

AGENDA
 IRVINE RANCH WATER DISTRICT
 FINANCE AND PERSONNEL COMMITTEE MEETING
 TUESDAY, JUNE 4, 2024

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=m1abe7ba06bd752dda6aa83a45505dfdb>
 Meeting number (access code): 2488 004 8903
 Meeting password: Usi2PKRbU23

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 _____ Member: Steve Lamar _____

ALSO PRESENT

Paul Cook _____	Neveen Adly _____
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, June 4, 2024.

COMMUNICATIONS

1. Notes: Adly
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 – INZUNZA / MITCHAM
Recommendation: Receive and file.
6. QUARTERLY DEFERRED COMPENSATION PLAN AND FUND REVIEW – MENDOZA / DAVIS / ADLY
Recommendation: Receive and file.
7. MONTHLY INVESTMENT AND DEBT REVIEW – MENDOZA / DAVIS / ADLY
Recommendation: Receive and file.
8. REAL ESTATE QUARTERLY PERFORMANCE – MENDOZA / DAVIS / ADLY
Recommendation: Receive and file.
9. FISCAL YEAR 2023-24 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS QUARTERLY UPDATE – LI / PARDEE / SMITHSON / ADLY
Recommendation: Receive and file.
10. RISK MANAGEMENT QUARTERLY REPORT– KANOFF / ARYAN / MITCHAM
Recommendation: Receive and file.

ACTION

11. MID-CYCLE OPERATING AND NON-OPERATING BUDGET UPDATE FOR FISCAL YEAR 2024-25 – LI / SMITHSON / ADLY

Recommendation: That the Board receive and file the mid-cycle operating and non-operating budget update.

12. VENDOR EXPENDITURE COMMITMENTS GREATER THAN \$200,000 – MUNCY / ADLY

Recommendation: That the Board approve the List of Vendor Commitments Greater Than \$200,000 FY 2024-25.

OTHER BUSINESS

13. Closed Session

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

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

B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Pursuant to Government Code Section 54956.9(d)(2): significant exposure to litigation. (Two potential cases; *The publicly disclosable claims are included in the agenda packet.*)

14. Open Session

15. Directors’ Comments

16. Adjourn

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

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June 4, 2024

Prepared by: B. Inzunza

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.

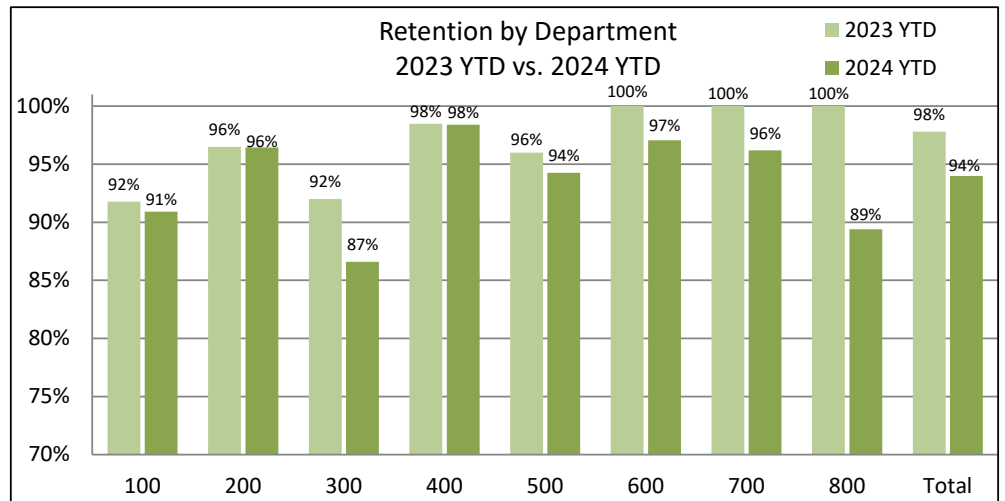
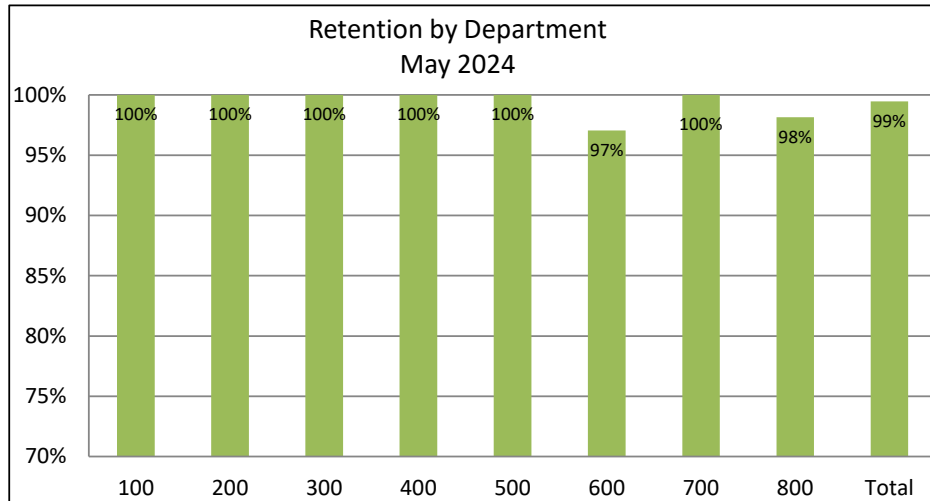
LIST OF EXHIBITS:

Exhibit "A" – Employee Population & Retention Status Report

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EXHIBIT A
IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION STATUS REPORT
May 2024

@05/01/24		Current Month Activity							@05/31/24		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	2024 YTD
			Vol	Invol	In	Out	In	Out								
100	21								21	3	24	23	0	23	100%	91%
200	84								84	9	93	83	4	88	100%	96%
300	43	1							44	6	50	45	3	47	100%	87%
400	63	1							64	7	71	63	0	64	100%	98%
500	52								52	10	62	52	3	55	100%	94%
600	34		1						33	2	35	33	3	37	97%	97%
700	27	1							28	-	28	26	1	27	100%	96%
800	54	1	1						54	8	62	56	0	56	98%	89%
Totals	378	4	2	-	-	-	-	-	380	45	425	382	14	397	99%	94%
5/23	386	1	1	-	-	-	2	2	386	34	421	381	11	391	100%	97%



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
EMPLOYEE POPULATION AND RETENTION REPORT**

May 2024

NEW HIRES				
Date	Dept	Employee Name	Position	Prior Company/Agency
05/06/24	700	Tanner Webster	Recycled Water Project Specialist	Santa Margarita Water District
05/20/24	800	Channy Lorn	Senior Maintenance Mechanic	Valero Willmington Refinery
05/20/24	300	James Burk	Engineer	City of Santa Ana
05/25/24	400	Erick Medina	Water Maintenance Technician I	City of Fountain Valley

TERMINATIONS					
Date	Dept	Employee Name	Position	Reason	Comments
05/30/24	600			VOL	

RETIREMENTS					
Date	Dept	Employee Name	Position	Reason	Comments
05/02/24	800	Jeffrey Jones	Senior Maintenance Mechanic	RET	

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

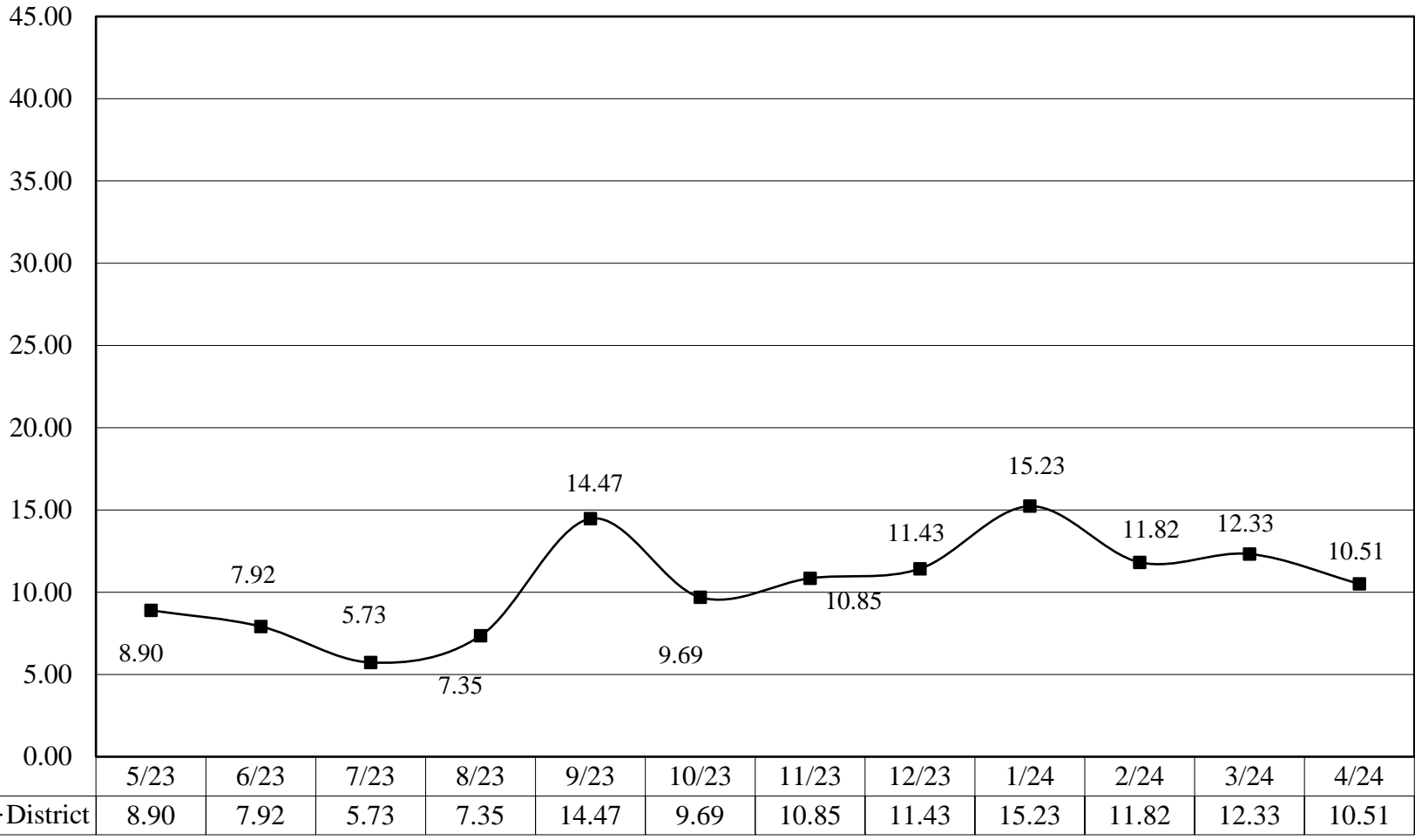
TRANSFERS					
Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position

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

**IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION AND RETENTION REPORT
May 2024**

UNFILLED POSITIONS			
Dept	Position	Salary Grade	Comments
100	Graphic Design Specialist	30.N	
100	Senior Executive Assistant	U29.N	
100	Senior Human Resources Analyst	U13.E	
200	Director of Treasury	U27.N	
200	Payroll Administrator	U31.N	
200	User Support Administrator	U35.N	Recruiting
200	User Support Specialist	31.N	
200	Senior Accounting Clerk	20.N	Recruiting
200	Customer Service Specialist II	18.N	
200	Senior Customer Service Field Technician	21.N	
200	Accounting Clerk	16.N	
200	Senior Network Administrator	U15.E	Recruiting
300	Associate Engineer	U14.E	
300	Senior Engineer	U20.E	Interviewing
300	Engineer	U17.E	Interviewing
300	Engineer	U17.E	Interviewing
300	Associate Engineer	U14.E	Recruiting
300	Construction Inspector	29.N	Recruiting
400	Water Maintenance Technician I	16.N	
400	Operations Manager	U21.E	Interviewing
400	Operations Supervisor	S36.N	Interviewing
400	Metering Systems Technician III	26.N	Recruiting
400	Water Maintenance Technician I	16.N	Start Date Pending
400	Water Maintenance Technician I	16.N	Recruiting
400	Water Maintenance Technician I	16.N	Recruiting
500	Automation Specialist	34.N	
500	Collection Systems Technician II	21.N	Recruiting
500	Collection Systems Technician II	21.N	Recruiting
500	Manager of Biosolids & Energy Recovery	U21.E	Recruiting
500	Operator III	30.N	Recruiting
500	Operator II	27.N	Recruiting
500	Operator II	27.N	Recruiting
500	Senior Collection Systems CCTV Tech	25.N	
500	Senior Wetlands Specialist	29.N	
500	Wetlands Specialist	24.N	
600	Laboratory Scientist	29.N	
600	Regulatory Compliance Specialist	29.N	
800	Mechanical Services Manager	U19.E	
800	Reliability Manager	U22.E	
800	Maintenance Mechanic	23.N	
800	Maintenance Mechanic	23.N	
800	Electrical & Instrumentation Technician	28.N	
800	Electrical & Instrumentation Technician	28.N	
800	Sr Maintenance Mechanic	27.N	
800	Sr Maintenance Mechanic	27.N	


**Temporary Employees
Full Time Equivalency
District Totals as of April 30, 2024**



June 4, 2024

Prepared by: O. Mendoza / J. Davis

Submitted by: N. Adly

Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

QUARTERLY DEFERRED COMPENSATION PLAN AND FUND REVIEW

SUMMARY:

The following is submitted for the Committee’s review:

- A Summary of the Deferred Compensation Program and Distribution of Assets as of March 31, 2024, as outlined in Exhibit “A”; and
- Mutual Fund Performance Review as of March 31, 2024, as outlined in Exhibit “B”.

BACKGROUND:

IRWD manages the Deferred Compensation Plan, which provides employees the opportunity to save for retirement on a tax-advantaged basis. For the quarter, 94% of IRWD employees participated in the voluntary 457(b) Deferred Compensation Plan.

Overview of the Deferred Compensation Assets:

As of March 31, 2024, IRWD’s Sections 457(b) and 401(a) Plans (collectively, the “Plans”) assets totaled \$100,390,253, which represented a \$6,906,267 increase from the prior quarter ended December 31, 2023, and a \$15,552,406 increase for the one-year period. The changes in Plan assets over the two periods are summarized as follows:

	One Year Period Ending March 31, 2024	Quarter Ending March 31, 2024
Beginning Balance	\$84,837,848	\$93,483,987
Employee Contributions	3,913,683	1,011,670
District Contributions	1,715,529	582,265
Transfers to/from Other Plans	804,843	222,730
Distributions	(5,923,127)	(1,253,082)
Loan Distributions ⁽¹⁾	(268,109)	(64,205)
Loan Repayments	291,185	108,754
Net Investment Gain (Loss)	15,018,401	6,298,135
Ending Balance – March 31, 2024	\$100,390,253	\$100,390,253
Change in Assets for the Period	\$15,552,406	\$6,906,267

(1) Number of loans outstanding: 71

Review of Investment Funds:

IRWD's Deferred Compensation Policy states that any investment performing "Below Benchmark" for four consecutive quarters or seven out of the trailing 12 quarters, has "Failed" the Long-Term Rolling Analysis (LTRA) and the investment option will be a candidate for replacement. The Committee may also place a fund on "Watch Status" if it has failed to meet certain Policy criteria for further evaluation. For the quarter ended March 31, 2024, all funds in the Plans passed the LTRA. The Fund Performance Review as of March 31, 2024, is provided as Exhibit "B".

FISCAL IMPACTS:

As of March 31, 2024, the District's Plan assets totaled \$100,390,253, which represented a \$6,906,267 increase from the quarter ended December 31, 2023, and a \$15,552,406 increase for the one-year period.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Summary of the Deferred Compensation Plan and Distribution of Assets

Exhibit "B" – Mutual Fund Performance Review

EXHIBIT "A"
IRVINE RANCH WATER DISTRICT
SUMMARY OF DEFERRED COMPENSATION PROGRAM
March 31, 2024

Deferred Compensation IRS Section 457 (Employee Contributions) Money Purchase Pension Plan & Executive Plan - IRS Section 401 (a) (District Contributions)			
	457	401 (a)	GRAND TOTAL
Assets	\$75,010,752	\$25,379,501	\$100,390,253
<i>Change From Prior Quarter</i>	\$5,142,674	\$1,763,593	\$6,906,267
<i>Change From Prior Year (3/2023)</i>	\$11,464,030	\$4,088,376	\$15,552,406
Quarterly Contributions	\$1,011,670	\$582,265	\$1,593,935
<i>*Change From Prior Quarter</i>	\$19,269	\$182,705	

*Increase in 457 and 401 (a) contributions are due to vacation accrual transfer during the quarter ended March 31, 2024.

	One Year Period Ending March 31, 2024	Quarter Ending March 31, 2024
Beginning Balance	\$84,837,848	\$93,483,987
Employee Contributions	3,913,683	1,011,670
District Contributions	1,715,529	582,265
Transfers to/from other plans	804,843	222,730
Distributions	(5,923,127)	(1,253,082)
Loan Distributions ⁽¹⁾	(268,109)	(64,205)
Loan Repayment	291,185	108,754
Net Investment Gain (Loss)	15,018,401	6,298,135
Ending Balance - March 31, 2024	\$100,390,253	\$100,390,253
Change in assets for the period	\$15,552,406	\$6,906,267

⁽¹⁾ Number of loans outstanding as of 3/31/24 : 71

Employee Participation	
Full-time Employees	380
Employees Participating	356
Percent Participation	94%

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

March 31, 2024

Fund	Assets	Percent of Assets	Change from previous quarter	
PROFILE FUNDS				
AGG	Aggressive Profile Fund	12,059,030	12.0%	-0.2%
MOD	Moderate Profile Fund	6,897,823	6.9%	-0.2%
CON	Conservative Profile Fund	6,697,701	6.7%	-0.5%
	Sub Total	25,654,554	25.6%	-0.9%
INTERNATIONAL FUND				
RERGX	American Funds EuroPacific Gr R6	2,617,572	2.6%	0.0%
VTIAX	Vanguard Total Intl Stock Index Admiral	1,899,624	1.9%	0.0%
	Sub Total	4,517,195	4.5%	0.0%
SMALL CAP FUNDS				
HRSIX	Hood River Small-Cap Growth Retirement	4,247,901	4.2%	0.2%
MVSSX	Victory Integrity Small Cap Value R6	1,791,557	1.8%	-0.2%
VSMAX	Vanguard Small Cap Index	2,360,628	2.4%	0.0%
	Sub Total	8,400,085	8.4%	0.0%
MEDIUM CAP FUNDS				
JMGMX	JP Morgan MidCap Growth R6	3,564,799	3.6%	0.2%
WFRPX	Wells Fargo Spec Md Cp Val R6	3,636,214	3.6%	-0.1%
VIMAX	Vanguard Mid-Cap Index Fund	2,125,624	2.1%	0.0%
	Sub Total	9,326,638	9.3%	0.1%
LARGE CAP FUNDS				
RGAGX	American Funds Growth Fund of Amer R6	8,374,805	8.3%	0.7%
VINIX	Vanguard Institutional Index	10,122,986	10.1%	0.5%
DHLYX	Diamond Hill Large-Cap Fund	2,337,423	2.3%	0.0%
	Sub Total	20,835,214	20.7%	1.2%
BOND FUND				
MWTSX	Metropolitan West Total Return Bond Plan	4,100,335	4.1%	-0.3%
	Sub Total	4,100,335	4.1%	-0.3%
STABLE VALUE FUND				
PCSV15	Putnam Stable Value	11,245,093	11.2%	-1.0%
	Sub Total	11,245,093	11.2%	-1.0%
TARGET DATE FUND				
VTINX	Vanguard Target Retirement Income Inv	1,342,148	1.3%	0.0%
VTWNX	Vanguard Target Retirement 2020 Inv	2,010,787	2.0%	-0.1%
VTTVX	Vanguard Target Retirement 2025 Inv	856,158	0.9%	0.0%
VTHRX	Vanguard Target Retirement 2030 Inv	1,159,986	1.2%	-0.1%
VTTHX	Vanguard Target Retirement 2035 Inv	1,650,305	1.6%	0.0%
VFORX	Vanguard Target Retirement 2040 Inv	1,281,029	1.3%	0.0%
VTIVX	Vanguard Target Retirement 2045 Inv	819,055	0.8%	0.0%
VFIFX	Vanguard Target Retirement 2050 Inv	1,695,059	1.7%	0.2%
VFFVX	Vanguard Target Retirement 2055 Inv	648,903	0.6%	0.1%
VTTSX	Vanguard Target Retirement 2060 Inv	406,445	0.4%	0.0%
VLXVX	Vanguard Target Retirement 2065 Inv	35,235	0.0%	0.0%
	Sub Total	11,905,110	11.8%	0.1%
OTHER				
SDBSCH	Schwab Brokerage	4,406,028	4.4%	4.4%
	Total Assets	\$100,390,253	100%	

LOAN BALANCE OUTSTANDING

\$749,627



FUND PERFORMANCE REVIEW

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

Reporting Period Ending March 31, 2024

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

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Not intended as an offer or solicitation of securities.

RO3346661-0124

FUND PERFORMANCE REVIEW



IMPORTANT DISCLOSURES:

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

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

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

FUND PERFORMANCE REVIEW: OVERVIEW



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

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

- SOURCE:**
- * Statistics are derived from an independent third-party source: primarily Morningstar[®] DirectSM

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

Although data is gathered from reliable sources, including but not limited to Morningstar, Inc., the completeness or accuracy of the data shown cannot be guaranteed. Where data obtained from Morningstar, ©2024 Morningstar, Inc. All Rights Reserved. The data: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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

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

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

FUND PERFORMANCE REVIEW (FPR): CRITERIA



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

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

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

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

Overall Morningstar Rating™: Represents a measure of an investment's risk-adjusted return, relative to similar investments.

The Overall Composite is the sole determinate for the Overall Rating for funds that do not have an Overall Morningstar Category Rating.

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

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

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

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

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

Performance Summary: Irvine Ranch Water District

period ended 3/31/2024

Morningstar Category	Ticker Symbol	Fund Name	Overall Rating					Long-Term Rolling Analysis			
			Composite %'s			Overall Morningstar Rating		Consecutive Quarters Below	# of Quarters Below out of trailing 12		
			Overall	Return	Sharpe						
Intl	Foreign Large Growth	RERGX	American Funds Europacific Growth R6	46.0	49.0	43.0	3	Neutral	0	0 out of 12	Pass
Small-Cap	Small Growth	HRSIX	Hood River Small-Cap Growth Retirement	94.9	95.3	94.5	5	Above	0	0 out of 12	Pass
	Small Value	MVSSX	Victory Integrity Small-Cap Value R6	78.5	79.0	78.0	3	Above	0	2 out of 12	Pass
Mid-Cap	Mid-Cap Growth	JMGMX	JPMorgan Mid Cap Growth R6	77.6	79.7	75.5	4	Above	0	0 out of 12	Pass
	Mid-Cap Value	WFPRX	Allspring Special Mid Cap Value R6	83.8	83.0	84.5	5	Above	0	0 out of 12	Pass
Large-Cap	Large Growth	RGAGX	American Funds Growth Fund of Amer R6	41.0	40.0	42.0	3	Neutral	0	0 out of 12	Pass
	Large Value	DHLYX	Diamond Hill Large Cap Y	49.8	60.0	39.5	3	Neutral	0	0 out of 12	Pass
Asst All/Other	Target-Date Retirement	VTINX	Vanguard Target Retirement Income Fund	46.8	51.7	42.0	4	Neutral	0	0 out of 12	N/A
	Target-Date 2020	VTWNX	Vanguard Target Retirement 2020 Fund	50.5	53.0	48.0	4	Above	0	0 out of 12	N/A
	Target-Date 2025	VTTVX	Vanguard Target Retirement 2025 Fund	69.0	71.0	67.0	4	Above	0	0 out of 12	N/A
	Target-Date 2030	VTHRX	Vanguard Target Retirement 2030 Fund	63.8	64.7	63.0	4	Above	0	0 out of 12	N/A
	Target-Date 2035	VTTHX	Vanguard Target Retirement 2035 Fund	54.4	55.3	53.5	4	Above	0	0 out of 12	N/A
	Target-Date 2040	VFORX	Vanguard Target Retirement 2040 Fund	46.8	48.7	45.0	4	Neutral	0	0 out of 12	N/A
	Target-Date 2045	VTIVX	Vanguard Target Retirement 2045 Fund	51.6	51.7	51.5	4	Above	0	0 out of 12	N/A
	Target-Date 2050	VFIFX	Vanguard Target Retirement 2050 Fund	54.3	54.0	54.5	4	Above	0	0 out of 12	N/A
	Target-Date 2055	VFFVX	Vanguard Target Retirement 2055 Fund	50.3	47.7	53.0	4	Above	0	0 out of 12	N/A
	Target-Date 2060	VTTSX	Vanguard Target Retirement 2060 Fund	48.8	46.7	51.0	3	Neutral	0	0 out of 12	N/A
Target-Date 2065+	VLXVX	Vanguard Target Retirement 2065 Fund	44.8	41.5	48.0	3	Neutral	0	1 out of 12	N/A	
Bond	Intermediate Core-Plus Bond	MWTSX	Metropolitan West Total Return Bd Plan	40.1	37.7	42.5	3	Neutral	0	0 out of 12	Pass
Index Funds	Foreign Large Blend	VTIAX	Vanguard Total Intl Stock Index Admiral (Idx)	33.8	36.7	31.0	3	N/A	N/A	0 out of 12	Pass
	Small Blend	VSMAX	Vanguard Small Cap Index Adm (Idx)	70.3	73.0	67.5	4	N/A	N/A	0 out of 12	Pass
	Mid-Cap Blend	VIMAX	Vanguard Mid Cap Index Admiral (Idx)	50.8	54.7	47.0	4	N/A	N/A	0 out of 12	Pass
	Large Blend	VINIX	Vanguard Institutional Index I (Idx)	79.8	82.0	77.5	5	N/A	N/A	0 out of 12	Pass

Data Source: Morningstar® DirectSM
Please refer to the Appendix page for additional disclosures.

Return Analysis: Irvine Ranch Water District

period ended 3/31/2024

Fund Name	1st Qtr	1st Qtr	Performance vs. Benchmark (Annualized Returns and Return Percentiles %)								Return Since Inception	Incept. Date
	2024	2024	1 Year	1 Year	3 Year	3 Year	5 Year	5 Year	10 Year	10 Year		
	Return	Percentile	Return	Percentile	Return	Percentile	Return	Percentile	Return	Percentile		
Intl	Foreign Large Growth Peer Group	6.89	50	12.06	50	0.38	50	7.00	50	5.41	50	
	American Funds Europacific Growth R6	7.44	62	13.49	62	-0.16	44	6.91	49	5.58	54	8.21
Small-Cap	Small Growth Peer Group	7.38	50	17.41	50	-1.50	50	8.20	50	8.52	50	
	Hood River Small-Cap Growth Retirement	14.05	93	30.50	96	3.60	91	15.80	97	13.17	98	14.70
	Small Value Peer Group	4.79	50	19.19	50	5.29	50	9.63	50	7.22	50	
	Victory Integrity Small-Cap Value R6	5.34	64	20.59	63	7.74	84	11.28	80	8.02	73	11.61
Mid-Cap	Mid-Cap Growth Peer Group	9.61	50	23.01	50	1.97	50	11.04	50	10.40	50	
	JPMorgan Mid Cap Growth R6	10.26	62	26.21	75	2.85	59	13.53	90	12.05	90	14.49
	Mid-Cap Value Peer Group	8.48	50	20.35	50	8.08	50	10.47	50	8.33	50	
	Allspring Special Mid Cap Value R6	9.15	69	18.66	37	9.79	83	12.21	78	9.87	88	11.26
Large-Cap	Large Growth Peer Group	12.60	50	39.19	50	9.13	50	15.44	50	13.82	50	
	American Funds Growth Fund of Amer R6	12.62	50	39.32	51	7.94	37	15.02	42	13.43	41	14.89
	Large Value Peer Group	8.86	50	20.59	50	8.85	50	10.80	50	9.00	50	
	Diamond Hill Large Cap Y	10.65	79	26.82	88	7.49	20	11.88	72	10.37	88	12.46
Asst All/Other	Target-Date Retirement Peer Group	2.56	50	9.04	50	1.39	50	4.22	50	3.77	50	
	Vanguard Target Retirement Income Fund	2.17	23	8.47	39	1.23	44	4.14	46	4.14	65	4.91
	Target-Date 2020 Peer Group	3.38	50	10.70	50	2.15	50	5.58	50	5.32	50	
	Vanguard Target Retirement 2020 Fund	2.83	20	10.42	35	1.98	42	5.60	51	5.63	66	5.99
	Target-Date 2025 Peer Group	3.70	50	11.72	50	2.38	50	6.08	50	5.74	50	
	Vanguard Target Retirement 2025 Fund	3.81	58	12.95	85	2.68	62	6.55	72	6.31	79	6.64
	Target-Date 2030 Peer Group	4.62	50	14.08	50	3.09	50	7.10	50	6.52	50	
	Vanguard Target Retirement 2030 Fund	4.54	43	14.78	74	3.34	62	7.36	63	6.87	69	6.74
	Target-Date 2035 Peer Group	5.53	50	16.30	50	3.96	50	8.16	50	7.27	50	
	Vanguard Target Retirement 2035 Fund	5.24	37	16.37	52	4.02	52	8.17	51	7.43	63	7.50
	Target-Date 2040 Peer Group	6.56	50	18.61	50	4.85	50	9.01	50	7.81	50	
	Vanguard Target Retirement 2040 Fund	5.85	29	17.94	39	4.69	37	8.96	48	7.95	61	7.46
	Target-Date 2045 Peer Group	7.09	50	20.11	50	5.48	50	9.73	50	8.22	50	
	Vanguard Target Retirement 2045 Fund	6.45	25	19.45	33	5.34	42	9.74	51	8.40	62	8.20
	Target-Date 2050 Peer Group	7.44	50	21.02	50	5.74	50	9.92	50	8.38	50	
	Vanguard Target Retirement 2050 Fund	6.86	24	20.42	39	5.68	49	9.99	52	8.53	61	7.81
	Target-Date 2055 Peer Group	7.50	50	21.26	50	5.83	50	10.04	50	8.47	50	
	Vanguard Target Retirement 2055 Fund	6.88	20	20.43	33	5.69	42	9.98	49	8.51	52	10.12
	Target-Date 2060 Peer Group	7.52	50	21.20	50	5.80	50	10.04	50	8.55	50	
	Vanguard Target Retirement 2060 Fund	6.87	20	20.44	37	5.70	45	9.99	46	8.51	49	9.91
	Target-Date 2065+ Peer Group	7.54	50	21.67	50	5.76	50	10.13	50	N/A	50	
	Vanguard Target Retirement 2065 Fund	6.88	13	20.41	29	5.72	49	9.98	34	N/A	N/A	9.19
Bond	Intermediate Core-Plus Bond Peer Group	-0.29	50	2.86	50	-2.39	50	0.71	50	1.72	50	
	Metropolitan West Total Return Bd Plan	-0.84	17	1.58	20	-2.95	28	0.51	41	1.63	44	2.44
Index Funds	Vanguard Total Intl Stock Index Admiral (Idx)	4.30	20	12.96	43	1.88	29	6.16	33	4.45	48	5.10
	Vanguard Small Cap Index Adm (Idx)	7.52	78	22.50	81	3.80	65	9.99	68	8.94	86	9.25
	Vanguard Mid Cap Index Admiral (Idx)	7.86	24	20.44	25	5.71	39	10.93	46	9.88	79	10.09
	Vanguard Institutional Index I (Idx)	10.54	58	29.84	63	11.45	76	15.02	80	12.93	90	10.55

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

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

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

Data Source: Morningstar® DirectSM

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Sharpe Ratio and Expense Analysis: Irvine Ranch Water District

period ended 3/31/2024

Fund Name	Sharpe Ratios and Percentiles %				Standard Deviation		Expense Ratio	Expense Percentile %	Manager Tenure (yrs)	Fund Size \$MM	
	3 Yr Ratio	3 Yr %	5 Yr Ratio	5 Yr %	3 Yr	5 Yr					
Intl	Foreign Large Growth Peer Group	-0.04	50	0.34	50	18.97	19.00	0.95	50		
	American Funds Europacific Growth R6	-0.08	40	0.33	46	18.10	19.01	0.47	5	23	140,372
Small-Cap	Small Growth Peer Group	-0.11	50	0.36	50	21.86	23.36	1.10	50		
	Hood River Small-Cap Growth Retirement	0.14	92	0.62	97	24.00	25.34	0.99	38	21	2,263
	Small Value Peer Group	0.21	50	0.41	50	20.59	24.65	1.09	50		
	Victory Integrity Small-Cap Value R6	0.32	83	0.46	73	20.33	26.52	0.96	33	20	1,461
Mid-Cap	Mid-Cap Growth Peer Group	0.06	50	0.49	50	21.71	21.97	1.02	50		
	JPMorgan Mid Cap Growth R6	0.09	58	0.61	93	20.43	21.16	0.70	11	8	11,396
	Mid-Cap Value Peer Group	0.35	50	0.48	50	18.41	21.43	0.94	50		
	Allspring Special Mid Cap Value R6	0.46	87	0.56	82	17.22	20.53	0.70	15	15	13,240
Large-Cap	Large Growth Peer Group	0.38	50	0.70	50	21.11	20.70	0.87	50		
	American Funds Growth Fund of Amer R6	0.34	38	0.69	46	20.34	20.22	0.30	5	30	275,253
	Large Value Peer Group	0.43	50	0.53	50	16.21	18.63	0.85	50		
	Diamond Hill Large Cap Y	0.33	16	0.56	63	17.81	19.96	0.55	14	9	9,129
Asst All/Other	Target-Date Retirement Peer Group	-0.12	50	0.28	50	9.06	8.27	0.57	50		
	Vanguard Target Retirement Income Fund	-0.16	30	0.29	54	8.51	7.83	0.08	2	11	36,262
	Target-Date 2020 Peer Group	-0.03	50	0.37	50	10.34	10.42	0.54	50		
	Vanguard Target Retirement 2020 Fund	-0.05	41	0.38	55	10.08	10.19	0.08	3	11	38,373
	Target-Date 2025 Peer Group	0.00	50	0.38	50	11.13	11.59	0.59	50		
	Vanguard Target Retirement 2025 Fund	0.03	65	0.41	69	11.65	11.87	0.08	2	11	77,475
	Target-Date 2030 Peer Group	0.07	50	0.43	50	12.57	13.10	0.60	50		
	Vanguard Target Retirement 2030 Fund	0.09	62	0.45	64	12.72	13.09	0.08	2	11	92,795
	Target-Date 2035 Peer Group	0.14	50	0.47	50	13.86	14.58	0.60	50		
	Vanguard Target Retirement 2035 Fund	0.14	51	0.48	56	13.56	14.17	0.08	2	11	96,067
	Target-Date 2040 Peer Group	0.20	50	0.50	50	15.02	15.82	0.64	50		
	Vanguard Target Retirement 2040 Fund	0.19	39	0.50	51	14.38	15.26	0.08	2	11	85,087
	Target-Date 2045 Peer Group	0.23	50	0.51	50	15.79	16.77	0.64	50		
	Vanguard Target Retirement 2045 Fund	0.23	45	0.52	58	15.25	16.36	0.08	2	11	82,605
	Target-Date 2050 Peer Group	0.25	50	0.52	50	16.01	17.01	0.65	50		
	Vanguard Target Retirement 2050 Fund	0.25	49	0.53	60	15.64	16.58	0.08	2	11	69,280
	Target-Date 2055 Peer Group	0.25	50	0.52	50	16.25	17.14	0.65	50		
	Vanguard Target Retirement 2055 Fund	0.25	43	0.53	63	15.64	16.58	0.08	2	11	45,934
	Target-Date 2060 Peer Group	0.25	50	0.53	50	16.15	17.13	0.65	50		
	Vanguard Target Retirement 2060 Fund	0.25	46	0.53	56	15.63	16.57	0.08	2	11	25,462
	Target-Date 2065+ Peer Group	0.25	50	0.53	50	16.31	17.60	0.64	50		
	Vanguard Target Retirement 2065 Fund	0.25	50	0.53	46	15.62	16.57	0.08	3	7	7,160
Bond	Intermediate Core-Plus Bond Peer Group	-0.68	50	-0.17	50	7.51	6.76	0.69	50		
	Metropolitan West Total Return Bd Plan	-0.70	44	-0.20	41	8.15	6.85	0.37	9	27	51,140
Index Funds	Vanguard Total Intl Stock Index Admiral (Idx)	0.02	29	0.30	33	16.93	18.09	0.12	5	16	424,753
	Vanguard Small Cap Index Adm (Idx)	0.14	65	0.44	70	20.46	22.86	0.05	3	8	145,285
	Vanguard Mid Cap Index Admiral (Idx)	0.23	39	0.50	55	19.30	20.81	0.05	4	3	166,709
	Vanguard Institutional Index I (Idx)	0.54	74	0.74	81	17.60	18.36	0.04	3	6	290,390

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

Expense refers to the Prospectus Net Expense Ratio

Data Source: Morningstar® DirectSM

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Annual Returns and Statistics: Irvine Ranch Water District

period ended 3/31/2024

Fund Name	Calendar Year Returns					Modern Portfolio Theory Statistics (3 year)			Portfolio Construction			
	2023	2022	2021	2020	2019	Alpha	Beta	R2	Turnover Ratio	Number of Holdings	% in top 10 holdings	
Intl	Foreign Large Growth Peer Group	15.90	-23.83	8.84	22.08	28.29						
	American Funds Europacific Growth R6	16.05	-22.72	2.84	25.27	27.40	0.54	1.02	96	34	340	23%
Small-Cap	Small Growth Peer Group	16.43	-27.96	9.39	37.64	28.87						
	Hood River Small-Cap Growth Retirement	21.60	-27.93	23.88	60.81	24.19	5.81	1.07	94	95	94	27%
	Small Value Peer Group	15.32	-11.67	30.21	4.05	22.48						
	Victory Integrity Small-Cap Value R6	17.80	-7.58	33.76	1.33	23.28	2.49	0.92	98	61	128	11%
Mid-Cap	Mid-Cap Growth Peer Group	20.62	-28.29	12.47	37.47	34.48						
	JPMorgan Mid Cap Growth R6	23.35	-26.96	10.99	48.51	39.96	-1.71	0.93	99	45	112	19%
	Mid-Cap Value Peer Group	12.25	-7.86	28.39	3.36	27.77						
	Allspring Special Mid Cap Value R6	9.62	-4.50	28.80	3.36	35.68	3.10	0.87	96	27	66	32%
Large-Cap	Large Growth Peer Group	39.62	-31.14	22.08	35.92	33.15						
	American Funds Growth Fund of Amer R6	37.65	-30.49	19.69	38.28	28.54	2.19	1.04	95	31	357	28%
	Large Value Peer Group	11.00	-5.26	25.96	2.90	25.73						
	Diamond Hill Large Cap Y	13.78	-13.27	25.89	9.07	32.34	-0.78	1.07	98	22	51	31%
Asst All/Other	Target-Date Retirement Peer Group	10.46	-12.69	6.37	9.91	13.26						
	Vanguard Target Retirement Income Fund	10.65	-12.74	5.25	10.02	13.16	0.70	1.06	99	4	7	99%
	Target-Date 2020 Peer Group	11.80	-14.12	9.11	12.02	17.08						
	Vanguard Target Retirement 2020 Fund	12.51	-14.15	8.17	12.04	17.63	-0.34	1.02	99	3	7	99%
	Target-Date 2025 Peer Group	12.54	-15.09	10.03	12.42	18.59						
	Vanguard Target Retirement 2025 Fund	14.55	-15.55	9.80	13.30	19.63	0.09	0.90	99	6	6	99%
	Target-Date 2030 Peer Group	14.49	-16.00	11.73	13.78	20.79						
	Vanguard Target Retirement 2030 Fund	16.03	-16.27	11.38	14.10	21.07	0.84	0.98	99	3	6	99%
	Target-Date 2035 Peer Group	16.38	-16.69	14.10	14.30	22.61						
	Vanguard Target Retirement 2035 Fund	17.14	-16.62	12.96	14.79	22.44	1.58	1.05	99	1	6	99%
	Target-Date 2040 Peer Group	18.11	-17.38	15.98	15.34	23.97						
	Vanguard Target Retirement 2040 Fund	18.34	-16.98	14.56	15.47	23.86	-1.78	0.86	99	1	6	99%
	Target-Date 2045 Peer Group	19.42	-17.92	17.19	15.50	24.82						
	Vanguard Target Retirement 2045 Fund	19.48	-17.36	16.16	16.30	24.94	-1.31	0.92	100	1	6	99%
	Target-Date 2050 Peer Group	19.93	-18.15	17.38	15.95	25.09						
	Vanguard Target Retirement 2050 Fund	20.17	-17.46	16.41	16.39	24.98	-1.04	0.94	100	2	6	99%
	Target-Date 2055 Peer Group	20.25	-18.27	17.79	15.75	25.40						
	Vanguard Target Retirement 2055 Fund	20.16	-17.46	16.44	16.32	24.98	-1.04	0.94	100	1	6	99%
	Target-Date 2060 Peer Group	20.04	-18.19	17.65	16.24	25.45						
	Vanguard Target Retirement 2060 Fund	20.18	-17.46	16.44	16.32	24.96	-1.03	0.94	100	1	6	99%
	Target-Date 2065+ Peer Group	20.49	-18.32	17.77	16.50	26.32						
	Vanguard Target Retirement 2065 Fund	20.15	-17.39	16.46	16.17	24.96	-1.01	0.94	100	1	6	99%
Bond	Intermediate Core-Plus Bond Peer Group	6.30	-13.98	-0.91	8.58	9.37						
	Metropolitan West Total Return Bd Plan	6.07	-14.69	-1.11	9.17	9.23	0.20	1.12	99	426	1761	38%
Index Funds	Vanguard Total Intl Stock Index Admiral (Idx)	15.52	-16.01	8.62	11.28	21.51	0.02	1.03	99	4	8596	10%
	Vanguard Small Cap Index Adm (Idx)	18.20	-17.61	17.73	19.11	27.37	2.29	0.96	99	12	1424	4%
	Vanguard Mid Cap Index Admiral (Idx)	15.98	-18.71	24.51	18.24	31.03	-0.31	0.99	100	13	338	8%
	Vanguard Institutional Index I (Idx)	26.24	-18.14	28.67	18.39	31.46	-0.04	1.00	100	3	506	32%

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

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

Data Source: Morningstar® DirectSM

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Index Performance

period ending 3/31/2024

	Index	Total Return 1 Year	Total Return Annlzd 3 Year	Total Return Annlzd 5 Year	Total Return Annlzd 10 Year	Annual Return 2023	Annual Return 2022	Annual Return 2021	Annual Return 2020	Annual Return 2019
International	MSCI EMF ID	5.34	-7.46	-0.28	0.48	7.04	-22.37	-4.59	15.84	15.42
	MSCI Eafe Ndrtr_D	15.32	4.78	7.33	4.80	18.24	-14.45	11.26	7.82	22.01
	MSCI World Ndrtr_D	25.11	8.60	12.07	9.39	23.79	-18.14	21.82	15.90	27.67
Small-Cap	Russell 2000 Growth	20.35	-2.68	7.38	7.89	18.66	-26.36	2.83	34.63	28.48
	Russell 2000	19.71	-0.10	8.10	7.58	16.93	-20.44	14.82	19.96	25.52
	Russell 2000 Value	18.75	2.22	8.17	6.87	14.65	-14.48	28.27	4.63	22.39
Mid-Cap	Russell Midcap Growth	26.28	4.62	11.82	11.35	25.87	-26.72	12.73	35.59	35.47
	Standard & Poor's Midcap 400	23.33	6.96	11.71	9.99	16.44	-13.06	24.76	13.66	26.20
	Russell Midcap Value	20.40	6.80	9.94	8.57	12.71	-12.03	28.34	4.96	27.06
Large-Cap	Russell 1000 Growth	39.00	12.50	18.52	15.98	42.68	-29.14	27.60	38.49	36.39
	Standard & Poor's 500 TR	29.88	11.49	15.05	12.96	26.29	-18.11	28.71	18.40	31.49
	Russell 1000 Value	20.27	8.11	10.32	9.01	11.46	-7.54	25.16	2.80	26.54
Bond	Bloomberg US Agg Bond TR USD	1.70	-2.46	0.36	1.54	5.53	-13.01	-1.54	7.51	8.72
	Bloomberg US Credit TR USD	4.15	-1.86	1.39	2.49	8.18	-15.26	-1.08	9.35	13.80
	Bloomberg US MBS TR USD	1.39	-2.84	-0.39	1.12	5.05	-11.81	-1.04	3.87	6.35
	Bloomberg US Government TR USD	0.13	-2.68	-0.04	1.05	4.09	-12.32	-2.28	7.94	6.83
	Bloomberg US Govt 1-3 Yr TR USD	2.98	0.03	1.14	1.07	4.32	-3.81	-0.60	3.14	3.59

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

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

Data Source: Morningstar® DirectSM

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

S&P 400® Index is a registered trademark of Standard & Poor's Financial Services LLC ("Standard & Poor's"), and is an unmanaged index considered indicative of the domestic Mid-Cap equity market.

Please refer to the Appendix page for additional disclosures



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Carefully consider the investment option's objectives, risks, fees and expenses. Contact Empower for a prospectus, summary prospectus for SEC-registered products or disclosure document for unregistered products, if available, containing this information. Read each carefully before investing.

About investment risk:

Stock values fluctuate in response to the activities of the general market, individual companies and economic conditions. Alternative investments generally invest in non-traditional asset categories or use non-conventional strategies and may have more risk than traditional investments. Asset allocation and balanced investment options and models are subject to the risks of their underlying investments. Commodity and real asset investments may be affected by natural disasters and political and economic developments. Foreign securities involve risks, such as currency fluctuations, economic changes and political developments. These risks may be heightened in emerging markets, which may also experience liquidity risk. Infrastructure funds invest in a limited number of companies and are subject to issuer, political, regulatory, market and economic risks, especially in foreign or emerging markets. Natural resources funds invest in a limited number of companies subject to industry, political, economic, commodity prices and regulation risks, especially in foreign or emerging markets. Real estate securities and trusts involve risks, including declining property values, changes in zoning laws or losses from casualty. Real estate securities that invest in foreign real estate involve additional risks, including currency fluctuations and political developments. Under certain market conditions, socially responsible funds may underperform funds that do not utilize a socially responsible investment style. Securities of small and mid-size companies may be more volatile than those of larger, more established companies. Specialty funds invest in a limited number of companies and may be more volatile than a more diversified fund.

Bond prices generally fall when interest rates rise (and vice versa) and are subject to risks, including changes in credit quality, market valuations, inflation, liquidity and default. High-yield bonds have a greater risk of default. The interest from Treasury inflation-protected securities (TIPS) is adjusted periodically according to the Consumer Price Index. The return from TIPS may understate the actual rate of inflation due to changes in the bond's underlying price. U.S. Treasury securities, where listed, are guaranteed as to the timely payment of principal and interest if held to maturity. The fund itself is neither issued nor guaranteed by the U.S. government. Cash-alternative funds are not federally guaranteed and are subject to interest rate, inflation and credit risks.

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

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

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About Overall Morningstar Rating™

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

About Morningstar Rankings

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

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APPENDIX - GLOSSARY



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

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

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

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

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

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

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

Bloomberg US Aggregate Bond Index Composed of the Bloomberg Govt/Credit Index, the Mortgage-Backed Securities Index, and the Asset-Backed Securities Index. The returns published for the index are total returns, which include reinvestment of dividends.

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

Bloomberg 1-3 Credit Index The index measures the performance of non-securitized component of the U.S Aggregate Index with maturities of 1-3 years, including Treasuries, government-related issues and corporates. It is a subset of the U.S. Aggregate Index.

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

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

Bond funds Contrary to individual bonds, which offer a guaranteed rate of return, bond funds are variable funds and their returns may rise or fall depending on market conditions. Funds with 70% or more of their assets invested in bonds are classified as Bond Funds. Bond funds are divided into two main groups: Taxable

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

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

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

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

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

APPENDIX - GLOSSARY (CONT.)



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX - GLOSSARY (CONT.)



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

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

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

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

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

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

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

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

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

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

R-squared (R²) measures the degree to which movement in one variable is related to the movement in another variable. Portfolios with a high R-squared will react similarly to various market conditions. By combining investments with low correlations, an investor can reduce the overall risk within a portfolio.

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

APPENDIX - GLOSSARY (CONT.)



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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June 4, 2024

Prepared by: O. Mendoza / J. Davis

Submitted by: N. Adly

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 May 24, 2024 as outlined in Exhibit "A";
- The U.S. Treasury Yield Curve as of May 24, 2024 as shown in Exhibit "B";
- The Summary of Fixed and Variable Debt as of May 24, 2024 as outlined in Exhibit "C"; and
- The Summary of Variable Rate Debt Rates as of May 24, 2024 as outlined in Exhibit "D".

BACKGROUND:

Investment Portfolio:

Due to the timing of the Committee meeting, the final rate of return for May 2024 is not available. Preliminary calculations indicate a rate of return for the fixed income investment portfolio of 4.46%, which was a 0.12% increase from April's rate of 4.34%. Including real estate investments, the weighted average rate of return for IRWD's investment portfolio for May 2024 was 6.73%, which was a 0.04% increase from April's rate of 6.69%. The increases are due to both a full month of interest from April's investments and purchases for this month, funded by connection fee revenue and re-investment from the money market mutual fund.

Debt Portfolio:

As of May 24, 2024, IRWD's weighted average all-in variable rate for debt was 3.58%, which was a 0.17% decrease from April's rate of 3.75%. Including IRWD's weighted average fixed rate bond issues of 3.73% 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 3.69%, a 0.06% decrease from April's rate of 3.75%. The decrease was due to lower average rates for the District's variable rate debt.

2024 Debt Issuance Update:

The potential refunding of IRWD's 2010 Build America Bonds (BABs) has been paused due to a change in market conditions, which have resulted in negative present value savings to the District. Staff, along with the District's municipal financial advisor (Public Financial Management) and underwriter (Goldman Sachs), will continue to monitor the market for an

opportunity to proceed with the refunding in July, provided that market conditions offer beneficial outcomes to the District through positive savings.

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 May 24, 2024

Exhibit "B" – Yield Curve as of May 24, 2024

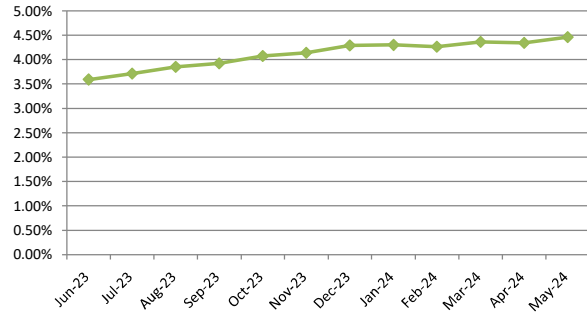
Exhibit "C" – Summary of Fixed and Variable Debt as of May 24, 2024

Exhibit "D" – Summary of Variable Rate Debt Rates as of May 24, 2024

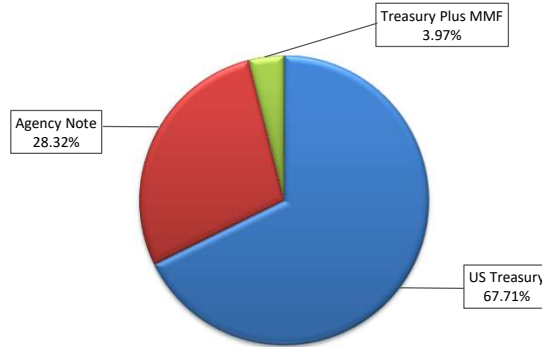
Exhibit "A"

Irvine Ranch Water District Investment Portfolio Summary May 2024

Monthly Fixed Income Yield



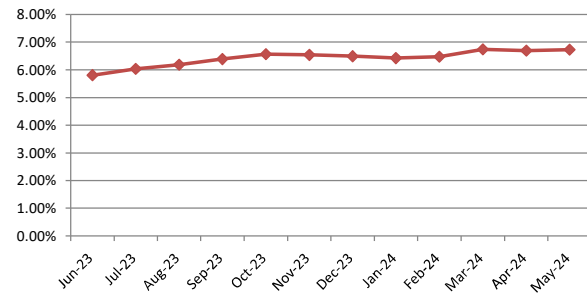
Portfolio Distribution



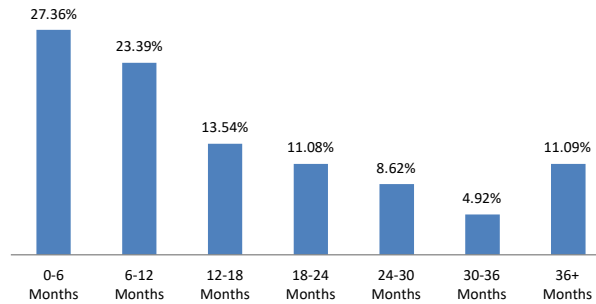
Investment Summary

Type	PAR	Book Value	Market Value
US Treasury	275,000,000	272,838,904	270,193,892
Agency Note	115,000,000	114,234,093	113,316,500
Treasury Plus MMF	16,115,653	16,115,653	16,115,653
Grand Total	406,115,653	403,188,650	399,626,045

Weighted Average Return Including Real Estate Portfolio



Maturity Distribution



Top Issuers

Issuer	PAR	% Portfolio
US Treasury	275,000,000	67.71%
Fed Farm Credit Bank	55,000,000	13.54%
Fed Home Loan Bank	40,000,000	9.85%
Wells Fargo / Allspring	16,115,653	3.97%
Fed Home Loan Mortgage Corp	15,000,000	3.69%
Fed Natl Mortgage Assoc	5,000,000	1.24%
Grand Total	406,115,653	100.00%

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

05/24/24

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE ⁽¹⁾ 5/24/2024	UNREALIZED ⁽²⁾ GAIN/(LOSS)
04/06/23			05/25/24		LAIF	State of California Tsy.	\$0.00		4.370%	\$0.00	\$0.00	0.00	0.00
05/24/24			05/25/24		Treasury Plus MMF	Wells Fargo / Allspring	16,115,652.76		5.160%	16,115,652.76	16,115,652.76	16,115,652.76	0.00
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	10,000,000.00	9,975,800.00	(24,200.00)
08/17/22	NA	NA	06/14/24	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Bank	5,000,000	3.125%	3.315%	4,983,199.99	4,999,672.56	4,985,650.00	(14,022.56)
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	5,000,435.71	4,996,150.00	(4,285.71)
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	4,989,044.33	4,968,050.00	(20,994.33)
02/21/24	NA	NA	07/11/24	Aaa/NR/AAA	Treasury - Bill	US Treasury	5,000,000	5.108%	5.299%	4,899,976.17	4,971,624.45	4,948,150.00	(23,474.45)
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	4,998,030.46	4,969,900.00	(28,130.46)
11/30/23	NA	NA	07/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	1.750%	5.288%	9,770,312.50	9,943,519.47	9,910,600.00	(32,919.47)
05/22/24	NA	NA	08/15/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	0.375%	5.264%	4,943,554.69	4,950,195.31	4,943,554.69	(6,640.63)
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	4,998,584.44	4,967,250.00	(31,334.44)
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	4,999,388.04	4,977,500.00	(21,888.04)
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	4,998,994.52	4,995,500.00	(3,494.52)
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	5,018,404.23	4,958,800.00	(59,604.23)
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	4,985,278.32	4,958,800.00	(26,478.32)
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	4,998,728.61	4,975,950.00	(22,778.61)
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	9,994,298.77	9,954,200.00	(40,098.77)
03/14/24	NA	NA	10/31/24	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	2.250%	5.257%	4,908,007.81	4,939,468.34	4,924,050.00	(15,418.34)
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	4,951,642.62	4,917,500.00	(34,142.62)
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	4,925,199.21	4,878,300.00	(46,899.21)
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	4,938,963.37	4,899,950.00	(39,013.37)
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	4,938,648.20	4,899,950.00	(38,698.20)
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	4,901,556.69	4,855,550.00	(46,006.69)
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	4,940,625.00	4,897,450.00	(43,175.00)
11/30/23	NA	NA	01/31/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	2.500%	5.097%	9,708,593.75	9,833,871.20	9,794,900.00	(38,971.20)
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	4,908,179.27	4,860,500.00	(47,679.27)
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	4,944,792.99	4,897,150.00	(47,642.99)
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	4,989,937.73	4,955,850.00	(34,087.73)
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	4,904,303.66	4,850,450.00	(53,853.66)
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	19,968,722.84	19,756,200.00	(212,522.84)
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	5,001,664.50	4,951,100.00	(50,564.50)
04/18/24	NA	NA	04/15/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	2.625%	5.163%	9,757,617.18	9,787,078.08	9,756,250.00	(30,828.08)
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	4,938,865.69	4,884,500.00	(54,365.69)
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	4,937,039.47	4,874,800.00	(62,239.47)
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	4,995,623.00	4,941,900.00	(53,723.00)
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	4,995,044.91	4,941,900.00	(53,144.91)
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	9,797,719.71	9,743,400.00	(54,319.71)

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

05/24/24

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE ⁽¹⁾ 5/24/2024	UNREALIZED ⁽²⁾ GAIN/(LOSS)
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	9,893,700.00	(106,300.00)
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	9,536,894.58	9,359,500.00	(177,394.58)
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	4,996,828.46	4,935,550.00	(61,278.46)
12/01/23	NA	NA	11/15/25	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	2.250%	4.719%	9,543,750.00	9,660,524.48	9,572,700.00	(87,824.48)
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	4,959,855.01	4,911,400.00	(48,455.01)
04/18/24	NA	NA	01/15/26	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	3.875%	5.033%	9,808,593.75	9,821,814.90	9,797,300.00	(24,514.90)
02/21/24	NA	NA	02/15/26	Aaa/AA+/AA+	Treasury - Note	US Treasury	15,000,000	4.000%	4.553%	14,844,140.63	14,865,853.45	14,718,750.00	(147,103.45)
04/30/24	NA	NA	03/31/26	Aaa/AA+/AA+	Treasury - Note	US Treasury	5,000,000	4.500%	5.017%	4,953,125.00	4,955,267.86	4,948,850.00	(6,417.86)
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	14,875,098.84	14,729,250.00	(145,848.84)
09/27/23	NA	NA	09/15/26	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	4.625%	4.846%	9,939,453.13	9,953,305.18	9,919,100.00	(34,205.18)
11/03/23	NA	NA	10/15/26	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	4.625%	4.784%	9,956,640.63	9,965,135.36	9,920,700.00	(44,435.36)
12/28/23	NA	NA	12/15/26	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	4.375%	4.020%	10,098,046.88	10,083,923.78	9,862,500.00	(221,423.78)
01/31/24	NA	NA	01/15/27	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	4.000%	4.171%	9,952,734.38	9,958,073.64	9,767,200.00	(190,873.64)
03/11/24	NA	NA	09/30/27	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	4.125%	4.195%	9,976,953.13	9,978,409.10	9,774,600.00	(203,809.10)
05/24/24	NA	NA	01/31/28	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	3.500%	4.621%	9,623,437.50	9,625,673.95	9,623,437.50	(2,236.45)
11/28/23	NA	NA	10/31/28	Aaa/AA+/AA+	Treasury - Note	US Treasury	10,000,000	4.875%	4.464%	10,179,687.50	10,161,109.47	10,042,200.00	(118,909.47)
12/15/23	NA	NA	11/30/28	Aaa/AA+/AA+	Treasury - Note	US Treasury	15,000,000	4.375%	3.897%	15,319,921.88	15,290,083.69	14,766,150.00	(523,933.69)
SUB-TOTAL							<u>\$406,115,653</u>			<u>\$399,736,741.23</u>	<u>\$403,188,650.21</u>	<u>\$399,626,044.95</u>	<u>(\$3,562,605.26)</u>
TOTAL INVESTMENTS							<u>\$406,115,653</u>			<u>\$399,736,741.23</u>	<u>\$403,188,650.21</u>	<u>\$399,626,044.95</u>	<u>(\$3,562,605.26)</u>

Petty Cash										3,400.00			
Ck Balance					Bank of America	ECR	1.77%			1,062,230.61			
Ck Balance					Wells Fargo	ECR	2.00%			0.00 ⁽⁵⁾			
										<u>\$400,802,371.84</u>			

⁽¹⁾ LAIF market value is as of the most recent quarter-end as reported by LAIF.	Outstanding Variable Rate Debt	\$212,800,000		
Security market values are determined using Bank of New York ("Trading Prices"), Bloomberg and/or broker dealer pricing.	Net Outstanding Variable Rate Debt (Less \$60 million fixed-payer swaps)	\$152,800,000		
⁽²⁾ Gain (loss) calculated against carry value using the trading value provided by Bank of New York/or Brokers	Investment Balance:	\$400,802,372		
⁽³⁾ Real estate rate of return is based on most recent quarter end return.	Investment to Variable Rate Debt Ratio:	262%		
⁽⁴⁾ Original Cost updated to reflect capital tenant improvements added for Fiscal Year 2023. of capital tenant improvements during FY 2023.	Portfolio - Average Number of Days To Maturity	487		
⁽⁵⁾ Cash balance in this account are funds that are pending purchase into the current money market fund. *S - Step up				
	Investment Portfolio	Real Estate⁽³⁾⁽⁴⁾ Portfolio	Weighted Avg. Return	
	May	4.46%	15.18%	6.73%
	April	4.34%	15.18%	6.69%
	Change	0.12%	0.00%	0.04%

This Investment Summary Report is in conformity with the 2024 Investment Policy and provides sufficient liquidity to meet the next six months estimated expenditures.

IRVINE RANCH WATER DISTRICT
SUMMARY OF MATURITIES

05/24/24

DATE	TOTAL	%	LAIF	Agency Notes	Agency Discount Notes	Municipal Bonds	US Treasury	Investment Sweep
5/24	26,115,653	6.43%					10,000,000	16,115,653
6/24	10,000,000	2.46%		10,000,000				
7/24	25,000,000	6.16%		5,000,000			20,000,000	
8/24	20,000,000	4.92%		15,000,000			5,000,000	
9/24	15,000,000	3.69%		15,000,000				
10/24	15,000,000	3.69%		10,000,000			5,000,000	
11/24	10,000,000	2.46%		5,000,000			5,000,000	
12/24	10,000,000	2.46%					10,000,000	
1/25	20,000,000	4.92%					20,000,000	
2/25	10,000,000	2.46%		5,000,000			5,000,000	
3/25	30,000,000	7.39%		5,000,000			25,000,000	
4/25	15,000,000	3.69%		5,000,000			10,000,000	
SUB-TOTAL	\$206,115,653	50.75%		\$75,000,000			\$115,000,000	\$16,115,653

13 MONTHS - 3+ YEARS								
5/01/2025 - 07/31/2025	\$40,000,000	9.85%		25,000,000			15,000,000	
08/01/2025 - 10/31/2025	\$15,000,000	3.69%		10,000,000			5,000,000	
11/01/2025 - 01/31/2026	\$25,000,000	6.16%		5,000,000			20,000,000	
02/01/2026 - 4/30/2026	\$20,000,000	4.92%					20,000,000	
5/01/2026 - 07/31/2026	\$15,000,000	3.69%					15,000,000	
08/01/2026 - 10/31/2026	\$20,000,000	4.92%					20,000,000	
11/01/2026 - 01/31/2027	\$20,000,000	4.92%					20,000,000	
02/01/2027 - 4/30/2027								
05/01/2027 - 7/31/2027								
08/01/2027 - 10/31/2027	\$10,000,000	2.46%					10,000,000	
11/01/2027 - 01/31/2028	\$10,000,000	2.46%					10,000,000	
2/01/2028 +	\$25,000,000	6.16%					25,000,000	
SUB-TOTAL	\$200,000,000	49.25%		\$40,000,000			\$160,000,000	
TOTALS	\$406,115,653	100.00%		\$115,000,000			\$275,000,000	\$16,115,653

% OF PORTFOLIO

28.32%

67.71%

3.97%

Irvine Ranch Water District
Summary of Real Estate - Income Producing Investments
3/31/2024

	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	MARKET VALUE 6/30/2023	ANNUALIZED RATE OF RETURN QUARTER ENDED 3/31/2024
Sycamore Canyon	Dec-92	Apartments	Fee Simple	\$ 45,457,369	\$ 178,606,250	24.67%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	\$ 6,000,000	\$ 36,246,127	8.61%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	\$ 5,568,747	\$ 12,484,800	7.77%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	\$ 8,983,395	\$ 12,068,640	8.44%
Sand Canyon Professional Center - Medical Office	Jul-12	Medical Office	Fee Simple	\$ 8,715,929	\$ 12,380,760	8.19%
Sand Canyon Professional Center - General Office ⁽¹⁾	Sep-20	Office Building	Fee Simple	\$ 31,404,103	\$ 40,559,820	7.90%
Total - Income Properties				\$ 106,129,543	\$ 292,346,397	15.18%

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

IRVINE RANCH WATER DISTRICT INVESTMENT SUMMARY REPORT
INVESTMENT ACTIVITY⁽¹⁾
May-24

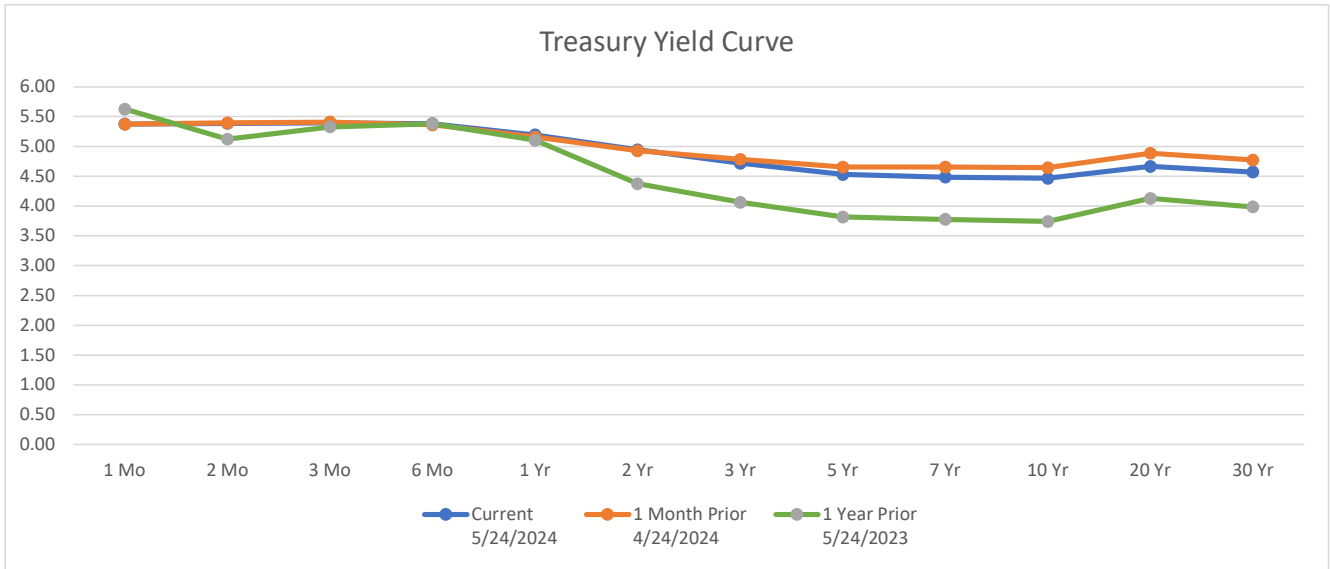
MATURITIES/SALES/CALLS

PURCHASES

DATE	SECURITY TYPE	PAR	YIELD	Settlement Date	Maturity Date	SECURITY TYPE	PAR	YIELD TO MATURITY
<i>5/31/2024</i>	<i>Treasury - Note</i>	<i>\$10,000,000</i>	<i>2.56%</i>	5/22/2024	8/15/2024	Treasury - Note	\$5,000,000	5.26%
				5/24/2024	1/31/2028	Treasury - Note	\$10,000,000	4.62%

(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"

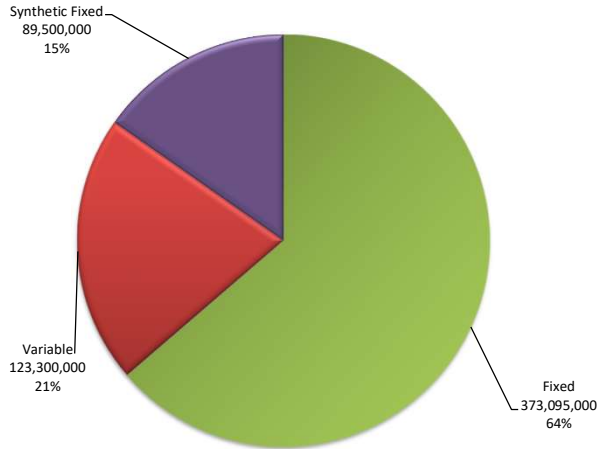


Tenor	Current 5/24/2024	1 Month Prior 4/24/2024	1 Year Prior 5/24/2023
1 Mo	5.38	5.37	5.63
2 Mo	5.39	5.40	5.12
3 Mo	5.40	5.41	5.33
6 Mo	5.38	5.36	5.38
1 Yr	5.20	5.16	5.10
2 Yr	4.95	4.93	4.38
3 Yr	4.72	4.79	4.06
5 Yr	4.53	4.66	3.82
7 Yr	4.49	4.66	3.78
10 Yr	4.47	4.64	3.74
20 Yr	4.66	4.89	4.13
30 Yr	4.57	4.77	3.99

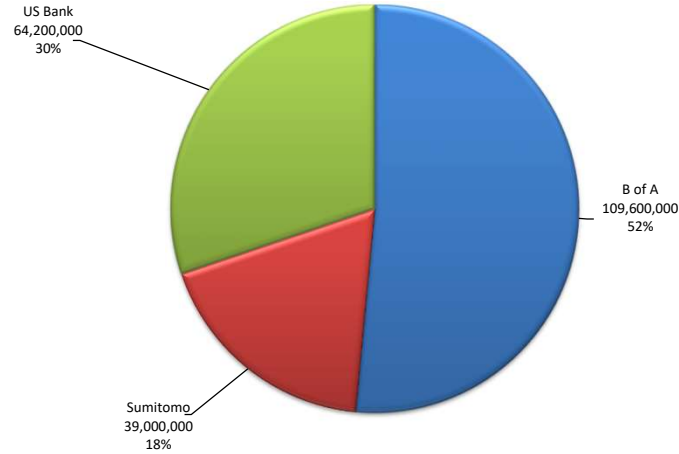
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Exhibit "C"
Irvine Ranch Water District
Summary of Fixed and Variable Rate Debt
May 2024

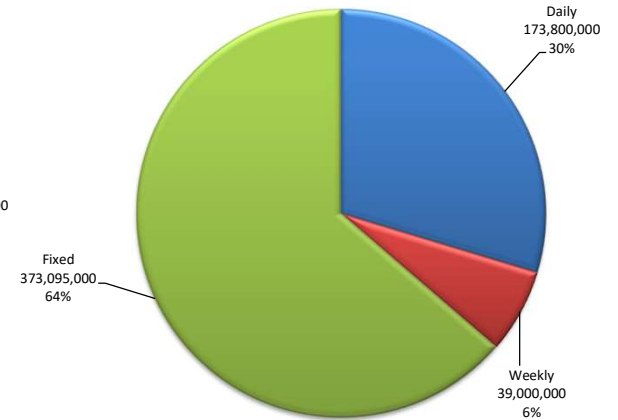
Current Debt Mix By Type



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	\$19,200,000	3.28%	US Bank	BAML	Variable	Daily
Series 2008-A Refunding	04/24/08	07/01/35	\$39,000,000	6.66%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	\$38,760,000	6.62%	B of A	Goldman	Variable	Daily
Series 2011-A-2 Refunding	04/15/11	10/01/37	\$25,840,000	4.41%	B of A	Goldman	Variable	Daily
Series 2009 - A	06/04/09	10/01/41	\$45,000,000	7.68%	US Bank	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	\$45,000,000	7.68%	B of A	Goldman	Variable	Daily
2016 COPS	09/01/16	03/01/46	\$101,490,000	17.32%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	\$175,000,000	29.87%	N/A	N/A	Fixed	Fixed
Series 2016	10/12/16	02/01/46	\$96,605,000	16.49%	N/A	N/A	Fixed	Fixed
Total			\$585,895,000	100.00%				

IRVINE RANCH WATER DISTRICT
SUMMARY OF FIXED & VARIABLE RATE DEBT

May-24

Daily
Weekly

GENERAL BOND INFORMATION							LETTER OF CREDIT INFORMATION							TRUSTEE INFORMATION									
VARIABLE RATE ISSUES	Issue Date	Maturity Date	Principal Payment Date	Payment Date	Original Par Amount	Remaining Principal	Letter of Credit	Reimbursement Agreement Date	L/C Exp. Date	MOODY'S	S&P	FITCH	LOC Stated Amount	LOC Fee	Annual LOC Cost	Rmkt Agent	Reset	Rmkt Fees	Annual Cost	Trustee			
SERIES 1993	05/19/93	04/01/33	Apr 1	5th Bus. Day	\$38,300,000	\$19,200,000	US BANK	05/07/15	05/01/25	Aa3/VMIG1	AA-/A-1+	N/R	\$19,458,805	0.3000%	\$58,376	BAML	DAILY	0.10%	\$19,200	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	\$38,760,000	B of A	02/01/24	02/08/27	Aa1/VMIG1	A+/A-1	AAA/F1+	\$39,193,262	0.3200%	\$125,418	Goldman	DAILY	0.07%	\$27,132	BANK OF NY			
SERIES 2011-A-2 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	\$40,370,000	\$25,840,000	B of A	02/01/24	02/08/27	Aa1/VMIG1	A+/A-1	AAA/F1+	\$26,128,842	0.3200%	\$83,612	Goldman	DAILY	0.07%	\$18,088	BANK OF NY			
SERIES 2009 - A	06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$45,000,000	US BANK	04/01/11	05/01/25	Aa2/VMIG1	AA-/A-1+	AA/F1+	\$45,503,014	0.3000%	\$136,509	US Bank	DAILY	0.07%	\$31,500	US BANK			
SERIES 2009 - B	06/04/09	10/01/41	Oct 1	1st Bus. Day	\$75,000,000	\$45,000,000	B of A	04/01/11	04/21/25	Aa2/VMIG1	A-/A-1	A1/F1+	\$45,503,014	0.2800%	\$127,408	Goldman	DAILY	0.07%	\$31,500	US BANK			
\$349,430,000						\$212,800,000						SUB-TOTAL VARIABLE RATE DEBT			\$215,363,923		0.3046%		\$655,992		0.07%		\$154,720
															(Wt. Avg)			(Wt. Avg)					

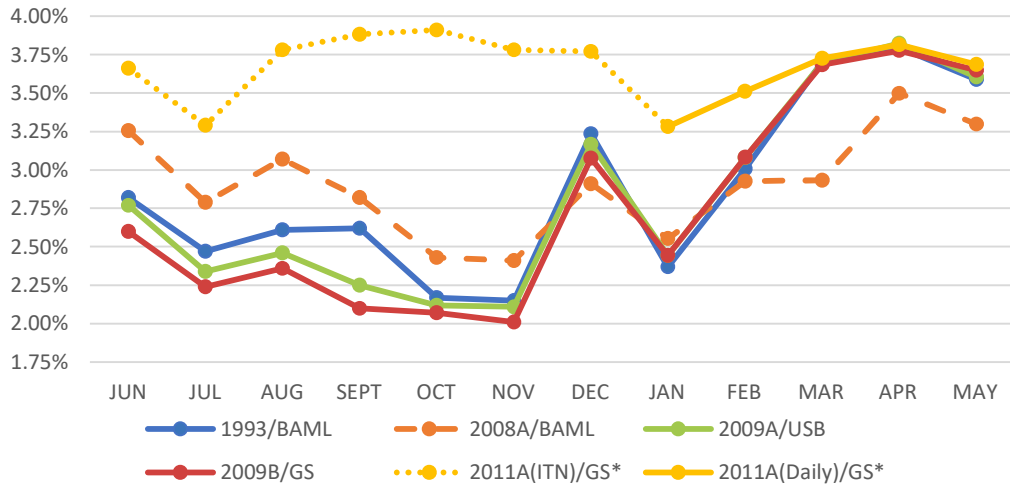
FIXED RATE ISSUES																					
2010 GO Build America Taxable Bonds	12/16/10	05/01/40	May (2025)	May/Nov	\$175,000,000	\$175,000,000	N/A	N/A	N/A	Aa1	AAA	NR	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK	
2016 COPS	09/01/16	03/01/46	Mar 1	Mar/Sept	\$116,745,000	\$101,490,000	N/A	N/A	N/A	NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	US BANK	
SERIES 2016	10/12/16	02/01/46	Feb 1	Feb/Aug	\$103,400,000	\$96,605,000	N/A	N/A	N/A	NR	AAA	AAA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	BANK OF NY	
\$395,145,000						\$373,095,000						SUB-TOTAL FIXED RATE DEBT									
\$744,575,000						\$585,895,000						TOTAL - FIXED & VARIABLE RATE DEBT									

Remarketing Agents			GO VS COP's		
Goldman	109,600,000	52%	GO:	484,405,000	83%
BAML	58,200,000	27%	COPS:	101,490,000	17%
US Bank	45,000,000	21%	Total	<u>585,895,000</u>	
	<u>212,800,000</u>				

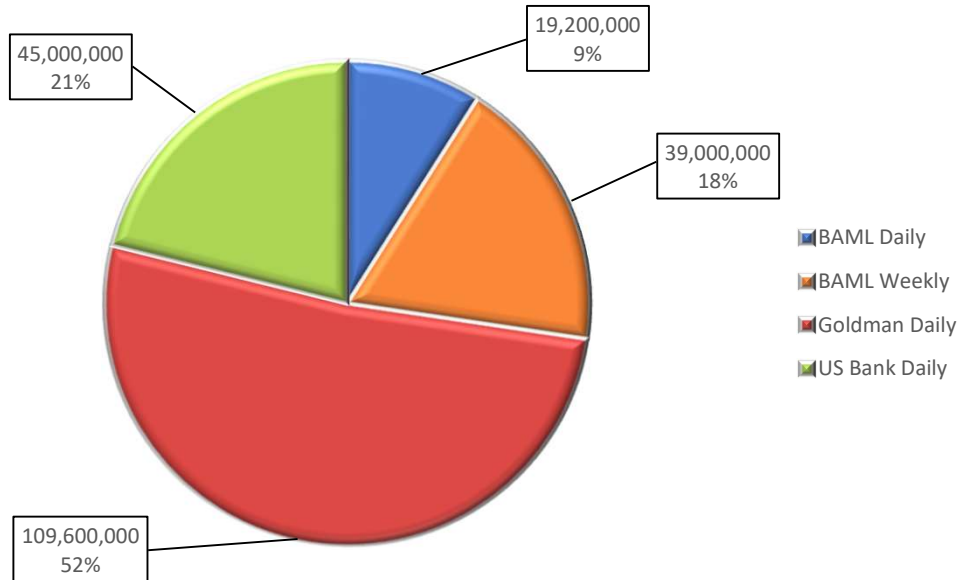
LOC Banks			Breakdown Between Variable & Fixed Rate Mode		
SUMITOMO	39,000,000	18%	Daily Issues	173,800,000	30%
BANK OF AMERICA	109,600,000	52%	Weekly Issues	39,000,000	7%
US BANK	64,200,000	30%	Sub-Total	<u>212,800,000</u>	
	<u>212,800,000</u>		Fixed Rate Issues	\$373,095,000	64%
			Sub-Total - Fixed	<u>373,095,000</u>	
			TOTAL DEBT		
			FIXED & VAR.	<u>585,895,000</u>	100%

Irvine Ranch Water District Summary of Remarketing Performance May 2024

All-in Variable Rate



Total Outstanding Principal By
Remarketing Agent



*2011A(ITN)s are based on SIFMA + 5. Please note that the 2011A(ITN)s converted to a daily rate made on February 8th 2024.

REMARKETING AGENT PERFORMANCE COMPARISON
May-24

Daily Variable Rate Comparison			
Date	Goldman Sachs vs US Bank	Goldman Sachs vs Bank of America	US Bank vs Bank of America
5/1/2024	-0.05%	0.07%	0.12%
5/2/2024	-0.15%	-0.08%	0.07%
5/3/2024	0.10%	0.15%	0.05%
5/4/2024	0.10%	0.15%	0.05%
5/5/2024	0.10%	0.15%	0.05%
5/6/2024	-0.05%	0.07%	0.12%
5/7/2024	0.10%	0.29%	0.19%
5/8/2024	0.20%	0.34%	0.14%
5/9/2024	0.10%	-0.06%	-0.16%
5/10/2024	0.10%	-0.09%	-0.19%
5/11/2024	0.10%	-0.09%	-0.19%
5/12/2024	0.10%	-0.09%	-0.19%
5/13/2024	0.05%	-0.12%	-0.17%
5/14/2024	-0.10%	-0.05%	0.05%
5/15/2024	0.05%	-0.20%	-0.25%
5/16/2024	0.05%	0.07%	0.02%
5/17/2024	0.15%	0.27%	0.12%
5/18/2024	0.15%	0.27%	0.12%
5/19/2024	0.15%	0.27%	0.12%
5/20/2024	-0.05%	0.25%	0.30%
5/21/2024	0.00%	0.35%	0.35%
5/22/2024	0.30%	0.45%	0.15%
5/23/2024	0.00%	0.15%	0.15%
5/24/2024	-0.05%	0.05%	0.10%
Average Spread	0.06%	0.11%	0.05%

Rmkt Agent	GS / US Bank	GS / Bank of America	US Bank / Bank of America
Mode	Daily	Daily	Daily
Bond Issue	2011A & 2009B / 2009A	2011A & 2009B / 1993	2009A / 1993
Par Amount	\$64.6MM & \$45MM / \$45MM	\$64.6MM & \$45MM / \$19.2MM	\$45MM / \$19.2MM
LOC Bank	Bank of America / US Bank	Bank of America / US Bank	US Bank / US Bank

SUMMARY OF DEBT RATES
May-24

Rmkt Agent Mode	GOLDMAN			MERRILL LYNCH		US BANK
	DAILY	DAILY	DAILY	DAILY	WEEKLY	
Bond Issue	2009 - B	2011 A-1	2011 A-2	1993	2008-A	2009-A
Par Amount	45,000,000	38,760,000	25,840,000	19,200,000	39,000,000	45,000,000
LOC Bank Reset	BOFA	BOFA	BOFA	US BANK	Sumitomo Wednesday	US BANK
5/1/2024	3.75%	3.75%	3.75%	3.68%	3.07%	3.80%
5/2/2024	3.30%	3.30%	3.30%	3.38%	2.92%	3.45%
5/3/2024	3.30%	3.30%	3.30%	3.15%	2.92%	3.20%
5/4/2024	3.30%	3.30%	3.30%	3.15%	2.92%	3.20%
5/5/2024	3.30%	3.30%	3.30%	3.15%	2.92%	3.20%
5/6/2024	2.95%	2.95%	2.95%	2.88%	2.92%	3.00%
5/7/2024	2.85%	2.85%	2.85%	2.56%	2.92%	2.75%
5/8/2024	2.60%	2.60%	2.60%	2.26%	2.92%	2.40%
5/9/2024	2.50%	2.50%	2.50%	2.56%	2.42%	2.40%
5/10/2024	2.95%	2.95%	2.95%	3.04%	2.42%	2.85%
5/11/2024	2.95%	2.95%	2.95%	3.04%	2.42%	2.85%
5/12/2024	2.95%	2.95%	2.95%	3.04%	2.42%	2.85%
5/13/2024	3.50%	3.50%	3.50%	3.62%	2.42%	3.45%
5/14/2024	3.85%	3.85%	3.85%	3.90%	2.42%	3.95%
5/15/2024	4.00%	4.00%	4.00%	4.20%	2.42%	3.95%
5/16/2024	4.00%	4.00%	4.00%	3.93%	3.44%	3.95%
5/17/2024	3.85%	3.85%	3.85%	3.58%	3.44%	3.70%
5/18/2024	3.85%	3.85%	3.85%	3.58%	3.44%	3.70%
5/19/2024	3.85%	3.85%	3.85%	3.58%	3.44%	3.70%
5/20/2024	3.40%	3.40%	3.40%	3.15%	3.44%	3.45%
5/21/2024	3.00%	3.00%	3.00%	2.65%	3.44%	3.00%
5/22/2024	3.00%	3.00%	3.00%	2.55%	3.44%	2.70%
5/23/2024	2.90%	2.90%	2.90%	2.75%	2.70%	2.90%
5/24/2024	3.20%	3.20%	3.20%	3.15%	2.70%	3.25%
Avg Interest Rates	3.30%	3.30%	3.30%	3.19%	2.91%	3.24%
Rmkt Fee	0.07%	0.07%	0.07%	0.10%	0.07%	0.07%
LOC Fee	0.28%	0.32%	0.32%	0.30%	0.32%	0.30%
All-In Rate	3.65%	3.69%	3.69%	3.59%	3.30%	3.61%
Par Amount	109,600,000			58,200,000		45,000,000

Interest Rate Mode	Percent of Total Variable Rate Debt	Par Outstanding	Weighted All-In Average Rate	Base Rate Average
Daily	81.67%	173,800,000	3.64%	3.27%
Weekly	18.33%	39,000,000	3.30%	2.91%
	100.00%	\$212,800,000	3.58%	3.20%
Fixed				
COPS 2016	27.20%	101,490,000	2.90%	
BABS 2010	46.90%	175,000,000	4.44%	(1)
SERIES 2016	25.89%	96,605,000	3.32%	
	100.00%	\$373,095,000	3.73%	
All-In Debt Rate Including \$60 Million Notional Amount of Swaps				3.69%


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

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June 4, 2024

Prepared by: O. Mendoza / J. Davis

Submitted by: N. Adly

Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

REAL ESTATE QUARTERLY PERFORMANCE

SUMMARY:

Staff will provide the Committee with an update on the financial performance of IRWD's real estate investments and other revenue generating properties for the quarter ended March 31, 2024.

BACKGROUND:

For the quarter ended March 31, 2024, the net operating income (NOI) for IRWD's residential and commercial real estate investment properties was approximately \$4.0 million, which represents a 15.18% annualized return. The fiscal year (FY) to date NOI was approximately \$11.8 million. A report summarizing the NOI and returns for IRWD's real estate investment properties, golf course land lease, and cell sites over the course of the year is provided as Exhibit "A". More detail descriptions of the returns on the District real estate investments, by category, are included below.

Residential Investment Properties:

The NOI for the Sycamore Canyon Apartments for the quarter ended March 31, 2024, was approximately \$2.8 million and \$8.1 million fiscal year to date, which were favorable to budget by \$197,169 and \$571,048, respectively. The variances were due to higher than anticipated revenue from increased lease rates and lower than budgeted operating expenses for payroll, utilities, and maintenance. The District's limited partnership investment in the Wood Canyon Villa property earned a preferred return of 9.00% providing income of \$134,263 for the quarter end and \$406,483 for the FY to date. The net return for Wood Canyon was 8.61% for the quarter end and 8.56% for the FY to date.

Commercial Investment Properties:

For the quarter and fiscal year to date March 31, 2024, NOI at the Irvine Market Place (230 Commerce) property was \$108,139 and \$356,864, which was unfavorable to budget by \$7,298 and \$39,257, respectively. The variances were due to lower than budgeted rent revenue resulting from two vacant suites in the first two quarters and higher than anticipated operating expenses for HVAC repairs, remediation repairs, and utilities. The property is currently 100% occupied.

For the quarter and fiscal year to date March 31, 2024, NOI at the Waterworks Way Business Park property was \$189,556 and \$562,061, which was favorable to budget by \$6,056 and \$23,818, respectively. The variances were due to lower maintenance expenses. Currently, the property has one suite available, which is being marketed by IRWD's commercial broker, Colliers International. The property is currently 90% occupied.

For the quarter ended March 31, 2024, NOI at the Sand Canyon Medical Office property was \$178,550, which was in line with budget. Fiscal year to date NOI was \$506,125 and unfavorable to budget by \$21,148 due to higher than budgeted property taxes. The property is currently 100% occupied.

For the quarter ended March 31, 2023, NOI at the Sand Canyon Professional Center general office property was \$619,881, which was in line with budget. Fiscal year to date NOI was \$1,786,406 and unfavorable to budget by \$30,944 due to higher than budgeted common area maintenance (CAM) and repair expenses. 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 March 31, 2024, was \$209,381. This was a 4.28% increase compared to the same period last year when income was \$200,791. The fiscal year to date income was \$782,523, representing an increase of 8.27% compared to the same period last year. The additional revenues were due to an increase in green fees from rounds of golf played. For the quarter ended March 31, 2024, the lease revenue from the District's five cell sites was \$176,787, which was an increase of \$98,213 from the same period last year, due to timing of receipt of the revenue share. The FY period NOI was \$326,491, a decrease of \$6,988 from the same period last year. The decrease was primarily due to a renewal signing bonus in the previous period.

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 March 31, 2024

INCOME PROPERTIES							FY 2023-24				FY 2023-2024 RATE OF RETURN				3 Year Average Rate of Return	5 Year Average Rate of Return
Property Description	Capital Investment	Jan-24	Feb-24	Mar-24	FY Q3	FY 2023-24 TOTAL	Annualized Q1	Annualized Q2	Annualized Q3	Average Fiscal YTD	FY 21/22 - 23/24	FY 19/20 - 23/24				
Sycamore Canyon Apartments	\$ 45,457,369	\$ 963,000	\$ 911,088	\$ 929,414	\$ 2,803,502	\$ 8,145,691	23.77%	23.23%	24.67%	23.50%	21.96%	20.58%				
Wood Canyon Villa Apartments	\$ 6,000,000	\$ 45,738	\$ 42,787	\$ 45,738	\$ 134,263	\$ 406,483	8.50%	8.61%	8.61%	8.56%	9.00%	9.00%				
Irvine Market Place Office	\$ 5,568,747	\$ 38,405	\$ 41,039	\$ 28,695	\$ 108,139	\$ 356,864	9.78%	8.08%	7.77%	8.93%	9.99%	9.98%				
Waterworks Way Business Park	\$ 8,983,395	\$ 57,012	\$ 64,630	\$ 67,914	\$ 189,556	\$ 562,061	8.55%	8.04%	8.44%	8.29%	7.71%	7.15%				
Sand Canyon Professional Center - Medical	\$ 8,715,929	\$ 54,399	\$ 58,836	\$ 65,315	\$ 178,550	\$ 506,125	7.85%	7.19%	8.19%	7.52%	8.35%	8.62%				
Sand Canyon Professional Center - General	\$ 31,404,103	\$ 210,340	\$ 205,667	\$ 203,874	\$ 619,881	\$ 1,786,406	7.29%	7.57%	7.90%	7.43%						
		\$ 106,129,543	\$ 1,368,894	\$ 1,324,047	\$ 1,340,950	\$ 4,033,891	\$ 11,763,630	14.70%	14.37%	15.18%	14.54%	16.72%	15.85%			

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 March 31, 2024**

Property Description	2023-24 NET INCOME				
	Jan-24	Feb-24	Mar-24	FY Q3	NET INCOME 2023 - 2024
Strawberry Farms Golf Course	\$ 75,655	\$ 70,166	\$ 63,560	\$ 209,381	\$ 782,523
Change From Prior Year Period:				\$ 8,590 4.28%	\$ 59,758 8.27%
Cellular Sites	\$ 19,957	\$ 43,621	\$ 113,209	\$ 176,787	\$ 326,491
Change From Prior Year Period:				\$ 98,213 124.99%	\$ (6,988) -2.10%

June 4, 2024

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

Submitted by: N. Adly

Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

FISCAL YEAR 2023-24 OPERATING AND NON-OPERATING FINANCIAL HIGHLIGHTS QUARTERLY UPDATE

SUMMARY:

Staff has prepared a financial analysis of the unaudited operating statements through the third quarter of Fiscal Year (FY) 2023-24. Operating net revenue was \$133 million and total system operating expenses were \$131.6 million resulting in net operating income of \$1.4 million. This was \$5.7 million favorable compared to budget. Consolidated expenses, including capital, was \$146.8 million and \$14.9 million favorable compared to budget. Non-operating net income was \$90.4 million and \$23.6 million favorable compared to budget.

BACKGROUND:

Details of unaudited actual results through the third quarter of FY 2023-24 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”.

Summary of Operating Revenues and Expenses:

Net revenues were \$133 million and operating expenses were \$131.6 million resulting in a net operating income through the third quarter of FY 2023-24 of \$1.4 million. The net operating income through the third quarter of FY 2023-24 was budgeted at a loss of \$4.3 million. This budgeted loss was attributable to the \$7.2 million of Rate Stabilization Funds which will be applied at year-end. Exhibit “A” shows a detailed comparison and explanations for significant variances of actual to budget revenues and expenses by system through the third quarter of FY 2023-24. A summary by system is outlined below.

Potable Water System:

Net revenues were below budget by \$1.0 million and total expenses were below budget by \$4.1 million. *Potable Water System* sales were 1,108 AF and \$0.9 million below budget, primarily due to recent heavy rainfall, cooler temperatures, and ongoing conservation efforts.

The following expenses were below budget by more than \$0.5 million:

- Salaries and benefits (\$0.8 M);
- Water (\$2.6 M); and
- Electricity (\$0.7 M).

Additional information is provided in Exhibits “A-2” and “A-3”.

Recycled Water System:

Net revenues were below budget by \$6.5 million and total expenses were below budget by \$7.5 million. *Recycled Water System* sales were 3,284 AF and \$6.3 million below budget, primarily due to recent heavy rainfall, cooler temperatures, and ongoing conservation efforts.

The following expenses were under budget by more than \$0.5 million:

- Salaries and benefits (\$1.0 M);
- Water (\$3.4 M);
- Electricity (\$1.8 M); and
- All other expenses (\$1.1 M).

Additional information is provided in Exhibits “A-4” and “A-5”.

Sewer System:

Net revenues were below budget by \$0.4 million and total expenses were below budget by \$3.6 million. *Sewer System* fixed service charges were below budget by \$1.1 million.

The following expenses were under budget by more than \$0.5 million:

- Salaries and benefits (\$1.1 M);
- All other repairs and maintenance (\$0.8 M); and
- All other expenses (\$1.5 M).

Additional information is provided in Exhibit “A-6”.

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

Net revenues were below budget by \$1.5 million and total expenses were over budget by \$0.2 million. Over-allocation revenue was below budget by \$1.5 million. Additional information is provided in Exhibit “A-7”.

Summary of Operating Expenses:

Exhibit “B” includes a summary of actual versus budgeted expenses by major category, including capital, through the third quarter of FY 2023-24. Net operating expenses were \$146.8 million, which is \$14.9 million below budget. The full year net operating expenses forecast for FY 2023-24 is \$205.9 million, which is \$14.8 million below budget. Additional information is provided in Exhibit “B-2”. Salary and employee benefits information is provided in Exhibit “B-3”.

Summary of Non-Operating Revenues and Expenses:

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

Through the third quarter of FY 2023-24, the non-operating net income was \$90.4 million, which was favorable to budget by \$23.5 million. Revenues were over budget by \$23.6 million and expenses were on budget. The full-year net income forecast for FY 2023-24 is \$123.9 million, which is \$32.6 million higher than budget.

FISCAL IMPACTS:

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

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

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

Exhibit “B” – Consolidated Actual to Budget and Forecast Operating Expenses

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

Note: This page is intentionally left blank.

Exhibit "A"
Actual vs Budget Operating Net Income by System
Through the Third Quarter of Fiscal Year 2023-24
(in thousands)

Consolidated			
Revenues:	Actual	Budget	Variance
Commodity	\$ 68,723	\$ 77,444	\$ (8,721)
Fixed Service Charges and Other	88,995	90,437	(1,442)
Total Revenues	\$ 157,718	\$ 167,881	\$ (10,163)
Contribution to Enhancement and Replacement Funds	(24,710)	(25,502)	792
Net Revenues	\$ 133,008	\$ 142,379	\$ (9,371)
Expenses:			
Salaries and Benefits	\$ 34,361	\$ 37,604	\$ 3,243
Water	33,273	39,233	5,960
Electricity	16,404	19,126	2,722
Repairs and Maintenance - OC San Sewer	3,030	3,090	60
All Other Repairs and Maintenance	9,755	10,234	479
All Other Operating Expense	34,821	37,389	2,568
Total Expenses	\$ 131,644	\$ 146,676	\$ 15,032
Net Operating Income (Loss)	\$ 1,364	\$ (4,297)	\$ 5,661

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

Actual vs Budget Operating Net Income by System
Through the Third Quarter of Fiscal Year 2023-24
(in thousands)

Potable (treated and untreated systems)			
Revenues:	Actual	Budget	Variance
Commodity	\$ 42,935	\$ 43,871	\$ (936)
Fixed Service Charges and Other	33,909	34,088	(179)
Total Revenues	\$ 76,844	\$ 77,959	\$ (1,115)
Contribution to Enhancement and Replacement Funds	(6,993)	(7,078)	85
Net Revenues	\$ 69,851	\$ 70,881	\$ (1,030)
Expenses:			
Salaries and Benefits	\$ 12,959	\$ 13,777	\$ 818
Water	30,953	33,537	2,584
Electricity	9,192	9,858	666
Repairs and Maintenance	3,520	3,366	(154)
All Other Operating Expense	13,585	13,755	170
Total Expenses	\$ 70,209	\$ 74,293	\$ 4,084
Net Operating Income (Loss)	\$ (358)	\$ (3,412)	\$ 3,054

Revenues:

Commodity Revenue was below budget by \$0.9M due to:

- Substantial rainfall combined with ongoing conservation efforts contributed to a decrease in residential and landscape sales.
- Decrease in sales was partially offset by increased water banking income of \$1.3M.

Expenses:

Salaries and Benefits expenses were below budget by \$0.8M due to:

- The approved Cost of Living Adjustment (COLA) for FY 2023-24 was lower than budgeted.
- Total vacant positions were greater than budgeted.

Water expense was below budget by \$2.6M due to:

- The use of native water reduced the more expensive untreated water import purchases.
- There was an increase in the sale of native water to Baker and recycled water system.

Electricity expense was below budget by \$0.7M due to:

- Potable Treatment Plant (PTP) pumping was reduced due to required well maintenance and inspections. Orange Park Acres Well #1 (OPA) remained offline through Q3.
- Reduction in sales demand resulted in reduced pumping and lower electricity costs.

**Actual vs Budget Operating Net Income by System
Through the Third Quarter of Fiscal Year 2023-24**

Potable (treated and untreated systems)						
	Acre Feet (AF)			Cost (in Millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
Treated						
Pumped	30,461	33,735	3,274	\$19.5	\$20.5	\$1.0
Imported	4,993	3,853	(1,140)	8.2	7.7	(0.5)
Baker Treatment Plant (Baker)	8,318	5,400	(2,918)	7.4	5.1	(2.3)
Baker Partners*	(2,860)	-	2,860	(2.3)	-	2.3
Total Treated	40,912	42,988	2,076	32.8	33.3	0.5
Untreated						
Native Water	5,561	1,830	(3,731)	1.9	0.8	(1.1)
Imported	130	2,176	2,046	0.2	3.2	3.0
Baker ILP	(3,770)	-	3,770	(2.9)	-	2.9
Transfer to Recycled	(1,361)	(3,934)	(2,573)	(1.3)	(4.0)	(2.7)
Evaporation	(146)	-	146	-	-	-
Total Untreated	414	72	(342)	(2.1)	-	2.1
Total	41,326	43,060	1,734	\$ 30.7	\$ 33.3	\$ 2.6
Process Waste and System Loss	(2,893)	(3,519)	(626)			
Sales/Cost of Sales	38,433	39,541	1,108	\$ 30.7	\$ 33.3	\$ 2.6
Baker Partners Reimbursement				2.3		(2.3)
Total				\$ 33.0	\$ 33.3	\$ 0.4

Pumped Water usage and costs were below budget by \$1.0M due to:

- Potable Treatment Plant (PTP) pumping was reduced due to required well maintenance and inspections. OPA Well 1 remained offline through Q3.
- Costs include basin equity adjustment (BEA) from FY 2022-23.

Potable Imported water usage and cost were over budget by \$0.5M due to:

- Imported water purchases through Q3 higher than budgeted.

Native Water usage and cost were over budget by \$1.1M due to:

- Availability was higher than budget and used to supply the recycled system and Baker.

Untreated Imported water usage and costs were below budget by \$3.0M due to:

- Reduction in water transferred to the Recycled System due to decreased demand.
- Imported water replaced less expensive native water.

Sales/Cost of Sales were below budget by \$2.6M due to:

- Sales were below budget as a result of recent heavy rainfall, cooler temperatures, and ongoing conservation efforts.

***Cost reimbursement is included in Reimbursement from Partners.**

Actual vs Budget Operating Net Income by System
Through the Third Quarter of Fiscal Year 2023-24
(in thousands)

Recycled			
Revenues:	Actual	Budget	Variance
Commodity	\$ 14,935	\$ 21,271	\$ (6,336)
Fixed Service Charges and Other	6,727	6,895	(168)
Total Revenues	\$ 21,662	\$ 28,166	\$ (6,504)
Contribution to Enhancement and Replacement Funds	(921)	(955)	34
Net Revenues	\$ 20,741	\$ 27,211	\$ (6,470)
Expenses:			
Salaries and Benefits	\$ 5,633	\$ 6,617	\$ 984
Water	2,320	5,696	3,376
Electricity	4,663	6,485	1,822
Repairs and Maintenance	837	1,023	186
All Other Operating Expense	6,798	7,923	1,125
Total Expenses	\$ 20,251	\$ 27,744	\$ 7,493
Net Operating Income (Loss)	\$ 490	\$ (533)	\$ 1,023

Revenues:

Commodity Revenue was below budget by \$6.3M due to:

- Decrease in landscape and agricultural sales resulting from recent heavy rainfall, cooler temperatures, and ongoing conservation efforts (3,284 AF below budget).
- The cost of supplying recycled water to the Green Acres Project was not charged back but covered by IRWD (2,848 AF).

Expenses:

Salaries and Benefits were below budget by \$1M due to:

- The approved Cost of Living Adjustment (COLA) for FY 2023-24 was lower than budgeted.
- Total vacant positions were greater than budgeted.

Water expense was below budget by \$3.4M due to:

- Recycled water demands were lower than expected.
- Produced and stored water was utilized instead of the more expensive supplemental and pumped water.

Electricity expense was below budget by \$1.8M due to:

- El Toro Remediation Project (ETGR) pumping was reduced due to required well maintenance and inspections.
- Reduction in sales demand resulted in reduced pumping and lower electricity costs.
- Reduced pumping of produced water due to the draining of Syphon reservoir.

All Other Operating Expense was below budget by \$1.1M due to:

- Lower cost of chemicals due to decreased production at LAW RP and reduced demand for recycled water.
- Professional fees were below budget due to the timing of planned work and expense recognition.
- Allocated Customer Service and Building Maintenance expenses were below expectations.

**Actual vs Budget Operating Net Income by System
Through the Third Quarter of Fiscal Year 2023-24**

Recycled						
	Acre Feet (AF)			Cost (in Millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
Produced/ Storage	17,813	18,303	490	\$ -	\$ -	\$ -
Untreated Supplemental	1,361	3,934	2,573	1.3	4.0	2.7
Pumped	1,562	2,851	1,289	1.0	1.7	0.7
Total	20,736	25,088	4,352	\$ 2.3	\$ 5.7	\$ 3.4
Process Waste and System Loss	(454)	(1,522)	(1,068)			
Sales/Cost of Sales	20,282	23,566	3,284	\$ 2.3	\$ 5.7	\$ 3.4

Untreated Supplemental was below budget by \$2.7M due to:

- Supplemental water usage and cost were below budget due to reduced demand.

Pumped water usage and cost were below budget by \$0.7M due to:

- El Toro Remediation Project (ETGR) pumping was reduced due to required well maintenance and inspections.

Sales/Cost of Sales were below budget by \$3.4M due to:

- Reduced agricultural and landscape demands recent heavy rainfall, cooler temperatures, and ongoing conservation efforts.

Actual vs Budget Operating Net Income by System
Through the Third Quarter of Fiscal Year 2023-24
(in thousands)

Sewer			
Revenues:	Actual	Budget	Variance
Fixed Service Charges and Other	\$ 48,359	\$ 49,454	\$ (1,095)
Total Revenues	48,359	49,454	(1,095)
Contribution to Enhancement and Replacement Funds	(16,796)	(17,469)	673
Net Revenues	\$ 31,563	\$ 31,985	\$ (422)
Expenses:			
Salaries and Benefits	\$ 11,970	\$ 13,071	\$ 1,101
Electricity	2,356	2,560	204
Repairs and Maintenance - OC San	3,030	3,090	60
All Other Repairs and Maintenance	3,001	3,749	748
All Other Operating Expense	9,821	11,311	1,490
Total Expenses	\$ 30,178	\$ 33,781	\$ 3,603
Net Operating Income (Loss)	\$ 1,385	\$ (1,796)	\$ 3,181

Revenues:

Fixed Service Charges and Other (\$1.1M) and Fund Contributions (\$0.7M) were below budget due to:

- Reduced demands resulting in a customer shift between sewer blocks or tiers (0-5 ccf, 6-10 ccf, >10 ccf) not anticipated in the budget.

Expenses:

Salaries and Benefits were below budget by \$1.1M due to:

- The approved Cost of Living Adjustment (COLA) for FY 2023-24 was lower than budgeted.
- Total vacant positions were greater than budgeted.

All Other Operating Expense were below budget by \$1.5M due to:

- Reduction in chemicals costs resulting from process optimization and timing of purchases.
- Equipment Usage is applied based on salaries which was below budget as described above.
- Allocated G&A Expense was applied based on salaries which was below budget as described above.
- Allocated Customer Service and Building Maintenance expenses were below expectations.

Actual vs Budget Operating Net Income by System
Through the Third Quarter of Fiscal Year 2023-24
(in thousands)

Conservation, NTS and Water Banking (Over-Allocation Fund)			
Revenues:	Actual	Budget	Variance
Commodity	\$ 10,853	\$ 12,302	\$ (1,449)
Total Revenues	10,853	12,302	(1,449)
Contribution to Enhancement and Replacement Funds	-	-	-
Net Revenues	\$ 10,853	\$ 12,302	\$ (1,449)
Expenses:			
Salaries and Benefits	\$ 3,799	\$ 4,139	\$ 340
Electricity	193	223	30
Repairs and Maintenance	2,397	2,096	(301)
All Other Operating Expense	4,617	4,400	(217)
Total Expenses	\$ 11,006	\$ 10,858	\$ (148)
Net Operating Income (Loss)	\$ (153)	\$ 1,444	\$ (1,597)

Revenues:

Commodity Revenue was below budget by \$1.5M due to:

- Potable and recycled over-allocation sales were below budget as a result of recent heavy rainfall, cooler temperatures, and ongoing conservation efforts.

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Exhibit "B"

Irvine Ranch Water District
Operating Expenses
(in thousands)

Through the Third Quarter of Fiscal Year 2023-24				FY 2023-24 Full Year		
Expense Name	Actual	Budget	Actual vs Budget	Forecast	Budget	Act Vs Budget %
Regular Labor	\$ 29,213	\$ 31,610	\$ 2,397	\$ 41,790	\$ 44,490	7.6%
Overtime Labor	2,659	2,642	(17)	3,572	3,572	-0.6%
Contract Labor	875	1,208	333	1,072	1,572	27.6%
Employee Benefits	21,271	22,098	827	29,253	30,753	3.7%
Salaries & Benefits Total	\$ 54,018	\$ 57,558	\$ 3,540	\$ 75,688	\$ 80,388	6.2%
Water	35,498	39,233	3,735	47,983	52,983	9.5%
Electricity	18,753	21,281	2,528	25,586	28,386	11.9%
Fuel	992	1,088	96	1,445	1,445	8.8%
Telecommunication	696	695	(1)	929	929	-0.1%
Other Utilities	355	254	(101)	330	330	-39.8%
Water & Utilities Total	\$ 56,294	\$ 62,551	\$ 6,257	\$ 76,273	\$ 84,073	10.0%
Chemicals	6,417	6,103	(314)	8,208	8,208	-5.1%
Operating Supplies	2,698	2,331	(367)	3,110	3,110	-15.7%
Printing	332	275	(57)	370	370	-20.7%
Postage	368	368	-	491	491	0.0%
Permits, Licenses and Fees	1,922	1,795	(127)	2,200	2,200	-7.1%
Office Supplies	53	77	24	103	103	31.2%
Duplicating Equipment	79	96	17	128	128	17.7%
Equipment Rental	58	63	5	84	84	7.9%
Materials & Supplies Total	\$ 11,927	\$ 11,108	\$ (819)	\$ 14,693	\$ 14,693	-7.4%
Rep & Maint OC SAN & Others	3,806	4,028	222	5,369	5,369	5.5%
Rep & Maint IRWD	10,850	11,482	632	15,606	15,606	5.5%
Insurance	2,024	2,439	415	3,252	3,252	17.0%
Legal Fees	1,699	2,355	656	3,163	3,163	27.9%
Engineering Fees	622	882	260	1,051	1,051	29.5%
Accounting Fees	85	80	(5)	106	106	-6.3%
Data Processing	3,259	3,427	168	4,331	4,331	4.9%
Personnel Training	921	1,323	402	1,804	1,804	30.4%
Personnel Physicals	21	32	11	44	44	34.4%
Other Professional Fees	3,889	4,540	651	7,061	7,061	14.3%
Directors' Fees	114	143	29	190	190	20.3%
Professional Services Total	\$ 27,290	\$ 30,731	\$ 3,441	\$ 41,976	\$ 41,976	11.2%
Election Expense	45	45	-	60	60	0.0%
Safety	67	86	19	112	112	22.1%
Alarm and Patrol Services	613	779	166	1,039	1,039	21.3%
Biosolids Disposals	825	790	(35)	1,054	1,054	-4.4%
Contract Meter Reading	1,074	1,223	149	1,630	1,630	12.2%
Over-Allocation	980	780	(200)	1,040	1,040	-25.6%
Other	366	419	53	559	559	12.6%
Other Total	\$ 3,970	\$ 4,122	\$ 152	\$ 5,495	\$ 5,495	3.7%
Total Expenses	\$ 153,499	\$ 166,070	\$ 12,571	\$ 214,124	\$ 226,624	7.6%
Less: Reimbursement from Partners	(6,728)	(4,422)	2,306	(8,262)	(5,956)	52.1%
Grand Total	\$ 146,771	\$ 161,648	\$ 14,877	\$ 205,862	\$ 220,668	9.2%

Irvine Ranch Water District
Operating Expenses
Through the Third Quarter of Fiscal Year 2023-24

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

Regular Labor is below budget by \$2.4M.

- The approved Cost of Living Adjustment (COLA) for FY 2023-24 was lower than expected.
- Total vacant positions were greater than budgeted projections.

Employee Benefits are below budget by \$0.8M.

- Total vacant positions were greater than budgeted projections.

Water is below budget by \$3.7M.

- The use of native water reduced the more expensive untreated water import purchases.
- Substantial rainfall combined with ongoing conservation efforts contributed to a decrease in water sales.
- Potable Treatment Plant (PTP) and El Toro Remediation Project (ETGR) pumping was reduced due to required well maintenance and inspections. OPA Well 1 remained offline through Q3.
- Compensation from the Baker Partners is reflected in the reimbursements from Partners.
- Costs include basin equity adjustment (BEA) from FY 2022-23.

Electricity is below budget by \$2.5M.

- Reduction in sales demand resulted in reduced pumping and lower electricity costs.
- Reduction in pumping of produced water due to the draining of Syphon reservoir.
- Potable Treatment Plant (PTP) and El Toro Remediation Project (ETGR) pumping was reduced due to required well maintenance and inspections. OPA Well 1 remained offline through Q3.

Repair and Maintenance are below budget by \$0.6M.

- Repair and Maintenance was below budget due to a combination of time constraints and lower actual expenses.

Legal Fees is below budget by \$0.7M.

- There were no expected special projects and litigation & personnel issues were lower than anticipated.

Other Professional Fees are below budget by \$0.7M.

- Professional Fees were below budget due to a combination of time-related considerations and lower actual expenses.

Reimbursement from Partners

- Reimbursements were higher mostly due to unbudgeted compensation for Irvine Lake water.

Irvine Ranch Water District
Salary and Employee Benefits Summary
Through the Third Quarter of Fiscal Year 2023-24
(in thousands)

Expense Name	Actual	Budget	Actual vs Budget
District Labor Cost (2,080 hours)	\$ 33,002	\$ 34,195	\$ 1,193
Paid Time Off Net Accrual	220	456	236
PERS Contribution and in Excess of ARC	8,939	9,671	732
Employee Medical (health, dental, vision)	5,323	5,583	260
Retiree Benefits	217	796	579
401A Contributions	928	1,137	209
Workers Compensation (Premiums and Claims)	1,070	1,106	37
Other Employer Taxes (medicare, employment)	530	556	25
	Actual	Budget	Variance
General & Administrative Expense Allocation	139%	116%	-23%

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Exhibit "C"
Irvine Ranch Water District
Non-Operating Net Income
Through the Third Quarter of Fiscal Year 2023-24
(in thousands)

	Actual	Budget	Actual vs Budget	Forecast	Budget	Forecast vs Budget
Revenues:						
Property Taxes	\$ 61,792	\$ 54,366	\$ 7,426	\$ 84,900	\$ 78,600	\$ 6,300
Investment Income*	11,360	8,285	3,075	15,600	11,200	\$ 4,400
Connection Fees	15,500	9,000	6,500	27,900	12,000	\$ 15,900
Real Estate Income	15,459	14,787	672	19,700	19,700	\$ -
Other Income	10,028	4,125	5,903	12,900	7,000	\$ 5,900
Total Revenues	\$ 114,138	\$ 90,563	\$ 23,575	\$ 161,000	\$ 128,500	\$ 32,500
Expenses:						
Interest Expense	\$ 17,661	\$ 17,579	\$ (82)	\$ 27,900	\$ 27,900	(0)
Real Estate Expense	5,972	5,865	(107)	7,900	7,800	(100)
Other Expenses	143	300	157	1,350	1,500	150
Total Expenses	\$ 23,775	\$ 23,744	\$ (31)	\$ 37,150	\$ 37,200	\$ 50
Net Income	\$ 90,363	\$ 66,819	\$ 23,544	\$ 123,850	\$ 91,300	\$ 32,550

Revenues:

Property Taxes were over budget.

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

Investment Income was over budget.

Investment rates and average balances were higher than budgeted.
(\$321 million at 3.50% vs actual \$369 million at 4.10%).

Connection Fees were over budget.

The surge in connections fees from Q2 is driven by recent redevelopment by the Irvine Company.

Real Estate Income was over budget.


Over budget due to the overall higher-than-budgeted rents from Sycamore Canyon.

Other Income was over budget.

- Unbudgeted Syphon grant was \$3.4MM.
- Unbudgeted native water revenue was \$1.9M.
- Plan checks exceeded budget by \$1.1MM.

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

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June 4, 2024
Prepared by: D. Kanoff
Submitted by: S. Aryan / T. Mitcham
Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

RISK MANAGEMENT QUARTERLY REPORT

SUMMARY:

Staff will provide the Committee with a report on the insurance and claim expenses incurred by IRWD through the third quarter of the Fiscal Year (FY) ending June 30, 2024.

BACKGROUND:

A comparison of IRWD's actual versus budget insurance expenses for the third quarter of FY 2023-24 and FY 2022-23 is provided as Exhibit "A" and summarized as follows:

- Insurance premiums total \$1,849,648 and are \$490,727 under budget;
- Third-party claim administration expenses total \$1,614 and are \$20,886 under budget;
- Legal expenses total \$28,512; and
- Claim payments total \$11,601 and are \$63,399 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 2023-24

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Exhibit "A"

Irvine Ranch Water District
Insurance and Claims Summary
Period Ending March 31, 2024

PREMIUM	Actual FY 23/24	Budget FY 23/24	Variance	% Variance	Prior Actual FY 22/23
Crime	7,858	9,375	1,517	16%	8,419
General Liability	1,187,928	1,425,000	237,072	17%	1,083,929
Pollution	122,615	174,750	52,135	30%	135,210
Property	483,982	675,000	191,018	28%	467,810
Cyber	47,265	56,250	8,985	16%	45,406
Total	1,849,648	2,340,375	490,727	21%	1,740,774

CATEGORY	Open FY 23/24	Closed FY 23/24	Total FY 23/24	Budget FY FY 23/24	Variance	Prior FY 22/23
Membership				750	750	
Claim Payments - Property		11,601	11,601	75,000	63,399	66,162
* Claim Admin	39	1,575	1,614	22,500	20,886	1,500
Total FY 23/24	39	13,176	13,215	98,250	85,035	67,662

* Includes \$1,575 annual administrative fee

CATEGORY	Open FY 23/24	Total FY 23/24	Prior FY 22/23
Legal	28,512	28,512	16,987
Total FY 23/24	28,512	28,512	16,987

ACTIVITY	FY 22/23	FY 23/24
Beginning Open Claims	3	1
New Claims	13	14
Closed Claims	(15)	(9)
Current Open Claims	1	6

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Exhibit "B"

Register of Closed General Liability Claims as of March 31, 2024


Closed Claims Fiscal Year 2023-2024			
CLAIM TYPE	CLAIMANT	Claim Payments - Property	Grand Total
Single Event	Agustin Delgado	1,629	1,629
	Bhaskar Nag Edpuganti	2,311	2,311
	Frank McGovern	1,250	1,250
	Heather McDermott	1,766	1,766
	Neil Campbell	1,238	1,238
	Powerstone Property Management	185	185
	Richard Petruccio	18	18
	Robert Saavedra	1,250	1,250
	Tracy Duong	1,954	1,954
Grand Total		11,601	11,601

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June 4, 2024

Prepared by: V. Li / C. Smithson

Submitted by: N. Adly

Approved by: Paul A. Cook 

FINANCE AND PERSONNEL COMMITTEE

MID-CYCLE OPERATING AND NON-OPERATING BUDGET UPDATE FOR FISCAL YEAR 2024-25

SUMMARY:

Two-year operating and non-operating budgets for Fiscal Year (FY) 2023-24 and FY 2024-25 were approved by the Board in April 2023. Two-year connection fees and property tax rates for FY 2023-24 and FY 2024-25 were approved and adopted by the Board on July 24, 2023. Staff has conducted a detailed review of the second year of the two-year approved budgets for FY 2024-25. Exhibit “A” presents the mid-cycle financial review of the operating and non-operating budgets, assumptions, and potential rate impacts. Based on this analysis, staff recommends no changes to the connection fees and property taxes for FY 2024-25 already approved by the Board.

BACKGROUND:

FY 2024-25 Operating Budget and Proposed Rates:

On April 24, 2023, the Board approved a two-year operating budget that included expenses of \$220.7 million for FY 2023-24 and \$234.5 million for FY 2024-25. Staff has conducted a detailed mid-cycle review of the approved operating budgets for FY 2024-25, which is presented in Exhibit “A”. For FY 2024-25, the forecasted variances in expenses include “pass-through” costs of \$ 1.5 million, primarily attributable to increases from the Metropolitan Water District and the Orange County Water District replenishment assessment (RA) charges. The forecast reflects increases and decreases in several expense categories resulting in neutral impact overall.

The current forecast for FY 2023-24 assumes that the budgeted \$7.2 million of rate stabilization fund will not be utilized. Current projections for FY 2024-25 continue to assume \$0.5 million use of the rate stabilization fund.

Rates through FY 2024-25:

Based on the mid-cycle financial analysis for FY 2024-25 Operating Budget, no change to the overall forecast is expected. Therefore, staff recommends no change to the connection fees and property taxes for FY 2024-25 already approved by the Board.

FY 2024-25 Non-operating Budget:

On April 24, 2023, the Board approved a two-year non-operating budget with net income totaling \$91.3 million for FY 2023-24 and \$91.4 million for FY 2024-25. Staff has conducted a detailed mid-cycle review of the approved non-operating budget for FY 2024-25 as presented in Exhibit “A”. Forecasted variances resulting from changes in revenue (property taxes) and expense assumptions for FY 2024-25 are as follows:

Forecast Variances from Approved Non-Operating Budgets	
Net Income (millions)	FY 2024-25
Forecasted Revenue Variance	\$6.9
Forecasted Expense Variance	-
Projected Increase in Net Income	\$6.9

Connection Fees and Property Taxes:

The connection fee and property tax rates for FY 2023-24 and FY 2024-25 were approved and adopted by the Board on July 24, 2023. Staff conducted a detailed review of connection fees and property tax rates for each of IRWD’s improvement districts.

Staff considered IRWD’s updated projected capital expenditures, estimated property valuations, and Engineering News Record (ENR) cost increases. It was determined that future fund balances for each improvement district are expected to meet capital needs in alignment with IRWD’s policy of equally sharing of costs between developers and property owners with the already-approved FY 2024-25 connection fees and property taxes.

Based on these factors, the approved FY 2024-25 fees and property tax rates will remain unchanged.

FISCAL IMPACTS:

Fiscal impacts are outlined above and are included in Exhibit “A” 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 the mid-cycle operating and non-operating budget update.

LIST OF EXHIBITS:

Exhibit “A” – Mid-Cycle Operating Budgets and Rates for FY 2024-25 Draft Powerpoint

MID-CYCLE FINANCIAL REVIEW FOR FISCAL YEAR 2024-25



Finance & Personnel Committee Meeting
June 4, 2024



1

AGENDA

- FY 2024-25 Operating Budget
 - Key Assumptions
 - Approved Rates
- FY 2024-25 Non-Operating Budget
 - Key Assumptions
- FY 2024-25 Connection Fees and Property Taxes
 - Approved Connection Fees and Property Taxes
- Staff Recommendations



2



FY 2024-25 OPERATING BUDGET

3

OPERATING BUDGETS – KEY ASSUMPTIONS

Uncontrollable ("Pass Through") Cost Escalators				
Assumptions	FY 23-24	FY 24-25	FY 24-25 Updated	Change (millions)
OCWD RA rate/AF	\$624	\$665	\$688	\$1.2
MWDOC potable rate /AF (effective January 1)	\$1,233	\$1,281	\$1,323	\$0.2
MWDOC non-potable rate /AF (effective January 1)	\$879	\$932	\$947	\$0.1
Total Change				\$1.5

4

OPERATING BUDGETS – KEY ASSUMPTIONS

Anticipated Use of Replacement Fund				
(millions)				
	FY 23-24	FY 23-24 Estimated	FY 24-25	FY 24-25 Updated
Rate Stabilization	\$7.182	\$0.000	\$0.497	\$0.497



5



6

WATER RATES FOR FY 2024-25

Tiers	Potable	Recycled
Low Volume	\$1.99	\$1.43
Base	\$2.65	\$2.47
Inefficient	\$6.55	\$5.27
Wasteful	\$16.46	\$9.27
Monthly Water Service Rate* \$13.20		

*Typical Customer with 5/8" meter



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SEWER RATES FOR FY 2024-25

Usage	Monthly Sewer Service Rate
Average water usage exceeds 10 ccfs per month	\$36.79
Average water usage falls between 5 and 10 ccfs	\$31.86
Average water usage falls below 5 ccfs	\$25.70
Commercial, Industrial, & Public Authority	
Quantity Service Charge (beyond 10 ccf)	\$3.07/ccf



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KEY ASSUMPTIONS

Non-Operating Budget			
	FY 2023-24	FY 2024-25	FY 24-25 Updated
Assessed Value Growth (tax revenue)	4.00%	4.00%	4.40%
Investment Income Rate	3.60%	3.90%	3.90%
Real Estate Income Growth	8.00%	3.00%	3.00%
Interest Expense (variable rate)	3.10%	3.40%	3.40%
Real Estate Expense Growth	4.50%	3.00%	3.00%

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NON-OPERATING BUDGETS VARIANCES

Forecast Variances from Approved Non-Operating Budgets	
	(in millions)
Net Income	FY 2024-25
Forecasted Revenue Variance	\$ 6.9
Forecasted Expense Variance	-
Projected Increase in Net Income	\$6.9



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CONNECTION FEES AND TAX RATES



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CONNECTION FEES AND TAX RATES

Improvement District	Connection Fees		Taxes
	FY 2023-24	FY 2024-25	Both Fiscal Years
111/222	\$13,368	\$13,836	
112/212	\$7,711	\$7,981	\$0.0475
113/213	\$10,417	\$10,781	\$0.0990
125/225	\$8,058	\$8,341	\$0.0280
153/253	\$3,554	\$3,678	\$0.0220
185/285	\$6,932	\$7,175	\$0.0218
188/288	\$5,177	\$5,358	\$0.0394




STAFF RECOMMENDATION

- Receive and file the mid-cycle operating and non-operating budget update.



QUESTIONS



Irvine Ranch
Water District

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June 4, 2024
Prepared by: J. Muncy
Submitted by: N. Adly
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE:

VENDOR EXPENDITURE COMMITMENTS GREATER THAN \$200,000
FOR FY 2024-25

SUMMARY:

Each year staff initiates or renews commitments with vendors for certain products and services included in the IRWD Operations Budget. Staff prepares a list of vendors with expected commitments totaling \$200,000 or more for the coming fiscal year for the Board's review and approval. This list of vendor commitments excludes contracts or agreements approved by separate Board action. Consistent with provisions included in the District's Policy Regarding Authorization of Expenditures, staff recommends that the Board approve the List of Vendor Expenditure Commitments Greater Than \$200,000 for FY 2024-25.

BACKGROUND:

On a biennial basis, the Board approves the IRWD Operating Budgets. Included in the Operating Budgets are expenditures for line items such as chemicals, fuel, hauling of biosolids, and other products and services which result in commitments greater than \$200,000. These expenditures typically utilize cooperative agreements for best pricing when applicable or have been previously competitively bid on, and in some cases are for specialized products (e.g., certain chemicals) provided by a single supplier.

These commitments are structured as open purchase orders and typically consist of multiple individual transactions during the fiscal year with the cumulative total of the purchase order exceeding \$200,000. The approval structure allows staff to order goods and services on a regular and efficient basis during the fiscal year. These commitments are made on a "not to exceed" amount and can be cancelled at any time.

Staff has prepared the List of Vendor Expenditure Commitments Greater Than \$200,000 for FY 2024-25, which is provided as Exhibit "A". The list includes vendor names, descriptions of the products or service being provided, the basis for pricing (e.g., cooperative agreement, single source, etc.) and estimated annual expense. Excluded from this list are contracts of more than \$200,000, which have been previously approved by separate Board action and are within their approved contract period, as well as recurring utility bills.

The total planned expenditure amount for the listed vendors for FY 2024-25 is \$9,710,000, which is approximately 4.4% of total planned expenditures in the FY 2024-25 Operating Budget. Consistent with provisions included in the District's Policy Regarding Authorization of Expenditures, staff recommends that the Board approve the List of Vendor Expenditure Commitments Greater Than \$200,000 for FY 2024-25.

FISCAL IMPACTS:

Total planned expenditures for FY 2024-25 for vendor commitments greater than \$200,000 (excluding contracts/agreements approved by separate Board action) are \$9,710,000, representing approximately 4.4% of total planned expenditures in the approved FY 2024-25 operating budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

That the Board approve the List of Vendor Expenditure Commitments Greater Than \$200,000 for FY 2024-25.

LIST OF EXHIBITS:

Exhibit "A" – Vendor Commitments Greater than \$200,000 for FY 2024-25

Exhibit "A"

Lis of Vendor Expenditure Commitments Greater than \$200,000 for FY 2024-25

Supplier	Service	Requester	Dept	Type	Time	Buyer	24/25 PO Amount
Brenntag Pacific Inc	FY 24/25 Open PO for Citric Acid 50% deliveries at BWTP	K. Reideler	420	Single Source	6 Years	SB	\$300,000
California Barricade Rental, Inc.	FY 24/25 Open PO to provide IRWD traffic control services for Departments 420, 425 & 430	B. Clinton G. Barreto D. Crowe	420 425 430	Competitive Bid	Annual	JM	\$500,000
Chem Tech International Inc	FY 24/25 Open PO to deliver Sodium Hypochlorite 12.5% mini-bulk deliveries to DATS	B. Clinton	420	Single Source	4 Years	SB	\$200,000
Culligan Of Santa Ana	FY 24/25 Open PO for Resin exchange services at BWTP	K. Reideler	420	Single Source	7 Years	SB	\$345,000
Drake Traffic Control Services Inc	FY 24/25 Open PO to provide IRWD traffic control services for Departments 420, 425 & 430	B. Clinton G. Barreto D. Crowe	420 425 430	Competitive Bid	Annual	JM	\$200,000
Hill Brothers Chemical	FY 24/25 Open PO for the delivery of odor control product (Oxy-Can) to various locations determined by IRWD	B Joseph	570	Single Source	13 Years	DG	\$415,000
Merrimac Petroleum Inc	FY 24/25 Open PO for gasoline and diesel motor fuel	J. Sciabica	870	Cooperative Agreement (Huntington Beach)	7 Years	JM	\$700,000
Olin Corporation	FY 24/25 Open PO for bulk Sodium Hypochlorite 12.5% deliveries at BWTP	K. Reideler	420	Single Source	Annual	SB	\$650,000
Olin Corporation	FY 24/25 Open PO for bulk Sodium Hypochlorite 12.5% at DATS, PTP, & domestic sites as determined by IRWD	D. Paulson	420	Single Source	Annual	SB	\$250,000
Olin Corporation	FY 24/25 Open PO for bulk Sodium Hypochlorite 12.5% at IDF	B. Clinton	420	Single Source	Annual	SB	\$400,000
Olin Corporation	FY 24/25 Open PO for bulk Sodium Hypochlorite 12.5% at MWRP for effluent disinfection, MBR, and odor scrubber	C. Arellano	550	Single Source	Annual	DG	\$2,100,000
Polydyne Inc	FY 24/25 Open PO to supply MWRP Biosolids with emulsion polymer for solids thickening and dewatering	C. Arellano	550	Single Source	Annual	DG	\$1,100,000

Exhibit "A"

Lis of Vendor Expenditure Commitments Greater than \$200,000 for FY 2024-25

Supplier	Service	Requester	Dept	Type	Time	Buyer	24/25 PO Amount
Synagro-Wwt Inc.	FY 24/25 Open PO to provide Class A Pellets for MWRP Biosolids hauling	P. Reynoso	550	Single Source	Annual	DG	\$520,000
Synagro-Wwt, Inc.	FY 24/25 Open PO to provide Class B Pellets for MWRP Biosolids hauling	C. Arellano	550	Single Source	Annual	DG	\$1,100,000
Univar Solutions USA Inc	FY 24/25 Open PO to provide bulk Hydrochloric Acid at BWTP	K. Reideler	420	Single Source	Annual	SB	\$300,000
Water Treatment Chemicals Inc	FY 24/25 Open PO to provide bulk Sumaclear 1000 Aluminum Chlorohydrate 50% deliveries to BWTP	K. Reideler	420	Single Source	6 Years	SB	\$300,000
Zebron Contracting	FY 24/25 Open PO for manhole structure rehabilitation at various locations determined by IRWD	B. Joseph	570	Competitive Bid	Year 4 of 5	SB	\$330,000
						Grand Total	\$9,710,000

Agenda Item 13.B

The following information relates to one of the claims referenced on the agenda item 13.B, Closed Session Conference with Legal Counsel on Anticipated Litigation.

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IRVINE RANCH WATER DISTRICT CLAIM FORM

INSTRUCTIONS: Please complete this form and submit with attachments to Irvine Ranch Water District, Risk Manager, 15600 Sand Canyon Avenue, Irvine, CA 92618.

Name of Claimant: Heygears Inc Phone: 949-418-9419 email: christine_lin@heygears.com

Home Address of Claimant: 17931 Skypark Circle, Suite E, Irvine CA 92614

1. Date and time of incident: 2/17/2024

2. Location of incident: Between 17961 and 17955 Skypark Circle

3. How did this incident occur? (Give complete information) _____
The fire hydrant was damaged due to suspected car/ truck hitting it, which caused water overflow.
The incident was first reported by the OC Fire Authority to IRWD on 02/17, then we were notified from the property manager later on. We are now in the progress of starting the remediation process.

4. Describe the damage that resulted from the incident: Our entire office space was flooded with water.
All Dry has been entrusted with overseeing the mitigation and structural drying phase, which is estimated to cost \$38,829.77. Concurrently, Carey Construction will be handling a wide range of tasks including plumbing, framing, drywall installation, door and hardware repairs, electrical work, painting, finishing touches, floor covering installations, baseboard replacements, millwork, and more, at an estimated cost of \$66,078.38. The comprehensive sum required for these repairs amounts to \$107,256.15.

5. Give the name(s) of the public employee(s) causing the injury, damage, or loss, if known: _____

6. What is the approximate amount of damage sustained? \$107,256.15
(Please give the amount claimed as of the date of presentation of the claim, including the estimated amount of any injury, damage or loss, insofar as it may be known at the time of presentation of this claim, together with the basis of computation of the amount claimed, with invoices or estimates, if appropriate.)

7. Were the police at the scene? Yes No

8. Was a report filed? Yes No (If yes, please attach a copy of the police report if available.)

9. Please attach all receipts, invoices or estimates and photographs related to this incident.

I hereby certify under penalty of perjury that the facts hereinabove set forth are true and correct to the best of my knowledge.

Signature of Claimant or Representative of Claimant: Christine Lin Date: 05/07/2024

ADVISORY

Section 72 of the Penal Code provides that "every person who, with intent to defraud, presents for allowance or for payment to any state board or officer, or to any county, city, or district board or officer, authorized to allow or pay the same if genuine, any false or fraudulent claim, bill, account, voucher, or writing, is punishable either by imprisonment, by a fine, or both".

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