

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

September 10, 2012

PLEDGE OF ALLEGIANCE

CALL TO ORDER 5:00 P.M., Board Room, District Office
15600 Sand Canyon Avenue, Irvine, California

ROLL CALL Directors Reinhart, LaMar, Swan, Withers and President Matheis

NOTICE

If you wish to address the Board on any item, including Consent Calendar items, please file your name with the Secretary. Forms are provided on the lobby table. Remarks are limited to five minutes per speaker on each subject. Consent Calendar items will be acted upon by one motion, without discussion, unless a request is made for specific items to be removed from the Calendar for separate action.

COMMUNICATIONS TO THE BOARD

1. A. Written:
- B. Oral: Mrs. Joan Irvine Smith's assistant relative to the Dyer Road Wellfield.

2. ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Recommendation: Determine that the need to discuss and/or take immediate action on item(s) introduced come to the attention of the District subsequent to the agenda being posted.

<u>CONSENT CALENDAR</u>	<u>Next Resolution No. 2012-38</u>	<u>Items 3-5</u>
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3. MINUTES OF BOARD MEETING

Recommendation: That the minutes of the August 27, 2012 Regular Board Meeting be approved as presented.

4. 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, Douglas Reinhart, John Withers and Peer Swan.

5. EL TORO GROUNDWATER REMEDIATION PROJECT EXECUTION OF THIRD SETTLEMENT AGREEMENT AMENDMENT

Recommendation: That the Board authorize the General Manager to execute the Third Amendment to the Settlement Agreement for the El Toro Groundwater Remediation project.

ACTION CALENDAR

6. INFORMATION TECHNOLOGY SERVICES ASSESSMENT FINDINGS, RECOMMENDATIONS, AND PROPOSED BUDGETED POSITION ADDITIONS AND CHANGES

Recommendation: That the Board approve the addition of three full-time regular positions, two position upgrades, and one title change; authorize an increase of \$291,000 for salary and benefits to the current Fiscal Year 2012-13 Operating Budget; and adopt a resolution rescinding Resolution No. 2012-22 and establishing a Revised Schedule of Positions and Salary Rate Changes.

Reso. No. 2012-

7. ENTERPRISE RESOURCES PLANNING SYSTEM IMPLEMENTATION UPDATE, CONSULTANT VARIANCE AND EXPENDITURE AUTHORIZATION APPROVALS

Recommendation: That the Board approve Variance No. 3 with AST Corporation for implementation services in the amount of up to \$136,100, approve Variance No. 2 with AST Corporation for its remote managed services contract in the amount of up to \$84,400; approve Expenditure Authorizations for projects 1278 and 1660, in the sum of \$110,000 each; and approve additions to the FY 2012-13 Capital Budget for projects 1278 and 1660, in the sum of \$110,000 each.

8. REVISED PERSONNEL POLICIES AND PROCEDURES

Recommendation: That the Board adopt a resolution rescinding Resolution No. 2011-28 and establishing Revised Personnel Policies (for Policy Nos. 2, 8, 18, 33, 34, 36, 37, 38, 41, and 45).

Reso. No. 2012-

9. ESTABLISHING CONNECTION FEES IN IMPROVEMENT DISTRICTS 184/284

Recommendation: That the Board approve establishing residential connection fees in Improvement Districts 184/284 and adopt a resolution changing connection fees as set forth in the District's Schedule of Rates and Charges to the Rules and Regulations for water, sewer, recycled water and Natural Treatment System service.

Reso. No. 2012-

10. OPERATIONS CENTER CHILLER REPLACEMENT EXPENDITURE AUTHORIZATIONS AND CONSTRUCTION AWARD

Recommendation: That the Board approve Expenditure Authorizations in the amounts of \$114,600 for project 11588 (1316), \$109,600 for project 21588 (1499) and \$25,000 for project 31588 (1319) and authorize the General Manager to execute a construction contract with Air Control Systems, Inc. in the amount of \$205,800 for the Operations Center Chiller Replacement projects 11588 (1316), 21588 (1499) and 31588 (1319).

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.

11. A. General Manager's Report

B. Directors' Comments

C. CLOSED SESSION: CONFERENCE WITH LABOR NEGOTIATORS - Government Code Section 54957.6
Agency Designated Representatives: Paul Cook, Janet Wells, Jim Moss and Jim Payne
Employee Organization: Irvine Ranch Water District Employees Association

D. Adjourn

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Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the 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.

September 10, 2012
Prepared and
Submitted by: L. Bonkowski
Approved by: P. Cook *LB*
P. Cook

CONSENT CALENDAR

MINUTES OF REGULAR BOARD MEETING

SUMMARY:

Provided are the minutes of the August 27, 2012 Regular Board meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE AUGUST 27, 2012 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – Minutes

EXHIBIT "A"

MINUTES OF REGULAR MEETING – AUGUST 27, 2012

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:00 p.m. by President Matheis on August 27, 2012 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Acting Executive Director of Finance/Treasurer Rob Jacobson, Executive Director of Operations Pedersen, Executive Director of Engineering Burton, Executive Director of Water Policy Heiertz, Director of Water Resources Weghorst, Secretary Bonkowski, Legal Counsel Arneson, Director of Public Affairs Beeman, Mr. Jim Reed, Mr. Bruce Newell, Ms. Kirsten McLaughlin, and other members of the public and staff.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION:

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

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. Cook.

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. Cook.

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

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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. Cook.

WRITTEN COMMUNICATION: None.

CONSENT CALENDAR

In response to Director Reinhart's inquiry relative to Item No. 6, staff will implement a Strategic Measure indicating the production of water for the Irvine Desalter Project and the Deep Aquifer Treatment System on future reports. On MOTION by Withers, seconded and unanimously carried, **CONSENT CALENDAR ITEMS 3 THROUGH 13 WERE APPROVED AS FOLLOWS:**

3. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the August 13, 2012 Regular Board Meeting be approved as presented.

CONSENT CALENDAR (CONTINUED)

4. 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, Douglas Reinhart, and John Withers.

5. JULY 2012 FINANCIAL REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for July 2012; approve the July 2012 Summary of Payroll ACH payments in the total amount of \$1,348,110.77, and approve the July 2012 Accounts Payable Disbursement Summary of Warrants Nos. 331397 through 331995, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$23,528,361.66.

6. DISTRICT STRATEGIC MEASURES DASHBOARD

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

7. UPCOMING PROJECTS STATUS REPORT

Recommendation: That the Board receive and file the Upcoming Projects Status Report.

8. SAND CANYON OFFICE DEVELOPMENT PROJECT – TENANT IMPROVEMENTS CHANGE ORDER AND FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Sand Canyon Office Development Tenant Improvement Project, authorize the General Manager to file a Notice of Completion; and authorize payment of the retention 35 days after the date of recording the Notice of Completion.

9. OPERATIONS CENTER FACILITIES EXPANSION PROJECT PHASE I MEZZANINE CONVERSION FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Operations Center Facilities Expansion Project Phase I Mezzanine Conversion, projects 11422 (1388), 21422 (1120), and 31422 (1156); authorize the General Manager to file a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

CONSENT CALENDAR (CONTINUED)

10. ADDENDUM NO. 1 TO THE CITY OF LAKE FOREST SPORTS PARK AND RECREATION CENTER FINAL ENVIRONMENTAL IMPACT REPORT

Recommendation: That the Board approve the proposed Addendum No. 1 to the City of Lake Forest Sports Park and Recreation Center Final Environmental Impact Report, including the determination set forth in Addendum No. 1.

11. MICHELSON WATER RECYCLING PLANT BIOSOLIDS HANDLING AND ENERGY RECOVERY FACILITIES AND BAKER WATER TREATMENT PLANT - FINDING OF SUBSTANTIAL COMPLEXITY

Recommendation: That the Board finds that the MWRP Biosolids Handling and Energy Recovery Facilities project 20847 (1617) and the Baker Water Treatment Plant project 11218 (1417) are both substantially complex and require a retention of 10% of the contract price during the construction phase of each project.

12. MICHELSON WATER RECYCLING PLANT BIOSOLIDS HANDLING AND ENERGY RECOVERY FACILITIES VARIANCE

Recommendation: That the Board authorize the General Manager to execute Variance No. 4 in the amount of \$24,000 with Environ for engineering services to complete the air permit application package for the MWRP Biosolids Handling and Energy Recovery Facilities, project 20847 (1617).

13. WELLS 21 AND 22 WELLHEAD FACILITIES SUBCONTRACTOR SUBSTITUTION

Recommendation: That the Board authorize substitution of the electrical subcontractor in accordance with California Public Contract Code 4107.

ACTION CALENDAR

MICHELSON WATER RECYCLING PLANT PHASE 2 EXPANSION - CONTRACT CHANGE ORDER NO. 77

General Manager Cook reported that the Michelson Water Recycling Plant (MWRP) Phase 2 Expansion and Flood Protection Improvements was awarded to J. R. Filanc Construction Company which will expand the recycled water production capacity of MWRP to 28 million gallons per day and protect MWRP from flooding by the San Diego Creek.

Executive Director of Engineering Burton reported that the existing chlorine contact tank at MWRP has been in service since 1979. To extend the tank's service life, the MWRP Phase 2 Expansion design team in 2009 anticipated the need to recoat the tank with a mortar cladding followed by an epoxy coating system. Mr. Burton said that prior to the tank recoating by Filanc, the tank was drained and staff requested that Harper and Associates (Harper), a coating and

corrosion engineering specialist, evaluate the condition of the tank to verify if further rehabilitation measures, other than recoating the tank, were required. He said that Harper identified extensive deficiencies that required repairs and recommended the following: 1) remove all existing joint sealants and abrasively blast clean surfaces to remove all sealant residue and loose concrete and then fill the joints with a polyurethane elastomeric sealant; 2) abrasively clean numerous random hairline cracks, spalls, and rust tubercles and then apply a coating; 3) inject cracks with polyurethane resin; 4) apply an epoxy mortar surface filler to fill rough surfaces; and 5) abrasively blast clean all steel surfaces and coat with 100% solids epoxy system.

In addition to these recommendations, staff also identified several rehabilitative items in the chlorine contact tank for Filanc to perform:

Mr. Burton said that Contract Change Order (CCO) No. 77 in the amount of \$151,336.95 is for the equipment, material, and labor to perform the aforementioned repairs to the chlorine contact tank and related rehabilitative measures.

Director Reinhart said that this item was reviewed and approved by the Engineering and Operations Committee on August 14, 2012. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD APPROVED CONTRACT CHANGE ORDER NO. 77 IN THE AMOUNT OF \$151,336.95, FOR REHABILITATIVE REPAIRS TO THE CHLORINE CONTACT TANKS WITH J. R. FILANC CONSTRUCTION CO. FOR THE MWRP PHASE 2 EXPANSION, PROJECT 30214 (1706).

ORANGE PARK ACRES TRANSMISSION PIPELINE PROJECT - CONTRACT CHANGE ORDER NO. 37

General Manager Cook reported that construction of the Orange Park Acres (OPA) Transmission Pipeline Project was awarded to Leatherwood Construction, Inc. in October 2010 for the amount of \$6,786,397. This project replaces the existing riveted steel pipeline installed in 1929 and will also improve fire flow and water system pressure to the OPA area. With all steel transmission main piping and local system pressure reducing valves (PRVs) installed, and after slowly increasing the system pressure via the temporary PRV on Chapman Avenue, the OPA service area is now operating at full Zone 5 system pressure.

Executive Director of Engineering Burton said that Contract Change Order (CCO) No. 37 includes approximately 160,000 square feet of additional asphalt grinding and final cap paving on Chapman Avenue, Rancho Santiago Boulevard, Bond Avenue, Equestrian Lane, Lomita Avenue, and Cannon Street. This change order request for \$251,053 represents the final project pavement accounting on all 24,000 feet of pipeline installation. The additional project paving was required for several reasons including: 1) numerous unknown utilities were found during contractor potholing and required the pipeline alignment to shift between lanes, thus requiring pavement replacement in multiple lanes; 2) the design consultant for the project did not properly calculate quantities for the impact of lateral appurtenance piping installation on the pavement; and 3) additional pavement rehabilitation was performed in areas where City and County of Orange inspectors and resident complaints were received due to equipment accelerating damage to road surfaces not necessarily intended for heavy equipment. He said that this CCO also includes a final accounting of contract bid quantities

versus actual work performed and minor additions for adjustments due to field changes in the credit amount of <\$42,932>. The change order is a total net balancing of contract bid quantities versus actual work performed.

Director Reinhart said that this item was reviewed and approved by the Engineering and Operations Committee on August 14, 2012. In response to Director Reinhart's inquiry, staff and legal counsel will prepare a notification to these residents who had PRVs installed at their homes reflecting that the District will not be responsible for maintenance repairs to this unit.

On MOTION by Reinhart, seconded and unanimously carried, THE BOARD APPROVED CONTRACT CHANGE ORDER NO. 37 WITH LEATHERWOOD CONSTRUCTION, INC. IN THE AMOUNT OF \$208,121 FOR THE ORANGE PARK ACRES TRANSMISSION PIPELINE, PROJECT 11408 (1279).

ON-CALL CONSTRUCTION MANAGEMENT SERVICES VARIANCE NO. 1

General Manager Cook reported that the Board authorized a Professional Services Agreement with CH2M Hill in the amount of \$300,000 in September 2011 for on-call construction management services for various capital projects. Mr. Cook said that a construction manager has been working full-time, in an integrated resident capacity, with staff since that time. The integration of the consultant has worked out well, with primary support being provided for the three Wells 21 and 22 Project construction contracts (the desalter plant, the pipelines, and the wellhead facilities), the Lake Forest Well No. 2 Equipping Project, and the Bee Canyon Pump Station Relocation Project.

Mr. Cook said that based on the current workload consisting of multiple, active construction projects, additional construction management support for a period of up to six months through February 2013 is being requested. Upon completion of the current high volume of construction projects, staff anticipates that these on-call construction management services will no longer be required as the workload should return to a level that can be supported by District staff.

Mr. Cook said that the scope of work for the construction manager in this variance will continue to be defined as on-call services. Staff has negotiated a renewal of the same favorable fully-burdened rate of \$161 per hour, which includes a vehicle and fuel, cell phone and all out-of-office expenses. Staff recommends authorizing Variance No. 1 to the Professional Services Agreement with CH2M Hill in the amount of \$161,000 for on-call construction management consultant services.

Director Reinhart said that this item was reviewed and approved by the Engineering and Operations Committee on August 14, 2012. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH CH2M HILL IN THE AMOUNT OF \$161,000 FOR CONTINUED ON-CALL CONSTRUCTION MANAGEMENT SERVICES FOR THE WELLS 21 AND 22 PROJECT AND OTHER CAPITAL PROJECTS.

GENERAL MANAGER'S REPORT

General Manager Cook reported that as a result of the recent recycled water main breaks in Woodbridge, emergency asphalt paving work was required. Mr. Cook said that after obtaining quotes from three contractors, a contract was issued to Sanders Paving for a total of \$156,045. He said that since this contract exceeded \$100,000 and it required emergency repairs, he executed the contract for the work, and pursuant to the District's procurement policy, a report to the Board of this action is required.

Mr. Cook reported that the 2012 JPA Issue 1 Refunding Bonds were successfully priced last week in New York. He recognized Mr. Jacobson and Ms. Fournier for their efforts in working with the District's underwriters, Bank of America Merrill Lynch, to move forward with the bond refunding. He said that the bonds were priced at a yield of 2.389% resulting in a total present value savings of \$17.3 million of which \$9.7 million will be available to the District's Replacement Fund in September 2012 and \$7.6 million in March 2013.

DIRECTORS' COMMENTS

Director LaMar reported on his attendance at the Urban Water Institute conference last week in San Diego with President Matheis as well as the 20th Anniversary celebration for Sea & Sage Audubon. He said that he will be attending the Southern California Water Committee meeting in Monrovia this week.

Director Swan reported on his attendance at ACWA's Region 9 and 10 Planning meetings, a WACO monthly meeting, and an OWOW meeting. He said that tomorrow he will be participating in an ACWA budget and technical committee meeting.

Director Withers reported that he will be attending an ISDOC meeting on Thursday.

Director Matheis also reported on her attendance at the Urban Water Institute's conference as well as the 20th Anniversary celebration for Sea & Sage. She presented to the Board a plaque received at the celebration honoring the District for its partnership.

CLOSED SESSION

President Matheis reported that the following Closed Session will be held:

CONFERENCE WITH LEGAL COUNSEL - Existing litigation – Government Code Section 54956.9(a) - SEMA Construction vs. the City of Tustin and City of Tustin vs. IRWD.

OPEN SESSION

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

ADJOURNMENT

President Matheis adjourned the meeting.

Approved and signed this 10th day of September, 2012.

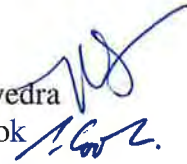
President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles and Giannone

September 10, 2012
Prepared and
Submitted by: N. Savedra
Approved by: P. Cook



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

9/19/12 ACWA Regions 8, 9 & 10 Briefing, Irvine, CA

Mary Aileen Matheis

9/11/12 Irvine Valley College 9/11 Commemoration Event
9/15/12 City of Lake Forest 20th Anniversary Event
9/19/12 ACWA Regions 8, 9 & 10 Briefing, Irvine, CA
10/25-26/12 IRWD Representative-Water Education Foundation 35th Anniversary Event

Douglas Reinhart

8/30/12 Meeting with Paul Cook regarding District activities

Peer Swan

8/14/12 WACO Planning Committee Meeting
8/16/12 SAWPA-OWOW Water Management Pillar Meeting
9/19/12 ACWA Regions 8, 9 & 10 Briefing, Irvine, CA
9/20/12 ACWA California Water Finance Task Force Meeting, Oakland, CA
9/27-28/12 ACWA Board of Directors' Meeting, Sacramento, CA

John Withers

8/15/12 OCWA August Meeting
9/11/12 Irvine Valley College 9/11 Commemoration Event
9/15/12 City of Lake Forest 20th Anniversary Event
9/19/12 ACWA Regions 8, 9 & 10 Briefing, Irvine, CA

RECOMMENDATION:

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

LIST OF EXHIBITS:

None
Board Mtgs Events.doc

September 10, 2012

Prepared by: L. Oldewage

Submitted by: D. Pedersen

Approved by: Paul Cook



CONSENT CALENDAR

EL TORO GROUNDWATER REMEDIATION PROJECT EXECUTION OF THIRD SETTLEMENT AGREEMENT AMENDMENT

SUMMARY:

A Third Amendment to the Settlement Agreement for the El Toro Groundwater Remediation Project is required to reflect the decommissioning of Monitoring Well IDP-4. Staff recommends that the Board authorize the General Manager to execute the Third Amendment to the Settlement Agreement for the El Toro Groundwater Remediation Project.

BACKGROUND:

On November 2, 2011, IRWD decommissioned Monitoring Well IDP-4, on Odyssey between Waterworks Way and Irvine Center Drive, in accordance with Orange County Health Care Agency standards. The well was decommissioned due to deterioration of its inflatable packers used to prevent groundwater from moving between several screened intervals of the aquifer. Additionally, the well was no longer needed due to numerous other monitoring wells in the area.

Well IDP-4 was included as an asset in the Settlement Agreement for the El Toro Groundwater Remediation Project (Project), approved by the Board of Directors on June 11, 2001. The well was originally described as a production well and later changed to serve as a monitoring well. On August 22, 2011, staff notified the Department of the Navy of its intent to decommission the well. Bakersfield Well and Pump was hired to fill the well with sand-cement slurry.

A Third Amendment to the Settlement Agreement for the Project is required to reflect the decommissioning of Well IDP-4 and to remove it from the asset list for the Project. The Third Amendment to the Settlement Agreement (Exhibit "A") was executed by the U.S. Department of Justice on May 22, 2012 and the Orange County Water District on June 20, 2012.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

The decommissioning of Well IDP-4 was exempt from the requirements of the California Environmental Quality Act pursuant to the California Code of Regulations, Title 14, Chapter 3, Section 15301. A Notice of Exemption was filed with the County Clerk on August 30, 2011.

COMMITTEE STATUS:

This action is ministerial and, therefore, was not taken to Committee prior to submittal for Board approval.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE THIRD AMENDMENT TO THE SETTLEMENT AGREEMENT FOR THE EL TORO GROUNDWATER REMEDIATION PROJECT.

LIST OF EXHIBITS:

Exhibit “A” – Third Amendment to the Settlement Agreement

ORIGINAL



U.S. Department of Justice

Environment and Natural Resources Division

90-11-3-1639

Environmental Defense Section
P.O. Box 7611
L'Enfant Plaza Station
Washington, DC 20026-3986

Telephone (202) 514-0375
Facsimile (202) 514-8865

May 22, 2012

VIA Federal Express

Ms. Joan Arneson
Bowie, Arneson, Wiles, and Giannone
4920 Campus Dr.
Newport Beach, CA 92660
Ph. (949) 851-1300


Joel D. Kuperberg
611 Anton Boulevard
Suite 1400
Costa Mesa, CA 92626-1931
Ph. (714) 662-4608

Re: OCWD/IRWD/Former MCAS El Toro

Ms. Arneson and Mr. Kuperberg:

In accordance with Section VII.N of the original 2001 Settlement Agreement, my understanding is that the parties are in agreement with the attached Third Amendment to the Settlement Agreement. If this conforms to your understanding, please sign below and return a fully executed copy to me.

For the United States





Leslie M. Hill Date
Environmental Defense Section

For the Orange County Water District



Joel D. Kuperberg Date
6/20/12



President


General Manager

For the Irvine Ranch Water District

Joan Arneson Date

Third Amendment to the Settlement Agreement Among the Settling Federal Agencies (SFA), Orange County Water District (OCWD), and Irvine Ranch Water District (IRWD) in Regard to the Former Marine Corps Air Station (MCAS) El Toro Groundwater Remediation

WHEREAS Section III.A. of the Second Amendment to the Settlement Agreement Among the Settling Federal Agencies (SFA), Orange County Water District (OCWD), and Irvine Ranch Water District (IRWD) in Regard to the Former Marine Corps Air Station (MCAS) El Toro Groundwater Remediation (the "Agreement"), entitled "OCWD's and IRWD's Obligations To Design, Construct, and Operate and Maintain OCWD/IRWD Assets of the CCMI," paragraph 1, provides that "OCWD and IRWD are jointly and severally responsible for and will design, construct, operate and maintain the OCWD/IRWD Assets of the CCMI in accordance with this Agreement, the ROD and the requirements set forth in the former MCAS El Toro FFA and FFA deliverables set forth in Section 8.2 of the FFA that receive concurrence from USEPA and CALEPA or otherwise become finalized pursuant to the FFA including, but not limited to, the schedules set forth therein";

WHEREAS Recital P.a.7 of the Agreement defines the "basic assets of the Modified IDP Non-Potable System (hereinafter referred to as the 'CERCLA Component of the Modified IDP' or 'CCMI')" to include "Monitoring Wells IDP-2, IDP-3, and IDP-4" and Appendix 4, Section 1.a.7 states that the CCMI consists of "Monitoring Wells IDP-2, IDP-3, and IDP-4";

WHEREAS the Settling Federal Agencies, OCWD, and the IRWD agree that the well identified as IDP-4 is not required by the ROD as changed in the Explanation of Significant Differences (ESD) to the ROD dated December 2005 or by the requirements set forth in the former MCAS El Toro FFA and FFA deliverables set forth in Section 8.2 of the FFA that receive concurrence from USEPA and CALEPA or otherwise become finalized pursuant to the FFA;

WHEREAS the OCWD and IRWD intend to cease operation and maintenance of monitoring well IDP-4 and decommission the well;

WHEREAS the Settling Federal Agencies do not object to OCWD and IRWD decommissioning monitoring well IDP-4;


WHEREAS the Settling Federal Agencies will bear no costs related to decommissioning of monitoring well IDP-4;

WHEREAS Section VII.N. provides that the "Agreement may be modified only upon the mutual agreement of the Parties reflected in a written document signed by duly authorized representatives of the Parties, which document expressly makes reference to this Agreement and the intent to modify the terms of this Agreement";

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Agreement;

THEREFORE, the Amendment is hereby modified as follows:

Strike "IDP-4" from Recital P.a.7 and Appendix 4, Section 1.a.7.

September 10, 2012
Prepared by: Tony Mossbarger
Submitted by: Tony Mossbarger
Approved by: Paul Cook 

ACTION CALENDAR

INFORMATION TECHNOLOGY SERVICES ASSESSMENT FINDINGS, RECOMMENDATIONS, AND PROPOSED BUDGETED POSITION ADDITIONS AND CHANGES

SUMMARY:

In March 2012 the District retained a consultant to conduct an Information Technology Services Delivery and Staffing Assessment (IT Assessment). This assessment would consider the District's needs in its evolving Oracle technical environment along with the anticipated investments in utility billing and enterprise asset management applications. Pacific Technologies, Inc. (PTI), in direct coordination with staff, has completed the assessment and will present an overview of its findings and recommendations to the Board. A copy of the IT Assessment is included as Exhibit "A".

As a result of PTI's findings and recommendations, staff recommends that the Board approve the addition of three full-time regular positions, two position upgrades and one title change, authorize an increase of \$291,000 to the current Fiscal Year 2012-13 Operating Budget and adopt a resolution rescinding Resolution No. 2012-22 and establishing a Revised Schedule of Positions and Salary Rate Changes.

BACKGROUND:

Information Technology Changes:

In May 2010, the Board authorized the procurement of Enterprise Resource Planning (ERP) system licenses from Oracle for the replacement of the District's aged financial management and human resources systems. The ERP implementation was completed in December 2011. In March 2011, the Finance and Personnel Committee also reviewed the Applications Strategic Plan performed by Pacific Technologies, Inc. and directed staff to prioritize the replacement of the current utility billing and enterprise asset management software systems.

Based on the changes that have occurred with the implementation of Oracle technology, and the anticipated investments in utility billing and maintenance management applications, staff determined that an assessment of the information technology service delivery and staffing was needed. The objective of the assessment was to provide the District with a clear definition of the staffing and skill level required to support a level of service that maximizes the return on its information technology investment.

In March 2012, staff recommended that the District retain a consultant to conduct an IT Assessment, with an emphasis on the District's evolving Oracle technical environment, as well as anticipated investments in utility billing and enterprise asset management applications. Pacific Technologies, Inc. was retained to assess the District's information technology (IT) service delivery needs.

Information Technology Services Delivery and Staffing Assessment Findings:

Within the context of both current and future IT labor demands; the consultants reviewed IT staffing levels, skills and service delivery structures. PTI paid particular attention to requirements associated with the District's evolving Oracle and IBM Power Systems technical environment, as well as anticipated investments in utility billing/customer service and enterprise asset management (EAM) automation. PTI interviewed over 25 District stakeholders and gathered quantitative data from IRWD related to IT labor and inventory to inform this analysis. The consultants also conducted two on-site workshops with members of the District's senior management team to validate and refine the findings and recommendations.

Key Strengths:

PTI's assessment brought to light many positive aspects of IT service delivery at the District – elements that should be acknowledged and built upon. The following were noted as major IT strengths:

Board and senior management are supportive of IT investment. Interviewees recognize the value of information technology and clearly articulated an appreciation of IT's potential to enhance the efficacy of District operations. The District has already expended several million dollars upgrading administrative systems, and is currently in the process of making significant additional investments in new customer service (Oracle's Customer Care and Billing (CC&B)) and asset management automation. This signals a positive foundation for the future of District-wide IT, since senior leadership's willingness to invest in technology represent critical factors for successful deployment and adoption.

Users report strong IT service in several areas. Participants reported consistent positive feedback regarding a variety of IT disciplines. Notably, this includes service provision in IT security, break/fix work, GIS and hardware support. User satisfaction in these areas promotes trust and confidence in critical IT service capabilities.

Major Opportunities for Improvement and Associated Recommendations:

The following summarizes PTI's major findings and its associated recommendations:

Not well positioned to support shift to packaged software environment. PTI's analysis indicates that the District is understaffed and is missing some of the skills required to support its targeted, commercial-off-the-shelf (COTS) software architecture. Recently, IRWD implemented Oracle's E-Business Suite (EBS) to improve financial management and human resources automation. EBS represents a tier-one software product, characterized by rich functionality and an attendant high demand for ongoing IT support and maintenance labor. The District is also currently in the process of procuring new packages to support enterprise asset management and utility billing/customer service. Implementation of these systems will only exacerbate the need for qualified applications support staff. This concern is compounded by critical skills deficits within the current

compliment of IRWD IT personnel. Key gaps exist in some areas (e.g., package application support, Oracle data base administration, and project management).

Recommendations: Add three full-time employees over time to support District software applications. These staff will be instrumental in supporting the EBS solution already in place as well as the EAM and CC&B applications once deployed. In addition, the District should develop detailed succession plans and train, recruit and/or contract personnel to fill IT skill gaps (e.g., backend Oracle skills, business analysis, package application support, project management).

Suboptimal approach to desktop support: The District employs an informal approach to end-user computing support. Counter to best practices, IRWD does not employ a District-wide help desk. In addition, staff utilizes very limited automation to capture and track IT service requests, and end users have little or no tools to access IT self-help information. In the absence of a structured and agreed-upon process for IT-related problem resolution, IRWD users contact the first available IT staff member to address their break/fix needs. This results in service inefficiencies, fosters IT staff workload imbalances, and impedes the District's ability to assess trends, monitor status, and expediently triage IT incidents.

Recommendations: Establish an IT service desk, supported by modern help desk automation. The service desk will offer a single, initial point of telephone contact for all IT related service requests. If staff is unable to resolve concerns over the phone, incidents will be assigned to IT staff that provides desk-side support to users predicated on problem priority. The help desk software will capture salient incident information from inception through closure. It will also enable District staff to review frequently asked questions unique to the District's IT environment (e.g., common IRWD desktop incidents and suggested resolutions), support "knowledge packs" for self-service (e.g., Microsoft Office tips), and offer meaningful performance information (e.g., percentage of incidents resolved over the phone).

Lack of District-wide IT governance: A variety of concerns surround IT governance at the District. Notably, no consistent forum and mechanisms exist for senior management input into the District's IT direction. Additionally, IT priorities are not well communicated to the user community.

Recommendations: Introduce a more structured approach – without imposing more overhead – to IT governance at the District. Make information technology a quarterly agenda item for IRWD's senior staff meetings. Utilize this forum to address key decisions (e.g., scope boundaries for the new EAM) and policy setting (e.g., adoption of cloud-based technologies). Ensure that appropriate stakeholder communications occur regarding decisions made. Charter the IT Director to develop an IT strategic plan that clarifies the District's overall future technology direction, as well as an annual IT work plan that commits specific IT staff support levels to the business units. Evolve the role of the IT Director from a primary focus on tactical management to increase emphasis to strategic initiatives, surfacing new ideas that can demonstrably improve operations.

Implementing the above recommendations will provide the critical support and associated methods necessary for an effective transition to the District's new application portfolio and to new ways of doing business. It will also ensure appropriate engagement of senior staff in IRWD's overall IT direction.

Implement a New Information Services Organization Structure:

All IT personnel within Information Services currently report to the Director of Administrative Services. This organization model is considered "too flat", this span of control being counter to industry best practices. The recommended organizational model for Information Services has two managers reporting to the Director of Administrative Services: one responsible for Application Support and one responsible for Networking and Operations. A proposed organizational chart is attached as Exhibit "B". The position additions, upgrades and changes are proposed as follows:

Support Analyst (Oracle ERP), (EAM): Three additional positions are requested: two will provide support for the Oracle ERP system (Financials, Procurement, Payroll, and HR Benefits) and one will provide support for the soon-to-be procured Enterprise Asset Management (EAM) software system. The two Support Analyst positions supporting the Oracle ERP will be filled as soon as possible and the Support Analyst position for EAM will be filled prior to the start of the software implementation, currently projected to begin in February 2013.

Business Analyst (Oracle): An upgrade to this position is requested to enable the District to recruit, hire, and retain a candidate with required Oracle Application, Business Intelligence, and Business Analysis skills. This position will provide the resources required to optimize the District's Oracle ERP and Business Intelligence applications.

Networking and Support Manager: An upgrade to the existing Senior Computer Operator position is requested to form this position. The Networking and Support Manager will take over operational, networking, and support management duties currently performed by the Director of Administrative Services. This will assist in moving the director to a more strategic role and provide a critical succession path for IT staff.

Support Analyst (Oracle CC&B): A title change is requested to the existing Senior Programmer Analyst position. This position will be transitioned from supporting the current legacy utility billing System to the Oracle CC&B software system.

All of the proposed changes to the Salary Grade Schedule are presented in redlined form in Exhibit "C".

IT Service Desk Formation:

As discussed above, Information Services staff will establish an IT service desk process, supported by modern help desk automation software. The IT Service desk will offer a single, initial point of contact for all IT-related service requests. Information Services staff will implement help desk software that will allow the capture of incident information from inception

through closure. The software will also enable district staff to review frequently asked questions about the District's IT environment, support "knowledge packs" for self service, and offer meaningful performance information about incident resolution.

District-wide IT Governance:

Staff will implement a more structured approach to IT governance at the District, without imposing additional overhead. The Director of Administrative Services will add Information Technology as a regular topic for senior staff meetings and utilize this forum to address key decisions, policy setting, and ensure that appropriate stakeholder communications occur regarding decisions made. The annual IT strategic plan will be expanded to clarify the District's overall future technology direction as well as an annual IT work plan that commits specific IT staff support levels to the business units.

FISCAL IMPACTS:

The addition of the three full-time regular positions and two position upgrades, as described above, will require a budget increase of \$291,000 to the FY 2012-13 Operating Budget.

ENVIRONMENTAL COMPLIANCE:

This 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 September 4, 2012.

RECOMMENDATION:

THAT THE BOARD APPROVE THE ADDITION OF THREE FULL-TIME REGULAR POSITIONS, TWO POSITION UPGRADES, AND ONE TITLE CHANGE; AUTHORIZE AN INCREASE OF \$291,000 FOR SALARY AND BENEFITS TO THE CURRENT FISCAL YEAR 2012-13 OPERATING BUDGET; AND ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2012-

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT,
RESCINDING RESOLUTION NO. 2012- 22 AND
ESTABLISHING A REVISED SCHEDULE OF POSITIONS
AND SALARY RATE RANGES

LIST OF EXHIBITS:

- Exhibit "A" – Information Technology Services Assessment
- Exhibit "B" – Proposed Information Services Department 250 Fiscal Year 2011-12
Organizational Chart
- Exhibit "C" – Resolution – Schedule of Positions and Salary Rate Ranges



September 4, 2012

Mr. Tony Mossbarger
Director of Administrative Services
Irvine Ranch Water District
PO Box 57000
Irvine, CA 92619-7000

Re: Information Technology Services Assessment

Dear Tony,

PTI is pleased to present this Information Technology Services Assessment to the Irvine Ranch Water District (IRWD, the District).

I would like to take this opportunity to thank you and the many other IRWD stakeholders involved in this project. Your collective interest, participation, feedback, and effort helped drive the creation of this report.

Thanks and best wishes,

A handwritten signature in black ink, appearing to read "Dan Borgen".

Dan Borgen
Co-Chief Executive Officer
Pacific Technologies, Inc.

Irvine Ranch Water District Information Technology Services Assessment



September 4, 2012



A-2



Pacific Technologies, Inc. Practical Planning. Positive Change. ©

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B. Staffing Detail.....	B-1



Chapter 1 Executive Summary



Introduction

In June 2012, the Irvine Ranch Water District (IRWD, the District) engaged Pacific Technologies, Inc. (PTI) to assess the District's information technology (IT) service delivery needs. Within the context of both current and future IT labor demands, the consultants reviewed IT staffing levels, skills and service delivery structures. PTI paid particular attention to requirements associated with the District's evolving Oracle and IBM Power Systems technical environment, as well as anticipated investments in utility billing/customer service and enterprise asset management (EAM) automation. PTI interviewed over 25 district stakeholders¹ and gathered quantitative data from IRWD related to IT labor and inventory to inform this analysis. The consultants also conducted two onsite workshops with members of the District's executive management team to validate and refine the findings and recommendations presented within this document.

Key Strengths

While projects of this type necessarily focus on areas needing improvement, PTI's assessment also brought to light many positive aspects of IT service delivery at the District – elements that should be acknowledged and built upon. The following highlights major IT strengths:

- ◆ **Board and senior management are supportive of IT investment.** Interviewees recognize the value of information technology and clearly articulated an appreciation of IT's potential to enhance the efficacy of district operations. The District has already expended several million dollars upgrading administrative systems, and is currently in the process of making significant additional investments in new customer service (Oracle's Customer Care and Billing (CC&B)) and asset management automation. This signals a positive foundation for the future of districtwide IT, since senior leadership's appetite and willingness to invest in technology represent critical factors for successful deployment and adoption.
- ◆ **Users report strong IT service in several areas.** Participants reported consistent positive feedback regarding a variety of IT disciplines. Notably, this includes service provision in IT security, break/fix work, GIS and hardware support. User satisfaction in these areas promotes trust and confidence in critical IT service capabilities.

¹ Refer to Appendix A for a complete list of project participants.

Add three FTE over time to support district software applications. These staff will be instrumental in supporting the Oracle solution already in place – as well as the EAM and CC&B applications once deployed.

Major Opportunities for Improvement and Associated Recommendations

The following summarizes PTI's major findings and their associated recommendations.

Not well positioned to support shift to packaged software environment

PTI's analysis indicates that the District is understaffed and is missing some of the skills required to support its targeted, commercial-off-the-shelf (COTS) software architecture. Recently, IRWD implemented Oracle's E-Business Suite (EBS) to improve financial management and human resources automation. EBS represents a tier-one software product, characterized by rich functionality – and an attendant high demand for ongoing IT support and maintenance labor. The District is also currently in the process of procuring new packages to support enterprise asset management and utility billing/customer service. Implementation of these systems will only exacerbate the need for qualified applications support staff. This concern is compounded by critical skills deficits within the current compliment of IRWD IT personnel. Key gaps exist in some areas (e.g., package application support, Oracle data base administration) while a surfeit of legacy IT skills (e.g., IBM iSeries operations and programming) remain.

Recommendations: Add three FTE over time to support district software applications. These staff will be instrumental in supporting the EBS solution already in place – as well as the EAM and CC&B applications once deployed. In addition, the District should develop detailed succession plans and train, recruit and/or contract personnel to fill IT skill gaps (e.g., backend Oracle skills, business analysis, package application support, project management.)

Suboptimal approach to desktop support

The District employs an informal approach to end-user computing support. Counter to best practices, IRWD does not employ a districtwide help desk. In addition, staff utilize very limited automation to capture and track IT service requests, and end users have no tools to access IT self-help information. In the absence of a structured and agreed-upon process for IT-related problem resolution, IRWD users contact their "favorite" IT staff to address their break/fix needs. This results in service inefficiencies, fosters IT staff workload imbalances, and impedes the District's ability to assess trends, monitor status, and expediently triage IT incidents.

Recommendations: Establish an IT service desk, supported by modern help desk automation. The service desk will offer a single, initial point of telephone contact for all IT related service requests. If staff are unable to resolve concerns over the phone, incidents will be assigned to IT staff who provide desk-side support to users predicated on problem priority. The help desk software will capture salient incident information from inception through closure. It will also enable district staff to review frequently asked questions unique to the District's IT environment (e.g., common IRWD desktop incidents and

suggested resolutions), support “knowledge packs” for self-service (e.g., Microsoft Office tips), and offer meaningful performance information (e.g., percentage of incidents resolved over the phone).

Lack of districtwide IT governance

A variety of concerns surround IT governance at the District. Notably, no consistent forum and mechanisms exist for senior management input into the District’s IT direction. Additionally, IT priorities are not well communicated to the user community. Finally, IT staff report prioritizing their own workloads, and acknowledge that workloads are unevenly distributed among IT personnel. The latter situation troubles some end users, who expressed concern that valued IT staff may be overworked.

Recommendations: Introduce a more structured approach – without imposing more overhead – to IT governance at the District. Make information technology a quarterly agenda item for IRWD’s senior staff meetings. Utilize this forum to address key decisions (e.g., scope boundaries for the new EAM) and policy setting (e.g., adoption of cloud-based technologies). Ensure that appropriate stakeholder communications occur regarding decisions made. Charter the IT director to develop an IT strategic plan that clarifies the District’s overall future technology direction, as well as an annual IT workplan that commits specific IT staff support levels to the business units. Evolve the role of the IT director from a primary focus on tactical management to one of a trusted business partner who surfaces new ideas that can demonstrably enable operations.

Implementing the above recommendations will provide the critical support and associated methods necessary for an effective transition to the District’s new application portfolio – and to new ways of doing business. It will also ensure appropriate engagement of senior staff in IRWD’s overall IT direction.

The remainder of this document provides additional detail surrounding PTI’s findings and related recommendations.



Chapter 2 Findings and Recommendations

This chapter presents PTI's assessment of major strengths and opportunities for improvement related to IT support at IRWD, along with associated recommendations. It is organized into the following subsections:

- ◆ Quantitative Baseline
- ◆ IT Service Delivery
- ◆ IT Planning and Administration

Quantitative Baseline

This section provides a quantitative baseline for IT from which IRWD can measure future progress.

IT O&M Labor Allocation

The following page provides a breakdown of IT operations and maintenance (O&M) labor allocation throughout the District.

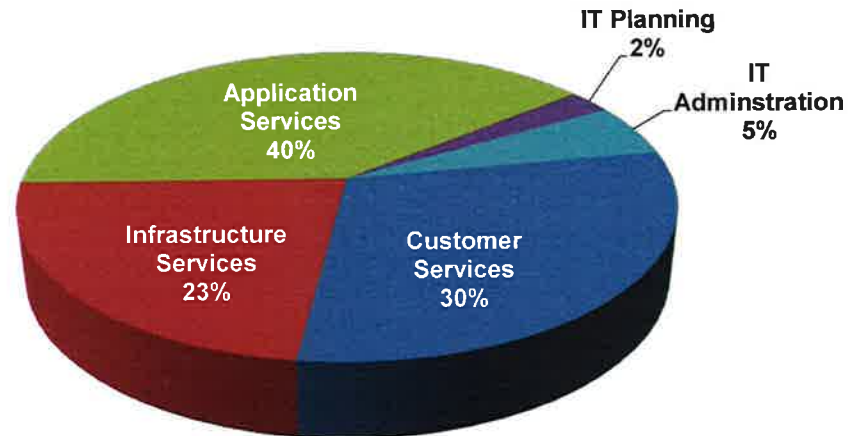
IRWD IT Labor – Quantitative Baseline

2

Workforce Data	
Total FTEs	316
IT FTEs ²	13.90
IT FTE as % of Total FTE	4.4%

IT Labor Category	FTE
IS staff	10.05
Business unit IT staff	3.85
IS overtime	0.70
Shadow staff	2.60
Total IT O&M labor³	17.20

IT Labor Allocation by Function²



² Excludes capital project labor, GIS data maintenance, overtime, and shadow staff (i.e., individuals who do not have IT job titles, but who spend 10% or more of their time on IT activities.) Refer to Appendix B for IT function definitions and further detail.

³ Excludes capital project labor and GIS data maintenance

IT Service Delivery

IT service delivery encompasses IRWD's ability to address IT service requests, support the software portfolio, and maintain the associated technical infrastructure.

Strengths

The following strengths surround the District's IT service delivery practices.

- ◆ **Users report strong IT service in several areas.** As previously noted, some business users recounted solid capabilities in the following areas:
 - IT security
 - Day-to-day break/fix
 - Hardware support
 - GIS support
- ◆ **Overall PC and server support levels are adequate.** With a PC support ratio of 272:1 (i.e., 272 PCs supported by one FTE), IRWD lands at the higher end of PTI's benchmark range of 225:1 to 275:1 for this function. The District's server support ratio of 73:1 (i.e., 73 servers supported by one FTE) exceeds the top of PTI's current target range for this function (i.e., 60:1), although server virtualization continues to increase IT labor support efficiencies in this arena.
- ◆ **Contractors provide specialized knowledge.** IRWD has made effective use of contract staff over the near term to fill critical skill gaps, particularly to support the recent Oracle implementation.
- ◆ **Recent hire added Oracle skills to the organization.** The District recently employed an Oracle specialist, bringing much-needed experience on staff. It should be noted that this hire was not widely communicated initially, causing many end users to perceive that IRWD has no in-house Oracle expertise. Since that time, the addition of the Oracle support specialist has been shared with all employees.
- ◆ **The consolidation of SCADA support into Engineering is perceived positively by most.** Interviewees expressed satisfaction with having all SCADA support under "one house" within Engineering. It should be noted, however, that this structure deviates from emerging best practices which favor tight integration of SCADA and EAM (e.g., in support of predictive maintenance) and reflect a related tendency to place SCADA under the aegis of IT – particularly since SCADA technology is no longer proprietary and central IT professionals are typically better positioned to manage servers, security, recovery, and related infrastructure functions.

Opportunities for Improvement

The following table identifies challenges and associated recommendations for improving IT service delivery at the District.

Finding	Recommended Action
<p>• Understaffed to support tier 1 application portfolio</p> <p><i>The District's recent, substantial investment in the Oracle EBS solution for financial and human resources management represents a technology sea change for IRWD. Prior to the adoption of Oracle, IRWD's application portfolio and attendant support model were direct reflections of the technical platforms the District deployed over the last 20 years – which largely centered on custom developed software running on IBM's Power Systems. Oracle's EBS solution, a tier 1 software product, is characterized by robust functionality and associated high levels of ongoing IT support. In addition, the District is currently in the process of pursuing software solutions for enterprise asset management and utility billing/customer service. IRWD has already selected a tier 1 product for the latter (Oracle's Customer Care and Billing) and will most likely will pick a tier 1 (or high-end tier 2) product for EAM as well. Based on PTI's quantitative analysis of the District's application staffing and IRWD's target packaged architecture, the current level of software support labor falls far below best practice norms and significantly impedes the District's ability to effectively realize the return on its applications investments.</i></p>	<p>Add three application support FTE</p> <p>In alignment with suggested future IT staffing levels outlined in the table on the following page, PTI recommends adding three FTE over time to support the District's software environment – including upkeep of the new EAM and CC&B solutions once deployed,</p> <p>Current IT operations and maintenance full-time equivalents (FTEs) represent approximately 4.4%⁴ of IRWD's total compliment of O&M FTEs. While this effort level falls within PTI's 3%-5% target range for local government, it is well below what we typically see for water utilities with Oracle application portfolios. For instance, Metropolitan Water District of Southern California devotes 5.8% of its operations and maintenance labor to IT, while 6.2% of the Santa Clara Valley Water District's staff work in information technology. Both have deployed Oracle-based business automation.</p>

⁴ In addition, approximately 2.5 FTE of additional IT labor at IRWD comes from 'shadow' IT staff (individuals without IT job titles who perform some IT functions), effectively adding almost 20% to the IT labor force. PTI believes that this is largely driven by the recent Oracle implementation and should taper off as staff adapt to the new software.

Current and Recommended IT FTE Levels by Function

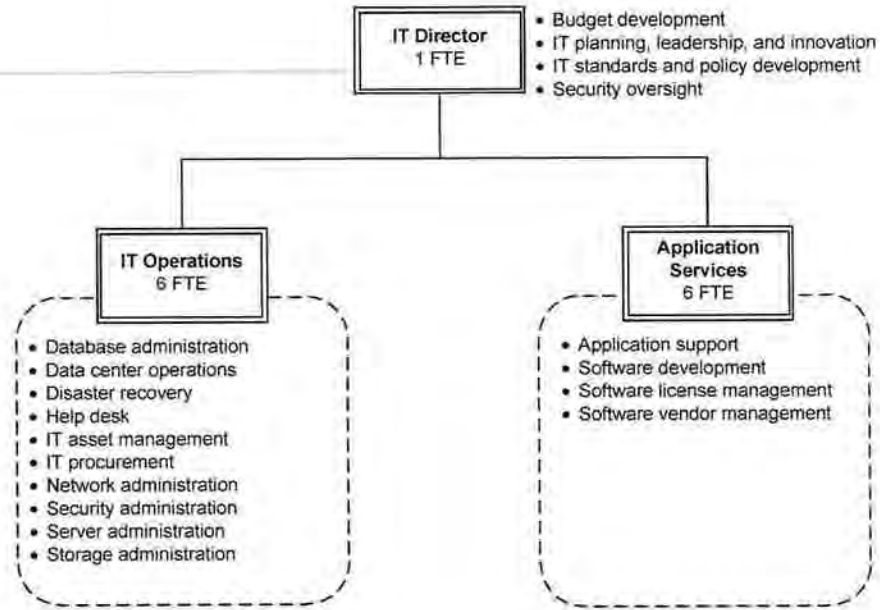
	IT Services Effort			Business Unit IT Effort			Districtwide IT Effort		
	Current	Target	Net Change	Current	Target	Net Change	Current	Target	Net Change
Customer Services	3.55	3.55	0.00	0.60	0.60	0.00	4.15	4.15	0.00
Infrastructure Services	2.75	2.75	0.00	0.40	0.40	0.00	3.15	3.15	0.00
Application Services	2.90	5.95	3.10	2.60	2.60	0.00	5.50	8.55	3.10
IT Planning	0.20	0.20	0.00	0.15	0.15	0.00	0.35	0.35	0.00
IT Administration	0.65	0.65	0.00	0.10	0.10	0.00	0.75	0.75	0.00
Total	10.05	13.10	3.10	3.85	3.85	0.00	13.90	16.95	3.10

2

Finding	Recommended Action
<ul style="list-style-type: none"> Information Services (IS) organization structure and span of control counter to best practices <p><i>The current Information Services organization model is too "flat." All IT personnel within IS report to the Director of Administrative Services. This perpetuates a focus on tactical operations and a break/fix culture, contributes to user confusion regarding role clarity, and diminishes IT career specialization for district technology staff.</i></p>	<p>Implement a new IS organization structure</p> <p>PTI recommends instituting a new organizational model for Information Services – with two supervisors responsible for operations and applications support, respectively, reporting to the Director of Administrative Services. Please refer to the recommended organization chart at the end of this section for more detail.</p> <p>NOTE: The District should also consider moving SCADA support under Information Services after the EAM and CC&B capital projects are complete. As previously noted, such a movement is aligned with industry trends which favor tight SCADA/EAM integration to support use of maintenance best practices on operational assets and facilitate incorporation of SCADA data in decision support automation.</p>

Finding	Recommended Action
<p>• Skill sets not aligned with target technical environment; limited formal IT training</p> <p><i>Given both the shift in core technology platforms and the introduction of new applications, it is not surprising that IT skill gaps exist. PTI's assessment surfaced a variety of IT skill set deficits in this regard, notably:</i></p> <ul style="list-style-type: none"> ✓ <i>No DBA (either Oracle or SQL Server)</i> ✓ <i>Insufficient business analysis expertise</i> ✓ <i>Limited backend skills for Oracle (e.g., application performance management)</i> ✓ <i>Inadequate package application support</i> ✓ <i>Limited mobile device expertise</i> ✓ <i>No mobile application support</i> ✓ <i>Lack of vendor management experience</i> <p><i>Holdover skills from the legacy Power Systems environment, insufficient succession planning and an informal approach to the professional development/training of IT personnel exacerbate these concerns.</i></p>	<p>Develop an IT staff succession plan and train/recruit/contract personnel accordingly</p> <p>With a focus on IRWD's future technology architecture, the District should develop a detailed succession plan for Information Services staff. The plan should articulate training strategies directed toward achieving specific certifications for current IT employees, and outline practical approaches for filling remaining skill set gaps via new recruitment efforts and/or targeted use of contract labor, where appropriate.</p>

Recommended Information Services Organization Structure



2

Finding	Recommended Action
<p>• Informal approach to problem resolution, IT service management</p> <p><i>Counter to best practices, the District does not utilize an IT help desk and employs very limited service request software to support incident tracking and related performance management. Users tend to call their "favorite" IT staff resource to address concerns. As a result, incidents are resolved in an inconsistent manner, the District lacks meaningful metrics for tracking performance and customer satisfaction, and opportunities for streamlining IT support are missed.</i></p>	<p>Establish a central IT service desk supported by modern help desk automation</p> <p>Ensure that dedicated help desk staff are the first line of contact for all IT issues. IRWD should also define standard problem resolution processes and prioritization criteria, configuration and change management methodologies, and IT service performance measures (e.g., call resolution rate). In addition, modern help desk software will provide online information for users regarding incident status, answers to frequently asked questions, and IT service performance.</p>
<p>• Not well positioned to manage the EAM and CC&B implementations</p> <p><i>The District has two major application projects on the books, but does not have a certified IT project manager on staff. In addition, IRWD has not yet defined success measures for these investments. It is also worth noting that the recent ORACLE E-Business Suite implementation provided a variety of 'lessons learned,' most of which have not received formal action to date.</i></p>	<p>Hire or contract with a qualified IT project manager to run the EAM and CC&B efforts</p> <p>Review lessons learned from the EBS effort and ensure that steps are taken to minimize recurrence of issues from that implementation during the new projects. To help pave the way for success, put project governance in place and identify success measures for both implementations. Clearly define the roles and responsibilities of participating IRWD subject matter experts and IT staff, and ensure that the efforts are appropriately resourced.</p> <p>The District must also embrace a cultural mindset shift that addresses capital IT investments not merely as <i>technology</i> projects – but as <i>business</i> projects with technology components.</p>
<p>• Change and release management approach counter to best practices</p> <p><i>IRWD takes an unstructured approach to IT change management, with limited use of test and pre-production environments and a tendency to move things into production without contingency plans. The latter increases the risk of unplanned service outages.</i></p>	<p>Establish best-practice driven controls over change management</p> <p>Implement necessary test and staging environments and require contingency plans for all changes that could impact system availability. Log all changes to production environments.</p>

IT Planning and Administration

IT planning and administration encompass activities associated with the governance and management of IRWD's technology function.

Strengths

The following strengths surround the District's IT planning and administration services.

- ◆ **The Board and senior staff have been supportive of IT investment.** These critical stakeholders recognize the value of information technology and appreciate IT's potential to enhance the efficiency and effectiveness of district operations. The District has already expended several million dollars upgrading administrative systems, and is currently in the process of making significant investments in new utility billing/customer service and asset management automation.
- ◆ **District leadership appreciate the low overhead associated with IT decision processes.** IRWD's culture favors a practical, informed and streamlined approach to getting things done. It does not embrace the often painful and convoluted bureaucratic decision processes employed at some utilities. By contrast, IT decisions have been made relatively expediently at the District. Accordingly, senior staff enjoy the absence of extensive administrative burdens that other organizations impose upon IT governance.

Opportunities for Improvement

The table below identifies challenges and associated recommendations for improving IT planning and administration.

Finding	Recommended Action
<ul style="list-style-type: none"> • No structured approach to districtwide IT governance <p><i>A variety of concerns surround IT governance at the District. IRWD lacks a clearly defined IT strategic direction informed by senior-level input. Additionally, IT priorities are not well communicated to the user community. IT staff prioritize their own workloads – which appear unevenly distributed among IT personnel.</i></p>	<p>Make IT governance, policy setting and related stakeholder communication a quarterly agenda item for senior staff meetings</p> <p>Introduce a more structured approach – without imposing more overhead – to IT governance at the District. Make information technology a quarterly agenda item for IRWD's senior staff meetings. Utilize this forum to address key decisions (e.g., scope boundaries for the new EAM, future reporting relationships for GIS personnel) and policy setting (e.g., adoption of cloud-based technologies). Ensure that appropriate stakeholder communications occur regarding decisions made.</p>

Finding	Recommended Action
<p>• Lack of clear ownership for business applications <i>In part due to the shift away from custom developed applications, ambiguity surrounds several aspects of IT service delivery at the District today. Notably, business application ownership, including support roles and responsibilities, lack clarity across the organization – jeopardizing the long term success of EBS and the future EAM and CC&B deployments if left unaddressed.</i></p>	<p>Define end user and IT roles and associated resource demands Assign responsibility for activities such as validation table maintenance, technical training, end user training, workflow maintenance, new release evaluation, functional and technical testing, etc. Augment position descriptions and train as necessary to incorporate the new responsibilities.</p>
<p>• Information Services perceived as risk averse and hesitant to innovate <i>Some members of the District’s customer base shared the impression that Information Services staff favor older technologies that have been in place at IRWD for many years (e.g., IBM iSeries, GroupWise) and appear reluctant to introduce IT-related innovation.</i></p>	<p>Develop and execute an IT strategic plan and annual tactical IT workplan Charter the IT director to develop an IT strategic plan that clarifies the District’s overall future technology direction, as well as an annual IT workplan that commits specific IT staff support levels to the business units. Review progress on a quarterly basis with senior staff. The role of the IT director must also continue to evolve from a somewhat exclusive focus on tactical management to one of a trusted business partner who surfaces new ideas that can demonstrably enable operations.</p>
<p>• Perception that GIS function engineering-centric <i>Staff in customer services and public affairs indicated that their GIS needs are not met through the current approach to prioritizing GIS enhancements.</i></p> <p><i>The implementation of CC&B will likely exacerbate this situation, as the application has a number of pre-defined GIS interfaces that provide valuable functionality.</i></p>	<p>Broaden GIS governance to include non-engineering needs Employing the districtwide IT governance recommendations previously described, implement mechanisms to gather GIS needs from a broader set of stakeholders and ensure that those requirements are appropriately prioritized in the GIS work queue. Over the long term, consider moving GIS under the aegis of central IT, where most utilities now locate this function.</p>



Appendix A List of Participants



The following IRWD stakeholders contributed to this IT services assessment.

A

Name	Position/Title	Division
Aranda, Maria	Programmer Analyst	Information Services
Beeman, Beth	Director	Public Affairs
Bertsch, Jeff	Sr. Network Admin	Information Services
Bradley, Paul	Contract Programmer	Information Services
Burton, Kevin	Executive Director	Engineering & Planning
Cherney, Debby	Executive Director	Finance
Cook, Paul	General Manager	
Flotho, Eric	IS Coordinator	Information Services
Heiertz, Greg	Executive Director	Water Policy
Hoolihan, Mike	Principal Engineer	Engineering & Planning
Jacobson, Rob	Treasurer	Finance
Kilani , Abdel	Assistant Director	Water Operations
Le, David	Network Administrator	Information Services
Maswadeh, Gretchen	Manager	Human Resources
McKinstry, Brian	Sr. Network Admin	Information Services
Mossbarger, Tony	Dir. of Administrative Services	Information Services
Munoz, Alex	Network Administrator	Information Services
Oldewage, Lars	Manager	Water Quality
Pederson, David	Executive Director	Operations
Posey, Wayne	Director	Water Operations
Reed, James	Sr. Programmer Analyst	Information Services
Reed, Shannon	Manager	Public Affairs

Name	Position/Title	Division
Sanchez, Fiona	Assistant Director	Conservation
Scarberry, Ed	Oracle Support Analyst	Information Services
Smithson, Christopher	Assistant Controller	Finance
Weghorst, Paul	Director	Water Resources
Wells, Janet	Director	Human Resources

A



Appendix B Staffing Detail

In developing the findings in Chapter 2, PTI evaluated IRWD's information technology staffing levels across five functional areas:

- ◆ **Customer Support** – labor related to directly helping end users utilize IT systems and services (e.g., help desk services)
- ◆ **Infrastructure Support** – labor related to implementing and maintaining the organization's computers, systems software, and connectivity (e.g., servers, networks)
- ◆ **Application Support** – labor related to developing, installing, configuring, and otherwise maintaining the software needed to meet the operational, management, and reporting requirements of the organization
- ◆ **IT Planning** – labor related to technology planning and governance
- ◆ **IT Administration** – labor related to the oversight and administration of technology

The tables in this appendix reflect ongoing operations and maintenance (O&M) labor expressed as a percentage of full time equivalent (FTE) effort. They do not include IT labor paid for by capital allocations.

IRWD staff initially provided this data, and reviewed and validated it after it was assembled and analyzed by PTI.

IT Staffing Detail

The table on the following page presents summary labor data collected by PTI and validated by IRWD staff. Due to the nature and size of the data set, the full matrix and associated data cannot be effectively presented in this report.

Definitions for each of the IT functional areas and associated activities follow the summary table.



IT Labor Allocation (FTEs)

	IT-Titled Staff Only				Inclusive of Bshadow IT Staff	
	Central Org IT Staff	Business Unit IT Staff	IT Overtime	FTE TOTAL	Shadow IT Staff	FTE TOTAL
FTE Totals						
Customer Services	3.55	0.60	0.00	4.15	1.20	5.35
Help Desk (Tier 1)	0.65	0.45	0.00	1.10	0.05	1.15
Tier 2 support:	1.45	0.00	0.00	1.45	0.00	1.45
Personal Computer Support	0.95	0.00	0.00	0.95	0.00	0.95
Mobile Device Support	0.30	0.00	0.00	0.30	0.00	0.30
Personal Productivity Tool Support	0.20	0.00	0.00	0.20	0.00	0.20
Business Application Help	0.95	0.10	0.00	1.05	1.15	2.20
Customer Account Management	0.10	0.00	0.00	0.10	0.00	0.10
Training	0.10	0.00	0.00	0.10	0.00	0.10
O&M Project Management	0.30	0.05	0.00	0.35	0.00	0.35
Infrastructure Services	2.75	0.40	0.00	3.15	0.15	3.00
Personal Computer Administration	0.30	0.00	0.10	0.40	0.00	0.40
Database Administration	0.30	0.00	0.00	0.30	0.00	0.30
Security Administration	0.20	0.00	0.00	0.20	0.00	0.20
Data Center/Server Room Operations	0.10	0.00	0.00	0.10	0.00	0.10
O&M Project Management	0.25	0.00	0.00	0.25	0.00	0.25
Server Administration:	1.30	0.00	0.30	1.60	0.00	1.60
Email/Calendar Administration	0.25	0.00	0.00	0.25	0.00	0.25
File/Print Administration	0.20	0.00	0.00	0.20	0.00	0.20
Application Server Administration	0.30	0.00	0.00	0.30	0.00	0.30
Database Server Administration	0.15	0.00	0.20	0.35	0.00	0.35
Storage Administration	0.25	0.00	0.10	0.35	0.00	0.35
Other Server Administration	0.15	0.00	0.00	0.15	0.00	0.15
Communication Services:	0.30	0.40	0.20	0.90	0.15	1.05
Network Administration (WAN/LAN/Wireless)	0.10	0.40	0.10	0.60	0.00	0.60
Radio Support	0.00	0.00	0.00	0.00	0.15	0.15
Telephone Systems Support	0.20	0.00	0.10	0.30	0.00	0.30
Application Services	2.90	2.60	0.10	5.60	1.10	6.70
O&M Project Management	0.10	0.05	0.00	0.15	0.00	0.15
Administration	1.35	0.05	0.10	1.50	0.60	2.10
Packaged Application Support	0.60	0.00	0.10	0.70	0.00	0.70
Custom Application Support	0.70	0.00	0.00	0.70	0.30	1.00
GIS Support	0.00	0.05	0.00	0.05	0.00	0.05
Website/Intranet Support	0.05	0.00	0.00	0.05	0.30	0.35
Customer Service/Utility Billing	0.65	0.05	0.00	0.70	0.10	0.80
Packaged Application Support	0.60	0.00	0.00	0.60	0.00	0.60
Custom Application Support	0.55	0.00	0.00	0.55	0.00	0.55
GIS Support	0.05	0.05	0.00	0.10	0.00	0.10
Website/Intranet Support	0.05	0.00	0.00	0.05	0.10	0.15
Engineering	0.10	0.05	0.00	0.15	0.05	0.20
Packaged Application Support	0.00	0.00	0.00	0.00	0.00	0.00
Custom Application Support	0.10	0.00	0.00	0.10	0.00	0.10
GIS Support	0.00	0.05	0.00	0.05	0.00	0.05
Website/Intranet Support	0.00	0.00	0.00	0.00	0.05	0.05
Planning	0.10	0.40	0.00	0.50	0.05	0.55
Packaged Application Support	0.00	0.00	0.00	0.00	0.00	0.00
Custom Application Support	0.10	0.00	0.00	0.10	0.00	0.10
GIS Support	0.00	0.40	0.00	0.40	0.00	0.40
Website/Intranet Support	0.00	0.00	0.00	0.00	0.05	0.05
Sustainability/Environmental Compliance	0.05	0.15	0.00	0.20	0.05	0.25
Packaged Application Support	0.00	0.00	0.00	0.00	0.00	0.00
Custom Application Support	0.05	0.00	0.00	0.05	0.00	0.05
GIS Support	0.00	0.15	0.00	0.15	0.00	0.15
Website/Intranet Support	0.00	0.00	0.00	0.00	0.05	0.05
Water/Wastewater Operations (excluding SCADA)	0.35	0.20	0.00	0.55	0.15	0.70
Packaged Application Support	0.05	0.00	0.00	0.05	0.10	0.15
Custom Application Support	0.25	0.00	0.00	0.25	0.00	0.25
GIS Support	0.05	0.20	0.00	0.25	0.00	0.25
Website/Intranet Support	0.00	0.00	0.00	0.00	0.05	0.05
SCADA	0.00	1.55	0.00	1.55	0.05	1.60
Packaged Application Support	0.00	0.30	0.00	0.30	0.00	0.30
Custom Application Support	0.00	1.25	0.00	1.25	0.00	1.25
GIS Support	0.00	0.00	0.00	0.00	0.00	0.00
Website/Intranet Support	0.00	0.00	0.00	0.00	0.00	0.00
All Other Website/Intranet Support	0.20	0.10	0.00	0.30	0.10	0.40
Packaged Application Support	0.00	0.00	0.00	0.00	0.00	0.00
Custom Application Support	0.20	0.00	0.00	0.20	0.10	0.30
GIS Support	0.00	0.10	0.00	0.10	0.00	0.10
IT Planning	0.20	0.15	0.00	0.35	0.00	0.35
Strategic Planning and Governance	0.05	0.05	0.00	0.10	0.00	0.10
Research and Development	0.05	0.05	0.00	0.10	0.00	0.10
Disaster Recovery/Planning	0.05	0.05	0.00	0.10	0.00	0.10
O&M Project Management	0.05	0.00	0.00	0.05	0.00	0.05
IT Administration	0.65	0.10	0.00	0.75	0.15	0.90
Asset Management	0.15	0.00	0.00	0.15	0.00	0.15
IT Procurement	0.10	0.00	0.00	0.10	0.05	0.15
Standards and Policies Development	0.05	0.00	0.00	0.05	0.00	0.05
Vendor Account Management	0.05	0.00	0.00	0.05	0.05	0.10
Administrative Support	0.10	0.00	0.00	0.10	0.05	0.15
Departmental Management	0.10	0.00	0.00	0.10	0.00	0.10
O&M Project Management	0.10	0.10	0.00	0.20	0.00	0.20
Geographic Information Systems	0.00	1.60	0.00	1.60	0.00	1.60
GIS Data Maintenance	0.00	1.60	0.00	1.60	0.00	1.60
Capital IT Projects	0.05	0.50	0.00	0.55	0.00	0.55
Capital IT Project Labor/Management	0.05	0.50	0.00	0.55	0.00	0.55
Total - excluding GIS data maintenance & capital	10.05	3.85	0.70	14.60	2.60	17.20





IT Cost Allocation

FTE Totals	IT-Titled Staff Only				Inclusive of Shadow IT Staff	
	Central Org IT Staff	Business Unit IT Staff	IT Overtime	FTE TOTAL	Shadow IT Staff	FTE TOTAL
Customer Services	\$ 619,087	\$ 110,087	\$ -	729,174		729,174
Help Desk (Tier 1)	\$ 105,696	\$ 82,303	\$ -	187,999		187,999
Tier 2 support:	\$ 226,779	\$ -	\$ 77,407	304,186		304,186
Personal Computer Support	\$ 146,636	\$ -	\$ -	146,636		146,636
Mobile Device Support	\$ 44,572	\$ -	\$ -	44,572		44,572
Personal Productivity Tool Support	\$ 35,571	\$ -	\$ -	35,571		35,571
Business Application Help	\$ 180,814	\$ 15,750	\$ -	196,564		196,564
Customer Account Management	\$ 26,984	\$ -	\$ -	26,984		26,984
Training	\$ 16,416	\$ -	\$ -	16,416		16,416
O&M Project Management	\$ 62,398	\$ 12,034	\$ -	74,432		74,432
Infrastructure Services	\$ 482,804	\$ 68,735	\$ 77,407	628,946		628,946
Personal Computer Administration	\$ 43,411	\$ -	\$ 11,163	54,574		54,574
Database Administration	\$ 75,141	\$ -	\$ -	75,141		75,141
Security Administration	\$ 45,597	\$ -	\$ -	45,597		45,597
Data Center/Server Room Operations	\$ 16,450	\$ -	\$ -	16,450		16,450
O&M Project Management	\$ 42,003	\$ -	\$ -	42,003		42,003
Server Administration:	\$ 214,318	\$ -	\$ 40,518	254,834		254,834
Email/Calendar Administration	\$ 41,617	\$ -	\$ -	41,617		41,617
File/Print Administration	\$ 31,476	\$ -	\$ -	31,476		31,476
Application Server Administration	\$ 47,429	\$ -	\$ -	47,429		47,429
Database Server Administration	\$ 23,776	\$ -	\$ 27,289	51,045		51,045
Storage Administration	\$ 39,840	\$ -	\$ 13,249	53,089		53,089
Other Server Administration	\$ 30,178	\$ -	\$ -	30,178		30,178
Communication Services:	\$ 45,888	\$ 88,735	\$ 25,726	140,348		140,348
Network Administration (WAN/LAN/Wireless)	\$ 20,160	\$ 68,735	\$ 12,863	101,758		101,758
Radio Support	\$ -	\$ -	\$ -	-		-
Telephone Systems Support	\$ 25,726	\$ -	\$ 12,863	38,590		38,590
Application Services	\$ 550,971	\$ 453,885	\$ 13,634	1,018,490		1,018,490
O&M Project Management	\$ 26,861	\$ 12,034	\$ -	38,895		38,895
Administration	\$ 257,052	\$ 7,777	\$ 13,634	278,463		278,463
Packaged Application Support	\$ 122,858	\$ -	\$ 13,634	136,493		136,493
Custom Application Support	\$ 124,175	\$ -	\$ -	124,175		124,175
GIS Support	\$ -	\$ 7,777	\$ -	7,777		7,777
Website/Intranet Support	\$ 10,018	\$ -	\$ -	10,018		10,018
Customer Service/Utility Billing	\$ 119,051	\$ 7,777	\$ -	126,829		126,829
Packaged Application Support	\$ -	\$ -	\$ -	-		-
Custom Application Support	\$ 99,015	\$ -	\$ -	99,015		99,015
GIS Support	\$ 10,018	\$ 7,777	\$ -	17,795		17,795
Website/Intranet Support	\$ 10,018	\$ -	\$ -	10,018		10,018
Engineering	\$ 18,720	\$ 7,777	\$ -	26,497		26,497
Packaged Application Support	\$ -	\$ -	\$ -	-		-
Custom Application Support	\$ 18,720	\$ -	\$ -	18,720		18,720
GIS Support	\$ -	\$ 7,777	\$ -	7,777		7,777
Website/Intranet Support	\$ -	\$ -	\$ -	-		-
Planning	\$ 18,720	\$ 82,511	\$ -	81,231		81,231
Packaged Application Support	\$ -	\$ -	\$ -	-		-
Custom Application Support	\$ 18,720	\$ -	\$ -	18,720		18,720
GIS Support	\$ -	\$ 62,511	\$ -	62,511		62,511
Website/Intranet Support	\$ -	\$ -	\$ -	-		-
Sustainability/Environmental Compliance	\$ 9,360	\$ 23,527	\$ -	32,887		32,887
Packaged Application Support	\$ -	\$ -	\$ -	-		-
Custom Application Support	\$ 9,360	\$ -	\$ -	9,360		9,360
GIS Support	\$ -	\$ 23,527	\$ -	23,527		23,527
Website/Intranet Support	\$ -	\$ -	\$ -	-		-
Water/Wastewater Operations (excluding SCADA)	\$ 65,960	\$ 31,304	\$ -	97,265		97,265
Packaged Application Support	\$ 10,018	\$ -	\$ -	10,018		10,018
Custom Application Support	\$ 45,924	\$ -	\$ -	45,924		45,924
GIS Support	\$ 10,018	\$ 31,304	\$ -	41,323		41,323
Website/Intranet Support	\$ -	\$ -	\$ -	-		-
SCADA	\$ -	\$ 285,525	\$ -	285,525		285,525
Packaged Application Support	\$ -	\$ 59,202	\$ -	59,202		59,202
Custom Application Support	\$ -	\$ 226,323	\$ -	226,323		226,323
GIS Support	\$ -	\$ -	\$ -	-		-
Website/Intranet Support	\$ -	\$ -	\$ -	-		-
All Other Website/Intranet Support	\$ 35,247	\$ 15,652	\$ -	50,899		50,899
Packaged Application Support	\$ -	\$ -	\$ -	-		-
Custom Application Support	\$ 35,247	\$ -	\$ -	35,247		35,247
GIS Support	\$ -	\$ 15,652	\$ -	15,652		15,652
IT Planning	\$ 87,389	\$ 38,102	\$ -	103,471		103,471
Strategic Planning and Governance	\$ 16,842	\$ 12,034	\$ -	28,876		28,876
Research and Development	\$ 16,842	\$ 12,034	\$ -	28,876		28,876
Disaster Recovery/Planning	\$ 16,842	\$ 12,034	\$ -	28,876		28,876
O&M Project Management	\$ 16,842	\$ -	\$ -	16,842		16,842
IT Administration	\$ 183,057	\$ 17,946	\$ -	201,003		201,003
Asset Management	\$ 35,455	\$ -	\$ -	35,455		35,455
IT Procurement	\$ 23,274	\$ -	\$ -	23,274		23,274
Standards and Policies Development	\$ 16,842	\$ -	\$ -	16,842		16,842
Vendor Account Management	\$ 16,842	\$ -	\$ -	16,842		16,842
Administrative Support	\$ 23,274	\$ -	\$ -	23,274		23,274
Departmental Management	\$ 33,685	\$ -	\$ -	33,685		33,685
O&M Project Management	\$ 33,685	\$ 17,946	\$ -	51,631		51,631
Geographic Information Systems	\$ -	\$ 251,219	\$ -	251,219		251,219
GIS Data Maintenance	\$ -	\$ 251,219	\$ -	251,219		251,219
Capital IT Projects	\$ 16,842	\$ 120,339	\$ -	137,181		137,181
Capital IT Project Labor/Management	\$ 16,842	\$ 120,339	\$ -	137,181		137,181
Total - excluding GIS data maintenance & capital	\$ 1,903,289	\$ 686,764	\$ 91,042	2,681,084		2,681,084



IT Functional Area and Activities Definitions

B

Customer Services

Customer Services includes those activities related to directly supporting users of IT systems and services (e.g., help desk).

Help Desk (Tier 1)

The activities related to providing a first point of contact for users to report problems and seek answers to questions related to their personal computers, network access, email, personal productivity software, and business application software. Includes initial problem resolution, triage, and problem escalation.

Tier 2 Support

The activities related to providing in-person assistance with the software and hardware that support user work functions, including PCs, handhelds, and other mobile devices, peripherals, and specialized computing environments such as public kiosks.

Personal Computer Support (Tier 2)

The activities related to onsite support of the organization's network applications (e.g., calendar, email, etc.), desktop computers, laptop computers, terminals, and attendant operating systems and peripherals.

Mobile Device Support (Tier 2)

The activities related to onsite support of mobile devices (e.g., smart phones), including troubleshooting syncing to PCs and email, network connectivity, and their business-specific applications. Also includes onsite support of the special purpose devices (e.g., kiosks, MDTs), along with attendant peripherals.

Personal Productivity Tool Support (Tier 2)

The activities related to providing onsite end-user support concerning the use of desktop applications such as word processing, spreadsheets, presentation tools, and other office productivity tools.

Business Application Help

The activities related to providing end-user support (answering questions, etc.) regarding the use of business-specific software (e.g., financial management, permit management, etc.) beyond that which is provided by the first point of contact.

Customer Account Management

The activities related to working in conjunction with departments or divisions guaranteeing that service level agreements are adhered to and customer needs are met. Includes tracking and reporting service levels, business need assessments and service gap determination, and the collection and reporting of service measures (e.g., tier 1 and tier 2 response and resolution rates, customer satisfaction surveys).

Training

The activities related to providing technology-related instruction to staff aimed at enhancing their skills, knowledge, and performance. Includes training requirement analysis, course design and development, and training delivery.

O&M Project Management

The activities related to the oversight of IT customer-service related initiatives (either no cost or paid for by operating funds).

Infrastructure Services

Infrastructure Services include those activities related to implementing and maintaining KCSO's computers, systems software, and connectivity (servers, networks, etc.).

Personal Computer Administration

The activities related to the setup, configuration, original installation, and scheduled maintenance of end-users' desktop and laptop computers, end-user terminals, and related peripherals. Includes installation and configuration of PC operating systems and software, such as personal productivity tools and anti-virus applications. Includes the creation and maintenance of disk images, application of patches and updates, and all scheduled maintenance.

Database Administration

The activities related to planning, implementing, and administering the data structures required to support KCSO's applications portfolio, and to maintaining the data contained within defined data structures. Includes performance management and recovery.

Security Administration

The activities related to developing, maintaining, and administering the security plan for the organization's host processors, servers, personal computers, communication devices and networks. Does not include installation of desktop security tools nor server account management or management of centrally managed server based security solutions.

Data Center/Server Room Operations

The activities related to the planning, administration, and operation of the facility that houses all centralized computing equipment, including backup/restore operations and storage management. It also includes operation and maintenance of the attendant systems, including fire suppression, backup electrical power, air conditioning, etc.

O&M Project Management

The activities related to the oversight of IT infrastructure related initiatives (either at no cost or funded by operating dollars).

Server Administration

The activities related to implementing and maintaining both physical and virtual servers. These activities also include administration, account management, and operation of file, print and application servers and other logical network devices; performance management; tuning; applying operating system patches and upgrades; and administering configuration data.

Email/Calendar Administration

The activities related to the administration of email and calendaring servers, including account set-up, backup administration, account restoration, etc.

File/Print Administration

The activities related to the administration of file and print servers including account administration, print queue monitoring, back-up and optimization, etc.

Application Server Administration

The activities related to the administration of servers used to house or deliver application software to end users. Includes account administration, optimization of network connectivity, data backup, database restoration, etc. Covers ERP and departmental application hosting, as well as GIS, websites for eGovernment and/or Intranet, etc.

Database Server Administration

The activities related to maintaining the hardware and network capabilities associated with KCSO's database servers. Includes assessing and increasing storage capacity, improving data throughput, overseeing server access security, etc.

Storage Administration

The activities related to the administration of SANS/NAS data storage, centralized archival storage systems, and/or off site data storage. Includes performing scheduled backups, assessing storage capacity and growth demands, setting end-user storage quotas, monitoring data storage security and integrity, assisting with emergency planning and data recovery efforts, etc.

Other Server Administration

The activities related to the administration of any other servers not accounted for in the prior categories. Examples may be dedicated proprietary SCADA servers, servers used for administration of MDTs or other secure communications services, video and webcasting servers, etc. NOTE: Web server administration is NOT in this category; labor related to these is included in "Application Server Administration," above.

Communication Services

The activities related to the administration of the devices, services, and vendors responsible for voice and data communication within and external to the organization. Includes infrastructure device installation and maintenance (e.g., phones, routers) and managing service agreements and relationships with vendors and/or contractors.

Network Administration (LAN/WAN/Wireless)

The activities related to implementing and maintaining the operational integrity of the organization's local and wide-area networks (both wired and wireless) and video technology. Technologies include building wiring, fiber optic data circuits, and point-to-point technologies such as laser and microwave. These activities include responding to user requests for assistance, performance monitoring, coordinating with external network service providers, and taking appropriate corrective actions as needed.

Radio Support

The activities related to maintaining a radio communication infrastructure inclusive of end-user radio support for both public safety and other government needs. Includes direct infrastructure technical support or oversight of independent contractors, and managing vendor relationships. Staff in this role may be involved in developing radio maintenance procedures and operational policies, communications protocols, and/or emergency response planning efforts.

Telephone Systems Support

The activities related to the implementation, administration and management of analog and/or Voice over IP telephone services, including number assignment, phone moves, voice mail system management, connectivity, switch or gateway maintenance, etc.

Application Services

Business Application Services includes those activities related to business analysis, software design and development, software installation / configuration / maintenance necessary to meet the operational, management, and reporting requirements of the organization.

O&M Project Management

The activities related to the oversight of application related initiatives (either no cost or paid for by operating funds).

Administration

Management and maintenance of applications related to the utility's administrative functions (e.g., finance, HR/payroll, document management).

Customer Service/Utility Billing

Management and maintenance of the applications related to automating the Utility's relationship with its customers, including call center functionality, service initiation and discontinuation, creation of service orders, reading meters, calculating consumption/use, assessing charges and collecting payment, and related reporting for metered and non-metered utility services.

Engineering

Management and maintenance of the applications related to project design, project management, construction support, and development support.

Planning

Management and maintenance of the applications related to planning activities (e.g., rate development, emergency preparedness, capital project planning).

Sustainability/Environmental Compliance

Management and maintenance of applications related to sustainability regulatory compliance.

Water/Wastewater Operations (excluding SCADA)

Management and maintenance of the applications related to the Utility's core operations (e.g., facilities and asset management, leak detection, backflow prevention).

SCADA

Management and maintenance of SCADA applications.

All Other Website/Intranet Support

Management and maintenance of the applications related to design, maintenance, and development of web pages and online services not covered by business applications in other categories. Includes collaboration tools and applications that support internal staff communication and development.

IT Planning

IT Planning includes those activities related to planning for the technology function.

Strategic Planning and Governance

The activities related to identifying and evaluating the future directions for IT application, networks, and hardware. Includes strategic planning, evaluating and prioritizing IT investments, technology research, participating in committees and task forces, and feasibility studies.

Research and Development

The activities related to evaluation and testing of current and future IT products and services, and to the deployment of pilot projects to test the viability of these technologies. Includes dissemination of relevant information to appropriate parties.

Disaster Recovery/Planning

The activities related to developing, maintaining, updating, and testing the organization's IT disaster recovery/business resumption plan, and to activating and managing the plan in the event of a disaster.

O&M Project Management

The activities related to the oversight of IT planning related initiatives (either at no cost or funded by operating dollars).

IT Administration

IT Administration includes those activities related to the oversight and administration of the technology function.

Asset Management

The activities related to managing the IT properties of the organization, include tracking serial number, warranty, and inventory.

IT Procurement

The activities related to acquisition of goods and services in support of all IT functions; including the development of RFPs, evaluation and selection of vendors, management of purchasing activities, receipt and inventory of goods, and tracking of warranty information and performance guarantees.

Standards and Policies Development

The activities related to the creation and updating of enterprise-wide IT standards and policies related to hardware, software, procurement, security, and staffing.



Vendor Account Management

The activities related to working in conjunction with departments or divisions guaranteeing that service level agreements are adhered to and customer needs are met. Includes tracking and reporting service levels, business need assessments and service gap determination, and the collection and reporting of service measures (e.g., tier 1 and tier 2 response and resolution rates, customer satisfaction surveys). May also include directly managing vendor service contracts or assisting with vendor relationship management.

Administrative Support

The activities related to the provision of clerical, administrative, and related services required for the ongoing operation of the IT department.

Departmental Management

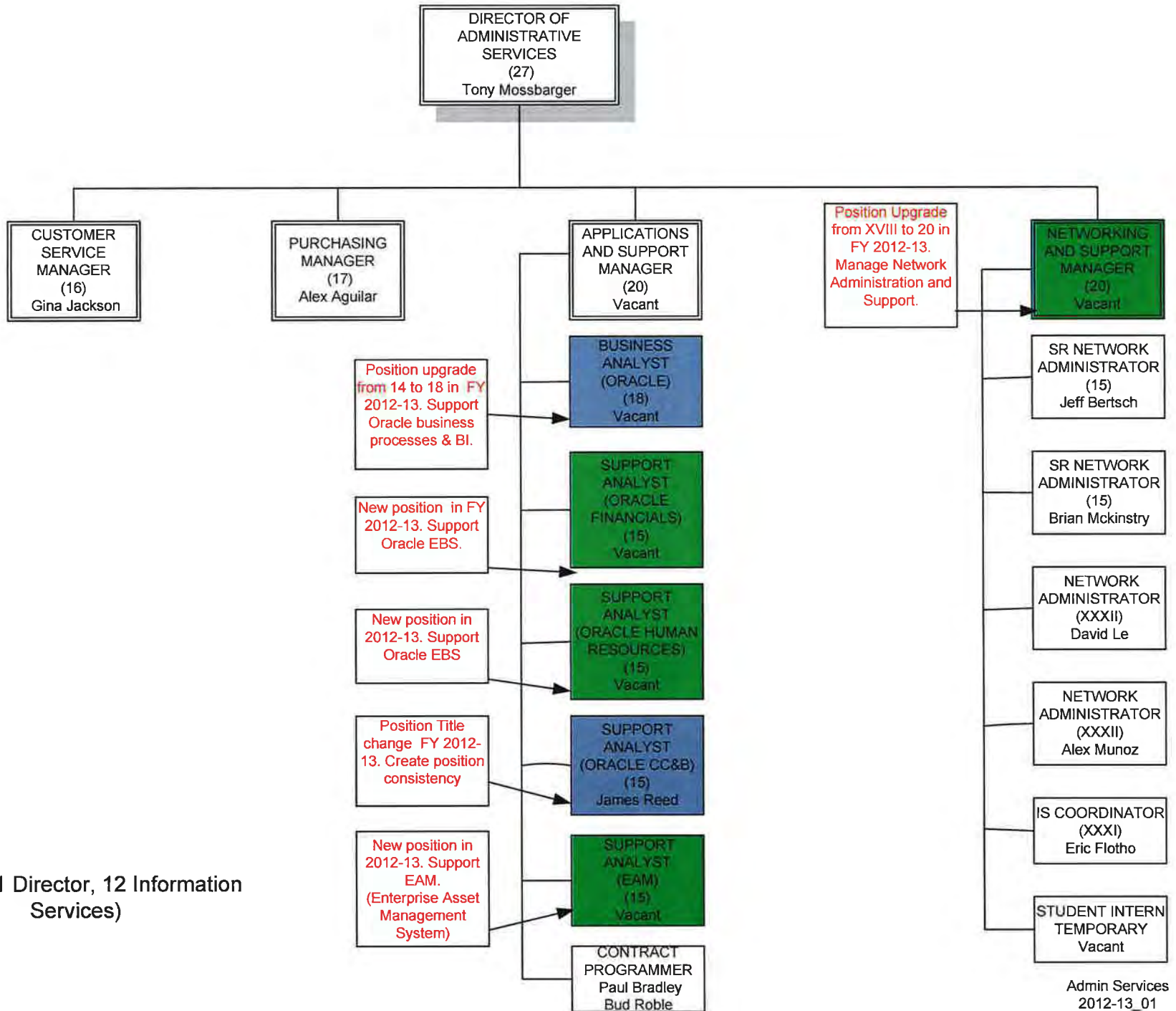
The activities related to management and oversight of the organization's technology functions: including staff evaluation, quality assurance, and budgeting.

O&M Project Management

The activities related to the oversight of IT administration related initiatives (either at no cost or funded by operating dollars).

Exhibit B

FY 2012-13



13 FTE (1 Director, 12 Information Services)

Exhibit "B"

Exhibit "C"

RESOLUTION NO. 2012-

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT,
RESCINDING RESOLUTION NO. 2012- 22 AND
ESTABLISHING A REVISED SCHEDULE OF POSITIONS
AND SALARY RATE RANGES

WHEREAS, the Board of Directors of Irvine Ranch Water District, by adoption of Resolution No. 2012-22 on May 29, 2012, established a Schedule of Positions and Salary Rate Ranges of the Irvine Ranch Water District; and

WHEREAS, the Board of Directors of Irvine Ranch Water District has reviewed the Schedule of Positions and Salary Rate Ranges and desires to make revisions thereto.

NOW, THEREFORE, the Board of Directors of Irvine Ranch Water District does hereby resolve, determine and order as follows:

Section 1. That the Schedule of Positions and Salary Rate Ranges adopted by Resolution No. 2012-22 on May 29, 2012 is hereby rescinded, effective September 10, 2012.

Section 2. That the Schedule of Positions and Salary Rate Ranges for the Irvine Ranch Water District be and hereby is approved and adopted as more particularly set forth in Exhibit "A" to this Resolution, attached hereto and by this reference made a part hereto.

Section 3. That the provisions of this Resolution shall be effective September 10, 2012.

ADOPTED, SIGNED and APPROVED THIS 10th day of September 2012.

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

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

APPROVED AS TO FORM:
BOWIE, ARNESON, WILES & GIANNONE

IRVINE RANCH WATER DISTRICT
SALARY GRADE SCHEDULE

October 1, 2012

<u>NON-EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE I (1.N)	\$2533	\$3140	\$3296
SALARY GRADE II (2.N)	\$2588	\$3226	\$3387
SALARY GRADE III (3.N)	\$2642	\$3315	\$3481
SALARY GRADE IV (4.N)	\$2690	\$3411	\$3581
SALARY GRADE V (5.N)	\$2750	\$3505	\$3681
SALARY GRADE VI (6.N) Office Assistant Mail Coordinator	\$2806	\$3607	\$3787
SALARY GRADE VII (7.N)	\$2862	\$3707	\$3893
SALARY GRADE VIII (8.N)	\$2924	\$3814	\$4005
SALARY GRADE IX (9.N)	\$2981	\$3919	\$4115
SALARY GRADE X (10.N)	\$3041	\$4025	\$4226
SALARY GRADE XI (11.N) Material Control Clerk I Maintenance Apprentice Utility Worker	\$3100	\$4129	\$4334
SALARY GRADE XII (12.N)	\$3162	\$4250	\$4463
SALARY GRADE XIII (13.N) Customer Service Specialist I Computer Operator	\$3221	\$4372	\$4591
SALARY GRADE XIV (14.N)	\$3293	\$4495	\$4720

<u>NON-EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE XV (15.N) Office Specialist Collection Systems Technician I	\$3364	\$4614	\$4845
SALARY GRADE XVI (16.N) Accounting Clerk Customer Service Field Technician Metering Systems Technician I Water Maintenance Technician I Laboratory Analyst	\$3443	\$4743	\$4980
SALARY GRADE XVII (17.N) Customer Service Specialist II	\$3516	\$4862	\$5105
SALARY GRADE XVIII (18.N) Material Control Clerk II	\$3594	\$4993	\$5243
SALARY GRADE XIX (19.N) Senior Office Specialist Purchasing Coordinator	\$3675	\$5119	\$5376
SALARY GRADE XX (20.N) Senior Accounting Clerk Engineering Technician I Operator I Maintenance Mechanic Collection Systems Technician II	\$3774	\$5284	\$5549
SALARY GRADE XXI (21.N) Customer Service Specialist III Senior Customer Service Field Technician Collection Systems CCTV Technician II	\$3880	\$5444	\$5717
SALARY GRADE XXII (22.N) Executive Secretary Sr. Purchasing Coordinator Metering Systems Tech. II Water Maintenance Technician II Facilities Services Technician Vehicle/Equipment Mechanic Recycled Water Specialist	\$3987	\$5616	\$5897

<u>NON-EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE XXIII (23.N) Construction Inspector I	\$4093	\$5786	\$6075
SALARY GRADE XXIV (24.N) Buyer Cross Connection Specialist Wetlands Specialist Water Use Efficiency Specialist	\$4208	\$5967	\$6265
SALARY GRADE XXV (25.N) Engineering Technician II Senior Collection Systems Technician Senior Collection Systems CCTV Technician	\$4319	\$6150	\$6458
SALARY GRADE XXVI (26.N) Executive Assistant Safety and Security Specialist Metering Systems Tech. III Water Maintenance Technician III Scientist	\$4452	\$6333	\$6649
SALARY GRADE XXVII (27.N) Accountant Risk Analyst Senior Vehicle/Equipment Maintenance Mechanic Operator II Senior Maintenance Mechanic Senior Recycled Water Specialist	\$4582	\$6519	\$6845
SALARY GRADE XXVIII (28.N) Construction Inspector II Automation Technician Landscape Contracts Administrator Electrical Technician Instrumentation Technician	\$4716	\$6713	\$7049
SALARY GRADE XXIX (29.N) Public Affairs Specialist Payroll Administrator Senior Buyer Engineering Technician III Senior Wetlands Specialist Operator III Lead Maintenance Mechanic Recycled Water Project Specialist Senior Water Use Efficiency Specialist	\$4856	\$6908	\$7253

<u>NON-EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE XXX (30.N) Facilities Services Supervisor Fleet Supervisor Senior Electrical Technician Senior Instrumentation Technician Collection Systems Supervisor	\$5003	\$7112	\$7468
SALARY GRADE XXXI (31.N) Human Resources Analyst Treasury Analyst Information Services Coordinator Construction Inspector III Cross Connection Supervisor Water Maintenance Supervisor Senior Scientist Water Use Efficiency Analyst	\$5151	\$7326	\$7691
SALARY GRADE XXXII (32.N) Automation Specialist Network Administrator Mechanical Maintenance Supervisor	\$5299	\$7543	\$7920
SALARY GRADE XXXIII (33.N) Supervising Wetlands//Wildlife Biologist Operations Coordinator	\$5454	\$7762	\$8150
SALARY GRADE XXXIV (34.N) Electrical/Instrumentation Designer Electrical Supervisor Instrumentation Supervisor	\$5616	\$7977	\$8376
SALARY GRADE XXXV (35.N) Operations Supervisor	\$5785	\$8216	\$8627

Effective Date 10/01/12

IRVINE RANCH WATER DISTRICT
SALARY GRADE SCHEDULE

October 1, 2012

<u>EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE 1 (1.E)	\$4072	\$5232	\$5493
SALARY GRADE 2 (2.E)	\$4207	\$5435	\$5707
SALARY GRADE 3 (3.E)	\$4343	\$5638	\$5920
SALARY GRADE 4 (4.E)	\$4478	\$5853	\$6146
SALARY GRADE 5 (5.E)	\$4614	\$6071	\$6375
SALARY GRADE 6 (6.E)	\$4773	\$6306	\$6622
SALARY GRADE 7 (7.E)	\$4927	\$6539	\$6865
SALARY GRADE 8 (8.E)	\$5086	\$6794	\$7134
SALARY GRADE 9 (9.E)	\$5241	\$7043	\$7395
SALARY GRADE 10 (10.E) Customer Service Supervisor Assistant Engineer Administrative Assistant Analyst	\$5417	\$7311	\$7677
SALARY GRADE 11 (11.E) Senior Accountant Laboratory QA/QC Recycled Water Supervisor	\$5590	\$7581	\$7960
SALARY GRADE 12 (12.E) Programmer/Analyst GIS Supervisor	\$5772	\$7871	\$8264

<u>EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE 13 (13.E) Senior Human Resources Analyst Right of Way & Real Property Manager Automation Programmer Senior Analyst Laboratory Supervisor Water Use Efficiency Supervisor	\$5958	\$8157	\$8564
SALARY GRADE 14 (14.E) District Secretary Associate Engineer Assistant Facilities/Fleet Manager	\$6152	\$8472	\$8895
SALARY GRADE 15 (15.E) Senior Programmer/Analyst Senior Network Administrator Support Analyst	\$6347	\$8788	\$9227
SALARY GRADE 16 (16.E) Customer Service Manager Construction & Repair Manager Principal Analyst Collection Systems Manager Laboratory Manager Regulatory Compliance Manager	\$6559	\$9121	\$9577
SALARY GRADE 17 (17.E) District Safety and Security Manager Accounting Manager Purchasing Manager Engineer Construction Inspection Manager Water Maintenance Manager Facilities/Fleet Manager Electrical Maintenance Manager Energy & Water Resource Planner Government Relations Manager	\$6768	\$9457	\$9929
SALARY GRADE 18 (18.E) Public Affairs Manager Human Resources Manager Treasury Manager Manager of Contracts Admin & Risk Business Analyst Chief Plant Operator Water Quality Manager Water Resources Manager	\$6987	\$9817	\$10307

<u>EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE 19 (19.E) Operations Manager Superintendent of Maintenance & Reliability Recycled Water Development Manager	\$7210	\$10179	\$10689
SALARY GRADE 20 (20.E) Assistant Controller Applications & Support Manager Networking & Support Manager Senior Engineer Assistant Director of Water Operations	\$7433	\$10556	\$11084
SALARY GRADE 21 (21.E)	\$7660	\$10938	\$11485
SALARY GRADE 22 (22.E)	\$7906	\$11344	\$11912
SALARY GRADE 23 (23.E) Principal Engineer Assistant Director of Water Policy	\$8156	\$11755	\$12344
SALARY GRADE 24 (24.E)	\$8377	\$12228	\$12839
SALARY GRADE 25 (25.E) Treasurer/Assistant Director of Finance	\$8636	\$12691	\$13325
SALARY GRADE 26 (26.E)	\$9030	\$13362	\$14030
SALARY GRADE 27 (27.E) Director of Public Affairs Director of Human Resources Director of Administrative Services Director of Wastewater Operations Director of Water Resources	\$9444	\$14069	\$14773
SALARY GRADE 28 (28.E)	\$9878	\$14811	\$15552
SALARY GRADE 29 (29.E)	\$10329	\$15595	\$16375

<u>EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE 30 (30.E) Executive Director of Finance Executive Director of Engineering & Planning Executive Director of Operations Executive Director of Water Policy	\$10805	\$16422	\$17243
SALARY GRADE 31 (31.E)	\$11343	\$17354	\$18222
SALARY GRADE 32 (32.E) Assistant General Manager	\$11911	\$18343	\$19260
SALARY GRADE 33 (33.E)	\$12504	\$19383	\$20353
SALARY GRADE 34 (34.E) General Manager	\$13131	\$20484	\$21508

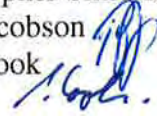
Effective Date 10/01/12

September 10, 2012

Prepared by: Christopher Smithson

Submitted by: Rob Jacobson

Approved by: Paul Cook



ACTION CALENDAR

ENTERPRISE RESOURCES PLANNING SYSTEM IMPLEMENTATION UPDATE, CONSULTANT VARIANCE AND EXPENDITURE AUTHORIZATION APPROVALS

SUMMARY:

The District is currently operating the first wave of implementation of the Oracle Enterprise Resource Planning (ERP) software which focuses on financial management and human resources as well as the second wave which focuses on payroll, employee self-service and benefits administration. The ERP system is now functioning on a transactional basis. It has resolved many stabilization issues and continues to work toward optimization through business intelligence and reporting capabilities to achieve the District's expected results. To continue with final stabilization and optimization efforts, staff recommends Board approval of the following:

- Variance No. 3 with AST Corporation for additional implementation services in an amount not to exceed \$136,000;
- Variance No. 2 with AST Corporation for its Remote Managed Services contract in an amount not to exceed \$84,000;
- Expenditure Authorizations for Projects 1278 and 1660 in the amount of \$110,000 each for the two variances and additional staff time; and
- Addition of \$110,000 each to the FY 2012-13 Capital Budget for Projects 1278 and 1660.

BACKGROUND:

In 2009 staff began the process to procure and implement a commercial off-the-shelf ERP solution. The key benefits of implementing this system include the following:

- Improved management visibility and accountability, including more accurate and timely financial statements, through easy access to reliable real-time data and information;
- Better planning and visibility into funding needs through improved budget-to-actual reporting;
- Increased operational efficiencies utilizing up-to-date project accounting;
- Improved administrative labor efficiencies by minimizing staff time spent extracting and reformatting data;
- Audit compliance through reliable data and robust, flexible reporting capabilities; and
- Enhanced security through improved audit trails.

Status of the ERP Implementation:

The District is currently operating both the first wave of implementation of the Oracle ERP software focusing on financial management and human resources as well as the second wave focusing on payroll, employee self-service and benefits administration. The system is now functioning on a transactional basis; further stabilization and optimization through business intelligence and reporting capabilities is required to achieve the District's expected results.

AST Corporation is the system's implementation consultant engaged by the District in August 2010 to design and implement Waves 1 and 2. The Board approved a Professional Services Agreement with AST in the sum of \$3,425,440. In February 2011, the Board approved Variance No. 1 in the sum of \$401,874 to implement hardware and software to ensure high-availability of the ERP system so that system users would not be impacted by a computer failure as well as a comprehensive data protection, data availability, and disaster recovery solution for the Oracle Database. The levels of support beyond "go-live" in the existing AST contracts are limited.

In November 2011 the Board approved a second variance in the sum of \$486,500 to provide additional Waves 1 and 2 stabilization services working with District staff and Oracle on various transactional items as well as the design and implementation of additional data elements and dashboard reporting for the Oracle Business Intelligence system which will ultimately become the primary source of reporting on financial and other data. The managed services would provide additional resources to resolve Oracle application and database issues as well as working with the District's technical resources to achieve consistent database optimization.

The Oracle ERP is the first enterprise software implementation of significance at the District in nearly 20 years, transitioning from an internally programmed AS/400 software system to a commercial off-the-shelf solution. Obstacles with this transition include the multiple business process improvements to map the District's practices to align with best and leading business practices. Many of the District's employees have exclusively used this AS/400 system for more than 20 years for all of the financial and human resource applications. Concurrently, staff redesigned its Chart of Accounts to provide a stronger foundation for more robust and timely performance reporting without the use of secondary spreadsheets. After completing multiple training modules, staff has become more comfortable with the new system and comfort level and confidence with the new system has increased steadily.

The District is transitioning away from solely using outsourced managed services to address software capability issues and is beginning to provide stabilization internally with the addition of temporary staff with Oracle experience in the District's Information Services department. In addition AST continues to provide a strong knowledge base and immediate assistance as needed. Since ERP system implementation in May 2011, staff has begun to revisit existing processes to maximize efficiencies. AST continues to work with staff to define new approaches that are in line with best business practices and provide guidance in finalizing changes in practices that were identified after the ERP implementation. While staff is now capable of identifying the areas for improvement and, when possible, making these changes internally, AST's extensive knowledge provides more timely solutions to issues that have been identified and cannot be resolved without the system expertise.

Variances to AST Contracts:

The District requires variances to both existing AST contracts for additional services which include:

- Variance No. 3 for implementation services to provide additional Wave 1 and Wave 2 stabilization services to work with staff and Oracle on various transactional items. This variance, in the total sum of \$136,000, is attached in Exhibit "A".
- Variance No. 2 for Remote Managed Services will provide additional resources to resolve Oracle application and database issues as well as working with the staff to achieve consistent database optimization. This variance, in the total sum of \$84,000, is attached in Exhibit "B".

FISCAL IMPACTS:

Subject to Board approval, additions to the FY 2012-13 Capital Budget to fund the projects from the IRWD Replacement Funds are summarized in the table below:

Project No.	Current Budget	Addition <Reduction>	Total Budget	Existing EA	This EA Request	Total EA Request
1660	\$3,511,100	\$110,000	\$3,621,100	\$3,511,100	\$110,000	\$3,621,100
1278	\$3,511,100	\$110,000	\$3,621,100	\$3,511,100	\$110,000	\$3,621,100
Total	\$7,022,200	\$220,000	\$7,242,200	\$7,022,200	\$220,000	\$7,242,200

An Expenditure Authorization for these funds is attached in Exhibit "C".

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on September 4, 2012.

RECOMMENDATION:

THAT THE BOARD APPROVE VARIANCE NO. 3 WITH AST CORPORATION FOR IMPLEMENTATION SERVICES IN THE AMOUNT OF UP TO \$136,100; APPROVE VARIANCE NO. 2 WITH AST CORPORATION FOR ITS REMOTE MANAGED SERVICES CONTRACT IN THE AMOUNT OF UP TO \$84,400; APPROVE EXPENDITURE AUTHORIZATIONS FOR PROJECTS 1278 AND 1660, IN THE SUM OF \$110,000 EACH; AND APPROVE ADDITIONS TO THE FY 2012-13 CAPITAL BUDGET FOR PROJECTS 1278 AND 1660, IN THE SUM OF \$110,000 EACH.

Action Calendar: Enterprise Resources Planning System Implementation Update, Consultant
Variance and Expenditure Authorization Approvals
September 10, 2012
Page 4

LIST OF EXHIBITS:

Exhibit "A" – Variance No. 3 for Implementation Services
Exhibit "B" – Variance No. 2 for Remote Managed Services Support
Exhibit "C" – Expenditure Authorizations

Exhibit "B"

**IRVINE RANCH WATER DISTRICT
PROFESSIONAL SERVICES VARIANCE**

Project Title: Remote Managed Services Support for Oracle eBusiness Applications
 Project No.: 1660 / 1278 (Legacy 11521 / 21521) Date: August 1, 2012
 Purchase Order No.: _____ Variance No.: 2

Originator: IRWD ENGINEER/CONSULTANT Other (Explain) _____

Description of Variance (attach any back-up material):
 See accompanying Committee write-up.

Engineering & Management Cost Impact:

Classification	Manhours	Billing Rate	Labor \$	Direct Costs	Subcon. \$	Total \$
Remote Managed Services Support	600	140				84,000
Total \$ =						84,000

Schedule Impact:

Task No.	Task Description	Original Schedule	Schedule Variance	New Schedule

Required Approval Determination:

Total Original Contract	\$84,000	<input type="checkbox"/> General Manager: Single Variance less than or equal to \$30,000. <input type="checkbox"/> Committee: Single Variance greater than \$30,000, and less than or equal to \$60,000. <input checked="" type="checkbox"/> Board: Single Variance greater than \$60,000. <input type="checkbox"/> Board: Cumulative total of Variances greater than \$60,000, or 30% of the original contract, whichever is higher.
Previous Variances	\$134,400	
This Variance	\$ 84,400	
Total Sum of Variances	\$218,400	
New Contract Amount	\$248,400	
Percentage of Total Variances to Original Contract	_____ %	

ENGINEER/CONSULTANT: AST Corporation

IRVINE RANCH WATER DISTRICT

Company Name

 Project Engineer/Manager

8/15/12
 Date

 Department Director Date

 Engineer's/Consultant's Management Date

 General Manager/Comm./Board Date

IRVINE RANCH WATER DISTRICT

Expenditure Authorization

Project Name: ACCOUNTING SYSTEM IMPLEMENTATION - PHASE 1
 EPMS Project No: 11521 EA No: 7
 Oracle Project No: 1660
 Project Manager: CHERNEY, DEBORAH
 Project Engineer: SMITHSON, CHRISTOPHER
 Request Date: August 28, 2012

ID Split: Miscellaneous

Improvement District (ID) Allocations

ID No.	Allocation %	Source of Funds
101	100.0	REPLACEMENT FUND**
Total	100.0%	

Summary of Direct Cost Authorizations

Previously Approved EA Requests:	\$3,511,100
This Request:	\$121,000
Total EA Requests:	\$3,632,100
Previously Approved Budget:	\$3,511,100
Budget Adjustment Requested this EA:	\$121,000
Updated Budget:	\$3,632,100
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 IRWD	0	493,900	493,900	0	493,900	493,900	4/10	7/11
ENGINEERING - PLANNING OUTSIDE	110,000	2,615,000	2,725,000	110,000	2,615,000	2,725,000	4/10	7/11
ENGINEERING DESIGN - IRWD	0	0	0	0	0	0	9/10	7/11
ENGINEERING - CA&I OUTSIDE	0	78,000	78,000	0	78,000	78,000	4/10	7/11
CONSTRUCTION	0	0	0	0	0	0	5/10	7/11
LEGAL	0	5,000	5,000	0	5,000	5,000	4/10	7/11
Contingency - 10.00% Subtotal	\$11,000	\$319,200	\$330,200	\$11,000	\$319,200	\$330,200		
Subtotal (Direct Costs)	\$121,000	\$3,511,100	\$3,632,100	\$121,000	\$3,511,100	\$3,632,100		
Estimated G/A - 180.00% of direct labor*	\$0	\$889,000	\$889,000	\$0	\$889,000	\$889,000		
Total	\$121,000	\$4,400,100	\$4,521,100	\$121,000	\$4,400,100	\$4,521,100		
Direct Labor	\$0	\$493,900	\$493,900	\$0	\$493,900	\$493,900		

*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: _____

Department Director: _____

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 \$4,612,000. The above-captioned project is further described in the attached staff report and additional documents, if any, which are hereby incorporated by reference. This declaration of official intent to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.150-2.

IRVINE RANCH WATER DISTRICT

Expenditure Authorization

Project Name: ACCOUNTING SYSTEM IMPLEMENTATION - PHASE 1
 EPMS Project No: 21521 EA No: 7
 Oracle Project No: 1278
 Project Manager: CHERNEY, DEBORAH
 Project Engineer: SMITHSON, CHRISTOPHER
 Request Date: August 28, 2012

ID Split: Miscellaneous

Improvement District (ID) Allocations

ID No.	Allocation %	Source of Funds
210	100.0	REPLACEMENT FUND**
Total	100.0%	

Summary of Direct Cost Authorizations

Previously Approved EA Requests:	\$3,511,100
This Request:	\$121,000
Total EA Requests:	\$3,632,100
Previously Approved Budget:	\$3,511,100
Budget Adjustment Requested this EA:	\$121,000
Updated Budget:	\$3,632,100
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 IRWD	0	493,900	493,900	0	493,900	493,900	4/10	7/11
ENGINEERING - PLANNING OUTSIDE	110,000	2,615,000	2,725,000	110,000	2,615,000	2,725,000	4/10	7/11
ENGINEERING DESIGN - IRWD	0	0	0	0	0	0	9/10	7/11
ENGINEERING - CA&I OUTSIDE	0	78,000	78,000	0	78,000	78,000	4/10	7/11
CONSTRUCTION	0	0	0	0	0	0	5/10	7/11
LEGAL	0	5,000	5,000	0	5,000	5,000	4/10	7/11
Contingency - 10.00% Subtotal	\$11,000	\$319,200	\$330,200	\$11,000	\$319,200	\$330,200		
Subtotal (Direct Costs)	\$121,000	\$3,511,100	\$3,632,100	\$121,000	\$3,511,100	\$3,632,100		
Estimated G/A - 180.00% of direct labor*	\$0	\$889,000	\$889,000	\$0	\$889,000	\$889,000		
Total	\$121,000	\$4,400,100	\$4,521,100	\$121,000	\$4,400,100	\$4,521,100		
Direct Labor	\$0	\$493,900	\$493,900	\$0	\$493,900	\$493,900		

*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: _____

Department Director: _____

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 \$4,612,000. The above-captioned project is further described in the attached staff report and additional documents, if any, which are hereby incorporated by reference. This declaration of official intent to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.150-2.

September 10, 2012
Prepared by: Gretchen Maswadeh
Submitted by: Janet Wells
Approved by: Paul Cook 

ACTION CALENDAR

REVISED PERSONNEL POLICIES AND PROCEDURES

SUMMARY:

Staff has developed the Personnel Policies and Procedures to consistently address personnel-related issues at the District. To keep current with state and federal law, implement best practices in administering Human Resource policies, and correctly reflect practices in conducting District business, it is necessary to update these policies periodically. Staff recommends that the Board adopt a resolution establishing revised personnel policies and rescinding Resolution No. 2011-28 dated September 12, 2011 which includes changes to the following policies:

- Policy No. 2 – General Policies
- Policy No. 8 – Salary
- Policy No. 18 – Vacation
- Policy No. 33 – Injury and Illness Prevention Program
- Policy No. 34 – Employee Personal Computer Purchase Plan
- Policy No. 36 – Performance Recognition Program
- Policy No. 37 – Commuter Trip Reduction (Ridesharing) Plan
- Policy No. 38 – Safety Shoe and Prescription Safety Eyewear
- Policy No. 41 – Flexible Advantage Plan
- Policy No. 45 – Conflict of Interest

The revision to Policy No. 36 is included in this resolution revising the above-mentioned policies. This policy has been the subject of multiple discussions at past Board and Finance and Personnel Committee meetings. New language is being proposed for Policy 36 to clarify how this policy is administered by staff.

BACKGROUND:

Staff has developed Personnel Policies and Procedures which require updating periodically due to changed conditions. These revisions are listed below and provided in Exhibit “A”:

Policy No. 2 – General Policies: Policy has been revised to reflect current pay schedules of the District and current safety practices.

Policy No. 8 – Salary: Policy has been revised to reflect current responsibility for establishing hours of operation for the treatment plant.

Policy No. 18 – Vacation: Policy has been revised to reflect changes in procedure for requesting vacation leave.

Policy No. 33 – Injury and Illness Prevention Program: Policy has been revised to reflect current District practices for safety training.

Policy No. 34: – Employee Personal Computer Purchase Plan: Policy has been revised to reflect current District practices and limitations on computer loans.

Policy No. 36: – Performance Recognition Program: The quarterly report of the Performance Recognition Awards for the fiscal year ending June 30, 2012 was presented for review by the Finance and Personnel Committee on August 7, 2012. The Finance and Personnel Committee requested that the report be presented for review of the Board of Directors at the August 27, 2012 Board meeting at which time staff was directed by the Board to revise the Performance Recognition policy to more appropriately reflect the current practice of determining performance recognition awards.

Policy No. 37 – Commuter Trip Reduction (Ridesharing) Plan: Policy has been revised to reflect current District practices for the vanpool and carpool programs.

Policy No. 38 – Safety Shoe and Prescription Safety Eyewear: Policy has been revised to increase allowances for safety shoe and eyewear purchases to reflect current costs.

Policy No. 41 – Flexible Advantage Plan: Policy has been revised to reflect current practices, including use of a third party administrator and debit card for payment of flex expenses. Policy has also been revised to remove redundant information that is updated annually and kept current in the Flex Spending Information Guide.

Policy No. 45 – Conflict of Interest: Policy has been revised to reflect recent position title changes and additions to Appendix A-1.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on September 4, 2012.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2012-

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH
WATER DISTRICT, RESCINDING RESOLUTION NO. 2011-28
AND ESTABLISHING REVISED PERSONNEL POLICIES
(FOR POLICY NOS. 2, 8, 18, 33, 34, 36, 37, 38, 41, AND 45)

LIST OF EXHIBITS:

Exhibit "A" – Proposed revisions to policies
Exhibit "B" – Resolution

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. 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 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 on a biweekly schedule every other Friday as established by the District. A schedule of pay dates is available on the s:\drive under Paysched.~~
- E. Safety is at the forefront of the District's concerns. The California ~~and Federal~~ Occupational Safety and Health ~~Act Administration~~ 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~~ Safe Work Practices 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

July 11, 2011 September 10, 2012
Date

General Manager

July 11, 2011 September 10, 2012
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, each 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 in consultation with the management staff responsible for operations.

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.

POLICY NO. 8. - SALARY

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 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 instances, the General Manager is authorized to approve temporary

POLICY NO. 8. - SALARY

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

July 11, 2011 September 10, 2012
Date

General Manager

July 11, 2011 September 10, 2012
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 month is applicable to all regular full-time employees of the District:

Less than 5 years service	6.67 hours - (80 hours per year)
More than 5 years service but less than 10 years (Beginning with the 5th year anniversary date)	10.00 hours - (120 hours per year)
More than 10 years service (Beginning with the 10th year anniversary date)	13.33 hours - (160 hours per year)

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

July 11, 2011 September 10, 2012
Date

General Manager

July 11, 2011 September 10, 2012
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-Manager~~ is responsible for implementation of this program and 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. Initial and Refresher Training

New employees will attend a New Hire Orientation which will provide initial instruction and training based on their job assignment. Supervisors are required to provide specific training for job tasks. Supervisors are required to train employees when a new substance is introduced or a new hazard is recognized within the employees work area or assignment.

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.

POLICY NO. 33 - INJURY AND ILLNESS PREVENTION PROGRAM

9. Injury or Hazard Reporting

A. Vehicle Accidents

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 identifying unsafe or unhealthful conditions in accordance with SWP-13 Physical Conditions Inspections.

11. 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.

12. Injury/Illness and Hazard Investigation

POLICY NO. 33 - INJURY AND ILLNESS PREVENTION PROGRAM

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).

13. Safety Warnings/Discipline Policy

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).

14. 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

~~July 11, 2011~~ September 10, 2012

Date

| _____
General Manager

~~July 11, 2011~~ September 10, 2012

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 more more than two active computer loans in repayment status for a combination of more than one laptop ~~or tablet-computer,~~ and one desktop computer system, and/or one tablet.

Loan payments will be made through payroll deductions. Personal computer loan payments for loans over \$500 will be determined by spreading the amount financed over a period of 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. 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. Processor and memory (RAM) that meets the requirements of the Operating System and selected Applications..
- B. Most current version of Microsoft Windows Operating System.

POLICY NO. 34 - EMPLOYEE PERSONAL COMPUTER PURCHASE PLAN

- 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. 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.
- C. 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 employee. If a quotation was submitted, warrant(s) will be issued in the name of the employee and vendor(s) for the full purchase price and the employee will pay 10% of the purchase price to IRWD when warrant(s) are delivered.

7. Restrictions on Transfer or Assignment

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.

POLICY NO. 34 - EMPLOYEE PERSONAL COMPUTER PURCHASE PLAN

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

July 11, 2011 September 10, 2012

Date

General Manager

July 11, 2011 September 10, 2012

Date

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES MANUAL

POLICY NO. 36 - PERFORMANCE RECOGNITION PROGRAM

1. **Purpose of Policy**

The purpose of the Performance Recognition Program is to recognize those employees of the District who exhibit outstanding performance which depicts initiative, creativity, and enthusiasm above and beyond the performance requirements of their position with the District.

2. **Procedure for Recommending Performance Recognition Awards**

Department Heads will accept recommendations from their department employees for possible recipients of a performance recognition award. These recommendations will then be presented by the Department Head to the Director of Human Resources for review and determination of their appropriateness and monetary value of the award consistent with previous awards given. The General Manager will make the final determination regarding monetary value and appropriateness of each of the performance recognition awards.

3. **Performance Recognition District Budget**

Performance Recognition Awards will be made from a pool of dollars determined by the Board of Directors each year during the budgetary process. The approved pool may or may not be exhausted during the fiscal year, but awards will never exceed the total pool approved by the Board of Directors for the current fiscal year. Dollars remaining in the pool at the end of each fiscal year will not be carried forward to the next fiscal year. A summary of the awards given during the fiscal year will be discussed with the Finance and Personnel Committee of the Board of Directors each quarter.

4. **Presentation of Performance Recognition Awards**

Performance Recognition Awards ~~will~~can be made, when possible, in an unscheduled and spontaneous manner in order to reward the employee for his/her exemplary performance in a timely manner following ~~the~~an event or activity which justified the recognition. The timely and spontaneous recognition of these employees will maximize and enhance the benefit of this program to the District. Awards may also be made to recognize employees for their overall performance throughout the year.

5. **District's Exclusive Authority**

The Board of Directors of the District has provided the District Management Team an excellent management tool to further motivate and recognize our exemplary employees. The Board of Directors and the General Manager reserve the right to revise or discontinue this program at any time.

POLICY NO. 36 - PERFORMANCE RECOGNITION PROGRAM

6. Administrative Responsibility

The General Manager and the Director of Human Resources of the District will be responsible for administering this program.

APPROVED:

Director of Human Resources

March 9, 2009 September 10, 2012
Date

General Manager

March 9, 2009 September 10, 2012
Date

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES MANUAL

POLICY NO. 37 - COMMUTER TRIP REDUCTION (RIDESHARING) PLAN

1. Purpose of Policy

The purpose of the Commuter Trip Reduction Plan of the District is threefold:

- A. To fulfill any requirements of the City of Irvine, the South Coast Air Quality Management District or any other regulatory agency.
- B. To reduce energy consumption, air and noise pollution, and traffic congestion.
- C. To provide an incentive to the employee for participation in the District's Commuter Trip Reduction Plan.

2. Qualifying Carpools

The categories of eligible car and vanpools are as follows:

A. Vanpools – Contracted Commuter Vanpool

1) District Agreement

The District will contract with a provider to furnish appropriately equipped vehicles to be used for the development and operation of transportation pools and will provide fuel, [toll road transponders](#) and washing access for the vehicles. Oil and maintenance of the vehicles will be the responsibility of the Commuter Vanpool provider.

2) Vanpool Participant Agreement

Pool drivers are required to enter into a Vanpool Cooperative Agreement provided by the contracted commuter vanpool provider. Alternate drivers are also required to complete an agreement provided by the contracted commuter vanpool provider. Forms are available from the District Safety & Security Office.

~~Pool passengers are required to enter into a Vanpool Passenger Agreement provided by the contracted commuter vanpool provider. These agreements clarify pool participant responsibilities. Forms are available from the District Safety & Security Office.~~

The District will cost share with participating employees in the commuter vanpool program. [Forms for pre-tax payroll deduction are available from the Safety & Security office and coordinated with Finance.](#)

3) OCTA Agreement

POLICY NO. 37 - COMMUTER TRIP REDUCTION (RIDESHARING) PLAN

All vanpool participants are also required to complete an OCTA commuter agreement; [thus insuring Transportation Authority Subsidy](#).

B. Car pools - Employee Owned Vehicles

1) District Agreement

The District will pay a cash incentive to employees who organize and operate car pools using their own vehicles, as well as to employees who ride in such a car pool. The travel route must be between work and home. [Agreements are available and kept in the District Safety & Security Office.](#)

2) ~~Pool Participant Agreement~~

~~Pool drivers are required to enter into a Carpool Cooperative Agreement. Alternate drivers are required to enter into an Agreement to serve as Carpool Alternate Driver. Pool passengers are required to enter into a Carpool Passenger Agreement. These agreements clarify pool participant responsibilities and are available from the Safety & Security Office.~~

3) ~~OCTA Agreement~~

~~All vanpool participants are also required to complete an OCTA commuter agreement.~~

C. Additional Commuter Pools

1) Cycle Commuters

Employees who use a bicycle to commute to and from work will be paid an initial cash incentive plus a per mile cash incentive. Participants in this program will be required to enter into a Cyclist Agreement (available [and kept from the in the](#) Safety & Security Office). The travel route must be between work and home.

2) Walking Commuters

Employees who walk to and from work will be paid a per mile cash incentive. Participants in this program will be required to enter into a Commuter Agreement (available [from and kept in](#) the Safety & Security Office).

3) Public Transportation/Outside Transportation Pools

Employees using public transportation or who participate in an outside car or van pool to commute to and from work will be paid a cash incentive. Participants in this program will be required to enter into a Commuter Agreement (available [and kept from the in the](#) Safety & Security Office).

[With the approval of the General Manager, employees who ride the Metrolink may park a District vehicle at the Metrolink Train Station provided there is twenty-four hour security.](#)

POLICY NO. 37 - COMMUTER TRIP REDUCTION (RIDESHARING) PLAN

3. Emergency and Non-Emergency Transportation

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 in accordance with Personnel Policy No. 50 – Vehicle and Equipment Usage~~HR Policy 50~~. 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.

In the event of a family or other emergency arising during the course of a regular scheduled workday, the District will provide emergency transportation to any employee participating in the Trip Reduction program.

4. Payment of Incentives

Monetary incentives will be paid on a ~~monthly~~quarterly basis to employees who participate in the Trip Reduction program. Drivers, passengers, and riders are responsible for accurate and timely reporting ~~of car pool and vanpool participation each pay period~~. No incentive payment will be made for any day in which driver and passenger reporting does not agree. No retroactive adjustments will be made to incentive payments.

Employees receiving incentive payments under this plan are ineligible for incentive payments for the same activity under any other District program.

Incentives, including monetary incentives, will be reviewed from time to time and may be changed upon approval by the General Manager and the Board of Directors. The current incentive schedule is distributed by the Safety & Security Office and may be changed from time to time by action of the Board of Directors.

Additional incentives, such as prize drawings may also be included in this program.

5. Tax Implications for Commuter Incentives Received

Monetary incentives received by employees of the District will be taxed at the time the incentive payment is received.

Additionally, federal and state governments may also consider the use of District owned vehicles for transportation to and from work as a taxable benefit to the driver. The Payroll Section of the District's Finance Department will be responsible for calculating this benefit and notifying employees of potential tax implications.

6. Liability Responsibility

All participants in the Rideshare Program must sign an agreement releasing the District, its directors, officers, employees and agents, from any and all claims, suits, actions, investigations, and proceedings, and related costs and expenses (including attorney's fees), arising out of or in connection with their participation in the Rideshare Program.

7. Exclusive Authority

The General Manager and the Board of Directors reserve the right to change or discontinue the Commuter Trip Reduction Plan at any time.

POLICY NO. 37 - COMMUTER TRIP REDUCTION (RIDESHARING) PLAN

8. Administrative Responsibility

The Safety & Security Office under the direction of the Director of Human Resources will be responsible for administering the Commuter Trip Reduction Program upon direction and approval from the General Manager and Board of Directors.

9. 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.

10. Employee Driving Standards

Participants in The Commuter Trip Reduction (Ridesharing) Plan adhere to Irvine Ranch Water District Personnel Policy No. 43- Employee Driving Standards and agree to the terms of employee responsibilities as outlined.

APPROVED:

Director of Human Resources

January 11, 2010September 10, 2012

Date

General Manager

January 11, 2010September 10, 2012

Date

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES MANUAL

POLICY NO. 38 - SAFETY SHOE AND PRESCRIPTION SAFETY EYEWEAR POLICY

1. Purpose of Policy

The purpose of the Safety Shoe and Prescription Safety Eyewear policy is to ensure that District employees are equipped with proper foot and eye protection for personal safety while performing their assigned job duties.

2. Safety Shoe Specifics

A. Eligible Employees

The following employee classifications are required to wear approved foot protection:

- 1) Department 10P, 20P & 70P20 employees in the following positions: Customer Service Field Technicians, Material Control Clerks, Mail Clerks, Conservation field personnel and all Purchasing Department employees when working in the warehouse and when conducting job walks.
- 2) Department 30P-30 employees in the following sections: Construction/Inspection and Engineering personnel assigned to the field.
- 3) Department 40P & 50P40 employees in the following sections: Fleet Services, Preventive Maintenance, Construction and Repair, Systems Operations, ~~and Facilities Services,~~ Mechanical Services, Electrical Services, Collections, Plant Operations, and Los Alisos Water Recycling Plant (LAWRP).
- ~~4) Department 50 employees in the following sections: Mechanical Services, Electrical Services, Collections, Plant Operations, and Los Alisos Water Reclamation Plant (LAWRP).~~
- 45) Department 460P employees in the following sections: Environmental Compliance and Laboratory Services.

B. Special Circumstances

Other employee groups may be required to wear foot protection in some instances. This requirement and any ensuing reimbursement will be made at the discretion of the District's ~~Safety Office~~ Safety & Security Office.

3. **Supervisor's Responsibility**

Supervisors and managers are responsible for ensuring that employees in their departments wear appropriate safety footwear and eyewear. Supervisors will not allow an employee to work if he/she is not wearing the appropriate safety footwear and/or eyewear. Laboratory personnel will wear shoes with non-slip soles. Shoes for this area will be evaluated for this purpose.

The laboratory environment is more at risk for spills and slipping hazards. All others shall have a safety toe as required by the American Society for Testing and Materials (ASTM) F2412-05, and F2413-05. Supervisors should encourage employees to use rubber boots when working in extremely wet situations to lengthen the useful life of safety shoes and boots.

4. **Employee's Responsibility**

Employees are responsible for purchasing safety shoes that meet the ASTM F2412-05 and F2413-05 standard. Periodically, a mobile safety shoe unit will be at the District to sell safety shoes for the employees' convenience. Only shoes meeting the ASTM F2412-05 and F2413-05 standards will be sold on the mobile safety shoe units that come to the District for the sale of safety shoes. Shoes purchased from retail stores must meet the same requirements. Employees are responsible for wearing safety shoes on the job when required, and will not be allowed to work without the appropriate footwear.

5. **Safety Shoe Reimbursement**

A. **Reimbursement Amount**

Employees are divided into four categories in terms of determining their eligibility for safety shoe reimbursement. The categories are as follows:

Category 1 – Employees with the majority of the workday spent in the field performing construction, maintenance, or operations functions including mechanical work, shop work, and other functions which are predominantly performed outdoors.

Category 2 – Laboratory and ~~some purchasing~~ some purchasing functions.

Category 3 – Employees who spend 50% of the workday indoors, such as support personnel or other administrative personnel.

Category 4 – Employees responsible for leak detection services.

Employees classified as Category 1 will be reimbursed up to ~~one two~~ one hundred ~~hundred~~ and fifty dollars (\$~~150~~200.00) per calendar year for safety footwear. Employees classified as Category 2 will be reimbursed up to one hundred twenty-five dollars (\$~~125~~200.00) per calendar year. Employees classified as Category 3 will receive one hundred twenty-five dollars (\$~~125~~200.00) every third calendar year or as required when a need is demonstrated. Employees classified as Category 4 will receive up to one hundred twenty-five dollars (\$~~125~~200.00) annually for the

purchase of up to one pair of walking shoes per year in addition to any eligibility for Category 1 reimbursements. Any amounts not utilized may not be carried forward or accumulated.

B. Reimbursement Procedure

Employees must submit safety shoe purchase receipts to the District Safety & Security Office for reimbursement. A petty cash reimbursement form will be completed and approved by the ~~Safety Office~~ Safety & Security Office and returned to the employee for processing by the Purchasing department. Petty cash reimbursements are limited to \$99.00. Shoe receipts exceeding this amount will be processed on a District Expense Report and submitted to Finance by the Safety & Security Office.

C. Other Considerations

Special shoes, such as orthopedic safety shoes, will be reimbursed. The annual allowance for ~~these physician~~ these physicians prescribed shoes will be ~~one two~~ hundred ~~fifty~~ dollars (~~\$15~~200.00) per year. Safety shoes that are worn out or unserviceable due to working conditions before the employee's next annual shoe allowance may be replaced on an exception basis. In such cases, the employee shall provide the worn shoes to the District Safety & Security Office for inspection. If the shoes are determined to be unserviceable, the employee will be authorized to replace the shoes with one additional pair of shoes up to the allowance described in section 5 A.

The cost of shoe sprays for waterproofing and the cost of insoles, when requested, will be reimbursed at the discretion of the ~~Safety Office~~ Safety & Security Office and will not be deducted from an employee's shoe allowance.

Leak Detection employees are entitled to one pair of walking shoes per year, not to exceed \$125.00 annually.

6. Prescription Safety Eyewear Reimbursement

The Prescription Safety Eyewear Reimbursement Policy applies to District employees who need prescription glasses and who are required to wear safety glasses as part of their normal job duties. Non-prescription safety glasses are provided by the District for all job tasks that require safety glasses. To be eligible for District-provided prescription safety glasses, an employee must have a current prescription, obtained within the last 12 months. All safety eyewear must meet ANSI Z87 standards. Prescription safety eyewear will have permanently attached side shields. The eligible classes of employees are detailed in Paragraph 2.A. of this policy.

A. Reimbursement Amount

The maximum allowance for single vision, bifocal and trifocal glasses will be as determined through the annual agreement with the provider. Contact the Safety & Security Office for these allowances for the current year, not to exceed \$225.00 per employee. ~~prescription safety eyewear shall be ninety-five dollars (\$95.00) for~~

~~single vision glasses, one hundred fifteen dollars (\$115.00) for bifocals and one hundred twenty-five dollars (\$125.00) for trifocals.~~ Employees may elect to pay for options in excess of the approved allowance.

B. Reimbursement Procedure

To be eligible for reimbursement under this policy, employees are required to follow this procedure:

- 1) Complete a Prescription Safety Eyewear Application Form (available from the Safety & Security Office). The Safety & Security Office will approve the application and supply the employee with a referral form with the name and address of the approved optometrist.
- 2) The employee must use a current prescription (obtained within the last 12 months), or may obtain a new prescription by having his/her eyes checked and covered under the District's group vision coverage.
- 3) The Application Form and prescription are then taken to the District's designated optometrist for the employee to select his/her eyewear and for initial measurement.
- 4) After receipt of the safety eyewear from the optometrist, the eyewear is fitted and adjusted to the employee's satisfaction.
- 5) Any amount exceeding the allowance ~~stated in Paragraph 6.A. above~~ is the responsibility of the employee.

C. Special Restrictions and Clarifications

The prescription safety glass allowance is available to eligible employees once in a calendar year. Any money not utilized may not be carried forward or accumulated.

7. Administrative Responsibility

The District Safety & Security Office is responsible for the administration of this policy.

APPROVED:

Director of Human Resources

~~September 12, September 10, 2012~~
Date

2012
General Manager

~~September 12, 2011~~ September 10,
Date

IRVINE RANCH WATER DISTRICT
PERSONNEL POLICIES AND PROCEDURES MANUAL
POLICY NO. 41 - FLEXIBLE ADVANTAGE PLAN POLICY

1. Purpose of Policy

The District realizes that benefits are a very important part of an employee's compensation. Effective July 1, 1989, The Flexible Advantage Plan (herein referred to as Flex Spending) was implemented at the District. The flex spending program is a tax-favored "Cafeteria" type plan that is allowed under Section 125 of the Internal Revenue code. Section 125 allows you the opportunity to pay for certain expenses with Before-tax dollars instead of After-tax dollars.

2. Eligibility

All regular, full-time employees, including members of the Board of Directors, are eligible to participate in the flex spending plan. The Plan will be offered each year during open enrollment insurance meetings for enrollment in the plan for the following calendar year.

3. How the Flex Spending Program Works

Section 125 of the Internal Revenue Code allows an employer to set up a plan for employees whereby they can use pre-tax earnings to ~~reimburse themselves~~ pay for certain everyday expenses related to miscellaneous medical expenses and dependent care expenses.

Eligible employees may allocate part of their gross earnings each pay period to fund certain defined accounts by completing a Salary Reduction Agreement Election Form indicating their annual election amount during the annual open enrollment period. The amounts are then deposited into the appropriate account(s) in the name of each participating employee. The benefit to the employee is that withholding taxes are applied only to the remaining gross salary.

When an employee incurs an expense covered by one of the accounts he/she has elected to fund, the employee can ~~submit a "Request for Reimbursement" form (available in the Human Resources Department or on the s:drive)~~ use their Flex Advantage debit card or submit a claim form along with the appropriate documentation for the expense to the District's third party administrator. The plan administrator will then authorize a reimbursement check or direct deposit to the employee. This check is received entirely tax-free. It never has to be reported as income.

4. Description of Accounts

The Flex Advantage Plan has ~~six~~ five accounts (~~three~~ four premium accounts and two reimbursement accounts). Premium accounts eligible for pre-tax funding

POLICY NO. 41 - FLEXIBLE ADVANTAGE PLAN POLICY

~~include specific voluntary benefits programs available under Hartford, Aflac, and Colonial insurance. Reimbursement accounts include the Miscellaneous Medical Expense Account and the Dependent Care Reimbursement Account. Details of the covered expenses for the reimbursement accounts can be found in the Flex Spending Information Guide under s:\Human Resources\Benefits Information.~~

A. ~~Employee-Paid Health Insurance Premium and Voluntary Benefit Program Premiums~~

~~Eligible employees may elect to fund their employee-paid insurance costs with before-tax dollars for eligible premiums. If this election is made, the premiums normally paid by employees toward the cost health and voluntary benefits will be automatically deposited into these premium accounts. The District will then direct your funds to the appropriate insurer.~~

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B. ~~Miscellaneous Medical Expense Account~~

Miscellaneous medical expenses are expenses incurred by the employee, which are not covered by the employee's health insurance plan. Under the Flex Advantage Plan, eligible employees can ~~reimburse themselves~~ pay for these types of expenses with "before-tax" dollars, which will result in a tax savings to them. It does, however, require considerable thought and planning on the employee's part to ensure that they do not over-fund this account.

1) ~~Miscellaneous Medical Expense Reimbursement Account~~

~~It is important for eligible employees to be aware that only expenses defined in Section 213 of the Internal Revenue code may be reimbursed. These expenses include:~~

a) ~~Amounts paid for the diagnosis, cure, mitigation, treatment or prevention of disease and amounts paid for the purpose of affecting any structure or function of the body. However, these expenses will be strictly confined to those amounts that are incurred primarily for the prevention or alleviation of a physical or mental defect or illness. An expenditure that is merely beneficial to general well being or health, such as a vacation or a non-prescribed weight reduction program is not considered an expenditure for miscellaneous medical care reimbursement.~~

b) ~~Prescribed or over-the counter drugs and insulin.~~

c) ~~Transportation primarily for and essential to medical care referred in 3.B.a) above.~~

C. ~~Qualified Miscellaneous Medical Expenses~~

POLICY NO. 41 - FLEXIBLE ADVANTAGE PLAN POLICY

A listing of qualified expenses for the miscellaneous medical expense account can be found in IRS Publication 502 and in the District's annual Flex Spending booklet, available in the Human Resources Department. Eligible employees are encouraged to review the list to determine which expenses they and their family members expect to incur during the coming year, and calculate a dollar amount for those expenses.

If expenses are included that eligible employees are certain to incur, they can plan to allocate the full amount of those expenses to their Miscellaneous Medical Expense Account. However, these expenses must be incurred before the end of the each plan year. A new plan year begins each January 1st and runs for the calendar year. There are special rules concerning any money left in this account at the end of the current plan year. Employees are encouraged to be conservative in estimating this amount. To determine the amount of miscellaneous medical expenses an eligible employee is likely to incur for the coming plan year, they should consider any expenses they know they will experience, as well as those expenses they think might be incurred based on their experience from previous years; i.e., sore throats/ear infections; physical exams; etc. Employees should remember to only consider costs which will not be reimbursed by insurance.

E. Dependent Care Reimbursement Account (DCRA)

Dependent care expenses are expenses incurred by the employee for the care of eligible dependents. Under the Flex Advantage Plan, eligible employees can pay for these types of expenses with "before-tax" dollars, which will result in a tax savings to them. This account is designed to help employees pay for eligible expenses incurred for dependent care services which allow them to be gainfully employed.

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1) Who is Eligible

All regular, full-time employees, both single and married are eligible to participate in the Dependent Care Reimbursement Account. However, if you are married, your spouse must either:

- a) Work
- b) Attend school full-time at least five months each year
- e) Be disabled

2) Purpose of the DCRA Account

This account is designed to help employees pay for eligible expenses incurred for dependent care services which allow them to be gainfully employed. Eligible employees may use this account to pay for the care of:

- a) Children through Age 12 who are claimed as a dependent for income tax purposes, and/or

- b) ~~Any person who is claimed as a dependent for income tax purposes who is not able to care for himself/herself because of a disability and who spends at least eight hours in an eligible employee's home each day.~~

~~3) Who Can Provide Care~~

~~Services covered by the Dependent Care Reimbursement Account may be provided inside or outside an employee's home by anyone, except:~~

- ~~a) An employee's spouse.~~
- ~~b) Someone claimed by the employee as a dependent for income tax purposes.~~
- ~~c) An employee's child under the age of 19.~~

~~Expenses for care inside an employee's home may be for housekeepers whose services include providing care for a qualified dependent. If a dependent or child care center is utilized, it must comply with all state and local regulations.~~

~~4) How This Account Works~~

~~The contributions made to this account may be used to reimburse eligible employees for any out-of-pocket dependent care expenses which would ordinarily qualify as dependent care expenses in calculating the dependent care tax credit under Internal Revenue Services (IRS) rules. Dependent care expenses reimbursed through an employee's DCRA cannot also be used in calculating the employee's dependent care tax credit for federal income tax purposes.~~

~~5) How Much to Set Aside~~

~~Regardless of the number of dependents, an eligible employee may designate up to \$5,000 per year. In certain situations, the \$5,000 maximum is reduced:~~

- ~~a) If an employee is married and files a separate income tax return, the employee may direct up to \$2,500 into their DCRA.~~
- ~~b) If an employee is married and files a joint tax return, the amount the District employee puts into this account cannot exceed the lesser of the employee's or the employee's spouse's income.~~
- ~~c) If an employee's spouse is also eligible for a dependent care reimbursement plan, and the employee files a joint return, the total~~

POLICY NO. 41 - FLEXIBLE ADVANTAGE PLAN POLICY

limit that may be used by both the employee and the spouse is \$5,000.

6) ~~DCRA vs. the Dependent Care Tax Credit~~

~~In the past, an employee may have claimed a dependent care tax credit when they filed their federal income tax return. According to the tax rules, an employee may not claim a dependent care tax credit on expenses that have been reimbursed through the DCRA. Before an employee decides to use the DCRA, they should compare their DCRA tax savings with their tax savings using the dependent care tax credit.~~

5. ~~Important Facts to Remember~~

~~Careful planning is necessary to achieve the most favorable results when employees use either Flex Advantage Reimbursement Account (Miscellaneous Medical or Dependent Care). To obtain the tax benefits, each employee must decide which benefits they desire, and how much they elect to apply to their pre-tax reimbursement accounts. Each eligible employee will authorize the District to reduce their gross taxable salary. Amounts allocated will be maintained separately for each account an employee selects. Determining the exact amounts for the Premium Account and Dependent Care Assistance will be easier since these costs tend to be more predictable and predetermined. Careful attention must be given to the Miscellaneous Medical Account and employees are encouraged to conservatively estimate their election to avoid forfeiture of any unused monies at the end of the plan year.~~

~~It is important that employees understand the following two IRS established rules prior to participation in the Plan:~~

A. ~~Annual Enrollment Periods~~

~~Regulations allow you to change the amount of your monthly allocations once a year prior to the beginning of each plan year. However, there is an exception to the general rule. If you experience a Qualified Status Change, as shown below, you may be allowed to change your allocations during the plan year. Examples of status changes allowed by the IRS are:~~

~~Change in legal marital status; change in number of dependents; change in employment status of employee, spouse, or dependent; change in dependent's eligibility for coverage; change in residence that affects eligibility for coverage; when taking leave under the Family and Medical Leave Act; on entitlement to, or loss of, Medicare or Medicaid coverage; significant change in the cost or coverage of a health or dependent care plan; receipt of a qualified medical child support order (or other judgment or decree)~~

~~Any situation not listed here must be referred to your plan administrator for a final decision.~~

POLICY NO. 41 - FLEXIBLE ADVANTAGE PLAN POLICY

~~B. Use It or Lose It~~

~~Please remember that any allocation in a reimbursement account that has not been used for expenses incurred in the plan year will be forfeited. Participants in the Flex Advantage Plan will have three months after the close of each plan year to submit allowable expenses incurred during the previous plan year. The District is prohibited from returning any remaining funds directly back to participants; therefore, participants should identify their known fixed expenses and plan carefully for their variable expenses.~~

6. Other Employee Concerns

Flex Spending allows the participant to receive immediate tax savings on Federal, State, and Social Security taxes. If employees decide to take advantage of the immediate tax savings, they must remember that they are not permitted to count anything that was reimbursed to them through the pre-tax plan in their calculation to determine any tax deduction they might be due for "excess medical expenses" or dependent care expenses.

Employees are encouraged to seek the advice of a tax adviser to avoid any misunderstandings regarding the tax ramifications due to the elections made under the Flexible Advantage Plan.

7. Benefits Cafeteria Plan

A. Effective January, 2000, the Irvine Ranch Water District implemented a benefits cafeteria plan. This Plan will consist of discretionary allocations that may be applied toward District sponsored programs. An amount equal to the PERS-required minimum employer contribution constitutes the District payment toward employee medical insurance. Employees may allocate the remaining amount among the following District sponsored benefit programs:

- 1) Medical Insurance
- 2) Dental Insurance
- 3) Vision Insurance

B. District benefit contributions are based on medical plan and level of coverage. The District will contribute an amount equal to the total cost of the employees selected PERS medical, dental and vision coverage for all full-time regular employees, less the required employee contribution established by the Board of Directors for each plan year.

C. Employees are required to pay any premium amounts in excess of the District contribution for the benefits selected. Such amounts will be deducted from the employee's payroll check each payday.

D. Employees who waive health insurance or who select coverage with total premiums less than the District contribution cannot cash out any portion of the District contribution. The District shall retain the entire employer contribution designated for health insurance for such employees.

POLICY NO. 41 - FLEXIBLE ADVANTAGE PLAN POLICY

- E. CalPERS requires that all agencies choosing to participate in its health program provide coverage for retirees. The District shall provide a medical contribution of the PERS-required minimum employer contribution per month for each retiree that elects to participate in the CalPERS Health Benefits plan.
- F. CalPERS also requires that all agencies choosing to participate in its health program provide coverage for PERS-eligible part-time and temporary employees. In accordance with the CalPERS requirement, effective January 1, 2000, the District shall provide a medical contribution of the PERS-required minimum employer contribution per month for all such employees. PERS-eligible part-time and temporary employees who choose to enroll in a health insurance program shall pay the difference between the PERS-required minimum employer contribution and the cost of the selected plan.
- G. The District's willingness to participate in the CalPERS health program has been based, in part, on:
 - 1. The availability of the "Unequal Contribution Method" for retirees,
 - 2. The initial one dollar (\$1.00) per month minimum employer contribution for retirees; and
 - 3. The minimum employer contribution for PERS-eligible part-time and temporary employees.

In the event of a change in State law or CalPERS rules, regulations or policies which may increase the employer contribution for retirees or part-time and temporary employees, or alter or eliminate the Unequal Contribution Method, the District reserves the right to withdraw from the CalPERS health program and provide alternative insurance coverage to District employees.

8. Administrative Responsibility

The Director of Human Resources of the District will be responsible for administration of the Flexible Advantage Plan.

APPROVED:

Director of Human Resources

March 9, 2009September 10, 2012
Date

March 9, 2009September 10, 2012

POLICY NO. 41 - FLEXIBLE ADVANTAGE PLAN POLICY

General Manager

Date

41-8

IRVINE RANCH WATER DISTRICT
PERSONNEL POLICIES AND PROCEDURES MANUAL
POLICY NO. 45 - CONFLICT OF INTEREST

1. Purpose of Policy

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

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

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

2. Employee Responsibility

A. Compliance with Applicable Laws and Regulations

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

- (1) **Reporting** of economic interests required annually, and upon assuming office and leaving office, by employees who are “Designated Persons” (as defined in the District’s Conflict of Interest Code, Appendix A-1) on FPPC Form 700];
- (2) Compliance with **prohibitions on acceptance of gifts and honoraria** above the dollar limit per source set pursuant to state law;
- (3) **Disqualification** from participation in District decisions in which the employee knows or has reason to know the employee has a financial interest.

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

B. Gifts to the District

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

A payment (a gift other than passes or tickets, including a monetary payment, loan, gift, and a payment for or provision of goods or services, as long as it is not in excess of an applicable District reimbursement rate for travel, meals, lodging or other expenses) may be considered a gift to the District and not to an individual employee only under the circumstances allowed in the FPPC regulations. These include the following: the General Manager or his/her designee receives and controls the payment, the payment is used only for official District business, the General Manager determines which employee(s) shall use the payment, the donor does not earmark them for any specific employee(s), and a record of all of the foregoing is filed and maintained with the District Secretary within 30 days of receipt of the payment and is posted by the District Secretary on the District's website. A payment to the District cannot include travel expenses for an elected official or any official who manages public investments (these officials are designated by the District in the District's Conflict of Interest Code), or any travel that the General Manager or his/her designee has not preapproved in writing before the date of the trip.

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

C. Entertaining

District personnel who, for District business purposes, must dine and/or entertain vendors, contractors or consultants, shall do so at their own expense. Reimbursement of such expenses shall be subject to approval and shall be limited by the District's policy with respect to allowance of expenses. [Resolution No. 1993-35, as amended from time to time.]

D. Outside Consulting, Business Activity or Employment

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

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

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

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

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

3. Disciplinary Actions for Non-Compliance

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

4. Administration

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

APPROVED:

Director of Human Resources

March 14, 2011 September 10, 2012
Date

General Manager

March 14, 2011 September 10, 2012
Date

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

Irvine Ranch Water District

APPENDIX "A-1"

DESIGNATED PERSONS FOR DISCLOSURE PURPOSES
PURSUANT TO CONFLICT OF INTEREST CODE¹

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

<u>Designated Persons</u>	<u>Disclosure Categories</u>	<u>Schedules Associated</u>
Group I Assistant Secretary of the District Director of Wastewater Operations Director of Water Quality District Secretary Executive Director of Engineering and Construction Planning Executive Director of Water Operations Executive Director of Planning & Water Resources Policy General Legal Counsel	1, 2 and 3	All
Group II Assistant Director of Water Operations Assistant Director of Water Policy Customer Service Manager Director of Administrative Services Director of Human Resources Director of Public Affairs Director of Water Resources Electrical Maintenance Manager Environmental Quality Manager Facilities & Fleet Manager Manager of Contracts Administration and Risk Mechanical Maintenance Manager Process Automation Manager Principal Engineer Principal Water Resources Manager Purchasing Manager Purchasing Supervisor Senior Engineer Superintendent of Maintenance & Reliability Water Quality Manager	2 and 3	A-1, A-2, C, D and E
<u>Designated Persons</u>	<u>Disclosure Categories</u>	<u>Schedules Associated</u>
Group III Accounting Manager Administrative Assistant Analyst Application & Support Manager Assistant Construction & Repair Manager	6	D, E

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

Assistant Controller Assistant Engineer/ Planner Assistant Facilities & Fleet Manager Assistant Water Operations Manager Associate Engineer/ Planner Automation Programmer Business Analyst (Oracle) Buyer Chief Plant Operator Collection Systems Manager Conservation Analyst Conservation Specialist Conservation Manager Construction & Repair Manager Construction Inspection Manager Construction Inspector I, II, III Cross Connection Supervisor Customer Service Supervisor District Safety & Security Manager Electrical and Controls Project Manager Electrical/Instrumentation Designer Electrical Supervisor Energy & Water Resource Planner Engineer/ Planner Engineering Technician II, III Environmental Compliance Specialist Environmental Project Coordinator Facilities Services Supervisor Fleet Supervisor GIS Supervisor Government Relations Manager Human Resources Manager Instrumentation Supervisor Laboratory Manager Laboratory Supervisor Landscape Contracts Administrator Material Control Clerk I/II Mechanical Maintenance Supervisor Operations Coordinator Operations Manager Operations Supervisor Principal Analyst Public Affairs Manager Purchasing Coordinator Recycled Water Development Manager Recycled Water Project Specialist Recycled Water Supervisor Recycled Water Systems Specialist Regulatory Compliance Manager Right-of-Way Agent and Real Property Manager Safety & Security Manager Senior Analyst Senior Buyer Senior Conservation Water Use Efficiency Specialist Senior Debt/Investment Analyst Senior Government Affairs Specialist Senior Network Administrator Senior Programmer/Analyst Senior Purchasing Coordinator Senior Recycled Water Systems Specialist Senior Vehicle/Equipment Maintenance Mechanic Senior Water Use Efficiency Specialist Supervising Wetlands/Wildlife Biologist Water Maintenance Supervisor Water Maintenance Manager Water Resources Supervisor Water Resources Manager Water Use Efficiency Analyst		
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Water Use Efficiency Specialist ¹		
Designated Persons	Disclosure Categories	Schedules Associated
Engineering Consultants ² Special Legal Counsel ³	Group IV 1, 4 and 5	All
Financial Consultants ²	Group V 4 and 5	A-1, A-2, C, D and E

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

Irvine Ranch Water District

APPENDIX "A-2"

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

Category 1:

Interests in real property

Category 2:

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

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

Category 3:

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

1. Public utilities
2. Financial audit and accounting services

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

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

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

Category 4:

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

Category 5:

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

Category 6:

Gifts and travel payments from

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

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

APPENDIX “B-1”

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

1. Purpose of Policy

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

To ensure that tickets distributed by IRWD under Regulation 18944.1 and this policy are disclosed on FPPC Form 802 (see Appendix “B-2”) and posted to IRWD’s website within 30 days of distribution as required by Regulation 18944.1.

2. Application of Policy

A. Types of Tickets

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

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

B. Policy Applicable to Tickets Only

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

3. Definitions

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

- A. “IRWD” or “District” shall mean and include the Irvine Ranch Water District and any other affiliated agency created or activated by the District, and any departments, boards, and commissions thereof.
- B. “District Official” shall mean and refer to every member, officer, employee, or consultant of the Irvine Ranch Water District, as defined by Government Code Section 82048 and FPPC Regulation 18701. Such terms shall include, without limitation, any District board or committee member or other appointed official or employee required to file an annual Statement of Economic Interest (FPPC Form 700).

- C. "Immediate family" shall mean and refer to spouse and dependent children.
- D. "Policy" shall mean and refer to this Policy for Distribution of Tickets and/or Passes.
- E. "Ticket" shall mean and refer to a "ticket or pass" for admission privilege to a facility, event, show, or performance for an entertainment, amusement, recreational, or similar purpose.

4. General Provisions

A. No Right to Tickets

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

B. Limitation on Transfer of Tickets

Tickets distributed to a District Official pursuant to this policy shall not be transferred to any other person except to members of such District Official's immediate family solely for their personal use.

C. Prohibition Against Sale of or Receiving Reimbursement for Tickets

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

D. No Earmarking of Ticket Given to District

No ticket gratuitously provided to the District by an outside source and distributed by the District to, or at the behest of, a District Official pursuant to this policy shall be earmarked by the original source for provision to a particular District Official.

5. Ticket Administrator

- A. The General Manager or his/her designee shall be the ticket administrator for purposes of implementing the provisions of this policy.
- B. The General Manager or his/her designee shall have the authority, in his or her discretion, to establish procedures for the purchase and/or distribution of tickets in accordance with this policy. All requests for tickets that fall within the scope of this policy shall be made in accordance with the procedures established by the General Manager or his/her designee.
- C. The General Manager or his/her designee shall determine the face value of tickets distributed by the District for the purposes of sections 6.A., 6.B., and 8.D.(1) of this policy.
- D. The General Manager or his/her designee, in his or her discretion, may revoke or suspend the ticket privileges of any person who violates any provision of this policy.

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

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

- A. The District Official reimburses the District for the face value of the ticket(s).
 - 1. Reimbursement shall be made at the time the ticket(s) is/are distributed to the District Official.
 - 2. The General Manager or his/her designee shall, in his or her discretion, determine which event tickets, if any, shall be available under this section.
- B. The District Official treats the ticket(s) as income consistent with applicable federal and state income tax laws.
- C. The District Official uses, or behests, such ticket(s) for one or more of the following governmental and/or public purposes:
 - (1) Facilitating the attendance of a District Official at an event where the job duties of the District Official require his or her attendance at the event.
 - (2) Promotion of intergovernmental relations and/or cooperation and coordination of resources with other governmental agencies, including, but not limited to, attendance at an event with or by elected or appointed public officials from other jurisdictions, their staff members and their guests.
 - (3) Promotion of District resources and/or facilities available to the public.
 - (4) Promotion of District-run, sponsored, or supported community programs or events.
 - (5) Promoting, supporting, and/or showing appreciation for programs or services rendered by charitable and non-profit organization benefiting District customers.
 - (6) Promotion of business or economic activity, development, and/or redevelopment within the District's service area.
 - (7) Exchange programs with foreign officials and dignitaries.
 - (8) Promotion of District recognition, visibility, and/or profile on a local, state, national, or international level.
 - (9) Promotion of open government by District Official appearances, participation, and/or availability at business and/or community events.
 - (10) Increasing public exposure to, and awareness of, the various educational venues and facilities available to the public through the District.
 - (11) Attracting or rewarding volunteer service.
 - (12) Encouraging or rewarding significant academic, athletic, or public service achievements by students, residents, or businesses within the District service area.
 - (13) Attracting and retaining highly qualified employees in District service; recognizing or rewarding meritorious service by a District employee; and/or promoting enhanced District employee performance or morale.
 - (14) Recognizing contributions made to the District by former District Board Members, District Employees, or other District Officials.

7. Tickets Distributed at the Behest of a District Officials

- A. Only the following District Officials shall have the authority to behest tickets: Elected or Appointed Board of Directors Members, the General Manager, and his/her designee.
- B. Tickets shall be distributed at the behest of a District Official only for one or more public purposes set forth in section 6.C.

8. Disclosure Requirements

- A. This policy shall be posted on the District website in a prominent manner.
- B. Tickets provided to District Officials as part of their official duties, or tickets provided so that the District Official may perform a ceremonial role or function on behalf of the

District are not to be subject to this policy and are exempt from any disclosure requirements under section 8. A ceremonial role or function includes, but is not limited to, making a speech, participating in a panel or seminar, presenting an award or proclamation, or cutting a ribbon.

- C. Tickets distributed by the District for which the District receives reimbursement from the District Official as provided under Section 6.A. shall not be subject to the disclosure provisions of Section 8.
- D. Tickets distributed by the District to any District Official either 1) which the District Official treats as income pursuant to Section 6.B. or 2) for one or more public purposes described in section 6.C., shall be disclosed on Form 802 provided by the FPPC in a prominent fashion on the District's website within 30 days after distribution. Such posting shall include the following information:
 - (1) The name of the recipient, except that if the recipient is an organization, the District may post the name, address, description of the organization, and number of tickets provided to the organization in lieu of posting the names of each recipient;
 - (2) a description of the event;
 - (3) the date of the event;
 - (4) the face value of the ticket;
 - (5) the number of tickets provided to each person;
 - (6) if the ticket is distributed at the behest of a District Official, the name of the District Official who made such behest; and
 - (7) a description of the public purpose(s) under which the distribution was made, or, alternatively, the District Official is treating the ticket as income.

**Tickets Provided by
Agency Report**

California
Form **802**

A Public Document

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

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

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

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

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

- Gratuously, or
- Pursuant to a contract

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

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

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

Privacy Information Notice
Information requested on all FPPC forms is used by the FPPC to administer and enforce the Political Reform Act (Government Code Sections 81060-81074 and California Code of Regulations Sections 18100-18907). All information required by these forms is mandated by the Political Reform Act. Failure to provide all of the information required by the Act is a violation subject to administrative, criminal, or civil prosecution. All reports and statements provided are public records open for public inspection and reproduction.

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

General Counsel
Fair Political Practices Commission
426 J Street, Suite 620
Sacramento, CA 95814
(916) 322-6650

FPPC Form 802 (F0409)
FPPC Toll-Free Help Line: 888-ASK-FPPC (366-276-3173)

Tickets Provided by Agency Report

A Public Document

TICKETS PROVIDED BY AGENCY REPORT

1. Agency Name		Date Stamp	Division / Forest 802 Fairfield area City
Division, Department, or Region (if available)			
Street Address			
Area Code/Phone Number	Agency	<input type="checkbox"/> Appointment (if applicable) Per 57	
Agency Contact (name & title)		Date of Official Filing: <u>11/17/2017</u>	

2. Event For Which Tickets Were Distributed

Date(s) of Event: _____ Description of Event: _____
 Face Value of Ticket: \$ _____

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

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

Number of Tickets Received: _____ Ticket(s) Provided to Agency: Circulatively Pursuant to COMINT

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

Name of Official (Last, First)	Number of Tickets	Specify Whether the Distribution is In Accordance with the Purpose of the Distribution

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

Name of Receiving Agency Official: _____

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

Description of Organization: _____

Address of Organization: _____
Number and Street City State Zip Code

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

5. Verification

I have determined that the distribution of tickets set forth above is in accordance with the provisions of FPPG Regulation 18014.3

Signature of Agency Head or Designer: _____ Print Name: _____ Title: _____ (Date: MM/DD/YYYY)

Comments: (Use the space or an attachment for any additional information including attachments and signatures.) _____

FPPG Form 856 (7/1/05)
 FPPG Toll Free Helpline: 800-543-7772

Exhibit "B"

RESOLUTION NO. 2012-

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, RESCINDING RESOLUTION NO. 2011-28 AND ESTABLISHING REVISED PERSONNEL POLICIES (FOR POLICY NOS. 2, 8, 18, 33, 34, 36, 37, 38, 41, and 45)

WHEREAS, the Irvine Ranch Water District (IRWD) is a California Water District formed pursuant to Division 13 of the Water Code of the State of California; and

WHEREAS, Section 34900 of said Code provides that the Board of Directors shall employ and appoint such agents, officers and employees as may be required and prescribe their duties and fix their salaries; and

WHEREAS, by adoption of Resolution No. 2011-28 dated September 12, 2011, the Board established revised Personnel Policies; and

WHEREAS, the Board of Directors of Irvine Ranch Water District deem it advisable and in the best interest of said District to revise Personnel Policies as follows:

Policy No. 2 – General Policies: Policy has been revised to reflect current pay schedules of the District and current safety practices.

Policy No. 8 – Salary: Policy has been revised to reflect current responsibility for establishing hours of operation for the treatment plant.

Policy No. 18 – Vacation: Policy has been revised to reflect changes in procedure for requesting vacation leave.

Policy No. 33 – Injury and Illness Prevention Program: Policy has been revised to reflect current District practices for safety training.

Policy No. 34 – Employee Personal Computer Purchase Plan: Policy has been revised to reflect current District practices and limitations on computer loans.

Policy No. 36 – Performance Recognition Program: Policy has been revised to reflect current District practices.

Policy No. 37 – Commuter Trip Reduction (Ridesharing) Plan: Policy has been revised to reflect current District practices for the vanpool and carpool programs.

Policy No. 38 – Safety Shoe and Prescription Safety Eyewear: Policy has been revised to increase allowances for safety shoe and eyewear purchases to reflect current costs.

Policy No. 41 – Flexible Advantage Plan: Policy has been revised to reflect current practices, including use of a third party administrator and debit card for payment of flex expenses. Policy has also been revised to remove redundant information that is updated annually and kept current in the Flex Spending Information Guide.

Policy No. 45 – Conflict of Interest: Policy has been revised to reflect recent position title changes and additions to Appendix A-1.

NOW, THEREFORE, the Board of Directors of Irvine Ranch Water District hereby resolve, determine and order as follows:

Section 1. That Resolution No. 2011-28 be and hereby is rescinded in its entirety.

Section 2. That the Finance and Personnel Committee be authorized to approve exceptions to the District’s Personnel Policies and procedures as long as those exceptions do not violate the general intent of the policy and/or procedure and are made in the best interest of the overall operations of the District. Any changes made by Committee are to be reported to the Board of Directors.

Section 3. That the Personnel Policies for Irvine Ranch Water District be, and hereby are, approved and adopted as more specifically set forth in Exhibit “A” of this Resolution, attached hereto and by this reference made a part hereof.


ADOPTED, SIGNED AND APPROVED this 11th day of September, 2012.

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

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

APPROVED AS TO FORM;
Bowie, Arneson, Wiles & Giannone
Legal Counsel - IRWD

By _____

September 10, 2012
Prepared by: Christopher Smithson
Submitted by: Rob Jacobson
Approved by: Paul Cook 

ACTION CALENDAR

ESTABLISHING CONNECTION FEES IN IMPROVEMENT DISTRICTS 184/284

SUMMARY:

The District will need to establish and adopt a connection fee for redevelopment in Improvement Districts (IDs) 184/284 for a commercial development that will be converting to residential. These IDs were for commercial development of the Foothill Ranch area (Project) which included residential IDs 182/284. Staff recommends that the Board adopt residential connection fees for redevelopment in this area for inclusion in the District's Rates and Charges.

BACKGROUND:

A property owner within IDs 184/284 is converting the property from a commercial to a residential development and has requested a connection fee for this redevelopment, which represents a credit for the initial connection fee paid and addresses the increased demands identified in the development.

History within the Foothill Ranch Development:

The Foothill Ranch development is unique in that an agreement was executed in 1988 with the District that provided for the developer to pay 50% of the "Project" cost as identified in the Plan of Works. The agreement also called for 50% of any remaining funds to be returned to the developer 30 days after acceptance by IRWD of all components of the Project.

In February 2002, an agreement was reached with the Foothill Ranch Company (attached as Exhibit "A") that reimbursed the developer \$800,000 and entitled the District to utilize the collection of connection fees, user rates, standby or acreage assessments and any other fees or charges permitted by law to provide funding for future capital costs. The reimbursement utilized the cash runs to identify fund balances at ultimate development to identify a sharing of the remaining balance.

The District has previously had redevelopment conversions from commercial to residential in other IDs. When proof of the initial connection fee was available, credit for the demands already funded was taken into consideration. Because these IDs are unique, staff recommends establishing a connection fee for the commercial IDs of the Foothill Ranch development.

Factors Influencing Rate Setting:

The following factors that play a significant role in the generation of the proposed residential redevelopment rate in IDs 184/284 as identified in Exhibit "B" are:

- An equal allocation of the developer's connection fee contribution to the parcels based on the demands identified by the type of development;
- A change in demand as identified in the 1988 Sub-Area Master Plan and the 2007 Water Resources Master Plan; and
- The increase in system demands from a conversion from commercial to residential.

Because the connection fee was for the Project, the contribution will be allocated to all parcels based on their demand requirements.

Total demand requirements increased 33% from the 1988 Sub-Area Master Plan to the 2007 Water Resources Master Plan.

Plan	Demand in AF/Yr	Change
FHR-1 - Master Plan 2025	3,783	
1988 Sub-Area Master Plan	(2,845)	
Water Resources Master Plan Change	938	33%

This change in overall demand would be shared by all new development occurring within the Project.

The third factor compares the demands on the system by a commercial development and a residential development. In order to make this comparison, the commercial development was converted to estimated dwelling units (EDU) for comparison. The residential demand per EDU is 0.269 per unit while the same for the commercial development is 0.233 per unit. The conversion will result in an increase in demand of 13%.

Establishing Rates for IDs 184/284:

The change in demands from the 1988 Sub-Area Master Plan to the 2007 Master Plan result in an increase in demand of 33%, and converting development from commercial to residential would add an additional 13%, for a combined total addition of 46%.

Currently, all IDs not identified specifically in the rates and charges pay the connection fees for IDs 101/210. Factoring these rates by 46% provides the property credit for fees paid and recognizes changes to demands that have not been met.

The resulting residential water/sewer connection fee for 184/284 will fall between \$2,535 and \$4,246 per dwelling unit based on density.

The current connection fee for 101/210 and the proposed connection fees for IDS 184/284 are identified below by density:

Residential Connection Fee:

All Others	ID	0-5.8 DU's/Acre	5.9-10.8 DU's/Acre	10.9-25.8 DU's/Acre	25.9-40.0 DU's/Acre
Water	101	\$3,338	\$2,945	\$2,494	\$2,106
Sewer	210	\$5,926	\$5,274	\$4,341	\$3,425
Total		\$9,264	\$8,219	\$6,835	\$5,531
Water	184	\$1,530	\$1,350	\$1,143	\$965
Sewer	284	\$2,716	\$2,417	\$1,990	\$1,570
Total		\$4,246	\$3,767	\$3,133	\$2,535

Staff recommends establishing connection fees in IDs 184/284 as identified above for residential development.

FISCAL IMPACTS:

The fiscal impacts of changes will be determined by the connection fees established by the Board.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was presented to the Finance and Personnel Committee on September 4, 2012.

RECOMMENDATION:

THAT THE BOARD APPROVE ESTABLISHING RESIDENTIAL CONNECTION FEES IN IMPROVEMENT DISTRICTS 184/284 AND ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO 2012-___

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA ADOPTING CHANGES TO CONNECTION FEES AS SET FORTH IN THE SCHEDULE OF RATES AND CHARGES IN EXHIBIT "B" TO THE RULES AND REGULATIONS OF IRVINE RANCH WATER DISTRICT FOR WATER, SEWER, RECYCLED WATER AND NATURAL TREATMENT SYSTEM SERVICE

LIST OF EXHIBITS:

Exhibit "A" – Memorandum of Agreement to Terminate Whiting Ranch Sewer Plan Agreement

Exhibit "B" – Connection Fee Formula for Foothill Ranch Commercial Development

Exhibit "C" – Resolution Adopting Changes to Rates and Charges

Exhibit "D" – Proposed Changes to the Schedule of Rates and Charges

Exhibit "A"

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Recorded in Official Records, County of Orange
Gary Granville, Clerk-Recorder

IRVINE RANCH WATER DISTRICT
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, California 92619-7000
Attention: Leslie A. Bonkowski, Secretary

NO FEE
20020220507 10:09am 03/18/02
115 33 T02 9
0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00

MAIL TAX STATEMENTS TO ADDRESS ABOVE

(Space Above For Recorder's Use)

DOCUMENTARY TRANSFER TAX \$ None - Tax Exempt

- Computed on full value of property conveyed:
- Computed on full value less the value of liens or encumbrances thereon remaining at time of sale

FREE RECORDING REQUESTED -- Essential to acquisition by Irvine Ranch Water District (Government Code §6103)

JT
GP
CF
NF

**MEMORANDUM OF AGREEMENT TO TERMINATE
WHITING RANCH SEWER PLAN AGREEMENT**

THIS MEMORANDUM OF AGREEMENT is made and entered into as of this 25th day of February, 2002, by and between IRVINE RANCH WATER DISTRICT, a California water district ("IRWD") and FOOTHILL RANCH COMPANY, a California general partnership ("FRC").

RECITALS

A. IRWD and FRC's predecessor in interest, JC/RG Corporation, have entered into an agreement entitled "WHITING RANCH SEWER PLAN AGREEMENT," dated February 10, 1986, as amended by the First Amendment dated June 2, 1986 (the "Sewer Plan Agreement"). A memorandum of the Sewer Plan Agreement was recorded in the Official Records of Orange County on January 6, 1987, as Instrument No. 87-005952. An Agreement Regarding Correction

EXHIBIT B to Master Agreement

to said memorandum was recorded in the Official Records of Orange County on October 11, 1991, as Instrument No. 91-554287 (excluding a parcel that was included in the recorded memorandum in error).

B. The parties have agreed to terminate the Sewer Plan Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties hereto agree as follows:

Section 1. The parties hereto agree that IRWD shall record a copy hereof in the Official Records of Orange County.

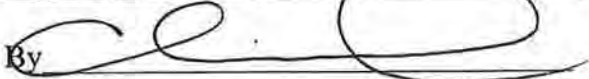
Section 2. By recording this Agreement, the parties acknowledge and agree that the Memorandum of Sewer Plan Agreement, recorded in the Official Records of Orange County on January 6, 1987, as Instrument No. 87-005952, as corrected by Agreement Regarding Correction to Memorandum of Whiting Ranch Sewer Plan Agreement, recorded in the Official Records of Orange County on October 11, 1991, as Instrument No. 91-554287, is hereby terminated and released with respect to all property described in Exhibit A hereto. The parties further acknowledge and agree that the Sewer Plan Agreement has been terminated with respect to all property described in Exhibit A hereto.

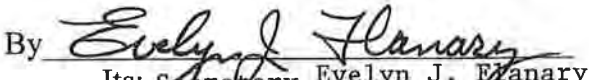
IN WITNESS WHEREOF, this Memorandum of Agreement has been executed in the names of the respective parties by their duly authorized officers, effective as of the day and year

first above written.

FOOTHILL RANCH COMPANY,
a California general partnership

By: HON PROPERTY INVESTMENTS, INC., a
California Corporation

By 
Its: CFO Chris A. Downey

By 
Its: Secretary Evelyn J. Flanary

APPROVED AS TO FORM:
COUNSEL FOR FRC

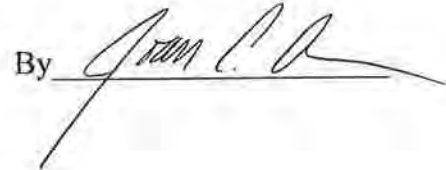
By 

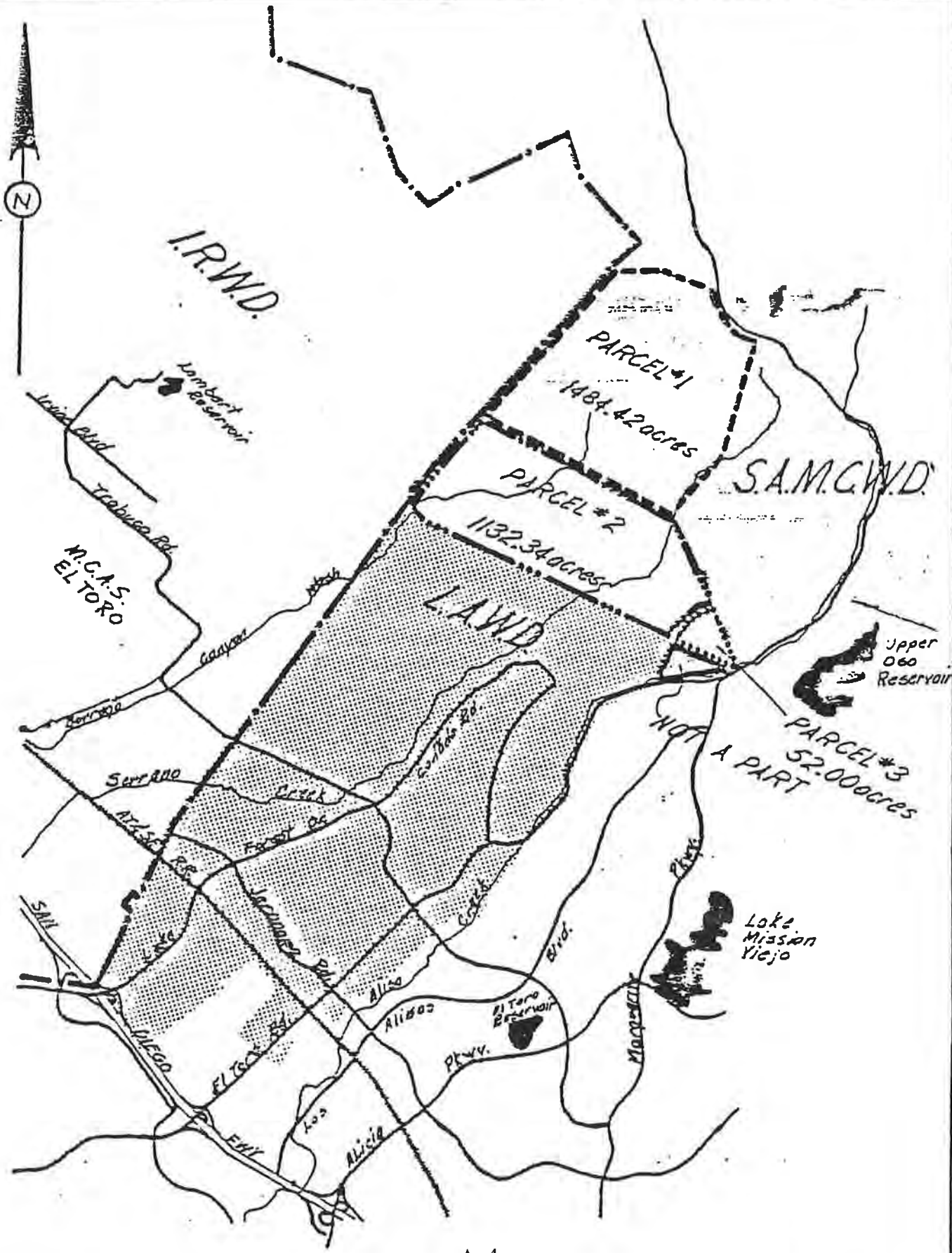
IRVINE RANCH WATER DISTRICT

By 
General Manager

By 
Secretary

APPROVED AS TO FORM:
BOWIE, ARNESON,
WILES & GIANNONE

By 



A-4

DRAWN msx
 DATE Aug. 4, 1981
 APPROVED S.P.M.

IRVINE RANCH WATER DISTRICT
 ANNEXATION No. 21 (WHITING RANCH) TO I.R.W.D.
 ORANGE COUNTY REORGANIZATION No. 56

5A

August 4, 1981
JN 20451

LEGAL DESCRIPTION

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE IRVINE RANCH WATER DISTRICT
REQUESTING APPROVAL BY THE ORANGE COUNTY
LOCAL AGENCY FORMATION COMMISSION OF
PROPOSED REORGANIZATION NO. 56

PARCEL 1

That portion of Lots 8, 9 and 10 of the Rancho Canada De Los Alisos as shown on a map filed in Book 3, Pages 290 and 291 of Miscellaneous Records, Records of Los Angeles County, California, situated in the unincorporated territory of the County of Orange, State of California, described as follows:


Beginning at a point in the boundary line of the Santa Ana Mountains County Water District (S.A.M.C.W.D.) as adopted by the Board of Directors thereof per Resolution No. 62-95, said point being the southerly corner of Block 177 of Irvine's Subdivision as shown on a map filed in Book 1, Page 88 of Miscellaneous Record Maps, Records of said Orange County and a point in the southeasterly line of said Irvine's Subdivision as established by agreement recorded in Book 210, Page 218 of Deeds, Records of said Los Angeles County; thence along said S.A.M.C.W.D. boundary line and said southeasterly line North 42°52'10" East, 7895.79 feet to the southerly line of the land included within Modjeska Home, Sheet "D" as shown on a map recorded in Book 9, Pages 41 through 43 of Miscellaneous Maps, Records of said Orange County; thence along said S.A.M.C.W.D. boundary line and southerly line South 84°17'53" East 2109.36 feet and South 63°48'25" East, 1873.73 feet to the southwesterly line of Santiago Canyon Road as described in a deed to the County of Orange recorded in Book 8241, Page 61 of Official Records of said Orange County; thence leaving said S.A.M.C.W.D. boundary line along said southwesterly line through the following courses: South 4°38'42" West, 271.96 feet; thence South 27°36'22" East, 241.24 feet; thence South 15°06'31" West, 210.13 feet; thence South 1°13'38" East, 105.53 feet; thence South 39°14'09" East, 107.54 feet; thence South 64°40'27" East 235.64 feet; thence South 17°28'24" East 243.46 feet; thence South 62°15'29" East, 117.16 feet; thence South 66°52'41" East, 99.12 feet; thence South 0°07'20" West, 149.59 feet; thence South 45°15'42" East, 73.86 feet; thence South 58°29'24" East 98.35 feet; thence South 54°52'48" East, 318.38 feet; thence South 49°50'46" East, 103.52 feet; thence South 52°19'09" East, 104.37 feet; thence South 53°15'25" East, 214.97 feet; thence South 86°14'49" East, 215.87 feet; thence South 74°47'21" East, 160.94 feet; thence South 57°01'11" East, 148.99 feet; and thence South 77°45'00" East, 28.36 feet to the westerly line of Parcel 2 as described in a deed to Southern California Edison Company recorded in Book 7310, Page 373 of Official Records of said Orange County; thence leaving said southwesterly line of Santiago Canyon Road along said westerly line of Parcel 2 South 16°47'23" West, 2070.04 feet and South 16°50'54" West, 3176.20 feet to the southeasterly line of said Lot 9 of the Rancho Canada De Los Alisos; thence along said southeasterly line South 40°31'17" West, 2598.98 feet to the northerly corner of Lot 5 of said Rancho Canada De Los Alisos and a point in said S.A.M.C.W.D. boundary line; thence along said S.A.M.C.W.D. boundary line North 60°35'24" West, 8937.66 feet to the POINT OF BEGINNING.

CONTAINING: 1484.42 Acres, more or less.

SUBJECT TO all Covenants, Rights, Rights-of-Way and Easements of Record.

EXHIBIT "D" attached and by this reference made a part hereof.

A-5


William J. Frost, Land Surveyor

50

LEGAL DESCRIPTION

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT
REQUESTING APPROVAL BY THE ORANGE COUNTY
LOCAL AGENCY FORMATION COMMISSION OF
PROPOSED REORGANIZATION NO. 56

PARCEL 2

That portion of Lots 5 and 10 of the Rancho Canada De Los Allisos as shown on a map filed in Book 3, Pages 290 and 291 of Miscellaneous Records, Records of Los Angeles County, California; together with that portion of Lot "A" of Tract No. 695 as shown on a map filed in Book 25, Page 1 of Miscellaneous Maps, Records of Orange County, California, all situated in the unincorporated territory of the County of Orange, State of California, described as follows:

Beginning at a point in the existing boundary line of the Irvine Ranch Water District (I.R.W.D.) as adopted by the Board of Directors thereof per Resolution No. 1968-25, said point being the northerly corner of Parcel 1 of Parcel Map 79-132 as shown on a map filed in Book 143, Pages 11 through 16 of Parcel Maps, Records of said Orange County, said corner being a point in the northwesterly line of said Rancho Canada De Los Allisos as established by agreement recorded in Book 210, Page 218 of Deeds, Records of said Los Angeles County; thence along said northwesterly line and said I.R.W.D. boundary line North 35°54'42" East, 2083.27 feet and North 42°52'10" East, 2195.19 feet to the most southerly corner of Block 177 of Irvine's Subdivision as shown on a map filed in Book 1, Page 88 of Miscellaneous Record Maps, Records of said Orange County, being also a point in the existing boundary line of the Santa Ana Mountains County Water District (S.A.M.C.W.D.) as adopted by the Board of Directors thereof per Resolution No. 62-95; thence leaving said I.R.W.D. boundary line, along said S.A.M.C.W.D. boundary line South 60°35'24" East, 8937.66 feet to the northerly corner of Lot 5 of said Rancho Canada De Los Allisos and a point in the northeasterly line of said Lot 5 as established by agreement recorded in Book 1411, Page 556 of Official Records of said Orange County; thence along said northeasterly line and said S.A.M.C.W.D. boundary line South 22°12'21" East, 1656.44 feet to the northerly corner of Parcel 1 as described in a deed to Southern California Edison Company recorded in Book 7310, Page 373 of Official Records of said Orange County; thence leaving said S.A.M.C.W.D. boundary line along the boundary line of said Parcel 1 South 16°50'26" West, 144.74 feet and South 22°33'46" East, 2221.99 feet; thence leaving said boundary line North 83°53'04" West, 146.60 feet; thence South 56°34'31" West, 599.08 feet; thence South 71°33'54" West, 347.85 feet; thence South 75°07'28" West, 661.32 feet; thence South 26°23'32" West, 245.80 feet to the easterly corner of Parcel 3 of said Parcel Map 79-132, said point being in the boundary line of the Los Allisos Water District (L.A.W.D.) per the Formation thereof; thence along said L.A.W.D. boundary line and the northeasterly line of said Parcel 3 and the northeasterly line of Parcels 2 and 1 of said Parcel Map 79-132 North 63°35'01" West, 10488.43 feet to an angle point in said northeasterly line of Parcel 1; thence continuing along said L.A.W.D. boundary line and said northeasterly line of Parcel 1 North 40°22'21" West, 1266.54 feet to the POINT OF BEGINNING.

CONTAINING: 1132.34 Acres, more or less.

SUBJECT TO all Covenants, Rights, Rights-of-Way and Easements of Record.

EXHIBIT "D" attached and by this reference made a part hereof.

August 4, 1981
JN 20451

LEGAL DESCRIPTION

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT
REQUESTING APPROVAL BY THE ORANGE COUNTY
LOCAL AGENCY FORMATION COMMISSION OF
PROPOSED REORGANIZATION NO. 56

PARCEL 3

That portion of Lot 5 of the Rancho Canada De Los Alisos as shown on a map filed in Book 3, Pages 290 and 291 of Miscellaneous Records, Records of Los Angeles County, California, situated in the unincorporated territory of the County of Orange, State of California, described as follows:

BEGINNING at a point in the boundary line of the Los Aliso Water District (L.A.W.D.) as created by the Formation thereof, said point being the easterly corner of Parcel 3 of Parcel Map 79-132 as shown on a map filed in Book 143, Pages 11 through 16 of Parcel Maps, Records of said Orange County; thence along said L.A.W.D. boundary line and the southeasterly prolongation of the northeasterly line of said Parcel 3 South 63°35'01" East 2856.79 feet to the southwesterly line of Parcel 1 as described in a deed to Southern California Edison Company recorded in Book 7310, Page 373 of Official Records of said Orange County; thence leaving said L.A.W.D. boundary line along said southwesterly line North 20°01'51" West 671.09 feet and North 22°33'46" West 1575.35 feet; thence leaving said southwesterly line North 83°53'04" West 146.60 feet; thence South 56°34'31" West 599.08 feet; thence South 71°33'54" West 347.85 feet; thence South 75°07'28" West 661.32 feet; thence South 26°23'32" West 245.80 feet to the POINT OF BEGINNING.

CONTAINING: 52.00 Acres, more or less.

SUBJECT TO all Covenants, Rights, Rights-of-Way and Easements of Record.

EXHIBIT "D" attached and by this reference made a part hereof.


William J. Frost, Land Surveyor

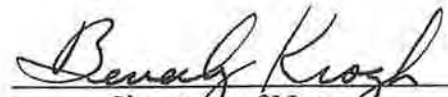
EXHIBIT "A"

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On March 5, 2002, before me, Beverly Krogh, Notary Public, personally appeared Evelyn J. Flanary and Chris A. Downey, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.



Signature of Notary



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of CALIFORNIA

County of ORANGE

On MARCH 13, 2002 before me, SYLVIA M. MUMENTHALER
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared PAUL D. JONES II and LESLIE BONKOWSKI
Name(s) of Signer(s)

personally known to me – OR – proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that ~~he/she~~ they executed the same in ~~his/her~~ their authorized capacity(ies), and that by ~~his/her~~ their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Sylvia M. Mumenthaler
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

IRVINE RANCH WATER DISTRICT
Connection Fee formula for Foothill Ranch Redevelopment

Land Use	Net Acres	Gross Acres	Total CFS	Max Day (Total*2)	Demands		Acre Feet / Year (Total*Gln Fctr/1,120)
					Peak Hour (Total*3)		
1988 Sub-Area Master Plan							
Residential	421.20	520.70	1.81	3.62	5.43		1,044
Comm.\Ind.	602.20	676.80	2.05	4.10	6.15		1,183
Parks	16.00	16.00	0.09	0.18	0.27		52
Schools	10.00	10.00	0.02	0.04	0.06		12
Open Space	138.00	138.00	0.96	1.92	2.88		554
Total	1,187.40	1,361.50	4.93	9.86	14.79		2,845

2007 Water Resources Master Plan		Acre Feet / Year	Change
Total	FHR-1 - Master Plan 2025	3,783	
	1988 Sub-Area Master Plan	(2,845)	
	Water Resources Master Plan Change	938	33%

Customer Type	Net Acres	Gross Acres	Total CFS	Units	EDU Factor	EDU's	Demands / EDU		
Residential	421.20	520.70	1.81	3,900	7.49	3,900	0.268		
Comm.\Ind.	602.20	676.80	2.05			5,069	0.233		
	Change in Customer Type							0.03	13%

Residential Connection Fee:					
<i>All Others</i>		0-5.8	5.9-10.8	10.9-25.8	25.9-40.0
ID		DU's/Acre	DU's/Acre	DU's/Acre	DU's/Acre
Water	101	\$3,338	\$2,945	\$2,494	\$2,106
Sewer	210	\$5,926	\$5,274	\$4,341	\$3,425
Total		\$9,264	\$8,219	\$6,835	\$5,531
<i>Adjusted</i>					
Current fee increased for Water Resources Master Plan Growth Projection + Current fee increased for Customer Type Change					
Water	184	\$1,530	\$1,350	\$1,143	\$965
Sewer	284	\$2,716	\$2,417	\$1,990	\$1,570
Total		\$4,246	\$3,767	\$3,133	\$2,535

Exhibit "C"

RESOLUTION NO. 2012-

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE
RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA
ADOPTING CHANGES TO CONNECTION FEES AS SET FORTH IN
THE SCHEDULE OF RATES AND CHARGES
IN EXHIBIT "B" TO THE RULES AND
REGULATIONS OF IRVINE RANCH WATER DISTRICT
FOR WATER, SEWER, RECYCLED WATER, AND NATURAL
TREATMENT SYSTEM SERVICE

WHEREAS, the Irvine Ranch Water District (IRWD) is a California Water District organized and existing under the California Water District Law, and all of the lands within the boundaries of said District are located in the County of Orange, State of California; and

WHEREAS, Section 35423, 35470, and Section 35501 of the California Water Code empower the District to establish, print and distribute equitable rules and regulations and prescribe and collect rates or other charges for water and sewer service, and such authority to prescribe and collect rates or other charges for water and sewer service includes connection fees for connection and service capacity; and

WHEREAS, the Board of Directors of IRWD, by adoption of Resolution No. 2009-4 approved and adopted amended "Rules and Regulations of Irvine Ranch Water District for Water, Sewer, Recycled Water, and Natural Treatment System Service effective February 9, 2009"; and

WHEREAS, Exhibit "B" of said Rules and Regulations sets forth Rates and Charges, which Exhibit "B" may be changed from time to time by adoption of changes to any of the rates and charges or any new rates and charges as may be established and set forth therein; and

WHEREAS, Section 21080(b) (8) of the Public Resources Code provides that the establishment, modification, structuring, restructuring or approval of rates, tolls, fares, or other charges by public agencies are exempt from the requirements of the California Environmental Quality Act (CEQA) provided that certain findings are made specifying the basis for the claim of exemption; and

WHEREAS, Article XIII B of the Constitution of the State of California, limiting local agencies' appropriations of proceeds of taxes, excludes user charges or fees or regulatory fees from the definition of proceeds of taxes, as long as such fees and charges do not produce revenue exceeding the costs reasonably borne in providing the regulation, product or service, and further excludes appropriations for debt service and appropriations for qualified capital outlay projects from appropriations subject to limitation; and

WHEREAS, the Board of Directors of IRWD deems it advisable and finds that it would be in the best interest of the District to amend or establish connection fees, consistent with applicable constitutional and statutory requirements; and

WHEREAS, the proposed revisions to the connection fees, as set forth in Exhibit “A” to this resolution, do not modify or establish any property-related fees or charges subject to the notice and hearing procedures of Article XIID of the Constitution of the State of California; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of IRWD as follows:

Section 1. It is hereby found and determined that the proposed changes to the Schedule of Rates and Charges are within the purposes set forth in Section 21080(b) of the Public Resources Code including but not by way of limitation, the purposes of (1) meeting operating expenses, (2) purchasing or leasing supplies, equipment or materials, (3) meeting financial reserve needs and requirements, and (4) obtaining funds for capital projects necessary to maintain service within existing areas, and therefore, that such changes are exempt from CEQA.

Section 2. It is hereby found and determined that relative to Article XIII B of the Constitution of the State of California, the charges or fees or regulatory fees established or increased hereby do not produce revenues exceeding the costs reasonably borne in providing the regulation, product or service and/or are used for debt service or qualified capital outlay projects and accordingly do not constitute proceeds of taxes, the appropriation of which is limited under Article XIII B, and that the documentation used in making such determinations has been on file in the office of IRWD for not less than 15 days prior to the date hereof, pursuant to Section 7910 of the Government Code of the State of California. It is hereby further found and determined that relative to the requirements of Sections 66013 and 66016 of the Government Code of the State of California, the availability of such documentation also satisfies the requirement to make publicly available the data indicating the estimated cost and revenue sources to provide the service for which the fee is imposed at least 10 days prior to the meeting at which this resolution is adopted, and that the connection fees established or increased hereby do not exceed the estimated reasonable cost of providing the service for which they are imposed.

Section 3. The new and/or revised connection fees as set forth in Exhibit “A” attached to this resolution and by this reference incorporated herein are hereby adopted, and the corresponding rate(s), fee(s) or charge(s), if any, as set forth in Rules and Regulations Exhibit “B” currently in effect, are hereby superseded. Staff is directed to incorporate the hereby adopted new and/or revised connection fee(s) into Exhibit “B” to the Rules and Regulations.

Section 4. That the provisions of this Resolution shall be effective upon adoption.

///
///

Section 5. That the Secretary is hereby ordered and directed to post a certified copy of this Resolution in a public place within the Irvine Ranch Water District.

ADOPTED, SIGNED and APPROVED this ___ day of _____, 2012.

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

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

APPROVED AS TO FORM:
BOWIE, ARNESON, WILES & GIANNONE
Legal Counsel - IRWD

By: _____

Section

3

Developer Services

Water Connection Fees

Residential

	IMPROVEMENT DISTRICT	0-5.8 DU/acre	5.9-10.8 DU/acre	10.9-25.8 DU/acre	25.9-40.0 DU/acre
Connection Fees Per Dwelling	101*	\$3,338	\$2,945	\$2,494	\$2,106
Unit	113	\$2,415	\$2,415	\$2,415	\$2,415
	102 (120), 121	\$1,154	\$1,154	\$1,154	\$1,154
	103 (130)	\$1,741	\$1,741	\$1,741	\$1,741
Total acreage for any given	140	\$2,072	\$2,072	\$2,072	\$2,072
development shall be gross	105 (150)	\$1,741	\$1,741	\$1,741	\$1,741
acres excluding private parks.	106 (160), 161	\$1,741	\$1,741	\$1,741	\$1,741
	<u>184</u>	<u>\$1,530</u>	<u>\$1,350</u>	<u>\$1,143</u>	<u>\$965</u>
	186	\$9,555	\$9,555	\$9,555	\$9,555
	LC/LCS PA	\$2,164	\$2,164	\$2,164	\$2,164
	Lambert Ranch	\$2,826	\$2,826	\$2,826	\$2,826
	Los Alisos 135	\$3,270	\$3,270	\$3,270	\$3,270
	All others*				

Commercial, Industrial and Public Authority – Office Building

	IMPROVEMENT DISTRICT	Commercial	Industrial	Public Authority
Connection Fees Per Gross Acre	101*	\$18,520	\$28,207	\$18,520
	113	\$17,644	\$0	\$8,822
	102 (120), 121	\$5,774	\$5,865	\$5,774
	103 (130)	\$3,528	\$3,528	\$3,528
	140	\$10,645	\$0	\$10,645
	105 (150)	\$9,149	\$12,986	\$9,149
	106 (160), 161	\$9,149	\$12,986	\$9,149
	186	\$19,476	\$19,476	\$19,476
	188	\$30,390	\$30,390	\$30,390
	Los Alisos 135	\$10,984	\$10,984	\$10,984
	All others*			

Parks, Churches and Commercial Recreational Facilities

	IMPROVEMENT DISTRICT	Indoor Water Use	Outdoor ⁽¹⁾ Water Use
Connection Fees Per Fixture Unit	101*	\$58.00	\$204.11
	102 (120), 121	9.57	33.81
(1) As calculated per UPC as revised.	103 (130)	6.96	20.90
	140	40.16	141.30
	105 (150)	29.31	102.71
	106 (160), 161	30.43	106.65
	186	63.18	221.92
	188	151.89	534.39
	All others*		

*Connection fees will be set by the Board of Directors upon request for initial service for each such improvement district.

Sewer Connection Fees

Residential

		IMPROVEMENT DISTRICT	0-5.8 <u>DUs/acre</u>	5.9-10.8 <u>DUs/acre</u>	10.9-25.8 <u>DUs/acre</u>	25.9-40.0 <u>DUs/acre</u>
Connection Fees Per		1 (201)*	\$5,926	\$5,274	\$4,341	\$3,425
Dwelling Unit		213	4,226	4,226	4,226	4,226
		2 (220), 221	816	816	816	816
		2 (230)	1,966	1,966	1,966	1,966
Total acreage for any given		240	3,270	3,270	3,270	3,270
development shall be gross		205 (250)	1,966	1,966	1,966	1,966
acres excluding private		206 (260), 261	1,966	1,966	1,966	1,966
Parks.		256	24,500	24,500	24,500	24,500
		<u>284</u>	<u>\$2,716</u>	<u>\$2,417</u>	<u>\$1,990</u>	<u>\$1,570</u>
		286	2,642	2,642	2,642	2,642
		LC/LCS PA	2,493	2,493	2,493	2,493
		Lambert Ranch	3,320	3,320	3,320	3,320
		Los Alisos 235	2,302	2,302	2,302	2,302
		OPA1 (Ridgeline)	4,200	4,200	4,200	4,200
		All others*				

Commercial, Industrial and Public Authority – Office Building

	IMPROVEMENT DISTRICT	<u>Commercial</u>	<u>Industrial</u>	<u>Public Authority</u>
Connection Fees Per Gross Acre	1 (201)*	\$33,214	\$57,947	\$33,214
	213	25,180	-	12,498
	2 (220), 221	6,722	10,151	6,722
	2 (230)	746	746	746
	240	14,931	-	14,931
	205 (250)	8,962	14,871	8,962
	206 (260), 261	8,962	14,871	8,962
	286	5,494	5,494	5,494
	288	5,494	5,494	5,494
	Los Alisos 235	8,411	8,411	8,411
	All others*			

Parks, Churches and Commercial Recreational Facilities

	IMPROVEMENT DISTRICT	<u>Fee</u>
Connection Fees Per Fixture Unit	1 (201)*	\$367.47
	2 (220), 221	106.00
	2 (230)	25.50
	240	222.14
	205 (250)	140.46
	206 (260), 261	135.61
	286	59.87
	288	59.87
	All others*	

*Connection fees will be set by the Board of Directors upon request for initial service for each such improvement district.

September 10, 2012

Prepared by: J. Dayer

Submitted by: D. Pedersen 

Approved by: Paul Cook 

ACTION CALENDAR

OPERATIONS CENTER CHILLER REPLACEMENT EXPENDITURE AUTHORIZATIONS AND CONSTRUCTION AWARD

SUMMARY:

The Operations Center Chiller Replacement Project will replace the existing deteriorated 150-ton air-cooled water chiller for Building 60 of the Operations Center. The water chiller is an integral component of the building's heating, ventilation and air conditioning system. Staff recommends that the Board:

- Approve Expenditure Authorizations in the amounts of \$114,600 for Project 11588 (1316), \$109,600 for Project 21588 (1499) and \$25,000 for Project 31588 (1319), and
- Authorize the General Manager to execute a construction contract with Air Control Systems, Inc. in the amount of \$205,800.

BACKGROUND:

The 18-year old chiller unit for the Operations Center is near the end of its service life. It has suffered numerous refrigerant leaks on three of the four integrated compressors, and multiple repairs have been required on the two copper inlet supply lines and the heat exchanger tubing. The leaks in the supply line and tubing result in spills of ethylene glycol coolant, which is a hazardous material.

The proposed replacement chiller increases the building's cooling capacity to 170 tons, substitutes two modern energy efficient screw compressors for the existing four reciprocating compressors and will result in an energy savings of 633 kilowatt-hours per year. The replacement chiller will qualify for a one-time rebate of \$2,700 from the Southern California Edison Business Solutions Program.

Staff invited four contractors with suitable heating, ventilation and air conditioning experience to submit bids for the project. Three contractors submitted bids: Ram Air Engineering, Inc., Mesa Energy Systems, Inc. and Air Control Systems, Inc.

The apparent low bidder is Air Control Systems, Inc. with a bid of \$205,800. Air Control Systems, Inc. has 34 years of experience handling heat, ventilation and air conditioning projects and is well qualified for the project. The bid summary is attached as Exhibit "A".

FISCAL IMPACTS:

Projects 11588, 21588, and 31588 were included in the approved Fiscal Year 2011-12 Capital Budget. Expenditure Authorizations, as shown in the table below, are attached as Exhibit "B". The project will be funded from the replacement fund.

Project No.	Current Budget	Addition <Reduction>	Total Budget	Existing EA	This EA Request	Total EA Request
11588 (1316)	\$144,500	\$0	\$144,500	\$9,200	\$114,600	\$123,800
21588 (1499)	\$138,200	\$0	\$138,200	\$8,800	\$109,600	\$118,400
31588 (1319)	\$31,400	\$0	\$31,400	\$2,000	\$25,000	\$27,000

ENVIRONMENTAL COMPLIANCE:

This activity is categorically exempt from the California Environmental Quality Act as authorized under the California Code of Regulations, Title 14, Chapter 3, Sections 15301 and 15302, replacement or reconstruction of existing structures.

COMMITTEE STATUS:

Construction awards and the associated Expenditure Authorizations are not routinely taken to Committee prior to submittal to the Board.

RECOMMENDATION:

THAT THE BOARD APPROVE EXPENDITURE AUTHORIZATIONS IN THE AMOUNTS OF \$114,600 FOR PROJECT 11588 (1316), \$109,600 FOR PROJECT 21588 (1499) AND \$25,000 FOR PROJECT 31588 (1319) AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH AIR CONTROL SYSTEMS, INC. IN THE AMOUNT OF \$205,800 FOR THE OPERATIONS CENTER CHILLER REPLACEMENT PROJECTS 11588 (1316), 21588 (1499) AND 31588 (1319).

LIST OF EXHIBITS:

- Exhibit "A" – Bid Summary
- Exhibit "B" – Expenditure Authorizations

Exhibit "A"

Operations Center Chiller Replacement-Bid Summary

Bidder	Bid
Ram Air Engineering	\$289,269
Mesa Engineering Systems Inc.	\$238,000
Air Control Systems	\$205,800

EXHIBIT "B"

IRVINE RANCH WATER DISTRICT

Expenditure Authorization

Project Name: OPS CENTER HVAC CHILLER REPLACEMENT
 EPMS Project No: 11588 EA No: 2
 Oracle Project No: 1316
 Project Manager: PEDERSEN, DAVID
 Project Engineer: DAYER, JOHN
 Request Date: September 4, 2012

ID Split: Miscellaneous

Improvement District (ID) Allocations

ID No.	Allocation %	Source of Funds
101	100.0	REPLACEMENT FUND**
Total	100.0%	


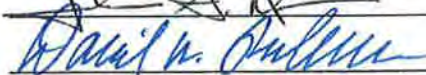
Summary of Direct Cost Authorizations

Previously Approved EA Requests:	\$9,200
This Request:	\$114,600
Total EA Requests:	\$123,800
Previously Approved Budget:	\$144,500
Budget Adjustment Requested this EA:	\$0
Updated Budget:	\$144,500
Budget Remaining After This EA	\$20,700

Comments:

Phase	This EA Request	Previous EA Requests	EA Requests to Date	This Budget Request	Previous Budget	Updated Budget	Start	Finish
ENGINEERING DESIGN - IRWD	0	0	0	0	0	0	7/11	6/13
ENGINEERING DESIGN - OUTSIDE	0	5,400	5,400	0	5,400	5,400	7/11	6/13
ENGINEERING - CA&I IRWD	0	0	0	0	0	0	7/11	6/13
CONSTRUCTION FIELD SUPPORT	0	3,000	3,000	0	4,000	4,000	7/11	6/13
CONSTRUCTION	104,200	0	104,200	0	122,000	122,000	7/11	6/13
LEGAL	0	0	0	0	0	0	7/11	6/13
Contingency - 10.00% Subtotal	\$10,400	\$800	\$11,200	\$0	\$13,100	\$13,100		
Subtotal (Direct Costs)	\$114,600	\$9,200	\$123,800	\$0	\$144,500	\$144,500		
Estimated G/A - 180.00% of direct labor*	\$0	\$5,400	\$5,400	\$0	\$7,200	\$7,200		
Total	\$114,600	\$14,600	\$129,200	\$0	\$151,700	\$151,700		
Direct Labor	\$0	\$3,000	\$3,000	\$0	\$4,000	\$4,000		

*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:  9/5/12
 Department Director:  09/06/12
 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 \$155,000. The above-captioned project is further described in the attached staff report and additional documents, if any, which are hereby incorporated by reference. It is the official intent to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.150-2.

IRVINE RANCH WATER DISTRICT

Expenditure Authorization

Project Name: OPS CENTER HVAC CHILLER REPLACEMENT
EPMS Project No: 21588 **EA No:** 2
Oracle Project No: 1499
Project Manager: PEDERSEN, DAVID
Project Engineer: DAYER, JOHN
Request Date: September 4, 2012

ID Split: Miscellaneous

Improvement District (ID) Allocations

ID No.	Allocation %	Source of Funds
210	100.0	REPLACEMENT FUND**
Total	100.0%	

Summary of Direct Cost Authorizations

Previously Approved EA Requests:	\$8,800
This Request:	\$109,600
Total EA Requests:	\$118,400
Previously Approved Budget:	\$138,200
Budget Adjustment Requested this EA:	\$0
Updated Budget:	\$138,200
Budget Remaining After This EA	\$19,800

Comments:

Phase	This EA Request	Previous EA Requests	EA Requests to Date	This Budget Request	Previous Budget	Updated Budget	Start	Finish
ENGINEERING DESIGN - IRWD	0	0	0	0	0	0	7/11	6/13
ENGINEERING DESIGN - OUTSIDE	0	4,500	4,500	0	4,500	4,500	7/11	6/13
ENGINEERING - CA&I IRWD	0	0	0	0	0	0	7/11	6/13
CONSTRUCTION FIELD SUPPORT	0	2,800	2,800	0	2,800	2,800	7/11	6/13
CONSTRUCTION	99,700	600	100,300	0	118,300	118,300	7/11	6/13
Contingency - 10.00% Subtotal	\$9,900	\$900	\$10,800	\$0	\$12,600	\$12,600		
Subtotal (Direct Costs)	\$109,600	\$8,800	\$118,400	\$0	\$138,200	\$138,200		
Estimated G/A - 180.00% of direct labor*	\$0	\$5,000	\$5,000	\$0	\$5,000	\$5,000		
Total	\$109,600	\$13,800	\$123,400	\$0	\$143,200	\$143,200		
Direct Labor	\$0	\$2,800	\$2,800	\$0	\$2,800	\$2,800		

*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:

[Signature]

9/5/12

Department Director:

[Signature]

09/06/12

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 \$147,000. The above-captioned project is further described in the attached staff report and additional documents, if any, which are hereby incorporated into this expenditure authorization. It is the official intent to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.150-2.

IRVINE RANCH WATER DISTRICT

Expenditure Authorization

Project Name: OPS CENTER HVAC CHILLER REPLACEMENT
EPMS Project No: 31588 **EA No:** 2
Oracle Project No: 1319
Project Manager: PEDERSEN, DAVID
Project Engineer: DAYER, JOHN
Request Date: September 4, 2012

ID Split: Miscellaneous

Improvement District (ID) Allocations

ID No.	Allocation %	Source of Funds
210	100.0	REPLACEMENT FUND**
Total	100.0%	

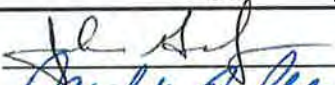

Summary of Direct Cost Authorizations

Previously Approved EA Requests:	\$2,000
This Request:	\$25,000
Total EA Requests:	\$27,000
Previously Approved Budget:	\$31,400
Budget Adjustment Requested this EA:	\$0
Updated Budget:	\$31,400
Budget Remaining After This EA	\$4,400

Comments:

Phase	This EA Request	Previous EA Requests	EA Requests to Date	This Budget Request	Previous Budget	Updated Budget	Start	Finish
ENGINEERING DESIGN - IRWD	0	0	0	0	0	0	7/11	6/13
ENGINEERING DESIGN - OUTSIDE	0	1,000	1,000	0	1,000	1,000	7/11	6/13
ENGINEERING - CA&I IRWD	0	0	0	0	0	0	7/11	6/13
CONSTRUCTION FIELD SUPPORT	0	800	800	0	1,000	1,000	7/11	6/13
CONSTRUCTION	22,700	0	22,700	0	26,500	26,500	7/11	6/13
Contingency - 10.00% Subtotal	\$2,300	\$200	\$2,500	\$0	\$2,900	\$2,900		
Subtotal (Direct Costs)	\$25,000	\$2,000	\$27,000	\$0	\$31,400	\$31,400		
Estimated G/A - 180.00% of direct labor*	\$0	\$1,400	\$1,400	\$0	\$1,800	\$1,800		
Total	\$25,000	\$3,400	\$28,400	\$0	\$33,200	\$33,200		
Direct Labor	\$0	\$800	\$800	\$0	\$1,000	\$1,000		

*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:  9/5/12
Department Director:  09/06/12
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 \$34,000. The above information is further described in the attached staff report and additional documents, if any, which are hereby incorporated by reference. This authorization is given with the official intent to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.150-2.