AGENDA
IRVINE RANCH WATER DISTRICT
FINANCE AND PERSONNEL COMMITTEE MEETING
MONDAY, JUNE 2, 2025

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=mbb2d83b2fb1373afa32932f5d451c19b
Meeting number (access code): 2488 049 7689
Meeting password: JcZnd5Ddt23

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 9:00 a.m.

ATTENDANCE	Committee Chair:	Peer Swan	_____
	Committee Member:	Steve LaMar	_____

ALSO PRESENT	Paul Cook	_____	Neveen Adly	_____
	Wendy Chambers	_____	Kevin Burton	_____
	Paul Weghorst	_____	Christopher Smithson	_____
	Lance Kaneshiro	_____	Tiffany Mitcham	_____
	Eileen Lin	_____	Jennifer Davis	_____
	Stephen Aryan	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____

PUBLIC COMMENT NOTICE

Public comments are limited to three minutes per speaker on each subject. If you wish to address the Committee on any item, you may attend the meeting in person and submit a "speaker slip." You may also submit a public comment in advance of the meeting by emailing comments@irwd.com before 7:30 a.m. on Monday, June 2, 2025.

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 REPORT – SRADER / MITCHAM

   Recommendation: Receive and file.

6. MONTHLY INVESTMENT AND DEBT REVIEW – DAVIS / ADLY

   Recommendation: Receive and file.

7. REAL ESTATE QUARTERLY PERFORMANCE – ADLY

   Recommendation: Receive and file.

8. QUARTERLY DEFERRED COMPENSATION PLAN AND FUND REVIEW – DAVIS / ADLY

   Recommendation: Receive and file.

9. RISK MANAGEMENT QUARTERLY REPORT – ARYAN / MITCHAM

   Recommendation: Receive and file.

ACTION

10. RENEWAL OF GENERAL AND EXCESS LIABILITY, EXCESS WORKERS' COMPENSATION AND PROPERTY INSURANCE PROGRAMS FOR FISCAL YEAR 2025-26 – ARYAN / MITCHAM

    Recommendation: That Board authorize the continuation of IRWD's participation in PRISM's General and Excess Liability, Workers' Compensation, and Property Insurance Programs, including approval of the latest insurance premium estimates as outlined in Exhibit "A" and as budgeted for Fiscal Year 2025/26.

ACTION (continued)

11. SETTING CONNECTION FEES AND PROPERTY TAX RATES FOR FISCAL YEARS 2025-26 AND 2026-27 – ROCHA / SMITHSON / ADLY

Recommendation: That the Board approve revisions to connection fees and property taxes as presented and adopt resolutions approving these revisions at the June 23, 2025, Board meeting.

OTHER BUSINESS

12. Closed Session

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

- *United States, et al., ex rel. John Hendrix, et. al v. J-M Manufacturing Company, Inc. et al., Case No. CV 06-0055 GW*
- *Eurenzie Moratalla, et al. v. Irvine Ranch Water District, et al., Case No. 30-2025-01469032*
- *Sophia Navarro v. City of Tustin, et al., Case No. 30-2025-01471923*

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.)

13. Open Session

14. Directors' Comments

15. Adjourn

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Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the above-named Committee in connection with a matter subject to discussion or consideration at an open meeting of the Committee are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Committee less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Committee Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available 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 2, 2025
Prepared by: L. Srader
Submitted by: T. Mitcham
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

EMPLOYEE POPULATION AND RETENTION REPORT

SUMMARY:

Staff have 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 Report

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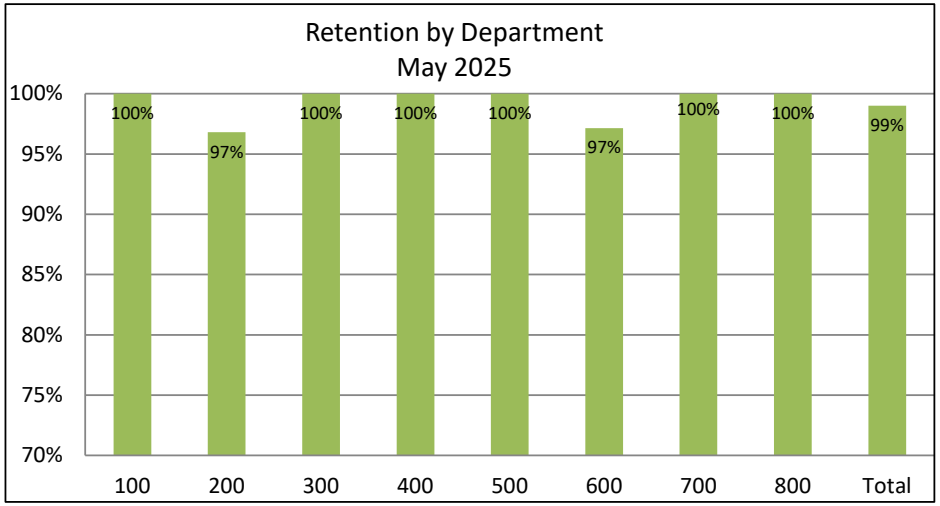
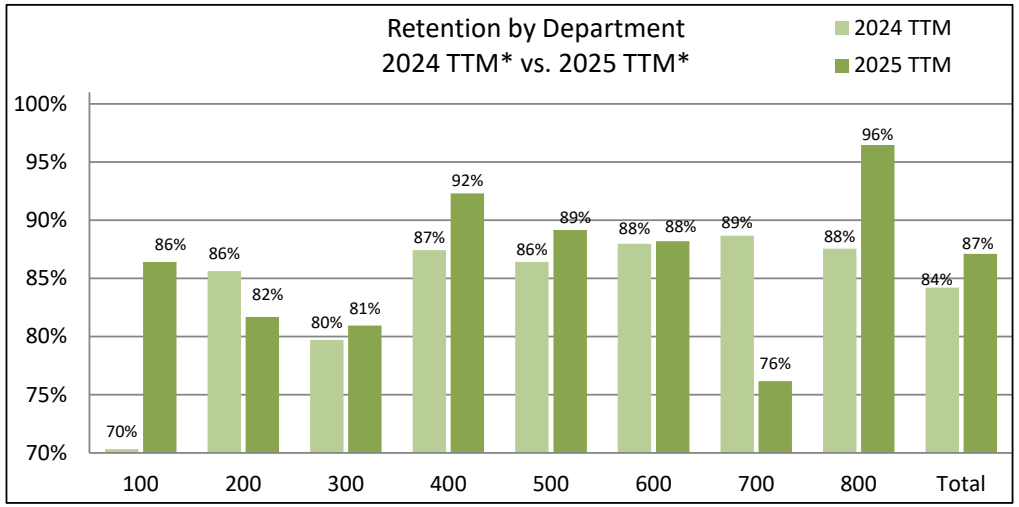
Exhibit "A"

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION AND RETENTION REPORT
MAY 2025

	@05/01/25	Current Month Activity							@05/31/25		FY 24/25	Avg TTM*	Avg	Avg TTM*	Retention	
	Positions	New	Terms		Promo Trnsfr		Lateral Trnsfr		Positions	Positions	Budgeted	Filled Budget	Temp Emp	Total Filled	Current	2025
Dept	Filled	Hires	Vol	Invol	In	Out	In	Out	Filled	Unfilled	Positions	Positions	FTE	Positions	Period	TTM*
100	22								22	3	25	22	-	22	100%	86%
200	94	1	3						92	10	102	87	7	94	97%	82%
300	39	1							40	7	47	42	5	47	100%	81%
400	65	1							66	5	71	65	-	65	100%	92%
500	59								59	7	66	55	2	57	100%	89%
600	35			1					34	1	35	34	3	37	97%	88%
700	24	1							25	2	27	25	1	26	100%	76%
800	60								60	5	65	57	-	58	100%	96%
Totals	398	4	3	1	-	-	-	-	398	40	438	388	19	406	99%	87%
4/24	380	3	4	1	-	-	-	-	378	47	425	383	13	396	99%	85%





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
*Trailing Twelve Months

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION AND RETENTION REPORT
MAY 2025

NEW HIRES

Date	Dept	Employee Name	Position	Prior Company/Agency
05/12/25	200	Tamara Pickens	Controller	Orange County Fire Authority
05/13/25	400	Zack Baca	Water Maintenance Technician I	City of Brea
05/19/25	700	Emily Le	Environmental Compliance Analyst	University of California, Irvine
05/27/25	300	Brian Botello	Senior Engineer	Black & Veatch

TERMINATIONS

Date	Dept	Employee Name	Position	Reason	Comments
04/24/25	600			INVOL	
05/01/25	200			VOL	
05/15/25	200			VOL	
05/22/25	200			VOL	

RETIREMENTS

Date	Dept	Employee Name	Position	Reason	Comments

PROMOTIONS

Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
05/10/25	300	Casey Hansen	Construction Inspector	300	Senior Construction Inspector
05/10/25	400	Gustavo Orozco	Utility Construction Technician III	400	Utility Construction Supervisor
05/24/25	300	Belisario Rios	Senior Engineer	300	Engineering Manager

TRANSFERS

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

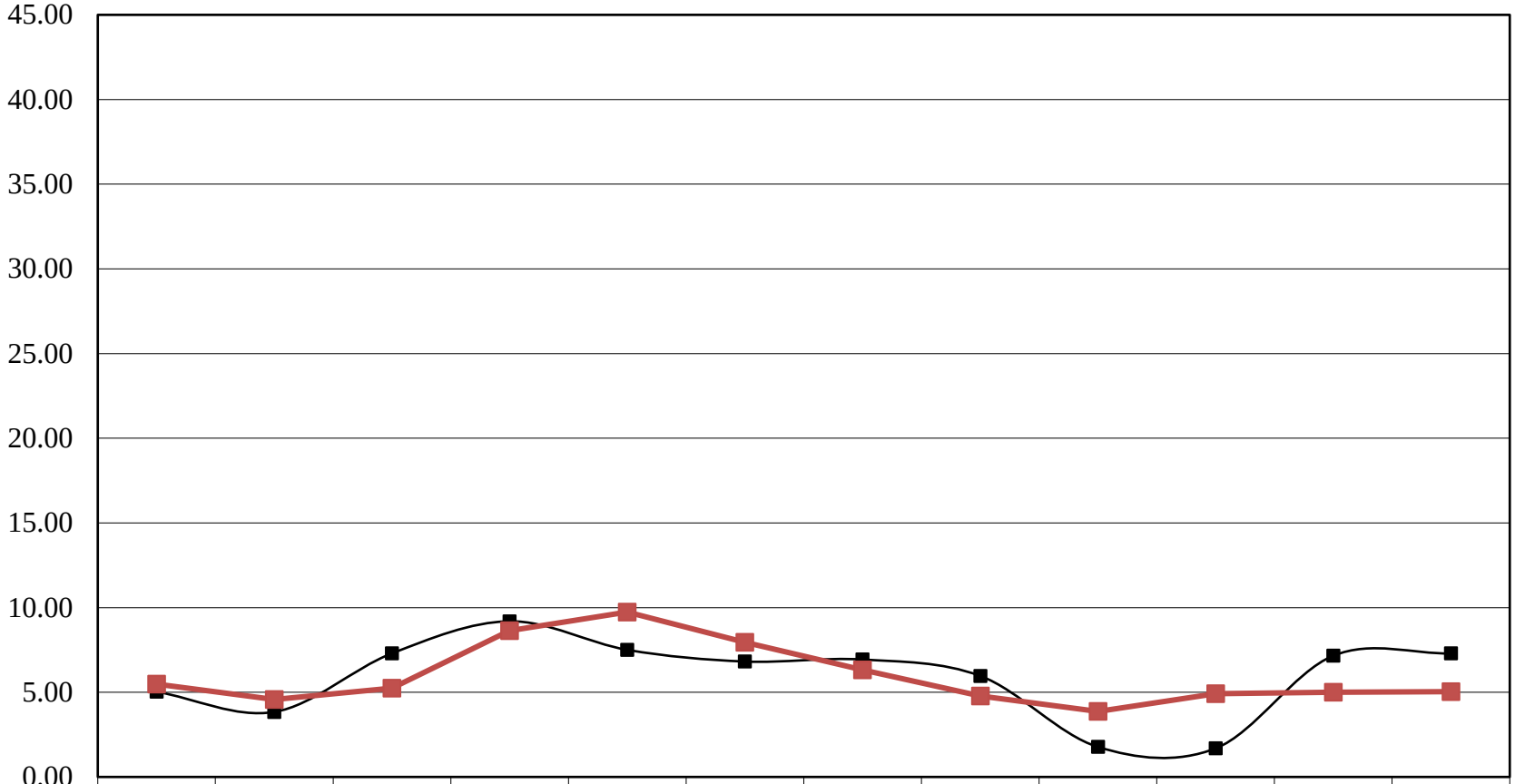
CROSS TRAINING

Effective Date	Departing Dept	Employee Name	Departing Position	New Dept	New Position
05/10/25	200	Michael Chaney	Senior Customer Service Field Tech.	700	Water Loss Prevention Specialist

IRVINE RANCH WATER DISTRICT
EMPLOYEE POPULATION AND RETENTION REPORT
MAY 2025

UNFILLED POSITIONS			
Dept	**Position**	**Salary Grade**	**Comments**
100	Senior Executive Assistant	U29.N	To Be Deleted Effective June 30,2025
100	Human Resources Analyst	U11.E	Interviewing
101	Human Resources Analyst	U11.E	Interviewing
200	Data Analyst	U10.E	
200	Accounting Supervisor	U14.E	Recruiting
200	Purchasing Manager	U18.E	Recruiting
200	Customer Service Specialist I	13.N	Recruiting
200	Customer Service Specialist II	18.N	Recruiting
200	Network Administrator	U35.N	Interviewing
200	Payroll Administrator	U31.N	
200	Applications Analyst	U15.E	
200	Database Administrator	U15.E	
200	Cybersecurity Analyst	U18.E	Interviewing
300	Senior Engineer	U20.E	Interviewing
300	Senior Engineer	U20.E	Start Date Pending
300	Engineer	U17.E	
300	Engineer	U17.E	Start Date Pending
300	Construction Inspector	29.N	
300	Assistant Engineer	U10.E	Recruiting
300	Senior Engineer	U20.E	Recruiting
400	Operator II	27.N	Recruiting
400	Operator II	27.N	Recruiting
400	Utility Construction Technician III	26.N	Recruiting
400	Metering Systems Technician III	26.N	Start Date Pending
400	Field Services Manager	U18.E	
500	Manager of Biosolids & Energy Recovery	U21.E	
500	Operator III	30.N	Recruiting
500	Wetlands Ecologist	29.N	Interviewing
500	SCADA Network Administrator	U35.N	
500	Automation Specialist	34.N	Recruiting
500	Operator III	30.N	Recruiting
500	Process Engineer	U22.E	
600	Regulatory Compliance Specialist	29.N	Recruiting
700	Water Resources Planner	U13.E	
700	Cross Connection Supervisor	S33.N	
800	Mechanical Services Manager	U19.E	
800	Asset Systems Supervisor	S36.N	
800	Senior Maintenance Mechanic	27.N	Recruiting
800	Senior Electrical & Instrumentation Tech	31.N	Recruiting
800	Electrical & Instrumentation Technician	26.N	Recruiting

Temporary Employees
Full Time Equivalency
District Totals as of April 30, 2025



	5/24	6/24	7/24	8/24	9/24	10/24	11/24	12/24	1/25	2/25	3/25	4/25
Temp Total	5.03	3.84	7.30	9.19	7.50	6.81	6.93	5.97	1.77	1.69	7.16	7.29
Intern Totals	5.48	4.58	5.24	8.64	9.74	7.95	6.32	4.77	3.87	4.91	5.00	5.03

June 2, 2025
Prepared by: 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 21, 2025, as outlined in Exhibit "A";
- The U.S. Treasury Yield Curve as of May 21, 2025, as shown in Exhibit "B";
- The Summary of Fixed and Variable Debt as of May 21, 2025, as outlined in Exhibit "C"; and
- The Summary of Variable Rate Debt Rates as of May 21, 2025, as outlined in Exhibit "D".

BACKGROUND:

Investment Portfolio:

Due to the timing of the Committee meeting, the final rate of return for May 2025 is not available. Preliminary calculations indicate a rate of return for the fixed income investment portfolio of 4.38%, which was a 0.04% increase from April's rate of 4.34%. Including real estate investments, the weighted average rate of return for IRWD's investment portfolio annualized for May 2025 was 6.80%, which was a 0.02% increase from April's rate of 6.78%.

Debt Portfolio:

As of May 21, 2025, IRWD's weighted average all-in variable rate for debt was 2.23%, which was a 1.12% decrease from April's rate of 3.35%. Including IRWD's weighted average fixed rate bond issues of 3.74% 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 3.36%, a 0.28% decrease from April's rate of 3.64%. The decrease was due to lower average rates for the District's variable rate debt.

FISCAL IMPACTS:

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

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

Receive and file.

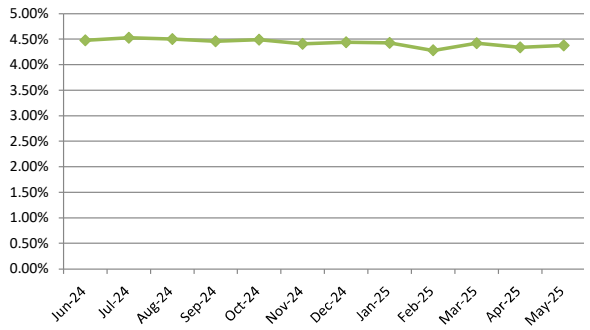
LIST OF EXHIBITS:

Exhibit "A" – Investment Portfolio Summary as of May 21, 2025
Exhibit "B" – Yield Curve as of May 21, 2025
Exhibit "C" – Summary of Fixed and Variable Debt as of May 21, 2025
Exhibit "D" – Summary of Variable Rate Debt Rates as of May 21, 2025

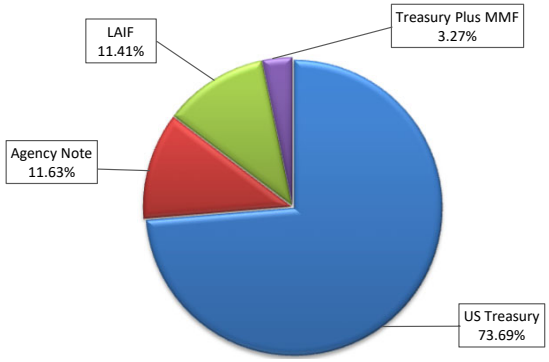
Exhibit "A"

Irvine Ranch Water District
Investment Portfolio Summary
May 2025

Monthly Fixed Income Yield



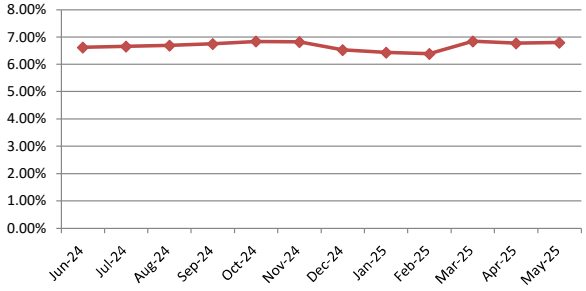
Portfolio Distribution



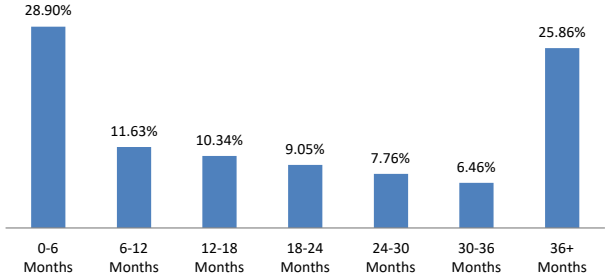
Investment Summary

Type	PAR	Book Value	Market Value
US Treasury	285,000,000	281,023,725	283,772,001
Agency Note	45,000,000	44,919,805	44,939,700
LAIF	44,126,853	44,126,853	44,164,326
Treasury Plus MMF	12,645,422	12,645,422	12,645,422
Grand Total	386,772,275	382,715,806	385,521,448

Weighted Average Return Including Real Estate Portfolio



Maturity Distribution



Top Issuers

Issuer	PAR	% Portfolio
US Treasury	285,000,000	73.69%
State of California Tsy.	44,126,853	11.41%
Fed Farm Credit Bank	35,000,000	9.05%
Wells Fargo / Allspring	12,645,422	3.27%
Fed Home Loan Mortgage Corp	10,000,000	2.58%
Grand Total	386,772,275	100.00%

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

05/21/25

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE[1] 5/21/2025	UNREALIZED[2] GAIN/(LOSS)
11/27/24			05/22/25		LAIF	State of California Tsy.	$44,126,853.41		4.280%	$44,126,853.41	$44,126,853.41	44,164,325.54	37,472.13
05/21/25			01/01/00 05/22/25		Treasury Plus MMF	Wells Fargo / Allspring	12,645,421.76		4.140%	12,645,421.76	12,645,421.76	12,645,421.76	0.00
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	4,999,860.68	4,998,150.00	(1,710.68)
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	4,999,842.28	4,998,150.00	(1,692.28)
08/01/23	NA	NA	07/15/25	Aa1/NR/AA+	Treasury - Note	US Treasury	10,000,000	3.000%	4.917%	9,646,875.00	9,978,238.80	9,972,400.00	(5,838.80)
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	9,994,300.00	(5,700.00)
11/15/24	NA	NA	08/31/25	Aa1/NR/AA+	Treasury - Note	US Treasury	5,000,000	5.000%	4.452%	5,020,703.13	5,006,518.98	5,009,550.00	3,031.02
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	9,889,782.84	9,845,600.00	(44,182.84)
05/16/25	NA	NA	10/09/25	Aa1/NR/AA+	Treasury - Bill	US Treasury	5,000,000	4.267%	4.267%	4,916,100.69	4,925,295.13	4,916,100.69	(9,194.44)
12/01/22	NA	NA	10/15/25	Aa1/NR/AA+	Treasury - Note	US Treasury	5,000,000	4.250%	4.298%	4,993,359.38	4,999,139.06	5,002,000.00	2,860.94
12/01/23	NA	NA	11/15/25	Aa1/NR/AA+	Treasury - Note	US Treasury	10,000,000	2.250%	4.719%	9,543,750.00	9,893,435.31	9,898,700.00	5,264.69
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	4,986,067.75	4,996,300.00	10,232.25
04/18/24	NA	NA	01/15/26	Aa1/NR/AA+	Treasury - Note	US Treasury	10,000,000	3.875%	5.033%	9,808,593.75	9,931,490.38	9,989,900.00	58,409.62
02/21/24	NA	NA	02/15/26	Aa1/NR/AA+	Treasury - Note	US Treasury	15,000,000	4.000%	4.553%	14,844,140.63	14,944,320.58	14,995,200.00	50,879.42
04/30/24	NA	NA	03/31/26	Aa1/NR/AA+	Treasury - Note	US Treasury	5,000,000	4.500%	5.017%	4,953,125.00	4,979,709.82	5,024,750.00	45,040.18
07/06/23	NA	NA	06/15/26	Aa1/NR/AA+	Treasury - Note	US Treasury	15,000,000	4.125%	4.566%	14,819,531.25	14,936,374.27	15,042,750.00	106,375.73
06/03/24	NA	NA	07/15/26	Aa1/NR/AA+	Treasury - Note	US Treasury	5,000,000	4.500%	4.843%	4,965,625.00	4,981,788.37	5,038,500.00	56,711.63
09/27/23	NA	NA	09/15/26	Aa1/NR/AA+	Treasury - Note	US Treasury	10,000,000	4.625%	4.846%	9,939,453.13	9,973,692.27	10,112,900.00	139,207.73
11/03/23	NA	NA	10/15/26	Aa1/NR/AA+	Treasury - Note	US Treasury	10,000,000	4.625%	4.784%	9,956,640.63	9,979,830.04	10,122,700.00	142,869.96
12/28/23	NA	NA	12/15/26	Aa1/NR/AA+	Treasury - Note	US Treasury	10,000,000	4.375%	4.020%	10,098,046.88	10,050,879.36	10,103,100.00	52,220.64
01/31/24	NA	NA	01/15/27	Aa1/NR/AA+	Treasury - Note	US Treasury	10,000,000	4.000%	4.171%	9,952,734.38	9,974,047.67	10,050,800.00	76,752.33
12/19/24	NA	NA	02/28/27	Aa1/NR/AA+	Treasury - Note	US Treasury	10,000,000	1.875%	4.303%	9,496,093.75	9,599,265.57	9,686,700.00	87,434.43
11/18/24	NA	NA	03/15/27	Aa1/NR/AA+	Treasury - Note	US Treasury	5,000,000	4.250%	4.289%	4,995,507.81	4,996,542.02	5,053,150.00	56,607.98
02/05/25	NA	NA	06/15/27	Aa1/NR/AA+	Treasury - Note	US Treasury	5,000,000	4.625%	4.218%	5,044,921.88	5,038,862.65	5,102,150.00	63,287.35
11/08/24	NA	NA	07/15/27	Aa1/NR/AA+	Treasury - Note	US Treasury	5,000,000	4.375%	4.156%	5,027,343.75	5,021,618.04	5,078,150.00	56,531.96
01/09/25	NA	NA	08/31/27	Aa1/NR/AA+	Treasury - Note	US Treasury	5,000,000	3.125%	4.301%	4,854,687.50	4,876,243.19	4,944,550.00	68,306.81
03/11/24	NA	NA	09/30/27	Aa1/NR/AA+	Treasury - Note	US Treasury	10,000,000	4.125%	4.195%	9,976,953.13	9,984,889.92	10,121,100.00	136,210.08
01/07/25	NA	NA	10/15/27	Aa1/NR/AA+	Treasury - Note	US Treasury	5,000,000	3.875%	4.311%	4,943,359.38	4,951,482.91	5,029,700.00	78,217.09
05/24/24	NA	NA	01/31/28	Aa1/NR/AA+	Treasury - Note	US Treasury	10,000,000	3.500%	4.621%	9,623,437.50	9,727,712.05	9,968,800.00	241,087.95
12/19/24	NA	NA	02/15/28	Aa1/NR/AA+	Treasury - Note	US Treasury	10,000,000	2.750%	4.228%	9,567,187.50	9,628,749.73	9,770,700.00	141,950.27
07/18/24	NA	NA	04/30/28	Aa1/NR/AA+	Treasury - Note	US Treasury	5,000,000	1.250%	4.152%	4,496,484.38	4,612,343.98	4,665,250.00	52,906.02
01/07/25	NA	NA	05/31/28	Aa1/NR/AA+	Treasury - Note	US Treasury	5,000,000	1.250%	4.363%	4,513,671.88	4,570,540.89	4,655,450.00	84,909.11
04/17/25	NA	NA	06/30/28	Aa1/NR/AA+	Treasury - Note	US Treasury	5,000,000	1.250%	3.801%	4,618,554.69	4,633,225.66	4,646,500.00	13,274.34
06/27/24	NA	NA	07/31/28	Aa1/NR/AA+	Treasury - Note	US Treasury	10,000,000	4.125%	4.394%	9,900,000.00	9,922,675.59	10,147,700.00	225,024.41
08/16/24	NA	NA	08/15/28	Aa1/NR/AA+	Treasury - Note	US Treasury	5,000,000	2.875%	3.854%	4,820,312.50	4,855,880.78	4,881,450.00	25,569.22
08/09/24	NA	NA	09/30/28	Aa1/NR/AA+	Treasury - Note	US Treasury	10,000,000	1.250%	3.863%	9,008,593.75	9,202,550.29	9,234,400.00	31,849.71
11/28/23	NA	NA	10/31/28	Aa1/NR/AA+	Treasury - Note	US Treasury	10,000,000	4.875%	4.464%	10,179,687.50	10,124,652.58	10,393,000.00	268,347.42
12/15/23	NA	NA	11/30/28	Aa1/NR/AA+	Treasury - Note	US Treasury	15,000,000	4.375%	3.897%	15,319,921.88	15,225,640.27	15,351,000.00	125,359.73
12/13/24	NA	NA	12/31/28	Aa1/NR/AA+	Treasury - Note	US Treasury	10,000,000	3.750%	4.160%	9,848,437.50	9,865,858.48	10,024,600.00	158,741.52
04/17/25	NA	NA	01/31/29	Aa1/NR/AA+	Treasury - Note	US Treasury	10,000,000	4.000%	3.852%	10,051,171.88	10,049,509.26	10,110,200.00	60,690.74
04/17/25	NA	NA	02/15/29	Aa1/NR/AA+	Treasury - Bond	US Treasury	10,000,000	2.625%	3.851%	9,566,796.88	9,580,721.27	9,628,100.00	47,378.73
04/17/25	NA	NA	03/07/29	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	10,000,000	4.000%	3.871%	10,045,700.00	10,044,251.76	10,107,200.00	62,948.24
SUB-TOTAL							$386,772,275			$380,171,079.06	$382,715,805.67	$385,521,447.99	$2,805,642.32
TOTAL INVESTMENTS							$386,772,275			$380,171,079.06	$382,715,805.67	$385,521,447.99	$2,805,642.32

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

05/21/25

SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE[1] 5/21/2025	UNREALIZED[2] GAIN/(LOSS)
					Petty Cash					600.00			
					Ck Balance	Bank of America		ECR	1.32%	1,871,685.47			
					Ck Balance	Wells Fargo		ECR	1.40%	0.00 [5]			
										$382,043,364.53			

[1] LAIF market value is as of the most recent quarter-end as reported by LAIF.
Security market values are determined using Bank of New York ("Trading Prices"), Bloomberg
and/or broker dealer pricing.
[2] Gain (loss) calculated against carry value using the trading value provided by Bank of New York/or Brokers'
[3] Real estate rate of return is based on most recent quarter end return.
[4] Original Cost updated to reflect capital tenant improvements added for Fiscal Year 2023.
of capital tenant improvements during FY 2023.
[5] Cash balance in this account are funds that are pending purchase into the current money market fund.
*S - Step up

This Investment Summary Report is in conformity with the 2025 Investment Policy
and provides sufficient liquidity to meet the next six months estimated expenditures.

Outstanding Variable Rate Debt	$183,100,000
Net Outstanding Variable Rate Debt (Less $60 million fixed-payer swaps)	$123,100,000
Investment Balance:	$382,043,365
Investment to Variable Rate Debt Ratio:	310%
Portfolio - Average Number of Days To Maturity	601

	Investment Portfolio	Real Estate[3][4] Portfolio	Weighted Avg. Return
May	**4.38%**	**15.41%**	**6.80%**
April	**4.34%**	**15.41%**	**6.78%**
Change	**0.04%**	**0.00%**	**0.02%**

IRVINE RANCH WATER DISTRICT
SUMMARY OF MATURITIES

05/21/25

DATE	TOTAL	%	LAIF	Agency Notes	Agency Discount Notes	Municipal Bonds	US Treasury	Investment Sweep
5/25	56,772,275	14.68%	$44,126,853					12,645,422
6/25	10,000,000	2.59%		10,000,000				
7/25	20,000,000	5.17%		10,000,000			10,000,000	
8/25	5,000,000	1.29%					5,000,000	
9/25	10,000,000	2.59%		10,000,000				
10/25	10,000,000	2.59%					10,000,000	
11/25	10,000,000	2.59%					10,000,000	
12/25	5,000,000	1.29%		5,000,000				
1/26	10,000,000	2.59%					10,000,000	
2/26	15,000,000	3.88%					15,000,000	
3/26	5,000,000	1.29%					5,000,000	
4/26								
SUB-TOTAL	$156,772,275	40.53%	$44,126,853	$35,000,000			$65,000,000	$12,645,422
13 MONTHS - 3+ YEARS								
05/01/2026 - 07/31/2026	$20,000,000	5.17%					20,000,000	
08/01/2026 - 10/31/2026	$20,000,000	5.17%					20,000,000	
11/01/2026 - 01/31/2027	$20,000,000	5.17%					20,000,000	
02/01/2027 - 4/30/2027	$15,000,000	3.88%					15,000,000	
05/01/2027 - 07/31/2027	$10,000,000	2.59%					10,000,000	
08/01/2027 - 10/31/2027	$20,000,000	5.17%					20,000,000	
11/01/2027 - 01/31/2028	$10,000,000	2.59%					10,000,000	
02/01/2028 - 4/30/2028	$15,000,000	3.88%					15,000,000	
05/01/2028 - 07/31/2028	$20,000,000	5.17%					20,000,000	
08/01/2028 - 10/31/2028	$25,000,000	6.46%					25,000,000	
11/01/2028 - 01/31/2029	$35,000,000	9.05%					35,000,000	
02/01/2029 +	$20,000,000	5.17%		10,000,000			10,000,000	
SUB-TOTAL	$230,000,000	59.47%		$10,000,000			$220,000,000	
TOTALS	$386,772,275	100.00%	$44,126,853	$45,000,000			$285,000,000	$12,645,422
% OF PORTFOLIO			11.41%	11.63%			73.69%	3.27%

Irvine Ranch Water District
Summary of Real Estate - Income Producing Investments
3/31/2025

	ACQUISITION DATE	PROPERTY TYPE	OWNERSHIP INTEREST	ORIGINAL COST	MARKET VALUE 6/30/2024	ANNUALIZED RATE OF RETURN QUARTER ENDED 3/31/2025
Sycamore Canyon	Dec-92	Apartments	Fee Simple	$ 45,457,369	$ 220,000,000	24.99%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	$ 6,000,000	$ 38,420,894	8.61%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	$ 5,568,747	$ 10,000,000	10.55%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	$ 8,983,395	$ 13,500,000	9.09%
Sand Canyon Professional Center - Medical Office	Jul-12	Medical Office	Fee Simple	$ 8,715,929	$ 12,000,000	8.22%
Sand Canyon Professional Center - General Office[1]	Sep-20	Office Building	Fee Simple	$ 31,404,103	$ 32,000,000	7.49%
Total - Income Properties				$ 106,129,543	$ 325,920,894	15.41%

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

IRVINE RANCH WATER DISTRICT INVESTMENT SUMMARY REPORT

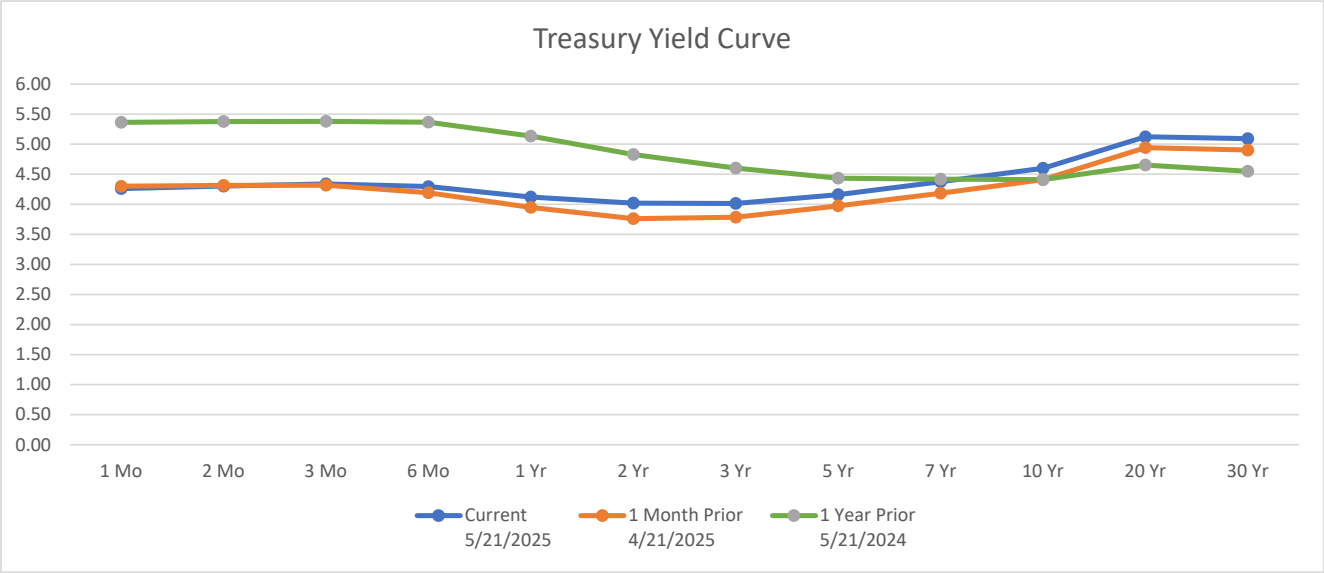
INVESTMENT ACTIVITY[1]

May-25

MATURITIES/SALES/CALLS				PURCHASES				
DATE	SECURITY TYPE	PAR	YIELD	Settlement Date	Maturity Date	SECURITY TYPE	PAR	YIELD TO MATURITY
5/12/2025	FHLMC - Note	$5,000,000	4.43%	5/16/2025	10/9/2025	Treasury - Bill	$5,000,000	4.27%
5/15/2025	Treasury - Note	$5,000,000	4.15%					

(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 5/21/2025	1 Month Prior 4/21/2025	1 Year Prior 5/21/2024
1 Mo	4.26	4.30	5.36
2 Mo	4.30	4.32	5.38
3 Mo	4.34	4.32	5.38
6 Mo	4.30	4.19	5.37
1 Yr	4.12	3.95	5.14
2 Yr	4.02	3.76	4.83
3 Yr	4.01	3.79	4.60
5 Yr	4.16	3.98	4.43
7 Yr	4.38	4.19	4.42
10 Yr	4.60	4.41	4.41
20 Yr	5.12	4.94	4.65
30 Yr	5.09	4.90	4.55

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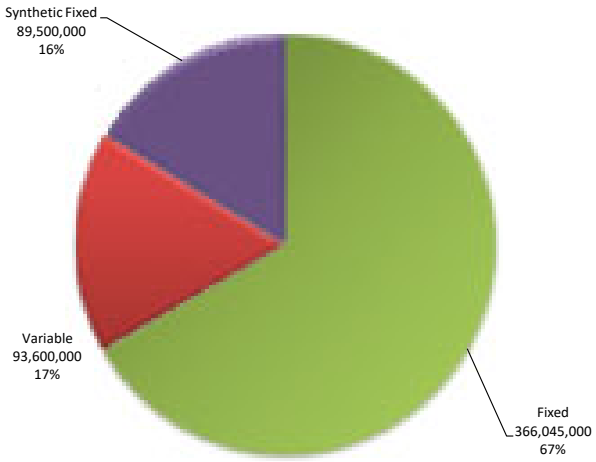
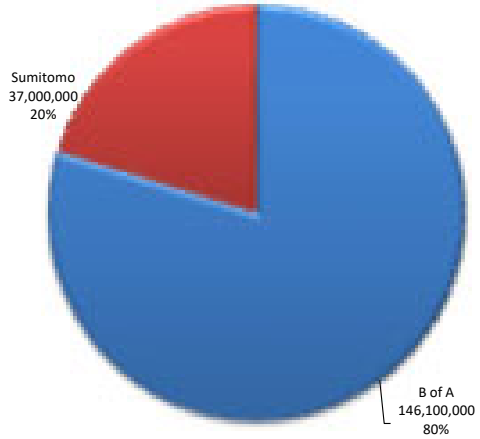
Exhibit "C"

Irvine Ranch Water District
Summary of Fixed and Variable Rate Debt
May 2025

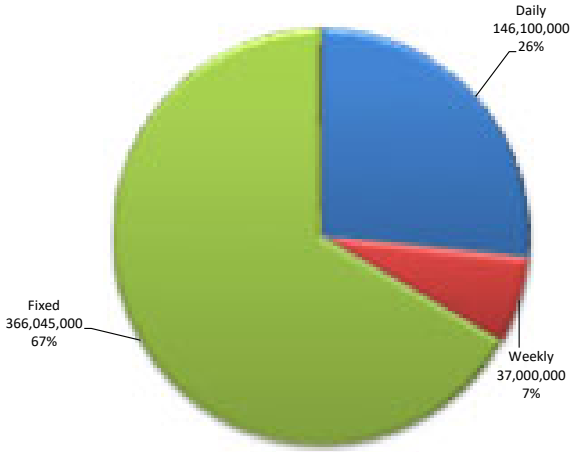
Current Debt Mix By Type



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 2008-A Refunding	04/24/08	07/01/35	$37,000,000	6.74%	Sumitomo	BAML	Variable	Weekly
Series 2011-A-1 Refunding	04/15/11	10/01/37	$36,660,000	6.68%	B of A	Goldman	Variable	Daily
Series 2011-A-2 Refunding	04/15/11	10/01/37	$24,440,000	4.45%	B of A	Goldman	Variable	Daily
Series 2009 - A	06/04/09	10/01/41	$42,500,000	7.74%	B of A	US Bank	Variable	Daily
Series 2009 - B	06/04/09	10/01/41	$42,500,000	7.74%	B of A	Goldman	Variable	Daily
2016 COPS	09/01/16	03/01/46	$96,935,000	17.65%	N/A	N/A	Fixed	Fixed
2010 Build America Taxable Bond	12/16/10	05/01/40	$175,000,000	31.87%	N/A	N/A	Fixed	Fixed
Series 2016	10/12/16	02/01/46	$94,110,000	17.14%	N/A	N/A	Fixed	Fixed
Total			$549,145,000	100.00%				

IRVINE RANCH WATER DISTRICT

SUMMARY OF FIXED & VARIABLE RATE DEBT

May-25

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	Reimbursment Agreement Date	L/C Exp. Date	Prior Letter of Credit Bank	MOODYS	S&P	FITCH	LOC Stated Amount	LOC Fee	Annual LOC Cost	Rmkt Agent	Reset	Rmkt Fees	Annual Cost	Trustee
SERIES 2008-A Refunding	04/24/08	07/01/35	Jul 1	5th Bus. Day	$60,215,000	$37,000,000	SUMITOMO	04/01/11	03/13/28	SUMITOMO	A1/P-1	A/A-1	A/F1	$37,547,397	0.3400%	$127,661	BAML	WED	0.07%	$25,900	BANK OF NY
SERIES 2011-A-1 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	$60,545,000	$36,660,000	B of A	02/01/24	02/08/27	B of A	Aa1/VMIG1	A+/A-1	AAA/F1+	$37,069,788	0.3200%	$118,623	Goldman	DAILY	0.07%	$25,662	BANK OF NY
SERIES 2011-A-2 Refunding	04/15/11	10/01/37	Oct 1	1st Bus. Day	$40,370,000	$24,440,000	B of A	02/01/24	02/08/27	B of A	Aa1/VMIG1	A+/A-1	AAA/F1+	$24,713,192	0.3200%	$79,082	Goldman	DAILY	0.07%	$17,108	BANK OF NY
SERIES 2009 - A	06/04/09	10/01/41	Oct 1	1st Bus. Day	$75,000,000	$42,500,000	B of A	04/01/25	05/01/28	US BANK	Aa1/VMIG1	A+/A-1	AAA/F1+	$42,975,068	0.3400%	$146,115	US Bank	DAILY	0.07%	$29,750	US BANK
SERIES 2009 - B	06/04/09	10/01/41	Oct 1	1st Bus. Day	$75,000,000	$42,500,000	B of A	04/01/11	05/01/28	B of A	Aa1/VMIG1	A+/A-1	AAA/F1+	$42,975,068	0.3400%	$146,115	Goldman	DAILY	0.07%	$29,750	US BANK
					$311,130,000	**$183,100,000**	**SUB-TOTAL VARIABLE RATE DEBT**							**$185,280,515**	**0.3333%**	**$617,597**			**0.07%**	**$128,170**	
															(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	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	$96,935,000	N/A	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	$94,110,000	N/A	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	**$366,045,000**	**SUB-TOTAL FIXED RATE DEBT**														
					$706,275,000	**$549,145,000**	**TOTAL- FIXED & VARIABLE RATE DEBT**														

Remarketing Agents		
Goldman	103,600,000	57%
BAML	37,000,000	20%
US Bank	42,500,000	23%
	183,100,000	

GO VS COP's		
GO:	452,210,000	82%
COPS:	96,935,000	18%
Total	**549,145,000**	

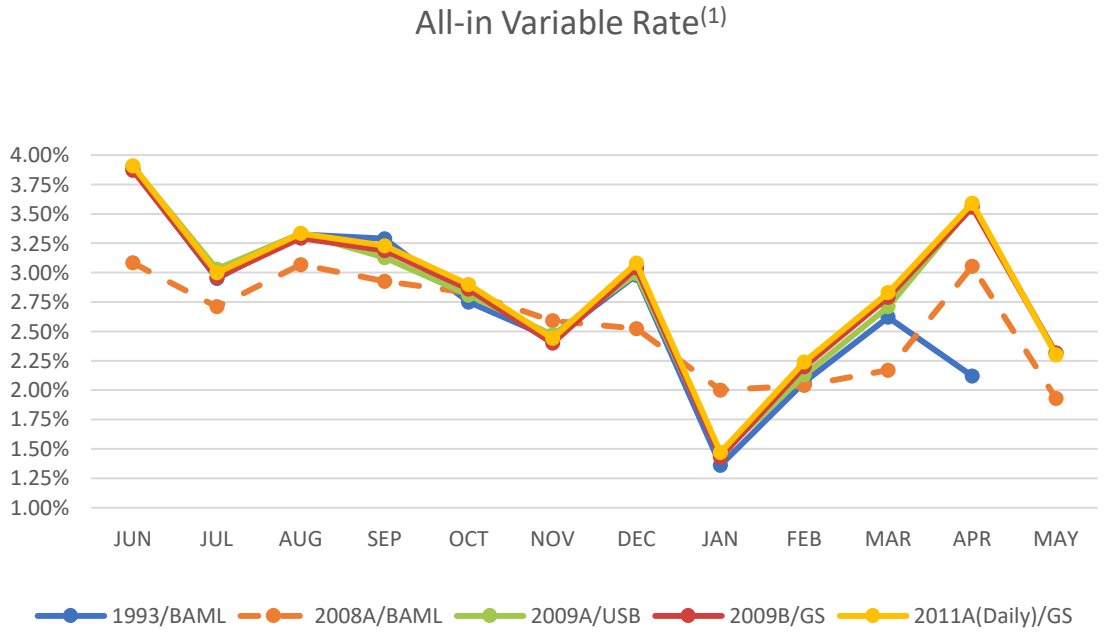
LOC Banks		
SUMITOMO	37,000,000	20%
BANK OF AMERICA	146,100,000	80%
	183,100,000	

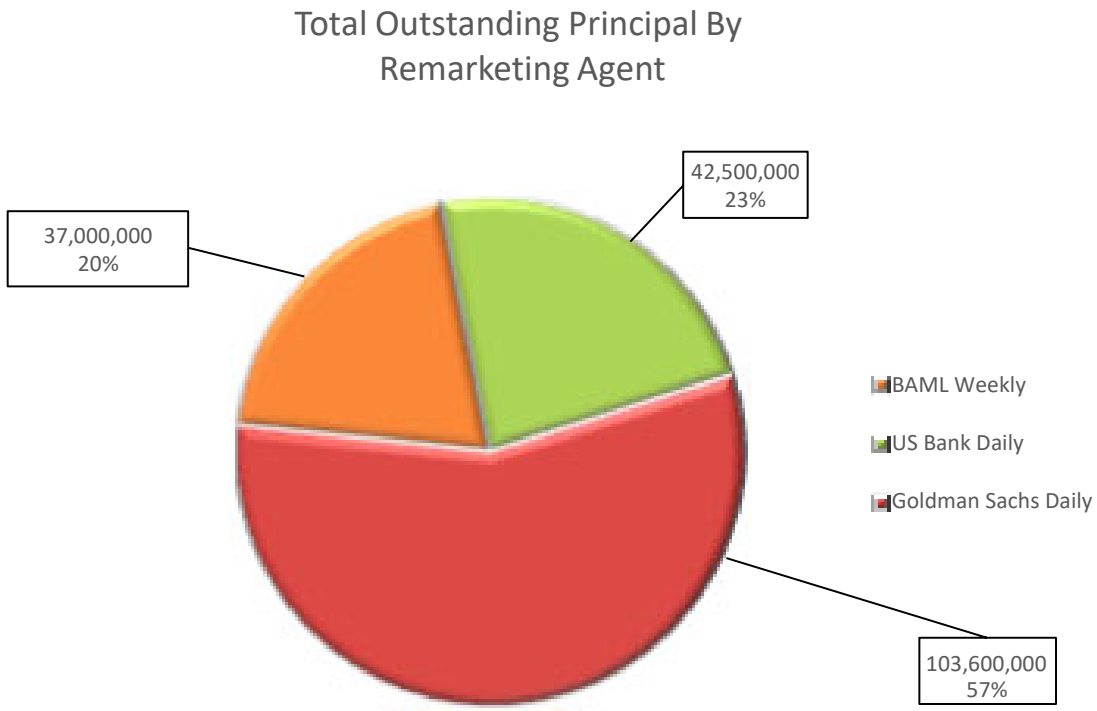
Breakdown Between Variable & Fixed Rate Mode		
Daily Issues	146,100,000	27%
Weekly Issues	37,000,000	7%
Sub-Total	**183,100,000**	
Fixed Rate Issues	$366,045,000	67%
Sub-Total - Fixed	**366,045,000**	
TOTAL DEBT FIXED & VAR.	**549,145,000**	100%

vrdsum
5/22/2025

Exhibit "D"

Irvine Ranch Water District
Summary of Remarketing Performance
May 2025





(1) Series 1993 bonds were redeemed on April 7, 2025; the all-in variable rate reflects April 1, 2025 through April 6, 2025.

REMARKETING AGENT PERFORMANCE COMPARISON
May-25

Date	Daily Variable Rate Comparison Goldman Sachs vs US Bank
5/1/2025	-0.05%
5/2/2025	-0.15%
5/3/2025	-0.15%
5/4/2025	-0.15%
5/5/2025	0.00%
5/6/2025	-0.15%
5/7/2025	-0.05%
5/8/2025	0.50%
5/9/2025	0.02%
5/10/2025	0.02%
5/11/2025	0.02%
5/12/2025	0.04%
5/13/2025	0.04%
5/14/2025	0.05%
5/15/2025	-0.05%
5/16/2025	0.05%
5/17/2025	0.05%
5/18/2025	0.05%
5/19/2025	0.00%
5/20/2025	-0.05%
5/21/2025	-0.03%
Average Spread	**0.00%**

Rmkt Agent	GS / US Bank
Mode	Daily
Bond Issue	2011A & 2009B / 2009A
Par Amount	$61.1MM & $42.5MM / $42.5MM
LOC Bank	Bank of America / Bank of America(1)

(1) The Letter of Credit bank for the Series 2009A was substituted from US Bank to Bank of America on April 3, 2025.

SUMMARY OF DEBT RATES
May-25

Rmkt Agent	GOLDMAN	GOLDMAN	GOLDMAN	MERRILL LYNCH	US BANK
Mode	DAILY	DAILY	DAILY	WEEKLY	DAILY
Bond Issue	2009 - B	2011 A-1	2011 A-2	2008-A	2009-A
Par Amount	42,500,000	36,660,000	24,440,000	37,000,000	42,500,000
LOC Bank	BOFA	BOFA	BOFA	Sumitomo	BOFA
Reset				Wednesday	
5/1/2025	1.70%	1.70%	1.70%	1.67%	1.75%
5/2/2025	1.35%	1.35%	1.35%	1.67%	1.50%
5/3/2025	1.35%	1.35%	1.35%	1.67%	1.50%
5/4/2025	1.35%	1.35%	1.35%	1.67%	1.50%
5/5/2025	0.95%	0.95%	0.95%	1.67%	0.95%
5/6/2025	0.50%	0.50%	0.50%	1.67%	0.65%
5/7/2025	0.50%	0.50%	0.50%	1.67%	0.55%
5/8/2025	1.50%	1.50%	1.50%	0.67%	1.00%
5/9/2025	1.77%	1.77%	1.77%	0.67%	1.75%
5/10/2025	1.77%	1.77%	1.77%	0.67%	1.75%
5/11/2025	1.77%	1.77%	1.77%	0.67%	1.75%
5/12/2025	2.04%	2.14%	2.14%	0.67%	2.00%
5/13/2025	2.34%	2.34%	2.34%	0.67%	2.30%
5/14/2025	2.75%	2.75%	2.75%	0.67%	2.70%
5/15/2025	2.85%	2.85%	2.85%	2.22%	2.90%
5/16/2025	2.85%	2.85%	2.85%	2.22%	2.80%
5/17/2025	2.85%	2.85%	2.85%	2.22%	2.80%
5/18/2025	2.85%	2.85%	2.85%	2.22%	2.80%
5/19/2025	2.55%	2.55%	2.55%	2.22%	2.55%
5/20/2025	2.35%	2.35%	2.35%	2.22%	2.40%
5/21/2025	2.07%	2.07%	2.07%	2.22%	2.10%
Avg Interest Rates	1.91%	1.91%	1.91%	1.52%	1.90%
Rmkt Fee	0.07%	0.07%	0.07%	0.07%	0.07%
LOC Fee	0.34%	0.32%	0.32%	0.34%	0.34%
All-In Rate	**2.32%**	**2.30%**	**2.30%**	**1.93%**	**2.31%**
Par Amount		103,600,000		37,000,000	42,500,000

Interest Rate Mode	Percent of Total Variable Rate Debt	Par Outstanding	Weighted All-In Average Rate		Base Rate Average
Daily	79.79%	146,100,000	2.31%		1.91%
Weekly	20.21%	37,000,000	1.93%		1.52%
	100.00%	**$183,100,000**	2.23%		1.83%
Fixed					
COPS 2016	26.48%	96,935,000	2.90%		
BABS 2010	47.81%	175,000,000	4.44%	(1)	
SERIES 2016	25.71%	94,110,000	3.32%		
	100.00%	**$366,045,000**	3.74%		
All-In Debt Rate Including $60 Million Notional Amount of Swaps					**3.36%**

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

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June 2, 2025
Prepared by: 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, 2025.

BACKGROUND:

For the quarter ended March 31, 2025, the net operating income (NOI) for IRWD's residential and commercial real estate investment properties was approximately $4.1 million, which represents a 15.41% annualized return. The fiscal year (FY) to date NOI was approximately $11.9 million. A report summarizing the NOI and returns for IRWD's real estate investment properties, golf course land lease, and cell sites is provided as Exhibit "A". More detailed 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, 2025, was approximately $2.8 million and $8.1 million FY-to-date, which were favorable to budget by $111,345 and $28,758, respectively. The variances were due to a combination of higher rent and other income, slightly offset by higher than anticipated operating expenses for rent-up and lower rent revenue in the first two quarters as a result of vacancies. The District's limited partnership investment in the Wood Canyon Villa property earned a preferred return of 9.00% providing income of $133,151 for the quarter end and $404,627 for the FY to date. The net return for Wood Canyon was 8.61% for the quarter end and FY-to-date.

Commercial Investment Properties:

For the quarter and FY-to-date March 31, 2025, NOI at the Irvine Market Place (230 Commerce) property was $146,894 and $416,650, which was favorable to budget by $17,723 and $81,473, respectively. The variances were due to the leasing of two previously vacant suites, as well as common area maintenance (CAM) adjustments related to 2024 expenses eligible for reimbursement from tenants as part of the annual CAM reconciliation. Currently, the property has two suites available, which are being marketed by IRWD's commercial broker, Colliers International. The property is currently 80.7% occupied.

For the quarter and FY-to-date March 31, 2025, NOI at the Waterworks Way Business Park property was $204,138 and $519,236, which was in line with budget. The property is currently 100% occupied.

For the quarter ended March 31, 2025, NOI at the Sand Canyon Professional Center medical office property was $179,063, which was favorable to budget by $15,127 due to lower than anticipated expenses for landscape enhancements. Fiscal year to date NOI was $553,031 and favorable to budget by $30,166 due to CAM adjustments related to 2023 expenses eligible for reimbursement from tenants as part of the annual CAM reconciliation completed in July as well as lower operating expenses for landscape enhancements. The property is currently 100% occupied.

For the quarter and FY to date March 31, 2025, NOI at the Sand Canyon Professional Center general office property was $588,154 and $1,808,707, which was unfavorable to budget by $9,283 and $29,061 respectively. The variances were due to higher than anticipated expenses for HVAC and roof repairs. 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, 2025, was $330,952. This was a 58.06% increase compared to the same period last year when income was $209,381. The FY to date income was $809,545, reflecting an increase of 3.45% compared to the same period last year. The increase for the quarter is attributed to September's payment, which was received in February.

For the quarter and FY to date March 31, 2025, the lease revenue from the District's five cell sites was $95,144 and $220,318, which was a decrease of $81,643 and $106,173 from the same period last year, respectively. The decreases were primarily due to renewal signing bonuses and higher shared revenue amounts 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, 2025

INCOME PROPERTIES			FY 2024-25					FY 2024-2025 RATE OF RETURN				3 Year Average Rate of Return	5 Year Average Rate of Return
Property Description	Capital Investment	Investment Inception	Jan-25	Feb-25	Mar-25	FY Q3	FY 2024-25 TOTAL	Annualized Q1	Annualized Q2	Annualized Q3	Average Fiscal YTD	FY 22/23 - 24/25	FY 20/21 - 24/25
Sycamore Canyon Apartments	$ 45,457,369	Dec-92	$ 990,397	$ 891,696	$ 958,245	$ 2,840,338	$ 8,148,096	24.28%	22.42%	24.99%	23.90%	23.00%	21.66%
Wood Canyon Villa Apartments	$ 6,000,000	Jun-91	$ 45,863	$ 41,425	$ 45,863	$ 133,151	$ 404,627	8.60%	8.61%	8.61%	8.61%	9.00%	9.00%
Irvine Market Place Office	$ 5,568,747	Jul-03	$ 50,821	$ 57,193	$ 38,880	$ 146,894	$ 416,650	9.85%	9.53%	10.55%	9.98%	10.02%	10.00%
Waterworks Way Business Park	$ 8,983,395	Nov-08	$ 70,925	$ 69,773	$ 63,440	$ 204,138	$ 519,236	6.93%	7.10%	9.09%	7.71%	7.79%	7.44%
Sand Canyon Professional Center - Medical	$ 8,715,929	Jul-12	$ 61,590	$ 65,987	$ 51,486	$ 179,063	$ 553,031	9.33%	7.84%	8.22%	8.46%	8.03%	8.50%
Sand Canyon Professional Center - General	$ 31,404,103	Sep-20	$ 209,858	$ 201,049	$ 177,247	$ 588,154	$ 1,808,707	7.86%	7.69%	7.49%	7.68%	5.95%	
	$ 106,129,543		$ 1,429,454	$ 1,327,123	$ 1,335,161	$ 4,091,738	$ 11,850,347	15.08%	14.11%	15.41%	14.87%	13.96%	16.53%

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, 2025

	2024-25 NET INCOME				
Property Description	**Jan-25**	**Feb-25**	**Mar-25**	**FY Q3**	**NET INCOME 2024 - 2025**
Strawberry Farms Golf Course[1]	$ 88,087	$ 172,586	$ 70,279	$ 330,952	$ 809,545
Change From Prior Year Period:				$ 121,571 58.06%	$ 27,022 3.45%
Cellular Sites	$ 41,215	$ 19,038	$ 34,891	$ 95,144	$ 220,318
Change From Prior Year Period:				$ (81,643) -46.18%	$ (106,173) -32.52%

(1) September's payment reflected in February.

5/19/2025
12:17 PM

June 2, 2025
Prepared by: 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, 2025, as outlined in Exhibit "A"; and
- Mutual Fund Performance Review as of March 31, 2025, 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, 88% of IRWD employees participated in the voluntary 457(b) Deferred Compensation Plan.

Overview of the Deferred Compensation Assets:

As of March 31, 2025, IRWD's Sections 457(b) and 401(a) Plans (collectively, the "Plans") assets totaled $96,914,393, which represented a $4,130,624 decrease from the prior quarter ended December 31, 2024, and a $3,475,860 decrease for the one-year period. The changes in Plan assets over the two periods are summarized as follows:

	One Year Period Ending March 31, 2025	*Quarter Ending March 31, 2025*
Beginning Balance	$100,390,253	$101,045,018
Employee Contributions	3,902,001	967,570
District Contributions	1,684,349	545,249
Transfers to/from other plans	622,538	163,279
Distributions	(12,919,291)	(3,106,770)
Loan Distributions(1)	(618,032)	(160,540)
Loan Repayment	299,424	77,405
Net Investment Gain (Loss)	3,553,150	(2,616,819)
Ending Balance - December 31, 2024	$96,914,393	$96,914,393
Change in assets for the period	($3,475,860)	($4,130,624)

(1) Number of loans outstanding: 76

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, 2025, is provided as Exhibit "B".

FISCAL IMPACTS:

As of March 31, 2025, the District's Plan assets totaled $96,914,393, which represented a $4,130,624 decrease from the quarter end December 31, 2024, and a $3,475,860 decrease 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, 2025

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	**$71,187,012**	**$25,727,381**	**$96,914,393**
Change From Prior Quarter	($3,469,092)	($661,532)	($4,130,624)
Change From Prior Year (3/2024)	($3,823,740)	$347,880	($3,475,860)
Quarterly Contributions	**$967,570**	**$545,249**	**$1,512,820**
*Change From Prior Quarter	($17,316)	$143,253	

*Increase in 401 (a) contributions is due to vacation accrual transfer during the quarter ended March 31, 2025.

	One Year Period Ending March 31, 2025	Quarter Ending March 31, 2025
Beginning Balance	$100,390,253	$101,045,018
Employee Contributions	3,902,001	967,570
District Contributions	1,684,349	545,249
Transfers to/from other plans	622,538	163,279
Distributions	(12,919,291)	(3,106,770)
Loan Distributions[1]	(618,032)	(160,540)
Loan Repayment	299,424	77,405
Net Investment Gain (Loss)	3,553,150	(2,616,819)
Ending Balance - March 31, 2025	$96,914,393	$96,914,393
Change in assets for the period	($3,475,860)	($4,130,624)

[1] Number of loans outstanding as of 3/31/25 : 76

Employee Participation	
Full-time Employees	397
Employees Participating	350
Percent Participation	88%

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

March 31, 2025

Fund		Assets	Percent of Assets	Change from previous quarter
PROFILE FUNDS				
Aggressive Profile Fund		12,833,719	13.2%	0.6%
Moderate Profile Fund		5,473,047	5.6%	-1.0%
Conservative Profile Fund		5,115,085	5.3%	-0.1%
	Sub Total	**23,421,851**	**24.1%**	**-0.5%**
INTERNATIONAL FUND				
American Funds EuroPacific Gr R6		2,140,472	2.2%	0.0%
Vanguard Total Intl Stock Index Admiral		3,412,791	3.5%	0.8%
	Sub Total	**5,553,262**	**5.7%**	**0.6%**
SMALL CAP FUNDS				
Hood River Small-Cap Growth Retirement		4,144,839	4.3%	-0.5%
Victory Integrity Small Cap Value R6		1,370,482	1.4%	-0.3%
Vanguard Small Cap Index		2,225,900	2.3%	0.1%
	Sub Total	**7,741,221**	**8.0%**	**-0.7%**
MEDIUM CAP FUNDS				
JP Morgan MidCap Growth R6		1,847,536	1.9%	-0.6%
Wells Fargo Spec Md Cp Val R6		3,206,288	3.3%	-0.3%
Vanguard Mid-Cap Index Fund		1,682,008	1.7%	-0.1%
	Sub Total	**6,735,832**	**6.9%**	**-1.0%**
LARGE CAP FUNDS				
American Funds Growth Fund of Amer R6		7,131,464	7.4%	-1.0%
Vanguard Institutional Index		11,641,572	12.0%	0.1%
Diamond Hill Large-Cap Fund		2,108,420	2.2%	0.0%
	Sub Total	**20,881,456**	**21.6%**	**-0.9%**
BOND FUND				
Metropolitan West Total Return Bond Plan		4,100,808	4.2%	0.4%
	Sub Total	**4,100,808**	**4.2%**	**0.4%**
STABLE VALUE FUND				
Putnam Stable Value		10,760,935	11.1%	1.4%
	Sub Total	**10,760,935**	**11.1%**	**1.4%**
TARGET DATE FUND				
Vanguard Target Retirement Income Inv		2,107,986	2.2%	0.3%
Vanguard Target Retirement 2020 Inv		995,367	1.0%	-1.1%
Vanguard Target Retirement 2025 Inv		919,605	0.9%	0.1%
Vanguard Target Retirement 2030 Inv		1,892,529	2.0%	0.8%
Vanguard Target Retirement 2035 Inv		2,323,421	2.4%	0.1%
Vanguard Target Retirement 2040 Inv		1,351,043	1.4%	0.1%
Vanguard Target Retirement 2045 Inv		1,178,545	1.2%	0.1%
Vanguard Target Retirement 2050 Inv		2,197,958	2.3%	0.1%
Vanguard Target Retirement 2055 Inv		906,952	0.9%	0.1%
Vanguard Target Retirement 2060 Inv		544,564	0.6%	0.0%
Vanguard Target Retirement 2065 Inv		74,430	0.1%	0.0%
	Sub Total	**14,492,401**	**15.0%**	**0.6%**
OTHER				
Schwab Brokerage		3,226,627	3.4%	0.1%
Total Assets		**$96,914,393**	**100%**	
LOAN BALANCE OUTSTANDING		**$1,068,234**		

FUND PERFORMANCE REVIEW

Irvine Ranch Water District Deferred Compensation Plan #98453-01

Reporting Period Ending March 31, 2025

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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RO4417385-0425

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 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.*

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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® Direct℠

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	❸, ❹, or ❺	Above
≥ 50.0%	OR	❸, ❹, or ❺	Neutral
< 50.0%	AND	❶, or ❷	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 DC Plan

period ended 3/31/2025

	Morningstar Category	Ticker Symbol	Fund Name	Overall Rating: Composite %'s: Overall	Return	Sharpe	Overall Morningstar Rating		Long-Term Rolling Analysis: Consecutive Quarters Below	# of Quarters Below out of trailing 12	
Intl	Foreign Large Growth	RERGX	American Funds Europacific Growth R6	**49.2**	49.3	49.0	**3**	Neutral	**0**	**0 out of 12**	Pass
Small-Cap	Small Growth	HRSIX	Hood River Small-Cap Growth Retirement	**96.3**	96.7	96.0	**5**	Above	**0**	**0 out of 12**	Pass
	Small Value	MVSSX	Victory Integrity Small-Cap Value R6	**48.7**	48.3	49.0	**3**	Neutral	**0**	**0 out of 12**	Pass
Mid-Cap	Mid-Cap Growth	JMGMX	JPMorgan Mid Cap Growth R6	**61.9**	67.3	56.5	**4**	Above	**0**	**0 out of 12**	Pass
	Mid-Cap Value	WFPRX	Allspring Special Mid Cap Value R6	**77.3**	76.0	78.5	**4**	Above	**0**	**0 out of 12**	Pass
Large-Cap	Large Growth	RGAGX	American Funds Growth Fund of Amer R6	**59.7**	56.3	63.0	**3**	Above	**0**	**0 out of 12**	Pass
	Large Value	DHLYX	Diamond Hill Large Cap Y	**33.6**	46.7	20.5	**3**	Neutral	**0**	**1 out of 12**	Pass
Asst All/Other	Target-Date Retirement	VTINX	Vanguard Target Retirement Income Fund	**46.0**	50.0	42.0	**3**	Neutral	**0**	**0 out of 12**	N/A
	Target-Date 2020	VTWNX	Vanguard Target Retirement 2020 Fund	**49.3**	52.0	46.5	**4**	Neutral	**0**	**0 out of 12**	N/A
	Target-Date 2025	VTTVX	Vanguard Target Retirement 2025 Fund	**66.3**	69.7	63.0	**4**	Above	**0**	**0 out of 12**	N/A
	Target-Date 2030	VTHRX	Vanguard Target Retirement 2030 Fund	**61.3**	64.0	58.5	**4**	Above	**0**	**0 out of 12**	N/A
	Target-Date 2035	VTTHX	Vanguard Target Retirement 2035 Fund	**56.7**	56.3	57.0	**4**	Above	**0**	**0 out of 12**	N/A
	Target-Date 2040	VFORX	Vanguard Target Retirement 2040 Fund	**55.5**	55.0	56.0	**4**	Above	**0**	**0 out of 12**	N/A
	Target-Date 2045	VTIVX	Vanguard Target Retirement 2045 Fund	**62.8**	62.0	63.5	**4**	Above	**0**	**0 out of 12**	N/A
	Target-Date 2050	VFIFX	Vanguard Target Retirement 2050 Fund	**62.9**	62.3	63.5	**4**	Above	**0**	**0 out of 12**	N/A
	Target-Date 2055	VFFVX	Vanguard Target Retirement 2055 Fund	**55.6**	52.7	58.5	**4**	Above	**0**	**0 out of 12**	N/A
	Target-Date 2060	VTTSX	Vanguard Target Retirement 2060 Fund	**54.2**	51.3	57.0	**4**	Above	**0**	**0 out of 12**	N/A
	Target-Date 2065+	VLXVX	Vanguard Target Retirement 2065 Fund	**51.5**	46.0	57.0	**3**	Above	**0**	**0 out of 12**	N/A
Bond	Intermediate Core-Plus Bond	MWTSX	TCW MetWest Total Return Bd Plan	**27.6**	23.7	31.5	**3**	Neutral	**0**	**0 out of 12**	Pass
Index Funds	Foreign Large Blend	VTIAX	Vanguard Total Intl Stock Index Admiral (Idx)	**39.3**	39.0	39.5	**3**	N/A	**N/A**	**0 out of 12**	Pass
	Small Blend	VSMAX	Vanguard Small Cap Index Admiral Shares (Idx)	**74.0**	76.0	72.0	**4**	N/A	**N/A**	**0 out of 12**	Pass
	Mid-Cap Blend	VIMAX	Vanguard Mid Cap Index Admiral (Idx)	**70.7**	70.3	71.0	**4**	N/A	**N/A**	**0 out of 12**	Pass
	Large Blend	VINIX	Vanguard Institutional Index I (Idx)	**80.9**	83.3	78.5	**5**	N/A	**N/A**	**0 out of 12**	Pass

Data Source: Morningstar® Direct℠

Please refer to the Appendix page for additional disclosures.

Return Analysis: Irvine Ranch Water DC Plan

period ended 3/31/2025

	Fund Name	1st Qtr 2025 Return	1st Qtr 2025 Percentile	Performance vs. Benchmark (Annualized Returns and Return Percentiles %) 1 Year Return	1 Year Percentile	3 Year Return	3 Year Percentile	5 Year Return	5 Year Percentile	10 Year Return	10 Year Percentile	Return Since Inception	Incept. Date
Intl	Foreign Large Growth Peer Group	2.46	50	1.34	50	3.23	50	9.48	50	5.32	50		
	American Funds Europacific Growth R6	2.62	49	0.34	39	3.28	49	9.93	53	5.33	46	7.70	5/1/2009
Small-Cap	Small Growth Peer Group	-10.53	50	-5.05	50	0.05	50	11.53	50	7.14	50		
	Hood River Small-Cap Growth Retirement	-15.14	8	0.96	91	4.41	94	21.11	99	11.53	97	12.90	3/3/2017
	Small Value Peer Group	-7.10	50	-3.68	50	2.20	50	16.52	50	6.29	50		
	Victory Integrity Small-Cap Value R6	-8.52	25	-8.91	8	1.39	34	18.91	72	6.03	39	9.85	6/1/2012
Mid-Cap	Mid-Cap Growth Peer Group	-8.36	50	-4.69	50	1.26	50	11.64	50	8.44	50		
	JPMorgan Mid Cap Growth R6	-9.18	37	-5.64	41	2.03	54	12.84	63	9.99	85	12.85	11/1/2011
	Mid-Cap Value Peer Group	-2.54	50	0.89	50	4.24	50	16.91	50	7.33	50		
	Allspring Special Mid Cap Value R6	-1.95	59	0.67	54	5.58	78	17.53	65	8.67	85	10.31	6/28/2013
Large-Cap	Large Growth Peer Group	-9.03	50	4.11	50	8.35	50	17.13	50	12.98	50		
	American Funds Growth Fund of Amer R6	-6.36	83	7.12	76	8.90	62	17.59	58	12.90	49	14.39	5/1/2009
	Large Value Peer Group	1.93	50	6.78	50	6.88	50	16.58	50	8.84	50		
	Diamond Hill Large Cap Y	1.36	44	2.84	14	5.10	19	16.07	41	9.72	80	11.70	12/30/2011
Asst All/Other	Target-Date Retirement Peer Group	1.21	50	5.45	50	2.84	50	5.60	50	4.04	50		
	Vanguard Target Retirement Income Fund	1.37	64	5.82	69	3.11	60	5.14	31	4.15	59	4.96	10/27/2003
	Target-Date 2020 Peer Group	1.12	50	5.46	50	3.24	50	7.42	50	5.38	50		
	Vanguard Target Retirement 2020 Fund	1.13	47	5.97	72	3.50	47	7.40	44	5.47	65	5.99	6/7/2006
	Target-Date 2025 Peer Group	0.96	50	5.58	50	3.62	50	8.39	50	5.72	50		
	Vanguard Target Retirement 2025 Fund	0.64	25	6.10	73	4.08	72	8.77	60	6.16	77	6.62	10/27/2003
	Target-Date 2030 Peer Group	0.53	50	5.49	50	3.94	50	9.64	50	6.47	50		
	Vanguard Target Retirement 2030 Fund	0.21	26	6.03	69	4.51	66	9.94	56	6.70	70	6.70	6/7/2006
	Target-Date 2035 Peer Group	0.21	50	5.66	50	4.58	50	11.25	50	7.05	50		
	Vanguard Target Retirement 2035 Fund	0.04	41	6.26	78	5.01	66	11.15	39	7.26	64	7.44	10/27/2003
	Target-Date 2040 Peer Group	-0.15	50	5.67	50	5.19	50	12.51	50	7.64	50		
	Vanguard Target Retirement 2040 Fund	-0.21	50	6.42	80	5.47	58	12.36	37	7.80	70	7.41	6/7/2006
	Target-Date 2045 Peer Group	-0.44	50	5.73	50	5.66	50	13.48	50	7.91	50		
	Vanguard Target Retirement 2045 Fund	-0.40	61	6.57	80	5.90	63	13.56	52	8.27	71	8.13	10/27/2003
	Target-Date 2050 Peer Group	-0.55	50	5.66	50	5.88	50	13.70	50	8.16	50		
	Vanguard Target Retirement 2050 Fund	-0.56	57	6.65	83	6.22	64	13.84	54	8.40	69	7.75	6/7/2006
	Target-Date 2055 Peer Group	-0.74	50	5.74	50	6.00	50	13.92	50	8.10	50		
	Vanguard Target Retirement 2055 Fund	-0.56	68	6.67	77	6.23	60	13.84	39	8.38	59	9.88	8/18/2010
	Target-Date 2060 Peer Group	-0.67	50	5.67	50	5.99	50	13.92	50	8.47	50		
	Vanguard Target Retirement 2060 Fund	-0.57	59	6.65	83	6.23	58	13.83	43	8.38	53	9.66	1/19/2012
	Target-Date 2065+ Peer Group	-0.89	50	5.79	50	6.06	50	13.97	50	N/A	50		
	Vanguard Target Retirement 2065 Fund	-0.54	72	6.67	75	6.24	54	13.84	38	N/A	N/A	8.86	7/12/2017
Bond	Intermediate Core-Plus Bond Peer Group	2.71	50	5.24	50	0.76	50	0.85	50	1.76	50		
	TCW MetWest Total Return Bd Plan	3.13	91	5.18	46	0.22	22	-0.07	14	1.59	35	2.63	7/29/2011
Index Funds	Vanguard Total Intl Stock Index Admiral (Idx)	5.51	22	6.37	64	4.65	28	11.44	43	5.21	46	5.19	11/29/2010
	Vanguard Small Cap Index Admiral Shares (Idx)	-7.37	73	-1.58	79	3.01	76	15.62	69	7.75	83	8.79	11/13/2000
	Vanguard Mid Cap Index Admiral (Idx)	-1.58	93	5.14	95	4.51	74	16.21	54	8.92	83	9.87	11/12/2001
	Vanguard Institutional Index I (Idx)	-4.28	60	8.21	85	9.02	78	18.56	79	12.47	93	10.49	7/31/1990

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

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

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

Data Source: Morningstar® Direct℠

Please refer to the Appendix page for additional disclosures

Sharpe Ratio and Expense Analysis: Irvine Ranch Water DC Plan

period ended 3/31/2025

	Fund Name	Sharpe Ratios and Percentiles %				Standard Deviation		Expense	Expense	Manager	Fund Size
		3 Yr Ratio	3 Yr %	5 Yr Ratio	5 Yr %	3 Yr	5 Yr	Ratio	Percentile %	Tenure (yrs)	$MM
Intl	Foreign Large Growth Peer Group	0.02	50	0.44	50	18.73	17.81	0.94	50		
	American Funds Europacific Growth R6	0.01	46	0.47	52	17.41	17.23	0.47	5	24	111,128
Small-Cap	Small Growth Peer Group	-0.10	50	0.48	50	22.44	22.36	1.09	50		
	Hood River Small-Cap Growth Retirement	0.12	95	0.77	97	25.51	25.42	0.99	39	22	2,960
	Small Value Peer Group	0.01	50	0.70	50	22.39	21.50	1.09	50		
	Victory Integrity Small-Cap Value R6	-0.03	33	0.75	65	22.41	22.63	0.96	32	21	895
Mid-Cap	Mid-Cap Growth Peer Group	-0.06	50	0.50	50	21.55	21.61	1.02	50		
	JPMorgan Mid Cap Growth R6	-0.02	53	0.54	60	21.08	21.28	0.65	6	9	9,629
	Mid-Cap Value Peer Group	0.08	50	0.79	50	19.69	18.70	1.02	50		
	Allspring Special Mid Cap Value R6	0.14	77	0.87	80	17.44	17.14	0.70	12	16	11,770
Large-Cap	Large Growth Peer Group	0.27	50	0.75	50	20.69	20.34	0.87	50		
	American Funds Growth Fund of Amer R6	0.30	62	0.79	64	19.80	19.64	0.30	5	23	248,764
	Large Value Peer Group	0.21	50	0.86	50	16.50	16.25	0.83	50		
	Diamond Hill Large Cap Y	0.11	19	0.78	22	17.95	17.46	0.55	15	10	8,853
Asst All/Other	Target-Date Retirement Peer Group	-0.13	50	0.37	50	9.14	8.05	0.55	50		
	Vanguard Target Retirement Income Fund	-0.13	50	0.33	34	8.69	7.64	0.08	3	12	34,713
	Target-Date 2020 Peer Group	-0.07	50	0.50	50	10.54	9.77	0.77	50		
	Vanguard Target Retirement 2020 Fund	-0.06	47	0.51	46	10.09	9.37	0.08	3	12	34,879
	Target-Date 2025 Peer Group	-0.03	50	0.55	50	11.33	10.82	0.65	50		
	Vanguard Target Retirement 2025 Fund	0.01	70	0.57	56	11.63	10.87	0.08	3	12	72,858
	Target-Date 2030 Peer Group	0.01	50	0.60	50	12.69	12.01	0.75	50		
	Vanguard Target Retirement 2030 Fund	0.05	67	0.62	50	12.69	11.93	0.08	2	12	95,639
	Target-Date 2035 Peer Group	0.06	50	0.67	50	13.84	13.09	0.66	50		
	Vanguard Target Retirement 2035 Fund	0.09	66	0.68	48	13.46	12.80	0.08	3	12	101,642
	Target-Date 2040 Peer Group	0.11	50	0.71	50	14.96	14.25	0.72	50		
	Vanguard Target Retirement 2040 Fund	0.13	58	0.72	54	14.23	13.67	0.08	2	12	91,052
	Target-Date 2045 Peer Group	0.14	50	0.74	50	15.71	15.10	0.72	50		
	Vanguard Target Retirement 2045 Fund	0.16	63	0.76	64	15.03	14.57	0.08	3	12	89,351
	Target-Date 2050 Peer Group	0.15	50	0.74	50	15.91	15.31	0.72	50		
	Vanguard Target Retirement 2050 Fund	0.18	65	0.76	62	15.46	14.86	0.08	2	12	76,569
	Target-Date 2055 Peer Group	0.16	50	0.75	50	16.18	15.47	0.72	50		
	Vanguard Target Retirement 2055 Fund	0.18	61	0.76	56	15.47	14.86	0.08	3	12	52,350
	Target-Date 2060 Peer Group	0.16	50	0.75	50	16.06	15.36	0.64	50		
	Vanguard Target Retirement 2060 Fund	0.18	58	0.76	56	15.45	14.84	0.08	3	12	30,423
	Target-Date 2065+ Peer Group	0.17	50	0.75	50	16.22	15.44	0.60	50		
	Vanguard Target Retirement 2065 Fund	0.18	55	0.76	59	15.44	14.84	0.08	4	8	9,673
Bond	Intermediate Core-Plus Bond Peer Group	-0.44	50	-0.25	50	7.90	6.80	0.67	50		
	TCW MetWest Total Return Bd Plan	-0.45	43	-0.36	20	8.74	7.22	0.37	9	20	34,561
Index Funds	Vanguard Total Intl Stock Index Admiral (Idx)	0.08	27	0.59	52	16.78	15.78	0.09	5	17	455,423
	Vanguard Small Cap Index Admiral Shares (Idx)	0.04	77	0.66	67	22.07	20.92	0.05	3	9	143,362
	Vanguard Mid Cap Index Admiral (Idx)	0.09	66	0.74	76	19.54	18.83	0.05	4	2	175,235
	Vanguard Institutional Index I (Idx)	0.33	77	0.93	80	17.31	16.90	0.04	3	7	293,280

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

Expense refers to the Prospectus Net Expense Ratio

Data Source: Morningstar® Direct℠

Please refer to the Appendix page for additional disclosures

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Annual Returns and Statistics: Irvine Ranch Water DC Plan

period ended 3/31/2025

	Fund Name	Calendar Year Returns 2024	2023	2022	2021	2020	Modern Portfolio Theory Statistics (3 year) Alpha	Beta	R2	Portfolio Construction Turnover Ratio	Number of Holdings	% in top 10 holdings
Intl	Foreign Large Growth Peer Group	5.02	15.90	-24.31	8.84	22.29						
	American Funds Europacific Growth R6	5.04	16.05	-22.72	2.84	25.27	1.52	1.02	96	30	335	23%
Small-Cap	Small Growth Peer Group	14.25	16.54	-27.82	9.42	37.98						
	Hood River Small-Cap Growth Retirement	35.69	21.60	-27.93	23.88	60.81	3.98	1.03	93	98	103	24%
	Small Value Peer Group	8.65	15.99	-11.01	29.89	3.51						
	Victory Integrity Small-Cap Value R6	4.90	17.80	-7.58	33.76	1.33	-1.41	0.93	98	62	136	11%
Mid-Cap	Mid-Cap Growth Peer Group	14.09	20.26	-27.27	13.36	34.84						
	JPMorgan Mid Cap Growth R6	14.56	23.35	-26.96	10.99	48.51	-3.98	0.95	99	55	116	20%
	Mid-Cap Value Peer Group	11.68	12.73	-8.39	28.82	2.81						
	Allspring Special Mid Cap Value R6	12.06	9.62	-4.50	28.80	3.36	1.41	0.86	97	19	69	26%
Large-Cap	Large Growth Peer Group	30.12	39.53	-31.05	21.87	36.90						
	American Funds Growth Fund of Amer R6	28.84	37.65	-30.49	19.69	38.28	0.68	0.91	95	25	322	35%
	Large Value Peer Group	14.28	11.04	-5.25	25.82	3.06						
	Diamond Hill Large Cap Y	12.26	13.78	-13.27	25.89	9.07	-1.44	1.04	97	36	49	36%
Asst All/Other	Target-Date Retirement Peer Group	6.89	10.43	-12.68	6.37	9.97						
	Vanguard Target Retirement Income Fund	6.58	10.74	-12.74	5.25	10.02	0.39	1.06	99	4	7	99%
	Target-Date 2020 Peer Group	7.61	12.16	-14.31	8.91	11.38						
	Vanguard Target Retirement 2020 Fund	7.75	12.51	-14.15	8.17	12.04	-0.43	1.01	99	4	6	99%
	Target-Date 2025 Peer Group	8.55	13.05	-15.01	10.24	13.00						
	Vanguard Target Retirement 2025 Fund	9.44	14.55	-15.55	9.80	13.30	0.11	0.90	99	7	7	99%
	Target-Date 2030 Peer Group	9.58	14.58	-16.25	11.56	13.22						
	Vanguard Target Retirement 2030 Fund	10.64	16.03	-16.27	11.38	14.10	0.65	0.98	99	7	5	99%
	Target-Date 2035 Peer Group	11.17	16.40	-16.69	14.09	14.28						
	Vanguard Target Retirement 2035 Fund	11.78	17.14	-16.62	12.96	14.79	1.22	1.04	99	4	5	99%
	Target-Date 2040 Peer Group	12.74	18.17	-17.50	15.95	15.13						
	Vanguard Target Retirement 2040 Fund	12.88	18.34	-16.98	14.56	15.47	-0.76	1.02	99	2	6	99%
	Target-Date 2045 Peer Group	13.91	19.41	-18.01	17.02	15.27						
	Vanguard Target Retirement 2045 Fund	13.91	19.48	-17.36	16.16	16.30	-0.87	0.92	99	1	6	99%
	Target-Date 2050 Peer Group	14.22	19.89	-18.18	17.23	15.87						
	Vanguard Target Retirement 2050 Fund	14.64	20.17	-17.46	16.41	16.39	-0.60	0.95	99	1	6	99%
	Target-Date 2055 Peer Group	14.65	20.23	-18.29	17.63	15.62						
	Vanguard Target Retirement 2055 Fund	14.64	20.16	-17.46	16.44	16.32	-0.59	0.95	99	1	6	99%
	Target-Date 2060 Peer Group	14.60	20.10	-18.19	17.56	16.45						
	Vanguard Target Retirement 2060 Fund	14.63	20.18	-17.46	16.44	16.32	-0.59	0.95	99	1	6	99%
	Target-Date 2065+ Peer Group	14.91	20.54	-18.34	17.87	16.49						
	Vanguard Target Retirement 2065 Fund	14.62	20.15	-17.39	16.46	16.17	-0.58	0.95	99	0	5	99%
Bond	Intermediate Core-Plus Bond Peer Group	2.27	6.37	-13.99	-0.91	8.60						
	TCW MetWest Total Return Bd Plan	1.12	6.07	-14.69	-1.11	9.17	0.20	1.17	100	450	1528	37%
Index Funds	Vanguard Total Intl Stock Index Admiral (Idx)	5.14	15.52	-16.01	8.62	11.28	0.22	1.03	99	3	8616	10%
	Vanguard Small Cap Index Admiral Shares (Idx)	14.23	18.20	-17.61	17.73	19.11	0.84	0.96	99	13	1368	4%
	Vanguard Mid Cap Index Admiral (Idx)	15.22	15.98	-18.71	24.51	18.24	-0.42	0.99	100	16	320	9%
	Vanguard Institutional Index I (Idx)	24.97	26.24	-18.14	28.67	18.39	-0.04	1.00	100	4	506	35%

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.

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Annual Returns and Statistics: Irvine Ranch Water DC Plan

period ended 3/31/2025

Fund Name	Calendar Year Returns					Modern Portfolio Theory Statistics (3 year)			Portfolio Construction		
	2024	2023	2022	2021	2020	Alpha	Beta	R2	Turnover Ratio	Number of Holdings	% in top 10 holdings

Total return performance shown above represents that of the underlying fund and does not include a deduction for any applicable annuity contract of administrative fees/expenses.
Performance numbers shown above would be less after applicable fee/expenses are deducted.

Data Source: Morningstar® Direct℠

Please refer to the Appendix page for additional disclosures

Index Performance

period ending 3/31/2025

	Index	Total Return 1 Year	Total Return Annlzd 3 Year	Total Return Annlzd 5 Year	Total Return Annlzd 10 Year	Annual Return 2024	Annual Return 2023	Annual Return 2022	Annual Return 2021	Annual Return 2020
International	MSCI EMF ID	5.58	-1.19	5.35	1.23	5.05	7.04	-22.37	-4.59	15.84
	MSCI Eafe Ndtr_D	4.88	6.05	11.77	5.40	3.82	18.24	-14.45	11.26	7.82
	MSCI World Ndtr_D	7.04	7.58	16.13	9.50	18.67	23.79	-18.14	21.82	15.90
Small-Cap	Russell 2000 Growth	-4.86	0.78	10.78	6.14	15.15	18.66	-26.36	2.83	34.63
	Russell 2000	-4.01	0.52	13.27	6.30	11.54	16.93	-20.44	14.82	19.96
	Russell 2000 Value	-3.12	0.05	15.31	6.07	8.05	14.65	-14.48	28.27	4.63
Mid-Cap	Russell Midcap Growth	3.57	6.16	14.86	10.14	22.10	25.87	-26.72	12.73	35.59
	Standard & Poor's Midcap 400	-2.71	4.42	16.91	8.43	13.93	16.44	-13.06	24.76	13.66
	Russell Midcap Value	2.27	3.78	16.70	7.62	13.07	12.71	-12.03	28.34	4.96
Large-Cap	Russell 1000 Growth	7.76	10.10	20.09	15.12	33.36	42.68	-29.14	27.60	38.49
	Standard & Poor's 500 TR	8.25	9.06	18.59	12.50	25.02	26.29	-18.11	28.71	18.40
	Russell 1000 Value	7.18	6.64	16.15	8.79	14.37	11.46	-7.54	25.16	2.80
Bond	Bloomberg US Agg Bond TR USD	4.88	0.52	-0.40	1.46	1.25	5.53	-13.01	-1.54	7.51
	Bloomberg US Credit TR USD	4.87	1.13	1.35	2.31	2.03	8.18	-15.26	-1.08	9.35
	Bloomberg US MBS TR USD	5.39	0.55	-0.69	1.11	1.20	5.05	-11.81	-1.04	3.87
	Bloomberg US Government TR USD	4.53	0.01	-1.60	0.98	0.62	4.09	-12.32	-2.28	7.94
	Bloomberg US Govt 1-3 Yr TR USD	5.42	2.85	1.15	1.50	4.04	4.32	-3.81	-0.60	3.14

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

Empower Annuity Insurance Company of America (EAICA) Empower is affiliated with Great-West Lifeco Inc. (Lifeco) who sold Putnam Investments, LLC to Franklin Resources, Inc. (Franklin). As a result of the transaction, EAICA's affiliate owns approximately 6% of Franklin as of January 1st, 2024. As a part of the transaction, Lifeco entered into arrangements with Franklin under which Lifeco has committed to allocate assets over a period of time to be managed by Franklin's investment managers and has agreed to support the availability of Franklin and its affiliates' products and services on enterprise platforms. If certain Franklin revenue thresholds are achieved under those arrangements, Lifeco will receive contingent transaction consideration and other financial benefits. Franklin also includes Alcentra, Benefit Street Partners, Brandywine Global, Clarion Partners, ClearBridge Investments, Franklin Templeton Investments, K2 Lexington Partners, Martin Currie, Putnam Investments, Royce Investment Partners and Western Asset Management as of January 1st, 2024.

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 performace 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-backeds, 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 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 Ndtr_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. Ndtr_D indexes are calculated daily and take into account actual dividends reinvested daily before withholding taxes, but exclude special tax credits declared by companies. In addition, Ndtr_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 Ndtr_D Includes all 23 MSCI developed market countries. Ndtr_D indexes are calculated daily and take into account actual dividends reinvested daily before withholding taxes, but exclude special tax credits declared by companies. In addition, Ndtr_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.

June 2, 2025
Prepared by: S. Aryan
Submitted by: 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 March 31, 2025.

BACKGROUND:

A comparison of IRWD's actual versus budget insurance expenses for the third quarter of FY 2024-25 and FY 2023-24 is provided as Exhibit "A" and summarized as follows:

- Insurance premiums total $2,764,248 and are $89,373 over budget;
- Third-party claim administration expenses total $8,048 and are $14,452 under budget;
- Legal expenses total $23,015; and
- Claim payments total $813,312 and are $738,312 over budget. IRWD received an insurance reimbursement in the second quarter totaling $461,597.50 for the PMI Claim (Sofi Irvine Apartments). Additionally, a Settlement Agreement was executed between the District and the City of Lake Forest, in which both agencies agreed to contribute $246,811.89 each in the third quarter toward costs related to sinkhole mitigation on El Toro Road.

The register of closed general liability claims 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" – IRWD Insurance and Claims Summary
Exhibit "B" – Register of Closed General Liability Claims (FY 2024-25)

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Exhibit "A"

Irvine Ranch Water District Insurance and Claims Summary - Period Ending March 31, 2025

	PREMIUM	Actual FY 24/25	Budget FY 24/25	Variance	% Variance	Prior Actual FY 23/24
*	Crime	$12,391	$10,125	($2,266)	-22%	$7,858
	General Liability	$1,722,477	$1,575,000	($147,477)	-9%	$1,187,928
**	Pollution	$223,114	$182,250	($40,864)	-22%	$122,615
	Property	$774,482	$843,750	$69,268	8%	$483,982
	Cyber	$31,784	$63,750	$31,966	50%	$47,265
	Total	$2,764,248	$2,674,875	($89,373)	-3%	$1,849,648

* *Crime policy premium was fully expensed in Q2 ($12,391)*

** *Regular pollution policy fully expensed in Q1 ($27,439)*

	CATEGORY	Open FY 24/25	Closed FY 24/25	Total FY 24/25	Budget FY 24/25	Variance	Prior Actual FY 23/24
***	Claim Payments - Property	$561,598	$251,715	$813,312	$75,000	($738,312)	$11,601
	Claim Admin	$3,395	$4,652	$8,048	$22,500	$14,452	$1,614
	Total FY 24/25	$564,993	$256,367	$821,360	$97,500	**($723,860)**	$13,215

*** *Insurance reimbursement received in Q2 ($461,597.50) & City of Lake Forest Settlement Agreement Paid in Q3 ($246,811.89)*

CATEGORY	Open FY 24/25	Closed FY 24/25	Total FY 24/25	Prior Actual FY 23/24
Legal	$15,408	$7,607	$23,015	$28,512
Total FY 24/25	$15,408	$7,607	$23,015	$28,512

ACTIVITY	FY 2023/24	FY 2024/25
Beginning Open Claims	1	6
New Claims	17	16
Closed Claims	(12)	(16)
Current Open Claims	6	6

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Exhibit "B"

Register of Closed General Liability Claims (FY 2024-2025) as of March 31, 2025					
Claim Type	Claimant	Legal	Claim Payments - Property	Claim Admin	Grand Total
Single Event	Brad Rosborough		$580		$580
	Dennis & Carla Hastings	$6,851			$6,851
	Greg Vacca		$1,003		$1,003
	Kyle Riddles		$135		$135
	Michael Brown vs. PEI Engineering				
	Sofi (PMI Charter)			$320	$320
	Denenberg Tuffley (Market of Insurers)	$356			$356
	Daniel Patrick Jenkins		$273		$273
	Hamid Fallah Rastegar		$102		$102
	Lake Newport, LLC			$975	$975
	HEXA Packaging and Supply			$357	$357
	Jen Du	$400			$400
	Farid Jazayeri		$2,400		$2,400
	City of Lake Forest		$246,812		$246,812
	Monzer Najjar		$35		$35
	David Thatcher		$375		$375
Grand Total		**7,607**	**251,715**	**1,652**	**260,974**

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June 2, 2025
Prepared by: S. Aryan
Submitted by: T. Mitcham
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

RENEWAL OF GENERAL AND EXCESS LIABILTY, EXCESS WORKERS' COMPENSATION, AND PROPERTY INSURANCE PROGRAMS FOR FISCAL YEAR 2025/26

SUMMARY:

IRWD participates in a member-directed risk-sharing pool of public agencies known as the Public Risk Innovation, Solutions, and Management program, or "PRISM". IRWD participates in various insurance programs under PRISM, the largest of which are the General and Excess Liability, Excess Workers' Compensation, and Property Insurance Programs. Staff recommends that the Board authorize the General Manager to continue IRWD's participation in PRISM's General and Excess Liability, Workers' Compensation, and Property Insurance Programs for Fiscal Year 2025/26, including approval of the latest insurance premium estimates as shown in Exhibit "A."

BACKGROUND:

Below is a description of each significant insurance program in which the District participates as a PRISM member agency.

General Liability Program:

PRISM's General Liability Program provides members with broad coverage, cost stability, and strategic risk-sharing mechanisms. PRISM offers two general liability programs, GL1 and GL2, which enable members to choose from various retention levels, share risks with other members, and access pooled and reinsured / excess layers of coverage. This flexibility enables agencies to tailor their coverage and cost exposure according to their operational needs and risk tolerance.

IRWD participates in PRISM's General Liability 1 Program, which is the larger and more widely used of the two programs. GL1 comprises over 200 public entities and offers retention levels starting at $100,000, which is the District's current self-insured retention. The program covers a broad range of liabilities, including bodily injury and property damage, personal and advertising injury, employment practices liability, public officials' errors and omissions, and defense costs.

Optional Excess Liability (OEL) Program:

In addition to its primary general liability coverage, PRISM offers a voluntary Optional Excess Liability (OEL) Program to its members seeking liability protection beyond standard pooled limits. The OEL Program enables public agencies to purchase additional layers of excess liability coverage at group-negotiated rates. The OEL Program mirrors the coverage provided under a member's underlying liability program, with limits extended on a follow-form basis (i.e., the same as the underlying primary GL policy). Participation in this program provides

member agencies a flexible, cost-efficient mechanism to expand their liability coverage and protects against financially devastating claims. It is designed to complement the core general liability programs and enhance the District's overall risk management posture.

Excess Workers' Compensation (EWC) Program:

IRWD participates in the Excess Workers' Compensation (EWC) Program, which provides comprehensive coverage to protect against high-severity employee injury claims. This program offers flexible self-insured retention (SIR) levels based on an agency's risk tolerance and financial capacity. The District has a current Self-Insured Retention (SIR) of $125,000, and coverage applies statutorily without limit above the SIR. The EWC Program provides statutory benefits required under California law, including medical expenses, temporary and permanent disability benefits, vocational rehabilitation, and death benefits. The Program offers coverage on a follow-form basis, mirroring state workers' compensation statutes and limits.

Property Insurance Program:

IRWD participates in PRISM's Property Insurance Program, which insures real and personal property on an "all-risk" basis, offering customized protection, cost savings, and access to specialized risk control resources. The current deductible for the District is $50,000, and it maintains a schedule of values over $1 billion. Coverage under the Program includes fire, explosions, vandalism, theft (through a crime policy), water damage, and boiler and machinery. The District maintains earthquake coverage under a separate policy, which is specifically for and only applicable to its investment properties.

Cyber Liability Program and Pollution Program:

IRWD also participates in PRISM's Cyber Liability Program and Pollution Program. IRWD will procure the insurance for the Cyber Liability Program ($46,700 to $55,100) and the Pollution Program ($28,900 to $33,000), as shown on Exhibit "A", for FY 2025/26 under staff's signature authority.

Continued participation in PRISM's suite of risk management programs will provide IRWD with comprehensive, cost-effective, and strategically layered coverage across all major exposure areas. These programs provide financial protection against catastrophic losses and offer critical support services, including claims oversight, risk control, and tailored legal and regulatory guidance, all specifically designed for the public sector. Leveraging PRISM's pooled strength, purchasing power, and administrative expertise supports long-term rate stability, broader coverage options, and access to resources that would be difficult to obtain independently.

FISCAL IMPACTS:

IRWD participates in multiple core insurance programs administered by PRISM, and the current premium estimates for each program are outlined in the table below:

PRISM Program:	FY 2025/26 Budget	Current PRISM Estimate
General Liability	$3,379,700	$2,710,000 to $2,813,000
Optional Excess Liability	$101,000*	$91,000 to $101,000
Excess Workers' Compensation	$1,162,000	$1,087,000 to $1,102,000
Property Insurance	$1,381,000	$1,196,000 $1,381,000

**This amount is included in the FY 2025/26 General Liability Budget*

Although the actual premiums for the General Liability and Excess Workers' Compensation Programs are expected to be lower than budgeted (by approximately $626,000), a conservative budgeting approach ensures adequate funding is in place should final costs increase at binding. Actual premium amounts will be known by July 1, 2025, and any surplus will remain as budgeted and may be reallocated as needed.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

That Board authorize the General Manager to continue IRWD's participation in PRISM's General and Excess Liability, Workers' Compensation, and Property Insurance Programs for Fiscal Year 2025/26, including approval of the latest insurance premium estimates as shown in Exhibit "A".

LIST OF EXHIBITS:

Exhibit "A" – PRISM 2025/26 Budget Estimates, dated February 2025

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Public Risk Innovation, Solutions, and Management (PRISM)

2025/26 Budget Estimates, February 2025

Irvine Ranch Water District

This second round of estimates have been prepared to further aid you in budgeting for the 2025/26 fiscal year. Since the initial version provided in October, we have updated the budget estimates to reflect the estimated 2025/26 exposure information submitted via the renewal applications and losses evaluated as of 6/30/2024. At the direction of the Board of Directors, the estimates provided are intended to be conservative; however, final premiums may be in excess of these estimates. PRISM has contemplated surcharge debits into these estimates. Surcharge credits from the prior year are not included, unless otherwise specified. Pool rates and reinsurance/excess premiums are still estimated and pending Board approval in March therefore, we recommend you budget towards the high end of the range. Final estimates will be provided the first week of June 2025.

If you are aware that you have had any substantial changes over the past 12 months, please contact Sarah Bishop and a better estimate will be developed for you.

Excess Workers' Compensation Program

	Premium				
23/24 Premium:	$820,853			2023/24 Estimated Payroll:	$44,195,117
24/25 Premium:	$951,682			2024/25 Estimated Payroll:	$49,634,000
25/26 Estimated Premium:	**$1,087,000**	**to**	**$1,102,000**	2025/26 Estimated Payroll:	$53,588,000
Payroll Audit:	$50,448				
Estimated Collectible:	$1,137,448	to	$1,152,448		

PRISM pool rates are updated in this round of budget estimates, but are pending PRISM's Board approval in March of 2025. We have updated the budget estimates to reflect the estimated 2025/26 exposure information submitted via the renewal applications and losses evaluated as of 6/30/2024. Reinsurance/Excess Premiums are estimated with assumptions applied at this time. Administrative costs and fees are also estimated. Members who reported payroll exposure increases greater than 5% over last year, may see premium increases that are higher than the range provided in October. If your agency has directed us to apply the 2023/24 payroll audit to your 2025/26 premium, it has been included in the total collection shown. If you have decided to handle the payroll audit outside of the renewal premium, the estimated premium shown is the estimated total collection. As noted in the introduction, these estimates also do not contemplate any premium credits based on loss experience.

Public Risk Innovation, Solutions, and Management (PRISM)

2025/26 Budget Estimates, February 2025

Irvine Ranch Water District

General Liability 1 Program

	Premium			
23/24 Premium:	$1,699,827		2023/24 Estimated Payroll:	$43,795,200
24/25 Premium:	$2,215,743		2024/25 Estimated Payroll:	$52,879,000
25/26 Estimated Premium:	**$2,710,000**	**to $2,813,000**	2025/26 Estimated Payroll:	$53,588,000

Pool rates are still awaiting PRISM Board approval in March 2025. On February 21, 2025, the Underwriting Committee approved a recommendation to the Executive Committee and the Board to fund at the 85% confidence level (CL) with a 2.5% discount factor. The Program structure related to the Reinsurance/Excess Premiums are estimated with assumptions applied at this time. Administrative costs and fees are also estimated. Due to the hard liability market, we have assumed a rate increase of 25%-40% in both the $5M excess of $5M layer and the $9M excess of $10M layer and 15% to 30% for the $6M excess of $19M layer. These estimates incorporate a 50% reallocation of the surcharge debits as credits.

Property Program

	Premium			
23/24 Premium:	$896,779		2024/25 AR TIV:	$1,255,531,482
24/25 Premium:	$1,251,807		2024/25 EQ TIV:	$0
25/26 Estimated Premium:	**$1,196,000**	**to $1,381,000**		

The 2025/26 October (Version 1) premium budget estimates had an overall premium range of -3 to 12% for most members. This estimate was based on 2024/25 binding total insured values (TIV) and did not take into consideration property schedule updates. The February premium estimates are based on updated TIV as of November 26, 2024, and loss history. As indicated in the initial budget estimates, members with adverse loss history and/or TIV increases between the initial budget and the February budget may result in premium increases that are higher than the range provided in October.

While it is anticipated that the recent wildfire events in Southern California will impact pricing for the excess carriers, we do not expect the increases to exceed the high end of the range. However, additional large catastrophic events or economic downturn prior to the March 31, 2025 renewal could impact the property insurance marketplace, potentially impacting the premium estimate.

We are continuing to recommend that you budget at the high end of the range provided. As noted above, members with adverse loss history and/or increases in TIV may result in additional premium.

Optional Excess Program

	Premium	
23/24 Premium:	$55,911	
24/25 Premium:	$69,139	
25/26 Estimated Premium:	**$91,000**	**to $101,000**

This program currently provides excess limits up to $25M excess of $25M on an optional basis above the GL1 or GL2 programs. We currently recommend that the members budget for a 25-40% rate increase; however, the actual increase or decrease may differ for each member due to exposure changes and/or losses. For those members that do not participate in all layers and are interested in higher limits, please budget for the additional layer(s) accordingly.

Cyber Liability Program

	Premium	
23/24 Premium:	$58,591	
24/25 Premium:	$42,379	
25/26 Estimated Premium:	**$46,700**	**to $55,100**

At this time, we recommend members with no paid or open claims, to budget for a 10% - 30% rate increase. For members that have paid losses or open claims with the potential for paid losses, please budget for a 20% - 60% rate increase. For members with significant losses, exposure changes and inadequate security controls, the increase may be larger. Please note the 24/25 base premium used does not reflect the credit given to members without losses. This is reviewed and decided each year by the Executive Committee.

Pollution Program

	Premium		
23/24 Premium:	$16,927		
24/25 Premium:	$27,438		
25/26 Estimated Premium:	**$28,900**	**to**	**$33,000**

For the 2024-25 renewal, it is our goal to begin negotiations early with Ironshore and negotiate for a flat rate. In 2024, the program experienced a 5% rate increase. At this time, we recommend that members with no paid losses budget an increase of 5% - 20%. In the event losses are reported over the next ten months, we would anticipate rates up to a 50 - 120% increase. In response to significant losses, Ironshore may opt to reduce their overall limits (as low as $5M) and Alliant will look to restructure the program by seeking alternative markets to provide primary and/or excess limits over Ironshore's primary. If this were the case, we would anticipate rates to increase up to 200%. If the losses are significant the increases may be even higher. Note that changes in exposure will impact the premium. Alliant's goal is to begin negotiations early with Ironshore for much better terms if there are no losses in the program.

June 2, 2025
Prepared by: D. Rocha / C. Smithson
Submitted by: N. Adly
Approved by: Paul A. Cook

FINANCE AND PERSONNEL COMMITTEE

SETTING CONNECTION FEES AND PROPERTY TAXES FOR
FISCAL YEARS 2025-26 AND 2026-27

SUMMARY:

IRWD proposes setting new connection fees for two fiscal years, consistent with its two-year budget cycle and the prior connection fee and tax rate setting schedule. The changes to connection fees proposed for Fiscal Year (FY) 2025-26 are based on updates to IRWD's capital budget, updated developer projections, and adjustments to the Engineering News Record (ENR) construction cost index. The increase in connection fees for FY 2025-26 is attributed to the allocation of costs associated with Irvine Lake, including the proposed embankment improvements and the allocated costs that had previously been the responsibility of the Serrano Water District (25%). Changes to the connection fees proposed for FY 2026-27 are based on estimated construction cost increases of 3.0% for all Improvement Districts (IDs).

Staff recommends that the Board approve the changes to the existing connection fees and property tax rates and adopt resolutions approving these revisions.

BACKGROUND:

The IRWD Board has a long-standing policy by which the costs associated with new capital facilities are shared equally between the connection fees paid by developers and property taxes paid by property owners: "the 50/50 split." In 2014, IRWD worked with key developers within its service area to create IRWD's Long-Term Capital Funding Plan (LTFP). The LTFP details the process used to generate rates for both connection fees and property tax rates. It also includes a comprehensive financial model that incorporates capital costs, debt funding, future development, growth rates, inflation, and other variables. This model currently reflects projected fund balances through FY 2059-60.

Connection fees were modeled along with a consolidated tax rate for both residential and commercial development. Staff updated IRWD's financial model for FY 2025-26 and 2026-27 connection fees and tax rate-setting to include the following:

- Updated capital improvement program based upon the FY 2025-26 and 2026-27 approved capital budget and updates that include the Santiago Dam, including
    - The addition of the Serrano Water District portion of costs is new capital to IRWD ($118 million), and
    - The proposed embankment improvements that include a filter and drain to prevent the migration of material during a potential cracking event with high water levels ($100 million);
- ENR estimated capital cost increase adjusted for FY 2025-26 (3.7%) and FY 2026-27 (3.0%);

- Fund balance adjustments through March 2025 with assumptions through fiscal year end;
- Updated assessed valuations; and
- Updated projections for development units.

Exhibit "A" provides a summary of the proposed connection fees and property tax rates by ID, and Exhibit "B" provides an analysis of changes within each ID. Provided as Exhibit "C" is a PowerPoint presentation summarizing the changes.

<u>IDs 112 / 212:</u>

Three separate developments contribute to IDs 112 / 212:

1. The City of Irvine / Great Park;
2. The FivePoint Communities Great Park Neighborhoods; and
3. The County of Orange's 100-acre parcel.

Connection fees for these developments are set separately.

City of Irvine / Great Park:

The recycled water connection fee of $28 million for the Great Park, per an agreement with the City of Irvine, was approved by the Board in June 2017. The estimated fee has been increased to approximately $35.8 million. The City made the first recycled water connection fee payment of $9.9 million in September 2017. The remainder will be paid as the parcels are placed into service. The Great Park will pay 100% of the planned recycled capital expenditures.

FivePoint Communities – Great Park Neighborhoods:

The Great Park Neighborhoods is the FivePoint Communities development within ID 112 / 212. Staff recommends increasing connection fees by $3,991 for FY 2025-26 and $359 in FY 2026-27 based on estimated ENR and estimated increases in capital projects.

The split between the water connection fee and the sewer connection fee was changed to reflect changes in capital spending. The consolidated water and sewer connection fee will increase from $7,981 per unit to $11,972 per unit in FY 2025-26 and to $12,331 per unit in FY 2026-27. Staff recommends continuing the current consolidated tax rate of $0.0475 per $100 of land assessed value to maintain the 50/50 split.

County of Orange 100-acre Parcel (IDs 112 / 212a):

Staff recommends applying the same percentage increase for FY 2025-26 and for FY 2026-27 to the connection fees, for the reasons discussed above, for the 100-acre development site owned by the County of Orange. Because it is publicly-owned, this land has no tax base. The consolidated water and sewer connection fee will increase from $14,682 to $23,785 per unit in FY 2025-26 and to $24,499 per unit in FY 2026-27. The property tax rate will remain at zero as long as the property is owned by the County.

Improvement Districts	Connection Fees			Property Tax	
	Current	Proposed FY 2025-26	Proposed FY 2026-27	Current	Proposed FY 2025-26 to 27
112 / 212 Great Park Neighborhoods	$7,981	$11,972	$12,331	$0.0475	$0.0475
112a / 212a County 100-acre Parcel	$14,682	$23,785	$24,499	$0.0000	$0.0000

IDs 113 / 213 – Former Tustin Marine Base:

For FY 2025-26 and 2026-27, staff recommends increasing the total water and sewer connection fees by $3,989 and $444 respectively due to increases in ENR and estimated increases in capital projects. This will increase the total water and sewer connection fee from $10,781 per unit to $14,770 per unit in FY 2025-26. The split between the water connection fee and the sewer connection fee was adjusted to reflect changes in capital spending. Connection fees will increase to $15,214 per unit in FY 2026-27. Staff recommends continuing the current consolidated tax rate of $0.0990 per $100 of land assessed value to maintain the 50/50 split.

Improvement Districts	Connection Fees			Property Tax	
	Current	Proposed FY 2025-26	Proposed FY 2026-27	Current	Proposed FY 2025-26 to 27
113 / 213 Former Tustin Base	$10,781	$14,770	$15,214	$0.0990	$0.0990

IDs 185 / 285 – Lake Forest Opportunity Study Area, Excluding Portola:

For FY 2025-26 and 2026-27, staff recommends increasing connection fees by $7,175 and $431 respectively due to increases in ENR and estimated increases in capital projects. The ID is nearly fully developed. The consolidated water and sewer connection fee will increase from $7,175 per unit to $14,350 per unit and to $14,781 per unit in FY 2026-27. The split between the water connection fee and the sewer connection fee was changed to reflect changes in capital spending. Staff recommends continuing the consolidated tax rate of $0.0218 per $100 of assessed land value in order to meet debt obligations and maintain the 50/50 funding split.

Improvement Districts	Connection Fees			Property Tax	
	Current	Proposed FY 2025-26	Proposed FY 2026-27	Current	Proposed FY 2025-26 to 27
185 / 285 LF Opportunity Study	$7,175	$14,350	$14,781	$0.0218	$0.0218

IDs 188 / 288 Lake Forest Opportunity Study Area, Portola Only:

For FY 2025-26 and 2026-27, staff recommends increasing connection fees by $6,376 and $352 respectively due to increases in ENR. The consolidated water and sewer connection fee will increase from $5,358 per residential unit to $11,734 per residential unit in FY 2025-26 and to $12,086 per unit in FY 2026-27. Staff recommends decreasing the consolidated tax rate from $0.0394 to $0.0330 per $100 of assessed land value in order to meet debt obligations and maintain the 50/50 funding split.

Improvement Districts	Connection Fees			Property Tax	
	Current	Proposed FY 2025-26	Proposed FY 2026-27	Current	Proposed FY 2025-26 to 27
188 / 288 Portola	$5,358	$11,734	$12,086	$0.0394	$0.0330

IDs 153 / 253 – Developing IDs:

IRWD and the Irvine Company established future usage and related revenue from the sale of native water from Irvine Lake. A portion of the revenue produced by native water sales is applied to connection fees for the developing IDs 153 / 253. The amended Irvine Lake agreement, executed in July 2019, ensures that the Irvine Company pays its fair share of capital infrastructure (without overpaying), recognizing that future sales of native water will reduce the amount of connection fees. The native water assumption includes 3,800 acre-feet (AF) per year at a rate of $368 per AF in FY 2024-25 with the cost of water escalating annually at 3% thereafter. The agreement also provides for a reconciliation every five years between the assumed and the actual native water revenue. The final reconciliation will occur at the end of twenty years in 2038.

For FY 2025-26, staff recommends a $1,673 increase in the consolidated water and sewer connection fee due to increases in ENR and estimated increases in capital projects. The split between the water connection fee and the sewer connection fee was changed to reflect changes in capital spending. For FY 2026-27, staff recommends increasing connection fees by $161 based on estimated ENR. The consolidated water and sewer connection fee will increase from $3,678 per residential unit to $5,351 per residential unit in FY 2025-26 and to $5,512 per unit in FY 2026-27. Staff recommends continuing the current consolidated tax rate of $0.0220 per $100 of assessed land value in order to meet debt obligations and maintain the 50/50 funding split.

Improvement Districts	Connection Fees			Property Tax	
	Current	Proposed FY 2025-26	Proposed FY 2026-27	Current	Proposed FY 2025-26 to 27
153 / 253 Developing ID	$3,678	$5,351	$5,512	$0.0220	$0.0220

ID 256 – Orange Park Acres (OPA) Sewer:

For FY 2025-26 and 2026-27, staff recommends increasing connection fees by $992 and $259 respectively due to increases in ENR and estimated increases in capital projects. The connection fees will increase from $7,630 to $8,622 per residential unit in FY 2025-26 and to $8,881 in FY 2026-27. There is no bonding authority for this ID so there are no property taxes.

Improvement Districts	Connection Fees			Property Tax	
	Current	Proposed FY 2025-26	Proposed FY 2026-27	Current	Proposed FY 2025-26 to 27
156 / 256 OPA	$7,630	$8,622	$8,881	NA	NA

All Other IDs:

For FY 2025-26 and 2026-27, staff recommends increasing connection fees by 25% and 3.0% respectively due to increases in ENR and estimated increases in capital projects. Staff recommends continuing the current consolidated tax rate of $0.0280 per $100 of land assessed value in ID's 125 / 225 to meet debt requirements. Staff recommends reducing the current tax rate per $100 of land assessed value in ID's 240 from $0.01950 to $.0065 to meet debt requirements. The consolidated tax rate in this area (ID 125 / 240) will be $.0150 per $100 of land assessed value.

Improvement Districts	Connection Fees			Property Tax	
	Current	Proposed FY 2025-26	Proposed FY 2026-27	Current	Proposed FY 2025-26 to 27
125 / 225 Developed	$8,341	$10,426	$10,739	$0.0280	$0.0280
125 / 240 Developed	$8,568	$10,775	$11,099	$0.0280	$0.0150
111 / 222 Developed, no G.O. Bonding Authority [1]	$13,836	$17,295	$17,814	NA	NA

[1] Identifies the consolidated connection fee for a density between 5.9 to 10.8 dwelling units (DU) per acre.

FISCAL IMPACTS:

Total connection fees discussed above are included in the FY 2025-26 and 2026-27 non-operating budgets.

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:

That the Board approve revisions to connection fees and property taxes as presented and adopt resolutions approving these revisions at the June 23, 2025, Board meeting.

LIST OF EXHIBITS:

Exhibit "A" – Proposed Connection Fees and Property Tax Rates
Exhibit "B" – Analysis of Changes within Improvement Districts
Exhibit "C" – Connection Fees and Property Taxes 2026 PowerPoint Presentation

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Exhibit "A"

Proposed Connection Fees and Property Tax Rates
Fiscal Years 2025-26 and 2026-27

CONNECTION FEES [1]

	Current FY 2024-25			Proposed FY 2025-26			
							[2]
Improvement District	**Water**	**Sewer**	**Total**	**Water**	**Sewer**	**Total**	**$**
111/222	$4,956	$8,880	$13,836	$5,985	$11,310	$17,295	$3,459
112/212	$2,391	$5,590	$7,981	$4,215	$7,757	$11,972	$3,991
112a/212a No Tax Authority (100% Connection Fee)	$4,068	$10,614	$14,682	$5,063	$18,722	$23,785	$9,103
113/213	$1,368	$9,413	$10,781	$5,617	$9,153	$14,770	$3,989
125/240	$3,062	$5,506	$8,568	$4,125	$6,650	$10,775	$2,207
125/225	$3,062	$5,279	$8,341	$4,125	$6,301	$10,426	$2,085
153/253	$1,337	$2,341	$3,678	$1,833	$3,518	$5,351	$1,673
153/253 PA 30	$5,129	$5,353	$10,482	$7,463	$7,789	$15,252	$4,770
256 OPA		$7,630	$7,630		$8,622	$8,622	$992
185/285	$1,656	$5,519	$7,175	$7,000	$7,350	$14,350	$7,175
188/288	$1,973	$3,385	$5,358	$6,570	$5,164	$11,734	$6,376

	Proposed FY 2025-26			Proposed FY 2026-27			
							[2]
Improvement District	**Water**	**Sewer**	**Total**	**Water**	**Sewer**	**Total**	**$**
111/222	$5,985	$11,310	$17,295	$6,165	$11,649	$17,814	$519
112/212	$4,215	$7,757	$11,972	$4,341	$7,990	$12,331	$359
112a/212a No Tax Authority (100% Connection Fee)	$5,063	$18,722	$23,785	$5,215	$19,284	$24,499	$714
113/213	$5,617	$9,153	$14,770	$5,786	$9,428	$15,214	$444
125/240	$4,125	$6,650	$10,775	$4,249	$6,850	$11,099	$324
125/225	$4,125	$6,301	$10,426	$4,249	$6,490	$10,739	$313
153/253	$1,833	$3,518	$5,351	$1,888	$3,624	$5,512	$161
153/253 PA 30	$7,463	$7,789	$15,252	$7,687	$8,023	$15,710	$458
256 OPA		$8,622	$8,622		$8,881	$8,881	$259
185/285	$7,000	$7,350	$14,350	$7,210	$7,571	$14,781	$431
188/288	$6,570	$5,164	$11,734	$6,767	$5,319	$12,086	$352

PROPERTY TAX RATES [4]

	Current			Proposed		
Improvement District	**Water**	**Sewer**	**Total**	**Water**	**Sewer**	**Total**
112/212	$0.0110	$0.0365	$0.0475	$0.0110	$0.0365	$0.0475
113/213	$0.0400	$0.0590	$0.0990	$0.0400	$0.0590	$0.0990
125/225	$0.0085	$0.0195	$0.0280	$0.0085	$0.0195	$0.0280
125/240	$0.0085	$0.0195	$0.0280	$0.0085	$0.0065	$0.0150
153/253	$0.0010	$0.0210	$0.0220	$0.0010	$0.0210	$0.0220
185/285	$0.0081	$0.0137	$0.0218	$0.0081	$0.0137	$0.0218
188/288	$0.0309	$0.0085	$0.0394	$0.0259	$0.0071	$0.0330

[1] Includes an estimated increase of $225 million for the Santiago Dam Outlet.

[2] ENR for June 2025 through March 2026 is estimated at 3.7**%.**

[3] Estimated ENR for June 2026 through June 2027 is 3.0**%.**

[4] Based on $100 of land assessed value.

Tax Rate adjustments reduced to match annual debt service.

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IRVINE RANCH WATER DISTRICT
Analysis of Changes within IDs
(in millions)

Improvement District	111/222

To Date:	Water	Sewer	Total
Fund Balance (3/31/2025)	$ (14.6)	$ (7.7)	$ (22.3)
Underlay			

Future Projection:			
Revenue:			
Interest Income on Balance	$ 51.5	$ 57.0	$ 108.5
Other Revenues (2)	16.6	7.0	23.6
1% and Enhancement	259.8	217.7	477.5
Bond Sales	147.6	91.7	239.3
Connection Fees	2.4	4.6	7.0
GO Property Taxes	-	-	-
Total Revenue	$ 477.9	$ 378.0	$ 855.9
Expenditures:			
Capital	$ (187.9)	$ (131.9)	$ (319.8)
Debt	(240.6)	(166.0)	(406.6)
Total Expenditures	$ (428.5)	$ (297.9)	$ (726.4)
Fund Balance (FY 2059-60)	$ 34.8	$ 72.4	$ 107.2

Connection Fees:

Year	Current	Proposed	Change $
25-26	$13,836	$17,295	$3,459
26-27	$17,295	$17,814	$519

GO Property Taxes:

25-26	$0.0000	$0.0000	$0.0000
26-27	$0.0000	$0.0000	$0.0000

(1) Expenditures includes both capital infrastructure and general plant expenditures.
(2) This ID has no GO authority and therefore no property taxes.

IRVINE RANCH WATER DISTRICT
Analysis of Changes within IDs
(in millions)

Improvement District	112/212

To Date:	Water	Sewer	Total
Expenditures [1]	$ (29.2)	$ (102.2)	$ (131.4)
Connection Fees	13.1	40.0	53.1
GO Property Taxes	6.1	18.1	24.2
Previous Bond Sales	8.1	26.0	34.1
Other [2]	2.0	4.0	6.0
Fund Balance (3/31/2025)	$ 0.1	$ (14.1)	$ (13.9)

Future Projection:			
Revenue:			
Interest Income on Balance	$ 10.8	$ 17.1	$ 27.9
Other Revenues [2]	2.3	30.0	32.3
Bond Sales	26.4	54.5	80.9
Connection Fees	20.9	38.6	59.5
GO Property Taxes	21.1	69.3	90.4
Total Revenue	$ 81.5	$ 209.5	$ 291.0
Expenditures:			
Capital	$ (28.4)	$ (62.9)	$ (91.3)
Debt	(53.1)	(132.6)	(185.7)
Total Expenditures	$ (81.5)	$ (195.5)	$ (277.0)
Fund Balance (FY 2059-60)	$ 0.1	$ (0.1)	$ 0.1

Connection Fees:				
Previous	$13.1	$40.0	$53.1	
Future	$20.9	$38.6	$59.5	
Total Connection Fees	$34.0	$78.6	$112.6	50%

GO Property Taxes:				
Previous	$6.1	$18.1	$24.2	
Underlay (ID 125/225)	$0.0	$0.0	$0.0	
Future	$21.1	$69.3	$90.4	
Total GO Property Taxes	$27.2	$87.4	$114.6	50%

Year	Current	Proposed	Change $
25-26	$7,981	$11,972	$3,991
26-27	$11,972	$12,331	$359
25-26	$0.0475	$0.0475	$0.0000
26-27	$0.0475	$0.0475	$0.0000

(1) Expenditures includes both capital infrastructure and general plant expenditures.
(2) Other includes Grants, AMP, LRP, LPP, and any other revenue sources that were used to offset capital.

IRVINE RANCH WATER DISTRICT
Analysis of Changes within IDs
(in millions)

Improvement District	113/213

To Date:	Water	Sewer	Total
Expenditures [1]	$ (22.8)	$ (44.1)	$ (66.9)
Connection Fees	5.1	11.6	16.7
GO Property Taxes	4.0	5.8	9.8
Previous Bond Sales	16.3	28.6	44.9
Other [2]	1.3	(0.1)	1.2
Fund Balance (3/31/2025)	$ 3.9	$ 1.8	$ 5.7

Future Projection:			
Revenue:			
Interest Income on Balance	$ 7.7	$ 6.9	$ 14.6
Other Revenues [2]	1.6	2.0	3.6
Bond Sales	11.0	20.6	31.6
Connection Fees	15.4	25.1	40.5
GO Property Taxes	18.7	28.8	47.5
Total Revenue	$ 54.4	$ 83.4	$ 137.8
Expenditures:			
Capital	$ (19.2)	$ (26.8)	$ (46.0)
Debt	(35.1)	(62.1)	(97.2)
Total Expenditures	$ (54.3)	$ (88.9)	$ (143.2)
Fund Balance (FY 2059-60)	$ 4.0	$ (3.7)	$ 0.3

Connection Fees:					Year	Current	Proposed	Change $
Previous	$5.1	$11.6	$16.7					
Future	$15.4	$25.1	$40.5					
Total Connection Fees	$20.5	$36.7	$57.2	50%	25-26	$10,781	$14,770	$3,989
					26-27	$14,770	$15,214	$444

GO Property Taxes:								
Previous	$4.0	$5.8	$9.8					
Future	$18.7	$28.8	$47.5					
Total GO Property Taxes	$22.7	$34.6	$57.3	50%	25-26	$0.0990	$0.0990	$0.0000
					26-27	$0.0990	$0.0990	$0.0000

(1) Expenditures includes both capital infrastructure and general plant expenditures.
(2) Other includes Grants, AMP, LRP, LPP, and any other revenue sources that were used to offset capital.

IRVINE RANCH WATER DISTRICT
Analysis of Changes within IDs
(in millions)

Improvement District	185/285

To Date:	Water	Sewer	Total
Expenditures [1]	$ (3.6)	$ (8.0)	$ (11.6)
Connection Fees	2.4	3.8	6.2
GO Property Taxes	0.9	1.4	2.3
Previous Bond Sales	1.5	1.8	3.3
Other [2]	1.4	3.8	5.2
Fund Balance (3/31/2025)	$ 2.6	$ 2.8	$ 5.4
Underlay	$ 1.9	$ 4.3	6.1

Future Projection:			
Revenue:			
Interest Income on Balance	$ 3.6	$ 2.1	$ 5.7
Other Revenues [2]	0.8	0.7	1.5
Bond Sales	9.7	10.3	20.0
Connection Fees	0.3	0.3	0.6
GO Property Taxes	10.3	14.2	24.5
Total Revenue	$ 24.7	$ 27.6	$ 52.3
Expenditures:			
Capital	$ (8.5)	$ (10.0)	$ (18.5)
Debt	(17.9)	(21.1)	(39.0)
Total Expenditures	$ (26.4)	$ (31.1)	$ (57.5)
Fund Balance (FY 2059-60)	$ 0.9	$ (0.7)	$ 0.2

Connection Fees:					Year	Current	Proposed	Change $
Previous	$2.4	$3.8	$6.2					
Future	$0.3	$0.3	$0.6					
Total Connection Fees	$2.7	$4.1	$6.8	17%	25-26	$7,175	$14,350	$7,175
					26-27	$14,350	$14,781	$431
GO Property Taxes:								
Previous	$0.9	$1.4	$2.3					
Underlay (ID 125/225)	$1.9	$4.3	$6.1					
Future	$10.3	$14.2	$24.5					
Total GO Property Taxes	$13.1	$19.9	$32.9	83%	25-26	$0.0218	$0.0218	$0.0000
					26-27	$0.0218	$0.0218	$0.0000

(1) Expenditures includes both capital infrastructure and general plant expenditures.
(2) Other includes Grants, AMP, LRP, LPP, and any other revenue sources that were used to offset capital.

IRVINE RANCH WATER DISTRICT
Analysis of Changes within IDs
(in millions)

Improvement District	188/288

To Date:	Water	Sewer	Total
Expenditures [1]	$ (9.9)	$ (9.1)	$ (19.0)
Connection Fees	1.0	1.5	2.5
GO Property Taxes	2.7	0.4	3.1
Previous Bond Sales	4.6	0.4	5.0
Other [2]	2.6	6.7	9.3
Fund Balance (3/31/2025)	$ 1.0	$ (0.1)	$ 0.9
Underlay			

Future Projection:			
Revenue:			
Interest Income on Balance	$ 1.7	$ 0.9	$ 2.6
Other Revenues [2]	0.2	-	0.2
Bond Sales	2.4	0.8	3.2
Connection Fees	1.4	1.1	2.5
GO Property Taxes	1.5	0.4	1.9
Total Revenue	$ 7.2	$ 3.2	$ 10.4
Expenditures:			
Capital	$ (2.4)	$ (1.0)	$ (3.4)
Debt	(6.2)	(1.9)	(8.1)
Total Expenditures	$ (8.6)	$ (2.9)	$ (11.5)
Fund Balance (FY 2059-60)	$ (0.4)	$ 0.2	$ (0.2)

Connection Fees:					Year	Current	Proposed	Change $
Previous	$1.0	$1.5	$2.5					
Future	$1.4	$1.1	$2.5					
Total Connection Fees	$2.4	$2.6	$5.0	50%	25-26	$5,358	$11,734	$6,376
					26-27	$11,734	$12,086	$352

GO Property Taxes:								
Previous	$2.7	$0.4	$3.1					
Underlay (ID 125/225)	$0.0	$0.0	$0.0					
Future	$1.5	$0.4	$1.9					
Total GO Property Taxes	$4.2	$0.8	$5.0	50%	25-26	$0.0394	$0.0330	($0.0064)
					26-27	$0.0330	$0.0330	$0.0000

(1) Expenditures includes both capital infrastructure and general plant expenditures.
(2) Other includes Grants, AMP, LRP, LPP, and any other revenue sources that were used to offset capital.

IRVINE RANCH WATER DISTRICT
Analysis of Changes within IDs
(in millions)

Improvement District | **153/253 (Undeveloped)**

To Date:	Water	Sewer	Total
Expenditures [1]	$ (11.6)	$ (54.3)	$ (65.9)
Connection Fees	18.1	22.8	40.9
GO Property Taxes	3.6	7.6	11.2
Previous Bond Sales	7.60	11.90	19.5
Other [2]	14.2	9.2	23.4
Fund Balance (3/31/2025)	$ 31.9	$ (2.8)	$ 29.1
Underlay	$ 7.6	$ 17.4	25.0
Future Projection:			
Revenue:			
Interest Income on Balance	$ 36.9	$ 16.8	$ 53.7
Other Revenues [2]	46.3	69.9	116.2
Bond Sales	69.2	75.0	144.2
Connection Fees	14.0	26.3	40.3
GO Property Taxes	2.6	42.6	45.2
Total Revenue	$ 169.0	$ 230.6	$ 399.6
Expenditures:			
Capital	$ (77.1)	$ (84.8)	$ (161.9)
Debt	(123.4)	(142.9)	(266.3)
Total Expenditures	$ (200.5)	$ (227.7)	$ (428.2)
Fund Balance (FY 2059-60)	$ 0.4	$ 0.1	$ 0.5

Connection Fees:				
Previous	$18.1	$22.8	$40.9	
Future	$14.0	$26.3	$40.3	
Total Connection Fees	$32.1	$49.1	$81.2	50%

GO Property Taxes:				
Previous	$3.6	$7.6	$11.2	
Underlay (ID 125/225)	$7.6	$17.4	$25.0	
Future	$2.6	$42.6	$45.2	
Total GO Property Taxes	$13.8	$67.6	$81.4	50%

Year	Current	Proposed	Change $
25-26	$3,678	$5,351	$1,673
26-27	$5,351	$5,512	$161
25-26	$0.0220	$0.0220	$0.0000
26-27	$0.0220	$0.0220	$0.0000

(1) Expenditures includes both capital infrastructure and general plant expenditures.

(2) Other Revenues include native water and golf course revenue for 153/253, buy-in costs, and estimated grant revenue and any source revenue.

IRVINE RANCH WATER DISTRICT
Analysis of Changes within IDs
(in millions)

Improvement District	125/225

To Date:	Water	Sewer	Total
Fund Balance (3/31/2025)	$ 150.4	$ 6.6	$ 157.0
Future Projection:			
Revenue:			
Interest Income on Balance	$ 101.9	$ 8.1	$ 110.0
Other Revenues (2)	22.0	22.6	44.6
1% and Enhancement	112.3	327.5	439.8
Bond Sales	192.3	207.3	399.6
Connection Fees	27.5	42.0	69.5
GO Property Taxes	187.3	366.7	554.0
Total Revenue	$ 643.3	$ 974.2	$ 1,617.5
Expenditures:			
Capital	$ (244.5)	$ (282.5)	$ (527.0)
Debt	(532.6)	(677.4)	(1,210.0)
Total Expenditures	$ (777.1)	$ (959.9)	$(1,737.0)
Fund Balance (FY 2059-60)	$ 16.6	$ 20.9	$ 37.5

Connection Fees:

Year	Current	Proposed	Change $
25-26	$8,341	$10,426	$2,085
26-27	$10,426	$10,739	$313

GO Property Taxes:

25-26	$0.0280	$0.0280	$0.0000
26-27	$0.0280	$0.0280	$0.0000

(1) Expenditures includes both capital infrastructure and general plant expenditures.

(2) Other includes Grants, AMP, LRP, LPP, and any other revenue sources that were used to offset capital.

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FY 2025-26 & 2026-27 CONNECTION FEES AND PROPERTY TAXES

FINANCE AND PERSONNEL COMMITTEE

JUNE 2, 2025

Irvine Ranch Water District

CONNECTION FEES AND PROPERTY TAXES FY 2025-26 AND 2026-27

Presentation Agenda:

1. Connection Fee and Property Tax Rate Development
2. Overview of Significant Changes
3. Proposed Connection Fees
4. Proposed Property Tax Rates
5. Staff Recommendation

Irvine Ranch Water District

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CONNECTION FEE AND PROPERTY TAX DEVELOPMENT

This process remains unchanged since the Board approved the Long Term Financial Plan (LTFP) in 2013-14:

- Request input from local developers and incorporate changes.
- Update IRWD Connection Fee and Property Tax model.
- Set connection fees and property tax to share costs equally between developers and property owners (through 2060).
- Recommend Board approval of connection fees and property tax rates for FY 2025-26 and FY 2026-27.

Staff will revisit connection fees and tax rates at mid-cycle and update the Committee on any changes that could affect tax rates and fees.

Irvine Ranch Water District

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OVERVIEW OF SIGNIFICANT CHANGES

Updated critical components of the rate setting model:

- Increases associated with ENR
  - ✓FY 2025-26 = 3.7% (net)
  - ✓FY 2026-27 = 3.0% (estimate)
- New Capital Improvement Projects:
  - ✓Santiago Dam: $228 million
  - ✓Orange Heights: $12 million
  - ✓ Howiler Plant Improvements: $6 million
- Interest Earnings: 1% increase (from 3.7% to 4.0%)
- Cost of Debt: 1% increase (from 2.7% to 3.5%)

Irvine Ranch Water District

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NEW CAPITAL BOND SALE PROJECTIONS

Projected Bond Sales through 2031

Type Of Debt	Capital Type	Water	Sewer	Total
		(millions)		
Certificate of Participation (COP)/Revenue	New Capital	$133.1	$89.3	$222.4
	Replacement	$180.0	$40.0	$220.0
General Obligation	New Capital	$248.4	$352.4	$600.8
Total Bond Sales		**$561.5**	**$481.7**	**$1,043.2**

Irvine Ranch Water District

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NEW CAPITAL BOND SALE PROJECTIONS

FY 2027-28				
Certificate of Participation (COP)/Revenue	New Capital	$33.5	$21.2	$54.7
	Replacement	$0.0	$0.0	$0.0
General Obligation	New Capital	$76.8	$68.5	$145.3
Total - FY 2027-28		**$110.3**	**$89.7**	**$200.0**
FY 2030-31				
Certificate of Participation (COP)/Revenue	New Capital	$99.6	$68.1	$167.7
	Replacement	$180.0	$40.0	$220.0
General Obligation	New Capital	$171.7	$283.9	$455.6
Total - FY 2030-31		**$451.3**	**$392.0**	**$843.3**

Irvine Ranch Water District

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PROPOSED CONNECTION FEES AND TAX RATES

Irvine Ranch Water District

PROPOSED CONNECTION FEES

	Current	Proposed	
Improvement District	FY 2024-25	FY 2025-26	FY 2026-27
111/222	$13,836	$17,295	$17,814
112/212	$7,981	$11,972	$12,331
113/213	$10,781	$14,770	$15,214
125/240	$8,568	$10,775	$11,099
125/225	$8,341	$10,426	$10,739
153/253	$3,678	$5,351	$5,512
153/253 PA 30	$10,482	$15,252	$15,710
256 OPA	$7,630	$8,622	$8,881
185/285	$7,175	$14,350	$14,781
188/288	$5,358	$11,734	$12,086

Irvine Ranch Water District

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PROPOSED TAX RATES

	Current	Proposed	
Improvement District	FY 2024-25	FY 2025-26	FY 2026-27
112/212	$0.0475	$0.0475	$0.0475
113/213	$0.0990	$0.0990	$0.0990
125/225	$0.0280	$0.0280	$0.0280
125/240	$0.0280	$0.0150	$0.0150
153/253	$0.0220	$0.0220	$0.0220
185/285	$0.0218	$0.0218	$0.0218
188/288	$0.0394	$0.0300	$0.0300

Tax rate adjustments reduced to match annual debt service.

Irvine Ranch Water District

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STAFF RECOMMENDATION

That the Committee recommend Board approval of the Fiscal Year 2025-26 and Fiscal Year 2026-27 connection fees and property taxes.

Irvine Ranch Water District

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AGENDA ITEM 12.B

The following are the claims referenced on the agenda and related to the 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: Lakeshore Landlessee PT, LLC Phone: 949.955.5253 work email: jbrand@sentre.com

Address of Claimant: 18101 Von Karman Ave., Suite 1220 Irvine CA 92612

1. Date and time of incident: **February 21, 2024 at approximately 7:45 am.**

2. Location of incident: **On the Lakeshore property between the Il Fornaio restaurant (18051 Von Karman Avenue, Irvine, CA) and the 18-Story Office Building (18101 Von Karman Avenue, Irvine, CA).**

3. How did this incident occur? (Give complete information) **an IRWD valve failed.**

4. Describe the damage that resulted from the incident: **The flood caused by the waterline break brought water, mud, and debris into our underground tunnel system damaging the drywall, doors, walkway system, etc.. Additionally, the water, mud, and debris contaminated the adjacent onsite lake and further spread into the multi-use campus damaging the surrounding landscape, pedestrian walkways, and artificial turf.**

5. Give the name(s) of the public employee(s) causing the injury, damage, or loss, if known: **Not applicable**

6. What is the approximate amount of damage sustained? **See attached tracking sheet of invoices paid to date as well as projected expenses (estimate).**
(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: _____ Date: 8/15/2024

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".

Revised 8/2018

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RECEIVED

MAY 06 2024

FINANCE
IRVINE RANCH WATER DISTRICT

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: PMI Charter LLC Phone: 949-724-0505 email: pm.sofiirvine@avenue5apt.com

Home Address of Claimant: 2750 Kelvin Ave. Irvine CA 92614

1. Date and time of incident: April 14th, 2024 aproximately around 8AM

2. Location of incident: Property Parking garage

3. How did this incident occur? (Give complete information) Pipe burst through IRWD mainline causing severe flood within parking garage of the property. The amount of water that had collected was ankle high due to a broken water main.

4. Describe the damage that resulted from the incident: Severe water damage throughout parking garage, resulting in a massive cleanup service required, in addition to (2) property elevator cabins failing, requiring extensive repair. The floor drain lines, as well as sewer main lines were severly backed up requiring extensive hydrojetting .

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? $77,577.50
(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: _____ Date: 5/2/24

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".

Revised 8/2018

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