

AGENDA
IRVINE RANCH WATER DISTRICT
FINANCE AND PERSONNEL COMMITTEE MEETING
TUESDAY, SEPTEMBER 5, 2023

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

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

Via Web: <https://irwd.webex.com/irwd/j.php?MTID=mc3ec8d01f3fcdcac51107ef720a52aa9>

Meeting number (access code): 2483 908 2332

Meeting password: 6jB6sQR97fD (65267779 from video systems)

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

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

CALL TO ORDER 11:30 a.m.

ATTENDANCE Chair: Peer Swan _____ Alt. Member: Doug Reinhart _____

<u>ALSO PRESENT</u>	Paul Cook	_____	Cheryl Clary	_____
	Wendy Chambers	_____	Kevin Burton	_____
	Paul Weghorst	_____	Kent Morris	_____
	Christopher Smithson	_____	Tiffany Mitcham	_____
	Eileen Lin	_____	Lance Kaneshiro	_____
	Stephen Aryan	_____	Jennifer Davis	_____
	_____	_____	_____	_____
	_____	_____	_____	_____

PUBLIC COMMENT NOTICE

Public comments are limited to three minutes per speaker on each subject. If you wish to address the Committee on any item, you may attend the meeting in person and submit a “speaker slip.” You may also submit a public comment in advance of the meeting by emailing comments@irwd.com before 7:30 a.m. on Tuesday, September 5, 2023.

COMMUNICATIONS

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

INFORMATION

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

Recommendation: Receive and file.

6. MONTHLY INVESTMENT AND DEBT REVIEW – MEDOZA / DAVIS / CLARY / MORRIS

Recommendation: Receive and file.

7. REAL ESTATE QUARTERLY PERFORMANCE – DAVIS / MORRIS / CLARY

Recommendation: Receive and file.

8. RISK MANAGEMENT FISCAL YEAR-END REPORT – KANOFF / ARYAN / MITCHAM

Recommendation: Receive and file.

9. INFORMATION SERVICES PROJECT STATUS REPORT – KANESHIRO / CLARY

Recommendation: Receive and file.

10. FISCAL YEAR 2022-2023 LEGAL FEES ANALYSIS – LI / SMITHSON / CLARY

Recommendation: Receive and file.

INFORMATION, continued

11. FISCAL YEAR 2022-23 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS QUARTERLY UPDATE – LI / PARDEE / SMITHSON / CLARY

Recommendation: Receive and file.

OTHER BUSINESS

12. Closed Sessions

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

- *United States, et al., ex rel. John Hendrix, et al. v. J-M Manufacturing Company, Inc., et al.*, Case No. CV 06-0055-GW
- *State of Nevada, et al. v. J-M Manufacturing Company, Inc., et al.*, Los Angeles Case No. BC459943
- *Michael Brown v. PEI Engineering & Construction, et. seq.*, Case No. 30-2020-01154719

B. CONFERENCE WITH LEGAL COUNSEL — ANTICIPATED LITIGATION – Pursuant to Government Code Section 54956.9(d)(2): significant exposure to litigation.


13. Open Session

14. Directors' Comments

15. Adjourn

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

Note: This page is intentionally left blank.

September 5, 2023
Prepared by: L. Srader
Submitted by: T. Mitcham
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

EMPLOYEE POPULATION AND RETENTION STATUS REPORT

SUMMARY:

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

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

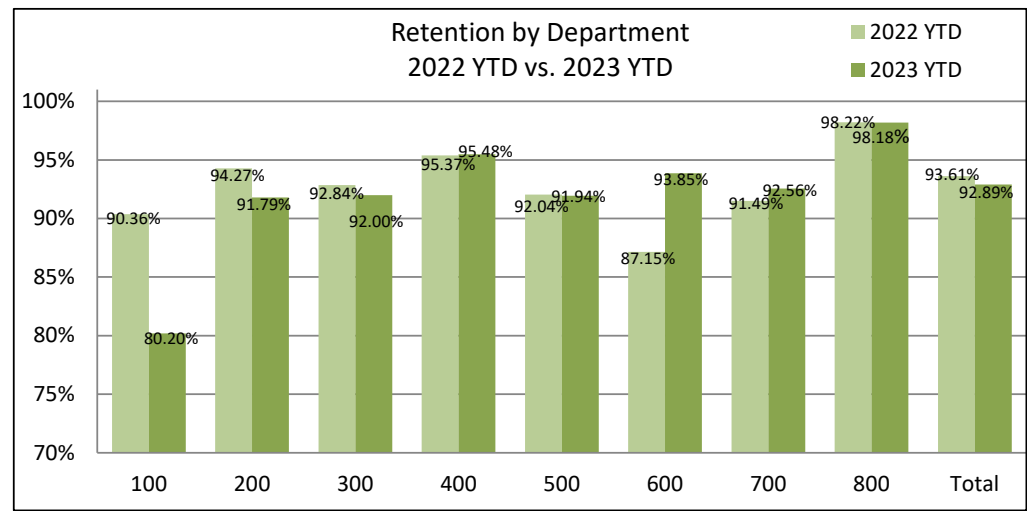
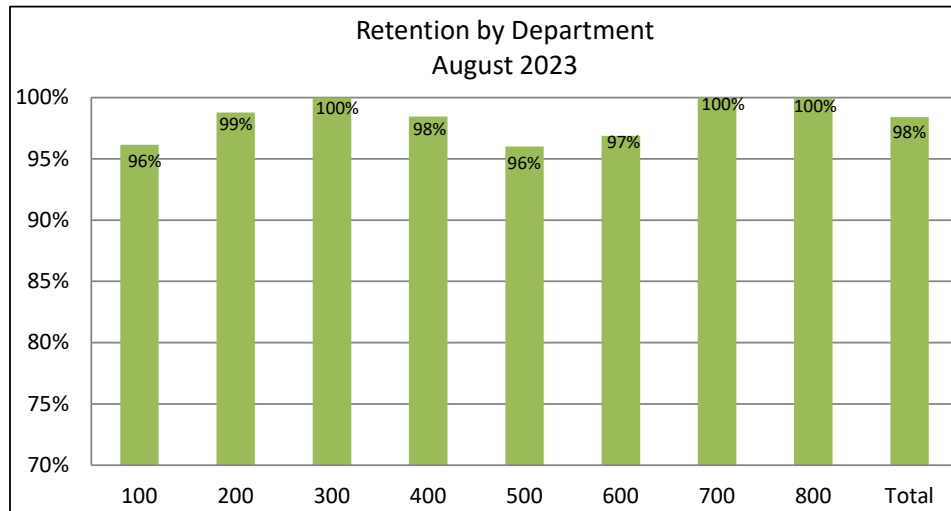
LIST OF EXHIBITS:

Exhibit "A" – Employee Population & Retention Status Report

Note: This page is intentionally left blank.

EXHIBIT A
IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
August 2023

@08/01/23		Current Month Activity							@08/31/23		FY 23/24	Avg FYTD	Avg FYTD	Avg FYTD	Retention	
Dept	Positions Filled	New Hires	Terms		Promo Trnsfr		Lateral Trnsfr		Positions Filled	Positions Unfilled	Budgeted Positions	Filled Budget Positions	Temp Emp FTE	Total Filled Positions	Current Period	2023 YTD
			Vol	Invol	In	Out	In	Out								
100	26.0	1	1						26.0	3	29.0	27	0.05	27.1	96.15%	80.20%
200	83.0	1		1					83.0	8	91.0	84	0.00	84.0	98.80%	91.79%
300	42.0								42.0	3	45.0	42	3.39	45.4	100.00%	92.00%
400	65.0		1						64.0	6	70.0	66	0.00	66.0	98.46%	95.48%
500	50.0	3	2						51.0	12	63.0	50	4.59	54.6	96.00%	91.94%
600	32.0		1						31.0	4	35.0	33	0.47	33.0	96.88%	93.85%
700	26.0	1							27.0	2	29.0	27	0.00	26.5	100.00%	92.56%
800	55.0	1							56.0	6	62.0	56	0.92	56.4	100.00%	98.18%
Totals	379.0	7	5	1	-	-	-	-	380.0	44	424.0	384	9.42	392.9	98.42%	92.89%
8/22	377	4	4	-	-	-	-	-	377.0	42	419.0	379.3	17.6	396.9	98.94%	93.61%

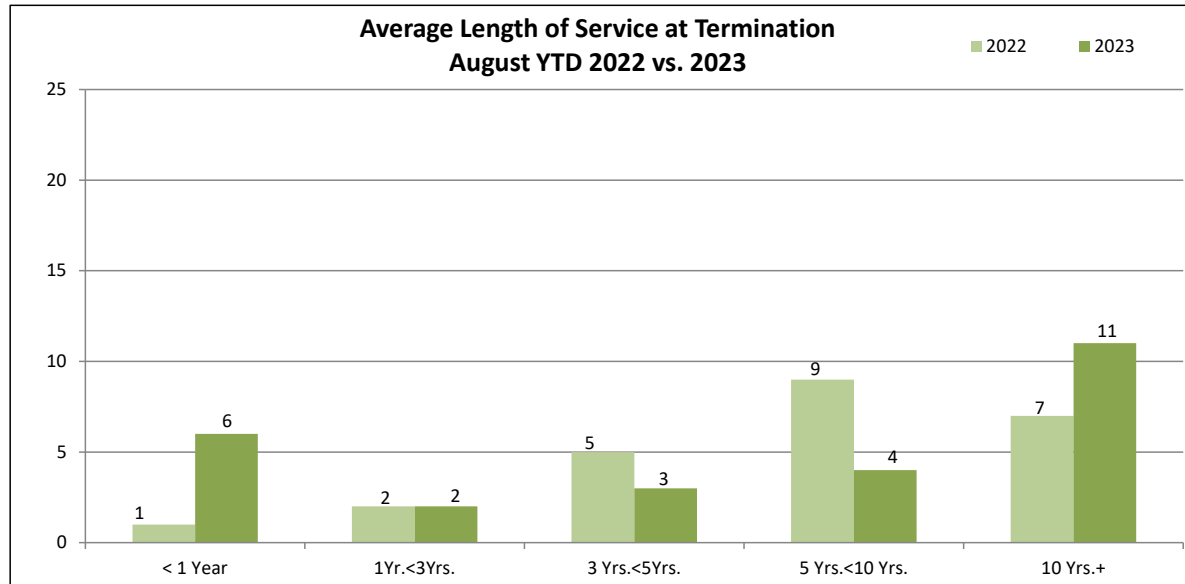


100-GM, HR, Safety, Commun; 200-Fin., Cust. Serv., IS, Purch.; 300-Eng.; 400-Water Ops; 500-Recycling Ops; 600-WQ&RC; 700-Water Res., Recyc. Water; 800-Adm. & Maint. Ops

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

Dept.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	YTD Retention Longevity Ratio				
														< 1 Year	1Yr.<.3Yrs.	3 Yrs.<5Yrs.	5 Yrs.<10 Yrs.	10 Yrs.+
100	2						2	1					5	2	1	1		1
200	1		3				3						7	2			1	4
300					1		1						2					2
400	1						1	1					3	1			1	1
500			2					2					4			1	2	1
600							1	1					2	1		1		
700				1			1						2					2
800							1						1		1			
2023 Total	4	-	5	1	1	-	10	5	-	-	-	-	26	6	2	3	4	11
2022 Data	2	4	5	4	1	2	2	4	-	4	2	5	35					
Percentage of Total Retention														76.92%	92.31%	88.46%	84.62%	57.69%

2023 Average YTD Length of Service at Termination	10.08 Years
2022 Average YTD Length of Service at Termination	10.40 Years
2021 Average YTD Length of Service at Termination	10.21 Years
2020 Average YTD Length of Service at Termination	16.33 Years
2019 Average YTD Length of Service at Termination	9.21 Years



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

NEW HIRES				
Date	Dept	Employee Name	Position	Prior Company/Agency
07/31/23	800	Thomas Hernandez	Electrical & Instrumentation Technician	Johnson Peltier
08/07/23	500	Megan Barajas	Wetlands Specialist	Socio-Exological Adaptation and Climate Resilience Lab
08/08/23	500	Joaquin Contreras	Operator III	Metropolitan Biosolids Center
08/14/23	200	Ruben Munoz	Customer Service Field Technician	South Coast Water District
08/21/23	500	William Kleinau	Collection Systems Manager	City of San Gabriel
08/21/23	700	Jasmine Orozco	Water Efficiency Specialist	City of Redlands
08/21/23	100	Brigitte Inzunza	Human Resources Analyst	Los Angeles Unified School District

TERMINATIONS					
Date	Dept	Employee Name	Position	Reason	Comments
07/28/23				INVOL	
08/01/23				VOL	
08/03/23				VOL	
08/24/23				VOL	
08/25/23				VOL	

RETIREMENTS					
Date	Dept	Employee Name	Position	Reason	Comments
08/01/23	500	Craig Cascelli	Collection Systems Technician II	RET	

PROMOTIONS					
Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
08/05/23	300	Jason Pilgrim	Construction Inspection Supervisor	300	Construction Inspection Assistant Manager
08/05/23	200	Dorys Garcia	Buyer	200	Senior Buyer
08/05/23	200	Chau Nguyen	Senior Purchasing Coordinator	200	Buyer
08/19/21	200	Phillip Hornung	Senior Network Administrator	200	User Support Manager

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 AND RETENTION REPORT
JULY 2023**

UNFILLED POSITIONS			
Dept	Position	Salary Grade	Comments
100	HR Technician	U25.N	Recruiting
100	Safety Manager	U17.E	Offer Made
100	Legislative Aide	U13.E	Recruiting
200	Senior Network Administrator	U15.E	Recruiting
200	Accountant	27.N	2nd Interviews Scheduled
200	Senior Purchasing Coordinator	22.N	Recruiting
200	Customer Service Specialist III	21.N	2nd Interviews Scheduled
200	Senior User Support Administrator	U15.E	Recruiting
200	Payroll Administrator	30.N	Recruiting
200	Customer Service Specialist II	18.N	Recruiting
200	Accounting Supervisor	U14.E	Recruiting
300	Senior Construction Inspector	31.N	Recruiting
300	Senior Engineer	U20.E	Recruiting
300	Engineer	U17.E	Recruiting
400	Water Maintenance Technician I	16.N	Recruiting
400	Operator I	22.N	Interviewing
400	Metering Systems Technician III	26.N	Recruiting
400	Metering Systems Technician I	16.N	Recruiting
400	Water Maintenance Technician III	26.N	Recruiting
400	Water Maintenance Technician I	16.N	Recruiting
500	Operator II	27.N	Recruiting
500	Collection Systems Supervisor	S33.N	Offer Pending
500	Operator I	22.N	Recruiting
500	Operator II	27.N	Interviewing
500	Operator III	30.N	Interviewing
500	Operator III	30.N	Interviewing
500	Operator III	30.N	Interviewing
500	Manager of Biosolids & Energy Recovery	U21.E	Recruiting
500	Senior Collection Systems CCTV Tech	25.N	Recruiting
500	Collection Systems Technician II	21.N	Recruiting
500	Collection Systems Technician II	21.N	Recruiting
500	Senior SCADA Administrator	U15.E	
600	Regulatory Compliance Manager	U19.E	
600	QA/QC Specialist	29.N	Recruiting
600	Scientist	29.N	Recruiting
600	Scientist	29.N	Recruiting
700	Water Loss Prevention Specialist	24.N	Recruiting
700	Sr Recycled Water Specialist	29.N	Recruiting
800	Reliability Manager	U22.E	Recruiting
800	Senior Electrical & Instrumentation Tech	31.N	Interviewing
800	Electrical & Instrumentation Technician	28.N	Interviewing
800	Senior Maintenance Mechanic	27.N	Recruiting
800	Asset Maintenance Coordinator	32.N	
800	Maintenance Mechanic	23.N	Recruiting

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

LEAVE OF ABSENCE						
Type of Leave	Pay Status	Date Leave Began	Anticipated Return Date	Current Length (wks)	Comments	
WC	WC/TTD	7/27/2022	8/31/2023	57.14	WC/TTD	
WC	WC/TTD	10/11/2022	8/31/2023	46.29	WC/TTD	
LOA	ACCRUALS	11/12/2022	8/31/2023	41.71	LOA	
CFRA	ACCRUALS	5/9/2023	8/1/2023	12.00	Bonding	
FMLA/CFRA	ACCRUALS	3/27/2023	3/27/2024	52	Intermittent	
CFRA	ACCRUALS	7/24/2023	10/16/2023	12.00	Bonding	
FMLA/CFRA	ACCRUALS	5/15/2023	8/16/2023	13.29	Continuous	
FMLA/CFRA	ACCRUALS	5/9/2023	5/9/2024	52.29	Intermittent	
CFRA	ACCRUALS	6/15/2023	8/14/2023	8.57	Bonding	
FMLA/CFRA	ACCRUALS	6/20/2023	8/30/2023	10.14	Continuous	
FMLA/CFRA	ACCRUALS	7/1/2023	7/1/2024	52.29	Intermittent	
CFRA	ACCRUALS	8/7/2023	8/11/2023	0.57	Bonding	
CFRA	ACCRUALS	7/6/2023	8/8/2023	4.71	Bonding	
FMLA/CFRA	ACCRUALS	7/11/2023	1/11/2024	26.29	Intermittent	
FMLA/CFRA	ACCRUALS	7/7/2023	1/7/2024	26.29	Intermittent	
FMLA/CFRA	ACCRUALS	7/31/2023	8/14/2023	2.00	Continuous	
FMLA/CFRA	ACCRUALS	7/31/2023	8/14/2023	2.00	Continuous	

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

Month	Length of Employment	Termination		Comments
		Vol	Invol	
January	15 years, 9 months	X		RET
	10 years, 3 months	X		RET
	11 months	X		Inland Empire Utility Agency
	2 months	X		City of Brea
February	*****			*****
March	19 years, 6 months	X		RET
	5 years, 3 months	X		City of Oceanside
	4 years, 6 months	X		Orange County Water District
	6 months	X		United Health Group
	5 years, 7 months		X	
April	11 years, 10 months		X	
May	13 years, 9 months	X		Elsinore Valley Municipal Water District
June	*****			*****
July	23 years, 3 months	X		RET
	14 years, 4 months	X		RET
	32 years, 8 months	X		RET
	18 years, 5 months	X		RET
	3 years, 10 months	X		Orange County Water District
	30 years, 8 months	X		RET
	2 years, 10 months	X		Metropolitan Water District
	1 month	X		P/F
	4 years, 2 months	X		RET
	4 months		X	
August	5 years	X		Unknown Employer
	5 years	X		Return to School
	8 months	X		Unknown Employer
	31 years, 10 months	X		RET
	12 months	X		City of Corona
September				
October				
November				
December				

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

Personal/Family = P/F
Relocation = REL

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

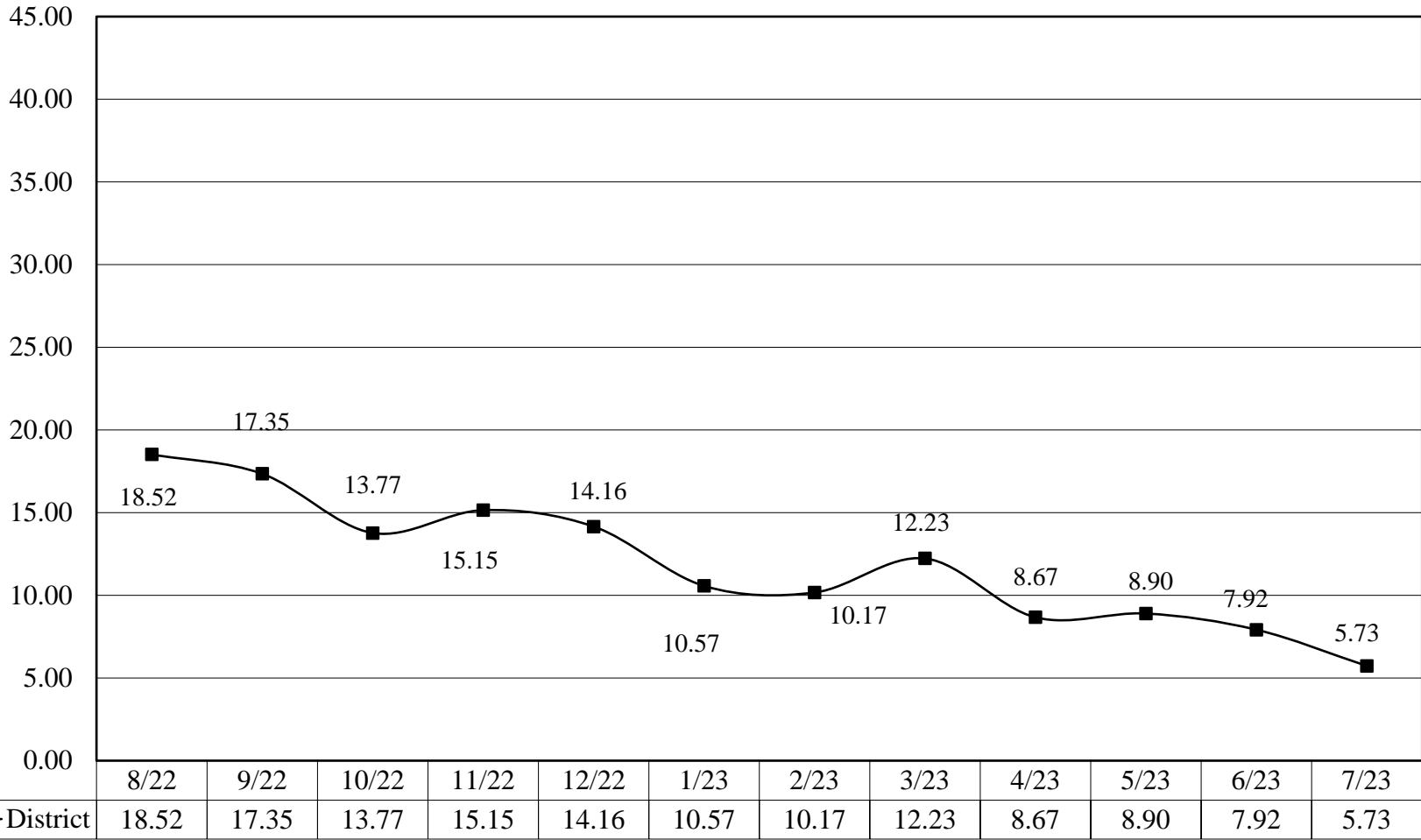
ACTIVE											
Current Month	FYTD Ave Hours Worked	PERS Enroll-	Agency		Hourly	Est Hours per	Est Cost	Expected Duration	Actual Worked	Projected Cost	Actual Cost
FTE	FTE	ment		Dept	Rate	Month	Per Month	(Months)	(Months)	FY ' YTD	FY 'YTD
0.05	0.05	No	X	100	65.64	168	11,027.52	3	1	11,027.52	590.76
0.05	0.05			100							
0.00	0.00			200							
0.88	0.88	No		300	20.00	84	1,680.00	12	1	1,680.00	3,040.00
0.66	0.66	No		300	20.00	84	1,680.00	12		0.00	2,300.00
0.92	0.92	No		300	20.00	84	1,680.00	12	1	1,680.00	3,200.00
0.92	0.92	No		300	20.00	85	1,700.00	12	1	1,700.00	3,200.00
0.00	0.00	Yes		300	95.00	84	7,980.00	12	1	7,980.00	0.00
0.51	0.51	Yes		300	81.81	84	6,872.04	12	1	6,872.04	7,281.09
3.39	3.39			300							
0.00	0.00			400							
0.92	0.92	No	X	500	143.00	168	24,024.00	6	4	96,096.00	22,737.00
0.92	0.92	No	X	500	118.00	168	19,824.00	6	4	79,296.00	18,762.00
0.92	0.92	No	X	500	118.00	168	19,824.00	6	3	59,472.00	18,762.00
0.92	0.92	No	X	500	118.00	168	19,824.00	6	1	19,824.00	18,762.00
0.92	0.92	No	X	500	118.00	168	19,824.00	6	4	79,296.00	18,762.00
0.46	0.46	No		500	16.50	84	1,386.00	12	1	1,386.00	1,320.00
0.68	0.68	No		500	19.50	84	1,638.00	12	1	1,638.00	2,301.00
0.44	0.44	No		500	16.50	84	1,386.00	12	1	1,386.00	1,262.25
0.36	0.36	No		500	16.50	84	1,386.00	12	1	1,386.00	1,043.63
0.63	0.63	No		500	19.50	84	1,638.00	12	1	1,638.00	2,145.00
0.92	0.92			500							
0.46	0.47	No		600	16.50	84	1,386.00	12	1	1,386.00	1,353.00
0.91	0.00	No		600	16.00	84	1,344.00	9	1	1,344.00	1,264.00
0.58	0.91	No		600	16.50	84	1,386.00	3	1	1,386.00	2,590.50
0.55	0.58	No		600	16.50	84	1,386.00	12	1	1,386.00	1,650.00
0.00	0.55	No		600	16.50	84	1,386.00	12	1	1,386.00	1,584.00
0.46	0.47			600							
0.92	0.92	Yes		700	33.91	168	5,696.88	4	1	5,696.88	5,425.60
0.51	0.51	No		700	20.00	84	1,680.00	12	1	1,680.00	1,780.00
0.92	0.92			700							
0.00	0.00			800							
5.73	5.75										

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

TERMINATED											
Current Month FTE	Avg FYTD Temp Emp FTE	Active PERS Y/N *	Agency	Dept	Hourly Rate	Est Hours per Month	Est Cost Per Month	Expected Duration (Months)	Actual Worked (Months)	Projected Cost FYTD	Actual Cost FYTD
0.00	0.00			100							
0.00	0.00			200							
0.00	0.00			300							
0.00	0.00			400							
0.00	0.00			500							
0.00	0.00			600							
0.00	0.00			700							
0.00	0.00			800							
0.00	0.00									386,622.44	141,115.83

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

**Temporary Employees
Full Time Equivalency
District Totals as of July 31, 2023**



Note: This page is intentionally left blank.

September 5, 2023

Prepared by: O. Mendoza / J. Davis

Submitted by: K. Morris / 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 August 25, 2023 as outlined in Exhibit "A";
- The U.S. Treasury Yield Curve as of August 25, 2023 as shown in Exhibit "B";
- The Summary of Fixed and Variable Debt as of August 25, 2023 as outlined in Exhibit "C"; and
- The Summary of Variable Rate Debt Rates as of August 25, 2023 as outlined in Exhibit "D".

BACKGROUND:

Investment Portfolio:

Due to the timing of the Committee meeting, the rate of return for August is not complete. Preliminary calculations indicate a rate of return for the fixed income investment portfolio of 3.84%, which is an 0.13% increase from July's rate of 3.71% due to the re-investment of funds at higher yields in both fixed income and the District's money market fund. Including real estate investments, the weighted average rate of return for IRWD's investment portfolio for August 2023 was 6.20%, which was a 0.17% increase from July's rate of 6.03% due to the change in the average fixed income portfolio balance from \$369.8 million to \$357.0 million.

Debt Portfolio:

As of August 25, 2023, IRWD's weighted average all-in variable rate for debt was 2.79%, which was a 0.09% increase from July's rate of 2.70%. Including IRWD's weighted average fixed rate bond issues of 3.72% 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 3.41%, a 0.02% increase from July's rate of 3.39%.

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 August 25, 2023

Exhibit "B" – Yield Curve as of August 25, 2023

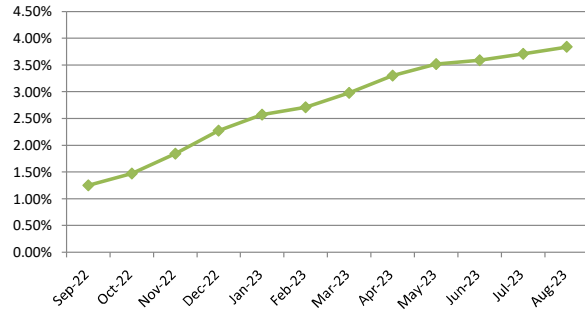
Exhibit "C" – Summary of Fixed and Variable Debt as of August 25, 2023

Exhibit "D" – Summary of Variable Rate Debt Rates as of August 25, 2023

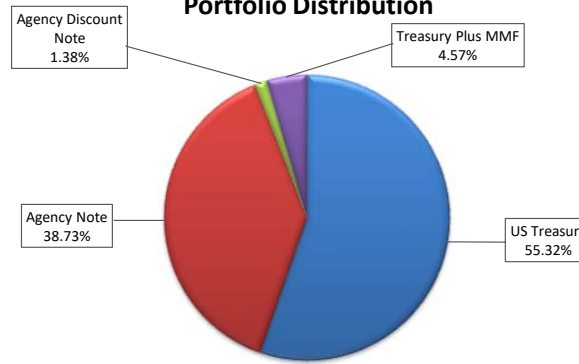
Exhibit "A"

Irvine Ranch Water District Investment Portfolio Summary August 2023

Monthly Fixed Income Yield



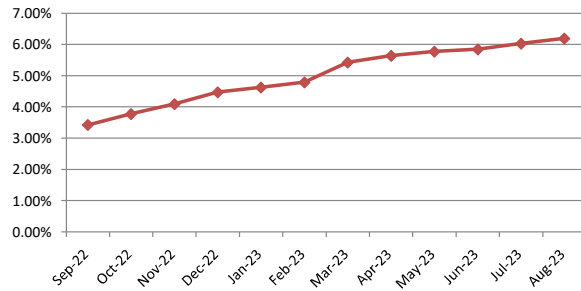
Portfolio Distribution



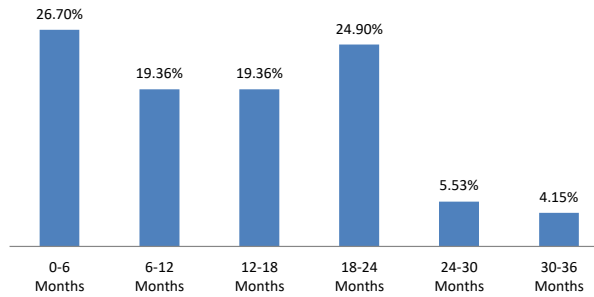
Investment Summary

Type	PAR	Book Value	Market Value
US Treasury	200,000,000	197,661,732	195,473,303
Agency Note	140,000,000	138,507,741	136,602,050
Treasury Plus MMF	16,507,935	16,507,935	16,507,935
Agency Discount	5,000,000	4,916,044	4,884,800
Grand Total	361,507,935	357,593,452	353,468,088

Weighted Average Return Including Real Estate Portfolio



Maturity Distribution



Top Issuers

Issuer	PAR	% Portfolio
US Treasury	200,000,000	55.32%
Fed Home Loan Bank	70,000,000	19.37%
Fed Farm Credit Bank	55,000,000	15.21%
Wells Fargo / Allspring	16,507,935	4.57%
Fed Home Loan Mortgage Corp	15,000,000	4.15%
Fed Natl Mortgage Assoc	5,000,000	1.38%
Grand Total	361,507,935	100.00%

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

08/25/23

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE ⁽¹⁾ 8/25/2023	UNREALIZED ⁽²⁾ GAIN/(LOSS)
04/06/23			08/26/23		LAIF	State of California Tsy.	\$0.00		3.490%	\$0.00	\$0.00	0.00	0.00
08/25/23			08/26/23		Treasury Plus MMF	Wells Fargo / Allspring	16,507,934.92		5.210%	\$16,507,934.92	\$16,507,934.92	16,507,934.92	0.00
02/15/22	NA	NA	08/31/23	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	0.125%	1.473%	4,898,046.88	5,000,000.00	4,978,550.00	(21,450.00)
08/23/22	NA	NA	09/15/23	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	0.125%	3.154%	4,842,968.75	4,994,333.92	4,968,750.00	(25,583.92)
11/26/21	NA	NA	09/30/23	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	0.250%	0.572%	9,941,015.63	9,997,458.33	9,915,200.00	(82,258.33)
01/13/23	NA	NA	10/03/23	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	4.750%	4.809%	4,998,200.00	4,999,780.99	4,993,300.00	(6,480.99)
03/31/22	NA	NA	10/31/23	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	1.625%	2.155%	4,958,984.38	4,995,749.68	4,955,100.00	(40,649.68)
04/21/22	NA	NA	10/31/23	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	1.625%	2.380%	4,943,750.00	4,993,951.61	4,955,100.00	(38,851.61)
03/31/22	NA	NA	11/30/23	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	0.500%	2.210%	4,860,742.19	4,979,420.03	4,919,550.00	(59,870.03)
04/21/22	NA	NA	11/30/23	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	0.500%	2.462%	4,846,093.75	4,976,442.92	4,919,550.00	(56,892.92)
08/01/23	NA	NA	11/30/23	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	0.500%	5.292%	9,844,140.63	9,884,071.54	9,839,100.00	(44,971.54)
08/31/22	NA	NA	12/08/23	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	3.375%	3.576%	4,987,445.00	4,997,348.30	4,964,350.00	(32,998.30)
04/14/22	NA	NA	12/15/23	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	0.125%	2.213%	4,829,687.50	4,970,683.91	4,905,100.00	(65,583.91)
01/17/23	NA	NA	01/12/24	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	4.545%	4.771%	4,772,750.00	4,916,043.75	4,884,800.00	(31,243.75)
03/22/22	NA	NA	01/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	0.875%	2.013%	4,896,484.38	4,976,861.21	4,889,450.00	(87,411.21)
08/31/22	NA	NA	01/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.500%	3.445%	4,935,156.25	4,980,972.49	4,928,500.00	(52,472.49)
12/16/22	NA	NA	02/15/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.750%	4.531%	4,899,804.69	4,960,721.56	4,929,700.00	(31,021.56)
08/17/23	NA	NA	02/15/24	Aaa/NR/AAA	Treasury - Bill	US Treasury	10,000,000	5.260%	5.494%	9,734,077.78	9,755,994.45	9,734,077.80	(21,916.65)
03/22/22	NA	NA	02/29/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	1.500%	2.020%	4,950,781.25	4,987,434.99	4,889,050.00	(98,384.99)
03/10/22	NA	NA	03/08/24	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	1.875%	1.680%	10,038,080.00	10,009,872.59	9,787,000.00	(222,872.59)
04/21/22	NA	NA	04/30/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	2.000%	2.600%	9,882,421.88	9,961,548.78	9,752,300.00	(209,248.78)
05/31/22	NA	NA	05/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	2.500%	2.560%	9,988,281.25	9,995,623.50	9,763,300.00	(232,323.50)
08/17/22	NA	NA	06/14/24	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Bank	5,000,000	3.125%	3.315%	4,983,200.00	4,992,771.21	4,901,750.00	(91,021.21)
12/16/22	NA	NA	06/14/24	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Bank	5,000,000	4.875%	4.611%	5,018,300.00	5,009,619.23	4,979,400.00	(30,219.23)
12/01/22	NA	NA	07/02/24	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.750%	4.450%	4,795,376.45	4,892,210.39	4,834,050.00	(58,160.39)
08/17/22	NA	NA	07/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	3.000%	3.249%	4,976,562.50	4,989,036.24	4,885,350.00	(103,686.24)
08/31/22	NA	NA	08/26/24	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	3.375%	3.500%	4,988,050.00	4,994,074.38	4,899,900.00	(94,174.38)
S 09/09/22	One Time	11/28/2022	08/28/24	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	4.000%	3.950%	4,995,000.00	4,997,482.61	4,923,250.00	(74,232.61)
02/28/23	One Time	8/28/2023	08/28/24	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	5.250%	5.338%	4,993,750.00	4,995,863.80	4,976,650.00	(19,213.80)
08/31/22	NA	NA	09/13/24	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	3.250%	3.530%	4,972,750.00	5,008,368.62	4,880,300.00	(128,068.62)
09/30/22	NA	NA	09/13/24	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	3.250%	4.340%	4,898,930.00	4,946,492.35	4,880,300.00	(66,192.35)
09/30/22	NA	NA	09/26/24	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	4.250%	4.334%	4,992,100.00	4,995,751.17	4,940,500.00	(55,251.17)
10/17/22	NA	NA	10/17/24	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	10,000,000	4.375%	4.535%	9,969,800.00	9,982,978.93	9,845,100.00	(137,878.93)
10/31/22	NA	NA	11/15/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.250%	4.489%	4,783,984.38	4,872,301.76	4,812,100.00	(60,201.76)
12/22/22	NA	NA	11/18/24	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.875%	4.260%	4,693,316.75	4,804,637.93	4,725,500.00	(79,137.93)
10/31/22	NA	NA	12/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.250%	4.471%	4,773,046.88	4,860,446.76	4,799,200.00	(61,246.76)
10/31/22	NA	NA	12/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.250%	4.483%	4,771,875.00	4,859,726.17	4,799,200.00	(60,526.17)
10/31/22	NA	NA	01/15/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	1.125%	4.476%	4,651,562.50	4,783,252.01	4,716,600.00	(66,652.01)
10/31/22	NA	NA	01/31/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.500%	4.483%	4,789,843.75	4,869,270.83	4,807,800.00	(61,470.83)
02/13/23	NA	NA	02/13/25	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	5.020%	5.020%	5,000,000.00	5,000,000.00	4,947,450.00	(52,550.00)
02/07/23	NA	NA	02/14/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.750%	4.500%	4,737,350.00	4,810,664.23	4,758,400.00	(52,264.23)
12/30/22	NA	NA	02/28/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.750%	4.317%	4,839,453.13	4,889,180.04	4,822,650.00	(66,530.04)
02/07/23	NA	NA	03/14/25	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	4.250%	4.518%	4,973,050.00	4,980,297.65	4,928,150.00	(52,147.65)
12/30/22	NA	NA	03/15/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	1.750%	4.329%	4,731,250.00	4,812,942.00	4,740,250.00	(72,692.00)
04/12/23	NA	NA	03/31/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	20,000,000	3.875%	4.073%	19,925,781.25	19,940,439.20	19,614,800.00	(325,639.20)

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

08/25/23

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE ⁽¹⁾ 8/25/2023	UNREALIZED ⁽²⁾ GAIN/(LOSS)
12/22/22	NA	NA	04/01/25	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Bank	5,000,000	4.200%	4.160%	5,004,550.00	5,003,164.74	4,933,050.00	(70,114.74)
12/08/22	Quarterly	02/12/2023	05/12/25	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	3.050%	4.427%	4,843,000.00	4,890,312.64	4,807,050.00	(83,262.64)
01/11/23	NA	NA	05/15/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.750%	4.148%	4,845,312.50	4,887,467.11	4,807,400.00	(80,067.11)
12/13/22	NA	NA	06/13/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	4.250%	4.340%	4,989,400.00	4,992,441.84	4,928,950.00	(63,491.84)
12/13/22	NA	NA	06/13/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	4.250%	4.352%	4,988,000.00	4,991,443.59	4,928,950.00	(62,493.59)
08/01/23	NA	NA	07/15/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	3.000%	4.917%	9,646,875.00	9,662,206.76	9,646,875.00	(15,331.76)
04/24/23	NA	NA	07/24/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	10,000,000	4.250%	4.253%	10,000,000.00	10,000,000.00	9,870,600.00	(129,400.00)
04/21/23	NA	NA	09/23/25	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	10,000,000	0.375%	4.127%	9,143,400.00	9,271,986.68	9,095,400.00	(176,586.68)
12/01/22	NA	NA	10/15/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	4.250%	4.298%	4,993,359.38	4,995,093.92	4,941,600.00	(53,493.92)
12/01/22	Continuous after	9/12/2023	12/12/25	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	4.125%	4.694%	4,920,500.00	4,940,177.51	4,872,700.00	(67,477.51)
07/06/23	NA	NA	06/15/26	Aaa/AA+/AA+	Treasury - Note	US Treasury	15,000,000	4.125%	4.566%	14,819,531.25	14,829,100.29	14,837,100.00	7,999.71
SUB-TOTAL							<u>\$361,507,935</u>			<u>\$355,005,107.83</u>	<u>\$357,593,452.05</u>	<u>\$353,468,087.72</u>	<u>(\$4,125,364.33)</u>
TOTAL INVESTMENTS							<u>\$361,507,935</u>			<u>\$355,005,107.83</u>	<u>\$357,593,452.05</u>	<u>\$353,468,087.72</u>	<u>(\$4,125,364.33)</u>

Petty Cash										3,400.00			
Ck Balance					Bank of America	ECR	1.72%			1,012,350.06			
Ck Balance					Wells Fargo	ECR	1.65%			0.00 ⁽⁵⁾			
										<u>\$356,020,857.89</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.

⁽⁴⁾ Real estate rate for September through May updated to reflect the addition of \$5.97 million of capital tenant improvements during FY 2023.

⁽⁵⁾ Cash balance in this account are funds that are pending purchase into the current money market fund.

*S - Step up

Outstanding Variable Rate Debt	\$223,200,000
Net Outstanding Variable Rate Debt (Less \$60 million fixed-payer swaps)	\$163,200,000
Investment Balance:	\$356,020,858
Investment to Variable Rate Debt Ratio:	218%
Portfolio - Average Number of Days To Maturity	388

	Investment Portfolio	Real Estate ⁽³⁾⁽⁴⁾ Portfolio	Weighted Avg. Return
August	3.84%	14.24%	6.20%
July	3.71%	14.24%	6.03%
Change	0.13%	0.00%	0.17%

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

IRVINE RANCH WATER DISTRICT
SUMMARY OF MATURITIES

08/25/23

DATE	TOTAL	%	LAIF	Agency Notes	Agency Discount Notes	Municipal Bonds	US Treasury	Investment Sweep
8/23	21,507,935	5.95%					5,000,000	16,507,935
9/23	15,000,000	4.15%					15,000,000	
10/23	15,000,000	4.15%		5,000,000			10,000,000	
11/23	20,000,000	5.53%					20,000,000	
12/23	10,000,000	2.77%		5,000,000			5,000,000	
1/24	15,000,000	4.15%			5,000,000		10,000,000	
2/24	20,000,000	5.53%					20,000,000	
3/24	10,000,000	2.77%		10,000,000				
4/24	10,000,000	2.77%					10,000,000	
5/24	10,000,000	2.77%					10,000,000	
6/24	10,000,000	2.77%		10,000,000				
7/24	10,000,000	2.77%		5,000,000			5,000,000	
SUB-TOTAL	\$166,507,935	46.06%		35,000,000	5,000,000	-	110,000,000	16,507,935

13 Months - 3 YEARS								
8/01/2024 - 10/31/2024	\$40,000,000	11.06%		40,000,000				
11/01/2024 - 01/31/2025	\$30,000,000	8.30%		5,000,000			25,000,000	
2/01/2025 - 04/30/2025	\$50,000,000	13.83%		20,000,000			30,000,000	
05/01/2025 - 7/31/2025	\$40,000,000	11.06%		25,000,000			15,000,000	
08/01/2025 - 10/31/2025	\$15,000,000	4.15%		10,000,000			5,000,000	
11/01/2025 - 01/31/2026	\$5,000,000	1.38%		5,000,000				
2/01/2026 - 04/30/2026								
05/01/2026 - 7/31/2026	\$15,000,000	4.15%					15,000,000	
08/01/2026 +								
SUB-TOTAL	\$195,000,000	53.94%		\$105,000,000			\$90,000,000	
TOTALS	\$361,507,935	100.00%		\$140,000,000	\$5,000,000		\$200,000,000	\$16,507,935

% OF PORTFOLIO

38.73%

1.38%

55.32%

4.57%

Irvine Ranch Water District
Summary of Real Estate - Income Producing Investments
6/30/2023

	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	MARKET VALUE 6/30/2023	ANNUALIZED RATE OF RETURN QUARTER ENDED 6/30/2023
Sycamore Canyon	Dec-92	Apartments	Fee Simple	\$ 43,550,810	\$ 178,606,250	24.27%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	\$ 6,000,000	\$ 36,246,127	8.50%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	\$ 5,739,845	\$ 12,484,800	10.32%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	\$ 8,630,577	\$ 12,068,640	7.64%
Sand Canyon Professional Center - Medical Office	Jul-12	Medical Office	Fee Simple	\$ 8,648,594	\$ 12,380,760	7.74%
Sand Canyon Professional Center - General Office ⁽¹⁾	Sep-20	Office Building	Fee Simple	\$ 31,952,488	\$ 40,559,820	5.91%
Total - Income Properties				\$ 104,522,313	\$ 292,346,397	14.24%

(1) Original Cost updated to reflect capital tenant improvements added Fiscal Year 2023.

IRVINE RANCH WATER DISTRICT INVESTMENT SUMMARY REPORT
INVESTMENT ACTIVITY⁽¹⁾
Aug-23

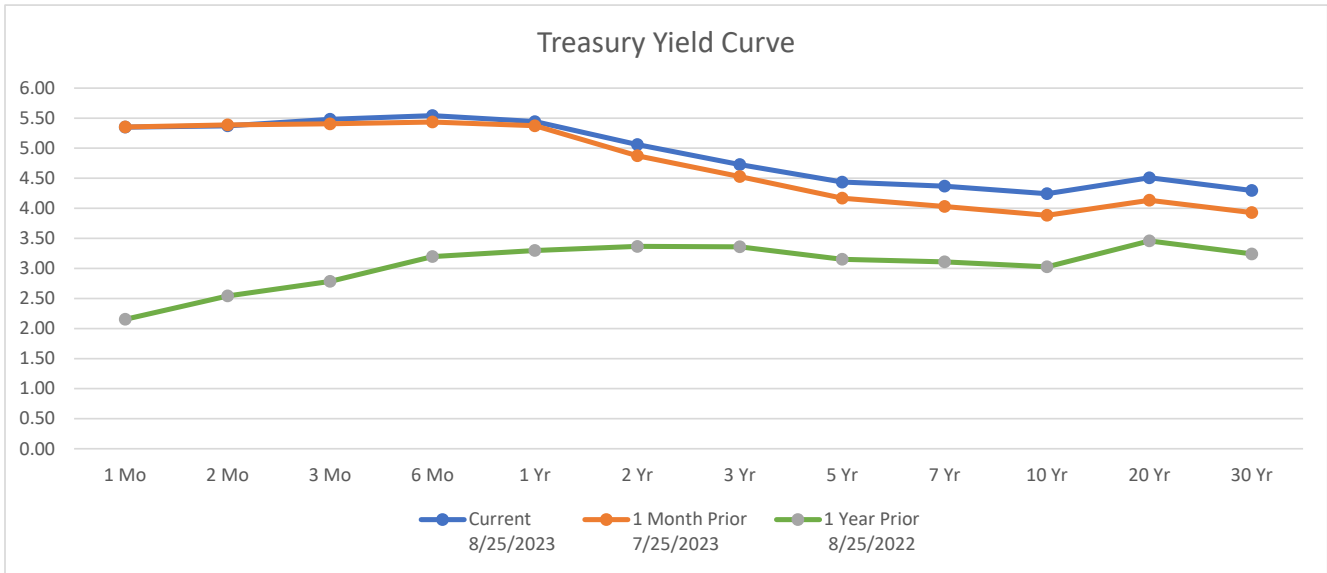
MATURITIES/SALES/CALLS

PURCHASES

DATE	SECURITY TYPE	PAR	YIELD	Settlement Date	Maturity Date	SECURITY TYPE	PAR	YIELD TO MATURITY
8/3/2023	Treasury - Bill	\$5,000,000	4.71%	8/1/2023	11/30/2023	Treasury - Note	\$10,000,000	5.29%
8/15/2023	Treasury - Note	\$10,000,000	0.77%	8/1/2023	7/15/2025	Treasury - Note	\$10,000,000	4.92%
8/31/2023	<i>Treasury - Note</i>	<i>\$5,000,000</i>	<i>1.47%</i>	8/17/2023	2/15/2024	Treasury - Bill	\$10,000,000	5.49%

(1) Italicized entries indicate securities that are scheduled but not yet matured, sold, called, or purchased. There may be additional investment purchases if there are pending maturities for the month.

Exhibit "B"

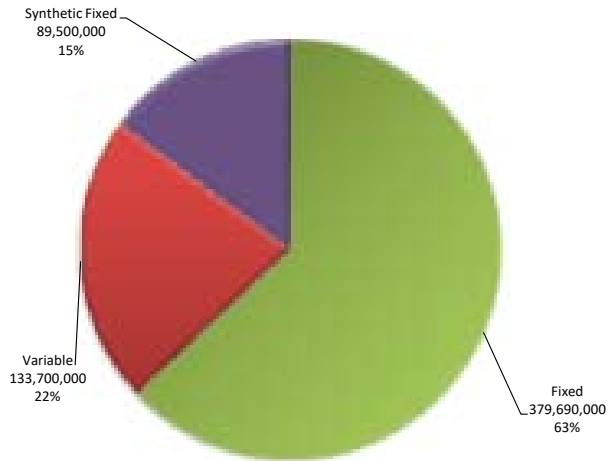


Tenor	Current 8/25/2023	1 Month Prior 7/25/2023	1 Year Prior 8/25/2022
1 Mo	5.35	5.35	2.15
2 Mo	5.37	5.39	2.54
3 Mo	5.48	5.41	2.79
6 Mo	5.54	5.44	3.20
1 Yr	5.44	5.37	3.30
2 Yr	5.06	4.87	3.37
3 Yr	4.73	4.53	3.36
5 Yr	4.44	4.17	3.15
7 Yr	4.37	4.03	3.11
10 Yr	4.24	3.88	3.03
20 Yr	4.51	4.13	3.46
30 Yr	4.30	3.93	3.24

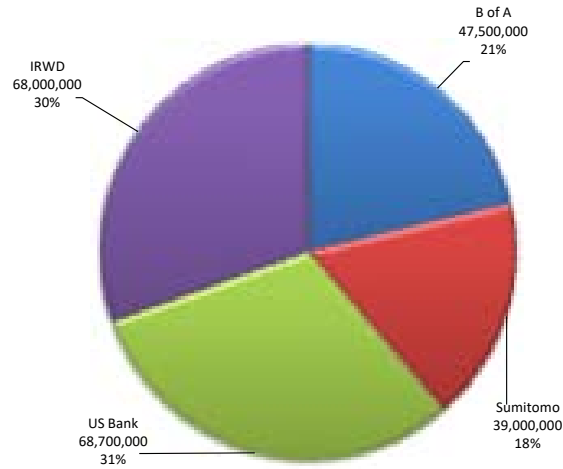
Note: This page is intentionally left blank.

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

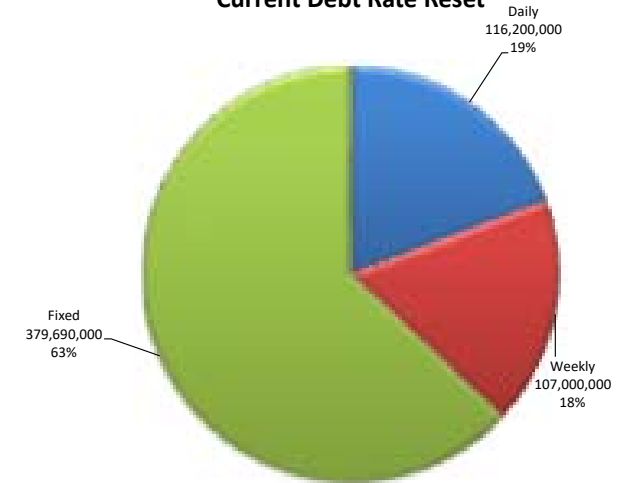
Current Debt Mix By Type



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	\$21,200,000	3.52%	US Bank	BAML	Variable	Daily
Series 2008-A Refunding	04/24/08	07/01/35	\$39,000,000	6.47%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	\$40,800,000	6.77%	IRWD	Goldman	Variable	Weekly
Series 2011-A-2 Refunding	04/15/11	10/01/37	\$27,200,000	4.51%	IRWD	Goldman	Variable	Weekly
Series 2009 - A	06/04/09	10/01/41	\$47,500,000	7.88%	US Bank	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	\$47,500,000	7.88%	B of A	Goldman	Variable	Daily
2016 COPS	09/01/16	03/01/46	\$105,710,000	17.53%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	\$175,000,000	29.03%	N/A	N/A	Fixed	Fixed
Series 2016	10/12/16	02/01/46	\$98,980,000	16.42%	N/A	N/A	Fixed	Fixed
Total			\$602,890,000	100.00%				

IRVINE RANCH WATER DISTRICT
SUMMARY OF FIXED & VARIABLE RATE DEBT

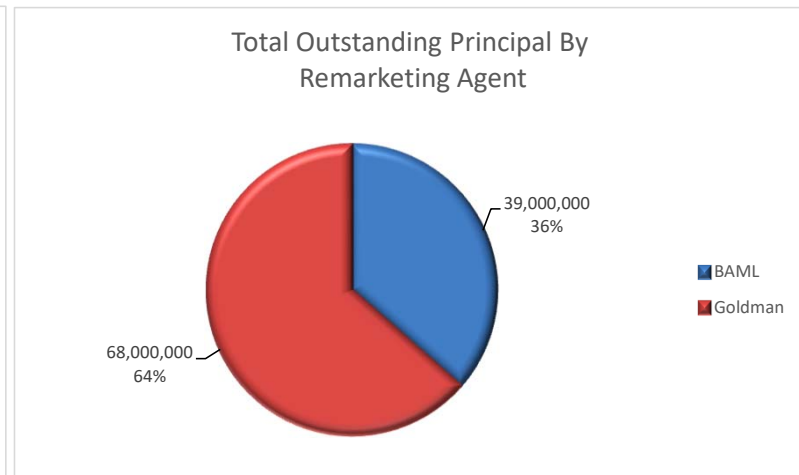
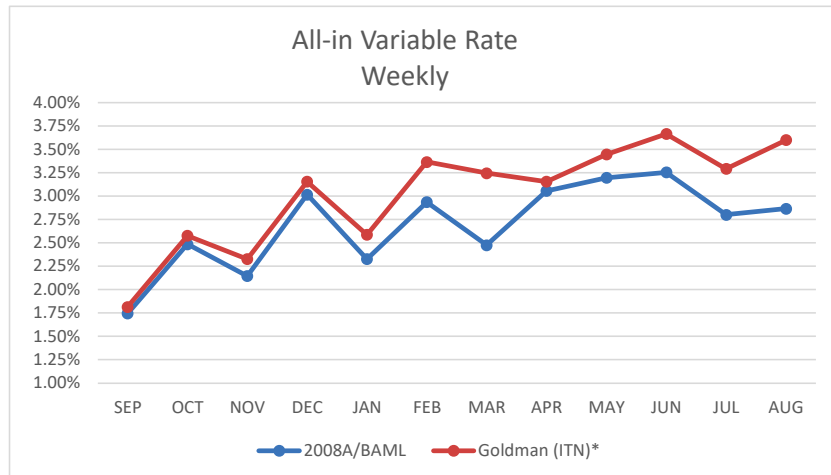
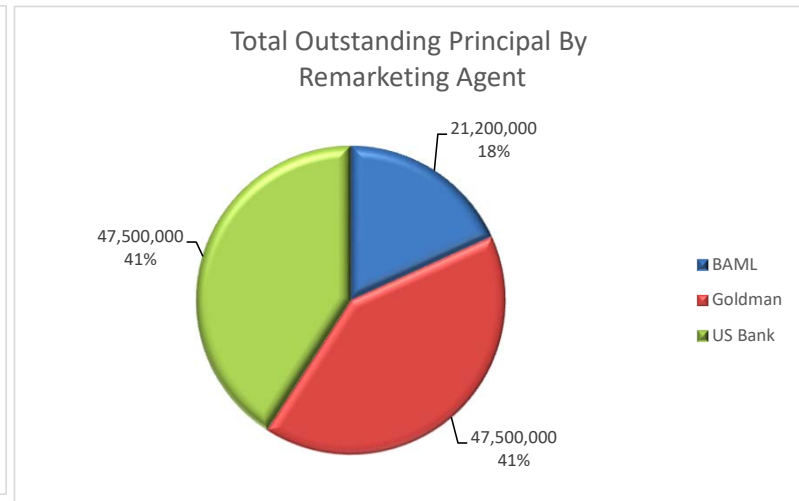
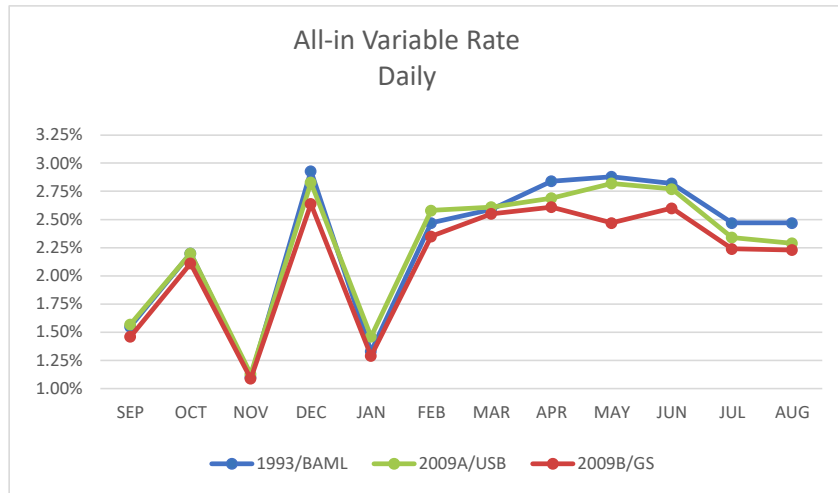
August-23

ITN		GENERAL BOND INFORMATION																		LETTER OF CREDIT INFORMATION										TRUSTEE INFORMATION									
Daily		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	
Weekly		Issue Date	Maturity Date	Principal Payment Date	Payment Date	Original Par Amount	Remaining Principal	Letter of Credit	Reimbursement Agreement Date	L/C Exp. Date	MOODY'S	S&P	FITCH	LOC Stated Amount	LOC Fee	Annual LOC Cost	Rmkt Agent	Reset	Rmkt Fees	Annual Cost	Trustee																		
SERIES 1993	05/19/93	04/01/33	Apr 1	5th Bus. Day	\$38,300,000	\$21,200,000	US BANK	05/07/15	05/01/25	Aa3/VMIG1	AA-/A-1+	N/R	\$21,485,764	0.3000%	\$64,457	BAML	DAILY	0.10%	\$21,200	BANK OF NY																			
SERIES 2008-A Refunding	04/24/08	07/01/35	Jul 1	5th Bus. Day	\$60,215,000	\$39,000,000	SUMITOMO	04/01/11	05/28/25	A1/P-1	A-/A-1	A/F1	\$39,576,986	0.3150%	\$124,668	BAML	WED	0.07%	\$27,300	BANK OF NY																			
SERIES 2011-A-1 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	\$60,545,000	\$40,800,000	N/A	N/A	N/A	Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A	Goldman	WED	0.13%	\$51,000	BANK OF NY																			
SERIES 2011-A-2 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	\$40,370,000	\$27,200,000	N/A	N/A	N/A	Aa1/VMIG1	A-1+	AAA/F1+	N/A	N/A	N/A	Goldman	WED	0.13%	\$34,000	BANK OF NY																			
SERIES 2009 - A	06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$47,500,000	US BANK	04/01/11	05/01/25	Aa2/VMIG1	AA-/A-1+	AA/F1+	\$48,030,959	0.3000%	\$144,093	US Bank	DAILY	0.07%	\$33,250	US BANK																			
SERIES 2009 - B	06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$47,500,000	B of A	04/01/11	04/21/25	Aa2/VMIG1	A-/A-1	A1/F1+	\$48,030,959	0.2800%	\$134,487	Goldman	DAILY	0.10%	\$47,500	US BANK																			
\$349,430,000							\$223,200,000	SUB-TOTAL VARIABLE RATE DEBT										\$157,124,668	0.2976%	\$467,704	0.10%					\$214,250													
																		(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	N/A	US BANK																		
2016 COPS	09/01/16	03/01/46	Mar 1	Mar/Sept	\$116,745,000	\$105,710,000	N/A	N/A	N/A	NR	AAA	AAA	N/A	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 1	Feb/Aug	\$103,400,000	\$98,980,000	N/A	N/A	N/A	NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	BANK OF NY																		
\$395,145,000							\$379,690,000	SUB-TOTAL FIXED RATE DEBT																															
\$744,575,000							\$602,890,000	TOTAL - FIXED & VARIABLE RATE DEBT																															

Remarketing Agents			GO VS COP's		
Goldman	115,500,000	52%	GO:	497,180,000	82%
BAML	60,200,000	27%	COPS:	105,710,000	18%
US Bank	47,500,000	21%	Total	<u>602,890,000</u>	
	<u>223,200,000</u>				

LOC Banks		Breakdown Between Variable & Fixed Rate Mode	
SUMITOMO	39,000,000	Daily Issues	116,200,000 19%
BANK OF AMERICA	47,500,000	Weekly Issues	39,000,000 6%
US BANK	68,700,000	ITN Issues	68,000,000 11%
	<u>155,200,000</u>	Sub-Total	<u>223,200,000</u>
		Fixed Rate Issues	\$379,690,000 63%
		Sub-Total - Fixed	<u>379,690,000</u>
		TOTAL DEBT	
		FIXED & VAR.	<u>602,890,000</u> 100%

Irvine Ranch Water District Summary of Remarketing Performance August 2023



*ITNs are based on SIFMA + 5

SUMMARY OF DEBT RATES
Aug-23

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	47,500,000	40,800,000	27,200,000	21,200,000	39,000,000	47,500,000
LOC Bank Reset	BOFA	(SIFMA + 5) Wednesday	(SIFMA + 5) Wednesday	US BANK	Sumitomo Wednesday	US BANK
8/1/2023	2.60%	4.03%	4.03%	2.79%	3.11%	2.75%
8/2/2023	2.00%	4.03%	4.03%	2.06%	3.11%	2.15%
8/3/2023	1.70%	3.54%	3.54%	1.66%	2.51%	1.75%
8/4/2023	1.60%	3.54%	3.54%	1.67%	2.51%	1.60%
8/5/2023	1.60%	3.54%	3.54%	1.67%	2.51%	1.60%
8/6/2023	1.60%	3.54%	3.54%	1.67%	2.51%	1.60%
8/7/2023	1.45%	3.54%	3.54%	1.55%	2.51%	1.50%
8/8/2023	1.20%	3.54%	3.54%	1.30%	2.51%	1.30%
8/9/2023	1.00%	3.54%	3.54%	1.01%	2.51%	1.05%
8/10/2023	0.90%	3.05%	3.05%	1.01%	2.01%	0.95%
8/11/2023	1.05%	3.05%	3.05%	1.22%	2.01%	1.15%
8/12/2023	1.05%	3.05%	3.05%	1.22%	2.01%	1.15%
8/13/2023	1.05%	3.05%	3.05%	1.22%	2.01%	1.15%
8/14/2023	1.10%	3.05%	3.05%	1.32%	2.01%	1.30%
8/15/2023	1.25%	3.05%	3.05%	1.55%	2.01%	1.50%
8/16/2023	1.50%	3.05%	3.05%	1.70%	2.01%	1.65%
8/17/2023	1.65%	3.35%	3.35%	2.30%	2.41%	1.85%
8/18/2023	2.45%	3.35%	3.35%	2.90%	2.41%	2.50%
8/19/2023	2.45%	3.35%	3.35%	2.90%	2.41%	2.50%
8/20/2023	2.45%	3.35%	3.35%	2.90%	2.41%	2.50%
8/21/2023	2.85%	3.35%	3.35%	3.25%	2.41%	2.60%
8/22/2023	2.95%	3.35%	3.35%	3.40%	2.41%	2.95%
8/23/2023	2.95%	3.35%	3.35%	3.35%	2.41%	2.95%
8/24/2023	2.95%	4.52%	4.52%	3.10%	3.61%	3.00%
8/25/2023	3.00%	4.52%	4.52%	2.98%	3.61%	3.00%
Avg Interest Rates	1.85%	3.47%	3.47%	2.07%	2.48%	1.92%
Rmkt Fee	0.10%	0.13%	0.13%	0.10%	0.07%	0.07%
LOC Fee	0.28%			0.30%	0.32%	0.30%
All-In Rate	2.23%	3.59%	3.59%	2.47%	2.86%	2.29%
Par Amount	88,300,000		27,200,000	60,200,000		47,500,000

Interest Rate Mode	Percent of Total Variable Rate Debt	Par Outstanding	Weighted All-In Average Rate	Base Rate Average
Daily	52.06%	116,200,000	2.30%	1.92%
Weekly	47.94%	107,000,000	3.33%	3.11%
Fixed	100.00%	\$223,200,000	2.79%	2.49%
COPS 2016	27.84%	105,710,000	2.90%	
BABS 2010	46.09%	175,000,000	4.44%	(1)
SERIES 2016	26.07%	98,980,000	3.32%	
	100.00%	\$379,690,000	3.72%	
All-In Debt Rate Including \$60 Million Notional Amount of Swaps				3.41%

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

REMARKETING AGENT PERFORMANCE COMPARISON

Aug-23

Date	Daily Variable Rate Comparison			Weekly Variable Rate Comparison
	Goldman Sachs vs US Bank	Goldman Sachs vs Bank of America	US Bank vs Bank of America	Goldman Sachs* vs Bank of America
8/1/2023	-0.15%	-0.19%	-0.04%	0.92%
8/2/2023	-0.15%	-0.06%	0.09%	0.92%
8/3/2023	-0.05%	0.04%	0.09%	1.03%
8/4/2023	0.00%	-0.07%	-0.07%	1.03%
8/5/2023	0.00%	-0.07%	-0.07%	1.03%
8/6/2023	0.00%	-0.07%	-0.07%	1.03%
8/7/2023	-0.05%	-0.10%	-0.05%	1.03%
8/8/2023	-0.10%	-0.10%	0.00%	1.03%
8/9/2023	-0.05%	-0.01%	0.04%	1.03%
8/10/2023	-0.05%	-0.11%	-0.06%	1.04%
8/11/2023	-0.10%	-0.17%	-0.07%	1.04%
8/12/2023	-0.10%	-0.17%	-0.07%	1.04%
8/13/2023	-0.10%	-0.17%	-0.07%	1.04%
8/14/2023	-0.20%	-0.22%	-0.02%	1.04%
8/15/2023	-0.25%	-0.30%	-0.05%	1.04%
8/16/2023	-0.15%	-0.20%	-0.05%	1.04%
8/17/2023	-0.20%	-0.65%	-0.45%	0.94%
8/18/2023	-0.05%	-0.45%	-0.40%	0.94%
8/19/2023	-0.05%	-0.45%	-0.40%	0.94%
8/20/2023	-0.05%	-0.45%	-0.40%	0.94%
8/21/2023	0.25%	-0.40%	-0.65%	0.94%
8/22/2023	0.00%	-0.45%	-0.45%	0.94%
8/23/2023	0.00%	-0.40%	-0.40%	0.94%
8/24/2023	-0.05%	-0.15%	-0.10%	0.91%
8/25/2023	0.00%	0.02%	0.02%	0.91%
Average Spread	-0.07%	-0.21%	-0.15%	0.99%

Rmkt Agent	GS / US Bank	GS / Bank of America	US Bank / Bank of America	GS / Bank of America
Mode	Daily / Daily	Daily / Daily	Daily / Daily	Weekly / Weekly
Bond Issue	2009B / 2009A	2009B / 1993	1993 / 2009A	ITN (2011A1 & 2011A2) / 2008A
Par Amount (000s)	\$47,500,000 / \$47,500,000	\$47,500,000 / \$21,200,000	\$21,200,000 / \$47,500,000	\$68,000,000 / \$47,500,000
LOC Bank	Bank of America / US Bank	Bank of America / US Bank	US Bank / US Bank	None / Sumitomo


*ITNs are based on SIFMA + 5

Note: This page is intentionally left blank.

September 5, 2023

Prepared by: J. Davis / K. Morris

Submitted by: C. Clary

Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

REAL ESTATE QUARTERLY PERFORMANCE

SUMMARY:

Staff will provide the Committee with an update on the financial performance of IRWD's real estate investments and other revenue generating properties for the quarter and fiscal year ended June 30, 2023.

BACKGROUND:

For the quarter ended June 30, 2023, the net operating income (NOI) for IRWD's residential and commercial real estate investment properties was \$3.7 million, which represents a 14.24% return for the period. The fiscal year (FY) end NOI was approximately \$13.7 million. Land lease income from the Strawberry Farms Golf Course was \$267,297 and \$990,061 for the quarter and FY end, respectively. Lease revenue from the District's five cell sites was \$50,282 and \$364,261 for the quarter and FY end, respectively. A report detailing the NOI and returns for IRWD's real estate investment properties, golf course land lease, and cell sites is provided as Exhibit "A".

Residential Investment Properties:

The NOI for the Sycamore Canyon Apartments for the quarter ended June 30, 2023, was approximately \$2.6 million and \$10.0 million FY end, which were favorable to budget by \$192,231 and \$424,311, respectively. The variances were due to higher-than-anticipated occupancy, revenue from increased lease rates, and lower operating expenses related to payroll, advertising, and apartment turnovers. The District's limited partnership investment in the Wood Canyon Villa property earned a preferred return of 9.00% providing income of \$134,631 for the quarter end and \$539,822 for the FY end. The net return for Wood Canyon was 8.50% for the quarter and FY end.

Commercial Investment Properties:

For the quarter and FY ended June 30, 2023, NOI at the Irvine Market Place (230 Commerce) property was \$148,148 and \$584,367, which was unfavorable to budget by \$17,987 and \$116,085, respectively, due to higher-than-anticipated operating expenses for HVAC repairs and electricity. Currently, the property has one suite available, which is being marketed by IRWD's commercial broker, Colliers International. The property is currently 89.1% occupied.

For the quarter and FY ended June 30, 2023, NOI at the Waterworks Way Business Park property was \$164,775 and \$677,050, which was unfavorable to budget by \$9,883 and \$21,748 due to unanticipated repairs to a suite caused by an external water leak and expenses related to exterior water sealing on the roof. The property is currently 100% occupied.

For the quarter and FY ended June 30, 2023, the NOI for the Sand Canyon Medical Office property was \$167,452 and \$676,375 and was in line with budget. The property is currently 100% occupied.

For the quarter and FY ended June 30, 2023, NOI at the Sand Canyon Professional Center general office property was \$471,845 and \$1,227,019 and was in line with budget. The property is currently 100% occupied.

Strawberry Farms Golf Course and Cell Site Leases:

Land lease income for Strawberry Farms Golf Course for the quarter ended June 30, 2023 was \$267,297. This compares with income of \$252,760 for the same period last year, representing a 5.75% increase for the period. The FY year end income was \$990,061, representing an increase of 4.96% compared to the same period last year.

For the quarter ended June 30, 2023, the lease revenue from the District's five cell sites was \$50,282, which was a decrease of \$26,929 from the same period last year, due to timing of receipt of lease revenue. The FY end NOI was \$364,761, a decrease of \$14,075, representing a decrease of 3.72% compared to the same period last year. The increase in the first and third quarter represent the revenue share amount received for two cell site locations.

FISCAL IMPACTS:

Fiscal impacts are discussed above.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Real Estate Performance Report

Exhibit "A"

**Irvine Ranch Water District
Real Estate Investment Performance Report
as of June 30, 2023**


INCOME PROPERTIES							FY 2022-23					FY 2022-2023 RATE OF RETURN				
Property Description	Capital Investment	FY Q1	FY Q2	FY Q3	FY Q4	FY 2022-23 TOTAL	FY Q1	FY Q2	FY Q3	FY Q4	Average Fiscal YTD					
Sycamore Canyon Apartments	\$ 43,550,810	\$ 2,468,635	\$ 2,310,855	\$ 2,596,943	\$ 2,642,305	\$ 10,018,738	22.67%	21.22%	23.85%	24.27%	23.00%					
Wood Canyon Villa Apartments	\$ 6,000,000	\$ 135,930	\$ 136,110	\$ 133,151	\$ 134,631	\$ 539,822	8.50%	8.50%	8.50%	8.50%	8.50%					
Irvine Market Place Office	\$ 5,739,845	\$ 136,866	\$ 149,466	\$ 149,887	\$ 148,148	\$ 584,367	9.54%	10.42%	10.45%	10.32%	10.18%					
Waterworks Way Business Park	\$ 8,630,577	\$ 177,979	\$ 148,424	\$ 185,872	\$ 164,775	\$ 677,050	8.25%	6.88%	8.61%	7.64%	7.84%					
Sand Canyon Professional Center - Medical	\$ 8,648,594	\$ 168,278	\$ 168,756	\$ 171,889	\$ 167,452	\$ 676,375	7.78%	7.81%	7.95%	7.74%	7.82%					
Sand Canyon Professional Center - General	\$ 31,952,488	\$ (13,432)	\$ 302,032	\$ 466,574	\$ 471,845	\$ 1,227,019	-0.17%	3.78%	5.84%	5.91%	3.84%					
\$ 104,522,313							\$ 3,074,256	\$3,215,643	\$ 3,704,316	\$ 3,729,156	\$ 13,723,371	11.73%	12.27%	14.15%	14.24%	13.10%

Notes/Assumptions:

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

**Irvine Ranch Water District
Real Estate Investment Performance Report
Strawberry Farms Golf Course & Cell Site
as of June 30, 2023**

Property Description	2022-23 NET INCOME				
	FY Q1	FY Q2	FY Q3	FY Q4	NET INCOME 2022 - 2023
Strawberry Farms Golf Course	\$ 285,448	\$ 236,525	\$ 200,791	\$ 267,297	\$ 990,061
Change From Prior Year Period:				\$ 14,537 5.75%	\$ 46,750 4.96%
Cellular Sites	\$ 125,404	\$ 61,844	\$ 126,731	\$ 50,282	\$ 364,261
Change From Prior Year Period:				\$ (26,929) -34.88%	\$ (14,075) -3.72%

September 5, 2023
Prepared by: D. Kanoff
Submitted by: S. Aryan / T. Mitcham
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

RISK MANAGEMENT FISCAL YEAR-END REPORT

SUMMARY:

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

BACKGROUND:

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

- Insurance premiums total \$2,408,439 and are \$196,585 under budget;
- Third-party claim administration expenses total \$1,500 and are \$28,500 under budget;
- Legal expenses total \$17,236; and
- Claim payments total \$111,926 and are \$18,074 under budget.

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

FISCAL IMPACTS:

Fiscal impacts are outlined above.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Insurance and Claims Summary

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

Note: This page is intentionally left blank.

Exhibit "A"

Irvine Ranch Water District
Insurance and Claims Summary
Period Ending June 30, 2023

PREMIUM	Actual FY 22/23	Budget FY 22/23	Variance	% Variance	Prior FY 21/22
Crime	11,225	10,920	(305)	-3%	10,691
General Liability	1,445,568	1,711,252	265,684	16%	1,461,665
Pollution	181,304	194,340	13,036	7%	170,355
Property	709,801	671,000	(38,801)	-6%	569,740
Cyber	60,542	17,512	(43,030)	-246%	45,656
Total	2,408,439	2,605,024	196,585	8%	2,258,107

CATEGORY	Closed FY 22/23	Total FY 22/23	Budget FY 22/23	Variance	Prior FY 21/22
Membership			3,300	3,300	300
Claim Payments - Property	81,926	81,926	130,000	18,074	-121,083
* Claim Admin	1,500	1,500	30,000	28,500	1,709
Bodily Injury	30,000	30,000			
Total FY 22/23	113,426	113,426	163,300	49,874	(119,074)

* Includes \$1,500 annual administrative fee

CATEGORY	Open FY 22/23	Closed FY 22/23	Total FY 22/23	Prior FY 21/22
Legal	3,656	13,580	17,236	309,672
Total FY 22/23	3,656	13,580	17,236	309,672

ACTIVITY	FY 2021/22	FY 2022/23
Beginning Open Claims	4	3
New Claims	13	6
Closed Claims	(14)	(8)
Current Open Claims	3	1


Note: This page is intentionally left blank.

Exhibit "B"

Register of Closed General Liability Claims as of June 30, 2023

Closed Claims Fiscal Year 2022-2023					
CLAIM TYPE	CLAIMANT	Legal	Claim Payments - Property	Bodily Injury	Grand Total
Single Event	Gleason v. County of Orange	9,884		20,000	29,884
	SLR Construction v. Roes 1 to 25	3,426		10,000	13,426
	Smoketree Irvine HOA		559		559
	Mena Eskander	270	1,000		1,270
	Curtis Lee		793		793
	The Irvine Company Llc - 4 Park Plaza		50,232		50,232
	Serrano Park Homeowners Association		4,310		4,310
	Jolanta Ulas		300		300
Grand Total		13,580	57,194	30,000	100,774

Note: This page is intentionally left blank.

September 5, 2023
Prepared by: L. Kaneshiro
Submitted by: C. Clary
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

INFORMATION SERVICES PROJECT STATUS REPORT

SUMMARY:

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

BACKGROUND:

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

FISCAL IMPACTS:

The fiscal impacts are shown in Exhibit "A".

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Information Services Project Status

(This page is intentionally blank)

Exhibit “A”

Information Services Project Status Report
September 5, 2023

Project Name	Project Summary	Schedule		Project Budget	Status
Enterprise Data Management System	Implement a new enterprise data management system to better manage IRWD’s data, enhance business decision support, and position IRWD to leverage future data/AI technologies.	Start Complete	8/23 8/25	Phase 1: \$80,000	<p><u>NEW:</u></p> <p>The Enterprise Data Management (EDM) project will be done in two phases. Phase 1 is to evaluate IRWD’s data management requirements and prepare a preliminary design, including estimates for cost, time, and resources for a new EDM solution. After Phase 1 is complete, a recommendation will be made to proceed, or not, with Phase 2 for the purchase and implementation of the new EDM solution.</p> <p>The Request for Proposal (RFP) is being prepared and it is expected to be released in September. Proposals will be due in October.</p>
Board Room Technology Upgrade	Modernize and upgrade Board Room technology.	Start Complete	7/22 12/23	\$100,000	<p><u>ON-TRACK:</u></p> <p>The Board Room video upgrades will include five 18-inch portable monitors on the dais (one for each Director and optional), a laser projector for the large screen, a 90-inch TV monitor for behind the podium, and a 4K video controller. The purchase order has been issued to the vendor. Installation will be scheduled when the equipment is delivered.</p>


Exhibit “A”

Project Name	Project Summary	Schedule		Project Budget	Status
Conference Room Technology Upgrade	Modernize and upgrade conference room technology.	Start Complete	7/21 12/23	\$200,000	<p><u>ON-TRACK:</u></p> <p>The conference room audio-visual (AV) system has stabilized since the hardware was upgraded. Also, additional user support has been provided including daily conference room system checks, operational assistance, and 20 training sessions.</p> <p>The OPS Learning Center’s Adventure and Discovery rooms audio upgrades have been completed, including additional microphones and outdoor speakers. The video portion will be upgraded by Sep 15. The SC Community Room AV upgrade started on Aug 28. The Duck Club AV upgrade is awaiting a quote from the vendor.</p>
Wi-Fi Refresh	Upgrade and expand the District’s legacy Wi-Fi infrastructure.	Start Complete	3/22 10/23	\$380,000	<p><u>ON-TRACK:</u></p> <p>This project is on-track to be completed in October. Cabling has been completed at all four sites and the equipment components are being installed and configured.</p>
Oracle EBS Direct Labor cost allocation to Projects	Implement Oracle EBS Direct labor cost Allocation for G&A to Projects.	Start Complete	3/22 6/23	\$464,000	<p><u>COMPLETED:</u></p> <p>This project was successfully completed. The new allocation feature began on July 1 in time for the FY 23/24 fiscal year.</p>

Exhibit “A”

Project Name	Project Summary	Schedule		Project Budget	Status
Replace IRWD’s network drives with Microsoft technologies	Migrate IRWD electronic files to modern Microsoft systems and eliminate obsolete technologies.	Start Complete	1/23 12/23	In-House	<u>ON-TRACK:</u> The migration of individual user folders from an obsolete on-premise system to Microsoft’s OneDrive cloud solution has been completed. The next phase is to migrate the department share folders.
2012 R2 Servers Upgrade	Upgrade existing servers with Microsoft 2012 R2 operating system.	Start Complete	1/23 10/23	In-House	<u>ON-TRACK:</u> All existing 2012 R2 server operating systems are on-track to be upgraded before the end of support date of October 10, 2023. Only two systems remain to be upgraded.
EZMax Planner for Maximo	Implement EZMax Planner to improve the planning and scheduling capabilities for the Maximo asset management system.	Start Complete	3/23 9/23	\$82,000	<u>ON-TRACK:</u> The team is finalizing the last iteration of testing and the new system is on-track to go live in the last week of September 2023.
PC Refresh	Replace PCs, laptops, and tablets that are more than four years old. This is best practice to prevent unexpected equipment failure.	Start Complete	7/23 6/24	\$200,000	<u>ON-TRACK:</u> Approximately 100 computers will be replaced in FY 23/24. The replacement computers are being procured and installed.

Note: This page is intentionally left blank.

September 5, 2023
Prepared by: V. Li / C. Smithson
Submitted by: C. Clary
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

FISCAL YEAR 2022-2023 LEGAL FEES ANALYSIS

SUMMARY:

Provided is an analysis that summarizes legal fees incurred by IRWD for the full Fiscal Year (FY) 2022-23.

BACKGROUND:

Legal fees for FY 2022-23 supporting the operations of IRWD totaled \$1,363,286 compared to a budget of \$3,247,250, resulting in a positive variance of \$1,883,964, or 58.0%. Of the total legal fees attributable to operations, personnel issues were over budget by \$120,496, due primarily to work associated with human resources matters. There were positive variances in all other categories including general services, litigation, and special projects. Actual legal fees accounted for 0.68% of actual operating expenses and 0.52% of total expenditures.

Capitalized legal fees associated with major capital projects for FY 2022-23 totaled \$159,390. The Kern Fan Groundwater Storage, the Potable Water Studies, the Santiago Dam Outlet and Spillway, and the Shallow Groundwater Unit (SGU) Optimization for PFAS Treatment projects comprised 80.64% of the total legal fees associated with capital spending for FY 2022-23.

Non-operating legal fees for FY 2022-23 totaled \$57,500, consisting of bond counsel fees associated with the annual debt remarketing.

Exhibit "A" provides a detailed comparison of actual-to-budgeted legal fees for FY 2022-23. Exhibit "B" provides a three-year comparison of fees incurred by the firms providing services to IRWD in FY 2020-21 through FY 2022-23, 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 2022-23

Exhibit “B” –Comparative Analysis of Legal Fees for FY 2020-21 through FY 2022-23

Exhibit "A"

Legal Fees
Fiscal Year 2022 - 2023

Firm	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Actual Operating Legal Fees	YTD Budget Operating Legal Fees	YTD % Actual vs Budget
Operating Legal Fees:							
General Services:							
Hanson Bridgett LLP	\$ 463,023	\$ 113,579	\$ (63,167)	\$ 257,848	\$ 771,283		
Kronick Moskowitz Tiedemann & Girard	-	-	-	8,072	8,072		
Sub-total	463,023	113,579	(63,167)	265,920	779,355	\$ 1,131,250	68.9%
Litigation:							
Alston & Bird LLP	59,536	66,783	30,964	51,637	208,920		
Everett Dorey LLP	2,617	12,185	(5,000)	(3,039)	6,763		
Insurance reimbursement of legal fees	-	-	(94,191)	-	(94,191)		
Fisher & Phillips LLP	23,563	82,379	121,509	148,283	375,734		
Hanson Bridgett LLP	2,002	4,320	863	-	7,185		
Insurance reimbursement of legal fees	-	-	(142,694)	-	(142,694)		
Kutak Rock LLP	-	-	-	-	-		
Insurance reimbursement of legal fees	-	(67,724)	-	-	(67,724)		
Wagener Law, A Professional Corporation	-	-	-	8,470	8,470		
Sub-total	87,718	97,943	(88,549)	205,351	302,463	\$ 1,816,000	16.7%
Special Projects:							
Kidman Gagen Law, LLP	-	-	-	750	750		
Kienle Law, PC	-	45	-	5,508	5,553		
Pillsbury Winthrop Shaw Pittman LLP	8,679	3,042	25,080	17,868	54,669		
Sub-total	8,679	3,087	25,080	24,126	60,972	\$ 200,000	30.5%
Personnel Issues:							
JL Group, LLC	-	10,835	8,765	3,216	22,816		
Law Office of Atoosa Vakili	82	-	-	-	82		
Liebert Cassidy Whitmore	9,763	1,604	6,242	7,089	24,698		
Lozano Smith, LLP	5,449	37,071	9,786	15,309	67,615		
Payne & Fears LLP	6,236	46,883	45,821	6,345	105,285		
Sub-total	21,530	96,393	70,614	31,959	220,496	\$ 100,000	220.5%
Total Operating Legal Fees	\$ 580,950	\$ 311,002	\$ (56,022)	\$ 527,356	\$ 1,363,286	\$ 3,247,250	42.0%

Major Capital Projects Legal Fees:

Kern Fan Groundwater Storage	\$ 15,836	\$ 14,570	\$ 13,254	\$ (11,798)	\$ 31,862		
Kern Fan Groundwater Banking JPA	-	-	14,926	-	14,926		
Potable Water Studies 21/22 - 22/23	-	2,548	12,576	19,559	34,683		
Santiago Dam Outlet and Spillway	-	32,382	20,051	(20,000)	32,433		
Shallow Groundwater Unit (SGU)							
Optimization for PFAS Treatment	29,553	-	-	-	29,553		
Well ET-1 PFAS Treatment	15,933	-	-	-	15,933		
Capital Projects Total	61,322	49,500	60,807	(12,239)	159,390		
Total Operating and Capital Legal Fees	\$ 642,272	\$ 360,502	\$ 4,785	\$ 515,117	\$ 1,522,676		

	YTD Actual	YTD Budget
Operating Expense	\$ 201,825,598	\$ 187,747,030
Operating Legal Fees	\$ 1,363,286	\$ 3,247,250
% of Legal to Operating	0.68%	1.73%
Capital Projects	\$ 93,010,175	\$ 113,965,003
Capital Legal Fees	\$ 159,390	
% of Legal to Capital	0.17%	
Total Operating and Capital Expenditures	\$ 294,835,773	\$ 301,712,033
Total Operating and Capital Legal Fees	\$ 1,522,676	
% of Legal Fees to Total Operating and Capital Expenditures	0.52%	

Non-operating Legal Fees:

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Bond Counsel:					
Orrick, Herrington & Sutcliffe LLP	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000
Stradling Yocca Carlson & Rauth	-	-	27,500	-	27,500
Total	\$ -	\$ -	\$ 57,500	\$ -	\$ 57,500

Note: This page is intentionally left blank.

Exhibit "B"

Analysis of Legal Fees
Fiscal Years 2021 - 2023


Firm	YTD Actual 2020-2021	YTD Actual 2021-2022	YTD Actual 2022-2023	Hourly Rate	Area of Expertise	Service Provided
Operating Legal Fees:						
Alston & Bird LLP	\$ 198,193	\$ 376,737	\$ 208,920	\$ 275 to \$ 585	Litigation	Orange County Water District litigation
Benjamin P. deMayo	-	6,650	-	\$ 350	Legal Counsel	Special counsel services
Burke, Williams & Sorensen, LLP	2,568	4,063	-	\$ 325	Employee relations	Personnel policy review and revision
Everett Dorey LLP ⁽¹⁾	80,941	8,757	(87,428)	\$ 235 to \$ 260	Litigation	County of Orange Litigation
EXTTI, Incorporated	-	12,544	-	\$ 200 to \$ 275	Employee relations	Personnel matters
Fisher & Phillips LLP	-	-	375,734	\$ 300 to \$ 760	Legal Counsel	Special counsel services
Hanson Bridgett LLP	678,643	454,763	635,774	\$ 345 to \$ 455	IRWD legal counsel	District general counsel/legislative/litigation/special project
Jackson Tidus, a Law Corporation	1,386	-	-	\$ 225 to \$ 595	IRWD legal counsel	Real estate
JL Group, LLC	-	-	22,816	\$ 200 to \$ 290	Employee relations	Personnel matters
Kidman Gagen Law, LLP	-	-	750	\$ 345 to \$ 455	IRWD legal counsel	Special counsel services
Kienle Law, PC	-	11,772	5,553	\$ 180 to \$ 475	IRWD legal counsel	OSHA matters
Kronick Moskovitz Tiedemann & Girard	299,146	265,602	8,072	\$ 180 to \$ 405	IRWD legal counsel	Counsel services related to water resources, policy matters and litigation
Kutak Rock LLP ⁽¹⁾	86,805	19,400	(67,724)	\$ 395 to \$ 425	Legal Counsel	Legal counsel related to insurance claim issues
Law Office of Atoosa Vakili	-	13,160	82	\$ 75 to \$ 250	Employee relations	General personnel and human resources
Liebert Cassidy Whitmore	-	-	24,698	n/a	Legal Counsel	Personnel matters
Lozano Smith, LLP	-	-	67,615	\$ 315	Legal Counsel	Personnel matters
Payne & Fears, LLP	17,726	59,532	105,285	\$ 235 to \$ 550	Employee relations	General personnel and human resources
Pillsbury Winthrop Shaw Pittman LLP	20,166	39,040	54,669	\$ 695 \$ 845	Employee relations	Employee benefits
Rosen Law Offices, APC ⁽¹⁾	-	250,000	-	n/a	Legal Counsel	Legal counsel related to insurance claim issues
Wagener Law, PC	-	57,613	8,470	\$ 535 \$ 795	Employee relations	Personnel matters
Total Operating Legal Fees	1,385,574	1,579,633	1,363,286			
⁽¹⁾ Insurance Litigation						
Capitalized Legal Fees:						
Alston & Bird LLP	2,751,953	13,843	-	\$ 275 to \$ 585	IRWD legal counsel	Counsel services in connection with the Biosolids project
Hanson Bridgett LLP	-	-	45,486	\$ 345 to \$ 490	IRWD legal counsel	Counsel services in connection with PFAS Treatment project
Jackson Tidus, a Law Corporation	4,788	-	-	\$ 225 to \$ 595	IRWD legal counsel	Counsel services in connection with Serrano Summit property sale
Kronick Moskovitz Tiedemann & Girard	82,689	239,141	113,904	\$ 180 to \$ 405	IRWD legal counsel	Counsel services in connection with water resources and policy matters
Capitalized Legal Fees Total	2,839,430	252,984	159,390			
Total Operating and Capital Legal Fees	\$ 4,225,004	\$ 1,832,617	\$ 1,522,676			
Non-operating Legal Fees:						
Deferred Compensation:						
Pillsbury Winthrop Shaw Pittman LLP	\$ -	\$ 7,548	\$ -	\$ 695	Employee benefits	Deferred compensation funded by fee income
Bond Counsel:						
Kutak Rock LLP	-	6,000	-	n/a	Bond counsel	Counsel in connection with the extension of the letter of credit
Orrick, Herrington & Sutcliffe LLP	30,000	36,000	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	27,500	n/a	Bond counsel	Counsel in connection with the issuance of GO bonds and COP
Non-operating Legal Fees Total	\$ 55,000	\$ 74,548	\$ 57,500			

Note: This page is intentionally left blank.

September 5, 2023

Prepared by: V. Li / D. Pardee / C. Smithson

Submitted by: C. Clary

Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

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

SUMMARY:

Staff has prepared a financial analysis of the unaudited operating statements for Fiscal Year (FY) 2022-23. Actual operating net revenue was \$156.3 million, while total system operating expenses were \$181.6 million for a net operating loss of \$25.3 million. Consolidated expenses, including capital, totaled \$201.8 million compared to a budget of \$187.7 million. Non-operating net income was \$96.5 million compared with a budget of \$84.1 million.

BACKGROUND:

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

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

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

Summary of Operating Revenues and Expenses:

The net operating loss for FY 2022-23 was \$25.3 million, which is \$26.5 million below budget. Net revenues were below budget by \$11.0 million and operating expenses were \$15.5 million over budget. Several factors influenced the net operating results.

The following table highlights the significant factors affecting the operating results.

	Variance to Budget (in millions)
Revenues:	
Reduced Commodity Sales	(\$9.9)
Expenses:	
Basin Equity Assessment (BEA)	(\$4.1)
Electricity Costs	(3.7)
Biosolids Labor	(3.3)
OC San Sewer Expense	(2.6)
Increased Costs for Chemicals	(2.1)
Biosolids Disposals	(1.3)
Savings on All Other Expenses	0.5
Total:	(\$26.5)

Exhibit “A” shows a detailed comparison and explanations for significant variances of actual to budget revenues and expenses by system for FY 2022-23. A summary by system is outlined below.

Potable Water System:

Net revenues were lower than budget by \$2.7 million, and total expenses exceeded budget by \$7.1 million, as shown on page 2 of Exhibit “A”. Sales were 3,349 AF under budget, primarily due to conservation messaging and rain, resulting in commodity sales of \$2.3 million below budget. Fixed service charge and other revenue was \$0.5 million under budget. Expenses were over budget as follows: water (\$3.0 million), electricity (\$2.5 million), repairs and maintenance (\$0.6 million), and all other expenses (\$1.0 million). More information is included on page 2 and 3 of Exhibit “A”.

Recycled Water System:

Net revenues were lower than budget by \$5.3 million, and total expenses were under budget by \$1.7 million. Demand was 3,686 AF below budget. The Green Acres Project received 2,438 AF at no cost while sales were 6,124 AF lower than budget, primarily due to conservation messaging and increased precipitation. Commodity revenues were \$5.2 million below budget. Salaries, Benefits, and water expenses were \$1.0 million and \$1.3 million under budget respectively. All other expense was \$0.9 million over budget. More information is included on pages 4 and 5 of Exhibit “A”.

Sewer System:

Net revenues were lower than budget by \$0.6 million, and total expenses were over budget by \$9.5 million. Fixed service charges were under budget by \$1.5 million, resulting in fund contributions under budget by \$0.9 million. The following expenses were over budget: salaries and benefits (\$3.3 million), electricity (\$1.7 million), repairs and maintenance – OC San (\$2.6 million), and all other expenses (\$1.9 million). More information is included on page 6 of Exhibit “A”.

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

Net revenues were below budget by \$2.4 million, and total expenses were over budget by \$0.6 million. Over-allocation revenue was under budget by \$2.4 million, and water expense was over budget by \$0.5 million. More information is included on page 7 of Exhibit “A”.

Summary of Operating Expenses:

Exhibit “B” is a summary of actual-to-budget expenses by major category, including capital, for FY 2022-23. Net operating expenses were \$201.8 million, which is \$14.1 million over budget. Explanations are provided on page 2 of Exhibit “B”. Salary and employee benefits are detailed on page 3 of Exhibit “B”.

Summary of Non-Operating Revenues and Expenses:

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

The non-operating net income was \$96.5 million, which was positive to budget by \$12.3 million. Revenues were over budget by \$13.4 million and expenses were over budget by \$1.1 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” – Actual to Budget Operating Revenues and Expenses by System
- Exhibit “B” – Consolidated Actual to Budget and Forecast Operating Expenses
- Exhibit “C” – Consolidated Actual to Budget and Forecast Non-Operating Net Income

Note: This page is intentionally left blank.

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

Consolidated			
Revenues:	Actual	Budget	Variance
Commodity	\$ 84,042	\$ 93,968	\$ (9,926)
Fixed Service Charges and Other	105,627	107,776	(2,149)
Total Revenues	\$ 189,669	\$ 201,744	\$ (12,075)
Contribution to Enhancement and Replacement Funds	(33,390)	(34,457)	1,067
Net Revenues	\$ 156,279	\$ 167,287	\$ (11,008)
Expenses:			
Salaries and Benefits	\$ 48,386	\$ 46,269	\$ (2,117)
Water	47,620	45,491	(2,129)
Electricity	21,695	18,018	(3,677)
Repairs and Maintenance - OC San Sewer	6,851	4,254	(2,597)
All Other Repairs and Maintenance	12,901	12,111	(790)
All Other Operating Expense	44,107	39,954	(4,153)
Total Expenses	\$ 181,560	\$ 166,097	\$ (15,463)
Net Operating Income (Loss)	\$ (25,281)	\$ 1,190	\$ (26,471)

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

Actual vs Budget Operating Net Income by System
Fiscal Year 2022-23
(in thousands)

Potable (treated and untreated systems)			
Revenues:	Actual	Budget	Variance
Commodity	\$ 52,451	\$ 54,755	\$ (2,304)
Fixed Service Charges and Other	41,038	41,583	(545)
Total Revenues	\$ 93,489	\$ 96,338	\$ (2,849)
Contribution to Enhancement and Replacement Funds	(9,580)	(9,704)	124
Net Revenues	\$ 83,909	\$ 86,634	\$ (2,725)
Expenses:			
Salaries and Benefits	\$ 18,223	\$ 18,188	\$ (35)
Water	42,839	39,882	(2,957)
Electricity	11,293	8,799	(2,494)
Repairs and Maintenance	4,493	3,863	(630)
All Other Operating Expense	16,277	15,316	(961)
Total Expenses	\$ 93,125	\$ 86,048	\$ (7,077)
Net Operating Income (Loss)	\$ (9,216)	\$ 586	\$ (9,802)

Revenues:

Commodity Revenue was under budget.

- Significant rain and efforts to promote conservation resulted in reduced sales.
- Los Alisos Sinking Fund usage was lower due to lower sales.
- Reduced sales were partially offset by Water Banking Revenue (\$2.0 million).

All Other Revenue was under budget.

- Potable landscape customer account growth was less than budgeted.
- Pumping surcharge revenue was lower due to reduced demand.

Expenses:

Water was over budget.

- Costs include unbudgeted Basin Equity Assessment (BEA) (\$3.8 million).
- Higher replenishment assessment (RA) expense was offset by reduced demand.

Electricity was over budget.

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

Repairs and Maintenance were over budget.

OC San disposal water expense was higher due to higher discharges, which was a result of well maintenance.

All other expenses were over budget.

- The cost for chemicals, especially those used for disinfection, have increased significantly.
- Increased costs for chemicals were partially offset by lower legal fees due to resolving cases prior to anticipated additional expenses.

**Actual vs Budget Operating Net Income by System
Fiscal Year 2022-23**

Potable (treated and untreated systems)						
	Acre Feet (AF)			Cost (in Millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
Treated						
Pumped	41,250	42,710	1,460	\$26.9	\$23.1	(\$3.8)
Imported	5,727	7,368	1,641	8.5	9.7	1.2
Baker Treatment Plant (Baker)	7,116	7,200	84	6.4	6.9	0.5
Baker Partners				2.1		(2.1)
Total Treated	54,093	57,278	3,185	43.9	39.7	(4.2)
Untreated						
Native Water	1,334	2,000	666	0.5	0.7	0.2
Imported	6,602	2,425	(4,177)	5.8	2.6	(3.2)
Baker ILP	(3,488)		3,488	(2.8)		2.8
Transfer to Recycled	(3,236)	(4,189)	(953)	(2.5)	(3.1)	(0.6)
Evaporation	(635)		635			
Total Untreated	577	236	(341)	1.0	0.2	(0.8)
Total	54,670	57,514	2,844	\$ 44.9	\$ 39.9	\$ (5.1)
Process Waste	(1,614)	(1,319)	295			
System Loss	(2,894)	(2,684)	210			
Sales/Cost of Sales	50,162	53,511	3,349	\$ 44.9	\$ 39.9	\$ (5.1)
Baker Partners Reimbursement				(2.1)		2.1
Total				\$ 42.8	\$ 39.9	\$ (3.0)

Usage was under budget by 12.1% primarily due to reduced agricultural and landscape.

Pumped Water usage was under budget and costs were over budget.

- Wells 21 and 22 pumping was reduced due to low groundwater levels in the fall.
- Dyer Road Well Field (DRWF) pumping was reduced due to well maintenance and storage limitations for customers in some elevated areas as a result of reservoir maintenance.
- Costs include BEA.

Potable Imported water usage and cost were below budget.

Less imported water was needed as a result of reduced demand.

Baker Treatment Plant (BTP) usage and costs were under budget.

Less expensive Native water was used to replace a portion of the budgeted imported water supply.

Baker Irvine Lake Pipeline (ILP) supplied water to BTP.

- A mix of untreated imported water and Native water was supplied through the ILP.
- Baker Partners cost of water is included in Reimbursement from Partners.

Native Water usage and cost were under budget.

Native water was less than budget due to lack of availability in the first half of the fiscal year and reduced demand in the second half.

Untreated Imported water usage and cost exceeded budget.

- Imported water was increased to replace native water in the first half of the fiscal year.
- Untreated imported water was purchased and placed in Irvine Lake for the Baker Treatment Plant.

Actual vs Budget Operating Net Income by System
Fiscal Year 2022-23
(in thousands)

Recycled			
Revenues:	Actual	Budget	Variance
Commodity	\$ 18,502	\$ 23,746	\$ (5,244)
Fixed Service Charges and Other	7,929	8,029	(100)
Total Revenues	\$ 26,431	\$ 31,775	\$ (5,344)
Contribution to Enhancement and Replacement Funds	(1,184)	(1,245)	61
Net Revenues	\$ 25,247	\$ 30,530	\$ (5,283)
Expenses:			
Salaries and Benefits	\$ 8,641	\$ 9,614	\$ 973
Water	4,269	5,609	1,340
Electricity	5,948	6,390	442
Repairs and Maintenance	1,302	1,181	(121)
All Other Operating Expense	8,035	7,115	(920)
Total Expenses	\$ 28,195	\$ 29,909	\$ 1,714
Net Operating Income (Loss)	\$ (2,948)	\$ 621	\$ (3,569)

Revenues:

Commodity Revenue was lower than budget.

- Significant rain and efforts to promote conservation resulted in reduced commodity sales. Customer sales were under budget by 6,124 AF (20%).
- Recycled water was provided to the Green Acres Project at no cost (2,438 AF).

Expenses:

Salaries and Benefits were under budget.

Labor and associated benefits used to produce recycled water were lower due to reduced demand.

Water is under budget

Pumped and supplemental untreated water costs were under budget due to reduced demand.

All other expenses were over budget.

- The cost for chemicals, especially those used for disinfection, have increased significantly.
- Engineering Fees were over budget due to dam safety program expenses.

**Actual vs Budget Operating Net Income by System
Fiscal Year 2022-23**

Recycled						
	Acre Feet (AF)			Cost (in Millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
Produced/ Storage	23,747	22,890	(857)	\$ -	\$ -	\$ -
Untreated Supplemental	3,236	4,189	953	2.5	3.1	0.6
Pumped	2,714	4,600	1,886	1.8	2.5	0.7
Total	29,697	31,679	1,982	\$ 4.3	\$ 5.6	\$ 1.3
Process Waste	(1,799)	(625)	1,175			
System Loss	(1,139)	(609)	530			
Sales/Cost of Sales	26,759	30,445	3,686	\$ 4.3	\$ 5.6	\$ 1.3

Stored water usage was under budget.

Production was higher than budget but less stored water was used to meet demands. There is no associated cost because the expense was recognized previously.

Untreated water usage and cost were under budget.

Supplemental water was under budget due to reduced demand.

Pumped water usage and cost were under budget.

Pumped water was under budget from reduced production due to maintenance.

Process Waste and System losses exceeded budget.

The El Toro Remediation Project (ETGR) was higher than budget. Water from Well ET1 was sent to waste due to PFAS levels (652 AF).

Sales were under budget.

Usage was under budget by 12.1% primarily due to reduced agricultural and landscape sales as a result of conservation messaging and increased precipitation.

Sales, which excludes water sent to the Green Acres Project, is 20% below budget.

Actual vs Budget Operating Net Income by System
Fiscal Year 2022-23
(in thousands)

Sewer			
Revenues:	Actual	Budget	Variance
Fixed Service Charges and Other	\$ 56,660	\$ 58,164	\$ (1,504)
Total Revenues	56,660	58,164	(1,504)
Contribution to Enhancement and Replacement Funds	(22,626)	(23,508)	882
Net Revenues	\$ 34,034	\$ 34,656	\$ (622)
Expenses:			
Salaries and Benefits	\$ 16,263	\$ 12,944	\$ (3,319)
Electricity	4,208	2,515	(1,693)
Repairs and Maintenance - OC San	6,851	4,254	(2,597)
All Other Repairs and Maintenance	3,676	3,733	57
All Other Operating Expense	13,539	11,603	(1,936)
Total Expenses	\$ 44,537	\$ 35,049	\$ (9,488)
Net Operating Income (Loss)	\$ (10,503)	\$ (393)	\$ (10,110)

Revenues:

- Fixed Service Charges and Other were below budget and Fund contributions were lower.
- Commercial, Industrial, Public Authority (CII) Service Charges were lower than Budget.

Expenses:

- Salaries and Benefits were over budget. See detailed explanations on Exhibit "B-2".
- Actual labor, overtime, and associated benefits have exceeded the projected (budgeted) expenses used primarily at the Biosolids Facility. Capital and recycled expense decreased while biosolids expense increased.
- Electricity was over budget.
 - Rate increases for electricity were higher than budgeted.
 - Microturbines were not operational, resulting in higher costs for Biosolids.
- Repairs and Maintenance - OC San were over Budget.
 - This was mainly due to heavy rainfall filling IRWD reservoirs, resulting in more sewage being sent to OC San than expected.
 - Costs include unbudgeted OC San Pension Allocation (\$0.9 million).
- All Other Operating Expense were over budget.
 - Class B biosolids hauling is higher due to dryer system disruptions (\$1.3 million).
 - Equipment usage expense was higher than budgeted. Decreases in capital were also detected.

Actual vs Budget Operating Net Income by System
Fiscal Year 2022-23
(in thousands)

Conservation, NTS and Water Banking (Over-Allocation Fund)			
Revenues:	Actual	Budget	Variance
Commodity	\$ 13,089	\$ 15,467	\$ (2,378)
Total Revenues	13,089	15,467	(2,378)
Contribution to Enhancement and Replacement Funds	-	-	-
Net Revenues	\$ 13,089	\$ 15,467	\$ (2,378)
Expenses:			
Salaries and Benefits	\$ 5,259	\$ 5,523	\$ 264
Water	512	-	(512)
Electricity	246	314	68
Repairs and Maintenance	3,430	3,334	(96)
All Other Operating Expense	6,256	5,920	(336)
Total Expenses	\$ 15,703	\$ 15,091	\$ (612)
Net Operating Income (Loss)	\$ (2,614)	\$ 376	\$ (2,990)

Revenues:

Commodity Revenue was below budget.

- Potable and recycled over-allocation sales were under budget due to conservation messaging and increased precipitation in the second half of the fiscal year.

Expenses:

Water is over budget.

- This is due to the delivery of 3,000 AF of banked water to Dudley Ridge Water District (DRWD) under the water exchange agreement.

Note: This page is intentionally left blank.

Exhibit "B"

**Irvine Ranch Water District
Operating Expenses**

(in thousands)

Fiscal Year 2022-23

Expense Name	Actual	Budget	Actual vs Budget	Act Vs Budget %
Regular Labor	\$ 36,841	\$ 34,778	\$ (2,063)	-5.9%
Overtime Labor	3,229	2,500	(729)	-29.1%
Contract Labor	1,221	1,380	159	11.5%
Employee Benefits	33,248	33,530	282	0.8%
Salaries & Benefits Total	\$ 74,539	\$ 72,188	\$ (2,351)	-3.3%
Water	49,670	45,491	(4,179)	-9.2%
Electricity	24,874	20,393	(4,481)	-22.0%
Fuel	1,207	1,141	(66)	-5.8%
Telecommunication	917	860	(57)	-6.6%
Other Utilities	241	227	(14)	-6.0%
Water & Utilities Total	\$ 76,909	\$ 68,113	\$ (8,796)	-12.9%
Chemicals	6,649	4,520	(2,129)	-47.1%
Operating Supplies	3,226	2,778	(448)	-16.1%
Printing	372	347	(25)	-7.2%
Postage	491	496	5	1.0%
Permits, Licenses and Fees	2,106	2,027	(79)	-3.9%
Office Supplies	82	96	14	14.2%
Duplicating Equipment	116	153	37	24.2%
Equipment Rental	60	76	16	21.1%
Materials & Supplies Total	\$ 13,102	\$ 10,493	\$ (2,609)	-24.9%
Rep & Maint OC SAN & Others	8,426	5,417	(3,009)	-55.5%
Rep & Maint IRWD	13,750	13,668	(82)	-0.6%
Insurance	2,522	2,768	246	8.9%
Legal Fees	1,363	3,247	1,884	58.0%
Engineering Fees	1,067	1,094	27	2.5%
Accounting Fees	84	100	16	16.0%
Data Processing	4,502	4,079	(423)	-10.4%
Personnel Training	1,399	1,551	152	9.8%
Personnel Physicals	32	27	(5)	-18.5%
Other Professional Fees	5,510	5,385	(125)	-2.3%
Directors' Fees	163	202	39	19.3%
Professional Services Total	\$ 38,818	\$ 37,539	\$ (1,279)	-3.4%
Election Expense	(78)	165	243	147.3%
Safety	103	120	17	14.5%
Alarm and Patrol Services	967	860	(107)	-12.4%
Biosolids Disposals	1,664	356	(1,308)	-367.9%
Contract Meter Reading	1,731	1,575	(156)	-9.9%
Over-Allocation	1,187	695	(492)	-70.9%
Other	543	502	(41)	-8.1%
Other Total	\$ 6,117	\$ 4,273	\$ (1,844)	-43.1%
Total Expenses	\$ 209,485	\$ 192,606	\$ (16,879)	-8.8%
Less: Reimbursement from Partners	(7,659)	(4,859)	2,800	57.6%
Grand Total	\$ 201,826	\$ 187,747	\$ (14,079)	-7.5%

**Irvine Ranch Water District
Operating Expenses
Fiscal Year 2022-23**

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

Regular Labor is over budget by \$2.1 million.

- The total Cost of Living Adjustment (COLA) was 6.9% over budget for two fiscal years (\$2.4 million).
- Unbudgeted Supplemental COVID-19 sick pay was used (\$0.3 million).
- Partially offset by high vacancy rate of 8% vs budget rate of 6% (\$0.7 million).

Overtime labor is over budget by \$0.7 million.

- Increased overtime to cover shifts primarily for biosolids staff on leave or in training.
- Labor for emergency repairs were higher than budgeted.

Water is over budget by \$4.2 million.

Imported water was increased due to the following reasons:

- Potable groundwater pumping was reduced due to low groundwater levels at Wells 21 and 22 and reduced pumping of Dyer Road Well Field (DRWF) water due to well and reservoir maintenance.
- Untreated imported water stored in Irvine Lake was used by the Baker Treatment Plant (BTP). Compensation from the Baker Partners is reflected in the reimbursements from Partners below.
- Use of Native water was reduced due to lack of availability.
- Costs include Basin Equity Assessment (BEA) (\$4.1 million).
- Increases were offset by reduced demand for water.

Electricity is over budget by \$4.5 million.

- Wholesale electricity prices are at a 10 year high, with an average of 34% higher than budget per KWh.
- Southern California Edison increases over 2 years total 18% while the budget assumed 10%.
- Microturbines were not operational, resulting in higher costs for Biosolids.
- Increased costs were partially offset by decreased pumping (\$0.5 million).

Chemicals are over budget by \$2.1 million.

The cost for chemicals, especially those used for disinfection, have increased significantly.

Repairs and Maintenance OC San are over budget by \$3.0 million

- This was mainly due to heavy rainfall filling IRWD reservoirs, resulting in more sewage being sent to OC San than expected.
- OC San disposal water expense was higher due to discharges during well maintenance.
- Costs include unbudgeted OC San Pension Allocation (\$0.9 million).

Legal Fees are under budget by \$1.9 million.

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

Biosolids Disposal is over budget by \$1.3 million.

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

Reimbursements from Partners is higher than budget by \$2.8 million

Baker Partner's reimbursements were higher than budgeted primarily due to the following reasons:

- Compensation for imported untreated water as discussed above (\$2.1 million).
- Higher reimbursements for chemical and electrical costs (\$0.7 million).

Irvine Ranch Water District
Salary and Employee Benefits Summary
Fiscal Year 2022-23
(in thousands)

Expense Name	Actual	Budget	Actual vs Budget
District Labor Cost (2,080 hours)	\$ 42,692	\$ 40,153	\$ (2,538)
Paid Time Off Net Accrual	238	538	300
PERS Contribution and in Excess of ARC	13,186	13,302	116
Employee Medical (health, dental, vision)	7,550	8,072	522
Retiree Benefits	829	789	(40)
401A Contributions	1,442	1,473	31
Workers Compensation (Premiums and Claims)	1,014	1,597	583
Other Employer Taxes (medicare, employment)	690	648	(42)

	Applied	Budget	Variance
General & Administrative Expense Allocation	194%	200%	6%

Note: This page is intentionally left blank.

Exhibit "C"
Irvine Ranch Water District
Non-Operating Net Income
Fiscal Year 2022-23
(in thousands)

Through the Fourth Quarter of Fiscal Year 2022-23			
	Actual	Budget	Actual vs Budget
Revenues:			
Property Taxes	\$ 77,021	\$ 73,000	\$ 4,021
Investment Income*	9,396	2,080	7,316
Connection Fees	14,355	13,000	1,355
Real Estate Income	18,695	18,180	515
Other Income	7,166	7,000	166
Total Revenues	\$ 126,632	\$ 113,260	\$ 13,372
Expenses:			
Interest Expense	\$ 22,719	\$ 21,280	\$ (1,439)
Real Estate Expense	7,252	6,340	(912)
Other Expenses	209	1,500	1,291
Total Expenses	\$ 30,181	\$ 29,120	\$ (1,061)
Net Income	\$ 96,451	\$ 84,140	\$ 12,311

Revenues:

Property Taxes were over budget.

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

Investment Income was over budget.

Investment rates were higher than budgeted. (budgeted rate of 0.70% for fiscal year 2023 vs the actual average rate of 2.29%).

Connection Fees were over budget.

Connection fees were driven by accelerated development in Q4.

Real Estate Income was over budget.

Rents and occupancy for Sand Canyon were higher than expected.

Expenses:

Interest Expense was over budget.

The higher interest rate environment increased variable debt (budgeted rate of 0.40% for fiscal year 2023 vs the actual average rate of 2.01%).

Real Estate Expense was over budget.

Operating expenses, unanticipated repairs (relating to HVAC, roof, etc), and utilities (electricity and gas) were higher than budget.

Other Expenses was under budget.

Miscellaneous expenses were lower than anticipated.

*Based on accounting standards, investment income in the general ledger is different due to the timing of recognition for bond premiums and discounts.

Note: This page is intentionally left blank.