

AGENDA
IRVINE RANCH WATER DISTRICT
FINANCE AND PERSONNEL COMMITTEE MEETING
TUESDAY, MAY 4, 2021

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 Web: <https://irwd.webex.com/irwd/j.php?MTID=m358cec9350ecbfe9d6489470352453fa>

Meeting Number: 146 792 8003

Password: mkXdmJFZ333

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 identification 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 11:30 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	_____
	Tom Malone	_____	Tiffany Mitcham	_____
	Eileen Lin	_____	Christopher Smithson	_____
	Jennifer Davis	_____	Allen Shinbashi	_____
	_____	_____	_____	_____

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 before 8:00 a.m. on Tuesday, May 4, 2021.

ALL VOTES SHALL BE TAKEN BY A ROLL CALL VOTE.

COMMUNICATIONS

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

INFORMATION

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

Recommendation: Receive and file.

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

Recommendation: Receive and file.

7. EXPENSES AND FEES OF BOARD MEMBERS AND GENERAL MANAGER PAID THROUGH THE THIRD QUARTER OF FY 2020-21 – PULLES / CLARY

Recommendation: Receive and file.

8. FISCAL YEAR 2020-21 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS QUARTERLY UPDATE – PARDEE / SMITHSON / CLARY

Recommendation: Receive and file.

9. LEGAL FEES QUARTERLY UPDATE – TOBAR/ CLARY

Recommendation: Receive and file.

10. QUARTERLY DEFERRED COMP REVIEW – DAVIS / JACOBSON / CLARY

Recommendation: That the Committee place the Hartford Midcap R6 Fund and the Victory Integrity Small-Cap Value R6 fund on “Watch Status” for further evaluation and that the Committee approve the replacement of the Target Date Funds and the Putnam Stable Value Fund with the lower cost share class of the same funds.

ACTION

11. ANNUAL ORACLE SOFTWARE MAINTENANCE AND SUPPORT AGREEMENT RENEWAL – MALONE / CLARY

Recommendation: That the Board approve renewal of IRWD’s annual Oracle Software Maintenance and Support Agreements, and additional licenses and support, in the amount of \$2,020,000 for a two-year period from June 1, 2021 through May 31, 2023.

OTHER BUSINESS

12. Directors’ Comments

13. Adjournment

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. 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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May 4, 2021

Prepared by: L. Srader

Submitted by: T. Mitcham

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.

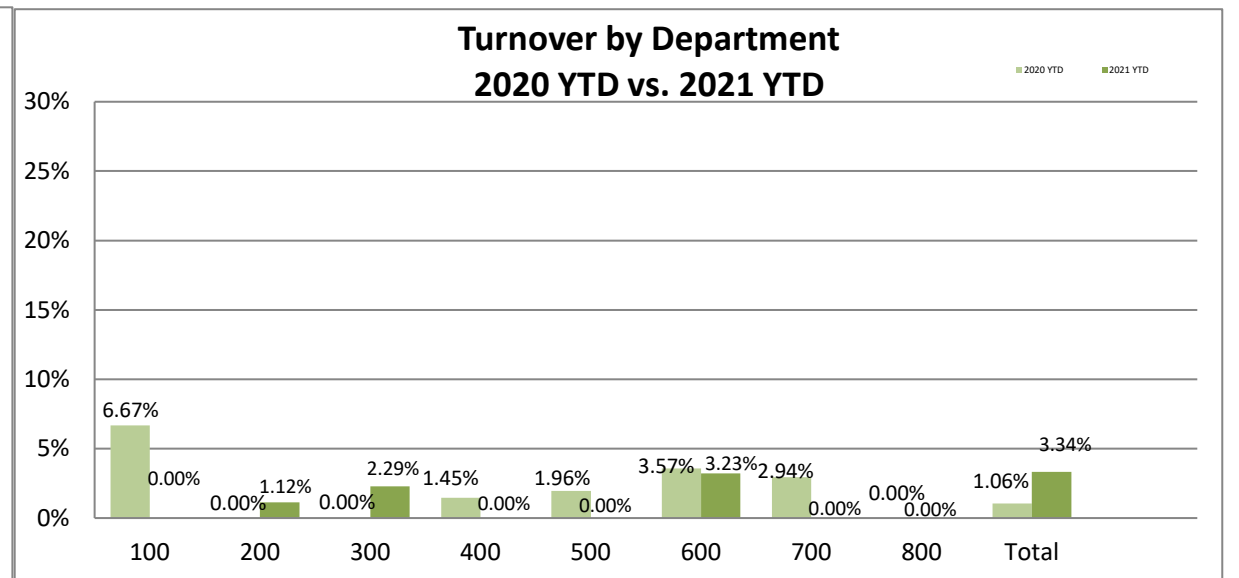
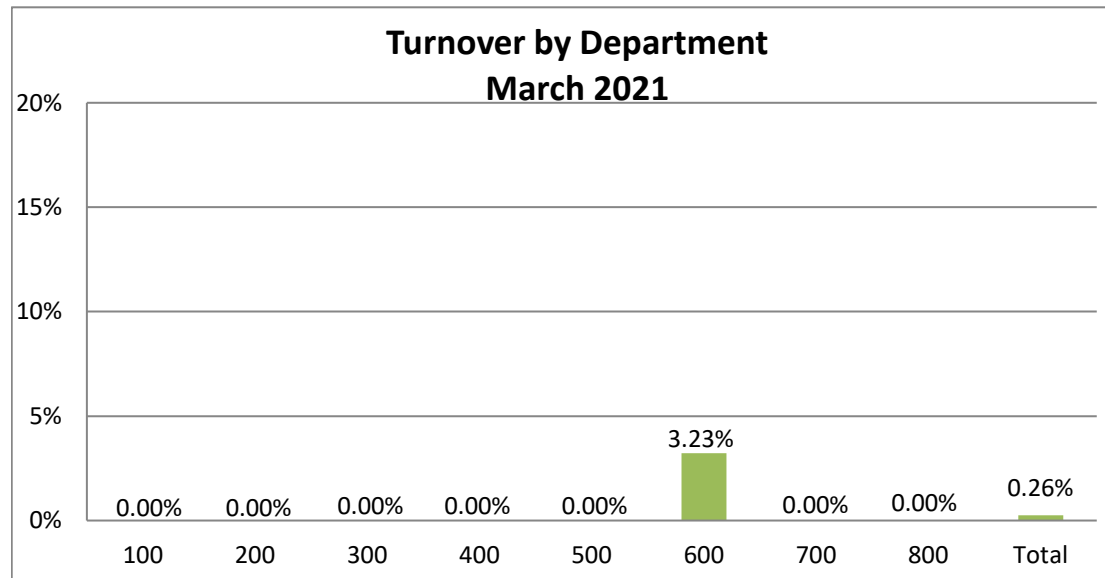
LIST OF EXHIBITS:

Exhibit "A" – Employee Population/Turnover Status Report

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EXHIBIT A
IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
March 2021

	@3/01/21	Current Month Activity							@3/31/21						Internal Turnover		External Turnover	
Dept	Positions Filled	New Hires	Terms		Promo Trnsfr		Lateral Trnsfr		Positions Filled	Positions Unfilled	FY 20/21 Budgeted Positions	Avg FYTD Filled Budget Positions	Avg FYTD Temp Emp FTE	Avg FYTD Total Filled Positions	Current Period	2020 YTD	Current Period	2021 YTD
			Vol	Invol	In	Out	In	Out										
100	16.0								16.0	0	16.0	15.4	1.2	16.7	0.00%	0.00%	0.00%	0.00%
200	89.0								89.0	3	92.0	89.9	2.4	92.3	0.00%	0.00%	0.00%	1.12%
300	43.0								43.0	1	44.0	43.4	0.0	43.4	0.00%	0.00%	0.00%	2.29%
400	70.0								70.0	3	73.0	69.7	3.4	73.0	0.00%	0.00%	0.00%	0.00%
500	52.0	1							53.0	8	61.0	51.4	1.9	53.4	0.00%	0.00%	0.00%	0.00%
600	31.0			1					30.0	1	31.0	29.9	6.1	35.9	0.00%	0.00%	3.23%	3.23%
700	33.0								33.0	2	35.0	33.4	4.4	37.9	0.00%	0.00%	0.00%	0.00%
800	56.0								56.0	5	61.0	55.4	0.9	56.3	0.00%	0.00%	0.00%	0.00%
Totals	390	1	0	1	0	0	0	0	390.0	23	413.0	388.7	20.3	409.0	0.00%	0.00%	0.26%	3.34%
3/20	381	1	2	0	0	0	0	0	380	26	406.0	372.3	24.6	396.9	0.00%	0.00%	0.52%	1.06%

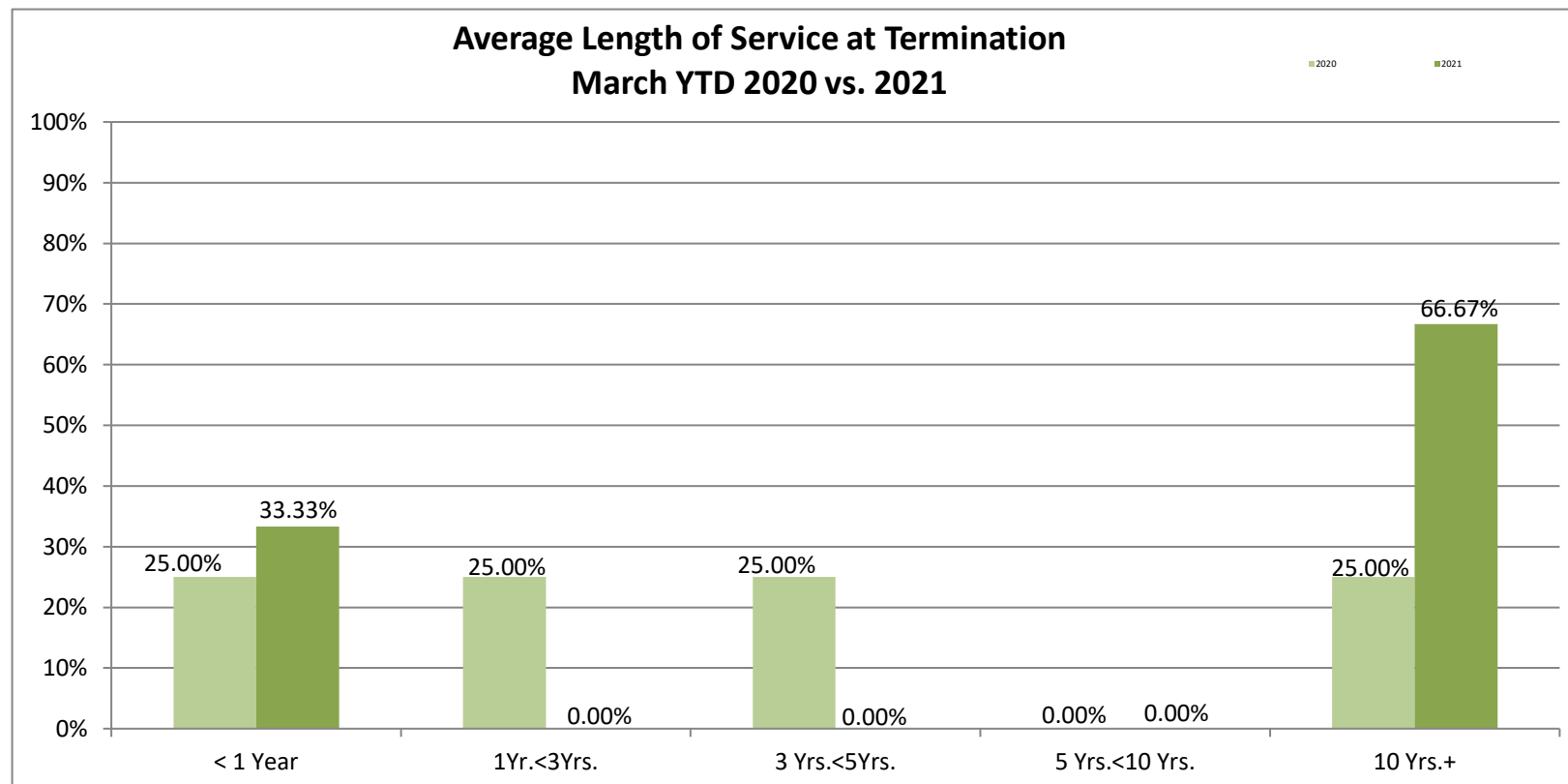


100-GM, HR, Safety; 200-Fin., Cust. Serv., IS, Purch.; 300-Eng.; 400-Water Ops; 500-Recycling; 600-WQ&RC; 700-Water Res., Recyc. Water and Public Affairs; 800-Adm. & Maintenance Ops

**IRVINE RANCH WATER DISTRICT
TURNOVER LONGEVITY RATIO
March 2021**

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													0					
200	1												0					1
300		1											1					1
400													0					
500													0					
600			1										1	1				
700													0					
800													0					
2021 Total	1	1	1	0	0	0	0	0	0	0	0	0	3	1	0	0	0	2
2020 Data	2	0	2	2	3	1	2	0	1	1	0	4	18					
Percentage of Total Turnover														33.33%	0.00%	0.00%	0.00%	66.67%

2021 Average YTD Length of Service at Termination	14.44 Years
2020 Average YTD Length of Service at Termination	16.33 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



**IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
March 2021**

NEW HIRES				
Date	Dept	Employee Name	Position	Comments
03/08/21	500	Brandon Bowman	Collection Systems Technician I	

TERMINATIONS					
Date	Dept	Employee Name	Position	Reason	Comments
03/12/21				Invol	

RETIREMENTS					
Date	Dept	Employee Name	Position	Reason	Comments

PROMOTIONS					
Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
03/06/21	300	Rachael Burk	Associate Engineer	300	Engineer
03/06/21	500	Dennis Mitchem	Operator I	500	Operator II
03/06/21	500	Ricardo Noguera	Operator I	500	Operator II
03/06/21	500	Jorge Figueroa	Operator I	500	Operator II

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

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

**IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
March 2021**

UNFILLED POSITIONS			
Dept	Position	Salary Grade	Comments
200	User Support Administrator	U32.N	Recruiting
200	User Support Manager	U20.E	Recruiting
200	Treasury Analyst	U13.E	Recruiting
300	Development Services Supervisor	U10.E	
400	Field Services Manager	U18.E	
400	Metering Systems Technician I	16.N	
400	Metering Systems Technician II	22.N	
500	Cybersecurity Analyst	U18.E	Recruiting
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	Recruiting
500	Operator III	29.N	Recruiting
500	Operator II	27.N	Recruiting
600	Regulatory Compliance Administrator	U12.E	
700	Cross Connection Specialist	26.N	Recruiting
700	Director of Public Affairs	U27.E	TBD
800	Reliability Engineer	U20.E	Recruiting
800	Senior Electrical Technician	30.N	Recruiting
800	Senior Instrumentation Technician	30.N	
800	Electrical Technician	28.N	Recruiting
800	Director of Field Operations	U27.E	

**IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
March 2021**

LEAVE OF ABSENCE					
Type of Leave	Pay Status	Date Leave Began	Anticipated Return Date	Current Length	Comments
WC/FMLA/CFRA	SDI	10/23/2020	5/7/2021	5 months	
FMLA/CFRA	SDI	12/14/2020	3/22/2021	2 months	
FMLA/CFRA	SDI	2/4/2021	3/22/2021	2 months	
FMLA/CFRA	SDI	3/29/2021	4/12/2021	2 days	

Leave	Original Status	Date Leave Began	Return Date	Length	Return Date	Comments
WC/FMLA/CFRA	SDI	2/3/2020	4/13/2020	1 month	04/13/20	Returned
FFCRA/FMLA	SDI	6/26/2020	8/5/2020	1 month	8/5/2020	Returned
FFCRA/FMLA	SDI	6/21/2020	7/6/2020	3 weeks	7/6/2020	Returned
FFCRA/FMLA	SDI	6/22/2020	7/6/2020	3 weeks	7/6/2020	Returned
FMLA/CFRA	SDI	6/20/2020	7/6/2020	3 weeks	7/6/2020	Returned
FMLA/CFRA	SDI	6/2/2020	7/6/2020	1 month	7/6/2020	Returned
FMLA/CFRA	SDI	6/1/2020	7/13/2020	1.5 months	7/13/2020	Returned
FMLA/CFRA	SDI	5/7/2020	7/27/2020	3 months	7/27/2020	Returned
FMLA/CFRA	SDI	7/2/2020	7/28/2020	1 month	7/28/2020	Returned
FMLA/CFRA	SDI	7/29/2020	8/31/2020	1 month	8/31/2020	Returned
FMLA/CFRA	SDI	7/21/2020	9/2/2020	2 weeks	09/02/20	Returned
FMLA/CFRA	SDI	8/4/2020	9/8/2020	1 month	09/08/20	Returned
FMLA/CFRA	SDI	9/22/2020	10/15/2020	1 month	10/15/20	Returned
FFCRA/FMLA	SDI	9/8/2020	10/12/2020	2 months	10/12/20	Returned
FFCRA/FMLA	LVBK	9/8/2020	10/8/2020	1 month	10/08/20	Returned

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

Month	Length of Employment	Termination		Comments
		Vol	Invol	
January	28 years, 9 months	X		Retirement
February	13 years, 10 months	X		Moved out of state
March	9 months		X	Probation Rejection
April				
May				
June				
July				
August				
September				
October				
November				
December				

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

ACTIVE											
Current Month	FYTD Ave Hours Worked	PERS Enroll- ment	Agency		Hourly	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FY' YTD	Actual Cost FY 'YTD
0.47	0.49	Yes	X	130	47.75	84	4,011.00	9	9	36,099.00	32,661.00
0.41	0.51	No		140	40.43	168	6,792.24	8	5	33,961.20	28,988.31
0.88	1.00			100							
0.00	0.00	Yes		200	56.55	84	4,750.20	12	9	42,751.80	339.30
1.00	1.00	Yes		200	22.37	168	3,758.16	12	9	33,823.44	32,952.13
1.00	1.00			200							
0.06	0.24	Yes		300	72.97	84	6,129.48	12	9	55,165.32	24,627.38
0.01	0.05	Yes		300	85.30	84	7,165.20	12	9	64,486.80	5,864.38
0.27	0.46	EXC		300	18.00	84	1,512.00	12	9	13,608.00	11,520.00
0.24	0.27	EXC		300	17.00	84	1,428.00	9	7	9,996.00	6,502.50
0.59	1.02			300							
1.00	1.00	No	X	400	23.92	168	4,018.56	12	9	36,167.04	37,255.40
0.69	0.97	Yes		400	23.92	168	4,018.56	6	9	36,167.04	32,716.58
1.69	1.97			400							
0.87	0.75	Yes	X	500	29.23	168	4,910.64	12	8	39,285.12	30,735.35
0.93	0.31	No		500	33.13	168	5,565.84	3	3	16,697.52	14,345.29
1.00	0.33	No		500	33.13	168	5,565.84	3	3	16,697.52	15,239.80
2.80	1.38			500							
1.00	1.00	No	X	600	32.76	168	5,503.68	11	9	49,533.12	51,508.55
1.00	1.00	No		600	32.76	168	5,503.68	12	9	49,533.12	50,548.68
1.00	1.00	No		600	32.76	168	5,503.68	12	9	49,533.12	51,268.25
1.00	1.00	No		600	32.76	168	5,503.68	12	9	49,533.12	50,130.99
0.32	0.62	EXC		600	15.00	84	1,260.00	12	9	11,340.00	12,960.00
4.32	4.62			600							
1.00	1.00	No	X	700	30.92	168	5,194.56	9	9	46,751.04	44,030.08
1.00	0.95	No		700	30.92	168	5,194.56	9	9	46,751.04	41,046.30
1.00	1.00	Yes		700	30.92	168	5,194.56	9	9	46,751.04	46,596.44
0.62	0.48	EXC		700	14.00	84	1,176.00	9	6	7,056.00	9,408.00
0.99	1.00	Yes		700	30.92	168	5,194.56	9	9	46,751.04	46,256.32
4.62	4.42			700							
0.00	0.00			800							
15.90	15.41										

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

TERMINATED											
Current Month FTE	Avg FYTD Temp Emp FTE	Active PERS Y/N *	Agency	Dept	Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FYTD	Actual Cost FYTD
0.25	0.24	No	X	140	37.15	168	6,241.20	6	3	18,723.60	12,468.65
0.25	0.24			100							
0.25	0.28	Yes		200	22.37	168	3,758.16	12	3	11,274.48	8,746.67
0.56	0.85	Yes		200	23.92	168	4,018.56	2	4	16,074.24	14,017.12
1.00	0.29	No	X	200	37.73	168	6,338.64	6	2	12,677.28	11,319.00
1.81	1.41			200							
0.93	0.95	Yes		300	37.70	168	6,333.60	6	6	38,001.60	37,436.10
0.98	0.98	EXC		300	37.70	84	3,166.80	6	6	19,000.80	38,265.50
1.91	0.00			300							
0.17	0.46	No	X	400	30.53	168	5,129.04	5	3	15,387.12	9,769.60
1.00	0.93	No	X	400	30.53	168	5,129.04	6	6	30,774.24	29,614.10
1.17	1.39			400							
0.80	0.54	Yes		500	29.23	168	4,910.64	4	4	19,642.56	16,281.11
0.80	0.54			500							
0.80	0.32	Yes		600	32.76	168	5,503.68	2	3	16,511.04	14,840.28
1.61	0.63	No	X	600	52.00	168	8,736.00	5	5	43,680.00	34,190.00
2.41	0.49	EXC		600	16.00	84	1,344.00	6	6	8,064.00	8,196.80
4.83	0.32			600							
0.00	0.00			700							
0.92	0.87	No	X	800	40.00	168	6,720.00	7	7	47,040.00	42,440.00
0.92	0.00			800							
11.70	3.90									1,135,289.40	955,085.95

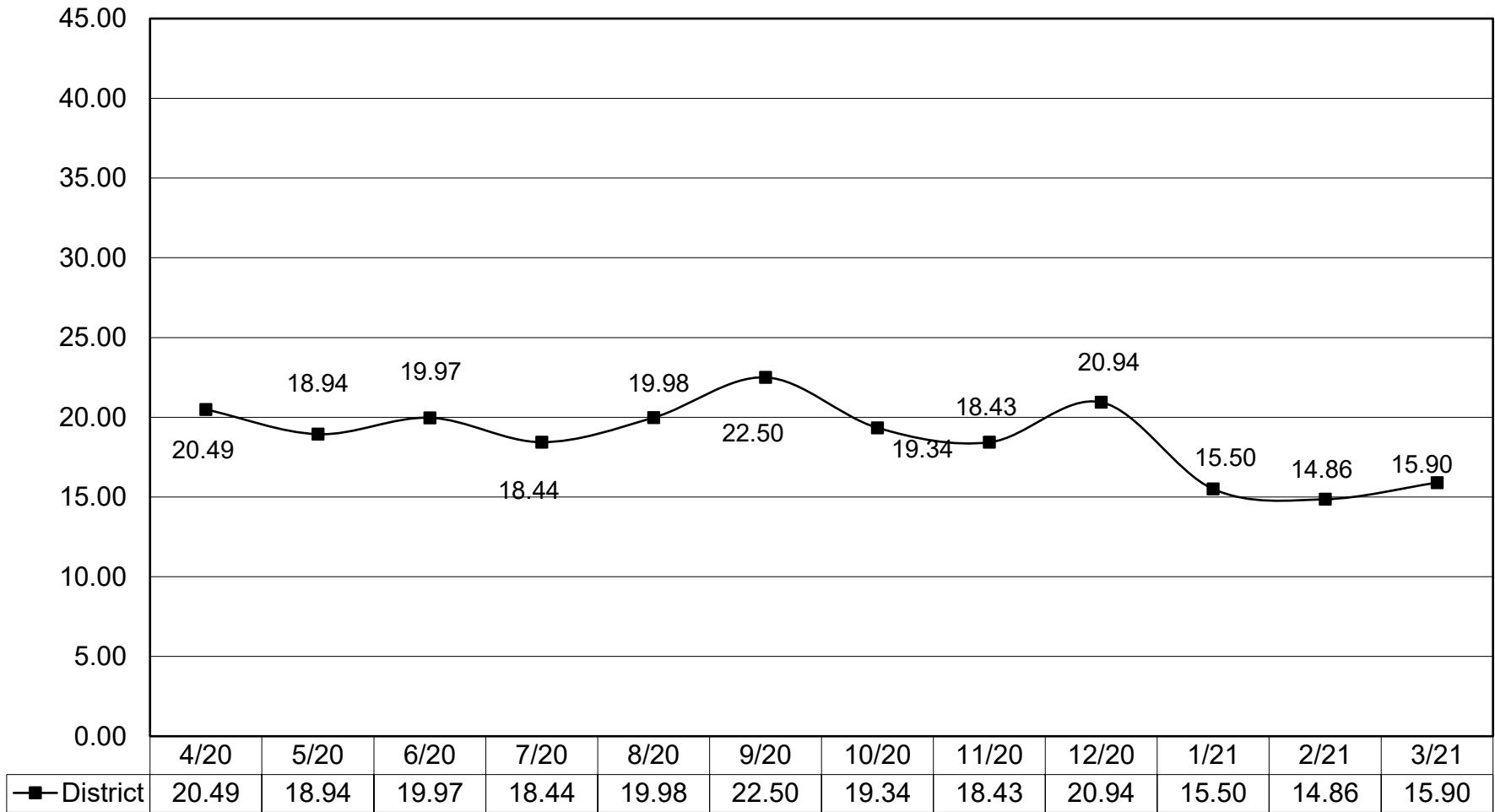
EXC = Exclude from PERS enrollment

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 March 31, 2021



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May 4, 2021
Prepared by: J. Davis
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 April 23, 2021, as outlined in Exhibit "A";
- The U.S. Treasury Yield Curve as of April 23, 2021, as shown in Exhibit "B";
- The Summary of Fixed and Variable Debt as of April 23, 2021, as outlined in Exhibit "C"; and
- The Summary of Variable Rate Debt Rates as of April 23, 2021, as outlined in Exhibit "D".

BACKGROUND:

Investment Portfolio:

Due to the timing of the Committee meeting, the rate of return for April 2021 is not complete at this time. Preliminary calculations indicate a rate of return for the fixed income investment portfolio of 0.65%, which is a 0.06% decrease from March's rate of 0.71%. The decrease is due to the average balance in the fixed income portfolio at lower interest rates and a decrease in the Local Agency Investment Fund's (LAIF) rate from 0.37% to 0.34%. Including real estate investments, the weighted average rate of return for IRWD's investment portfolio for April 2021 was 2.75%, which was a 0.05% decrease from March's rate of 2.80%.

Debt Portfolio:

As of April 23, 2021, IRWD's weighted average all-in variable rate was 0.37%, which was a 0.01% increase from March's rate of 0.36%. Including IRWD's weighted average fixed rate bond issues of 3.70% and the negative cash accruals from fixed payer interest rate swaps, which hedge a portion of the District's variable rate debt, the total average debt rate was 3.01%, a 0.15% increase from March's rate of 2.86%. The increase was primarily due to the change in the negative cash accrual 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 April 23, 2021

Exhibit “B” – Yield Curve as of April 23, 2021

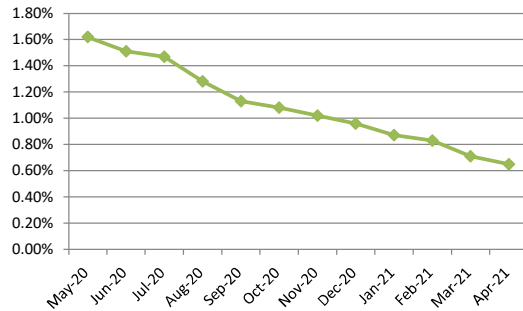
Exhibit “C” – Summary of Fixed and Variable Debt as of April 23, 2021

Exhibit “D” – Summary of Variable Rate Debt Rates as of April 23, 2021

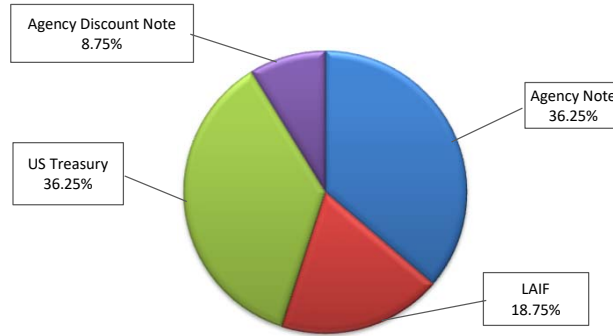
Exhibit "A"

Irvine Ranch Water District Investment Portfolio Summary April 2021

Monthly Fixed Income Yield



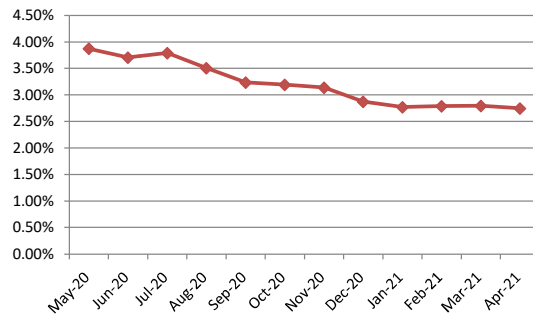
Portfolio Distribution



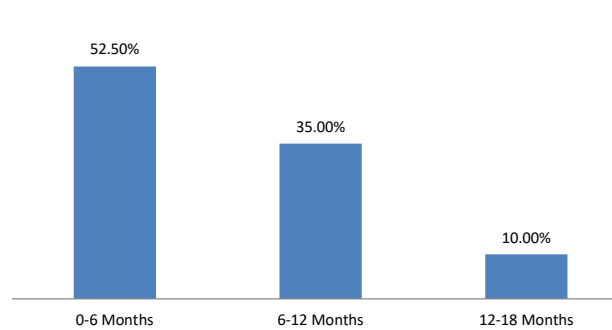
Investment Summary

Type	PAR	Book Value	Market Value
US Treasury	145,000,000	145,469,468	146,115,272
Agency Note	145,000,000	145,364,625	145,962,550
LAIF	75,000,000	75,000,000	75,095,239
Agency Discount Note	35,000,000	34,991,463	34,994,350
Grand Total	400,000,000	400,825,555	402,167,411

Weighted Average Return
Including Real Estate Portfolio



Maturity Distribution



Top Issuers

Issuer	PAR	% Portfolio
US Treasury	145,000,000	36.25%
State of California Tsy.	75,000,000	18.75%
Fed Home Loan Bank	75,000,000	18.75%
Fed Farm Credit Bank	70,000,000	17.50%
Fed Home Loan Mortgage Corp	20,000,000	5.00%
Fed Natl Mortgage Assoc	15,000,000	3.75%
Grand Total	400,000,000	100.00%

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

04/23/21

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE ⁽¹⁾ 4/23/2021	UNREALIZED ⁽²⁾ GAIN/(LOSS)
07/24/20			04/24/21		LAIF	State of California Tsy.	\$75,000,000		0.340%	\$75,000,000.00	\$75,000,000.00	75,095,238.98	95,238.97
11/24/20	NA	NA	04/27/21	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	0.075%	0.076%	4,998,395.83	5,000,000.00	4,998,400.00	(1,600.00)
11/25/20	NA	NA	04/27/21	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	0.075%	0.076%	4,998,406.25	5,000,000.00	4,998,400.00	(1,600.00)
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	5,000,000.00	5,006,700.00	6,700.00
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	5,000,000.00	5,008,750.00	8,750.00
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	5,001,631.66	5,015,500.00	13,868.34
11/18/20	NA	NA	05/27/21	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	0.080%	0.081%	4,997,888.89	4,999,711.11	4,999,900.00	188.89
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	10,030,771.52	10,033,900.00	3,128.48
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	4,998,970.84	4,999,800.00	829.16
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	5,002,549.53	5,021,250.00	18,700.47
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	4,996,204.10	5,013,100.00	16,895.90
12/31/20	NA	NA	07/01/21	Aaa/NR/AAA	Treasury - Bill	US Treasury	10,000,000	0.090%	0.090%	9,995,450.00	9,998,475.00	9,999,400.00	925.00
01/19/21	NA	NA	07/15/21	Aaa/NR/AAA	Treasury - Bill	US Treasury	5,000,000	0.075%	0.076%	4,998,156.25	4,999,218.75	4,999,800.00	581.25
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	4,999,454.42	5,027,150.00	27,695.58
08/13/20	NA	NA	08/12/21	NR	FFCB - Discount Note	Fed Farm Credit Bank	10,000,000	0.140%	0.142%	9,985,844.44	9,995,994.44	9,999,000.00	3,005.56
08/13/20	NA	NA	08/13/21	Aaa/NR/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	0.125%	0.133%	9,999,220.00	9,999,777.75	9,998,900.00	(877.75)
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	4,988,727.83	5,022,250.00	33,522.17
03/10/21	NA	NA	09/09/21	NR	Treasury - Bill	US Treasury	10,000,000	0.045%	0.046%	9,997,712.50	9,998,087.50	9,998,900.00	812.50
09/17/20	NA	NA	09/17/21	NA	FHLB - Note	Fed Home Loan Bank	5,000,000	0.125%	0.132%	4,999,660.00	4,999,870.52	5,001,450.00	1,579.48
08/13/20	NA	NA	09/30/21	Aaa/AA+/NR	Treasury - Note	US Treasury	10,000,000	1.125%	0.133%	10,112,109.38	10,041,260.60	10,053,900.00	12,639.40
09/30/20	NA	NA	09/30/21	NA	FHLB - Note	Fed Home Loan Bank	10,000,000	0.125%	0.122%	10,000,336.80	10,000,140.26	10,003,000.00	2,859.74
08/13/20	NA	NA	10/07/21	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	10,000,000	1.375%	0.143%	10,141,500.00	10,053,567.86	10,067,100.00	13,532.14
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	5,029,910.18	5,075,800.00	45,889.82
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	4,994,579.42	5,036,300.00	41,720.58
10/29/20	NA	NA	10/19/21	Aaa/NR/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	0.125%	0.127%	9,999,800.00	9,999,903.66	10,003,300.00	3,396.34
10/27/20	NA	NA	10/26/21	NR	FFCB - Discount Note	Fed Farm Credit Bank	5,000,000	0.130%	0.132%	4,993,427.78	4,996,786.11	4,998,850.00	2,063.89
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	5,033,557.38	5,086,700.00	53,142.62
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	5,001,988.92	5,056,250.00	54,261.08
03/17/21	NA	NA	11/30/21	Aaa/AA+/NR	Treasury - Note	US Treasury	5,000,000	1.875%	0.057%	5,064,120.00	5,056,664.19	5,060,550.00	3,885.81
09/28/20	NA	NA	12/03/21	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.150%	0.120%	5,001,765.00	5,000,884.55	5,002,250.00	1,365.45
10/30/20	NA	NA	12/15/21	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	2.625%	0.127%	5,140,429.69	5,077,902.60	5,090,050.00	12,147.40
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	10,097,614.79	10,110,400.00	12,785.21
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	5,012,426.66	5,071,900.00	59,473.34
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	5,025,452.88	5,089,950.00	64,497.12
08/14/20	NA	NA	01/13/22	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	2.375%	0.147%	5,157,297.23	5,078,192.24	5,089,950.00	11,757.76
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	5,001,356.71	5,095,500.00	94,143.29
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	5,008,604.85	5,075,000.00	66,395.15
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	4,987,913.62	5,081,650.00	93,736.38
11/13/20	Continuous after	05/04/21	02/04/22	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.140%	0.150%	4,999,390.00	4,999,620.11	5,000,300.00	679.89
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	5,032,878.84	5,105,650.00	72,771.16
11/13/20	NA	NA	02/28/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.875%	0.139%	5,112,304.69	5,072,093.90	5,080,650.00	8,556.10
11/19/20	NA	NA	02/28/22	Aaa/NR/AAA	Treasury - Note	US Treasury	5,000,000	1.750%	0.126%	5,103,710.94	5,067,434.37	5,075,800.00	8,365.63
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	5,000,785.71	5,113,100.00	112,314.29
12/23/20	NA	NA	03/22/22	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	10,000,000	0.090%	0.090%	10,000,000.00	10,000,000.00	9,997,300.00	(2,700.00)
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	5,010,258.95	5,088,500.00	78,241.05
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	4,999,199.23	5,065,400.00	66,200.77
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	10,124,756.32	10,152,300.00	27,543.68
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	5,000,150.00	150.00
04/22/21	NA	NA	06/30/22	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	0.125%	0.082%	10,005,078.13	10,004,972.82	10,005,078.10	105.28
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	5,000,361.84	5,093,900.00	93,538.16
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	5,000,750.00	750.00
04/22/21	NA	NA	10/31/22	Aaa/NR/AAA	Treasury - Note	US Treasury	10,000,000	0.125%	0.110%	10,002,343.75	10,005,040.26	10,002,343.75	(2,696.51)

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

04/23/21

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE ⁽¹⁾ 4/23/2021	UNREALIZED ⁽²⁾ GAIN/(LOSS)
TOTAL INVESTMENTS							<u>\$400,000.00</u>			<u>\$401,864,200.14</u>	<u>\$400,825,554.80</u>	<u>\$402,167,410.83</u>	<u>\$1,341,856.03</u>
					Petty Cash					3,400.00			
					Ck Balance	Bank of America	ECR	0.19%		10,042,571.00			
										<u>\$411,910,171.14</u>			

⁽¹⁾ LAIF market value is as of the most recent quarter-end as reported by LAIF.

Security market values are determined using Bank of New York ("Trading Prices"), Bloomberg and/or broker dealer pricing.

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

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

Outstanding Variable Rate Debt	\$249,300,000
Net Outstanding Variable Rate Debt (Less \$60 million fixed-payer swaps)	\$189,300,000
Investment Balance:	\$411,910,171
Investment to Variable Rate Debt Ratio:	218%
Portfolio - Average Number of Days To Maturity	171

This Investment Summary Report is in conformity with the 2021 Investment Policy and provides sufficient liquidity to meet the next six months estimated expenditures.

*S - Step up

	Investment Portfolio	Real Estate ⁽³⁾ Portfolio	Weighted Avg. Return
April	0.65%	11.09%	2.75%
March	0.71%	11.09%	2.80%
Change	-0.06%		-0.05%

IRVINE RANCH WATER DISTRICT
SUMMARY OF MATURITIES

04/23/21

DATE	TOTAL	%	LAIF	Agency Notes	Agency Discount Notes	Municipal Bonds	US Treasury
04/21	\$95,000,000	23.75%	\$75,000,000	5,000,000	10,000,000		5,000,000
05/21	20,000,000	5.00%			5,000,000		15,000,000
06/21	15,000,000	3.75%		5,000,000	5,000,000		5,000,000
07/21	20,000,000	5.00%		5,000,000			15,000,000
08/21	25,000,000	6.25%		10,000,000	10,000,000		5,000,000
09/21	35,000,000	8.75%		15,000,000			20,000,000
10/21	35,000,000	8.75%		25,000,000	5,000,000		5,000,000
11/21	15,000,000	3.75%		-			15,000,000
12/21	25,000,000	6.25%		15,000,000			10,000,000
01/22	20,000,000	5.00%		10,000,000			10,000,000
02/22	25,000,000	6.25%		10,000,000			15,000,000
03/22	20,000,000	5.00%		15,000,000			5,000,000
SUB-TOTAL	\$350,000,000	87.50%	\$75,000,000	\$115,000,000	35,000,000		\$125,000,000
13 Months - 3 YEARS							
4/01/2022 - 6/30/2022	30,000,000	7.50%		20,000,000			10,000,000
07/01/2022 - 9/30/2022	10,000,000	2.50%		10,000,000			
10/01/2022 - 11/30/2022	10,000,000	2.50%					10,000,000
	-						
	-						
	-						
	-						
	-						
	-						
TOTALS	\$400,000,000	100.00%	\$75,000,000	\$145,000,000	\$35,000,000		\$145,000,000

% OF PORTFOLIO	18.75%	36.25%	8.75%	36.25%
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Irvine Ranch Water District
Summary of Real Estate - Income Producing Investments
3/31/2021

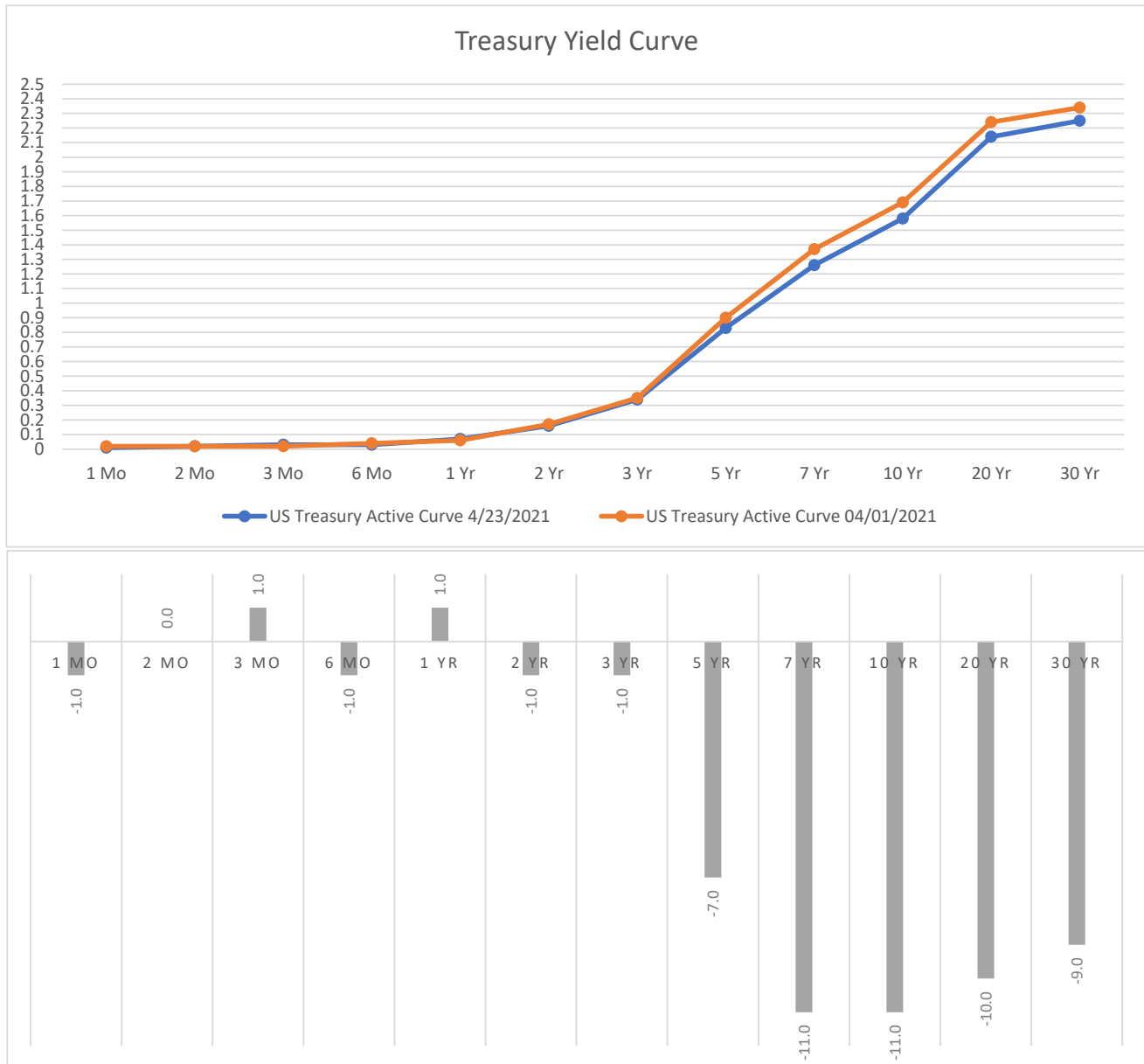
	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	MARKET VALUE 6/30/2020	ANNUALIZED RATE OF RETURN QUARTER ENDED 3/31/2021
Sycamore Canyon	Dec-92	Apartments	Fee Simple	\$ 43,550,810	\$ 152,340,625	19.69%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	\$ 6,000,000	\$ 30,432,947	8.51%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	\$ 5,739,845	\$ 11,964,600	11.05%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	\$ 8,630,577	\$ 9,363,600	6.61%
Sand Canyon Professional Center - Medical Office	Jul-12	Medical Office	Fee Simple	\$ 8,648,594	\$ 11,444,400	9.25%
Sand Canyon Professional Center - General Office	Sep-20	Office Building	Fee Simple	\$ 25,985,968	\$ 28,770,000	-0.64%
Total - Income Properties				\$ 98,555,794	\$ 244,316,172	11.09%

Apr-21

PURCHASES

A - 6

Exhibit "B"

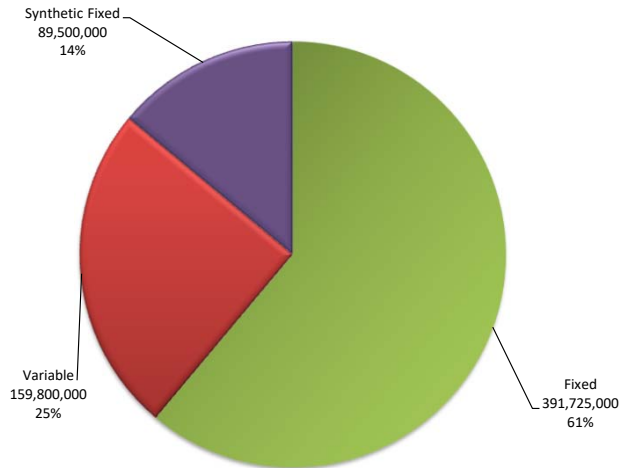


Tenor	US Treasury Active Curve 4/23/2021	US Treasury Active Curve 04/01/2021	Change
1 Mo	0.01	0.02	-1.0
2 Mo	0.02	0.02	0.0
3 Mo	0.03	0.02	1.0
6 Mo	0.03	0.04	-1.0
1 Yr	0.07	0.06	1.0
2 Yr	0.16	0.17	-1.0
3 Yr	0.34	0.35	-1.0
5 Yr	0.83	0.9	-7.0
7 Yr	1.26	1.37	-11.0
10 Yr	1.58	1.69	-11.0
20 Yr	2.14	2.24	-10.0
30 Yr	2.25	2.34	-9.0

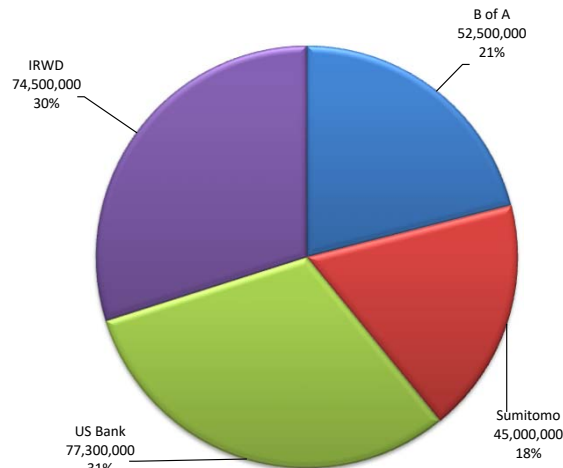
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Exhibit "C"
Irvine Ranch Water District
Summary of Fixed and Variable Rate Debt
April 2021

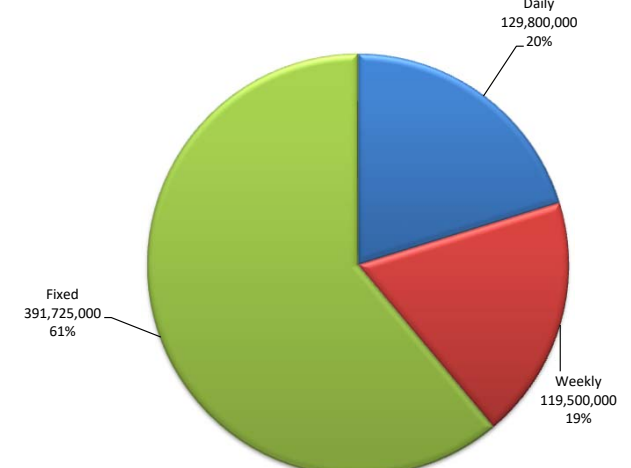
Current Debt Mix By Type



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	\$24,800,000	3.87%	US Bank	BAML	Variable	Daily
Series 2008-A Refunding	04/24/08	07/01/35	\$45,000,000	7.02%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	\$44,700,000	6.97%	IRWD	Goldman	Variable	Weekly
Series 2011-A-2 Refunding	04/15/11	10/01/37	\$29,800,000	4.65%	IRWD	Goldman	Variable	Weekly
Series 2009 - A	06/04/09	10/01/41	\$52,500,000	8.19%	US Bank	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	\$52,500,000	8.19%	B of A	Goldman	Variable	Daily
2016 COPS	09/01/16	03/01/46	\$113,325,000	17.68%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	\$175,000,000	27.30%	N/A	N/A	Fixed	Fixed
Series 2016	10/12/16	02/01/46	\$103,400,000	16.13%	N/A	N/A	Fixed	Fixed
Total			\$641,025,000	100.00%				

IRVINE RANCH WATER DISTRICT
SUMMARY OF FIXED & VARIABLE RATE DEBT

April-21

ITN
Daily
Weekly

GENERAL BOND INFORMATION							LETTER OF CREDIT INFORMATION										TRUSTEE INFORMATION									
VARIABLE RATE ISSUES	Issue Date	Maturity Date	Principal Payment Date	Payment Date	Original Par Amount	Remaining Principal	Letter of Credit	Reimbursement Agreement Date	L/C Exp. Date		MOODY'S	S&P	FITCH	LOC Stated Amount	LOC Fee	Annual LOC Cost	Rmkt Agent	Reset	Rmkt Fees	Annual Cost	Trustee					
SERIES 1993	05/19/93	04/01/33	Apr 1	5th Bus. Day	\$38,300,000	\$24,800,000	US BANK	05/07/15	12/15/21		Aa3/VMIG1	AA-/A-1+	N/R	\$25,134,290	0.3300%	\$82,943	BAML	DAILY	0.10%	\$24,800	BANK OF NY					
SERIES 2008-A Refunding	04/24/08	07/01/35	Jul 1	5th Bus. Day	\$60,215,000	\$45,000,000	SUMITOMO	04/01/11	06/21/21		A1/P-1	A/A-1	A/F1	\$45,665,753	0.3150%	\$143,847	BAML	WED	0.07%	\$31,500	BANK OF NY					
SERIES 2011-A-1 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	\$60,545,000	\$44,700,000	N/A	N/A	N/A		Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A	Goldman	WED	0.13%	\$55,875	BANK OF NY					
SERIES 2011-A-2 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	\$40,370,000	\$29,800,000	N/A	N/A	N/A		Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A	Goldman	WED	0.13%	\$37,250	BANK OF NY					
SERIES 2009 - A	06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$52,500,000	US BANK	04/01/11	12/15/21		Aa2/VMIG 1	AA-/A-1+	AA/F1+	\$53,086,849	0.3300%	\$175,187	US Bank	DAILY	0.07%	\$36,750	US BANK					
SERIES 2009 - B	06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$52,500,000	B of A	04/01/11	05/16/22		Aa2/VMIG 1	A/A-1	A1/F1+	\$53,086,849	0.3000%	\$159,261	Goldman	DAILY	0.10%	\$52,500	US BANK					
					\$349,430,000	\$249,300,000	SUB-TOTAL VARIABLE RATE DEBT										\$176,973,7420.3171%\$561,237					0.10%\$238,675				
																	(Wt. Avg)					(Wt. Avg)				
FIXED RATE ISSUES																										
2010 GO Build America Taxable Bonds	12/16/10	05/01/40	May (2025)	May/Nov	\$175,000,000	\$175,000,000	N/A	N/A	N/A		Aa1	AAA	NR	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK					
2016 COPS	09/01/16	03/01/46	Mar 1	Mar/Sept	\$116,745,000	\$113,325,000	N/A	N/A	N/A		NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK					
SERIES 2016	10/12/16	02/01/46	Feb (2022)	Feb/Aug	\$103,400,000	\$103,400,000	N/A	N/A	N/A		NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	BANK OF NY					
					\$395,145,000	\$391,725,000	SUB-TOTAL FIXED RATE DEBT																			
					\$744,575,000	\$641,025,000	TOTAL- FIXED & VARIABLE RATE DEBT																			

Remarketing Agents			GO VS COP's		
Goldman	127,000,000	51%	GO:	527,700,000	82%
BAML	69,800,000	28%	COPS:	113,325,000	18%
US Bank	52,500,000	21%	Total	<u>641,025,000</u>	
				<u>249,300,000</u>	

LOC Banks		Breakdown Between Variable & Fixed Rate Mode	
SUMITOMO	45,000,000	Daily Issues	129,800,000 20%
BANK OF AMERICA	52,500,000	Weekly Issues	45,000,000 7%
US BANK	77,300,000	ITN Issues	74,500,000 12%
		Sub-Total	<u>249,300,000</u>
		Fixed Rate Issues	\$391,725,000 61%
		Sub-Total - Fixed	<u>391,725,000</u>
		TOTAL DEBT	
		FIXED & VAR.	<u>641,025,000</u> 100%

Exhibit "D"
IRVINE RANCH WATER DISTRICT
SUMMARY OF DEBT RATES
Apr-21

Rmkt Agent Mode	GOLDMAN DAILY	GOLDMAN WEEKLY	GOLDMAN WEEKLY	MERRILL LYNCH DAILY	MERRILL LYNCH WEEKLY	US BANK DAILY
Bond Issue	2009 - B	2011 A-1	2011 A-2	1993	2008-A	2009-A
Par Amount	52,500,000	44,700,000	29,800,000	24,800,000	45,000,000	52,500,000
Bank	BOFA	(SIFMA + 3)	(SIFMA + 3)	US BANK	Sumitomo	US BANK
Reset		Wednesday	Wednesday		Wednesday	
4/1/2021	0.02%	0.10%	0.10%	0.03%	0.08%	0.04%
4/2/2021	0.02%	0.10%	0.10%	0.03%	0.08%	0.04%
4/3/2021	0.02%	0.10%	0.10%	0.03%	0.08%	0.04%
4/4/2021	0.02%	0.10%	0.10%	0.03%	0.08%	0.04%
4/5/2021	0.02%	0.10%	0.10%	0.02%	0.08%	0.02%
4/6/2021	0.02%	0.10%	0.10%	0.02%	0.08%	0.02%
4/7/2021	0.01%	0.10%	0.10%	0.02%	0.08%	0.02%
4/8/2021	0.01%	0.09%	0.09%	0.02%	0.07%	0.02%
4/9/2021	0.01%	0.09%	0.09%	0.02%	0.07%	0.02%
4/10/2021	0.01%	0.09%	0.09%	0.02%	0.07%	0.02%
4/11/2021	0.01%	0.09%	0.09%	0.02%	0.07%	0.02%
4/12/2021	0.01%	0.09%	0.09%	0.02%	0.07%	0.02%
4/13/2021	0.01%	0.09%	0.09%	0.02%	0.07%	0.02%
4/14/2021	0.01%	0.09%	0.09%	0.02%	0.07%	0.02%
4/15/2021	0.01%	0.09%	0.09%	0.02%	0.07%	0.02%
4/16/2021	0.02%	0.09%	0.09%	0.04%	0.07%	0.02%
4/17/2021	0.02%	0.09%	0.09%	0.04%	0.07%	0.03%
4/18/2021	0.02%	0.09%	0.09%	0.04%	0.07%	0.03%
4/19/2021	0.02%	0.09%	0.09%	0.03%	0.07%	0.03%
4/20/2021	0.02%	0.09%	0.09%	0.03%	0.07%	0.03%
4/21/2021	0.02%	0.09%	0.09%	0.02%	0.07%	0.03%
4/22/2021	0.02%	0.09%	0.09%	0.03%	0.07%	0.03%
4/23/2021	0.02%	0.09%	0.09%	0.03%	0.07%	0.03%
Avg Interest Rates	0.02%	0.09%	0.09%	0.03%	0.07%	0.03%
Rmkt Fee	0.10%	0.13%	0.13%	0.10%	0.07%	0.07%
LOC Fee	0.30%			0.33%	0.32%	0.33%
All-In Rate	0.42%	0.22%	0.22%	0.46%	0.46%	0.43%
Par Amount	97,200,000		29,800,000	69,800,000		52,500,000

Interest Rate Mode	Percent of Total Variable Rate Debt	Par Outstanding	Weighted All-In Average Rate	Base Rate Average
Daily	52.07%	129,800,000	0.43%	0.02%
Weekly	47.93%	119,500,000	0.31%	0.08%
	100.00%	\$ 249,300,000	0.37%	0.05%
Fixed				
COPS 2016	28.93%	113,325,000	2.90%	
BABS 2010	44.67%	175,000,000	4.44%	(1)
SERIES 2016	26.40%	103,400,000	3.32%	
	100.00%	\$ 391,725,000	3.70%	
All-In Debt Rate Including \$60 Million Notional Amount of Swaps				3.01%

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

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May 4, 2021

Prepared by: M. Pulles

Submitted by: C. Clary

Approved by: Paul A. Cook



FINANCE AND PERSONNEL COMMITTEE

EXPENSES AND FEES OF BOARD MEMBERS AND GENERAL MANAGER
PAID THROUGH THE THIRD QUARTER OF FY 2020-21

SUMMARY:

Pursuant to the Policy Regarding Business Expense Reimbursement, Travel, Meeting Compensation and Representation, staff has assembled for Committee review an Expense Summary, as shown in Exhibits “A” and “B”, for IRWD’s Board members and the General Manager through the third quarter of Fiscal Year (FY) 2020-21. Provided below is a summary of expenses paid to date.

**Board
Members:**

Name	Conference, Travel, and Other District- Related Expenses	Meeting Fees	Total
LaMar	\$0	\$27,000	\$27,000
Matheis	2,875	\$19,500	\$22,375
McLaughlin	\$0	\$5,100	\$5,100
Reinhart	\$725	\$27,000	\$27,725
Swan	\$7,092	\$27,000	\$34,092
Withers	\$350	\$25,200	\$25,550
<i>Total:</i>	<i>\$11,042</i>	<i>\$130,800</i>	<i>\$141,842</i>

**General
Manager:**

Cook	\$632	N/A	\$632
<i>Total:</i>	<i>\$632</i>	<i>N/A</i>	<i>\$632</i>

FISCAL IMPACTS:

Meeting fees total \$130,800 versus a budget of \$138,915 resulting in a positive variance of \$8,115 year to date. Conference and meeting-related travel expenses for both the Board of Directors and the General Manager totaled \$11,674 versus a budget of \$84,555, resulting in a positive variance of \$72,881. The significant variance for conference, travel and other related expenses is primarily due to COVID-19 travel restrictions.

The total cost for Board and General Manager conference, travel, and other District-related expenses, including meeting fees, through the third quarter FY 2020-21 is \$142,474, resulting in a positive variance of \$80,996 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 Overview for the Board Members and General Manager
Exhibit “B” – Expense Summaries by Individual



**Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2020-21**

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		
Board Members:											
Steven LaMar	\$ -	\$ 320	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	(320)	\$ -
Mary Aileen Matheis	1,126	594	1,030	14	103	-	8	-	-	-	2,875
Karen McLaughlin	-	-	-	-	-	-	-	-	-	-	-
Doug Reinhart	725	-	-	-	-	-	-	-	-	-	725
Peer Swan	2,791	1,856	1,881	87	69	48	81	485	279	-	7,092
John Withers	350	-	-	-	-	-	-	-	-	-	350
											-
											-
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											-
General Manager:											
Paul Cook	-	-	-	-	-	-	632	-	-	-	632
											-
											-
Total	\$ 4,992	\$ 2,770	\$ 2,911	\$ 101	\$ 172	\$ 48	\$ 721	485	\$ 279	\$ (320)	\$ 11,674

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Steven LaMar

*Detail of Description/Location provided on Expense Report



Mary Aileen Matheis

Mary Aileen Matheis

Mary Aileen Matheis



Karen McLaughlin

Karen McLaughlin

Karen McLaughlin



**Irvine Ranch Water District
Conference/Seminar and Monthly Expense Summary
For the Third Quarter, FY 2020-21**

Doug Reinhart

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		
<u>Monthly Expense Reports</u>													
Paid Feb'20	July 2020	ACWA 2020 Spring/Summer Virtual Conf.(\$350 credit pending)	\$ 725.00										\$ 725.00
	August 2020	Monthly Expense Report (no activity this period)											-
	September 2020	Monthly Expense Report (no activity this period)											-
	October 2020	Monthly Expense Report (no activity this period)											-
	November 2020	Monthly Expense Report (no activity this period)											-
	December 2020	Monthly Expense Report (no activity this period)											-
	January 2021	Monthly Expense Report (no activity this period)											-
	February 2021	Monthly Expense Report (no activity this period)											-
	March 2021	Monthly Expense Report (no activity this period)											-
	April 2021	Monthly Expense Report (no activity this period)											-
	May 2021	Monthly Expense Report (no activity this period)											-
	June 2021	Monthly Expense Report (no activity this period)											-
													-
												-	
<u>Conferences/Seminars and Other Non-local Travel</u>													
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*Detail of Description/Location provided on Expense Report



Peer Swan

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*Detail of Description/Location provided on Expense Report



Paul Cook

Paul Cook

Paul Cook

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May 4, 2021

Prepared by: D. Pardee / C. Smithson

Submitted by: C. Clary

Approved by: Paul A. Cook



FINANCE AND PERSONNEL COMMITTEE

FISCAL YEAR 2020-21 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS QUARTERLY UPDATE

SUMMARY:

Staff has prepared a financial analysis of the unaudited operating statements through the third quarter of the Fiscal Year (FY) 2020-21. Actual overall net expenses totaled \$133.2 million, compared with budgeted expenses of \$127.9 million. Operating net loss was \$6.6 million, compared with a budgeted net income of \$1.9 million. Non-operating net income was \$65.4 million compared with budgeted income of \$62.5 million.

BACKGROUND:

Details of the unaudited results through the third quarter of FY 2020-21 are provided in the following documents:

- Actual to budget and forecast of operating expenses, provided as Exhibit “A”;
- Actual to budget and forecast of operating revenues and expenses, provided as Exhibit “B”; and
- Actual to budget and forecast of non-operating revenues and expenses, provided as Exhibit “C”.

The highlights and significant variances (those greater than \$0.5 million) are discussed below.

Summary of Operating Expenses:

Overall net operating expenses were over budget by \$5.3 million. Provided as Exhibit “A” is a summary of actual to budget expenses by major category. Noteworthy variances to budget include:

- Regular labor was over budget by \$3.7 million. This is due primarily to an increase in regular labor hours from reduced usage of sick and vacation benefits due to COVID-19.
- The cost of water was below budget by \$0.9 million. Differences are summarized below:
 - *Treated System* – Sales exceeded budget by 297 acre-feet (AF). Imported water purchases and native water exceeded budget, while groundwater was under budget. This is primarily due to the Potable Treatment Plant (PTP) being down for maintenance. Cost Impact: Expenses were \$0.9 million over budget.
 - *Recycled Water System* – Sales were over budget by 498 AF. Imported and pumped water was below budget and replaced by produced, stored and native water (transferred from the treated system), which were over budget. Cost Impact: Expenses were \$1.8 million under budget.

The following table provides a more detailed review:

	Acre Feet			\$ Millions		
	Actual	Budget	Variance	Actual	Budget	Variance
Imported	7,197	8,078	881	\$9.7	\$9.2	(\$0.5)
Pumped	34,587	37,205	2,618	17.4	19.0	1.6
Baker Imported	5,171	5,424	253	5.1	4.9	(0.2)
Native Water	1,675	1,344	(331)	0.3	0.3	0.0
Baker Partners	(1,271)	-	1,271			
Native Transfer to Recycled	2,598	-	(2,598)			
Produced/ Storage	19,035	15,557	(3,478)			
Total	68,993	67,608	(1,385)	\$32.5	\$33.4	\$0.9
Process Waste	(1,130)	(1,193)	(63)			
System Loss	(3,448)	(2,796)	652			
Sales/Cost of Sales	64,414	63,619	(795)	\$32.5	\$33.4	\$0.9
Baker Reimbursement				(0.9)		\$0.9

- Electricity was over budget by \$0.8 million primarily due to increased peak time-of-use costs and timing of invoices for the Michelson Water Recycling Plant (MWRP);
- Chemicals were under budget by \$0.9 million. This is due to the delay in the startup of the MWRP Biosolids facility which was budgeted to be fully operational in FY 2020-21;
- Repairs and Maintenance for OC SAN exceeded budget by \$7.1 million. This is due to the delay in the startup of the biosolids facility. IRWD is currently billed based on FY 2019-20 demands which did not include any operation of the IRWD Biosolids Treatment Plant and will be trued up later. The increased cost is partially offset by biosolids facility savings in other expense categories as indicated elsewhere;
- Repairs and Maintenance for IRWD was over budget by \$0.9 million, mostly due to increased operating costs associated with water banking (\$0.5 million) and higher traffic control expenses (\$0.3 million);
- Other Professional Fees were below budget by \$1.6 million. This is due to the delay of several educational programs and other projects due to COVID-19 restrictions. The largest differences are for Public Affairs and Administration (\$1.0 million);
- Biosolids Disposals were under budget by \$0.7 million due to delays in the startup of the biosolids facility;
- Over-allocation is below budget by \$0.6 million due to low participation in conservation rebate programs and higher funding by outside agencies; and
- Reimbursements to the Baker Partners were higher by \$0.9 million due to the purchase of native water by the Partners.

The operating expenses are forecasted to be \$7.6 million over budget at fiscal year-end.

Summary of Operating Revenues and Expenses:

Provided as Exhibit “B” is a comparison of actual to budgeted operating revenues and expenses (loss) through the third quarter of FY 2020-21 and a forecast for the full fiscal year.

The net operating loss for IRWD was \$6.6 million. Net revenues were under budget by \$1.5 million and total expenses were over budget by \$6.9 million.

Revenues:

Commodity revenue was under budget by \$0.7 million. This is mostly due to deferment of the FY 2020-21 rate increase. All other operating revenues were under budget by \$1.6 million due to:

- Uncollected late fee charges resulting from waiving fees and the rate deferral for fixed service charges for COVID-19 relief, and
- Changes in the billing calculation for services provided to Rancho Santa Margarita Water District and reduced commercial service charges from COVID-19 business closures.

In addition, contributions to the enhancement and replacement funds were lower by \$0.8 million due to the reduced service revenue.

Expenses:

Expenses exceeded budget by \$6.9 million. Cost of water was under budget by \$2.4 million due to cost savings from reduced imported water, which was replaced with native and produced water. In addition, the cost of the Replenishment Assessment was \$22 per AF below budget. OC SAN Operations and Maintenance was over budget by \$7.2 million due to increased OC SAN solids handling as discussed above. All other operating expense exceeded budget by \$2.0 million primarily due to:

- Increased traffic control expenses and maintenance costs;
- Higher engineering fees; and
- Increased electricity.

The forecast is a net operating loss of \$10.7 million.

Summary of Non-Operating Revenues and Expenses:

Provided as Exhibit “C” is a detailed comparison of Non-operating revenues and expenses through the third quarter of FY 2020-21 and includes a full-year forecast. 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 to pay for new infrastructure.

The non-operating net income was over budget by \$2.9 million. Revenues were below budget by \$0.2 million and expenses were lower than budget by \$3.1 million. Key variances include:

- Property Tax Revenue was over budget due to increased assessed values;
- Investment Income was below budget due to lower-than-budgeted investment rates;
- Real estate income was under budget due to lower-than-anticipated occupancy primarily for the new Sand Canyon Office Building; and
- Interest expense was under budget due to lower-than-budgeted variable rates.

The forecast for non-operating revenues and expenses is a net income of \$87.3 million.

FISCAL IMPACTS:

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

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit “A” – Operating Expenses
Exhibit “B” – Operating Revenues and Expenses
Exhibit “C” – Non-Operating Revenues and Expenses

Exhibit A
Irvine Ranch Water District
Operating Expenses
Fiscal Year 2020-21
(in thousands)

Fiscal Year to Date March 31, 2021				Full Year FY 2020-21		
Expense Name	Actual	Budget	Actual vs Budget	Forecast	Budget	Forecast vs Budget
Regular Labor	\$ 27,031	\$ 23,365	\$ (3,666)	\$ 43,141	\$ 38,641	\$ (4,500)
Overtime Labor	1,910	1,821	(88)	2,426	2,426	-
Contract Labor	1,175	1,413	238	1,851	1,851	-
Employee Benefits	20,119	19,727	(393)	22,093	21,593	(500)
Salaries & Benefits Total	\$ 50,235	\$ 46,326	\$ (3,909)	\$ 69,512	\$ 64,512	\$ (5,000)
Water	32,409	33,324	915	43,781	44,681	900
Electricity	14,206	13,388	(817)	19,337	18,537	(800)
Fuel	600	807	207	874	1,074	200
Telecommunication	564	581	17	775	775	-
Other Utilities	182	152	(30)	194	194	-
Water & Utilities Total	\$ 47,961	\$ 48,252	\$ 291	\$ 64,961	\$ 65,261	\$ 300
Chemicals	2,424	3,368	943	3,629	4,529	900
Operating Supplies	1,866	2,056	190	2,507	2,707	200
Printing	201	212	11	357	357	-
Postage	415	501	87	669	669	-
Permits, Licenses and Fees	1,695	1,765	70	1,872	1,872	-
Office Supplies	58	90	32	113	113	-
Duplicating Equipment	87	141	54	188	188	-
Equipment Rental	76	92	16	123	123	-
Materials & Supplies Total	\$ 6,821	\$ 8,225	\$ 1,403	\$ 9,457	\$ 10,557	\$ 1,100
Rep & Maint OC SAN & Others	11,197	4,051	(7,146)	13,398	5,398	(8,000)
Rep & Maint IRWD	9,811	8,903	(908)	12,642	11,742	(900)
Insurance	1,069	1,164	95	1,552	1,552	-
Legal Fees	1,386	1,830	444	1,940	2,440	500
Engineering Fees	718	657	(61)	823	823	-
Accounting Fees	68	83	15	111	111	-
Data Processing	2,884	2,432	(452)	3,624	3,224	(400)
Personnel Training	739	1,093	354	1,041	1,541	500
Personnel Physicals	90	34	(57)	45	45	-
Other Professional Fees	2,429	4,036	1,608	3,791	5,391	1,600
Directors' Fees	131	139	8	186	186	-
Professional Services Total	\$ 30,521	\$ 24,421	\$ (6,100)	\$ 39,154	\$ 32,454	\$ (6,700)
Mileage Reimbursement	134	113	(21)	150	150	-
Collection Fees	-	10	10	13	13	-
Election Expense	(102)	135	237	155	155	-
Safety	54	107	53	143	143	-
Alarm and Patrol Services	430	638	208	850	850	-
Biosolids Disposals	99	783	684	244	1,044	800
Commuter Program	1	195	194	10	260	250
Computer Backup Storage	1	9	8	12	12	-
Contract Meter Reading	998	1,163	164	1,550	1,550	-
Other	78	97	19	129	129	-
Over-Allocation	133	752	619	203	1,003	800
Other Total	\$ 1,827	\$ 4,001	\$ 2,174	\$ 3,459	\$ 5,309	\$ 1,850
Total Expenses	\$ 137,365	\$ 131,225	\$ (6,140)	\$ 186,544	\$ 178,094	\$ (8,450)
Less: Reimbursement from Partners	(4,208)	(3,347)	861	(5,418)	(4,518)	900
Grand Total	\$ 133,157	\$ 127,878	\$ (5,279)	\$ 181,126	\$ 173,576	\$ (7,550)

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Exhibit B
Irvine Ranch Water District
Operating Revenues and Expenses
Fiscal Year 2020-21
(in thousands)

Consolidated							
	Fiscal Year to Date March 31, 2021			Full Year FY 2020-21			
	Actual	Budget	Actual vs Budget	Forecast	Budget	Forecast vs Budget	
Revenues:							
Commodity	\$ 52,044	\$ 52,779	\$ (735)	71,000	\$ 71,568	\$ (568)	
All Other Operating Revenue	83,743	85,375	(1,632)	111,700	113,831	(2,131)	
Total Revenues	\$ 135,787	\$ 138,154	\$ (2,367)	\$ 182,700	\$ 185,399	\$ (2,699)	
Contribution to Enhancement and Replacement Funds	(21,953)	(22,771)	818	(29,200)	(30,362)	1,162	
Net Revenues	\$ 113,834	\$ 115,383	\$ (1,549)	\$ 153,500	\$ 155,037	\$ (1,537)	
Expenses:							
Cost of Water	\$ 46,471	\$ 48,843	\$ 2,372	\$ 61,900	\$ 63,110	\$ 1,210	
OC SAN - O&M	10,336	3,093	(7,243)	12,100	4,124	(7,976)	
All Other Operating Expense	62,278	60,236	(2,042)	88,400	85,989	(2,411)	
General Plant	1,361	1,361	-	1,814	1,814	-	
Total Expenses	\$ 120,446	\$ 113,533	\$ (6,913)	\$ 164,214	\$ 155,037	\$ (9,177)	
Net Operating Income (Loss)	\$ (6,612)	\$ 1,850	\$ (8,462)	\$ (10,714)	\$ -	\$ (10,714)	

System Actual					
	Potable	Recycled	Sewer	Over-Allocation and NTS	Total
Net Revenues	\$ 58,021	\$ 19,358	\$ 25,235	\$ 11,220	\$ 113,834
Total Expenses	59,585	19,494	31,549	9,818	120,446
Net Operating Income (Loss)	\$ (1,564)	\$ (136)	\$ (6,313)	\$ 1,402	\$ (6,612)

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Exhibit C
Irvine Ranch Water District
Non-Operating Revenues and Expenses
Fiscal Year 2020-21
(in thousands)

	Fiscal Year to Date March 31, 2021			Full Year FY 2020-21		
	Actual	Budget	Actual vs Budget	Forecast	Budget	Forecast vs Budget
Revenues:						
Property Taxes	\$ 51,288	\$ 47,300	\$ 3,988	\$ 71,000	\$ 68,700	\$ 2,300
Investment Income	4,747	7,500	(2,753)	5,300	10,000	(4,700)
Connection Fees	13,170	13,500	(330)	16,100	18,000	(1,900)
Real Estate Income	11,494	12,315	(821)	15,600	16,600	(1,000)
Other Income	4,678	5,000	(322)	8,000	8,000	-
Total Revenues	\$ 85,377	\$ 85,615	\$ (238)	\$ 116,000	\$ 121,300	\$ (5,300)
Expenses:						
Interest Expense	\$ 15,684	\$ 18,670	2,986	\$ 21,000	\$ 24,900	\$ 3,900
Real Estate Expense	4,200	4,275	75	5,700	5,700	-
Other Expenses	78	150	72	2,000	2,000	-
Total Expenses	\$ 19,962	\$ 23,095	\$ 3,133	\$ 28,700	\$ 32,600	\$ 3,900
Net Income (Loss)	\$ 65,415	\$ 62,520	\$ 2,895	\$ 87,300	\$ 88,700	\$ (1,400)

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May 4, 2021

Prepared: by: J. Tobar

Submitted by: C. Clary

Approved by Paul A. Cook



FINANCE AND PERSONNEL COMMITTEE

LEGAL FEES QUARTERLY UPDATE

SUMMARY:

Below is an analysis that provides a summary of legal fees incurred by IRWD through the third quarter of Fiscal Year (FY) 2020-21.

BACKGROUND:

Legal fees for IRWD's general operations through the third quarter of FY 2020-21 totaled \$1,385,574 compared to a budget of \$1,830,000, resulting in a positive variance of \$444,426, or 24.3%. Of the total legal fees attributable to operations, general services was over budget by \$13,533; and insurance litigation was over budget by \$92,746 due primarily to work associated with the Main Street line break. There were positive variances in all other categories including litigation, special projects and personnel issues. Actual legal fees accounted for 1.04% of actual operating expenses and 2.04% of total expenditures.

Capitalized legal fees associated with major capital projects through the third quarter of FY 2020-21 totaled \$2,839,430. The Kern Fan Groundwater Storage Project and the Michelson Water Recycling Plant Biosolids and Energy Recovery Facility projects comprised 99.2% of the total legal fees associated with capital spending through the third quarter of FY 2020-21.

Non-operating legal fees through the third quarter of FY 2020-21 totaled \$55,000 for bond counsel in connection with the 2011 Index Tender Notes Annual Remarketing.

Exhibit "A" provides a detailed comparison of actual to budgeted legal fees through the third quarter of FY 2020-21. Exhibit "B" provides a three-year comparison of fees incurred by the firms providing services to IRWD in FY 2018-19 through FY 2020-21, 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 2020-21

Exhibit “B” –Comparative Analysis of Legal Fees for FY 2018-19 through FY 2020-21

Legal Fees
Fiscal Year 2020 - 2021

Firm	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Actual Operating Legal Fees	YTD Budget Operating Legal Fees	YTD % Actual vs Budget
<u>Operating Legal Fees:</u>							
<u>General Services:</u>							
Hanson Bridgett LLP	\$ 227,614	\$ 187,265	\$ 256,190	\$ -	\$ 671,069		
Jackson Tidus, a Law Corporation	\$ -	\$ 1,386	\$ -	\$ -	\$ 1,386		
Kronick Moskowitz Tiedemann & Girard	\$ 7,126	\$ 15,772	\$ (6,820)	\$ -	\$ 16,078		
Sub-total	\$ 234,740	\$ 204,423	\$ 249,370	\$ -	\$ 688,533	\$ 675,000	102.0%
<u>Litigation:</u>							
Alston & Bird LLP	\$ 36,589	\$ 118,697	\$ 42,907	\$ -	\$ 198,193		
Hanson Bridgett LLP	\$ 7,574	\$ -	\$ -	\$ -	\$ 7,574		
Kronick Moskowitz Tiedemann & Girard	\$ 49,133	\$ 153,903	\$ 80,032	\$ -	\$ 283,068		
Sub-total	\$ 93,296	\$ 272,600	\$ 122,939	\$ -	\$ 488,835	\$ 825,000	59.3%
<u>Special Projects:</u>							
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	0.0%
<u>Personnel Issues:</u>							
Burke, Williams & Sorensen, LLP	\$ 1,170	\$ -	\$ 1,398	\$ -	\$ 2,568		
Payne & Fears LLP	\$ 2,057	\$ 6,110	\$ 9,559	\$ -	\$ 17,726		
Pillsbury Winthrop Shaw Pittman LLP	\$ 16,616	\$ -	\$ 3,550	\$ -	\$ 20,166		
Sub-total	\$ 19,843	\$ 6,110	\$ 14,507	\$ -	\$ 40,460	\$ 105,000	38.5%
<u>Insurance Litigation:</u>							
Everett Dorey LLP	\$ 35,278	\$ 14,693	\$ 30,970	\$ -	\$ 80,941		
Kutak Rock LLP	\$ 20,783	\$ 38,167	\$ 27,855	\$ -	\$ 86,805		
Sub-total	\$ 56,061	\$ 52,860	\$ 58,825	\$ -	\$ 167,746	\$ 75,000	223.7%
Total Operating Legal Fees	\$ 403,940	\$ 535,993	\$ 445,641	\$ -	\$ 1,385,574	\$ 1,830,000	75.7%

Major Capital Projects Legal Fees:

Asset Optimization - Lake Forest Develop.	\$ 4,788	\$ -	\$ -	\$ -	\$ 4,788
Kern Fan Groundwater Storage	\$ 125,557	\$ (80,326)	\$ 20,436	\$ -	\$ 65,667
MWRP Biosolids and Energy Recovery	\$ 1,472,972	\$ 673,108	\$ 605,873	\$ -	\$ 2,751,953
Syphon Reservoir Improvements	\$ -	\$ 14,546	\$ -	\$ -	\$ 14,546
Other	\$ -	\$ 2,008	\$ 468	\$ -	\$ 2,476
Capital Projects Total	\$ 1,603,317	\$ 609,336	\$ 626,777	\$ -	\$ 2,839,430
Total Operating and Capital Legal Fees	\$ 2,007,257	\$ 1,145,329	\$ 1,072,418	\$ -	\$ 4,225,004

	YTD Actual	YTD Budget
Operating Expense	\$ 133,156,822	\$ 127,877,835
Operating Legal Fees	\$ 1,385,574	\$ 1,830,000
% of Legal to Operating	1.04%	1.43%
Capital Projects	\$ 74,266,645	\$ 70,324,779
Capital Legal Fees	\$ 2,839,430	
% of Legal to Capital	3.82%	
Total Operating and Capital Expenditures	\$ 207,423,467	\$ 198,202,614
Total Operating and Capital Legal Fees	\$ 4,225,004	
% of Legal Fees to Total Operating and Capital Expenditures	2.04%	

Non-operating Legal Fees:

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
<u>Bond Counsel:</u>					
Orrick, Herrington & Sutcliffe LLP	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000
Stradling Yocca Carlson & Rauth	\$ -	\$ -	\$ 25,000	\$ -	\$ 25,000
Total	\$ -	\$ -	\$ 55,000	\$ -	\$ 55,000

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Analysis of Legal Fees
Third Quarter Ended March 31, 2019 - 2021

Firm	YTD Actual 2018-2019	YTD Actual 2019-2020	YTD Actual 2020-2021	Hourly Rate	Area of Expertise	Service Provided
<u>Operating Legal Fees:</u>						
Alston & Bird LLP	\$ 439,423	\$ 776,497	\$ 198,193	\$ 275 to \$ 585	Litigation	Orange County Water District litigation
Atkinson, Andelson, Loya, Ruud and Romo	\$ 8,129	\$ -	\$ -	\$ 220	IRWD legal counsel	District general counsel/legislative/litigation/special project
Burke, Williams & Sorensen, LLP	\$ 18,567	\$ 5,005	\$ 2,568	\$ 325	Employee relations	Personnel policy review and revision
Everett Dorey LLP ⁽¹⁾	\$ 41,796	\$ 50,273	\$ 80,941	\$ 235 to \$ 260	Litigation	County of Orange Litigation
Hanson Bridgett LLP	\$ -	\$ 275,000	\$ 678,643	\$ 345 to \$ 490	IRWD legal counsel	District general counsel/legislative/litigation/special project
Jackson Tidus, a Law Corporation	\$ -	\$ -	\$ 1,386	\$ 225 to \$ 595	IRWD legal counsel	District general counsel/legislative/litigation/special project
Koeller Nebeker Carlson & Haluck LLP ⁽¹⁾	\$ 7,125	\$ -	\$ -	\$ 195	Legal Counsel	Legal counsel related to insurance claim issues
Kronick Moskovitz Tiedemann & Girard	\$ (24,122)	\$ (9,737)	\$ 299,146	\$ 100 to \$ 350	IRWD legal counsel	Counsel services related to water resources and policy matters
Kutak Rock LLP ⁽¹⁾	\$ -	\$ -	\$ 86,805	\$ 395 to \$ 425	Legal Counsel	Legal counsel related to insurance claim issues
Law Office of Atoosa Vakili	\$ 6,763	\$ -	\$ -	\$ 75 to \$ 250	Employee relations	General personnel and human resources
Lewis Brisbois Bisgaard & Smith LLP	\$ 516,722	\$ 305,608	\$ -	\$ 335	IRWD legal counsel	District general counsel/legislative/litigation/special project
Lewis Brisbois Bisgaard & Smith LLP ⁽¹⁾	\$ 6,250	\$ -	\$ -	\$ 200	Legal Counsel	Legal counsel related to insurance claim issues
Olson, Hagel & Fishburn, LLP	\$ 128	\$ -	\$ -	\$ 255	IRWD legal counsel	District general counsel/legislative/litigation/special project
Payne & Fears, LLP	\$ 47,818	\$ 47,713	\$ 17,726	\$ 235 to \$ 550	Employee relations	General personnel and human resources
Pillsbury Winthrop Shaw Pittman LLP	\$ 31,784	\$ 22,654	\$ 20,166	\$ 695	Employee relations	Employee benefits
Woodruff, Spradlin & Smart ⁽¹⁾	\$ 1,688	\$ 128	\$ -	\$ 105 to \$ 255	Legal Counsel	Legal counsel related to insurance claim issues
Total Operating Legal Fees	\$ 1,102,071	\$ 1,473,141	\$ 1,385,574			
⁽¹⁾ Insurance Litigation						
<u>Capitalized Legal Fees:</u>						
Alston & Bird LLP	\$ 586,308	\$ 3,293,351	\$ 2,751,953	\$ 275 to \$ 585	IRWD legal counsel	Counsel services in connection with the Biosolids project
Burke, Williams & Sorensen, LLP	\$ 16,542	\$ -	\$ -	\$ 325	Employee relations	
Jackson Tidus, a Law Corporation	\$ 882	\$ 2,688	\$ 4,788	\$ 225 to \$ 595	IRWD legal counsel	Counsel services in connection with Serrano Summit property sale
Kronick Moskovitz Tiedemann & Girard	\$ 74,432	\$ 41,502	\$ 82,689	\$ 100 to \$ 350	IRWD legal counsel	Counsel services in connection with water resources and policy matters
Capitalized Legal Fees Total	\$ 678,164	\$ 3,337,541	\$ 2,839,430			
Total Operating and Capital Legal Fees	\$ 1,780,235	\$ 4,810,682	\$ 4,225,004			
<u>Non-operating Legal Fees:</u>						
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	\$ 30,000	\$ 30,000	n/a	Bond counsel	Counsel in connection with the issuance of GO bonds and COP
Stradling Yocca Carlson & Rauth	\$ 25,000	\$ 25,000	\$ 25,000	n/a	Bond counsel	Counsel in connection with the issuance of GO bonds and COP
Kutak Rock LLP	\$ 6,000	\$ -	\$ -	n/a	Bond counsel	Counsel in connection with the extension of the letter of credit
Non-operating Legal Fees Total	\$ 61,000	\$ 55,994	\$ 55,000			

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May 4, 2021

Prepared by: J. Davis

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 March 31, 2021, as outlined in Exhibit "A";
- Mutual Fund Performance Review as of March 31, 2021, as outlined in Exhibit "B"; and
- Fund and Investment Analysis as of March 31, 2021, as outlined in Exhibit "C".

BACKGROUND:

Overview of the Deferred Compensation Assets:

As of March 31, 2021, IRWD's Sections 457(b) and 401(a) Plans (collectively, the "Plans") assets totaled \$87,563,664, which represented a \$4,655,484 increase from the quarter ended December 31, 2020, and a \$28,315,509 increase for the one-year period. The changes in Plan assets over these two periods are summarized as follows:

	<i>For the One-Year Period Ending March 31, 2021</i>	<i>For the Quarter Ending March 31, 2021</i>
Beginning Balance	\$59,248,155	\$82,908,180
Employee Contributions	3,418,303	1,128,859
District Contributions	1,321,349	358,687
Transfers to/from Other Plans	650,981	479,119
Distributions	(2,792,915)	(746,842)
Loan Distributions ⁽¹⁾	(316,623)	(19,491)
Loan Repayments	269,606	62,217
Net Investment Gain (Loss)	25,764,810	3,392,935
Ending Balance – March 31, 2021	\$87,563,664	\$87,563,664
Change in Assets for the Period	\$28,315,509	\$4,655,484

(1) Number of loans outstanding: 82

Review of Investment Funds:

IRWD's Deferred Compensation Policy states that any investment 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 will be a candidate for replacement. The Committee may also place a fund on "Watch Status" if it has failed to meet

certain Policy criteria for further evaluation. For the quarter ended March 31, 2021, the Hartford Midcap R6 Fund and the Victory Integrity Small-Cap Value R6 Fund failed the LTRA for the fourth and fifth consecutive quarter, respectively.

Recommendations:

IRWD retained retirement plan consultants Hyas Group to evaluate and recommend alternative funds as potential replacements for the Plans' underperforming funds. While Hyas has provided potential replacement alternatives for each fund, Hyas recommends that the District consider placing the two underperforming funds on "Watch Status" for further evaluation due to recent performance improvements. A representative from Hyas Group will discuss its recommendation for the two funds in more detail at the meeting.

Additionally, the Vanguard Target Date Funds and the Putnam Stable Value Fund were identified by Hyas as opportunities for replacement to a lower cost share class of the same funds. The Fund Performance Review and Fund and Investment Analysis as of March 31, 2021 are provided as Exhibit "B" and Exhibit "C".

FISCAL IMPACTS:

As of March 31, 2021, the District's Plan assets totaled \$87,563,664, which represented a \$4,655,484 increase from the quarter ended December 31, 2020 and a \$28,315,509 increase for the one-year period.

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 Committee place the Hartford Midcap R6 Fund and the Victory Integrity Small-Cap Value R6 fund on "Watch Status" for further evaluation and that the Committee approve the replacement of the Target Date Funds and the Putnam Stable Value Fund with the lower cost share class of the same funds.

LIST OF EXHIBITS:

Exhibit "A" – Summary of the Deferred Compensation Plan and Distribution of Assets
Exhibit "B" – Mutual Fund Performance Review
Exhibit "C" – Fund and Investment Analysis

EXHIBIT "A"
IRVINE RANCH WATER DISTRICT
SUMMARY OF DEFERRED COMPENSATION PROGRAM
March 31, 2021

Deferred Compensation IRS Section 457 (Employee Contributions) Money Purchase Pension Plan & Executive Plan - IRS Section 401 (a) (District Contributions)			
	457	401 (a)	GRAND TOTAL
Assets	\$66,522,720	\$21,040,945	\$87,563,664
<i>Change From Prior Quarter</i>	\$3,578,091	\$1,077,394	\$4,655,484
<i>Change From Prior Year (3/2020)</i>	\$20,985,537	\$7,329,972	\$28,315,509
Quarterly Contributions	\$1,128,859	\$358,687	\$1,487,546
*Change From Prior Quarter	\$423,725	\$50,957	

*Increase in contributions are due to an additional pay period in the quarter ended March 31, 2021 and vacation accrual transfers

	For the One Year Period Ending March 31, 2021	For the Quarter Ending March 31, 2021
Beginning Balance	\$59,248,155	\$82,908,180
Employee Contributions	3,418,303	1,128,859
District Contributions	1,321,349	358,687
Transfers to/from other plans	650,981	479,119
Distributions	(2,792,915)	(746,842)
Loan Distributions ⁽¹⁾	(316,623)	(19,491)
Loan Repayment	269,606	62,217
Net Investment Gain (Loss)	25,764,810	3,392,935
Ending Balance - March 31, 2021	\$87,563,664	\$87,563,664
Change in assets for the period	\$28,315,509	\$4,655,484

⁽¹⁾ Number of loans outstanding as of 3/31/21 : 82

Employee Participation	
Full-time Employees	395
Employees Participating	353
Percent Participation	89%

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

March 31, 2021

Fund	457	401	Assets	Percent of Assets	Change from previous quarter
PROFILE FUNDS					
Aggressive Profile Fund	6,929,482.58	3,275,237.22	10,204,720	11.7%	0.2%
Moderate Profile Fund	6,167,231.16	1,398,828.13	7,566,059	8.6%	-0.1%
Conservative Profile Fund	4,464,361.99	1,598,329.60	6,062,692	6.9%	-0.1%
Sub Total			23,833,471	27.2%	0.0%
INTERNATIONAL FUND					
American Funds EuroPacific Gr R6	2,147,376.52	651,724.41	2,799,101	3.2%	0.0%
Vanguard Total Intl Stock Index Admiral	1,291,568.64	297,376.17	1,588,945	1.8%	-0.1%
Sub Total			4,388,046	5.0%	-0.2%
SMALL CAP FUNDS					
Hood River Small-Cap Growth Retirement	3,084,900.95	1,298,617.42	4,383,518	5.0%	0.4%
Victory Integrity Small Cap Value R6	898,056.57	453,050.04	1,351,107	1.5%	0.3%
Vanguard Small Cap Index	1,303,925.94	306,655.65	1,610,582	1.8%	0.0%
Sub Total			7,345,207	8.3%	0.7%
MEDIUM CAP FUNDS					
Hartford MidCap R6	2,039,047.85	985,528.10	3,024,576	3.5%	0.3%
Wells Fargo Spec Md Cp Val R6	2,323,201.92	777,488.70	3,100,691	3.5%	0.3%
Vanguard Mid-Cap Index Fund	1,697,787.33	327,313.59	2,025,101	2.3%	0.0%
Sub Total			8,150,367	9.3%	0.5%
LARGE CAP FUNDS					
American Funds Growth Fund of Amer R6	5,358,403.18	1,837,593.78	7,195,997	8.2%	-0.5%
Vanguard Institutional Index	5,875,902.82	1,368,310.71	7,244,214	8.3%	-0.8%
Diamond Hill Large-Cap Fund	2,242,424.34	811,203.11	3,053,627	3.5%	0.5%
Sub Total			17,493,838	20.0%	-0.8%
BOND FUND					
Metropolitan West Total Return Bond Plan	3,814,611.46	1,081,723.93	4,896,335	5.6%	-0.7%
Sub Total			4,896,335	5.6%	-0.7%
STABLE VALUE FUND					
Putnam Stable Value	8,860,552.90	2,328,865.38	11,189,418	12.8%	0.4%
Sub Total			11,189,418	12.8%	0.4%
TARGET DATE FUND					
Vanguard Target Retirement Income Inv	616,264.98	765,922.13	1,382,187	1.6%	-0.2%
Vanguard Target Retirement 2020 Inv	1,143,401.87	185,503.00	1,328,905	1.5%	-0.3%
Vanguard Target Retirement 2025 Inv	365,347.27	33,676.94	399,024	0.5%	0.0%
Vanguard Target Retirement 2030 Inv	335,976.45	47,965.07	383,942	0.4%	0.0%
Vanguard Target Retirement 2035 Inv	816,167.03	127,237.75	943,405	1.1%	0.5%
Vanguard Target Retirement 2040 Inv	421,310.45	59,243.88	480,554	0.5%	0.0%
Vanguard Target Retirement 2045 Inv	74,792.68	57,895.12	132,688	0.2%	0.0%
Vanguard Target Retirement 2050 Inv	732,591.02	56,695.59	789,287	0.9%	0.2%
Vanguard Target Retirement 2055 Inv	236,236.64	44,270.05	280,507	0.3%	0.0%
Vanguard Target Retirement 2060 Inv	136,764.10	12,077.07	148,841	0.2%	0.0%
Sub Total			6,269,339	7.2%	0.3%
OTHER					
Ameritrade Brokerage	3,145,031.63	852,612.05	3,997,644	4.6%	-0.2%
Total Assets	66,522,720	21,040,945	\$87,563,664	100%	
LOAN BALANCE OUTSTANDING			\$724,129		



FUND PERFORMANCE REVIEW

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

Reporting Period Ending March 31, 2021

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® DirectSM

- 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, ©2021 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® DirectSM

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Performance Summary: Irvine Ranch Water District

period ended 3/31/2021

				Overall Rating					Long-Term Rolling Analysis		
	Morningstar Category	Ticker Symbol	Fund Name	Composite %'s			Overall Morningstar Rating		Consecutive Quarters Below	# of Quarters Below out of trailing 12	
				Overall	Return	Sharpe					
Intl	Foreign Large Growth	RERGX	American Funds Europacific Growth R6	52.0	58.0	46.0	3	Above	0	0 out of 12	Pass
Small-Cap	Small Growth	HRSIX	Hood River Small-Cap Growth Retirement	80.2	87.3	73.0	4	Above	0	0 out of 12	Pass
	Small Value	MVSSX	Victory Integrity Small-Cap Value R6	43.2	51.3	35.0	2	Below	5	5 out of 12	Watch
Mid-Cap	Mid-Cap Growth	HFMVX	Hartford MidCap R6	24.7	33.3	16.0	3	Below	4	4 out of 12	Watch
	Mid-Cap Value	WFPRX	Wells Fargo Special Mid Cap Value R6	83.8	83.0	84.5	4	Above	0	0 out of 12	Pass
Large-Cap	Large Growth	RGAGX	American Funds Growth Fund of Amer R6	51.8	51.7	52.0	3	Above	0	0 out of 12	Pass
	Large Value	DHLYX	Diamond Hill Large Cap Y	92.8	95.7	90.0	5	Above	0	0 out of 12	Pass
Asst All/Other	Target-Date Retirement	VTINX	Vanguard Target Retirement Income Inv	74.7	65.3	84.0	4	Above	0	0 out of 12	N/A
	Target-Date 2020	VTWNX	Vanguard Target Retirement 2020 Inv	70.2	73.3	67.0	4	Above	0	0 out of 12	N/A
	Target-Date 2025	VTTVX	Vanguard Target Retirement 2025 Inv	70.9	76.3	65.5	4	Above	0	0 out of 12	N/A
	Target-Date 2030	VTHRX	Vanguard Target Retirement 2030 Inv	68.3	69.7	67.0	4	Above	0	0 out of 12	N/A
	Target-Date 2035	VTTHX	Vanguard Target Retirement 2035 Inv	67.3	65.0	69.5	4	Above	0	0 out of 12	N/A
	Target-Date 2040	VFORX	Vanguard Target Retirement 2040 Inv	66.5	69.0	64.0	4	Above	0	0 out of 12	N/A
	Target-Date 2045	VTIVX	Vanguard Target Retirement 2045 Inv	69.8	72.0	67.5	4	Above	0	0 out of 12	N/A
	Target-Date 2050	VFIFX	Vanguard Target Retirement 2050 Inv	66.7	67.3	66.0	4	Above	0	0 out of 12	N/A
	Target-Date 2055	VFFVX	Vanguard Target Retirement 2055 Inv	64.2	59.3	69.0	4	Above	0	0 out of 12	N/A
	Target-Date 2060+	VTTSX	Vanguard Target Retirement 2060 Inv	54.8	48.5	61.0	3	Above	0	0 out of 12	N/A
Bond	Intermediate Core-Plus Bond	MWTSX	Metropolitan West Total Return Bd Plan	74.2	65.3	83.0	3	Above	0	0 out of 12	Pass
Index Funds	Foreign Large Blend	VTIAX	Vanguard Total Intl Stock Index Admiral (Idx)	64.3	59.7	69.0	3	N/A	N/A	0 out of 12	Pass
	Small Blend	VSMAX	Vanguard Small Cap Index Adm (Idx)	84.4	81.3	87.5	5	N/A	N/A	0 out of 12	Pass
	Mid-Cap Blend	VIMAX	Vanguard Mid Cap Index Admiral (Idx)	80.3	80.0	80.5	5	N/A	N/A	0 out of 12	Pass
	Large Blend	VINIX	Vanguard Institutional Index I (Idx)	81.2	81.3	81.0	5	N/A	N/A	0 out of 12	Pass

Data Source: Morningstar® DirectSM

Please refer to the Appendix page for additional disclosures.

Return Analysis: Irvine Ranch Water District

period ended 3/31/2021

	Fund Name	1st Qtr 2021	1st Qtr 2021	Performance vs. Benchmark (Annualized Returns and Return Percentiles %)								Return Since Inception	Incept. Date
		Return	Percentile	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	0.18	50	51.78	50	10.36	50	11.93	50	7.45	50		
	American Funds Europacific Growth R6	-0.43	35	60.79	78	10.20	46	12.90	67	7.72	61	10.43	5/1/2009
Small-Cap	Small Growth Peer Group	4.53	50	89.05	50	18.86	50	19.79	50	13.49	50		
	Hood River Small-Cap Growth Retirement	11.37	88	132.08	96	26.77	88	24.27	78	17.01	96	23.62	3/3/2017
	Small Value Peer Group	20.56	50	97.21	50	9.93	50	11.67	50	9.43	50		
	Victory Integrity Small-Cap Value R6	22.66	73	108.69	78	9.06	38	11.68	50	9.91	66	12.95	6/1/2012
Mid-Cap	Mid-Cap Growth Peer Group	1.22	50	72.90	50	19.58	50	18.65	50	13.71	50		
	Hartford MidCap R6	5.20	83	73.55	53	16.11	15	17.52	32	13.79	53	14.14	11/7/2014
	Mid-Cap Value Peer Group	14.13	50	73.72	50	9.73	50	11.07	50	9.83	50		
	Wells Fargo Special Mid Cap Value R6	11.20	9	68.32	27	11.70	80	12.18	73	11.86	96	11.83	6/28/2013
Large-Cap	Large Growth Peer Group	1.64	50	60.74	50	20.73	50	19.80	50	15.08	50		
	American Funds Growth Fund of Amer R6	2.54	64	66.90	73	19.89	43	20.17	55	15.34	57	16.71	5/1/2009
	Large Value Peer Group	11.05	50	55.78	50	10.38	50	11.53	50	10.32	50		
	Diamond Hill Large Cap Y	10.69	43	64.92	78	14.52	95	14.57	95	12.68	97	14.12	12/30/2011
Asst All/Other	Target-Date Retirement Peer Group	0.43	50	18.68	50	6.75	50	6.33	50	4.98	50		
	Vanguard Target Retirement Income Inv	0.08	31	17.02	37	7.06	63	6.38	51	5.66	82	5.56	10/27/2003
	Target-Date 2020 Peer Group	1.69	50	26.63	50	8.31	50	8.47	50	7.12	50		
	Vanguard Target Retirement 2020 Inv	1.28	35	27.16	56	8.73	67	8.92	70	7.68	83	6.82	6/7/2006
	Target-Date 2025 Peer Group	1.96	50	30.46	50	8.95	50	9.27	50	7.75	50		
	Vanguard Target Retirement 2025 Inv	1.86	42	32.57	63	9.62	73	9.95	75	8.31	81	7.34	10/27/2003
	Target-Date 2030 Peer Group	2.74	50	36.37	50	9.84	50	10.28	50	8.35	50		
	Vanguard Target Retirement 2030 Inv	2.49	33	37.19	55	10.26	66	10.77	69	8.84	74	7.44	6/7/2006
	Target-Date 2035 Peer Group	3.74	50	42.71	50	10.59	50	11.20	50	9.02	50		
	Vanguard Target Retirement 2035 Inv	3.17	27	41.87	40	10.86	61	11.57	65	9.33	69	8.11	10/27/2003
	Target-Date 2040 Peer Group	4.54	50	47.49	50	11.13	50	11.85	50	9.31	50		
	Vanguard Target Retirement 2040 Inv	3.82	21	46.64	39	11.43	62	12.36	69	9.79	76	8.03	6/7/2006
	Target-Date 2045 Peer Group	4.93	50	51.51	50	11.57	50	12.31	50	9.59	50		
	Vanguard Target Retirement 2045 Inv	4.47	26	51.64	53	12.03	66	12.89	73	10.04	77	8.70	10/27/2003
	Target-Date 2050 Peer Group	5.15	50	52.18	50	11.76	50	12.52	50	9.66	50		
	Vanguard Target Retirement 2050 Inv	4.53	20	51.82	44	12.09	62	12.93	69	10.06	71	8.24	6/7/2006
	Target-Date 2055 Peer Group	5.14	50	54.01	50	11.89	50	12.66	50	9.97	50		
	Vanguard Target Retirement 2055 Inv	4.54	15	51.79	28	12.07	59	12.92	66	10.06	53	11.41	8/18/2010
	Target-Date 2060+ Peer Group	5.30	50	54.61	50	12.07	50	12.97	50	9.70	50		
	Vanguard Target Retirement 2060 Inv	4.54	19	51.75	27	12.06	49	12.91	48	N/A	N/A	11.32	1/19/2012
Bond	Intermediate Core-Plus Bond Peer Group	-2.85	50	6.46	50	5.05	50	3.85	50	3.88	50		
	Metropolitan West Total Return Bd Plan	-2.91	47	3.65	15	5.56	77	3.76	45	4.28	74	4.17	7/29/2011
Index Funds	Vanguard Total Intl Stock Index Admiral (Idx)	3.94	60	52.80	71	6.51	61	9.97	76	5.22	42	6.05	11/29/2010
	Vanguard Small Cap Index Adm (Idx)	10.22	6	87.72	41	14.97	84	15.60	74	12.15	86	10.08	11/13/2000
	Vanguard Mid Cap Index Admiral (Idx)	7.18	15	70.62	33	14.65	77	14.60	78	12.29	85	10.78	11/12/2001
	Vanguard Institutional Index I (Idx)	6.18	49	56.34	53	16.76	76	16.27	79	13.89	89	10.47	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. 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® DirectSM

Please refer to the Appendix page for additional disclosures

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Sharpe Ratio and Expense Analysis: Irvine Ranch Water District

period ended 3/31/2021

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				
Intl	Foreign Large Growth Peer Group	0.58	50	0.77	50	17.46	14.76	1.01	50	
	American Funds Europacific Growth R6	0.54	37	0.79	55	18.74	15.47	0.46	4	20
Small-Cap	Small Growth Peer Group	0.78	50	0.94	50	25.16	20.30	1.12	50	194,611
	Hood River Small-Cap Growth Retirement	0.96	78	1.05	68	27.20	21.97	0.99	34	18
	Small Value Peer Group	0.43	50	0.55	50	27.65	22.56	1.12	50	1,071
	Victory Integrity Small-Cap Value R6	0.40	34	0.52	36	30.81	25.16	0.97	30	17
Mid-Cap	Mid-Cap Growth Peer Group	0.88	50	1.01	50	21.93	17.74	1.05	50	2,024
	Hartford MidCap R6	0.71	12	0.91	20	22.99	18.40	0.75	14	11
	Mid-Cap Value Peer Group	0.46	50	0.59	50	23.88	19.05	0.98	50	15,644
	Wells Fargo Special Mid Cap Value R6	0.55	82	0.67	87	22.64	18.06	0.71	13	12
Large-Cap	Large Growth Peer Group	1.01	50	1.15	50	19.19	15.92	0.91	50	11,534
	American Funds Growth Fund of Amer R6	0.97	42	1.19	62	19.08	15.56	0.30	3	27
	Large Value Peer Group	0.53	50	0.68	50	19.93	16.12	0.88	50	268,849
	Diamond Hill Large Cap Y	0.69	91	0.82	89	21.02	17.00	0.55	12	19
Asst All/Other	Target-Date Retirement Peer Group	0.80	50	0.93	50	6.83	5.50	0.63	50	
	Vanguard Target Retirement Income Inv	0.92	84	1.03	84	6.10	4.97	0.12	4	8
	Target-Date 2020 Peer Group	0.75	50	0.95	50	9.30	7.60	0.59	50	
	Vanguard Target Retirement 2020 Inv	0.77	65	0.99	69	9.60	7.79	0.13	5	8
	Target-Date 2025 Peer Group	0.72	50	0.93	50	10.90	8.86	0.64	50	
	Vanguard Target Retirement 2025 Inv	0.75	62	0.96	69	11.31	9.14	0.13	4	8
	Target-Date 2030 Peer Group	0.70	50	0.91	50	12.65	10.22	0.65	50	
	Vanguard Target Retirement 2030 Inv	0.73	64	0.94	70	12.66	10.22	0.14	5	8
	Target-Date 2035 Peer Group	0.68	50	0.88	50	14.16	11.45	0.66	50	
	Vanguard Target Retirement 2035 Inv	0.71	66	0.92	73	14.00	11.30	0.14	5	8
	Target-Date 2040 Peer Group	0.68	50	0.87	50	15.75	12.67	0.65	50	
	Vanguard Target Retirement 2040 Inv	0.69	59	0.91	69	15.35	12.38	0.14	5	8
	Target-Date 2045 Peer Group	0.66	50	0.86	50	16.70	13.39	0.67	50	
	Vanguard Target Retirement 2045 Inv	0.68	66	0.89	69	16.59	13.34	0.15	5	8
	Target-Date 2050 Peer Group	0.66	50	0.86	50	16.80	13.48	0.68	50	
	Vanguard Target Retirement 2050 Inv	0.69	64	0.89	68	16.61	13.35	0.15	6	8
	Target-Date 2055 Peer Group	0.66	50	0.85	50	17.10	13.71	0.68	50	
	Vanguard Target Retirement 2055 Inv	0.69	69	0.89	69	16.60	13.34	0.15	6	8
	Target-Date 2060+ Peer Group	0.66	50	0.87	50	17.14	13.72	0.67	50	
	Vanguard Target Retirement 2060 Inv	0.69	63	0.89	59	16.59	13.33	0.15	6	8
Bond	Intermediate Core-Plus Bond Peer Group	0.81	50	0.70	50	4.54	3.96	0.70	50	7,185
	Metropolitan West Total Return Bd Plan	1.14	94	0.79	72	3.67	3.31	0.38	8	24
Index Funds	Vanguard Total Intl Stock Index Admiral (Idx)	0.36	61	0.64	77	18.10	14.86	0.11	5	13
	Vanguard Small Cap Index Adm (Idx)	0.64	87	0.78	88	24.67	19.84	0.05	2	5
	Vanguard Mid Cap Index Admiral (Idx)	0.68	80	0.81	81	21.54	17.21	0.05	4	23
	Vanguard Institutional Index I (Idx)	0.86	79	1.01	83	18.40	14.89	0.04	3	20

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® DirectSM

Please refer to the Appendix page for additional disclosures

Annual Returns and Statistics: Irvine Ranch Water District

period ended 3/31/2021

Fund Name	Calendar Year Returns					Modern Portfolio Theory Statistics (3 year)			Portfolio Construction		
	2020	2019	2018	2017	2016	Alpha	Beta	R2	Turnover Ratio	Number of Holdings	% in top 10 holdings
Intl	Foreign Large Growth Peer Group	21.66	27.94	-14.08	31.13	-1.19					
	American Funds Europacific Growth R6	25.27	27.40	-14.91	31.17	1.01	2.71	1.03	96	38	352 20%
Small-Cap	Small Growth Peer Group	36.90	28.65	-5.14	22.86	10.48					
	Hood River Small-Cap Growth Retirement	60.81	24.19	-6.78	20.78	13.50	7.88	1.03	93	157	94 24%
	Small Value Peer Group	3.67	22.09	-15.12	9.06	25.84					
	Victory Integrity Small-Cap Value R6	1.33	23.28	-18.42	12.59	24.52	0.07	1.02	99	80	171 9%
Mid-Cap	Mid-Cap Growth Peer Group	35.35	33.89	-5.06	24.95	5.33					
	Hartford MidCap R6	25.06	32.75	-7.29	24.42	11.87	0.31	1.03	96	45	101 20%
	Mid-Cap Value Peer Group	3.00	26.89	-13.33	13.44	17.61					
	Wells Fargo Special Mid Cap Value R6	3.36	35.68	-13.02	11.27	21.68	3.35	0.91	96	51	78 25%
Large-Cap	Large Growth Peer Group	34.93	32.59	-1.52	29.07	2.99					
	American Funds Growth Fund of Amer R6	38.28	28.54	-2.60	26.53	8.82	-1.23	0.95	96	28	392 36%
	Large Value Peer Group	2.76	25.60	-8.81	16.27	14.61					
	Diamond Hill Large Cap Y	9.07	32.34	-9.53	20.42	14.74	2.95	1.04	98	33	53 31%
Asst All/Other	Target-Date Retirement Peer Group	9.83	13.21	-3.29	8.59	5.18					
	Vanguard Target Retirement Income Inv	10.02	13.16	-1.99	8.47	5.25	0.68	0.70	99	17	6 100%
	Target-Date 2020 Peer Group	11.68	16.80	-4.54	13.25	6.79					
	Vanguard Target Retirement 2020 Inv	12.04	17.63	-4.24	14.08	6.95	0.66	0.76	99	19	6 99%
	Target-Date 2025 Peer Group	12.20	18.49	-5.34	14.91	7.10					
	Vanguard Target Retirement 2025 Inv	13.30	19.63	-5.15	15.94	7.48	0.45	0.90	99	21	7 100%
	Target-Date 2030 Peer Group	13.38	20.61	-6.19	16.81	7.57					
	Vanguard Target Retirement 2030 Inv	14.10	21.07	-5.86	17.52	7.85	0.79	0.87	100	21	6 100%
	Target-Date 2035 Peer Group	14.04	22.43	-7.18	18.38	8.03					
	Vanguard Target Retirement 2035 Inv	14.79	22.44	-6.58	19.12	8.26	0.62	0.96	99	18	6 100%
	Target-Date 2040 Peer Group	15.03	23.78	-7.84	19.56	8.37					
	Vanguard Target Retirement 2040 Inv	15.47	23.86	-7.32	20.71	8.73	0.26	1.02	100	13	5 99%
	Target-Date 2045 Peer Group	15.18	24.70	-8.19	20.34	8.46					
	Vanguard Target Retirement 2045 Inv	16.30	24.94	-7.90	21.42	8.87	0.17	1.11	100	9	5 100%
	Target-Date 2050 Peer Group	15.73	24.90	-8.35	20.59	8.62					
	Vanguard Target Retirement 2050 Inv	16.39	24.98	-7.90	21.39	8.85	0.21	1.11	100	9	6 100%
	Target-Date 2055 Peer Group	15.41	25.19	-8.47	20.83	8.52					
	Vanguard Target Retirement 2055 Inv	16.32	24.98	-7.89	21.38	8.88	0.20	1.11	100	8	6 100%
	Target-Date 2060+ Peer Group	16.18	25.21	-8.46	21.02	8.76					
	Vanguard Target Retirement 2060 Inv	16.32	24.96	-7.87	21.36	8.84	0.20	1.11	100	6	6 100%
Bond	Intermediate Core-Plus Bond Peer Group	8.54	9.31	-0.76	4.32	3.94					
	Metropolitan West Total Return Bd Plan	9.17	9.23	0.29	3.49	2.56	0.64	1.01	97	405	1851 49%
Index Funds	Vanguard Total Intl Stock Index Admiral (Idx)	11.28	21.51	-14.43	27.55	4.67	-0.67	1.01	99	7	7415 10%
	Vanguard Small Cap Index Adm (Idx)	19.11	27.37	-9.31	16.24	18.30	1.61	0.96	100	22	1442 4%
	Vanguard Mid Cap Index Admiral (Idx)	18.24	31.03	-9.23	19.25	11.22	-0.55	0.99	100	26	351 7%
	Vanguard Institutional Index I (Idx)	18.39	31.46	-4.42	21.79	11.93	-0.02	1.00	100	4	507 27%

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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® DirectSM

Please refer to the Appendix page for additional disclosures

Index Performance

period ending 3/31/2021

	Index	Total Return 1 Year	Total Return Annlzd 3 Year	Total Return Annlzd 5 Year	Total Return Annlzd 10 Year	Annual Return 2020	Annual Return 2019	Annual Return 2018	Annual Return 2017	Annual Return 2016
International	MSCI EMF ID	55.13	3.98	9.48	1.18	15.84	15.42	-16.63	34.35	8.58
	MSCI Eafe Ndtr_D	44.57	6.02	8.85	5.52	7.82	22.01	-13.79	25.03	1.00
	MSCI World Ndtr_D	54.03	12.81	13.36	9.88	15.90	27.67	-8.71	22.40	7.51
Small-Cap	Russell 2000 Growth	90.20	17.16	18.61	13.02	34.63	28.48	-9.31	22.17	11.32
	Russell 2000	94.85	14.76	16.35	11.68	19.96	25.52	-11.01	14.65	21.31
	Russell 2000 Value	97.05	11.57	13.56	10.06	4.63	22.39	-12.86	7.84	31.74
Mid-Cap	Russell Midcap Growth	68.61	19.41	18.39	14.11	35.59	35.47	-4.75	25.27	7.33
	Standard & Poor's Midcap 400	83.46	13.40	14.37	11.92	13.66	26.20	-11.08	16.24	20.74
	Russell Midcap Value	73.76	10.70	11.60	11.05	4.96	27.06	-12.29	13.34	20.00
Large-Cap	Russell 1000 Growth	62.74	22.80	21.05	16.63	38.49	36.39	-1.51	30.21	7.08
	Standard & Poor's 500 TR	56.35	16.78	16.29	13.91	18.40	31.49	-4.38	21.83	11.96
	Russell 1000 Value	56.09	10.96	11.74	10.99	2.80	26.54	-8.27	13.66	17.34
Bond	BBgBarc US Aggregate Bond	0.71	4.65	3.10	3.44	7.51	8.72	0.01	3.54	2.65
	BBgBarc US Capital Credit	7.88	5.95	4.67	4.83	9.35	13.80	-2.11	6.18	5.63
	BBgBarc US Mortgage-Backed	-0.09	3.75	2.43	2.83	3.87	6.35	0.99	2.47	1.67
	BBgBarc US Government Bond	-4.26	4.10	2.25	2.83	7.94	6.83	0.88	2.30	1.05
	BBgBarc US 1-3 Year Government	0.36	2.80	1.73	1.31	3.14	3.59	1.58	0.45	0.87

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® DirectSM

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.

S&P 400® 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 Mid-Cap equity market.

Please refer to the Appendix page for additional disclosures

Securities offered or distributed through GWFS Equities, Inc., Member FINRA/SIPC and a subsidiary of Great-West Life & Annuity Insurance Company.

Carefully consider the investment objectives, risks, fees and expenses of the investment product. Contact us for a prospectus, a summary prospectus and disclosure document, as available, containing this information. Read them carefully before investing.

About investment risk:

Equity securities of small-sized and medium-sized companies may be more volatile than securities of larger, more established companies. Foreign investments involve special risks, including currency fluctuations and political developments. Equity securities of companies located in emerging markets involve greater risks than investing in more established markets, including currency fluctuations, political developments and share illiquidity. Real estate securities involve greater risks than other non-diversified investments, including, but not limited to: declining property values, varying economic conditions, changes in zoning laws, or losses from casualty. Real estate securities that invest in foreign real estate involve additional risk, including currency fluctuations and political developments. Specialty funds invest in a limited number of companies and are generally non-diversified. As a result, changes in market value of a single issuer could cause greater volatility than with a more diversified fund. Commodities may have greater volatility than traditional securities. The value of commodities may be affected by changes in overall market movements, changes in interest rates or sectors affecting a particular industry or commodity, and international economic, political and regulatory developments. Alternative investments generally invest in non-traditional asset categories or strategies. As a result, such investments are subject to unique risks and may be more speculative than traditional investments. These investments may also have direct or indirect exposure to derivatives, which may be more volatile and less liquid than traditional securities. As a result, the option could suffer losses on its derivative positions.

Asset allocation funds are subject to the risks of the underlying investments, which can be a mix of stocks/stock funds, bonds/bond funds and other types of investments. Depending on the types of investments in this fund, an investor may face the following risks. Stock values fluctuate in response to the activities of the general market, individual companies and economic conditions. Bond values fluctuate in response to the financial condition of individual issuers, general market and economic conditions, and changes in interest rates. In general, when interest rates rise, bond values fall and investors may lose principal value. Compared to higher-rated securities, high yield bond investment options are subject to greater risk, including the risk of default.

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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About Overall Morningstar Rating™

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Please note, for any funds with a newer share class, the rating information is based on extended performance, which is derived from the historical performance of the older class shares, not adjusted for fees. Past performance is no guarantee of future results.

About Morningstar Rankings

Peer groups are created using Morningstar's category classification system. Peer groups are the combination of all share classes of all mutual funds in Morningstar's Open End Fund database (in a given asset class), all collective investment trusts in Morningstar's Separate Accounts/CITs database (in the same asset class), and all funds in Morningstar's Insurance and Pension Funds database (in the same asset class). As an example, the Large Blend peer group is created as a combination of all share classes of all mutual funds in Morningstar's US Fund Large Blend category, all collective investment trusts in Morningstar's US SA Large Blend category, and all funds in Morningstar's US Insurance Large Blend category. Please note, for any funds with a newer share class, the ranking information is based on extended performance, which is derived from the historical performance of the older class shares, not adjusted for fees.

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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.

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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 (R²) 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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IRVINE RANCH WATER DISTRICT

457 and 401(a) DC Plans

Fund and Investment Menu Analysis – April 2021

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Section 3: Small Cap Value Manager Search

Section 1

IRVINE RANCH WATER DISTRICT

Fund and Investment Menu Analysis – April 2021

Summary: The Irvine Ranch Water District (District) sponsors a 457(b) Deferred Compensation and 401(a) Defined Contribution Plan (together “Plans”) as retirement savings vehicles for its employees and their beneficiaries. As fiduciary to the Plans, the District has engaged the Hyas Group to perform the services listed below, each of which are addressed in the following sections of this document:

- Analyze Current Investment Options and Portfolio Structure
- Perform Investment Manager Searches as Necessary
- Plan Level Fee and Revenue Analysis

Attachments to this document are:

- Manager search in the Mid Cap Growth asset class
- Manager search in the Small Cap Value asset class

IRVINE RANCH WATER DISTRICT

Fund and Investment Menu Analysis – April 2021

ASSET CLASS	STYLE	CURRENT MENU	PROPOSED MENU	TICKER
Fixed Income	Stable Value	Putnam Stable Value 0.25%	Replace with: Putnam Stable Value 0.15%	-
	Intermediate-Term Index	none		
	Intermediate-Term	MetWest Total Return PA	No change	-
US Large	Growth	Growth Fund of America R6	No change	-
	Blend	Vanguard Instl Index	No change	-
	Value	Diamond Hill Value Y	No change	-
US Mid	Growth	Hartford MidCap R6	Pending manager search	-
	Blend	Vanguard Mid Cap Index Admiral	No change	-
	Value	Wells Fargo Mid Value R6	No change	-
US Small	Growth	Hood River Small Cap Growth Ret	No change	-
	Blend	Vanguard Small Cap Index Admiral	No change	-
	Value	Victory Integrity Small Value R6	Pending manager search	-
International	Growth	EuroPacific Growth R6	No change	-
	Blend	Vanguard Total Int'l Stock Index Admiral	No change	-
	Value	none		
Asset Allocation	Risk-Based	Conservative Profile		
	Risk-Based	Moderate Profile		
	Risk-Based	Aggressive Profile		
	Income	Vanguard Target Date Income Inv	Replace with: Vanguard Target Ret. Inc. Instl	vitrx
	2020	Vanguard Target Date 2020 Inv	Replace with: Vanguard Target Ret. 2020 Instl	vitwx
	2025	Vanguard Target Date 2025 Inv	Replace with: Vanguard Target Ret. 2025 Instl	vrivx
	2030	Vanguard Target Date 2030 Inv	Replace with: Vanguard Target Ret. 2030 Instl	vttwx
	2035	Vanguard Target Date 2035 Inv	Replace with: Vanguard Target Ret. 2035 Instl	vitfx
	2040	Vanguard Target Date 2040 Inv	Replace with: Vanguard Target Ret. 2040 Instl	virsx
	2045	Vanguard Target Date 2045 Inv	Replace with: Vanguard Target Ret. 2045 Instl	vitlx
	2050	Vanguard Target Date 2050 Inv	Replace with: Vanguard Target Ret. 2050 Instl	vtrlx
	2055	Vanguard Target Date 2055 Inv	Replace with: Vanguard Target Ret. 2055 Instl	vivlx
	2060	Vanguard Target Date 2060 Inv	Replace with: Vanguard Target Ret. 2060 Instl	vilvx

Changes noted in red

IRVINE RANCH WATER DISTRICT

Fund and Investment Menu Analysis – April 2021

Perform Investment Manager Searches as Necessary

The Hartford MidCap and Victory Integrity Small Cap Value, currently lag the Plans' investment policy parameters (the Hyas Group's proposed Investment Policy Statement edits do not impact this). Searches are provided as attachments to this document.

Plan Level Fee and Revenue Analysis

Within the past few years the Plans moved to a revenue neutral fee structure wherein all funds are offered at the lowest obtainable expense ratio. Additional opportunities for cost reduction have arisen as market conditions have evolved over the past few years. Specifically, Fidelity lowered the management expenses for its index funds to levels below Vanguard's, Putnam and Wellington (investment manager of the Hartford MidCap Fund) also offer Hyas Group clients access to a lower-cost version of this strategy via a Collective Investment Trust, and Vanguard has lowered the minimum initial investment for institutional shares of its target date series to \$5 million. The following table provides a summary of the potential changes.

IRVINE RANCH WATER DISTRICT

Fund and Investment Menu Analysis – April 2021

Asset Class	Style	Fund	Ticker	457(b)	401(a)	Expense Ratio	Alt. Share Class	Notes
Fixed Income	Stable Value	Putnam Stable Value	-	\$8,519,187	\$2,292,917	0.25%	0.15%	Share class change
	Int.-Term	MetWest Total Return Plan Ahead	mwtsx	\$4,162,437	\$1,094,968	0.38%	-	-
US Large	Growth	Growth Fund of America R6	rgagx	\$5,447,203	\$1,867,946	0.30%	-	-
	Blend	Vanguard Institutional Index	vinix	\$5,698,133	\$1,319,393	0.035%		
	Value	Diamond Hill Value Y	dhlyx	\$1,796,481	\$630,911	0.55%	-	-
US Mid	Growth	Hartford MidCap R6	hfmvx	\$1,698,158	\$928,577	0.75%	0.58%	CIT
	Blend	Vanguard Mid Cap Index Admiral	vimax	\$1,613,455	\$331,665	0.05%		
	Value	Wells Fargo Mid Value R6	wfprx	\$2,026,162	\$652,782	0.71%	-	-
US Small	Growth	Hood River Small Cap Growth Ret	hrsix	\$2,840,494	\$1,198,433	1.01%	-	-
	Blend	Vanguard Small Cap Index Admiral	vsmx	\$1,191,731	\$305,607	0.05%		
	Value	Victory Integrity Small Value R6	mvssx	\$727,718	\$340,076	0.97%	-	-
International	Growth	EuroPacific Growth R6	rengx	\$1,999,121	\$618,514	0.46%	-	-
	Blend	Vanguard Total Intl Stock Index Admiral	vtiax	\$1,331,925	\$294,105	0.11%		
Asset Allocation	Risk-Based	Conservative Profile	-	\$4,306,072	\$1,547,702	0.44%	-	-
	Risk-Based	Moderate Profile	-	\$5,914,338	\$1,335,744	0.47%	-	-
	Risk-Based	Aggressive Profile	-	\$6,441,114	\$3,066,432	0.51%	-	-
	Income	Vanguard Target Date Income Inv	vtinx	\$688,058	\$761,196	0.12%	0.09%	Share class change to Institutional share class
	2020	Vanguard Target Date 2020 Inv	vtwnx	\$1,233,924	\$243,439	0.13%		
	2025	Vanguard Target Date 2025 Inv	vttvx	\$348,843	\$31,061	0.13%		
	2030	Vanguard Target Date 2030 Inv	vthrx	\$310,762	\$43,558	0.14%		
	2035	Vanguard Target Date 2035 Inv	vtthx	\$358,189	\$124,857	0.14%		
	2040	Vanguard Target Date 2040 Inv	vforx	\$398,261	\$51,740	0.14%		
	2045	Vanguard Target Date 2045 Inv	vtivx	\$65,884	\$51,316	0.15%		
	2050	Vanguard Target Date 2050 Inv	vfifx	\$577,393	\$50,039	0.15%		
	2055	Vanguard Target Date 2055 Inv	vffvx	\$216,333	\$40,850	0.15%		
	2060	Vanguard Target Date 2060 Inv	vttsx	\$141,577	\$10,423	0.15%		
TOTAL				\$60,052,953	\$19,234,251	\$306,191	0.39%	

*Mapping the risk-based funds to target date along with the other changes would reduce total cost to 0.25% from 0.39% or \$197,352. This is a 36% cost reduction over current fees.

Section 2



Irvine Ranch Water District
457(b) and 401(a) DC Plans
Mid Cap Growth Manager Search Report

April 2021

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Section 1. Background and Search Criteria

Irvine Ranch Water District 457(b) and 401(a) DC Plans

Mid Cap Growth Manager Search Report April 2021

Section 1: Background and Search Criteria

This document has been prepared to provide analysis of several potential replacement fund candidates in the Mid Cap Growth asset class. The current option, Hartford MidCap, has underperformed versus an appropriate set of policy performance criteria over its applicable performance period. As such, a manager search has been assembled to review alternative options.

The Hyas Group seeks to evaluate managers over a full market cycle, during which time a manager is expected to have adequate opportunities to add value through their specific investment approach. In the case of the current option, we believe the trailing five-year period incorporates a broad enough range of market environments to be considered representative of a market cycle over which to evaluate the current fund and replacement candidates.

The replacement candidates presented generally include management teams that have satisfied the following Investment Policy criteria:

- 1) Investment track record of no less than five years
- 2) Five-year returns above peer group median
- 3) Reasonable portfolio diversification and risk (volatility) characteristics
- 4) Investment style consistency over evaluation period

We have provided four alternative candidates in the Mid Cap Growth asset class category along with the incumbent investment option for review. We have also provided a summary of current expense ratios for the current option and each of the replacement candidates.

All performance-related information is as of 1Q21 unless stated otherwise.

Section 2. Description of Funds

Irvine Ranch Water District 457(b) and 401(a) DC Plans

Mid Cap Growth Manager Search Report April 2021

Section 2: Description of Funds

Current Option

Fund Name: Hartford MidCap

Prospectus Objective: Growth of Capital

Strategy: Mid Valuation-Sensitive Growth

Commentary: Hartford Mid Cap Stock is managed by Wellington as a more conservative mid-growth option, tending to tilt toward the larger end of the market capitalization spectrum and in favor of established, market leaders with attractive valuations. Management applies a three-part decision-making process in order to help identify attractive companies: business fundamentals and economic viability of the company in question, valuations relative to the company's industry and historical valuation range, and growth expectations relative to what Wall Street analysts are estimating. Over longer time periods, this fund's approach has resulted in a bias toward more steady growth companies. This approach has helped the fund to fare well to the downside though it has caused it to lag in more growth-centric markets where higher-beta names have tended to lead. Over the long-term it has successfully delivered attractive risk-adjusted returns within a mid cap growth framework.

Irvine Ranch Water District 457(b) and 401(a) DC Plans

Mid Cap Growth Manager Search Report April 2021

Replacement Candidates

Fund Name: MFS Mid Cap Growth

Prospectus Objective: Growth of Capital

Strategy: Mid High Growth

Commentary: MFS Mid Cap Growth takes a balanced, diversified approach to adding value through stock selection while keeping factor bets (such as tilts towards sectors, investment styles, or asset classes) to a minimum. The fund is supported by the MFS global research platform, wherein analysts are divided into sector groups, allowing them to specialize and know the dynamics of an industry. This strategy's approach is to identify companies with strong, cash-flow centric fundamentals that are likely to sustain robust growth for longer than the investment community is anticipating. As such the fund exhibits a fairly low amount of turnover relative to most of its peers that place greater emphasis on the next quarter's earnings. Additionally, management's tendency to take a buy-and-hold focus on companies with solid long-term prospects has generally caused the fund to have lower performance volatility than most of its peers. Overall the fund has consistently provided competitive exposure to the mid cap growth asset class with relatively low volatility and tracking error.

Fund Name: Artisan Mid Cap

Prospectus Objective: Growth of Capital

Strategy: Mid High Growth

Commentary: Artisan Mid Cap is a semi-concentrated fund focused on identifying companies with strong underlying long-term economics, discounted share prices relative to their private market valuations, and that are early in their profit cycles. Artisan's fundamental focus within this approach is that share prices eventually follow profits, but must be given time to do so and said profits must be predictable enough to be realized over a reasonable holding period. Predictability in turn is predicated on judicious management. As such, management seeks to avoid rapidly growing companies whose growth is poorly managed or too difficult to predict. The fund will then gravitate towards companies whose operating histories show higher long-term cash flow and sales growth, but which do not trade at high multiple versus the growth universe. In terms of portfolio construction, management will generally hold 60-70 stocks, with roughly one-third of the fund in the top-ten, highest conviction names. The fund has a longer average holding period than most growth funds, with management taking the approach of gradually adding and trimming stocks.

Irvine Ranch Water District 457(b) and 401(a) DC Plans

Mid Cap Growth Manager Search Report April 2021

Replacement Candidates (continued)

Fund Name: JP Morgan Mid Growth

Prospectus Objective: Growth of Capital

Strategy: Mid Core Growth

Commentary: JP Morgan Mid Cap Growth takes a risk-controlled approach to add value through stock-selection while minimizing sector and style bets. Within this strategy, management searches for companies that have high and sustainable growth prospects and competitive positions within their industries. In addition to seeking out competitive companies, management will employ risk controls to ensure that the fund's market capitalization breakdown, and sector allocations remain close to those of its prospectus benchmark; the Russell Mid Cap Growth Index. This process has lead the fund to track the index closely; performing slightly better to the upside while keeping pace to the downside.

Fund Name: TIAA Mid Growth

Prospectus Objective: Growth of Capital

Strategy: Mid High Growth

Commentary: TIAA-CREF Mid-Cap Growth focuses on identifying companies with accelerating earnings, business momentum, attractive valuations relative to perceived growth prospects, and strong market sentiment. Management takes the view that earnings growth is simply what drives stock returns over the long run and therefore that it is necessary to identify companies with the highest potential earnings growth. Screens are performed for stocks with strong growth rates, positive business momentum, strong and positive investor sentiment, and attractive valuations. The portfolio is then adjusted to prevent undue exposures to factors such as industry or sectors, macroeconomic themes, and other quantitative elements. As such the portfolio is tilted towards companies with higher expected earnings growth in a manner that represents much of the mid cap growth universe. The fund has been a balanced performer with the strongest relative returns coming in up-markets as corporate earnings accelerate. Tracking error relative to the benchmark and peer group has also been low. Overall the fund is a viable option for those seeking exposure to high-growing mid cap stocks in a stylistically consistent manner.

Section 3. Performance, Risk and Style Summary

Irvine Ranch Water District 457(b) and 401(a) DC Plans

Mid Cap Growth Manager Search Report April 2021

Section 3: Performance, Risk, and Style Summary

Peer Group Rankings

	1Q21	YTD	1YR	3YR	5YR	10YR	2020	2019	2018	2017	2016	2015
Hartford MidCap	30	30	52	79	61	43	75	49	67	52	16	31
MFS Mid Cap Growth	93	93	89	37	33	22	41	17	11	35	59	10
Artisan Mid Cap	93	93	47	14	24	15	14	13	34	74	95	23
JP Morgan Mid Growth	59	59	41	20	19	11	23	8	45	18	91	18
TIAA Mid Growth	68	68	30	38	45	60	28	46	77	38	82	59

Fund rankings in **red** lag the 50th percentile of the peer group

Returns

	1Q21	YTD	1YR	3YR	5YR	10YR	2020	2019	2018	2017	2016	2015
Hartford MidCap	5.20	5.20	73.55	16.11	17.52	13.79	25.06	32.75	-7.29	24.42	11.87	1.75
MFS Mid Cap Growth	-2.40	-2.40	57.87	20.63	19.79	14.70	35.80	37.93	1.21	26.39	4.75	4.60
Artisan Mid Cap	-2.30	-2.30	75.66	25.80	21.33	15.06	59.09	38.45	-3.78	20.75	-0.64	2.42
JP Morgan Mid Growth	1.34	1.34	78.24	24.53	22.15	15.76	48.51	39.96	-4.97	29.72	0.37	3.01
TIAA Mid Growth	0.64	0.64	84.55	20.45	18.82	12.96	44.96	33.12	-8.46	25.90	1.69	-0.86
Russell Mid Cap Growth	-0.57	-0.57	68.61	19.41	18.39	14.11	35.59	35.47	-4.75	25.27	7.33	-0.20
Avg. Mid Growth	3.89	3.89	79.93	19.91	18.75	12.85	37.27	32.30	-6.65	24.51	5.73	-1.03

Returns longer than one year is annualized.

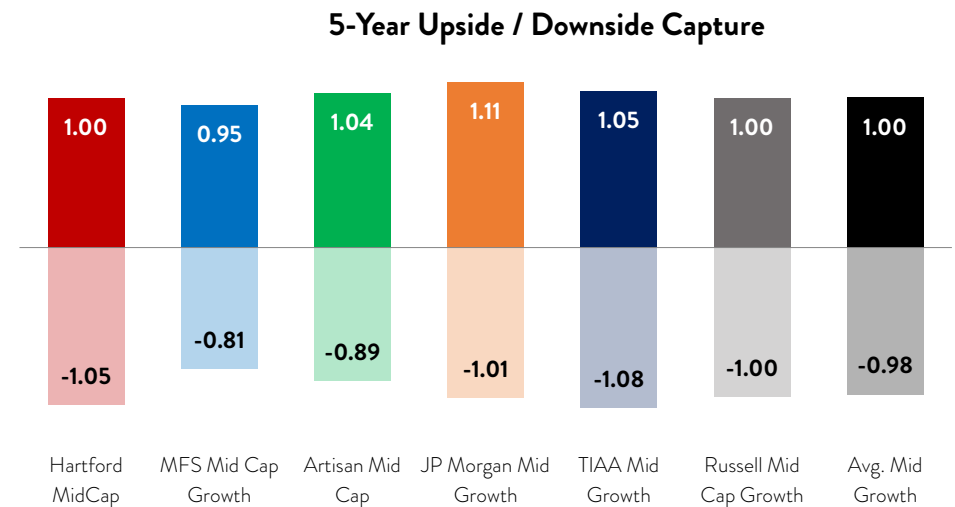
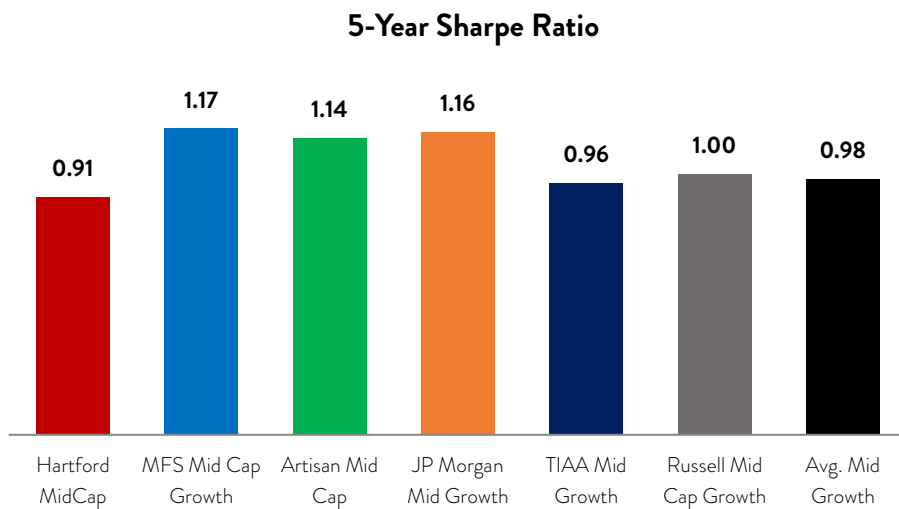
Returns +/- Index

	1Q21	YTD	1YR	3YR	5YR	10YR	2020	2019	2018	2017	2016	2015
Hartford MidCap	5.77	5.77	4.95	(3.30)	(0.87)	(0.33)	(10.53)	(2.72)	(2.54)	(0.85)	4.54	1.95
MFS Mid Cap Growth	(1.84)	(1.84)	(10.74)	1.22	1.40	0.59	0.21	2.46	5.96	1.12	(2.58)	4.80
Artisan Mid Cap	(1.74)	(1.74)	7.05	6.39	2.94	0.95	23.51	2.98	0.98	(4.52)	(7.97)	2.62
JP Morgan Mid Growth	1.91	1.91	9.64	5.12	3.76	1.64	12.92	4.49	(0.22)	4.46	(6.96)	3.21
TIAA Mid Growth	1.21	1.21	15.94	1.04	0.44	(1.16)	9.37	(2.35)	(3.71)	0.63	(5.64)	(0.66)

Fund returns in **red** lag the Index

Irvine Ranch Water District 457(b) and 401(a) DC Plans

Mid Cap Growth Manager Search Report April 2021



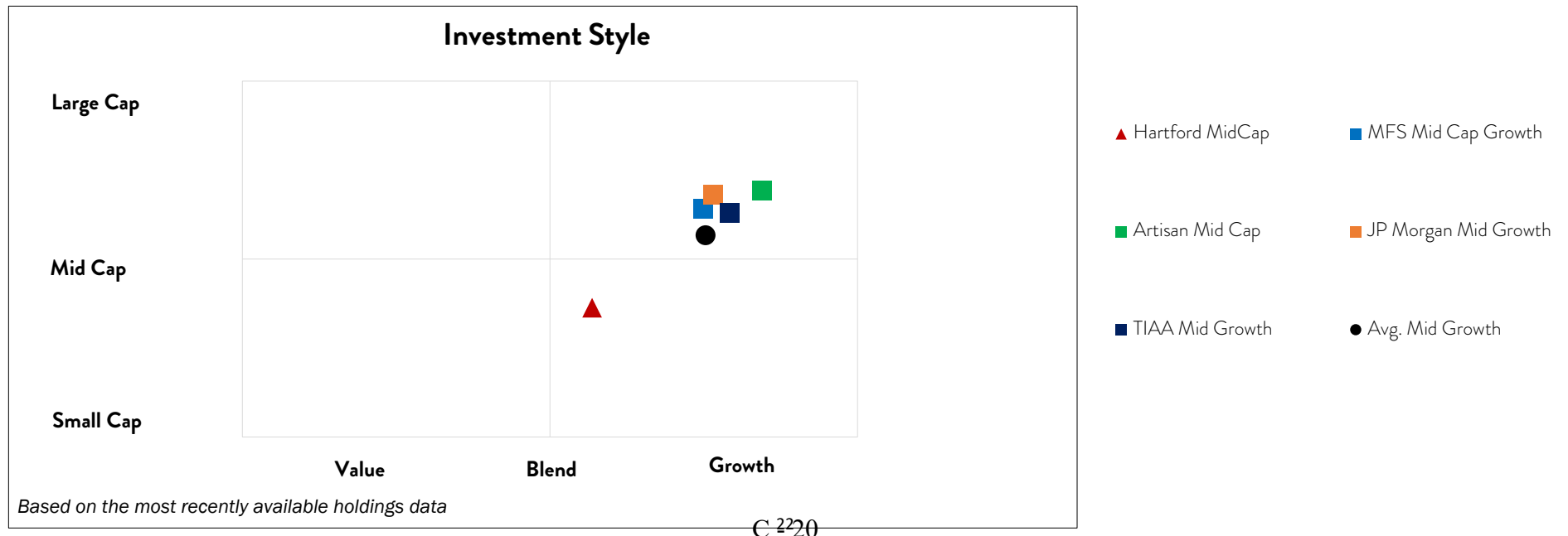
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Volatility and Investment Style

	Beta	R ²	Tracking Error		Batting Averages				
			vs. Idx	vs. Avg.	% > 0	vs. Idx	vs. Avg.	vs. Idx or Avg.	vs. Idx and Avg.
Hartford MidCap	1.03	0.93	4.78	3.92	70%	48%	50%	55%	43%
MFS Mid Cap Growth	0.87	0.94	4.43	4.84	70%	58%	55%	65%	48%
Artisan Mid Cap	0.95	0.90	5.59	5.70	70%	53%	53%	62%	45%
JP Morgan Mid Growth	1.00	0.97	3.05	3.04	67%	58%	58%	70%	47%
TIAA Mid Growth	1.06	0.97	3.17	2.84	70%	45%	50%	55%	40%
Russell Mid Cap Growth	1.00	1.00	-	2.26	68%	-	53%	53%	-
Avg. Mid Growth	1.00	0.98	2.26	-	75%	47%	-	47%	-

Based on the trailing 5-year period ending 4Q20.



Section 4. Expense Summary

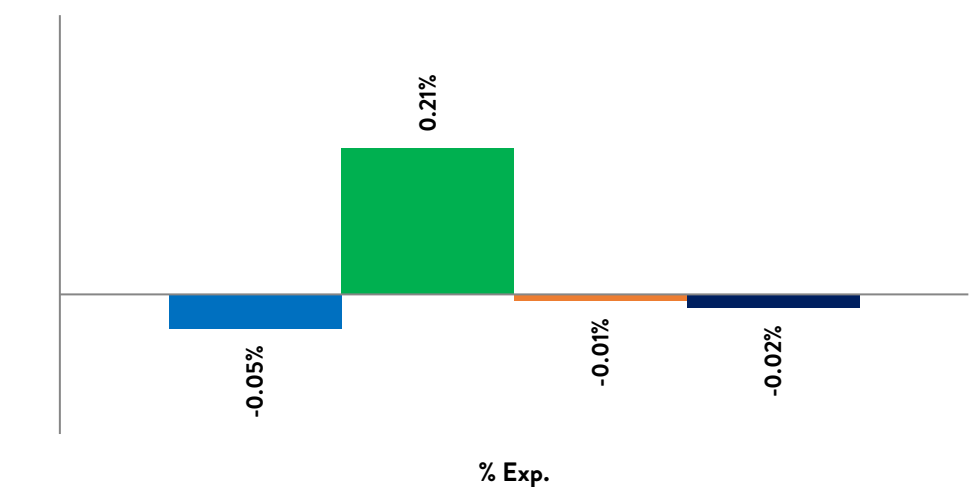
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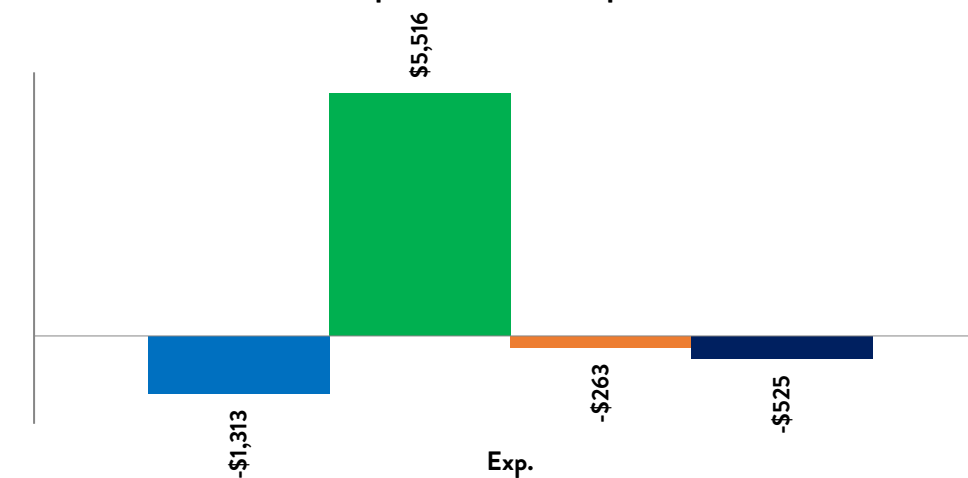
Section 4: Revenue, Expenses, and Operations

	Ticker	Share Class	Estimated Annual Expenses			Total Plan Assets	Revenue Share
			% Exp.	as % of Plan	\$	\$79,287,204	
Hartford MidCap	HFMVX	Retirement	0.75%	0.025%	\$19,701	Fund Assets \$2,626,735 <i>as of 4Q20</i>	0.00%
MFS Mid Cap Growth	OTCKX	Retirement	0.70%	0.023%	\$18,387		0.00%
Artisan Mid Cap	APHMX	Inst	0.96%	0.032%	\$25,217		0.00%
JP Morgan Mid Growth	JMGMX	Retirement	0.74%	0.025%	\$19,438		0.00%
TIAA Mid Growth	TRGMX	Retirement	0.73%	0.024%	\$19,175		0.00%
Avg. Mid Growth	-	-	1.12%	0.037%	\$29,356		

Estimated Impact on Annual Expenses (%)



Estimated Impact on Annual Expenses (\$)



■ MFS Mid Cap Growth ■ Artisan Mid Cap ■ JP Morgan Mid Growth ■ TIAA Mid Growth

■ MFS Mid Cap Growth ■ Artisan Mid Cap ■ JP Morgan Mid Growth ■ TIAA Mid Growth

Section 3



Irvine Ranch Water District
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Section 1. Background and Search Criteria

Irvine Ranch Water District 457(b) and 401(a) DC Plans

Small Cap Value Manager Search Report April 2021

Section 1: Background and Search Criteria

This document has been prepared to provide analysis of several potential replacement fund candidates in the Small Cap Value asset class. The current option, Victory Integrity Small Value, has underperformed versus an appropriate set of policy performance criteria over its applicable performance period. As such, a manager search has been assembled to review alternative options.

The Hyas Group seeks to evaluate managers over a full market cycle, during which time a manager are expected to have adequate opportunities to add value through their specific investment approach. In the case of the current option, we believe the trailing five-year period incorporates a broad enough range of market environments to be considered representative of a market cycle over which to evaluate the current fund and replacement candidates.

The replacement candidates presented generally include management teams that have satisfied the following Investment Policy criteria:

- 1) Investment track record of no less than five years
- 2) Five-year returns above peer group median
- 3) Reasonable portfolio diversification and risk (volatility) characteristics
- 4) Investment style consistency over evaluation period

We have provided four alternative candidates in the Small Cap Value asset class category along with the incumbent investment option for review. We have also provided a summary of current expense ratios for the current option and each of the replacement candidates.

All performance-related information is as of 1Q21 unless stated otherwise.

Section 2. Description of Funds

Irvine Ranch Water District 457(b) and 401(a) DC Plans

Small Cap Value Manager Search Report April 2021

Section 2: Description of Funds

Current Option

Fund Name: Victory Integrity Small Value

Prospectus Objective: Small Company

Strategy: Small Core Value

Commentary: Victory Integrity Small Cap Value places an emphasis on smaller companies within its investment universe that tilt towards the deeper-value end of the style spectrum. To offset for the higher volatility inherent in this approach, management will hold a diversified portfolio of stocks, often well above 100 names, and will keep sector allocations from drifting far from that of its index. Overall the fund has turned in competitive returns over various market cycles. However, it has been shown to lag in periods where larger, growth-oriented names tend to lead.

Irvine Ranch Water District 457(b) and 401(a) DC Plans

Small Cap Value Manager Search Report April 2021

Replacement Candidates

Fund Name: American Beacon Small Value

Prospectus Objective: Small Company

Strategy: Small Deep Value

Commentary: The American Beacon Small Cap Value fund employs a roster of subadvisors to add value for its investors. The fund has six subadvisors, each of which follow distinct styles and investment processes which combine to create a well diversified total portfolio. Barrow Hanley seeks below-market valuations and high free cash-flow yield; Mellon looks for stocks trading at low valuations with realizable earnings projections and cash-flows; Brandywine targets companies with low valuations which have attractive price momentum; Foundry typically invests in companies which are more established and have a proven track record of earnings growth; Hotchkis & Wiley looks for sustainable cash-flows and strong balances sheets; and Hillcrest uses sentiment indicators to help identify mispriced opportunities.

Fund Name: Franklin Small Value

Prospectus Objective: Small Company

Strategy: Small Core Value

Commentary: The Franklin Small Value team takes a buy-and-hold approach wherein management searches for companies with relatively low debt, quality management teams, low valuations and the potential to return above 15% for a three- to five-year time horizon. The strategy reflects a bottom-up, stock-by-stock approach and avoids managing tracking error very closely to a benchmark, though moderate risk controls keep the fund from being overly concentrated in stocks or sectors. The fund's most distinct characteristic is likely its tilt away from higher debt levels, which results in strong performance to the downside though it may lag in strong bull markets. Investors seeking a more traditional stock-picking fund with competitive downside capture may consider this one an option.

Irvine Ranch Water District 457(b) and 401(a) DC Plans

Small Cap Value Manager Search Report April 2021

Replacement Candidates (continued)

Fund Name: Goldman Sachs Small Value

Prospectus Objective: Small Company

Strategy: Small Deep Value

Commentary: Goldman Sachs Small Cap Value Insights follows a balanced approach of seeking to add value through stock selection rather than attempting to capitalize on broader economic and secular themes throughout the portfolio. The fund typically holds several hundred stocks in amounts that closely match those in the Russell 2000 Value Index. Over time it has shown itself to be a balanced performer, keeping track in rising and falling markets and with limited tracking error throughout.

Fund Name: Vanguard Small Cap Value Index

Prospectus Objective: Small Company

Strategy: Small Deep Value

Commentary: Vanguard Small Cap Value Index is a passive strategy that seeks to track the performance of the University of Chicago Research for Security Prices Small Cap Value Index (the Index) via full replication of the Index's underlying holdings. The Index seeks to represent the market-capitalization weighted performance of the smallest US value stocks, as determined by valuation factors such as price-to-book, price-to-forward earnings, and dividend-yields.

Section 3. Performance, Risk and Style Summary

Irvine Ranch Water District 457(b) and 401(a) DC Plans

Small Cap Value Manager Search Report April 2021

Section 3: Performance, Risk, and Style Summary

Small Cap Value Peer Group Rankings

	1Q21	YTD	1YR	3YR	5YR	10YR	2020	2019	2018	2017	2016	2015
Victory Intergrity Small Value	34	34	28	58	47	34	60	32	83	16	61	49
American Beacon Small Value	66	66	41	47	43	35	43	31	54	51	45	36
Franklin Small Value	60	60	62	16	15	20	31	14	21	28	24	61
Goldman Sachs Small Value	52	52	63	39	28	26	67	30	10	66	11	35
Vanguard Small Cap Value Index	86	86	65	33	35	16	31	37	20	21	59	33

Fund rankings in **red** lag the 50th percentile of the peer group

Returns

	1Q21	YTD	1YR	3YR	5YR	10YR	2020	2019	2018	2017	2016	2015
Victory Intergrity Small Value	22.66	22.66	108.69	9.06	11.68	9.91	1.33	23.28	-18.42	12.59	24.52	-6.49
American Beacon Small Value	19.66	19.66	102.11	9.81	11.78	9.86	4.03	23.50	-15.59	8.71	26.77	-5.04
Franklin Small Value	20.08	20.08	90.81	12.88	14.14	10.66	5.83	26.59	-12.30	11.12	30.19	-7.33
Goldman Sachs Small Value	20.74	20.74	90.70	10.23	12.97	10.13	0.35	23.54	-10.67	7.51	31.60	-4.79
Vanguard Small Cap Value Index	16.81	16.81	89.83	10.80	12.42	11.05	5.85	22.76	-12.23	11.80	24.78	-4.65
Russell 2000 Value	21.17	21.17	97.05	11.57	13.56	10.06	4.63	22.39	-12.86	7.84	31.74	-7.47
Avg. Small Value	21.49	21.49	100.21	10.00	11.68	9.21	3.87	21.21	-15.38	9.10	25.74	-7.01

Returns longer than one year is annualized.

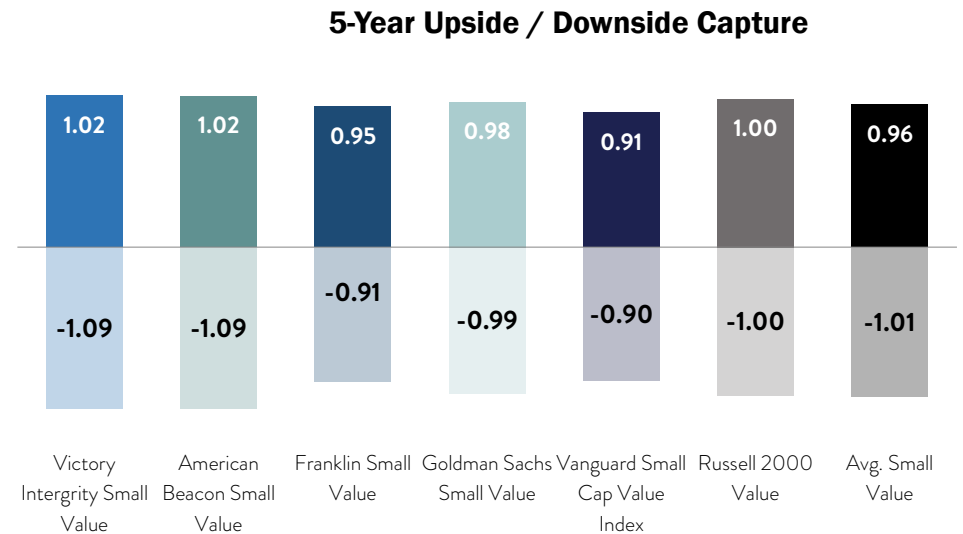
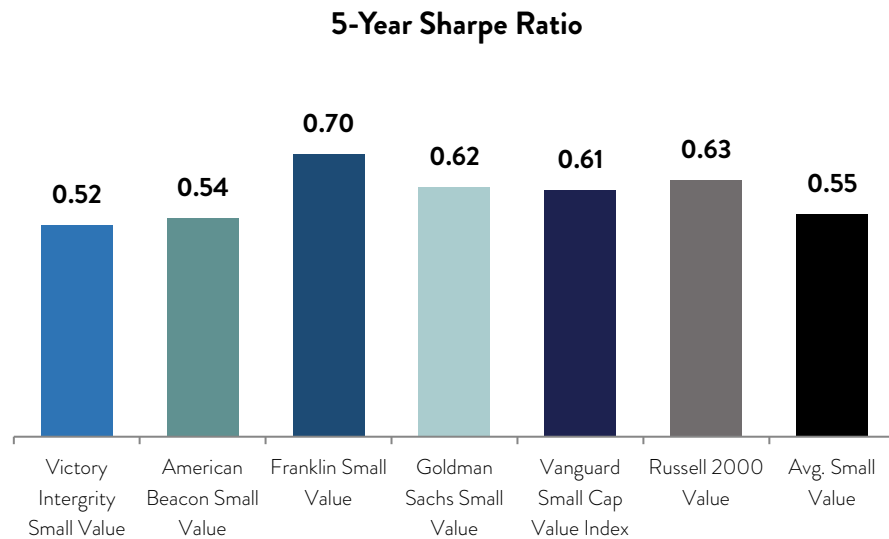
Returns +/- Index

	1Q21	YTD	1YR	3YR	5YR	10YR	2020	2019	2018	2017	2016	2015
Victory Intergrity Small Value	1.49	1.49	11.64	(2.51)	(1.88)	(0.15)	(3.30)	0.88	(5.56)	4.75	(7.22)	0.98
American Beacon Small Value	(1.50)	(1.50)	5.06	(1.75)	(1.78)	(0.20)	(0.60)	1.10	(2.73)	0.87	(4.97)	2.43
Franklin Small Value	(1.09)	(1.09)	(6.25)	1.31	0.58	0.60	1.20	4.20	0.56	3.28	(1.55)	0.14
Goldman Sachs Small Value	(0.43)	(0.43)	(6.35)	(1.34)	(0.59)	0.07	(4.28)	1.14	2.19	(0.32)	(0.14)	2.68
Vanguard Small Cap Value Index	(4.36)	(4.36)	(7.23)	(0.77)	(1.14)	0.99	1.21	0.37	0.64	3.96	(6.96)	2.82

Fund returns in **red** lag the Index

Irvine Ranch Water District 457(b) and 401(a) DC Plans

Small Cap Value Manager Search Report April 2021



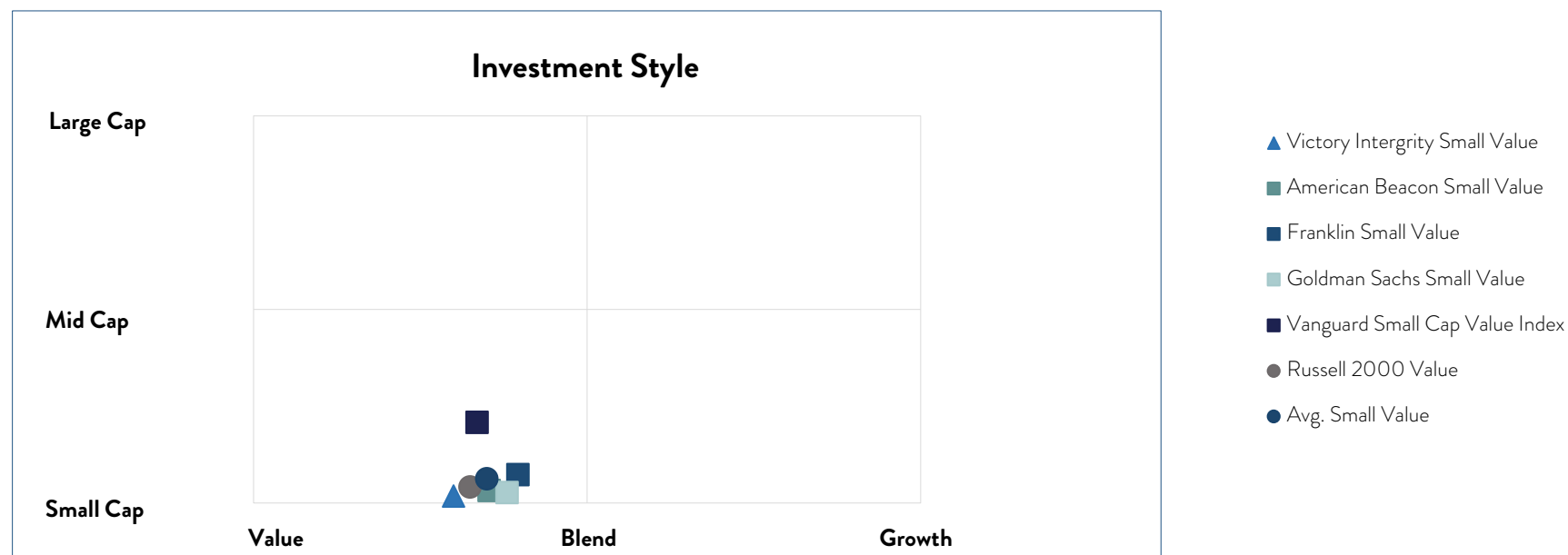
Irvine Ranch Water District 457(b) and 401(a) DC Plans

Small Cap Value Manager Search Report April 2021

Volatility and Investment Style

	Beta	R ²	Tracking Error		Batting Averages				
			vs. Idx	vs. Avg.	% > 0	vs. Idx	vs. Avg.	vs. Idx or Avg.	vs. Idx and Avg.
Victory Intergrity Small Value	1.11	0.98	4.71	4.16	70%	43%	48%	53%	38%
American Beacon Small Value	1.07	0.98	3.70	2.56	72%	45%	55%	63%	37%
Franklin Small Value	0.89	0.95	5.27	4.59	72%	50%	57%	60%	47%
Goldman Sachs Small Value	0.98	0.95	2.88	2.85	70%	55%	57%	70%	42%
Vanguard Small Cap Value Index	0.94	0.98	3.61	2.90	75%	53%	55%	65%	43%
Russell 2000 Value	1.00	1.00	-	2.30	72%	-	55%	55%	-
Avg. Small Value	1.01	0.99	2.30	-	70%	45%	-	45%	-

Based on the trailing 5-year period ending 4Q20.



Based on the most recently available holdings data

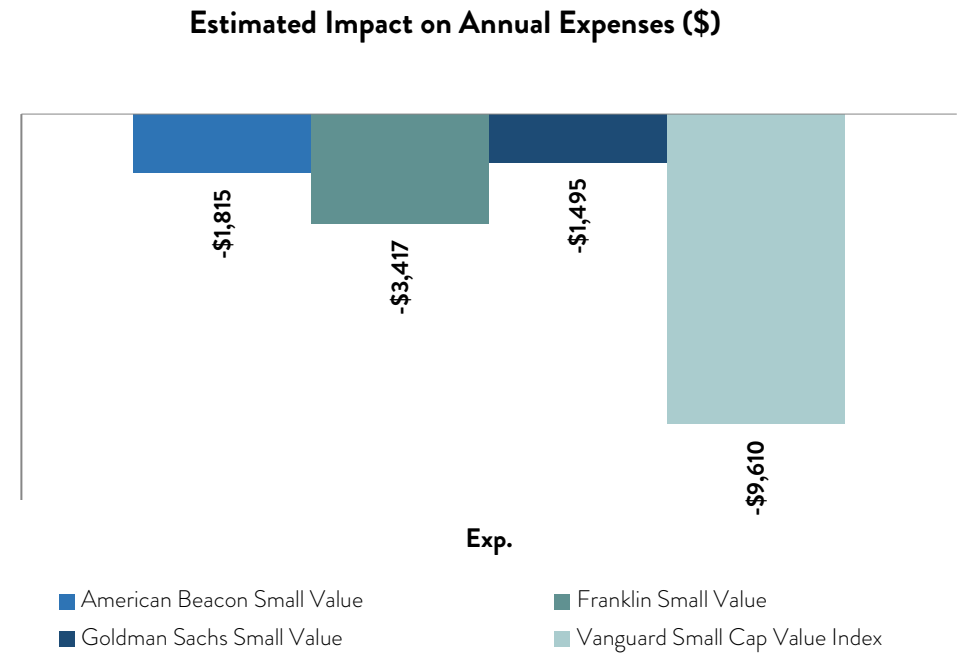
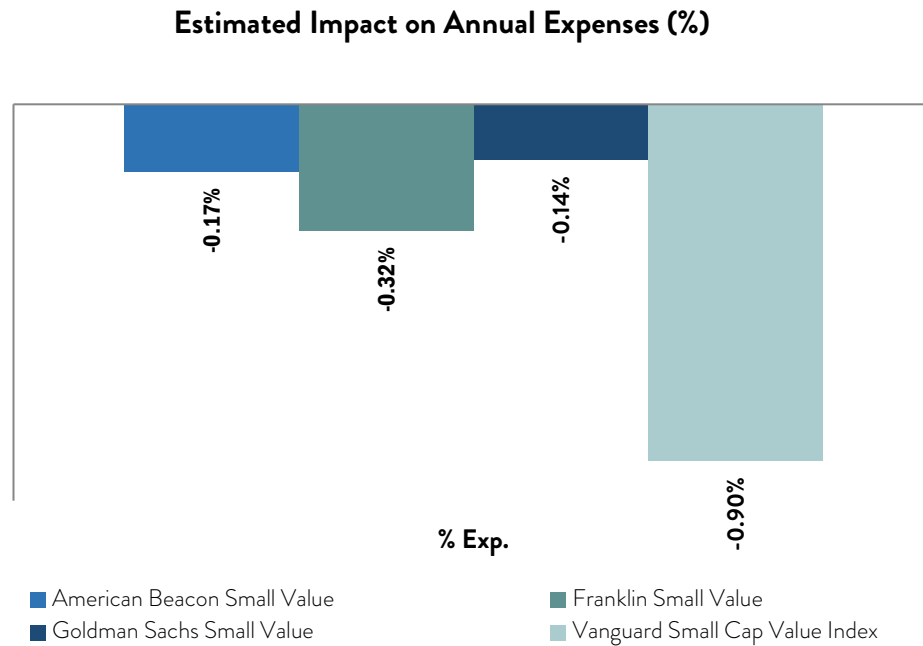
Section 4. Expense Summary

Irvine Ranch Water District 457(b) and 401(a) DC Plans

Small Cap Value Manager Search Report April 2021

Section 4: Revenue, Expenses, and Operations

	Ticker	Share Class	Estimated Annual Expenses			Total Plan Assets	Revenue Share
			% Exp.	as % of Plan	\$	\$79,287,204	
Victory Integrity Small Value	MVSSX	Retirement	0.97%	0.013%	\$10,358	Fund Assets as of 4Q20	0.00%
American Beacon Small Value	AASRX	Retirement	0.80%	0.011%	\$8,542		0.00%
Franklin Small Value	FRCSX	Retirement	0.65%	0.009%	\$6,941		0.00%
Goldman Sachs Small Value	GTTUX	Retirement	0.83%	0.011%	\$8,863		0.00%
Vanguard Small Cap Value Index	VSIX	Inst	0.07%	0.001%	\$747		0.00%
Avg. Small Value	-	-	1.17%	0.016%	\$12,508		



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May 4, 2021

Prepared by: T. Malone

Submitted by: C. Clary

Approved by: Paul A. Cook



FINANCE AND PERSONNEL COMMITTEE

ANNUAL ORACLE SOFTWARE MAINTENANCE AND SUPPORT AGREEMENT RENEWAL

SUMMARY:

The Oracle Software Maintenance and Support Agreements provide for upgrades and maintenance of IRWD's Oracle Customer Care and Billing (CC&B) software, Oracle eBusiness Suite (EBS) financial software, and Oracle technology software. These agreements also provide pricing for software maintenance and licenses contained in the Unlimited License Agreement (ULA) (executed with Oracle in May 2014) as well as the EBS Financial Software Agreement executed with Oracle in May 2010. These agreements expire on May 31, 2021. Staff recommends the Board approve renewal of the District's Oracle Software Maintenance and Support Agreements and additional licenses and support, in the total amount of \$2,020,000 for a two-year period from June 1, 2021 through May 31, 2023.

BACKGROUND:

IRWD uses Oracle software to run the servers and databases that support the Oracle EBS, Oracle CC&B, Oracle Business Intelligence, and Maximo Enterprise Asset Management applications. In May 2010, the Board approved a software agreement with Oracle for EBS financial software licenses. The agreement includes an annual increase in software and support maintenance for renewals commencing in 2011. In April 2017, the Board approved software maintenance agreements with Oracle for a term of 48 months, from April 2017 through May 2021, for technology software, CC&B application licenses, and EBS application licenses. These agreements cover all versions of Oracle software products, CC&B software products, and EBS financial products purchased by IRWD, and allows for upgrade to new versions as they become available. Included in the most recent agreements was a zero percent increase in software and support maintenance for renewals commencing after 2015 and through 2021.

Staff recommends the Board approve a two-year agreement with Oracle for two reasons: 1) a two-year agreement will align Oracle support contracts with the District's two-year operating budget cycle, and 2) with an overarching strategy to migrate major computer applications to the cloud, the two-year cycle presents an opportunity to move EBS and CC&B from their current on-premise operation and be in a position to reduce the technology software licensing at the end of this renewal. Technology software is licensed differently in the cloud as opposed to on-premise. EBS and CC&B application licenses can be moved to the cloud as-is. The renewals represent an increase of 4% in support costs from the previous contracts.

Several of the EBS software programs are licensed by enterprise based on operating revenue. For IRWD, this value is the audited operating revenue before adjustments for expenses and taxes generated during a fiscal year. The agreement provides that if the operating revenues increase, IRWD would need to order additional licenses and technical support for such licenses. The

formula generates an increase of approximately \$39,000 for additional licenses and support, as required by the agreement.

The following table provides a summary of annual costs for the Oracle software maintenance and support agreements and additional licenses and support:

Description	Annual Cost
Oracle Technology (ULA) Software & Support Maintenance	\$697,000
Oracle CC&B Software & Support Maintenance	\$144,000
Oracle EBS Financial Software & Support Maintenance	\$130,000
Oracle EBS Financial Software Additional Licenses & Support Based on \$M Revenue	\$39,000
<i>Total Oracle Software Maintenance and Support Agreements & Additional Licenses & Support</i>	<i>\$1,010,000</i>

Staff recommends renewal of the annual Oracle Software Maintenance and Support Agreements, and additional licenses and support in the annual amount of \$1,010,000 for a two-year period in the total amount of \$2,020,000.

FISCAL IMPACTS:

Oracle Software Maintenance and Support Agreements are included in the FY 2021-22 and FY 2022-23 Operating Budgets.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

That the Board approve renewal of IRWD's annual Oracle Software Maintenance and Support Agreements, and additional licenses and support, in the amount of \$2,020,000 for a two-year period from June 1, 2021 through May 31, 2023.

LIST OF EXHIBITS:

None.