
CONSENT CALENDAR

Next Resolution No. 2011-27

Items 5-10

5. MINUTES OF REGULAR BOARD MEETINGS

Recommendation: That the minutes of the June 27, 2011 Regular Board Meeting and the June 30, 2011 Adjourned 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 Steven LaMar, Mary Aileen Matheis, Doug Reinhart, John Withers and Peer Swan.

7. DISCOVERY SCIENCE CENTER ANNUAL REPORT

Recommendation: Receive and file.

8. SELF-INSURED WORKERS' COMPENSATION COVERAGE

Recommendation: That the Board authorize staff to renew the District's Self-insured Workers' Compensation coverage with the California State Association of Counties (CSAC) Excess Insurance Authority, bind coverage with CSAC at the \$125,000 self-insured retention level for a total anticipated annual premium of \$271,561, and renew the third-party administrator contract with York Insurance Services for an annual fee of \$28,314.

9. REVISED PERSONNEL POLICIES AND PROCEDURES

Recommendation: That the Board approve the revisions to Personnel Policies as listed and adopt a resolution rescinding Resolution No. 2011-8 and establishing revised personnel policies (for Policy Nos. 2, 6, 8, 9, 11, 12, 13, 14, 16, 18, 19, 23, 32, 33, 34, 39, 44, 46, and 50).

Reso. No. 2011-

10. PORTOLA PIPELINES FINAL ACCEPTANCE

Recommendation: That the Board authorize a budget increase of \$45,000, from \$5,006,200 to \$5,052,000, for project 10782; approve Expenditure Authorizations in the amounts of \$173,600 for project 10782; \$121,000 for project 30276; and \$124,300 for project 30782; authorize filing of a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion for the Portola Pipelines, projects 10782 (1854), 30276 (1752) and 30782 (1294).

ACTION CALENDAR

Next Resolution No. 2011-27

11. WELLS 21 AND 22 WELLHEAD FACILITIES CONSTRUCTION AWARD

Recommendation: That the Board approve an Expenditure Authorization in the amount of \$2,293,200 for project 10286; and authorize the General Manager to execute a construction contract with F.T. Ziebarth Company in the amount of \$2,183,700 for the Wells 21 and 22 Wellhead Facilities, project 10286 (1081).

12. UNIVERSITY OF CALIFORNIA, IRVINE STUDENT HOUSING WATER USE EFFICIENCY PILOT PROGRAM

That the Board authorize the General Manager to execute the agreement with University of California, Irvine and Niagara to provide up to \$111,600, for installation of high efficiency toilets, showerheads and faucet aerators in up to 558 housing units subject to non-substantive changes by legal counsel, and authorize the increase of up to \$111,600 to the FY 2011-12 operating budget to fund the water use efficiency pilot program using undesignated over-allocation revenues.

13. NOTICE OF INTENT TO DETACH PARCELS AND ADOPT A PLAN OF WORKS FOR IMPROVEMENT DISTRICT 256

Recommendation: That the Board adopt two resolutions: 1) declaring its intention to detach territory from Improvement District No. 256, and 2) declaring its intention to adopt a Plan of Works for Improvement District No. 256.

Reso. No. 2011-
Reso. No. 2011-

OTHER BUSINESS

Pursuant to Government Code Section 54954.2, members of the Board of Directors or staff may ask questions for clarification, make brief announcements, 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. A. General Manager's Report

OTHER BUSINESS - Continued

14. B. Directors' Comments

- 1)
- 2)
- 3)
- 4)
- 5)


C. CLOSED SESSION relative to 1) PUBLIC EMPLOYEE APPOINTMENT/EMPLOYMENT (Government. Code §54957). Title: General Manager, and 2) PUBLIC EMPLOYEE APPOINTMENT/EMPLOYMENT (Government. Code §54957). Titles: Director of Water Quality, Water Quality Manager, Chief Plant Operator, Operator III and Operations Manager.

D. Adjourn.

* * * * *

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 Irvine Ranch Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors 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 at the entrance to the Board of Directors Room of the District Office.

The Irvine Ranch Water District Board Room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.), please contact the District Secretary at (949) 453-5300 during business hours at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in alternative format upon written request to the District Secretary at least seventy-two (72) hours prior to the scheduled meeting.

July 11, 2011
Prepared and
Submitted by: Staff
Approved by: Paul Jones 

PRESENTATION

RESOLUTION COMMENDING PAUL D. JONES II
FOR HIS SERVICE TO THE DISTRICT

SUMMARY:

As General Manager Jones will be leaving the District following 12 years of dedicated and outstanding service, staff has prepared a resolution (provided as Exhibit "A") to honor him.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2011 –

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT COMMENDING
PAUL D. JONES II FOR HIS DEDICATED AND
LOYAL SERVICE TO THE DISTRICT

LIST OF EXHIBITS:

Exhibit "A" – Resolution

RESOLUTION NO. 2011-27

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT COMMENDING
PAUL D. JONES II FOR HIS DEDICATED AND
EXEMPLARY SERVICE TO THE DISTRICT

WHEREAS, Paul Jones began his career as General Manager with the Irvine Ranch Water District on January 25, 1999, and

WHEREAS, during Paul's 12 years of service he made significant contributions to the District and the water industry resulting from his high level of expertise, and his commitment to excellence and integrity; and

WHEREAS, Paul played a key role in the negotiation and implementation of the consolidations of the Los Alisos Water District, Santiago County Water District, and Orange Park Acres Mutual Water Company with IRWD; and

WHEREAS, Paul represented and provided dedicated leadership to the Nature Reserve of Orange County, the New Water Supply Coalition, WaterReuse Association California, the Orange County Transportation Cleanup Allocation Committee, and California Municipal Utilities Association; and

WHEREAS, as a Board member of Shadetree Partnership, Inc. for 11 years, his insight and direction contributed to the ongoing success of this nonprofit organization; and

WHEREAS, under Paul's leadership, the District's Water Banking project is thriving in Kern County with 502 acres of recharge ponds, seven recovery wells, hydraulic control structures and turnout modifications; and

WHEREAS, under Paul's guidance, the District has negotiated and executed agreements for the transfer and exchange of water to be recharged, stored and recovered from the District's Water Banking project that have established the District as a leader with respect to water transfers and exchanges in the state of California; and

WHEREAS, Paul was instrumental in the development of creative urban runoff treatment and natural resource management programs at the San Joaquin Marsh and Wildlife Sanctuary and for the partnership between Discovery Science Center for IRWD's Education Program; and

WHEREAS, Paul was instrumental in the enactment of IRWD-sponsored bills in the State Legislature including AB 566 (Plecia) ET Data Protocols, AB 1406 (Huffman) Recycled Water Use in Condominiums, AB 2882 (Wolk) Allocation-based Rate Structures, AB 283 (DeSaulnier) California Plumbing Code, AB 1366 (Feuer/Caballero/Strickland) Water Softeners, and SB 613 (Harman/Correa) General Revenue Pledges, thereby furthering IRWD's reputation as a leader on California state water policy; and

WHEREAS, Paul led successful efforts to secure the enactment of Public Law 108-233 authorizing up to \$20 million in federal funding for the IRWD Irvine Basin Groundwater and Surface Water Improvement Act in 2004 and securing the entire \$20 million in federal appropriations for the Natural Treatment System, Irvine Desalter Project and Regional Brine line between 2007 and 2009.

WHEREAS, Paul has received many awards, accolades and honors for his important contributions to the water and wastewater industry, including the Government Engineer of the Year Award by the Orange County Branch of the American Society of Civil Engineers.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Irvine Ranch Water District commends Paul Jones for his exemplary service. His dedication and outstanding efforts to the District set an example to all employees. On this occasion, the Board extends its best wishes to Paul Jones on his new role as General Manager with Eastern Municipal Water District.

SIGNED and APPROVED this 11th day of July, 2011.

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

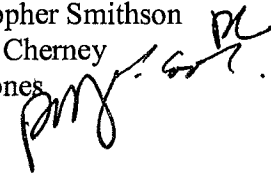
Secretary, IRVINE RANCH WATER
DISTRICT and of the Board of
Directors thereof

July 11, 2011

Prepared by: Christopher Smithson

Submitted by: Debby Cherney

Approved by: Paul Jones



WORKSHOP

SETTING CONNECTION FEES AND PROPERTY TAXES FOR FY 2011-12

SUMMARY:

Each year, the Board considers connection fees and property tax rates, and makes adjustments as a result of changing assumptions and capital needs. For FY 2010-11 the Board adopted a connection fee increase of 9.5% without making any changes to commercial and industrial fees; there were no changes to the ad valorem property tax rates.

Using the most current data available, staff updated the major assumptions in the Enterprise Model (the Model) and has incorporated the most recent capital plans and absorption schedules as provided by the major property developers within IRWD's service area. Assumptions and preliminary runs of the Model were reviewed with the Finance and Personnel Committee on June 5, 2011. During the meeting, the Committee identified two additional scenarios it wished to have modeled at the first Board workshop. Seven scenarios were presented at the June 27, 2011 Board Workshop; two minor changes were identified and have been included in Exhibit "B". The Board recognized that all seven scenarios resulted in a consolidated water / sewer connection fee amounts that approximately converged by FY 2016-17.

Connection fees and property tax rates were again considered by the Finance and Personnel Committee on July 5. The Committee identified certain factors that will need to be brought back to the Committee over the next 90 days for further review. The Committee also requested that staff present impacts to developers and homeowners by improvement district at the Board Workshop. On July 7, 2011, the District met with various stakeholders from the developer / real estate community to review staff's recommendations and the various scenarios and receive their comments, which are included below.

Based on the analysis completed to date and the need to meet the Board-approved revenue objectives, staff recommends increasing connection fees by 9.5% (or approximately \$319 for a representative improvement district) for FY 2011-12 and adjusting some property tax rates to more appropriately apply tax revenue to match annual debt service as identified in Exhibit "D". For this workshop, staff is requesting that the Board review the connection fees and property tax impact data and modeling; discuss input received at the July 7, 2011 stakeholders meeting, and provide direction for adoption of connection fees and property taxes at its July 25, 2011 meeting.

BACKGROUND:

Each year an analysis of the District's existing and future connection fees and property tax rates is prepared and presented to the Board for its consideration. The following is a list of objectives established by the Board for setting connection fees and property tax rates:

- Minimize any sudden and large changes in rates and fees;
- Maintain a targeted 75% debt service coverage ratio;
- Equitably allocate new capital costs;
- Maintain the 50/50 split between connection fees and property taxes; and
- Maintain IRWD’s Replacement and Enhancement Funds for their intended use.

To achieve these objectives, adjustments to connection fees and property taxes are considered annually based on a number of assumptions, including the District’s cost of debt and expected rate of return, projected construction cost escalations (based on the Engineering News Record (ENR) index), and a realization factor for receipt of 1% property tax revenue and the allocation of that revenue.

Planning Assumptions:

The assumptions used for setting connection fees and property taxes are attached as Exhibit “A”. With the exception of the cost of debt, most of the critical assumptions remain unchanged from FY 2010-11.

1% Tax Revenue Assumptions:

The District assumed that the State of California would borrow 8% of its 1% Property Tax receipts in FY 2009-10. The state actually borrowed \$2,099,655, and is obligated to pay this back over three years (by June 30, 2013) at a 2% interest rate. After that payback, the state is allowed to borrow those funds once again within 10 years.

The staff recommendation on 1% revenues is as follows (unchanged from last year):

Fiscal Year	Prop 1A Borrowing
FY 2009-10	\$2,099,655
FY 2010-11 to FY 2011-12	No borrowing
FY 2012-13	Repayment with 2% interest
FY 2013-14 to FY 2014-15	No borrowing
FY 2015-16	8% Borrowing
FY 2016-17 to FY 2017-18	No borrowing
FY 2018-19	Repayment with interest
FY 2019-20 to FY 2021-22	No borrowing
FY 2022-23	8% Borrowing
FY 2023-24 to FY 2024-25	No borrowing
FY 2025-26	Repayment with interest
FY 2026-27 to FY 2030-31	No borrowing; assume 1% property tax receipts are extinguished in FY 2034-35.

Staff recommends that the proposed allocation of the 1% Property Tax revenue among various capital funds remain unchanged at this time. Staff also recommends that the percentages allocated to replacement funds and enhancement funds continue to increase linearly, while the new capital allocation decreases linearly until FY 2034-35 as shown in following table:

Revenue Recipient	FY 2011	FY 2012	Allocation Objective by FY35	Estimated 1% Property Tax Revenues – FY12
New Capital	44.0%	44.0%	20.0%	\$12m
Enhancement	24.0%	24.0%	40.0%	\$6m
Replacements	32.0%	32.0%	40.0%	\$9m
Total	100.0%	100.0%	100.0%	\$27m

Capital Escalation Rate:

The capital escalation rate assumption included in the District’s forecasting is tied to the Engineering News Record (ENR) cost index for Los Angeles. Staff recommends assuming a 3.5% increase in FY 2011-12 and stepping the factor down to 3.0% over the next two subsequent fiscal years. This is a moderate change from the FY 2010-11 assumptions which assumed 0% in FY 2010-11, 1.5% in FY 2011-12 and 3.0% in FY 2012-13.

Earning Rate and Cost of Debt:

The assumptions associated with the District’s rate of return and cost of debt are changing for FY 2011-12. The District has shifted a significant portion of its outstanding debt from variable to fixed rate. This provides staff with a more predictable cost of annual debt service and hedges against an increase in costs associated with variable interest rate increases. While the cost of debt has increased, the rate of return remains very low in the near term as staff anticipates a continued short-term low interest rate environment. The rate of return is expected to increase as the economy improves, although that is not expected to occur for a few more years. The following table summarizes staff’s assumptions for the relevant rates of return:

	FY 2010-11			FY 2011-12		
	From	To	By	From	To	By
Capital Funds Return	0.60%	2.25%	2012	1.00%	5.25%	2015
Replacement Funds Return	4.30%	6.00%	2012	4.30%	6.25%	2012
Bond Rate	1.50%	1.75%	2012	2.50%	3.50%	2012

Modeling Connection Fees and Property Taxes:

In establishing rates for FY 2010-11, the Board approved a 9.5% increase to connection fees; commercial and industrial connection fees were left unchanged. The Board made no changes to existing tax rates. Several options were presented that included several years with 9.5% increases to connection fees, and the Board indicated a willingness to make a more significant upward adjustment to connection fees once the housing market had recovered. Once this happens, future increases in connection fees could then be matched to changes in the ENR engineering and construction cost index.

In July 2010, the Irvine Company provided a letter that identified acceptance of last year's connection fee increase. This letter also memorialized a number of concerns the Irvine Company has about the District's long-standing capital funding strategy including the propriety of the 50/50 split and the exclusion of non-bond funded improvement districts from the regional capital splits. Staff continues to be committed to reviewing and addressing the Irvine Company's concerns. Over the next six months, staff will continue working with the Irvine Company and other stakeholders to identify ways to address its concerns and will bring recommendations back to the Committee and the Board for FY 2012-13 and beyond.

Discussion and Direction Provided by the Board and Committee:

At the June 27 Board Workshop, the matrix of options for the different rate increase scenarios was presented and discussed. The points brought up in this discussion included:

- All of the identified scenarios result in a consolidated connection fee that falls within 250 of each other by FY 2016-17;
- Postponing the increase only burdens the units to be developed later because the connection fee revenue necessary to fund the respective portion of costs remains unchanged but fewer units are available to spread this cost;
- The housing market is still recovering with fewer units being processed annually;
- Selecting the higher increase alternatives (\$504 and \$740 per DU), although small in relation to the overall cost of a home purchase, will not be as supportive as a smaller increase to an improving housing market; and
- The commercial connection fees did not increase in FY 2010-11, but any increase included in this fiscal year should apply to this customer type as well.

The Committee discussion reaffirmed the points identified at the Board workshop and identified additional factors to consider in rate setting. The discussion ranged over several issues and these will be brought back to the Finance and Personnel Committee in approximately 90 days for further review which include:

- Reviewing the capital budget changes over the past several years, identifying project increases and new additions;
- Revisiting the identified strategies for reaching rate parity in the Los Alisos rate area; and
- Providing detailed analysis for connection fees and property tax rate setting at the improvement district level.

The Committee discussed applying a connection fee increase of \$319 per unit or 9.5% that can be revisited in several months with further analysis. At this time a concern was expressed that all fees might be paid at the lower rate avoiding future increases and shifting the burden of the capital cost to the taxpayer. Legal counsel identified the following wording in the District's rules and regulations that provides protection from early payments on property that have not been submitted for application:

“The amount of such fees and charges shall be based on the applicable schedules of the Rules and Regulations in effect on the date when Applicant has submitted to District its completed Application, payment of all fees and charges, plans and specifications, bonds, conveyance of necessary easements, and other items which may be required herein prior to execution of this Application. Such fees and charges shall be set forth on Exhibit “A” hereto by District, which Exhibit is by this reference incorporated herein, and is subject to revision pursuant to any changes in the applicable schedules prior to the date the Application and all accompanying materials and payment are completed and submitted to District.”

The Committee requested to see the impact of the proposed rate increase to developers and homeowners within different improvement districts and this will be included in the presentation at the Board Workshop along with comparable connection fees applied by surrounding agencies.

Stakeholder Input:

Staff conducted a stakeholders meeting on July 7, 2011, to update the local development community and receive their comments and this item will then return to the Board on July 11, 2011 for Board action. Representatives from the Building Industry Association of Orange County, the Irvine Company, the NAIOP Commercial Real Estate Development Association, and Five Point Communities were present at the stakeholders meeting. Staff presented the various scenarios that had been reviewed by the Board and Committee along with the annual objectives and assumptions. The stakeholders expressed a desire to limit the amount of the increase; some expressed that the amount of the increase for FY 2011-12 should be 3.5% while others indicated that a 5% increase would be acceptable. All of the stakeholders understand that the increases will need to be revisited over the next 90 to 180 days as staff works with the Irvine Company and other stakeholders to address some of the long-term funding strategy questions that have been raised.

Staff Recommendation:

Staff recommends increasing connection fees by 9.5% (or approximately \$319 for a representative improvement district) for FY 2011-12. This increase is consistent with the points identified at the Board Workshop and the nominal fee differential between this increase and the lower identified increases is minimal.

Staff also recommends adjusting some tax rates to more appropriately apply tax revenue to match annual debt service as identified in Exhibit “D”. In some cases this results in a reduction in the overall existing water/sewer tax rate, in others it is shifting the rate from sewer to water, and in a few it results in an overall tax increase. The upward adjustments reflect the increased debt service costs as a result of the issuance of the 2010 Build America Bonds in December 2010. Exhibit “D” limits the sources for funding debt service to General Obligation tax revenue but, in fact, the District utilizes other revenue sources to meet annual debt service (1% tax revenue, connection fees, etc.) and these sources can vary significantly from ID grouping to ID grouping.

Staff’s recommended tax adjustments include:

I.D.	Current	Proposed	Change
112 / 212	\$ 0.20340	\$ 0.10620	\$(0.09720)
113 / 213	\$ 0.16513	\$ 0.14660	\$(0.01853)
220/221 / 220/221	\$ 0.01801	\$ 0.01701	\$(0.00100)
135 / 235	\$ 0.01374	\$ 0.00687	\$(0.00687)
140 / 240	\$ 0.03141	\$ 0.03140	\$(0.00001)
150 / 250	\$ 0.04590	\$ 0.05580	\$ 0.00990
260/261 / 260/261	\$ 0.02831	\$ 0.02831	\$ -
182 / 282	\$ 0.03240	\$ 0.04590	\$ 0.01350
184 / 284	\$ 0.03240	\$ 0.04589	\$ 0.01349
186 / 286	\$ 0.03192	\$ 0.04988	\$ 0.01796
188 / 288	\$ 0.03591	\$ 0.22540	\$ 0.18949

Modeling Scenarios and Timeline for Adoption:

Staff will be prepared to present the Enterprise Model with the updated assumptions for the Committee. A summary of the resulting fees for each of the identified scenarios is attached as Exhibit “B”. The proposed schedule for review and approval of connection fees and property tax rates for FY 2011-12 is attached as Exhibit “C”.

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.

FISCAL IMPACTS:

Fiscal impacts will be determined through additional meetings and workshops.

COMMITTEE STATUS:

This item was presented to the Finance and Personnel Committee on June 7, 2011 and July 5, 2011 and to the Board on June 27, 2011.

RECOMMENDATION:

THAT THE BOARD REVIEW THE CONNECTION FEES AND PROPERTY TAX IMPACT DATA AND MODELING, DISCUSS INPUT RECEIVED AT THE JULY 7, 2011 STAKEHOLDERS MEETING, AND PROVIDE DIRECTION FOR ADOPTION OF CONNECTION FEES AND PROPERTY TAXES AT ITS JULY 25, 2011 MEETING.

LIST OF EXHIBITS:

- Exhibit “A” – Assumptions for Setting Connection Fees and Property Tax Rates for FY 2011-12
- Exhibit “B” – Summary of Modeled Scenarios for Connection Fees and Property Tax Rates
- Exhibit “C” – Timeline
- Exhibit “D” – Tax Rate Adjustments

EXHIBIT "A"

IRVINE RANCH WATER DISTRICT ASSUMPTIONS FOR ESTABLISHING CONNECTION FEES AND PROPERTY TAXES FOR FY 2011-12

PRIMARY REVENUES

1% Property Taxes State borrowed 8% of the District's 1% property tax receipts in FY 2009-10, or \$2,099,655, and is obligated to pay this back over three years (by June 30, 2013) at 2%. After that payback, the State is allowed to borrow those funds once again within ten years. Staff recommends that the Enterprise Model (the Model) assume the following:

Fiscal Year	Prop 1A Borrowing
FY 2009-10	\$2,099,655
FY 2010-11 to FY 2011-12	No borrowing
FY 2012-13	Repayment with 2% interest
FY 2013-14 to FY 2014-15	No borrowing
FY 2015-16	8% Borrowing
FY 2016-17 to FY 2017-18	No borrowing
FY 2018-19	Repayment with interest
FY 2019-20 to FY 2021-22	No borrowing
FY 2022-23	8% Borrowing
FY 2023-24 to FY 2024-25	No borrowing
FY 2025-26	Repayment with interest
FY 2026-27 to FY 2034-35	No borrowing; We assume 1% property tax receipts are extinguished in FY 2034-35.

Staff recommends that the proposed allocation of the 1% tax revenue amongst various capital funds remain unchanged. Staff recommends that the percentages allocated to replacement funds and to enhancement funds will continue to increase linearly while the new capital allocation decreases in the same fashion until FY 2034-35.

Revenue Recipient	FY 2011	FY 2012	Reach by 2035	1 % Revenues Receipt Estimate FY 2011-12
New Capital	44.0%	44.0%	20.0%	\$12M
Enhancement	24.0%	24.0%	40.0%	\$6M
Replacements	32.0%	32.0%	40.0%	\$9M
Total	100.0%	100.0%	100.0%	\$27M

**IRVINE RANCH WATER DISTRICT
ASSUMPTIONS FOR ESTABLISHING CONNECTION FEES
AND PROPERTY TAXES FOR FY 2011-12**

- G. O. Property Taxes** Set in conjunction with connection fees to split new capital costs equally between the developer and the homeowner. The District can set a tax rate that cannot exceed annual debt service requirements for the improvement district being assessed.
- Connection Fee Rates** Set in conjunction with general obligation property taxes to split new capital costs equally between the developer and the homeowner. The connection fee is paid prior to occupancy on residential units.

SECONDARY REVENUES

- Native Water** 4,000 A/F per year of native water at \$155/af increase with ENR.
- Local Project revenue** The current Local Resource Program (LRP) revenue is allocated entirely to capital funds and terminates in 2011. It is allocated using regional splits.
- Golf course revenue** This revenue is based on the original pro-forma using 90% of anticipated revenue. I.D. 161 receives 100% of the benefit of the golf course revenue out to 2027 and I.D. 150 will receive the benefit thereafter.
- Standby charges** Standby charges previously paid will be fully credited towards each improvement district's connection fee obligation to obtain the 50/50 split between connection fees and property taxes as was done in the past.

OTHER FACTORS

	<u>FY 2010-11</u>			<u>FY 2011-12</u>		
	From	To	By	From	To	By
Capital Funds Return	0.60%	2.25%	2012	1.00%	5.25%	2015
Replacement Funds Return	4.30%	6.00%	2012	4.30%	6.00%	2012
Bond Rate	1.50%	1.75%	2012	3.50%	3.75%	2012
Capital Escalation Rate	0.00%	3.00%	2013	3.00%	3.00%	2012
Assessed Values - Coast	0.00%	2.50%	2011	2.50%	2.50%	2012
Assessed Values - Others	0.00%	2.50%	2011	2.00%	2.50%	2012

**IRVINE RANCH WATER DISTRICT
ASSUMPTIONS FOR ESTABLISHING CONNECTION FEES
AND PROPERTY TAXES FOR FY 2011-12**

Non-debt capital items (R&R Surcharges & Enhancement Surcharges)

Revenue Recipient	Basis	Rate	Start in	Increase at
Water - Replacements	Per EDU per month	\$0.60	2012	7.5%
Water – Enhancements	Per EDU per month	\$0.50	2012	7.5%
Sewer & Recycled Water - Replacements	Per EDU per month	\$4.55	2012	7.5%
Sewer & Recycled Water - Enhancements	Per EDU per month	\$0.50	2012	7.5%

Capital expenditures factored not to exceed \$140 million¹ per year.

BOND FACTORS

<u>Capital Silo</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>
Water - New Capital % Bond Funded	65%	65%
Water - Replacement Capital % Bond Funded	0%	0%
Water - Enhancement Capital % Bond Funded	25%	25%
Sewer/Recycled Water - New Capital % Bond Funded	75%	75%
Sewer/Recycled Water - Replacement Capital % Bond Funded	0%	0%
Sewer/Recycled Water - Enhancement Capital % Bond Funded	25%	25%

¹ The capital expenditures factor increased from \$110 million due to the considerable list of major projects that are soon to begin or are currently in process (solids disposal, MWRP expansion, Wells 21 & 22, etc.).

Modeling Scenarios Matrix

*

Fiscal Years	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	
Several Accelerated Increases	Adjusted Rate	\$3,681	\$4,215	\$4,826	\$5,526	\$5,720	\$5,920
	Increase Amt	\$319	\$534	\$611	\$700	\$193	\$200
	Change %	9.50%	14.50%	14.50%	14.50%	3.50%	3.50%
One Time	Adjusted Rate	\$3,681	\$4,031	\$5,160	\$5,340	\$5,527	\$5,721
	Increase Amt	\$319	\$350	\$1,129	\$181	\$187	\$193
	Change %	9.50%	9.50%	28.00%	3.50%	3.50%	3.50%
Straight Line	Adjusted Rate	\$3,681	\$4,031	\$4,414	\$4,833	\$5,293	\$5,795
	Increase Amt	\$319	\$350	\$383	\$419	\$459	\$503
	Change %	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%
Reduced in Year One	Adjusted Rate	\$3,530	\$3,883	\$4,271	\$4,699	\$5,168	\$5,685
	Increase Amt	\$168	\$353	\$388	\$427	\$470	\$517
	Change %	5.00%	10.00%	10.00%	10.00%	10.00%	10.00%
F & P - Two Year Increase	Adjusted Rate	\$4,102	\$5,004	\$5,179	\$5,360	\$5,548	\$5,742
	Increase Amt	\$740	\$902	\$175	\$181	\$188	\$194
	Change %	22.00%	22.00%	3.50%	3.50%	3.50%	3.50%
F & P - Three Year Increase	Adjusted Rate	\$3,866	\$4,446	\$5,113	\$5,292	\$5,477	\$5,669
	Increase Amt	\$504	\$580	\$667	\$179	\$185	\$192
	Change %	15.00%	15.00%	15.00%	3.50%	3.50%	3.50%
TIC - With ENR Yr 1 Revisit with Long Term Funding Plan	Adjusted Rate	\$3,480	\$4,057	\$4,731	\$5,516	\$5,709	\$5,909
	Increase Amt	\$118	\$578	\$674	\$785	\$193	\$200
	Change %	3.50%	16.60%	16.60%	16.60%	3.50%	3.50%
TIC - With ENR Yr 1 and Small Tax Increase Revisit w/ Long Term Funding Plan	Adjusted Rate	\$3,480	\$4,047	\$4,706	\$5,474	\$5,665	\$5,864
	Increase Amt	\$118	\$567	\$660	\$767	\$192	\$198
	Change %	3.50%	16.30%	16.30%	16.30%	3.50%	3.50%

* Staffs recommended alternatives for FY 2011-12.

EXHIBIT "C"

Operating & Capital Budget Rates, Charges, Connection Fees & Property Taxes Timeline for FY 2011-12

~~Finance & Personnel Committee Meeting~~ _____ ~~April 5, 2011 (complete)~~

- ~~• Review Operating Budget Draft and receive Committee feedback~~
- ~~• Preliminary review of FY 2011-12 Rates and Charges~~

~~Board Meeting~~ _____ ~~April 11, 2011 (complete)~~

- ~~• First Board Public Workshop on Operating Budget and Proposed Rates and Charges~~

~~Board Meeting~~ _____ ~~April 25, 2011 (complete)~~

- ~~• Second Public Workshop on Operating Budget and Proposed Rates and Charges; Adopt FY 2010-11 Operating Budget~~
- ~~• Preliminary Approval of Proposed Rates and Charges for Proposition 218 Noticing~~

~~Engineering & Operations Committee Meeting~~ _____ ~~May 18, 2011~~

- ~~• Review draft of Capital Budget~~

~~Board Meeting~~ _____ ~~May 23, 2011~~

- ~~• Workshop to review draft Capital Budget~~

~~Finance & Personnel Committee Meeting~~ _____ ~~June 6, 2011~~

- ~~• Review recommended assumptions for Enterprise Model~~
- ~~• Initial Runs of Enterprise Model with first draft of Capital Budget and staff-recommended assumptions~~
- ~~• Receive direction on additional model runs~~

~~Board Meeting~~ _____ ~~June 27, 2011~~

- ~~• First Workshop on Connection Fees & Property Taxes; receive assumptions and recommend additional model runs~~

~~Finance & Personnel Committee Meeting~~ _____ ~~July 5, 2011~~

- ~~• Review additional Enterprise Model Runs, as requested~~

~~Stakeholder Workshop~~ _____ ~~July 7, 2011~~

- ~~• Meeting with interested parties: BIA, OC Association of Realtors, NAIOP South Coast Apartment Association, Irvine Company, Lennar, others as interested~~
- ~~• Review Connection Fees/Property Taxes and receive community feedback~~

~~Board Meeting~~ _____ ~~July 11, 2011~~

- ~~• Second Workshop on Connection Fees & Property Taxes~~
- ~~• Review additional Enterprise Model runs, as requested~~
- ~~• Board may adopt Connection Fees & Property Taxes~~

~~Board Meeting~~ _____ ~~July 25, 2011~~

- ~~• (If not adopted on July 11) Adopt Final Connection Fees & Property Taxes~~

EXHIBIT "D"

**GENERAL OBLIGATION TAX REVENUES
Recommended Tax Rate Adjustments**

Tax Rates

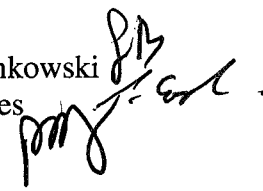
I.D.	Current	Proposed	Change	Estimated Revenue	Annual Debt Service	Difference
112	\$ 0.07920	\$ 0.03168	\$ (0.04752)	\$158,512	\$147,960	\$10,552
212	0.12420	0.07452	(0.04968)	\$372,864	\$411,240	-\$38,376
			\$ (0.09720)			
113	0.01980	0.05940	0.03960	\$361,839	\$458,330	-\$96,491
213	0.14533	0.08720	(0.05813)	\$531,172	\$561,310	-\$30,138
			\$ (0.01853)			
220/221	0.01800	0.00001	(0.01799)	\$497		\$497
220/221	0.00001	0.01700	0.01699	\$679,236	\$650,666	\$28,570
			\$ (0.00100)			
135	0.00842	0.00421	(0.00421)	\$129,327	\$136,714	-\$7,387
235	0.00532	0.00266	(0.00266)	\$86,572	\$82,230	\$4,343
			\$ (0.00687)			
140	0.00001	0.01000	0.00999	\$493,625	\$1,187,419	-\$693,794
240	0.03140	0.02140	(0.01000)	\$1,056,357	\$1,839,959	-\$783,602
			\$ (0.00001)			
150	0.00990	0.01980	0.00990	\$1,097,181	\$5,057,727	-\$3,960,547
250	0.03600	0.03600	-	\$1,998,673	\$6,471,533	-\$4,472,859
			\$ 0.00990			
260/261	0.02830	0.00001	(0.02829)	\$359		\$359
260/261	0.00001	0.02830	0.02829	\$1,039,433	\$1,127,603	-\$88,170
			\$ -			
182	0.01350	0.02700	0.01350	\$160,831	\$755,867	-\$595,036
282	0.01890	0.01890	-	\$129,608	\$559,867	-\$430,259
			\$ 0.01350			
184	0.00001	0.01350	0.01349	\$57,297	\$125,100	-\$67,803
284	0.03239	0.03239	-	\$137,343	\$765,360	-\$628,017
			\$ 0.01349			
186	0.03191	0.04787	0.01596	\$113,345	\$403,158	-\$289,812
286	0.00001	0.00201	0.00200	\$4,760	\$3,960	\$800
			\$ 0.01796			
188	0.03590	0.21540	0.17950	\$27,267	\$272,493	-\$245,226
288	0.00001	0.01000	0.00999	\$1,266	\$2,400	-\$1,134
			\$ 0.18949			

July 11, 2011

Prepared and

Submitted by: L. Bonkowski

Approved by: P. Jones



CONSENT CALENDAR

MINUTES OF REGULAR BOARD MEETING

SUMMARY:

Provided are the minutes of the June 27, 2011 Regular Board Meeting and the June 30, 2011 Adjourned Regular Meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE JUNE 27, 2011 REGULAR BOARD MEETING AND THE JUNE 30, 2011 ADJOURNED REGULAR MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – June 27, 2011 Regular Board Meeting

Exhibit "B" – June 30, 2011 Adjourned Regular Board Meeting

EXHIBIT "A"

MINUTES OF REGULAR MEETING – JUNE 27, 2011

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 LaMar on June 27, 2011 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Withers, Matheis, Swan, and Reinhart

Directors Absent: LaMar

Also Present: General Manager Jones, Assistant General Manager Cook, Director of Engineering Burton, Secretary Bonkowski, Treasurer Jacobson, Legal Counsel Arneson, Director of Operations Pedersen, Director of Water Resources Heiertz, Director of Public Affairs Beeman, Mr. Malcolm Cortez, Ms. Shannon Reed, Director of Human Resources Wells, Mr. Christopher Smithson, Mr. Dan Miller, Ms. Kirsten McLaughlin, Mr. Paul Weghorst, Ms. Fiona Sanchez, Ms. Jane Shafer, Mr. Ken Erwin, Mr. Dean Kirk, Mr. Sat Tamaribuchi, Mr. Jim Reed, Mr. Bruce Newell, and other members of the public and staff.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION:

Mrs. Joan Irvine Smith addressed the Board of Directors with respect to the Dyer Road Wellfield. Mrs. Smith said it was her understanding that currently wells C-8 and C-9 will operate in accordance with the District's annual pumping plan. Wells, 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17 and 18 will be off. The District's currently planned pumping for June is 4,300 AF. This was confirmed by Mr. Jones, General Manager of the District.

With respect to the Orange County Basin Groundwater Conjunctive Use Program being coordinated by Municipal Water District of Orange County (MWDOC) and Orange County Water District (OCWD), a Notice of Completion was approved by the OCWD Board of Directors on March 19, 2009. Metropolitan Water District has given notice to OCWD to extract 22,000 acre feet in fiscal year 2009/10. The extraction is being performed by agencies that constructed conjunctive use wells under this program. IRWD is not a participant. This was confirmed by Mr. Jones.

With respect to the OCWD annexation of certain IRWD lands, on June 5, 2009, IRWD received a letter from OCWD noting that OCWD has completed the formal responses to comments they previously received on the draft program Environmental Impact Report. The letter further noted that with this task completed, OCWD has exercised its right to terminate the 2004 Memorandum of Understanding (MOU) regarding annexation. OCWD also indicated that due to the lack of progress on the annexation issue, the draft program Environmental Impact Report will not be completed. On June 8, 2009, OCWD completed the Long-Term Facilities Plan which was received and filed by the OCWD Board in July 2009. Staff has been coordinating with the City of Anaheim (Anaheim) and Yorba Linda Water District (YLWD) on their most recent annexation requests and has reinitiated the annexation process with OCWD. IRWD, YLWD and Anaheim

have negotiated a joint MOU with OCWD to process and conduct environmental analysis of the annexation requests. The MOU was approved by the OCWD Board on July 21, 2010. This was confirmed by Mr. Jones.

With respect to the Groundwater Emergency Service Plan, IRWD has an agreement in place with various south Orange County water agencies, MWDOC and OCWD, to produce additional groundwater for use within IRWD and transfer imported water from IRWD to south Orange County in case of emergencies. IRWD has approved the operating agreement with certain south Orange County water agencies to fund the interconnection facilities needed to affect the emergency transfer of water. MWDOC and OCWD have also both approved the operating agreement. This was confirmed by Mr. Jones.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED – None.

PRESENTATION – IRWD RIDESHARE PROGRAM RECOGNITION

Using a PowerPoint presentation, General Manager Jones reported that the District was presented the Rideshare Diamond Award from the Los Angeles Metro, Orange County Transportation Authority, and Ventura County Transportation Commission. Mr. Jones said that the District was commended for its contribution to the improvement of air quality and relief of traffic congestion. He thanked Mr. Ken Erwin and Jane Shafer for their efforts.

PUBLIC HEARING – PROPOSED CHANGES TO THE SCHEDULE OF RATES AND CHARGES EFFECTIVE JULY 1, 2011

Using a PowerPoint presentation, Director of Finance Cherney reviewed the Committee and Board review process for the Fiscal Year 2011-12 Rates and Charges. Using charts, Ms. Cherney compared rates for typical residential customers in the District's various services areas, including the Irvine, Orange Park Acres, and Los Alisos.

President LaMar declared this to be the time and place for a hearing on the proposed changes to the rates and charges. He asked the Secretary how the hearing was noticed.

Secretary Bonkowski said that the hearing was noticed by mail and she presented an Affidavit of Mailing.

On MOTION by Swan, seconded and unanimously carried, THE AFFIDAVIT OF MAILING BY AN INDEPENDENT PROCESSING FIRM AS PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.

President LaMar requested Legal Counsel to describe the nature of the proceedings.

Legal Counsel Arneson described the nature of the proceedings, saying that pursuant to Proposition 218 and Article XIID of the Constitution of the State of California, the purpose of the hearing was to provide an opportunity for all persons interested or the owner of any parcel within the area to present objections or protests to the report.

President LaMar requested a staff report from the Director of Finance on the proposed rates and charges and inquired whether there have been any written communications.

Director of Finance Cherney said that that two additional protest letters had been placed before each Director. As of June 20, 2011, five protests were received by the District which represents 0.0059% of the total customers, substantially less than the 50% which would have been required to prevent the Board from adopting the current proposed rates and charges.

President LaMar inquired whether there is anyone present who wishes to address the Board regarding the proposed changes to the rates and charges.

There were two members of the public who wished to be heard. Mr. Ed Reed expressed concerns with the fixed charge and stated he believes there was very little incentive to be a low user. Mr. John Jaegar commented that it would be more logical to raise the water rates, not the fixed monthly charges. .

President LaMar inquired whether there are any comments or questions from members of the Board of Directors. Both Directors Swan and Reinhart responded to the two members of the public who spoke and explained the reasoning to pass on the District's fixed costs.

On MOTION by Reinhart, seconded and unanimously carried, THE HEARING WAS CLOSED AND THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2011- 25

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA
RESCINDING RESOLUTION NO. 2010-19 AND ADOPTING
CHANGES TO THE SCHEDULE OF RATES AND CHARGES AS
SET FORTH IN EXHIBIT "B" TO THE RULES AND
REGULATIONS OF IRVINE RANCH WATER DISTRICT
FOR WATER, SEWER AND RECLAIMED WATER SERVICE

WORKSHOP - INITIAL WORKSHOP ON SETTING CONNECTION FEES
AND PROPERTY TAXES FOR FY 2011-12

General Manager Jones reported that each year the Board considers connection fees and property tax rates, and makes adjustments as a result of changing assumptions and capital needs. Mr. Jones said that for FY 2010-11, the Board adopted a residential connection fee increase of 9.5%, without making any changes to commercial and industrial fees, and made no changes to the ad valorem property tax rates.

Mr. Jones said that assumptions and preliminary runs of the Model were reviewed with the Finance and Personnel Committee on June 5, 2011. At that time, the Committee and a representative of the Irvine Company identified four additional scenarios they will have modeled at tonight's workshop.

Using a PowerPoint presentation, Mr. Smithson reviewed the annual objectives for connection fees and property taxes including: 1) minimizing any sudden and large changes in rates and fees;

2) maintaining a targeted 75% debt service coverage ratio; 3) equitably allocating new capital costs; 4) maintaining the 50/50 split between connection fees and property taxes; and 5) maintaining IRWD's replacement and enhancement funds for their intended use. Mr. Smithson reviewed the rate setting decisions made for FY 2010-11. He said that the assumption changes include: 1) no change to the allocation of the 1% property tax revenue amount of various capital funds; 2) capital escalation rate would begin at 3.5% and step down to 3.0 % over two years; 3) the cost of debt increased to 3.5% based on a mix of variable and fixed rate debt; and 4) the rate of return will remain low in the near term and increase in time. Using charts, he reviewed various scenarios for connection fees and property taxes. Mr. Smithson said that an additional workshop is scheduled for July 11 and July 25 along with Board adoption. General Manager Jones said that a meeting is also scheduled for July 7 with the stakeholders, including representatives from the Building Industry Association, Lennar, NAOIP, SC apartments, and OC Realtors.

Following discussion, staff was asked to submit an item to the Finance and Personnel Committee comparing connection fees with other agencies.

CONSENT CALENDAR

Director Swan asked that items 7 and 12 be moved to the Action Calendar. There being no objections, these items were moved accordingly. On MOTION by Withers, seconded and unanimously carried, CONSENT CALENDAR ITEMS 6, 8 THROUGH 11 AND 13 THROUGH 17 WERE APPROVED AS FOLLOWS:

6. MINUTES OF REGULAR BOARD MEETINGS

Recommendation: That the Board approve the Minutes of the June 13, 2011 Regular Board Meeting and the June 17, 2011 Adjourned Regular Meeting as presented.

8. MAY 2011 FINANCIAL REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for May 2011; approve the May 2011 Summary of Wire Transfers and ACH payments in the total amount of \$3,245,306; and approve the May 2011 Warrants Nos. 319956 through 320541, Workers' Compensation distributions and voided checks in the total amount of \$11,359,068.82.

9. DISTRICT STRATEGIC MEASURES DASHBOARDS

Recommendation: That the Board receive and file the Strategic Measures Dashboards and Information items.

CONSENT CALENDAR (CONTINUED)

10. APPROVAL OF IRWD'S SHARE OF SOCWA'S FISCAL YEAR 2011-12 BUDGET

Recommendation: That the Board approve IRWD's share of SOCWA's Fiscal Year 2011-12 Budget in the amount of \$288,740.

11. QUITCLAIM OF REAL PROPERTY

Recommendation: That the Board adopt the following resolution by title approving execution of the Quitclaim Deed to Business Properties Partnership No. 17.

RESOLUTION NO. 2010 - 26

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT
APPROVING EXECUTION OF THE QUITCLAIM DEED TO
BUSINESS PROPERTIES PARTNERSHIP NO. 17

13. WATER OPERATIONS FISCAL YEAR 2011-12 EXPENDITURE AUTHORIZATIONS

Recommendation: That the Board authorize the General Manager to approve Expenditure Authorizations for Project 1184 for \$387,300; Project 1478 for \$138,600; Project 1488 for \$650,100; Project 1207 for \$206,800; Project 1451 for \$203,500; Project 1470 for \$170,500; Project 1201 for \$170,500; Project 1440 for \$93,500 and Project 1458 for \$135,300.

14. WEATHER BASED IRRIGATION TIMER (SMARTIMER) REBATE PROGRAM AGREEMENT

Recommendation: That the Board authorize the General Manager to execute the agreement between Irvine Ranch Water District and the Municipal Water District of Orange County for participation in the Weather Based Irrigation Timer (SmarTimer) Rebate program for residential and commercial properties subject to non-substantive changes.

15. NINTH AMENDMENT TO AGREEMENT BETWEEN IRWD AND MWDOC FOR PARTICIPATION IN SPECIFIED MWDOC REBATE PROGRAMS

Recommendation: That the Board authorize the General Manager to execute the Ninth amendment to the agreement for participation and co-funding by Irvine Ranch Water District in specified Municipal Water District of Orange County Rebate programs in the amount of \$350,000 for cost-effective tactical incentive water use efficiency measures.

CONSENT CALENDAR (CONTINUED)

16. FISCAL YEAR 2011-12 EXPENDITURE AUTHORIZATIONS

Recommendation: That the Board approve Expenditure Authorizations for Fiscal Year 2011-12 for \$143,000 for Project 10566, Engineering Planning Study Reserve; \$6,545,000 for Project 20112, OCSD CORF; \$8,013,000 for Project 20586, OCSD Equity; \$1,045,000 for Project 20808, OCSD Solids Handling; \$116,600 for Project 30360, Recycled Conversions On-Site; and \$145,800 for Project 30362, Recycled Conversions Off-Site.

17. ON-CALL CEQA/NEPA AND PERMITTING SERVICES CONSULTANT SELECTIONS

Recommendation: That the Board authorize the General Manager to execute Professional Service Agreements with ESA, Dudek and LSA to provide On-Call CEQA/NEPA Services not to exceed \$120,000 each, Harmsworth Associates to provide On-Call Permitting Services not to exceed \$100,000 and ICF International to perform On-Call Permitting Services not to exceed \$50,000.

ACTION CALENDAR

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

Following adjustments to the event/meetings document, on MOTION by Swan, seconded and unanimously carried, THE BOARD RATIFIED/APPROVED THE MEETINGS AND EVENTS FOR STEVE LAMAR, DOUG REINHART, AND PEER SWAN AS DELINEATED ABOVE.

SYPHON RESERVOIR DAM SLIDE REPAIR BUDGET ADDITION AND EXPENDITURE AUTHORIZATION

Director Swan relayed his concerns about expending funding for repairing the reservoir at this point in time when the reservoir may be enlarged in the future. He suggested to instead draw-down the reservoir. Director Reinhart said that drawing down the reservoir for an extended period of time could cause environmental concerns, and also, the enlargement of the reservoir may not occur for another 10 years and during that time the value of the recycled water storage would justify the repair cost. On MOTION by Withers, seconded and unanimously carried, THE BOARD AUTHORIZED THE ADDITION OF PROJECT 30371 IN THE AMOUNT OF \$162,300 TO THE FISCAL YEAR 2011-12 CAPITAL BUDGET AND APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$162,300 FOR THE SYPHON RESERVOIR DAM SLIDE REPAIR, PROJECT 30371.

PROJECT GREENFILL COOPERATIVE AGREEMENT

General Manager Jones reported that in an effort to promote sustainability, reduce trash and plastics in the waste stream and promote water quality, staff collaborated with Orange County Parks (County) to develop Project GreenFill, a plan to install water bottle filling stations in appropriate community locations throughout the IRWD service area.

Using a PowerPoint presentation, Director of Operations Pedersen reported that water bottle filling stations are based on a successful water bottle filling station project in Zion National Park that received the 2009 United States Department of the Interior Environmental Achievement Award. Mr. Pedersen said that it is estimated that IRWD costs associated with this initial partnership for the two water bottle filling stations at Mason Park will be approximately \$15,000 and will be funded with undesignated over-allocation funding. Mr. Pedersen reviewed the location map of the two filling stations. He said that staff contacted representatives of the California Department of Public Health and Orange County Health Care Agency to identify any water quality concerns that may be associated with the proposed water bottle filling stations and that both agency representatives responded that the filling stations would not present any special water quality concerns and should be treated as drinking fountains. The filling stations were sited at locations that would receive water usage on a daily basis, which minimizes concerns with the potential for stagnant water.

Director Reinhart reported that this item was reviewed by the Engineering and Operations Committee on June 21, 2011 and that they concur with the staff recommendation. Following discussion relative to insurance liability, on MOTION by Reinhart, seconded and carried (3-1 Swan voting no), THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A COOPERATIVE AGREEMENT WITH THE COUNTY OF ORANGE FOR MUTUALLY AGREED-UPON LOCATIONS FOR PROJECT GREENFILL, A PLAN TO INSTALL WATER BOTTLE FILLING STATIONS THROUGHOUT IRWD'S SERVICE AREA.

ORANGE PARK ACRES TRANSMISSION PIPELINE PROJECT CONTRACT CHANGE ORDER NO. 11

General Manager Jones reported that construction of the Orange Park Acres Transmission Pipeline Project (Project) was awarded to Leatherwood Construction, Inc. (Leatherwood) in October 2010 in the amount of \$6,786,397. Mr. Jones said that his project will replace the existing riveted steel pipeline installed in 1929 that has experienced repeated failures, and will improve fire flow water system pressure to the Orange Park Acres area. Contract Change Order No. 11, in the amount of \$204,350, includes the following Change Requests (CR): 1) constructing a 20-inch CML&C steel transmission pipeline in Chapman Avenue (CR-16-1), at greater depths over a significant portion of the reach; and with many more existing utility crossings (found during pot-holing operations); and requiring more grade-breaks and fittings; and, 2) backfilling the utility trench for the 20-inch transmission pipeline with crushed-miscellaneous base (longitudinally along Chapman) and with sand-cement slurry in all (seven) intersections and other transverse trench crossings (CR-16-2). This was done in response to a new City of Orange permit requirement negotiated with IRWD and the contractor in-lieu of replacing excessively thick street pavement sections.

Director Reinhart reported that this item was reviewed by the Engineering and Operations Committee on June 21, 2011 and that they concur with the staff recommendation. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD APPROVED CONTRACT CHANGE ORDER NO. 11 WITH LEATHERWOOD CONSTRUCTION, INC. IN THE AMOUNT OF \$204,350 FOR THE ORANGE PARK ACRES TRANSMISSION PIPELINE PROJECT, PROJECT 11408.

WELLS 21 AND 22 DESALTER CONTRACT CHANGE ORDER NO. 3

Director of Engineering Burton reported that design/build of the Wells 21 and 22 Desalter was awarded to P&L in June 2010 in the amount of \$14,253,587. Mr. Burton said that Contract Change Order No. 3, in the amount of \$367,230, covers the following three items:

1) Emergency Generator - the original bidding documents did not provide an emergency power supply when the main power shuts down unexpectedly, the emergency power will provide for flushing water, motorized valves, shutdown programming, alarming, SCADA, and lights long enough for the facilities to be properly shutdown; 2) the addition of a surge tank to protect the distribution system and plant facilities from surges in water pressure; and 3) the addition of a hydraulic lift for operations and maintenance of the reverse osmosis membranes, and piping and valves adjacent to the membrane racks. It will provide a safe platform for removing and loading membranes, and for working on the membrane racks and adjacent appurtenances.

Director Reinhart reported that this item was approved by the Engineering and Operations Committee on June 21, 2011. In response to Director Swan's inquiry relative to the need for an emergency generator, Mr. Burton said that when the main power shuts down unexpectedly, emergency power will provide for flushing water, motorized valves, shutdown programming, alarming, SCADA, and lights long enough for the facilities to be properly shutdown. On MOTION by Reinhart, seconded and carried (3-1 Swan voting no), **THE BOARD APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$385,600 FOR PROJECT 10286, AND APPROVED CONTRACT CHANGE ORDER NO. 3 IN THE AMOUNT OF \$367,230 TO PASCAL & LUDWIG CONSTRUCTORS FOR THE WELLS 21 AND 22 DESALTER, PROJECT 10286.**

SELECTION OF FIRM TO CONDUCT SEARCH FOR GENERAL MANAGER

General Manager Jones reported that staff was directed to solicit proposals from executive recruitment firms to conduct a search for a General Manager. Mr. Jones said that staff received proposals from four of the five firms solicited and met at a special meeting of the Finance and Personnel Committee to review and discuss the proposals. He said that staff recommended and the Finance and Personnel Committee concurred to retain the services of Roberts Consulting Group, Inc. at a fixed fee rate of \$27,000.

Director Swan reported that this item was reviewed at a special meeting of the Finance and Personnel Committee on June 23, 2011. On MOTION by Swan, seconded and unanimously carried, **THE BOARD AUTHORIZED A PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$27,000 TO ROBERTS CONSULTING GROUP FOR THE RECRUITMENT OF A GENERAL MANAGER.**

The Board requested that following the conclusion of business at tonight's meeting, the meeting be adjourned and this item be continued to meet and discuss the recruitment with the selected consultant.

GENERAL MANAGER'S REPORT

General Manager Jones reported that AB 741 received passage from the Senate Floor today.

Mr. Jones said that a meeting is scheduled this Wednesday with the Irvine Company relative to IRWD's proposed biosolids facilities and the Michelson Water Recycling Plant.

Mr. Jones said that on June 20, 2011 a meeting was held with Orange Park Acres' Homeowner's Association with 75 residents in attendance relative to the potential conversion of septic to sewer service. He said that the tone was fairly negative with the general concern that \$1,300 to \$1,400 will be applied on property tax bills for infrastructure improvements. Mr. Jones recommended having a consultant provide polling along with an analysis by residents prior to an item being placed on the ballot at the next election.

Mr. Jones reported that MNWD, ETWD, and SCWD's agreement relative to their participation in the MWRP Biosolids project is contingent upon full participation by all agencies. He said that it was his understanding that several of these managers are planning to meet with SMWD to request a reconsideration as SOCWA wants to proceed with the agreement with IRWD. He said in the meantime, he is preparing a letter to SOCWA requesting a response within seven to 10 days if they plan to go forward as the dryer size for the project needs to be resolved quickly.

DIRECTORS' COMMENTS

Director Reinhart reported on his attendance at MWDOC and a meeting with El Toro Water District.

Director Swan reported on his attendance at the IRWD Historical Committee, a Southern California Dialogue meeting, an OCWD/MWDOC Joint meeting along with President LaMar, a WACO meeting, a meeting a representative from the Latino Water Coalition, a HDR meeting on water shortage with Director Withers, and a Crystal Cove event. He said that he is planning to attend the OC Taxpayers' event next week along with a WACO meeting.

Director LaMar reported on his attendance at the MWDOC Board meeting, a MWDOC/OCWD Joint Committee meeting, and a Tustin Chamber of Commerce Installation of Officers meeting.

Director Reinhart congratulated Mr. Paul Cook on becoming Interim General Manager of IRWD effective July 15, 2011.

ADJOURNMENT

President LaMar adjourned the meeting to Thursday, June 30 at 9:00 a.m. in the second Floor Committee room to hold a workshop relative to discussions with Roberts Consulting Group to conduct the search for a General Manager.

APPROVED and SIGNED this 11th day of July, 2011.

President, IRVINE RANCH WATER DISTRICT

)

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone

EXHIBIT "B"

MINUTES OF ADJOURNED REGULAR MEETING – JUNE 30, 2011

The Adjourned Regular Meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order by President LaMar at 9:00 a.m., June 30, 2011 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None

Also Present: General Manager Jones, Director of Human Resources Wells, Legal Counsel Arneson and Mr. Norm Roberts.

COMMUNICATIONS TO THE BOARD - None

WORKSHOP

DISCUSSION WITH ROBERTS CONSULTING GROUP TO CONDUCT SEARCH FOR GENERAL MANAGER

At the June 27, 2011 Board meeting, following the approval of a Professional Services Agreement to Roberts Consulting Group (Action item No. 21), the Board requested continuance of this item to meet with the selected consultant.

The Board and staff conferred and provided direction to Mr. Norm Roberts of Roberts Consulting Group relative to the process of recruiting a General Manager.

ADJOURNMENT

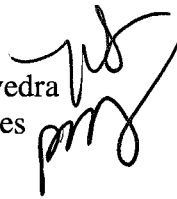
There being no further business, President LaMar adjourned the meeting at 11:00 a.m.

APPROVED and SIGNED this 11th day of July, 2011.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

July 11, 2011
Prepared and
Submitted by: N. Savedra
Approved by: P. Jones



CONSENT CALENDAR

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

SUMMARY:

Pursuant to Resolution 2006-29 adopted on August 28, 2006, approval of attendance of the following events and meetings are required by the Board of Directors.

Events/Meetings

Steven LaMar

6/29/11 Briefing meeting regarding connection fees and biosolids
7/21/11 MWDOC Water Policy Forum
8/11/11 ISDOC Emergency Management Training Workshop for Special Districts

Mary Aileen Matheis

7/07/11 Orange County Taxpayers Association Event
7/14/11 NWRI The Clarke Prize Awards Event
8/11/11 ISDOC Emergency Management Training Workshop for Special Districts

Doug Reinhart

6/07/11 West Basin Water District Desalination Tour
6/28/11 Meeting w/The Irvine Company staff Mr. Kirk, Mr. Tamaribuchi & Mr. Miller
7/21/11 MWDOC Water Policy Forum

Peer Swan

6/08/11 Presentation of NTS to Speak UP Newport
7/21/11 MWDOC Water Policy Forum
7/28-29./11 ACWA Board of Directors' Meeting and Tour

John Withers

7/07/11 Orange County Taxpayers Association Event
7/14/11 NWRI The Clarke Prize Awards Event
8/11/11 ISDOC Emergency Management Training Workshop for Special Districts

RECOMMENDATION:

THAT THE BOARD RATIFY/APPROVE THE MEETINGS AND EVENTS FOR STEVEN LaMAR, MARY AILEEN MATHEIS, DOUG REINHART, PEER SWAN, AND JOHN WITHERS AS DELINEATED ABOVE.

LIST OF EXHIBITS:

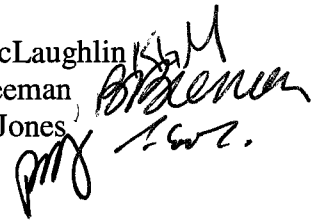
None

July 11, 2011

Prepared by: K. McLaughlin

Submitted by: B. Beeman

Approved by: Paul Jones



CONSENT CALENDAR

DISCOVERY SCIENCE CENTER ANNUAL REPORT

SUMMARY:

This report provides an update on the District's partnership with the Discovery Science Center (DSC) for water education programs including a summary of the 2010-11 school year and planning for the 2011-12 school year.

BACKGROUND:

In 2007 IRWD and DSC formed a partnership for water education programs in the IRWD service area. DSC provides assembly and in-classroom lessons and field trip opportunities for students in kindergarten through eighth grade. These programs are designed to align with grade-specific California Curriculum Content standards. During the 2009-10 school year, IRWD and DSC began implementing San Joaquin Marsh education programs including a pilot program for high school students designed to educate these students in how to teach younger students about various water education topics. Specifically, the three components of the partnership are:

- *K-6th Grades:* Students in kindergarten through sixth grade participate in grade-specific assemblies that focus on water science and conservation. Using individual student response keypad technology, teachers engage and encourage student participation during presentations. All assemblies, regardless of grade level, stress the importance of conserving limited resources and preventing water pollution. Topics include the forms of water, water as a resource, ecosystems, the water cycle, sources of water, water recycling, energy and resources, and California's water. The assembly programs utilize IRWD student workbooks featuring IRWD's Aqua Duck.
- *6th-8th Grades:* Sixth, seventh and eighth grade students participate in a series of four-day workshops of hands-on water chemistry and environmental resources lessons concluding with a trip to the San Joaquin Marsh. To promote better understanding of and possibly future careers in science, students use chemical test kits to:
 - Identify certain aspects of water quality;
 - Conduct simulated biological surveys related to water quality issues;
 - Explore current technologies, such as water recycling; and
 - Deepen their understanding of water as a basic element and an essential resource.
- *Marsh Education and High School Programs:* DSC and IRWD began offering limited student and community education programs centered on the IRWD San Joaquin Marsh in 2009. These efforts included a pilot high school program to teach high school students to educate others about water and resource related topics; the Wild About the Wetlands community education events, facilitated by DSC and taught by the high schools students; and DSC summer camps at the IRWD Learning Center.

Year-End Update for the 2010-11 School Year:

2010-11 was another successful year in the IRWD/DSC. 8,167 elementary school students participated in the water education assembly programs, almost 17% more than the District's goal of providing assembly programs for 7,000 students in our service area. 1,605 middle school students participated in the IRWD/DSC water quality workshop series, including the trip to the San Joaquin Marsh. This was slightly below our goal of 1,700 middle school students.

Through consultation with the Irvine Unified School District (IUSD), staff determined that the four-day workshop series presented a challenge to school participation due to current education budget cuts and furlough days. In response, we were able to pilot a two-day workshop series – one day in the classroom and one field trip to the Marsh on the second day – that was favorably received at the end of the school year. Of the 1,605 students that participated in the middle school program this year, 630 students from Stone Creek and Sierra Vista Schools participated in the shorter workshop series. The money saved by offering this shorter program allowed IRWD to provide education programs to 1,167 additional elementary school students while staying within its FY 2010-11 budget.

The 2010-11 school year was the second year of the pilot high school / Wild About the Wetlands community education programs. While we have had some enthusiastic high school volunteer participants, primarily through some of the local scout groups, overall the program and events have not garnered much interest. As such, this program will be discontinued and staff will explore options for additional offerings during the 2011-12 school year, as outlined below.

DSC summer camp at the IRWD Learning Center is in its third year and continues to be very popular. Six one-week sessions will be held between July 11 and August 19, 2011. The Summer Smiles Camp is geared toward students five and six years old. Campers will investigate the world of frogs, leaves and butterflies and even get down in the dirt. The Project Discovery Camp is for future engineers and builders ages seven through 10 and provides hands-on activities such as building wind-powered cars, dropping eggs without breaking them and constructing catapults. Campers will also explore chemistry basics.

Planning for the 2011-12 School Year

DSC has held a series of meetings with local school officials and teachers, primarily from IUSD, to determine how IRWD's program can best meet their needs, how ongoing budget constraints impact their ability to participate in IRWD programs, and how to set realistic goals for 2011-12. In light of those meetings coupled with the results from the current school year, staff and DSC are planning the following for the 2011-12 school year:

K – 6th Grade Assembly Programs:

- Goal of 9,000 elementary school student participants.
- Redesign and update the grade-specific Aqua Duck workbooks for the 2012-13 school year, including incorporating the redesigned IRWD Aqua Duck image.

Middle School Water Quality Workshops:

- Goal of 1,800 middle school student participants in a two-day water quality workshop program. Participants will continue to receive water conservation kits and surveys, likely focused on outdoor conservation.
- To best meet the California curriculum standards, the program will target 6th and 8th grade students. Programs for each grade level are as follows:
 - 6th Grade – Day one consists of in-class, hands-on study including water sample testing of nitrates and phosphates and discussion of the concept of the natural filtration ponds at the San Joaquin Marsh. Day two consists of a Marsh field trip where the students will test the influent and effluent for nitrates and phosphates.
 - 8th Grade – Day one consists of in-class, hands-on study of dissolved oxygen and discussion of pH and wastewater treatment. Day two consists of a Marsh field trip where students will meet with an IRWD lab technician and study the actual micro-invertebrates being utilized at the Michelson Wastewater Recycling Plant. Students will also continue their water testing at the Marsh and view the video of the Michelson Wastewater Recycling Plant.

Marsh and High School Education Programs:

DSC and IRWD are discussing educational needs and opportunities for high school programs with the IUSD science coordinators. The goal is to utilize IRWD and DSC resources, including staff resources and the San Joaquin Marsh and Campus, to offer educational opportunities to meet the needs and interests of high school students in the IRWD service area. IRWD and DSC are exploring a variety of ideas for the 2011-12 school year, including the following:

- Currently IRWD staff members work with high school teachers in the District's service area to provide customized in-class presentations to high school students throughout the year. These presentations, which were developed based on the needs of each class / teacher, include topics such as water conservation, water quality and biology, and environmental science. These presentations are separate from IRWD's partnership with DSC. DSC and IRWD are exploring opportunities for expanding these customized presentations in high schools in the IRWD service area using both IRWD and DSC staff presenters.
- Working with the ecology and other science-based clubs at the individual high schools to educate students regarding how to:
 - Present real-life science to the public;
 - Teach about water quality and environmental benefits of the Marsh, how to use water efficiently and the IRWD allocation-based rate structure; and
 - Pursue their own interests in ecology and other sciences.

In addition, IRWD will continue to host DSC summer camps at the Marsh in 2012.

FISCAL IMPACTS:

The FY 2011-12 IRWD operating budget includes \$120,000 in funding for the 2011-12 water education program. The operating budget also includes \$31,752 in Always Water Smart funding for the middle school conservation kits.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS

This item was reviewed at the Water Resources Policy and Communications Committee on July 7, 2011.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Discovery Science Center 2011-12 Budget and Program Details

EXHIBIT "A"

IRWD / DSC 2011-2012 Budget

Item	Rate	Quantity	Total	Admin. 20%	Total
Assembly Program	\$3.40	9000 students	\$30,600	\$6,120	\$36,720
Aqua Duck booklets	\$2.00	9000 students	\$18,000	X	\$18,000
Redesign booklets	\$60/page	96 pages	\$ 5,760	X	\$5,760
Brochure/promotion	\$2,625		\$ 2,625	X	\$2,625
WQ Workshop	\$6.30	1800 students	\$11,340	\$2,268	\$13,608
Field Trip w/buses	\$12.00	1800 students	\$21,600	\$4,320	\$25,920
High School program	\$17,376		\$17,376	X	\$17,367
TOTAL					\$120,000
Conservation kits	\$14.70	1800 kits	\$26,460	\$5,292	\$31,752
TOTAL w/kits					\$151,752

Program Details for 2011-2012 school year:

Assembly-style Programs:

- Targeting 9000 K – 6th grade students in 2011-2012 assembly programs. During the 2010-2011 school year, we targeted 7000 students in assembly programs, but were successful at teaching 8167 students (an almost 17% increase over what was expected without an increase in IRWD’s budget).
- Next year, we will begin the redesign and incorporation of the updated Aqua Duck image into our student take-home booklets and on the teaching props that feature Aqua Duck’s image. This will be completed by the end of the school year and go to print for the 2012-2013 school year.

Water Quality Workshop-style Programs:

- Targeting 1800 middle school students in 2011-2012 workshop programs. During the 2010-2011 school year, we targeted 1700 students in workshop programs, but were successful at teaching 1605 students (a 5 ½% decrease over what was expected). After multiple meetings with the Irvine Unified School District, it was determined that a 3-day in-class program, along with a San Joaquin Marsh field trip, resulted in too many out-of-school programs due to the added number of IUSD furlough days in the schools. We also piloted a one-day in-school program, along with a San Joaquin Marsh field trip during the Spring of 2011 to determine the effectiveness of modifying the IRWD Water Quality program for a shorter time period. Due to the pilot’s success, we will modify the 2011-2012 Water Quality program to target 6th grade and 8th grade, each with a grade-specific, one-day in-class and San Joaquin Marsh field trip:
 - 6th grade = (1st day) in-class, hands-on study and water sample testing of nitrates and phosphates and discussion of the concept of the natural filtration ponds at the San Joaquin Marsh, followed by (2nd day) a field trip to the San Joaquin Marsh where the students will actually test the influent and effluent for nitrates and phosphates.

- 8th grade = (1st day) in-class, hands-on study of dissolved oxygen and discussion of pH and wastewater treatment, followed by (2nd day) a field trip to the San Joaquin Marsh where the students will meet with an IRWD lab technician and look at the actual microinvertebrates being utilized at the Michelson Wastewater Reclamation facility. In addition, the students will continue their water testing at the Marsh and view the video of the Michelson Wastewater Reclamation facility.

High School Program:

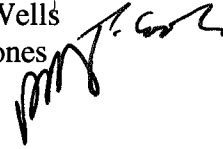
- Science Center staff met with the Irvine Unified School District science coordinators to discuss educational opportunities made available through the IRWD school program. Some of the activities and opportunities we discussed for their high school students included:
 - Working with the IUSD high school art program and teachers to recruit artwork to update the Aqua Duck image (as a part of IRWD's new campaign); IUSD is interested in making this project a part of the students' coursework.
 - Working with the IUSD and Cheryl Kelly at IRWD to expand IRWD's high school presentations in the schools; Science Center staff could learn portions of Cheryl's presentation and could work with IRWD to videotape segments of the IRWD staff's career awareness presentation in order to do more programs in the high schools with less demand on IRWD staff, but still maintain the high quality of this outreach program.
 - Working with the Ecology Clubs at the individual high schools in order to have the students (1) present real-life science to the public, (2) influence attendees to San Joaquin Marsh to understand the purpose of the Marsh, how to use water efficiently and how to interpret their tiered water bill, and (3) pursue their own interest in ecology.
 - Another goal would be to connect these high school students with UCI students enrolled in Social Ecology, Biology, Chemistry, and other related fields. IRWD students would utilize their community service hours and UCI students would be sought as unpaid interns through the science and education departments for their participation in this program.
- Led by Janet Yamaguchi, Discovery Science Center would continue to collaborate with the science coordinators of IUSD in order to (1) best suit the needs and interests of their high school students while utilizing the rich resources found at San Joaquin Marsh, (2) offer educational opportunities to the students, and (3) report the progress of the program to IRWD administrators and Board, and IUSD administrators and Board.
- The budget for the high school program would be allotted to DSC staff to create and supervise the program (\$500 per month), approximately \$5,400 for materials and \$6,000 for videotaping.

July 11, 2011

Prepared by: Marta Ramos

Submitted by: Janet Wells

Approved by: Paul Jones



CONSENT CALENDAR

SELF-INSURED WORKERS' COMPENSATION COVERAGE

SUMMARY:

Alliant Driver Specialty Group (Alliant) marketed the District's Workers' Compensation coverage and received preliminary indications on premiums from 15 primary carriers and 10 excess carriers for the plan year beginning July 1, 2011 and ending June 30, 2012.

Staff recommends that the Board authorize staff to:

- Renew Self-insured Workers' Compensation coverage with the California State Association of Counties (CSAC) Excess Insurance Authority;
- Renew third-party administrator coverage with York Insurance Services (formerly known as SCRMA); and
- Renew coverage at a self-insured rate (SIR) of \$125,000.

BACKGROUND:

Self-insurance Program:

IRWD has been a member of the California State Association of Counties (CSAC) Excess Workers' Compensation Program since 2003. The program is administered by a third-party administrator (TPA), York Insurance Services (York). York has provided excellent customer service and the District's claims have been proactively monitored and actively managed. CSAC also conducts its own audit on IRWD's TPA to insure that it is in compliance with all of the appropriate regulations required under Worker's Compensation law. The District's annual audit showed improvement with York's administration of claims from the previous year.

During the FY 2010-11, the District reported a total of 20 injuries under its self-insurance program (not including first-aids), resulting in paid claims of \$178,037. During this year, the District also had one litigated claim, 3 settlements and an employee who underwent surgery. These events minimally raised IRWD's paid claims by \$5,275 over the FY 2009-10 paid claims of \$172,762. Staff continues to administer internal safety programs that are very effective in minimizing injuries to employees to help control claims expenses and reduce costs.

The following is a summary of the District's Workers' Compensation claims history:

WORKERS' COMPENSATION CLAIMS/PREMIUM HISTORY			
POLICY TERM	TOTAL NO. OF CLAIMS	TOTAL INCURRED CLAIMS	AUDITED PREMIUM
7/1/10-11	20	\$178,037	\$218,149
7/1/09-10	26	\$172,762	\$157,397
7/1/08-09	25	\$288,818	\$196,891
7/1/07-08	23	\$109,922	\$176,891
7/1/06-07	20	\$112,144	\$213,406
7/1/05-06	18	\$91,703	\$220,000
7/1/04-05	9	\$19,841	\$237,177
7/1/03-04**	7	\$241,912	\$231,134
7/1/02-03	12	\$30,434	\$285,668
7/1/01-02	18	\$158,231	\$261,715
10-Year Average	17.8	\$140,380	\$219,842

** First year of self-funded program.

The District's primary coverage is currently insured through the CSAC Excess Workers' Compensation Program with a \$125,000 self-insured retention rate which means that the District is responsible for the first \$125,000 of each claim. Staff received a renewal quote for Worker's Compensation coverage with an SIR rate of \$125,000 for an estimated premium of \$271,561 including all fees. This is an increase in premium of \$53,000 from FY 2010-11 which is due to the current outstanding claims that have yet to be settled. Below is the preliminary proposal to maintain the District's coverage with CSAC with an SIR of \$125,000.

Pooled Premium	\$218,043
Excess Premium	18,182
CSAC EIA Administration Fee	17,345
CSAC Public Entity Fee	1,181
Broker Fee	16,811
Total Premium FY 2010-11	\$271,561
Third-Party Administrator Fee (SCRMA)	28,314
Total Estimated Premium/Fees for FY 2011-12	\$299,875

Marketing Study Results:

The results of the Alliant market study for the District's primary Workers' Compensation coverage for the FY 2011-12 are summarized below:

Primary Market	Response
Insurance Company of the West	Declined - Prohibited class
Everest National	Declined - Prohibited class
World Wide Facilities	Declined - Does not fit in program
Chartis	Declined - Prohibited class
Zurich	\$760,000 premium w/\$100,000 deductible

Primary Market	Response
Employers Compensation Ins. Co	Declined – Underground Operations
Everest Ins. Co	Declined-Prohibited class
Fireman's Fund	Declined-Prohibited class
Zenith	Declined-Prohibited class
Berkshire Hathaway Homestate Co.	\$858,600 Preliminary Premium
Majestic Insurance Co.	\$572,500 Preliminary Premium
California State Compensation Fund	\$923,755 Preliminary Premium
Hartford	\$681,200 Preliminary Premium
Chubb	Declined-Prohibited class
State Compensation Insurance Fund	\$923,755 Premium indication

Due to the nature of the work performed by the District, the market study conducted by Alliant did not result in any viable options for IRWD's current program. As a previous policyholder with the State Compensation Insurance Fund, the District received a premium indication from State Fund of \$923,775. The market study responses regarding Excess Workers' Compensation coverage are summarized in the table below:

Excess Market	Response
Chartis (formerlyAIG)	\$500,000 Minimum SIR
Ace American Insurance	\$500,000, Minimum SIR
Midwest	\$750,000 Minimum SIR
CSAC	\$125,000 SIR, \$271,561 Indication
CSAC	\$250,000 SIR, \$177,401 Indication
Safety National	\$1,000,000 to \$100,000 Minimum SIR
Discover Reinsurance	\$250,000 Minimum SIR, \$200,000 Minimum Indication
Munich Re	Declined to Quote
US Specialty	\$750,000 Minimum SIR
Liberty Mutual	\$500,000 Minimum SIR

Limited premium indications were given from the Excess market due to the SIR requirements for participation. The Excess SIRs start at a minimum of \$250,000 compared to the District's current SIR of \$125,000. CSAC's quote for coverage with an SIR of \$250,000 came in at \$177,401 compared to its quote of \$271,561 for coverage with a \$125,000 SIR.

Based on the results of the marketing study, staff agrees with Alliant's recommendation to continue the Self-insured Workers' Compensation program with CSAC Excess Insurance Authority with a premium indication of \$271,561 and maintain the District's SIR of \$125,000. Staff does not recommend increasing the self-insured retention for each claim from \$125,000 to \$250,000 for an annual cost savings of \$94,150. Staff also recommends that IRWD continue to contract third-party administrator services with York for an annual fee of \$28,314.

FISCAL IMPACTS:

The total projected cost to self-insure the District's Workers' Compensation coverage, including the cost of the third-party administrator, is estimated at \$299,875. In addition, the District is setting aside \$350,000 to build a claims reserve fund and budgeted \$331,000 for FY 2011-12 for the Workers' Compensation coverage and third-party administrator. Compared to anticipated actual costs, this is a savings of \$31,125 or 9% under budget.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on July 5, 2011.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE STAFF TO RENEW THE DISTRICT'S SELF-INSURED WORKERS' COMPENSATION COVERAGE WITH THE CALIFORNIA STATE ASSOCIATION OF COUNTIES (CSAC) EXCESS INSURANCE AUTHORITY, BIND COVERAGE WITH CSAC AT THE \$125,000 SELF-INSURED RETENTION LEVEL FOR A TOTAL ANTICIPATED ANNUAL PREMIUM OF \$271,561, AND RENEW THE THIRD-PARTY ADMINISTRATOR CONTRACT WITH YORK INSURANCE SERVICES FOR AN ANNUAL FEE OF \$28,314.

LIST OF EXHIBITS:

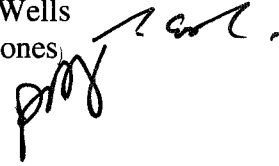
None.

July 11, 2011

Prepared by: Gretchen Maswadeh

Submitted by: Janet Wells

Approved by: Paul Jones



CONSENT CALENDAR

REVISED PERSONNEL POLICIES AND PROCEDURES

SUMMARY:

Staff has developed the Personnel Policies and Procedures to consistently address personnel-related issues at the IRWD. Revisions to any of these policies must be approved by the IRWD Board of Directors from time-to-time to keep current with state and federal law, to adopt best practices in administering Human Resource policy, and to correctly reflect practices adopted in conducting District business.

Staff recommends that the Board:

- Approve revisions to Personnel Policies as detailed below, and
- Adopt a resolution establishing revised personnel policies and rescinding Resolution No. 2011-8, dated March 14, 2011.

BACKGROUND:

Staff recommends revisions to the following Personnel Policies:

- Policy No. 2 – General Policies
- Policy No. 6 – Hiring and Termination
- Policy No. 8 – Salary
- Policy No. 9 – Overtime Pay
- Policy No. 11 – Health, Dental, Accident and Life Insurance
- Policy No. 12 – Workers' Compensation
- Policy No. 13 – Long-term Disability
- Policy No. 14 – Short-term Disability
- Policy No. 16 – Sick Leave
- Policy No. 18 – Vacation
- Policy No. 19 – Leave of Absence
- Policy No. 23 – Education and Training
- Policy No. 32 – Safety Incentive/Service Award Program
- Policy No. 33 – Injury and Illness Prevention Program
- Policy No. 34 – Employee Personal Computer Purchase Plan
- Policy No. 39 – Deferred Compensation Plan
- Policy No. 44 – Electronic Mail
- Policy No. 46 – Access and Usage of the Internet
- Policy No. 50 – Vehicle and Equipment Usage

Proposed revisions to the District's Personnel Policies, attached as Exhibit "A", are summarized as follows:

Policy No. 2 – General Policies: The policy has been revised to reflect current hours of operation for the Headquarters and Michelson facilities.

Policy No. 6 – Hiring and Termination: The policy has been revised to allow the District to avoid hiring or making assignment decisions that might result in conflict due to a close personal relationship between two employees and to process a voluntary termination of an employee who abandons his or her job with no contact for three or more days.

Policy No. 8 – Salary: The policy has been revised to reflect current hours of operation for the Headquarters facility.

Policy No. 9 – Overtime Pay: The policy has been revised to reflect new salary grade designations and to align with AWP 6 regarding Safety Hours practices.

Policy No. 11 – Health, Dental, Accident and Life Insurance: The policy has been revised to reflect the practice of imputing income for District provided life insurance.

Policy No. 12 – Workers' Compensation: The policy has been revised to reflect current reporting practices.

Policy No. 13 – Long term Disability: The policy has been revised to reflect the current insurance percentage.

Policy No. 14 – Short term Disability: The policy has been revised to reflect the practice of coordinating accrued sick and vacation pay with SDI benefits and to eliminate the reference to the state-required minimum earnings, which changes periodically.

Policy No. 16 – Sick Leave: The policy has been revised to more clearly define the use of sick leave for care of a family member and to reflect the practice of coordinating accrued sick pay with leave of absence benefits.

Policy No. 18 – Vacation: The policy has been revised to reflect monthly accrual rates for vacation rather than accruals per pay period in preparation for the upcoming change from semi-monthly to bi-weekly pay.

Policy No. 19 – Leave of Absence: The policy has been revised to remove language that implies that an employee can elect whether or not to coordinate accrued sick and/or vacation for certain types of leaves of absence where coordination is currently required under District policy.

Policy No. 23 – Education and Training: The policy has been revised to clarify the number of units that must be completed while employed by IRWD for an incentive payment for an Occupational Program Certificate or Associates or Bachelors degree to be issued.

Policy No. 32 – Safety Incentive/Service Award Program: The policy has been revised to eliminate the references to the Safety Incentive Program, which will be discontinued in August 2011.

Policy No. 33 – Injury and Illness Prevention Program: The policy has been revised to reflect current District practices.

Policy No. 34 – Employee Personal Computer Purchase Plan: The policy has been revised to reflect current District practices and limitations on computer loans and to require repayment of the remaining balance from final checks at termination.

Policy No. 39 – Deferred Compensation Plan: The policy has been revised to reflect current District practices and to eliminate the references to the Direct Contributions which was discontinued July 1, 2011.

Policy No. 44 – Electronic Mail: The policy has been revised to reflect current job titles of responsible staff.

Policy No. 46 – Access and Usage of the Internet: The policy has been revised to reflect current job titles of responsible staff.

Policy No. 50 – Vehicle and Equipment Usage: The policy has been revised to reflect current job titles of employees with overnight vehicle retention and to accommodate mid-year IRS mileage rate changes.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on July 5, 2011.

RECOMMENDATION:

THAT THE BOARD APPROVE THE REVISIONS TO PERSONNEL POLICIES AS LISTED AND ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH
WATER DISTRICT, RESCINDING RESOLUTION NO. 2011-8
AND ESTABLISHING REVISED PERSONNEL POLICIES
(FOR POLICY NOS. 2, 6, 8, 9, 11, 12, 13, 14, 16, 18, 19, 23,
32, 33, 34, 39, 44, 46, and 50).

LIST OF EXHIBITS:

Exhibit "A" – Proposed revisions to policies

EXHIBIT "A"

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES MANUAL

POLICY NO. 2 - GENERAL POLICIES

1. The following policies have been established by the District, and are applicable to all personnel.

- A. Official office hours at the Headquarters facility are 7:30 a.m. to 5:00 p.m., Monday through Thursday. Friday hours are 8:00 a.m. to 5:00 p.m. The Headquarters facility will be closed every other Friday other than a small number of Customer Service staff who will be available for customer service issues. Official office hours at the Michelson facility are 6:30 a.m. to 4:00 p.m., Monday through Thursday. Friday hours are 6:30 a.m. to 3:00 p.m. Normal District office hours are from 7:30 a.m. to 5:00 p.m., Monday through Thursday and 8:00 a.m. to 5:00 p.m. Friday.

There may be other hours worked as necessitated by specific job requirements.

If, for any reason, an employee is unable to report for work, the employee's immediate supervisor must be notified as soon as possible.

- B. Uniforms are required apparel in certain specified jobs within the District. These District uniforms will be provided, laundered and maintained by the District. Supervisors are responsible for coordinating with the warehouse for the issuance of uniforms to newly hired employees. These uniforms are the property of the District and will be surrendered upon termination of employment.
- C. Each employee of the District is authorized a 10 minute rest period or coffee break during the morning and again in the afternoon. Each employee who is assigned to work over 5 hours is authorized a meal period of 30 minutes. Employees are not paid for meal periods. These periods are designated by their supervisors on a scheduled basis.
- D. Employees are paid twice each month - the 23rd of the month for the period of the 1st through the 15th day of the month, and on the 8th of the month for the period of the 16th through the last day of the preceding month.
- E. Safety is at the forefront of the District's concerns. The California and Federal Occupational Safety and Health Act and the Irvine Ranch Water District Safety Policy pertain to safety and are applicable to all District employees. Safety regulations, as established by the Safety and Security Manager, will be stated in the Employees Safety Manual and placed on the s:\drive where they are accessible to all employees. Safety rules will be strictly enforced. (See Policy No. 32 - Safety Incentive/Service Award Program). The District will also follow its Injury and Illness Prevention Program (See Policy No. 33 - Injury and Illness Prevention Program).
- F. The District provides a smoke-free work place. Both the Sand Canyon Headquarters building and the Michelson Operations Center multiple buildings including workshop areas and any other enclosed work areas are non-smoking facilities. In addition, all District vehicles are considered non-smoking areas.

A high fire hazard also exists in most of the District. Many areas are posted against smoking, but even if not posted, employees are cautioned to use extreme care with cigarettes, matches, and any equipment that might start a fire.

POLICY NO. 2 - GENERAL POLICIES

- G. It is important to recognize that all employees of the District derive their salaries from a public agency. Each must be sensitive to the public with regard to personal appearance, attitude, personal behavior and work habits in an effort to assure that public confidence is well placed. Supervisors and managers will stress "pride" as a means of ensuring a high level of employee response. In controversy, where a judgment is required, the final authority rests with the General Manager.
- H. Employment with the District is on an at-will basis. Both the employee and the District have the right to terminate the employment at any time, with or without cause or notice. This at-will basis may not be modified, abrogated or altered in any way, except in a written agreement signed by the General Manager and ratified by the Board of Directors.
- I. Equal Employment Opportunity Commitment

It is the District's policy to recruit, screen, employ, retain, promote, terminate, and otherwise treat all employees and job applicants on the basis of merit, qualifications, and competence. This policy shall be applied without regard to any individual's sex, race, color, religion, national origin, ancestry, pregnancy, age, marital status, liability for service in the Armed Forces of the United States, medical condition, physical or mental disability.

This policy is in accordance with the laws of the United States and the State of California and reaffirms the District's continuing commitment to provide equal opportunity to all employees and applicants for employment.

APPROVED:

| _____
Director of Human Resources

March 9, 2009 July 11, 2011

Date

| _____
General Manager

March 9, 2009 July 11, 2011

Date

IRVINE RANCH WATER DISTRICT
PERSONNEL POLICIES AND PROCEDURES MANUAL
POLICY NO. 6 - HIRING AND TERMINATION

1. **Commitment to Compliance with Federal Laws Prohibiting Employment of Unauthorized Aliens**

The District is committed to full compliance with the federal immigration laws. These laws require that all individuals pass an employment verification procedure. This procedure has been established by law and requires that every individual provide satisfactory evidence of his/her identity and legal authority to work in the United States no later than three business days after he/she begins work. Accordingly, all new employees must go through this procedure.

2. **Hiring and Employment of Relatives or Individuals with a Residential Relationship/Conflicts of Interest**

The District desires to avoid situations in which actual or potential conflicts of interest may exist. To implement this objective, the District will attempt to avoid assignments that involve actual or potential conflicts of interest, as well as working relationships involving relatives or individuals with close personal relationships that may potentially lead to complaints of favoritism, lack of objectivity, or employee morale and dissension problems that can result from such relationships.

In keeping with this policy, relatives of employees and individuals with whom employees reside or have a close personal relationship are not eligible for employment with the District in any situation where potential problems of supervision, safety, security or morale exist or where personal relationships may create an actual or potential conflict of interest, cause disruption, or create a negative or unprofessional work environment. For purposes of this policy, relatives include an employee's parent, child, spouse, brother, or sister, or a stepparent, stepchild, stepbrother, or stepsister. Relatives also include any parent, child, brother or sister of an employee's spouse. As noted above, the policy is not limited to relatives and applies to other covered situations involving actual and potential conflicts of interest.

If two employees become subject to the restrictions of this policy after they are hired, the District reserves the right to determine whether or not an actual or potential conflict of interest or an affect on supervision, safety, security or morale exists. The District also reserves the right to determine that other relationships that arc not specifically covered by this policy represent actual or potential conflicts of interest as well. In any case where the District determines, in its sole discretion, that a relationship between two employees may create an actual or potential conflict of interest, or affect supervision, safety, security or morale, the District may take whatever action it determines to be appropriate to avoid the actual or potential conflict of interest. Such action may include, but is not necessarily limited to, transfers, reassignments, or where it deems such action appropriate, disciplinary action up to and including possible termination.

POLICY NO. 6 – HIRING & TERMINATION

Any questions regarding this conflict of interest policy should be directed to the Director of Human Resources. If an employee becomes involved in any such actual or potential conflict of interest, he or she must notify his/her supervisor immediately.

3. Posting Policies

The Human Resources Department of the District is responsible for posting employment opportunities available within the District. Employment opportunities ordinarily will be posted for a minimum of five days on various bulletin boards at the headquarters building and the Michelson Operations Center. Employment opportunities are also communicated to all employees via e-mail and all employment opportunities open to the public are posted on the IRWD website (www.irwd.com). The District reserves the right to post in-house employment opportunities within sub-department work areas only.

Employees who are interested in posted positions should complete a job bidding form (available in the Human Resources Department or at s:\Human Resources\Forms\Job Bid Form.doc) and submit it to the Human Resources Department for consideration prior to the closing date. However, employees who have been employed less than six months with the District may not qualify for a transfer or promotion to another position if the change is not in the best interest of the District.

4. Eligibility for Promotions, Transfers and Reassignments

The District encourages employees to apply for promotions to positions for which they are qualified.

Employment opportunities are posted on various bulletin boards at the headquarters building and the Michelson Operations Center. Employment opportunities are also communicated to all employees via e-mail.

Employees who have been employed by the District for six months and are interested in posted positions should complete a job bidding form (available in the Human Resources Department or at s:\Human Resources\Forms\Job Bid Form.doc) and submit it to the Human Resources Department for consideration prior to the closing date of the position. Promotions and transfers shall be based on the ability, qualifications, and potential of the candidates for the positions. Employees are not automatically entitled to a promotion or transfer for which they apply.

The District desires to avoid situations in which actual or potential conflicts of interest may exist. To implement this objective, the District will attempt to avoid assignments that involve actual or potential conflicts of interest, as well as working relationships involving relatives or individuals with close personal relationships that may potentially lead to complaints of favoritism, lack of objectivity, or employee morale and dissension problems that can result from such relationships.

5. Initiation of Hiring Process

The Human Resources Department of the District is dedicated to employing the most qualified individuals for available positions. Department Managers must keep the Human

POLICY NO. 6 – HIRING & TERMINATION

Resources Department informed of their recruiting and manpower needs. Planning is essential to recruiting, screening and selection of a candidate within the time frame required.

A. Budgeted Position

The Department Manager is responsible for determining that an additional employee has been approved in the budget and that a job description exists for the position.

B. Position Categories

In an effort to determine eligibility for various benefits, the following position categories have been established:

Regular Full-Time Employees: Defined as those employees who are hired to work on a regular basis for 40 hours a week. They are eligible for all benefits.

Regular Part-Time Employees: Defined as those employees who are hired to work on a regular basis for less than 40 hours a week. They are eligible for pro-rated vacation and holiday pay, as well as workers' compensation and PERS benefits. Some regular part-time employees may also qualify for medical benefits.

Full-Time Temporary Employees: Defined as those employees who are hired to work for a limited duration for 40 hours a week. They are only eligible for holiday pay, workers' compensation benefits and the Non-Regular Employee Retirement Program. Some full-time temporary employees may also qualify for medical benefits. (See Policy No. 7 - Temporary Employees for specific information).

Part-Time Temporary Employees: Defined as those employees who are hired to work for a limited duration for less than 40 hours a week. They are only eligible for pro-rated holiday pay, workers' compensation and the Non-Regular Employee Retirement Program. Some part-time temporary employees may also qualify for medical benefits. (See Policy No. 7 - Temporary Employees for specific information).

Student Intern: Defined as those employees who are currently enrolled in a minimum of 12 units of school study. They are eligible for pro-rated holiday pay and workers' compensation benefits.

Contract Labor Status: A person hired under this status is not an employee of the District, but is an independent contractor. To qualify for contract labor status, a person must be able to successfully complete an IRS Department of the Treasury SS-8 form. They must also show proof of workers' compensation coverage.

C. Personnel Requisition Form

In order to initiate the hiring process, a Personnel Requisition Form must be completed (available in Human Resources Department and at s:\Human

POLICY NO. 6 – HIRING & TERMINATION

Resources\Forms\Personnel Req.doc). Once the form has been completed, reviewed and signed by department management, the requisition is routed to the Human Resources Department for processing.

The Personnel Requisition is used to initiate necessary Employment Opportunity postings, newspaper advertisements, and to update the District's employee turnover report to the Board of Directors.

6. Selection, Interview and Hiring Process

A. Selection

The applications of all candidates who apply for an open position at the District will be forwarded to the appropriate department supervisor by the Human Resources Department. Each department is responsible for screening all applications for the experience, education and qualifications required for the job. All applications are returned to the Human Resources Department, with information indicating those applicants with whom the department wishes to arrange an interview. Applications are reviewed by a Human Resources representative to ensure all applicants selected meet the minimum qualifications of the job.

These applicants are contacted to arrange a personal interview with the appropriate department and a Human Resources Representative.

In-house applicants (employees of the District) may also bid for the open position by completing a Job Bidding Form. These forms are submitted through the Human Resources Department, and forwarded to the applicable department. All in-house applicants are given the same consideration as all other applicants, based on their qualifications and the requirements of the job.

B. Interview

An interview will be conducted with the selected applicants by department representatives including the direct supervisor of the open position and a representative of the Human Resources Department.

The department representatives are responsible for preparing a list of job-related questions that will be asked during the interview. Each applicant will be asked the same general questions, in an effort to fairly evaluate their qualifications. Questions are evaluated by each interviewer based on the applicant's knowledge and experience. A value may be assigned to each question.

C. Hiring Process

Once a selection has been made from the applicants interviewed for an open position at the District, the process continues with the top candidate(s).

POLICY NO. 6 – HIRING & TERMINATION

1. Background Investigations

A thorough background investigation will be conducted for the top candidate(s). This investigation may include a Consumer Credit Report and/or Investigative Consumer Report. Applicant(s) will be notified of this requirement, and will be required to provide background information and authorization to conduct the investigation. These investigations will be conducted for all position categories.

2. Department/District Approval to Hire (Worksheet)

A New Hire Change of Status Worksheet (available in the Human Resources Department or at s:\Human Resources\forms\COS Worksheets.xls) must be completed and signed by the Department Director of the hiring department prior to an offer being extended to any applicant. All worksheets are forwarded to the Human Resources Department, along with the original application and any evaluation paperwork. The Director of Human Resources is responsible for approving all offers of employment. In some instances, the General Manger's approval may also be required.

3. Offer of Employment

Offers of employment are generally made verbally by an authorized representative of the Human Resources Department. Under no circumstances are offers of employment to be made by any other representative of the District without the consent and knowledge of the Director of Human Resources, and in the event such offers are made without such consent or knowledge, they are not binding.

After an offer of employment is made, employment is contingent upon successfully completing the following criteria.

a) Physical Examination

The final candidate(s) for the open position will be required to complete a physical examination to assess the candidate's ability to perform the essential functions of the job. The cost for the applicant's physical will be paid by the District. The candidates must successfully complete the physical examination to be considered for employment.

b) Drug/Alcohol Screening

The District is committed to providing a safe, efficient and productive work place. To achieve this objective, the District desires to prevent drug or alcohol use from adversely affecting the work place. Accordingly, candidates for positions with the District are required to satisfactorily take and pass a drug and alcohol

POLICY NO. 6 – HIRING & TERMINATION

screening examination prior to beginning employment. The screening will be performed at the District's expense.

c) Verification of Lawful Work Status Under Immigration Rules

The District is required by the federal immigration laws to verify the identity and legal ability to work of all individuals before they can be hired. In keeping with this obligation, documentation that shows each person's identity and legal authority to work must be inspected. Each employee must also attest to his/her legal authority to work by completing an I-9 Form (available in the Human Resources Department) provided by the federal government. This verification must be completed within three business days after an individual is hired. All offers of employment and continued employment for positions in the United States are contingent on furnishing satisfactory evidence of identity and legal authority to work in the United States.

d) Work History Verification

A work history investigation will be conducted by telephone inquiry or by mail by the Human Resources Department or the investigative firm conducting the background check for all applicants being considered for employment. If it is not possible to obtain work history information by telephone, a letter of inquiry will be used. Information concerning the last three positions held or 10 years will generally be obtained. Falsification of work history will generally be grounds for immediate termination or withdrawal of an employment offer.

e) Driving Record

Many positions require the use of a District vehicle and DMV records must meet the established standards of the District's Insurance Underwriters. Successful candidates for employment by the District are required to provide their driver's license number to the Human Resources Department so that a Motor Vehicle Report can be obtained.

f) Educational History

Educational history information will be verified for all candidates being considered for employment. The District's Human Resources Department will request applicable transcripts from high school and college institutions attended by the new employee, based on the educational requirements of the job. Verbal verification may be received by the investigative firm conducting the background check. Falsification of school history will generally be grounds for immediate termination or withdrawal of the employment offer.

POLICY NO. 6 – HIRING & TERMINATION

D. Probationary Period

1. Conditions of Probation

All new employees will be subject to a probationary period of 12 months. The probationary period is a period of time during which a new employee's work is closely monitored in order to determine if the employee is suited for the position for which he or she was hired. Unsatisfactory performance at any time during the probationary period may be a basis for disciplinary action up to and including termination. A Probationary Employee Review will be completed by the employee's direct supervisor and discussed with the employee after completion of 4 months of employment and again after 8 months of employment. In the case of an unsatisfactory Probationary Employee Review, the supervisor will determine if the probationary employee will be discharged without recourse or allowed to continue as a probationary employee. If permitted to continue as a probationary employee, the employee will be provided an opportunity to rectify any unsatisfactory areas of performance

2. Extension of Probation

a) Leaves of Absence

The probationary period will be extended when a probationary employee is on a leave of absence of any kind for more than 14 consecutive calendar days during the probationary period. The probationary period will be extended for the length of time the probationary employee is on a leave of absence.

b) Extension for Performance Reasons

Probationary periods may be extended for up to 6 months for performance reasons. The reasons for the extension must be documented on a Probationary Employee and approved by the Department Director and the Director of Human Resources. The total probationary period may not exceed 18 months, excluding periods of leave as described above.

c) Notice of Extension

Probationary employees must be notified in writing if their probationary period will be extended for performance reasons or due to a leave of absence.

3. Completion of Probation

If the probationary period has not been extended as described above, employees receiving a rating of "3" (Meets Requirements) or better on

POLICY NO. 6 – HIRING & TERMINATION

their first annual review will have satisfied the initial 12 month probationary period requirements and will be taken off probation. Employees receiving less than a “3” rating (a “3-” or lower) on their first annual review will be subject to disciplinary action including, but not limited to, extension of probation, demotion, suspension or termination

A probationary employee whose probation has been extended will be reviewed at the conclusion of the extended probationary period and will be notified if they have successfully completed the probationary period. An employee may be terminated prior to the end of the extended probationary period if performance deteriorates or does not improve.

Successful completion of the probationary period is not a guarantee of continued employment. Employment with the District is on an at-will basis. Both the employee and the District have the right to terminate the employment at any time, with or without cause or notice. This at-will basis may not be modified, abrogated or altered in any way, except in a written agreement signed by the General Manager and ratified by the Board of Directors.

4. Change of Position During Probation

A probationary employee is not eligible to bid for open positions during the first 6 months of employment. Exceptions may be granted at the discretion of the Department Director and the Director of Human Resources. If a probationary employee changes positions during the probationary period, the probationary period for the new position shall be the greater of the remainder of the current probationary period or the three month probationary period applied to all position changes.

E. Orientation Procedures

The District has established an orientation program to help new employees make a satisfactory adjustment to their new work environment. The Human Resources Department will arrange and conduct a new hire orientation by the last week of each month for all employees hired during the current month. The presentation will include information on the District’s policies and procedures, employee benefit information and enrollment, as well as general new employee information. Department Heads and/or immediate supervisors are asked to arrange the new employee's work schedule to permit them to attend the program on District-paid time.

7. Termination

A. General Policy

The relationship between the employee and the employer is for an unspecified term and is considered employment at will. Consequently, the employment relationship with any employee can be terminated at will, either by the employee

POLICY NO. 6 – HIRING & TERMINATION

or the District, with or without cause or advance notice. This at will policy is intended to be the final expression of the District's understanding regarding the terms under which employment may be terminated, and it may not be modified, limited, augmented or changed in any way except in writing signed by the General Manager of the District and the employee.

The District maintains a guideline for progressive discipline to help employees improve their inadequate work performance or to correct problems. These guidelines are outlined in The Disciplinary Process Guidelines for Managers and Supervisors (available in the Human Resources Department and at s:\Human Resources\Procedures\Disciplinary Process.doc). These guidelines do not change the at will nature of the employment relationship. Further, the guidelines do not provide an exhaustive list of offenses that may lead to discipline or termination, nor are they intended to be binding or restrictive of the District's ability to impose discipline. The District retains the right to discipline, demote, transfer or take other employment action in its sole discretion, with or without cause or notice.

When an employee leaves employment for any reason, a two-week notice is requested. Although such a notice is not required, an employee who is eligible to receive sick leave benefits upon termination will receive such benefits only if two weeks notice is received.

The Human Resources Department will schedule an exit interview with each employee who leaves the District, regardless of the reason. This interview allows employees to communicate their views on their work with the District. It also provides the employee an opportunity to discuss issues concerning insurance and other benefits. At the time of the exit interview, employees are expected to return all District-furnished uniforms, tools, and equipment, such as I.D. cards, keys, vehicles, manuals, credit/fuel cards and any other District property in their possession or control. Arrangements for clearing any outstanding debts with the District and to receive final pay are also made at this time. Employees are reminded that any work (i.e.; reports, correspondence, software, etc.) or work in progress completed by the employee while employed by the District such as reports, correspondence, software, etc. is the property of the District and should be turned over to the employee's supervisor upon termination. Once all items are returned, the employee's final paycheck will be released.

B. Voluntary Termination of Employment

Each Department Head or Supervisor will immediately inform the Human Resources Department of a voluntary termination and will forward the employee's letter of resignation. If no letter of resignation is provided, the Supervisor will request a Voluntary Resignation Form from the Human Resources Department (also available at s:\Human Resources\Forms\Voluntary Resignation.doc) for the employee to complete.

An employee who is absent from work for three or more consecutive work days without contacting his/her supervisor, manager, or the Human Resources

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department will be considered to have voluntarily terminated employment with the District. Also, if an employee accepts other employment or fails to return to work on the next regularly scheduled work day following the expiration of his/her leave of absence, it will be considered that the employee has voluntarily terminated his/her employment (see Policy 19).

Once notification of a termination has been received, the Human Resources Department will generate a termination Change of Status form using the on-line Change of Status system and will route it to the appropriate Department Head or Supervisor for on-line approval. The approval process must be completed at least one week prior to the termination date to allow for the preparation of the employee's final paycheck. This check will be presented to the employee on his last day of work.

C. Involuntary Termination of Employment

In all instances where employment of an employee is involuntarily terminated, the Human Resources Department will be notified prior to the actual termination decision in order to review the grounds for termination and to grant approval for such action.

The Human Resources Department will generate a termination Change of Status form using the on-line Change of Status system and will route it to the appropriate Department Head or Supervisor for on-line approval.

The employee may be placed on disciplinary suspension for a period of ten (10) working days without pay. The Human Resources Department or the supervisor of the employee will, in such cases, ordinarily send the employee a letter describing the reasons for and/or events leading to the District's decision to terminate the employment of the employee. The employee will be given an opportunity to meet with his/her Supervisor and the appropriate next level supervisor which may include the Director of the department, the General Manager and/or the Director of Human Resources to discuss the decision to terminate employment.

The next level supervisor, Director of the department, General Manager and/or Director of Human Resources will, after hearing both sides of the issue, make a determination that termination of employment is or is not an appropriate course of action and will inform the Human Resources Department of the decision.

If a decision is made to terminate the employment of the employee, the Human Resources Department will request that the Department Head or Supervisor draft a letter to the employee, again outlining the reasons for and/or the events leading to this action and informing the employee of the effective date of termination. Once approved by the Human Resources Department, the letter will be presented to the employee.

POLICY NO. 6 – HIRING & TERMINATION

As with a voluntary termination, the employee is required to return all District property including keys, vehicles, uniforms, I.D. card, tools, equipment, District manuals, software, reports, and/or correspondence.

The final paycheck will be presented at the conclusion of the employee's last day of employment. The value of any District property not returned will be deducted from the employee's final paycheck.

APPROVED:

| _____
Director of Human Resources

January 11, 2010 July 11, 2011
Date

| _____
General Manager

January 11, 2010 July 11, 2011
Date

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES MANUAL

POLICY NO. 8 - SALARY

1. **General Policy**

The District is committed to maintaining compensation rates that are competitive in the community and our industry. The Schedule of Classifications and Salary Rate Ranges (Salary Grade Schedule – available at s:\Human Resources\Compensation) of the District, as adopted from time to time by Resolution of the Board of Directors, sets forth the range of compensation for each position.

In order to arrive at an optimum salary program, the following criteria is considered:

A. **Appropriateness:**

The salary for each position should be based upon what pertains and is generally appropriate in similar situations in this same employment market area, in the same general time frame.

B. **Consistency:**

Both employee and the District should have assurance that the wage scale as approved represents a consistent representation of job duties and wages.

C. **Predictability:**

The Salary Grade Schedule ordinarily will allow employees to predict a wage base for each position.

D. **Understandable:**

The Salary Grade Schedule and the basis for various rate and position structure pertinent to wages should be easily understood.

E. **Flexibility:**

The program should be broad enough and allow enough flexibility in range as to be useful for the longest possible period of time.

F. **Simplicity:**

The program, and the inclusion of the above elements, must be structured in such a manner as to facilitate ease and simplicity in communication.

The District reserves the right to hire an employee below the classification they are applying for if the individual does not meet the requirements of the applied-for position. The hiring classification will be considered a “trainee” position. At the District’s discretion, an employee will be reclassified into the actual position they applied for when requirements are met.

POLICY NO. 8. - SALARY

2. Wages and Hours

It is the intent of the District to comply with all State and Federal wage and hour laws, as applied to Special Districts.

The Human Resources Department will interpret policy and assure compliance with this policy.

The Payroll Department performs the mechanics of payroll computation, which includes the calculation of benefits, standby pay, and overtime compensation.

3. Basic Employee Work Week

The standard "work week" at the District is a period of seven consecutive 24 hour periods beginning at noon on Friday and ending at noon the following Friday. The General Manager must approve in writing any work schedule other than the standard work week or the 44/36 work plan. For employees working a 44/36 schedule with a scheduled day off other than Friday, the workweek will begin at noon on their normally scheduled day off.

Employees who work the standard scheduled workweek will generally work from 8:00 a.m. to 5:00 p.m. Monday through Friday of each workweek. Exceptions to this standard schedule of work hours must be approved by the appropriate Department Head.

4. 44/36 Work Plan

The 44/36 work plan was established to implement and administer a flexible work week, and it applies to most regular and temporary full-time, as well as regular part-time employees. Department Heads will ensure compliance with this policy, however, it will be left to their discretion to identify those positions that may not be eligible to participate in the flexible workweek. For these identified positions, the standard scheduled workweek will apply.

A. Hours

Official office hours at the Headquarters facility are 7:30 a.m. to 5:00 p.m., Monday through Thursday. Friday hours are 8:00 a.m. to 5:00 p.m. The Headquarters facility will be closed every other Friday other than a small number of Customer Service staff who will be available for customer service issues. Official office hours at the Michelson facility are 6:30 a.m. to 4:00 p.m., Monday through Thursday. Friday hours are 6:30 a.m. to 3:00 p.m.

B. Flexible Work Plan

The 44/36 hour work plan redistributes the eighty hours normally worked during a two calendar week period to allow employees to work nine days instead of ten during the two-week period. This allows employees to be off work one additional day every other week.

For departments working at half staff every Friday, eEach Department Head is responsible for the division of the Department into two working groups. This division should include Employees, Supervisors, Managers and Directors.

POLICY NO. 8. - SALARY

Employees should be matched with "like" employees comparing "like" duties and responsibilities. The two resulting groups should be "paired" as closely as possible to allow for adequate coverage on Fridays when all Departments participating in the program will be working with half staffs. Department Heads are authorized to assign personnel between 6:30 a.m. and 5:30 p.m. with variable length lunch hours. At a minimum, a skeleton crew must be on duty to cover all office hours.

C. Overtime

Overtime pay will be paid to any non-exempt employee working in excess of the scheduled hours. For example, any employee working in excess of 9 hours on Monday through Thursday or in excess of 8 hours on his or her scheduled Friday to work will receive overtime pay.

Although the District is exempt from the Industrial Welfare Commission Order regarding payment of overtime for any hours in one week, to avoid any conflict or confusion, the work week will begin each Friday at noon, and end the following Friday at noon, thus creating two 40-hour work weeks. For employees working a 44/36 schedule with a scheduled day off other than Friday, the workweek will begin at noon on their normally scheduled day off.

D. Compensatory Time Off

Exempt Employees: Exempt employees are paid a fixed salary that is intended to cover all of the compensation to which they are entitled. Because they are exempt, such employees are not entitled to additional compensation for extra hours of work or time off in lieu of extra hours of work. The District does not maintain any compensatory time off plan or arrangement. Neither extra compensation nor compensatory time off will, under any circumstances, be owed or payable to an exempt employee upon separation from the District's employ for any reason.

Non-Exempt Employees: Non-exempt employees are entitled to overtime pay whenever they perform overtime work. The District does not permit employees to take time off in lieu of receiving overtime pay. Accordingly, employees should not request the opportunity to make up time for time missed if the make-up time will result in overtime work. Any time off that is scheduled or approved by an employee's supervisor and is not covered by sick or vacation time will be time without pay. See Policy 16 for information on Sick Leave Usage and Policy 18 for information on Vacation Time.

5. Michelson Operations Center Hours

Because of the unique requirements of the seven-day/week operation of the District's treatment plant, the work schedule and/or shifts of treatment plant personnel shall be established from time to time by the Director of Wastewater Operations with the approval of the General Manager.

6. Sick leave

Employees will accumulate sick time at the rate of 96 hours per year. Sick hours will be charged according to the number of hours scheduled to work the day the employee is ill.

POLICY NO. 8. - SALARY

The employee will only be charged the actual number of hours taken as sick should he or she leave work during the scheduled work day. (See Policy 16 – Sick Leave)

7. Vacation

Employees will accrue vacation hours according to their years of service with the District. As with sick hours, vacation hours will be charged according to the number of hours the employee is scheduled to work on that day. (See Policy 18 – Vacation)

8. Holidays

When an assigned holiday falls on a scheduled workday, the employee will be automatically credited with the number of regular hours the employee was scheduled to work that day. (See Policy No. 22 - Holidays).

Note: Temporary employees will not be credited with vacation time, but will receive time off for the number of hours they would have been scheduled to work that day.

Any vacation leave derived from a holiday credit is vested from the first day of employment.

9. Salary Administration

The District has adopted a salary administration policy for the compensation of employees and to specify the conditions for increasing employees' salaries.

- A. The Human Resources Department is responsible for the maintenance of job classifications, salary ranges, salary surveys, and administration of the salary program.
- B. Supervisors and Managers are responsible for administering the salaries of their employees within the guidelines set forth in this policy.
- C. All salary changes must be approved by the General Manager.

D. Salary Ranges

Each position is assigned a salary grade and each salary grade is assigned a minimum and a maximum salary range. An exceptional range has been created for exceptionally rated employees.

E. Hiring Rate

The normal hiring rate will be within the first quartile of the established position's salary range. Offers of employment above the second quartile require prior approval of the Director of Human Resources and the General Manager.

The salary paid to temporary and regular part-time employees will comprise the total compensation. Temporary employees are not eligible to participate in any benefit program, with the exception of pro-rated holiday pay and workers' compensation. However, regular part-time employees will receive pro-rated vacation pay in addition to pro-rated holiday pay and workers' compensation.

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Some temporary and regular part-time employees may be eligible for medical benefits. (See Policy No. 7 - Temporary Employees).

Should the employee's status change from part-time and/or full-time temporary to part-time and/or full-time regular, the employee will be eligible for all applicable District benefits. However, hire date, sick leave and vacation accrual will not be retroactive to the date of original hire.

F. Merit Increases

Merit increases are granted in proportionate relation to an employee's demonstrated job performance. Supervisors shall establish performance standards and communicate these requirements to each of their subordinates. In addition, Supervisors shall confer with each employee concerning performance according to District policy. (See Policy No. 10 - Employee Performance Review).

1) Merit Guidelines:

The amount of each merit increase will be determined by the performance of the employees as documented on his "Performance Review" form (See Policy No. 10 - Employee Performance Review). The performance criteria are as follows:

a) Performance Ratings:

- Exceptional
- Exceeds Requirements
- Meets Requirements
- Needs Improvement
- Unsatisfactory

b) Definition of Performance Ratings

Exceptional: Performance far exceeds expectations for acceptable performance of the individual. It represents a unique level of performance and contribution to the organization.

Exceeds Requirements: Performance is consistently above expectations established for the individual. It represents a high level of proficiency in all job requirements.

Meets Requirements: Performance is generally acceptable and satisfactory and meets expectations established of the individual. It represents the level expected of an experienced, qualified employee.

Needs Improvement: Performance is often below expectations established for the individual. It represents deficiency in at least some job requirements.

Unsatisfactory: Performance is well under minimum expectations established for the individual. It represents unacceptable performance.

2) **Merit Increase and Change of Status Procedure**

The Supervisor recommending a merit increase, promotion, transfer or other change in status of an employee shall provide input to their Department Head, who will prepare the appropriate paperwork. A Change of Status worksheet (available at s:\Human Resources\Forms\COS Worksheets.xls) is used for promotions or transfers. Annual merit increase worksheets are sent from the Human Resources Department to each Department Head the month prior to an employee's anniversary date through the on-line system. Department Heads shall submit their recommendation of the merit increase amount on these on-line forms. The system will automatically calculate the merit increase based on the employee's rating and quartile placement. The approved merit increase table can be found at s:\Human Resources\Compensation\Merit Increase Table.xls. The Director of Human Resources and the General Manager must approve the recommended merit increase amount to ensure compliance with this salary administration policy. The approved change of status form will be returned to the Department Head for presentation to the employee. Only then shall the change of status or salary be discussed with the employee.

3) **Promotion**

A promotion is the assignment of an employee to a different position classified in a higher salary grade.

a) **Amount of Promotional Salary Increase**

The increase granted at the time of promotion shall be calculated using the promotion formula established by the General Manager as a guide. The formula will generally be followed except in those instances where a higher increase is required to bring the employee's salary to at least the minimum of the new salary grade or an adjusted increase amount is appropriate to achieve internal equity within a department. The promotion formula is available at s:\Human Resources\Compensation\Promotion Formula.xls.

4) **Transfers**

A transfer is the assignment of an individual from one department to another department within the District. Generally, transfers will not be accompanied by a salary increase unless an employee had been scheduled to receive a merit increase at the time of transfer.

5) **Premium Pay**

From time to time an employee may be requested to act in the capacity of a higher level position for an extended period on a job assignment which is clearly outside the normal job responsibilities of his/her position. In these

POLICY NO. 8. - SALARY

instances, the General Manager is authorized to approve temporary monthly salary adjustments or "premium pay" to compensate the employee during such assignments. Approval by the General Manager must be received prior to the period during which premium pay will be paid. Payment of the temporary premium pay, less withholdings as required by law, will be added to the employee's pay during the normal payroll processing.

APPROVED:

Director of Human Resources

March 9, 2009 July 11, 2011
Date

General Manager

March 9, 2009 July 11, 2011
Date

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES MANUAL

POLICY NO. 9 - OVERTIME PAY

1. General Policy

Employees may occasionally be asked to work beyond their normally scheduled hours. When this occurs, supervisors should attempt to provide as much advance notice as possible, however, such advance notice is not always possible. Non-exempt employees who are required or permitted to work overtime will receive overtime pay in accordance with the requirements of the Fair Labor Standards Act, state laws, and the District's compensation policies as follows:

- A. All employees who are classified as "non-exempt employees" as defined under the Fair Labor Standards Act, will be eligible for overtime pay. All employees within District Salary Grades I – XXXV (1.N – 35.N) are "non-exempt" employees.
- B. Overtime is defined as that time spent on the job in excess of 40 hours in a workweek.
- C. Overtime will be computed at one and one-half (1-1/2) times the employee's straight time hourly rate. Employees shall also be paid one and one-half (1-1/2) times their straight time hourly rate for time worked on a District-approved holiday in addition to their normally scheduled hours of holiday pay.
- D. An employee must obtain his/her supervisor's approval prior to working overtime.
- E. Under no circumstances will the District pay overtime to an employee on any day that the employee has used sick or vacation hours, except in the case of an after hours emergency response or callout.
- F. All employees who are classified as "exempt employees" as defined under the Fair Labor Standards Act and California law and are within the District's Salary Grades 1 – 34 (1.E – 34.E), will not receive overtime compensation.

2. Overtime Meals

- A. Employees working greater than 2 hours unplanned overtime immediately after their scheduled workday or working 4 hours unplanned overtime are provided a meal allowance. Unplanned overtime is overtime that is required with less than twenty-four hours advance notice. An additional meal allowance is granted at 6-hour intervals after the first allowance. The amount of the meal allowance is established at the discretion of the General Manager.
- B. Working conditions govern the actual time of eating the meal. Supervisor shall make every attempt to provide an opportunity for employees working overtime to have a meal within a reasonable time of when the meal is due.

POLICY NO. 9 - OVERTIME PAY

- C. Employees qualifying for a meal allowance will be reimbursed for their expenses on the following business day upon presentation of an expense receipt accompanied by a completed petty cash receipt with the appropriate signatures.
- D. Reimbursement will be made only for meal actually purchased and eaten.

3. Overtime Mileage

The District will reimburse employees for mileage when they are required to drive their personal vehicle to work overtime on any scheduled day off. This overtime can be for an emergency callout or scheduled work.

4. Standby Pay Policy

- A. Because of emergencies and nature of the services provided by the District, it is necessary to utilize "stand-by" or "call-out" personnel from time to time. Department managers are responsible for setting forth authority, regulations and procedures relative to this type of overtime.
- B. Minimum paid time for call-out shall be two (2) hours. Standby compensation pay will be 3/4 of an hour overtime pay for every 8-hour period of non-business hours the employee is on call. Based upon a normal one week standby duty rotation, this equates to a total of 12 hours overtime pay an entire week.
- C. Under no circumstance will the District pay standby to an employee on any day in which the employee does not report to work due to illness or leaves work early due to illness.
- D. The Standby Pay Policy will be reviewed periodically and changes approved by the General Manager, when necessary. The most current Standby Pay Policy is available through the Human Resources Department.

5. ~~Credit Time~~ Safety Hours Policy

- A. The District will provide ~~Credit Time~~ paid Safety Hours in addition to overtime pay ~~equivalent to the number of hours worked between 9:00pm and 6:00am for operational emergency work according to the details outlined in- See AWP 6 for details-~~ (s:\Safety\SWPManual\AWP_6.doc).

APPROVED:

Director of Human Resources

March 9, 2009 July 11, 2011
Date

General Manager

March 9, 2009 July 11, 2011
Date

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES MANUAL

POLICY NO. 11 - HEALTH, VISION, DENTAL, ACCIDENT AND LIFE INSURANCE

1. **General Policy**

It is the policy of the District to provide employees with a group health insurance program to enhance their job satisfaction.

2. **Eligibility**

Full-time regular employees are eligible for all group health insurance benefits. Some part-time regular and temporary employees may be eligible for medical benefits (See Policy No. 7 - Temporary Employees).

3. **Benefits Available**

Full-time regular employees are eligible for hospital, surgical, medical, and major medical insurance, dental, vision, and group-life insurance. Additionally, short term and long term disability benefits are provided.

4. **Benefit Cost**

- A. Hospital, surgical, medical and major medical benefit cost is borne in part by the employee. The employee's contribution towards these benefits shall be established from time to time by the Board of Directors and will be deducted from the employee's paycheck.
- B. Dental insurance coverage is provided by the District at no cost to employees.
- C. Group-Life insurance coverage is provided by the District at minimal cost to employees. Employees will contribute a small percentage of their income imputed based on the appropriate IRS Tax Table or schedule for life insurance amounts in excess of \$50,000 according to current federal and state tax schedules.
- D. Short Term Disability insurance coverage is fully paid for by employees of the District through an employee payroll tax. (see Policy No. 14 - Short Term Disability).
- E. Long Term Disability insurance coverage is provided by the District at no cost to employees. (see Policy No. 13 - Long Term Disability)

5. **Additional Benefits Available**

Full-time regular employees are also eligible for additional insurance coverage offered by various vendors. This insurance is optional and is completely paid for by employees desiring such coverage through an employee payroll deduction.

POLICY NO. 11 - HEALTH, VISION, DENTAL ACCIDENT AND LIFE INSURANCE

6. Effective Date of Coverage

All District provided benefits, including those specified in this policy, become effective for all eligible employees on the first day of the month following their hire date.

7. Administrative Responsibility

The Human Resources Department will administer all District benefit programs, and will furnish additional information to employees regarding available insurance programs.

APPROVED:

Director of Human Resources

March 9, 2009 July 11, 2011
Date

General Manager

March 9, 2009 July 11, 2011
Date

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES MANUAL

POLICY NO. 12 - WORKERS' COMPENSATION

1. **General Policy**

The District provides each employee with workers' compensation insurance coverage as required by law to protect employees who are injured on the job. This insurance provides medical, surgical and hospital treatment in addition to payment for loss of earnings that result from work-related injuries. All classes of employees, with the exception of contract labor who are required by law to carry their own coverage, are eligible for workers' compensation insurance with the District. Compensation payments begin from the first day of an employee's hospitalization or after the third day following the injury if an employee is not hospitalized. The cost of this coverage is paid completely by the District.

2. **Procedure**

When an employee is injured while working, he/she is required to report the injury to his/her supervisor immediately, regardless of how minor the injury may be. The supervisor is responsible for notifying the District's Safety Department Manager and the Human Resources Department as soon as possible after becoming aware of the injury.

3. **Benefits**

- A. Workers' Compensation benefits are provided to employees who are injured on the job or suffer illness caused by the job.
- B. If an employee is directed by a worker's compensation carrier approved physician to be absent from work as the result of injury or illness arising from District employment, the employee will be placed on workers' compensation leave of absence. The employee will be required to provide the District with the doctor's written instructions regarding absence from work and return to work due to a work related injury.

While on workers' compensation leave of absence, the employee shall be compensated by the District for time absent from scheduled work for up to the first three days of absence. If the leave of absence extends beyond three calendar days, the employee becomes eligible for workers' compensation benefits from the District's worker's compensation carrier.

Employees must utilize accrued sick leave, until exhausted, to coordinate with their worker's compensation benefit in order to collect their full salary. Furthermore, accrued vacation must also be coordinated when sick leave is exhausted.

POLICY NO. 12 - WORKERS' COMPENSATION

- C. If medical treatment following the employee's return from leave of absence is recommended by a worker's compensation carrier approved physician, the District shall compensate the employee for time absent from scheduled work hours to receive such treatment.
- D. Should the employee's workers' compensation leave of absence extend beyond ninety (90) days, the employee will be eligible for long term disability on the ninety first (91st) day of his/her absence (see Policy No. 13 - Long Term Disability).
- E. Workers' Compensation Leave of Absence is subject to the rules of Policy No. 19 - Leave of Absence governing leaves of absence.
- F. The District's Workers' Compensation Policy will be administered by the Human Resources Department.

APPROVED:

| _____
Director of Human Resources

January 11, 2010 July 11, 2011
Date

| _____
General Manager

January 11, 2010 July 11, 2011
Date

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES MANUAL

POLICY NO. 13 - LONG TERM DISABILITY

1. General Policy

The District provides most employees with group long term disability insurance benefits that will help sustain them when they are disabled and cannot work. Short term disability through the State of California will provide benefits for the first ninety (90) days of a non-occupational disability. This long term disability policy will take effect on the ninety-first (91st) day, and continue as long as the employee is disabled. Additionally, long term disability benefits are provided when an employee is disabled and cannot work because of a work related disability and will take effect on the ninety-first (91st) day. These benefits will be coordinated with the District's long term disability insurance carrier, and will continue as long as the employee is disabled, subject to the limitations of the program.

2. Eligibility

All regular full-time employees of the District are covered by long term disability insurance under a group insurance plan funded entirely by the District. Employees become eligible for insurance on the first day of the month following their hire date.

3. Benefits

The District's long term disability insurance plan will ensure that employees receive up to 66-~~12~~²/₃% of their income to sustain them during periods of lengthy disabilities, subject to the limitations of the program. Any other benefits being received, such as short term disability, coordination of sick leave and/or vacation hours, etc., will be included in calculating the total percentage of benefit.

4. Procedure

The Human Resources Department will monitor any short term disability leave of absence to ensure that the necessary paperwork is initiated for long term disability benefits to begin as soon as required. In any instance, Human Resources should be notified immediately of any short term or long term disability leave of absence.

APPROVED:

Director of Human Resources

May 12, 2008 July 11, 2011
Date

General Manager

May 12, 2008 July 11, 2011
Date

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES MANUAL

POLICY NO. 14 - SHORT TERM DISABILITY

1. **General Policy**

The California Unemployment Insurance Code (CUIC) states that a "disability" is any illness or injury, either physical or mental, that prevents an employee from doing regular or customary work. Disability also includes elective surgery, pregnancy, childbirth, or related medical conditions.

To protect employees who miss work due to a non-work-related disability, California State Law requires that a small percentage of each employee's wages, up to the prevailing maximum, be deducted each pay period for disability insurance. There is a nonwaivable seven day waiting period on all claims. Eligible employees will be paid a percentage of their regular earnings for a maximum period provided by law in any one year. If an employee is eligible for sick leave benefits, the District ~~may~~ will coordinate accumulated sick leave hours with State Disability income, to provide regular wages until the accumulated sick leave hours are exhausted. In addition, accumulated vacation hours ~~may~~ will be coordinated once sick leave hours are exhausted, until vacation hours are also fully depleted.

2. **Eligibility**

All employees, (including part-time and temporary) of the District, with the exception of contract labor, are covered by short term disability through the program offered by the California State Disability Insurance Fund, in accordance with the rules established by the Fund.

3. **Benefits**

The California State Disability Plan will pay benefits based on an employee's wages received during a specific 12-month base period. This base period is based on the date a claim begins, and only wages in this base period that were subject to the disability insurance tax can be used to compute benefits. ~~The minimum base period earnings needed to qualify for benefits is \$300 per month.~~ The base period is not necessarily the last 12 months before an employee's claim begins. The State Disability Insurance Plan is administered by the State of California's Employment Development Department. As such, the provisions and benefit schedule is subject to change according to State Law.

4. **Benefit Cost**

The cost of short term disability insurance is paid entirely by each employee of the District through an employee payroll tax. The cost may vary from year to year.

5. **Procedure**

POLICY NO. 14 - SHORT TERM DISABILITY

The Human Resources Department should be notified immediately when there is a possibility that an employee may be eligible for short-term disability benefits. Human Resources is also responsible for providing information to District employees regarding short-term disability benefits, regulations, restrictions, etc.

The State Disability Insurance Plan and Application/Claim forms are available from the Human Resources Department.

APPROVED:

| _____
Director of Human Resources

March 1, 1995 July 11, 2011
Date

| _____
General Manager

March 1, 1995 July 11, 2011
Date

IRVINE RANCH WATER DISTRICT
PERSONNEL POLICIES AND PROCEDURES MANUAL
POLICY NO. 16 - SICK LEAVE

1. General Policy

To minimize the economic hardships that may result from an unexpected short-term illness or injury to an employee or to an employee's child, spouse, parent or legal dependent, the District provides regular full-time employees with sick leave. Temporary and part-time employees are not eligible for sick leave benefits.

The District reserves the right to require a satisfactory statement of a licensed physician whenever an employee misses work due to an illness, injury or disability. The employee may be asked to provide a physician's statement that verifies the nature of an illness, injury or disability, its beginning and ending dates, and/or the employee's ability to return to work without endangering his/her own safety or the safety of others. When requested, such verifications and releases may be a condition to receiving sick leave benefits or returning to work. Although a physician's statement normally will not be requested for absences of less than three working days, the District may request such a statement in situations where it determines it is warranted.

2. Accrual

Each regular full-time employee will accrue sick leave hours at the rate of 96 hours per year; 8 hours per month of employment. This accrual begins with the first day of employment, and is available for use as soon as hours are accrued.

3. Holiday Pay During Sick Leave

In the event that any paid District holiday occurs during a period when an employee is on paid sick leave, the holiday will not be charged against the employee's accumulated sick leave. (The only hours that will be charged against an employee's accumulated sick leave will be those hours that the employee is regularly scheduled to work.)

4. Pregnancy/Maternity Leave of Absence

The use of unused accumulated sick leave hours is allowed for pregnancy-related illness or disability, just as it is for other illness (See Section 5 on next page and Family Care Leave under Policy No. 19 - Leave of Absence).

**5. Disability/Medical/Workers' Compensation
Leave of Absence**

When an employee becomes eligible for disability benefits ~~from the State of California Employment Development Department~~, or workers' compensation benefits ~~from the State Compensation Insurance Fund~~, the employee may-must use accumulated sick leave hours to supplement these payments. Accrued sick leave benefits will be used to supplement

POLICY NO. 16 – SICK LEAVE

~~State Disability disability~~ or ~~w~~Workers' ~~c~~Compensation benefits only to the extent necessary to provide a combination of these benefits and sick leave ~~and SDI or Workers' Compensation~~ benefits equal to the employee's straight time compensation immediately before the beginning of the illness, disability or injury.

6. Sick Leave Accrual During Leave

An employee on authorized leave of absence will continue to accrue sick leave hours at the same rate of 96 hours per year, 8 hours per month, as long as accrued sick leave and vacation hours have not been exhausted and provided the employee is utilizing accrued benefits. Once accrued sick leave and vacation hours have been exhausted, or if an employee elects not to coordinate benefits while on a leave of absence, the employee will cease to accrue sick leave hours until he/she returns to active employment status.

An employee on authorized leave of absence without pay, including extended military leave of absence, extended sick leave, or temporary layoff, will not accrue sick leave during such absences. All unused accumulated sick leave accrued prior to the leave of absence without pay or temporary layoff will remain in effect after the employee's return to work.

7. Use of Sick Leave for Bereavement

An employee is permitted to use not more than five days of accrued sick leave per year for bereavement. (See Policy No. 17 - Bereavement).

8. Sick Leave Added Days

The General Manager has the authority to loan, in writing, up to five (5) days of paid sick leave to an employee providing that all accrued sick leave and vacation hours have been exhausted. Unearned days of paid sick leave loaned to an employee must be repaid upon return to work. In the event the employee terminates employment prior to the complete repayment of loaned sick leave days, the appropriate number of hours required for repayment will be deducted from the employee's final paycheck.

9. Upon Termination/Retirement

Upon voluntary termination of employment, the District will pay full-time regular employees, fifty (50) percent of the employee's accrued sick leave to a maximum of 960 hours, times the employee's current wage, providing the employee has worked for the District for two years and has given the District two week's notice.

Upon the employee's death, payment will be made to his/her heirs. Employees whose employment has been involuntarily terminated are not eligible to be compensated for unused sick leave.

10. Annual Payoff of Unused Accumulated Sick Leave

An employee may elect to be paid for all or a portion of any unused sick leave accrued to a maximum of 96 hours per year. A minimum balance of 40 hours must remain in each

POLICY NO. 16 – SICK LEAVE

employee's sick leave account to protect the employee's income in the event of short term disability.

A. Amount of Annual Payoff

If an employee elects to be paid for any unused accumulated sick leave under provisions of paragraph 10, the number of hours elected will be deducted from the balance of unused accrued sick leave hours. Payment will be made to the employee in an amount equal to 50 percent (50%) of the hours elected to be paid, times the employee's current wage rate. Such payment will be made to the employee at the end of November ~~on or about November 23rd~~ of each year.

B. Maximum Days of Payoff

An employee will be allowed to accrue an unlimited number of sick leave hours, however, payment of sick leave benefits pursuant to paragraph 9 of this policy is limited to a maximum total of 50 percent (50%) of 960 hours of unused accrued sick leave.

11. Sick Leave Donation Program

The Sick Leave Donation Program allows employees who have accrued sick leave hours to voluntarily donate a portion of their accumulated hours to another employee who has exhausted his/her accrued sick and vacation leave due to a non-work-related catastrophic illness or injury of the employee or the catastrophic illness or injury of an employee's dependent parent, spouse, or child requiring the presence of the employee.

Catastrophic illness or injury is defined as a severe illness or injury which totally incapacitates a person for an extended period of time and is severely debilitating or life-threatening. Illnesses such as cancer, heart attack, or stroke would be considered catastrophic illnesses. Pregnancy and routine illnesses, surgical procedures, and injuries, even those resulting in an extended leave of absence, do not qualify as catastrophic illness or injury. The Director of Human Resources will be responsible for reviewing the eligibility of an employee to receive donated sick leave and making a recommendation to the General Manager for approval. The approval process may require appropriate medical documentation regarding the illness or injury of the employee or family member.

The decision to make a donation of sick leave to another employee through the Sick Leave Donation Program is voluntary. No employee is to be coerced or intimidated into making a donation of sick leave or to coerce or intimidate another employee. Donations of sick leave may not involve any form of payment or compensation, financial or otherwise, between the donor and recipient. The District will not solicit sick leave donations on behalf of any qualifying individual.

A. Eligibility

All regular, full-time employees who have completed their initial probationary period are eligible to participate in the Sick Leave Donation Program as a donor or recipient.

B. Procedures for Utilizing Donated Sick Leave

1. In order to receive donated sick leave through the Sick Leave Donation Program, an employee must meet the following requirements:
 - a. The employee must have been on an approved Leave of Absence for a catastrophic illness or injury as defined above for at least 30 calendar days prior to the use of any donated sick time.
 - b. The employee must have exhausted all of their sick and vacation accruals prior to the use of any donated sick time.
 - c. The employee must be utilizing any applicable income replacement programs for which he/she qualifies (i.e. State Disability Insurance, Paid Family Leave, Long-Term Disability).
 - d. The employee must have notified the Human Resources department of his/her desire to receive and utilize donated sick time. In the event that the employee is physically or mentally unable to notify the Human Resources department, notification may be made by a member of the employee's immediate family (i.e., spouse, domestic partner, child or parent), by the employee's supervisor, or by an employee wishing to make a sick leave donation.
2. An employee utilizing donated sick leave will not earn or be eligible to accrue any sick or vacation leave. Once an employee ceases to receive any portion of his/her pay from the use of his/her own accrued sick and vacation leave, accrual of additional vacation and sick leave hours will cease. Holidays falling during the period following exhaustion of vacation and sick leave benefits will not be paid to an employee even if they are utilizing donated sick leave.
3. If an employee returns to work on a part-time basis, sick and vacation leave will begin accruing on a pro-rated basis and these accrued balances will be utilized for coordination of benefits before the utilization of any donated sick leave.
4. An employee utilizing donated sick leave will be taxed each pay period as with the use of regularly accrued sick and vacation leave.
5. The existence or use of donated sick time is not a guarantee of continued employment past the end of the approved leave of absence as detailed in Policy No. 19 – Leave of Absence.

C. Procedures for Donating Sick Leave

1. An employee may complete a "Donation of Sick Leave" form to donate accrued sick leave in one-hour increments for use by another employee

POLICY NO. 16 – SICK LEAVE

who has been determined to qualify for sick leave donations under the requirements listed above.

2. In no case shall a donation of sick leave reduce the donor’s accrued sick leave balance below eighty (80) hours.
3. An employee may donate a maximum of 25% of his/her sick balance or forty (40) hours of accrued sick leave to an eligible employee, whichever is less. No employee will be allowed to donate more than forty (40) hours of sick leave in any twelve month period.
4. The number of sick hours credited to the recipient will be calculated by multiplying the number of hours donated by the calculated hourly rate of the donor then dividing that amount by the calculated hourly rate of the recipient.
5. Donated sick leave hours will be used to pay the recipient on a first in-first out basis. Donated sick leave hours not used by the specified recipient will be returned to the donating employee(s) following the end of the pay period in which the recipient no longer qualifies for the use of donated sick leave.

12. Administration of Policy

The Director of Human Resources and the Payroll Department will be responsible for the administration and enforcement of this policy.

APPROVED:

| _____
Director of Human Resources

May 12, 2008 July 11, 2011

Date

| _____
General Manager

May 12, 2008 July 11, 2011

Date

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES MANUAL

POLICY NO. 18 - VACATION

1. General Policy

The District believes it is important for employees to take vacation leave on an annual basis to enable them to take time off away from their job responsibilities in order to relax and refresh themselves physically and mentally.

2. Eligibility

All regular full-time employees are eligible for vacation leave. Regular part-time employees are eligible for pro-rated vacation leave based upon the number of hours worked. Only hours actually worked shall constitute service time in determining the regular part-time employee's vacation accrual rate.

Employees earn vacation leave hours from the first day of work, however, they are ineligible to take time off for vacation leave during the first six (6) months of employment.

3. Amount of Benefits

The following schedule of vacation leave accrual per ~~pay period~~month is applicable to all regular full-time employees of the District:

Less than 5 years service ~~3.34~~6.67 hours - (~~2-weeks~~80 hours per year)

More than 5 years service
but less than 10 years
(Beginning with the 5th year
anniversary date) ~~5~~10.00 hours - (~~3-weeks~~120 hours per year)

More than 10 years service ~~6.67~~13.33 hours - (~~4-weeks~~160 hours per year)
(Beginning with the 10th year
anniversary date)

Vacation hours will be accrued each pay period. Exceptions to this schedule of vacation leave accrual may be made in the District's sole discretion. Exceptions to this policy will be recommended by staff to the General Manager for approval.

4. Maximum Accrual

The maximum number of vacation hours accrued may not exceed the greater of 240 hours or two times an employee's annual accrual. Employees with more than the allowed maximum accrued vacation time at the time of the annual Vacation Transfer (see section 6 below) will be required to transfer all hours in excess of the allowed maximum accrual

POLICY NO. 18 – VACATION

into their Deferred Compensation Plan account. This transfer will be conducted once a year and hours will be transferred at a rate of 100% of the employee's current wage rate at the time of transfer. Employees are responsible for ensuring that their vacation accrual balance falls below the allowed maximum accrual if they do not wish to have vacation hours automatically transferred to the Deferred Compensation Plan account.

If an employee's scheduled vacation is canceled at the District's request, or if extenuating circumstances arise which require an employee to accrue vacation leave in excess of the allowed maximum accrual, written approval may be granted by the General Manager to carry over the excess hours for a specified period of time.

5. Holidays Falling During Vacation Leave

Established District holidays occurring during scheduled vacation leave are not counted as vacation days.

6. Transfer of Vacation Hours

An employee may elect to transfer any vacation hours accrued in excess of 80 hours into the employee's Deferred Compensation Plan account, provided the employee has used at least 40 vacation hours during the preceding completed calendar year. This option will be available to the employee once a year, generally in January, and hours will be transferred at a rate of 100% of the employee's current wage rate at the time of transfer.

7. Procedure for Requesting Vacation Leave

Requests for vacation leave shall be made in advance by the employee to his/her immediate supervisor for appropriate approvals using the on-line Time Reporting Entry system.

8. Termination

Upon termination from the District, employees shall be paid for unused accrued vacation hours to the date of termination. These unused accrued vacation hours shall be paid at the employee's current wage rate at the time of termination, regardless of the length of service with the District.

APPROVED:

Director of Human Resources

~~May 12, 2008~~ July 11, 2011
Date

General Manager

~~May 12, 2008~~ July 11, 2011
Date

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES MANUAL

POLICY NO. 19 - LEAVE OF ABSENCE

1. General Policy

It is the District's policy to establish guidelines governing leaves of absence to be granted to all eligible employees. Leaves of absence will be considered in cases of medical disabilities and certain health conditions and in cases of personal emergency, military duty, jury duty, witness duty, bereavement, and family care. Unless specifically provided otherwise, all leaves of absence are available only on an unpaid basis, for a period of time not to exceed one hundred twenty (120) days. Should a leave of absence be approved past one hundred twenty (120) days due to extenuating circumstances, the District reserves the right to deactivate access codes to its buildings and computer systems.

Subject to any applicable legal restrictions, requests for leaves of absence will be considered on the basis of the employee's length of service, performance, responsibility level, the reason for the request, and business necessity with respect to the employee's position. If an employee accepts other employment or fails to return to work on the next regularly scheduled work day following the expiration of his/her leave, it will be considered that the employee has voluntarily terminated his/her employment.

2. Eligibility

All regular full-time and regular part-time employees who have been employed by the District for a period of one year are eligible to request a leave of absence.

3. Rules Applicable to Specific Types of Leaves

A. Medical Leaves of Absence for Non-Occupational Disabilities

Requests for a medical leave of absence may be submitted by an eligible employee who is temporarily disabled or unable to work due to a personal injury, illness, or serious health condition including a pregnancy-related disability.

Medical leaves of absence will be granted for the period of the illness, disability or condition, provided such period shall not exceed four (4) months (120 days).

Employees who do not return at the end of the maximum leave period because of a recognized disability will not automatically be terminated at the end of the maximum leave period, but may request and may receive an extension of their leave as circumstances warrant. Medical leaves may be extended at the District's discretion beyond four months with the written approval of the Director of Human Resources and the Department Head.

Before returning to work following a medical leave of absence, an employee must submit a physician's statement indicating the employee's ability to return to work and the date that he/she is able to return.

POLICY 19 – LEAVE OF ABSENCE

1) Coordination of Benefits

All medical leaves of absence will coordinate unused accrued sick hours with short-term disability, long-term disability, and any other wage-replacement benefits for which the employee may be eligible in an effort to minimize the financial impact of a leave of absence for both the employee and the District. Once unused accrued sick leave hours are exhausted, any unused accrued vacation hours shall be paid during a leave of absence. Vacation pay shall also be coordinated with any short term disability, long term disability or other wage replacement benefits for which the employee may be eligible.

2) Accrual of Seniority and Benefits

Employees will continue to accrue vacation and sick leave benefits, as well as holiday pay, as long as they are coordinating their benefits, and receiving a portion of their pay from the District. Once an employee ceases to receive any portion of his/her pay from the District, (when all unused accumulated vacation and sick hours are exhausted), accrual of additional vacation and sick leave hours will cease. Holidays falling during the period following exhaustion of vacation and sick leave benefits will not be paid to an employee on unpaid leave of absence.

3) Procedure

It is the employee's responsibility to provide the Human Resources Department with all the information as soon as he/she becomes aware of the need for a leave of absence, (i.e., reason for leave, and anticipated dates the leave will begin and end ~~and whether or not he or she requests to coordinate their unused accumulated sick leave and vacation benefits~~). A Request for Leave of Absence Form (available in the Human Resources Department) should be completed as soon as the employee becomes aware of the need for a leave of absence.

The employee must also notify the Human Resources Department and his/her supervisor if there is any change in the anticipated dates the leave will begin and end.

4) Additional Benefits Affected

Additional benefits, such as group medical, dental and vision and life insurance coverage will remain in force, and the employee will continue to pay his/her normal monthly premium for themselves, spouse and/or family during the first four (4) months (120 days) of their leave of absence.

When an approved leave of absence for an eligible employee extends beyond four (4) months (120 days), the employee is responsible for the full cost of group medical, dental, vision and life insurance coverage for themselves, spouse and/or family. These payments must be made to the Human Resources Department on a timely basis each month.

POLICY 19 – LEAVE OF ABSENCE

Other benefits, such as voluntary life, Accidental Death & Dismemberment (AD&D) coverage, deferred compensation contributions, credit union deductions, United Way contributions and computer purchase loan payments will continue to be deducted from an employee's coordinated pay until sick leave hours and vacation hours have been exhausted, and no further pay is due. Once all unused accrued sick and vacation hours have been exhausted, or for leaves of absence extending past four (4) months (120 days), the employee will be required to make these payments in order to continue coverage or participation. These payments must be made to the Human Resources Department on a timely basis each month. However, each employee has the option to stop contributions into their deferred compensation accounts and credit union accounts.

Employees who participate in the flexible benefits program for miscellaneous medical expenses or dependent care expenses have the following options when they are on a personal leave of absence.

- (a) Discontinue the monthly payments into the flexible benefits account. However, if this option is chosen, the employee may not enroll in the flexible benefits program again until the following calendar year.
- (b) Continue the monthly payments. These payments shall be made to the Human Resources on a timely basis. (See Policy No. 41 - Flexible Advantage Program for more specific information on the Flexible Benefits Program).

B. Medical Leaves of Absence for Occupational Disabilities

Leaves of absence are granted to any eligible employee who sustains a work-related disability. A leave of absence for a work-related disability shall be extended to the employee for the duration of the work-related disability.

Before returning to work following a leave of absence for a work-related disability, an employee must submit a physician's statement indicating the employee's ability to return to work and the date that he/she is able to return.

1) Coordination of Benefits

A leave of absence for a work-related disability will coordinate unused accumulated sick hours with workers' compensation insurance, long-term disability, and any other benefits provided to the employee in an effort to minimize the financial impact of the leave of absence for both the employee and the District. Once unused accumulated sick hours are exhausted, any unused accrued vacation hours shall be paid during a leave of absence. Vacation pay shall also be coordinated with any workers' compensation insurance, long term disability or other wage replacement benefits for which the employee may be eligible.

2) Accrual of Seniority and Benefits

Employees will continue to accrue vacation and sick leave benefits, as well as holiday pay, as long as they are coordinating their benefits, and receiving a portion of their pay from the District. Once an employee ceases to receive any portion of their pay from the District, (when all unused accumulated vacation and sick hours are exhausted), accrual of additional vacation and sick leave hours will cease. Holidays falling during the period following exhaustion of vacation and sick leave benefits, will not be paid to the employee on unpaid leave of absence.

Employees who are granted a leave of absence for a work-related disability will continue seniority rights for the purpose of retirement benefits.

3) Procedure

It is the employee's responsibility to notify his/her supervisor immediately upon any work-related injury. The supervisor will immediately notify the Human Resources, and refer the injured employee to the District's contracted industrial clinic. The Supervisor will prepare a Supervisor's Report of Accident.

The Human Resources Department will send to the injured employee an Employee's Claim for Workers' Compensation Benefits for his/her completion. The District will file a claim with the workers' compensation carrier, who will handle processing and payment of claims.

4) Additional Benefits Affected

Additional benefits, such as group medical, dental, vision and life insurance coverage will remain in force, and the employee will continue to pay his or her normal monthly payment for themselves, spouse and/or family during the first four (4) months (120 days) of his/her leave of absence.

When an approved leave of absence for an eligible employee extends beyond four (4) months (120 days), the employee will be responsible for the full cost of group medical, dental, vision and life insurance coverage for themselves, spouse and/or family.

Other benefits, such as voluntary life, AD&D coverage, deferred compensation contributions, credit union deductions, United Way contributions and computer purchase loan payments will continue to be deducted from an employee's coordinated pay until sick leave and vacation hours have been exhausted, and no further pay is received.

Once all unused accumulated sick and vacation hours have been exhausted, or for leaves of absence extending past four (4) months (120 days), the employee will be required to make these payments in order to continue coverage or participation. These payments must be made to the Human Resources Department in a timely manner.

POLICY 19 – LEAVE OF ABSENCE

Those employees who participate in the flexible benefits program at the District for miscellaneous medical expenses or dependent care expenses have the following options when they are on a medical leave of absence for occupational disabilities.

- (a) Discontinue the monthly payments into the flexible benefits account. However, if this option is chosen, the employee may not enroll in the flexible benefits program again until the following calendar year.
- (b) Continue the monthly payments. These payments shall be made to the Human Resources Department on a timely basis. (See Policy No. 41 - Flexible Advantage Plan for more specific information on the Flexible Benefits Program).

5) Special Requirements for Occupational Disabilities

The District will retain employees on an extended leave of absence for work-related disabilities until one of the following situations takes place:

- (a) The employee is released for full or light duty.
- (b) The District receives satisfactory medical evidence that the employee is unable to return to work.
- (c) The employee resigns or actually or constructively informs the District that he/she does not intend to return to the District's employ.

6) Returning to Work from Occupational Disability

It is the employee's responsibility to notify the District when he/she is able to return to work following an occupational disability. At that time, the District will attempt to locate a comparable position for the returning employee.

C. Family Care Leave

Family care leave of up to twelve (12) work weeks in a twelve (12) month period may be taken for the following reasons:

- Birth of a child of the employee; or placement of a child with an employee in connection with the adoption or foster care of a child by the employee.
- Because of any qualifying exigency arising out of the fact that the spouse, child, or parent of the employee is on active military duty in the Armed Forces in support of a contingency operation. A "qualifying exigency" is defined as a situation or pressing need calling for immediate attention.
- For a serious health condition of the employee which makes him/her unable to perform his/her job.
- For a serious health condition of a child of an employee.

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- To care for a parent or spouse who has a serious health condition.
“Serious health condition” is defined as an illness, injury, impairment, or physical or mental condition which involves any of the following:
 - In-patient care in a hospital, hospice or residential health care facility;
 - Continuing treatment or continuing supervision by a health care provider; or
 - Any period of incapacity requiring absence from work for more than three days, which involves continuing treatment by a health care provider.

Military family care leave of up to twenty-six (26) work weeks in a twelve (12) month period may be taken for the following reasons:

- To care for a parent, spouse, child, or someone for whom the employee is next of kin who is a member of the Armed Forces and who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious illness or injury.

1) **Eligibility**

Employees who have worked for the District for at least 12 months and have provided at least 1250 hours of service during the preceding 12 months can request a family care leave of absence.

2) **Coordination of Benefits**

An employee requesting a family care leave of absence for his or her own serious health condition must coordinate any unused accumulated sick and vacation hours with short-term disability, long-term disability, and any other wage-replacement benefits for which the employee may be eligible in an effort to minimize the financial impact of the leave of absence for both the employee and the District. An employee requesting a family care leave of absence for any other approved reason must coordinate any unused vacation hours and may, by agreement by IRWD, coordinate any accumulated sick leave hours with paid family leave benefits or any other wage-replacement benefits for which the employee may be eligible.

3) **Accrual of Seniority and Benefits**

Employees will continue to accrue vacation and sick leave benefits, as well as holiday pay, as long as they are receiving their pay from the District. Once an employee ceases to receive any portion of their pay from the District (when all unused accumulated vacation and sick hours are exhausted), accrual of additional vacation and sick leave hours will cease. Holidays falling during the period following exhaustion of vacation and sick leave benefits will not be paid to the employee on unpaid leave of absence.

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Employees who are granted a leave of absence will continue seniority rights for the purpose of retirement benefits.

4) Procedure

It is the employee's responsibility to provide the Human Resources Department all the information as soon as he/she becomes aware of the need for a family care leave of absence (i.e., reason for the leave; ~~and anticipated dates the leave will begin and end, and whether unused accumulated sick leave and vacation hours will be used, or it will be an unpaid leave of absence.~~) The District will ordinarily require medical certification from a health care provider establishing the need for a family care leave of absence for the serious health condition of the employee or the employee's family member.

The employee must also notify the Human Resources Department and his/her supervisor if there is any change in the anticipated dates the leave will begin and end.

A Request for Leave of Absence Form (available in the Human Resources Department) should be completed as soon as the employee becomes aware of the need for a leave of absence.

5) Additional Benefits Affected

Additional benefits, such as group medical, dental and vision and life insurance coverage will remain in force, and the employee will continue to pay his or her normal monthly payment for themselves, spouse and/or family during the first four (4) months (120 days) of their leave of absence. Because family care leave of absence is only available for a maximum of twelve (12) work weeks in a twelve (12) month period, the four (4) month period during which such benefits remain in force would, in most cases, expire only if the employee uses other approved leave in conjunction with family care leave.

When an approved leave of absence for an eligible employee extends beyond four (4) months (120 days), the employee will be responsible for the full cost of group medical, dental, vision and life insurance coverage for themselves, spouse and/or family

Other benefits, such as voluntary life, AD&D coverage, deferred compensation contributions, credit union deductions, United Way contributions and computer purchase loan payments will continue to be deducted from an employee's paycheck until sick leave and vacation hours have been exhausted, and no further pay is received from the District. Once all unused accumulated sick and vacation hours have been exhausted, or for leaves of absence extending past four (4) months (120 days), the employee will be required to make these payments in order to continue coverage or participation.

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These payments will need to be made to the Human Resources Department on a timely basis each month. However, each employee has the option to stop contributions into their deferred compensation accounts and credit union accounts at any time.

Those employees who participate in the flexible benefits program at the District for miscellaneous medical expenses or dependent care expenses have the following options when they are on a family care leave of absence.

- (a) Discontinue the monthly payments into their flexible benefits account. Under FMLA regulations, employees returning from FMLA who have discontinued payments into their flexible benefits account have a right to elect to reinstate coverage at the same level of participation as before their leave. If a Qualified Status Change has occurred, they may elect to be reinstated at a different level of participation. Expenses that are incurred during the time that employees are not making monthly payments are not eligible for reimbursement.
- (b) Continue the monthly payments. These payments shall be made to the Human Resources Department on a timely basis.
- (c) Employees that experience an event that qualifies as a Qualified Status Change under IRS regulations are allowed to change the amount of their monthly payments into either the miscellaneous medical or dependent care flexible spending accounts. If this option is chosen, employees have thirty (30) days from the date of the qualified status change or from the date they return from FMLA leave to change their payments. (See Policy No. 41-Flexible Advantage Program for more specific information on the Flexible Benefits Program).

6) **Coordinating Leave of Absence with Spouse**

If the employee's spouse is also employed by IRWD, the District may limit a family care leave of absence for the purpose of the birth, adoption, or foster care placement of a child to allow a combined leave of twelve (12) work weeks in a 12-month period.

7) **Length of Leave**

A family care leave of absence can be taken for a maximum of twelve (12) workweeks during a rolling 12-month period measured backward from the date an employee uses any FMLA leave.

D. **Personal Leaves of Absence**

All regular part-time and regular full-time employees who have been continuously employed by the District for at least one year may request a personal leave of absence for a reasonable period of time of up to 30 days. The leave may be extended for a reasonable period of time due to special circumstances, as

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determined on an individual basis by the Director of Human Resources and the General Manager. Employees taking a personal leave of absence are required to use any accrued vacation time during the leave. Any time taken off in excess of accrued vacation time will be unpaid time off. Requests for leaves of absence will be considered on the basis of the employee's length of service, performance, responsibility level, the reason for the request, whether other individuals are already out on leave, and the expected impact of the leave on the District.

1) Procedure

Eligible employees must submit a written personal leave of absence request to their supervisor. Approval by the Department Head, Director of Human Resources and the General Manager is required prior to the beginning of the leave.

It is the employee's responsibility to provide the Human Resources Department all information as soon as he/she becomes aware of the need for a leave of absence, (i.e., reason for leave, and anticipated dates the leave will begin and end). A Request for Leave of Absence Form (available in the Human Resources Department) shall be completed as soon as the employee becomes aware of the need for a leave of absence.

2) Accrual of Seniority and Benefits

Employees who are granted a leave of absence will continue seniority rights for the purpose of retirement benefits.

3) Additional Benefits Affected

Additional benefits, such as group medical, dental, vision and life insurance coverage will remain in force as long as the employee continues to pay his/her normal monthly payment for themselves, spouse and/or family during any part of the 30-day personal leave of absence.

Other benefits, such as voluntary life, AD&D coverage, deferred compensation contributions, credit union deductions, United Way contributions and computer purchase loan payments may also be continued. If the length of the leave exceeds accrued vacation time, the employee will be required to make these payments while on unpaid time off in order to continue coverage or participation. These payments must be made to the Human Resources in a timely manner. However, each employee has the option to stop contributions into his/her deferred compensation accounts and credit union accounts.

Employees who participate in the flexible benefits program at the District for miscellaneous medical expenses or dependent care expenses have the following options when they are on a personal leave of absence for occupational disabilities.

- (a) Discontinue the monthly payments into the flexible benefits account. However, if this option is chosen, the employee may not

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enroll in the flexible benefits program again until the following calendar year.

- (b) Continue the monthly payments. If the length of the leave exceeds accrued vacation time, the employee will be required to make these payments while on unpaid time off in order to continue coverage or participation. These payments shall be made to the Human Resources on a timely basis. (See Policy 41-Flexible Advantage Plan Policy for more specific information on the Flexible Benefits Program).

E. Military Leave and Jury/Witness Duty

Military and Jury/Witness Duty Leaves of Absence are addressed in Policies 20 and 21 respectively.

4. Leave of Absence Review Process

The District will not grant leaves of absence indiscriminately, and it is the policy of the District to carefully review all requests for leaves to ensure each is in the best interest of the District.

5. General Coordination Provision

It is the District’s intent to administer its leave of absence policies in accordance with the requirements of all applicable state and federal laws. Instances may exist where two or more leave of absence policies potentially provide for overlapping leave for an eligible employee. The District’s general intent is to coordinate such leave, as allowed by law, so that leave of absence that is taken by an employee under one policy, which could also have been taken under any other policy, shall be credited against the maximum limit on leaves established in each of the applicable policies.

APPROVED:

Director of Human Resources

March 9, 2009 July 11, 2011
Date

General Manager

March 9, 2009 July 11, 2011
Date

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES MANUAL

POLICY NO. 23 - EDUCATION AND TRAINING

1. **General Policy**

The District encourages employees to seek further education and training in an effort to increase their competency and efficiency in their work, and to increase personal development. Knowledge in other work areas not directly related to an employee's job may also allow for organizational cross training.

2. **Purpose of Policy**

The purpose of this policy and procedure is to establish the guidelines and criteria for reimbursement for educational expenses and incentive pay for obtaining college and university degrees and other approved professional certificates after being hired by the District.

The District firmly believes that this policy will improve its ability to attract and retain outstanding employees, supervisors and managers.

3. **Eligibility**

All regular full-time employees of the District who have been employed by the District for six (6) consecutive months are eligible for education and training reimbursement. Incentive pay for obtaining college and university degrees and approved professional certificates is also available to these employees. Educational reimbursement and incentive pay for the General Manager requires approval of the Board of Directors.

Requests for tuition reimbursement for classes taken above the Bachelor's degree level require special approval by the General Manager. Such requests will be subject to a more extensive process, including a costs/benefits analysis to determine the value to the District of the proposed courses or degree program.

Only education and training completed on an employee's personal time is eligible for reimbursement and incentive pay under this policy. Certifications and/or degrees completed by attending classes or training during paid working hours are not eligible for reimbursement and/or incentive pay under this policy.

4. **Responsibility**

The Human Resources Department is responsible for administering this policy and ensuring compliance.

5. **Education & Training Expenses**

A. **Education and Training Reimbursement**

Employees are eligible for reimbursement for the expenses related to classes taken in pursuit of a university or college degree program, an Occupational Program

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Certificate, or for professional or personal growth provided the following criteria are met:

- 1) Classes must be taken at a college, university, or learning institution accredited by a commission approved by the Council on Higher Education Accreditation and/or the U.S. Department of Education or approved by the District.
- 2) Eligible employees must complete an Application for Educational Assistance Form (available in the Human Resources Department) at the time of enrollment in the classes. On this form, the employee will outline the curriculum and projected costs that will be involved. The application must be approved by the employee's Department Director, the Director of Human Resources and the General Manager. The original application will be kept in the employee's personnel file.
- 3) An employee is required to achieve an average grade point sufficient to enable completion of the curriculum in which he/she may be enrolled. Once an employee has completed the course with a passing grade of "C" or better, "Pass" or the equivalent, the District will reimburse up to seventy-five percent (75%) of the tuition and textbook costs. If an employee is eligible for Veteran's benefits, and such benefits are less than 75% of the total cost of tuition, books, and registration fees, the District will pay the difference required to bring the total reimbursement to 75%. Maximum reimbursement for tuition and registration costs will be based on state college fees and approved by the General Manager on an annual basis.
- 4) Supplies required for particular courses may be considered for reimbursement; however, parking fees are not reimbursable
- 5) Original grades and receipts must be submitted to the Human Resources Department. Upon verification that the courses and expenses were previously approved, Human Resources will submit a check request for reimbursement of eligible expenses, less applicable taxes, to the employee. If the employee has exceeded the IRS-approved non-taxable education reimbursement amount, the amount of the reimbursement and the tax deducted will be included on the W-2 form issued to the employee.

B. Contact Hours and Continuing Education Units for Certificate of Competence Renewals

- 1) Employees holding job-required Certificates of Competence are required to complete the contacts hours in order to renew their certifications. The following rules establish District and employee responsibility for obtaining job-required contact hours:
 - a. Employees are responsible for ensuring that all required contact hours are completed in a timely manner.
 - b. Because no more than 25% of required contact hour credit can be obtained from attendance at District meetings such as safety tailgates,

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employees must obtain contact hour Continuing Education Units (CEUs) for job-required certification renewals by attending seminars or other means approved by the employee's supervisor or manager.

- c. The District will pay for 100% of the cost of pre-approved seminars for the purpose of obtained contact hour CEUs needed for job-required Certificate of Competence renewals. These seminars should be scheduled during an employee's normally scheduled working hours.
 - d. Under no circumstances will the District compensate an employee for any penalties for late renewal or pay overtime for an employee to attend a seminar outside of the normally scheduled working hours.
- 2) Employees holding non-job-required Certificates of Competence which they desire to keep active are also required to complete the contacts hours in order to renew their certifications. The following rules establish District and employee responsibility for obtaining non-job-required contact hours:
- a. Employees must complete an Application for Educational Reimbursement Form (available in the Human Resources Department) requesting District approval of seminars to be taken and detailing the number of CEUs required for renewal of the non-job-required Certificate of Competence.
 - i. This form must be submitted to the Director of Human Resources for review and approval prior to the first seminar being attended.
 - ii. The Director of Human Resources may discuss the potential value to the District of the Certificate of Competence with the employee, the employee's supervisor or manager, and/or other department supervisors or managers to determine if the request will be approved.
 - iii. If the request for Educational Assistance is denied, the employee may pursue contact hour CEUs outside of District working hours and will not be reimbursed for any of the expenses related to obtaining CEUs or the renewal of the non-job-required Certificate of Competence.
 - iv. If the request for Educational Assistance is approved, then the points listed in B.1) a-d above apply.

6. Incentive Program

A. University and College Degrees

District employees obtaining a college degree through an accredited program shall receive an incentive payment, less applicable taxes, in the amount set forth below, provided the degree exceeds the minimum job requirements of the employee's position. The degree must be job related, and/or provide a direct benefit to the District.

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<u>Degree</u>	<u>Net Award</u>
AA*	\$ 1,000
BA/BS	\$ 1,000
Masters **	\$ 1,000
Others	\$ 1,000

- * Sixty college level units from an accredited institution shall be equivalent to an Associates (AA) degree.
- * The District shall not compensate an employee a total of more than \$1,000 for obtaining an Associates (AA) Degree and an Occupational Program Certificate if the college units for which the employee already received an Occupational Program Certificate incentive are used to obtain an Associates (AA) degree, unless the employee completes at least 30 additional units in obtaining the AA degree. If the employee completes at least 30 additional units, he/she will be eligible for the full AA incentive payment.
- ** Approved by General Manager

Employees are responsible for submitting proof of Degree to the Human Resources Department. The Director of Human Resources will review the Degree to ensure compliance with this policy. If the Degree does comply with this policy, an Educational Incentive Program Request for Incentive Disbursement form will be completed and routed for signatures by the appropriate parties, including the General Manager. The incentive check will be forwarded to the appropriate Department Director to be presented to the employee to recognize his/her accomplishment.

The cash incentive payment, less applicable taxes, will be made payable to the employee. The amount of the award and the tax deducted will be included on the W-2 form issued to the employee.

B. Job-Related or Required Certificates of Competence

District employees shall receive an incentive cash payment in the amount of \$750 for obtaining each Certificate of Competence listed below, provided the certificate meets the following criteria:

- 1) Certificate of Competence exceeds the minimum job requirements established for the employee's position. Under no circumstances shall an employee receive an incentive for obtaining a Grade I or entry level Certificate other than the Engineering in Training or Water Distribution Operator I Certificates, unless approved by the Director of Human Resources and the General Manager.
- 2) Certificate of Competence is job-related or required or provides employee with valuable skills or knowledge for current or potential positions employee may hold within the District. All requests for certification incentives must be approved by the Director of Human Resources, as well as the employee's supervisor, manager, or department director. Employees who plan on pursuing a Certificate of Competence that is not directly

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related to their current position should verify with the Director of Human Resources whether the certification will qualify for an incentive prior to beginning the certification process.

- 3) Certificate of Competence is issued by the certifying agency or organization listed below.

Certificates of Competence Covered Under This Policy Include:

- Collection System Maintenance issued by CWEA
- Industrial Waste Inspection issued by CWEA
- Laboratory Technology or Laboratory Analyst issued by CWEA or AWWA
- Mechanical Technology issued by CWEA
- Electrical/Instrumentation Technology issued by CWEA
- Wastewater Treatment Plant Operator issued by SWRCB
- Water Treatment Plant Operator issued CA DPH
- Water Distribution Operator issued by CA DPH
- Engineer in Training issued by the State of California
- Registered Professional Engineer issued by the State of California
- Certified Public Accountant (CPA) issued by the State of California
- Certified Purchasing Manager issued by National Assn. of Purchasing Management
- Accredited Purchasing Professional issued by National Assn. of Purchasing Management
- Certified Payroll Professional issued by American Payroll Assn.
- Fundamental Payroll Certification issued by American Payroll Assn.
- Concrete Field Test Technician by American Concrete Institute
- Concrete Construction Special Inspector by American Concrete Institute
- Other Certificates of Competence approved by the General Manager

The District shall compensate the employee for the initial fee for Certification and renewal but will not compensate the employee for any penalties for renewal or provide an incentive payment to employees required to pass an examination for Certification renewal.

Any employee who is permitted to and successfully passes a higher grade certification test by skipping a lower grade will be compensated for the grade(s) skipped, as well as the grade achieved.

Employees requesting incentive payment for any Certificate of Competence that has an expiration date and requires contact hours and/or CEU's for renewal must commit to keeping the certification active in order to receive the incentive payment. Employees are responsible for submitting proof of Certification of Competence and Request for Incentive/Commitment to Renew Form to the Human Resources department. The Director of Human Resources will review the Certification to ensure compliance with this policy. If the Certification does comply with this policy, an Educational Incentive Program Request for Incentive Disbursement form will be completed and routed for signatures to the appropriate parties, including the General Manager. The incentive check will be forwarded to

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the appropriate Department Director to be presented to the employee to recognize his/her accomplishment.

The cash incentive payment, less applicable taxes, will be made payable to the employee. The amount of the award and the tax deducted will be included on the W-2 form issued to the employee.

C. Occupational Program Certificates

District employees shall receive an incentive cash payment in the amount of \$750 for each of the Occupational Program Certificates listed below which meets the following criteria:

- 1) Occupational Program Certificate is job-related or provides employee with valuable skills or knowledge for current or potential positions employee may hold within the District. All requests for Occupational Certification incentives must be approved by the Director of Human Resources, as well as the employee's supervisor, manager, or department director. Employees who plan on pursuing an Occupational Program Certificate that is not directly related to their current position should verify with the Director of Human Resources whether the certification will qualify for an incentive prior to beginning the certification process.
- 2) Occupational Program Certification must be offered through an accredited college or university.
- 3) Occupational Program Certificate requires the completion of at least 15 units of college class work. Under no circumstances will the District provide an incentive payment for an Occupational Program Certificate which includes credit from classes for which the employee has already received an incentive payment unless the employee was required to take at least 15 additional units to receive the subsequent certification.

Occupational Program Certificates Covered Under This Policy Include:

- Accounting
- Architecture
- Auto Mechanics/Technology
- Finance
- Business Management
- Human Resources Management
- Chemical Technology
- Computer and Information Science
- Construction Technology
- Building Construction
- Construction Inspection
- Construction Management
- Drafting Technology
- Electrical or Electronic Technology
- Engineering

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- Heavy Equipment Maintenance and Repair
- Chemistry
- Ornamental Horticulture
- Surveying Technology
- Welding Technology
- Business Applications & Technology
- Management
- Public Works
- Project Management
- Business Analyst
- Contract Management
- Environmental Management
- Occupational Safety & Health
- Facilities Management
- Water Distribution
- Water Treatment
- Wastewater Sanitation
- Water Utility Supervisor
- Other Occupational Program Certificates approved by the General Manager

Employees are responsible for submitting proof of having received an Occupational Program Certification to the Human Resources department. The Director of Human Resources will review the Certification to ensure compliance with this policy. If the Certification does comply with this policy, an Educational Incentive Program Request for Incentive Disbursement form will be completed and routed for signatures by the appropriate parties, including the General Manager. The incentive check will be forwarded to the appropriate Department Director to be presented to the employee to recognize his/her accomplishment.

The District shall not compensate an employee a total of more than \$1,000 for obtaining an Associates (AA) Degree and an Occupational Program Certificate if the college units for which the employee already received an Occupational Program Certificate incentive are used to obtain the Associates (AA) degree, unless the employee completes at least 30 additional units in obtaining the AA degree. If the employee completes at least 30 additional units, he/she will be eligible for the full AA incentive payment.

The cash incentive payment, less applicable taxes, will be made payable to the employee. The amount of the award and the tax deducted will be included on the W-2 form issued to the employee.

7. Special Conditions

- A. Registered Professional Engineers shall not be eligible for certification incentive for water treatment.
- B. Incentive Compensation shall be paid only to individuals where Certificates and/or Degrees exceed job level requirements (see position job description).

POLICY NO. 23 - EDUCATION AND TRAINING

- C. No more than two incentive payments shall be made for certificates and/or degrees earned in any one fiscal year.
- D. College or University Degrees and Occupational Program Certifications must be obtained through an accredited program from an accredited educational institution, successfully completed (passed) on the basis of school standards.
- E. In no case shall an employee receive an incentive payment for obtaining an an Associate or Bachelors Degree unless the employee completes at least 24 college level semester units toward the degree while being employed at the District, unless approved in advance by the General Manager.
- EF. In no case shall an employee receive an incentive payment for obtaining more than one Associate, Bachelors or Masters Degree unless the employee completes an additional 24 college level semester units toward the additional degree while being employed at the District.
- G. In no case shall an employee receive an incentive payment for obtaining an Occupational Program Certificate unless the employee completes at least 15 college level semester units toward the certificate while being employed at the District, unless approved in advance by the General Manager.
- FH. The employee must be an employee of the District at the time that compensation is to be made.
- GI. All Degrees, Occupational Program Certificates, and Certificates of Competence not covered in section 2 must receive prior approval from the General Manager.

APPROVED:

Director of Human Resources

March 9, 2009 July 11, 2011
Date

General Manager

March 9, 2009 July 11, 2011
Date

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES MANUAL

POLICY NO. 32 - ~~SAFETY INCENTIVE~~/SERVICE AWARD PROGRAM

1. **General Policy**

The District has established an ~~incentive~~-award program to recognize an employee's service to the District, ~~and to encourage employees to practice safe work habits.~~

2. **Service Recognition Awards**

Employees of the District will be awarded service pins at intervals of five years of service. Additionally, service award certificates are presented to employees at the same service pin award ceremony. In addition, a gift not to exceed \$250 in value will be presented to each employee achieving the milestone of 25 years of service and each 5 years milestone thereafter.

~~3. Individual Safety Incentive and Service Recognition Account~~

~~All regular full-time employees of the District will earn Safety/Service Award points on an annual basis. These points are earned based upon the following factors:~~

~~A. Injury-free Time on the Job~~

~~Points awarded for Safe Worker Credit are based on the number of months of injury-free time, and the number of injuries during the previous twelve (12)-month period.~~

~~It should be noted that some District positions have a greater exposure to injury than others. Our workers' compensation carrier has assigned injury risk factors to various occupational classes. These factors change from time to time to reflect the District's employees' injury record. The current risk factor rating used by workers' compensation along with input from the Department Directors will be used in calculating the points an employee earns relating to injury-free time on the job.~~

~~B. Vehicle/Equipment Accident-Free Periods~~

~~Employees are awarded five (5) points per year provided they are not involved in any vehicle or equipment accidents during the previous twelve (12)-month period.~~

~~C. Minimizing Sick Leave Usage~~

~~Employees will be recognized for minimal sick leave usage. The total number of sick leave hours taken during the previous twelve (12)-month period will be subtracted from the total number of sick leave hours accrued (96 hours) during the~~

same period. The difference will be divided by 20, and employees will be awarded from 0 to 5 points in this category.

D. Job Performance Rating

Employees will be awarded points which reflect their annual performance rating.

The Safety Service Award points earned are credited toward awards an employee may receive. Award levels are established at 25 point intervals. The monetary value of the awards increase with each award level until the maximum level has been reached, as indicated in the following table.

Award Levels

<u>Safety Service</u> <u>Award Points</u> <u>Required</u>	<u>Dollar</u> <u>Value</u> <u>of Award</u>
25	\$ 25
50	\$ 50
75	\$ 75
100	\$ 100
125	\$ 125
150	\$ 150
175	\$ 175
200	\$ 200
225	\$ 225
250	\$ 250
275	\$ 275
300	\$ 300
325	\$ 325
350	\$ 350
375	\$ 375
400	\$ 400
425	\$ 425
450	\$ 450
475	\$ 475
500	\$ 500 (Maximum)
525 and above (25 point increments only)	\$ 500

Award levels continue upward and dollar value and points required continue upward from those shown in increments of 25. Once an employee reaches the 500 point level, he/she will continue to accumulate points each year and will receive an award for each year in which he/she reaches the next 25 point level. For example, an employee who carries forward 500 points must accumulate an additional 25 points for the year (525 points) to qualify for an award, however, the maximum dollar award level will be \$500 regardless of the number of points above 500 accumulated.

| POLICY NO. 32 - ~~SAFETY INCENTIVE~~/SERVICE AWARD PROGRAM

| ~~All monetary awards received will be made to employees, less all applicable taxes.~~

4. **Administrative Responsibility**

| The Human Resources Department will be responsible for administering the ~~Safety Incentive and~~ Service Recognition Award Program.

APPROVED:

| _____
Director of Human Resources

May 12, 2008 July 11, 2011
Date

| _____
General Manager

May 12, 2008 July 11, 2011
Date

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES MANUAL

POLICY NO. 33 - INJURY AND ILLNESS PREVENTION PROGRAM

1. **General Policy**

The District, in addition to complying with all provisions of the Cal-OSHA section 3203 of the California Occupational Safety and Health Act, will do all within its resources to provide a safe and healthful work environment for every employee.

2. **Purpose of the Policy**

The purpose of the Injury and Illness Prevention Program is to:

- A. State District policy on the issue of Injury and Illness Prevention.
- B. Assign responsibility for the implementation and continuation of the Program.
- C. Establish Safety Committees.
- D. Establish procedures for reporting workplace hazards and accidents.
- E. Set guidelines and procedures for non-compliance with the Injury and Illness Prevention Program.

3. **District Responsibility**

The District will not require any employee to work in an unsafe area or in an unsafe manner. The necessary training, tools, and equipment will be provided by the District to do a job safely. The District will establish rules and regulations and the necessary medical testing to ensure compliance with safety regulations. The District will discipline any employee who has been found in violation of District safe work practices or Cal-OSHA regulations. (See Policy No. 6 - Hiring and Termination).

4. **Safety & Security Office Responsibility**

The Safety & Security Office is responsible for promoting a safe and healthful work environment for all employees. In accordance with SWP-12, the Safety & Security Office is responsible for investigating and documenting occupational incidents (occupational incidents include personal injuries and illnesses, property damage, vehicle accidents and near misses), maintaining records of corrective actions taken and providing and documenting safety and health training. Detailed records will be maintained as required by regulations and will include names, dates, and actions taken. Documentation regarding disciplinary action will be maintained by Human Resources.

5. **Managers and Supervisors Responsibility**

POLICY NO. 33 - INJURY AND ILLNESS PREVENTION PROGRAM

Safe working conditions and a safe work environment are the responsibility of every employee; however, final responsibility for an accident free and hazard free environment rests with the managers and supervisors of the District. Each manager and supervisor has the responsibility to promote accident prevention through continuous surveys of work areas, setting a good example, educating, training and retraining employees regarding safety rules and regulations and safe work habits. This will be achieved by recognizing employees who follow safe and healthful work practices and by properly disciplining employees working in an unsafe manner. Each manager and supervisor is responsible for insuring that inspections are conducted and corrective actions are implemented. Safety is a very important aspect of every Manager's and Supervisor's job.

6. Employee Responsibility

All employees of the District shall be required, as a condition of their employment, to follow all Injury and Illness Prevention practices that are established for the protection of themselves, their fellow employees and the public. This includes, but is not limited to wearing of protective equipment and operating only that machinery or power equipment that he/she has been authorized to operate. Any employee who willfully violates safe and healthful work practices is subject to disciplinary action up to and including immediate termination (See Policy No. 6 - Hiring and Termination).

It is the responsibility of every employee to report unsafe working conditions or an employee working in an unsafe manner to his/her supervisor immediately for corrective action. An employee who chooses not to report unsafe working conditions or employees may be considered in violation of the Injury and Illness Prevention Policy of the District.

7. Communications

The District has established a system for communication between management and employees on occupational safety and health matters, including meetings, training programs, postings, written procedures, a system of anonymous notification and safety committees. Several of these include:

A. Reporting Unsafe Conditions

Employees are required to report unsafe or unhealthful conditions to their supervisor. Such reporting will be made without fear of reprisal. Supervisory personnel will investigate and take necessary actions to remedy the situation in a timely manner. These actions, regardless of the level of severity, will be reported to the Safety & Security Office as soon as possible. (See Safe Work Practice (SWP) - 12 Accident, Injury, Illness and Near-Miss Investigation Procedure).

B. Employee Safety "Hotline"

The Employee Health and Safety Telephone Notification Hotline ("Hotline") provides a confidential mechanism for employees to report concerns regarding possible unsafe conditions or practices. This method of reporting unsafe conditions is confidential and provides anonymity for callers (See SWP-7 - Employee Health and Safety Telephone Notification "Hotline" Procedure).

POLICY NO. 33 - INJURY AND ILLNESS PREVENTION PROGRAM

C. Accident/Incident Notification

Incidents that involve employee accidents, incidents or near misses shall be reported to the appropriate supervisor. Reports will then be forwarded to the Safety & Security Office prior to leaving work at the end of the shift. (See SWP - 12- Accident, Injury, Illness and Near-Miss Investigation Procedure).

D. General Safety Committee

The General Safety Committee provides assistance in monitoring and reviewing incidents, . The committee also assists the Safety & Security Office in the initial development of safety-related procedures as required. Minutes of the General Safety Committee are posted on the S-Drive. Members of the committee will include employees from all major departments and/or members of the Safety & Security Office. (See SWP-6 - Safety Committees Procedure).

8. Training and Information

The Safety & Security Office shall administer this Program, including:

- A. Instructing employees, including supervisors, in safe work practices and providing specific instruction as to hazards for particular positions;
- B. Assisting supervisors in providing training and preparing job safety analysis (JSA) for all employees.
 - 1) When employees are given new job assignments for which training has not previously been received (See SWP-11- Employee Health and Safety Orientation Procedure),
 - 2) Whenever new hazardous substances, processes, procedures or equipment are introduced into the workplace, and
 - 3) Whenever the District is made aware of a new or previously unrecognized hazard.

C. Annual and Refresher Training

Employees must attend annual and refresher training for certain job duties as described in applicable safety programs and procedures. (See SWP – 10 Training). As appropriate, a written test will be administered to evaluate comprehension.

9. Injury or Hazard Reporting

A. Vehicle Accidents

POLICY NO. 33 - INJURY AND ILLNESS PREVENTION PROGRAM

Any employee involved in a vehicle accident while operating a District vehicle will report such accident by radio or telephone to the Vehicle/Equipment Maintenance Manager before leaving the scene of the accident. (See HR Policy 50 Vehicle and Equipment Usage and SWP-19 Use of District Vehicles) The IRWD Incident Report will be completed by the employee involved in the accident prior to leaving work at the end of the shift. The employee's supervisor or manager will submit the completed Incident Report to the Safety & Security Office prior to the end of the shift.

B. Reporting Injuries/Illnesses

Any employee who sustains an illness or injury while performing his/her job at the District will report that illness or injury immediately to his/her direct supervisor. The Supervisor of the injured employee will complete the IRWD Incident Report on the day the illness or injury occurs before the employee leaves District facilities, except in cases of emergency. Any employee who is aware of any workplace hazard must immediately report the hazard to his/her supervisor, who is responsible for reporting the hazard to the Safety & Security Office.

The IRWD Incident Report will be forwarded to the Safety & Security Office by the Supervisor before the end of the workday on the day of the accident. The Safety & Security Office will forward a copy of the IRWD Incident Report to the Human Resources department prior to leaving work at the end of the shift.

10. Safety Inspections

Supervisors are responsible for indentifying unsafe or unhealthful conditions in accordance with SWP-13 Physical Conditions Inspections.

10. Correction of Unsafe or Unhealthful Conditions

Supervisors are responsible for correcting safety and health hazards in a timely manner. If such corrective action is beyond the supervisor's authority, then he/she must promptly notify management, or designee, with the authority to correct the hazard.

When an imminent hazard exists that cannot be immediately abated without endangering employees and/or property, all personnel must be immediately evacuated from the area except for personnel necessary to correct the hazardous condition. No employees may enter such an area without appropriate protective equipment and training. The Safety & Security Office will be notified as soon as possible.

11. Injury/Illness and Hazard Investigation

Occupational injury and illness, as well as hazards, will be investigated by the immediate supervisor and a representative from the Safety & Security Office. (See SWP 12 - Accident, Injury, Illness and Near-Miss Investigation Procedure).

12. Safety Warnings/Discipline Policy

POLICY NO. 33 - INJURY AND ILLNESS PREVENTION PROGRAM

Safety warnings and the disciplinary process guidelines are designed to give direction and guidelines to be followed when an employee is determined to have been working in an unsafe manner or has violated a safety regulation. This policy is designed to impress upon all employees the need to exercise utmost caution in preventing injuries to themselves or others and/or in causing property damage. (See s:\Human Resources\Procedures\Disciplinary Process.doc)

When an on-the-job accident/incident occurs, it shall be reviewed by the Safety & Security Office. If the Safety & Security Office determines that an unsafe act, failure to follow prescribed safety procedures, a safety violation, or gross negligence caused the accident, the employee involved shall be subject to disciplinary action. (See Policy No. 6 - Hiring and Termination and Policy No. 27 - Alcohol and Drug Policy).

13. Administrative Responsibility

The Safety Officer, the Director of Human Resources and the General Manager will be responsible for implementing and administering the Injury and Illness Prevention Program of the District.

APPROVED:

Director of Human Resources

May 12, 2008

Date

General Manager

May 12, 2008

Date

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES MANUAL

POLICY NO. 34 - EMPLOYEE PERSONAL COMPUTER PURCHASE PLAN

1. **Purpose of Policy**

The primary purpose of the Employee Personal Computer Purchase Plan is to develop the computer literacy of full-time District employees by encouraging the purchase and use of home computers and software.

2. **Eligibility**

Any full-time employee who has completed one year of service with the District is eligible for a loan under this program. Participants must agree, in writing, to comply with the requirements and provisions of the plan.

3. **Loan Criteria**

Each loan is interest free with repayment calculated over twenty-four (24) month period.

A maximum of \$3,000 will be loaned to eligible employees for initial purchase and/or upgrades for personal computer systems determined to be compatible with current District systems.

At no time shall an employee have active computer loans in repayment status for a combination of more than one laptop or tablet computer and one desktop computer system.

Loan payments will be made through ~~semi-monthly~~ payroll deductions. Personal computer loan payments for loans over \$500 will be determined by spreading the amount financed over a period of 24 months, divided by forty eight (48) pay periods (24 months). Computer loan payments for loans of \$500 or less will be determined by spreading the amount financed over a period of 12 months, divided by twenty four (24) pay periods (12 months). Loans are due and payable in full upon termination of employment for any reason. Balance due at termination will be automatically deducted from the employee's final paycheck and/or payment of accrued sick and vacation hours. Loans may be paid earlier at the employee's request.

A written loan agreement between the District and the participant is required. The loan agreement will outline the responsibilities of the participant, terms of the agreement, payroll deduction arrangements and other conditions of the loan.

4. **Computer System Criteria**

The following are minimum requirements of computer systems eligible under this program:

- A. One (1) business application software package, i.e. Microsoft Office, Word and Excel.

POLICY NO. 34 - EMPLOYEE PERSONAL COMPUTER PURCHASE PLAN

~~Processor and memory (RAM) that meets the requirements of the Operating System and selected Applications. Intel Pentium (or equivalent) A system appropriate processor with 32MB enough RAM to support operating system and applications.~~

~~B. Most current version of Microsoft Windows Operating System. Microsoft Windows 9X or NT Operating System.~~

~~C. One (1) CD-ROM or DVD drive.~~

~~D. One (1) printer~~

~~E. One (1) business application software package, i.e. Microsoft Office, Word, Excel, Power Point, or current District application software. One (1) business software package, i.e., Microsoft Word, Excel, or current District software.~~

To be eligible for this program, system components must be manufactured by established companies and must be compatible to run current District software. No off brands, discontinued models or used components will be considered. No game or entertainment software or digital cameras will qualify under this plan.

5. Plan Limitations

Computer loans will be made to employees on a first-come, first-serve basis, until the \$150,000 loan fund is depleted. As funds become available through loan repayment, additional loans will be processed.

6. Procedure to Apply for Loan

Employees who wish to participate in the computer purchase plan will:

A. Obtain and complete a Computer Purchase Plan loan application from Human Resources. Sign the Loan Agreement sheet (forms available in the Human Resources Department).

~~B. Submit a receipt with system specifications for a system purchased directly from a vendor. If the system does not meet the minimum requirements established by this policy, it will not qualify for loan funds. Employees may also Obtain a quotation(s) from vendor(s) for the hardware and software to be covered by the program. Participants may choose any vendor. Comparative shopping is encouraged. Employees may also submit a receipt with system specifications for a system purchased directly from a vendor without pre-approval of the system, but if the system does not meet the minimum requirements established by this policy, it will not qualify for loan funds.~~

~~C. If a quotation is obtained, employees should submit the application and quotation(s) to the Human Resources Department for approval of configuration eligibility. Once the configuration is approved, Human Resources will verify employment and prepare a loan agreement.~~

~~DC.~~ Human Resources will forward the loan agreement to the Finance Department, where warrant(s) will be prepared. Warrant(s) will be delivered to the Human Resources Department. If the employee has already purchased the system, warrant(s) will be issued for 90% of the purchase price in the name of the

POLICY NO. 34 - EMPLOYEE PERSONAL COMPUTER PURCHASE PLAN

Each participant in the plan agrees that usage of the equipment and software made available under this plan will be restricted to the participant's own use and that of his/her immediate family. Any re-assignment or transfer of the equipment violates the agreement and cancels the right to participate in the plan.

8. Protection Against Damage and Theft

Participants in the plan should ensure that their home insurance policy provides adequate protection of their equipment from theft, fire, flood and lightning. The District does not assume any liability for damage or theft of equipment.

9. Loan Agreement Approval

The General Manager or his/her designee shall approve all loan agreements.

10. Administrative Responsibility

The Human Resources Department will be responsible for administering the Employee Personal Computer Purchase Plan.

APPROVED:

Director of Human Resources

March 9, 2009 July 11, 2011

Date

General Manager

March 9, 2009 July 11, 2011

Date

IRVINE RANCH WATER DISTRICT
PERSONNEL POLICIES AND PROCEDURES MANUAL
POLICY NO. 39 - DEFERRED COMPENSATION PLAN POLICY

1. Purpose of Policy

The primary purpose of the District's deferred compensation program is to enable employees to defer portions of their compensation as a supplement to the PERS retirement plan. The District has established a deferred compensation program available through two plans:

- IRS Section 457 Deferred Compensation Plan ("457 Plan")
- IRS Section 401(a) Money Purchase Pension Plan ("401(a) Plan")

2. Eligibility and Enrollment

Upon employment with the District, all regular, full-time employees of the District are eligible to defer compensation to the 457 Plan. Employees are responsible for initiating the dollar amount or percentage to be deferred, selecting investment allocation of amounts deferred, and designating primary and contingent beneficiaries. If an employee fails to allocate deferrals, the funds will be automatically deposited into a ~~fixed or stable value~~ the Conservative Profile fund.

Additionally, in accordance with Personnel Policy No. 7, pertaining to the OBRA Act of 1986, some temporary employees are required to contribute to the 457 Plan. Temporary employees are limited to a ~~fixed~~ the Conservative Profile fund or stable value investment option. (See "Policy No. 7 - Temporary Employees").

Employees may defer compensation for any calendar month, providing the deferral election is made ~~before the first day by the 23rd day of the month in which~~ before the compensation is paid or made available.

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3. Available Plans and Deferral Limitations

A. The 457 Deferred Compensation Plan – Employee Contributions

The 457 plan is available for employee contributions only.

The minimum amount of contributions is ten dollars (\$10.00) per pay period.

The maximum amount employees may contribute to the 457 Plan is the lesser of 100% of Includible Compensation or the maximum allowed by law. Includible Compensation is defined as base compensation. Includible Compensation does not include overtime, stand-by, and unpaid absences such as medical leave.

POLICY NO. 39 - DEFERRED COMPENSATION PROGRAM POLICY

Once a year, the District will provide employees the option to transfer a specified amount of accrued vacation time into the 457 Plan (See "Policy No. 18 – Vacation").

Once a year, the District will provide employees the option to transfer a specified amount of accrued sick time into the 457 Plan (See "Policy No. 16 – Sick Leave").

B. The 401 (a) Money Purchase Pension Plan – District Contributions

The 401 (a) Plan is for District contributions only.

Matching Contributions

An employee who has completed one year of regular full-time service with the District is eligible for a District matching contribution. Beginning with the first month following an employee's one year anniversary date, the District will deposit to the employee's 401(a) Plan account an amount equal to 100% of the amount deferred by the employee during each pay period up to a maximum of 3% of the employee's base salary for each pay period. Once an employee has deferred an amount equal to 3% of his/her annual salary during the calendar year, the matching deposits to the employee's Deferred Comp Plan account will continue each pay period in an amount equal to 3% of the employee's base salary even if the employee is no longer making contributions.

Direct Contributions

~~An employee, who has completed two years of regular, full-time service with the District, is 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 an amount equal to 3% of the employee's base salary. When an employee's base salary changes, contributions made by the District will be adjusted accordingly.~~

4. Participant Options

A. Changes to Deferral Amount

Employees may change the amount of compensation to be deferred in future pay periods, including the option to change the deferral amount to zero (\$0). Deferral changes must be made no later than the 23rd day of the month prior to the effective date of the change.

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B. Catch-Up Contributions

"Age 50 Catch-up" Contributions: At any time during the year in which an employee will attain age 50, they are eligible to make additional elective deferrals, up to the maximum amount set by law for that year. Employees may not participate in the "Age 50 Catch-up" during the same time they are making additional contributions under the "Last-three-years" provision below.

POLICY NO. 39 - DEFERRED COMPENSATION PROGRAM POLICY

“Last-Three-Years” Catch-up Contributions: Under this provision, an employee who underutilized the applicable deferral limitations after December 31, 1978, may make additional deferrals in an amount not to exceed the lesser of—

- (i) Twice the otherwise regular dollar limit. For example, if the regular annual deferred contribution limit is ~~\$13,000~~16,500, an eligible employee may be able to defer up to an additional ~~\$13,000~~16,500.
- (ii) The amount that was underutilized in previous years after December 31, 1978.

The catch-up provision applies to any one or more of an employee’s last three (3) calendar years ending before such employee attains normal retirement age. Normal retirement age shall be considered the range of ages beginning no earlier than age 50 and ending no later than age 70-1/2. The normal retirement age chosen upon election of this catch-up provision is irrevocable for determining the three year period.

5. Administration of the Program

The District may contract with one or more investment providers to provide investments, education, and record-keeping services for the Plans. The District's Plan Administrator shall administer the Deferred Compensation Program and shall submit action or informational items to the District's Finance and Personnel Committee and/or Board of Directors as necessary.

A. Ownership of Funds

All amounts deferred under the Plans are held in trust for the exclusive benefit of the participants and their beneficiaries.

B. Claims or Liens Against Assets

Neither the existence of the deferred compensation Program nor the individual deferred compensation accounts shall entitle any participant, beneficiary of any participant, or a creditor of any participant to a claim or lien against the assets of the individual deferred compensation accounts. The participants and their beneficiaries shall only have the right to receive benefits pursuant to the Plans.

C. Statement of Accounts

The deferred compensation investment provider will be responsible for providing account statements no less frequently than quarterly.

7. Distributions

A. Termination of Employment

POLICY NO. 39 - DEFERRED COMPENSATION PROGRAM POLICY

Employees are eligible to take distributions from the Plans upon separation of service from the District. The individual plan documents will provide the specific plan requirements and modes of distribution.

B. Emergency Distributions

An employee may request an emergency distribution from his/her 457 Plan account due to extraordinary and unforeseeable circumstances arising as a result of events beyond his/her control. Emergency distributions are not available under the 401 (a) Plan. Circumstances that will constitute an unforeseeable emergency will depend upon the facts of each case, but distributions will only be made in accordance with IRS regulations and the 457 Plan document.

The District may use an investment provider or other third party to make a determination for an emergency distribution request.

8. Plan to Plan Transfers, Purchase of Service Credits and Rollovers

The District's deferred compensation program allows plan to plan transfers, purchase of service credits, and rollovers in and out of the Plans. The individual plan documents will provide the specific plan requirements related to transfers of assets in or out of the Plans.

9. Amendment or Termination of Plan

The District, at its sole discretion, may terminate one or both of the Plans at any time. Upon such termination, each participant in the affected plan will be deemed to have revoked his/her participation as of the date of such termination.

The District may also amend the provisions of its Plans at any time, provided that no amendment or termination shall affect the rights of the participants or their beneficiaries to payment of benefits.

APPROVED:

Director of Human Resources

March 9, 2009 July 11, 2011
Date

General Manager

March 9, 2009 July 11, 2011
Date

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES MANUAL

POLICY NO. 44 - ELECTRONIC MAIL (E-MAIL) POLICY

1. Purpose of Policy

The District realizes the need to manage the use of its computer systems, maintain a secure work place and create a work environment in which employee productivity is enhanced. Therefore, this policy will address access to and disclosure of electronic mail messages sent or received by District employees with the use of the District's electronic mail system.

2. Use of Electronic Mail System

The District Electronic Mail (E-Mail) System is District property and is provided to employees for their use on District business only. The District may access any electronic mail message sent to or received by any employee of the District. Although security codes may be used to restrict access to the electronic mail (E-Mail) system, the District will maintain a directory of all such codes, and may utilize such codes, if necessary, to access information within the electronic mail (E-Mail) system. Employees should not assume that any messages within the electronic mail system are confidential.

3. Misuse of Electronic Mail System by Employees

It is a violation of District policy for any employee, including system administrators, to use the electronic mail and computer systems for purposes of satisfying idle curiosity about the affairs of others, with no legitimate business purpose for obtaining access to the files or communications of others. Employees found to have engaged in such "snooping" will be disciplined appropriately, and may be terminated.

Additional misuses of the electronic mail system include, but are not limited to, the following:

- A. Use of the electronic mail system to send chain letters.
- B. Use of the electronic mail system to send copies of documents in violation of copyright laws.
- C. Receipt and "opening" of misaddressed electronic mail, if the employee knows that the mail was misaddressed.
- D. Forwarding of electronic mail messages without a legitimate business purpose under circumstances likely to lead to embarrassment of the sender or in violation of the expressed desire of the sender to restrict additional dissemination.
- E. Use of the electronic mail system by terminated employees.

POLICY NO. 44 - ELECTRONIC MAIL (E-MAIL) POLICY

- F. Use of the electronic mail systems for “moonlighting” or job searches.
- G. Use of the electronic mail systems to send messages, access to which is restricted by government security laws or regulations.
- H. Use of the electronic mail systems for purely personal purposes.

4. Privacy

The District reserves the right to monitor, access and disclose use of the services on the electronic mail system at the sole discretion of the District. All messages, images and/or transmissions are District records. Additionally, the District will maintain records of the names, dates and times of all employees accessing services on the electronic mail system. Employees should not assume that any access to information on the District’s electronic mail system is confidential.

5. District’s Exclusive Authority

The District reserves the right to change this policy at any time with such prior notice, if any, as may be reasonable under the circumstances.

6. Administration of Policy

The ~~Information Services Manager~~Director of Administrative Services and the Director of Human Resources will be responsible for administration and enforcement of this policy.

APPROVED:

Director of Human Resources

May 13, 1996 July 11, 2011
Date

General Manager

May 13, 1996 July 11, 2011
Date

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES MANUAL

POLICY NO. 46 - ACCESS AND USAGE OF THE INTERNET

1. Purpose of Policy

The purpose of this policy is to ensure that the Internet access and usage available through the District's computer network system is properly used to perform tasks directly related to an employee's job duties. Additionally, this policy will establish a procedure for employees to gain access to the Internet.

2. Definitions

A. Use of Services on the Internet

Access to services on the Internet is provided to employees for their use to perform tasks directly related to their job duties. Use of the services on the Internet for personal purposes during break, lunch, or before or after office hours is permitted. All messages, and/or images are District records. The District may monitor, access and disclose usage of the services on the Internet by any employee of the District. Employees should not assume that any access to services on the Internet are confidential.

B. Misuse of Services on the Internet

It is a violation of District policy for any employee, including system administrators, to use the services on the Internet in any manner not directly related to their job duties during working time, or in any manner prohibited below at any time. Employees found to have engaged in improper activities will be subject to disciplinary action, up to and including termination.

Examples of access to services on the Internet which are inappropriate at any time, and which constitute misuse, include, but are not limited to:

- 1) Use of the services on the Internet that in any way are disruptive, offensive or harmful to morale. The display of or transmission of sexually explicit images, messages or cartoons, or any use of ethnic slurs, racial epithets or anything that may be construed as harassment or disparagement of others is strictly prohibited.
- 2) Use of the services on the Internet to send or receive copies of documents in violation of copyright laws.
- 3) Use of the services on the Internet for "moonlighting" or job searches.
- 4) Use of the services on the Internet to read, send or receive information, access to which is restricted by government security laws or regulations.

POLICY NO. 46 - ACCESS AND USAGE OF THE INTERNET POLICY

- 5) Use of the services on the Internet during office hours for personal purposes.
- 6) Use of the services on the Internet for any deliberate action that damages or disrupts a computing system, alters its normal performance, or causes it to malfunction, regardless of system location or time duration.
- 7) Use of the services on the Internet in attempts to gain unauthorized access to remote systems.
- 8) Use of the services on the Internet to connect to other systems, in evasion of the physical limitations of a remote system.
- 9) Use of the services on the Internet for copying of copyrighted materials, such as third-party software, without the express written permission of the owner or the proper license.
- 10) Use of the services on the Internet for the introduction of computer “viruses” or other disruptive/destructive programs onto the district’s network or into external networks.

3. Privacy

The District reserves the right to monitor, access and disclose use of the services on the Internet at the sole discretion of the District. All messages, images and/or transmissions are District records. Additionally, the District will maintain records of the names, dates and times of all employees accessing service on the Internet. Employees should not assume that any access to services on the Internet is confidential.

4. Eligibility

All regular, full-time employees who have or have access to a PC workstation connected to the IRWD Network are eligible to apply for access to the Internet. Employees will be required to receive approval from their supervisor, manager or Department Director, as well as the Information Services Steering Committee Representative for their department and the Information Services Manager.

5. Procedure

Employees who require Internet access should complete an Information Services Request. This request can be entered on-line or on paper. The request must contain a complete description of the job-related duties to be performed. The employee’s Information Services Steering Committee department representative will review the request with the Department Director. Upon department approval, the request will be reviewed by the Information Services Manager. Once approved, the request will be assigned to a member of the Information Services staff who will be responsible for installing the appropriate software on the employee’s PC workstation. Training will also be provided.

6. District’s Exclusive Authority

POLICY NO. 46 - ACCESS AND USAGE OF THE INTERNET POLICY

The Irvine Ranch Water District reserves the right to change this policy at any time with such prior notice, if any, as may be reasonable under the circumstances.

7. Administrative Responsibility

The ~~Information Services Manager~~Director of Administrative Services and the Director of Human Resources will be responsible for administration and enforcement of this policy.

APPROVED:

Director of Human Resources

August 28, 2000 July 11, 2011
Date

General Manager

August 28, 2000 July 11, 2011
Date

IRVINE RANCH WATER DISTRICT
PERSONNEL POLICIES AND PROCEDURES MANUAL
POLICY NO. 50 - VEHICLE AND EQUIPMENT USAGE

1. General Policy

This document establishes the policy and responsibility for the assignment and usage of District vehicles for conducting official District business. Any employee operating a District vehicle must be licensed to operate that vehicle in accordance with the California Department of Motor Vehicles. This includes but is not limited to the use of passenger restraint systems; traffic laws; and financial responsibility laws (when appropriate). In addition to vehicle usage, this policy also addresses the use of District owned or controlled equipment. This policy is administered by the General Manager and any deviation to this policy must be approved by the General Manager.

2. Purpose of the Policy

The purpose of this policy is to communicate requirements relative to the assignment, utilization and control of District-owned vehicles and/or equipment or equipment controlled by the District, to establish reimbursement procedures for privately-owned vehicles used to conduct District business, and to establish insurance requirements for employees driving their personal vehicles on official District business and employees receiving auto allowances.

3. Responsibility

A. General Manager

The General Manager is responsible for administering this policy and ensuring compliance.

B. Managers and Supervisors Responsibility

Managers and supervisors are required to ensure that employees under their control strictly adhere to the requirements of this policy.

C. Employee Responsibility

Employees are required to comply with the requirements of this policy and other established procedures regarding the assignment and use of vehicles and equipment.

4. Assignment of Vehicles for Duty Hour Retention

Employees assigned a vehicle for duty hour retention must sign a Vehicle Request Form. The Vehicle Request Form must be signed by the employee's manager and approved by the Department Director. This form will be kept on file by the Vehicle Equipment (Fleet Services) Manager. If the employee's duties change whereby the employee no longer requires duty-hour retention of the vehicle, the Department Director

POLICY NO. 50 – VEHICLE & EQUIPMENT USAGE POLICY

will ensure that the Vehicle Request Form is cancelled and the vehicle will be returned to Fleet Services.

5. Assignment of Vehicles for Overnight Retention

Employees assigned a vehicle for overnight retention must sign a Vehicle Request Form. The Vehicle Request Form must be signed by the employee's manager and approved by the Department Director. The vehicle is to be used for transportation directly to and from work or to and from the location where the employee is required to respond. If the employee's duties change whereby the employee no longer requires overnight retention of the vehicle, the Department Director will ensure that the Request Form is cancelled and the vehicle is returned to Fleet Services. This Vehicle Request Form will be kept on file by the Fleet Services Manager. Fleet Services will submit an annual report to the General Manager of employees assigned a vehicle for overnight retention. Assignment of vehicles for overnight retention will be made only under the following conditions:

A. Emergency Response Personnel

Employees who are required to respond to emergencies for the protection of public health, employee safety and property. Responders must:

- Live within 25 miles of their normally assigned work location.
- Respond at least 15 times annually to emergencies, as determined by the Department Director, to be eligible callouts;
- Be designated as a member of the Emergency Operations Center.

B. Designated Management Personnel

Those employees who are assigned vehicles under this section must:

- Be reasonably required to respond to after hour emergencies as determined by the General Manager.
- Be the incumbent in one of the following:
 - Assistant Director of Water Operations
 - Systems Operations Manager
 - ~~Assistant Systems Operations Manager~~
 - Wastewater Operations Manager
 - ~~Water Maintenance Manager~~
 - ~~Assistant Construction & Repair Manager~~
 - Construction & Repair Manager
 - Mechanical Maintenance Manager
 - Electrical Maintenance Manager
 - Collections Systems Manager
 - Facilities/Fleet Manager
 - Construction Inspection Manager
 - Other (when approved by the General Manager)

POLICY NO. 50 – VEHICLE & EQUIPMENT USAGE POLICY

Note: These managers must live within 25 miles of their normally assigned work location.

C. Primary Standby Emergency Responders

Vehicles will be assigned to Primary Standby employees who are on the standby program rotation. Employees living more than 25 miles from their normally assigned work location are not eligible for Primary Standby duty. Employees assigned Primary Standby duties are permitted overnight retention of the Standby Vehicle. The vehicle is to be used for transportation directly to and from work or to and from the location where the employee is required to respond. Primary Standby employees may use the Toll Road Transponders for traveling to and from work for the period of their designated standby rotation.

6. Pool Vehicles

Pool vehicles will be available from individual departments and Fleet Services for use by employees requiring transportation in the performance of their duties.

7. Trip Reduction Program

Participants in the Trip Reduction Program are guaranteed a ride home in the event a participant is required to work unplanned overtime or in the event of an emergency. Department Directors or the Rideshare Coordinator may authorize the use of a District vehicle under these circumstances.

Employees participating in the Trip Reduction Program are encouraged to plan ahead for non-emergency transportation needs that may arise in the course of a regular scheduled workday. Contract commuter vans and District-owned pool vehicles will not be available to employees to attend medical appointments, to purchase and/or attend lunch, to run personal appointments, etc.

8. Vehicles Involved In an Accident

Employees involved in a vehicle accident while operating a vehicle will report such accident by radio or telephone to the Fleet Services Manager before leaving the scene of the accident. The driver should provide pertinent information to other drivers involved and neither admit nor deny responsibility. Refer to SWP-19.

9. Automobile Allowance

The General Manager may authorize an automobile allowance to Department Directors and Managers. Employees receiving an automobile allowance must maintain automobile insurance with limits no less than that required by the State of California. Adjustments-Increases or decreases to auto allowance benefits will be made based on the percentage change in the mileage reimbursement rate set by the Internal Revenue Service on January 1 each calendar year.

10. Mileage Reimbursement

Department Directors may authorize the use of personal vehicles for conducting official District business. Mileage reimbursement rates will be set equal to the Internal Revenue Service mileage reimbursement rates set on January 1 of each calendar year.

Personal automobiles used on District business shall have no less than the minimum automobile insurance required by the State of California. The employee driver agrees to indemnify the District for any liability associated with passengers who are not employees or those being transported who are not on District business, to the extent that such liability does not arise as a result of acts in the direct furtherance of the employee driver's job duties.

11. District-Owned or Controlled Equipment

District-owned or controlled equipment is defined as equipment that is owned by the district, leased by the district or otherwise controlled by the district for the official use and established purposes of conducting district business.

Employees are forbidden to use District-owned or controlled equipment for personal use. Exceptions to this must be specifically approved by the General Manager.

Contractors are not authorized to use District owned or controlled equipment for conducting contracted work. The definition of "contractor" as outlined in AWP-7 is: A person or firm retained by IRWD under a contract for construction, maintenance or repair, major renovation or specialty work on any IRWD system or property. Contractual agreements must include specific language stating that the contractor must provide all necessary equipment to conduct their work. Special attention must be given to ensure that required safety equipment is provided by the contractor for the specific purpose of performing contractual work. Examples of this include but are not limited to: vehicles; cranes/hoists/forklifts; lifting equipment such as: slings and material handling equipment. Additionally, contractors must provide all equipment necessary for confined space entry. This includes equipment such as gas detection equipment; rescue equipment; fall protection equipment; personal protective equipment. Contractors must not be permitted to use district ladders, scaffolds, or fall protection equipment.

12. Wireless Vehicle Management

Vehicles owned by the district, leased by the district, or otherwise controlled by the district are subject to remote monitoring. Remote monitoring is intended to provide the district with the ability to account for the vehicles at all times. Remote monitoring includes, but is not limited to, the ability to monitor vehicle location, vehicle starts and stops, and vehicle speed.

POLICY NO. 50 – VEHICLE & EQUIPMENT USAGE POLICY

APPROVED:

| _____
Director of Human Resources

~~January 11, 2010~~ July 11, 2011
Date

| _____
General Manager

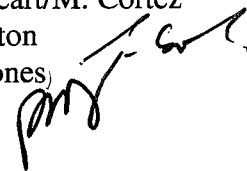
~~January 11, 2010~~ July 11, 2011
Date

July 11, 2011

Prepared by: J. Stanearth/M. Cortez

Submitted by: K. Burton

Approved by: Paul Jones



CONSENT CALENDAR

PORTOLA PIPELINES FINAL ACCEPTANCE

SUMMARY:

Construction of the Portola Pipelines Project is 100% complete. The Contractor, Paulus Engineering, Inc., has completed the required work and all punch list items. A budget increase and Expenditure Authorization are requested to cover the final project costs, change orders and additional staff time. The project has received final inspection and acceptance of construction is recommended.

BACKGROUND:

The Portola Pipelines project completes an important gap in the District's infrastructure. It connects the capital facilities constructed with the Orchard Hills Development (Zone 5 Reservoir and Orchard Hills 3 to 5 and A to C Pump Station) to the capital facilities to the south in the Planning Area (PA)-6 Tomato Springs area (Zone 3 Lomas Valley Reservoir, Tomato Springs Zone 4 and C Reservoirs) and beyond. In addition, the project resolved low-pressure and low-flow problems with the reclaimed system in the Woodbury, Stone Gate and PA-9 areas previously only served by the Zone B reclaimed system. The project included construction of approximately 9,200 feet of 30-inch steel transmission pipe, 3,600 feet of 20-inch steel transmission pipe, 4,000 feet of 16-inch steel transmission pipe and 4,000 feet of 16-inch PVC pipelines for domestic and reclaimed water. Also included is conversion of approximately 10,100 feet of domestic water pipeline to recycled water. The work required of the contractor is complete.

Project Title:	Portola Pipelines Project
Project Nos.:	10782, 30276, 30782
Design Engineer:	Boyle Engineering, Inc. / H2O Engineers, Inc.
Contractor:	Paulus Engineering, Inc.
Original Contract Cost:	\$4,720,578.00
Final Contract Cost:	\$5,476,805.00
Original Contract Days:	450
Substantial Completion Days:	571
Final Contract Days:	660
Total Budget:	\$6,391,700
Total Project Cost (Est.):	\$6,248,000
Final Contract Change Order Approved On:	June 30, 2011

FISCAL IMPACTS:

Projects 10782 (1854), 30276 (1752), and 30782 (1294) are included in the FY 2010-11 Capital Budget. A budget increase and Expenditure Authorization are requested as shown in the table below and in Exhibit "A" to fund the final costs for these projects.

Project No.	Current Budget	Addition <Reduction>	Total Budget	Existing EA	This EA Request	Total EA Request
10782	\$ 5,006,200	\$ 45,800	\$ 5,052,000	\$ 4,878,400	\$ 173,600	\$ 5,052,000
30276	\$ 819,000	\$ 0	\$ 819,000	\$ 698,000	\$ 121,000	\$ 819,000
30782	\$ 566,500	\$ 0	\$ 566,500	\$ 442,200	\$ 124,300	\$ 566,500
Totals	\$ 6,391,700	\$ 45,800	\$ 6,437,500	\$ 6,018,600	\$ 418,900	\$ 6,437,500

ENVIRONMENTAL COMPLIANCE:

This project is subject to the California Environmental Quality Act (CEQA) and in conformance with the California Code of Regulations Title 14, Chapter 3, Article 7, an Environmental Impact Report, State Clearing House No. 2001051010, was certified by the lead agency.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE A BUDGET INCREASE OF \$45,000, FROM \$5,006,200 TO \$5,052,000, FOR PROJECT 10782; APPROVE EXPENDITURE AUTHORIZATIONS IN THE AMOUNTS OF \$173,600 FOR PROJECT 10782; \$121,000 FOR PROJECT 30276; AND \$124,300 FOR PROJECT 30782; AUTHORIZE FILING OF A NOTICE OF COMPLETION; AND AUTHORIZE THE PAYMENT OF THE RETENTION 35 DAYS AFTER THE DATE OF RECORDING THE NOTICE OF COMPLETION FOR THE PORTOLA PIPELINES, PROJECTS 10782 (1854), 30276 (1752) AND 30782 (1294).

LIST OF EXHIBITS:

Exhibit "A" – Expenditure Authorizations

IRVINE RANCH WATER DISTRICT Exhibit "A"

Expenditure Authorization

Project Name: PA1 PORTOLA PKWY 30" DW PIPELINE - SR133 TO CULVER
 Project No: 10782 EA No: 5
 Project Manager: BURTON, KEVIN
 Project Engineer: STANEART, JEFFREY
 Request Date: June 30, 2011

ID Split: Miscellaneous

Improvement District (ID) Allocations		
ID No.	Allocation %	Source of Funds
150	100.0	BONDS YET TO BE SOLD**
Total	100.0%	

Summary of Direct Cost Authorizations

Previously Approved EA Requests:	\$4,878,400
This Request:	\$173,600
Total EA Requests:	\$5,052,000
Previously Approved Budget:	\$5,006,200
Budget Adjustment Requested this EA:	\$45,800
Updated Budget:	\$5,052,000
Budget Remaining After This EA	\$0

Comments:

Phase	This EA Request	Previous EA Requests	EA Requests to Date	This Budget Request	Previous Budget	Updated Budget	Start	Finish
ENGINEERING - PLANNING OUTSIDE	2,700	0	2,700	0	2,700	2,700	4/04	2/09
ENGINEERING DESIGN - IRWD	3,000	20,000	23,000	0	23,000	23,000	4/04	2/09
ENGINEERING DESIGN - OUTSIDE	0	240,000	240,000	0	240,000	240,000	4/04	2/09
DESIGN STAFF FIELD SUPPORT	0	0	0	0	0	0	4/04	2/09
ENGINEERING - CA&I IRWD	2,000	168,000	170,000	0	170,000	170,000	3/09	6/11
ENGINEERING - CA&I OUTSIDE	(95,000)	221,000	126,000	(95,000)	221,000	126,000	3/09	6/11
CONSTRUCTION FIELD SUPPORT	4,000	6,000	10,000	0	10,000	10,000	3/09	6/11
CONSTRUCTION	248,700	3,990,000	4,238,700	138,700	4,100,000	4,238,700	3/09	6/11
LEGAL	0	1,000	1,000	0	1,000	1,000	4/04	6/11
Contingency - 5.00% Subtotal	\$8,200	\$232,400	\$240,600	\$2,100	\$238,500	\$240,600		
Subtotal (Direct Costs)	\$173,600	\$4,878,400	\$5,052,000	\$45,800	\$5,006,200	\$5,052,000		
Estimated G/A - 195.00% of direct labor*	\$37,000	\$358,900	\$395,900	\$0	\$395,900	\$395,900		
Total	\$210,600	\$5,237,300	\$5,447,900	\$45,800	\$5,402,100	\$5,447,900		
Direct Labor	\$9,000	\$194,000	\$203,000	\$0	\$203,000	\$203,000		

*EA includes estimated G&A. Actual G&A will be applied based on the current ratio of direct labor to general and administrative costs.

EA Originator:

J. Staneart 6/30/11

Department Director:

Kevin Z Burton 7/5/11

Finance:

Board/General Manager:

** IRWD hereby declares that it reasonably expects those expenditures incurred by IRWD in a maximum principal amount of \$5,557,000. additional documents, if any, which are hereby incorporated by reference project is made under Treasury Regulation Section 1.150-2.

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reimbursed with proceeds of future debt to be her described in the attached staff report and intent to reimburse costs of the above-captioned

IRVINE RANCH WATER DISTRICT

Expenditure Authorization

Project Name: PA1 PORTOLA PKWY, ZONE B - RATTLESNAKE TO JEFFREY

Project No: 30276 EA No: 3

ID Split: Miscellaneous

Project Manager: BURTON, KEVIN

Project Engineer: STANEART, JEFFREY

Request Date: June 30, 2011

Improvement District (ID) Allocations

ID No.	Allocation %	Source of Funds
250	100.0	BONDS YET TO BE SOLD**
Total	100.0%	

Summary of Direct Cost Authorizations

Previously Approved EA Requests:	\$698,000
This Request:	\$121,000
Total EA Requests:	\$819,000
Previously Approved Budget:	\$819,000
Budget Adjustment Requested this EA:	\$0
Updated Budget:	\$819,000
Budget Remaining After This EA	\$0

Comments:

Phase	This EA Request	Previous EA Requests	EA Requests to Date	This Budget Request	Previous Budget	Updated Budget	Start	Finish
ENGINEERING - PLANNING OUTSIDE	0	0	0	0	0	0	7/05	2/09
ENGINEERING DESIGN - IRWD	0	10,000	10,000	0	10,000	10,000	7/05	2/09
ENGINEERING DESIGN - OUTSIDE	0	5,000	5,000	0	5,000	5,000	7/05	2/09
DESIGN STAFF FIELD SUPPORT	0	0	0	0	0	0	7/05	2/09
ENGINEERING - CA&I IRWD	5,000	30,000	35,000	0	35,000	35,000	3/09	7/10
ENGINEERING - CA&I OUTSIDE	5,000	30,000	35,000	0	35,000	35,000	3/09	7/10
CONSTRUCTION FIELD SUPPORT	0	6,000	6,000	0	6,000	6,000	3/09	7/10
CONSTRUCTION	100,000	552,500	652,500	0	652,500	652,500	3/09	12/10
LEGAL	0	1,000	1,000	0	1,000	1,000	7/05	7/10
Contingency - 10.00% Subtotal	\$11,000	\$63,500	\$74,500	\$0	\$74,500	\$74,500		
Subtotal (Direct Costs)	\$121,000	\$698,000	\$819,000	\$0	\$819,000	\$819,000		
Estimated G/A - 195.00% of direct labor*	\$14,400	\$85,100	\$99,500	\$0	\$99,500	\$99,500		
Total	\$135,400	\$783,100	\$918,500	\$0	\$918,500	\$918,500		
Direct Labor	\$5,000	\$46,000	\$51,000	\$0	\$51,000	\$51,000		

*EA includes estimated G&A. Actual G&A will be applied based on the current ratio of direct labor to general and administrative costs.

EA Originator:

J. STANEART

6/30/11

Department Director:

Kevin L. Burton

7/5/11

Finance:

Board/General Manager:

** IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$937,000. Th additional documents, if any, which are hereby incorporated by refer project is made under Treasury Regulation Section 1.150-2.

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described in the attached staff report and tent to reimburse costs of the above-captioned

IRVINE RANCH WATER DISTRICT

Expenditure Authorization

Project Name: PA1 PORTOLA PKWY 16" RW CONV - SR133 TO RTTLSNK

Project No: 30782 EA No: 5

ID Split: Miscellaneous

Improvement District (ID) Allocations

Project Manager: BURTON, KEVIN

Project Engineer: STANEART, JEFFREY

Request Date: June 30, 2011

ID No.	Allocation %	Source of Funds
250	100.0	BONDS YET TO BE SOLD**
Total	100.0%	

Summary of Direct Cost Authorizations

Previously Approved EA Requests:	\$442,200
This Request:	\$124,300
Total EA Requests:	\$566,500
Previously Approved Budget:	\$566,500
Budget Adjustment Requested this EA:	\$0
Updated Budget:	\$566,500
Budget Remaining After This EA	\$0

Comments:

Phase	This EA Request	Previous EA Requests	EA Requests to Date	This Budget Request	Previous Budget	Updated Budget	Start	Finish
ENGINEERING - PLANNING OUTSIDE	1,000	0	1,000	0	1,000	1,000	4/04	2/09
ENGINEERING DESIGN - IRWD	2,000	20,000	22,000	0	22,000	22,000	4/04	2/09
ENGINEERING DESIGN - OUTSIDE	0	105,000	105,000	0	105,000	105,000	4/04	2/09
DESIGN STAFF FIELD SUPPORT	0	0	0	0	0	0	4/04	2/09
ENGINEERING - CA&I IRWD	30,000	15,000	45,000	0	45,000	45,000	3/09	7/10
ENGINEERING - CA&I OUTSIDE	20,000	15,000	35,000	0	35,000	35,000	3/09	7/10
CONSTRUCTION FIELD SUPPORT	0	6,000	6,000	0	6,000	6,000	3/09	7/10
CONSTRUCTION	60,000	240,000	300,000	0	300,000	300,000	3/09	12/10
LEGAL	0	1,000	1,000	0	1,000	1,000	4/04	7/10
Contingency - 10.00% Subtotal	\$11,300	\$40,200	\$51,500	\$0	\$51,500	\$51,500		
Subtotal (Direct Costs)	\$124,300	\$442,200	\$566,500	\$0	\$566,500	\$566,500		
Estimated G/A - 195.00% of direct labor*	\$66,500	\$75,900	\$142,400	\$0	\$142,400	\$142,400		
Total	\$190,800	\$518,100	\$708,900	\$0	\$708,900	\$708,900		
Direct Labor	\$32,000	\$41,000	\$73,000	\$0	\$73,000	\$73,000		

*EA includes estimated G&A. Actual G&A will be applied based on the current ratio of direct labor to general and administrative costs.

EA Originator:

J. STANEART 6/30/11

Department Director:

Kevin L. Burton 7/5/11

Finance:

Board/General Manager:

** IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$724,000. Additional documents, if any, which are hereby incorporated by reference into this authorization. IRWD hereby declares its intent to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.150-2.

bidder was Gateway with a total bid of \$2,148,694. The engineer's estimate was \$2,888,000 for the work.

After review of Gateway's bid documents, staff determined the bid had irregularities in the Statements by Bidder Section B, Items and Manufacturers. Gateway did not list manufacturers as required for specific items, providing only the names of the distributors and sub-contractors. Staff reviewed this information with legal counsel and determined that there was not a factual basis to support a finding that these irregularities cannot have affected the amount of the bid and did not afford Gateway a competitive advantage over the other bidders. Failing to list manufacturers for many of the components listed provides the contractor the ability to price equipment that is not reflective of the requirements in the specifications. As such, staff determined that the irregularities in Gateway's bid cannot be waived and, therefore, Gateway's bid was deemed non-responsive.

The next lowest bid was provided by F.T. Ziebarth Company with a total bid of \$2,183,700. Staff reviewed F.T. Ziebarth Company's bid documents and found them to be in conformance with the bid proposal requirements. The Bid Summary is attached as Exhibit "A". F.T. Ziebarth Company recently successfully completed the District's Recycled Water Reservoirs Dechlorination Stations Project.

FISCAL IMPACTS:

Project 10286 (1081) is included in the FY 2011-12 Capital Budget. An Expenditure Authorization to fund the construction of the wellhead facilities is requested as shown in the table below and in Exhibit "B".

Project No.	Current Budget	Addition <Reduction>	Total Budget	Existing EA	This EA Request	Total EA Request
10286	\$39,921,300	\$0	\$39,921,300	\$31,736,700	\$ 2,293,200	\$34,029,900

ENVIRONMENTAL COMPLIANCE:

This project is subject to the California Environmental Quality Act (CEQA). In conformance with the California Code of Regulations Title 14, Chapter 3, Section 15004, a Mitigated Negative Declaration was adopted February 8, 2010. To fulfill requirements of the American Recovery and Reinvestment Act of 2009, the project is also subject to compliance with the National Environmental Policy Act (NEPA). An Environmental Assessment was prepared to achieve NEPA compliance for the project and the U.S. Bureau of Reclamation adopted the Categorical Exemption for the project on March 17, 2010.

COMMITTEE STATUS:

Construction awards are not typically taken to Committee prior to submittal to the Board.

RECOMMENDATION:

THAT THE BOARD APPROVE AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$2,293,200 FOR PROJECT 10286; AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH F.T. ZIEBARTH COMPANY IN THE AMOUNT OF \$2,183,700 FOR THE WELLS 21 AND 22 WELLHEAD FACILITIES, PROJECT 10286 (1081).

LIST OF EXHIBITS:

Exhibit "A" – Bid Summary

Exhibit "B" – Expenditure Authorization

Item No.	Description	Qty	Unit	Engineer's Estimate		Gateway Pacific Contractors** Sacramento, CA		F.T.Ziebarth Co. Fullerton, CA		Schuler Engineering Corp. Corona, CA	
				Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
1	Mobilization, demobilization and cleanup	1	LS	\$110,000.00	\$110,000.00	\$100,000.00	\$100,000.00	\$35,000.00	\$35,000.00	\$50,000.00	\$50,000.00
2	Bonds and Insurance	1	LS	\$30,000.00	\$30,000.00	\$50,000.00	\$50,000.00	\$19,000.00	\$19,000.00	\$20,000.00	\$20,000.00
3	SWPPP Preparation, Reporting and Compliance; and Dewatering	1	LS	\$10,000.00	\$10,000.00	\$500.00	\$500.00	\$2,000.00	\$2,000.00	\$2,500.00	\$2,500.00
4	Mitigation Monitoring and Reporting Program	1	LS	\$5,000.00	\$5,000.00	\$500.00	\$500.00	\$1,000.00	\$1,000.00	\$125.00	\$125.00
5	Construct site work at Well 21	1	LS	\$111,200.00	\$111,200.00	\$150,000.00	\$150,000.00	\$80,000.00	\$80,000.00	\$100,000.00	\$100,000.00
6	Furnish and install yard piping and appurtenances at Well 21	1	LS	\$35,000.00	\$35,000.00	\$40,000.00	\$40,000.00	\$70,000.00	\$70,000.00	\$17,500.00	\$17,500.00
7	Furnish and install submersible pump, motor and well pump base	1	LS	\$353,000.00	\$353,000.00	\$250,000.00	\$250,000.00	\$250,000.00	\$250,000.00	\$250,000.00	\$250,000.00
8	Furnish and install mechanical piping, valves and appurtenances within vault at Well 21	1	LS	\$186,000.00	\$186,000.00	\$40,000.00	\$40,000.00	\$100,000.00	\$100,000.00	\$200,000.00	\$200,000.00
9	Construct concrete vault and appurtenances at Well 21, including subgrade preparation, and backfill	1	LS	\$165,200.00	\$165,200.00	\$170,000.00	\$170,000.00	\$200,000.00	\$200,000.00	\$210,000.00	\$210,000.00
10	Furnish and install all electrical and instrumentation facilities at Well 21	1	LS	\$455,000.00	\$455,000.00	\$300,000.00	\$300,000.00	\$350,000.00	\$350,000.00	\$215,000.00	\$215,000.00
11	Construct site work at Well 22	1	LS	\$160,000.00	\$160,000.00	\$150,000.00	\$150,000.00	\$90,000.00	\$90,000.00	\$100,000.00	\$100,000.00
2	Furnish and install yard piping and appurtenances at Well 21	1	LS	\$42,000.00	\$42,000.00	\$60,000.00	\$60,000.00	\$75,000.00	\$75,000.00	\$19,000.00	\$19,000.00
3	Furnish and install submersible pump, motor and well pump base at Well 22	1	LS	\$315,000.00	\$315,000.00	\$200,000.00	\$200,000.00	\$210,000.00	\$210,000.00	\$250,000.00	\$250,000.00
4	Furnish and install mechanical piping, valves and appurtenances within vault at Well 22	1	LS	\$176,000.00	\$176,000.00	\$40,000.00	\$40,000.00	\$110,000.00	\$110,000.00	\$190,000.00	\$190,000.00
5	Construct concrete vault and appurtenances at Well 22, including subgrade preparation, and backfill	1	LS	\$165,000.00	\$165,000.00	\$176,094.00	\$176,094.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00
6	Furnish and install all electrical and instrumentation facilities at Well 22	1	LS	\$425,000.00	\$425,000.00	\$300,000.00	\$300,000.00	\$340,000.00	\$340,000.00	\$215,000.00	\$215,000.00
7	Furnish and install surge protection system at Well 22	1	LS	\$80,000.00	\$80,000.00	\$70,000.00	\$70,000.00	\$60,000.00	\$60,000.00	\$80,000.00	\$80,000.00
8	Trench Safety Measures	1	LS	\$5,000.00	\$5,000.00	\$1,000.00	\$1,000.00	\$2,000.00	\$2,000.00	\$1,200.00	\$1,200.00
9	Noise Control	1	LS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0	Startup Testing and Training	1	LS	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
21	Programming and Commissioning	1	LS	\$23,600.00	\$23,600.00	\$23,600.00	\$23,600.00	\$23,600.00	\$23,600.00	\$23,600.00	\$23,600.00
22	Operation & Maintenance Manuals	1	LS	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00
23	Final Record Drawings	1	LS	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00
24	Conduct pre-construction video log survey of entire well casing for Wells 21 and 22	1	LS	\$4,000.00	\$4,000.00	\$3,000.00	\$3,000.00	\$4,000.00	\$4,000.00	\$2,500.00	\$2,500.00
	Subtotal			\$2,880,000.00	\$2,880,000.00	\$2,148,694.00	\$2,148,694.00	\$2,245,600.00	\$2,245,600.00	\$2,170,425.00	\$2,170,425.00
	Adjustment (+ or -)			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	TOTAL AMOUNT OF BID			\$2,880,000.00	\$2,880,000.00	\$2,148,694.00	\$2,148,694.00	\$2,245,600.00	\$2,245,600.00	\$2,286,415.00	\$2,286,415.00
A-1	Alternative Item: Builder's "All-Risk"			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Sub-Total, Bid Items 1 thru 19 + A1			\$2,880,000.00	\$2,880,000.00	\$2,148,694.00	\$2,148,694.00	\$2,245,600.00	\$2,245,600.00	\$2,286,415.00	\$2,286,415.00
	Adjustment (+ or -)			\$0.00	\$0.00	\$0.00	\$0.00	-\$61,900.00	-\$61,900.00	\$0.00	\$0.00
	Total Amount of Bid			\$2,880,000.00	\$2,880,000.00	\$2,148,694.00	\$2,148,694.00	\$2,183,700.00	\$2,183,700.00	\$2,286,415.00	\$2,286,415.00

Item No.	Description	Qty	Unit	4			5			6			7		
				Pacific Hydrotech Corp. Perris, CA			Olson Construction Inc. Orange, CA			Paulus Engineering Inc. Anaheim, CA			SS Mechanical Huntington Beach, CA		
				Unit Price	Total Amount		Unit Price	Total Amount		Unit Price	Total Amount		Unit Price	Total Amount	
1	Mobilization, demobilization and cleanup	1	LS	\$120,000.00	\$120,000.00		\$70,000.00	\$70,000.00		\$30,000.00	\$30,000.00		\$50,000.00	\$50,000.00	
2	Bonds and Insurance	1	LS	\$25,200.00	\$25,200.00		\$35,000.00	\$35,000.00		\$38,000.00	\$38,000.00		\$56,000.00	\$56,000.00	
3	SWPPP Preparation, Reporting and Compliance; and Dewatering	1	LS	\$7,900.00	\$7,900.00		\$15,000.00	\$15,000.00		\$3,000.00	\$3,000.00		\$13,000.00	\$13,000.00	
4	Mitigation Monitoring and Reporting Program	1	LS	\$3,000.00	\$3,000.00		\$10,000.00	\$10,000.00		\$1,500.00	\$1,500.00		\$7,000.00	\$7,000.00	
5	Construct site work at Well 21	1	LS	\$69,300.00	\$69,300.00		\$110,000.00	\$110,000.00		\$117,600.00	\$117,600.00		\$98,000.00	\$98,000.00	
6	Furnish and install yard piping and appurtenances at Well 21	1	LS	\$52,100.00	\$52,100.00		\$60,000.00	\$60,000.00		\$49,000.00	\$49,000.00		\$101,000.00	\$101,000.00	
7	Furnish and install submersible pump, motor and well pump base	1	LS	\$255,800.00	\$255,800.00		\$245,000.00	\$245,000.00		\$229,000.00	\$229,000.00		\$262,000.00	\$262,000.00	
8	Furnish and install mechanical piping, valves and appurtenances within vault at Well 21	1	LS	\$111,600.00	\$111,600.00		\$120,000.00	\$120,000.00		\$150,000.00	\$150,000.00		\$115,000.00	\$115,000.00	
9	Construct concrete vault and appurtenances at Well 21, including subgrade preparation, and backfill	1	LS	\$244,900.00	\$244,900.00		\$310,000.00	\$310,000.00		\$306,000.00	\$306,000.00		\$382,400.00	\$382,400.00	
10	Furnish and install all electrical and instrumentation facilities at Well 21	1	LS	\$316,400.00	\$316,400.00		\$324,000.00	\$324,000.00		\$358,000.00	\$358,000.00		\$350,000.00	\$350,000.00	
11	Construct site work at Well 22	1	LS	\$78,600.00	\$78,600.00		\$130,000.00	\$130,000.00		\$138,000.00	\$138,000.00		\$115,000.00	\$115,000.00	
12	Furnish and install yard piping and appurtenances at Well 21	1	LS	\$66,300.00	\$66,300.00		\$70,000.00	\$70,000.00		\$58,800.00	\$58,800.00		\$99,000.00	\$99,000.00	
13	Furnish and install submersible pump, motor and well pump base at Well 22	1	LS	\$216,500.00	\$216,500.00		\$220,000.00	\$220,000.00		\$206,000.00	\$206,000.00		\$231,000.00	\$231,000.00	
14	Furnish and install mechanical piping, valves and appurtenances within vault at Well 22	1	LS	\$101,900.00	\$101,900.00		\$92,000.00	\$92,000.00		\$146,000.00	\$146,000.00		\$104,000.00	\$104,000.00	
15	Construct concrete vault and appurtenances at Well 22, including subgrade preparation, and backfill	1	LS	\$254,100.00	\$254,100.00		\$308,000.00	\$308,000.00		\$293,000.00	\$293,000.00		\$383,000.00	\$383,000.00	
16	Furnish and install all electrical and instrumentation facilities at Well 22	1	LS	\$315,300.00	\$315,300.00		\$276,000.00	\$276,000.00		\$347,000.00	\$347,000.00		\$325,000.00	\$325,000.00	
17	Furnish and install surge protection system at Well 22	1	LS	\$76,100.00	\$76,100.00		\$110,000.00	\$110,000.00		\$125,600.00	\$125,600.00		\$105,000.00	\$105,000.00	
18	Trench Safety Measures	1	LS	\$1,000.00	\$1,000.00		\$7,000.00	\$7,000.00		\$6,000.00	\$6,000.00		\$2,000.00	\$2,000.00	
19	Noise Control	1	LS	\$0.00	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00	
20	Startup Testing and Training	1	LS	\$10,000.00	\$10,000.00		\$10,000.00	\$10,000.00		\$10,000.00	\$10,000.00		\$10,000.00	\$10,000.00	
21	Programming and Commissioning	1	LS	\$23,600.00	\$23,600.00		\$23,600.00	\$23,600.00		\$23,600.00	\$23,600.00		\$23,600.00	\$23,600.00	
22	Operation & Maintenance Manuals	1	LS	\$7,000.00	\$7,000.00		\$7,000.00	\$7,000.00		\$7,000.00	\$7,000.00		\$7,000.00	\$7,000.00	
23	Final Record Drawings	1	LS	\$7,000.00	\$7,000.00		\$7,000.00	\$7,000.00		\$7,000.00	\$7,000.00		\$7,000.00	\$7,000.00	
24	Conduct pre-construction video log survey of entire well casing for Wells 21 and 22	1	LS	\$1,700.00	\$1,700.00		\$2,000.00	\$2,000.00		\$3,000.00	\$3,000.00		\$2,000.00	\$2,000.00	
	Subtotal			\$0.00	\$2,365,300.00		\$0.00	\$2,561,600.00		\$2,653,100.00	\$2,653,100.00		\$2,848,000.00	\$2,848,000.00	
	Adjustment (+ or -)			\$0.00	\$0.00		\$0.00	\$0.00		(\$88,100.00)	(\$88,100.00)		(\$120,000.00)	(\$120,000.00)	
	TOTAL AMOUNT OF BID				\$2,365,300.00			\$2,561,600.00		\$2,565,000.00	\$2,565,000.00		\$2,728,000.00	\$2,728,000.00	
A-1	Alternative Item: Builder's "All-Risk"				\$0.00			\$0.00		\$0.00	\$0.00		\$0.00	\$0.00	
	Sub-Total, Bid Items 1 thru 19 + A1				\$2,365,300.00			\$2,561,600.00		\$2,565,000.00	\$2,565,000.00		\$2,728,000.00	\$2,728,000.00	
	Adjustment (+ or -)				\$0.00			\$0.00		\$0.00	\$0.00		\$0.00	\$0.00	
	Total Amount of Bid				\$2,365,300.00			\$2,561,600.00		\$2,565,000.00	\$2,565,000.00		\$2,728,000.00	\$2,728,000.00	

Item No.	Description	4			5			6			7					
		Qty	Unit	Price	Unit	Price	Amount	Unit	Price	Amount	Unit	Price	Amount			
					Pacific Hydrotech Corp.			Olson Construction Inc.			Paulus Engineering Inc.			SS Mechanical		
					Perris, CA			Orange, CA			Anaheim, CA			Huntington Beach, CA		
					Unit	Total	Amount	Unit	Total	Amount	Unit	Total	Amount	Unit	Total	Amount
					Price			Price			Price			Price		
					Subcontractors:			Subcontractors:			Subcontractors:			Subcontractors:		
					Well Pump Install: Best Drilling			Rolling Gates; Quality Fence			Paving: Handy & Harper			Rebar: R&D Steel		
					Painting: K&K Painting			Misc. Metal: Allied Steel			Pump & Well Installation:			Asphalt: Western Paving		
					AC Paving: Hardy & Harper			Rebar: R&D Steel			Vaults: Old Castle Precast			Excavation: Purnick Const.		
					Earth Shoring: MCBratney			Asphalt; Western Paving			Masonry: Steve Lguch Masonry			Electrical: S. Cal Electric		
								Coating: Natl Coating						Coating: KNK		
														Pump Install: General Pump		

July 11, 2011

Prepared By: A. McNulty/F. Sanchez

Submitted by: G. Heiertz

Approved by: Paul Jones



ACTION CALENDAR

UNIVERSITY OF CALIFORNIA, IRVINE STUDENT HOUSING WATER USE EFFICIENCY PILOT PROGRAM

SUMMARY:

Staff is proposing to conduct a pilot program to upgrade toilets, showerheads and faucets with the latest high-efficiency devices in cooperation with the University of California, Irvine (UCI) Student Housing. UCI Student Housing is very interested in participating in the pilot, and subject to finalization of the scope, would need to proceed with the project beginning in July 2011 in order to complete the proposed work over the summer months. The proposed pilot program would yield an estimated water savings of up to 249 acre feet over the 10-year life of the project, and provide significant cost savings to IRWD. The pilot program is estimated to cost up to \$111,600 with an avoided cost to IRWD of \$318,995, based on combined water and wastewater savings. Staff is recommending that the Board authorize the General Manager to execute an agreement with Niagara and UCI Student Housing to retrofit up to 558 housing units with high efficiency, water saving fixtures manufactured by Niagara, and authorize an increase to the FY 2011/12 Operating Budget of up to \$111,600 to be funded from undesignated over-allocation revenues.

BACKGROUND:

UCI is the District's single largest customer, and IRWD has been seeking opportunities to implement water use efficiency measures on its campus. A pilot program to retrofit up to 70 commercial-style toilets on the main campus was initiated in June 2011. At the same time, staff became aware of a new 0.8 gallon per flush residential style toilet fixture manufactured by Niagara. By using the energy of water filling the tank, the 0.8 gallon per flush Stealth toilet transfers the air to pressurize the trapway, resulting in a highly effective and quiet flush, as described in Exhibit "A". In addition to the toilet, Niagara also supplies 1.5 gallon per minute (gpm) showerheads and 0.5 gpm faucet aerators as part of a complete package. Niagara has provided preliminary cost estimates of \$200 per package, including installation. Although staff is in the process of finalizing details with both UCI and Niagara, UCI has indicated strong interest in participating and would like to install the fixtures over the summer months while students are on vacation.

The Niagara Stealth toilets and other fixtures have been approved by WaterSense as meeting performance standard specifications. Since this is still a relatively new product, staff contacted agencies that have already used it in pilot programs and received overwhelmingly positive responses regarding Niagara and its products. Elsinore Valley Municipal Water District stated that it distributed over 3,000 units and has received no customer complaints. John Koeller, an expert in toilet performance standards, is finalizing an evaluation of Niagara's products which is expected to include significant water savings and very high customer satisfaction ratings.

The estimated water savings are highly dependent on the number of students per fixture, as well as the flow rates of the current fixtures. Using information provided by UCI Student Housing, staff has developed the savings estimates shown in Table 1.

Table 1: Estimated Annual Savings for High Efficiency Fixture Retrofits at UCI Student Housing

Existing Fixture	High Efficiency Fixture	Average Annual Gallons Saved Per Fixture
3.5 gallon per flush toilet	0.8 gallon per flush toilet	11,016
3.5 gallon per flush toilet	0.8 gallon per flush toilet	2,658
2.5 gpm showerhead	1.5 gpm showerhead	6,812
2.2 gpm faucets	0.5 gpm faucet aerators	1,172

Based on those assumptions, staff has calculated the cost of the project for five different housing areas that UCI Student Housing is interested in retrofitting with the high efficiency fixtures, as shown in Exhibit "B". If all of the units are retrofitted, the estimated total cost of the pilot project is \$111,600, with an avoided cost to IRWD of \$318,995 based on water and wastewater savings. The total projected lifetime savings of the project, assuming all units are retrofitted, is 249 acre-feet.

Staff is working with legal counsel to finalizing the agreement with Niagara and UCI, but it would not exceed the projected cost estimates. The draft final agreement is included as Exhibit "C". The final agreement will be structured with similar terms as IRWD's standard professional services agreement as applicable, with additional terms as appropriate for the scope. In order to evaluate the pilot project, staff is proposing to install submeters at one of the retrofitted buildings in each of the five housing areas. An additional building in each housing area would serve as a control, and also be submetered. The fixtures in the control building would not be retrofitted until after the project is evaluation is complete.

FISCAL IMPACTS:

The FY 2011-12 Operating Budget would be increased by up to \$111,600, depending on the final scope of the project, for cost-effective water use efficiency upgrades, using undesignated over-allocation revenue.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on July 7, 2011.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE AGREEMENT WITH UNIVERSITY OF CALIFORNIA, IRVINE AND NIAGARA TO PROVIDE UP TO \$111,600, FOR INSTALLATION OF HIGH EFFICIENCY TOILETS, SHOWERHEADS AND FAUCET AERATORS IN UP TO 558 HOUSING UNITS SUBJECT TO NON-SUBSTANTIVE CHANGES BY LEGAL COUNSEL, AND AUTHORIZE THE INCREASE OF UP TO \$111,600 TO THE FY 2011-12 OPERATING BUDGET TO FUND THE WATER USE EFFICIENCY PILOT PROGRAM USING UNDESIGNATED OVER-ALLOCATION REVENUES.

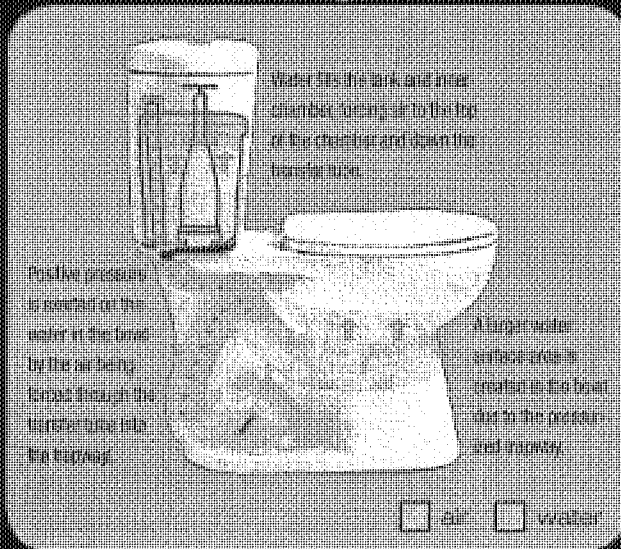
LIST OF EXHIBITS:

- Exhibit "A" – Niagara Stealth Toilet Description
- Exhibit "B" – Estimated Project Costs and Savings
- Exhibit "C" – Draft Agreement

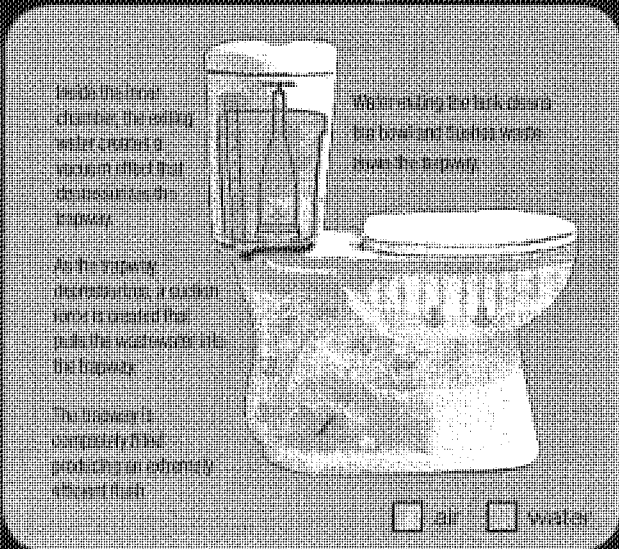
how it works

With its groundbreaking technology, the Stealth™ toilet delivers a powerful, effective, one-time flush. With a combination of air and water working in unison for an ideal filling and flushing system, this toilet provides a larger water spot to better clear waste with minimal water use. The system is not only capable of functioning efficiently at varying water pressure levels, but it has no expensive parts to replace, further saving the customer money and reducing materials use. Completing its superior engineering, the modern, compact design makes it ideal for both new construction and retrofitting projects.

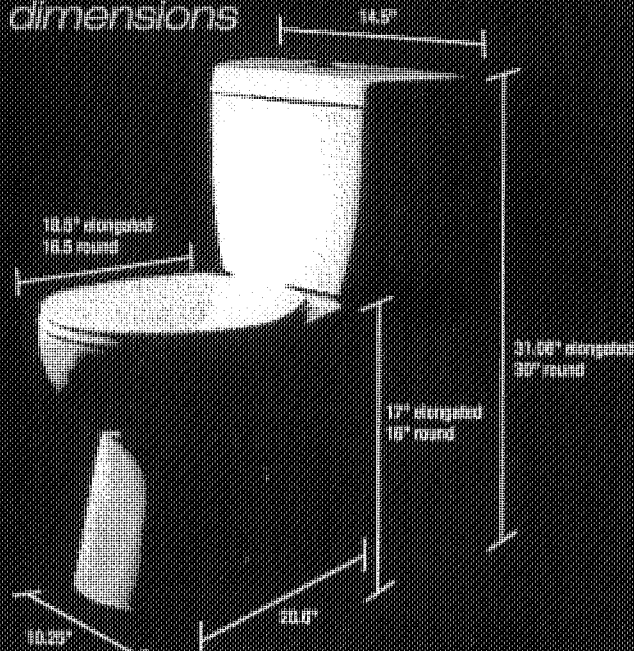
Filling



Flushing



dimensions



experience

the revolutionary toilet that saves more water than any other on the market with maximum performance and maximum power.

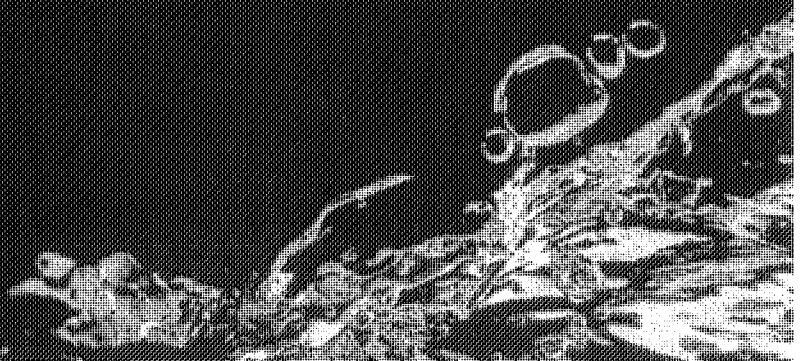


EXHIBIT "B"

Estimated Project Costs and Savings

Fixture Type	Current Fixture Flow Rate (Gallons)	Proposed Fixture Flow Rate (Gallons)	Quantity	AFY Savings Per Fixture	IRWD Avoided Cost Per Fixture	Project Cost Per Package	IRWD Avoided Cost Per Package	Subtotal Project Cost	Subtotal IRWD Avoided Cost
Middle Earth									
Toilets	1.6	0.8	88	0.009	\$98				
Showerheads	2.5	1.5	88	0.023	\$288	\$200	\$461	\$17,600	\$40,552
Aerators	2.2	0.5	88	0.006	\$74				
Arroyo Vista - A									
Toilets	1.6	0.8	100	0.008	\$98				
Showerheads	2.5	1.5	100	0.020	\$288	\$200	\$461	\$20,000	\$46,081
Aerators	2.2	0.5	100	0.005	\$74				
Arroyo Vista - B									
Toilets	1.6	0.8	80	0.008	\$98				
Showerheads	2.5	1.5	80	0.019	\$288	\$200	\$461	\$16,000	\$36,865
Aerators	2.2	0.5	80	0.005	\$74				
Arroyo Vista - C									
Toilets	1.6	0.8	90	0.007	\$98				
Showerheads	2.5	1.5	90	0.017	\$288	\$200	\$461	\$18,000	\$41,473
Aerators	2.2	0.5	90	0.005	\$74				
Campus Village									
Toilets	3.5	0.8	200	0.034	\$408				
Showerheads	2.5	1.5	200	0.025	\$288	\$200	\$770	\$40,000	\$154,024
Aerators	2.2	0.5	200	0.006	\$74				
							TOTAL	\$111,600	\$318,995

EXHIBIT “C”

AGREEMENT IRVINE RANCH WATER DISTRICT NIAGARA CONSERVATION DIRECT INSTALL PROGRAM PARTICIPATION

THIS AGREEMENT (“Agreement”) is entered into as of this ___ day of July, 2011, by and between Niagara Conservation (“Niagara”), the University of California Irvine, and the IRVINE RANCH WATER DISTRICT, a California water district (“IRWD”).

A. Description:

The University of California, Irvine (UCI) is one of nine campuses of the University of California system, the State of California’s premier educational and research institution. Irvine Ranch Water District (IRWD) is a California Water District that provides water, wastewater, and urban runoff treatment services to a population of approximately 320,000 in the central portion of Orange County. IRWD’s service area includes the main and north UCI campus areas, and IRWD provides service to UCI through various water and wastewater service agreements.

UCI and IRWD have a long standing history of cooperation regarding the use and management of water and wastewater on the campus. In order to conduct a pilot study and evaluation of the water conservation savings associated with high efficiency plumbing fixtures, Irvine Ranch Water District (IRWD) in coordination with the University of California Irvine (UCI) Student Housing is partnering with Niagara Conservation to install up to 558 high efficiency fixtures at selected Student Housing facilities.

B. Project Location:

The project location is within the campus of UCI and water service is provided by IRWD. There are three student housing areas involved in the project, as follows:

1. Middle Earth Residence Hall: 88 Fixtures in 4 buildings
2. Arroyo Vista Group Housing: 270 Fixtures in 35 buildings
3. Campus Village Apartments: 200 Fixtures in 25 buildings

C. Devices:

The student housing unit toilets and showerheads will be replaced with 0.8 gallon per flush Stealth toilets and 1.5 gallon per minute showerheads by Niagara. Bathroom faucets will be retrofitted with 0.5 gallon per minute aerators by Niagara.

The Stealth toilets supplied are white with elongated bowls, with a standard 12-inch rough-ins. Height to the top of the bowl is 17 inches (ADA height is 16.5 inches). Height to the top of the tank is 31 inches. The flush button is on top of the tank.

Ten-year warranties on products are provided by Niagara Conservation at 1-800-831-8383.

D. Project Schedule:

Niagara shall coordinate installation of the devices with UCI Student Housing. Installations will be scheduled to accommodate vacancy periods in the units, to the maximum extent practical. UCI Student Housing shall be responsible for advance tenant notification should the installations need to occur while the units are occupied. UCI shall provide Niagara with access to the units.

Niagara shall meet with UCI to determine the work schedule once the Notice to Proceed is issued. Weekly status updates shall be provided via email to UCI and IRWD noting the number of installations completed, and any modifications to the schedule.

Niagara is aware that IRWD and UCI require that all of the fixtures must be installed prior to 8-31-11, due to the return of the students for the Fall school term. The exception to this is the fixtures in the three buildings selected to be sub-metered, and not initially retrofitted as part of the Pilot Program Monitoring described in Section F, which will be installed at a later mutually agreed upon date between Niagara and UCI, once the monitoring is complete. As part of this Scope of Work, Niagara shall submit a work schedule which accommodates this requirement.

E. Project Hours of Operation:

Unoccupied halls/apartments: Monday –Friday 7 AM - 5 PM

Occupied halls/apartments: Monday – Friday 9AM – 5 PM

F. Device Installation:

- Niagara shall contract with a licensed plumbing contractor to install the high efficiency devices and remove and dispose of the old devices.
- A new wax ring and bolts shall be provided by Niagara for each toilet installed.
- A new toilet seat shall be provided and installed by Niagara for each toilet.
- UCI will incur the cost of installation of new supply lines on an as needed basis only. Niagara will provide a standard price to provide the supply lines prior to the start of installation.
- UCI shall either provide a secure facility to store new product, or make available a suitable location for an on-site storage bin to be supplied by Niagara, if needed, for the duration of the project.

- Niagara shall be responsible for the removal and disposal of the old fixtures. Niagara shall coordinate with UCI for siting of any waste disposal bins that may be necessary.
- Niagara will not make repairs to existing plumbing and will not perform any labor outside of the toilet installation. If existing plumbing does not allow for a quality installation, Niagara will [cause its contractor to] note the location of the dormitory unit and await repair by UCI. Once the plumbing is repaired properly, Niagara will [cause its contractor to] install the toilet in the proper manner.

G. Pilot Program Monitoring:

IRWD will provide submeters for a total of six buildings; two matched pairs within each of the distinct housing communities (Middle Earth, Arroyo Vista and Campus Village). One of the matched pair submetered buildings in each community, to be selected by UCI and IRWD, will not be retrofitted with high efficiency devices during the initial installation period. The submeters shall be installed by UCI.

UCI agrees to read the submeters once a month for at least a three-month period after the installations are complete, and the units fully occupied. The monthly sub-meter read data shall be provided in an excel spreadsheet to IRWD so that the water savings associated with the project can be evaluated.

At the option of UCI, the devices in the non-retrofitted buildings may be replaced during the winter break, or other time period that is mutually agreed upon between UCI student housing and Niagara, following the same requirements described herein.

H. Pilot Program Monitoring:

IRWD shall pay Niagara \$200 per package installed and verified by UCI. A package consists of one 0.8 gallon per flush Stealth toilet, one 1.5 gallon per minute showerhead, and two 0.5 gallon per minute faucet aerators.

Should fewer showerheads and aerators be required for installation than what would have been include in a package, the uninstalled showerheads and aerators will be provided by Niagara to UCI.

Monthly invoices shall be submitted to IRWD, documenting the number of installations, fixtures installed, and locations, with a certification from UCI that the installations have been completed to UCI's satisfaction. Invoices shall be provided in hard copy and electronic copy with the installation information provided in an excel file. UCI shall permit IRWD to make visual inspections and review documentation deemed sufficient by IRWD, if requested by IRWD to further satisfy itself of the correctness of the invoiced amounts.

Payment terms shall be net 30 days.

I. Insurance:

IRWD and UCI shall be named as an additional insured by Niagara and any sub-contractors used to perform the work.

J. No Representation:

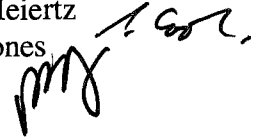
IRWD shall make no representation or warranty regarding any installations or any component device, equipment, repair, improvement or installation, and will have no responsibility for the performance, operation, suitability for intended use, maintenance or repair of any component device, equipment, repair, improvement or installation, or for any design, manufacturing or other defect in any component device, equipment, repair, improvement or installation, or for any damage or injury resulting therefrom. It will be UCI's responsibility to contact the product manufacturer, distributor or installer for any assistance or regarding any defect, failure of performance or warranty. UCI and Niagara shall waive, release IRWD, its officers, agents and employees from, and agree to indemnify, defend and hold IRWD, its officers, agents and employees harmless from, any and all claims and causes of action arising out of the purchase, installation or use of any component device, equipment, repair, improvement or installation.

July 11, 2011

Prepared by: M. Hoolihan/R. Thatcher

Submitted by: Greg Heiertz

Approved by: Paul Jones



ACTION CALENDAR

NOTICE OF INTENT TO DETACH PARCELS AND ADOPT PLAN OF WORKS FOR IMPROVEMENT DISTRICT 256

SUMMARY:

In 2008, Sewer Improvement District (ID) No. 256 was formed concurrently with the consolidation of the area of the former Orange Park Acres Mutual Water Company into the Irvine Ranch Water District (IRWD). The ID boundary was coincident with the area consolidated to IRWD. There are many properties within this area that currently have sewer service and for which connection fees to Orange County Sanitation District (OCSD) have been paid. Other properties within this area are connected to the City of Orange's sewer system.

A plan for connecting the remaining properties into a community sewer system has been presented to the Orange Park Acres (OPA) community. In order for the community to vote on the General Obligation (GO) bond authorization for the proposed sewer system, the properties already connected to a sewer system will require detachment from ID 256 and a Plan of Works (POW) must be adopted. Staff recommends that the Board adopt a resolution indicating its intent to detach these parcels from ID 256 and its intent to adopt the POW as prepared. Adoption of these resolutions will establish July 25, 2011 as the public hearing date for the detachment and POW adoption.

BACKGROUND:

In March 2008, the area of Orange Park Acres within the IRWD service area that was not already a part of OCSD was annexed into OCSD Revenue Area 14. A location map is attached as Exhibit "A". In June 2008, IRWD consolidated with Orange Park Acres Mutual Water Company and annexed approximately 721 acres of territory to IRWD. As part of the consolidation process, IRWD agreed to complete a sewer plan to provide sewer service and then present the plan to the affected community for its consideration. In October 2009, a Sub-Area Master Plan (SAMP) was completed that identified the necessary components for providing sewer service to the OPA community. The sewer plan, as recommended by the SAMP, has been presented to the OPA community in a number of meetings including two public outreach meetings. The next step will be for IRWD to decide to hold a GO bond authorization election in the OPA community to provide funding for the recommended improvements. The proposed action by the Board to adopt the detachment resolutions and the POW and hold public hearings is a prerequisite to the election.

Detachments from ID 256:

Concurrent with the consolidation and annexation of the OPA area in June 2008, Sewer ID No. 256 was formed. Its boundary was coincident with the area being annexed to IRWD. Subsequently, certain properties within the ID have been identified as already being connected into the OCSD sewer system or the City of Orange sewer system. In order to prepare for a

community vote on a GO bond authorization for the proposed sewer system and to exclude from the ID's debt service obligation those properties already connected into a sewer system, it is necessary to process detachments from ID 256.

A resolution is attached as Exhibit "B" that declares the Board of Directors' intent to detach the subject area currently receiving sewer service from ID 256. The resolution that declares the Board of Directors' intent to adopt a POW for ID 256 is attached as Exhibit "C".

Plan of Works for ID 256:

In order to facilitate the GO bond authorization election, a POW was completed that includes an estimate of the total all-in cost for constructing the sewer plan at \$16.5 million. The bond authorization request as presented in the POW represents the construction cost, inflation, 20% construction contingencies, and bond administrative fees.

FISCAL IMPACTS:

It is anticipated that general obligation debt will be issued in increments required to fund implementation of the POW. District staff will recommend, on an annual basis beginning in Fiscal Year 2012-13, appropriate levels of property taxes to meet annual debt service in ID 256. The cost related to the detachment is estimated at \$3,000, which includes legal, administrative and processing fees for the County of Orange and the State Board of Equalization.

ENVIRONMENTAL COMPLIANCE:

This item is categorically exempt from CEQA (categorical exemption Class 20) as a project consisting of changes in organization of local agencies not changing the area in which existing powers are exercised, under the California Environmental Quality Act Code of Regulations, Title 14, Article 19, Section 15320.

COMMITTEE STATUS:

The proposed ID 256 detachments and POW will be presented to the Engineering and Operations Committee on July 19, 2011 and will return to the Board on July 25, 2011 for final adoption.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTIONS BY TITLE:

RESOLUTION NO. 2011-

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE IRVINE RANCH WATER DISTRICT
DECLARING ITS INTENTION TO DETACH TERRITORY
FROM IMPROVEMENT DISTRICT NO. 256

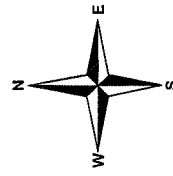
RESOLUTION NO. 2011-

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT DECLARING ITS
INTENTION TO ADOPT A PLAN OF WORKS
FOR IMPROVEMENT DISTRICT NO. 256




LIST OF EXHIBITS:

- Exhibit "A" – Area map of Improvement District No. 256
- Exhibit "B" – Resolution of Intent to Detach Subject Area from Improvement District No. 256
- Exhibit "C" – Resolution of Intent to Adopt Plan of Works

EXHIBIT "A"



Legend

-  IRWD Sewer ID 256
-  Not a Part of ID 256
-  IRWD Service Area



IRWD Sewer Improvement District 256

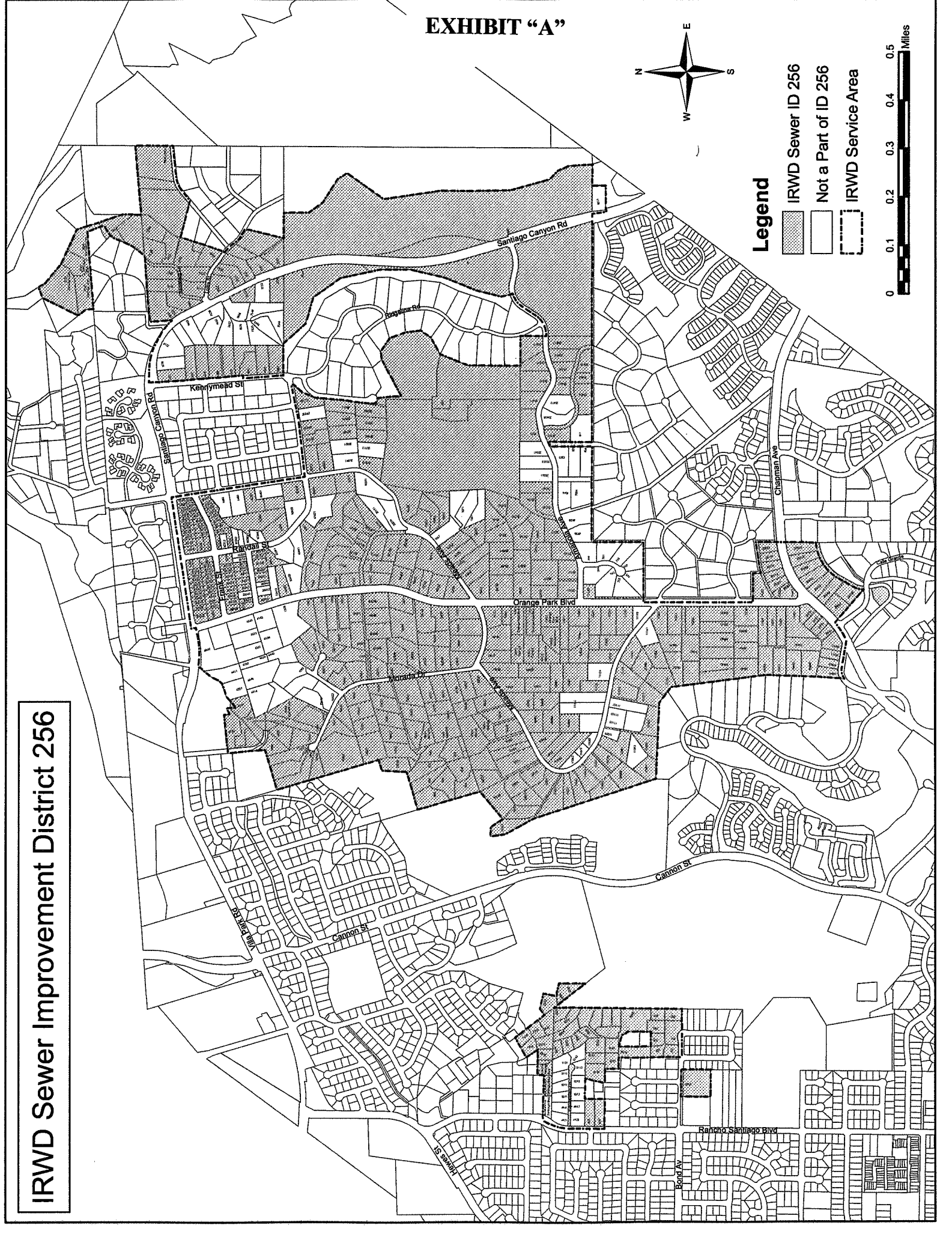


EXHIBIT "B"

RESOLUTION NO. 2011-_____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT DECLARING ITS INTENTION TO DETACH TERRITORY FROM IMPROVEMENT DISTRICT NO. 256

WHEREAS, Improvement District Nos. 256 of the Irvine Ranch Water District ("IRWD") has been established for the purpose of acquiring and constructing works and facilities to provide wastewater service for the benefit of the lands within such improvement district; and

WHEREAS, the parcels depicted in Exhibit "A," which exhibit is attached hereto and by this reference incorporated herein, are included within Improvement District No. 256 (collectively, the "Property"); and

WHEREAS, it is the opinion of the Board of Directors of IRWD that the Property will not benefit from inclusion in Improvement District No. 256 and that the below-designated detachment of the Property should be ordered upon the terms and conditions set forth herein:

DETACHMENT NO. 1 FROM IMPROVEMENT DISTRICT NO. 256;

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

Section 1. Pursuant to Sections 36442 *et seq.* of the Water Code, the Board of Directors hereby states its intention to detach the Property from Improvement District No. 256.

Section 2. A map showing the exterior boundaries of the Property, which map shall govern for all details as to the extent of the territory to be detached, is on file with the Secretary of IRWD and is available for inspection by any interested person.

Section 3. The detachment shall be subject to the following terms and conditions:

(a) From and after the date of detachment, the Property shall be relieved of liability for debt service for all bonds issued on behalf of Improvement District No. 256 to the extent permitted by law.

(b) As the proponent of the herein described detachment, IRWD shall pay the costs incurred by IRWD in accomplishing the detachment, including legal, engineering and administrative costs, and all processing fees of the County of Orange and/or the State Board of Equalization.

Section 4. The levy of assessments on the Property for carrying out any purpose of Improvement District No. 256, including the payment of principal of and interest on any bonds or warrants of such Improvement District outstanding, shall be discontinued to the extent permitted by law.

Section 5. Monday, July 25, 2011, at the hour of 5:00 p.m. of said day (or as soon thereafter as is reasonably practicable) in the Board of Directors Room of Irvine Ranch Water District, 15600 Sand Canyon Avenue, Irvine, California, be and the same are hereby fixed by this Board of Directors as the time and place for a hearing on the question of the above-listed detachment and any other matter related to any of the foregoing.

Section 6. At the time and place fixed in Section 5 or at any time or place to which such hearing may be continued, any person interested, including any person owning land included within the Property, may appear and be heard concerning any matter set forth in this resolution of intention.

Section 7. The Secretary is directed to publish notice of such hearing by publishing a copy of this resolution once a week for two successive weeks pursuant to Section 6066 of the California Government Code, in a newspaper of general circulation published in Orange County. The first publication shall be at least fourteen (14) days prior to the time fixed for the hearing. The Secretary is further directed to post a copy of this resolution in three public places within the Property, for at least fourteen (14) days prior to the time fixed for the hearing. To the extent the Secretary has, prior to adoption hereof, accomplished any of the publications or postings directed by this Section, the same are hereby ratified.

ADOPTED, SIGNED AND APPROVED this 13th day of July, 2011.

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

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

APPROVED AS TO FORM:

BOWIE, ARNESON, WILES & GIANNONE
Legal Counsel - IRWD

By _____

BAWGjca/ 0159595/ 070611

EXHIBIT "C"

RESOLUTION NO. 2011-_____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT DECLARING ITS INTENTION TO ADOPT A PLAN OF WORKS FOR IMPROVEMENT DISTRICT NO. 256

WHEREAS, the improvement district known as "Improvement District No. 256" of the Irvine Ranch Water District ("IRWD") was formed concurrently with the annexation of the territory therein to IRWD on or about June 1, 2008; and

WHEREAS, the Board of Directors of IRWD intends to adopt a plan of works for Improvement District No. 256; and

WHEREAS, the plan of works for the improvement district has been presented to this Board of Directors.

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

Section 1. It is the intention of the Board of Directors of IRWD to adopt a plan of works for Improvement District No. 256.

Section 2. It is the further intention of the Board of Directors to acquire or construct improvements described in the plan of works, as approved, and to issue general obligation bonds, the proceeds of which shall be used to pay the expenses thereof included in the estimate of cost set forth below.

Section 3. The purpose of the plan of works for Improvement District No. 256 shall be to describe the acquisition and construction of works and facilities for the improvement district, for the collection, treatment and disposal of sewage, including treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, reconstruction, replacements and additions to said facilities, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of IRWD contained in contracts, including contracts with other agencies, and the payment of operating and other costs of IRWD to the extent permitted by law, provided that the carrying out of said purpose shall benefit the land within the improvement district.

Section 4. The estimated expense of carrying out the purposes described in Section 3 of this resolution is \$16,500,000.

Section 5. General obligation bonds are proposed to be issued and sold for the purpose of providing funds to carry out the plan of works, and assessments to pay the bonds and interest thereon shall be levied exclusively on the lands within the improvement district, including any territory annexed thereto. It is the further intention of the Board of Directors, if such is determined by the Board to be necessary or desirable in connection with the sale of any of the

proposed general obligation bonds, to pledge all or part of the revenues of said works or any facilities extended or improved by said works to the payment or security of said bonds and the interest thereon, pursuant to the powers granted by Section 53500 *et seq.* of the Government Code of the State of California.

Section 6. A map showing the exterior boundaries of the improvement district is on file with the Secretary of IRWD and is available for inspection by any interested person.

Section 7. Monday, July 25, 2011, at the hour of 5:00 p.m. of said day (or as soon thereafter as is reasonably practicable) in the Board of Directors Room of Irvine Ranch Water District, 15600 Sand Canyon Avenue, Irvine, California, be and the same are hereby fixed by this Board of Directors as the time and place for a hearing on the question of the benefit to lands within the Improvement District No. 256 from carrying out the purpose described in the plan of works, the estimated expense of carrying out said purpose, the proposed plan of works and the benefit or lack of benefit therefrom to the lands within the improvement district and any other matter related to any of the foregoing.

Section 8. At the time and place fixed in Section 7 or at any time or place to which such hearing may be continued, any person interested, including any person owning land within the territory included in the improvement district, may appear and be heard concerning any matter set forth in this resolution of intention, and written protests, if any, will be considered.

Section 9. The Secretary is directed to publish notice of such hearing by publishing a copy of this resolution once a week for two successive weeks pursuant to Section 6066 of the California Government Code, in a newspaper of general circulation published in Orange County. The first publication shall be at least fourteen (14) days prior to the time fixed for the hearing. The Secretary is further directed to post a copy of this resolution in three public places within the territory of Improvement District No. 256, for at least fourteen (14) days prior to the time fixed for the hearing. To the extent the Secretary has, prior to adoption hereof, accomplished any of the publications or postings directed by this Section, the same are hereby ratified.

ADOPTED, SIGNED AND APPROVED this 13th day of July, 2011.

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

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

APPROVED AS TO FORM:

BOWIE, ARNESON, WILES & GIANNONE
Legal Counsel - IRWD

By _____

BWAGjca/ 0159594/ 070611