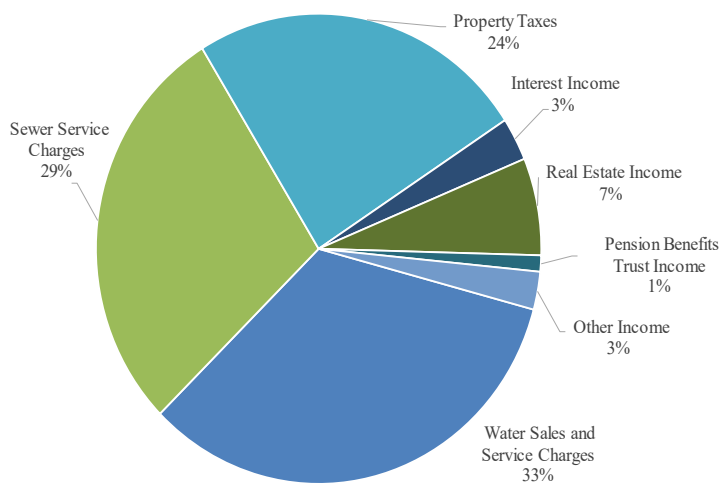
As shown in Table 2, the District’s operating revenues total \$167.4 million or 61.1 percent of total revenues. Water sales contributed \$90.2 million or 53.9 percent to total operating revenues and sewer sales contributed \$77.2 million or 46.1 percent to total operating revenues. Operating revenues decreased by \$3.5 million or 2.0 percent from the prior fiscal year. This is primarily due to a \$5.4 million decrease of water banking storage revenues from prior years associated with providing storage to other water banking partners. A Board approved rate increase generated an additional \$3.4 million and was partially offset by a reduction in revenue of \$1.1 million due to lower sales.

The chart below illustrates the sources of revenue for the fiscal year ended June 30, 2020.

Non-operating revenues total \$106.6 million and account for 38.9 percent of total revenue for the fiscal year ended June 30, 2020. This is a decrease of \$6.0 million or 5.3 percent from the prior fiscal year. The decrease in the current fiscal year is due to:

- A decrease of \$5.6 million in changes in the fair value of the real estate investments.
- A decrease of \$4.6 million in the fair value of the District’s fixed income investments and Pension Benefit Trust.
- A decrease of \$2.3 million in other non-operating income, primarily plan checks fees due to a slow-down in development.
- An increase of \$3.3 million in one percent and ad valorem property tax revenue associated with higher assessed values in the District’s service area.
- An increase of \$3.2 million in the District’s investment interest income (including the real estate investments and Pension Benefit Trust).

**Revenues for Fiscal Year Ended June 30, 2020**  
(excluding changes in fair value of investments, real estate investments, and pension benefits trust investments)



### Expenses:

As shown in Table 2, operating expenses total \$223.5 million, of which \$155.9 million relates to the cost of providing water and sewer services to the District’s customers. Water service operating costs are 99.0 percent of revenues and sewer service operating costs are 86.3 percent of revenues. Water and sewer operating expenses, excluding depreciation, increased by \$12.5 million or 8.7 percent over the prior fiscal year.

Water expenses totaled \$89.3 million, an increase of \$5.4 million or 6.4 percent primarily due to:

- An increase of \$2.6 million in operating costs associated with the water banking program.



## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### Expenses (Continued):

- An increase of \$2.4 million in water costs due primarily to higher imported water purchases.
- An increase of \$1.7 million in labor and benefits for treated and untreated water treatment and systems maintenance.
- A decrease of \$0.8 million in expensed water projects related to the District's capital program.
- A decrease of \$0.7 million relating to the District's conservation programs. The District incurred more costs on various programs in the prior fiscal year.
- Other net increases of \$0.2 million.

Sewer service expenses totaled \$66.6 million, an increase of \$7.1 million or 11.9 percent over the prior fiscal year. The increase is due primarily to:

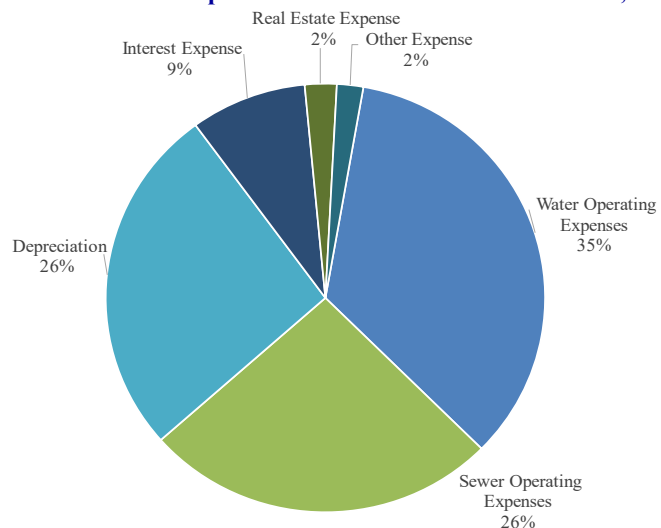
- An increase of \$5.1 million in the cost of handling, treatment, and disposal of sewage solids sent to the District's third-party provider (OCSD) due to higher flows attributable to more rainfall than the prior year.
- An increase of \$1.3 million in labor and benefits for sewage treatment and recycled water system maintenance.
- Other net increases of \$0.7 million.

Depreciation expense totaled \$67.6 million, an increase of \$2.8 million or 4.3 percent over the prior fiscal year. The increase is the result of the completion of several capital projects.

Non-operating expenses totaled \$33.1 million, a decrease of \$4.5 million or 12.0 percent from the prior year primarily due to:

- A decrease of \$3.8 million in real estate expense for remaining contractual development obligations related to the Serrano Summit real estate property.
- A decrease of \$3.3 million in interest expense associated with a \$2.0 million reduction in net interest rate swap payments due to maturity of \$70.0 million of swaps in the prior year and a \$1.1 million reduction in interest expense on the District's debt.
- An increase of \$2.6 million in other non-operating expenses associated with the disposal of capital assets in the current fiscal year.

**Functional Expenses for Fiscal Year Ended June 30, 2020**



### Capital Contributions:

Capital contributions totaled \$46.4 million, a decrease of \$3.0 million or 6.1 percent from the prior fiscal year. Connection fees paid by developers was \$10.9 million, a decrease of \$7.3 million from the prior year due to a slowdown in the building industry. The District also received \$1.2 million less from grants / contributions from federal, state, and local agencies compared to the prior year. Donated facilities from developers increased \$5.6 million due to a high number of projects that were completed and donated to the District.

## MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

### Capital Assets:

The District’s investment in capital assets consists of the following as of June 30:

	<b>2020</b>	<b>2019</b>	<b>Increase/(Decrease)</b>	
			<b>Amount</b>	<b>Percentage</b>
Water assets	\$1,188.4	\$1,135.1	\$53.3	4.7%
Sewer assets	1,332.4	1,292.9	39.5	3.1%
Less: accumulated depreciation	(989.0)	(925.6)	(63.4)	6.8%
Land and water rights	125.6	125.3	0.3	0.2%
Construction in progress	330.4	331.0	(0.6)	-0.2%
<b>Total</b>	<b>\$1,987.8</b>	<b>\$1,958.7</b>	<b>\$29.1</b>	<b>1.5%</b>

Capital assets, net of depreciation increased \$29.1 million or 1.5% in the current fiscal year. Construction in Progress added \$109.1 million during the current fiscal year. Total projects transferred from Construction in Progress to Capital Assets and depreciated during the fiscal year ended June 30, 2020 were \$109.7 million. The District’s accumulated depreciation increased by \$63.4 million for depreciation expense in the current fiscal year. The following is a list of the top 10 capital projects expenditures which accounted for 41.8 percent of total capital assets additions incurred in the current fiscal year (in millions):

<b>Project Description</b>	<b>Amount</b>
MWRP Biosolids and Energy Recovery Facilities	\$13.1
3.7 MG Zone 1 Reservoir	5.8
Syphon Reservoir Improvements	3.6
Eastwood Recycled Water Pump Station Zone A-C	3.6
Meter Services and Main Pipelines Replacement Program FY19/20	3.5
Improvement District 1530 Domestic Water Program	2.4
Irvine Lake Pipeline North Conversion	2.2
Meter Replacement Program FY19/20	1.7
Eastwood Recycled Water Pump Station Zone A-B	1.5
Rattlesnake Pump Station Zone A	1.3
<b>Total</b>	<b>\$38.7</b>

Additional information on the District’s capital assets can be found in Note 5 of the Notes to the Basic Financial Statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### **Debt Administration:**

As shown below in Table 4, as of June 30, 2020, the District had total debt outstanding of \$706.0 million, a decrease of \$16.1 million or 2.2 percent from the prior fiscal year.

	2020	2019	Increase/(Decrease)	
			Amount	Percentage
General obligation bonds	\$562.6	\$574.7	\$(12.1)	-2.1%
Certificates of participation	143.0	146.7	(3.7)	-2.5%
Notes payable	0.4	0.7	(0.3)	-42.9%
<b>Total</b>	<b>\$706.0</b>	<b>\$722.1</b>	<b>\$(16.1)</b>	<b>-2.2%</b>

During the current fiscal year, the decreases in the District's total debt were primarily due to \$13.4 million in debt payments and \$2.7 million of premium amortization. The District's rated debt obligations have received the following ratings from the three major rating agencies:

Fitch Ratings:	AAA
Moody's:	Aa1
Standard and Poor's:	AAA

Additional information on the District's long-term debt can be found in Note 9 of the Notes to the Basic Financial Statements.

### **Contacting the District's Financial Management:**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general review of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Director of Finance and Administration at the Irvine Ranch Water District, 15600 Sand Canyon Avenue, Irvine, California 92618-7500.

**Irvine Ranch Water District**  
**Statement of Net Position**  
**June 30, 2020**  
(with comparative data as of June 30, 2019)  
(in thousands)

	2020	2019
<b>ASSETS</b>		
Current Assets:		
Cash and Investments (note 2)	\$ 347,261	\$ 374,003
Receivables:		
Customer accounts receivable	8,929	9,838
Interest receivable	1,471	1,717
Notes receivable, current portion	75	69
Due from other agencies (note 8)	33,773	0
Other receivables	4,140	5,226
Total receivables	48,388	16,850
Other Current Assets:		
Inventories (note 4)	17,383	16,166
Prepaid items and deposits	1,607	526
Total other current assets	18,990	16,692
Total current assets	414,639	407,545
Noncurrent Assets:		
Capital Assets (note 5):		
Water assets	1,188,464	1,135,101
Sewer assets	1,332,384	1,292,861
Subtotal	2,520,848	2,427,962
Less accumulated depreciation	(989,034)	(925,571)
Total capital assets being depreciated, net	1,531,814	1,502,391
Land and water rights	125,598	125,316
Construction in progress	330,388	330,957
Total capital assets, net	1,987,800	1,958,664
Other Noncurrent Assets:		
Notes receivable, net of current portion	543	622
Real estate investments (note 7)	330,427	317,296
Pension benefits trust investments (notes 2 & 13)	83,103	78,389
Total other noncurrent assets	414,073	396,307
Total noncurrent assets	2,401,873	2,354,971
<b>TOTAL ASSETS</b>	2,816,512	2,762,516
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred refunding charges	2,111	2,266
Accumulated decrease in fair value of swap agreements (note 3)	27,042	20,655
Pension contributions (note 13)	8,429	7,184
Pension actuarial changes (note 13)	7,068	8,792
OPEB contributions (note 14)	831	721
OPEB actuarial changes (note 14)	2,136	1,575
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	47,617	41,193

See accompanying notes to the basic financial statements.

**Irvine Ranch Water District**  
**Statement of Net Position**  
**June 30, 2020**  
(with comparative data as of June 30, 2019)  
(in thousands)  
(Continued)

	2020	2019
<b>LIABILITIES</b>		
Current Liabilities:		
Account payable and accrued expenses	24,136	24,537
Customer deposits and advance payments	4,597	3,607
Accrued interest:		
General obligation bonds	3,630	3,943
Other accrued interest payable	2,890	2,556
Current portion of long-term liabilities:		
General obligation bonds (note 9)	12,224	12,024
Certificates of participation (note 9)	4,796	3,716
Notes payable (note 9)	72	265
Other long term liabilities (note 9)	2,298	2,070
Unearned revenue (note 10)	565	565
Claims liability (note 17)	791	570
Total current liabilities	55,999	53,853
Long-Term Liabilities:		
General obligation bonds, net of current portion (note 9)	550,421	562,645
Certificates of participation, net of current portion (note 9)	138,232	143,028
Notes payable, net of current portion (note 9)	347	419
Other long-term liabilities (note 9)	3,921	3,491
Unearned revenue, net of current portion (note 10)	4,828	5,392
Claims liability, net of current portion (note 17)	947	947
Net pension liability (note 13)	68,467	64,137
OPEB liability (note 14)	18,234	16,672
Swap liability (note 3)	27,042	20,654
Total long-term liabilities	812,439	817,385
<b>TOTAL LIABILITIES</b>	<b>868,438</b>	<b>871,238</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension actuarial changes (note 13)	2,929	3,273
OPEB actuarial changes (note 14)	985	1,196
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>3,914</b>	<b>4,469</b>
<b>NET POSITION</b> (note 12)		
Net investment in capital assets	1,283,819	1,238,834
Restricted for water services	350,032	312,955
Restricted for sewer services	357,926	376,213
<b>TOTAL NET POSITION</b>	<b>\$1,991,777</b>	<b>\$1,928,002</b>

See accompanying notes to the basic financial statements.

**Irvine Ranch Water District**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2020**  
(with comparative data for the Fiscal Year Ended June 30, 2019)  
(in thousands)

	2020	2019
<b>OPERATING REVENUES</b>		
Water sales and service charges	\$ 90,213	\$ 94,107
Sewer sales and service charges	77,187	76,841
Total operating revenues	167,400	170,948
<b>OPERATING EXPENSES</b>		
Water:		
Water services	67,792	64,004
General and administrative	21,600	19,860
Sewer:		
Sewer services	49,497	43,734
General and administrative	17,106	15,786
Depreciation	67,554	64,835
Total operating expenses	223,549	208,219
Operating income (loss)	(56,149)	(37,271)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Property taxes	66,375	63,057
Interest income	7,790	6,199
Increase (decrease) in fair value of investments	2,319	5,188
Real estate income (note 7)	18,175	17,813
Increase (decrease) in fair value of real estate investments (note 7)	552	6,095
Pension benefits trust interest and dividends income	3,274	2,140
Increase (decrease) in fair value of pension benefits trust investments	1,500	3,196
Other income	6,606	8,876
Interest expense	(22,167)	(25,481)
Real estate expense (note 7)	(5,627)	(9,441)
Pension benefits trust expense	(61)	(53)
Other expenses	(5,239)	(2,615)
Total nonoperating revenues (expenses)	73,497	74,974
Income (loss) before capital contributions	17,348	37,703
<b>CAPITAL CONTRIBUTIONS</b>		
Donated facilities	34,439	28,867
Connection fees	10,943	18,205
Other	1,045	2,274
Total capital contributions	46,427	49,346
Increase (decrease) in net position	63,775	87,049
<b>NET POSITION AT BEGINNING OF YEAR</b>	1,928,002	1,840,953
<b>NET POSITION AT END OF YEAR</b>	\$1,991,777	\$1,928,002

See accompanying notes to the basic financial statements.

**Irvine Ranch Water District**  
**Statement of Cash Flows**  
**For the Fiscal Year ended June 30, 2020**  
(with comparative data for the Fiscal Year Ended June 30, 2019)  
(in thousands)

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers and users	\$169,821	\$171,660
Cash paid to suppliers of goods and services	(99,571)	(61,214)
Cash paid for employees services	<u>(63,943)</u>	<u>(58,725)</u>
<b>Net cash provided by (used for) operating activities</b>	<u>6,307</u>	<u>51,721</u>
<b>Cash flows from noncapital financing activities:</b>		
Property tax receipts	<u>66,375</u>	<u>63,057</u>
<b>Net cash provided by noncapital financing</b>	<u>66,375</u>	<u>63,057</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(93,477)	(111,986)
Proceeds from disposition of capital assets	72	0
Payment to exit capital assets	(4,526)	0
Principal payments on long-term liabilities	(13,400)	(13,370)
Interest and fiscal agent costs on long term liabilities	(24,651)	(28,251)
Developer connection fees and related receipts	<u>11,988</u>	<u>20,479</u>
<b>Net cash provided by (used for) capital and related financing activities</b>	<u>(123,994)</u>	<u>(133,128)</u>
<b>Cash flows from investing activities:</b>		
Investment earnings	11,249	7,627
Investment earnings in real estate	14,143	9,052
Proceeds from sale or maturity of investments	308,111	182,756
Purchases of investments	(278,058)	(168,638)
Issuance of notes receivable	0	(633)
Collections on notes receivable	<u>73</u>	<u>15</u>
<b>Net cash provided by (used for) investing activities</b>	<u>55,518</u>	<u>30,179</u>
Net increase (decrease) in cash and cash equivalents	4,206	11,829
Cash and cash equivalents at beginning of year	<u>53,806</u>	<u>41,977</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 58,012</u>	<u>\$ 53,806</u>

See accompanying notes to the basic financial statements.

**Irvine Ranch Water District**  
**Statement of Cash Flows**  
**For the Fiscal Year ended June 30, 2020**  
(with comparative data for the Fiscal Year Ended June 30, 2019)  
(in thousands)  
(Continued)

	<u>2020</u>	<u>2019</u>
Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Assets:		
Cash and investments	\$347,261	\$374,003
Pension benefits trust investments	83,103	78,389
<b>Subtotal</b>	<u>430,364</u>	<u>452,392</u>
Less long-term investments	<u>(372,352)</u>	<u>(398,586)</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>\$ 58,012</u></u>	<u><u>\$ 53,806</u></u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>		
Operating income (loss)	(56,149)	(37,271)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Other nonoperating income	6,606	8,876
Other nonoperating expenses	(732)	(2,615)
(Gain) loss on disposition of capital assets	0	2,211
Depreciation and amortization	67,554	64,835
(Increase) decrease in customer receivables	909	(1,203)
(Increase) decrease in other receivables	1,086	2,306
(Increase) decrease in inventories	(1,217)	(8,330)
(Increase) decrease due from other agencies	(16,773)	18,048
(Increase) decrease in prepaid expenses and other assets	(1,081)	1,498
(Increase) decrease in deferred outflows	(192)	2,902
Increase (decrease) in accounts payable and accrued expenses	(401)	1,077
Increase (decrease) in customer deposits and advance payments	990	174
Increase (decrease) in compensated absences	713	427
Increase (decrease) in claims payable	221	123
Increase (decrease) in unearned revenue	(564)	(565)
Increase (decrease) in net OPEB liability	1,562	2,094
Increase (decrease) in net pension liability	4,330	(2,544)
Increase (decrease) in deferred inflows	(555)	(322)
<b>Net cash provided by (used for) operating activities</b>	<u><u>\$ 6,307</u></u>	<u><u>\$ 51,721</u></u>
<b>Noncash investing, capital and financing activities:</b>		
Contributions of capital assets from developers	<u><u>\$ 34,439</u></u>	<u><u>\$ 28,867</u></u>

See accompanying notes to the basic financial statements.



**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020

**(1) Summary of Significant Accounting Policies**

**(a) Reporting Entity**

The Irvine Ranch Water District (District) was formed in 1961 as a special district under Division 13 of the California Water Code (the Act). The District provides potable and recycled water service as well as sewage collection, treatment, and disposal to users within its boundaries.

The District is divided geographically into eight water and ten sewer improvement districts (IDs), as well as several planning areas (PAs) that function as informal improvement districts. Each improvement district is a sub-fund of the District and their primary purpose is to allocate costs and funding on an equitable basis for the construction of water, sewer, and recycled water infrastructure. Most improvement districts have authority to issue general obligation bonds to finance the construction of capital facilities that were identified and valued in a Plan of Works specific to the improvement district. Each improvement district with authority to issue general obligation bonds also has the authority to levy and collect connection fees and ad valorem taxes on the land within its legal boundaries sufficient to meet its general obligation bond indebtedness.

Connection fees which are paid by developers and property taxes which are paid by property owners vary by improvement district based upon, among other considerations, total capital costs, ratio of developed to undeveloped land, and development densities; however, water and sewer user fees are uniform throughout the District.

**Description of the Reporting Entity**

The financial statements of the District include the financial activities of the following sub-fund improvement districts and planning areas:

111/222	Area Excluded from IDs
112/212	Former El Toro Marine Base
113/213	Former Tustin Marine Base
125/225	Developed/Underlay
240	Newport Coast/Newport Ridge
252	Santiago Hills
153/253	Irvine Business District /Spectrum /Shady Canyon/Laguna Laurel/East Orange
154	Santiago Canyon(s)
256	Orange Park Acres
185/285	Los Alisos Area
188/288	Portola Hills Commercial
110/210	Overall District Boundary

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

(1) **Summary of Significant Accounting Policies (Continued)**

(a) **Reporting Entity (Continued)**

**Blended Component Units** - Blended component units although legally separate entities, are, in substance, part of the District's operations since they have the same governing board. The District has both financial accountability and operational responsibility for the blended component units. The District has the following blended component units:

**The Irvine Ranch Water District Water Service Corporation** – In January 1997, the District formed a 501(c)(4) corporation for the purpose of financing and acquiring water, sewer and other public improvements. The Corporation was created to effect the merger of the Santa Ana Heights Water Company and the issuance of the 2002 Certificates of Participation, 2008 Refunding Certificates of Participation, 2010 Refunding Certificates of Participation, and 2016 Certificates of Participation. The Corporation's bylaws mandate that the members of the District's Board of Directors shall constitute the Corporation's five-member Board of Directors. The Irvine Ranch Water District Water Service Corporation does not issue separate financial statements.

**Bardeen Partners, Inc.** – In March 1991, the District formed a 501(c)(4) corporation for the purpose of accounting for the financial data and transactions for certain District real estate investments, including the investments in Wood Canyon Villas, Sycamore Canyon Apartments, and Irvine Technology Center. Bardeen Partners is governed by a Board of Directors consisting of the five members of the District's Board of Directors. Bardeen Partners does not issue separate financial statements.

(b) **Basic Financial Statements**

The basic financial statements are comprised of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows, and the Notes to the Basic Financial Statements.

(c) **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The District's financial activities are accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity.

The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges. The enterprise fund utilizes the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as they are incurred. Internal activity has been eliminated in the accompanying basic financial statements.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

(1) **Summary of Significant Accounting Policies (Continued)**

(c) **Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with water and sewer operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses include cost of sales and services, general and administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Capital contributions consist of contributed capital assets, connection fees, grants and other charges that are legally restricted for capital expenditures by state law or by the Board action that established those charges.

Net position of the District is classified into two components: (1) net investment in capital assets and (2) restricted net position. These classifications are defined as follows:

**Net Investment in capital assets** – This component of net position consists of capital assets, net of accumulated depreciation reduced by the outstanding balances of notes or borrowing(s) that are attributable to the acquisition of the asset, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.

**Restricted net position** – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, the District uses unrestricted resources first, and then restricted resources as they are needed. For capital expenditures, legally available restricted bond proceeds are used first, then other restricted resources, and then unrestricted resources are used if needed.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(1) Summary of Significant Accounting Policies (Continued)**

**(d) Property Taxes**

The District is authorized under the Act to levy taxes on all taxable property (lands only) within its boundaries for the purposes of paying certain of its debt obligations, subject to certain limitations in the Act, the Revenue and Taxation Code and the California Constitution. The District also receives a portion of the County's 1% ad valorem property taxes from certain lands within its boundaries. Property tax revenue is recognized in the fiscal year in which the taxes are levied.

The property tax calendar is as follows:

Lien date:	January 1
Levy date:	July 1
Due date:	First installment – November 1 Second installment – February 1
Delinquent date:	First installment – December 10 Second installment – April 10

The assessment, levy and collection of property taxes are the responsibility of the County of Orange, and are remitted to the District periodically.

**(e) Cash and Cash Equivalents**

For the purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near to their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of 3 months or less.

**(f) District Investments**

Investments are reported in the accompanying Statement of Net Position at fair value, except for certain investment contracts that are reported at cost because they are not transferable and they have terms not affected by changes in market interest rates.

Changes in fair value that occur during the fiscal year are recognized as increase (decrease) in fair value of investments reported for that fiscal year. Interest income includes interest earnings on the District's investments.

**(g) Pension Benefits Trust Investments**

Investments of the Pension Benefits Trust are reported in the accompanying Statement of Net Position at fair value.

Changes in fair value that occur during the fiscal year are recognized as increase (decrease) in fair value of investments reported for that fiscal year. Interest income is recorded on the accrual basis. Dividends are recorded on the payment date.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

(1) **Summary of Significant Accounting Policies (Continued)**

(h) **Real Estate Investments**

Real estate investments consist of a wholly-owned apartment complex and four commercial office properties. The District is also a party to a real estate limited partnership in which the District has more than a 50% ownership interest but does not exercise control. All real estate investments are reported at fair value. Changes in fair value that occur during the fiscal year are recognized as increase (decrease) in fair value of real estate investments reported for that fiscal year.

(i) **Fair Value Measurements**

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are inactive
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the District's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the District's own data.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(1) Summary of Significant Accounting Policies (Continued)**

**(j) Inventory and Prepaid Items**

Water inventory related to water stored in its banking facilities in Kern County is stated at its purchase cost or at a rate equivalent to what the District would charge for storage. The District's warehouse materials and supplies are valued using the average cost method. Inventory is recorded when purchased, and expensed at the time the inventory is consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**(k) Capital Assets and Depreciation**

Capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated acquisition value on the date received. The District capitalizes all assets with a historical cost of at least \$2,500 and a useful life of at least three years. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciation is computed utilizing the straight-line method over the following estimated useful lives:

Buildings and Structures	3 to 100 years
Transmissions and Distributions	10 to 75 years
Machinery and Equipment	3 to 50 years

**(l) Compensated Absences**

The District's policy permits employees to accumulate earned but unused vacation and sick leave benefits up to certain limits. Earned vacations pay to a maximum of 400 hours (or more with written approval of the General Manager). Sick leave hours accrue at the rate of one day per month and employees may elect to receive cash for accumulated sick leave for up to 96 hours in excess of the first 80 hours accumulated. Fifty percent of accumulated sick leave up to a maximum of 960 hours may be paid upon termination of employment. All accumulated vacation and vested sick leave pay is recorded as expense at the time the benefit is earned.

**(m) Pensions**

For purposes of measuring the net pension liability, deferred outflows and inflows of resources relating to pensions and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

(1) **Summary of Significant Accounting Policies (Continued)**

(m) **Pensions (Continued)**

GASB requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2018
Measurement Date (MD)	June 30, 2019
Measurement Period (MP)	July 1, 2018 to June 30, 2019

(n) **Other Post-Employment Benefits (OPEB)**

The OPEB liability, deferred outflows and inflows of resources relating to OPEB and OPEB expense have been determined by an independent actuary. Benefit payments are recognized when currently due and payable in accordance with the benefit terms.

GASB requires that the reported results pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2018
Measurement Date (MD)	June 30, 2019
Measurement Period (MP)	July 1, 2018 to June 30, 2019

(o) **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has the following items that qualify for reporting in this category:

- Deferred refunding charges
- Accumulated decrease in fair value of swap agreements
- Employer contributions subsequent to measurement date for pension and OPEB
- Deferred actuarial amounts related to pension and OPEB

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category:

- Deferred actuarial amounts related to pension and OPEB

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

(1) **Summary of Significant Accounting Policies (Continued)**

(p) **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(q) **Comparative Financial Statements and Reclassifications**

The information included in the accompanying financial statements for the prior year has been presented for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Certain amounts presented in the prior year financial statements have been reclassified in order to be consistent with the current year's presentation.

(2) **Cash and Investments**

Cash and investments as of June 30, 2020 are classified in the accompanying financial statements as follows (in thousands):

District Cash and Investments	\$347,261
Pension Benefits Trust Investments	<u>83,103</u>
<b>Total Cash and Investments</b>	<b><u><u>\$430,364</u></u></b>

Cash and investments as of June 30, 2020 consist of the following (in thousands):

**District Cash and Investments:**

Cash on hand	\$ 3
Deposits with financial institutions	(7,642)
Investments	<u>354,900</u>
<b>Total District Cash and Investments</b>	<b><u>347,261</u></b>

**Pension Benefits Trust Cash and Investments:**

Equities - mutual funds	55,371
Fixed income bonds - mutual funds	27,703
Money market - mutual funds	<u>29</u>
<b>Total Pension Benefits Trust Cash and Investments</b>	<b><u>83,103</u></b>
<b>Total Cash and Investments</b>	<b><u><u>\$430,364</u></u></b>



**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

(2) **Cash and Investments (Continued)**

The following table identifies the investment types that are authorized for the District by the California Government Code, the California Water Code, and the District's investment policy, whichever is most restrictive. The table also identifies certain provisions that address interest rate risk and concentration of credit risk.

<b>Authorized Investment Type</b>	<b>Maximum Maturity<sup>(1)</sup></b>	<b>Maximum Percentage of Portfolio</b>	<b>Maximum Investment in One Issuer</b>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
Orange County Treasury Pool	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Real Estate Investments	N/A	30% <sup>(2)</sup>	None

<sup>(1)</sup> Maximum maturity unless express authority has been granted otherwise by the Board of Directors pursuant to the California Government Code Section 53601.

<sup>(2)</sup> 30% of Replacement Fund, as authorized by the California Water Code.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

(2) **Cash and Investments (Continued)**

**Pension Benefits Trust (The Trust) Authorized Investment Strategy**

The District recognizes that defined benefit plans and the related future pension obligations pose significant issues for many government agencies. The District has taken a proactive approach to address the issue and in 2013, established a Pension Benefits Trust to substantially fund its PERS unfunded liability. The Trust’s investment policy authorizes investment of Trust assets in financial instruments in three broad categories: equity, fixed income, and real estate. These financial instruments can include, but are not limited to, corporate bonds, commercial paper, U.S. government securities, common and preferred stock, real estate investment trusts, and mutual funds. Investments may include derivatives, options and futures as portfolio protection strategies. The following is a summary of the Trust’s investment policy.

The Trust is governed by a Retirement Board (the Board) which consists of two IRWD Board members and the General Manager. The Board designates one or more investment advisors to manage the assets under their supervision subject to the laws of the State of California and Investment Guidelines established by the Board. The long-term asset allocation policy including the minimum-maximum asset allocation range for each asset class is as follows:

<b>Asset Classes</b>	<b>Minimum</b>	<b>Maximum</b>
Cash	0%	30%
Public Equity- Domestic & International	30%	80%
Private Equity	0%	5%
Fixed Income	10%	40%
Real Estate	0%	10%

The asset allocation policy will be pursued by the Trust on a long-term basis and may be revised if necessary due to market conditions. The Board will monitor the current asset allocation against the long-term allocation policy and rebalance as it deems necessary.

Cash equivalent reserves shall consist of cash instruments having a quality rating of A-1, P-1 or higher, as established by Moody's or Standard & Poor's. Bankers' acceptances, certificates of deposit and savings accounts must be made of United States banks or financial institutions or United States branches of foreign banks, which are federally insured with unrestricted capital of at least \$50 million. Short-term corporate obligations must be rated A or better by Moody’s or by Standard & Poor's.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

(2) **Cash and Investments (Continued)**

**Pension Benefits Trust Authorized Investment Strategy (Continued)**

Equity investments are restricted to high quality, readily marketable securities of corporations that are actively traded on a major exchange. Not more than 5% of the total stock portfolio valued at fair value may be invested in the common stock of any one corporation. Ownership of the shares of one company shall not exceed 2% of those outstanding. Not more than 25% of stock valued at fair value may be held in any one industry category. The overall non-U.S. equity allocation should include a diverse global mix of at least 10 countries. The emerging markets exposure as defined by Morgan Stanley Capital International Inc. should be limited to 35% of the non-U.S. portion of the portfolio.

Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio, at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. The overall rating of the fixed income assets shall be at least "A", according to one of the three rating agencies (Fitch, Moody's or Standard & Poor's). In cases where the yield spread adequately compensates for additional risk, securities where two of the three rating agencies (Fitch, Moody's or Standard & Poor's) have assigned ratings of Baa3 or BBB- ratings, can be purchased up to a maximum of 20% of total fair value of fixed income securities.

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

(2) **Cash and Investments (Continued)**

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming near to maturity as necessary to provide the cash flow and liquidity needed for District operations.

Information about the sensitivity of the fair values of the District's and Pension Benefits Trust's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the investments by maturity (in thousands):

Investment Type	Amount	Remaining Maturity			
		12 Months Or Less	13 to 36 Months	37 Months Or More	Not Applicable
Federal Agency Securities	\$192,646	\$106,294	\$ 86,352	\$ 0	\$ 0
US Treasury Note	96,935	50,626	46,309	0	0
Local Agency Investment Fund	65,319	65,319	0	0	0
<b>Total District Investments</b>	<b>354,900</b>	<b>222,239</b>	<b>132,661</b>	<b>0</b>	<b>0</b>
Mutual Funds - Equities	55,371	0	0	0	55,371
Mutual Funds - Fixed Income Bonds	27,703	1,034	1,874	24,795	0
Mutual Funds - Money Market	29	29	0	0	0
<b>Total Pension Benefits Trust Investments</b>	<b>83,103</b>	<b>1,063</b>	<b>1,874</b>	<b>24,795</b>	<b>55,371</b>
<b>Total</b>	<b>\$438,003</b>	<b>\$223,302</b>	<b>\$134,535</b>	<b>\$24,795</b>	<b>\$55,371</b>

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

(2) **Cash and Investments (Continued)**

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of year-end for each investment type (in thousands):

**District Cash and Investments:**

<u>Investment Type</u>	<u>Amount</u>	<u>Rating as of 6/30/20</u>		
		<u>AAA</u>	<u>Between AA- and AA+</u>	<u>Not Rated</u>
Federal Agency Securities	\$192,646	\$ 30,003	\$135,664	\$26,979
US Treasury Note	96,935	96,935	0	0
Local Agency Investment Fund	65,319	0	0	65,319
<b>Total</b>	<u>\$354,900</u>	<u>\$126,938</u>	<u>\$135,664</u>	<u>\$92,298</u>

**Pension Benefits Trust Investments:**

<u>Investment Type</u>	<u>Amount</u>
Mutual Funds - Equities	\$ 55,371 <sup>(1)</sup>
Mutual Funds - Fixed Income Bonds	27,703 <sup>(2)</sup>
Mutual Funds - Money Market	29 <sup>(3)</sup>
<b>Total</b>	<u>\$ 83,103</u>

<sup>(1)</sup> Equity Mutual Funds as of 6/30/2020 include four “index funds” and are each comprised of diversified portfolios of equity securities. Credit ratings are not provided for Equity Mutual Funds.

<sup>(2)</sup> Fixed Income Mutual Funds are comprised of four diversified portfolios of fixed income securities. As of 6/30/2020, 67.35% of the holdings were rated A-AAA, 30.88% of the holdings were rated B-BBB, and 1.77% of the holdings were rated below B or Not Rated.

<sup>(3)</sup> The Money Market Mutual Fund is not rated.

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

(2) **Cash and Investments (Continued)**

**Concentration of Credit Risk**

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments are as follows (in thousands):

<b>Issuer</b>	<b>Investment Type</b>	<b>Amount</b>
FHLB	Federal Agency Securities	\$ 62,705
FFCB	Federal Agency Securities	55,929
FHLMC	Federal Agency Securities	40,237
FNMA	Federal Agency Securities	33,775
<b>Total</b>		<u>\$192,646</u>

**Disclosures Relating to Fair Value Measurements**

The District categorizes its fair value investments within the fair value hierarchy established by generally accepted accounting principles. The District has the following fair value measurements as of June 30, 2020 (in thousands):

**District Cash and Investments:**

<b>Investment Type</b>	<b>Amount</b>	<b>Fair Value Measurements</b>	
		<b>Level 1</b>	<b>Level 2</b>
Federal Agency Securities	\$192,646	\$ 0	\$192,646
US Treasury Note	96,935	96,935	0
Local Agency Investment Fund	65,319 <sup>(1)</sup>	0	0
<b>Total</b>	<u>\$354,900</u>	<u>\$96,935</u>	<u>\$192,646</u>

**Pension Benefits Trust Cash and Investments:**

<b>Investment Type</b>	<b>Amount</b>	<b>Fair Value</b>
		<b>Measurements</b>
		<b>Level 1</b>
Mutual Funds - Equities	\$55,371	\$55,371
Mutual Funds - Fixed Income Bonds	27,703	27,703
Mutual Funds - Money Market	29 <sup>(1)</sup>	0
<b>Total</b>	<u>\$83,103</u>	<u>\$83,074</u>

<sup>(1)</sup> These are not subject to the fair value measurements classification.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(3) Interest Rate Swap Agreements**

In September 2003, the District's Board of Directors approved a policy regarding the use of interest rate swap transactions. The policy provides that interest rate swap transactions will be designed to enhance the relationship between risk and return with respect to an investment or a program of investments entered into by the District; and/or to reduce the amount or duration of payment, rate, spread, or similar risk; and/or result in a lower cost of borrowing when used in combination with bonds or other indebtedness of the District. Pursuant to the policy, the Board of Directors authorizes general parameters for interest rate swap transactions while the Finance and Personnel Committee structures specific transactions within the Board-authorized parameters. The Treasurer, with the concurrence of the Chairman of the Finance and Personnel Committee, is authorized to enter into interest rate swap transactions that are within all authorized parameters.

The International Swaps and Derivatives Association, Inc. (ISDA) Master Agreement, including the schedule and credit support annex, is used as the form of contract with interest rate swap counterparties. The District is compliant with all Dodd-Frank Protocol provisions regarding swap advisor representation and transparency.

The outstanding interest rate swaps are pay-fixed, receive variable swaps ("fixed payer swaps"). As of June 30, 2020, the notional amount and fair value balance of the District's interest rate swaps are \$60.0 million and \$(27.0) million, respectively. For the year ended June 30, 2020, the decrease in fair value of the fixed payer interest rate swaps was \$6.4 million.

The fair value of the swap agreements at June 30, 2020 is calculated using a zero-coupon method (Level 2 inputs). This method calculates the future net settlement payments required by the swaps, assuming, for the LIBOR fixed payer swaps, that the current LIBOR forward rates implied by the LIBOR yield curves correctly anticipate future LIBOR spot interest rates. These payments are discounted using the spot rates implied by the current yield curves for hypothetical zero-coupon bonds due on the date of each future net settlement of the swaps.

The District's fixed payer swaps were executed in 2004 and became effective in 2007. The purpose of the fixed payer swaps was to hedge a portion of the interest rate risk exposure associated with the District's 100% variable rate debt structure at the time the swaps were executed. The interest rate swap notional amounts and maturities are not specifically related to a particular District debt issue, however are considered a hedge of a pooled portion of the District's variable rate debt exposure. The following table displays the objective and terms of the District's interest rate swaps outstanding at June 30, 2020, along with the credit rating of the associated counterparty.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

(3) **Interest Rate Swap Agreements (Continued)**

Current Year Active Interest Rate Swaps (in thousands):

<b>Type</b>	<b>Objective</b>	<b>Notional Amount</b>	<b>Effective Date</b>	<b>Maturity Date</b>	<b>Terms</b>	<b>Counterparty Rating</b>
Fixed Payer	Hedge of changes in cash flows on pool of variable rate debt issues	\$30,000	3/10/07	3/10/29	Pay 5.687%; receive 1-Mo. LIBOR	Aa2/A+/AA-
Fixed Payer	Hedge of changes in cash flows on pool of variable rate debt issues	\$30,000	3/10/07	3/10/29	Pay 5.687%; receive 1-Mo. LIBOR	Aa3/A+/A+

The ISDA agreements for the above referenced interest rate swaps include a provision that the counterparties shall be required to post collateral should the mark-to-market value of the total interest rate swap portfolio with the respective counterparty, including any current outstanding swap accruals, exceed a threshold of \$(15.0) million. The amount of the collateral posted shall be the amount of the mark-to-market value and outstanding swap accrual amounts in excess of \$(15.0) million. As of June 30, 2020, the mark-to-market value of the total interest rate swaps with Citibank N.A. and Bank of America, N.A. as counterparties did not exceed the threshold amount.

*Credit risk:* The District is exposed to credit risk on interest rate swaps. To minimize its exposure to loss related to credit risk, the District's policy requires that the Finance and Personnel Committee evaluate and approve the counterparty creditworthiness of each counterparty prior to executing an ISDA Agreement, and all current swap agreements include collateral posting provisions. These terms require full collateralization of the fair value of interest rate swaps in asset positions (net of the effect of applicable netting arrangements) should the counterparty's credit rating fall below BBB+ as issued by Fitch Ratings and Standard & Poor's or Baa1 as issued by Moody's Investors Service. Collateral posted is to be in the form of U.S. Treasuries, or other approved securities, held by a third-party custodian.

The District has executed interest rate swap transactions with two counterparties. Their ratings are Aa2/A+/AA- (50% of net exposure to credit risk) and Aa3/A+/A+ (50% of net exposure to credit risk) as of June 30, 2020.

*Interest rate risk:* The District is exposed to interest rate risk on its interest rate swaps. On its fixed payer swaps, as LIBOR's swap index decreases, the District's net payment on the swap increases. Alternatively, on its fixed payer swaps, as LIBOR's swap index increases, the District's net payment on the swap decreases.



**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(3) Interest Rate Swap Agreements (Continued)**

*Basis risk:* The District is exposed to basis risk on its fixed payer swaps because the variable-rate payments received by the District on these swaps are based on a rate or index other than interest rates the District pays on its variable-rate debt, which is remarketed daily or weekly.

*Termination risk:* The District or its counterparties may terminate an interest rate swap if the other party fails to perform under the terms of the contract. If at the time of termination, an interest rate swap is in a liability position, the District would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.

*Collateral requirements:* All of the District's interest rate swaps include provisions that require the District to post collateral in the event its credit rating falls below A as issued by Fitch Ratings and Standard & Poor's or A2 as issued by Moody's Investors Service.

The collateral posted is to be in the form of U.S. Treasuries or other approved securities in the amount of the fair value of interest rate swaps in liability positions net of the effect of applicable netting arrangements. If the District does not post collateral, the swaps may be terminated by the counterparty. The District's credit rating is Aa1/AAA/AAA; therefore, no collateral has been posted at June 30, 2020.

**(4) Inventories**

Inventories consist of available water in storage and materials and supplies in the District's warehouse facilities. As of June 30, 2020, the District had 37,583 acre-feet of banked water in various water bank facilities at a cost of \$8.0 million. Inventories at June 30, 2020 consisted of the following (in thousands):

Water in storage	\$ 7,998
Materials and supplies	9,385
<b>Total</b>	<b>\$17,383</b>

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

(5) **Capital Assets**

Capital asset activity for the year ended June 30, 2020 is as follows (in thousands):

	<b>Balance</b> <b>June 30, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance</b> <b>June 30, 2020</b>
Capital assets, depreciable:				
Land leasehold	\$ 4,860	\$ 0	\$ 0	\$ 4,860
Buildings and structures	766,655	2,652	(15,603)	753,704
Transmissions and distributions	1,375,831	102,078	(283)	1,477,626
Machinery and equipment	280,616	4,042	0	284,658
<b>Sub-total</b>	<b>2,427,962</b>	<b>108,772</b>	<b>(15,886)</b>	<b>2,520,848</b>
Less: Accumulated depreciation:				
Land leasehold	(1,359)	(97)	0	(1,456)
Buildings and structures	(306,194)	(17,894)	3,807	(320,281)
Transmissions and distributions	(457,996)	(37,907)	259	(495,644)
Machinery and equipment	(160,022)	(11,631)	0	(171,653)
<b>Sub-total</b>	<b>(925,571)</b>	<b>(67,529)</b>	<b>4,066</b>	<b>(989,034)</b>
<b>Total depreciable capital assets, net</b>	<b>1,502,391</b>	<b>41,243</b>	<b>(11,820)</b>	<b>1,531,814</b>
Capital assets, non-depreciable:				
Land and water rights	125,316	931	(649)	125,598
Construction in progress	330,957	109,119	(109,688)	330,388
<b>Total capital assets, net</b>	<b>\$1,958,664</b>	<b>\$151,293</b>	<b>\$(122,157)</b>	<b>\$1,987,800</b>

Total projects transferred from Construction in Progress to Capital Assets and depreciated during the fiscal year ended June 30, 2020 were \$109.7 million. The District's proportionate share of the Orange County Sanitation District's jointly funded capital assets decreased \$11.8 million during the fiscal year ended June 30, 2020.

(6) **Capitalized Amounts**

Certain administrative and general expenses relating to assets under construction are charged to construction-in-progress until the assets are ready for their intended use. The amount of administrative and general expenses capitalized to construction-in-progress for the fiscal year ended June 30, 2020 was \$12.6 million.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

(7) **Real Estate Investments**

Real estate investments as of June 30, 2020 consist of the following (in thousands):

Real estate investments at fair value	\$244,316
Real estate loan receivable	76,536
Accrued interest on loan receivable	<u>9,575</u>
<b>Total</b>	<b><u>\$330,427</u></b>

The District has the following fair value measurements for the real estate investments (Level 3 inputs) (in thousands):

	<b>Balance</b>	<b>Increase /</b>	<b>Purchases /</b>	<b>Balance</b>
	<b>June 30, 2019</b>	<b>(decrease)</b>	<b>(Sales)</b>	<b>June 30, 2020</b>
		<b>in Fair Value</b>		
Wood Canyon Villas, L.P.	\$ 28,710	\$ 1,723	\$ 0	\$ 30,433
Sycamore Canyon Apartments	148,625	3,716	0	152,341
230 Commerce Office Property	11,730	235	0	11,965
Waterworks Way Business Park	9,180	183	0	9,363
Sand Canyon Professional Center	11,220	224	0	11,444
Sand Canyon General Office	20,125	(5,529)	14,174	28,770
<b>Total</b>	<b>\$229,590</b>	<b>\$ 552</b>	<b>\$ 14,174</b>	<b>\$244,316</b>

Net real estate income as of June 30, 2020 is as follows (in thousands):

Real estate income	\$18,175
Increase (decrease) in fair value of real estate investments	552
Real estate expense	<u>(5,627)</u>
<b>Net real estate income</b>	<b><u>\$13,100</u></b>

Included in real estate investments are two apartment properties and four commercial office buildings. The District, through Bardeen Partners, Inc., is the sole limited partner in Wood Canyon Villas, L.P. (Wood Canyon), and the sole owner of both Sycamore Canyon Apartments and a commercial office building (230 Commerce). Separate from Bardeen Partners, Inc., the District is the sole owner of three other commercial office buildings (Waterworks Way Business Park, Sand Canyon Professional Center, and Sand Canyon General Office). The Sand Canyon General Office property is in the final phase of construction and is expected to be completed in August 2020. In addition, the \$76.5 million loan receivable from the sale of the Serrano Summit property was paid off in August 2020.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(7) Real Estate Investments (Continued)**

The construction of Wood Canyon Villas, a 230-unit apartment property, was completed in 1993. The property is located in Orange County, California, and was 97% occupied at June 30, 2020. The Wood Canyon partnership agreement provides the District with a 9% cumulative preferred return on its unrecovered contribution accounts, as defined in the agreement (\$6.0 million contribution). The property's fair value and the District's partnership interest were determined using an appraisal valuation in 2018 and adjusted with a growth factor in 2020.

In 1992, the District acquired a 450-unit apartment property (original cost, \$34.1 million) in Orange County, California known as Sycamore Canyon Apartments. The property was 95% occupied at June 30, 2020. The Sycamore Canyon Apartments completed a renovation project in 2007 for a total cost of \$9.6 million. The property's fair value was determined using an appraisal valuation in 2018 and adjusted with a growth factor in 2020.

In 2003, the District completed construction of the 41,000 square foot for-lease 230 Commerce professional office building located in Irvine, California. Land and construction costs for the project totaled \$5.6 million and the building was 82% occupied as of June 30, 2020. The property's fair value was determined using an appraisal valuation in 2018 and adjusted with a growth factor in 2020.

In November 2008, the District completed construction of a 37,200 square foot for-lease R&D office building located in Irvine, California known as the Waterworks Way Business Park. Construction of the building was a specific facilities requirement of the purchase agreement for land acquired for an adjacent District water treatment facility. Land and construction costs for the office project totaled \$9.0 million. As of June 30, 2020, the building was 100% occupied. The property's fair value was determined using an appraisal valuation in 2018 and adjusted with a growth factor in 2020.

In April 2012, the District completed construction of a 16,350 square foot for-lease medical office building located in Irvine, California known as the Sand Canyon Professional Center. Land and construction costs for the project totaled \$8.4 million and the building was 100% occupied as of June 30, 2020. The property's fair value was determined using an appraisal valuation in 2018 and adjusted with a growth factor in 2020.

The District has a 5.8-acre general office site located in Irvine, California at the Sand Canyon Professional Center. Land and related entitlement costs totaled \$5.0 million as of June 30, 2018. In January 2019, the District began construction of a new for-lease 70,000 square foot office building on the Sand Canyon Office property. Land and construction costs totaled \$25.1 million as of June 30, 2020. In the current fiscal year, the District changed the appraisal valuation method. The property's fair value was determined using a calculation including projected lease income and capitalization rate in 2020. The new building was completed in August 2020.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(7) Real Estate Investments (Continued)**

On September 1, 2017, the District entered into a loan agreement with Lennar Homes of California, Inc. for a principal amount of \$81.6 million, bearing a 4.0% per annum interest rate, from the sale of IRWD's Serrano Summit property located in Lake Forest. On July 24, 2019, the District executed the first amendment to the loan agreement for an eight-month extension of the original September 1, 2019 maturity. The loan amendment also increased the principal amount to include interest earned to September 1, 2019 for a total principal amount of \$88.1 million, bearing a 4.0% per annum interest rate. On April 20, 2020, the District executed the second amendment to the loan agreement for a seven-month extension of the November 30, 2020 maturity. On May 19, 2020, the District received the partial principal payment of \$2.8 million for the first partial reconveyance. On June 15, 2020, the District received the partial principal payment of \$2.8 million for the second partial reconveyance. The loan is secured by the Serrano Summit property. The balance of the loan was stated at cost as of June 30, 2020. The entire outstanding principal balance and all accrued unpaid interest were paid in full in August 2020.

**(8) Orange County Sanitation District (OCSD)**

The District, with OCSD, negotiated an agreement as of July 1, 1985, which has been amended from time to time. The District agreed to annually fund payment of the District's proportionate share of OCSD's joint capital outlay revolving fund (CORF) budget requirements and certain capital improvements, calculated on an annual flow basis using the four highest months of actual flows, during the term of the agreement.

The capital assets associated with this agreement are co-owned by the two agencies and provide an operational benefit to both agencies. During the fiscal year ended June 30, 2020, the District received a credit of \$16.4 million of the equity integration adjustment of OCSD's capital assets. In addition, the District's CORF payments to OCSD for the fiscal year ended June 30, 2020 totaled \$4.2 million. The District's share of the jointly funded capital assets and CORF is included in capital assets in the District's basic financial statements.

In May 2018, the District and OCSD agreed to extend the agreement, providing for treatment and disposal by OCSD of District solids and the temporary lease of capacity in OCSD's solids treatment and disposal facilities through December 31, 2021. The capacity lease for the fiscal year ended June 30, 2020, estimated at \$2.4 million, is included in Sewer Services as an operating expense.

The accompanying basic financial statements reflect management's best estimate of balances pertaining to this agreement based upon information provided by OCSD. Periodically this information is subjected to further review by the performance of agreed upon procedures when the records for such review have been made available to the District. Adjustments pertaining to the accounting estimates associated with this agreement are recognized as the information for such adjustments becomes available.

As of June 30, 2020, the District had a net receivable of \$33.8 million from OCSD which is reflected as a due from other agencies in the District's basic financial statements.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

(9) **Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2020 is as follows (in thousands):

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due within One Year	Due in more than one Year
<b>General Obligation Bonds:</b>						
1993 C Consolidated	\$ 28,300	\$ 0	\$ (1,700)	\$ 26,600	\$ 1,800	\$ 24,800
2008A Refunding	48,000	0	(1,500)	46,500	1,500	45,000
2009A Consolidated	57,500	0	(2,500)	55,000	2,500	52,500
2009B Consolidated	57,500	0	(2,500)	55,000	2,500	52,500
2010B BABS	175,000	0	0	175,000	0	175,000
2011A-1 Refunding	48,240	0	(1,740)	46,500	1,800	44,700
2011A-2 Refunding	32,160	0	(1,160)	31,000	1,200	29,800
2016 Consolidated	103,400	0	0	103,400	0	103,400
Unamortized Premium	24,569	0	(924)	23,645	924	22,721
<b>Sub-total</b>	<b>574,669</b>	<b>0</b>	<b>(12,024)</b>	<b>562,645</b>	<b>12,224</b>	<b>550,421</b>
<b>Certificates of Participation:</b>						
2010 Refunding Certificates	1,980	0	(1,980)	0	0	0
2016 Certificates	116,745	0	0	116,745	3,420	113,325
Unamortized Premium	28,019	0	(1,736)	26,283	1,376	24,907
<b>Sub-total</b>	<b>146,744</b>	<b>0</b>	<b>(3,716)</b>	<b>143,028</b>	<b>4,796</b>	<b>138,232</b>
<b>Notes Payable</b>	<b>684</b>	<b>0</b>	<b>(265)</b>	<b>419</b>	<b>72</b>	<b>347</b>
<b>Other Long-Term Liabilities:</b>						
Compensated Absences	4,653	4,832	(4,119)	5,366	2,147	3,219
Other Long-Term Liabilities	908	3,265	(3,320)	853	151	702
<b>Sub-total</b>	<b>5,561</b>	<b>8,097</b>	<b>(7,439)</b>	<b>6,219</b>	<b>2,298</b>	<b>3,921</b>
<b>Total Long-Term Liabilities</b>	<b>\$727,658</b>	<b>\$8,097</b>	<b>\$(23,444)</b>	<b>\$712,311</b>	<b>\$19,390</b>	<b>\$692,921</b>

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

(9) **Long-Term Liabilities (Continued)**

The following schedule summarizes the major terms of outstanding long-term debt (in thousands):

	Date of Issue	Original Issue	Revenue Sources	Final Maturity Date	Interest Rates
<b>General Obligation Bonds:</b>					
1993 Consolidated	May 1, 1993	\$38,300	(1)(3)	April 1, 2033	Variable
2008A Refunding	April 1, 2008	60,215	(1)(3)	July 1, 2035	Variable
2009A Consolidated	June 4, 2009	75,000	(1)(3)	October 1, 2041	Variable
2009B Consolidated	June 4, 2009	75,000	(1)(3)	October 1, 2041	Variable
2010B BABS	December 16, 2010	175,000	(1)(2)(3)	May 1, 2040	6.60%
2011A-1 Refunding	April 15, 2011	60,545	(1)(2)(3)	October 1, 2037	Variable
2011A-2 Refunding	April 15, 2011	40,370	(1)(2)(3)	October 1, 2037	Variable
2016 Consolidated	October 12, 2016	103,400	(1)(2)(3)	February 1, 2046	5.00% - 5.25%
<b>Certificates of Participation:</b>					
2016 Certificates	September 1, 2016	116,745	(2)	March 1, 2046	5.00%

- (1) Ad valorem assessments or, in lieu of assessments, in the District's discretion, charges for water or sewer service.
- (2) Available water, sewer, and recycled water revenues.
- (3) Proceeds from the sale of property.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

(9) **Long-Term Liabilities (Continued)**

**General Obligation Bonds**

The annual debt service requirements for the General Obligation Bonds, including principal and interest payments (based on variable interest rates at June 30, 2020 ranging from 0.05% to 0.11% and the fixed rate for the 2010B BABs issue and 2016 Consolidated issue) are as follows (in thousands):

Fiscal Year	Principal	Interest	Hedging Instruments Net	BAB Federal Subsidy	Total
2021	\$ 11,300	\$ 17,072	\$ 2,550	\$ (3,825)	\$ 27,097
2022	14,155	17,064	2,550	(3,825)	29,944
2023	14,365	16,948	2,550	(3,825)	30,038
2024	14,775	16,826	2,550	(3,825)	30,326
2025	18,015	16,699	2,550	(3,825)	33,439
2026-2030	99,810	77,785	10,204	(18,100)	169,699
2031-2035	135,475	66,353	0	(15,663)	186,165
2036-2040	183,560	38,671	0	(10,973)	211,258
2041-2045	40,460	6,828	0	0	47,288
2046	7,085	371	0	0	7,456
<b>Sub-total</b>	539,000	274,617	22,954	(63,861)	772,710
Plus: Unamortized premium	23,645	0	0	0	23,645
<b>Total</b>	<b>\$562,645</b>	<b>\$274,617</b>	<b>\$22,954</b>	<b>\$(63,861)</b>	<b>\$796,355</b>

The above table incorporates the net receipts/payments of the hedging instruments that are associated with the variable rate debt issue(s). The amounts assume that current interest rates on variable rate bonds and the current reference rates of the hedging instruments will remain the same for their term. As these rates vary, interest payments on variable rate bonds and net receipts/payments on the hedging instruments will vary. Additionally, the above table includes the most recent BABs subsidy reduction of 5.7% under the Congressionally-mandated sequestration which began in FY 2012-13. Refer to Note 3 for additional information regarding the hedging instruments associated with the debt of the District.



**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

(9) **Long-Term Liabilities (Continued)**

**Certificates of Participation**

In September 2016, the Irvine Ranch Water District Service Corporation issued \$116.7 million of Certificates of Participation Series 2016 (the Series 2016 Certificates) to finance the cost of certain capital improvements and to refund a portion of the outstanding Certificates of Participation Refunding Series 2010 (the Series 2010 Certificates). During the fiscal year ended June 30, 2020, the 2010 Certificates were paid in full.

The annual debt service requirements for the Certificates of Participation, including principal and interest payments, are as follows (in thousands):

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 3,420	\$ 5,837	\$ 9,257
2022	3,675	5,666	9,341
2023	3,940	5,483	9,423
2024	4,220	5,286	9,506
2025	4,555	2,074	6,629
2026-2030	28,110	21,610	49,720
2031-2035	22,960	14,313	37,273
2036-2040	17,840	9,769	27,609
2041-2045	22,765	4,841	27,606
2046	5,260	263	5,523
<b>Sub-total</b>	116,745	75,142	191,887
Plus: Unamortized premium	26,283	0	26,283
<b>Total</b>	<b>\$143,028</b>	<b>\$75,142</b>	<b>\$218,170</b>

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

(9) **Long-Term Liabilities (Continued)**

**Notes Payable**

The District has one outstanding loan, which was assumed as a result of its consolidation with the Santiago County Water District. The original loan amount was \$1.3 million. The loan is payable semi-annually with interest at 2.32%. The loan matures in July 2025. Amounts required to amortize notes payable at June 30, 2020 are as follows (in thousands):

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 72	\$ 9	\$ 81
2022	74	8	82
2023	76	6	82
2024	77	4	81
2025	79	2	81
2026	41	1	42
<b>Total</b>	<u>\$419</u>	<u>\$30</u>	<u>\$449</u>

(10) **Unearned Revenue**

Unearned revenue at June 30, 2020 consisted of the following (in thousands):

Unearned revenue, current portion	\$ 565
Unearned revenue, net of current portion	<u>4,828</u>
<b>Total</b>	<u><u>\$5,393</u></u>

On November 10, 2008, the Board approved the South Orange County – Irvine Ranch Water District Interconnection Projects Participation Agreement (Agreement). The Agreement was effective on November 2008 between the District, City of San Clemente (CSC), Laguna Beach County Water District (LBCWD), Moulton Niguel Water District (MNWD), Santa Margarita Water District (SMWD), South Coast Water District (SCWD), Municipal Water District of Orange County (MWDOC), and Orange County Water District (OCWD). The purpose of the Agreement is to allow the South County water agencies (CSC, LBCWD, MNWD, SMWD, and SCWD) to reserve capacity in the District system and reimburse the District for various new intertie facilities which provide that up to 25 cfs of water supply per month may be made available during a water supply disruption. The total cost of the agreement was paid in full by each party in the fiscal year ended June 30, 2009. The amount of unearned revenue related to the South County Water Agencies is amortized over 20 years, the term of the Agreement. The amount of amortization for the fiscal year ended June 30, 2020 was \$0.5 million.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(11) Letters of Credit**

The District has letters of credit securing the payment of principal and interest on certain General Obligation Bonds. The letters of credit are issued in favor of the trustees and enable the trustees to make drawings against the letters of credit for payment of principal and interest amounts.

The terms of the letters of credit, as of June 30, 2020 are summarized as follows (in thousands):

<b>Letter of Credit</b>	<b>Trustee</b>	<b>Amount</b>	<b>Expiration Date</b>
Bank of America:			
2009 Series B Consolidated	U.S. Bank	\$ 55,615	May 16, 2022
Sumitomo Mitsui:			
2008 Series A Refunding	Bank of New York Mellon	47,188	July 21, 2021
U.S. Bank:			
1993 Consolidated	Bank of New York Mellon	26,959	December 15, 2021
2009 Series A Consolidated	U.S. Bank	55,615	December 15, 2021

**(12) Net Position**

Net position at June 30, 2020 consisted of the following (in thousands):

Net investment in capital assets:	
Property, plant and equipment, net	\$1,987,800
Less:	
Outstanding debt issued to construct capital assets:	
General obligation bonds	(562,645)
Certificates of participation	(143,028)
Notes payable	(419)
Deferred refunding charges	2,111
<b>Total net investment in capital assets</b>	<u>1,283,819</u>
Restricted net position:	
Restricted for water services	350,032
Restricted for sewer services	357,926
<b>Total restricted net position</b>	<u>707,958</u>
<b>Total net position</b>	<u><u>\$1,991,777</u></u>

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(13) Defined Benefit Pension Plan**

**Plan Descriptions**

All qualified employees are eligible to participate in the District’s agent multiple-employer public employee defined benefit pension plan which is administrated by the California Public Employees’ Retirement System (CalPERS). CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and the District’s Board of Directors. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. The Plan’s provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Hire Date		
	Prior to October 1, 2012	On or after October 1, 2012 to December 31, 2012	On or after January 1, 2013
Benefit Formula	2.5% @ 55	2.0% @ 60	2.0% @ 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Minimum Retirement Age	50	50	52
Monthly Benefits, as a % of Eligible Compensation	2.0% to 2.5%	1.092% to 2.418%	1.0% to 2.5%
Required Employee Contribution Rate	8.00%	7.00%	6.50%
Required Employer Normal Cost Rate	8.480%	8.480%	8.480%

In addition, the District made a \$5.2 million unfunded liability contribution during the current fiscal year.

**Employees Covered**

As of June 30, 2018 (valuation date), the following employees were covered by the benefit terms for the Plan:

Active Employees	376
Inactive Employees or Beneficiaries Currently Receiving Benefits	293
Inactive Employees Entitled to But not Yet Receiving Benefits	<u>193</u>
<b>Total</b>	<u><u>862</u></u>

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(13) Defined Benefit Pension Plan (Continued)**

**Contributions**

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

As of June 30, 2020, the total pension liability was determined using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>(1)</sup>	Derived using CalPERS’ Membership Data for all Funds
Post Retirement Benefit Increase	The Lesser of Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

<sup>(1)</sup> The mortality table used was developed based on CalPERS’ specific data. The probabilities of mortality are based on 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(13) Defined Benefit Pension Plan (Continued)**

**Long-term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows.

Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as followed:

<b>Asset Class <sup>(1)</sup></b>	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1 – 10 <sup>(2)</sup></b>	<b>Real Return Years 11+ <sup>(3)</sup></b>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estates	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92%)
<b>Total</b>	<b>100%</b>		

<sup>(1)</sup> In the CalPERS' CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>(2)</sup> An expected inflation of 2.00% used for this period.

<sup>(3)</sup> An expected inflation of 2.92% used for this period.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(13) Defined Benefit Pension Plan (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Pension Plan Fiduciary Net Position**

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. For example, for the accounting reports, CalPERS must keep items such as deficiency reserves and fiduciary self-insurance included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation.

**Changes in the Net Pension Liability**

The changes in the net pension liability for the Plan were as follows (in thousands):

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability/(Asset)</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c) = (a) - (b)</b>
<b>Balance at June 30, 2019</b>	\$275,457	\$211,320	\$64,137
<b>Changes Recognized for the Period:</b>			
Service Cost	5,498	0	5,498
Interest	19,651	0	19,651
Changes of Assumptions	0	0	0
Difference between Expected and Actual Experience	2,535	0	2,535
Contributions – Employer	0	7,185	(7,185)
Contributions – Employees	0	2,511	(2,511)
Net Investment Income	0	13,809	(13,809)
Benefit Payments, Including Refunds of Employee Contributions	(11,807)	(11,807)	0
Administrative Expense	0	(151)	151
<b>Net Change</b>	<b>15,877</b>	<b>11,547</b>	<b>4,330</b>
<b>Balance at June 30, 2020</b>	<b>\$291,334</b>	<b>\$222,867</b>	<b>\$68,467</b>

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(13) Defined Benefit Pension Plan (Continued)**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate (in thousands):

	<b>Discount Rate -1%</b>	<b>Current Discount Rate</b>	<b>Discount Rate +1%</b>
	(6.15%)	(7.15%)	(8.15%)
Plan's Net Pension Liability	\$107,934	\$68,467	\$35,825

**Funding of CalPERS Plan and Pension Benefits Trust**

The District recognizes that defined benefit plans and the related future pension obligations pose significant issues for many government agencies. The District has taken a proactive approach to address the issue and in 2013, established a Pension Benefits Trust to substantially fund its PERS unfunded liability. The Pension Benefits Trust provides the District with an alternative to PERS that allows for investment by a professional fund management team selected and monitored by the District. The Pension Benefits Trust holds the funding contributions for the District pending future remittance to the CalPERS pension trust fund which will pay all retiree benefit payments to employees associated with the plan. Future contributions will be transferred from the Pension Benefits Trust to CalPERS at the District's discretion.

As of June 30, 2020, the total value of the assets in the Pension Benefits Trust was approximately \$83.1 million.

The following schedule shows the District's total pension liability, CalPERS assets, Pension Benefits Trust assets, and the relationship of the total pension liability (in thousands):

Fiscal Year <sup>(1)</sup>	Total		Net Pension		CalPERS Assets	Pension Benefits	Total
	Pension Liability	CalPERS Assets	Liability/ (Asset)	Pension Benefits Trust Assets	as a Percentage of the Total Pension Liability	Trust Assets as of Percentage of the Total Pension Liability	Pension Assets as a Percentage of the Total Pension Liability
06/30/18	\$264,399	\$197,718	\$66,681	\$66,101	74.8%	25.0%	99.8%
06/30/19	275,457	211,320	64,137	73,106	76.7%	26.5%	103.2%
06/30/20	291,334	222,867	68,467	78,389	76.5%	26.9%	103.4%

<sup>(1)</sup> As of the measurement date June 30, 2017, 2018, and 2019 respectively.



**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(13) Defined Benefit Pension Plan (Continued)**

**Subsequent Events**

There were no subsequent events that would materially affect the results presented in this disclosure.

**Recognition of Gains and Losses**

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net Difference between Projected and Actual Earnings on Pension Plan Investments	5 year straight-line amortization
All Other Amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The EARSL for the Plan for the fiscal year ended June 30, 2020 was 4.8 years, which was obtained by dividing the total service years of 4,099 (the sum of remaining service lifetimes of the active employees) by 849 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing (leaving employment) due to an event other than receiving a cash refund.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(13) Defined Benefit Pension Plan (Continued)**

**Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$13.0 million. At June 30, 2020, the District reported deferred outflows and deferred inflows of resources related to pensions from the following sources (in thousands):

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension Contributions made Subsequent to the Measurement Date	\$ 8,429	\$ 0
Differences between Expected and Actual Experiences	2,007	872
Changes in Assumptions	5,061	922
Net Difference between Projected and Actual Earnings on Pension Plan Investments	0	1,135
<b>Total</b>	<b>\$15,497</b>	<b>\$2,929</b>

\$8.4 million reported as deferred outflows of resources related to employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021. \$4.1 million net of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows (in thousands):

<b>Fiscal Year</b>	<b>Deferred Outflows/ (Inflows) of Resources</b>
2020	\$3,708
2021	(172)
2022	(55)
2023	658
<b>Total</b>	<b>\$4,139</b>

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(14) Other Post-Employment Benefits**

**Plan Descriptions**

The District administers three other post-employment benefits (OPEB) plans which are subject to changes based on the discretion of the Board:

- **PEMHCA:** The District provides an agent multiple-employer defined benefit healthcare plan to retirees through the California Public Employee Retirement System (CalPERS) under the California Public Employees Medical and Hospital Care Act (PEMHCA), commonly referred to as PERS Health. Employees are eligible for this lifetime benefit if they retire from the District and are eligible to begin drawing a PERS pension. Participation in PEMHCA is financed in part by the District through a contribution of \$139 per month per participating retiree.
- **RHCAP:** The District also administers a single-employer defined benefit Retiree Health Costs Assistance Program (RHCAP), which provides medical benefits to covered employees and their eligible dependents. The duration of the benefit is based on employees' years of service as follows: 12 months of benefits for employees with 3-7 years of service; 24 months of benefits for employees with 8-9 years of services; 36 months of benefits for employees with 10-14 years of service; 48 months of benefits for employees with 15-19 years of service; and 60 months of benefits for employees with at least 20 years of service. Employees are eligible for this benefit if they retire from the District on or after age 55 with at least three years of service. The District reimburses retirees for eligible healthcare costs of up to \$160 per month (for retirees with at least three years of service at the District), to a maximum of \$600 per month after 25 years of service.
- **Retiree Death Benefit Only Plan:** The District administers a single-employer defined benefit plan. Employees hired on or before December 31, 2008 and who retire from the District on or after age 55 with at least 10 years of service at the District are eligible for term life insurance with a face amount equal to 100% of their final annual salary at the time of retirement. Employees hired after December 31, 2008 are not currently eligible for this plan.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(14) Other Post-Employment Benefits (Continued)**

**Employees Covered**

As of the June 30, 2019 measurement date, the following employees were covered by the benefit terms under each Plan:

	<b>PEMHCA</b>	<b>RHCAP</b>	<b>Retiree Death Benefit Only</b>	<b>Total</b>
Inactive Employees or Beneficiaries Currently Receiving Benefits	100	51	0	151
Inactive Employees Entitled to But not Yet Receiving Benefits	93	0	166	259
Active Employees	371	371	147	889
<b>Total</b>	<b>564</b>	<b>422</b>	<b>313</b>	<b>1,299</b>

**Contributions**

The contributions for the District's various other post-employment benefits are based on pay-as-you-go financing requirements.

For the fiscal year ended June 30, 2020, the District's cash contributions were \$0.5 million and estimated implied subsidy was \$0.3 million resulting in total payments of \$0.8 million. The following shows contributions by each OPEB plan (in thousands):

	<b>PEMHCA</b>	<b>RHCAP</b>	<b>Retiree Death Benefit Only</b>	<b>Total</b>
Cash Contributions	\$175	\$361	\$ 0	\$536
Estimated Implied Subsidy	295	0	0	295
<b>Total</b>	<b>\$470</b>	<b>\$361</b>	<b>\$ 0</b>	<b>\$831</b>

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(14) Other Post-Employment Benefits (Continued)**

**Actuarial Methods and Assumptions Used to Determine Total OPEB Liability**

The June 30, 2018 valuation was used to determine the June 30, 2019 total OPEB liability, based on the following actuarial methods and assumptions:

	<b>PEMHCA</b>	<b>RHCAP</b>	<b>Retiree Death Benefit Only</b>
Actuarial Method	Entry Age Normal		
Actuarial Assumptions:			
Contribution Policy	Pay-as-you-go		
Discount Rate	3.50% at June 30, 2019 and 3.87% at June 30, 2018 (Bond Buyer 20-Bond Index)		
Inflation	2.75% Annually		
Mortality, Disability, Termination, Retirement	CalPERS 1997-2015 Experience Study		
Mortality Improvement	Post-retirement Mortality Projected Fully Generational with Scale MP-2018		
Salary Increases	3% Annually and CalPERS 1997-2015 Experience Study		
Medical Trend	Non-Medicare –7.5% for 2020, decreasing to 4.0% in 2076 Medicare – 6.5% for 2020, decreasing to 4.0% in 2076	Not Applicable	
Minimum Increase	4.25% Annually	Not Applicable	
Participation at Retirement	Medical Coverage: 70% if eligible for RHCAP. Otherwise, 50% if currently in District's medical plan, 0% if not.	100% Participate	

**Change in Assumptions**

For the fiscal year ended June 30, 2019 measurement period, the discount rate was decreased from 3.87 percent to 3.50 percent based on the municipal bond rate.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(14) Other Post-Employment Benefits (Continued)**

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.50 percent which was based on the Bond Buyer 20-Bond G.O. Index.

**Changes in the OPEB Liability**

The changes in the OPEB liability were as follows (in thousands):

	PEMHCA	RHCAP	Retiree Death Benefit Only	Total
<b>Balance at June 30, 2019</b>	\$11,981	\$3,206	\$1,485	\$16,672
<b>Changes Recognized for the Period:</b>				
Service Cost	594	161	27	782
Interest	479	125	58	662
Changes in Assumptions	727	69	41	837
Benefit Payments	(377)	(332)	(10)	(719)
<b>Net Change</b>	1,423	23	116	1,562
<b>Balance at June 30, 2020</b>	\$13,404	\$3,229	\$1,601	\$18,234

**Sensitivity of the OPEB Liability to Changes in the Discount Rate**

The following presents the OPEB liability, calculated using a discount rate that is one percentage point lower or one percentage higher than the current rate for the measurement period ended June 30, 2019 (in thousands).

	Discount Rate - 1%	Current Discount Rate	Discount Rate + 1%
<b>OPEB Liability</b>	(2.50%)	(3.50%)	(4.50%)
PEMHCA	\$15,722	\$13,404	\$11,570
RHCAP	3,424	3,229	3,045
Retiree Death Benefit Only	1,720	1,601	1,494
<b>Total</b>	\$20,866	\$18,234	\$16,109

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(14) Other Post-Employment Benefits (Continued)**

**Sensitivity of OPEB Liability to Changes in the Healthcare Trend Rates (Continued)**

The following presents the OPEB liability, calculated using health care cost trend rates that are one percentage point lower or one percentage higher than the current rate for the measurement period ended June 30, 2019 (in thousands).

OPEB Liability	Healthcare Trend Rates -1%	Curent Healthcare Trend Rates	Healthcare Trend Rates +1%
PEMHCA	\$11,199	\$13,404	\$16,295
RHCAP	3,229	3,229	3,229
Retiree Death Benefit Only	1,601	1,601	1,601
<b>Total</b>	<b>\$16,029</b>	<b>\$18,234</b>	<b>\$21,125</b>

**Subsequent Events**

There were no subsequent events that would materially affect the results presented in this disclosure.

**Amortization of Deferred Outflows and Deferred Inflows of Resources**

Gains and losses related to changes in total OPEB liability is recognized in OPEB expense systematically over time.

The first amortized amounts are recognized in OPEB expense for the fiscal year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The amortization period differs depending on the source of the gain or loss. Straight line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active and retired) as of the beginning of the measurement period is used for each Plan.

**OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2020, the District recognized OPEB expense of \$1.5 million which consisted of \$1.2 million for PEMHCA, \$0.3 million for RHCAP and \$0.03 million for Retiree Death Benefit Only.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(14) Other Post-Employment Benefits (Continued)**

**OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB (Continued)**

At June 30, 2020, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources (in thousands):

			<b>Retiree Death</b>	
	<b>PEMHCA</b>	<b>RHCAP</b>	<b>Benefit Only</b>	<b>Total</b>
<b>Deferred Outflows of Resources:</b>				
OPEB Contributions made Subsequent to the Measurement Date	\$ 470	\$361	\$ 0	\$ 831
Changes in Assumptions	\$1,188	\$ 64	\$33	\$1,285
Difference between Expected and Actual Experience	\$ 751	\$100	\$ 0	\$ 851
<b>Deferred Inflows of Resources:</b>				
Changes in Assumptions	\$ 754	\$ 91	\$43	\$ 888
Difference between Expected and Actual Experience	\$ 0	\$ 0	\$97	\$ 97

The District has \$0.8 million reported as deferred outflows of resources related to employer contributions subsequent to the measurement date which will be recognized as a reduction of the OPEB liability in the fiscal year ending June 30, 2021. The District has \$1.2 million deferred outflows and deferred inflows of resources related to OPEB which will be recognized as OPEB expense as follows (in thousands):

			<b>Retiree Death</b>	
<b>Fiscal Year</b>	<b>PEMHCA</b>	<b>RHCAP</b>	<b>Benefit Only</b>	<b>Total</b>
2021	\$ 110	\$ 4	\$ (48)	\$ 66
2022	110	4	(48)	66
2023	110	4	(18)	96
2024	110	4	7	121
2025	110	4	0	114
Thereafter	635	53	0	688
<b>Total</b>	<b>\$1,185</b>	<b>\$73</b>	<b>\$(107)</b>	<b>\$1,151</b>



**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(15) Deferred Compensation Plans**

**Retirement for Part Time Employees**

The District provides retirement benefits for all of its part-time employees through a defined contribution plan, in lieu of providing social security benefits. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan is administered as part of the District's Section 457 plan. All part-time and seasonal employees are eligible to participate from the date of employment. For the year ended June 30, 2020, the District's payroll covered by the plan was \$166,663. The District made no employer contributions. Employees contributed \$12,782 for the year ended June 30, 2020.

**Deferred Compensation**

All regular, full-time District employees are eligible to participate in the District's deferred compensation program pursuant to Section 457 of the Internal Revenue Code (Plan) whereby they can voluntarily contribute a portion of their earnings into a tax-deferred fund administered by the District and invested through a third party provider. Pursuant to the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), effective January 1, 2002, employees may contribute the lesser of 100% of includible compensation or the maximum dollar amount allowable under Internal Revenue Code Section 457 in effect for the year. The dollar amount currently in effect for calendar year 2020 is \$19,500.

Effective January 1, 2008, for employees with one year or more of services, the District provides 100% matching up to an annual maximum of 3% of the employee's base salary after one year of service. Such employer contribution amounts are deposited into a money purchase plan pursuant to Section 401(a) of the Internal Revenue Code. All full-time employees who have completed two years of regular, full-time service with the District, are eligible for an additional District contribution. Beginning with the first month following an employee's second anniversary date, the District will deposit to the employee's 401 (a) Plan account on a per-pay period basis an amount equal to 1% of the employee's base salary. During the fiscal year ended June 30, 2020, the District contributed \$1,272,674 to employee accounts under the 401(a) plan.

The assets in both plans are held in trust for the exclusive benefit of the participants and their beneficiaries, and are therefore not reported in the basic financial statements of the District.

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(16) Commitments and Contingencies**

**Legal Actions**

The District is a defendant in various legal actions arising out of the conduct of the District's operations. Management believes that, based on current knowledge, the outcome of these matters will not have a material adverse effect on the District's financial position.

**(17) Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and natural disasters for which the District carries commercial insurance.

Property, Boiler and Machinery insurance is provided by the Public Risk Innovation, Solutions, and Management (PRISM) formerly the California State Association of Counties Excess Insurance Authority (CSAC-EIA). Property insurance includes flood insurance for all properties, and earthquake insurance for the District's real estate investment properties. General and excess liability coverage and workers compensation insurance are provided through participation in the PRISM program. Pollution and legal liability coverage for the Irvine Desalter Project is provided by a policy with Ironshore Holdings, a Liberty Mutual Company.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Excess coverage insurance policies cover individual general liability claims in excess of \$100,000, property claims in excess of \$25,000 and workers compensation claims in excess of \$125,000.

Changes in the reported liability resulted from the following (in thousands):

<b>Fiscal Year</b>	<b>Liability Beginning of Year</b>	<b>Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Liability End of Year</b>	<b>Due within One Year</b>	<b>Due in more than One Year</b>
2019	\$1,394	\$142	\$(19)	\$1,517	\$570	\$947
2020	\$1,517	\$255	\$(34)	\$1,738	\$791	\$947

**Irvine Ranch Water District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020  
(Continued)

**(18) Subsequent Events**

**Serrano Summit – Lennar Homes Loan Agreement**

As of August 12, 2020, the District received the remaining outstanding principal balance and accrued interest totaling approximately \$85.9 million from Lennar Homes of California Inc. related to the September 2017 sale of the IRWD's Serrano Summit property located in Lake Forest.

**Irvine Ranch Water District**  
 Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2020

(1) **Defined Benefit Pension Plan – California Public Employees’ Retirement System**

**(a) Schedule of Changes in the Net Pension Liability and Related Ratio (in thousands)**

	Measurement Date: June 30		
	2019	2018	2017
<b>Total Pension Liability</b>			
Service Cost	\$ 5,498	\$ 5,098	\$ 4,825
Interest	19,651	18,570	17,806
Changes of Assumptions	0	(1,605)	15,182
Difference between Expected and Actual Experience	2,535	(235)	(1,702)
Benefit Payments, Including Refunds of Employee Contributions	(11,807)	(10,770)	(9,721)
<b>Net Change in Total Pension Liability</b>	15,877	11,058	26,390
Total Pension Liability – Beginning	275,457	264,399	238,009
<b>Total Pension Liability – Ending (a)</b>	<b>\$291,334</b>	<b>\$275,457</b>	<b>\$264,399</b>
<b>Plan Fiduciary Net Position</b>			
Contributions – Employer	\$ 7,185	\$ 6,157	\$ 5,450
Contributions – Employees	2,511	2,401	2,280
Net Investment Income	13,809	16,707	20,205
Benefit Payments, Including Refunds of Employee Contributions	(11,807)	(10,770)	(9,721)
Administrative Expense	(151)	(308)	(265)
Other Miscellaneous Income / (Expense) <sup>(1)</sup>	0	(585)	0
<b>Net Change in Fiduciary Net Position</b>	11,547	13,602	17,949
Plan Fiduciary Net Position – Beginning <sup>(2)</sup>	211,320	197,718	179,769
<b>Plan Fiduciary Net Position – Ending (b)</b>	<b>\$222,867</b>	<b>\$211,320</b>	<b>\$197,718</b>
<b>Plan Net Pension Liability – Ending (a) - (b)</b>	<b>\$ 68,467</b>	<b>\$ 64,137</b>	<b>\$ 66,681</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.50%	76.72%	74.78%
<b>Covered Payroll</b>	<b>\$ 33,758</b>	<b>\$ 32,213</b>	<b>\$ 30,823</b>
Plan Net Pension Liability as a Percentage of Covered Payroll	202.82%	199.10%	216.33%

**Irvine Ranch Water District**  
 Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2020  
 (Continued)

(1) **Defined Benefit Pension Plan – California Public Employees’ Retirement System  
 (Continued)**

**(a) Schedule of Changes in the Net Pension Liability and Related Ratio (in thousands)  
 (Continued)**

	Measurement Date: June 30		
	2016	2015	2014
<b>Total Pension Liability</b>			
Service Cost	\$ 4,066	\$ 4,005	\$ 3,942
Interest	17,092	16,343	15,436
Changes of Assumptions	0	(4,127)	0
Difference between Expected and Actual Experience	(1,856)	530	0
Benefit Payments, Including Refunds of Employee Contributions	(9,089)	(8,365)	(7,631)
<b>Net Change in Total Pension Liability</b>	10,213	8,386	11,747
Total Pension Liability – Beginning	227,796	219,410	207,663
<b>Total Pension Liability – Ending (a)</b>	<b>\$238,009</b>	<b>\$227,796</b>	<b>\$219,410</b>
<b>Plan Fiduciary Net Position</b>			
Contributions – Employer	\$ 4,926	\$ 4,524	\$ 4,330
Contributions – Employees	2,519	2,170	2,712
Net Investment Income	946	4,049	26,787
Benefit Payments, Including Refunds of Employee Contributions	(9,089)	(8,365)	(7,632)
Administrative Expense	(110)	(208)	0
Other Miscellaneous Income / (Expense) <sup>(1)</sup>	0	0	0
<b>Net Change in Fiduciary Net Position</b>	(808)	2,170	26,197
Plan Fiduciary Net Position – Beginning <sup>(2)</sup>	180,577	178,407	152,210
<b>Plan Fiduciary Net Position – Ending (b)</b>	<b>\$179,769</b>	<b>\$180,577</b>	<b>\$178,407</b>
<b>Plan Net Pension Liability – Ending (a) - (b)</b>	<b>\$ 58,240</b>	<b>\$ 47,219</b>	<b>\$ 41,003</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.53%	79.27%	81.31%
<b>Covered Payroll</b>	<b>\$ 28,802</b>	<b>\$ 27,596</b>	<b>\$ 26,264</b>
Plan Net Pension Liability as a Percentage of Covered Payroll	202.21%	171.11%	156.12%

**Irvine Ranch Water District**  
 Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2020  
 (Continued)

(1) **Defined Benefit Pension Plan – California Public Employees’ Retirement System (Continued)**

**(a) Schedule of Changes in the Net Pension Liability and Related Ratio (in thousands) (Continued)**

- (1) During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California’s agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.
- (2) Includes any beginning of year adjustment.

**Notes to Schedule of Changes in the Net Pension Liability and Related Ratio**

**Benefit Changes:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2018 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes of Assumptions:** None in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administration expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

**(b) Schedule of Contributions (in thousands)**

	Fiscal Year Ended June 30 <sup>(1)</sup>					
	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution <sup>(2)</sup>	\$ 8,429	\$ 7,184	\$ 6,157	\$ 5,450	\$ 4,926	\$ 4,524
Contributions in Relation to the Actuarially Determined Contribution <sup>(2)</sup>	(8,429)	(7,184)	(6,157)	(5,450)	(4,926)	(4,524)
<b>Contribution Deficiency (Excess)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Covered Payroll</b>	<b>\$34,134</b>	<b>\$33,758</b>	<b>\$32,213</b>	<b>\$30,823</b>	<b>\$28,802</b>	<b>\$27,596</b>
Contributions as a Percentage of Covered Payroll	24.69%	21.28%	19.11%	17.68%	17.10%	16.39%

**Irvine Ranch Water District**  
 Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2020  
 (Continued)

(1) **Defined Benefit Pension Plan – California Public Employees’ Retirement System (Continued)**

**(b) Schedule of Contributions (in thousands)(Continued)**

- (1) Historical information is required only for measurement periods from which GASB 68 is applicable. Fiscal Year 2015 was the first year of GASB 68 implementation.
- (2) Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

**Notes to Schedule of Contributions**

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year ended June 30, 2020 were from the June 30, 2017 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level Percent of Payroll
Asset Valuation Method	Fair Value of Assets
Inflation	2.625%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.875%
Investment Rate of Return	7.25% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement Age	The probabilities of Retirement are based on the December 2017 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the December 2017 CalPERS Experience Study and Review of Actuarial Assumptions. Post-retirement mortality rates include 15 years of projected on-going mortality improvement using 90% of Scale MP 2016 published by the Society of Actuaries.

**Changes in Assumptions:** On December 21, 2016, the CalPERS Board of Administration lowered the discount rate from 7.50 percent to 7.00 percent using a three-year phase-in beginning with the June 30, 2016 actuarial valuations. The minimum employer contributions for Fiscal Year 2019-20 were calculated using a discount rate of 7.25 percent.

**Irvine Ranch Water District**  
 Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2020  
 (Continued)

(1) **Defined Benefit Pension Plan – California Public Employees’ Retirement System  
 (Continued)**

**(b) Schedule of Contributions (in thousands) (Continued)**

On December 19, 2017, the CalPERS Board of Administration adopted new actuarial assumptions based on the recommendations in the December 2017 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases and inflation assumption for Public Agencies. In addition, the Board adopted a new asset portfolio as part of its Asset Liability Management. The new asset mix supports a 7.00 percent discount rate. The reduction of the inflation assumption will be implemented in two steps in conjunction with the decreases in the discount rate. For the June 30, 2017 valuation an inflation rate of 2.625 percent will be used and a rate of 2.50 percent will be used in the following valuation.

(2) **Other Post-Employment Benefits**

**Schedule of Changes in the OPEB Liability and Related Ratio (in thousands)<sup>(1)</sup>**

<b>PEMHCA</b>				
Measurement Date: June 30	2019	2018	2017	
Service Cost	\$ 594	\$ 472	\$ 549	
Interest	479	364	310	
Changes of Assumptions	727	682	(1,173)	
Difference between Expected and Actual Experience	0	951	0	
Benefit Payments	(377)	(343)	(304)	
<b>Net Change in Total OPEB Liability</b>	<b>\$ 1,423</b>	<b>\$ 2,126</b>	<b>(618)</b>	
Total OPEB Liability – Beginning	11,981	9,855	10,473	
<b>Total OPEB Liability – Ending</b>	<b>\$13,404</b>	<b>\$11,981</b>	<b>\$ 9,855</b>	
Covered Employee Payroll	\$37,226	\$35,629	\$30,823	
OPEB Liability as a Percentage of Covered Employee Payroll	36.01%	33.63%	31.97%	



**Irvine Ranch Water District**  
 Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2020  
 (Continued)

(2) **Other Post-Employment Benefits (Continued)**

**Schedule of Changes in the OPEB Liability and Related Ratio (in thousands)<sup>(1)</sup> (Continued)**

<b>RHCAP</b>			
Measurement Date: June 30	2019	2018	2017
Service Cost	\$ 161	\$ 148	\$ 161
Interest	125	112	94
Changes of Assumptions	69	1	(\$136)
Difference between Expected and Actual Experience	0	125	0
Benefit Payments	(332)	(306)	(286)
<b>Net Change in Total OPEB Liability</b>	<b>23</b>	<b>80</b>	<b>(\$167)</b>
Total OPEB Liability – Beginning	3,206	3,126	3,293
<b>Total OPEB Liability – Ending</b>	<b>\$ 3,229</b>	<b>\$ 3,206</b>	<b>\$ 3,126</b>
Covered Employee Payroll	\$36,529	\$35,629	\$30,823
OPEB Liability as a Percentage of Covered Employee Payroll	8.84%	9.00%	10.14%
<b>Retiree Death Benefit Only</b>			
Measurement Date: June 30	2019	2018	2017
Service Cost	\$ 27	\$ 28	\$ 32
Interest	58	58	47
Changes of Assumptions	41	(\$10)	(\$92)
Difference between Expected and Actual Experience	0	(\$168)	0
Benefit Payments	(10)	(20)	(10)
<b>Net Change in Total OPEB Liability</b>	<b>116</b>	<b>(\$112)</b>	<b>(\$23)</b>
Total OPEB Liability – Beginning	1,485	1,597	1,620
<b>Total OPEB Liability – Ending</b>	<b>\$ 1,601</b>	<b>\$ 1,485</b>	<b>\$ 1,597</b>
Covered Employee Payroll	\$18,455	\$19,775	\$16,028
OPEB Liability as a Percentage of Covered Employee Payroll	8.68%	7.51%	9.96%

<sup>(1)</sup> Historical information is required only for measurement periods from which GASB 75 is applicable. Fiscal Year 2018 was the first year of GASB 75 implementation.

**Irvine Ranch Water District**  
 Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2020  
 (Continued)

(2) **Other Post-Employment Benefits (Continued)**

**Schedule of Changes in the OPEB Liability and Related Ratio (in thousands)<sup>(1)</sup> (Continued)**

**Notes to Schedule of Changes in the OPEB Liability and Related Ratio**

**Changes of Assumptions:** For the fiscal year ended June 30, 2019 measurement period, the discount rate was decreased from 3.87 percent to 3.50 percent based on municipal bond rate.

For the fiscal year ended June 30, 2018 measurement period, the changes of assumptions were as follows:

PEMHCA	RHCAP	Retiree Death Benefit Only
Discount rate was increased from 3.581% to 3.87% based on municipal bond rate as of the measurement date.		
Demographic assumptions were updated to CalPERS 1997-2015 Experience Study.		
Mortality improvement scale was updated to Scale MP-2018.		
Medical claims costs were developed by Axene Health Partners based on demographic data for the CalPERS health plans provided by CalPERS and Axene's proprietary AHP Cost Model.	Not Applicable	
Short term medical trend was developed in consultation with Axene Health Partners' healthcare actuaries. Long-term medical trend developed using the Society of Actuaries Getzen Model of Long-Run Medical Cost Trends.	Not Applicable	
Participation at retirement for medical coverage was updated to 70% if eligible for RHCAP.	Not Applicable	
A 2% load on the cash liability was added to estimate the ACA Excise Tax.	Not Applicable	

For the fiscal year ended June 30, 2017 measurement period, the discount rate increased from 2.85 percent to 3.581 percent.

# Statistical Section

Irvine Ranch Water District  
Fiscal Year Ended June 30, 2020

This section of the Irvine Ranch Water District’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

Financial Trends Schedules – These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.

- Net Position
- Changes in Net Position

Revenue Capacity Schedules – These schedules contain information to help the reader assess the factors affecting the District’s ability to generate its property and sales taxes.

- Water Sold by Type of Customer
- Water Rates
- Largest Water Customers
- Sewer Rates
- Largest Sewer Customers
- Ad Valorem Property Tax Rates

Debt Capacity Schedules – These schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the District’s ability to issue additional debt in the future.

- Assessed Valuation and Estimated Actual Value of Taxable Property and 1% Property Tax Revenue
- Direct and Overlapping Property Tax Rates
- Principal Property Taxpayers
- Property Tax Collections/Delinquency
- Outstanding Debt by Type
- Outstanding General Obligation Bonds by Improvement District
- Ratio of General Obligation Debt to Assessed Values
- Ratio of Annual Debt Service Expenditures to Total General Expenditures
- Debt Service Coverage

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place and to help make comparisons over time and with other governments.

Principal Employers  
Demographic and Economic Statistics

Operating Information – These schedules contain information about the District’s operations and resources to help the reader understand how the District’s financial information relates to the services the District provides and the activities it performs.

Operating Indicators by Function – Water and Sewer Service Connections  
Operating Indicators by Function – New Service Connections  
Operating Indicators by Function – Average Monthly Usage  
Source of Supply and Demand in Acre Feet  
Capital Asset Statistics  
Full-Time Employees

# Irvine Ranch Water District

## Net Position

For the Past Ten Fiscal Years

(in millions)

	Fiscal Year				
	2011	2012	2013 <sup>(1)</sup>	2014 <sup>(1)</sup>	2015 <sup>(2)</sup>
<b>Assets</b>					
Current and other assets	\$1,300.0	\$1,167.0	\$1,128.2	\$ 462.7	\$ 332.9
Capital assets	1,430.3	1,508.8	1,506.1	1,567.5	1,647.4
<b>Total assets</b>	<b>2,730.3</b>	<b>2,675.8</b>	<b>2,634.3</b>	<b>2,030.2</b>	<b>1,980.3</b>
<b>Deferred Outflows of Resources</b>	<b>32.7</b>	<b>53.0</b>	<b>47.3</b>	<b>37.7</b>	<b>43.3</b>
<b>Liabilities</b>					
Current and other liabilities	97.7	99.0	672.7	54.9	51.5
Long-term liabilities	1,323.7	1,281.8	647.7	623.4	602.8
<b>Total liabilities</b>	<b>1,421.4</b>	<b>1,380.8</b>	<b>1,320.4</b>	<b>678.3</b>	<b>654.3</b>
<b>Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14.6</b>
<b>Net Position</b>					
Net investment in capital assets	900.6	943.1	918.1	981.3	1,074.6
Restricted for water services	213.6	179.3	185.4	165.1	148.6
Restricted for sewer services	227.4	225.6	257.7	243.2	131.5
<b>Total net position</b>	<b>\$1,341.6</b>	<b>\$1,348.0</b>	<b>\$1,361.2</b>	<b>\$1,389.6</b>	<b>\$1,354.7</b>

# Irvine Ranch Water District

## Net Position

### For the Past Ten Fiscal Years

(in millions)

(Continued)

	Fiscal Year				
	2016 <sup>(3)</sup>	2017 <sup>(4)</sup>	2018 <sup>(5)</sup>	2019	2020
<b>Assets</b>					
Current and other assets	\$ 456.6	\$ 735.1	\$ 797.4	\$ 803.9	\$ 828.7
Capital assets	1,731.6	1,848.3	1,890.8	1,958.7	1,987.8
<b>Total assets</b>	<b>2,188.2</b>	<b>2,583.4</b>	<b>2,688.2</b>	<b>2,762.6</b>	<b>2,816.5</b>
<b>Deferred Outflows of Resources</b>	<b>49.7</b>	<b>61.6</b>	<b>41.7</b>	<b>41.2</b>	<b>47.6</b>
<b>Liabilities</b>					
Current and other liabilities	65.4	78.5	52.5	53.8	56.0
Long-term liabilities	589.8	790.9	831.7	817.4	812.4
<b>Total liabilities</b>	<b>655.2</b>	<b>869.4</b>	<b>884.2</b>	<b>871.2</b>	<b>868.4</b>
<b>Deferred Inflows of Resources</b>	<b>4.4</b>	<b>3.6</b>	<b>4.8</b>	<b>4.5</b>	<b>3.9</b>
<b>Net Position</b>					
Net investment in capital assets	1,178.5	1,087.9	1,155.5	1,238.8	1,283.8
Restricted for water services	221.5	264.3	289.5	313.0	350.0
Restricted for sewer services	178.3	419.8	395.9	376.2	358.0
<b>Total net position</b>	<b>\$1,578.3</b>	<b>\$1,772.0</b>	<b>\$1,840.9</b>	<b>\$1,928.0</b>	<b>\$1,991.8</b>

**Source:** Irvine Ranch Water District Basic Financial Statements

**Notes:**

- (1) The District implemented GASB Statement No. 65 for the fiscal year ended June 30, 2014 and restated the financial statements for the fiscal year ended June 30, 2013.
- (2) The District implemented GASB Statement Nos. 68 and 71 for the fiscal year ended June 30, 2015. The District did not restate the prior years' financial statements because the data for the prior years was not readily available.
- (3) The District implemented GASB Statement No. 72 for the fiscal year ended June 30, 2016. The District did not restate the prior years' financial statements because the data for the prior years was not readily available.
- (4) The prior period adjustment for the fiscal year ended June 30, 2017 was related to the reclassification of certain assets from capital assets to real estate investments. The District did not restate the prior years' financial statements because the data for the prior years was not readily available.
- (5) The District implemented GASB Implementation Guide No. 2017-1 and GASB Statement No. 75 for the fiscal year ended June 30, 2018. The District did not restate the prior years' financial statements because the data for the prior years was not readily available.

**Irvine Ranch Water District**  
**Changes in Net Position**  
**For the Past Ten Fiscal Years**  
(in thousands)

	Fiscal Year				
	2011	2012	2013	2014	2015 <sup>(1)</sup>
<b>Operating Revenues</b>					
Water sales and service charges	\$ 54,796	\$ 57,558	\$ 62,565	\$ 66,321	\$ 70,110
Sewer sales and service charges	45,375	49,234	53,085	58,109	62,808
<b>Total operating revenues</b>	<b>100,171</b>	<b>106,792</b>	<b>115,650</b>	<b>124,430</b>	<b>132,918</b>
<b>Operating Expenses</b>					
Water:					
Water services	45,961	44,883	51,163	57,624	57,978
General and administrative	12,327	12,305	14,619	13,660	9,319
Sewer:					
Sewer services	33,382	33,086	38,189	37,715	54,575
General and administrative	6,569	7,792	8,048	8,612	5,826
Depreciation	43,592	41,378	47,539	46,809	51,015
<b>Total operating expenses</b>	<b>141,831</b>	<b>139,444</b>	<b>159,558</b>	<b>164,420</b>	<b>178,713</b>
Operating income (loss)	(41,660)	(32,652)	(43,908)	(39,990)	(45,795)
<b>Nonoperating Revenues (Expenses)</b>					
Property taxes	38,679	38,062	41,068	42,751	42,431
Investment income	2,599	3,132	224	1,079	1,214
Increase (decrease) in fair value of investments	(20,172)	(23,586)	(29,180)	(16,177)	(28)
JPA investment income	53,708	51,530	49,178	29,522	0
Real estate income	9,719	11,039	10,789	11,899	12,518
Increase (decrease) in fair value of real estate investments	0	0	0	0	0
Pension benefits trust interest and dividends income	0	0	0	0	0
Increase (decrease) in fair value of pension benefits trust investments	0	0	0	0	0
Other income	7,987	6,141	8,323	10,974	7,899
Interest expense	(14,174)	(16,924)	(16,770)	(15,836)	(13,903)
JPA interest expense	(41,264)	(39,603)	(28,884)	(17,166)	0
Real estate expense	(6,004)	(6,016)	(6,047)	(6,139)	(6,251)
Pension benefits trust expense	0	0	0	0	0
Other expenses	(989)	(10,713)	(6,110)	(7,163)	(9,752)
<b>Total nonoperating revenue (expenses)</b>	<b>30,089</b>	<b>13,062</b>	<b>22,591</b>	<b>33,744</b>	<b>34,128</b>
Income (loss) before capital contributions	(11,571)	(19,590)	(21,317)	(6,246)	(11,667)
Contributed capital assets	18,506	25,948	34,535	34,684	42,540
<b>Increase (decrease) in net position</b>	<b>6,935</b>	<b>6,358</b>	<b>13,218</b>	<b>28,438</b>	<b>30,873</b>
Net position at beginning of year	1,334,666	1,341,601	1,347,959	1,361,177	1,389,615
Prior period adjustments	0	0	0	0	(65,825)
<b>Net position at end of year</b>	<b>\$1,341,601</b>	<b>\$1,347,959</b>	<b>\$1,361,177</b>	<b>\$1,389,615</b>	<b>\$1,354,663</b>



**Irvine Ranch Water District**  
**Changes in Net Position**  
**For the Past Ten Fiscal Years**

(in thousands)

(Continued)

	Fiscal Year				
	2016 <sup>(2)</sup>	2017 <sup>(3)</sup>	2018 <sup>(4)</sup>	2019	2020
<b>Operating Revenues</b>					
Water sales and service charges	\$ 76,692	\$ 77,252	\$ 84,575	\$ 94,107	\$ 90,213
Sewer sales and service charges	67,682	72,054	76,789	76,841	77,187
<b>Total operating revenues</b>	<b>144,374</b>	<b>149,306</b>	<b>161,364</b>	<b>170,948</b>	<b>167,400</b>
<b>Operating Expenses</b>					
Water:					
Water services	57,499	55,296	63,671	64,004	67,792
General and administrative	11,827	15,906	20,554	19,860	21,600
Sewer:					
Sewer services	40,413	42,752	38,115	43,734	49,497
General and administrative	7,625	9,059	12,332	15,786	17,106
Depreciation	58,330	61,841	63,877	64,835	67,554
<b>Total operating expenses</b>	<b>175,694</b>	<b>184,854</b>	<b>198,549</b>	<b>208,219</b>	<b>223,549</b>
Operating income (loss)	(31,320)	(35,548)	(37,185)	(37,271)	(56,149)
<b>Nonoperating Revenues (Expenses)</b>					
Property taxes	46,303	51,321	57,247	63,057	66,375
Investment income	1,249	2,843	4,133	6,199	7,790
Increase (decrease) in fair value of investments	(32)	(1,624)	(1,571)	5,188	2,319
JPA investment income	0	0	0	0	0
Real estate income	13,056	13,434	16,689	17,813	18,175
Increase (decrease) in fair value of real estate investments	5,597	10,084	4,091	6,095	552
Pension benefits trust interest and dividends income	0	0	3,003	2,140	3,274
Increase (decrease) in fair value of pension benefits trust investments	0	0	2,173	3,196	1,500
Other income	7,837	7,117	7,504	8,876	6,606
Interest expense	(15,415)	(18,784)	(26,034)	(25,481)	(22,167)
JPA interest expense	0	0	0	0	0
Real estate expense	(4,363)	(4,358)	(13,284)	(9,441)	(5,627)
Pension benefits trust expense	0	0	(51)	(53)	(61)
Other expenses	(2,800)	(1,997)	(174)	(2,615)	(5,239)
<b>Total nonoperating revenue (expenses)</b>	<b>51,432</b>	<b>58,036</b>	<b>53,726</b>	<b>74,974</b>	<b>73,497</b>
Income (loss) before capital contributions	20,112	22,488	16,541	37,703	17,348
Contributed capital assets	53,278	41,913	60,588	49,346	46,427
<b>Increase (decrease) in net position</b>	<b>73,390</b>	<b>64,401</b>	<b>77,129</b>	<b>87,049</b>	<b>63,775</b>
Net position at beginning of year	1,354,663	1,578,311	1,772,014	1,840,953	1,928,002
Prior period adjustments	150,258	129,302	(8,190)	0	0
<b>Net position at end of year</b>	<b>\$1,578,311</b>	<b>\$1,772,014</b>	<b>\$1,840,953</b>	<b>\$1,928,002</b>	<b>\$1,991,777</b>

**Source:** IRWD Basic Financial Statements

**Notes:**

- (1) The District implemented GASB Statement Nos. 68 and 71 for the fiscal year ended June 30, 2015. The District did not restate the prior years' financial statements because the data for the prior years was not readily available.
- (2) The District implemented GASB Statement No 72 for the fiscal years ended June 30, 2016 and 2017. The District did not restate the prior years' financial statements because the data for the prior years was not readily available.
- (3) The prior period adjustment for the fiscal year ended June 30, 2017 was related to the reclassification of certain assets from capital assets to real estate investments. The District did not restate the prior years' financial statements because the data for the prior years was not readily available.
- (4) The District implemented GASB Implementation Guide No. 2017-1 and GASB Statement No. 75 for the fiscal year ended June 30, 2018. The District did not restate the prior years' financial statements because the data for the prior years was not readily available.

**Irvine Ranch Water District**  
 Water Sold By Type of Customer (in Acre Feet)  
 For the Past Ten Fiscal Years

	<b>Fiscal Year</b>				
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Residential	31,127	32,262	33,166	34,068	32,375
Commercial	7,632	8,021	8,353	8,803	8,391
Industrial	4,733	4,713	4,783	4,891	6,233
Public Authority	2,305	2,373	2,458	2,458	2,583
Construction & Temporary	174	275	378	739	863
Landscape	4,252	4,741	5,316	5,671	5,327
Agricultural	3,208	2,433	2,749	3,277	2,547
Landscape/Agricultural	20,147	25,011	28,259	30,021	32,139
<b>Total</b>	<b>73,578</b>	<b>79,829</b>	<b>85,462</b>	<b>89,928</b>	<b>90,458</b>

	<b>Fiscal Year</b>				
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Residential	28,573	30,384	32,848	31,642	33,073
Commercial	8,377	8,179	8,769	8,624	7,818
Industrial	5,118	5,084	4,923	4,831	4,636
Public Authority	2,234	2,282	2,633	2,369	1,972
Construction & Temporary	1,230	874	1,292	542	480
Landscape	3,843	4,126	4,740	4,065	4,229
Agricultural	2,216	1,856	1,839	1,114	1,013
Landscape/Agricultural	26,386	26,374	29,736	26,153	29,659
<b>Total</b>	<b>77,977</b>	<b>79,159</b>	<b>86,780</b>	<b>79,340</b>	<b>82,880</b>

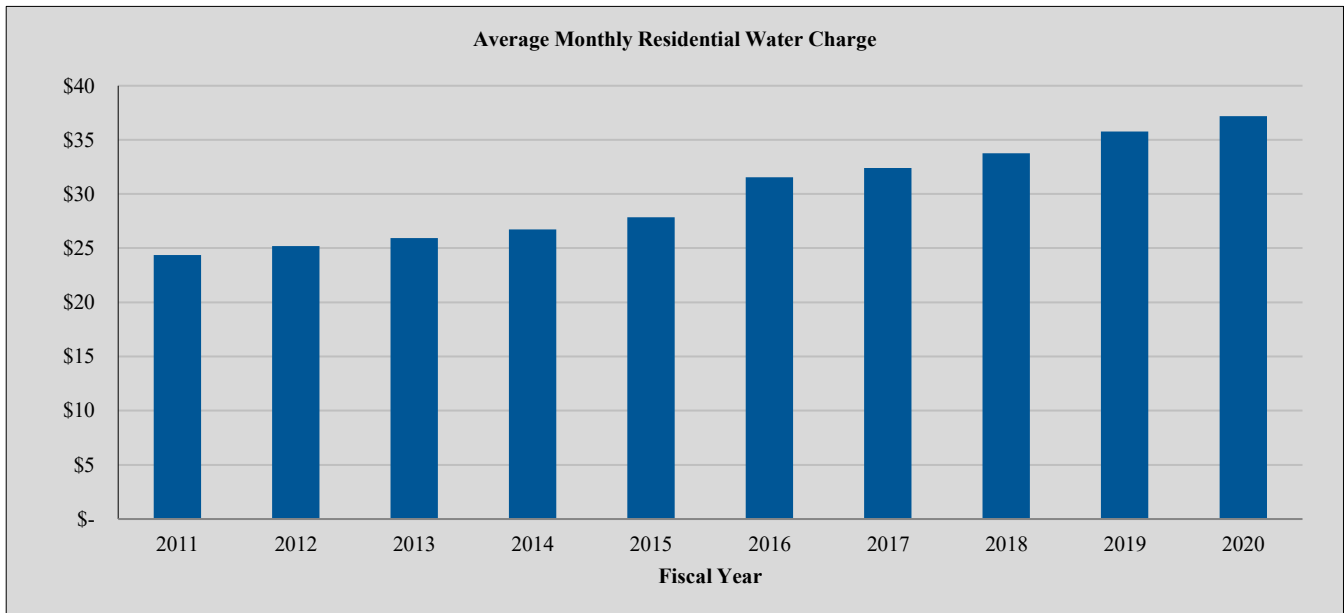
**Source:** Irvine Ranch Water District

## Irvine Ranch Water District

### Water Rates <sup>(1)</sup>

For the Past Ten Fiscal Years

Fiscal Year	Fixed Service Charge	Base Commodity Rate (per ccf) <sup>(2)</sup>	Average Monthly Residential Charge
2011	\$8.00	\$1.21	\$24.35
2012	\$8.75	\$1.22	\$25.19
2013	\$9.30	\$1.24	\$25.92
2014	\$9.85	\$1.27	\$26.74
2015	\$10.50	\$1.34	\$27.84
2016	\$10.30	\$1.62	\$31.54
2017	\$10.30	\$1.65	\$32.41
2018	\$10.30	\$1.70	\$33.76
2019	\$10.35	\$1.89	\$35.76
2020	\$10.35	\$2.00	\$37.17



**Source:** Irvine Ranch Water District

**Note:**

<sup>(1)</sup> The water charge to the average residential customer is based upon an average of 15 ccf per month. The first 6 ccf are at the District's low volume rate, which is \$0.53 less than the commodity base rate in FY 2020. The fixed monthly service charge includes components to add enhancement and replacement funds to assist with the District's aging infrastructure.

**Irvine Ranch Water District**  
Largest Water Customers  
Current Year and Nine Years Ago

<b>Customer Name</b>	<b>2020</b>			<b>2011</b>		
	<b>Total Sales</b>	<b>Rank</b>	<b>Percentage of Water Sales Revenues</b>	<b>Total Sales</b>	<b>Rank</b>	<b>Percentage of Water Sales Revenues</b>
The Irvine Company	\$ 7,863,799	1	8.72%	\$3,023,324	1	5.52%
Jazz Semiconductor	1,222,084	2	1.35%	652,709	4	1.19%
B Braun Medical, Inc	1,122,729	3	1.24%	488,557	5	0.89%
University of California - Irvine	1,070,434	4	1.19%	1,222,850	2	2.23%
Woodbridge Village Association	524,264	5	0.58%	346,758	6	0.63%
City of Lake Forest	397,366	6	0.44%			
City of Irvine	300,980	7	0.33%	833,014	3	1.52%
ERP Operating LP	299,796	8	0.33%			
Maruchan, Inc	261,729	9	0.29%			
Allergan Sales, LLC	260,519	10	0.29%	260,651	10	0.48%
Caltrans District 12				312,094	7	0.57%
County of Orange				268,173	8	0.49%
Irvine Unified School District				260,920	9	0.48%
<b>Total</b>	<b>\$13,323,700</b>		<b>14.76%</b>	<b>\$7,669,050</b>		<b>14.00%</b>

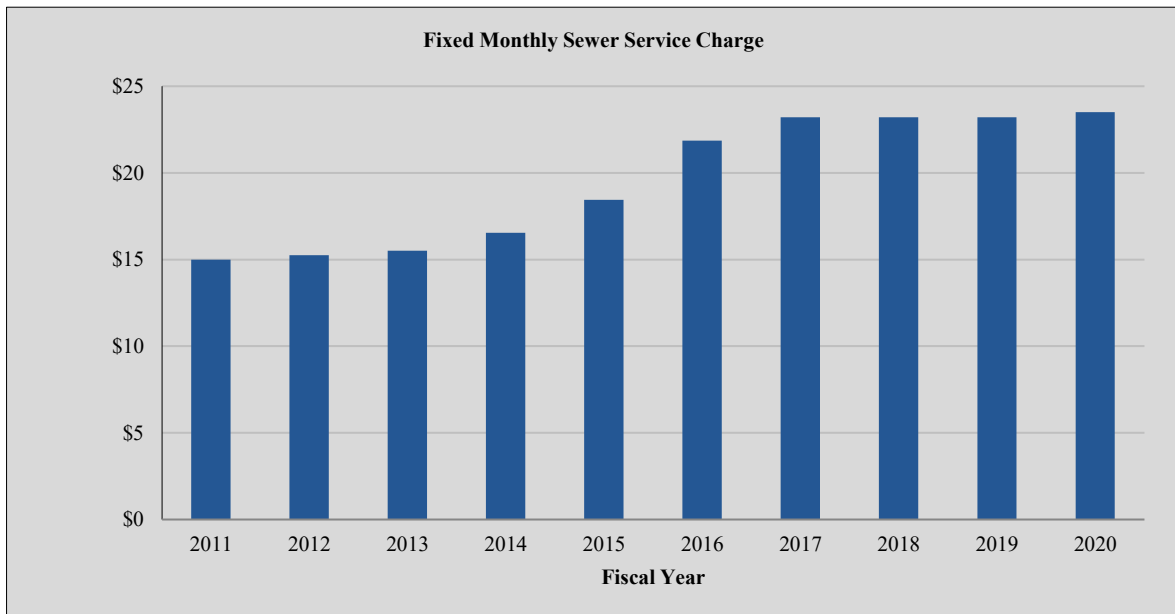
**Source:** Irvine Ranch Water District

# Irvine Ranch Water District

## Sewer Rates<sup>(1)</sup>

For the Past Ten Fiscal Years

<b>Fiscal Year</b>	<b>Fixed Monthly Service Charge</b>
2011	\$15.00
2012	15.25
2013	15.50
2014	16.55
2015	18.45
2016	21.85
2017	23.20
2018	23.20
2019	23.20
2020	23.50



**Source:** Irvine Ranch Water District

**Note:**

- <sup>(1)</sup> The fixed monthly sewer service charge is based on an average residential customer's water usage of between 5 and 10 ccf for the lowest three months in the prior calendar year. The fixed monthly service charge includes components to add enhancement and replacement funds to assist with the District's aging infrastructure.

**Irvine Ranch Water District**  
Largest Sewer Customers  
Current Year and Nine Years Ago

<b>Customer Name</b>	<b>2020</b>			<b>2011</b>		
	<b>Total Sales</b>	<b>Rank</b>	<b>Percentage of Sewer Sales Revenues</b>	<b>Total Sales</b>	<b>Rank</b>	<b>Percentage of Sewer Sales Revenues</b>
The Irvine Company	\$12,393,661	1	16.06%	\$ 6,809,444	1	15.01%
City of Irvine	2,370,182	2	3.07%	1,315,581	3	2.90%
University of California - Irvine	1,843,344	3	2.39%	1,488,293	2	3.28%
B Braun Medical, Inc	880,504	4	1.14%	310,767	7	0.68%
Irvine Unified School District	600,536	5	0.78%	359,923	5	0.79%
ERP Operating, LP	353,432	6	0.46%			
Maruchan, Inc	341,303	7	0.44%	256,866	10	0.57%
Allergan Sales, LLC	310,835	8	0.40%	266,904	9	0.59%
Crystal Cove Community Assn	304,276	9	0.39%			
City of Tustin	288,119	10	0.37%			
Strawberry Farms Golf Club				388,639	4	0.86%
Caltrans District 12				344,898	6	0.76%
Royal Carpet Mills				272,714	8	0.60%
<b>Total</b>	<b>\$19,686,192</b>		<b>25.50%</b>	<b>\$11,814,029</b>		<b>26.04%</b>

Source: Irvine Ranch Water District

**Irvine Ranch Water District**  
**Ad Valorem Property Tax Rates<sup>(1)</sup>**  
**For the Past Ten Fiscal Years**

Improvement District	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
112	\$0.07920	\$0.03168	\$0.03168	\$0.03168	\$0.03000	\$0.03000	\$0.03000	\$0.03000	\$0.03000	\$0.03000
113	0.01980	0.05940	0.05940	0.05940	0.03000	0.03000	0.04000	0.04000	0.04000	0.04000
120	0.00001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
121	0.01311	0.01311	0.01311	0.01311	N/A	N/A	N/A	N/A	N/A	N/A
125	N/A	N/A	N/A	N/A	0.01300	0.01300	0.01300	0.01300	0.01300	0.01300
130	0.00680	0.00680	0.00680	0.00680	N/A	N/A	N/A	N/A	N/A	N/A
135	0.00842	0.00421	0.00421	0.00421	N/A	N/A	N/A	N/A	N/A	N/A
140	0.00001	0.01000	0.01000	0.01000	N/A	N/A	N/A	N/A	N/A	N/A
150	0.00990	0.01980	0.01980	0.01980	N/A	N/A	N/A	N/A	N/A	N/A
153	N/A	N/A	N/A	N/A	0.00001	0.00001	0.00001	0.02000	0.02000	0.02000
160	0.00001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
161	0.01758	0.01758	0.01758	0.01758	N/A	N/A	N/A	N/A	N/A	N/A
182	0.01350	0.02700	0.02700	0.02700	N/A	N/A	N/A	N/A	N/A	N/A
184	0.00001	0.01350	0.01350	0.01350	N/A	N/A	N/A	N/A	N/A	N/A
185	N/A	N/A	N/A	N/A	0.00001	0.00001	0.00001	0.02300	0.02300	0.02300
186	0.03191	0.04787	0.04787	0.04787	N/A	N/A	N/A	N/A	N/A	N/A
188	0.03590	0.21540	0.21540	0.21540	0.21540	0.21540	0.21540	0.07350	0.07350	0.07350
210	0.00001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
212	0.12420	0.07452	0.07452	0.07452	0.04500	0.04500	0.04500	0.04500	0.04500	0.04500
213	0.14533	0.08720	0.08720	0.08720	0.03800	0.03800	0.05900	0.05900	0.05900	0.05900
220	0.00001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
221	0.01800	0.01700	0.01700	0.01700	N/A	N/A	N/A	N/A	N/A	N/A
225	N/A	N/A	N/A	N/A	0.01500	0.01500	0.01500	0.01500	0.01500	0.01500
230	0.02200	0.02200	0.02200	0.02200	N/A	N/A	N/A	N/A	N/A	N/A
235	0.00532	0.00266	0.00266	0.00266	N/A	N/A	N/A	N/A	N/A	N/A
240	0.03140	0.02140	0.02140	0.02140	0.01500	0.01500	0.01500	0.01500	0.01500	0.01500
250	0.03600	0.03600	0.03600	0.03600	N/A	N/A	N/A	N/A	N/A	N/A
252	0.00001	0.00001	0.00001	0.00001	N/A	N/A	N/A	N/A	N/A	N/A
253	N/A	N/A	N/A	N/A	0.00001	0.00001	0.00001	0.02100	0.02100	0.02100
260	0.00001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
261	0.02830	0.02830	0.02830	0.02830	N/A	N/A	N/A	N/A	N/A	N/A
282	0.01890	0.01890	0.01890	0.01890	N/A	N/A	N/A	N/A	N/A	N/A
284	0.03239	0.03239	0.03239	0.03239	N/A	N/A	N/A	N/A	N/A	N/A
285	N/A	N/A	N/A	N/A	0.00001	0.00001	0.00001	0.03050	0.03050	0.03050
286	0.00001	0.00201	0.00201	0.00201	N/A	N/A	N/A	N/A	N/A	N/A
288	0.00001	0.01000	0.01000	0.01000	0.01000	0.01000	0.01000	0.01000	0.01000	0.01000

Source: Irvine Ranch Water District

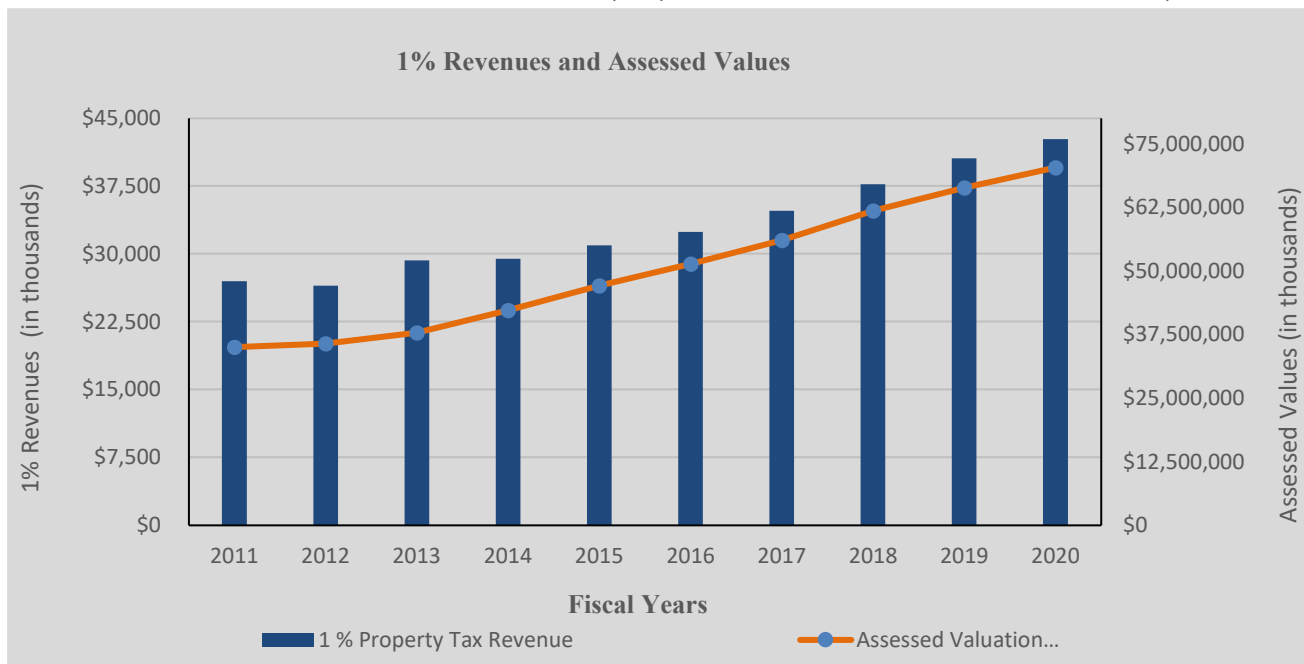
**Note:**

<sup>(1)</sup> The ad valorem property tax rates for the consolidated improvement district are effective July 1, 2014.

## Irvine Ranch Water District

### Assessed Valuation and Estimated Actual Value of Taxable Property and 1% Property Tax Revenue For the Past Ten Fiscal Years (in thousands)

Fiscal Year	Assessed Valuation (Land only)	1 % Property Tax Revenue
2011	\$35,008,276	\$26,989
2012	35,661,242	26,478
2013	37,809,660	29,265
2014	42,205,844	29,445
2015	47,059,437	30,924
2016	51,340,888	32,427
2017	56,028,731	34,761
2018	61,803,980	37,693
2019	66,341,210	40,543
2020	70,305,737	42,669



**Source:** Orange County Auditor-Controller and Orange County Tax Collector.

*In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold.*



**Irvine Ranch Water District**  
 Direct and Overlapping Property Tax Rates  
 Fiscal Year Ended June 30, 2020

Direct Rate:

Irvine Ranch Water District I.D. No. 112	\$0.03000
Irvine Ranch Water District I.D. No. 113	0.04000
Irvine Ranch Water District I.D. No. 125	0.01300
Irvine Ranch Water District I.D. No. 153	0.02000
Irvine Ranch Water District I.D. No. 185	0.02300
Irvine Ranch Water District I.D. No. 188	0.07350
Irvine Ranch Water District I.D. No. 212	0.04500
Irvine Ranch Water District I.D. No. 213	0.05900
Irvine Ranch Water District I.D. No. 225	0.01500
Irvine Ranch Water District I.D. No. 240	0.01500
Irvine Ranch Water District I.D. No. 252	0.00001
Irvine Ranch Water District I.D. No. 253	0.02100
Irvine Ranch Water District I.D. No. 285	0.03050
Irvine Ranch Water District I.D. No. 288	0.01000

Overlapping Rates:

School Districts:

Coast Community College District	0.03100
Rancho Santiago Community College District	0.02818
Rancho Santiago Community College District SFID 1	0.02360
Irvine Unified School District SFID No. 1	0.02533
Laguna Beach Unified School District	0.01266
Newport Mesa Unified School District	0.01682
Orange Unified School District	0.02288
Saddleback Valley Unified School District	0.02295
Santa Ana Unified School District	0.07300
Tustin Unified School District SFID 2002-1	0.01842
Tustin Unified School District SFID 2008-1	0.02969
Tustin Unified School District SFID 2012-1	0.01565

**Source:** California Municipal Statistics, Inc.

**Irvine Ranch Water District**  
Principal Property Taxpayers  
Fiscal Year Ended June 30, 2020

<b>Property Owner's Name</b>	<b>Type of Business</b>	<b>Assessed Valuation of Property, including Land &amp; Improvements</b>	<b>Percentage of Total City Taxable Assessed Value</b>
The Irvine Company	Developer/Real Estate	\$3,277,678,884	4.18%
Irvine Apartment Communities	Real Estate	524,087,291	0.67%
Allergan USA Inc	Pharmaceutical (R&D/Marketing)	463,181,986	0.59%
Five Point Office Venture I LLC	Developer/Real Estate	442,999,914	0.56%
Jamboree Center LLC	Developer/Real Estate	410,419,676	0.52%
B Braun Medical Inc	Bio-Medical Manufacturing	388,000,778	0.49%
LBA IV-PPI LLC	Real Estate Investment and Management	379,452,894	0.48%
Park Place Michelson LLC	Real Estate	365,420,850	0.47%
Park I/II Spectrum LLC	Real Estate	353,535,651	0.45%
Calatlantic Group Inc	Developer/Real Estate	344,245,885	0.44%
		<b>\$6,949,023,809</b>	<b>8.85%</b>

**Source:** City of Irvine Comprehensive Annual Financial Report (Fiscal Year Ended June 30, 2019).  
Data was not yet available for FY 2019/20 from the City of Irvine. The City of Irvine is only a part of the IRWD service area.

**Irvine Ranch Water District**  
**Property Tax Collections/Delinquency**  
**For the Past Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Levied During Fiscal Year</b>		<b>Collected During Fiscal Year</b>	
	<b>1 Percent<sup>(1)</sup></b>	<b>General Obligation<sup>(2)</sup></b>	<b>1 Percent</b>	<b>General Obligation<sup>(3)</sup></b>
2011	\$ 26,493,900	\$ 10,323,198	\$ 25,892,653	\$ 11,180,391
2012	26,749,900	10,558,510	25,953,788	11,716,056
2013	26,749,900	10,733,998	29,265,283	11,802,915
2014	26,749,900	11,374,556	27,606,048	12,463,175
2015	29,000,000	9,203,641	28,668,756	9,585,904
2016	31,900,000	11,133,538	31,115,506	10,879,713
2017	33,500,000	11,679,081	33,318,168	12,822,313
2018	35,000,000	13,964,731	35,977,694	15,482,916
2019	39,000,000	16,142,433	38,717,848	17,906,438
2020	45,000,000	18,480,090	40,739,166	19,603,125
<b>Total</b>	<b>\$320,143,600</b>	<b>\$123,593,776</b>	<b>\$317,254,910</b>	<b>\$133,442,946</b>

<b>Fiscal Year</b>	<b>Percentage Collected</b>		<b>Amount of Levy Collected in Subsequent Periods</b>	
	<b>1 Percent</b>	<b>General Obligation</b>	<b>1 Percent</b>	<b>General Obligation</b>
2011	97.73%	108.30%	\$ 1,153,265	\$ 753,309
2012	97.02%	110.96%	733,450	118,691
2013	109.40%	109.96%	989,396	438,947
2014	103.20%	109.57%	1,148,873	988,796
2015	98.86%	104.15%	2,275,461	4,888
2016	97.54%	97.72%	1,192,700	884,301
2017	99.46%	109.79%	1,230,854	1,443,272
2018	102.79%	110.87%	1,542,713	1,635,416
2019	99.28%	110.93%	1,510,697	1,911,630
2020	90.53%	106.08%	1,749,765	1,515,136
<b>Total</b>			<b>\$ 13,527,174</b>	<b>\$ 9,694,386</b>

Source County of Orange Tax Ledger

**Notes:**

- (1) The estimated levy for one percent revenue is generated internally and it is based on prior year receipts and developer growth projections.
- (2) The estimated levy for G.O. tax receipts is based on the county's assessed value projection multiplied by the tax rate assessed within each improvement district.
- (3) The General column for Collected tax receipts includes an unbudgeted utility tax revenue from improvement districts 190/290 that adds approximately \$400K per year.

**Irvine Ranch Water District**  
**Outstanding Debt by Type <sup>(1)</sup>**  
**For the Past Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Total Service Connections <sup>(2)</sup></b>	<b>General Obligation Bonds <sup>(3)</sup></b>	<b>GO Debt per Connection</b>	<b>Certificates of Participation</b>	<b>COPS Debt per Connection</b>
2011	191,474	\$562,051,000	\$2,935	\$88,043,000	\$460
2012	193,293	548,549,000	2,838	83,616,000	433
2013	196,596	534,343,000	2,718	78,698,000	400
2014	200,559	515,900,000	2,572	73,565,000	367
2015	203,762	503,800,000	2,472	67,293,000	330
2016	209,267	491,200,000	2,347	60,387,000	289
2017	215,573	608,118,000	2,821	153,626,000	713
2018	222,918	586,493,000	2,631	150,275,000	674
2019	227,749	574,669,000	2,523	146,744,000	644
2020	231,439	562,645,000	2,431	143,028,000	618

**Irvine Ranch Water District**  
**Outstanding Debt by Type <sup>(1)</sup>**  
**For the Past Ten Fiscal Years**  
**(Continued)**

<b>Fiscal Year</b>	<b>JPA Revenue Bonds</b>	<b>JPA Debt per Connection</b>	<b>Notes Payable</b>	<b>Notes Payable per Connection</b>	<b>Total Debt</b>	<b>Total Debt per Connection</b>
2011	\$676,415,000	\$3,533	\$2,747,000	\$14	\$1,329,256,000	\$6,942
2012	638,521,000	3,303	2,494,000	13	1,273,180,000	6,587
2013	610,568,000	3,106	2,240,000	11	1,225,849,000	6,235
2014	0	0	1,984,000	10	591,449,000	2,949
2015	0	0	1,728,000	8	572,821,000	2,811
2016	0	0	1,469,000	7	553,056,000	2,643
2017	0	0	1,209,000	6	762,953,000	3,539
2018	0	0	947,000	4	737,715,000	3,309
2019	0	0	684,000	3	722,097,000	3,171
2020	0	0	419,000	2	706,092,000	3,051

**Source:** Irvine Ranch Water District

**Notes:**

- <sup>(1)</sup> More detail about the District's long-term liabilities can be found in Note 9 to the Basic Financial Statements.
- <sup>(2)</sup> Per Capita income information for the Irvine Ranch Water District is not readily available. Accordingly, the District presents this schedule by total service connections.
- <sup>(3)</sup> Includes unamortized discount/deferred loss on refunding for the fiscal year 2010 through the fiscal year 2013.

**Irvine Ranch Water District**  
**Outstanding General Obligation Bonds by Improvement District**  
**As of June 30, 2020**

<b>Improvement District</b>	<b>General Obligation Bonds Authorized</b>	<b>General Obligation Bonds Issued</b>	<b>Remaining Unissued General Obligation Bonds Authorized</b>	<b>Amount Outstanding as of June 30, 2020</b>
112	\$ 28,512,300	\$ 8,111,000	\$ 20,401,300	\$ 7,385,000
113	25,769,500	16,300,000	9,469,500	14,038,000
125	735,246,000	429,729,000	305,517,000	178,837,000
153	237,300,000	7,601,000	229,699,000	7,601,000
154	4,839,000	0	4,839,000	0
185	13,500,000	1,493,000	12,007,000	1,493,000
188	8,174,000	4,590,000	3,584,000	1,585,000
<b>Total</b>	<b>\$1,053,340,800</b>	<b>\$ 467,824,000</b>	<b>\$ 585,516,800</b>	<b>\$210,939,000</b>
210	\$ 2,000,000	\$ 2,000,000	\$ 0	\$ 0
212	108,711,800	26,013,000	82,698,800	24,070,000
213	87,647,500	28,565,000	59,082,500	22,947,000
225	856,643,000	493,304,000	363,339,000	250,818,000
240	117,273,000	49,722,000	67,551,000	16,177,000
253	122,283,000	11,877,000	110,406,000	11,877,000
285	21,300,000	1,809,000	19,491,000	1,809,000
288	8,977,000	443,000	8,534,000	363,000
<b>Total</b>	<b>\$1,324,835,300</b>	<b>\$ 613,733,000</b>	<b>\$ 711,102,300</b>	<b>\$328,061,000</b>
<b>Total</b>	<b>\$2,378,176,100</b>	<b>\$1,081,557,000</b>	<b>\$1,296,619,100</b>	<b>\$539,000,000</b>

Source: Irvine Ranch Water District

**Irvine Ranch Water District**  
**Ratio of General Obligation Debt to Assessed Values <sup>(1)</sup>**  
**for the Past Ten Fiscal Years**

Fiscal Year	Assessed Valuation	General Obligation Debt Outstanding	General Obligation Debt to Assessed Valuation	Fiscal Year	Assessed Valuation	General Obligation Debt Outstanding	General Obligation Debt to Assessed Valuation
<b>Improvement District 112</b>				<b>Improvement District 212</b>			
2011	\$ 539,618,060	\$ 5,745,000	0.01064642	2011	\$ 539,618,060	\$ 15,705,000	0.02910392
2012	504,820,526	5,745,000	0.01138028	2012	504,820,526	15,705,000	0.03111007
2013	511,871,892	5,653,500	0.01104476	2013	511,871,892	15,461,500	0.03020580
2014	780,606,904	5,562,000	0.00712523	2014	780,606,904	15,218,000	0.01949509
2015	1,333,029,836	5,470,000	0.00410343	2015	1,333,029,836	14,974,000	0.01123306
2016	1,850,638,433	5,378,000	0.00290602	2016	1,850,638,433	14,731,000	0.00795996
2017	2,077,681,111	7,658,000	0.00368584	2017	2,077,681,111	24,801,000	0.01193687
2018	2,795,881,726	7,567,000	0.00270648	2018	2,795,881,726	24,558,000	0.00878363
2019	3,230,805,159	7,475,979	0.00231397	2019	3,230,805,159	24,313,823	0.00752562
2020	3,706,557,300	7,384,479	0.00199227	2020	3,706,557,300	24,070,323	0.00649398
<b>Improvement District 113</b>				<b>Improvement District 213</b>			
2011	\$ 553,458,157	\$ 9,770,000	0.01765264	2011	\$ 553,458,157	\$ 17,283,000	0.03122729
2012	536,369,090	15,794,500	0.02944707	2012	536,369,090	23,418,645	0.04366144
2013	562,239,093	15,541,750	0.02764260	2013	562,239,093	22,828,480	0.04060280
2014	674,596,339	14,150,000	0.02097551	2014	674,596,339	22,074,000	0.03272179
2015	827,524,085	13,900,000	0.01679709	2015	827,524,085	21,488,000	0.02596662
2016	885,391,548	13,638,000	0.01540335	2016	885,391,548	20,839,000	0.02353648
2017	1,031,821,023	14,870,000	0.01441141	2017	1,031,821,023	24,950,000	0.02418055
2018	1,143,798,184	14,597,000	0.01276187	2018	1,143,798,184	24,288,000	0.02123452
2019	1,186,452,170	14,319,920	0.01206953	2019	1,186,452,170	23,621,096	0.01990902
2020	1,283,110,993	14,037,420	0.01094015	2020	1,283,110,993	22,947,396	0.01788419
<b>Improvement District 125</b>				<b>Improvement District 225</b>			
2011	n/a	n/a	n/a	2011	n/a	n/a	n/a
2012	n/a	n/a	n/a	2012	n/a	n/a	n/a
2013	n/a	n/a	n/a	2013	n/a	n/a	n/a
2014	\$29,578,638,615	\$192,075,000	0.00649371	2014	\$24,757,488,949	\$240,995,000	0.00973423
2015	32,752,414,757	187,604,000	0.00572794	2015	27,557,606,802	235,865,000	0.00855898
2016	35,506,392,050	182,932,000	0.00515209	2016	29,945,134,379	230,535,000	0.00769858
2017	38,802,873,378	194,719,000	0.00501816	2017	32,838,922,602	268,655,000	0.00818099
2018	42,983,731,609	187,049,000	0.00435162	2018	36,549,538,031	260,260,000	0.00712075
2019	45,924,240,097	184,083,028	0.00400841	2019	39,234,190,651	256,320,180	0.00653308
2020	48,290,836,261	178,836,724	0.00370333	2020	41,383,837,339	250,818,303	0.00606078

**Irvine Ranch Water District**  
**Ratio of General Obligation Debt to Assessed Values <sup>(1)</sup>**  
**for the Past Ten Fiscal Years**  
**(continued)**

<b>Fiscal Year</b>	<b>Assessed Valuation</b>	<b>General Obligation Debt Outstanding</b>	<b>General Obligation Debt to Assessed Valuation</b>	<b>Fiscal Year</b>	<b>Assessed Valuation</b>	<b>General Obligation Debt Outstanding</b>	<b>General Obligation Debt to Assessed Valuation</b>
<b>Improvement District 240</b>							
2011	\$ 4,903,741,743			2011	\$ 4,903,741,743	\$ 29,527,697	0.00602146
2012	4,973,007,663			2012	4,973,007,663	28,081,173	0.00564672
2013	5,343,804,951			2013	5,343,804,951	26,441,526	0.00494807
2014	5,609,174,229			2014	5,609,174,229	24,078,000	0.00429261
2015	6,031,968,996			2015	6,031,968,996	22,767,000	0.00377439
2016	6,449,202,772			2016	6,449,202,772	21,431,000	0.00332305
2017	7,000,292,817			2017	7,000,292,817	21,271,000	0.00303859
2018	7,667,626,922			2018	7,667,626,922	17,921,000	0.00233723
2019	8,000,510,347			2019	8,000,510,347	17,202,092	0.00215012
2020	8,281,189,054			2020	8,281,189,054	16,177,474	0.00195352
<b>Improvement District 153</b>							
2011	\$ 7,971,152	n/a	n/a	2011	\$ 7,971,152	n/a	n/a
2012	8,114,060	n/a	n/a	2012	8,114,060	n/a	n/a
2013	8,475,848	n/a	n/a	2013	8,475,848	n/a	n/a
2014	8,687,744	n/a	n/a	2014	228,692,347	n/a	n/a
2015	666,622,225	n/a	n/a	2015	666,622,225	n/a	n/a
2016	1,287,363,937	n/a	n/a	2016	1,287,363,937	n/a	n/a
2017	2,893,148,966	\$ 7,601,000	0.00262724	2017	2,893,148,966	\$ 11,877,000	0.00410522
2018	4,097,566,306	7,601,000	0.00185500	2018	4,097,566,306	11,877,000	0.00289855
2019	5,118,350,587	7,601,244	0.00148510	2019	5,118,350,587	11,877,248	0.00232052
2020	5,812,018,792	7,601,244	0.00130785	2020	5,812,018,792	11,877,248	0.00204357
<b>Improvement District 253</b>							
<b>Improvement District 154</b>							
2011	\$ 8,904,175	n/a	n/a	2011	\$ 8,904,175	n/a	n/a
2012	9,127,678	n/a	n/a	2012	9,127,678	n/a	n/a
2013	9,334,512	n/a	n/a	2013	9,334,512	n/a	n/a
2014	9,111,103	n/a	n/a	2014	9,111,103	n/a	n/a
2015	9,289,351	n/a	n/a	2015	9,289,351	n/a	n/a
2016	9,266,433	n/a	n/a	2016	9,266,433	n/a	n/a
2017	9,376,883	n/a	n/a	2017	9,376,883	n/a	n/a
2018	9,529,712	n/a	n/a	2018	9,529,712	n/a	n/a
2019	9,720,296	n/a	n/a	2019	9,720,296	n/a	n/a
2020	9,914,693	n/a	n/a	2020	9,914,693	n/a	n/a



**Irvine Ranch Water District**  
**Ratio of General Obligation Debt to Assessed Values <sup>(1)</sup>**  
**for the Past Ten Fiscal Years**  
**(continued)**

Fiscal Year	Assessed Valuation	General Obligation Debt Outstanding	General Obligation Debt to Assessed Valuation	Fiscal Year	Assessed Valuation	General Obligation Debt Outstanding	General Obligation Debt to Assessed Valuation
<b>Improvement District 185</b>				<b>Improvement District 285</b>			
2010	n/a	n/a	n/a	2010	n/a	n/a	n/a
2011	n/a	n/a	n/a	2011	n/a	n/a	n/a
2012	n/a	n/a	n/a	2012	n/a	n/a	n/a
2013	n/a	n/a	n/a	2013	n/a	n/a	n/a
2014	\$ 85,119,097	n/a	n/a	2014	\$ 85,119,097	n/a	n/a
2015	209,634,682	n/a	n/a	2015	209,634,682	n/a	n/a
2016	586,316,903	n/a	n/a	2016	586,316,903	n/a	n/a
2017	836,640,799	\$ 1,493,000	0.00178452	2017	836,640,799	\$ 1,809,000	0.00216222
2018	1,209,166,559	1,493,000	0.00123473	2018	1,209,166,559	1,809,000	0.00149607
2019	1,465,394,626	1,492,889	0.00101876	2019	1,465,394,626	1,808,776	0.00123433
2020	1,262,000,047	1,492,889	0.00118295	2020	1,262,000,047	1,808,776	0.00143326
<b>Improvement District 188</b>				<b>Improvement District 288</b>			
2011	\$ 13,887,854	\$ 2,155,702	0.15522211	2011	\$ 13,887,854	\$ 300,000	0.02160161
2012	14,165,606	1,942,809	0.13714973	2012	14,165,606	300,000	0.02117806
2013	14,448,912	1,714,661	0.11867060	2013	14,448,912	290,000	0.02007072
2014	14,446,476	1,468,000	0.10161648	2014	14,446,476	280,000	0.01938189
2015	14,735,113	1,462,000	0.09921879	2015	14,735,113	270,000	0.01832358
2016	185,851,827	1,456,000	0.00783420	2016	185,851,827	260,000	0.00139896
2017	196,953,990	1,603,000	0.00813896	2017	196,953,990	393,000	0.00199539
2018	212,742,385	1,597,000	0.00750673	2018	212,742,385	383,000	0.00180030
2019	246,753,329	1,590,618	0.00644619	2019	246,753,329	373,106	0.00151206
2020	255,088,204	1,584,618	0.00621204	2020	255,088,204	363,106	0.00142345

Source: Irvine Ranch Water District

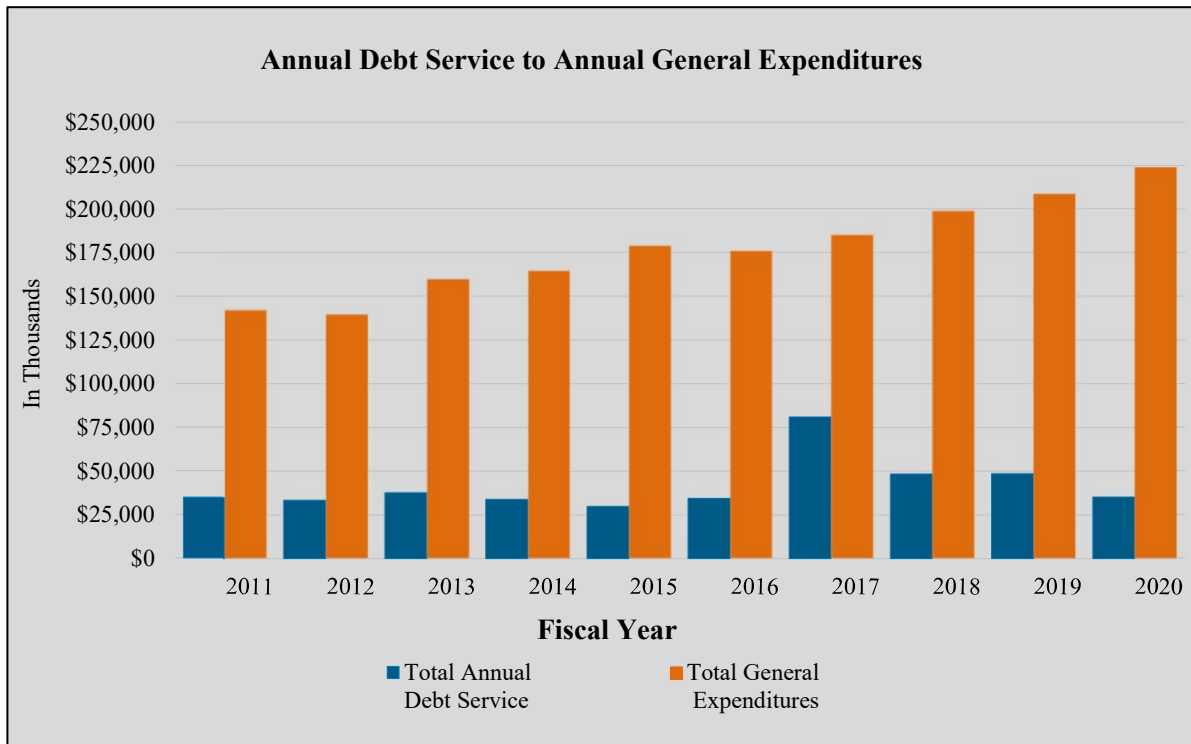
**Note:**

<sup>(1)</sup> In December 2013, the District consolidated water ID's 120, 121, 130, 140, 150, 160, 161, 182, 184, and 186 into ID 125 and sewer ID's 220, 221, 230, 250, 260, 261, 282, 284, and 286 into ID 225.

## Irvine Ranch Water District

Ratio of Annual Debt Service Expenditures to Total General Expenditures  
For the Past Ten Fiscal Years  
(in thousands)

Fiscal Year	Total Annual Debt Service	Total General Expenditures	Ratio of Total Annual Debt Service to Total General Expenditures
2011	\$34,842	\$141,831	24.6%
2012	33,437	139,444	24.0%
2013	37,734	159,558	23.6%
2014	34,009	164,420	20.7%
2015	29,921	178,713	16.7%
2016	34,560	175,694	19.7%
2017	81,029	184,854	43.8%
2018	48,349	198,549	24.4%
2019	48,529	208,219	23.3%
2020	35,247	223,549	15.8%



Source: Irvine Ranch Water District

**Irvine Ranch Water District**  
Debt Service Coverage (in thousands)  
For the Past Ten Fiscal Years

	Fiscal Year				
	2011	2012	2013	2014	2015
<b>Revenues</b>					
Water sales and service charges	\$ 54,796	\$ 57,558	\$ 62,565	\$ 66,321	\$ 70,110
Sewer sales and service charges	45,375	49,234	53,085	58,109	62,808
Developer Connection fees	10,572	9,030	17,314	22,429	29,183
Net real estate income	5,649	6,736	6,566	7,760	8,191
Interest income	2,599	1,739	1,549	1,671	1,515
Net earnings on JPA	12,444	11,927	20,294	12,356	0
Available 1% property tax revenue	22,396	23,165	25,796	28,532	29,770
Other	7,987	6,141	8,323	10,974	7,899
<b>Total Revenues</b>	<b>161,818</b>	<b>165,530</b>	<b>195,492</b>	<b>208,152</b>	<b>209,476</b>
<b>Expenses</b>					
Water supply services	45,961	44,883	51,163	57,624	57,978
Sewer services	33,382	33,086	38,189	37,715	54,575
Administrative and general	18,896	20,097	22,667	17,487	16,012
Pension and OPEB Expense	0	0	0	4,785	2,237
Other	989	10,713	6,110	7,163	9,752
<b>Total Expenses</b>	<b>99,228</b>	<b>108,779</b>	<b>118,129</b>	<b>124,774</b>	<b>140,554</b>
<b>Net Revenues</b>	<b>\$ 62,590</b>	<b>\$ 56,751</b>	<b>\$ 77,363</b>	<b>\$ 83,378</b>	<b>\$ 68,922</b>
Applicable <i>Ad Valorem</i> Assessments Available for GO					
Double-Barrel Bonds	\$ 0	\$ 5,823	\$ 5,838	\$ 6,409	\$ 4,839
<b>Parity Obligations</b>					
Certificates of Participation	\$ 7,680	\$ 8,016	\$ 8,388	\$ 8,753	\$ 9,098
1997 State Loan #3	226	226	226	227	227
Series 2010B Bonds	4,080	7,533	7,519	7,825	7,829
Series 2011-A Index Tender Notes	35	2,284	2,306	2,360	2,455
2016 General Obligation	0	0	0	0	0
Total Parity Obligations Debt Service	12,021	18,059	18,439	19,165	19,609
<b>Remaining Revenues</b>	<b>\$ 50,569</b>	<b>\$ 44,515</b>	<b>\$ 64,762</b>	<b>\$ 70,622</b>	<b>\$ 54,152</b>
<b>Parity Obligation Coverage</b>	<b>5.2 x</b>	<b>3.5 x</b>	<b>4.5 x</b>	<b>4.7 x</b>	<b>3.8 x</b>
<b>Subordinate Obligations</b>					
Fixed Payer Swap Payments	\$ 7,734	\$ 7,734	\$ 7,452	\$ 7,475	\$ 7,734
State Loans and SCWD Debt	253	308	308	308	308
Total Subordinate Obligations	7,987	8,042	7,760	7,783	8,042
<b>Remaining Revenues</b>	<b>\$ 42,582</b>	<b>\$ 36,473</b>	<b>\$ 57,002</b>	<b>\$ 62,839</b>	<b>\$ 46,110</b>
<b>Non-Double-Barrel GO Bonds</b>					
<b>Revenues Pledged to Non-Double-Barrel GO Bonds</b>					
1% Property tax revenues (Pledged to Secured Bonds)	\$ 4,593	\$ 3,313	\$ 3,470	\$ 3,013	\$ 3,358
Pro-rata Share <i>Ad valorem</i> Assessments for Non-Double-Barrel GO Bonds	11,690	5,761	5,965	4,797	4,463
<b>Sub-total Pledged Revenues</b>	<b>58,865</b>	<b>45,547</b>	<b>66,437</b>	<b>70,649</b>	<b>53,931</b>
<b>Additional Funds Available for Non-Double-Barrel GO Bonds</b>					
Remaining 1% Property Tax Revenues	22,396	23,165	25,796	28,532	29,770
Additional Net Revenues	20,186	13,308	25,248	34,307	16,340
<b>Total with Additional Pledged Revenues</b>	<b>\$ 58,865</b>	<b>\$ 45,547</b>	<b>\$ 66,437</b>	<b>\$ 70,649</b>	<b>\$ 53,931</b>
<b>Debt Service</b>					
Non-Double-Barrel GO Bond Debt Service	\$ 16,899	\$ 16,899	\$ 17,129	\$ 10,968	\$ 12,840
GO Bond Coverage	3.5 x	2.7 x	3.9 x	6.4 x	4.2 x
<b>Remaining Revenues</b>	<b>\$ 41,966</b>	<b>\$ 28,648</b>	<b>\$ 49,308</b>	<b>\$ 59,681</b>	<b>\$ 41,091</b>
Total Debt Coverage	2.1 x	1.7 x	2.1 x	2.6 x	2.0 x

**Irvine Ranch Water District**  
**Debt Service Coverage (in thousands)**  
**For the Past Ten Fiscal Years**  
**(Continued)**

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>Revenues</b>					
Water sales and service charges	\$ 76,692	\$ 77,252	\$ 84,575	\$ 94,107	\$ 90,213
Sewer sales and service charges	67,682	72,054	76,789	76,841	77,187
Developer Connection fees	32,109	25,563	32,674	18,205	10,943
Net real estate income	8,693	9,076	3,405	8,372	12,549
Interest income	1,585	3,210	4,133	6,199	7,790
Net earnings on JPA	0	0	0	0	0
Available 1% property tax revenue	31,645	34,247	29,649	42,389	44,463
Other	7,836	7,117	7,504	8,876	6,606
<b>Total Revenues</b>	<b>226,242</b>	<b>228,519</b>	<b>238,729</b>	<b>254,989</b>	<b>249,751</b>
<b>Expenses</b>					
Water supply services	57,499	55,296	63,671	64,004	67,792
Sewer services	40,413	42,752	38,115	43,734	49,497
Administrative and general	19,909	22,664	22,390	25,610	24,303
Pension and OPEB Expense	2,831	5,146	5,333	4,700	9,629
Other	2,800	1,997	174	2,615	5,240
<b>Total Expenses</b>	<b>123,452</b>	<b>127,855</b>	<b>129,683</b>	<b>140,663</b>	<b>156,461</b>
<b>Net Revenues</b>	<b>\$102,790</b>	<b>\$100,664</b>	<b>\$109,046</b>	<b>\$114,326</b>	<b>\$ 93,290</b>
Applicable <i>Ad Valorem</i> Assessments Available for GO Double-Barrel Bonds	\$ 6,036	\$ 8,605	\$ 10,499	\$ 12,554	\$ 13,548
<b>Parity Obligations</b>					
Certificates of Participation	\$ 9,487	\$ 11,675	\$ 7,722	\$ 7,821	\$ 7,916
1997 State Loan #3	227	194	194	194	194
Series 2010B Bonds	7,823	7,813	7,807	7,792	7,778
Series 2011-A Index Tender Notes	2,927	2,967	3,675	4,045	3,887
2016 General Obligation	0	1,605	5,301	5,301	5,301
Total Parity Obligations Debt Service	20,464	24,254	24,699	25,153	25,076
Remaining Revenues	\$ 88,362	\$ 85,015	\$ 94,846	\$101,727	\$ 81,762
<b>Parity Obligation Coverage</b>	<b>5.3 x</b>	<b>4.5 x</b>	<b>4.8 x</b>	<b>5.0 x</b>	<b>4.3 x</b>
<b>Subordinate Obligations</b>					
Fixed Payer Swap Payments	\$ 7,712	\$ 6,798	\$ 5,739	\$ 4,513	\$ 2,496
State Loans and SCWD Debt	308	133	122	122	100
Total Subordinate Obligations	8,020	6,931	5,861	4,635	2,596
<b>Remaining Revenues</b>	<b>\$ 80,342</b>	<b>\$ 78,084</b>	<b>\$ 88,985</b>	<b>\$ 97,092</b>	<b>\$ 79,166</b>
<b>Non-Double-Barrel GO Bonds</b>					
<b>Revenues Pledged to Non-Double-Barrel GO Bonds</b>					
1% Property tax revenues (Pledged to Secured Bonds)	\$ 3,226	\$ 3,128	\$ 10,834	\$ 1,192	\$ 1,141
Pro-rata Share <i>Ad valorem</i> Assessments for Non-Double-Barrel GO Bonds	5,396	5,341	6,265	6,922	7,223
<b>Sub-total Pledged Revenues</b>	<b>88,964</b>	<b>86,553</b>	<b>106,084</b>	<b>105,206</b>	<b>87,530</b>
<b>Additional Funds Available for Non-Double-Barrel GO Bonds</b>					
Remaining 1% Property Tax Revenues	31,645	34,247	29,649	42,389	44,463
Additional Net Revenues	48,697	43,837	59,336	54,703	34,703
<b>Total with Additional Pledged Revenues</b>	<b>\$ 88,964</b>	<b>\$ 86,553</b>	<b>\$106,084</b>	<b>\$105,206</b>	<b>\$87,530</b>
<b>Debt Service</b>					
Non-Double-Barrel GO Bond Debt Service	\$ 11,173	\$ 12,385	\$ 20,843	\$ 11,436	\$ 10,781
GO Bond Coverage	8.0 x	7.0 x	5.1 x	9.2 x	8.1 x
<b>Remaining Revenues</b>	<b>\$ 77,791</b>	<b>\$ 74,168</b>	<b>\$ 85,241</b>	<b>\$ 93,770</b>	<b>\$ 76,749</b>
Total Debt Coverage	3.0 x	2.7 x	2.7 x	3.3 x	3.0 x

Source: Irvine Ranch Water District

## Irvine Ranch Water District

### Principal Employers

Fiscal Year Ended June 30, 2020

<b>Name of Company</b>	<b>Number of Employees</b>	<b>Products</b>	<b>Percentage of Employment</b>
University of California, Irvine	23,884	Educational	8.70%
Blizzard Entertainment, Inc	4,022	Technology	1.46%
Irvine Unified School District	3,856	Educational	1.40%
Edwards Lifesciences, LLC	2,987	Surgical Appliances and Supplies	1.09%
Amazon.com Services	2,327	Technology	0.85%
B Braun Medical	1,910	Bio-Medical Manufacturing	0.70%
Broadcom	1,900	Technology	0.69%
Parker Hannifin Corporation	1,650	Aircraft Parts	0.60%
Glidewell Laboratories	1,538	Dental Appliances	0.56%
Western Digital	1,350	Technology	0.49%
			<b>16.54%</b>

**Source:** City of Irvine Comprehensive Annual Financial Report (Fiscal Year Ended June 30, 2019)

Data was not yet available for FY 2019/20 from the City of Irvine.

The City of Irvine is only a part of the IRWD service area.

**Irvine Ranch Water District**  
 Demographic & Economic Statistics  
 For the Past Ten Fiscal Years

<b>Fiscal Year Ended</b>	<b>IRWD Population</b>	<b>City of Irvine Population</b>	<b>City of Irvine Median Family Income</b>	<b>Total Personal Income (in thousands)</b>	<b>County of Orange Unemployment Rate</b>
2011	330,000	219,156	\$ 93,258	\$ 8,481,794	9.2%
2012	334,000	223,729	90,939	8,886,628	7.9%
2013	340,000	231,117	92,599	8,174,011	6.1%
2014	370,000	242,651	92,663	9,595,168	5.0%
2015	370,000	250,384	90,585	10,593,508	4.2%
2016	390,000	258,386	91,999	10,946,242	3.6%
2017	390,000	267,086	92,278	12,840,224	3.2%
2018	390,000	276,176	93,823	12,272,130	2.6%
2019	422,000	280,202	104,185	12,272,130	2.4%
2020	425,208	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>	13.7%

**Source:** City of Irvine Comprehensive Annual Financial Report (Fiscal Year Ended June 30, 2019) and County of Orange website.

Data for the entire Irvine Ranch Water District service area is not readily available. The City of Irvine is only a part of the IRWD service area.

**Note:**

<sup>(1)</sup> City of Irvine Population, Median Family Income, and Total Personal Income for FY 2020 has not yet been published by the City of Irvine.

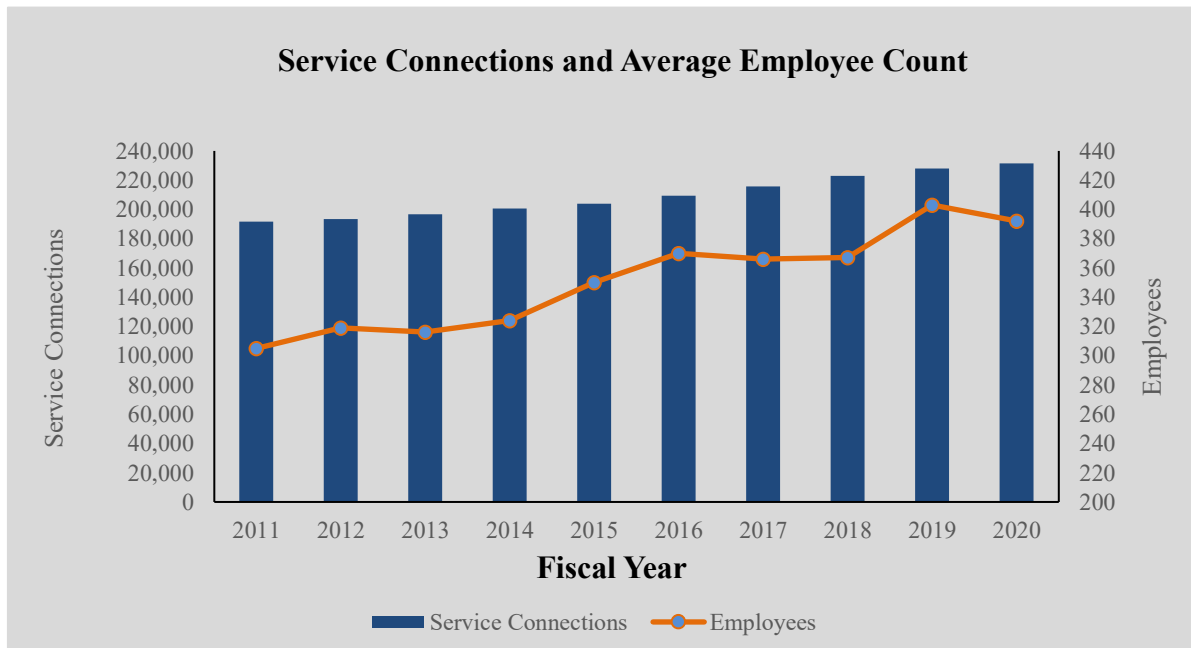
## Irvine Ranch Water District

### Operating Indicators by Function

#### Water and Sewer Service Connections

#### For the Past Ten Fiscal Years

Fiscal Year	Water	Sewer & Recycled Water	Total Service Connections	Average Employee Population <sup>(1)</sup>	Service Connections per Employee
2011	98,637	92,837	191,474	305	628
2012	99,465	93,828	193,293	319	606
2013	101,108	95,488	196,596	316	622
2014	103,077	97,482	200,559	324	619
2015	104,678	99,084	203,762	350	582
2016	107,402	101,865	209,267	370	566
2017	110,520	105,053	215,573	366	589
2018	114,164	108,754	222,918	367	607
2019	116,539	111,210	227,749	403	565
2020	118,263	113,176	231,439	392	590



Source: Irvine Ranch Water District

**Note:**

<sup>(1)</sup> Includes permanent, temporary and interns.

**Irvine Ranch Water District**  
**Operating Indicators by Function**  
**New Service Connections**  
**For the Past Ten Fiscal Years**

	<b>Fiscal Year</b>									
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016<sup>(1)</sup></b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Water</b>										
Residential	1,469	862	1,520	1,848	1,727	2,513	2,928	3,355	2,314	1,783
Commercial/Industrial/ Public Authority	98	18	27	40	(126)	82	88	133	27	16
Fire Protection	40	37	55	50	29	107	83	99	68	21
Construction & Temporary	39	3	31	36	4	3	14	43	(23)	(28)
Landscape Irrigation	(21)	(89)	8	(4)	(30)	19	5	13	(11)	(65)
Agricultural	(11)	(3)	2	(1)	(3)	0	0	1	0	(3)
<b>Total Water</b>	<b>1,614</b>	<b>828</b>	<b>1,643</b>	<b>1,969</b>	<b>1,601</b>	<b>2,724</b>	<b>3,118</b>	<b>3,644</b>	<b>2,375</b>	<b>1,724</b>
<b>Sewer</b>										
Residential	1,462	861	1,521	1,829	1,727	2,501	2,894	3,340	2,314	1,781
Commercial/Industrial/ Public Authority	37	21	29	41	(232)	88	84	137	45	21
Construction & Temporary	0	0	0	0	0	0	0	0	0	1
Landscape Irrigation	85	102	112	127	113	0	0	0	0	0
Agricultural	1	7	(2)	(3)	(6)	0	0	0	0	0
<b>Total Sewer</b>	<b>1,585</b>	<b>991</b>	<b>1,660</b>	<b>1,994</b>	<b>1,602</b>	<b>2,589</b>	<b>2,978</b>	<b>3,477</b>	<b>2,359</b>	<b>1,803</b>
<b>Recycled Water</b>										
Residential	0	0	0	0	0	6	33	14	1	9
Commercial/Industrial/ Public Authority	0	0	0	0	0	8	9	14	12	6
Construction & Temporary	0	0	0	0	0	13	8	(5)	(1)	(9)
Landscape Irrigation	0	0	0	0	0	162	161	199	85	155
Agricultural	0	0	0	0	0	3	(1)	2	0	2
<b>Total Recycled Water</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>192</b>	<b>210</b>	<b>224</b>	<b>97</b>	<b>163</b>
<b>Total</b>	<b>3,199</b>	<b>1,819</b>	<b>3,303</b>	<b>3,963</b>	<b>3,203</b>	<b>5,505</b>	<b>6,306</b>	<b>7,345</b>	<b>4,831</b>	<b>3,690</b>

**Source:** Irvine Ranch Water District

**Note:**

<sup>(1)</sup> New connection data for Recycled Water connections was not available prior to the fiscal year 2016.



**Irvine Ranch Water District**  
 Operating Indicators by Function  
 Average Monthly Usage (in CCF)  
 For the Past Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Water</b>										
Residential	9	9	9	9	12	11	11	12	11	11
Commercial	56	61	63	66	57	60	57	61	59	51
Industrial	201	201	204	192	267	222	232	213	212	201
Public Authority	295	296	306	305	378	287	260	260	242	164
Construction & Temporary	79	106	181	241	398	285	148	172	75	70
Treated - Landscape Irrigation	85	94	105	182	110	74	82	95	82	76
Treated - Agricultural	925	835	733	575	646	327	402	403	255	283
Untreated - Agricultural	4,714	4,768	5,799	6,314	8,504	8,047	6,315	6,274	4,700	2,953
<b>Total</b>	<b>6,364</b>	<b>6,370</b>	<b>7,400</b>	<b>7,884</b>	<b>10,372</b>	<b>9,313</b>	<b>7,507</b>	<b>7,490</b>	<b>5,636</b>	<b>3,809</b>
<b>Recycled water</b>										
Landscape Irrigation	134	152	169	182	192	186	170	195	145	128
Agricultural	2,247	3,768	4,145	3,882	4,992	3,891	3,197	3,292	2,438	5,451
<b>Total</b>	<b>2,381</b>	<b>3,920</b>	<b>4,314</b>	<b>4,064</b>	<b>5,184</b>	<b>4,077</b>	<b>3,367</b>	<b>3,487</b>	<b>2,583</b>	<b>5,579</b>

Source: Irvine Ranch Water District

**Irvine Ranch Water District**  
**Source of Supply and Water Deliveries / Sales in Acre Feet**  
**For the Past Ten Fiscal Years**

**Source of Supply**  
(in Acre Feet)

<b>Fiscal Year</b>	<b>Groudwater</b>	<b>Runoff Capture (Irvine Lake)</b>	<b>Imported Water</b>	<b>Recycled Water</b>	<b>Total Supply</b>
2011	41,247	27	30,260	21,030	92,564
2012	35,257	4,152	26,155	20,602	86,166
2013	47,211	2,756	20,151	22,983	93,101
2014	55,015	0	22,508	21,038	98,561
2015	47,905	6,152	18,628	22,866	95,551
2016	46,901	25	11,853	23,206	81,985
2017	49,208	1,937	19,397	22,006	92,549
2018	48,109	6,109	15,436	25,255	94,909
2019	47,258	4,151	13,937	22,381	87,727
2020	47,810	6,524	13,002	24,627	91,963

**Water Deliveries / Sales**  
(in Acre Feet)

<b>Fiscal Year</b>	<b>Potable and Untreated</b>	<b>Recycled Water <sup>(1)</sup></b>	<b>Total Demand</b>
2011	53,642	19,936	73,578
2012	54,818	25,011	79,829
2013	57,203	28,259	85,462 <sup>(2)</sup>
2014	59,907	30,021	89,928 <sup>(2)</sup>
2015	58,319	32,139	90,458 <sup>(2)</sup>
2016	51,098	26,879	77,977 <sup>(3)</sup>
2017	51,299	27,860	79,159
2018	55,138	31,642	86,780
2019	51,651	27,689	79,340 <sup>(4)</sup>
2020	51,761	31,119	82,880

**Source:** Irvine Ranch Water District

**Notes:**

- <sup>(1)</sup> The additional demands are met with runoff capture and imported water.
- <sup>(2)</sup> Extremely dry conditions led to a considerable increase in demands.
- <sup>(3)</sup> State mandated reduction in usage resulted in a significant decrease in overall demand.
- <sup>(4)</sup> Significant rainfall resulted in a decrease in overall demand.

**Irvine Ranch Water District**  
**Capital Asset Statistics**  
**For the Past Ten Fiscal Years**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Potable System</b>										
Miles of Water Line <sup>(1)</sup>	1,460	1,490	1,516	1,597	1,622	1,760	1,810	1,905	1,919	1,955
Number of Storage Tanks <sup>(2)</sup>	37	37	36	36	36	36	36	36	36	37
Maximum Storage Capacity (Acre Feet)	456	456	456	456	456	456	456	456	456	467
Number of Pumping Stations	43	43	37	38	39	39	39	39	39	39
Number of Wells	24	24	26	26	27	27	27	27	27	27
Well Production Capacity (cfs)	117	117	124	124	128	128	118	118	118	118
Water Banking Storage (Acre Feet)	109,600	109,600	109,600	109,600	109,600	126,000	126,000	126,000	126,000	126,000
Potable Treatment Plants	3	3	4	4	4	4	5	5	5	5
<b>Non-Potable and Recycled Systems</b>										
Miles of Recycled Line <sup>(1)</sup>	468	478	488	503	509	525	540	555	565	570
Number of Storage Tanks	11	11	12	12	12	12	11	12	12	12
Number of Open Reservoirs	4	4	5	5	5	5	5	5	5	5
Maximum Storage Capacity (Acre Feet) <sup>(3)</sup>	23,703	23,703	24,155	24,155	24,155	24,155	24,155	24,155	24,155	24,155
Number of Pumping Plants	19	19	20	19	20	20	20	19	19	19
Number of Wells <sup>(4)</sup>	5	5	5	5	5	5	5	5	5	5
Well Production Capacity (cfs)	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
<b>Sewer System</b>										
Miles of Sewer Line	950	962	971	1,009	1,019	1,070	1,081	1,123	1,134	1,143
Number of Lift Stations <sup>(5)</sup>	13	13	13	13	13	13	13	13	13	13
Treatment Plants	2	2	2	2	2	2	2	2	2	2
Treatment Capacity (mgd) (Tertiary)	23.5	23.5	23.5	33.5	33.5	33.5	33.5	33.5	33.5	33.5

**Source:** Irvine Ranch Water District

**Notes:**

<sup>(1)</sup> Miles of Line include laterals.

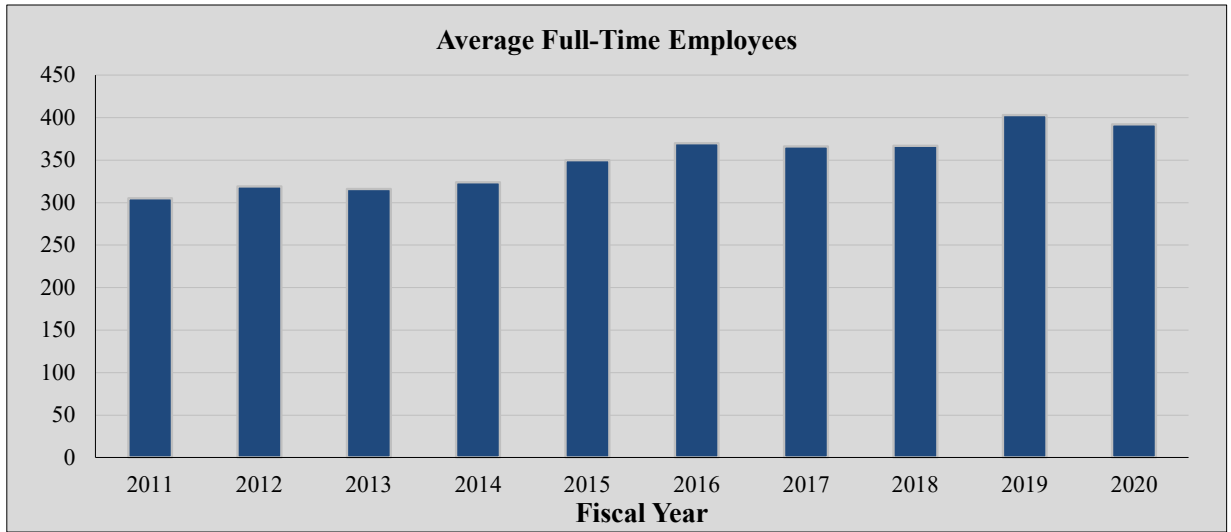
<sup>(2)</sup> Total number of tanks excludes IRWD's storage capacity with East Orange County Water District. However, this capacity is accounted for in the maximum storage capacity estimate (456 AF). This number also includes the two 16-MG tanks at the Baker Location and the newly constructed 4.3 MG Zone 1 Tank at the existing Zone 1 tank location.

<sup>(3)</sup> Excludes Serrano Water District's capacity in Irvine Lake, which equals 25% of total capacity.

<sup>(4)</sup> Accounts for active production wells only (Excludes SGU Injection Well).

**Irvine Ranch Water District**  
 Full-Time Employees  
 For the Past Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Full-Time Employees <sup>(1)</sup>	305	319	316	324	350	370	366	367	403	392



**Source:** Irvine Ranch Water District

**Note:**

<sup>(1)</sup> FY2020 includes permanent, temporary and interns.



**REQUIRED AUDIT COMMUNICATIONS**

Board of Directors  
Irvine Ranch Water District  
Irvine, California

We have audited the financial statements of Irvine Ranch Water District (the "District") for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 20, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings  
Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Irvine Ranch Water District are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the fiscal year ended June 30, 2020. We noted no transactions entered into by Irvine Ranch Water District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Examples of significant judgments and estimates reflected in the District's financial statements include:

- Judgments concerning which capital project expenditures should be capitalized and depreciated versus expensed in the financial statements and judgments concerning which projects should be placed in service.
- Judgements regarding the fair value of real estate investments.
- Judgments regarding the fair value of interest rate swap agreements.
- Judgements involving the estimated net pension liability
- Judgements involving the estimated OPEB liability

### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no material adjustments as a result of the audit.

### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 23, 2020.

### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Irvine Ranch Water District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Irvine Ranch Water District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to *Management's Discussion and Analysis, Schedule of Changes in the Net Pension Liability and Related Ratio, Schedule of Contributions – Defined Benefit Pension Plan, Schedule of Changes in the OPEB Liability and Related Ratio, Schedule of Contributions – OPEB*, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the Introduction and Statistical Section, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

**Restriction on Use**

This information is intended solely for the use of Board of Directors and management of Irvine Ranch Water District and is not intended to be, and should not be, used by anyone other than these specified parties.

*Davis Farr LLP*

Irvine, California  
November 23, 2020

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**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

**Independent Auditor's Report**

Finance Personnel Committee  
Irvine Ranch Water District  
Irvine, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of Irvine Ranch Water District (the "District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November XX, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Davis Farr LLP*

Irvine, California  
November 23, 2020

December 14, 2020  
Prepared and  
Submitted by: K. Swan  
Approved by: Paul A. Cook



## ACTION CALENDAR

### ANNUAL BOARD OF DIRECTORS' FEES

#### SUMMARY:

The Finance and Personnel Committee annually reviews the Board of Directors' compensation and recommends to the Board to either accept or deny a fee increase for the new calendar year. Pursuant to the District's Ordinance No. 1989-1 and enacted under Section 20202 et seq. of the California Water Code, the Board's meeting compensation increases on January 1 of each year, not exceed an amount equal to five (5%) percent, and no compensation for more than 10 days in a calendar month.

#### BACKGROUND:

The most recent Board of Directors' compensation increase was effective in January 2020. The current compensation for the Board of Directors is \$300 per meeting, not to exceed 10 meetings per calendar month. In accordance with Section 20202 et seq. of the California Water Code, the Board's meeting compensation increases on January 1 of each year by five (5%) percent, subject to acceptance or rejection by the Board. If the Board approves a 5% increase, the resulting per meeting fee will be \$315 (rounded to the nearest dollar).

Provided as Exhibit "A" is a survey of the Director Fees of other water districts for comparative purposes containing service connections and combined operating and capital budgets. In addition, provided as Exhibit "B" is the survey of Director Fees of local water districts.

#### FISCAL IMPACTS:

A 5% increase has a nominal impact on the operating budget if accepted by the Board.

#### 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.

#### COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on December 8, 2020, and it recommends accepting the 5% increase.

#### RECOMMENDATION:

THAT THE BOARD EITHER ACCEPT OR DECLINE THE FIVE (5%) PERCENT COMPENSATION INCREASE FOR CALENDAR YEAR 2021.

LIST OF EXHIBITS:

- Exhibit "A" – Survey of Director Fees
- Exhibit "B" – Survey of Director Fees in Orange County

**EXHIBIT "A"**  
**BOARD OF DIRECTORS PER DIEM SURVEY**  
(as of November 30, 2020)

Agency	Service Connections	Combined Operating & Capital Budgets	Per Diem (10 meetings per month unless noted)
Contra Costa Water Agency	62,000	\$194.8 million	\$100
East Bay Municipal District	389,970	\$788 million	Monthly salary of \$1,367
Eastern Municipal Water District	153,503	\$336.9 million	\$223
Elsinore Valley Municipal Water District	81,150	\$178.3 million	\$221.43 (4 Directors) \$232.50 (1 Director)
Inland Empire Utilities Agency	--	\$369 million	\$260
Irvine Ranch Water District	231,000	\$267.4 million	\$300
Moulton Niguel Water District	55,135	\$144.3 million	\$242.55
Municipal Water District of Orange County	642,442	\$479.6 million	\$327.43
Orange County Water District	403	\$230 million	\$300
Rancho California Water District	53,691	\$171.3 million	\$200
San Diego County Water Authority	--	\$1.7 Billion <i>Two-year Budget</i>	\$150 Board \$180 Officers
Santa Clara Valley Water District	--	\$610 million	\$316.06 <i>15 days per month</i>
Santa Margarita Water District	57,484	\$73.2 million	\$270
South Coast Water District	29,660	\$64.9 million	\$255
West Basin Municipal Water District	400	\$41.5 million (operating budget only)	\$269.37 <i>Monthly: \$461.22 auto + \$385.13 communications</i>
Western Municipal Water District	24,519	\$163.2 million	\$240.67

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**EXHIBIT “B”****ORANGE COUNTY BOARD OF DIRECTORS PER DIEM SURVEY  
(as of November 30, 2020)**

<b>AGENCY</b>	<b>PER DIEM MEETING</b>	<b>EFFECTIVE DATE</b>	<b>MAXIMUM MEETINGS PER MONTH</b>
El Toro Water District	\$219.00	March 2018	10
Irvine Ranch Water District	\$300.00	January 2020	10
Mesa Water District	\$291.00	July 2019	10
Moulton Niguel Water District	\$242.55	February 2020	10
Municipal Water of Orange County	\$327.43	January 2020	10
Orange County Water District	\$300.00	March 2019	10
Santa Margarita Water District	\$270.00	November 2019	10
South Coast Water District	\$255.00	August 2019	10
Yorba Linda Water District	\$150.00	January 2003	10

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December 14, 2020  
Prepared and  
submitted by: L. Bonkowski  
Approved by: Paul A. Cook



ACTION CALENDAR

ELECTION OF OFFICERS FOR 2021

SUMMARY:

The Bylaws of the District provide that the President and Vice President shall be elected by the Board from among its members. The term of office of the President and Vice President is one year, or until the election and qualification of their successors. On December 16, 2019, Director Matheis was elected to the office of President and Director Reinhart was elected to the office of Vice President for 2020.

While there are no formal election procedures set forth in the Bylaws, it is suggested that the General Manager be appointed temporary Chairman to conduct the election of President. The temporary Chairman would open nominations, accept nominations which need not be seconded, accept a motion to close the nominations, and conduct the balloting by voice vote. The President would then conduct the election of the Vice President in a similar manner.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT AN ELECTION BE CONDUCTED OF THE PRESIDENT AND VICE PRESIDENT OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT FOR 2021.

LIST OF EXHIBITS:

None.