

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

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

Participation by Committee Members will be from remote locations. Public access and participation will only be available telephonically/electronically.

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

Via Webex:

<https://irwd.my.webex.com/irwd.my/j.php?MTID=m755c97b939abea993625c69a4d82bf21>

Meeting Number (access code): 126 208 6218

Meeting Password: FuvamfvG273 (38826384 from phones and video systems)

After joining the meeting, in order to ensure all persons can participate and observe the meeting, please select the "Call in" option and use a telephone to access the audio for the meeting shown.

Please enter the attendee id number, which will be provided when you connect to Webex, followed by #.

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

CALL TO ORDER    11:00 a.m., Committee Room, Second Floor, District Office  
15600 Sand Canyon Avenue, Irvine, California

ATTENDANCE    Chair: Peer Swan    \_\_\_\_\_    Member: Steve LaMar    \_\_\_\_\_

<u>ALSO PRESENT</u>	Paul Cook	_____	Cheryl Clary	_____
	Wendy Chambers	_____	Kevin Burton	_____
	Paul Weghorst	_____	Rob Jacobson	_____
	Eileen Lin	_____	Jenny Roney	_____
	Christopher Smithson	_____	Allen Shinbashi	_____
	Jennifer Davis	_____	Tanja Fournier	_____
	_____	_____	_____	_____

PUBLIC COMMENT NOTICE

If you wish to address the Committee on any item, please submit a request to speak via the "chat" feature available when joining the meeting virtually. Remarks are limited to three minutes per speaker on each subject. You may also submit a public comment in advance of the meeting by emailing [comments@irwd.com](mailto:comments@irwd.com) before 8:00 a.m. on Tuesday, August 4, 2020.

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

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## COMMUNICATIONS

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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.

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## INFORMATION

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5. EMPLOYEE POPULATION AND TURNOVER STATUS REPORT – SRADER / RONEY  
  
Recommendation: Receive and file.
6. MONTHLY INVESTMENT AND DEBT REVIEW – DAVIS / FOURNIER / JACOBSON / CLARY  
  
Recommendation: Receive and file.
7. RISK MANAGEMENT QUARTERLY REPORT – KANOFF / SHINBASHI / JACOBSON / CLARY  
  
Recommendation: Receive and file.
8. REAL ESTATE QUARTERLY PERFORMANCE – JUNE 2019 – DAVIS / FOURNIER / JACOBSON / CLARY  
  
Recommendation: Receive and file.
9. QUARTERLY DEFERRED COMPENSATION PLAN AND REVIEW – DAVIS / FOURNIER / JACOBSON / CLARY  
  
Recommendation: Receive and file.
10. EXECUTIVE DIRECTORS' AND DEPARTMENT DIRECTORS' EXPENSES FOR FISCAL YEAR 2019-20 – PULLES / CLARY  
  
Recommendation: Receive and file.
11. BOARD MEMBERS AND GENERAL MANAGER EXPENSES AND FEES FOR FISCAL YEAR 2019-20 – PULLES / CLARY  
  
Recommendation: Receive and file.

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**INFORMATION (Continued)**

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12. FISCAL YEAR 2019-20 LEGAL FEES ANALYSIS – TOBAR / CLARY

Recommendation: Receive and file.

13. FISCAL YEAR 2019-20 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS AS OF JUNE 30, 2020 – PARDEE / SMITHSON / CLARY

Recommendation: Receive and file.

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**ACTION**

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14. INCREASE IN LIMIT FOR CAPITALIZATION OF ASSETS – LIN / CLARY

Recommendation: That the Board increase the capitalization amount of capital assets from \$2,500 to \$10,000, effective July 1, 2020.

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**OTHER BUSINESS**

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15. Closed Session with legal counsel:

EXISTING LITIGATION – Pursuant to Government Code Section 54956.9(d)(1):

- *Kristina Quinn v. IRWD*, Case No. 30-2019-01069109-CU-PA-CJC
- *Victoria Gleason v. County of Orange, et al.*, Case No. 30-2018-00977432
- *United States, et al., ex rel. John Hendrix, et al. v. J-M Manufacturing Company, Inc., et al.*, Case No. CV 06-0055-GW

16. Directors' Comments

17. Adjournment

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Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the above-named 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 electronically via the Webex meeting noted. Upon request, the District will provide for written agenda materials in appropriate alternative formats, and reasonable disability-related modification or accommodation to enable individuals with disabilities to participate in and provide comments at public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, or alternative format requested at least two days before the meeting. Requests should be emailed to [comments@irwd.com](mailto:comments@irwd.com). Requests made by mail must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

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



FINANCE AND PERSONNEL COMMITTEE

EMPLOYEE POPULATION AND TURNOVER STATUS REPORT

SUMMARY:

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

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

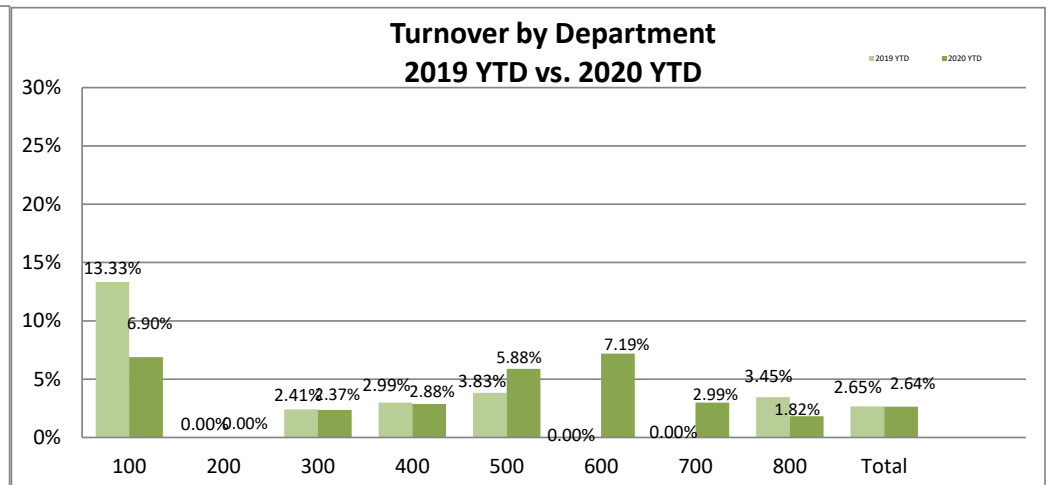
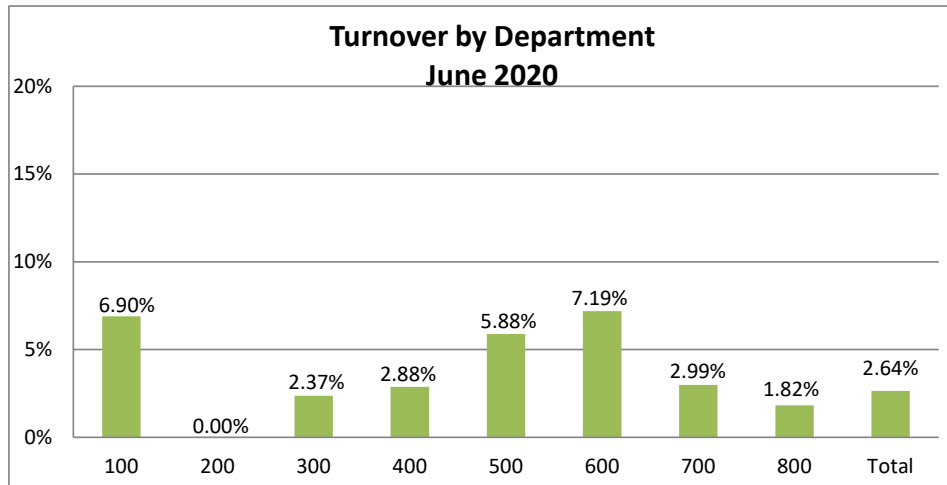
Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Employee Population and Turnover Status Report

**EXHIBIT A**  
**IRVINE RANCH WATER DISTRICT**  
**EMPLOYEE POPULATION STATUS REPORT**  
**June 2020**

	@06/01/20	Current Month Activity							@06/30/20		FY 19/20	Avg FYTD	Avg FYTD	Avg FYTD	Internal Turnover		External Turnover	
Dept	Positions Filled	New Hires	Terms		Promo Trnsfr		Lateral Trnsfr		Positions Filled	Positions Unfilled	Budgeted Positions*	Filled Budget Positions	Temp Emp FTE	Total Filled Positions	Current Period	2020 YTD	Current Period	2020 YTD
			Vol	Invol	In	Out	In	Out							Period	YTD	Period	YTD
100	14.0								14.0	2	16.0	15.3	0.8	16.1	0.00%	0.00%	0.00%	6.90%
200	89.0								89.0	1	90.0	80.7	5.6	86.3	0.00%	0.00%	0.00%	0.00%
300	42.0								42.0	2	44.0	41.9	0.0	41.9	0.00%	0.00%	0.00%	2.37%
400	71.0		1						70.0	2	72.0	66.8	2.5	69.3	0.00%	1.44%	1.41%	2.88%
500	52.0								52.0	7	59.0	51.4	2.0	53.4	0.00%	0.00%	0.00%	5.88%
600	27.0	1							28.0	2	30.0	23.3	3.9	27.2	0.00%	0.00%	0.00%	7.19%
700	33.0								33.0	2	35.0	37.3	3.8	41.2	0.00%	2.99%	0.00%	2.99%
800	55.0								55.0	6	61.0	55.4	1.1	56.5	0.00%	0.00%	0.00%	1.82%
Totals	383	1	1	0	0	0	0	0	383.0	24	407.0	372.3	19.6	391.9	0.00%	0.53%	0.26%	2.64%
6/19	382	6	1	0	0	0	0	0	387	8	395.0	371.5	30.7	402.2	0.00%	0.00%	0.26%	2.65%

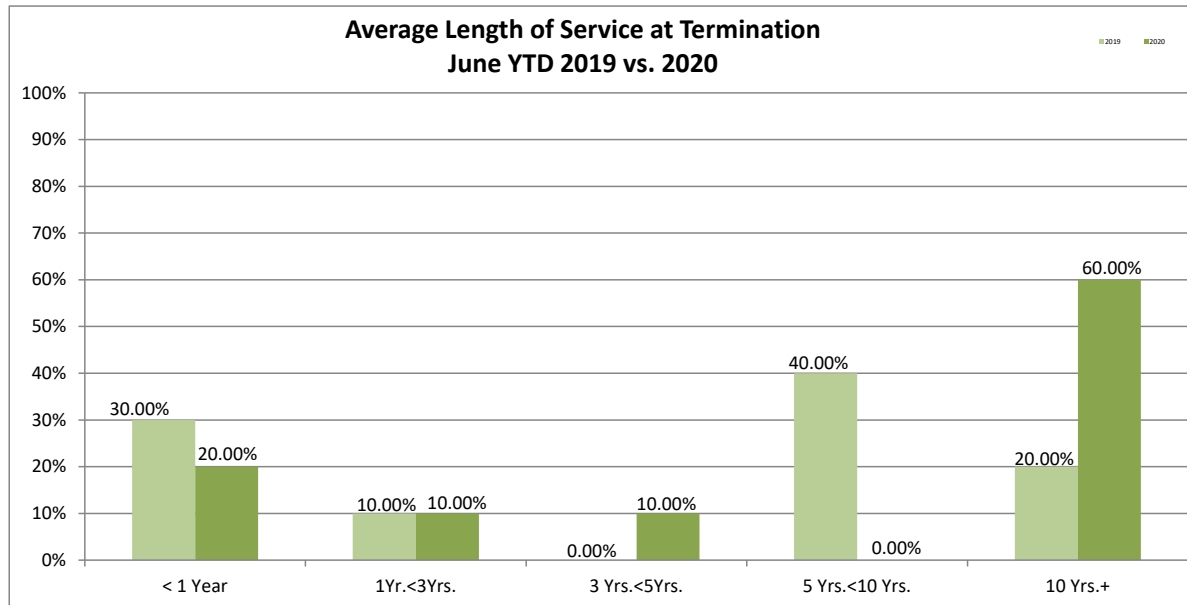


100-GM, HR, Safety; 200-Fin., Cust. Serv., IS, Purch.; 300-Eng.; 400-Water Ops; 500-Recycling; 600-WQ&RC; 700-Water Res., Recyc. Water and Public Affairs; 800-Adm. & Maintenance Ops

**IRVINE RANCH WATER DISTRICT  
TURNOVER LONGEVITY RATIO  
June 2020**

Dept.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	YTD Turnover Longevity Ratio				
														< 1 Year	1Yr.<3Yrs.	3 Yrs.<5Yrs.	5 Yrs.<10 Yrs.	10 Yrs.+
100			1										1	1				
200													0					
300					1								1					1
400						1							1	1				
500	1			1	1								3		1			2
600	1				1								2					2
700			1										1			1		
800				1									1					1
2020 Total	2	0	2	2	3	1	0	0	0	0	0	0	10	2	1	1	0	6
2019 Data	2	4	1	1	2	1	3	1	0	4	2	4	25					
Percentage of Total Turnover														20.00%	10.00%	10.00%	0.00%	60.00%

2020 Average YTD Length of Service at Termination	16.20 Years
2019 Average YTD Length of Service at Termination	9.21 Years
2018 Average YTD Length of Service at Termination	13.85 Years
2017 Average YTD Length of Service at Termination	14.35 Years
2016 Average YTD Length of Service at Termination	12.43 Years



**IRVINE RANCH WATER DISTRICT  
EMPLOYEE POPULATION STATUS REPORT  
June 2020**

NEW HIRES				
Hire	Dept	Employee Name	Position	Comments
06/24/20	600	Heather Rankin	Regulatory Compliance Administrator	

TERMINATIONS					
Termination Date	Dept	Employee Name	Position	Reason	Comments
05/04/20	400			VOL	

RETIREMENTS					
Effective Date	Departing Dept	Employee Name	Position	Reason	Comments

PROMOTIONS					
Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
06/27/20	600	Greg Danielson	Scientist	600	Senior Scientist
06/27/20	600	Rhoda Rilloraza	Scientist	600	Senior Scientist
06/27/20	700	Meloday Seesangrit	Water Efficiency Specialist	700	Water Efficiency Analyst
06/27/20	700	Juan Garcia	Water Efficiency Specialist	700	Senior Water Efficiency Specialist

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

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



**IRVINE RANCH WATER DISTRICT  
EMPLOYEE POPULATION STATUS REPORT  
June 2020**

UNFILLED POSITIONS			
Dept	Position	Salary Grade	Comments
100	Safety Specialist	U29.N	Recruiting
100	HR Analyst	U31.N	Recruiting
200	Cybersecurity Analyst	U18.E	Recruiting
300	Associate Engineer	U17.E	Recruiting
300	Associate Engineer	U17.E	Recruiting
400	Field Services Manager	U18.E	
400	Water Maintenance Technician II	22.N	
500	Process Specialist	32.N	
500	Collection Systems CCTV Technician	21.N	
500	Operations Supervisor	S35.N	
500	Collection Systems Supervisor	S32.N	
500	Operator II	27.N	
500	Operator III	29.N	
500	Operator II	27.N	Recruiting
600	Scientist	28.N	Recruiting
600	Scientist	28.N	Recruiting
700	Recycled Water Specialist	24.N	
700	Water Resources Planner	U13.E	Recruiting
800	Reliability Engineer	U20.E	Recruiting
800	Sr. Electrical Technician	30.N	
800	Electrical Technician	28.N	
800	Maintenance Mechanic	22.N	Recruiting
800	Sr. Maintenance Mechanic	27.N	Recruiting
805	Director of Field Operations	U27.E	

**IRVINE RANCH WATER DISTRICT  
EMPLOYEE POPULATION STATUS REPORT  
June 2020**

<b>LEAVE OF ABSENCE</b>					
<b>Type of Leave</b>	<b>Pay Status</b>	<b>Date Leave Began</b>	<b>Anticipated Return Date</b>	<b>Current Length</b>	<b>Comments</b>
FFCRA/FMLA	SDI	6/26/2020	7/9/2020	1 week	
FFCRA/FMLA	SDI	6/21/2020	7/6/2020	1 week	
FFCRA/FMLA	SDI	6/22/2020	7/6/2020	1 week	
FMLA/CFRA	SDI	6/20/2020	7/6/2020	1 week	
FMLA/CFRA	SDI	6/2/2020	7/6/2020	1 month	
FMLA/CFRA	SDI	6/1/2020	7/13/2020	1 month	
FMLA/CFRA	SDI	5/7/2020	7/8/2020	2 months	

<b>Leave</b>	<b>Original Status</b>	<b>Date Leave Began</b>	<b>Return Date</b>	<b>Length</b>	<b>Return Date</b>	<b>Comments</b>
FMLA/CFRA/PFL	SDI	10/25/2018	1/2/2019	2 month	01/14/19	Returned
FMLA/CFRA/PFL	SDI	12/19/2018	1/21/2019	2 weeks	01/21/19	Returned
FMLA/CFRA/PFL	SDI	12/19/2018	1/24/2019	2 weeks	01/21/19	Returned
FMLA/CFRA/PFL	SDI	12/18/2018	1/8/2019	2 weeks	01/08/19	Returned
FMLA/CFRA/PFL	SDI	12/17/2018	1/7/2019	2 weeks	01/07/19	Returned
FMLA/CFRA	SDI	7/23/2018	2/1/2019	6 months	02/01/19	Returned
FMLA/CFRA	SDI	12/17/2018	1/2/2019	2 weeks	01/02/19	Returned
FMLA/CFRA/PFL	SDI	12/17/2018	1/7/2019	2 weeks	01/07/19	Returned
FMLA/CFRA	SDI	1/24/2019	2/26/2019	2 months	03/12/19	Returned
FMLA/CFRA	SDI	1/11/2019	4/16/2019	3 months	04/16/19	Returned
FMLA/CFRA	SDI	3/30/2019	4/11/2019	1 week	04/09/19	Returned
FMLA/CFRA	SDI	1/9/2019	3/5/2019	4 months	04/02/19	Returned
FMLA/CFRA	SDI	9/9/2019	43773	2 months	11/04/19	Returned
FMLA/CFRA	SDI	3/30/2019	10/28/2019	7 months	10/28/19	Returned
FMLA/CFRA	SDI	9/3/2019	10/28/2019	2 months	10/28/19	Returned
FMLA/CFRA	PFL	9/23/2019	11/4/2019	2 months	11/04/19	Returned
FMLA/CFRA	SDI	7/2/2019	11/29/2019	5 months	11/29/19	Retired
FMLA/CFRA	SDI	9/30/2019	12/1/2019	3 months	12/30/19	Returned
FMLA/CFRA	SDI	10/7/2019	2/10/2020	4 months	02/03/20	Returned
FMLA/CFRA	SDI	7/9/2019	12/1/2019	7 months	12/01/19	Returned
FMLA/CFRA	SDI	9/2/2019	2/17/2020	5 months	02/03/20	Returned
FMLA/CFRA	SDI	12/10/2019	2/6/2020	2 months	02/10/20	Returned
FMLA/CFRA	SDI	12/2/2019	2/3/2020	2 months	02/03/20	Returned
FMLA/CFRA	SDI	1/27/2020	3/9/2020	1 month	03/09/20	Returned
FMLA/CFRA	SDI	9/23/2019	3/2/2020	5 months	03/09/20	Returned
FMLA/CFRA	SDI	1/23/2020	3/9/2020	2 months	03/09/20	Returned
WC/FMLA/CFRA	SDI	2/3/2020	4/13/2020	1 month	04/13/20	Returned

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

Month	Length of Employment	Termination		Comments
		Vol	Invol	
January	14 years, 6 months	X		Other employment - Metropolitan Water
	1 year, 4 months	X		Other employment
February				
March	10 months	X		No reason given
	3 years, 2 months	X		Other employment - Mesa Water
April	32 years, 2 months	X		Retired
	24 years, 1 month	X		Retired
May	28 years	X		Retired
	26 years, 9 months	X		Other employment - Metropolitan WD
	26 years, 1 month	X		Other employment - Las Vegas WD
June	1 month	X		Other employment - returned to old job
July				
August				
September				
October				
November				
December				

**IRVINE RANCH WATER DISTRICT  
SUMMARY  
AGENCY & DISTRICT TEMPORARY EMPLOYEES  
June 2020**

**ACTIVE**

Current Month	FYTD Ave Hours Worked	PERS Enroll- ment	Agency		Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FY' YTD	Actual Cost FY 'YTD
FTE	FTE			Dept							
0.47	0.27	Yes		130	47.75	84	4,011.00	9	8	32,088.00	26,996.66
0.67	0.40	No	X	140	37.15	168	6,241.20	7	7	43,688.40	31,263.21
<b>1.14</b>	<b>0.67</b>			<b>100</b>							
0.01	0.01	Yes		200	56.55	84	4,750.20	12	12	57,002.40	622.05
0.92	0.91	Yes		200	23.75	168	3,990.00	12	12	47,880.00	45,243.75
1.00	0.91	Yes		200	22.22	168	3,732.96	12	12	44,795.52	41,956.69
1.00	0.92	Yes		200	22.22	168	3,732.96	12	12	44,795.52	42,424.31
<b>2.93</b>	<b>2.74</b>			<b>200</b>							
1.00	0.89	Yes		300	37.44	168	6,289.92	12	12	75,479.04	69,638.40
0.62	0.49	Yes		300	72.97	84	6,129.48	12	12	73,553.76	74,830.74
0.13	0.02	Yes		300	85.30	84	7,165.20	8	2	14,330.40	3,454.65
0.51	0.35	EXC		300	17.00	84	1,428.00	12	12	17,136.00	12,257.00
0.00	0.23	EXC		300	15.00	84	1,260.00	9	9	11,340.00	7,320.00
0.87	0.94	EXC		300	37.44	84	3,144.96	12	12	37,739.52	73,307.52
<b>3.13</b>	<b>2.93</b>			<b>300</b>							
0.92	0.08	No	X	400	33.67	168	5,656.56	7	2	11,313.12	5,387.20
<b>0.92</b>	<b>0.08</b>			<b>400</b>							
0.85	0.99	Yes		500	32.53	168	5,290.32	12	12	42,322.56	43,920.68
<b>0.85</b>	<b>0.99</b>			<b>500</b>							
0.97	0.44	No	X	600	52.00	168	8,736.00	4	5	43,680.00	47,632.00
0.81	0.08	No	X	600	52.00	168	8,736.00	2	2	17,472.00	9,100.00
0.36	0.03	No	X	600	52.00	168	8,736.00	8	1	8,736.00	3,224.00
1.00	0.09	No	X	600	43.84	168	7,365.12	2	1	7,365.12	8,593.96
1.00	0.09	No	X	600	43.84	168	7,365.12	2	2	14,730.24	8,079.71
0.00	0.00	No	X	600	43.84	168	7,365.12	1	1	7,365.12	0.00
1.00	0.53	Yes		600	32.53	168	5,465.04	11	9	49,185.36	35,715.34
0.42	0.31	EXC		600	15.00	84	1,260.00	12	12	15,120.00	9,660.00
<b>5.56</b>	<b>1.57</b>			<b>600</b>							
0.77	0.91	Yes		700	30.71	168	5,159.28	12	12	61,911.36	57,972.80
1.00	0.48	No	X	700	43.53	168	7,313.04	8	8	58,504.32	43,671.47
1.00	0.23	No	X	700	43.53	168	7,313.04	3	3	21,939.12	20,709.40
1.00	0.94	yes		700	30.71	168	5,159.28	12	12	61,911.36	60,018.86
<b>3.77</b>	<b>2.55</b>			<b>700</b>							
0.92	0.22	No	X	800	56.70	168	9,525.60	9	4	38,102.40	25,515.00
0.75	0.31	No	X	800	41.82	168	7,025.76	5	5	35,128.80	26,879.81
<b>1.68</b>	<b>0.52</b>			<b>800</b>							
<b>19.97</b>	<b>12.06</b>										

**IRVINE RANCH WATER DISTRICT  
SUMMARY  
AGENCY & DISTRICT TEMPORARY EMPLOYEES  
June 2020**

**TERMINATED**

Current Month FTE	Avg FYTD Temp Emp FTE	Active PERS Y/N *	Agency	Dept	Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FYTD	Actual Cost FYTD
0.63	0.08	No	X		27.87	168	4,682.16	3	1		
0.46	0.04	No	X	140	37.15	168	6,241.20	3	1	6,241.20	2,953.43
<b>0.46</b>	<b>0.04</b>			<b>100</b>							
0.18	0.39	EXC		200	15.00	84	1,260.00	12	1	1,260.00	2,010.00
0.77	0.67	Yes		200	23.75	168	3,990.00	12	9	35,910.00	33,499.38
0.82	0.88	No	X	200	34.17	168	5,740.56	4	4	22,962.24	13,236.60
0.89	0.55	Yes		200	23.50	168	3,948.00	12	9	35,532.00	26,907.50
0.81	0.49	No	X	200	29.36	168	4,932.48	9	7	34,527.36	29,820.66
0.41	0.57	No	X	200	29.05	168	4,880.40	7	7	34,162.80	37,481.76
<b>3.89</b>	<b>3.55</b>			<b>200</b>							
0.00	0.30	EXC		300	18.00	84	1,512.00	12	11	16,632.00	11,286.00
0.00	0.28	EXC		300	17.00	84	1,428.00	12	11	15,708.00	9,732.50
0.00	0.25	EXC		300	17.00	84	1,428.00	12	11	15,708.00	8,789.00
<b>0.00</b>	<b>0.00</b>			<b>300</b>							
1.00	0.66	Yes		400	23.75	168	3,990.00	12	8	31,920.00	33,193.00
0.49	0.67	Yes		400	22.23	168	3,734.64	9	9	33,611.76	31,800.02
0.46	0.76	Yes		400	23.75	168	3,990.00	12	11	43,890.00	37,988.13
0.98	0.31	No	X	400	31.51	168	5,293.68	9	6	31,762.08	20,859.62
<b>2.94</b>	<b>2.40</b>			<b>400</b>							
0.34	0.67	Yes		500	29.03	84	2,438.52	12	6	14,631.12	23,790.09
0.69	0.36	No		500	31.84	168	5,349.12	9	6	32,094.72	24,238.20
<b>1.03</b>	<b>1.04</b>			<b>500</b>							
0.65	0.68	Yes		600	30.28	168	5,087.04	12	3	15,261.12	17,819.78
1.00	0.26	No	X	600	43.83	168	7,363.44	5	6	44,180.64	23,755.86
0.39	0.28	EXC		600	15.00	84	1,260.00	12	11	13,860.00	8,677.50
1.00	0.43	No	X	600	43.84	168	7,365.12	8	7	51,555.84	40,098.04
0.00	0.33	EXC		600	15.00	84	1,260.00	12	11	13,860.00	10,207.50
0.23	0.32	EXC		600	15.00	84	1,260.00	6	5	6,300.00	10,012.50
<b>0.65</b>	<b>0.68</b>			<b>600</b>							
0.53	0.78	No	X	700	31.00	168	5,208.00	12	5	26,040.00	25,722.25
0.46	0.48	No	X	700	31.00	168	5,208.00	12	8	41,664.00	31,124.00
<b>0.99</b>	<b>1.26</b>			<b>700</b>							
1.00	0.53	No	X	800	40.82	168	6,857.76	11	8	54,862.08	46,351.11
<b>0.00</b>	<b>0.00</b>			<b>800</b>							
9.95	8.96									1,668,752.40	1,396,749.60

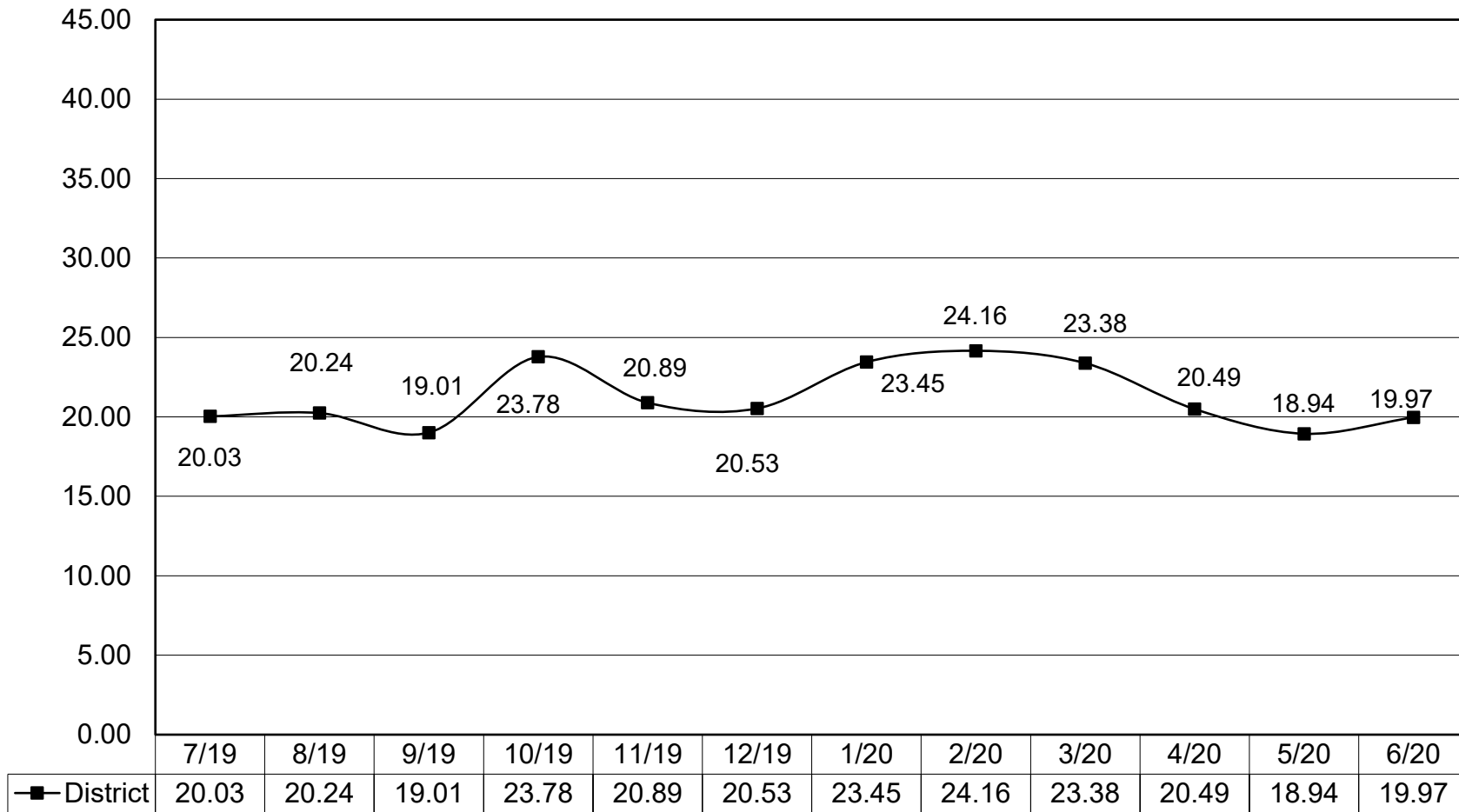
EXC = Exclude from PERS enrollment

Yes= Temporary employee enrolled in PERS Membership

No=Temporary Agency employee

\*Data reported 30 days in arrears

# **Temporary Employees** **Full Time Equivalency** **District Totals as of June 30, 2020**



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August 4, 2020

Prepared by: J. Davis / T. Fournier

Submitted by: R. Jacobson / C. Clary

Approved by: Paul A. Cook



## FINANCE AND PERSONNEL COMMITTEE

### MONTHLY INVESTMENT AND DEBT REVIEW

#### SUMMARY:

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

- The Investment Portfolio Summary Report as of July 22, 2020, as outlined in Exhibit "A";
- The U.S. Treasury Yield Curve as of July 22, 2020, as outlined in Exhibit "B";
- The Summary of Fixed and Variable Debt as of July 22, 2020, as outlined in Exhibit "C"; and
- The Summary of Variable Rate Debt Rates as of July 22, 2020, as outlined in Exhibit "D".

#### BACKGROUND:

##### Investment Portfolio:

Due to the timing of the Committee meeting, the rate of return for July 2020 is not complete at this time. Preliminary calculations indicate a rate of return for the fixed income investment portfolio of 1.48%, which is a 0.03% decrease from June's rate of 1.51%. Including real estate investments, the weighted average rate of return for IRWD's investment portfolio for July 2020 is estimated to be 3.80%, which is a 0.09% increase from June's rate of 3.71%. The increase was due to the change in the fixed income portfolio average monthly balance from \$362.9 million to \$338.9 million.

##### Debt Portfolio:

As of July 22, 2020, IRWD's weighted average all-in variable rate was 0.41%, which was a 0.03% increase from June's rate of 0.38%. Including the District's weighted average fixed rate bond issues of 3.69% 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 2.91%, a 0.07% increase from June's rate of 2.84%. In addition to the increased variable debt rates during the month, the overall increase was also due to the increase in the negative cash accrual from \$254,038 to \$283,508 for the District's fixed payer swaps.

#### 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 July 22, 2020

Exhibit “B” – Yield Curve as of July 22, 2020

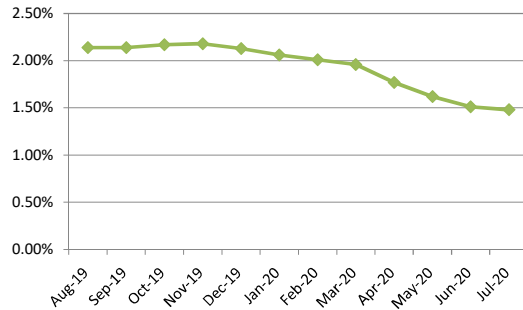
Exhibit “C” – Summary of Fixed and Variable Debt as of July 22, 2020

Exhibit “D” – Summary of Variable Rate Debt Rates as of July 22, 2020

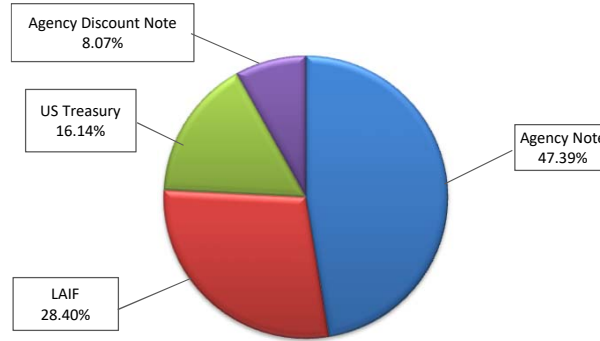
Exhibit "A"

## Irvine Ranch Water District Investment Portfolio Summary July 2020

Monthly Fixed Income Yield



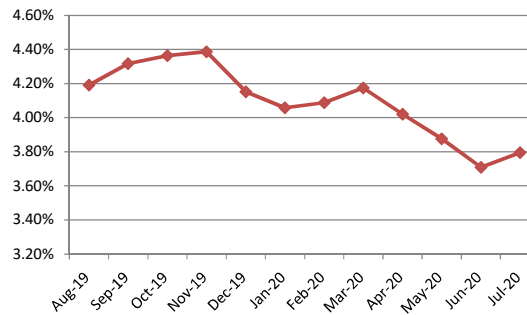
Portfolio Distribution



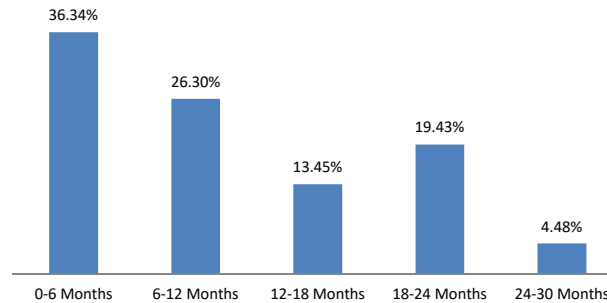
Investment Summary

Type	PAR	Book Value	Market Value
Agency Note	158,550,000	159,002,087	160,665,513
US Treasury	95,000,000	95,074,703	96,934,350
LAIF	54,000,000	54,000,000	54,265,291
Agency Discount Note	27,000,000	26,954,559	26,978,730
Grand Total	334,550,000	335,031,350	338,843,883

Weighted Average Return  
Including Real Estate Portfolio



Maturity Distribution



Top Issuers

Issuer	PAR	% Portfolio
US Treasury	95,000,000	28.40%
Fed Home Loan Bank	62,000,000	18.53%
Fed Farm Credit Bank	55,000,000	16.44%
State of California Tsy.	54,000,000	16.14%
Fed Home Loan Mortgage Corp	35,000,000	10.46%
Fed Natl Mortgage Assoc	33,550,000	10.03%
Grand Total	334,550,000	100.00%

IRVINE RANCH WATER DISTRICT  
INVESTMENT SUMMARY REPORT

07/22/20

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE <sup>(1)</sup> 7/22/2020	UNREALIZED <sup>(2)</sup> GAIN/(LOSS)
07/17/20			07/23/20		LAIF	State of California Tsy.	\$54,000,000		0.970%	\$54,000,000.00	\$54,000,000.00	54,265,290.93	265,290.93
04/19/18	NA	NA	07/30/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.500%	2.535%	4,886,000.00	5,000,000.00	5,005,550.00	5,550.00
06/08/18	NA	NA	07/30/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.500%	2.559%	4,890,100.00	5,000,000.00	5,005,550.00	5,550.00
09/14/18	NA	NA	08/24/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.680%	2.789%	4,989,700.00	4,999,666.34	5,024,300.00	24,633.66
09/14/18	NA	NA	09/04/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.690%	2.794%	4,990,050.00	4,999,530.79	5,022,650.00	23,119.21
03/13/20	NA	NA	09/16/20	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	0.480%	0.489%	4,987,533.35	4,991,600.01	4,998,500.00	6,899.99
12/12/17	NA	NA	09/28/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	2.000%	2.000%	5,000,000.00	5,000,000.00	5,022,300.00	22,300.00
10/31/17	NA	NA	10/30/20	Aaa/NR/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,550,000	1.850%	1.850%	5,550,000.00	5,550,000.00	5,580,802.50	30,802.50
03/31/20	NA	NA	10/30/20	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	0.150%	0.153%	4,995,562.50	4,996,833.33	4,997,500.00	666.67
09/28/18	NA	NA	10/31/20	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.750%	2.847%	4,889,453.13	4,792,073.49	5,025,850.00	233,776.51
03/16/20	NA	NA	11/18/20	NR	FHLB - Discount Note	Fed Home Loan Bank	7,000,000	0.530%	0.540%	6,974,545.28	6,980,831.67	6,995,380.00	14,548.33
11/30/17	NA	NA	11/24/20	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.850%	1.964%	4,983,550.00	4,998,264.45	5,033,650.00	35,385.55
12/20/17	NA	NA	12/28/20	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.875%	2.023%	4,978,400.00	4,995,089.13	5,041,250.00	46,160.87
11/09/18	NA	NA	12/31/20	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.375%	2.958%	4,939,843.75	4,988,322.16	5,053,900.00	65,577.84
03/31/20	NA	NA	01/19/21	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	0.200%	0.204%	4,991,833.33	4,993,527.78	4,994,950.00	1,422.22
10/12/18	NA	NA	01/31/21	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	1.375%	2.890%	9,664,843.76	9,927,157.25	10,068,800.00	141,642.75
12/14/18	NA	NA	02/16/21	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	2.375%	2.806%	4,954,750.00	4,987,648.74	5,067,000.00	79,351.26
12/14/18	NA	NA	02/28/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.000%	2.755%	4,919,515.95	4,977,161.28	5,059,750.00	82,588.72
02/12/19	NA	NA	03/12/21	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	2.500%	2.516%	9,996,500.00	9,998,971.67	10,160,300.00	161,328.33
02/25/19	NA	NA	03/12/21	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.375%	2.549%	4,982,700.00	4,994,828.55	5,076,200.00	81,371.45
06/17/19	NA	NA	03/17/21	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.950%	1.938%	5,001,050.00	5,000,374.65	5,061,850.00	61,475.35
02/28/20	NA	NA	04/13/21	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	3,000,000	2.500%	1.185%	3,043,950.00	3,037,411.10	3,054,810.00	17,398.90
06/14/19	NA	NA	04/30/21	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.750%	1.913%	4,985,000.00	4,994,052.48	5,064,900.00	70,847.52
12/05/19	NA	NA	04/30/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.250%	1.650%	5,041,406.25	5,021,997.07	5,085,950.00	63,952.93
09/13/19	NA	NA	05/15/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.625%	1.757%	5,071,093.75	5,033,449.03	5,106,250.00	72,800.97
03/02/20	NA	NA	05/31/21	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	2.125%	1.186%	10,115,711.10	10,100,198.18	10,178,100.00	77,901.82
06/11/20	NA	NA	06/09/21	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	0.190%	0.193%	4,990,420.85	4,991,766.68	4,992,400.00	633.32
09/18/19	NA	NA	06/11/21	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.250%	1.786%	5,039,300.00	5,019,525.63	5,093,950.00	74,424.37
01/16/20	NA	NA	06/30/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.125%	1.594%	4,966,406.25	4,978,932.73	5,047,050.00	68,117.27
07/26/19	NA	NA	07/19/21	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.875%	1.927%	4,995,000.00	4,997,569.06	5,086,200.00	88,630.94
08/01/19	NA	NA	08/31/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.125%	1.816%	4,929,687.50	4,963,504.02	5,054,700.00	91,195.98
10/11/19	NA	NA	10/15/21	Aaa/AA+/NR	Treasury - Note	US Treasury	5,000,000	2.875%	1.540%	5,131,640.63	5,078,805.28	5,173,650.00	94,844.72
10/22/19	NA	NA	10/15/21	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.400%	1.642%	4,976,500.00	4,985,718.23	5,077,600.00	91,881.77
11/05/19	NA	NA	11/15/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.875%	1.610%	5,125,585.94	5,079,825.88	5,184,550.00	104,724.12
11/08/19	NA	NA	11/30/21	Aaa/AA+/NR	Treasury - Note	US Treasury	5,000,000	1.750%	1.680%	5,007,031.25	5,004,538.10	5,111,550.00	107,011.90
04/23/20	NA	NA	12/20/21	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	1.625%	0.309%	10,217,480.00	10,195,588.45	10,202,600.00	7,011.55
11/25/19	NA	NA	12/31/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.000%	1.619%	5,039,062.50	5,026,330.26	5,136,350.00	110,019.74
11/25/19	NA	NA	01/13/22	Aaa/NA/NR	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	2.375%	1.635%	5,077,250.00	5,052,490.38	5,166,700.00	114,209.62
03/08/19	NA	NA	01/15/22	Aaa/AA+/NR	Treasury - Note	US Treasury	5,000,000	2.500%	2.460%	5,005,468.75	5,002,786.76	5,177,950.00	175,163.24
12/19/19	NA	NA	01/31/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.875%	1.641%	5,024,218.75	5,017,147.13	5,133,800.00	116,652.87
03/21/19	NA	NA	02/03/22	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	2.030%	2.361%	4,954,350.00	4,976,044.62	5,144,000.00	167,955.38
12/19/19	NA	NA	02/15/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.500%	1.652%	5,089,453.13	5,063,830.31	5,187,900.00	124,069.69
03/08/19	NA	NA	03/11/22	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	2.500%	2.549%	5,002,750.00	5,001,468.84	5,192,850.00	191,381.16
12/19/19	NA	NA	03/31/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.875%	1.645%	5,025,585.94	5,018,644.26	5,148,250.00	129,605.74
02/21/20	NA	NA	04/14/22	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.400%	1.414%	4,998,500.00	4,998,676.25	5,102,900.00	104,223.75
04/23/20	NA	NA	04/21/22	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	10,000,000	1.580%	0.320%	10,250,200.00	10,218,581.32	10,240,200.00	21,618.68
04/27/20	Quarterly	10/27/20	04/27/22	Aaa/NA/NA	FHLMC - Note	Fed Home Loan Mortgage Corp	10,000,000	0.550%	0.550%	10,000,000.00	10,000,000.00	10,001,400.00	1,400.00
05/28/20	One Time	05/26/21	05/26/22	Aaa/NR/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.270%	0.270%	5,000,000.00	5,000,000.00	4,999,650.00	(350.00)
01/15/20	NA	NA	07/15/22	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.600%	1.594%	5,000,750.00	5,000,586.35	5,136,100.00	135,513.65
05/28/20	One Time	05/26/21	08/26/22	Aaa/NR/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.300%	0.300%	5,000,000.00	5,000,000.00	4,999,850.00	(150.00)
04/24/20	NA	NA	10/21/22	Aaa/NR/NR	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.550%	0.555%	5,000,000.00	5,000,000.00	5,000,400.00	400.00

IRVINE RANCH WATER DISTRICT  
INVESTMENT SUMMARY REPORT

07/22/20

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE <sup>(1)</sup> 7/22/2020	UNREALIZED <sup>(2)</sup> GAIN/(LOSS)
TOTAL INVESTMENTS							\$334,550,000			\$334,669,733.64	\$335,031,349.68	\$338,843,883.43	\$3,812,533.75
					Petty Cash					3,400.00			
					Ck Balance	Bank of America				1,136,349.00			
										\$335,809,482.64			

(1) LAIF market value is as of the most recent quarter-end as reported by LAIF.		Outstanding Variable Rate Debt		\$259,100,000	
Security market values are determined using Bank of New York ("Trading Prices"), Bloomberg and/or broker dealer pricing.		Net Outstanding Variable Rate Debt (Less \$60 million fixed-payer swaps)		\$199,100,000	
		Investment Balance:		\$335,809,483	
(2) Gain (loss) calculated against carry value using the trading value provided by Bank of New York/or Brokers		Investment to Variable Rate Debt Ratio:		169%	
(3) Real estate rate of return is based on most recent quarter end return		Portfolio - Average Number of Days To Maturity		300	
This Investment Summary Report is in conformity with the 2020 Investment Policy and provides sufficient liquidity to meet the next six months estimated expenditures. *S - Step up			Investment Portfolio	Real Estate <sup>(3)</sup> Portfolio	Weighted Avg. Return
		July	1.48%	8.76%	3.80%
		June	1.51%	8.76%	3.71%
		Change	-0.03%		0.09%

IRVINE RANCH WATER DISTRICT  
SUMMARY OF MATURITIES

07/22/20

DATE	TOTAL	%	LAIF	Agency Notes	Agency Discount Notes	Municipal Bonds	US Treasury
07/20	\$64,000,000	19.13%	\$54,000,000	10,000,000			
08/20	5,000,000	1.49%		5,000,000			
09/20	15,000,000	4.48%		10,000,000	5,000,000		
10/20	15,550,000	4.65%		5,550,000	5,000,000		5,000,000
11/20	12,000,000	3.59%		5,000,000	7,000,000		
12/20	10,000,000	2.99%		5,000,000			5,000,000
01/21	15,000,000	4.48%			5,000,000		10,000,000
02/21	10,000,000	2.99%		5,000,000			5,000,000
03/21	20,000,000	5.98%		20,000,000			
04/21	13,000,000	3.89%		8,000,000			5,000,000
05/21	15,000,000	4.48%					15,000,000
06/21	15,000,000	4.48%		5,000,000	5,000,000		5,000,000
SUB-TOTAL	\$209,550,000	62.64%	\$54,000,000	\$78,550,000	\$27,000,000		\$50,000,000
13 Months - 3 YEARS							
07/01/2021 - 09/30/2021	10,000,000	2.99%		5,000,000			5,000,000
10/01/2021 - 12/31/2022	35,000,000	10.46%		15,000,000			20,000,000
01/01/2022 - 03/31/2022	35,000,000	10.46%		15,000,000			20,000,000
04/01/2022 - 06/30/2022	30,000,000	8.97%		30,000,000			
07/01/2022 +	15,000,000	4.48%		15,000,000			
	-						
	-						
	-						
	-						
TOTALS	\$334,550,000	100.00%	\$54,000,000	\$158,550,000	\$27,000,000		\$95,000,000

% OF PORTFOLIO		16.14%	47.39%	8.07%	28.40%
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Irvine Ranch Water District  
Summary of Real Estate - Income Producing Investments  
6/30/2020

	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	MARKET VALUE 6/30/2020	ANNUALIZED RATE OF RETURN QUARTER ENDED 6/30/2020
Sycamore Canyon	Dec-92	Apartments	Fee Simple	\$ 43,550,810	\$ 152,340,625	18.54%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	\$ 6,000,000	\$ 30,432,947	8.48%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	\$ 5,739,845	\$ 11,964,600	9.65%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	\$ 8,630,577	\$ 9,363,600	7.04%
Sand Canyon Professional Center	Jul-12	Medical Office	Fee Simple	\$ 8,648,594	\$ 11,444,400	9.35%
Total - Income Properties				\$ 72,569,826	\$ 215,546,172	14.54%
OTHER REAL ESTATE DESCRIPTION						
Serrano Summit - Promissory Note Partial payment in June	Sep-17	NA	NA	\$ 85,352,804	\$ 85,352,804	4.00%
Total - Income Producing Real Estate Investments				\$ 157,922,630	\$ 300,898,976	8.76%

**IRVINE RANCH WATER DISTRICT INVESTMENT SUMMARY REPORT  
INVESTMENT ACTIVITY**

**Jul-20**

**MATURITIES/SALES/CALLS**

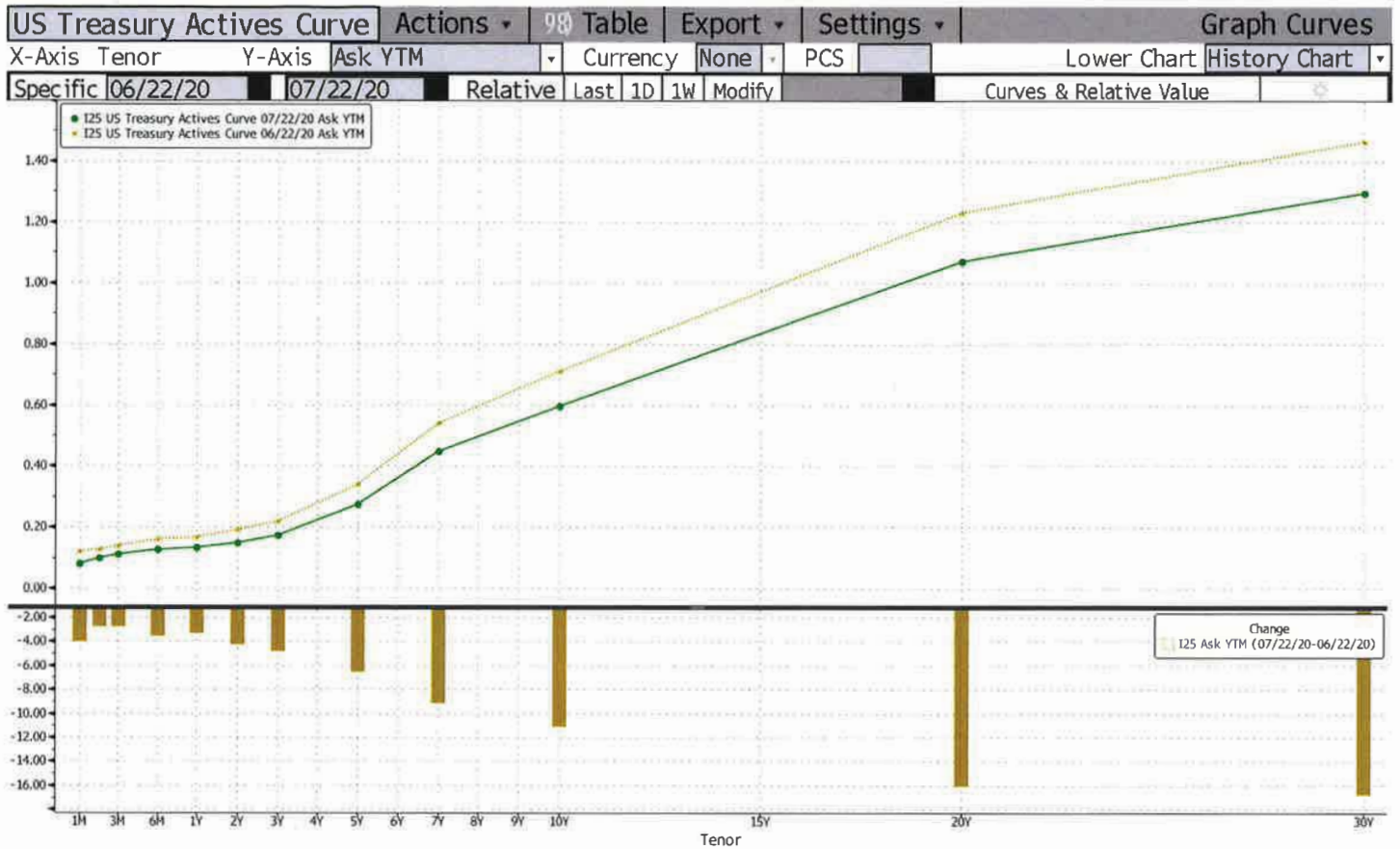
**PURCHASES**

DATE	SECURITY TYPE	PAR	YIELD	Settlement Date	Maturity Date	SECURITY TYPE	PAR	YIELD TO MATURITY
7/10/2020	FHLMC - NOTE	\$5,000,000	1.63%					

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# Exhibit "B"



SN 746495 PDT GMT-7:00 H367-2131-0 22-Jul-2020 13:33:15

**US Treasury Actives Curve** Actions ▾ 98 Chart Export ▾ Settings ▾ Graph Curves

X-Axis Tenor Y-Axis Ask YTM ▾ Currency None ▾ PCS

Specific 06/22/20 07/22/20 Relative Last 1D 1W Modify Curves & Relative Value

● Values and Members ● Values ● Members ● Constituents

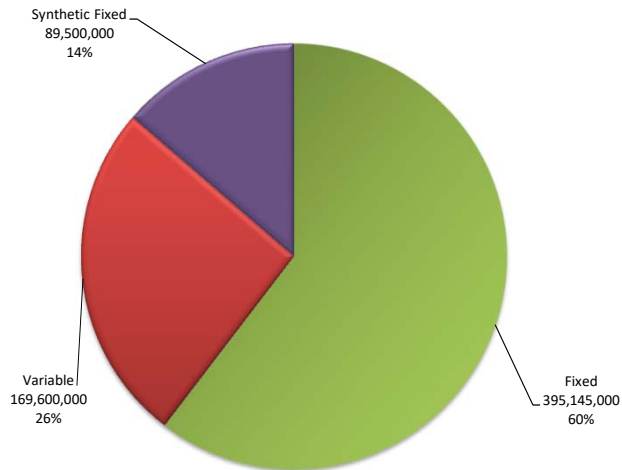
		I25 Ask YTM US Treasury Actives Curve	I25 Ask YTM US Treasury Actives Curve	I25 Ask YTM (Change)
	Tenor	07/22/20	06/22/20	07/22/20-06/22/20
11)	1M	0.081	0.122	-4.1
12)	2M	0.099	0.127	-2.8
13)	3M	0.112	0.139	-2.8
14)	6M	0.127	0.162	-3.6
15)	1Y	0.134	0.167	-3.3
16)	2Y	0.149	0.192	-4.2
17)	3Y	0.172	0.221	-4.9
18)	5Y	0.274	0.339	-6.6
19)	7Y	0.447	0.539	-9.2
20)	10Y	0.597	0.709	-11.1
21)	20Y	1.069	1.230	-16.1
22)	30Y	1.296	1.464	-16.8

SN 746495 PDT GMT-7:00 H367-2131-0 22-Jul-2020 13:33:44

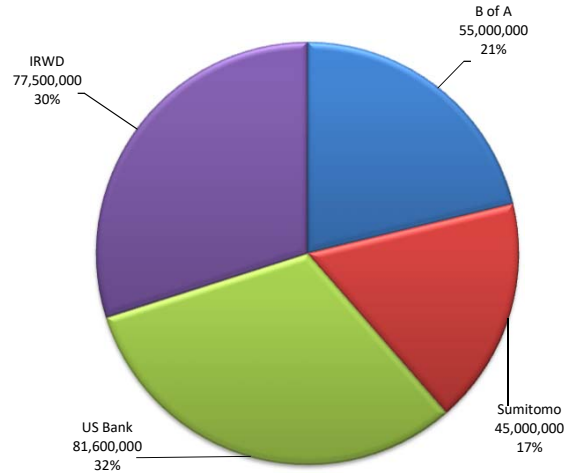
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Exhibit "C"  
**Irvine Ranch Water District**  
**Summary of Fixed and Variable Rate Debt**  
**July 2020**

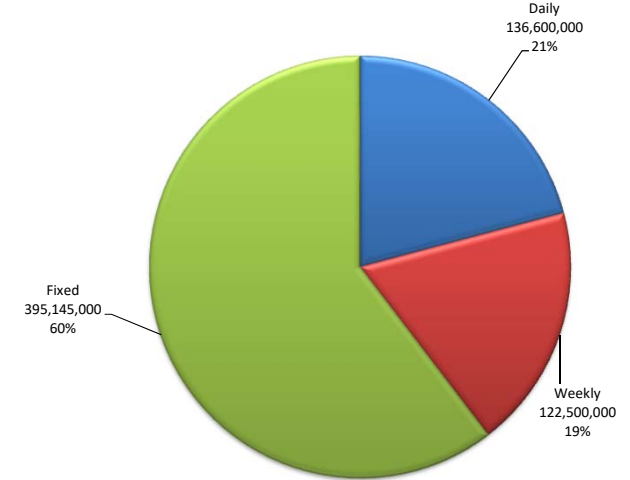
**Current Debt Mix By Type**



**Letters of Credit / Support**



**Current Debt Rate Reset**



**Outstanding Par by Series**

Series	Issue Date	Maturity Date	Remaining Principal	Percent	Letter of Credit/Support	Rmkt Agent	Mode	Reset
Series 1993	05/19/93	04/01/33	\$26,600,000	4.07%	US Bank	BAML	Variable	Daily
Series 2008-A Refunding	04/24/08	07/01/35	\$45,000,000	6.88%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	\$46,500,000	7.11%	IRWD	Goldman	Variable	Weekly
Series 2011-A-2 Refunding	04/15/11	10/01/37	\$31,000,000	4.74%	IRWD	Goldman	Variable	Weekly
Series 2009 - A	06/04/09	10/01/41	\$55,000,000	8.41%	US Bank	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	\$55,000,000	8.41%	B of A	Goldman	Variable	Daily
2016 COPS	09/01/16	03/01/46	\$116,745,000	17.84%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	\$175,000,000	26.75%	N/A	N/A	Fixed	Fixed
Series 2016	10/12/16	02/01/46	\$103,400,000	15.80%	N/A	N/A	Fixed	Fixed
<b>Total</b>			<b>\$654,245,000</b>	<b>100.00%</b>				

July-20

LOC Banks		Breakdown Between Variable & Fixed Rate Mode	
		Daily Issues	136,600,000 21%
SUMITOMO	45,000,000	Weekly Issues	45,000,000 7%
BANK OF AMERICA	55,000,000	ITN Issues	77,500,000 12%
US BANK	81,600,000	Sub-Total	<u>259,100,000</u>
	<u>181,600,000</u>		
		Fixed Rate Issues	\$395,145,000 60%
		Sub-Total - Fixed	<u>395,145,000</u>
		TOTAL DEBT	
		FIXED & VAR.	<u>654,245,000</u> 100%

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

Rmkt Agent Mode	GOLDMAN DAILY	GOLDMAN WEEKLY	GOLDMAN WEEKLY	MERRILL LYNCH DAILY	MERRILL LYNCH WEEKLY	US BANK DAILY
Bond Issue	2009 - B	2011 A-1	2011 A-2	1993	2008-A	2009-A
Par Amount	55,000,000	46,500,000	31,000,000	26,600,000	45,000,000	55,000,000
Bank	BOFA	(SIFMA -6)	(SIFMA -6)	US BANK	Sumitomo	US BANK
Reset		Wednesday	Wednesday		Wednesday	
7/1/2020	0.02%	0.07%	0.07%	0.04%	0.11%	0.03%
7/2/2020	0.01%	0.03%	0.03%	0.02%	0.08%	0.02%
7/3/2020	0.01%	0.03%	0.03%	0.02%	0.08%	0.02%
7/4/2020	0.01%	0.03%	0.03%	0.02%	0.08%	0.02%
7/5/2020	0.01%	0.03%	0.03%	0.02%	0.08%	0.02%
7/6/2020	0.01%	0.03%	0.03%	0.01%	0.08%	0.02%
7/7/2020	0.01%	0.03%	0.03%	0.01%	0.08%	0.01%
7/8/2020	0.01%	0.03%	0.03%	0.01%	0.08%	0.00%
7/9/2020	0.05%	0.05%	0.05%	0.04%	0.11%	0.04%
7/10/2020	0.09%	0.05%	0.05%	0.10%	0.11%	0.09%
7/11/2020	0.09%	0.05%	0.05%	0.10%	0.11%	0.09%
7/12/2020	0.09%	0.05%	0.05%	0.10%	0.11%	0.09%
7/13/2020	0.17%	0.05%	0.05%	0.11%	0.11%	0.12%
7/14/2020	0.18%	0.05%	0.05%	0.17%	0.11%	0.16%
7/15/2020	0.17%	0.05%	0.05%	0.17%	0.11%	0.16%
7/16/2020	0.16%	0.15%	0.15%	0.16%	0.18%	0.18%
7/17/2020	0.15%	0.15%	0.15%	0.16%	0.18%	0.16%
7/18/2020	0.15%	0.15%	0.15%	0.16%	0.18%	0.16%
7/19/2020	0.15%	0.15%	0.15%	0.16%	0.18%	0.16%
7/20/2020	0.16%	0.15%	0.15%	0.15%	0.18%	0.15%
7/21/2020	0.13%	0.15%	0.15%	0.13%	0.18%	0.14%
7/22/2020	0.13%	0.15%	0.15%	0.12%	0.18%	0.12%
Avg Interest Rates	0.09%	0.08%	0.08%	0.09%	0.12%	0.09%
Rmkt Fee	0.10%	0.13%	0.13%	0.10%	0.07%	0.07%
LOC Fee	0.30%			0.33%	0.32%	0.33%
<b>All-In Rate</b>	<b>0.49%</b>	<b>0.20%</b>	<b>0.20%</b>	<b>0.52%</b>	<b>0.51%</b>	<b>0.49%</b>
Par Amount	101,500,000		31,000,000	71,600,000		55,000,000

Interest Rate Mode	Percent of Total Variable Rate Debt	Par Outstanding	Weighted All-In Average Rate	Base Rate Average
Daily	52.72%	136,600,000	0.50%	0.09%
Weekly	47.28%	122,500,000	0.31%	0.09%
	100.00%	<b>\$ 259,100,000</b>	0.41%	0.09%
<b>Fixed</b>				
COPS 2016	29.54%	116,745,000	2.90%	(1)
BABS 2010	44.29%	175,000,000	4.44%	
SERIES 2016	26.17%	103,400,000	3.32%	
	100.00%	<b>\$ 395,145,000</b>	3.69%	
<b>All-In Debt Rate Including \$60 Million Notional Amount of Swaps</b>				<b>2.91%</b>

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

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August 4, 2020

Prepared by: D. Kanoff / A. Shinbashi

Submitted by: R. Jacobson / C. Clary

Approved by: Paul A. Cook



## FINANCE AND PERSONNEL COMMITTEE

### RISK MANAGEMENT QUARTERLY REPORT

#### SUMMARY:

Staff will provide the Committee with a report on the insurance and claim expenses incurred by IRWD through the fourth quarter Fiscal Year (FY) ended June 30, 2020.

#### BACKGROUND:

A comparison of IRWD's actual versus budget insurance expenses for the 12 months of FY 2019-20 and FY 2018-19 is provided as Exhibit "A" and summarized as follows:

- Insurance premiums total \$1,048,854 and are \$107,446 under budget;
- Third-party claim administration expenses total \$3,526 and are \$26,674 under budget;
- Legal expenses total \$82,048 and are \$17,952 under budget; and
- Claim payments and accruals total \$262,024 and are \$132,024 over budget. This amount includes an accrual of \$221,572 for anticipated payments on open claims.

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 2019-20

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Exhibit "A"

**Irvine Ranch Water District  
Insurance and Claims Summary  
Period Ending June 30, 2020**

PREMIUM	Actual FY 19/20	Budget FY 19/20	Variance	% Variance	Prior FY 18/19
Crime	9,697	9,800	103	1%	4,664
General Liability	746,920	821,284	74,364	9%	511,740
Pollution	21,482	20,000	(1,482)	-7%	18,253
Property	265,541	300,000	34,459	11%	240,175
Cyber	5,214	5,216	2	0%	4,888
<b>Total</b>	<b>1,048,854</b>	<b>1,156,300</b>	<b>107,446</b>	<b>9%</b>	<b>779,720</b>

CATEGORY	Open FY 19/20	Closed FY 19/20	Total FY 19/20	Budget FY 19/20	Variance	Prior FY 18/19
* Claim Administration	2,161	1,365	3,526	30,200	26,674	5,085
Claim Payments - Property		28,152	28,152	130,000	101,848	
Accrual - Bodily Injury	121,572		121,572		(121,572)	
Claim Payments - BI		12,300	12,300		(12,300)	
Accrual - Property	100,000		100,000		(100,000)	
<b>Total FY 19/20</b>	<b>223,733</b>	<b>41,817</b>	<b>265,550</b>	<b>160,200</b>	<b>(105,350)</b>	<b>5,085</b>

\* Includes \$1,250 annual administrative fee

CATEGORY	Open FY 19/20	Total FY 19/20	Budget FY 19/20	Variance	Prior FY 18/19
** Legal	82,048	82,048	100,000	17,952	35,349
<b>Total FY 19/20</b>	<b>82,048</b>	<b>82,048</b>	<b>100,000</b>	<b>17,952</b>	<b>35,349</b>

\*\* Legal fees related to claims

ACTIVITY	FY 2018/19	FY 2019/20
Beginning Open Claims	4	4
New Claims	27	16
Closed Claims	-27	-14
<b>Current Open Claims</b>	<b>4</b>	<b>6</b>

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Exhibit "B"

**Closed General Liability Claims as of June 30, 2020**


Fiscal Year 2019-2020					
CLAIM TYPE	CLAIMANT	Claim Administration	Claim Payments - Property	Claim Payments - BI	Grand Total
Single Event	Mercury Insurance-Ely Almaleh	115	1,069		1,184
	Tom Smisek		417		417
	John Stahman		588		588
	Robert Bos		2,738		2,738
	Paige Bautista		1,685		1,685
	Andrew Minh Tran		421		421
	John Reichel		855		855
	Frank Torres Construction		7,506		7,506
	Blacksmith Motoworks		1,229		1,229
	Cantada Community Association		5,895		5,895
	Karen Hamill		5,414		5,414
	Ivy Won Chong		225		225
	Katrina Lee		110		110
	David W. Hilchey			12,300	12,300
	George Hills Company, Inc.	1,250			1,250
Third Party Administration					
Grand Total		1,365	28,152	12,300	41,817

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August 4, 2020

Prepared by: J. Davis / T. Fournier

Submitted by: R. Jacobson / C. Clary

Approved by: Paul A. Cook 

## FINANCE AND PERSONNEL COMMITTEE

### REAL ESTATE QUARTERLY PERFORMANCE – JUNE 2020

#### 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 and fiscal year ended June 30, 2020.

#### BACKGROUND:

For the quarter ended June 30, 2020, the net operating income (NOI) for IRWD's residential and commercial real estate investment properties was \$2.6 million, which represents a 14.54% return for the period. For the fiscal year (FY), the NOI was approximately \$10.8 million. Including the Serrano Summit / Lennar Homes promissory note earning a rate of 4.00%, the quarter-end weighted average return of the District's real estate investment portfolio was 8.76% and 8.91% for the fiscal year end. Land lease income from the Strawberry Farms Golf Course was \$78,054 and \$484,648 for the quarter and FY end, respectively. Lease revenue from the District's six cell sites were \$50,297 and \$275,181 for the quarter and FY end, respectively. A report detailing the NOI and returns for the District's real estate investment properties, golf course lease, and cell sites is provided as Exhibit "A".

#### Residential Investment Properties:

For the quarter ended June 30, 2020, the NOI for the Sycamore Canyon Apartments was approximately \$2.0 million, which was unfavorable to budget by \$80,900, due to higher-than-anticipated vacancies and a COVID-19 rent concession / incentive for residents paying rent in full by the first of the month. For the FY ended June 2020, NOI at the property was approximately \$8.3 million, which was favorable to budget by \$99,000, due to lower-than-anticipated vacancies in the first half of the year and lower expenses related to apartment turnovers and payroll. IRWD's limited partnership investment in the Wood Canyon Villa property earned a preferred return of 9.00%, providing income of \$134,262 for the quarter-end and \$540,745 for the FY. The net return for Wood Canyon was 8.48% and 8.45% for quarter and FY end, respectively.

#### Commercial Investment Properties:

The NOI for the quarter ended June 30, 2020 at the Irvine Market Place (230 Commerce) property was \$138,425, which was unfavorable to budget by \$6,229, due to a suite not leasing as expected. For the FY ended June 2020, NOI was \$568,229, which was favorable to budget by \$39,670, due to higher-than-anticipated occupancy in the second quarter and lower expenses for utilities and maintenance. The property has two suites available, which are being marketed by IRWD's commercial brokers.

For the quarter ended June 30, 2020, the NOI for the Sand Canyon Professional Center medical office property was \$202,080 and \$788,225 for the FY, which were favorable to budget by \$7,563 and \$12,111, respectively. The variances were due to common area maintenance (CAM) adjustments related to 2019 expenses eligible for reimbursement from tenants as part of the annual CAM reconciliation. The property is currently 100% occupied.

The NOI for the Waterworks Way Business Park property for the quarter ended June 30, 2020 was \$151,986, which was unfavorable to budget by \$6,569, due to unanticipated replacement costs for light poles. For FY end, NOI was \$566,747, which was favorable to budget by \$40,929, due to higher-than-anticipated lease income. The property currently has one unit available for lease.

Net operating income amounts for the Sand Canyon and Waterworks Way Business Park properties include accruals for tenants who elected to defer rent for up to three months. The deferred rent amounts will be amortized over the following 12-month period.

#### Strawberry Farms Golf Course and Cell Site Leases:

Land lease income for Strawberry Farms Golf Course for the quarter ended June 30, 2020 was \$78,054. This compares with income of \$157,056 for the same period last year, representing a 50.30% decrease for the period. The FY end income was \$484,648, representing a decrease of 14.57% compared to the same period last year. On March 20, 2020, the golf course was closed due to COVID-19 and was partially reopened on May 1. Based on the lease terms, the golf course operator is not required to make the minimum monthly rent payment during the closure period, and the period of non-payment will be added to the end of the lease term. For the quarter ended June 30, 2020, lease revenue from IRWD's six cell sites was \$50,297 and was in line with budget. The FY end lease revenue was \$275,181, which was unfavorable to budget by approximately \$19,000 due to a lower-than-anticipated revenue share amount received.

#### FISCAL IMPACTS:

For the quarter and fiscal periods ended June 30, 2020, IRWD's commercial and residential real estate investments provided NOI of approximately \$2.6 million and \$10.8 million, respectively. Strawberry Farms Golf Course lease revenue was \$78,054 for the quarter and \$484,648 for the FY end. The District's cell site revenue was \$50,297 for the quarter and the FY end was \$275,181. The Serrano Summit/Lennar Homes promissory note earned interest of \$880,326 for the quarter and approximately \$3.5 million for the FY ended June 30, 2020.

#### 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

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# Exhibit "A"

## Irvine Ranch Water District Real Estate Investment Performance Report - Investment as of June 30, 2020

INCOME PROPERTIES			FY 2019-20					FY 2019-20 RATE OF RETURN					3 Year Average Rate of Return	5 Year Average Rate of Return
Property Description	Capital Investment	Investment Inception	Apr-20	May-20	Jun-20	FY Q4	FY 2019-20 TOTAL	FY Q1	FY Q2	FY Q3	FY Q4	Average Fiscal YTD	FY 17/18 - 19/20	FY 15/16 - 19/20
Sycamore Canyon Apartments	\$ 43,550,810	Dec-92	\$ 681,804	\$ 673,529	\$ 662,864	\$ 2,018,197	\$ 8,349,807	20.15%	18.28%	19.73%	18.54%	19.17%	18.95%	18.55%
Wood Canyon Villa Apartments	\$ 6,000,000	Jun-91	\$ 44,262	\$ 45,738	\$ 44,262	\$ 134,262	\$ 540,745	8.50%	8.53%	8.30%	8.48%	8.45%	8.53%	8.54%
Irvine Market Place Office	\$ 5,739,845	Jul-03	\$ 47,531	\$ 53,746	\$ 37,148	\$ 138,425	\$ 568,229	9.29%	10.47%	10.20%	9.65%	9.90%	9.94%	8.19%
Waterworks Way Business Park	\$ 8,630,577	Nov-08	\$ 41,923	\$ 66,567	\$ 43,496	\$ 151,986	\$ 566,747	6.64%	6.71%	5.88%	7.04%	6.57%	5.77%	5.54%
Sand Canyon Professional Center	\$ 8,648,594	Jul-12	\$ 66,870	\$ 67,332	\$ 67,878	\$ 202,080	\$ 788,225	9.08%	8.73%	9.30%	9.35%	9.11%	8.94%	8.77%
<b>TOTAL - INCOME PROPERTIES</b>	<b>\$ 72,569,826</b>		<b>\$ 882,390</b>	<b>\$ 906,912</b>	<b>\$ 855,648</b>	<b>\$ 2,644,950</b>	<b>\$ 10,813,753</b>	<b>15.40%</b>	<b>14.34%</b>	<b>15.14%</b>	<b>14.54%</b>	<b>14.85%</b>	<b>14.61%</b>	<b>14.19%</b>

OTHER REAL ESTATE INVESTMNET			FY 2019-20					PROMISSORY NOTE RATE OF RETURN				
Property Description	Original Cost	Investment Inception	Apr-20	May-20	Jun-20	FY Q4	FY 2019-20 TOTAL	FY Q1	FY Q2	FY Q3	FY Q4	Average Fiscal YTD
Serrano Summit - Promissory Note 1st extension	\$ 88,128,000	9/1/2019-4/30/2020	\$ 293,760			\$ 880,326	\$ 3,480,646	4.00%	4.00%	4.00%	4.00%	4.00%
Serrano Summit - Promissory Note 2nd extension	\$ 90,478,080	5/1/2020-5/31/2020		\$ 298,128								
Note after partial release	\$ 85,352,804	6/1/2020-12/31/2020			\$ 288,438							
<b>TOTAL - REAL ESTATE INVESTMENTS</b>	<b>\$ 160,556,120</b>		<b>Weighted Average Rate of Return</b>					<b>9.16%</b>	<b>8.68%</b>	<b>9.04%</b>	<b>8.76%</b>	<b>8.91%</b>

**Irvine Ranch Water District  
Real Estate Investment Performance Report - Investment  
Strawberry Farms Golf Course & Cell Site  
as of June 30, 2020**

	2019-20 NET INCOME				
Property Description	Apr-20	May-20	Jun-20	FY Q4	NET INCOME 2019-2020
Strawberry Farms Golf Course <sup>1</sup>	\$ -	\$ 25,719	\$ 52,336	\$ 78,054	\$ 484,648
Change From Prior Year Period:				\$ (79,001) -50.30%	\$ (82,689) -14.57%

Cellular Sites	\$ 18,156	\$ 13,123	\$ 19,017	\$ 50,297	\$ 275,181
Change From Prior Year Period: <sup>2</sup>				\$ (101,813) -66.93%	\$ (116,283) -29.70%


1) Strawberry Farms Golf Course Closed on 3/20/20 related to the COVID-19 Pandemic, based on lease agreement no minimum payment is due. Partially re-opened on 5/1/20

2) Decrease from prior year due to a unanticipated one-time payment received for a cell site located in Lake Forest received in Fiscal Year 2019

August 4, 2020

Prepared by: J. Davis / T. Fournier

Submitted by: R. Jacobson / C. Clary

Approved by: Paul A. Cook 

## FINANCE AND PERSONNEL COMMITTEE

### QUARTERLY DEFERRED COMPENSATION PLAN AND FUND REVIEW

#### SUMMARY:

The following is submitted for the Committee's review:

- A Summary of the Deferred Compensation Program and Distribution of Assets as of June 30, 2020, as outlined in Exhibit "A";
- Mutual Fund Performance Review as of June 30, 2020, as outlined in Exhibit "B"; and
- An update on employee utilization of Coronavirus, Aid, Relief, and Economic Security (CARES) Act to date.

#### BACKGROUND:

##### Overview of the Deferred Compensation Assets:

As of June 30, 2020, IRWD's Section 457(b) and 401(a) Plans (collectively, the "Plans") assets totaled \$68,378,318, which represented a \$9,130,163 increase from the quarter ended March 31, 2020, and a \$4,309,977 increase for the one-year period ended June 30, 2020. The changes in Plan assets over these two periods are summarized as follows:

	<i>For the One-Year Period Ending June 30, 2020</i>	<i>For the Quarter Ending June 30, 2020</i>
Beginning Balance	\$64,068,341	\$59,248,155
Employee Contributions	3,336,449	760,942
District Contributions	1,267,868	300,848
Transfers to/from Other Plans	373,049	40,394
Distributions	(2,499,343)	(696,613)
Loan Distributions <sup>(1)</sup>	(263,476)	(117,400)
Loan Repayments	298,509	64,279
Net Investment Gain (Loss)	1,796,920	8,777,714
Ending Balance – June 30, 2020	\$68,378,318	\$68,378,318
Change in Assets for the Period	\$4,309,977	\$9,130,163

(1) Number of loans outstanding: 74

##### Review of Investment Options:

IRWD's Deferred Compensation Policy states that any investment option performing "Below Benchmark" for four consecutive quarters or seven out of the trailing 12 quarters, has "Failed" the Long-Term Rolling Analysis (LTRA) and the investment option is to be replaced. For the

quarter ended June 30, 2020, the Victory Integrity Small-Cap Value Fund was below the overall rating for the second consecutive quarter, and the Hartford Midcap R6 Fund was below the overall rating for the first time in the last 12 months. Staff will continue to monitor the performance of the funds. The Advised Assets Group Performance Review as of June 30, 2020, is provided as Exhibit “B”.

Coronavirus, Aid, Relief, and Economic Security (CARES) Act:

On March 27, 2020, the Coronavirus (COVID), Aid, Relief, and Economic Security (CARES) Act was signed into law. The CARES Act includes the following provisions to provide retirement plan-related relief to participants that have experienced a hardship as a result of the Coronavirus:

- COVID-related Distributions: Eligible withdrawals are available for employees that have suffered an adverse financial consequence due to COVID-19;
- New Participant Loans: Loan limits have increased to 100% of the participants balance, up to a maximum of \$100,000 for loans made on or before September 23, 2020; and
- Existing Participant Loans: Participant loan repayments due between March 27, 2020 and December 31, 2020 may be deferred for up to one year.

As of June 30, 2020, three participants have utilized CARES Act provisions due to financial hardship as a result of COVID-19.

FISCAL IMPACTS:

As of June 30, 2020, IRWD’s Plan assets totaled \$68,378,318, which represented a \$9,130,163 increase from the quarter ended March 31, 2020, and a \$4,309,977 increase for the one-year period ended June 30, 2020.

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” – Summary of the Deferred Compensation Plan and Distribution of Assets  
Exhibit “B” – Mutual Fund Performance Review

**EXHIBIT "A"**  
**IRVINE RANCH WATER DISTRICT**  
**SUMMARY OF DEFERRED COMPENSATION PROGRAM**  
June 30, 2020

<b>Deferred Compensation IRS Section 457 (Employee Contributions)</b> <b>Money Purchase Pension Plan &amp; Executive Plan - IRS Section 401 (a) (District Contributions)</b>			
	<b>457</b>	<b>401 (a)</b>	<b>GRAND TOTAL</b>
<b>Assets</b>	<b>\$52,421,944</b>	<b>\$15,956,374</b>	<b>\$68,378,318</b>
<i>Change From Prior Quarter</i>	\$6,884,761	\$2,245,402	\$9,130,163
<i>Change From Prior Year (6/2019)</i>	\$3,216,640	\$1,093,337	\$4,309,977
<b>Quarterly Contributions</b>	<b>\$760,942</b>	<b>\$300,848</b>	<b>\$1,061,790</b>
*Change From Prior Quarter	(\$332,866)	(\$44,808)	

\*Decrease in contributions is due to one additional pay period in the quarter ended March 31, 2020 and vacation accrual transfers

	For the One Year Period Ending June 30, 2020	For the Quarter Ending June 30, 2020
Beginning Balance	\$64,068,341	\$59,248,155
Employee Contributions	3,336,449	760,942
District Contributions	1,267,868	300,848
Transfers to/from other plans	373,049	40,394
Distributions	(2,499,343)	(696,613)
Loan Distributions <sup>(1)</sup>	(263,476)	(117,400)
Loan Repayment	298,509	64,279
Net Investment Gain (Loss)	1,796,920	8,777,714
Ending Balance - March 31, 2020	\$68,378,318	\$68,378,318
Change in assets for the period	\$4,309,977	\$9,130,163

<sup>(1)</sup> Number of loans outstanding as of 6/30/20 : 74

<b>Employee Participation</b>	
Full-time Employees	388
Employees Participating	342
Percent Participation	88%

IRVINE RANCH WATER DISTRICT  
SUMMARY OF DEFERRED COMPENSATION PROGRAM  
DISTRIBUTION OF ASSETS

June 30, 2020

Fund	Assets	Percent of Assets	Change from previous quarter
<b>PROFILE FUNDS</b>			
Aggressive Profile Fund	7,559,992	11.1%	0.6%
Moderate Profile Fund	6,156,588	9.0%	0.0%
Conservative Profile Fund	4,732,565	6.9%	-0.2%
<b>Sub Total</b>	<b>18,449,145</b>	<b>27.0%</b>	<b>0.4%</b>
<b>INTERNATIONAL FUND</b>			
American Funds EuroPacific Gr R6	1,986,461	2.9%	0.0%
Vanguard Total Intl Stock Index Admiral	1,350,040	2.0%	0.2%
<b>Sub Total</b>	<b>3,336,501</b>	<b>4.9%</b>	<b>0.2%</b>
<b>SMALL CAP FUNDS</b>			
Hood River Small-Cap Growth Retirement	2,281,458	3.3%	0.2%
Victory Integrity Small Cap Value R6	703,654	1.0%	-0.2%
Vanguard Small Cap Index	1,368,682	2.0%	0.4%
<b>Sub Total</b>	<b>4,353,795</b>	<b>6.3%</b>	<b>0.5%</b>
<b>MEDIUM CAP FUNDS</b>			
Hartford MidCap R6	2,018,629	3.0%	-0.1%
Wells Fargo Spec Md Cp Val R6	2,282,688	3.3%	-0.2%
Vanguard Mid-Cap Index Fund	1,632,673	2.4%	0.4%
<b>Sub Total</b>	<b>5,933,990</b>	<b>8.7%</b>	<b>0.1%</b>
<b>LARGE CAP FUNDS</b>			
American Funds Growth Fund of Amer R6	5,176,625	7.6%	0.4%
Vanguard Institutional Index	6,659,618	9.7%	0.4%
Diamond Hill Large-Cap Fund	1,804,932	2.6%	0.0%
<b>Sub Total</b>	<b>13,641,175</b>	<b>19.9%</b>	<b>0.8%</b>
<b>BOND FUND</b>			
Metropolitan West Total Return Bond Plan	4,885,922	7.1%	-0.5%
<b>Sub Total</b>	<b>4,885,922</b>	<b>7.1%</b>	<b>-0.5%</b>
<b>STABLE VALUE FUND</b>			
Putnam Stable Value	9,654,984	14.1%	-1.5%
<b>Sub Total</b>	<b>9,654,984</b>	<b>14.1%</b>	<b>-1.5%</b>
<b>TARGET DATE FUND</b>			
Vanguard Target Retirement Income Inv	1,224,343	1.8%	-0.3%
Vanguard Target Retirement 2020 Inv	1,286,238	1.9%	-0.1%
Vanguard Target Retirement 2025 Inv	372,474	0.5%	0.1%
Vanguard Target Retirement 2030 Inv	231,570	0.3%	0.0%
Vanguard Target Retirement 2035 Inv	371,137	0.5%	0.0%
Vanguard Target Retirement 2040 Inv	340,647	0.5%	0.0%
Vanguard Target Retirement 2045 Inv	65,465	0.1%	0.0%
Vanguard Target Retirement 2050 Inv	455,056	0.7%	0.0%
Vanguard Target Retirement 2055 Inv	205,815	0.3%	0.1%
Vanguard Target Retirement 2060 Inv	91,676	0.1%	0.0%
<b>Sub Total</b>	<b>4,644,421</b>	<b>6.8%</b>	<b>-0.1%</b>
<b>OTHER</b>			
Ameritrade Brokerage	3,478,386	5.1%	0.1%
<b>Total Assets</b>	<b>\$68,378,318</b>	<b>100%</b>	
<b>LOAN BALANCE OUTSTANDING</b>			
	<b>\$715,441</b>		



# FUND PERFORMANCE REVIEW

## **Irvine Ranch Water District - 98453-01/02/F1**

Reporting Period Ending June 30, 2020

The analytical material contained herein merely describes the process that Great West Financial applies in evaluating funds. It may or may not be based on the plan's current investment policy and is not intended to be used by plan sponsors as a primary basis for deciding whether to make a particular fund available under the plan. Funds listed on the Fund Performance Review are designed to meet stated investment objectives and risk profiles, but do not constitute investment advice from Great West Financial or its affiliate. Plan fiduciaries should review the educational material provided and consult with their investment advisers if necessary to make the investment decision. Neither Great West Financial, nor its representatives, agents or affiliates are permitted to give legal, ERISA, or tax advice. Any discussion of these matters included or related to this document or other educational information is provided for informational purposes only. Such discussion does not purport to be complete or to cover every situation. Current tax and ERISA law are subject to interpretation and legislative change. The appropriateness of any product for any specific taxpayer may vary depending on the particular set of facts and circumstances. You should consult with and rely on your own legal and tax advisers.

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AM469530T-0618

# FUND PERFORMANCE REVIEW



## IMPORTANT DISCLOSURES:

The Fund Performance Review is compiled at the request of the Plan fiduciary based on the specific criteria specified by the Plan fiduciary. It is designed as a high level analytical tool to aide plan fiduciaries in carrying out their fiduciary responsibilities. Great-West is not providing impartial investment advice in a fiduciary capacity to the plan with respect to the Fund Performance Review. The Plan fiduciaries are solely responsible for the selection and monitoring of the Plan's investment options and for determining the reasonableness of all plan fees and expenses. Great-West and its affiliates receive investment management and other fees and revenue from any Great-West or Putnam investment options included in the Fund Performance Review. In addition, Great-West and its affiliates may receive revenue sharing type payments in relation to the investment options provided on the Fund Performance Review. Please contact your Empower Retirement representative for more information. Plan Sponsors may wish to review the enclosed material with their investment adviser, consultant or broker, if necessary, prior to making final investment decisions.

Risks associated with the investment options can vary significantly and the relative risks of investment categories may change under certain economic conditions. *The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be more or less than their original cost. Current performance may be lower or higher than performance data shown due to market activity. Past performance is not a guarantee of future results.*

GWFS Equities, Inc. registered representatives may also be investment adviser representatives of GWFS affiliate, Advised Assets Group, LLC. Representatives do not offer or provide investment, fiduciary, financial, legal or tax advice or act in a fiduciary capacity for any client unless explicitly described in writing. Any discussion of these matters included or related to this document or other educational information is provided for informational purposes only. Such discussion does not purport to be complete or to cover every situation. Current tax and ERISA law are subject to interpretation and legislative change. The appropriateness of any product may vary depending on the particular set of facts and circumstances. You should consult with and rely on your own financial, legal and tax advisers.



- OBJECTIVE:**
- \* To quantify historical fund performance relative to peer group benchmarks.
  - \* To identify funds that have performed below a peer group median over the long-term.
  - \* To assist in identifying style drift and discern gaps within the plan portfolio.

- FUNDAMENTALS:**
- \* An objective analysis based on set criteria.
  - \* Based on long-term and risk-adjusted performance.
  - \* Comparison against peer group of similar funds based on Morningstar, Inc. fund categories.

- SOURCE:**
- \* Statistics are derived from an independent third-party source: primarily Morningstar® Direct<sup>SM</sup>

- SCOPE:**
- \* The Fund Performance Review is designed as a high level analytical tool to aide plan sponsors in carrying out their fiduciary responsibilities; it is not intended as investment advice.

Although data is gathered from reliable sources, including but not limited to Morningstar, Inc., the completeness or accuracy of the data shown cannot be guaranteed. Where data obtained from Morningstar, ©2020 Morningstar, Inc. All Rights Reserved. The data: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Required performance information may appear on more than one page. The "Return Analysis" page includes the 1, 5, and 10 Year/Since Inception performance percentages as well as the inception date for each of the funds.

It is important to note that when applicable, performance shown prior to inception date reflects performance achieved by the oldest share class of the same fund as determined by Morningstar. While the newer share class is less expensive than the oldest share class of the same fund, performance was not adjusted upwards to display higher returns.

Investment options available in the plan may be through mutual funds, collective trusts, separately managed accounts and/or a group fixed and variable annuity contract.

# FUND PERFORMANCE REVIEW (FPR): CRITERIA



**OVERALL RATING:** Based on a combination of performance, risk-adjusted performance and the Overall Morningstar Rating.

**Return Composite:** Determined by taking the equal-weighted average of the 3-, 5- and 10-year category return percentiles.

**Sharpe Composite:** Calculated by averaging the 3- and 5-year category sharpe percentiles.

**Overall Composite:** The equally-weighted average of the Return Composite and Sharpe Composite.

**Overall Morningstar Rating™:** Represents a measure of an investment's risk-adjusted return, relative to similar investments. The Overall Composite is the sole determinate for the Overall Rating for funds that do not have an Overall Morningstar Category Rating.

Overall Composite		Overall Morningstar Rating	Overall Rating
> 50.0%	AND	③, ④, or ⑤	Above
≥ 50.0%	OR	③, ④, or ⑤	Neutral
< 50.0%	AND	①, or ②	Below
< 25.0%			Below

**LONG-TERM ROLLING ANALYSIS:** Based on the accumulated trailing 12 quarter "Overall Ratings".

Consecutive number of Quarters Receiving a Below Rating		Total number of Quarters Below out of trailing 12 quarters	Long-Term Rolling Analysis *
< 4 Quarters	AND	< 7 Quarters	Pass
≥ 4 Quarters	OR	≥ 7 Quarters	Watch
OR			
Overall Rating: < 25.0%			Watch

\*'Pass' and 'Watch' ratings in the long-term rolling analysis are not available for target date funds or Great-West SecureFoundation funds. Morningstar's category classification system has not evolved to address differences in target-date glidepaths. The current system separates funds only by target retirement date and does not consider the level of equity in the glidepath (i.e. how aggressive or conservative the glidepath is versus peers). Plans should consider how their demographics align with their chosen target date glidepath rather than attempt to "time the market" by changing glidepaths based on peer performance rankings. All target-date funds will receive an 'N/A' rating in the FPR. The Great-West SecureFoundation funds will also receive an 'N/A' rating in the FPR. These funds are unique in that they also require the purchase of a Guaranteed Lifetime Withdrawal Benefit (Guarantee) either as a fixed deferred annuity contract, a certificate to a group fixed deferred annuity contract, or a rider to a variable annuity contract. The Guarantee provides guaranteed retirement income for the life of a designated person(s), provided certain conditions are met. Plan Sponsors that seek this feature should take a long-term, holistic view with these funds as this benefit does not show up in peer group performance rankings as measured and scored through the FPR process.

For expanded definitions of the Composites, Sharpe Ratio and Ratings, please refer to the corresponding glossary.

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Data Source: Morningstar® Direct<sup>SM</sup>

Not intended as an offer or solicitation of securities

## Performance Summary: Irvine Ranch Water District

period ended 6/30/2020

	Morningstar Category	Ticker Symbol	Fund Name	Overall Rating					Long-Term Rolling Analysis		
				Composite %'s			Overall Morningstar Rating		Consecutive Quarters Below	# of Quarters Below out of trailing 12	
				Overall	Return	Sharpe					
<b>Intl</b>	Foreign Large Growth	RERGX	American Funds Europacific Growth R6	44.4	46.3	42.5	3	Neutral	0	0 out of 12	Pass
<b>Small-Cap</b>	Small Growth	HRSIX	Hood River Small-Cap Growth Retirement	59.7	64.3	55.0	3	Above	0	0 out of 12	Pass
	Small Value	MVSSX	Victory Integrity Small-Cap Value R6	27.1	28.7	25.5	2	Below	2	2 out of 12	Pass
<b>Mid-Cap</b>	Mid-Cap Growth	HFMVX	Hartford MidCap R6	24.3	26.7	22.0	3	Below	1	1 out of 12	Watch
	Mid-Cap Value	WFRPX	Wells Fargo Special Mid Cap Value R6	89.1	90.7	87.5	4	Above	0	0 out of 12	Pass
<b>Large-Cap</b>	Large Growth	RGAGX	American Funds Growth Fund of Amer R6	40.8	38.7	43.0	3	Neutral	0	0 out of 12	Pass
	Large Value	DHLYX	Diamond Hill Large Cap Y	85.5	88.0	83.0	4	Above	0	0 out of 12	Pass
<b>Asst All/Other</b>	Target-Date Retirement	VTINX	Vanguard Target Retirement Income Inv	85.1	82.7	87.5	4	Above	0	0 out of 12	N/A
	Target-Date 2020	VTWNX	Vanguard Target Retirement 2020 Inv	82.3	85.0	79.5	4	Above	0	0 out of 12	N/A
	Target-Date 2025	VTTVX	Vanguard Target Retirement 2025 Inv	79.8	83.0	76.5	4	Above	0	0 out of 12	N/A
	Target-Date 2030	VTHRX	Vanguard Target Retirement 2030 Inv	77.4	77.3	77.5	4	Above	0	0 out of 12	N/A
	Target-Date 2035	VTTHX	Vanguard Target Retirement 2035 Inv	78.2	78.3	78.0	4	Above	0	0 out of 12	N/A
	Target-Date 2040	VFORX	Vanguard Target Retirement 2040 Inv	78.9	80.3	77.5	4	Above	0	0 out of 12	N/A
	Target-Date 2045	VTIVX	Vanguard Target Retirement 2045 Inv	77.0	78.0	76.0	4	Above	0	0 out of 12	N/A
	Target-Date 2050	VFIFX	Vanguard Target Retirement 2050 Inv	75.7	74.3	77.0	4	Above	0	0 out of 12	N/A
	Target-Date 2055	VFFVX	Vanguard Target Retirement 2055 Inv	77.0	76.5	77.5	4	Above	0	0 out of 12	N/A
	Target-Date 2060+	VTTSX	Vanguard Target Retirement 2060 Inv	67.0	65.5	68.5	3	Above	0	0 out of 12	N/A
<b>Bond</b>	Intermediate Core-Plus Bond	MWTSX	Metropolitan West Total Return Bd Plan	86.3	79.7	93.0	4	Above	0	0 out of 12	Pass
<b>Index Funds</b>	Foreign Large Blend	VTIAX	Vanguard Total Intl Stock Index Admiral (Idx)	63.7	58.3	69.0	3	N/A	N/A	0 out of 12	Pass
	Small Blend	VSMAX	Vanguard Small Cap Index Adm (Idx)	94.3	94.7	94.0	5	N/A	N/A	0 out of 12	Pass
	Mid-Cap Blend	VIMAX	Vanguard Mid Cap Index Admiral (Idx)	92.9	93.3	92.5	5	N/A	N/A	0 out of 12	Pass
	Large Blend	VINIX	Vanguard Institutional Index I (Idx)	87.6	88.7	86.5	5	N/A	N/A	0 out of 12	Pass

Data Source: Morningstar® Direct<sup>SM</sup>

Please refer to the Appendix page for additional disclosures.

# Return Analysis: Irvine Ranch Water District

period ended 6/30/2020

		2nd Qtr 2020 Return	2nd Qtr 2020 Percentile	Performance vs. Benchmark (Annualized Returns and Return Percentiles %)								Return Since Inception	Incept. Date
Fund Name				1 Year Return	1 Year Percentile	3 Year Return	3 Year Percentile	5 Year Return	5 Year Percentile	10 Year Return	10 Year Percentile		
Intl	Foreign Large Growth Peer Group	20.18	50	5.08	50	5.59	50	4.98	50	7.52	50		
	American Funds Europacific Growth R6	22.77	73	3.17	38	4.76	41	4.90	49	7.48	49	8.51	5/1/2009
Small-Cap	Small Growth Peer Group	31.71	50	4.37	50	9.36	50	8.54	50	13.31	50		
	Hood River Small-Cap Growth Retirement	38.89	83	7.61	64	9.51	51	9.67	66	14.89	76	11.13	3/3/2017
	Small Value Peer Group	20.99	50	-18.02	50	-5.09	50	-0.19	50	7.45	50		
	Victory Integrity Small-Cap Value R6	19.84	39	-23.95	10	-7.04	16	-1.49	23	7.37	47	6.66	6/1/2012
Mid-Cap	Mid-Cap Growth Peer Group	30.08	50	11.23	50	13.59	50	10.51	50	14.01	50		
	Hartford MidCap R6	25.10	19	-0.01	11	9.04	15	9.39	30	13.40	35	9.62	11/7/2014
	Mid-Cap Value Peer Group	19.48	50	-12.36	50	-1.27	50	2.24	50	8.90	50		
	Wells Fargo Special Mid Cap Value R6	19.56	51	-9.44	78	1.06	88	4.29	86	11.37	98	7.78	6/28/2013
Large-Cap	Large Growth Peer Group	27.21	50	19.25	50	16.72	50	13.70	50	15.59	50		
	American Funds Growth Fund of Amer R6	26.13	41	16.83	38	14.69	33	13.21	44	15.04	39	15.01	5/1/2009
	Large Value Peer Group	15.06	50	-8.13	50	1.87	50	4.32	50	9.74	50		
	Diamond Hill Large Cap Y	18.05	84	-5.56	72	4.36	83	6.84	89	11.53	92	11.01	12/30/2011
Asst All/Other	Target-Date Retirement Peer Group	8.28	50	4.71	50	4.69	50	4.36	50	5.11	50		
	Vanguard Target Retirement Income Inv	7.84	36	5.69	77	5.39	85	4.93	83	5.84	80	5.30	10/27/2003
	Target-Date 2020 Peer Group	10.53	50	4.40	50	5.33	50	5.26	50	7.69	50		
	Vanguard Target Retirement 2020 Inv	11.40	72	5.09	80	6.09	84	5.96	84	8.31	87	6.19	6/7/2006
	Target-Date 2025 Peer Group	12.09	50	4.29	50	5.61	50	5.61	50	8.39	50		
	Vanguard Target Retirement 2025 Inv	13.20	73	4.82	73	6.33	83	6.29	84	8.88	82	6.67	10/27/2003
	Target-Date 2030 Peer Group	13.84	50	3.74	50	5.78	50	5.93	50	8.85	50		
	Vanguard Target Retirement 2030 Inv	14.58	67	4.40	73	6.42	78	6.47	76	9.37	78	6.48	6/7/2006
	Target-Date 2035 Peer Group	15.66	50	3.10	50	5.81	50	6.09	50	9.29	50		
	Vanguard Target Retirement 2035 Inv	15.90	56	3.94	74	6.45	79	6.62	76	9.84	80	7.18	10/27/2003
	Target-Date 2040 Peer Group	17.11	50	2.56	50	5.78	50	6.21	50	9.46	50		
	Vanguard Target Retirement 2040 Inv	17.29	58	3.46	74	6.50	79	6.76	79	10.08	83	6.77	6/7/2006
	Target-Date 2045 Peer Group	18.15	50	2.02	50	5.77	50	6.24	50	9.55	50		
	Vanguard Target Retirement 2045 Inv	18.70	69	2.97	69	6.41	78	6.79	77	10.10	79	7.52	10/27/2003
	Target-Date 2050 Peer Group	18.29	50	1.93	50	5.72	50	6.28	50	9.69	50		
	Vanguard Target Retirement 2050 Inv	18.67	59	3.02	68	6.42	77	6.79	77	10.10	69	6.81	6/7/2006
	Target-Date 2055 Peer Group	18.80	50	1.52	50	5.72	50	6.30	50	10.01	50		
	Vanguard Target Retirement 2055 Inv	18.64	45	2.95	69	6.40	78	6.77	75	N/A	N/A	9.55	8/18/2010
	Target-Date 2060+ Peer Group	18.80	50	1.84	50	5.87	50	6.68	50	9.82	50		
	Vanguard Target Retirement 2060 Inv	18.61	38	2.95	68	6.39	72	6.76	59	N/A	N/A	9.16	1/19/2012
Bond	Intermediate Core-Plus Bond Peer Group	5.86	50	7.42	50	4.85	50	4.16	50	4.19	50		
	Metropolitan West Total Return Bd Plan	4.12	18	9.18	88	5.66	88	4.41	68	4.85	83	4.58	7/29/2011
Index Funds	Vanguard Total Intl Stock Index Admiral (Idx)	18.11	75	-4.09	61	1.09	64	2.42	71	5.27	40	3.72	11/29/2010
	Vanguard Small Cap Index Adm (Idx)	26.66	83	-5.60	86	3.99	95	5.40	94	11.59	95	8.29	11/13/2000
	Vanguard Mid Cap Index Admiral (Idx)	24.96	77	-0.20	85	6.45	93	6.99	92	12.47	95	9.40	11/12/2001
	Vanguard Institutional Index I (Idx)	20.55	59	7.49	81	10.70	84	10.70	91	13.96	91	9.78	7/31/1990

A Percentile Ranking of 100% represents the highest performance whereas 0% represents the lowest.

Current performance may be lower or higher than performance data shown.

Performance data quoted represents past performance and is not a guarantee or prediction of future results. The investment return and principal value of an investment will fluctuate so that, when redeemed shares/units may be worth more or less than their original cost. For performance data current to the most recent month-end, please visit [www.empower-retirement.com/participant](http://www.empower-retirement.com/participant). Total return performance shown above represents that of the underlying fund and does not include a deduction for any applicable annuity contract of administrative fees/expenses. Performance numbers shown above would be less after applicable fee/expenses are deducted.

Data Source: Morningstar® Direct<sup>SM</sup>

Please refer to the Appendix page for additional disclosures

# Sharpe Ratio and Expense Analysis: Irvine Ranch Water District

period ended 6/30/2020

Fund Name	Sharpe Ratios and Percentiles %				Standard Deviation		Expense Ratio	Expense Percentile %	Manager Tenure (yrs)	Fund Size \$MM
	3 Yr Ratio	3 Yr %	5 Yr Ratio	5 Yr %	3 Yr	5 Yr				
<b>Intl</b>	Foreign Large Growth Peer Group	0.31	50	0.33	50	16.10	14.82	1.03	50	
	American Funds Europacific Growth R6	0.26	39	0.32	46	16.90	15.14	0.46	4	159,988
<b>Small-Cap</b>	Small Growth Peer Group	0.45	50	0.45	50	23.00	20.38	1.12	50	
	Hood River Small-Cap Growth Retirement	0.43	47	0.49	63	24.07	20.81	0.99	35	622
	Small Value Peer Group	-0.15	50	0.05	50	24.51	21.23	1.13	50	
	Victory Integrity Small-Cap Value R6	-0.20	24	0.00	27	26.33	22.83	0.96	30	1,513
<b>Mid-Cap</b>	Mid-Cap Growth Peer Group	0.65	50	0.60	50	20.44	17.90	1.05	50	
	Hartford MidCap R6	0.44	15	0.53	29	20.85	18.03	0.75	13	13,479
	Mid-Cap Value Peer Group	-0.02	50	0.15	50	21.47	18.32	0.99	50	
	Wells Fargo Special Mid Cap Value R6	0.08	89	0.27	86	21.00	17.54	0.72	14	8,616
<b>Large-Cap</b>	Large Growth Peer Group	0.87	50	0.81	50	17.81	15.91	0.92	50	
	American Funds Growth Fund of Amer R6	0.78	35	0.81	51	17.43	15.39	0.31	3	215,035
	Large Value Peer Group	0.10	50	0.28	50	18.07	15.72	0.89	50	
	Diamond Hill Large Cap Y	0.23	82	0.41	84	19.21	16.70	0.55	13	6,314
<b>Asst All/Other</b>	Target-Date Retirement Peer Group	0.51	50	0.60	50	6.07	5.33	0.65	50	
	Vanguard Target Retirement Income Inv	0.67	86	0.77	89	5.55	4.90	0.12	4	16,883
	Target-Date 2020 Peer Group	0.45	50	0.57	50	8.32	7.61	0.65	50	
	Vanguard Target Retirement 2020 Inv	0.52	78	0.62	81	8.88	8.02	0.13	4	31,158
	Target-Date 2025 Peer Group	0.43	50	0.54	50	10.02	9.03	0.65	50	
	Vanguard Target Retirement 2025 Inv	0.48	73	0.58	80	10.41	9.29	0.13	4	44,523
	Target-Date 2030 Peer Group	0.40	50	0.50	50	11.56	10.35	0.68	50	
	Vanguard Target Retirement 2030 Inv	0.45	78	0.55	77	11.65	10.36	0.14	5	40,193
	Target-Date 2035 Peer Group	0.37	50	0.48	50	13.08	11.58	0.68	50	
	Vanguard Target Retirement 2035 Inv	0.42	78	0.52	78	12.87	11.45	0.14	5	38,301
	Target-Date 2040 Peer Group	0.35	50	0.45	50	14.26	12.52	0.70	50	
	Vanguard Target Retirement 2040 Inv	0.40	78	0.49	77	14.10	12.52	0.14	5	30,382
	Target-Date 2045 Peer Group	0.33	50	0.44	50	15.13	13.26	0.70	50	
	Vanguard Target Retirement 2045 Inv	0.38	76	0.47	76	15.15	13.26	0.15	5	28,084
	Target-Date 2050 Peer Group	0.33	50	0.44	50	15.39	13.40	0.71	50	
	Vanguard Target Retirement 2050 Inv	0.38	77	0.48	77	15.15	13.26	0.15	5	21,237
	Target-Date 2055 Peer Group	0.33	50	0.43	50	15.54	13.62	0.70	50	
	Vanguard Target Retirement 2055 Inv	0.37	78	0.47	77	15.14	13.25	0.15	6	11,727
	Target-Date 2060+ Peer Group	0.33	50	0.45	50	15.51	13.63	0.69	50	
	Vanguard Target Retirement 2060 Inv	0.37	72	0.47	65	15.14	13.26	0.15	7	5,417
<b>Bond</b>	Intermediate Core-Plus Bond Peer Group	0.73	50	0.79	50	4.26	3.79	0.70	50	
	Metropolitan West Total Return Bd Plan	1.14	93	1.05	93	3.43	3.07	0.37	7	85,964
<b>Index Funds</b>	Vanguard Total Intl Stock Index Admiral (Idx)	0.05	67	0.16	71	16.52	14.90	0.11	4	399,131
	Vanguard Small Cap Index Adm (Idx)	0.21	95	0.31	93	22.62	19.45	0.05	2	87,144
	Vanguard Mid Cap Index Admiral (Idx)	0.33	93	0.41	92	20.04	17.13	0.05	4	106,848
	Vanguard Institutional Index I (Idx)	0.59	83	0.69	90	16.95	14.76	0.04	3	224,867

A Percentile Ranking of 100% represents the highest performance whereas 0% represents the lowest.

Expense refers to the Prospectus Net Expense Ratio

Data Source: Morningstar® Direct<sup>SM</sup>

Please refer to the Appendix page for additional disclosures

# Annual Returns and Statistics: Irvine Ranch Water District

period ended 6/30/2020

	Fund Name	Calendar Year Returns					Modern Portfolio Theory Statistics ( 3 year)			Portfolio Construction		
		2019	2018	2017	2016	2015	Alpha	Beta	R2	Turnover Ratio	Number of Holdings	% in top 10 holdings
<b>Intl</b>	Foreign Large Growth Peer Group	27.90	-14.22	30.84	-1.47	0.58						
	American Funds Europacific Growth R6	27.40	-14.91	31.17	1.01	-0.48	-1.49	1.10	97	38	334	19%
<b>Small-Cap</b>	Small Growth Peer Group	28.37	-5.39	22.53	10.76	-2.15						
	Hood River Small-Cap Growth Retirement	24.19	-6.78	20.78	13.50	0.80	-2.17	1.05	95	98	92	32%
	Small Value Peer Group	21.95	-15.22	8.96	25.81	-6.08						
	Victory Integrity Small-Cap Value R6	23.28	-18.42	12.59	24.52	-6.49	-0.01	0.99	99	72	154	12%
<b>Mid-Cap</b>	Mid-Cap Growth Peer Group	33.89	-5.17	24.95	5.45	0.24						
	Hartford MidCap R6	32.75	-7.29	24.42	11.87	1.75	1.98	1.01	96	31	105	18%
	Mid-Cap Value Peer Group	26.73	-13.35	13.41	17.58	-3.81						
	Wells Fargo Special Mid Cap Value R6	35.68	-13.02	11.27	21.68	-2.65	-3.54	1.03	97	37	70	27%
<b>Large-Cap</b>	Large Growth Peer Group	32.49	-1.64	29.01	3.06	4.80						
	American Funds Growth Fund of Amer R6	28.54	-2.60	26.53	8.82	5.70	-4.70	0.99	97	36	351	33%
	Large Value Peer Group	25.48	-8.85	16.24	14.58	-3.51						
	Diamond Hill Large Cap Y	32.34	-9.53	20.42	14.74	-0.74	2.58	1.05	98	22	51	32%
<b>Asst All/Other</b>	Target-Date Retirement Peer Group	13.20	-3.29	8.55	5.20	-1.01						
	Vanguard Target Retirement Income Inv	13.16	-1.99	8.47	5.25	-0.17	0.48	0.72	99	10	6	99%
	Target-Date 2020 Peer Group	16.25	-4.46	12.86	6.64	-0.80						
	Vanguard Target Retirement 2020 Inv	17.63	-4.24	14.08	6.95	-0.68	0.01	0.91	100	13	6	99%
	Target-Date 2025 Peer Group	18.46	-5.39	14.99	7.13	-0.95						
	Vanguard Target Retirement 2025 Inv	19.63	-5.15	15.94	7.48	-0.85	0.29	0.91	100	11	5	99%
	Target-Date 2030 Peer Group	20.51	-6.30	16.81	7.59	-1.11						
	Vanguard Target Retirement 2030 Inv	21.07	-5.86	17.52	7.85	-1.03	0.77	0.88	100	8	5	99%
	Target-Date 2035 Peer Group	22.37	-7.26	18.41	8.03	-1.15						
	Vanguard Target Retirement 2035 Inv	22.44	-6.58	19.12	8.26	-1.26	0.48	0.97	100	7	5	99%
	Target-Date 2040 Peer Group	23.66	-7.92	19.51	8.36	-1.27						
	Vanguard Target Retirement 2040 Inv	23.86	-7.32	20.71	8.73	-1.59	0.57	1.04	100	5	5	99%
	Target-Date 2045 Peer Group	24.65	-8.27	20.36	8.46	-1.31						
	Vanguard Target Retirement 2045 Inv	24.94	-7.90	21.42	8.87	-1.57	0.27	1.12	100	4	5	100%
	Target-Date 2050 Peer Group	24.79	-8.45	20.57	8.63	-1.34						
	Vanguard Target Retirement 2050 Inv	24.98	-7.90	21.39	8.85	-1.58	0.27	1.12	100	3	5	99%
	Target-Date 2055 Peer Group	25.11	-8.50	20.86	8.51	-1.36						
	Vanguard Target Retirement 2055 Inv	24.98	-7.89	21.38	8.88	-1.72	0.26	1.12	100	3	5	99%
	Target-Date 2060+ Peer Group	25.25	-8.54	21.04	8.76	-0.84						
	Vanguard Target Retirement 2060 Inv	24.96	-7.87	21.36	8.84	-1.68	0.25	1.12	100	2	5	99%
<b>Bond</b>	Intermediate Core-Plus Bond Peer Group	9.29	-0.76	4.31	3.92	-0.20						
	Metropolitan West Total Return Bd Plan	9.23	0.29	3.49	2.56	0.25	0.21	1.03	96	405	2137	23%
<b>Index Funds</b>	Vanguard Total Intl Stock Index Admiral (Idx)	21.51	-14.43	27.55	4.67	-4.26	-0.53	1.02	99	4	7400	10%
	Vanguard Small Cap Index Adm (Idx)	27.37	-9.31	16.24	18.30	-3.64	2.43	0.97	100	16	1348	5%
	Vanguard Mid Cap Index Admiral (Idx)	31.03	-9.23	19.25	11.22	-1.34	-0.42	0.99	100	15	347	8%
	Vanguard Institutional Index I (Idx)	31.46	-4.42	21.79	11.93	1.37	-0.02	1.00	100	4	510	26%

Current performance may be lower or higher than performance data shown. Performance data quoted represents past performance and is not a guarantee or prediction of future results

The investment return and principal value of an investment will fluctuate so that, when redeemed, shares/units may be worth more or less than their original cost.

Total return performance shown above represents that of the underlying fund and does not include a deduction for any applicable annuity contract of administrative fees/expenses.

Performance numbers shown above would be less after applicable fee/expenses are deducted.

Data Source: Morningstar® Direct<sup>SM</sup>

Please refer to the Appendix page for additional disclosures

## Index Performance

period ending 6/30/2020

	Index	Total Return 1 Year	Total Return Annld 3 Year	Total Return Annld 5 Year	Total Return Annld 10 Year	Annual Return 2019	Annual Return 2018	Annual Return 2017	Annual Return 2016	Annual Return 2015
<b>International</b>	MSCI EMF ID	-5.66	-0.52	0.47	0.81	15.42	-16.63	34.35	8.58	-16.96
	MSCI Eafe Ndtr_D	-5.13	0.81	2.05	5.73	22.01	-13.79	25.03	1.00	-0.81
	MSCI World Ndtr_D	2.84	6.70	6.90	9.95	27.67	-8.71	22.40	7.51	-0.87
<b>Small-Cap</b>	Russell 2000 Growth	3.48	7.86	6.86	12.92	28.48	-9.31	22.17	11.32	-1.38
	Russell 2000	-6.63	2.01	4.29	10.50	25.52	-11.01	14.65	21.31	-4.41
	Russell 2000 Value	-17.48	-4.35	1.26	7.82	22.39	-12.86	7.84	31.74	-7.47
<b>Mid-Cap</b>	Russell Midcap Growth	11.91	14.76	11.60	15.09	35.47	-4.75	25.27	7.33	-0.20
	Standard & Poor's Midcap 400	-6.70	2.39	5.22	11.34	26.20	-11.08	16.24	20.74	-2.18
	Russell Midcap Value	-11.81	-0.54	3.32	10.29	27.06	-12.29	13.34	20.00	-4.78
<b>Large-Cap</b>	Russell 1000 Growth	23.28	18.99	15.89	17.23	36.39	-1.51	30.21	7.08	5.67
	Standard & Poor's 500 TR	7.51	10.73	10.73	13.99	31.49	-4.38	21.83	11.96	1.38
	Russell 1000 Value	-8.84	1.82	4.64	10.41	26.54	-8.27	13.66	17.34	-3.83
<b>Bond</b>	BBgBarc US Aggregate Bond	8.74	5.32	4.30	3.82	8.72	0.01	3.54	2.65	0.55
	BBgBarc US Capital Credit	9.07	6.14	5.54	5.24	13.80	-2.11	6.18	5.63	-0.77
	BBgBarc US Mortgage-Backed	5.67	3.97	3.23	3.06	6.35	0.99	2.47	1.67	1.51
	BBgBarc US Government Bond	10.34	5.54	4.05	3.34	6.83	0.88	2.30	1.05	0.86
	BBgBarc US 1-3 Year Government	4.12	2.71	1.86	1.36	3.59	1.58	0.45	0.87	0.57

MSCI EMF ID	A capitalization-weighted index of stocks from 26 emerging markets that only includes issues that may be traded by foreign investors. The reported returns reflect equities priced in US dollars and do not include the effects of reinvested dividends.
MSCI EAFE Ndtr_D	Widely accepted as a benchmark for international stock performance, the EAFE Index is an aggregate of 21 individual country indexes that collectively represent many of the major markets of the world.
MSCI World Ndtr_D	Includes all 23 MSCI developed market countries. Ndtr_D indexes are calculated daily and take into account actual dividends reinvested daily before withholding taxes, but exclude special tax credits declared by companies.
Russell 2000 Growth	Market-weighted total return index that measures the performance of companies within the Russell 2000 Index having higher price-to-book ratios and higher forecasted growth values.
Russell 2000	Consists of the smallest 2000 companies in the Russell 3000 Index, representing approximately 7% of the Russell 3000 total market capitalization.
Russell 2000 Value	Market-weighted total return index that measures the performance of companies within the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values.
Russell Mid Cap Growth	Market-weighted total return index that measures the performance of companies within the Russell Midcap Index having higher price-to-book ratios and higher forecasted growth values.
Standard & Poor's Midcap 400	Includes approximately 10% of the capitalization of U.S. equity securities. These are comprised of stocks in the middle capitalization range.
Russell Mid Cap Value	Market-weighted total return index that measures the performance of companies within the Russell Midcap Index having lower price-to-book ratios and lower forecasted growth values.
Russell 1000 Growth	Market-weighted total return index that measures the performance of companies within the Russell 1000 Index having higher price-to-book ratios and higher forecasted growth values.
Standard & Poor's 500	A market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market. It measures the movement of the largest issues. Standard and Poor's chooses the member companies for the 500 based on market size, liquidity and industry group representation.
Russell 1000 Value	Market-weighted total return index that measures the performance of companies within the Russell 1000 Index having lower price-to-book ratios and lower forecasted growth values.
BBgBarc US Aggregate Bond	Composed of the Bloomberg Barclays Govt/Credit Index, the Mortgage-Backed Securities Index, and the Asset-Backed Securities Index.
BBgBarc US Capital Credit	Listed for corporate bond-general and high-quality funds. This index tracks the returns of all publicly issued, fixed-rate, nonconvertible, dollar-denominated, SEC-registered, investment-grade corporate debt.
BBgBarc US Mortgage-Backed	Includes 15- and 30-year fixed-rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA).
BBgBarc US Government Bond	Listed for government-bond general and Treasury funds because it tracks the returns of U.S. Treasuries, agency bonds, and one- to three-year U.S. government obligations. This index is effective for tracking portfolios holding non-mortgage government securities.
BBgBarc US 1-3 Year Government	Comprised of both the Treasury Bond index (all public obligations of the U.S. Treasury, excluding flower bonds and foreign-targeted issues) and the Agency Bond Index (all publicly issued debt of U.S. Government agencies and quasi-federal corporations and corporate-debt guaranteed by the U.S. Government).

A benchmark index is not actively managed, does not have a defined investment objective and does not incur fees or expenses. Therefore, performance of a fund will generally be less than its benchmark index. You cannot invest directly in a benchmark index.

Data Source: Morningstar® Direct<sup>SM</sup>

S&P 500® Index is a registered trademark of Standard & Poor's Financial Services LLC ("Standard & Poor's"), and is an unmanaged index considered indicative of the domestic Large-Cap equity market.

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The date in a target date fund's name is the approximate date when investors plan to start withdrawing their money (generally assumed at age 65). The principal value of the fund(s) is not guaranteed at any time, including at the time of the target date and/or withdrawal.

*It is possible to lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.*





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# APPENDIX - GLOSSARY



**12b-1 Fee** The maximum annual charge deducted from fund assets to pay for distribution and marketing costs. Although usually set on a percentage basis, this amount will occasionally be a flat figure.

**Actively managed** A fund attempts to add portfolio value through such active investment techniques as sector allocation (top-down) and/or security selection (bottom-up).

**Aggressive Growth** (Objective) Funds that seek high growth of capital. Investments may include smaller companies, companies in newly-emerging industries or in

**Alpha** is the coefficient that measures the portion of an investment's return arising from non-market or unsystematic risk. In actively managed portfolio. Alpha is considered to be the value added by the manager through sector or security selection. A negative alpha would indicate that active management had produced less-than-market returns.

**Annual Returns** Total returns calculated on a calendar -year basis. The annual return for a fund will be the same as its trailing 12-month total return only at year-end

**Annualized Returns** Returns for periods longer than one year are expressed as "annualized returns." This is equivalent to the compound rate of return which, over a certain period of time, would produce a fund's total return over that same period.

**Asset Allocation** (Objective) Funds that seek high total return by investing in a mix of equities, fixed-income securities and money market instruments.

**Barclays Capital Aggregate Index** Composed of the Barclays Capital Govt/Credit Index, the Mortgage-Backed Securities Index, and the Asset-Backed Securities Index.

The returns published for the index are total returns, which include reinvestment of dividends.

**Barclays Capital Government Bond Index** Listed for government-bond general and Treasury funds. Because it tracks the returns of U.S. Treasuries, agency bonds, and one- to three-year U.S. government obligations, this index is effective for tracking portfolios holding non-mortgage government securities. The returns published for the index are total returns, which include reinvestment of dividends.

**Basis Point** One-hundredth of a percentage point. For example, 50 basis points equals .50%.

**Beta** also known as market or systematic risk, beta is the coefficient that measures an investment's volatility relative to "the market" (the S & P 500 Index has a beta of 1.00) as a whole. Portfolios with a beta greater than 1.00 will move higher or lower than the market as a whole, while those with betas of less than 1.00 will move less than the market.

**Bond funds** Contrary to individual bonds, which offer a guaranteed rate of return, bond funds are variable funds and their returns may rise or fall depending on market conditions.

Funds with 70% or more of their assets invested in bonds are classified as Bond Funds. Bond funds are divided into two main groups: Taxable

Bond and Municipal Bond. Taxable Bond Fund categories include the following: Long-Term Government, Intermediate-Term Government, Short-Term Government, Long-Term Bond, Intermediate-Term Bond, Short-Term Bond, Ultrashort-Bond, International- Bond, High-Yield Bond, Emerging-Markets Bond and Multisector Bond.

**Capital Appreciation** The market rise in share value of a company as it experiences growth in earnings and/or assets. By extension, funds will experience capital appreciation as the underlying securities in their portfolios appreciate in value.

**Capitalization** The total market value of all stock issued by a company. Funds are frequently categorized by the market capitalization of the stocks in their portfolios; i.e., "small cap" generally refers to companies valued by the market at less than \$1 billion, "Mid-cap" to companies valued between \$1 billion and \$5 billion, and "Large-cap" to companies valued at more than \$5 billion.

**Corporate Bond--General** (Objective) Funds that seek income by investing in fixed-income securities. Funds with this objective may hold a variety of issues, including but not limited to government bonds, high-quality corporates, mortgages, asset-backed, bank loans and junk bonds.

**Corporate Bond--High Yield** (Objective) Funds that seek income by generally investing 65% or more of their assets in bonds rated below BBB. The price of these issues is generally affected more by the condition of the issuing company (similar to a stock) than by the interest-rate fluctuation that usually causes bond prices to move up and down.

# APPENDIX - GLOSSARY (CONT.)



**Diversification** The investment practice of spreading assets in a portfolio among a number of different companies, industries, sectors and/or instruments. Under Modern Portfolio Theory, the practice of diversification may assist an investor in reducing overall portfolio risk and evening out portfolio returns.

**Domestic equity funds** are placed in a category based on the style and size of the stocks they typically own. The style and size parameters are based on the divisions used in the investment style box: Value, Blend, or Growth style and Small, Medium, or Large median market capitalization.

**Duration** A measure of the sensitivity of the price of a fixed-income security to a change in interest rates. Duration is expressed as a number of years.

Duration is a measure of interest rate risk. The larger the duration number, the greater the interest rate risk or reward for bond prices.

**Equity-Income** (Objective) Funds that are expected to pursue current income by investing at least 65% of their assets in dividend-paying equity securities.

**Excess Returns** The percentage of fund assets paid for operating and administrative expenses, as well as management fees. Fund expenses are reflected in a Fund's NAV.

**Expense Ratio** The percentage of fund assets paid for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV. Sales charges are not included in the expense ratio.

**Foreign Stock Category** An international fund having no more than 10% of stocks invested in the United States.

**Fund of Funds** A fund that specializes in buying shares in other mutual funds rather than individual securities. Quite often this type of fund is not discernible from its name alone, but rather through prospectus wording (i.e.: the fund's charter).

**Government Bond--General** (Objective) Offerings that pursue income by investing in a combination of mortgage-backed securities, Treasuries, and agency securities.

**Great-West Funds** S&P 500®, S&P Mid Cap 400® Index and S&P Small Cap 600® Index are registered trademarks of Standard & Poor's Financial Services LLC and have been licensed for use by Great-West Life & Annuity Insurance Company. The funds are not sponsored, endorsed, sold or promoted by Standard & Poor's, and Standard & Poor's makes no representation regarding the advisability of investing in the funds. The Great-West International Index Fund seeks to track the total return of the MSCI EAFE Index. The fund or securities referred to herein are not sponsored, endorsed or promoted by MSCI Inc., and MSCI bears no liability with respect to any such fund or securities or any index on which such fund or securities may be based. The prospectus contains a more detailed description of the limited relationship MSCI has with Great-West Capital Management, LLC and any related portfolios. The Great-West Real Estate Index Fund seeks to track the total return of the Dow Jones U.S. Select REIT IndexSM. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC, and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC. Both have been licensed for use by S&P Dow Jones Indices LLC and its affiliates and sublicensed for certain purposes by Great-West Capital Management, LLC. The Dow Jones U.S. Select REIT Index is a product of S&P Dow Jones Indices LLC or its affiliates and has been licensed for use by GWCM. The Great-West Real Estate Index Fund is not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, Dow Jones, S&P or their respective affiliates, and S&P Dow Jones Indices LLC; Dow Jones, S&P; and their respective affiliates make no representation regarding the advisability of investing in the fund. The Great-West Stock Index Fund seeks to track the total return of the S&P 500® Index and S&P Mid Cap 400® Index, weighted according to their pro rata share of the market. S&P 500® and S&P Mid Cap 400® are trademarks of Standard & Poor's and have been licensed for use by Great-West Life & Annuity Insurance Company. The fund is not sponsored, endorsed, sold or promoted by Standard & Poor's or its third-party licensors, and neither Standard & Poor's nor its third-party licensors make any representation regarding the advisability of investing in the fund.

**Growth** (Objective) Funds that pursue capital appreciation by investing primarily in equity securities. Current income, if considered at all, is a secondary concern.

**Growth and Income** (Objective) Growth of capital and current income are near-equal objectives for these funds. Investments are typically selected for both appreciation potential and dividend-paying ability.

**Index Fund** A fund that tracks a particular index and attempts to match returns. While an index typically has a much larger portfolio than a mutual fund, the fund's management may study the index's movements to develop a representative sampling, and match sectors proportionately.

**Information Ratio** Is an alternative to the Sharpe Ratio for measuring the risk-adjusted performance of a portfolio. It is calculated by subtracting the benchmark (usually an index) from the return of the portfolio as a whole, then dividing by the tracking error (standard deviation of the difference between portfolio returns and the returns of the index). The higher the Information Ratio, the better the more consistent a manager is.

**International Equity Funds** with 40% or more of their equity holdings in foreign stocks (on average over three years) are placed in the international equity class. These categories include Europe, Japan, International Hybrid, Latin America, Diversified Pacific, Pacific ex. Japan, Specialty Precious Metals, Diversified Emerging Markets, World Stock, and Foreign Stock. Foreign investments involve special risks, including currency fluctuations and political developments.

# APPENDIX - GLOSSARY (CONT.)



**Life Cycle** These funds are geared toward investors of a certain age or with a specific time horizon for investing. Typically they are grouped together in sets (i.e. conservative, moderate, and aggressive portfolios).

**Management Fees** The management fee is the percentage deducted from fund assets to pay an advisor or subadvisor. Often, as the fund's net assets grow, the percentage deducted for management fees decreases. For example, a particular fund may report a management fee of 0.40% on the first \$500 million in assets, 0.35% on all assets between \$500 million and \$1 billion, and 0.30% on assets in excess of \$1 billion. Thus, if the fund contains \$1.5 billion in total net assets, the advisor scales back its management fees accordingly. Alternatively, the fund may compute the fee as a flat percentage of average net assets. The management fee might also come in the form of a group fee (G), a performance fee (P), or a gross income fee (I). Note: The management fee is just one (albeit a major) component of a fund's costs. The overall expense ratio is the most useful number for investors. Actual fees are also noted in this section.

**Morningstar Category** identifies funds based on their actual investment styles as measured by their underlying portfolio holdings (portfolio statistics and compositions over the past three years). If the fund is new and has no portfolio, we estimate where it will fall before assigning a more permanent category. When necessary, we may change a category assignment based on current information.

**MSCI EAFE Ndr\_D** Listed for foreign stock funds (EAFE refers to Europe, Australasia, and Far East). Widely accepted as a benchmark for international stock performance, the EAFE Index is an aggregate of 21 individual country indexes that collectively represent many of the major markets of the world. Ndr\_D indexes are calculated daily and take into account actual dividends reinvested daily before withholding taxes, but exclude special tax credits declared by companies. In addition, Ndr\_D indexes subtract withholding taxes retained at the source, for foreigners who do not benefit from a double taxation treaty. The returns published for the index are total returns, which include reinvestment of dividends.

**MSCI World Ndr\_D** Includes all 23 MSCI developed market countries. Ndr\_D indexes are calculated daily and take into account actual dividends reinvested daily before withholding taxes, but exclude special tax credits declared by companies. In addition, Ndr\_D indexes subtract withholding taxes retained at the source, for foreigners who do not benefit from a double taxation treaty.

**Mutual fund** An investment option that pools money from many shareholders and invests it in a group of stocks, bonds, or other securities. Also known as an open-end investment management company, mutual funds are securities required to be registered with the SEC.

**NAV** Stands for net asset value, which is the fund's share price. Funds compute this value by dividing the total net assets by the total number of shares.

**Net Assets** The month-end net assets of the mutual fund, recorded in millions of dollars. Net-asset figures are useful in gauging a fund's size, agility, and popularity. They help determine whether a small company fund, for example, can remain in its investment-objective category if its asset base reaches an ungainly size.

**Prospectus** A fund's formal written statement, generally issued on an annual basis. In this statement the fund sets forth its proposed purposes and goals, and other facts (e.g.: history and investment objective) that an investor should know in order to make an informed decision.

**Prospectus Objective** Indicates a particular fund's investment goals, based on the wording in a fund's prospectus.

**R-squared (R<sup>2</sup>)** measures the degree to which movement in one variable is related to the movement in another variable. Portfolios with a high R-squared will react similarly to various market conditions. By combining investments with low correlations, an investor can reduce the overall risk within a portfolio.

**Risk** Basically there are four types of risk: 1) inflation risk means your money may not earn enough in the long run because as prices go up the value of your money goes down; 2) market risk means you could lose money because the price of a stock may go down; 3) credit risk means a company or organization that borrowed your money may not be able to pay it back; and 4) interest rate risk means you could lose money because as interest rates go up the value of bond investments goes down.

# APPENDIX - GLOSSARY (CONT.)



**Russell 1000** Consists of the 1000 largest companies within the Russell 3000 index. Also known as the Market-Oriented Index, because it represents the group of stocks from which most active money managers choose. The returns published for the index are total returns, which include reinvestment of dividends.

**Russell 1000 Growth** Market-capitalization weighted index of those firms in the Russell 1000 with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 includes the largest 1000 firms in the Russell 3000, which represents approximately 98% of the investable US equity market.

**Russell 1000 Value** Market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values. The Russell 1000 includes the largest 1000 firms in the Russell 3000, which represents approximately 98% of the investable US equity market.

**Russell 2000** Consists of the smallest 2000 companies in the Russell 3000 Index, representing approximately 7% of the Russell 3000 total market capitalization. The returns published for the index are total returns, which include reinvestment of dividends.

**Russell 2000 Growth** Market-weighted total return index that measures the performance of companies within the Russell 2000 Index having higher price-to-book ratios and higher forecasted growth values. The Russell 2000 Index includes the 2000 firms from the Russell 3000 Index with the smallest market capitalizations. The Russell 3000 Index represents 98% of the of the investable US equity market.

**Russell 2000 Value** Market-weighted total return index that measures the performance of companies within the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Index includes the 2000 firms from the Russell 3000 Index with the smallest market capitalizations. The Russell 3000 Index represents 98% of the of the investable US equity market.

**Share Classes** Shares of the same fund that offer different shareholder rights and obligations, such as different fee and load charges. Common share classes are A (front-end load), B (deferred fees), C (no sales charge and a relatively high annual 12b-1 fee, such as 1.00%). Multi-class funds hold the same investment portfolio for all classes, and differ only in their surrounding fee structure.

**Sharpe Ratio** measures the risk-adjusted performance of a portfolio. It is calculated by subtracting the risk-free rate of return (i.e., the return on treasury bills) from the return of the portfolio as a whole, then dividing by the standard deviation of the returns. The higher the Sharpe Ratio, the better the risk-adjusted performance of the portfolio.

**Sortino Ratio** is similar to the Sharpe Ratio, except that it uses downside deviation for the denominator instead of standard deviation. This alternative to the Sharpe Ratio provides a risk-adjusted measure of a security or fund's performance without penalizing it for upward price movements.

**Standard Deviation** A statistical measurement of dispersion about an average, which, for a mutual fund, depicts how widely the returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the range of returns that are most likely for a given fund. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

**Tax-deferred earnings** You don't have to pay taxes on any earnings in your defined contribution plan until you withdraw your money. The money in a defined contribution plan can grow faster than with other types of savings plans, because the earnings you accumulate, if any, are also tax-deferred.

**Turnover Ratio** A measure of the percentage of holdings that have been "turned over" -- replaced with other holdings -- within a portfolio during the course of a year.

**Variable funds** Investments that fluctuate with market conditions. Unlike guaranteed investments, such as bonds or CDs, variable funds don't guarantee a specific rate of return. They do offer potential for higher earnings in return for higher degree of market risk.

**World Stock Category** An international fund having more than 10% of stocks invested in the US. Also known as global funds. Foreign Investments involve special risks, including currency fluctuations and political developments.

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

FINANCE AND PERSONNEL COMMITTEE

EXECUTIVE DIRECTORS' AND DEPARTMENT DIRECTORS' EXPENSES  
FOR FISCAL YEAR 2019-2020

SUMMARY:

Pursuant to the Procedures for "Travel and Expense Authorizations and Reimbursements", staff has assembled an expense summary for IRWD's Executive Directors and Department Directors for the Fiscal Year (FY) ended June 30, 2020. Provided below is a summary of all expenses.

Executive and Department Directors	Conference, Travel and Other District-related Expenses
Beeman, Beth	\$ 1,602
Burton, Kevin	2,766
Wendy Chambers	7,698
Clary, Cheryl	5,383
James Colston	8,491
Jacobson, Rob	5,255
Malone, Thomas	0
Mossbarger, Tony	0
Rick Mykitta	996
Roberts, Tom	1,538
Roney, Jenny	5,944
Sanchez, Fiona	18,197
Weghorst, Paul	11,409
Zepeda, Jose	2,887
<i>Total Annual Expenses:</i>	<i>\$ 72,166</i>

More detailed summaries are included in Exhibits "A" and "B".

FISCAL IMPACTS:

Conference, travel and other District-related expenses for the Executive Directors and Department Directors total \$72,166 for the Fiscal Year ended June 30, 2020.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATIONS:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Expense Summary, All Members

Exhibit "B" – Expense Summary, By Individual





**Conference/Seminar or Monthly Expense Reports**  
**F.Y 2019 - 20**

**Through the Fourth Quarter, FY 2019 - 20**

Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Total
								# Miles	Amount	
Department Directors:										
Beth Beeman	725	-	542	-	-	-	335	-	-	1,602
Kevin Burton	-	1,954	531	20	70	54	137	-	-	2,766
Wendy Chambers	3,640	507	2,601	128	104	64	654	-	-	7,698
Cheryl Clary	345	542	2,290	629	208	75	1,294	-	-	5,383
James Colston	3,172	1,160	2,226	192	231	109	1,401	-	-	8,491
Rob Jacobson	226	817	1,666	152	38	85	2,271	-	-	5,255
Thomas Malone	-	-	-	-	-	-	-	-	-	-
Tony Mossbarger	-	-	-	-	-	-	-	-	-	-
Rick Mykitta	-	-	-	935	-	-	61	-	-	996
Tom Roberts	-	588	-	52	-	16	882	-	-	1,538
Jenny Roney	625	335	767	186	42	183	3,806	-	-	5,944
Fiona Sanchez	1,675	10,970	2,308	580	1,641	362	661	-	-	18,197
Paul Weghorst	1,955	6,488	1,230	348	850	260	278	-	-	11,409
Jose Zepeda	1,885	514	-	-	-	9	479	-	-	2,887
Total	\$ 14,248	\$ 23,875	\$ 14,161	\$ 3,222	\$ 3,184	\$ 1,217	\$ 12,259	-	\$ -	\$ 72,166

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**Beth Beeman**  
**Through the Fourth Quarter, FY 2019 - 20**

\*Detail of Description/Location provided on Expense Report

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**Irvine Ranch Water District  
Conference/Seminar or Monthly Expense Report  
F.Y 2019 - 20**

**Wendy Chambers  
Through the Fourth Quarter, FY 2019 - 20**

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Total
										# Miles	Amount	
<b><u>Monthly Expense Reports:</u></b>												
Paid	July 2019	Monthly Expense Report # 724737			595.25	58.59	29.49		15.47			698.80
	August 2019	Monthly Expense Report	None this month									
	September 2019	Monthly Expense Report	None this month									
Paid	October 2019	Monthly Expense Report # 725929	725.00		252.64				632.00			1,609.64
	November 2019	Monthly Expense Report	None this month									
Paid	December 2019	Monthly Expense Report # 730955			355.96	22.11	22.58					400.65
Paid	January 2020	Monthly Expense Report # 731988	1,265.00									1,265.00
Paid	February 2020	Monthly Expense Report # 737969						33.00				33.00
Paid	March 2020	Monthly Expense Report # 737968	725.00					31.00				756.00
	April 2020	Monthly Expense Report	None this month									
Paid	May 2020	Monthly Expense Report # 741033	(575.00)									(575.00)
	June 2020	Monthly Expense Report	None this month									
<b><u>Conferences/Seminars and Other Non-local Travel:</u></b>												
Paid	09/08/2019	WateReuse Annual Symposium, San Diego, CA	775.00		1,397.39		9.06					2,181.45
Paid	09/21/2019	WEF 2019 Conference, Chicago, IL	725.00	507.00		47.11	42.70		6.38			1,328.19
Total			3,640.00	507.00	2,601.24	127.81	103.83	64.00	653.85	0.00	0.00	7,697.73

\*Detail of Description/Location provided on Expense Report



**Irvine Ranch Water District  
Conference/Seminar or Monthly Expense Report  
F.Y 2019 - 20**

**Cheryl Clary**  
**Through the Fourth Quarter, FY 2019 - 20**

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Total
										# Miles	Amount	
<b><u>Monthly Expense Reports:</u></b>												
Paid	July 2019	Monthly Expense Report	None this month									
	August 2019	Monthly Expense Report # 720809			206.20	82.27			9.58			298.05
	September 2019	Monthly Expense Report	None this month									
	October 2019	Monthly Expense Report	None this month									
Paid	November 2019	Monthly Expense Report # 728948 / # 728949					25.54	15.00				40.54
Paid	December 2019	Monthly Expense Report # 729024			749.55	247.91		28.00	656.92			1,682.38
Paid	January 2020	Monthly Expense Report # 731983 / # 729072					17.49		460.00			477.49
Paid	February 2020	Monthly Expense Report # 736965 / # 733959			219.61	32.18	137.23	8.00	34.55			431.57
Paid	March 2020	Monthly Expense Report # 736964				50.41		24.00	132.54			206.95
	April 2020	Monthly Expense Report	None this month									
	May 2020	Monthly Expense Report	None this month									
Paid	June 2020	Monthly Expense Report # 742060	105.00									105.00
<b><u>Conferences/Seminars and Other Non-local Travel:</u></b>												
Paid	09/23/2019	The Bond Buyer's CA Public Finance Conf., San Francisco	240.00	541.96	1,114.71	216.02	28.16					2,140.85
Total			345.00	541.96	2,290.07	628.79	208.42	75.00	1,293.59	0.00	0.00	5,382.83

\*Detail of Description/Location provided on Expense Report



**Irvine Ranch Water District  
Conference/Seminar or Monthly Expense Report  
F.Y 2019 - 20**

**James Colston  
Through the Fourth Quarter, FY 2019 - 20**

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Total
										# Miles	Amount	
<b>Monthly Expense Reports:</b>												
Paid	July 2019	Monthly Expense Report	None this month									-
	August 2019	Monthly Expense Report # 720803				22.27						22.27
	September 2019	Monthly Expense Report	None this month									-
	October 2019	Monthly Expense Report	None this month									-
	November 2019	Monthly Expense Report	None this month									-
Paid	December 2019	Monthly Expense Report # 730947							34.30			34.30
Paid	January 2020	Monthly Expense Report # 729067 / # 729059	260.00						549.35			809.35
Paid	February 2020	Monthly Expense Report # 729137	332.00					20.00	790.00			1,142.00
Paid	March 2020	Monthly Expense Report # 737956		756.80								756.80
	April 2020	Monthly Expense Report	None this month									-
	May 2020	Monthly Expense Report	None this month									-
	June 2020	Monthly Expense Report	None this month									-
<b>Conferences/Seminars and Other Non-local Travel:</b>												
Paid	08/21/2019	CASA 64th Annual Conf., San Diego, CA	595.00		654.06	40.00			16.99			1,306.05
Paid	09/08/2019	WateReuse 34th Annual Symposium, San Diego, CA	700.00		561.80	38.09		70.00	5.55			1,375.44
Paid	10/17/2019	ACWA Regulatory Summit 2019, Sacramento, CA	290.00	188.96		28.50	118.30	19.00	4.73			649.49
Paid	11/20/2019	NACWA 2019 National Clean Water Law, Austin, TX	995.00	214.63	1,009.95	63.35	112.44					2,395.37
Total			3,172.00	1,160.39	2,225.81	192.21	230.74	109.00	1,400.92	0	0.00	8,491.07

\*Detail of Description/Location provided on Expense Report



**Irvine Ranch Water District  
Conference/Seminar or Monthly Expense Report  
F.Y 2019 - 20**

**Rob Jacobson  
Through the Fourth Quarter, FY 2019 - 20**

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Total
										# Miles	Amount	
<b>Monthly Expense Reports:</b>												
	July 2019	Monthly Expense Report	None this month									-
	August 2019	Monthly Expense Report	None this month									-
	September 2019	Monthly Expense Report	None this month									-
	October 2019	Monthly Expense Report	None this month									-
Paid	November 2019	Monthly Expense Report # 728950							467.88			467.88
Paid	December 2019	Monthly Expense Report # 729023						8.75				8.75
	January 2020	Monthly Expense Report	None this month									-
Paid	February 2020	Monthly Expense Report # 733955							730.62			730.62
	March 2020	Monthly Expense Report	None this month									-
	April 2020	Monthly Expense Report	None this month									-
Paid	May 2020	Monthly Expense Report # 740007							365.31			365.31
Paid	June 2020	Monthly Expense Report # 742061							684.96			684.96
<b>Conferences/Seminars and Other Non-local Travel:</b>												
Paid	09/22/2019	The Bond Buyer's CA Public Finance Conf, San Fran	225.50	258.94	1,114.71	61.94		76.00	18.99			1,756.08
Paid	01/26/2020	GFOA Winter meetings, Washington, DC		558.39	551.76	90.09	38.17		3.00			1,241.41
Total			225.50	817.33	1,666.47	152.03	38.17	84.75	2,270.76	0	0.00	5,255.01

\*Detail of Description/Location provided on Expense Report





**Irvine Ranch Water District  
Conference/Seminar or Monthly Expense Report  
F.Y 2019 - 20**

**Thomas Malone  
Through the Fourth Quarter, FY 2019 - 20**

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Total
										# Miles	Amount	
<b><u>Monthly Expense Reports:</u></b>												
	July 2019	Monthly Expense Report	None this month									-
	August 2019	Monthly Expense Report	None this month									-
	September 2019	Monthly Expense Report	None this month									-
	October 2019	Monthly Expense Report	None this month									-
	November 2019	Monthly Expense Report	None this month									-
	December 2019	Monthly Expense Report	None this month									-
	January 2020	Monthly Expense Report	None this month									-
	February 2020	Monthly Expense Report	None this month									-
	March 2020	Monthly Expense Report	None this month									-
	April 2020	Monthly Expense Report	None this month									-
	May 2020	Monthly Expense Report	None this month									-
	June 2020	Monthly Expense Report	None this month									-
<b><u>Conferences/Seminars and Other Non-local Travel:</u></b>												
												-
Total			0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	0.00	-

\*Detail of Description/Location provided on Expense Report



**Irvine Ranch Water District  
Conference/Seminar or Monthly Expense Report  
F.Y 2019 - 20**

**Tony Mossbarger  
Through the Fourth Quarter, FY 2019 - 20**

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Total
										# Miles	Amount	
<b><u>Monthly Expense Reports:</u></b>												
	July 2019	Monthly Expense Report	None this month									-
	August 2019	Monthly Expense Report	None this month									-
	September 2019	Monthly Expense Report	None this month									-
	October 2019	Monthly Expense Report	None this month									-
	November 2019	Monthly Expense Report	None this month									-
	December 2019	Monthly Expense Report	None this month									-
	January 2020	Monthly Expense Report	None this month									-
	February 2020	Monthly Expense Report	None this month									-
	March 2020	Monthly Expense Report	None this month									-
	April 2020	Monthly Expense Report	None this month									-
	May 2020	Monthly Expense Report	None this month									-
	June 2020	Monthly Expense Report	None this month									-
<b><u>Conferences/Seminars and Other Non-local Travel:</u></b>												
												-
Total			0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	0.00	-

\*Detail of Description/Location provided on Expense Report



**Irvine Ranch Water District  
Conference/Seminar or Monthly Expense Report  
F.Y 2019 - 20**

**Rick Mykitta  
Through the Fourth Quarter, FY 2019 - 20**

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Total
										# Miles	Amount	
<b><u>Monthly Expense Reports:</u></b>												
Paid	July 2019	Monthly Expense Report # 720769	None this month			131.60			19.37			150.97
	August 2019	Monthly Expense Report				-						
Paid	September 2019	Monthly Expense Report # 726886				111.25			111.25			
Paid	October 2019	Monthly Expense Report # 725936				169.62			169.62			
Paid	November 2019	Monthly Expense Report # 728962				198.11			198.11			
Paid	December 2019	Monthly Expense Report # 729027	75.77	6.50	82.27							
Paid	January 2020	Monthly Expense Report # 731989	41.72		41.72							
Paid	February 2020	Monthly Expense Report # 735958	80.02		80.02							
Paid	March 2020	Monthly Expense Report # 737985	104.44		104.44							
Paid	April 2020	Monthly Expense Report # 738978	22.66		22.66							
	May 2020	Monthly Expense Report	None this month						35.46			-
Paid	June 2020	Monthly Expense Report # 741088										35.46
<b><u>Conferences/Seminars and Other Non-local Travel:</u></b>												
												-
Total			0.00	0.00	0.00	935.19	0.00	0.00	61.33	-	0.00	996.52

\*Detail of Description/Location provided on Expense Report



**Irvine Ranch Water District  
Conference/Seminar or Monthly Expense Report  
F.Y 2019 - 20**

**Tom Roberts  
Through the Fourth Quarter, FY 2019 - 20**

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Total
										# Miles	Amount	
Monthly Expense Reports:												
Paid	July 2019	Monthly Expense Report	None this month	588.38		51.72			881.87			-
	August 2019	Monthly Expense Report	None this month									-
September 2019	Monthly Expense Report	None this month	-									
October 2019	Monthly Expense Report	None this month	-									
November 2019	Monthly Expense Report # 728958		933.59									
December 2019	Monthly Expense Report	None this month	-									
Paid	January 2020	Monthly Expense Report # 729100										588.38
Paid	February 2020	Monthly Expense Report # 735964										16.00
	March 2020	Monthly Expense Report	None this month									-
	April 2020	Monthly Expense Report	None this month									-
	May 2020	Monthly Expense Report	None this month	-								
	June 2020	Monthly Expense Report	None this month	-								
Conferences/Seminars and Other Non-local Travel:												
												-
Total			0.00	588.38	0.00	51.72	0.00	16.00	881.87	-	0.00	1,537.97

\*Detail of Description/Location provided on Expense Report



**Irvine Ranch Water District  
Conference/Seminar or Monthly Expense Report  
F.Y 2019 - 20**

**Jenny Roney  
Through the Fourth Quarter, FY 2019 - 20**

Date		Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Total
										# Miles	Amount	
<b><u>Monthly Expense Reports:</u></b>												
Paid	July 2019	Monthly Expense Report # 720759							41.59			41.59
Paid	August 2019	Monthly Expense Report # 724774						8.75	2,675.75			2,684.50
Paid	September 2019	Monthly Expense Report # 726893				52.19		87.00				139.19
	October 2019	Monthly Expense Report	None this month									-
Paid	November 2019	Monthly Expense Report # 730966 / # 729944				15.49			687.07			702.56
Paid	December 2019	Monthly Expense Report # 729015							25.00			25.00
Paid	January 2020	Monthly Expense Report # 731984	625.00	275.60					250.00			1,150.60
Paid	February 2020	Monthly Expense Report # 733984		60.00	766.92	65.69	41.92					934.53
	March 2020	Monthly Expense Report	None this month									-
	April 2020	Monthly Expense Report	None this month									-
Paid	May 2020	Monthly Expense Report # 739993							63.56			63.56
Paid	June 2020	Monthly Expense Report # 741054							63.56			63.56
												-
<b><u>Conferences/Seminars and Other Non-local Travel:</u></b>												
Paid	08/25/2019	Professionals in HR Assoc., Long Beach, CA				52.19		87.00				139.19
Total			625.00	335.60	766.92	185.56	41.92	182.75	3,806.53	-	0.00	5,944.28

\*Detail of Description/Location provided on Expense Report



**Irvine Ranch Water District  
Conference/Seminar or Monthly Expense Report  
F.Y 2019 - 20**

**Fiona Sanchez  
Through the Fourth Quarter, FY 2019 - 20**

Date		Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Total
										# Miles	Amount	
Monthly Expense Reports												
Paid	July 2019	Monthly Expense Report # 724762	725.00	1,751.88								2,476.88
Paid	August 2019	Monthly Expense Report # 725831		583.96		51.68	84.65	20.00				740.29
Paid	September 2019	Monthly Expense Report # 725865 / # 726871	225.00	1,751.88	495.23	126.24	425.65	100.00	17.42			3,141.42
Paid	October 2019	Monthly Expense Report # 726931		1,177.92		31.60	156.00	40.00	15.75			1,421.27
Paid	November 2019	Monthly Expense Report # 729010		1,087.92		37.31	156.00	27.24	7.56			1,316.03
Paid	December 2019	Monthly Expense Report # 729020			471.56	15.76	78.00	37.00	56.37			658.69
Paid	January 2020	Monthly Expense Report # 729094		1,770.72				20.00	128.22			1,918.94
Paid	February 2020	Monthly Expense Report # 738969 / # 739975	725.00	1,645.50	478.27	208.99	223.80	54.00	227.37			3,562.93
Paid	March 2020	Monthly Expense Report # 739976		(551.96)	596.18	77.58	268.04		45.66			435.50
Paid	April 2020	Monthly Expense Report # 739977							134.18			134.18
Paid	May 2020	Monthly Expense Report # 741022							25.31			25.31
	June 2020	Monthly Expense Report										-
												-
Conferences/Seminars and Other Non-local Travel												
Paid	07/08/2019	SWRCB Proposed Water Loss Regulations, Sacramento, CA		583.96		15.62	78.00	20.00				697.58
Paid	07/26/2019	DWR Kern Fan Project, Sacramento, CA		583.96	267.19	4.30	92.40	24.00				971.85
Paid	07/29/2019	SWRCB Proposed Water Loss Regulations, Sacramento, CA		583.96		10.63	78.00	20.00	3.38			695.97
</												

\*Detail of Description/Location provided on Expense Report



**Irvine Ranch Water District  
Conference/Seminar or Monthly Expense Report  
F.Y 2019 - 20**

**Paul Weghorst  
Through the Fourth Quarter, FY 2019 - 20**

Date		Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Total
										# Miles	Amount	
Monthly Expense Reports												
Paid	July 2019	Monthly Expense Report # 724726	725.00	583.96	236.67							1,545.63
Paid	August 2019	Monthly Expense Report # 725861	505.00		149.66		52.61					707.27
Paid	September 2019	Monthly Expense Report # 726942						25.00	82.73			107.73
Paid	October 2019	Monthly Expense Report # 725919		1,086.56	(94.10)	11.88	132.18	40.00	41.12			1,217.64
Paid	November 2019	Monthly Expense Report # 728989		629.96		18.30						648.26
Paid	December 2019	Monthly Expense Report # 733975 / # 733973		573.96	781.66	26.10	60.73	70.00				1,512.45
	January 2020	Monthly Expense Report	None this month									-
Paid	February 2020	Monthly Expense Report # 733976	725.00	1,087.94	156.44	121.64	207.50	65.00	6.88			2,370.40
	March 2020	Monthly Expense Report	None this month									-
	April 2020	Monthly Expense Report	None this month									-
Paid	May 2020	Monthly Expense Report # 741021							119.05			119.05
	June 2020	Monthly Expense Report	None this month									-
												-
Conferences/Seminars and Other Non-local Travel												
Paid	07/26/2019	Kern Fan Project, Sacramento, CA		583.96		122.40	38.42	20.00	8.29			773.07
Paid	08/07/2019	Kern Fan Modeling Technical meeting, Sacramento, CA		583.96		12.91	28.10	20.00	3.99			648.96
Paid	08/14/2019	Urban Water Institute 26th Annual Conf., San Diego, CA		236.68			193.15					429.82
Paid	08/14/2019	Kern Fan Groudwater Recharge Integration, Sacramento, CA		536.96		17.77	63.11		7.67			625.51
Paid	09/20/2019	Kern Fan Meeting, Sacramento, CA		583.96		17.10	74.40	20.00	7.98			703.44
Total			1,955.00	6,487.90	1,230.33	348.10	850.20	260.00	277.71	-	0.00	11,409.23

\*Detail of Description/Location provided on Expense Report



**Irvine Ranch Water District  
Conference/Seminar or Monthly Expense Report  
F.Y 2019 - 20**

**Jose Zepeda  
Through the Fourth Quarter, FY 2019 - 20**

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Total	
										# Miles	Amount		
Monthly Expense Reports:													
Paid	July 2019	Monthly Expense Report	None this month	513.90				9.00				-	
	August 2019	Monthly Expense Report	None this month									-	
September 2019	Monthly Expense Report # 726880	185.00	185.00										
Paid	October 2019	Monthly Expense Report	None this month									-	
	November 2019	Monthly Expense Report # 728957										9.00	
Paid	December 2019	Monthly Expense Report	None this month									-	
	January 2020	Monthly Expense Report # 731991										109.27	
Paid	February 2020	Monthly Expense Report # 735953	2,510.00									369.70	2,879.70
Paid	March 2020	Monthly Expense Report # 737978										513.90	
Paid	April 2020	Monthly Expense Report	None this month									-	
	May 2020	Monthly Expense Report # 741034	(810.00)	(810.00)									
	June 2020	Monthly Expense Report	None this month	-									
Conferences/Seminars and Other Non-local Travel:													
												-	
Total			1,885.00	513.90	0.00	0.00	0.00	9.00	478.97	-	0.00	2,886.87	

\*Detail of Description/Location provided on Expense Report



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

FINANCE AND PERSONNEL COMMITTEE

**BOARD MEMBERS AND GENERAL MANAGER  
EXPENSES AND FEES FOR FISCAL YEAR 2019-20**

**SUMMARY:**

Pursuant to the Policy for “Business Expense Reimbursement, Travel, Meeting Compensation and Representation”, staff has assembled an Expense Summary for the IRWD Board Members and General Manager for Fiscal Year (FY) 2019-20. Provided below is a summary of expenses and fees paid for the fiscal year.

	Name	Conference, Travel, and Other District-Related Expenses	Meeting Fees	Total
Board Members:	LaMar	\$ 9,379	\$ 33,590	\$ 42,969
	Matheis	14,582	32,362	46,944
	Reinhart	6,183	33,548	39,731
	Swan	17,389	28,256	45,545
	Withers	3,099	28,616	31,715
	<b>Sub-Total:</b>	<b>\$ 50,632</b>	<b>\$ 156,272</b>	<b>\$ 206,904</b>
General Manager:	Cook	\$ 5,074	N/A	\$ 5,074
	<b>Sub-Total:</b>	<b>\$ 5,074</b>	<b>N/A</b>	<b>\$ 5,074</b>
<b>TOTAL:</b>		<b>\$ 55,706</b>	<b>\$ 156,272</b>	<b>\$ 211,978</b>
<b>YTD Budget:</b>		<b>\$ 108,000</b>	<b>\$ 177,000</b>	<b>\$ 285,000</b>
<b>Variance:</b>		<b>\$ 52,294</b>	<b>\$ 20,728</b>	<b>\$ 73,022</b>

More detailed summaries are included in Exhibits “A” and “B”.

**FISCAL IMPACTS:**

Meeting fees total \$156,272 versus a budget of \$177,000 resulting in a positive variance of \$20,728 for the full fiscal year. Conference and meeting-related travel expenses total \$55,706 versus a budget of \$108,000, resulting in a positive variance of \$52,294.

The total cost for Board and General Manager conference, travel, and other District-related expenses, including meeting fees for FY 2019-20 is \$211,978, resulting in a positive variance of \$73,022 to budget.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Expense Summary, All Members  
Exhibit "B" – Expense Summary, By Individual



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

**All Board Members/General Manager**

Name	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Reimb. By ACWA	Total
								# Miles	Amount		
<b>Board Members:</b>											
Steven LaMar	\$ 1,956	\$ 10,381	\$ 3,137	\$ 219	\$ 280	\$ 325	\$ -	616	\$ 357	(7,276)	9,379
Mary Aileen Matheis	3,671	3,792	5,934	221	643	-	133	325	188	-	14,582
Doug Reinhart	2,325	-	2,786	256	285	133	-	688	398	-	6,183
Peer Swan	3,270	5,977	4,204	259	287	628	471	3,958	2,293	-	17,389
John Withers	1,829	-	993	-	227	50	-	-	-	-	3,099
											-
											-
											-
											-
											-
											-
<b>General Manager:</b>											
Paul Cook	-	2,641	542	1,041	90	57	703	-	-	-	5,074
											-
											-
<b>Total</b>	<b>\$ 13,051</b>	<b>\$ 22,791</b>	<b>\$ 17,596</b>	<b>\$ 1,996</b>	<b>\$ 1,812</b>	<b>\$ 1,193</b>	<b>\$ 1,307</b>	<b>5,587</b>	<b>\$ 3,236</b>	<b>\$ (7,276)</b>	<b>\$ 55,706</b>

Note: This page is intentionally left blank.

**Steven LaMar**

\*Detail of Description/Location provided on Expense Report



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

**Mary Aileen Matheis**

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Reimb. By ACWA	Total
										# Miles	Amount		
<b>Monthly Expense Reports</b>													
Paid	July 2019	*Various business meetings	505.46				50.00						\$ 555.46
Paid	August 2019	*Various business meetings	130.00										130.00
Paid	September 2019	IEUA Water Association Leadership, Ontario, CA	20.00										20.00
Paid	October 2019	ISDOC Quarterly meeting, Fountain Valley, CA	20.00										20.00
Paid	November 2019	Orange County Business Council Red Carpet Awards, Costa M	85.00										85.00
Paid	December 2019	Chapman University Economic Forecast, Costa Mesa	188.00										188.00
Paid	January 2020	*Various business meetings	177.00										177.00
	February 2020	Monthly Expense Report (no activity this period)											-
	March 2020	Monthly Expense Report (no activity this period)											-
	April 2020	Monthly Expense Report (no activity this period)											-
	May 2020	Monthly Expense Report (no activity this period)											-
	June 2020	Monthly Expense Report (no activity this period)											-
<b>Conferences/Seminars and Other Non-local Travel</b>													
Paid July'19	February 2019	*Various business meetings for the month of February 2019		60.00	946.94		69.94		8.00				1,084.88
Paid July'19	April 2019	*Various business meetings for the month of April 2019			224.27					165	95.82		320.09
Paid July'19	May 2019	*Various business meetings for the month of May 2019		711.00	1,042.92	48.59	62.48		8.00				1,872.99
Paid Aug'19	June 2019	*Various business meetings for the month of June 2019		354.60	1,135.70	26.29	30.00		8.00				1,554.59
Paid	August 2019	Urban Water Institute's Annual Conf., San Diego, CA			808.05	48.88			6.00	160	92.57		955.50
Paid	September 2019	WEF 2019 Colorado River Symposium, Santa Fe, NM	725.00	878.50	425.97	15.16	132.32		11.00				2,187.95
Paid	October 16, 2019	ACWA Regulatory Summit, Sacramento, CA	290.00	583.96	195.71	25.75	146.40		2.00				1,243.82
Paid	October 30, 2019	WEF 36th Annual Water Summit, Sacramento, CA	300.44	583.96			102.00						986.40
Paid	12/02/2019	ACWA 2019 Fall Conference, San Diego, CA	725.00		943.12	56.45	18.00		86.00				1,828.57
Paid	12/11/2019	Colorado River Water Users Assoc. 2019 Conf., Las Vegas, NV	505.00	619.96	210.89		32.00		4.00				1,371.85
													-
													-
													-
													-
													-
<b>Total</b>			<b>\$ 3,670.90</b>	<b>\$ 3,791.98</b>	<b>\$ 5,933.57</b>	<b>\$ 221.12</b>	<b>\$ 643.14</b>	<b>\$ -</b>	<b>\$ 133.00</b>	<b>325</b>	<b>\$ 188.39</b>	<b>\$ -</b>	<b>\$ 14,582.10</b>

\*Detail of Description/Location provided on Expense Report



Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb # Miles	Reimb Amount	By ACWA	Total
<b>Monthly Expense Reports</b>													
	July 2019	Monthly Expense Report (no activity this period)											\$ -
	August 2019	Monthly Expense Report (no activity this period)											-
Paid	September 2019	MWDOC Water Policy Forum & Dinner, Costa Mesa	106.25										106.25
Paid	October 2019	Orange County Business Council's Economic Forescast,Irv	200.00										200.00
	November 2019	Monthly Expense Report (no activity this period)											-
Paid	December 2019	Colorado River Water Users Assoc. Conf., Las Vegas, NV	188.00				32.00						220.00
	January 2020	Monthly Expense Report (no activity this period)											-
Paid	February 2020	MWDOC Water Policy Forum & Dinner, Costa Mesa	106.25										106.25
	March 2020	Monthly Expense Report (no activity this period)											-
	April 2020	Monthly Expense Report (no activity this period)											-
	May 2020	Monthly Expense Report (no activity this period)											-
	June 2020	Monthly Expense Report (no activity this period)											-
													-
													-
<b>Conferences/Seminars and Other Non-local Travel</b>													-
Paid Jul'19	May 2019	ACWA 2019 Spring Conf., Monterey, CA			774.84	99.94	252.86	60.00					1,187.64
Paid	August 2019	Urban Water Institute's Annual Conf., San Diego, CA	425.00		538.70	45.60				154	89.44		1,098.74
Paid	09/09/2019	WaterReuse 2019 Annual Conf., San Diego, CA			376.75	9.43		73.00		166	96.28		555.46
Paid	12/03/2019	ACWA 2019 Fall Conf., San Diego, CA	725.00		707.34					166	96.16		1,528.50
Paid	02/19/2020	Urban Water Institute's Spring Conf., Palm Springs, CA	575.00		388.22	101.27				202	116.15		1,180.64
													-
													-
													-
													-
													-
													-
													-
<b>Total</b>			<b>\$ 2,325.50</b>	<b>\$ -</b>	<b>\$ 2,785.85</b>	<b>\$ 256.24</b>	<b>\$ 284.86</b>	<b>\$ 133.00</b>	<b>\$ -</b>	<b>688</b>	<b>\$ 398.03</b>	<b>\$ -</b>	<b>\$ 6,183.48</b>

B-3



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

Peer Swan

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Reimb. By ACWA	Total
										# Miles	Amount		
Monthly Expense Reports *													
Paid	July 2019	*Various business meetings							\$ 9.72	50	\$ 29.24		\$ 38.96
	August 2019	Monthly Expense Report (no activity this period)											-
Paid	September 2019	*Various business meetings	20.00						34.02	254	147.57		201.59
Paid	October 2019	*Various business meetings	30.00					20.00	59.58	419	243.22		352.80
Paid	November 2019	*Various business meetings	30.00						45.00	189	109.42		184.42
	December 2019	Monthly Expense Report (no activity this period)											-
	January 2020	Monthly Expense Report (no activity this period)	30.00						46.80	537	308.49		385.29
	February 2020	Monthly Expense Report (no activity this period)											-
	March 2020	Monthly Expense Report (no activity this period)											-
	April 2020	Monthly Expense Report (no activity this period)											-
	May 2020	Monthly Expense Report (no activity this period)											-
	June 2020	Monthly Expense Report (no activity this period)											-
Conferences/Seminars and Other Non-local Travel													
Paid Jul'19	February 2019	Annual Washington DC Conf for CASA & ACWA		743.56		29.52	67.16		4.86	14	8.12		853.22
Paid Jul'19	February 2019	*Professional meetings for month of February 2019							43.74	226	131.04		174.78
Paid Jul'19	March 2019	Water Now 4th Annual Summit, Austin, TX		643.36	863.56	27.55	48.36	70.00	4.86	14	8.24		1,665.93
Paid Jul'19	March 2019	*Professional meetings for month of March 2019		573.96		31.54		20.00	38.88	193	112.09		776.47
Paid Jul'19	April 2019	*Professional meetings for month of April 2019		573.96		6.19	66.50	20.00	63.18	430	249.21		979.04
Paid Sep'19	May 2019	*Professional meetings for month of May 2019						26.00	41.31	357	206.86		274.17
Paid Sep'19	May 2019	ACWA 2019 Spring Conf., Monterey, CA			1,356.16	14.97		125.00	4.86	736	426.88		1,927.87
Paid Sep'19	June 2019	Watershed Stewardship Wildland Urban, Auburn, CA		583.96	313.74	44.30		48.00	2.43	10	6.09		998.52
Paid Sep'19	June 2019	*Professional meetings for month of June 2019							48.60	315	182.96		231.56
Paid	10/01/2019	WEF Northern California Water Tour, Sacramento, CA	895.00	583.96	234.10	34.50		80.00	4.86	14	8.24		1,840.66
Paid	10/30/2019	WEF 2019 Water Summit, Sacramento, CA	300.44	583.96		8.64		20.00	2.43	21	11.95		927.42
Paid	11/05/2019	WEF Central Coast Tour, San Jose, CA	645.00	501.96	289.56	10.32	13.15	54.00	4.86	14	8.24		1,527.09
Paid	12/02/2019	ACWA 2019 Fall Conference, San Diego, CA	725.00		707.34			105.00	10.98	165	95.47		1,643.79
Paid	01/16/2020	Public Policy Institute of Calif. Speaker Series, Sacramento, CA		1,187.96		30.79	92.09	40.00					1,350.84
Paid	01/21/2020	Calif. Assoc. of Sanitation Agencies Winter Conf.,Indian Wells	595.00		439.74	20.64							1,055.38
													-
													-
													-
													-
Total			\$ 3,270.44	\$ 5,976.64	\$ 4,204.20	\$ 258.96	\$ 287.26	\$ 628.00	\$ 470.97	3,958	\$ 2,293.33	\$ -	\$ 17,389.80

\*Detail of Description/Location provided on Expense Report





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

## John Withers

Date Paid	Date Incurred	Description/Location	Registration Fees	Airfare	Lodging	Meals	Taxi/Shuttle/ Auto Rental	Parking Fees	Other	Mileage Reimb		Reimb. By ACWA	Total
										# Miles	Amount		
<b>Monthly Expense Reports</b>													
Paid	July 2019	*Various business meetings	120.00										\$ 120.00
Paid	August 2019	*Various business meetings	130.00										130.00
Paid	September 2019	*Various business meetings	126.25										126.25
Paid	October 2019	Orange County Business Council Economic Forecast, Irvine	200.00										200.00
Paid	November 2019	Orange County Business Council Red Carpet Awards, Costa Mesa	85.00										85.00
	December 2019	Monthly Expense Report (no activity this period)	-										-
Paid	January 2020	*Various business meetings	62.00										62.00
Paid	February 2020	*Various business meetings	381.25										381.25
	March 2020	Monthly Expense Report (no activity this period)	-										-
	April 2020	Monthly Expense Report (no activity this period)	-										-
	May 2020	Monthly Expense Report (no activity this period)	-										-
	June 2020	Monthly Expense Report (no activity this period)	-										-
<b>Conferences/Seminars and Other Non-local Travel</b>													
													-
Paid Jul'19	May 2019	ACWA 2019 Spring Conf., Monterey, CA			521.46		226.97	50.00					798.43
Paid	12/02/2019	ACWA 2019 Fall Conf., San Diego, CA	725.00		471.56								1,196.56
													-
													-
													-
													-
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													-
													-
<b>Total</b>			<b>\$ 1,829.50</b>	<b>\$ -</b>	<b>\$ 993.02</b>	<b>\$ -</b>	<b>\$ 226.97</b>	<b>\$ 50.00</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,099.49</b>


\*Detail of Description/Location provided on Expense Report



# Paul Cook

# Paul Cook

# Paul Cook

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

FINANCE AND PERSONNEL COMMITTEE

FISCAL YEAR 2019-20 LEGAL FEES ANALYSIS

SUMMARY:

The analysis provides a summary of legal fees incurred by IRWD for the full Fiscal Year (FY) 2019-20.

BACKGROUND:

Legal fees for FY 2019-20 supporting the operations of IRWD totaled \$1,734,907 compared to a budget of \$2,690,000 resulting in a positive variance of \$955,093 or 35.5%.

There were positive variances in all legal services categories supporting the general operations of the District including general services, litigation, special projects, personnel issues and insurance litigation. Actual legal fees accounted for 1.06% of actual operating expenses and 2.85% of total expenditures.

Capitalized legal fees associated with major capital projects for FY 2019-20 totaled \$5,229,387. The Michelson Water Recycling Plant Biosolids and Energy Recovery Facility comprised 99.0% of the total legal fees associated with capital spending for FY 2019-20.

Non-operating legal fees for FY 2019-20 totaled \$70,994 for bond counsel rendered in connection with the 2011 Index Tender Notes Annual Remarketing.

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

FISCAL IMPACTS:

Fiscal impacts are outlined above.

ENVIRONMENTAL COMPLIANCE :

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit “A” –Legal Fees, Fiscal Year 2019-20

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

**Legal Fees**  
**Fiscal Year 2019 - 2020**

Firm	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Actual Operating Legal Fees	YTD Budget Operating Legal Fees	YTD % Actual vs Budget
<b><u>Operating Legal Fees:</u></b>							
<b><u>General Services:</u></b>							
Alston & Bird LLP	\$ -	\$ 877	\$ 783	\$ 1,404	\$ 3,064		
Hanson Bridgett LLP	\$ -	\$ -	\$ 225,000	\$ 303,011	\$ 528,011		
Kronick Moskowitz Tiedemann & Girard	\$ (11,915)	\$ 16,333	\$ (14,155)	\$ 17,614	\$ 7,877		
Lewis Brisbois Bisgaard & Smith LLP	\$ 121,270	\$ 198,990	\$ (14,652)	\$ 2,970	\$ 308,578		
Sub-total	\$ 109,355	\$ 216,200	\$ 196,976	\$ 324,999	\$ 847,530	\$ 900,000	94.2%
<b><u>Litigation:</u></b>							
Alston & Bird LLP	\$ 221,290	\$ 39,182	\$ 514,365	\$ (119,362)	\$ 655,475		
Kronick Moskowitz Tiedemann & Girard				\$ 90,184	\$ 90,184		
Sub-total	\$ 221,290	\$ 39,182	\$ 514,365	\$ (29,178)	\$ 745,659	\$ 1,350,000	55.2%
<b><u>Special Projects:</u></b>							
Hanson Bridgett LLP	\$ -	\$ -	\$ 50,000	\$ (50,000)	\$ -		
Sub-total	\$ -	\$ -	\$ 50,000	\$ (50,000)	\$ -	\$ 200,000	0.0%
<b><u>Personnel Issues:</u></b>							
Burke, Williams & Sorensen, LLP	\$ 2,633	\$ -	\$ 2,372	\$ 1,105	\$ 6,110		
Payne & Fears LLP	\$ 9,809	\$ 1,785	\$ 36,119	\$ (25,740)	\$ 21,973		
Pillsbury Winthrop Shaw Pittman LLP	\$ 5,177	\$ 13,983	\$ 3,494	\$ 8,933	\$ 31,587		
Sub-total	\$ 17,619	\$ 15,768	\$ 41,985	\$ (15,702)	\$ 59,670	\$ 140,000	42.6%
<b><u>Insurance Litigation:</u></b>							
Everett Dorey LLP	\$ 14,553	\$ 26,624	\$ 9,096	\$ 31,622	\$ 81,895		
Woodruff, Spradlin & Smart	\$ 51	\$ 77	\$ -	\$ 25	\$ 153		
Sub-total	\$ 14,604	\$ 26,701	\$ 9,096	\$ 31,647	\$ 82,048	\$ 100,000	82.1%
<b>Total Operating Legal Fees</b>	<b>\$ 362,868</b>	<b>\$ 297,851</b>	<b>\$ 812,422</b>	<b>\$ 261,766</b>	<b>\$ 1,734,907</b>	<b>\$ 2,690,000</b>	<b>64.5%</b>

**Major Capital Projects Legal Fees:**

Asset Optimization - Lake Forest Develop.	\$ 2,688	\$ -	\$ -	\$ 3,360	\$ 6,048
Kern Fan Groundwater Storage	\$ -	\$ -	\$ -	\$ 3,300	\$ 3,300
MWRP Biosolids and Energy Recovery	\$ 996,780	\$ 1,837,155	\$ 459,416	\$ 1,885,186	\$ 5,178,537
Syphon Reservoir Improvements	\$ -	\$ 1,903	\$ -	\$ -	\$ 1,903
Water and Energy Planning Studies DW	\$ -	\$ 315	\$ 12,360	\$ -	\$ 12,675
Water Supply Reliability Agreements	\$ 20,547	\$ 3,290	\$ 3,087	\$ -	\$ 26,924
<b>Capital Projects Total</b>	<b>\$ 1,020,015</b>	<b>\$ 1,842,663</b>	<b>\$ 474,863</b>	<b>\$ 1,891,846</b>	<b>\$ 5,229,387</b>
<b>Total Operating and Capital Legal Fees</b>	<b>\$ 1,382,883</b>	<b>\$ 2,140,514</b>	<b>\$ 1,287,285</b>	<b>\$ 2,153,612</b>	<b>\$ 6,964,294</b>

	YTD Actual	YTD Budget
Operating Expense	\$ 163,852,836	\$ 166,968,859
Operating Legal Fees	\$ 1,734,907	\$ 2,690,000
% of Legal to Operating	1.06%	1.61%
Capital Projects	\$ 80,881,913	\$ 90,857,316
Capital Legal Fees	\$ 5,229,387	
% of Legal to Capital	6.47%	
Total Operating and Capital Expenditures	\$ 244,734,749	\$ 257,826,175
Total Operating and Capital Legal Fees	\$ 6,964,294	
% of Legal Fees to Total Operating and Capital Expenditures	2.85%	

**Non-operating Legal Fees:**

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
<b><u>Bond Counsel:</u></b>					
Lewis Brisbois Bisgaard & Smith LLP	\$ -	\$ -	\$ 994	\$ -	\$ 994
Orrick, Herrington & Sutcliffe LLP	\$ -	\$ -	\$ 30,000	\$ 15,000	\$ 45,000
Stradling Yocca Carlson & Rauth	\$ -	\$ -	\$ 25,000	\$ -	\$ 25,000
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 55,994</b>	<b>\$ 15,000</b>	<b>\$ 70,994</b>

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**Analysis of Legal Fees  
Fiscal Years, 2018 - 2020**

Firm	YTD Actual 2017-2018	YTD Actual 2018-2019	YTD Actual 2019-2020	Hourly Rate	Area of Expertise	Service Provided
<b><u>Operating Legal Fees:</u></b>						
Alston & Bird LLP	\$ 978,103	\$ 1,281,107	\$ 658,539	\$ 275 to \$ 585	Litigation	Orange County Water District litigation
Alexander Bowie a Law Corp	\$ 22,261	\$ -	\$ -	\$ 185 to \$ 220	IRWD legal counsel	District general counsel/legislative/litigation/special project
Atkinson, Andelson, Loya, Ruud and Rom	\$ 20,756	\$ 8,129	\$ -	\$ 220	IRWD legal counsel	District general counsel/legislative/litigation/special project
Burke, Williams & Sorensen, LLP	\$ 36,040	\$ 18,567	\$ 6,110	\$ 325	Employee relations	Personnel policy review and revision
CSU Fullerton Auxiliary Services Corp	\$ 1,270	\$ 13,021	\$ -	n/a	Demographic research	IRWD 2018 districting existing conditions analysis
Everett Dorey LLP <sup>(1)</sup>	\$ -	\$ 49,043	\$ 81,895	\$ 235 to \$ 260	Litigation	County of Orange Litigation
EXTTI, Incorporated	\$ 5,000	\$ -	\$ -	\$ 200 to \$ 275	Employee relations	Personnel matters
Hanson Bridgett LLP	\$ -	\$ -	\$ 528,011	\$ 345 to \$ 490	IRWD legal counsel	District general counsel/legislative/litigation/special project
Koeller Nebeker Carlson & Haluck LLP <sup>(1)</sup>	\$ 22,986	\$ 8,141	\$ -	\$ 195	Legal Counsel	Legal counsel related to insurance claim issues
Kronick Moskovitz Tiedemann & Girard	\$ 70,000	\$ (2,295)	\$ 98,061	\$ 100 to \$ 350	IRWD legal counsel	Counsel services related to water resources and policy matters
Law Office of Atoosa Vakili	\$ -	\$ 8,763	\$ -	\$ 75 to \$ 250	Employee relations	General personnel and human resources
Lewis Brisbois Bisgaard & Smith LLP	\$ 223,467	\$ 657,621	\$ 308,578	\$ 335	IRWD legal counsel	District general counsel/legislative/litigation/special project
Lewis Brisbois Bisgaard & Smith LLP <sup>(1)</sup>	\$ 9,049	\$ 6,250	\$ -	\$ 200	Legal Counsel	Legal counsel related to insurance claim issues
Nossaman LLP	\$ 495,535	\$ -	\$ -	\$ 333	IRWD legal counsel	District general counsel/legislative/litigation/special project
Olson, Hagel & Fishburn, LLP	\$ -	\$ 128	\$ -	\$ 255	IRWD legal counsel	District general counsel/legislative/litigation/special project
Payne & Fears, LLP	\$ 118,675	\$ 69,669	\$ 21,973	\$ 235 to \$ 550	Employee relations	General personnel and human resources
Pillsbury Winthrop Shaw Pittman LLP	\$ 39,499	\$ 41,500	\$ 31,587	\$ 695	Employee relations	Employee benefits
Shenkman & Hughes PC	\$ -	\$ 30,000	\$ -	n/a		California Voters Right Act: Release of all claims
Woodruff, Spradlin & Smart <sup>(1)</sup>	\$ 3,315	\$ 1,790	\$ 153	\$ 105 to \$ 255	Legal Counsel	Legal counsel related to insurance claim issues
<b>Total Operating Legal Fees</b>	<b>\$ 2,045,956</b>	<b>\$ 2,191,434</b>	<b>\$ 1,734,907</b>			
<sup>(1)</sup> Insurance Litigation						
<b><u>Capitalized Legal Fees:</u></b>						
Alexander Bowie a Law Corp	\$ 2,689	\$ -	\$ -	\$ 185 to \$ 220	IRWD legal counsel	District general counsel/legislative/litigation/special project
Alston & Bird LLP	\$ 203,932	\$ 1,062,717	\$ 5,178,537	\$ 275 to \$ 585	IRWD legal counsel	Counsel services in connection with the Biosolids project
Burke, Williams & Sorensen, LLP	\$ 4,550	\$ 16,542	\$ -	\$ 325	Employee relations	
Jackson Tidus, a Law Corporation	\$ 115,018	\$ 31,248	\$ 6,048	\$ 225 to \$ 595	IRWD legal counsel	Counsel services in connection with Serrano Summit property sale
Kronick Moskovitz Tiedemann & Girard	\$ 57,708	\$ 74,432	\$ 44,802	\$ 100 to \$ 350	IRWD legal counsel	Counsel services in connection with water resources and policy matters
Nossaman LLP	\$ 9,158	\$ -	\$ -	\$ 333	IRWD legal counsel	Counsel services in connection with Serrano Summit property sale
<b>Capitalized Legal Fees Total</b>	<b>\$ 393,055</b>	<b>\$ 1,184,939</b>	<b>\$ 5,229,387</b>			
<b>Total Operating and Capital Legal Fees</b>	<b>\$ 2,439,011</b>	<b>\$ 3,376,373</b>	<b>\$ 6,964,294</b>			
<b><u>Non-operating Legal Fees:</u></b>						
Bond Counsel:						
Lewis Brisbois Bisgaard & Smith LLP	\$ -	\$ -	\$ 994	n/a	Bond counsel	Counsel in connection with the issuance of GO bonds and COP
Orrick, Herrington & Sutcliffe LLP	\$ 30,000	\$ 27,262	\$ 45,000	n/a	Bond counsel	Counsel in connection with the issuance of GO bonds and COP
Stradling Yocca Carlson & Rauth	\$ 30,000	\$ 25,000	\$ 25,000	n/a	Bond counsel	Counsel in connection with the issuance of GO bonds and COP
Kutak Rock LLP	\$ -	\$ 13,550	\$ -	n/a	Bond counsel	Counsel in connection with the extension of the letter of credit
<b>Non-operating Legal Fees Total</b>	<b>\$ 60,000</b>	<b>\$ 65,812</b>	<b>\$ 70,994</b>			

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August 4, 2020

Prepared by: D. Pardee / C. Smithson

Submitted by: C. Clary

Approved by: Paul A. Cook 

## FINANCE AND PERSONNEL COMMITTEE

### FISCAL YEAR 2019-20 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS AS OF JUNE 30, 2020

#### SUMMARY:

Staff has prepared a financial analysis of the unaudited operating statements for the Fiscal Year (FY) 2019-20. Actual overall net expenses totaled \$163.9 million, compared with a budget of \$167.0 million and a forecast of \$164.9 million. Net operating revenue was \$142.6 million, including revenue associated with earnings on the Retirement Trust Fund (Trust Fund), while total system operating expenses were \$145.7 million. Net non-operating income was \$78.0 million, compared with a budget of \$92.7 million and a forecast of \$95.5 million.

#### BACKGROUND:

Details of the unaudited results for FY 2019-20 are provided in the following documents:

- Actual to budget and forecast comparison of operating expenses, attached as Exhibit “A”;
- Actual to budget comparison of revenues and expenses by system, attached as Exhibit “B”;
- General and administrative (G&A) overhead allocation PowerPoint presentation, attached as Exhibit “C”; and
- Actual to budget and forecast comparison of non-operating revenues and expenses, attached as Exhibit “D”.

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

#### Overall Operating Expenses:

Overall net operating expenses were under budget by \$3.1 million (1.9%) and under forecast by \$1.0 million (0.6%). Exhibit “A” is a summary of actual to budget and forecast expenses by major category. Noteworthy variances to budget include:

- Regular Labor exceeded budget by \$3.3 million (9.0%) and forecast by \$1.8 million. This is due to:
  - COLA increase of 3.3% in July 2019 compared to a budget of 3%;
  - Actual position vacancies at 6% compared to a budget of 7%;
  - Some new employees hired at salaries that exceeded budgeted expectations as a result of a robust economy in 2019; and
  - Lower actual usage of sick and vacation than budgeted by employees primarily due to COVID-19 resulting in increased charges to regular labor.

- Contract Labor was under budget by \$0.4 million (17.7%) primarily as a result of a postponement in hiring three contract positions due to schedule delays for the commissioning and operation of the MWRP Biosolids facility which was budgeted to be online in December 2019 but began operations in June 2020.
- Employee Benefits were over budget and forecast by \$0.7 million (3.3%) primarily due to increased employer pension contributions associated with higher labor.
- The cost of water exceeded budget by \$3.0 million (7.6%) and forecast by \$2.0 million. Budget variances are summarized below:
  - *Treated System* – Sales were below budget by 2,503 acre feet (AF) (4.8%). Imported water purchases exceeded budget, while groundwater and Baker Treatment Plant (Baker) came in under budget. Cost Impact: expenses were \$4.4 million over budget partially offset by a \$1.8 million reimbursement from the Baker Partners for native water.
  - *Recycled Water System* – Sales were below budget by 2,306 AF (7.1%). Imported, produced/stored and native water were over budget and native water was transferred to Baker for the treated system. Pumped water was under budget. Cost Impact: expenses were \$1.4 million less than budget.

A more thorough discussion of the water system follows:

For the treated potable system, sales were under budget by 2,503 AF. IRWD used 1,620 AF more imported water than budgeted while pumped groundwater plus in-lieu water was 1,135 AF under budget. The in lieu program provides for agencies to use imported water at a cost equivalent to extracting groundwater to allow for replenishment of natural groundwater basins. Several wells were down for maintenance while others were off. Included in the expenses is \$1.3 million based on an estimate of what the District will pay OCWD for a Basin Equity Assessment (BEA) for FY 2019-20.

The Baker Plant cost of water is \$2.3 million for 3,105 AF of native water and \$4.4 million for 5,739 AF of untreated imported water. The Baker Partners reimbursed the District \$1.8 million for 2,598 AF of this water, which is included in reimbursements on Exhibit “A”.

	<b>Treated Water</b>					
	<b>Acre Feet</b>			<b>Millions</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
Imported	6,479	4,859	(1,620)	\$8.3	\$6.2	(\$2.1)
Pumped (in-lieu expense)	37,993	44,510	6,517	22.4	21.8	(0.6)
In-lieu	5,382		(5,382)			
Basin Equity Assessment (BEA)			-	1.3		(1.3)
Baker Imported	5,739	7,232	986	6.7	6.3	(0.4)
Baker Native	3,105					0.0
Baker Partners	(2,598)					
Total	56,100	56,601	501	38.7	34.3	(4.4)
Process Waste	(760)	(890)	(130)			
System Loss	(5,219)	(3,087)	2,132			
Sales/Cost of Sales	50,121	52,624	2,503	\$38.7	\$34.3	(\$4.4)
Baker Reimbursement (Exhibit A)				(1.8)		\$1.8

The recycled water system sales were below budget by 2,306 AF. Produced / stored water was over budget by 1,197 AF. Imported water was over budget by 386 AF primarily due to carriage water which is used to keep the pipeline full for Baker. Native water used by the recycled system was over budget by 810 AF and 3,105 AF was transferred to Baker as discussed above.

	<b>Recycled Water</b>					
	<b>Acre Feet</b>			<b>Millions</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
Imported	921	535	(386)	\$1.5	\$1.0	(\$0.5)
Native	6,600	5,790	(810)	2.2	1.7	(0.5)
Native Trsf to Baker	(3,105)		3,105	(2.3)		2.3
Pumped	4,437	4,599	162	2.1	2.2	0.1
Produced/ Storage	24,087	22,890	(1,197)	-	-	0.0
Total	32,940	33,814	874	3.5	4.9	1.4
Green Acres Project	(1,676)		1,676			
Process Waste	(666)	(690)	(24)			
System Loss	(411)	(631)	(220)			
Sales/Cost of Sales	30,187	32,493	2,306	\$3.5	\$4.9	\$1.4

- Electricity was under budget by \$2.9 million (17.1%) and forecast by \$1.1 million due primarily to reduced pumping (\$0.5 million from in-lieu and \$0.4 million from well maintenance) and MWRP Biosolids facility startup delays as mentioned above (\$1.5 million).
- Chemicals were below budget by \$0.8 million (21.1%) and under forecast by \$0.4 million due to the MWRP Biosolids facility startup delays.
- Repairs and Maintenance (OCS&D) was over budget by \$2.0 million (18.8%) and over forecast by \$0.5 million due to an additional \$1.9 million from the annual true-up of FY 2018-19 expenses for increased solids handling.

- Repairs and Maintenance (IRWD) was below budget by \$1.0 million (8.4%) due to the costs budgeted for the MWRP Biosolids facility, which was not on-line as mentioned above.
- Legal Fees were under budget and forecast by \$1.0 million (35.5%) primarily due to the dismissal of the Soco West litigation (\$0.5) million which was budgeted, and reduced legal special projects (\$0.2 million).
- Other Professional Fees were below budget by \$2.0 million (37.2%) and under forecast by \$0.5 million. This was partially due to lower costs for water efficiency education programs and customer outreach (\$1.0 million). In addition, other planned projects were delayed due to the COVID-19 restrictions.
- Biosolids Disposal was under budget and forecast (\$0.6 million) due to the delay of the startup of the MWRP Biosolids facility.
- Conservation / over-allocation is below budget by \$0.8 million (78.2%) due to low participation in conservation rebate programs, reimbursements by outside agencies, and elimination of supplemental funding to customers.
- The Baker Partners' reimbursement was higher by \$1.2 million (27.4%) and \$0.6 million over forecast due to reimbursement for the cost of water by partners for native water as discussed above.

Summary of System Actual to Budget Performance:

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

The net operating income for IRWD (systems) was below budget by \$3.1 million. This includes earnings associated with the Trust Fund of \$2.8 million which was allocated to the systems. Net revenues were under budget by \$5.5 million (3.7%) and total expenses were under budget by \$2.4 million (1.6%). Significant variances by system over \$0.25 million are explained below.

*Potable Water System:*

The net operating income for the potable water system was below budget by \$2.8 million. Net revenues were under budget by \$0.1 million (0.2%). Total expenses were over budget by \$2.7 million (3.7%).

Total revenues were under budget by \$1.3 million. Commodity revenues were under budget (\$0.9 million) primarily due to reduced commercial sales from business shutdowns. Service revenues were under budget by \$0.4 million mostly due to reduced late payment fees (\$0.3 million) resulting from waiving these fees for COVID-19 relief. Allocated Trust Fund earnings contributed \$1.2 million.

Direct expenses were over budget by \$1.9 million mostly as a result of the cost of water, which exceeded budget by \$1.6 million. This is due to:

- Unbudgeted BEA assessment of \$1.3 million;
- Increased imported water as discussed above;
- Partially offset by reduced expenses for electricity; and
- Baker labor, G&A, other costs, and reimbursements.

<b>Potable Water Variances (in millions)</b>	<b>Imported and In Lieu</b>	<b>Clear and Process Wells</b>	<b>Baker WTP</b>	<b>Total</b>
Water	(\$2.6)	(\$1.4)	(\$0.4)	(\$4.4)
Labor and G&A	0.0	(0.2)	0.7	\$0.5
Electricity	0.0	0.7	(0.2)	\$0.5
Chemicals	0.0	0.2	0.0	\$0.2
Other	0.0	0.0	0.5	\$0.5
Baker Reimbursement	0.0	0.0	1.1	\$1.1
<b>Total Cost of Water</b>	<b>(\$2.6)</b>	<b>(\$0.7)</b>	<b>\$1.7</b>	<b>(\$1.6)</b>

Operations expenses were over budget by \$0.3 million due to an increased allocation for property management (increased labor and G&A expense as the potable system receives the highest allocation.)

Indirect expenses were over budget by \$0.9 million. General and administrative (G&A) expense exceeded budget by \$1.0 million. This is due primarily to higher pension expense in FY 2019-20 based on PERS's actuarial calculations. Staff will further explain the increase in G&A overhead allocation in a powerpoint presentation, a draft of which is attached as Exhibit "C".

#### *Recycled Water System:*

The net operating income variance for the recycled water system was under budget by \$1.9 million. Net revenues were below budget by \$2.9 million (11.0%) and total expenses were under budget by \$1.0 million (3.8%).

Total revenues were under budget by \$3.6 million. Commodity revenue was \$3.3 million lower from reduced landscape and agricultural recycled usage (\$3.1 million) resulting from mild/cooler weather. Service revenues were below budget by \$0.3 million due to a decrease in service charges. Allocated Trust Fund earnings contributed \$0.6 million.

Direct expenses were under budget by \$2.3 million with a lower cost of water contributing \$2.1 million primarily due to Baker Partners reimbursement for native water as discussed above. Indirect expenses were over budget (\$1.3 million). The recycled system customer service budget was \$0.9 million over budget as a result of an incorrect allocation in the FY 2019-20 budget. This allocation is correct for the FY 2020-21 budget. G&A expense exceeded budget by \$0.4 million due to a higher applied allocation as discussed above.

*Sewer System:*

The net operating income variance for the sewer system was positive to budget by \$2.4 million. Net revenues were under budget by \$1.2 million (3.4%) and total expenses were under budget by \$3.6 million (10.3%).

Service revenues were under budget by \$2.0 million due to billing adjustments for English Canyon sewer services (\$1.6 million) and decreased service charge revenue for commercial customers as discussed previously. Allocated Trust Fund earnings contributed \$0.7 million.

Direct expenses were under budget by \$2.7 million from reduced operating costs related to the MWRP Biosolids facility operations, which was delayed as discussed above. OCSD O&M was over budget by \$1.9 million due to increased solids handling as mentioned previously. Indirect expenses were under budget by \$0.9 million due to reduced G&A expenses related to the MWRP Biosolids facility commissioning delay, partially offset by a higher applied overhead allocation rate.

*Over-allocation and NTS:*

The net operating income variance for over-allocation and NTS was under budget by \$0.9 million. Net revenues were under budget by \$1.3 million (10.1%). Total expenses were under budget by \$0.5 million (3.6%).

Over-allocation revenues were under budget by \$1.7 million due to decreased potable and recycled water sales as discussed previously. Allocated Trust Fund earnings contributed \$0.4 million.

Direct expenses were under budget by \$1.3 million due to operations expense, which was below budget by \$1.4 million from reduced professional fees and conservation expenses as discussed previously. Indirect expenses were over budget by \$0.8 million due to higher G&A allocation as discussed previously.

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

IRWD's non-operating revenues are related to income generated from sources other than user rates. They include property taxes, investment income, connection fees, and real estate. A portion of the non-operating revenues pay debt service. Property taxes and connection fees help pay for new infrastructure. Exhibit "D" provides a detailed comparison of actual to budget and forecast for FY 2019-20.

*Non-Operating Income/Expenses:*

The net non-operating income variance to budget was negative by \$14.7 million. Revenues were below budget by \$13.9 million and expenses were over budget by \$0.8 million.

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

Property Tax Revenue is slightly over budget (0.5%) due to increased assessed values. The forecast included an expected increase in assessed valuations for the full year which decreased significantly in Q4 due to the slowdown in housing sales resulting from COVID-19.	\$0.3
Investment Income was below budget due to lower cash balances as a result of the Serrano Note extension from April 2020 to December 2020 and lower than budgeted investment rates (Actual 1.82% versus 2.25%)	(0.5)
Connection fees were under budget and forecast due to slower than expected development completion, especially in Q4 due to COVID-19.	(8.1)
Real estate income was positive to budget due to interest from the extension of the Serrano note as discussed above.	0.8
Real Estate Fair Value was lower than budget and forecast due to a different valuation method used for the Sand Canyon General Office Building, which was substantially completed as of June 2020.	(6.0)
Other income was below budget and forecast due to lower plan check revenue partially offset by unbudgeted sales of native water to Baker.	(0.4)
Interest expense was under budget due to lower than budgeted variable rates (Actual 0.95% versus 2.0%).	2.1
Other expenses were over budget and forecast due to the sale of capacity rights in the El Toro Trunk sewer system.	(3.0)
Other variances under \$0.25 million.	0.1
<b>Total</b>	<b>\$ (14.7)</b>

FISCAL IMPACTS:

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

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Consolidated Operating Actual to Budget Expense  
 Exhibit "B" – Actual to Budget Revenues and Expenses by System  
 Exhibit "C" – Draft PowerPoint Regarding G&A  
 Exhibit "D" – Consolidated Non-Operating Actual to Budget

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**Exhibit A**  
**Irvine Ranch Water District**  
**Consol Operating Actual to Budget and Forecast Expense (A vs B)**  
**Period Ending June 30, 2020**

(in thousands)

Expense Group	Expense Name	Actual 6/30/20	Budget 6/30/20	Budget (Over)/Under	Full Year Forecast	Forecast (Over)/ Under
Salaries & Benefits	Regular Labor	\$39,998	\$36,681	(\$3,318)	\$ 38,181	(\$1,818)
	Overtime Labor	2,660	2,413	(247)	2,413	(247)
	Contract Labor	1,815	2,204	389	1,904	89
	Employee Benefits*	20,888	20,224	(664)	20,224	(664)
<b>Salaries &amp; Benefits Total</b>		<b>\$65,361</b>	<b>\$61,522</b>	<b>(\$3,839)</b>	<b>\$ 62,722</b>	<b>(\$2,639)</b>
Purchased Water & Utilities	Water	42,205	39,242	(2,963)	40,242	(1,963)
	Electricity	14,143	17,064	2,921	15,264	1,121
	Fuel	772	946	174	946	174
	Telecommunication	695	767	73	767	73
	Other Utilities	207	194	(13)	194	(13)
<b>Purchased Water &amp; Utilities Total</b>		<b>\$58,022</b>	<b>\$58,214</b>	<b>\$192</b>	<b>\$57,414</b>	<b>(\$608)</b>
Materials & Supplies	Chemicals	3,100	3,930	830	3,530	430
	Operating Supplies	2,474	2,642	168	2,642	168
	Printing	259	303	44	303	44
	Postage	498	644	146	644	146
	Permits, Licenses and Fees	1,758	1,869	111	1,869	111
	Office Supplies	147	104	(42)	104	(42)
	Duplicating Equipment	110	188	78	188	78
	Equipment Rental	58	119	62	119	62
<b>Materials &amp; Supplies Total</b>		<b>\$8,404</b>	<b>\$9,800</b>	<b>\$1,396</b>	<b>\$9,400</b>	<b>\$996</b>
Professional Services	Rep & Maint OCSD & Others	12,344	10,391	(1,953)	11,891	(453)
	Rep & Maint IRWD	10,318	11,268	950	10,368	50
	Insurance	1,314	1,317	2	1,317	2
	Legal Fees	1,735	2,690	955	2,690	955
	Engineering Fees	681	885	204	885	204
	Accounting Fees	81	100	19	100	19
	Data Processing	3,147	3,331	185	3,331	185
	Personnel Training	1,254	1,489	235	1,489	235
	Personnel Physicals	26	43	17	43	17
	Other Professional Fees	3,404	5,422	2,018	3,922	518
	Directors' Fees	157	177	20	177	20
<b>Professional Services Total</b>		<b>\$34,461</b>	<b>\$37,113</b>	<b>\$2,652</b>	<b>\$36,213</b>	<b>\$1,752</b>
Other	Mileage Reimbursement	177	150	(27)	150	(27)
	Collection Fees	1	13	12	13	12
	Election Expense	150	150	(0)	150	(0)
	Safety	133	141	8	141	8
	Alarm and Patrol Services	756	800	44	800	44
	Biosolids Disposals	31	670	639	670	639
	Commuter Program	142	240	98	240	98
	Computer Backup Storage	2	12	10	12	10
	Contract Meter Reading	1,466	1,432	(34)	1,432	(34)
	Other	117	127	10	127	10
	Conservation/Over-allocation	210	963	753	363	153
<b>Other Total</b>		<b>\$3,185</b>	<b>\$4,698</b>	<b>\$1,513</b>	<b>\$4,098</b>	<b>\$913</b>
<b>Grand Total</b>		<b>\$169,433</b>	<b>\$171,347</b>	<b>\$1,914</b>	<b>\$169,847</b>	<b>\$414</b>
Less: Reimbursement from Partners**		(5,580)	(4,378)	1,202	(4,978)	602
<b>Grand Total</b>		<b>\$ 163,853</b>	<b>\$ 166,969</b>	<b>\$ 3,116</b>	<b>\$164,869</b>	<b>\$1,016</b>

\*Includes PERS contribution and payment in excess of ARC

\*\*Includes Baker Partners and Peters Canyon Partners

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Exhibit B  
 IRVINE RANCH WATER DISTRICT  
 ACTUAL vs BUDGET CONSOLIDATED OPERATING NET INCOME  
 Fiscal Year 2019-20  
 Period Ending June 30, 2020

(in thousands)

	Consolidated Total				
	Actual	Budget	Variance		Variance %
<b>Revenues:</b>					
Commodity	\$ 61,540	\$ 65,760	\$ (4,220)		
Service	95,843	98,490	(2,647)		
Over Allocation	11,613	13,310	(1,697)		
<b>Total Revenues</b>	168,996	177,560	(8,564)		4.8%
Contribution to Enhancement and Replacement Funds	(29,272)	(29,506)	234		
<b>Net Revenues</b>	<b>\$ 139,724</b>	<b>\$ 148,054</b>	<b>\$ (8,330)</b>		<b>5.6%</b>
<b>Expenses:</b>					
Cost of Water	\$ 60,977	\$ 61,500	\$ 523		
Operations	35,517	41,505	5,988		
Water Banking	1,748	1,614	(134)		
OCSD - O&M	11,027	9,124	(1,903)		
<b>Total Direct</b>	109,269	113,743	4,474		-3.9%
Customer Service	9,400	8,750	(650)		
General & Administrative	25,204	23,762	(1,442)		
<b>Total Indirect</b>	34,604	32,512	(2,092)		6.4%
General Plant	1,799	1,799	-		
<b>Total Expenses</b>	<b>\$ 145,672</b>	<b>\$ 148,054</b>	<b>\$ 2,382</b>		<b>-1.6%</b>
<b>Net Operating Income (Loss)</b>	<b>\$ (5,948)</b>	<b>\$ -</b>	<b>\$ (5,948)</b>		
Trust Fund Benefit	2,837	-	2,837		
<b>Adjusted Net Operating Income (Loss)</b>	<b>\$ (3,111)</b>	<b>\$ -</b>	<b>\$ (3,111)</b>		

IRVINE RANCH WATER DISTRICT  
 ACTUAL vs BUDGET SYSTEM OPERATING NET INCOME  
 Fiscal Year 2019-20  
 Period Ending June 30, 2020

	Potable Water				Recycled Water			
	Actual	Budget	Variance	Variance %	Actual	Budget	Variance	Variance %
<b>Revenues:</b>								
Commodity	\$ 44,539	\$ 45,467	\$ (928)		\$ 17,001	\$ 20,293	\$ (3,292)	
Service	36,244	36,594	(350)		6,576	6,836	(260)	
<b>Total Revenues</b>	80,783	82,061	(1,278)	1.6%	23,577	27,129	(3,552)	13.1%
Contribution to Enhancement and Replacement Funds	(8,711)	(8,691)	(20)		(1,057)	(1,120)	63	
<b>Net Revenues</b>	<b>\$ 72,072</b>	<b>\$ 73,370</b>	<b>\$ (1,298)</b>	<b>1.8%</b>	<b>\$ 22,520</b>	<b>\$ 26,009</b>	<b>\$ (3,489)</b>	<b>13.4%</b>
<b>Expenses:</b>								
Cost of Water	\$ 48,306	\$ 46,743	\$ (1,563)		\$ 12,671	\$ 14,757	\$ 2,086	
Operations	12,900	12,613	(287)		6,341	6,587	246	
<b>Total Direct</b>	61,206	59,356	(1,850)	3.1%	19,012	21,344	2,332	-10.9%
Customer Service	4,230	4,375	145		1,880	972	(908)	
General & Administrative	10,020	9,009	(1,011)		3,805	3,375	(430)	
<b>Total Indirect</b>	14,250	13,384	(866)	6.5%	5,685	4,347	(1,338)	30.8%
General Plant	630	630	-		318	318	-	
<b>Total Expenses</b>	<b>\$ 76,086</b>	<b>\$ 73,370</b>	<b>\$ (2,716)</b>	<b>3.7%</b>	<b>\$ 25,015</b>	<b>\$ 26,009</b>	<b>\$ 994</b>	<b>-3.8%</b>
<b>Net Operating Income (Loss)</b>	<b>\$ (4,014)</b>	<b>\$ -</b>	<b>\$ (4,014)</b>		<b>\$ (2,495)</b>	<b>\$ -</b>	<b>\$ (2,495)</b>	
Trust Fund Benefit	1,188	-	1,188		637	-	637	
<b>Adjusted Net Operating Income (Loss)</b>	<b>\$ (2,826)</b>	<b>\$ -</b>	<b>\$ (2,826)</b>		<b>\$ (1,858)</b>	<b>\$ -</b>	<b>\$ (1,858)</b>	
	Sewer				Over-allocation/NTS			
	Actual	Budget	Variance	Variance %	Actual	Budget	Variance	Variance %
<b>Revenues:</b>								
Service	\$ 53,023	\$ 55,060	\$ (2,037)		\$ -	\$ -	\$ -	
Over Allocation			-		11,613	13,310	(1,697)	
<b>Total Revenues</b>	53,023	55,060	(2,037)	3.7%	11,613	13,310	(1,697)	12.7%
Contribution to Enhancement and Replacement Funds	(19,504)	(19,695)	191		-	-	-	
<b>Net Revenues</b>	<b>\$ 33,519</b>	<b>\$ 35,365</b>	<b>\$ (1,846)</b>	<b>5.2%</b>	<b>\$ 11,613</b>	<b>\$ 13,310</b>	<b>\$ (1,697)</b>	<b>12.7%</b>
<b>Expenses:</b>								
Operations	\$ 10,205	\$ 14,843	\$ 4,638		\$ 6,071	\$ 7,462	\$ 1,391	
Water Banking					1,748	1,614	(134)	
OCSD - O&M	11,027	9,124	(1,903)					
<b>Total Direct</b>	21,232	23,967	2,735	-11.4%	7,819	9,076	1,257	-13.8%
Customer Service	2,350	2,431	81		940	972	32	
General & Administrative	7,405	8,215	810		3,974	3,163	(811)	
<b>Total Indirect</b>	9,755	10,646	891	-8.4%	4,914	4,135	(779)	18.8%
General Plant	752	752	-		99	99	-	
<b>Total Expenses</b>	<b>\$ 31,739</b>	<b>\$ 35,365</b>	<b>\$ 3,626</b>	<b>-10.3%</b>	<b>\$ 12,832</b>	<b>\$ 13,310</b>	<b>\$ 478</b>	<b>-3.6%</b>
<b>Net Operating Income (Loss)</b>	<b>\$ 1,780</b>	<b>\$ -</b>	<b>\$ 1,780</b>		<b>\$ (1,219)</b>	<b>\$ -</b>	<b>\$ (1,219)</b>	
Trust Fund Benefit	658	-	658		353	-	353	
<b>Adjusted Net Operating Income (Loss)</b>	<b>\$ 2,438</b>	<b>\$ -</b>	<b>\$ 2,438</b>		<b>\$ (866)</b>	<b>\$ -</b>	<b>\$ (866)</b>	

Exhibit "C"

## General and Administrative Cost Review for Fiscal Year 2019-20

**DRAFT**

Finance & Personnel Committee

August 4, 2020



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## Presentation Agenda

### FY 2020-21 General & Administrative (G&A) Cost Review

- What is G&A?
- G&A Expense Categories
- Why is G&A important
- G&A Expense Details
- G&A Allocation Percentage
- Next Steps

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## G&A Allocation

### What is G&A?

General and administrative (**G&A**) expenses are incurred in the day-to-day operations of a business and are not directly tied to a specific function or department within the company. G&A expenses are often referred to as overhead expenses.

## G&A Allocation

### IRWD G&A Expense Categories

- Labor associated with non-operational functions – indirect labor (eg., executive management, finance, information systems, etc.)
- Employee benefits
- Legal fees (non-capitalized)
- Other professional fees
- Insurance
- Data processing
- Administrative office expenses

## G&A Allocation

### Why is G&A important?

- Provides an appropriate allocation of G&A expense between operating systems
- Component of rates based on cost of service
- Informative for comparing year to year

## G&A Expense Details



## G&A Expenses

in millions	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
<b>G&amp;A:</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Indirect Labor	\$ 12.2	\$ 13.8	\$ 15.8	\$ 17.0
Benefits	19.1	19.2	19.1	24.0
Data Processing	3.0	2.8	2.7	3.1
Ins. & Legal	1.9	2.5	3.1	2.2
Pro Fees	1.6	1.3	1.6	1.8
Other	5.9*	5.1	5.6	4.9
<b>Total G&amp;A</b>	<b>\$ 43.7</b>	<b>\$ 44.7</b>	<b>\$ 48.0</b>	<b>\$ 52.9</b>

\*Excludes Trust Fund earnings of \$5.6 million

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## Indirect Labor

in millions	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
<b>Indirect Labor*</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
Administration	\$ 1.7	\$ 1.8	\$ 2.0	\$ 2.1
Engineering	1.1	1.4	1.6	1.4
Fin & Admin Svcs	4.7	5.1	5.8	6.4
Maint. Ops	0.8	0.8	1.0	1.3
Recycling Ops	0.7	0.8	0.9	1.0
Water Ops	1.4	1.8	2.1	2.4
Wtr Policy	1.4	1.6	1.8	1.8
Wtr Quality & Compliance	0.4	0.5	0.6	0.6
<b>Total Indirect Labor</b>	<b>\$ 12.2</b>	<b>\$ 13.8</b>	<b>\$ 15.8</b>	<b>\$ 17.0</b>

\* Includes approximately \$4.5 million for holiday, vacation, and sick in FY 2019-20.

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## Benefits

in millions	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
<b>Benefits</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
<b>Pension Expense</b>	\$ 7.7	\$ 8.8	\$ 9.4	\$ 13.7
<b>401A Employer</b>	0.9	0.9	1.1	1.3
<b>Employee Health Ins</b>	5.3	5.9	6.2	6.5
<b>Workers Comp</b>	0.9	0.9	1.1	1.3
<b>Employer Tax</b>	0.9	0.9	1.1	1.3
<b>All other</b>	3.4	1.8	0.2	-0.1
<b>Total Benefits</b>	\$ 19.1	\$ 19.2	\$ 19.1	\$ 24.0

\*Not included in G&A calculation in FY 2016-17.

## G&A Allocation Percentage



## G&A Allocation Formula

$$\frac{\text{Total G\&A Expense}}{\text{Direct Labor}}$$

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## Allocation based on Direct Labor

### G&A Allocation Calculation for Budget and Actual

in millions	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20	
	Actual	Budget	Actual*	Budget	Actual	Budget	Actual	Budget
Total G&A	\$38.1	\$38.2	\$44.7	\$40.5	\$48.0	\$45.1	\$52.9	\$47.9
Total Direct Labor	\$22.3	\$22.9	\$22.7	\$22.9	\$24.2	\$25.0	\$25.8	\$26.6
G&A Allocation %	171%	167%	197%	177%	198%	180%	205%	180%

\* Effective FY 2017/18, Retirement Trust Fund earnings no longer reduce G&A.

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## G&A Allocation with Trust Fund Adjustment

### G&A Calculation for Budget and Actual

in millions	FY 2016-17		FY 2017-18*		FY 2018-19*		FY 2019-20*	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Total G&A	\$43.7	\$38.2	\$44.7	\$40.5	\$48.0	\$45.1	\$52.9	\$47.9
Total Direct Labor	\$22.3	\$22.9	\$22.7	\$22.9	\$24.2	\$25.0	\$25.8	\$26.6
<b>G&amp;A Allocation %</b>	<b>196%</b>	<b>167%</b>	<b>197%</b>	<b>177%</b>	<b>198%</b>	<b>180%</b>	<b>205%</b>	<b>180%</b>

### Adjusting for the Trust Fund Earnings

<b>G&amp;A</b>	<b>\$43.7</b>	<b>\$38.2</b>	<b>\$44.7</b>	<b>\$40.5</b>	<b>\$48.0</b>	<b>\$45.1</b>	<b>\$52.9</b>	<b>\$47.9</b>
Less: Trust Fund Earnings	(5.6)		(5.2)		(5.3)		(4.8)	
<b>Adjusted G&amp;A</b>	<b>\$38.1</b>	<b>\$38.2</b>	<b>\$39.5</b>	<b>\$40.5</b>	<b>\$42.7</b>	<b>\$45.1</b>	<b>\$48.1</b>	<b>\$47.9</b>
<b>G&amp;A Allocation %</b>	<b>171%</b>	<b>167%</b>	<b>174%</b>	<b>177%</b>	<b>176%</b>	<b>180%</b>	<b>186%</b>	<b>180%</b>

\*Trust Fund Earnings are not offset in G&A expense based on change in accounting rules.

## Next Steps

### Review G&A Allocation Percentage

- Reflect Retirement Trust Fund earnings in operations for quarterly analysis
- Review allocation of benefit expenses to G&A:
  - Pension benefits
  - Paid time off (vacation, sick, holiday, etc.)
  - Health care benefits
  - Employer retirement contribution

## Questions / Discussion



Exhibit D  
 IRVINE RANCH WATER DISTRICT  
 CONSOLIDATED NON-OPERATING NET INCOME ACTUAL vs BUDGET and FORECAST  
 Period Ending June 30, 2020  
 (in thousands)

<b>Non-operating Revenues:</b>	<b>Actual 6/30/20</b>	<b>Budget 6/30/20</b>	<b>Budget Variance</b>	<b>Full Year Forecast</b>	<b>Forecast Variance</b>
Property Taxes	\$ 66,281	\$ 66,000	\$ 281	\$ 71,000	\$ (4,719)
Investment Income	7,696	8,200	(504)	7,800	(104)
Connection Fees	10,943	19,000	(8,057)	13,000	(2,057)
Real Estate Income	18,177	17,400	777	18,000	177
Real Estate Fair Value Change	552	6,600	(6,048)	6,600	(6,048)
Other Income	7,617	8,000	(383)	9,000	(1,383)
Total Revenues	<u>\$ 111,265</u>	<u>\$ 125,200</u>	<u>\$ (13,935)</u>	<u>\$ 125,400</u>	<u>\$ (14,135)</u>
<b>Non-operating Expenses:</b>					
Interest Expense	\$ 22,572	\$ 24,700	\$ 2,128	\$ 22,000	\$ (572)
Real Estate Expense	5,720	5,800	80	5,900	180
Other Expenses	4,971	2,000	(2,971)	2,000	(2,971)
Total Expenses	<u>\$ 33,263</u>	<u>\$ 32,500</u>	<u>\$ (763)</u>	<u>\$ 29,900</u>	<u>\$ (3,363)</u>
<b>Net Revenues &amp; Expenses</b>	<u><u>\$ 78,003</u></u>	<u><u>\$ 92,700</u></u>	<u><u>\$ (14,697)</u></u>	<u><u>\$ 95,500</u></u>	<u><u>\$ (17,497)</u></u>

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August 4, 2020

Prepared by: E. Lin

Submitted by: C. Clary

Approved by: Paul A. Cook



## FINANCE AND PERSONNEL COMMITTEE

### INCREASE IN LIMIT FOR CAPITALIZATION OF ASSETS

#### SUMMARY:

IRWD has a significant investment in a variety of capital assets used to provide water, sewer, and recycled water services to its customers, and has appropriate internal controls to account for these capital assets. Staff recommends the Board increase the capitalization amount of capital assets from \$2,500 to \$10,000 effective July 1, 2020.

#### BACKGROUND:

The Government Finance Officers Association (“GFOA”) defines capital assets as “assets used in operations that have initial lives extending beyond a single reporting period.” Capital assets may be intangible (e.g., easements and water rights) or tangible (e.g., land, buildings, structures, transmissions, distributions, machinery, and equipment). IRWD’s capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated acquisition value on the date received. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Currently, the District capitalizes all assets with an historical cost of at least \$2,500 and a useful life of at least three years. Capitalized assets are depreciated and expensed over their estimated useful life. The \$2,500 limit has been in existence for many years and the cost and quantity of assets have increased over time. Staff is proposing to increase to the capitalization limit from \$2,500 to \$10,000. The \$10,000 amount is based on a survey that staff conducted comparing IRWD with similar sized agencies including Orange County Sanitation District, Eastern Municipal Water District, and Inland Empire Utilities Agency.

#### FISCAL IMPACTS:

The updated capitalization amount will have no fiscal impact to the Fiscal Year 2020-21 operating and capital budgets.

#### 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:

That the Board increase the capitalization amount of capital assets from \$2,500 to \$10,000, effective July 1, 2020.

LIST OF EXHIBITS:

None.