

AGENDA
 IRVINE RANCH WATER DISTRICT
 FINANCE AND PERSONNEL COMMITTEE MEETING
 MONDAY, MARCH 6, 2023

This meeting will be held in-person at the District’s headquarters located at 15600 Sand Canyon Avenue, Irvine, California. The meeting will also be broadcasted via Webex for those wanting to observe the meeting virtually.

To observe this meeting virtually, please join online using the link and information below:

Via Web: <https://irwd.webex.com/irwd/j.php?MTID=mba69c2bb4170a4b9cd7ad229a38ce473>
 Meeting Number (Access Code): 2497 327 4500
 Meeting Password: 6jB6sQR97fD

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

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

CALL TO ORDER 2:00 p.m.

ATTENDANCE Chair: Peer Swan _____ Member: Steve LaMar _____

ALSO PRESENT

Paul Cook _____	Cheryl Clary _____
Wendy Chambers _____	Kevin Burton _____
Paul Weghorst _____	Lance Kaneshiro _____
Christopher Smithson _____	Tiffany Mitcham _____
Eileen Lin _____	Jennifer Davis _____
Stephen Aryan _____	_____
_____	_____
_____	_____

PUBLIC COMMENT NOTICE

Public comments are limited to three minutes per speaker on each subject. If you wish to address the Committee on any item, you may attend the meeting in person and submit a “speaker slip.” You may also submit a public comment in advance of the meeting by emailing comments@irwd.com before 7:30 a.m. on Monday, March 6, 2023.

COMMUNICATIONS

1. Notes: Clary
2. Public Comments
3. Determine the need to discuss and/or take action on item(s) introduced, which came to the attention of the District subsequent to the agenda being posted.
4. Determine which items may be approved without discussion.

INFORMATION

5. EMPLOYEE POPULATION AND RETENTION STATUS REPORT – SRADER / MITCHAM

Recommendation: Receive and file.

6. MONTHLY INVESTMENT AND DEBT REVIEW – MENDOZA / DAVIS / CLARY

Recommendation: Receive and file.

7. QUARTERLY REAL ESTATE PERFORMANCE – DAVIS / CLARY

Recommendation: Receive and file.

8. RESIDENTIAL INVESTMENT PROPERTY PERFORMANCE 2022 ANNUAL REPORT – DAVIS / CLARY

Recommendation: Receive and file.

9. RISK MANAGEMENT QUARTERLY REPORT – KANOFF / ARYAN / CLARY

Recommendation: Receive and file.

10. INFORMATION SERVICES PROJECT STATUS REPORT – KANESHIRO / CLARY

Recommendation: Receive and file.

11. QUARTERLY OPERATING HIGHLIGHTS – PARDEE / SMITHSON / CLARY

Recommendation: Receive and file.

INFORMATION (Continued)

12. FISCAL YEARS 2023-24 AND FY 2024-25 OPERATING BUDGETS
PRELIMINARY REVIEW – PARDEE / SMITHSON / CLARY

Recommendation: Receive and file.

ACTION

13. REVISED PERSONNEL POLICIES AND PROCEDURES – MITCHAM

Recommendation: That the Board adopt a resolution superseding Resolution No. 2021-26 and establish a Revised Personnel Policies and Procedures.

14. IRWD’S OTHER POST-EMPLOYMENT BENEFITS TRUST GUIDING
PRINCIPLES AND INITIAL FUNDING – SMITHSON / CLARY

Recommendation: That the Board approve the proposed OPEB Guiding Principles and initial funding of \$10 million into the Section 115 OPEB Trust.

OTHER BUSINESS

15. Closed Session

A. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL — EXISTING
LITIGATION – Pursuant to Government Code Section 54956.9(d)(1):

Michael Brown v. PEI Engineering & Construction, et. seq., Case No. 30-2020-01154719


16. Open Session

17. Directors’ Comments

18. Adjourn

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

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March 6, 2023
Prepared by: L. Srader
Submitted by: T. Mitcham
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

EMPLOYEE POPULATION AND RETENTION STATUS REPORT

SUMMARY:

Staff has prepared various population status reports for the Committee's review.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

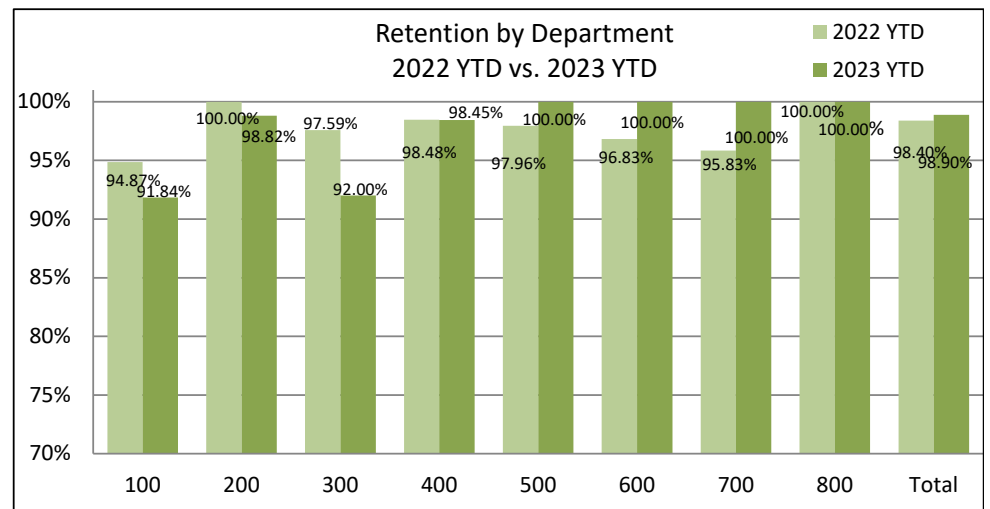
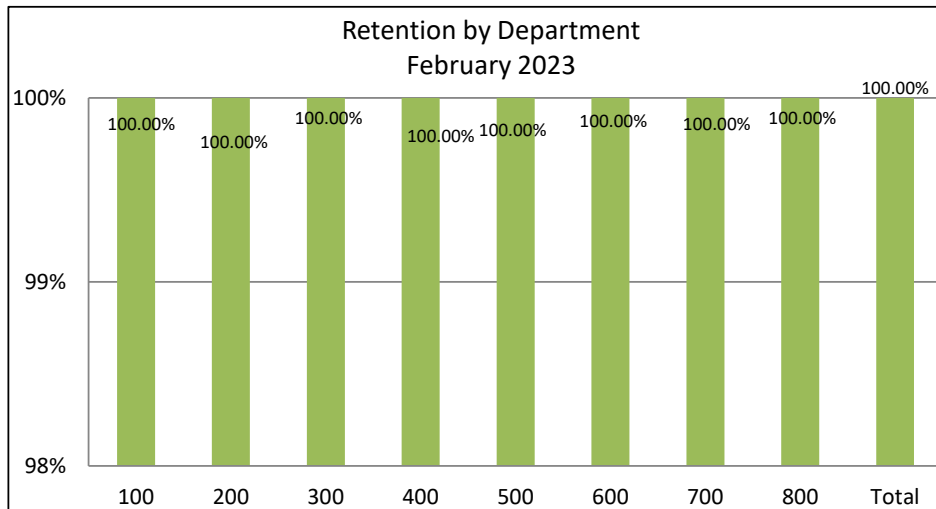
LIST OF EXHIBITS:

Exhibit "A" – Employee Population/Retention Status Report

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Exhibit "A"
IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
February 2023

Dept	@02/01/23	Current Month Activity							@02/28/23		FY 22/23	Avg FYTD	Avg FYTD	Avg FYTD	Retention	
	Positions Filled	New Hires	Terms		Promo Trnsfr		Lateral Trnsfr		Positions Filled	Positions Unfilled	Budgeted Positions	Filled Budget Positions	Temp Emp FTE	Total Filled Positions	Current Period	2023 YTD
			Vol	Invol	In	Out	In	Out								
100	24.0								24.0	2	26.0	23.5	0.65	24.2	100.00%	91.84%
200	85.0	2							87.0	6	93.0	86.0	1.07	87.1	100.00%	98.82%
300	42.0	1							43.0	2	45.0	42.5	2.74	45.2	100.00%	92.00%
400	64.0	2							66.0	7	73.0	64.6	1.01	65.6	100.00%	98.45%
500	50.0								50.0	12	62.0	51.0	1.00	52.0	100.00%	100.00%
600	32.0								32.0	2	34.0	30.3	5.10	35.3	100.00%	100.00%
700	27.0								27.0	1	28.0	26.6	3.85	30.5	100.00%	100.00%
800	54.0								54.0	6	60.0	54.6	0.00	54.6	100.00%	100.00%
Totals	378.0	5	0	0	0	0	0	0	383.0	38	421.0	379.1	15.42	394.5	100.00%	98.90%
2/22	376	3	4	0	0	0	0	0	375.0	42	418.0	381.4	15.7	397.1	98.94%	98.40%

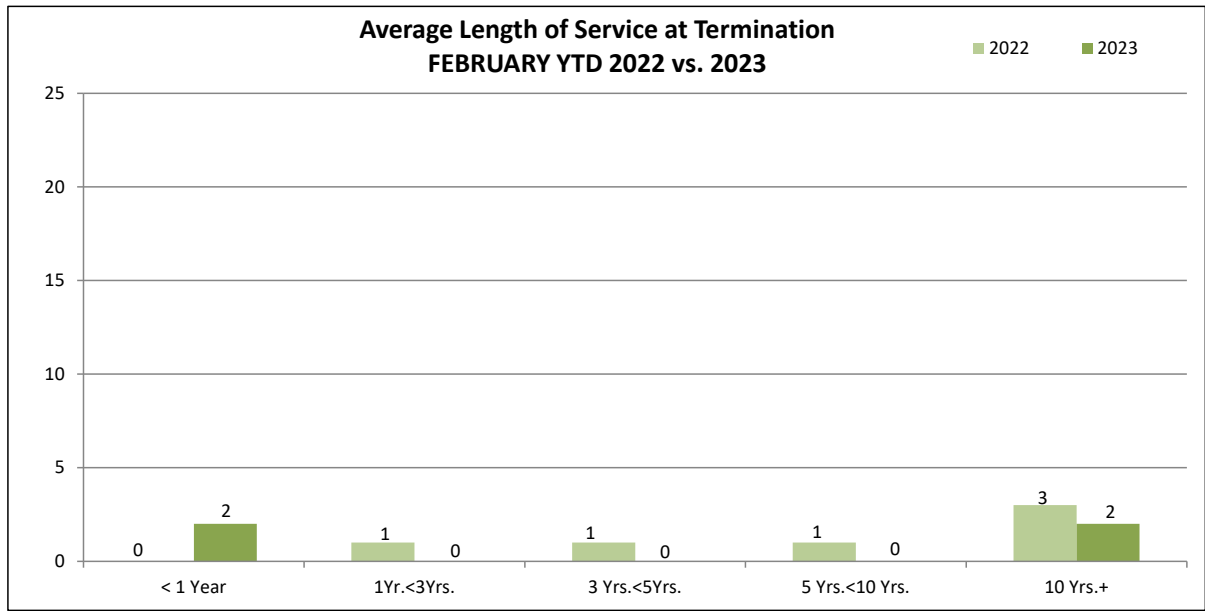


100-GM, HR, Safety, Commun; 200-Fin., Cust. Serv., IS, Purch.; 300-Eng.; 400-Water Ops; 500-Recycling Ops; 600-WQ&RC; 700-Water Res., Recyc. Water; 800-Adm. & Maint. Ops

**IRVINE RANCH WATER DISTRICT
RETENTION LONGEVITY RATIO
February 2023**

Dept.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	YTD Retention Longevity Ratio				
														< 1 Year	1Yr.<.3Yrs.	3 Yrs.<5Yrs.	5 Yrs.<10 Yrs.	10 Yrs.+
100	2												2	1				1
200	1												1					1
300													0					
400	1												1	1				
500													0					
600													0					
700													0					
800													0					
2023 Total	4	0	0	0	0	0	0	0	0	0	0	0	4	2	0	0	0	2
2022 Data	2	4	5	4	1	2	2	4	0	4	2	5	35					
Percentage of Total Retention														50.00%	100.00%	100.00%	100.00%	50.00%

2023 Average YTD Length of Service at Termination	6.77 Years
2022 Average YTD Length of Service at Termination	10.40 Years
2021 Average YTD Length of Service at Termination	10.21 Years
2020 Average YTD Length of Service at Termination	16.33 Years
2019 Average YTD Length of Service at Termination	9.21 Years



**IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION AND RETENTION REPORT
FEBRUARY 2023**

NEW HIRES				
Date	Dept	Employee Name	Position	Prior Company/Agency
02/04/23	300	Stephanie Yamoto	Engineering Technician	Far West Restaurant Group, LLC
02/06/23	200	Andrew Ulman	Mail Coordinator	ServiceLink
02/21/23	400	Miguel Ramirez	Water Maintenance Technician II	Yorba Linda Water District
02/27/23	200	Irene Nguyen	Accountant	Orange County Public Works
02/27/23	400	Aaren Villella	Water Maintenance Technician I	City of Upland

TERMINATIONS					
Date	Dept	Employee Name	Position	Reason	Comments

RETIREMENTS					
Date	Dept	Employee Name	Position	Reason	Comments

PROMOTIONS					
Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
02/18/23	400	Jose Castro	Metering Systems Technician I	400	Metering Systems Technician II
02/18/23	500	Michael Saldana	Operator I	500	Operator II

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

CROSS TRAINING					
Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
01/21/23	200	Vladimir Li	Accountant	200	Financial Analyst

**IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION AND RETENTION REPORT
FEBRUARY 2023**

UNFILLED POSITIONS			
Dept	Position	Salary Grade	Comments
100	Senior Human Resources Analyst	U13.E	Recruiting
100	Human Resources Analyst	U11.E	Recruiting
200	User Support Manager	U20.E	Recruiting
200	Customer Service Supervisor	U11.E	Recruiting
200	Accounting Supervisor	U14.E	Recruiting
200	Senior Accounting Clerk	20.N	Recruiting
200	Customer Service Specialist II	18.N	Recruiting
200	Customer Service Specialist I	13.N	Recruiting
300	Senior Engineer	U20.E	
300	Engineer	U17.E	Recruiting
400	Operator II	27.N	
400	Water Maintenance Technician I	22.N	
400	Metering Systems Technician I	16.N	
400	Water Maintenance Technician I	16.N	Recruiting
400	Water Maintenance Technician I	16.N	Recruiting
400	Water Maintenance Technician I	16.N	
400	Water Maintenance Technician I	16.N	
500	Collection Systems Manager	U18.N	
500	Collection Systems Supervisor	S33.N	
500	Process Specialist	32.N	
500	Operator III	30.N	
500	Operator III	30.N	Recruiting
500	Operator II	27.N	Recruiting
500	Operator II	27.N	Recruiting
500	Sr. Coll Systems CCTV Tech	25.N	
500	Wetlands Specialist	24.N	
500	Collection Systems Technician II	21.N	
500	Collection Systems Technician II	21.N	
500	Operator I	22.N	
600	Water Quality Manager	U19.E	Recruiting
600	Scientist	29.N	Recruiting
700	Senior Water Loss Prevention Specialist	27.N	
800	Reliability Engineer	U20.E	
800	Senior Electrical & Instrumentation Tech	31.N	
800	Electrical & Instrumentation Technician	28.N	Recruiting
800	Electrical & Instrumentation Technician	28.N	
800	Electrical & Instrumentation Technician	28.N	
800	Vehicle & Equipment Mechanic	23.N	

**IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
February 2023**

LEAVE OF ABSENCE				
Type of Leave	Date Leave Began	Anticipated Return Date	Current Length (wks)	Comments
WC	7/27/2022	2/28/2023	30.86	
LOA	7/25/2022	3/10/2023	32.57	
WC	10/11/2022	3/10/2023	21.43	
FMLA/CFRA	11/6/2022	4/3/2023	21.14	
LOA	11/12/2022	3/6/2023	16.29	
FMLA/CFRA	12/26/2022	2/27/2023	9.00	
FMLA/CFRA	1/30/2023	4/24/2023	12.00	
FMLA/CFRA	2/2/2023	2/13/2023	1.57	
FMLA/CFRA	2/13/2023	4/6/2023	7.43	
FMLA/CFRA	2/20/2023	3/12/2023	2.86	
FMLA/CFRA	2/22/2023	4/10/2023	6.71	
FMLA/CFRA	2/27/2023	3/10/2023	1.57	

Leave	Date Leave Began	Anticipated Return Date	Length (wks)	Actual Return Date	Comments
FMLA/CFRA	12/23/2021	2/24/2022	9.00	2/7/2022	Returned
FMLA/CFRA	1/17/2022	1/27/2022	1.43	1/31/2022	Returned
FMLA/CFRA	1/24/2022	2/24/2022	4.43	2/22/2022	Returned
FMLA/CFRA	1/27/2022	2/16/2022	2.86	2/16/2022	Returned
FMLA/CFRA	10/12/2021	3/7/2022	20.86	3/8/2022	Returned
FMLA/CFRA	9/24/2021	3/17/2022	24.86	3/10/2022	Returned
FMLA/CFRA	9/6/2021	3/7/2022	26.00	3/7/2022	Returned
FMLA/CFRA	2/28/2022	3/17/2022	2.43	3/17/2022	Returned
FMLA/CFRA	12/13/2021	4/1/2022	15.57	3/31/2022	Separation

**IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT FOR 2023
FEBRUARY 2023**

Month	Length of Employment	Termination		Comments
		Vol	Invol	
January	15 years, 9 months	X		RET
	10 years, 3 months	X		RET
	11 months	X		Inland Empire Utility Agency
	2 months	X		City of Brea
February	*****			*****
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

Change in status = CS
Retirement = RET
No Reason Given = NRG

Personal/Family = P/F
Relocation = REL

**IRVINE RANCH WATER DISTRICT
SUMMARY
AGENCY & DISTRICT TEMPORARY EMPLOYEES
July 2022 - January 2023**

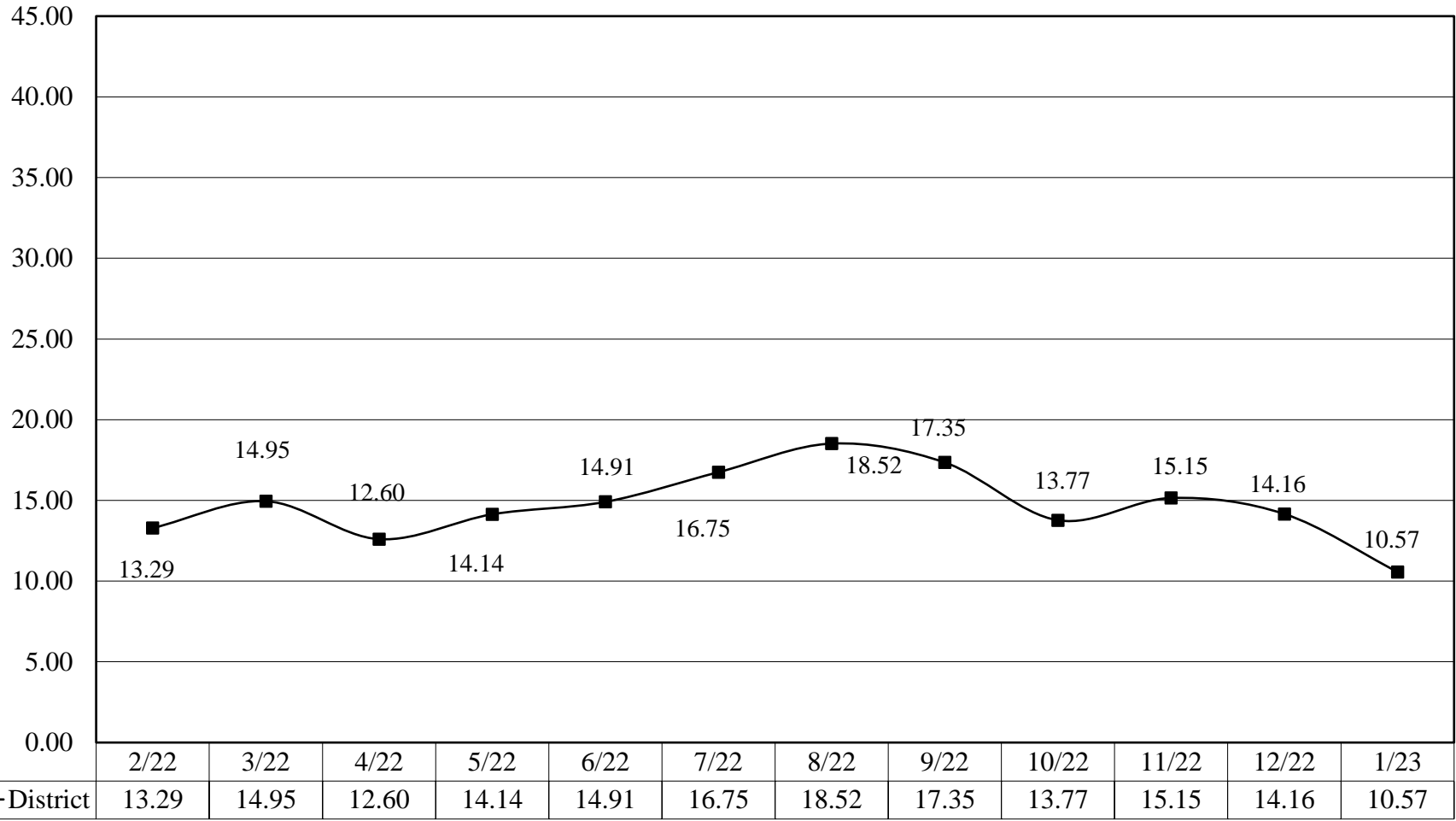
ACTIVE											
Current Month	FYTD Ave Hours Worked	PERS Enrollment	Agency		Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FY' YTD	Actual Cost FY 'YTD
FTE	FTE			Dept							
0.58	0.65	Yes		100	50.00	84	4,200.00	8	7	29,400.00	39,585.00
0.58	0.65			100							
0.55	0.43	No		200	19.00	84	1,596.00	11	6	9,576.00	9,956.00
0.90	0.19	No	X	200	61.56	168	10,342.08	6	2	20,684.16	13,974.12
0.69	0.10	No	X	200	34.20	168	5,745.60	6	3	17,236.80	4,104.00
0.55	0.43			200							
0.31	0.51	No		300	20.00	84	1,680.00	12	7	11,760.00	12,440.00
0.31	0.51	No		300	19.00	84	1,596.00	12	7	11,172.00	11,713.50
0.34	0.48	No		300	19.00	84	1,596.00	12	7	11,172.00	11,020.00
0.49	0.53	No		300	19.00	84	1,596.00	12	7	11,172.00	12,122.00
0.07	0.02	Yes		300	95.00	84	7,980.00	6	2	15,960.00	2,090.00
1.51	2.04			300							
0.91	0.54	No	X	400	34.60	168	5,812.80	6	4	23,251.20	22,836.00
0.81	0.47	No	X	400	38.44	168	6,457.92	6	4	25,831.68	21,910.80
1.72	1.01			400							
0.00	0.00			500							
0.50	0.37	No		600	16.50	84	1,386.00	7	7	9,702.00	7,359.00
0.89	0.88	Yes		600	28.72	168	4,824.96	8	7	33,774.72	30,509.26
0.89	0.87	Yes		600	37.70	168	6,333.60	7	7	44,335.20	40,150.50
0.39	0.23	No		600	15.50	84	1,302.00	9	5	6,510.00	4,324.50
0.37	0.18	No		600	15.50	84	1,302.00	12	4	5,208.00	3,475.88
0.33	0.09	No		600	17.00	84	1,428.00	9	3	4,284.00	1,904.00
0.40	0.52	No		600	15.50	84	1,302.00	12	7	9,114.00	9,741.75
3.77	3.14			600							
0.85	0.65	No	X	700	41.41	168	6,956.88	12	7	48,698.16	32,548.26
0.86	0.71	Yes		700	34.57	168	5,807.76	10	7	40,654.32	30,257.39
0.72	0.73	No		700	18.00	84	1,512.00	12	6	9,072.00	16,011.00
2.43	2.10			700							
0.00	0.00			800							
10.57	9.37										

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

TERMINATED											
Current Month FTE	Avg FYTD Temp Emp FTE	Active PERS Y/N *	Agency	Dept	Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FYTD	Actual Cost FYTD
0.00	0.00			100							
0.12	0.03	No	X	200	39.50	168	6,636.00	4	2	13,272.00	829.50
0.62	0.32	No		200	19.00	84	1,596.00	9	4	6,384.00	7,476.50
0.74	0.35			200							
0.45	0.70	Yes		300	36.06	168	6,058.08	5	6	36,348.48	30,578.88
0.45	0.00			300							
0.00	0.00			400							
0.68	1.00	Yes		500	26.12	168	4,388.16	12	6	26,328.96	56,210.24
0.68	1.00			500							
0.18	0.34	No	X	600	45.72	168	7,680.96	6	7	53,766.72	18,905.22
0.87	0.40	No	X	600	45.72	168	7,680.96	2	6	46,085.76	22,288.50
0.87	0.41	No	X	600	45.72	168	7,680.96	4	6	46,085.76	23,159.17
0.46	0.17	No		600	15.00	84	1,260.00	12	5	12,600.00	5,325.00
0.46	0.34	No		600	15.00	84	1,260.00	10	10	12,600.00	10,755.00
2.85	1.67			600							
0.21	0.54	Yes		700	32.04	168	5,382.72	12	1	5,382.72	5,991.48
0.44	0.06	No	X	700	34.57	168	5,807.76	4	1	5,807.76	2,627.32
0.11	0.37	No		700	15.00	84	1,260.00	12	6	7,560.00	6,753.75
0.87	0.25	No	X	700	34.57	168	5,807.76	4	5	29,038.80	10,388.29
0.32	0.29	Yes		700	42.95	84	3,607.80	7	5	18,039.00	14,903.65
1.00	0.25	No		700	15.00	84	1,260.00	3	2	2,520.00	4,545.00
2.94	1.76			700							
0.00	0.00			800							
7.66	4.78									720,388.20	558,770.45

EXC = Exclude from PERS enrollment
Yes= Temporary employee enrolled in PERS Membership
No=Temporary Agency employee

**Temporary Employees
Full Time Equivalency
District Totals as of January 31, 2022**




Note: This page is intentionally left blank.

March 6, 2023

Prepared by: O. Mendoza / J. Davis

Submitted by: C. Clary

Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

MONTHLY INVESTMENT AND DEBT REVIEW

SUMMARY:

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

- The Investment Portfolio Summary Report as of February 24, 2023, as outlined in Exhibit "A";
- The U.S. Treasury Yield Curve as of February 24, 2023, as shown in Exhibit "B";
- The Summary of Fixed and Variable Debt as of February 24, 2023, as outlined in Exhibit "C"; and
- The Summary of Variable Rate Debt Rates as of February 24, 2023, as outlined in Exhibit "D".

BACKGROUND:

Investment Portfolio:

Due to the timing of the Committee meeting, the rate of return for February is not complete. Preliminary calculations indicate a rate of return for the fixed income investment portfolio was 2.69%, which was a 0.12% increase from January's rate of 2.57%. Including real estate investments, the weighted average rate of return for IRWD's investment portfolio for February 2023 was 4.84%, which was a 0.16% increase from January's rate of 4.68%. The increases were due to the higher average balance in the fixed income portfolio invested at higher interest rates.

Debt Portfolio:

As of February 24, 2023, IRWD's weighted average all-in variable rate for debt was 2.84%, which was a 0.93% increase from January's rate of 1.91%. Including IRWD's weighted average fixed rate bond issues of 3.71% and the negative cash accruals from fixed payer interest rate swaps (which hedge a portion of the District's variable rate debt), the total average debt rate was 3.50%, a 0.34% increase from January's rate of 3.16%. The increase was due to higher average rates for the District's variable rate debt.

FISCAL IMPACTS:

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

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Investment Portfolio Summary as of February 24, 2023

Exhibit "B" – Yield Curve as of February 24, 2023

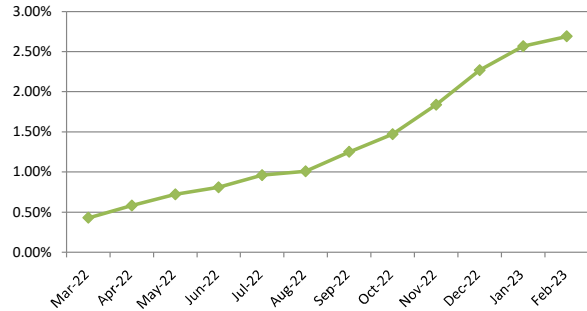
Exhibit "C" – Summary of Fixed and Variable Debt as of February 24, 2023

Exhibit "D" – Summary of Variable Rate Debt Rates as of February 24, 2023

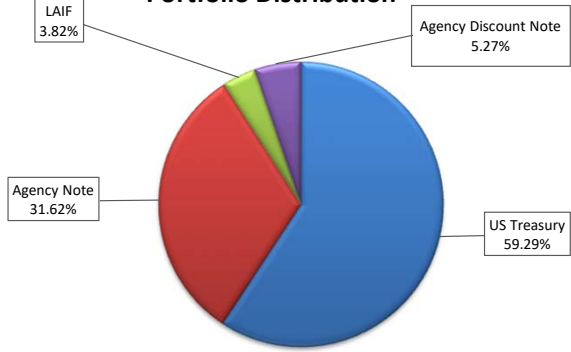
Exhibit "A"

Irvine Ranch Water District Investment Portfolio Summary February 2023

Monthly Fixed Income Yield



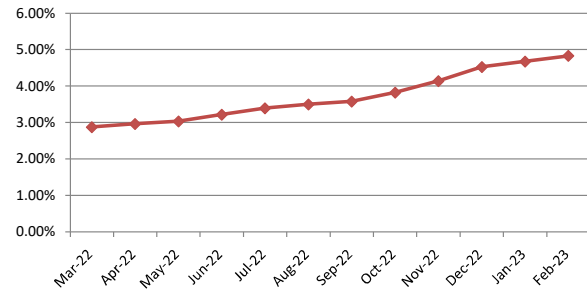
Portfolio Distribution



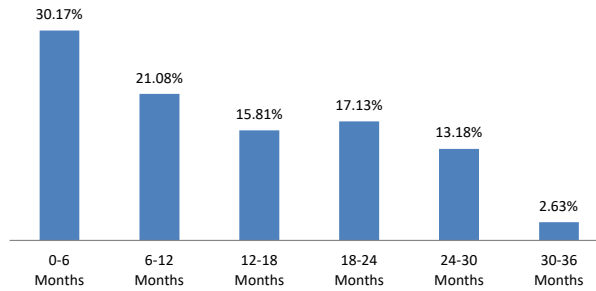
Investment Summary

Type	PAR	Book Value	Market Value
US Treasury	225,000,000	222,617,433	219,672,450
Agency Note	120,000,000	118,905,013	118,121,250
Agency Discount	20,000,000	19,704,018	19,644,500
LAIF	14,500,000	14,500,000	14,230,144
Grand Total	379,500,000	375,726,464	371,668,344

Weighted Average Return Including Real Estate Portfolio



Maturity Distribution



Top Issuers

Issuer	PAR	% Portfolio
US Treasury	225,000,000	59.29%
Fed Home Loan Bank	80,000,000	21.07%
Fed Farm Credit Bank	45,000,000	11.86%
State of California Tsy.	14,500,000	3.82%
Fed Home Loan Mortgage Corp	10,000,000	2.64%
Fed Natl Mortgage Assoc	5,000,000	1.32%
Grand Total	379,500,000	100.00%

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

02/24/23

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE ⁽¹⁾ 2/24/2023	UNREALIZED ⁽²⁾ GAIN/(LOSS)
02/24/23			02/25/23		LAIF	State of California Tsy.	\$14,500,000		2.650%	\$14,500,000.00	\$14,500,000.00	14,230,144.24	(269,855.76)
02/21/23	NA	NA	02/27/23	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	4.320%	4.383%	4,996,400.00	5,000,000.00	4,996,400.00	(3,600.00)
10/07/21	NA	NA	02/28/23	Aaa/AA/AAA	Treasury - Note	US Treasury	10,000,000	0.125%	0.181%	9,992,187.50	10,000,000.00	9,966,800.00	(33,200.00)
01/31/23	NA	NA	03/16/23	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	4.480%	4.567%	4,972,622.22	4,990,666.67	4,972,750.00	(17,916.67)
09/09/21	NA	NA	03/31/23	Aaa/AA/AAA	Treasury - Note	US Treasury	10,000,000	0.125%	0.153%	9,995,703.13	9,999,773.05	9,928,600.00	(71,173.05)
11/02/21	NA	NA	03/31/23	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	0.125%	0.308%	4,987,109.38	4,999,247.63	4,964,300.00	(34,947.63)
09/30/21	NA	NA	04/30/23	Aaa/AA/AAA	Treasury - Note	US Treasury	10,000,000	0.125%	0.202%	9,987,890.63	9,998,740.79	9,888,800.00	(109,940.79)
10/19/21	NA	NA	04/30/23	Aaa/AA/AAA	Treasury - Note	US Treasury	10,000,000	0.125%	0.307%	9,972,265.63	9,997,017.81	9,888,800.00	(108,217.81)
08/31/22	NA	NA	05/05/23	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.375%	3.321%	4,902,050.00	4,974,223.68	4,943,800.00	(30,423.68)
11/16/21	NA	NA	05/31/23	Aaa/AA/AAA	Treasury - Note	US Treasury	10,000,000	0.125%	0.385%	9,960,156.25	9,993,536.93	9,851,600.00	(141,936.93)
12/29/21	NA	NA	06/30/23	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	0.125%	0.563%	4,967,187.50	4,992,754.90	4,906,250.00	(86,504.90)
04/21/22	NA	NA	06/30/23	Aaa/AA/AAA	Treasury - Note	US Treasury	10,000,000	1.375%	2.107%	9,914,062.50	9,976,095.55	9,864,800.00	(111,295.55)
01/24/23	NA	NA	07/12/23	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	4.685%	4.857%	4,890,032.64	4,913,457.64	4,894,100.00	(19,357.64)
01/11/22	NA	NA	07/31/23	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	0.125%	0.710%	4,954,882.81	4,987,883.72	4,887,700.00	(100,183.72)
02/28/22	NA	NA	07/31/23	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	0.125%	1.408%	4,909,960.94	4,973,579.27	4,887,700.00	(85,879.27)
01/13/22	NA	NA	08/15/23	Aaa/AA/AAA	Treasury - Note	US Treasury	10,000,000	0.125%	0.769%	9,898,437.50	9,970,706.50	9,753,900.00	(216,806.50)
02/15/22	NA	NA	08/31/23	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	0.125%	1.473%	4,898,046.88	4,966,801.74	4,868,950.00	(97,851.74)
08/23/22	NA	NA	09/15/23	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	0.125%	3.154%	4,842,968.75	4,919,865.50	4,859,750.00	(60,115.50)
11/26/21	NA	NA	09/30/23	Aaa/AA/AAA	Treasury - Note	US Treasury	10,000,000	0.250%	0.572%	9,941,015.63	9,981,331.84	9,706,600.00	(274,731.84)
01/13/23	NA	NA	10/03/23	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	4.750%	4.809%	4,998,200.00	4,998,521.67	5,003,850.00	5,328.33
03/31/22	NA	NA	10/31/23	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	1.625%	2.155%	4,958,984.38	4,982,715.35	4,883,800.00	(98,915.35)
04/21/22	NA	NA	10/31/23	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	1.625%	2.380%	4,943,750.00	4,975,403.23	4,883,800.00	(91,603.23)
03/31/22	NA	NA	11/30/23	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	0.500%	2.210%	4,860,742.19	4,937,345.42	4,826,950.00	(110,395.42)
04/21/22	NA	NA	11/30/23	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	0.500%	2.462%	4,846,093.75	4,928,281.78	4,826,950.00	(101,331.78)
08/31/22	NA	NA	12/08/23	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	3.375%	3.576%	4,987,445.00	4,992,369.59	4,940,000.00	(52,369.59)
04/14/22	NA	NA	12/15/23	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	0.125%	2.213%	4,829,687.50	4,919,310.96	4,803,700.00	(115,610.96)
01/17/23	NA	NA	01/12/24	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	4.545%	4.771%	4,772,750.00	4,799,893.75	4,781,250.00	(18,643.75)
03/22/22	NA	NA	01/31/24	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	0.875%	2.013%	4,896,484.38	4,948,851.11	4,811,550.00	(137,301.11)
08/31/22	NA	NA	01/31/24	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	2.500%	3.445%	4,935,156.25	4,957,939.19	4,890,800.00	(67,139.19)
12/16/22	NA	NA	02/15/24	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	2.750%	4.531%	4,899,804.69	4,917,444.71	4,898,450.00	(18,994.71)
03/22/22	NA	NA	02/29/24	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	1.500%	2.020%	4,950,781.25	4,974,661.72	4,830,650.00	(144,011.72)
03/10/22	NA	NA	03/08/24	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	1.875%	1.680%	10,038,080.00	10,019,484.01	9,685,400.00	(334,084.01)
04/21/22	NA	NA	04/30/24	Aaa/AA/AAA	Treasury - Note	US Treasury	10,000,000	2.000%	2.600%	9,882,421.88	9,932,313.14	9,677,700.00	(254,613.14)
05/31/22	NA	NA	05/31/24	Aaa/AA/AAA	Treasury - Note	US Treasury	10,000,000	2.500%	2.560%	9,988,281.25	9,992,673.78	9,726,200.00	(266,473.78)
08/17/22	NA	NA	06/14/24	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Bank	5,000,000	3.125%	3.315%	4,983,200.00	4,988,136.72	4,886,850.00	(101,286.72)
12/16/22	NA	NA	06/14/24	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Bank	5,000,000	4.875%	4.611%	5,018,300.00	5,015,786.26	5,010,500.00	(5,286.26)
12/01/22	NA	NA	07/02/24	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.750%	4.450%	4,795,376.45	4,827,183.22	4,812,000.00	(15,183.22)
08/17/22	NA	NA	07/31/24	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	3.000%	3.249%	4,976,562.50	4,982,996.32	4,890,450.00	(92,546.32)
08/31/22	NA	NA	08/26/24	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	3.375%	3.500%	4,988,050.00	4,991,045.73	4,912,800.00	(78,245.73)
S 09/09/22	One Time	11/28/2022	08/28/24	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	4.000%	3.950%	4,995,000.00	4,996,203.06	4,960,850.00	(35,353.06)
08/31/22	NA	NA	09/13/24	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	3.250%	3.530%	4,972,750.00	4,901,629.37	4,900,650.00	(100,979.37)
09/30/22	NA	NA	09/13/24	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	3.250%	4.340%	4,898,930.00	4,920,446.30	4,900,650.00	(19,796.30)
09/30/22	NA	NA	09/26/24	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	4.250%	4.334%	4,992,100.00	4,993,751.72	4,986,750.00	(7,001.72)
10/17/22	NA	NA	10/17/24	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	10,000,000	4.375%	4.535%	9,969,800.00	9,975,377.29	9,974,700.00	(677.29)
10/31/22	NA	NA	11/15/24	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	2.250%	4.489%	4,783,984.38	4,819,021.77	4,822,050.00	3,028.23
12/22/22	NA	NA	11/18/24	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.875%	4.260%	4,693,316.75	4,723,677.07	4,707,300.00	(16,377.07)
10/31/22	NA	NA	12/31/24	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	2.250%	4.471%	4,773,046.88	4,807,720.27	4,815,050.00	7,329.73
10/31/22	NA	NA	12/31/24	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	2.250%	4.483%	4,771,875.00	4,806,727.43	4,815,050.00	8,322.57
10/31/22	NA	NA	01/15/25	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	1.125%	4.476%	4,651,562.50	4,703,806.54	4,709,400.00	5,593.46
10/31/22	NA	NA	01/31/25	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	2.500%	4.483%	4,789,843.75	4,821,354.17	4,835,750.00	14,395.83
02/13/23	NA	NA	02/13/25	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	5.020%	5.020%	5,000,000.00	5,000,000.00	5,000,000.00	
02/07/23	NA	NA	02/14/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.750%	4.500%	4,737,350.00	4,745,179.67	4,737,350.00	(7,829.67)
12/30/22	NA	NA	02/28/25	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	2.750%	4.317%	4,839,453.13	4,851,834.11	4,857,400.00	5,565.89
02/07/23	NA	NA	03/14/25	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	4.250%	4.518%	4,973,050.00	4,973,824.02	4,973,050.00	(774.02)
12/30/22	NA	NA	03/15/25	Aaa/AA/AAA	Treasury - Note	US Treasury	5,000,000	1.750%	4.329%	4,731,250.00	4,751,589.64	4,756,850.00	5,260.36

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

02/24/23

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE ⁽¹⁾ 2/24/2023	UNREALIZED ⁽²⁾ GAIN/(LOSS)
12/22/22	NA	NA	04/01/25	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Bank	5,000,000	4.200%	4.160%	5,004,550.00	5,004,172.20	5,004,900.00	727.80
12/08/22	Quarterly	02/12/2023	05/12/25	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	3.050%	4.427%	4,843,000.00	4,857,707.67	4,851,600.00	(6,107.67)
01/11/23	NA	NA	05/15/25	Aaa/AA+/AAA	Treasury - Note	US Treasury	5,000,000	2.750%	4.148%	4,845,312.50	4,854,177.63	4,852,550.00	(1,627.63)
12/13/22	NA	NA	06/13/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	4.250%	4.340%	4,989,400.00	4,990,305.59	5,003,100.00	12,794.41
12/13/22	NA	NA	06/13/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	4.250%	4.352%	4,988,000.00	4,989,025.19	5,003,100.00	14,074.81
12/01/22	NA	NA	10/15/25	Aaa/AA+/AAA	Treasury - Note	US Treasury	5,000,000	4.250%	4.298%	4,993,359.38	4,993,929.12	5,032,800.00	38,870.88
12/01/22	Continuous after	9/12/2023	12/12/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	4.125%	4.694%	4,920,500.00	4,926,963.41	4,922,050.00	(4,913.41)
SUB-TOTAL							<u>\$379,500,000</u>			<u>\$374,190,565.63</u>	<u>\$375,726,464.14</u>	<u>\$371,668,344.24</u>	<u>(\$4,058,119.90)</u>
TOTAL INVESTMENTS							<u>\$379,500,000</u>			<u>\$374,190,565.63</u>	<u>\$375,726,464.14</u>	<u>\$371,668,344.24</u>	<u>(\$4,058,119.90)</u>
					Petty Cash					3,400.00			
					Ck Balance	Bank of America		ECR	1.44%	579,106.12			
					Ck Balance	Wells Fargo		ECR	1.65%	<u>2,743,570.62</u>			
										<u>\$377,516,642.37</u>			

⁽¹⁾ LAIF market value is as of the most recent quarter-end as reported by LAIF.
Security market values are determined using Bank of New York ("Trading Prices"), Bloomberg and/or broker dealer pricing.

⁽²⁾ Gain (loss) calculated against carry value using the trading value provided by Bank of New York/or Brokers

⁽³⁾ Real estate rate of return is based on most recent quarter end return

*S - Step up

This Investment Summary Report is in conformity with the 2023 Investment Policy and provides sufficient liquidity to meet the next six months estimated expenditures.

Outstanding Variable Rate Debt	\$227,000,000
Net Outstanding Variable Rate Debt (Less \$60 million fixed-payer swaps)	\$167,000,000
Investment Balance:	\$377,516,642
Investment to Variable Rate Debt Ratio:	226%
Portfolio - Average Number of Days To Maturity	376

	Investment Portfolio	Real Estate ⁽³⁾ Portfolio	Weighted Avg. Return
February	2.69%	13.02%	4.84%
January	2.57%	13.02%	4.68%
Change	0.12%		0.16%

IRVINE RANCH WATER DISTRICT
SUMMARY OF MATURITIES

02/24/23

DATE	TOTAL	%	LAIF	Agency Notes	Agency Discount Notes	Municipal Bonds	US Treasury
2/23	29,500,000	7.77%	\$14,500,000		5,000,000		10,000,000
3/23	20,000,000	5.27%			5,000,000		15,000,000
4/23	20,000,000	5.27%					20,000,000
5/23	15,000,000	3.95%		5,000,000			10,000,000
6/23	15,000,000	3.95%					15,000,000
7/23	15,000,000	3.95%			5,000,000		10,000,000
8/23	15,000,000	3.95%					15,000,000
9/23	15,000,000	3.95%					15,000,000
10/23	15,000,000	3.95%		5,000,000			10,000,000
11/23	10,000,000	2.64%					10,000,000
12/23	10,000,000	2.64%		5,000,000			5,000,000
1/24	15,000,000	3.95%			5,000,000		10,000,000
SUB-TOTAL	\$194,500,000	47.30%	\$14,500,000	\$15,000,000	\$20,000,000		\$145,000,000

13 Months - 3 YEARS							
2/01/2024 - 04/30/2024	\$30,000,000	7.91%		10,000,000			20,000,000
5/01/2024 - 7/31/2024	\$30,000,000	7.91%		15,000,000			15,000,000
8/01/2024 - 10/31/2024	\$35,000,000	9.22%		35,000,000			
11/01/2024 - 1/31/2025	\$30,000,000	7.91%		5,000,000			25,000,000
02/01/2025 - 04/30/2025	\$30,000,000	7.91%		20,000,000			10,000,000
5/01/2025 - 07/31/2025	\$20,000,000	5.27%		15,000,000			5,000,000
8/01/2025 - 10/31/2025	\$5,000,000	1.32%					5,000,000
11/01/2025 - 1/31/2026	\$5,000,000	1.32%		5,000,000			
02/01/2026 +							
TOTALS	\$379,500,000	96.05%	\$14,500,000	120,000,000	20,000,000		225,000,000

% OF PORTFOLIO

3.82%

31.62%

5.27%

59.29%

Irvine Ranch Water District
Summary of Real Estate - Income Producing Investments
12/31/2022

	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	MARKET VALUE 6/30/2022	ANNUALIZED RATE OF RETURN QUARTER ENDED 12/31/2022
Sycamore Canyon	Dec-92	Apartments	Fee Simple	\$ 43,550,810	\$ 174,250,000	21.22%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	\$ 6,000,000	\$ 34,194,459	8.50%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	\$ 5,739,845	\$ 12,240,000	10.42%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	\$ 8,630,577	\$ 11,832,000	6.88%
Sand Canyon Professional Center - Medical Office	Jul-12	Medical Office	Fee Simple	\$ 8,648,594	\$ 12,138,000	7.81%
Sand Canyon Professional Center - General Office	Sep-20	Office Building	Fee Simple	\$ 25,985,968	\$ 33,915,000	4.65%
Total - Income Properties				\$ 98,555,794	\$ 278,569,459	13.02%

IRVINE RANCH WATER DISTRICT INVESTMENT SUMMARY REPORT
INVESTMENT ACTIVITY
Feb-23

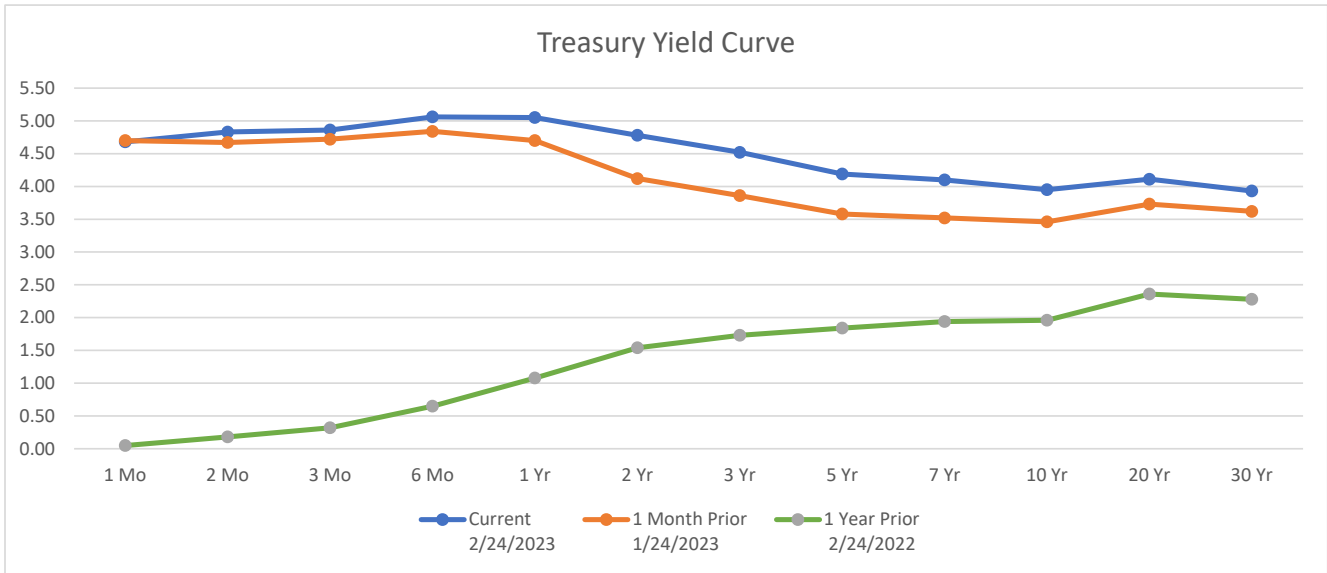
MATURITIES/SALES/CALLS

PURCHASES

DATE	SECURITY TYPE	PAR	YIELD	Settlement Date	Maturity Date	SECURITY TYPE	PAR	YIELD TO MATURITY
2/7/2023	FHLB - Discount Note	\$10,000,000	4.17%	2/7/2023	2/14/2025	FFCB - Note	\$5,000,000	4.50%
2/10/2023	FFCB - Note	\$10,000,000	0.29%	2/7/2023	3/14/2025	FHLB - Note	\$5,000,000	4.52%
2/14/2023	FHLB - Discount Note	\$5,000,000	4.34%	2/10/2023	2/14/2023	FHLB - Discount Note	\$5,000,000	4.34%
2/21/2023	FHLB - Discount Note	\$5,000,000	4.37%	2/10/2023	2/21/2023	FHLB - Discount Note	\$5,000,000	4.37%
2/27/2023	<i>FHLB - Discount Note</i>	<i>\$5,000,000</i>	<i>4.38%</i>	2/13/2023	2/13/2025	FHLB - Note	\$5,000,000	5.02%
2/28/2023	<i>Treasury - Note</i>	<i>\$10,000,000</i>	<i>0.18%</i>	2/21/2023	2/27/2023	FHLB - Discount Note	\$5,000,000	4.38%

(1) There may be additional investment purchases based on the pending maturities for the month.

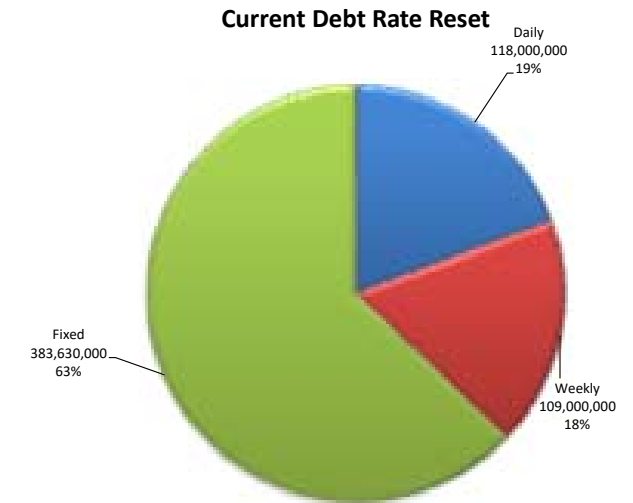
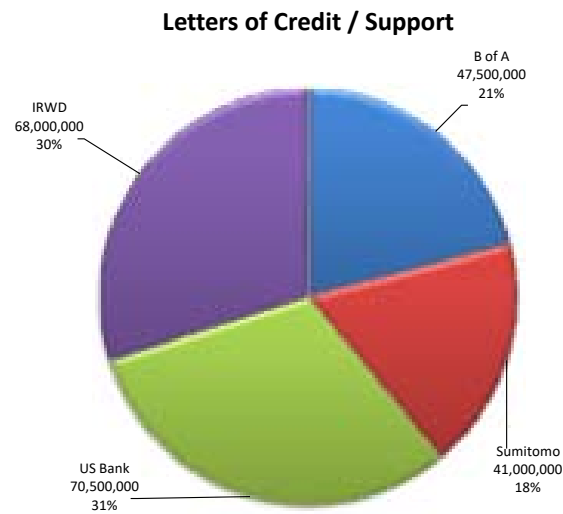
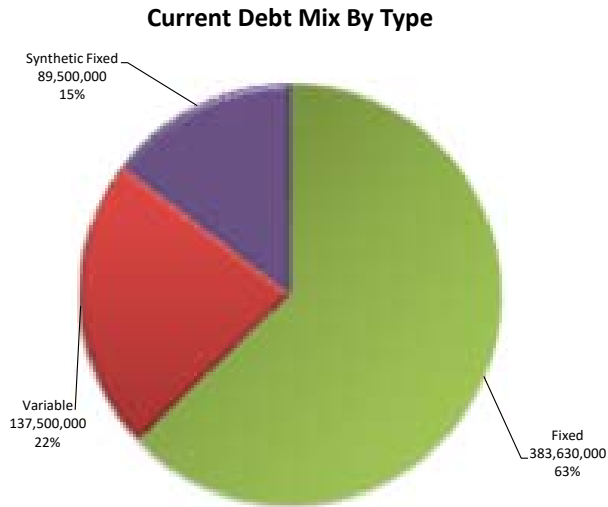
Exhibit "B"



Tenor	Current 2/24/2023	1 Month Prior 1/24/2023	1 Year Prior 2/24/2022
1 Mo	4.68	4.70	0.05
2 Mo	4.83	4.67	0.18
3 Mo	4.86	4.72	0.32
6 Mo	5.06	4.84	0.65
1 Yr	5.05	4.70	1.08
2 Yr	4.78	4.12	1.54
3 Yr	4.52	3.86	1.73
5 Yr	4.19	3.58	1.84
7 Yr	4.10	3.52	1.94
10 Yr	3.95	3.46	1.96
20 Yr	4.11	3.73	2.36
30 Yr	3.93	3.62	2.28

Note: This page is intentionally left blank.

Exhibit "C"
Irvine Ranch Water District
Summary of Fixed and Variable Rate Debt
February 2023



Outstanding Par by Series

Series	Issue Date	Maturity Date	Remaining Principal	Percent	Letter of Credit/Support	Rmkt Agent	Mode	Reset
Series 1993	05/19/93	04/01/33	\$23,000,000	3.77%	US Bank	BAML	Variable	Daily
Series 2008-A Refunding	04/24/08	07/01/35	\$41,000,000	6.71%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	\$40,800,000	6.68%	IRWD	Goldman	Variable	Weekly
Series 2011-A-2 Refunding	04/15/11	10/01/37	\$27,200,000	4.45%	IRWD	Goldman	Variable	Weekly
Series 2009 - A	06/04/09	10/01/41	\$47,500,000	7.78%	US Bank	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	\$47,500,000	7.78%	B of A	Goldman	Variable	Daily
2016 COPS	09/01/16	03/01/46	\$109,650,000	17.96%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	\$175,000,000	28.66%	N/A	N/A	Fixed	Fixed
Series 2016	10/12/16	02/01/46	\$98,980,000	16.21%	N/A	N/A	Fixed	Fixed
Total			\$610,630,000	100.00%				

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

February-23

ITN		GENERAL BOND INFORMATION																LETTER OF CREDIT INFORMATION										TRUSTEE INFORMATION				
Daily		VARIABLE RATE ISSUES																Letter of Credit										Rmkt Agent				
Weekly		Issue Date	Maturity Date	Principal Payment Date	Payment Date	Original Par Amount	Remaining Principal	Letter of Credit	Reimbursement Agreement Date	L/C Exp. Date	MOODY'S	S&P	FITCH	LOC Stated Amount	LOC Fee	Annual LOC Cost	Rmkt Agent	Reset	Rmkt Fees	Annual Cost	Trustee											
		05/19/93	04/01/33	Apr 1	5th Bus. Day	\$38,300,000	\$23,000,000	US BANK	05/07/15	05/01/25	Aa3/VMIG1	AA-/A-1+	N/R	\$23,310,027	0.3000%	\$69,930	BAML	DAILY	0.10%	\$23,000	BANK OF NY											
		04/24/08	07/01/35	Jul 1	5th Bus. Day	\$60,215,000	\$41,000,000	SUMITOMO	04/01/11	05/28/25	A1/P-1	A/A-1	A/F1	\$41,606,575	0.3150%	\$131,061	BAML	WED	0.07%	\$28,700	BANK OF NY											
		04/15/11	10/01/37	Oct 1	1st Bus. Day	\$60,545,000	\$40,800,000	N/A	N/A	N/A	Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A	Goldman	WED	0.13%	\$51,000	BANK OF NY											
		04/15/11	10/01/37	Oct 1	1st Bus. Day	\$40,370,000	\$27,200,000	N/A	N/A	N/A	Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A	Goldman	WED	0.13%	\$34,000	BANK OF NY											
		06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$47,500,000	US BANK	04/01/11	05/01/25	Aa2/VMIG1	AA-/A-1	AA/F1+	\$48,030,959	0.3000%	\$144,093	US Bank	DAILY	0.07%	\$33,250	US BANK											
		06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$47,500,000	B of A	04/01/11	04/21/25	Aa2/VMIG1	A/A-1	A1/F1+	\$48,030,959	0.2800%	\$134,487	Goldman	DAILY	0.10%	\$47,500	US BANK											
\$349,430,000							\$227,000,000	SUB-TOTAL VARIABLE RATE DEBT										\$160,978,521	0.2979%	\$479,570	0.10%					\$217,450						
																		(Wt. Avg)		(Wt. Avg)												
FIXED RATE ISSUES																																
		12/16/10	05/01/40	May (2025)	May/Nov	\$175,000,000	\$175,000,000	N/A	N/A	N/A	Aa1	AAA	NR	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK											
		09/01/16	03/01/46	Mar 1	Mar/Sept	\$116,745,000	\$109,650,000	N/A	N/A	N/A	NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK											
		10/12/16	02/01/46	Feb 1	Feb/Aug	\$103,400,000	\$98,980,000	N/A	N/A	N/A	NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	BANK OF NY											
\$395,145,000							\$383,630,000	SUB-TOTAL FIXED RATE DEBT																								
\$744,575,000							\$610,630,000	TOTAL - FIXED & VARIABLE RATE DEBT																								
																		\$500,980,000														

Remarketing Agents			GO VS COP'S		
Goldman	115,500,000	51%	GO:	500,980,000	82%
BAML	64,000,000	28%	COPS:	109,650,000	18%
US Bank	47,500,000	21%	Total	610,630,000	
	<u>227,000,000</u>				

LOC Banks		Breakdown Between Variable & Fixed Rate Mode	
SUMITOMO	41,000,000	Daily Issues	118,000,000 19%
BANK OF AMERICA	47,500,000	Weekly Issues	41,000,000 7%
US BANK	70,500,000	ITN Issues	68,000,000 11%
	<u>159,000,000</u>	Sub-Total	227,000,000
		Fixed Rate Issues	\$383,630,000 63%
		Sub-Total - Fixed	383,630,000
		TOTAL DEBT	
		FIXED & VAR.	610,630,000 100%

Exhibit "D"

SUMMARY OF DEBT RATES Feb-23

Rmkt Agent Mode	GOLDMAN		GOLDMAN		MERRILL LYNCH		US BANK
	DAILY	WEEKLY	WEEKLY	WEEKLY	DAILY	WEEKLY	DAILY
Bond Issue	2009 - B	2011 A-1	2011 A-2	2011 A-2	1993	2008-A	2009-A
Par Amount	47,500,000	40,800,000	27,200,000	27,200,000	23,000,000	41,000,000	47,500,000
LOC Bank	BOFA	(SIFMA + 5)	(SIFMA + 5)	(SIFMA + 5)	US BANK	Sumitomo	US BANK
Reset		Wednesday	Wednesday	Wednesday		Wednesday	
2/1/2023	0.60%	1.71%	1.71%	1.71%	0.60%	1.04%	0.60%
2/2/2023	0.65%	1.92%	1.92%	1.92%	0.75%	1.25%	1.00%
2/3/2023	0.90%	1.92%	1.92%	1.92%	1.33%	1.25%	1.30%
2/4/2023	0.90%	1.92%	1.92%	1.92%	1.33%	1.25%	1.30%
2/5/2023	0.90%	1.92%	1.92%	1.92%	1.33%	1.25%	1.30%
2/6/2023	1.25%	1.92%	1.92%	1.92%	1.93%	1.25%	2.05%
2/7/2023	2.00%	1.92%	1.92%	1.92%	2.65%	1.25%	2.60%
2/8/2023	2.20%	1.92%	1.92%	1.92%	2.83%	1.25%	2.85%
2/9/2023	2.50%	3.79%	3.79%	3.79%	2.73%	3.10%	2.85%
2/10/2023	2.65%	3.79%	3.79%	3.79%	2.74%	3.10%	3.00%
2/11/2023	2.65%	3.79%	3.79%	3.79%	2.74%	3.10%	3.00%
2/12/2023	2.65%	3.79%	3.79%	3.79%	2.74%	3.10%	3.00%
2/13/2023	2.75%	3.79%	3.79%	3.79%	2.79%	3.10%	2.95%
2/14/2023	2.75%	3.79%	3.79%	3.79%	2.69%	3.10%	2.90%
2/15/2023	2.72%	3.79%	3.79%	3.79%	2.57%	3.10%	2.80%
2/16/2023	2.60%	4.03%	4.03%	4.03%	2.49%	3.47%	2.70%
2/17/2023	2.50%	4.03%	4.03%	4.03%	2.34%	3.47%	2.60%
2/18/2023	2.50%	4.03%	4.03%	4.03%	2.34%	3.47%	2.60%
2/19/2023	2.50%	4.03%	4.03%	4.03%	2.34%	3.47%	2.60%
2/20/2023	2.50%	4.03%	4.03%	4.03%	2.34%	3.47%	2.60%
2/21/2023	2.30%	4.03%	4.03%	4.03%	2.04%	3.47%	2.50%
2/22/2023	2.00%	4.03%	4.03%	4.03%	1.89%	3.47%	2.10%
2/23/2023	1.85%	3.47%	3.47%	3.47%	1.82%	2.62%	2.00%
2/24/2023	1.75%	3.47%	3.47%	3.47%	1.79%	2.62%	1.80%
Avg Interest Rates	2.02%	3.20%	3.20%	3.20%	2.13%	2.54%	2.29%
Rmkt Fee	0.10%	0.13%	0.13%	0.13%	0.10%	0.07%	0.07%
LOC Fee	0.28%				0.30%	0.32%	0.30%
All-In Rate	2.40%	3.33%	3.33%	3.33%	2.53%	2.93%	2.66%
Par Amount	88,300,000		27,200,000		64,000,000		47,500,000

Interest Rate Mode	Percent of Total Variable Rate Debt	Par Outstanding	Weighted All-In Average Rate	Base Rate Average
Daily	51.98%	118,000,000	2.53%	2.15%
Weekly	48.02%	109,000,000	3.18%	2.95%
	100.00%	\$ 227,000,000	2.84%	2.54%
Fixed				
COPS 2016	28.58%	109,650,000	2.90%	
BABS 2010	45.62%	175,000,000	4.44%	(1)
SERIES 2016	25.80%	98,980,000	3.32%	
	100.00%	\$ 383,630,000	3.71%	
All-In Debt Rate Including \$60 Million Notional Amount of Swaps				3.50%


(1) Rate adjusted up from 4.35% as a result of sequestration reducing BAB's subsidy by 5.7%

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March 6, 2023

Prepared by: J. Davis

Submitted by: C. Clary

Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

REAL ESTATE QUARTERLY PERFORMANCE

SUMMARY:

Staff will provide the Committee with an update on the financial performance of IRWD's real estate investments and other revenue generating properties for the quarter ended December 31, 2022.

BACKGROUND:

For the quarter ended December 31, 2022, the net operating income (NOI) for IRWD's residential and commercial real estate investment properties was \$3.2 million, which represents a 13.02% return for the period. The fiscal year (FY) to date NOI was approximately \$6.3 million. Land lease income from the Strawberry Farms Golf Course was \$236,525 and \$521,973 for the quarter and FY to date, respectively. Lease revenue from the District's five cell sites was \$129,501 and \$254,905 for the quarter and FY to date, respectively. A report detailing the NOI and returns for IRWD's real estate investment properties, golf course land lease, and cell sites is provided as Exhibit "A".

Residential Investment Properties:

The NOI for the Sycamore Canyon Apartments for the quarter ended December 31, 2022 was approximately \$2.3 million and \$4.8 million FY to date, which were favorable to budget by \$41,180 and \$120,077, respectively. The variances were due to higher-than-anticipated occupancy and revenue from increased lease rates. The District's limited partnership investment in the Wood Canyon Villa property earned a preferred return of 9.00% providing income of \$136,110 for the quarter end and \$272,040 for the FY to date. The net return for Wood Canyon was 8.50% for quarter and FY periods.

Commercial Investment Properties:

For the quarter and FY period ended December 31, 2022, NOI at the Irvine Market Place (230 Commerce) property was \$149,466 and \$286,332, which was unfavorable to budget by \$46,531 and \$83,146, respectively, due to higher-than-anticipated operating expenses for HVAC repairs and electricity. Currently, the property has two suites available, which are being marketed by IRWD's commercial broker, Colliers International. The property is currently 82.4% occupied.

For the quarter and FY period ended December 31, 2022, NOI at the Waterworks Way Business Park property was \$148,424 and \$326,403, which was unfavorable to budget by \$21,882 and \$20,669, respectively, due primarily to unanticipated repairs caused by a water leak. The property is currently 100% occupied.

For the quarter and FY period ended December 31, 2022, the NOI for the Sand Canyon Medical Office property was \$168,757 and \$337,035 and was in line with budget. The property is currently 100% occupied.

For the quarter and FY period ended December 31, 2022, NOI at the Sand Canyon Professional Center general office property was \$302,030 and \$288,597, which was favorable to budget by \$17,058 and \$10,573, respectively, due to lower than anticipated expenses for property taxes. The lower NOI for the fiscal year period was due to abated rent through October 2022 for the tenant. The property is currently 100% occupied.

Strawberry Farms Golf Course and Cell Site Leases:

Land lease income for Strawberry Farms Golf Course for the quarter ended December 31, 2022 was \$236,525. This compares with income of \$222,743 for the same period last year, representing a 6.19% increase for the period. The FY year-to-date income was \$521,973, representing an increase of 8.37% compared to the same period last year. For the quarter and FY ended December 31, 2022, the lease revenue from the District's five cell sites were \$129,501 and \$254,905, which were an increase of \$17,209 and \$70,591 from the same period last year, respectively. The increases were primarily due a larger revenue share amount.

FISCAL IMPACTS:

Fiscal impacts are discussed above.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Real Estate Performance Report

Exhibit "A"

Irvine Ranch Water District
Real Estate Investment Performance Report
as of December 31, 2022


INCOME PROPERTIES		FY 2022-23					FY 2022-2023 RATE OF RETURN			3 Year Average Rate of Return	5 Year Average Rate of Return
Property Description	Capital Investment	Oct-22	Nov-22	Dec-22	FY Q2	FY 2022-23 TOTAL	FY Q1	FY Q2	Average Fiscal YTD	FY 20/21 - 22/23	FY 18/19 - 22/23
Sycamore Canyon Apartments	\$ 43,550,810	\$ 688,107	\$ 895,863	\$ 726,886	\$ 2,310,856	\$ 4,779,490	22.67%	21.22%	21.95%	21.27%	20.21%
Wood Canyon Villa Apartments	\$ 6,000,000	\$ 45,863	\$ 44,384	\$ 45,863	\$ 136,110	\$ 272,040	8.50%	8.50%	8.50%	8.51%	8.51%
Irvine Market Place Office	\$ 5,739,845	\$ 53,178	\$ 65,081	\$ 31,207	\$ 149,466	\$ 286,332	9.54%	10.42%	9.98%	9.91%	9.40%
Waterworks Way Business Park	\$ 8,630,577	\$ 59,374	\$ 48,557	\$ 40,493	\$ 148,424	\$ 326,403	8.25%	6.88%	7.56%	7.41%	6.77%
Sand Canyon Professional Center - Medical	\$ 8,648,594	\$ 59,605	\$ 54,369	\$ 54,783	\$ 168,757	\$ 337,035	7.78%	7.81%	7.79%	8.73%	8.78%
Sand Canyon Professional Center - General	\$ 25,985,968	\$ 2,553	\$ 154,092	\$ 145,385	\$ 302,030	\$ 288,597	-0.21%	4.65%	2.22%		
	\$ 98,555,793	\$ 908,680	\$1,262,346	\$1,044,617	\$3,215,643	\$ 6,289,897	12.44%	13.02%	12.73%	11.91%	11.36%

Notes/Assumptions:

- Wood Canyon cash flows represent partnership cash distributions from Western National Group.
- The 9.00% Preferred Return for Wood Canyon accrues on the original \$6 million investment amount along with any accrued preferred return. The current total monthly accrual is approximately \$45,000/month.
- Capital Investment does not include depreciation

**Irvine Ranch Water District
Real Estate Investment Performance Report
Strawberry Farms Golf Course & Cell Site
as of December 31, 2022**

Property Description	2022-23 NET INCOME				
	Oct-22	Nov-22	Dec-22	FY Q2	NET INCOME 2022 - 2023
Strawberry Farms Golf Course	\$ 84,635	\$ 79,002	\$ 72,888	\$ 236,525	\$ 521,973
Change From Prior Year Period:				\$ 13,782 6.19%	\$ 40,314 8.37%
Cellular Sites	\$ 36,610	\$ 25,234	\$ 67,657	\$ 129,501	\$ 254,905
Change From Prior Year Period:				\$ 17,209 15.33%	\$ 70,591 38.30%

March 6, 2023
Prepared by: J. Davis
Submitted by: R. Jacobson / C. Clary
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

RESIDENTIAL INVESTMENT PROPERTY PERFORMANCE 2022 ANNUAL REPORT

SUMMARY:

Staff and IRWD's apartment property consultant Market-THINK will present the annual performance report for the Sycamore Canyon and Wood Canyon Villa apartment properties for the calendar year ended December 31, 2022. The report will include property management and capital improvement plans for calendar year 2023 and an update on the Orange County apartment market.

BACKGROUND:

Staff completed its analysis of the 2022 financial statements (calendar year) and final 2023 operating and capital budgets for the Sycamore Canyon and Wood Canyon Villa apartment properties as submitted by IRWD's apartment property manager Western National Properties. At the meeting, staff and Ms. Susan Sirota of Market-THINK will present the following:

- A report of the 2022 financial performance for the District's residential investment properties including an overview of completed capital projects;
- A review of budget highlights and planned capital projects for 2023, which include additional roof replacements (three buildings), deck and balcony repairs/replacements, unit interior upgrades (kitchen lighting, cabinet hardware, baseboards, etc.); front door replacements, and concrete pool deck repairs; and
- An updated forecast of Orange County apartment market activity for 2023 including new apartment construction projects, rental rate and occupancy projections, and perspectives on the 2023 apartment leasing market from industry economists.

FISCAL IMPACTS:

For calendar year 2022, the net operating income (NOI) from the Sycamore Canyon Apartments property was \$9.6 million. The District's preferred return income from the Wood Canyon Villa property was \$540,000. For calendar year 2023, the NOI from the Sycamore Canyon Apartments property is projected to be \$10.0 million and the preferred return income from the Wood Canyon Villa property is projected to be \$540,000.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.


LIST OF EXHIBITS:

None.

March 6, 2023

Prepared by: D. Kanoff / S. Aryan

Submitted by: C. Clary

Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

RISK MANAGEMENT QUARTERLY REPORT

SUMMARY:

Staff will provide the Committee with a report on the insurance and claim expenses incurred by IRWD through the second quarter of the Fiscal Year (FY) ending June 30, 2023.

BACKGROUND:

A comparison of IRWD's actual versus budget insurance expenses for the second quarter of FY 2022-23 and FY 2021-22 is provided as Exhibit "A" and summarized as follows:

- Insurance premiums total \$1,160,186 and are \$142,326 under budget;
- Third-party claim administration expenses total \$1,500 and are \$13,500 under budget;
- Legal expenses total \$21,124; and
- Claim payments total \$31,559 and are \$33,441 under budget.

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

FISCAL IMPACTS:

Fiscal impacts are outlined above.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Insurance and Claims Summary

Exhibit "B" – Closed General Liability Claims in FY 2022-23

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Exhibit "A"

Irvine Ranch Water District
Insurance and Claims Summary
Period Ending December 31, 2022

PREMIUM	Actual FY 22/23	Budget FY 22/23	Variance	% Variance	Prior FY 21/22
Crime	5,613	5,460	(153)	-3%	5,346
General Liability	722,289	855,626	133,337	16%	731,217
Pollution	90,140	97,170	7,030	7%	90,805
Property	311,873	335,500	23,627	7%	275,869
Cyber	30,271	8,756	(21,515)	-246%	22,828
Total	1,160,186	1,302,512	142,326	11%	1,126,065

CATEGORY	Closed FY 22/23	Total FY 22/23	Budget FY 22/23	Variance	Prior FY 21/22
Membership			1,650	1,650	150
Claim Admin	1,500	1,500	15,000	13,500	6,497
Claim Payments	31,559	31,559	65,000	33,441	1,520
Total	33,059	33,059	81,650	48,591	8,167

CATEGORY	Open FY 22/23	Closed FY 22/23	Total FY 22/23	Prior FY 21/22
Legal	3,407	17,717	21,124	136,958
Total	3,407	17,717	21,124	136,958

ACTIVITY	FY 2021/22	FY 2022/23
Beginning Open Claims	4	3
New Claims	13	2
Closed Claims	(14)	(4)
Current Open Claims	3	1

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Exhibit "B"

Register of Closed General Liability Claims as of December 31, 2022


Closed Claims Fiscal Year 2022-2023				
CLAIM TYPE	CLAIMANT	Legal	Claim Payments	Grand Total
Single Event	Gleason v. County of Orange	14,883	20,000	34,883
	2010 Main Street			0
	SLR Construction v. Roes 1 to 25	2,564	10,000	12,564
	Smoketree Irvine HOA		559	559
	Mena Eskander	270	1,000	1,270
Grand Total		17,717	31,559	49,276

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March 6, 2023

Prepared by: L. Kaneshiro

Submitted by: C. Clary

Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

INFORMATION SERVICES PROJECT STATUS REPORT

SUMMARY:

Provided for the Committee's review is a list of projects on which Information Services Department staff is currently working.

BACKGROUND:

Information Services periodically submits a project status report for the Committee's review. The current project status report is provided as Exhibit "A".

FISCAL IMPACTS:

The fiscal impacts are shown in Exhibit "A".

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Information Services Project Status Summary


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Exhibit “A”

Information Services Project Status Report
 March 6, 2023

Project Name	Project Summary	Schedule		Project Budget	Status
Board Room Technology Upgrade	Modernize and upgrade Board Room technology.	Start Complete	7/22 6/23	\$100,000	<u>ON-TRACK:</u> The audio system will be reprogrammed beginning on March 28, which is expected to improve audio performance. New wireless microphones have been ordered, but they have not been received yet due to equipment delays.
Conference Room Technology Upgrade	Modernize and upgrade conference room technology.	Start Complete	7/21 6/23	\$300,000	<u>SCHEDULE DELAY:</u> Eleven conference rooms are equipped with the new audio/visual technology. Completion is delayed as staff and vendors continue to troubleshoot issues to stabilize the system. Work has also begun for the Learning Center and the Community Meeting Room.
Cybersecurity 24x7 Threat Monitoring and Response	Improve cybersecurity protections with 24x7 monitoring of District IT systems.	Start Complete	10/22 12/22	\$440,000	<u>COMPLETED:</u> The Cybersecurity 24x7 Threat Monitoring and Response system went live in December 2022. The system monitors approximately 80 million events per week. Suspicious activities are flagged for staff to investigate and resolve.
Wi-Fi Refresh	Replace the District’s legacy Wi-Fi infrastructure with modern authentication and equipment.	Start Complete	3/22 6/23	\$380,000	<u>ON-TRACK:</u> The project kick-off meeting was held on February 27, 2023. Staff and the vendor are working towards completing this project by June 2023, with completion contingent on equipment delivery times.

Project Name	Project Summary	Schedule		Project Budget	Status
Oracle EBS Direct Labor cost allocation to Projects	Implement Oracle EBS Direct labor cost Allocation for G&A to Projects.	Start Complete	3/22 3/23	\$464,000	<u>SCHEDULE DELAY:</u> Project completion is delayed due to issues identified during user acceptance testing, which staff are resolving. This project delay does not impact the start of the new allocation feature, which will begin in FY 23-24 on July 1, 2023.
Replace IRWD's network drives with Microsoft technologies	Migrate IRWD electronic files to modern Microsoft systems and eliminate obsolete technologies	Start Complete	1/23 6/23	In-House	<u>NEW:</u> Migration of electronic files is on track. IS and Customer Service Departments have been completed. Migration is currently in progress for Engineering and Finance Departments.
2012 R2 Servers Upgrade	Upgrade existing servers with Microsoft 2012 R2 operating system.	Start Complete	1/23 10/23	In-House	<u>NEW:</u> All existing 2012 R2 servers are on schedule to be upgraded before the end of support date of October 10, 2023.
EZMax Planner for Maximo	Implement EZMax Planner to improve the planning and scheduling capabilities for the Maximo asset management system	Start Complete	3/23 9/23	\$82,000	<u>NEW:</u> The professional services and software licensing agreements have been issued. The project is scheduled to start on March 15, 2023.

March 6, 2023
Prepared by: D. Pardee / C. Smithson
Submitted by: C. Clary
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

FISCAL YEAR 2022-23 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS QUARTERLY UPDATE

SUMMARY:

Staff has prepared a financial analysis of the unaudited operating statements through the second quarter of Fiscal Year (FY) 2022-23. Actual operating net revenue was \$86.0 million, while total system operating expenses were \$89.3 million for a net operating loss of \$3.3 million. Consolidated expenses, including capital, totaled \$98.9 million compared to a budget of \$94.1 million. Non-operating net income was \$46.3 million compared with a budget of \$40.6 million.

BACKGROUND:

Details of unaudited actual results through the second quarter of FY 2022-23 are provided in the following documents:

- Operating revenues and expenses by system, provided as Exhibit “A”;
- Operating expenses, provided as Exhibit “B”; and
- Non-operating revenues and expenses, provided as Exhibit “C”.

Exhibits “A”, “B”, and “C” provide operating and non-operating results with detailed explanations for variances that exceed \$0.5 million. These variances are color coded, and explanations are included in the exhibits with matching colors for easy reference. Exhibit “A” includes cost of water and acre-feet (AF) details for potable and recycled water. Exhibit “B” includes a summary of the major components included in salaries and benefits.

Summary of Operating Revenues and Expenses:

Net revenues were \$86.0 million and operating expenses were \$89.3 million resulting in a net operating loss through the second quarter of FY 2022-23 of \$3.3 million. Exhibit “A” shows a detailed comparison and explanations for significant variances of actual to budget revenues and expenses by system through the second quarter of FY 2022-23. A summary by system is outlined below.

Potable Water System:

Net revenues were lower than budget by \$2.1 million and total expenses exceeded budget by \$2.6 million as shown on Exhibit “A-2”. Sales were 1,775 AF under budget, primarily due to conservation messaging, resulting in commodity sales of \$1.9 million below budget. Salaries and benefits were over budget by \$0.6 million and electricity was over budget by \$1.6 million. More information is included on Exhibits “A-2” and “A-3”.

Recycled Water System:

Net revenues were lower than budget by \$1.6 million, and total expenses were over budget by \$0.3 million. Sales were 1,783 AF lower than budget, primarily due to conservation messaging. Commodity revenues were \$1.7 million below budget. More information is included on Exhibits “A-4” and “A-5”.

Sewer System:

Net revenues were lower than budget by \$0.2 million and total expenses were over budget by \$2.4 million. Fixed service charges were under budget by \$0.6 million. Salaries and benefits, electricity, and all other expenses associated with this system were over budget by \$1.3 million, \$0.7 million, and \$0.8 million respectively. More information is included on Exhibit “A-6”.

Conservation, Natural Treatment System (NTS), and Water Banking (Over-allocation Fund):

Net revenues were below budget by \$0.9 million and total expenses were over budget by \$0.9 million. Over-allocation revenue was under budget by \$0.9 million and repairs and maintenance were over budget by \$0.7 million. More information is included on Exhibit “A-7”.

Summary of Operating Expenses:

Exhibit “B” is a summary of actual to budget expenses by major category, including capital, through the second quarter of FY 2022-23. Net operating expenses were \$98.9 million, which is \$4.7 million over budget. The full year forecast for FY 2022-23 is \$197.4 million, which is \$9.6 million higher than budget. Explanations are provided on Exhibit “B-2”. Salary and employee benefits are detailed on Exhibit “B-3”.

Summary of Non-Operating Revenues and Expenses:

Exhibit “C” is a summary of non-operating revenues and expenses. IRWD’s non-operating revenues are related to income generated from sources other than user rates. They include property taxes, investment income, connection fees, and real estate. A portion of the non-operating revenue pays debt service. Property taxes and connection fees help to pay for new infrastructure.

The non-operating net income was \$46.3 million, which was positive to budget by \$5.7 million. Revenues were over budget by \$5.8 million and expenses were over budget by \$0.1 million. The full-year net income forecast for FY 2022-23 is \$91.6 million, which is \$9.6 million higher than budget.

FISCAL IMPACTS:

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

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Actual to Budget Operating Revenues and Expenses by System

Exhibit "B" – Consolidated Actual to Budget and Forecast Operating Expenses

Exhibit "C" – Consolidated Actual to Budget and Forecast Non-Operating Net Income

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Exhibit "A"
Actual vs Budget Operating Net Income by System
Through the Second Quarter of Fiscal Year 2022-23
(in thousands)

Consolidated			
Revenues:	Actual	Budget	Variance
Commodity	\$ 49,683	\$ 54,183	\$ (4,500)
Fixed Service Charges and Other	53,058	53,930	(872)
Total Revenues	\$ 102,741	\$ 108,113	\$ (5,372)
Contribution to Enhancement and Replacement Funds	(16,739)	(17,371)	632
Net Revenues	\$ 86,002	\$ 90,742	\$ (4,740)
Expenses:			
Salaries and Benefits	\$ 21,882	\$ 19,801	\$ (2,081)
Purchased Water	25,240	24,894	(346)
Electricity	12,726	10,721	(2,005)
Repairs and Maintenance - OC San	2,145	2,060	(85)
All Other Repairs and Maintenance	6,520	6,188	(332)
All Other Operating Expense	20,824	19,497	(1,327)
Total Expenses	\$ 89,337	\$ 83,161	\$ (6,176)
Net Operating Income (Loss)	\$ (3,335)	\$ 7,581	\$ (10,916)

Explanations for significant variances greater than \$500K are included in the details of each system.

**Actual vs Budget Operating Net Income by System
Through the Second Quarter of Fiscal Year 2022-23**

(in thousands)

Potable (treated and untreated systems)			
Revenues:	Actual	Budget	Variance
Commodity	\$ 28,134	\$ 30,035	\$ (1,901)
Fixed Service Charges and Other	20,610	20,962	(352)
Total Revenues	\$ 48,744	\$ 50,997	\$ (2,253)
Contribution to Enhancement and Replacement Funds	(4,757)	(4,892)	135
Net Revenues	\$ 43,987	\$ 46,105	\$ (2,118)
Expenses:			
Salaries and Benefits	\$ 8,502	\$ 7,942	\$ (560)
Purchased Water	21,762	21,306	(456)
Electricity	7,230	5,593	(1,637)
Repairs and Maintenance	2,344	2,338	(6)
All Other Operating Expense	6,381	6,465	84
Total Expenses	\$ 46,219	\$ 43,644	\$ (2,575)
Net Operating Income (Loss)	\$ (2,232)	\$ 2,461	\$ (4,693)

Revenues:

Commodity Revenue was under budget.

- Residential and commercial sales were under budget due to conservation messaging and increased precipitation in the second quarter.
- Revenue includes cost recovery for FY 2021-22 (\$0.5 million).

Expenses:

Salaries and Benefits were over budget. See detailed explanations on Exhibit "B-2".

Actual labor and associated G&A exceeded the projected (budgeted) expenses for water system maintenance and administration primarily due to COLA increases higher than budgeted.

Electricity was over budget.

- Rate increases for electricity were higher than budgeted.
- Higher costs were partially offset by lower electrical usage for pumping.

**Actual vs Budget Operating Net Income by System
Through the Second Quarter of Fiscal Year 2022-23**

Potable (treated and untreated systems)

	Acre Feet (AF)			Cost (in Millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
Treated						
Pumped	21,306	23,084	1,778	\$11.7	\$12.3	\$0.6
Imported	4,481	4,451	(30)	6.0	5.9	(0.1)
Baker Treatment Plant (Baker)	3,722	3,600	(122)	3.6	3.4	(0.2)
Total Treated	29,509	31,135	1,626	21.3	21.6	0.3
Untreated						
Native Water	37	1,690	1,653	-	0.5	0.5
Imported	4,524	1,534	(2,990)	3.2	1.5	(1.7)
Baker ILP*	(649)		649	(0.4)		0.4
Transfer to Recycled	(3,144)	(3,145)	(1)	(2.3)	(2.3)	0.0
Evaporation	(429)		429			
Total Untreated	339	79	(260)	0.5	(0.3)	(0.8)
Total	29,848	31,214	1,366	\$ 21.8	\$ 21.3	\$ (0.5)
Process Waste	(699)	(462)	237			
System Loss	(1,654)	(1,482)	172			
Sales/Cost of Sales	27,495	29,270	1,775	\$ 21.8	\$ 21.3	\$ (0.5)
Total				\$ 21.8	\$ 21.3	\$ (0.5)

Pumped Water usage and costs were under budget.

- Groundwater levels were too low to pump from Wells 21 and 22.
- Dyer Road Well Field (DRWF) pumping was reduced due to storage limitations for customers in some elevated areas as a result of reservoir maintenance in the first quarter.

Native Water usage and cost were under budget.

Decreased native water was used due to lack of availability.

Untreated Imported water usage and cost exceeded budget.

- Imported water was increased due to lack of native water availability to meet recycled demands.
- Untreated imported water was purchased and placed in Irvine Lake for the Baker Treatment Plant.

Sales were under budget.

Overall usage under budget by 6.1%.

*Cost reimbursement is included in Reimbursement from Partners.

Actual vs Budget Operating Net Income by System
Through the Second Quarter of Fiscal Year 2022-23
(in thousands)

Recycled			
Revenues:	Actual	Budget	Variance
Commodity	\$ 13,574	\$ 15,300	\$ (1,726)
Fixed Service Charges and Other	4,098	3,998	100
Total Revenues	\$ 17,672	\$ 19,298	\$ (1,626)
Contribution to Enhancement and Replacement Funds	(590)	(628)	38
Net Revenues	\$ 17,082	\$ 18,670	\$ (1,588)
Expenses:			
Salaries and Benefits	\$ 4,091	\$ 3,931	\$ (160)
Purchased Water	3,478	3,588	110
Electricity	3,394	3,512	118
Repairs and Maintenance	586	555	(31)
All Other Operating Expense	4,434	4,089	(345)
Total Expenses	\$ 15,983	\$ 15,675	\$ (308)
Net Operating Income (Loss)	\$ 1,099	\$ 2,995	\$ (1,896)

Revenues:

Commodity Revenue was lower than budget.

Recycled sales were lower due to reduced agricultural and landscape irrigation due to conservation messaging and increased precipitation in the second quarter.

- Revenue includes cost recovery for FY 2021-22 (\$0.5 million).

**Actual vs Budget Operating Net Income by System
Through the Second Quarter of Fiscal Year 2022-23**

Recycled						
	Acre Feet (AF)			Cost (in Millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
Produced/ Storage	13,927	15,014	1,087	\$ -	\$ -	\$ -
Untreated Supplemental	3,144	3,145	1	2.3	2.3	-
Pumped	1,960	2,300	340	1.1	1.2	0.1
Total	19,031	20,459	1,428	\$ 3.4	\$ 3.5	\$ 0.1
Process Waste	(242)	(345)	(103)			
System Loss	(821)	(363)	458			
Sales/Cost of Sales	17,968	19,751	1,783	\$ 3.4	\$ 3.5	\$ 0.1

Stored water usage was under budget.

Production was higher than budget but less stored water was used to meet demands.

There is no associated cost because the expense was recognized previously.

Pumped water usage and cost were under budget.

Pumped water was under budget due to reduced demand.

System losses exceeded budget.

The El Toro Remediation Project (ETGR) was sent to outfall due to PFAS levels (728 AF).

Sales were under budget.

Usage was under budget by 9% primarily due to reduced agricultural and landscape sales as a result of conservation messaging and increased precipitation.

Actual vs Budget Operating Net Income by System
Through the Second Quarter of Fiscal Year 2022-23
(in thousands)

Sewer			
Revenues:	Actual	Budget	Variance
Fixed Service Charges and Other	\$ 28,350	\$ 28,970	\$ (620)
Total Revenues	28,350	28,970	(620)
Contribution to Enhancement and Replacement Funds	(11,392)	(11,851)	459
Net Revenues	\$ 16,958	\$ 17,119	\$ (161)
Expenses:			
Salaries and Benefits	\$ 6,918	\$ 5,613	\$ (1,305)
Electricity	1,989	1,318	(671)
Repairs and Maintenance - OC San	2,145	2,060	(85)
All Other Repairs and Maintenance	1,535	1,961	426
All Other Operating Expense	7,041	6,280	(761)
Total Expenses	\$ 19,628	\$ 17,232	\$ (2,396)
Net Operating Income (Loss)	\$ (2,670)	\$ (113)	\$ (2,557)

Revenues:

Fixed Service Charges and Other were below budget.

- Commercial, Industrial, Public Authority (CII) Service Charges were lower than Budget.

Expenses:

Salaries and Benefits were over budget. See detailed explanations on Exhibit "B-2".

- Actual labor and associated G&A have exceeded the projected (budgeted) expenses used primarily at the Biosolids Facility.
- COLA Increases were higher than budgeted.

Electricity was over budget.

- Rate increases for electricity were higher than budgeted.
- Microturbines were not operational, resulting in higher costs for Biosolids.

All Other Operating Expense were over budget.

Class B biosolids hauling is higher due to dryer system disruptions.

**Actual vs Budget Operating Net Income by System
Through the Second Quarter of Fiscal Year 2022-23**
(in thousands)

Conservation, NTS and Water Banking (Over-Allocation Fund)			
Revenues:	Actual	Budget	Variance
Commodity	\$ 7,975	\$ 8,848	\$ (873)
Total Revenues	7,975	8,848	(873)
Contribution to Enhancement and Replacement Funds	-	-	-
Net Revenues	\$ 7,975	\$ 8,848	\$ (873)
Expenses:			
Salaries and Benefits	\$ 2,371	\$ 2,315	\$ (56)
Electricity	113	298	185
Repairs and Maintenance	2,055	1,334	(721)
All Other Operating Expense	2,968	2,663	(305)
Total Expenses	\$ 7,507	\$ 6,610	\$ (897)
Net Operating Income (Loss)	\$ 468	\$ 2,238	\$ (1,770)

Revenues:

Commodity Revenue was below budget.

- Potable and recycled over-allocation sales were under budget due to conservation messaging and increased precipitation in the second quarter.
- Revenue includes cost recovery for FY 2022-23 (\$0.1 million).

Expenses:

Repairs and Maintenance were over budget.

This is due to unbudgeted operating costs for pumping 5,000 banked water exchanged with Dudley Ridge.

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Exhibit "B"
Irvine Ranch Water District
Operating Expenses
(in thousands)

Through the Second Quarter of Fiscal Year 2022-23				FY 2022-23 Full Year	
Expense Name	Actual	Budget	Actual vs Budget	Forecast	Budget
Regular Labor	\$ 18,478	\$ 17,465	\$ (1,013)	\$ 38,000	\$ 36,327
Overtime Labor	1,630	1,252	(378)	3,200	2,500
Contract Labor	625	719	94	1,380	1,380
Employee Benefits	14,853	14,674	(179)	31,981	31,981
Salaries & Benefits Total	\$ 35,586	\$ 34,110	\$ (1,476)	\$ 74,561	\$ 72,188
Water	25,634	24,894	(740)	45,491	45,491
Electricity	13,004	10,991	(2,013)	26,000	20,393
Fuel	594	571	(23)	1,141	1,141
Telecommunication	373	430	57	860	860
Other Utilities	136	121	(15)	227	227
Water & Utilities Total	\$ 39,741	\$ 37,007	\$ (2,734)	\$ 73,719	\$ 68,112
Chemicals	3,035	2,297	(738)	6,000	4,520
Operating Supplies	1,433	1,389	(44)	2,778	2,778
Printing	144	163	19	347	347
Postage	234	218	(16)	496	496
Permits, Licenses and Fees	1,303	1,028	(275)	2,027	2,027
Office Supplies	37	48	11	96	96
Duplicating Equipment	57	77	20	153	153
Equipment Rental	28	38	10	76	76
Materials & Supplies Total	\$ 6,271	\$ 5,258	\$ (1,013)	\$ 11,973	\$ 10,493
Rep & Maint OC SAN & Others	2,722	2,705	(17)	5,417	5,417
Rep & Maint IRWD	6,682	6,465	(217)	13,668	13,668
Insurance	1,193	1,384	191	2,768	2,768
Legal Fees	892	1,609	717	3,247	3,247
Engineering Fees	645	543	(102)	1,094	1,094
Accounting Fees	37	50	13	100	100
Data Processing	2,607	2,040	(567)	4,079	4,079
Personnel Training	704	691	(13)	1,551	1,551
Personnel Physicals	7	14	7	27	27
Other Professional Fees	2,074	2,616	542	4,700	5,385
Directors' Fees	83	98	15	202	202
Professional Services Total	\$ 17,646	\$ 18,215	\$ 569	\$ 36,853	\$ 37,538
Election Expense	83	83	-	165	165
Safety	43	60	17	120	120
Alarm and Patrol Services	416	430	14	860	860
Biosolids Disposals	769	178	(591)	1,200	356
Contract Meter Reading	797	788	(9)	1,575	1,575
Over-Allocation	157	174	17	695	695
Other	249	251	2	502	502
Other Total	\$ 2,514	\$ 1,964	\$ (550)	\$ 5,117	\$ 4,273
Total Expenses	\$ 101,758	\$ 96,554	\$ (5,204)	\$ 202,223	\$ 192,604
Less: Reimbursement from Partners	(2,909)	(2,429)	480	(4,859)	(4,859)
Grand Total	\$ 98,851	\$ 94,125	\$ (4,726)	\$ 197,364	\$ 187,745

**Irvine Ranch Water District
Operating Expenses
Through the Second Quarter of Fiscal Year 2022-23**

Key variances (over)/under budget greater than \$0.5 Million are as follows:

Regular Labor is over budget by \$1.0 million.

- Unbudgeted Supplemental COVID-19 sick pay was used (\$0.3 million).
- The total Cost of Living Adjustment (COLA) was 6.9% over budget for two fiscal years (\$1.2 million)
- Partially offset by high vacancy rate of 9% vs budget rate of 6% (\$0.5 million).

Water is over budget by \$0.7 million.

Imported water was increased due to the following reasons:

- Potable groundwater pumping was reduced due to low groundwater levels at Wells 21 and 22 and from storage limitations for Dyer Road Well Field (DRWF) water used to serve higher elevations.
- Untreated imported water that was stored at Irvine Lake was transferred to the Baker Treatment Plant (BTP). Compensation from the Baker Partners is reflected in the reimbursements from Partners below.
- Use of Native water was reduced due to lack of availability.
- Increased untreated imported water was needed for the Recycled System to replace groundwater sent to the outfall due to PFAS.

Electricity is over budget by \$2.0 million.

- Wholesale electricity prices are at a 10 year high, with an average of 30% higher than budget per KWh.
- Southern California Edison increases over 2 years total 18% while the budget assumed 10%.
- Microturbines were not operational, resulting in higher costs for Biosolids.

Chemicals are over budget by \$0.7 million.

The cost for chemicals, especially those used for disinfection, have significantly increased due to increased demand and supplier production capacity issues.

Legal Fees are under budget by \$0.7 million.

Litigation costs are lower due to resolving cases prior to anticipated additional expenditures.

Data Processing costs are over budget by \$0.6 million

This is primarily due to timing of billings.

Other Professional Fees were under budget by \$0.5 million.

Expenses related to educational programs are below budget due to timing of activities and programs.

Biosolids Disposal is over budget by \$0.6 million.

Class B biosolids hauling is higher due to dryer system disruptions.

Irvine Ranch Water District
Salary and Employee Benefits Summary
Through the Second Quarter of Fiscal Year 2022-23
(in thousands)

Expense Name	Actual	Budget	Actual vs Budget
District Labor Cost (2,080 hours)	\$ 21,557	\$ 21,756	\$ 199
Paid Time Off Net Accrual	549	432	(116)
PERS Contribution and in Excess of ARC	5,744	5,987	243
Employee Medical (health, dental, vision)	3,614	3,663	49
Retiree Benefits	263	394	131
401A Contributions	720	736	16
Workers Compensation (Premiums and Claims)	501	798	297
Other Employer Taxes (medicare, employment)	343	324	(19)
	Applied	Budget	Variance
General & Administrative Expense Allocation	180%	200%	20%

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Exhibit "C"

Irvine Ranch Water District
Consolidated Non-Operating Actual to Budget and Forecast Expense
Period Ending December 31, 2022
(in thousands)

	Actual	Budget	Actual vs Budget	Forecast	Budget	Forecast vs Budget
Revenues:						
Property Taxes	\$ 39,799	\$ 35,766	\$ 4,033	\$ 75,600	\$ 73,000	\$ 2,600
Investment Income*	3,010	947	2,063	7,900	2,080	5,820
Connection Fees	6,474	6,500	(26)	13,000	13,000	-
Real Estate Income	8,851	9,089	(238)	18,270	18,180	90
Other Income	2,444	2,500	(56)	7,000	7,000	-
Total Revenues	\$ 60,578	\$ 54,802	\$ 5,776	\$ 121,770	\$ 113,260	\$ 8,510
Expenses:						
Interest Expense	\$ 10,518	\$ 10,795	\$ 277	\$ 21,280	\$ 21,280	-
Real Estate Expense	3,702	3,170	(532)	7,404	6,340	1,064
Other Expenses	78	250	172	1,500	1,500	-
Total Expenses	\$ 14,297	\$ 14,215	\$ (82)	\$ 30,184	\$ 29,120	\$ 1,064
Net Income	\$ 46,281	\$ 40,587	\$ 5,694	\$ 91,586	\$ 84,140	\$ 9,574

Revenues:

Property Taxes were over budget.

Ad valorem was higher than anticipated due to higher assessed values.

Investment Income was over budget.

Investment rates were higher than budgeted (Budget 0.60% versus actual 1.62%).


*Based on accounting standards, the general ledger reflects investment income of approximately \$1.8M due to the timing of recognition for bond premiums/discounts.

Expenses:

Real Estate Expense was over budget.

Primarily due to higher than anticipated operating expenses for the commercial and residential properties. (emergency repairs, HVAC, and electricity).

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March 6, 2023
Prepared by: D. Pardee / C. Smithson
Submitted by: C. Clary
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

FISCAL YEARS 2023-24 AND FY 2024-25 OPERATING BUDGETS
PRELIMINARY DRAFT REVIEW

SUMMARY:

IRWD is developing proposed operating budgets for the upcoming two fiscal years. The goal of IRWD's budgeting process is to appropriately fund the resources required to provide excellent service to its customers in a cost-effective manner. Staff continues to aggressively pursue reductions in expenses to offset uncontrollable expenses, which consist substantially of rate increases from outside entities. The preliminary results for the Fiscal Years (FY) 2023-24 and 2024-25 net operating budget is \$225.7 million, representing an increase of \$37.9 million (20.2%) and \$239.3 million, representing an increase of \$13.6 million (6.0%), respectively.

At the Committee meeting, staff will highlight the primary drivers of the proposed operating budgets. Based on feedback from the Committee, staff will incorporate recommended changes into the detailed budget presented at the March 22, 2023 Special Finance and Personnel Committee meeting.

BACKGROUND:

The preliminary operating budgets for the upcoming two fiscal years represent a net increase of \$37.9 million (20.2%) over the FY 2022-23 operating budget and an increase of \$13.6 million (6.0%) over the proposed FY 2023-24 operating budget, respectively.

At the Committee meeting, staff will present key assumptions and a preliminary analysis of the proposed significant changes, along with an estimated impact to the typical residential customer bill. Staff recommends that the Committee provide input to the preliminary budgets presented, which will then be incorporated into the next versions of the operating budgets.

Next Steps:

At a special meeting of the Finance and Personnel Committee scheduled for March 22, 2023, staff will present the updated operating budgets along with a more detailed analysis of increases and their potential rate impacts. The two-year proposed non-operating budgets will also be presented at that time.

Staff anticipates that the FY 2023-24 and FY 2024-25 operating and non-operating budgets will be presented to the Board at two public hearings with request for approval at its April 24, 2023 meeting. Based on the Board-approved budgets, notices of proposed rate changes for both FY 2023-24 and FY 2024-25 will be mailed the first week in May (in compliance with Proposition 218) in order to be effective for any potential July 1, 2023 and July 1, 2024 rate adjustments.

Consistent with IRWD's high level of transparency and oversight associated with its budgeting process through these two fiscal years, staff will continue to prepare the following quarterly reports for Committee Review:

- Quarterly operating results;
- Forecasted budgets for quarters two through four; and
- Analysis of budgeted rates versus actual results.

FISCAL IMPACTS:

As noted above.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Preliminary Consolidated Operating Budgets for FY 2023-24 and FY 2024-25

Exhibit "A"

**Irvine Ranch Water District
Consolidated Operating Budget Variances
Proposed Budget for FY 2023-24**


(in thousands)

Expense Name	Actual		Forecast	Budget		Budget Variances	
				Approved	Proposed	Increase (Decrease)	
	FY 2021-22	FY 2022-23	FY 2022-23	FY 2022-23	FY 2023-24	FY 2022-23 vs FY 2023-24	% Variance
Salaries & Benefits							
Regular Labor	\$ 35,759	\$ 18,478	\$ 38,000	\$ 36,327	\$ 45,052	\$ 8,725	24.0%
Overtime Labor	2,903	1,630	3,200	2,500	3,572	1,071	42.9%
Contract Labor	959	625	1,380	1,380	1,697	317	23.0%
Employee Benefits	29,095	15,353	31,981	31,981	31,411	(570)	(1.8%)
Salaries & Benefits Total	\$ 68,715	\$ 36,087	\$ 74,561	\$ 72,188	\$ 81,732	\$ 9,544	13.2%
Purchased Water & Utilities							
Water	54,203	25,634	45,491	45,491	56,628	11,137	24.5%
Electricity	22,377	13,004	26,000	20,393	28,386	7,993	39.2%
Fuel	1,059	594	1,141	1,141	1,445	304	26.6%
Telecommunication	840	373	860	860	929	69	8.0%
Other Utilities	232	136	227	227	330	102	45.1%
Purchased Water & Utilities Total	\$ 78,711	\$ 39,741	\$ 73,719	\$ 68,113	\$ 87,718	\$ 19,605	28.8%
Materials & Supplies							
Chemicals	4,468	3,035	6,000	4,520	8,163	3,643	80.6%
Operating Supplies	3,233	1,433	2,778	2,778	3,140	361	13.0%
Printing	388	144	347	347	370	23	6.7%
Postage	425	234	496	496	491	(5)	(1.0%)
Permits, Licenses and Fees	1,968	1,303	2,027	2,027	2,200	173	8.5%
Office Supplies	75	37	96	96	103	7	7.5%
Duplicating Equipment	110	57	153	153	128	(25)	(16.3%)
Equipment Rental	81	28	76	76	92	16	21.1%
Materials & Supplies Total	\$ 10,749	\$ 6,272	\$ 11,973	\$ 10,493	\$ 14,686	\$ 4,193	40.0%
Professional Services							
Rep & Maint OCSAN & Others	6,013	2,722	5,417	5,417	5,394	(24)	(0.4%)
Rep & Maint IRWD	14,145	6,682	13,668	13,668	15,606	1,938	14.2%
Insurance	2,239	1,193	2,768	2,768	3,252	483	17.5%
Legal Fees	1,877	892	3,247	3,247	3,163	(84)	(2.6%)
Engineering Fees	630	645	1,094	1,094	1,051	(44)	(4.0%)
Accounting Fees	100	37	100	100	106	6	6.0%
Data Processing	4,072	2,607	4,079	4,079	4,331	252	6.2%
Personnel Training	1,188	704	1,551	1,551	1,804	253	16.3%
Personnel Physicals	176	7	27	27	44	17	62.6%
Other Professional Fees	4,352	2,074	4,700	5,385	6,961	1,576	29.3%
Directors' Fees	171	83	202	202	190	(12)	(5.9%)
Professional Services Total	\$ 34,964	\$ 17,646	\$ 36,853	\$ 37,539	\$ 41,900	\$ 4,361	11.6%
Other							
Election Expense	160	83	165	165	60	(105)	(63.6%)
Safety	110	43	120	120	112	(8)	(6.6%)
Alarm and Patrol Services	817	416	860	860	1,039	179	20.8%
Biosolids Disposals	1,494	769	1,200	356	1,054	698	196.4%
Contract Meter Reading	1,495	797	1,575	1,575	1,630	55	3.5%
Over-Allocation	513	(73)	695	695	1,040	345	49.7%
All Other	962	249	502	502	559	57	11.3%
Other Total	\$ 5,553	\$ 2,284	\$ 5,117	\$ 4,273	\$ 5,495	\$ 1,221	28.6%
Total	\$ 198,693	\$ 102,031	\$ 202,223	\$ 192,606	\$ 231,531	\$ 38,924	20.2%
Less: Reimbursements from Partners	(4,237)	(2,909)	(4,859)	(4,859)	(5,859)	(999)	20.6%
Grand Total	\$ 194,456	\$ 99,121	\$ 197,364	\$ 187,747	\$ 225,672	\$ 37,925	20.2%

Irvine Ranch Water District
Consolidated Operating Budget Variances
Proposed Budget for FY 2024-25

(in thousands)

Expense Name	Forecast	Budget		Budget Variances	
		Proposed	Proposed	Increase (Decrease)	
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24 vs FY 2024-25	% Variance
Salaries & Benefits					
Regular Labor	\$ 38,000	\$ 45,052	\$ 47,799	\$ 2,747	6.1%
Overtime Labor	3,200	3,572	3,698	126	3.5%
Contract Labor	1,380	1,697	1,658	(39)	(2.3%)
Employee Benefits	31,981	31,411	33,534	2,123	6.8%
Salaries & Benefits Total	\$ 74,561	\$ 81,732	\$ 86,689	\$ 4,957	6.1%
Purchased Water & Utilities					
Water	45,491	56,628	60,572	3,944	7.0%
Electricity	26,000	28,386	30,673	2,287	8.1%
Fuel	1,141	1,445	1,488	43	3.0%
Telecommunication	860	929	943	13	1.5%
Other Utilities	227	330	335	6	1.7%
Purchased Water & Utilities Total	\$ 73,719	\$ 87,718	\$ 94,010	\$ 6,293	7.2%
Materials & Supplies					
Chemicals	6,000	8,163	8,491	329	4.0%
Operating Supplies	2,778	3,140	3,313	174	5.5%
Printing	347	370	424	53	14.4%
Postage	496	491	531	40	8.1%
Permits, Licenses and Fees	2,027	2,200	2,301	102	4.6%
Office Supplies	96	103	109	7	6.3%
Duplicating Equipment	153	128	128	-	0.0%
Equipment Rental	76	92	100	8	8.6%
Materials & Supplies Total	\$ 11,973	\$ 14,686	\$ 15,397	\$ 711	4.8%
Professional Services					
Rep & Maint OCSAN & Others	5,417	5,394	5,425	31	0.6%
Rep & Maint IRWD	13,668	15,606	16,937	1,331	8.5%
Insurance	2,768	3,252	3,698	446	13.7%
Legal Fees	3,247	3,163	2,660	(503)	(15.9%)
Engineering Fees	1,094	1,051	1,090	40	3.8%
Accounting Fees	100	106	127	21	19.8%
Data Processing	4,079	4,331	4,566	235	5.4%
Personnel Training	1,551	1,804	1,881	77	4.3%
Personnel Physicals	27	44	49	5	11.4%
Other Professional Fees	4,700	6,961	7,085	124	1.8%
Directors' Fees	202	190	200	10	5.3%
Professional Services Total	\$ 36,853	\$ 41,900	\$ 43,717	\$ 1,817	4.3%
Other					
Election Expense	165	60	65	5	8.3%
Safety	120	112	98	(14)	(12.8%)
Alarm and Patrol Services	860	1,039	1,139	100	9.7%
Biosolids Disposals	1,200	1,054	1,091	37	3.5%
Contract Meter Reading	1,575	1,630	1,660	30	1.8%
Over-Allocation	695	1,040	1,044	5	0.4%
All Other	502	559	564	5	0.9%
Other Total	\$ 5,117	\$ 5,495	\$ 5,662	\$ 168	3.0%
Total	\$ 202,223	\$ 231,531	\$ 245,476	\$ 13,945	6.0%
Less: Reimbursements from Partners	(4,859)	(5,859)	(6,220)	(361)	6.2%
Grand Total	\$ 197,364	\$ 225,672	\$ 239,256	\$ 13,584	6.0%

March 6, 2023
Prepared and
Submitted by: T. Mitcham
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

REVISED PERSONNEL POLICIES AND PROCEDURES

IRWD has developed Personnel Policies and Procedures to consistently address personnel-related issues at the District. Revisions to these policies are necessary from time to time to ensure compliance with state and federal law, to maintain best practices in policy and procedure administration, and to accurately reflect processes adopted for the efficient and effective conduct of District business relative to personnel and other Human Resources related matters.

Proposed revisions include updates to five current policies. Staff recommends that the Board adopt a resolution superseding Resolution No. 2021-26 and implement the revised Personnel Policies and Procedures.

BACKGROUND:

The District has adopted Personnel Policies and Procedures to consistently address personnel-related issues at IRWD. Staff regularly reviews the policies and procedures to ensure compliance with current employment and labor laws, regulations, practices, procedures, and Memoranda of Understanding.

Staff recently evaluated IRWD Personnel Policies and Procedures, which was last updated in December 2021. To ensure the Policies and Procedures comply with current law and reflect current practices, staff has revised the policies as shown in Exhibit “A”. The changes are summarized as follows:

- Compensation, Hours of Work and Overtime (No. 8) – Revised to include the electronic payment process for meal and mileage reimbursement and accurate reflection of existing practices;
- Sick Leave Policy (No. 16) – Revised to comply with the new legal changes under Assembly Bill 1949 and includes clarifying language for the sick leave donation program;
- Bereavement Leave Policy (No. 17) – Revised to comply with the new legal changes under Assembly Bill 1949;
- Vacation Policy (No. 18) – Revised to reflect accurate reflection of existing practices; and
- Family and Medical Care Leaves of Absence Policy (No. 19) – Revised to comply with the changes made to the California Family Rights Act (CFRA) under Assembly Bill 1041 and existing practices.

IRWD’s special legal counsel has reviewed the revisions to the Personnel Policies and Procedures. The changes were also submitted to the International Brotherhood of Electrical Workers (IBEW), Local #47, representing the District’s General Unit and Non-Exempt

Supervisor Unit employees for their review and comment as required under the Meyers-Milias-Brown Act (Government Code Section 3500-3511).

To implement the proposed revisions to Policy No. 8, No. 16, No. 17, No. 18 and No. 19, staff recommends that the Board adopt the resolution provided in Exhibit “B” superseding Resolution 2021-26 and incorporating the revisions and addition to the District’s personnel policies.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

That the Board adopt the following resolution by title:

RESOLUTION NO. 2023-

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT,
SUPERSEDING RESOLUTION NO. 2021-26 AND
ESTABLISHING REVISED PERSONNEL POLICIES AND PROCEDURES

LIST OF EXHIBITS:

Exhibit “A” – Proposed Changes to District Personnel Policy and Procedures

Exhibit “B” – Proposed Resolution Establishing Revised Personnel Policies and Procedures

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 8 – COMPENSATION, HOURS OF WORK, AND OVERTIME

I. GENERAL POLICY

- A. 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 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.
- B. It is the intent of the District to comply with all applicable State and Federal wage and hour laws.
- C. The Human Resources Department will interpret policy and assure compliance with this policy.
- D. The Payroll Department performs the mechanics of payroll computation, which includes the calculation of benefits, standby pay, and overtime compensation.

II. WORK SCHEDULE, WORK WEEK, AND ATTENDANCE

A. Office Hours and Work Schedules

1. Headquarters Facility: Official office hours at the Headquarters facility are 8:00 a.m. to 5:00 p.m., Monday through Friday.

a. 9/80 Work Schedules

- i. Most Headquarters employees are generally assigned to a 9/80 work schedule in which employees work four consecutive 9-hour shifts each week, with one additional 8-hour shift worked every other workweek (the “Flex Day.”)
- ii. The workweek for employees assigned to a 9/80 schedule is defined as seven consecutive ~~24-hour~~24-hour periods beginning 4 hours into their Flex Day and ending 3 hours and 59 minutes into their usual scheduled day off. For example, for employees working a 9/80 schedule with a Friday Flex Day, the workweek will begin at noon on their normally scheduled Friday off, and end at 11:59 a.m. the following week on the Friday Flex Day.
- iii. Department Heads are authorized to assign personnel between ~~6:30~~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.

b. 5/40 Work Schedules

POLICY NO. 8. – COMPENSATION, HOURS OF WORK, AND OVERTIME

- i. Some employees are assigned to a work schedule in which employees work Monday through Friday from 8:00 a.m. to 4:00 p.m.
- ii. The workweek for employees assigned to a 5/40 schedule is defined as seven consecutive ~~24-hour~~24-hour periods beginning at midnight on Sunday and ending at 11:59 p.m. the following Sunday.

2. Michelson Facility and Los Alisos Reclamation Plant (LAWRP): Because of the unique requirements of the seven-day per week operations of the District's facilities, the workweek and work schedules of Operations staff will be established, and may be revised from time to time, by the General Manager in consultation with the management staff responsible for operations.

a. 4/10 Work Schedules

- i. Employees are generally assigned to a 4/10 work schedule in which employees work four consecutive 10-hour shifts each week.
- ii. The workweek for employees assigned to a 4/10 schedule is defined as seven consecutive ~~24-hour~~24-hour periods beginning at midnight on Sunday and ending at 11:59 p.m. the following Sunday.

b. 9/80 Work Schedules

- i. Some employees are assigned to a 9/80 work schedule in which _____ employees work four consecutive 9-hour shifts each week, with _____ one additional 8-hour Flex Day worked every other workweek.
- ii. The workweek for employees assigned to a 9/80 schedule is _____ defined as seven consecutive ~~24-hour~~24-hour periods beginning 4 hours _____ into their Flex Day and ending 3 hours and 59 minutes into their _____ usual scheduled day off.

c. 3/12 Work Schedules

- i. Some employees are assigned to a 3/12 work schedule in which employees work three consecutive 12-hour shifts each week, with one additional 8-hour day worked every other workweek.

3. Changes to Work Schedules. Employees may request, or may be required, to work a different daily schedule or workweek, in keeping with their classifications and job responsibilities. Exceptions to the standard daily schedule of work hours are subject to advance, written approval, by the appropriate Department Head, in consultation with Human Resources.

B. Punctuality and Attendance

1. Employees must be in attendance on time at their workstation or location in accordance with District policies, Department policies, or labor agreements regarding hours of work, holidays, and leaves.

POLICY NO. 8. – COMPENSATION, HOURS OF WORK, AND OVERTIME

2. Employees must make every effort to schedule personal appointments outside their working hours.
3. Employee adherence to policies or other standards governing attendance, procedures governing use of leaves of absence, and tardiness will be reviewed and evaluated during the employee's annual performance evaluation.

C. Unauthorized Absence/Job Abandonment

1. When an employee, has been absent without authorization from work for three (3) or more ~~than three~~ consecutive workdays, ~~and in the opinion of the Department Head the employee has abandoned his/her position,~~ the Department Head must notify Human Resources.
2. Human Resources will notify the employee that the District has determined he/she has abandoned his/her position and that the employee has five working days upon receipt of the notice to contact the District regarding his/her intent to return to work. The notice will also advise the employee that failure to contact the District within the five-day period will be deemed an automatic resignation effective on the sixth day. Such notice will be in writing and sent by certified mail or personal service to the last address listed in the employee's personnel records.
3. Job abandonment may include, but is not limited to:
 - a. An employee's failure to return to his/her employment upon conclusion of any authorized leave of absence without requesting, and submitting medical certification in support of, additional time off work;
 - b. An employee's failure to provide proper notice by telephone or in writing to his/her supervisor regarding absence due to sickness or injury, except as provided in Policy 19, regarding unforeseeable pregnancy disability or family care or medical leave;
 - c. An employee's failure to report for work without first obtaining approval to take a paid or unpaid leave of absence in accordance with these Policies or applicable Memorandum of Understanding;
 - d. An employee's failure to keep Human Resources reasonably apprised of disability status for which the employee is off work or failure to respond to inquiries from the District regarding disability status or intent to return to work, whether or not subject to medical restrictions.
4. If an employee fails to respond within five working days to the notice of abandonment of position, the employee may be considered to have abandoned his/her position of employment with the District. Abandonment of position constitutes an automatic resignation from District service.

III. SALARY AND OTHER COMPENSATION

- A. **Salary Administration:** The District has adopted a salary administration policy for the compensation of employees, and to specify the conditions for increasing employees' salaries.

POLICY NO. 8. – COMPENSATION, HOURS OF WORK, AND OVERTIME

1. The Human Resources Department is responsible for the maintenance of job classifications, salary ranges, salary surveys, and administration of the salary program.
2. All salary changes must be approved by the General Manager.

B. Salary Ranges

Each position is assigned a salary grade and each salary grade is assigned a minimum and a maximum salary range. An exceptional “Fifth Quartile” range has been created for employees rated as exceptional in connection with their most recent performance evaluation.

C. 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.

D. Merit Increases

1. Merit increases are granted in proportionate relation to an employee's demonstrated job performance. Supervisors shall establish expectations and communicate these expectations to each of their direct reports. In addition, Supervisors shall confer with each employee concerning performance according to District policy. (See Policy No. 10 - Employee Performance Review).
2. The Supervisor recommending a performance rating for an employee shall provide input to their Executive Director, who will provide the information to Human Resources. Human Resources will use the Merit Increase Table to determine the merit increase amount based on the employee's performance rating and quartile placement. Any recommended performance rating at the 5- or 5 level requires review and approval of the General Manager.

E. Salary upon Promotion

The increase to salary granted at the time of promotion shall be calculated using the Promotional Increase Guidelines 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, ~~as required by the California Public Employees' Retirement System (CalPERS), or an adjusted increase amount is appropriate to achieve internal equity within a department.~~

F. Salary upon Transfer

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.

G. Salary upon Demotion

POLICY NO. 8. – COMPENSATION, HOURS OF WORK, AND OVERTIME

An employee who is demoted to a position in a class with a lower salary range will have his/her salary reduced ~~as follows:~~

- ~~1. Following a disciplinary demotion, the employee's salary will be reduced to the same salary step in the range for the lower classification salary range.~~
- ~~2. Following a voluntary demotion, the General Manager has discretion whether to Y-rate the employee's salary or reduce the employee's salary to the same salary step in the range for the lower class.~~

H. Acting Pay

1. From time to time an employee may be requested by his/her Executive Director to act in the capacity of a ~~higher level~~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 monthly salary adjustments or "a~~Acting Ppay" to compensate the employee during such assignments. Approval by the General Manager must be received prior to the pay period during which acting pay will be paid. Payment of the temporary acting pay, less withholdings as required by law, will be added to the employee's pay during the normal payroll processing.
 - a. Acting pay is a ~~higher level~~higher-level assignment made necessary by a vacancy, extended leave of absence, or other significant needs of the District Service. Acting pay is not to be granted in the case of normal vacation or other short term leave circumstances. In accordance with CalPERS requirements (Government Code 20480), an acting assignment made to a vacant position in active recruitment will not exceed a total of 960 hours in each fiscal year.
 - b. The General Manager may approve retroactive acting pay in his/her sole discretion.
2. Acting pay of up to 10% above the employee's' base rate of pay will be the standard for compensating employees who take on acting assignments or job duties beyond and/or in addition to their normally assigned job responsibilities.
 - a. An exception may be considered for a higher amount of acting pay in situations where the employee's current rate of pay is more than 10% below the bottom of the range they are acting in or if they are taking on considerable extra assignments, as determined by their Department Director and/or Executive Director. In no case will acting pay exceed the ~~M~~maximum of the pay range of the acting classification.
 - b. When determining the amount of acting pay to be granted, care should be given to not provide a rate of acting pay that would result in a *pay reduction* per the Promotional Increase Guidelines in the case of a promotion.

IV. HOURS WORKED AND OVERTIME

A. In General

POLICY NO. 8. – COMPENSATION, HOURS OF WORK, AND OVERTIME

1. Time taken as paid leave, including but not limited to, holidays, vacations, sick leave, and other similar periods when no work is performed will constitute “hours worked” for purposes of weekly overtime calculation.
2. Non-exempt employees will be compensated for travel time, attendance at training or meetings, and other similar time where required under applicable state and federal wage and hour laws.

B. Meal Periods

1. Standard

- a. Non-exempt employees are entitled to unpaid meal periods during which they will be entirely relieved of responsibilities and restrictions. Such time will not constitute hours worked.
- b. Supervisors will schedule meal periods to ensure appropriate coverage. Non-exempt employees who work during their meal periods will be paid for time worked. Working through meal periods without advance approval is grounds for employee discipline, up to and including termination.

2. Overtime Meals

- a. Employees working greater than 2 hours unplanned overtime immediately after their scheduled workday or working 4 hours unplanned overtime are provided a meal allowance. Unplanned overtime is overtime that is required with less than twenty-four hours advance notice. An additional meal allowance is granted at 6-hour intervals after the first allowance.
- b. Working conditions govern the actual time of eating the meal. Supervisors will make every attempt to provide an opportunity for employees working overtime to have time to eat a meal.
- c. Employees qualifying for a meal allowance under this Policy will be reimbursed for their expenses through the District’s electronic expense system. Supervisors must approve each entry to ensure that the reimbursement is authorized. on the following business day upon presentation of an expense receipt accompanied by a completed petty cash receipt with the appropriate signatures.
- d. The amount of the meal allowance is established at the discretion of the General Manager. Reimbursement will be made only for meals actually purchased.

C. Rest Periods

1. Non-exempt employees are entitled to two, 10-minute, paid rest periods during each workday. Such time constitutes hours worked.

POLICY NO. 8. – COMPENSATION, HOURS OF WORK, AND OVERTIME

2. Non-exempt employees are not permitted to combine rest period time with meal period time.
3. Supervisors will schedule rest periods to ensure appropriate coverage.

D. Work Performed Outside Regular Shift or Schedule.

1. Non-exempt employees are not permitted to work outside of their regularly scheduled shifts except as authorized or directed by their supervisor, or in the event of an emergency.
2. Working outside the regularly scheduled shift without advance approval may result in employee discipline, up to and including termination.
3. This requirement applies to, but is not limited to, the following work by non-exempt employees:
 - a. Work performed before the start of the shift;
 - b. Work performed during meal periods;
 - c. Work performed after the end of the shift; and
 - d. Other work performed "off the clock" including work performed at home.
4. All employees must take reasonable measures wherever feasible to avoid the need for work to be performed outside of their regularly scheduled shifts. Where required, time spent on such work must be kept to a minimum.
5. Employees may occasionally be asked to work beyond their normally scheduled hours. When this occurs, supervisors should attempt to provide as much advance notice as possible, however, such advance notice is not always possible. Non-exempt employees who are required or permitted to work overtime will receive overtime pay in accordance with the requirements of the Fair Labor Standards Act, state laws, and the District's compensation policies.
 - a. When practicable, such opportunities will be made available on an equal basis to all full-time employees capable of performing the work.
 - b. All employees who are scheduled to work outside of their regularly scheduled shift are required to work the assigned hours, unless otherwise excused by their supervisor.

E. Compensation for Overtime Hours Worked

1. Non-exempt employees will be compensated at an overtime rate for hours worked in excess of 40 hours in their designated workweek, or for hours worked in one day in excess of a non-exempt employee's regular schedule.
2. Overtime will be computed at one and one-half (1-1/2) times the employee's regular rate of pay. Employees shall also be paid one and one-half (1-1/2) times

POLICY NO. 8. – COMPENSATION, HOURS OF WORK, AND OVERTIME

their regular rate for time worked on a District-approved holiday in addition to their normally scheduled hours of holiday pay.

3. Under no circumstances will the District pay overtime to an employee on any day that the employee has used sick or vacation hours, except in the case of an **after hours** emergency response or callout.
4. The District will reimburse employees for mileage, through the District's electronic expense system, when they are required to drive their personal vehicle to work overtime on any scheduled day off. This overtime can be for an emergency callout or scheduled work. Supervisors must approve overtime and mileage reimbursements, thereby confirming that the mileage reimbursement is authorized, and the time recorded reflects all work performed by the employee of which the supervisor was reasonably aware.
5. The District does not permit employees the option to accrue or use compensatory time off in lieu of receiving pay 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.

F. Standby and Call-Out Pay

1. Because of emergencies and nature of the services provided by the District, it is necessary to utilize "stand-by" or "call-out" personnel from time to time. Department managers are responsible for setting forth authority, regulations and procedures relative to this type of overtime.
2. Minimum paid time for call-out shall be two (2) hours. Standby compensation pay will be 1.86 hours of overtime pay for each day assigned to standby duty, not to exceed 13 hours of overtime pay for one work ~~week~~week.
3. Under no circumstance will the District pay standby to an employee on any day in which the employee does not report to work due to his/her own illness or injury or leaves work early due to his/her own injury or illness.

G. SafetyRest Hours

The District will provide paid **SafetyRest** Hours in addition to overtime pay according to the details outlined in Administrative Work Procedure 6.

V. TIMEKEEPING AND TIME RECORDS

A. In General

1. Time records represent legal documents that are used to accurately record working time to compensate employees properly. As such, employees are required to record their work time for each day and designate hours toward any leave time taken.

POLICY NO. 8. – COMPENSATION, HOURS OF WORK, AND OVERTIME

2. In submitting a timecard, employees are representing that the time and hours recorded accurately and fully reflect all the time worked within the pay period.

B. Supervisors' Duty to Monitor

Supervisors are responsible for monitoring employee time including the following:

1. Start time for each workday; _____
2. Start time for each meal period;
3. End time for each meal period;
4. End time for each workday;
5. Whether a meal period is taken (if no meal period is taken it must be recorded as time worked);
6. All actual time taken as paid leave; and
7. Any additional time during which work is performed, including work performed outside the regular shift.

C. Submission of Time Cards for Supervisor's Review

Employees responsible for completing time cards must ensure that the time-cards are submitted to their supervisors on the day designated by the District. Supervisors will review and address potential issues in time cards as established in this Policy. Supervisors must approve each time card, thereby attesting to the completion of such review and confirmation that the time recorded reflects all work performed by the employee of which the supervisor was reasonably aware.

D. Changes or Corrections to Time Cards

Any changes or corrections to an employee's time card or time record must be initiated by the employee and the employee's supervisor.

E. Improper Deductions

1. The District prohibits improper deductions from the salaries of exempt employees. The District does not condone deductions that violate applicable state or federal wage and hour laws.
2. An exempt employee who believes that an improper deduction has been made to his/her salary should immediately report this information to Human Resources.
3. The District will promptly investigate reports of improper deductions. If the District determines that an improper deduction has occurred, the employee will be promptly reimbursed for the improperly deducted amount.
4. The District is committed to ensuring that any improper deductions that do occur are corrected immediately upon notice or report.

Exhibit "A"

POLICY NO. 8. – COMPENSATION, HOURS OF WORK, AND OVERTIME

Adopted by IRWD Board of Directors on: **February 11, 2019**

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

I. GENERAL POLICY

- A. To minimize the economic hardships that may result from an unexpected short-term illness or injury to an employee or legal dependent, and comply with applicable California law, the District provides regular full-time employees, regular part-time employees, and temporary part-time employees with sick leave in accordance with the terms set forth in this Policy.
- B. The District reserves the right to require a satisfactory statement of a licensed physician whenever an employee misses work due to an illness, injury or disability. The employee may be asked to provide a physician's statement that verifies the nature of an illness, injury or disability, its beginning and ending dates, and/or the employee's ability to return to work without endangering his/her own safety or the safety of others. Although a physician's statement normally will not be requested for absences of less than three working days, the District may request such a statement in situations where it determines it is warranted.
- C. All employees are eligible to accrue and use paid sick leave in accordance with the applicable terms of this Policy.

II. ACCRUAL

- A. **Regular Employees:** Each regular employee will accrue sick leave hours at the rate of 96 hours per year; 3.69 hours per pay period, pro-rated based on a 40-hour weekly schedule. This accrual begins with the first day of employment, and is available for use as soon as hours are accrued. An employee will be allowed to accrue an unlimited number of sick leave hours.
- B. **Temporary Employees:** Each temporary employee will accrue sick leave at the rate of 1 hour for every 30 hours worked, to a maximum of 48 hours (or the equivalent of six of the employee's usual work shifts, whichever is greater). This accrual begins with the first day of employment, and is available for use as soon as hours are accrued, following completion of a 30-day eligibility period for new hires. A temporary employee may use up to 24 hours of sick leave (or the equivalent of three of the employee's usual work shifts, whichever is greater) per year of employment, calendar year or 12-month period, as determined by the District. Accrued sick leave up to 48 hours (or the equivalent of six of the ~~employees~~employees' usual work shifts, whichever is greater) may carry over to the following year of employment, calendar year or 12-months period as determined by the District. In no circumstance may a temporary employees' total accrual of sick leave exceed 48 hours (or the equivalent of six of the employee's usual work shifts, whichever is greater).

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C. Sick Leave Accrual during Leaves of Absence

1. **Accrual during Paid Leave:** A regular employee on authorized leave of absence will continue to accrue sick leave hours at the same rate set forth in Section II.A., as long as accrued sick leave and vacation hours have not been exhausted and provided the employee is utilizing some portion of accrued leave benefits. Once accrued sick leave and vacation hours have been exhausted, or if an employee elects not to coordinate benefits while on a leave of absence, the employee will cease to accrue sick leave hours until he/she returns to active employment status.
2. **Accrual during Consecutive Unpaid Leave:** An employee on an authorized leave of absence without pay, including extended military leave of absence, extended sick leave, or FMLA/CFRA/PDL leave, taken on a consecutive basis, will not accrue sick leave during such absences, unless otherwise required by law.
3. **Accrual during an Intermittent or Reduced Schedule Leave:** An employee on an authorized leave of absence taken on an intermittent or reduced schedule basis will accrue sick leave as provided in Section II.C.1.

D. Sick Leave Added Days

1. **Regular Employees:** The General Manager has the authority to loan, in writing, up to five (5) days of paid sick leave to an employee provided that all accrued sick leave and vacation hours have been exhausted. Unearned days of paid sick leave loaned to an employee must be repaid upon return to work. In the event the employee terminates employment prior to the complete repayment of loaned sick leave days, the employee is responsible for direct repayment to the District for the remaining number of hours.
2. **Temporary Employees:** The District will not loan or advance paid sick leave to temporary employees before it has been accrued.

III. USE OF SICK LEAVE**A. Permitted Reasons to Use Sick Leave:** Upon oral or written request, employees may use sick leave for any of the following purposes:

1. Diagnosis, care, or treatment of an existing health condition of, or preventative care for, an employee or an employee's family member.
 - a. For purposes of this Policy, "family member" includes a biological, adopted, or foster child, stepchild, legal ward, a child to whom the employee stands *in loco parentis*, or a child of a registered domestic partner, regardless of the child's age or dependency status; a biological, adoptive, or foster ~~sibling~~ parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood *in loco parentis* when the ~~e~~Employee was a minor child; ~~a sibling~~, a spouse; a State of California registered domestic partner; a

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grandparent; ~~or a grandchild~~; or a designated person who the employee identifies when requesting sick leave (limited to one designated person per 12-month period).

- b. The use of unused accumulated sick leave hours is allowed for pregnancy-related illness or disability, just as it is for other illness or disability.
- 2. For employees who are victims of domestic violence, sexual assault, or stalking, taking time off to obtain or attempt to obtain any relief, including, but not limited to, a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the victim or his or her child.
- 3. For employees who are victims of domestic violence, sexual assault, or stalking, taking time off to seek medical attention for injuries caused by the domestic violence, sexual assault, or stalking; to obtain services from a domestic violence shelter, program, or rape crisis center as a result of domestic violence, sexual assault, or stalking; to obtain psychological counseling related to an experience of domestic violence, sexual assault, or stalking; and to participate in safety planning and take other actions to increase safety from future domestic violence, sexual assault, or stalking, including temporary or permanent relocation.
- 4. All employees are permitted to use ~~up to five days of~~ accrued sick leave subject to the accrual requirements in this policy per year to cover time off during otherwise unpaid bereavement leave upon the death of a family member, ~~upon the need for additional bereavement time off~~, as provided in Policy 17 - Bereavement.

B. Holidays during Sick Leave

In the event that any holiday occurs during a period when any employee is on paid sick leave, the holiday will not be charged against the employee's accumulated sick leave.

C. Coordination of Sick Leave with Disability Payments

When an employee becomes eligible for disability benefits from the State of California Employment Development Department's State Disability Insurance (SDI) program, or workers' compensation, the employee may use accumulated sick leave hours to supplement these payments. Accrued sick leave benefits will be used to supplement such disability payments only to the extent necessary to provide total compensation equal to the employee's straight time compensation immediately before the beginning of the illness, disability or injury.

IV. PAYMENT FOR UNUSED SICK LEAVE

A. Upon Separation from Employment

1. Regular Employees

a. Eligibility

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- i. Regular employees who have worked for the District for at least 24 consecutive calendar months as a regular employee are eligible to receive payment for accrued and unused sick leave, as follows:
 - (A) An eligible employee who separates from employment voluntarily, through resignation, service retirement or disability retirement, must provide at least two weeks' notice prior to separation.
 - (I) Employees who provide notice prior to separating from District employment for any reason are not permitted to first exhaust accrued and unused sick leave unless used for a permitted reason in accordance with Section III of this Policy.
 - (B) Following the lay-off of an eligible District employee, payment will be issued in accordance with this Policy.
 - (C) Following the death of an eligible employee, payment will be made in accordance with applicable law and District policies and practices.
 - ii. Employees whose employment has been terminated by the District other than by lay-off are not eligible to be compensated for unused sick leave.
- b. Amount: Eligible employees will receive the equivalent of fifty (50) percent of the employee's accrued sick leave to a maximum of 960 hours, times the employee's current hourly straight time pay rate.

2. Temporary Employees:

- a. Temporary employees are not eligible to receive compensation at any time for accrued and unused sick leave.

B. Annual Payment for Unused Accrued Sick Leave

1. Eligibility

- a. Regular employees may choose to receive payment for unused accrued sick leave, up to a maximum of 96 hours, once per year, in accordance with the terms in this Policy, as long as a minimum balance of 80 hours remains.
- b. Temporary employees are not eligible for any payment for unused accrued sick leave.

2. Elective Payouts of Sick Leave

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- a. In lieu of using accrued Sick Leave for a covered leave, an employee with at least 11 years of service may elect to buyback (and receive cash payment of) Sick Leave at 100% value.

To make the election, an employee must, in November of the calendar year preceding the calendar year in which the employee wishes the buyback to occur, file an irrevocable election form with the District stating their intent to buy back the leave and identifying the number of Sick Leave hours covered by the election. The election form must be filed with the District’s Human Resources Department. The election will apply only to Sick Leave hours accrued in the same calendar year as the buyback (i.e., the calendar year following the filing of the election). An employee may elect to either (i) receive cash payment (“cashout”) of sick leave, (ii) contribute sick leave to his or her account under the District’s 457(b) plan, or (iii) a combination of both. Employees who do not file a valid election by November 30 of a preceding calendar year may not subsequently elect to buy back at 100% value any Sick Leave accrued in the following calendar year. For each calendar year, employees may make this election up to the number of hours specified below based on the year the accruals are earned:

Years of Regular District Service	Amount of Buy-Back
0-10 years (less than 11 years)	Up to 96 hours @ 50%
11-15 years (less than 16 years)	Up to 30 hours @ 100%; remainder (up to 66 additional hours) @ 50%
16-20 years (less than 21 years)	Up to 60 hours @ 100%; remainder (up to 36 additional hours) @ 50%
21 years or more	Up to 96 hours @ 100%

- b. In lieu of using accrued Sick Leave for a covered leave, an employee may elect to buyback Sick Leave, regardless of when accrued and regardless of the employee’s total years of service, at 50% value. This election is limited to 96 hours per calendar year; and any Sick Leave hours sold back during the calendar year at 100% value as permitted above will count towards that year’s 96-hour limit for buy back at 50% value. For example, if an employee with 12 years of service elects to buy back 30 hours of sick leave at 100% value, the employee may buy back an additional 66 hours at 50% value in the same calendar year.
- c. Payment of Sick Leave hours sold at 50% value will be made on or about November 30 after the employee’s election. To make this election, an employee must file an election form with the District’s Human Resources Department. An employee may elect to either (i) receive cash payment (“cashout”) of sick leave, (ii) contribute sick leave to his or her account under the District’s 457(b) plan, or (iii) a combination of both. An employee’s buyback of Sick Leave may not reduce the employee’s Sick Leave balance below 80 hours. Accordingly, the Sick Leave amount sold back (and the corresponding payment) to the employee will be

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lowered as needed to maintain the 80-hour minimum; and no buyback will occur if the employee's Sick Leave balance is 80 hours or less.

V. REINSTATEMENT OF UNUSED ACCRUED SICK LEAVE

If any employee who had a sick leave balance remaining at the time of separation from District employment, which balance was not paid out under the terms of Section IV. A. 1 above, is rehired by the District within one year from the date of separation, then that same balance will be reinstated to the employee. The rehired employee will be entitled to use the reinstated sick leave and to also accrue additional sick leave upon rehiring in accordance with this Policy.

VI. SICK LEAVE DONATION PROGRAM**A. In General**

1. The Sick Leave Donation Program allows eligible employees who have accrued sick leave hours to voluntarily donate a portion of their accumulated hours to another employee who has exhausted his/her accrued sick and vacation leave due to a ~~non-work-related~~ catastrophic illness or injury of the employee or the catastrophic illness or injury of an employee's dependent parent, spouse or registered domestic partner, or child requiring the ~~presence of the employee's care and requiring the employee to be absent from work.~~
2. Catastrophic illness or injury is defined as a severe illness or injury which totally incapacitates a person for an extended period of time and is severely debilitating or life-threatening. Illnesses such as cancer, heart attack, or stroke would be considered catastrophic illnesses. Pregnancy without serious complications and routine illnesses, surgical procedures, and injuries, even those resulting in an extended leave of absence, do not qualify as catastrophic illness or injury. The Director of Human Resources will be responsible for reviewing the eligibility of an employee to receive donated sick leave and making a recommendation to the General Manager for approval. The approval process may require appropriate medical documentation ~~regarding certifying the existence of a~~ catastrophic illness or injury of the employee or family member (no medical diagnosis information).
3. The decision to make a donation of sick leave to another employee through the Sick Leave Donation Program is voluntary. No employee is to be coerced or intimidated into making a donation of sick leave or to coerce or intimidate another employee. Donations of sick leave may not involve any form of payment or compensation, financial or otherwise, between the donor and recipient. The District will not solicit sick leave donations on behalf of any qualifying individual.

B. Eligibility

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All regular, full-time employees who have completed their initial probationary period and meet other applicable qualifications set forth in this Policy are eligible to participate in the Sick Leave Donation Program as a donor or recipient.

C. Procedures for Utilizing Donated Sick Leave

1. In order to receive donated sick leave through the Sick Leave Donation Program, an employee must meet the following requirements:
 - a. The employee must have been on an approved Leave of Absence for a catastrophic illness or injury as defined above for at least 30 calendar days prior to the use of any donated sick leavetime.
 - b. The employee must have exhausted all of his/her sick and vacation accruals prior to the use of any donated sick leavetime.
 - c. The employee must be utilizing any applicable income replacement programs for which he/she qualifies (i.e. State Disability Insurance, Paid Family Leave, Long-Term Disability, Workers' Compensation benefits). Employees are only eligible to receive the amount of donated sick leave necessary to maintain 100% of their base salary after the application of any income replacement programs.
 - d. The employee must ~~have notified~~ provide written notification to the Human Resources department of his/her desire to receive and utilize donated sick leavetime. With the notification, the employee must provide a written description of the catastrophic illness or injury, including how it may affect the employee and his/her dependent parent, spouse or registered domestic partner, or child and a statement that it will result in a substantial loss of income if no donated sick leave is received. In the event that the employee is physically or mentally unable to notify the Human Resources department, notification may be made by a member of the employee's immediate family (i.e., spouse, registered domestic partner, child or parent).
 - e. As described in this policy, the Director of Human Resources will be responsible for reviewing the eligibility of an employee to receive donated sick leave and making a recommendation to the General Manager for approval. The approval process may require appropriate medical documentation certifying the existence of a catastrophic illness or injury of the employee or family member (no medical diagnosis information). The General Manager's decision is not subject to any grievance or appeal procedures.
2. An employee utilizing donated sick leave will not earn or be eligible to accrue any sick or vacation leave. Once an employee ceases to receive any portion of his/her pay from the use of his/her own accrued sick and vacation leave, accrual of additional vacation and sick leave hours will cease. Holidays falling during the

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period following exhaustion of vacation and sick leave benefits will not be paid to an employee even if they are utilizing donated sick leave.

3. If an employee returns to work on a part-time basis, sick and vacation leave will begin accruing on a pro-rated basis and these accrued balances will be utilized for coordination of benefits before the utilization of any donated sick leave.
4. An employee utilizing donated sick leave is required to report the payments as additional wages, and the City will report such income on Form W-2 and withhold income and payroll taxes will be taxed each pay period as with the use of regularly accrued sick and vacation leave.
5. The existence or use of donated sick ~~leave~~time is not a guarantee of continued employment past the end of the approved leave of absence as detailed in applicable District policy.

D. Procedures for Donating Sick Leave

1. An employee may complete a “Donation of Sick Leave” form to irrevocably donate accrued sick leave in one-hour increments for use by another eligible employee who has been determined to qualify for sick leave donations under the requirements listed above. The employee must certify that the donated sick leave is irrevocable.
2. In no case shall a donation of sick leave reduce the donor’s accrued sick leave balance below eighty (80) hours.
3. An employee may donate a maximum of 25% of his/her sick balance or forty (40) hours of accrued sick leave to an eligible employee, whichever is less. No employee will be allowed to donate more than forty (40) hours of sick leave in any ~~twelve-month~~twelve-month period.
4. The number of donated sick leave hours credited to the recipient will be calculated by multiplying the number of hours donated by the calculated hourly rate of the donor and then dividing that amount by the calculated hourly rate of the recipient.
5. The donated sick leave hours are deposited into a District-sponsored leave bank. The District will administer the leave bank and transfer donated sick leave hours to the recipient. Any and all hours that are donated to the leave bank are irrevocable.
5. Donated sick leave hours will be used to pay the recipient on a first in- first-out basis. Donated sick leave hours not used by the specified recipient will revert back to the District-sponsored leave bank~~be returned to the donating employee(s)~~ following the end of the pay period in which the recipient no longer qualifies for the use of donated sick leave. It is the sole discretion of the General Manager or the General Manager’s designee to determine when donated sick leave hours will

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revert to the District-sponsored leave bank. The District will determine the use and future distribution of such donated sick leave hours.

6. The donor will not be taxed on the value of the donated sick leave. The donor may not claim a charitable deduction, tax credit or any other credit or deduction on their individual tax return to reflect the donation of sick leave.

Adopted by IRWD Board of Directors on: ~~December 13, 2021~~

IRVINE RANCH WATER DISTRICT
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 17 - BEREAVEMENT

1. **General Policy**

For regular full-time employees:

In the event of a death ~~of a family member in the immediate family~~ of a regular full-time employee, or critical illness of an ~~immediate~~ family member where death appears to be imminent, paid bereavement leave will be granted for three (3) work days per calendar year; if traveling within five hundred (500) miles from the District for services, or five (5) work days per calendar year if traveling over five hundred (500) miles from the District.

If additional ~~hours bereavement leave are is required needed, the regular full-time employees~~ may ~~elect to~~ take up to five (5) additional work days these hours of bereavement leave without pay upon the death of a family member per event without pay. During bereavement leave without pay, employees may use or have the hours deducted from their his or her accrued sick leave and/or vacation hours. ~~Additional bereavement leave may be granted at the discretion of the~~ General Manager. Director of Human Resources.

For District temps, interns, and employees who are not regular full-time employees:

Interns and employees who are probationary, part-time, temporary, or otherwise not regular full-time employees may take up to five (5) work days of bereavement leave without pay upon the death of a family member. During bereavement leave without pay, employees may use their accrued sick leave and/or vacation hours. Additional bereavement leave may be granted at the discretion of the General Manager.

2. **Family Member Immediate Family Definition**

~~“Immediate Family Member”~~ is defined as any relation by blood, marriage, or adoption, who is a member of the employee's household, residing under the same roof, and any parent, parent-in-law, spouse (or ex-spouse, if children are involved), domestic partner, child, sibling, brother, sister, grandparent, grandparent-in-law, or grandchild of the employee, regardless of residence.

3. **Procedure**

Employees should notify their supervisors of the death of their when a death occurs in their immediate family member, and ~~Time cards should reflect the bereavement code for days of bereavement leave used. S~~ supervisors will should also notify the Human Resources Department. ~~of the death. The employee may be required to provide Human Resources with documentation of the death of the family member, including a death certificate, published obituary, or written verification of death, burial, or memorial services from a mortuary, funeral home, burial society, crematorium, religious institution, or governmental agency or documentation of the critical illness of a family member. If~~

Exhibit "A"

documentation is requested, the employee must provide the documentation within 30 days of the first day of bereavement leave. The District will maintain the confidentiality of an employee who requests bereavement leave, and all related documentation will be maintained as confidential, disclosed only as required by law.

Bereavement leave must be completed within three (3) months of the date of death of a family member. Employees are not required to take the leave consecutively. Time cards should reflect the bereavement code for days of bereavement leave used.

Adopted by IRWD Board of Directors on: ~~December 15, 2003~~

Exhibit "A"
IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 18 - VACATION

I. GENERAL POLICY

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

II. RATES OF ACCRUAL

- A. **Regular Full-Time Employees:** All regular full-time employees will accrue vacation leave according to the following monthly schedule, based upon years of service:

Less than 5 years' service	6.67 hours - (80 hours per year)
5 or more years of service but less than 10 years	10.00 hours - (120 hours per year)
10 or more years of service	13.33 hours - (160 hours per year)
15 or more years of service but less than 20 years	15.00 hours – (180 hours per year)

- B. **Managers, Supervisors, Confidential, and Exempt Employees:** Managers, supervisors, confidential and exempt employees will accrue vacation according to the same monthly schedule set forth in Section II.A., until they have completed at least 20 years of service, at which time they will accrue vacation according to the following monthly schedule, based upon years of service:

20 or more years of service	16.67 hours – (200 hours per year)
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- C. **Regular Part-Time Employees:** All regular part-time employees are eligible for pro-rated vacation leave based upon a 40-hour weekly schedule and years of service.

- D. **Temporary Employees:** Temporary employees are not eligible to accrue vacation leave.

E. **Vacation Accrual During Leaves of Absence**

1. **Accrual during Paid Leave:** A regular employee on authorized leave of absence will continue to accrue vacation hours at the same rate set forth in Sections II.A. or II.B. (Full-time) and Section II.C. (Part-time) as long as accrued sick leave and vacation hours have not been exhausted and provided that the employee is utilizing some portion of accrued leave benefits. Once accrued sick leave and vacation hours have been

POLICY NO. 18 – VACATION

exhausted, or if an employee elects not to coordinate benefits while on a leave of absence, the employee will cease to accrue vacation hours until he/she returns to active employment status.

2. **Accrual during Consecutive Unpaid Leave:** An employee on an authorized leave of absence without pay, including extended military leave of absence, extended sick leave, or FMLA/CFRA/PDL leave, taken on a consecutive basis, will not accrue vacation leave during such absences, unless otherwise required by law.
3. **Accrual during an Intermittent or Reduced Schedule Leave:** An employee on an authorized unpaid leave of absence taken on an intermittent or reduced schedule basis will accrue vacation at the same rate as set forth in Section II.A. or II.B. (Full-time) or Section II.C. (Part-time).

III. REQUESTS FOR VACATION LEAVE

- A. Employees are not eligible to take time off for vacation leave during the first six (6) months of employment.
- B. Requests for vacation leave shall be made in advance by the employee to his/her immediate supervisor for appropriate approvals.
- C. Established District holidays occurring during scheduled vacation leave are not counted as vacation days.

IV. MAXIMUM ACCRUAL AND REDUCTION OF VACATION HOUR BALANCES

The maximum number of vacation hours accrued may not exceed the greater of 240 hours or two times an employee's annual accrual.

A. Voluntary Transfer of Vacation Hours

Once a year, in November, an employee who has taken at least 40 hours of vacation during the immediately preceding completed calendar year may elect to transfer into the employee's Deferred Compensation Plan account:

1. Any vacation hours accrued in excess of the employee's maximum accrual;
and/or
2. Any accrued vacation hours below the employee's maximum accrual, as long as the employee retains a balance of at least 80 vacation hours following the transfer.

Hours will be transferred at a rate of 100% of the employee's current pay rate at the time of transfer.

POLICY NO. 18 – VACATION

B. Voluntary Reduction of Vacation Hours by Managers, Supervisors, and Confidential Employees

In lieu of using accrued vacation leave for a covered leave, an employee may elect to either (i) receive cash payment (“cashout”) of vacation leave, (ii) contribute vacation leave to his or her account under the District’s 457(b) plan, or (iii) a combination of both. To make the election, an employee must, in November of the calendar year preceding the calendar year in which the employee wishes the cashout or contribution (or both) to occur, file an irrevocable election form with the District stating their intent to cashout or contribute the leave and identifying the number of vacation leave hours covered by the election. The election form must be filed with the District’s Human Resources Department. The election will apply only to vacation leave hours accrued in the same calendar year as the cashout or contribution (i.e., the calendar year following the filing of the election). Employees who do not file a valid election by November 30 of a preceding calendar year may not subsequently elect under this provision to cashout or contribute any vacation leave accrued in the following calendar year.

1. Limits on Cashouts and Contributions.

An employee’s election to receive cashouts or contributions of vacation leave for a calendar year is subject to the following limitations:

- The aggregate cashout and contribution may not reduce the employee’s vacation leave balance below 80 hours. Accordingly, the cashout or contribution amount will be lowered as needed to maintain the 80-hour minimum (if the employee elected both cashouts and contributions, the reduction will be made proportionally from both according to the election percentage); and no election or contribution will occur if the employee’s vacation leave balance is 80 hours or less.
- **In order to transfer and/or sell back vacation hours at least 40 hours of vacation must have been used during the immediately preceding completed calendar year.**
- If any part of the employee’s elected contribution cannot be made to the 457(b) plan due to contribution limits imposed by the tax laws, that amount will instead be paid in cash to the employee.
- The employee’s elected cashout or contribution will be processed in the calendar year following the election, at the time and in the manner determined by the District.

2. All cash payments are subject to state and federal withholdings.

C. Automatic Transfer of Vacation Hours in Excess of Maximum Accrual

1. In the event the employee’s accrued vacation balance by the end of January of a calendar year exceed the Vacation Accrual Maximum, the excess accruals will be automatically contributed by the District to the employee’s account under the District’s 401(a) defined contribution plan.

POLICY NO. 18 – VACATION

2. This transfer will be conducted once a year, generally in February, 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 their 401(a) defined contribution plan account.
3. 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, without automatic transfer.

V. PAYMENT FOR UNUSED VACATION LEAVE UPON SEPARATION

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

Adopted by IRWD Board of Directors on: ~~December 13, 2021~~

IRVINE RANCH WATER DISTRICT

PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 19 – FAMILY AND MEDICAL CARE LEAVES OF ABSENCE
(FMLA/CFRA/PDL)

I. GENERAL POLICY

- A. This Policy is intended to provide employees with information about and establish guidelines for the taking of family care and medical leave, in accordance with the federal Family and Medical Leave Act (FMLA), the California Family Rights Act (CFRA), and the California Pregnancy Disability Leave Law (PDL).
- B. To the extent not already provided for under current leave policies and provisions, the District will provide family and medical care leave for eligible employees as required by State and federal Law. The leaves provided for in this Policy are granted under a variety of state and federal laws. Employees should be aware that leave under one Section of the Policy may **or may not** also qualify for leave under another Section. For example, military caregiver leave is provided for under the FMLA, but in certain circumstances, might also qualify for CFRA leave. In addition, an employee is entitled to take CFRA leave to care for a registered domestic partner, but FMLA leave does not include registered domestic partners. In such cases, the District will advise affected employees in writing which of their statutorily protected leaves are being used and how much of that leave remains.
- C. Additional definitions and other provisions governing employees' rights and obligations under the FMLA, CFRA, and PDL that are not specifically set forth below are set forth in the Department of Labor's FMLA regulations (29 C.F.R. § 825.00 *et seq.*) and the California Department of Fair Employment and Housing's CFRA regulations (2 C.C.R. § 11087 *et seq.*) and PDL regulations (2 C.C.R. § 11035 *et seq.*) This Policy is deemed to include such regulatory provisions, including subsequent revisions to such regulatory provisions, except where expressly contradicted by the terms of this Policy.

II. FAMILY CARE AND MEDICAL LEAVE (FMLA/CFRA Leave)

- A. **Eligibility:** To be eligible for FMLA/CFRA leave, an employee must have been employed by the District for at least 12 months prior to the date on which the FMLA/CFRA leave is to commence, and have worked at least 1,250 hours over the 12-month period preceding the FMLA/CFRA leave. For employees performing covered military service under the federal Uniformed Service Employment and Reemployment Rights Act, periods of absence due to such service shall be counted for purposes of determining whether the employee meets these eligibility requirements.
- B. **Qualifying Reasons for FMLA/CFRA Leave:** Employees meeting the eligibility requirements under Section II.A. may take FMLA/CFRA leave for any of the following qualifying reasons:
 - 1. Birth of a child of the employee; or placement of a child with an employee in connection with the adoption or foster care of a child by the employee.

POLICY 19 – FAMILY AND MEDICAL CARE LEAVES OF ABSENCE

2. Because of any qualifying exigency arising out of the fact that the spouse, domestic partner (CFRA only), child, or parent of the employee is on active military duty in the Armed Forces in support of a contingency operation. A “qualifying exigency” is defined, as a situation or pressing need calling for immediate attention.
3. For a serious health condition of the employee which makes him/her unable to perform his/her job.
4. For a serious health condition of a child of an employee. To care for a parent, child, or spouse who has a serious health condition.
5. Under the CFRA only. To care for a ~~parent,~~ grandparent, grandchild, sibling, ~~spouse, parent-in-law, designated person, or ~~or~~~~ domestic partner who has a serious health condition.

The FMLA also specifically provides ~~for military~~for military caregiver leave, and those types of leaves are addressed under Section IV of this Policy. The PDL also provides for leave for employees with a serious health condition is on account of her pregnancy, childbirth, or related medical conditions, and that leave is addressed under Section III.

C. Definitions

1. **Child:** Leave may be taken under Section B.1., B.2., or B.3. by an employee for a "child" who is:
 - a. Under the FMLA, a child under the age of 18 years of age, or 18 years of age or older who is incapable of self-care because of a mental or physical disability. An employee’s child is one for whom the employee has actual day-to-day responsibility for care, and includes a biological, adopted, foster or step-child. A child is “incapable of self-care” if he/she requires active assistance or supervision to provide daily self-care in three or more of the activities of daily living or instrumental activities of daily living, such as caring for grooming and hygiene, bathing, dressing and eating, cooking, cleaning, shopping, taking public transportation, paying bills, maintaining a residence, or using telephones and directories.
 - b. Under the CFRA, a child, including a child who is 18 years of age or older, regardless of whether the child is capable of self-care. An employee’s child means a biological, adopted, foster, step-child, legal ward, a child of a domestic partner, or a person to whom the employee stands *in loco parentis*.
 - a. — A biological child, adopted child, foster child, stepchild, legal ward of the employee, a child to whom the employee stands *in loco parentis*, or a child of a domestic partner
2. ***In loco parentis:***

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a. For purposes of this Policy an employee stands *in loco parentis* by providing day-to-day care or financial support with demonstrated intent of assuming the responsibilities typically held by a parent.

b. Whether an employee stands *in loco parentis* to a child for purposes of this Policy will be determined by the District on a case-by-case basis, and the District may require reasonable documentation to support an employee's claim of providing either day-to-day care or financial support for the child.

3. **Serious Health Condition:** A serious health condition is an illness, injury, impairment, or physical or mental condition of the employee or a child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, designated person, or registered domestic partner of the employee that makes the employee unable to work or unable to perform one or more of the essential functions of the employee's position, and which involves either inpatient care or continuing treatment or supervision by a health care provider, as follows:

a. "Inpatient care" means an overnight stay in a hospital, hospice, or residential medical care facility, or any subsequent treatment in connection with such inpatient care, or any resulting period of incapacity.

i. A person is considered to have an "overnight stay" for purposes of this provision if a health care facility formally admits him/her to the facility with the expectation that he/she will remain at least overnight and occupy a bed, even if it later develops that such person can be discharged or transferred to another facility and does not actually remain overnight.

b. "Continuing treatment or supervision by a health care provider" means and includes any one or more of the following:

i. In-person treatment two or more times, within 30 days of the first day of incapacity, unless extenuating circumstances exist, by a health care provider, by a nurse under direct supervision of a health care provider, or by a provider of health care services (e.g. physical therapist) under orders of, or on referral by, a health care provider, with the first visit being within seven days of the first day of incapacity; or

ii. In-person treatment by a health care provider on at least one occasion, which results in a regimen of continuing treatment under the supervision of the

Exhibit "A"

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health care provider, with the first visit being within seven days of the first day of incapacity.

- iii. Any period of incapacity due to pregnancy, or for prenatal care, whether or not in-person treatment is received during that time, or whether the resulting absence lasts fewer than three days.
- iv. Any period of incapacity, or treatment for such incapacity, due to a chronic serious health condition, whether or not in-person treatment is received during that time, or whether the resulting absence lasts fewer than three days. A chronic serious health condition is one which:
 - A. Requires periodic visits (defined as at least twice a year) for treatment by a health care provider, or by a nurse under direct supervision of a health care provider; and
 - B. Continues over an extended period of time (including recurring episodes of a single underlying condition); and
 - C. May cause episodic rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy, *etc.*).
- v. A period of incapacity, which is permanent or long-term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by, a health care provider. Examples include Alzheimer's, a severe stroke, or the terminal stages of a disease.
- vi. Any period of absence to receive multiple treatments (including any period of recovery therefrom) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, for either:
 - A. Restorative surgery after an accident or other injury; or
 - B. A condition that would likely result in a period of incapacity of more than three consecutive, full calendar days in the absence of medical intervention or treatment, such as cancer (chemotherapy, radiation, *etc.*), severe arthritis (physical therapy), or kidney disease (dialysis).

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4. **“Incapacity:”** means that a person is unable to work, attend school, or perform regular daily activities due to a serious health condition, its treatment, or the recovery that it requires.
5. **Designated person:** for CFRA leave means an individual related by blood to the employee or whose association with the employee is equivalent of a family relationship. The designated person is identified by the employee at the time the employee requests CFRA leave. An employee is limited to one designated person per 12-month period.
6. **Parent-in-law:** for CFRA leave means the parent of a spouse or domestic partner.
7. **Family member:** for FMLA leave means an employee’s child, parent, and spouse. **Family member** for CFRA leave means an employee’s child, parent, parent-in-law, spouse, domestic partner, grandchild, grandparent, sibling, and designated person.

D. Amount of Leave Entitlement: Provided that all applicable conditions of Section II.B. are met, an employee may take a maximum of 12 workweeks of FMLA/CFRA leave in a rolling 12-month period measured backwards from the date the employee uses any FMLA/CFRA leave.

1. Employees taking FMLA/CFRA leave for the birth, adoption, or foster care of their child must initiate and complete any FMLA/CFRA leave within one year of the birth of the child or placement of the child with the employee for adoption or foster care.
2. Parents who are both employed by the District may be on leave simultaneously, provided the employees provide a certificate, from a health care provider, stating the need for both employees’ participation in the care of the child.
3. An employee’s FMLA/CFRA leave does not need to be consecutive, but can be cumulative within a 12-month period.
4. Industrial injury leaves and non-industrial injury leaves are FMLA/CFRA leaves if they are taken for serious health conditions.

E. Concurrent Use of Accrued Paid Leave Leave taken under this Policy is unpaid. Employees ~~may elect or may be~~ required to use their accrued leave balances concurrently with FMLA/CFRA leave, as provided below. ~~When an employee elects or is required to use his/her accrued leave balances, the employee may specify in writing the order in which the employee would prefer to exhaust his/her leave balances. If the employee fails to designate the order of exhaustion, the District will determine the order, subject to the terms of applicable District policy.~~ The paid leave shall run concurrently with the FMLA/CFRA ~~leave, and~~ **leave and** shall not extend the employee’s entitlement to FMLA/CFRA leave beyond 12 workweeks.

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1. **Sick leave:** Employees are required to use all accumulated sick leave concurrently when FMLA/CFRA leave is taken for the employee's own serious health condition. Employees may choose to use their accumulated sick leave when FMLA/CFRA leave is taken for any other reason under Section II.B. of this Policy.
2. **Other paid leaves:** Employees are required to use all other accrued paid leaves of absence, including but not limited to, vacation and holiday leave, when taking FMLA/CFRA leave for any reason.

F. Coordination with Wage Replacement Plans

An employee requesting a ~~family care~~ leave of absence for his or her own serious health condition under this Policy may coordinate any unused accumulated sick and vacation hours with short-term disability, long-term disability, worker's compensation and any other wage-replacement benefits for which the employee may be eligible, up to an amount equal to the employee's regular salary.

G. Intermittent or Reduced Schedule Leave: Intermittent FMLA/CFRA leave is leave taken on an as-needed basis in increments of minutes, hours, or days. A reduced schedule FMLA/CFRA leave involves a reduction in the number of hours per day or per week that an employee regularly works, with the employee substituting FMLA/CFRA time substitute for hours not worked. The minimum FMLA/CFRA leave increment that can be taken by an employee is 15 minutes.

1. **Calculation of Intermittent or Reduced Schedule Leave:** The maximum equivalent number of hours to which an employee is entitled during the 12-week period will be based on the employee's regularly scheduled workweek. For example, an employee who is regularly scheduled to work 40 hours per workweek will be entitled to a maximum of 480 hours of FMLA/CFRA leave, whereas, an employee who is regularly scheduled to work 32 hours per workweek will be entitled to a maximum of 384 hours of FMLA/CFRA leave. In calculating this amount for employees with a varying schedule, the District will use an average of the employee's workweeks within the 12-month period immediately preceding the intermittent or reduced schedule leave.
2. **Impact on Salary:** Where permitted by applicable state and federal wage and hour laws, the District may make deductions from an employee's salary for all hours of leave taken as intermittent leave, unless the employee is entitled or required to coordinate paid leave.
3. **Inclusion of Scheduled Overtime:** If an employee normally would be required to work overtime hours, but is unable to do so because of an FMLA/CFRA-qualifying reason that limits the employee's ability to work overtime, the hours that the employee would have been required to work may be counted against the employee's FMLA/CFRA entitlement, as the employee would be considered to be using intermittent or reduced schedule leave. For example, if an employee is normally required to work

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50 hours in a particular workweek, but because of an FMLA/CFRA-qualifying reason, the employee works only 40 hours that week, the employee would use 10 hours of FMLA/CFRA-protected leave out of the 50-hour workweek.

4. **Conditions for Taking Intermittent or Reduced Schedule Leave**

- a. FMLA/CFRA leave taken for the employee's own serious health condition, or the serious health condition of the employee's ~~spouse, registered domestic partner, parent, or child,~~ family member or for military caregiver leave under Section IV.B. of this policy, may be taken intermittently or on a reduced leave schedule when medically necessary (as distinguished from voluntary treatments and procedures).
- b. Military exigency leave under Section IV.A. of this Policy (FMLA only) may be taken on an intermittent or reduced schedule basis without limitation.
- c. Leave taken following the birth, adoption, or placement or foster care of a child may be taken on an intermittent or reduced schedule basis, subject to the conditions set forth in Section II.G.6., below.

5. **Temporary Transfer:**

- a. **Required by the District** The District may require that the employee temporarily transfer to an available alternative position for which the employee is qualified, and which provides equivalent pay and benefits and that better accommodates recurring leave periods than the employee's regular position.
- b. **Requested by Employee:** An employee on intermittent or reduced schedule FMLA/CFRA leave for foreseeable and planned medical treatments may request a transfer to an open and available position for which the employee is qualified, if the duties of that position would better accommodate the employee's, intermittent or reduced schedule FMLA/CFRA leave. Transfers will not be considered under this Section when the intermittent or reduced schedule FMLA/CFRA leave is unscheduled, such as in the case of chronic conditions.

6. Leave Taken for Baby Bonding: The basic minimum duration of a leave taken for the birth, adoption, or foster care of a child shall be two weeks. However, the District will grant a minimum of two requests to take baby-bonding leave in increments shorter than two weeks in the applicable one-year period. The District may, in its discretion grant more than two requests for leave shorter than two weeks in duration. Any modification permitted under this sub-section shall not increase the employee's total leave entitlement beyond the amount provided in Section II.D.

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H. Employee Notice: Employees requesting leave under the FMLA/CFRA must notify Human Resources in accordance with the rules set forth below. Employees must either use a Request for Leave of Absence Form or otherwise provide sufficient information to make the District aware that the employee needs FMLA/CFRA leave, which qualifying reason applies to the leave (by reference to Section II.B. of this Policy), and the anticipated timing and duration of that leave. Supervisors who receive employee requests for FMLA/CFRA leave (or leave that may be FMLA/CFRA-qualifying) must forward any such requests to Human Resources.

1. Foreseeable Events: An employee must provide the District with at least 30 days' advance notice before the date the leave is to begin, or must provide notice as soon as is practicable, normally the same business day or next business day if the employee is off work when he/she learns of the need for leave. If the employee provides less than 30 days' advance notice, the District may require explanation of why 30 days' advance notice was not practicable.

a. In any case in which the need for FMLA/CFRA leave is foreseeable based on one of the circumstances listed below in subsection b., the employee shall make a reasonable effort to schedule any planned medical treatment or supervision so as not to unduly disrupt the operations of the District. However, any such scheduling shall be subject to the approval of the health care provider of the employee or the employee's family member, child, parent, spouse, or registered domestic partner (CFRA only).

b. The need for leave is considered "foreseeable" when it is taken for any of the following reasons:

- i. Planned medical treatment for a serious health condition of the employee.
- ii. Planned medical treatment for a serious health condition of a family member.
- iii. An expected birth, or placement for adoption or foster care.

c. If an employee fails to provide the requisite 30-day advance notice for foreseeable events without any reasonable excuse for the delay, the District reserves the right to delay the taking of the leave by up to 30 days after the date the employee provides notice of the need for FMLA/CFRA leave.

2. Unforeseeable Events: If an employee requires FMLA/CFRA leave for an unforeseeable event, the employee is required to provide notice to the District as soon as is practicable.

3. Notice of Intermittent/Reduced Schedule Leave: The notice requirements for foreseeable intermittent or reduced schedule leaves shall

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be the same as for other foreseeable leaves, and the notice requirements for unforeseeable intermittent or reduced schedule leave shall be the same as for other unforeseeable leaves.

4. Incomplete Notice: If the employee's notice does not contain sufficient information for the District to determine whether the employee's leave could be for an FMLA/CFRA-qualifying purpose, Human Resources may follow up with the employee for additional information and the employee is required to respond to the same. However, the employee shall not be required to provide the District with a diagnosis.

5. Changes to Dates of Leave: The employee must advise Human Resources as soon as practicable when he/she learns that the dates of the FMLA/CFRA leave may change.

6. Requests for Extension: Any requests for extensions of an FMLA/CFRA leave must be received at least five working days before the date on which the employee was originally scheduled to return to work, where practicable, and must include the revised anticipated date(s) and duration of the FMLA/CFRA leave. If the employee has exhausted his/her leave entitlement under Section II.D., the District will evaluate on a case-by-case basis whether additional leave may be available as a reasonable accommodation for the employee's own serious health condition; however, any such additional leave shall not be subject to the provisions of this Section II.

I. District Response to a Request for FMLA/CFRA Leave or Request for Extension - Eligibility Notice: Within five working days of an employee's request to take FMLA/CFRA leave, the District shall provide the employee with a written Eligibility Notice. The Eligibility Notice is not a designation of the employee being on FMLA/CFRA Leave. The Eligibility Notice shall include the following information:

1. Whether the employee is eligible to take FMLA/CFRA leave. If the employee is ineligible for FMLA/CFRA leave, the notice will include the reason(s) why the employee is ineligible.
2. Whether the employee has exhausted his/her 12-week FMLA/CFRA entitlement.
3. Whether additional information, such as a medical certification, is required from the employee in order to process the employee's request for FMLA/CFRA leave or request for extension.
4. The employee's rights and responsibilities under the FMLA/CFRA, which will include a statement of whether the employee is required to provide a medical certification or recertification. A statement requiring a medical certification will also advise the employee of the anticipated consequences of his/her failure to provide adequate notice.
5. If the employee has requested an extension of leave for his/her own serious health condition but has exhausted his/her leave entitlement

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under Section II.D., the District will advise whether additional leave will be granted as a reasonable accommodation; however, any such additional leave shall not be subject to the provisions of this Section II.

- J. Medical Certification and Recertification:** Any request for FMLA/CFRA leave for an employee's own serious health care condition or for FMLA/CFRA leave to care for a family member with a serious health condition must be supported by medical certification from the treating health care provider. Employees are encouraged to use the District's medical certification form to ensure that all pertinent information is obtained. Any request for an extension of FMLA/CFRA leave also must be supported by a medical certification from the treating health care provider. Again, employees are encouraged to use the District's medical certification to ensure that all pertinent information is obtained.

1. Timing of Request for Medical Certification: The District will request medical certification:

- a. Within five business days after an employee requests foreseeable leave;
- b. Within five business days after an employee provides notice of an unforeseeable leave, or within five business days after an unforeseeable leave commences, whichever is later;
- c. At a later date if the District has a reason to question the appropriateness or duration of an employee's leave (FMLA only).

2. Timing for Employee's Return of the Medical Certification: All medical certifications and recertifications must be returned to the District within 15 days from the District request, regardless of whether the leave is foreseeable or unforeseeable. Exceptions to this may be granted by Human Resources when it is not practicable to provide the certification or recertification within 15 days, despite the employee's diligent, good faith efforts to do so.

3. Certification for Serious Health Condition of ~~Spouse, Registered Domestic Partner, Parent, or Child~~Employee's Family Member: The employee must have the patient's treating health care physician complete a medical certification form when requesting family leave to care for a family member with a serious health condition. Employees are encouraged to use the District's medical certification form to ensure that all pertinent information is obtained.

- a. **Medical Recertification:** If the employee requests additional leave beyond the time period which the health care provider originally estimated that the employee needed to take care of the employee's ~~child, parent, spouse, or registered domestic partner, family member~~, the District may request a recertification from the employee.

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4. **Certification for the Employee's Own Serious Health Condition:**
 - a. **First Opinion:** The employee must have his/her health care physician complete a medical certification form when requesting FMLA/CFRA leave for his/her own serious health condition. Employees are encouraged to use the District's medical certification form to ensure that all pertinent information is obtained.
 - b. **Second and Third Opinions:** If the District has reason to doubt the validity of the certification provided by the employee, the District may require the employee to obtain a second opinion from a doctor of the District's choosing at the District's expense. If the employee's health care provider and the doctor providing the second opinion do not agree, the District may require a third opinion, also at the District's expense, performed by a mutually agreeable doctor who will make a final determination that shall be binding on both the District and the employee.
 - c. **Medical Recertification:** The District may request recertification of a medical condition upon the expiration of the time period, which the health care provider originally estimated, if additional FMLA/CFRA leave is requested.
5. **Certification for an Employee's Return to Work:**
 - a. **Returning from a Continuous Leave:** As a condition of restoration to his/her former position, an employee taking continuous leave under the FMLA/CFRA is required to provide the District with certification from his/her health care provider stating that he/she is able to resume his/her essential work functions. An employee who fails to provide the certification may have his/her reinstatement delayed.
 - b. **Returning from an Intermittent or Reduced Schedule Leave:** In addition to the requirement in Section 5.a., above, if the employee is on intermittent or reduced schedule leave, the District may require a fitness for duty certification at fixed intervals not exceeding every 30 days if there are reasonable safety concerns. "Reasonable safety concerns" means a reasonable belief of significant risk of harm to the employee or others.
 - c. **Contents of Certification:** The District will provide the employee with a form and a copy of the employee's job description for his/her health care provider to review in completing the return-to-work certification, and employees are encouraged to use the District's form to ensure that all pertinent information is obtained. The employee must provide a complete and sufficient fitness for duty certification. If the employee's health care provider releases the employee back to work with restrictions, the District will engage in the interactive process to determine what

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reasonable accommodation, if any, will permit the employee to return to work in accordance with the ADA and the FEHA.

6. **Employee’s Failure to Provide a Medical Certification or Recertification:** If the employee fails to timely provide a complete and sufficient medical certification when requested, the request for FMLA/CFRA leave may be denied, delayed until a sufficient certification is provided. Employees will be advised of these consequences in connection with any request by the District for medical certification or recertification.

K. District’s Designation of Leave: Absent extenuating circumstances, within five working days after the District has acquired enough information to determine whether the employee’s request qualifies for FMLA/CFRA leave, the District will provide the employee with a written Designation Notice.

1. **Designating Leave as FMLA/CFRA-Qualifying:** If the leave is designated as being FMLA/CFRA-qualifying, the Designation Notice will contain, but is not limited to, the following information:

- a. A statement that the leave is being designated as FMLA and/or CFRA leave;
- b. The amount of leave being counted as FMLA and/or CFRA leave, if known;
- c. Whether accrued paid leave will be used during the leave, and that any paid leave used will count as FMLA/CFRA leave;
- d. Whether a medical certification will be required to release the employee to return to work; and
- e. Whether a job description or description of essential duties is attached to the Designation Notice for the health care provider to use in completing the medical certification to release the employee to return to work.

2. **Unable to Designate:** If the District is unable to determine whether the leave requested is FMLA/CFRA-qualifying because more information is needed, the employee will be informed that

- a. the medical certification is incomplete or insufficient, and the District will provide a list of deficiencies and explain the employee’s opportunity to cure said deficiencies; or
- b. a second or third medical opinion is being required.

3. **Not Designating Leave as FMLA/CFRA-Qualifying:** If the District has determined that the employee’s leave does not qualify as FMLA/CFRA leave, the District will notify the employee in

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writing that his/her leave is not being designated as FMLA/CFRA leave, and the reason for the denial.

L. Employment Benefits and Protection:

1. Previously Accrued Benefits:

a. Leave under the FMLA/CFRA will not result in the loss of any employment benefits accrued before the date the leave commenced.

b. Leave under the CFRA will not constitute a break in service or otherwise cause the employee to lose longevity, even if other paid or unpaid leave constitutes a break in service for purposes of establishing longevity, or for layoff, recall, promotion, job assignment, or longevity-related benefits.

2. No Accrual of Leave during Unpaid FMLA/CFRA Leave:

a. An employee on unpaid FMLA/CFRA leave shall not accrue any additional paid leave time. Thus, employees will not accrue vacation leave, sick leave, or other paid leave, nor will they be paid for holidays during the unpaid leave.

b. However, during the time that an employee supplements his/her unpaid FMLA/CFRA leave with paid leave, the employee will continue to accrue leaves and benefits in accordance with the provisions of the District's policy governing those leaves of absence (i.e., when coordinating with sick leave, the rules governing sick leave will apply with regard to the employee's benefits).

3. Maintenance of Health Insurance of the Employee: Employees will continue to receive the same medical benefits while on FMLA/CFRA leave for up to 12 workweeks in a 12-month period. The District shall be responsible for the continued payment of the District's share of the cost of the employee's health benefits during that 12-workweek period. ~~Benefits for absences beyond the allotted period will be handled in the same manner as benefits for employees on any other type of unpaid leave of absence.~~

4. Maintenance of Benefits Requiring Employee Contributions:

a. During any period of unpaid leave, unless otherwise prohibited by applicable law, an employee may elect to discontinue monthly payments into the flexible benefits account, and any other benefits offered or sponsored by the District to which the employee is required to make monthly contributions, other than group medical benefits. Employees must notify the District in writing of such an election.

i. Employees returning from unpaid leave who have discontinued payments into their flexible benefits

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account have a right to elect to reinstate coverage at the same level of participation as before their leave.

- ii. Employees that experience an event that qualifies as a Qualified Status Change under IRS regulations are allowed to change the amount of their monthly payments into either the miscellaneous medical or dependent care flexible spending accounts. If this option is chosen, employees have thirty (30) days from the date of the qualified status change or from the date, they return from FMLA leave to change their payments. (See Policy No. 41-Flexible Advantage Program for more specific information on the Flexible Benefits Program).
- iii. Expenses that are incurred during the time that employees are not making monthly payments are not eligible for reimbursement.

b. An employee will continue to be responsible for making the payment of his/her share of premiums for group medical benefits and any other contributions for which the District has not received advanced notice of election to discontinue. If any premium amounts are increased or decreased for other employees similarly situated, the employee will be required to pay the new premium rates.

c. All monthly contributions are due and payable to the District at the same time as they would be if made through payroll deduction.

d. The District and employees who are CalPERS members will continue to make contributions in accordance with the terms of the plan during any period of FMLA/CFRA leave in which the employee uses paid leave time. The District will not make plan payments for employees during any leave period which is unpaid, and the unpaid leave period will not be counted for purposes of service credit under the plan.

e. If the District provides a new health plan or benefits or changes health plans or benefits while an employee is on CFRA leave, the District will give written notice to the employee to advise that he/she is subject to the new or changed plan/benefits in the same manner, and to the same extent, as if the employee were not on leave.

5. Failure to Return from Leave: The District may recover the entire premium it paid for maintaining health insurance benefits for an employee during any period of unpaid leave if the employee fails to return to work promptly upon the expiration of a leave for a reason other than the continuation, recurrence or onset of a serious health condition that entitles the employee to leave or other circumstances beyond his/her control.

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M. Reinstatement:

1. Restoration to Position: When an employee returns from a leave under the FMLA/CFRA, he/she will be restored to the position held when the leave began, or to a comparable position, with equivalent (i.e. virtually identical) employment benefits, pay, and other conditions of employment.

a. The duties of the position must be capable of being performed in the same or similar geographic location, and involve the same or substantially similar duties as the position held when leave began, with responsibilities that entail equivalent skill, effort, responsibility, and authority.

2. Denial of Restoration Rights: The District may refuse to reinstate an employee to his/her pre-leave position at the conclusion of an FMLA and/or /CFRA leave when either of the following conditions exists:

a. Key Employee (FMLA only): For FMLA leave only, ~~T~~he employee is a salaried eligible employee who is among the highest paid ten percent of the District's employees; and the following steps take place:

i. The District notifies the employee at the time the employee gives notice of the need for leave, or when leave commences, if earlier, that he/she is a key employee, and also notifies the employee of the potential consequences with respect to reinstatement and maintenance of health benefits if the District should determine that reinstatement will result in substantial and grievous economic injury to its operations; and

ii. As soon as the District makes a good faith determination that substantial and grievous economic injury will result if the District reinstates that key employee at the end of the requested FMLA/~~CFRA~~ leave period, the District notifies the employee that it intends to deny reinstatement at the end of the requested leave period.

A. The notice from the District will include an explanation for the basis for the District's determination and provide the key employee with a reasonable time in which to return to work, taking into account the circumstances, such as the requested duration of the leave and the urgency of the need for the employee to return.

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- iii. The key employee has already begun the FMLA/~~CFRA~~ leave at the time of receiving the notice, and he/she does not return to work within the specified timeframe after receiving such notice from the District.
 - A. The key employee will remain entitled to the maintenance of health benefits under Section III.L.3. for the duration of the originally requested leave, but the District will not be entitled to recover its contributions to premiums under Section III.L.5.
 - B. The key employee's rights will then continue under the ~~FMLA~~/~~CFRA~~ unless and until the employee either gives notice that he/she will not seek to return to work or the employee requests to return to work at the conclusion of the leave and receives notice that the District has denied that request.
- iv. If the key employee requests to return to work upon completion of the originally requested leave, the District again determines that substantial and grievous economic injury will result if the District reinstates the employee, based on the facts at hand, and the District provides written notice of the denial.

b. Position No Longer Exists: The employee's position and any comparable position have ceased to exist because of legitimate business reasons unrelated to the employee's FMLA/CFRA leave. In this case, the District shall reasonably accommodate the employee through alternative means that will not cause undue hardship to the District's operation. The District may offer an employee any other position that is available and suitable. The District is not required to create new employment that would not otherwise be created, discharge or transfer another employee, or promote another employee who is not qualified to perform the job.

3. Opportunity to Fulfill Missed Requirements: If an employee is unable to attend a necessary course, renew a license, or is otherwise adversely affected in terms of fulfilling minimum requirements or qualifications for the position as a result of the FMLA/CFRA leave the employee will be given a reasonable opportunity to fulfill those requirements or qualifications upon returning to work from FMLA/CFRA leave.

III. PREGNANCY DISABILITY LEAVE OR TRANSFER.

A. Eligibility and Duration:

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1. Eligibility

- a. Any employee who is disabled on account of pregnancy, childbirth, or related medical conditions may take a pregnancy-related disability leave, regardless of the number of hours worked or her length of employment with the District. However, unless an employee has met the eligibility requirements under Section II.A. of this Policy, she shall not be subject to the additional terms and conditions that apply to an employee who is eligible for FMLA leave.
- b. An employee's pregnancy-related disability is not considered a serious health condition under the CFRA and is not counted against an employee's CFRA leave eligibility.

2. Amount of Leave Entitlement: An eligible employee may take a pregnancy-related disability leave for the period of disability, up to four months (an equivalent of 17 1/3 weeks). The pregnancy disability leave shall run concurrently with any family care or medical leave to which the employee may be entitled under the FMLA. An employee is entitled to take off the number of days or hours that the employee would normally work during 17 1/3 weeks of employment. For example, an employee, who regularly works 40 hours per week, is entitled to take 693 hours of leave, and an employee who regularly works 20 hours per week, would be entitled to 346.5 hours of leave.

3. Temporary Transfer: Any employee affected by conditions related to pregnancy, childbirth, or related medical conditions is entitled to transfer temporarily to a less strenuous or hazardous position or to less strenuous or hazardous duties upon the certification of the employee's health care provider that the transfer is medically advisable, if the transfer can be reasonably accommodated.

4. Reasonable Accommodation: The District will provide reasonable accommodation to an employee who is affected by pregnancy, childbirth or related medical conditions as required by law.

B. Use of Accrued Leave: An employee taking pregnancy-related disability leave must coordinate any available sick leave with her pregnancy-related disability leave. An employee taking pregnancy-related disability leave may, at her option, coordinate any other accumulated paid leaves, including, but not limited to, vacation time, holiday pay, or other paid leaves for which she is eligible, with her pregnancy-related disability leave. The paid leave shall run concurrently with the pregnancy-related disability leave, and shall not extend the employee's entitlement to pregnancy-related disability leave beyond the amount specified in Section III.A.2 of this Policy.

1. Coordination with Wage Replacement Plans:

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- a. This provision only applies when the employee's pregnancy-related disability leave is also designated as a serious health condition under the FMLA.
 - b. Pursuant to the provisions of the FMLA, if an employee is receiving a wage replacement payment from State Disability Insurance, Short-Term Disability, and/or Long-Term Disability, the employee and the District may mutually agree to coordinate the employee's accrued paid leaves with the amount received from the wage replacement plan, up to an amount equal to the employee's regular salary.
 - c. If the employee is still receiving SDI benefits when her twelve workweeks of leave under the FMLA expire, the District will require that she begin coordinating any additional accrued sick leave with the wage replacement benefits. The employee may also elect to coordinate all other accrued paid leaves with the wage replacement benefits.
- C. **Notice:** An employee should notify her supervisor of her need for pregnancy-related disability leave or transfer as soon as she is aware of the need for such leave.
1. **Foreseeable Events:** Where the need for pregnancy-related disability leave or transfer is foreseeable, the employee must provide at least 30 days' advance notice to the District of the need for pregnancy-related disability leave or transfer. If the leave or transfer is required in connection with any planned, non-emergency medical treatment or supervision, the employee shall consult with the District and make a reasonable effort to schedule any such planned medical treatment or supervision to minimize disruption to the District's operations, subject to the approval of the health care provider of the employee.
 2. **Unforeseeable Events:** For non-emergency events that are not foreseeable 30 days in advance, or when 30 days' advance notice is not practicable, the employee must notify the District as soon as practicable under the circumstances, ordinarily within two working days after the employee learns of the need for leave.
 3. **Notice of Intermittent Leave:** In the event that an employee requires intermittent pregnancy-related disability leave, she shall notify the District of the anticipated dates for the absences as much in advance as possible.
 4. **Failure to Provide Notice:** If the employee fails to provide the requisite 30-day advance notice for foreseeable events without any reasonable excuse for the delay, the District reserves the right to delay the employee's right to take the FMLA/~~CFRA~~ leave for up to 30 days after the date the employee provides notice of the need for pregnancy-related disability leave or transfer.

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D. Contents of Notice or Request for Extension:

1. Employees must either use a Request for Leave of Absence Form or otherwise submit a request to Human Resources for pregnancy-related disability leave or transfer that includes the anticipated timing and duration of the leave or transfer and be sufficient to make the District aware that the employee requires a pregnancy-related disability leave or transfer. Any requests for extensions of a pregnancy-related disability leave or transfer must be received at least five working days before the date on which the employee was originally scheduled to return to work, where practicable, and must include the revised anticipated date(s) and duration of the pregnancy-related disability leave or transfer.
2. If the employee has exhausted her leave entitlement under Section III.A.2., the District will evaluate on a case-by-case basis whether additional leave may be available as a reasonable accommodation; however, any such additional leave shall not be subject to the provisions of this Section III.

E. Intermittent or Reduced Schedule Leave: Pregnancy-related disability leave can be taken on an intermittent or on a reduced schedule basis when medically advisable, as determined by the employee's health care provider. The minimum pregnancy-related disability leave increment that can be taken by an employee is fifteen minutes. If pregnancy-related disability is taken on an intermittent or reduced schedule basis and it is foreseeable based on planned medical treatment because of pregnancy, the District retains the discretion to temporarily transfer the employee to an alternative position, for which the employee is qualified, with equivalent pay and benefits, which better accommodates the employee's leave schedule, but need not have equivalent duties.

F. District Response to a Request for Pregnancy-Related Disability Leave or Transfer or Request for Extension: Within five working days of an employee's request for pregnancy-related disability leave or transfer, the District shall provide the employee with a written Eligibility Notice, which shall conform to the provisions of Section II.I. The Eligibility Notice shall also inform the employee of her additional rights under the California Pregnancy Disability Leave Law. If the employee has exhausted her leave entitlement under Section II.A.2., the District will advise whether additional leave will be granted as a reasonable accommodation; however, any such additional leave shall not be subject to the provisions of this Section III.

G. Medical Certification:

1. **Timing of Certification:** Any request for pregnancy-related disability leave or transfer must be supported by a medical certification from a health care provider.
 - a. For foreseeable pregnancy-related disability leaves or transfers, employees must provide the required medical certification before the leave/transfer begins. When this is not possible, employees must provide the required certification within 15 days, unless it is

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not practicable under the circumstances to do so. Failure to provide the required medical certification may result in the denial or delay of foreseeable pregnancy-related disability leaves or transfers until such certification is provided.

b. In the case of unforeseeable leaves, failure to provide the required medical certification within 15 days of being requested to do so may result in a denial of the employee’s continued leave until certification is eventually provided. Any request for an extension of the leave/transfer must also be supported by an updated certification.

2. Contents of the Certification for Pregnancy-Related Leave: Employees are encouraged to use the District’s medical certification when requesting pregnancy-related disability leave to ensure that all pertinent information is obtained. The following information must be included: (1) date the employee became or will become disabled due to pregnancy; (2) the probable duration of the period or periods of disability; and (3) an explanatory statement that, due to the disability, the employee is unable to work at all or is unable to perform any one or more of the essential functions of her position without undue risk to herself, to the successful completion of her pregnancy, or to other persons.

3. Contents of the Certification for Pregnancy-Related Transfers: Employees are encouraged to use the District’s medical certification when requesting pregnancy-related disability transfer to ensure that all pertinent information is obtained. The medical certification for pregnancy-related transfer shall include: (1) date the employee became or will become disabled due to pregnancy; (2) the probable duration of the period or periods of disability; and (3) an explanatory statement that, due to the disability, the transfer is medically advisable.

4. No Second/Third Opinions Allowed: There will not be a second or third opinion regarding pregnancy-related disability leave or transfer.

5. Return to Work Certification: As a condition of restoration to her former position, an employee taking leave under the FMLA/PDL is required to provide the District with certification from her health care provider stating that she is able to resume her original job duties.

H. District’s Designation of Leave: Once an employee requests pregnancy-related disability leave or transfer, Human Resources shall notify the employee in writing whether the requested leave or transfer is approved and qualifies as pregnancy-related disability leave or transfer. This designation shall comply with the provisions of Section II.K., and shall inform the employee of any additional rights and obligations under the California Pregnancy Disability Leave Law.

I. Employment and Benefits Protection: The provisions set forth in Section II.L. of this Policy regarding employment and benefits protection in connection with

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FMLA/CFRA leave also, apply to all pregnancy-related disability leaves.

- J. Reinstatement:** Upon the completion of the employee's pregnancy-related disability leave or transfer period, and upon submission of the return-to-work notice, the employee shall be returned to the same position she previously held, or to a comparable position as permitted by law. However, for pregnancy-related disabilities, there is no reinstatement exception for key employees.

IV. MILITARY FMLA/CFRA LEAVE.

The FMLA provides for two types of military family leave: military exigency leave and military caregiver leave. The CFRA also provides for military exigency leave. Terms and conditions for military family leave are addressed in Section IV.B. of this Policy.

- A. Military Exigency Leave:** The District permits employees who have a covered military family member in the Armed Forces (including the National Guard or Reserves) to take up to twelve workweeks of FMLA/CFRA leave due to a qualifying exigency resulting from the covered military family member's active military duty (or call to active duty status) in support of a contingency operation. *Leave granted under this Section shall count against the FMLA/CFRA leave granted under Section II.*

1. **Definitions:**

- a. **Armed Forces:** The Army, Navy, Air Force, Marine Corps, or Coast Guard, including the National Guard and Reserves.
- b. **Covered Active Duty or Call to Active Duty Status:** One of the following:
 - i. For a member of a regular component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country; or
 - ii. For a member of a reserve component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country under a federal call or order to active duty in support of a contingency operation under a provision of law referred to in section 101(a)(13) (B) of Title 10, United States Code.
- c. **Covered Military Family Member:** An employee may take leave under FMLA/CFRA for the employee's spouse, son, daughter, or parent who is a member of the Armed Forces and is on Covered Active Duty or Call to Active Duty Status. An employee may take leave under CFRA for the employee's domestic partner who is a member of the Armed Forces and is on Covered Active Duty or Call to Active Duty status.
 - i. For purposes of this definition only, "son" or "daughter"

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means the employee's biological, adopted, or foster child, stepchild, legal ward, or a child for whom the employee stood *in loco parentis*, within the meaning of Section II.C.1. of this Policy, regardless of age.

- d. **Covered Military Family Member's Child:** The biological, adopted, or foster child, stepchild, legal ward, or child for whom the Military Family Member stands *in loco parentis*, within the meaning of Section III.C.2. of this Policy, who is either under the age of 18 or who is aged 18 or older but incapable of self-care because of a physical or mental disability at the time leave under this Section IV.A. is to commence.
 - e. **Covered Military Family Member's Parent:** The biological, adoptive, step, or foster father or mother, or an individual who stood *in loco parentis*, within the meaning of Section II.C.2. of this Policy, to a Covered Military Family Member who was under 18 years of age.
2. **Qualifying Reasons for Military Exigency Leave:** Military exigency leave can be taken for the following non-medical, non-routine activities only:
- a. **Short-Notice Deployment Activities:** If a Covered Military Family Member receives seven or less calendar days' notice prior to the date of deployment, an employee may take FMLA/CFRA leave to address any issue arising from an impending call or order to active duty in support of a contingency operation. The employee may take FMLA/CFRA leave for up to seven days beginning on the date the Covered Military Family Member receives the notice of impending call or order to active duty.
 - b. **Military Events and Related Activities:** An employee may take FMLA/CFRA leave to attend any official ceremony, program, or event sponsored by the military that is related to the active duty or call to active duty status of the Covered Military Family Member. An employee may also take FMLA/CFRA leave to attend family support or assistance programs and informational briefings sponsored or promoted by the military, military service organizations, or American Red Cross that are related to the active duty or call to active duty status of a Covered Military Family Member.
 - c. **Childcare and School Activities:** An employee may take FMLA/CFRA leave for the following reasons, if the reason is necessitated by the Covered Military Family Member's active duty or call to active duty status, or circumstances arising from it:
 - i. To make alternative childcare arrangements of a Covered Military Family Member's Child;

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- ii. To provide childcare for a Covered Military Family Member’s Child on an urgent, immediate need basis, but not on a regular, routine, or everyday basis;
 - iii. To enroll in or transfer a Covered Military Family Member’s Child in a new school or day care facility; and/or
 - iv. To attend meetings with staff at a school or day care facility, such as regarding disciplinary measures, parent-teacher conferences, or meetings with school counselors, for a Covered Military Family Member's Child.

- d. **Financial and Legal Arrangements:** An employee may take FMLA/CFRA leave in order to make or update financial or legal arrangements to address the Covered Military Family Member’s absence while on active duty or call to active duty status; and/or to act as the Covered Military Family Member’s representative before a federal, state, or local agency for purposes of obtaining, arranging, or appealing military service benefits while the Covered Military Family Member is on active duty or call to active duty status (up to a period of 90 days following the termination of the Covered Military Family Member’s active duty status).

- e. **Counseling Activities:** An employee may take FMLA/CFRA leave to attend counseling, provided that:
 - i. The need for counseling arises from the Covered Military Family Member’s active duty or call to active duty;
 - ii. Such counseling is provided by someone other than a health care provider; and
 - iii. The counseling is for the employee, the Covered Military Family Member, and/or the Covered Military Family Member’s Child. (Note that if medical counseling is needed due to a serious health condition, the employee may be able to take FMLA/CFRA leave under Section II instead.)

- f. **Rest and Recuperation Activities:** If a military member is granted short-term, temporary, rest and recuperation leave during the period of deployment, an employee may take FMLA/CFRA leave to spend time with the military member. An employee may take FMLA/CFRA leave for this purpose for up to fifteen working days for each instance of rest and recuperation, beginning on the date the Covered Military Family Member commences each instance of rest and recuperation leave.

- g. **Post-Deployment Activities:** An employee may take

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FMLA/CFRA leave to attend arrival ceremonies, reintegration briefings and events, and any other official ceremony or program sponsored by the military for a period of 90 days following termination of the Covered Military Family Member’s active duty status. An employee may also take FMLA/CFRA leave to address issues that arise from the death of a Covered Military Family Member while on active duty status, such as meeting and recovering the body of the Covered Military Family Member.

h. Parental Care: An employee may take FMLA/CFRA leave for care of a Covered Military Family Member's Parent who is incapable of self-care.

i. "Incapable of self-care" means that the individual requires active assistance to provide daily self-care in three or more of the following activities: caring appropriately for one's grooming and hygiene; bathing; dressing; eating; cooking; cleaning; shopping; taking public transportation; paying bills; maintaining a residence; using telephones and directories; using a post office; or other activities or instrumental activities of daily living.

ii. An employee may take parental care leave for the following purposes when the need arises from the covered active duty or call to active duty of the Covered Military Family Member:

- A. To arrange for alternative care of the Covered Military Family Member's Parent from the existing care arrangement;
- B. To provide care for the Covered Military Family Member's Parent on an urgent, immediate need basis (as opposed to a routine, regular, or everyday basis);
- C. To admit to or transfer to a care facility the Covered Military Family Member's Parent; or
- D. To attend meetings with staff at a care facility, such as meetings with hospice or social service workers, that are not regular or routine.

i. Additional Activities: An employee may take FMLA/CFRA leave for another form of exigency, provided that:

- i. The reason for the leave arises out of the Covered Military Family Member’s active duty or call to active duty;
- ii. The District and the employee mutually agree that such

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leave shall be considered taken for a qualifying exigency;
and

- iii. The District and employee mutually agree on the timing and duration of the leave.

3. Employee Notice of Need for Military Exigency Leave.

- a. **Timing of Notice:** Employees are required to give notice of the need for military exigency leave as soon as practicable under the circumstances.
- b. **Content of Notice:** Employees are required to use a Request for Leave of Absence Form or otherwise provide the District with sufficient information, depending on the situation, to notify the District as to the anticipated timing and duration of the leave, that a Covered Military Family Member is on active duty or call to active duty status, and that one of the qualifying exigencies in Section IV.A.2. is present.
- c. **Updates from Employee:** The employee is required to advise the District as soon as is practicable when the dates of leave or other circumstances change.

4. District Response to Notice of Need for Military Exigency Leave: The District will request any additional, necessary information needed to process the employee's request and will also follow the procedures set forth under Section II of this Policy in responding to an employee's notice that he/she has a need for military exigency leave.

5. Certification of Need for Military Exigency Leave: The District will request certification of the employee's need for military exigency leave when it provides notice under Section II., and will provide the employee with a form to complete or an explanation of the information needed. Employees requesting military exigency leave for the first time for a particular active duty or call to active duty are also required to provide the District with a copy of the military member's active duty orders.

a. Required Information for Certification:

- i. A signed statement or description by the employee of the facts supporting the request for leave for one or more of the reasons set forth in Section IV.A.2 and any available supporting written documentation, including, but not limited to, meeting announcements, appointment confirmations, or a copy of a bill for services.
- ii. The approximate date on which the reason for the leave commenced, or will commence.

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- iii. The applicable timeframe.
 - A. If for a single, continuous period, the beginning and end dates for the employee's absence from work;
 - B. If on an intermittent or reduced schedule basis, the estimated frequency and duration of the employee's absences.
 - iv. For leave involving a meeting with a third party, appropriate contact information for the individual or entity, such as name, title, organization, address, telephone number, fax number, and email address, as well as a brief description of the purpose of the meeting.
 - v. For leave involving rest and recuperation activities, a copy of the Covered Military Family Member's Rest and Recuperation orders, or other documentation issued by the military indicating that the Covered Military Family Member has been granted Rest and Recuperation leave and identifying the dates of that Rest and Recuperation leave.
- b. **Timing of District's Notice of Required Certification:** The District will request the certification in accordance with the timeframes set forth in Section II.J. of this Policy.
 - c. **Insufficient or Incomplete Certification:** Employees are required to provide a complete and sufficient certification. If an employee provides an incomplete or insufficient certification, the District will give the employee written notice of the deficiencies and seven calendar days to cure the deficiencies, unless seven days is not practicable, despite the employee's diligent, good faith efforts. The employee's leave may be denied if he/she fails to provide timely a required certification.
 - d. **Verification of Certification:** The District may verify the employee's certification by contacting the appropriate Department of Defense unit to verify the military member is on active duty or call to active duty status. If the exigency involves meeting with a third party, the District may contact the entity or individual with whom the employee is meeting to verify the meeting or appointment schedule and the nature of the meeting. The District will not request additional information. No permission from the employee is required for such verification.
- B. **Military Caregiver Leave:** An employee who is the spouse, ~~registered domestic partner~~, son, daughter, parent, or next of kin of a Covered Servicemember in the Regular Armed Forces, National Guard, or Reserves who has incurred a serious injury or illness in the line of duty while on active duty may take up to 26

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workweeks in a single 12-month period per covered servicemember and per injury/illness of the servicemember. *Leave granted under this Section shall run concurrently with the FMLA and CFRA leave where applicable. Leave granted under this Section shall be included in computing the employee's 12 weeks of leave granted under the FMLA, so that an employee may not, under any circumstances, exceed 26 total weeks of FMLA leave in a rolling 12-month period.*

1. Definitions:

- a. Armed Forces:** The Army, Navy, Air Force, Marine Corps, or Coast Guard, including the National Guard and Reserves
- b. Authorized Health Care Provider:** For purposes of completing, the certification required under Section IV.3.b., any one of the following:
 - i. United States Department of Defense ("DOD") health care provider;
 - ii. A United States Department of Veterans Affairs ("VA") health care provider;
 - iii. A DOD TRICARE network authorized private health care provider;
 - iv. A DOD non-network TRICARE authorized private health care provider; or
 - v. Any health care provider permitted to provide medical certification under Section II of this Policy.
- c. Covered Servicemember:**
 - i. A current member of the Armed Forces who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a Serious Injury or Illness; or
 - ii. A veteran who is undergoing medical treatment, recuperation, or therapy, for a Serious Injury or Illness and who was a member of the Armed Forces, at any time during the period of five years preceding the date on which the employee commences FMLA leave to care for the veteran. ~~If the veteran was discharged or released under conditions other than dishonorable, the period from October 28, 2009 through February 8, 2013 shall not be counted in determining whether the veteran's last day of service falls within the five-year period.~~

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- d. Next of Kin:** The nearest blood relative of a Covered Servicemember (other than his/her spouse, registered domestic partner, parent, son, or daughter), in the following priority order:
- i. A blood relative designated in writing by the servicemember as his/her nearest blood relative for purposes of military caregiver leave under the FMLA, who, if so designated, shall be the only next of kin for purposes of this Policy;
 - ii. Blood relatives who have been granted legal custody of the servicemember by court decree or statutory provisions;
 - iii. Brothers or sisters;
 - iv. Grandparents;
 - v. Aunts or uncles; and
 - vi. First cousins.

If no blood relative has been designated under Section IV.B.1.d.i., all blood relatives at the next applicable level of priority shall be considered "next of kin" who may take FMLA leave to provide care for the Covered Servicemember, either simultaneously or not.

- e. Outpatient Status:** The status of a Covered Servicemember who is assigned to a military medical treatment facility as an outpatient, or a unit established for the purpose of providing command and control of members of the military receiving medical care as outpatients.
- f. Parent of a Covered Servicemember:** A Covered Servicemember's biological, adoptive, step or foster father or mother, or an individual who stood *in loco parentis* to a Covered Servicemember, within the meaning of Section II.C.2. of this Policy.
- g. Son or Daughter of a Covered Servicemember:** A Covered Servicemember's biological, adopted, or foster child, step child, legal ward, or child for whom the Covered Servicemember stood *in loco parentis*, within the meaning of Section II.C.1. of this Policy, except that this definition shall apply regardless of the child's age.
- h. Serious Injury or Illness:**
- i. For a current member of the Armed Forces an injury or illness incurred by a Covered Servicemember in the line of duty on active duty (or that existed before the beginning of

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the member's active duty and was aggravated by service in the line of duty or active duty), and that may render the servicemember medically unfit to perform the duties of his/her office, grade, rank, or rating.

- ii. For a veteran who is a Covered Servicemember:
 - A. an injury or illness that was incurred by the member in the line of duty on active duty in the Armed Forces (or existed before the beginning of the member's active duty and was aggravated by service in line of duty on active duty) and that manifested itself before or after the member became a veteran; and
 - B. is one of the following:
 - 1. a continuation of a Serious Injury or Illness that was incurred or aggravated when the veteran was a member of the Armed Forces and rendered him/her unable to perform the duties of his/her office, grade, rank, or rating; or
 - 2. a physical or mental condition for which the veteran has received a U.S. Department of Veteran Affairs Service-Related Disability Rating (VASRD) of 50 percent or greater, and the VASRD rating is based, in whole or in part, on the condition precipitating the need for the military caregiver leave; or
 - 3. a physical or mental condition that substantially impairs the veteran's ability to secure or follow a substantially gainful occupation by reason of a disability or disabilities related to military service, or would do so absent treatment; or
 - 4. an injury, including a psychological injury, on the basis of which the veteran has been enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.

- i. **Veteran:** A person who served in the Armed Forces, and who was discharged or released therefrom under conditions other than dishonorable.

- 2. **Terms of Military Caregiver Leave.** Except for the differences set

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forth in this Section IV.B., the District shall grant military caregiver leave under the same terms that FMLA/CFRA leave is granted under Section II to care for a ~~parent, spouse, registered domestic partner, or child~~family member with a serious health condition.

3. **Required Certifications:** The District will provide the employee with a form to complete that certifies the service member's family relationship, military status, and Serious Injury or Illness. The employee is required to ensure that this form, or an equivalent form containing the information set forth in this Section, is completely and sufficiently completed and returned within the same time periods set forth in Section II.J. of this Policy. If the employee fails to provide a complete and sufficient form, the District will inform him/her of the deficiencies, and grant the employee at least seven calendar days to cure them.

a. **Certification of Family Relationship and Military Status:**

The District will require proof of the servicemember's family relationship to the employee and proof of the servicemember's military status for the employee's first request of military caregiver leave for a particular illness or injury for a particular servicemember.

- b. **Certification of Serious Illness or Injury:** The District will require certification from an Authorized Health Care Provider that the servicemember is suffering from a Serious Illness or Injury. However, the employee will not be required to reveal the servicemember's diagnosis.

- i. The Authorized Health Care Provider may base the certification upon his/her personal determination and/or may certify his/her reliance upon determination(s) made by an authorized DOD representative or an authorized VA representative. The certification must also include:

- A. The name, address, appropriate contact information (telephone number, fax number, and/or email address) of the health care provider, the type of medical practice, the medical specialty, and the basis on which he/she is an authorized health care provider, as set forth in Section IV.B.1.b, above;
- B. The approximate date on which the injury or illness commenced, or was aggravated, and its probable duration; and
- C. Information sufficient to establish that the Covered Servicemember is in need of care

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and addressing the following matters:

1. Whether the need for care is for a single continuous period, and if so, an estimate of the beginning and ending dates, including any time needed for treatment and recovery;
2. Whether there is a medical necessity for periodic care, based on a schedule of planned medical treatment, and if so an estimate of the treatment schedule;
3. Whether there is a medical necessity for periodic care for reasons other than planned medical treatment, such as episodic flare-ups, and if so, an estimate of the frequency and duration of the periodic care.

4. **Alternative Certifications:**

- a. **Special Automatic Certification:** The DOD may issue a special invitation to a member(s) of a servicemember's family when a DOD health care provider has determined that the injury or illness is serious enough to warrant the immediate presence of a family member at the servicemember's bedside. If the DOD issues an invitational travel order ("ITO") or invitational travel authorization ("ITA") for "medical purposes" to any member(s) of the servicemember's family (even if the employee's name is not on it), the ITO or ITA constitutes automatic certification of military status and Serious Injury or Illness for the period of time specified in the ITO or ITA for the employee to take leave on either a continuous or intermittent basis, and the District will not require further certification of those matters for the specified period of time. However, in this circumstance, the District may still require proof of the covered family relationship between the employee and the servicemember. The ITO or ITA is in effect for the duration specified on it. If the employee wishes to request leave to care for a Covered Service Member beyond the period of time specified in an ITO or ITA, he/she must submit additional certification in accordance with Section IV.B.3.b., above.
- b. **Documentation of Enrollment in Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers:** As another alternative to the certification required under Section IV.B.3.b., the District will accept as sufficient certification documentation of the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers,

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whether or not the employee is the named caregiver in the enrollment documentation. However, the District may still require proof of the covered family relationship between the employee and the servicemember. The District may also require proof of the servicemember's date of discharge and proof that the servicemember's discharge was other than dishonorable.

5. **Authentication and Clarification:** The District may seek authentication and clarification of a certification issued under Section IV.B.3.d., or of an ITO or ITA, or of documentation of enrollment in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.
6. **Second and Third Opinions:** No second or third opinions of the servicemember's Serious Illness or Injury will be sought from an Authorized Health Care Provider who meets the criterion set forth in V.B.1(a)(i)-(iv); however, the District may request a second or third opinion by an Authorized Health Provider who meets the criterion in V.B.1(a)(v). No second or third opinions will be sought regarding an ITO or ITA for the period of time specified in the ITO or ITA.
7. **Recertification:** No recertifications of the servicemember's Serious Illness or Injury will be sought.
8. **Administrative Delays in Issuance of Military Documents:** When an employee is unable to submit required documentation within the timeframe required under Section II.J, despite his/her diligent, good faith efforts to obtain such documents, the District will not delay or deny leave on the grounds of such administrative delay.

V. EMPLOYEE RESPONSIBILITIES AND DUTY TO COOPERATE

Employees are expected to fully cooperate with the District in meeting the obligations and requirements set forth under this Policy, as well as those set forth in state and federal law. An employee's cooperation includes, but is not limited to, timely completion of all requested forms and responding to all inquiries for additional information. Cooperation also requires that an employee respond to the District's inquiries for information to determine whether the employee is requesting leave under the FMLA, CFRA, and/or PDL. Employees are also required to consult with the District and make a reasonable effort to schedule foreseeable treatments so as to not unduly disrupt the District's operations. Employees on family care or medical leave must respond to the District's reasonable inquiries and keep the District updated as to the status of the employee's family care or medical leave.

Failure to cooperate with the District or failure to meet the employee's responsibilities may result in a delay in granting the employee's leave, a denial of leave, and/or a denial of the protections and benefits afforded by the FMLA, CFRA, and/or PDL. Employees who have questions about their responsibilities under this Policy should direct their inquiries to Human Resources.

Exhibit "A"

POLICY 19 – FAMILY AND MEDICAL CARE LEAVES OF ABSENCE

Adopted by IRWD Board of Directors on: ~~December 13, 2021~~

EXHIBIT "B"

RESOLUTION NO. 2023 - ____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT,
SUPERSEDING RESOLUTION NO. 2021-26 AND
ESTABLISHING REVISED PERSONNEL POLICIES AND PROCEDURES

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

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

By adoption of Resolution No. 2021-26 dated December 13, 2021, the Board established revised Personnel Policies and Procedures; and

The Board of Directors of Irvine Ranch Water District deem it advisable and in the best interest of said District to revise Personnel Policies and Procedures periodically to ensure compliance with current employment and labor laws and regulations.

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

Section 1. That Resolution No. 2021-26 be and hereby is superseded.

Section 2. That the Personnel Policies and Procedures for Irvine Ranch Water District be, and hereby are, approved and adopted as more specifically set forth in Attachment I of this Resolution, attached hereto and by this reference made a part hereof.

ADOPTED, SIGNED AND APPROVED this 13th day of March 2023.


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

District Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:
Hanson Bridgett LLP

By: _____
General Counsel

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March 6, 2023
Prepared by: C. Smithson
Submitted by: C. Clary
Approved by: Paul A. Cook 

FINANCE & PERSONNEL COMMITTEE

IRWD'S OTHER POST-EMPLOYMENT BENEFITS
TRUST GUIDING PRINCIPLES AND INITIAL FUNDING

SUMMARY:

On January 23, 2023, the IRWD Board approved establishing a new Section 115 Trust for the purpose of funding a portion of IRWD's Other Post-Employment Benefits (OPEB) liability. Staff has drafted Guiding Principles to implement the funding of the OPEB 115 Trust and the transfer of funds from the OPEB 115 Trust. Staff recommends the Board approve the OPEB Guiding Principles and approve an initial funding of \$10 million into the OPEB 115 Trust.

BACKGROUND:

IRWD recognizes that defined benefit plans and related future pension obligations can pose significant financial issues for government agencies. The District has taken a proactive approach to address the issue, and in 2013 established an irrevocable trust to substantially fund its CalPERS pension unfunded liability. The IRWD Board has also approved establishing a OPEB Section 115 Trust to fund a portion of its unfunded OPEB liability. The Plan document for this 115 Trust is currently under development. As of June 30, 2022, the District's unfunded OPEB liability was \$25 million.

Future contributions to a OPEB Section 115 Trust will be made at the District's discretion, as well as the eventual transfers of funds from this Trust to meet OPEB obligations. Similar to IRWD's 115 Trust for its pension unfunded liability, investment policy and asset allocation decisions relating to the OPEB Trust will be made by the 115 Trust Board, which is composed of two members from the IRWD Board of Directors (specifically, the members of the Finance and Personnel Committee) and the IRWD General Manager.

At the meeting, staff will present a PowerPoint, a draft of which is provided as Exhibit "A", which describes the proposed OPEB Trust Guiding Principles and staff's recommendation for an initial funding of \$10 million. The Guiding Principles will be re-evaluated by the 115 Trust Board on a periodic basis.

FISCAL IMPACTS:

Unable to determine at this time.

ENVIRONMENTAL COMPLIANCE:

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

Finance and Personnel Committee: IRWD's Other Post-Employment Benefits Trust Guiding Principles and Initial Funding

March 6, 2023

Page 2

RECOMMENDATION:

That the Board approve the proposed OPEB Guiding Principles and initial funding of \$10 million into the OPEB Section 115 Trust.

LIST OF EXHIBITS:

Exhibit "A" – Draft OPEB Guiding Principles and Initial Funding Presentation



Irvine Ranch Water District

OPEB TRUST FUND GUIDING PRINCIPLES



MARCH 6, 2023

DRAFT

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AGENDA

1. Purpose of the OPEB 115 Trust Guiding Principles
2. Proposed Guiding Principles
3. Staff Recommendation



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PURPOSE OF OPEB 115 TRUST GUIDING PRINCIPLES

To guide IRWD's approach to determine the eventual funding and transfer of funds from the IRWD OPEB 115 Trust.



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PROPOSED GUIDING PRINCIPLES

1. The OPEB 115 Trust Fund is limited to specific purposes.
2. Uses can include all costs associated with IRWD's OPEB obligation including:
 - ✓ PEMHCA – California public employees medical and hospital care act (PERS health) \$151/month/retiree
 - ✓ RHCAP – Retiree Health Cost Assistance Program, which provides medical reimbursement based on years of service up to a maximum of \$800 per month/retiree
 - ✓ Retiree Death Only Plan ("death benefit") – 100% of annual salary for employees hired prior to January 1, 2009
3. IRWD Board approval required for fund transfers from the irrevocable trust.



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PROPOSED GUIDING PRINCIPLES, CONTINUED

4. Fund Target Balance Range:

- ✓ Minimum: 25% of the District's OPEB liability
- ✓ Maximum: 80% of the District's OPEB liability

5. Use of the Trust Fund to be reviewed periodically with the 115 Trust Board



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INITIAL FUNDING OF THE OPEB TRUST FUND

Utilize the same approach as initial funding of the Pension 115 Trust:

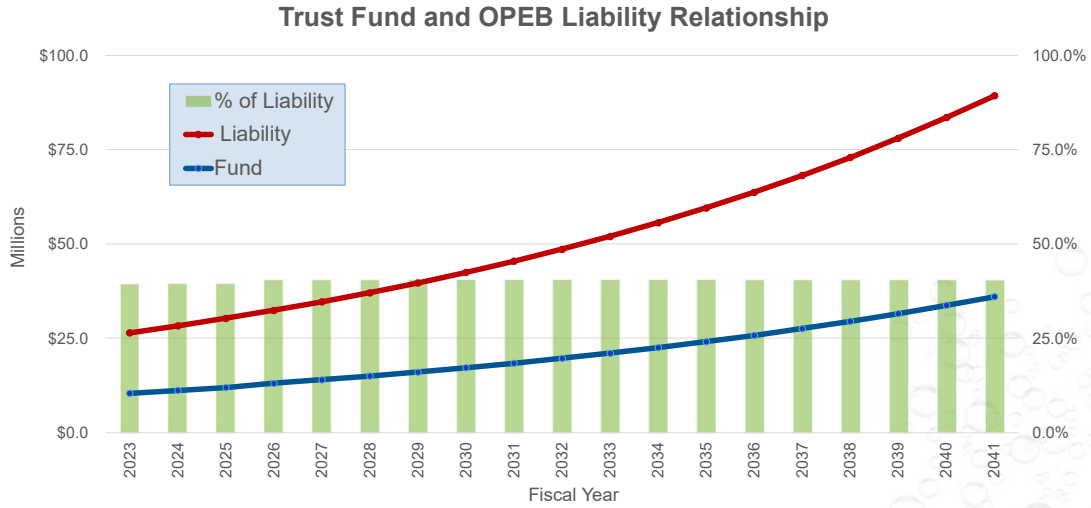
- Funding amount: \$10.0 million (approximately 40% of the current OPEB liability)
- Funds borrowed from the Replacement Fund to be repaid over time
- Begin repayment of the borrowing in FY 2025-26 when OPEB pension annual cost decreases
- Returns from investment of funds will offset an increasing OPEB liability



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INITIAL FUNDING OF THE OPEB TRUST FUND



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STAFF RECOMMENDATION

That the IRWD Board:

1. Approve the OPEB 115 Trust Guiding Principles; and
2. Approve an initial \$10.0 million funding of the OPEB 115 Trust.



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